



## Planting Intentions and Quarterly Stocks

### Planting Intentions

Tables 1 and 2 provide a summary of the USDA's planting intentions report released on March 31, 2009. This report provides USDA's first official glimpse into the potential size of the 2009 crop. Given the downward pressure experienced in most commodity's prices over the last six months and given the uncertainty regarding demand given the recession, it was generally felt that the acreage shifts for 2009 would be much smaller than those experienced over the past few years. Soybean acres are expected to experience the largest increase in acres from 2008. However, with less than a 1 million acre increase, the change in soybean acreage is relatively insignificant. Rice acres are expected to increase by 188,000 acres in 2009, but recent history has suggested that planting intentions has significantly underestimated final rice acres.

Wheat and grain sorghum acres experienced the largest reduction with a 4.5 million and 1.3 million acre decrease, respectively. A much less optimistic market outlook for both crops is expected to significantly curtail acres. Cotton acres continued to fall as has been the case over the past two years. Corn acres are projected to be lower in 2009, but with less than a 1 million acre shifts, this change is certainly much lower than the huge acreage shifts experienced for this crop over the past two years.

The relatively small acreage shifts reported suggest that total supplies during 2009/10 for many of these commodities could be very similar to those in the previous year. Therefore, assuming no major downturn in demand, the 2009/10 marketing year could be very similar to the 2008/09 marketing year in terms of supply and demand conditions. While this may not translate into similar prices due to the influence of financial and other outside markets and the reduced position of speculative funds in most commodity markets, it would seem to provide a solid foundation of support prices moving forward.

### Quarterly Stocks

In addition to the planting intentions report, the USDA also released its quarterly grain stocks report. This report gives the market a gauge as to the amount of these commodities that are being used throughout the marketing year. It also provides a comparison of stock and use levels throughout the marketing year versus previous years. Tables 3 thru 6 provide the comparison of the current quarterly stocks value with the previous year as well as current use levels. Given the reduction in export demand being experienced for most feed grains, it is not that surprising that stocks are higher and use is lower for corn, grain sorghum, and wheat. Only soybeans, primarily due to strong export sales, are reported to have lower stocks and much higher use than in the previous year.

Table 7 uses historic information on quarterly stocks and use to project ending stocks for the entire 2008/09 marketing year. Two different methodologies were used to project ending stocks. One uses the historic percentage of total use typically experienced to this point in the marketing year. The other uses the change in use between the current year and the previous year and assumes that this relationship will continue for the remainder of the 2008/09 marketing year. These estimates are compared to the USDA's most recent estimate for ending stocks. For soybeans and grain sorghum, the current USDA ending stocks estimate falls within the range of the projections using the two methodologies. For wheat and corn, however, the USDA estimate is lower (and in the case of corn, significantly lower) than the ending stocks projection using the two methodologies. For these two commodities, the current pattern in use would seem to need to change in order to meet the current USDA estimate for ending stocks.

**Table 1. US Planting Intentions, Selected Commodities, March 31, 2009**

	2008 Planting Intentions ----- 1,000 Acres	2008 Actual Plantings ----- 1,000 Acres	2009 Planting Intentions ----- 1,000 Acres	Change From 2008 Intentions To Actual 2008 Plantings (Percent)	Change From 2008 Actual Plantings To 2009 Intentions (1,000 Acres)	Change From 2008 Actual Plantings To 2009 Intentions (Percent)
Corn	86,014.0	85,982.0	84,986.0	-0.04%	-996.0	-1.16%
Grain Sorghum	7,415.0	8,284.0	6,960.0	11.72%	-1,324.0	-15.98%
Wheat	63,803.0	63,147.0	58,638.0	-1.03%	-4,509.0	-7.14%
Winter Wheat	46,840.0	46,281.0	42,889.0	-1.19%	-3,392.0	-7.33%
Rice	2,770.0	2,995.0	3,183.0	8.12%	188.0	6.28%
Long Grain	2,070.0	2,365.0	2,526.0	14.25%	161.0	6.81%
Medium Grain	634.0	579.0	616.0	-8.68%	37.0	6.39%
Soybean	74,793.0	75,718.0	76,024.0	1.24%	306.0	0.40%
Cotton	9,389.6	9,470.0	8,811.5	0.86%	-658.5	-6.95%
Sweet Potato	103.8	102.9	101.9	-0.87%	-1.0	-0.97%
Hay	60,583.0	60,062.0	60,297.0	-0.86%	235.0	0.39%
<b>Totals</b>	<b>354,415.4</b>	<b>354,985.9</b>	<b>345,032.4</b>	<b>0.16%</b>	<b>-9,953.5</b>	<b>-2.80%</b>

Source: USDA, National Agricultural Statistics Service, Prospective Plantings Report, March 31, 2009.

**Table 2. Louisiana Planting Intentions, Selected Commodities, March 31, 2009**

	2008 Planting Intentions ----- 1,000 Acres	2008 Actual Plantings ----- 1,000 Acres	2009 Planting Intentions ----- 1,000 Acres	Change From 2008 Intentions To Actual 2008 Plantings (Percent)	Change From 2008 Actual Plantings To 2009 Intentions (1,000 Acres)	Change From 2008 Actual Plantings To 2009 Intentions (Percent)
Corn	560.0	520.0	510.0	-7.14%	-10.0	-1.92%
Grain Sorghum	150.0	120.0	100.0	-20.00%	-20.0	-16.67%
Wheat	400.0	400.0	210.0	0.00%	-190.0	-47.50%
Winter Wheat	400.0	400.0	210.0	0.00%	-190.0	-47.50%
Rice	340.0	470.0	480.0	38.24%	10.0	2.13%
Long Grain	315.0	455.0	460.0	44.44%	5.0	1.10%
Medium Grain	25.0	15.0	20.0	-40.00%	5.0	33.33%
Soybean	910.0	1,050.0	1,000.0	15.38%	-50.0	-4.76%
Cotton	280.0	300.0	240.0	7.14%	-60.0	-20.00%
Sweet Potato	16.0	15.0	15.0	-6.25%	0.0	0.00%
Hay	420.0	430.0	450.0	2.38%	20.0	4.65%
<b>Totals</b>	<b>3,816.0</b>	<b>4,175.0</b>	<b>3,695.0</b>	<b>9.41%</b>	<b>-480.0</b>	<b>-11.50%</b>

Source: USDA, National Agricultural Statistics Service, Prospective Plantings Report, March 31, 2009.

**Table 3. US Corn Quarterly Stocks**

Quarter Ending	2008	2008	2009	2009	Percent	Percent
	Total Stocks	Implied Use	Total Stocks	Implied Use	Change Stocks	Change Use
	----- 1,000 Bushels -----				----- Percent -----	
March 1	6,858,722	3,419,363	6,958,397	3,119,167	1.45%	-8.78%
June 1	4,028,017	2,830,705				
September 1	1,624,150	2,403,867				
December 1	10,077,564	3,647,824				

Source: USDA, National Agricultural Statistics Service, Quarterly Grain Stocks Report, March 31, 2009.

**Table 4. US Grain Sorghum Quarterly Stocks**

Quarter Ending	2008	2008	2009	2009	Percent	Percent
	Total Stocks	Implied Use	Total Stocks	Implied Use	Change Stocks	Change Use
	----- 1,000 Bushels -----				----- Percent -----	
March 1	185,908	105,342	208,793	103,253	12.31%	-1.98%
June 1	101,019	84,889				
September 1	52,750	48,269				
December 1	312,046	213,046				

Source: USDA, National Agricultural Statistics Service, Quarterly Grain Stocks Report, March 31, 2009.

**Table 5. US Soybeans Quarterly Stocks**

Quarter Ending	2008	2008	2009	2009	Percent	Percent
	Total Stocks	Implied Use	Total Stocks	Implied Use	Change Stocks	Change Use
	----- 1,000 Bushels -----				----- Percent -----	
March 1	1,433,982	897,878	1,301,606	973,971	-9.23%	8.47%
June 1	676,143	757,839				
September 1	162,734	513,409				
December 1	2,275,577	846,331				

Source: USDA, National Agricultural Statistics Service, Quarterly Grain Stocks Report, March 31, 2009.

**Table 6. US Wheat Quarterly Stocks**

Quarter Ending	2008	2008	2009	2009	Percent	Percent
	Total Stocks	Implied Use	Total Stocks	Implied Use	Change Stocks	Change Use
	----- 1,000 Bushels -----				----- Percent -----	
March 1	709,270	422,668	1,036,572	385,802	46.15%	-8.72%
June 1	305,818	403,452				
September 1	1,858,123	947,219				
December 1	1,422,374	435,749				

Source: USDA, National Agricultural Statistics Service, Quarterly Grain Stocks Report, March 31, 2009.

**Table 7. Estimated Ending Stocks For 2008/09 Marketing Year, Selected Commodities**

Commodity	March 2009	Projected	Projected
	USDA Estimate <sup>A</sup>	Scenario One <sup>B</sup>	Scenario Two <sup>C</sup>
----- Million Bushels -----			
Corn	1,740.0	1,905.9	2,235.9
Grain Sorghum	65.0	59.4	83.9
Soybeans	185.0	212.9	77.9
Wheat	712.0	715.4	772.1

<sup>A</sup> Estimates are USDA estimates from its March 2009 World Supply and Demand Estimates report.

<sup>B</sup> Scenario one estimates total marketing year use by using the 5 year average percentage of the amount of each commodity used through the first two quarters (corn, sorghum, and soybeans) or first three quarters (wheat) of the marketing year. This 5 year average is then applied to total use to this point in the marketing year to provide an estimate for total year use.

<sup>C</sup> Scenario two estimates total marketing year use by using the percent change in use from the 2007/08 marketing year and the current 2008/09 marketing year. It then estimates use in the remaining quarters of the 2008/09 marketing year by adjusting the corresponding quarterly use from the previous marketing year by the same percentage.