GRAINS AND OILSEEDS OUTLOOK FOR 2008[1]

Prepared by Members of the
Wheat, Feed Grains, Rice, and Oilseeds Interagency Commodity Estimates Committees
U.S. Department of Agriculture

Introduction

This paper provides 2008/09 supply, use, and price projections for wheat, corn, rice, and soybeans and products. The first official USDA supply and use projections for 2008/09 will be published May 9, when the National Agricultural Statistics Service publishes the first forecast of winter wheat production. Projections presented in this paper are based on the *Winter Wheat Seedings* report and analyses by members of USDA's Interagency Commodity Estimates Committees for Wheat, Feed Grains, Rice, and Oilseeds. Projections assume normal weather conditions for spring planting and summer crop development.

The 2008/09 outlook reflects record current year prices for wheat, corn, and soybeans, and continued expansion in biofuels production. Record prices are forecast again in 2008/09 for wheat, corn, and soybeans, boosting expected producer returns and driving prospects for combined acreage for the three major field crops to the highest level since the mid 1980s. Part of the expected area increase comes from lower cotton plantings, increased soybean double cropping, and land not renewed for the Conservation Reserve Program (CRP) last October. Higher wheat area and production combine with lower expected exports to boost 2008/09 ending stocks well above the current year's historically low level. Corn plantings are expected to decline year-to-year, but remain at historically high levels, as price gains support favorable corn returns despite rising input costs. Higher corn yields will partly offset lower area, but corn ending stocks are expected to decline in 2008/09 as higher ethanol use more than offsets lower feed and residual use and exports. Soybean plantings are expected to rebound on sharply higher expected returns compared to last year. Soybean supplies, however, are projected lower with sharply lower carryin. Reduced prospects for soybean exports more than offset higher expected crush, leaving use down slightly and ending stocks nearly unchanged. Rice supplies are expected to decline year-to-year with reduced carryin and lower planted area.

Planted Acreage Outlook for 2008 (Table 1)

The 2008 acreage outlook is driven by expanding demand for biofuels, strong world demand for protein meals and feed grains, and record tightness in current year world wheat supplies. Soybean plantings for 2008 are expected to rebound sharply as returns rise relative to corn, cotton, and rice. Corn plantings, while down from last year, are expected to remain at historically high levels. Substantial year-to-year price gains continue to support favorable corn returns despite rising input costs, particularly for fertilizer. Total wheat plantings are expected to increase as high wheat prices last fall boosted winter wheat seedings, and record prices for spring wheat encourage hard red spring wheat and durum plantings in the Northern Plains.

[1]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.

Combined corn, soybean, and wheat planted area is projected at 225 million acres, the highest since 1984. Record prices and large year-to-year gains in net returns for the three major field crops are expected to shift area away from other crops, principally upland cotton, and draw additional land into field crop production. Planted area for the 8 major crops (wheat, feed grains, soybeans, upland cotton, and rice) is projected at 253.3 million acres, up 6.8 million from 2007, and the highest since 2000 when the total reached 254.2 million. Contributing to cropland expansion is a net reduction of 2 million acres in the CRP including contracts that were not renewed last October. Soybean double cropping is also expected to be higher with record soybean prices and an additional 1.8 million acres of soft red winter wheat sowed last fall.

Wheat planted area in 2008 is expected to increase 3.6 million acres to 64 million. Winter wheat area is up 1.6 million acres and spring wheat (including durum) is expected to gain 2.0 million acres. Soft red winter wheat plantings are at a 12-year high, spurred by strong prices and ideal planting and germination conditions last fall. In contrast, hard red winter acres declined slightly as the dry fall and rotational considerations limited plantings in parts of the Central and Southern Plains. In the Northern Plains, spring wheat gains will be tempered by strong prices for competing crops, including feed grains, soybeans, other oilseeds, and pulses. Wheat harvested area is expected to expand in line with plantings. Given record prices, less wheat grazing is expected, reducing abandonment in the Central and Southern Plains.

Corn acreage for 2008 is expected to decline 3.6 million acres from 2007. Nonetheless, at 90 million acres, corn plantings would still be the second highest since 1944. Corn prices have risen steadily since early October with cash prices up nearly $2.00 per bushel during that time and new-crop futures up nearly $1.50 per bushel. New-crop futures prices have consistently traded above $5 per bushel since the beginning of January, more than $1 higher than last year during this time. Unlike last year, when gains in corn values far outpaced those for soybeans, new-crop futures for the two commodities have generally moved higher together since fall. Soybean prices, however, are up sharply year-to-year and expected net returns are much more favorable compared with last year at this time.

Soybean area is projected to recover to 71 million acres in 2008, up 7.4 million from last year, supported by sharply higher expected returns. Increased area is expected to come from reduced corn and cotton plantings, as well as from increased double cropping. High prices for grains, as well as other oilseeds including canola and sunflowerseed, will prevent soybean acreage from rebounding to the 2006 record level.

Rice planted acreage for 2008 is projected at 2.70 million acres, down 61,000 acres from last year. The South is expected to account for most of the area decline. The contraction is driven by high prices for competing crops and expectations of another year of high fuel and fertilizer costs.

Wheat Supply, Demand, and Price Outlook for 2008/09 (Table 2)

Wheat Supplies: Wheat production in 2008 is expected to increase 13 percent to 2,330 million bushels, driven by higher harvested area and a rebound to trend yields. Higher harvested area in 2008 reflects a 6-percent rise in planted area and a harvested-to-planted ratio of 0.85, which is based on the 10-year average plus 1 percentage point for reduced winter wheat grazing. High wheat prices are prompting farmers to pull cattle off wheat pasture in the Southern Plains. The national average yield is projected at 42.8 bushels per acre based on trends by class for 1986-2007. This is up 2.3 bushels per acre from 2007 when a spring freeze and heavy harvest-time rains in the Central and Southern Plains adversely affected winter wheat yields. Current crop conditions in the Southern Plains are not as favorable as a year ago,

but not as bad as in 2006 when the crop continued to deteriorate throughout the spring. In the Midwestern soft red winter wheat areas, crop conditions are generally favorable.

Production of all five classes of wheat is expected to rise, with nearly two-thirds of the increase in soft red winter due to much larger planted area. The larger 2008 crop will not translate into significantly larger supplies because carryin is projected at a 60-year low. This leaves total supplies in 2008/09 up just 3 percent. The supply increase includes a small rise in imports from Canada, as U.S. milling demand for high protein spring wheat remains strong and production in Canada rebounds with higher expected yields.

The projected hard wheat supply is a critical component of the 2008/09 wheat balance sheet. Extremely small carryover stocks on June 1 for both hard red winter and hard red spring will likely prevent hard wheat supplies from expanding, despite modestly larger hard wheat production. Consequently, wheat demand and price projections are highly sensitive to reductions from trend yield or the projected harvested area. In sharp contrast, soft wheat supplies are expected to expand with the soft red winter crop projected to be the largest since 1990. White wheat supplies will increase marginally as a larger crop offsets extremely low white wheat beginning stocks.

Durum prices are expected to moderate from current record levels over $20 per bushel once new-crop harvesting begins. As planted area expands in 2008, projected supplies will increase more than for other classes. Much as in the hard red wheat markets, current durum supplies are extremely limited and adverse weather this spring or summer would likely push prices higher.

Wheat Domestic Use: Domestic wheat use is expected to increase 6 percent year-to-year. Most of the gain is in feed and residual use, which is projected to rebound from a 27-year low in 2007/08. Although wheat prices will be historically high, cash prices for wheat relative to corn will be lower both this summer and for the marketing year, making wheat feeding more attractive. A substantial increase in soft red wheat plantings should also increase feeding of this class of wheat.

Food use of wheat is expected to increase 10 million bushels to 955 million. The ratio of hard red spring use relative to hard red winter should return to a more typical level in 2008/09. This ratio for 2007/08 is projected lower than normal due to the shortage of hard red spring supplies and prices that favor almost exclusive use of hard red winter wheat in some parts of the country. The shift toward hard red winter wheat will continue into the initial months of the 2008/09 season because spring wheat harvest will not begin until late July or August. Millers and bakers will continue to face the twin challenges of historically high prices and shifts in wheat class blends that require adjustments in the manufacturing process to maintain product quality.

Wheat Exports: U.S. wheat exports are expected to decline 21 percent to 950 million bushels as export competition is expected to be intense once harvest is underway in competing countries. High prices at planting encouraged expanded winter wheat area across Europe and the former Soviet Union. Production in Australia is also expected to recover from droughts during the past 2 years. World wheat production can be expected to reach a new record high in 2008/09 if trend yields are achieved. With much larger production, the European Union is expected to reduce imports and increase exportable supplies partially covering expanding demand in developing countries. Developing countries, however, will continue to provide a growing demand base. U.S. exports can be expected to start the marketing year at a fast pace, but then slow dramatically as competitor supplies move onto the world market.

Wheat Ending Stocks and Farm Prices: The combination of increased supplies and lower use in 2008/09 will boost ending stocks from 272 million bushels to 538 million, near the levels seen during 2003/04 through 2005/06. Similarly, the projected stocks-to-use ratio will more than double to 25 percent, in line with those same years. While the 2008/09 balance sheet indicates a reversal from the current market tightness, the season-average U.S. farm price is expected to rise modestly to $7.00 per bushel, up 35 cents from the mid-point of the 2007/08 projection. Producers' forward contract prices have been well above $7 per bushel and cash prices during the early months of the marketing year will be supported by risk premiums associated with global production uncertainty until foreign crop prospects are better known. U.S. wheat prices during the first quarter of the marketing year will also see considerable support from strong competition between domestic mills and foreign buyers.

Corn Supply, Demand, and Price Outlook for 2008/09 (Table 3)

Corn Supplies: Corn supply is projected at 14,263 million bushels for 2008/09. This is down only 1 percent or 130 million bushels from the current year's record supplies as higher expected carryin partly offsets lower production. Despite lower area, higher yields in 2008 are expected to limit the year-to-year decline in output. Production is projected at 12,810 million bushels, down 264 million bushels from last year, but still the second highest on record by more than 1 billion bushels. With normal abandonment and silage production, 82.7 million acres are expected to be harvested for grain. The national average yield is projected at 154.9 bushels per acre based on a simple trend of national average yields for 1990-2007. Yield gains since 1990 reflect earlier planting, higher plant populations, and improved genetics.

Corn Use: Total corn use is expected to increase only 0.5 percent in 2008/09 as lower feed and residual use and exports mostly offset the rise in ethanol use. Domestic disappearance is projected at a record 10,870 million bushels, up 3 percent from the current year as increased ethanol production pushes domestic use higher despite reduced corn feeding.

Corn Feed and Residual Use: Feed and residual corn use for 2008/09 is projected at 5,400 million bushels, down 9 percent from 2007/08 with higher corn prices, increased feeding of distillers grains, and a decrease in grain consuming animal units. Livestock production is expected to continue its expansion in calendar year 2008, but higher feeding costs will pressure growth in 2009. Higher ethanol production will increase available supplies of distillers grains, helping to moderate the impact of higher corn prices.

Increased feeding of distillers grains, particularly to beef cattle and dairy cows, will reduce corn feed use. Availability of corn gluten feed, a by-product from wet-milled corn made into ethanol and other products, is also increasing, as exports continue to decline. As a result, more corn gluten feed is expected to be used for domestic feeding.

Low inclusion rates for distillers grains in swine and poultry rations will limit the ability of producers of these animals to control feeding costs. However, broiler prices in 2007 were higher than in 2006, helping to offset higher feed costs. With the slowing economy, producers may have a harder time passing costs along and broiler output may slow in 2009. Pork producers will be further stressed as higher feed costs pressure returns. The cattle inventory should continue its contraction in 2008.

Corn Food, Seed, and Industrial Use: Food, seed and industrial use of corn in 2008/09 is expected to total 5,470 million bushels, up from 4,555 million in 2007/08. Most of the increase will come from growth in ethanol production as increases in the other uses are expected to be small. High fructose corn syrup production is expected to increase modestly, mostly reflecting increased export prospects to

Mexico. Corn use for glucose and dextrose, beverage and industrial alcohol, and food is expected to grow slowly in line with population growth. Growth in starch production is expected to be limited by weaker demand for paper and building materials.

Corn Ethanol Use: Driven by continued expansion in ethanol production capacity, corn use for ethanol is projected at 4,100 million bushels in 2008/09, up 28 percent from the current year projection. At this level, ethanol corn use will account for 31 percent of total corn use, up from a projected 25 percent for 2007/08.

Ethanol production capacity during the 2008/09 marketing year is expected to continue the unprecedented expansion begun in 2006, albeit at a somewhat slower pace than in the current year. Ethanol plant data reported by the Renewable Fuels Association (RFA) as of February 12, 2008, puts existing ethanol production capacity at 8.0 billion gallons annually. RFA reports new plant constructions and existing plant expansions that will add an additional 5.4 billion gallons, bringing the total annual capacity to 13.4 billion gallons when these plants are completed. With normal construction schedules, this capacity is expected to be on line in the next 18 to 24 months. Last year at this time, RFA reported operating capacity at 5.6 billion gallons per year. The 2.4 billion gallons of ethanol production capacity that was added during the past year is equivalent to an additional 900 million bushels in corn demand.

The Energy Independence and Security Act of 2007 raises mandated ethanol use for 2008 and 2009, but not above the production level indicated by the 2008/09 ethanol corn use projection. The new law requires that ethanol use reach 9 billion gallons in 2008 and 10.5 billion gallons in 2009. This is up sharply from the Energy Policy Act of 2005 which mandated renewable fuel use at 7.5 billion gallons by 2012.

The current pace of plant construction and expansion indicates that annual ethanol production capacity will surpass 9 billion gallons before summer 2008 and exceed 12 billion gallons early in the 2008/09 marketing year. As ethanol production capacity continues to grow during 2007/08 and 2008/09, plant utilization is expected to fall modestly from current levels near 100 percent. Expansion in transportation, storage, and handling infrastructure for ethanol is expected to lag the pace of growth in ethanol production capacity putting downward pressure on margins and returns for ethanol producers. Corn prices, as currently forecast, support profitability for the sector, but plant utilization rates will be increasingly sensitive to prices for ethanol and co-products and heavily influenced by prices in the energy sector.

Corn Exports: U.S. corn exports are projected down 300 million bushels in 2008/09 to 2,150 million bushels. Global import demand for corn is expected to stabilize with continued growth in developing countries offset by a significant reduction in European Union imports. Moreover, increased exports of feed-quality wheat are expected to limit corn trade. With continued high corn prices, corn export competition from Brazil and Argentina is expected to reduce U.S. market share. China's role in world corn trade is expected to remain small, as a minor net exporter.

Corn Ending Stocks and Market Prices:

Corn ending stocks are projected to decline 14 percent in 2008/09. The stocks-to-use ratio is projected at 9.5 percent, down for a fourth straight year and below the 11.1 percent projected for 2007/08. The gradual tightening of stocks relative to use mostly reflects growth in ethanol production. The average price received by farmers is projected at a record $4.60 per bushel, up $0.60 from the mid-point of the

2007/08 forecast. Prices received by producers are expected to be heavily influenced by forward sales opportunities as strong new-crop futures allow producers to lock in good returns ahead of planting.

Rice Supply, Demand, and Price Outlook for 2008/09 (Table 4)

Rice Supplies: Rice planted area for 2008 is projected at 2.70 million acres, down 2 percent from last year, and the third consecutive year of decline. Assuming a normal harvested-to-planted ratio, harvested rice area is projected to decrease 2 percent to 2.69 million acres in 2008. Based on 1990-2007 trend yields, the 2008/09 average yield is forecast at 7,108 pounds per acre, down 77 pounds from last year's record. The projected yield would be the second highest on record. Production is projected to decrease 3 percent to 191.0 million cwt, which would be the smallest since 2000/01.

Total supplies are projected to decline 9 percent to 236.1 million cwt, the smallest since 2000/01. A smaller crop and a big decline in carryin more than offset another year of record imports. Long-grain accounts for almost all of the projected decline. Carryin of all rice is projected at 22.6 million cwt, down almost 43 percent from a year earlier. Imports are projected to increase 5 percent to a record 22.5 million cwt, with long-grain aromatic varieties from Asia accounting for nearly all of the increase.

Rice Use: Total rice use in 2008/09 is projected at 214.0 million cwt, a 9-percent decline from a year earlier and the smallest since 2000/01. Exports account for all of the decline.

Rice Domestic Use: Total domestic and residual use is projected at 126.0 million cwt, an increase of 1 percent from a year earlier. Growth in total domestic and residual use has slowed since the 1990s, when annual increases averaged almost 3.5 percent. Despite the slower growth, the rate of annual increase in domestic and residual use still slightly exceeds the population growth rate, indicating a small increase in per capita disappearance of rice.

Rice Exports: Total U.S. rice exports in 2008/09 are projected at 88.0 million cwt (rough equivalent of rough, brown, and milled rice exports), down 21 percent from a year earlier and the smallest since 1998/99. Smaller U.S. supplies and a larger price difference over major Asian competitors are the main factors behind the weaker export forecast for 2008/09. Milled rice (including brown rice) is projected to account for most of the decline in U.S exports. Rough rice exports, shipped mostly to Latin America, are projected unchanged-to-slightly-lower in 2008/09. By class, long-grain exports are projected to account for most of the U.S. rice export decline, mostly due to much smaller supplies and reduced price competition in certain milled rice markets.

Rice Ending Stocks and Market Prices: U.S. rice ending stocks are projected at 22.1 million cwt in 2008/09, a 2-percent drop from a year earlier and the smallest since 1998/99. The stocks-to-use ratio is projected at 10.3 percent, up slightly from the current year. The 2007/08 and 2008/09 stocks-to-use ratios are the smallest since 1980/81. The U.S. season-average farm price is projected at $11.80, up from the 2007/08 mid-point of $11.45 and the highest since 1980/81. The strong price forecast for 2008/09 is based on higher global rice prices, smaller U.S. supplies, and strong prices for other grains and oilseeds.

Soybean Supply, Demand, and Price Outlook for 2008/09 (Table 5)

Soybean Supplies: Soybean supplies for 2008/09 are projected at 3,116 million bushels, down 2 percent from 2007/08 as sharply lower beginning stocks more than offset increased production. Soybean production for 2008 is projected at 2,950 million bushels, 14 percent above last year's crop based both

on increased area and a higher yield. With soybean net returns up sharply from 2007, planted acreage is projected at 71.0 million acres, up 7.4 million from last year. Aided by new-crop futures exceeding $12 per bushel, low fertilizer needs, and rotational benefits, producers are expected to expand double-crop soybean plantings and regain a portion of the soybean acreage that shifted to corn in 2007. Additional double crop plantings for soybeans in soft red winter wheat growing areas provides support for an expansion of combined corn and soybean planted acreage for 2008 compared with year-ago levels. Additional soybean plantings are also expected in Southern states as producers shift from cotton production. Despite record soybean prices, soybean area will not reach the 2006 record due to strong prices for feed grains, wheat, and other oilseeds, including sunflowerseed and canola. With normal abandonment, soybean harvested acreage is projected at 70.1 million acres.

Abnormally dry weather in the eastern growing region, particularly the southeast, resulted in a slightly below trend yield last year. Assuming normal weather conditions for the 2008 crop, soybean yields are expected to return to trend, projected at 42.1 bushels per acre. The 2008 yield projection is based on a U.S. trend yield for 1989 to 2007.

Soybean Domestic Use: Soybean domestic use is projected at 2,037 million bushels, almost 2 percent above 2007/08. Domestic crushing is projected to increase by 25 million bushels (1.4 percent) in 2008/09 to 1,860 million. A modest gain for domestic soybean meal demand underlies the projected increase in crush. Persistent high feed costs will constrain expansion of poultry flocks and livestock herds next year, limiting projected gains in domestic soybean meal disappearance to a modest 0.8 percent for 2008/09. While some easing of soybean meal prices is expected in 2008/09, values are projected to stay above $300 per short ton.

Over the last several years, U.S. biodiesel production has grown to account for about 16 percent of domestic soybean oil consumption. However, limited growth is projected for 2008/09 due to the high price of soybean oil which is projected to remain near the mid-point of the 2007/08 forecast range of 47.5-51.5 cents per pound. With a significant share of U.S. biodiesel produced for export markets, another limiting factor for U.S. biodiesel production in 2008/09 is competition in those foreign markets from countries such as Argentina. As Argentina's production capacity increases, increased U.S. biodiesel imports are also expected.

The Energy Independence and Security Act of 2007 includes a requirement that use of biomass-based diesel reach 500 million gallons for 2009, rising to 1 billion gallons by 2012. Annual biodiesel output is already approaching 500 million gallons, although a significant portion of production is being exported. Based on projected prices and a continuation of foreign demand, the industry's consumption of soybean oil in 2008/09 is projected to increase by just 100 million pounds. Minimal growth for soybean oil in food uses is likely as food manufacturers still seek to eliminate trans-fats. Expansion of domestic sunflowerseed and canola crops this year, combined with greater imports of canola oil and palm oil, will limit growth in domestic food use of soybean oil.

Soybean Export Demand: For 2008/09, U.S. soybean exports are projected at 910 million bushels, down 95 million from the current crop year. Although depreciation of the U.S. dollar is buoying trade this year, a smaller soybean supply and modest growth for domestic use will shrink the supply available for export in 2008/09. U.S. soybean shipments during fall 2008 are likely to start briskly, supported by relatively low South American supplies. However, soybean prices at that time should still be high enough to bring about a strong supply response from South American producers. By the second half of 2008/09, U.S. soybean stocks will become unusually tight and exports likely will decline rapidly once the South America new-crop harvest starts. Soybean shipments from the United States could decline to

less than a one-third share of the 2008/09 world export market, compared to 36 percent for the current season.

China will continue to dominate world trade in soybeans and soybean oil. Despite likely improvement for China's domestic oilseed crops in 2008, increased production will be exceeded by gains in consumption. European demand for soybean meal will be curtailed by a rebound in wheat feeding. In contrast, the strength of European vegetable oil markets should continue. European Union wheat area will increase due to strong prices and elimination of the set-aside, but at the expense of rapeseed area, which may decline for the first time since 2003. Rising biodiesel imports and taxes in Europe are also discouraging the domestic demand and production of rapeseed.

U.S. exports of soybean meal and soybean oil will be supported by an ongoing depreciation of the dollar. The expansion of biodiesel sectors in Argentina and Brazil could also steer more importers into sourcing soybean oil from the United States. Only a slight decline--to 1.85 billion pounds--is seen for U.S. soybean oil exports in 2008/09.

Soybean Ending Stocks and Market Prices:

U.S. soybean ending stocks for 2008/09 are forecast at 169 million bushels, up just 9 million from 2007/08. Given the very attractive opportunities to forward price for post-harvest delivery, the season-average farm price is projected at a record $11.50 per bushel, up from $10.40 per bushel in 2007/08. Tighter global oilseed stocks, strong corn and wheat prices, record vegetable oil prices and high soybean meal prices are expected to support record price levels for soybeans in 2008/09.

Table 1. Wheat, Corn, and Soybean Planted Acreage, 2001-2008

	2001	2002	2003	2004	2005	2006	2007	2008 1/
	- Million Acres -							
Wheat	59.4	60.3	62.1	59.7	57.2	57.3	60.4	64.0
Corn	75.7	78.9	78.6	80.9	81.8	78.3	93.6	90.0
Soybeans	74.1	74.0	73.4	75.2	72.0	75.5	63.6	71.0
Total	209.2	213.2	214.1	215.8	211.0	211.2	217.6	225.0

1/ Projection
Note: Totals may not add due to rounding.
Source: 2001-2007 National Agricultural Statistics Service.

Table 2. Wheat Supply, Demand, and Price, 2005/06-2008/09

	2005/06	2006/07	2007/08 1/	2008/09 2/
Area planted (mil. ac.)	57.2	57.3	60.4	64.0
Area harvested	50.1	46.8	51.0	54.4
Yield (bu./ac.)	42.0	38.7	40.5	42.8
Production (mil. bu.)	2,105	1,812	2,067	2,330
Beginning stocks	540	571	456	272
Imports	81	122	90	100
Supply	2,726	2,505	2,613	2,702
Feed & residual	160	125	110	175
Food, seed & industrial	993	1,014	1,031	1,039
Total Domestic Use	1,152	1,140	1,141	1,214
Exports	1,003	909	1,200	950
Total use	2,155	2,049	2,341	2,164
Ending stocks	571	456	272	538
Stocks/use (percent)	26.5	22.3	11.6	24.9
Season avg. farm price ($/bu.)	3.42	4.26	6.65	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, 2008. The season average price is the mid-point of the projected range from the same report.
2/ Projections based on analysis by the Wheat Interagency Commodity Estimates Committee.
Note: Totals may not add due to rounding.

Table 3. Corn Supply, Demand, and Price, 2005/06-2008/09

	2005/06	2006/07	2007/08 1/	2008/09 2/
Area planted (mil. ac.)	81.8	78.3	93.6	90.0
Area harvested	75.1	70.6	86.5	82.7
Yield (bu./ac.)	148.0	149.1	151.1	154.9
Production (mil. bu.)	11,114	10,535	13,074	12,810
Beginning stocks	2,114	1,967	1,304	1,438
Imports	9	12	15	15
Supply	13,237	12,514	14,393	14,263
Feed & residual	6,155	5,598	5,950	5,400
Ethanol fuel	1,603	2,117	3,200	4,100
Food, seed & other industrial	1,378	1,371	1,355	1,370
Total food, seed & industrial	2,981	3,488	4,555	5,470
Total Domestic Use	9,136	9,086	10,505	10,870
Exports	2,134	2,125	2,450	2,150
Total use	11,270	11,210	12,955	13,020
Ending stocks	1,967	1,304	1,438	1,243
Stocks/use (percent)	17.5	11.6	11.1	9.5
Season avg. farm price ($/bu.)	2.00	3.04	4.00	4.60

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, 2008. The season average price is the mid-point of the projected range from the same report.
2/ Projections based on analysis by the Feed Grains Interagency Commodity Estimates Committee.
Note: Totals may not add due to rounding.

Table 4. Rice Supply, Demand, and Price, 2005/06-2008/09

	2005/06	2006/07	2007/08 1/	2008/09 2/
Area planted (mil. ac.)	3.38	2.84	2.76	2.70
Area harvested	3.36	2.82	2.75	2.69
Yield (pounds/ac.)	6,636	6,868	7,185	7,108
Production (mil. cwt)	223.2	193.7	197.5	191.0
Beginning stocks	37.7	43.0	39.3	22.6
Imports	17.1	20.6	21.5	22.5
Supply	278.1	257.3	258.3	236.1
Total domestic & residual use	120.2	126.6	124.7	126.0
Exports	114.9	91.4	111.0	88.0
Total use	235.1	218.0	235.7	214.0
Ending stocks	43.0	39.3	22.6	22.1
Stocks/use (percent)	18.3	18.0	9.6	10.3
Season avg. farm price ($/cwt.)	7.65	9.96	11.45	11.80

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, 2008. The season average price is the mid-point of the projected range from the same report.
2/ Projections based on analysis by the Rice Interagency Commodity Estimates Committee.
Note: Totals may not add due to rounding.

Table 5. Soybeans Supply, Demand, and Price, 2005/06-2008/09

	2005/06	2006/07	2007/08 1/	2008/09 2/
Area planted (mil. ac.)	72.0	75.5	63.6	71.0
Area harvested	71.3	74.6	62.8	70.1
Yield (bu./ac.)	43.0	42.7	41.2	42.1
Production (mil. bu.)	3,063	3,188	2,585	2,950
Beginning stocks	256	449	574	160
Imports	3	9	6	6
Supply	3,322	3,647	3,165	3,116
Crush	1,739	1,806	1,835	1,860
Seed & residual	194	148	165	177
Total Domestic Use	1,933	1,955	2,000	2,037
Exports	940	1,118	1,005	910
Total use	2,873	3,073	3,005	2,947
Ending stocks	449	574	160	169
Stocks/use (percent)	15.6	18.7	5.3	5.7
Season avg. farm price ($/bu.)	5.66	6.43	10.40	11.50

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 8, 2008. The season average price is the mid-point of the projected range from the same report.
2/ Projections based on analysis by the Oilseeds Interagency Commodity Estimates Committee.
Note: Totals may not add due to rounding.

Table 6. Soybean Meal Supply, Demand, and Price, 2005/06-2008/09

	2005/06	2006/07	2007/08 1/	2008/09 2/
Production (thou. short tons) 3/	41,244	43,027	43,784	44,235
Beginning stocks	172	314	351	300
Imports	141	156	165	165
Supply	41,557	43,497	44,300	44,700
Domestic Use	33,195	34,360	35,300	35,600
Exports	8,048	8,786	8,700	8,800
Total use	41,243	43,146	44,000	44,400
Ending stocks	314	351	300	300
Avg. price ($/short ton) 4/	174.17	205.44	320.00	300.00

1/ Beginning stocks are estimates from the U.S. Census Bureau. Production, imports, use, ending stocks, and average price are projections from the *World Agricultural Supply and Demand Estimates*, February 8, 2008. The average price is the mid-point of the projected range from the same report.
2/ Projections based on analysis by the Oilseeds Interagency Commodity Estimates Committee.
3/ The soybean meal marketing year is October through September.
4/ The average price is for 48-percent protein meal at Decatur, Illinois.
Note: Totals may not add due to rounding.

Table 7. Soybean Oil Supply, Demand, and Price, 2005/06-2008/09

	2005/06	2006/07	2007/08 1/	2008/09 2/
Production (mil. lbs.) 3/	20,387	20,487	21,010	21,205
Beginning stocks	1,699	3,010	2,904	2,502
Imports	35	37	37	50
Supply	22,122	23,535	23,952	23,757
Domestic Use	17,959	18,743	19,500	19,750
Methyl Ester	1,555	2,796	3,400	3,500
Exports	1,153	1,888	1,950	1,850
Total use	19,112	20,630	21,450	21,600
Ending stocks	3,010	2,904	2,502	2,158
Avg. price (cents/lb.) 4/	23.4	31.0	49.5	49.5

1/ Beginning stocks are estimates from the U.S. Census Bureau. Production, imports, use, ending stocks, and average price are projections from the *World Agricultural Supply and Demand Estimates*, February 8, 2008. The average price is the mid-point of the projected range from the same report.
2/ Projections based on analysis by the Oilseeds Interagency Commodity Estimates Committee.
3/ The soybean oil marketing year is October through September.
4/ The average price is for crude soybean oil at Decatur, Illinois.
Note: Totals may not add due to rounding.