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CONSUMPTION OF FEED GRAINS has been well above last year. Thus, even with the exceptional crop last year, the addition to the carry-over when the 1959 crop is harvested will likely be no more than last year.

Stocks of corn on April 1 totaled nearly 3.0 billion bushels. Of this, 1.1 billion was in CCC inventory and 0.5 billion under CCC loans. Thus the "free supply" was 1.4 billion bushels on April 1.

Last year, disappearance of corn from April through September was 1.3 billion bushels. However, the rate at which corn is being consumed has been well above year-earlier figures. In the October-December period the increase was 12 per cent and in the January-March period, 16 per cent.

The increase in usage is primarily due to longer and heavier feeding of more livestock during the fall and winter. Not only was the number of grain-consuming animals up 10 million in the past year to a total of 171.8 million, but also the amount of corn fed per animal totaled 10.0 bushels in the six months—October through March—as against 9.3 in the same period last year. Part of this heavier consumption must be ascribed to the severe winter weather.

With 8 per cent more cattle on feed on April 1, an estimated 13 per cent increase in the spring pig crop and a 20 per cent larger output of broiler chickens, consumption of feed grains should remain well above last year's rate. Assuming the higher rate of usage and some additional corn placed under CCC loan, the "free supply" of corn is likely to be short of the usage between now and October. If such is the case, corn prices would have to go above the support level to draw the additional corn needed from Government loan stocks.

Distribution of Corn Use
(million bushels)

	Seed and Industrial use	Export	Feed and residual	Total
1957-58				
October-March	87.8	101.7	1,495.6	1,685.1
April-September	93.6	78.8	1,166.6	1,339.0
1958-59				
October-March	94.2	105.0	1,721.9	1,921.1
Per cent change:				
Oct.-Mar. 1957-58				
to 1958-59	+7	+3	+15	+14

The other feed grains are also being consumed at high rates. Disappearance of oats in the July-March period totaled 1.0 billion bushels, up 7 per cent from last year. Barley disappearance was 0.4 billion bushels, up 13 per cent. Grain sorghum usage in the past six

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months has been 0.2 billion bushels, 42 per cent above the corresponding year-earlier period.

Soybean usage has shown an increase similar to the feed grains. In the October-March period, crushings of beans have been up 19 per cent. The high demand for meal in animal feeds has kept processing at high levels in spite of much lower prices for the oil. Of the 323 million bushels of soybeans on hand on April 1, 133 million was under CCC loan or purchase agreement and 10 million was owned by CCC. In the April-September period of 1958, total utilization excluding exports was 204 million bushels. Thus, with the increased rate of crushing, the "free supply" of soybeans appears to be short of the needs for the remainder of the 1958-59 season. As with corn, soybean prices would have to go above the support levels to draw the additional amounts needed from Government stocks.

THE ST. LAWRENCE SEAWAY will have an impact on grain shipments overseas. Shipments of corn from Chicago to Europe have already been booked for 4 million bushels during May, nine times the movement all last season. The rate on corn from Chicago to Rotterdam via the Seaway is about 24 cents a bushel, nearly 9 cents less than last year's rate. The eastern railroads have begun action to reduce rates on grain exports to meet this competition.

FIELD WORK in Iowa and Illinois has progressed rapidly with plowing 80 per cent completed for corn and soybeans. In northern Indiana and Michigan, however, heavy rains have put field work behind last year's schedule. In the Seventh District, drought is a problem only in northwestern Iowa.

THE "FOOD FOR PEACE" conference ended with representatives of the five nations attending (Canada, Australia, Argentina, France and the U. S.) agreeing to three modest proposals: first, encourage underdeveloped nations to set up their own national food reserves using wheat from the five exporting nations; second, consider use of foreign currency sales as a means of helping needy nations improve their economies (only the United States presently uses this technique); and third, expand wheat donations for school lunches and refugee feeding. However, the programs would be carefully scheduled not to upset regular wheat markets.

Research Department