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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.

Cotton. All cotton production is forecast at 22.8 million 480-pound bales, up 1 percent from the November 1 forecast and 25 percent above last year's production. Yield is expected to average a record high 828 pounds per harvested acre, surpassing the previous record of 730 pounds set in 2003. The World Agricultural Outlook Board's (WAOB) global projections include sharply higher production and slightly higher consumption. Projected world ending stocks are raised 4% to 46.5 million bales.

Corn. The 2004 corn production is forecast at 11.7 billion bushels, up 16% from last year. The average yield is forecast at 160.2 bushels per acre, up 18.0 bushels from a year ago. WAOB projected 2004/05 U.S. ending stocks are up 25 million bushels from last month as smaller exports are partially offset by larger industrial and feed use. A market year average price between $1.70 and $2.10 per bushel is expected, compared with $2.42 for the 2003 crop.

Soybeans. The 2004 soybean crop is forecast at 3.15 billion bushels, up 28% from last year. The yield forecast, at 42.6 bushels per acre, is 8.7 bushels above 2003. WAOB projected U.S. ending stocks at 460 million bushels, the highest level since 1985/86 and unchanged from last month. Soybean exports are forecast at 1.01 billion bushels by the WAOB, unchanged from November 1. A market year average price is projected between $4.60 and $5.30 per bushel, compared with the 2003 average price of $7.34.

Wheat. All wheat production totaled 2.16 billion bushels in 2004, down 8% from 2003. The average yield is 43.2 bushels per acre, down 1.0 bushel from last year. WAOB projected 2004/05 U.S. ending stocks are down 15 million bushels from last month as a 25-million-bushel increase in exports is partially offset by a 10-million-bushel drop in food use. Exports are raised based on stronger than expected sales to date, higher global wheat imports, and lower exports from the EU-25. Lower food use is based on the recent mill grind estimates released by the Bureau of the Census. The market year average price is expected to average between $3.20 and $3.50 per bushel compared with $3.40 for the 2003 crop.

Rice. U.S. rice production is at 228 million cwt, 14% above 2003. The average yield is forecast at a record high 6,828 pounds per acre, 183 pounds above last year. The market year average price is expected to average between $7.25 and $7.55 per cwt compared with $7.49 for the 2003 crop.

Other Crops. Grain Sorghum production is forecast at 472 million bushels, up 15% from 2003. The **peanut crop** is forecast at 4.20 billion pounds, 1% above last year's crop.

Cattle. Mid-December **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged $84 per cwt, up $2 from mid-November. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly $104 per cwt, down $8 from a month earlier.

Hogs. Through the first two weeks of December, hog **slaughter** was running about 1.4% below a year ago. Cash **prices** at mid-December (Iowa-Southern Minnesota direct, 51-52% lean) averaged $49 per cwt, down $9 from the mid-November price. Fourth quarter prices are expected to average $55 per cwt.

Other. November **milk production** was up 1.2% from the previous year. Production per cow increased 0.6%, while the number of cows increased 0.6% from a year earlier. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of December. Total **cheese** production reported for the month of October 2004 was 0.8% above the previous year. **Butter** production during this same time period was 6.4% above last year. Production of **nonfat dry milk for human food** was down 11.5% from October 2003. US table **egg production** during November 2004 totaled 6.42 billion, up 2% from November 2003. Wholesale market **egg prices** for the fourth quarter of 2004 (Grade A large, New York) are expected to average 66-67 cents per dozen, compared with 110.7 cents a year ago. First quarter 2005 egg prices are expected to average 63-67 cents per dozen, compared with 114.9 cents a year earlier. **Broiler-**Type chicks hatched during November 2004 totaled 731 million, up 3% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending December 11, 2004, were 172 million, up 3% from a year ago. Cumulative placements for the 19 selected states for the period December 28, 2003 - December 11, 2004 totaled 8.20 billion, up 3% from the 8.00 billion chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 2004 is expected to be 68-69 cents, compared with 64.6 cents from the fourth quarter of last year. First quarter 2005 broiler prices are expected to average 69-73 cents per pound, compared with the 73.2 cents for a year earlier. Turkey Poult Placements in November 2004, at 22.2 million, were up slightly from last November. Cumulative placements for the 2005 marketing year are 64.3 million poults, down 4% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 2004 are expected to be 76-77 cents compared with 67.4 cents for the fourth quarter last year. Turkey prices for the first quarter of 2005 are expected to average 63-67 cents per pound, compared with the 62.1 cents average for the first quarter of 2004. **Supplies in refrigerated warehouses** at the end of November 2004 compared with a year earlier were: total chicken, up 35%; turkey, down 16%; pork, down 2%; bellies, up 3%; beef, up 22%; frozen orange juice, up 4%; butter, down 52% and American cheese, up 3%.

Trade. December U.S. **trade projections** for wheat and pork improved while 2004/2005 export prospects for corn declined, compared with last month. Rice, soybeans, cotton, beef, broilers, and turkeys were unchanged from November. December projections for the volume of exports for the 2004/2005 marketing year compared to 2003/2004 are: **wheat** down 14%; **corn** up 5%; **rice** unchanged; **soybeans** up 14%; **soybean meal** up 24%; **soybean oil** up 29%; and **cotton** down 9%. December projections for the volume of meat exports in calendar 2005 compared to 2004 are: **beef** up 40%; **pork** up 2%; **broilers** up 10%; and **turkeys** up 13%. The **U.S. trade** deficit for goods and services increased to $55.5 billion in October, from a revised $50.9 billion in September. The **U.S. agricultural trade** surplus was $1.36 billion in October, compared with $446 million in September.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.1% in November and has increased 3.5% over the last 12 months. The **PPI** increased 0.5% in November and has increased 5.0% over the last 12 months. The November **prime rate**, averaging 4.93%, was up from 4.75% in October. Compared to a year earlier, **feed** prices in November were down 18%; **feeder livestock and poultry** were up 12%; **fertilizer** up 16%; **ag chemicals** was unchanged; **farm machinery** up 10%, **seeds** up 1% and **fuels** up 62%.

World Weather and Crop Developments (December 5-12). In the **United States**, above-normal temperatures prevailed across the entire Nation. Temperatures averaged 6 degrees Fahrenheit above normal across most crop-producing regions, including the Pacific Northwest, Great Plains, Corn Belt, Delta, and Southeast, with some areas of the northern Great Plains and western Corn Belt exceeding their normal temperatures by over 12 degrees Fahrenheit. Conditions were mostly dry across the Great Plains, including the southern part of the region, where recent heavy rainfall had severely hampered drydown and harvest. Moderate to heavy rain continued to delay fieldwork in the Delta and adjacent areas of the Southeast, while mostly dry conditions across the southern Atlantic Coast were favorable for cotton harvest. Precipitation was moderate across the eastern and central Corn Belt but light in westerly areas of the region. In the Pacific Northwest, heavy precipitation fell in coastal areas, with moderate but beneficial precipitation in the inland crop-producing areas. The Southwest was mostly dry, with scattered light precipitation. Across northern and eastern **Europe**, winter crops continued to enter dormancy, while rain benefited winter crops in **Italy**. Unseasonably mild weather provided favorable overwintering conditions for dormant winter grains in **Ukraine** and **Russia**. Widespread rain in eastern **Australia** boosted moisture supplies for summer crops but delayed winter grain harvesting, while dry weather in Western Australia favored winter grain fieldwork. Winter grains continued to enter dormancy across central **Turkey** and western **Iran**. Widespread timely rain covered **Algeria** and **Tunisia**, benefiting winter grain germination, while drier weather prevailed across **Morocco**. In South **Africa**, showers benefited emerging summer crops over most of the corn belt, although much more is needed to ensure even germination in western growing areas. Dry, warmer-than-normal weather prevailed throughout **China**, as winter wheat remained vegetative in southern areas. Beneficially dry weather prevailed in the northern **Philippines**, while showers continued to benefit main-season crops in **Indonesia**. Widespread rain ended a brief dry spell in southern soybean areas of **Brazil**. Showers benefited emerging summer crops in **Argentina** but likely caused some additional delays in winter wheat harvesting.

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