



WHAT'S AHEAD FOR  
MINNESOTA FARMERS

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AT A GLANCE: Record feed supplies are expected for the year ahead. However, for more accurate estimates we must await developments of the corn, soybean, and sorghum grains during the remainder of the growing season.

U. S. feed concentrate balance, number of animal units, <sup>\*</sup>/<sub>and feed per unit (year beginning October 1)</sub>

Source of feed production	1955	1956	1957	1958 <sup>+/</sup>	1959 <sup>**/</sup>
Corn (mil. tons)	90.4	96.7	95.8	106.4	118.3
Oats (mil. tons)	24.1	18.6	20.8	22.8	16.2
Barley (mil. tons)	9.6	9.1	10.5	11.3	9.9
Sorghum grain (mil. tons)	6.8	5.8	15.8	17.2	12.0
Total (mil. tons)	130.9	130.2	142.9	157.7	156.4
Carryover stocks <sup>‡/</sup> (mil. tons)	39.1	43.3	48.9	59.1	68.0
By-product feeds (mil. tons)	24.1	24.6	25.8	27.0	27.0
Other (mil. tons)	2.8	2.4	2.6	2.3	2.3
Total supply (mil. tons)	196.9	200.5	220.2	246.1	253.7
Animal units fed (millions)	165.6	162.1	161.5	172.0	178.0
Supply per animal unit (tons)	1.19	1.24	1.36	1.43	1.43

<sup>\*</sup>/<sub>Roughly, an animal unit is the number of livestock that will eat as much as 1 dairy cow, 1 feeder steer, 5 pigs, 7 sheep, or 50 hens. <sup>+/</sup> Preliminary. <sup>\*\*/</sup> Preliminary estimates based on indications in July 1959. <sup>‡/</sup> Stocks of corn and sorghum grains in all positions on October 1 and oats and barley on July 1.</sub>

SITUATION	OUTLOOK
<p>A record supply of 254 million tons of feed seems in prospect for 1959-60. This expectation is based largely on the following:</p> <ol style="list-style-type: none"> <li>The expected 68 million ton carryover of feed grain stocks is up about 9 million from last year's record.</li> <li>There is a 14% increase in the acreage of corn, and generally favorable weather in most of the corn-belt area.</li> <li>The hay crops and pastures have made about average growth so far this year although hay is down about 10% and pasture is down 5% from a year earlier.</li> <li>A substantial carryover of soybeans to supplement the current production of oil seeds and other by-product feeds indicates a supply of high protein feeds similar to the amount available last year.</li> </ol>	<p>Some increase in the number of animal units in the year ahead is expected to keep the available supply of feed per animal unit the same as last year. The makeup of the feed supply, however, will change slightly since corn production is up from last year while oats, barley, and sorghum grains are down. (see table).</p>

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## SITUATION

## OUTLOOK

5. Record exports of corn, barley and sorghum grain for the current year amount to a grain equivalent of 1/4 billion bushels of corn; 118 million of barley; and 90 million of sorghum grain.

6. Crop conditions in other countries indicate fairly favorable crop prospects in Canada, some dry weather problems in parts of Europe, mixed conditions in the United Kingdom and Asia, and very good conditions in Argentina although production is slightly below a year ago.

Feed grain prices are down from a year earlier because of heavy supplies and lower support rates. Other observations include:

1. Comparing last July 1 total feeds stocks with those of a year ago, corn stocks increased 108 million bushels; oats, 44 million; barley, 25 million; and sorghum grains, 86 million.

2. Comparing last July 1 total stocks under loan or owned by CCC with those of last year, corn is up 41 million bushels; oats, 43 million; barley, 35 million; and sorghum grains, 91 million. However, when total stocks are considered, those not under loan or owned by CCC on July 1 compared with a year ago are up 73 million bushels for corn and 1 million for oats. These extra stocks are only partially offset by 10 million less bushels of barley and 5 million less of sorghum grains.

3. The average price received by farmers (Nov.-May) for corn dropped from \$1.21 in 1956 to \$1.05 in 1958 paralleling a similar drop in the national average price support rate from \$1.50 to \$1.36 for corn in compliance and from \$1.25 to \$1.06 for noncompliance corn. The lower rates for noncompliance corn have averaged very closely to market prices.

4. While the amount of corn placed under price support since 1956 has varied between 10 and 15% for each crop, the amount of noncompliance corn has been increasing. It accounted for 21% of the corn put under loan in 1956, 37% in 1957, and 40% in 1958.

Other feed grain situations during the current year are:

1. The number of grain consuming animals increased to 172 million, up 8.5 million from the previous year. This is mainly because of more hogs.

2. A heavy rate of feeding per animal unit.

3. Record exports of 12 million tons this year, up sharply the past two years, moved largely through commercial channels under the payment-in-kind program.

Continued pressure towards a sizeable export trade in feed grains may be expected with various export incentives assuming an important role.

The seasonal decline in corn prices over the next four months is expected. Lower average support rates, although higher than last year's rate for non-compliance corn, will serve as a floor to prices.

Smaller crops of feed grains, such as oats, barley, and sorghum grain, should hold prices on these feeds higher relative to support levels than in 1958.

Price supports offered for the 1959 crop vary by state, counties, and by grade. For Minnesota counties the maximum rates offered follow:

Corn	\$1.01-\$1.06 per bu.
Oats	.39- .47 " "
Barley	.74- .84 " "
Wheat	1.87- 1.99 " "
Soybeans	1.71- 1.80 " "
Sorghum grains	1.39 per cwt.
Flax	2.32- 2.45 per bu.
Rye	.83- .94 " "

A less favorable livestock-feed price ratio may result in more conservative feeding for hogs and poultry. Similar ratios for beef and dairy have remained more favorable, and may result in more liberal feeding for these classes in the year ahead.