



Alternative 2011 Corn Production, Consumption, and Price Scenarios

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At 12.477 billion bushels, the 2010 U.S. corn crop was nearly a billion bushels smaller than early season forecasts. The shortfall reflected a below-trend average yield of 152.8 bushels, 11.9 bushels below the record average yield of 2009.

In addition to a smaller than expected crop, corn consumption during the first half of the 2010-11 marketing year was larger than forecast at the start of the year, reflecting a large increase in the amount of corn used for ethanol production. The smaller than expected U.S. corn crop in 2010 and the rapid rate of increase in the use of corn for ethanol has resulted in prospects for very small domestic stocks at the end of the 2010-11 marketing year. Rising prices of corn and other commodities resulted in some escalation in the rate of increase in food prices and concerns that further troublesome increases would be forthcoming without some moderation in commodity prices.

The purpose of this brief is to develop supply, consumption, and price scenarios for the 2011-12 marketing year for three alternative U.S. corn yields. These yield alternatives include a trend yield, an average yield resulting from good weather, and an average yield resulting from poor weather. For comparison, the USDA forecast of 2011-12 marketing year production, consumption, and stocks presented at the Annual Outlook Forum on February 24 and 25, 2011 is also presented. The paper concludes with a brief discussion of the policy implications of a small corn crop in 2011.

The full Marketing and Outlook Brief is available at:

http://farmdoc.illinois.edu/marketing/mobr/mobr_11-01/mobr_11-01.html

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