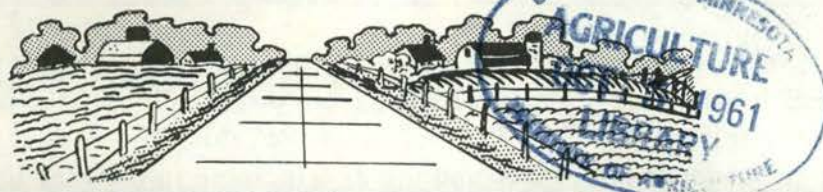


Misc.
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Minnesota Farmers



1962
FEED SUPPLY

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AT A GLANCE: Feed grain supplies decreased in 1961 after seven years of expansion. Feed grain prices in 1961-62 are expected to be above 1960-61 levels. Higher prices are the result of smaller supplies and higher price supports.

SITUATION

OUTLOOK

TOTAL FEED SUPPLIES

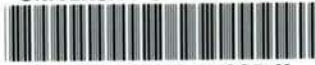
- Feed grain supplies for 1960-62 are expected to decrease 6% from the record 1960-61 level, based on August 1 prospects. This is the first time in eight years total feed grain supplies are not expected to increase.
- An estimated (August 1) 15% decrease in total feed grain production from record 1960-61 levels is expected because of smaller corn and sorghum crops (1961 Feed Grain Program) and smaller oat and barley crops (drouth).
- Expected production decreases will be partially offset by a 10 million ton increase in carryover stocks (estimated at 85 million tons).
- Mid-year prospects indicate more grain consuming units of livestock will be fed during the 1961-62 year. Increased feed grain production and lower feed prices have resulted in heavier feeding per animal.
- Current estimates of a smaller feed grain crop and price supports averaging 16% above levels will push corn, sorghum, oats, and barley prices upward.
- Price increases of feed grain crops will be limited by heavier CCC sales of corn and sorghum stocks. Reason: 1961 Feed Grain Program.
- Grain feeding rates could decrease if feed grain production declines and prices increase during 1961-62.

CORN

- August 1 estimates of total corn supply for 1961-62 indicate a 5% decline from the 1960-61 record. A 16% production decline would expect the 1961 crop to be short of 1961-62 utilization.
- Corn prices are up 21% from the seasonal low of last fall. (\$1.06/bu. in August in Minneapolis equals 1960 support of \$1.06). With 1961 support of \$1.20/bu. (14¢ above 1960 support) and a reduced crop, fall corn prices will seasonally weaken little if any.
- Corn prices this fall and winter will average somewhat higher than for the same period in 1960.

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SITUATION

OUTLOOK

SORGHUM

. The total supply of sorghum grain for 1961-62 is estimated at 3% smaller than in 1960-61. The 25% reduction in this year's production has been largely offset by a larger carryover from 1960-61.

. Production will be more in line with requirements and a further increase in stocks does not appear likely.

. Sorghum grain prices will average higher in 1961-62 than 1960-61. The smaller 1961 crop and the 27% increase in the 1961 support level have been major factors in the sharp rise in sorghum grain prices in recent months.

OATS AND BARLEY

. The total supply of oats is 8% smaller than in 1960. The 1961 oat crop (estimated in August) is 15% less than 1960, and the smallest crop since 1939 due largely to the drought.

. Barley supplies are estimated at 12% below the 1960 level, largely due to a 14% reduction in production in 1961.

. Barley prices have advanced sharply this summer and oat prices at midwest markets have strengthened.

. Oat and barley prices are expected to average above the 1960-61 levels during the remainder of 1961 and into 1962.

HAY

. Hay supplies for 1961-62 are 7% below last year. However, the carryover of 1960-61 hay is expected to bring this year's total hay supply to the supply level of 1960-61.

. Supplies of hay appear to be adequate for livestock in Minnesota, with little changes expected in hay prices through 1961 and into 1962.

HIGH PROTEIN FEEDS

Table 1. Feed Concentrate Balance, U.S., Year Beginning October, Average 1955-59, Annual 1960-61*

	Average 1955-59	1960**	1961**
	(million tons)		
Supply			
Stocks, beginning of year***	51.6	74.7	85.0
Total production	133.3	154.6	131.1
Imports, wheat, rye and by-products fed	28.4	30.0	30.3
Total Supply	<u>213.3</u>	<u>259.3</u>	<u>246.4</u>
Utilization, October-September			
Total concentrates ¹	131.1	149.8	148.0
Feed grains for seed, human food, industry, and export	22.9	25.0	23.0
Total Utilization	<u>154.0</u>	<u>174.8</u>	<u>171.0</u>
Stocks at end of crop year***	58.7	85.0	74.0

* Date for 1955-59 revised on basis of 1959 Census of Agriculture. ** Preliminary estimates based on indications in August 1961. *** Stocks of corn and sorghum grain in all positions October 1, and oats and barley on July 1.

¹ Grain only, excludes corn in silage, forage, or hogged off.

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