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Feed Outlook

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2006/07 Feed Grain Supplies To Decline and Use To Increase

Contents

The next release is June 13, 2006

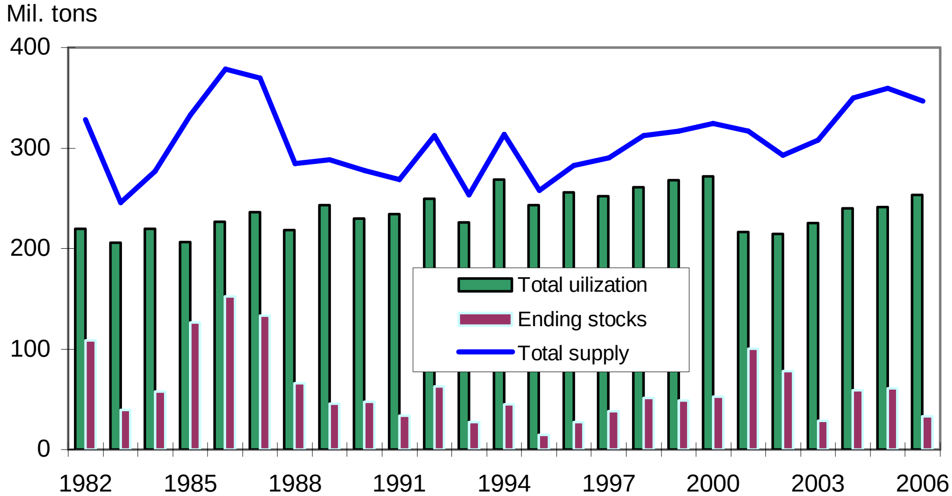
Approved by the World Agricultural Outlook Board.

This report summarizes the initial U.S. Department of Agriculture (USDA) supply and demand projections and U.S. price prospects for the 2004/05 marketing year. Because planting of spring crops is still underway in the Northern Hemisphere and remains several months away in the Southern Hemisphere, these projections are highly tentative. Projections are based on USDA surveys, economic analysis, the assumption of normal weather, and judgment.

Forecasted corn production in 2006/07 is down from last year as harvested area is lower. Corn use is expected to remain high and set a record, helped in part by increased ethanol production and increased exports. U.S. corn exports are expected to be the highest since 1994/95 due to modest competition from Argentina as a result of the small crop harvested in 2006, reduced exports from China and South Africa, and less competition from feed-quality wheat. The U.S. sorghum and barley supply is expected to be down from last year and use up. Forecasted 2006/07 oats supplies and use are up from last year. Forecasted ending stocks for feed grains are down from last year, suggesting stronger prices for all four feed grains.

Domestic Outlook

Figure 1
U.S. feed grain supply and utilization



Source: World Agricultural Outlook Board (*WASDE*).

Feed Grain Production Down 15 Million Tons

Total feed grain production for 2006/07 is projected at 283 million tons, down from 299 million in the previous marketing year. This year-over-year decrease stems from a decline in projected harvested area for all of the feed grains, except oats. Oats production is expected to be up from 2005 because of an increase in expected harvested acres.

For the four feed grains combined, harvested area is down in 2006/07, but yield is projected slightly higher. Harvested area projections are based on planting intentions and average harvested to planted area are projected based on the relationship between planted and harvested for 2000-2005, omitting 2002. Yield projections are based on linear trends, however, the corn yield was adjusted above trend based on the accelerated planting accomplished this spring. Beginning feed grain stocks are 61 million tons, up from 59 million tons in 2005/06. Total 2006/07 feed grain supply is projected at 347 million tons, down from 359 million.

Feed grain utilization is expected to rise in 2006/07. Food, seed, and industrial use is projected at 96 million tons, up from 82 million in 2005/06. Exports are expected to rise from 57 million tons in 2005/06 to 60 million tons. Feed and residual use is expected to decline 2 million tons in 2006/07 to 158 million. Despite the decrease in supply, ending feed grain stocks are projected to decrease 28 million tons to 33 million. Higher prices are expected for corn, sorghum, barley, and oats.

Changes to 2005/06 Balance Sheets

The only changes made to the 2005/06 marketing year were increasing exports. Forecast corn exports were increased 75 million bushels to 2,025 million bushels. Sorghum exports are expected to increase 10-million bushels to 195 million. Pace analysis of exports to date, inspections for exports, and export sales suggest the stronger exports. No changes were made to barley and oats balance sheets.

Feed and Residual Down From 2005/06

The 2006/07 feed and residual use for the four feed grains plus feed wheat is projected at 163 million tons, down 1 million from the previous year. Feed and residual use per grain consuming animal unit (GCAU) is projected at 1.74 tons in 2006/07, down from 1.78 tons a year earlier. Total GCAUs are projected to be up 1 percent to 93 million, a record. GCAUs are up even though supplies of domestic cattle for feeding are constrained by heifer retention.

The following is a breakdown of animal production estimates for calendar year 2007:

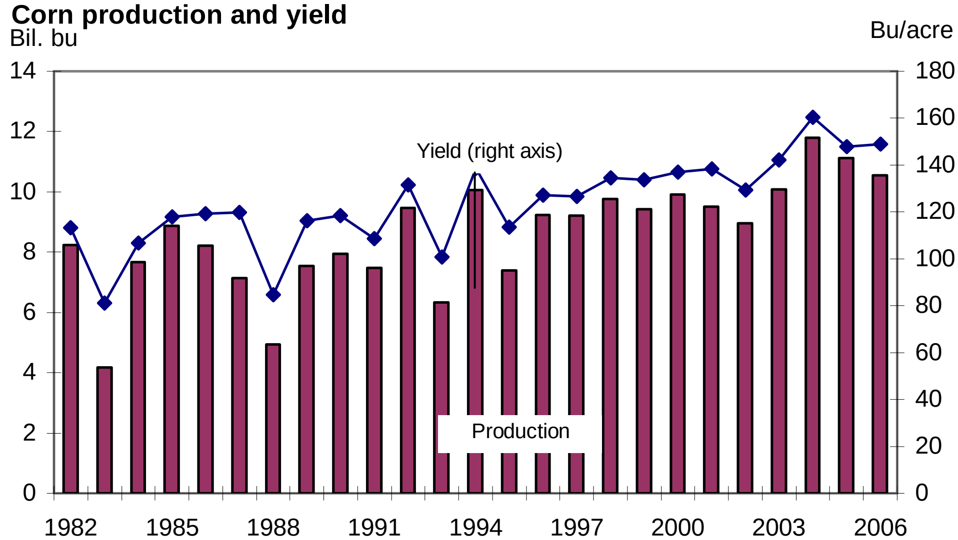
- Beef production is expected to be 26.8 billion pounds, up from 26.3 billion a year earlier,
- 2007 pork production is 21.7 billion pounds, up 2 percent from 2006,
- poultry production is projected at 43.1 billion pounds, up from 42.3 billion in 2006,
- egg production is 7.7 billion dozen, up from 7.6 billion a year earlier,
- 2007 milk production is 183 billion pounds, up from 182 billion.

Lower Corn Production and Harvested Area Expected in 2006/07

The 2006/07 corn crop is projected at 10,550 million bushels, down from 11,112 million bushels a year earlier. This year-over-year change stems from a 4.3-

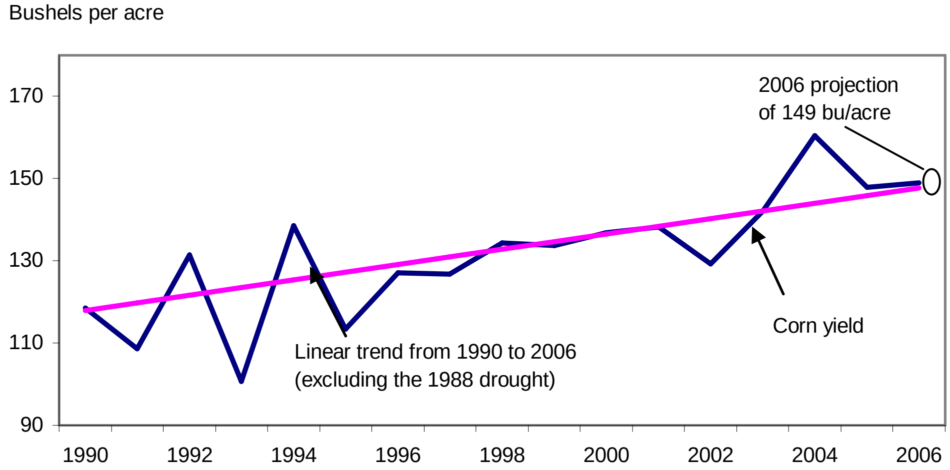
Figure 2

Corn production and yield



Source: National Agricultural Statistics Service, USDA-NASS Quick Stats and World Agricultural Outlook Board (*WASDE*).

Figure 3
Accelerated spring plantings put the 2006 corn yield projection above trend



Sources: World Agricultural Outlook Board *(WASDE)*.

million-acre decrease in harvested area to 71 million acres, but a 1.1-bushel per acre increase in yield to 149 bushels per acre. USDA generally uses a trend yield estimate for the May *World Agricultural Supply and Demand Estimates*, however, the yield forecast was raised above this trend due to the accelerated corn planting this spring. As of May 7, 2006, 70 percent of the 2006/07 corn crop has been planted, down from 75 percent last year but well above the 5-year average of 64 percent. Planted area is based on the March *Prospective Plantings* report, and harvested acreage is based on the relationship between planted and harvested area from 2000-2005 (omitting 2002).

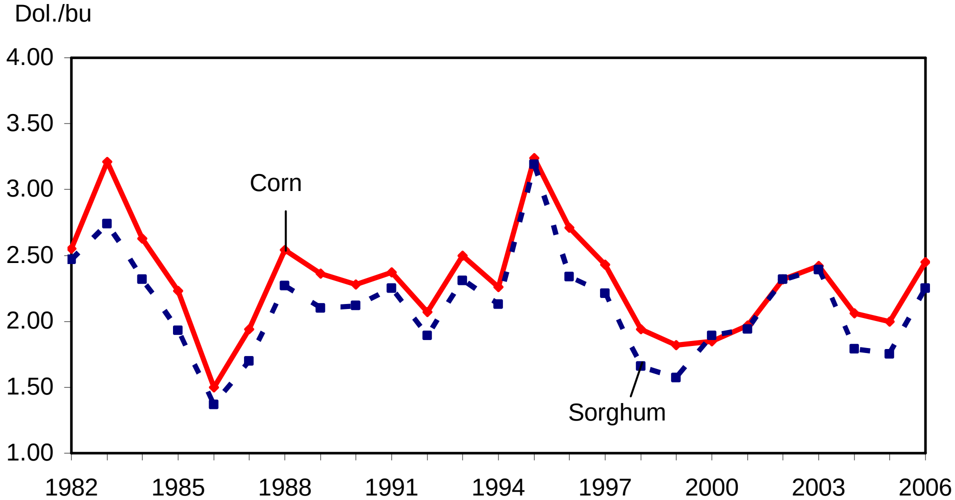
Forecasted beginning 2006/07 corn stocks are 2,226 million bushels, up from 2,114 million a year earlier. Total corn supply is expected to be 12,786 million bushels, down 450 million from the previous year.

Total corn utilization is projected at a record 11,645 million bushels, up from 11,010 million bushels the previous year. This year-over-year increase stems from increased food, seed, and industrial use and exports; feed and residual is down 1 percent to 5,950 million bushels. Food, seed, and industrial use is projected at 3,545 million bushels, up from 2,985 million bushels expected in 2005/06. Increased ethanol production is the major factor behind this year-over-year increase. Exports for 2006/07 are projected at 2,150 million bushels, up 125 million from the previous year.

Ending stocks of corn for 2006/07 are projected at 1,141 million bushels, down from 2,226 million a year earlier. Season average corn prices for 2006/07 are projected at $2.25-$2.65 per bushel compared with $1.95-$2.05 per bushel the previous year.

Figure 4

Annual average farm price for corn and sorghum



Source: World Agricultural Outlook Board *(WASDE).*

Food, Seed, and Industrial Use To Continue Growing

Food, seed, and industrial (FSI) use in 2006/07 is expected to increase nearly 19 percent from a year earlier and equal to 30 percent of total use, up from an expected 27 percent in 2005/06 and 25 percent in 2004/05. High fructose corn syrup use of corn is projected to increase 2 million bushels from the 535 million bushels expected to be used in 2005/06. This is up from an expected 3 percent increase in 2005/06.

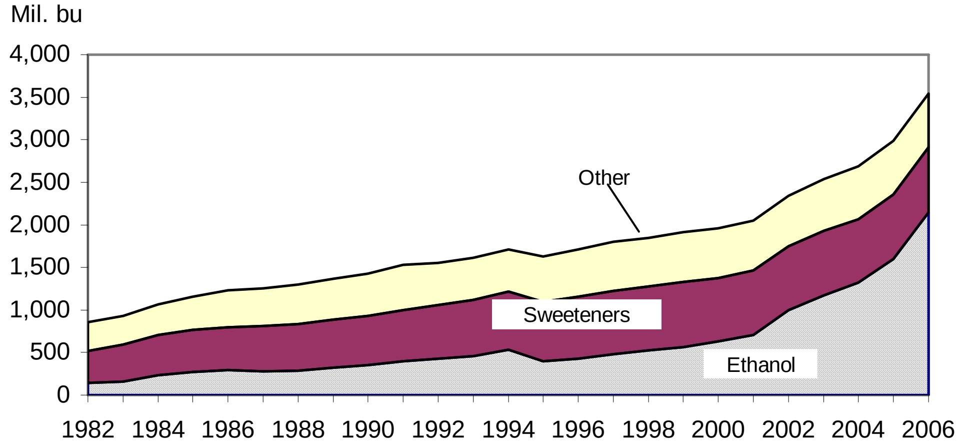
Glucose and dextrose use of corn in 2006/07 is expected to be up 1 percent from the expected 225 million bushels the previous year, which was up 1 percent from 2004/05. Starch use of corn in the first half of 2005/06 was up only slightly from the year earlier but for all of 2005/06, starch use is expected to be up 1 percent from 2004/05. In 2006/07, corn used to produce starch may increase 2 percent from the expected use in 2005/06.

Corn use for ethanol in 2006/07 is projected to increase 34 percent following an expected 21-percent gain in 2005/06. Monthly ethanol production reported by the Department of Energy was record-high at 302,000 barrels per day in February 2006 (the latest available data), helping boost first-half 2005/06 to a record 2,121 million gallons. This ethanol production reflects the new plants that have been added in response to very profitable operations last year.

Stocks in February of ethanol, also reported by DOE, were up 19 percent from a year earlier and reached a record high of 310 million gallons. Ethanol prices usually move with gasoline prices but have been strong this year as MTBE is being replaced with ethanol, creating tight supplies and some problems in getting ethanol where it is needed.

Figure 5

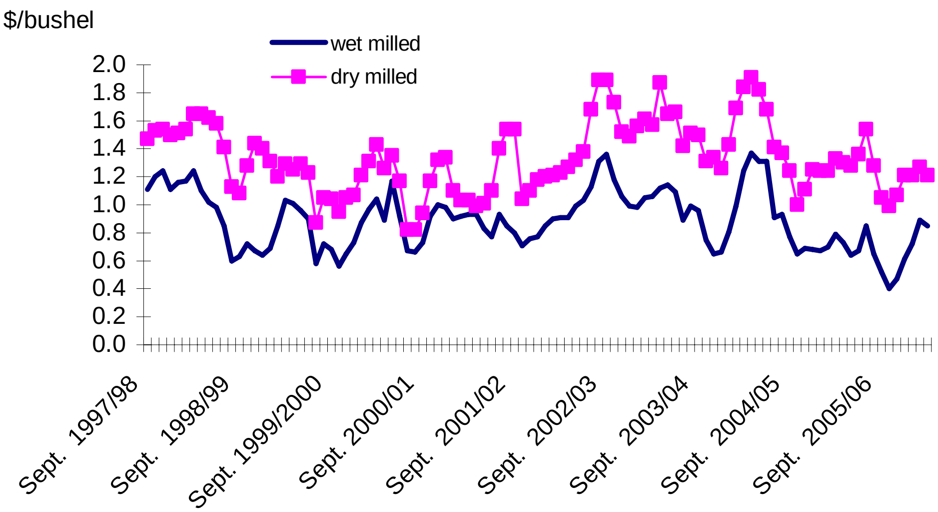
Food, seed, and industrial use of corn



Note: Other includes starch, beverage alcohol, cereals and other products, and seed.
Source: Economic Research Service, USDA, The Feed Grain Data Delivery System.

Figure 6

Net corn costs for wet and dry milling



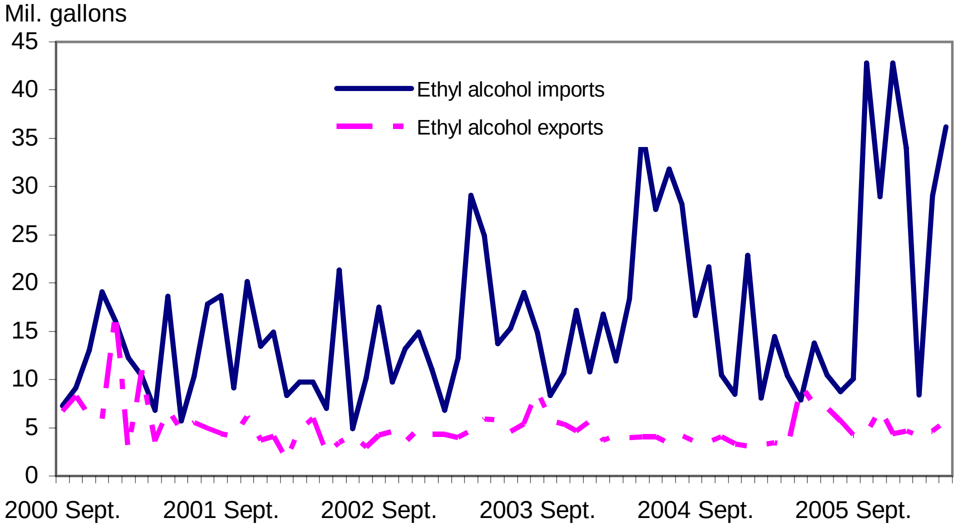
Source: Economioc Research Service, USDA, The Feed Grains Data Delivery System.

The cost of corn, the main feedstock for ethanol, has been rising along with co-product prices. As a result, net corn costs are up slightly from their lows in October 2005 when corn prices were at harvest lows.

Ethyl alcohol trade imports, which can be converted to ethanol, have increased in 2006 since blenders in some parts of the U.S. have had trouble getting supplies. Imports reached a record of 36 million gallons in March. Exports in March were nearly 6 million gallons.

Figure 7

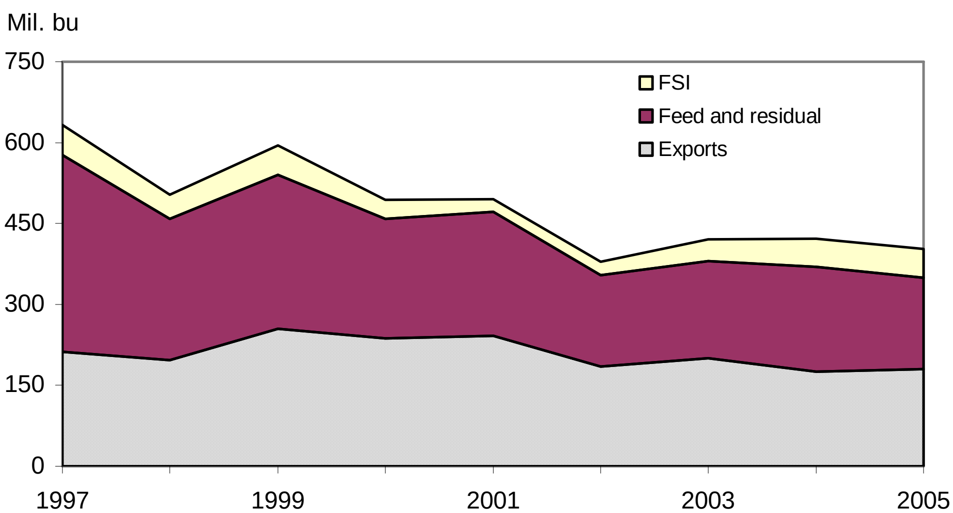
Ethyl alcohol trade



Source: Economic Research Service, USDA, The Feed Grains Data Delivery Sysem.

Figure 8

Sorghum utilization



Source: Economic Research Service, USDA.

Sorghum Supply Projected at 411 Million Bushels

The 2006/07 sorghum crop is projected to be 360 million bushels, down from 394 million a year earlier. This year-over-year decrease stems from a 3.2-bushel-per-acre decrease in yield to 65.5 bushels per acre. Projected harvested area declined 236,000 acres to 5.5 million. The yield projection is based on a 10-year average (excluding 2002), adjusted for rounding. Planted area comes from the March *Prospective Plantings* report, and harvested area comes from the 2000-2005 harvested/planted ratio (excluding 2002).

Forecasted 2006/07 sorghum beginning stocks are 51 million bushels. Total supply is projected to be 411 million bushels, down from 451 million in 2005/06.

Total utilization is expected to decrease from 400 million bushels to 365 million bushels in 2006/07. Feed and residual use for 2006/07 is projected at 120 million bushels, down from 150 million a year earlier. Food, seed, and industrial use is projected at 60 million bushels, up from 55 million bushels in 2005/06. This increase stems from expectations of sorghum prices to be slightly lower than corn prices, which will increase the use of sorghum in ethanol production. Exports are projected at 185 million bushels, down 10 million from 2005/06.

Ending sorghum stocks for 2006/07 are projected at 46 million bushels, down from 51 million a year earlier. The 2006/07 season average sorghum price is projected at $2.05-$2.45, up from $1.70-$1.80 a year earlier.

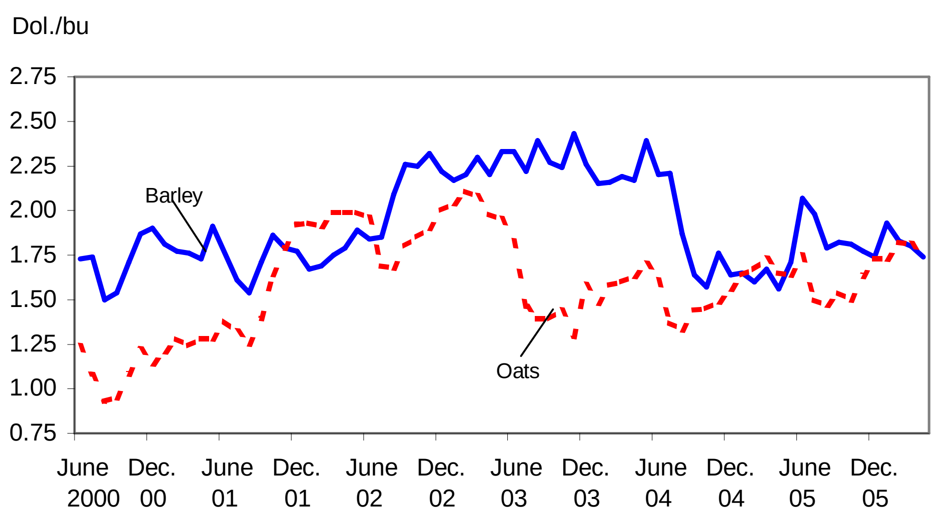
Barley Production To Decrease 7 Million Bushels in 2006/07

The 2006/07 barley crop is projected at 205 million bushels compared with 212 million the previous year. This decrease comes from a 69,000-acre decrease in harvested area, which is projected at 3.2 million acres in 2006/07. A 0.7-bushel per-acre yield decrease, now projected at 64.1 bushels per acre, also contributes to the decline.

Forecasted barley planted area is based on the March *Prospective Plantings* report, and harvested area comes from the 2000-2005 average relationship between harvested and planted area (excluding 2002). Barley yield comes from 1960-2005 trend yields, adjusted for rounding.

Figure 9

Barley and oats prices



Source: Economic Research Service, USDA, The Feed Grains Data Delivery Sysstem, Barley beginning stocks are 105 million bushels, down from 128 million bushels in 2005/06. Imports for 2006/07 are forecast at 15 million bushels, up 10 million from a year earlier. Total supply is 325 million bushels, down from 345 million bushels. On the use side, feed and residual use, and exports are projected to decrease in 2006/07. Food, seed, and industrial use is unchanged at 155 million bushels, as domestic beer demand is thought to be steady. Feed and residual use for 2006/07 is projected at 45 million bushels, down from 55 million a year earlier. Exports are projected at 25 million bushels, down from 30 million in 2005/06. Total 2006/07 barley utilization is projected at 225 million bushels, down from 240 million a year earlier.

Ending barley stocks for 2006/07 are projected at 100 million bushels, down 5 million bushels from the previous year. Barley prices are projected at $2.45-$2.85 for 2006/07 compared with $2.51 in the previous year.

Oats Production To Increase in 2006/07

The 2006/07 oats crop is projected at 125 million bushels, up from 115 million the previous year. This year-over-year increase stems from larger harvested area up 177,000 acres to 2 million acres, and a 0.5-bushel per-acre decrease in yield. The 2006/07 yield is projected to be 62.5 bushels per acre. Oat planted area is based on the *March Prospective Plantings* report, and harvested area comes from the 2000-2005 average relationship between harvested and planted area (excluding 2002). Oats yield comes from 1960-2005 trend yields, adjusted for rounding.

Forecasted oat beginning stocks are 52 million bushels and imports are projected at 95 million bushels, up 10 million from the previous year, because of the larger expected oat crop in Canada. This puts the total 2006/07 oats supply at 272 million bushels.

Total 2006/07 utilization is projected at 222 million bushels, up from 206 million a year earlier. Feed and residual use is projected at 145 million bushels, up 15 million from 2005/06. Food, seed, and industrial use is projected at 75 million bushels, up 1 million from last year, and 2006/07 exports are projected at 2 million bushels. Ending stocks are expected to be 50 million bushels, down from 52 million in 2005/06. Oats prices are projected at $1.60-$2.00 per bushel, compared with $1.61 in 2005/06.

Hay Disappearance Increased in 2005/06

Hay stocks on May 1, 2006, totaled 21 million tons, compared with 28 million in 2005. In the 2005/06 May-April hay year, total disappearance (beginning stocks plus production less ending stocks) was 157 million tons, up 597,000 tons from the previous year. Roughage consuming animal units (RCAU) were up 2 percent, thus disappearance per unit was down 1 percent from the 2.2 tons consumed in 2004/05.

Silage production in 2005 was down 1 percent and together hay and silage per RCAU were down 4 percent from the previous year. Farmers in March indicated they planned to harvest 61 million acres of hay in 2006, down 171,000 acres from 2005.

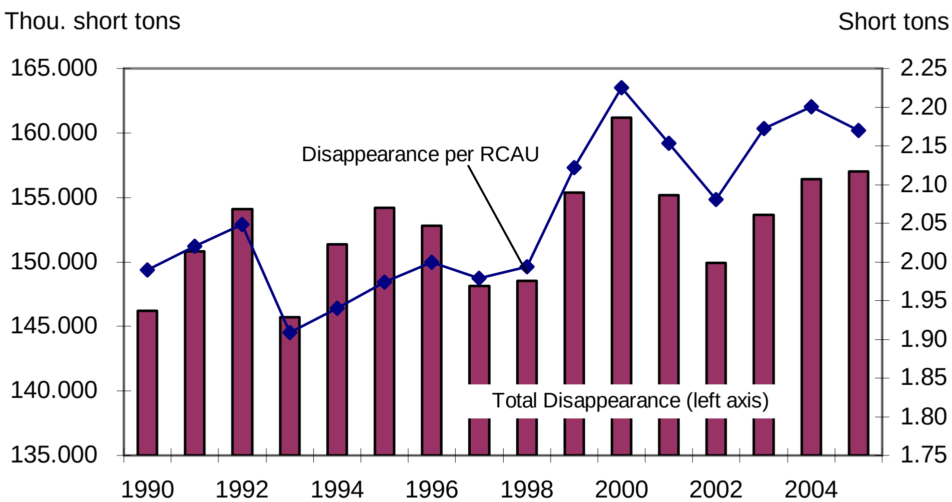
Disappearance of hay from December 1, 2005-May 1, 2006, totaled 84 million tons, 3 percent less than the disappearance of 87 million tons for the same period a year earlier. Thirty-six of the 48 reporting States had lower hay stocks than a year ago. Hay stocks in most of these States were also below year-ago levels for December 1 which resulted in the lower May 1 stocks. Drought conditions during the summer months of 2005 in the central Corn Belt and southern Great Plains States resulted in increased supplemental feeding of hay, reducing the December 1 stocks. The largest decreases in May 1 stocks compared with last year occurred in Texas and Missouri, where drought conditions continued through the winter and this spring. As a result of the drought, pasture growth has been stunted and cattle producers have been forced to continue heavy feeding from already short hay supplies. Many producers in Texas began purchasing hay from other States in February.

Hay stocks increased from last year across the northern Great Plains and upper Mississippi Valley States. Montana, Minnesota, and North Dakota showed the largest increases, as all three States experienced mild winter conditions that reduced the amount of supplemental feeding required. Additionally, hay production during 2005 was a record high in Montana and the second highest on record in North Dakota, which significantly contributed to the high volume of hay stocks in those States.

Given estimated livestock numbers, current pasture and range conditions, and hay stocks, prices are expected to remain strong in the 2006/07 hay marketing year. The simple average of all hay prices from May 2005 to April 2006 was $98.18 per ton, compared with $92.41 during the same period a year earlier.

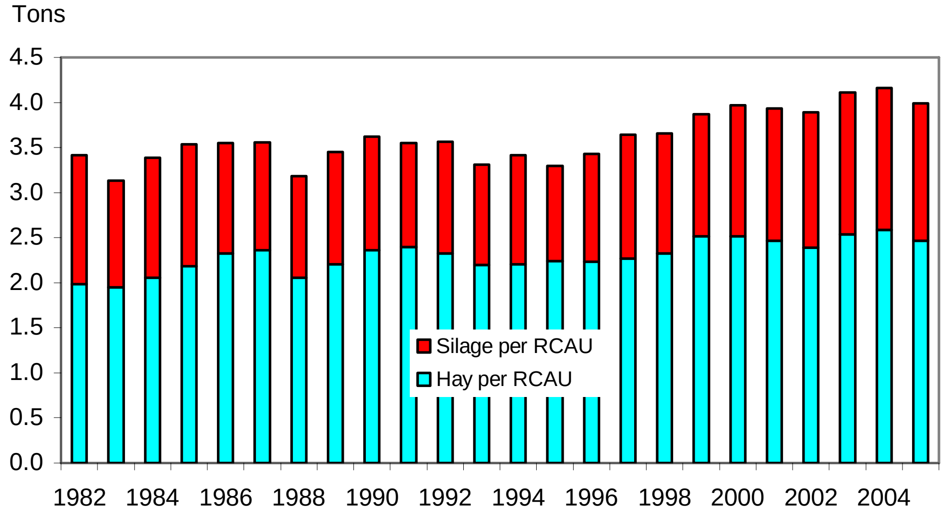
Figure 10

Hay disappearance per RCAU



Source: National Agricultural Statistics Service, USDA, *Crop Production 2005 Summary.*

Figure 11
Hay and silage per RCAU



Source: National Agricultural Statistics Service, USDA, C*rop Production 2005 Summary.*

International Outlook

Global Coarse Grains Production To Remain Large in 2006/07

World coarse grains production is expected to reach 964 million tons in 2006/07, down 4 million tons from the previous years' crop. Foreign production is expected to increase 15 million tons, up 5 percent, offsetting most of the decline in U.S. production.

The European Union-25 (EU-25) is projected up 5 million tons to 137 million as increased production is likely in France and Spain where drought devastated 2005/06 production. However, Hungary and other new-member states are not expected to replicate last year's exceptional yields, limiting the EU-25 production increase.

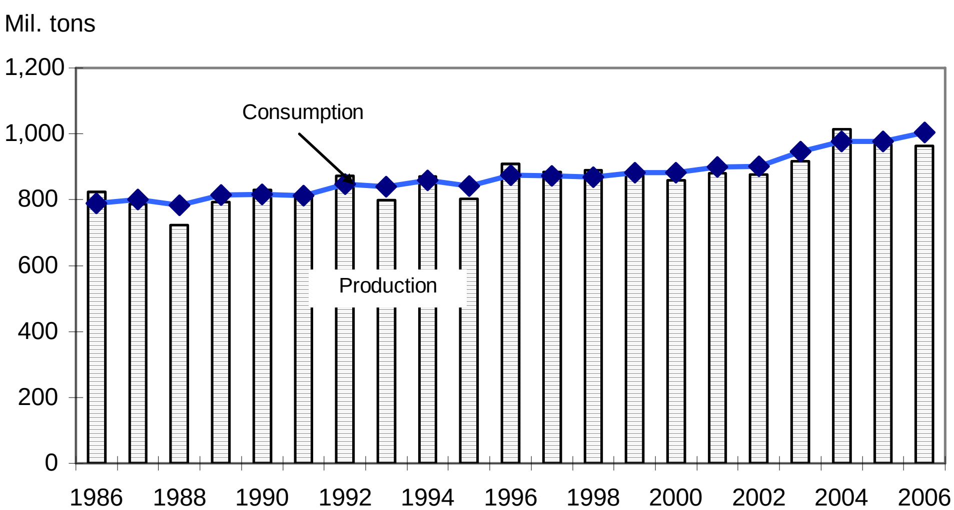
Argentina is projected to increase coarse grains production 4 million tons to 22 million. Corn area planted is expected to increase as prices and planting conditions are expected to be much improved. A return to trend yields also contributes to boost production prospects.

Coarse grain production in China is expected to increase one million tons to 143 million. Area planted to corn is expected to increase in 2006/07 because of government incentives for grain production. Trend yields imply a repeat of the previous year. China is expected to remain the largest foreign coarse grains producer.

In the former Soviet Union, coarse grain production is expected to increase slightly to 56 million tons as area increases due to a decline in winter wheat plantings, but a return to average yields, assuming normal weather, limits the increase. An assumed return to normal yields drops Other Europe 3 million tons to 24 million, with most of the decline in Romania.

Figure 12

World coarse grain production and consumption



Source: Foreign Agricultural Service, USDA, Production, Supply, and Distribution (PS&D).

Increased corn prices in South Africa are expected to cause a rebound in area. Normal yields are expected to boost production in South Africa 1.5 million tons to 9.4 million. However, for Sub-Saharan Africa, following exceptional yields last year across West Africa, coarse grains production is expected to decline 2 million to 80 million.

Lack of profitability is expected to limit dry-season corn area in Brazil, reducing coarse grain production prospects slightly to 43 million tons.

In India, where most coarse grains are used for food, production is expected to match the previous year's 34 million tons.

Global corn production is projected to reach 680 million tons, down 6 million tons from the previous year. Foreign corn production is expected to increase 8 million tons in 2006/07 to 412 million. Increased production is expected in Argentina, the EU-25, South Africa, and China. Corn production in Other Europe is projected down 2 million tons due to reduced prospects in Romania.

World barley production is projected up 5 million tons to 143 million. The EU-25 is expected to remain the largest producer, at 56 million tons, and is expected to increase production 3 million tons in 2006/07 mainly because of Spain's recovery from last year's drought. The FSU-12 is expected to increase barley production 0.6 million tons to 30 million tons. Area planted to spring barley is expected to expand on land where winter wheat plantings were prevented or where winter kill occurred. North Africa's barley crop is expected to increase 3 million tons to 5 million because of favorable winter growing conditions. Canada's planting intentions indicate a reduction in barley area, and production is projected to decline 1 million tons to 11.5 million. Australia's barley production is projected slightly lower at 9.5 million tons as trend yields are a bit lower than those achieved in 2005/06.

Global sorghum production in 2006/07 is projected at 57 million tons, down 2 million from the previous year. Foreign sorghum production is expected to decline 1 million tons to 48 million tons. Sub-Saharan production is expected to decline nearly 2 million tons to 22 million as Sudan and Ethiopia are not expected to match last year's good yields. Australia's production is expected to decline slightly compared with last year's crop due to a decline in area. Argentina and Mexico are expected to increase area and production modestly in 2006/07.

World oats production in 2006/07 is projected up nearly 2 million tons to 25 million. A modest increase in area and small yield increase are expected to boost production in the EU-25 and Canada.

Global rye production in 2006/07 is projected to decline one million tons to 13 million, the lowest level in the USDA database going back to 1960/61. Rye production in the EU-25 is no longer supported by intervention, but the resulting area decline there is expected to be over and area stabilized. In Russia and Ukraine a hard winter has boosted winter kill, dropping rye production prospects for the FSU-12 by 1 million tons to 5 million.

Reduced Foreign Beginning Stocks To Limit Global Supplies in 2006/07

World coarse grains beginning stocks for 2006/07 are forecast at 170 million tons, down 9 million tons from a year earlier. While U.S. stocks increased, foreign stocks dropped 11 million tons. Global coarse grains supply can be measured as beginning stocks plus production (for an individual country imports would be added, but for the world that would cause double counting). For 2006/07, the 9-million-ton reduction in global beginning compounds the small 4-million-ton decrease in production, leaving global supply down only 13 million tons, a decline of 1 percent.

Coarse Grain Consumption Increase Expected in 2006/07

World coarse grains consumption in 2006/07 is projected to exceed 1.0 billion tons for the first time, an increase of 2.7 percent. Foreign consumption is expected to increase at just under 2 percent to 750 million tons, as the poultry sectors in several countries adjust to avian influenza. Growth in the EU-25 and FSU-12 consumption of coarse grains is boosted by an expected reduction in the use of wheat for feed. Sub-Saharan Africa is expected to use less coarse grains for food because of reduced production. China is projected to increase consumption 4 million tons to 147 million as meat production expands. Recovery of corn used to feed poultry in Southeast Asia is expected to boost use 1 million tons to 23 million as problems with avian influenza appear manageable. Most other regions are expected to have slow growth in coarse grains use due to slowly increasing or stagnating meat production.

Global coarse grains ending stocks are expected to decline significantly in 2006/07, dropping nearly 40 million tons to 131 million. Foreign coarse grains stocks are projected down 12 million tons, with a 6-million-ton drop in China. China's projected coarse grains ending stocks of 27 million tons in 2006/07 are down more than 100 million tons from the level estimated for 1999/2000. China appears to have been intentionally reducing government corn stocks because they are expensive to maintain. Moreover, the forecast ending stocks still represent more than 2 months of expected use, and this has been enough to maintain only modest corn price increases in China.

Except for the EU-25 and North Africa, where small increases in coarse grain ending stocks are expected, other regions are expected to have small reductions in stocks as world prices increase.

Coarse Grains Trade Up Slightly in 2006/07, U.S. Exports To Surge

Global coarse grains trade in 2006/07 is projected at 103 million tons, up 0.5 million tons from the previous year. Corn trade is expected to increase 1.7 million tons to 77.9 million, while barley is projected down nearly 1 million to 17 million, sorghum down slightly at less than 6 million, oats up slightly at 2 million, and rye is expected to stay at a historical low of 0.6 million.

World corn trade for October-September 2006/07 is projected at 77.88 million tons. Canada's corn imports are expected to increase 1.3 million tons to 2.8 million, due to a reduced supply of competing grains, especially low-quality wheat, and the ending of import duties on corn shipped from the United States. Egypt is expected to increase corn imports 0.5 million tons to 4.8 million as the poultry sector begins to recover and adjust to avian influenza. Israel and South Korea are expected to increase corn imports due to less competition from feed-quality wheat. Reduced corn imports are expected for the EU-25 and Indonesia because of increased production. The purchasing pattern is expected to result in reduced corn imports in 2006/07 for Japan, Iran, and Zimbabwe. However, most other countries are expected to maintain or slightly increase corn imports in 2006/07.

Competition among corn exporters is expected to be reduced in 2006/07, especially early in the marketing year because Argentina harvested a small crop in 2006 and will not be able to increase corn exports until the next harvest in March. Argentina's corn exports from October 2006 through March 2007 are expected to be slack, and October-September 2006/07 corn exports are only expected to increase 0.5 million tons from the low level forecast for 2005/06. South Africa, like Argentina, will see October-September corn exports limited by a small crop harvested in 2006. South Africa's October-September 2006/07 corn exports are projected down 0.9 million tons to only 0.5 million. China, despite large production, is projected to reduce exports 1 million tons to 4 million due to strong internal demand and prices. With less feed-quality wheat available, Ukraine is expected to feed more corn, so corn exports are projected down 0.3 million to 2.0 million. The EU-25 and Brazil are expected to increase corn exports modestly as world prices increase.

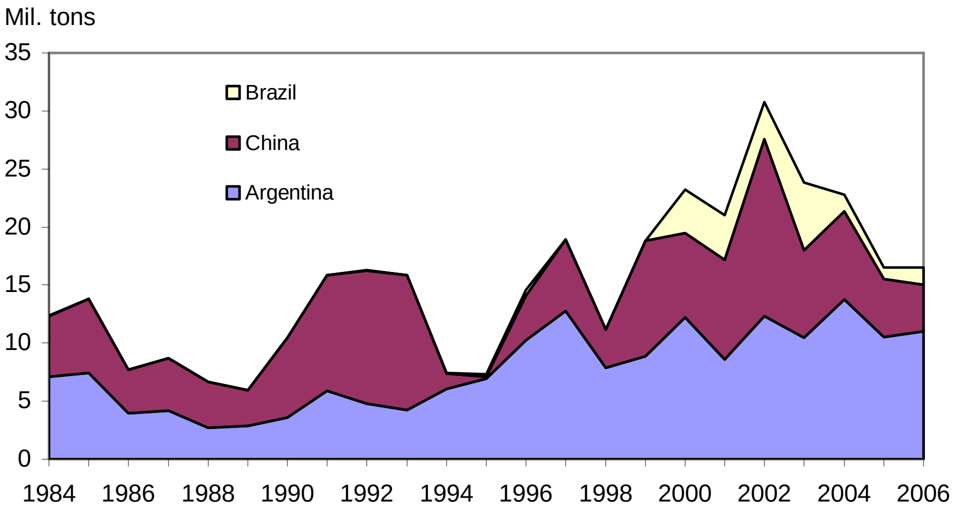
Because of the drop in competitor's corn exports, the United States is expected to increase exports significantly despite slow growth in world trade. U.S. exports are projected up 4 million tons to 54.5 million, the largest since 1994/95.

With supplies limited by reduced production, U.S. sorghum exports in 2006/07 are projected down 0.2 million tons to 4.8 million. While the EU is not expected to purchase significant quantities of U.S. sorghum in 2006/07, strong demand from Mexico is expected. U.S. coarse grains exports in 2005/06 are projected at 60 million tons, up 4 percent from the previous year.

U.S. 2005/06 Corn Export Forecast Increased

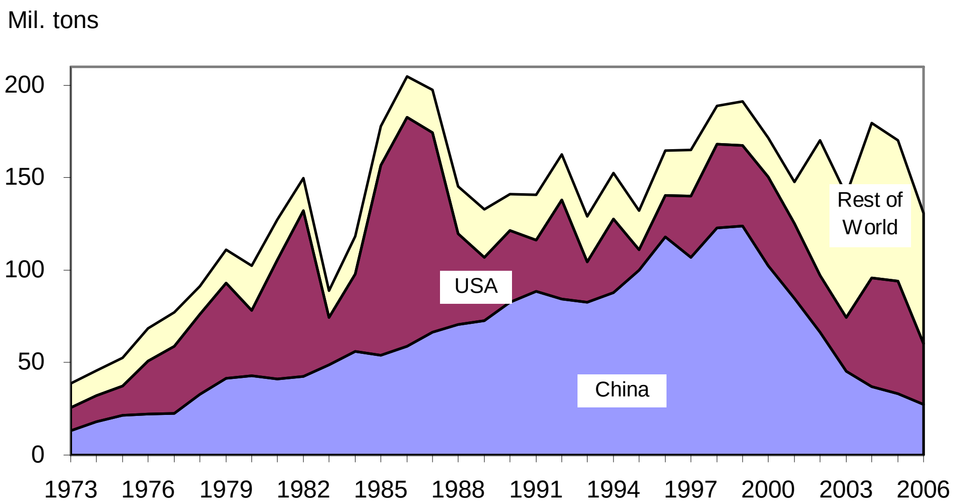
The 2005/06 U.S. corn export forecast increased 1.5 million tons to 52 million this month. The torrid recent pace of sales and shipments has boosted export prospects. According to Census, corn exports from October 2005 through March 2006 reached 25.5 million tons, up from 23.3 a year earlier. Inspections data indicate April corn shipments increased 20 percent compared with the previous year. According to *U.S. Export Sales*, as of May 4, 2006, outstanding sales of corn were 8.7 million tons, up from 7.1 a year ago. Moreover, sales and shipments for the rest of 2005/06 are expected to continue strong because of limited supplies in Argentina and China not subsidizing exports.

Figure 13
Corn exports of major competitors



Source: Foreign Agricultural Service, USDA, Production, Supply and Distribution (PS&D).

Figure 14
Global ending corn stocks



Source: Foreign Agricultural Service, USDA, Production, Supply and Disribution (Distribution (PS&D.

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Data

The Feed Grains Data Delivery System (http://www.ers.usda.gov/db/feedgrains/) is a queryable database that contains monthly, quarterly, and annual data on prices, supply, and use of corn and other feed grains. This includes data published in the monthly *Feed Outlook* and the annual *Feed Yearbook* reports.

Recent Reports

Economic Analysis of Base Acre and Payment Yield Designations Under the 2002 U.S. Farm Act (http://www.ers.usda.gov/publications/ERR12/) evaluates farmers' decisions to designate base acres under the 2002 Farm Act. Findings suggest that decisionmakers responded to economic incentives in their designations of base acres by selecting those options that resulted in the greatest expected flow of program payments. See also *Farm Program Acres* for the county-level farm program and planted acreage data used in the report, which can be downloaded and mapped. (http://www.ers.usda.gov/data/baseacres/)

Related Websites

WASDE (http://usda.mannlib.cornell.edu/reports/waobr/wasde-bb/)
Grain Circular (http://www.fas.usda.gov/grain/circular/2006/05-06/graintoc.htm)
World Agricultural Production (http://www.fas.usda.gov/wap_arc.html)
Corn Briefing Room (http://www.ers.usda.gov/briefing/corn/)

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• Receive timely notification (soon after the report is posted on the web) via USDA's Economics, Statistics and Market Information System (which is housed at Cornell University's Mann Library). Go to http://usda.mannlib.cornell.edu/ess_netid.html and follow the instructions to receive e-mail notices about ERS, Agricultural Marketing Service, National Agricultural Statistics Service, and World Agricultural Outlook Board products.

• Receive weekly notification (on Friday afternoon) via the ERS website. Go to http://www.ers.usda.gov/Updates/ and follow the instructions to receive notices about ERS outlook reports, Amber Waves magazine, and other reports and data products on specific topics. ERS also offers RSS (really simple syndication) feeds for all ERS products. Go to http://www.ers.usda.gov/rss/ to get started.

Table 1--Feed grains: Marketing year supply and disappearance 1/

Year/ Qtr.	Beg. stocks	Produc- tion	Im- ports	Supply	FSI 2/	Feed & resid.	Ex- ports	Total disp.	End. stocks	Farm price
Corn:				----Million bushels----						$/bu
2003/04										
Sep-Nov	1,087	10,089	2	11,178	589	2,166	470	3,225	7,954	2.16
Dec-Feb	7,954	---	4	7,957	609	1,571	506	2,686	5,271	2.42
Mar-May	5,271	---	5	5,277	676	1,166	465	2,306	2,970	2.82
June-Aug	2,970	---	3	2,973	664	892	459	2,015	958	2.55
Mkt. yr.	1,087	10,089	14	11,190	2,537	5,795	1,900	10,232	958	2.42
2004/05										
Sep-Nov	958	11,807	2	12,767	643	2,175	499	3,316	9,451	2.12
Dec-Feb	9,451	---	2	9,452	637	1,619	440	2,696	6,756	2.05
Mar-May	6,756	---	4	6,760	700	1,312	427	2,440	4,321	2.00
June-Aug	4,321	---	3	4,324	706	1,057	448	2,210	2,114	2.03
Mkt. yr.	958	11,807	11	12,776	2,686	6,162	1,814	10,662	2,114	2.06
2005/06										
Sep-Nov	2,114	11,112	2	13,228	697	2,235	481	3,413	9,815	1.82
Dec-Feb	9,815	---	1	9,816	716	1,641	473	2,829	6,987	1.98
Mkt. yr.	2,114	11,112	10	13,236	2,985	6,000	2,025	11,010	2,226	1.95-2.05
2006/07										
Mkt. yr.	2226	10550	10	12786	3545	5950	2150	11645	1141.04	2.25-2.65
Sorghum:										
2003/04										
Sep-Nov	43.03	411.24	0.00	454.27	9.00	148.56	60.78	218.33	235.94	2.27
Dec-Feb	235.94	---	0.00	235.94	10.00	11.38	55.90	77.28	158.65	2.43
Mar-May	158.65	---	0.00	158.65	10.54	21.01	46.51	78.06	80.59	2.75
June-Aug	80.59	---	0.00	80.59	10.37	1.08	35.59	47.05	33.55	2.39
Mkt. yr.	43.03	411.24	0.00	454.27	39.92	182.03	198.77	420.72	33.55	2.39
2004/05										
Sep-Nov	33.55	453.65	0.00	487.20	13.58	147.48	43.95	205.00	282.21	1.80
Dec-Feb	282.21	---	0.00	282.21	13.44	9.96	55.28	78.68	203.52	1.66
Mar-May	203.52	---	0.02	203.54	14.15	25.08	51.15	90.37	113.17	1.69
June-Aug	113.17	---	0.00	113.17	13.74	8.90	33.60	56.23	56.94	2.14
Mkt. yr.	33.55	453.65	0.03	487.23	54.90	191.41	183.97	430.29	56.94	1.79
2005/06										
Sep-Nov	56.94	393.89	0.00	450.83	12.28	108.48	39.70	160.46	290.38	1.68
Dec-Feb	290.38	---	0.00	290.38	15.51	24.39	57.64	97.54	192.84	1.72
Mkt. yr.	56.94	393.89	0.00	450.84	55.00	150.00	195.00	400.00	50.84	1.70-1.80
2006/07										
Mkt. yr.	50.84	360.00	0.00	410.84	60.00	120.00	185.00	365.00	45.84	2.05-2.45

continued--

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

Year/ Qtr.	Beg. stocks	Produc- tion	Im- ports	Supply	FSI 2/	Feed & resid.	Ex- ports	Total disp.	End. stocks	Farm price
Barley:					------Million bushels----					$/bu
2003/04										
June-Aug	69	278	3	351	40	66	3	109	242	2.89
Sep-Nov	242	---	4	246	35	4	9	48	198	2.83
Dec-Feb	198	---	6	204	35	11	6	51	153	2.81
Mar-May	153	---	7	160	46	-7	0	40	120	2.77
Mkt. yr.	69	278	21	368	155	74	19	248	120	2.83
2004/05										
June-Aug	120	280	5	405	41	71	2	115	290	2.68
Sep-Nov	290	---	4	294	33	9	6	48	246	2.40
Dec-Feb	246	---	1	247	34	16	7	57	191	2.41
Mar-May	191	---	2	192	47	9	8	64	128	2.41
Mkt. yr.	120	280	12	412	155	105	23	284	128	2.48
2005/06										
June-Aug	128	212	2	342	43	34	10	87	255	2.50
Sep-Nov	255	---	1	256	33	4	11	48	208	2.45
Dec-Feb	208	---	1	209	33	7	2	43	167	2.50
Mkt. yr.	128	212	5	345	155	55	30	240	105	2.51
2005/06										
Mkt. yr.	105	205	15	325	155	45	25	225	100	2.45-2.85
Oats:										
2003/04										
June-Aug	50	144	21	215	16	68	0.5	84	132	1.44
Sep-Nov	132	---	28	160	17	23	0.9	41	119	1.39
Dec-Feb	119	---	20	139	16	28	0.7	44	95	1.54
Mar-May	95	---	20	115	25	25	0.3	50	65	1.64
Mkt. yr.	50	144	90	284	73	144	2.5	219	65	1.48
2004/05										
June-Aug	65	116	16	197	16	65	0.6	81	116	1.37
Sep-Nov	116	---	26	142	17	19	0.8	37	105	1.44
Dec-Feb	105	---	26	131	16	32	0.7	49	82	1.66
Mar-May	82	---	19	102	25	18	0.6	44	58	1.68
Mkt. yr.	65	116	88	268	74	134	2.7	210	58	1.48
2005/06										
June-Aug	58	115	23	196	16	66	0.4	82	114	1.54
Sep-Nov	114	---	22	135	17	22	0.4	40	96	1.57
Dec-Feb	96	---	28	124	16	33	0.6	49	75	1.76
Mkt. yr.	58	115	85	258	74	130	2.0	206	52	1.61
2006/07										
Mkt. yr.	52	125	95	272	75	145	2.0	222	50	1.60-2.00

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.

2/ Grain used for food, seed or industrial purposes.

Source: Stocks and production data from Data and Statistics at
http://www.nass.usda.gov/Data_and_Statistics/Quick_Stats/index.asp: Trade data from Foreign Trade Statistics, at
http://www.census.gov/foreign-trade/www/ : and other categories calulated by Economic Research Service,
U.S. Department of Agriculture.

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

Year beginning Sept. 1	Corn	Sorg.	Barley	Oats	Feed grains	Wheat	Total grains	Animal units	Feed/ animal unit
	Million metric tons							Mil.	Tons
2003/04									
Sep-Nov	55.0	3.8	0.1	0.4	59.3	-1.7	57.6		
Dec-Feb	39.9	0.3	0.2	0.5	40.9	0.1	41.0		
Mar-May	29.6	0.5	-0.1	0.4	30.4	-1.5	29.0		
June-Aug	22.6	0.0	1.5	1.0	25.2	7.2	32.4		
Mkt. yr.	147.2	4.6	1.7	2.3	155.8	4.2	160.0	89.3	1.79
2004/05									
Sep-Nov	55.2	3.7	0.2	0.3	59.5	-1.5	58.0		
Dec-Feb	41.1	0.3	0.4	0.5	42.3	0.2	42.5		
Mar-May	33.3	0.6	0.2	0.3	34.5	-0.7	33.7		
June-Aug	26.8	0.2	0.7	1.0	28.8	7.2	36.1		
Mkt. yr.	156.5	4.9	1.5	2.2	165.1	5.2	170.3	90.2	1.89
2005/06									
Sep-Nov	56.8	2.8	0.1	0.4	60.0	-1.7	58.3		
Dec-Feb	41.7	0.6	0.2	0.5	43.0	0.2	43.2		
Mkt. yr.	152.4	3.8	1.1	2.1	159.4	4.6	164.0	91.9	1.78
2006/07									
Mkt. yr.	151.1	3	1	2.3	157.5	5.2	162.7	93.2	1.74

Source: Calculated by Economic Research Service, USDA.

Table 3--Cash feed grain prices

	Corn, No. 2, Yel, Ctrl. IL 1/	Corn, No. 2, Yel, Gulf ports 1/	Sorghum, No. 2, Yel, Texas High Plains 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/
Mkt. yr.	$/bu	$/bu	$/cwt	$/cwt	$/bu	$/bu	$/bu
2002/03	2.35	2.72	NQ	NQ	1.89	3.48	NQ
2003/04	2.60	3.03	NQ	NQ	1.83	2.85	NQ
2004/05 3/	1.87	2.44	3.87	4.23	1.74	2.46	1.88
Monthly:							
2004:							
Dec.	1.87	2.43	3.92	4.14	1.70	2.48	1.88
Jan.	1.86	2.44	3.86	4.09	1.70	2.48	1.88
Feb.	1.86	2.40	3.40	4.20	1.70	2.46	1.88
Mar.	1.97	2.54	4.12	4.38	1.70	2.45	1.88
2005:							
Dec.	1.89	2.61	3.26	4.66	1.70	2.78	2.19
Jan.	1.98	2.60	3.64	4.84	1.70	2.84	2.12
Feb.	2.07	2.71	4.06	5.00	1.70	2.85	2.06
Mar. 3/	2.04	2.66	3.84	4.96	1.76	2.84	1.97

1/ Marketing year beginning September 1.

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

Source: U.S. Department of Agriculture, Agricultural Marketing Service, http://marketnews.usda.gov/portal/lg

Table 4--Selected feed and feed byproduct prices

	Soybean meal high protein 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.								
2002/03	178.87	147.23	65.27	241.65	170.81	74.94	64.02	100.00
2003/04	260.06	182.87	83.24	327.30	216.39	118.50	75.78	90.80
2004/05 3/	188.10	132.60	52.60	267.78	165.09	75.15	37.40	98.60
Monthly:								
2004:								
Dec.	161.60	117.00	53.25	253.63	162.99	71.00	46.75	92.10
Jan.	166.15	112.50	53.63	245.63	142.23	71.00	46.38	90.90
Feb.	167.95	131.03	51.38	232.50	138.84	71.00	37.88	94.00
Mar.	186.90	110.80	51.90	240.50	174.43	73.00	41.38	98.60
2005:								
Dec.	193.17	175.00	52.63	319.75	146.35	78.00	87.38	97.70
Jan.	183.64	172.50	55.75	303.75	167.73	87.60	72.05	95.60
Feb.	176.73	152.50	57.75	259.38	165.59	92.00	69.42	99.20
Mar. 3/	175.04	148.75	61.63	263.75	170.11	95.00	75.43	100.00

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

Sources: U.S. Department of Agriculture, Agricultural Marketing Service at http://marketnews.usda.gov/portal/lg and National Agricultural Statistics Service at http://www.nass.usda.gov/Data_and_Statistics/Quick_Stats/index.asp.

Table 5--Corn: Food and industrial uses

Year	HFCS	Glucose and dex.	Starch	---Alcohol--- Fuel	Bev. & Mfg.	Cereals & other products	Total food & industrial
				Million bushels			
2003/04							
Sep-Nov	123.8	56.8	70.8	311.6	32.5	47.0	642.6
Dec-Feb	115.9	50.0	66.2	323.8	34.0	47.0	637.0
Mar-May	137.5	56.6	70.4	332.0	35.6	47.5	679.6
June-Aug	143.5	58.5	70.0	355.6	30.7	47.5	705.7
Mkt. year	520.7	221.9	277.5	1,323.1	132.8	189.0	2,664.9
2004/05							
Sep-Nov	123.8	56.8	70.8	311.6	32.5	47.0	642.6
Dec-Feb	115.9	50.0	66.2	323.8	34.0	47.0	637.0
Mar-May	137.5	56.6	70.4	332.0	35.6	47.5	679.6
June-Aug	143.5	58.5	70.0	355.6	30.7	47.5	705.7
Mkt. year	520.7	221.9	277.5	1,323.1	132.8	189.0	2,664.9
2005/06							
Sep-Nov	127.0	55.3	70.4	364.3	33.0	47.3	697.3
Dec-Feb	120.1	51.9	67.2	386.6	34.6	47.3	707.8
Mkt. year	535.0	225.0	280.0	1,600.0	135.0	190.2	2,965.2
2006/07							
Mkt. year	537.0	227.0	285.0	2,150.0	135.0	191.0	3,525.0

Source: Calculated by U.S. Department of Agriculture, Economic Research Service.

Table 6--Wholesale corn milling product and byproduct prices

	Corn meal, yellow, New York	Brewers' grits, Chicago	Sugar, dextrose, Midwest	HFCS, 42% tank cars, Midwest	Corn starch, fob Midwest 3/
	$/cwt	$/cwt	cents/lb	cents/lb	$/cwt
Mkt. yr. 1/					
2002/03	16.45	12.86	20.35	11.65	13.21
2003/04	17.11	13.08	21.79	12.48	13.03
2004/05 2/	15.95	11.88	23.06	13.07	12.07
Monthly					
2004:					
Jan.	15.61	11.50	23.10	13.50	11.89
Feb.	15.67	11.57	23.10	13.50	11.89
Mar.	16.12	12.02	23.10	13.50	11.92
Apr.	15.87	11.77	23.30	13.50	12.25
2005:					
Jan.	15.56	11.44	23.10	13.00	11.56
Feb.	15.89	11.79	24.10	13.00	11.98
Mar.	15.87	11.77	24.10	13.00	12.46
Apr. 2/	16.07	11.97	24.10	13.00	12.52

1/ Marketing year beginning September 1. 2/ Preliminary. 3/ Bulk-industrial, unmodified. NQ=Not Quoted

Source: Milling and Baking News.

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

Country/region	------2003/2004------		------2004/2005------		2005/2006
	Mkt. yr.	June-Mar.	Mkt. yr.	June-Mar.	June-Mar.
Oats:			Thousand tons		
Canada	1,207	1,040	1,223	1,003	1,154
Finland	172	172	80	80	67
Sweden	167	118	209	209	180
Total 1/	1,547	1,330	1,513	1,293	1,402
Barley, malting:					
Canada	320	234	183	172	70
Total 1/	399	313	205	194	70
Barley, other: 2/					
Canada	50	33	59	43	23
Total 1/	50	33	59	43	23

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, U.S. Dept. of Commerce at http://www.census.gov/foreign-trade/www/.

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

Country/region	------2003/04--------		------2004/05--------		2005/2006
	Mkt. yr.	Sept-Mar.	Mkt. yr.	Sept-Mar.	Sept-Mar.
	1,000 metric tons				
Corn:					
Japan	14,611	8,692	15,493	9,070	9,168
Mexico	5,683	3,756	5,860	3,612	3,774
Taiwan	4,742	2,892	4,339	2,671	3,016
S. Korea	3,660	1,203	2,102	1,223	2,017
Egypt	3,198	2,199	3,854	2,082	1,990
Canada	2,029	1,324	2,370	1,507	1,026
Colombia	1,782	1,161	2,040	1,167	1,576
Algeria	1,270	867	1,008	617	650
Israel	1,176	969	423	287	180
Dominican Republic	809	449	989	541	595
Syria	783	519	1,308	641	378
Morocco	713	402	825	526	517
Turkey	655	14	10	2	37
Venezuela	653	320	183	137	148
Tunisia	618	426	209	124	154
Costa Rica	618	426	209	124	154
Guatemala	538	347	654	387	441
El Salvador	483	238	511	336	297
Saudi Arabia	483	322	137	137	212
Cuba	473	265	450	250	226
Sub-Saharan Africa	263	214	146	77	142
EU-25	172	153	57	50	14
Peru	148	91	232	147	175
Iran	64	64	--	--	--
Former USSR	76	24	17	17	9
Others	2,558	1,779	2,653	1,724	1,945
Total	48,258	29,116	46,079	27,456	28,841
Sorghum:					
Mexico	2,990	1,662	3,016	1,944	1,963
Japan	935	858	1,147	768	751
EU-25	847	739	169	154	41
Israel	131	122	27	27	9
Others	146	96	314	113	293
Total	5,049	3,477	4,673	3,006	3,057
	-----2003/2004------		------2004/2005------		2005/2006
	Mkt. yr.	June-Mar.	Mkt. yr.	June-Mar.	June-Mar.
Barley:					
Japan	216	216	289	234	145
Saudi Arabia	113	113	59	--	141
Canada	37	31	78	70	41
Mexico	15	13	41	29	30
Other	28	27	39	38	144
Total	409	400	506	371	501

1/ Totals may not add due to rounding.

Source: Bureau of the Census, U.S. Dept. of Commerce at http://www.census.gov/foreign-trade/www/.