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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 9% from last year. Based on May 1 conditions, the U.S. winter wheat yield is forecast at 44.2 bushels per acre, 2.5 bushels less than last year's yield. Total U.S. wheat production is projected by the USDA's World Agricultural Outlook Board (WAOB) at 2.08 billion bushels, down 11% from last year. The projected price range for 2004/05 is $3.25 to $3.85 per bushel, compared with an estimated $3.40 for 2003/04.

Corn. The U.S. 2004 corn crop is projected at 10.4 billion bushels by the WAOB, up 3% from last year. The projection is based on March *Prospective Plantings* area, historic harvested-to-planted relationships, and a trend yield of 145.0 bushels per acre. The trend yield is adjusted for rapid planting progress and assumes normal weather. The larger corn crop is almost entirely offset by smaller projected carryin stocks, leaving total U.S. corn supplies for 2004/05 marginally above last year's level. The projected price range for the 2004 corn crop is $2.55 to $2.95 per bushel, compared with $2.45 to $2.55 for 2003/04.

Soybeans. The U.S. 2004 soybean production is projected at 2.97 billion bushels by the WAOB, 23% higher than last year. U.S. soybean production is based on intended soybean plantings of 75.4 million acres, historic harvested-to-planted relationships, and a trend yield of 40.0 bushels per acre. Soybean supplies are projected to reach record levels despite the lowest beginning stocks since 1977. Ending stocks for 2004/05 are projected at 190 million bushels, up 75 million bushels from 2003/04, as supply growth outpaces increases in crush and exports. Season average soybean prices for 2004/05 are projected at $5.85 to $6.85 per bushel, compared with a forecast of $7.65 for the 2003/04 crop. Soybean meal prices are forecast at $195 to $225 per short ton, compared with $275 per ton for 2003/04.

Cotton. The first U.S. cotton projections by the WAOB for 2004/05 include lower production, domestic mill use, and exports, and a modest increase in ending stocks. Production is projected at 17.6 million bales, based on a planted area of 14.4 million acres, from the *Prospective Plantings* report, combined with historical average abandonment and yield. U.S. cotton exports are projected at 11.5 million bales, a reduction of 17% from the 2003/04 season's record. Ending stocks are forecast at 3.9 million bales, an increase of 300,000 bales from 2003/04.

Rice. The U.S. rice production in 2004/05 is projected at 218 million cwt by the WAOB, 9% higher than the 2003/04 crop. Domestic and residual use is projected at 118 million cwt, up 2% from the previous year. Projected exports, at 38 million cwt, are equal to the current year. The 2004/05 market year average price is expected to average between $8.25 and $8.75 per cwt. Global rice production is projected at 402 million tons, 3% above the previous year with world consumption projected at a record high 418 million tons.

Other Crops. Grain Sorghum plantings are expected to total 8.60 million acres, down 9% from 2003. **Barley** acreage intentions, at 4.68 million acres are down 12% from 2003. Producers expect to harvest 63.7 million acres of **hay** in 2004, up 1% from 2003.

Cattle. Mid-May **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged $87 per cwt, down $2 from mid-April. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly $105 per cwt, up $10 from the previous month.

Hogs. For the first two weeks of May, hog **slaughter** was running even with a year ago, although slaughter levels were above a year ago in April. Cash **prices** at mid-May (Iowa-Southern Minnesota direct, 51-52 percent lean) averaged $60 per cwt, up $13 from the mid-April price. Second quarter prices are expected to average $51 per cwt.

Other Livestock. April **milk production** was down 0.9% from the previous year. Production per cow increased 0.2%, and the number of cows decreased 1.0% from a year earlier. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of May. Total **cheese** production reported for the month of March 2004 was 6.6% above the previous year. **Butter** production during this same time period was 22.7% below last year. Production of **nonfat dry milk for human food** was down 24.0% from March 2003. US table **egg production** during April 2004 totaled 6.28 billion, up 3% from April 2003. Wholesale market **egg prices** for the second quarter of 2004 (Grade A large, New York) are expected to average 84-86 cents per dozen, compared with 73.9 cents a year ago. Third quarter 2004 egg prices are expected to average 87-93 cents per dozen, compared with 89.9 cents a year earlier. **Broiler**-Type chicks hatched during April 2004 totaled 774 million, up 2% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending May 15, 2004, were 174 million, up 2% from a year ago. Cumulative placements for the 19 selected states for the period December 28, 2003 - May 15, 2004 totaled 3.41 billion, up 2% from the 3.35 billion chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the second quarter of 2004 is expected to be 74-76 cents, compared with 59.6 cents from the second quarter of last year. Third quarter 2004 broiler prices are expected to average 71-75 cents per pound, compared with the 63.4 cents for a year earlier. Turkey Poult Placements in April 2004, at 24.7 million, were down 1% from last April. Cumulative placements for the 2004 marketing year are 186 million poults, down 4% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the second quarter of 2004 are expected to be 62-64 cents compared with 60.6 cents for the second quarter last year. Turkey prices for the third quarter of 2004 are expected to average 63-67 cents per pound, compared with the 59.1 cents average for the third quarter of 2004. **Supplies in refrigerated warehouses** at the end of April 2004 compared with a year earlier were: total chicken, down 12%; turkey, down 6%; pork, down 13%; bellies, down 5%; beef, up 8%; frozen orange juice, up 6%; butter, down 41% and American cheese, down 1%.

Trade. May U.S. **trade projections** for corn, rice, beef, pork, and turkeys improved while 2004/2005 export prospects for wheat, cotton, and broilers declined, compared with last month. Soybeans were unchanged from April. May projections for the volume of exports for the 2004/2005 marketing year compared to 2003/2004 are: **wheat** down 17%; **corn** up 2%; **rice** up 8%; and **cotton** down 17%. May projections for the volume of meat exports in calendar 2005 compared to 2004 are: **beef** up 29%; **pork** up 5%; **broilers** up 7%; and **turkeys** up 9%. The **U.S. trade** deficit for goods and services increased to $46.0 billion in March, from a revised $42.1 billion in February. The **U.S. agricultural trade** surplus was $844 million in March, compared with $1.172 billion in February.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.3% in April and has increased 2.3% over the last 12 months. The **PPI** increased 0.7% in April and has increased 3.7% over the last 12 months. The April **prime rate**, averaging 4%, has been unchanged since July 2003. Compared to a year earlier, **feed** prices in April were up 16%; **feeder livestock and poultry** were up 17%; **fertilizer** up 6%; **ag chemicals** were unchanged; **farm machinery** up 8%**, seeds** up 1% and **fuels** up 6%.

World Weather and Crop Developments (May 9-16). In the **United States**, above-normal temperatures prevailed across the eastern half of the Nation, as well as in the Southwest and some areas of the central and southern Great Plains. In the Northeast, Middle Atlantic, Ohio Valley, and eastern Corn Belt, temperatures averaged 6 to 12 degrees Fahrenheit above normal, encouraging emergence of summer crops. Minimum temperatures fell below freezing across the northern Rockies and northern Great Plains, as well as in parts of the central and southern Rockies, central Great Plains, and Intermountain Region, raising concerns of frost damage to heading winter wheat and emerging corn. Snow was reported in the northernmost areas of the Great Plains, with as much as 8 inches in parts of North Dakota. Heavy rainfall in the Mississippi Delta and western Gulf Coast hampered fieldwork and flooded fields and pastures, with some locations in Louisiana receiving up to 12 inches of precipitation. Dry conditions persisted in the southern Atlantic Coast States, with only light precipitation. Precipitation was moderate in the Corn Belt and eastern Great Plains, causing minor fieldwork delays. Light to moderate, widely scattered precipitation fell across the High Plains, northern and central Rockies, and Pacific Northwest, providing relief from dry conditions in some areas. The Southwest remained mostly dry. In **Morocco** and Western **Algeria**, unseasonably wet, cool weather slowed winter grain maturation and harvesting and raised concern about grain quality. Showers in Western **Australia** boosted topsoil moisture for winter grain germination and emergence. Across eastern **Mexico**, rain increased soil moisture supplies for winter sorghum and pre-planting fieldwork for summer crops. In **Brazil**, scattered showers continued to benefit winter wheat and corn in the south. Much-needed precipitation swept across the Prairies of **Canada**, increasing moisture for germinating grains and oilseeds.

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