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FDS-13f

June 14, 2013

## Feed Outlook

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### Feed Grain Supply Prospects Lowered on Delayed Plantings

[Feed Chart Gallery](#)  
will be updated on  
June 16, 2013

Special Article:  
World Corn Use  
Expands Despite  
High Prices in  
2012/13

The next release is  
July 15, 2013

The outlook for 2013/14 U.S. feed grain supplies is lowered this month as delayed plantings reduce yield prospects for corn. Corn production is projected 135 million bushels lower at 14.0 billion, with the average yield projected at 156.5 bushels per acre, down 1.5 bushels from last month. Forecast total use is down 70 million bushels to 12.9 billion. Feed and residual use is lowered 125 million bushels to 5.2 billion, but industrial use is raised 55 million. The projected 2013/14 season-average farm price for corn is raised \$0.10 at both ends of the range to \$5.20 to \$4.40 per bushel, with a resulting midpoint of \$4.80 per bushel. Prices are also raised for sorghum, barley, and oats. For 2012/13, corn imports and industrial use are increased, but exports are lowered, leaving forecast ending stocks up 10 million bushels. U.S. prices for old-crop corn are high compared with competitors, encouraging imports and discouraging exports. Brazil's 2012/13 corn production is record large and raised again this month.

## Domestic Outlook

### ***U.S. Feed Grain Supplies Dip on Lower Forecast Corn Yield***

Delayed planting and persistent rain in the Western Corn Belt and Northern Plains resulted in a 1.5-bushel-per-acre decline in the projected corn yield for the 2013/14 feed grain crop this month, lowering feed grain production by 3.4 million tons to 372.4 million. Projected feed grain supplies are 397.3 metric tons, 3.1 million tons below last month's forecast. Supplies are nevertheless the highest since 2009/10 and 77.4 million tons over the 2012/13 estimate. Total projected use for 2013/14 is lowered 1.8 million tons from last month to 344.1 million as a reduction in feed and residual use more than offsets higher forecast food, seed and industrial (FSI) use. Projected exports are unchanged for 2013/14. Forecast ending stocks are lowered 1.4 million tons this month to 53.2 million tons.

For 2012/13, feed grain supplies are raised 0.7 million tons to 319.9 million due to higher forecast imports. FSI is raised 1.7 million tons to 160.2 million on increased corn use for ethanol production. Ending stocks edge up 0.3 million tons to 22.2 million, still the lowest since 1995/96.

### ***Forecast Corn Yield Lowered as Wet Weather Delays Planting***

According to the USDA, National Agricultural Statistics Service (NASS) June 10 *Crop Progress* report, as of June 9, 95 percent of the corn crop had been planted, compared with 100 percent at the same point last season and 98 percent for the 2008-12 average. Iowa, Minnesota, North Dakota, and Wisconsin were well behind the normal pace. Corn emergence statistics reveal more of the effects of cool, wet weather on this year's corn crop, with only 85 percent emerged as of June 9 compared with 99 percent last season and 92 percent for the 2008-12 average. As would be expected, emergence was well behind normal in the same States where planting was significantly delayed. Corn rated good or better comprised only 63 percent of the 18-State total, compared with 66 percent at the same point last season.

Early-season crop condition ratings often provide little indication of final yields as rainfall and temperature over the next several weeks will ultimately determine this year's production. The percentage of the crop rated good or excellent was 69 percent in 2011, 66 percent in 2012 for reporting weeks comparable to June 9 of this year. The U.S. corn yield in 2011 was 147.2 bushels per acre. The 2012 yield was 123.4 bushels per acre, 33.5 bushels below the 1990-2012 simple linear trend.

### ***Supply and Use Both Forecast Lower This Month for 2013/14***

U.S. corn supply projections for 2013/14 are lowered 125 million bushels this month. With acreage unchanged, the 1.5 bushel-per-acre decline in yield results in forecast production of 14.0 billion bushels and total supply of 14.8 billion. Forecast total use is down 70 million bushels this month to 12.9 billion. Feed and residual use is lowered 125 million bushels to 5.2 billion. Corn use for ethanol is increased 50 million bushels to 4.9 billion, reflecting expectations for favorable ethanol producer margins and high renewable identification number (RIN) prices, which will also impact production prospects for 2013/14. Changes in high-fructose corn syrup, glucose and dextrose, beverage and manufacture, and cereals and other

products total 5 million bushels and result in a total FSI increase of 55 million bushels from last month's projection. The resulting ending stocks are forecast 55 million bushels lower this month at 1.9 billion, compared with 769 million forecast for 2012/13.

### ***Carryout for 2012/13 Raised 10 Million Bushels***

Forecast U.S. corn supplies for 2012/13 were increased this month by 25 million bushels, reflecting a strong import pace. Total supply is expected to be 11,919 million bushels. Forecast domestic use is increased by 65 million bushels as corn for ethanol was raised 50 million bushels on favorable ethanol producer margins that boosted weekly production rates. As in 2013/14, other FSI categories are raised, up 15 million bushels this month. Forecast 2012/13 exports were lowered 50 million bushels to 700 million, the lowest since 1970/71. Changes in imports and use result in ending stocks being raised by 10 million bushels to 769 million, the lowest since 1995/96.

### ***Feed and Residual Use up in 2013/14***

The 2013/14 U.S. feed and residual use for the four feed grains plus feed wheat on a September-August year is projected at 142.9 million metric tons, a gain of 17.1 million tons from 2012/13. Feed and residual use per grain-consuming animal unit (GCAU) is projected at 1.57 tons in 2013/14, compared with 1.38 tons in 2012/13. Total GCAUs are projected down slightly on the year to 90.9 million. GCAUs are lowered this month because cattle inventories are expected to decline as animals are slaughtered in the face of high feed prices and tight hay supplies.

For 2012/13, feed and residual use for the four feed grains plus wheat are estimated at 125.8 due largely to reduced corn feeding.

### ***Forecast 2013/14 Corn Price Raised this Month***

The projected 2013/14 season average farm price for corn is raised \$0.10 at both ends of the range to \$4.40 to \$5.20 per bushel, with a resulting midpoint of \$4.80 per bushel. The price increase reflects tighter supplies due to lower yields and greater demand for ethanol. For 2012/13, the price is increased \$0.05 on both the low and high ends of the range to \$6.75 and \$7.15 per bushel, with a midpoint of \$6.95 per bushel.

### ***Upcoming Data Releases***

On June 28, NASS will update U.S. corn area in the *Acreage* report. This will be the first survey-based forecast for 2013 harvested area and provide an update for planted area from the farmer planting intentions reported in the *March Prospective Plantings*. In addition, NASS will also release its estimate of June 1 feed grain stocks in the quarterly *Grain Stocks* report. The July ERS *Feed Outlook* report will update feed grain supplies and use reflecting these latest survey-based forecasts and estimates. On August 12, NASS will release its first survey-based forecast of the 2013/14 U.S. corn crop in the *Crop Production* report.

## ***Sorghum Plantings Approach 5-Year Pace***

U.S. sorghum supply-and-demand estimates are unchanged for 2012/13 and 2013/14. The 2013/14 forecast remains reflective of significant increases in planted and harvest area as well as yields, compared with 2012/13 estimates. The June 11 USDA *Weekly Weather and Crop Bulletin* indicates that sorghum planting was limited in early May due to cool weather and wet fields in portions of the Great Plains. By mid-May, planting was underway but behind the 5-year average in Kansas. Fieldwork conditions improved in other sorghum-producing regions, however, planting progress across the U.S. continued to fall behind the 5-year pace.

Planting in Texas was essentially complete by the end of May and at the time of the June 2 NASS *Crop Progress* report, 52 percent of the sorghum crop had been planted, 23 points behind last year's pace and 8 points behind the 5-year average. The June 10 *Crop Progress* report indicates that Kansas growers were able to capitalize on the 4.3 days suitable for field work in the previous 7-day period and planted 26 percent of their crop in the span of a week. Kansas, the largest sorghum-producing State, is still slightly behind pace with 54 percent of the crop planted, compared with the 5-year average of 60 percent. Planting in Texas, at 87 percent complete, is essentially on par with the 5-year average.

The June 10 *Crop Progress* report indicates that 69 percent of the sorghum crop is in the ground; this compares with the 5-year average of 72 percent. Continued mild weather in Kansas will assist growers there to complete their sorghum planting. Despite observed lags in planting, at this time, sorghum acreage and yields are not expected to diminish. Subsequently, production, exports, imports, and other supply-and-demand categories remain unchanged this month.

Recent increases in corn prices have pushed the sorghum season-average price forecasts for 2012/13 and 2013/14 slightly higher. The midpoint price for 2012/13 is raised \$0.05 to \$6.90 per bushel; the lower and higher end of the range are raised by a similar amount to \$6.70 to \$7.10 per bushel. The 2013/14 price is also increased as recent market developments suggest a slightly higher price. The range is raised \$0.10 per bushel on each end to \$4.00 to \$4.80 per bushel with a midpoint of \$4.40 per bushel.

## ***Cool, Wet Conditions Inhibit Barley Planting***

No changes are made this month to the 2012/13 and 2013/14 U.S. barley supply-and-demand estimates. Price estimates for the 2012/13 crop year are unchanged, with a season-average price of \$6.40 per bushel. The 2013/14 farm price range is raised \$0.05 per bushel on each end to \$5.35 to \$6.35 per bushel as the increase in corn prices boost price prospects for feed barley. The effect of planting delays in North Dakota and Minnesota on acreage and production forecasts will be examined following the release of the June 28 *Acreage* report, and any resulting adjustments will be reflected in ERS's July *Feed Outlook*.

The most recent *Crop Progress* report indicates that barley planting is 68 percent complete in North Dakota (compared with the 5-year average of 92 percent) and 89 percent complete in Minnesota (compared with the 5-year average of 99 percent). Factors including prolonged rainfall, saturated fields, and cool temperatures have

prevented seeding and postponed fieldwork, especially in the northeastern portions of North Dakota and central sections of Minnesota. On acres that have been planted, flooding and soil crusting are reported to be inhibiting emergence on some acres. In North Dakota, just 48 percent of the barley crop is reported to have emerged, relative to the 5-year average of 83 percent. Perhaps in response to concerns about malt barley availability and the protein content of the harvested malt crop, a limited number of new malting barley contracts are reported to have become available in North Dakota.

Despite delayed planting and emergence in several barley-producing States, collectively, the barley crop is in similar condition to the previous year's crop, with 63 percent reported to be in good or excellent condition, compared with 64 percent at the same time in 2012.

### ***Supply Concerns Contribute to Oats Price Increase***

Minimal changes to U.S. oats supply-and-demand factors are made this month. Based on the pace of exports as indicated by U.S. Census Bureau data, the oats export figure is raised slightly from 1.0 million bushels to 1.2 million for 2012/13. Oats imports for 2012/13 are raised 3 million bushels and ending stocks for the same crop year are boosted 2.8 million bushels after accounting for the slight increase in exports. Beginning stocks for 2013/14 are correspondingly increased by 2.8 million bushels and, at this time, the ending stocks increase serves to bolster carryout by a similar amount.

In North Dakota and Minnesota, where oats are commonly grown for grain as opposed to forage needs, producers were able to get the majority (57 percent) of the oats crop seeded by May 5; however, this pace was fully 36 points behind the 2012 pace and lagged 19 points behind the 5-year average. Weather conditions in major oats-producing areas improved toward the end of the month, and the national planting pace edged closer to normal as 94 percent of the crop had been sown by June 2 according to the USDA-NASS *Planting Progress* report. In the week that followed, weather and soil moisture conditions in Minnesota, North Dakota, and Wisconsin facilitated additional sowing and served to boost the planted percentage 2 points over the week previous to 96 percent.

Oats emergence is slightly behind the 5-year pace with 92 percent of the crop having emerged compared to 100 percent in 2012 and 96 percent over the last 5 years. Approximately 34 percent of the crop has reached the heading stage, compared with the 5-year average of 42 percent. Nationally, 56 percent of the oats crop is rated as good to excellent and 13 percent very poor or poor compared with 73 percent good to excellent in 2012 and 5 percent very poor or poor in the same year. Improvements in weather and soil moisture conditions may serve to enhance the overall health of the crop and help producers get the last of their oats crop seeded.

### ***Winterkill Losses Put Pressure on Forage Supplies***

In areas of Minnesota, Wisconsin, the Dakotas, and Iowa, alfalfa winterkill is widespread. Agronomy professor Dan Undersander of the University of Wisconsin estimates that at least 1 million acres of alfalfa in Wisconsin and 0.75 to 1 million

additional acres were winterkilled in Minnesota and the Dakotas. For comparison, in the 2012/13 crop year, Wisconsin harvested 1.45 million acres of hay-including alfalfa, Minnesota harvested 1.75 million acres, and the Dakotas combined to harvest 5.29 million acres. Thus the loss of established alfalfa stands in these States represents a significant setback to local growers and is likely to create challenges for local dairies looking to procure forages for their herds.

In an effort to increase hay availability, the USDA, National Resources Conservation Service office in Wisconsin announced that it is allowing producers to plant crops on acres classified as highly erodible land (HEL). Since replanting on approximately half of winterkilled fields is reportedly not recommended due to autotoxicity concerns, the opening of the HEL land to cultivation provides valuable acres on which to plant needed forage crops. For producers who are looking to plant and/or replant forage acres, oats and peas are commonly recommended as stands that can be established relatively quickly. However, industry sources have reported that oats, pea, and alfalfa seed is in relatively short supply, thus forage rations may need to be supplemented with corn silage or other feedstuffs.

### ***Foreign Coarse Grain Production Prospects Little Changed for 2013/14***

Global coarse grain production projected for 2013/14 is reduced 3.3 million tons this month to 1.25 billion, with nearly all the reduction in U.S. corn prospects. Foreign production is nearly unchanged, increasing 0.15 million tons to 877.5 million. For spring-sown crops in the Northern Hemisphere, planting is ongoing, and it is too early to modify last month's projections. Southern Hemisphere crops are still unplanted and remain as previously forecast.

EU coarse grain production is increased 0.4 million tons this month to 151.9 million. Barley area in the UK is increased as spring barley is planted on land that was too wet for planting winter wheat and rapeseed last fall. EU barley production is forecast up 0.3 million tons to 55.6 million. EU corn production prospects are up 0.1 million tons to 63.9 million. A sharp reduction in Italy caused by flooding was more than offset by improved prospects in Hungary, Poland, France, and Bulgaria. Tunisia reported winter barley yields below previous expectations, with dryness in the south reducing production prospects 0.15 million tons to 0.375 million. Millet production in Ukraine is slightly reduced based on smaller planted area.

### ***2012/13 Corn Production Cut for China, Boosted for Brazil***

Government sources in China indicate corn production for 2012/13 at 205.6 million tons, down 2.4 million from the previous estimate. In some areas, the crop suffered from excess wetness, trimming both quality and quantity produced. However, the 2012/13 yield, though reduced from the previous estimate, remains record high.

Brazil's 2012/13 second-crop corn is just beginning to be harvested, and the Brazilian government (CONAB) increased area harvested for grain in its latest report. Recent showers across Mato Grosso came after the dry season had set in, providing a boost to corn in the grain-fill stage. Corn production is up 1.0 million tons this month to a record 77.0 million.

### ***Reduced 2013/14 Beginning Stocks Tighten Supplies***

Beginning global coarse grain stocks for 2013/14 are cut 1.1 million tons this month to 153.3 million. Most of the drop is for China, down 2.4 million tons due to lower reported corn production in 2012/13. South Africa's stocks are trimmed 0.1 million tons due to the strong pace of exports for 2012/13. Trade and consumption changes for 2012/13 reduce Mexico's corn stocks and Nigeria's sorghum stocks slightly. Partly offsetting the aforementioned declines are increased 2013/14 beginning stocks for Brazil, up 1.0 million tons due to increased corn production; Russia, up 0.2 million tons because of slowing 2012/13 corn exports; and Uruguay, up slightly due to strong 2012/13 barley imports.

Total world coarse grain supplies projected for 2013/14 are down 4.3 million tons this month to 1.40 billion, mostly due to reduced U.S. corn production. Foreign coarse grain supplies are down 1.2 million tons this month to 1.01 billion as reduced beginning stocks swamp a small production increase.

### ***World Coarse Grain Use Projected Lower***

Global coarse grain use for 2013/14 is projected to reach a record 1.22 billion tons, down 1.8 million this month, with the entire decline in the United States. Changes to foreign 2013/14 projected use are small and offsetting. India is projected to export more corn and use less corn domestically both in 2012/13 and 2013/14, as high protein meal and corn prices have reduced production of eggs and poultry. India's 2012/13 corn domestic use is forecast down 0.8 million tons to 16.7 million, and the 2013/14 projection is cut 0.5 million to 17.9 million. However, corn use in Indonesia is raised 0.2 million tons for both years based on the strong pace of imports. Corn use in Russia is raised 0.1 million tons for 2012/13 and 0.2 million for 2013/14 as the pace of exports has slowed.

Additional changes to forecast corn use for 2012/13 include an increase of 0.6 million tons for Turkey based on the strong pace of recent imports. However, the pace of EU corn exports leaves less for domestic use, which is down 0.5 million tons. Japan's 2012/13 corn imports and consumption are also reduced 0.5 million tons this month. Total foreign coarse grain use estimated for 2012/13 is reduced 1.9 million tons this month to 861.3 million.

### ***Ending Stocks Projected Lower This Month***

Global coarse grain ending stocks for 2013/14 are projected down 2.6 million tons this month to 183.6 million. Foreign countries account for slightly less than half the decline, down 1.2 million tons to 130.4 million. China's corn ending stock prospects are cut 2.4 million tons, due to reduced 2012/13 production. Corn stocks for South Africa are projected down 0.1 million due to strong exports, and Tunisia's barley stocks are forecast down 0.1 million tons because of reduced production. There are smaller reductions for projected coarse grain stocks in Mexico and Nigeria. Partly offsetting the reductions are increased coarse grain stocks for the EU, up 0.4 million tons to 12.1 million, mostly due to increased barley production. Indonesia's corn stocks are projected up 0.1 million tons due to strong imports.

### ***World Corn Trade Projected Higher for 2013/14***

Global corn trade in 2013/14 (October-September) is projected to reach 102.4 million tons, up 0.6 million from the previous forecast and nearly as large as record corn trade in 2011/12. India's corn export prospects are boosted 0.5 million tons to 3.5 million as domestic demand is not expected to be as strong as previously forecast, leaving more for exports. Also, South Africa's corn exports are projected 0.1 million tons higher to 1.9 million, as the pace is expected to match the previous year. Indonesia's imports are increased 0.3 million tons to 2.2 million based on strong consumption growth. Projected 2013/14 trade for the other coarse grains is unchanged this month.

### ***U.S. 2012/13 Corn Export Prospects Cut Even as Global Trade Is Boosted***

World corn trade in 2012/13 is forecast up 0.3 million tons this month to 97.8 million. India's corn exports are forecast up 0.8 million tons to 4.8 million as domestic demand is reduced and the export pace has exceeded expectations. EU corn exports are increased 0.5 million tons to 1.5 million based on the pace of



export licenses and shipments. South Africa's exports are boosted 0.2 million tons to 1.9 million based on the pace of shipments. Mexico's corn exports are increased slightly to 0.2 million tons based on the pace of recent shipments. However, the pace of Russia's corn shipments has slowed, reducing forecast exports 0.3 million tons to 2.0 million.

The pace of U.S. corn exports and old-crop sales in recent weeks has been exceptionally slow. U.S. prices are high compared to competitors, and it is reportedly difficult to find uncommitted corn in big enough volumes to put together vessel-sized shipments for export. Forecast 2012/13 U.S. exports are cut 1.0 million tons this month to 18.5 million (for the September-August local marketing year, the export forecast is cut 50 million bushels to 700 million). Census data indicate corn exports of 10.7 million tons for October 2012 through April 2013. May export inspections were 1.4 million tons, and outstanding sales at the end of May were 3.4 million tons, less than half of the previous year. U.S. corn exports for the final 4 months of the trade year are forecast to average 1.6 million tons.

World barley trade in 2012/13 is forecast fractionally higher this month, with increased exports for India and small increases in imports for Syria, Uruguay, and Switzerland. Global sorghum trade for 2012/13 is reduced slightly this month, with Nigeria's exports zeroed out and Niger's imports reduced. Forecast world oats and rye trade for 2012/13 are unchanged this month.

## Contacts and Links

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### Data

Feed Grains Database (<http://ers.usda.gov/data-products/feed-grains-database.aspx>) 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.

### Related Websites

Feed Outlook (<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1273> WASDE) (<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194>)  
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# Tables

Table 1--Feed grains: U.S. quarterly supply and disappearance (million bushels), 6/14/2013

Commodity, market year, and quarter 1/			Beginning stocks	Production	Imports	Total supply	Food, seed, and industrial use	Feed and residual use	Exports	Total disappearance	Ending stocks	Farm price 2/ (dollars per bushel)
Corn	2010/11	Sep-Nov	1,708	12,447	5	14,160	1,582	2,067	454	4,103	10,057	4.30
		Dec-Feb	10,057		8	10,065	1,577	1,562	403	3,542	6,523	5.07
		Mar-May	6,523		10	6,534	1,638	715	511	2,864	3,670	6.01
		Jun-Aug	3,670		4	3,673	1,628	451	467	2,546	1,128	6.51
		Mkt yr	1,708	12,447	28	14,182	6,426	4,795	1,834	13,055	1,128	5.18
	2011/12	Sep-Nov	1,128	12,360	4	13,491	1,613	1,825	406	3,844	9,647	5.87
		Dec-Feb	9,647		4	9,651	1,641	1,540	446	3,627	6,023	6.06
		Mar-May	6,023		11	6,034	1,630	858	398	2,886	3,148	6.34
		Jun-Aug	3,148		10	3,159	1,555	322	293	2,170	989	7.02
		Mkt yr	1,128	12,360	29	13,516	6,439	4,545	1,543	12,527	989	6.22
	2012/13	Sep-Nov	989	10,780	29	11,798	1,485	2,060	221	3,766	8,033	6.89
		Dec-Feb	8,033		51	8,084	1,444	1,078	163	2,685	5,399	6.95
		Mkt yr	989	10,780	150	11,919	6,050	4,400	700	11,150	769	6.75-7.15
	2013/14	Mkt yr	769	14,005	25	14,799	6,350	5,200	1,300	12,850	1,949	4.40-5.20
	Sorghum	2010/11	Sep-Nov	41.24	345.63	0.01	386.87	23.60	89.69	35.91	149.21	237.67
Dec-Feb			237.67		0.02	237.69	24.85	16.21	25.58	66.64	171.05	5.21
Mar-May			171.05		0.00	171.05	26.79	12.90	51.32	91.02	80.03	6.32
Jun-Aug			80.03			80.03	9.76	3.94	38.88	52.58	27.45	5.90
Mkt yr			41.24	345.63	0.03	386.90	85.00	122.74	151.70	359.45	27.45	5.02
2011/12		Sep-Nov	27.45	214.44	0.00	241.89	24.50	44.31	22.13	90.94	150.95	5.98
		Dec-Feb	150.95		0.05	151.00	25.51	5.70	11.72	42.93	108.07	5.97
		Mar-May	108.07		0.05	108.12	26.51	15.35	7.73	49.59	58.53	6.00
		Jun-Aug	58.53		0.01	58.53	8.47	5.29	21.81	35.58	22.95	6.02
		Mkt yr	27.45	214.44	0.11	242.00	85.00	70.65	63.40	219.05	22.95	5.99
2012/13		Sep-Nov	22.95	246.93	1.09	270.97	25.06	78.73	27.34	131.13	139.85	6.86
		Dec-Feb	139.85		0.06	139.91	20.06	9.61	18.85	48.51	91.39	6.78
		Mkt yr	22.95	246.93	12.00	281.88	80.00	100.00	80.00	260.00	21.88	6.70-7.10
2013/14		Mkt yr	21.88	425.00		446.88	120.00	120.00	150.00	390.00	56.88	4.00-4.80

Table 1--Feed grains: U.S. quarterly supply and disappearance, cont. (million bushels), 6/14/2013

Commodity, market year, and quarter 1/			Beginning stocks	Production	Imports	Total supply	Food, seed, and industrial use	Feed and residual use	Exports	Total disappear- ance	Ending stocks	Farm price 2/ (dollars per bushel)	
Barley	2010/11	Jun-Aug	115	180	3	299	42	33	1	75	224	3.71	
		Sep-Nov	224		3	227	40	2	5	46	180	3.72	
		Dec-Feb	180		2	182	35	7	1	44	138	3.89	
		Mar-May	138		2	140	41	8	1	50	89	4.30	
		Mkt yr	115	180	9	305	159	50	8	216	89	3.86	
	2011/12	Jun-Aug	89	156	1	246	41	26	3	71	175	5.14	
		Sep-Nov	175		4	179	39	-2	3	40	139	5.46	
		Dec-Feb	139		7	145	38	12	1	52	94	5.44	
		Mar-May	94		5	99	37	1	1	39	60	5.52	
		Mkt yr	89	156	16	261	155	38	9	201	60	5.35	
	2012/13	Jun-Aug	60	220	5	285	40	45	3	89	197	6.26	
		Sep-Nov	197		6	203	38	3	3	45	158	6.44	
		Dec-Feb	158		6	164	37	10	1	48	116	6.44	
		Mkt yr	60	220	23	303	155	65	9	229	74	6.40	
	2013/14	Mkt yr	74	220	20	314	155	75	10	240	74	5.35-6.35	
	Oats	2010/11	Jun-Aug	80	81	24	186	18	50	1	69	117	2.10
			Sep-Nov	117		24	140	18	21	1	39	101	2.59
			Dec-Feb	101		19	120	17	16	1	34	86	3.13
			Mar-May	86		18	105	22	15	1	37	68	3.44
			Mkt yr	80	81	85	247	74	102	3	179	68	2.52
2011/12		Jun-Aug	68	54	18	139	17	43	1	61	78	3.27	
		Sep-Nov	78		36	114	18	17	1	35	79	3.62	
		Dec-Feb	79		24	103	17	11	0	29	75	3.53	
		Mar-May	75		16	91	25	11	0	36	55	3.95	
		Mkt yr	68	54	94	215	76	82	2	160	55	3.49	
2012/13		Jun-Aug	55	64	29	148	17	46	0	63	85	3.77	
		Sep-Nov	85		27	112	18	21	0	39	73	3.85	
		Dec-Feb	73		17	90	17	21	0	38	53	4.02	
		Mkt yr	55	64	93	212	76	100	1	177	35	3.85	
2013/14		Mkt yr	35	73	95	203	77	80	3	160	43	2.80-3.40	

Latest market year is projected; previous market year is estimated. Totals may not add due to rounding.

1/ Corn and sorghum, September 1-August 31 marketing year; Barley and oats, June 1-May 31 marketing year.

2/ Average price received by farmers based on monthly price weighted by monthly marketings. For the latest market year, quarterly prices are calculated by using the current monthly prices weighted by the monthly marketings for those months for the previous 5 years divided by the sum of marketings for those months.

Source: USDA, World Agricultural Outlook Board, World Agricultural Supply and Demand Estimates and supporting materials.

Data run: 6/13/2013

Table 2--Feed and residual use of wheat and coarse grains, 6/14/2013

Market year and quarter 1/	Corn (million metric tons)	Sorghum (million metric tons)	Barley (million metric tons)	Oats (million metric tons)	Feed grains (million metric tons)	Wheat (million metric tons)	Energy feeds (million metric tons)	Grain consuming animal units (millions)	Energy feeds	
									per grain consuming animal unit (tons)	
2011/12	Q1 Sep-Nov	46.4	1.1	-0.0	0.3	47.8	-0.4	47.3		
	Q2 Dec-Feb	39.1	0.1	0.3	0.2	39.8	1.2	41.0		
	Q3 Mar-May	21.8	0.4	0.0	0.2	22.4	-1.9	20.5		
	Q4 Jun-Aug	8.2	0.1	1.0	0.7	10.0	11.7	21.7		
	MY Sep-Aug	115.5	1.8	1.2	1.5	120.0	10.6	130.6	92.6	1.4
2012/13	Q1 Sep-Nov	52.3	2.0	0.1	0.4	54.8	-0.8	53.9		
	Q2 Dec-Feb	27.4	0.2	0.2	0.3	28.2	0.2	28.4		
	MY Sep-Aug	111.8	2.5	1.9	1.6	117.8	7.9	125.8	91.3	1.4
2013/14	MY Sep-Aug	132.1	3.0	1.0	1.6	137.7	5.2	142.9	90.9	1.6

1/ Corn and sorghum, September 1-August 31 marketing year; Barley and oats, June 1-May 31 marketing year.

Source: USDA, World Agricultural Outlook Board, World Agricultural Supply and Demand Estimates and supporting materials.

Table 3--Cash feed grain prices, 6/14/2013

Mkt year and month 1/	Corn, No. 2 yellow, Central IL (dollars per bushel)			Corn, No. 2 yellow, Gulf ports, LA (dollars per bushel)			yellow, Plainview to Muleshoe, TX		Sorghum, No. 2 yellow, Gulf ports, LA (dollars per cwt)		
	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13	2010/11	2011/12	2010/11	2011/12	2012/13
Sep	4.51	6.77	7.70	5.23	7.50	8.15	7.74	11.48	9.79	12.88	12.97
Oct	5.19	6.23	7.48	5.99	6.98	8.16	8.54	10.73	10.40	12.08	13.20
Nov	5.33	6.26	7.39	6.05	6.97	8.18	8.78	10.96	10.75	12.44	13.10
Dec	5.65	5.96	7.23	6.36	6.57	7.85	9.62	10.50	11.10	11.82	13.14
Jan	6.10	6.25	7.17	6.73	6.94	7.70	10.46		11.91	12.20	13.13
Feb	6.69	6.41	7.15	7.44	7.10	7.70	11.42		12.63	12.09	13.12
Mar	6.59	6.46	7.33	7.38	7.13	7.85	11.45		12.64	12.04	13.32
Apr	7.33	6.34	6.57	8.11	6.96	7.11	12.78		13.68	11.94	12.18
May	7.08	6.27	6.83	7.82	6.84	7.50	12.22				12.42
Jun	7.17	6.30		7.89	6.79		12.21				
Jul	6.96	7.85		7.64	8.46		10.69		12.65		
Aug	7.30	8.15		7.88	8.44		11.47		13.71	13.47	
Mkt year	6.33	6.60		7.04	7.22		10.62	10.92	11.92	12.33	
	Barley, No. 2 feed, Minneapolis, MN (dollars per bushel)			Barley, No. 3 malting, Minneapolis, MN (dollars per bushel)			Oats, No. 2 white heavy, Minneapolis, MN (dollars per bushel)				
	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13		
Jun	2.23	5.06	5.15	3.20	7.40	7.03	2.39	3.68	3.37		
Jul	2.06	5.18	5.52		7.72	6.89	2.58	3.68	3.95		
Aug	2.54	5.25	5.78		7.83	6.95	2.69	3.69	3.99		
Sep	2.99	5.14	5.58		7.76	6.99	3.14	3.72	3.89		
Oct	3.32	5.16	5.51		7.64	7.11	3.56	3.51	3.98		
Nov	3.57	5.29	5.49	4.70	7.60	7.23	3.54	3.36	3.85		
Dec	3.89	5.17	5.29	5.16	7.32	7.22	3.88	3.30	3.94		
Jan	4.15	5.24	5.08	5.58	7.20	7.09	3.93	3.16	3.79		
Feb	4.62	5.26	5.16	5.91	7.07	7.04	4.08	3.46	4.07		
Mar	4.74	5.37	5.22	5.92	7.05	6.87	3.55	3.48	4.26		
Apr	5.05	5.18	5.00	6.20	7.03	6.51	3.83	3.55	4.13		
May	4.83	5.21	5.04	6.43	7.00	6.70	3.55	3.48	3.99		
Mkt year	3.67	5.21	5.32	5.39	7.38	6.97	3.39	3.50	3.93		

1/ Corn and sorghum, September 1-August 31 marketing year; Barley and oats, June 1-May 31 marketing year. Simple average of monthly prices for the marketing year.

Source: USDA, Agricultural Marketing Service, <http://marketnews.usda.gov/portal/lg>.

Data run: 6/13/2013

Table 4--Selected feed and feed byproduct prices (dollars per ton), 6/14/2013

Mkt year and month 1/	Soybean meal, high protein, Central Illinois, IL			Cottonseed meal, 41% solvent, Memphis, TN			Corn gluten feed, 21% protein, Midwest			Corn gluten meal, 60% protein, Midwest			
	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13	
	Oct	321.92	301.45	488.46	225.31	255.63	343.00	129.75	173.75	226.50	501.88	524.38	753.50
Nov	341.78	292.22	466.16	235.00	240.50	376.88	141.80	168.20	209.75	518.00	487.00	716.25	
Dec	351.93	281.66	460.09	240.63	220.63	345.00	136.25	155.00	203.34	520.00	441.25	673.34	
Jan	368.54	310.65	431.39	245.63	213.00	327.50	138.88	138.00	204.10	524.06	433.50	599.50	
Feb	358.59	330.37	440.67	258.75	190.00	279.38	149.25	133.75	209.88	533.75	448.75	584.38	
Mar	345.43	365.96	437.33	256.50	225.00	301.88	150.10	129.38	204.13	543.30	487.50	581.88	
Apr	335.87	394.30	431.39	240.00	240.63	314.50	151.13	128.75	187.33	556.25	498.75	540.50	
May	342.30	415.17	465.72	275.50	270.00	349.55	149.40	137.80	158.75	556.00	533.00	480.63	
Jun	347.45	422.60		307.50	294.38		149.75	138.00		567.50	579.00		
Jul	346.52	515.83		313.13	350.50		148.89	192.20		556.25	629.00		
Aug	349.60	564.69		342.50	407.50		160.60	252.50		559.00	718.75		
Sep	336.32	529.37		345.63	393.75		183.25	243.38		550.63	721.88		
Mkt yr	345.52	393.69		273.84	275.13		149.09	165.89		540.55	541.90		
											Alfalfa hay, weighted-average farm price 2/		
											2010/11	2011/12	2012/13
Oct	293.26	299.02	463.59	155.38	207.50	278.00	134.69	185.69	208.57	118.00	204.00	212.00	
Nov	314.64	284.24	380.38	166.70	216.10	259.00	141.88	198.55	193.60	117.00	193.00	215.00	
Dec	304.05	280.76	320.42	172.25	192.25	261.67	164.31	196.24	217.37	121.00	195.00	217.00	
Jan	304.39	285.08	338.16	180.63	194.20	264.90	157.33	138.58	196.38	121.00	193.00	217.00	
Feb	317.37	289.60	410.39	199.88	203.00	271.13	145.13	136.35	197.47	129.00	194.00	218.00	
Mar	354.50	337.49	474.92	203.70	213.88	270.88	151.35	126.71	196.93	142.00	200.00	219.00	
Apr	405.38	421.08	424.37	214.50	213.88	242.40	151.38	108.05	183.64	161.00	210.00	215.00	
May	429.50	439.82	387.05	204.80	223.40	229.00	171.31	136.28	138.75	191.00	217.00	221.00	
Jun	395.05	393.29		214.25	220.63		158.80	144.36		185.00	201.00		
Jul	367.30	414.07		208.50	272.90		174.80	212.28		198.00	198.00		
Aug	337.26	444.80		207.00	301.63		199.93	256.13		196.00	203.00		
Sep	333.17	490.16		207.13	293.38		219.69	216.21		198.00	205.00		
Mkt yr	346.32	364.95		194.56	229.39		164.22	171.28		123.00	196.00	211.00	

1/ October 1-September 30 except for hay. Simple average of monthly prices for the marketing year except for hay.

Source: USDA, Agricultural Marketing Service, <http://marketnews.usda.gov/portal/ig>, and USDA, National Agricultural Statistics Service, [http://www.nass.usda.gov/Data\\_and\\_Statistics/Quick\\_Stats/index.asp](http://www.nass.usda.gov/Data_and_Statistics/Quick_Stats/index.asp).

Table 5--Corn: Food, seed, and industrial use (million bushels), 6/14/2013

Mkt year and qtr 1/		High-fructose corn syrup (HFCS)	Glucose and dextrose	Starch	Alcohol for fuel	Alcohol for beverages and manufacturing	Cereals and other products	Seed	Total food, seed, and industrial use
	Q2 Dec-Feb	115.00	73.34	62.03	1,304.81	34.93	50.73	0.00	1,640.83
	Q3 Mar-May	136.83	72.98	62.14	1,247.78	36.59	50.53	23.57	1,630.40
	Q4 Jun-Aug	141.89	72.33	65.15	1,191.75	31.68	51.23	0.96	1,555.01
	MY Sep-Aug	513.36	296.61	253.97	5,011.03	136.50	203.23	24.53	6,439.22
2012/13	Q1 Sep-Nov	122.76	70.37	63.79	1,141.52	34.16	52.39	0.00	1,484.99
	Q2 Dec-Feb	113.44	65.35	58.68	1,118.17	35.83	52.28	0.00	1,443.74
	MY Sep-Aug	505.00	270.00	250.00	4,650.00	140.00	210.39	24.62	6,050.00
2013/14	MY Sep-Aug	510.00	290.00	280.00	4,900.00	140.00	206.00	24.00	6,350.00

1/ September-August. Latest data may be preliminary or projected.

Source: Calculated by USDA, Economic Research Service.

Date run: 6/13/2013

Table 6--Wholesale corn milling product and byproduct prices, 6/14/2013

Mkt year and month 1/	Corn meal, yellow, Chicago, IL (dollars per cwt)		Corn meal, yellow, New York, NY (dollars per cwt)		Corn starch, Midwest 3/ (dollars per cwt)		Dextrose, Midwest (cents per pound)		High-fructose corn syrup (42%), Midwest (cents per pound)	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
	Sep	27.99	29.21	30.30	31.03	23.26	24.22	30.85	34.85	21.38
Oct	26.78	28.56	29.09	30.39	22.63	23.05	30.85	34.85	21.38	23.38
Nov	26.90	28.34	29.20	30.17	20.05	22.24	30.85	35.35	21.38	23.38
Dec	25.74	28.01	28.05	29.84	20.89	22.27	30.85	35.10	21.38	23.38
Jan	24.86	27.93	26.56	29.76	19.90	22.78	34.85	35.35	23.38	25.88
Feb	26.40	27.63	30.37	29.46	21.40	22.27	33.85	35.35	23.38	25.88
Mar	26.17	27.79	27.92	29.61	21.79	22.81	35.85	35.35	23.38	25.88
Apr	25.52	27.19	27.55	29.07	22.09	23.08	34.85	35.35	23.38	25.88
May	24.49	27.94	26.77	29.77	21.34	21.97	34.85	35.35	23.38	25.88
Jun	24.30		26.00		21.25		34.85		23.38	
Jul	28.35		30.05		20.65		35.35		23.38	
Aug	29.86		31.56		24.10		34.85		23.38	
Mkt year 2/	26.44		28.62		21.61		33.56		22.71	

1/ September-August. Latest month is preliminary.

2/ Simple average of monthly prices for the marketing year.

3/ Bulk-industrial, unmodified.

Source: Milling and Baking News, except for corn starch which is from private industry.

Date run: 6/13/2013

Table 7--U.S. feed grain imports by selected sources (1,000 metric tons) 1/, 6/14/2013

Import and country/region	----- 2010/11 -----		----- 2011/12 -----		2012/13	
	Mkt year	Jun-Apr	Mkt year	Jun-Apr	Jun-Apr	
Oats	Canada	1,393	1,300	1,556	1,472	1,497
	Finland	74	74	35	35	
	Jamaica	0	0	0	0	
	All other countries	0	0	30	30	2
	Total 2/	1,468	1,374	1,621	1,537	1,498
Malting barley	Canada	175	169	264	234	326
	All other countries	0	0	0	0	0
	Total 2/	175	169	264	235	326
Other barley 3/	Canada	31	25	89	86	151
	All other countries	1	1	1	1	3
	Total 2/	32	26	90	86	154

1/ Grain only. Market year (June-May) and market year to date.

2/ Totals may not add due to rounding.

3/ Grain for purposes other than malting, such as feed and seed use.

Source: U.S. Department of Commerce, Bureau of the Census, Foreign Trade Statistics.

Date run: 6/13/2013

Table 8--U.S. feed grain exports by selected destinations (1,000 metric tons) 1/, 6/14/2013

Export and country/region	----- 2010/11 -----		----- 2011/12 -----		2012/13	
	Mkt year	Sep-Apr	Mkt year	Sep-Apr	Sep-Apr	
Corn	Japan	14,014	9,359	11,503	8,319	4,627
	Mexico	7,484	4,615	10,133	7,474	2,899
	South Korea	6,123	4,062	3,601	3,012	387
	Egypt	3,405	2,335	495	495	0.221
	China (Taiwan)	2,737	1,933	1,554	1,244	388
	European Union-27	1,008	394	9	8	13
	China (Mainland)	980	316	5,146	2,821	2,417
	Syria	960	782	0.114		
	Canada	958	534	870	602	290
	Venezuela	856	343	1,336	846	575
	Israel	804	596	57	36	0.420
	Dominican Republic	756	519	363	340	8
	Costa Rica	712	482	575	461	71
	Guatemala	687	422	591	435	147
	Saudi Arabia	576	504	362	362	276
	Indonesia	548	545	42	42	
	Colombia	506	415	274	203	103
	El Salvador	491	303	381	310	79
	Cuba	454	269	478	374	222
	Honduras	443	267	359	262	132
	Jamaica	283	179	253	160	182
	Panama	263	191	209	208	55
	Lebanon	249	144	0.003		0.010
Ecuador	214	183	30	30	0.070	
Morocco	182	145	59	59	0.069	
All other countries	899	684	505	370	168	
Total 2/	46,590	30,522	39,184	28,471	13,041	
Sorghum	Mexico	2,383	1,135	1,168	690	1,079
	European Union-27	628	628	4	3	81
	Japan	340	255	96	85	133
	Sub-Saharan Africa	252	237	335	250	131
	All other countries	250	202	8	5	9
	Total 2/	3,853	2,457	1,610	1,033	1,433
Barley		----- 2010/11 -----	----- 2011/12 -----		2012/13	
		Mkt year	Jun-Apr	Mkt year	Jun-Apr	Jun-Apr
	Tunisia	61	61			
	Canada	38	35	26	26	7
	Mexico	34	34	56	51	31
	Morocco	12	12	25	25	
	All other countries	20	20	86	84	150
Total 2/	165	162	192	186	188	

1/ Grain only. Market year (September-August for corn and sorghum, June-May for barley) and market year to date.

2/ Totals may not add due to rounding.

Source: U.S. Department of Commerce, Bureau of the Census, Foreign Trade Statistics.

Date run: 6/13/2013





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FDS-13f-SA

June 14, 2013

## Feed Outlook: Special Article

# World Corn Use Expands Despite High Prices in 2012/13

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Approved by the  
World Agricultural  
Outlook Board

USDA country-level data for corn supply and use indicate that, in aggregate, global corn disappearance continued to expand in 2012/13, rising about 1.1 percent over 2011/12 despite high world corn prices. While the data published in USDA's current World Agricultural Supply and Demand Estimates (WASDE) indicate a 1.8-percent year-to-year decline in global corn use (World Domestic Total) in 2012/13, that decline is mostly the result of trade adjustments to the aggregate consumption total and does not mirror the by-country estimates of domestic corn use. The two measures of global corn use—the trade-adjusted total reported in WASDE and the sum USDA by-country data—typically provide very similar results but differ significantly for 2012/13 because trade patterns resulted in an unusually large trade adjustment in recent years. The USDA by-country data indicate that world corn disappearance responded relatively little to prevailing record-high prices in 2012/13, with growth slowing from 1.43 percent in 2011/12 to 1.1 percent in 2012/13, instead of reversing growth as indicated in the trade-adjusted world totals. Both measures of global corn disappearance indicate strong growth projected for 2013/14, although the trade-adjusted measure exaggerates the increase.

## Historical Global Corn Use Expanding by Both Measures

Since 1960, global corn use measures (fig. 1), whether or not they are adjusted for trade, have been very close, with an average annual difference of 1.6 million tons, or three-tenths of a percent of average use. The two measures of use clearly described the same general trends. The coefficients of variation (CV) for the two series are nearly identical (0.2 percent difference). Both measures show world corn use over the last decade growing at a stronger rate than earlier in the series, reflecting the global expansion of feed and industrial use for corn.

<sup>1</sup> In this article, corn consumption, use, and disappearance are used interchangeably. USDA estimates of historical and future corn use are divided into two categories for each country in the database: food, seed, and industrial (FSI); and feed and residual. The residual part of “feed and residual” includes any errors in the other pieces of the supply-and-demand balance where beginning stocks + production + imports = domestic use + exports + ending stocks.

## Unusually Large Trade Adjustment Leads Measures To Diverge in Recent Years

In 2010/11, 2011/12, and 2012/13, year-to-year fluctuations in corn trade caused shifts that piled corn use into the WASDE 2011/12 trade-adjusted consumption estimate, which in turn indicated a decline in 2012/13 global corn use over that of the previous year. Since record-high corn prices have prevailed during 2012/13, the decline in this measure might be interpreted as a demand response to high prices, but the decline is just a function of the net local marketing year trade adjustment (fig. 2). In 10 of the 52 years of historical corn estimates, local marketing year imports were larger than exports. But the 2011/12 and estimated 2012/13 year-to-year net trade adjustments are the largest in the historical series.

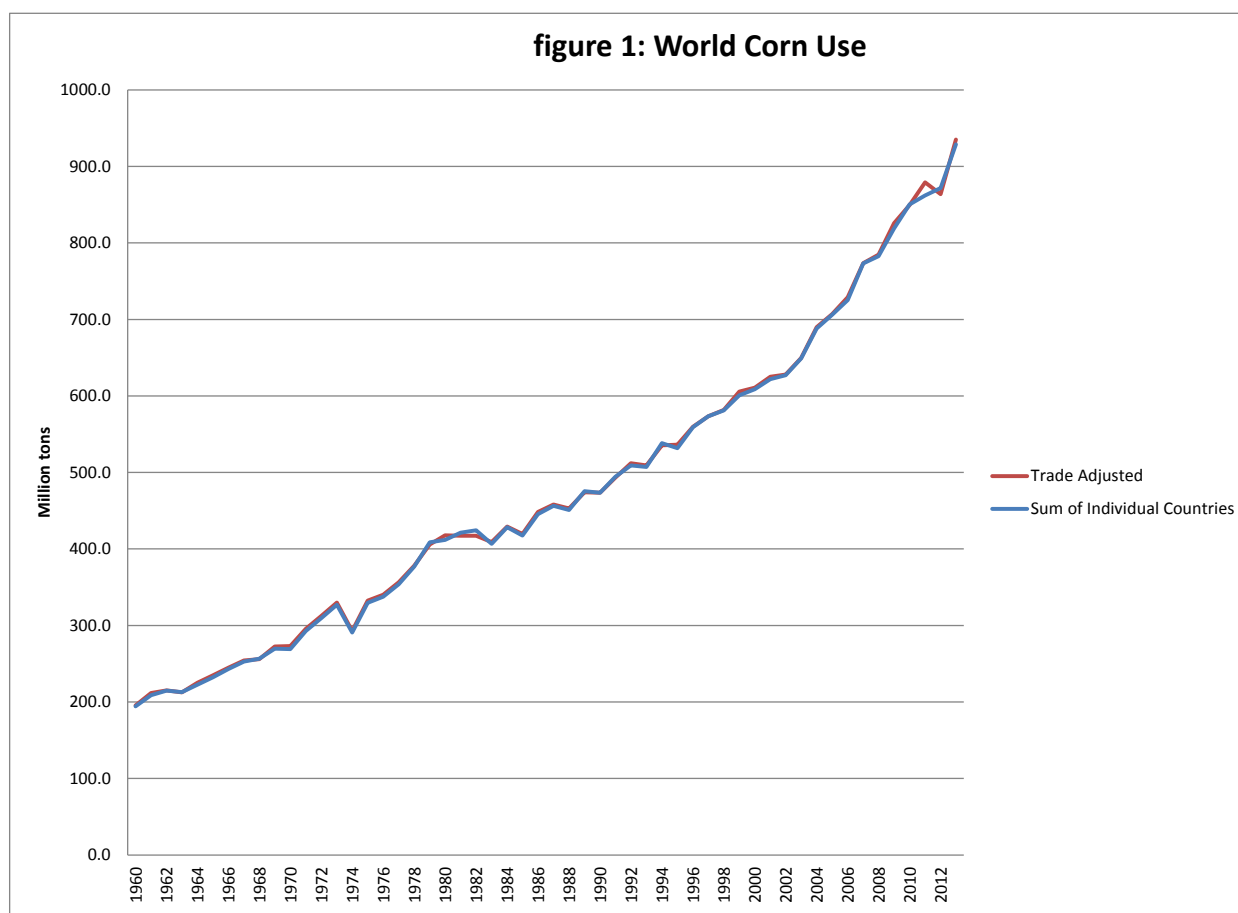
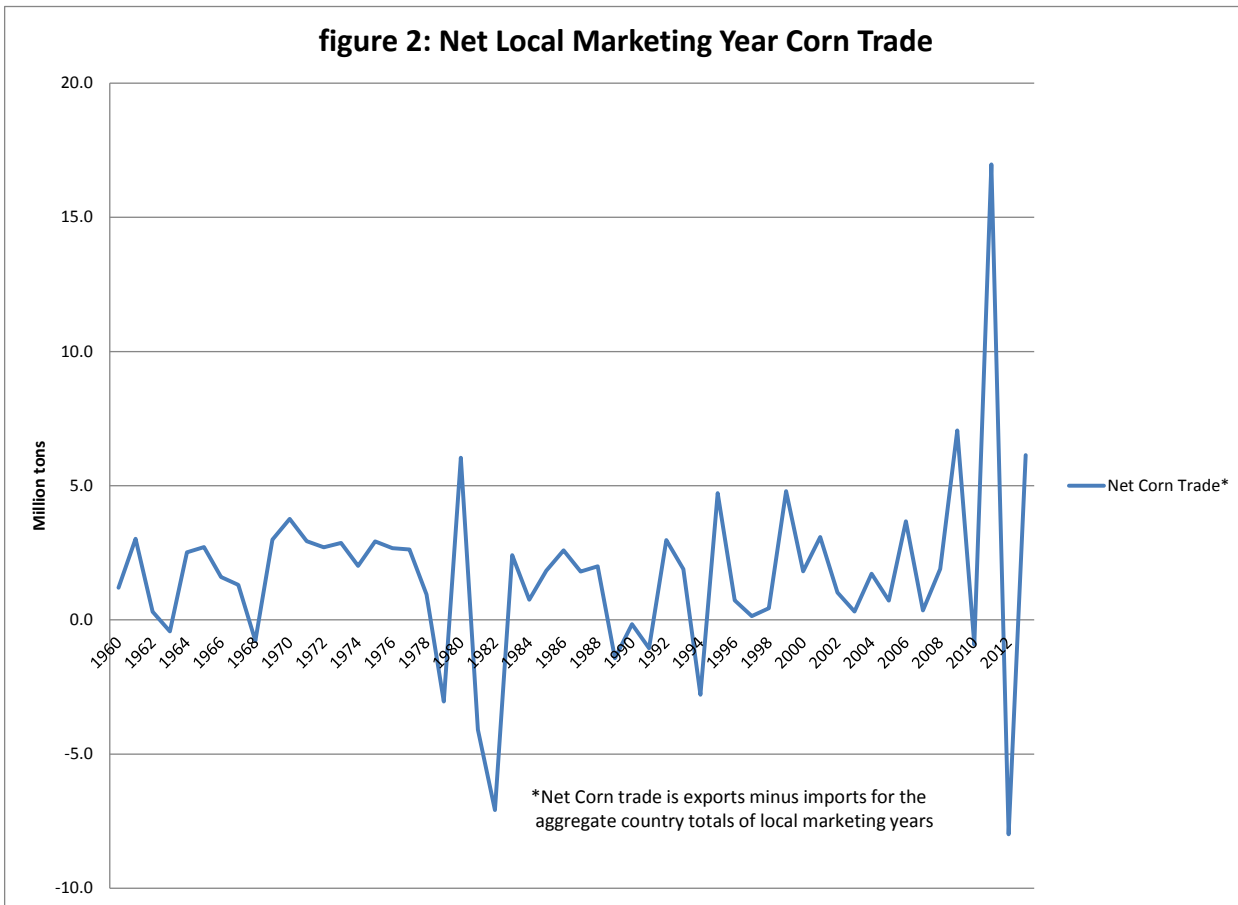


figure 2: Net Local Marketing Year Corn Trade



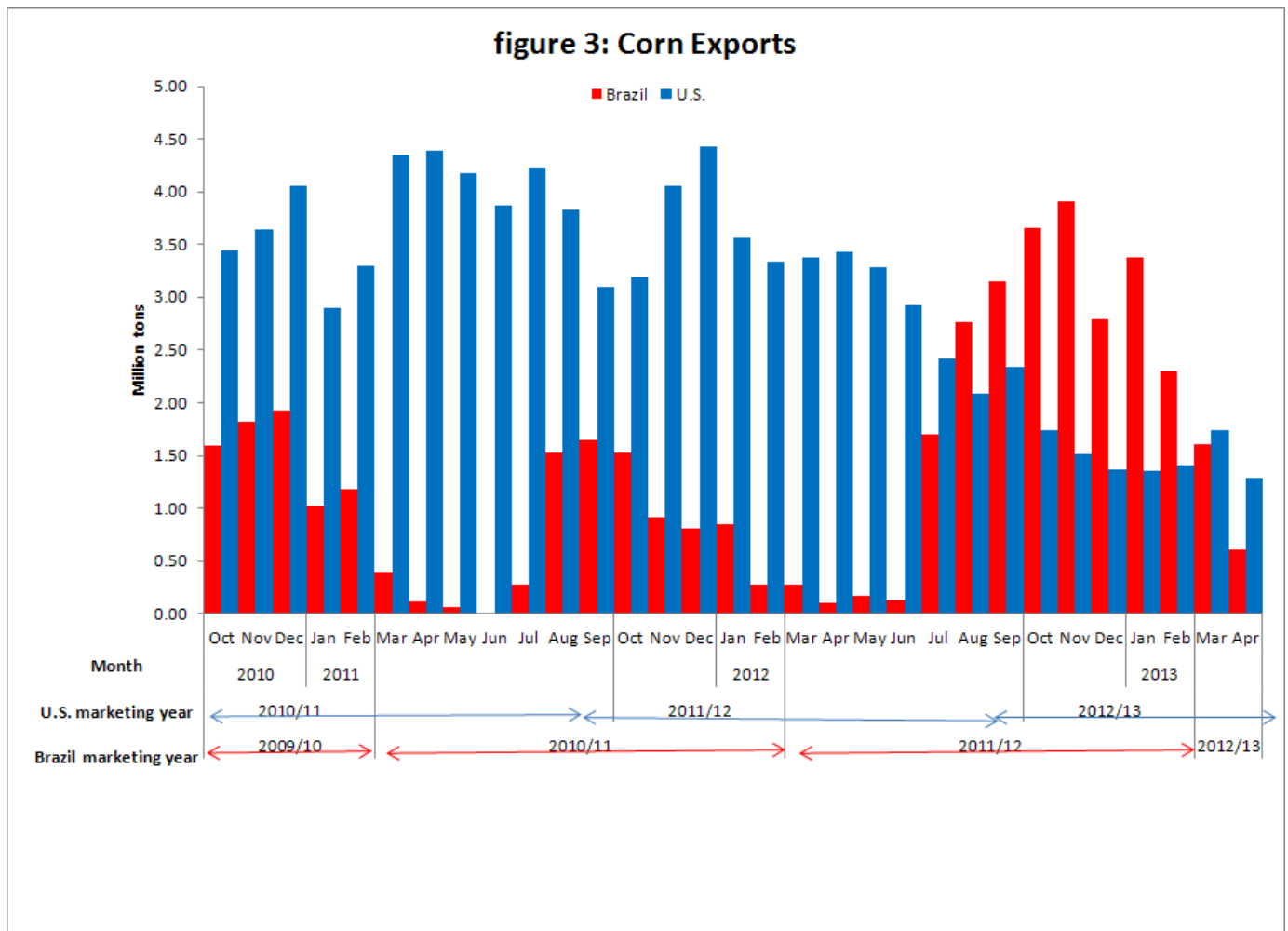
The bulk of the abnormally large trade adjustment occurred in the Brazil data. As Brazil exported record amounts of corn from October 2012 through February 2013, those shipments fell into Brazil's 2011/12 local marketing year, beginning in March 2012 (fig. 3). However, most of those exports went to countries in the Northern Hemisphere, arriving in their 2012/13 year. Boosted by Brazil's record exports (and exports from Argentina and other Southern hemisphere countries), the trade adjustment to global corn use for 2011/12 is a record-large 16.8 million tons, representing an additional 2 percent of world use on top of the sum of each country's use. However, in 2012/13, the large imports by Northern Hemisphere countries are boosting forecast imports above exports by a record 7.5 million tons, depressing world corn use as calculated in WASDE by that amount. The trade-adjusted totals included in WASDE forecast world corn use down 15.0 million tons in 2012/13 from the previous year. However, it is just a function of the trade adjustment, as unadjusted world corn use is projected up 9.3 million tons in 2012/13, nearly as much as the 11.7-million-ton increase estimated for 2011/12 (table 1 and fig. 4).

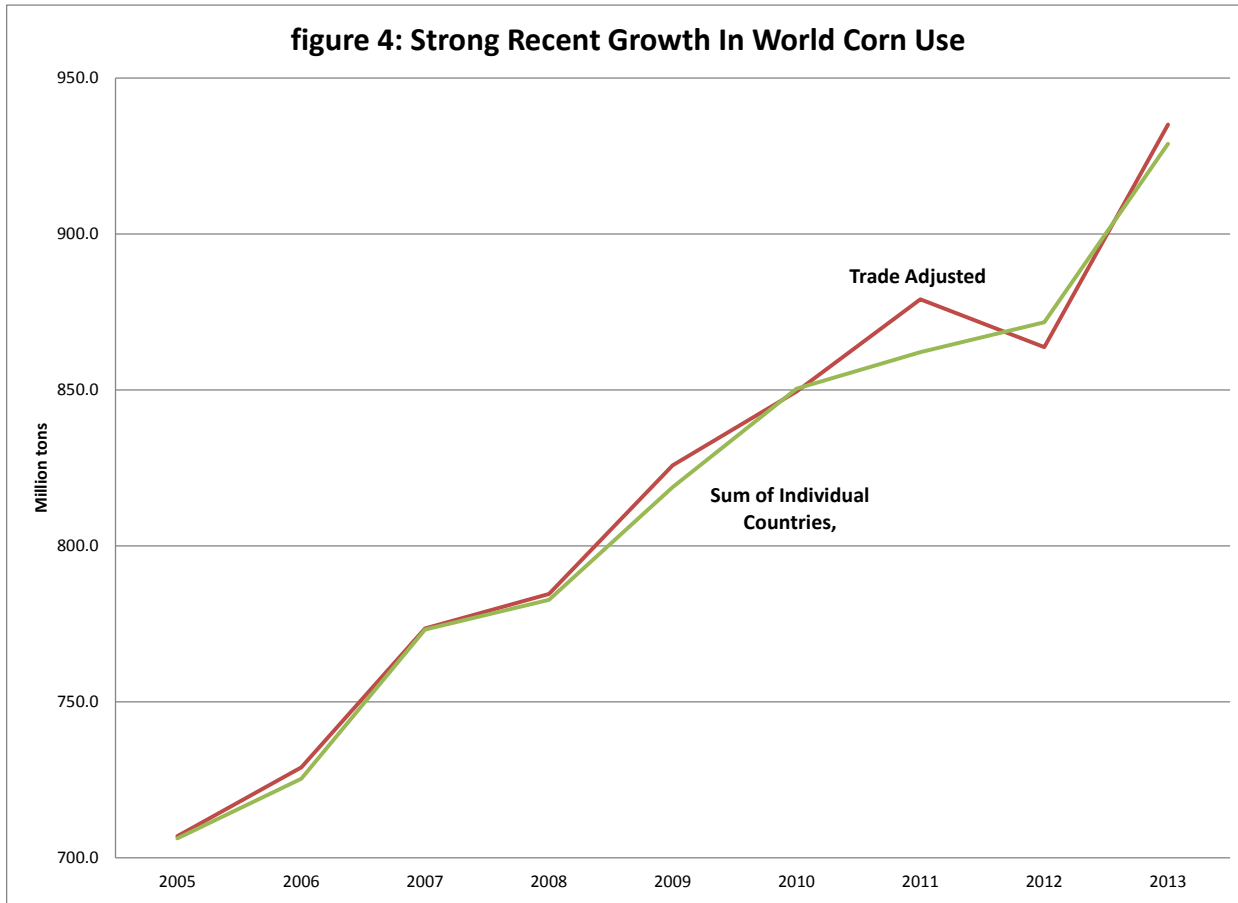
Table 1:

**World Corn Use**

(million tons)

Year	WASDE Trade Adjusted	Sum of All Countries	WASDE Use Minus Sum of Countries Use
2010/11	849.5	850.4	-0.9
2011/12	878.9	862.1	17.0
2012/13 (estimated)	863.9	871.4	-8.0
2013/14 (projected)	936.7	930.8	6.1





Unadjusted corn use in 2012/13 is estimated to grow about as rapidly as that in the previous year, even though corn prices peaked in many places in 2012/13. This means that demand for corn in 2012/13 is stronger and less price responsive than portrayed in the WASDE trade-adjusted numbers. In 2012/13, China is projected to have a sharp increase in corn disappearance, more than offsetting declines for the United States and the EU. In more than half of the other countries, corn demand in 2012/13 is projected up based on corn imports, production, and animal production during the first half of 2012/13. So far, in many parts of the world, livestock feeders and other corn consumers are absorbing price increases and are forecast to increase domestic use in 2012/13.

Taken in a broader context, USDA 2012/13 estimates portray a world responding to high corn prices, not by reducing demand but by pulling record corn exports from Southern Hemisphere 2011/12 supplies. This movement of corn from the Southern Hemisphere minimizes the actual reduction in corn use, even with very tight Northern Hemisphere supplies and high prices.

### ***Reasons for the Alternative Measures of Supply and Use***

USDA estimates corn use for each of 120 countries included in the corn database and publishes the information in the PS&D Online database on the USDA, Foreign Agricultural Service (FAS) website. When “world” and “domestic corn use” are selected, the database query returns the sum of all countries’ use. In WASDE, however, world use is adjusted for global net trade, with local marketing year exports added to use and imports deducted (usually a positive adjustment, though occasionally negative). In most years, this calculation provides a more

complete measure of world use because nearly all exporters are included in the database while some small importers are not. So if corn was exported, it was consumed somewhere. For example, in recent years, U.S. corn exports to Barbados have been about 35,000 tons each year. While Barbados is not included in the corn database, the corn shipped there is consumed, and by adjusting global consumption for net trade, the WASDE provides a more complete measure of world use.

The inclusion of a block of net importing countries outside the database is implicitly recognized in the grains trade tables published by FAS in the Circular Series “Grain: World Markets and Trade,” which includes a line for “Unaccounted” as part of imports. In the circular, each country in the database has imports and exports estimated for the same 12-month trade year, which is October through September for corn. The “unaccounted” line includes not only importers not in the database but also other accounting problems in the trade data. One such problem may occur when a shipment leaves an exporter, such as the United States, in the last week of the trade year but does not arrive until the following month in a country, like Japan, whose import data are used to track imports. Other sources of potential statistical error also exist.<sup>2</sup>

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<sup>2</sup>According to the Circular’s endnotes, the term “unaccounted” includes grain in transit, reporting discrepancies in some countries, and trade to countries outside the USDA database.

In WASDE, each country’s corn supply and demand is estimated on a local marketing year basis, starting with the harvest. This allows for the calculation of ending stocks at the lowest point in the year, a useful tool for market analysis. For example, for U.S. corn, the local marketing year is September- August, 1 month earlier than the international trade year, while for Brazil the local marketing year is March-February, 5 months after the start of the trade year. Each country’s domestic corn use is only estimated for the local marketing year, so the global use numbers put together U.S. and Brazil estimates that are different by 6 months. Each country’s imports and exports are separately estimated for the local marketing year and for the international trade year. The trade that is associated with and consistent with each country’s domestic consumption is imports and exports on a local marketing year. So WASDE takes each country’s corn use, adds them up, and then adds local marketing year exports and subtracts local marketing year imports. On a global basis, local marketing year imports and exports are not equal, but for the October-September trade year published in the FAS circular, the “unaccounted” in imports makes exports and imports equal, and world trade balanced.

In months when forecast local marketing year imports and exports are changed, calculated global use can change, sometimes significantly. For example, in the March 2013 WASDE, 2012/13 local marketing year global corn export forecasts were cut 1.9 million tons, while global imports were virtually unchanged. This made sense because Brazil’s October 2012 through February 2013 corn exports were strong, increasing Brazil’s 2011/12 local marketing year, but U.S. export sales and shipments for the same period were slow, cutting the U.S. 2012/13 local marketing year export prospects. Projected 2012/13 corn use by country in March increased 2.3 million tons, but with net trade cut 1.9 million, the WASDE measure of world domestic use for 2012/13 increased only 0.4 million.