



Feed Outlook: December 2022

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In this report:

[Domestic Outlook](#)

[International Outlook](#)

[Market Highlight:
U.S. corn trade with
Mexico.](#)

U.S. Feed Exports Are Revised Down, Domestic Use Is Forecast Up From November

This month, there are no changes to the feed grain production estimate for 2022. Corn and sorghum supplies are steady this month but are down from 2021/22 (at 15,357 million bushels and 289 million bushels, respectively), following a dry growing season—while barley and oat supplies are up from last year, on a return to trendline production following last year’s drought.

Corn and sorghum exports for 2022/23 are revised down in the December *World Agricultural Supply and Demand Estimates (WASDE)* report, on limited supplies and a slow pace of sales early in the marketing year. Corn exports (of 2,075 million bushels) are projected down 75 million bushels from last month and sorghum exports (of 155 million bushels) are forecast down 20 million bushels from November. Sorghum consumed for food, seed, and industrial use (FSI) increased in December on strong ethanol production. Corn ending stocks are up 75 million bushels from November at 1,257 million—while sorghum, barley, and oats ending stocks are unchanged from last month.

World 2022/23 coarse grain production is projected lower this month. U.S. corn and sorghum exports are projected lower, with the very slow pace of shipments in October-November supporting a reduced forecast. The most significant developments outside the United States are a downward revision for Ukrainian corn production and a boost of its projected corn exports. EU corn imports are projected higher, as the European Union is expected to benefit from higher Ukrainian corn exports.

International Outlook

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Reduced Prospects for Global Coarse Grain Production Are Driven by Lowered Corn Production

This month, world coarse grain production for **2022/23** is projected down 5.9 million tons from the November *WASDE* report. The largest reductions come from lower projected corn output from **Ukraine**, **Russia**, the **European Union**, and **Vietnam**. Barley output is projected slightly higher, as increased production in **Australia** and the **European Union** is being partially offset by lower barley output in **Argentina** and **Uruguay**.

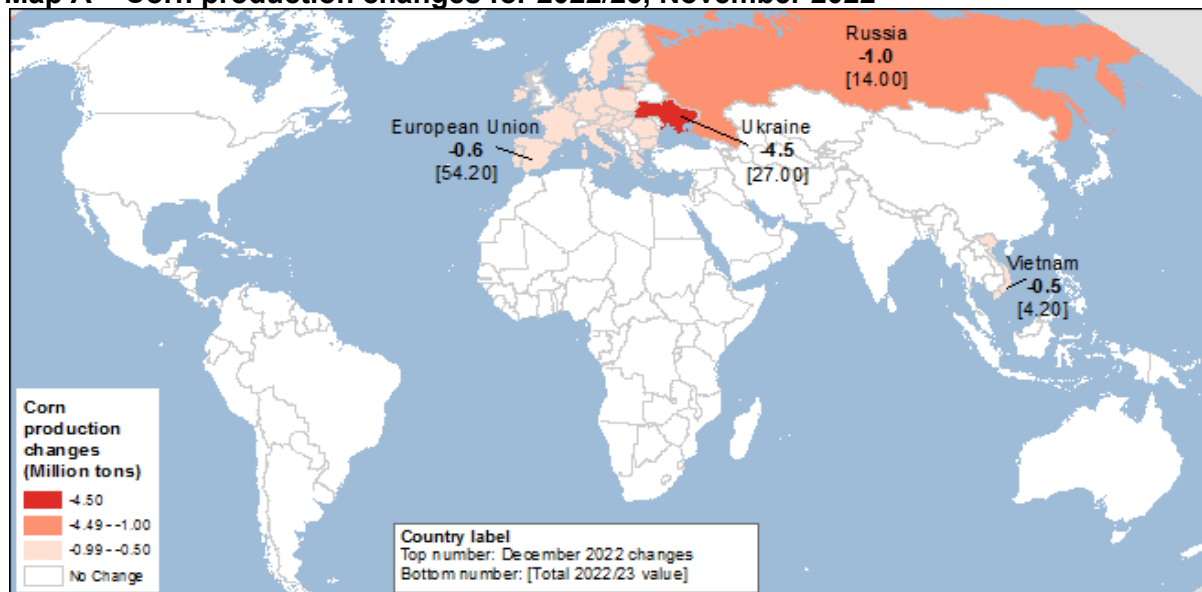
Ukraine's corn production is projected down 4.5 million tons, driven by both lower projected harvested area and yield. The corn harvest is significantly delayed, with 60 percent harvested as of December 2nd, while the historical average is about 90 percent completed by this time in the year. Harvest in some of the major-producing corn areas in Ukraine have been delayed due to the wettest autumn on record. Exacerbating the effect of unfavorable weather, the war with Russia pushed Ukrainian transportation and fuel costs up, increased the amount of lost or damaged machinery, and limited access to traditional storage and trade routes. At this point, unharvested corn is expected to be left in the fields until winter/spring. Corn prospects for **Russia** are also reduced this month due to similar weather conditions observed in Ukraine that have delayed harvest and left to projected higher-than-average abandonment. The revised corn area in **Russia** is down, with corn output projected 1.0 million tons lower to 14 million.

Australia and the **European Union** are projected to increase their barley production by 0.7 and 0.2 million tons, respectively, while barley production in **Argentina** and **Uruguay** is reduced by 0.3 and 0.1 million tons for 2022/23. Dry growing conditions in both South American countries have impacted yields, reducing barley production prospects this month.

Statistics Canada published survey-based final results for 2022/23 crops—with fractional adjustments for **Canadian** corn, barley, rye and mixed grain. The final reported 2022/23 oats yield is record high, supporting an output of 5.2 million tons.

For a detailed glance of this month's changes in coarse grain production, see map A and tables A1 and A2 below.

Map A – Corn production changes for 2022/23, November 2022













Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

Table A1 - World and U.S. coarse grain production at a glance (2022/23), December 2022

	Region or country	Production	Change from previous month ¹	YoY Change ²	Comments
<i>Million tons</i>					
Coarse grain production (total)					
↓	World	1,453.6	-5.9	-49.1	
↓	Foreign	1,088.9	-5.9	-16.1	Partly offsetting changes are made for a number of countries and commodities.
	United States	364.8	No change	-32.9	See section on U.S. domestic output.
World production of coarse grains by type of grain					
CORN					
↓	World	1,161.9	-6.5	-55.0	
↓	Foreign	808.0	-6.5	-25.9	Reductions are projected for Ukraine, Russia, Vietnam, and the European Union. See table A2.
	United States	353.8	No change	-29.1	See section on U.S. domestic output.
BARLEY					
↑	World	149.5	+0.5	+4.1	
↑	Foreign	145.7	+0.5	+2.9	Higher output is projected for Australia and Canada—which more than offsets lower production in Argentina, the European Union and Uruguay. See table A2.
	United States	3.8	No change	+1.2	See section on U.S. domestic output.
OATS					
↑	World	24.9	+0.4	+2.4	
↑	Foreign	24.1	+0.4	+2.1	Higher projection for oats output in Canada. See table A2.
	United States	0.8	No change	+0.3	See section on U.S. domestic output.
SORGHUM					
↓	World	60.1	-0.1	-2.1	
↓	Foreign	54.1	-0.1	+3.2	Slightly lower projection for the European Union.
	United States	6.0	No change	-5.4	See section on U.S. domestic output.
¹ Change from previous month. ² YoY: year-over-year changes. ³ Totals may not add due to rounding.					
For changes and notes by country, see table A2.					
Source: USDA, Foreign Agricultural Service, <i>Production, Supply and Distribution</i> database.					

Table A2 - Coarse grain foreign production by country at a glance, December 2022

Type of crop	Crop year	Production	Change in forecast ¹	YoY ² change	Comments
<i>Million tons</i>					
Coarse grain production by country and by type of grain (2022/23)					
UKRAINE					
 Corn	Oct-Sep	27.0	-4.5	-15.1	Both corn area and yield are projected lower due to weather (incessant rains during the harvest) and war-induced conditions.
RUSSIA					
 Corn	Oct-Sep	14.0	-1.0	-1.2	Incessant rains (the same as in Ukraine) delayed harvest and are expected to reduce harvested area.
EUROPEAN UNION (EU)					
 Corn	Oct-Sep	54.2	-0.6	-16.8	Lower corn yields are reported for France, Croatia, Slovakia, Italy, Austria, and a number of other EU countries. Area is projected higher in Poland, with an increase in corn production that partially offsets the reductions.
 Barley	Jul-Jun	51.5	+0.2	-0.5	Higher yields and production for Denmark and several other countries outweigh reduced barley output in Spain and Poland.
 Oats	Jul-Jun	7.6	-0.2	+0.1	Production is projected lower in Sweden and several other countries.
 Mixed Grain	Jul-Jun	14.1	-0.4	-0.9	Production is lowered mainly due to a reduced area in Poland. Production for sorghum is also projected slightly lower.
ARGENTINA					
 Barley	Dec-Nov	4.2	-0.3	-1.1	Dry conditions in Southern Buenos Aires, the major barley-producing region, are expected to reduce both area harvested and yield.
AUSTRALIA					
 Barley	Nov-Oct	13.4	+0.7	-0.5	Record high barley yields are projected, due to above-normal precipitation and excellent soil moisture. The increase is in line with the latest release of ABARES (Australian Bureau of Agricultural and Resource Economics and Sciences) forecast.
CANADA					
 Oats	Aug-Jul	5.2	+0.6	+2.4	Based on the final estimates by Statistics Canada—area, yield, and production for all Canadian crops are adjusted this month. Record-high yields pushed oats production to the highest level since 1991. For other coarse grains, the changes are minor and are less than 0.1 million tons.
URUGUAY					
 Barley	Dec-Nov	0.7	-0.1	-0.2	Barley yields are projected lower following below average weather conditions during the key months of the crop reproductive period.
VIETNAM					
 Corn	May-Apr	4.2	-0.5	-0.2	Corn area is reduced, as the farmers reportedly shift area to more profitable higher value crops (cassava).
¹ Change from previous month. Smaller changes are made for several countries, see map A for changes in corn .					
² YoY: year-over-year changes.					
Source: USDA, Foreign Agricultural Service, <i>Production, Supply and Distribution</i> database.					

Global Coarse Grain Trade Is Down, the United States Sees the Largest Reduction

Projected 2022/23 world coarse grain exports for the international trade year (October—September) are revised down 1.9 million tons to 223.7 million this month. The decline is driven by lower projected corn and sorghum exports from the **United States** and partially offset by higher projected grain exports from a number of countries.

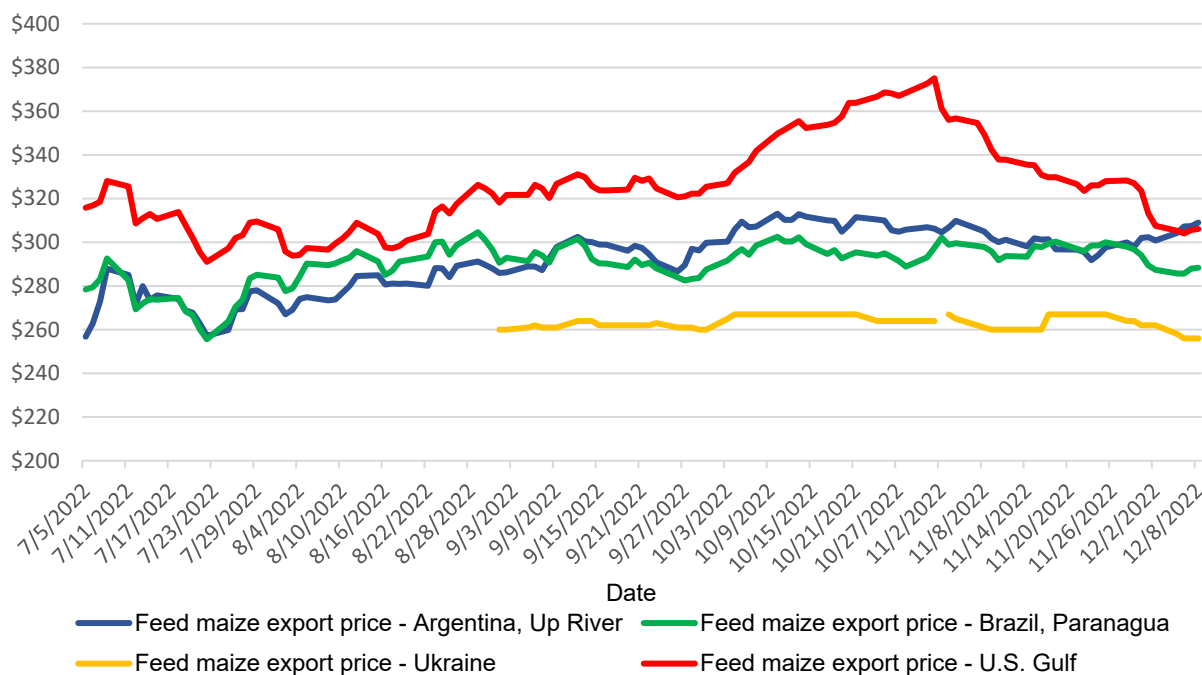
Global **corn** trade is projected down this month to 182.3 million tons for 2022/23, 1.2 million tons lower than the previous month. This month's projected reductions are for **United States**, followed by **Russia** and the **European Union**.

Projected 2022/23 trade-year U.S. corn exports are reduced 2.0 million tons to 55 million. Lack of price-competitiveness [demonstrated by the reported prices at the ports of origin for corn exports, combined with a strong U.S. dollar (see figure 4 below)] has left the United States as the highest-priced corn supplier, resulting in the slower pace of sales and smaller-than-expected recent months' shipments. Census corn shipments for October reached only 2.1 million tons, down almost 50 percent from a year earlier and the lowest since 2012/13 when exports were constrained by tight supplies caused by severe drought. Export inspections for November were 1.9 million tons, down also almost 50 percent from a year ago. Lower corn exports from the **United States** have led to projected reductions in corn imports for 3 of the main destinations for U.S. corn exports: **Mexico**, **Canada**, and **South Korea**, down 0.5 million tons each.

With lower supplies, **Russian** corn exports are projected down 0.7 million tons and the decrease is expected to limit corn imports for **Iran** and **Turkey**, the two major destinations for Russian corn exports. Corn imports are projected lower in both **Iran** and **Turkey**, down 0.5 and 0.2 million tons, respectively.

Figure 4
Corn export prices by port of origin, July–December 2022, FOB

U.S. dollars per ton



Note: FOB = Free on Board.
 Source: International Grains Council.

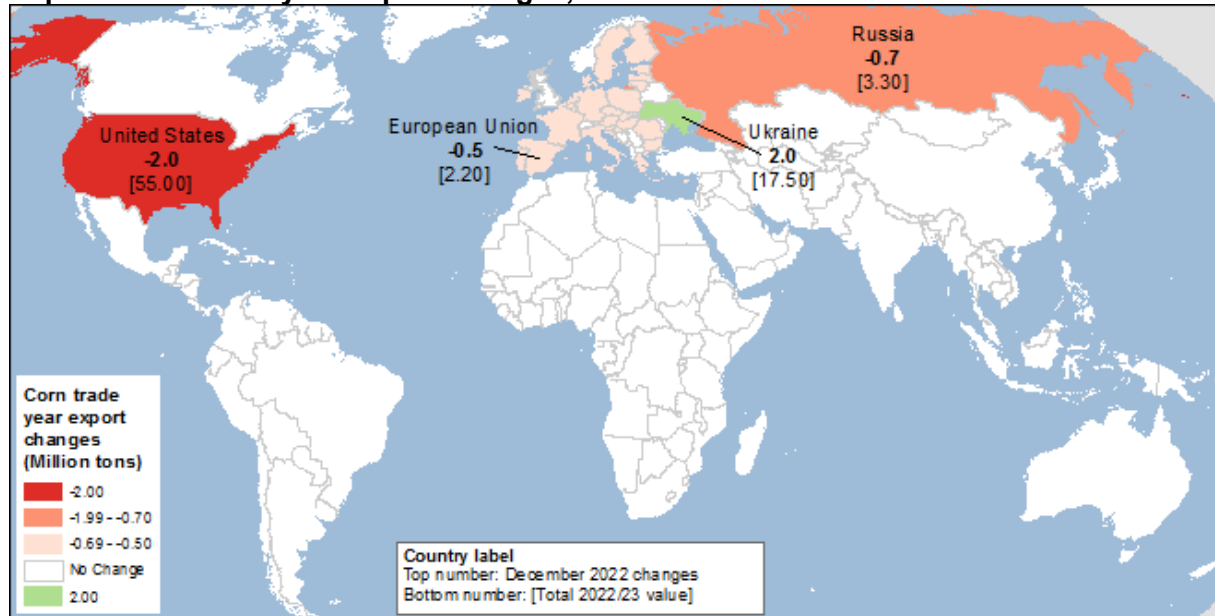
Despite lower projected corn output in **Ukraine**, its sales (especially to the **European Union**) are getting stronger. The Ukrainian corn exports projection is getting a boost this month, up 2.0 million tons, to reach 17.5 million tons. It is expected that this corn will be mostly exported to the European Union, where corn imports are projected higher, up 1.5 million tons this month.

Global **barley** trade for the international trade year is forecast to decline fractionally to 29.5 million tons. **Argentine** and **Uruguayan** barley exports are reduced by 0.3 and 0.1 million tons, respectively, while higher exports are projected from **Australia** (partially to fill the global demand and offset the reduction by 0.3 million tons).

Sorghum global trade is projected down 0.7 million tons this month to 8.8 million. A slow pace of sorghum exports from the **United States** suggests a reduction in the U.S. export projection, down 0.5 million tons. Reduced sorghum supplies in **Argentina** are expected to limit its sorghum exports by 0.2 million tons. On the imports side of sorghum trade, **China** (the largest global sorghum importer) is expected to reduce its sorghum imports by 0.7 million tons in 2022/23.

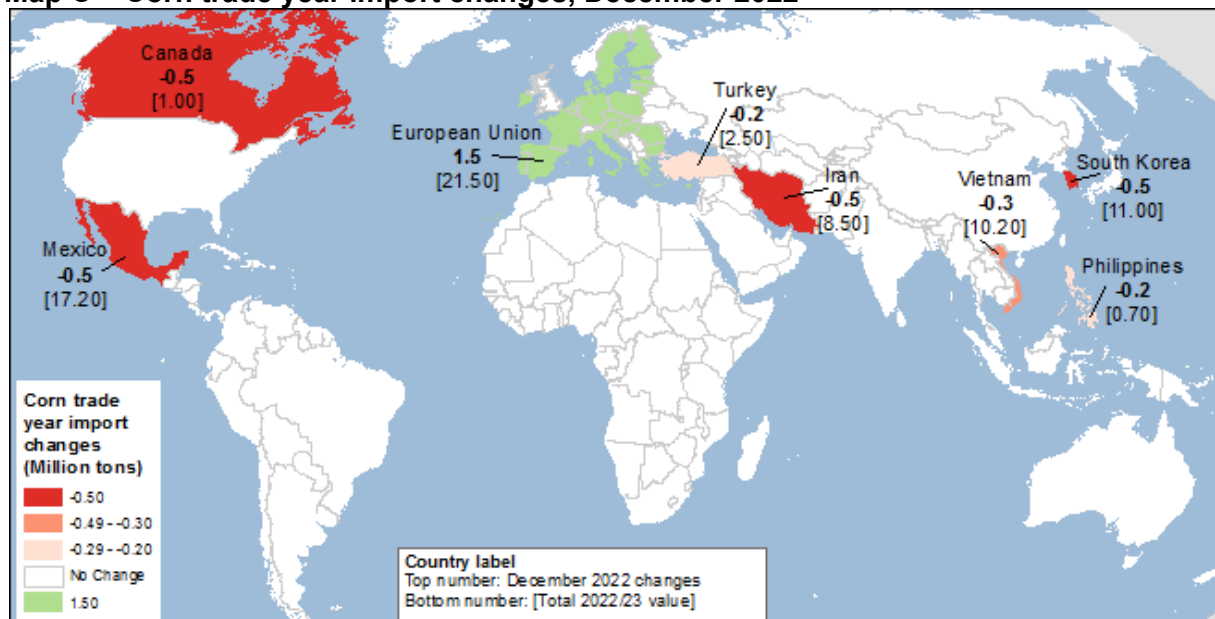
For more information on this month's changes in corn trade, see maps B and C below.

Map B – Corn trade year export changes, December 2022



Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

Map C – Corn trade year import changes, December 2022

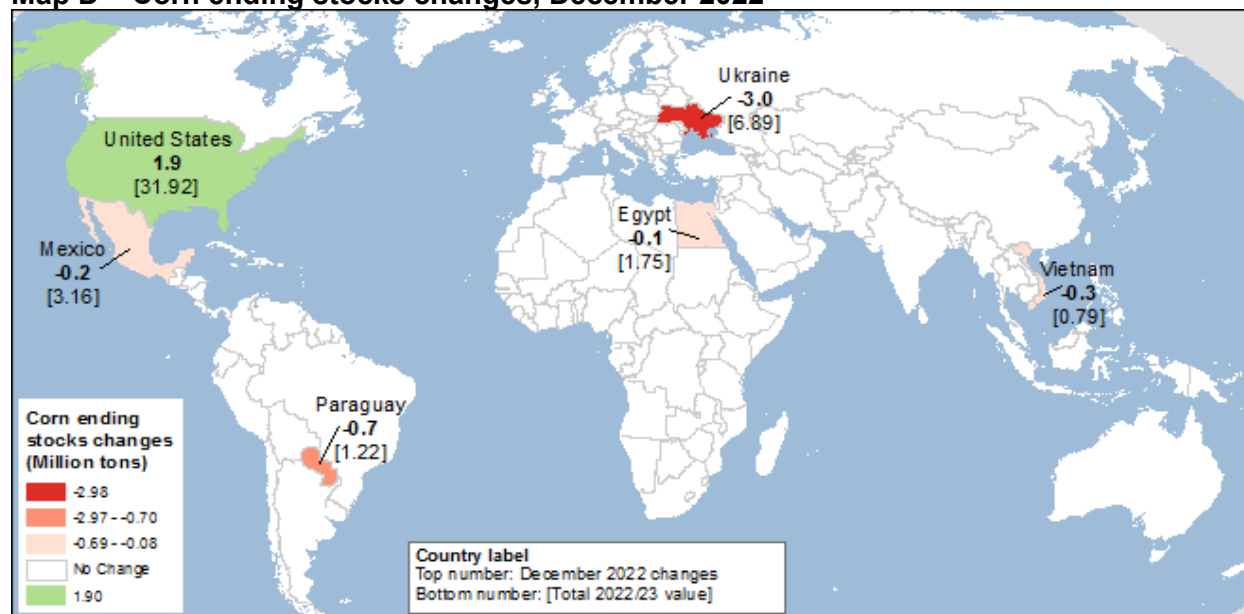


Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

Global Coarse Grain Stocks Are Reduced

Global coarse grains ending stocks for 2022/23 are expected to be 2.2 million tons lower this month at 324.3 million tons. The revision primarily comes from **Ukraine**, down 3 million tons, with a reduction in corn stocks due to lower corn production and increased exports. With lower projected exports, corn stocks in the **United States** are projected 1.9 million tons higher (see domestic section). Due to increases in coarse grain production this month, **Canadian** coarse grain stocks (mainly oats) are projected 0.3 million tons higher.

Map D – Corn ending stocks changes, December 2022



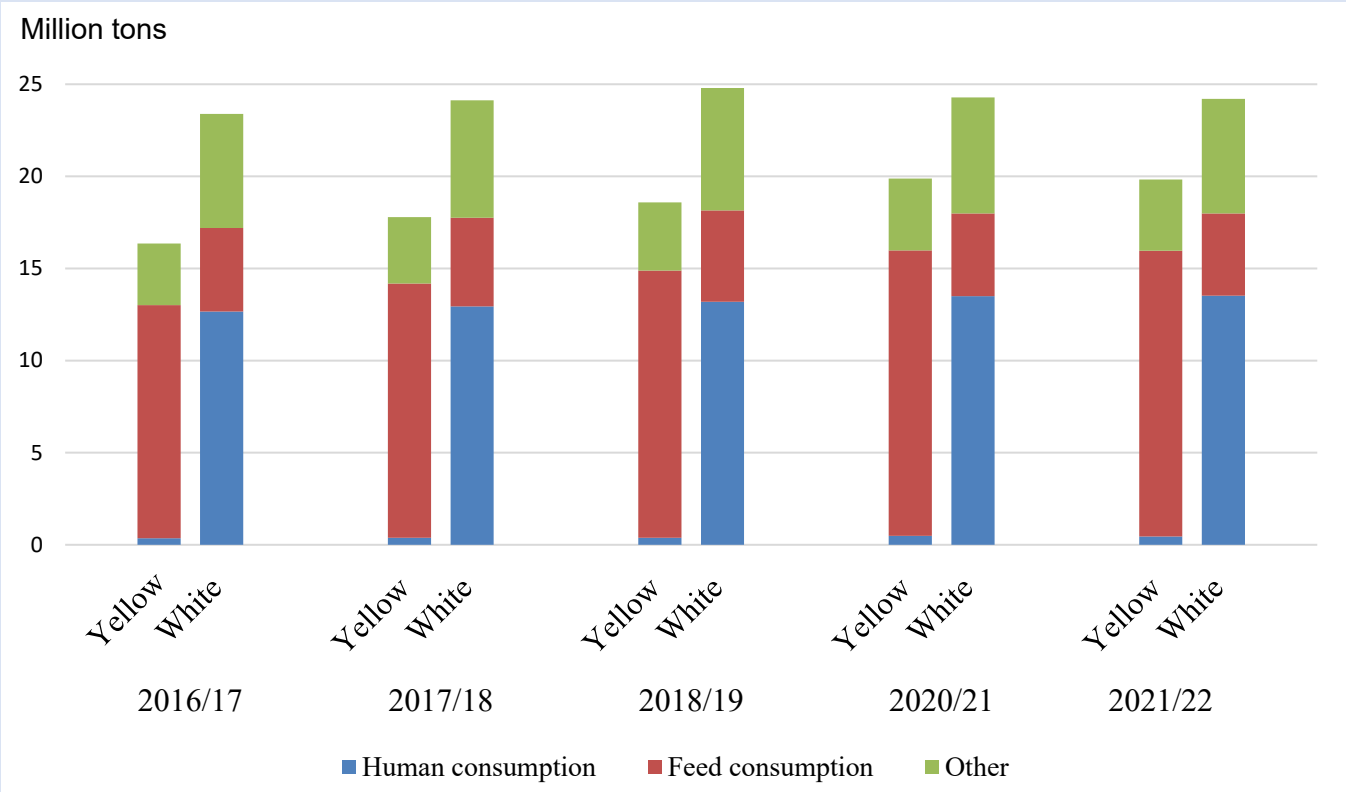
Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

TRADE HIGHLIGHT continued...

Total U.S. exports to Mexico of corn and selected corn-based products (mainly DDGS and high fructose corn syrup [HFCS]) for 2021/22 reached an estimated 20.7 million metric tons. When ethanol is included among these exports, their total value equaled about \$7.7 billion in the 2021/22 marketing year.

Agricultural trade between the United States and Mexico is important for both countries. Mexico does not produce sufficient grains and oilseed to meet domestic demand, so the country’s food and livestock producers import sizable volumes of these commodities to produce value-added products such as meat and vegetable oil (primarily for the domestic market). From a demand perspective, livestock consume the largest portion of yellow corn in Mexico, followed by other consumption (primarily industrial and seed), with human consumption accounting for only a small portion of yellow corn. Conversely, white corn is predominantly consumed by humans, followed by other consumption, while livestock consumes the smallest portion of white corn. The “other consumption” category includes the direct consumption of corn by farm families that raise that crop. That consumption can be destined for either food or feed use.

Mexico corn consumption by corn type, marketing years 2016/17–2021/22



Note: Marketing year 2019/20 is excluded due to incomplete data.

Source: USDA, Economic Research Service, using data from the Agricultural and Fisheries Information Service – Mexico Secretariat of Agriculture and Rural Development (SIAP-SADER, 2022).

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