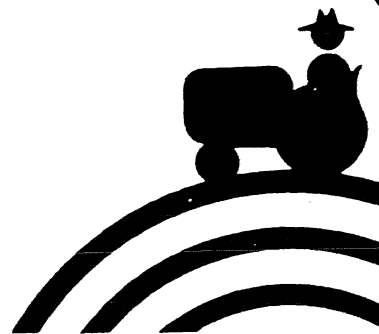


# AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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

#87

June 22, 1979

## HIGHLIGHTS

June 1 stocks of feed grains were slightly below expectations. Feed use of corn during April-May was heavier than anticipated. Projected 1978/79 season-ending feed grain stocks of 47 million tons are 3 million below the previous estimate. While June 1 soybean stocks were also below expectations due to a smaller than anticipated supply-use imbalance, a decline in estimated total use leaves projected season-ending stocks at 140 million bushels.

On balance, the 1979/80 supply-use alternatives for major grains and soybeans are largely unchanged from the previous estimates.

U.S. 1979 crops are generally making good progress, with a favorable rainfall distribution. Crop conditions abroad are mixed, with improved conditions in portions of Eastern Europe due to recent rains. The rains failed to reach the eastern portions of the winter wheat areas of the Soviet Union, which are under considerable stress. The New Lands in the Soviet Union continue to have excellent growing conditions for spring grains.

#### Corn Feed Use Estimate Increased

Feed use of corn has increased more than earlier expected, based on the June 1 grain stocks report. Feed disappearance during April-May was about 690 million bushels, 22 percent more than the same period a year ago. With the larger-than-expected feed use to date, and indications of continuing expansion in pork and broiler production, the corn feed use estimate for 1978/79 has been increased to 4.2 billion bushels, 100 million bushels above the previous estimate and 13 percent above the 1977/78 level.

The sorghum feed use estimate has been increased by 20 million bushels to 545 million bushels representing a 15 percent increase over 1977/78.

Feed grain stocks at the end of the 1978/79 marketing year are now projected at 47 million tons, 3 million tons below the previous estimate. As a result of the recent upsurge in prices, larger quantities of grain from the farmer-owned reserve will likely move into the market to meet the expanding demand.

#### Wheat Stocks Decline Sharply from Year-Ago Level

June 1 wheat stocks totaled 922 million bushels, a fifth below a year ago, and the first decline in stocks in five years. The stocks figure was in line with expectations.

Wheat disappearance for the year was a record 2.05 billion bushels, up 4 percent from 1977/78. A 75 million bushel increase in exports accounted for virtually all of the increased usage.

#### Prospective September 1 U.S. Soybean Stocks Unchanged

With continuing strong demand for soybean products, the U.S. 1978/79 soybean crush is now estimated at 1,020 million bushels, up 10 million from the previous estimate and nearly 100 million above the 1977/78 level. Heavy exports of soybean meal coupled with poor soybean processing margins in Western Europe point to U.S. soybean meal exports of 6.6 million short tons, about 9 percent above 1977/78. The soybean oil export estimate has been raised by 50 million pounds to 2.2 billion pounds, mainly reflecting recent purchases by Iran.

Conversely, the pace of U.S. soybean exports has slowed in the face of increased competition from South American crops and weaker than expected foreign demand for U.S. soybeans. Estimated 1978/79 U.S. exports of 780 million bushels are 20 million below the previous estimate but 80 million above the 1977/78 level. However, U.S. soybean stocks next September 1 are still placed at around 140 million bushels. Based on June 1 stocks, the Crop Reporting Board indicates the 1978 U.S. crop may be underestimated by some 15 million bushels. So, the U.S. supply-use imbalance is now placed at 15 million bushels, instead of the previous estimate of 25 million.

GRAINS--UNITED STATES

```
*****
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         :  4.9   --- 106.7 132.7 137.6
Food & other use : 18.4   2.0  14.6  19.7   40.1
Exports         : 32.7   3.7  53.3  59.6   96.0
Use, total      : 56.0   5.7 174.6 212.0 273.7
Ending stocks   : 25.1   1.8  33.3  46.8   73.7
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      25.1
  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      33.3
  Farmer-owned reserve : ---       8.0      12.7
  CCC inventory       : ---       .3        2.4
Average farm price 2/ : 85        80       87
:
TOTAL FEED GRAINS
Ending stocks, total : 29.9      41.2      46.8
  Farmer-owned reserve : ---      10.5      14.7
  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      73.7
  Farmer-owned reserve : ---      19.8      25.4
  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
                : Prelim.       : Estimated
*****
:
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
Production       : 203.4        217.3
Imports          : 0.3          0.3
  Supply, total  : 233.6        258.8
Feed             : 117.3        132.7
Food, seed & ind. : 18.8         19.7
  Domestic, total : 136.1        152.4
Exports          : 56.3         59.6
  Use, total     : 192.4        212.0
Ending stocks   : 41.2         46.8
:
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
Production       : 6,425        7,082
Imports          : 3            1
  Supply, total  : 7,312        8,187
Feed             : 3,709        4,200
Food, seed & ind. : 551          575
  Domestic, total : 4,260        4,775
Exports          : 1,948        2,100
  Use, total     : 6,208        6,875
Ending stocks   : 1,104        1,312
Avg. farm price 2/ : 2.02         2.20
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1/ Marketing year beginning October 1 for corn and sorghum; June 1 for barley and oats. 2/ Season average farm price, dollars per bushel.

SORGHUM, BARLEY, AND OATS 1/

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 Commodity : 1977/78 : 1978/79  
 : Prelim. : Estimated  
 \*\*\*\*\*

SORGHUM:	:	Bushels	
Yield/harv. unit	:	56.3	55.1
	:	Million bushels	
Beginning stocks	:	91	191
Production	:	793	748
Imports	:		
Supply, total	:	884	939
Feed	:	473	545
Food, seed, & ind.	:	7	7
Domestic, total	:	480	552
Exports	:	213	220
Use, total	:	693	772
Ending stocks	:	191	167
Avg. farm price 2/	:	1.82	2.00
BARLEY:	:	Bushels	
Yield/harv. unit	:	43.9	48.4
	:	Million bushels	
Beginning stocks	:	126	172
Production	:	420	447
Imports	:	9	10
Supply, total	:	555	629
Feed	:	168	206
Food, seed, & ind.	:	158	170
Domestic, total	:	326	376
Exports	:	57	25
Use, total	:	383	401
Ending stocks	:	172	228
Avg. farm price 2/	:	1.78	1.90
OATS	:	Bushels	
Yield/harv. unit	:	55.8	52.2
	:	Million bushels	
Beginning stocks	:	165	311
Production	:	751	601
Imports	:	2	1
Supply, total	:	918	913
Feed	:	512	529
Food, seed, & ind.	:	84	83
Domestic total	:	596	612
Exports	:	11	12
Use, total	:	607	624
Ending stocks	:	311	289
Avg. farm price 2/	:	1.10	1.18

\*\*\*\*\*  
 1/ Marketing year beginning October 1 for sorghum, June 1 for  
 barley and oats. 2/ Season average farm price, dollars per  
 bushel.

SOYBEANS AND PRODUCTS 1/

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*****
Commodity      : 1977/78 : 1978/79 : 1977/78 : 1978/79
                : Prelim. : Estimated : Prelim. : Estimated
*****
                :          Domestic          Metric
SOYBEANS:
Area           :          Million acres      Million hectares
  Planted      :    58.8      64.0      23.8      25.9
  Harvested    :    57.6      63.0      23.3      25.5
Yield per harv. :          Bushels/acre      Metric tons/hectare
  unit        :    30.6      29.2      2.06      1.96
                :          Million bushels      Million metric tons
Beginning stocks :    103      161      2.8      4.4
Production      :   1,762      1,843      48.0      50.2
  Supply, total :   1,865      2,004      50.8      54.5
Crushings       :    927      1,020      25.2      27.8
Exports         :    700      780      19.1      21.2
Seed and feed   :    69      75      1.9      2.0
Residual        :     8      4      .2      .1
  Use, total    :   1,704      1,879      46.4      51.1
Imbalance       :    ---      15 2/      ---      .4 2/
Ending stocks   :    161      140      4.4      3.8
Avg. farm price :    5.88      6.75      216      248
SOYBEAN OIL:   :          Million pounds      Thous. metric tons
Beginning stocks :    771      729      350      331
Production      :  10,288      11,171      4,667      5,067
  Supply, total :  11,059      11,900      5,016      5,398
  Domestic      :   8,273      8,700      3,753      3,946
  Exports       :   2,057      2,200      933      998
  Use, total    :  10,330      10,900      4,686      4,944
Ending stocks   :    729      1,000      331      454
Avg. price 3/   :    24.6      27      542      595
SOYBEAN MEAL:  :          Thousand short tons      Thous. metric tons
Beginning stocks :    228      243      207      220
Production      :  22,371      24,225      20,295      21,977
  Supply, total :  22,599      24,468      20,501      22,197
  Domestic      :  16,276      17,600      14,765      15,966
  Exports       :   6,080      6,600      5,516      5,987
  Use, total    :  22,356      24,200      20,281      21,954
Ending stocks   :    243      268      220      243
Avg. price 4/   :  164.20      190.00      181      209
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1/ Marketing year beginning September 1 for soybeans, October 1 for soybean oil and meal. 2/ Based on June 1 stocks, indicated underestimate of 1978 crop. 3/ Simple season average of crude soybean oil, Decatur, cents per pound and dollars per metric ton. 4/ Simple season average of 44% protein, Decatur, dollars per short ton and dollars per metric ton.



WHEAT 1/

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*****
Commodity      : 1977/78 : 1978/79
                : Prelim.  : Estimated
*****
:
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
Production      :      2,036      1,799
Imports         :           2       2
  Supply, total :      3,150      2,978
Food           :       586       590
Seed           :        80       87
Feed and residual :       183       179
  Domestic, total :       849       856
Exports        :      1,124      1,200
  Use, total    :      1,973      2,056
Ending stocks   :      1,177       922
Avg. farm price 2/ :       2.33       2.94
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1/ Marketing year beginning June 1 for wheat.

2/ Season average farm price for wheat, dollars per bushel.

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The Agricultural Supply and Demand Estimates Tables were prepared  
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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	