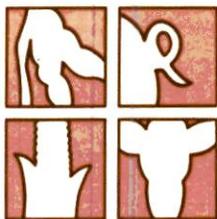




Cooperative  
Extension Service  
University of Illinois  
at Urbana-Champaign



# WEEKLY OUTLOOK

Department of Agricultural Economics  
College of Agriculture  
University of Illinois at Urbana-Champaign

February 12, 1986

## FINAL PRODUCTION AND GRAIN STOCK ESTIMATES

ON FEBRUARY 10, THE USDA RELEASED ITS ANNUAL CROP PRODUCTION report and the January 1 Grain Stocks report. Revised supply and demand estimates were also issued.

The 1985 corn harvest is now estimated to have totaled 8.865 billion bushels, 148 million above the previous estimate. The larger figure reflects an increase in the estimated average yield to 118 bushels per acre. With beginning stocks of 1.381 billion bushels, the supply of corn for the 1985-86 marketing year totaled 10.248 billion. The supply is only 162 million bushels less than the record supply of 1982-83.

The January 1 inventory of corn is estimated to have totaled a record 7.877 billion bushels, 34 percent more than the January inventory of a year ago. During the first quarter of the 1985-86 marketing year, corn exports were about 100 million bushels less than exports during the same period a year ago. Processing uses increased slightly while feed and residual use was down about 75 million bushels.

The feed and residual use of corn for the entire marketing year is projected at 4.1 billion bushels, about equal to last year's use but 200 million bushels less than was projected last month. This reduction probably reflects expectations that the level of wheat feeding will be quite high again this summer. The use of corn for all purposes is projected at only 6.845 billion bushels, 175 million bushels less than were used last year. Stocks at the end of the marketing year are projected at a record 3.4 billion bushels.

The 1985 soybean harvest is now estimated to have totaled 2.099 billion bushels, 30 million bushels less than the previous estimate. The total supply of soybeans for the 1985-86 marketing year is estimated at 2.415 billion bushels, near the all time high and 19 percent more than a year ago.

The use of soybeans for export and domestic crush during the first quarter of the marketing year exceeded the levels of a year ago. Because of the larger crop, however, January 1 soybean stocks were 24 percent larger than a year ago, at 1.764 billion bushels.

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The USDA increased its projection for soybean exports by 40 million bushels, to 750 million, and reduced the projection of domestic crush by 10 million bushels to 1.06 billion. Total use for the year, including seed and residual uses, is projected at 1.895 billion bushels, 175 million more than used last year. Even so, carryover stocks are projected at a record 520 million bushels.

January 1 wheat stocks were estimated at 2.536 billion bushels, almost 400 million more than inventories on the same date last year. Feed and residual uses of wheat for the marketing year that ends on May 31, 1986, are now projected at 325 million bushels, 25 million bushels less than last month's projection. Use for all purposes is expected to reach only 2.025 billion bushels, 553 million bushels less than were used a year ago. Carryover stocks are projected at 1.837 billion bushels.

While most analysts expected a larger corn crop estimate, the magnitude of increase was larger than expected. The smaller feeding estimate and larger carry-over projection is bearish. Corn prices will remain under pressure.

The changes in the supply and demand estimates for soybeans were generally expected. A confirmation of those expectations should result in a continuation of the sideways pattern of prices. Large CCC stocks will be the major price-supporting factor.

*Darrel L. Good*

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