



USDA Report Highlights

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Today, the USDA's World Agricultural Outlook Board (WAOB) released the monthly report of [World Agricultural Supply and Demand Estimates](#) (WASDE) and the National Agricultural Statistics Service (NASS) released new [winter wheat production forecasts](#). Following are some of the highlights of those reports.

Corn

For the current marketing year, no changes were made in the projections of consumption or year ending stocks, but the forecast of the marketing year average farm price was raised by \$.10, in a range of \$5.20 to \$5.50. Some had expected an increase in the projection of domestic consumption. However, a change in the projection of feed use would have been unusual so close to the release of the June stocks estimate and ethanol production is running near the previously projected rate. For the 2011-12 marketing year, the projection of planted acreage was reduced by 1.5 million acres from that reported in the [March Prospective Plantings report](#), reflecting late planting in the eastern Corn Belt and the Northern Plains. The forecast of harvested acreage was reduced by 1.9 million acres, reflecting flooding along the Mississippi and Missouri Rivers. The 2011 crop is projected at 13.2 billion bushels, 305 million below the May forecast, reflecting an unchanged yield forecast of 158.7 bushels. The projection of 2011-12 feed and residual use was reduced by 100 million bushels and the projection of year ending stocks was cut by 205 million, to a total of only 695 million bushels. The projection of the marketing year average price was increased by \$.50, in a range of \$6.00 to \$7.00. Outside the U.S, the projection of the Chinese corn crop was increased by 236 million bushels (3.5 percent).

Soybeans

For the current marketing year, the projection of U.S. soybean exports was reduced by 10 million bushels, reflecting the current slow pace of shipments, and the projection of year ending stocks was increased by 10 million bushels, to a total of 180 million. The projection of soybean oil consumption was reduced by 300 million pounds (1.5 percent) and the projection of year ending stocks was increased by 350 million pounds. For the 2011-12 marketing year, the production forecast was unchanged in spite of very late planting. The projection of soybean exports was reduced by 20 million bushels and the projection of year-ending stocks was increased by 30 million bushels, to a total of 190 million bushels. However, the projection of the marketing year average farm price was increased by \$1.00, in a range of

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\$13.00 to \$15.00.

Wheat

For the marketing year ended on May 31, the estimate of U.S. imports was reduced by 10 million bushels, the export projection was increased by 20 million bushels, and the projection of year-ending stocks was reduced by 30 million bushels. The NASS forecast of the size of the 2011 U.S. winter wheat crop was increased by 26 million bushels, reflecting an increase of 0.8 bushel in the forecast of the average yield. The WAOB forecast of the spring wheat crop was reduced by 11 million bushels, reflecting delayed planting. Production of all classes of wheat is forecast at 2.058 billion bushels, 150 million smaller than the 2010 crops. Consumption forecasts for the 2011-12 marketing year were unchanged, resulting in a 687 million bushel projection of year ending stocks, 15 million below last month's projection. The 2011-12 marketing year average farm price is projected in a range of \$7.00 to \$8.40, \$.20 higher than the May projection. Outside the U.S., the projected size of the EU crop was reduced by 262 million bushels (5 percent).

The picture painted by today's reports is one of extremely tight U.S. and world feed grain supplies and more adequate inventories of wheat and soybeans. However, U.S. wheat stocks are expected to decline as are soybean stocks outside the U.S. Considerable uncertainty still surrounds the prospective size of the U.S. corn and soybean crops with favorable summer weather required to offset the lower yield implications of late planted crops. Prices should continue to be well supported, with the USDA's June 30 Acreage and Grain Stocks reports looming as very important.