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## U.S. Crop Conditions, Doha, and Hungary on the CAP "Health Check"

Posted By [Keith Good](#) On August 26, 2008 @ 5:27 am In [Doha / Trade](#), [EU](#), [Agricultural Economy](#) | [Comments Disabled](#)

[Bloomberg news](#) reported today that, **"U.S. corn and soybean conditions worsened last week because of dry conditions in parts of the Midwest.**

"The corn crop was rated 64 percent good or excellent as of Sunday, down from 67 percent a week earlier, the U.S. Department of Agriculture said Monday [in a weekly report](#). Soybeans were rated 61 percent good or excellent, compared with 62 percent a week earlier."

The article added that, "For spring wheat, about 55 percent of the crop was rated good or excellent, compared with 56 percent a week earlier. Spring wheat is grown mostly in northern Great Plains states, such as North Dakota and Montana, and harvested in August and September. About 61 percent of the crop was harvested as of Sunday, compared with 83 percent a year earlier, the USDA said."

In Iowa, [the Des Moines Register](#) reported today that, "Dry, cool weather has caused Iowa's corn crop to fall behind average development over much of Iowa, according to [a report](#) by the U.S. Department of Agriculture's National Agricultural Statistical Service."

**"Forty-nine percent of the corn crop and 48 percent of the soybean crop were rated as good, down from 57 percent for both a month ago."**

Meanwhile, [Rebecca Townsend](#) reported in today's Wall Street Journal that, **"U.S. soybean prices rallied as dry weather remains an immediate concern for the crop's health and cooler morning temperatures are kindling fears of an early, killing frost.**

"Nearby September soybeans on the Chicago Board of Trade gained 18.25 cents to \$13.3925 a bushel. The most actively traded November soybean contract, which represents the fall harvest, rose 20 cents to \$13.47, but down from the day's high of \$13.68. In the weekly crop-progress report released Monday, the U.S. Agriculture Department said the good-to-excellent crop-condition ratings on soybeans slipped from the previous week.

**"Analysts expected the drop, but it underscored the late-maturing crop's susceptibility to dryness and frost,** said Dax Wedemeyer, a broker-analyst at U.S. Commodities in West Des Moines, Iowa."

With respect to the futures price of wheat and corn, the [Associated Press](#) reported yesterday that, "Wheat for September delivery fell 25.25 cents to \$8.4025 a bushel," while, "December corn fell 6.5 cents to \$6.00 a bushel."

In other news, [David Kesmodel](#) reported in today's Wall Street Journal that, "Last fall, South Dakota businessman Steve Polley was scouting for ways to make some extra income when he saw a news headline: The price of hops was surging because of a global shortage.

"At the time, Mr. Polley knew little about hops, the flowering plants that give beers their distinct aromas and bitterness. Now, helped by a state agricultural grant, the 67-year-old is preparing for his first hops harvest on a small plot on his neighbor's land in Spearfish, S.D.

**"Mr. Polley is among a small but rising number of newcomers to attempt to grow hops on a commercial scale outside the Pacific Northwest, America's haven for hops.** One of the most obscure crops in a long line of agriculture commodities to enjoy a recent price boom, hops are sprouting in numerous other locales, from Colorado to Wisconsin to New York. The growers aim to capitalize on hop prices that are as much as sixfold higher than a few years ago, as well as the nation's boom in small-batch 'craft' brewers, like Colorado's New Belgium Brewing Co. and Odell Brewing Co., which are thirsty for locally grown hops."

And from an international perspective, [Margaret Coker and Reem Shamseddine](#) reported in today's Wall Street Journal that, **"The United Arab Emirates and Saudi Arabia are seeking**

**agricultural-investment opportunities in a handful of developing countries, including Sudan and Pakistan, in an effort to meet rising food demand, according to officials.**

"The proposed investments are the latest detailed by officials in oil-rich Arab states of the Persian Gulf. Shaken by soaring global food prices, governments here and in fast-growing Asia have started courting countries with promising but underdeveloped agricultural prospects.

"Arab development officials say that plans to buy underused farmland in other countries will benefit the host nations, as the deals create jobs and transfer new technologies that will make agriculture more efficient in those nations. Critics of the plans warn that potential investment may not help feed local populations, which are also suffering from today's food crunch. In Sudan, for instance, the United Nations World Food Program currently feeds 5.6 million people."

*Doha*

An [AFP article](#) from yesterday reported that, **"Indonesia has called on Brazil, China and India to help revive the stalled Doha Round of trade talks at a meeting in September, a spokesman for President Susilo Bambang Yudhoyono said Monday.**

"Yudhoyono has contacted President Lula da Silva of Brazil, Chinese President Hu Jintao and Indian Prime Minister Manmohan Singh to underline his concern at the failure of the ministerial-level World Trade Organization talks in July.

"In these three communications ... the president expressed his concern at the latest developments in the Doha Round,' spokesman Dino Patti Djalal said."

The article noted that, "Brazil has also been pushing to revive the talks and India has said it would like to return to the negotiating table if the United States signals that the impasse can be overcome."

*EU Common Agricultural Policy*

An article posted yesterday at [The Budapest Times Online](#) reported that, "Hungary opposes several points of the Common Agricultural Policy (CAP) 'health check' and some sharp disputes are expected this autumn between Hungary and the European Commission."

The article noted that, "The EU wants to make farm policy more market oriented while Hungary sees the potential to expand its production by 30 percent with the help of EU funding.

"[Deputy farm minister Zoltan Gogos] told the paper that the ministry had raised several objections in Brussels."

The item indicated that, "Hungary also stands opposed to the EU's plan to stop direct payments to farmers with land of below 1 hectare because this would affect many farmers in Hungary where the minimum size for farms is 0.3 hectare, he added.

"France, the current holder of the EU presidency, sees reaching a consensus on the CAP health check a priority, he said. **French and Hungarian interests are generally close to each other in agriculture, which gives reason for hope, he added.**

"The debate about the CAP health check will take place in Brussels on September 29-30."

For more background on the CAP "Health Check," just [click here](#).

*Keith Good*

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