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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service

THE OUTLOOK FOR FEED IN 1955

Statement presented by Malcolm Clough, at the
32nd Annual Agricultural Outlook Conference,
Washington, D. C., October 26, 1954

The total supply of feed grains and other concentrates for the 1954-55 season is only slightly smaller than the record supply in 1950-51 and 4 percent larger than in 1953-54. Feed grain production this year was a little larger than in 1953, since the cut in the corn crop was more than offset by larger production of other feed grains. Most of the increase over a year earlier, however, is accounted for by the larger carryover stocks of feed grains, the bulk of which are under loan or owned by Commodity Credit Corporation.

This is the seventh consecutive year in which total supplies of feed concentrates have been maintained at a high level. It should be noted here that we have had a series of generally favorable growing seasons and large carryover stocks. In each of these 7 years supplies have been larger than in any year prior to 1948, with the exception of 1942.

As has been the case in the past two years, supplies of feed grains are very large in the Corn Belt, but much below average throughout most of the South. The contrast seems even sharper this year, as record supplies of feed grains are on hand in the northern Corn Belt, while supplies are short in much of the southern half of the country from the Rocky Mountains to the Atlantic Coast. The poor condition of pastures and ranges in this area also has resulted in the feeding of more hay and supplements than usual early in the season. An emergency feed program has again been established to aid farmers in the drought area.

The increase in total feed concentrate supplies this year is expected to be accompanied by a 3 or 4 percent increase in the number of grain-consuming livestock. Allowing for this prospective increase, the 1954-55 supply per animal unit is about the same as last year and slightly above the 1947-51 average. If the rate of feeding per animal unit in 1954-55 is about the same as the 1947-51 average, the total supply of feed concentrates would be sufficient to meet 1954-55 requirements and leave a carryover into 1955-56 nearly equal to the record level at the beginning of the current season.

The corn supply of 3,868 million bushels is a little smaller than in 1953-54, but about 8 percent above the 1947-51 average. This includes a crop of 2,950 million bushels and a record carryover of 918 million bushels. The 1954 crop is expected to fall somewhat below total utilization during the 1954-55 marketing year and a smaller carryover is in prospect on October 1, 1955. This reduction would be principally in stocks under the price support program, since the bulk of the corn carryover this year is under loan or owned by CCC. Supplies of oats, barley,

and sorghum grains are all much larger than last year, and larger carry-over stocks of these grains are in prospect in 1955-56. The increase in the stocks of these grains probably will about offset the prospective reduction in carryover of corn, maintaining the total carryover of all feed grains into 1955-56 at near the record level of this year.

Exports of feed grains in 1954-55 are expected to be larger than in 1953-54. The 1954 production of feed grains in Western Europe, the world's largest importing area, is about 7 percent below 1953. Import requirements in this area may exceed those of 1953-54, despite prospects for the use of larger quantities of poor-quality wheat for feeding purposes.

The aggregate export availabilities in the major exporting countries of the Northern Hemisphere, other than the United States, appear to be somewhat below the very high level of 1953-54, although Canada still has a large supply of barley. In the Southern Hemisphere the 189 million-bushel Argentine corn crop, harvested last spring, was the largest since 1947, providing a larger supply for export.

The total 1954-55 supply of high-protein feeds in the United States is expected to be about the same as in 1953-54. While the production of soybean cake and meal may be nearly a million tons larger than the 5.0 million tons produced last year, this is expected to be about offset by smaller supplies of cottonseed meal and dried milk products available for feeding. Supplies of most of the other major protein feeds are expected to be maintained at about the 1953-54 level. With livestock numbers increasing, the high-protein feed supply per animal unit may be a little smaller than last year.

The total supply of hay is slightly larger than last year, but supplies are again very poorly distributed by areas. Hay supplies are generally ample in the northern part of the country, but are very short in many of the Southern States and in Missouri and some Mountain States. Furthermore, feed shortages have been accentuated in these areas by the very poor condition of pastures and ranges.

Feed prices in the 1954-55 season are expected to average near the 1953-54 level, although some feeds will be higher and others lower. Corn prices may average a little higher in 1954-55 than last year, as a result of the smaller corn crop, which probably will make it necessary to withdraw corn from CCC stocks later in the season. Corn prices, which have been below the national average support level during the past 2 years, may rise to or above the 1954 support price before the end of the marketing season. The quantity of corn going under price support is expected to be smaller than in the past two years. Prices of oats and barley have been unusually low relative to corn prices this summer, as big crops of these grains were harvested, and prices of these two grains are expected to be comparatively low again in 1955. Soybean meal prices probably will average lower during the current feeding year and cottonseed meal prices higher than in 1953-54, reflecting the marked changes in supplies of these feeds.

Looking ahead to 1955-56, with a normal growing season, above-average feed grain supplies are likely again next year, in view of the big carryover in prospect. Acreage allotments are in prospect for the 1955 corn crop, which will again have a tendency to reduce corn acreage in the commercial area. Total acreage of feed grains, however, is expected to be maintained at or near the 1954 level. In 1954 the total acreage seeded to oats, barley, and sorghums was increased about 13 million acres over 1953, largely as a result of the 21 million-acre reduction in wheat and cotton. Another 10 million-acre reduction in the combined acreage allotments for wheat and cotton in 1955 will leave an increased acreage available for feed grains and forage crops next year. Stocks of corn on October 1, 1955, are expected to be reduced to around 725 million bushels. A carryover of this size could be reduced by October 1, 1956, to near the carryover allowance of a little under 500 million bushels provided for in the Agricultural Act of 1954, if a moderately poor growing season next year should reduce yield as much as 3 bushels per acre below normal.