// FEED OUTLOOK FDS-0300
United States Department of Agriculture Economic Research Service

Approved by the World Agricultural Outlook Board March 14, 2000

FEED OUTLOOK

HIGHLIGHTS

- Barley Imports Raised from Last Month
- Price Range Narrowed for Corn and Sorghum
- Forecast World Coarse Grain Production and Stocks Reduced Slightly

FEED GRAIN ENDING STOCKS INCREASED FROM LAST MONTH

U.S. feed grain ending stocks in 1999/2000 are forecast at 49.5 million metric tons, up marginally from a month ago but down 4 percent from 1998/99. A forecast increase in imports of barley this month caused this change. Total feed grain supply is projected at 317.2 million tons, up fractionally from last month and up nearly 2 percent from 1998/99. Total use is unchanged from last month and up 3 percent from last year.

FEED AND RESIDUAL USE UP FROM LAST YEAR

On a September-August marketing year, feed and residual use for the four feed grains plus wheat in 1999/2000 is unchanged from last month and up 5.2 percent from last year. The projected index of grain consuming animal units (GCAUs) for 1999/2000 is 90 million units, up 1.6 percent from 1998/99. Feed and residual used per GCAU in 1999/2000 is forecast at 1.86 tons, up 3.6 percent from 1998/99, and nearly the same as the 1.87 tons used in 1997/98. In the index components, GCAUs for hogs are down and those for dairy, beef, and poultry are up.

On February 1, 2000, cattle on feed in the historic 7 States were up 11 percent from 1999. Placements increased 15 percent during January from last year, while marketings were up 1 percent and other disappearance was down 1 percent. This was the sixth consecutive month that placements exceeded a year earlier, although feeder cattle supplies outside feedlots on January 1 were down 5 percent. In calendar 2000, beef production is estimated at 26 billion pounds, up 2 percent from last month's forecast, but down 1 percent from 1999. With more cattle on feed and beef production expected to increase, feed needs will remain strong until fall.

Production of broilers, turkeys, and eggs in 2000 is expected to increase from anticipated 1999 levels and maintain strong demand for feed grains. Broiler production is expected to rise 5 percent as producers respond to good export and domestic demand. Turkey producers are expected to increase production 1 percent. Egg producers are expected to produce 7.06 billion dozen eggs, up 2 percent from 1999.

Pork production in 2000 is expected to decline 3 percent from last year, but is up 50 million pounds from last month's estimate. In early December, hog farmers indicated they intended to decrease the number of sows farrowing in December 1999-May 2000 by 4 percent relative to the prior year. If producers carry through with these reported intentions, feed needs by the pork sector are likely to be weaker in 1999/2000.

Milk production in 2000 is expected to total 166 billion pounds, up 0.5 billion from last month and up from 162.7 billion in 1999. Thus with increased milk production, feed use by the dairy industry will continue strong.

CORN ESTIMATES UNCHANGED THIS MONTH

Total supples of corn in 1999/2000 are forecast at 11 billion bushels, unchanged from last month and up 1 percent from last year. Total use is also unchanged from last month at 9.5 billion bushels, but up 2 percent from last year.

BARLEY IMPORTS INCREASE THIS MONTH

Barley imports are forecast up 5 million bushels from last month, and even with last year. Total supply is now estimated at 454 million bushels, up 1 percent from last month, but down 9 percent from last year. Total use is unchanged from last month, with the additional supply boosting ending stocks. However, ending stocks in 1999/2000 are still expected to be down 11 percent from 1998/99.

PRICE RANGES NARROWED FOR CORN AND SORGHUM

The projected price range for corn is narrowed to $1.85-1.95 per bushel. The sorghum price forecast was also narrowed this month to $1.55-1.65 per bushel. Sorghum prices to date have averaged 85 percent of the corn price.

The all barley price is forecast at $2.05-2.15 per bushel, unchanged from last month. In June 1999-February 2000, the simple average of barley farm prices was $2.08 per bushel, up from $1.98 in the same period a year earlier. Malting barley's premium over feed barley has remained wide, averaging 82 cents so far, compared with 81 cents for the same period a year earlier, and the 10-year weighted average of 56 cents. The oats price forecast was unchanged this month at $1.05-1.15 per bushel. Farm prices for oats in June 1999-February 2000 averaged $1.13, down from $1.16 for the same period in 1998/99.

LDPs SUPPORT FEED GRAIN FARMERS' INCOME

The 1996 Farm Act contained key policy tools to assist farmers when market prices are low. The key provisions are the "nonrecourse marketing assistance loans" and "loan deficiency payments" (LDPs). Producers that entered into Production Flexibility Contracts with USDA are eligible to participate in these programs.

As of March 13, 2000, eligible producers collected $1,960 million in LDP's covering 7,121 million bushels of 1999-crop corn or the equivalent of 75 percent of the 1999 crop. The average payment rate was 28 cents per bushel on 964,082 contracts. In 1998, 58 percent of the corn produced received an LDP.

Sorghum producers have collected $147 million in LDPs on their 1999 crop, covering 486 million bushels or the equivalent of 82 percent of the crop. The average payment rate was 30 cents per bushel on 120,202 contracts. In 1998, 67 percent of the sorghum crop received an LDP. For barley, producers have collected $36 million in LDPs covering 199 million bushels or the equivalent of 70 percent of the crop. The average payment rate was 18 cents per bushel on 40,685 contracts. In 1998, 74 percent of the barley crop received an LDP. Oats producers have collected $28 million in LDPs covering 120 million bushels or the equivalent of 82 percent of the 1999 crop. The average payment rate was 23 cents per bushel on 60,481 contracts. In 1998, 63 percent of the oats crop received an LDP.

FORECAST WORLD COARSE GRAIN PRODUCTION AND STOCKS REDUCED SLIGHTLY

Global coarse grain production in 1999/2000 is expected to reach 873 million tons, down 0.5 million from last month's forecast. An increase in South Africa's corn production of 0.5 million tons, and an increase of 0.3 million in Peru were more than offset by reductions of 0.8 million for Sudan's sorghum, 0.1 million for Mozambique's corn, 0.3 million for Australian barley and oats, and 0.1 million for EU barley.

Forecast world coarse grain consumption declined slightly this month, while exports increased a bit. Australia is expected to feed less barley and more low quality wheat, allowing larger exportable barley supplies despite a low barley production forecast. World coarse grain ending stocks were revised down 0.5 million tons this month, mostly because of lower sorghum production in Sudan.

World 1999/2000 corn balances were almost unchanged this month: forecast consumption remains just larger than production, resulting in a small reduction in stocks. This month's increased corn production in South Africa is expected to boost consumption there. Peru's imports were reduced 200,000 tons because of increased production and the slow pace of purchases, but that was mostly offset by even smaller increases in imports by India and the Philippines.

U.S. BARLEY IMPORT FORECAST BOOSTED

The 1999/2000 U.S. barley import forecast was raised this month because of the stronger-than-expected pace of shipments from Canada. Shipments of malting barley have been stronger than expected. Imports in the local June/May marketing year were boosted 5 million bushels to 30 million, matching the previous year. The international October/September marketing year forecast was increased by 100,000 tons to 700,000, up more than 100,000 from the previous year.

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The next Feed Outlook will be released May 16, 2000.

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Table 1--Feed Grains: Marketing year supply and disappearance 1/

Year/ Qtr.	Beg. stocks	Produc- tion	Im- ports	Supply	FSI	Feed & resid.	Ex- ports	Total disp.	End. stks.	Farm price
CORN	Million bushels									$/bu
1997/98										
Sep-Nov	883	9,207	2	10,092	429	2,036	380	2,845	7,247	2.53
Dec-Feb	7,247	---	1	7,248	418	1,510	380	2,308	4,940	2.55
Mar-May	4,940	---	4	4,944	464	1,089	350	1,904	3,040	2.45
Jun-Aug	3,040	---	2	3,042	470	870	394	1,734	1,308	2.12
Mkt. yr.	883	9,207	9	10,099	1,782	5,505	1,504	8,791	1,308	2.43
1998/99										
Sep-Nov	1,308	9,759	4	11,071	444	2,125	450	3,019	8,052	1.90
Dec-Feb	8,052	---	6	8,058	427	1,467	465	2,359	5,698	2.04
Mar-May	5,698	---	7	5,706	489	1,103	497	2,089	3,616	2.04
Jun-Aug	3,616	---	2	3,618	462	801	568	1,831	1,787	1.80
Mkt. yr.	1,308	9,759	19	11,085	1,822	5,496	1,981	9,298	1,787	1.94
1999/00										
Sep-Nov	1,787	9,437	4	11,228	453	2,221	534	3,208	8,020	1.71
Mkt. yr.	1,787	9,437	15	11,239	1,900	5,650	1,950	9,500	1,739	1.85-1.95
SORGHUM										
1997/98										
Sep-Nov	47	634	0	681	18	239	49	307	374	2.26
Dec-Feb	374	---	0	374	18	38	83	139	235	2.24
Mar-May	235	---	0	235	12	71	55	139	96	2.16
Jun-Aug	96	---	0	96	6	17	24	47	49	2.08
Mkt. yr.	47	634	0	681	55	365	212	632	49	2.21
1998/99										
Sep-Nov	49	520	0	569	15	178	41	234	335	1.67
Dec-Feb	335	---	0	335	15	34	64	113	222	1.69
Mar-May	222	---	0	222	10	45	51	106	116	1.73
Jun-Aug	116	---	0	116	6	5	41	51	65	1.60
Mkt. yr.	49	520	0	569	45	262	197	504	65	1.66
1999/00										
Sep-Nov	65	595	0	660	18	229	65	312	349	1.45
Mkt. yr.	65	595	0	660	55	325	225	605	55	1.55-1.65

Table 1--Feed Grains: Marketing year supply and disappearance, (cont.) 1/

Year/ Qtr.	Beg. stocks	Produc- tion	Im- ports	Supply	FSI	Feed & resid.	Ex- ports	Total disp.	End. stks.	Farm price
BARLEY	Million bushels									$/bu
1997/98										
Jun-Aug	109	360	12	482	44	87	24	155	327	2.31
Sep-Nov	327	---	7	334	39	12	39	90	244	2.45
Dec-Feb	244	---	8	252	37	29	6	72	180	2.42
Mar-May	180	---	13	193	53	16	5	74	119	2.26
Mkt. yr.	109	360	40	510	172	144	74	390	119	2.38
1998/99										
Jun-Aug	119	352	7	479	44	101	8	152	326	2.03
Sep-Nov	326	---	7	333	39	16	8	63	271	1.97
Dec-Feb	271	---	6	277	37	32	7	76	201	1.89
Mar-May	201	---	9	210	51	12	5	68	142	1.85
Mkt. yr.	119	352	30	501	170	161	28	360	142	1.98
1999/00										
Jun-Aug	142	282	6	429	44	81	9	134	295	2.13
Sep-Nov	295	---	5	300	39	23	10	72	229	2.04
Mkt. yr.	142	282	30	454	172	125	30	327	127	2.05-2.15
OATS										
1997/98										
Jun-Aug	67	167	19	253	24	74	0.4	98	155	1.62
Sep-Nov	155	---	38	193	22	26	0.7	49	144	1.54
Dec-Feb	144	---	26	170	21	38	0.5	59	111	1.59
Mar-May	111	---	15	127	28	24	0.5	53	74	1.60
Mkt. yr.	67	167	98	332	95	161	2.1	258	74	1.60
1998/99										
Jun-Aug	74	166	28	268	24	82	0.5	106	162	1.15
Sep-Nov	162	---	36	198	22	32	0.4	54	143	1.08
Dec-Feb	143	---	22	166	21	32	0.5	53	113	1.20
Mar-May	113	---	22	134	28	25	0.3	53	81	1.23
Mkt. yr.	74	166	108	348	95	170	1.7	266	81	1.10
1999/00										
Jun-Aug	81	146	22	249	24	77	0.6	101	148	1.05
Sep-Nov	148	---	34	182	23	23	0.3	46	136	1.08
Mkt. yr.	81	146	100	328	96	150	2.0	248	80	1.05-1.15

Totals may not add due to rounding.

1/ Corn and sorghum are on a September 1 to August 31 marketing year. Barley and oats are on a June 1 to May 31 marketing year.

Table 2--Feed and residual use of wheat and coarse grains

Year Beginning September 1	Corn	Sorg.	Barley	Oats	Feed grains	Wheat	Total grains	Animal Units	Feed/ animal unit
	Million metric tons							Mil.	Tons
1997/98									
Sep-Nov	51.7	6.1	0.3	0.5	58.5	-3.1	55.5		
Dec-Feb	38.3	1.0	0.6	0.6	40.6	0.0	40.6		
Mar-May	27.7	1.8	0.3	0.4	30.2	0.3	30.5		
Jun-Aug	22.1	0.4	2.2	1.3	26.0	11.6	37.6		
Mkt. yr.	139.8	9.3	3.4	2.8	155.3	8.8	164.1	87.9	1.87
% Change	3.9	-29.3	-5.6	7.3	0.9	14.5	1.5	3.1	-1.5
1998/99									
Sep-Nov	54.0	4.5	0.3	0.6	59.4	-2.0	57.4		
Dec-Feb	37.3	0.9	0.7	0.5	39.4	0.3	39.7		
Mar-May	28.0	1.2	0.3	0.4	29.9	0.9	30.8		
Jun-Aug	20.3	0.1	1.8	1.2	23.4	7.6	31.0		
Mkt. yr.	139.6	6.7	3.1	2.7	152.0	6.8	158.8	88.6	1.79
% Change	-0.2	-28.2	-10.5	-4.4	-2.1	-22.5	-3.2	0.7	-3.9
1999/00									
Sep-Nov	56.4	5.8	0.5	0.4	63.2	0.1	63.2		
Mkt. yr.	143.5	8.3	2.8	2.4	157.0	10.1	167.1	90.0	1.86
% Change	2.8	24.0	-8.7	-8.0	3.3	48.2	5.2	1.6	3.6

Table 3--Cash feed grain prices

	Corn, No. 2, Yel, Ctrl. IL 1/	Corn, No. 2, Yel, Gulf ports 1/	Sorghum, No. 2, Yel Texas South Panhandle 1/	Sorghum, No. 2, Yel, Gulf ports 1/	Barley, No. 2, feed, Duluth 2/	Barley, No. 3 or better, Malting, Minn. 2/	Oats, No. 2, Heavy white, Minn. 2/
Mkt. yr.	$/bu	$/bu	$/cwt	$/cwt	$/bu	$/bu	$/bu
95/96	3.91	4.30	7.30	7.19	2.67	3.69	2.28
96/97	2.74	3.07	5.02	5.03	2.32	3.18	2.03
97/98	2.45	2.78	4.72	4.76	1.90	2.50	1.70
98/99 3/	1.97	2.35	3.78	3.97	1.23	2.30	1.34
Monthly:							
1998/1999:							
Oct	1.94	2.43	4.91	4.00	NQ	NQ	1.29
Nov	2.09	2.47	4.91	4.15	NQ	NQ	1.32
Dec	2.08	2.42	4.82	4.12	NQ	NQ	1.31
Jan	2.07	2.48	4.88	4.13	NQ	NQ	1.33
1999/2000:							
Oct	1.72	2.17	3.30	3.55	NQ	NQ	1.20
Nov	1.82	2.17	3.33	3.59	NQ	NQ	1.20
Dec	1.84	2.21	3.36	3.66	NQ	NQ	1.28
Jan 3/	1.95	2.36	3.54	4.01	NQ	NQ	1.21

1/ Marketing year beginning September 1.
2/ Marketing year beginning June 1.   3/ Preliminary.   NQ = No quote.

Table 4--Selected feed and feed by-product prices

	Soybean meal 44% slv. Decatur, IL 1/	Cotton-seed meal, 41% slv. Memphis 1/	Corn gluten feed, IL pts. 1/	Corn gluten meal, IL pts. 1/	Meat & bone meal, Central U.S. 1/	Dists.' dried grains, Lawrence-burg, IN 1/	Wheat midlgs, Kansas City 1/	Alfalfa farm price 2/
	$/ton							
Mkt. yr.								
95/96	217.27	186.12	116.47	319.35	222.07	151.37	118.08	87.20
96/97	260.37	191.47	93.05	341.50	272.44	142.87	91.18	101.80
97/98	186.55	150.40	69.65	290.45	192.56	109.76	76.30	107.00
98/99	130.56	109.86	59.87	234.72	137.32	85.77	54.74	91.00
Monthly:								
1998/1999:								
Oct	129.40	106.50	56.90	227.50	141.30	75.00	49.00	86.90
Nov	139.30	107.90	66.10	313.10	154.00	74.00	60.00	84.40
Dec	139.60	119.75	74.40	291.50	151.20	78.00	68.10	81.40
Jan	131.00	110.60	75.90	257.50	143.00	87.00	80.10	81.40
1999/2000:								
Oct	147.19	111.83	58.38	265.00	150.17	88.00	54.83	76.00
Nov	148.10	112.00	62.80	250.00	159.72	88.00	52.90	77.30
Dec	145.40	124.20	59.00	234.40	156.70	88.00	62.80	73.20
Jan 3/	154.96	126.88	55.50	238.75	156.89	85.00	56.13	74.10

1/ Marketing year beginning September 1.
2/ Marketing year beginning May 1. 3/ preliminary. NQ=No quote.

Table 5--Corn: Food, and industrial uses

Year	HFCS	Glucose and dex.	Starch	Alcohol--- Fuel	Alcohol--- Bev. & Mfg	Cereals & other products	Total F&I
	Million bushels						
1997/98							
Sep-Nov	122.8	63.4	59.6	116.1	33.2	34.0	429.1
Dec-Feb	116.8	56.2	56.7	122.2	32.8	33.6	418.3
Mar-May	139.4	60.7	58.3	118.3	33.5	34.4	444.5
Jun-Aug	153.4	64.7	58.9	124.6	33.5	34.4	469.4
Mkt year	532.3	244.9	233.5	481.1	133.0	136.5	1,761.2
1998/99							
Sep-Nov	127.6	60.5	57.8	132.4	31.1	34.5	443.8
Dec-Feb	120.8	52.0	54.7	132.9	32.6	34.1	427.1
Mar-May	145.4	60.0	57.1	138.8	34.1	34.8	470.1
Jun-Aug	155.4	61.6	58.2	121.8	29.4	34.8	461.2
Mkt year	549.3	234.1	227.8	525.8	127.1	138.2	1,802.2
1999/00							
Sep-Nov	133.7	60.6	60.4	131.7	31.9	34.8	453.2
Mkt year	575.0	240.0	240.0	555.0	130.5	140.0	1,880.5

Table 6--Wholesale corn milling product and by-product prices

	Corn meal, yellow, New York	Brewers' grits, Chicago	Sugar, destrose, Midwest	HFCS, 42% tank cars, Midwest	Corn starch, fob Midwest 3/
	$/cwt	$/cwt	cents/lb	cents/lb	$/cwt
Mkt. yr. 1/					
95/96	17.79	14.21	25.50	13.01	15.98
96/97	16.94	12.85	25.50	13.15	13.83
97/98	15.94	11.85	28.08	7.77	13.55
98/99 2/	15.06	11.00	24.24	8.04	12.28
Monthly					
1998/1999:					
Nov	15.07	10.97	30.65	7.65	12.10
Dec	14.91	10.81	30.65	7.83	12.10
Jan	15.13	11.03	30.65	7.95	11.95
Feb	15.24	11.14	30.65	7.95	12.01
1999/2000:					
Nov	14.42	10.32	16.38	9.25	11.65
Dec	14.57	10.47	16.38	9.25	11.83
Jan	15.12	11.02	16.38	9.25	11.98
Feb 2/	15.17	11.07	16.38	9.25	12.40

1/ Marketing year beginning September 1.
2/ Preliminary.
3/ Bulk-industrial, unmodified.

Table 7--U.S. imports by country of origin

Country/region	1997/98 Mkt. yr.	1997/98 Jun - Dec	1998/99 Mkt. yr.	1998/99 Jun - Dec	1999/2000 Jun - Dec
OATS	Thousand tons				
Canada	1,282	1,017	1,142	838	832
Finland	161	76	216	130	75
Sweden	176	87	443	288	174
Total 1/	1,696	1,209	1,856	1,257	1,081
BARLEY, MALTING					
Canada	733	450	567	308	338
Total 1/	733	450	567	308	338
BARLEY, OTHER 2/					
Canada	112	71	81	67	18
Total 1/	143	72	81	67	18

1/ Totals may not add due to rounding.
2/ Mainly consists of barley for feeding, and also includes seed barley.

Source: Bureau of the Census

Table 8--U.S. feed grain exports by selected destinations 1/

Country/region	1997/98 Mkt. yr.	1997/98 Sept.-Dec.	1998/99 Mkt. yr.	1998/99 Sept.-Dec.	1999/2000 Sept.-Dec.
CORN					
Japan	14,581	5,311	15,110	4,946	4,830
S. Korea	3,593	789	6,462	1,853	1,436
Mexico	4,116	841	5,387	1,971	1,636
Taiwan	3,801	1,761	4,365	1,467	1,833
Egypt	1,808	731	3,159	961	895
Colombia	1,175	414	1,512	501	574
Venezuela	655	247	1,288	478	299
Saudi Arabia	971	421	1,182	449	441
Algeria	861	368	955	367	332
Canada	1,423	557	867	301	403
Dominican Republic	644	228	777	185	300
Turkey	379	86	692	65	101
Peru	253	86	674	262	270
Morocco	350	133	592	183	114
Chile	147	93	486	248	324
Former USSR	23	22	405	0	83
China	212	0	204	154	58
South Africa	0	0	143	0	216
Other Sub-Saharan	336	61	298	75	74
EU	147	6	192	185	5
East Europe	19	19	12	0	35
Others	2,623	1,023	5,464	1,542	3,483
Total	38,117	13,196	50,228	16,195	17,741
SORGHUM					
Mexico	3,222	801	3,103	785	1,709
Japan	1,650	938	1,362	561	490
Others	463	94	433	59	97
Total	5,334	1,833	4,899	1,405	2,297

	1997/98 Mkt. yr.	1997/98 Jun-Dec	1998/99 Mkt. yr.	1998/99 Jun-Dec	1999/2000 Jun-Dec
BARLEY					
Saudi Arabia	922	922	0	0	0
Israel	0	0	0	0	0
Jordan	53	53	0	0	0
Japan	290	232	422	258	308
Mexico	124	80	94	58	74
Taiwan	94	60	0	0	5
Other	135	91	99	66	72
Total	1,617	1437	615	381	459

1/ Totals may not add due to rounding. Source: Bureau of the Census