



United States
Department of
Agriculture

Foreign
Agricultural
Service

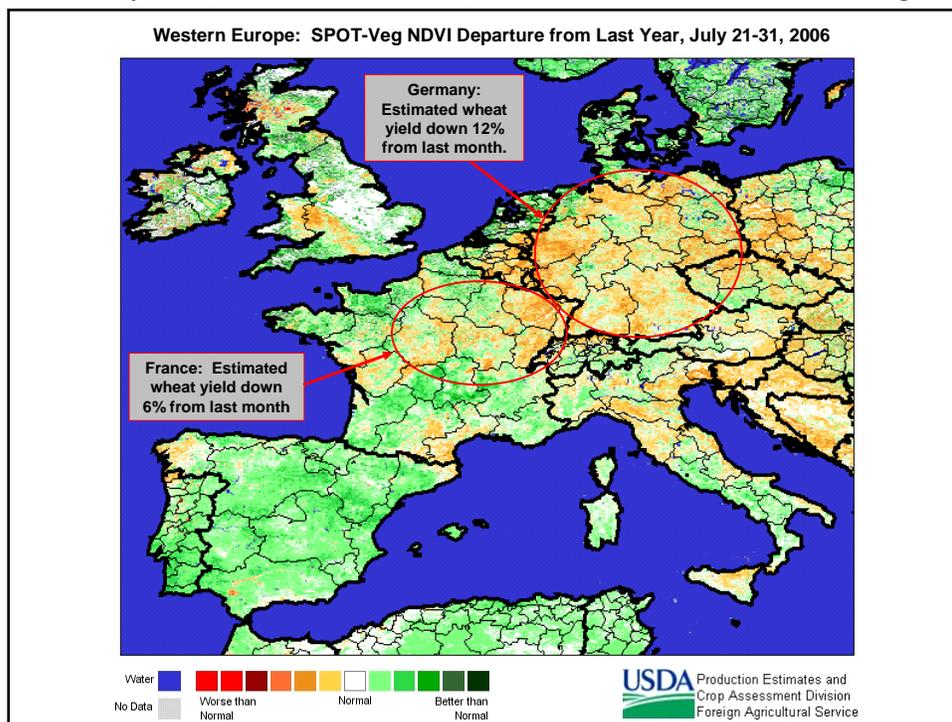
Circular Series
WAP 08-06
August 2006

World Agricultural Production

Excessive Heat Reduces European Union Wheat Crop

The USDA estimates EU-25 wheat production for 2006/07 at 119.4 million tons, down 6.8 million or 5 percent from last month and down 3.4 million or 3 percent from last year. Area is estimated at 22.7 million hectares, down 0.2 million or 1 percent from last month, but up 0.2 million or 1 percent from last year. Heat and dryness during grain-fill stage has significantly reduced wheat production prospects in Germany and, to a lesser extent, France. The two countries together account for roughly 50 percent of EU wheat production. Although excessive heat prevailed in both countries throughout July, the wheat crop in France was already approaching maturity and damage was less severe than in Germany.

Wheat production in France for 2006/07 is estimated at 36.5 million tons, down 6 percent from last month and 1 percent from last year. By the first week of August, wheat harvesting was nearly complete. In Germany, wheat production is forecast to drop 14 percent from last month and 11 percent from last year, to 21.0 million tons. Wheat harvesting is in full swing in Germany, with producers reporting low test weights and a higher-than-normal percentage of shriveled kernels due to the hot conditions during grain fill. (*For more information, contact Mark Lindeman at 202-690-0143.*)



Ukraine Harvest Reports Indicate Average Yield for Wheat and Barley

The USDA estimates Ukraine wheat production for 2006/07 at 13.5 million tons, up 0.5 million or 4 percent from last month, but down 5.2 million or 28 percent from last year. Barley production is

Approved by the World Agricultural Outlook Board

estimated at 11.5 million tons, up 0.8 million or 7 percent from last month and up 2.5 million or 28 percent from last year. Outstanding spring weather enabled winter wheat to recover from unfavorable fall and winter weather and boosted yield prospects for spring barley as well. As of August 1, harvest was approximately 72 percent complete for wheat and 65 percent for barley. *(For more information, contact Mark Lindeman at 202-690-0143.)*

Argentina Wheat Production Lowered Due to Severe Dryness

Argentina's wheat production for 2006/07 is forecast at 13.5 million tons, down 6 percent from last month, but up 8 percent from last year. Harvested wheat area for 2006/07 is forecast at 5.30 million hectares, down 5 percent from last month, but up 8 percent from last year. Yield is forecast at 2.55 tons per hectare, which is above the 5-year average of 2.43 tons, but the same as last year. While the yield forecast is unchanged from last month, wheat production has been lowered based on a decrease in wheat planting intentions due to severe dryness in La Pampa and western Buenos Aires provinces. As of August 3, 86 percent of Argentina's total wheat area was planted, compared to 88 percent this time last year as reported by Argentina's Secretaría de Agricultura. While planting is 82 percent complete in Buenos Aires province, a significant number of hectares still need to be planted in some of the province's important wheat producing delegations, namely, Salliqueló, Tres Arroyos, and Piqué, where critical dryness has been experienced. Planting has also been delayed in La Pampa, where only 21 percent of planting intentions have been fulfilled as of August 3, as compared to 44 percent this time last year. Last week's precipitation in southern Buenos Aires and La Pampa provinces helped planting progress, but more rain is needed to maintain the current yield forecast. *(For more information, contact Nicole Wagner at 202-720-0882.)*

China Soybean Area Reduced Due to Low Prices

China's 2006/07 soybean production is estimated at 16.7 million tons, down 0.2 million from last month due to lower estimated area. Soybean area was lowered this month to 9.3 million hectares, down 0.1 million from last month and down 0.2 million from last year. According to the Ministry of Agriculture and provincial authorities, total sown area dropped in 2006 for several reasons, including higher production costs, low prices due to pressure from imported soybeans, lower profits, and government policies encouraging grain production. The estimated yield of 1.80 tons per hectare is basically unchanged from last month, reflecting generally good weather this summer.

A spring drought delayed soybean planting in Northeast China, particularly in eastern Inner Mongolia and western Heilongjiang and Jilin. Widespread rain in late June eased the drought, and additional showers in July and early August provided adequate to abundant moisture for crop development. Periods of cool and cloudy weather this summer have slowed crop progress by several days, raising concerns about yield losses from an early frost. Dry and hot weather delayed the planting and emergence of summer soybeans on the North China Plain, which were planted in mid-June after the winter wheat harvest. However, the crop has benefited from seasonable weather in July and August, and yield prospects are good. Several typhoons caused locally serious flooding in parts of southern China, but the effect on the region's soybean crop has not been determined. *(For more information, contact Paulette Sandene, 202-690-0133.)*

Flooding Reduces Rice Crop in North Korea

North Korea's milled rice production for 2006/07 is estimated at 1.55 million tons (2.39 million tons rough basis), down 75,000 tons from last month and 50,000 tons from last year. The estimated area of 585,000 hectares is down slightly from last month, but equal to last year, while the estimated yield of 2.65 tons per hectare is down 3 percent from last month and close to the 2004/05 estimated yield.

Two major storms between July 10 and July 20 brought some of the heaviest rainfall in years to central and southern North Korea, where a majority of the nation's rice crop is grown. The North Korean government and international aid organizations reported serious flooding and property damage in the provinces of South Pyongan, South Hwanghae, South Hamyong, Kangwon, and Kaesong, particularly in the mountains and along the Taedong River near Pyongyang. It was reported that hundreds of thousands of hectares were submerged and up to 30,000 hectares of cropland were destroyed. Authorities are still assessing the full impact of the flooding on crop production. Recent warmer and drier weather has aided the recovery efforts. The rice crop is now in the heading stage, and continued warm temperatures and moderate showers will be needed this month to support normal crop development. *(For more information, contact Paulette Sandene, 202-690-0133.)*

This report uses information from the Foreign Agricultural Service's (FAS) global network of agricultural attachés and counselors, official statistics of foreign governments and other foreign source materials, and the analysis of economic data and satellite imagery. Estimates of foreign area, yield, and production are from the Production Estimates and Crop Assessment Division, FAS, and are reviewed by USDA's Inter-Agency Commodity Estimates Committee. Estimates of U.S. area, yield, and production are from USDA's National Agricultural Statistics Service. Numbers within the report may not add to totals because of rounding. This report reflects official USDA estimates released in the World Agricultural Supply and Demand Estimates (WASDE-437), August 11, 2006.

Printed copies are available from the National Technical Information Service. Download an order form at http://www.ntis.gov/products/specialty/usda/fas_a-g.asp, or call NTIS at 1-800-363-2068.

The FAS Production Estimates and Crop Assessment Division prepared this report. The next issue of World Agricultural Production will be released after 9:00 a.m. Eastern Time, September 12, 2006.

Conversion Table

Metric tons to bushels

Wheat, soybeans	=	MT * 36.7437
Corn, sorghum, rye	=	MT * 39.36825
Barley	=	MT * 45.929625
Oats	=	MT * 68.894438

Metric tons to 480-lb bales

Cotton	=	MT * 4.592917
--------	---	---------------

Metric tons to hundredweight

Rice	=	MT * 22.04622
------	---	---------------

Area & weight

1 hectare	=	2.471044 acres
1 kilogram	=	2.204622 pounds

For further information, contact:
U.S. Department of Agriculture
Foreign Agricultural Service
Production Estimates and Crop Assessment Division
Ag Box 1045, Room 6541, South Building
Washington, DC 20250-1045
Telephone: (202) 720-0888 Fax: (202) 720-8880

GENERAL INFORMATION

Division Director	Allen Vandergriff	202-720-0888	vandergriff@fas.usda.gov
Administrative Assistant	Lashawn Smith	202-720-0888	lashawn.smith@usda.gov
Deputy Director for Analysis	Paul Provance	202-720-0881	provance@fas.usda.gov
Remote Sensing Specialist	Brad Doorn	202-690-0131	doorn@fas.usda.gov
Contract Representative	Theresa Wright	202-720-8887	wrightt@fas.usda.gov
Imagery Archive Coordinator	Bob Tetrault	202-690-0130	tetrault@fas.usda.gov
USDA Remote Sensing Advisor	Glenn Bethel	202-720-1280	bethel@fas.usda.gov
Chief of Technology Services	Bob Baldwin	202-720-1860	baldwin@fas.usda.gov
Image Processing Specialist	Stephen Macugoski	202-720-6237	macugoski@fas.usda.gov
GIS Specialist	(Vacant)		

COMMODITY-SPECIFIC INFORMATION

Grains Chairperson	Michelle de Graaf	202-720-7339	michelle.degraaf@fas.usda.gov
Oilseeds Chairperson	(Vacant)		
Rice & Cotton Chairperson	Arnella Trent	202-720-0881	arnella.trent@fas.usda.gov
Management Analyst	Mary Jackson	202-720-0886	jacksonma@fas.usda.gov

COUNTRY- AND REGION-SPECIFIC INFORMATION

Brazil & Argentina	Nicole Wagner	202-720-0882	nicole.c.wagner@usda.gov
European Union, the Balkans, & North Africa	Bryan Purcell	202-690-0138	purcellb@fas.usda.gov
Russia, Ukraine, & Central Asia	Mark Lindeman	202-690-0143	lindeman@fas.usda.gov
China, Koreas, Japan, & Southeast Asia	Paulette Sandene	202-690-0133	sandene@fas.usda.gov
Australia, Bangladesh, India, & Pakistan	Jim Crutchfield	202-690-0135	crutchfield@fas.usda.gov
Southern Africa & West Africa	Curt Reynolds	202-690-0134	reynoldsc@fas.usda.gov
Western United States	Carl Gernazio	202-690-0136	gernazio@fas.usda.gov
Eastern United States	Michael Shean	202-720-7366	shean@fas.usda.gov
Turkey, Iran, Afghanistan, & Iraq	(Vacant)		
Canada, Mexico, Central America, & Caribbean	(Vacant)		