



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 wheat production forecasts. The WASDE report incorporated the information in the Grain Stocks and Acreage reports released on June 30. Following are some of the highlights of today's reports.

Corn

For the current marketing year, forecast changes included: imports up 5 million, feed and residual use down 150 million, exports down 25 million, ethanol and by-product use up 50 million, other processing uses down 20 million, and ending stocks up 150 million. For the 2011-12 marketing year, forecast changes included: beginning stocks up 150 million, production up 270 million, feed and residual use up 50 million, ethanol and by-product use up 100 million, other processing uses down 5 million, exports up 100 million, and ending stocks up 175 million. The projected average farm price for the year ahead was lowered by \$.50, in a range of \$5.50 to \$6.50. Only small changes were made in supply and consumption projections for the rest of the world, with the exception of an increase of about 60 million bushels in expected Chinese consumption and imports during the year ahead.

Soybeans

For the current year, forecast changes included: exports down 20 million and ending stocks up 20 million. For the 2011-12 marketing year, forecast changes included: beginning stocks up 20 million, production down 60 million, exports down 25 million, and ending stocks down 15 million. The projected average farm price for the year ahead was lowered by \$1.00, in a range of \$12.00 to \$14.00. Only very small changes were made in supply and consumption projections for the rest of the world.

Wheat

For the marketing year that ended on May 31, 2011, the following estimates were changed: seed use down 7 million, feed and residual use down 35 million, exports down 9 million, and ending stocks up 52 million.

For the current marketing year, the projected average winter wheat yield was increased by 0.9 bushel

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and the projection of production was increased by 42 million bushels. At 1.492 billion the production forecast is 6.5 million larger than the 2010 harvest. Production of soft red winter wheat is forecast at 457.7 million, 220 million larger than the 2010 harvest and production of hard red winter wheat is forecast at 791.3 million bushels, 227 million smaller than the 2010 crop. The first forecast of the 2011 durum wheat crop came in at 63.7 million bushels, 43.5 million smaller than the 2010 crop. Production of other spring wheat is forecast at 500.7 million bushels, 65.3 million smaller than the 2010 crop. Production of all classes of wheat is forecast at 2.106 billion bushels, 102 million smaller than the 2010 harvest, but 48 million larger than the June WASDE forecast. For the 2011-12 marketing year other forecast changes included: beginning stocks up 52 million, imports down 10 million, seed use up 7 million, exports up 100 million, and ending stocks down 17 million bushels. The projected average farm price for the year ahead was lowered by \$.40, in a range of \$6.60 to \$8.00. Projections for the rest of the world included a small reduction in production and ending stocks.

Taken together, today's reports should be slightly supportive for crop prices. U.S. and world stocks of wheat are expected to decline during the current marketing year and U.S. and world stocks of corn and soybeans are expected to decline during the year ahead. The projection of U.S. year-ending corn stocks is larger than projected last month, but much smaller than some of the pre-report guesses. On August 11, the USDA will release the first forecast of the size of the U.S. corn and soybean crops along with revised projections of consumption and ending stocks. Expectations for those projections will likely be in a very wide range.