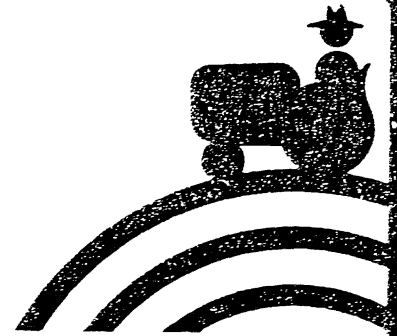


# AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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

#94

December 12, 1979

## Strong Cotton Demand Boosts Disappearance

This season's total U.S. cotton utilization now is pegged at 13.3 million bales, up 0.3 million from last month's estimate and the largest since 1973/74. The increase reflects exceptionally strong foreign demand for U.S. cotton—particularly by the People's Republic of China—coupled with continued firm demand by domestic mills. While the U.S. mill use estimate was raised slightly to 6.3 million bales, prospective 1979/80 exports were boosted from 6.8 to 7 million. Export sales for 1979/80 already total 7.6 million bales and could reach 8 to 8.5 million. However, 1 to 1.5 million bales of this cotton likely will not be exported until early next season due, in part, to the strain which current strong export movement is placing on transportation and warehouse facilities. So, with brighter disappearance prospects and no change in the cotton crop, this season's ending stocks may total around 5.3 million bales, 0.3 million below month-earlier expectations, but still 1.3 million above the beginning level.

## Higher Rice Prices Expected

The season average price has been increased by 50 cents per hundredweight, based on prices received by farmers so far during the marketing year. Despite uncertain export prospects to Iran, overall rice export demand during the balance of the marketing year is expected to be strong.

RICE 1/

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*****
Commodity      : 1977/78 : 1978/79 : 1979/80
                :          :          : Proj.: Prob. variab. 2/
*****
RICE (rough):  :
Area           :          : Million acres
  Allotment    :    1.80   :    1.80   :    1.80
  Planted      :    2.26   :    3.00   :    3.05
  Harvested    :    2.25   :    2.98   :    3.02
Yield per harv. :          : Pounds
  acre        :    4,412   :    4,493   :    4,626
                :          : Million cwt.
Beginning stocks :    40.5    :    27.4    :    31.6
Production      :    99.2    :   133.8    :   139.6    +3 to -3
Imports         :     .1     :     .1     :     ---
  Supply, total :   139.8    :   161.3    :   171.2    +3 to -3
Domestic        :    37.7    :    48.0    :    50.5    +2 to -2
Exports         :    72.8    :    76.9    :    79.0    +5 to -5
  Use, total    :   110.5    :   124.9    :   129.5    +6 to -6
Ending stocks   :    27.4    :    31.6    :    41.7    +6 to -6
Dif. unactd.   :    +1.9    :    +4.8
Avg. farm price 3/ :    9.49    :    8.16 9.25-10.25
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1/ Marketing year beginning August 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, dollars per hundredweight.