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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. All wheat production is forecast at 2.12 billion bushels, up 3% from the July forecast but down 9% from last year. Based on conditions as of August 1, the U.S. yield is forecast at 42.0 bushels per acre, up 1.4 bushels from July. The World Agricultural Outlook Board (WAOB) projected 2004/05 U.S. ending stocks are up 84 million bushels from July due to an increase in production and reduced exports. The projected price range for 2004/05 is $2.95 to $3.55 per bushel compared to $3.40 for the 2003/04 crop.

Corn. The August forecast for 2004 corn production is 10.9 billion bushels, up 8% from last year. U.S. yields are expected to average 148.9 bushels per acre, up 6.7 bushels from a year ago. A market year average price between $2.05 and $2.45 per bushel is expected compared to $2.40 for the 2003/04 crop. WAOB projected global production for the 2004/05 crop year is expected to be up 7% from the 2003/04 crop year, but global ending stocks are expected to be down 7%.

Soybeans. The 2004 soybean crop is forecast at 2.88 billion bushels, up 19% from last year. Based on August 1 conditions, yields are expected to average 39.1 bushels per acre, up 5.7 bushels from 2003. A market year average price is projected between $5.40 and $6.40 per bushel compared to $7.40 for the 2003/04 crop year. Global production for the 2004/05 crop year is projected by WAOB to be up 18% from last year and global ending stocks are expected to be up 39%.

Cotton. The U.S. cotton production is forecast at 20.2 million 480-pound bales, up 11% from last year's production. The yield is expected to average 727 pounds per acre, down 3 pounds from 2003. Compared to last month, the 2004/05 U.S. cotton situation reflects sharply higher production and only marginally higher domestic mill use, resulting in higher ending stocks.

Rice. U.S. rice production is forecast at 222 million cwt, up 11% from 2003. Based on August 1 conditions, yields are forecast at 6,680 pounds per acre, up 35 pounds from the record high in 2003. Harvest is underway in Louisiana and Texas. The market year average price is expected to average between $6.75 and $7.25 per cwt compared to $7.48 for the 2003/04 crop.

Other Crops. The U.S. August **Durum wheat** forecast, at 89.0 million bushels, is up slightly from last month, but 8% below last year. The August **Other Spring wheat** production is forecast at 545 million bushels, up 9% from a month ago and 2% above a year ago. **Grain Sorghum** is forecast at 465 million bushels, up 13% from 2003. **Barley** production is forecast at 273 million bushels, up 4% from July but down 1% from 2003. **Oat** production is forecast at 128 million bushels, up 5% from July but down 12% from 2003. The **peanut crop** is expected to be up 4% from last year; **dry edible bean** production down 5%; **tobacco** production up 10%; **alfalfa hay** production up 1% from 2003; and **other hay** production up 5%.

Cattle. Mid-August **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged $86 per cwt, up $3 from mid-July. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were $118 per cwt, unchanged from a month ago.

Hogs. During the first two weeks of August, hog **slaughter** was running 0.7% above a year ago. Cash **prices** at mid-August (Iowa-Southern Minnesota direct, 51-52% lean) were $54 per cwt, down $3 from mid-July. Third quarter prices are expected to average $55 per cwt.

Other Livestock. July **milk production** was up 0.7% from the previous year. Production per cow was up 1.0% from last year, while the number of cows decreased 0.3% from a year ago. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was down the first two weeks of August. Total **cheese** production reported for the month of June, 2004 was 0.6% above the previous year. **Butter** production during this same time period was 15.2% above the previous June. **Nonfat** dry milk production was up 2.2% from the previous year. US table **egg production** during July 2004 totaled 6.45 billion, up 2% from July 2003. Wholesale market **egg prices** for the third quarter of 2004 (Grade A large, New York) are expected to average 79-81 cents per dozen, compared with 89.9 cents a year ago. Fourth quarter 2004 egg prices are expected to average 82-88 cents per dozen, compared with 110.7 cents a year earlier. **Broiler**-Type chicks hatched during July 2004 totaled 807 million, up 4% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending August 14, 2004, were 173 million, up 2% from a year ago. Cumulative placements for the 19 selected states for the period December 28, 2003 - August 14, 2004 totaled 5.68 billion, up 2% from the 5.57 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 77-79 cents, compared with 63.4 cents from the second quarter of last year. Fourth quarter 2004 broiler prices are expected to average 73-77 cents per pound, compared with the 64.6 cents for a year earlier. Turkey Poult Placements in July 2004, at 25.3 million, were down slightly from last July. Cumulative placements for the 2004 marketing year are 258 million poults, down 4% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the third quarter of 2004 are expected to be 68-70 cents compared with 59.1 cents for the third quarter last year. Turkey prices for the fourth quarter of 2004 are expected to average 70-74 cents per pound, compared with the 67.4 cents average for the third quarter of 2004. **Supplies in refrigerated warehouses** at the end of July 2004 compared with a year earlier were: total chicken, up 13%; turkey, down 17%; pork, down 16%; bellies, down 27%; beef, up 15%; frozen orange juice, up 14%; butter, down 34% and American cheese, up 13%.

Trade. August U.S. **trade projections** for cotton improved while 2004/2005 export prospects for wheat, rice, and soybeans declined, compared with last month. Corn, beef, pork, broilers, and turkeys were unchanged from July. August projections for the volume of exports for the 2004/2005 marketing year compared to 2002/2003 are: **wheat** down 18%; **corn** up 9%; **rice** up 5%; **soybeans** up 16%; **soybean meal** up 21%; **soybean oil** up 23%; and **cotton** down 13%. August projections for the volume of meat exports in calendar 2005 compared to 2004 are: **beef** up 36%; **pork** up 1%; **broilers** up 12%; and **turkeys** up 20%. The **U.S. trade** deficit for goods and services increased to $55.8 billion in June, from a revised $46.9 billion in May. The **U.S. agricultural trade** deficit was $262 million in June, compared with a surplus of $292 million in May.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, decreased 0.2% in July but has increased 3.0% over the last 12 months. The **PPI** increased 0.1% in July and has increased 4.0% over the last 12 months. The July **prime rate**, averaging 4.25%, was up from the 4% rate which began in July 2003. Compared to a year earlier, **feed** prices in July were up 6%; **feeder livestock and poultry** were up 28%; **fertilizer** up 11%; **ag chemicals** unchanged; **farm machinery** up 7%**, seeds** up 1% and **fuels** up 14%.

World Weather and Crop Developments (August 8-15). In the **United States**, Hurricane Charley and Tropical Storm Bonnie brought heavy rainfall to the eastern Gulf Coast and southern and middle Atlantic Coast. Charley passed through the heart of Florida's citrus-producing areas with winds exceeding 100 miles per hour. However, the extent of the damage is yet to be determined. Elsewhere, parts of the central and southern Great Plains and Southwest received light to moderate rainfall, while a cold front brought moderate to heavy precipitation to the Northeast. Below-normal temperatures again prevailed east of the Rockies, limiting crop development. In the northern and central Rocky Mountains, Great Basin, and along the Pacific Coast, conditions were hot and dry, encouraging crop development and fieldwork but stressing irrigation reserves. Across most of **Europe**, widespread rain boosted soil moisture for filling summer crops but delayed winter grain harvesting and reduced grain quality in England. Periodic showers continued to slow small grain harvesting in **Ukraine**, while several days of dry weather allowed winter grain harvesting to progress in **Russia**. Unseasonably warm, dry weather stressed filling spring grains and hastened crop development in **Kazakstan**, while cool, showery weather continued to favor filling spring grains in the **Siberia** Region in Russia. Below-normal temperatures persisted throughout the central and eastern Prairies of **Canada**, placing spring grains and oilseeds farther behind in development. Widespread showers continued to maintain adequate to abundant soil moisture for **Mexican** summer crops and pastures, while Hurricane Charley hit western **Cuba**, causing local damage to sugarcane fields. Beneficial monsoon showers continued across central and northern **India**, but dry pockets lingered in some southern cotton and groundnut areas. Scattered showers maintained moisture supplies for winter grains in western and southeastern **Australia**. Unseasonably heavy monsoon showers increased moisture supplies for rice and corn in the western **Philippines**. In **Brazil** dry weather promoted coffee harvesting, but frosty weather raised concern for immature wheat farther south. Weather conditions favored final efforts to plant winter wheat in **Argentina**. Typhoon Rananim provided much-needed rainfall to dry rice areas of southeastern **China**.

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