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## Grains & Oilseeds Outlook

USDA's Interagency Commodity Estimates  
Grains and Oilseeds Committees



United States  
Department of Agriculture

## 2012 Agricultural Outlook Forum

# Grains & Oilseeds Outlook

Friday, February 24

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GRAINS AND OILSEEDS OUTLOOK FOR 2012<sup>1</sup>

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 projections of 2012/13 supply and demand for wheat, corn, rice, and soybeans and products. Projections presented in this paper include implications of the January 12<sup>th</sup> *Winter Wheat Seedings* report. Projections assume normal weather conditions for spring planting and summer crop development. These projections will be updated in the May 10<sup>th</sup> *World Agricultural Supply and Demand Estimates (WASDE)* report. The May WASDE will incorporate farmers' 2012 planting intentions as reported in the March 30<sup>th</sup> *Prospective Plantings* and survey-based forecasts for winter wheat production, as well as global, country-by-country supply and demand projections.

**Summary**

The 2012/13 outlook for grains and oilseeds is highlighted by acreage gains and prospects for a large increase in supplies driven by favorably high net return prospects ahead of spring planting. Combined 2012 area for wheat, corn, and soybeans is projected to be record high and up 3 percent from 2011 supported by strong new-crop futures prices and a return to more normal spring and summer weather. For wheat, increased area and a return to trend yields support higher production and carryout. Exports are expected to remain flat year-to-year pressured by large world wheat supplies. Corn plantings, at 94 million acres, are projected to be the highest since 1944. A return to trend yields pushes corn production to a new record allowing recoveries in feed and residual use and exports. Falling gasoline consumption and declining ethanol exports limit expected corn use in the production of ethanol. Corn ending stocks are projected to double, pushing cash prices sharply lower by fall harvest. Soybean planted area is expected to match the 75 million acres planted in 2011 as relatively better expected returns for corn keep soybean plantings from increasing. Soybean supplies are projected 8 percent higher with higher beginning stocks and production; however, soybean ending stocks are projected to decline with higher expected crushings and exports. Rice planted acreage is projected to expand 2 percent from flood-reduced 2011 with virtually all of the increase in long-grain in the Delta states. Total rice use is expected 4 percent higher with increased domestic use and exports. Larger supplies of long-grain rice expand projected exports to Western Hemisphere markets. All rice ending stocks are projected 13 percent lower with medium- and short-grain stocks accounting for most of the reduction. The all rice price is expected to strengthen as tighter supplies of medium-grain rice increase its expected price. Futures and cash prices for wheat, corn, and soybeans are all expected to fall in 2012/13 as record U.S. corn production pushes global grain supplies to a new record. Despite the expected decline, prices remain historically high because of strong global demand for grains and oilseeds.

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<sup>1</sup>This 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 2012** (Table 1)

The 2012 outlook for U.S. plantings of the major grains and soybeans is driven again by a very favorable outlook for producer net returns ahead of planting. Expected returns for corn and soybeans are again historically high reflecting strong new-crop futures and cash forward prices. New-crop prices for grains and oilseeds remain supported by the unusually tight domestic supply situation for corn in 2011/12 as 2 consecutive years of below trend yields have reduced projected 2012/13 corn carryin to a 16-year low. Relatively favorable expected returns for corn compared with soybeans keeps soybean area from expanding. Favorable new-crop wheat prices last fall during seeding increased plantings of winter wheat and a return to more normal weather this spring is expected to allow combined durum and other spring wheat area to recover from last year's weather-constrained 39-year low. Together the corn, soybean, and wheat 3-crop planted area is projected to reach 227.0 million acres, up 5.7 million from 2011, and 2.1 million higher than the recent high in 2008. The expected 3-crop total would be the highest since 1984. Conservation Reserve Program (CRP) enrollments are also down again for 2012/13 with total CRP area 6.8 million acres lower than at its peak in 2007/08. This past year's 1.2-million-acre decline in enrollments adds further to available crop land.

Wheat planted area for 2012 is expected to increase 3.6 million acres to 58.0 million. Winter wheat seeded area at 41.9 million acres is up 1.3 million from last year. The January 12, 2012, *Winter Wheat Seedings* report indicated Hard Red Winter (HRW) wheat seedings up 1.6 million acres to 30.1 million and Soft Red Winter (SRW) wheat seedings down 0.2 million acres to 8.4 million. White Winter wheat seedings were reported down 0.1 million acres to 3.5 million. Spring wheat (including durum) plantings are expected to recover from last year when excessive spring and early summer wetness limited area. Lower prices for spring wheat and durum, compared with last year at this time, and favorable net returns for oilseeds and corn are expected to limit the rebound in spring wheat plantings.

Corn plantings for 2012 are projected up 2.1 million acres from last year at 94.0 million acres. At this level, 2012 planted area would be the largest since 1944 and exceed the 2007 area by nearly 0.5 million acres. Strong new-crop prices in both the futures and cash forward markets support a favorable net returns outlook for corn again in 2012/13. New-crop futures during the first half of February have averaged \$5.70 per bushel and bids for fall delivery at Central Illinois elevators during the same period have averaged \$5.35 per bushel. Expected net returns were more favorable last year during this same period with new-crop futures and forward prices 20-30 cents per bushel higher, but last year's plantings fell far short of what farmers would have planted as evidenced by unusually large prevented plantings. This year's projected expansion in area is supported by an expected return to more normal spring weather and strong revenue guarantees provided through crop insurance.

Soybean planted area is projected at 75.0 million acres, unchanged from 2011 but down 1.6 million from last year's planting intentions which were not achieved partly due to excessive moisture during planting season, especially in the upper Midwest. With forward price quotes for soybeans below year-earlier levels, relatively stronger returns for corn, and fewer winter wheat acres planted in traditional double-crop soybean states, incentives for expanding soybean planting in 2012 are limited. However, gains are expected in harvested area as abandonment returns to more typical levels in several states that were affected by adverse weather in 2011.

Total 2012 rice planted acreage is projected at 2.75 million acres, up 2 percent from 2011. Virtually all of this year's acreage expansion occurs in long-grain rice in the Delta states, where farmers were prevented from planting substantial intended acreage in 2011 due to early-season flooding. However, higher returns for corn and soybeans will limit the area expansion in the Delta. In contrast, rice

plantings are expected to decline on the Gulf Coast due largely to persistent drought in Texas and salt water intrusion in Louisiana. Long-grain rice planted acreage is projected at 2.05 million acres, up 14 percent. Medium- and short-grain rice planted acreage is projected at 0.70 million acres, down 22 percent from last year with most of the reduction occurring in the southern states.

### **Wheat Supply, Demand, and Price Outlook for 2012/13** (Table 2)

**Wheat Supplies:** Wheat production for 2012 is expected to increase more than 8 percent to 2,165 million bushels due to increases in area and yield. The national average all wheat yield is projected at 44.5 bushels per acre, up 0.8 bushels from 2011, reflecting a return to trend yields. Production problems across the Great Plains last spring and summer led to lower 2011 yields for both HRW and Hard Red Spring (HRS) wheat. In contrast, 2011 yields for SRW and White wheat were above average. Harvested area for 2012 is projected at 48.7 million acres up 3.0 million acres from the previous year. The harvested-to-planted ratio is projected at 84 percent, well below the 5-year average of nearly 86 percent. The lower ratio reflects prospects for increased abandonment due to drought this past year in the southern and central Plains that adversely affected early 2012 crop establishment and the potential for an increase in wheat area harvested for forage with strong hay prices this spring.

Although drought persists in the southern and central Great Plains, timely winter precipitation has helped to lift crop conditions. Weighted by seeded area, the HRW wheat states have 46 percent of their crop rated in the good or excellent categories, compared with only 24 percent at this time last year. As an indicator of Midwestern SRW wheat, 75 percent of Illinois' winter wheat crop is rated as good to excellent, up from 45 percent at this time last year. The mild winter and above normal precipitation in the growing region are behind the improved crop condition in Illinois.

Production for 2012 is expected to increase for HRW, Durum, and other spring wheat. These increases are expected to be partially offset by decreases for SRW and White Winter wheat. HRW plantings are up 6 percent this year and a return to more normal yields will also lead to higher production. Durum and other spring wheat are also expected to have higher planted area, especially in the Dakotas and Montana. SRW planted area is down 2 percent from the previous year with the biggest reductions in the eastern Corn Belt. SRW yields were also strong in 2011 and a return to more normal yields will further reduce production. White Winter wheat planted area is projected to decline 3 percent from the previous year.

The larger expected wheat crop raises projected total supplies 5 percent to 3,130 million bushels for 2012/13. At the projected level, supplies would be above the 5-year average of 2,961 million bushels.

**Wheat Domestic Use:** Domestic use of wheat for 2012/13 is expected to increase 36 million bushels year to year. Food use is expected up 10 million bushels from the 2011/12 forecast. The projected 945 million bushels for food use for 2012/13 assumes a U.S. population growth rate of 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 2012/13 is projected down 9 million bushels from the 82 million projected for 2011/12 as planted area for 2013 is expected to decline significantly.

Wheat feed and residual use for 2012/13 is projected at 180 million bushels, up 35 million from the 2011/12 projection. This increase reflects higher projected production for 2012/13, and expected low prices for wheat relative to corn during the summer quarter (June-August) of 2012/13.

**Wheat Exports:** Despite higher projected production, U.S. wheat exports in 2012/13 are expected to only match the 2011/12 forecast of 975 million bushels because of strong competition from other major

wheat exporters. World wheat production in 2012/13 is projected to be just below the 2011/12 record. In Canada, EU-27, and Russia, wheat area is projected to be above both last year's level and the 10-year average, in response to higher prices during planting. Wheat output in these countries is expected to exceed 2011/12 levels. By contrast, a large drop is expected in Ukraine wheat output because of dry, stressful weather during fall seeding and establishment, and early indications of severe winter-kill.

The United States is expected to have a window of opportunity for sales, especially when new-crop wheat becomes available in May-June. Foreign-held stocks are not expected to hamper U.S. wheat exports as much as might be expected. Current high prices are motivating the major exporting countries to ship substantial portions of their existing stockpiles. Although world wheat beginning stocks for 2012/13 are projected at a record-high level, aggregate supplies in the major exporting countries (Argentina, Australia, Canada, EU-27, and FSU-12) are expected to be down slightly from 2011/12.

Wheat Ending Stocks and Farm Prices: The projected increase in production for 2012/13 more than offsets expected increases in domestic use for wheat. Thus, ending stocks are projected 13 percent higher at 957 million bushels, which would be the highest since 2009/10. The stocks-to-use ratio for 2012/13 is projected at 44.0 percent, down just 4.4 percentage points from the recent high in 2009/10. The 2012/13 season-average farm price is projected at \$6.30 per bushel, down \$1.00 from the midpoint of the record high projected range for 2011/12. Favorable opportunities for forward pricing are expected to underpin farm wheat prices as are strong corn prices, especially during the summer quarter of the June-May wheat marketing year when producers traditionally market nearly half of the crop.

### **Corn Supply, Demand, and Price Outlook for 2012/13** (Table 3)

Corn Supplies: Corn production in 2012 is projected at a record 14,270 million bushels, up 15 percent from 2011 and well above the previous high of 13,092 million reached in 2009. The corn supply in 2012/13 is projected to rise 12 percent to a record 15,086 million bushels on the strength of the large prospective crop. The outlook for a large increase in the corn crop is driven by both higher acreage and higher yields. As discussed above, strong incentives should push corn plantings higher, while the harvested share is also projected to increase. Most corn acreage that is not harvested for grain is cut for silage. Partly as a result of the shrinking cattle herd, along with an expectation for larger hay supplies, the area cut for silage is expected to decline in 2012, while the area abandoned also falls on the assumption of normal weather.

Yields are projected at 164 bushel per acre, reflecting the 1990-2010 trend. Favorable summer weather pushed the average yield to a record high in 2009, while extremely adverse growing conditions resulted in below-trend yields in both 2010 and 2011. Underlying the upward trend in corn yields over the last several years has been a steady increase in plant populations, supported by improved genetics and producer investment in machinery and equipment.

Corn Use: Total corn use for 2012/13 is projected record high at 13,470 million bushels. Total use is expected to increase 765 million bushels from the current year projection with a sharp rebound in feed and residual use and higher exports more than offsetting a small decline in projected use of corn in the production of ethanol. As in 2011/12, corn use for ethanol is not expected to support growth in domestic usage, a marked contrast to the pattern that prevailed from 2005/06 through 2010/11.

Corn Feed and Residual Use: Feed and residual use for 2012/13 is projected at 5,200 million bushels, up 600 million bushels from the 2011/12 forecast. Much of the rebound reflects higher expected residual disappearance with a return to trend yields and the projected record crop. Although feed costs

remain historically high, they are expected to ease somewhat, providing an economic incentive for increased feed use. Tight supplies of feeder cattle and increased heifer retention are expected to extend the decline in beef production through 2013. Lower beef production, however, is more than offset by expected increases in poultry and pork output, raising corn feeding slightly for the year. Dairy cow numbers are expected to fall slightly, but milk per cow is projected to continue to increase. A small projected decline in corn use for ethanol is expected to lower available supplies of distillers' grains, but hay production is expected to recover from the 23-year low in 2011/12.

Corn Food, Seed, and Industrial Use: Food, seed, and industrial use of corn in 2012/13 is projected lower for a second straight year at 6,370 million bushels. This is down 35 million bushels from 2011/12 and 58 million lower than the 2010/11 record. Lower projected corn use for ethanol in 2012/13 is partly offset by higher expected use for sweeteners and starch. Corn sweetener exports to Mexico are expected to be steady in 2012/13 with continuing high fructose corn syrup (HFCS) demand by soft drink and other beverage manufacturers. Domestic HFCS use is expected to stabilize in 2012/13 after declining steadily over the past 8 years. Corn use for starch production is projected higher reflecting a continued expansion in the overall U.S. economy that is expected to increase demand for paper and construction materials that require starch.

Corn Use in Ethanol Production: Corn used in the production of ethanol in 2012/13 is projected to decline 50 million bushels to 4,950 million. If realized, use in ethanol production would account for 37 percent of total corn use, compared with 39 percent projected for 2011/12. The recent plateauing of domestic ethanol demand largely reflects saturation of the U.S. gasoline market at the 10-percent ethanol blend (E10) level. Gasoline consumption is currently projected by the Energy Information Administration at 133.9 billion gallons for 2012 and 133.2 billion gallons for 2013. The forecast for 2012 consumption is down 7.4 billion gallons from last year at this time suggesting a 740 million gallon decline in the market for ethanol at the E10 blending level. Although the Environmental Protection Agency has approved the use of 15-percent ethanol blends (E15) for 2001 and later model year vehicles, little market penetration by E15 blends is assumed to occur in the near term. Also reducing prospects for corn use in ethanol production are lower U.S. ethanol exports as Brazil's sugarcane and ethanol production are expected to recover from last year's shortfall. Over the past 2 years, U.S. ethanol exports have increased, largely because of Brazil's reduced production and exports.

Corn Exports: U.S. corn exports are projected up 200 million bushels to 1,900 million. Global corn imports for 2012/13 are expected to increase with strong meat demand, modest economic growth worldwide, and moderating corn prices with the rebound in U.S. production. Growing global demand and high current prices are expected to drive world corn area and production to record levels again in 2012/13; further, a reduction in global supplies and usage of feed-quality wheat is expected to boost world corn consumption and trade. Argentina's ability to compete with the United States is expected to be diminished early in the 2012/13 marketing year, given reduced prospects for its 2011/12 supplies. Ukraine, which emerged in 2011/12 with a huge increase in production and exports, is expected to continue to produce and export large volumes of corn in 2012/13, partly because corn will be planted on significant areas of winter-killed wheat acreage in 2012. In Brazil, a projected record 2011/12 second crop area and production is expected to provide competition for U.S. exports into early 2012/13. Brazil's export competitiveness will continue to depend heavily on government support programs, relative currency values, and domestic livestock and poultry feeding. China's corn import demand remains uncertain even as consumption is expected to continue to grow. Import prospects for China remain dependent on domestic production, relative prices, and internal policies.



Corn Ending Stocks and Farm Prices: Corn ending stocks for 2012/13 are projected at 1,616 million bushels, more than double the 2011/12 forecast. Despite record high projected usage, the stocks-to-use ratio at 12.0 percent is nearly twice the 2011/12 forecast. The sharp recovery in ending stocks is expected to put substantial downward pressure on futures and cash corn prices in 2012/13; however, prices received by producers are expected to reflect substantial forward pricing at values well above \$5 per bushel. The season-average farm price is projected at \$5.00 per bushel for 2012/13, down \$1.20 from the midpoint of the record high projected range for 2011/12.

### **Rice Supply, Demand, and Price Outlook for 2012/13** (Tables 4 & 5)

Rice Supplies: Total 2012 rice planted acreage is projected at 2.75 million acres, up 2 percent from 2011. Virtually all of this year's acreage expansion occurs in long-grain rice in the Delta states, where farmers were prevented from planting substantial acreage in 2011 due to early-season flooding. However, relatively higher expected net returns for corn and soybeans will limit the area expansion in the Delta. In contrast, rice plantings are expected to decline on the Gulf Coast due to severe drought in Texas and salt water intrusion in parts of Louisiana. Long-grain rice planted acreage is projected at 2.05 million acres, up 14 percent. Medium- and short-grain rice planted acreage is projected at 0.70 million acres, down 22 percent, with most of the reduction occurring in the southern states.

Assuming a normal harvested-to-planted acreage ratio, total harvested rice acreage is projected to increase to 2.72 million acres, comprised of 2.03 million acres for long-grain rice and 0.70 million acres for medium- and short-grain rice. For all rice, average field yields are forecast increasing by 139 pounds to 7,206 pounds per acre in 2012 with a return to normal weather assumed following last year's flood-delayed plantings in the Delta states and a cold, wet October in California. Based largely on 1990-2010 trend yields by state and by class, average field yields are forecast increasing in 2012 to 6,914 pounds per acre for long-grain rice and 8,058 pounds per acre for medium- and short-grain rice. Total 2012 rice production is projected to increase by 6 percent to 196.0 million cwt. At 140.0 million cwt, long-grain accounts for all of the production increase, up 20 percent from 2011. In contrast, medium- and short-grain rice production is projected to decline 18 percent in 2012 to 56.0 million cwt.

Total supplies for 2012/13 are projected to increase by 1 percent to 255.5 million cwt, as a larger crop and stronger imports are nearly offset by a smaller carryin. All of the supply increase occurs in long-grain rice, where supplies are projected to increase 6 percent to 178.6 million cwt as larger projected production in 2012 and higher imports more than offset smaller beginning stocks. In contrast, medium- and short-grain supplies are projected to decline 9 percent to 74.2 million cwt, as a smaller crop more than offsets a larger carryin and higher imports. Total rice imports are projected to increase 5 percent in 2012/13 to 20.0 million cwt reflecting a long-term trend. Long-grain accounts for the bulk of U.S. rice imports. Aromatic varieties from Thailand and India account for most of the expected increase in long-grain imports in 2012/13.

Rice Domestic Use: Total domestic and residual rice usage for 2012/13 is projected to increase almost 2 percent to 126.0 million cwt, a rate exceeding population growth. Long-grain domestic and residual use is projected increasing by almost 6 percent to 94.0 million cwt. In contrast, medium- and short-grain domestic and residual is projected to decrease almost 9 percent to 32.0 million cwt, largely due to smaller supplies and relatively larger increase in prices.

Rice Exports: Total U.S. rice exports for 2012/13 are projected at 95.0 million cwt, up almost 7 percent from last year. The increase is primarily due to larger exportable supplies of long-grain rice. Long-grain exports are projected at 64.0 million cwt, up 10 percent, with the Western Hemisphere accounting

for much of the increase. Medium- and short-grain rice exports are projected at 31.0 million cwt, unchanged from 2011/12. Continued strong competition from Egyptian and Australia make any expansion in U.S. medium- and short-grain exports unlikely.

**Ending Stocks and Prices:** Total rice ending stocks are projected at 34.5 million cwt, a 13-percent reduction from 2011/12, largely due to higher total use. Medium- and short-grain rice accounts for most of the reduction in ending stocks, with ending stocks decreasing by 26 percent to 11.2 million cwt. The medium- and short-grain rice stocks-to-use ratio declines to 17.8 percent from 23.1 percent a year earlier. Because of this tighter stocks-to-use ratio, the season-average farm price for medium- and short-grain rice is projected at \$16.50 per cwt, compared to the 2011/12 midpoint of \$15.50. Long-grain ending stocks are projected to decline 5 percent to 20.6 million cwt, yielding a stocks-to-use ratio of 13.0 percent, down from 14.7 percent a year earlier. The season-average farm price for long-grain rice is projected to increase 30 cents from the midpoint of 2011/12 to \$14.00 per cwt. The 2012/13 all rice price is projected at \$14.70 per cwt, up 50 cents from the midpoint of 2011/12.

### **Soybean Supply, Demand, and Price Outlook for 2012/13** (Tables 6, 7 & 8)

**Soybean Supplies:** Soybean supplies for 2012/13 are projected at 3,540 million bushels, up 8 percent from 2011/12 as both beginning stocks and production are expected to be larger. Soybean production is projected 6 percent higher at 3,250 million bushels due to increased harvested area and yield. Soybean plantings are projected unchanged from 2011 at 75 million acres. Soybean prices are below levels seen last spring, and relatively higher expected net returns for corn are expected to leave little incentive for increased soybean plantings in 2012. However, harvested area is expected to increase as abandonment is assumed to return to a more normal rate in several states that were affected by adverse weather in 2011. Assuming normal weather conditions for the 2012/13 crop, the national average soybean yield is projected at 43.9 bushels per acre, up 2.4 bushel from the weather-depressed 2011 yield. The 2012/13 yield projection is based on a U.S. trend yield from 1989 to 2010. If realized, this year's projected yield would be the second highest after the record of 44.0 bushels per acre in 2009.

**Soybean Domestic Use:** Soybean domestic use is projected at 1,785 million bushels, up 3 percent from 2011/12. Crush is projected to increase 45 million bushels to 1,660 million supported by improved soybean meal exports and a slight increase in domestic demand. Soybean meal exports are projected slightly higher supported by reduced competition from India. Projected gains in domestic soybean meal feeding are less than 1 percent due to limited expansion in the pork and poultry sectors in 2012. Soybean meal prices for 2012/13 are projected to average \$295 per short ton, down \$10 from the midpoint of the projected range for 2011/12.

U.S. domestic disappearance of soybean oil is expected to increase 2 percent to 18.0 billion pounds in 2012/13, supported by a higher biodiesel use mandate for 2012. Soybean oil used in U.S. biodiesel production is projected at 3.8 billion pounds, up 200 million from 2011/12. At this level, soybean oil is assumed to account for about half of expected U.S. biodiesel production from all fats and oils. Food use is projected to increase slightly from 2011/12 at 14.2 billion pounds.

Soybean oil stocks are projected at 2.24 billion pounds, down 80 million from 2011/12. With increased use, stocks are projected to decline to an 8-year low. Soybean oil prices are projected at 52.5 cents per pound, the same level as the midpoint of the projected range for 2011/12.

**Soybean Exports:** With substantial growth in supply and continued strong foreign demand, U.S. soybean exports are projected at a record 1,550 million bushels in 2012/13. The U.S. share of global

trade is likely to rise partly supported by reduced competition from South American countries, where exportable supplies are impacted by drought-reduced crops expected to be harvested in 2012. Foreign demand growth will be driven by China, which accounts for more than half of world imports. Key factors supporting China's soybean imports for 2012/13 include strong demand for vegetable oil, growth in the livestock sector, expansion in the crushing sector, and government policies. In contrast, minimal increases are anticipated in soybean demand by other top importing countries – including the EU-27, Japan, and South Korea.

Modest growth is expected for world trade in soybean meal supported by stronger demand in the EU and Southeast Asian countries. U.S. exports are projected to grow 5 percent in 2012/13 to 9.2 million short tons. Soybean meal exports by Argentina also are likely to expand, while exports by India are expected to decline due to strong growth in domestic consumption.

A minimal increase is anticipated in 2012/13 for U.S. soybean oil exports, which are projected at 1.25 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 soybean oil exports will be constrained by growing domestic use, particularly for biodiesel. Soybean oil imports from top importers India and China could be limited by gains in trade for palm oil and rapeseed oil.

Soybean Ending Stocks and Farm Prices: U.S. soybean ending stocks for 2012/13 are projected at 205 million bushels, down 70 million from the level projected for 2011/12. The ending stocks-to-use ratio of 6.1 percent would be below the previous two years, but near the 5-year average of 6.3 percent. With projected lower corn prices and less favorable forward pricing opportunities compared with a year earlier, the season-average farm price for soybeans is projected at \$11.50 per bushel, down from the \$11.70 midpoint of the 2011/12 projected range.

**Table 1. Wheat, Corn, and Soybean Planted Acreage, 2005-2012**

	2005	2006	2007	2008	2009	2010	2011	2012 1/
	- Million Acres -							
Wheat	57.2	57.3	60.5	63.2	59.2	53.6	54.4	58.0
Corn	81.8	78.3	93.5	86.0	86.4	88.2	91.9	94.0
Soybeans	72.0	75.5	64.7	75.7	77.5	77.4	75.0	75.0
Total	211.0	211.1	218.7	224.9	223.1	219.2	221.3	227.0

1/ Projection

Source: 2005-2011, USDA, National Agricultural Statistics Service.

**Table 2. Wheat Supply, Demand, and Price, 2009/10-2012/13**

	2009/10	2010/11	2011/12 1/	2012/13 2/
Area planted (mil. ac.)	59.2	53.6	54.4	58.0
Area harvested	49.9	47.6	45.7	48.7
Yield (bu./ac.)	44.5	46.3	43.7	44.5
Production (mil. bu.)	2,218	2,207	1,999	2,165
Beginning stocks	657	976	862	845
Imports	119	97	120	120
Supply	2,993	3,279	2,982	3,130
Feed & residual	150	132	145	180
Food, seed & industrial	988	997	1,017	1,018
Total domestic use	1,138	1,128	1,162	1,198
Exports	879	1,289	975	975
Total use	2,018	2,417	2,137	2,173
Ending stocks	976	862	845	957
Stocks/use (percent)	48.4	35.7	39.5	44.0
Season-avg. farm price (\$/bu.)	4.87	5.70	7.30	6.30

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, 2012. 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, 2009/10-2012/13**

	2009/10	2010/11	2011/12 1/	2012/13 2/
Area planted (mil. ac.)	86.4	88.2	91.9	94.0
Area harvested	79.5	81.4	84.0	87.0
Yield (bu./ac.)	164.7	152.8	147.2	164.0
Production (mil. bu.)	13,092	12,447	12,358	14,270
Beginning stocks	1,673	1,708	1,128	801
Imports	8	28	20	15
Supply	14,774	14,182	13,506	15,086
Feed & residual	5,125	4,793	4,600	5,200
Ethanol 3/	4,591	5,021	5,000	4,950
Food, seed & other industrial	1,370	1,407	1,405	1,420
Total food, seed & industrial	5,961	6,428	6,405	6,370
Total domestic use	11,086	11,220	11,005	11,570
Exports	1,980	1,835	1,700	1,900
Total use	13,066	13,055	12,705	13,470
Ending stocks	1,708	1,128	801	1,616
Stocks/use (percent)	13.1	8.6	6.3	12.0
Season-avg. farm price (\$/bu.)	3.55	5.18	6.20	5.00

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, 2012. 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.

3/ Corn used to produce ethanol and by-products including, distillers' grains, corn gluten feed, corn gluten meal, and corn oil.

**Table 4. Rice Supply, Demand, and Price, 2009/10-2012/13**

All Rice	2009/10	2010/11	2011/12 1/	2012/13 2/
Area planted (mil. ac.)	3.14	3.64	2.69	2.75
Area harvested	3.10	3.62	2.62	2.72
Yield (pounds/ac.)	7,085	6,725	7,067	7,206
Production (mil. cwt)	219.9	243.1	185.0	196.0
Beginning stocks	30.4	36.5	48.5	39.5
Imports	19.0	18.3	19.0	20.0
Supply	269.3	297.9	252.5	255.5
Total domestic & residual use	124.5	137.8	124.0	126.0
Exports	108.3	111.6	89.0	95.0
Total use	232.8	249.5	213.0	221.0
Ending stocks	36.5	48.5	39.5	34.5
Stocks/use (percent)	15.7	19.4	18.5	15.6
Season avg. farm price (\$/cwt.)	14.40	12.70	14.20	14.70

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, 2012. 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, 2009/10-2012/13**

Rice-by-class	2009/10	2010/11	2011/12 /1	2012/13 /2
<b><u>Long-grain</u></b>				
Area planted (mil. ac.)	2.29	2.84	1.79	2.05
Area harvested	2.27	2.83	1.74	2.03
Yield (pounds/ac)	6,743	6,486	6,691	6,914
Production (mil. cwt)	152.7	183.3	116.4	140.0
Beginning stocks	20.0	23.0	35.6	21.6
Imports	16.5	15.8	16.5	17.0
Supply	189.3	222.2	168.6	178.6
Total domestic & residual use	91.9	108.5	89.0	94.0
Exports	74.3	78.0	58.0	64.0
Total use	166.2	186.5	147.0	158.0
Ending stocks	23.0	35.6	21.6	20.6
Stocks/use (percent)	13.9	19.1	14.7	13.0
Season avg. farm price (\$/cwt.)	12.90	11.00	13.70	14.00
<b><u>Medium- and short-grain</u></b>				
Area planted (mil. ac)	0.85	0.80	0.90	0.70
Area harvested	0.84	0.79	0.88	0.69
Yield (pounds/ac)	8,010	7,580	7,812	8,058
Production (mil. cwt)	67.1	59.8	68.6	56.0
Beginning stocks	8.0	12.0	10.1	15.2
Imports	2.5	2.5	2.5	3.0
Supply	78.6	73.1	81.2	74.2
Total domestic & residual use	32.5	29.4	35.0	32.0
Exports	34.0	33.6	31.0	31.0
Total use	66.6	63.0	66.0	63.0
Ending stocks	12.0	10.1	15.2	11.2
Stocks/use (percent)	18.1	16.1	23.1	17.8
Season avg. farm price (\$/cwt)	18.40	18.80	15.50	16.50

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, 2012. 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, 2009/10-2012/13**

	2009/10	2010/11	2011/12 1/	2012/13 2/
Area planted (mil. ac.)	77.5	77.4	75.0	75.0
Area harvested	76.4	76.6	73.6	74.1
Yield (bu./ac.)	44.0	43.5	41.5	43.9
Production (mil. bu.)	3,359	3,329	3,056	3,250
Beginning stocks	138	151	215	275
Imports	15	14	15	15
Supply	3,512	3,495	3,286	3,540
Crush	1,752	1,648	1,615	1,660
Seed	90	87	88	89
Residual	20	43	32	37
Total domestic use	1,862	1,778	1,736	1,785
Exports	1,499	1,501	1,275	1,550
Total use	3,361	3,280	3,011	3,335
Ending stocks	151	215	275	205
Stocks/use (percent)	4.5	6.6	9.1	6.1
Season-avg. farm price (\$/bu.)	9.59	11.30	11.70	11.50

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, 2012. 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, 2009/10-2012/13**

	2009/10	2010/11	2011/12 1/	2012/13 2/
Production (thou. short tons)	41,707	39,251	38,685	39,385
Beginning stocks	235	302	350	300
Imports	160	179	165	165
Supply	42,101	39,731	39,200	39,850
Domestic Use	30,640	30,277	30,100	30,350
Exports	11,160	9,104	8,800	9,200
Total use	41,800	39,381	38,900	39,550
Ending stocks	302	350	300	300
Avg. price (\$/short ton) 3/	311.27	345.52	305.00	295.00

1/ Beginning stocks, production, imports, use, ending stocks, and average price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2012. 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 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, 2009/10-2012/13**

	2009/10	2010/11	2011/12 1/	2012/13 2/
Production (mil. lbs.)	19,615	18,888	18,605	18,975
Beginning stocks	2,861	3,406	2,425	2,315
Imports	103	159	185	195
Supply	22,578	22,453	21,215	21,485
Domestic Use	15,814	16,795	17,700	18,000
Methyl Ester	1,680	2,550	3,600	3,800
Food, Feed, Other Industrial	14,134	14,245	14,100	14,200
Exports	3,359	3,233	1,200	1,250
Total use	19,173	20,028	18,900	19,250
Ending stocks	3,406	2,425	2,315	2,235
Avg. price (cents/lb.) 3/	36.0	53.2	52.5	52.5

1/ Beginning stocks, production, imports, use, ending stocks, and average price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2012. 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 average price is for crude soybean oil at Decatur, Illinois.

Note: Totals may not add due to rounding.