

AGRICULTURAL SUPPLY & DEMAND ESTIMATES



Approved by the Outlook and Situation Board • U.S. Department of Agriculture • For Immediate Release

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April 23, 1976

HIGHLIGHTS

Farmers intend to plant more corn, cotton, and wheat this year, but less acreage to soybeans and rice, according to their April 1 intentions. The planned hikes for corn and wheat are larger than those farmers were thinking about in January; at the same time, the cut for soybeans is steeper than indicated earlier. With normal growing conditions, the planting intentions point to continued large supplies of wheat, feed grains, rice, and soybeans in 1976/77. Cotton acreage will be up considerably from last year but will still not be large by historical standards.

Note To Users

* This issue of "Agricultural Supply and Demand Estimates" updates estimates
* for the 1975/76 marketing year. It also reports initial projections of production
* for 1976 crops (except cotton), and supply and use for the 1976/77 marketing
* year. Although point estimates are shown for 1975/76, they should not be looked
* on as being precise since the marketing year is only a bit more than half over,
* except for wheat.
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* Early season projections for 1976/77 are highly tentative. There are no
* reliable techniques of anticipating what combinations of weather and/or disease
* might prevail during the growing season. For instance, poor growing conditions,
* like those in 1974, or widespread disease, like the 1970 corn blight, could re-
* sult in a crop that would fall outside the ranges shown. Similar uncertainties
* in other countries could result in wide unexpected variations in the strength of
* foreign demand for U.S. crops.
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* The above uncertainties need to be understood by users of these data. The
* ranges in projected output and use for 1976/77 attempt to show the most probable
* range about the projected values, based largely on relationships in the past
* decade.
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* To improve the use of this report and facilitate its production, we are
* shifting to the use of plus and minus ranges about the projections.
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Another Large wheat Supply in Prospect

As a result of lagging export commitments, the 1975/76 export estimate has been reduced to 1.2 billion bushels. This, in turn, will result in a larger than anticipated carryover into the 1976/77 marketing year.

Winter wheat prospects appear to have stabilized following the recent rains in the Southern Plains. The harvest for the five drought-affected States, based on April 1 conditions, was estimated at about 520 million bushels, down 8 percent from December and about a fourth below 1975 output. Conditions in the other winter wheat areas have been generally good and it appears that crop prospects are about in line with the 925 million bushels forecast last December. Thus, a winter wheat crop about 12 percent below 1975's record crop is indicated.

According to April 1 planting intentions, farmers expect to seed about 21 million acres to spring wheat, almost 12 percent more than a year ago and 6 percent more than indicated on January 1. With the increase in acreage and good growing conditions, the spring crop could range between 500 and 600 million bushels, up from last year's 485 million.

With winter wheat advancing rapidly to maturity, it appears that the total 1976 wheat crop could be about 2 billion bushels. The increase in carryover stocks projected for this July would offset the reduction in the 1976 crop, resulting in a 1976/77 supply that may exceed this year's 2.5 billion bushels. Early prospects point to a large world wheat crop in 1976, suggesting that U.S. exports in 1976/77 may total between 950 and 1,150 million bushels, down from this year's projected 1.2 billion.

Another Large Rice Supply in Prospect

Rice growers, responding to lower prices, plan a sharp cut in their 1976 plantings, suggesting a crop well below last year's record of 128 million cwt. But with carryover this August 1 roughly five times as large as last year, the 1976/77 rice supply will likely be a record. Disappearance may hold near this season's 100 million cwt., perhaps in the range of 95 to 105 million. But the 1976 rice harvest still may exceed total use, leading to a further stock buildup. An important aspect of the 1976/77 beginning stock situation is the expected CCC inventory of around 20 million cwt., which will be isolated from the market unless prices advance substantially.

Expanding Feed Grain Use May Not Match Large 1976 Crop

Farmers plan to seed almost 83 million acres to corn, nearly 5 million more than last year and the largest since the late 1940s. The boost in corn will more than offset cuts for other feed grains; thus, total feed grain acreage will approximate 126-1/2 million acres, about 3-1/2 million more than in 1975.

With normal weather, the 1976 feed grain crop could range between 205 and 230 million short tons, compared with 202 million in 1975. Weighted heavily into this projected crop is a range of corn yields of 84 to 94 bushels per harvested acre.

With the expectation of generally favorable feeding margins, another increase of perhaps 7 to 18 percent in corn feeding is projected for 1976/77. However, if 1976 crops elsewhere in the world are normal, world feed grain trade likely will wane in 1976/77, leading to corn exports totaling 1.1 to 1.4 billion bushels, compared with this year's expected record high of 1.55 billion bushels.

In the present 1975/76 season, the estimate of feed use of corn has been raised 50 million bushels to 3.65 billion because of greater than expected feeding during January-March.

Grain Demand Holding Up Well;
Acreage Cuts Planned For 1976

Soybean use in 1975/76 continues at an estimated 1.4 billion bushels, hence, estimates of disappearance and the carryover of 280 million bushels are unchanged from the last release on March 9. For oil, a small upward adjustment in production was made because of higher than normal oil yields from the 1975 crop. The current lower prices have led to an increase of roughly 100 million pounds in expected domestic use, but foreign demand continues slack and exports are expected to be down about 5 percent from the previous report. We now expect the largest stocks of soybean oil on record will be carried over at the end of the 1975/76 crushing season.

On the meal side, the European Community's nonfat dry milk "mixing regulation deposit scheme," which will act to constrict our exports in 1975/76, may be balanced out by the larger demand stemming from the expected decline in fishmeal availability. Thus, total U.S. exports of soybean meal may be about 4.5 million short tons, unchanged from our last estimate.

Because of the planned cutback of about a tenth in plantings, the 1976 soybean crop could range from 1,280 to 1,420 million bushels. The soybean crush in 1976/77 is expected to hold about the same as this year, in large part because of the big Brazilian crop now being harvested. Soybean stocks at the end of the marketing year could be down considerably from this September 1, possibly to a range of 120 to 260 million bushels. Meal stocks are expected to remain relatively unchanged; however, oil stocks could build even further to another record high.

Strong Cotton Supplies May Blunt Total Use

Strong demand and tight supplies highlight the cotton outlook. With continuing strong domestic textile activity and a recent pickup in export sales, we have raised our estimates for both 1975/76 mill consumption and exports. While U.S. mill use is now placed at 7.3 million bales, up from 5.9 million last season, exports may total around 3-1/2 million, compared with 3.9 million in 1974/75. This means that the ending carryover on July 31 may total about 3-1/2 million bales, much of it in the longer staples.

Strong demand for U.S. cotton is expected to continue into 1976/77. But with the relatively low beginning carryover and with April 1 planting intentions of only 11-1/4 million acres, somewhat below earlier expectations, supplies may limit offtake. Strengthening cotton prices since April 1, however, could well result in more acreage being planted to cotton, particularly in Texas where recent rains have brightened planting prospects. Given the present uncertainties over the size of the 1975 crop, manmade fiber competition, and cotton textile imports, we have ranged our estimates for U.S. mill consumption next season from 6-1/2 to 7-1/2 million bales, and U.S. exports from 3-1/2 to 4-1/2 million.

4/20/75
WHEAT AND RICE

Commodity	Marketing year 1/					
	Domestic Measure 2/ 3/			Metric Measure 2/ 3/		
	1974/75	1975/76	1976/77	1974/75	1975/76	1976/77
	:Preliminary:Projected			:Preliminary: Project		
WHEAT						
Area	Million acres			Million hectares		
Set aside	--	--	--	--	--	--
Planted	71.4	75.1	78.4	28.9	30.4	31.7
Harvested	65.6	69.7	68.6	26.5	28.2	27.8
Yield per harvested unit	Bushels per acre			Quintals per hectare		
	27.4	30.6	29.2 +1.0	18.4	20.6	19.6 +0.7
	Million bushels			Million metric tons		
Beginning stocks	247	327	552	6.7	8.9	15.0
Production	1,796	2,134	2,000 +75	48.9	58.1	54.4 +2.0
Imports	2	2	2	0.1	0.1	0.1
Supply total	2,045	2,463	2,554 +75	55.7	67.0	69.5 +2.0
Domestic	679	711	750 +25	18.5	19.4	20.4 +0.7
Exports	1,039	1,200	1,050 +100	28.3	32.7	28.6 +2.7
Disappearance, total	1,718	1,911	1,800 +85	46.8	52.0	49.0 +2.3
Ending stocks	327	552	754 +125	8.9	15.0	20.5 +3.4
RICE:						
Area	Million acres			Million hectares		
Allotment	2.10	1.80	1.80	0.85	0.73	0.73
Planted	2.56	2.82	2.36	1.04	1.14	0.96
Harvested	2.54	2.80	2.34	1.03	1.13	0.95
Yield per harvested unit	Pounds per acre			Quintals per hectare		
	4,432	4,555	4,640 +100	49.68	51.05	52.01 +1.1
	Million cwt.			Million metric tons		
Beginning stocks	7.8	7.1	34.2	0.35	0.32	1.55
Production	112.4	127.6	108.6 +3.0	5.10	5.79	4.93
Imports	--	--	--	--	--	--
Supply, total	120.2	134.7	142.8 +3.0	5.45	6.11	6.48 +0.14
Domestic	40.2	41.8	43.5 +1.0	1.82	1.90	1.97 +0.07
Exports	69.5	58.7	56.6 +5.0	3.16	2.66	2.57 +0.2
Disappearance, total	109.7	100.5	100.1 +5.0	4.98	4.56	4.54 +0.2
Ending stocks	7.1	34.2	42.7 +7.0	0.32	1.55	1.94 +0.3
Difference unaccounted:	+3.4	--	--	0.15	--	--
*Less than .1						

1/ Marketing year beginning July 1 for wheat, August 1 for rice.

2/ Conversions between measures may not exactly convert or add due to rounding.

3/ Conversion factor: Hectare = 2.471 acres.

Metric Ton = 2204.6 pounds or 36.7437 bushels (wheat)
22.046 cwt. (rice)

Quintal = 220.46 pounds or 3.604 bushels (wheat)
2.2046 cwt. (rice)

Prepared by the Interagency Commodity Estimates Committee for Wheat: Paul W. King, Chairman, ASCS; James J. Naive, ERS; Donald J. Novotny, FAS. Rice: George H. Schaefer, Chairman, ASCS; James J. Naive, ERS; Donald J. Novotny, FAS.

FEED GRAINS AND CORN

Commodity	Marketing year 1/					
	Domestic Measure			Metric Measure 2/ 3/		
	1974/75:	1975/76	1976/77	1974/75:	1975/76	1976/77
	:Preliminary: Projected			:Preliminary: Projected		
GRAINS:						
Area	Million acres			Million hectares		
Set aside	--	--	--	--	--	--
Planted	122.4	123.1	126.6	49.5	49.8	51.2
Harvested	100.6	104.8	107.0	40.7	42.4	43.3
Yield per harvested unit	Tons per acre			Quintals per hectare		
	1.64	1.93	2.05 +.13	36.9	43.3	45.9 +2.6
	Million short tons			Million metric tons		
Beginning stocks	22.2	15.8	19.5	20.1	14.4	17.8
Production	165.3	202.4	219.3 +12	150.0	183.6	198.9 +16.3
Imports	0.5	0.5	0.3	0.5	0.5	0.2
Supply, total	188.0	218.7	239.1 +12	170.6	198.5	216.9 +18.4
Feed	115.0	129.3	143.4 +7	104.3	117.3	130.1 +12.8
Food, seed and industrial uses	18.0	18.5	19.2	16.3	16.8	17.4
Domestic, total	133.0	147.8	162.6 +7	120.6	134.1	147.5 +13.4
Exports	39.2	51.4	41.9 +5	35.6	46.6	38.0 +4.6
Use, total	172.2	199.2	204.5 +10	156.2	180.7	185.5 +4.8
Ending stocks	15.8	19.5	34.6 +10	14.4	17.8	31.4 +9.6
CORN:						
Area	Million acres			Million hectares		
Set aside	--	--	--	--	--	--
Planted	77.8	77.9	82.7	31.5	31.5	33.5
Harvested	65.4	66.9	71.7	26.5	27.1	29.0
Yield per harvested unit	Bushels per acre			Quintals per hectare		
	71.4	86.2	89.0 +5	44.7	54.1	55.9 +11.8
	Million bushels			Million metric tons		
Beginning stocks	483	359	462	12.3	9.2	11.8
Production	4,664	5,767	6,381 +350	118.5	146.5	162.1 +15.6
Imports	2	1	1	0.1	4/	4/
Supply, total	5,149	6,127	6,844 +350	130.9	155.7	173.9 +18.2
Feed	3,187	3,650	4,115 +200	81.0	92.7	104.5 +11.8
Food, seed and industrial uses	454	465	485	11.5	11.8	12.3
Domestic, total	3,641	4,115	4,600 +200	92.5	104.5	116.8 +12.3
Exports	1,149	1,550	1,250 +150	29.2	39.4	31.8 +2.6
Use, total	4,790	5,665	5,850 +300	121.7	143.9	148.6 +4.7
Ending stocks	359	462	994 +300	9.2	11.8	25.3 +13.5

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

2/ Conversions between measures may not convert or add due to rounding.

3/ Conversion factors: hectare = 2.471 acres

Metric ton = 2204.6 lbs. (feed grains); 39.368 bushels (corn).

Quintal = 220.46 lbs.

4/ Less than 0.1

Prepared by the Interagency Commodity Estimates Committee for Feed Grains: Orville I. Overboe, Chairman, ASCS; James J. Naive, ERS; Donald J. Novotny, FAS.

SOYBEANS AND PRODUCTS.

Commodity	Marketing year 1/					
	Domestic Measure 2/ 3/			Metric Measure 2/ 3/		
	1974/75	1975/76	1976/77	1974/75	1975/76	1976/77
	: Prelim. :	Forecast :		: Prelim. :	Forecast :	
SOYBEANS:						
Area	Million acres			Million hectares		
Planted	53.5	54.6	49.3	21.7	22.1	20.0
Harvested	52.4	53.6	48.3	21.2	21.7	19.5
Yield per harvested unit	Bushels per acre			Quintals per hectare		
	23.2	28.4	28.0 +1.5	15.5	19.1	18.8 +
	Million bushels			Million metric tons		
Beginning stocks	171	185	280	4.7	5.0	7.6
Production	1,215	1,521	1,350 +70	33.1	41.4	36.7 +
Supply, total	1,386	1,706	1,630 +70	37.8	46.4	44.4 +
Crushings	701	825	825 +35	19.1	22.5	22.5 +
Exports	421	525	535 +35	11.5	14.3	14.6 +
Seed, feed, and residual	79	76	80	2.2	2.1	2.2
Disappearance, total	1,201	1,426	1,440 +70	32.8	38.8	39.2 +
Ending stocks	185	280	190 +70	5.0	7.6	5.2 +
SOYBEAN OIL:						
	Million pounds			Thousand metric tons		
Beginning stocks	794	561	1,135	360	254	515
Production	7,376	8,949	8,825 +375	3,346	4,059	4,003 +
Supply, total	8,170	9,510	9,960 +375	3,706	4,314	4,518 +
Domestic	6,581	7,500	7,600 +200	2,985	3,402	3,447 +
Exports	1,028	875	1,000 +200	466	397	454 +
Disappearance, total	7,609	8,375	8,600 +400	3,451	3,799	3,901 +
Ending stocks	561	1,135	1,360 +400	254	515	617 +
SOYBEAN MEAL:						
	Thousand short tons			Thousand metric tons		
Beginning stocks	507	358	490	460	325	445
Production	16,702	19,432	19,600 +1000	15,152	17,628	17,781 +9
Supply, total	17,209	19,790	20,090 +1000	15,612	17,953	18,225 +9
Domestic	12,552	14,800	15,000 +700	11,387	13,426	13,608 +6
Exports	4,299	4,500	4,650 +300	3,900	4,082	4,218 +2
Disappearance, total	16,851	19,300	19,650 +1000	15,287	17,509	17,826 +9
Ending stocks	358	490	440 +250	325	445	399 +2

1/ Marketing year beginning September 1 for soybeans, October 1 for soybean oil and meal.

2/ Due to rounding, conversions between measures may not convert or add.

3/ Conversion factor: Hectare = 2.471 acres

Metric ton = 2204.6 pounds or 36.7437 bushels.

Quintal = 220.46 pounds or 3.604 bushels.

Prepared by the Interagency Commodity Estimates Committee for Soybeans, Cottonseed, and Oils; Stanley A. Gazelle, Acting Chairman, ERS; Glenn H. Pogeler, ASCS; Alan E. Holz, FAS.

COTTON: UPLAND AND EXTRA LONG STAPLE

Commodity	Marketing year 1/					
	Domestic Measure			Metric Measure 2/		
	1974/75	1975/76	1976/77	1974/75	1975/76	1976/77
	:Preliminary: Projected			:Preliminary: Projected		
CO1						
Area	Million acres			Million hectares		
Set aside	0	0	0	0	0	0
Planted	13.7	9.7	11.3	5.5	3.9	4.6
Harvested	12.6	9.1	3/	5.1	3.7	3/
Yield per harvested unit	Pounds per acre			Quintals per hectare		
	441	441	3/	4.9	4.9	3/
	Million 480-lb. bales			Million metric tons		
Beginning stocks	4/ 3.8	4/ 5.7	3.5	0.8	1.2	0.8
Production	11.5	8.3	3/	2.5	1.8	3/
Supply, total 5/	15.4	14.1	--	3.3	3.1	--
Mill use	5.9	7.3	7.0 +0.5	1.3	1.6	1.5 +0.
Exports	3.9	3.5	4.0 +0.5	0.9	0.8	0.9 +0.
Disappearance, total	9.8	10.8	11.0 +1.0	2.1	2.4	2.4 +0.
Difference unaccounted 6/	0.1	0.2	--	7/	7/	--
Ending stocks	4/ 5.7	3.5	--	1.2	0.8	--

1/ Marketing year beginning August 1.

2/ Conversion factor: Hectare = 2.471 acres.

Metric Ton = 2204.6 pounds or 4.59 480-pound bales.

Quintal = 220.46 pounds.

3/ () is prohibited from estimating production prior to release of the August Crop Production Report.

4/ Based on Census Bureau data.

5/ Includes imports.

6/ Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. Estimated for 1975/76.

7/ Less than 0.05 million metric tons.

Note: Totals may not add and conversion between measures may not exactly convert or add due to rounding.

Prepared by the Interagency Commodity Estimates Committee for Cotton: Charles V. Cunningham, Chairman, ASCS; Russell G. Barlowe, ERS; William L. Davis, FAS.