

# AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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

#77

October 24, 1978

## HIGHLIGHTS

### Feed Grain Stocks Slightly Larger than Anticipated

Stocks of feed grains carried over from 1977 and earlier crops totaled 40 million metric tons, 10 million more than a year ago and slightly more than recent expectations. The October 1 corn carryover of 1,064 million bushels was a fifth more than last year. The sorghum carryover of 191 million bushels was a little more than double that of a year earlier. Total use of feed grains in 1978/79 remains virtually unchanged from estimates carried in our last report on October 12. The corn feeding estimate is slightly lower and sorghum and barley a bit higher than October 12.

Farmers' placement of feed grains into the reserve program continues heavy. Through October 20, over 13 million metric tons of feed grains had been entered into the farmer-owned reserve program, including 10 million tons (415 million bushels) of corn. The goal of 17-19 million tons of feed grain in the reserve program is likely to be achieved--perhaps by December 1978. The isolation of grain from the marketplace through the reserve and loan programs, strong export demand, and adequate grain storage capacity are supporting feed grain prices this fall.

### Indicated June-September Wheat Feeding Up

All wheat stocks on October 1 totaled 2,111 million bushels, down 12 percent from last year's record and somewhat below expectations.

The October 1 stock estimate implies that around 140 million bushels of wheat were fed during the June-September period, nearly the same as a year ago and much greater than would be expected in view of higher prices of wheat relative to feed grains. However, wheat feeding is derived as a residual, after deducting domestic food and seed use, exports and reported stocks from supplies. This procedure occasionally results in a negative feeding residual, which is expected to occur for the balance of 1978/79. Wheat feeding for all of 1978/79 is projected at 125 million bushels, 25 million bushels above the October 12 projection.

No other demand estimates were changed, though the projection of carry-over stocks next June 1 was lowered slightly to just over a billion bushels.



GRAIN CARRYOVER STOCKS, FARMER-OWNED CCC RESERVES, AND  
PRICES 1/

```

*****
Crop                               :           Preliminary Projected
                                : 1976/77  1977/78  1978/79
*****
:
WHEAT                             :
Ending stocks, total (MMT)       :   30.3    32.0    28.2
  Farmer-owned reserve           :     ---     9.3    11.0
  CCC reserve                     :     ---     1.3     1.4
Average farm price 2/            :    100     85   103-110
:
CORN                               :
Ending stocks, total (MMT)       :   22.5    27.0    37.3
  Farmer-owned reserve           :     ---     8.0    11.9
  CCC reserve                     :     ---     .3     2.9
Average farm price 2/            :     85     80   77-85
:
TOTAL FEED GRAINS                 :
Ending stocks, total (MMT)       :   29.9    40.0    50.7
  Farmer-owned reserve           :     ---    10.5    15.3
  CCC reserve                     :     ---     .7     3.7
:
RICE                              :
Ending stocks, total (MMT)       :     1.8     1.2     2.5
  Farmer-owned reserve           :     ---     ---     .4
  CCC reserve                     :     .8     .5     1.0
Average farm price 2/            :    155    208  143-165
:
TOTAL GRAINS                      :
Ending stocks, total (MMT)       :   62.0    73.2    81.4
  Farmer-owned reserve           :     ---    19.8    26.7
  CCC reserve                     :     .8     2.5     6.1
*****

```

1/ Farmer-owned reserves and CCC inventory are as of June 1 for wheat, Oct. 1 for feed grains, and August 1 for rice. 2/ Dollars per metric ton.

## FEED GRAINS AND CORN 1/

```

*****
Commodity      : 1976/77 : 1977/78 :          1978/79
                :          : Estimated: Proj. : Prob. Variab. 2/
*****
:
FEED GRAINS:  :
Area          :          : Million acres
  Planted     : 128.7   : 128.1   121.4
  Harvested   : 106.3   : 107.0   102.3
Yield per harv. :          : Metric tons
  acre       : 1.82    : 1.89    2.05
:
:          : Million metric tons
Beginning stocks : 17.2    : 29.9    40.0
Production       : 193.4   : 201.8   209.3      +5 to -5
Imports          : 0.4     : 0.3     0.3
  Supply, total  : 211.0   : 232.0   249.6
Feed            : 112.6   : 116.7   124.6      +7 to -7
Food, seed, &  :
  indust.       : 17.9    : 18.9    19.4
  Domestic, total : 130.5   : 135.6   144.0      +7 to -7
Exports         : 50.6    : 56.4    54.9      +5 to -5
  Use, total     : 181.1   : 192.0   198.9     +10 to -10
Ending stocks   : 29.9    : 40.0    50.7      +9 to -9
:
:
CORN:         :
Area         :          : Million acres
  Planted     : 84.4    : 82.7    78.5
  Harvested   : 71.3    : 70.0    67.8
Yield per harv. :          : Bushels
  unit       : 87.9    : 91.0    100.7
:
:          : Million bushels
Beginning stocks : 399     : 884     1,064
Production       : 6,266   : 6,371   6,824     +225 to -225
Imports          : 3       : 2       1
  Supply, total  : 6,668   : 7,257   7,889
Feed            : 3,587   : 3,693   3,950     +200 to -200
Food, seed, &  :
  indust.       : 513     : 550     570
  Domestic, total : 4,100   : 4,243   4,520     +200 to -200
Exports         : 1,684   : 1,950   1,900     +150 to -150
  Use, total     : 5,784   : 6,193   6,420     +300 to -300
Ending stocks   : 884     : 1,064   1,469     +250 to -250
Avg. farm price 3/: 2.15    : 2.03    1.95-2.15
*****

```

1/ Marketing year beginning October 1 for corn and sorghum; June 1 for barley and oats. 2/ The "probable variability" reflects the "root mean square error" and/or "standard error of estimate" from trend and judgment. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges. 3/ Season average farm price, dollars per bushel.

## SORGHUM, BARLEY, AND OATS 1/

```

*****
Commodity      : 1976/77 : 1977/78 : 1978/79
                :          : Prelim. : Proj.: Prob. Variab.2/
*****
SORGHUM:      :          :          :          :          :
Yield per harv. :          :          :          :          :
  unit          : 48.9    56.2    52.3
                :          :          :          :          :
                :          :          :          : Million bushels
Beginning stocks : 51      91      191
Production      : 720    791    699    +25 to -25
Imports        :
  Supply, total : 771    882    890
Feed          : 428    470    505    +30 to -30
Food, seed, & :
  indust.      : 6       6       6
  Domestic, total : 434    476    511    +30 to -30
Exports        : 246    215    220    +30 to -30
  Use, total   : 680    691    731    +45 to -45
Ending stocks  : 91     191    159    +40 to -40
Avg. farm price 3/: 2.03   1.73   1.85-2.05
BARLEY:      :          :          :          :
Yield per harv. :          :          :          :
  unit          : 44.9    43.8    48.1
                :          :          :          :
                :          :          :          : Million bushels
Beginning stocks : 128    126    171
Production      : 372    416    438
Imports        : 11     9      10
  Supply, total : 511    551    619
Feed          : 161    163    185    +25 to -25
Food, seed & :
  indust.      : 158    160    162
  Domestic, total : 319    323    347    +25 to -25
Exports        : 66     57     40    +10 to -10
  Use, total   : 385    380    387    +30 to -30
Ending stocks  : 126    171    232    +20 to -20
Avg. farm price 3/: 2.25   1.80   1.80-1.90
OATS:      :          :          :          :
Yield per harv. :          :          :          :
  unit          : 45.7    55.6    49.9
                :          :          :          :
                :          :          :          : Million bushels
Beginning stocks : 205    165    310
Production      : 546    748    596
Imports        : 1      2      1
  Supply, total : 752    915    907
Feed          : 489    510    510    +30 to -30
Food, seed, & :
  indust.      : 88     84     85
  Domestic total : 577    594    595    +30 to -30
Exports        : 10     11     10    +2 to -2
  Use, total   : 587    605    605    +30 to -30
Ending stocks  : 165    310    302    +30 to -30
Avg. farm price 3/: 1.56   1.14   1.05-1.15
*****

```

1/ Marketing year beginning October 1 for sorghum, June 1 for barley and oats. 2/ The "probable variability" reflects the "root mean square error" and/or "standard error of estimate" from trend and judgment. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges. 3/ Season average farm price, dollars per bushel.

6  
WHEAT 1/

```

*****
Commodity      : 1976/77 : 1977/78 : 1978/79
                :          : Prelim. : Proj.: Prob. Variab.2/
*****
WHEAT:        :
Area          :          : Million acres
  Planted     :   80.2   : 74.8     : 66.3
  Harvested   :   70.8   : 66.2     : 56.5
Yield per harv. :          : Bushels
  unit       :   30.3   : 30.6     : 31.5
                :          : Million bushels
Beginning stocks :   665    : 1,112    : 1,176
Production      :  2,142   : 2,026    : 1,778   +25 to -25
Imports         :    3     : 2        : 2
  Supply, total :  2,810   : 3,140    : 2,956   +25 to -25
Domestic       :
  Food         :   553    : 569      : 565     +10 to -10
  Seed         :    92    : 80       : 80      +5 to -5
  Feed         :   103    : 191      : 125     +50 to -50
  Domestic, total :  748    : 840      : 770     +60 to -60
Exports        :   950    : 1,124    : 1,150   +100 to -100
  Use, total   :  1,698   : 1,964    : 1,920   +150 to -150
Ending stocks  :  1,112   : 1,176    : 1,036   +165 to -165
Avg. farm price 3/:  2.73    : 2.31     : 2.80-3.00
*****

```

1/ Marketing year beginning June 1.

2/ The "probable variability" reflects the "root mean square error" and/or "standard error of estimate" from trend and judgment. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges.

3/ Season average farm price.

\*\*\*\*\*

Conversion Factors	
Bushels to metric tons	Area
Wheat & soybeans = bushels x .027216	1 acre = .404694 hectares
Barley = bushels x .021772	
Corn, sorghum,	1 hectare = 2.4710 acres
rye = bushels x .025400	
Oats = bushels x .014515	

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

WHEAT: Paul Meyers, Chairman; Frank Gomme, OGSM; Randell Weber, ASCS; Tom Elam, ESCS; Donald J. Novotny, FAS; David Spalding, AMS.

FEED GRAINS: Paul Meyers, Chairman; Frank Gomme, OGSM; Orville I. Overboe, ASCS; Tom Elam, ESCS; Donald J. Novotny, FAS; Ralph Tapp, AMS.

\*\*\*\*\*