

# COMMODITY OUTLOOK

## CORN - WHEAT - SOYBEANS

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# WORLD WHEAT COMMENTS

## PRODUCTION

1989 RECORD

1990 - NEW RECORD

## STOCKS

END 89/90 YEAR

LOWEST SINCE 81/82

STOCKS-USE RATIO - 20%

LOWEST IN 30 YEARS

END 90/91

LIKELY TO INCREASE

SOVIET / CHINESE / E. EUROPE

IMPORTS REMAIN STRONG

INCREASED COMPETITION FOR EXPORTS

CANADA / ARGENTINA / AUSTRALIA / W.EUROPE

U.S. SHARE DOWN

# U.S. WHEAT COMMENTS : 89/90

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## SUPPLIES

DOWN 11% FROM A YEAR AGO  
DOWN 30% FROM RECORD 86/87  
LOWEST IN 15 YEARSAR AGO

## PRODUCTION

UP 13 % FROM A YEAR AGO  
LESS THAN OTHER YEAR THIS DECADE

## EXPORTS

10 % BELOW PREVIOUS YEAR  
USSR/CHINA IMPORTS DOWN 10-20%  
MARKET SHARE DECLINE FROM 39 TO 36%

## ENDING STOCKS

DOWN 37% FROM A YEAR AGO  
1/4 OF 85/86 RECORD

SEASON AVERAGE PRICE -- \$3.85-4.00

# U.S. WHEAT COMMENTS : 90/91

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## PRODUCTION

5% OVERPLANT PROVISION

YIELD REBOUND

UP 25%

## SUPPLIES

STOCKPILES REDUCED

UP 10%

## USE/EXPORTS

UP SLIGHTLY

INCREASE NOT ENOUGH TO ABSORB CROP

## ENDING STOCKS

UP 5 TO 8%

SEASON AVERAGE PRICE -- \$3.35-3.65

# DEMAND FUNDAMENTALS

## '89-'90 U.S. CORN

EXPORTS -- UP 90 MILLION BU.

NON-FEED USE -- UP 60 MILLION BU.

FEED USE -- UP 443 MILLION BU

TOTAL DEMAND -- UP 593 MILLION BU.

# SUPPLY FUNDAMENTALS

## '89-'90 U.S. CORN

BEG. STOCKS -- DOWN 2,329 MILLION BU.

PRODUCTION -- UP 2,598 MILLION BU.

IMPORTS -- DOWN 1 MILLION BU.

TOTAL SUPPLY -- UP 268 MILLION BU.

# PRICE FUNDAMENTALS

## '89-'90 U.S. CORN

ENDING STOCKS	--	DOWN 324 MILLION BU.
STOCKS/USE RATIO	--	20%
PRICE RANGE	--	\$2.20-2.50
AVERAGE PRICE	--	\$2.30

# PROSPECTS : 1990 CORN CROP

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## INCREASED PRODUCTION

REDUCED ENROLLMENT IN PROGRAM

SMALLER 0/92 SIGN-UP

FEWER 0/25 ACRES

MORE OF PERMITTED ACRES PLANTED

PLANTED ACRES UP 2.7 MILLION ACRES

YIELDS UP 4-6 BUSHEL

PRODUCTION UP 500-800 MILLION

## INCREASED USE/EXPORTS

INCREASE NOT ENOUGH TO ABSORB CROP

## ENDING STOCKS

UP SIGNIFICANTLY (300-500 MILLION)

SEASON AVERAGE PRICE -- \$2.00-2.25

# DEMAND FUNDAMENTALS

## '89-'90 U.S. SOYBEANS

EXPORTS -- UP 53 MILLION BU.

DOMESTIC USE -- UP 52 MILLION BU.

TOTAL DEMAND -- UP 105 MILLION BU.

# SUPPLY FUNDAMENTALS

## '89-'90 U.S. SOYBEANS

BEGIN STOCKS -- DOWN 120 MILLION BU.

PRODUCTION -- UP 378 MILLION BU.

TOTAL SUPPLY -- UP 258 MILLION BU.

# PRICE FUNDAMENTALS

## '89-'90 SOYBEANS

ENDING STOCKS -- UP 153 MILLION BU.

STOCKS/USE RATIO -- 19%

PRICE RANGE -- \$5.60-6.00

AVERAGE PRICE -- \$5.80

# PROSPECTS : 1990 SOY CROP

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## SUPPLY

PRODUCTION DOWN 2%  
2.5 MILLION FEWER ACRES  
1 BU. YIELD INCREASE  
CARRYIN UP 92%  
LARGEST SINCE 86-87

## DEMAND

EXPORTS STEADY AT BEST  
USE DOWN SLIGHTLY

## ENDING STOCKS

UP 48% (150-160 MILLION)  
LARGEST SINCE 85-86 (103 DAY SUPPLY)  
28% STOCKS/USE RATIO

SEASON AVERAGE PRICE -- \$5.00-5.50