1976 feed grain and livestock economies dependent on world harvests and exports

WASHINGTON D.C. — With an unusually mild and open Spring, farmers got off to their earliest start ever in grain planting, and crop prospects so far are generally favorable in most major producing areas. Assuming normal weather, the 1976 corn crop is projected at 6.0 to 6.7 billion bushels, up from the previous 5.8 billion - bushel record in 1975. Production of the four feed grains (corn, sorghum, oats, barley) is projected at 207 to 231 million short tons, compared with 202 million in 1975.

If crop production is within this range, prices at harvesttime will likely slip moderately below those of last October - December. In this event, a rise of about a tenth in domestic feeding in 1976-77 is projected and would be the dominant price - supporting factor. But a decline of almost a fifth in exports is projected if world crop prospects continue normal.

Feed grain prices have been comparatively stable since early 1976 while substantial increases in livestock and poultry feeding have been developing and exports are moving toward a new record high for 1975-76.

The relationship of livestock and poultry prices to feed costs generally has encouraged feeders to expand their operations since about mid-1975. Increases in feeding began to get underway late last summer when it seemed likely that the corn crop would be large enough to hold feed costs in 1975-76 below the historically high levels of the year before. Cattle placements have been heavy since last summer, and substantially larger numbers on feed began showing by November. Pigs born in the first stages of the current hog expansion are nearing slaughter weights. Broiler meat output is running near industry capacity, with production in January - March up a whopping 15 percent. Milk-feed prices also have turned favorable for dairy production.

In October - December 1975, feed grain use for domestic feeding was three percent less than a year earlier; in January - March, the expansion in feeding operations was in full swing and feeding use was a fifth more than a year earlier. Feed use in October 1975 - March 1976, the first half of the 1975-76 year, was seven percent larger than a year earlier. The expansion is expected to continue and feed grain use for domestic feeding in this marketing year probably will be 12 percent larger than in 1974-75.

Feed grain exports in 1975-76 are expected to total about 53 million short tons, 35 percent more than in 1974-75 and 21 percent more than the previous record 44 million tons in 1973-74. Most of the increase from last year is due to larger exports of corn to the USSR, Eastern Europe, and the European Community. Exports and outstanding sales to the USSR this season now total about 12 million metric tons (13 million short), virtually all corn.

Increases in domestic disappearance and exports of feed grains combined in 1975-76 will just about use up the 16-percent increase in supply over 1974-75. Carryover stocks at the end of 1975-76 are expected to total only about 18 million tons, little different from the very low 1974-75 carryover. Therefore, the immediate future in the feed grain and livestock economies is heavily dependent on 1976 harvests and on crop prospects around the world, as well as on the state of the general economy here and in other major grain-using countries.

Soybean meal supplies are running at all-time highs in 1975-76 and prices of high protein feeds relative to feed grain prices are lower than usual. Therefore, there has been some substitution of high protein feeds for grains in feed rations. Along with the expansion in livestock and poultry feeding, this is responsible for sharp increases in the soybean crush and in meal disappearance.

U.S. gives most for least

WASHINGTON, D.C. — The average American worker earns enough in one 8-hour day to buy four loaves of bread, four pounds of bacon, four pounds of pork chops, seven pounds of sirloin steak, four pounds of broiler meat, four pounds of tomatoes, six dozen oranges, 4½ pounds of butter and four dozen eggs.

That's about double the food buying power for workers in France and England, but more than 6½-times that for workers in Japan.

Putting it another way, the average American worker can purchase a loaf of bread, a pound of bacon, two pounds of sirloin steak, two pounds of pork chops, three pounds of broiler meat, two pounds of tomatoes, one-half dozen of oranges, one pound of butter and one-half dozen eggs with just two hours, 19 minutes of his work day. Compared to about three hours, 20 minutes for workers in both Belgium and the Netherlands; 3:50 in West Germany, 3:59 in Sweden; 4:30 in Italy; 4:50 in France, 5:48 in England — and 15:27 — that's right, 15 hours, 27 minutes, in Japan.