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Feed Outlook

Allen Baker and Edward Allen

Record Corn Crop Expected

Contents

The next release is August 16, 2004

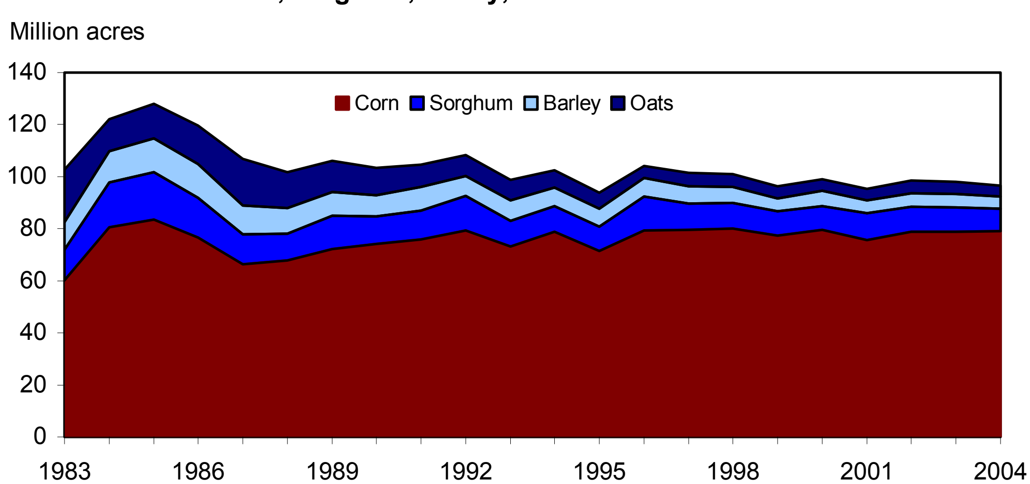
Approved by the World Agricultural Outlook Board.

The projected record corn crop more than offsets the estimated declines from last year in barley and oats. As a result, total feed grains production is estimated to be record high. With strong demand for feed grains from the domestic livestock and poultry industries, food and industrial uses, and exports, the record production will be mostly utilized and ending stocks are projected to rise only modestly. Prices, while reduced from last month, are projected to be stronger than in 2003/04.

The U.S. changes to 2004/05 projected world production and stocks were much larger than the increases for foreign countries, but foreign production and ending stocks also increased, contributing to the downward pressure on prices. While this month's in the trade projections for 2004/05 were mostly small and offsetting, lower corn imports and larger competitor exports forecast for 2003/04 contributed to a 2-millin-ton drop in forecast U.S. corn exports.

Figure 1

Planted area for corn, sorghum, barley, and oats



Source: National Agricultural Statistics Service, USDA.

Domestic Outlook

Feed Grain Supply to Expand in 2004/05

U.S. feed grain production in 2004 is projected at 289 million metric tons, up 4.9 million from a month ago and up 13.2 million from 2003. The June 30 *Acreage* report showed planted acres increased from earlier intentions for corn while sorghum, barley, and oats acres declined. The first survey-based production forecast for barley was up 9 million bushels from the previous projection, which was based on trend yields and expected plantings, but oats was down 8 million bushels. USDA will make its first survey-based forecasts for corn and sorghum in August.

Feed grain supply in 2004/05 is projected at 318 million metric tons, up 2 percent from last month, and 9.9 million tons more than in 2003/04. An increase in forecast beginning stocks and larger 2004 production, especially corn, have led to the increased supply this month, which is the highest since 2000/01. Beginning stocks were increased 2.7 million metric tons to 27.4 million because of lower 2003/04 expected exports.

Projected total use of feed grains in 2003/04 was trimmed 2.6 million metric tons this month, reflecting lower than expected exports to date. Projected feed and residual use in 2004/05 was increased, but food, seed, and industrial use declined slightly. Ending stocks for 2004/05 are projected at 30 million tons, up 6.9 million from last month and up 2.7 million from 2003/04. Prices are expected to remain relatively strong in 2004/05.

Feed And Residual Use in 2004/05 To Increase

Feed and residual use in 2004/05 is expected to total 155 million metric tons and account for 54 percent of total use. When converted to a September-August marketing year, feed and residual use for the four feed grains plus wheat is projected to total 160.3 million tons, up slightly from 2003/04's 159.7 million. Corn is estimated to account for 92 percent of the feed and residual use, the same as in 2003/04.

The index of grain consuming animal units (GCAUs) for 2004/05 is expected to be down 0.9 million units from 2003/04's 89.5 million units. The grain used per GCAU would be 1.81 tons, up 1 percent from 2003/04. In the index components, GCAUs for dairy, and cattle on feed are down, while those for poultry are up and hogs are essentially unchanged.

Cattle on feed in feedlots with capacity of 1,000 head or more on June 1 were up 1 percent from a year earlier. May placements were up 2 percent from a year earlier. Thus, current feed use by cattle feedlots is stronger than last year. However, recent calf crops would suggest placements should be declining. The cow herd has been declining since 1996. Despite lower steer and heifer slaughter from last year, heifer slaughter and heifers on feed remain near record large, suggesting fewer heifers being kept for replacements. Heifers slaughtered under Federal Inspection during Jan.-May 2004 were 32.7 percent of the total, up from 31.8 percent in the same period in 2003. With the smaller cattle herd and reduced calf crops, placements in late 2004 and 2005 are expected to decline and reduce the number of cattle on feed. As a result, cattle on feed numbers in 2004/05 may be down from 2003/04, and feed use by cattle could be smaller.

Pork production in 2005 is expected to increase 15 million pounds from the 20.5 billion pounds expected in 2004, which is up 3 percent from 2003. Hog farmers responding to the June 2004 survey indicated that they intended to decrease the number of sows farrowing in June-November 2004 by 1 percent relative to the prior year. If producers carry through with these reported intentions, feed use by the pork sector is likely to be unchanged in 2004/05.

With strong prices for their products, broiler, turkey, and egg production in 2005 are expected to increase from the expected 2004 levels and continue strong demand for feed grains. Broiler production in 2005 is expected to increase 4 percent from the projected 2004 production, which is up 4 percent from a year earlier. Forecast turkey production in 2004 is down 5 percent from 2003, but is expected to increase in 2005. Egg producers are expected to produce 7.5 billion dozen eggs in 2005, up 1 percent from the projected 2004 output. These forecast increases in production will likely increase feed use.

Record Corn Crop Projected

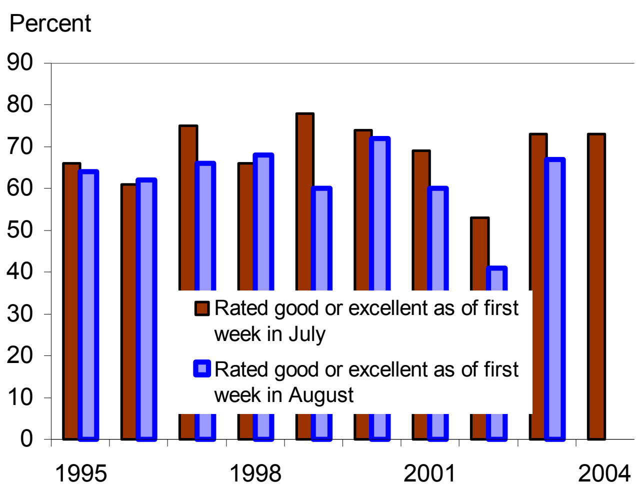
The projection for 2005 corn production was increased 2 percent to a record high from last month because of a 2-percent increase in the estimate of harvested acres. Producers reported planting 45 percent biotech seed varieties, up from 40 percent last year. Yields were unchanged from last month at 145 bushels per acre based on trend adjusted for planting progress and because crop conditions have been generally favorable. As of July 11, 74 percent of the corn crop was rated good or excellent, unchanged from last year. However, as usual, the crop could move either way, depending on conditions in the next month.

Projected corn use is up 50 million bushels from last month's projection and up 240 million bushels from the estimate for 2003/04. The change from last month was in feed and residual use. In 2003/04, exports were reduced 100 million bushels to reflect the slow pace of export shipments, cancellation of some sales, and increased competition from Argentina. FSI use was increased 10 million bushels because of strong starch use in the year to date. As a result, ending stocks for 2003/04 were raised 90 million bushels. For 2004/05, increased beginning stocks and increased production boosted supply, and, with a small change in use, ending stocks were raised 250 million bushels.

With increased corn supplies in 2004/05 and ending stocks projected up from last month, prices were decreased this month. The projected price for 2004/05 is $2.30-$2.70 per bushel, down from last month's estimate of $2.55-$2.95. In 2003/04, the season average price received by farmers is expected to be $2.40-$2.45.

Figure 2

Corn conditions are excellent so far in 2004



Source: National Agricultural Statistics Service, USDA.

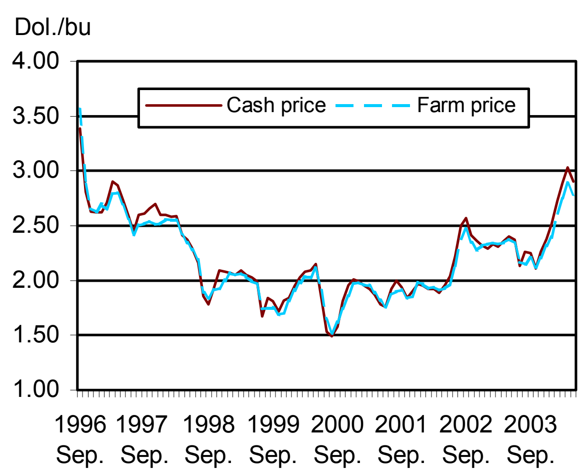
Food, Seed and Industrial Use Continues to Increase.

Food, seed, and industrial (FSI) use of corn in 2004/05 is expected to total 2.68 billion bushels, unchanged from last month. In 2003/04, FSI use is expected to total 2,565 million bushels, up 10 million from last month because of a 10-million-bushel increase in starch use. In 2004/05, FSI use, if realized, would represent 25 percent of total use, the same as the previous 2 years. FSI use in 2003/04 is expected to increase for all estimated uses, but corn used to produce ethanol shows the largest increase.

Based on the monthly ethanol production reported by the Energy Information Administration in the Department of Energy, corn used to make ethanol in 2003/04 was estimated up 20 percent from the 995 million bushels used in 2002/03. Gasoline prices have increased sharply from last year and have raised prices for ethanol. With California, New York, and Connecticut banning MTBE, demand has been strong, but prices did weaken slightly as imported ethanol has become competitive even with the tariff to offset the

Figure 3

U.S. corn: Central Illinois cash and average farm price, September 1996-May 2004



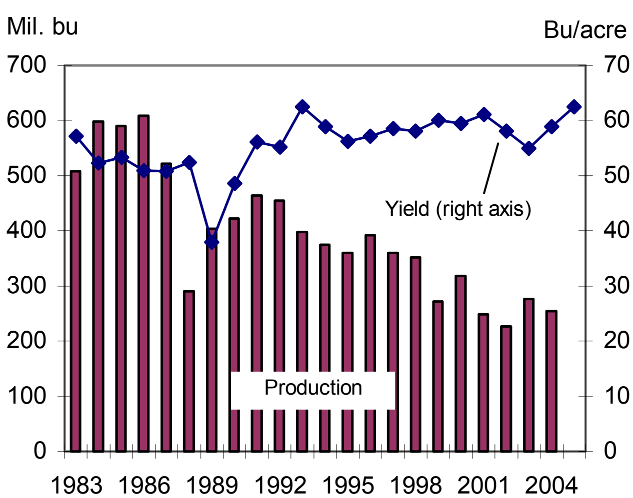
Source: Agricultural Marketing Service and National Agricultural Statistics Service, USDA.

blender credit. Imported ethanol has a 54-cent tariff applied that compensates for the 54-cent blender credit that companies that blend ethanol and gasoline can claim. (for additional information see the *Feed Situation and Outlook Yearbook* http://usda.mannlib.cornell.edu/reports/erssor/field/fds-bby/fds2004.pdf). Imports September 2003 through May 2004 totaled 34.9 million gallons from Brazil, another large ethanol (from sugarcane) producer, up 487 percent from the same period a year earlier.

Corn used for HFCS production in September 2003-May 2004 was essentially unchanged from the same period in 2002/03. Since HFCS is used in soft drinks, the June-August quarter is usually the strongest, and yearly production is expected to be up 1 percent. In 2004/05, corn used for HFCS production is expected to increase 1 percent from the forecast 535 million bushels used in 2003/04.

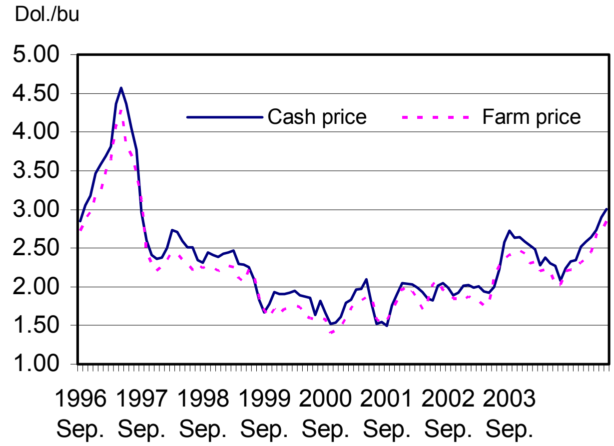
Corn used to make glucose and dextrose during September 2003-May 2004 was up 5 percent from the same period a year earlier and is expected to be up 3 percent for the year-over-year total. In the first three quarters of the 2003/04 corn marketing year, corn used for starch production has been up 6 percent from the same period in 2002/03. Corn starch is used in paper manufacturing and to make wallboard, both products that increase when the economy is expanding. For all of 2003/04, corn used to make starch is expected to increase 6 percent from 2002/03.

Figure 5
Barley production and yield



Source: National Agricultural Statistics Service, USDA.

Figure 4
U.S. sorghum: Kansas City cash and average farm price, September 1996 to April 2004



Source: Agricultural Marketing Service and National Agricultural Statistics Service, USDA.

Projected Sorghum Production to Decline

Sorghum production in 2004 is projected at 435 million bushels, down 20 million from a month ago because of fewer planted and harvested acres. Sorghum plantings are estimated at 8.1 million acres, down 501,000 from the March intentions. Harvested area is forecast at 6.9 million acres, down 352,000 from last month's projection, which was based on March planting intentions and a 5-year average difference between planted and harvested acres, excluding 2002.

Sorghum supplies in 2004/05 are expected to decrease from last month because of reduced production. For 2004/05, feed and residual use and FSI use was lowered this month because of the smaller available supplies. The lower use resulted in ending stocks remaining unchanged. For 2003/04, FSI was reduced 5 million bushels to offset the larger feed use suggested by the June 1 *Grain Stocks* report.

In the 2003/04 marketing year, prices received by farmers for sorghum have averaged 100 percent of the corn price but since March have declined in response to anticipated larger crops. Projected prices for 2003/04 are $2.35-$2.40 per bushel. The forecast price for sorghum in 2004/05 is $2.25-$2.65, approximately 98 percent of the corn price.

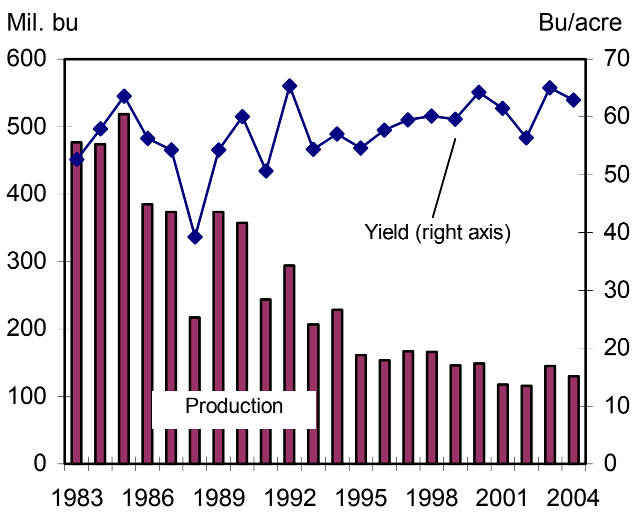
Barley Production Declines

The first survey-based forecast of 2005 barley production is 264 million bushels, up 9 million from the previous projection but down 12 million from the 2003 crop. Planted area was down 17,000 acres from earlier intentions and down 633,000 acres from 2003. Harvested acres are estimated at 4.2 million, also down from last year. Average barley yields are forecast at 63.5 bushels per acre, up from last month's trend-based projection of 62.5 bushels.
Total barley use in 2004/05 is projected to be the same as last month but is up 1 percent from 2003/04.

Projected increased use is in feed and residual and exports. Small changes were made in 2003/04 reflecting the June 1 *Grain Stocks,* which finished the marketing year for barley. Exports were lowered to 19 million bushels from the 20 million last month and feed and residual was 54 million from the earlier estimated 65 million. Ending stocks were reported at 120 million bushels up from the earlier estimate of 108 million, further emphasizing the desire of brewers to maintain stocks.

Prices received by farmers for barley in 2004/05 are expected to average $2.40-$2.80 per bushel, vs. the $2.83 reported for 2003/04. The spread between malting barley and feed barley declined, even though both malting and feed barley prices were higher. In 2003/04, the spread was 79 cents vs. 85 cents in 2002/03 and 93 cents in 2001/02.

Figure 6
Oats production and yield



Source: National Agricultural Statistics Service, USDA.

Oats Production to Decline

Oats production is forecast at 122 million bushels in 2004 according to the first survey results, down 8 million from the initial projection, and down 16 percent from 2003. Planted acres are down 92,000 acres from the March intentions, and harvested acres are down 129,000 from intentions. Compared with 2003, planted acres are down 381,000. Yields are forecast at 62.9 bushels per acre, up 1 from the trend yield used last month but down 3 percent from 2003.

The 2004/05 forecast for feed and residual use was lowered 10 million bushels from last month because of the smaller crop. All the other use categories were unchanged this month. For 2003/04, a minor change was made in feed and residual to account for the reported ending stocks. Feed and residual may also change slightly next month because trade data for May, the last month in the quarter, came out after the WASDE deadline.

Prices received by farmers in 2004/05 are expected to average between $1.35 and $1.65 per bushel, compared with the $1.48 reported in 2003/04. The projected price is about the same ratio to the corn price as in 2003/04.

Harvested Hay Acreage to Decline

Producers expect to harvest 61.6 million acres of all hay in 2004, down 2.1 million from the March *Prospective Plantings* and down 3 percent from 2003. Harvested area of alfalfa and alfalfa mixtures are forecast at 22.2 million acres, down 6 percent from last year. Harvested area of all other hay is expected to total 39.4 million acres, down 1 percent. Nebraska and North Dakota reported the largest declines in harvested acreage—350,000 acres. In the prospective plantings report, both States reported declines of 50,000 acres, with, the largest decline in alfalfa. Drought conditions, combined with higher prospective returns for other crops, probably explain the shifts. In March, Texas producers reported they planned to increase harvested acreage, but better range conditions caused a shift to lower harvested acreage resulting in the third largest decline, primarily other hay.

Foreign Coarse Grain Production Projection Up

Foreign coarse grain production is projected to reach a record 650 million tons in 2004/05, up 2 million tons this month. Foreign 2004/05 corn production is projected down slightly as a 1 million-ton increase in Romania's expected crop is more than offset by reductions in Canada and Brazil. Favorable planting and early growing conditions in Romania boosted both area and yield prospects, but a cold rainy spring in parts of Ontario dampened prospects for Canada's corn. The condition of Brazil's safrina or winter corn crop is reportedly worse than expected, reducing production prospects. Mexico's 2003/04 corn production estimate was increased 0.5 million tons to 21 million tons.

Foreign barley production prospects for 2004/05 increased nearly 3 million tons this month. Russia's barley crop increased 1.5 million tons to 18.5 million as preliminary harvest reports indicated a large winter barley crop. Ukraine's barley crop increased 0.5 million tons to 9.5 million. Spain's 2004/05 barley crop is mostly harvested, and production is reported up 0.5 million tons from earlier expectations.

Projections of foreign oats production in 2004/05 were up 0.6 million tons, while rye was down almost 1 million tons, mostly because of changes in Russia. Russia's oats area reportedly increased more than expected boosting production prospects 0.5 million tons to 6 million. Russia's rye, however, reportedly suffered from extensive snow mold, leading to larger-than-normal winterkill, and dropping expected production 1 million tons to 4 million.

Foreign Coarse Grains Use Little Changed: Stocks Up

Projected world 2004/05 coarse grains use is little changed this month. A small increase in projected U.S. consumption was partly offset by a reduction in expected foreign use. However, global use, at 950 million tons, remains significantly larger than the projected production of 934 million.

With use exceeding production, global coarse grains ending stocks are still expected to decline to a relatively low level, although, the decline is significantly less than forecast earlier. While much of the 10-million-ton, month-to-month increase in projected 2004/05 global coarse grain stocks is in U.S. corn, foreign coarse grain ending stocks were increased 3 million tons this month.

EU-25 2004/05 coarse grains ending stocks are up 1.6 million tons this month because Spanish barley production increased 0.5 million tons, barley export prospects were reduced 0.5 million tons, and beginning stocks were boosted by larger-than-expected corn imports during 2003/04.

Russia's coarse grains ending stocks projection increased 1.1 million tons mostly because of increased production. Mexico's 2004/05 ending stocks increased 0.5 million tons because beginning stocks were boosted by higher 2003/04 corn production and use estimates were unchanged.

U.S. 2003/04 Corn Export Forecast Slashed 2 Million Tons

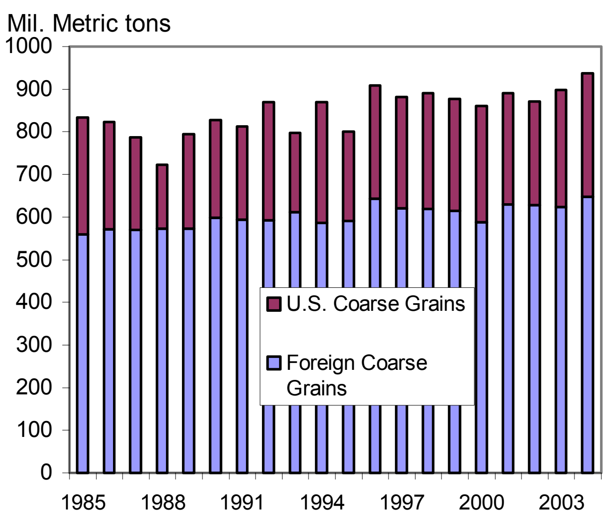
While projected 2004/05 global coarse grains trade was little changed this month at 102 million tons, forecast 2003/04 trade was revised down nearly 1 million tons to 101 million. The slow pace of corn export shipments, cancellation of some sales, and increased competition from Argentina contributed to a reduction in U.S. corn exports of 2 million tons for 2003/04 October-September trade year and 100 million bushels for the September-August marketing year.

Corn imports for 2003/04 were reduced slightly based on sales and shipment data for Egypt, Syria, Philippines, Dominican Republic, Venezuela, Vietnam, and others. These reductions were partly offset by increases for the EU-25 and Turkey. Shipment data also indicated that the pace of corn exports was stronger than expected for Argentina, up 0.5 million tons to 9.5 million; Ukraine, up 0.5 million to 1.5 million; and Thailand, up 0.25 million to 0.6 million.

The pace of U.S. corn exports in recent months has not reached expectations based on large outstanding export sales. May Census data indicated lower corn exports than had been reported by Grain Inspection, Packers and Stockyards Administration, a reversal of the trend in recent years. Moreover, June 2004 inspections were slightly lower than a year earlier. While outstanding export sales as of July 1, 2004, were up 2.1 million tons compared with the previous year, most of the increase was in sales to "unknown" destinations.

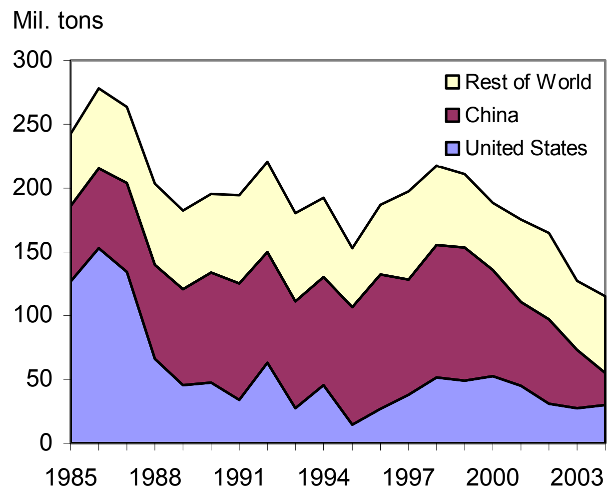
Despite reduced prospects for U.S. corn exports in 2003/04, the forecast for U.S. corn exports in 2004/05 was left unchanged because projected import demand was basically unchanged, and competition from other exporters nearly unchanged. Moreover, with larger production, lower U.S. corn prices forecast, and declining freight rates, there is less incentive for importers to purchase from competitors.

Figure 7
Coarse Grain Production



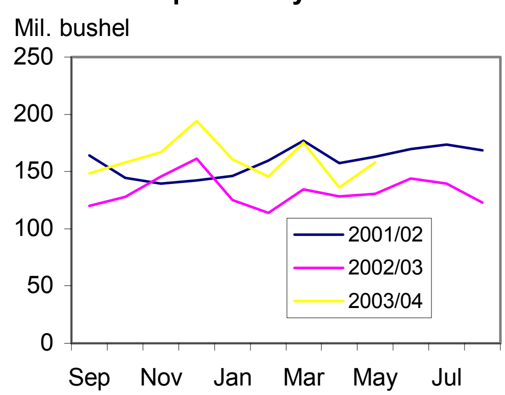
Source: Foreign Agricultural Service, USDA

Figure 8
World coarse grains ending stocks



Source: Foreign Agricultural Service, USDA.

Figure 9
U.S. corn shipments by month



Source: ERS, USDA

Contacts and Links

Contact Information
Allen Baker (domestic) (202) 694-5290 albaker@ers.usda.gov
Edward Allen (international) (202) 694-5288 ewallen@ers.usda.gov

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Data

The Feed Grains Data Delivery System (http://www.ers.usda.gov/db/feedgrains/) is a queryable database that contains monthly, quarterly, and annual data on prices, supply, and use of corn and other feed grains. This includes data published in the monthly *Feed Outlook* and the annual *Feed Yearbook reports.*

Recent Reports From the Economic Research Service

Is China's Corn Market at a Turning Point? Many analysts see signs that China's corn market is reaching the turning point in a decade-long cycle. China curtailed corn exports in calendar year 2004 and may begin to import corn during marketing year 2004/05. Reduced Chinese exports are also driving U.S. prices higher. Higher prices and increased shipping rates have kept U.S. corn out of the China market, but growing demand and limited production capacity will eventually make China a net importer of corn. China's reduction in exports will expand opportunities for U.S. exports. The report is available at
http://www.ers.usda.gov/publications/FDS/may04/fds04C01/DBGen.htm.

The 2002 Farm Act: Provisions and Implications for Commodity Markets provides an initial assessment of the legislation's effects on agricultural production, commodity markets, and net farm income over the next 10 years. The report is available at http://www.ers.usda.gov/publications/aib778/.

The 2002 Farm Bill: Provisions and Economic Implications, a side-by-side comparison of the new farm bill with 1996-2001 farm legislation, is available at http://www.ers.usda.gov/Features/FamBill/.

Related Websites

WASDE (http://www.usda.gov/oce/waob/wasde/latest.pdf)
Grain Circular (http://www.fas.usda.gov/grain/circular/2004/07-04/graintoc.htm)
World Agricultural Production (http://www.fas.usda.gov/wap/circular/2004/04-07/Wap%2007-04.pdf)
Corn Briefing Room (http://www.ers.usda.gov/briefing/corn/)

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. stocks	Farm price
Corn:					----Million bushels----					$/bu
2001/02										
Sep-Nov	1,899	9,503	2	11,404	492	2,199	448	3,139	8,265	1.86
Dec-Feb	8,265	---	2	8,266	482	1,540	448	2,471	5,795	1.96
Mar-May	5,795	---	4	5,799	539	1,166	497	2,203	3,597	1.93
June-Aug	3,597	---	2	3,599	532	958	512	2,002	1,596	2.16
Mkt. yr.	1,899	9,503	10	11,412	2,046	5,864	1,905	9,815	1,596	1.97
2002/03										
Sep-Nov	1,596	8,967	3	10,567	549	1,986	393	2,929	7,638	2.34
Dec-Feb	7,638	---	4	7,642	563	1,547	400	2,510	5,132	2.33
Mar-May	5,132	---	5	5,137	617	1,141	393	2,152	2,985	2.35
June-Aug	2,985	---	2	2,987	611	884	406	1,900	1,087	2.21
Mkt. yr.	1,596	8,967	14	10,578	2,340	5,558	1,592	9,491	1,087	2.32
2003/04										
Sep-Nov	1,087	10,114	2	11,203	598	2,178	473	3,249	7,954	2.17
Dec-Feb	7,954	---	4	7,957	616	1,569	500	2,686	5,271	2.42
Mar-May	5,271	---	3	5,274	683	1,164	458	2,305	2,970	2.83
Mkt. yr.	1,087	10,114	10	11,211	2,565	5,800	1,950	10,315	896	2.40-2.45
2004/05										
Mkt. yr.	896	10,635	15	11,546	2,680	5,775	2,100	10,555	991	2.30-2.70
Sorghum:										
2001/02										
Sep-Nov	42	514	0	556	6	173	63	242	314	1.86
Dec-Feb	314	---	0	314	6	36	78	120	194	1.84
Mar-May	194	---	0	194	6	29	53	89	105	1.78
June-Aug	105	---	0	105	5	-8	47	45	61	2.25
Mkt. yr.	42	514	0	556	23	230	242	495	61	1.94
2002/03										
Sep-Nov	61	361	0	422	5	134	51	190	232	2.43
Dec-Feb	232	---	0	232	5	17	47	69	163	2.38
Mar-May	163	---	0	163	8	33	40	81	82	2.21
June-Aug	82	---	0	82	6	-15	48	39	43	2.13
Mkt. yr.	61	361	0	422	24	169	186	379	43	2.32
2003/04										
Sep-Nov	43	411	0	454	7	151	61	218	236	2.26
Dec-Feb	236	---	0	236	6	15	56	77	159	2.44
Mar-May	159	---	0	159	7	26	46	78	80	2.75
Mkt. yr.	43	411	0	454	20	190	200	410	44	2.35-2.40
2004/05										
Mkt. yr.	44	435	0	479	25	180	225	430	49	2.25-2.65

continued--

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. stocks	Farm price
Barley:					------Million bushels----					$/bu
2001/02										
June-Aug	106	248	8	362	44	62	11	117	245	2.24
Sep-Nov	245	---	5	250	39	9	7	55	195	2.27
Dec-Feb	195	---	6	201	37	17	5	59	142	2.16
Mar-May	142	---	5	147	52	0	3	55	92	2.16
Mkt. yr.	106	248	24	379	172	88	26	286	92	2.22
2002/03										
June-Aug	92	227	9	328	44	54	7	104	224	2.48
Sep-Nov	224	---	3	227	39	11	7	57	170	2.68
Dec-Feb	170	---	5	175	37	6	8	51	123	2.88
Mar-May	123	---	2	125	53	-6	9	56	69	2.85
Mkt. yr.	92	227	18	337	173	65	30	268	69	2.72
2003/04										
June-Aug	69	276	3	349	45	59	3	107	242	2.89
Sep-Nov	242	---	4	246	38	1	9	48	198	2.84
Dec-Feb	198	---	5	203	38	6	6	50	153	2.80
Mar-May	153	---	8	161	51	-11	0	40	120	2.78
Mkt. yr.	69	276	20	365	172	54	19	245	120	2.83
2004/05										
Mkt. yr.	120	264	20	404	172	80	25	277	127	2.40-2.80
Oats:										
2001/02										
June-Aug	73	118	18	208	17	74	1	92	116	1.29
Sep-Nov	116	---	48	165	17	33	1	50	114	1.59
Dec-Feb	114	---	18	132	15	23	1	39	93	1.92
Mar-May	93	---	12	105	24	18	0	42	63	1.99
Mkt. yr.	73	118	96	286	72	148	2.8	223	63	1.59
2002/03										
June-Aug	63	116	14	193	17	63	0	81	112	1.70
Sep-Nov	112	---	41	152	17	31	1	48	104	1.82
Dec-Feb	104	---	23	127	15	28	1	44	83	2.05
Mar-May	83	---	18	101	23	28	0	51	50	2.01
Mkt. yr.	63	116	95	274	72	150	2.7	224	50	1.81
2003/04										
June-Aug	50	145	21	216	16	68	1	84	132	1.47
Sep-Nov	132	---	28	160	17	23	1	41	119	1.38
Dec-Feb	119	---	20	139	16	28	1	44	95	1.53
Mar-May	95	---	20	115	25	25	0	51	65	1.64
Mkt. yr.	50	145	90	284	73	144	2.5	220	65	1.48
2004/05										
Mkt. yr.	65	122	90	277	74	135	3.0	212	65	1.35-1.65

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.

Source: Economic Research Service, U.S. Department of Agriculture.

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

Year beginning Sept. 1	Corn	Sorg.	Barley	Oats	Feed grains	Wheat	Total grains	Animal units	Feed/ animal unit
	---------------------------- Million metric tons						--------------------------------	Mil.	Tons
2002/03									
Sep-Nov	50.5	3.4	0.2	0.6	54.7	-2.1	52.6		
Dec-Feb	39.3	0.4	0.1	0.5	40.3	0.3	40.7		
Mar-May	29.0	0.8	-0.1	0.4	30.1	-0.2	30.0		
June-Aug	22.4	-0.4	1.3	1.0	24.4	8.4	32.8		
Mkt. yr.	141.2	4.3	1.5	2.5	149.5	6.5	156.0	88.3	1.77
2003/04									
Sep-Nov	55.3	3.8	0.0	0.4	59.6	-1.3	58.2		
Dec-Feb	39.9	0.4	0.1	0.5	40.8	0.0	40.8		
Mar-May	29.6	0.7	-0.2	0.4	30.4	-1.1	29.3		
Mkt. yr.	147.3	4.8	1.1	2.2	155.5	4.2	159.7	89.5	1.79
2004/05									
Mkt. yr.	146.7	4.6	1.7	2.3	155.3	4.9	160.3	88.6	1.81

Source: USDA, Economic Research Service.

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 High Plains 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
2000/01	1.91	2.29	3.87	4.35	1.47	2.37	NQ
2001/02	1.92	2.28	3.90	4.23	1.52	2.44	NQ
2002/03 3/	2.35	2.72	NQ	NQ	1.89	3.48	NQ
Monthly:							
2003:							
Feb.	2.33	2.69	4.54	4.95	2.00	3.77	2.37
Mar.	2.31	2.67	4.39	4.78	2.00	3.81	2.05
Apr.	2.36	2.67	4.54	4.79	2.00	3.89	NQ
May	2.40	2.74	4.76	4.76	2.00	3.85	NQ
2004:							
Feb.	2.73	3.12	5.17	5.71	1.80	2.60	NQ
Mar.	2.89	3.26	5.48	5.93	1.80	2.70	NQ
Apr.	3.03	3.39	5.71	5.81	1.80	2.70	NQ
May 3/	2.90	3.28	NQ	5.42	1.85	2.70	NQ

1/ Marketing year beginning September 1.

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

Source: U.S. Department of Agriculture, Agricultural Marketing Service.

Table 4--Selected feed and feed byproduct prices

	Soybean meal high protein 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.								
2000/01	174.15	145.17	58.89	248.43	177.19	84.47	61.77	88.90
2001/02	165.53	134.06	59.71	242.86	167.55	78.48	59.31	104.00
2002/03 3/	178.87	147.23	65.27	241.65	170.81	74.94	64.02	100.00
Monthly:								
2003:								
Feb.	176.80	143.60	66.50	234.00	169.75	82.75	70.65	96.20
Mar.	175.40	142.40	66.25	230.70	180.50	85.00	64.80	96.70
Apr.	182.10	142.40	64.80	226.20	172.70	56.00	50.00	96.50
May	195.40	131.75	62.50	235.00	170.90	86.00	49.80	100.00
2004:								
Feb.	265.88	193.00	99.50	371.25	139.81	119.00	80.37	84.70
Mar.	301.14	205.10	83.20	383.00	270.00	120.00	82.34	85.90
Apr.	265.88	219.68	83.20	390.38	270.00	128.00	77.40	92.70
May 3/	NQ	185.00	84.25	NQ	123.03	NQ	68.28	109.00

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

Sources: U.S. Department of Agriculture, Agricultural Marketing Service and National Agricultural Statistics Service.

Table 5--Corn: Food and industrial uses

Year	HFCS	Glucose and dex.	Starch	---Alcohol--- Fuel	Bev. & Mfg.	Cereals & other products	Total food & industrial
				Million bushels			
2002/03							
Sep-Nov	126.6	54.5	63.5	225.9	32.0	46.5	549.0
Dec-Feb	121.1	49.9	63.0	249.3	33.6	46.5	563.3
Mar-May	139.7	56.0	64.1	256.5	35.1	47.0	598.4
June-Aug	144.4	59.0	65.0	263.8	30.3	47.0	609.5
Mkt. year	531.8	219.3	255.7	995.5	131.0	186.9	2,320.2
2003/04							
Sep-Nov	127.6	57.7	65.4	268.7	32.3	46.6	598.3
Dec-Feb	120.4	51.5	65.9	298.1	33.8	46.6	616.3
Mar-May	140.1	58.8	70.0	308.9	35.4	47.1	660.3
Mkt. year	535.0	225.0	270.0	1,195.0	132.0	187.4	2,544.4
2004/05							
Mkt. year	541.0	232.0	265.0	1,300.0	133.0	189.0	2,660.0

Source: U.S. Department of Agriculture, Economic Research Service.

Table 6--Wholesale corn milling product and byproduct prices

	Corn meal, yellow, New York	Brewers' grits, Chicago	Sugar, dextrose, Midwest	HFCS, 42% tank cars, Midwest	Corn starch, fob Midwest 3/
	$/cwt	$/cwt	cents/lb	cents/lb	$/cwt
Mkt. yr. 1/					
2000/01	15.85	11.75	16.83	9.25	12.44
2001/02	15.74	11.75	18.61	10.58	12.46
2002/03 2/	16.45	12.86	20.36	11.65	13.21
Monthly					
2003:					
Mar.	16.42	12.31	20.88	11.50	13.03
Apr.	16.82	12.70	20.88	11.50	13.06
May	16.94	12.83	20.88	11.50	13.24
June	16.73	12.62	20.88	11.50	13.24
2004:					
Mar.	17.89	13.79	22.23	12.75	13.21
Apr.	18.13	14.03	21.98	12.75	13.75
May	17.67	13.58	21.98	12.75	14.11
June 2/	17.51	14.43	21.98	12.75	13.90

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

Source: Milling and Baking News.

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

Country/region	------2001/2002------		------2002/2003------		2003/2004
	Mkt. yr.	June-May	Mkt. yr.	June-May	June-May
Oats:			Thousand tons		
Canada	1,138	1,138	843	843	1,206
Finland	264	264	360	360	172
Sweden	217	217	381	381	167
Total 1/	1,654	1,654	1,640	1,640	1,546
Barley, malting:					
Canada	488	488	317	317	321
Total 1/	489	489	360	360	400
Barley, other: 2/					
Canada	32	31.9	42	42	50
Total 1/	32	32.0	42	42	50

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, U.S. Dept. of Commerce.

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

Country/region	------2001/02--------		------2002/03--------		2003/2004
	Mkt. yr.	Sept.-May	Mkt. yr.	Sept.-May	Sept.-May
	1,000 metric tons				
Corn:					
Japan	14,893	10,745	14,508	10,987	11,218
Mexico	4,464	3,669	5,255	4,470	4,566
Taiwan	4,680	3,445	4,014	3,197	3,731
Egypt	4,468	3,155	2,702	1,493	2,515
S. Korea	1,355	1,038	270	207	1,837
Canada	3,909	2,543	3,923	3,007	1,439
Colombia	1,698	1,222	1,585	1,207	1,340
Venezuela	460	144	608	390	411
Algeria	1,367	1,160	898	706	1,075
Saudi Arabia	714	507	131	130	264
Dominican Republic	1,030	751	937	731	548
Israel	832	570	268	133	1,030
Syria	786	495	517	317	446
Turkey	747	709	981	276	230
Morocco	600	425	76	27	500
Costa Rica	463	345	529	366	400
Tunisia	714	532	123	74	476
Peru	261	197	42	27	65
Iran	63	63	--	--	--
Sub-Saharan Africa	695	452	339	328	120
Former USSR	86	86	--	--	26
Chile	34	24	--	--	19
EU	26	26	8	7	32
East Europe	15	--	--	--	--
China	20	20	--	--	--
Others	3,790	2,881	2,599	1,943	3,291
Total	48,172	35,203	40,315	30,024	35,579
Sorghum:					
Mexico	4,653	3,800	3,194	2,388	1,951
Japan	1,264	951	1,015	905	927
Israel	30	30	39	14	122
EU	9	9	182	--	845
Others	71	61	104	64	87
Total	6,027	4,850	4,535	3,371	3,932
	------2001/2002------		------2002/2003------		2003/2004
	Mkt. yr.	June-May	Mkt. yr.	June-May	June-May
Barley:					
Saudi Arabia	--	--	--	--	113
Japan	293	293	358	358	216
Mexico	70	70	25	25	15
Taiwan	--	--	--	--	--
Canada	94	94	195	195	35
Other	113	113	73	73	141
Total	571	571	650	650	407

1/ Totals may not add due to rounding.

Source: Bureau of the Census, U.S. Dept. of Commerce.