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The following estimates, forecasts, and projections are mainly taken from recent publications of the National Agricultural Statistics Service, Economic Research Service, and the World Agricultural Outlook Board of the USDA.

Wheat. The U.S. winter wheat production is forecast at 1.47 billion bushels. This is down 4% from last month's forecast and 14% below 2003. The U.S. yield is forecast at 42.2 bushels per acre, down 1.4 bushels from last month. The World Agricultural Outlook Board (WAOB) projected 2004/05 all wheat ending stocks at 494 million bushels, down only 1 million bushels from last month. Supplies are nearly unchanged from last month with larger reported carryin stocks but imports 5 million bushels lower. Expected use is fractionally lower than last month. The WAOB projected price range for 2004/05 is $3.20 to $3.80 per bushel.

Corn. The U.S. corn production for 2004 is projected at a record 10.6 billion bushels by the WAOB, up 210 million bushels from last month. The trend yield is unchanged from June, at 145.0 bushels per acre. Ending stocks for 2004/05 are projected to be 991 million bushels, up 250 million bushels from last month and 95 million bushels more than last year. Plantings for 2004 are estimated at 81.0 million acres, up 3% from last year and harvested acreage is estimated at 73.4 million acres. The WAOB projected price range for the 2004/05 corn crop is $2.30 to $2.70 per bushel, compared with $2.40 to $2.45 per bushel for the 2003/04 crop.

Soybeans. Soybean production for 2004 is projected by the WAOB at a record 2.94 billion bushels, down 25 million bushels from the June forecast. The projected trend yield, at 39.9 bushels per acre, is down one tenth of a bushel from last month. Projected ending stocks for the 2003/04 season are reduced to 105 million bushels, down 10 million bushels from last month. This would be the lowest ending stocks level since 1976/77. U.S. soybean crush for 2003/04 is forecast at 1.5 billion bushel, up 25 million from last month, reflecting a higher-than-expected soybean meal use through the end of the third quarter as returns to livestock production remain favorable. Projected exports are down 15 million bushels from last month to 1,050 million bushels. Planted area in the U.S. is estimated at 74.8 million acres, up 2% from last year, and harvested acreage is estimated at 73.7 million acres. Soybean prices for 2004/05 are projected at $5.70 to $6.70 per bushel, compared to $7.55 per bushel for the 2003/04 crop and $5.53 for the 2002/2003 crop.

Cotton. The U.S. cotton outlook for 2004/05 includes higher production and domestic mill use, lower exports, resulting in larger ending stocks. The WAOB projected production at 18.0 million bales, up 2% from last month, as lower planted area indicated in the June 30 Acreage report is more than offset by a lower abandonment level; abandonment is reduced based on favorable conditions to date, especially in the Southwest. A decrease in the export projection reflects increasingly higher foreign production. Ending stocks are raised to 4.5 million bales.

Other Crops. Planted acreage for **sorghum** is estimated at 8.10 million acres, down 14% from last year, and the area harvested for grain is estimated at 6.92 million acres, down 11% from 2003. **Oats** acreage totaled 4.22 million acres, down 8% from last year, and the area harvested for grain is 1.94 million acres, down 13% from last year. **Barley** growers seeded 4.67 million acres in 2004, a decrease of 12% from last year and expect to harvest 4.15 million acres. **Rice** producers seeded an estimated 3.35 million acres, 11% above last year's acreage, and the harvested area is estimated at 3.32 million acres, up 11% from 2003. **Hay** producers will harvest 61.6 million acres, 3% below last year.

Cattle. Mid-July **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged $83 per cwt, down $4 from mid-June. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were $118 per cwt, up $4 from a month ago.

Hogs. During the first two weeks of July, hog **slaughter** was running 6.3% above a year ago. Cash **prices** at mid-July (Iowa-Southern Minnesota direct, 51-52% lean) were $57 per cwt, unchanged from mid-June. Third quarter prices are expected to average $53 per cwt.

Other Livestock. June **milk production** was down 0.2% from the previous year. Production per cow was up 0.4% from last year, but the number of cows decreased 0.6% from a year ago. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was down the first two weeks of July. Total **cheese** production reported for the month of May 2004 was 1.0% above the previous year. **Butter** production during this same time period was 10.9% below the previous May. **Nonfat** dry milk production was down 9.6% from the previous year. US table **egg production** during June 2004 totaled 6.20 billion, up 3% from June 2003. Wholesale market **egg prices** for the third quarter of 2004 (Grade A large, New York) are expected to average 85-89 cents per dozen, compared with 89.9 cents a year ago. Fourth quarter 2004 egg prices are expected to average 93-101 cents per dozen, compared with 110.7 cents a year earlier. **Broiler**-Type chicks hatched during June 2004 totaled 786 million, up 1% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending July 17, 2004, were 174 million, up 5% from a year ago. Cumulative placements for the 19 selected states for the period December 28, 2003 - July 17, 2004 totaled 4.99 billion, up 2% from the 4.89 billion chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the third quarter of 2004 is expected to be 73-77 cents, compared with 63.4 cents from the second quarter of last year. Fourth quarter 2004 broiler prices are expected to average 70-76 cents per pound, compared with the 64.6 cents for a year earlier. Turkey Poult Placements in June 2004, at 23.5 million, were down 8% from last June. Cumulative placements for the 2004 marketing year are 233 million poults, down 5% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the third quarter of 2004 are expected to be 65-69 cents compared with 59.1 cents for the third quarter last year. Turkey prices for the fourth quarter of 2004 are expected to average 67-73 cents per pound, compared with the 67.4 cents average for the third quarter of 2004. **Supplies in refrigerated warehouses** at the end of June 2004 compared with a year earlier were: total chicken, up 15%; turkey, down 18%; pork, down 18%; bellies, down 15%; beef, up 11%; frozen orange juice, up 10%; butter, down 38% and American cheese, up 7%.

Trade. June U.S. **trade projections** for rice improved while 2004/2005 export prospects for soybeans, cotton, and turkeys declined, compared with last month. Wheat, corn, beef, pork, and broilers were unchanged from May. June projections for the volume of exports for the 2004/2005 marketing year compared to 2003/2004 are: **wheat** down 16%; **corn** up 8%; **rice** up 12%; **soybeans** up 17%; **soybean meal** up 28%; **soybean oil** up 33%; and **cotton** down 18%. June projections for the volume of meat exports in calendar 2004 compared to 2003 are: **beef** up 36%; **pork** up 1%; **broilers** up 12%; and **turkeys** up 27%. The **U.S. trade** deficit for goods and services decreased to $46.0 billion in May, from a revised $48.1 billion in April. The **U.S. agricultural trade** surplus was $292 million in May, compared with $281 million in April.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.3% in June and has increased 3.3% over the last 12 months. The **PPI** increased 0.3% in June and has increased 4.0% over the last 12 months. The June **prime rate**, averaging 4%, has been unchanged since July 2003. Compared to a year earlier, **feed** prices in June were up 17%; **feeder livestock and poultry** were up 30%; **fertilizer** up 6%; **ag chemicals** unchanged; **farm machinery** up 6%**, seeds** up 1% and **fuels** up 21%.

World Weather and Crop Developments (July 11-18). In the **United States**, the western half of the Nation was mostly hot and dry, while cooler, wetter weather prevailed east of the Great Plains. In the Corn Belt and Ohio Valley, temperatures were above normal early in the week, promoting rapid crop development, despite below-normal temperatures through the middle and end of the week. Crops developed steadily in the Great Plains, while conditions improved, in spite of above-normal temperatures and only light, scattered rainfall. In the Mississippi Delta and Southeast, crop conditions declined, despite moderate to heavy precipitation over the weekend. Precipitation was mostly light in the Rocky Mountains, with limited areas receiving moderate rainfall. Along the Pacific Coast, crops developed slowly under hot, dry conditions. Across northern, central, and southeastern **Europe**, widespread rainy, cool weather slowed winter grain maturation and harvesting. Moderate to heavy rain halted winter wheat harvesting in **Ukraine**, while several days of dry weather helped harvest activities in southern **Russia**. Widespread showers maintained high moisture levels in the **Philippines**, while showers favored rice in **Indochina**. Much needed, warmer weather spurred development of Prairie grains and oilseeds in **Canada**. In **Brazil**, showers caused some additional delays in coffee harvesting. Dry weather promoted winter wheat planting in **Argentina**, but below-normal temperatures slowed germination.

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