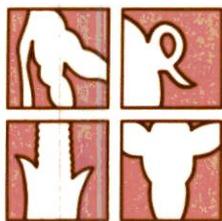




Cooperative  
Extension Service  
University of Illinois  
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# WEEKLY OUTLOOK

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

January 21, 1987

## FLURRY OF USDA REPORTS

ON JANUARY 15, THE USDA RELEASED revised crop production estimates for 1985 and 1986, the estimate of grain stocks as of December 1, 1986, an estimate of 1986 winter wheat seedings, and revised supply and demand estimates for the 1986-87 marketing year. Following is a summary of the estimates and implications for corn, soybeans, and wheat.

Corn. The estimate of the record 1985 corn crop was increased by 12 million bushels, to 8.877 billion. Stocks at the end of the 1985-86 marketing year totaled 4.04 billion bushels. The estimate of the 1986 crop was increased by 30 million bushels, to 8.253 billion bushels. The U.S. average yield was a record 119.3 bushels per acre.

December 1 stocks of corn were estimated at 10.303 billion bushels, implying that corn use during the first quarter of the 1986-87 marketing year totaled 1.992 billion bushels. December 1 stocks were record large, exceeding year-ago inventories by 1.684 billion bushels. Corn use during the first quarter was up 75 million bushels from a year ago.

Corn exports during the first quarter reached only 320 million bushels, almost 25 percent less than a year ago. Processing uses of corn reached an estimated 280 million bushels, just slightly more than a year ago. The residual use of corn, assumed to have been fed, was record large at 1.392 billion bushels, up 165 million bushels from a year ago.

As a result of the large residual use of corn during the first quarter, the USDA increased its estimate for the year by 100 million bushels to a total of 4.3 billion bushels. Carryover stocks are now forecast at 5.72 billion bushels, or about 10.5 months supply at the projected rate of use.

The revised figures for corn do not alter the outlook for corn prices. Corn is in surplus and prices will likely remain well below the CCC loan rate.

Soybeans. The 1985 crop estimate was unchanged at 2.099 billion bushels, while the 1986 estimate was lowered by only 2 million bushels to 2.007 billion. December 1 stocks of soybeans were estimated at 1.98 billion bushels, about 20 million more than a year ago. Soybean disappearance during the first quarter of the 1986-87

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marketing year was a record 563 million bushels, up 109 million from a year ago. Based on known crush and exports of soybeans during the first quarter, the residual disappearance was extremely large at 51 million bushels.

The supply and demand estimates for soybeans, soybean oil and soybean meal were unchanged from the December estimates. Carryover stocks of soybeans are expected to be a record 615 million bushels.

Wheat. The 1986 crop estimate was increased by 10 million bushels, to 2.087 billion. December 1 stocks totaled 2.664 billion bushels, about 21 million higher than a year ago. The stocks figure implies a lower-than-expected level of wheat feeding during the first half of the 1986-87 marketing year. The USDA lowered its wheat feeding estimate for the year by 25 million bushels to a total of 325 million. Use for all purposes is projected at 2.08 billion bushels, with carryover stocks projected at 1.922 billion. Ending stocks are expected to be slightly higher than beginning stocks. However, stocks of soft red wheat are expected to be at the pipeline level of only 44 million bushels, or about 1.5 months supply.

Winter wheat seedings were estimated at only 48.705 million acres, down 10 percent from a year ago and at the lowest level in 9 years. Seedings in areas growing primarily soft red wheat totaled 6.95 million acres, down 7.5 percent from last year. Soft red winter wheat will remain in tight supply and be priced above hard red winter.



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