United States
Department of
Agriculture

Economic
Research
Service

WS-257

July 1981

Wheat

OUTLOOK & SITUATION

Table 1--Wheat: Supply, disappearance, area and prices, marketing years 1978-81*

Item	1978/79	1979/80	1980/81 (prel.)	1981/82 (Proj.)
		Million bushels		
Supply				
Beginning stocks, June 1	1,178	924	902	991
Production	1,776	2,134	2,370	2,810 ± 95
Imports 1/	2	2	2	2
Total	2,955	3,060	3,274	3,803 ± 95
Domestic disappearance				
Food	592	595	613	625 ± 5
Seed	87	101	112	107 ∓ 5
Feed 2/	158	87	48	200 ∓ 50
Total	837	783	773	932 ± 55
Exports 1/	1,194	1,375	1,510	1,725 ± 150
Total disappearance	2,031	2,158	2,283	2,657 ± 175
Ending stocks, May 31	924	902	991	1,146 ± 180
		Million acres		
Area				
Planted	66.0	71.4	80.4	88.8
Harvested	56.5	62.5	70.9	80.7
Set-aside and diverted	9.6	8.2	--	--
Allotment/Nat°l program	58.8	70.1	75.0	78.3
		Bushels per acre		
Yield per harvested acre	31.4	34.2	33.4	34.8
		Dollars per bushel		
Prices				
Received by farmers	2.97	3.78	3.96	3.70-4.10
Loan rate	2.35	2.50	3.00	3.20
Target rate	3.40	3.40	3.63	3.81

1/ Imports and exports include flour and other products expressed in wheat equivalent.

2/ Residual, approximates feed use and includes negligible quantities used for distilled spirts.

* Totals may not add due to rounding.

In This Issue

	Page
Outlook for 1981/82	4
World Wheat Outlook	7
Wheat by Class	8
Wrapup of 1980/81	10
List of Tables	23

Approved by
The World Agricultural
Outlook Board
and Summary released
July 21, 1981

CONTRIBUTORS
(202) 477-8776
Allen Schienbein-Analyst
Alberta Smith-Statistics

The *Wheat Situation* is published in February, May, August, and November.

National Economics Division
Economics Research Service
U.S. Department of Agriculture
Washington, D.C. 20250

Summary

New U.S. Wheat Crop To Be Alltime High; Record Exports Likely

The 1981/82 U.S. wheat outlook is dominated by another record crop. The July 1 forecast places 1981's production at 2.81 billion bushels (76.5 million metric tons), almost a fifth larger than last year's record. This increase is mainly the result of the largest area ever planted to wheat—88.8 million acres—plus a sharp increase in spring wheat yields from last year's drought-reduced levels.

A mid-May freeze affected the Hard Red Winter harvest, yet the crop will be only 7 percent below 1980's record. Higher yields and a 50-percent jump in Soft Red Winter acreage will produce about 260 million bushels more than 1980's 428 million, the previous high. Excellent growing conditions will produce another record White wheat crop. For Hard Red Spring and Durum wheat, prospects for record yields and a return to more normal harvested acreage after last season's drought are likely to result in the largest crops ever.

Early prospects for the 1981/82 world wheat crop also indicate that production could be record size—around 465 million tons. Most crops in the Northern Hemisphere are expected to be larger than a year ago with the biggest increases in the U.S. and Canada. The Soviet Union crop may be up only slightly from last year, so Soviet import demand is likely to remain storng. This factor, combined with strong demand from importing countries, notably China and India, suggests that global wheat trade may top last year's record by 7 percent or more.

The United States, which will have large exportable supplies, could ship overseas a record 1.725 billion bushels (46.9 million metric tons) in 1981/82. Continued strong purchases by China, India's reentry into the U.S. market, and the absence of sales to the Soviet Union highlight early-season U.S. trade.

Led by larger exports and an expected fourfold increase in feed use, total 1981/82 U.S. wheat disappearance could be more than 15 percent above last year's record 2.3 billion bushels. But the enormous crop will still likely raise carryover stocks about 150 million bushels from a year earlier. This season's wheat prices will depend primarily on export sales, use of the loan and reserve program, and the impact of weather on world grain crops. Farm prices for 1981/82 are forecast to range from $3.70 to $4.10 per bushel, perhaps averaging below last year's $3.96.

Paced by record exports of 1.51 billion bushels, total 1980/81 disappearance reached an alltime high. Still, because of the record 1980 harvest, yearend stocks increased to nearly 1 billion bushels, the first upturn in 3 years. Despite the huge supply, strong demand plus expanded use of the wheat reserve raised the average farm price nearly 20 cents per bushel above 1979/80's $3.78 average.

On July 23, President Reagan signed into law a bill that repeals the first-year interest waiver requirement for farmer-owned grain reserve loans. As a result, USDA announced that effective July 24, farmers who place their 1981 wheat crop under CCC loan may enter that wheat immediately into the reserve. The law designates a maximun reserve of 700 million bushels at any one time. As of July 1, the reserve totaled 360 million bushels.

Reserve loans are entitled to $3.50 a bushel and will receive prepaid annual storage payments of 26.5 cents a bushel. The current CCC loan interest rate is 14.5 percent. A trigger release price was established at $4.65 a bushel.

OUTLOOK FOR 1981/82

Wheat Crop To Be Record

The headline reads the same as a year ago; the 1981 crop will establish yet another high. Based on July 1 conditions, a 2.81-billion-bushel crop is forecast. This would be 19 percent larger than 1980's 2.37 billion. The production increase can be attributed to the largest area ever planted to wheat—88.8 million acres—and to prospective record yields, particularly in spring wheat areas. This 19-percent increase in acreage stems from the strong wheat cash and future prices last fall, and the need for early season cash flow to offset the impact of last summer's drought. For the first time, over 80 million acres will be combined, an increase of nearly 10 million acres from a year ago. A variety of weather problems reduced yields in some States and increased prospects in others. Overall, the forecast 1981 average yield of a record 34.8 bushels per acre is about 1-1/2 bushels above 1980's 33.4 bushels.

A record 2.09-billion-bushel winter wheat harvest is nearing completion despite some earlier weather problems. A mid-May freeze, followed by heavy rains and hail, caused considerable losses in many areas. The freeze cut back a potential bumper 1981 Hard Red Winter (HRW) wheat crop, particularly in Kansas. Estimates of loss in western portions of the Great Plains range to over 100 million bushels. Harvest delays due to rains may further reduce the HRW crop size, currently estimated at 1.10 billion bushels. But almost ideal weather in the Pacific Northwest (PNW) should produce another record winter White wheat harvest. Early harvesting in major Soft Red Winter States lagged because of excessively wet field conditions, but a 50-percent increase in planted acreage is certain to produce a spectacular Soft Red crop—close to 700 million bushels.

Beneficial spring rains brought relief to major spring wheat growing areas in the Northern Plains, enhancing prospects for 1981 crop development. Production will be up substantially since harvested acreage is up over 2.5 million from last season and record yields are projected. In 1980, drought and a wet harvest season sharply reduced all spring wheat yield's (including Durum) and the ratio of harvested area to planted area. As of July 1, total outturn of 1981 spring wheat, other than Durum, was forecast at 526 million bushels, 156 million above 1980's crop. The 1981 Durum harvest forecast is a record 191 million bushels, up nearly 76 percent from last year and considerably above the prior high of 135 million in 1976.

Carryover Increase Contributes to Record Supply

Stocks of old crop wheat on June 1, 1981, totaled 991 million bushels, compared with 902 million a year ago. This is the first increase in wheat carryin since 1978. Farmers held slightly over 40 percent of these stocks on the farm, with Northern Plains producers holding the majority as usual. Most of the hard winter wheat was in off-farm storage positions. While June 1 stocks rose 89 million bushels, farmers increased their holdings in the wheat reserve program by 110 million during 1980/81. The reserve totals 360 million bushels and is made up of placements going back to the 1976 crop. The Commodity Credit Corporation (CCC) owns nearly another 200 million. This means that "free stocks" (readily salable in the market) going into the 1981/82 marketing year are actually down about 4 percent from last season.

Harvesting of the second successive record wheat crop is changing the tight "free stock" situation to one of historic high wheat supplies. Total 1981/82 supplies are forecast at 3.8 billion bushels, or 16 percent above last season. New highs are likely for bread wheat stocks of Hard Red Winter and Spring—possibly up 7 percent. Total pastry wheat supplies will also be at record levels, with increases of 55 and 7 percent possible for Soft Red and White stocks respectively. After 2 years of declining pasta wheat (Durum) stocks, near-record plantings this year make record supplies highly likely.

Domestic Use Expected To Rise

Commodity analysts recognize the difficulty of accurately forecasting the amount of wheat used for livestock feeding in the U.S. Estimating wheat feed use on the basis of least-cost ingredient formula does not necessarily lead to accurate estimates. Last year's tightening feed grain supply and higher prices apparently did not result in sizable use of wheat in feed rations. The largest share of the nearly 50 million bushels fed in 1980/81 reflected use of low quality and sprout-damaged wheat, which was heavily discounted on the market. The initial forecast of feed use for 1981/82 is 200 million bushels, the highest level since the early 1970's. This forecast reflects the record wheat supply, stronger feed cattle prices, and a feed grain/wheat price relationship favoring wheat, particularly during the June-September harvest period. Expanded use of Soft Red wheat in poultry rations is already evident in the Southeastern United States.

Sharp increases in food prices in the past few years may have emphasized bread and bakery food consumption. Food use disappearance of wheat posted a significant increase in 1980/81 for the third successive year. Growth in the consumption of wheat products outside the home, convenience items within the home, and growing knowledge of wheat product nutrition values should result in another 2-percent increase in 1981/82 food use.

Exports Headed For Another Record Season

This year's reduced world wheat carryin, particularly in major exporting nations other than the United States, will make export availabilities in the coming year depend almost entirely upon 1981/82 production. Despite prospects for a considerably improved 1981 world wheat harvest, import demand is expected to exceed last year's record 93 million metric tons (July June) by around 7 million. The most likely supplier of much of this projected increase is the United States, currently the only major supplier with stocks adequate to meet a significant increase in demand. A stronger U.S. dollar, high interest rates, and sagging world economies may temper expanded U.S. exports. Higher production forecasts for Canada and Australia will probably lead to increased exports from those countries.

U.S. average retail prices for cereals and bakery products, 1981

Cereals and bakery products:	Apr.	May
	Dollars per pound	
Flour, white all purpose	0.22	0.23
Rice, white, long grain, precooked	1.31	1.31
Rice, white, long grain, uncooked	.57	.58
Spaghetti	NA	NA
Bread, white pan	.52	.52
Bread, French	.84	.84
Bread, whole wheat pan	.75	.76
Bread, wheat blend, pan	.69	.66
Rolls, hamburger	.87	.85
Cupcakes, chocolate	1.72	1.70
Cookies, chocolate chip	1.67	1.67
Crackers, soda, salted	.87	.84

NA = Not available.

On balance, a record U.S. export season of 1.725 billion bushels is projected for 1981/82. Wheat trade may increase to Egypt, Algeria, and Morocco and will remain high to China, Japan, and Brazil. India has returned to the U.S. wheat market for 11/2 million tons and could purchase additional quantities because a lagging domestic wheat procurement program has failed to provide adequate supplies. Major Latin American buyers are also potential prospects for expansion.

Mid-July export commitments (outstanding sales plus shipments) were running about 15 percent ahead of last year. Ship loading is up 29 percent, reflecting sizable carryover sales from 1980/81. Despite the completion of US/USSR consultations, which provided the Soviets with the option to purchase up to 3 million tons of wheat through September 30, the Soviets have not bought any U.S. wheat. Total volume and timing of Soviet purchases remain uncertain. Meanwhile, large early season purchases by China and North Africa have brightened the export outlook.

Prices Begin Season At Low Levels

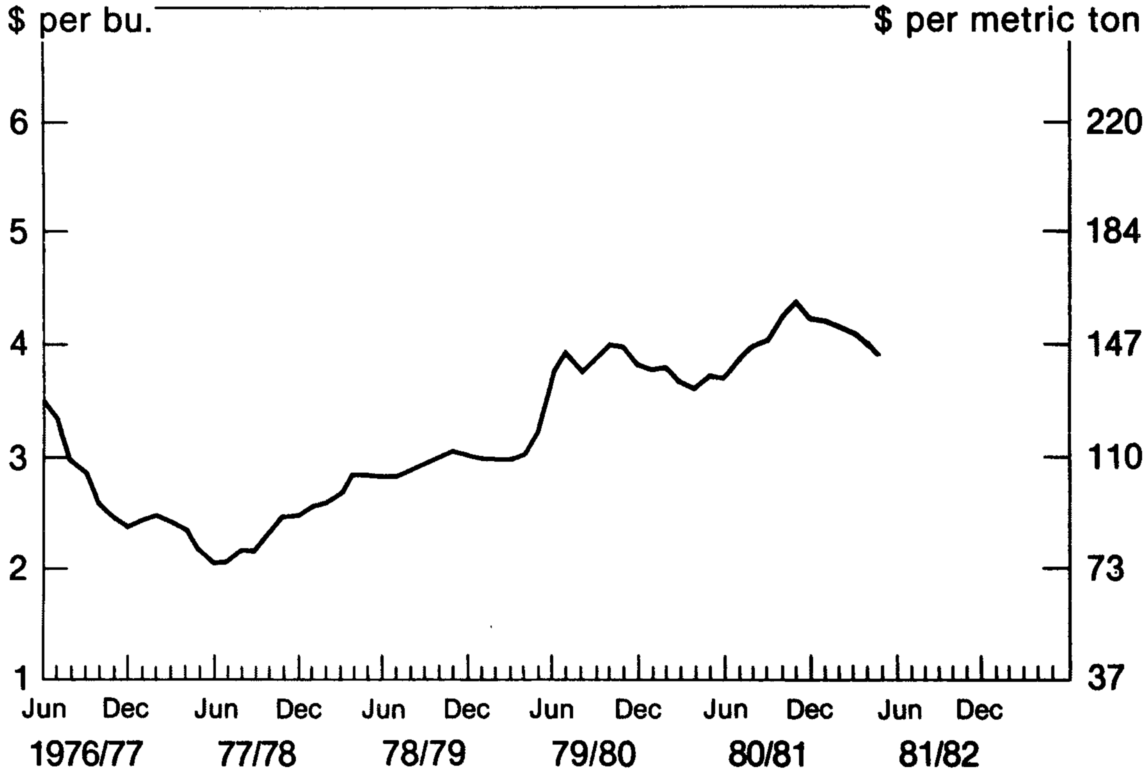
The price picture will be shaped by record supplies, which will keep downward pressure on prices in 1981/82, and by prospects for record disappearance, which will be a strengthening factor. While "free" old crop June 1 carryover stocks were the lowest since 1974/75 (56 percent of the total is in the reserve or owned by CCC), harvesting of the nearly 2.1-billion-bushel winter wheat crop depressed June farm prices to the $3.20-per-bushel loan level in Southeastern States. Harvest delays, concern for frost damage to the wheat, and limited selling by the producers kept Great Plains prices about on par with last year. Northern Plains farmers increased sales of old crop in anticipation of a sizable boost in 1981 production, which would require more storage space. This caused farm prices for spring wheat to drop below $4 for the first time since May 1980. Early-season producer marketing strategy revolves around cautious selling in expectation of a pickup in export sales and being allowed entry into the farmer-owned reserve. This season's prices will depend on the level of export sales, use of the loan and reserve program, and the impact of weather on world grain crops. The season average farm price for 1981/82 is expected to fall slightly from last year's average price of $3.96 per bushel—within a range from $3.70 to $4.10.

Wheat: Prices received by farmers in selected States

States	April		May		June	
	1980	1981	1980	1981	1980	1981[1]
	Dollars per bushel					
Illinois	3.60	4.13	3.55	3.67	3.26	3.36
Kansas	3.42	3.92	3.44	3.81	3.48	3.71
North Dakota	3.73	4.37	3.94	4.23	4.33	3.97
Oklahoma	3.39	3.99	3.63	3.82	3.57	3.79
Washington	3.80	4.05	3.65	4.25	3.67	4.02
United States	3.58	4.07	3.69	3.95	3.69	3.67

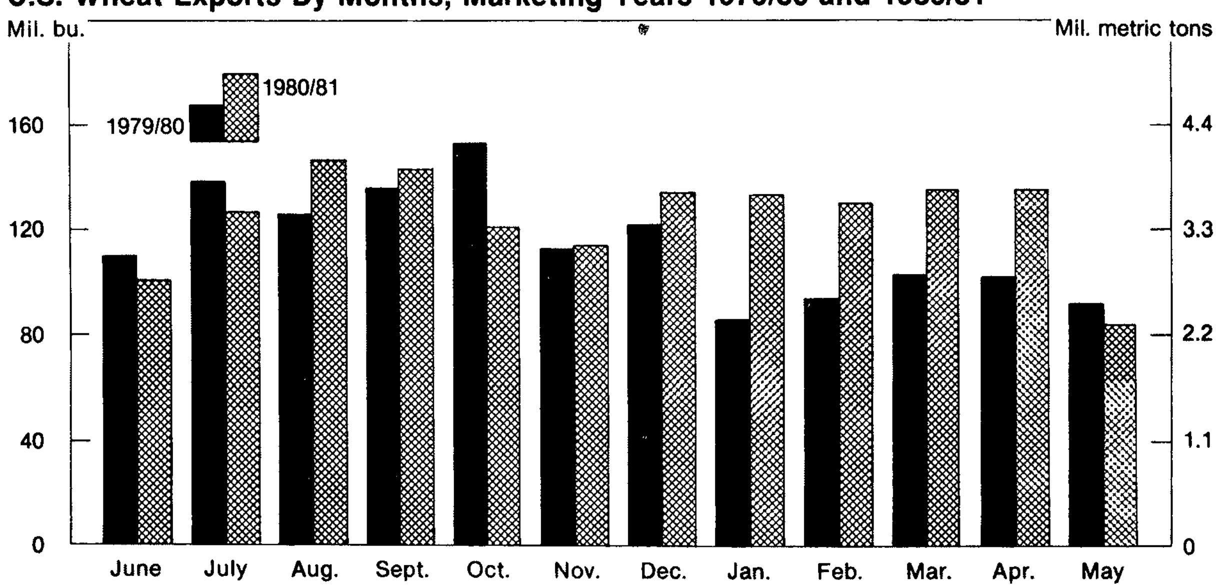
[1] Perliminary mid-month.

Wheat Prices Received by Farmers



USDA Neg. ESS 891-81 (7)

U.S. Wheat Exports By Months, Marketing Years 1979/80 and 1980/81



Includes flour and products in wheat equivalent.

USDA Neg. ESS 31-81 (7)

Early-season prices may fall below the wheat target price of $3.81. If this occurs, deficiency payments will be made for the first time since the 1978 crop. Payments will total about $25 million for each cent that the June-October average price falls below the target price.

WORLD WHEAT OUTLOOK

Record World Wheat Crop Expected

Early prospects for the 1981/82 world wheat season indicate that production could be of record size, around 465 million metric tons. This would be 6 percent above 1980 and 4 percent above the prior high in 1978/79. Increased demand from importing countries and the need for stock rebuilding suggest that global trade should set a record in 1981/82. Expanded wheat utilization in many countries is expected to offset lower wheat feeding likely in the USSR because of the Soviets increased coarse grain supplies. On balance, world production could still be well above utilization. Consequently, going into the 1982/83 season, global wheat stocks may be up 14 million tons, with most of the increase in the United States and the Soviet Union.

Most wheat crops in the Northern Hemisphere are expected to be larger than a year ago with sizable increases coming in the United States and Canada. Hot dry weather has reduced wheat crop prospects in the Soviet Union, but production is still projected to be up from last year. The harvest of world spring wheat crops will significantly affect the final world wheat outturn. The Chinese wheat harvest may be only slightly above the poor crop of 1980, since early spring dry weather has dimmed the earlier utlook.

Unfavorable conditions have reduced prospects in Scandinavian countries and the Iberian Peninsula. North Africa's crop is expected to be down primarily because of severe drought in Morocco. Based upon improved soil moisture conditions at planting time, the early forecast for this year's Southern Hemisphere wheat crop is favorable. Frost damage has reduced Brazil's prospects.

Outlook for Major U.S. Markets

Prospects for 1981 wheat production in the *Soviet Union* are somewhat better than a year earlier, reflecting a milder-than-normal winter. Additional seeding of spring wheat area to make up for last fall's reduced plantings of winter wheat could result in the first 100-million-ton harvest since 1978, but well below the record 121 million ton harvest of 1978. However, hot, dry summer conditions have jeopardized the spring wheat outlook. In order to meet needs and begin replenishing stocks, Soviet wheat imports in 1981/82, are currently projected to exceed last year's record 15.5 million tons. So far, there have been no indications of additional purchases in the fifth and last year of the U.S.-USSR Grain Supply Agreement.

China's 1981 wheat harvest is likely to be only slightly improved from 1980's reduced level. This can be important to 1981/82 trade prospects, since last year's Chinese world wheat import demand was second only to that of the Soviet Union. Total imports are expected to match last year's 13.5 million tons, of which 8.7 million came from the U.S.

Despite the current near-record wheat harvest, *India* has entered the world wheat market because of Government domestic procurement problems and very low stocks at the beginning of their marketing year. Projected Indian imports of 4 million tons would be their largest wheat purchase on the world market in 6 years. Current reduced stocks in other wheat exporting nations, could leave the United States as the principal supplier of Indian needs.

Unfavorable weather reduced last fall's winter wheat seeding in *Eastern Europe.* Spring wheat yields will not be sufficient to offset the reduction in the winter wheat area. As a result, wheat imports could be near 6 million tons.

Outlook for Principal U.S. Competitors

Beneficial spring rains and a sharp increase in *Canadian* acreage indicate the 1981 wheat crop may be a record 24 million tons. In response, attempts will be made to push for record export sales to keep carryover stocks at an acceptable level. In that light, in May, a 5-year grains agreement was signed with the Soviet Union for delivery of a minimum 25 million tons beginning August 1, 1981.

Very dry fall and winter conditions kept the *Australian* wheat crop outlook uncertain until soaking rains in May brought relief. Early planting estimates indicate that a record area may have been sown. With timely rains, a harvest of 16.0 million tons would be possible. The all-time high outturn was 18.1 million tons in 1978. The final crop size and the policy toward stock building will be important to next season's export prospects.

Fall rains in *Argentina* restricted its coarse grain harvest, but provided excellent moisture for the 1981 wheat crop. Government measures to aid producers with some production costs, along with reduced corn prices, are expected to induce expansion of the wheat area planted. Production and exports may reach record levels in the 1981/82 marketing year.

Favorable winter and spring weather in the *European Community* (EC) is producing a 1981 wheat crop nearly equal to last year's record 55 million tons. In order to reduce the likelihood of stock buildups, the EC will likely continue an aggressive export sales posture. Added sales to the USSR and North Africa, are possible.

Adverse Weather Reduces HRW Crop Size

Beneficial early spring rains on the Plains provided relief from the lack of winter precipitation in many winter wheat areas and brightened prospects for the 1981 Hard Red Winter (HRW) crop. However, a mid-May freeze in the Western Plains, along with heavy rains and hail in other areas, caused harvest losses and a revision of the earlier forecast of a record HRW harvest. The July 1 production estimate is 1.10 billion bushels, down 7 percent from last year's record. Production in Kansas alone will be off 115 million bushels from 1980's record 420 million. Weather has influenced not only the crop quantity but also its quality. Test weights are off in freeze-damaged areas, and wet conditions have cause bleaching, sprout damage, and weed seed problems in other areas. However, initial surveys report protein levels well above a year ago, with prospects for a record-high average.

June 1 HRW stocks of about 540 million bushels were up nearly a fourth from 1980. Even with a slightly reduced harvest, the 1981/82 total supply (1.64 billion bushels) will be one of the largest since the early 1960's. Although 325 million bushels are already isolated from the market by being in the farmer-owned reserve or owned by CCC, low prices are expected to result in more HRW going into the reserve when entry is permitted.

Projected HRW exports may be up, since world wheat trade is expected to exceed last year's record level. This expectation hinges heavily on continuing purchases by the USSR and Latin America. The ability of other major exporters to achieve their commitments will also bear on 1981/82 HRW export prospects.

HRS Crop Prospects Improve

Since spring rains also brought relief to major Hard Red Spring (HRS) growing areas in the Northern Plains, the July 1 production forecast is for a record 481 million bushels, over 50 percent above 1980's drought-plagued season. HRS stocks on June 1 totaled about 260 million bushels, slightly less than a year ago. But, combined with this year's crop, total 1981/82 supply will be appreciably higher. This reverses the decline in HRS stocks over the last 2 years and suggests that spring wheat stocks may be in for another buildup period unless demand strengthens. As the season starts, about 160 million bushels of HRS, or 62 percent of the stocks, are isolated from the market.

Early indications are that foreign demand from regular HRS buyers may surpass 1980's mediocre 188 million bushels. An export year of 220 million bushels or more is projected. However, the opportunity to expand sales depends on the size of Canada's wheat crop exports and HRS's relationship with HRW price levels. The HRS premium will have to decline as the harvest develops for spring wheat to remain competitive.

States	Harvested		Production		Yield
	1980	1981[1]	1980	1981[1]	1981[1]
	Million acres		*Million bushels*		*Bushels*
Colorado . .	3.4	3.1	109.9	81.7	26.4
Kansas . . .	12.0	12.2	420.0	305.0	25.0
Nebraska . .	3.0	3.1	112.0	100.6	33.0
Oklahoma .	6.5	6.4	195.0	179.2	28.0
Texas	5.2	6.4	130.0	179.2	28.0
Total . . .	30.1	31.2	966.9	845.7	27.1

[1] Perliminary.

Record Durum Crop Indicated; Prices Adjust to Larger Supplies

This spring, Durum growers planted 5.8 million acres, up 6 percent from 1980 and 44 percent from 1979. North Dakota, with 79 percent of the total acreage, is up 5 percent. California and Arizona producers planted 105,000 more acres to their "desert Durum," up 40 percent. A return to more normal yields, after drought severely reduced the 1980 crop, was more than realized as spring rains greatly improved growing conditions. Average yield may be a record-high 33.9 bushels per acre, up 11.5 bushels from last year. Thus, the 1981 harvest, as indicated on July 1, will be a banner 191 million bushels. This is 76 percent above last season and would top the 1976 record of 135 million. A 1981 crop of the size forecast, coupled with the small increase in carryover stocks, would place the total 1981/82 Durum supply over 250 million bushels, by far the largest ever.

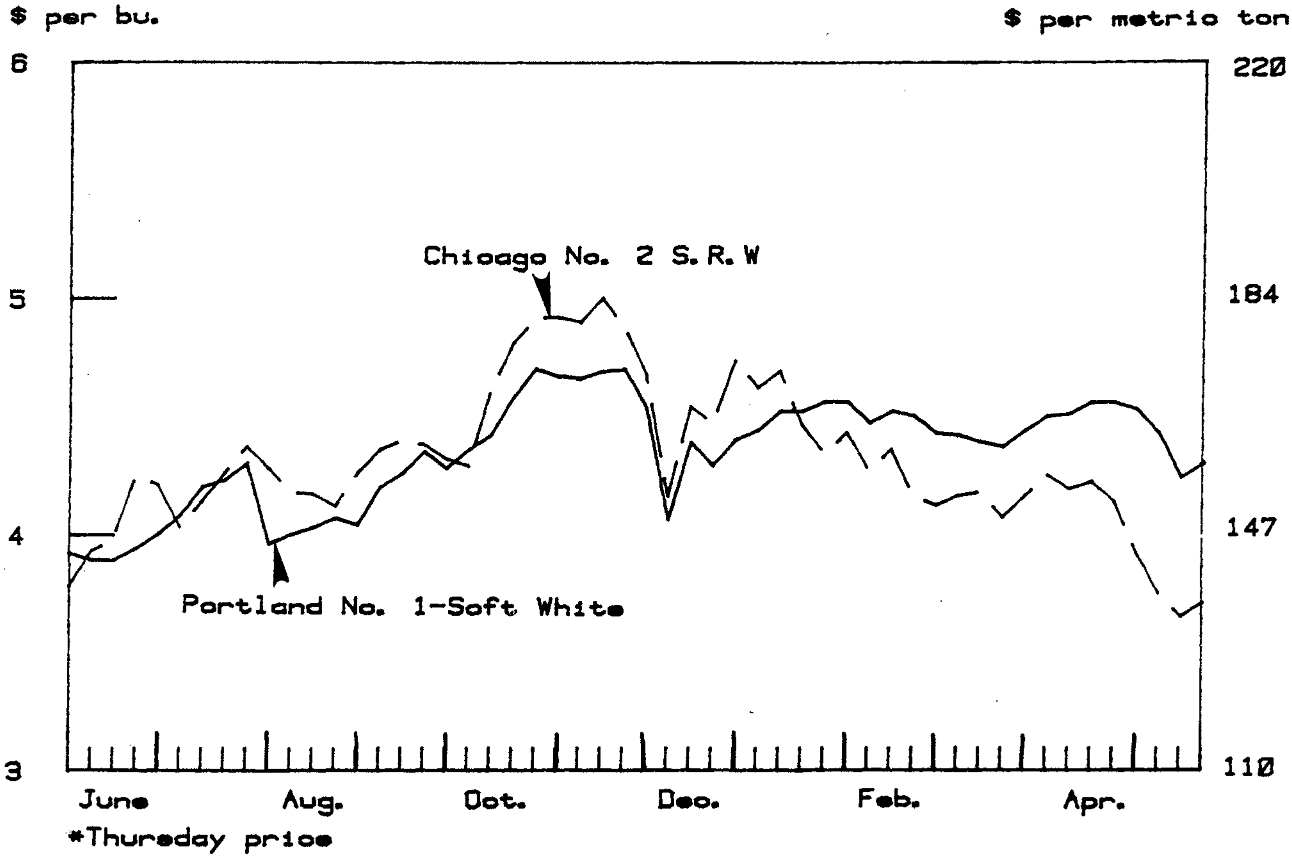
Because of this likely large supply, market prices have moved downward. By July, Minneapolis prices dipped to the lowest beginning-season levels in 3 years. Domestic pasta manufacturers have been limiting purchases and carrying reduced inventories in anticipation of lower prices at harvest. Export activity was also slow. At lower prices, both domestic demand and overseas sales of Durum should pick up in 1981/82, following a relatively sluggish 1980/81.

Soft Red Winter Crop Up Sharply

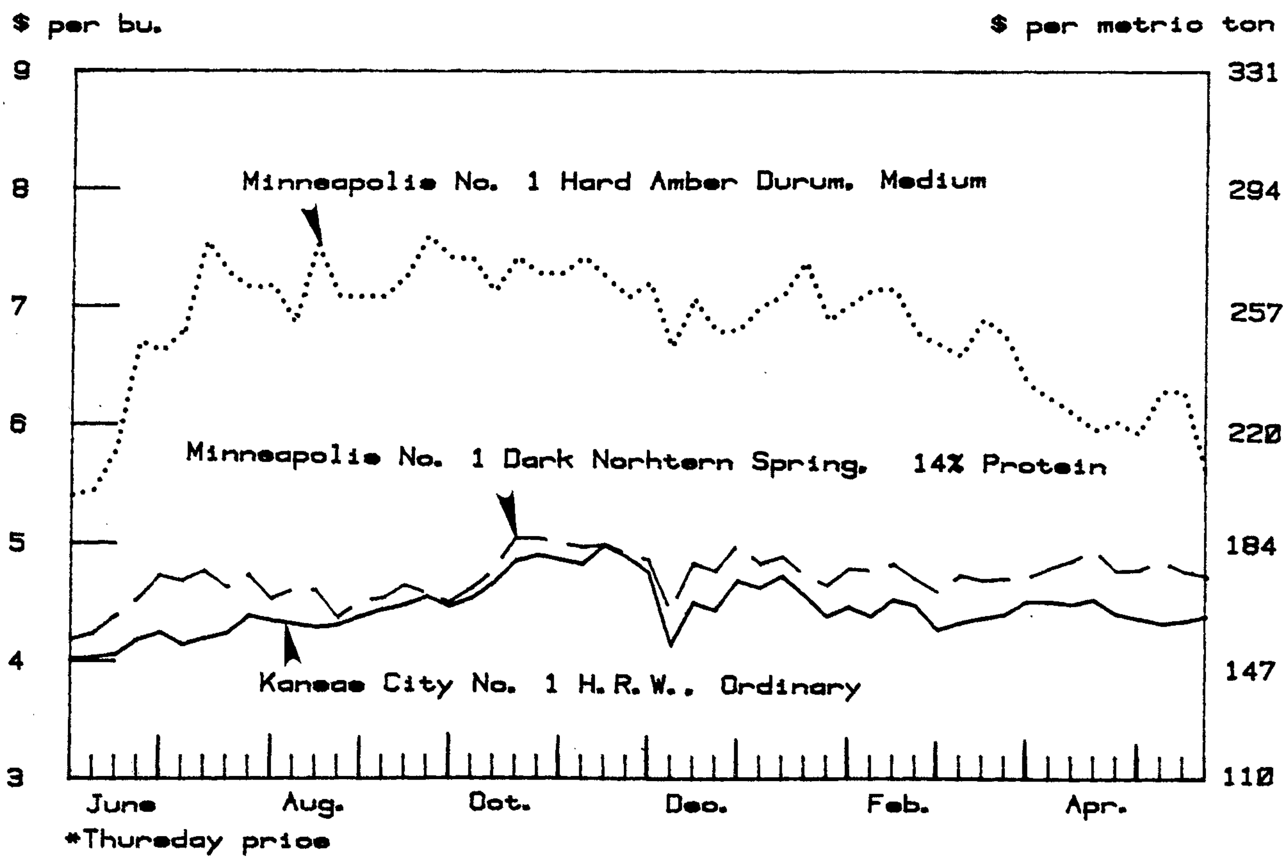
Favorable growing conditions and a 50-percent acreage increase, spurred by expanded acreage in double-cropping areas, combined to produce a bin-bursting crop in important Soft Red Winter (SRW) wheat States. The July 1 forecast of 689 million bushels is 61 percent above 1980's record output. This assures ample SRW supplies in the 1981/82 marketing year despite a sellout of 1980's production and a bare-minimum carryover.

This large supply provides the potential for another active SRW selling season, as low prices at dockside encourage continuation of last year's heavy overseas buying. July SRW export prices at the Gulf were nearly $1 per bushel below those of a year ago, while prices for other wheat classes, at respective ports, are mostly above 1980 levels. This should make SRW attractive to world wheat price bargain-hunters.

Cash Wheat Prices, 1980/81*



Cash Wheat Prices, 1980/81*



States	Harvested		Production		Yield
	1980	1981[1]	1980	1981[1]	1981[1]
	Million acres		*Million bushels*		*Bushels*
Arkansas . .	0.8	1.6	31.2	67.6	41.0
Georgia. . .	.6	1.0	19.8	43.0	41.0
Illinois . . .	1.6	1.9	75.4	96.9	51.0
Indiana . . .	1.1	1.4	53.9	68.8	51.0
Missouri . .	2.1	3.0	89.0	123.9	42.0
Ohio	1.4	1.6	67.1	80.0	50.0
Total . . .	7.6	10.5	336.4	480.2	45.7

[1] Perliminary.

China is expected to continue as the major destination for U.S. SRW, with purchases possibly exceeding 1980's 225 million bushels. Egypt, normally a large SRW buyer, shifted some recent 1980 purchases to White wheat. The price spread between Red and White soft wheats will remain an important factor in this year's export activity, although preference for certain classes may influence buying decisions.

Another Large White Wheat Harvest Begins

The 1981 White wheat crop has been developing with practically no problems. While total acreage may be down slightly, particularly for spring-planted White, yields per acre are expected again to average above 50 bushels in major producing States. Yields of 60, 52, and 57 bushels per acre in Oregon, Washington, and Idaho, respectively, contributed significantly to 1980's record harvest of 338 million bushels. The July 1 forecast indicates that 1981's total production will be a record 350 million bushels. Even though White wheat disappearance reached an alltime high in 1980/81, June 1 carryover stocks remain very high. When carryover is added to this year's harvest, 1981/82 supplies will again total over 400 million.

Reflecting last season's large supply and the accompanying decline in prices, 1980/81 White wheat exports were up nearly 40 percent, establishing a new high. Export strength will depend upon the buying decisions of China, Egypt, Iran, and India toward U.S. White wheat. Competitively priced SRW and West Coast freight cost advantages will figure in their decisions. Current export commitments are nearly 50 percent above a year ago, but some of this activity represents unshipped sales carried over from the 1980/81 season.

Rye Stocks Dwindle; 1981 Crop Up Slightly

The 1981/82 rye season began with the lowest stocks in 3 years—4.1 million bushels. Production in 1981 is not expected to increase appreciably from last year's drought-reduced level of 16 million bushels. Thus, new crop year rye supplies will remain relatively tight. Early May rye prices at Minneapolis were over $4 per bushel, about $1.60 above a year ago. This price strength will likely subside as the harvest approaches, particularly if substantial early season export commitments do not appear. Projected 1981/82 rye disappearance may be down because of lower prices of competing grains. This season's rye exports may be less than half of 1980's 7.5 million bushels, which were the largest overseas sales since 1972/73. Feed use may be down about a third.

WRAPUP OF 1980/81

The June-May marketing year was distinguished by another year of record export activity. Overseas shipments of U.S. wheat reached 1.51 billion bushels, 10 percent higher than in 1979/80. This upturn reflected another record year for world wheat trade, with the United States increasing its share of trade because of large exportable supplies. The continuation of the January 1980 partial export embargo reduced shipments to the Soviet Union. However, expanded purchases from China established it as the largest single-country buyer of U.S. wheat—320 million bushels. The higher priced hard bread wheats (spring and winter) and Durum showed reduced exports, while abundant soft wheat (red and white) supplies helped established new highs for export disappearance.

Domestic disappearance during 1980/81 was marked by an increase in wheat food use, which exceeded 600 million bushels for the first time. This suggests expanded consumer use of bread and bakery products to help balance food budgets hit by inflation. A record planting of winter wheat in fall 1980 (the 1981 crop) required seed use of 112 million bushels. Early expectations that a reduced 1980 feed grain crop would result in expanded feeding of wheat did not materialize. Indicated feed use was below 50 million bushels, perhaps because of the residual nature of accounting for feed use.

The 1980 wheat crop developed through conditions varying from drought to excessive rains, but reached a record 2.37 billion bushels, 11 percent larger than the year before. On the strength of this crop, total 1980/81 supplies rose to 3.3 billion bushels, also the largest ever. Paced by the record export shipments, total disappearance was an alltime high of 2.3 billion bushels. Still, ending stock levels went up to 991 million bushels, the first increase in 3 years. About 56 percent of these stocks were either in the farmer-owned wheat reserve or owned by CCC.

Because of 1980/81's huge supply, the wheat market was relatively bearish at the opening of the season, and prices were down from the year before. But then, the prospect for record disappearance (particularly for strong exports), coupled with cautious farmer marketing and reduced supplies of feed grains and oilseeds, boosted prices well above last year. Wheat in the farmer-owned reserve was released in late October when farm prices reached the $4.20 per bushel release level. One of the most dramatic commodity trading periods on record occurred in December 1980 when futures and cash prices plummeted, ending the release status of the reserve. Overall, the 1980/81 farm price averaged $3.96 per bushel, compared with $3.78 the previous year.

Table 2--Wheat classes: Marketing year supply and disappearance, 1/

Year beginning June 1	Supply			Disappearance			Ending stocks May 31
	Beginning stocks	Production	Total 2/	Domestic use	Exports	Total	
			Million bushels				
1978/79:							
Hard winter	632	830	1,462	429	610	1,039	423
Hard spring	335	380	715	163	232	395	320
Soft red	71	189	260	138	95	233	27
White	73	244	317	64	185	249	68
Durum	67	133	201	43	72	115	86
All classes	1,178	1,776	2,955	837	1,194	2,031	924
1979/80:							
Hard winter	423	1,089	1,512	347	725	1,072	440
Hard spring	320	363	684	182	217	399	285
Soft red	27	317	344	150	154	304	40
White	68	259	327	55	196	251	76
Durum	86	106	193	49	83	132	61
All classes	924	2,134	3,060	783	1,375	2,158	902
1980/81:							
Hard winter	440	1,185	1,625	388	697	1,085	540
Hard spring	285	311	597	150	188	338	259
Soft red	40	428	468	131	299	430	38
White	76	338	414	54	267	321	93
Durum	61	108	170	50	59	109	61
All classes	902	2,370	3,274	773	1,510	2,283	991
1981/82: 3/							
Hard winter	540	1,099	1,639	407	755	1,162	477
Hard spring	259	481	741	178	220	398	343
Soft red	38	689	727	216	380	596	131
White	93	350	443	75	290	365	78
Durum	61	191	253	56	80	136	117
All classes	991	2,810	3,803	932	1,725	2,657	1,146

1/Data, except production, are approximations. Imports and exports include flour and products in wheat equivalent.
2/Total supply includes imports.
3/Projected.

Table 3--Wheat: Price support loan status on specified dates, 1976-80 crops

Crop of	Total loans	Put in reserve	Repaid: Loans	Repaid: Reserve	Delivered to CCC	Outstanding: Loans	Outstanding: Reserve
				Million bushels			
				As of June 1, 1981			
1976	498.8	216.1	234.7	155.2	48.0	--	60.9
1977	590.8	194.9	393.7	134.2	2.2	--	60.7
1978	255.1	23.8	231.1	4.1	--	0.2	19.7
1979	180.5	39.8	140.4	5.4	--	0.3	34.4
1980	329.0	186.2	88.7	2.4	--	54.1	183.8
Total	***	***	***	***	1/199.7	54.6	359.8
				As of October 1, 1980			
1976	498.8	216.1	234.7	130.1	48.0	--	86.0
1977	590.8	194.9	393.7	117.3	2.2	--	77.6
1978	255.1	20.8	228.9	1.8	--	5.4	19.0
1979	180.5	30.6	118.1	1.9	--	31.8	28.7
1980	99.2	10.2	4.3	0.1	--	84.7	10.1
Total	***	***	***	***	1/202.1	21.9	221.4
				As of January 1, 1981			
1976	498.8	216.1	234.7	140.3	48.0	--	75.8
1977	590.8	194.9	393.7	125.5	2.2	--	69.4
1978	255.1	22.4	230.4	3.1	--	2.3	19.3
1979	180.5	35.4	133.6	3.9	--	11.5	31.5
1980	183.3	33.2	25.6	0.9	--	124.5	32.3
Total	***	***	***	***	1/203.5	138.3	228.3
				As of April 1, 1981			
1976	498.8	216.1	234.7	148.4	48.0	--	67.7
1977	590.8	194.9	393.7	129.6	2.2	--	65.3
1978	255.1	23.6	231.0	3.9	--	0.5	19.7
1979	180.5	38.9	139.0	4.9	--	2.6	34.0
1980	297.4	145.7	58.0	1.8	--	93.7	143.9
Total	***	***	***	***	1/203.2	96.8	330.6

1/Includes outstanding CCC-owned stocks from loan forfeitures and open market purchases in March, 1980.

Source: Agricultural Stabilization and Conservation Service loan activity reports.

Table 4--Wheat: Marketing year Supply and Disappearance, specified periods, 1976-81*

Year and periods beginning June 1	Supply				Disappearance						Ending Stocks		
					Domestic use								
	Beginning stocks	Production	Imports 1/	Total	Food	Seed	Feed 2/	Total	Exports 1/	Total disappearance	Govt. owned	Privately owned 3/	Total
	Million Bushels												
1976/77													
June-Sept.	665.6	2,148.8	0.9	2,815.3	200.4	32.0	-6.3	226.1	398.8	624.9	--	2,190.4	2,190.4
Oct.-Dec.	2,190.4	--	0.4	2,190.8	152.5	34.0	0.4	186.9	220.3	407.2	--	1,783.6	1,783.6
Jan.-Mar.	1,783.6	--	0.3	1,783.9	147.3	1.0	65.9	214.2	178.8	393.0	--	1,390.9	1,390.9
Apr.-May	1,390.9	--	1.1	1,392.0	87.8	25.0	14.4	127.2	151.6	278.8	--	1,113.2	1,113.2
Mkt. year	665.6	2,148.8	2.7	2,817.1	588.0	92.0	74.4	754.4	949.5	1,703.9	--	1,113.2	1,113.2
1977/78													
June-Sept.	1,113.2	2,045.5	0.8	3,159.6	193.3	32.0	148.1	373.4	381.7	755.1	8.2	2,396.3	2,404.5
Oct.-Dec.	2,404.5	--	0.4	2,404.9	153.5	23.0	6.0	182.5	225.4	407.9	31.8	1,965.2	1,997.0
Jan.-Mar.	1,997.0	--	0.4	1,997.4	145.5	1.0	42.4	188.9	278.6	467.5	44.8	1,485.1	1,529.9
Apr.-May	1,529.9	--	0.3	1,530.2	94.2	24.0	-4.0	114.2	238.2	352.4	45.7	1,132.1	1,177.8
Mkt. year	1,113.2	2,045.5	1.9	3,160.7	586.5	80.0	192.5	859.0	1,123.9	1,982.9	45.7	1,132.1	1,177.8
1978/79													
June-Sept.	1,177.8	1,775.5	0.6	2,953.9	191.7	27.0	108.0	326.7	493.3	820.0	48.9	2,085.0	2,133.9
Oct.-Dec.	2,133.9	--	0.5	2,134.4	153.8	34.0	7.0	194.8	308.8	503.6	49.5	1,581.3	1,630.8
Jan.-Mar.	1,630.8	--	0.5	1,631.3	147.8	1.0	28.6	177.4	224.5	401.9	49.5	1,179.9	1,229.4
Apr.-May	1,229.4	--	0.3	1,229.7	99.1	25.0	14.0	138.1	167.5	305.6	50.2	873.9	924.1
Mkt. year	1,177.8	1,775.5	1.9	2,955.2	592.4	87.0	157.6	837.0	1,194.1	2,031.1	50.2	873.9	924.1
1979/80													
June-Sept.	924.1	2,134.1	0.7	3,058.9	198.5	33.0	45.6	277.1	511.0	788.1	49.9	2,220.9	2,270.8
Oct.-Dec.	2,270.8	--	0.5	2,271.3	157.9	37.0	-27.7	167.2	387.9	555.1	49.6	1,666.6	1,716.2
Jan.-Mar.	1,716.2	--	0.5	1,716.7	145.1	1.0	62.8	208.9	282.7	491.6	63.3	1,161.8	1,225.1
Apr.-May	1,225.1	--	0.4	1,225.5	93.6	30.0	6.3	129.9	193.6	323.5	141.7	760.3	902.0
Mkt. year	924.1	2,134.1	2.1	3,060.3	595.1	101.0	87.0	783.1	1,375.2	2,158.3	141.7	760.3	902.0
1980/81 4/													
June-Sept.	902.0	2,369.7	0.7	3,272.4	197.2	37.0	47.9	282.1	518.4	800.5	202.1	2,269.8	2,471.9
Oct.-Dec.	2,471.9	--	0.6	2,472.5	167.0	43.0	-12.7	197.3	371.4	568.7	203.5	1,700.3	1,903.8
Jan.-Mar.	1,903.8	--	0.7	1,904.5	153.7	1.0	20.2	174.9	400.4	575.3	203.2	1,126.0	1,329.2
Apr.-May	1,329.2	--	0.5	1,329.7	95.5	31.0	-7.5	119.0	219.9	338.9	199.7	791.1	990.8
Mkt. year	902.0	2,369.7	2.5	3,274.2	613.4	112.0	47.9	773.3	1,510.1	2,283.4	199.7	791.1	990.8

1/Imports and exports include flour and other products expressed in wheat equivalent. 2/Residual; approximates feed use and includes negligible quantities used for distilled spirits. 3/Includes outstanding and reserve loans. 4/Preliminary. *Totals may not add due to rounding.

Table 5--Wheat, flour and wheat products, United States exports by months, 1975-81*

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	149,040	108,882	114,879	82,683	89,526	94,735	98,327	88,579	1,311,945
1980/81	96,193	123,598	141,415	137,325	116,948	112,199	132,048	129,981	124,397	128,770	127,652	78,030	1,448,558
							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	3,157	2,587	5,351	2,505	3,649	6,970	2,389	2,529	49,295
1980/81	4,230	2,082	5,057	3,774	2,785	2,165	1,739	2,658	5,217	6,353	7,347	4,803	48,209
							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	1,190	1,484	1,334	1,168	378	1,083	836	918	13,935
1980/81	912	1,222	711	1,849	1,284	1,005	1,230	890	1,010	1,114	672	1,406	13,306
							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	153,387	112,953	121,564	86,356	93,553	102,788	101,552	92,026	1,375,175
1980/81	101,335	126,902	147,183	142,949	121,017	115,369	135,017	133,529	130,624	136,238	135,671	84,239	1,510,073

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 6 -Wheat: Inspections for export by class and country of destination June-May 1980/81

Country	Hard red spring	Hard red winter	Soft red winter	White	Durum	Mixed	Total
				1,000 bushels			
Algeria	1,254	5,771	1,629	0	5,880	0	14,534
Bangladesh	0	552	1,778	16,188	0	0	18,518
Belgium	3,194	4,283	600	0	1,998	0	10,075
Brazil	0	80,350	0	0	0	0	80,350
Chile	726	27,557	0	6,719	2,538	1,081	38,621
China, (Mainland)	4,532	63,162	211,140	29,084	0	1,157	309,075
China, (Taiwan)	5,999	9,990	0	4,441	0	0	20,430
Colombia	0	12,053	1,710	0	0	0	13,763
Costa Rica	1,285	647	230	0	107	0	2,269
Dominican Republic	3,438	1,350	1,352	0	0	0	6,140
Ecuador	0	11,204	0	0	0	0	11,204
Egypt	0	1,441	12,309	45,853	0	0	59,603
El Salvador	2,435	0	1,352	0	38	0	3,825
France	100	0	0	0	5,683	0	5,783
Germ Dr (E)	0	2,963	0	0	2,095	0	5,058
Germ Fr (W)	3,369	724	0	0	1,831	0	5,924
Guatemala	2,081	1,463	198	0	198	0	3,940
Haiti	3,118	0	0	0	0	0	3,118
Honduras	595	957	330	0	125	0	2,007
Hong Kong	1,654	265	0	1,892	0	26	3,837
India	0	404	0	1,783	0	0	2,187
Indonesia	2,184	14,639	0	11,340	0	0	28,163
Iran	0	0	0	10,499	0	0	10,499
Israel	949	14,980	908	0	0	0	16,837
Italy	13,784	3,364	1,125	0	7,595	0	25,868
Japan	32,498	50,373	1,820	45,112	876	0	130,679
Jordan	0	4,778	0	0	0	0	4,778
Korea Republic of	4,292	22,296	0	47,721	0	0	74,309
Kuwait	0	4,174	0	329	0	0	4,503
Lebanon	0	6,071	0	0	0	0	6,071
Mexico	254	42,948	762	0	0	0	43,964
Morrocco	0	0	5,160	9,652	742	0	15,554
Netherlands	21,003	8,427	848	57	7,181	0	37,516
Nigeria	2,789	31,004	713	0	0	6,146	40,652
Norway	999	4,895	0	246	243	0	6,383
Pakistan	0	3,577	0	2,050	0	0	5,627
Panama	1,724	0	218	40	323	0	2,305
Peru	0	30,375	0	0	0	0	30,375
Philippines	20,469	1,578	0	6,889	0	0	28,936
Poland	0	0	4,818	2,651	0	0	7,469
Portugal	0	12,183	11,778	0	622	0	24,583
Rep S. Africa	203	6,518	596	0	0	0	7,317
Romania	0	0	10,619	1,158	0	795	12,572
Saudi Arabia	0	8,474	0	0	0	0	8,474
Singapore	459	192	0	3,579	0	0	4,230
Spain	1,930	408	1,001	0	2,588	0	5,927
Sri Lanka	0	4,542	0	2,344	0	0	6,886
Sudan	0	6,747	0	0	0	0	6,747
Thailand	2,255	529	0	697	0	0	3,481
Trinidad	1,284	1,822	131	0	62	74	3,373
Tunisia	0	0	1,580	0	5,415	0	6,995
United Kingdom	9,628	848	0	270	0	0	10,746
USSR	0	105,842	0	0	0	0	105,842
Venezuela	18,843	2,512	1,659	0	5,481	0	28,495
Yugoslavia	0	5,708	8,948	2,203	0	910	17,769
Zaire	374	4,406	0	0	0	0	4,780
Other	7,145	11,603	2,459	2,099	181	218	23,705
United States	176,846	640,949	287,771	254,896	51,802	10,407	1,422,671

Source: Grain Market News, Agricultural Marketing Service.

Table 7--Wheat and flour: Price relationships at milling centers, annual and by periods, 1976-81

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: Wholesale price of Total products: Actual	At Kansas City: Wholesale price of 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: Wholesale price of Total products: Actual	At Minneapolis: Wholesale price of 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
Mkt. year	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
Mkt. year	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
Mkt. year	7.85	7.89	1.47	9.36	1.51	7.76	8.22	1.34	9.56	1.80
1978/80										
June-Sept.	9.87	9.91	1.70	11.61	1.74	9.88	10.22	1.61	11.83	1.95
Oct.-Dec.	10.50	10.39	1.85	12.24	1.74	9.99	10.57	1.63	12.20	2.21
Jan.-Mar.	9.79	10.02	1.77	11.79	2.00	9.46	10.20	1.45	11.65	2.19
Apr.-May	9.24	9.75	1.50	11.25	2.01	9.61	10.04	1.36	11.40	1.79
Mkt. year	9.85	10.02	1.70	11.72	1.87	9.73	10.26	1.51	11.77	2.04
1980/81 4/										
June-Sept.	9.81	10.11	1.81	11.92	2.11	10.46	10.83	1.63	12.46	2.00
Oct.-Dec.	10.80	10.54	2.38	12.92	2.12	11.29	11.04	2.05	13.09	1.80
Jan.-Mar.	10.31	10.44	1.95	12.39	2.08	10.98	11.05	1.67	12.72	1.74
Apr.-May	10.27	10.42	1.81	12.23	1.96	11.08	11.09	1.76	12.85	1.77
Mkt. year	10.30	10.38	1.99	12.37	2.07	10.95	11.00	1.78	12.78	1.83

1/Based on 73 percent extraction rate, cost of 2.28 bushels: At Kansas City, No. 1 Hd. Winter, 13 percent protein, and at Minneapolis, simple average of No. 1 Dark Northern Spring, 13 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.

Source: Compiled from reports of Agricultural Marketing Service and Department of Labor.

Table 8--Wheat: Farm price for leading classes and major feed grain in region, 1977-81 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	3.86	3.93	3.89	3.81	3.73	3.51	3.36	3.48	3.71	2.43
1980/81	3.49	3.63	3.75	3.86	4.10	4.19	4.01	4.08	3.99	3.83	3.88	3.75	3.88	2.94
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	2.45	2.45	2.41	2.43	2.44	2.47	2.40	2.45	2.48	2.12
1980/81	2.58	2.94	3.06	3.18	3.31	3.33	3.34	3.33	3.28	3.14	3.18	3.12	3.15	2.27
							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	4.00	3.87	3.99	4.03	4.11	3.82	3.59	3.62	3.89	2.48
1980/81	3.58	3.82	4.02	4.19	4.41	4.59	4.50	4.50	4.28	4.03	4.00	3.59	4.13	3.00
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	2.59	2.48	2.71	2.66	2.65	2.63	2.60	2.68	2.71	2.31
1980/81	2.76	3.06	3.28	3.36	3.28	3.46	3.53	3.54	3.58	3.58	3.57	3.56	3.38	2.46
							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	3.83	3.75	3.61	3.54	3.60	3.57	3.66	3.80	3.65	2.51
1980/81	3.89	4.07	3.97	4.02	4.24	4.39	4.28	4.33	4.30	4.21	4.29	4.31	4.19	3.02
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	2.72	2.77	2.68	2.68	2.52	2.60	2.51	2.60	2.64	2.02
1980/81	2.82	2.69	3.14	3.32	3.44	3.69	3.62	3.62	3.72	3.72	3.73	3.69	3.43	2.16
							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	3.91	3.89	3.73	3.68	3.80	3.71	3.66	3.56	3.83	2.57
1980/81	3.53	3.71	3.67	3.80	4.03	4.12	4.08	4.05	4.06	4.11	4.02	4.08	3.94	3.08
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	3.09	3.07	3.34	3.10	3.10	3.10	3.18	3.21	3.12	3.09	2.26
1980/81	3.16	3.34	3.32	3.35	3.70	3.80	3.99	4.07	4.15	4.07	3.95	3.99	3.74	2.40
							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	2.25
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	6/2.97	2.35
1979/80	3.72	3.89	3.74	3.87	3.98	3.94	3.81	3.74	3.78	3.64	3.58	3.69	6/3.78	2.50
1980/81	3.69	3.81	3.94	3.99	4.19	4.32	4.22	4.21	4.17	4.09	4.07	3.95	6/3.96	3.00

1/To adjust price to relative feed value multiply: Corn 1.00; Wheat 1.05; Barley .90; Sorghum .95; reported in Consumption of Feed by Livestock, 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 includes allowance for unredeemed loans and purchases.

Table 9--Wheat: Cash prices for leading classes at major markets, 1977-81

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	4.39	4.53	4.51	4.33	4.32	4.07	3.90	4.10	4.25
1980/81	4.07	4.21	4.31	4.45	4.70	4.89	4.54	4.60	4.47	4.35	4.48	4.36	4.45
						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	4.39	4.55	4.67	4.60	4.40	4.35	4.14	3.96	4.14	4.34
1980/81	4.12	4.25	4.34	4.49	4.70	4.91	4.60	4.67	4.50	4.40	4.57	4.44	4.50
						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	4.30	4.13	4.26	4.36	4.39	4.18	3.96	4.04	4.24
1980/81	3.96	4.17	4.21	4.38	4.70	4.92	4.54	4.57	4.34	4.15	4.18	3.80	4.33
						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	4.02	4.10	4.28	4.26	4.32	4.11	3.80	3.93	4.10
1980/81	3.73	4.10	4.19	4.42	4.78	4.96	4.78	4.80	4.57	4.32	4.36	3.67	4.39
						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	4.29	4.21	4.28	4.21	4.32	4.08	3.80	3.90	4.18
1980/81	3.84	4.14	4.16	4.38	4.82	5.02	4.65	4.70	4.47	4.16	4.16	3.76	4.36
						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	3.78	3.72	3.63	3.44	3.35	3.53	3.54
1979/80	4.08	4.31	4.15	4.17	4.12	4.20	4.18	4.10	4.14	3.90	3.63	3.74	4.06
1980/81	3.71	4.05	4.15	4.31	--	--	4.44	4.49	4.21	3.87	3.87	3.62	4.07
						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	4.13	4.16	4.10	4.10	4.26	4.13	4.02	3.91	4.22
1980/81	3.92	4.15	4.06	4.23	4.48	4.68	4.40	4.52	4.52	4.41	4.51	4.41	4.36
				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	4.31	4.27	4.18	4.06	4.13	4.04	3.94	4.21	4.16
1980/81	4.19	4.54	4.22	4.17	4.62	4.78	4.62	4.65	4.53	4.32	4.41	4.44	4.46
						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	4.45	4.29	4.17	4.07	4.08	4.02	3.96	4.31	4.21
1980/81	4.33	4.69	4.55	4.56	4.82	4.95	4.77	4.81	4.78	4.67	4.80	4.77	4.71
					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	5.80	5.38	4.99	4.93	5.05	4.98	4.89	5.21	5.09
1980/81	5.79	7.12	7.19	7.26	7.34	7.22	6.90	7.07	7.02	6.66	6.10	6.04	6.81

Source: Grain Market News, Agricultural Marketing Service.

Table 10--Wheat: Export prices by months, at selected ports, 1977-81

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
						Dollars per metric ton							
						Gulf: No. 1 Hard Red Winter, Ordinary protein							
1977/78	93	97	96	100	104	112	115	114	116	124	130	124	110
1978/79	126	127	128	131	137	138	136	138	140	140	140	143	135
1979/80	168	175	169	174	178	178	180	176	173	164	156	161	171
1980/81	158	169	171	180	188	195	182	187	182	175	180	172	178
						Gulf: No. 1 Soft Red Winter							
1977/78	83	85	80	83	91	104	107	108	110	116	125	121	101
1978/79	123	124	126	130	136	141	137	140	144	144	144	141	136
1979/80	164	169	163	165	163	164	172	170	168	162	153	154	164
1980/81	146	163	165	176	187	193	180	187	176	168	172	143	171
						Portland: No. 2 Western White							
1977/78	105	107	108	105	104	109	112	118	124	128	136	134	116
1978/79	136	141	139	141	140	141	139	139	137	138	138	148	140
1979/80	171	178	167	163	160	157	155	157	162	157	155	148	161
1980/81	147	158	157	162	172	180	170	174	173	166	166	165	166
						Duluth: No. 2 Northern Spring, 14% protein							
1977/78	98	94	93	103	107	109	107	107	106	110	118	120	106
1978/79	119	116	117	121	127	129	120	122	123	126	127	138	124
1979/80	163	166	1/	1/	167	158	1/	1/	1/	1/	146	158	159
1980/81	158	174	168	170	177	180	1/	1/	1/	1/	176	175	172

1/No price quotes available.

Source: Grain Market News, Agricultural Marketing Service.

Table 11--Wheat: Rotterdam, c.i.f., quotations by months, 1977-81 1/

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
						Dollars per metric ton							
						United States No. 2 Hard Winter, 13.5%							
1977/78	114	116	116	120	126	135	137	134	132	139	151	142	130
1978/79	150	146	147	148	156	161	157	155	160	165	157	166	156
1979/80	193	204	200	205	209	212	212	200	200	197	NQ	NQ	203
1980/81	198	203	209	214	224	233	235	233	225	212	211	206	217
						United States Dark Northern Spring, 14%							
1977/78	115	111	110	121	126	131	132	144	147	147	147	146	131
1978/79	142	138	140	144	153	159	150	164	170	164	154	166	154
1979/80	192	202	194	199	205	204	205	206	205	196	188	199	200
1980/81	197	212	212	212	216	226	235	245	240	209	210	207	218

1/Hamburg Mercantile Exchange prices for Rotterdam.

Source: World Grain Situation, Foreign Agricultural Service.

Table 12--Wheat and Wheat Flour: World trade, production, stocks and utilization, July-June 1978-81

Country or region	1978/79	1979/80	1980/81	1981/82 projected
		Million metric tons		
Exports:				
Canada	13.5	15.0	16.0	17.0
Australia	6.7	14.9	11.0	12.0
Argentina	3.3	4.7	3.9	4.8
Sub-total	23.5	34.7	30.9	33.8
EC-10	8.8	10.4	14.6	15.1
USSR	1.5	0.5	0.5	1.0
All others	6.0	3.6	5.3	3.1
Total non-U.S.	39.7	49.2	51.3	53.1
USA 1/	32.3	37.2	41.7	46.9
World total	72.0	86.4	93.0	100.0
Imports:				
EC-10	4.6	4.6	4.5	4.4
USSR	5.1	12.1	15.5	16.0
Japan	5.7	5.6	5.7	5.7
E. Europe	4.4	6.0	5.4	5.7
China, (Mainland)	8.0	8.9	13.5	13.5
All others	44.0	49.2	48.4	54.6
World total	72.0	86.4	93.0	100.0
Production: 2/				
Canada	21.1	17.2	19.1	24.0
Australia	18.1	16.2	10.8	16.0
Argentina	8.1	8.1	7.8	9.2
EC-10	50.3	48.7	54.8	55.6
USSR 3/	120.8	90.2	98.1	100.0
E. Europe	35.9	27.6	34.5	32.1
China (Mainland)	54.0	62.7	54.2	56.0
India	31.7	35.5	31.6	34.0
All other foreign	58.2	57.9	63.4	61.8
Total foreign	398.3	364.1	374.2	388.7
USA	48.3	58.1	64.5	76.5
World total	446.6	422.2	438.7	465.2
Utilization: 4/				
USA	22.8	21.3	21.0	25.4
USSR 3/	106.5	115.8	116.1	109.0
China, (Mainland)	62.0	71.6	67.7	69.5
All other foreign	238.7	235.1	240.4	246.8
World total	430.0	443.8	445.2	450.7
Stocks, ending: 5/	100.8	79.2	72.7	87.2

1/Includes transhipments 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 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 part 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-28-81.

Table 13--Rye: Supply, disappearance, area and prices, marketing years 1977-81*

Item	1977/78	1978/79	1979/80	1980/81 (prel.)	1981/82 (proj.)
			Million bushels		
Supply					
Beginning stocks, June 1	4.4	4.0	9.0	12.2	4.1
Production	16.5	24.1	22.4	16.3	16.7
Imports	0.1	0.1	1/	1/	--
Total	21.1	28.2	31.4	28.5	20.8
Domestic disappearance					
Food	3.6	3.7	3.5	3.5	3.5
Alcoholic beverages	1.9	2.4	2.1	2.1	2.1
Seed	4.8	4.9	4.2	4.2	4.2
Feed 2/	6.8	7.9	7.0	7.1	4.5
Total	17.1	18.9	16.8	16.9	14.3
Exports	1/	0.3	2.4	7.5	3.0
Total disappearance	17.1	19.2	19.2	24.4	17.3
Ending stocks, May 31	4.0	9.0	12.2	4.1	3.5
			Million acres		
Area					
Planted	2.6	2.9	2.9	2.5	2.6
Harvested	0.7	0.9	0.9	0.7	0.7
			Bushels per acre		
Yield per harvested acre	24.4	26.0	25.8	24.5	25.3
			Dollars per bushel		
Prices					
Received by farmers	2.06	1.99	2.06	2.62	2.65
Minneapolis No. 2	2.53	2.44	2.47	3.35	
Loan rate	1.70	1.70	1.79	1.91	2.04

1/ Less than 50,000 bushels.

2/ Residual, approximates total feed use.

* Totals may not add due to rounding.

LIST OF TABLES

	Page	Table
WHEAT		
Supply and Distribution		
United States		
Condensed table, annual 1978-81	2	1
By class, 1978-81	12	2
By specified periods, 1976-81	14	4
World trade, production and stocks, annual 1978-81	21	12
Price support loan status on specified dates	13	3
Exports, Including Flour		
United States		
Exports by months, 1975-81	15	5
Inspections for export by class and country of destination, June-May 1980-81	16	6
Prices		
Farm price for leading classes and major feed grain in region, 1977-81	18	8
Cash prices for leading classes at major markets, 1977-81	19	9
Exports prices by months, at selected ports, 1977-81	20	10
Wheat: Rotterdam, c.i.f. quotations, by months, 1977-81	20	11
Wheat and flour price relationships, annual and by periods, 1976-81	17	7
RYE:		
Supply and Distribution		
Condensed table, annual 1977-81	22	13

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE
AGR 101

FIRST CLASS

U.S.MAIL

To stop mailing ☐ or to change your address ☐ send this sheet with label intact, showing new address, to Information, Staff, ESS, U.S. Dept. of Agriculture, Rm. 0054 South Building, 14th & Independence Ave. S.W., Wash., D.C. 20250.

6326 VAN LN#27A412 18010 0001
L VAN MEIR ESCS USDA
GHI BLDG #276
WASHINGTCN DC 20041