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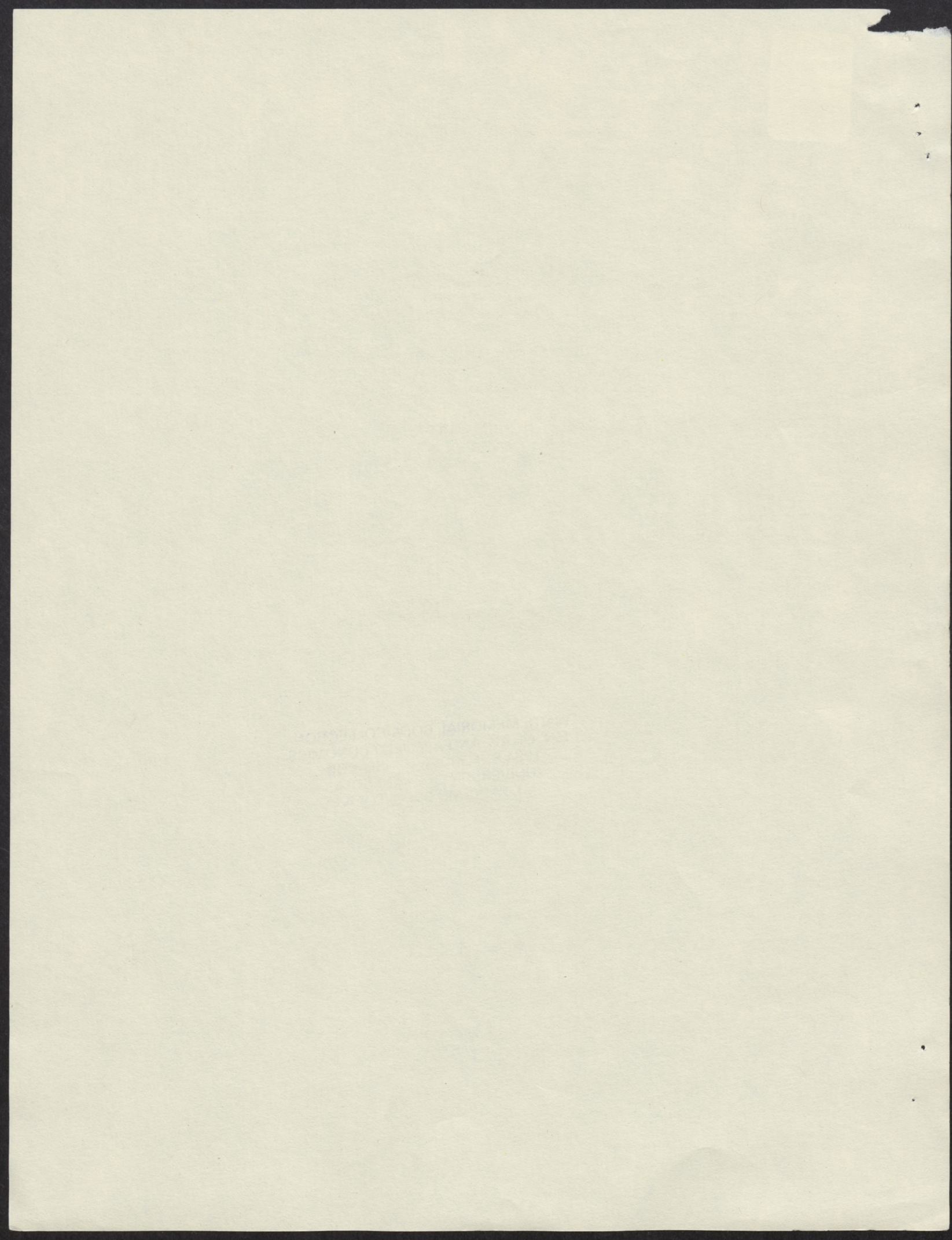
Analysis of Three Options to Reduce  
Farm Support Expenditures

by Joe Dillier

CNFAP #2-89

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Congress is presently considering several options to reduce agricultural outlays-CCC outlays--for FY90 and beyond. FAPRI has been requested to evaluate the impacts of three such policy proposals on wheat, corn and soybeans. The proposals analyzed include: (1) reducing the proportion of a participating producers base covered by target price support, (2) reducing target prices by 2%, (3) reducing target prices by 5%. Each option has been evaluated relative to FAPRI's current baseline projection completed in January of this year. It was assumed all policy changes would become effective with the 1990 crops. The evaluation period covers the 1990/91-91/92 crop years.

#### Flexible Base Option

The first proposal--the flexible base program--calls for the proportion of base acreage receiving target price protection to be reduced. Under this proposal, producers would receive deficiency payments on 75% of their base acreage enrolled in the 1990 and 1991 wheat and corn programs. Producers would still be required to idle a portion of their base under the acreage reduction program (ARP). The difference between the amount of area idled under the ARP and 75% of the base could be planted to any desired crop the producer chooses. For example, a 10/15/75 program would require 10% of a producers base to be idled, 75% would be planted to the program crop and would earn deficiency payments, and 15% could be planted to whatever crop the producer chooses. It is important to note that for the crop planted on the flexible portion of the base--15% in the above example--no government payments are earned whether it is or is not a program crop.

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The baseline to which the flexible base proposal was compared assumes the 1990/91-91/92 ARP rates for wheat and corn at 5% and 10% respectively. For wheat, the flexible base program evaluated was a 5/20/75 program--5% ARP, 20% flexible, 75% planted to wheat. For corn, the proposal analyzed was a 10/15/75 program.

#### Target Price Reduction - 2% and 5% Option

The other two proposals are more straightforward. One calls for target prices to be reduced 2% and the other 5%. Under the 2% reduction, the corn target price would fall from the assumed 1990/91-91/92 level of \$2.75/bu. to \$2.70/bu. A 5% cut would mean a target price of \$2.61/bu. The wheat target price would fall from the \$4.00/bu. assumed in the baseline to \$3.92/bu. and \$3.80/bu. under the 2% and 5% reductions.

#### ESTIMATED RESULTS

Results from the analysis are presented in tables 1-9. All proposals analyzed make the wheat and corn farm programs less attractive. Thus, program participation falls, relative to the baseline, as does total area planted to wheat and corn. Soybean area increases under all proposals given the fact that soybean prices are attractive relative to corn prices. Corn and wheat prices rise somewhat, while soybean prices fall given increased area. With lower soybean prices and reduced program benefits for corn and wheat, net returns are reduced for all three crops under all options analyzed. The total reduction in net returns is roughly of the same magnitude as the estimated reductions in government outlays.

In terms of government savings, outlays for the 1990/91 crops are estimated to be reduced by some \$800 million with the 2% target price reduction, around \$1.8 billion for the flexible base proposal and \$2.0 billion for the 5%

target price reduction proposal. For the 1991/92 crop year, outlays are estimated to be down by similar magnitudes. A more detailed analysis of the results follows.

#### Flexible Base - Tables 3 and 4

Although the flexible base strategy appears to offer the producer somewhat more flexibility in pursuing market price signals, a reduction to 75% protection on target prices may exceed Gramm-Rudman requirements for expenditures on agriculture, tables 3 and 4. For each dollar saved on government expenditures, approximately 85-90% is lost in net returns.

Most of this income reduction is associated with a slight acreage shift. Unprotected acreage shifts away from corn to soybeans, resulting in lower bean, but slightly higher corn prices.

In crop year 1990/91 net returns are reduced by \$1.5 billion and government savings increased by \$1.8 billion. Similar numbers are projected for 1991/92 with net returns down \$1.7 billion and government savings increased by \$1.9 billion.

#### 2% Target Price Reduction - Tables 5 and 6

This option may come closer to meeting the Gramm-Rudman objective for agriculture with the least effect on net returns to farmers. Farm prices are slightly lower resulting in a net return decline of \$670 million. Government savings are slightly higher at \$820 million reflecting reduced deficiency payments and less program participation in 1990/91. Similar numbers are estimated for 1991/92.

### 5% Target Price Reduction - Tables 7 and 8

This strategy would save the government about \$2 billion in both 1990/91 and 1991/92 crop years. Net returns would drop about \$1.7 billion each year representing an approximate 85% exchange. This strategy exceeds saving targets with less government exposure associated with reduced deficiency payments across the board and slightly less program participation.

A reduction in supports at this level would make the soybean option much more attractive with an increase of about 800 thousand acres in 1990/91, and price about 30 cents per bushel lower than under baseline projections.

### Summary for 1990/91 and 1991/92 Crop Years - Table 9

The flexible base option and the 5% target price reduction appear to give very similar results. In each case, program participation declines with a fairly strong shift towards soybean production. Net returns for both programs over the two year period decline by \$3.2-3.5 billion and government savings increase by about \$3.7 to \$4.0 billion.

The 2% target price strategy implies the least amount of discomfort to the farm sector with net returns down about \$1.4 billion over the two year period and government savings at about \$1.7 billion.

TABLE 1. BASELINE-1990/91 CROP YEAR-WHEAT, CORN, SOYBEANS

COMMODITY	NONPROGRAM PLANTED AREA m. acres	PROGRAM PLANTED AREA m. acres	TOTAL PLANTED AREA m. acres	EXPORTS m. bu.	ENDING STOCKS m. bu.	PRICE \$/bu.	NET RETURNS m. dollars	PROGRAM PART. %	DEFICIENCY PAYMENTS m. dollars
WHEAT	28.6	49.9	78.6	1395.0	686.8	3.12	5189.7	69.1%	1497.2
CORN	22.4	52.8	75.2	1788.3	1698.7	1.97	9055.9	76.8%	4338.9
SOYBEANS	--	--	58.9	658.0	300.9	5.27	5926.9	--	--
			----- 212.7				----- 20172.6		----- 5836.1

TABLE 2. BASELINE-1991/92 CROP YEAR-WHEAT, CORN, SOYBEANS

COMMODITY	NONPROGRAM PLANTED AREA m. acres	PROGRAM PLANTED AREA m. acres	TOTAL PLANTED AREA m. acres	EXPORTS m. bu.	ENDING STOCKS m. bu.	PRICE \$/bu.	NET RETURNS m. dollars	PROGRAM PART. %	DEFICIENCY PAYMENTS m. dollars
WHEAT	19.5	59.0	78.5	1419.6	762.8	2.93	5227.5	80.3%	2144.2
CORN	22.5	52.7	75.2	1846.6	1739.7	1.98	8808.3	76.3%	4261.9
SOYBEANS	--	--	58.5	677.3	278.6	5.96	7188.3	--	--
			----- 212.3				----- 21224.1		----- 6406.0



TABLE 3. FLEXIBLE BASE-1990/91 CROP YEAR-WHEAT, CORN, SOYBEANS

COMMODITY	NONPROGRAM	PROGRAM	TOTAL	ENDING		PRICE	NET	PROGRAM	DEFICIENCY
	PLANTED	PLANTED	PLANTED	EXPORTS	STOCKS				
	AREA	AREA	AREA	m. bu.	m. bu.	\$/bu.	m. dollars	%	m. dollars
	m. acres	m. acres	m. acres						
WHEAT	30.8	47.7	78.5	1393.2	687.2	3.15	4856.2	66.2%	1093.7
chg. from base	2.2	-2.2	-0.0	-1.8	0.3	0.03	-333.5	-2.9%	-403.6
CORN	24.4	50.5	74.9	1757.6	1669.1	2.07	8361.6	73.6%	2991.5
chg. from base	2.0	-2.4	-0.4	-30.8	-29.6	0.10	-694.4	-3.2%	-1347.4
SOYBEANS	--	--	59.7	660.5	314.2	4.99	5436.2	--	--
chg. from base			0.8	2.5	13.3	-0.28	-490.7		
TOTAL			213.1				18654.0		4085.2
chg. from base			0.4				-1518.5		-1750.9

TABLE 4. FLEXIBLE BASE-1991/92 CROP YEAR-WHEAT, CORN, SOYBEANS

COMMODITY	NONPROGRAM	PROGRAM	TOTAL	ENDING		PRICE	NET	PROGRAM	DEFICIENCY
	PLANTED	PLANTED	PLANTED	EXPORTS	STOCKS				
	AREA	AREA	AREA	m. bu.	m. bu.	\$/bu.	m. dollars	%	m. dollars
	m. acres	m. acres	m. acres						
WHEAT	23.6	54.7	78.3	1416.0	759.7	2.97	4686.1	74.6%	1512.9
chg. from base	4.1	-4.4	-0.2	-3.6	-3.1	0.04	-541.4	-5.6%	-631.2
CORN	25.7	49.4	75.1	1803.3	1710.5	2.06	8021.6	71.8%	2980.9
chg. from base	3.2	-3.3	-0.1	-43.3	-29.2	0.08	-786.8	-4.5%	-1281.0
SOYBEANS	--	--	58.6	681.5	285.3	5.79	6860.8	--	--
chg. from base			0.1	4.2	6.7	-0.17	-327.5		
TOTAL			212.0				19568.5		4493.8
chg. from base			-0.2				-1655.6		-1912.2

TABLE 5. 2% TARGET PRICE REDUCTION-1990/91 CROP YEAR-WHEAT, CORN, SOYBEANS

COMMODITY	NONPROGRAM	PROGRAM	TOTAL	EXPORTS	ENDING	PRICE	NET	PROGRAM	DEFICIENCY
	PLANTED	PLANTED	PLANTED						
	AREA	AREA	AREA		STOCKS		RETURNS	PART.	PAYMENTS
	m. acres	m. acres	m. acres	m. bu.	m. bu.	\$/bu.	m. dollars	%	m. dollars
WHEAT	30.4	48.1	78.5	1393.3	686.5	3.14	5015.5	66.8%	1282.9
chg. from base	1.8	-1.8	-0.0	-1.7	-0.3	0.02	-174.2	-2.3%	-214.3
CORN	23.1	52.0	75.1	1775.8	1690.4	2.01	8734.1	75.6%	3731.8
chg. from base	0.7	-0.9	-0.2	-12.6	-8.3	0.04	-321.8	-1.2%	-607.1
SOYBEANS	--	--	59.2	658.9	305.9	5.17	5755.7	--	--
chg. from base			0.3	0.9	4.9	-0.10	-171.2		
TOTAL			212.8				19505.4		5014.7
chg. from base			0.1				-667.2		-821.4

TABLE 6. 2% TARGET PRICE REDUCTION-1991/92 CROP YEAR-WHEAT, CORN, SOYBEANS

COMMODITY	NONPROGRAM	PROGRAM	TOTAL	EXPORTS	ENDING	PRICE	NET	PROGRAM	DEFICIENCY
	PLANTED	PLANTED	PLANTED						
	AREA	AREA	AREA		STOCKS		RETURNS	PART.	PAYMENTS
	m. acres	m. acres	m. acres	m. bu.	m. bu.	\$/bu.	m. dollars	%	m. dollars
WHEAT	21.4	57.0	78.4	1417.4	761.2	2.95	5000.6	77.6%	1883.1
chg. from base	2.0	-2.1	-0.1	-2.2	-1.6	0.02	-226.9	-2.7%	-261.1
CORN	23.7	51.4	75.2	1829.9	1732.5	2.01	8439.2	74.6%	3699.3
chg. from base	1.2	-1.3	-0.0	-16.7	-7.2	0.03	-369.1	-1.8%	-562.6
SOYBEANS	--	--	58.6	678.8	281.4	5.89	7054.6	--	--
chg. from base			0.1	1.5	2.8	-0.07	-133.8		
TOTAL			212.2				20494.4		5582.4
chg. from base			-0.1				-729.7		-823.6

TABLE 7. 5% TARGET PRICE REDUCTION-1990/91 CROP YEAR-WHEAT, CORN, SOYBEANS

COMMODITY	NONPROGRAM	PROGRAM	TOTAL	EXPORTS	ENDING STOCKS	PRICE	NET RETURNS	PROGRAM PART.	DEFICIENCY PAYMENTS
	PLANTED AREA	PLANTED AREA	PLANTED AREA						
	m. acres	m. acres	m. acres	m. bu.	m. bu.	\$/bu.	m. dollars	%	m. dollars
WHEAT	33.0	45.5	78.5	1390.8	686.1	3.16	4774.0	63.4%	989.3
chg. from base	4.4	-4.5	-0.1	-4.2	-0.7	0.04	-415.7	-5.8%	-507.9
CORN	24.4	50.5	74.9	1757.7	1669.0	2.07	8248.1	73.6%	2870.1
chg. from base	2.0	-2.4	-0.4	-30.7	-29.7	0.10	-807.9	-3.2%	-1468.7
SOYBEANS	--	--	59.7	660.6	314.2	4.99	5436.2	--	--
chg. from base			0.8	2.5	13.3	-0.28	-490.7		
TOTAL			213.0				18458.3		3859.5
chg. from base			0.3				-1714.2		-1976.7

TABLE 8. 5% TARGET PRICE REDUCTION-1991/92 CROP YEAR-WHEAT, CORN, SOYBEANS

COMMODITY	NONPROGRAM	PROGRAM	TOTAL	EXPORTS	ENDING STOCKS	PRICE	NET RETURNS	PROGRAM PART.	DEFICIENCY PAYMENTS
	PLANTED AREA	PLANTED AREA	PLANTED AREA						
	m. acres	m. acres	m. acres	m. bu.	m. bu.	\$/bu.	m. dollars	%	m. dollars
WHEAT	24.3	53.9	78.3	1413.4	758.8	2.97	4688.8	73.7%	1515.0
chg. from base	4.9	-5.1	-0.2	-6.1	-4.0	0.04	-538.7	-6.6%	-629.2
CORN	25.7	49.4	75.1	1803.3	1710.4	2.06	7920.7	71.8%	2871.9
chg. from base	3.2	-3.3	-0.1	-43.2	-29.3	0.08	-887.6	-4.5%	-1390.0
SOYBEANS	--	--	58.6	681.5	285.3	5.79	6860.4	--	--
chg. from base			0.1	4.2	6.7	-0.17	-327.9		
TOTAL			212.0				19469.9		4386.8
chg. from base			-0.2				-1754.2		-2019.2

TABLE 9. SUM OF NET RETURNS & GOVERNMENT OUTLAYS OVER CROP YEARS  
1990/91-91/92-WHEAT, CORN, SOYBEANS

OPTION	NET RETURNS m. dollars	DEFICIENCY PAYMENTS m. dollars
BASE	41396.7	12242.2
FLEXIBLE BASE	38222.5	8579.0
chg. from base	-3174.2	-3663.1
2% CUT	39999.8	10597.1
chg. from base	-1396.9	-1645.1
5% CUT	37928.3	8246.3
chg. from base	-3468.4	-3995.8

APPENDIX

Supply - Utilization Tables

04/03/89

## U.S. Wheat Supply and Utilization-Baseline

Variable/Year	89/90	90/91	91/92
<b>PROGRAM (Percent)</b>			
ARP Rate	10.0%	5.0%	5.0%
PLD/PIK Rate	0.0%	0.0%	0.0%
Partic. Rate	67.3%	69.1%	80.3%
<b>AREA (Million Acres)</b>			
Base Area	83.3	81.4	81.4
ARP/PLD/PIK/0-92	8.4	4.7	4.7
CRP Idled	9.6	11.4	11.4
Program Planted	46.0	49.9	59.0
Non-Prog. Plant.	29.5	28.6	19.5
Planted Area	75.4	78.6	78.5
Harvested Area	64.2	66.7	66.3
<b>YIELD (Bu./Ac.)</b>			
Actual Yield	37.7	39.1	39.5
Program Yield	34.0	34.0	34.0
<b>(Million Bushels)</b>			
<b>SUPPLY</b>			
Beg. Stocks	538	565	687
Production	2,420	2,605	2,622
Imports	15	15	15
<b>DOMESTIC USE</b>			
Feed, Residual	229	258	285
Seed	103	103	104
Food & Other	733	743	753
<b>EXPORTS</b>			
	1,343	1,395	1,420
<b>TOTAL USE</b>			
	2,408	2,499	2,561
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	75	80	100
CCC Inventory	145	150	155
9-Month Loan	23	30	32
"Free" Stocks	322	427	476
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	\$3.52	\$3.12	\$2.93
Loan Rate/bu.	\$2.06	\$2.29	\$2.30
Target Price/bu.	\$4.10	\$4.00	\$4.00
FOB Gulf Price/mt	\$157.69	\$140.45	\$132.42
Variable Cost/ac.	\$64.22	\$66.45	\$69.42
Variable Cost/bu.	\$1.70	\$1.70	\$1.76
Part. Returns/ac.	\$77.37	\$80.10	\$77.67
Non-Part. Returns	\$68.36	\$55.38	\$46.50

04/03/89

## U.S. Corn Supply and Utilization-Baseline

Variable/Year	89/90	90/91	91/92
<b>PROGRAM (Percent)</b>			
ARP Rate	10.0%	10.0%	10.0%
PLD/PIK Rate	0.0%	0.0%	0.0%
Partic. Rate	73.2%	76.8%	76.3%
<b>AREA (Million Acres)</b>			
Base Area	82.3	81.2	81.2
ARP/PLD/PIK/0-92	7.3	7.0	6.7
CRP Idled	4.0	5.0	5.0
Program Planted	50.4	52.8	52.7
Non-Prog. Plant.	24.6	22.4	22.5
Planted Area	75.0	75.23	75.2
Harvested Area	67.3	67.6	67.6
<b>YIELD (Bu./Ac.)</b>			
Actual Yield	117.2	118.3	119.8
Program Yield	105.0	105.0	105.0
<b>(Million Bushels)</b>			
<b>SUPPLY</b>			
Beg. Stocks	1,575	1,636	1,699
Production	7,885	7,995	8,101
Imports	5	5	5
<b>DOMESTIC USE</b>			
Feed, Residual	4,700	4,811	4,843
Gasohol	346	374	399
Seed	18	19	18
Food & Other	929	945	957
<b>EXPORTS</b>			
	1,835	1,788	1,847
<b>TOTAL USE</b>			
	7,829	7,937	8,064
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	250	275	305
CCC Inventory	200	200	200
9-Month Loan	268	287	283
"Free" Stocks	918	937	952
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	\$2.14	\$1.97	\$1.98
Loan Rate/bu.	\$1.65	\$1.58	\$1.51
Target Price/bu.	\$2.84	\$2.75	\$2.75
FOB Gulf Price/mt	\$97.43	\$90.07	\$90.58
Variable Cost/ac.	\$157.81	\$163.00	\$170.01
Variable Cost/bu.	\$1.35	\$1.38	\$1.42
Part. Returns/ac.	\$147.92	\$134.72	\$131.29
Non-Part. Returns	\$93.08	\$69.80	\$67.25

04/03/89

## U. S. Soybeans Supply and Utilization-Baseline

Variable/Year	89/90	90/91	91/92
<b>AREA (Million Acres)</b>			
CRP Idled	3.9	4.7	4.7
Planted Area	61.6	58.9	58.5
Harvested Area	60.2	57.5	57.1
<b>YIELD (bu./ac.)</b>	<b>33.7</b>	<b>34.2</b>	<b>34.6</b>
<b>(Million Bushels)</b>			
<b>SUPPLY</b>	<b>2,163</b>	<b>2,254</b>	<b>2,276</b>
Beg. Stocks	137	288	301
Production	2,027	1,966	1,975
Imports	0	0	0
<b>DOMESTIC USE</b>	<b>1,242</b>	<b>1,295</b>	<b>1,320</b>
Crush	1,146	1,198	1,220
Seed, Residual	96	97	100
<b>EXPORTS</b>	<b>633</b>	<b>658</b>	<b>677</b>
<b>TOTAL USE</b>	<b>1,876</b>	<b>1,953</b>	<b>1,997</b>
<b>ENDING STOCKS</b>	<b>288</b>	<b>301</b>	<b>279</b>
CCC Inventory	0	0	0
"Free" Stocks	288	301	279
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	\$5.84	\$5.27	\$5.96
Loan Rate/bu.	\$4.53	\$4.50	\$4.50
FOB Gulf Price/mt	\$232.04	\$210.47	\$236.58
Bean/Corn Ratio	2.73	2.68	3.01
Variable Cost/ac.	\$74.73	\$77.11	\$80.29
Variable Cost/bu.	\$2.22	\$2.26	\$2.32
Net Returns	\$121.86	\$103.07	\$125.91
<b>Meal Price/ton</b>	<b>\$182.82</b>	<b>\$168.74</b>	<b>\$184.03</b>
<b>Oil Price/cwt</b>	<b>\$22.81</b>	<b>\$18.46</b>	<b>\$20.67</b>
<b>Crush. Margin/bu.</b>	<b>\$1.02</b>	<b>\$0.78</b>	<b>\$0.70</b>



04/03/89

## U.S. Wheat Supply and Utilization-flexible base

Variable/Year	89/90	90/91	91/92
<b>PROGRAM (Percent)</b>			
ARP Rate	10.0%	5.0%	5.0%
PLD/PIK Rate	0.0%	0.0%	0.0%
Partic. Rate	67.3%	66.2%	74.6%
<b>AREA (Million Acres)</b>			
Base Area	83.3	81.4	81.4
ARP/PLD/PIK/0-92	8.4	4.6	4.5
CRP Idled	9.6	11.4	11.4
Program Planted	46.0	47.7	54.7
Non-Prog. Plant.	29.5	30.8	23.6
Planted Area	75.4	78.5	78.3
Harvested Area	64.2	66.6	66.1
<b>YIELD (Bu./Ac.)</b>			
Actual Yield	37.7	39.1	39.5
Program Yield	34.0	34.0	34.0
<b>(Million Bushels)</b>			
<b>SUPPLY</b>			
Beg. Stocks	538	566	687
Production	2,420	2,603	2,614
Imports	15	15	15
<b>DOMESTIC USE</b>			
Feed, Residual	229	258	285
Seed	103	103	103
Food & Other	733	743	753
<b>EXPORTS</b>			
	1,343	1,393	1,416
<b>TOTAL USE</b>			
	2,407	2,497	2,557
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	75	80	100
CCC Inventory	145	150	155
9-Month Loan	23	30	32
"Free" Stocks	323	427	473
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	\$3.52	\$3.15	\$2.97
Loan Rate/bu.	\$2.06	\$2.29	\$2.31
Target Price/bu.	\$4.10	\$4.00	\$4.00
FOB Gulf Price/mt	\$157.82	\$141.66	\$134.06
Variable Cost/ac.	\$64.22	\$66.45	\$69.42
Variable Cost/bu.	\$1.70	\$1.70	\$1.76
Part. Returns/ac.	\$77.38	\$74.43	\$70.86
Non-Part. Returns	\$68.48	\$56.46	\$47.98

## Absolute Differences from baseline.

Variable/Year	89/90	90/91	91/92
<b>PROGRAM</b>			
ARP Rate	0.00	0.00	0.00
PLD/PIK Rate	0.00	0.00	0.00
Partic. Rate	0.00	-0.03	-0.06
<b>AREA</b>			
Base Area	0.00	0.00	0.00
ARP/PLD/PIK/0-92	0.00	-0.12	-0.23
CRP Idled	0.00	0.00	0.00
Program Planted	0.00	-2.25	-4.36
Non-Prog. Plant.	0.00	2.20	4.14
Planted Area	0.00	-0.05	-0.23
Harvested Area	0.00	-0.04	-0.18
<b>YIELD</b>			
Actual Yield	0.00	-0.00	-0.01
Program Yield	0.00	0.00	0.00
<b>SUPPLY</b>			
Beg. Stocks	0.00	0.33	0.32
Production	0.00	-1.74	-7.40
Imports	0.00	0.00	0.00
<b>DOMESTIC USE</b>			
Feed, Residual	-0.14	0.26	-0.30
Seed	-0.06	0.66	-0.09
Food & Other	-0.06	-0.30	-0.07
<b>EXPORTS</b>			
	-0.01	-0.10	-0.13
<b>TOTAL USE</b>			
	-0.36	-1.77	-3.60
<b>TOTAL USE</b>			
	-0.49	-1.51	-3.90
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	0.33	0.32	-3.13
CCC Inventory	0.00	0.00	0.00
9-Month Loan	0.00	0.00	0.00
"Free" Stocks	0.00	0.00	-3.13
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	0.00	0.03	0.04
Loan Rate/bu.	0.00	0.00	0.01
Target Price/bu.	0.00	0.00	0.00
FOB Gulf Price/mt	0.13	1.21	1.64
Variable Cost/ac.	0.00	0.00	0.00
Variable Cost/bu.	0.00	0.00	0.00
Part. Returns/ac.	0.01	-5.67	-6.81
Non-Part. Returns	0.11	1.08	1.48

04/03/89

## U.S. Corn Supply and Utilization-flexible base

Variable/Year	89/90	90/91	91/92
<b>PROGRAM (Percent)</b>			
ARP Rate	10.0%	10.0%	10.0%
PLD/PIK Rate	0.0%	0.0%	0.0%
Partic. Rate	73.2%	73.6%	71.8%
<b>AREA (Million Acres)</b>			
Base Area	82.3	81.2	81.2
ARP/PLD/PIK/0-92	7.3	6.7	6.4
CRP Idled	4.0	5.0	5.0
Program Planted	50.4	50.5	49.4
Non-Prog. Plant.	24.6	24.4	25.7
Planted Area	75.0	74.85	75.1
Harvested Area	67.3	67.2	67.5
<b>YIELD (Bu./Ac.)</b>			
Actual Yield	117.2	117.3	118.9
Program Yield	105.0	105.0	105.0
<b>(Million Bushels)</b>			
<b>SUPPLY</b>			
Beg. Stocks	1,575	1,639	1,669
Production	7,885	7,888	8,026
Imports	5	5	5
<b>DOMESTIC USE</b>			
Feed, Residual	4,699	4,772	4,815
Gasohol	346	373	398
Seed	18	19	18
Food & Other	929	942	955
<b>EXPORTS</b>			
	1,834	1,758	1,803
<b>TOTAL USE</b>			
	7,827	7,863	7,989
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	250	275	305
CCC Inventory	200	200	200
9-Month Loan	264	274	268
"Free" Stocks	925	920	937
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	\$2.14	\$2.07	\$2.06
Loan Rate/bu.	\$1.65	\$1.58	\$1.54
Target Price/bu.	\$2.84	\$2.75	\$2.75
FOB Gulf Price/mt	\$97.56	\$94.43	\$93.92
Variable Cost/ac.	\$157.81	\$163.00	\$170.01
Variable Cost/bu.	\$1.35	\$1.39	\$1.43
Part. Returns/ac.	\$147.95	\$119.97	\$116.43
Non-Part. Returns	\$93.43	\$79.87	\$74.67

## Absolute differences from baseline.

Variable/Year	89/90	90/91	91/92
<b>PROGRAM</b>			
ARP Rate	0.00	0.00	0.00
PLD/PIK Rate	0.00	0.00	0.00
Partic. Rate	0.00	-0.03	-0.04
<b>AREA</b>			
Base Area	0.00	0.00	0.00
ARP/PLD/PIK/0-92	0.00	-0.26	-0.37
CRP Idled	0.00	0.00	0.00
Program Planted	0.00	-2.36	-3.29
Non-Prog. Plant.	0.00	1.98	3.19
Planted Area	0.00	-0.38	-0.10
Harvested Area	0.00	-0.35	-0.10
<b>YIELD</b>			
Actual Yield	0.00	-0.96	-0.94
Program Yield	0.00	0.00	0.00
<b>(Million Bushels)</b>			
<b>SUPPLY</b>			
Beg. Stocks	0.00	2.57	-29.55
Production	0.00	-106.14	-75.01
Imports	0.00	0.00	0.00
<b>DOMESTIC USE</b>			
Feed, Residual	-1.31	-43.23	-31.92
Gasohol	-1.09	-38.61	-28.59
Seed	-0.04	-1.37	-1.01
Food & Other	-0.11	-0.03	0.06
<b>EXPORTS</b>			
	-0.83	-30.77	-43.26
<b>TOTAL USE</b>			
	-2.14	-74.00	-75.17
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	2.57	-29.55	-29.22
CCC Inventory	0.00	0.00	0.00
9-Month Loan	0.00	0.00	0.00
"Free" Stocks	-4.00	-13.00	-15.00
	6.57	-16.55	-14.22
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	0.00	0.10	0.08
Loan Rate/bu.	0.00	0.00	0.03
Target Price/bu.	0.00	-0.15	-0.15
FOB Gulf Price/mt	0.13	4.37	3.34
Variable Cost/ac.	0.00	0.00	0.00
Variable Cost/bu.	0.00	0.01	0.01
Part. Returns/ac.	0.03	-14.74	-14.87
Non-Part. Returns	0.35	10.08	7.42

04/03/89

## U. S. Soybeans Supply and Utilization-flexible base

Variable/Year	89/90	90/91	91/92
<b>AREA</b> (Million Acres)			
CRP Idled	3.9	4.7	4.7
Planted Area	61.6	59.7	58.6
Harvested Area	60.2	58.3	57.2
<b>YIELD</b> (bu./ac.)	33.7	34.1	34.6
-----			
<b>SUPPLY</b> (Million Bushels)			
Beg. Stocks	137	287	314
Production	2,027	1,990	1,978
Imports	0	0	0
<b>DOMESTIC USE</b>	1,243	1,302	1,325
Crush	1,146	1,204	1,225
Seed, Residual	97	97	99
<b>EXPORTS</b>	634	661	681
<b>TOTAL USE</b>	1,876	1,962	2,006
<b>ENDING STOCKS</b>	287	314	285
CCC Inventory	0	0	0
"Free" Stocks	287	314	285
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	\$5.83	\$4.99	\$5.79
Loan Rate/bu.	\$4.53	\$4.50	\$4.50
FOB Gulf Price/mt	\$231.66	\$199.87	\$230.15
Bean/Corn Ratio	2.72	2.41	2.81
Variable Cost/ac.	\$74.73	\$77.11	\$80.29
Variable Cost/bu.	\$2.22	\$2.26	\$2.32
Net Returns	\$121.52	\$93.29	\$120.00
-----			
Meal Price/ton	\$182.72	\$162.59	\$180.46
Oil Price/cwt	\$22.75	\$17.61	\$20.00
Crush. Margin/bu.	\$1.02	\$0.82	\$0.71

## Absolute differences from baseline.

Variable/Year	89/90	90/91	91/92
<b>AREA</b>			
CRP Idled	0.00	0.00	0.00
Planted Area	0.00	0.79	0.10
Harvested Area	0.00	0.77	0.08
<b>YIELD</b> (bu./ac.)	0.00	-0.04	-0.01
-----			
<b>SUPPLY</b>			
Beg. Stocks	0.00	-1.26	13.30
Production	0.00	23.89	2.60
Imports	0.00	0.00	0.00
<b>DOMESTIC USE</b>	0.54	6.32	4.94
Crush	0.12	6.27	5.31
Seed, Residual	0.42	0.05	-0.36
<b>EXPORTS</b>	0.03	2.54	4.16
<b>TOTAL USE</b>	0.57	8.86	9.11
<b>ENDING STOCKS</b>	-1.26	13.30	6.68
CCC Inventory	0.00	0.00	0.00
"Free" Stocks	-1.26	13.30	6.68
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	-0.01	-0.28	-0.17
Loan Rate/bu.	0.00	0.00	0.00
FOB Gulf Price/mt	-0.38	-10.60	-6.43
Bean/Corn Ratio	-0.01	-0.27	-0.20
Variable Cost/ac.	0.00	0.00	0.00
Variable Cost/bu.	0.00	0.00	0.00
Net Returns	-0.34	-9.78	-5.91
-----			
Meal Price/ton	-0.10	-6.15	-3.57
Oil Price/cwt	-0.06	-0.86	-0.67
Crush. Margin/bu.	0.00	0.04	0.01

04/03/89

## U.S. Wheat Supply and Utilization-2% T.P. Reduction

Variable/Year	89/90	90/91	91/92
<b>PROGRAM</b> (Percent)			
ARP Rate	10.0%	5.0%	5.0%
PLD/PIK Rate	0.0%	0.0%	0.0%
Partic. Rate	67.3%	66.8%	77.6%
<b>AREA</b> (Million Acres)			
Base Area	83.3	81.4	81.4
ARP/PLD/PIK/0-92	8.4	4.6	4.6
CRP Idled	9.6	11.4	11.4
Program Planted	46.0	48.1	57.0
Non-Prog. Plant.	29.5	30.4	21.4
Planted Area	75.4	78.5	78.4
Harvested Area	64.2	66.6	66.3
<b>YIELD</b> (Bu./Ac.)			
Actual Yield	37.7	39.0	39.5
Program Yield	34.0	34.0	34.0
<b>SUPPLY</b> (Million Bushels)			
Beg. Stocks	2,973	3,184	3,319
Production	538	566	686
Imports	2,420	2,603	2,618
	15	15	15
<b>DOMESTIC USE</b>			
Feed, Residual	1,064	1,104	1,141
Seed	229	258	285
Food & Other	103	103	104
	733	743	753
<b>EXPORTS</b>			
	1,343	1,393	1,417
<b>TOTAL USE</b>			
	2,407	2,497	2,558
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	566	686	761
CCC Inventory	75	80	100
9-Month Loan	145	150	155
"Free" Stocks	23	30	32
	323	426	474
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	\$3.52	\$3.14	\$2.95
Loan Rate/bu.	\$2.06	\$2.29	\$2.31
Target Price/bu.	\$4.10	\$3.92	\$3.92
FOB Gulf Price/mt	\$157.82	\$141.23	\$133.11
Variable Cost/ac.	\$64.22	\$66.45	\$69.42
Variable Cost/bu.	\$1.70	\$1.70	\$1.76
Part. Returns/ac.	\$77.38	\$77.53	\$75.10
Non-Part. Returns	\$68.48	\$56.00	\$47.06

## Absolute differences from baseline.

Variable/Year	89/90	90/91	91/92
<b>PROGRAM</b>			
ARP Rate	0.00	0.00	0.00
PLD/PIK Rate	0.00	0.00	0.00
Partic. Rate	0.00	-0.02	-0.03
<b>AREA</b>			
Base Area	0.00	0.00	0.00
ARP/PLD/PIK/0-92	0.00	-0.09	-0.11
CRP Idled	0.00	0.00	0.00
Program Planted	0.00	-1.80	-2.07
Non-Prog. Plant.	0.00	1.77	1.98
Planted Area	0.00	-0.03	-0.08
Harvested Area	0.00	-0.03	-0.06
<b>YIELD</b>			
Actual Yield	0.00	-0.03	-0.02
Program Yield	0.00	0.00	0.00
<b>SUPPLY</b>			
Beg. Stocks	0.00	-2.11	-4.40
Production	0.00	0.60	-0.35
Imports	0.00	-2.71	-4.05
	0.00	0.00	0.00
<b>DOMESTIC USE</b>			
Feed, Residual	-0.13	-0.12	-0.17
Seed	-0.08	0.05	-0.08
Food & Other	-0.04	-0.11	-0.02
	-0.01	-0.07	-0.06
<b>EXPORTS</b>			
	-0.38	-1.65	-2.20
<b>TOTAL USE</b>			
	-0.52	-1.78	-2.36
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	0.60	-0.35	-1.57
CCC Inventory	0.00	0.00	0.00
9-Month Loan	0.00	0.00	0.00
"Free" Stocks	0.00	0.00	0.00
	0.60	-0.35	-1.57
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	0.00	0.02	0.02
Loan Rate/bu.	0.00	0.00	0.01
Target Price/bu.	0.00	-0.08	-0.08
FOB Gulf Price/mt	0.13	0.78	0.69
Variable Cost/ac.	0.00	0.00	0.00
Variable Cost/bu.	0.00	0.00	0.00
Part. Returns/ac.	0.01	-2.57	-2.57
Non-Part. Returns	0.11	0.62	0.56

04/03/89

## U.S. Corn Supply and Utilization-2% T.P. Reduction

Variable/Year	89/90	90/91	91/92
<b>PROGRAM</b> (Percent)			
ARP Rate	10.0%	10.0%	10.0%
PLD/PIK Rate	0.0%	0.0%	0.0%
Partic. Rate	73.2%	75.6%	74.6%
<b>AREA</b> (Million Acres)			
Base Area	82.3	81.2	81.2
ARP/PLD/PIK/0-92	7.3	6.9	6.6
CRP Idled	4.0	5.0	5.0
Program Planted	50.4	52.0	51.4
Non-Prog. Plant.	24.6	23.1	23.7
Planted Area	75.0	75.08	75.2
Harvested Area	67.3	67.4	67.6
<b>YIELD</b> (Bu./Ac.)			
Actual Yield	117.2	117.9	119.5
Program Yield	105.0	105.0	105.0
-----			
<b>SUPPLY</b> (Million Bushels)			
Beg. Stocks	1,575	1,638	1,690
Production	7,885	7,954	8,073
Imports	5	5	5
<b>DOMESTIC USE</b>			
Feed, Residual	4,699	4,795	4,832
Gasohol	346	374	398
Seed	18	19	18
Food & Other	929	944	956
<b>EXPORTS</b>			
	1,835	1,776	1,830
<b>TOTAL USE</b>			
	7,828	7,907	8,035
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	250	275	305
CCC Inventory	200	200	200
9-Month Loan	268	287	283
"Free" Stocks	920	928	945
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	\$2.14	\$2.01	\$2.01
Loan Rate/bu.	\$1.65	\$1.58	\$1.52
Target Price/bu.	\$2.84	\$2.70	\$2.70
FOB Gulf Price/mt	\$97.52	\$91.91	\$91.86
Variable Cost/ac.	\$157.81	\$163.00	\$170.01
Variable Cost/bu.	\$1.35	\$1.38	\$1.42
Part. Returns/ac.	\$147.94	\$129.39	\$125.87
Non-Part. Returns	\$93.31	\$74.17	\$70.16

## Absolute differences from baseline.

Variable/Year	89/90	90/91	91/92
<b>PROGRAM</b>			
ARP Rate	0.00	0.00	0.00
PLD/PIK Rate	0.00	0.00	0.00
Partic. Rate	0.00	-0.01	-0.02
<b>AREA</b>			
Base Area	0.00	0.00	0.00
ARP/PLD/PIK/0-92	0.00	-0.10	-0.14
CRP Idled	0.00	0.00	0.00
Program Planted	0.00	-0.88	-1.28
Non-Prog. Plant.	0.00	0.73	1.24
Planted Area	0.00	-0.16	-0.04
Harvested Area	0.00	-0.14	-0.04
<b>YIELD</b>			
Actual Yield	0.00	-0.35	-0.34
Program Yield	0.00	0.00	0.00
-----			
<b>SUPPLY</b>			
Beg. Stocks	0.00	1.96	-8.27
Production	0.00	-40.63	-28.04
Imports	0.00	0.00	0.00
<b>DOMESTIC USE</b>			
Feed, Residual	-0.68	-17.75	-12.32
Gasohol	-0.57	-15.86	-11.05
Seed	-0.03	-0.58	-0.39
Food & Other	-0.04	-0.01	0.03
<b>EXPORTS</b>			
	-0.04	-1.30	-0.91
<b>TOTAL USE</b>			
	-0.56	-12.56	-16.68
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	-0.56	-12.56	-16.68
CCC Inventory	-1.24	-30.31	-29.00
9-Month Loan	1.96	-8.27	-7.16
"Free" Stocks	0.00	0.00	0.00
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	0.00	0.04	0.03
Loan Rate/bu.	0.00	0.00	0.01
Target Price/bu.	0.00	-0.06	-0.06
FOB Gulf Price/mt	0.09	1.84	1.29
Variable Cost/ac.	0.00	0.00	0.00
Variable Cost/bu.	0.00	0.00	0.00
Part. Returns/ac.	0.02	-5.32	-5.42
Non-Part. Returns	0.23	4.38	2.90

04/03/89

## U.S. Soybeans Supply and Utilization-2% T.P. Reduction

Variable/Year	89/90	90/91	91/92
<b>AREA</b>			
	(Million Acres)		
CRP Idled	3.9	4.7	4.7
Planted Area	61.6	59.2	58.6
Harvested Area	60.2	57.8	57.1
<b>YIELD (bu./ac.)</b>	<b>33.7</b>	<b>34.2</b>	<b>34.6</b>
-----			
	(Million Bushels)		
<b>SUPPLY</b>	<b>2,163</b>	<b>2,263</b>	<b>2,282</b>
Beg. Stocks	137	287	306
Production	2,027	1,975	1,977
Imports	0	0	0
<b>DOMESTIC USE</b>	<b>1,242</b>	<b>1,298</b>	<b>1,322</b>
Crush	1,146	1,200	1,222
Seed, Residual	96	97	100
<b>EXPORTS</b>	<b>633</b>	<b>659</b>	<b>679</b>
<b>TOTAL USE</b>	<b>1,876</b>	<b>1,957</b>	<b>2,001</b>
<b>ENDING STOCKS</b>	<b>287</b>	<b>306</b>	<b>281</b>
CCC Inventory	0	0	0
"Free" Stocks	287	306	281
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	\$5.84	\$5.17	\$5.89
Loan Rate/bu.	\$4.53	\$4.50	\$4.50
FOB Gulf Price/mt	\$232.04	\$206.68	\$233.93
Bean/Corn Ratio	2.73	2.57	2.93
Variable Cost/ac.	\$74.73	\$77.11	\$80.29
Variable Cost/bu.	\$2.22	\$2.26	\$2.32
Net Returns	\$121.86	\$99.57	\$123.47
-----			
Meal Price/ton	\$182.86	\$166.59	\$182.55
Oil Price/cwt	\$22.80	\$18.15	\$20.40
Crush. Margin/bu.	\$1.02	\$0.79	\$0.70

## Absolute differences from baseline.

Variable/Year	89/90	90/91	91/92
<b>AREA</b>			
CRP Idled	0.00	0.00	0.00
Planted Area	0.00	0.31	0.05
Harvested Area	0.00	0.30	0.04
<b>YIELD (bu./ac.)</b>	<b>0.00</b>	<b>-0.02</b>	<b>-0.00</b>
-----			
<b>SUPPLY</b>	<b>0.00</b>	<b>8.85</b>	<b>6.30</b>
Beg. Stocks	0.00	-0.62	4.94
Production	0.00	9.46	1.36
Imports	0.00	0.00	0.00
<b>DOMESTIC USE</b>	<b>0.14</b>	<b>2.27</b>	<b>1.94</b>
Crush	-0.03	2.24	2.08
Seed, Residual	-0.17	0.03	-0.14
<b>EXPORTS</b>	<b>-0.02</b>	<b>0.88</b>	<b>1.54</b>
<b>TOTAL USE</b>	<b>0.12</b>	<b>3.15</b>	<b>3.48</b>
<b>ENDING STOCKS</b>	<b>-0.62</b>	<b>4.94</b>	<b>2.79</b>
CCC Inventory	0.00	0.00	0.00
"Free" Stocks	-0.62	4.94	2.79
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	0.00	-0.10	-0.07
Loan Rate/bu.	0.00	0.00	0.00
FOB Gulf Price/mt	0.00	-3.78	-2.65
Bean/Corn Ratio	-0.00	-0.11	-0.08
Variable Cost/ac.	0.00	0.00	0.00
Variable Cost/bu.	0.00	0.00	0.00
Net Returns	0.00	-3.50	-2.44
-----			
Meal Price/ton	0.04	-2.15	-1.48
Oil Price/cwt	-0.01	-0.31	-0.27
Crush. Margin/bu.	-0.00	0.01	0.01

04/03/89

## U.S. Wheat Supply and Utilization-5% T.P. Reduction

Variable/Year	89/90	90/91	91/92
<b>PROGRAM</b> (Percent)			
ARP Rate	10.0%	5.0%	5.0%
PLD/PIK Rate	0.0%	0.0%	0.0%
Partic. Rate	67.3%	63.4%	73.7%
<b>AREA</b> (Million Acres)			
Base Area	83.3	81.4	81.4
ARP/PLD/PIK/0-92	8.4	4.5	4.4
CRP Idled	9.6	11.4	11.4
Program Planted	46.0	45.5	53.9
Non-Prog. Plant.	29.5	33.0	24.3
Planted Area	75.4	78.5	78.3
Harvested Area	64.2	66.6	66.2
<b>YIELD</b> (Bu./Ac.)			
Actual Yield	37.7	39.0	39.5
Program Yield	34.0	34.0	34.0
<b>SUPPLY</b> (Million Bushels)			
Beg. Stocks	2,973	3,180	3,313
Production	538	567	686
Imports	2,420	2,598	2,612
	15	15	15
<b>DOMESTIC USE</b>			
Feed, Residual	1,064	1,104	1,141
Seed	229	258	285
Food & Other	103	103	103
	733	743	753
<b>EXPORTS</b>			
	1,342	1,391	1,413
<b>TOTAL USE</b>			
	2,406	2,494	2,554
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	567	686	759
CCC Inventory	75	80	100
9-Month Loan	145	150	155
"Free" Stocks	23	30	32
	324	426	472
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	\$3.52	\$3.16	\$2.97
Loan Rate/bu.	\$2.06	\$2.29	\$2.31
Target Price/bu.	\$4.10	\$3.80	\$3.80
FOB Gulf Price/mt	\$157.95	\$142.27	\$134.23
Variable Cost/ac.	\$64.22	\$66.45	\$69.42
Variable Cost/bu.	\$1.70	\$1.70	\$1.76
Part. Returns/ac.	\$77.39	\$73.65	\$71.25
Non-Part. Returns	\$68.59	\$56.82	\$47.97

## Absolute Differences from baseline

Variable/Year	89/90	90/91	91/92
<b>PROGRAM</b>			
ARP Rate	0.00	0.00	0.00
PLD/PIK Rate	0.00	0.00	0.00
Partic. Rate	0.00	-0.06	-0.07
<b>AREA</b>			
Base Area	0.00	0.00	0.00
ARP/PLD/PIK/0-92	0.00	-0.23	-0.27
CRP Idled	0.00	0.00	0.00
Program Planted	0.00	-4.46	-5.10
Non-Prog. Plant.	0.00	4.38	4.89
Planted Area	0.00	-0.09	-0.21
Harvested Area	0.00	-0.07	-0.15
<b>YIELD</b>			
Actual Yield	0.00	-0.06	-0.06
Program Yield	0.00	0.00	0.00
<b>SUPPLY</b>			
Beg. Stocks	0.00	-5.30	-10.92
Production	0.00	1.61	-0.74
Imports	0.00	-6.91	-10.18
	0.00	0.00	0.00
<b>DOMESTIC USE</b>			
Feed, Residual	-0.31	-0.26	-0.43
Seed	-0.17	0.17	-0.22
Food & Other	-0.12	-0.28	-0.06
	-0.02	-0.15	-0.15
<b>EXPORTS</b>			
	-0.81	-4.19	-6.14
<b>TOTAL USE</b>			
	-1.13	-4.45	-6.57
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	1.61	-0.74	-4.03
CCC Inventory	0.00	0.00	0.00
9-Month Loan	0.00	0.00	0.00
"Free" Stocks	0.00	0.00	0.00
	1.61	-0.74	-4.03
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	0.01	0.04	0.04
Loan Rate/bu.	0.00	0.00	0.01
Target Price/bu.	0.00	-0.20	-0.20
FOB Gulf Price/mt	0.26	1.81	1.81
Variable Cost/ac.	0.00	0.00	0.00
Variable Cost/bu.	0.00	0.00	0.00
Part. Returns/ac.	0.02	-6.45	-6.41
Non-Part. Returns	0.23	1.44	1.48

04/03/89

## U.S. Corn Supply and Utilization-5% T.P. Reduction

Variable/Year	89/90	90/91	91/92
<b>PROGRAM</b> (Percent)			
ARP Rate	10.0%	10.0%	10.0%
PLD/PIK Rate	0.0%	0.0%	0.0%
Partic. Rate	73.2%	73.6%	71.8%
<b>AREA</b> (Million Acres)			
Base Area	82.3	81.2	81.2
ARP/PLD/PIK/0-92	7.3	6.7	6.4
CRP Idled.	4.0	5.0	5.0
Program Planted	50.4	50.5	49.4
Non-Prog. Plant.	24.6	24.4	25.7
Planted Area	75.0	74.85	75.1
Harvested Area	67.3	67.2	67.5
<b>YIELD</b> (Bu./Ac.)			
Actual Yield	117.2	117.3	118.9
Program Yield	105.0	105.0	105.0
-----			
<b>SUPPLY</b> (Million Bushels)			
Beg. Stocks	1,575	1,639	1,669
Production	7,885	7,888	8,026
Imports	5	5	5
<b>DOMESTIC USE</b>			
Feed, Residual	4,699	4,772	4,815
Gasohol	346	373	398
Seed	18	19	18
Food & Other	929	942	955
<b>EXPORTS</b>			
	1,834	1,758	1,803
<b>TOTAL USE</b>			
	7,827	7,863	7,989
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	250	275	305
CCC Inventory	200	200	200
9-Month Loan	264	274	268
"Free" Stocks	925	920	937
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	\$2.14	\$2.07	\$2.06
Loan Rate/bu.	\$1.65	\$1.58	\$1.54
Target Price/bu.	\$2.84	\$2.60	\$2.60
FOB Gulf Price/mt	\$97.56	\$94.48	\$93.96
Variable Cost/ac.	\$157.81	\$163.00	\$170.01
Variable Cost/bu.	\$1.35	\$1.39	\$1.43
Part. Returns/ac.	\$147.95	\$119.98	\$116.44
Non-Part. Returns	\$93.43	\$79.99	\$74.79

## Absolute Differences from baseline

Variable/Year	89/90	90/91	91/92
<b>PROGRAM</b>			
ARP Rate	0.00	0.00	0.00
PLD/PIK Rate	0.00	0.00	0.00
Partic. Rate	0.00	-0.03	-0.05
<b>AREA</b>			
Base Area	0.00	0.00	0.00
ARP/PLD/PIK/0-92	0.00	-0.26	-0.37
CRP Idled	0.00	0.00	0.00
Program Planted	0.00	-2.36	-3.30
Non-Prog. Plant.	0.00	1.98	3.20
Planted Area	0.00	-0.38	-0.09
Harvested Area	0.00	-0.35	-0.10
<b>YIELD</b>			
Actual Yield	0.00	-0.96	-0.94
Program Yield	0.00	0.00	0.00
-----			
<b>SUPPLY</b>			
Beg. Stocks	0.00	-103.57	-104.43
Production	0.00	2.57	-29.65
Imports	0.00	-106.14	-74.77
<b>DOMESTIC USE</b>			
Feed, Residual	-1.30	-43.26	-31.99
Gasohol	-1.11	-38.74	-28.65
Seed	-0.04	-1.39	-1.03
Food & Other	-0.11	-0.03	0.07
<b>EXPORTS</b>			
	-0.04	-3.11	-2.38
<b>TOTAL USE</b>			
	-0.84	-30.67	-43.24
<b>ENDING STOCKS</b>			
FOR, Spec. Prg.	-2.14	-73.93	-75.22
CCC Inventory	2.57	-29.65	-29.28
9-Month Loan	0.00	0.00	0.00
"Free" Stocks	0.00	0.00	0.00
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	0.00	4.41	3.38
Loan Rate/bu.	0.00	0.00	0.03
Target Price/bu.	0.00	-0.15	-0.15
FOB Gulf Price/mt	0.13	4.41	3.38
Variable Cost/ac.	0.00	0.00	0.00
Variable Cost/bu.	0.00	0.01	0.01
Part. Returns/ac.	0.03	-14.73	-14.86
Non-Part. Returns	0.35	10.19	7.54



04/03/89

## U.S. Soybeans Supply and Utilization-5% T.P. Reduction

Variable/Year	89/90	90/91	91/92
<b>AREA</b>			
	(Million Acres)		
CRP Idled	3.9	4.7	4.7
Planted Area	61.6	59.7	58.6
Harvested Area	60.2	58.3	57.2
<b>YIELD (bu./ac.)</b>	<b>33.7</b>	<b>34.1</b>	<b>34.6</b>
-----			
	(Million Bushels)		
<b>SUPPLY</b>	<b>2,163</b>	<b>2,277</b>	<b>2,292</b>
Beg. Stocks	137	287	314
Production	2,027	1,990	1,978
Imports	0	0	0
<b>DOMESTIC USE</b>	<b>1,243</b>	<b>1,302</b>	<b>1,325</b>
Crush	1,146	1,204	1,225
Seed, Residual	97	97	99
<b>EXPORTS</b>	<b>634</b>	<b>661</b>	<b>681</b>
<b>TOTAL USE</b>	<b>1,876</b>	<b>1,962</b>	<b>2,006</b>
<b>ENDING STOCKS</b>	<b>287</b>	<b>314</b>	<b>285</b>
CCC Inventory	0	0	0
"Free" Stocks	287	314	285
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	\$5.83	\$4.99	\$5.79
Loan Rate/bu.	\$4.53	\$4.50	\$4.50
FOB Gulf Price/mt	\$231.66	\$199.87	\$230.15
Bean/Corn Ratio	2.72	2.41	2.81
Variable Cost/ac.	\$74.73	\$77.11	\$80.29
Variable Cost/bu.	\$2.22	\$2.26	\$2.32
Net Returns	\$121.52	\$93.29	\$120.00
-----			
Meal Price/ton	\$182.72	\$162.61	\$180.46
Oil Price/cwt	\$22.75	\$17.60	\$20.00
Crush. Margin/bu.	\$1.02	\$0.82	\$0.71

## Absolute Differences from baseline

Variable/Year	89/90	90/91	91/92
<b>AREA</b>			
CRP Idled	0.00	0.00	0.00
Planted Area	0.00	0.79	0.10
Harvested Area	0.00	0.77	0.08
<b>YIELD (bu./ac.)</b>	<b>0.00</b>	<b>-0.04</b>	<b>-0.01</b>
-----			
<b>SUPPLY</b>	<b>0.00</b>	<b>22.63</b>	<b>15.79</b>
Beg. Stocks	0.00	-1.26	13.31
Production	0.00	23.89	2.48
Imports	0.00	0.00	0.00
<b>DOMESTIC USE</b>	<b>0.54</b>	<b>6.33</b>	<b>4.95</b>
Crush	0.12	6.28	5.32
Seed, Residual	0.42	0.05	-0.37
<b>EXPORTS</b>	<b>0.03</b>	<b>2.55</b>	<b>4.16</b>
<b>TOTAL USE</b>	<b>0.57</b>	<b>8.88</b>	<b>9.11</b>
<b>ENDING STOCKS</b>	<b>-1.26</b>	<b>13.31</b>	<b>6.66</b>
CCC Inventory	0.00	0.00	0.00
"Free" Stocks	-1.26	13.31	6.66
<b>PRICES &amp; RETURNS</b>			
Farm Price/bu.	-0.01	-0.28	-0.17
Loan Rate/bu.	0.00	0.00	0.00
FOB Gulf Price/mt	-0.38	-10.60	-6.43
Bean/Corn Ratio	-0.01	-0.27	-0.20
Variable Cost/ac.	0.00	0.00	0.00
Variable Cost/bu.	0.00	0.00	0.00
Net Returns	-0.34	-9.78	-5.91
-----			
Meal Price/ton	-0.10	-6.13	-3.57
Oil Price/cwt	-0.06	-0.86	-0.67
Crush. Margin/bu.	0.00	0.04	0.01