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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 1.53 billion bushels, down 1% from May 1, and down 10% from last year. Based on June 1 conditions, the U.S. yield is forecast at 43.6 bushels per acre, down 0.6 bushel from the May forecast. Grain area totals 35.1 million acres, unchanged from last month. The World Agricultural Outlook Board (WAOB) projected U.S. 2004/05 ending stocks of all wheat are down 4 million bushels from last month as smaller production is partially offset by larger carryin stocks. 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, unchanged from May, but up 3% from last year. Ending stocks of corn are forecast to be unchanged from last month as production and use are also unchanged. 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 the 2003 crop.

Soybeans. The WAOB projection of the U.S. 2004 soybean crop remained unchanged from May, at 2.97 billion bushels. Projected total use, at 2.87 billion bushels, was down 1% from last month with both exports and crushings reduced by 15 million bushels. Ending stocks for the 2004/05 season are forecast at 220 million bushels, up 30 million bushes from last month and 105 million bushels more than last year. Soybean prices for 2004/05 are projected at $5.70 to $6.70 per bushel, compared with $7.65 for 2003/04.

Cotton. The U.S. 2004 cotton production is projected by the WAOB at 17.6 million bales, the same as last month. Beginning and ending stocks also remained unchanged from May. World projections reflect slightly higher production and consumption and slightly lower ending stocks. Continued strong growth in China's textile activity is driving the increase in world consumption .

Cattle. Mid-June **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged $87 per cwt, unchanged from mid-May. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly $114 per cwt, up $9 from the previous month.

Hogs. For the first two weeks of June, hog **slaughter** was running roughly 6% above a year ago. Cash **prices** at mid-June (Iowa-Southern Minnesota direct, 51-52 percent lean) averaged $57 per cwt, down $3 from the mid-May price. Third quarter prices are expected to average $50 per cwt.

Other Livestock. May **milk production** was down 0.1% from the previous year. Production per cow increased 0.8%, but the number of cows decreased 0.9% from a year earlier. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was down the first two weeks of June. Total **cheese** production reported for the month of April 2004 was 5.0% above the previous year. **Butter** production during this same time period was 21.0% below last year. Production of **nonfat dry milk for human food** was down 16.2% from April 2003. US table **egg production** during May 2004 totaled 6.39 billion, up 3% from May 2003. Wholesale market **egg prices** for the second quarter of 2004 (Grade A large, New York) are expected to average 82-83 cents per dozen, compared with 73.9 cents a year ago. Third quarter 2004 egg prices are expected to average 85-89 cents per dozen, compared with 89.9 cents a year earlier. **Broiler**-Type chicks hatched during May 2004 totaled 810 million, up 2% from last year.

Weekly Broiler-Type Placements in 19 selected states for the week ending June 12, 2004, were 178 million, up 2% from a year ago. Cumulative placements for the 19 selected states for the period December 28, 2003 - June 12, 2004 totaled 4.11 billion, up 2% from the 4.04 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 77-78 cents, compared with 59.6 cents from the second quarter of last year. Third quarter 2004 broiler prices are expected to average 73-77 cents per pound, compared with the 63.4 cents for a year earlier. Turkey Poult Placements in May 2004, at 23.6 million, were down 6% from last May. Cumulative placements for the 2004 marketing year are 209 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 65-66 cents compared with 60.6 cents for the second quarter last year. Turkey prices for the third quarter of 2004 are expected to average 65-69 cents per pound, compared with the 59.1 cents average for the third quarter of 2004. **Supplies in refrigerated warehouses** at the end of May 2004 compared with a year earlier were: total chicken, down 2%; turkey, down 14%; pork, down 18%; bellies, down 10%; beef, up 3%; frozen orange juice, up 8%; butter, down 39% and American cheese, up 4%.

Trade. May U.S. **trade projections** for soybeans and pork improved while 2004/2005 export prospects for broilers declined, compared with last month. Wheat, corn, rice, cotton, beef, and turkeys were unchanged from April. May projections for the volume of exports for the 2004/2005 marketing year compared to 2003/2004 are: **wheat** down 16%; **corn** up 2%; **rice** up 8%; **soybeans** up 2%; **soybean meal** down 8%; **soybean oil** down 50%; and **cotton** down 17%. May projections for the volume of meat exports in calendar 2004 compared to 2003 are: **beef** up 33%; **pork** up 1%; **broilers** up 12%; and **turkeys** up 21%. The **U.S. trade** deficit for goods and services increased to $48.3 billion in April, from a revised $46.6 billion in March. The **U.S. agricultural trade** surplus was $281 million in April compared with $844 million in March.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.6% in May and has increased 3.1% over the last 12 months. The **PPI** increased 0.8% in May and has increased 5.0% over the last 12 months. The May **prime rate**, averaging 4%, has been unchanged since July 2003. Compared to a year earlier, **feed** prices in May were up 15%; **feeder livestock and poultry** were up 24%; **fertilizer** up 8%; **ag chemicals** decreased 1%; **farm machinery** up 9%, **seeds** up 1% and **fuels** up 23%.

World Weather and Crop Developments (June 13-20). In the **United States**, wet conditions prevailed across central and eastern areas of the Nation. Moderate to locally heavy precipitation covered the central and southern Great Plains, Mississippi Delta, Atlantic Coastal Plains, and most of the Corn Belt, causing significant fieldwork delays in many areas. Meanwhile, the Southwest, Pacific Northwest, and California remained seasonably dry, with little to no precipitation. Temperatures were above normal in most areas, but a cold air mass across the north-central part of the Nation pushed temperatures below normal from the interior Pacific Northwest to the western Corn Belt, stretching as far south as the central Great Plains. Warm, moist conditions across most of the Corn Belt accelerated crop development but caused continued winter wheat quality concerns. In the southern Atlantic Coast States, moderate to heavy rainfall helped to relieve moisture stress on crops and pastures. Showery weather accompanied the cool weather from Belarus eastward across the Central and Volga Regions in **Russia**, benefitting winter grains advancing through reproduction and spring grains in the vegetative stage. Scattered showers fell across spring grain areas in **Kazakstan** and Russia, bringing only temporary relief from a drying trend that began in early May. Light rain benefitted filling winter grains in central **Turkey**, while warm, dry weather favored winter grain maturation and early harvesting in western **Iran**. Showers in southeastern **Australia** encouraged additional winter grain planting and helped early crop development. In **Mexico**, widespread showers continued to benefit germinating to vegetative corn across the main corn belt. Across **Tunisia**, unseasonably heavy rain slowed winter grain harvesting.

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