



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*



United States Department of Agriculture, Economic Research Service

USDA Grains and Oilseeds Outlook Agricultural Outlook Forum 2014

Mark S. Ash

U.S. Department of Agriculture
Economic Research Service

202-694-5289

mash@ers.usda.gov

USDA ECONOMIST

THIS YEAR THE ECONOMY WILL COLLAPSE AND THE WORLD WILL PLUNGE INTO DARKNESS.



www.dillbeart.com scottadams@aol.com
4-4-07 © 2007 Scott Adams, Inc./Dist. by UFS, Inc.

PLEASE NEVER TALK AGAIN.

I GET THAT A LOT LATELY.



The tightening trend for global ending stocks may have bottomed out

Percent stocks/use

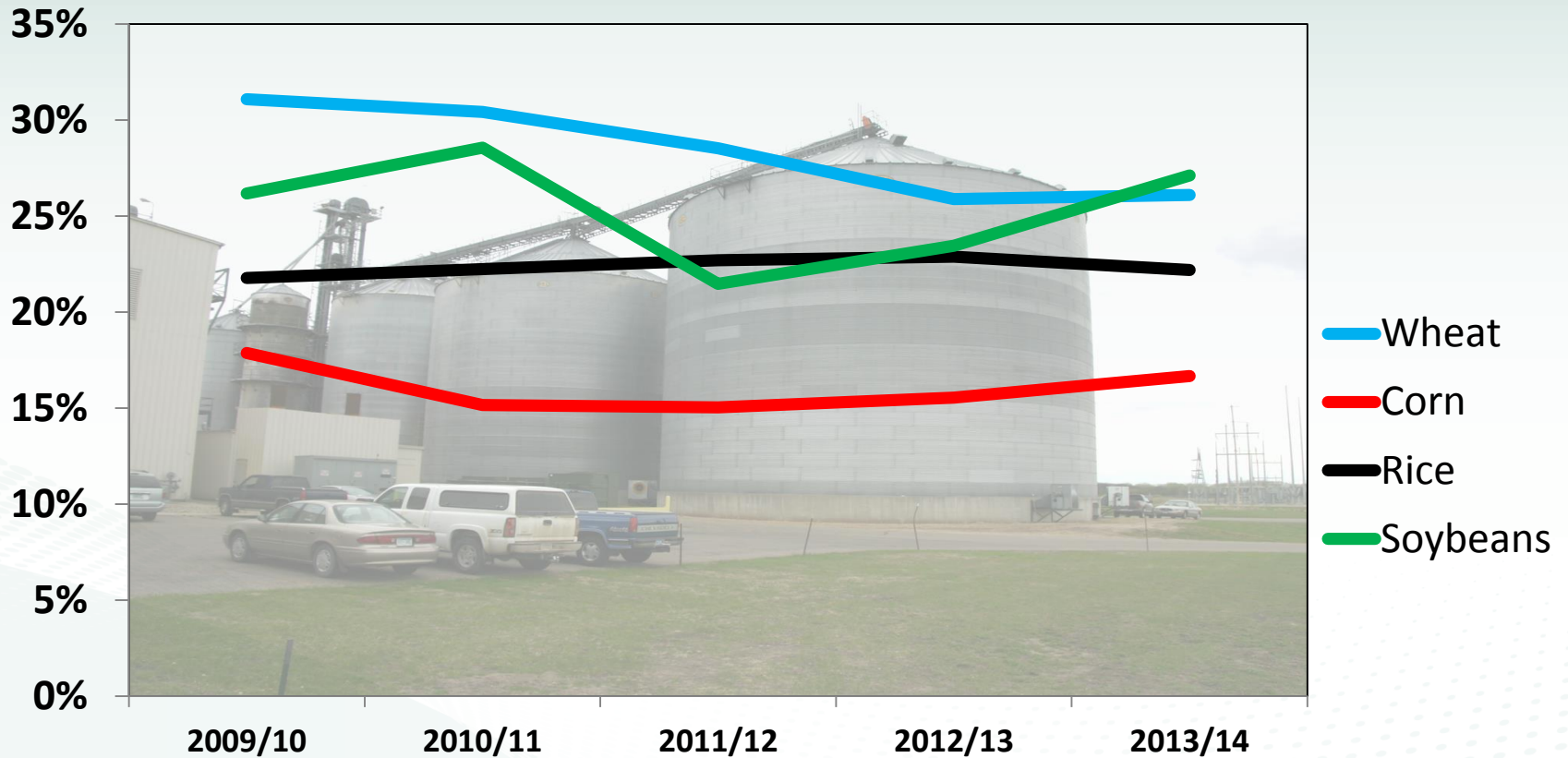


Photo courtesy of USDA-FSA



United States Department of Agriculture, Economic Research Service

Planted acreage for major crops will stay high

Million acres

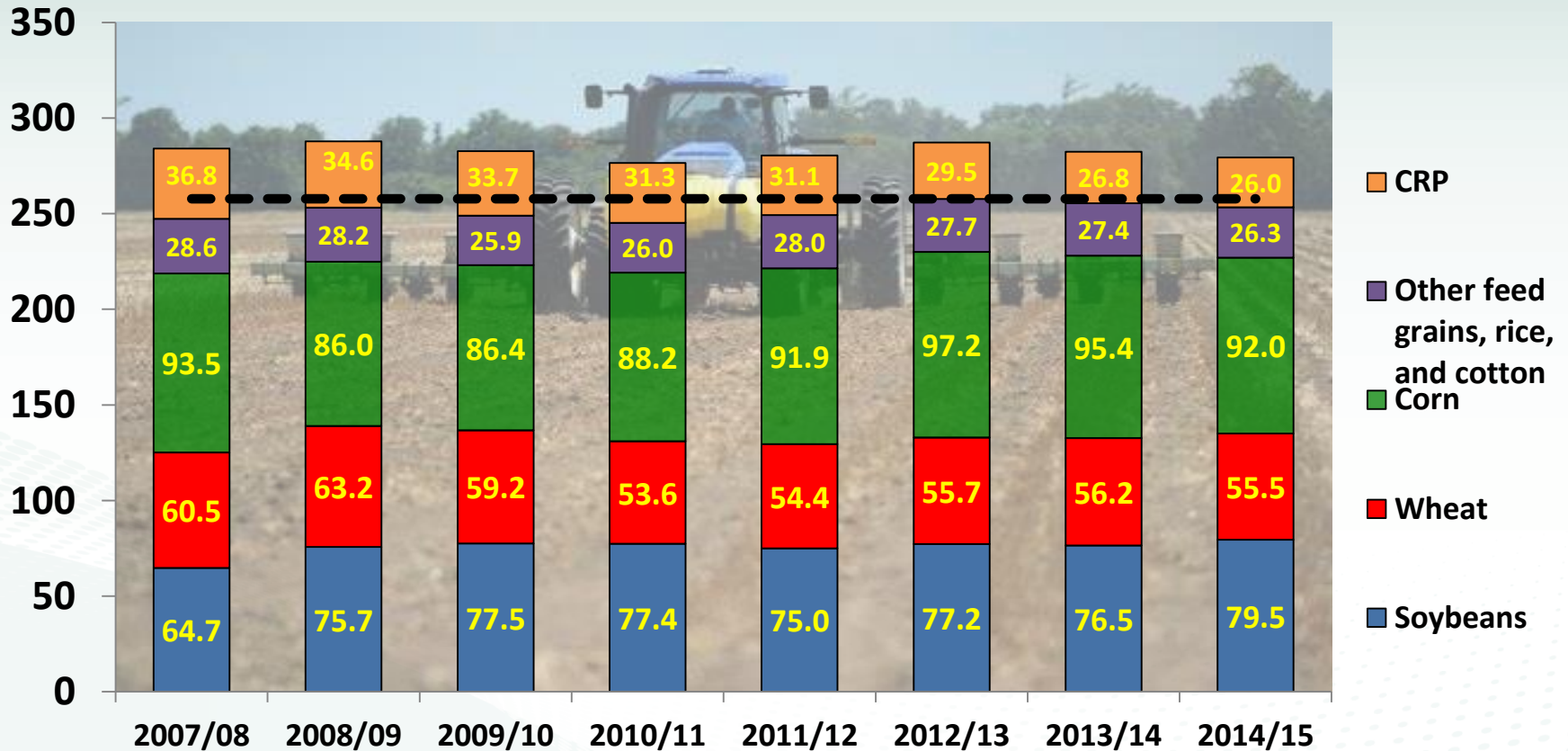


Photo courtesy of USDA-NRCS



United States Department of Agriculture, Economic Research Service

With trend yields, U.S. producer prices could fall to a 5-year low

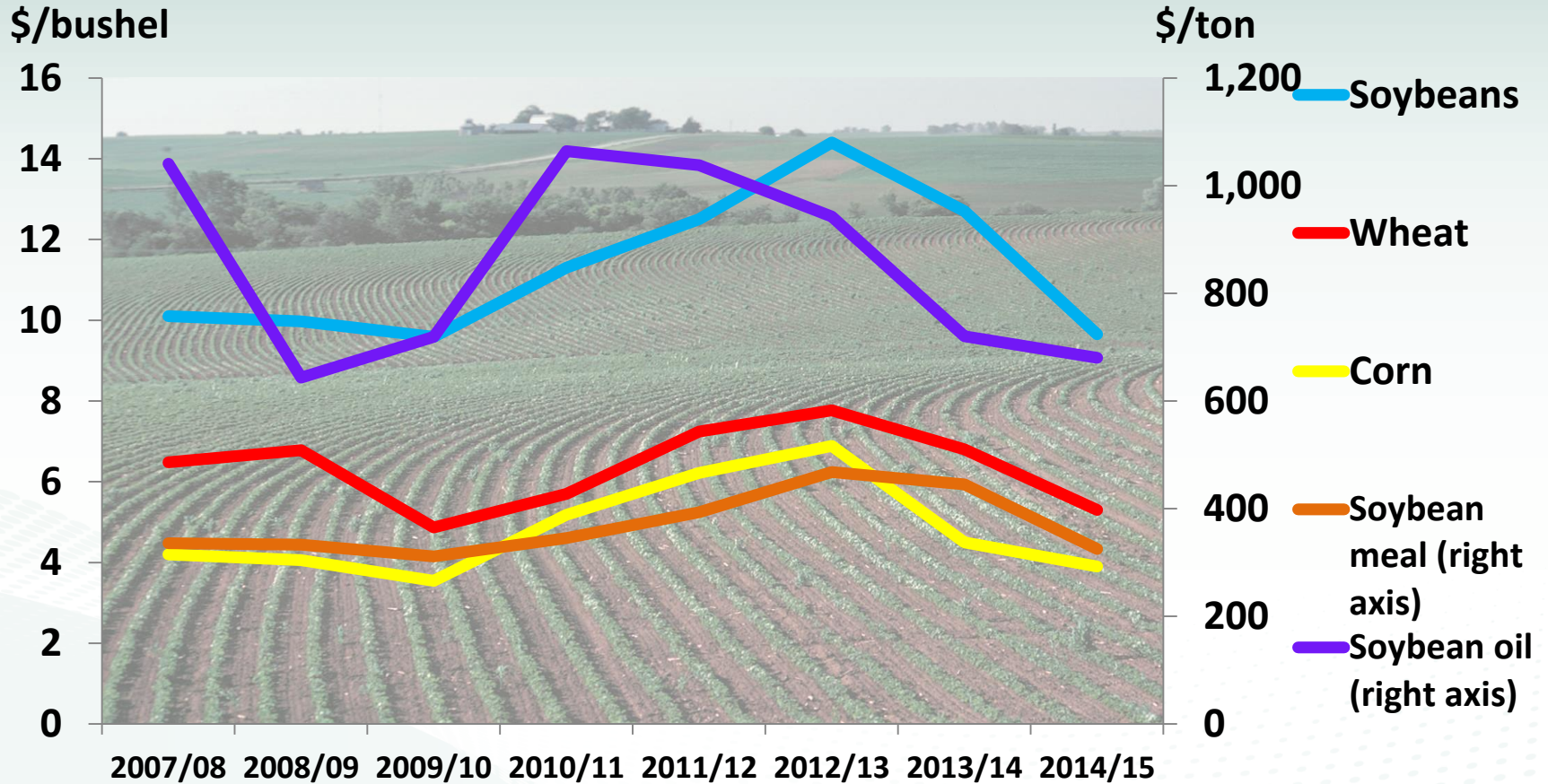


Photo courtesy of USDA-NRCS



United States Department of Agriculture, Economic Research Service

Record high corn yields anticipated this year

Bushels/acre

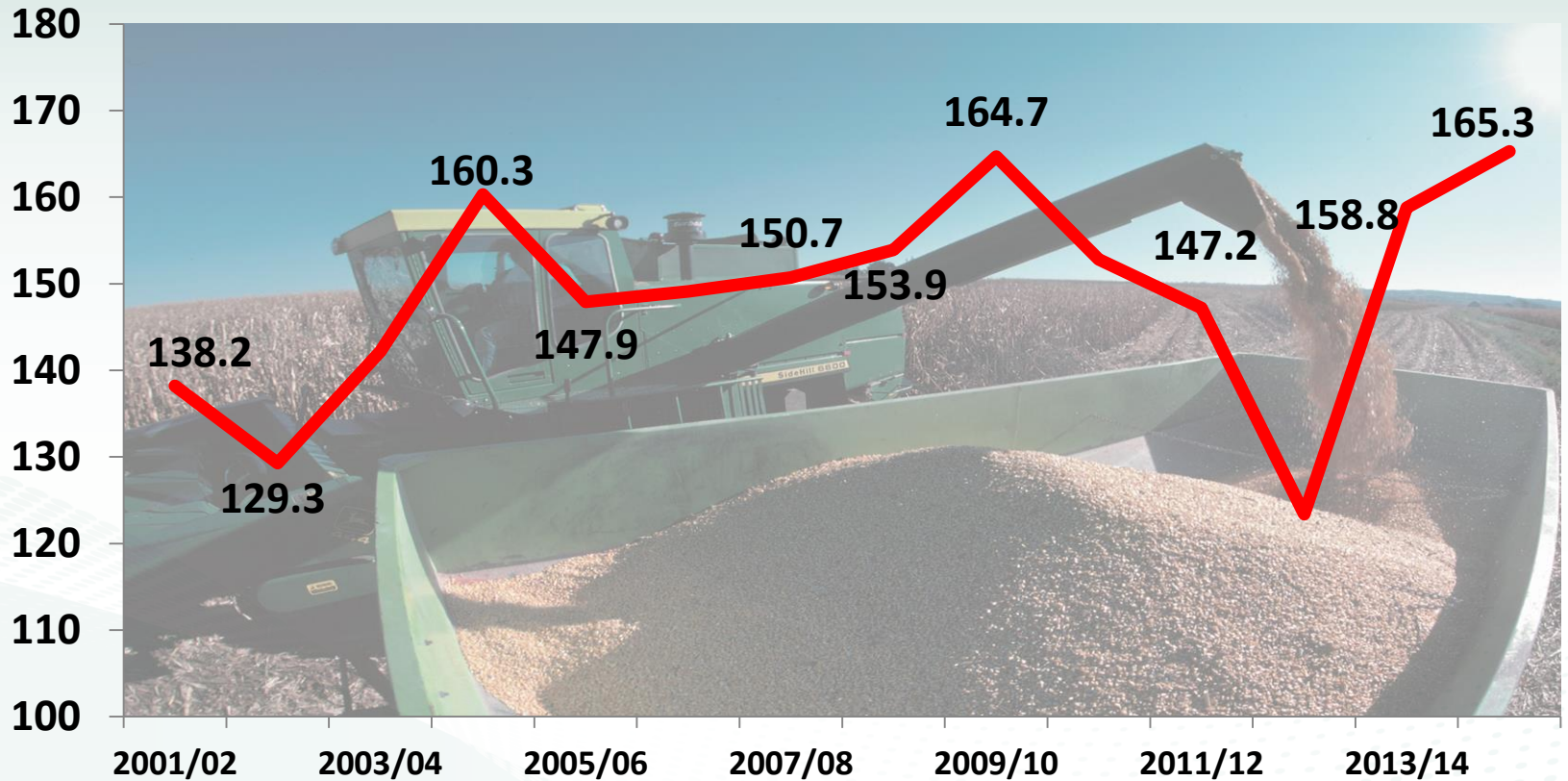


Photo courtesy of USDA-NRCS



United States Department of Agriculture, Economic Research Service

Steady expansion in U.S. corn supplies seen

Billion bushels

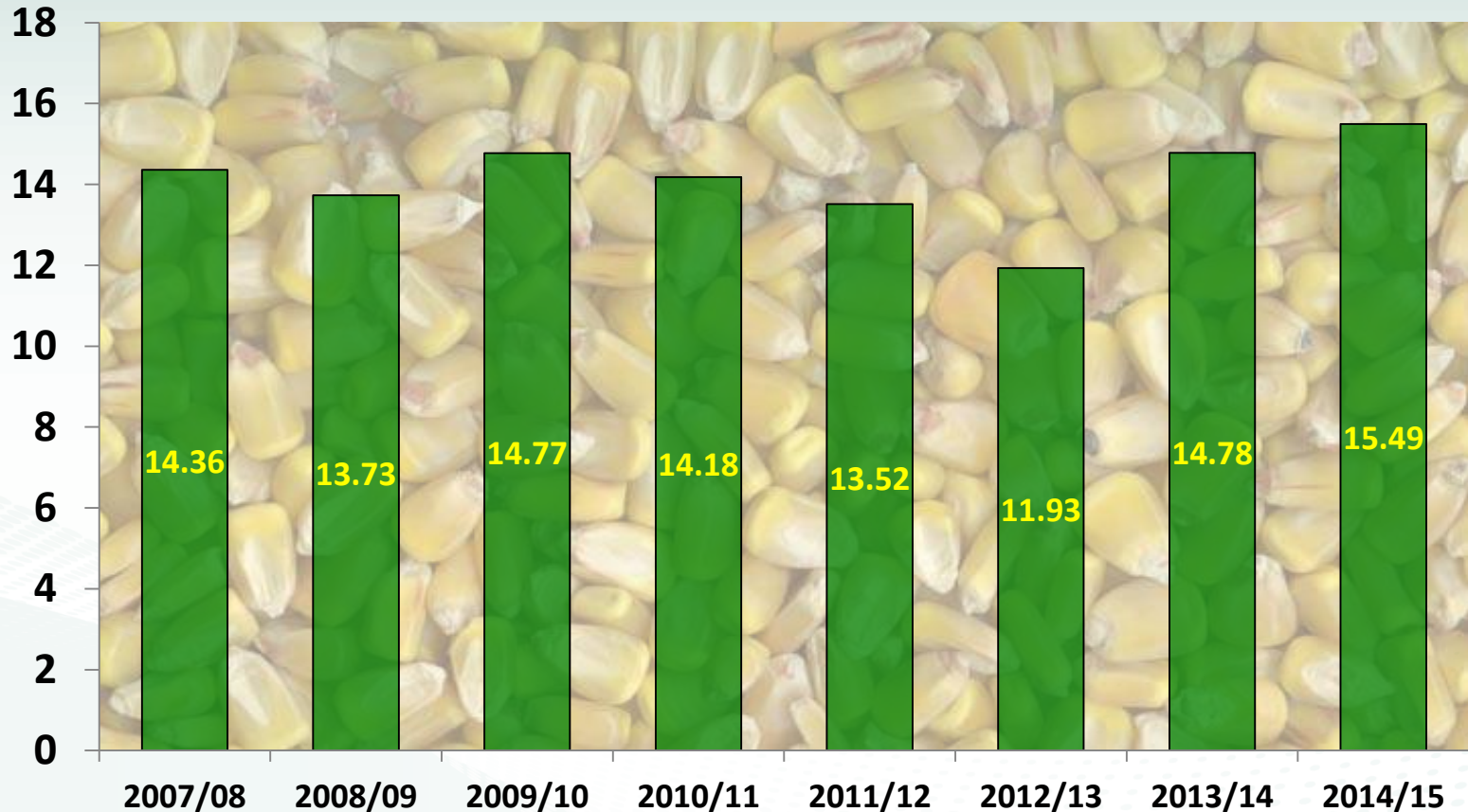
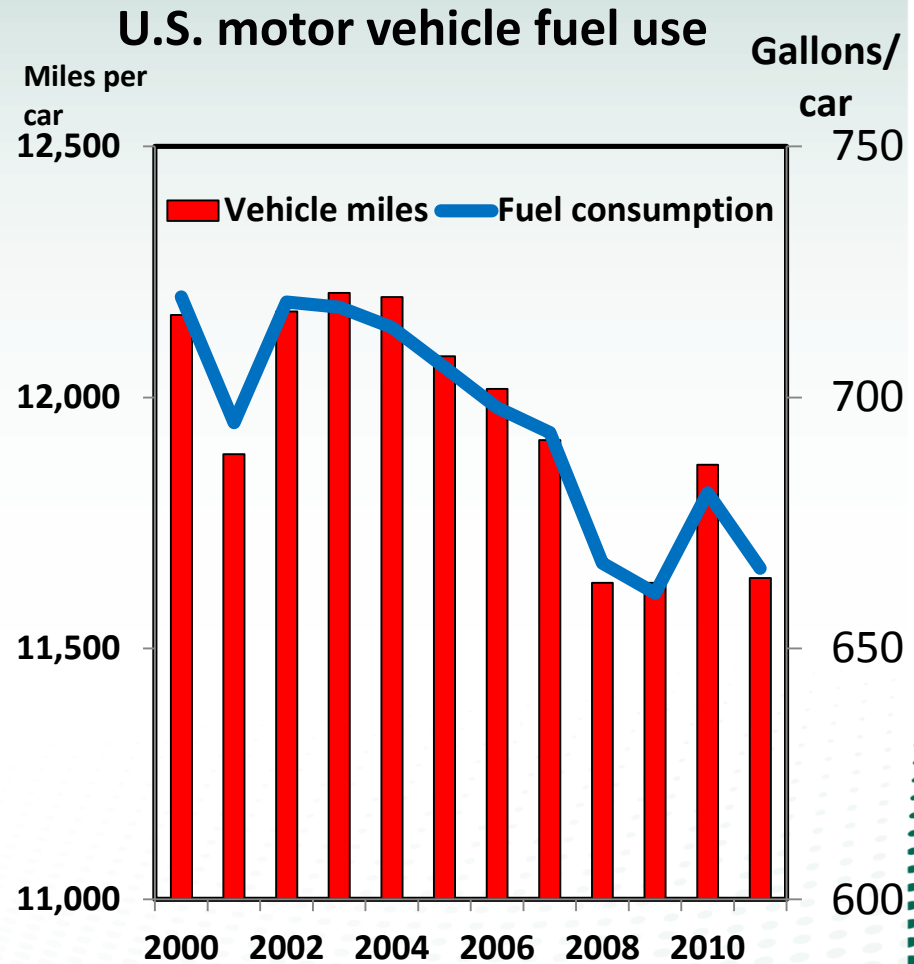
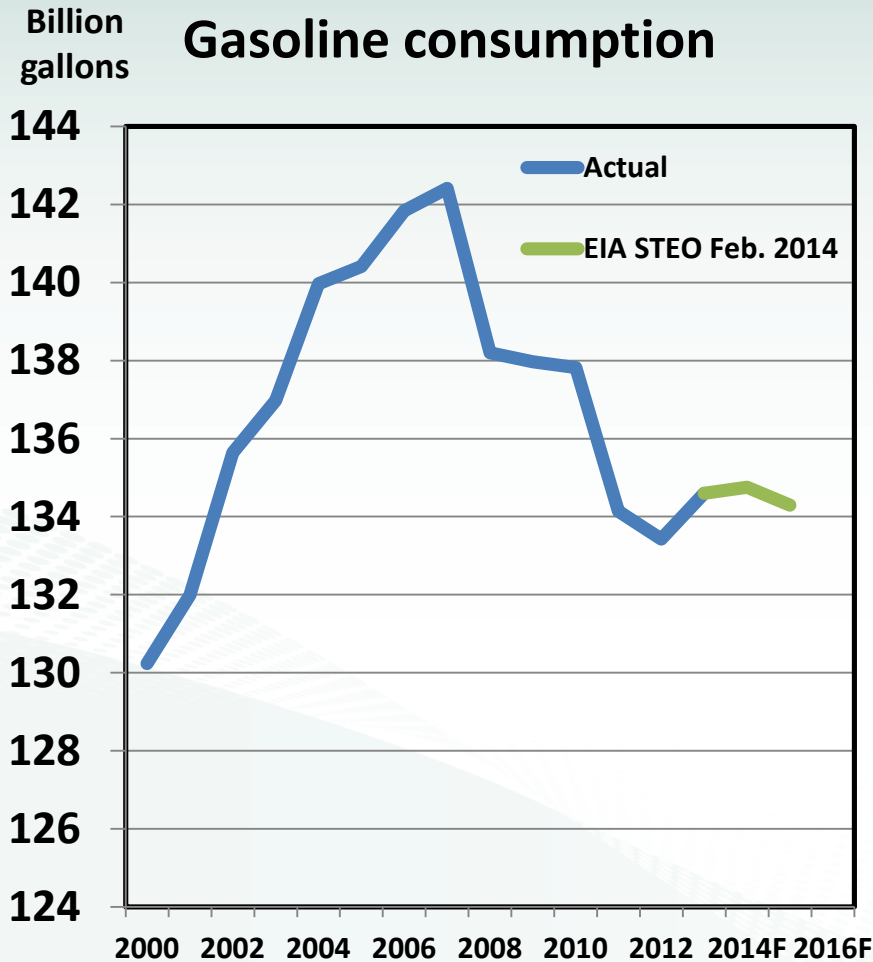


Photo courtesy of USDA-GIPSA



United States Department of Agriculture, Economic Research Service

U.S. gasoline consumption has declined with fewer miles driven, higher fuel economy



Blending of ethanol nears its maximum potential



Photo courtesy of USDA-ARS



United States Department of Agriculture, Economic Research Service

Corn ethanol demand has slowed

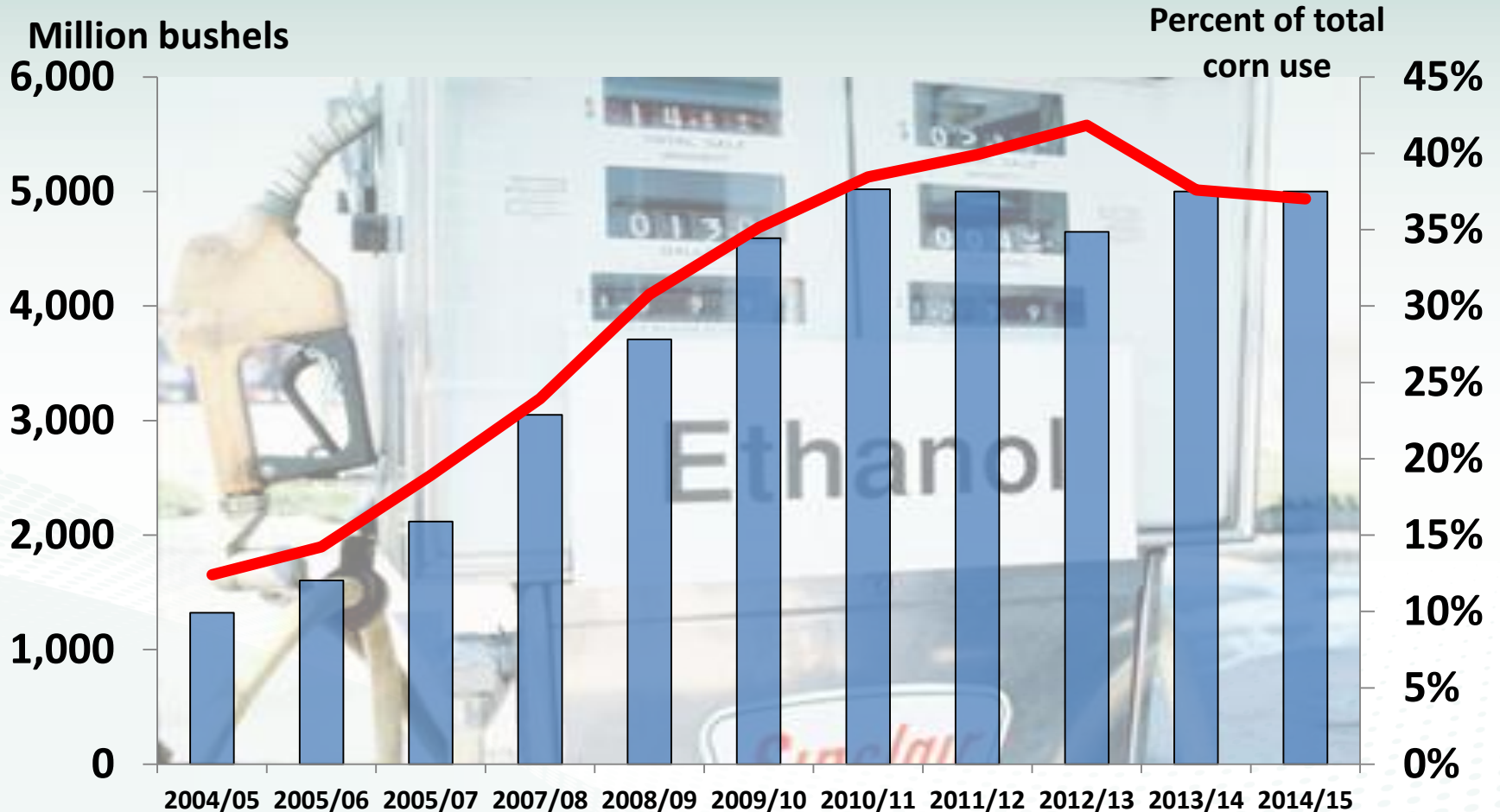
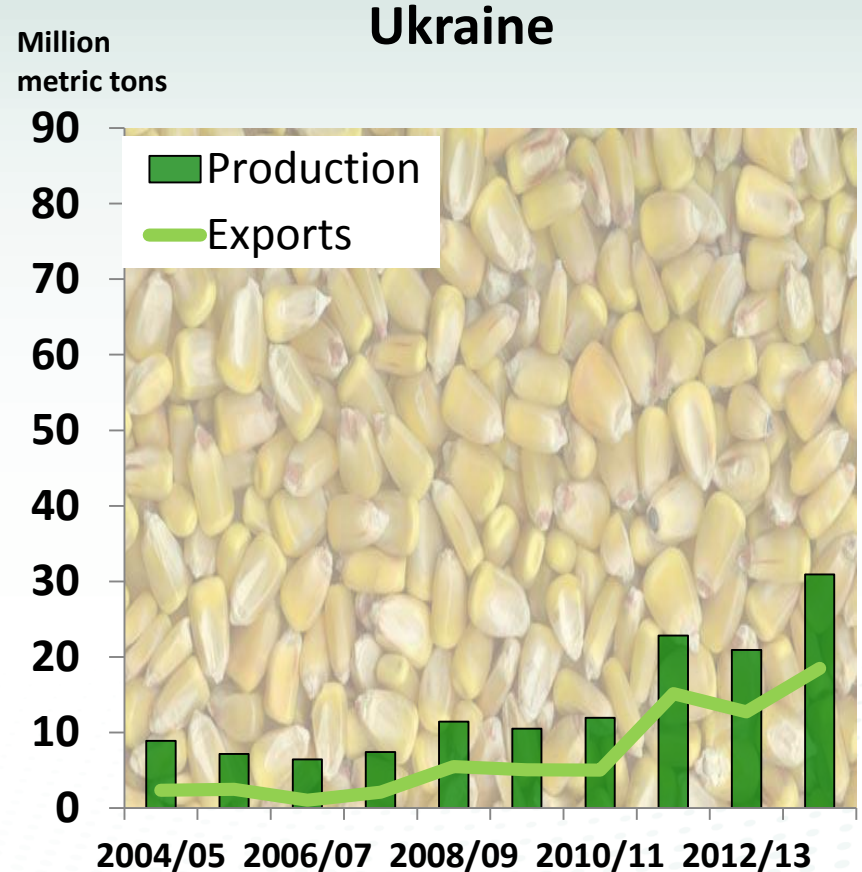
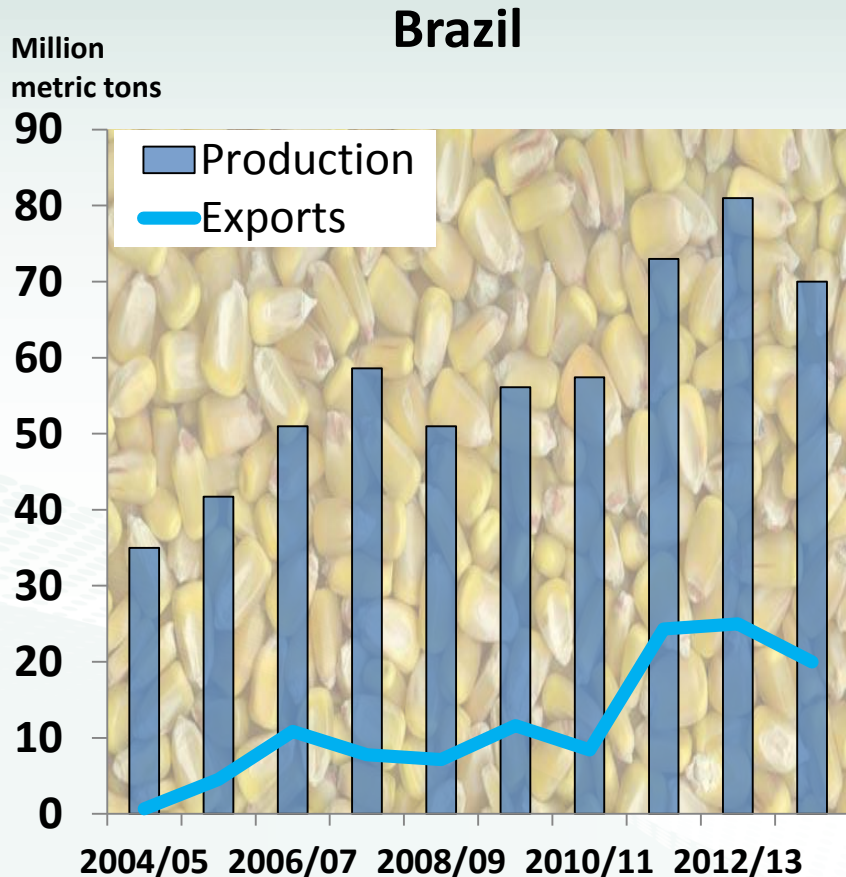


Photo courtesy of USDA-ARS



United States Department of Agriculture, Economic Research Service

Export competition in corn strengthens with rapid output gains by Brazil and Ukraine



2014 Corn Outlook

Prices pressured by
record harvest,
minimal demand
gains



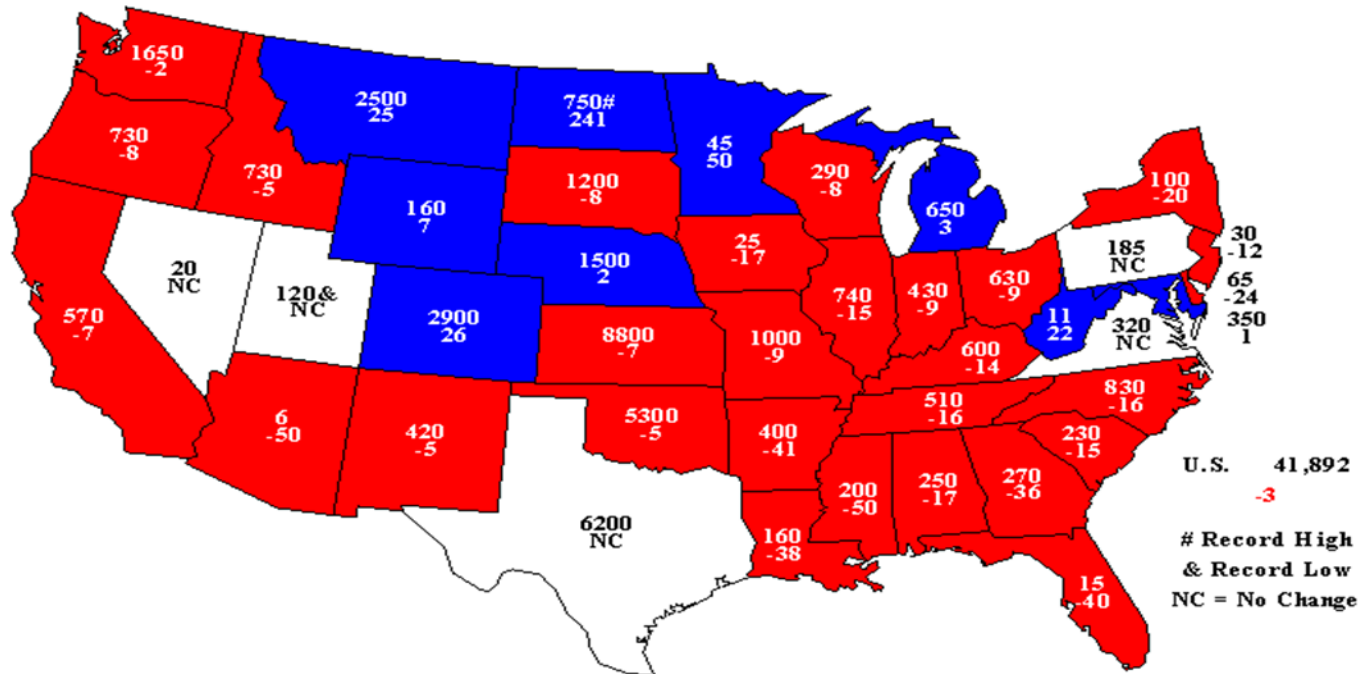
	2012/13	2013/14	2014/15
	Million acres		
Area planted	97.2	95.4	92.0
Area harvested	87.4	87.7	84.6
Yield (Bu./acre)	123.4	158.8	165.3
	Million bushels		
Beginning stocks	989	821	1,481
Production	10,780	13,925	13,985
Imports	162	35	25
Total supply	11,932	14,781	15,491
Feed & residual	4,335	5,300	5,400
Food, seed, industrial	6,044	6,400	6,430
Ethanol	4,648	5,000	5,000
Exports	731	1,600	1,550
Total use	11,111	13,300	13,380
Ending stocks	821	1,481	2,111
Ave farm price \$/bu.	6.89	4.50	3.90



2014 Winter Wheat Acreage is Down 3 Percent



Winter Wheat Planted, 2014 Acres(000) and Percent Change From Previous Year



USDA-NASS
01-10-14



U.S. wheat demand seen lower with declining exports

Million bushels

3,000

2,500

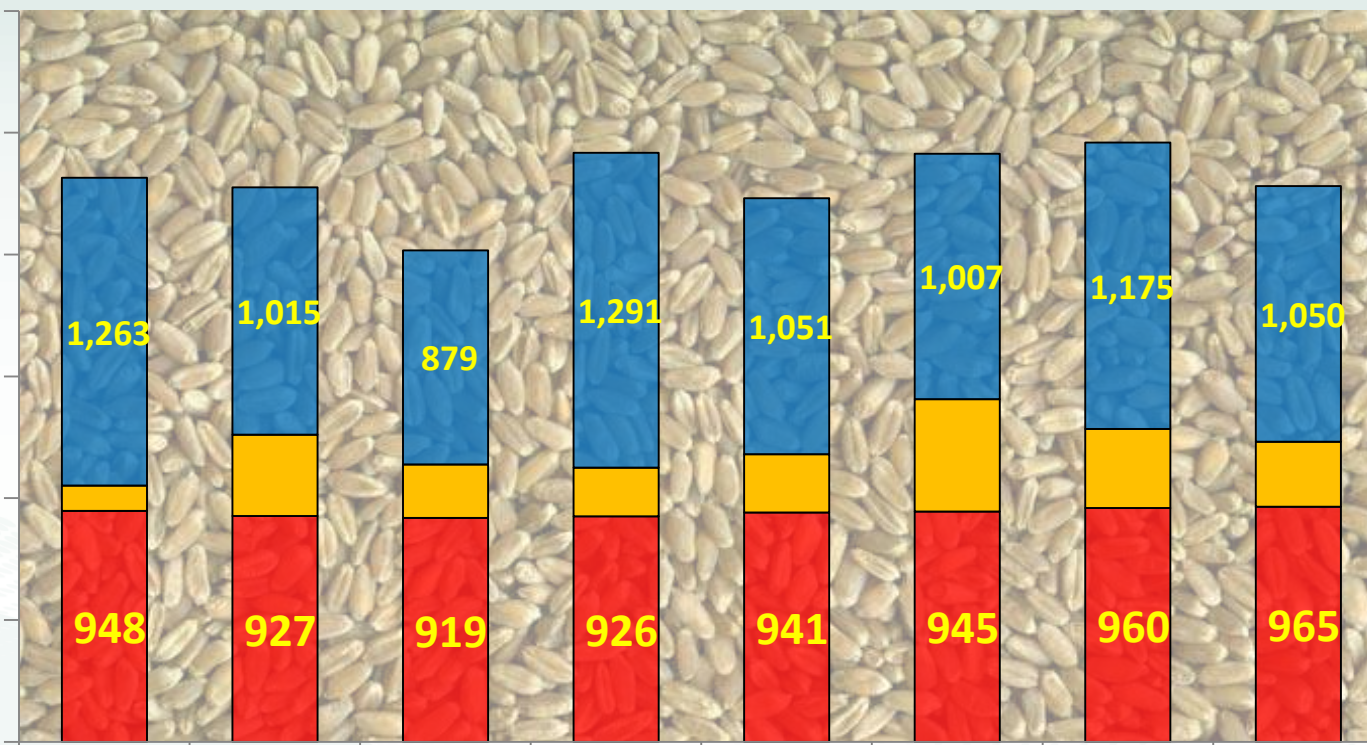
2,000

1,500

1,000

500

0



Exports

Feed, seed, residual

Food

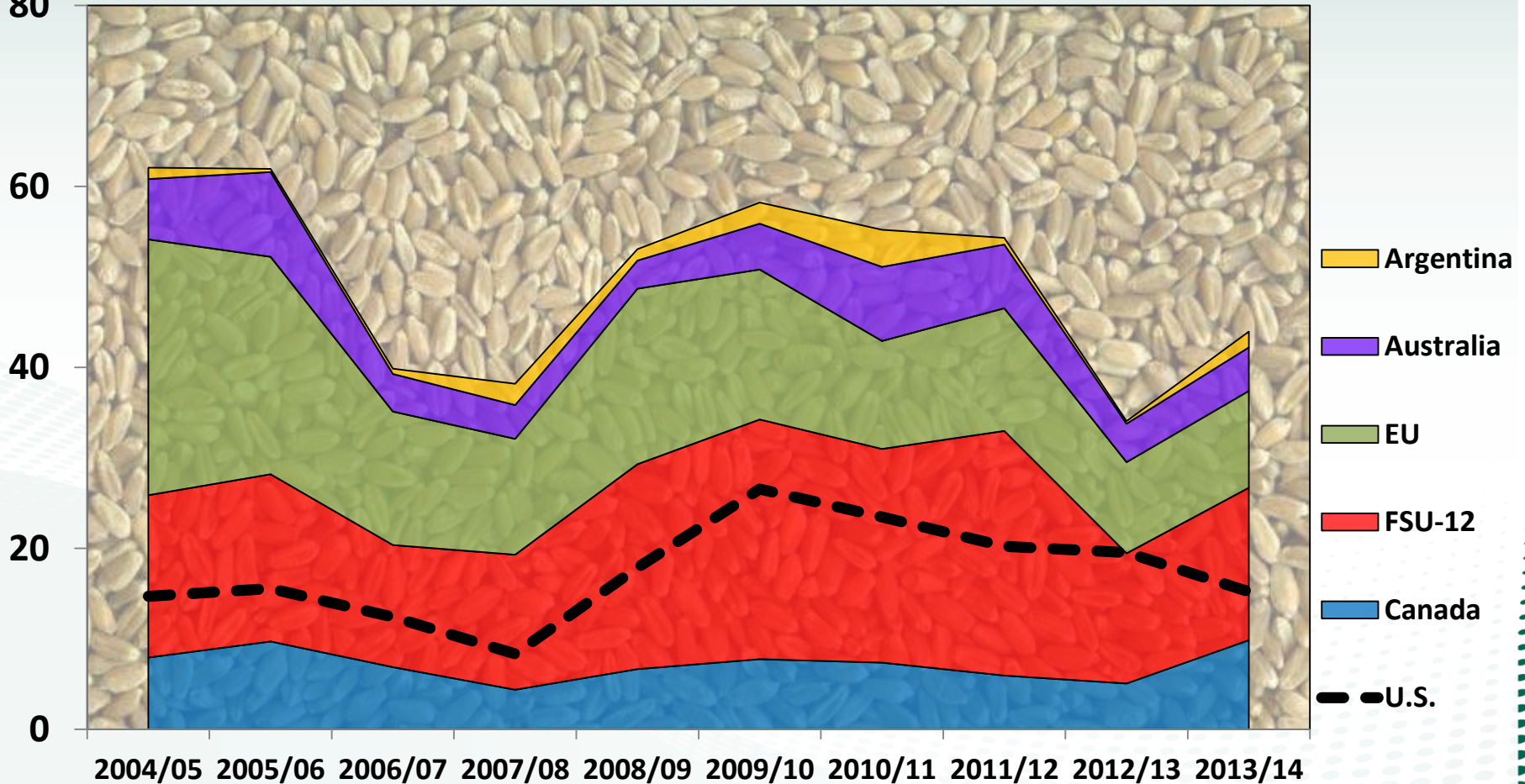
Photo courtesy of USDA-GIPSA



United States Department of Agriculture, Economic Research Service

Led by Canada, wheat stocks of major exporters have rebounded

Million metric tons
80



2014 Wheat Outlook

Lower supply
reduces availability
for exports



	2012/13	2013/14	2014/15
	Million acres		
Area planted	55.7	56.2	55.5
Area harvested	48.9	45.2	47.2
Yield (Bu./acre)	46.3	47.2	45.8
	Million bushels		
Beginning stocks	743	718	558
Production	2,266	2,130	2,160
Imports	123	170	150
Total supply	3,131	3,018	2,868
Food, seed, industrial	1,018	1,034	1,041
Feed & residual	388	250	190
Exports	1,007	1,175	1,050
Total use	2,414	2,459	2,281
Ending stocks	718	558	587
Ave farm price \$/Bu.	7.77	6.80	5.30



2014 Total rice outlook

**Supply gains to
outpace demand**



	2012/13	2013/14	2014/15
	Million acres		
Area planted	2.70	2.49	2.90
Area harvested	2.68	2.47	2.87
Yield (Lbs./acre)	7,449	7,694	7,429
	Million cwt. (rough-basis)		
Beginning stocks	41.1	36.4	27.3
Production	199.5	189.9	213.5
Imports	21.1	21.0	21.0
Total supply	261.7	247.3	261.8
Domestic & residual	118.2	120.0	126.0
Exports	107.1	100.0	105.0
Total use	225.3	220.0	231.0
Ending stocks	36.4	27.3	30.8
Ave farm price \$/cwt	15.10	16.00	15.90



Soybean production gains to exceed use

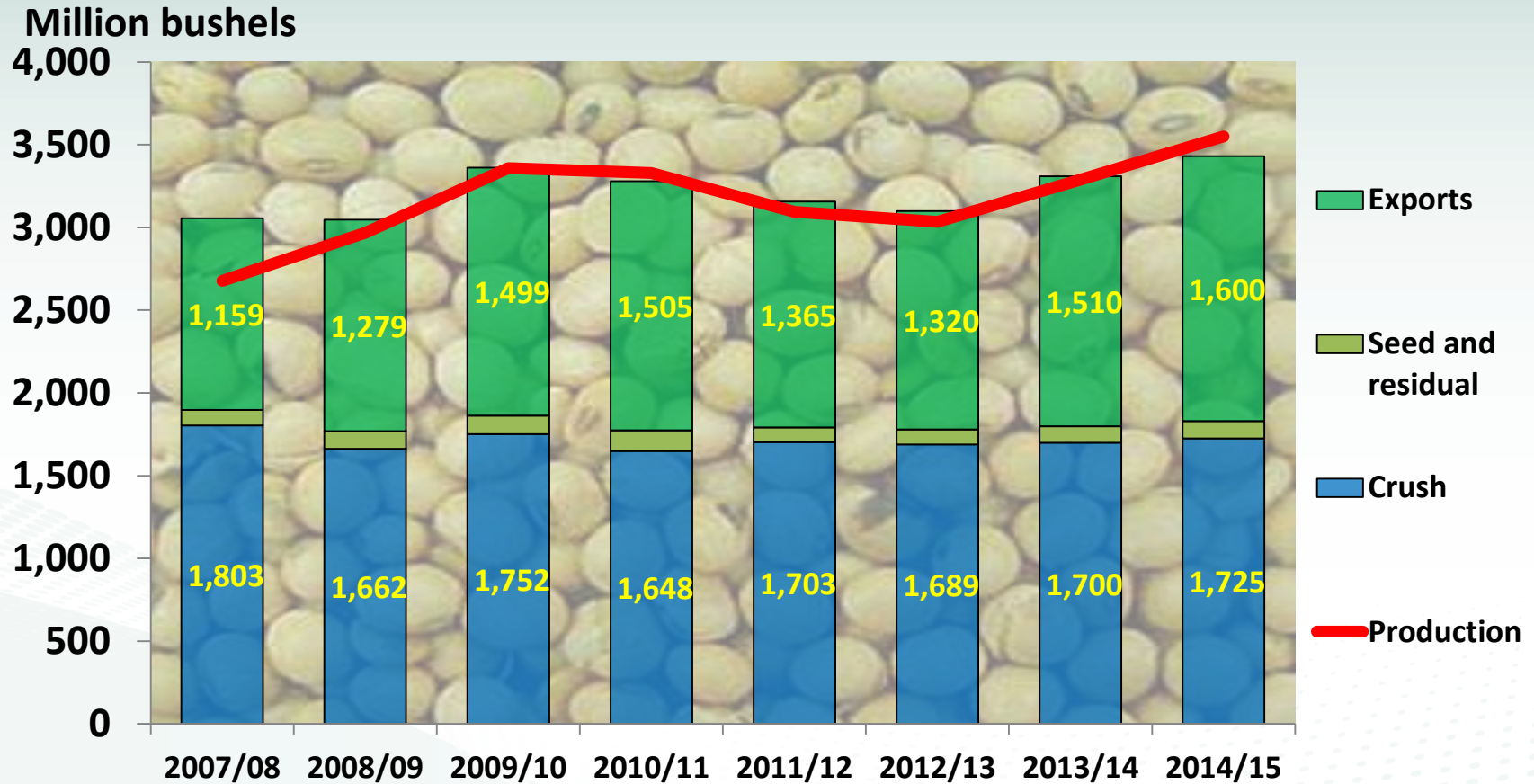


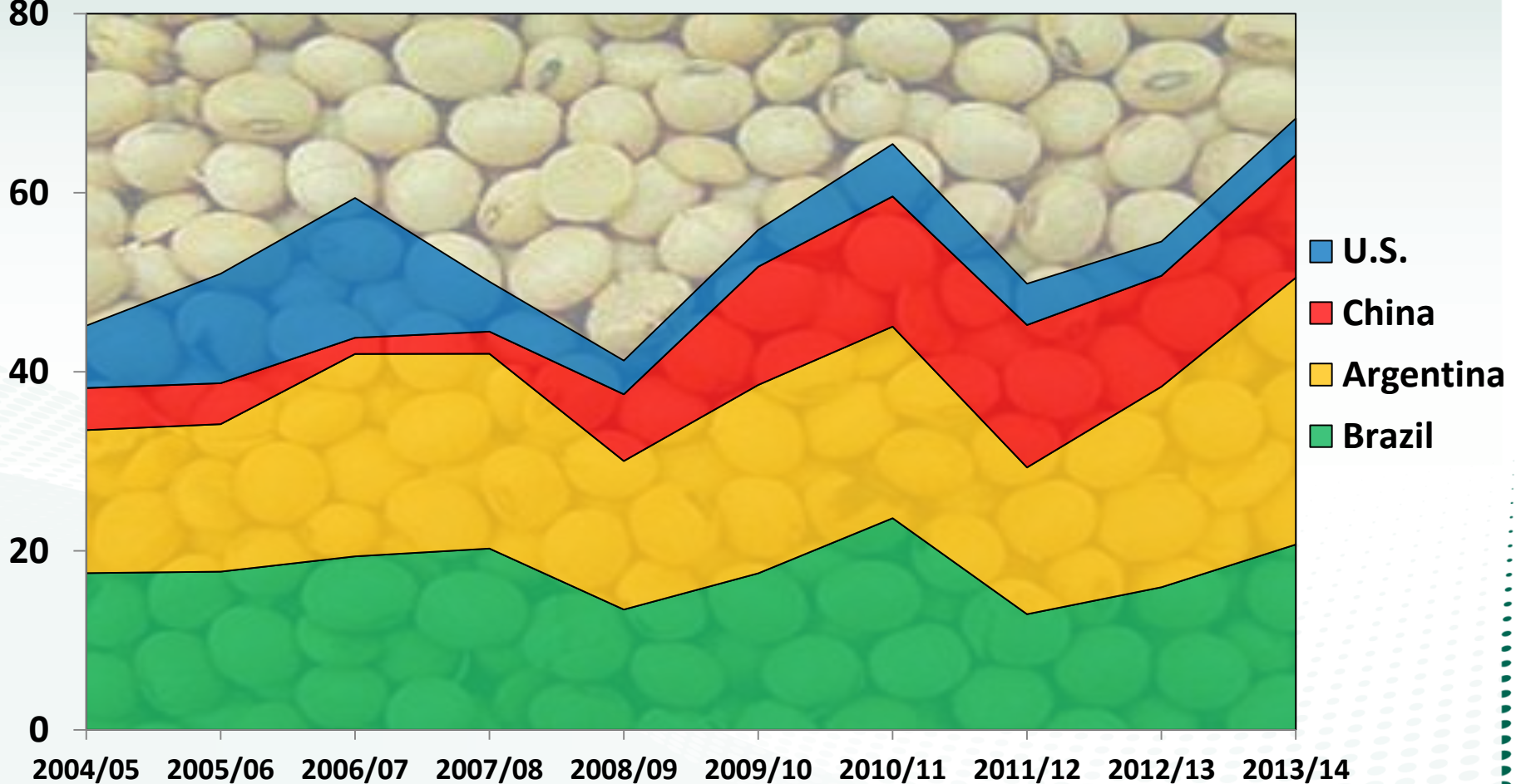
Photo courtesy of USDA-GIPSA



United States Department of Agriculture, Economic Research Service

Large global stocks will pressure soybean prices

Million metric tons



United States Department of Agriculture, Economic Research Service

2014 Soybean Outlook

Higher carryout stocks to weigh on prices



	2012/13	2013/14	2014/15
	Million acres		
Area planted	77.2	76.5	79.5
Area harvested	76.2	75.9	78.5
Yield (Bu./acre)	39.8	43.3	45.2
	Million bushels		
Beginning stocks	169	141	150
Production	3,034	3,289	3,550
Imports	36	30	15
Total supply	3,239	3,459	3,715
Crush	1,689	1,700	1,725
Exports	1,320	1,510	1,600
Seed & residual	90	99	105
Total use	3,099	3,314	3,430
Ending stocks	141	150	285
Ave farm price \$/bu.	14.40	12.70	9.65



2014 Soybean Meal Outlook

**Cheaper supplies aid
domestic and
foreign demand**



	2012/13	2013/14	2014/15
	Million short tons		
Beginning stocks	300	275	300
Production	39,875	40,360	40,935
Imports	245	165	165
Total supply	40,420	40,800	41,400
Domestic disappearance	29,031	29,600	30,100
Exports	11,114	10,900	11,000
Total use	40,145	40,500	41,100
Ending stocks	275	300	300
Ave price \$/short ton	468	445	325



2014 Soybean Oil Outlook

Stocks seen up with higher supply and lower domestic use



	2012/13	2013/14	2014/15
	Million pounds		
Beginning stocks	2,540	1,705	1,745
Production	19,820	19,840	19,925
Imports	196	200	160
Total supply	22,556	21,745	21,830
Domestic disappearance	18,686	18,550	18,400
Biodiesel	4,617	5,200	5,000
Food, feed, & other industrial	14,069	13,350	13,400
Exports	2,164	1,450	1,600
Total use	20,851	20,000	20,000
Ending stocks	1,705	1,745	1,830
Ave price Cents/pound	47.13	36.00	34.00



Key points to remember

- Acreage to remain high



Key points to remember

- **Acreage to remain high**
- **Corn and soybean yields to improve**



Key points to remember

- **Acreage to remain high**
- **Corn and soybean yields to improve**
- **Modest gains in domestic use**



Key points to remember

- **Acreage to remain high**
- **Corn and soybean yields to improve**
- **Modest gains in domestic use**
- **Export competition stays high**



Key points to remember

- **Acreage to remain high**
- **Corn and soybean yields to improve**
- **Modest gains in domestic use**
- **Export competition stays high**
- **Prices weakening**



