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United States  
Department of Agriculture

## 2013 Agricultural Outlook Forum

# Grains & Oilseeds Outlook

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[www.usda.gov/oce/forum](http://www.usda.gov/oce/forum)



GRAINS AND OILSEEDS OUTLOOK FOR 2013<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 2013/14 supply and demand for wheat, corn, rice, and soybeans and products. Projections presented in this paper include implications of the January 11<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' 2013 planting intentions as reported in the March 28<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 2013/14 outlook for grains and oilseeds reflects another year of large plantings supported by strong new-crop prices. Prospects for high net returns and crop insurance revenue coverage support combined 2013 area for wheat, corn, and soybeans very near last year's 30-year high. Last year's plantings were boosted by favorable spring weather. Despite lower cotton plantings and a decline in Conservation Reserve Program (CRP) enrollment for 2013, a return to more normal planting weather keeps aggregate area from increasing. Wheat production is projected lower with higher abandonment and a return to trend yields from last year's record high. Lower wheat feed and residual use and exports partly offset the production decline leaving ending stocks lower. Corn plantings are projected down slightly on the year, but production is expected to be record high with more acres harvested for grain and a rebound in yields. Feed and residual use rises sharply with the larger crop. Weak gasoline consumption limits the recovery in corn used to produce ethanol and strong foreign competition tempers the rebound in exports. Corn ending stocks are projected to more than triple, pushing prices sharply lower. Soybean planted area is projected slightly higher than last year with favorable net returns, increased double cropping, and reduced cotton plantings. Soybean supplies are projected to increase as higher production more than offsets lower beginning stocks and imports. Soybean ending stocks are projected to rise from the exceptionally low level projected for 2012/13 as competition from South America limits potential export gains. Rice planted acreage is projected to decline as higher returns for alternative crops reduce area in the southern states. Total use is projected lower with expected declines in domestic and residual use and exports. All-rice ending stocks are projected lower with medium- and short-grain stocks accounting for most of the reduction. The all-rice, long-grain, and combined medium- and short-grain prices are all expected higher. Futures, cash, and farm-level prices for wheat, corn, and soybeans are all expected to fall in 2013/14 as record U.S. corn and soybean production push global supplies to new records. Strong global demand for grains and oilseeds, however, keep prices well above those of a decade ago.

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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 2013** (Table 1)

The 2013 outlook for U.S. plantings of the major grains and soybeans is driven again this year 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 very tight domestic supply situations for corn and soybeans in 2012/13. Higher new-crop futures and cash forward prices for soybeans compared with last year at this time and relative to corn support an outlook for expanded soybean area as does a larger Soft Red Winter (SRW) wheat area that may be double cropped. Favorable new-crop wheat prices last fall during seeding increased plantings of winter wheat. Extreme drought in parts of the Great Plains, however, limited increases with Hard Red Winter (HRW) wheat area down on the year. Together the corn, soybean, and wheat 3-crop planted area is projected at 230.0 million acres, nearly the same as the 230.1 million acres planted in 2012. Last year's 3-crop total was the highest since 1982 when wheat area exceeded that for corn and for soybeans. Acres in CRP are also down again for 2013/14 with total enrolled area 9.7 million acres lower than its peak in 2007/08. This past year's 2.4-million-acre decline in enrollments adds further to available crop land.

Wheat planted area for 2013 is expected up 0.3 million acres to 56.0 million. Winter wheat seeded area at 41.8 million acres is up 0.5 million from last year. The January 11, 2013, *Winter Wheat Seedings* reported HRW wheat seedings down 0.7 million acres to 29.1 million and SRW wheat seedings up 1.3 million acres to 9.4 million. White Winter (WW) wheat seedings were down slightly at 3.3 million acres. Spring wheat (including durum) plantings are expected to decline with more favorable returns for corn and soybeans, particularly in North Dakota.

Corn plantings for 2013 are projected at 96.5 million acres, down 0.7 million acres from last year's 75-year high. Strong new-crop prices in both the futures and cash forward markets support a highly favorable net returns outlook, much as it did last year at this time. New-crop futures during the first half of February averaged \$5.70 per bushel and bids for fall delivery at Central Illinois elevators during the same period averaged \$5.45 per bushel. These prices are nearly unchanged from the same period last year and new-crop futures again support a high level of crop insurance revenue coverage. Last year's corn plantings also benefitted from an extraordinarily early and favorable spring planting window which reduced prevented plantings sharply from the previous year's unusually large prevented area. A return to more normal spring weather is expected to reduce this year's planting opportunities for corn and leave more land available for soybeans.

Soybean planted area is projected at 77.5 million acres, up 0.3 million from 2012 and up 3.6 million from last year's planting intentions. New-crop soybean futures prices and current forward pricing opportunities are somewhat higher than last year at this time both in level and relative to corn. Several other factors also are expected to result in an increase in soybean plantings compared with last year's intentions. Favorable soybean prices combined with higher winter wheat seedings in traditional double-crop states compared with 2012 will increase the potential for double cropping, especially in the SRW wheat areas of the eastern Corn Belt and the Delta states. Hot, dry conditions during the planting season last year likely limited some double cropping. With a return to more normal June weather in 2013, an increase is also expected in the proportion of winter wheat acres that are double cropped. Other factors that are expected to result in higher soybean plantings include reduced cotton area in the Mississippi Delta region and reduced Conservation Reserve Program acres in upper Midwest states, especially North Dakota.

Total 2013 rice planted acreage is projected at 2.64 million acres, down 2 percent from 2012. The majority of this year's acreage decline occurs in long-grain rice in the Delta states, where producers are expected to switch to crops that earn a higher return, such as soybeans. In contrast, medium-grain rice plantings are expected to expand due largely to expected higher prices.

### **Wheat Supply, Demand, and Price Outlook for 2013/14** (Table 2)

**Wheat Supplies:** Wheat production for 2013 is expected to decrease more than 7 percent to 2,100 million bushels despite increased planted area. The year-over-year reduction stems from a lower yield and a lower harvested-to-planted ratio. Harvested area for 2013 is projected at 46.5 million acres, down 2.5 million acres from the previous year. The projected harvested-to-planted ratio is 0.83, down from 0.88 in 2012 and a five-year-average of 0.87. The sharp reduction in harvested area is due the continuation of drought this past fall and winter in the HRW wheat area. Spring rains will be especially important in these areas of the Great Plains. The 2013 all-wheat yield is projected at 45.2 bushels per acre based on the 1985-2012 all-wheat simple linear yield trend. This would be down from a record 46.3 bushels per acre in both 2010 and 2012. Increased area for higher-yielding SRW wheat and higher HRW abandonment continue to support expectations for trend yields.

Winter wheat conditions are substantially worse in the Great Plains compared with last year at this time. Conditions are particularly poor in the western parts of the affected states. Weighted by seeded area, the HRW states of Kansas, Nebraska, and Oklahoma have 50 percent of their crop rated in poor or very poor condition, compared to just 10 percent at this time last year. These same states have 14 percent of their crop rated good or excellent, compared to 52 percent last year at this time. The SRW crop is in much better shape. As an indication of SRW conditions, 67 percent of Illinois winter wheat is in good to excellent condition; however, this is compared to 75 percent last year.

By-class 2013 production is expected to decrease for HRW wheat, other spring wheat, WW wheat, and Durum. These decreases are partially offset by higher expected SRW production. HRW wheat plantings are down 2 percent this year and the drought is expected to lead to increased abandonment. With yields projected lower on the year, HRW production is expected to decline in 2013. Other spring wheat acreage is expected to increase slightly in 2013; however, production effects will be offset by a return to more normal yields. Durum yield and area are expected to be lower in 2013. WW wheat planted area is projected to decline 2 percent from the previous year. SRW wheat planted area is up 16 percent from the previous year with increased production expected in every major region.

The smaller wheat crop and lower beginning stocks are projected to reduce 2013/14 total wheat supplies 7 percent to 2,921 million bushels. If realized, these would be the lowest supplies since the 2007/08 marketing year.

**Wheat Domestic Use:** Domestic use of wheat for 2013/14 is expected to decrease 68 million bushels year to year. Food use is expected up 8 million bushels from the 2012/13 forecast. The projected 958 million bushels for food use for 2013/14 assumes a U.S. population growth rate of less than 1 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 2013/14 is projected down slightly year to year to 74 million bushels with a smaller planted area expected for the 2014 crop.

Wheat feed and residual use for 2013/14 is projected at 300 million bushels, down 75 million bushels from the 2012/13 projection. This decrease reflects an expected larger corn crop with normal weather and yields, a smaller HRW wheat crop, and a less favorable wheat/corn price relationship for wheat feeding in 2013/14 than in 2012/13. Much of the 2013/14 wheat feeding is expected during the summer quarter (June-August) as old-crop corn supplies remain extremely tight ahead of harvest.

Wheat Exports: U.S. wheat exports for 2013/14 are expected to drop 100 million bushels from the 2012/13 forecast to 950 million with tighter supplies and intensified competition from other major exporters. World wheat production is expected to recover significantly from last year with all major exporting countries except the United States expected to have larger crops. Kazakhstan, EU-27, Russia, and Ukraine account for the majority of the increase. High wheat prices spurred additional planting in Northern Hemisphere winter wheat producing countries and are also favoring increased spring plantings in Canada, as well as higher acreage in Argentina and Australia.

As a whole, major exporter beginning stocks are the tightest since 2008/09. The United States accounts for a significant portion of those stocks and is in an advantageous position to boost exports for the first few months of the marketing year as new-crop wheat becomes available. Competition is expected to strengthen, however, as other Northern Hemisphere new-crop supplies reach global markets. Despite near-record production projections, exporter ending stocks are not expected to expand as strong global demand and supply are projected to nearly balance.

Wheat Ending Stocks and Farm Prices: Lower U.S. beginning stocks and production in 2013/14 are partly offset by lower expected use leaving ending stocks down 8 percent from 2012/13. At 639 million bushels, 2013/14 ending stocks would be the lowest since 2007/08 when stocks fell to 306 million bushels. Stocks remain far from tight with the ending stocks-to-use ratio for 2013/14 projected at 28.0 percent, down just slightly from the 28.2 percent expected for 2012/13. The 2013/14 season-average farm price is projected at \$7.00 per bushel, down \$0.90 from the midpoint of the record high range projected for 2012/13. Wheat farm prices are expected to be supported during the early months of the June-May wheat marketing year by favorable opportunities for forward pricing and strong summer corn prices. Farmers traditionally market more than half of the wheat crop from June through September.

### **Corn Supply, Demand, and Price Outlook for 2013/14** (Table 3)

Corn Supplies: Corn production in 2013 is projected at a record 14,530 million bushels, up 3,750 million or 35 percent from the drought-reduced 2012 crop. The 2013/14 corn supply is projected to rise 28 percent to a record 15,187 million bushels as the increase in production far outweighs the year-to-year decline in beginning stocks with the smallest carryin in 17 years. Prospects for a record crop are supported by higher harvested area and a return to trend yields. Harvested area is projected at 88.8 million acres, up 1.4 million from 2012 and the highest since 1933. Although planted area is projected down slightly on the year, harvested area expands with a return to more normal yields, more normal abandonment rates, and a reduction in area harvested for silage. Severe drought in 2012 raised abandonment 400,000 acres compared with 2011 and, combined with tight supplies and high feed prices, boosted area harvested for silage to 7.4 million acres, 1.4 million higher than in 2011.

The national average yield is projected at 163.6 bushel per acre, up 40.2 bushels from last year's drought ravaged yield. A return to normal summer weather supports a sharp recovery for corn yields as fall and winter dryness have little correlation with conditions during the following growing season and eventual yield outcomes. The trend projection is based on a yield model that accounts for summer precipitation

and temperatures in determining expected yields. The 2013 yield projection assumes corn planting progress at the 10-year average, no extreme dryness during June, temperatures and rainfall for July across the Corn Belt at the 1988-2012 averages, and an adjustment to reflect the asymmetric response of yields to July precipitation. (See Westcott and Jewison, *Weather Effects on Expected Corn and Soybean Yields*, USDA, Agricultural Outlook Forum 2013, February 22, 2013.)

Corn Use: Total corn use for 2013/14 is projected at 13,010 million bushels, up 1,773 million from the sharply curtailed usage in 2012/13. A sharp rebound in feed and residual use and higher food, seed, and industrial use boost domestic disappearance 1,173 million bushels. Exports are also expected to rebound from this year's 41-year low, but substantial foreign competition keeps exports at their second lowest level since 1993/94 as the U.S. share of world corn trade struggles to recover.

Corn Feed and Residual Use: Feed and residual use for 2013/14 is projected at 5,400 million bushels, up 950 million bushels from the 2012/13 forecast. Much of the rebound reflects higher expected residual disappearance with the projected record crop. Lower feed costs are also expected to provide 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 2014. Lower beef production 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.

Corn Food, Seed, and Industrial Use: Food, seed, and industrial (FSI) use of corn in 2013/14 is projected at 6,110 million bushels, up 4 percent following the sharp decline for the current marketing year. This would be up 223 million bushels from 2012/13, but still 327 million below 2011/12 when FSI use reached its highest-ever level. Higher corn use is driven by expansion of ethanol production and, to a lesser extent, increases in corn used for starch, high fructose corn syrup, and glucose and dextrose. The recovering housing industry and industrial uses are bolstering corn use for starch. In general, domestic demand for all FSI use categories is set to increase as the economy slowly recovers. Corn sweetener exports to Mexico are expected to slip as sugar output there increases.

Corn Use in Ethanol Production: Corn used to produce fuel ethanol in 2013/14 is projected to recover by 175 million bushels over 2012/13. The expected increase supports a forecast of 4,675 million bushels, 344 million bushels below the record set in 2010/11. The 2013/14 projection implies that 36 percent of expected corn usage will be for ethanol production compared with 40 percent in both 2011/12 and 2012/13.

Despite an expected increase in corn used in ethanol production, a total recovery to previous levels is doubtful in light of several factors. Gasoline consumption is expected to continue its decline from the 133.9 billion gallons currently projected by the Energy Information Administration (EIA) for the 2012/13 corn marketing year. The expected decline reflects continued increases in vehicle efficiency and declines in miles driven as a result of high gas prices, weak economic recovery, and changing driver demographics. Slow growth in consumer acceptance and availability of higher (15 and 85 percent) blends for flex-fuel vehicles also limits substitution of ethanol for gasoline. Finally, prospects for expansion in U.S. ethanol exports are limited as sugar cane ethanol production in Brazil—a major trade competitor—ramps up on expectations for a large 2013/14 sugar cane crop.

Corn Exports: U.S. corn exports for 2013/14 are projected up 600 million bushels to 1,500 million. Expanded world corn area and production in 2013/14 support continued growth in global corn use. Global corn import demand is expected to jump in 2013/14 due to falling prices, continued economic

expansion, and growth in animal feed demand. Expected record production in the United States will boost exportable supplies sharply and improve competitiveness. Brazil has emerged as a formidable competitor in 2012/13, but its continued export competitiveness will depend mainly on domestic production and demand, infrastructure efficiency, and currency values. Both Argentina and Ukraine are expected to produce and export substantial volumes once again, remaining strong competitors. China's import demand is expected to surge as domestic animal feed use expands in the face of sharply lower global corn prices; however, much depends on relative prices and internal policies.

**Corn Ending Stocks and Farm Prices:** Corn ending stocks for 2013/14 are projected at 2,177 million bushels, more than triple the 2012/13 forecast. While use approaches the record high levels of 2009/10 and 2010/11, strong global competition limits the expansion in exports allowing stocks to rebuild rapidly. The stocks-to-use ratio is projected at 16.7 percent, nearly 3 times higher than the 5.6 percent expected in 2012/13. Abundant stocks in the U.S. and other major exporting countries put substantial downward pressure on corn prices in 2013/14. Favorable forward pricing opportunities are expected to provide some support for prices received by producers early in the 2013/14 marketing year, but harvest time cash prices are expected to fall to near \$4 per bushel. The season-average farm price is projected at \$4.80 per bushel, down \$2.40 from the midpoint of the record high projected range for 2012/13.

### **Rice Supply, Demand, and Price Outlook for 2013/14** (Tables 4 & 5)

**Rice Supplies:** Total 2013 rice planted acreage is projected at 2.64 million acres, down 2 percent from 2012. The majority of this year's acreage decline occurs in long-grain rice in the Delta states, where producers are expected to switch to crops that earn a higher return, such as soybeans. In contrast, medium-grain rice plantings are expected to expand in the South and California due largely to expected higher prices. Long-grain rice planted acreage is projected at 1.90 million acres, down 5 percent. Medium- and short-grain rice planted acreage is projected at 0.74 million acres, up 4 percent from last year with most of the increase occurring in California.

Assuming a normal harvested-to-planted acreage ratio, total harvested rice acreage is projected at 2.62 million acres, comprised of 1.89 million acres of long-grain rice and 0.73 million acres of medium- and short-grain rice. For all rice, average field yields are forecast to decline by 121 pounds from the 2012 record to 7,328 pounds per acre in 2013, assuming normal weather and planting dates. Based largely on 1990-2012 trend yields by class, average field yields are forecast decreasing in 2013 for long-grain rice by 233 pounds to 7,052 pounds per acre and increasing for medium- and short-grain rice by 124 pounds to 8,038 pounds per acre. Total 2013 rice production is projected to decrease by 4 percent to 192.0 million cwt. At 133.0 million cwt, long-grain accounts for all of the production decrease, down 8 percent from 2012. In contrast, medium- and short-grain rice production is projected to increase 7 percent to 59.0 million cwt.

All-rice total supplies for 2013/14 are projected to decline by 7 percent to 244.1 million cwt, as lower carry-in stocks and production more than offset an increase in imports. Most of the supply decrease occurs in long-grain rice, where supplies are projected to decrease 9 percent to 169.9 million cwt as smaller projected production in 2013 and lower beginning stocks more than offset higher imports. Similarly, medium- and short-grain supplies are projected to decline 1 percent to 72.0 million cwt, as smaller carry-in more than offsets a larger crop and steady imports. Total rice imports are projected to increase 2 percent in 2013/14 to 21.5 million cwt, indicating a return to a long-term growth 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 2013/14.



Rice Domestic Use: All-rice total domestic and residual rice usage for 2013/14 is projected to decrease 2 percent to 122.0 million cwt. Long-grain domestic and residual use is projected to decline by 3 percent to 91.0 million cwt. Medium- and short-grain domestic and residual use is projected to remain constant at 31.0 million cwt. The decrease in long-grain domestic and residual use is due to an expected smaller crop and result in a smaller residual component.

Rice Exports: All-rice exports for 2013/14 are projected at 93.0 million cwt, down 12 percent from a year earlier. The decrease is largely due to smaller exportable supplies of long-grain rice. Long-grain exports are projected at 61.0 million cwt, down 19 percent. Medium- and short-grain rice exports are projected at 32.0 million cwt, up 3 percent from 2012/13.

Ending Stocks and Prices: Total all-rice ending stocks are projected at 29.1 million cwt, a 5-percent reduction from 2012/13, largely due to smaller supplies. Medium- and short-grain rice accounts for all of the reduction in ending stocks, decreasing by 14 percent to 9.0 million cwt. The medium- and short-grain rice stocks-to-use ratio declines to 14.3 percent from 16.9 percent a year earlier. The season-average farm price for medium- and short-grain rice is projected at \$17.00 per cwt, compared to the 2012/13 midpoint of \$16.20. Long-grain ending stocks are projected to remain constant at 17.9 million cwt, yielding a stocks-to-use ratio of 11.8 percent, up from 10.6 percent a year earlier. The season-average farm price for long-grain rice is projected to increase 20 cents from the midpoint of 2012/13 to \$14.50 per cwt. The 2013/14 all rice price is projected at \$15.20 per cwt, up 30 cents from the midpoint of 2012/13.

#### **Soybean Supply, Demand, and Price Outlook for 2013/14** (Tables 6, 7 & 8)

Soybean Supplies: Soybean supplies for 2013/14 are projected at 3,545 million bushels, up 11 percent from 2012/13 as larger soybean production more than offsets lower beginning stocks and projected imports. Soybean production is projected 13 percent higher at 3,405 million bushels mostly reflecting yield gains above last year's drought-reduced level. Soybean plantings are projected slightly above last year as cotton plantings decline and opportunities for double-cropping increase in several of the SRW wheat states. With normal abandonment, soybean harvested acreage is projected at 76.6 million acres, up 0.5 million from 2012.

The national average soybean yield is projected at 44.5 bushels per acre, up 4.9 bushels from last year's drought-reduced level. The trend projection is based on a weather-adjusted yield model that accounts for temperature and rainfall during the growing season. (See Westcott and Jewison, *Weather Effects on Expected Corn and Soybean Yields*, USDA, Agricultural Outlook Forum 2013, February 22, 2013.)

Soybean Domestic Use: Soybean domestic use is projected at 1,795 million bushels, up 3 percent from 2012/13. Crush is projected to expand by 45 million bushels to 1,660 million—supported by more competitive soybean meal exports and a moderate increase in domestic demand. Based primarily on expansion in the pork and poultry sectors, domestic soybean meal feeding is projected up 1.7 percent. In line with the decline in soybean prices, increased global supplies are also seen easing soybean meal prices. A decline to \$300 per short ton is projected for the 2013/14 average price for soybean meal—down sharply from the midpoint of the forecast range for 2012/13 at \$445.

In contrast, supplies of soybean oil for 2013/14 would tighten further due to a sharp contraction in beginning stocks. A lower supply would particularly impair the competitiveness of U.S. soybean oil exports. Domestic use of soybean oil is projected to rise only 0.6 percent in 2013/14 to 18.0 billion

pounds. The domestic soybean oil market will be primarily supported by an increase in the biodiesel use mandate for 2013 to 1.28 billion gallons. The use of soybean oil for U.S. biodiesel production is projected at 5.2 billion pounds—up 300 million from 2012/13. At this level, soybean oil accounts for just over half of expected U.S. biodiesel production. However, a 1.5-percent projected decline for 2013/14 in food use of soybean oil to 12.8 billion pounds would partly offset the gains in use for biodiesel.

Although soybean oil ending stocks for 2013/14 are projected moderately tight at 1.71 billion pounds, this would be up 40 million from 2012/13. Soybean oil prices are projected relatively stable for 2013/14 at an average of 51 cents per pound, which would boost its share of the total processing value for soybeans.

Soybean Exports: U.S. exports are projected to rise to 1.5 billion bushels in 2013/14 on larger supplies and increasing foreign demand, boosting the U.S. share of global trade. However, U.S. exports will likely face stiffer competition from South America, where exportable supplies will be much higher than in 2012/13. Foreign demand will be driven by China, which typically accounts for more than half of world imports. Key factors supporting China's imports for 2013/14 include expansion in the crushing sector, strong demand for soybean oil in food, greater use of commercial feed that contains higher percentage of soybean meal, and policies on government reserves. 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 4.0 percent in 2013/14 to 9.15 million short tons. Exports by Argentina are expected to expand from drought-reduced levels in 2012/13, while exports by Brazil and India are likely to remain near recent levels due to continued growth in domestic use.

U.S. soybean oil exports are projected at 1.3 billion pounds—a 43-percent decline from 2012/13 due to a tightening supply. South American exporters will likely dominate trade with larger supplies and reduced use of soybean oil for biodiesel, particularly in Argentina. Soybean oil shipments to top importers India and China are expected to be limited by a rebound in the palm oil trade.

Soybean Ending Stocks and Farm Prices: U.S. soybean ending stocks for 2013/14 are projected at 250 million bushels, the highest since 2006/07 and double the level projected for 2012/13. Despite a 7-percent increase in total use of soybeans, the ending stocks-to-use ratio of 7.6 percent would be above the 5-year average of 5 percent and the highest in the past 7 years. With a sharp increase in production and ending stocks and lower corn prices, the season-average farm price for soybeans is projected at \$10.50 per bushel, down from the \$14.30 midpoint of the 2012/13 projected range.

**Table 1. Wheat, Corn, and Soybean Planted Acreage, 2006-2013**

	2006	2007	2008	2009	2010	2011	2012	2013 1/
	- Million Acres -							
Wheat	57.3	60.5	63.2	59.2	53.6	54.4	55.7	56.0
Corn	78.3	93.5	86.0	86.4	88.2	91.9	97.2	96.5
Soybeans	75.5	64.7	75.7	77.5	77.4	75.0	77.2	77.5
Total	211.1	218.7	224.9	223.1	219.2	221.3	230.1	230.0

1/ Projection

Source: 2006-2012, USDA, National Agricultural Statistics Service.

**Table 2. Wheat Supply, Demand, and Price, 2010/11-2013/14**

	2010/11	2011/12	2012/13 1/	2013/14 2/
Area planted (mil. ac.)	53.6	54.4	55.7	56.0
Area harvested	47.6	45.7	49.0	46.5
Yield (bu./ac.)	46.3	43.7	46.3	45.2
Production (mil. bu.)	2,207	1,999	2,269	2,100
Beginning stocks	976	862	743	691
Imports	97	112	130	130
Supply	3,279	2,974	3,142	2,921
Feed & residual	132	164	375	300
Food, seed & industrial	997	1,018	1,025	1,032
Total domestic use	1,128	1,182	1,400	1,332
Exports	1,289	1,050	1,050	950
Total use	2,417	2,231	2,450	2,282
Ending stocks	862	743	691	639
Stocks/use (percent)	35.7	33.3	28.2	28.0
Season-avg. farm price (\$/bu.)	5.70	7.24	7.90	7.00

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 8, 2013. 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, 2010/11-2013/14**

	2010/11	2011/12	2012/13 1/	2013/14 2/
Area planted (mil. ac.)	88.2	91.9	97.2	96.5
Area harvested	81.4	84.0	87.4	88.8
Yield (bu./ac.)	152.8	147.2	123.4	163.6
Production (mil. bu.)	12,447	12,360	10,780	14,530
Beginning stocks	1,708	1,128	989	632
Imports	28	29	100	25
Supply	14,182	13,516	11,869	15,187
Feed & residual	4,795	4,548	4,450	5,400
Ethanol 3/	5,019	5,011	4,500	4,675
Food, seed & other industrial	1,407	1,426	1,387	1,435
Total food, seed & industrial	6,426	6,437	5,887	6,110
Total domestic use	11,221	10,985	10,337	11,510
Exports	1,834	1,543	900	1,500
Total use	13,055	12,527	11,237	13,010
Ending stocks	1,128	989	632	2,177
Stocks/use (percent)	8.6	7.9	5.6	16.7
Season-avg. farm price (\$/bu.)	5.18	6.22	7.20	4.80

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 8, 2013. 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.

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

Note: Totals may not add due to rounding.

**Table 4. Rice Supply, Demand, and Price, 2010/11-2013/14**

All Rice	2010/11	2011/12	2012/13 1/	2013/14 2/
Area planted (mil. ac.)	3.64	2.69	2.70	2.64
Area harvested	3.62	2.62	2.68	2.62
Yield (pounds/ac.)	6,725	7,067	7,449	7,328
Production (mil. cwt)	243.1	184.9	199.5	192.0
Beginning stocks	36.5	48.5	41.1	30.6
Imports	18.3	19.4	21.0	21.5
Supply	297.9	252.8	261.6	244.1
Total domestic & residual use	136.5	110.1	125.0	122.0
Exports	113.0	101.6	106.0	93.0
Total use	249.5	211.7	231.0	215.0
Ending stocks	48.5	41.1	30.6	29.1
Stocks/use (percent)	19.4	19.4	13.2	13.5
Season avg. farm price (\$/cwt.)	12.70	14.50	14.90	15.20

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 8, 2013. 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, 2010/11-2013/14**

Rice-by-class	2010/11	2011/12	2012/13 /1	2013/14 /2
<b><u>Long-grain</u></b>				
Area planted (mil. ac.)	2.84	1.79	1.99	1.90
Area harvested	2.83	1.74	1.98	1.89
Yield (pounds/ac)	6,486	6,691	7,285	7,052
Production (mil. cwt)	183.3	116.4	144.2	133.0
Beginning stocks	23.0	35.6	24.3	17.9
Imports	15.8	16.9	18.5	19.0
Supply	222.2	168.9	186.9	169.9
Total domestic & residual use	108.2	77.9	94.0	91.0
Exports	78.3	66.8	75.0	61.0
Total use	186.5	144.7	169.0	152.0
Ending stocks	35.6	24.3	17.9	17.9
Stocks/use (percent)	19.1	16.8	10.6	11.8
Season avg. farm price (\$/cwt.)	11.00	13.40	14.30	14.50
<b><u>Medium- and short-grain</u></b>				
Area planted (mil. ac)	0.80	0.90	0.71	0.74
Area harvested	0.79	0.88	0.70	0.73
Yield (pounds/ac)	7,580	7,812	7,914	8,038
Production (mil. cwt)	59.8	68.6	55.3	59.0
Beginning stocks	12.0	10.1	14.7	10.5
Imports	2.5	2.4	2.5	2.5
Supply	73.1	81.7	72.5	72.0
Total domestic & residual use	28.3	32.2	31.0	31.0
Exports	34.6	34.8	31.0	32.0
Total use	63.0	67.0	62.0	63.0
Ending stocks	10.1	14.7	10.5	9.0
Stocks/use (percent)	16.1	21.9	16.9	14.3
Season avg. farm price (\$/cwt)	18.80	17.10	16.20	17.00

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 8, 2013. 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. Soybean Supply, Demand, and Price, 2010/11-2013/14**

	2010/11	2011/12	2012/13 <sup>1/</sup>	2013/14 <sup>2/</sup>
Area planted (mil. ac.)	77.4	75.0	77.2	77.5
Area harvested	76.6	73.8	76.1	76.6
Yield (bu./ac.)	43.5	41.9	39.6	44.5
Production (mil. bu.)	3,329	3,094	3,015	3,405
Beginning stocks	151	215	169	125
Imports	14	16	20	15
Supply	3,495	3,325	3,204	3,545
Crush	1648	1,703	1,615	1,660
Seed	87	90	89	87
Residual	43	1	30	48
Total domestic use	1,779	1,793	1,735	1,795
Exports	1,501	1,362	1,345	1,500
Total use	3,280	3,155	3,080	3,295
Ending stocks	215	169	125	250
Stocks/use (percent)	6.6	5.4	4.1	7.6
Season-avg. farm price (\$/bu.)	11.30	12.50	14.30	10.50

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* report, February 8, 2013. 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, 2010/11-2013/14**

	2010/11	2011/12	2012/13 <sup>1/</sup>	2013/14 <sup>2/</sup>
Production (thou. short tons)	39,251	41,025	38,450	39,385
Beginning stocks	302	350	300	300
Imports	180	216	250	165
Supply	39,732	41,591	39,000	39,850
Domestic Use	30,301	31,550	29,900	30,400
Exports	9,081	9,741	8,800	9,150
Total use	39,382	41,291	38,700	39,550
Ending stocks	350	300	300	300
Avg. price (\$/short ton) <sup>3/</sup>	345.52	393.53	445.00	300.00

1/ Beginning stocks, production, imports, use, ending stocks, and average price are projections from the *World Agricultural Supply and Demand Estimates*, February 8, 2013. 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, 2010/11-2013/14**

	2010/11	2011/12	2012/13 <sup>1/</sup>	2013/14 <sup>2/</sup>
Production (mil. lbs.)	18,888	19,740	18,975	19,090
Beginning stocks	3,406	2,425	2,540	1,665
Imports	159	149	350	250
Supply	22,453	22,314	21,865	21,005
Domestic Use	16,795	18,310	17,900	18,000
Biodiesel <sup>3/</sup>	2,737	4,870	4,900	5,200
Food, Feed, Other Industrial	14,058	13,440	13,000	12,800
Exports	3,233	1,464	2,300	1,300
Total use	20,028	19,774	20,200	19,300
Ending stocks	2,425	2,540	1,665	1,705
Avg. price (cents/lb.) <sup>4/</sup>	53.2	51.9	51.0	51.0

1/ Beginning stocks, production, imports, use, ending stocks, and average price are projections from the *World Agricultural Supply and Demand Estimates*, February 8, 2013. 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/ Source: U.S. Energy Information Administration.

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

Note: Totals may not add due to rounding.