



WEEKLY OUTLOOK

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JANUARY 1 GRAIN STOCKS

THE USDA RELEASED ITS ESTIMATE of January 1 grain stocks last Friday. In the case of soybeans, weekly estimates of use are available during the year, and the stocks report is used to check the production estimate. The January 1 soybean stocks were estimated at 1.826 billion bushels. This figure is very close to the one estimated for soybean stocks on the basis of the revised production estimate released a week earlier and the weekly estimates of use through December.

Soybean inventories are 12 percent larger than those a year ago. Nearly 59 percent of the soybeans were held on farms, compared with 54 percent a year ago. Soybean stocks in Illinois were down 10 million bushels (about 3 percent), compared with a year ago.

The January 1, 1982, corn stocks estimate was revised upward by 69 million bushels to 6.968 billion. For the 1981-82 marketing year, feed use of corn was 69 million bushels less during the first quarter and 69 million bushels more during the second quarter than previously estimated. The corn stocks figure released October 1, 1982, was revised downward by 80 million bushels to 2.286 billion bushels. Feed use for the fourth quarter last year as well as the whole year was 80 million bushels greater than previously estimated.

In the case of corn, the January 1 stocks report is used primarily to calculate the feed and residual use of corn during the first quarter of the marketing year. On the basis of the October 1, 1982, stocks estimate and the January, 1983, final production estimate, corn supplies for the 1982-83 marketing year totaled 10.683 billion bushels. The January 1 inventory was estimated at 8.423 billion bushels. Total corn use during the first quarter, then, was 2.26 billion bushels. Weekly estimates place corn exports during the first quarter at 505 million bushels, down 40 million from last year. Seed, food, and industrial use of corn during the quarter totaled an estimated 189 million bushels, up 19 million from the same quarter last year. Feed and residual use of corn is calculated to be 1.566 billion bushels, up 14 million bushels, or 1 percent more than that last year.

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If feed use of corn continues at the pace established in the first quarter, feeding for the year will exceed the USDA's estimate of 4.2 billion bushels. With large numbers of cattle on feed and the possibility that hog production will exceed current projections, feed use could top 4.3 billion bushels. Carryover stocks at the end of the marketing year may be below current estimates but will exceed 3.3 billion bushels.

The largest increases in January 1 corn stocks were reported in Iowa, Minnesota, and Nebraska. Those three states combined had 3.9 billion bushels of corn in stock on January 1, an increase of 28 percent from last year. Inventories in Illinois were up 107 million bushels, or 8.6 percent, from last year.

The January 1 inventory of wheat was estimated at 2.521 billion bushels, up 343 million bushel (nearly 16 percent) from last year. In addition, compared with last year, wheat stocks in Illinois were down 12.2 million bushels or 20 percent; inventories in Kansas totaled 448.4 million bushels (up 36 percent); and stocks in North Dakota totaled 416.6 million bushels (up 27 percent).

The U.S. wheat stocks are somewhat smaller than anticipated, suggesting that feed use of wheat has exceeded previous estimates. As in the case of corn, however, there will be a surplus of wheat stocks at the end of the marketing year.

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