Wheat Situation

Economics, Statistics, and Cooperatives Service

U.S. Department of Agriculture

WS-250

NOVEMBER 1979

TABLE 1.--WHEAT: MARKETING YEAR SUPPLY, DISAPPEARANCE, AREA AND PRICES, 1975-79 *

YEAR BEGINNING JUNE 1	SUPPLY				DISAPPEARANCE							ENDING STOCKS MAY 31		
					DOMESTIC USE									
	BEGINNING STOCKS	PRODUCTION	IMPORTS 1/	TOTAL	FOOD	ALC. BEVERAGES	SEED	FEED 2/	TOTAL	EXPORTS 1/	TOTAL DISAPPEARANCE	GOVT. OWNED	PRIVATELY OWNED 3/	TOTAL
	MILLION BUSHELS													
1975/76	435.0	2,122.5	2.4	2,559.8	588.6	0.1	99.0	34.0	721.7	1,172.9	1,894.6	---	665.3	665.3
1976/77	665.3	2,142.4	2.7	2,810.3	588.0	0.1	92.0	68.4	748.6	949.5	1,698.1	---	1,112.2	1,112.2
1977/78	1,112.2	2,036.3	1.9	3,150.5	586.5	0.1	80.0	183.3	849.9	1,123.9	1,973.8	45.7	1,131.0	1,176.7
1978/79 4/	1,176.7	1,798.7	1.8	2,977.3	591.5	0.1	87.0	180.1	858.7	1,194.1	2,052.8	49.5	875.0	924.5
1979/80 5/	924.5	2,113.9	2.1	3,040.5 (± 25)	595.0 (± 5)	---	95.0 (± 5)	100.0 (± 30)	790.0 (± 35)	1,400.0 (± 100)	2,190.0 (± 110)	N.A.	N.A.	850.5 (± 110)

YEAR BEGINNING JUNE 1	AREA				YIELD	AVERAGE PRICES				GOVT. SUPPORT PROGRAM		
						RECEIVED BY FARMERS	CHICAGO	KANS. CITY	MINNEAPOLIS			
	NAT. PROGRAM	SET-ASIDE AND DIVERTED	PLANTED	HARVESTED FOR GRAIN	PER HARVESTED ACRE		NO. 2 SOFT RED WINTER	NO. 1 HARD RED WINTER, ORD. PROT.	NO. 1 DARK N. SPRING, 13% PROT.	NATIONAL AVG. LOAN RATE	TARGET PRICE	TOTAL PROGRAM PAYMENTS 6/
	- - - - MILLION ACRES - - - -				BUSHELS	- - - - - - - - DOLLARS PER BUSHEL - - - - - - - -						MIL. DOL.
1975/76	53.5	---	74.8	69.4	30.6	3.56	3.54	3.74	4.17	1.37	2.05	51
1976/77	61.6	---	80.2	70.8	30.3	2.73	2.81	2.88	3.23	2.25	2.29	145
1977/78	62.2	---	75.1	66.5	30.6	2.33	2.56	2.72	2.83	2.25	7/ 2.90	1,243
1978/79 4/	58.8	9.6	66.1	56.8	31.6	2.94	3.57	3.38	3.33	2.35	3.40	822
1979/80 5/	68.4	8.0	71.2	62.2	34.0	3.60-3.90				2.35	3.40	113

1/ IMPORTS AND EXPORTS INCLUDE FLOUR AND OTHER PRODUCTS EXPRESSED IN WHEAT EQUIVALENT. 2/ RESIDUAL; APPROXIMATES FEED USE. 3/ INCLUDES OUTSTANDING AND RESERVE LOANS. 4/ PRELIMINARY. 5/ PROJECTED. 6/ INCLUDES DEFICIENCY, DIVERSION, DISASTER AND RESERVE STORAGE PAYMENTS. 7/ UNPLANTED PORTION OF ALLOTMENT QUALIFIED FOR $2.47. N.A.= NOT AVAILABLE. *TOTALS MAY NOT ADD DUE TO ROUNDING.

THE WHEAT SITUATION

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SUMMARY

Wheat Prices Strong Despite Near Record Crop

Good weather and soil moisture conditions boosted the 1979 U.S. wheat crop to a near-record level. The October 1 estimate was 2,114 million bushels, up 18 percent from last year and only 28 million short of 1976's alltime high. Increased harvested acreage and a record yield of 34 bushels per acre were the determinants of the bumper harvest. The large crop more than offset the reduced June 1 stock level and increased the 1979/80 total wheat supply to over 3 billion bushels, also just short of a new high.

The large supply has not dampened the early season price strength. Instead, exceptional export sales, a delayed harvest, logistical disruptions in competing exporting countries, and prospects for reduced carryover stocks at yearend have held farm prices at around $3.80 a bushel through harvest—about $1 above a year ago. Prices may ease later in the marketing year if the 1980 wheat acreage is larger as expected and weather is favorable. However, for the year, prices are estimated to average $3.60-$3.90 per bushel, up sharply from the $2.94 in 1978/79.

A short 1979 wheat crop in the USSR will help push U.S. overseas wheat sales to a new high. Despite domestic transportation and loading problems, wheat shipments totaled over 500 million bushels during June-September—a level exceeded only during 1973/74. Total 1979/80 wheat exports should reach a record 1.4 billion bushels—200 million above last season. The key to achieving this increase in exports may lie in avoiding frequent and lengthy logistical disruptions both here and abroad.

Reduced wheat feeding is expected to bring a slight decline in domestic use. Higher wheat prices relative to competing feed grains should reduce feed use considerably from last year's 180 million bushels. Food use, off to a strong start, could exceed the 1978/79 record of 591 million bushels by around 2 percent.

The 1979/80 world wheat harvest is now estimated at about a tenth below last year's record 439 million metric tons. The most significant reduction is the projected 30-percent crop shortfall in the Soviet Union—the world's largest wheat producer. The outlook for a continued increase in world wheat use will help to push world trade up about a tenth above last year's record.

Winter wheat growers observed strong prices while making August-October planting decisions. This factor, along with absence of set-aside requirements, suggests a sizable expansion of wheat acreage in 1980. First indications of 1980 winter wheat seedings will be reported by USDA's Crop Reporting Board on December 21.

THE 1979/80 SITUATION

Another 2-Billion-Bushel Crop Means A Large 1979/80 Supply

The 1979 U.S. wheat crop responded to generally good weather and soil moisture conditions, resulting in the third largest volume ever. The October 1 estimate was 2,114 million bushels, up 18 percent from last year and only 28 million under 1976's alltime high. Chances are 2 out of 3 that this forecast will not differ from final production by more than 25 million bushels. Increased harvested acres and excellent yields were the determinants of this bumper harvest. The average yield for all wheat was a record 34.0 bushels per acre compared with 1978's 31.6 and the previous high of 33.9 in 1971.

Planting of the 1979 *winter wheat* crop took place under dry soil conditions, which slowed the good plant development needed before winter dormancy. However, widespread snow cover and spring rains restored subsoil moisture. Dormancy broke late, but was followed by ideal growing conditions. Extreme cold and poor snow cover caused abnormally high winterkill in the Northwest and wet weather during the Plains' harvest resulted in some sprout damage. Nevertheless, a record winter wheat yield of 36.7 bushels per harvested acre confirmed the widespread ideal conditions. California, Kansas, Michigan, Missouri, Oklahoma, and Texas all reported new yield highs.

Spring planting also got off to a late start for the 1979 *Durum* crop. Subsequently, hot dry conditions caused the crop to ripen more rapidly than usual, reducing yields—26.9 bushels per acre compared with a record 33.1 in 1978. A variety of weather patterns during harvest resulted in some sprout damage and poorly filled heads. Durum production was down about a fifth and average quality was good, equaling the 1974-78 average.

Other spring wheat producers were also hard pressed to complete spring seeding. Although growing conditions ranged from hot/dry to cool/wet over different producing areas, the crop developed well except in western areas. The late season dropped the average yield to 27.9 bushels per acre, about 2 bushels below a year ago. Production of the more common spring wheat—Northern Red Spring—totaled 355 million bushels, down 7 percent from a year ago. However, total production of other spring wheat was about equal to 1978's because of a record 60-million-bushel spring White wheat harvest.

Wheat: Supply and disappearance

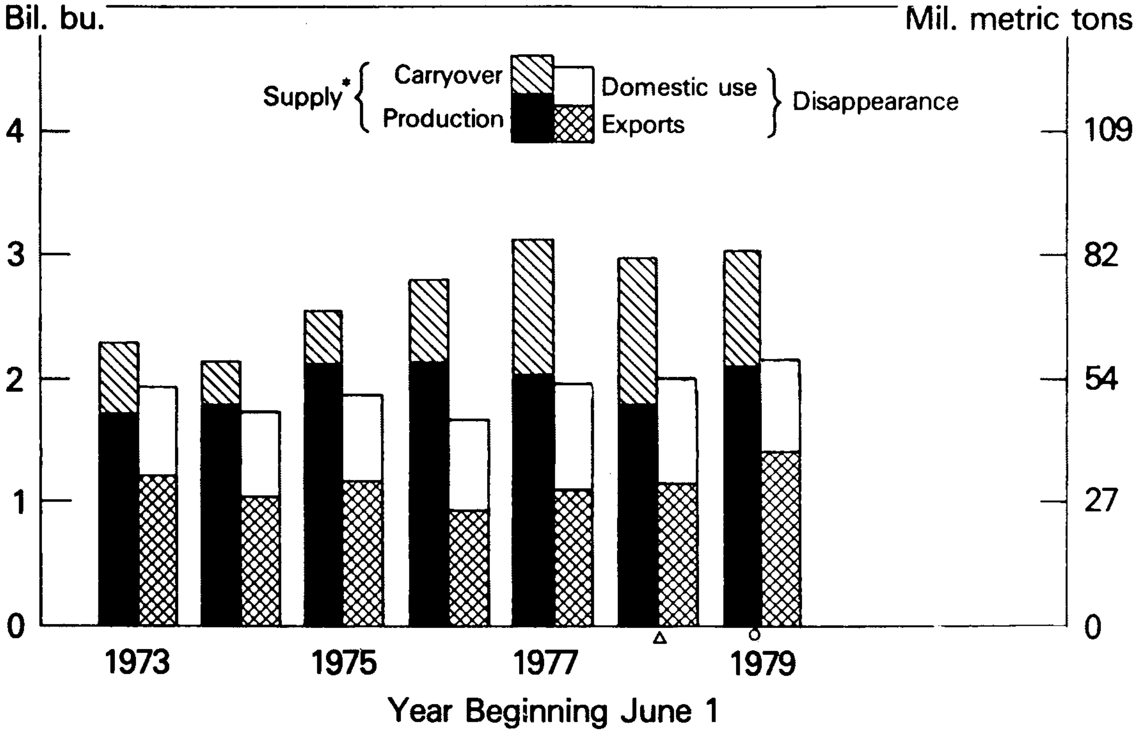
Item	June-September	
	1978	1979
	Million bushels	
June 1 stocks	1,177	925
Production	1,799	2,114
Total supply[1]	2,976	3,039
Exports	493	511
Food	192	198
Seed	27	33
Feed	127	8
Total disappearance	839	750
October 1 stocks	2,137	2,289

[1] Includes imports.

Quality of the total 1979 crop is good although average protein levels are running slightly lower than last year. Spring wheat quality turned out about on par with a year ago and hard winter protein may be only slightly lower. Soft wheat quality is generally good to excellent. There may be more wheat of feeding quality due to varying degrees of harvest damage, but no large quantities are concentrated in any one location. Supplies of all protein levels and grades for domestic flour and export needs should be adequate.

This year's bumper crop more than offset the reduced June 1 stock level and increased total 1979/80 wheat supply to over 3 billion bushels, short of a new high. A sizable decrease in wheat feeding reduced disappearance during June-September and helped increase the October 1 stock level to 2.3 billion bushels, 7 percent above 1978

Wheat Supply and Disappearance

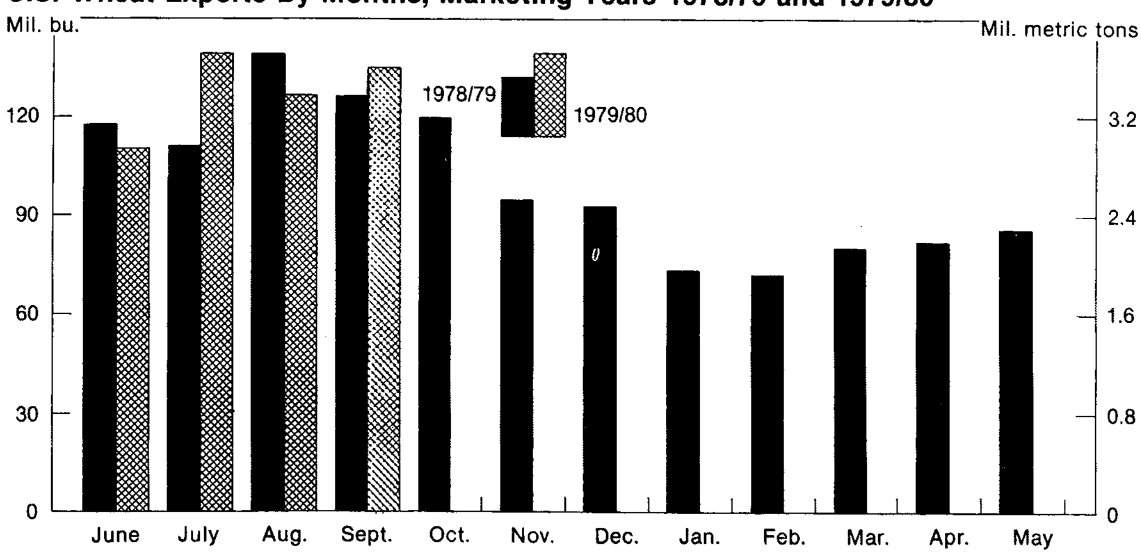


*Includes Imports. △Preliminary. ○Projected.

USDA

Neg. ESCS 2117-79(10)

U.S. Wheat Exports By Months, Marketing Years 1978/79 and 1979/80



Includes flour and products in wheat equivalent.

USDA

Neg. ESCS 31-79 (10)

and just short of the October 1977's record of 2.4 billion.

Domestic Use

Apparent wheat food use for June-September was strong with monthly mill grind continuing above the year-earlier pace. August's mill grind of 58 million bushels is a high for this decade. At this accelerated pace, total food use for 1979/80 could exceed last year's record 591 million bushels by around 2 percent. But millers' buying patterns may be affected by higher price levels and logistical problems that have delayed flour shipments and producers' ability to readily reach the marketplace. Bakers are facing flour prices of $2.50 per cwt. above a year ago in addition to higher production costs and price increases for other ingredients. These cost increases have resulted in bread price advances of 10 percent or more.

The volume of wheat fed to livestock ordinarily follows a fundamental inverse relationship to the price of wheat. But considering last season's higher price, indicated 1978/79 feed use was unusually large and may have been due to other variables.[1] The October 1 stock report implies sharply reduced wheat feeding in 1979/80. Apparent consumption during June-September was less than 10 million bushels compared with 127 million the same period last year. This year's excessive harvesttime moisture caused varying degrees of quality damage in many Plains areas. This wheat has been heavily discounted on the market but still has value as livestock feed. For the year, wheat fed should be 70-100 million bushels below the level of the past two years.

Logistical Problems Slow Exports Record Shipments Still Likely

Despite a 2-month shutdown of a major U.S. wheat loading port at Duluth-Superior, June-September wheat exports totaled 511 million bushels. Total 1979/80 exports will likely reach a record 1.4 billion bushels, topping last season by 200 million. Resumption of loading operations at Duluth-Superior vaulted total exports to a record 47 million bushels during the week ending October 4.

A short 1979 wheat crop in the USSR will help push U.S. overseas wheat sales to a new high. Recent consultations on the fourth year (October/September 1979/80) of the US/USSR Grain Supply Agreement allow Soviet purchases of up to 25 million tons of U.S. wheat and corn. This compares with purchases of 15 million tons in the last two years. In terms of the June-May marketing year, total 1979/80 Soviet wheat purchases will be more than double the shipments of 2.6 million in 1978/79.

Total export commitments (outstanding sales plus shipments) as of late-October represent over two-thirds of the season's total projected volume. Loadings may slow during winter months so accelerated export activity can be expected during the latter part of the marketing year. The key to achieving the expected 200-million-bushel increase in exports this season may be in avoiding frequent and lengthy logistical disruptions both here and abroad. Also important will be the Southern Hemisphere crop outturn, the European Community (EC) policy relative to export subsidies, China's wheat import requirements, and India's possible return to the world wheat market.

Wheat Prices Remain Strong; Loan Activity Slow

Nearly halfway into the 1979/80 marketing year, wheat market prices are still holding at about $1 a bushel above last year. Speculation that this year's bumper crop would make early season high prices short-lived has not materialized. Market prices are at their highest level in 4 years due to exceptional export sales, a delayed harvest, logistical problems in competing countries, and prospects for reduced carryover stocks at yearend.

Wheat: Average prices received by farmers in selected States

States	August		September		October	
	1978	1979	1978	1979	1978	1979[1]
	Dollars per bushel					
Illinois . . .	2.98	3.88	3.04	3.89	3.22	3.87
Kansas . . .	2.74	3.67	2.81	3.84	2.98	3.77
North Dakota . . .	2.69	3.66	2.74	3.91	2.81	4.21
Oklahoma .	2.90	3.95	2.97	4.07	3.12	3.99
Washington	3.46	4.21	3.43	4.17	3.40	3.97
United States . .	2.88	3.74	2.92	3.87	2.99	3.90

[1] Preliminary.

Average prices paid to farmers held at around $3.80 a bushel through the harvest with prices above $4 in many areas. The October average farm price was $3.90 a bushel, up 90 cents from a year ago. Prices are expected to remain strong but may soften later in the marketing year if the 1980 wheat acreage is larger as expected and weather is favorable. For the season, prices are estimated to average $3.60-3.90 a bushel. Thus, deficiency payments will not be made to participating growers because the national weighted average farm price for the first 5 months (June-October) will exceed the $3.40 target.

[1]See article, "Annual Use of Wheat for Feed," *Wheat Situation*, August 1979.

Higher prices and reduced participation in the set-aside program have kept growers' use of the CCC loan program at a low level—less than half of last year's small placements. In addition, over 40 percent of the wheat in the farmer-held reserve has been redeemed, reducing the wheat reserve to less than 250 million bushels.

In October, the USDA announced that outstanding 1978 crop loans, (52 million bushels) can be placed in the reserve and all eligible 1979 wheat can be placed directly into the farmer-owned reserve. Because the reserve has been in a release status for an extended period, storage payments have stopped. Thus, farmers who place 1978 and 1979 wheat in the reserve will not receive an advance storage payment. However, storage payments will be made if wheat prices fall to the level that ends the reserve release status. Current high price levels suggest only small quantities will be placed in the reserve.

Wheat price support loan status, 1976-79 crops, as of October 31, 1979

Item	Crop of 1976	1977	1978	1979	Total
			Million bushels		
Placed under CCC loan	499	591	255	80	xxx
Redeemed by farmers	326	471	203	4	xxx
Delivered to CCC	48	2	—	—	50
In reserve program	125	118	—	—	243
Loans outstanding	0	0	52	76	128
Total in reserve, CCC and loans outstanding	173	120	52	76	421
			Dollars per bushel		
National average loan rate	2.25	2.25	2.35	2.35	
Average farm price					
Season	2.73	2.33	2.94	3.60-3.90	
Monthly, low/high	2.19-3.46	2.03-2.82	2.81-3.22	—	
			Reserve "trigger" prices		
Release	xxx	3.15	3.29	3.29	
Call	xxx	3.94	4.11	4.11	

WORLD WHEAT OUTLOOK

World Wheat Production Down

The 1979/80 world wheat harvest forecast is estimated at 401 million metric tons, about 9 percent below last year's record 439 million tons. Excluding the near record 1979 outturn in the United States, the world crop would be down 12 percent. The most significant reduction in this year's production comes from an estimated 38-million-ton shortfall in the Soviet Union harvest, 30 percent below 1978's record.

World wheat utilization is forecast to continue its trend upward in 1979/80, although at a slower rate than in 1978/79. Last year's record supplies, particularly in Europe, resulted in increased livestock wheat feeding. This season's indicated reduction in global wheat supplies and increased demand imply a stock drawdown of around 20 million tons by the end of 1979/80. Thus, yearend stocks will represent about 20 percent of total annual use compared with 25 percent in 1978/79. Estimated carryover stocks for major world wheat exporting countries could be down about a tenth to the lowest level since 1975/76.

World Trade Likely A Record

World wheat trade is projected to top last year's record by 10 percent or more. U.S. exports should reach a record of about 38 million tons, while Australia's total should be near a new high. Despite Canada's reduced harvest, crop quality concern, and continued transportation problems, their sizable carryover stocks will help to keep exports above the average of the last 5 years. Forecasts for Argentina and the EC indicate overseas business may be as large or larger than last year (table 11).

Developments that may influence the level of world wheat trade in coming months include:

- Continued pressure on the transportation and handling systems of major exporting and importing countries.
- Prospects for crop outturns in the Southern Hemisphere.
- Further Soviet purchases and the relationship between wheat and feed grain purchases.
- China's level of grain imports.
- The Indian grain situation.
- EC policy decisions relative to export subsidies.

Among major 1979/80 world wheat importers, the Soviet Union has been the headliner ever since it became clear that drought conditions would reduce the winter wheat crop to the lowest level since 1975. The USSR's 1979/80 total grain imports are projected to reach 32 million tons, of which 11 million will likely be wheat. The United States will supply the major share with the other major exporters supplying the remainder.

Due to successive record grain crops and high world market prices, China is expected to reduce wheat imports slightly. Traditional wheat suppliers—Canada, Argentina, and Australia—should provide most of China's imports, while purchases from the United States (with no formal trade agreement) are likely to be down from 1978/79's level.

This year's Eastern European wheat production will be down 20 percent because of winterkill and drought conditions during crop development. If the policy of expanding livestock production is to continue, imports of both wheat and feed grains should increase because wheat is an important feed grain in this area. Reduced supplies in Hungary, Romania, and the Soviet Union are likely to result in increased purchases from the United States and Canada.

World wheat: Supply and utilization

Item	1977/78	1978/79 prel.	1979/80 projected
	Million metric tons		
Ending stocks[1]			
Canada	12.1	15.0	13.3
Australia	0.7	5.8	7.3
Argentina	0.8	0.5	0.3
Subtotal	13.6	21.3	20.9
Other Foreign	36.3	58.9	42.5
United States	32.0	25.2	23.2
World total	81.9	105.3	84.4
World production	382.8	438.6	400.7
World supply	482.2	520.5	506.0
World utilization	400.3	415.1	421.6
World trade	72.9	71.6	78.7

[1] Stock data is based on aggregate of differing local marketing years and should not be construed as representing world stock levels at any one time.

Source: Adapted from FAS, World Grain Situation and Outlook for 1979/80, FG-17-79 October 1979.

OUTLOOK FOR 1980 PLANTINGS

No Set-Aside for 1980 Crop

Because the 1979/80 world wheat outlook indicates strong demand, reduced world production, and a drawdown of stocks, there will be no planting restrictions for the 1980 wheat crop. A 20-percent set-aside program had been in effect for the 1978 and 1979 crops. Grower's decisions on what and how much to plant have been or will be based on market conditions and expectations for wheat and competing crops and weather. In addition, grower's may consider features of the 1980 wheat program that include:

- All wheat producers being eligible for loans, the farmer-owned reserve, and target price protection.
- A national wheat program acreage (NPA) of 70 million acres, up about 2.5 million from this year. The NPA may be adjusted later in the year based on more current information.
- Eligibility for full target price payments to those producers who plant no more wheat than their 1979 acreage, plus set-aside and graze-out acres. Farmers who exceed this acreage would be subject to an allocation factor—target price protection of 80 to 100 percent of the acreage planted to wheat.
- A 15-cent increase in the loan rate to $2.50 per bushel. This higher rate increases the minimum release price for the farmer-owned reserve to $3.50 per bushel and the "call" level to not less than $4.38. These rates would apply to all reserve stocks, but not until June 1, 1980.
- A target price based on preliminary data of around $3.07 per bushel compared with this year's $3.40. The final figure will be announced by March 15.

Wheat: Acreage and production

Class	Planted		Harvested		Production	
	1978	1979[1]	1978	1979[1]	1978	1979[1]
	Million acres				*Million bushels*	
Winter ...	47.7	51.7	38.9	43.5	1,248	1,596
Durum ...	4.1	4.0	4.0	3.8	133	104
Other spring	14.3	15.5	13.9	14.9	417	414
Total[2] ..	66.1	71.2	56.8	62.2	1,799	2,114

[1] Preliminary. [2] Totals may not add due to rounding.

Expanded Acreage Expected

Winter wheat growers observed strong market prices while making August-October planting decisions. Farm prices of nearly $1 per bushel above a year ago were particularly strong relative to competing crops. New-crop futures (July 1980) have provided a favorable price picture for next year. The combination of these economic forces and no set-aside requirements will favor expanded acreage in 1980. Most of the increase would come from land that was under last season's 20 percent set-aside program—about 7 million acres. This would suggest 1980 wheat plantings up around a tenth from 1979's 71 million acres. Continued favorable prices and demand next spring could further expand spring wheat acreage at the expense of other crops.

Winter Crop Planted; Condition Improves

Winter wheat seedings generally have been completed. Early plantings were on schedule but dry weather in the Southern Plains and in the West slowed operations as growers waited for needed rain. Planting was also late in eastern areas due to wet soils and a slow soybean harvest. Many hard-winter producing areas awaited needed rainfall to assure good germination and early growth. But then, in late October and early November, the wheat belt received significant moisture relief, greatly improving prospects for the 1980 crop.

WHEAT BY CLASS

HRW Exports Strong

A record 1979 Hard Red Winter (HRW) crop of 1.1 billion bushels has been garnered. This is over 30 percent larger than the 1978 crop and reflects record harvests in three leading HRW States—Kansas, Oklahoma, and Texas. Along with increased harvested acreage, good moisture and growing conditions propelled yields to exceptionally high levels in these States—averaging nearly 10 bushels per acre above a year ago.

The quality of 1979 HRW is considered generally good, with protein slightly down from last year's 12.4 percent and above the 10-year average. Average test weights were above those of the 1977 and 1978 crops but below the 10-year average. Excessive moisture in some areas caused some sprout damage resulting in increased quantities of lower grades. Such wheat, however, has value as livestock feed.

On the strength of a record export season, total HRW use for the marketing year is forecast to exceed the record crop. Thus, ending stocks will likely decline to around 350 million bushels, the lowest since 1974/75 (table 3).

A short 1979 winter wheat crop in the USSR will help push total U.S. overseas HRW sales to a new high. By mid-October, total HRW commitments (shipments plus outstanding sales) were up nearly 45 percent from last year's brisk pace. Increased commitments to the Soviet Union were leading the way—200 million bushels compared with 40 million for the same period last year. Conversely, China's 1979/80 commitments for U.S. wheat were down by more than 50 million bushels. For the year, HRW exports are expected to exceed the record of 775 million bushels set in 1973/74.

HRS Crop Down, But Supply Still Large

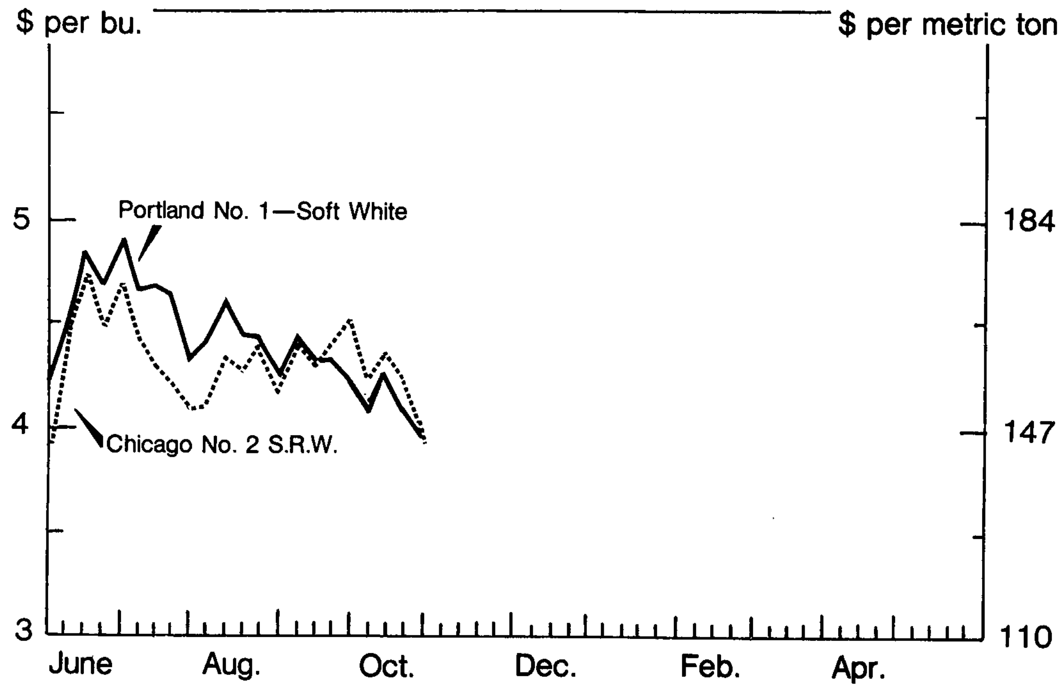
The 1979 Hard Red Spring (HRS) harvest of 355 million bushels was the third successive production cutback since the record 411-million-bushel crop in 1976. Although harvested acreage was up modestly, a delayed season reduced yields in two major producing States—North Dakota and Montana. Despite excessive wet conditions during harvest, crop quality came through better than expected. Protein was about on par with last year, but sprout damage was not as common as expected.

In response to both a smaller crop and reduced carryover stocks, total 1979/80 supply will be a modest 35 million bushels smaller than a year ago. About a quarter of this supply was under loan, in the reserve program, or owned by CCC.

Prospects are good for some increased domestic use as HRS prices are likely to be quite competitive with HRW. This year's strong overseas demand for U.S. wheats should mean at least another 200-million-bushel export season for HRS. Earlier projections pointed to a near-record year, but the Duluth-Superior shutdown cut back the estimate.

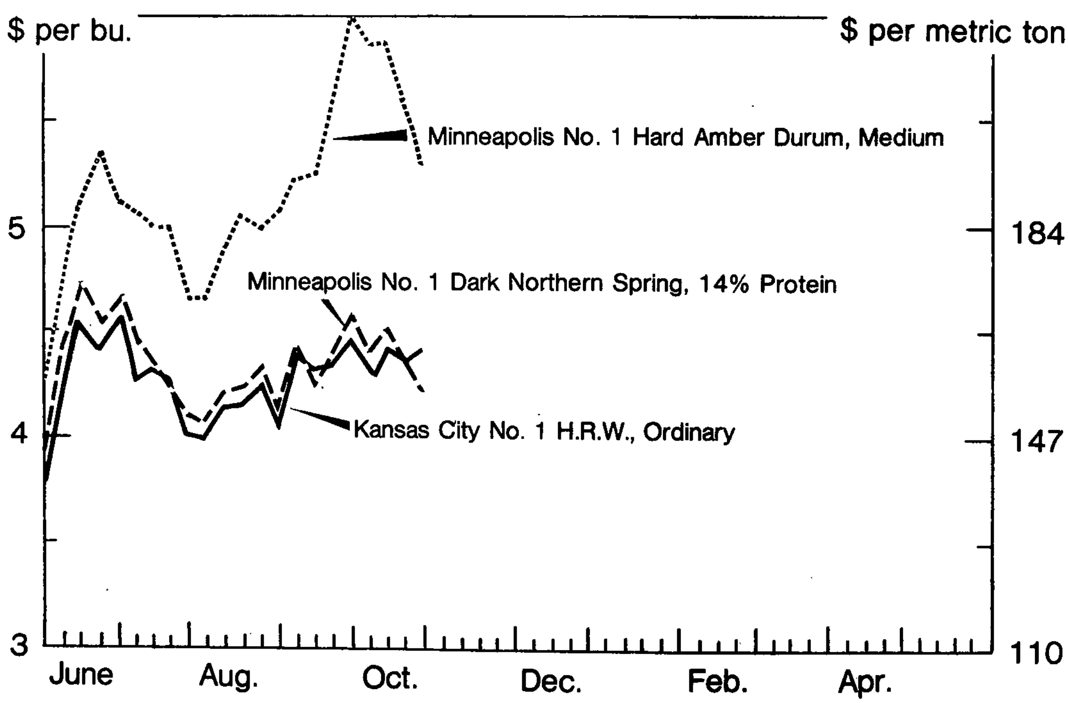
Harvest delays, the prolonged port shutdown, and concern for crop quality influenced HRS price

Cash Wheat Prices, 1979/80 *



* Thursday price.

Cash Wheat Prices, 1979/80 *



Thursday price.

Durum wheat: World production

Country	1977	1978	1979 (est.)
	Million metric tons		
United States	2.2	3.6	2.9
EEC	2.2	3.8	3.6
Canada	1.3	2.8	1.7
Turkey	2.5	3.0	3.0
Algeria	0.7	1.0	1.0
Morocco	1.0	1.4	1.1
Argentina	0.3	0.3	0.3
Other foreign[1]	3.1	4.3	3.3
World total	13.3	20.2	16.9

[1] Includes countries not specified but excludes centrally-planned countries.

Source: IWC - September 1979.

fluctuations for the last 2 months. Still, Minneapolis market prices have moved upward along with the overall wheat market strength. Preliminary reports indicate very little quality difference between the 1978 and 1979 crop. With large carryover stocks at good protein levels, premiums should not be appreciably different than last season.

Durum Crop and Supply Down, Prices Advance

The 1979 Durum crop of 104 million bushels is about a fifth below 1978's near record outturn. A small reduction in harvested acreage and lower average yields—off 6 bushels per acre from last year's record—contributed to the decrease. Despite late planting and harvesting, quality of the 1979 crop turned out about average, but somewhat below 1978's. Nevertheless, ample quantities of superior quality wheat will be available.

Although the crop is smaller, carryin stocks were up, thus the 1979/80 Durum supply is only slightly below last year's record 201 million bushels (table 3). Durum disappearance is expected to reach another record, cutting into this large supply and reducing yearend carryover stocks.

Another bright year for U.S. Durum exports is pegged to an expected repeat of last season's strong world demand. World Durum production is down 16 percent. This means the leading exporters—United States and Canada—will continue in the position of supplying most of the world's needs. However, a 40-percent smaller Canadian Durum crop will reduce their available export supply. Despite a slow start caused by the Duluth-Superior work stoppage, total U.S. 1979/80 Durum exports should be near last season's record 72 million bushels.

Durum market prices were the first to top $5 per bushel in this year's overall strengthening of wheat price levels. Delayed harvest of a smaller crop, improved mill purchases, and strong export sales have kept Minneapolis prices around $5 since last June. Prospects for increasing overseas and domestic demand should lend price strength for much of the year. High Durum premiums (nearing $1 per bushel over HRS) may lead to more blending of hard wheat flours by pasta manufacturers.

SRW Supply Up, Exports Increase

The 1979 Soft Red Winter (SRW) wheat harvest of 319 million bushels—117 million larger than the 1978 crop—does much to alleviate the very tight supply situation that existed during most of the last marketing year. Total 1979/80 supply is up 27 percent, but the outlook is for expanded domestic and overseas demand to again result in relatively small yearend stocks. The quality of this year's SRW crop is generally good to excellent with heavy test weight and protein levels lower than a year ago.

Export prospects have been the highlight of this season, mainly because SRW is once again the lowest priced wheat at U.S. export markets. Foreign purchasers have responded to the relatively favorable prices and outstanding export commitments as of October 21 were over a fourth above a year ago. Total SRW exports for 1979/80 may be around 155 million bushels compared with last year's 95 million and 197 million in 1977/78.

Compared with last seasons's extremely tight supply situation, SRW export prices are now more competitive with other classes. Thus, increased export sales should maintain SRW prices at around $1 per bushel above 1978/79 levels. Farm prices range near $4 per bushel which has prompted an expansion of fall planting for the 1980 crop.

White Wheat Crop Off a Trifle, Exports Slow

The 1979 all White wheat crop (Western, Eastern, and Spring) was down less than 2 percent from a year ago. Although the White winter wheat harvest in the Pacific Northwest was off about 20 percent because of reduced yields and above normal winter freeze losses, heavy reseeding to spring varieties produced a record 60-million-bushel spring White wheat harvest. This eased the concern about a possible tightening of soft wheat supplies in the West. Expanded acreage in the East produced a White wheat crop of nearly 30 million bushels, about double the year before. This replenished the Eastern soft White supply that had been virtually depleted before the harvest.

Domestic White wheat disappearance should drop slightly in 1979/80 due to reduced wheat feeding. High prices and reduced availability of off-grade wheat will deter wheat feeding. There is some uncertainty about 1979 export demand maintaining last year's pace. During June-September, total White wheat shipments were 12 percent behind a year ago with lagging sales to major customers—Japan, Iran, and Pakistan. However, other Asian markets loom as potentially larger buyers—namely, Bangladesh, Indonesia, and Sri Lanka. Reflecting these uncertain demands, exports for 1979/80 are projected below last year's 185 million bushels.

Portland White wheat market prices slid from their early season high of just under $5 per bushel to under $4 in October—below Chicago soft wheat for the first time since last March. This decline was in response to disappointing export sales, a larger than expected 1979 crop, and the outlook for increased 1980 wheat acreage.

Rye: Supply and disappearance

Item	June-September	
	1978	1979
	Million bushels	
June 1 stocks	4.1	9.7
Production	26.2	23.7
Total supply[1]	30.4	33.4
Exports	([2])	0.6
Food	1.1	1.2
Seed	2.5	2.2
Industrial	0.5	0.5
Feed	2.3	3.0
Total disappearance	6.4	7.5
October 1 stocks	24.0	25.9

[1] Includes imports. [2] Less than 50,000 bushels.

Smaller 1979 Rye Crop; But Stocks Remain Large

A decline in yields and fewer acres harvested for grain produced a 1979 rye crop of 23.7 million bushels, about 10 percent below 1978's. Minnesota was the only major producing State with a larger 1979 harvest. Offsetting this smaller crop was a larger June 1 carryin, which resulted in the largest rye supply in 6 years. Rye prices have remained weak relative to wheat, which should encourage increased disappearance. Early season mill grind is up slightly, but shipping problems slowed much activity. Rye-for-feed use is expected to expand because of increased quality damage in this year's crop and attractive prices. Similarly, relatively low U.S. prices and some short crops overseas have boosted export sales with nearly 2 million bushels compared to very small amounts in the past 4 years.

While total 1979/80 use is forecast to jump about a fourth, year-ending stock levels will still be large. With higher wheat prices and no-set-aside requirements, there's a good chance that some rye acreage will be planted to wheat in 1980.

TABLE 2.--WHEAT: MARKETING YEAR SUPPLY AND DISAPPEARANCE, SPECIFIED PERIODS, 1975-79 *

YEAR AND PERIODS BEGINNING JUNE 1	SUPPLY				DISAPPEARANCE							ENDING STOCKS		
					DOMESTIC USE									
	BEGINNING STOCKS	PRODUCTION	IMPORTS 1/	TOTAL	FOOD	ALC. BEVERAGES	SEED	FEED 2/	TOTAL	EXPORTS 1/	TOTAL DISAPPEARANCE	GOVT. OWNED	PRIVATELY OWNED 3/	TOTAL
	MILLION BUSHELS													
1975/76														
JUNE-SEPT.	435.0	2,122.5	0.7	2,558.1	195.6	4/	33.0	16.6	245.2	428.4	673.6	---	1,884.5	1,884.5
OCT.-DEC.	1,884.5	---	0.7	1,885.3	150.4	4/	35.0	-29.3	156.1	343.6	499.6	---	1,385.7	1,385.7
JAN.-MAR.	1,385.7	---	0.3	1,386.0	148.5	4/	1.0	52.4	201.9	247.3	449.2	---	936.8	936.8
APR.-MAY	936.8	---	0.6	937.4	94.2	4/	30.0	-5.7	118.5	153.7	272.1	---	665.3	665.3
MKT. YEAR	435.0	2,122.5	2.4	2,559.8	588.6	0.1	99.0	34.0	721.7	1,172.9	1,894.6	---	665.3	665.3
1976/77														
JUNE-SEPT.	665.3	2,142.4	0.9	2,808.5	200.4	4/	32.0	-11.0	221.5	398.8	620.3	---	2,188.2	2,188.2
OCT.-DEC.	2,188.2	---	0.4	2,188.6	152.5	4/	34.0	4/	186.6	220.3	406.8	---	1,781.8	1,781.8
JAN.-MAR.	1,781.8	---	0.4	1,782.1	147.3	4/	1.0	65.5	213.8	178.8	392.6	---	1,389.5	1,389.5
APR.-MAY	1,389.5	---	1.1	1,390.6	87.9	4/	25.0	13.9	126.7	151.6	278.4	---	1,112.2	1,112.2
MKT. YEAR	665.3	2,142.4	2.7	2,810.3	588.0	0.1	92.0	68.4	748.6	949.5	1,698.1	---	1,112.2	1,112.2
1977/78														
JUNE-SEPT.	1,112.2	2,036.3	0.8	3,149.4	193.3	4/	32.0	142.0	367.3	381.7	749.0	8.2	2,392.2	2,400.4
OCT.-DEC.	2,400.4	---	0.4	2,400.7	153.5	4/	23.0	5.1	181.6	225.4	407.0	31.8	1,962.0	1,993.8
JAN.-MAR.	1,993.8	---	0.4	1,994.2	145.5	4/	1.0	41.4	187.9	278.6	466.5	44.8	1,482.9	1,527.7
APR.-MAY	1,527.7	---	0.3	1,528.0	94.2	4/	24.0	-5.2	113.1	238.2	351.3	45.7	1,131.0	1,176.7
MKT. YEAR	1,112.2	2,036.3	1.9	3,150.5	586.5	0.1	80.0	183.3	849.9	1,123.9	1,973.8	45.7	1,131.0	1,176.7
1978/79														
JUNE-SEPT.	1,176.7	1,798.7	0.5	2,976.0	191.7	4/	27.0	127.0	345.7	493.3	839.0	48.9	2,088.1	2,137.0
OCT.-DEC.	2,137.0	---	0.5	2,137.5	153.7	4/	34.0	9.2	196.9	308.8	505.7	49.5	1,582.3	1,631.8
JAN.-MAR.	1,631.8	---	0.5	1,632.3	147.4	4/	1.0	34.5	182.9	224.5	407.4	49.5	1,175.4	1,224.9
APR.-MAY	1,224.9	---	0.3	1,225.2	98.7	4/	25.0	9.5	133.2	167.5	300.7	49.5	875.0	924.5
MKT. YEAR	1,176.7	1,798.7	1.8	2,977.3	591.5	0.1	87.0	180.1	858.7	1,194.1	2,052.8	49.5	875.0	924.5
1979/80 5/														
JUNE-SEPT.	924.5	2,113.9	0.7	3,039.1	198.1	4/	33.0	8.1	239.2	511.0	750.2	49.5	2,239.4	2,288.9
OCT.-DEC.														
JAN.-MAR.														
APR.-MAY														
MKT. YEAR														

1/ IMPORTS AND EXPORTS INCLUDE FLOUR AND OTHER PRODUCTS EXPRESSED IN WHEAT EQUIVALENT. 2/ RESIDUAL; APPROXIMATES FEED USE. 3/ INCLUDES OUTSTANDING AND RESERVE LOANS. 4/ LESS THAN 50,000 BUSHELS. 5/ PRELIMINARY. *TOTALS MAY NOT ADD DUE TO ROUNDING.

TABLE 3.--WHEAT CLASSES: MARKETING YEAR SUPPLY AND DISAPPEARANCE, 1976-79 1/

YEAR BEGINNING JUNE 1	SUPPLY			DISAPPEARANCE			ENDING STOCKS MAY 31
	BEGINNING STOCKS	PRODUCTION	TOTAL 2/	DOMESTIC USE	EXPORTS 3/	TOTAL	
	MILLION BUSHELS						
1976/77							
HARD WINTER	379	976	1,355	332	418	750	605
RED WINTER	57	336	393	140	181	321	72
HARD SPRING	116	411	528	154	124	278	250
DURUM	53	135	190	57	41	98	92
WHITE	60	284	344	65	186	251	93
ALL CLASSES	665	2,142	2,810	748	950	1,698	1,112
1977/78							
HARD WINTER	605	992	1,597	431	535	966	631
RED WINTER	72	350	422	154	197	351	71
HARD SPRING	250	398	649	158	156	314	335
DURUM	92	80	173	44	62	106	67
WHITE	93	216	309	62	174	236	73
ALL CLASSES	1,112	2,036	3,150	849	1,124	1,973	1,177
1978/79 4/							
HARD WINTER	631	834	1,465	435	610	1,045	420
RED WINTER	71	202	273	151	95	246	27
HARD SPRING	335	380	715	159	232	391	324
DURUM	67	133	201	43	72	115	86
WHITE	73	250	323	70	185	255	68
ALL CLASSES	1,177	1,799	2,977	858	1,194	2,052	925
1979/80 5/							
HARD WINTER	420	1,091	1,511	372	785	1,157	354
RED WINTER	27	319	346	143	155	298	48
HARD SPRING	324	355	680	163	210	373	307
DURUM	86	104	191	48	70	118	73
WHITE	68	245	313	64	180	244	69
ALL CLASSES	925	2,114	3,041	790	1,400	2,190	851

1/ DATA, EXCEPT PRODUCTION, ARE APPROXIMATIONS. 2/ TOTAL SUPPLY INCLUDES IMPORTS. 3/ IMPORTS AND EXPORTS INCLUDE FLOUR AND OTHER PRODUCTS IN WHEAT EQUIVALENT. 4/ PRELIMINARY. 5/ PROJECTED.

TABLE 4.--WHEAT: MARKETING YEAR SUPPLY AND DISAPPEARANCE, 1950-74 *

YEAR BEGINNING JUNE 1	SUPPLY				DISAPPEARANCE							ENDING STOCKS MAY 31		
					DOMESTIC USE									
	BEGINNING STOCKS	PRODUCTION	IMPORTS 1/	TOTAL	FOOD	ALC. BEVERAGES	SEED	FEED 2/	TOTAL	EXPORTS 1/	TOTAL DISAPPEARANCE	GOVT. OWNED	PRIVATELY OWNED 3/	TOTAL
	MILLION BUSHELS													
1950/51	495.6	1,019.3	11.1	1,526.1	492.6	0.2	87.9	109.0	689.8	344.7	1,034.4	160.2	331.5	491.7
1951/52	491.7	988.2	30.0	1,509.8	496.2	0.9	88.2	109.2	694.6	485.5	1,180.1	82.3	247.4	329.7
1952/53	329.7	1,306.4	23.6	1,659.8	488.5	0.2	89.1	77.9	655.6	332.0	987.6	291.8	380.4	672.2
1953/54	672.2	1,173.1	5.7	1,851.0	486.5	0.2	69.5	87.5	643.7	213.6	857.3	714.3	279.3	993.6
1954/55	993.6	983.9	3.8	1,981.3	487.1	0.2	64.8	52.6	604.7	267.2	871.9	970.6	138.8	1,109.4
1955/56	1,109.4	937.1	9.7	2,056.2	484.4	0.7	68.1	50.8	603.9	322.2	926.1	921.6	208.6	1,130.2
1956/57	1,130.2	1,005.4	8.1	2,143.6	482.2	0.5	58.0	57.8	598.6	541.0	1,139.6	808.3	195.7	1,004.0
1957/58	1,004.0	955.7	10.6	1,970.4	484.0	0.3	63.0	42.4	589.7	418.5	1,008.2	812.9	149.3	962.2
1958/59	962.2	1,457.4	8.3	2,428.0	496.9	0.1	64.3	49.0	610.3	449.6	1,059.9	1,083.8	284.3	1,368.1
1959/60	1,368.1	1,117.7	7.0	2,492.9	494.9	0.1	62.8	49.2	606.9	501.8	1,108.7	1,198.0	186.2	1,384.2
1960/61	1,384.2	1,354.7	8.1	2,747.0	496.5	0.1	64.2	30.3	591.0	653.5	1,244.5	1,224.6	277.8	1,502.4
1961/62	1,502.4	1,232.4	5.9	2,740.7	504.1	0.1	56.4	43.9	604.4	715.7	1,320.1	1,074.4	346.2	1,420.6
1962/63	1,420.6	1,092.0	5.3	2,517.8	502.6	0.1	61.4	34.6	598.8	649.4	1,248.1	1,101.8	167.9	1,269.7
1963/64	1,269.7	1,146.8	4.0	2,420.6	488.0	0.1	65.0	28.5	581.5	845.6	1,427.1	799.8	193.7	993.5
1964/65	993.5	1,283.4	1.9	2,278.7	514.5	0.1	65.6	54.8	634.9	722.7	1,357.6	634.8	286.3	921.1
1965/66	921.1	1,315.6	0.9	2,237.6	517.8	0.1	61.5	145.9	725.3	851.8	1,577.1	299.2	361.3	660.5
1966/67	660.5	1,304.9	1.8	1,967.2	505.1	0.1	77.4	100.5	683.1	771.3	1,454.4	122.0	390.8	512.8
1967/68	512.8	1,507.6	0.9	2,021.3	517.9	0.1	71.3	36.5	625.8	765.3	1,391.1	100.1	530.1	630.2
1968/69	630.2	1,556.6	1.0	2,187.9	522.4	0.1	60.9	156.3	739.7	544.2	1,283.9	139.5	764.5	904.0
1969/70	904.0	1,442.7	2.8	2,349.5	520.1	0.5	55.6	187.7	763.9	603.0	1,366.9	277.2	705.4	982.6
1970/71	982.6	1,351.5	1.5	2,335.6	517.2	0.1	62.1	192.6	772.0	740.8	1,512.8	352.6	470.2	822.8
1971/72	822.8	1,618.6	1.0	2,442.4	523.7	0.1	63.2	262.3	849.3	609.7	1,459.0	355.1	628.3	983.4
1972/73	983.4	1,546.2	1.3	2,530.9	531.8	0.1	67.4	199.5	798.8	1,135.0	1,933.8	6.3	590.8	597.1
1973/74	597.1	1,710.8	2.6	2,310.5	544.3	4/	84.1	125.1	753.5	1,217.0	1,970.5	0.6	339.5	340.1
1974/75	340.1	1,781.9	3.4	2,125.3	545.0	4/	92.0	34.9	671.9	1,018.5	1,690.4	---	435.0	435.0

1/ IMPORTS AND EXPORTS INCLUDE FLOUR AND OTHER PRODUCTS EXPRESSED IN WHEAT EQUIVALENTS. 2/ RESIDUAL; APPROXIMATES FEED USE. 3/ INCLUDES OUTSTANDING AND RESERVE LOANS. 4/ LESS THAN 50,000 BUSHELS. *TOTALS MAY NOT ADD DUE TO ROUNDING.

Table 5.--Wheat: Farm price for leading classes and major feed grain in region, 1977-79 1/

Commodity and year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average	Loan rate
	All prices for 60 pounds													
	Central and So. Plains (Hard Winter) 2/													
Wheat:														
1977/78	1.94	1.98	1.94	2.06	2.19	2.37	2.38	2.37	2.44	2.55	2.69	2.69	2.30	2.19
1978/79	2.72	2.71	2.74	2.82	2.96	2.98	2.97	2.93	2.96	2.97	3.00	3.12	2.91	2.28
1979/80	3.63	3.81	3.72	3.82										2.28
Sorghum:														
1977/78	1.82	1.75	1.59	1.60	1.74	1.87	1.86	1.87	1.91	2.02	2.16	2.21	1.87	1.79
1978/79	2.15	2.05	1.97	1.96	2.06	2.11	2.12	2.11	2.11	2.12	2.15	2.17	2.09	2.00
1979/80	2.55	2.68	2.51	2.48										2.02
	Cornbelt (Soft Red Winter) 3/													
Wheat:														
1977/78	1.99	1.97	1.88	1.88	2.01	2.35	2.45	2.45	2.48	2.64	2.88	2.89	2.32	2.26
1978/79	2.88	2.90	3.02	3.08	3.23	3.34	3.37	3.37	3.50	3.38	3.44	3.58	3.26	2.34
1979/80	3.85	4.01	3.86	3.93										2.34
Corn:														
1977/78	2.30	2.01	1.74	1.70	1.80	2.07	2.16	2.17	2.21	2.33	2.47	2.50	2.12	1.93
1978/79	2.52	2.39	2.18	2.13	2.12	2.19	2.27	2.31	2.39	2.44	2.51	2.61	2.34	2.18
1979/80	2.78	3.02	2.88	2.81										2.20
	Northern Plains (Spring and Durum) 4/													
Wheat:														
1977/78	2.25	2.16	2.16	2.28	2.45	2.59	2.56	2.60	2.62	2.66	2.81	2.84	2.50	2.26
1978/79	2.79	2.69	2.71	2.78	2.87	2.93	2.86	2.75	2.83	2.84	2.89	3.14	2.84	2.36
1979/80	3.49	3.69	3.62	3.67										2.36
Barley:														
1977/78	2.10	1.71	1.70	1.71	1.91	2.11	2.14	2.15	2.19	2.21	2.34	2.39	2.05	1.74
1978/79	2.25	2.00	2.02	2.14	2.22	2.36	2.33	2.27	2.26	2.34	2.46	2.55	2.27	1.92
1979/80	2.65	2.72	2.50	2.65										1.92
	Pacific Northwest (White) 5/													
Wheat:														
1977/78	2.47	2.52	2.55	2.45	2.40	2.58	2.62	2.69	2.92	3.07	3.17	3.22	2.72	2.31
1978/79	3.23	3.29	3.35	3.36	3.30	3.30	3.34	3.30	3.21	3.22	3.30	3.42	3.30	2.41
1979/80	3.98	3.93	4.12	4.03										2.42
Barley:														
1977/78	2.47	2.44	2.25	2.32	2.10	2.31	2.30	2.36	2.47	2.56	2.64	2.71	2.41	1.99
1978/79	2.69	2.59	2.54	2.35	2.25	2.32	2.31	2.39	2.36	2.44	2.49	2.58	2.44	2.15
1979/80	2.69	3.08	3.00	3.12										2.16
	U.S. AVERAGE													
Wheat:														
1977/78	2.03	2.04	2.13	2.16	2.30	2.46	2.47	2.53	2.59	2.67	2.82	2.82	6/2.33	2.35
1978/79	2.81	2.81	2.88	2.92	2.99	3.04	3.01	2.99	2.99	2.97	3.01	3.20	6/2.94	2.35
1979/80	3.72	3.89	3.74	3.90										

1/ To adjust prices to relative feed value multiply: corn 1.00; wheat 1.05; barley .90; sorghum .95; reported in Consumption of Feed by Livestock, Production Research Report No. 79, ERS, USDA. 2/ Kansas, Nebraska, Texas, Oklahoma, and Colorado. 3/ Ohio, Indiana, Illinois, and Missouri. 4/ North Dakota, South Dakota, and Minnesota. 5/ Washington, Oregon, and Idaho. 6/ Season average price including allowance for unredeemed loans and purchases by CCC.

Table 6.--Wheat: Major cash market prices for leading classes, 1977-79

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
	Dollars per bushel												
	Kansas City, No. 1 Hard Red Winter (ordinary protein)												
1977/78	2.31	2.35	2.31	2.47	2.56	2.81	2.80	2.82	2.84	3.07	3.21	3.12	2.72
1978/79	3.12	3.14	3.14	3.24	3.42	3.48	3.39	3.42	3.50	3.52	3.53	3.64	3.38
1979/80	4.17	4.34	4.12	4.26									
	13% protein												
1977/78	2.51	2.43	2.38	2.53	2.61	2.86	2.87	2.92	2.92	3.09	3.36	3.25	2.81
1978/79	3.20	3.17	3.15	3.26	3.42	3.48	3.40	3.43	3.52	3.55	3.58	3.71	3.41
1979/80	4.22	4.42	4.28	4.29									
	Chicago, No. 2 Soft Red Winter												
1977/78	2.29	2.20	2.08	2.20	2.27	2.59	2.65	2.69	2.64	2.82	3.11	3.14	2.56
1978/79	3.18	3.22	3.32	3.42	3.51	3.68	3.68	3.73	3.88	3.79	3.60	3.86	3.57
1979/80	4.36	4.39	4.23	4.28									
	St. Louis, No. 2 Soft Red Winter												
1977/78	2.15	2.14	1.97	2.01	2.28	2.70	2.74	2.75	2.71	2.90	3.09	2.99	2.54
1978/79	3.05	3.16	3.21	3.23	3.41	3.57	3.50	3.57	3.66	3.51	3.62	3.68	3.43
1979/80	4.08	4.18	4.04	4.08									
	Toledo, No. 2 Soft Red Winter												
1977/78	2.21	2.13	2.03	2.08	2.21	2.53	2.57	2.62	2.55	2.77	3.07	3.03	2.48
1978/79	3.09	3.13	3.21	3.32	3.46	3.73	3.72	3.73	3.69	3.66	3.56	3.71	3.50
1979/80	4.17	4.37	4.22	4.28									
	Toledo, No. 2 Soft White												
1977/78	2.21	2.16	2.04	2.06	2.18	2.52	2.56	2.62	2.56	2.77	3.07	3.03	2.48
1978/79	3.10	3.26	3.45	3.63	3.69	3.87	3.77	3.72	3.63	3.44	3.35	3.53	3.54
1979/80	4.08	4.31	4.15	4.17									
	Portland, No. 1 Soft White												
1977/78	2.79	2.88	2.88	2.80	2.75	2.91	2.97	3.17	3.33	3.41	3.62	3.60	3.09
1978/79	3.60	3.74	3.72	3.77	3.76	3.76	3.71	3.70	3.65	3.70	3.70	3.91	3.73
1979/80	4.46	4.67	4.45	4.31									
	Minneapolis, No. 1 Dark No. Spring (ordinary protein)												
1977/78	2.43	2.29	2.22	2.51	2.61	2.71	2.68	2.73	2.72	2.86	3.08	3.10	2.66
1978/79	3.06	2.95	2.96	3.07	3.21	3.32	3.15	3.12	3.12	3.18	3.29	3.62	3.17
1979/80	4.23	4.31	4.10	4.18									
	14% protein												
1977/78	2.65	2.54	2.48	2.75	2.87	2.96	2.92	2.94	2.90	3.03	3.23	3.27	2.88
1978/79	3.21	3.11	3.13	3.26	3.41	3.47	3.32	3.30	3.36	3.42	3.45	3.73	3.35
1979/80	4.32	4.42	4.19	4.29									
	Hard Amber Durum, No. 1 (medium)												
1977/78	2.84	2.84	2.80	3.12	3.42	3.54	3.51	3.62	3.61	3.60	3.72	3.79	3.37
1978/79	3.72	3.56	3.55	3.52	3.69	3.70	3.53	3.60	3.64	3.72	3.71	3.98	3.66
1979/80	4.75	4.99	4.88	5.27									

Source: Grain Market News, Agriculture Marketing Service.

Table 7.--Wheat: Monthly average export prices at selected ports, 1976-79

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
							Cents per bushel						
							GULF: NO. 1 HARD RED WINTER, ORDINARY PROTEIN						
1976/77	398	387	345	327	303	290	288	296	301	291	278	259	314
1977/78	253	263	260	272	283	304	312	311	315	337	355	337	300
1978/79	344	346	347	356	374	375	370	375	382	382	381	390	368
1979/80	456	475	460	474									
							GULF: NO. 1 SOFT RED WINTER						
1976/77	351	348	314	310	287	276	276	281	288	278	272	255	295
1977/78	227	232	219	226	247	283	291	294	298	317	339	330	275
1978/79	334	337	343	353.	369	384	373	382	392	392	392	385	370
1979/80	446	459	443	448									
							PORTLAND: NO. 2 WESTERN WHITE						
1976/77	362	364	342	331	306	299	284	294	305	298	302	299	316
1977/78	286	292	295	285	282	296	305	320	338	347	369	365	315
1978/79	369	385	378	384	382	384	377	378	372	376	376	403	380
1979/80	466	484	455	443									
							DULUTH: NO. 2 NORTHERN SPRING, 14% PROTEIN						
1976/77	442	423	374	344	326	312	303	305	310	303	302	286	336
1977/78	267	255	254	279	290	297	290	292	289	299	321	327	288
1978/79	324	315	319	328	346	350	327	331	336	342	346	376	337
1979/80	444	451	1/	455									

1/ No price quotes available.

Source: Grain Market News.

Table 8.--Wheat and flour: Price relationships at milling centers, annual and by periods, 1976-79

Year and periods	At Kansas City: Cost of wheat to produce 100 lb. of flour 1/	At Kansas City: Wholesale price of- Bakery flour per 100 lb. 2/	At Kansas City: Wholesale price of- Byproducts obtained 100 lb. flour 3/	At Kansas City: Total products Actual	At Kansas City: Total products Over cost of wheat	At Minneapolis: Cost of wheat to produce 100 lb. of flour 1/	At Minneapolis: Wholesale price of- Bakery flour per 100 lb. 2/	At Minneapolis: Wholesale price of- Byproducts obtained 100 lb. flour 3/	At Minneapolis: Total products Actual	At Minneapolis: Total products Over cost of wheat
	Dollars									
1976/77										
June-Sept.	8.47	8.31	1.70	10.01	1.54	8.98	9.64	1.74	11.38	2.40
Oct.-Dec.	6.92	7.05	1.71	8.76	1.84	7.16	8.04	1.72	9.76	2.60
Jan.-Mar.	6.75	6.70	1.63	8.33	1.58	7.02	7.78	1.66	9.44	2.42
Apr.-May	6.12	6.02	1.62	7.64	1.52	6.66	7.02	1.66	8.68	2.02
Season average	7.06	7.02	1.66	8.68	1.62	7.46	8.12	1.70	9.82	2.36
1977/78										
June-Sept.	5.61	5.86	1.19	7.05	1.44	5.97	6.70	1.23	7.93	1.96
Oct.-Dec.	6.34	6.46	1.33	7.79	1.45	6.69	7.24	1.23	8.47	1.78
Jan.-Mar.	6.77	6.88	1.37	8.25	1.48	6.82	7.52	1.25	8.77	1.95
Apr.-May	7.54	7.86	1.14	9.00	1.46	7.45	8.52	1.08	9.60	2.15
Season average	6.56	6.76	1.26	8.02	1.46	6.73	7.49	1.20	8.69	1.96
1978/79										
June-Sept.	7.29	7.49	1.27	8.76	1.47	7.27	8.03	1.16	9.19	1.92
Oct.-Dec.	7.83	7.77	1.67	9.44	1.61	7.78	8.15	1.48	9.63	1.85
Jan.-Mar.	7.98	7.84	1.61	9.45	1.47	7.74	8.05	1.44	9.49	1.75
Apr.-May	8.31	8.46	1.35	9.81	1.50	8.26	8.65	1.29	9.94	1.68
Season average	7.85	7.89	1.47	9.36	1.51	7.76	8.22	1.34	9.56	1.80
1979/80										
June-Sept. 4/	9.81	9.91	1.70	11.61	1.80	9.88	10.22	1.61	11.83	1.95
Oct.-Dec.										
Jan.-Mar.										
Apr.-May										
Season average										

1/ Based on 73 percent extraction rate, cost of 2.28 bushels: At Kansas City, No. 1 Hard Winter, 13 percent protein, and at Minneapolis, No. 1 Dark Northern Spring, simple average of 13 percent and 15 percent protein. 2/ Quoted as 95 percent patent at Kansas City and standard patent at Minneapolis, bulk basis. 3/ Assumed 50-50 millfeed distribution between bran and shorts or middlings, bulk basis. 4/ Preliminary.

Compiled from reports of Agricultural Marketing Service and Bureau of Labor Statistics, Department of Labor.

Table 9.--Cereal and bakery products: Retail price index, 1967-79

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Average
	(Index 1967 = 100)												
1967	99.8	99.7	99.9	99.9	99.7	99.9	99.9	99.8	99.7	99.7	99.8	99.9	99.8
1968	100.1	100.6	100.9	101.1	101.1	101.4	101.4	101.7	101.9	102.3	102.4	102.6	101.5
1969	103.0	103.5	103.5	103.8	104.4	104.7	105.4	105.9	106.6	107.2	107.7	108.0	105.3
1970	108.2	108.7	109.8	110.2	111.0	111.2	111.6	112.4	112.8	113.0	113.9	114.1	111.4
1971	114.2	114.8	114.5	114.6	114.3	114.1	113.8	113.7	114.3	114.8	115.0	114.7	114.4
1972	114.5	114.4	114.4	114.6	114.6	115.0	115.8	116.3	117.8	119.0	120.2	122.1	116.6
1973	123.0	123.5	124.7	132.4	139.0	145.8	148.5	149.7	154.4	158.6	161.4	164.3	143.8
1974	165.3	166.7	168.2	170.4	174.7	177.6	181.7	185.3	187.3	189.1	188.9	187.0	178.5
1975	185.2	184.6	182.6	181.6	181.6	181.9	182.2	182.0	181.1	180.6	180.2	180.8	182.0
1976	181.3	180.9	180.3	180.4	180.1	179.9	179.3	179.9	180.0	181.3	182.6	182.5	180.7
1977	182.8	183.3	182.7	184.9	185.4	187.1	189.0	190.8	194.5	194.4	194.8	198.2	189.0
1978	199.4	201.3	203.1	203.8	205.1	206.6	207.9	210.0	212.2	213.5	214.5	216.2	207.8
1979	217.8	220.1	223.7	225.6									

Bureau of Labor Statistics, U.S. Department of Labor.

Table 10.--Wheat, flour and wheat products, United States exports by months, 1975-79*

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Total
	1,000 bushels												
	Wheat (Grain only)												
1975/76	77,583	99,988	111,446	125,943	123,762	118,614	92,462	92,069	72,517	77,353	77,111	67,787	1,136,635
1976/77	66,814	85,619	113,202	110,376	100,532	54,296	57,024	49,447	57,773	52,650	70,233	66,501	884,467
1977/78	77,073	83,657	93,432	110,634	69,107	57,565	87,368	64,819	94,669	105,468	103,286	120,060	1,067,138
1978/79	108,931	106,108	131,921	119,611	115,518	92,392	90,027	70,400	67,106	75,548	76,961	78,306	1,132,829
1979/80	104,607	133,283	117,787	129,617									
	Flour (Grain equivalent) 1/												
1975/76	2,664	2,627	2,740	2,045	2,113	2,019	1,380	1,149	1,206	1,525	3,212	4,306	26,986
1976/77	5,605	3,052	5,060	6,028	2,861	1,357	988	3,204	5,871	6,522	8,433	4,893	53,874
1977/78	3,803	3,586	3,411	2,893	2,011	2,204	3,446	1,987	3,820	4,464	6,412	5,844	43,881
1978/79	6,426	4,370	5,124	5,109	4,235	1,399	1,617	1,380	3,050	3,355	2,231	6,589	44,885
1979/80	4,280	4,172	6,370	5,336									
	Wheat products (Grain equivalent) 2/												
1975/76	1,540	1,275	212	340	955	856	1,395	1,223	89	140	481	754	9,260
1976/77	450	869	1,293	444	1,072	329	1,798	1,426	1,398	540	728	844	11,191
1977/78	788	926	269	1,211	925	952	1,821	1,097	1,164	1,059	942	1,694	12,848
1978/79	1,232	816	1,842	1,829	605	1,480	1,575	1,414	1,457	774	2,305	1,086	16,415
1979/80	772	1,797	1,492	1,483									
	Total wheat, flour and products												
1975/76	81,787	103,890	114,398	128,328	126,830	121,489	95,237	94,441	73,812	79,018	80,804	72,847	1,172,881
1976/77	72,869	89,540	119,555	116,848	104,465	55,982	59,810	54,077	65,042	59,712	79,394	72,238	949,532
1977/78	81,663	88,169	97,113	114,738	72,043	60,722	92,635	67,903	99,653	110,991	110,639	127,598	1,123,867
1978/79	116,588	111,294	138,888	126,550	120,358	95,271	93,219	73,194	71,612	79,677	81,497	85,981	1,194,129
1979/80	109,659	139,252	125,649	136,436									

1/ Includes meal and groats and durum. 2/ Includes macaroni, rolled wheat and bulgar.

*Totals may not add due to independent rounding.

SOURCE: Bureau of the Census.

Table 11.--Wheat and Wheat Flour: World trade, production, stocks and utilization for 1976/77, 1977/78, 1978/79, and projected levels for 1979/80, years beginning July 1

Country or region	1976/77	1977/78	1978/79 preliminary	1979/80 projected
	------ Million metric tons ------			
Exports:				
Canada	12.9	15.9	13.5	13.8
Australia	8.5	11.1	6.7	11.0
Argentina	5.6	2.6	3.6	3.6
Sub-total	27.0	29.5	23.8	28.4
W. Europe	6.3	6.3	9.2	9.2
USSR	1.0	1.0	1.5	0.5
All others	2.8	4.5	4.7	2.5
Total non-U.S.	37.1	41.3	39.2	40.6
USA 1/	26.1	31.5	32.4	38.1
World total	63.1	72.9	71.6	78.7
Imports:				
W. Europe	5.6	7.0	6.7	6.4
USSR	4.6	6.9	5.1	11.0
Japan	5.5	5.8	5.7	5.7
E. Europe	6.3	5.0	3.9	6.0
China	3.1	8.6	7.8	7.0
All others	38.1	39.6	42.2	42.7
World total	63.1	72.9	71.6	78.7
(World total including intra EC-9)	68.5	79.7	77.5	84.3
Production: 2/				
Canada	23.6	19.9	21.1	17.3
Australia	11.7	9.4	18.3	16.0
Argentina	11.0	5.7	8.1	8.0
W. Europe	50.7	47.7	58.6	54.6
USSR 3/	96.9	92.2	120.8	83.0
E. Europe	34.7	34.2	35.8	28.6
India	28.8	29.0	31.3	34.7
All other foreign	99.5	89.4	95.5	100.9
Total foreign	356.8	327.4	389.6	343.1
USA	58.3	55.4	49.0	57.5
World total	415.1	382.8	438.6	400.7
Utilization: 4/				
USA	20.4	23.1	23.4	23.5
USSR 3/	92.5	107.1	106.5	109.5
China	48.1	49.6	52.8	56.5
All other foreign	217.0	220.5	232.4	232.0
World total	378.0	400.3	415.1	421.6
Stocks, ending: 5/	99.4	81.9	105.3	84.4

1/ Includes transshipments through Canadian ports; excludes products other than flour. 2/ Production data include all harvests occurring within the July-June year shown, except that small grain crops from the early harvesting Northern Hemisphere areas are "moved forward"; i.e., the May 1978 harvests in areas such as India, North Africa, and southern United States are actually included in "1978/79" accounting period which begins July 1, 1978. 3/ "Bunker weight" basis: not discounted for excess moisture and foreign material. 4/ Utilization data are based on an aggregate of differing local marketing years. For countries for which stocks data are not available, (excluding the USSR) utilization estimates represent "apparent" utilization, i.e., they are inclusive of annual stock level adjustments. 5/ Stocks data are based on an aggregate of differing local marketing years and should not be construed as representing world stock levels at a fixed point in time. Stocks data are not available for all countries and exclude those such as China and parts of Eastern Europe; the world stock levels have been adjusted for estimated year-to-year changes in USSR grain stocks, but do not purport to include the entire absolute level of USSR stocks.

Source: Foreign Agricultural Service. World Grain Situation: FG-17-79.

Table 12.--Wheat: Rotterdam, c.i.f., quotations for cargoes/parcels in nearest shipment position, by months, 1975-79 1/

Year beginning	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
	Dollars per metric ton												
	Canadian No. 1 CWRS - 13.5												
1975	195	205	210	228	219	222	2/185	2/187	2/195	2/174	2/166	2/169	196
1976	2/188	2/175	158	156	145	141	139	145	146	135	133	134	150
1977	127	122	117	129	137	144	145	153	155	2/148	2/154	2/159	141
1978	2/157	161	163	166	170	177	NQ	NQ	2/169	2/164	2/159	NQ	165
1979	NQ	NQ	NQ	NQ									
	United States No. 2 Hard Winter, 13.5%												
1975	146	174	188	195	185	173	166	168	181	183	176	169	175
1976	172	176	159	150	139	131	132	133	140	132	130	121	143
1977	114	116	116	120	126	135	137	134	132	139	151	142	130
1978	150	146	147	148	156	161	157	155	160	165	157	166	156
1979	193	204	200	205									
	United States Dark Northern Spring, 14%												
1975	175	185	196	202	193	182	187	183	193	194	174	178	187
1976	181	176	158	148	138	137	142	145	148	134	130	127	147
1977	115	111	110	121	126	131	132	144	147	147	147	146	131
1978	142	138	140	144	153	159	150	164	170	164	154	166	154
1979	192	202	194	199									

1/ Hamburg Mercantile Exchange prices for Rotterdam. Averages: Basis daily market quotes. 30 days delivery. 2/ Canadian Western Spring Wheat (CWRS)--No. 2--12.5 protein.

NQ - Not quoted.

Compiled from Foreign Agriculture Grain Circular, Foreign Agriculture Service.

TABLE 13.--RYE: MARKETING YEAR SUPPLY, DISAPPEARANCE, AREA AND PRICES, 1975-79 *

YEAR BEGINNING JUNE 1	SUPPLY: BEGIN-NING STOCKS	SUPPLY: PRODUC-TION	SUPPLY: IM-PORTS	SUPPLY: TOTAL	DISAPPEARANCE: DOMESTIC USE: FOOD	DISAPPEARANCE: DOMESTIC USE: ALC. BEVER-AGES	DISAPPEARANCE: DOMESTIC USE: SEED	DISAPPEARANCE: DOMESTIC USE: FEED 1/	DISAPPEARANCE: DOMESTIC USE: TOTAL	DISAPPEARANCE: EX-PORTS	DISAPPEARANCE: TOTAL DISAP-PEARANCE	ENDING STOCKS MAY 31: GOVT. OWNED	ENDING STOCKS MAY 31: PRI-VATELY OWNED 2/	ENDING STOCKS MAY 31: TOTAL
	MILLION BUSHELS													
1975/76	6.6	16.0	0.9	23.5	4.2	2.1	4.2	7.6	18.0	1.1	19.1	---	4.4	4.4
1976/77	4.4	15.0	0.2	19.6	3.7	1.9	4.2	5.3	15.1	3/	15.2	---	4.4	4.4
1977/78	4.4	17.3	0.1	21.8	3.6	1.9	4.8	7.4	17.7	3/	17.7	---	4.1	4.1
1978/79 4/	4.1	26.2	0.1	30.4	3.7	2.4	4.9	9.4	20.4	0.3	20.7	---	9.7	9.7
1979/80 5/	9.7	23.7	0.1	33.5	4.0	2.5	4.5	10.0	21.0	5.0	26.0	N.A.	N.A.	7.5

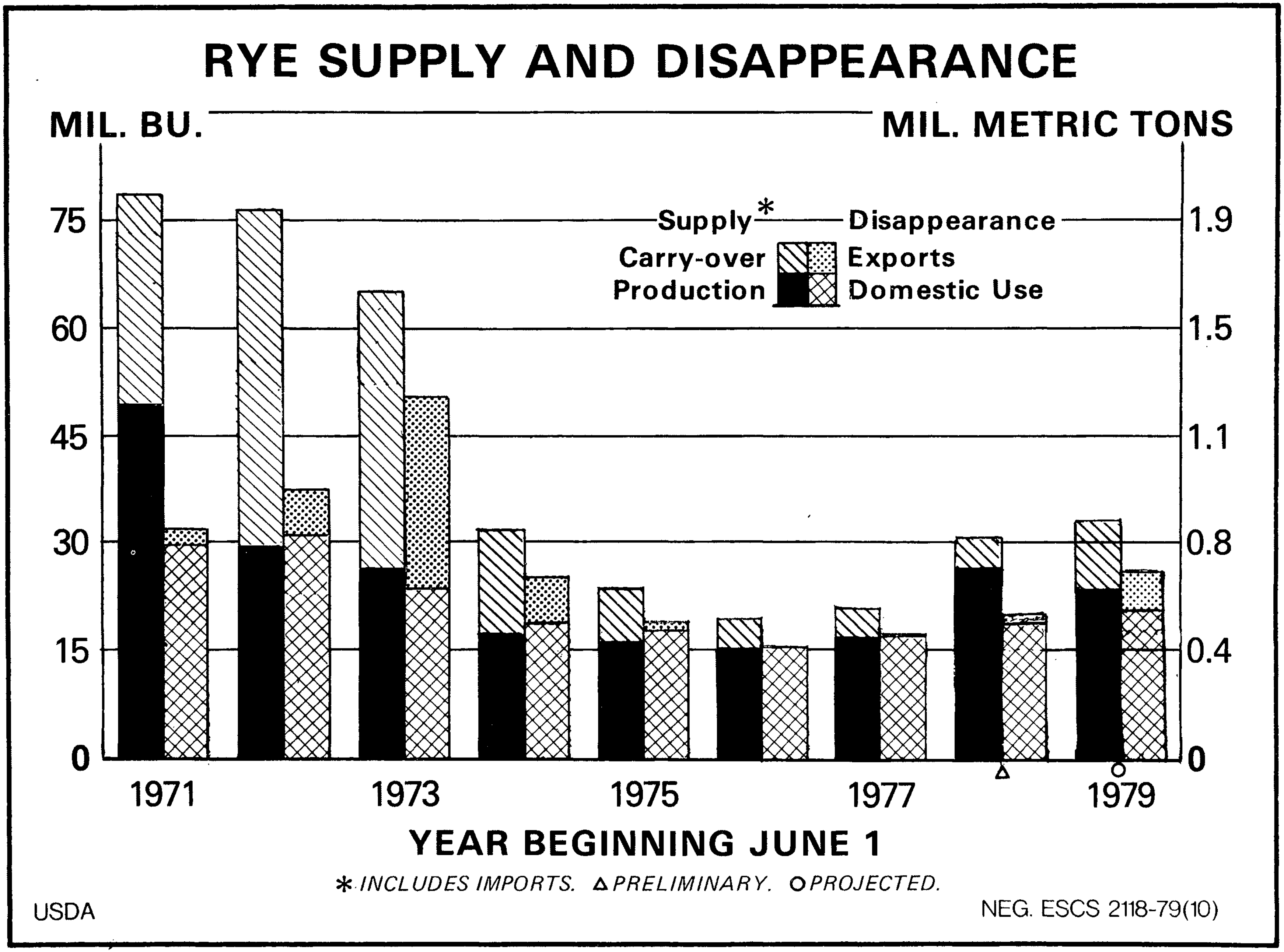
YEAR BEGINNING JUNE 1	AREA: PLANTED	AREA: HARVESTED FOR GRAIN	YIELD: PER HARVESTED ACRE	AVERAGE PRICES: RECEIVED BY FARMERS	AVERAGE PRICES: MINNEAPOLIS, NO. 2	NATIONAL AVG. LOAN RATE
	- - - - - MILLION ACRES - - - - -		BUSHELS	- - - - - - - - DOLLARS PER BUSHEL - - - - - - - -		
1975/76	2.8	0.7	21.9	2.36	2.84	0.89
1976/77	2.7	0.7	20.7	2.47	2.87	1.20
1977/78	2.7	0.7	24.6	2.05	2.53	1.70
1978/79 4/	3.0	1.0	26.3	1.98	2.44	1.70
1979/80 5/	3.1	0.9	25.4	2.50		1.70

1/ RESIDUAL; APPROXIMATES TOTAL FEED USE. 2/ INCLUDES OUTSTANDING LOANS. 3/ LESS THAN 50,000 BUSHELS. 4/ PRELIMINARY. 5/ PROJECTED.

TABLE 14.--RYE: MARKETING YEAR SUPPLY AND DISAPPEARANCE, SPECIFIED PERIODS, 1975-79 *

YEAR AND PERIODS BEGINNING JUNE 1	SUPPLY				DISAPPEARANCE							ENDING STOCKS		
					DOMESTIC USE									
	BEGIN-NING STOCKS	PRODUC-TION	IM-PORTS	TOTAL	FOOD	ALC. BEVER-AGES	SEED	FEED 1/	TOTAL	EX-PORTS	TOTAL DISAP-PEARANCE	GOVT. OWNED	PRI-VATELY OWNED 2/	TOTAL
	MILLION BUSHELS													
1975/76														
JUNE-SEPT.	6.6	16.0	0.2	22.8	1.4	0.4	2.1	3.5	7.5	0.7	8.2	---	14.7	14.7
OCT.-DEC.	14.7	---	0.2	14.9	1.1	0.7	1.9	1.8	5.5	0.3	5.8	---	9.1	9.1
JAN.-MAR.	9.1	---	3/	9.1	1.1	0.5	0.2	1.6	3.3	3/	3.3	---	5.8	5.8
APR.-MAY	5.8	---	0.5	6.2	0.6	0.5	---	0.7	1.7	0.1	1.8	---	4.4	4.4
MKT. YEAR	6.6	16.0	0.9	23.5	4.2	2.1	4.2	7.6	18.0	1.1	19.1	---	4.4	4.4
1976/77														
JUNE-SEPT.	4.4	15.0	0.2	19.6	1.2	0.5	2.1	1.7	5.5	3/	5.5	---	14.1	14.1
OCT.-DEC.	14.1	---	3/	14.1	1.0	0.5	1.9	1.8	5.2	3/	5.2	---	8.9	8.9
JAN.-MAR.	8.9	---	3/	8.9	0.9	0.6	0.2	1.0	2.7	3/	2.7	---	6.2	6.2
APR.-MAY	6.2	---	---	6.2	0.6	0.4	---	0.8	1.8	3/	1.8	---	4.4	4.4
MKT. YEAR	4.4	15.0	0.2	19.6	3.7	1.9	4.2	5.3	15.1	3/	15.2	---	4.4	4.4
1977/78														
JUNE-SEPT.	4.4	17.3	0.1	21.8	1.2	0.6	2.4	2.9	7.1	3/	7.1	---	14.8	14.8
OCT.-DEC.	14.8	---	---	14.8	1.0	0.5	2.2	1.8	5.5	3/	5.5	---	9.3	9.3
JAN.-MAR.	9.3	---	---	9.3	0.9	0.5	0.2	1.6	3.2	3/	3.2	---	6.1	6.1
APR.-MAY	6.1	---	3/	6.1	0.6	0.3	---	1.1	2.0	3/	2.0	---	4.1	4.1
MKT. YEAR	4.4	17.3	0.1	21.8	3.6	1.9	4.8	7.4	17.7	3/	17.7	---	4.1	4.1
1978/79														
JUNE-SEPT.	4.1	26.2	0.1	30.4	1.1	0.5	2.5	2.3	6.4	3/	6.4	---	24.0	24.0
OCT.-DEC.	24.0	---	---	24.0	1.1	0.6	2.2	3.8	7.7	3/	7.7	---	16.3	16.3
JAN.-MAR.	16.3	---	3/	16.3	0.9	0.7	0.2	1.8	3.7	3/	3.7	---	12.6	12.6
APR.-MAY	12.6	---	---	12.6	0.6	0.5	---	1.4	2.6	0.3	2.9	---	9.7	9.7
MKT. YEAR	4.1	26.2	0.1	30.4	3.7	2.4	4.9	9.4	20.4	0.3	20.7	---	9.7	9.7
1979/80														
JUNE-SEPT. 4/	9.7	23.7	3/	33.4	1.2	0.5	2.2	3.0	7.0	0.6	7.5	0.2	25.7	25.9
OCT.-DEC.														
JAN.-MAR.														
APR.-MAY														
MKT. YEAR														

1/ RESIDUAL; APPROXIMATES TOTAL FEED USE. 2/ INCLUDES OUTSTANDING LOANS. 3/ LESS THAN 50,000 BUSHELS. 4/ PRELIMINARY. *TOTALS MAY NOT ADD DUE TO ROUNDING.


RYE SUPPLY AND DISAPPEARANCE
MIL. BU.
MIL. METRIC TONS
75
60
45
30
15
0
1.9
1.5
1.1
0.8
0.4
0
Supply*
Disappearance
Carry-over
Production
Exports
Domestic Use
1971
1973
1975
1977
1979
YEAR BEGINNING JUNE 1
* INCLUDES IMPORTS. △ PRELIMINARY. ○ PROJECTED.
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LIST OF TABLES

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