



# WEEKLY OUTLOOK

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## **CORN AND SOYBEAN SUPPLIES GETTING TIGHTER**

The 1990-91 marketing year for corn and soybeans ended on August 31. The USDA will reveal the magnitude of stocks of those commodities at year end in its quarterly *Grain Stocks* report to be released on September 30. Those stocks will become part of the available supply for the 1991-92 marketing year. All the data necessary to estimate the size of September 1 stocks are not yet available, but we can form some expectations.

**SOYBEANS.** With only two days left in the marketing year, USDA export inspection figures indicated that 557.6 million bushels of soybeans had been exported. Last year, actual exports were about 1.5 million bushels less than sales as of August 23. If that relationship holds true this year, exports will total about 560 million bushels. Through June, exports as estimated by the Bureau of the Census were almost identical to USDA's export inspection figures.

For the period September 1991 through June 1992, the Bureau of the Census reported that 984.6 million bushels of soybeans were crushed in domestic processing plants. The crush was 2.6 percent larger than during the same period last year. Figures from the National Oilseed Processor Association indicate that the crush during July and August was 3.7 percent larger than during those two months last year. If the Census Bureau confirms that level of crush, the total for the year will be 1.18 billion bushels.

Through the first three quarters of the 1990-91 marketing year, seed, feed and residual use of soybeans totaled 91.7 million bushels. The total for the year is expected to reach 98 million bushels, bringing total use for all purposes to 1.843 billion bushels. September 1 soybean stocks should be near 320 million bushels, equal to the USDA's projection in early August.

The USDA will release an updated estimate of the size of the soybean crop on September 12. Analysts are divided in their opinions as to how the estimate will compare with the August estimate of 1.869 billion bushels. Over the past month, crop conditions have probably deteriorated in the eastern Corn Belt remained about unchanged in the western Corn Belt and improved in the southeast. Based on USDA's estimate of use during the 1991-92 marketing year, a crop of less than 1.9 billion bushels will allow stocks to be reduced by September 1, 1992. A crop of less than 1.84 billion would result in September stocks below 250 million bushels.

**CORN.** Corn stocks are more difficult to anticipate. The largest category of use is feed and residual use. There are no measures of feed use during the year. The stocks report itself serves

as an estimator of feed and residual use. Through the first three quarters of the 1990-91 marketing year, feed and residual use totaled 4.004 billion bushels, 5.1 percent more than during the same period last year. Feed and residual use during the summer quarter should have been about 100 million bushels larger than during last summer due to increased livestock numbers and reduced wheat feeding. Feed and residual use for the year is projected at 4.745 billion bushels.

With two days left in the marketing year, export inspections for corn totaled 1.727 billion bushels. Total sales as of August 22 for the marketing year stood at 1.761 billion bushels. Some loadings for the USSR were interrupted by unsettled conditions there, but should soon be back on track. It appears that exports for the year will total 1.735 billion bushels, although exports as estimated by the Bureau of the Census were slightly less than USDA inspections through June.

If food, industrial, and seed use of corn reaches 1.325 billion bushels, as projected by the USDA, use for all purposes is expected to total 7.805 billion bushels. Stocks on September 1 would stand at 1.475 billion bushels, about 55 million less than projected by the USDA.

The September corn production estimate is expected to be slightly less than the August estimate of 7.418 billion bushels due to deteriorating crop conditions in the eastern Corn Belt. A crop of 7.3 billion bushels would result in total supplies for the 1991-92 marketing year of only 8.775 billion bushels. Based on USDA's projection of corn use for the 1991-92 marketing year, stocks of corn on September 1, 1992 will be reduced to 1.05 billion bushels, or about seven week's supply.

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