

AGRICULTURAL SUPPLY & DEMAND ESTIMATES



Approved by the World Food and Agricultural Outlook and Situation Board • USDA

#71

June 23, 1978

HIGHLIGHTS

June 1 stocks of grains and soybeans were well above year-ago levels and generally in line with expectations. Despite near-record disappearance, wheat stocks were the largest since 1963. Continued strong demand abroad has pushed export prospects for soybeans and products above earlier estimates.

SOYBEAN CARRYOVER ESTIMATE REDUCED

Carryover stocks of soybeans next September 1 are now estimated at about 130 million bushels--40 million below our last estimate but still somewhat above last year's 103 million. This is about the volume of soybeans likely to be needed in September to meet market requirements--most new crop soybeans are not available until October.

Export demand for soybeans and products continues greater than earlier anticipated. We have boosted estimated soybean exports for the 1977/78 season to 680 million bushels--an increase of 30 million from our previous estimate and well above 1976/77. Soybean oil and meal exports have also been boosted--resulting in a 10-million-bushel increase in the U.S. soybean crush from earlier estimates.

Soybean stocks in all positions on June 1 totaled 500 million bushels, compared with last year's relatively low 336 million.

WHEAT STOCKS LARGE; DISAPPEARANCE APPROACHES RECORD

Wheat stocks on June 1 totaled 1,174 million bushels, the largest on this date since 1963 and 6 percent more than a year ago. Preliminary estimates for the 1977/78 marketing year indicate a wheat disappearance almost equaling the record 1,970 million bushels of 1973/74. Estimated 1977/78 wheat food use appears to

NOTE TO USERS

Estimates of acreage planted to major 1978 crops will be reported on June 30. On July 12, following the July Crop Report, a comprehensive appraisal of supply and demand and price prospects for 1978/79 will be reported for grains, soybeans, and cotton.

have been a record-large 560 million bushels. Exports were extremely heavy during the last part of the marketing year, resulting in a total 1977/78 export estimate of 1,130 million bushels.

FEED GRAIN CARRYOVER ESTIMATES UNCHANGED

June 1 feed grain stocks totaled 87.4 million metric tons, a fourth more than a year ago and the largest since 1973. Feed grain disappearance during October-May totaled 137 million tons, 2 percent above last year's and close to our expectations.

April-May feed use of corn totaled 5 percent more than last year; oat feeding was up a fourth; barley feeding was about unchanged; while sorghum feeding was off about a tenth. More cattle on feed and more poultry production, coupled with higher wheat prices, should encourage increased feed grain use this summer.

U.S. feed grain exports are moving out at a heavy pace and our export forecast for the season remains unchanged at 51.6 million tons. Consequently, the estimated 44 million tons to be carried over this fall from 1977 crops--up almost a half from a year ago--remains unchanged.

1978 SEASON CROP DEVELOPMENTS

Wet conditions in the major field crop areas developed last fall and persisted through the 1978 planting season, delaying corn and soybean plantings. Current moisture patterns indicate ample moisture for good crop growth, even if rainfall were below normal for the next several weeks. As always, weather conditions during late July and August will be critical.

Some problems have developed in the winter wheat areas of the Southern Plains where heavy moisture is slowing down the already late harvest season.

The Agricultural Supply and Demand Estimates Tables were prepared by the Interagency Commodity Estimates Committee for:

WHEAT: Frank Gomme, Acting Chairman, OGSM; Randall Weber, ASCS; James J. Naive, ESCS; Donald J. Novotny, FAS.

FEED GRAINS: Frank Gomme, Acting Chairman, OGSM; Orville I. Overboe, ASCS; James J. Naive, ESCS; Donald J. Novotny, FAS.

SOYBEANS, COTTONSEED AND OILS: James R. Donald, Acting Chairman, WFAOSB; Harry Sullivan, ASCS; George W. Kromer, ESCS; Alan E. Holz, FAS; Clarence Goldsborough, OGSM.

SOYBEANS AND PRODUCTS 1/

Commodity	: 1976/77	: 1977/78	: 1976/77	: 1977/78
	:	: Estimated	:	: Estimated

SOYBEANS:	:	DOMESTIC	:	METRIC 2/
Area	:	Million acres	:	Million hectares
Planted	:	50.2	59.1	20.5 23.9
Harvested	:	49.4	57.9	20.0 23.4
Yield per harv. unit	:	Bushels/acre	:	Metric tons/hectare
	:	26.1	29.6	1.76 1.99
	:	Million bushels	:	Million metric tons
Beginning stocks	:	245	103	6.7 2.8
Production	:	1,288	1,716	35.1 46.7
Supply, total	:	1,533	1,819	41.7 49.5
Crushings	:	790	935	21.5 25.4
Exports	:	564	680	15.3 18.5
Seed, feed, & residual	:	76	74	2.1 2.0
Use, total	:	1,430	1,689	38.9 45.9
Ending stocks	:	103	130	2.8 3.6
Avg. farm price	:	6.81	6.00	250 220
SOYBEAN OIL:	:	Million pounds	:	Thousand metric tons
Beginning stocks	:	1,251	767	567 348
Production	:	8,578	10,333 3/	3,891 4,687 3/
Supply, total	:	9,829	11,100	4,458 5,035
Domestic	:	7,515	8,250	3,409 3,742
Exports	:	1,547	2,100	702 953
Use, total	:	9,062	10,350	4,111 4,695
Ending stocks	:	767	750	348 340
Avg. price 4/	:	24	25	529 551
SOYBEAN MEAL:	:	Thousand short tons	:	Thousand metric tons
Beginning stocks	:	355	228	322 207
Production	:	18,488	22,540 5/	16,172 20,448 5/
Supply, total	:	18,843	22,768	17,094 20,655
Domestic	:	14,056	16,500	12,751 14,969
Exports	:	4,559	6,000	4,136 5,443
Use, total	:	18,615	22,500	16,887 20,412
Ending stocks	:	228	268	207 243
Avg. price 5/	:	199.80	167.00	220 184

 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/ Based on Oct.-Sept. year crush of 955 million bushels; 26.0 million metric tons. 4/ Simple season average of crude soybean oil, Decatur, cents per pound & dollars per metric ton.
 5/ Simple season average of 44% protein, Decatur, dollars per short ton & dollars per metric ton.

WHEAT 1/

```

*****
Commodity      : 1976/77 : 1977/78 : 1976/77 : 1977/78
                :           : Estimated :           : Estimated
*****
                :           : DOMESTIC           : METRIC 2/
WHEAT:
Area           :           : Million acres      : Million hectares
  Planted      : 80.2      : 74.8               : 32.5           : 30.3
  Harvested    : 70.8      : 66.2               : 28.7           : 26.8
Yield per harv. :           : Bushels/acre      : Metric tons/hectare
  unit        : 30.3      : 30.6               : 2.06           : 2.06
                :           : Million bushels    : Million metric tons
Beginning stocks : 665       : 1,112              : 18.1           : 30.3
Production      : 2,142     : 2,026              : 58.3           : 55.1
Imports         : 3         : 2                  : 0.1            : 0.1
  Supply, total : 2,810     : 3,140              : 16.5           : 85.5
Domestic
Food           : 553       : 560                : 15.1           : 15.2
Seed          : 88        : 80                 : 2.4            : 2.2
Feed         : 107       : 196                : 2.9            : 5.4
  Domestic, total : 748       : 836                : 20.4           : 22.8
Exports       : 950       : 1,130              : 25.8           : 30.7
  Use, total    : 1,698     : 1,966              : 46.2           : 53.5
Ending stocks  : 1,112     : 1,174              : 30.3           : 32.0
Avg. farm price 3/: 2.73       : 2.31               : 100            : 85
*****

```

1/ Marketing year beginning June 1 for wheat. 2/ Conversion factor: Hectare = 2.471 acres; metric ton = 2204.6 pounds or 36.7437 bushels (wheat). 3/ Season average farm price for wheat, dollars per bushel and dollars per metric ton.

FEED GRAINS AND CORN 1/

Commodity	: 1976/77	: 1977/78	: 1976/77	: 1977/78
	:	: Estimated	:	: Estimated

	:	DOMESTIC		METRIC 2/
FEED GRAINS:	:			
Area	:	Million acres		Million hectares
Planted	:	128.7	128.1	52.1 51.8
Harvested	:	106.3	107.0	43.0 43.3
Yield per harv. unit	:	Short tons/acre		Metric tons/hectare
	:	2.01	2.07	4.50 4.65
	:	Million short tons		Million metric tons
Beginning stocks	:	19.0	33.0	17.2 29.9
Production	:	213.2	222.0	193.4 201.5
Imports	:	0.4	0.3	0.4 0.3
Supply, total	:	232.6	255.3	211.0 231.7
Feed	:	124.1	129.5	112.6 117.5
Food, seed, & industrial	:	19.7	20.4	17.9 18.5
Domestic, total	:	143.8	149.9	130.5 136.0
Exports	:	55.8	56.9	50.6 51.6
Use, total	:	199.6	206.8	181.1 187.6
Ending stocks	:	33.0	48.5	29.9 44.1
	:			
CORN:	:			
Area	:	Million acres		Million hectares
Planted	:	84.4	82.7	34.2 33.5
Harvested	:	71.3	70.0	28.9 28.3
Yield per harv. unit	:	Bushels/acre		Metric tons/hectare
	:	87.9	90.8	5.51 5.71
	:	Million bushels		Million metric tons
Beginning stocks	:	399	884	10.1 22.5
Production	:	6,266	6,357	159.2 161.5
Imports	:	3	1	0.1 4/
Supply, total	:	6,668	7,242	169.4 184.0
Feed	:	3,587	3,750	91.1 95.2
Food, seed, & industrial	:	513	535	13.0 13.6
Domestic, total	:	4,100	4,285	104.1 108.8
Exports	:	1,684	1,750	42.8 44.5
Use, total	:	5,784	6,035	146.9 153.3
Ending stocks	:	884	1,207	22.5 30.7
Avg. farm price 3/:	:	2.15	2.05	85 81

1/ Marketing year beginning October 1 for corn and sorghum; June 1 for barley and oats. 2/ Conversion factors: Hectare = 2.471 acres; Metric ton = 2204.6 pounds (feed grains); 59.368 bushels (corn). 3/ Season average farm price, dollars per bushel and dollars per metric ton. 4/ Less than 500,000 bushels or 0.05 million metric tons.

SORGHUM, BARLEY, AND OATS 1/

Commodity	: 1976/77	: 1977/78	: 1976/77	: 1977/78
	: Estimated		: Estimated	

	DOMESTIC		METRIC 2/	
SORGHUM:				
Yield per harv. unit	: Bushels/acre		: Metric tons/hectare	
	: 48.9	56.2	: 5.10	5.52
	: Million bushels		: Million metric tons	
Beginning stocks	: 51	91	: 1.3	2.3
Production	: 720	791	: 18.3	20.1
Imports	:			
Supply, total	: 771	882	: 19.6	22.4
Feed	: 428	450	: 10.9	11.4
Food, seed & indus.	: 6	6	: 0.1	0.2
Domestic, total	: 434	456	: 11.0	11.6
Exports	: 246	225	: 6.3	5.7
Use, total	: 680	681	: 17.3	17.3
Ending stocks	: 91	201	: 2.3	5.1
Avg. farm price 3/	: 2.03	1.80	: 80	71
BARLEY:				
Yield per harv. unit	: Bushels/acre		: Metric tons/hectare	
	: 44.9	43.8	: 2.38	2.37
	: Million bushels		: Million metric tons	
Beginning stocks	: 128	126	: 2.8	2.7
Production	: 372	416	: 8.1	9.1
Imports	: 11	10	: 0.2	0.2
Supply, total	: 511	552	: 11.1	12.0
Feed	: 161	160	: 3.5	3.5
Food, seed & indus.	: 158	160	: 3.5	3.5
Domestic, total	: 319	320	: 7.0	7.0
Exports	: 66	60	: 1.4	1.3
Use, total	: 385	380	: 8.4	8.3
Ending stocks	: 126	172	: 2.7	3.7
Avg. farm price 3/	: 2.25	1.80	: 103	83
OATS:				
Yield per harv. unit	: Bushels/acre		: Metric tons/hectare	
	: 45.7	55.6	: 1.65	2.01
	: Million bushels		: Million metric tons	
Beginning stocks	: 205	165	: 3.0	2.4
Production	: 546	748	: 7.9	10.9
Imports	: 1	1	: 4/	4/
Supply, total	: 752	914	: 10.9	13.3
Feed	: 489	503	: 7.1	7.3
Food, seed & indus.	: 88	90	: 1.3	1.3
Domestic total	: 577	593	: 8.4	8.6
Exports	: 10	12	: 0.1	0.2
Use, total	: 587	605	: 8.5	8.8
Ending stocks	: 165	309	: 2.4	4.5
Avg. farm price 3/	: 1.56	1.15	: 107	79

1/ Marketing year beginning October 1 for sorghum, June 1 for barley and oats. 2/ Conversions: Hectare = 2.471 acres; metric ton = 39.368 bu. (sorghum); 45.930 (barley); and 68.894 (oats). 3/ Season average farm price, dollars per bushel & dollars per metric ton. 4/ Less than 500,000 bushels or 0.05 million MT.