FEED OUTLOOK FDS-0600
United States Department of Agriculture Economic Research Service
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HIGHLIGHTS

- Outlook for Domestic Use and Prices Revised Upward This Month
- Crop Conditions Generally Favorable
- Forecasts Reduced for Global 2000/2001 Coarse Grain Production and Stocks
- U.S. Export Forecasts Up Because of Increased Import Demand

TOTAL USE TO REACH RECORD HIGHS IN 1999/2000 AND 2000/01

There were no changes in forecast production of major feed grains for 2000. However, anticipated domestic use of corn was revised upward for 1999/2000 and 2000/01, and the forecast for domestic use of barley was increased for the 2000/01 season. During the past month, attention was largely focused on the completion of planting and early-season growing conditions. The *Grain Stocks* report to be released on June 30 will provide an estimate of disappearance for the March-May quarter, along with an indication of available supplies of corn and sorghum for the summer.

U.S. feed grain supplies are projected to increase 6 million tons in 2000/01 to 323 million, slightly higher than last month’s forecast. Feed grain production in 2000 is projected to increase 8 million metric tons, or 3 percent, from 1999. Total disappearance in 2000/01 is projected at 271 million tons, almost 1 million tons higher than last month’s forecast, and up 1 percent from 1999/2000. This would be the second straight year of record total use for the four feed grains (corn, sorghum, barley, and oats).

NO CHANGE IN 2000 CROP ACREAGE AND PRODUCTION FORECASTS

Early indicators show feed grain crops in generally good condition. No acreage adjustments were made this month, and planting forecasts still reflect farmers' intentions from the spring. On June 30, USDA's *Acreage* report will provide acres planted and intended to be harvested for grain based on information gathered in the first half of June.

Corn production in 2000 is projected at 9,740 million bushels, unchanged from last month, but up 3 percent from the year before. By May 21, 96 percent of the corn crop had been planted in the major producing States, compared with the 5-year average of 77 percent. Planting was more than 1 week ahead of last year when 84 percent of the crop was planted and nearly 2 weeks ahead of the 5-year average. As of June 5, 71 percent of the corn crop was rated in good or excellent condition, down slightly from last year's comparable ranking of 76 percent. Most of the crop will go through the pollination and reproductive stage in July, and weather conditions then will be critical for yield prospects.

Sorghum production is projected at 556 million bushels, unchanged from last month, but down from 595 million last year. By June 5, 75 percent of the crop was planted nationally, up from the 5-year average of 58 percent.

Barley production in 2000 is projected at 320 million bushels, unchanged from last month, and up from last year's 282 million. By May 21, the barley crop was 2 weeks ahead of schedule. By that date, 96 percent had been planted, compared with the average of 73 percent. The condition of the crop continues to be favorable, with 63 percent rated good or better on June 5, down 1 percentage point from last year.

Oats production is projected at 148 million bushels, unchanged from last month, and up from 146 million in 1999. The condition of the oats crop as of June 5 was the same as last year with 77 percent of the crop rated good or better in the 8 selected States.

FEED GRAIN PRICES RAISED

The 2000/01 season average farm price of corn is projected at $1.65-$2.05 per bushel, up from $1.60-$2.00 last month. In 1999/2000, prices received by farmers for corn are expected to average $1.85-$1.95 per bushel, compared with $1.94 a year earlier. The forecast farm price of sorghum for 2000/01 was raised 5 cents to $1.35-$1.75 per bushel. For 1999/2000, the sorghum price is estimated at $1.55-$1.65, compared with $1.66 a year earlier.

The estimated prices received by farmers for barley and oats in 1999/2000 are $2.15 and $1.10 per bushel, respectively, and the same as last month. In 2000/01, the average price received by farmers for barley is anticipated to be $1.80-$2.20 per bushel, up from $1.75-$2.15 last month, and the price for oats is projected at $0.90-$1.30, the same as last month.

FORECASTS REDUCED FOR GLOBAL 2000/2001 COARSE GRAIN PRODUCTION AND STOCKS

World coarse grain production in 2000/01 is forecast at 893 million tons, down 3 million from last month’s projection. Barley production prospects across most of Eastern Europe have been reduced by drought during the spring. Much of the barley, rye, oats, and mixed grain in the region are winter grains, planted in the fall, but reaching critical growth stages in April and May. Drought and above normal temperatures during these critical months reduced production prospects in Austria, Poland, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria, and the former Yugoslavia. Eastern Europe’s 2000/2001 production forecasts were reduced 1.3 million tons for barley, 0.7 million for rye, 0.3 million for oats, and 0.7 million for mixed grain (mostly triticale). Offsetting a small portion of the declines in Eastern Europe was an increase in barley production prospects in Australia, where area planted expanded more than forecast earlier.

As more complete data became available, Southern Hemisphere coarse grain production estimates increased for 1999/2000 in Argentina and Australia, more than offsetting a decline in South Africa. However, forecast 1999/2000 global coarse grain consumption increased more than production, boosting trade and reducing stocks slightly. Taiwan is importing corn at a faster pace than expected as pork production recovers from foot and mouth disease and poultry output increases.

Mexico is importing larger-than-expected volumes of sorghum to meet feed demand. Mexican feed compounders have increasingly turned to sorghum because quotas have limited corn imports. Also, Turkey has emerged as a rye importer because prices are much lower than for other feed grains.

U.S. EXPORT FORECASTS UP BECAUSE OF INCREASED IMPORT DEMAND

U.S. corn and sorghum export forecasts were increased this month for both 1999/2000 and 2000/01. The fundamental changes were the same for both years, increased demand for corn from Taiwan and sorghum from Mexico.

In 1999/2000 competition among corn exporters remains intense. Although South Africa’s export forecast was reduced due to lower production and a slower than expected export pace, that is offset by increased production and exports from Argentina. China’s corn is reportedly moving to Asian markets in large volumes, so China’s export forecast was unchanged despite lower-than-expected exports reported for April. EU corn exports for 1998/1999, 1999/2000, and 2000/2001 were reduced because less corn is being used as part of aid shipments than in previous years.

As of June 1, according to *U.S. Export Sales*, corn shipments through the first 9 months of 1999/2000 were up 2 percent from a year earlier, but outstanding sales were down 16 percent. Sales and shipments are down significantly to South Korea and Mexico, but up to most other major destinations, especially Taiwan. In 1999/2000 China is replacing the United States as the largest supplier of corn to South Korea. However, reduced U.S. corn shipments to Mexico are offset by increased sales of sorghum.

Although up from last month’s forecast, global coarse grain consumption is expected to increase only 1 percent in 1999/2000, less than the pace of population growth. However, this growth is substantially above the previous year, when global consumption declined, or the year before that when it stagnated. In 2000/01 global coarse grain consumption is projected to grow at almost the same pace as in 1999/2000.

U.S. corn exports in 2000/01 are forecast at 49.5 million tons, up 1 million from the previous month’s forecast because of increased import demand. U.S. sorghum, Australia’s barley, and EU rye exports are also up for the same reason. Demand for feed is stronger than expected in Taiwan, Mexico, and Colombia, boosting U.S. export prospects. Reduced coarse grain and wheat production in Eastern Europe is expected to cause countries in that region to export less grain and import more barley. This will further tighten world barley markets and likely keep barley prices high compared with corn. Additionally, with less winter grains available for feeding, some additional corn imports are likely. However, Eastern Europe’s projected coarse grain consumption is down almost 2 million tons this month as the livestock feeding sector is expected to be hurt by the reduced crop.

This month’s change in consumption was less than the drop in forecast world production, so global ending stocks are projected slightly lower than a month ago. However, 2000/01 stocks are still expected to be ample and larger than forecast for the previous year, keeping prices at relatively low levels.

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The next Feed Outlook will be released on July 14, 2000
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Table 1--Feed Grains: Marketing year supply and disappearance 1/

Year/ Qtr.	Beg. stocks	Produc- tion	Im- ports	Supply	FSI	Feed & resid.	Ex- ports	Total disp.	End. stks.	Farm price
CORN	Million bushels									$/bu
1997/98										
Sep-Nov	883	9,207	2	10,092	435	2,030	380	2,845	7,247	2.53
Dec-Feb	7,247	---	1	7,248	425	1,503	380	2,308	4,940	2.55
Mar-May	4,940	---	4	4,944	470	1,084	350	1,904	3,040	2.45
Jun-Aug	3,040	---	2	3,042	475	865	394	1,734	1,308	2.12
Mkt. yr.	883	9,207	9	10,099	1,805	5,482	1,504	8,791	1,308	2.43
1998/99										
Sep-Nov	1,308	9,759	4	11,071	450	2,118	450	3,019	8,052	1.90
Dec-Feb	8,052	---	6	8,058	434	1,460	465	2,359	5,698	2.04
Mar-May	5,698	---	7	5,706	495	1,097	497	2,089	3,616	2.04
Jun-Aug	3,616	---	2	3,618	468	795	568	1,831	1,787	1.80
Mkt. yr.	1,308	9,759	19	11,085	1,846	5,472	1,981	9,298	1,787	1.94
1999/00										
Sep-Nov	1,787	9,437	4	11,228	459	2,210	534	3,203	8,025	1.71
Dec-Feb	8,025	---	3	8,028	447	1,508	468	2,423	5,606	1.89
Mkt. yr.	1,787	9,437	15	11,239	1,930	5,675	1,875	9,480	1,759	1.85-1.95
2000/01										
Mkt. yr.	1,759	9,740	10	11,509	1,975	5,700	1,975	9,650	1,859	1.65-2.05
SORGHUM										
1997/98										
Sep-Nov	47	634	0	681	18	239	49	307	374	2.26
Dec-Feb	374	---	0	374	18	38	83	139	235	2.24
Mar-May	235	---	0	235	12	71	55	139	96	2.16
Jun-Aug	96	---	0	96	6	17	24	47	49	2.08
Mkt. yr.	47	634	0	681	55	365	212	632	49	2.21
1998/99										
Sep-Nov	49	520	0	569	15	178	41	234	335	1.67
Dec-Feb	335	---	0	335	15	34	64	113	222	1.69
Mar-May	222	---	0	222	10	45	51	106	116	1.73
Jun-Aug	116	---	0	116	6	5	41	51	65	1.60
Mkt. yr.	49	520	0	569	45	262	197	504	65	1.66
1999/00										
Sep-Nov	65	595	0	660	18	229	65	312	348	1.45
Dec-Feb	348	---	0	348	18	29	77	123	225	1.57
Mkt. yr.	65	595	0	660	55	310	250	615	45	1.55-1.65
2000/01										
Mkt. yr.	45	556	0	601	55	260	240	555	46	1.35-1.75

Table 1--Feed Grains: Marketing year supply and disappearance, (cont.) 1/

Year/ Qtr.	Beg. stocks	Produc- tion	Im- ports	Supply	FSI	Feed & resid.	Ex- ports	Total disp.	End. stks.	Farm price
BARLEY	Million bushels									$/bu
1997/98										
Jun-Aug	109	360	12	482	44	87	24	155	327	2.31
Sep-Nov	327	---	7	334	39	12	39	90	244	2.45
Dec-Feb	244	---	8	252	37	29	6	72	180	2.42
Mar-May	180	---	13	193	53	16	5	74	119	2.26
Mkt. yr.	109	360	40	510	172	144	74	390	119	2.38
1998/99										
Jun-Aug	119	352	7	479	44	101	8	152	326	2.03
Sep-Nov	326	---	7	333	39	16	8	63	271	1.97
Dec-Feb	271	---	6	277	37	32	7	76	201	1.89
Mar-May	201	---	9	210	51	12	5	68	142	1.85
Mkt. yr.	119	352	30	501	170	161	28	360	142	1.98
1999/00										
Jun-Aug	142	282	6	429	44	81	9	134	295	2.13
Sep-Nov	295	---	5	300	39	22	10	71	229	2.04
Dec-Feb	229	---	9	239	37	24	7	68	170	2.14
Mkt. yr.	142	282	25	449	172	135	30	337	112	2.15
2000/01										
Mkt. yr.	112	320	30	462	172	145	25	342	120	1.80-2.20
OATS										
1997/98										
Jun-Aug	67	167	19	253	17	80	0.4	98	155	1.62
Sep-Nov	155	---	38	193	17	31	0.7	49	144	1.54
Dec-Feb	144	---	26	170	15	44	0.5	59	111	1.59
Mar-May	111	---	15	127	23	29	0.5	53	74	1.60
Mkt. yr.	67	167	98	332	72	185	2.1	258	74	1.60
1998/99										
Jun-Aug	74	166	28	268	17	89	0.5	106	162	1.15
Sep-Nov	162	---	36	198	16	38	0.4	54	143	1.08
Dec-Feb	143	---	22	166	14	38	0.5	53	113	1.20
Mar-May	113	---	22	134	22	31	0.3	53	81	1.23
Mkt. yr.	74	166	108	348	69	196	1.7	266	81	1.10
1999/00										
Jun-Aug	81	146	22	249	17	84	0.6	101	148	1.05
Sep-Nov	148	---	34	182	16	30	0.3	46	136	1.08
Dec-Feb	136	---	23	159	14	43	0.2	57	101	1.22
Mkt. yr.	81	146	100	328	68	180	1.6	250	78	1.10
2000/01										
Mkt. yr.	78	148	100	326	68	180	2	250	76	0.90-1.30

Totals may not add due to rounding.

1/ Corn and sorghum are on a September 1 to August 31 marketing year. Barley and oats are on a June 1 to May 31 marketing year.

Table 2--Feed and residual use of wheat and coarse grains

Year Beginning September 1	Corn	Sorg.	Barley	Oats	Feed Grains	Wheat	Total grains	Animal Units	Feed/ animal unit
	Million metric tons							Mil.	Tons
1997/98									
Sep-Nov	51.6	6.1	0.3	0.6	58.5	-3.1	55.4		
Dec-Feb	38.2	1.0	0.6	0.7	40.5	0.0	40.5		
Mar-May	27.5	1.8	0.3	0.5	30.1	0.3	30.5		
Jun-Aug	22.0	0.4	2.2	1.3	25.9	11.6	37.5		
Mkt. yr.	139.2	9.3	3.4	3.1	155.0	8.8	163.8	87.9	1.86
% Change	3.9	-29.3	-5.6	7.3	0.9	14.5	1.5	3.1	-1.5
1998/99									
Sep-Nov	53.8	4.5	0.3	0.6	59.3	-2.0	57.3		
Dec-Feb	37.1	0.9	0.7	0.6	39.3	0.3	39.6		
Mar-May	27.9	1.2	0.3	0.5	29.8	0.9	30.7		
Jun-Aug	20.2	0.1	1.8	1.3	23.4	7.5	30.9		
Mkt. yr.	139.0	6.7	3.1	3.0	151.8	6.7	158.5	88.1	1.80
% Change	-0.2	-28.2	-10.5	-1.5	-2.1	-18.5	-3.2	0.1	-3.3
1999/00									
Sep-Nov	56.1	5.8	0.5	0.5	63.0	-0.2	62.8		
Dec-Feb	38.3	0.7	0.5	0.7	40.2	0.9	41.2		
Mkt. yr.	144.2	7.9	2.9	2.8	157.8	10.2	168.0	89.4	1.88
% Change	3.7	17.9	-6.5	-7.2	4.0	52.2	6.0	1.5	4.4
2000/01									
Mkt. yr.	144.8	6.6	3.0	2.9	157.3	7.5	164.8	88.3	1.87
% Change	0.4	-16.5	3.4	2.1	-0.3	-26.5	-1.9	-1.2	-0.5

Table 3--Cash feed grain prices

Mkt. yr.	Corn, No. 2, Yel, Ctrl. IL 1/	Corn, No. 2, Yel, Gulf ports 1/	Sorghum, No. 2, Yel Texas South Panhandle 1/	Sorghum, No. 2, Yel, Gulf ports 1/	Barley, No. 2, feed, Duluth 2/	Barley, No. 3 or better, Malting, Minn. 2/	Oats, No. 2, Heavy white, Minn. 2/
	$/bu	$/bu	$/cwt	$/cwt	$/bu	$/bu	$/bu
95/96	3.91	4.30	7.30	7.19	2.67	3.69	2.28
96/97	2.74	3.07	5.02	5.03	2.32	3.18	2.03
97/98	2.45	2.78	4.72	4.76	1.90	2.50	1.70
98/99 3/	1.97	2.35	3.78	3.97	1.23	2.30	1.34
Monthly:							
1999:							
Jan	2.07	2.48	3.79	4.13	NQ	NQ	1.33
Feb	2.05	2.40	3.78	4.11	NQ	NQ	1.26
Mar	2.09	2.45	3.85	4.16	NQ	NQ	1.35
Apr	2.05	2.39	3.78	4.06	NQ	NQ	1.36
2000:							
Jan	1.95	2.36	3.54	4.01	NQ	NQ	1.21
Feb	2.03	2.42	3.67	4.07	NQ	NQ	1.19
Mar	2.08	2.42	3.19	4.16	NQ	NQ	1.34
Apr 3/	2.09	2.43	3.83	4.10	NQ	NQ	1.45

1/ Marketing year beginning September 1.
2/ Marketing year beginning June 1.   3/ Preliminary.   NQ = No quote.

Table 4--Selected feed and feed by-product prices

	Soybean meal 44% slv. Decatur, IL 1/	Cotton-seed meal, 41% slv. Memphis 1/	Corn gluten feed, IL pts. 1/	Corn gluten meal, IL pts. 1/	Meat & bone meal, Central U.S. 1/	Dists.' dried grains, Lawrence-burg, IN 1/	Wheat midlgs, Kansas City 1/	Alfalfa farm price 2/
	$/ton							
Mkt. yr.								
95/96	217.27	186.12	116.47	319.35	222.07	151.37	118.08	87.20
96/97	260.37	191.47	93.05	341.50	272.44	142.87	91.18	101.80
97/98	186.55	150.40	69.65	290.45	192.56	109.76	76.30	107.00
98/99	130.56	109.86	59.87	234.72	137.32	85.77	54.74	91.00
Monthly:								
1999:								
Jan	131.00	110.60	75.90	257.50	143.00	87.00	80.10	81.40
Feb	124.40	101.25	62.50	222.50	131.70	97.00	62.00	83.70
Mar	127.20	106.90	56.00	198.00	124.50	92.00	68.50	83.20
Apr	128.60	110.90	54.25	192.50	128.70	83.00	54.10	86.40
2000:								
Jan	154.96	126.88	55.50	238.75	156.89	85.00	56.13	74.10
Feb	163.55	130.50	51.90	248.50	159.69	82.50	69.50	77.40
Mar	167.00	129.38	51.50	243.13	163.88	73.75	56.30	78.00
Apr 3/	169.00	125.00	51.75	216.25	167.93	70.00	49.08	84.50

1/ Marketing year beginning September 1.
2/ Marketing year beginning May 1. 3/ preliminary.

Table 5--Corn: Food, and industrial uses

Year	HFCS	Glucose and dex.	Starch	---Alcohol--- Fuel	Bev. & Mfg	Cereals & other products	Total F&I
				Million bushels			
1997/98							
Sep-Nov	118.4	59.3	62.8	116.1	33.2	45.5	435.2
Dec-Feb	112.5	52.6	59.7	122.2	32.8	45.0	424.8
Mar-May	134.2	56.8	61.3	118.3	33.5	46.0	450.1
Jun-Aug	147.8	60.5	62.0	124.6	33.5	46.0	474.4
Mkt year	512.9	229.2	245.8	481.1	133.0	182.4	1,784.4
1998/99							
Sep-Nov	123.1	56.6	60.8	132.4	31.1	45.9	449.9
Dec-Feb	116.6	48.7	57.6	132.9	32.6	45.4	433.8
Mar-May	140.5	56.1	60.1	138.8	34.1	46.4	475.9
Jun-Aug	150.2	57.7	61.2	121.8	29.4	46.4	466.7
Mkt year	530.5	219.0	239.7	525.8	127.1	184.2	1,826.3
1999/00							
Sep-Nov	129.3	56.7	63.6	131.7	31.8	46.0	459.2
Dec-Feb	119.4	49.6	60.0	138.3	33.3	46.0	446.6
Mkt year	565.0	225.0	250.0	555.0	130.1	185.0	1,910.1
2000/01							
Mkt year	580.0	230.0	255.0	570.0	130.6	190.0	1,955.5

Table 6--Wholesale corn milling product and by-product prices

	Corn meal, yellow, New York	Brewers' grits, Chicago	Sugar, destrose, Midwest	HFCS, 42% tank cars, Midwest	Corn starch, fob Midwest 3/
	$/cwt	$/cwt	cents/lb	cents/lb	$/cwt
Mkt. yr. 1/					
95/96	17.79	14.21	25.50	13.01	15.98
96/97	16.94	12.85	25.50	13.15	13.83
97/98	15.94	11.85	28.08	7.77	13.55
98/99 2/	15.06	11.00	24.24	8.04	12.28
Monthly					
1999:					
Feb	15.24	11.14	30.65	7.95	12.01
Mar	15.47	11.37	25.68	8.28	12.40
Apr	15.22	11.12	15.75	8.45	12.88
May	15.18	11.08	16.38	8.45	12.97
2000:					
Feb	15.17	11.07	16.38	9.25	12.40
Mar	15.39	11.29	16.38	9.25	12.76
Apr	15.26	11.16	16.38	9.25	12.94
May 2/	16.00	11.90	16.38	9.25	13.06

1/ Marketing year beginning September 1.
2/ Preliminary.
3/ Bulk-industrial, unmodified.

Table 7--U.S. imports by country of origin

Country/region	1997/98 Mkt. yr.	1997/98 Jun - Mar.	1998/99 Mkt. yr.	1998/99 Jun - Mar.	1999/2000 Jun - Mar.
	Thousand tons				
OATS					
Canada	1,282	1,216	1,142	1,018	1,087
Finland	161	124	216	182	102
Sweden	176	142	443	359	250
Total 1/	1,696	1,547	1,856	1,559	1,453
BARLEY, MALTING					
Canada	733	598	567	434	466
Total 1/	733	598	567	434	466
BARLEY, OTHER 2/					
Canada	112	90	81	74	39
Total 1/	143	91	81	74	39

1/ Totals may not add due to rounding.
2/ Mainly consists of barley for feeding, and also includes seed barley.

Source: Bureau of the Census.

Table 8--U.S. feed grain exports by selected destinations 1/

Country/region	1997/98 Mkt. yr.	1997/98 Sept.-Mar.	1998/99 Mkt. yr.	1998/99 Sept.-Mar.	1999/2000 Sept.-Mar.
CORN					
Japan	14,581	8,971	15,110	8,708	9,063
S. Korea	3,593	1,551	6,462	3,350	2,176
Mexico	4,116	1,999	5,387	3,203	2,474
Taiwan	3,801	2,743	4,365	2,370	3,111
Egypt	1,808	1,166	3,159	1,711	2,394
Colombia	1,175	724	1,512	835	1,037
Venezuela	655	451	1,288	891	577
Saudi Arabia	971	675	1,182	704	661
Algeria	861	558	955	589	547
Canada	1,423	799	867	393	561
Dominican Republic	644	389	777	390	523
Turkey	379	104	692	85	295
Peru	253	170	674	461	430
Morocco	350	217	592	261	350
Chile	147	147	486	392	517
Former USSR	23	22	405	1	116
China	212	53	204	154	58
South Africa	0	0	143	0	309
Other Sub-Saharan	336	213	298	137	119
EU	147	7	192	191	85
East Europe	19	19	12	12	35
Others	2,623	1,576	5,464	2,751	3,837
Total	38,117	22,555	50,228	27,588	29,277
SORGHUM					
Mexico	3,222	2,020	3,103	1,693	2,955
Japan	1,650	1,498	1,362	1,038	884
Others	463	419	433	374	337
Total	5,334	3,937	4,899	3,105	4,176

	1997/98 Mkt. yr.	1997/98 Jun-Mar.	1998/99 Mkt. yr.	1998/99 Jun-Mar.	1999/2000 Jun-Mar.
BARLEY					
Saudi Arabia	922	922	0	0	0
Israel	0	0	0	0	0
Jordan	53	53	0	0	50
Japan	290	290	422	412	354
Mexico	124	105	94	81	99
Taiwan	94	94	0	0	5
Other	135	119	99	57	83
Total	1,617	1583	615	549	591

1/ Totals may not add due to rounding. Source: Bureau of the Census