

## *Market News*

**Raw-sugar futures fell 5.9% last week as production picked up in Brazil after unseasonable June rains.** Futures prices rallied 27% from a 22-month low in early June to 23.92 cents/lb. on July 20 over o fears the deluge would squeeze supplies from top producer Brazil. However, the country's sugar industry association Unica reported mills in the main Center-South growing region processed 3.9% more sugar cane in the first half of July than in the year-earlier period, reported *The Wall Street Journal*. [Full Story](#) (WSJ Subscription Required)

**Dry and hot weather in the U.S. Midwest for the next week or two will further erode crop conditions, trimming this year's corn and soybean crop production,** according to an agricultural meteorologist forecast. Temperatures this week will warm into the upper 80s to low 90s degrees Fahrenheit, with only a few light showers in the east on Monday and some rainfall later in the week, reported *Reuters*. [Full Story](#)

**Connecticut crops are running between 10 days and two weeks ahead of schedule and of superb quality.** Strawberries have already finished after starting early, sweet corn had a record year and peaches and nectarines are ahead of schedule, reported *The Produce News*. [Full Story](#)

**The overall value of California's farmland rose slightly in 2011, though trailed behind the same value increases experienced by Midwest land owners,** according to Rabobank's Food and Agribusiness Research & Advisory (FAR) group. California's cropland land values increased by just 1% in 2011 and 20% overall since 2005. Alternatively, Midwest land values have shown 20% to 30% increases through the latter half of 2011 and into 2012, reported *Western Farm Press*

USDA reported 57 percent of the nation's pastures were in poor or very poor condition in the week ended July 29, compared to 55 percent a week ago and 36 percent at this time last year.

It rated just 17 percent of U.S. pastures in good or very good condition, down from 18 percent a week ago and compared to 41 percent at this time last year.

Corn

## Corn

In its weekly Crop Progress report, USDA increased its estimate of corn fields in poor or very poor condition to 48 percent from 45 percent a week before and just 14 percent this time last year. The agency reduced its estimate of cornfields in good or excellent condition to 24 percent from 26 percent a week ago and 62 percent at this time last year.

Already 37 percent of the crop has advanced to the dough stage, up from 22 percent a week ago and compared to the five-year average of just 17 percent at this time of year.

## Soybeans

U.S. soybean fields also continued to show signs of stress. USDA rated 37 percent of the soybean crop in major producing states in poor or very poor condition, up from 35 percent a week ago and compared to just 12 percent at this time last year.

The agency reduced its estimate of soybean fields in good or excellent condition to 29 percent from 31 percent a week ago and 60 percent at this time last year.

Already 55 percent of the soybean crop has advanced to the critical pod-setting stage, up from 36 percent a week ago. The five-year average for this time of year is just 35 percent.

**Mild, dry weather in California has encouraged good vine growth and canopy development for wine grapes in Lake and Mendocino counties.** According to a University of California Cooperative Extension farm advisor, this year's crop is average to good (albeit seven to eight days later than usual), grape prices are up and new vines are being planted, reported *Western Farm Press*. [Full Story](#)

**The price of soft white winter wheat grown in Washington climbed more than 30% within the past six weeks as drought wilted some crops and contributed to a global bull market for grains.** The crop's price rose 15 to 17 cents per bushel on July 30, with July deliveries ranging between \$8.90 and \$9.00 a bushel. Additionally, during the past five years the five-year average price paid for Washington wheat topped \$6.30 a bushel, compared with \$3.81 for the previous five years, according to USDA statistics, reported *The Seattle Times*. [Full Story](#) (Free Registration Required)

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**Grain output in Western Australia may drop 40% as dry weather and frost threaten crops.** Total production may be nine million to 11 million metric tons in 2012-2013, according to the grain operations manager at CBH Group, the state's biggest handler. That compares with a record harvest of 15 million tons a year earlier, reported *Bloomberg.com*. [Full Story](#)

**U.S. pistachio growers are expecting a record harvest this year** as the industry continues to expand its acreage and boost its marketing campaign. The industry is projected to produce its largest crop ever, 550 to 575 million-lbs. The previous record of 522 million-lbs. was set in 2010, reported *The Fresno Bee*

**Farmers are preparing for the peppermint harvest.** The harvest typically starts in July on farms near the Oregon border, but growers say a cool spring and late rains have delayed their crops until mid-August. Because of the late harvest, farmers say they worry that rain or frost could damage the plants before the fields are cleared, reported *California Farm Bureau Federation*. [Full Story](#)

**Crop producers in the U.S. will largely weather the losses from the ongoing drought,** according to USDA's chief economist, but feed costs are increasing and crop insurers could see their first losses in a decade. The co-owner and manager of a 3,000-cow dairy in eastern Wisconsin stated feed costs rose 20% in recent months, and expects a further hit when contracts for corn signed before the price surge expire at the end of August. The most popular crop insurance coverage could also result in \$20 billion of claims paid by the federal government and insurance companies, reported *The Wall Street Journal*. [Full Story](#) (WSJ Subscription Required)

**High yielding, genetically modified crops' tougher stalks are puncturing tractor tires and stranding farm equipment in the field.** Titan International, a farm tire supplier, developed tires with four layers of Kevlar to reduce damage to equipment for which they charge almost \$300 apiece, roughly twice as much as regular tires. John Deere's finance chief described tire damage from crop stubble as "one of the biggest complaints we have," though the company has not introduced kevlar into its tires, reported *The Wall Street Journal*.

**The U.S. market for feeder cattle is shrinking due to drought as ranchers rush to sell steers and heifers they cannot afford to feed.** However, feedlots are simultaneously scaling back as the price of corn soars. The situation drove the prices of feeder cattle to the lowest level since September 2011, and a floor trader at Kenai Capital Management still thinks prices are too high at \$1.40/lb. Others expect

management still thinks prices are too high at \$1.40/lb. Others expect the drop to be short-lived as ranchers sold feeder cattle ahead of schedule and culled breeding herds last year because of drought, resulting in depressed prices that were followed by a record rally in the second half of 2011, reported *The Wall Street Journal*. [Full Story](#) (WSJ Subscription Required)

**The 125-year-old Lakeside Foods has annual gross sales of about \$500 million producing canned and frozen vegetables from its 15 plants and six distribution centers.** The company, which recently rolled out three new canned corn offerings (jalapeno, chipotle and Baja California), is looking to expand "flavor profiles" of its products. Meanwhile, this year's mostly hot and dry summer is concerning company officials, reported *Fox11online.com*. [Full Story](#)

**Blue Diamond has struck a \$50 million deal with the China Chamber of Commerce to supply Chinese firms with almonds in the next 12 months,** reported *FoodNavigator-USA*. [Full Story](#)

**As Peruvian asparagus demand increases, the price will be driven up.** Consequently, the product will be higher priced in U.S. supermarkets and it remains to be seen how U.S. consumers react to the increases. There is plenty of asparagus in Peru if the U.S. consumer will pay the price, according to the CEO of Alpine Fresh. The importers pointed to a decrease in supplies because Peruvian growers have other crops than they can grow and some have pulled out asparagus acreage in favor of grapes, citrus and avocados, reported *The Produce News*

**The drought of 2012 is getting worse in Missouri.** On Aug. 2, the U.S. Drought Monitor reported that nearly 93% of the state is in "extreme" drought, up from about 69% last week. More than 8% of the state, in the Bootheel, is in "exceptional" drought, according to the monitor, a condition that climatologists predict will happen only once in 50 years. Corn growers are facing yields well below average. Soybean growers are waiting to see if the crop produces pods. Small-scale farmers are giving up on vegetables and fruits, calling them a loss, reported *STL Today*. [Full Story](#)

**The hailstorm that battered the Washington apple crop will cause production to drop 10% to 25%.** Previous estimates of a record fresh market apple crop of 120 million cartons or more for

record fresh market apple crop of 120 million cartons or more for Washington apple marketers have been tossed aside and the marketers may develop a "hail-grade" bag program for red delicious and other varieties, reported *The Packer Online*. [Full Story](#)

**Healthy seafood comes from sustainable fish**, according to a study published in *Frontiers in Ecology and the Environment*. The group of scientists is the first to bring together the sustainability rankings from several organizations, the health metrics of consumption ranked by various species (like how much omega-3 fatty acids are found in a specific fish type), as well as any known contaminant exposure, and data from several ecological studies on the relative health of specific species, reported *Science Daily*. [Full Story](#)

**Farm production expenditures in the U.S. is estimated at \$318.7 billion for 2011, up from \$289.1 billion in 2010.** The 2011 Total expenditures rose 10.2% compared with 2010 Total expenditures. All expenditure items except Interest and Labor increased from the previous year.

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