

Supply and Demand Outlook for 2014 Field Crop Production

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August is the first month of the 2014 marketing year for rice and cotton, and September is the first month of the marketing year for corn, grain sorghum, and soybeans. June was the first month of the marketing year for wheat. Production prospects for the current crop year are better known each month as condition ratings are increasingly indicative of final yield potential.

Consumption prospects for the 2014 supply will impact 2015 market prices for crops planted next year. Rice and cotton demand are almost exclusively due to direct human consumption as either a food or fiber product. Corn demand is attributable to consumption as feed, ethanol, other industrial use, and food. Soybeans and wheat are mostly used as food, but have mixes of usage that vary with relative prices.

There are some indications that corn consumption during the 2014-15 marketing year will increase in response to lower prices. It appears that domestic ethanol production during the 2013-14 corn marketing year will be about 10 percent more than produced in 2012-13. Feed use of corn will have limited support from the beef sector. The liquidation of the cow herd and the smaller calf crops of recent years mean there are fewer cattle available for feed consumption. The poultry and dairy sectors seem to be in periods of modest expansion. Production prospects for the hog sector are uncertain due to the continuing impact of the PED virus on the number of pigs actually available for marketing.

Stocks-to-Use Trends

Table 1 presents average stocks-to-use ratios for the period of 2006-2013 and projected ratios for 2014. Projections for 2014 are greater than the 2006-13 average stocks-to-use levels for all crops except sorghum. Figure 1 through Figure 6 present long-term stocks-to-use ratios for 2005-2014 (USDA, ERS 2014; USDA, FAS 2014; USDA, WASDE 2014). Ending stocks-to-use ratios are projected to increase in 2014/15 for all crops over levels in the previous year.

Table 1. U.S. Stocks-to-Use Ratios,
2006-2013 Average, Projected 2014

Crop	2006-2013	2014
Corn	10.5	13.5
Sorghum	9.2	8.3
Soybean	6.9	12.1
Rice, Long-Grain	14.5	16.3
Cotton	30.2	38.6
Wheat	29.5	31.3

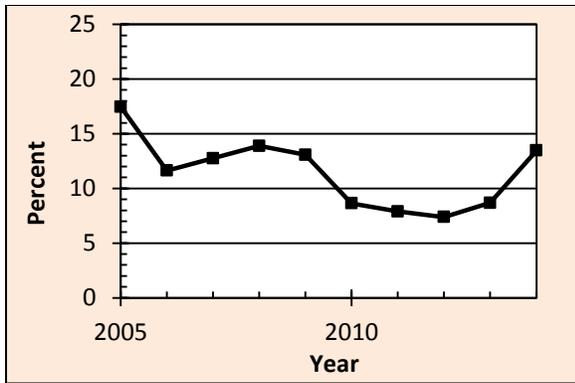


Figure 13. Corn, U.S. Stocks-to-Use, 2005-2014, Marketing Year September-August, 2014 is a Projection for August 2015.

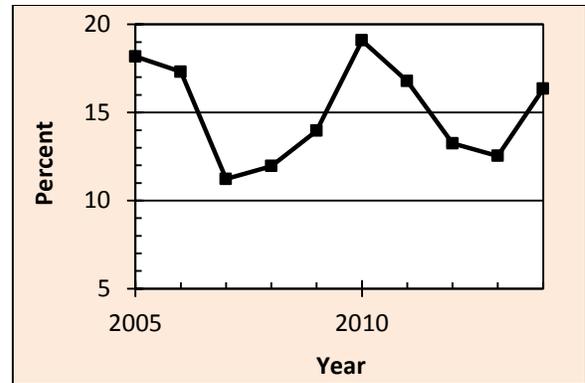


Figure 16. Rice, Long-Grain, U.S. Stocks-to-Use, 2005-2014, Marketing Year August-July, 2014 is a Projection for July 2015.

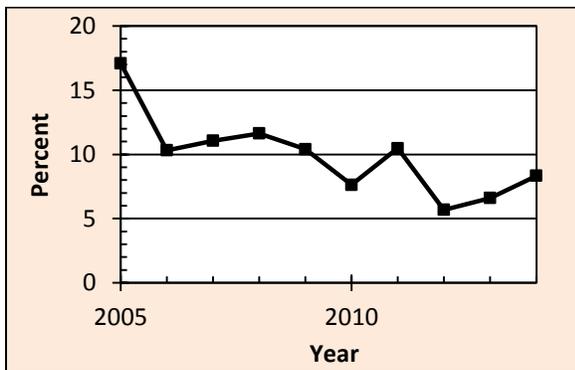


Figure 14. Sorghum, U.S. Stocks-to-Use, 2005-2014, Marketing Year September-August, 2014 is a Projection for August 2015.

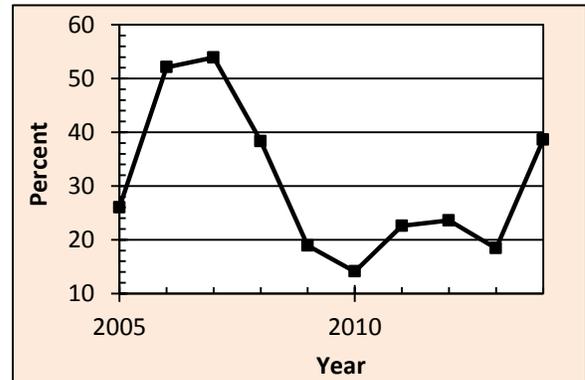


Figure 17. Cotton, U.S. Stocks-to-Use, 2005-2014, Marketing Year August-July, 2014 is a Projection for July 2015.

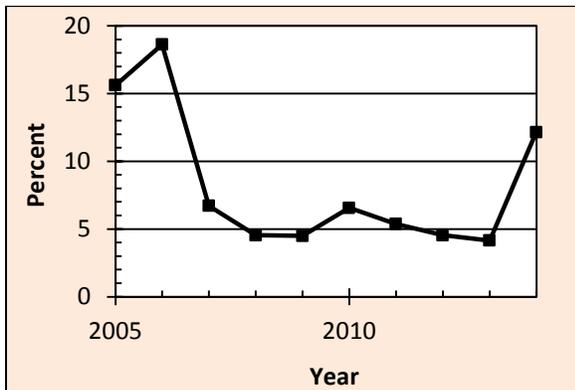


Figure 15. Soybean, U.S. Stocks-to-Use, 2005-2014, Marketing Year September-August, 2014 is a Projection for August 2015.

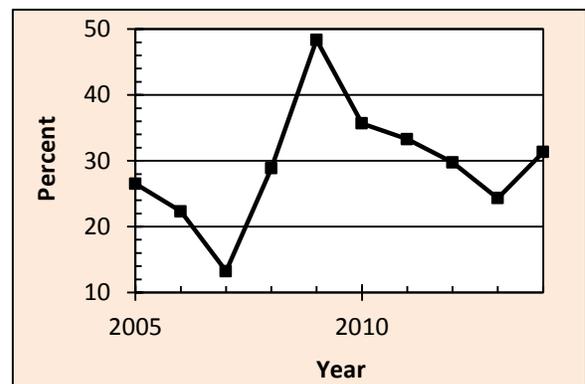


Figure 18. Wheat, U.S. Stocks-to-Use, 2005-2014, Marketing Year June-May, 2014 is a Projection for May 2015.

References

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