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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. Winter wheat production is forecast at 1.55 billion bushels, down 3% from May 1, but up 3% from last year. Based on June 1 conditions, the U.S. yield is forecast at 44.1 bushels per acre, down 1.3 bushels from the May forecast. Grain area totals 35.1 million acres, unchanged from last month. The World Agricultural Outlook Board (WAOB) projected U.S. 2005/06 ending stocks of all wheat are down 59 million bushels from last month due to smaller beginning stocks and lower production. The projected price range for 2005/06 is $2.65 to $3.15 per bushel, compared with an estimated $3.39 for 2004/05.

Corn. The U.S. 2005 corn crop is projected at 11.0 billion bushels by the WAOB, unchanged from May, but down 7% from the record crop last year. Ending stocks of corn are forecast to be unchanged from last month as total supply and use are also unchanged. The projected price range for the 2005 corn crop is $1.55 to $1.95 per bushel, compared with $2.00 to $2.10 for the 2004 crop.

Soybeans. The WAOB projection of the 2005 U.S. soybean crop remained unchanged from May, at 2.90 billion bushels, but is 8% less than last year's record crop. With expected increases in U.S. export opportunities, tighter supplies and a slight decrease in crushings are projected. Exports increased 10 million bushels from last month while crushings were reduced by 10 million bushels. Ending stocks of the 2005/06 crop are projected at 255 million bushels, down 35 million bushels from last month and 65 million bushels less than last year. Soybean prices for 2005/06 are projected at $4.95 to $5.95, up 25 cents per bushel from last month on both ends of the range, and compares with last year's estimated price of $5.70 per bushel.

Cotton. The U.S. 2005 cotton production is projected by the WAOB at 19.5 million bales, the same as last month. With larger U.S. supplies and slightly reduced foreign supplies, U.S. exports were raised 500,000 bales to a record 15.0 million, accounting for a slightly higher share of world trade relative to last month. Ending stocks are now projected at 6.20 million bales, or 30 percent of total use.

Cattle. Mid-June **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged $83 per cwt, down $6 from mid-May. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly $113 per cwt, up $1 from a month ago.

Hogs. For the first two weeks of June, hog **slaughter** was running 0.6% below a year ago. Cash **prices** at mid-June (Iowa-Southern Minnesota direct, 51-52 percent lean) averaged $52 per cwt, down $4 from the mid-May price. Second quarter prices are expected to average $53 per cwt.

Other. May **milk production** was up 4.4% from the previous year. Production per cow increased 3.7%, while the number of cows increased 0.7% from a year earlier. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of June. Total **cheese** production reported for the month of April 2005 was 0.4% above the previous year. **Butter** production during this same time period was 15.1% above last year. Production of **nonfat dry milk for human food** was down 18.8% from April 2004. US table **egg production** during May 2005 totaled 6.43 billion, up 1% from May 2004. Wholesale market **egg prices** for the second quarter of 2005 (Grade A large, New York) are expected to average 56-57 cents per dozen, compared with 79.7 cents a year ago. Third quarter 2005 egg prices are expected to average 60-64 cents per dozen, compared to 66.2 cents a year earlier. **Broiler**-Type chicks hatched during May 2005 totaled 823 million, up 2% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending June 11, 2005, were 177 million, down slightly from a year ago. Cumulative placements for the 19 selected states for the period January 2, 2005 - June 11, 2005 totaled 4.05 billion, up 2% from the 3.95 million chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the second quarter of 2005 is expected to be 72-73 cents, compared with 79.3 cents from a year earlier. Third quarter 2005 broiler prices are expected to average 72-76 cents per pound, compared with the 75.7 cents for a year earlier. Turkey Poult Placements in May 2005, at 23.7 million, were virtually unchanged from May, 2004. Cumulative placements for the 2005 marketing year are 200 million poults, down 4% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the second quarter of 2005 are expected to be 67-68 cents compared with 66.6 cents for the second quarter last year. Turkey prices for the third quarter of 2005 are expected to average 70-74 cents per pound, compared with the 73.1 cents average for the third quarter of 2004. **Supplies in refrigerated warehouses** at the end of May 2005 compared with a year earlier were: total chicken, down 1%; turkey, down 18%; pork, up 24%; bellies, up 97%; beef, down 21%; frozen orange juice, down 22%; butter, up 5% and American cheese, up 4%.

Trade. June U.S. **trade projections** for rice, soybeans, cotton, and turkeys improved, compared with last month. Wheat, corn, beef, pork, and broilers were unchanged from May. June projections for the volume of exports for the 2005/2006 marketing year compared to 2004/2005 are: **wheat** down 10%; **corn** up 8%; **rice** up 13%; **soybeans** up 2%; **soybean meal** down 5%; **soybean oil** unchanged; and **cotton** up 15%. June projections for the volume of meat exports in calendar 2006 compared to 2005 are: **beef** up 6%; **pork** up 8%; **broilers** up 3%; and **turkeys** up 2%. The **U.S. trade** deficit for goods and services increased to $57.0 billion in April, from a revised $53.6 billion in March. The **U.S. agricultural trade** showed a deficit of $35 million in April, compared with a surplus of $198 million in March.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, decreased 0.1% in May but has increased 2.8% over the last 12 months. The **PPI** decreased 0.6% in May but has increased 3.5% over the last 12 months. The May **prime rate**, averaging 5.98%, was up from 5.75% in April. Compared to a year earlier, **feed** prices in May were down 13%; **feeder livestock and poultry** were up 11%; **fertilizer** up 19%; **ag chemicals** were unchanged; **farm machinery** up 6%, **seeds** up 8%, and **fuels** up 29%.

World Weather and Crop Developments (June 12-19). In the **United States**, in the wake of heavy rainfall from Tropical Storm Arlene, warm, mostly dry weather prevailed across much of the Southeast and Mississippi Delta, encouraging crop development, particularly cotton. Meanwhile, the remnants of Arlene brought rainfall to the eastern Corn Belt, Ohio Valley, and Great Lakes region, helping to relieve recent dryness and improve crop conditions. Early in the week, heavy rainfall in the northern Great Plains maintained adequate to abundant soil moisture, though flooding was a problem in some fields. Elsewhere on the Plains, heavy rainfall limited fieldwork in Kansas and Oklahoma, while dry conditions in Texas were favorable for winter wheat harvesting. Temperatures were below normal from the Rocky Mountains westward, with the exception of parts of the Southwest. Cooler weather accompanied widespread showers in **Ukraine** and **Russia**, favoring winter wheat in the filling stage and spring-sown crops in the vegetative stage. Widespread precipitation favored spring grains in **Russia**, while scattered showers dampened crop areas in **Kazakstan**. Drier weather favored winter grain harvesting in the **Middle East**. Showers maintained abundant soil moisture for corn and soybeans in parts of **Manchuria**, while hot, dry weather returned to the North **China** Plain. Monsoon showers continued to provide beneficial moisture to corn and rice in **Thailand** and the **Philippines**. Widespread rain improved winter grain prospects in chronically dry eastern **Australia** and maintained favorable conditions for winter wheat and barley development in Western Australia. Light showers brought limited relief from dryness to southern and western wheat areas of **Argentina**. In **Brazil**, dry weather promoted coffee harvesting throughout interior growing areas, but rain continued in coffee areas closer to the coast.

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