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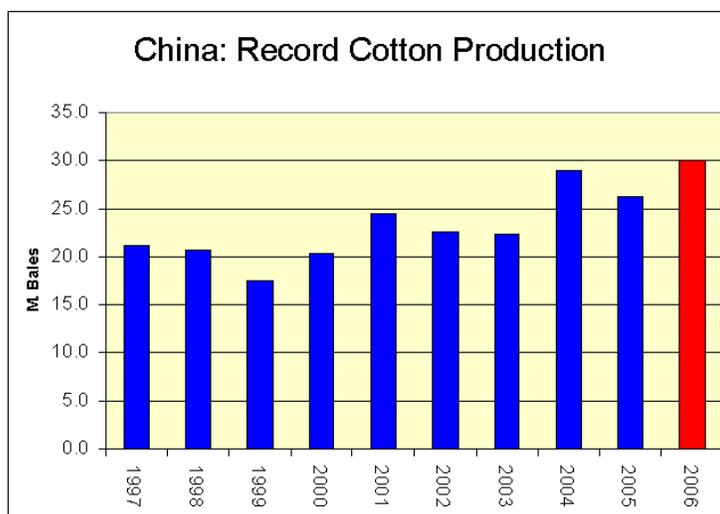
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World Agricultural Production

China Cotton: Excellent Harvest Weather Leads to Record Yields

China's 2006/07 cotton production is estimated at a record 30.0 million bales (6.53 million tons), up 1.0 million from last month and up 3.8 million from last year. The estimated area of 5.35 million hectares is unchanged from last month but up 290,000 hectares from a year ago. Planted area is still well below 2004/05 (5.69 MHa) and the record set in 1984/85 (6.9 MHa). The yield is estimated at a record 1,221 kilograms per hectare, up more than 8 percent from last year. Record yields are forecast in Xinjiang, China's largest cotton province, while above-average yields are expected from most provinces on the North China Plain and central China. The weather in eastern China was generally drier and warmer than normal from mid-September through October, creating ideal conditions for cotton harvesting.

Preliminary harvest results have been very positive. The clear weather allowed more bolls to fully open and gave farmers the opportunity to make multiple pickings. Output is higher than previously anticipated in Xinjiang, the Yangtze valley, and several provinces on the North China Plain. Local officials report higher quality, lower moisture content, and a larger proportion of high-grade cotton than last year. Procurement has been slower than normal due to low prices, farmers' reluctance to sell, and a shortage of purchasing loans from the government. *(For more information, contact Paulette Sandene at 202-690-0133.)*



China Corn: Record Production Expected

For 2006/07, China's corn crop is estimated at 143.0 million tons, up 2 million from last month and up 3.6 million from last year's record crop. Corn area is estimated at a record 27.0 million

hectares, unchanged from last year. The estimated yield of 5.3 tons per hectare is up 1.4 percent from last month but equal to last year's record yield.

China's 2006/07 main-season corn harvest started in August and was completed in October. The weather has been unusually warm and dry in most crop areas since mid-September, creating excellent conditions for crop maturation and harvest. According to preliminary harvest reports, bumper crops are expected on the North China Plain (40 percent of total production) in response to higher planted area, adequate summer rainfall, and good harvest conditions. Crop quality is reportedly better than last year, and moisture content is significantly lower. The situation was also favorable in the Northeast (36 percent of total production). In Heilongjiang, corn yield and quality were adversely affected by cool and wet weather in August and September, but production was expected to exceed last year due to higher planted area. Seasonably dry autumn weather, combined with a late frost, resulted in higher than expected yields in Jilin. Similar conditions were also reported in Liaoning and Inner Mongolia.

In contrast, the weather has been less than ideal for corn in southern China, which accounts for about 10 percent of total production. A severe summer drought in Sichuan and Chongqing had a negative affect on the early corn crop, with production down by an estimated 50 percent in some locations. An autumn drought is currently affecting nearly 3 million hectares of cropland in southeast China, particularly in Guangxi and Guangdong provinces. The drought likely lowered the yield of the late corn crop, which was harvested in October. *(For more information, contact Paulette Sandene at 202-690-0133.)*

Argentina Soybean Production Forecast To Reach Record Levels

Argentina's soybean production for 2006/07 is forecast at a record 41.3 million tons, unchanged from last month, but up 0.8 million from last year. Harvested area is forecast at a record 15.4 million hectares, unchanged from last month, but up 0.2 million from last year. Yield is forecast at 2.68 tons per hectare, unchanged from last month, virtually matching last year's yield, but slightly above the 5-year average yield of 2.64 tons per hectare. Bolsa de Cereales Buenos Aires' (BCBA) November report indicated that planting progress was 15 percent complete, compared to 13 percent last year. Planting progress has been good in Buenos Aires where moisture has been nearly ideal, but is slightly behind in Córdoba, Santa Fe, and Santiago del Estero where early season dryness persists despite light variable showers.

The major producing provinces are Córdoba, Santa Fe, and Buenos Aires, which produce approximately 30, 29, and 21 percent of Argentina's soybean crop, respectively. *(For more information, contact Nicole Wagner at 202-720-0882.)*

Argentina Sunflowerseed Expected Up 5 Percent

Argentina's 2006/07 sunflowerseed production is forecast at 4.0 million tons, unchanged from last month, but up 5 percent from last year. Harvested area for 2006/07 is forecast at 2.3 million hectares, unchanged from last month, but up 5 percent from last year. Yield is forecast at 1.74 tons per hectare, unchanged from last month and similar to last year. Argentina's Ministry of Agriculture (SAGPyA) reported that planting was 50 percent complete, compared

with 60 percent this time last year. Planting is slightly behind last year in the main producing provinces of Buenos Aires and La Pampa due to early season dryness in September, but has been rapidly picking up pace due to beneficial rain showers in October. Moisture in October has been very good in Buenos Aires province, and fair to good in La Pampa and Chaco, thus supporting the forecast yield of 1.74 tons per hectare.

Buenos Aires accounts for 52 percent of Argentina's sunflowerseed production. La Pampa province accounts for approximately 16 percent of the production and Chaco has witnessed a dramatic increase in sunflowerseed area over the last 5 years and now accounts for 10 percent of the production. *(For more information, contact Nicole Wagner at 202-720-0882.)*

Brazil Rice Production Forecast Down 7 Percent

Brazil's milled rice production for 2006/07 is forecast at 7.90 million tons, down 7 percent from last month, but nearly unchanged from last year. Harvested rice area for 2006/07 is forecast at 3.1 million hectares, down 14 percent from last month, but up 11 percent from last year. Yield is forecast at 3.75 tons per hectare, up from last month's yield of 3.47, but below last year's record of 4.10 tons per hectare. Rice yields have steadily increased over the last 20 years due to improved technology (e.g., seed varieties, management practices, increased irrigation), but rice area has declined since 2004. USDA expects rice area to recover slightly in 2006/07 due to an expected recovery of prices, an exchange rate slightly less favorable to imports, and the R\$50 billion that the Brazilian rice industry invested in mills and infrastructure in 2004. Demand will play less of a role in area increase as per capita rice consumption has decreased in the last 2 decades due to changes in eating habits with less available time for cooking and more out-of-home consumption.

Although the increase in forecast area is cautious, a strong yield is expected due to continued adoption of improved seed varieties and the Clearfield system used to control red rice and other weeds. Additionally, moisture has been consistently favorable throughout Brazil's rice areas. Planting is currently underway in the irrigated areas of the south, which account for over half of Brazil's production. Planting is just beginning in the Center-West states of Mato Grosso, Mato Grosso do Sul, and Goias. *(For more information, contact Nicole Wagner at 202-720-0882.)*

Russia: Strong Finish to Harvest Campaign Boosts Wheat Output

The USDA estimates Russia wheat production for 2006/07 at 43.5 million tons, up 2.0 million or 5 percent from last month, but down 4.2 million or 9 percent from last year. Area is estimated at 23.7 million hectares, unchanged from last month but down 1.7 million or 7 percent from last year. Winter wheat comprises roughly 40 percent of total wheat area and 60 percent of production. As of October 31, the Russian wheat harvest was essentially complete. Bunker-weight output, prior to cleaning and drying, was reported at 47.3 million tons (roughly 43.5 million net weight) against 50.8 (47.7) million last year. Generally favorable September and early October weather in the Ural and Siberian Districts enabled farmers to make up for earlier delays in European Russia. Farmers were able to harvest 96 percent of the total sown wheat

area, nearly the same percentage as last year. Total wheat yield was reported at 2.08 tons per hectare against 2.06 tons per hectare last year.

Yields were lower than last year in the winter wheat region, chiefly European Russia, and higher than last year in the spring-wheat region, including the Volga, Ural, and Siberian Districts. *(For more information, contact Mark Lindeman at 202-690-0143.)*

Australia Wheat Production Drops to 10.5 Million Tons

Australia wheat production for 2006/07 is forecast at 10.5 million tons, down 0.5 million or 5 percent from last month and down 14.0 million or 57 percent from last year. The area forecast is 11.3 million hectares, down 0.2 million or 2 percent from last month and down 1.3 million or 10 percent from last year. Most winter wheat areas recorded below average rainfall during the Australian summer, greatly reducing yields. September precipitation is the most influential factor determining Australia's wheat yield, and rainfall during the month was insufficient. Crop conditions continued to deteriorate with persistent dryness through October. There is a strong correlation between the satellite-derived vegetation index (NDVI) and Australia's wheat yield. The low NDVI this season are indicative of a drastically lower crop with yields similar to the 2002/03 drought year. Wheat development is filling to maturing with harvest beginning in some growing areas. Harvesting will be advanced by 1 to 2 weeks because overall warm and dry conditions have accelerated grain ripening.

In addition to the overall poor conditions, it is also likely that a "floor" exists, that could prevent grain production from dropping too low. The high grain prices are enticing producers to harvest fields with marginal production (fields that would normally be abandoned). Many farmers are now prepared and equipped to handle dry conditions by using technologies such as reduced tillage and direct drilling since their experience with the devastating 2002/03 drought. Also, some fields, which are traditionally planted with irrigated cotton and rice, were planted with irrigated wheat this year because of the low prices for cotton and the intensive water requirements demanded by both cotton and rice. *(For more information, contact Bryan Purcell at 202-690-60138.)*

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-440), November 9, 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, December 11, 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
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Metric tons to hundredweight

Rice	=	MT * 22.04622
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Area & weight

1 hectare	=	2.471044 acres
1 kilogram	=	2.204622 pounds

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