

Analysis of the February 9, 2011 USDA WASDE Report

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Summary of the Impact of USDA WASDE Report on February 9, 2011

The February 9th World Agricultural Supply Demand Estimates report the USDA was positively supportive for feedgrain markets, but neutral to mixed for wheat and oilseed markets.

Corn & Grain Sorghum Markets: The USDA indicated that U.S. corn and World coarse grain supply-demand balances were tightening further for the 2010/11 marketing year. Grain sorghum supply-demand projections for MY 2010/11 were unchanged. Fears about even further tightening of MY 2010/11 U.S. corn ending stocks (675 million bushels) and ending stocks-to-use (5.0%) in the spring and early summer of 2011 is likely to support continued if not even higher U.S. corn and grain sorghum prices in coming months. It is likely that in the spring-summer of 2011 higher feedgrain prices will result in tighter profit margins and reduced feedgrain usage for either ethanol production, non-ethanol domestic wet milling, livestock feeding and/or exports. This report also provides even stronger impetus for increased U.S. corn acreage to be planted in the spring of 2011.

Soybean Markets: No changes were made in the U.S. soybean supply-demand balance sheet for MY 2011/12. Ending stocks and ending stocks-to-use of U.S. soybeans for MY 2010/11 are projected to be 140 mb and 4.2%, respectively. The U.S. stocks-to-use projection is the lowest since at least the early 1980s. World oilseed and soybean ending stocks for MY 2010/11 are projected to tighten only marginally, with prospects for a large 2011 soybean crop in Brazil (68.5 mmt vs 69 mmt last year) and a moderate soybean crop in Argentina (49.5 mmt vs 54.5 mmt last year). As for corn, this report provides continued support for U.S. soybean acreage to either increase or at least only decline marginally in the spring of 2011.

Wheat Markets: No changes were made in the overall U.S. wheat supply-demand balance sheet for MY 2011/12, although some offsetting export and stocks changes were made in the supply-demand balance sheets for U.S. wheat classes. Ending stocks and ending stocks-to-use of U.S. wheat for MY 2010/11 are projected to be 818 mb and 33.0%, respectively. The U.S. stocks-to-use projection is markedly higher than the 60 year low in MY 2007/08 of 13%. Projected U.S. hard red winter wheat and white wheat exports for MY 2010/11 were raised 10 mb, while hard red spring wheat exports were reduced 20 mb. Wheat cash prices in the U.S. are projected to be in the \$5.60-\$5.80 per bushel range for MY 2010/11, up \$0.10 on the lower end. World wheat supply-demand for MY 2010/11 was changed only marginally.

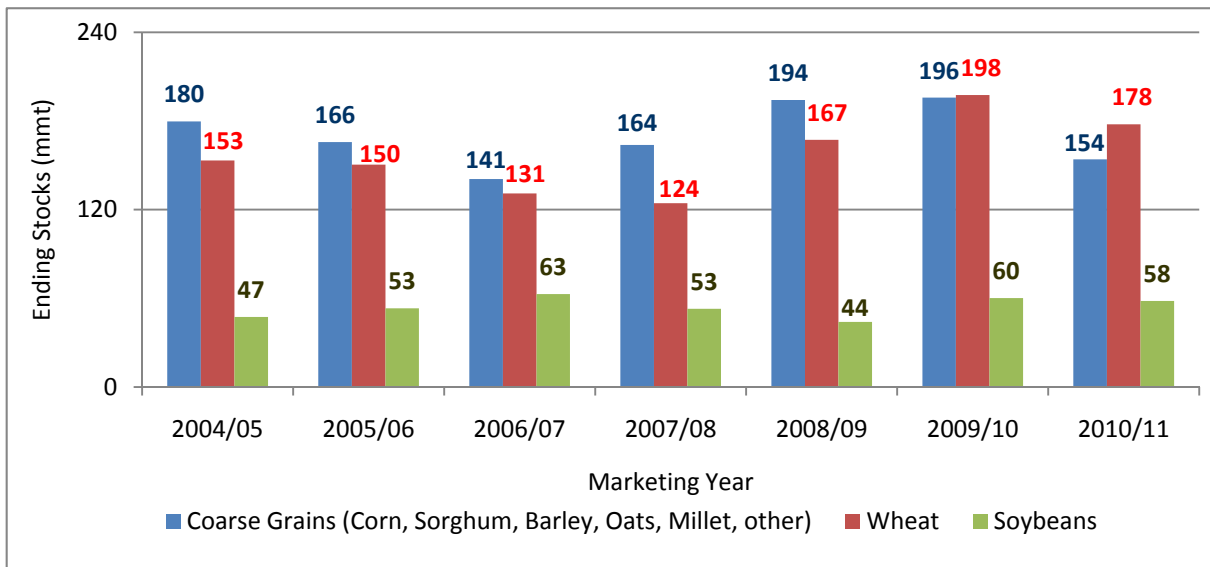
Key Issues for 2011 Grain Markets: The most important factors that could affect U.S. grain markets in 2011 include a) U.S. corn vs soybean acreage competition in the spring of 2011, b) heightened sensitivity to possible 2011 U.S. crop production problems for feedgrains, oilseeds, and wheat, c) sensitivity to 2011 Chinese and other foreign crop production prospects, d) competition for U.S. feedgrain exports from more World feed quality wheat in 2011, and e) volatility in financial and currency markets stemming from economic trends in the United States and the World economy.

I. World Ending Stocks of Coarse Grains, Wheat and Soybeans

World Coarse Grain & Corn Stocks: World coarse grain production and total supplies are projected to be 1,081 mmt and 1,277 mmt, respectively, in MY 2010/11. The production estimate was lowered 2.0 mmt and the supply estimate was lowered 4.4 mmt from the January WASDE report. Total World use of coarse grains is projected to be 1,123 mmt in MY 2010/11, up 0.3 mmt from the January WASDE report and 4.0% larger than in MY 2008/09. World coarse grain ending stocks are projected to be 154.1 mmt in MY 2010/11, down 4.7 mmt from the January WASDE report, and representing 13.7% stocks-to-use (Figure 1). This level of ending stocks is the lowest since MY 2006/07 levels of 140.68 mmt (12.5% S/U).

World corn ending stocks are projected to be 122.5 mmt (14.6% S/U) in MY 2010/11, down 4.5 mmt from the January WASDE. This amount of World corn ending stocks is the lowest in 5 years, since 110.08 mmt (13.4% S/U) in MY 2006/07. World corn usage has grown from 766.83 in MY 2004/05 mmt to 836.90 mmt in MY 2010/11, an annual increase of 11.7 mmt (+1.5% per year). World corn usage is projected to account for 74.5% of total World coarse grain use in MY 2010/11, up from 73.7% in MY 2009/10 and 72.4% in MY 2008/09.

Figure 1. World Ending Stocks of Coarse Grains, Wheat & Soybeans: MY 2004/05 thru MY 2010/11
(February 9, 2011 USDA WASDE Report)



World Wheat Stocks: World wheat ending stocks for MY 2010/11 are projected to be 177.77 mmt (26.7% S/U), down 0.2 mmt from the January WASDE (Figure 1). World wheat ending stocks in MY 2010/11 are down 10.0% from 197.60 mmt (30.3% S/U) in MY 2009/10, but are higher than 167.20 mmt (26.1% S/U) in MY 2008/09. Current World wheat ending stocks are 53.4 mmt larger than in the benchmark low supply year of MY 2007/08 when stocks fell to 124.4 mmt and 20.2% ending stocks-to-use. Total use of World wheat is projected to have increased from 607.7 mmt in MY 2004/05 to 665.2 mmt in MY 2010/11, an average growth of 9.6 mmt or 1.6% per year. All the various types of wheat are included in this total, including hard red winter, hard red spring, soft red winter, white wheat, and durum varieties.

World Oilseed & Soybean Stocks: World oilseed ending stocks for MY 2010/11 are projected to be 67.88 mmt (18.0% S/U), down 0.37 mmt from the January WASDE report, and down from 71.66 mmt (20.0% S/U) in MY 2009/10. World oilseed ending stocks in MY 2010/11 are 11.4 mmt or 20% larger than the recent low in MY 2008/09 of 56.51 mmt (16.7% S/U). World oilseed use has grown from 338.4 mmt in MY 2008/09 to 376.4 in MY 2010/11, an annual increase of 19.0 mmt (5.6%). The category of “Oilseeds” includes soybeans, sunflowers, cotton, canola, flaxseed, peanuts, and other oilseed-type crops.

World soybean ending stocks are projected to be 58.21 mmt (22.8% S/U) in MY 2010/11, a decrease of 0.07 mmt from the January WASDE, and down from 60.17 mmt (25.2% S/U) in MY 2009/10, but up from 44.07 mmt (19.9% S/U) in MY 2008/09. World soybean use has increased from 221.13 mmt in MY 2008/09 to 255.28 in MY 2010/11, an annual increase of 17.1 mmt (7.7%).

II. Feedgrain Market Situation and Outlook

Corn & Grain Sorghum ⇨ Continued strong support for feedgrain markets

- **World Coarse Grain ending stocks in MY 2010/11 = 154.09 mmt (13.7% S/U)** (down 4.71 mmt vs January 2011 WASDE)
 - Versus 196 / 194 / 164 mmt (18% / 17% / 14% S/U) for MY 2009/10, MY 2008/09 & MY 2007/08, respectively
 - *Even with tight World Coarse Grain stocks, the current 13.7% S/U is still greater than historic low of 12.5% S/U of MY 2006/07*
 - *Increased supplies of feed quality wheat from Australia and Canada may compete with feedgrains for livestock feed use in World markets in MY 2010/11*
 - *Drought in key Chinese feedgrain production regions may cause them to enter the corn export market in 2011*
- **U.S. Corn ending stocks in MY 2010/11 = 675 mb (5.0% S/U)** (down 70 mb from January 2011 WASDE)
 - Versus 1.708 / 1.673 / 1.624 bb (13.1% / 13.9% / 12.7% S/U) for MY 2009/10, MY 2008/09 & MY 2007/08, respectively
 - U.S. Corn prices in \$5.05 - \$5.75 /bu range in MY 2010/11 (vs \$3.55 /bu in MY 2009/10)
 - *Continued strong ethanol use in MY 2010/11, but rationing of exports, ethanol use & feed use is likely due to high corn prices in MY 2010/11*
 - *Uncertainty about the impact of implementation of the U.S. ethanol E-15 policy & of the viability of import tariff / blenders credits beyond 2011*
 - U.S. Grain Sorghum price in \$5.15 - \$5.85 /bu range in MY 2010/11 (vs \$3.22 /bu in MY 2009/10)

U.S. Corn Supply-Demand Balance Sheet & Price Projections

U.S. Corn Use Changes: Important changes were made in U.S. corn supply-demand balances in MY 2010/11 in the February 9, 2011 WASDE report (Table 1). Projected total corn use in MY 2010/11 was increased 70 million bushels (mb) to 13.5 billion bushels (bb). Usage of corn for ethanol production in MY 2010/11 was estimated at 4.95 bb (up 50 mb) combined with non-ethanol food, seed and industrial use of 1.40 bb (up 20 mb). Projected exports of 1.95 bb as well as feed and residual use of

5.2 bb for MY 2010/11 were left unchanged. The U.S. corn ethanol and total use amounts in MY 2010/11 are record highs.

U.S. Corn Ending Stocks: Ending stocks of U.S. corn are projected at 675 mb in MY 2010/11, which is down 70 mb from last month's WASDE report, and down 1.033 bb from MY 2009/10. This represents 5.0% ending stocks-to-use, which equals the lowest U.S. corn % stocks-to-use figure since MY 1995/96 (i.e., 5% S/U). It also continues a downward monthly trend in U.S. corn ending stocks-to-use estimates for MY 2010/11, from 8.3% (September) to 6.7% (October) to 6.2% (November-December) to 5.5% (January), and now down to 5.0%. It is also markedly lower than 13.1% S/U in MY 2009/10, and 13.9% in MY 2008/09.

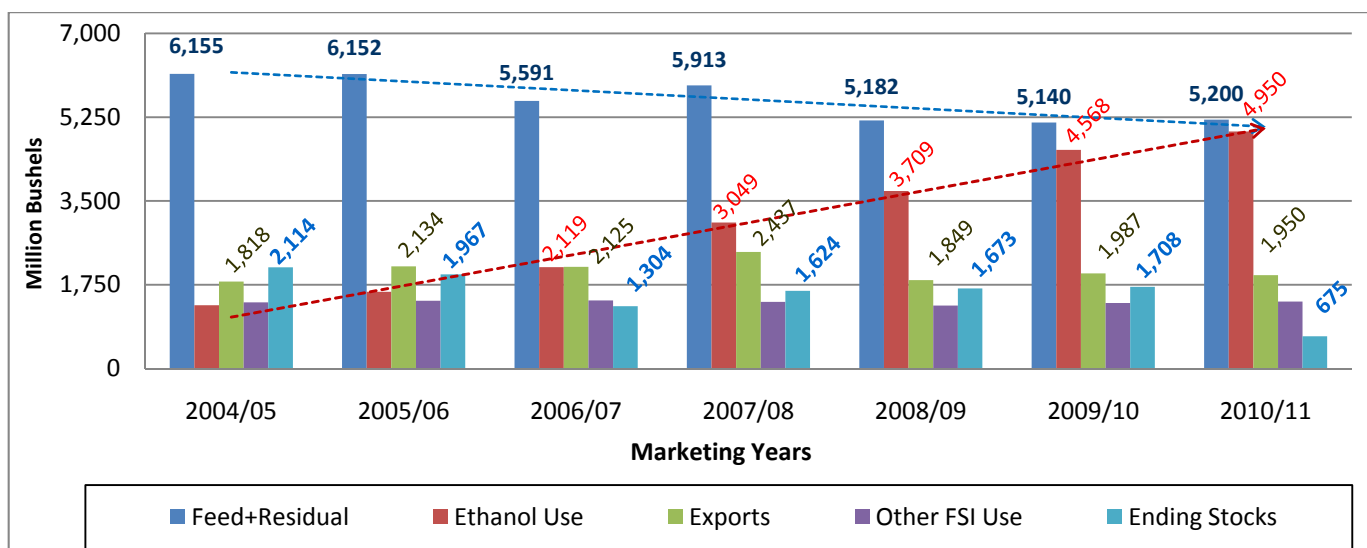
U.S. Corn Prices: United States season average corn prices for MY 2010/11 were projected to be in the range of \$5.05-\$5.75 per bushel with a midpoint of \$5.40 (i.e., an increase of \$0.15 per bushel on the lower end of the price range, and of \$0.05 on the upper end). This compares to an estimated MY 2009/10 price of \$3.55 /bu, \$4.06 /bu in MY 2008/09, and \$4.20 /bu in MY 2007/08.

Table 1. U.S. Corn Supply-Demand Balance Sheet: MY 2007/08 through MY 2010/11
(February 9, 2011 USDA WASDE Report)

Item	2007/08	2008/09	2009/10	2010/11
Planted Area (million acres)	93.5	86.0	86.4	88.2
Harvested Area (million acres)	86.5	78.6	79.5	81.4
Yield per harvested acre (bushels/acre)	150.7	153.9	164.7	152.8
	million bushels			
Beginning Stocks	1,304	1,624	1,673	1,708
Production	13,038	12,092	13,092	12,447
Imports	20	14	8	20
Total Supply	14,362	13,729	14,774	14,175
Ethanol for fuel	3,049	3,709	4,568	4,950
Non-ethanol Food, Seed & Industrial	1,393	1,316	1,371	1,400
Exports	2,437	1,849	1,987	1,950
Feed & Residual	5,858	5,182	5,159	5,200
Total Use	12,737	12,056	13,066	13,500
Ending Stocks	1,624	1,673	1,708	675
% Ending Stocks-to-Total Use	12.8%	13.9%	13.1%	5.0%
U.S. Average Farm Price (\$/bushel)	\$4.20	\$4.06	\$3.55	\$5.05-\$5.75 <i>Midpoint = \$5.40</i>

U.S. Corn Use and Ending Stocks Trends During MY 2004/05 through MY 2010/11: Since MY 2004/05, U.S. feed and residual use of corn has generally declined (Figure 2). However, the 5.2 bb projection for MY 2010/11 interrupts that trend. Corn use for ethanol has increased steadily over the same period from 1.323 bb to 4.95 bb. Exports of U.S. corn have averaged 2.063 bb since MY 2004/05, above to the 1.950 bb projection for MY 2010/11. Corn ending stocks increased from MY 2006/07 to MY 2009/10 to a high of 1.708 bb. However, MY 2009/10 U.S. corn ending stocks are projected to decline markedly to 675 bb in MY 2010/11.

Figure 2. Trends in U.S. Corn Use and Ending Stocks: MY 2004/05 through MY 2010/11
(February 9, 2011 USDA WASDE Report)



U.S. Grain Sorghum Supply-Demand Balance Sheet & Price Projections

No changes were made in projected supply-demand balances for MY 2010/11 for U.S. grain sorghum in the February WASDE report (Table 2). Ending stocks of U.S. grain sorghum are projected at 37 mb in MY 2010/11, representing 10.6% ending stocks-to-use. This stocks-to-use figure compares to 10.4% in MY 2009/10, 11.7% in MY 2008/09, and 11.1% in MY 2007/09. U.S. average grain sorghum prices for MY 2010/11 are projected to be in the range of \$5.15-\$5.85 /bu, with a midpoint of \$5.50 /bu. This price projection has narrowed \$0.05 /bu on both ends of the range since the January 2011 WASDE, leaving the average price projection unchanged.

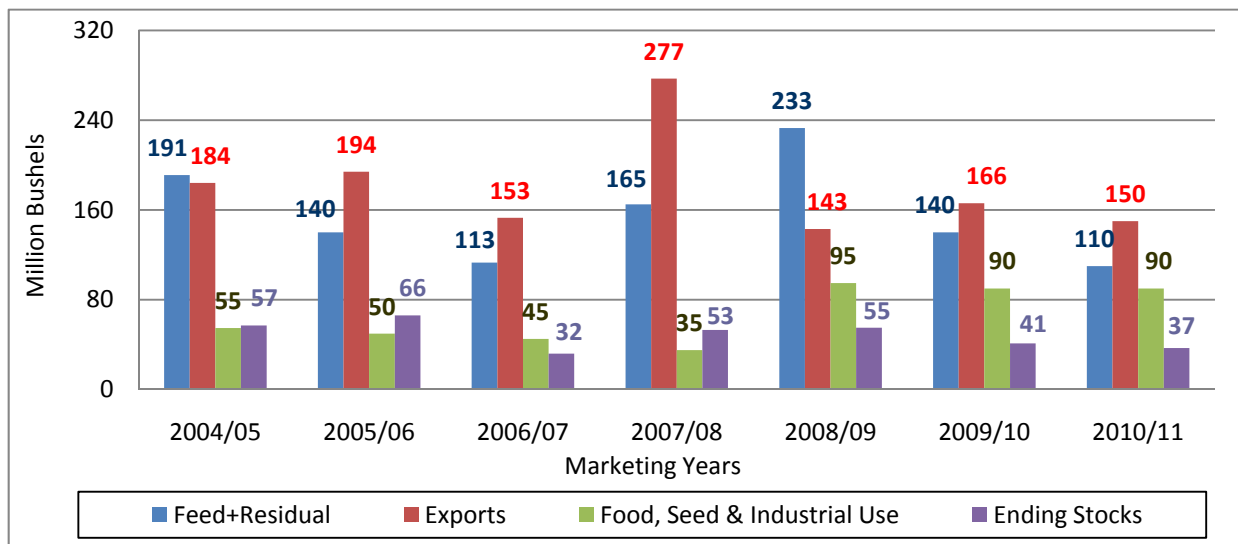
Table 2. U.S. Grain Sorghum Supply-Demand Balance Sheet: MY 2007/08 through MY 2010/11
(February 9, 2011 USDA WASDE Report)

Item	2007/08	2008/09	2009/10	2010/11
Planted Area (million acres)	7.7	8.3	6.6	5.4
Harvested Area (million acres)	6.8	7.3	5.5	4.8
Yield per harvested acre (bushels/acre)	73.2	65.0	69.4	71.8
	million bushels			
Beginning Stocks	32	53	55	41
Production	497	472	383	345
Total Supply	530	525	438	387
Food, Seed & Industrial	35	95	90	90
Exports	277	143	166	150
Feed & Residual	165	233	140	110
Total Use	477	471	396	350
Ending Stocks	53	55	41	37
% Ending Stocks-to-Total Use	11.1%	11.7%	10.4%	10.6%
U.S. Average Farm Price (\$/bushel)	\$4.08	\$3.20	\$3.22	\$5.15-\$5.85 <i>Midpoint = \$5.50</i>

U.S. Grain Sorghum Use and Ending Stocks Trends During MY 2004/05 through MY 2010/11:

Increased use of grain sorghum for ethanol production for the last three marketing years (MY 2008/09 through MY 2010/11) is reflected by higher food, seed and industrial use in Figure 3. Ending stocks for U.S. grain sorghum have remained in the range of 32 to 66 mb since MY 2004/05, with 37 mb of ending stocks (10.6% stocks-to-use) projected for MY 2010/11.

Figure 3. Trends in U.S. Grain Sorghum Use & Ending Stocks During MY 2004/05 thru MY 2010/11
(February 9, 2011 USDA WASDE Report)



III. Wheat Market Situation & Outlook

Wheat Market Impact ⇒ Continued strong market outlook with production risk & further market volatility possible in 2011

- **World wheat ending stocks in MY 2010/11 = 177.8 mmt (26.7% S/U)** (down 0.22 mmt from January 2011 WASDE report)
 - Versus 198 / 167 / 124 mmt (30% / 26% / 20% S/U) for MY 2009/10, MY 2008/09 & MY 2007/08, respectively
 - A year-to-year decline in World wheat production and supplies combined with increased wheat usage has lead to lower World wheat ending stocks for MY 2010/11.
 - Wet harvest problems in eastern Australia and Canada combined with 2010 production problems in the Black Sea region (Russia, Ukraine, others) have decreased the amount of food quality wheat in World grain export channels. These developments provide further support for U.S. wheat export prospects in early 2011.
 - Due to higher World wheat prices, signs of “rationing” may be appearing in wheat export trade
 - Drought in key Chinese wheat production regions may cause them to enter the wheat export market in 2011
 - Current MY 2010/11 World wheat ending stocks of 177.8 mmt (26.7% S/U) are still 53.4 mmt above record low ending stock levels of 124.4 mmt & 20% S/U in MY 2007/08
- **U.S. wheat ending stocks in MY 2010/11 = 818 mb (33% S/U)** (unchanged from the January WASDE)
 - Versus 976 / 657 / 306 mb (48% / 29% / 13% S/U) for MY 2009/10, MY 2008/09, & MY 2007/08, respectively
 - U.S. wheat prices in \$5.60 - \$5.80 /bu range in MY 2010/11 (vs \$4.87 /bu in MY 2009/10)

- *Poor establishment in the fall of 2010, ongoing weather problems & dry subsurface soil conditions in the central U.S. Great Plains hard red winter wheat production regions may limit U.S. wheat production prospects for 2011.*
- *Continued World wheat production problems in key areas (China, Black Sea region, western Australia, Canada etc.) support U.S. wheat export prospects in 2011, especially for food quality wheat.*
- *Higher wheat prices are driven in part by a weaker U.S. dollar & prospects for stronger U.S. wheat exports for MY 2010/11.*
- *Projected MY 2010/11 U.S. wheat ending stocks have declined to 818 mb, but are still 167% or 512 mb larger than record 60 year lows of 306 mb in MY 2007/08.*

U.S. Wheat Supply-Demand Balance Sheet & Price Projections

No changes were made in projected supply-demand balances for MY 2010/11 for U.S. wheat in the February WASDE report (Table 3). Ending stocks of U.S. wheat are projected at 818 mb in MY 2010/11, representing 33.0% ending stocks-to-use. This stocks-to-use figure compares to 48.4% in MY 2009/10, 28.9% in MY 2008/09, and 13.2% in MY 2007/09. Average wheat prices for MY 2010/11 are projected to be in the range of \$5.60-\$5.80 /bu, with a midpoint of \$5.70 /bu. This price projection was narrowed \$0.10 /bu on the lower end of the range from the January 2011 WASDE, leaving the average U.S. average wheat price projection \$0.05 per bushel higher at \$5.70.

On a class-by-class basis, projected U.S. hard red winter and U.S. white wheat exports for MY 2010/11 were both increased by 10 mb, while an offsetting change was made in MY 2010/11 U.S. hard red spring wheat exports of 20 mb.

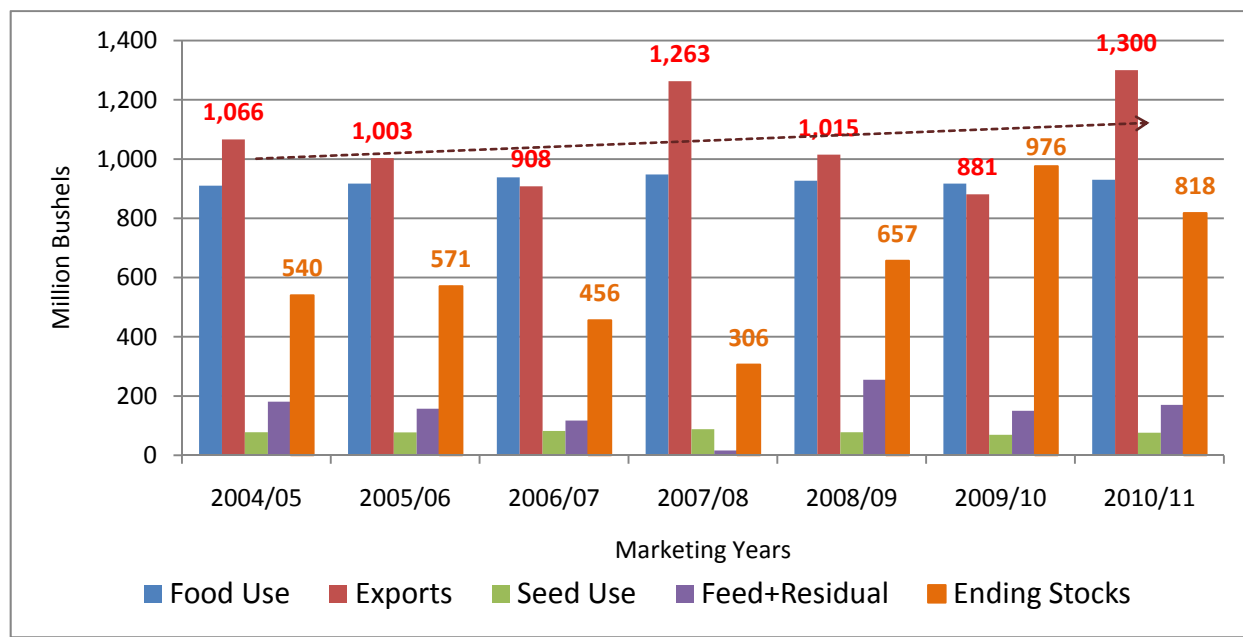
Table 3. U.S. Wheat Supply-Demand Balance Sheet: MY 2007/08 through MY 2010/11
(February 9, 2011 USDA WASDE Report)

Item	2007/08	2008/09	2009/10	2010/11
Planted Area (million acres)	60.5	63.2	59.2	53.6
Harvested Area (million acres)	51.0	55.7	49.9	47.6
Yield per harvested acre (bushels/acre)	40.2	44.9	44.5	46.4
	million bushels			
Beginning Stocks	456	306	657	976
Production	2,051	2,499	2,218	2,208
Imports	113	127	119	110
Total Supply	2,620	2,932	2,993	3,294
Food Use	948	927	917	930
Seed Use	88	78	69	76
Exports	1,263	1,015	881	1,300
Feed & Residual	16	255	150	170
Total Use	2,314	2,275	2,018	2,476
Ending Stocks	306	657	976	818
% Ending Stocks-to-Total Use	13.2%	28.9%	48.4%	33.0%
U.S. Average Farm Price (\$/bushel)	\$6.48	\$6.78	\$4.87	\$5.60-\$5.80 <i>Midpoint = \$5.70</i>

U.S. Wheat Use and Ending Stocks Trends During MY 2004/05 through MY 2010/11: Food use of U.S. wheat has been consistently in the range of 910 to 948 mb since MY 2004/05, averaging 928 mb per marketing year (Figure 4). The February WASDE forecast of 930 mb for MY 2010/11 is essentially equal to the average for the period. Since MY 2004/05, exports of U.S. wheat have been variable, ranging from 865 mb to 1.263 bb per marketing year. The February WASDE U.S. MY 2010/11 wheat export forecast of 1.300 bb is greater than the top end of the recent historical range – indicative of strong U.S. wheat export prospects.

Ending stocks of U.S. wheat increased from a 60 year low of 306 mb in MY 2007/08, up to 657 mb in MY 2008/09 and to 976 mb in MY 2009/10. But U.S. wheat ending stocks are projected to decline on a year-to-year basis to 818 mb in MY 2010/11. With shortfalls of food quality wheat in other key wheat producing and exporting countries in the World (i.e., Australia, Canada, Russia and other countries in the Black Sea region), and developing wheat production problems in China, U.S. wheat exports are expected to continue to remain strong in MY 2010/11.

Figure 4. Trends in U.S. Wheat Use and Ending Stocks: MY 2004/05 through MY 2010/11
(February 9, 2011 USDA WASDE Report)



IV. Soybean Market Situation & Outlook

Soybean Market Impact ⇒ Continued strength in soybean and oilseed markets through winter months into spring 2011

- **World Oilseed ending stocks in MY 2010/11 = 67.9 mmt (18.0% S/U)** (down 0.4 mmt vs January 2011 WASDE)
 - Versus 71.7 / 56.5 / 62 mmt (20% / 17% / 18% S/U) for MY 2009/10, MY 2008/09 & MY 2007/08, respectively
 - Continued strength in World export markets for soybeans, soybean meal & soybean oil provide support for oilseed market prices

- *Projections of a near record 2011 Brazilian soybean crop (68.5 mmt vs 69.0 mmt previous year), with a lower 2011 Argentina soybean crop (49.5 mmt vs 54.5 mmt last year) due to dry conditions earlier in MY 2010/11 growing season.*
- *China's predominant position in world soybean and soybean production export trade provides a "strong but narrow" demand base for world soybean-related export markets*
 - Recent news of Chinese government actions to raise interest rates to reduce domestic food price inflation was viewed as negative to continued economic growth and the future potential of China to continue to purchase soybean and soybean product exports as it has done so far in MY 2010/11
- **U.S. Soybean ending stocks in MY 2010/11 = 140 mb (4.2% S/U)** *(unchanged from January 2010 WASDE)*
 - Versus 151 / 138 / 205 mb (4.5% / 4.5% / 7% S/U) for MY 2009/10, MY 2008/09 & MY 2007/08, respectively
 - U.S. Soybean prices in \$11.20 - \$12.20 /bu range in MY 2010/11 *(vs \$9.59 /bu in MY 2009/10)*
 - *Record projected U.S. soybean exports of 1.59 bb in MY 2010/11 are providing market support*
 - *U.S. Soybean crush, soybean meal exports & soybean oil exports in MY 2010/11 are all projected to be down at least marginally versus MY 2009/10 due to trade competition from Brazil & Argentina.*
 - *Increased use of U.S. soybeans for methyl ester (soy diesel) is projected for MY 2010/11 due to U.S. government policy, including the reinstatement of a \$1.00 per gallon blending credit*

U.S. Soybean Supply-Demand Balance Sheet & Price Projections

No changes were made in projected supply-demand balances for MY 2010/11 for U.S. soybeans in the February WASDE report (Table 4). Ending stocks of U.S. soybeans are projected to be 140 mb in MY 2010/11, which is less than 151 mb U.S. ending stocks in MY 2009/10, and essentially equal to 138 mb in MY 2008/09. This represents 4.2% ending stocks-to-use, down from 10.6%, 8.0%, 5.5%, and 4.9% in the September, October, November and December 2010 USDA WASDE reports, respectively, but unchanged from January 2011. Projections of MY 2010/11 ending stocks-to-use for U.S. soybeans of 4.2% are the lowest since at least the early 1980s.

U.S. Soybean Prices: Average U.S. soybean prices for MY 2010/11 are projected to be in the range of \$11.20-\$12.20 per bushel (unchanged from January 2011), with a midpoint of \$11.70 /bu. This compares to an estimated MY 2009/10 U.S. average price of \$9.59 /bu, and an average price of \$9.97 /bu in MY 2008/09.

Soybean Meal Prices: Prices for soybean meal are projected to be \$340 to \$380 per ton, up \$20 on each end of the range from January, and up from \$311.27 in MY 2009/10 and from \$331.17 in MY 2010/11.

Soybean Oil Exports and Prices: Projected exports of U.S. soybean oil in MY 2010/11 of 2.8 billion lbs (up 100 million lbs) are down from 3.357 billion lbs exported the previous year. Projected prices for soybean oil in the U.S. for MY 2010/11 were raised \$0.03 on each end of the price range to \$0.51 to \$0.55 per pound.

Table 4. U.S. Soybean Supply-Demand Balance Sheet: MY 2007/08 through MY 2010/11
(February 9, 2011 USDA WASDE Report)

Item	2007/08	2008/09	2009/10	2010/11
Planted Area (million acres)	64.7	75.7	77.5	77.4
Harvested Area (million acres)	64.1	74.7	76.4	76.6
Yield per harvested acre (bushels/acre)	41.7	39.7	44.0	43.5
	million bushels			
Beginning Stocks	574	205	138	151
Production	2,677	2,967	3,359	3,329
Imports	10	13	15	15
Total Supply	3,261	3,185	3,512	3,495
Domestic Crushings	1,803	1,662	1,752	1,655
Exports	1,159	1,279	1,501	1,590
Seed	89	90	90	88
Residual	5	16	18	22
Total Use	3,056	3,047	3,361	3,355
Ending Stocks	205	138	151	140
% Ending Stocks-to-Total Use	6.7%	4.5%	4.5%	4.2%
U.S. Average Farm Price (\$/bushel)	\$10.10	\$9.97	\$9.59	\$11.20-\$12.20 <i>Midpoint = \$11.70</i>

U.S. Soybean Use and Ending Stocks Trends During the MY 2004/05 through MY 2010/11 Period:

U.S. soybean exports have trended higher from MY 2005/06 to MY 2010/11 – increasing from 940 mb up to a record high of 1.590 bb (Figure 5). Projected U.S. soybean crush of 1.655 bb in MY 2010/11 is the lowest amount since MY 2004/05. Projected MY 2010/11 ending stocks of 140 mb (4.2% S/U) are the second lowest since MY 2004/05, only marginally above the extremely low levels of MY 2008/09 (138 mb, 4.5% S/U). If U.S. soybean exports continue to increase in MY 2010/11, it is possible that U.S. ending stocks could decline below the level MY 2008/09 – adding further support to soybean market prices in MY 2010/11.

Figure 5. U.S. Soybean Use and Ending Stocks: MY 2004/05 through MY 2010/11
 (February 9, 2011 USDA WASDE Report)

