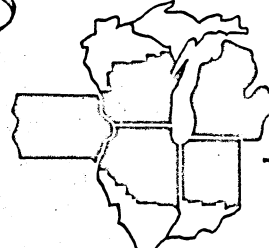


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# Agricultural Letter



AGRICULTURAL SERIAL RECORDS

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**LIMITED PROGRESS** is being made in reducing the amount of grain in storage. Stocks of the four feed grains as of April 1 totaled 113 million tons—13 per cent less than a year earlier and the smallest feed grain holdings for that month since 1958. Wheat stocks were also the smallest since 1958 and soybeans in storage were 8 per cent less than the record high of a year earlier.

The overall reduction in stocks is primarily the result of smaller 1964 crops although a continued high level of exports and increased domestic consumption have also contributed to the decline.

### Grain Stocks Decline From Year-ago Level

Grain	April 1964 (million bushels)	April 1965 (million bushels)	Change 1964-65 (per cent)
Corn	3,302	2,836	-14
Oats	517	473	- 9
Barley	233	205	-12
Grain sorghum	841	769	- 9
Soybeans	377	347	- 8
Wheat	1,206	1,146	- 5

Production of feed grains in 1964 dropped 20 million tons from the previous year's level to about 136 million as a result of the lower yields and reduced acreage. The acreage of each feed grain planted was below the previous year reflecting the widespread participation in the Government 1964 feed grain program. Less favorable growing conditions also cut production; yields per acre for the four feed grains were down about 7 per cent from the record high in 1963. Although the acreage planted to soybeans in 1964 was expanded sharply, production was held near the year-earlier level by reduced yields per acre.

Exports are down only slightly from the record year-earlier level despite the disruptive longshoreman's strike at Eastern and Gulf ports early this year. Prior to the dock strike, feed grain exports were about equal to the year-earlier level. Following the end of the strike in mid-February feed grain exports have increased sharply, and with continued heavy shipments during this spring and summer they are expected to about match the record 18.7 million tons exported in the previous year.

Soybean exports are actually running somewhat above the year-earlier level despite the four-week standstill from mid-January to mid-February. In the current marketing year, soybean exports are expected to total about 205 million bushels—up about 7 per cent from the year-earlier level. Only wheat is expected to show a significant drop-off in exports this year. This reflects a return to more normal levels of wheat trade which had been stimulated by poor harvests in Europe and the Soviet Union.

Prices of most grains have risen sharply since last fall and are currently well above year-earlier levels, in part reflecting the smaller grain stocks. In April, feed grain prices received by farmers were about 11 per cent higher than last November and 7 per cent above the year-ago level. Corn, the major feed grain, reached \$1.21 per bushel in April—7 cents above a year ago and the highest for the month since 1957. Prices for soybeans have shown an even sharper advance. In April, farmers received an average of \$2.85 per bushel—up from \$2.57 last November and \$2.45 in April 1964.

Wheat prices, on the other hand, have dropped sharply from the year-ago level—from \$1.94 per bushel last April to \$1.34. This decline, however, is primarily the result of the change in the Government wheat support program in mid-1964. Farmers who participated in the 1964 program receive direct payments in the form of marketing certificates in the amounts of 70 cents per bushel for wheat allocated for domestic use and 25 cents for wheat allocated for export. This is in addition to the market price.

### Farm Prices of Most Grains Above 1964 Level

Grain	April 1964 (dollars per bushel)	April 1965 (dollars per bushel)	Change 1964-65 (per cent)
Corn	1.14	1.21	+ 6
Oats	.63	.67	+ 6
Barley	.90	.97	+ 8
Grain sorghum*	1.74	1.93	+11
Soybean	2.45	2.85	+16
Wheat	1.94	1.34	-31

\*Hundredweight.

**Wheat production** this year, according to the May forecast for winter wheat and including an allowance for spring wheat, is indicated to be in the neighborhood of 1,250 million bushels—about 4 per cent below the 1964 harvest. Widespread abandonment of winter wheat acreage because of dry weather and greater participation in the Government wheat program account for a large part of the indicated decline in output. In addition, lower yields are anticipated. May 1 crop conditions pointed to a yield of 26.1 bushels per harvested acre—nearly 1 bushel below a year ago.

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