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Outlook



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Feed Outlook

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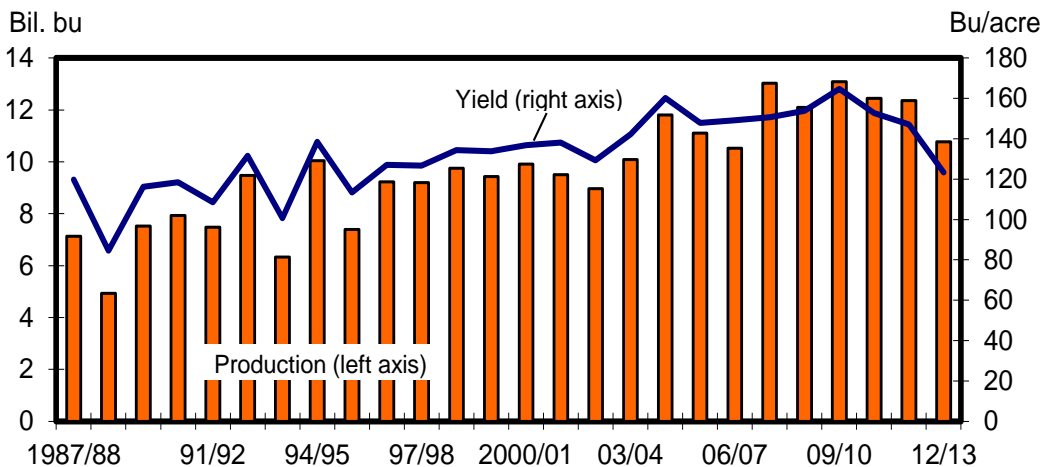
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Corn Yield Plummets as Drought Continues

U.S. feed grain supplies for 2012/13 are projected sharply lower again this month with corn production forecast 2.2 billion bushels lower and sorghum production forecast 92 million bushels lower. The forecast U.S. corn yield is reduced 22.6 bushels per acre to 123.4 bushels as extreme heat and dryness continued, and in many areas worsened, during July across the Plains and Corn Belt. Sorghum production is also forecast lower this month due to drought. Total U.S. corn supplies for 2012/13 are projected down 2.0 billion bushels at a 9-year low. The large reduction in forecast corn supplies this month is expected to result in record-high prices, which will ration demand and lower use. Corn use is projected 1.5 billion bushels lower with large cuts in feed and residual use; food, seed and industrial use; and exports. Ending stocks are forecast down 533 million bushels to 650 million bushels, the lowest since 1995/96. Record corn prices for 2012/13 reduce projected foreign corn imports and use this month, but a record corn crop in China and 2 years of large crops in Brazil support some growth in foreign corn feed use in 2012/13.

Figure 1

U.S. corn production and yield



Sources: USDA, National Agricultural Statistics Service, *Quick Stats* and USDA, World Agricultural Outlook Board, *WASDE*.

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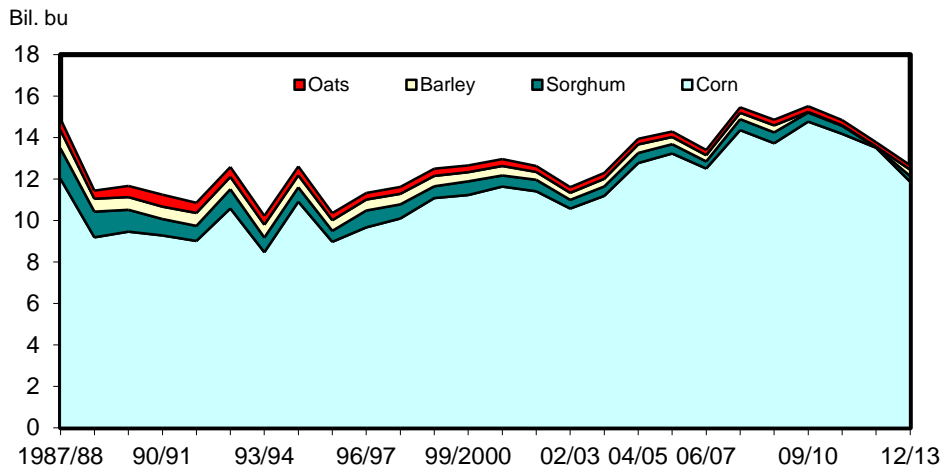
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The next release is
September 14, 2012

Approved by the
World Agricultural
Outlook Board.

Domestic Outlook

Figure 2
U.S. feed grain supply



Sources: USDA, Economic Research Service, *Feed Grains Database* and USDA, World Agricultural Outlook Board, *WASDE*.

U.S. Feed Grain Supply Prospects Plunge

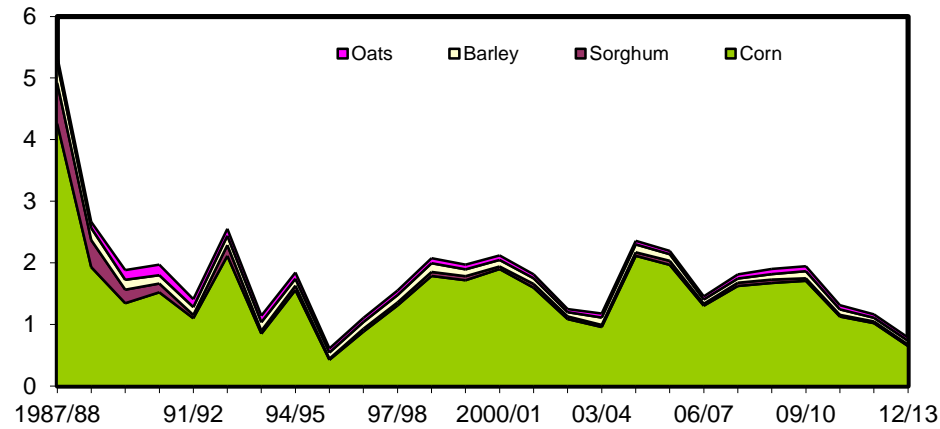
Forecast U.S. feed grain beginning stocks in 2012/13 are raised 3.0 million tons from last month but are down 3.5 million tons from the previous year, an 11-percent reduction. U.S. feed grain production is forecast at 285.9 million metric tons, 57.9 million below last month and 37.7 million below the 2011/12 estimate. Compared with volumes in 2011/12, production is down sharply for corn but up for sorghum, barley, and oats. This month saw sharp declines in projected production for corn and sorghum and slight gains for barley and oats. Feed grain supply is projected at 318.7 million metric tons this month, 53.5 million short of last month's projection and 39.7 million below 2011/12.

Total 2012/13 feed grain use is projected 39.4 million metric tons lower from last month and 30.2 million short of 2011/12. This month's reduction reflects lower estimates for feed and residual disappearance; food, seed, and industrial (FSI) use; and exports for corn and sorghum due to rationing on higher prices. Sharply lower forecast use for fuel ethanol is accompanied by declines in most other FSI categories. FSI is projected at 155.1 million metric tons in 2012/13, compared with 169.0 million in 2011/12. Exports are forecast at 35.8 million metric tons, down 8.6 million from the previous estimate and 5.2 million below last season.

The U.S. Census Bureau issued revised numbers for calendar 2011, affecting trade estimates this month for corn and sorghum in 2010/11 and for barley and oats in 2011/12. Imports are raised slightly for 2010/11 and 2011/12 and are projected up 1.4 tons for 2012/13, with notable increases for corn and barley. Marketing year exports for feed grains in 2010/11 are raised slightly to 50.7 million metric tons, mostly reflecting a large upward revision for sorghum shipments. In 2011/12, estimated exports are raised for barley and lowered for oats based on the latest Census data, as the marketing year is over. Sorghum and corn export forecasts (the 2011/12 marketing year ends at the end of August) are also adjusted based on the

Figure 3
U.S. feed grain ending stocks

Bil. bu



Sources: USDA, Economic Research Service, *Feed Grains Database* and USDA, World Agricultural Outlook Board, *WASDE*.

pace of shipments, with corn down 10 times as much as sorghum is increased. Feed grain exports for 2011/12 are projected 1.1 million metric tons lower to 41.0 million. Ending stocks for 2011/12 are up 3.0 million metric tons to 28.7 million. Exports projected for 2012/13 are lowered 8.6 million metric tons to 35.8 million, as tight supplies and high prices affect the export market.

When converted to a September – August marketing year, feed and residual use for the four feed grains plus wheat in 2012/13 is projected to total 113.1 million tons, down from 132.2 million last month and down 12 percent from the 2011/12 forecast of 128.0 million. Corn is estimated to account for 92 percent of total feed and residual use in 2012/13, up from 90 percent in 2011/12.

Projected grain-consuming animal units (GCAUs) for 2012/13 are lower than last month at 92.1 million. Estimated GCAUs for 2011/12 are also lower on the month at 93.4 million compared with July’s estimate of 93.7 million. For 2012/13, feed and residual use per animal unit is projected at 1.23 tons, down from last month’s 1.42 tons due to lower cattle carcass weights and lower hog numbers and the impact of tight feed supplies and higher prices.

As Drought Continues, Forecast Yield Is Lowered 23 Bushels per Acre

The NASS August 10 *Crop Production* report forecast U.S. 2012/13 corn yields 22.6 bushels per acre lower at 123.4 bushels, compared with last month’s forecast of 146 bushels. As forecast, the 2012/13 corn yield would be the lowest since 1995/96. The yield reduction, combined with lower expected harvested acres, down 1.5 million acres from last month’s projection, results in a crop of 10,779 million bushels, 2,191 million bushels lower than July’s projection and 1,580 million below last season. This forecast would result in the lowest production since 2006/07. Harvested acreage for 2012/13 is forecast at 87.4 million acres for grain, up 3.4 million from the previous year. Unusually high temperatures and well below-

average precipitation across much of the Corn Belt in July sharply reduced yield prospects, despite the early planted crop. As of August 5, only 23 percent of the corn crop was rated in good-to-excellent condition in the 18 major corn-producing States, down 37 percentage points from a year ago. Fifty percent of the crop was in the very poor-to-poor range, compared with 48 percent the previous week and 16 percent at this point last season, a year when yields fell below trend. Corn conditions are extremely variable, with crops in close proximity having very different yield potential.

U.S. Corn Use Expected To Slip

Tight supplies and higher prices are expected to force rationing among corn users. Total U.S. corn use for 2012/13 is forecast down 1,495 million bushels to 11,225 million this month as a result of decreased feed and residual use, FSI use, and exports. Total FSI is projected 470 million bushels lower with corn for ethanol lowered 400 million bushels, along with declines in most other FSI categories. Feed and residual use is projected 725 million bushels lower, one of the largest declines ever, reflecting livestock producers' reactions to record-high corn prices and reduced residual disappearance with a smaller crop. U.S. exports are reduced by 300 million bushels as high prices dampen demand and foreign feeders shift to more competitively priced corn and wheat from foreign producers.

Total corn use for 2011/12 is forecast down 115 million bushels to 12,490 million bushels this month. Food, seed, and industrial use (FSI) is reduced 65 million bushels to 6,390 million bushels. Lower use for ethanol, down 50 million bushels to 5,000 million, plus a 15-million-bushel reduction for corn used to produce glucose and dextrose, results in the lower FSI use projection. U.S. exports for 2011/12 are reduced 50 million bushels to 1,550 million. Reductions in use leave ending stocks for 2011/12 up 118 million bushels over last month's projection.

Corn prices received by farmers for 2012/13 are projected at a record \$7.50-\$8.90 per bushel, up more than \$2.00 on both ends of the range this month. The marketing year average reflects higher prices for corn, with tighter ending stocks and tight U.S. feed grain supplies. The 2011/12 corn price range is raised \$0.10 cents on the low end for an estimated range of \$6.20-\$6.30 per bushel.

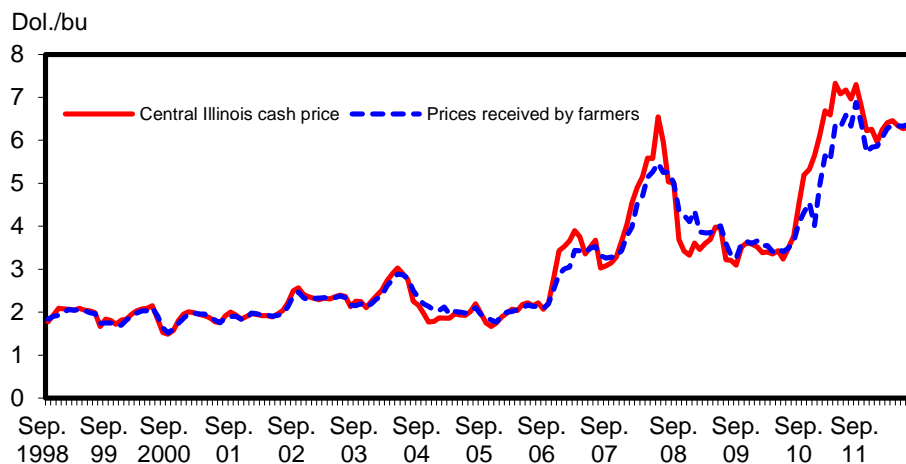
U.S. Sorghum Production Lower

A sharp reduction in forecast yield and lower harvested acreage resulted in a reduced forecast for 2012/13 U.S. sorghum production this month. At 248 million bushels, forecast production is down 92 million from last month, but is 33 million bushels above last year's crop estimate. Based on August 1 conditions, yield is lowered by 16.3 bushels per acre this month and is projected 6.0 bushels per acre below the last season's historically low yield. Hot dry weather in Texas, Kansas, and Oklahoma has reduced prospects for the 2012 sorghum crop. As of August 5, 25 percent of the U.S. sorghum crop was rated good to excellent, compared with 27 percent last season and 66 percent in 2009/10.

Total use of sorghum in 2012/13 is projected down 80 million bushels this month to 250 million reflecting tight supplies. Feed and residual is cut 30 million bushels to 70 million as high prices reduce feed demand by livestock producers. Sorghum FSI

Figure 4

U.S. corn: Central Illinois cash and average farm price, monthly



Sources: USDA, Agricultural Marketing Service, *Weekly Grain Market News*, and USDA, Economic Research Service, *Feed Grains Database*.

use is lowered 10 million bushels to 80 million, with lower expected use for fuel ethanol. Export prospects are reduced 40 million bushels to 100 million as demand from Mexico is expected to remain strong, but high prices and tight supplies limit shipments. U.S. ending stocks are projected at 25 million bushels, 12 million bushels lower than last month's projection and slightly less than forecast for the previous season.

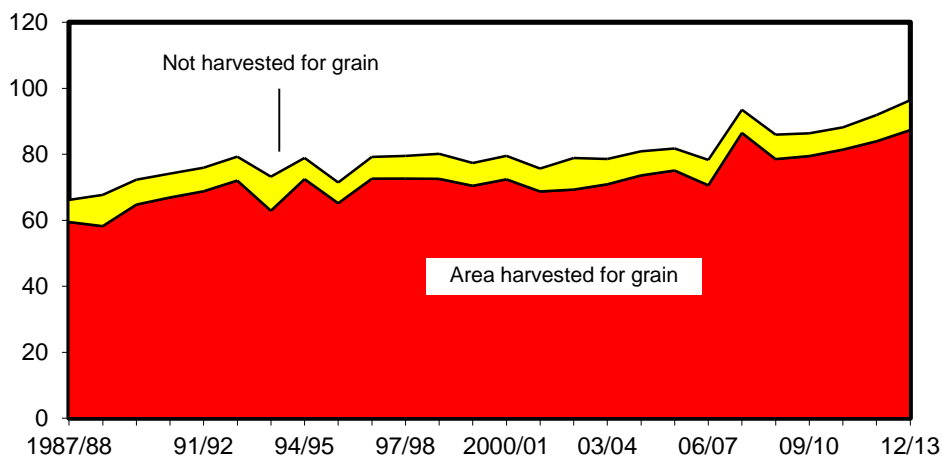
Total use for sorghum in 2011/12 is forecast at 215 million bushels, unchanged from last month. Feed and residual use remains forecast at 75 million bushels. Sorghum used for ethanol is expected lower during the summer quarter, with tightening supplies cutting marketing year FSI use 5 million bushels to 85 million. Exports are raised 5 million bushels to 55 million, reflecting stronger-than-expected recent shipments. Ending stocks for 2010/11 are virtually unchanged this month at 27 million bushels.

Sorghum prices received by farmers for 2012/13 are projected higher with surging corn prices. The projected farm price range, is raised \$2.00 on the low end of the range and \$2.40 on the high end or the range resulting in a spread of \$7.00 to \$8.40. The 2011/12 average sorghum farm price is narrowed \$0.05 on each end of the range to \$6.05-\$6.15 per bushel.

U.S. Barley Production Prospects Increase Slightly

U.S. barley production for 2012/13 is forecast at 221 million bushels, up 4 million from last month and up 65 million from 2011/12. Based on August 1 conditions, producers expect yields to average 67.6 bushels per acre, up 1.3 bushels from last month. Production is expected to recover from last season's record lows on higher harvested acreage, which is partly offset by a lower yield as compared with last year. Area harvested for grain is forecast at 3.3 million acres, unchanged from last month's forecast and up from 2.2 million last season. On August 5, 61 percent of

Figure 5
U.S. corn area
 Mil. acres



Sources: USDA, National Agricultural Statistics Service, *Quick Stats* and USDA, World Agricultural Outlook Board, *WASDE*.

this year's U.S. crop was rated in good-to-excellent condition, compared with 72 percent a year ago.

Total projected barley supplies in 2012/13 are raised 14.3 million bushels this month to 306 million, as a result of higher production due to improved yields and higher expected imports. Domestic use is projected at 235 million bushels, 25 million bushels over last month. Exports are unchanged from last month's projection of 10 million bushels. With gains in supply more than offset by higher use, this month's ending stocks are projected down 11 million bushels to 61 million, compared with 60 million estimated in 2011/12.

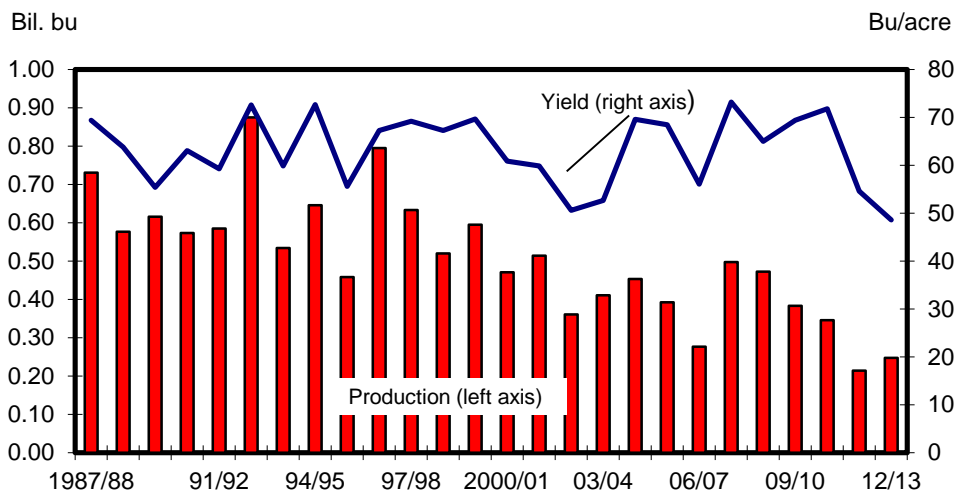
U.S. Census Bureau revisions for calendar year 2011 increase barley exports for 2010/11 slightly. Exports for 2011/12 are raised 2 million bushels this month based on the latest trade data and revisions. Imports are raised 2 million bushels for 2011/12 to 16 million based on the same data.

Prices received by farmers for barley in 2012/13 are expected to average \$5.75-\$6.75 per bushel, raised 45 cents on both ends of the range this month. This compares with \$5.35 per bushel reported for 2011/12. Although prices for feed barley are expected to increase largely in line with those for corn and sorghum, price gains will be moderated for malting barley, as much of the crop is produced under contract at prices established earlier in the year.

Early Maturing Oat Crop Is Second Smallest on Record

Earlier than normal plantings combined with persistent heat in June and July contributed to an early maturing 2012/13 oat crop. As of August 6, fully 87 percent of the oat crop in the nine major producing States had been harvested, up 14 percent from the previous week and up 43 percent over the same time last year.

Figure 6
U.S. sorghum production and yield



Sources: USDA, National Agricultural Statistics Service, *Quick Stats* and USDA, World Agricultural Outlook Board, *WASDE*.

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Despite reports of droughty conditions in several of the major oat-growing areas of the United States, on July 22, the oat crop was rated as 59 percent good to excellent—a modest improvement over conditions observed during the same time period last year. Just 12 percent of the crop in the nine-State area was rated as poor to very poor, compared with 24 percent for the same week in 2011/12.

Improved quality and increased plantings contributed to growth in the 2012/13 production estimates. The total oat crop is forecast to be 67 million bushels, an increase of 24 percent over last year’s weak harvest of just 5 million bushels. Even with significant year-to-year growth, the 2012/13 oat crop will be the second smallest on record. The 2011/12 crop was the smallest crop ever recorded.

Harvested acreage is forecast to total 1.09 million acres, an increase of 16 percent relative to last year’s harvested acreage of 0.94 million acres. Over the last 10 years, an average of 1.50 million acres of oats has been harvested; this year’s improved harvest acreage figures are still well below trend but are consistent with a 30-year decline in oat acreage.

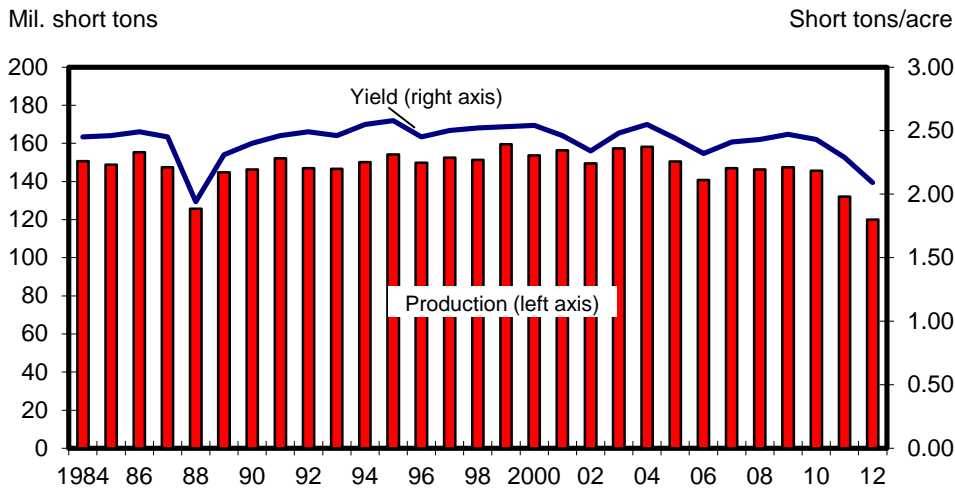
Average yields are forecast at 61.0 bushels per acre, a modest increase over the July forecast of 59.8 bushels and an increase of 3.9 bushels over the 2011/12 estimate. Irrigation is contributing to yield gains in several States, including Texas, where a record high-yield of 54.0 bushels per acre is forecast.

Total 2012/13 oats supplies are raised slightly to a projected 217 million bushels. This compares to an estimated 215 million bushels for 2011/12. Projected oats use for 2012/13 is raised 5 million bushels to 164 million. Oats imports are projected at 95 million bushels, unchanged this month.

Revised U.S. Census Bureau figures for calendar year 2011 and the latest monthly data reduce 2011/12 oats exports 15 percent from last month to 2.43 million

Figure 7

U.S. hay production and yield



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

bushels. This compares to a revised estimate of 2.85 million bushels for 2010/11. Census data lower the 2011/12 oats import estimate 1 million bushels to 94.1 million. This is up from 85.1 million for 2010/11.

Projected FSI use for 2012/13 remains unchanged from July and is identical to the previous year’s estimate of 76 million bushels. With tight feed grain supplies and high corn prices, 2012/13 feed and residual use of oats is forecast up 5 million bushels this month to 85 million. The increase in use more than offsets the increase in production, trimming projected 2012/13 ending stocks 4 million bushels to 53 million. This is down slightly from the previous year.

Tightening domestic feed grain supplies are contributing to a higher anticipated average farm price for oats. At the projected range of \$3.50-\$4.50 per bushel, the 2012/13 season-average price is up \$0.51 at the mid-point, compared with the previous year’s estimate of \$3.49 per bushel. The average farm price for the 5 years prior to 2012/13 is \$2.76 per bushel.

Poor Hay Crop Prompts Federal Response

Prolonged drought conditions continue to contribute to low soil moisture levels in many parts of the country and have resulted in the lowest hay production estimates seen in the U.S. since 1953. This year’s forecast harvest of 120.3 million tons (all hay) follows the meager harvest of 131.1 million tons 2011/12. In response to the poor hay crop, Secretary Vilsack has opened approximately 3.8 million acres of Conservation Reserve Program (CRP) lands, including higher yielding CP25 lands, for emergency haying and grazing.

Hay yields have been adversely affected by the drought and the all-hay yield is anticipated to be 2.09 short tons per acre, down from 2.36 in 2011. The 2012/13 all hay yield is about 14 percent smaller than the 10-year average yield of 2.42 tons per acre. Harvested acres for 2012/13 are forecast at 57.57 million acres, up slightly

(1.94 million acres) from last year's estimate and down very slightly from the July forecast.

Alfalfa hay production is forecast at 54.9 million tons, down more than 10 million tons relative to last year's production of 65.3 million tons. Based on August 6 crop conditions, yields are expected to average 2.92 tons per acre, down 0.48 tons per acre from last year. If realized, this will be the lowest yield since 1988, when alfalfa yields were estimated at 2.59 tons/acre. Harvested area is forecast at 18.8 million acres, nominally changed from July and down only slightly from last year's harvested area estimate of 19.2 million acres.

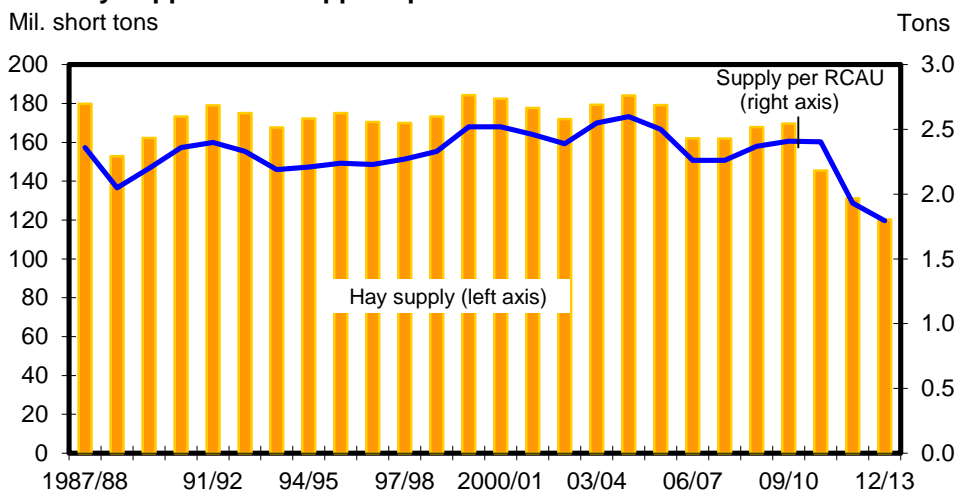
Other hay production is forecast at 65.4 million tons, and is very similar to realized production from the 2011/12 crop. Based on early August conditions, other hay yields are expected to average 1.69 tons per acre, a slight decrease from last year's estimate of 1.81 tons per acre and the lowest yield since 1988 when a yield of 1.48 tons per acre was realized. Harvested area, forecast at 38.8 million acres, is unchanged from July but up 2.34 million acres from last year.

For the sixth year in a row, roughage-consuming animal units (RCAUs) are estimated to be down. RCAUs are expected to total 67.03 in 2012/13, a decline from the 2011/12 estimate of 67.91. With hay production dropping significantly, available supplies per RCAU also declined from 1.94 tons in 2011/12 to 1.79 tons in 2012/13. This is the lowest hay supply per RCAU ratio in more than 25 years.

Scarce hay supplies have driven prices higher. The July 2012 all-hay price was \$184 per ton, compared to the July 2011 price of \$170 per ton. July alfalfa prices have also increased from \$189 per ton last year to \$198 in 2012. The July estimate for hay other than alfalfa and alfalfa mixtures is \$143 per ton, up from \$133 in June 2012 and up significantly from the July 2011 price of \$119 per ton.

Figure 8

U.S. hay supplies and supplies per RCAU



Source: USDA, National Agricultural Statistics Service, *Crop Production* and calculated by USDA, Economic Research Service.

Foreign Coarse Grain Production Decline Adds to U.S. Drop

World coarse grain production for 2012/13 is projected down 62.2 million tons this month to 1,121.4 million, with the United States accounting for 93 percent of the drop. However, foreign coarse grain production is forecast down 4.3 million tons to 835.4 million. Expected foreign corn production is down 0.6 million tons this month to 575.2 million, as several large changes are mostly offsetting. Foreign barley production prospects are down 1.2 million tons to 126.0 million, as reduced prospects for Russia and the EU are partly offset by increased output in Ukraine. Foreign millet production is cut 2.5 million tons to 30.9 million, and sorghum production is trimmed 0.3 million tons to 52.9 million due to a subpar monsoon in India. Oats, rye, and mixed grain are each up slightly this month.

Changes to foreign production prospects stem from two distinct causes. Recent weather developments have confirmed above or below trend yields in several countries. And some countries, especially in the Southern Hemisphere, are responding to recent price increases with expanded planting intentions.

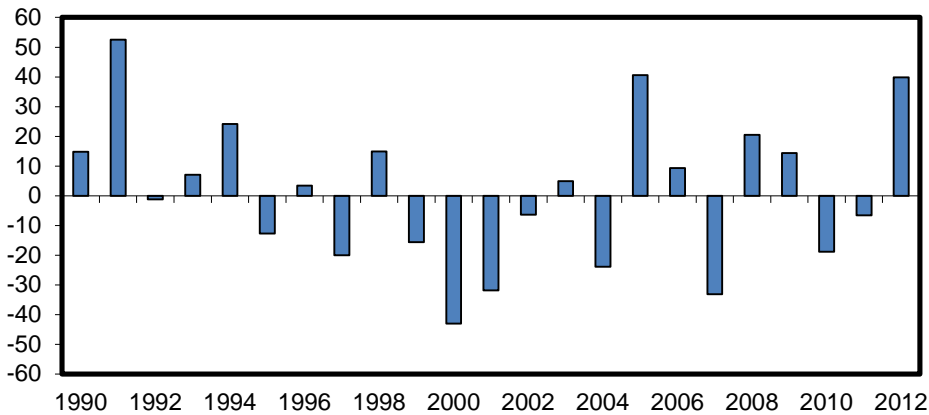
EU 2012/13 corn production is forecast down 3.9 million tons this month to 61.5 million, as drought and blistering temperatures struck across key areas of the Balkans into Italy. Corn conditions along the Danube in Romania and Bulgaria had been particularly good due to ample rains in May, but dryness in June was exacerbated by extreme heat in July, devastating corn pollination. Dryness and high temperatures extended across Romania, into Hungary and Serbia, and westward into northern Italy. However, in France, growing conditions have been mostly favorable with mild temperatures and good soil moisture during pollination. EU corn production this month is projected down 2.3 million tons for Romania, 1.5 million for Hungary, 0.9 million for Italy, and 0.3 million for Bulgaria; it is increased 1.0 million for France (with some smaller adjustments in other countries). EU barley production is reduced 0.7 million tons this month to 52.9 million, mostly due to reduced prospects in Spain, where harvest reports confirm the effects of extended dryness. Ample rains across northern and parts of central Europe boost prospects slightly for rye, oats, and mixed grain.

Serbia's (not part of the EU) 2012/13 corn production is cut 1.5 million tons to 5.5 million, Croatia's is reduced 0.4 million to 1.7 million, and Bosnia's is trimmed 0.2 million to 0.5 million. Europe's dryness and scorching temperatures extended eastward from Romania across Moldova, into southern Ukraine, and across into Russia, especially around Rostov. Corn in north-central Ukraine has had milder temperatures and somewhat better soil moisture, but the poor condition of the corn in southern and eastern Ukraine supports a 3.0-million-ton reduction in 2012/13 production to 21.0 million. Russia's corn crop is cut 0.8 million tons to 7.0 million, and Moldova's corn crop prospects are reduced 0.4 million tons this month to 1.0 million. Russia's dryness extends through parts of the Volga, across the Urals into Kazakhstan and Siberia. Spring barley prospects are reduced 1.0 million tons in Russia, to 14.5 million, and rye is trimmed 0.3 million to 2.7 million. Kazakh barley prospects are trimmed 0.3 million tons to 1.5 million. However, harvest reports in Ukraine support increased barley production, up 0.6 million tons to 6.6 million, and rye, up 0.2 million to 0.65 million, as growing conditions in western and northern parts of the country have been favorable.

Figure 9

Ample Rainfall in Northeast China

Deviation from average in millimeters



Source: USDA, World Agricultural Outlook Board and China National Bureau of Statistics.

Note: Chart is deviation from average rainfall in June and July for Jilin, Heilongjiang, and Inner Mongolia, weighted by harvested area. 2010 provincial area was assumed for 2011 and 2012.

In India, the late onset of the monsoon and reduced water supplies for irrigation have caused a reduction in coarse grain planted area. Corn production prospects are cut 2.0 million tons to 20.0 million, millet is cut 2.5 million to 10.0 million, sorghum is trimmed 0.3 million to 6.4 million, and the barley harvest is reduced slightly.

Turkey reported barley yields lower than expected, reducing production 0.3 million tons to 5.5 million. Dryness in parts of Ontario supports a small reduction in corn yields for Canada, trimming production 0.25 million tons to 12.75 million. Excessive rains in North Korea trimmed corn yield prospects, reducing production 0.1 million tons to 1.45 million. Declining production prospects are partly offset by increased production expected in some countries due to better than average weather.

The 2012/13 corn production forecast for China is raised 5.0 million tons to a record 200.0 million on expectations of enhanced yield prospects. Favorable precipitation and temperatures during June and July in the Northeast, particularly in the provinces of Heilongjiang, Jilin, and Inner Mongolia, are the primary basis for the increase. Figure 10 illustrates the deviation from normal June and July rainfall for the three aforementioned provinces weighted by harvested area. These provinces accounted for 30 percent of Chinese corn area in 2010.

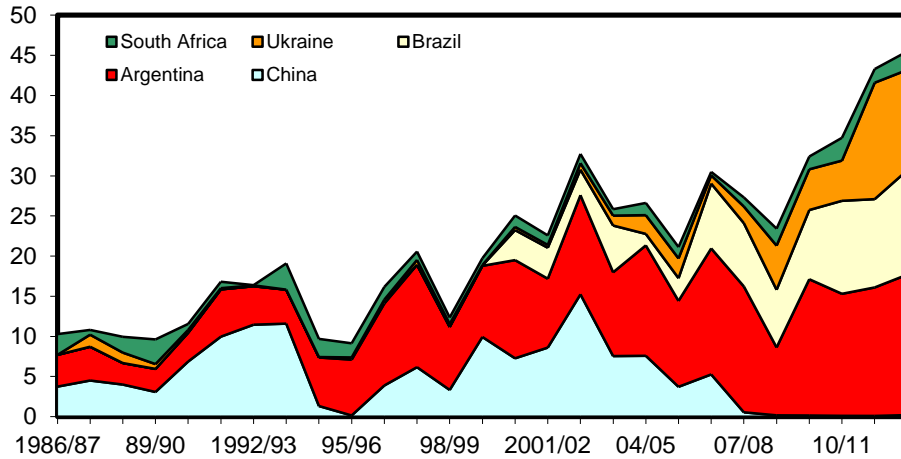
Corn production prospects in Mexico are increased 0.5 million tons this month to 21.5 million, as favorable rains boosted soil moisture and attractive prices encouraged increased area planted. Algeria’s barley crop was reported up 0.2 million tons to 1.8 million, with increased yields.

Several Southern Hemisphere countries are expected to respond to high corn prices with increased planted area. In Argentina, corn area is expected to increase 6 percent in 2012/13, as corn prices are attractive. Previous USDA forecasts assumed a 6-percent decline in corn area planted, as producers were expected to shift to soybeans. It is unclear what, if any, effect the government’s export policy changes

Figure 10

World corn exports of major competitors

Mil. tons



Source: USDA, Foreign Agricultural Service, *Grain: World Markets and Trade (Grain Circular)*.

will have on producers' planting intentions. Projected barley area is also increased this month. Corn production is increased 3.0 million tons to 28.0 million, and barley expands 0.4 million tons to 5.8 million. Also, 2010/11 corn production is raised 1.6 million tons this month as exports and estimated domestic use indicate larger production.

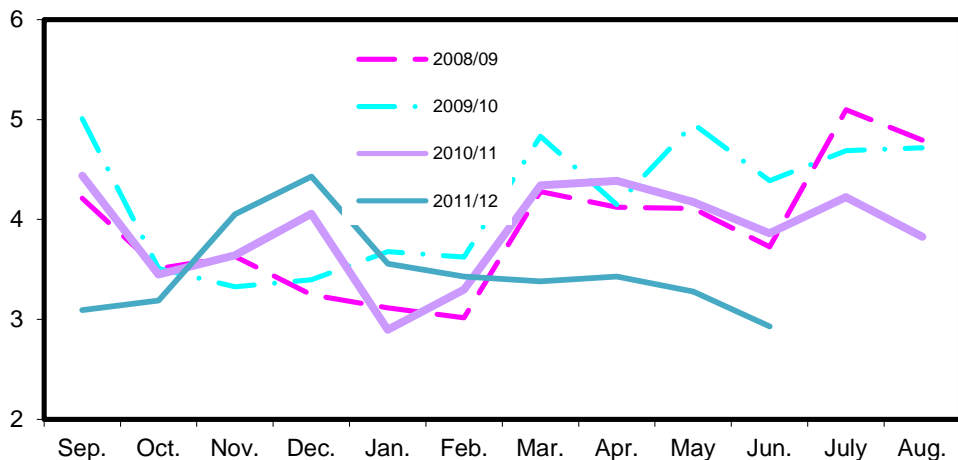
Brazil's corn production response to high international prices is expected to vary depending on region and cropping cycles. For the first or main-season crop in southern Brazil, soybean area is expected to expand at the expense of corn plantings. However, this is expected to be more than offset by the increased incentive to double crop corn after soybeans in Parana, and in regions where soybeans and corn doubled-cropped area is expanding, especially Mato Grosso and parts of the Northeast. Total corn area for 2012/13 is projected up 5 percent year-to-year, boosting production prospects 3.0 million tons this month to 70.0 million. Also, government estimates of the recently harvested second-crop corn for 2011/12 showed sharply higher than expected yields, as late rains extended into the dry season and boosted yields. Production for 2011/12 is up 2.8 million tons this month to a record 72.8 million tons. This is the first year that second-crop corn in Brazil has been bigger and higher yielding than the first crop.

South Africa is expected to respond to high prices and tight supplies with an increase in planted area, boosting projected corn production 0.5 million tons to 13.5 million.

Figure 11

U.S. corn exports by month

Mil. metric tons



Source: USDC, U.S. Census Bureau, <http://www.usatradeonline.gov/>.

Increased 2012/13 Beginning Stocks Limit Drop in Supplies

Global coarse grain beginning stocks for 2012/13 are up 5.8 million tons this month to 168.5 million. About half of the increase is in foreign stocks, up 2.8 million tons to 139.8 million. The most important change is for corn in Brazil, up 2.8 million tons to 15.9 million due to increased 2011/12 production. Other changes to 2012/13 beginning stocks are smaller and offsetting. Coarse grain beginning stocks are up 0.5 million tons each for the EU and Argentina and are increased 0.3 million for Egypt, but are cut 0.5 million for Australia, 0.4 million for Mexico, and 0.3 million each for Canada and Indonesia.

Despite the severe U.S. production problems in 2012/13, projected world coarse grain supplies are only down 2 percent year-to-year to 1,289.9 million tons, and are less than a half percent less than in 2010/11. However, estimated global coarse grain use has increased for each of the last 9 years, and it will take record-high prices to reverse that growth in 2012/13.

High Prices To Reduce Global Coarse Grain Use

World coarse grain use in 2012/13 is projected down 43.1 million tons this month, a 4-percent reduction. Much of the reduction is in forecast U.S. use, but foreign consumption is projected down 12.3 million tons as high prices shrink demand. The reaction of foreign demand to the U.S. corn production shortfall is muted by several factors: (1) several countries, such as China and Brazil, have domestic production and stocks that cushion their domestic market from the full impact of international prices, (2) some countries, such as China, have tariff barriers and import quotas that limit the transmission of international prices, (3) economic growth and increased incomes in some countries support increased meat demand despite higher prices, (4) for the past several years, sustained, relatively high grain prices have encouraged importers to diversify the countries they import from, and

(5) foreign export competitors have increased production and market share, leaving importers less dependent on U.S. corn. Each country has unique coarse grain supply and demand characteristics, making it uncertain how much and when the demand in that country will adjust to international prices.

Global coarse grain use in 2012/13 is expected to decline for the first time since 2002/03, slipping 0.7 percent to 1,137.8 million tons. World feed and residual use is forecast to increase year-to-year 1.4 million tons to 659.9 million, while food, seed, and industrial use declines 9.3 million tons to 477.9 million. Foreign feed use in 2012/13 is projected at 551.3 million tons, down 10.5 million from the previous month's forecast but still up 12.7 million tons from feed use projected for 2011/12, when foreign feed-quality wheat was in ample supply in several countries. Some foreign consumers of feed, such as those in China, do not face price increases as steep as those in the United States because their internal market is at least partly isolated from world prices. In other countries, like Brazil, large domestic production limits internal price increases. In countries like Japan, consumers are accustomed to paying higher prices for meat, and derived demand for grain feed use may be relatively price inelastic.

EU 2012/13 coarse grain use is projected down 3.9 million tons this month to 149.0 million, with reduced feed and residual accounting for 3.4 million tons of the decline. Reduced corn production is expected to cause a shift in feed use to wheat, up 1.0 million tons this month, but most of the drop is expected to be caused by reduced meat production as financial losses cause a reduction in previously stagnating animal production.

India's expected coarse grain disappearance is reduced 3.7 million tons this month due to reduced production. Feed and residual is expected to be down significantly, 1.1 million tons, as poultry and egg production is constrained by high grains and protein meal prices. However, most of the decline, 2.6 million tons, is in food, seed, and industrial use, with coarse grain food use concentrated among the rural poor. Wheat food use is increased 1.3 million tons, offsetting half of the decline.

Russia's coarse grain consumption is forecast down 1.6 million tons this month to 26.6 million, with 1.3 million in reduced feed and residual. Meat production growth is expected to stumble as numerous small pork producers in regions with grain production shortfalls are forced to reduce production.

Japan's corn feed use forecast for 2012/13 is reduced 0.5 million tons as the previously forecast rebound in corn feeding is no longer expected to be as strong, with sharply higher feed prices.

Canada's coarse grain use for 2012/13 is reduced 0.5 million tons this month as high grain prices trim meat production prospects. Food and industrial use of corn is projected higher this month based on upward revisions for 2011/12 industrial use.

South Korea's and Vietnam's corn feed use are each reduced 0.5 million tons and Israel is trimmed 0.4 million as these countries are expected to import more wheat for feeding and less corn. There are also reductions in forecast coarse grain use this month for Indonesia, Turkey, Serbia, Croatia, Syria, Ukraine, Peru, Colombia, and Algeria.

Argentina's expected coarse grain domestic use is increased 0.6 million tons this month, mostly due to expanded barley processing to support malt exports.

U.S. Stocks Sharply Lower; Brazil, China, and Argentina Increased

Global coarse grain ending stocks projected for 2012/13 are cut 13.4 million tons this month to 152.1 million. The U.S. accounts for the entire reduction as foreign stocks are forecast up 0.8 million tons to 132.9 million. While several foreign countries are expected to react to record world corn prices by drawing down stocks to cushion the effect of prices on use, in Brazil, China, and Argentina, increased production is projected to support increased stocks.

In Brazil, record 2011/12 corn production and near-record prospects for 2012/13 support corn supplies. Moreover, high interior transport costs to move corn to ports and competition with bumper 2012/13 soybean supplies for space in congested ports are expected to limit corn exports, leaving significant stocks of corn in interior locations like Mato Grosso at the end of the local 2012/13 marketing year (March 2014). Coarse grain ending stocks are forecast up 3.8 million tons this month to 17.1 million.

Argentina is expected to move much of its corn surplus into exports, but the sharply increased production still boosts expected 2012/13 ending stocks of coarse grain 0.8 million tons this month to 3.0 million.

China, with a record corn harvest in 2012/13, is expected to increase coarse grain stocks even with reduced imports. Coarse grain stocks are up 2.0 million tons this month to 61.0 million.

Egypt, with higher estimated 2011/12 corn imports, is expected to hold higher stocks in 2012/13, as beginning stocks are increased 0.3 million tons this month to 1.3 million and ending stocks are up 0.1 million to 1.1 million.

However, several countries are projected to respond to higher world prices and/or reduced local production prospects by holding lower ending stocks in 2012/13. EU coarse grain ending stocks are projected down 0.9 million tons this month to 10.0 million, less than 40 percent of the level estimated 3 years earlier. India, with large government stocks of wheat and rice, is expected to let coarse grain stocks dwindle, down 0.9 million tons this month to 0.8 million. Serbia, with corn production devastated by drought, is projected to pull coarse grain stocks to minimal levels, down 0.75 million tons this month to 0.35 million. With tight U.S. supplies of corn and sorghum, Mexico is expected to rebuild coarse grain stocks less than previously projected, with 2012/13 ending stocks prospects down 0.6 million tons this month to 1.7 million. Ukraine, with reduced corn production this month, is projected to hold lower coarse grain ending stocks, down 0.6 million to 2.3 million. Ending stocks prospects are down 0.5 million tons each for Australia and Canada, as increased export prospects for 2011/12 in Australia, and for both 2011/12 and 2012/13 for Canada, trim stocks. Smaller reductions in coarse grain ending stocks are projected this month for Russia, Indonesia, Moldova, Colombia, Algeria, and others.

U.S. Corn Exports, World Trade Prospects Severely Cut

With U.S. production prospects withered by drought, U.S. corn exports for the October-September trade year 2012/13 are cut 6.5 million tons this month to 33.5 million (a reduction of 300 million bushels to 1.3 billion bushels for the September-August local marketing year). This is the lowest level of U.S. corn exports since 1993/94, when global corn trade was 47 percent less than projected for 2012/13.

World corn trade is forecast down 6.6 million tons this month to 90.9 million, as some other major corn export competitors also suffered production problems. Ukraine's corn export prospects are down 1.5 million tons to 12.5 million; the EU is cut in half, down 1.0 million tons to 1.0 million; Serbia is reduced 0.5 million to 1.3 million; Croatia is down 0.75 to 0.25; and Moldova is trimmed 0.25 million to 0.1 million. Offsetting most of the non-U.S. reductions are increased corn exports projected in 2012/13 for Argentina, up 2.0 million tons to 17.5 million; Brazil, up 0.5 million to 13.0 million, South Africa, up 0.3 million to 2.3 million; and Canada, up 0.2 million to 1.0 million. These countries are expected to have sufficient supplies to respond to higher corn price prospects with increased exports.

High corn prices are expected to limit imports for several countries. China's projected imports are cut 3.0 million tons to 2.0 million as the price of foreign corn landed in southern China is expected to be unattractive compared to corn produced in China. Some of the previously bought corn for delivery to China in 2012/13 may be sold back to U.S. exporters or diverted to non-Chinese destinations with a significant profit for the Chinese trader, as those contracts were made when prices were significantly lower. EU corn import prospects are cut 2.0 million tons to 3.0 million as grain prices in the EU are not expected to be as strong as the increase in global corn prices. Corn imports are reduced 0.5 million tons each for Indonesia, Japan, South Korea, Morocco, Mexico, and Vietnam. South Korea and Vietnam are expected to replace corn with imports of feed-quality wheat. Japan is not expected to increase the portion of corn in compound feed as previously forecast. In Mexico, disease problems in poultry and the high corn prices are expected to reduce corn demand, and in Indonesia, high prices will limit imports. Israel is also expected to switch to feed quality wheat, trimming corn imports 0.35 million tons. There are smaller import reductions for Colombia, Peru, and Algeria.

The United States is expected to emerge as a significant corn importer in 2012/13. Imports, while small compared to exports, are projected up 1.2 million tons to 1.9 million (up 45 million bushels for the local marketing year to 75 million bushels). Corn seed imports are expected to increase as local seed production in several areas has been hurt by drought. The routine imports of corn from Canada are expected to increase, and some imports from other origins, such as Brazil, are expected to enter feed deficit regions such as North Carolina or California.

There are small increases in projected corn imports this month for Libya, where imports for both 2011/12 and 2012/13 are returning to traditional levels faster than expected, and for Croatia, with corn production stricken by drought.

U.S. corn exports for 2011/12 are reduced 1.0 million tons to 39.0 million (down 50 million bushels to 1.55 billion bushels for the local marketing year). The pace of sales and shipments has been exceptionally slow in recent weeks as increased prices

have made U.S. corn unattractive compared to competitors' supplies. From October 2011 through June 2012 Census corn exports reached 34.7 million tons, down just 10 percent from the previous year, but in July 2012, corn exports according to *Grain Inspections* reached only 2.3 million tons, down more than 40 percent from a year ago. Moreover, at the end of July, Corn Outstanding Sales for shipment during the current marketing year were also down 40 percent from last year at this time.

However, world corn trade for 2011/12 is estimated up 1.5 million tons this month to a record 98.5 million. The strong pace of recent shipments boosts Argentina's exports 1.5 million tons to 16.0 million. Ukraine's corn exports are up 0.5 million tons to a record 14.5 million. The pace of recent exports also supports small increases for 2011/12 for South Africa, Canada, the EU, and Serbia. The recent pace has boosted 2011/12 imports for Mexico, up 0.7 million tons to 11.2 million; Egypt, up 0.5 million to 5.5 million; and South Korea, up 0.5 million to 7.5 million. However, there are reductions to 2011/12 corn imports for Indonesia and Syria.

U.S. corn imports for 2011/12 are raised 0.1 million tons to 0.65 million (up 3 million bushels to 25 million bushels for the local marketing year). Corn imports have been unexceptional in 2011/12, consisting of mostly of routine shipments of seed and cross-border trade with Canada.

U.S. 2012/13 Sorghum Export Prospects Cut, Barley Imports Raised

U.S. sorghum exports for 2012/13 are severely reduced this month, down 1.0 million tons to 2.5 million (down 40 million bushels to 100 million bushels for the local marketing year). The sharply reduced U.S. sorghum production forecast this month limits U.S. export potential. Mexico's imports are cut by the same amount.

U.S. sorghum exports for 2011/12 are estimated up slightly this month as July 2012 export inspections to Mexico were larger than expected. U.S. exports are up 0.1 million tons to 1.4 million (up 5 million bushels to 55 million bushels). Mexico's imports are raised to 1.2 million tons.

U.S. barley imports are raised slightly this month for both 2011/12 and 2012/13. The October-September trade year imports are up 0.1 million tons to 0.4 million for 2011/12 and are projected up 0.2 million tons to 0.5 million for 2012/13 (local June-May 2011/12 is up 2 million bushels to 16 million and 2012/13 is projected up 10 million bushels to 25 million).

Other changes to projected 2012/13 world barley trade were small, but Australia's 2011/12 exports are revised up 0.5 million tons this month to 5.0 million, confirming it as the world's largest barley exporter that year.

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Data

Feed Grains Database

(<http://ers.usda.gov/data-products/feed-grains-database.aspx>) 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.

Related Websites

Feed Outlook

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1273>

WASDE (<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194>)

Grain Circular (<http://www.fas.usda.gov/grain/Current/default.asp>)

World Agricultural Production (http://www.fas.usda.gov/wap_arc.asp)

Corn Briefing Room (<http://ers.usda.gov/topics/crops/corn.aspx>)

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Table 1--Feed grains: U.S. quarterly supply and disappearance (million bushels), 8/14/2012

Commodity, market year, and quarter 1/			Beginning stocks	Production	Imports	Total supply	Food, seed, and industrial use	Feed and residual use	Exports	Total disappear- ance	Ending stocks	Farm price 2/ (dollars per bushel)	
Corn	2009/10	Sep-Nov	1,673	13,092	1	14,766	1,382	2,015	467	3,864	10,902	3.56	
		Dec-Feb	10,902		1	10,904	1,447	1,341	422	3,210	7,694	3.61	
		Mar-May	7,694		3	7,697	1,565	1,273	549	3,387	4,310	3.48	
		Jun-Aug	4,310		3	4,313	1,567	495	543	2,605	1,708	3.52	
		Mkt yr	1,673	13,092	8	14,774	5,961	5,125	1,980	13,066	1,708	3.55	
	2010/11	Sep-Nov	1,708	12,447	5	14,160	1,580	2,069	454	4,103	10,057	4.30	
		Dec-Feb	10,057		8	10,065	1,579	1,560	403	3,542	6,523	5.07	
		Mar-May	6,523		10	6,534	1,640	713	511	2,864	3,670	6.01	
		Jun-Aug	3,670		4	3,673	1,629	450	467	2,546	1,128	6.51	
		Mkt yr	1,708	12,447	28	14,182	6,428	4,793	1,834	13,055	1,128	5.18	
	2011/12	Sep-Nov	1,128	12,358	4	13,490	1,613	1,823	406	3,843	9,647	5.91	
		Dec-Feb	9,647		4	9,651	1,637	1,545	446	3,628	6,023	6.05	
		Mar-May	6,023		11	6,034	1,633	854	398	2,885	3,149	6.34	
		Mkt yr	1,128	12,358	25	13,511	6,390	4,550	1,550	12,490	1,021	6.20-6.30	
	2012/13	Mkt yr	1,021	10,779	75	11,875	5,850	4,075	1,300	11,225	650	7.50-8.90	
	Sorghum	2009/10	Sep-Nov	54.71	382.98		437.70	25.00	115.71	46.23	186.94	250.76	3.16
			Dec-Feb	250.76		0.01	250.76	25.00	7.04	43.17	75.21	175.55	3.19
			Mar-May	175.55			175.55	25.60	15.15	46.94	87.69	87.86	3.12
			Jun-Aug	87.86			87.86	14.40	2.77	29.46	46.62	41.24	3.39
			Mkt yr	54.71	382.98	0.01	437.70	90.00	140.67	165.79	396.46	41.24	3.22
2010/11		Sep-Nov	41.24	345.63	0.01	386.87	23.60	89.69	35.91	149.21	237.67	4.43	
		Dec-Feb	237.67		0.02	237.69	24.85	16.21	25.58	66.64	171.05	5.21	
		Mar-May	171.05		0.00	171.05	26.79	12.90	51.32	91.02	80.03	6.32	
		Jun-Aug	80.03		0.03	80.06	9.76	3.97	38.88	52.61	27.45	5.90	
		Mkt yr	41.24	345.63	0.06	386.93	85.00	122.77	151.70	359.48	27.45	5.02	
2011/12		Sep-Nov	27.45	214.44	0.00	241.89	24.50	44.31	22.13	90.94	150.95	5.97	
		Dec-Feb	150.95		0.05	151.00	25.51	5.70	11.72	42.93	108.07	5.97	
		Mar-May	108.07		0.05	108.12	26.51	15.36	7.73	49.61	58.51	5.97	
		Mkt yr	27.45	214.44	0.10	241.99	85.00	75.00	55.00	215.00	26.99	6.05-6.15	
2012/13		Mkt yr	26.99	247.63		274.62	80.00	70.00	100.00	250.00	24.62	7.00-8.40	

Table 1--Feed grains: U.S. quarterly supply and disappearance, cont. (million bushels), 8/14/2012

Commodity, market year, and quarter 1/		Beginning stocks	Production	Imports	Total supply	Food, seed, and industrial use	Feed and residual use	Exports	Total disappear- ance	Ending stocks	Farm price 2/ (dollars per bushel)		
Barley	2009/10	Jun-Aug	89	227	6	322	43	38	2	83	239	5.05	
		Sep-Nov	239		4	244	43	-7	1	37	206	4.58	
		Dec-Feb	206		3	209	41	10	1	52	157	4.59	
		Mar-May	157		4	161	37	7	1	45	115	4.19	
		Mkt yr	89	227	17	333	164	48	6	217	115	4.66	
	2010/11	Jun-Aug	115	180	3	299	42	33	1	75	224	3.71	
		Sep-Nov	224		3	227	40	2	5	46	180	3.72	
		Dec-Feb	180		2	182	35	7	1	44	138	3.89	
		Mar-May	138		2	140	41	8	1	50	89	4.30	
		Mkt yr	115	180	9	305	159	50	8	216	89	3.86	
	2011/12	Jun-Aug	89	156	1	246	41	26	3	71	175	5.14	
		Sep-Nov	175		4	179	39	-2	3	40	139	5.46	
		Dec-Feb	139		7	145	38	12	1	52	94	5.44	
		Mar-May	94		5	99	37	1	1	39	60	5.52	
		Mkt yr	89	156	16	261	155	37	9	201	60	5.35	
	2012/13	Mkt yr	60	221	25	306	155	80	10	245	61	5.75-6.75	
	Oats	2009/10	Jun-Aug	84	93	27	204	17	59	1	76	128	1.97
			Sep-Nov	128		22	150	17	21	1	39	111	1.91
			Dec-Feb	111		25	136	17	21	0	38	98	2.24
			Mar-May	98		21	119	24	14	1	39	80	2.26
Mkt yr			84	93	95	272	74	115	2	192	80	2.02	
2010/11		Jun-Aug	80	81	24	186	18	50	1	69	117	2.10	
		Sep-Nov	117		24	140	18	21	1	39	101	2.59	
		Dec-Feb	101		19	120	17	16	1	34	86	3.13	
		Mar-May	86		18	105	22	15	1	37	68	3.44	
		Mkt yr	80	81	85	247	74	102	3	179	68	2.52	
2011/12		Jun-Aug	68	54	18	139	17	43	1	61	78	3.27	
		Sep-Nov	78		36	114	18	17	1	35	79	3.62	
		Dec-Feb	79		24	103	17	11	0	29	75	3.53	
		Mar-May	75		16	91	25	11	0	36	55	3.95	
		Mkt yr	68	54	94	215	76	82	2	160	55	3.49	
2012/13		Mkt yr	55	67	95	217	76	85	3	164	53	3.50-4.50	

Latest market year is projected; previous market year is estimated. Totals may not add due to rounding.

1/ Corn and sorghum, September 1-August 31 marketing year; Barley and oats, June 1-May 31 marketing year.

2/ Average price received by farmers based on monthly price weighted by monthly marketings. For the latest market year, quarterly prices are calculated by using the current monthly prices weighted by the monthly marketings for those months for the previous 5 years divided by the sum of marketings for those months.

Source: USDA, World Agricultural Outlook Board, World Agricultural Supply and Demand Estimates and supporting materials.

Data run: 8/12/2012

Table 2--Feed and residual use of wheat and coarse grains, 8/14/2012

Market year and quarter 1/	Corn (million metric tons)	Sorghum (million metric tons)	Barley (million metric tons)	Oats (million metric tons)	Feed grains (million metric tons)	Wheat (million metric tons)	Energy feeds (million metric tons)	Grain consuming animal units (millions)	Energy feeds
									per grain consuming animal unit (tons)
2010/11 Q1 Sep-Nov	52.6	2.3	0.0	0.4	55.2	-1.7	53.5		
Q2 Dec-Feb	39.6	0.4	0.2	0.3	40.5	-0.1	40.4		
Q3 Mar-May	18.1	0.3	0.2	0.3	18.9	-1.7	17.2		
Q4 Jun-Aug	11.4	0.1	0.6	0.7	12.8	5.6	18.3		
MY Sep-Aug	121.7	3.1	0.9	1.6	127.4	2.1	129.5	92.9	1.39
2011/12 Q1 Sep-Nov	46.3	1.1	-0.0	0.3	47.7	-0.5	47.3		
Q2 Dec-Feb	39.2	0.1	0.3	0.2	39.9	1.2	41.1		
Q3 Mar-May	21.7	0.4	0.0	0.2	22.3	-1.9	20.5		
MY Sep-Aug	115.6	1.9	1.9	1.4	120.8	7.2	128.0	93.4	1.37
2012/13 MY Sep-Aug	103.5	1.8	1.0	1.7	108.0	5.1	113.1	92.1	1.23

1/ Corn and sorghum, September 1-August 31 marketing year; Barley and oats, June 1-May 31 marketing year.

Source: USDA, World Agricultural Outlook Board, World Agricultural Supply and Demand Estimates and supporting materials.

Table 3--Cash feed grain prices, 8/14/2012

Mkt year and month 1/	Corn, No. 2 yellow, Central IL (dollars per bushel)			Corn, No. 2 yellow, Gulf ports, LA (dollars per bushel)			Sorghum, No. 2 yellow, Plainview to Muleshoe, TX (dollars per cwt)			Sorghum, No. 2 yellow, Gulf ports, LA (dollars per cwt)		
	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12
Sep	3.10	4.51	6.77	3.82	5.23	7.50	4.48	7.74	11.48	6.86	9.79	12.88
Oct	3.52	5.19	6.23	4.25	5.99	6.98	5.53	8.54	10.73	7.86	10.40	12.08
Nov	3.62	5.33	6.26	4.36	6.05	6.97	6.31	8.78	10.96	8.24	10.75	12.44
Dec	3.59	5.65	5.96	4.18	6.36	6.57	6.25	9.62	10.50	8.21	11.10	11.82
Jan	3.52	6.10	6.25	4.25	6.73	6.94	5.95	10.46		8.05	11.91	12.20
Feb	3.39	6.69	6.41	4.11	7.44	7.10	5.64	11.42		7.58	12.63	12.09
Mar	3.40	6.59	6.46	4.04	7.38	7.13	5.71	11.45		7.62	12.64	12.04
Apr	3.36	7.33	6.34	3.99	8.11	6.96	5.50	12.78		7.34	13.68	11.94
May	3.43	7.08	6.27	4.15	7.82	6.84	5.77	12.22		7.49		
Jun	3.24	7.17	6.30	3.88	7.89	6.79	5.36	12.21		7.19		
Jul	3.49	6.96	7.85	4.15	7.64	8.46	5.76	10.69		7.98	12.65	
Aug	3.77	7.30		4.46	7.88		6.56	11.47		8.46	13.71	
Mkt year	3.45	6.33		4.14	7.04		5.73	10.61		7.74	11.92	
	Barley, No. 2 feed, Minneapolis, MN (dollars per bushel)			Barley, No. 3 malting, Minneapolis, MN (dollars per bushel)			Oats, No. 2 white heavy, Minneapolis, MN (dollars per bushel)					
	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13			
Jun	2.23	5.06	5.15	3.20	7.40	7.03	2.39	3.68	3.37			
Jul	2.06	5.18	5.52		7.72	6.89	2.58	3.68	3.95			
Aug	2.54	5.25			7.83		2.69	3.69				
Sep	2.99	5.14			7.76		3.14	3.72				
Oct	3.32	5.16			7.64		3.56	3.51				
Nov	3.57	5.29		4.70	7.60		3.54	3.36				
Dec	3.89	5.17		5.16	7.32		3.88	3.30				
Jan	4.15	6.24		5.58	7.20		3.93	3.16				
Feb	4.62	6.26		5.91	7.07		4.08	3.46				
Mar	4.74	5.37		5.92	7.05		3.55	3.48				
Apr	5.05	5.18		6.20	7.03		3.83	3.55				
May	4.83	5.21		6.43	7.00		3.55	3.50				
Mkt year	3.67	5.38		5.39	7.38		3.39	3.51				

1/ Corn and sorghum, September 1-August 31 marketing year; Barley and oats, June 1-May 31 marketing year. Simple average of monthly prices for the marketing year.

Source: USDA, Agricultural Marketing Service, <http://marketnews.usda.gov/portal/ig>.

Data run: 8/12/2012

Table 4--Selected feed and feed byproduct prices (dollars per ton), 8/14/2012

Mkt year and month	Soybean meal, high protein, Central Illinois, IL			Cottonseed meal, 41% solvent, Memphis, TN			Corn gluten feed, 21% protein, Midwest			Corn gluten meal, 60% protein, Midwest		
	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12
Oct	325.69	321.92	301.45	250.00	225.31	255.63	73.13	129.75	173.75	606.25	501.88	524.38
Nov	328.18	341.78	292.22	260.00	235.00	240.50	84.88	141.80	168.20	595.00	518.00	487.00
Dec	333.93	351.93	281.66	283.75	240.63	220.63	89.70	136.25	155.00	573.50	520.00	441.25
Jan	314.23	368.54	310.65	286.25	245.63	213.00	95.25	138.88	138.00	582.50	524.06	433.50
Feb	295.79	358.59	330.37	253.75	258.75	190.00	91.00	149.25	133.75	594.94	533.75	448.75
Mar	277.61	345.43	365.95	213.00	256.50	225.00	67.30	150.10	129.38	541.70	543.30	487.50
Apr	291.21	335.87	394.29	175.00	240.00	240.63	52.00	151.13	128.75	492.13	556.25	498.75
May	287.85	342.30	415.17	171.25	275.50	270.00	49.50	149.40	137.80	455.63	556.00	533.00
Jun	305.78	347.45	422.59	176.00	307.50	294.38	49.00	149.75	138.00	445.00	567.50	579.00
Jul	325.56	346.52	515.82	183.75	313.13	350.50	58.38	148.89	192.20	441.25	556.25	629.00
Aug	331.76	349.60		198.00	342.50		82.20	160.60		451.50	559.00	
Sep	317.65	336.32		200.00	345.63		103.00	183.25		464.38	550.63	
Mkt yr	311.27	345.52		220.90	273.84		74.61	149.09		520.32	540.55	
	Meat and bone meal, Central US			Distillers dried grains, Lawrenceburg, IN			Wheat middlings, Kansas City, MO			Alfalfa hay, weighted-average farm price 2/		
	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12
Oct	268.05	293.26	299.02	102.50	120.00	212.00	90.39	134.69	185.69	109.00	118.00	203.00
Nov	298.95	314.64	284.24	122.50	150.40	202.00	118.48	141.88	198.55	109.00	117.00	198.00
Dec	339.50	304.05	280.76	120.00	158.00	200.00	106.41	164.31	196.24	109.00	121.00	199.00
Jan	314.47	304.39	285.08	130.00	174.50	200.00	111.31	157.33	138.58	111.00	121.00	192.00
Feb	289.50	317.37	289.60	130.00	185.00	200.00	87.61	145.13	136.35	110.00	129.00	198.00
Mar	286.91	354.50	337.49	122.00	195.00		71.02	151.35	126.70	113.00	142.00	201.00
Apr	265.96	405.38	421.08	115.00	205.00		58.79	151.38	108.05	112.00	161.00	207.00
May	280.19	429.50	439.82	105.00	205.00		52.00	171.31	136.27	120.00	187.00	215.00
Jun	316.70	395.05	393.29	105.00	210.00		58.36	158.80	144.36	120.00	180.00	201.00
Jul	336.07	367.30	414.07	105.00	210.00		56.05	174.80	212.28	118.00	189.00	198.00
Aug	301.05	337.26		113.00	214.00		77.77	199.93		118.00	191.00	
Sep	285.79	333.17		120.00	215.00		124.40	219.69		119.00	196.00	
Mkt yr	298.60	346.32		115.83	186.83		84.38	164.22		113.00	123.00	196.00

1/ October 1-September 30 except for hay. Simple average of monthly prices for the marketing year except for hay.

2/ May 1-April 30 marketing year. U.S. season-average price based on monthly price received by farmers weighted by monthly marketings.

Source: USDA, Agricultural Marketing Service, <http://marketnews.usda.gov/portal/ig>, and USDA, National Agricultural Statistics Service, http://www.nass.usda.gov/Data_and_Statistics/Quick_Stats/index.asp.

Table 5--Corn: Food, seed, and industrial use (million bushels), 8/14/2012

Mkt year and qtr 1/		High-fructose corn syrup		Starch	Alcohol for fuel	Alcohol for beverages and manufacturing	Cereals and other products	Seed	Total food, seed, and industrial use
		(HFCS)	Glucose and dextrose						
2010/11	Q1 Sep-Nov	126.25	65.11	66.29	1,240.17	33.02	49.12	0.00	1,579.95
	Q2 Dec-Feb	116.28	59.72	62.53	1,257.31	34.59	48.58	0.00	1,579.00
	Q3 Mar-May	138.90	70.86	64.41	1,259.43	36.16	49.66	20.24	1,639.65
	Q4 Jun-Aug	139.64	76.69	64.70	1,264.30	31.23	49.66	2.76	1,628.97
	MY Sep-Aug	521.06	272.38	257.93	5,021.21	135.00	197.00	23.00	6,427.57
2011/12	Q1 Sep-Nov	119.61	77.97	64.64	1,268.06	33.02	50.10	0.00	1,613.39
	Q2 Dec-Feb	115.00	71.01	62.02	1,304.44	34.59	50.10	0.00	1,637.15
	Q3 Mar-May	135.73	73.14	62.21	1,246.55	36.16	49.90	23.40	1,627.10
	MY Sep-Aug	495.00	285.00	250.00	5,000.00	135.00	200.70	24.30	6,390.00
2012/13	MY Sep-Aug	465.00	285.00	235.00	4,500.00	135.00	205.00	25.00	5,850.00

1/ September-August. Latest data may be preliminary or projected.

Source: Calculated by USDA, Economic Research Service.

Date run: 8/14/2012

Table 6--Wholesale corn milling product and byproduct prices, 8/14/2012

Mkt year and month 1/	Corn meal, yellow, Chicago, IL (dollars per cwt)		Corn meal, yellow, New York, NY (dollars per cwt)		Corn starch, Midwest 3/ (dollars per cwt)		Dextrose, Midwest (cents per pound)		High-fructose corn syrup (42%), Midwest (cents per pound)	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
	Sep	20.34	27.99	22.64	30.30	15.43	23.26	31.20	30.85	17.38
Oct	22.42	26.78	24.73	29.09	16.87	22.63	30.85	30.85	20.38	21.38
Nov	22.44	26.90	24.74	29.20	18.28	20.05	30.85	30.85	21.38	21.38
Dec	23.13	25.74	25.43	28.05	18.61	20.89	30.85	30.85	21.38	21.38
Jan	24.04	24.86	24.29	26.56	18.94	19.90	30.85	34.85	21.38	23.38
Feb	26.95	26.40	29.25	30.37	20.23	21.40	30.85	33.85	21.38	23.38
Mar	27.51	26.17	29.82	27.92	21.49	21.79	30.85	35.85	21.38	23.38
Apr	28.47	25.52	30.78	27.55	21.31	22.09	30.85	34.85	21.38	23.38
May	27.49	24.49	29.79	26.77	22.72	21.34	30.85	34.85	21.38	23.38
Jun	27.47	24.30	29.77	26.00	22.57	21.25	30.85	34.85	21.38	23.38
Jul	28.24	28.35	30.55	30.05	23.32	20.65	30.85	35.35	21.38	23.38
Aug	28.78		31.08		22.15		30.85		21.38	
Mkt year 2/	25.60		27.74		20.16		30.88		20.96	

1/ September-August. Latest month is preliminary.

2/ Simple average of monthly prices for the marketing year.

3/ Bulk-industrial, unmodified.

Source: Milling and Baking News, except for corn starch which is from private industry.

Date run: 8/12/2012

Table 7--U.S. feed grain imports by selected sources (1,000 metric tons) 1/, 8/14/2012

Import and country/region	----- 2010/11 -----		----- 2011/12 -----		2012/13	
	Mkt year	Jun	Mkt year	Jun	Jun	
Oats	Canada	1,393	95	1,556	73	101
	Finland	74	31	35	8	
	Jamaica	0		0		
	All other countries	0	0	30	0	0
	Total 2/	1,468	127	1,621	81	101
Malting barley	Canada	175	30	264	2	38
	All other countries	0		0		
	Total 2/	175	30	264	2	38
Other barley 3/	Canada	31	2	89	4	3
	All other countries	1	0	1	0	0
	Total 2/	32	2	90	4	3

1/ Grain only. Market year (June-May) and market year to date.

2/ Totals may not add due to rounding.

3/ Grain for purposes other than malting, such as feed and seed use.

Source: U.S. Department of Commerce, Bureau of the Census, Foreign Trade Statistics.

Date run: 8/12/2012

Table 8--U.S. feed grain exports by selected destinations (1,000 metric tons) 1/, 8/14/2012

		----- 2009/10 -----		----- 2010/11 -----		2011/12
Export and country/region		Mkt year	Sep-Jun	Mkt year	Sep-Jun	Sep-Jun
Corn	Japan	15,128	12,479	14,014	12,011	9,958
	Mexico	8,253	7,047	7,484	6,212	9,191
	South Korea	7,076	6,002	6,123	4,994	3,481
	China (Taiwan)	3,180	2,646	2,737	2,442	1,436
	Egypt	2,774	2,113	3,405	2,696	495
	Canada	2,098	1,836	958	663	748
	China (Mainland)	1,199	187	980	557	4,103
	Venezuela	1,106	812	856	545	1,128
	Colombia	1,019	865	506	475	245
	Dominican Republic	930	784	756	627	363
	Peru	885	885	66	66	0.088
	Syria	814	619	960	797	0.114
	Saudi Arabia	755	612	576	504	362
	Guatemala	661	536	687	547	518
	Cuba	609	530	454	374	426
	Costa Rica	579	502	712	598	536
	Morocco	457	392	182	182	59
	El Salvador	441	359	491	414	337
	Honduras	347	301	443	374	306
	Panama	327	269	263	263	208
	Jamaica	234	192	283	220	209
	Tunisia	179	78	134	122	
	Israel	177	54	804	687	49
Ecuador	168	168	214	183	30	
Lebanon	120	69	249	169		
All other countries	780	552	2,254	1,829	495	
Total 2/	50,295	40,889	46,590	38,552	34,683	
Sorghum	Mexico	2,569	2,188	2,383	1,789	746
	Japan	851	795	340	312	86
	Sub-Saharan Africa	634	573	252	247	251
	Morocco	123	96	112	112	
	All other countries	35	27	766	765	10
	Total 2/	4,211	3,679	3,853	3,225	1,092
		----- 2010/11 -----		----- 2011/12 -----		2012/13
		Mkt year	Jun	Mkt year	Jun	Jun
Barley	Tunisia	61				
	Canada	38	3	26	2	0.279
	Mexico	34	4	56	1	3
	Morocco	12		25		
	All other countries	20	0.002	86	2	1
	Total 2/	165	7	192	5	4

1/ Grain only. Market year (September-August for corn and sorghum, June-May for barley) and market year to date.

2/ Totals may not add due to rounding.

Source: U.S. Department of Commerce, Bureau of the Census, Foreign Trade Statistics.

Date run: 8/12/2012