AGRICULTURAL SUPPLY & DEMAND ESTIMATES

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

HIGHLIGHTS #44 August 13, 1976

The downward revision in corn prospects indicated in yesterday's crop report implies some curbing of the growth in domestic feed use in the coming year; however, with the wheat crop a near-record, additional wheat feeding may take up some of the slack.

First estimates of the cotton and soybean crops indicate 1976/77 supplies will remain tight for both commodities. Even though production is up more than a fourth from last year, cotton faces very strong demand, particularly from overseas buyers. Soybean output is down over a tenth, and total use is expected to top production.

Reduced Corn Prospects May Curb Growth in U.S. Feed Demand; Export Prospects Continue To Advance

August 1 indications point to a smaller corn crop and larger barley and oat crops than expected a month earlier. The first forecast of the year for sorghum, at 789 million bushels, was 4 percent above the 1975 crop.

Corn production is estimated at 6.2 billion bushels, 7 percent above the 1975 crop but 6 percent less than estimated on July 1. Total feed grain production is forecast at 193 million metric tons, 5 percent above last year but 4 percent less than July.

NOTE TO USERS

Forecasts for 1976/77 are still very tentative. Growing and harvest conditions over the next few months will be crucial in determining the production and utilization of this year's crops. For example, during the past decade, changes in production forecasts for corn between August 1 and the final estimate have averaged 274 million bushels ranging from 14 to 625 million bushels. During this 10-year period, the August 1 forecast was above the final estimate 5 times by an average of 209 million bushels and below 5 times by an average of 339 million bushels. Similar ranges are shown in the table footnotes for other commodities. 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.

Totals on the tables in this report may not add and conversions between measures may not be exact due to rounding.

Indicated 1976/77 domestic use of feed grains has been lowered 4 percent from the July estimate because of the reduction in the crop forecast and its implication for slower growth in livestock feeding. But the reduction has been partly offset by prospects for increases in wheat feeding.

Estimated corn exports for 1976/77 have been raised 50 million bushels and are now expected to range from 1.4 to 1.7 billion bushels because of the likelihood of more sales to Eastern Europe. If these estimates stay on course, carryover of feed grains at the end of 1976/77 will still recover moderately from the small beginning stocks.

1976 Wheat Crop Second Highest; More Wheat Feeding

Production of all wheat is forecast at 2,096 million bushels, 2 percent less than last year's record crop of 2,134 million bushels but 3 percent above last month's forecast. Most of the 55-million-bushel increase from July's forecast resulted from better prospects for the spring wheat crop in the Northern Plains.

With a current favorable wheat-corn price relationship and increased wheat feeding reported in feed deficit areas, our feed estimate for the 1976/77 marketing year was increased 75 million bushels. Export projections remained unchanged. Projected carryover as of June 1, 1977, is around 900 million bushels, down slightl from a month earlier.

Record Rice Supply Indicated

The 1976/77 rice supply is now set at nearly 148 million cwt., as carryin stocks turned out to be higher than anticipated. Both domestic use and exports during 1975/76 trailed expectations somewhat. The reduced exports were principally due to P.L. 480 tonnages that were not shipped out prior to July 31 but carried forward into the 1976/77 marketing year. As a result, total use in 1976/77 is now expected to range from 100 to 110 million cwt., slightly more than our earlier estimate.

1976/77 Soybean Supplies Slated To Be Down A Tenth

The 1976/77 soybean supply totals an estimated 1,544 million bushels, a tenth less than last year. As of August 1, the 1976 soybean crop was forecast at 1,344 million bushels, about 177 million below last year's crop. The prospective decline is due mainly to an 8-percent cut in acreage but yields are also down 4 percent from 1975.

Our 1976/77 soybean crush and export projections have been reduced slightly due to a prospective slowdown in feed use and record large soybean oil stocks. Even so, the carryover of soybeans in the fall of 1977 may be down to no more than 1 month's total requirement. Soybean oil exports have been increased about a tenth with the more optimistic outlook for P.L. 480 shipments. Meal usage estimates, both domestic and export, have been cut by 575,000 short tons from the previous forecast; prospects are for less favorable feed profitability ratios as well as an increase in the meal/grain price ratio.

Cotton Supply Remains Tight Despite Larger 1976 Crop

The 1976/77 U.S. cotton supply is expected to slightly exceed last season's 52-year low of 14.1 million bales as sharply larger production (estimated at 10.7 million bales as of August 1) is about offsetting smaller beginning stocks. And with strong demand for U.S. cotton anticipated this season, particularly by foreign mills, combined domestic use and exports are expected to total 11 to 11-1/2 million bales, around 5 percent above the 1976 crop. Accordingly, it appears the carryover will be about 3 to 3-1/2 million bales at the end of the season, compared with about 3.6 million this August.

Demand for cotton by U.S. textile mills remains relatively strong. Monthly use is now running at an annual rate of slightly over 7 million bales. However, limited cotton supplies and high prices are expected to encourage mills to switch to more manmade fibers later in the season. Higher cotton prices may hold U.S. mill use to 6-1/2 to 7 million bales during 1976/77, moderately below last season's 7-1/4 million. In marked contrast, with continuing recovery in demand abroad, U.S. cotton exports are expected to increase to 4-1/4 to 4-3/4 million bales. With surplus foreign stocks worked off, our cotton is competitively priced in world markets.

COTTON: UPLAND AND EXTRA LONG STAPLE

Commodity	Marketing year 1/					
	Domestic Measure			Metric Measure 2/		
	1974/75	1975/76 Preliminary	1976/77 Projected	1974/75	1975/76 Preliminary	1976/77 Projected
Area	Million acres			Million hectares		
Planted	13.7	9.5	11.8	5.5	3.8	4.8
Harvested	12.6	8.8	11.0	5.1	3.6	4.5
Yield per harvested unit	Pounds per acre			Metric tons per hectare		
	441	453	466	0.5	0.5	0.5
	Million 480-lb. bales			Million metric tons		
ning stocks	3/ 3.8	3/ 5.7	3.6	0.8	1.2	0.8
.ction	11.5	8.3	4/10.7	2.5	1.8	2.3
Supply, total 5/	15.4	14.1	14.4	3.3	3.1	3.1
Mill use	5.9	7.2	6.8 +0.3	1.3	1.6	1.5 +0.
Exports	3.9	3.4	4.5 +0.3	0.9	0.7	1.0 +0.
Disappearance, total	9.8	10.6	11.3 +0.3	2.1	2.3	2.5 +0.
Difference unaccounted 6/	0.1	0.1	0.2	7/	7/	7/
Ending stocks	3/ 5.7	3.6	3.3 +0.3	1.2	0.8	0.7 +0.

1/ Marketing year beginning August 1.
2/ Conversion factor: Hectare = 2.471 acres. Metric ton = 2204.6 pounds or 4.59 480-pound bales.
3/ Based on Bureau of Census data.
4/ Differences between the August 1 forecast and final ginnings in the past 10 years have averaged 0.8 million bales, ranging from 58,000 bales in 1968 to 1.8 million bales in 1969. Compared with final ginnings, the August 1 forecast has been high 8 years out of 10 with an average difference of 960,000 bales and low 2 years with an average difference of 298,000 bales.
5/ Includes imports.
6/ Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. Estimated for 1975/76 and 1976/77.
7/ Less than 0.05 million metric tons.

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

FEED GRAINS AND CORN

Commodity	Marketing year 1/ — Domestic Measure: 1974/75	1975/76 Preliminary	1976/77 Projected		Metric Measure 2/: 1974/75	1975/76 Preliminary	1976/77 Projected	
FEED GRAINS:								
Area		Million acres				Million hectares		
Planted	122.4	123.1	129.3		49.5	49.8	52.3	
Harvested	100.6	104.8	108.1		40.7	42.4	43.7	
Yield per harvested		Tons per acre				Metric tons per hectare		
unit	1.64	1.93	1.96		3.69	4.33	4.41	
		Million short tons				Million metric tons		
Beginning stocks	23.7	16.8	16.8		21.5	15.3	15.4	
Production	165.3	202.4	3/212.3		150.0	183.6	3/192.6	
Imports	0.6	0.5	0.3		0.5	0.5	0.3	
Supply, total	189.6	219.7	229.4		172.0	199.4	208.3	
Feed	115.7	130.1	137.5	±7	104.9	118.0	125.0	±6
Food, seed and industrial uses	17.7	18.1	18.8		16.1	16.4	17.0	
Domestic, total	133.4	148.2	156.3	±7	121.0	134.4	142.0	±6
Exports	39.4	54.7	49.8	±5	35.7	49.6	45.2	±4
Use, total	172.8	202.9	206.1	±10	156.7	184.0	187.2	±9
Ending stocks	16.8	16.8	23.3	±10	15.3	15.4	21.1	±9
CORN:								
Area		Million acres				Million hectares		
Planted	77.8	77.9	84.1		31.5	31.5	34.0	
Harvested	65.4	66.9	72.2		26.5	27.1	29.2	
Yield per harvested		Bushels per acre				Metric tons per hectare		
unit	71.4	86.2	85.7		4.47	5.41	5.38	
		Million bushels				Million metric tons		
Beginning stocks	483	359	313		12.3	9.2	8.1	
Production	4,664	5,767	3/6,187		118.5	146.5	3/157.1	
Imports	2	2	1		0.1	0.1	4/	
Supply, total	5,149	6,128	6,501		130.9	155.8	165.2	
Feed	3,191	3,650	3,900	±200	81.1	92.7	99.1	±5
Food, seed and industrial uses	450	465	485		11.4	11.8	12.3	
Domestic, total	3,641	4,115	4,385	±200	92.5	104.5	111.4	±5
Exports	1,149	1,700	1,550	±150	29.2	43.2	39.4	±3
Use, total	4,790	5,815	5,935	±300	121.7	147.7	150.8	±7
Ending stocks	359	313	566	±300	9.2	8.1	14.4	±7

1/ Marketing year beginning October 1 for corn and sorghum; new June 1 year for barley and oats, formerly July 1.

2/ Conversion factors: Hectare = 2.471 acres; Metric ton = 2204.6 pounds (feed grains); 39.368 bushels (corn).

3/ For corn, changes between the August 1 forecast and final estimate have averaged 274 million bushels during the past 10 years and ranged from 14 million to 625 million bushels. In 5 of the 10 years, the forecast was above the final estimate by an average of 209 million bushels and 5 times it was below by 339 million.

4/ Less than 0.1.

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

8/13/76

WHEAT AND RICE

Commodity	Marketing year 1/ Domestic Measure 1974/75	1975/76 Preliminary	1976/77 Projected		Metric Measure 2/ 1974/75	1975/76 Preliminary	1976/77 Projected	
WHEAT								
Area	Million acres				Million hectares			
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	Bushels per acre				Metric tons per hectare			
unit	27.4	30.6	29.8		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	3/2,096		48.9	58.1	3/57.0	
Imports	3	2	2		0.2	.1	.1	
Supply total	2,138	2,566	2,763		58.2	69.8	75.2	
Domestic	690	726	810	+ 35	18.8	19.8	22.0	+1.0
Exports	1,018	1,175	1,050	±100	27.7	32.0	28.6	±2.7
Disappearance, total	1,708	1,901	1,860	± 90	46.5	51.7	50.6	±2.4
Ending stocks	430	665	903	±125	11.7	18.1	24.6	±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	Pounds per acre				Metric tons per hectare			
unit	4,432	4,555	4,528		4.97	5.11	5.08	
	Million cwt.				Million metric tons			
Beginning stocks	7.8	7.1	37.7		0.35	0.32	1.71	
Production	112.4	127.6	110.2		5.10	5.79	5.00	
Imports	--	--	--		--	-	--	
Supply, total	120.2	134.7	147.9		5.45	6.11	6.71	
Domestic	41.0	42.4	44.8	+1.0	1.86	1.92	2.03	+0.0
Exports	69.5	54.6	61.5	±5.0	3.16	2.48	2.79	±0.2
Disappearance, total	110.5	97.0	106.3	±5.0	5.01	4.40	4.82	±0.2
Ending stocks	7.1	37.7	41.6	±7.0	0.32	1.71	1.89	±0.3
Difference unaccounted	+2.7	--	--		0.12	-	--	

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

2/ Conversion factor: Hectare = 2.471 acres
Metric ton = 2204.6 pounds or 36.7437 bushels (wheat), 22.046 cwt. (rice)

3/ Changes between August 1 forecast and final estimate have averaged 17 million bushels during the past decade--ranging from 2 million to 49 million bushels. In 7 of the 10 years, the August 1 forecast was above the final estimate by an average of 19 million and 3 times it was below by an average of 13 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.

SOYBEANS AND PRODUCTS

Commodity	Marketing year 1/							
	Domestic Measure				Metric Measure 2/			
	1974/75	1975/76 Preliminary	1976/77 Forecast		1974/75	1975/76 Preliminary	1976/77 Forecast	
SOYBEANS:								
Area	Million acres				Million hectares			
Planted	53.5	54.6	50.3		21.7	22.1	20.4	
Harvested	52.4	53.6	49.4		21.2	21.7	20.0	
Yield per harvested	Bushels per acre				Metric tons per hectare			
unit	23.2	28.4	27.2		1.56	1.91	1.83	
	Million bushels				Million metric tons			
Beginning stocks	171	185	200		4.7	5.0	5.4	
Production	1,215	1,521	3/1,344		33.1	41.4	36.6	
Supply, total	1,386	1,706	1,544		37.8	46.4	42.0	
Crushings	701	865	800	±30	19.1	23.5	21.8	±
Exports	421	565	540	±30	11.5	15.4	14.7	±
Seed, feed, and residual	79	76	84		2.2	2.1	2.3	
Disappearance, total	1,201	1,506	1,424	±60	32.8	41.0	38.8	±1
Ending stocks	185	200	120	±50	5.0	5.4	3.3	±1
SOYBEAN OIL:	Million pounds				Thousand metric tons			
Beginning stocks	794	561	1,400		360	254	635	
Production	7,376	4/9,539	8,560	±325	3,346	4/4,327	3,883	±1
Supply, total	8,170	10,100	9,960	±325	3,706	4,581	4,518	±1
Domestic	6,581	7,800	7,650	±200	2,985	3,538	3,470	±
Exports	1,028	900	1,100	±200	466	408	499	±
Disappearance, total	7,609	8,700	8,750	±400	3,451	3,946	3,969	±1
Ending stocks	561	1,400	1,210	±400	254	635	549	±1
SOYBEAN MEAL:	Thousand short tons				Thousand metric tons			
Beginning stocks	507	358	410		460	325	372	
Production	16,702	4/20,652	19,000	±750	15,152	4/18,735	17,237	±6
Supply, total	17,209	21,010	19,410	±750	15,612	19,060	17,608	±6
Domestic	12,552	15,500	14,400	±700	11,387	14,061	13,063	±6
Exports	4,299	5,100	4,650	±300	3,900	4,627	4,218	±2
Disappearance, total	16,851	20,600	19,050	±1000	15,287	18,688	17,282	±9
Ending stocks	358	410	360	± 150	325	372	327	±1

1/ Marketing year beginning September 1 for soybeans, October 1 for soybean oil and meal.
2/ Conversion factor: Hectare = 2.471 acres
Metric ton = 2204.6 pounds or 36.7437 bushels.
3/ Changes between the August 1 forecast and the final estimate averaged 45 million bushe during the past 10 years, ranging from 1 million to 99 million bushels. During 3 of t 10 years the August 1 forecast was above the final estimate by an average of 60 millio bushels and below 7 times by an average of 38 million 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.