

AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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#42

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HIGHLIGHTS

Production of 1976 feed and food grain crops headed for record or near record levels. Supplies during the 1976/77 marketing year appear large enough to meet substantial domestic and foreign demand while still permitting increases in carryover stocks. Drought in Western European growing areas is strengthening the outlook for grain exports from the United States. While corn production is forecast record large, wheat production may be 4 percent less than last year's record high. Much larger cotton acreage is in store this year than last coupled with strong domestic demand and large exports. Soybean utilization remains unchanged from our last estimate and projected carryout still stands at 100 million bushels.

Wheat Production Again Hurdles 2-Billion-Bushel Level

Production of all wheat is forecast at 2,040 million bushels, 4 percent less than last year's record high 2,134 million bushels but 14 percent above the 1974 crop. During the past decade, the final estimates have averaged about 50 million bushels above and below the July 1 forecast. The drop in production from 1975 is the result of lower yield prospects since acreage for harvest is up slightly. The indicated average yield for all wheat is 29.1 bushels per acre, down from the 30.6 bushels in 1975.

Winter wheat production is forecast at 1,530 million bushels, 7 percent below the 1975 record but 8 percent larger than June indications. Durum production is forecast at 129 million bushels and other spring is forecast at 381 million bushels.

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* NOTE TO USERS *

* Early season projections for 1976/77 are highly tentative. There are no reliable *
* techniques of anticipating what combinations of weather and/or disease might pre- *
*vail as the growing season unfolds. For instance, poor growing conditions, like *
* those in 1974, or widespread disease, like the 1970 corn blight, could result 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. *

* 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 *
* around the projected values, based largely on relationships in the past decade. *

Even with a somewhat larger 1976/77 wheat supply than earlier expected, the range of demand estimates remains unchanged. Improved weather conditions in the USSR and Canada appear likely to offset adverse conditions in Western Europe and Australia indicating that 1976/77 will be the third consecutive year of stock buildup.

Record Supply of Rice in Prospect

The 1976 production estimate has been increased modestly to reflect the larger acreage reported as of June 1. Although the projected yield has been lowered slightly, total supply is projected at a record 145 million cwt.

Domestic utilization for the 1976/77 marketing year has been increased modestly, with export projections unchanged. These projections point to another large carryover at the end of the 1976/77 marketing year.

Record Corn Crop in Prospect; Oats and Barley Down Sharply

Corn production in 1976 is now forecast at 6.55 billion bushels, 14 percent above the record large 1975 crop. During the past decade, the final estimates have averaged nearly 300 million bushels above and below the July 1 forecast. Oat production is forecast at 499 million bushels, down almost a fourth from 1975 to the smallest crop since 1881. Four of the five major oat producing States were hard hit by dry planting and early growing season weather. Barley was also hit by the same dry conditions and is forecast at 311 million bushels, nearly a fifth below 1975. The first forecast of sorghum production will be released on August 12.

Domestic corn feeding in 1976/77, projected to be up 7 to 18 percent from 1975/76 remains unchanged from the June 23 report. The export estimate for 1975/76, has been increased to 1.7 billion bushels and the projection for 1976/77 has been raised 100 million bushels to 1.3-1.6 billion. Much of the export estimate rise is because of prospects for increased shipments to Western Europe which is suffering from its worst drought in years.

Soybean Exports to Rise

No changes were made in total utilization of soybeans for the 1976/77 marketing year and the projected carryout for September 1, 1977, remains at 100 million bushels. While total use remains the same, we have increased exports by 15 million, to 550 million bushels, reflecting recent USSR purchases. Crush has been reduced correspondingly by 15 million, to 820 million bushels.

Recent Soviet purchases of soybeans from major exporters under optional origin contracts could result in U.S. exports of as much as 55 million bushels. Earlier export estimates included some soybeans for the USSR.

Due to the higher prices, we project some further reduction in domestic and foreign demand for soybean meal.

The higher soybean prices should further accelerate the Brazilian production of beans during the planting season which begins late this year.

Rising Cotton Prices Dampen Domestic Use Prospects

As a result of recent sharp advances in cotton prices, estimates of U. S. mill use for both 1975/76 (which ends July 31) and 1976/77 have been trimmed. Spot market cotton prices now are more than 50 percent above manmade fiber staple, which is encouraging greater use of manmade fiber in textile mills. Consequently, we have lowered our expectations for next season's cotton mill use to 6 to 7 million bales, compared with 7.2 million in 1975/76.

Rising cotton prices reflect strong foreign demand for U. S. cotton, currently tight supplies due to this summer's relatively low carryover, and uncertain 1976 crop prospects. Continuing recovery in textile activity overseas is expected to boost 1976/77 U. S. exports to 4 to 5 million bales, moderately above our earlier estimate and up from nearly 3-1/2 million expected to be shipped this season. As in the case of U. S. mill consumption, the exact level of exports largely will be dictated by 1976 domestic production.

Based on the 23-percent larger acreage planted to the 1976 U. S. cotton crop, production likely will total sharply above last year's depressed 8.3 million bales. Planted acreage is estimated at 11.7 million acres, including 10.3 million planted as of June 1 and planting intentions of 1.4 million acres during June. However, some of this intended acreage on the Texas High Plains was not planted because of drought. And with the Delta crop off to a slow start because of cool, wet weather, the current tight supply-demand balance is expected to continue in 1976/77.

7/13/76

WHEAT

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: Projected		
WHEAT						
Area	Million acres			Million hectares		
Set aside	--	--	--	--	--	--
Planted	71.4	75.1	80.2	28.9	30.4	32.5
Harvested	65.6	69.7	70.2	26.5	28.2	28.4
Yield per harvested unit	Bushels per acre			Metric tons per hectare		
	27.4	30.6	29.1	1.8	2.1	2.0
	Million bushels			Million metric tons		
Beginning stocks	339	430	665	9.2	11.7	18.1
Production	1,796	2,134	2,040*	48.9	58.1	55.5*
Imports	3	2	2	0.2	0.1	0.1
Supply total	2,138	2,566	2,707	58.2	69.8	73.7
Domestic	690	726	735+35	18.8	19.8	20.0 +1.0
Exports	1,018	1,175	1,050+100	27.7	32.0	28.6 +2.7
Disappearance, total	1,708	1,901	1,785+90	46.5	51.7	48.6 +2.4
Ending stocks	430	665	922+125	11.7	18.1	25.1 +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	2.45	1.05	1.14	0.99
Harvested	2.54	2.80	2.43	1.04	1.13	0.98
Yield per harvested unit	Pounds per acre			Metric tons per hectare		
	4,432	4,555	4,600 +100	4.97	5.11	5.16 +
	Million cwt.			Million metric tons		
Beginning stocks	7.8	7.1	33.1	0.35	0.32	1.50
Production	112.4	127.6	111.9 +3.0	5.10	5.79	5.08 +0.1
Imports	--	--	--	--	--	--
Supply, total	120.2	134.7	145.0 +3.0	5.45	6.11	6.58 +0.1
Domestic	41.0	42.9	44.6 +1.0	1.86	1.95	2.02 +0.0
Exports	69.5	58.7	56.6 +5.0	3.15	2.66	2.57 +0.2
Disappearance, total	110.5	101.6	101.2 +5.0	5.01	4.61	4.59 +0.2
Ending stocks	7.1	33.1	43.8 +7.0	0.32	1.50	1.99 +0.3
Difference unaccounted:	2.7	--	--	0.12	--	--

1/ New marketing year beginning June 1, formerly July 1.

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)

*Changes between July 1 forecast and final estimate have averaged 51 million bushels during the past decade - ranging from 3 million to 129 million bushels. In 6 of the 10 years, the July 1 forecast was above the final estimate by an average of 59 million and 4 times it was below by an average of 39 million bushels.

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:						
	Million acres			Million hectares		
Set aside	--	--	--	--	--	--
Planted	122.4	123.1	129.3	49.5	49.8	52.3
Harvested	100.6	104.8	108.7	40.7	42.4	44.0
Yield per harvested unit	Tons per acre			Metric tons per hectare		
	1.64	1.93	2.03	3.69	4.33	4.55
	Million short tons			Million metric tons		
Beginning stocks	23.7	16.8	16.1	21.5	15.3	14.7
Production	165.3	202.4	220.9	150.0	183.6	200.4
Imports	0.5	0.5	0.3	0.5	0.5	0.3
Supply, total	189.5	219.7	237.3	172.0	199.4	215.4
Feed	115.6	130.1	142.5	+7 : 104.9	118.0	129.3 +6.4
Food, seed and industrial uses	17.7	18.1	18.8	16.1	16.4	17.1
Domestic, total	133.3	148.2	161.3	+7 : 121.0	134.4	146.4 +6.4
Exports	39.4	55.4	47.0	+5 : 35.7	50.3	42.6 +4.5
Use, total	172.7	203.6	208.3	+10: 156.7	184.7	189.0 +9.1
Ending stocks	16.8	16.1	29.0	+10: 15.3	14.7	26.4 +9.1
CORN:						
Area	Million acres			Million hectares		
Set aside	--	--	--	--	--	--
Planted	77.8	77.9	84.1	31.5	31.5	34.0
Harvested	65.4	66.9	72.4	26.5	27.1	29.3
Yield per harvested unit	Bushels per acre			Metric tons per hectare		
	71.4	86.2	90.5	4.47	5.41	5.68
	Million bushels			Million metric tons		
Beginning stocks	483	359	313	12.3	9.2	8.1
Production	4,664	5,767	6,553*	118.5	146.5	166.4*
Imports	2	2	1	0.1	0.1	4/
Supply, total	5,149	6,128	6,867	130.9	155.8	174.5
Feed	3,191	3,650	4,115	+200: 81.1	92.7	104.5 +5.1
Food, seed and industrial uses	450	465	485	11.4	11.8	12.3
Domestic, total	3,641	4,115	4,600	+200: 92.5	104.5	116.8 +5.1
Exports	1,149	1,700	1,450	+150: 29.2	43.2	36.8 +3.8
Use, total	4,790	5,815	6,050	+300: 121.7	147.7	153.6 +7.6
Ending stocks	359	313	817	+300: 9.2	8.1	20.9 +7.6

1/ Marketing year beginning October 1 for corn and sorghum, new June 1 year for barley and oats. (Formerly July 1). 2/ Conversions between measures may not convert or add due to rounding. 3/ Conversion factors: Hectare = 2.471 acres; Metric ton = 2204.6 pounds (feed grains); 39.368 bushels (corn). 4/ Less than 0.1.

* For corn, changes between the July 1 forecast and final estimate have averaged 292 million bushels and ranged from 2 million to 668 million bushels during 1966-70 and 1975; no July forecasts were made during 1971-74. In 4 of the 6 years, the forecast was above the final estimate by an average of 250 million bushels and 2 times it was below by 376 million bushels.

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	49.0	21.7	22.1	19.8
Harvested	52.4	53.6	48.2	21.2	21.7	19.5
Yield per harvested unit	Bushels per acre			Metric tons per hectare		
	23.2	28.4	28.0 +1.5	1.56	1.91	1.88 +
Beginning stocks	Million bushels			Million metric tons		
	171	185	200	4.7	5.0	5.4
Production	1,215	1,521	1,350 +70	33.1	41.4	36.7 +1.
Supply, total	1,386	1,706	1,550 +70	37.8	46.4	42.2 +1.
Crushings	701	865	820 +30	19.1	23.5	22.3 +
Exports	421	565	550 +30	11.5	15.4	15.0 +
Seed, feed, and residual	79	76	80	2.2	2.1	2.2
Disappearance, total	1,201	1,506	1,450 +60	32.8	41.0	39.5 +1.
Ending stocks	185	200	100 +30	5.0	5.4	2.7 +
SOYBEAN OIL:						
	Million pounds			Thousand metric tons		
Beginning stocks	794	561	1,355	360	254	615
Production	7,376	9,494 4/	8,775 +375	3,346	4,306 4/	3,980 +170
Supply, total	8,170	10,055	10,130 +375	3,706	4,561	4,595 +170
Domestic	6,581	7,800	7,650 +200	2,985	3,538	3,470 +
Exports	1,028	900	1,000 +200	466	408	454 +
Disappearance, total	7,609	8,700	8,650 +400	3,451	3,946	3,924 +18
Ending stocks	561	1,355	1,480 +400	254	615	671 +18
SOYBEAN MEAL:						
	Thousand short tons			Thousand metric tons		
Beginning stocks	507	358	560	460	325	508
Production	16,702	20,602 4/	19,475 +1000	15,152	18,690 4/	17,667 +90
Supply, total	17,209	20,960	20,035 +1000	15,612	19,015	18,175 +90
Domestic	12,552	15,400	14,875 + 700	11,387	13,971	13,494 +63
Exports	4,299	5,000	4,750 + 300	3,900	4,536	4,309 +27
Disappearance, total	16,851	20,400	19,625 +1000	15,287	18,507	17,803 +90
Ending stocks	358	560	410 + 200	325	508	372 +18

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.

4/ Based on Oct.-Sept. year crush of 875 million bushels.

Prepared by the Interagency Commodity Estimates Committee for Soybeans, Cottonseed, and Oils: Glenn H. Pogeler, Chairman, ASCS; George W. Kromer, ERS; 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	
COTTON:						
Area	Million acres			Million hectares		
Set aside	0	0	0	0	0	0
Planted	13.7	9.5	11.7	5.5	3.8	4.7
Harvested	12.6	8.8	3/	5.1	3.6	3/
Yield per harvested unit	Pounds per acre			Metric tons per hectare		
	441	453	3/	0.5	0.5	3/
	Million 480-lb. bales			Million metric tons		
Beginning stocks	4/ 3.8	4/ 5.7	3.6	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	7.2	6.5 +0.5	1.3	1.6	1.4 +0.
Exports	3.9	3.4	4.5 +0.5	0.9	0.7	1.0 +0.
Disappearance, total	9.8	10.6	11.0 +0.5	2.1	2.3	2.4 +0.
Difference unaccounted 6/	0.1	0.1	--	7/	7/	--
Ending stocks	4/ 5.7	3.6	--	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.

JSDA 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.