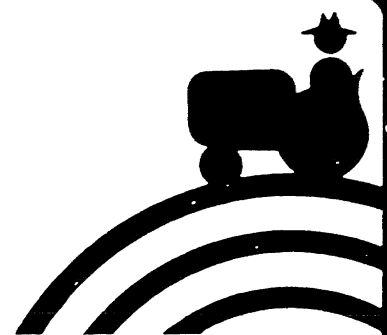


# AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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

#86

June 12, 1979

## HIGHLIGHTS

The prospective world supply and demand situation for grains has tightened in recent weeks, as demand for grains and feedstuffs continues to expand worldwide. While grain stocks are relatively large, there have been transportation problems in some exporting countries and deterioration of 1979/80 crop conditions in a few key areas. In particular, parts of the Soviet Union and Eastern Europe experienced very dry weather in May and early June, reducing grain production prospects. Early-season prospects for the 1979 grain crop in the Soviet Union indicate that the total crop will likely fall in a range of 170-210 million tons, about 25 million tons below that indicated in mid-May.

### Feed Grain Exports Boosted

With prospects for a reduced grain crop in the USSR and deteriorating conditions in Eastern Europe, U.S. corn export estimates for 1978/79 and 1979/80 have been increased. It is now anticipated that 1978/79 exports will reach a record 2.1 billion bushels and next year could range from 2.15 to 2.45 billion.

Partially offsetting the higher level of demand is a projected bigger 1979 U.S. corn crop than expected in May. Based on the stronger prices of May and early June and favorable planting weather in late May, it is likely that farmers planted somewhat more corn than indicated in the April intentions report.

On balance though, the 1978/79 and 1979/80 supply-demand situation for feed grains has tightened over the last month. As a result, estimated carryover stocks were reduced, and the forecast of producer prices increased. Should prices continue to strengthen, the 736 million bushel farmer-owned corn reserve could become available to the market.

Winter Wheat Production Forecast Up; Exports Increased

Production of the 1979/80 U.S. winter wheat is forecast at 1,427 million bushels, up 3 percent from last month. This is 14 percent higher than last year's production of 1,248 million bushels. The all wheat production range for 1979/80 is now estimated at 1.8 to 2.1 billion bushels, up slightly from our earlier estimate, reflecting the increased winter wheat production forecast.

The 1979/80 export estimates were increased 100 million bushels under relatively favorable world production conditions and 50 million bushels under unfavorable conditions. This adjustment reflects the deteriorating crop conditions in the Soviet Union and other European countries and the continuing logistical problems of other major exporting countries.

GRAINS--UNITED STATES

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*****
Item          : Wheat : Rice : Corn : Feed   : Total
                :      : (Rough):      :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  53.3  59.7   96.1
  Use, Total     : 55.9  5.7  172.0  208.8  270.4
Ending stocks   : 25.2  1.8  35.9  50.0   77.0
Average farm price 2/ : 108  170  87   ---   ---
*****

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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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*****
Crop : : Preliminary : Estimated
      : 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 10.7
  CCC inventory : --- 1.3 1.4
Average farm price 2/ : 100 86 108
      :
CORN :
Ending stocks, total : 22.5 28.0 35.9
  Farmer-owned reserve : --- 8.0 16.3
  CCC inventory : --- .3 2.4
Average farm price 2/ : 85 80 87
      :
TOTAL FEED GRAINS :
Ending stocks, total : 29.9 41.2 50.0
  Farmer-owned reserve : --- 10.5 19.7
  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 77.0
  Farmer-owned reserve : --- 19.8 30.4
  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/

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*****
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. :                               Metric tons
  acre         : 1.88          : 2.08
                :                               Million metric tons
Beginning stocks : 29.9          : 41.2         : 50.0         : 50.0
Production      : 203.4         : 217.3        : 217.2        : 179.4
Imports         : 0.3           : 0.3          : 0.3          : 0.3
  Supply, total : 233.6         : 258.8        : 267.5        : 229.7
Feed            : 117.3         : 129.4        : 138.7        : 118.1
Food, seed, &  :
  indust.      : 18.8          : 19.7         : 20.4         : 19.7
  Domestic, total : 136.1        : 149.1        : 159.1        : 137.8
Exports         : 56.3          : 59.7         : 61.6         : 70.2
  Use, total    : 192.4         : 208.8        : 220.7        : 208.0
Ending stocks   : 41.2          : 50.0         : 46.8         : 21.7
                :
CORN:          :
Area           :                               Million acres
  Planted      : 83.6          : 79.7
  Harvested    : 70.9          : 70.0
Yield per harv. :                               Bushels
  unit         : 90.7          : 101.2
                :                               Million bushels
Beginning stocks : 884           : 1,104        : 1,412        : 1,412
Production      : 6,425         : 7,082        : 7,100        : 5,900
Imports         : 3             : 1            : 1            : 1
  Supply, total : 7,312         : 8,187        : 8,513        : 7,313
Feed            : 3,709         : 4,100        : 4,400        : 3,750
Food, seed, &  :
  indust.      : 551           : 575          : 600          : 580
  Domestic, total : 4,260        : 4,675        : 5,000        : 4,330
Exports         : 1,948         : 2,100        : 2,150        : 2,450
  Use, total    : 6,208         : 6,775        : 7,150        : 6,780
Ending stocks   : 1,104         : 1,412        : 1,363        : 533
Avg. farm price3/ : 2.02         : 2.20 2.25-2.50 3.00-3.40
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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.

SORGHUM, BARLEY, AND OATS 1/

*****				
Commodity	1977/78	1978/79	1979/80	
	Prelim.	Estimated	Projected 2/	
*****				
			Alt. I	Alt. II
SORGHUM:				
Yield/harv. unit	56.3	55.1		
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	230	260
Use, total	693	752	767	717
Ending stocks	191	187	190	70
Avg. farm price 3/	1.82	2.00	2.10-2.35	2.85-3.25
BARLEY:				
Yield/harv. unit	43.9	48.4		
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	45	55
Use, Total	383	392	455	405
Ending stocks	172	237	182	172
Avg. farm price 3/	1.78	1.90	2.00-2.20	2.55-2.80
OATS				
Yield/harv. unit	55.8	52.2		
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	1.30-1.45	1.60-1.85

\*\*\*\*\*  
 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 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     2,100     1,800
Imports         : 2         2         2         2
Supply, total   : 3,150     2,978     3,028     2,728
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     1,150     1,350
  Use, total    : 1,973     2,052     2,063     2,157
Ending stocks   : 1,177     926       965       571
Avg. farm price 3/: 2.33      2.94      3.00-3.20 3.80-4.20
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1/ Marketing year beginning June 1 for wheat. 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.

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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	
Kilograms = 2.2046 pounds	