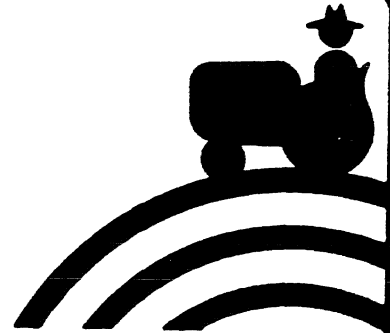


AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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

#104

July 14, 1980

HIGHLIGHTS

Total U.S. grain and oilseed supplies are likely to tighten in 1980/81, while cotton supplies are expected to remain tight. A smaller feed grain crop than last year's and expanded grain use likely will more than offset the record 1980 wheat crop and reduce the large U.S. grain stocks. Domestic grain use in 1980/81 is expected to remain at a high level, while exports are likely to expand for both U.S. food grains and feedstuffs. Factors behind the expected export gain are prospective reductions in 1980/81 wheat crops in some exporting countries and expanded food and feed requirements in several importing countries.

U.S. harvested area of major field crops is likely to be up about 4 percent from 1979, but production could drop due to less favorable growing conditions this year. Yield prospects have declined especially for spring-planted crops in the Northern Plains, and parts of Montana and Minnesota. The hot, dry weather that has hurt crops in the Southern Plains has persisted through early July, and has spread to limited areas of the Central Plains and the Southeast. Generally, subsoil moisture remains adequate in major corn-soybean producing areas.

Lower Feed Grain Production Expected; Use to Increase

The 1980 corn crop, based on conditions as of July 1, is forecast at 7.28 billion bushels, 6 percent below the record 1979 crop. A 9 percent drop in yield is being partially offset by a 3-percent increase in harvested

continued strong world demand, and the likelihood of a decline in exports by Canada and Australia. With domestic use of wheat likely to be up slightly, total wheat utilization in 1980/81 is expected to reach 2.26 billion bushels, 4 percent higher than in 1979/80.

Despite the record crop, wheat stocks may only increase around 65 million bushels to 965 million by the end of the 1980/81 marketing year.

Wheat prices are projected to average between \$3.75 and \$4.25 per bushel in 1980/81 compared with \$3.82 in 1979/80, and \$2.98 in 1978/79.

Rice Acreage in 1980 Up a Tenth

Strong rice prices this spring helped boost 1980 rice plantings to 3.31 million acres, 10 percent above 1979. With the larger acreage, rice production in 1980 will likely exceed the 1979 record of 137 million cwt. Larger carryin stocks combined with the expected higher production will push supplies above the 1979/80 level of 168 million cwt.

Reduced Soybean Output Prospects

Soybean output prospects have been reduced slightly, following a 1-million-acre reduction in soybean plantings from the April intentions of 71.3 million acres. Furthermore, hot, dry weather is stressing soybeans in some major producing States, particularly Missouri and Arkansas. Yields could be significantly reduced in these two States though conditions are generally good in most other areas.

The reduction in expected U.S. soybean output and nearly a 25-percent decline in U.S. sunflowerseed plantings, combined with an estimated 50-percent reduction in Canadian rapeseed and flaxseed output, are expected to strengthen oilseed prices in 1980/81. Product prices are expected to average well above the April-June lows in the remaining months of the 1979/80 crop year and remain sensitive to new crop developments.

Cotton Supplies Tightening Further

U.S. cotton prospects for the 1980/81 season point to both smaller production and total use, with stocks remaining at a relatively low level. The 1980 crop may range from 12.2

GRAINS—UNITED STATES

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*****
Item          : Wheat : Rice : Corn : Feed : Total
               :      : (Rough):      : Grains1/: Grains2/
*****
               :      :      :      :      :
               :      :      :      :      : Million metric tons
1978/79
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 (estimated)
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 : 2.6   ---  110.5  135.9  138.7
Food & other use  : 19.0  2.3  15.8  20.9  42.5
Exports          : 37.4  3.8  61.0  71.1  112.4
  Use, total      : 59.0  6.1  187.3  227.9  293.6
Ending stocks    : 24.5  1.6  42.6  52.1  78.5
Average farm price 4/ : 140  234  94  ---  ---
1980/81 (projected) 5/
Beginning stocks : 24.5  1.6  42.6  52.1  78.5
Production       : 63.1  6.7  185.0  217.8  288.0
  Supply, total 3/ : 87.6  8.3  227.6  270.1  366.7
Feed use         : 2.7   ---  110.5  132.5  135.4
Food & other use  : 19.2  2.4  19.6  24.1  46.0
Exports          : 39.5  3.9  66.0  74.2  117.7
  Use, total      : 61.4  6.3  195.6  230.8  299.1
Ending stocks    : 26.2  2.0  32.0  39.3  67.6
Average farm price 4/ : 138-156 198-265 96-112  ---  ---
*****

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1/ Including corn. 2/ Includes rye. 3/ Including imports.
4/ Dollars per metric ton. 5/ Includes midpoints of projected ranges for sorghum and rice.

FEED GRAINS AND CORN 1/

 Commodity : 1978/79 : 1979/80 : 1980/81 2/
 : : Estimated : Proj. : Prob. variab.3/

FEED GRAINS:				
Area	:	Million acres		
Planted	:	122.8	117.6	120.8
Harvested	:	104.5	101.2	103.4
Yield per harv.	:	Metric tons		
acre	:	2.08	2.31	2.11
	:	Million metric tons		
Beginning stocks	:	41.2	45.9	52.1
Production	:	217.4	233.9	217.8 +19 to -19
Imports	:	.3	.3	.2
Supply, total	:	258.9	280.0	270.1 +19 to -19
Feed and residual	:	133.1	135.9	132.5 +9 to -9
Food, seed, & ind.	:	19.7	20.9	24.1 +1 to -1
Domestic, total	:	152.8	156.8	156.6 +9 to -9
Exports	:	60.2	71.1	74.2 +6 to -6
Use, total	:	213.0	227.9	230.8 +13 to -13
Ending stocks	:	45.9	52.1	39.3 +9 to -9
Stocks/use Ratio	:	21.5	22.9	17.0
CORN:				
Area	:	Million acres		
Planted	:	80.1	80.0	83.5
Harvested	:	70.3	71.0	73.3
Yield per harv.	:	Bushels		
acre	:	100.8	109.4	99.3
	:	Million bushels		
Beginning stocks	:	1,104	1,286	1,676
Production	:	7,087	7,764	7,284 +620 to -620
Imports	:	1	1	1
Supply, total	:	8,192	9,051	8,961 +620 to -620
Feed and residual	:	4,198	4,350	4,350 +300 to -300
Food, seed, & ind.	:	575	625	750 +25 to -25
Domestic, total	:	4,773	4,975	5,100 +315 to -315
Exports	:	2,133	2,400	2,600 +200 to -200
Use, total	:	6,906	7,375	7,700 +450 to -450
Ending stocks	:	1,286	1,676	1,261 +300 to -300
Avg. farm price 4/	:	2.25	2.40	2.45-2.85

 1/ Marketing year beginning October 1 for corn and sorghum; June 1 for barley and oats. 2/ Includes midpoints of projected ranges for sorghum. 3/ 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. 4/ Season average farm price, dollars per bushel.

stocks/use Ratio 18.6 22.7 16.4

WHEAT AND RICE 1/

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*****
Commodity      : 1978/79 : 1979/80 : 1980/81
                :           : Estimated : Proj. : Prob. variab. 2/
*****
WHEAT:
Area           :           : Million acres
  Planted      : 66.3      : 71.6      : 80.9
  Harvested    : 56.9      : 62.6      : 72.9
Yield per harv. :           : Bushels
  acre         : 31.6      : 34.2      : 31.8
                :           : Million bushels
Beginning stocks : 1,177     : 925       : 901
Production      : 1,798     : 2,142     : 2,317 +80 to -80
Imports         : 1         : 2         : 2
  Supply, total : 2,976     : 3,069     : 3,220 +80 to -80
Food           : 591       : 596       : 605 +5 to -5
Seed          : 87        : 101       : 100 +5 to -5
Feed and residual : 179      : 96        : 100 +50 to -50
  Domestic, total : 857      : 793       : 805 +55 to -55
Exports        : 1,194     : 1,375     : 1,450 +100 to -100
  Use, total     : 2,051     : 2,168     : 2,255 +125 to -125
Ending stocks   : 925       : 901       : 965 +125 to -125
Avg. farm price 3/ : 2.98     : 3.82     : 3.75-4.25
RICE (rough equiv.) :
Area           :           : Million acres
  Allotment    : 1.80      : 1.80      : 1.80
  Planted      : 2.99      : 3.00      : 3.31
  Harvested    : 2.97      : 2.98      : 3.28
Yield per harv. :           : Pounds
  acre         : 4,484     : 4,588     : 4,250-4,750
                :           : Million cwt.
Beginning stocks : 27.4      : 31.6      : 34.8
Production      : 133.2     : 136.7     : 140-156
Imports         : .1        : ---       : ---
  Supply, total : 160.7     : 168.3     : 174.8-190.8
Domestic       : 48.0      : 50.5      : 51-55
Exports        : 76.9      : 83.0      : 78-93
  Use, total     : 124.9     : 133.5     : 130-147
Ending stocks   : 31.6      : 34.8      : 34-50
Dif. unactd.   : +4.2
Avg. farm price 3/ : 8.16     : 10.60     : 9.00-12.00
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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.

SOYBEANS AND PRODUCTS (Metric Measure) 1/

 Commodity : 1978/79 : 1979/80 : 1980/81 2/
 : : Estimated : Projected

SOYBEANS:	:			
Area	:		Million hectares	
Planted	:	26.1	29.0	28.5
Harvested	:	25.6	28.5	28.0
Yield per harv. unit	:		Metric tons/hectare	
	:	1.98	2.17	1.82-2.15
	:		Million metric tons	
Beginning stocks	:	4.4	4.7	10.3
Production	:	50.9	61.7	51.0-60.0
Supply, total	:	55.3	66.4	61.3-70.3
Crushings	:	27.7	30.8	28.8-31.3
Exports	:	20.5 3/	23.1	22.5-24.5
Seed and feed	:	2.1	2.2	2.2
Residual	:	.3	.5	.4
Use, total	:	50.6	56.5	53.9-58.4
Ending stocks	:	4.7	10.3 4/	7.5-12.0
Avg. farm price	:	245	227	220-276
SOYBEAN OIL:	:		Thousand metric tons	
Beginning stocks	:	331	352	508
Production	:	5,136	5,486	5,241-5,686
Supply total	:	5,467	5,838	5,749-6,194
Domestic	:	4,056	4,173	4,218-4,400
Exports	:	1,059	1,157	1,066-1,202
Use, total	:	5,115	5,330	5,284-5,602
Ending stocks	:	352	508	465-592
Avg. price 4/	:	604	529	485-661
SOYBEAN MEAL:	:		Thousand metric tons	
Beginning stocks	:	220	242	295
Production	:	22,094	24,501	22,838-24,780
Supply, total	:	22,314	24,743	23,133-25,075
Domestic	:	16,075	17,599	16,402-18,724
Exports	:	5,996	6,849	5,987-6,441
Use, total	:	22,072	24,449	22,843-24,712
Ending stocks	:	242	295	290-363
Average price 6/	:	210	193	187-231

 1/ Marketing year beginning September 1 for soybeans; October 1 for soybean oil and meal. 2/ Production ranges based on World Crop Production report, June 11, 1980. Ranges reflect the standard error of estimate from trend and judgment of analysts. 3/ Based on inspections for export. 4/ Ending stocks for 1979/80 include a .4-million-metric-ton underestimate of the 1979 crop, as indicated in the June 1 Grain Stocks report. 5/ Simple average of crude soybean oil, Decatur, dollars per metric ton. 6/ Simple average of 44% protein, Decatur, dollars per metric ton.

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

2,204.622 lb = 1 ton