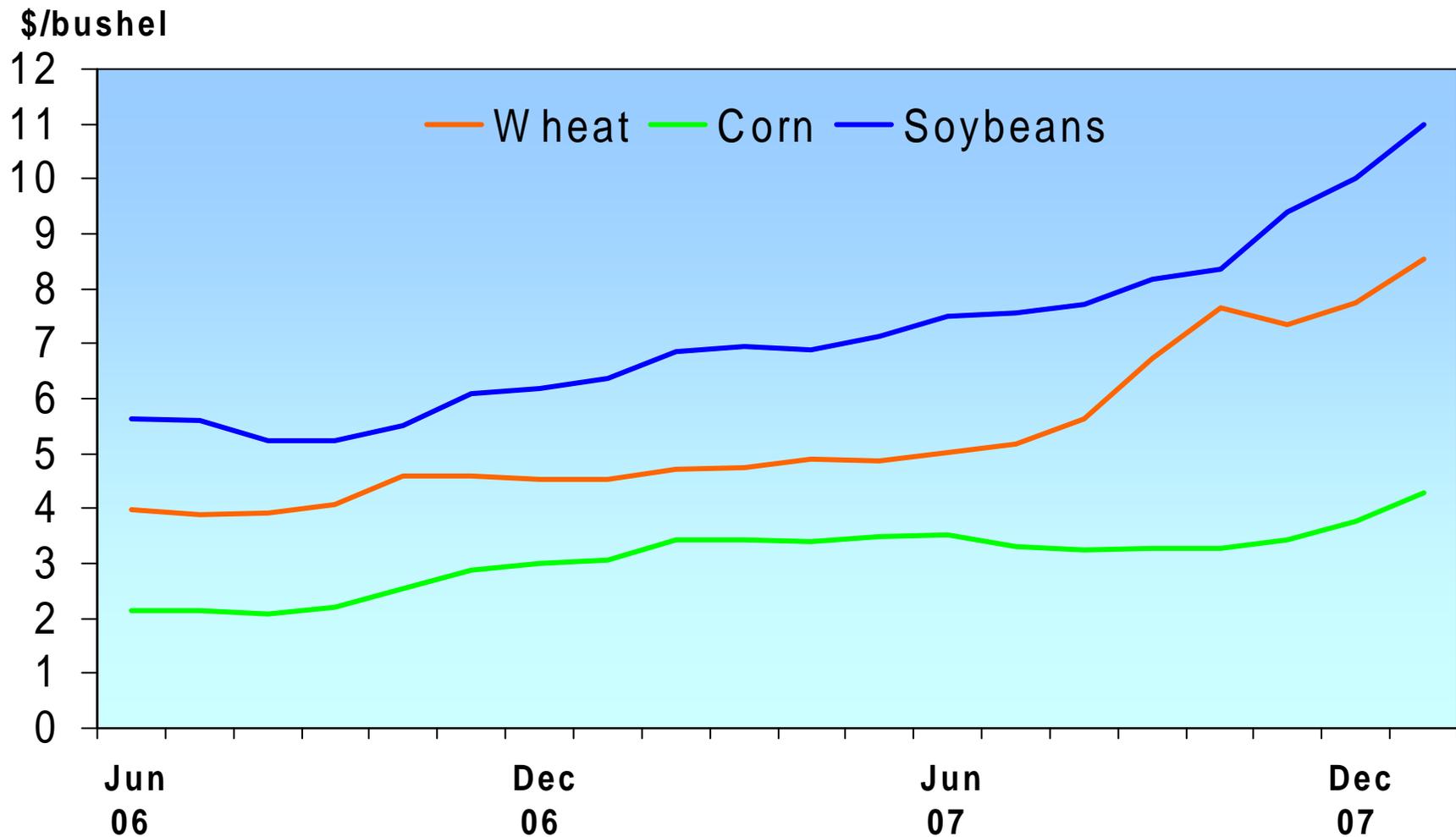




# Grains and Oilseeds Outlook for 2008

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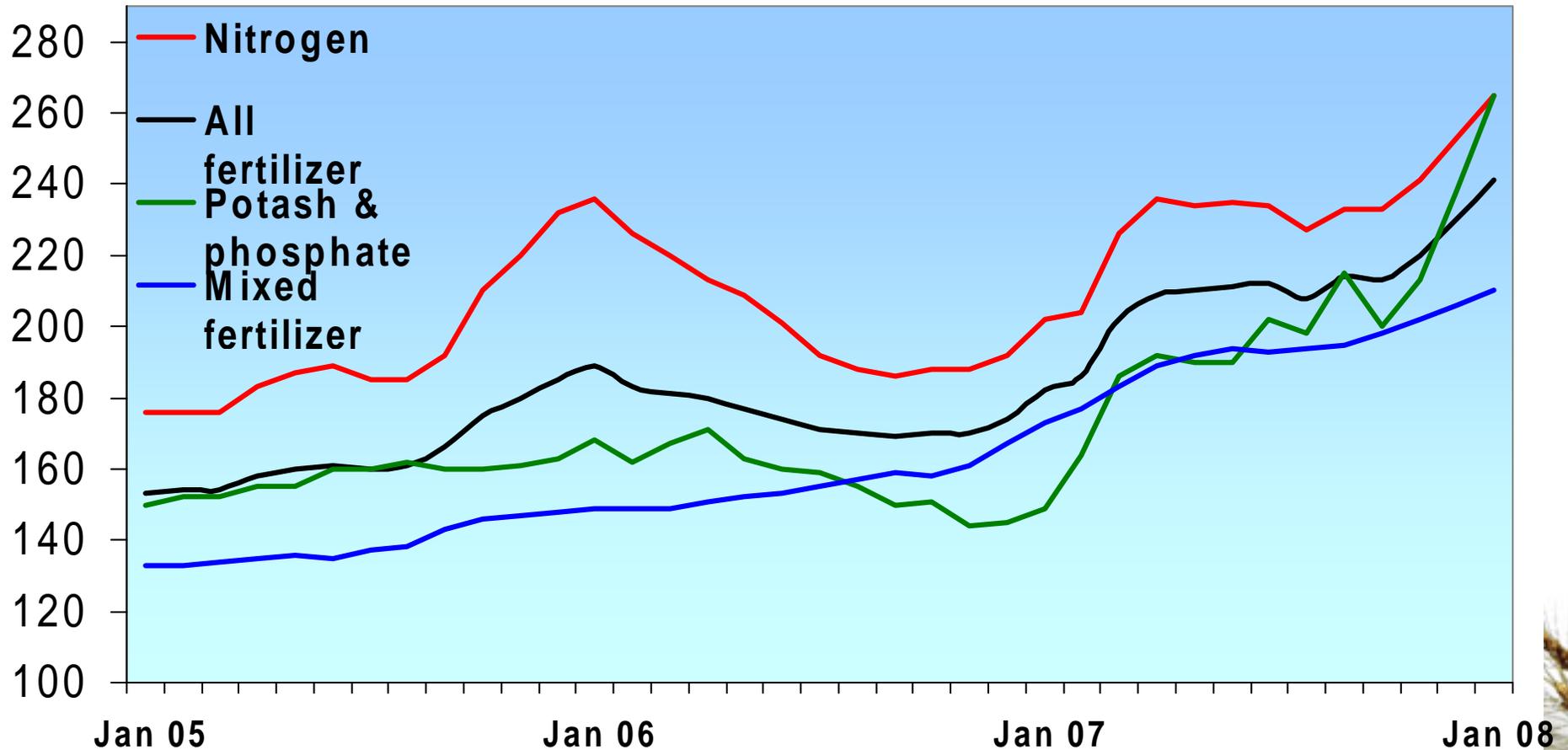
# U.S. average farm prices for all crops register major increases



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# NASS indices of prices paid for fertilizer are up sharply from a year ago

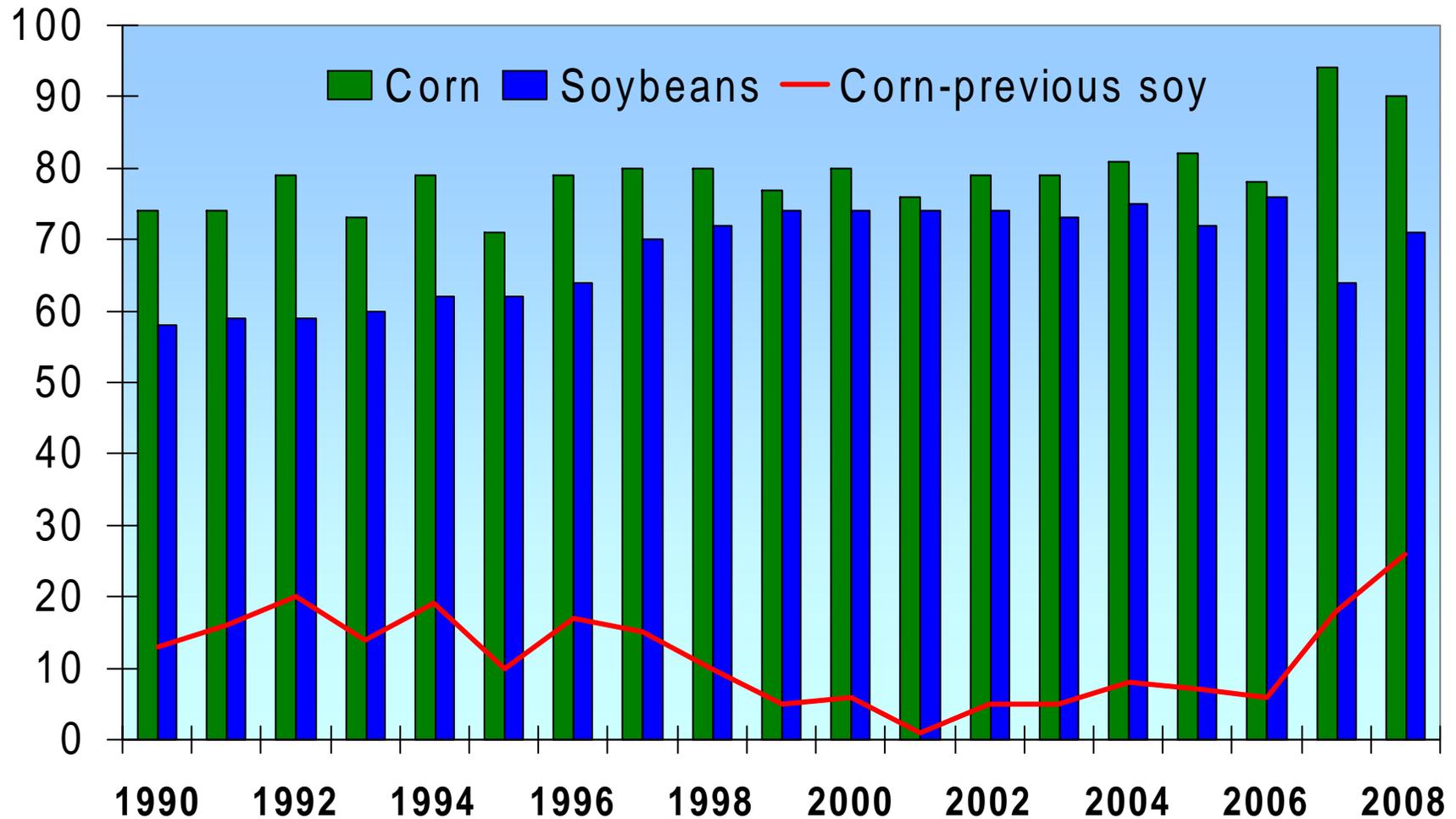
1990-92=100



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# Acreage for corn following corn is rising as rotation with soybeans declines

Million acres



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# 2008 Wheat Acreage Outlook



- 2007 prices soared with a global shortfall in supply
- Winter wheat seeding are up 4 percent to 46.6 million acres
- SRW acreage up to 12-year high, but HRW down slightly
- Spring wheat area seen up 13 percent to 17.4 million acres

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# 2008 Corn Acreage Outlook



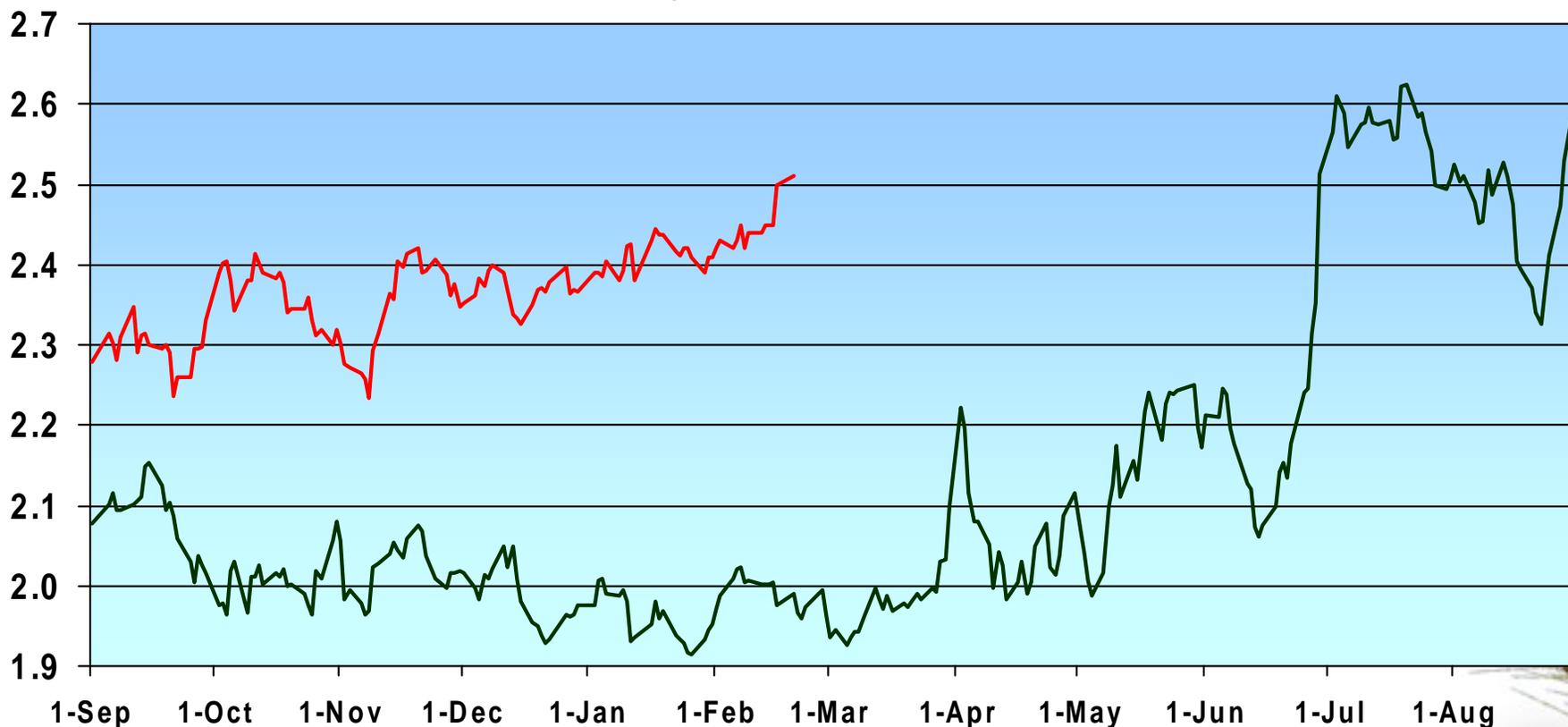
- Soybean prices are relatively more competitive this year against corn
- Costs for nitrogen fertilizer are up sharply

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# Current new-crop soybean/corn price ratios favor soybeans compared to a year ago

Soybean/corn price ratio

— Nov 2007 Soybeans/Dec 2007 Corn Futures  
— Nov 2008 Soybeans/Dec 2008 Corn Futures



Note: Based on Chicago Board of Trade daily settlement prices.

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# 2008 Soybean Acreage Outlook



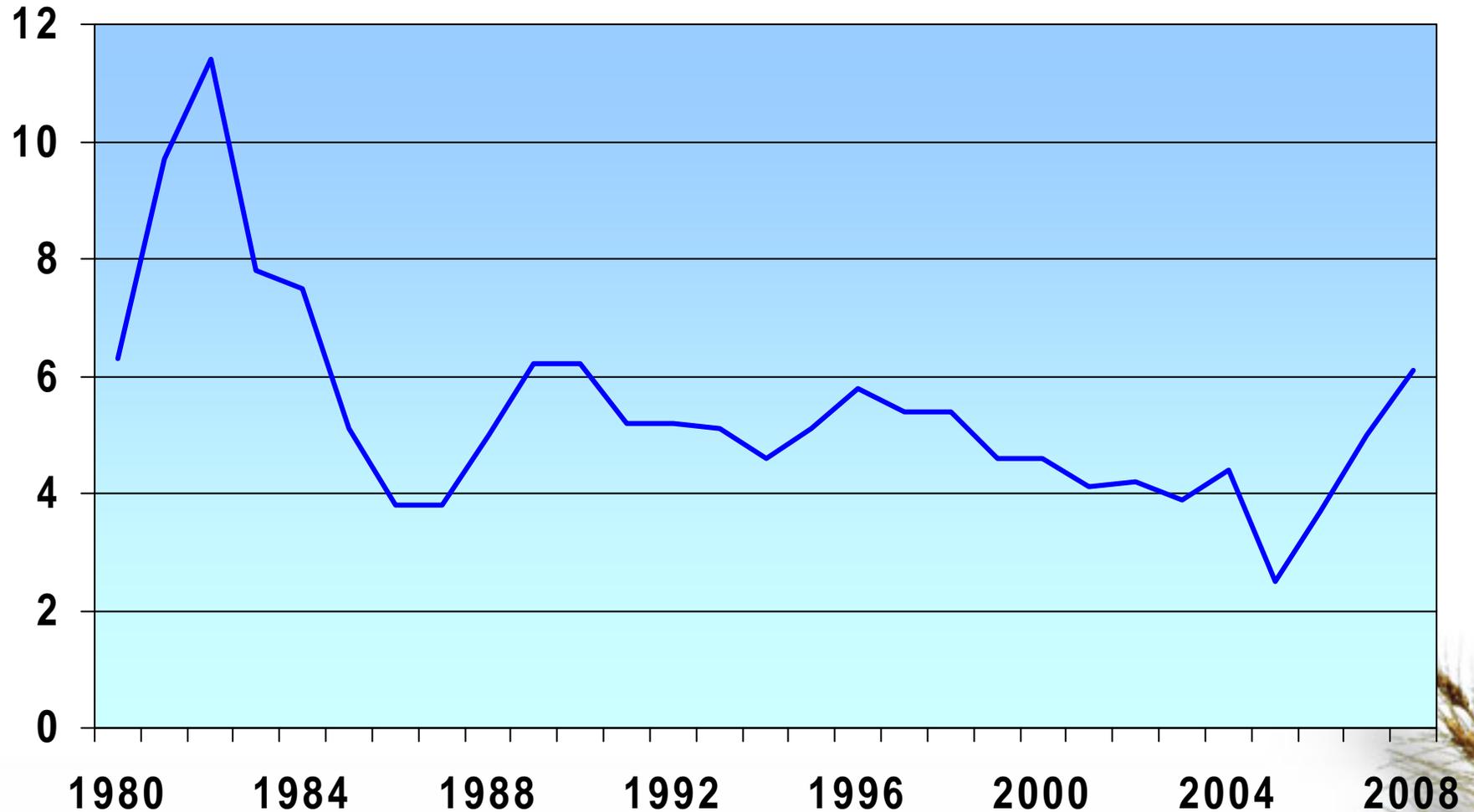
Sowing favored by:

- Record-high cash and new-crop prices
- Low input costs
- Crop rotations
- Double-cropping after wheat

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# Double-cropping of soybean acreage after winter wheat may respond to higher incentives in 2008

Million acres



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# Corn Acreage To Slip in 2008 As Soybeans and Wheat Gain

	2007/08	2008/09	Change
	<b>Million acres</b>		
<b>Corn</b>	<b>93.6</b>	<b>90.0</b>	<b>-3.6</b>
<b>Soybeans</b>	<b>63.6</b>	<b>71.0</b>	<b>+7.4</b>
<b>Wheat</b>	<b>60.4</b>	<b>64.0</b>	<b>+3.6</b>
<b>3-crop total</b>	<b>217.6</b>	<b>225.0</b>	<b>+7.4</b>
<b>CRP acres</b>	<b>36.8</b>	<b>34.8</b>	<b>-2.0</b>

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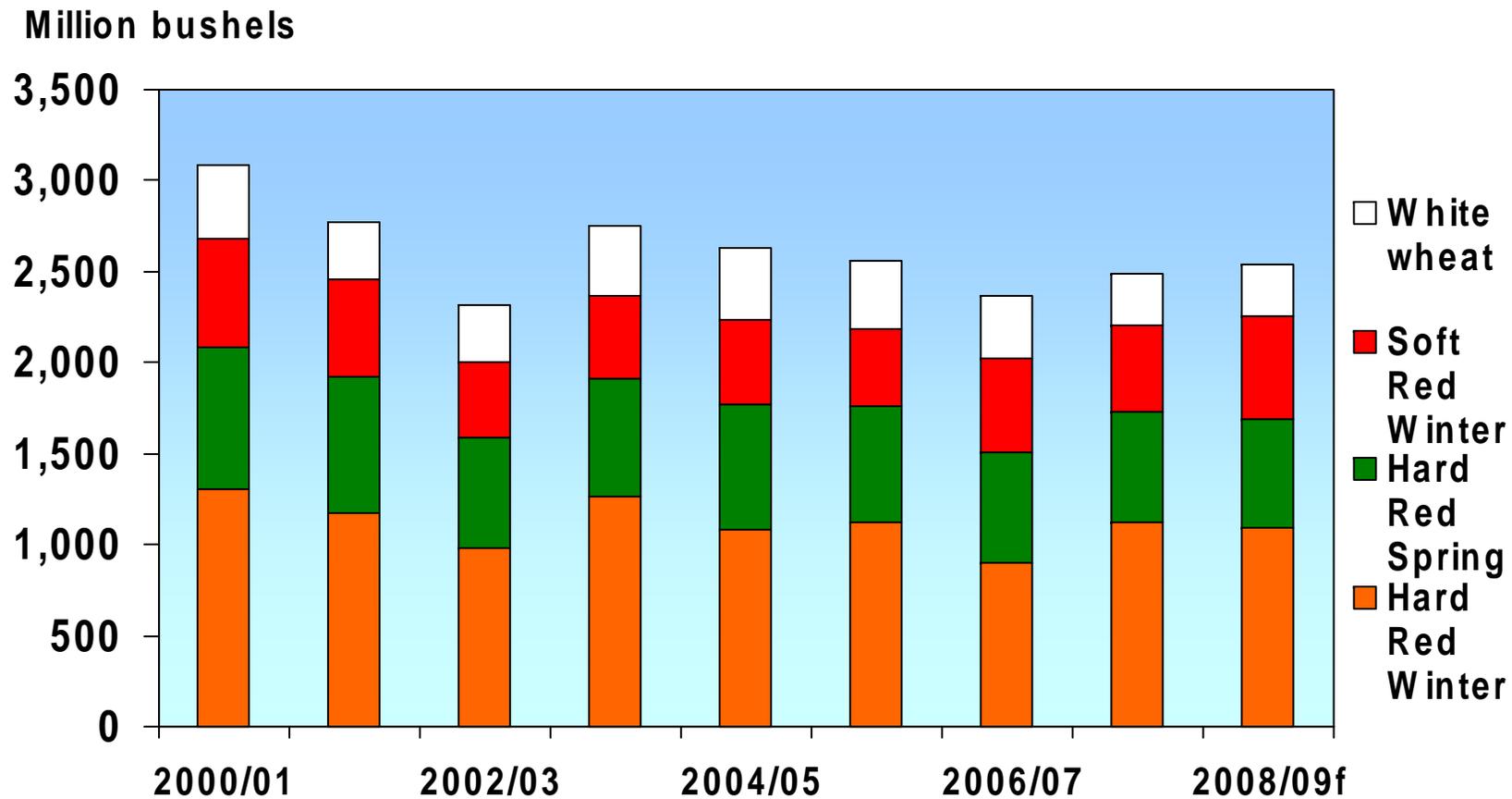
# 2008 Wheat Supply Outlook



	2007/08	2008/09
	<b>Million bushels</b>	
<b>Yield (bu./acre)</b>	<b>40.5</b>	<b>42.8</b>
<b>Production</b>	<b>2,067</b>	<b>2,330</b>
<b>Beginning stocks</b>	<b>456</b>	<b>272</b>
<b>Imports</b>	<b>90</b>	<b>100</b>
<b>Total supply</b>	<b>2,613</b>	<b>2,702</b>

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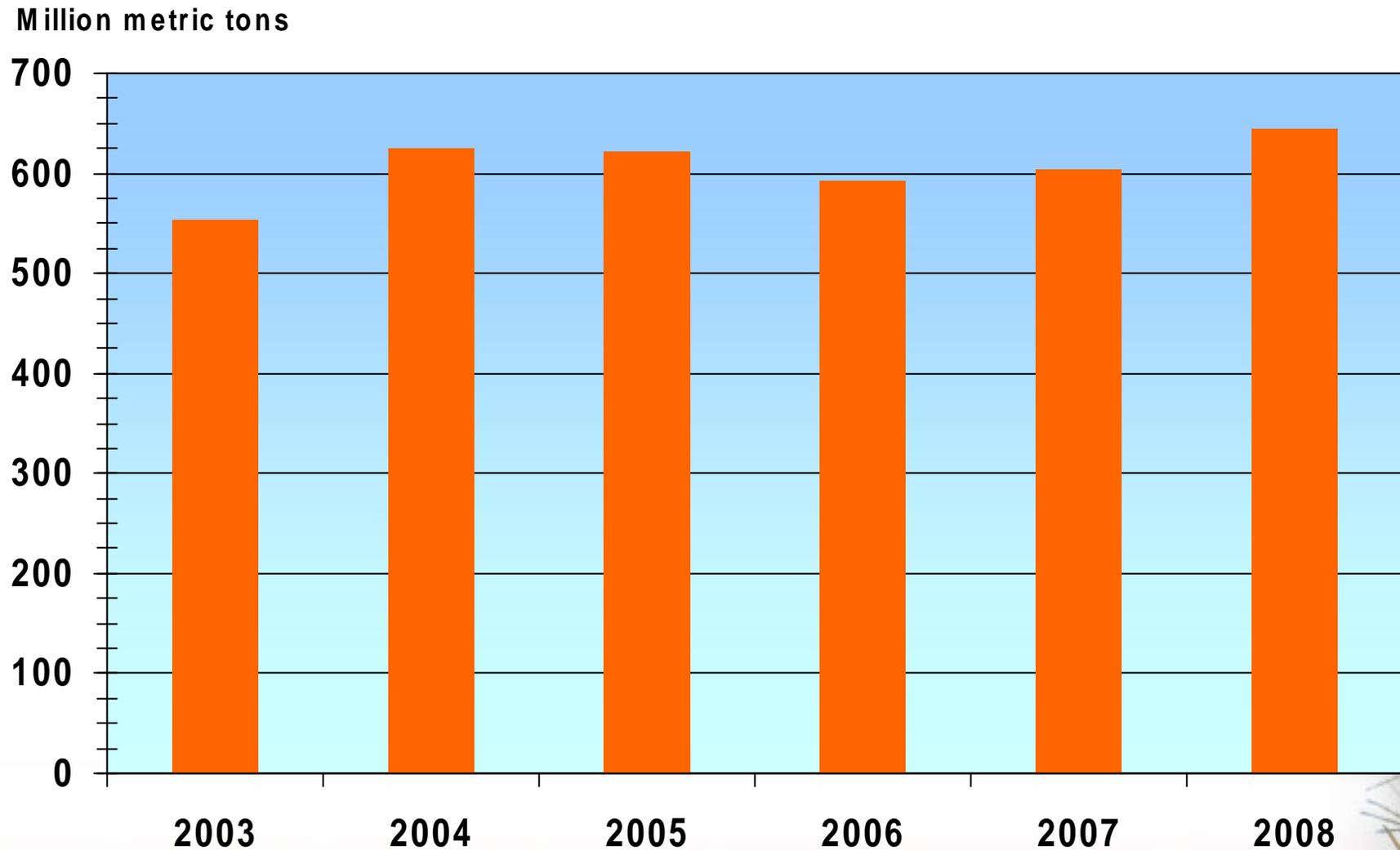
# Higher Crops Seen for All Wheat Classes but Low Carryovers Trim 2008/09 Supplies of Hard Wheat



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



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# 2008 Wheat Demand Outlook



	2007/08	2008/09
	Million bushels	
Feed & residual	110	175
Food, seed, & industrial	1,031	1,039
Total domestic use	1,141	1,214
Exports	1,200	950
Total use	2,341	2,164
Ending stocks	272	538
Season ave. farm price/bu.	\$6.65	\$7.00

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# 2008 Corn Supply Outlook



	2007/08	2008/09
	<b>Million bushels</b>	
<b>Yield (Bu./acre)</b>	<b>151.1</b>	<b>154.9</b>
<b>Production</b>	<b>13,074</b>	<b>12,810</b>
<b>Beginning stocks</b>	<b>1,304</b>	<b>1,438</b>
<b>Imports</b>	<b>15</b>	<b>15</b>
<b>Total supply</b>	<b>14,393</b>	<b>14,263</b>

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# 2008 Corn Demand Outlook

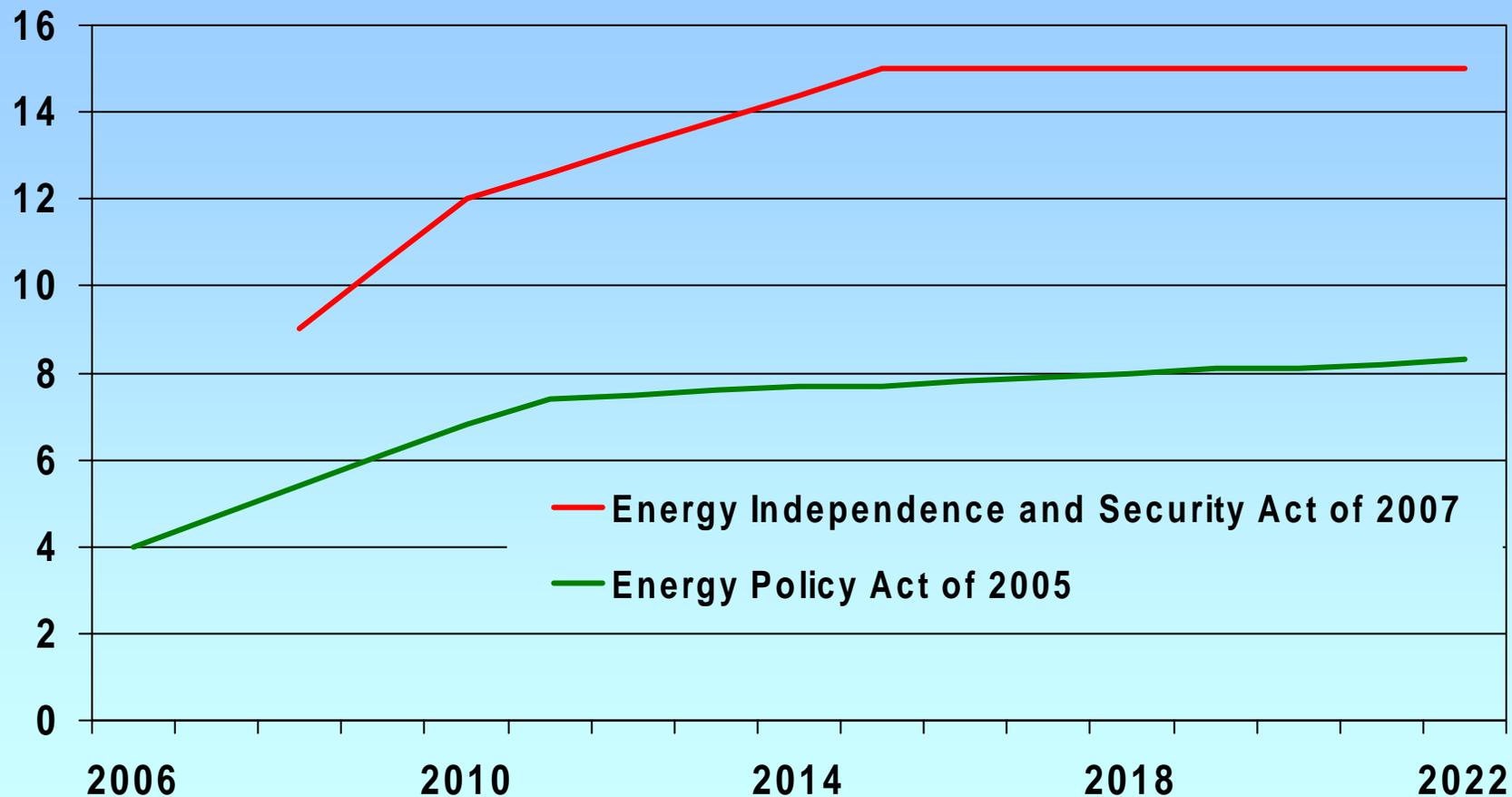


	2007/08	2008/09
	Million bushels	
Feed & residual	5,950	5,400
Ethanol fuel	3,200	4,100
Food, seed, other industrial	1,355	1,370
Total domestic use	10,505	10,870
Exports	2,450	2,150
Total use	12,955	13,020
Ending stocks	1,438	1,243
Season ave. farm price/bu.	\$4.00	\$4.60

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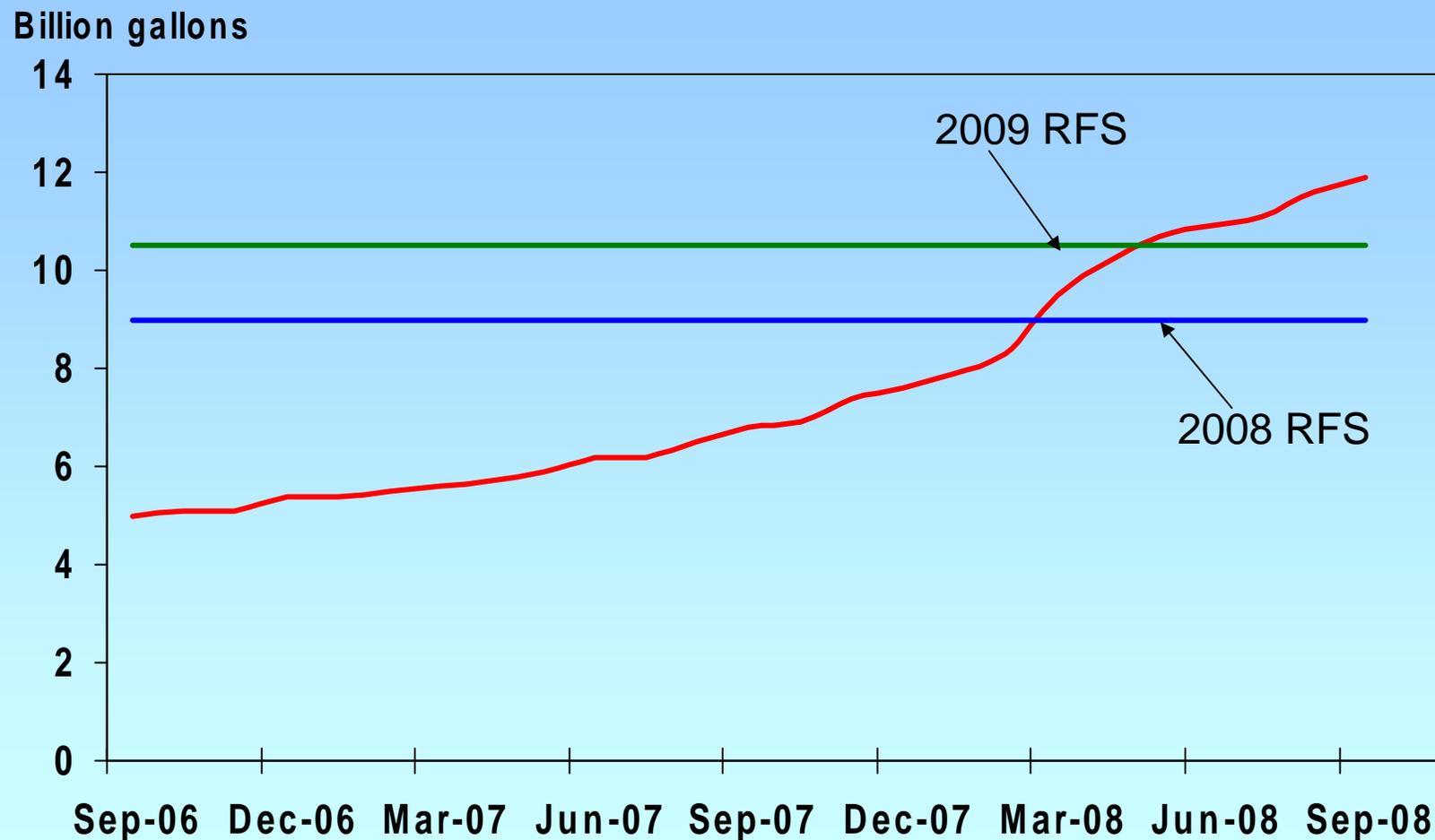
# Higher Use of Corn Starch-based Ethanol Mandated by New Law on Renewable Fuel Use

Billion gallons



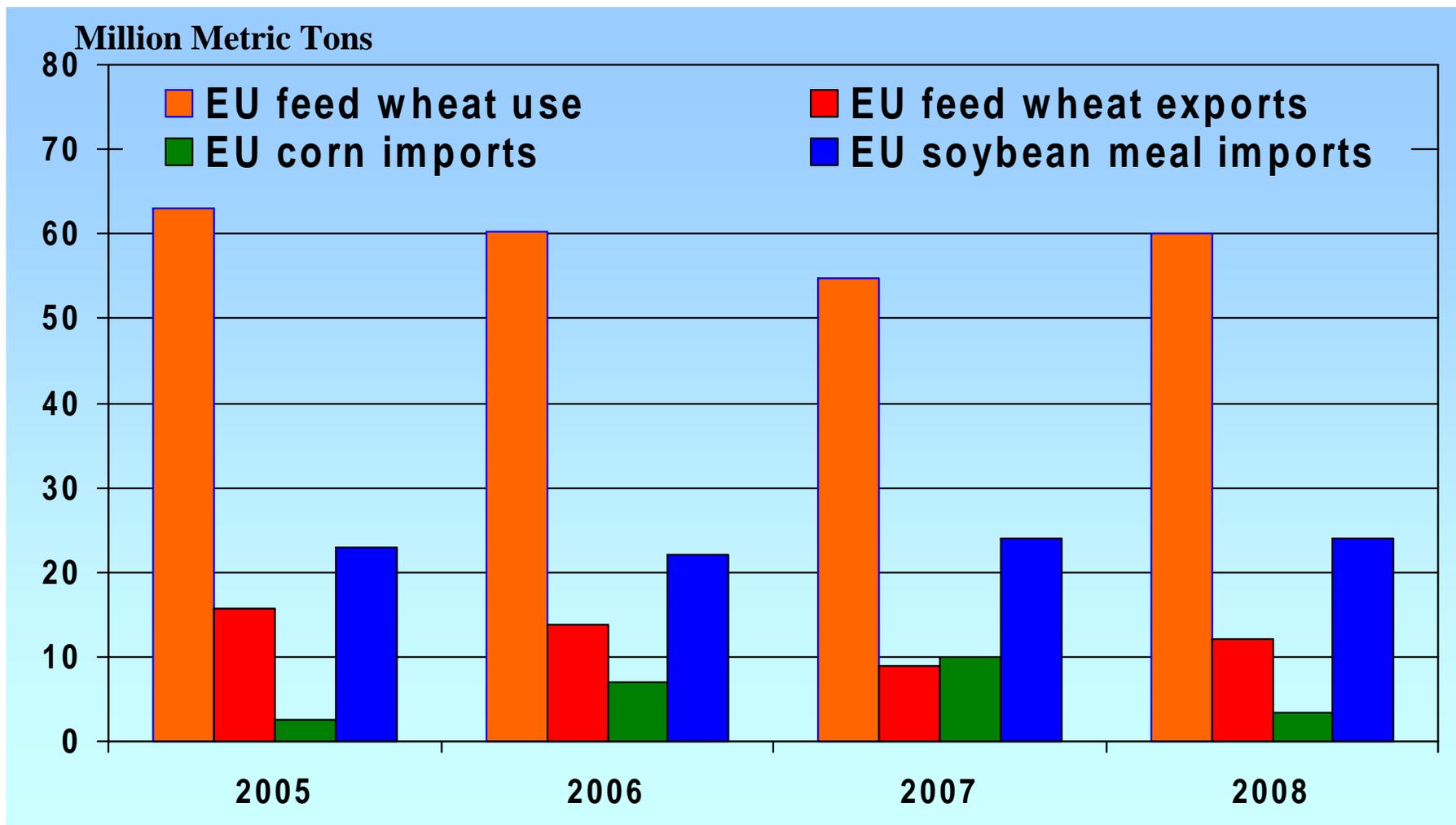
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# Expansion of U.S. Ethanol Production Capacity Well Ahead of new RFS Requirements



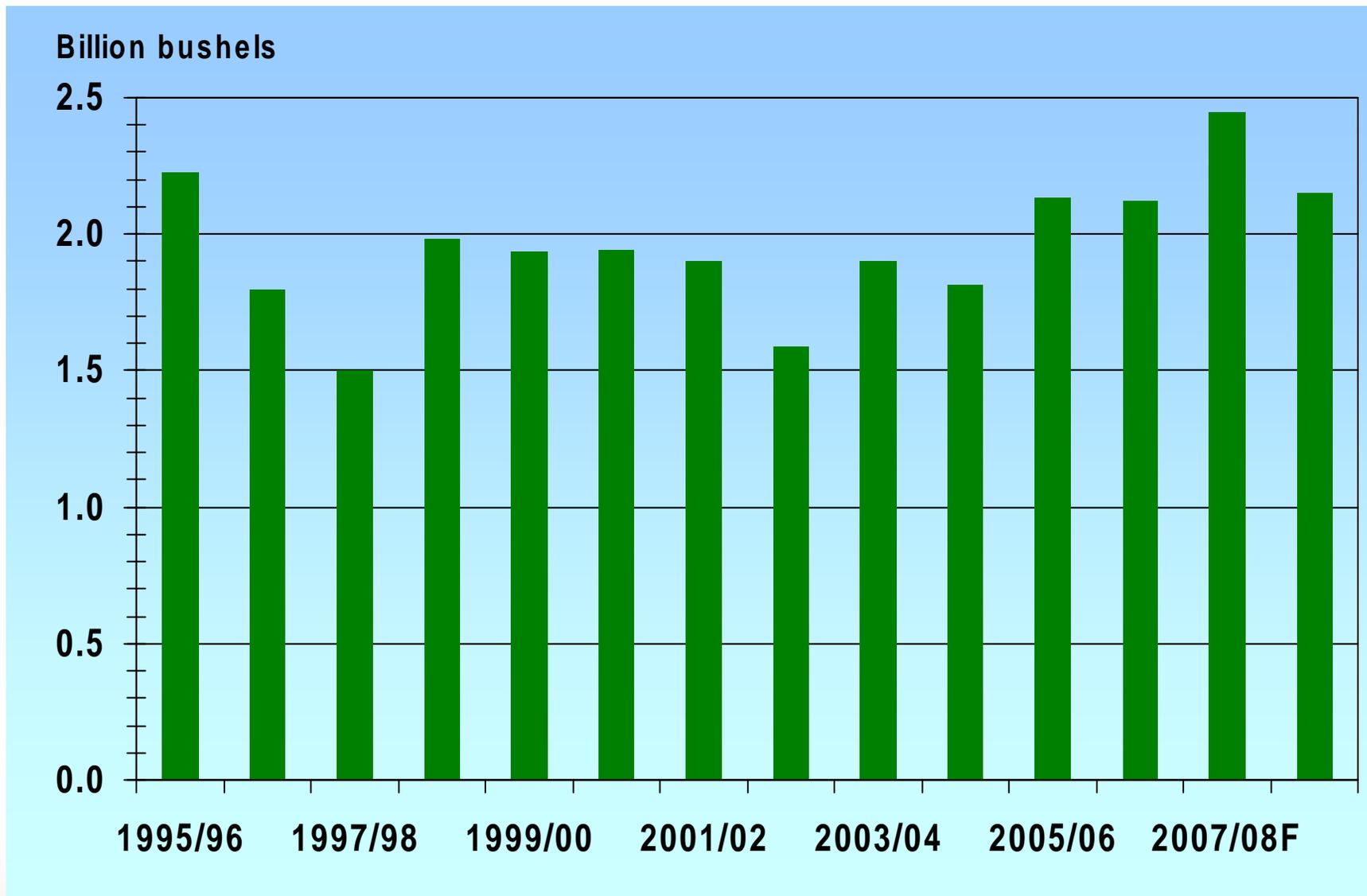
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# Recovery in EU Wheat Feeding and Exports May Trim Corn and Soybean Meal Imports



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# U.S. corn export demand to be rationed by rising relative costs



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# 2008 Soybean Supply Outlook



	2007/08	2008/09
	<b>Million bushels</b>	
<b>Yield</b>	<b>41.2</b>	<b>42.1</b>
<b>Production</b>	<b>2,585</b>	<b>2,950</b>
<b>Beginning stocks</b>	<b>574</b>	<b>160</b>
<b>Imports</b>	<b>6</b>	<b>6</b>
<b>Total supply</b>	<b>3,165</b>	<b>3,116</b>

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# 2008 Soybean Demand Outlook



	2007/08	2008/09
	Million bushels	
<b>Crush</b>	<b>1,835</b>	<b>1,860</b>
<b>Seed &amp; residual</b>	<b>165</b>	<b>177</b>
<b>Total domestic use</b>	<b>2,000</b>	<b>2,037</b>
<b>Exports</b>	<b>1,005</b>	<b>910</b>
<b>Total use</b>	<b>3,005</b>	<b>2,947</b>
<b>Ending stocks</b>	<b>160</b>	<b>169</b>
<b>Season ave. farm price/bu.</b>	<b>\$10.40</b>	<b>\$11.50</b>

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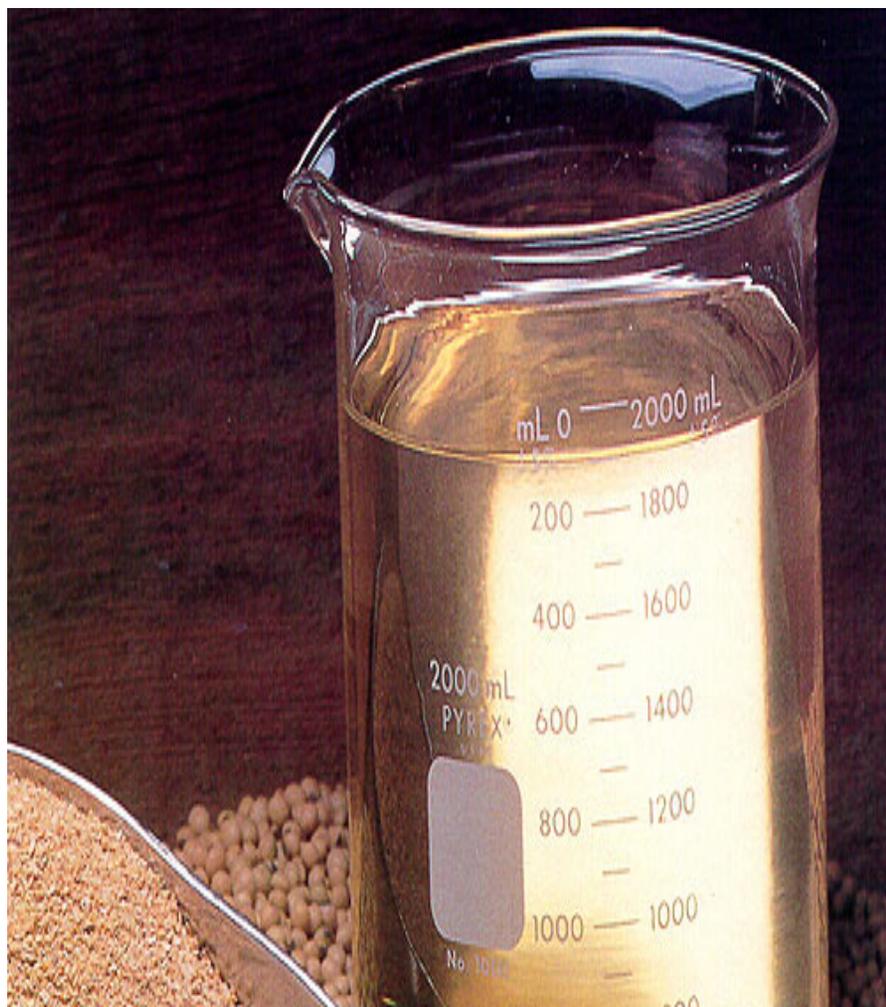
# 2008 Soybean Meal Outlook



	2007/08	2008/09
	1,000 Short tons	
<b>Beginning stocks</b>	351	300
<b>Production</b>	43,784	44,235
<b>Imports</b>	165	165
<b>Total supply</b>	44,300	44,700
<b>Total domestic use</b>	35,300	35,600
<b>Exports</b>	8,700	8,800
<b>Total use</b>	44,000	44,400
<b>Ending stocks</b>	300	300
<b>Season ave. price \$/short ton</b>	\$320	\$300

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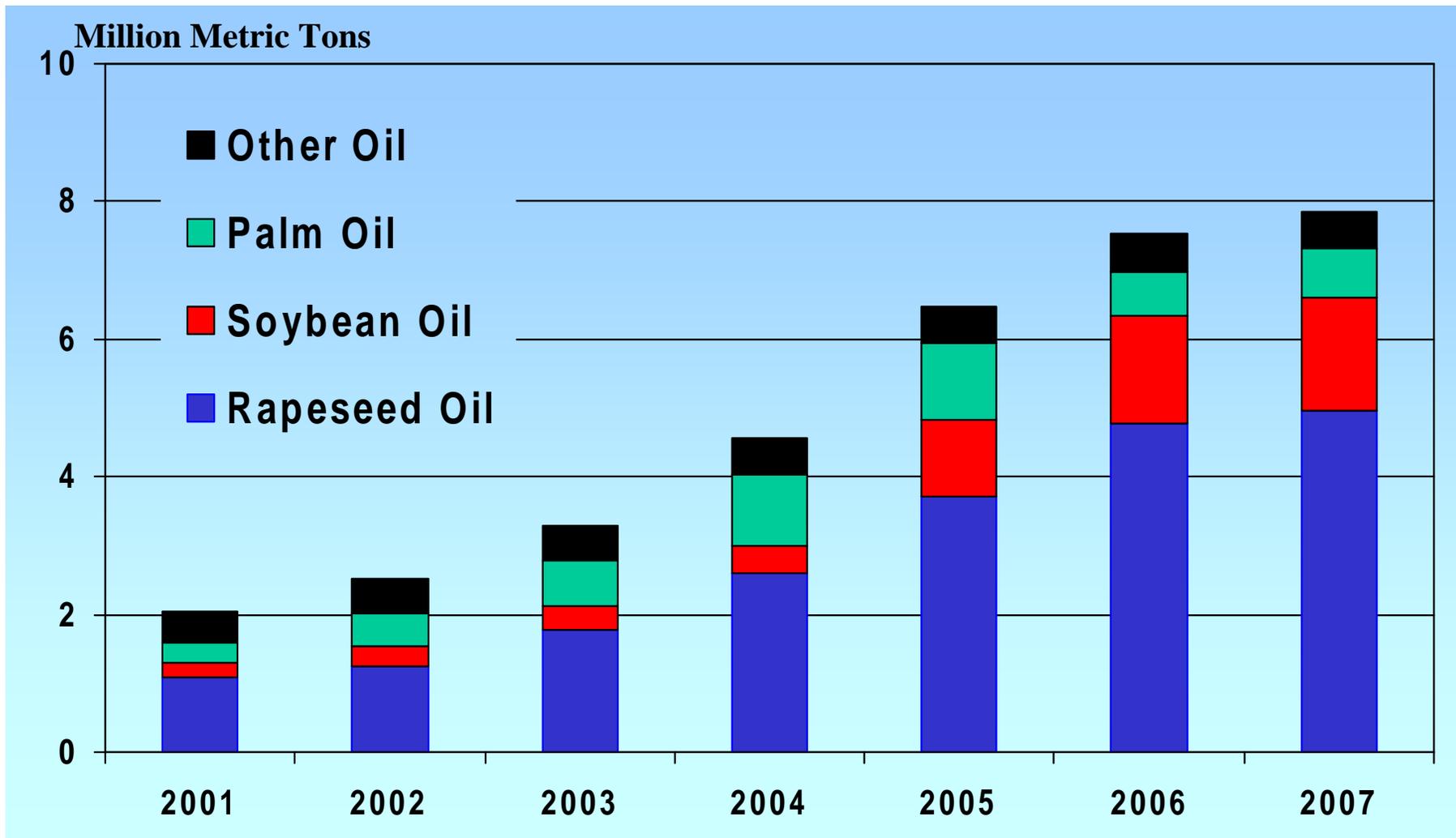
# 2008 Soybean Oil Outlook



	2007/08	2008/09
	Million pounds	
<b>Beginning stocks</b>	<b>2,904</b>	<b>2,502</b>
<b>Production</b>	<b>21,010</b>	<b>21,205</b>
<b>Imports</b>	<b>37</b>	<b>50</b>
<b>Total supply</b>	<b>23,952</b>	<b>23,757</b>
<b>Total domestic use</b>	<b>19,500</b>	<b>19,750</b>
<b>Methyl ester</b>	<b>3,400</b>	<b>3,500</b>
<b>Exports</b>	<b>1,950</b>	<b>1,850</b>
<b>Total use</b>	<b>21,450</b>	<b>21,600</b>
<b>Ending stocks</b>	<b>2,502</b>	<b>2,158</b>
<b>Season ave. price cents/lb.</b>	<b>49.5</b>	<b>49.5</b>

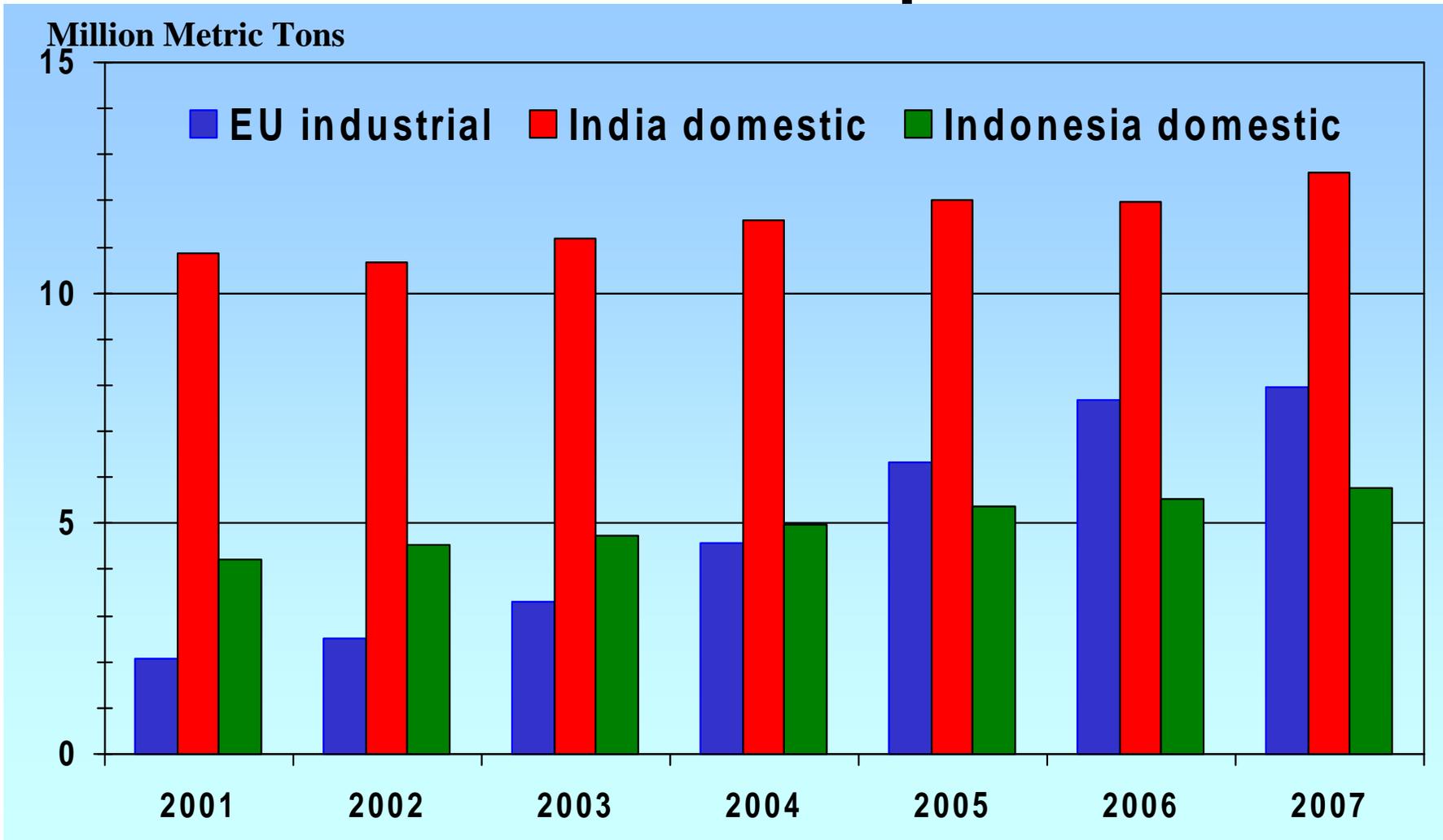
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# EU Industrial Use of Vegetable Oil has Surged



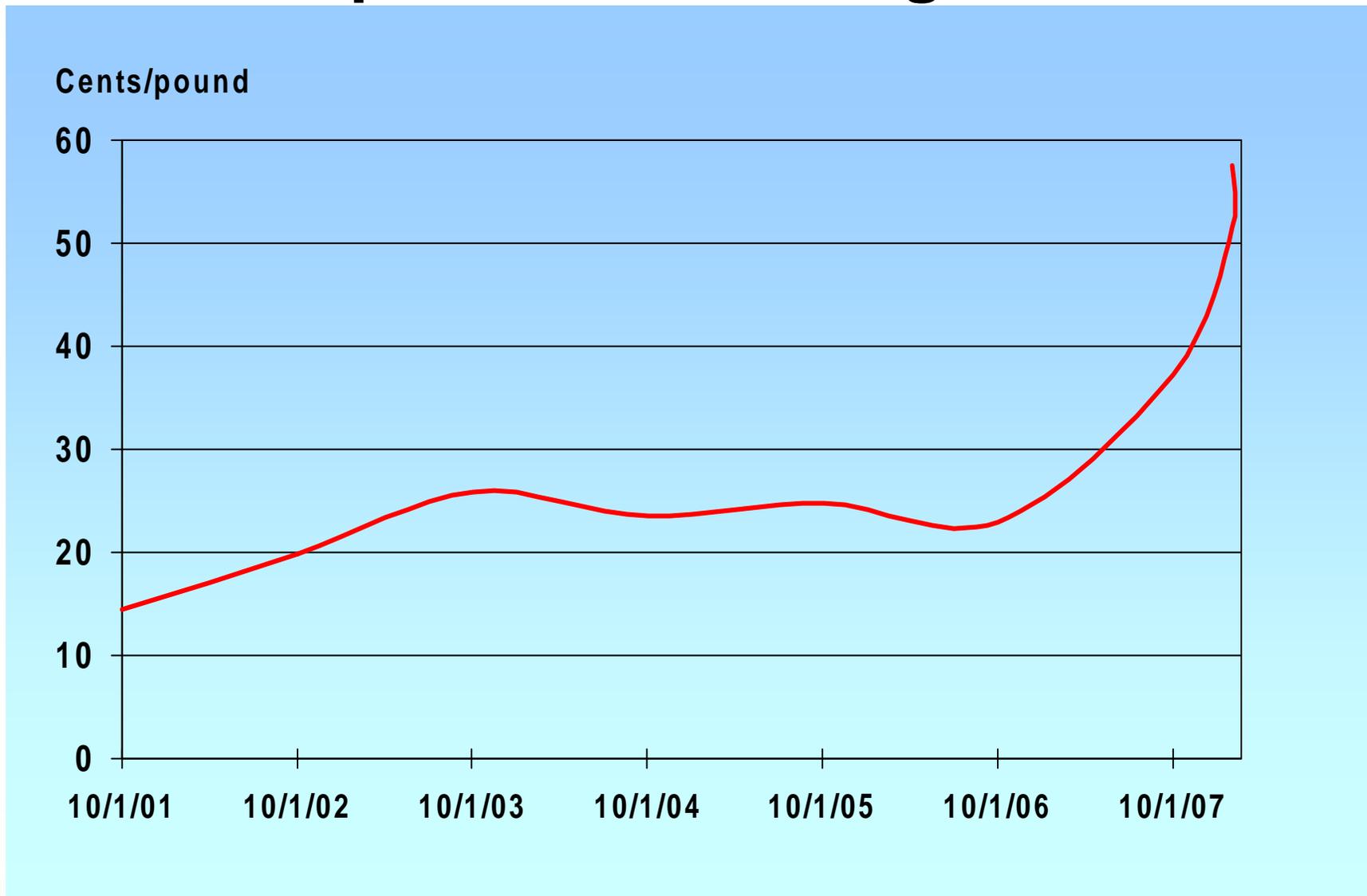
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# EU Industrial Use of Vegetable Oil Nears Domestic Use of Top Countries



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# Swelling demand pushes U.S. soybean oil price to record highs



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# Contact Information

**Mark S. Ash**

**ERS-USDA**

**mash@ers.usda.gov**

**202-694-5289**

**2008 Agricultural Outlook Forum**

**Arlington, Virginia**

**February 22, 2008**

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