AGRICULTURAL SUPPLY & DEMAND ESTIMATES

OUTLOOK 73

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FOR IMMEDIATE RELEASE

#2

HIGHLIGHTS

The October crop report indicated mostly minor changes in 1973 production estimates from the preceding month: decreases of 1 percent or less for corn, wheat, and soybeans and slight increases for total feed grains and cotton. However, the rice production estimate was lowered 3 percent, pushing the prospective ending stocks of rice next summer back down to the very low 1973 level. Changes in export prospects during the past month lifted the estimated utilization figures for wheat and cotton for 1973/74, but lowered them for soybeans. A dairy table is included in this issue for the first time. Also, flaxseed and products are covered in view of the extremely tight supply-demand situation for that commodity. The corn and feed grain tables are virtually unchanged from last month.

STRONG WHEAT DEMAND ABROAD

Estimates of supply and domestic use of wheat for 1973/74 are essentially unchanged from indications in September. However, the export estimate has been boosted 50 million bushels due to further strengthening of foreign demand. For 1974/75, domestic use has been lowered from last month's projection because there may be less wheat feeding, reflecting the tight prospective supply situation early in the season, a continuation of strong prices, and a large 1973 grain sorghum crop. The 1974/75 export projection has also been lowered because of increased prospective production worldwide as a result of favorable growing conditions in most areas.

CROP SETBACK TIGHTENS RICE SITUATION FURTHER

The estimate of the 1973 rice crop, while still 12 percent above 1972, has been shaved 3 percent in the past month mainly because of damage from tropical storm Delia. The indicated production would about equal expected utilization, keeping the carryover stocks next summer about at the very low level this August.

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SOYBEAN EXPORT PROSPECTS TRIMMED, STOCKS LIFTED

Prospects for soybean exports in 1973/74 have been cut by 50 million bushels to 550 million bushels. This is partly offset by projected increases in shipments of 200,000 tons of soybean meal and 100 million pounds of soybean oil. Factors behind the lowered export estimate include (1) Poor crushing margins in Western Europe accompanying a reduction in soybean meal use, (2) Improved sunflower crops predicted for Eastern Europe, (3) Increased competition beginning next spring from peanut meal from India and soybeans from Brazil, and (4) Lower prospective U.S. soybean shipments to the USSR than previously anticipated. Reflecting the reduced estimate of soybean exports and a slight decline in the crop production estimate, the carryover next August 31 has been raised to 240 million bushels, up from last month's 200 million bushel estimate. Projected U.S. soybean exports for 1974/75 are 50 million bushels above 1973/74, as are domestic crushings.

IT'S TOUCH & GO FOR FLAXSEED; 1974 OUTPUT MAY JUMP

Supplies of flaxseed and linseed oil for 1973/74 are barely sufficient for U.S. requirements at the use levels of the last 2 years. However, high linseed oil prices have reduced the rate of domestic factory consumption recently by about 15 percent. Strong world demand will likely encourage export of any flaxseed or linseed oil not used domestically. Carryover stocks on June 30, 1974, will be at a minimum level. The 1974 flaxseed crop plantings are projected to increase about 20 percent to 2 million acres and production by about 45 percent--assuming a return to normal yields.

COTTON CROP IMPROVEMENT LIFTS CARRYOVER PROSPECT

The October crop forecast indicating the second largest cotton crop since 1965 is almost 200,000 bales above the September estimate. Even with an increase in the export estimate over last month, the prospective carryover next August looks larger now, and nearly up to the 4 million bales of August 1, 1973. Census data increased the August 1, 1973, carryover figure above our estimate of last month. (Further analysis: see next issue of Cotton Situation, for release November 9.)

MILK SUPPLY PINCH CONTINUES

Milk production in the 1973/74 marketing year will likely fall nearly 4 percent below a year earlier. High feed prices are cutting feeding rates and output per cow, and together with high slaughter cow prices, are encouraging culling. Also, more dairy farmers are quitting altogether. USDA net purchases of dairy products under the price support program have declined sharply. There have been none since July, and none are likely through the rest of the marketing year. Some purchases at market prices for domestic program uses are expected.

NOTE:
Remaining 1973 issues of this publication are scheduled for November 14 and December 13.

WHEAT

Item	1972/73 Prelim-inary	1973/74 Based on -- September indica-tions	1973/74 Based on -- October indica-tions	Projected 1974/75*
Acreage (Mil. Acres)				
Set-aside	20.1	7.4	7.4	0
Planted	54.9 1/	58.8	58.8	66.0
Harvested	47.3	53.7	53.7	58.1
Yield Per Harvested Acre (Bu.)	32.7	32.2	32.1	32.6
		(Million Bushels)		
Supply				
Beginning stocks	863	428	428	250
Production	1,545	1,727	1,727	1,894
Imports	1	1	1	1
Total	2,409	2,156	2,156	2,145
Disappearance				
Domestic	797	756	756	755
Exports	1,184	1,100	1,150	950
Total	1,981	1,856	1,906	1,705
Ending Stocks	428 2/	300	250	440

1/ Includes 2.6 million acres planted and subsequently designated as voluntary set-aside. 2/ Excludes grain in transit, the volume of which was abnormally large as of the survey date.

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RICE

Item	1971/72	1972/73 Estimate	1973/74 Based on-- September indica-tions	1973/74 Based on-- October indica-tions
Acreage				
Allotment (1,000 A)	1,836.5	1,836.5	2,222.1	2,222.1
Planted (1,000 A)	1,826.0	1,824.0	2,178.8	2,178.8
Harvested (1,000 A)	1,817.9	1,817.9	2,168.6	2,168.6
Yield per harvested acre (lb.)	4,718	4,684	4,537	4,404
		(Million Cwt.)		
Supply				
Beginning Stocks, Aug. 1	18.6	11.4	5.1	5.1
Production	85.8	85.2	98.4	95.5
Imports	1.1	0.5	1.0	0.5
Total	105.5	97.1	104.5	101.1
Disappearance				
Domestic	35.4	35.8	37.2	37.6
Exports	56.9	54.0	58.1	58.1
Total	92.3	89.8	95.3	95.7
Ending Stocks, Jul. 31	11.4	5.1	9.2	5.4
Difference Unaccounted	+1.8	+2.2	- -	- -

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*The 1974/75 projections in these tables are rough approximations based on presently available data. They are mainly indications of change. Each of the numbers should be considered as representative of a fairly wide range rather than as a precise estimate.

FEED GRAINS 1/
(Includes Corn, Sorghum, Oats, and Barley)

Item	1972/73 Preliminary	1973/74 Based on: Sept. Indications	1973/74 Based on: Oct. Indications	Projected 1974/75*
Acreage (Mil. acres)				
Set Aside	36.6	9.1	9.1	--
Planted	115.2	121.7	121.7	126.0
Harvested	94.1	102.4	102.4	106.2
Yield Per Harvested Acre (Tons)	2.12	2.05	2.06	2.15
	(Million Short Tons)			
Supply				
Beginning Stocks	48.4	33.8	33.7	31.4
Production	199.8	210.3	210.9	228.4
Imports	0.4	0.4	0.4	0.4
Total	248.6	244.5	245.0	260.2
Disappearance				
Domestic	171.9	174.1	173.9	182.5
Exports	43.0	39.7	39.7	36.7
Total	214.9	213.8	213.6	219.2
Ending Stocks	33.7	30.7	31.4	41.0

1/ Marketing year beginning October 1 for corn and sorghum, July 1 for barley and oats.

CORN

Item (Mktg. year beginning Oct. 1)	1972/73 Preliminary	1973/74 Based on: Sept. Indications	1973/74 Based on: Oct. Indications	Projected 1974/75*
Acreage (Mil. acres)				
Set Aside	24.4	5.7	-0-	-0-
Planted	66.8	71.3	75.5	75.5
Harvested	57.3	61.5	65.5	65.5
Yield Per Harvested Acre (Bu.)	96.9	93.8	93.7	97.0
	(Million Bushels)			
Supply				
Beginning Stocks	1,126	775	775	725
Production	5,553	5,768	5,763	6,354
Imports	1	1	1	1
Total	6,680	6,544	6,539	7,080
Disappearance				
Domestic	4,655	4,694	4,689	5,030
Exports	1,250	1,125	1,125	1,050
Total	5,905	5,819	5,814	6,080
Ending Stocks	775	725	725	1,000

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SOYBEANS

Item	1972/73	1973/74 Based on Sept. 1 Indications	1973/74 Based on Oct. 1 Indications	Projected* 1974/75
Acreage				
Planted (mil. A)	47.0	57.2	57.2	54.0
Harvested (mil. A.)	45.8	56.2	56.2	53.0
Yield Per Harvest. Acre (Bu.)	28.0	28.5	28.3	29.0
	(Million Bushels)			
Supply				
Carryin, Sept. 1	72.0	65	60	240
Production	1,282.9	1,599	1,588	1,535
Total	1,354.9	1,664	1,648	1,775
Disappearance				
Crushings	722	775	775	825
Exports	480	600	550	600
Seed, Feed and Residual	93	89	83	85
Total	1,295	1,464	1,408	1,510
Carryover, Aug. 31	60	200	240	265

Membership of the Interagency Commodity Estimates Committee for Soybeans, Flaxseed, Cottonseed and Oils:

Malcolm Maclay, Chairman, ASCS
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SOYBEAN OIL

Item	1972/73 Estimate	1973/74 Based on Sept. 1 Indications	1973/74 Based on Oct. 1 Indications	Projected * 1974/75
	(Million Pounds)			
Supply				
Carryin, Oct. 1	785	365	495	695
Production	7,510	8,300	8,300	8,825
Total	8,295	8,665	8,795	9,520
Disappearance				
Domestic	6,700	7,000	7,000	7,300
Exports	1,100	1,000	1,100	1,200
Total	7,800	8,000	8,100	8,500
Carryover, Sept. 30	495	665	695	1,020

SOYBEAN MEAL

Item	1972/73 Estimate	1973/74 Based on Sept. 1 Indications	1973/74 Based on Oct. 1 Indications	Projected 1974/75
	(1,000 Short Tons)			
Supply				
Carryin, Oct. 1	192	212	192	162
Production	16,750	18,370	18,370	19,550
Total	16,942	18,582	18,562	19,712
Disappearance				
Domestic	11,900	12,800	12,600	13,550
Exports	4,850	5,600	5,800	6,000
Total	16,750	18,400	18,400	19,550
Carryover, Sept. 30	192	182	162	162

FLAXSEED

Item	1972/73	1973/74 Based on Sept. 1 Indications	1973/74 Based on Oct. 1 Indications	Projected * 1974/75
Acreage				
Planted (thous. A)	1,191	1,673	1,673	2,000
Harvested (thous. A)	1,151	1,608	1,608	1,950
Yield Per Harvest. Acre (Bu.)	12.1	9.9	9.9	12.0
		(1,000 Bushels)		
Supply				
Carryin, July 1	20,132	3,668	3,668	2,072
Production	13,909	15,904	15,904	23,400
Total	34,041	19,572	19,572	25,472
Disappearance				
Crushings	19,943	13,000	13,500	16,500
Exports	8,775	2,500	2,000	3,500
Seed, Feed and Residual	1,655	2,000	2,000	2,000
Total	30,373	17,500	17,500	22,000
Carryover, June 30	3,668	2,072	2,072	3,472

Membership of the Interagency Commodity Estimates Committee for Soybeans, Flaxseed, Cottonseed and Oils:

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LINSEED OIL

Item	1972/73	1973/74 Based on Sept. 1 Indications	1973/74 Based on Oct. 1 Indications	Projected * 1974/75
		(Million Pounds)		
Supply				
Carryin, July 1	277	113	113	70
Production	393	260	272	330
Total	670	373	385	400
Disappearance				
Domestic	294	230	250	250
Exports	263	53	65	80
Total	557	283	315	330
Carryover, June 30	113	90	70	70

LINSEED MEAL

Item	1972/73	1973/74 Based on Sept. 1 Indications	1973/74 Based on Oct. 1 Indications	Projected * 1974/75
		(1,000 Short Tons)		
Supply				
Carryin, July 1	14	11	11	10
Production	370	236	246	300
Imports	3	3	3	3
Total	387	250	260	313
Disappearance				
Domestic	203	120	125	150
Exports	173	120	125	153
Total	376	240	250	303
Carryover, June 30	11	10	10	10

UPLAND COTTON

Item	1971/72	1972/73	1973/74 based on -- September indications	1973/74 based on -- October indications
Acreage (Thousand Acres)				
Planted	12,253	13,903	13,029	13,029
Harvested	11,370	12,838	12,288	12,288
Set-aside	2,061	2,049	0	0
Yield Per Harvested Acre (Pounds)	438	507	502	509
	(Thousand 480-lb. Bales)			
Supply				
August 1 Beginning Stocks 1/	4,223	3,238	3,782	3,999
Production	2/10,295	2/13,567	12,853	13,038
Imports and City Crop	83	32	75	50
Total 3/	14,601	16,838	16,710	17,087
Disappearance				
Mill Consumption	8,082	7,670	7,300	7,300
Exports	3,378	5,303	5,900	6,000
Total 3/	11,461	12,989	13,200	13,300
Ending Stocks	1/ 3,238	1/ 3,999	3,510	3,787

1/ Based on Census Bureau data.
2/ In season ginnings.
3/ May not add due to rounding.

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MILK 1/

Item (Mktg. year beginning April 1)	1972/73 Preliminary	1973/74 Based on Oct. Indications
Number of cows (Thou.)	11,665	11,260
Output per cow (Pounds)	10,257	10,210
	(Billion Pounds)	
Supply		
Milk production	119.6	115.0
Farm use	3.5	3.2
Milk marketings	116.1	111.8
Beginning commercial stocks	3.4	3.2
Imports	1.6	2.3
Total	121.1	117.3
Disappearance		
Commercial	112.9	113.7
Net price support purchases 2/	5.0	0.6
Ending commercial stocks	3.2	3.0

1/ Includes milk equivalent of dairy products and assumes no program changes.
2/ Projections exclude any purchases at market prices for domestic program use.

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