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Grains & Oilseeds Outlook

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GRAINS AND OILSEEDS OUTLOOK FOR 2011¹

Prepared by Members of the
Wheat, Feed Grains, Rice, and Oilseeds Interagency Commodity Estimates Committees
U.S. Department of Agriculture

Introduction

This paper provides USDA's current 2011/12 supply and demand outlook for wheat, corn, rice, and soybeans and products. Projections presented in this paper are based on analysis by members of USDA's Interagency Commodity Estimates Committees for Wheat, Feed Grains, Rice, and Oilseeds, and include implications of the January 2011 *Winter Wheat Seedings* report. Projections assume normal weather conditions for spring planting and summer crop development. These projections will be updated in the May 11 *World Agricultural Supply and Demand Estimates (WASDE)* report. The May WASDE will incorporate survey-based forecasts for U.S. planted area and winter wheat production, as well as global, country-by-country supply and demand projections.

Summary

The 2011/12 outlook for the major grains and oilseeds in the United States reflects a tight overall supply situation for corn and soybeans domestically and strong demand for U.S. milling wheat in world markets. High prices and extraordinarily favorable net returns are expected to expand 2011 planted area with combined corn and soybean plantings again expected to set a record. Wheat supplies are projected lower as beginning stocks and production both decline. Although wheat exports are expected to decline, they remain strong and contribute to projected record levels for farm prices. Corn plantings are expected to expand as high prices support the highest early season net returns outlook in recent years. Record corn production is mostly offset by smaller beginning stocks, leaving supplies up only modestly. Corn use grows slightly with only small increases expected in domestic processing and exports. Corn ending stocks remain tight driving farm prices to record levels. Soybean planted area is expected to increase slightly from last year based on historically high expected returns. Soybean supplies are projected almost unchanged. Soybean ending stocks are projected to rise modestly due to small reductions in crush and exports, but will remain relatively tight pushing farm prices to new highs. Rice planted acreage for 2011 is projected lower, the lowest in 4 years, with long-grain accounting for most of the decline. Total rice supplies are expected to drop from the previous year, with long-grain rice down nearly 9 percent. Long-grain rice ending stocks are forecast to decline 29 percent from the previous year. Medium- and short-grain rice stocks are projected up slightly.

¹This paper incorporates contributions by analysts from the World Agricultural Outlook Board, the Economic Research Service, the Farm Service Agency, and the Foreign Agricultural Service.

Planted Acreage Outlook for 2011 (Table 1)

The early 2011 outlook for U.S. plantings of the major grains and soybeans reflects an extremely favorable producer returns outlook going into the spring planting season. Net returns for corn and soybeans are at historically high levels driven by soaring prices. Domestic balance sheets for corn and soybeans have tightened to near-record and record levels in 2010/11. Limited foreign supplies of high-protein milling wheat have boosted demand for U.S. wheat and shortfalls in global cotton supplies are limiting world consumption. These factors set the stage for a sharp increase in U.S. crop plantings in 2011. With a rebound in winter wheat seedings and a sharp year-to-year rise in net returns for both corn and soybeans, the 3-crop area is projected at 227.0 million acres, 7.8 million acres higher than 2010 and 2.1 million acres above the recent high in 2008. The 3-crop total is the highest since 1984, however, the crop mix has shifted dramatically since then with wheat area falling sharply.

Corn and soybean producers continue to respond to rising demand and prices with the combined area for the two crops projected at 170.0 million acres for 2011. Combined corn and soybean area has increased every year since 2006 with this year's expected increase of 4.4 million acres, the same as in 2007. At the projected 2011 level, corn and soybean plantings will have expanded 16.2 million acres in just 5 years. High prices ahead of the 2011 planting season support expansion in both corn and soybean area as expected net returns per acre are up 85 percent and 65 percent, respectively, from last year at this time. Net returns are also up 25 and 15 percent, respectively, from 2008 when total planted area for the major field crops hit its recent high.

Competition for acreage from cotton complicates the grains and oilseeds outlook for 2011/12. Reduced cotton area in 2007 and 2008 allowed for larger grain and soybean area in those years. This year, reduced plantings of rice and other feed grains are expected to offset a rebound in upland cotton area. Plantings for the 8 major field crops (corn, soybeans, wheat, upland cotton, sorghum, barley, oats, and rice) are projected to increase nearly 10 million acres from 2010 with increased winter wheat seedings, higher corn and upland cotton plantings, and increased double cropping of soybeans. Allowing for the nearly 2-million-acre (1 percent) projected increase from 2008 in the 8-crop total area are reductions in expected hay and pasture land with shrinking cattle numbers and the increased availability of land formerly enrolled under the Conservation Reserve Program (CRP). Since 2008, CRP enrollments have declined by more than 3 million acres. Although much of this marginal land will not return to crop production, this year's extraordinarily high net returns are likely to attract some of the area into crop use. The 2011 outlook for combined net returns for corn, wheat, soybeans, and upland cotton, weighted by planted area, is up nearly 25 percent from the very high levels of 2008 and up more than 80 percent from last year at this time.

Wheat planted area for 2011 is expected to increase 3.4 million acres to 57.0 million. Winter wheat seeded area at 41.0 million acres is up 3.7 million from last year. The January 12, 2011, *Winter Wheat Seedings* reported Hard Red Winter (HRW) wheat seedings up 1.0 million acres to 29.6 million and Soft Red Winter (SRW) wheat seedings up 2.5 million acres to 7.8 million. Spring wheat (including durum) plantings are expected to be down slightly for 2011 as high prices and more favorable net returns for oilseeds, particularly for canola and soybeans in North Dakota, discourage spring wheat expansion.

Corn plantings for 2011 are projected up 3.8 million acres from last year. At the projected 92.0 million acres, this year's plantings would be the highest since 2007 when producers planted 93.5 million acres. In 2007, corn producers responded to the sharp rise in prices that started in late 2006 and pushed new-crop futures above \$4 per bushel during February and March. This year net returns for corn ahead of planting are the highest in recent history as new-crop futures remain above \$6.00 per bushel and bids for

fall delivery at Central Illinois elevators are near \$5.70 per bushel. At this time in 2008, new-crop futures were around \$5.50 per bushel and bids for fall delivery in Central Illinois were just above \$5.00 per bushel. New-crop prices indicate a per-acre revenue increase of \$80-\$110 as compared with 2008.

Soybean area is projected at 78.0 million acres, up 0.6 million from 2010 and equal to last year's planting intentions. Stronger gains in net returns for corn and cotton provide incentives for producers to shift to those crops from soybeans in the Corn Belt and in the southern states. However, with soybean net returns also favorable in 2011, producers are expected to increase double cropping of soybeans compared with 2010. Higher winter wheat seedings in traditional double-crop states compared with 2010 increases the potential for double cropping, and high soybean prices will increase the proportion of those winter wheat acres that are double cropped.

Total 2011 rice planted acreage is projected at 2.88 million acres, down 21 percent from 2010, and the lowest in 4 years. The majority of this year's acreage reduction occurs in long-grain rice in the Delta states, where farmers are projected to shift to soybeans, corn, and cotton because of relatively higher expected returns. Long-grain rice planted acreage is projected at 2.1 million acres, down 26 percent. Medium- and short-grain rice planted acreage is projected at 780,000 acres, down only 2 percent with all of the reduction occurring in the southern states.

Wheat Supply, Demand, and Price Outlook for 2011/12 (Table 2)

Wheat Supplies: Wheat production for 2011 is expected to decline 6 percent to 2,080 million bushels due primarily to lower projected yields. The national average yield is projected at 43.8 bushels per acre, 2.6 bushels lower than the 2010 record. The year-over-year reduction reflects a return to trend yields. Hard Red Spring (HRS) wheat yields were record high in 2010 and HRW, white, and durum were above their 5-year-averages. Harvested area is projected at 47.5 million acres, down fractionally from the previous year. The projected harvested-to-planted ratio is 0.83, down from a typical ratio of 0.85 on expectations of increased abandonment in the central and southern Plains due to persistent drought in the western growing areas. Last year's harvested-to-planted ratio was an unusually high 0.89. Harsh winter conditions on the Great Plains have also raised concerns about winter kill for the 2011 crop, but the extent of damage remains uncertain at this time. Weighted by seeded area, the HRW wheat states have only 24 percent of their crop in good-to-excellent condition compared to 50 percent last year at this time. The Midwestern SRW wheat crop is in relatively better condition. Forty-five percent of Illinois' winter wheat was reported to be in good-to-excellent condition as of early February compared to 38 percent at that time last year.

Production for 2011 is expected to increase significantly for SRW wheat, be stable for white, and decline for the other classes. SRW wheat planted area increased 47 percent from the previous year, which saw record or near record lows in many states. A return to trend yields is also expected to boost SRW production. Seeded area for HRW wheat increased 4 percent from last year, but a return to trend yields and higher expected abandonment offset this increase. Other spring and durum plantings are expected to decline slightly this year because of the high net returns for other crops, especially oilseeds. Furthermore, a return to more normal yields following the excellent spring wheat yields of the previous 2 years will also reduce production.

The smaller crop, coupled with lower beginning stocks, reduces total projected wheat supplies 9 percent to 3,008 million bushels. Wheat supplies, however, remain above their 5-year-average.

Wheat Domestic Use: Domestic use of wheat for 2011/12 is expected to increase 19 million bushels year-to-year. Food use is expected up 15 million bushels from the 2010/11 forecast. The projected 945 million bushels for food use for 2011/12 assumes a population growth rate of just less than 1.0 percent, stable per capita flour consumption, and a slight decline in the flour-extraction rate from the very high levels of recent years. Seed use for 2011/12 is projected down 1.0 million bushels from the 76 million estimated for 2010/11 as planted area for 2012/13 is expected to decline slightly.

Wheat feed and residual use for 2011/12 is projected at 175 million bushels, up 5 million from the 2010/11 projection. Although summer quarter wheat feeding is expected to be near recent levels due to seasonal strength in corn prices, high wheat prices limit gains in overall wheat feeding.

Wheat Exports: U.S. wheat exports for 2011/12 are projected at 1,150 million bushels, down 150 million from the 2010/11 forecast, but still stronger than in recent years. Foreign production is expected to rebound as strong prices encourage expanded area and yields return to trend levels, but world wheat production is unlikely to match the 2008/09 record. Outside the United States, winter weather in the Northern Hemisphere has been mostly favorable. However, Russia's winter wheat seedings were reduced by unfavorable planting conditions, and governments in the Black Sea region may want to replenish stocks in 2011/12. Tight carryover supplies in most exporting countries are expected to support U.S. sales and shipments early in the June-May marketing year as other Northern Hemisphere exporters harvest later in the summer and into early fall.

Wheat Ending Stocks and Farm Prices: Lower expected production, a smaller carryin compared with 2010/11, and higher domestic use reduce projected 2011/12 ending stocks 19 percent year-to-year. At 663 million bushels, ending stocks are down sharply from the previous 2 years and near their level in 2008/09. The stocks-to-use ratio for 2011/12 is projected at 28.3 percent, down 4.7 percentage points from the current year projection, and well below the 48.4 percent ratio in 2009/10. The 2011/12 season-average farm price is projected at a record \$7.50 per bushel, up \$1.80 from the midpoint of the projected range for 2010/11. This is well above the 2008/09 record of \$6.78 per bushel. Favorable opportunities for forward pricing in recent months are expected to underpin farm prices as are strong corn prices, especially during the early months of the June-May wheat marketing year when producers market the largest share of the crop.

Corn Supply, Demand, and Price Outlook for 2011/12 (Table 3)

Corn Supplies: Corn supplies for 2011/12 are projected at 14,425 million bushels, up 2 percent from 2010/11, but short of the 2009/10 high as record production is offset by the low carryin. Production is projected at 13,730 million bushels, up 1,283 million from last year's weather-reduced crop as expanded area and a return to trend yields boost expected output. Production for 2011/12 is expected to exceed the 2009/10 record by 638 million bushels. Area harvested for grain is projected at 84.9 million acres based on the 2007-2009 average of area harvested for silage plus abandonment. At 7.1 million acres, combined area for silage and abandonment is projected higher than the 6.8 million estimated for 2010 when an early harvest and dry fall weather reduced abandonment. The national average corn yield is projected at 161.7 bushels per acre, based on the simple trend of yields for 1990-2010. The 2011 trend yield is up sharply from the 2010 yield of 152.8 bushels per acre, but down from the record 2009 yield of 164.7 bushels per acre. If realized, this year's projected yield would be the third time that the national average yield exceeded 160 bushels per acre. The next highest yield was 153.9 bushels per acre in 2008.

Corn Use: Total corn use is expected to increase only slightly in 2011/12 as domestic corn use is nearly unchanged from the current year. A small increase in projected corn use for ethanol is offset by lower expected feed and residual use. Total disappearance is projected at 13,560 million bushels, up 60 million bushels owing mostly to higher projected exports.

Corn Feed and Residual Use: Feed and residual use for 2011/12 is projected at 5,150 million bushels, down 50 million bushels from 2010/11, mostly reflecting weaker animal numbers and lower expected feed demand. High feed costs are expected to limit expansion in the pork and poultry sectors. Beef feeding, however, is expected to fall as the number of cattle in feedlots declines further with tighter feeder cattle supplies. Per capita domestic meat consumption is expected to continue to decline with rising meat prices supported by higher meat exports. High milk prices are expected to expand dairy production. Higher corn use for ethanol and slowing growth in exports of distillers dried grains are expected to add to available domestic feed supplies.

Corn Food, Seed, and Industrial Use: Food, seed, and industrial use of corn in 2011/12 is expected at a record 6,410 million bushels, up 60 million from 2010/11. Most of the increase is expected from higher corn use for ethanol. Projected corn use for sweeteners is raised slightly as domestic use of corn-based sweeteners stabilizes after declines in recent years and slower, but continued gains in exports to Mexico support modest growth. Corn use for starch production is also increased slightly reflecting an improving outlook for the U.S. economy.

Corn Ethanol Use: Corn used to produce ethanol in 2011/12 is projected at 5,000 million bushels, up 1 percent from 2010/11, as slowly rising gasoline consumption supports increased domestic ethanol blending. The projected 50-million-bushel increase would be the smallest year-to-year increase in this category of corn usage since the late 1990s. The slow recovery in domestic gasoline consumption limits growth in ethanol usage at the 10-percent ethanol blend (E10) level. Although the Environmental Protection Agency has opened the regulatory door for the use of 15-percent ethanol blends (E15) in many vehicles, market penetration is assumed to be minimal in the near term. Issues related to engine manufacturers' warranties and recommendations, and gasoline retailer and blender liability, particularly with regard to older vehicles, and off-road, marine, and small equipment engines, are expected to limit the blending market to the existing 10- and 85-percent ethanol blends in 2011/12.

Biofuel use mandates under the Energy Independence and Security Act of 2007 continue to drive demand for ethanol use. The amount of the Renewable Fuel Standard (RFS) that can be met from conventional corn-based ethanol rises from 12.6 billion gallons in 2011 to 13.2 billion gallons in 2012. This implies a 2011/12 September-August corn marketing-year level of 13.0 billion gallons, the equivalent of 4.8 billion bushels of corn (assuming a conversion rate of 2.7 gallons per bushel). The continuation of the blender tax credit and the lower price of ethanol relative to gasoline will support ethanol blending levels above the RFS. Exports of corn-based ethanol, however, are expected to decline in 2011/12 as sugar-based ethanol becomes increasingly competitive, with world sugar prices assumed to decline from their recent high levels.

Corn Exports: U.S. corn exports for 2011/12 are projected up 50 million bushels to 2,000 million. Record world corn area and production are expected due to high prices at planting; however, a return to more normal trade and global usage of feed-quality wheat is expected to boost world corn trade and consumption. Argentina is expected to remain the largest competitor to the United States. Brazil's export competitiveness will continue to depend heavily on government support programs. Corn area expansion in South America will be limited by favorable returns for soybeans. China's potential to import corn remains unknown, but will be dependent on domestic production, relative prices, and

internal policies. Global corn imports are expected to increase modestly despite high corn prices as meat demand remains strong, supported by increased economic growth worldwide.

Corn Ending Stocks and Farm Prices: Corn ending stocks for 2011/12 are projected 190 million bushels higher than the current year projection, but at 865 million 2011/12 carryout will remain historically low, especially in light of record expected usage. The stocks-to-use ratio is projected at 6.4 percent, up marginally from the 5.0 percent projected for 2010/11. With the continuation of the currently tight supply and demand situation through the 2011/12 marketing year, the season-average farm price is projected at a record \$5.60 per bushel, up \$0.20 from the midpoint of the projected range for 2010/11. Strong bids for fall delivery of new-crop corn are an early indication of the high level of prices available to producers in the 2011/12 marketing year.

Rice Supply, Demand, and Price Outlook for 2011/12 (Tables 4 & 5)

Rice Supplies: Total 2011 rice planted acreage is projected at 2.88 million acres, down 21 percent from 2010, and the lowest in 4 years. The majority of this year's acreage reduction occurs in long-grain rice in the Delta states, where farmers are projected to shift to soybeans, corn, and cotton because of relatively higher expected returns for those crops. Long-grain rice planted acreage is projected at 2.1 million acres, down 26 percent. Medium- and short-grain rice planted acreage is projected at 780,000 acres, down only 2 percent with all of the reduction occurring in the southern states. Assuming a normal harvested-to-planted acreage ratio, total harvested rice acreage is projected to decline to 2.86 million acres, comprised of 2.08 million acres for long-grain rice and 775,000 acres for medium- and short-grain rice. For all rice, average field yields are forecast increasing by 500 pounds to 7,225 pounds per acre in 2011 with a return to normal weather assumed following last year's prolonged extreme heat in the Delta states and a cold spring and delayed harvest in California. Based largely on 1990-2010 trend yields by state and by class, average field yields are forecast increasing in 2011 to 6,889 pounds per acre for long-grain rice and 8,129 pounds per acre for medium- and short-grain rice. Total 2011 rice production is projected decreasing by 15 percent to 206.5 million cwt with long-grain accounting for most of the decrease at 143.5 million cwt and 22 percent lower than 2010. Medium- and short-grain rice production is projected at 63 million cwt, down 5 percent from last year.

Total supplies for 2011/12 are projected decreasing by 7 percent to 277.8 million cwt largely due to lower 2011 production. The majority of the supply reduction occurs in long-grain rice, where supplies are projected nearly 9 percent less at 202.4 million cwt as smaller projected production in 2011 more than offsets higher beginning stocks and a modest increase in imports. The change in medium- and short-grain supplies is relatively minor, down less than 1 percent to 73.9 million cwt. Total rice imports are projected nearly 3 percent greater in 2011/12 at 18.5 million cwt partly due to a stronger U.S. economy increasing demand from the restaurant sector. Aromatic varieties from Thailand and India account for most of the expected increase in long-grain imports.

Rice Domestic Use: Total domestic and residual rice usage is projected declining by 2 percent to 126 million cwt with a reduction in 2011/12 supplies. Long-grain rice domestic and residual use is projected decreasing by 3 percent to 98 million cwt while medium- and short-grain rice is projected unchanged at 28 million cwt.

Rice Exports: Total rice exports for 2011/12 are projected at 111 million cwt, down over 4 percent from last year. A combination of reduced exportable supplies of long-grain rice and strong competition in several long grain markets outside of the Western Hemisphere are factors behind the decline. Consequently, long-grain exports are projected at 74 million cwt, down 5 percent. Medium- and short-

grain rice exports are also projected slightly lower at 37 million cwt, with the decline largely due to larger exportable supplies expected from Australia in 2011/12. However, medium- and short-grain rice exports are still near record with reduced Egyptian export competition in Middle Eastern and North African markets expected to continue.

Ending Stocks and Prices: Total rice ending stocks are projected at 40.8 million cwt, a 23 percent reduction from 2010/11, largely due to the smaller 2011 production. Long-grain rice accounts for all of the reduction with ending stocks decreasing by 29 percent to a projected 30.4 million cwt. The long-grain rice stocks-to-use ratio declines to 17.7 percent, down from 24 percent a year earlier. Because of tighter stocks-to-use and widespread strength in commodity prices expected to continue, the season-average farm price for long-grain is projected at \$11.50 per cwt, compared to the 2010/11 midpoint of \$11.00. The medium- and short-grain rice stocks-to-use ratio increases slightly to 13.7 percent, up from 12.7 percent a year earlier. But because of continued strong export demand, the season-average farm price for medium- and short-grain rice is projected at \$17.75 per cwt, compared to the 2010/11 midpoint of \$17.00. The 2011/12 all rice price is projected at \$13.00 per cwt, compared to the 2010/11 midpoint of \$12.40.

Soybean Supply, Demand, and Price Outlook for 2011/12 (Tables 6, 7 & 8)

Soybean Supplies: Soybean supplies for 2011/12 are projected at 3,500 million bushels, nearly unchanged from 2010/11 as a small increase in production is mostly offset by lower beginning stocks. Soybean production is projected higher at 3,345 million bushels as increased area compensates for a slight reduction in yield. Soybean plantings are projected to increase 0.6 million acres to 78.0 million acres. Higher returns for corn and cotton are expected to shift some area to those crops in the Midwest and South. However, an increase in double-crop soybean plantings should offset area lost to corn and cotton as producers respond to higher soybean prices. With normal abandonment, soybean harvested acreage is projected at 77.1 million acres. Assuming normal weather conditions for the 2011/12 crop, the national average soybean yield is projected at 43.4 bushels per acre, down 0.1 bushels from last year. The 2011/12 yield projection is based on a U.S. trend yield for 1989 to 2010.

Soybean Domestic Use: Soybean domestic use is projected at 1,765 million bushels, unchanged from 2010/11. Crush is projected to decrease 5 million bushels to 1,650 million with lower soybean meal exports partly offset by higher domestic demand. Soybean meal exports are projected lower because of limited growth in global import demand and steady export competition from South America. Projected gains in domestic soybean meal feeding are limited to less than 1 percent as high feed costs limit expansion in the pork and poultry sectors in 2011/12. At a projected 30.7 million short tons, domestic soybean meal use for livestock feeding is down 11 percent from the peak year of 2006/07. This decline is due to limited growth in the livestock sector and to increased availability of alternative protein sources such as distillers grains and canola meal. Soybean meal prices for 2011/12 are projected to average \$360 per short ton, unchanged from the midpoint of the projected range for 2010/11.

U.S. domestic disappearance of soybean oil is expected to increase 3 percent to 17.6 billion pounds in 2011/12, supported by a higher biodiesel mandate for 2011 and 2012. U.S. biodiesel production from soybean oil is projected at 3.35 billion pounds, up 450 million from 2010/11. At this level, soybean oil accounts for just under half of expected U.S. biodiesel production from all fats and oils. Food use is projected to remain unchanged from 2010/11 at 14.2 billion pounds.

Soybean oil stocks are projected at 2.07 billion pounds, down 500 million from 2010/11. Lower soybean oil supplies are mostly balanced by reduced exports. However, with increased use for biodiesel

production, soybean oil stocks are projected to decline to a 7-year low. Soybean oil prices are projected at 56.5 cents per pound, up 3.5 cents from the midpoint of the projected range for 2010/11.

Soybean Exports: Due to negligible growth in supply, U.S. soybean exports are projected down marginally to 1,575 million bushels in 2011/12. Although this projection is still at a near-record level, the U.S. share of global trade is likely to decline due to an increase in exportable supplies from Brazil and Argentina. Global trade will again be driven by China, which accounts for more than half of world imports. Key factors supporting China's soybean imports for 2011/12 include growth in the livestock sector, strong demand for vegetable oil, and policies on government reserves. In contrast, minimal increases are anticipated in soybean demand by other top importing countries—including the EU-27, Japan, Taiwan, and South Korea.

Modest growth is expected for world trade in soybean meal, as consumption in the EU—the largest import market—is constrained by small gains in livestock production. U.S. exports are projected to fall 6.5 percent in 2011/12 to 8.6 million tons. At the same time, exports by Argentina and Brazil likely will remain steady. For India, a larger domestic soybean meal supply is unlikely to produce an expansion in exports due to continued strong growth in domestic consumption.

A sharp decline is anticipated in 2011/12 for U.S. soybean oil exports, which are expected to fall by nearly one-third to 1.9 billion pounds. Foreign demand for U.S. soybean oil will be limited by high prices stemming from expanding domestic use and a tightening supply in the United States. South American exporters may have larger supplies, but exports will be constrained by growing domestic use, particularly for biodiesel. Soybean oil imports from top importers India and China could be limited by a rebound in the palm oil trade.

Soybean Ending Stocks and Farm Prices: U.S. soybean ending stocks for 2011/12 are projected at 160 million bushels, up 20 million from the level projected for 2010/11. The ending stocks-to-use ratio of 4.8 percent would mark the fourth consecutive year with the ratio below 5 percent. With a low stocks-to-use ratio and high soybean oil and corn prices projected for the 2011/12 marketing year, the season-average farm price for soybeans is projected at \$13.00 per bushel, up from the \$11.70 midpoint of the 2010/11 projected range.

Table 1. Wheat, Corn, and Soybean Planted Acreage, 2004-2011

	2004	2005	2006	2007	2008	2009	2010	2011 1/
	- Million Acres -							
Wheat	59.6	57.2	57.3	60.5	63.2	59.2	53.6	57.0
Corn	80.9	81.8	78.3	93.5	86.0	86.4	88.2	92.0
Soybeans	75.2	72.0	75.5	64.7	75.7	77.5	77.4	78.0
Total	215.7	211.0	211.1	218.7	224.9	223.1	219.2	227.0

1/ Projection

Source: 2004-2010, USDA, National Agricultural Statistics Service.

Table 2. Wheat Supply, Demand, and Price, 2008/09-2011/12

	2008/09	2009/10	2010/11 1/	2011/12 2/
Area planted (mil. ac.)	63.2	59.2	53.6	57.0
Area harvested	55.7	49.9	47.6	47.5
Yield (bu./ac.)	44.9	44.5	46.4	43.8
Production (mil. bu.)	2,499	2,218	2,208	2,080
Beginning stocks	306	657	976	818
Imports	127	119	110	110
Supply	2,932	2,993	3,294	3,008
Feed & residual	255	150	170	175
Food, seed & industrial	1,005	986	1,006	1,020
Total domestic use	1,260	1,137	1,176	1,195
Exports	1,015	881	1,300	1,150
Total use	2,275	2,018	2,476	2,345
Ending stocks	657	976	818	663
Stocks/use (percent)	28.9	48.4	33.0	28.3
Season-avg. farm price (\$/bu.)	6.78	4.87	5.70	7.50

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2011. The season-average price is the midpoint of the projected range from the same report.

2/ Projections based on analysis by USDA's Wheat Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.

Table 3. Corn Supply, Demand, and Price, 2008/09-2011/12

	2008/09	2009/10	2010/11 1/	2011/12 2/
Area planted (mil. ac.)	86.0	86.4	88.2	92.0
Area harvested	78.6	79.5	81.4	84.9
Yield (bu./ac.)	153.9	164.7	152.8	161.7
Production (mil. bu.)	12,092	13,092	12,447	13,730
Beginning stocks	1,624	1,673	1,708	675
Imports	14	8	20	20
Supply	13,729	14,774	14,175	14,425
Feed & residual	5,182	5,140	5,200	5,150
Ethanol fuel	3,709	4,568	4,950	5,000
Food, seed & other industrial	1,316	1,371	1,400	1,410
Total food, seed & industrial	5,025	5,939	6,350	6,410
Total domestic use	10,207	11,079	11,550	11,560
Exports	1,849	1,987	1,950	2,000
Total use	12,056	13,066	13,500	13,560
Ending stocks	1,673	1,708	675	865
Stocks/use (percent)	13.9	13.1	5.0	6.4
Season-avg. farm price (\$/bu.)	4.06	3.55	5.40	5.60

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2011. The season-average price is the midpoint of the projected range from the same report.

2/ Projections based on analysis by USDA's Feed Grains Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.

Table 4. Rice Supply, Demand, and Price, 2008/09-2011/12

All Rice	2008/09	2009/10	2010/11 1/	2011/12 2/
Area planted (mil. ac.)	3.00	3.14	3.64	2.88
Area harvested	2.98	3.10	3.62	2.86
Yield (pounds/ac.)	6,846	7,085	6,725	7,225
Production (mil. cwt)	203.7	219.9	243.1	206.5
Beginning stocks	29.6	30.6	36.7	52.8
Imports	19.2	19.0	18.0	18.5
Supply	252.6	269.4	297.8	277.8
Total domestic & residual use	126.4	122.6	129.0	126.0
Exports	95.6	110.2	116.0	111.0
Total use	222.0	232.7	245.0	237.0
Ending stocks	30.6	36.7	52.8	40.8
Stocks/use (percent)	13.8	15.8	21.5	17.2
Season avg. farm price (\$/cwt.)	16.80	14.40	12.40	13.00

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2011. The season average farm price is the midpoint of the projected price range from the same report. 2/ Projections based on the analysis by USDA's Rice Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.

Table 5. Rice-by Class Supply, Demand, and Price, 2008/09-2011/12

Rice-by-class	2008/09	2009/10	2010/11 1/	2011/12 /2
<u>Long-grain</u>				
Area planted (mil. ac.)	2.37	2.29	2.84	2.10
Area harvested	2.35	2.27	2.83	2.08
Yield (pounds/ac)	6,522	6,743	6,486	6,889
Production (mil. cwt)	153.3	152.7	183.3	143.5
Beginning stocks	19.1	20.1	23.2	42.9
Imports	15.9	16.5	15.5	16.0
Supply	188.2	189.3	221.9	202.4
Total domestic & residual use	99.4	90.8	101.0	98.0
Exports	68.8	75.4	78.0	74.0
Total use	168.1	166.2	179.0	172.0
Ending stocks	20.1	23.2	42.9	30.4
Stocks/use (percent)	11.9	13.9	24.0	17.7
Season avg. farm price (\$/cwt.)	14.90	12.90	11.00	11.50
<u>Medium- and short-grain</u>				
Area planted (mil. ac)	0.63	0.85	0.80	0.78
Area harvested	0.63	0.84	0.79	0.78
Yield (pounds/ac)	8,063	8,010	7,580	8,129
Production (mil. cwt)	50.5	67.1	59.8	63.0
Beginning stocks	9.1	8.0	12.1	8.4
Imports	3.4	2.5	2.5	2.5
Supply	61.9	78.7	74.4	73.9
Total domestic & residual use	27.0	31.8	28.0	28.0
Exports	26.9	34.8	38.0	37.0
Total use	53.9	66.6	66.0	65.0
Ending stocks	8.0	12.1	8.4	8.9
Stocks/use (percent)	14.9	18.1	12.7	13.7
Season avg. farm price (\$/cwt)	24.80	18.40	17.00	17.75

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2011. The season average farm price is the midpoint of the projected price range from the same report. 2/ Projections based on analysis by USDA's Rice Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.

Table 6. Soybeans Supply, Demand, and Price, 2008/09-2011/12

	2008/09	2009/10	2010/11 1/	2011/12 2/
Area planted (mil. ac.)	75.7	77.5	77.4	78.0
Area harvested	74.7	76.4	76.6	77.1
Yield (bu./ac.)	39.7	44.0	43.5	43.4
Production (mil. bu.)	2,967	3,359	3,329	3,345
Beginning stocks	205	138	151	140
Imports	13	15	15	15
Supply	3,185	3,512	3,495	3,500
Crush	1,662	1,752	1,655	1,650
Seed	90	90	88	91
Residual	16	18	22	24
Total domestic use	1,768	1,860	1,765	1,765
Exports	1,279	1,501	1,590	1,575
Total use	3,047	3,361	3,355	3,340
Ending stocks	138	151	140	160
Stocks/use (percent)	4.5	4.5	4.2	4.8
Season-avg. farm price (\$/bu.)	9.97	9.59	11.70	13.00

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, crush, exports, ending stocks, and season-average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2011. The season-average price is the midpoint of the projected range from the same report.

2/ Projections based on analysis by the USDA's Oilseeds Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.

Table 7. Soybean Meal Supply, Demand, and Price, 2008/09-2011/12

	2008/09	2009/10	2010/11 1/	2011/12 2/
Production (thou. short tons) 3/	39,102	41,700	39,533	39,135
Beginning stocks	294	235	302	300
Imports	88	160	165	165
Supply	39,484	42,095	40,000	39,600
Domestic Use	30,752	30,619	30,500	30,700
Exports	8,497	11,175	9,200	8,600
Total use	39,249	41,794	39,700	39,300
Ending stocks	235	302	300	300
Avg. price (\$/short ton) 4/	331.17	311.27	360.00	360.00

1/ Beginning stocks are estimates from the U.S. Census Bureau. Production, imports, use, ending stocks, and average price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2011. The average price is the midpoint of the projected range from the same report.

2/ Projections based on analysis by the USDA's Oilseeds Interagency Commodity Estimates Committee.

3/ The soybean meal marketing year is October through September.

4/ The average price is for 48-percent protein meal at Decatur, Illinois.

Note: Totals may not add due to rounding.

Table 8. Soybean Oil Supply, Demand, and Price, 2008/09-2011/12

	2008/09	2009/10	2010/11 1/	2011/12 2/
Production (mil. lbs.) 3/	18,745	19,614	19,000	18,825
Beginning stocks	2,485	2,861	3,358	2,573
Imports	90	103	115	125
Supply	21,319	22,577	22,473	21,523
Domestic Use	16,265	15,863	17,100	17,550
Methyl Ester	2,021	1,681	2,900	3,350
Exports	2,193	3,357	2,800	1,900
Total use	18,459	19,219	19,900	19,450
Ending stocks	2,861	3,358	2,573	2,073
Avg. price (cents/lb.) 4/	32.2	36.0	53.0	56.5

1/ Beginning stocks are estimates from the U.S. Census Bureau. Production, imports, use, ending stocks, and average price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2011. The average price is the midpoint of the projected range from the same report.

2/ Projections based on analysis by the USDA's Oilseeds Interagency Commodity Estimates Committee.

3/ The soybean oil marketing year is October through September.

4/ The average price is for crude soybean oil at Decatur, Illinois.

Note: Totals may not add due to rounding.

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