

Situation and Outlook

Major Field Crops

Green Markets

Gerald A. Bange
Chairperson
World Agricultural Outlook Board
Office of the Chief Economist
U.S. Department of Agriculture

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Projected U.S. Crop Acres

(2008/09 Marketing Year)

- **Key USDA Releases and Upcoming Reports:**

 - USDA Outlook Forum S&D Projections**

 - NASS Prospective Plantings Report – March 31, 2008**

 - WASDE report S&D Forecasts - May 9, 2008**

- **Renewable Fuels Mandate - 2007 vs. 2005**

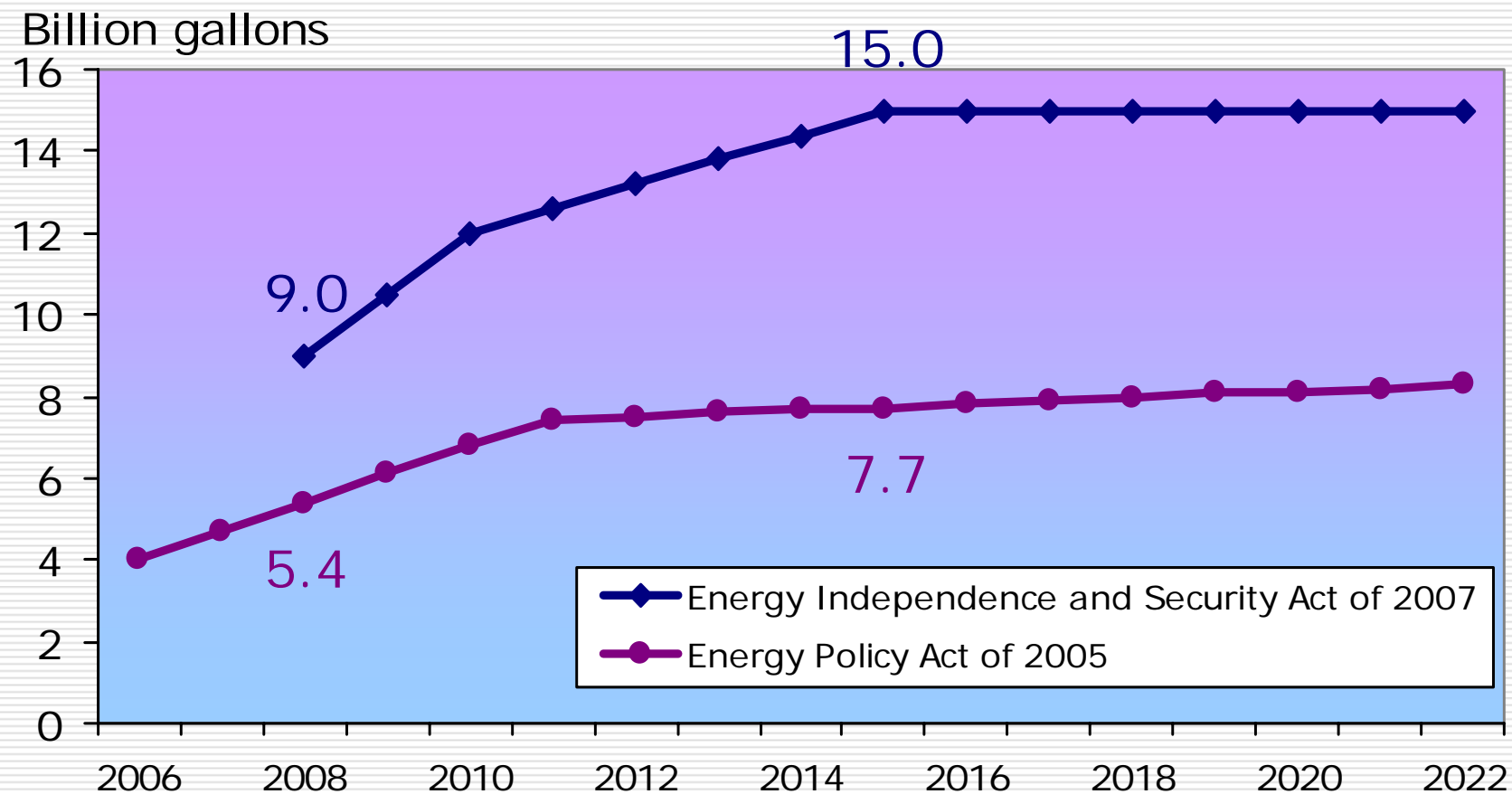
- **Projected Prices**

- **Foreign Market Developments**

- **Projected U.S. Crop Acres**

Renewable Fuel Standards (RFS)

Corn starch based ethanol, 2006 through 2022



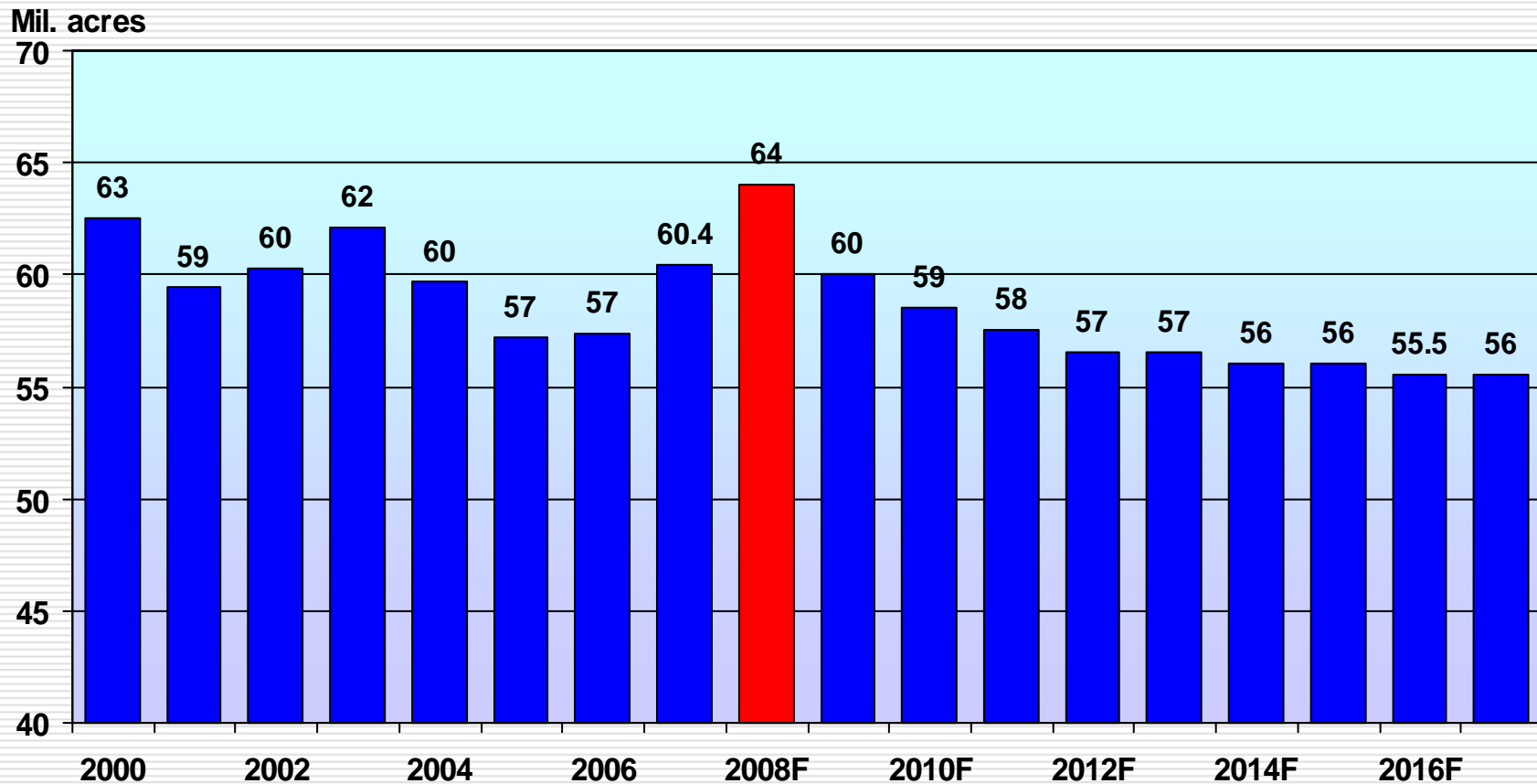
Note: RFS levels under the Energy Policy Act of 2005 are projected for 2013 and beyond based on the act's provisions and growth in motor gasoline consumption for transportation projected by the Energy Information Administration in *Annual Energy Outlook 2008*.

Major Crop and CRP Acreage

(USDA Outlook Forum – Feb. 2008)

	2007/08	2008/09	Change
	Million acres		
Corn	93.6	90.0	-3.6
Soybeans	63.6	71.0	+7.4
Wheat	60.4	64.0	+3.6
All Cotton	10.8	9.5	-1.3
Rice	2.76	2.70	-0.1
5-crop total	231.2	237.2	+6.0
CRP acres	36.8	34.8	-2.0

U.S. Wheat Planted Area Trend



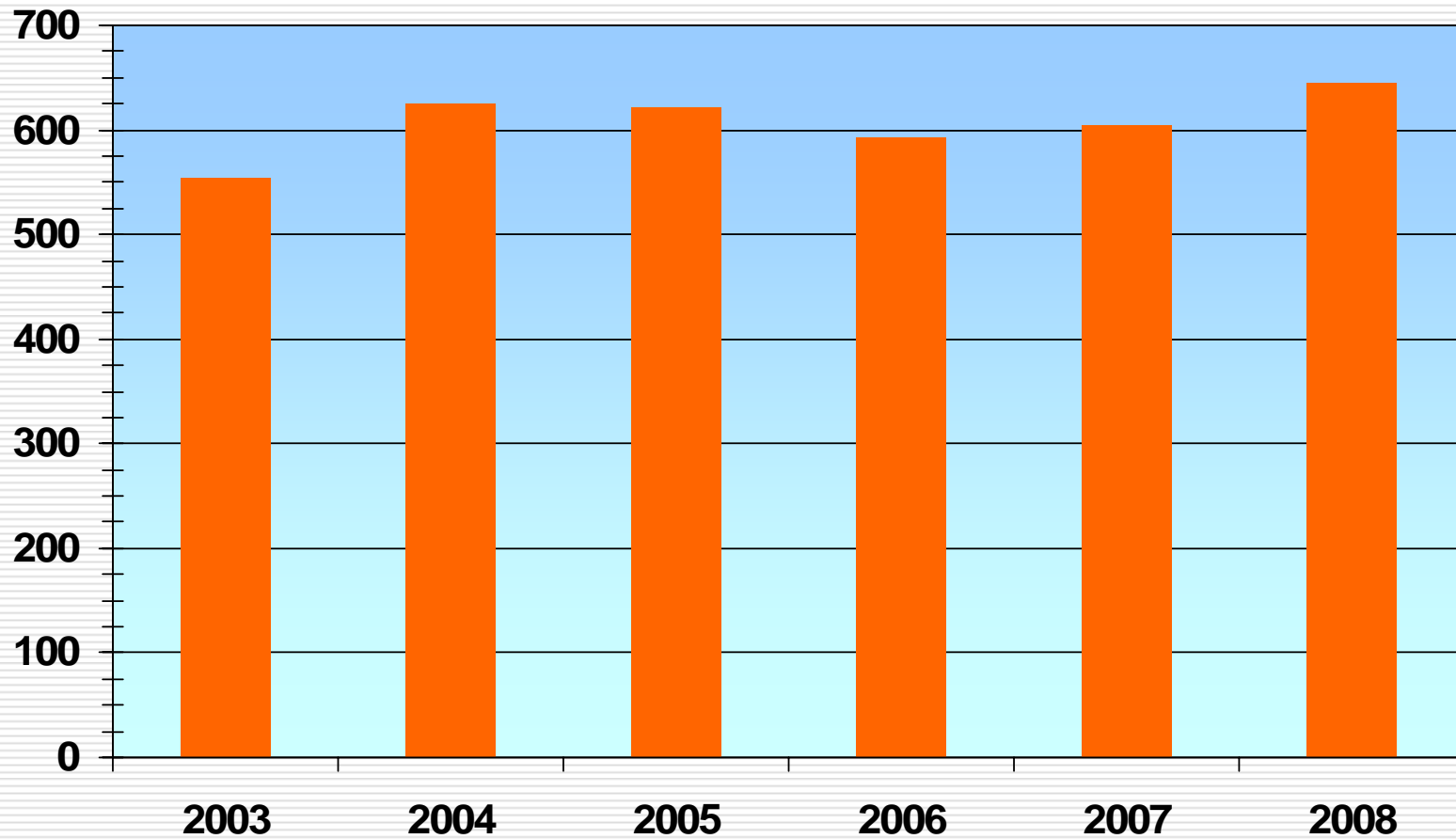
Note: 2008 planted area forecast from USDA's *Grains & Oilseeds Outlook*, Agricultural Outlook Forum, Washington, D.C., February 22, 2008. Projections for 2009-2017 are from *USDA Agricultural Projections to 2017*, February 2008.

U.S. Wheat Supply and Demand

	2006/07 estimate	2007/08 forecast	2008/09 forecast	Change from 2008/09 Percent
Planted area (million acres)	57.3	60.4	64.0	5.9
Harvested area (million acres)	46.8	51.0	54.4	6.6
Yield (bushels per acre)	38.7	40.5	42.8	5.7
	<i>Million bushels</i>			
Beginning stocks	571	456	272	-40.4
Production	1,812	2,067	2,330	12.7
Imports	122	90	100	11.1
Total supply	2,505	2,613	2,702	3.4
Food, seed, and industrial use	1,015	1,031	1,039	0.8
Feed and residual	125	110	175	59.1
Domestic use	1,140	1,141	1,214	6.4
Exports	909	1,200	950	-20.8
Total use	2,049	2,341	2,164	-7.6
Ending stocks	456	272	538	97.8
	<i>Percent</i>			
Stocks to use ratio	22.3	11.6	24.9	
	<i>Dollars per bushel</i>			
Average market price	4.26	6.65	7.00	5.3

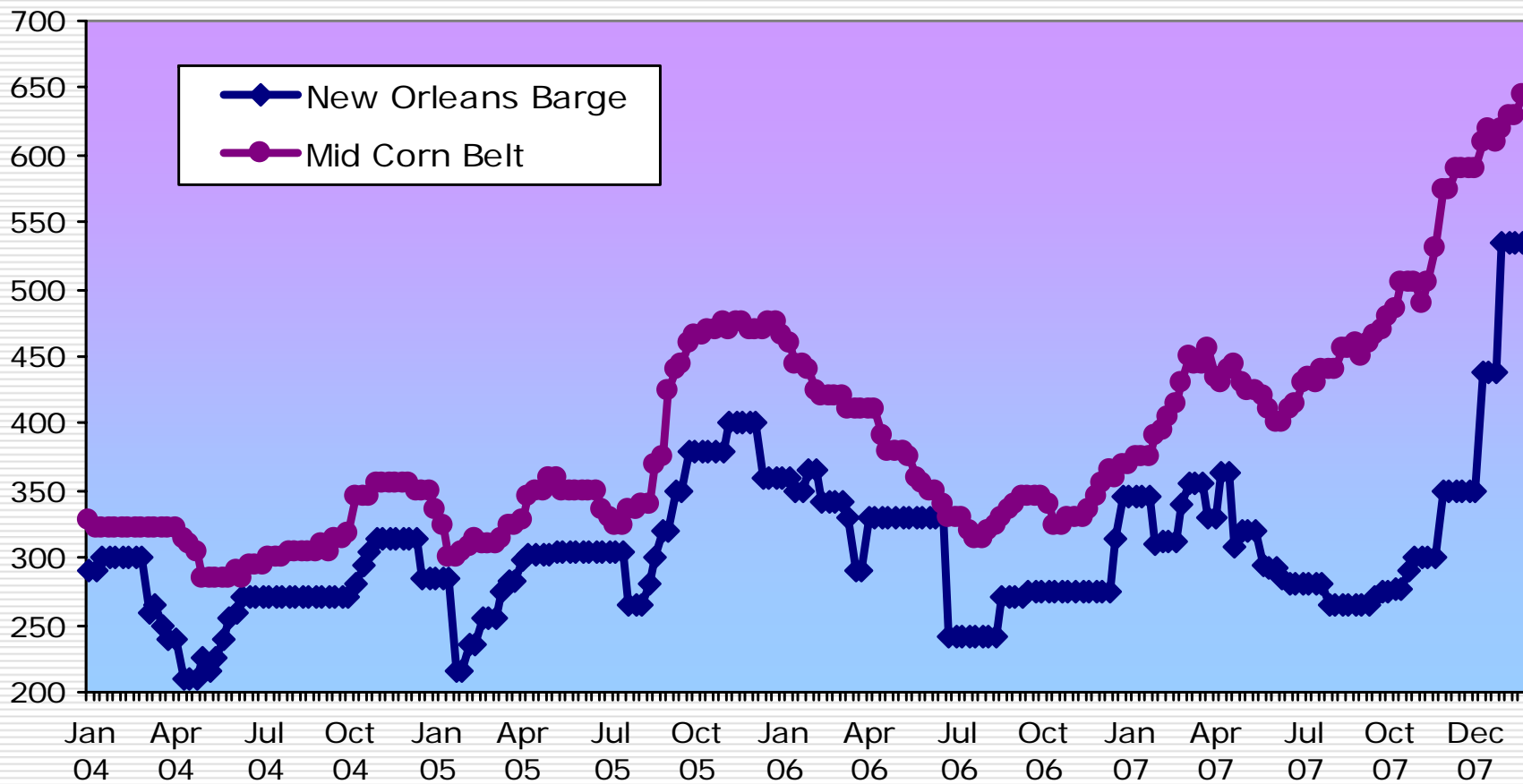
Potentially record global wheat production could lessen demand for U.S. exports

Million metric tons



U.S. Ammonia Prices, weekly

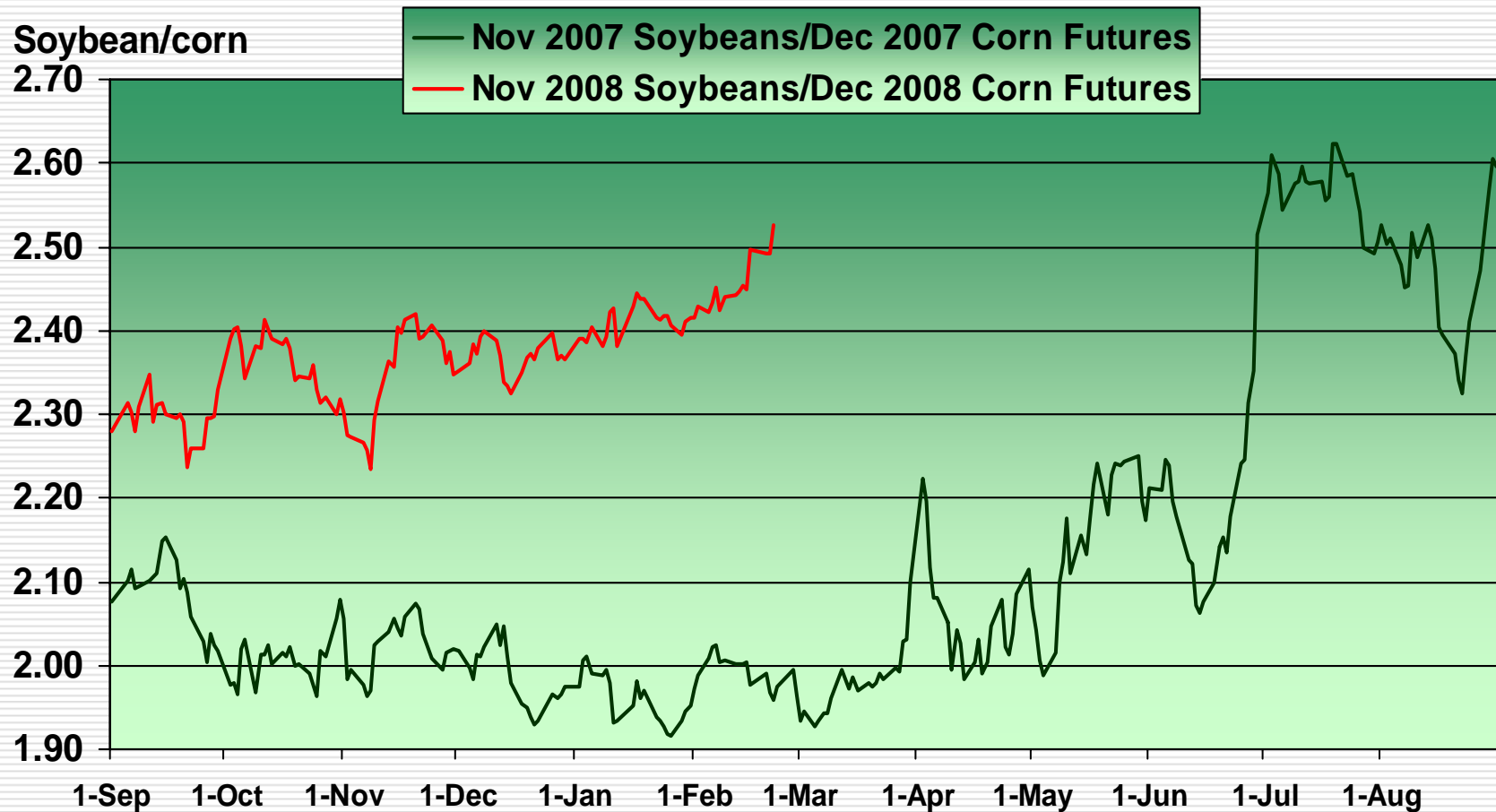
\$ per short ton



Source: Green Markets Fertilizer Market Intelligence Weekly

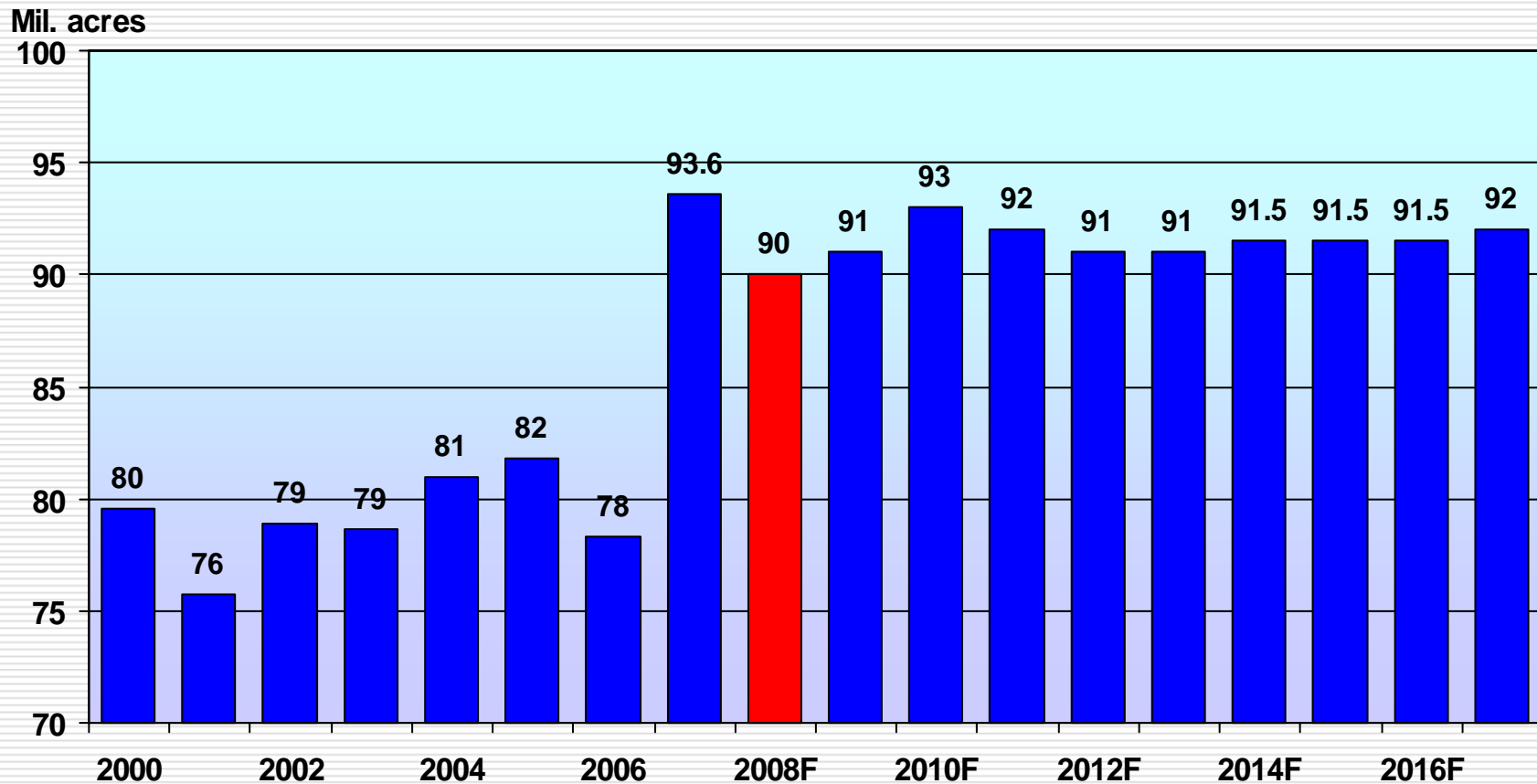
New-crop Soybean/Corn Price Ratios

2007-crop and 2008-crop to date



Note: Chicago Board of Trade daily settlement prices.

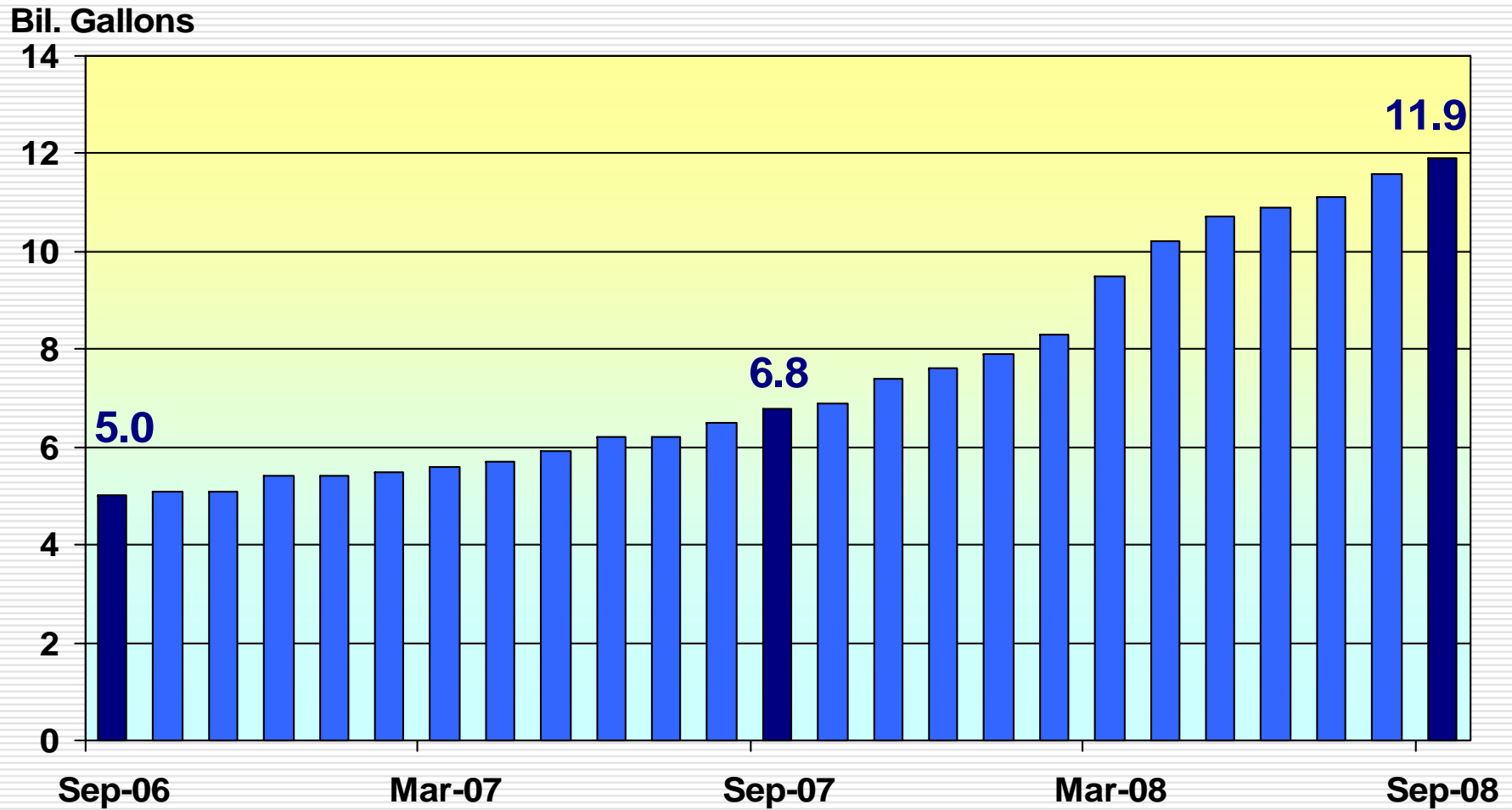
U.S. Corn Planted Area Trend



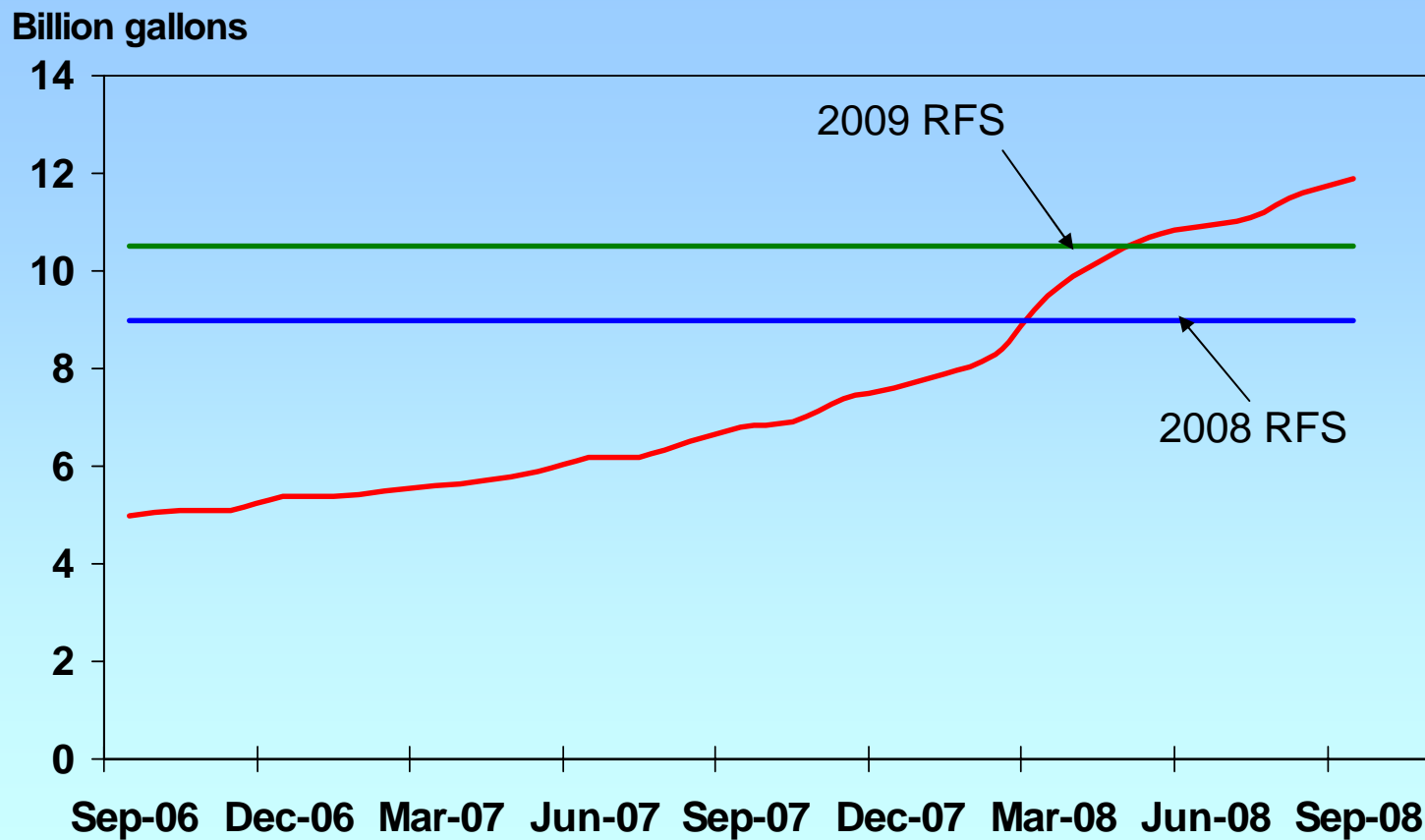
Note: 2008 planted area forecast from USDA's *Grains & Oilseeds Outlook*, Agricultural Outlook Forum, Washington, D.C., February 22, 2008. Projections for 2009-2017 are from *USDA Agricultural Projections to 2017*, February 2008.

U.S. Ethanol Production Capacity

Annual Capacity by Month

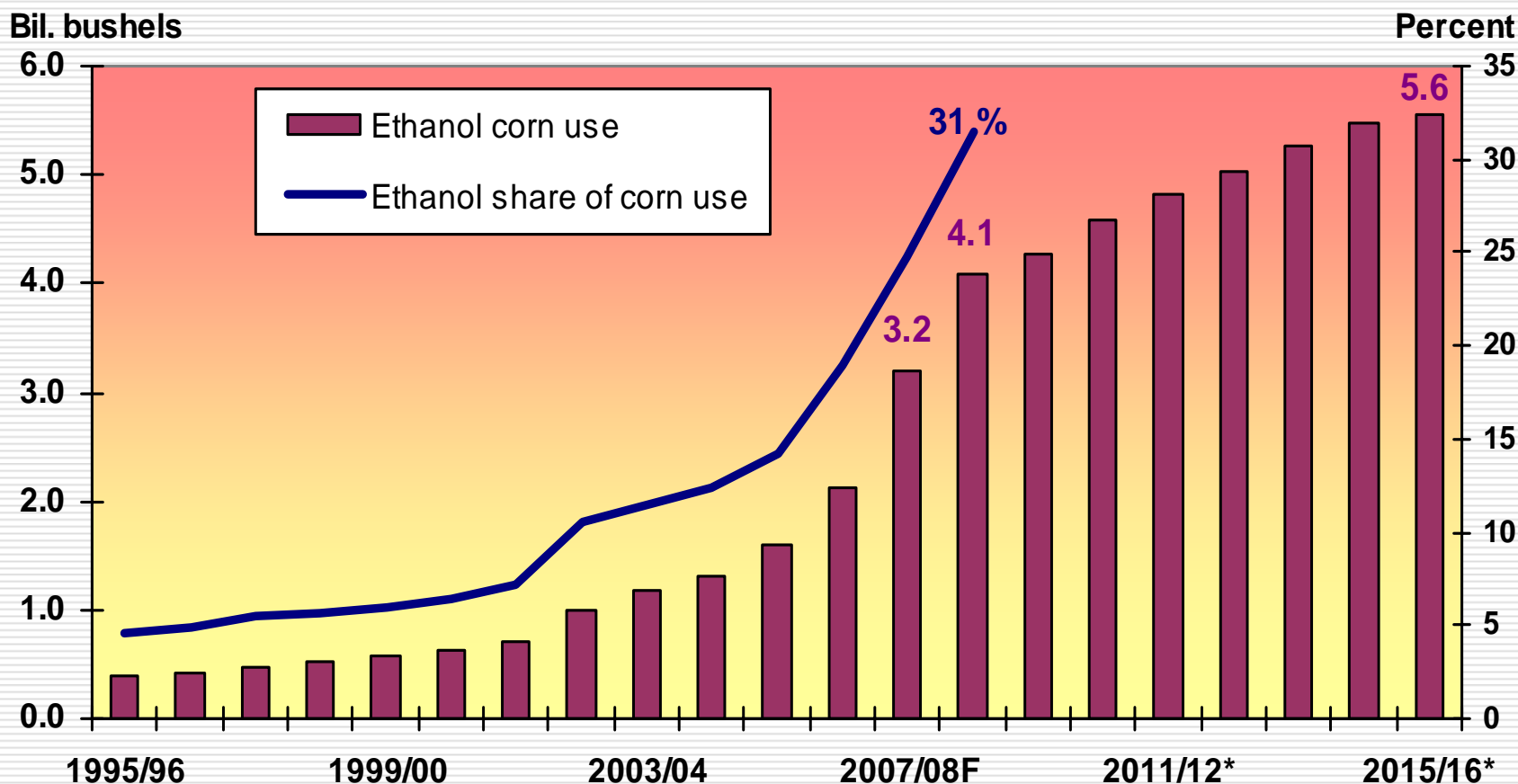


Expansion of U.S. Ethanol Production Capacity Well Ahead of 2007 RFS Requirements



U.S. Corn Used for Ethanol

1995/96 through 2015/16*



Note: 2007/08 is projected based on the *World Agricultural Supply and Demand Estimates*, February 8, 2008. 2008/09 is projected based on USDA's *Grains & Oilseeds Outlook*, Agricultural Outlook Forum, Washington, D.C., February 22, 2008. *Projection for 2009/10 based on RFS mandates for corn starch based ethanol under the Energy Independence and Security Act of 2007.

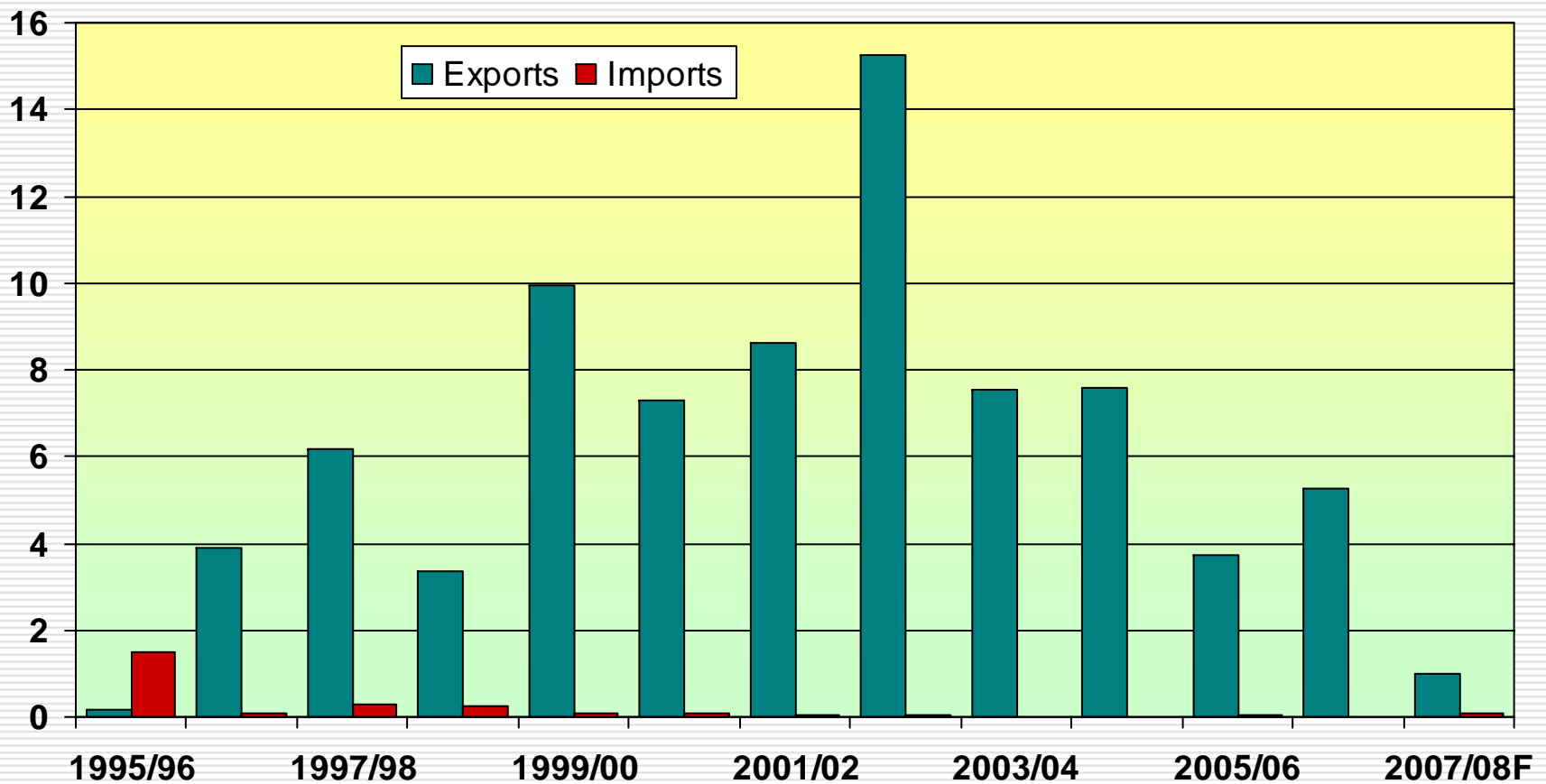
U.S. Corn Supply and Demand

	2006/07 estimate	2007/08 forecast	2008/09 forecast	Change from 2008/09 <i>Percent</i>
Planted area (million acres)	78.3	93.6	90.0	-3.8
Harvested area (million acres)	70.6	86.5	82.7	-4.4
Yield (bushels per acre)	149.1	151.1	154.9	2.5
	<i>Million bushels</i>			
Beginning stocks	1,967	1,304	1,438	10.3
Production	10,535	13,074	12,810	-2.0
Total supply	12,514	14,393	14,263	-0.9
Feed and residual	5,598	5,950	5,400	-9.2
Food, seed, and industrial	3,488	4,555	5,470	20.1
Ethanol	2,117	3,200	4,100	28.1
Domestic use	9,086	10,505	10,870	3.5
Exports	2,125	2,450	2,150	-12.2
Total use	11,210	12,955	13,020	0.5
Ending stocks	1,304	1,438	1,243	-13.5
	<i>Percent</i>			
Stocks/use	11.6	11.1	9.5	
	<i>Dollars per bushel</i>			
Average market price	3.04	4.00	4.60	3.0

China Corn Exports

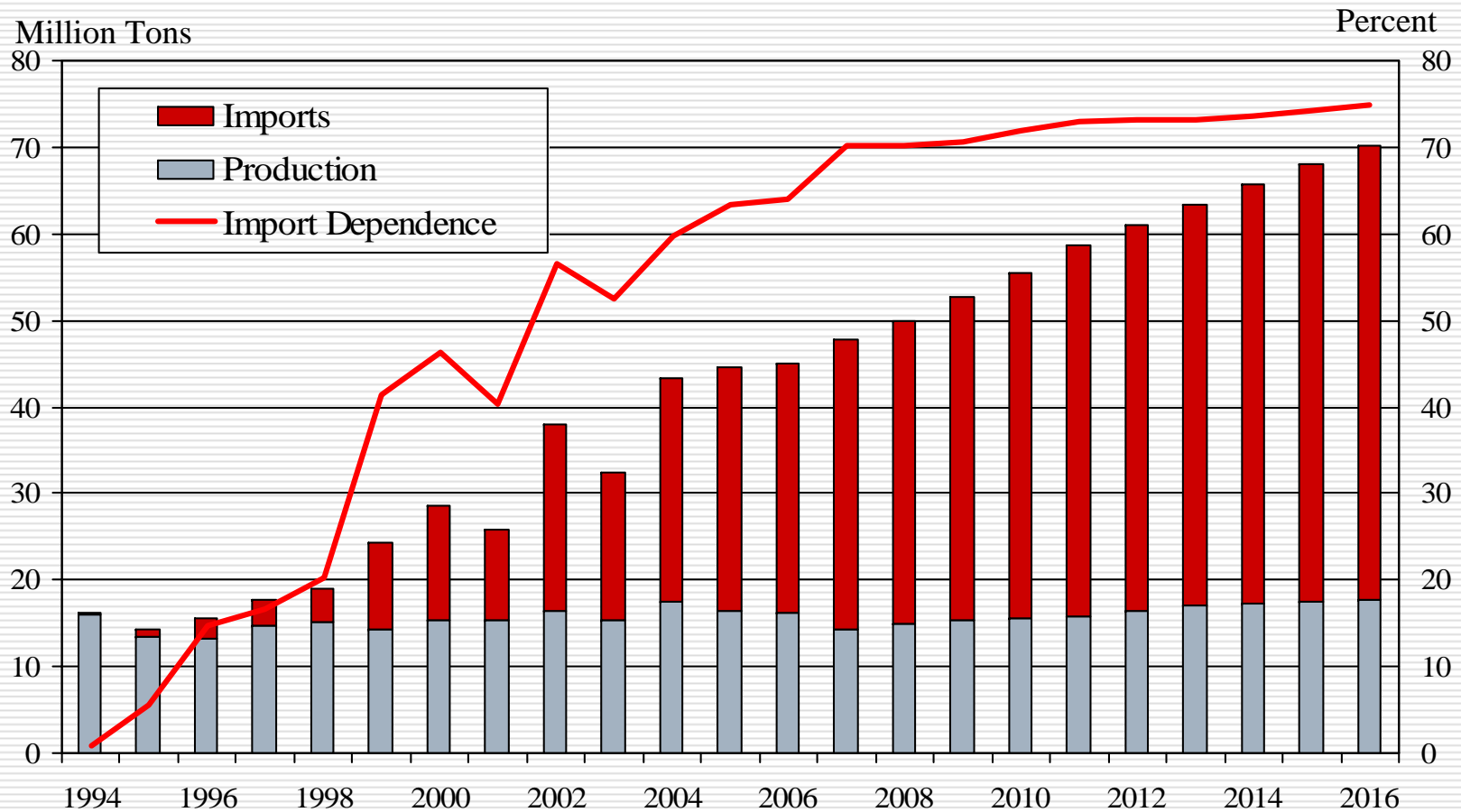
1995/96 through 2007/08F

Mil. Metric Tons

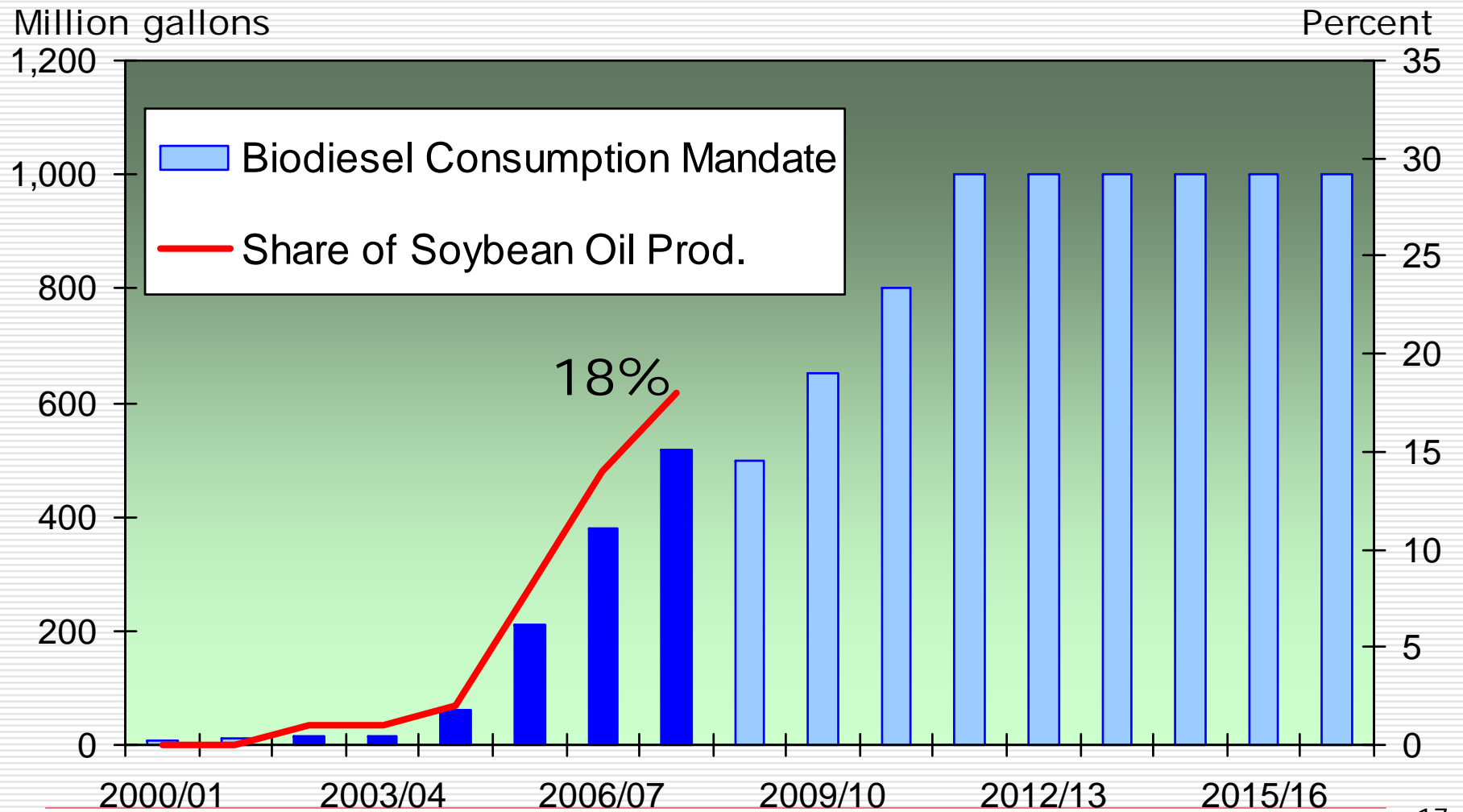


Note: 2007/08 production and consumption are projected based on the *World Agricultural Supply and Demand Estimates*, January 11, 2008.

China Soybean Import Dependence Expected to Increase in the Next 10 Years

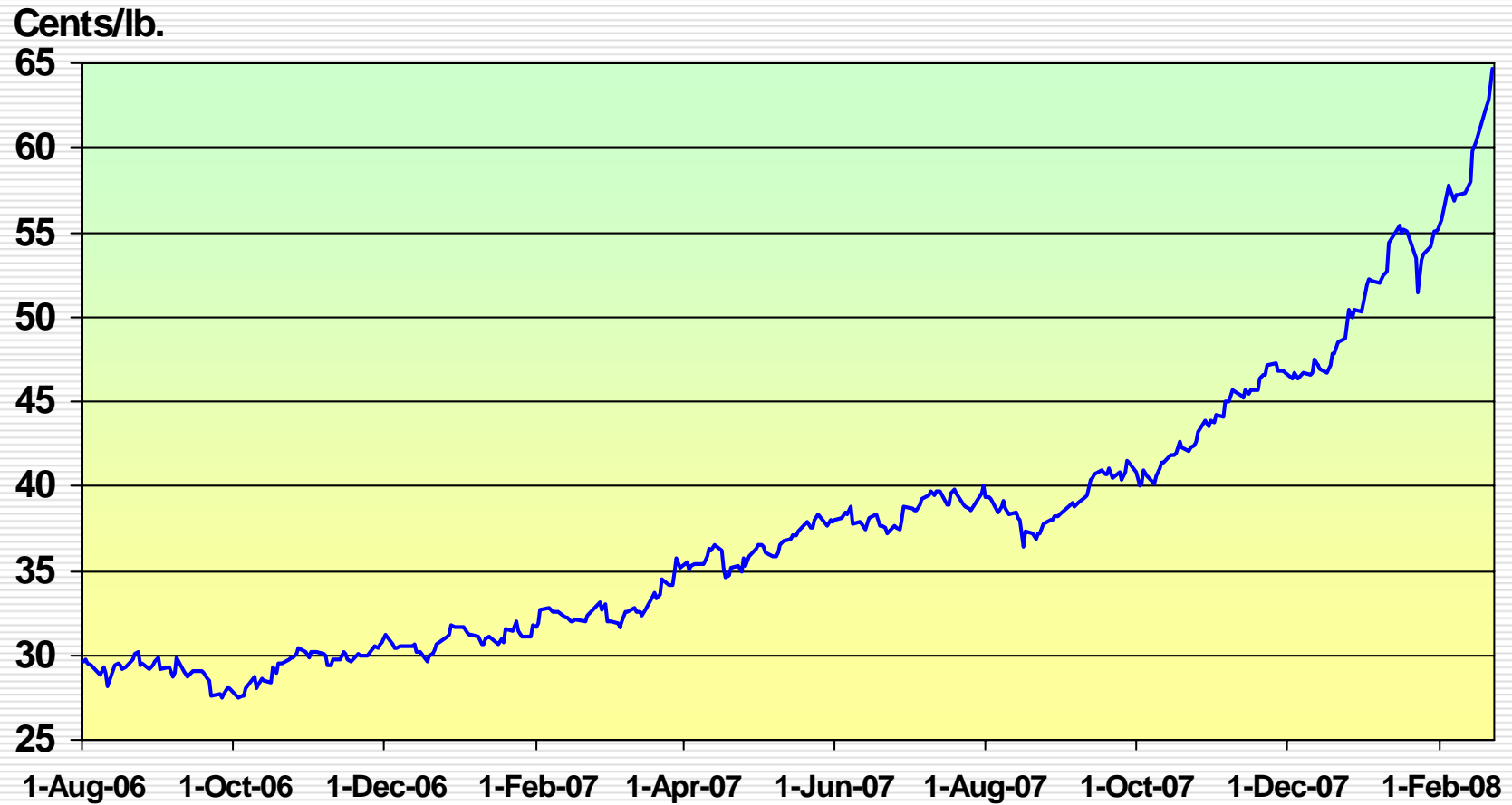


U.S. Biodiesel Mandate . . . (2007 Energy Act)



Soybean Oil Futures Prices

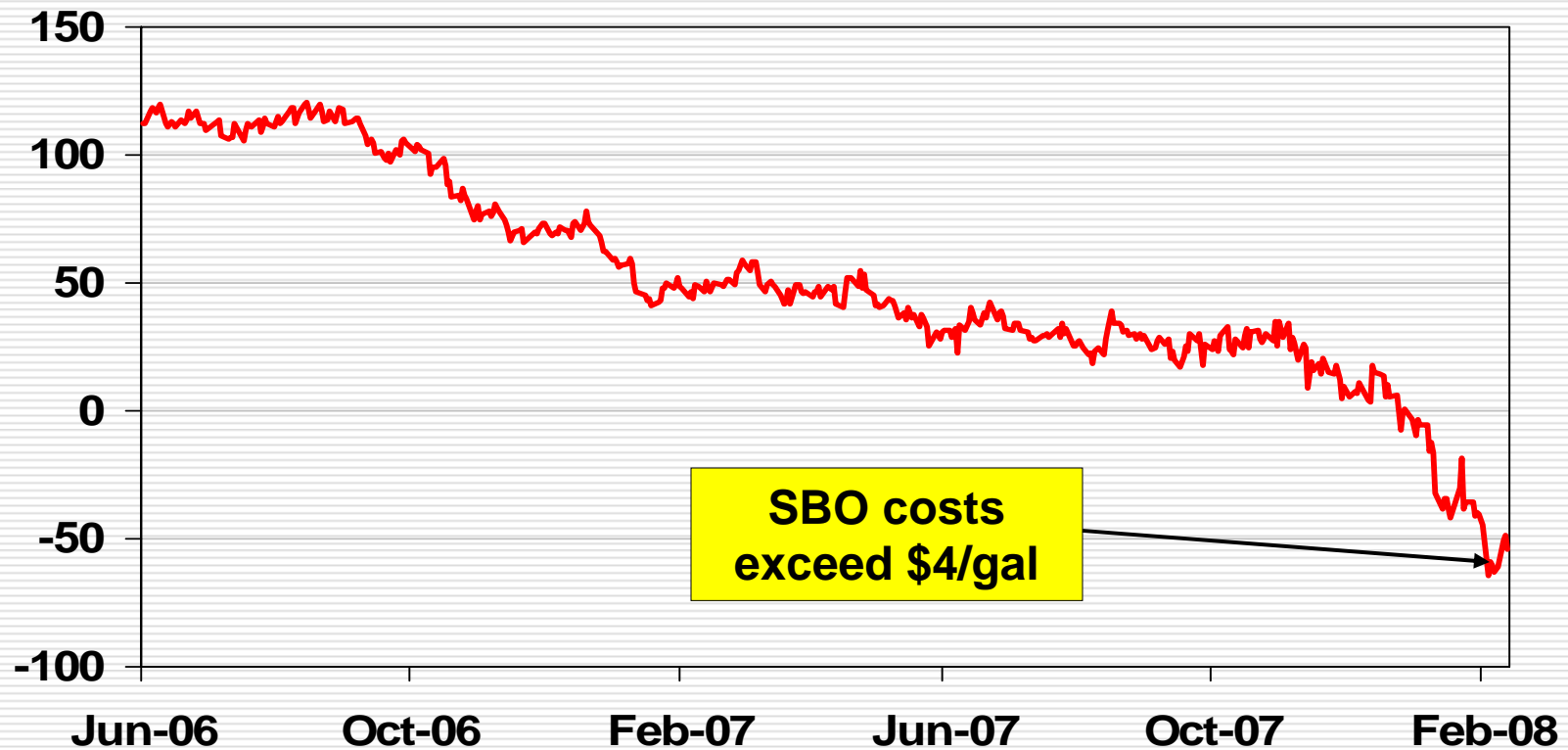
December 2008 Contract



Note: Chicago Board of Trade daily settlement prices.

Biodiesel Margin

cents/lb

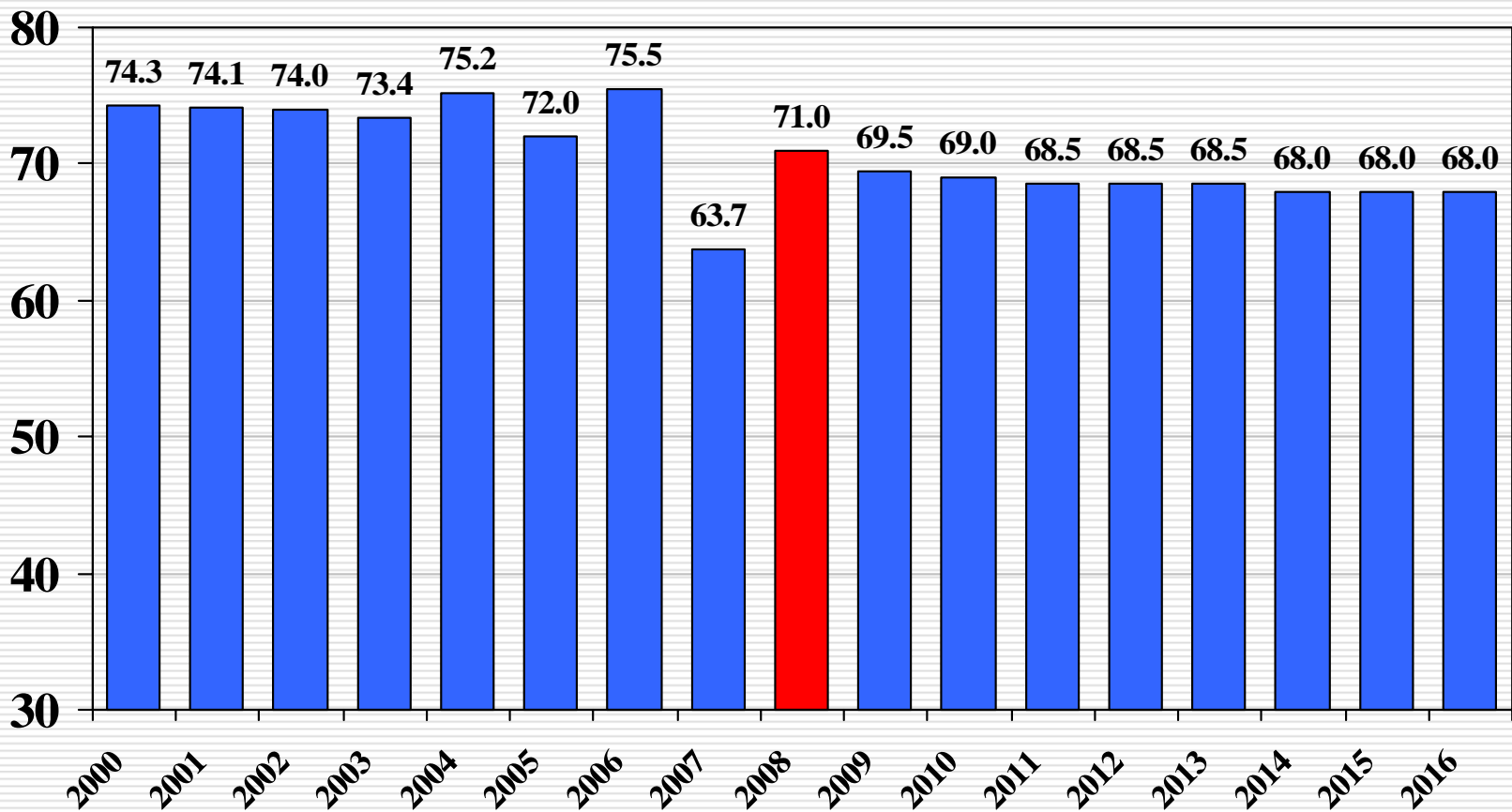


U.S. Soybean Supply and Demand

	2006/07 estimate	2007/08 forecast	2008/09 forecast	Change from 2008/09 <i>Percent</i>
Planted area (million acres)	75.5	63.6	71.0	11.6
Harvested area (million acres)	74.6	62.8	70.1	11.6
Yield (bushels per acre)	42.7	41.2	42.1	2.3
	<i>Million bushels</i>			
Beginning stocks	449	574	160	-72.1
Production	3,188	2,585	2,950	14.1
Imports	9.0	6.0	6.0	0.0
Total Supply	3,647	3,165	3,116	-1.6
Crush	1,806	1,835	1,860	1.4
Seed and Residual	148	165	177	7.1
Domestic use	1,955	2,000	2,037	1.8
Exports	1,118	1,005	910	-9.5
Total Use	3,073	3,005	2,947	-1.9
Ending stocks	574	160	169	5.6
	<i>Percent</i>			
Stocks/use ratio	18.7	5.3	5.7	
	<i>Dollars per bushel</i>			
Average market price	6.43	10.40	11.50	10.6

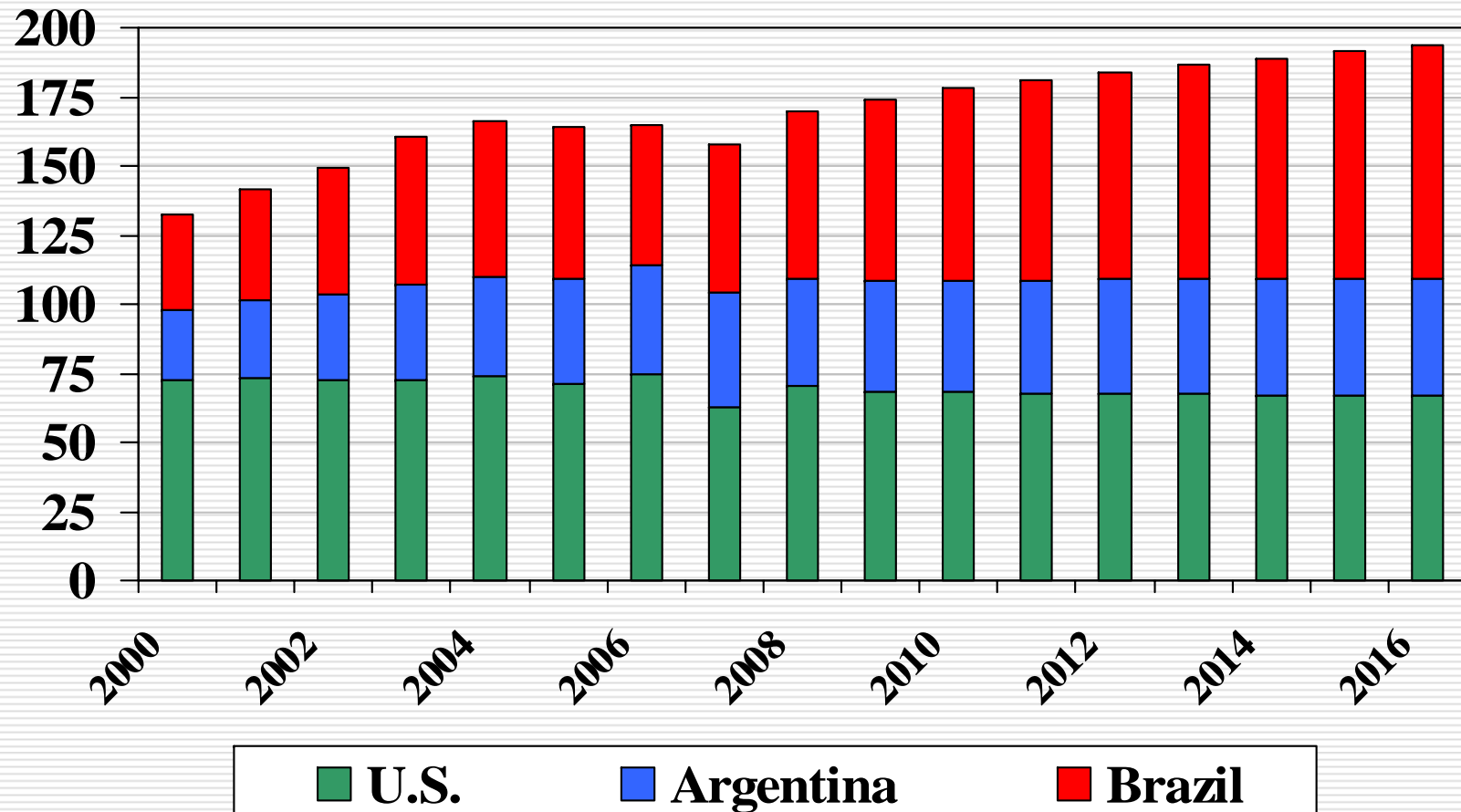
U.S. Soybean Planted Area Trend

Million Acres



Soybean Harvested Area

Million Acres

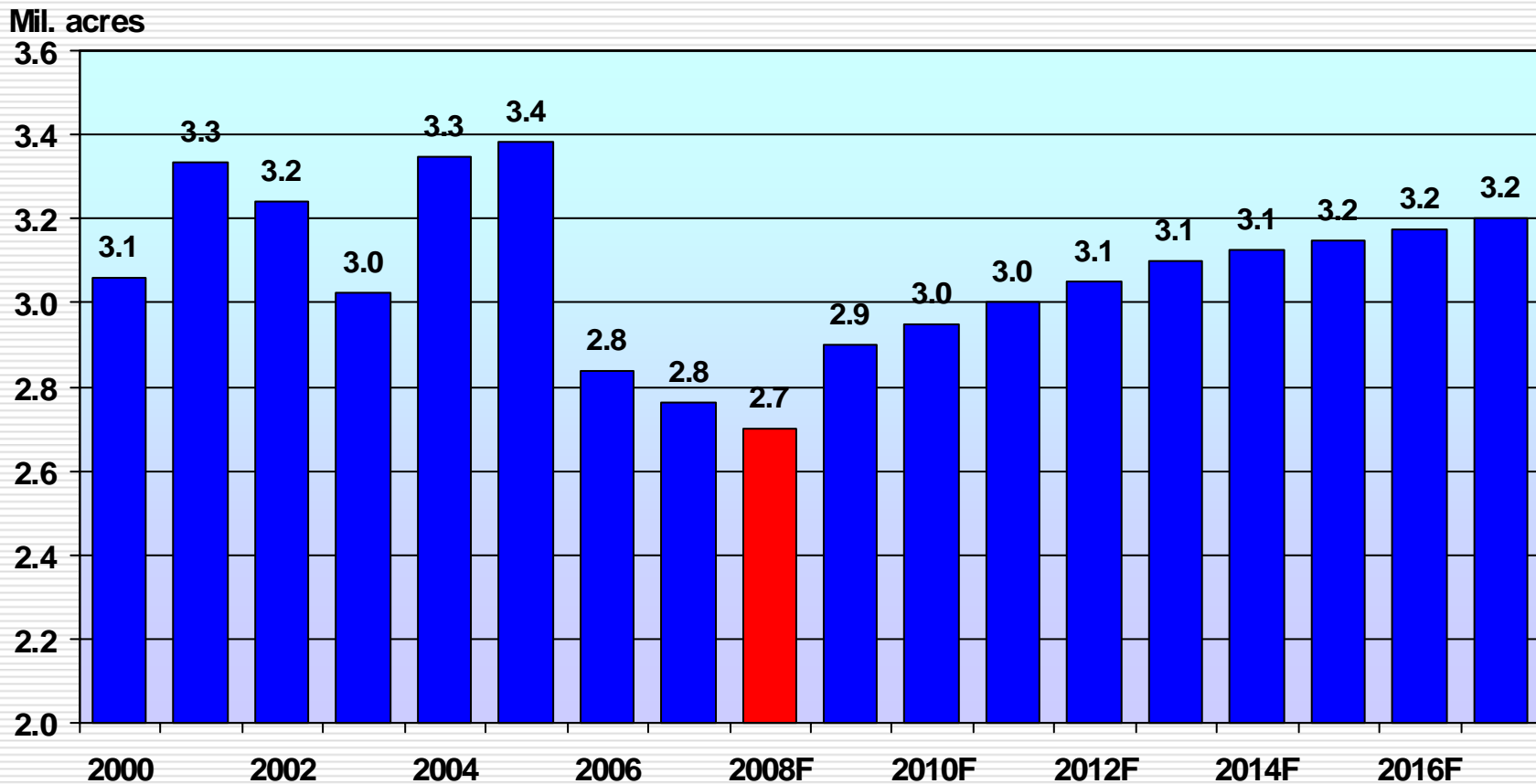


U.S. Rice Supply and Demand

Rough Equivalent of Rough and Milled Rice

	2006/07 estimate	2007/08 forecast	2008/09 forecast	Change from 2008/09 <i>Percent</i>
Planted area (million acres)	2.84	2.76	2.70	-2.2
Harvested area (million acres)	2.82	2.75	2.69	-2.1
Yield (pounds per acre)	6,868	7,185	7,108	-1.1
	<i>Million hundredweight</i>			
Beginning stocks	43.0	39.3	22.6	-42.5
Production	193.7	197.5	191.0	-3.3
Imports	20.6	21.5	22.5	4.7
Total supply	257.3	258.3	236.1	-8.6
Domestic use	126.6	124.7	126.0	1.1
Exports	91.4	111.0	88.0	-20.7
Total use	218.0	235.7	214.0	-9.2
Ending stocks	39.3	22.6	22.1	-2.2
	<i>Percent</i>			
Stocks/use	18.0	9.6	10.3	
	<i>Dollars/hundredweight</i>			
Average market price	9.96	11.45	11.80	3.1

U.S. All Rice Planted Area Trend



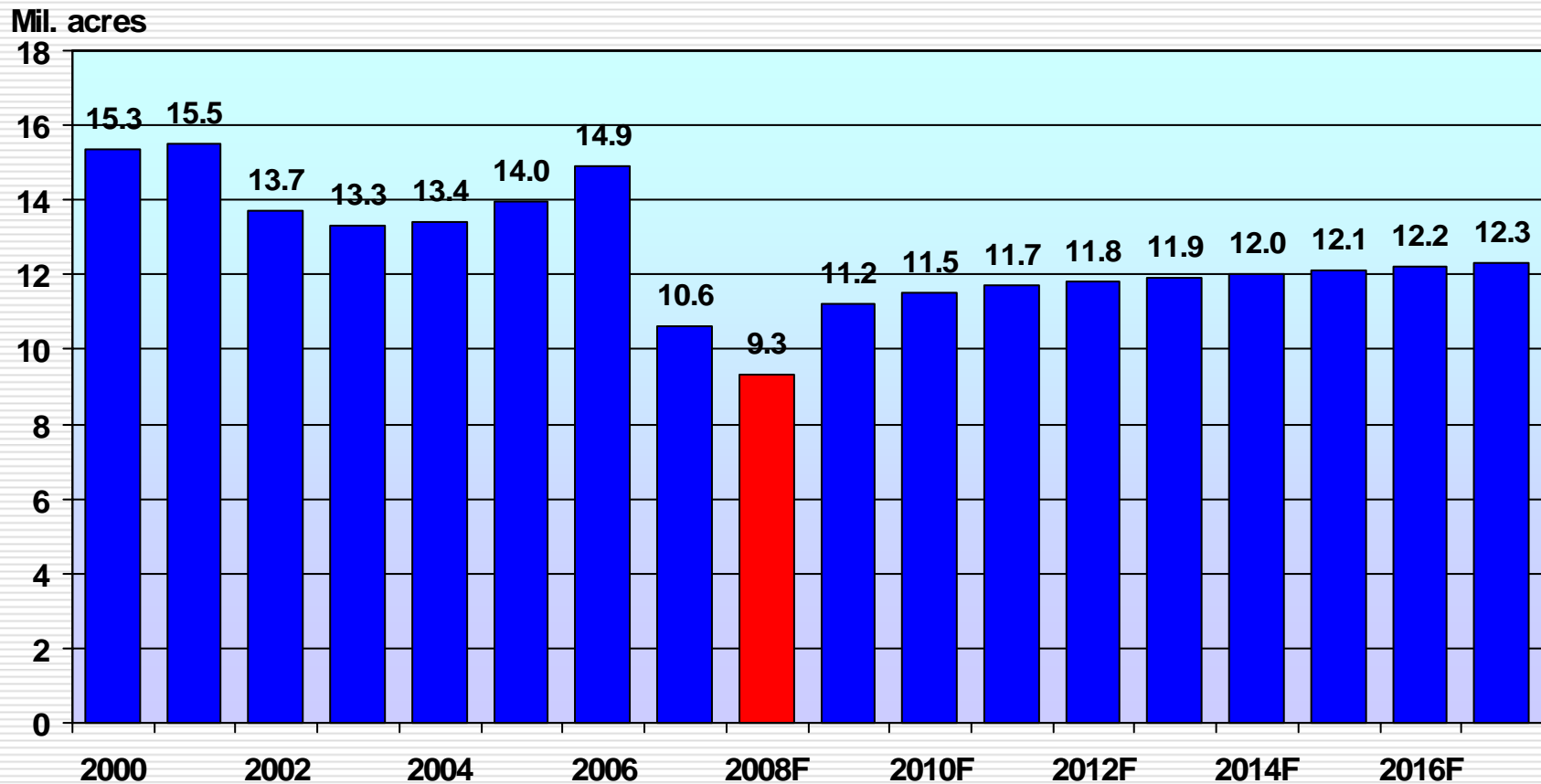
Note: 2008 planted area forecast from USDA's *Grains and Oilseeds Outlook*, Agricultural Outlook Forum, Washington, D.C., February 22, 2008. Projections for 2009-2017 are from *USDA Agricultural Projections to 2017*, February 2008.

U.S. Cotton Supply and Demand

	2006/07 estimate	2007/08 forecast	2008/09 forecast	Change from 2008/09 <i>Percent</i>
Planted area (million acres)	15.3	10.8	9.5	-12.3
Harvested area (million acres)	12.7	10.5	8.6	-18.0
Yield (pounds per acre)	814.0	871.0	835.0	-4.1
		<i>Million bales</i>		
Beginning stocks	6.1	9.5	8.2	-13.5
Imports	0.0	0.0	0.0	0.0
Production	21.6	19.0	15.0	-21.2
Total supply	27.7	28.5	23.2	-18.6
Mill use	4.9	4.6	4.5	-2.2
Exports	13.0	15.7	15.0	-4.5
Total use	18.0	20.3	19.5	-3.9
Unaccounted	0.2	0.0	0.0	
Ending stocks	9.5	8.2	3.7	-54.6
		<i>Percent</i>		
Stocks to use ratio	52.8	40.4	19.1	
		<i>Cents per pound</i>		
Average market price	46.50	53.50*		

*Average price for August-December 2007. USDA is prohibited by law from publishing cotton price projections.

U.S. Upland Cotton Planted Area Trend



Note: 2008 planted area forecast from USDA's *Cotton Outlook*, Agricultural Outlook Forum, Washington, D.C., February 22, 2008. Projections for 2009-2017 are from *USDA Agricultural Projections to 2017*, February 2008.

END



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