

# AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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

#97

January 28, 1980

## HIGHLIGHTS

January 1 stocks of grains were about in line with expectations, although wheat stocks were a little larger than anticipated. Wheat feeding during June-December 1979 was sharply below the year-earlier period. Corn exports have been revised upward from the January 16 forecast.

### Corn Export Prospects Improve

The 1979/80 corn export estimate has been raised 125 million bushels to 2,275 million. This increase reflects prospects for a larger world coarse grain trade as a result of Mexico's plans to sharply increase corn imports and larger than previously estimated availability of non-U.S. grain to the Soviet Union. U.S. feedgrain exports for 1979/80 are expected to total 66 million tons, nearly 10 percent above last year's record.

Corn feed use for October-December 1979, based on the January 1 stocks report, was up about 6 percent from the same period a year ago, and in line with expectations. Therefore, no change was made in the feed use estimate. For the year, total utilization of corn is forecast at slightly over 7.2 billion bushels, 5 percent above 1978/79.

The estimate of 1979/80 corn carryover stocks has been lowered to around 1.8 billion bushels compared with the previous estimate of 1.94 billion. Carryover stocks are forecast to be over 500 million higher than in 1978/79.

Farm prices for corn are still expected to range from \$2.25 to \$2.45 per bushel for the 1979/80 marketing year.

#### Wheat Feed Use Estimate Lowered

Wheat feed use for 1979/80 is now expected to total 75 million bushels, 25 million below the previous forecast, and 100 million below the 1978/79 level. Total domestic use is forecast at 770 million bushels, about 80 million below the level of the past two years.

Carryover stocks of wheat are projected at around 975 million bushels, 50 million above 1978/79. Of the total, about 450 million bushels are expected to be held in the farmer-owned reserve or government inventory.

For the 1979/80 season, farm prices of wheat are forecast to range from \$3.70 to \$3.90 per bushel. Prices for the first 8 months of the marketing year have averaged about \$3.80 per bushel.

GRAINS--UNITED STATES

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*****
Item                : Wheat : Rice : Corn : Feed : Total
                    :      : (Rough):      :Grains1/: Grains2/
*****
                    :      :      :      :      :
                    :      :      :      :      : Million metric tons
                    :      :      :      :      :
1977/78
Beginning stocks   : 30.3  1.8  22.5  29.9  62.1
Production        : 55.4  4.5  163.2  203.4  263.7
  Supply, total 3/ : 85.7  6.3  185.7  233.6  326.1
                    :      :      :      :      :
Feed and residual : 5.0    ---  94.2  117.3  122.5
Food & other use  : 18.1  1.7  14.0  18.8   38.9
Exports           : 30.6  3.3  49.5  56.3   90.2
  Use, total      : 53.7  5.0  157.7  192.4  251.6
Ending stocks     : 32.0  1.2  28.0  41.2   74.5
Average farm price 4/ : 86    209   80    ---    ---
                    :      :      :      :      :
1978/79 (preliminary)
Beginning stocks   : 32.0  1.2  28.0  41.2   74.5
Production        : 48.9  6.0  180.0  217.4  273.0
  Supply, total 3/ : 81.0  7.3  208.1  258.9  348.0
                    :      :      :      :      :
Feed and residual : 4.9    ---  106.6  133.1  138.2
Food & other use  : 18.4  2.2  14.6  19.7   40.6
Exports           : 32.5  3.5  54.2  60.2   96.2
  Use, total      : 55.8  5.7  175.4  213.0  275.0
Ending stocks     : 25.2  1.5  32.7  45.9   72.8
Average farm price 4/ : 109   180   89    ---    ---
                    :      :      :      :      :
1979/80 (projected)
Beginning stocks   : 25.2  1.5  32.7  45.9   72.8
Production        : 58.3  6.2  197.2  233.9  299.0
  Supply, total 3/ : 83.5  7.7  229.9  280.0  372.1
                    :      :      :      :      :
Feed and residual : 2.0    ---  110.5  136.9  139.2
Food & other use  : 18.9  2.3  15.6  20.7   42.2
Exports           : 36.1  3.8  57.8  65.9  105.9
  Use, total      : 57.0  6.1  183.9  223.5  287.3
Ending stocks     : 26.5  1.6  46.0  56.5   84.8
Average farm price 4/ : 136-143 209-226 89-96    ---    ---
*****

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

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

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*****
Crop          :           :           : Projected
              : 1977/78 1/ : 1978/79 : 1979/80
*****
              :           :           :           :
              :           :           :           : Million metric tons
WHEAT        :           :           :           :
Ending stocks, total : 32.0      25.2      26.5
  Farmer-owned reserve: 9.3        10.7       6.8
  CCC inventory      : 1.3        1.4        5.4
Average farm price 2/ : 86         109        136-143
              :           :           :           :
CORN         :           :           :           :
Ending stocks, total : 28.0      32.7      46.0
  Farmer-owned reserve: 8.0        13.7      22.9
  CCC inventory      : .3         2.5        2.5
Average farm price 2/ : 80         89         89-96
              :           :           :           :
TOTAL FEED GRAINS :           :           :           :
Ending stocks, total : 41.2      45.9      56.5
  Farmer-owned reserve: 10.2       16.4      25.3
  CCC inventory      : .6         3.8        3.8
              :           :           :           :
RICE        :           :           :           :
Ending stocks, total : 1.2        1.5        1.6
  Farmer-owned reserve: ---        ---        ---
  CCC inventory      : .5         .4         .3
Average farm price 2/ : 209        180       209-226
              :           :           :           :
TOTAL GRAINS 3/ :           :           :           :
Ending stocks, total : 74.5      72.8      84.8
  Farmer-owned reserve: 19.5       27.1      32.1
  CCC inventory      : 2.4        5.6        9.5
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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. 3/ Includes rye.

FEED GRAINS AND CORN 1/

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*****
Commodity      : 1977/78 : 1978/79 : 1979/80
                :          :          : Proj. : Prob. variab.2/
*****
FEED GRAINS:
Area           :          : Million acres
  Planted      : 128.9   : 122.8   : 117.6
  Harvested    : 108.1   : 104.5   : 101.2
Yield per harv. :          : Metric tons
  acre         : 1.88    : 2.08    : 2.31
                :          : Million metric tons
Beginning stocks : 29.9    : 41.2    : 45.9
Production      : 203.4   : 217.4   : 233.9
Imports         : .3      : .3      : .2
  Supply, total : 233.6   : 258.9   : 280.0
Feed and residual : 117.3   : 133.1   : 136.9   +6 to -6
Food, seed, & ind. : 18.8    : 19.7    : 20.7
  Domestic, total : 136.1   : 152.8   : 157.6   +6 to -6
Exports         : 56.3    : 60.2    : 65.9   +5 to -5
  Use, total     : 192.4   : 213.0   : 223.5   +9 to -9
Ending stocks   : 41.2    : 45.9    : 56.5   +6 to -6
                :
CORN:
Area           :          : Million acres
  Planted      : 83.6    : 80.1    : 80.0
  Harvested    : 70.9    : 70.3    : 71.0
Yield per harv. :          : Bushels
  acre         : 90.7    : 100.8   : 109.4
                :          : Million bushels
Beginning stocks : 884     : 1,104   : 1,286
Production      : 6,425   : 7,087   : 7,764
Imports         : 3       : 1       : 1
  Supply, total : 7,312   : 8,192   : 9,051
Feed and residual : 3,709   : 4,198   : 4,350   +200 to -200
Food, seed, & ind. : 551     : 575     : 615
  Domestic, total : 4,260   : 4,773   : 4,965   +200 to -200
Exports         : 1,948   : 2,133   : 2,275   +150 to -150
  Use, total     : 6,208   : 6,906   : 7,240   +300 to -300
Ending stocks   : 1,104   : 1,286   : 1,811   +200 to -200
Avg. farm price 3/ : 2.02    : 2.25    : 2.25-2.45
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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/

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*****
Commodity      : 1977/78 : 1978/79 : 1979/80
                :         :         : Proj. : Prob. variab.2/
*****
SORGHUM:      :          Bushels
Yield/harv. acre : 56.3      55.1      62.9
                :          Million bushels
Beginning stocks : 91         191        159
Production       : 793        748        814
Imports          :
  Supply, total  : 884        939        973
Feed and residual : 473        566        560      +25 to -25
Food, seed, & ind. : 7          7          7
  Domestic, total : 480        573        567      +25 to -25
Exports         : 213        207        275      +30 to -30
  Use, total      : 693        780        842      +40 to -40
Ending stocks    : 191        159        131      +40 to -40
Avg. farm price 3/ : 1.82      2.02      2.15-2.35
BARLEY:       :          Bushels
Yield/harv. acre : 43.9      48.6      50.6
                :          Million bushels
Beginning stocks : 126        172        229
Production       : 420        449        378
Imports          : 9          10         10
  Supply, total  : 555        631        617
Feed and residual : 168        206        205      +20 to -20
Food, seed, & ind. : 158        170        170
  Domestic, total : 326        376        375      +20 to -20
Exports         : 57         26         50      +10 to -10
  Use, total      : 383        402        425      +25 to -25
Ending stocks    : 172        229        192      +20 to -20
Avg. farm price 3/ : 1.78      1.92      2.25-2.35
OATS:        :          Bushels
Yield/harv. acre : 55.8      52.2      54.4
                :          Million bushels
Beginning stocks : 165        311        287
Production       : 751        596        534
Imports          : 2          1          1
  Supply, total  : 918        908        822
Feed and residual : 512        530        530      +30 to -30
Food, seed, & ind. : 84         78         80
  Domestic, total : 596        608        610      +30 to -30
Exports         : 11         13         2        +1 to -1
  Use, total      : 607        621        612      +30 to -30
Ending stocks    : 311        287        210      +25 to -25
Avg. farm price 3/ : 1.10      1.19      1.30-1.40
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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.

WHEAT AND RICE 1/

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 Commodity : 1977/78 : 1978/79 : 1979/80  
 : : : Proj.: Prob. variab. 2/  
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|                    |   |       |                 |            |              |
|--------------------|---|-------|-----------------|------------|--------------|
| WHEAT:             | : |       |                 |            |              |
| Area               | : |       | Million acres   |            |              |
| Planted            | : | 75.1  | 66.3            | 71.6       |              |
| Harvested          | : | 66.5  | 56.9            | 62.6       |              |
| Yield per harv.    | : |       | Bushels         |            |              |
| acre               | : | 30.6  | 31.6            | 34.2       |              |
|                    | : |       | Million bushels |            |              |
| Beginning stocks   | : | 1,112 | 1,177           | 925        |              |
| Production         | : | 2,036 | 1,798           | 2,142      |              |
| Imports            | : | 2     | 1               | 2          |              |
| Supply, total      | : | 3,150 | 2,976           | 3,069      |              |
| Food               | : | 586   | 591             | 600        | +5 to -5     |
| Seed               | : | 80    | 87              | 95         | +5 to -5     |
| Feed and residual  | : | 183   | 179             | 75         | +20 to -20   |
| Domestic, total    | : | 849   | 857             | 770        | +25 to -25   |
| Exports            | : | 1,124 | 1,194           | 1,325      | +100 to -100 |
| Use, total         | : | 1,973 | 2,051           | 2,095      | +110 to -110 |
| Ending stocks      | : | 1,177 | 925             | 974        | +110 to -110 |
| Avg. farm price 3/ | : | 2.33  | 2.98            | 3.70-3.90  |              |
| RICE (rough):      | : |       |                 |            |              |
| Area               | : |       | Million acres   |            |              |
| Allotment          | : | 1.80  | 1.80            | 1.80       |              |
| Planted            | : | 2.26  | 2.99            | 3.00       |              |
| Harvested          | : | 2.25  | 2.97            | 2.98       |              |
| Yield per harv.    | : |       | Pounds          |            |              |
| acre               | : | 4,412 | 4,484           | 4,588      |              |
|                    | : |       | Million cwt.    |            |              |
| Beginning stocks   | : | 40.5  | 27.4            | 31.6       |              |
| Production         | : | 99.2  | 133.2           | 136.7      |              |
| Imports            | : | .1    | .1              | ---        |              |
| Supply, total      | : | 139.8 | 160.7           | 168.3      |              |
| Domestic           | : | 37.7  | 48.0            | 50.5       | +2 to -2     |
| Exports            | : | 72.8  | 76.9            | 83.0       | +5 to -5     |
| Use, total         | : | 110.5 | 124.9           | 133.5      | +6 to -6     |
| Ending stocks      | : | 27.4  | 31.6            | 34.8       | +6 to -6     |
| Dif. unactd.       | : | +1.9  | +4.2            |            |              |
| Avg. farm price 3/ | : | 9.49  | 8.16            | 9.50-10.25 |              |

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 1/ Marketing year beginning June 1 for wheat and August 1 for rice.  
 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 for wheat and dollars  
 per hundredweight for rice.

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The Agricultural Supply and Demand Estimates Tables were prepared by  
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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 = 2.471044 acres |
| Oats = bushels x .014515             |                            |
| 480 lb. bales to metric tons         |                            |
| Cotton = bales x .217727             |                            |
| Cwt. to metric tons                  |                            |
| Rice = cwt. x .045359                |                            |
| Kilograms to pounds                  |                            |
| Kilogram = 2.204622 pounds           |                            |