



# ILLINOIS FARM AND FOOD OUTLOOK

## COLLEGE OF AGRICULTURE DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

June 30, 1976

### GRAIN STOCKS' REPORT SHOWS LARGE USE

THE REPORT ON GRAIN STOCKS IN ALL POSITIONS AS OF JUNE 1 was released June 22. This is the first of the June 1 stock reports. The crop year for small grains was changed from July-June to June-May, requiring a stock taking on June 1, instead of on July 1 as before.

**CORN.** Stocks in all positions were 1,857 million bushels, compared to 1,492 million last year and 1,895 million two years ago. The April 1 stocks, minus food and industrial use, exports, and June 1 stocks, indicate a feed use of 566 million bushels, compared to 458 million last year and 639 million in 1974. Comparison with last year is not very meaningful because of the very small 1974 crop. Feed use during January-May this year was 1,663 million, compared to 1,801 million during the same period two years ago. The decrease reflects the smaller number of hogs.

The central question now is the adequacy of feed supplies before the 1976 harvest. Food and industrial uses will take about 154 million bushels during the June-September period. The current rate of export and advance bookings indicates 490 million bushels for that use during the same period. If we assume a carryover of 350 million as a practical minimum, that would leave 863 million bushels available for feed. This compares to 667 million used last year and 924 million two years ago.

Although there seems to be enough corn for feed use, essentially all of the 1975 corn crop will have been used. The price of old-crop corn will be affected strongly by the prospective size of the 1976 crop.

**SOYBEANS.** Stocks of soybeans in all positions were estimated at 551 million bushels, leaving the situation confused. Disappearance to date is a record. We can project a crush of 880 million bushels and exports of 565 million for the crop year. This will require 224 million for crush and 105 million for exports from June through August. We should expect a seed and residual disappearance of 75 million bushels. The crop plus the carryover was 1,706 million. Subtracting the disappearance estimates indicates a carryover of 186 million. However, the April 1 stocks of 551, minus June-August crush and export estimates, would produce a carryover of 222 million bushels. Either the crop was underestimated or the June 1 stocks were overestimated. The June 1 report is new, and only time will tell how good it is. The carryover estimate will be released on September 22.



A carryover centering on 200 million bushels is about 100 million more than a minimum pipeline requirement. Old-crop supplies are relatively good. But they are small in relation to estimates made at the beginning of the season, when a carryover of about 400 million bushels was expected.

The disappointing soybean prices through May "bore fruit." Crush and exports through May totaled 1,116 million, compared to 867 the year before. Soybean meal prices were historically low relative to those of other feeds. Disappearance increased by 22 percent. The prices paid to country elevators in Illinois averaged \$5.45 per bushel from September through May this year, compared to \$6.68 during the same period last year. The increased use more than offset the lower price, so the value went up 5 percent.

The huge disappearance of soybeans coupled with a smaller prospective crop in 1976 set off the explosion that increased soybean prices by \$1.86 from April 1 to June 11.

*Prepared for Illinois Farm and Food Outlook Letter by T.A. Hieronymus.  
Issued by M.B. Kirtley, Extension Economist, Livestock Marketing.*

Cooperative Extension Service  
United States Department of Agriculture  
University of Illinois  
at Urbana-Champaign  
Urbana, Illinois 61801

Official Business  
Penalty for private use, \$300

6/76-18,600

FIRST CLASS

POSTAGE AND FEES PAID  
U.S. DEPARTMENT OF  
AGRICULTURE  
AGR 101

