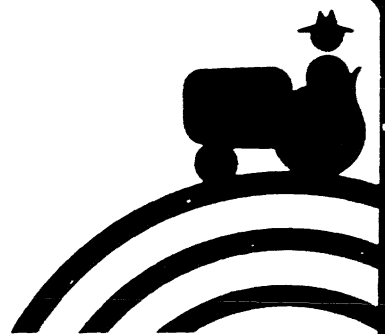


# AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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

#85

May 11, 1979

## HIGHLIGHTS

Continued strong demand suggests a tightening in the world supply-demand balances for grains. Since mid-April, U.S. exporters have reported sales of nearly 8 million metric tons of corn, including over 5 million for 1978/79 shipment. Planting of 1979 spring crops continues to lag in many areas of the Northern Hemisphere.

### Grain Export Estimates Increased

Export estimates have been revised upward for wheat, corn, and rice. Higher estimates of import requirements, particularly for the Soviet Union and Yugoslavia, have boosted the U.S. corn export estimate to 2.05 billion bushels for 1978/79, 100 million above the previous estimate. Corn carryover stocks are now forecast around 1.45 billion bushels.

The higher demand base is expected to carry into the 1979/80 marketing year so that the range in corn exports is now 2.05 to 2.3 billion bushels. This suggests lower stocks and higher prices than previously estimated.

Stronger-than-expected world demand, including recent sales to South Korea and Portugal, have caused the rice export estimate to be increased to 81 million cwt. for 1978/79, 7 million above the previous estimate, and a tenth above last year's record. The current estimate of carryover stocks implies a much tighter supply-demand balance than indicated earlier in the marketing year. In addition, recent price strength and tight availabilities of rice for sale suggest that the year-end statistical adjustment may be greater than the 2 to 4 million cwt. of past years.

Strong world demand will likely continue into 1979/80, so that the range of the rice export estimate has been increased to 83 to 91 million cwt. The combination of lower carryin supplies and higher utilization than previously estimated also points to an improved price outlook in 1979/80.

The wheat export estimate for 1978/79 has been raised by 25 million bushels to 1.2 billion based upon recent export movement and expected shipments over the last few weeks of the marketing year.

The 1979 winter wheat crop, based on conditions as of May 1, is estimated at 1.39 billion bushels, 11 percent above 1978, but 4 percent below the December estimate.

With an expected continued high level of world trade, and persistent planting problems in some importing and exporting countries, the wheat export range for 1979/80 is now 1.05-1.3 billion bushels, slightly above the previous forecast. The carryover stock range now suggests a tighter situation and stronger prices than indicated earlier.

#### Spring Planting Generally Lagging

Soil moisture in most grain-producing areas of the world remains good to surplus. Wet conditions in North America, northern Europe, and the USSR have severely hindered spring planting operations. In the United States, spring wheat planting is even further behind than last year's delayed pace. Hot, dry weather over most of the Corn Belt during May 6-10 permitted rapid corn planting progress, except in parts of Iowa and all of Minnesota. The Canadian Prairies are still very cold and wet. Timely spring rains in China's winter wheat area have improved prospects. In the southern hemisphere, planting conditions for winter grains in both Australia and Argentina appear good due to near-normal rainfall in recent weeks.

GRAINS--UNITED STATES

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*****
Item           : Wheat : Rice : Corn : Feed  : Total
                :      :      :      : :Grains3/: Grains
*****
                :      :      :      : :      :
                :      :      :      : (Million metric tons)
1976/77
Beginning stocks : 18.1   1.7  10.0  17.2   37.0
Production       : 58.3   5.2 159.2 193.4  256.9
  Supply, Total 1/ : 76.5   6.9 169.4 211.0  294.4
Feed use         : 1.8    ---  91.1  112.6  114.4
Food & other use : 18.6   1.9  13.0   17.9   38.4
Exports         : 25.8   3.0  42.8   50.6   79.4
  Use, Total     : 46.2   4.9 146.9 181.1  232.2
Ending stocks   : 30.3   1.8  22.5   29.9   62.0
Average farm price 2/ : 100   155   85    ---    ---
1977/78 (preliminary)
Beginning stocks : 30.3   1.8  22.5   29.9   62.0
Production       : 55.4   4.5 163.2 203.4  263.3
  Supply, Total 1/ : 85.7   6.3 185.7 233.6  325.6
Feed use         : 5.0    ---  94.2  117.3  122.3
Food & other use : 18.1   1.7  14.0   18.8   38.6
Exports         : 30.6   3.3  49.5   56.3   90.2
  Use, Total     : 53.7   5.0 157.7 192.4  251.1
Ending stocks   : 32.0   1.2  28.0   41.2   74.4
Average farm price 2/ : 86    209   80    ---    ---
1978/79 (estimated)
Beginning stocks : 32.0   1.2  28.0   41.2   74.4
Production       : 49.0   6.3 179.9 217.3  272.6
  Supply, Total 1/ : 81.1   7.5 207.9 258.8  347.4
Feed use         : 4.8    --- 104.1  129.4  134.2
Food & other use : 18.4   2.0  14.6   19.7   40.1
Exports         : 32.7   3.7  52.1   58.4   94.8
  Use, Total     : 55.9   5.7 170.8 207.5  269.1
Ending stocks   : 25.2   1.8  37.1   51.3   78.3
Average farm price 2/ : 108   170   83    ---    ---
*****

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1/ Including imports. 2/ Dollars per metric ton. 3/ Including corn.

GRAIN CARRYOVER STOCKS, FARMER-OWNED RESERVE,  
CCC INVENTORY, AND PRICES

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*****
:           : Preliminary : Estimated
Crop       : 1976/77 : 1977/78 1/ : 1978/79
*****
:           : Million metric tons
WHEAT
:
Ending stocks, total : 30.3      32.0      25.2
  Farmer-owned reserve : ---      9.3      11.2
  CCC inventory       : ---      1.3      1.4
Average farm price 2/ : 100      86      108
:
CORN
:
Ending stocks, total : 22.5      28.0      37.1
  Farmer-owned reserve : ---      8.0      18.8
  CCC inventory       : ---      .3      2.4
Average farm price 2/ : .85      80      83
:
TOTAL FEED GRAINS
:
Ending stocks, total : 29.9      41.2      51.3
  Farmer-owned reserve : ---      10.5     22.3
  CCC inventory       : ---      .7      3.5
:
RICE
:
Ending stocks, total : 1.8      1.2      1.8
  Farmer-owned reserve : ---      ---      ---
  CCC inventory       : .8      .5      .5
Average farm price 2/ : 155     209     170
:
TOTAL GRAINS
:
Ending stocks, total : 62.0     74.4     78.3
  Farmer-owned reserve : ---     19.8     33.5
  CCC inventory       : .8      2.5      5.4
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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	: 1977/78	: 1978/79	: 1979/80	
	: Prelim.	: Estimated	: Projected 2/	
*****				
			Alt. I	Alt. II
FEED GRAINS:				
Area		Million acres		
Planted	: 128.9	122.6		
Harvested	: 108.0	104.3		
Yield per harv. acre	: 1.88	Metric tons		
		2.08		
		Million metric tons		
Beginning stocks	: 29.9	41.2	51.3	51.3
Production	: 203.4	217.3	214.7	176.9
Imports	: 0.3	0.3	0.2	0.2
Supply, total	: 233.6	258.8	266.2	228.4
Feed	: 117.3	129.4	138.7	120.6
Food, seed, & indust.	: 18.8	19.7	20.4	19.7
Domestic, total	: 136.1	149.1	159.1	140.3
Exports	: 56.3	58.4	58.3	65.6
Use, total	: 192.4	207.5	217.4	205.9
Ending stocks	: 41.2	51.3	48.8	22.5
CORN:				
Area		Million acres		
Planted	: 83.6	79.7		
Harvested	: 70.9	70.0		
Yield per harv. unit	: 90.7	Bushels		
		101.2		
		Million bushels		
Beginning stocks	: 884	1,104	1,462	1,462
Production	: 6,425	7,082	7,000	5,800
Imports	: 3	1	1	1
Supply, total	: 7,312	8,187	8,463	7,263
Feed	: 3,709	4,100	4,400	3,850
Food, seed, & indust.	: 551	575	600	580
Domestic, total	: 4,260	4,675	5,000	4,430
Exports	: 1,948	2,050	2,050	2,300
Use, total	: 6,208	6,725	7,050	6,730
Ending stocks	: 1,104	1,462	1,413	533
Avg. farm price <sup>3/</sup>	: 2.02	2.11	2.20-2.30	2.90-3.15

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1/ Marketing year beginning October 1 for corn and sorghum; June 1 for barley and oats. 2/ Alternative I assumes relatively favorable production conditions worldwide; Alternative II assumes relatively unfavorable production conditions worldwide.

3/ Season average farm price, dollars per bushel.

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SORGHUM, BARLEY, AND OATS 1/

*****				
Commodity	: 1977/78	: 1978/79	: 1979/80	
	: Prelim.	: Estimated	: Projected 2/	
*****				
			Alt. I	Alt.II
SORGHUM:		Bushels		
Yield/harv. unit	: 56.3	55.1		
		Million bushels		
Beginning stocks	: 91	191	187	187
Production	: 793	748	770	600
Imports	:			
Supply, total	: 884	939	957	787
Feed	: 473	525	530	450
Food, seed, & ind.	: 7	7	7	7
Domestic, total	: 480	532	537	457
Exports	: 213	220	210	240
Use, total	: 693	752	747	697
Ending stocks	: 191	187	210	90
Avg. farm price 3/	: 1.82	1.94	2.10-2.20	2.75-2.95
BARLEY:		Bushels		
Yield/harv. unit	: 43.9	48.4		
		Million bushels		
Beginning stocks	: 126	172	237	237
Production	: 420	447	390	330
Imports	: 9	10	10	10
Supply, total	: 555	629	637	577
Feed	: 168	200	240	190
Food, seed, & ind.	: 158	167	170	160
Domestic, total	: 326	367	410	350
Exports	: 57	25	35	45
Use, Total	: 383	392	445	395
Ending stocks	: 172	237	192	182
Avg. farm price 3/	: 1.78	1.90	1.95-2.05	2.45-2.60
OATS		Bushels		
Yield/harv. unit	: 55.8	52.2		
		Million bushels		
Beginning stocks	: 165	311	293	293
Production	: 751	601	610	490
Imports	: 2	1	1	1
Supply, total	: 918	913	904	784
Feed	: 512	525	570	500
Food, seed, & ind.	: 84	85	90	90
Domestic total	: 596	610	660	590
Exports	: 11	10	10	10
Use, total	: 607	620	670	600
Ending stocks	: 311	293	234	184
Avg. farm price 3/	: 1.10	1.18	1.30-1.40	1.60-1.75

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1/ Marketing year beginning October 1 for sorghum, June 1 for barley and oats. 2/ Alternative I assumes relatively favorable production conditions worldwide; Alternative II assumes relatively unfavorable production conditions worldwide. 3/ Season average farm price, dollars per bushel.

WHEAT AND RICE 1/

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*****
Commodity      : 1977/78 : 1978/79 : 1979/80
                : Prelim.  : Estimated : Projected 2/
*****
                :                               Alt. I  Alt. II
WHEAT:
Area           :                               Million acres
  Planted      :      75.1      66.1
  Harvested    :      66.5      56.8
Yield per harv. :                               Bushels
  unit        :      30.6      31.6
                :                               Million bushels
Beginning stocks :      1,112      1,177      926      926
Production      :      2,036      1,799      2,075      1,735
Imports         :           2           2           2           2
Supply, total   :      3,150      2,978      3,003      2,663
  Food         :           586          590          605          595
  Seed         :           80           87           83           87
  Feed and Residual :       183          175          225          125
    Domestic, total :       849          852          913          807
  Exports      :       1,124      1,200      1,050      1,300
    Use, total   :       1,973      2,052      1,963      2,107
Ending stocks   :       1,177          926      1,040          556
Avg. farm price 3/:      2.33      2.94      2.80-3.00v 3.70-3.90
RICE (rough):
Area           :                               Million acres
  Allotment    :           1.80          1.80
  Planted      :           2.26          3.08
  Harvested    :           2.25          3.06
Yield per harv. :                               Pounds
  unit        :       4,412      4,505
                :                               Million cwt.
Beginning stocks :           40.5          27.4          39.2          39.2
Production      :           99.2          137.8          141.0          125.0
Imports         :              .1
  Supply, total   :          139.8          165.2          180.2          164.2
  Domestic       :           37.8          45.0          48.5          44.5
  Exports       :           72.8          81.0          83.0          91.0
    Use, total   :          110.6          126.0          131.5          135.5
Ending stocks   :           27.4          39.2          48.7          28.7
Dif. unactd.    :           +1.8
Avg. farm price 3/:           9.49          7.72      7.50-8.00 9.25-9.75
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1/ Marketing year beginning June 1 for wheat, August 1 for rice.

2/ Alternative I assumes relatively favorable production conditions worldwide; Alternative II assumes relatively unfavorable production conditions worldwide. 3/ Season average farm price for wheat, dollars per bushel; for rice, dollars per hundredweight.

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#### Conversion Factors

Bushels to metric tons	Area
Wheat & soybeans = bushels x .027216	1 acre = .404694 hectares
Barley = bushels x .021772	
Corn, sorghum, rye = bushels x .025401	1 hectare = 2.4710 acres
Oats = bushels x .014515	
480 lb. bales to metric tons	
Cotton = bales x .217700	
Cwt. to metric tons	
Rice = cwt. x .0453597	
Kilograms to pounds	
Kilogram = 2.2046 pounds	