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Outlook and Situation Report



Bustling early season exports

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SUMMARY

As 1984 brings in the third largest U.S. wheat harvest ever, the current outlook reflects a season of record supplies, near-record disappearance due to strong exports, and prospects for the lowest national farmgate price in 5 years.

Harvested area in 1984 increased 8 percent and the average yield per acre was only 0.6 bushel lower than 1983's record 39.4. This put the crop at 2.57 billion bushels, up 150 million from a year ago. The increase was sufficient to offset reduced carryin stocks, and to place 1984/85 U.S. wheat supplies at a record of just under 4 billion bushels.

Disappearance in 1984/85 may be much stronger than expected at the outset of the season. Exports and sales since mid-July are up 26 percent from last year, primarily because of heavy shipping to the USSR and China, the two major U.S. wheat customers. Soviet commitments are up more than a third from last year, suggesting the second largest U.S./USSR wheat trade since 1972/73, when the first major grain trade between the two countries took place. Chinese buying accelerated at harvest, but has lagged from earlier expectations, principally because of another record Chinese crop. Total U.S. wheat exports for the season are forecast at 1.53 billion bushels, up 7 percent from last season and the second strongest in history.

Contributing to increased domestic disappearance was heavy early season use of wheat for feed. Short feed grain and plentiful wheat supplies during June-September upset the more typical premium prices of wheat over feed grains, resulting in record amounts of wheat being fed to livestock and poultry. The current large 1984 feed grain output, however, should turn this situation around, limiting wheat feeding for the rest of the season. Wheat feeding for 1984/85 will be down slightly from a year ago.

Despite the encouraging outlook for demand, large supplies and the reduced loan rate dampen price prospects. Average farm prices during June-September were \$3.40 a bushel, compared with \$3.53 last year. For all of 1984/85, the season-average farm price may fall below last year's \$3.54 a bushel, settling between \$3.35 and \$3.55.

As harvest in the Southern Hemisphere gets underway, it looks like 1984's world wheat production will be unique: at 506 million metric tons, it will top the never-before-reached 500-million mark. World stocks and world trade may each set a record of around 105 million tons. Large supplies in exporting nations will keep competition tight this year, similar to 1983/84.

Winter wheat producers have already sown their 1985 crop. Although the wheat program requires idling less acreage than in 1984, the expectation for continued low prices may encourage increased participation in the program. Important to 1985's crop outlook will be this fall's planting delays in key Soft Red wheat producing areas and the condition of the wheat crop next spring.

THE 1984/85 SITUATION

Third Largest Wheat Crop Keeps Supplies Large

Of the last 10 U.S. wheat harvests, 9 have topped 2 billion bushels. The 1984 crop was one, and at 2.57 billion bushels, it was the third largest on record. Fewer acres idled in the acreage reduction program (ARP) and generally good growing conditions maintained the national average yield at only 0.6 bushel an acre under 1983's alltime high of 39.4.

Because growers in key producing States of Kansas and North Dakota enrolled fewer base acres in this year's ARP, harvested acreage in each increased from 1983. Although a wet, cool spring lowered Kansas yields about 2.5 bushels an acre, reducing production 4 percent, it was still the third largest. Expectations that a dry, hot summer deteriorated North Dakota's spring wheat did not materialize. Combines unloaded record yields from their hoppers. Durum production was up nearly 50 percent, and Hard Red Spring (HRS) output rose a third from 1983 levels.

Of interest to the U.S. wheat merchandising industry is this year's increase in production of Hard Red Winter (HRW) wheat varieties in North Dakota and other Northern Plains States. Because winter wheat, which must be seeded in the fall, generally does not survive this area's extreme winters, spring wheats have been grown almost exclusively in Northern Plains States for over 100 years. However, where winter wheat varieties survive, they generally produce higher yields than spring wheats.

In the south and west of this region, both spring and winter wheat have been adopted. By being able to grow both types, a producer

not only gains the advantages of higher yields for winter wheats, but also gains a better distribution of labor, better use of storage space, and a change in the pattern of a farm's cash income and expenses. Should the winter crop fail, spring wheat may be seeded on land where winter wheat had been destroyed or thinned by winter kill. While this protects against crop failure, it does add to the farm's production costs.

Recent harvests of winter wheat in three northern States illustrate growers' willingness to grow winter wheat for increased production. This points out another of the many problems Government faces when it tries to establish a voluntary ARP to bring U.S. wheat supply and demand into balance: yield increases reduce the effectiveness of acreage control programs. In the northern U.S. wheat-producing areas, grower program participation typically exceeds the national average.

A steady decline of stocks committed to the farmer-owned reserve (FOR) through the 1983/84 season reflected Government payment-in-kind (PIK) to eligible producers. So, as the 1984/85 season began, "free stocks" of wheat had more than doubled, to about 600 million bushels from total stocks of 1.4 billion.

However, as the large 1984 crop continued to sustain farm prices for wheat at the loan level, some producers decided to forfeit a share of their 1983 outstanding loans to the Commodity Credit Corporation (CCC) because the market price could not justify redemption. The 1983 loan rate averaged \$3.65 a bushel, but the 1984 rate of \$3.30, combined with large supplies, prevented the price rise needed to pay off loan principal and accumulated interest. The CCC wheat

Winter Wheat Harvested Area and Production

State	1982		1983		1984	
	Area	Production	Area	Production	Area	Production
	Thou. ac.	Mil. bu.	Thou. ac.	Mil. bu.	Thou. ac.	Mil. bu.
North Dakota	140	4.8	155	4.8	580	19.1
South Dakota	1,110	36.3	1,250	51.3	1,550	57.4
Minnesota	86	3.0	75	2.6	280	10.6

inventory increased 137 million bushels during the first 4 months of the 1984/85 marketing year.

Further forfeitures are expected through the remainder of the year, and it is expected that free (readily marketable; total stocks less FOR and CCC) stocks at yearend will tally to about 320 million bushels out of 1.4 billion. This would be their lowest in two years.

Record Early Season Disappearance Influenced by Heavy Wheat Feeding

The October 1 stock report confirmed the expectation that especially large wheat disappearance took place during June–September of the 1984/85 crop year. Total disappearance reached 1.25 billion bushels, the largest ever. Although export shipments had the biggest impact, domestic use also hit an alltime high. Short feed grain supplies during this period and the large 1984 wheat harvest upset the more typical premium price of wheat over feed grain prices.

Some wheat farm prices were below the \$3.30–a–bushel loan level, particularly in SRW and HRW wheat areas. June and July corn prices were often higher. This early summer price advantage faded in subsequent months in response to an expected large feed grain harvest.

Even so, apparent wheat feed disappearance from June through September ballooned to 362 million bushels, compared with last summer's record of 260 million. Feed use–residual for the entire year is estimated at 325 million bushels, about 50 million below 1983/84's total.

Record large wheat feed use occurred through September, but the residual component may have been unusually large. Exports during September hit a record, and this likely meant above normal stocks were in transit, and the October 1 stocks report does not tally quantities in transit. Thus, feed usage may be overstated for this period. Subsequent wheat stock inventories, January, April, and June 1985, will clear the current uncertainty in 1984/85's wheat feeding number.

Another reason for a more conservative feed use forecast focuses on strengthening

wheat prices in August and September relative to weakening feed grain prices. A widening price spread can quickly reduce wheat usage in least–cost ration formulas. Early supplies of new–crop corn and sorghum also became more readily available in September. The relatively cheaper feed grains, combined with reduced feed stocks of wheat, will likely cause wheat feed–residual estimate use to be negative for October–May, as in 1981/82.

Apparent domestic wheat food use (flour production less flour exports) during June–September was about equal to a year earlier. This year's stable prices may have encouraged millers and bakers to operate with low inventories. Mill grind may rebound if the wheat export pace pressures prices. Milling could accelerate to take advantage of lower prices. Early season Durum grind and use are up from last year, suggesting that this season's larger Durum supplies and low prices should prompt pasta manufacturers to include large portions of Durum in their blend formulas.

Bustling 1984/85 Export Season Expected

The high value of the U.S. dollar continues to limit demand for U.S. produced goods, including agricultural products. Even so, September wheat exports reached a new monthly high of 245 million bushels, exceeding the previous record of September 1981. U.S. trade with the two major buyers, China and the USSR, varies markedly, but accounts for most of the robust early season export commitments.

Wheat: Supply and disappearance

Item	June–Sept.	
	1983/84	1984/85
	Million bushels	
June 1 stocks	1,515	1,398
Production	2,420	2,570
Total supply 1/	3,936	3,973
Exports	475	645
Food	210	210
Seed	36	32
Feed	260	362
Total disappearance	981	1,249
October 1 stocks	2,955	2,724

1/ Includes imports.

Chinese buying in the final year of a 4-year grains trade agreement was strong at harvest (low prices), but has lagged from earlier expectations. The lag is likely related to another record Chinese wheat harvest and continuing discord with the United States over textile trade regulations.

Buying by the USSR reflects its worst wheat harvest in 10 years. Increasing domestic demand will require record Soviet wheat purchases from world exporters in 1984/85. Total U.S. wheat and wheat product loadings during June-September were up 170 million bushels from a year earlier, while total shipments to China and the USSR rose 180 million. This indicates that these two buyers carried the bulk of the U.S. export activity and offset some of the lagging business from other countries. Buying by and shipments to Brazil were also ahead of last year.

The current forecast of U.S. wheat exports for 1984/85 is 1,525 million bushels, a promising 7-percent increase over last season. If realized, this would make the second strongest export year in history.

U.S. competition in 1984/85 has taken a different turn. Whereas global wheat supplies continue to be at record highs, lower exportable stocks are expected to reduce Canadian and Argentine export activity this year. However, filling the gap will be large U.S. and record supplies from the European Community (EC). Trade competition is already flourishing: sales by France to the USSR has increased sharply and could easily be a record in 1984/85. Emphasis on Government programs, including the P.L. 480 program and the blended credit feature of commercial credit, by the United States will meet EC competition in the North African market.

1984/85's Wheat Prices Likely To Be Down From Last Season

After establishing the national average loan rate for 1984-crop wheat at 35 cents below the previous year and harvesting a bumper crop that maintained supplies at an alltime high, there was little doubt that 1984/85 wheat prices would be weaker than last season. With enrollment in the ARP at 61 percent, many producers are eligible for the \$3.30-a-bushel loan. But fewer growers used the loan this year as their marketing option, because farm wheat prices averaged \$3.40 a bushel during the latter part of the June-September period, prompting selling.

During June-September, the extra heavy export sales, which led to record shipments in September, have been supportive to the Soft Red Winter (SRW) wheat, market while terminal cash prices at Kansas City (hard wheat) were not much above a year ago and Minneapolis (spring wheat) were significantly below last year. So, while higher demand alone does not seem to provide much impetus for strengthening prices, upside potential may be fueled by tightening of yearend stocks. That tightness would be in response to a larger percentage of wheat tied up in Government programs. The 1984/85 average farm price is still likely to be below last season's \$3.54 a bushel, falling between \$3.35 and \$3.55.

Deficiency payments for the 1984 wheat crop are certain. The average farm price for June-October will be near the loan rate, compared with the \$4.38-a-bushel target price. All eligible producers could receive around \$1 a bushel. Total payments would be around \$1.1 billion, compared with \$771 million in 1983.

U.S. Wheat Exports 1/

Year	Hard Winter	Hard Spring	Soft Red	Soft White	Durum	Total
Million bushels						
1980/81	701	188	299	267	59	1,514
1981/82	754 205	*460	*270	*82	*1,771	
1982/83	679	239	325	207	59	1,509
1983/84	704	221	222	220	62	1,429
1984/85 Est.	*785	215	265	200	60	1,525

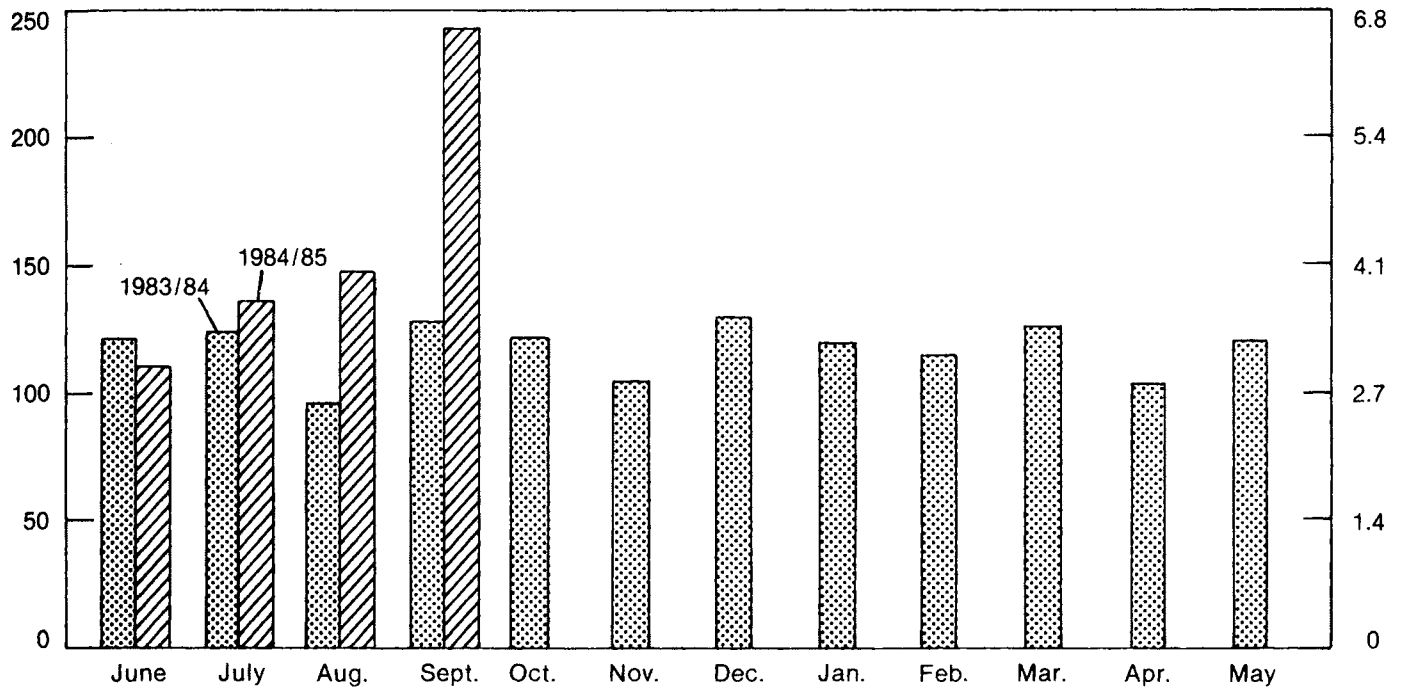
* Records

1/ Includes flour and product grain equivalent.

U.S. Marketing Year Exports

Mil. bu.

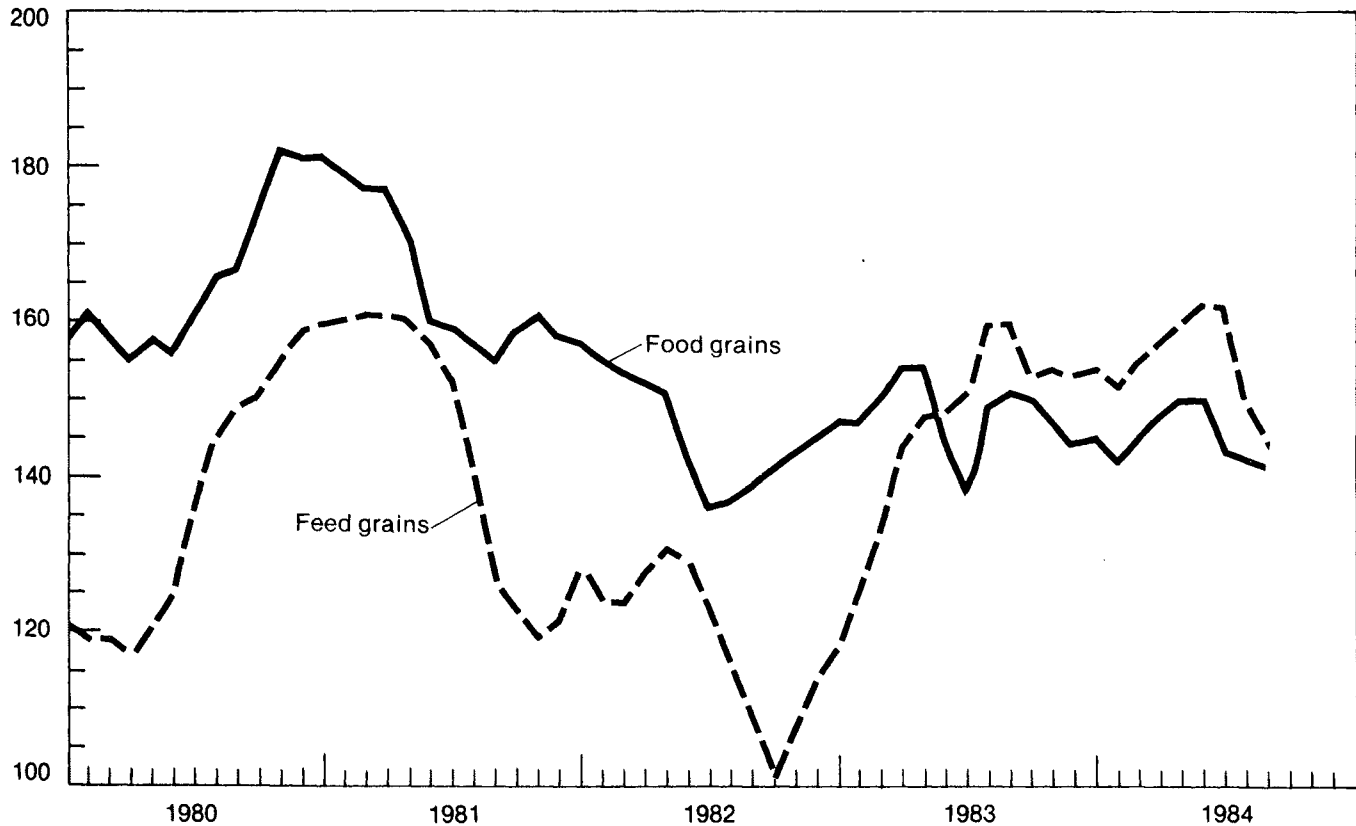
Mil. metric tons



Includes flour and products in wheat equivalent.

Farmer Prices for Feed Grains and Food Grains

Index (1977 = 100)



OUTLOOK FOR 1985 CROP

Despite major efforts to reduce wheat production in the United States in the last 2 years, supplies are still considered excessive. One reason is continued expansion of production in other countries and the decline in the U.S. share of world trade—a drop from 48 percent in 1981/82 to 38 percent in 1983/84. To help strengthen future wheat prices and limit further supply buildup, USDA announced the fourth successive program to adjust acreage with the 1985 crop.

Once again, producers will decide how much to plant and whether to participate in the program based on their farm situations and on what they expect market prices for wheat and other crops to be. These factors will determine whether enrolling in the 1985 program will enhance net returns by reducing some of their productive capacity.

Major provisions of the 1985 program were set by the Agricultural Programs Adjustment Act of 1984, legislated in April 1984. The law mandated a \$4.38-a-bushel target price and a 20-percent ARP combined with a 10-percent cash land diversion (CLD). The loan rate for 1985-crop wheat is \$3.30 a bushel, unchanged from 1984.

Features of the 1985 program were announced by USDA in June 1984. They compare with those of 1984 as follows:

- o Reflecting the 20-percent ARP and 10-percent CLD, total acres of 1985 wheat cannot be more than 70 percent of a farm's wheat acreage base. Because the 1984 program included an optional 10- to 20-percent acreage reduction for PIK, maximum 1984 plantings could have been no more than half of the base acreage for a producer choosing the 20-percent PIK. In 1984, acres enrolled in both the ARP and PIK represented 35 percent of the total 57 million acres of base enrolled in the 1984 program. Land idled for PIK alone accounted for 3.6 million acres, with an estimated forgone production of around 125-130 million bushels. Because there is no PIK in 1985, more wheat growers must enroll in the 1985 program to match the nearly 21 million acres idled in 1984. The enrollment rate would likely need to be around 75 percent of the

acreage base to bring the harvested area near 66 million acres, compared with 1984's 61 percent.

- o The unchanged target price and loan rate mean the maximum deficiency payment rate is \$1.08 a bushel for program compliers. Expectations that old-crop supplies carried into the 1985/86 crop year will not be dramatically lower than in 1984/85, despite projected record 1984/85 disappearance, increase the possibility of a near maximum deficiency payout. Although U.S. and world weather will be important to prices, large supplies presently seem likely, suggesting market prices around the loan level.
- o No advanced deficiency payment was authorized in the 1984 program. However, at the producer's request, half of the CLD payment could have been made at signup. For 1985, producers may again request 50 percent of their CLD payment at signup. Producers may also request 50 percent of their projected 1985 deficiency payment. The CLD payment rate per diverted acre is \$2.70 a bushel times the farm program yield, the same as in 1984. The projected deficiency payment rate is \$1.08 a bushel. Because 1985's signup extends from October 15, 1984, through March 1, 1985, covering the time that much of a grower's planting costs are incurred, these advanced payments may encourage enrollment, particularly by farmers with cash flow problems. One hundred acres of wheat base with a program yield of 35 bushels an acre, for example, could receive up to \$1,800 at signup. This would defray preharvest cash expenses about \$18 a planted acre.
- o As in 1984, the acreage taken from production must be devoted to conservation use. The designated acreage conservation reserve (ACR) may not be harvested for hay. However, grazing is permitted, except during the 5 (6 for 1984) principal growing months, which are designated by State and County Agricultural Stabilization and Conservation (ASC) committees. The 5-month growing period must fall within the period from February 28 through September 30. These haying and grazing

provisions are expected to have little overall impact on total program participation. However, cattle/grain producers in the Southwest do find positive economic returns from haying and grazing practices, thus the 1-month extension of grazing privileges is an incentive for greater program compliance in the Southwest.

- o Another feature of the 1985 program carried over from 1984 (and initiated in the 1983 program) is the rule that enrollment is a binding contract after signup. Previously producers could delay their final compliance to just before actual harvest. So the acreage participation level was uncertain until harvest. Some enrolled acres would drop from the program, especially if some bullish price expectations developed. Now, the binding contract has resulted in much higher final compliance, relative to the initial signup (see table).

Crop year	Enroll- ment 1/	Final Com- pliance 1/	Ratio 2/
	Percent		
1982	84.9	48.2	56.8
1983-ARP/CLD	33.9	26.4	77.9
1983-PIK	51.1	50.7	99.2
1984	60.8	60.0 Est.	98.7
1985 Est.	71-81	70-80	98.5

1/ Percent of total acreage base. 2/ Ratio of final compliance to enrollment.

- o Approximately 30 million acres is wheat land designated in a summer fallow rotation. In semi-arid areas, wheat producers forfeit production on some acreage for one season, expecting accumulated soil moisture to increase production the following season. On farms where this is practiced, growers may designate the fallowed land as the required program ACR. This allows a producer to plant the area that would have been planted to wheat to another crop such as barley, oats, sorghum, or sunflowers. Past enrollment of summer fallow acreage ranged from 70 to 90 percent. Participation in the 1985 program is expected to be in the upper half of that range.

Factors Affecting Plantings

Compared with past seasons, growers will have had more time to calculate 1985 market prices and production costs and to relate these to program benefits. The announcement of the program before winter wheat planting time could mean greater cost savings to those participating, compared with years when the program was not finalized until after planting. The first indication of the program compliance impact will be revealed in the December 20 release of USDA's *Crop Production, Small Grains, 1985 Crop Winter Wheat and Rye Seedings*. In late winter, a *USDA Prospective Plantings* report will give a clue to spring wheat growers' participation. However, not until after March 1, the end of the signup, will program participation be announced. The current forecast of compliance ranges between 70 and 80 percent of base acreage.

Unless crops fail drastically somewhere in the world next year, wheat prices in 1985/86 could continue to run near the loan level. With this price outlook, target price protection becomes an important factor in deciding whether to participate in the program. This fall's delayed planting of soft wheat in major central producing States could increase that region's 1985 program participation. However, improved moisture conditions in other winter wheat areas make yield prospects appear brighter, so it is again possible that above-average yields could offset some of the cut in 1985 acreage through program participation. Eligibility for the loan and the reserve will also have a bearing on decisions.

WORLD WHEAT OUTLOOK

A Record Wheat Harvest Forecast--506 Million Tons

Never has more than 500 million metric tons of wheat been harvested worldwide in a single season. With the Southern Hemisphere harvest about to get under way, it looks like the 1984 world wheat harvest will be unique: an estimated 506 million metric tons. This would be 3 percent more than the record global output set in 1983.

A world crop forecast not subject to quick revision is difficult to make. Reasons include the variable conditions since last fall's sowing of winter wheat in the Northern Hemisphere, development problems with spring planted wheats, and a Southern Hemisphere crop that develops opposite to the Northern crop. Toward the end of a calendar year such an estimate begins to firm, because the Northern Hemisphere harvest is virtually finished and all that remains is a final tally of the Southern Hemisphere.

Significant production turnabouts for this year's world wheat crop compared with a year ago include:

- o A 6-percent increase in U.S. wheat output, despite another Government wheat reduction program.
- o Another poor harvest in the USSR, 4 percent below 1983 and the smallest wheat harvest since 1975, left the USSR as the second largest world wheat producer.
- o China's second successive record harvest, up 4 percent from 1983's record 81.4 million tons, maintained its position as the world's largest wheat producer.
- o Yields in many Western European nations broke records. As a result, the EC's 74.7-million-ton 1984 wheat harvest was a phenomenal 26 percent larger than a year earlier. The EC surpassed the United States, becoming the third largest world producer.
- o Hot, dry conditions during crop development lowered yields in Canada to their lowest in 10 years. Despite a record area sown to wheat, low yields cut the harvest 21 percent from 1983's near-record outturn.
- o As the harvest period unfolds in the Southern Hemisphere, it appears that both Australia and Argentina will have reduced crops. (The section "Southern Hemisphere Wheat Prospects" focuses on these two nations.)

Combining the record global production with old-crop stocks that have been growing successively larger for the last 4 years,

indicates a record world wheat supply for the 1984/85 marketing year. The ever increasing demand for food will help push the year's consumption of wheat to a new high, nearly as much as 1984's entire production. Thus, 1985/86 carryin stocks are expected to be modestly higher than this year, but will represent a smaller percent of consumption.

World Wheat Trade Record Large

For 2 of the past 3 seasons, world wheat trade has topped 100 million tons. With the development of a crop shortfall in the USSR, world trade in 1984/85 is expected to reach a record 105.8 million tons. This year's poor grain harvest suggests record Soviet grain purchases of about 50 million tons. Of those, about 26 million tons are expected to be wheat purchases, up nearly 6 million from a year ago. Although the Soviets buy varying quantities from all world suppliers, the United States and the EC are likely to land the major share of this year's additional purchases.

Once again, China has the second largest impact on world wheat trade. Its expected buying needs will be up only slightly in 1984/85, to 10 million tons from 9.6 million a year ago. Chinese buying may follow the

World wheat supply and distribution, 1980-85 1/

Year *	Carryin 2/	Prod.	Total exports	Total use 3/
Million metric tons				
1980/81	81.0	442.7	94.1	445.3
1981/82	78.5	448.6	101.3	441.7
1982/83	85.3	478.6	98.5	467.0
1983/84 4/	96.9	489.1	103.1	484.8
1984/85 5/	101.2	505.7	105.8	502.2

* Marketing year.

1/ Data in this table are based on an aggregate of differing local marketing years and will, therefore, differ from July-June data appearing elsewhere in this report. 2/ Stocks data are only for selected countries and exclude such important countries as the USSR, China, and part of Eastern Europe for which stocks data are not available; the aggregate stocks levels have, however, been adjusted for estimated year-to-year changes in USSR grain stocks. 3/ For countries for which stock data are not available, or for which no adjustments have been made for year-to-year changes, utilization estimates assume a constant stock level. 4/ Preliminary. 5/ Projected.

Source: World Grain Situation, Foreign Agricultural Service.

long-term trade agreements with supplier nations, although this could be altered, depending on textile trade discussions with the United States and on enticingly competitive prices from the EC.

Total wheat imports by other significant importers such as Egypt and North Africa will continue to be tuned to the availability of credit from exporting nations. In India, successive years of record harvests, including a record 1984 crop, suggests minimum import needs this season, and indeed is forecast to be an exporter this year.

Among exporting nations, the outlook is still competitive. Competition may be the strongest between the United States and the EC because their exportable stocks are at an alltime high. The drought-reduced 1984 harvest in Canada is expected to lower their overseas shipments after banner seasons in 1982 and 1983.

The EC, in response to 1984's bulging wheat bins, will likely intensify pressure to export as much of their surplus as possible. In recent months, their export subsidy, or restitution, has dropped substantially from \$40 to 50 a ton because the strong dollar and the depressed European price have narrowed the spread between EC and world market prices. Current season EC exports are forecast at 18.5 million tons compared with 16.0 million last season. This volume would do little to compensate for the additional 15-million-ton increase from 1984's crop. Some increase in this year's domestic consumption is also expected.

Southern Hemisphere Wheat Prospects

Production To Decline

Wheat production in the Southern Hemisphere may decline 5 million tons to 35 million in 1984/85. Output is forecast to fall in most countries except Chile and South Africa. Southern Hemisphere imports are expected to remain above 8 million tons, and prospects are favorable for increased U.S. exports to Latin America because of reduced Argentine supplies. With huge carryin stocks, Australia will continue to provide stiff competition for the United States in Middle Eastern and Asian markets.

Australian Crop To Be Off Sharply in 1984/85

This year's Australian wheat crop is estimated at 18.0 million tons--well below the record 1983/84 crop of 21.9 million. However, this harvest would still be the third largest ever. The wheat season began with abundant soil moisture in most growing areas. In Western Australia, conditions for planting were excellent, but dry weather disrupted plantings in the eastern states during May through early July. Rains came in mid-July, and sowing resumed. Planted area reached 12.3 million hectares, second only to 1983, when 12.9 million hectares were sown.

Late winter and spring weather was better than average and wheat planted both early and late has progressed well. If weather stays normal for the rest of the growing season, yields should be somewhat above average. However, October rains interfered with early harvest operations in Queensland and northern New South Wales, where most of the hard wheats are grown. Crop quality may have suffered somewhat. Australia's main wheat harvest usually occurs in December and January, but lag this season because of late plantings.

Carryover stocks at the end of the 1983/84 marketing year are estimated at over 7 million tons, compared with typical stock levels of 2 to 5 million. Total supply in 1984/85 will be down less than a million tons from last year despite the smaller crop. Little growth in domestic use is expected because food use is stable and good pasture conditions and large supplies of coarse grains will limit livestock feed demand for wheat. Exportable supplies will remain very large this year, and the Australian Wheat Board (AWB) is likely to take an aggressive marketing position to reduce burdensome stocks.

Exports Boom in 1983/84

Exports hit a record in the 1983/84 marketing year, but stayed below the Wheat Board's goal. In New South Wales, a rail strike and work stoppages at port facilities slowed loadings late in the year, exacerbating congestion at country elevators. Storage and handling difficulties could surface again this harvest, especially if harvesting moves rapidly.

Australia achieved record export movement this past season through two approaches. Exports of Australian Standard White and hard wheats to traditional customers were expanded substantially. Sales to China, the USSR, Egypt, and Iraq were much higher than in recent years. Exports to Iraq reached 1.8 million tons, more than double the previous high.

The AWB also successfully marketed large quantities of low-quality wheat. About 6 million tons of the 1983/84 harvest was damaged by harvest rains in the east and dryness in the west during the kernel-filling stage. Much of this wheat was marketed as feed or other light-weight wheat. The AWB claims to have sold 2 million tons of the weather-damaged wheat, much of it to nontraditional commercial markets, including Mexico (which took 220,000 tons), Bangladesh (660,000 tons), South Korea (520,000 tons), Africa, and East Germany.

1984/85 Exports Prospects Bright

Australian exports may increase sharply to 15 million tons in 1984/85 if labor problems are minimized and the crop is of normal quality. A recent 5-year trade agreement with Egypt calls for a minimum of 10 million tons to be shipped between 1985 and 1989, 2 million will be shipped during calendar 1985, and at least 1.5 million each year thereafter. The prior agreement set a minimum of 1.0 million tons annually. The only other trade agreement in effect beyond 1984 (expiring in 1985) is with Iraq. It calls for 500,000- to 750,000-ton shipments annually.

Japan and Australia typically negotiate an annual supply agreement of around 900,000 tons. Australia's agreement with China

expires in 1984. China may reduce the minimum level or not sign another agreement because expanding domestic grain production is reducing its reliance on imports. With total USSR wheat imports expected to reach a record volume in 1984/85, Australia's exports to the USSR are likely to increase. However, Australia's exports to the Middle East will be threatened by the large exportable supplies in the European Community.

Australia's Wheat Outlook in Future Years

The upward trend in Australian wheat area is likely to continue during the next few years with planted acreage records being set. New varieties of feed wheats are being introduced into the eastern states, and these high-yielding wheat varieties will displace pasture and coarse grains. This feed wheat will be used in the domestic dairy and poultry industries and potentially in the export market. The constraint on Australia's wheat exports will probably continue to be the inefficiency of its handling and transport systems and labor problems. [Sally Byrne (202) 447-8376]

Argentina's 1984 Wheat Harvest To Be Down

Argentina's wheat harvest will begin in December. The wheat crop, comparable to U.S. HRW, is expected to be down 10 percent, reflecting lower planting and poor weather during sowing in July. Near-record yields should produce a 1984 crop around 10.7 million tons, compared with the record 14.5 million in 1982.

Low wheat prices and feed grain price strength during wheat planting time

Australian wheat exports

July-June years	USSR	China	Other Asia and Oceania	Middle East and Egypt	Total
Thousand metric tons					
1980/81	2,480	1,421	2,564	3,957	10,641
1981/82	2,408	1,361	3,199	3,840	10,974
1982/83	1,018	1,215	1,853	4,084	8,290
1983/84 P	1,555	1,486	3,061	4,045	10,592

P = Preliminary.
Source: Australian Bureau of Statistics

(May-July) may have shifted some wheat acreage to corn and early planted soybeans. Normally, 80 to 85 percent of Argentina's soybean crop is double cropped with wheat. But with higher soybean yields expected from the early plantings (November versus January), less wheat acreage was planted in the main double-cropping areas of northern Buenos Aires and southern Sante Fe provinces. In these areas and in the adjoining Cordoba province, wheat acreage was further reduced because of low soil moisture at planting time. In contrast, timely plantings were delayed in the wheat crescent of southern Buenos Aires province as a result of excessive rainfall.

*Lower 1984/85 Exports;
Strong Early Season Shipments*

Wheat exports in 1984/85 (December-November) are forecast at 6.2 million tons, down from an estimated 7.8 million tons in 1983/84. Nonetheless, expected export sales will reach about 3 million tons between December and February. This reflects the seasonality of Argentine exports. Of Argentina's annual exports, usually 50 to 70 percent is on its way overseas within the first 3 months of the marketing year. This pattern is because of inadequate grain storage accommodations.

The USSR's share of wheat exports from Argentina has been trending downward since 1981/82, and Iran has been a major market since 1982/83. These patterns may continue in 1984/85. Brazil is back as a major market for the first time since 1979/80. China did not import wheat from Argentina in 1983/84; a year earlier imports from Argentina were nearly 3 million metric tons. China will likely import little or no wheat again in 1984/85.

*Fertilizer Subsidy Offset
By Taxes and Exchange Rates*

In December 1983, the newly elected Government announced a program to increase wheat production by subsidizing fertilizer use and lowering export taxes. The Government has continued the program for 1985, but export taxes on wheat are almost as high as a year ago. Only 15 percent of Argentina's wheat acreage is fertilized, compared with 70 percent in the United States. Argentine wheat yields average about 1.7 tons per hectare, compared with 2.5 tons in the United States.

It is estimated that higher fertilizer use in Argentina could increase yields roughly 25 percent. To increase the use of nitrogen fertilizer, the Government (1) reduced the value-added tax on nitrogen fertilizer from 18 percent to 5 percent, (2) eliminated the 18-percent import tariff on fertilizer, and (3) set up a fertilizer for wheat program--whereby farmers are entitled to pay for urea with wheat at the rate of 2.5 units of wheat for 1 unit of urea. Based on relative prices, Argentine producers are accustomed to paying up to 10 units of wheat for 1 unit of urea, compared with 3.8 to 1 in the United States.

In addition to the fertilizer program, the Government reduced the tax on wheat exports from 25 percent to 18 percent. A lower export tax would tend to reduce pressure on farm returns. In the past export taxes were raised to offset "windfalls" from maxi-devaluations. This November, however, the 7 percent "maxi" was accompanied by tariff increases "to offset domestic shortages." The wheat export tax was increased to 22 percent, and export taxes on

Argentine Wheat Exports by Destination

Year beginning December	USSR	Latin America	North Africa Middle East	China	Total 1/
Thousand metric tons					
1980/81	2,948	409	203	163	3823
1981/82	2,599	451	368	150	3607
1982/83	4,762	763	1121	2,966	9824
1983/84 Dec.-Oct. 2/	3,047	1,841	1,775	0	7663

1/ Includes delivery to other countries. 2/ Preliminary.
Source: National Grain Board of Argentina.

feed grains and oilseeds to 31 percent. Anti-inflationary price controls resulted in lower prices on domestic wheat sales. Despite the existing tax and the overvalued currency (whereby exporters receive only two-thirds of their dollar earnings), higher prices were available on the export market.

Argentina's agricultural sector accounts for 12 percent of gross domestic production (GDP), 25 to 30 percent of Government revenues, and more than 50 percent of export earnings. The country's rich agricultural resources may provide it with a source to pay off burdensome foreign debts, \$45 billion. But overtaxing agricultural exports may stifle production. The fertilizar program in the export tax--it is still low compared with the 31-percent tax on feed grains and oilseeds. Even though overall production may be stifled, wheat producers are relatively better off than other farmers. Production in future years is not expected to change dramatically from current levels. [*Jorge Hazera (202) 447-8133*]

WHEAT BY CLASS

Record HRW Disappearance To Cut Burdensome Supply

The 1984 HRW wheat harvest has finally been tallied at 1.2 billion bushels, second only to the record 1982 crop. Although producers were again asked to participate in an ARP that was nearly as intensive as in 1983, compliance was down about 10 percentage points. As a result, 1984 HRW harvested area increased 3 million acres. A wet, cool spring over most of the HRW belt, along with dryness in the Southern High Plains, lowered yield from 1983's record 39.6 bushels an acre. Nevertheless, the average yield of 36.4 bushels was 2.3 bushels above the average of the last five crops.

Overall baking quality of the 1984 crop is improved over the disappointing 1983 crop. The harvest developed with reported lower protein than in 1983, but as the wheat harvest moved farther north from the Southern Plains, higher protein values indicated protein stocks should be sufficient to meet 1984/85's demand.

On the strength of a potential record export season, and heavy early season feed use, total HRW disappearance for the

marketing year is forecast to exceed the near-record crop. Thus, ending stocks will likely decline to around 650 million bushels, the second successive year that expanding HRW demand has been able to nibble away at the most burdensome supplies of all the wheat classes.

A projected 1984 wheat harvest in the Soviet Union that may be the lowest since the disastrous 1975 crop, indications of lower than earlier expected quality, and early season world wheat prices competitive with coarse grains--all these suggest a buying spree by the USSR that could easily set a record. By mid-October, total U.S. HRW commitments (shipments plus outstanding sales) were up a dramatic 134 percent from a year ago. Increased sales to the USSR and Brazil represent the largest share. For the season, HRW exports are forecast to rise 12 percent to a record 785 million bushels. This would top the high set in 1973-74, when the Soviets made their first major grain purchase from the United States.

Free Stocks of HRS Increase

Earlier expectations that 1984's HRS crop had deteriorated during a hot, dry summer was quelled when USDA's September harvest estimate indicated a record high average yield of 34.2 bushels an acre, up 4.7 bushels from the 1983 average and 1.8 bushels more than the previous high set in 1982. Harvested area was up about 800,000 acres from a year ago. North Dakota's 181.6-million-bushel harvest, falling just under a larger 1981 crop and 1982's record production, represents the major share of 1984's U.S. output of 389 million bushels.

Protein of the 1984 crop may average only slightly lower than last year's 14.6 percent. Dry harvest weather left the crop free of sprout damage, and the overall milling and baking quality is judged to be very good.

This large crop compensates for the sharply lower carryover of old-crop stocks that resulted from the small 1983 harvest. Thus, 1984/85's HRS supplies of about 700 million bushels are only fractionally down from a year ago. Because of the large PIK entitlements paid to 1983 program participants, "free stocks" (neither owned by CCC nor obligated to the FOR) represent more than 70 percent of 1984's supplies,

compared with 48 percent in 1983. This occurrence is likely to constrain upside potential for HRS market prices in 1984/85.

The more abundant supplies of marketable HRS point to potential demand expansion during 1984/85. Exports may be buoyed by reduced wheat export prospects for Canada, the other major supplier of high-protein wheats to the world market. Canada's 1984 crop shortfall of almost one-fourth from last year's near record will reduce exportable supplies.

However, the high U.S. dollar adds to the traditionally premium-priced HRS wheat. The export estimate for 1984/85 is 215 million bushels, down slightly from 221 million a year earlier. The fourth successive season of exports above 200 million bushels will maintain yearend stocks at around 300 million.

Larger 1984 Durum Crop, But Supplies Down Marginally

The short 1983 Durum wheat crop suggested that the record supplies, which have been depressing prices for the last 2 years, could be curtailed. As the 1984 harvest began, Durum stocks on June 1, 1984, were down a fourth from a year earlier. But with a drop in participation in the 1984 ARP and yields approaching record highs in many areas, 1984's Durum crop topped 105 million bushels, 44 percent above 1983.

Better than expected yields in the Northern Plains (except Montana), a hefty increase in North Dakota's harvested area, and expanded "Desert" Durum plantings in Arizona and California combined to increase 1984 production. The area increases were in response to relatively strong farm prices that were above \$3.65 all during 1983/84.

The production rise coupled with old-crop carryover of 101 million bushels (35 million below a year earlier), means that 1984/85 marketing year's Durum supplies will be modestly below those of a year ago. In turn, total disappearance is expected to be about the same, because record production in both Greece and Italy may add to world trade competition in this wheat class and reduce U.S. shipments to other EC countries. While Canada's exportable Durum supplies have been reduced by a 1984 crop shortfall, U.S. exports

may not differ much from the 65 million bushels shipped in 1983/84.

This year's large supply is expected to keep Durum prices 50 cents to \$1 a bushel below the \$5-a-bushel high that prices reached in Minneapolis a year ago. October Durum/HRW price spreads in Minneapolis were around 25 cents a bushels, compared with 65 cents in 1983. Durum prices may rally next spring, mainly because over 80 million bushels are isolated from the market in the FOR or CCC.

SRW Exports Strong; But Stocks to Remain Large

Low wheat prices during 1983/84 did little to deter SRW growers from expanding 1984 crop plantings by nearly 1 million acres from the previous year. Yields in major producing States of Illinois, Indiana, Ohio, and Missouri approached 45 bushels an acre, and the total SRW crop binned was 542 million bushels, the third largest output. This, production jumped SRW's 1984/85 supplies to above 600 million for the third time in 4 years.

The prospect of reducing stocks rests primarily on purchases by China, by far the largest buyer of this wheat variety. So far, Chinese buying during the 1984/85 marketing year has been relatively strong, compared with the same period a year ago, when their calendar year grain purchases fell 2 million tons short of the 6-million-ton trade agreement obligation. Speculation that additional large Chinese sales will not be forthcoming is based on their second successive record wheat harvest and new U.S. textile import regulations.

Also threatening current year SRW disappearance prospects is a record soft wheat crop in the EC. This crop, combined with the impact of a high exchange value of the U.S. dollar, have made the EC's wheat quite competitive on world markets. Total exports for 1984/85 could reach 265 million bushels, 19 percent above last season.

A bright spot for expanded SRW use during 1984/85 resulted from the large supply at low prices during June-September, while feed grain supplies were tight and prices were high. For livestock and poultry feeders, this meant heavy use of SRW in feed rations would

likely exceed estimated consumption of over 100 million bushels in 1983/84.

Total disappearance for the season may about match 1984's production, suggesting that yearend stocks could still remain near last year's record 74 million bushels. This suggests that farm prices would be hard pressed to rise much above the \$3.30 loan rate. However, use of the loan program, placements into the reserve, and increased forfeiture of old-crop loans to CCC ownership may support prices, but only if exports reach the expected level.

White Wheat Supplies Abound

The last five White wheat crops have averaged 330 million bushels, with four out of the five harvests exceeding it. The record high was 348 million bushels in 1981 and the low was 294 million in 1982. Of 1984's 332-million-bushel harvest, all but 40 million were Western White varieties.

Good-to-excellent growing conditions produced yields just under 1983's record 63 bushels an acre.

Because record quantities of old-crop stocks occupy a large share of the off-farm storage capacity in three Pacific Northwest States (Washington, Oregon, and Idaho), producers temporarily stored large amounts of

the 1984 harvest on the ground. Total supply of 1984/85 White wheat will be around 500 million bushels, topping last season's record 478 million.

Combining the 1984 U.S. White wheat and SRW supplies with the record soft wheat production of Western Europe suggests high competition in the world soft wheat market, a buyer's market. Some major White wheat buyers, such as India and Egypt, may alter past buying practices. India could be completely out the world wheat market in 1984/85 in response to another record harvest, while Egypt has already indicated that they may buy SRW as an alternative to White.

However, any spark in SRW prices could favor White. So White wheat exports will be hard-pressed to match last year's 220 million bushels. The amount of White wheat fed to livestock during 1984/85 may be somewhat lower than last season because of increased feed grain supplies, but early season feed use should be higher.

The final result of decreased White wheat disappearance will be a hefty 39-percent increase of carryover stocks, a burdensome doubling in only 3 years. For 1984/85, White wheat will be the only class with yearend stocks larger than beginning stocks. This gain offers little prospect that farm prices will rise much above loan levels.

Table 1.—Wheat: Supply, disappearance, area, and prices, marketing years 1981-85*

Item	1981/82	1982/83	1983/84 (prel.)	1984/85 (proj.)
<u>Million bushels</u>				
<u>Supply</u>				
Beginning stocks, June 1	989	1,159	1,515	1,398
Production	2,785	2,765	2,420	2,570 ± 36
Imports 1/	3	8	4	5
Total	3,777	3,932	3,939	3,973 ± 120
<u>Domestic disappearance</u>				
Food	602	616	635	645 ± 5
Seed	112	97	101	97 ± 5
Feed 2/	133	195	376	325 ± 75
Total	847	908	1,112	1,067 ± 80
<u>Exports 1/</u>	1,771	1,509	1,429	1,525 ± 120
Total disappearance	2,618	2,417	2,541	2,592 ± 150
<u>Ending stocks, May 31</u>	1,159	1,515	1,398	1,301 ± 150
<u>Million acres</u>				
<u>Area</u>				
Planted	88.2	86.2	76.4	79.5
Harvested	81.6	77.9	61.4	66.2
Set aside and diverted	—	5.8	28.2	20.1
National base acreage	84.5	90.7	90.9	93.7
<u>Bushels per acre</u>				
Yield per harvested acre	34.5	35.5	39.4	38.8
<u>Dollars per bushel</u>				
<u>Prices</u>				
Received by farmers	3.65	3.55	3.54	3.35-3.55
Loan rate	3.20	3.55	3.65	3.30
Target rate	3.81	4.05	4.30	4.38

1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Residual, approximates feed use and includes negligible quantities used for alcoholic beverages.

* Totals may not add due to rounding.

Table 2.—Wheat classes: Marketing year supply and disappearance ^{1/}

Year beginning June 1	Supply		Disappearance			Ending stocks May 31	
	Beginning stocks	Pro- duction	Total <u>2/</u>	Domestic use	Exports		Total
<u>Million bushels</u>							
<u>1981/82</u>							
Hard Winter	541	1,112	1,653	361	754	1,115	538
Hard Spring	257	464	722	171	205	376	346
Soft Red	38	678	716	196	460	656	60
White	93	348	441	62	270	332	109
Durum	60	183	245	57	82	139	106
All classes	989	2,785	3,780	847	1,771	2,618	1,159
<u>1982/83</u>							
Hard Winter	538	1,243	1,781	348	679	1,027	754
Hard Spring	346	492	842	195	239	434	408
Soft Red	60	590	650	251	325	576	74
White	109	294	403	53	207	260	143
Durum	106	146	256	61	59	120	136
All classes	1,159	2,765	3,942	908	1,509	2,417	1,515
<u>1983/84</u>							
Hard Winter	754	1,192	1,946	498	704	1,202	744
Hard Spring	408	313	722	189	221	410	312
Soft Red	74	507	581	285	222	507	74
White	143	335	478	91	220	311	167
Durum	136	73	212	49	62	110	101
All classes	1,515	2,420	3,939	1,112	1,429	2,541	1,398
<u>1984/85 ^{3/}</u>							
Hard Winter	744	1,202	1,946	484	785	1,269	677
Hard Spring	312	389	702	183	215	398	304
Soft Red	74	542	616	280	265	545	71
White	167	332	501	69	200	269	232
Durum	101	105	208	51	60	111	97
All classes	1,398	2,570	3,973	1,067	1,525	2,592	1,381

^{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: Marketing year supply and disappearance, specified periods, 1981-85*

Year and period	Supply				Ending stocks		
	Beginning stocks	Production	Imports ^{1/}	Total	Gov't. owned	Privately owned ^{2/}	Total
<u>Million bushels</u>							
<u>1981/82</u>							
June-Sept.	989.1	2,785.4	0.7	3,775.2	191.6	2,535.9	2,727.5
Oct.-Dec.	2,727.5	---	0.8	2,728.3	190.6	1,981.4	2,172.0
Jan.-Mar.	2,172.0	---	0.8	2,172.8	189.1	1,362.1	1,551.2
Apr.-May	1,551.2	---	0.5	1,551.7	190.3	969.1	1,159.4
Mkt. year	989.1	2,785.4	2.8	3,777.3	190.3	969.1	1,159.4
<u>1982/83</u>							
June-Sept.	1,159.4	2,765.0	1.2	3,925.6	190.6	2,778.9	2,969.5
Oct.-Dec.	2,969.5	---	3.0	2,972.5	185.4	2,320.7	2,506.1
Jan.-Mar.	2,506.1	---	2.7	2,508.8	185.2	1,676.8	1,862.0
Apr.-May	1,862.0	---	0.7	1,862.7	192.0	1,323.1	1,515.1
Mkt. year	1,159.4	2,765.0	7.6	3,932.0	192.0	1,323.1	1,515.1
<u>1983/84</u>							
June-Sept.	1,515.1	2,419.8	1.2	3,936.1	157.5	2,797.7	2,955.2
Oct.-Dec.	2,955.2	---	0.9	2,956.1	165.6	2,161.2	2,326.8
Jan.-Mar.	2,326.8	---	1.1	2,327.9	167.1	1,589.5	1,756.6
Apr.-May	1,756.6	---	0.8	1,757.4	188.1	1,206.0	1,398.4
Mkt. year	1,515.1	2,419.8	4.0	3,938.9	188.1	1,206.0	1,398.4
<u>1984/85 4/</u>							
June-Sept.	1,398.4	2,570.3	4.7	3,973.4	325.2	2,398.6	2,723.8
Oct.-Dec.							
Jan.-Mar.							
Apr.-May							
Mkt. year							
<u>Disappearance</u>							
Year and period	Domestic use				Exports ^{1/}	Total disappearance	
	Food	Seed	Feed ^{3/}	Total			
<u>Million bushels</u>							
<u>1981/82</u>							
June-Sept.	202.5	37.0	186.4	425.9	621.8	1,047.7	
Oct.-Dec.	159.0	46.0	-76.1	128.9	427.4	556.3	
Jan.-Mar.	151.7	1.0	27.9	180.6	441.0	621.6	
Apr.-May	89.2	28.0	-5.4	111.8	280.5	392.3	
Mkt. year	602.4	112.0	132.8	847.2	1,770.7	2,617.9	
<u>1982/83</u>							
June-Sept.	206.4	37.0	167.1	410.5	545.6	956.1	
Oct.-Dec.	161.8	40.0	-28.0	173.8	292.6	466.4	
Jan.-Mar.	151.4	1.0	52.3	204.7	442.1	646.8	
Apr.-May	96.8	19.0	3.5	119.3	228.3	347.6	
Mkt. year	616.4	97.0	194.9	908.3	1,508.6	2,416.9	
<u>1983/84</u>							
June-Sept.	210.1	36.0	259.8	505.9	475.3	980.9	
Oct.-Dec.	160.7	43.0	63.0	266.7	362.6	629.3	
Jan.-Mar.	163.0	1.0	42.9	206.9	364.4	571.3	
Apr.-May	101.7	21.0	10.0	132.7	226.3	359.0	
Mkt. year	635.5	101.0	375.7	1,112.2	1,428.6	2,540.5	
<u>1984/85 4/</u>							
June-Sept.	210.0	32.0	362.9	604.9	644.7	1,249.6	
Oct.-Dec.							
Jan.-Mar.							
Apr.-May							
Mkt. year							

^{1/} Imports and exports include flour and other products expressed in wheat equivalent. ^{2/} Includes outstanding and reserve loans. ^{3/} Residual; approximates feed use and includes negligible quantities used for alcohol beverages. ^{4/} Preliminary.

* Totals may not add due to rounding.

Table 4.—Wheat, flour, and wheat products, U.S. exports by months, 1981-85*

Year and month	Wheat	Flour 1/ (Grain equivalent)	Products 2/	Monthly total	Cumulative total
<u>1,000 bushels</u>					
<u>1982/83</u>					
June	156,914	4,577	971	162,462	162,462
July	117,914	1,364	465	119,743	282,205
August	124,336	3,488	1,073	128,897	411,102
September	130,992	2,508	984	134,485	545,587
October	98,520	3,904	529	102,952	648,539
November	94,638	2,483	2,604	99,726	748,265
December	88,457	999	472	89,928	838,193
January	143,141	3,998	796	147,935	986,127
February	146,594	8,865	492	155,950	1,142,078
March	131,134	6,532	586	138,252	1,280,330
April	112,451	10,530	630	123,611	1,403,941
May	96,235	7,521	935	104,691	1,508,632
Mkt. year	1,441,326	56,769	10,537	1,508,632	
<u>1983/84</u>					
June	113,506	9,611	633	123,750	123,750
July	116,701	8,198	1,075	125,974	249,724
August	87,823	7,849	1,300	96,972	346,696
September	119,263	8,801	578	128,642	475,338
October	114,810	8,473	502	123,785	599,123
November	102,880	3,504	904	107,288	706,411
December	128,887	1,245	1,346	131,478	837,889
January	118,357	2,301	600	121,258	959,147
February	111,096	3,337	1,789	116,222	1,075,369
March	118,713	7,438	780	126,931	1,202,300
April	97,132	7,311	363	104,806	1,307,106
May	112,813	8,149	503	121,465	1,428,571
Mkt. year	1,341,981	76,217	10,373	1,428,571	
<u>1984/85</u>					
June	105,356	6,828	881	113,064	113,064
July	133,276	4,136	670	138,082	251,146
August	146,187	1,288	587	148,062	399,208
September	242,694	1,693	1,076	245,462	664,670

1/ Includes meal and groats. 2/ Includes macaroni and bulgar.

* Totals may not add due to rounding.

Source: Bureau of the Census.

Table 5.--Wheat: Price support loan status on specified dates, 1980-84 crops

Crop year	Total stocks	Total CCC inventory	Outstanding CCC loans	Farmer-owned reserve	Free stocks
<u>Million bushels</u>					
1980/81					
Jun. 1	902.0	1/ 187.8	99.3	2/ 259.9	355.0
Oct. 1	2,473.5	1/ 201.1	121.9	2/ 214.4	1,936.1
Jan. 1	1,904.2	203.5	138.2	2/ 229.1	1,333.4
Apr. 1	1,329.1	202.6	96.8	2/ 353.2	676.5
1981/82					
Jun. 1	989.1	199.7	54.6	359.6	375.2
Oct. 1	2,727.5	191.6	191.8	431.1	1,913.0
Jan. 1 3/	2,172.1	190.6	201.3	475.4	1,304.8
Apr. 1	1,551.6	189.1	162.1	534.6	665.8
1982/83					
Jun. 1	1,159.4	190.3	112.0	560.4	296.7
Oct. 1	2,969.5	190.6	97.2	868.9	1,812.8
Jan. 1	2,506.2	185.4	102.7	1,018.0	1,200.3
Apr. 1	1,862.0	185.2	81.7	1,095.0	500.1
1983/84					
Jun. 1	1,515.1	192.0	65.2	1,060.6	197.3
Oct. 1	2,955.2	157.5	310.4	815.4	1,672.2
Jan. 1	2,326.8	165.6	404.2	702.6	842.1
Apr. 1	1,756.6	167.1	459.3	591.6	538.6
1984/85					
Jun. 1	1,398.4	188.0	379.1	611.3	219.9
Oct. 1	2,723.8	325.2	278.5	659.2	1,460.9
Jan. 1					
Apr. 1					

1/ Fiscal inventory figures were adjusted to reflect purchases being made during this period. 2/ Reserve data as reported by telephone survey. 3/ FOR and loan data based on telephone survey.

Table 6--Acreage, yield, and production for wheat

Year	Planted	Harvested	Diverted 1/	Yield	Production
		Million acres		Bu./ac.	Mil. bu.
1950	71.3	61.6	---	16.5	1,019
1951	78.5	61.9	---	16.0	988
1952	78.6	71.1	---	18.4	1,306
1953	78.9	67.8	---	17.3	1,173
1954	62.5	54.4	---	18.1	984
1955	58.2	47.3	---	19.8	937
1956	60.7	49.8	---	20.2	1,005
1957	49.8	43.8	---	21.8	956
1958	56.0	53.0	---	27.5	1,457
1959	56.7	51.7	---	21.6	1,118
1960	54.9	51.9	---	26.1	1,355
1961	55.7	51.6	---	23.9	1,232
1962	49.3	43.7	10.7	25.0	1,092
1963	53.4	45.5	7.2	25.2	1,147
1964	55.7	49.8	5.1	25.8	1,283
1965	57.4	49.6	7.2	26.5	1,316
1966	54.1	49.6	8.3	26.3	1,305
1967	67.3	58.4	---	25.8	1,508
1968	61.9	54.8	---	28.4	1,557
1969	53.5	47.1	11.1	30.6	1,443
1970	48.7	43.6	15.7	31.0	1,352
1971	53.8	47.7	13.5	33.9	1,619
1972	54.9	47.3	20.1	32.7	1,546
1973	59.3	54.1	7.4	31.6	1,711
1974	71.0	65.4	---	27.3	1,782
1975	74.9	69.5	---	30.6	2,127
1976	80.4	70.9	---	30.3	2,149
1977	75.4	66.7	---	30.7	2,046
1978	66.0	56.5	9.6	31.4	1,776
1979	71.4	62.5	8.2	34.2	2,134
1980	80.8	71.1	---	33.5	2,381
1981	88.3	80.6	---	34.5	2,785
1982	86.2	77.9	5.8	35.5	2,765
1983	76.4	61.4	29.8	39.4	2,420
1984	79.5	66.2	20.1	38.8	2,570

--- = Not applicable.

1/ Acreage idled under wheat programs only.

Table 7.—Wheat and flour: Price relationships at milling centers, annual and by periods, 1980–85

Year and period	At Kansas City					At Minneapolis				
	Cost of wheat to produce 100 lb. of flour 1/	Wholesale price of			Cost of wheat to produce 100 lb. of flour 1/	Wholesale price of				
		Bakery flour per 100 lb. 2/	Byproducts obtained 100 lb. flour 3/	Total products Actual		Over cost of wheat	Bakery flour per 100 lb. 2/	Byproducts obtained 100 lb. flour 3/	Total products Actual	Over cost of wheat
<u>Dollars</u>										
1980/81										
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
1981/82										
June–Sept.	9.69	10.33	1.55	11.88	2.19	10.08	10.82	1.49	12.31	2.23
Oct.–Dec.	9.93	10.13	1.79	11.92	1.99	9.84	10.52	1.43	11.95	2.11
Jan.–Mar.	9.85	10.66	1.41	12.07	2.22	9.63	10.82	1.23	12.05	2.42
Apr.–May	9.76	10.38	1.52	11.90	2.14	9.64	10.54	1.48	12.02	2.38
Mkt. year	9.81	10.37	1.57	11.94	2.13	9.80	10.67	1.41	12.08	2.28
1982/83										
June–Sept.	9.24	10.14	1.39	11.53	2.29	9.31	10.43	1.25	11.68	2.37
Oct.–Dec.	9.22	10.06	1.58	11.64	2.42	9.22	10.43	1.29	11.72	2.50
Jan.–Mar.	9.60	10.40	1.47	11.87	2.27	9.15	10.41	1.10	11.51	2.36
Apr.–May	9.77	10.26	1.65	11.91	2.14	10.11	10.88	1.40	12.28	2.17
Mkt. year	9.46	10.22	1.52	11.74	2.28	9.45	10.54	1.26	11.80	2.35
1983/84										
June–Sept.	9.54	10.36	1.72	12.08	2.54	9.97	11.17	1.47	12.64	2.67
Oct.–Dec.	9.48	10.00	2.16	12.16	2.68	9.76	10.79	1.90	12.69	2.93
Jan.–Mar.	9.22	9.52	1.83	11.35	2.13	9.56	10.28	1.49	11.77	2.21
Apr.–May	9.57	10.06	1.62	11.17	2.11	10.08	10.74	1.49	12.23	2.15
Mkt. year	9.45	9.99	1.83	11.69	2.37	9.84	10.75	1.59	12.33	2.49
1984/85 4/										
June–Sept.	9.21	9.77	1.48	11.25	1.51	9.64	10.31	1.21	11.52	1.89

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, 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 grains in region, 1981-85 1/

Commodity and year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Average	Loan rate
<u>All prices for 60 pounds</u>														
Central and So. Plains (Hard Winter) 2/														
<u>Wheat:</u>														
1981/82	3.77	3.72	3.68	3.69	3.76	3.87	3.82	3.78	3.74	3.71	3.72	3.66	3.74	3.13
1982/83	3.49	3.37	3.34	3.38	3.36	3.43	3.49	3.51	3.51	3.61	3.74	3.72	3.50	3.36
1983/84	3.50	3.34	3.54	3.59	3.57	3.49	3.44	3.48	3.41	3.48	3.62	3.63	3.51	3.56
1984/85	3.46	3.30	3.41	3.45										3.23
<u>Sorghum:</u>														
1981/82	3.03	2.96	2.65	2.37	2.34	2.36	2.39	2.44	2.42	2.43	2.47	2.61	2.54	2.42
1982/83	2.60	2.57	2.49	2.44	2.26	2.34	2.41	2.48	2.68	2.84	2.96	3.02	2.59	2.57
1983/84	3.10	3.04	3.14	3.14	3.02	3.02	2.97	2.96	2.85	2.92	3.02	3.09	3.02	2.68
1984/85	3.03	2.93	2.81	2.57										2.57
Cornbelt (Soft Red Winter) 3/														
<u>Wheat:</u>														
1981/82	3.35	3.46	3.36	3.45	3.56	3.68	3.70	3.71	3.40	3.36	3.42	3.23	3.47	3.20
1982/83	3.18	3.08	2.98	2.89	2.75	3.02	3.13	3.18	3.20	3.30	3.29	3.30	3.11	3.56
1983/84	3.25	3.25	3.54	3.49	3.36	3.37	3.42	3.46	3.22	3.38	3.54	3.44	3.39	3.66
1984/85	3.26	3.22	3.28	3.29										2.58
<u>Corn:</u>														
1981/82	3.47	3.44	3.11	2.76	2.64	2.52	2.54	2.74	2.63	2.66	2.77	2.86	2.85	2.62
1982/83	2.82	2.76	2.57	2.30	2.09	2.29	2.48	2.57	2.77	2.96	3.25	3.34	2.68	2.78
1983/84	3.39	3.43	3.81	3.68	3.46	3.54	3.52	3.48	3.45	3.56	3.74	3.75	3.57	2.87
1984/85	3.80	3.66	3.50	3.17										2.76
Northern Plains (Spring and Durum) 4/														
<u>Other spring</u>														
1981/82	4.12	3.93	3.70	3.62	3.66	3.74	3.63	3.69	3.67	3.61	3.73	3.69	3.73	3.21
1982/83	3.62	3.59	3.46	3.45	3.44	3.51	3.47	3.45	3.41	3.61	3.82	3.86	3.56	3.57
1983/84	3.80	3.80	3.77	3.69	3.68	3.66	3.58	3.62	3.59	3.67	3.78	3.87	3.71	3.68
1984/85	3.86	3.69	3.52	3.46										3.34
<u>Durum:</u>														
1981/82	4.52	3.91	3.52	3.41	3.51	3.55	3.47	3.60	3.67	3.52	3.54	3.52	3.64	3.21
1982/83	3.50	3.36	3.10	3.09	3.19	3.25	3.16	3.40	3.22	3.47	3.82	4.00	3.38	3.57
1983/84	4.01	3.96	4.11	4.07	4.04	3.97	3.83	3.84	3.67	3.88	3.91	3.57	3.91	3.68
1984/85	3.98	3.73	3.84	3.78										3.34
Pacific Northwest (White) 5/														
<u>Wheat:</u>														
1981/82	3.97	3.69	3.78	3.80	3.94	3.96	3.98	3.91	3.75	3.68	3.72	3.71	3.82	3.29
1982/83	3.71	3.62	3.74	3.76	3.86	3.91	3.98	4.07	4.15	4.18	4.13	4.04	3.93	3.65
1983/84	3.74	3.61	3.68	3.70	3.62	3.59	3.51	3.49	3.31	3.48	3.57	3.64	3.58	3.75
1984/85	3.71	3.26	3.34	3.30										3.43
<u>Barley:</u>														
1981/82	3.72	3.39	3.19	3.10	3.08	3.34	3.20	3.24	3.21	3.39	3.41	3.45	3.31	2.55
1982/83	3.25	3.02	3.11	2.73	2.58	2.70	2.94	2.83	2.88	2.82	3.01	3.10	2.91	2.71
1983/84	3.06	2.97	3.20	3.34	3.35	3.40	3.47	3.45	3.36	3.39	3.58	3.41	3.33	2.81
1984/85	3.53	3.15	3.01	2.96										2.74
U.S. average														
<u>Wheat:</u>														
1981/82	3.70	3.62	3.62	3.65	3.77	3.85	3.80	3.78	3.70	3.67	3.68	3.64	6/3.65	3.20
1982/83	3.39	3.26	3.34	3.38	3.43	3.48	3.51	3.57	3.57	3.66	3.77	3.77	6/3.55	3.55
1983/84	3.50	3.34	3.61	3.65	3.61	3.54	3.47	3.50	3.40	3.49	3.63	3.62	6/3.53	3.65
1984/85	3.45	3.28	3.37	3.43										3.30

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, 1981-85

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
<u>Dollars per bushel</u>													
Kansas City, No. 1 Hard Red Winter (ordinary protein)													
1981/82	4.24	4.25	4.14	4.19	4.31	4.46	4.35	4.33	4.26	4.25	4.28	4.22	4.27
1982/83	4.06	3.74	3.70	3.75	3.61	3.86	3.98	4.00	4.08	4.18	4.21	4.05	3.94
1983/84	3.92	3.71	3.88	3.90	3.84	3.82	3.85	3.81	3.71	3.85	3.93	3.72	3.83
1984/85	3.80	3.67	3.80	3.89									
13% protein													
1981/82	4.36	4.26	4.16	4.22	4.29	4.44	4.33	4.35	4.32	4.29	4.32	4.24	4.30
1982/83	4.15	4.12	4.00	3.94	3.80	4.09	4.24	4.19	4.17	4.27	4.35	4.22	4.13
1983/84	4.22	4.15	4.16	4.21	4.20	4.17	4.11	4.06	3.95	4.12	4.22	4.17	4.15
1984/85	4.15	3.99	3.98	4.03									
Chicago, No. 2 Soft Red Winter													
1981/82	3.60	3.70	3.70	3.87	3.97	4.08	3.86	3.77	3.57	3.59	3.70	3.43	3.74
1982/83	3.31	3.36	3.35	3.18	2.98	3.33	3.23	3.32	3.40	3.36	3.51	3.55	3.32
1983/84	3.53	3.59	3.71	3.62	3.56	3.42	3.55	3.47	3.34	3.57	3.65	3.65	3.56
1984/85	3.51	3.44	3.49	3.47									
St. Louis, No. 2 Soft Red Winter													
1981/82	3.41	3.54	3.56	3.67	3.74	4.05	3.90	3.76	3.60	3.61	3.72	3.31	3.66
1982/83	3.25	3.27	3.14	3.06	3.06	3.38	3.28	3.33	3.41	3.43	3.58	3.61	3.32
1983/84	3.46	3.51	3.79	3.70	3.62	3.58	3.67	3.62	3.46	3.71	3.82	3.51	3.62
1984/85	3.45	3.44	3.50	3.52									
Toledo, No. 2 Soft Red Winter													
1981/82	3.55	3.63	3.71	3.83	3.98	4.08	3.85	3.71	3.47	3.46	3.63	3.45	3.70
1982/83	3.35	3.36	3.28	3.09	2.84	3.19	3.23	3.28	3.32	3.29	3.45	3.47	3.26
1983/84	3.42	3.48	3.69	3.54	3.43	3.37	3.46	3.43	3.26	3.50	3.61	3.60	3.48
1984/85	3.50	3.44	3.44	3.44									
Toledo, No. 2 Soft White													
1981/82	3.43	3.62	3.77	3.91	3.99	4.10	3.82	3.68	3.49	3.47	3.61	3.45	3.70
1982/83	3.35	3.49	3.42	3.22	2.92	3.22	3.29	3.25	3.39	3.43	3.49	3.48	3.33
1983/84	3.42	3.51	3.71	3.56	3.42	3.36	3.46	3.43	3.25	3.50	3.62	3.49	3.48
1984/85	3.35	3.37	3.42	3.42									
Portland, No. 1 Soft White													
1981/82	4.26	4.27	4.25	4.21	4.38	4.42	4.00	4.12	4.09	4.02	4.14	4.24	4.20
1982/83	4.18	4.13	4.16	4.29	4.29	4.44	4.45	4.52	4.59	4.68	4.62	4.35	4.39
1983/84	4.15	4.08	4.06	4.12	4.03	3.90	3.81	3.79	3.69	3.73	4.03	4.05	3.95
1984/85	4.03	3.73	3.74	3.70									
Minneapolis, No. 1 Dark No. Spring (ordinary protein)													
1981/82	4.29	4.18	4.03	4.07	4.22	4.29	4.15	4.21	4.17	4.10	4.21	4.16	4.17
1982/83	4.08	4.08	3.78	3.79	3.78	3.85	3.76	3.80	3.82	4.01	4.34	4.25	3.94
1983/84	4.15	4.07	4.21	4.30	4.33	4.23	4.20	4.15	4.06	4.20	4.28	4.39	4.21
1984/85	4.40	4.21	3.72	3.57									
14% protein													
1981/82	4.56	4.50	4.25	4.23	4.29	4.38	4.22	4.28	4.21	4.16	4.25	4.20	4.29
1982/83	4.13	4.16	3.96	4.02	4.00	4.08	3.96	3.93	3.92	4.08	4.40	4.40	4.09
1983/84	4.39	4.38	4.34	4.33	4.33	4.25	4.21	4.17	4.08	4.24	4.37	4.45	4.30
1984/85	4.45	4.34	4.07	3.97									
Hard Amber Durum, No. 1 (medium)													
1981/82	4.86	4.91	4.75	4.56	4.60	4.58	4.51	4.59	4.57	4.45	4.45	4.49	4.61
1982/83	4.38	4.26	4.07	4.02	4.11	4.17	4.07	4.06	4.12	4.28	4.54	4.90	4.25
1983/84	4.76	4.74	5.04	5.10	4.99	4.91	4.82	4.81	4.69	4.70	4.74	4.71	4.83
1984/85	4.68	4.57	4.65	4.43									

Source: Grain Market News, Agricultural Marketing Service.

Table 10.--Wheat: Export prices by months, at selected ports, 1981-85

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
<u>Dollars per metric ton</u>													
<u>Gulf: No. 1 Hard Red Winter, ordinary protein</u>													
1981/82	169	168	170	171	169	179	175	173	171	169	170	168	171
1982/83	156	152	153	153	147	155	160	165	165	166	167	160	158
1983/84	152	148	152	157	153	152	153	153	150	154	157	154	153
1984/85	150	146	153	155	154	153	156	149	149	146	146	137	
<u>Gulf: No. 1 Soft Red Winter</u>													
1981/82	133	136	140	147	150	157	151	148	142	144	149	128	144
1982/83	126	128	122	119	113	129	128	131	133	133	137	136	128
1983/84	132	135	145	142	140	140	142	140	133	143	148	144	140
1984/85	136	134	138	141	142	144	141	143	140	140	136	122	
<u>Portland: No. 2 Western White</u>													
1981/82	159	159	161	161	165	166	152	155	152	152	155	157	158
1982/83	156	153	158	162	161	167	168	169	172	174	172	163	165
1983/84	155	152	156	157	151	146	147	141	137	139	150	149	148
1984/85	161	160	150	146									
<u>Duluth: No. 2 Northern Spring, 14% protein</u>													
1981/82	170	164	159	156	158	161	1/	1/	1/	1/	164	154	161
1982/83	151	152	146	148	147	149	1/	1/	1/	1/	161	159	152
1983/84	160	159	159	158	163	159	1/	1/	1/	1/	159	161	159
1984/85	149	134	139	138									

1/ No price quotes available.

Source: Grain Market News, Agricultural Marketing Service.

Table 11.--Wheat: Rotterdam, c.i.f., quotations by months, 1981-85 1/

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
<u>Dollars per metric ton</u>													
<u>United States Dark Northern Spring, 14%</u>													
1981/82	197	194	189	190	193	196	190	204	204	195	190	184	194
1982/83	178	178	174	174	171	177	183	185	178	172	186	186	178
1983/84	184	182	187	187	185	186	190	193	190	183	185	185	186
1984/85	181	180	173	172									

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 1981–85

Country or region	1981/82	1982/83	1983/84	1984/85 as of Nov. 14
<u>Million metric tons</u>				
<u>Exports</u>				
Canada	17.6	21.2	21.1	17.2
Australia	11.0	8.1	11.6	15.0
Argentina	4.3	7.5	9.6	6.5
EC-10	15.5	15.5	16.0	18.5
USSR	0.5	0.5	0.5	1.0
All others	3.6	5.5	4.7	6.1
Total non-U.S.	52.5	53.4	63.5	64.3
USA <u>1/</u>	48.8	39.9	38.9	41.5
World total	101.3	98.3	102.4	105.2
<u>Imports</u>				
EC-10	4.7	3.8	3.6	2.7
USSR	19.5	20.2	20.5	26.0
Japan	5.6	5.8	5.9	5.7
E. Europe	6.3	4.6	4.1	3.2
China	13.2	13.0	19.6	10.0
All others	52.0	51.9	58.7	58.2
World total	101.3	98.3	102.4	105.8
<u>Production <u>2/</u></u>				
Canada	24.8	26.8	26.6	21.0
Australia	16.4	8.9	21.9	17.3
Argentina	8.3	14.5	12.0	9.7
EC-10	54.4	59.8	59.3	74.2
USSR <u>3/</u>	80.0	86.0	78.0	75.0
E. Europe	30.6	34.7	35.4	38.0
China	59.6	68.4	81.4	84.0
India	36.3	37.5	42.5	44.6
All other foreign	62.3	66.8	65.9	66.6
USA	75.8	75.3	65.9	70.0
World total	448.6	478.6	488.8	500.4
<u>Utilization <u>3/</u></u>				
USA	23.1	25.7	30.3	29.0
USSR <u>4/</u>	102.0	105.7	95.0	100.0
China	72.8	81.4	91.0	94.0
All other foreign	243.8	255.3	267.6	276.9
World total	441.7	467.1	483.9	499.9
<u>Stocks, ending <u>5/</u></u>				
	85.3	96.9	101.8	102.3

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 1980 harvests in areas such as India, North Africa, and Southern United States are actually included in 1980/81 accounting period, which begins July 1, 1980. 3/ Utilization data are based on an aggregate of differing local marketing years. For countries for which stock data are not available (excluding the USSR), utilization estimates represent apparent utilization, i.e., they are inclusive of annual stock level adjustments. 4/ "Bunker weight" basis: not discounted for excess moisture and foreign material. 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: World Grain Situation, Foreign Agricultural Service.

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

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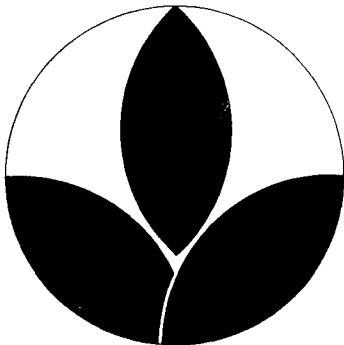


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Prospects for the 1985 farm bill will come under close scrutiny at **Outlook '85**, USDA's 61st annual agricultural outlook conference, which will be held in Washington, D.C., December 3-5, 1984. As is its tradition, the conference will lead off with the outlook for the economy, agriculture and trade, and international policy—major components of today's agricultural equation.

OUTLOOK '85



Shorter and tighter than in recent years, the conference will provide policymakers with a complete overview of the agricultural situation in 3 days. Secretary of Agriculture John Block is scheduled to open the proceedings with an address at 10 a.m. Monday, December 3. Two special panels on the 1985 farm bill will follow, one focusing on the environment for the new legislation and the second including viewpoints from members of Congress, the Administration, and the farm and private sectors. Succeeding sessions will cover the major farm commodities, while sessions on family economics and nutrition are scheduled over the 3 days.

This year for the first time, listeners outside the Washington area will be able to call in questions to certain follow-up sessions for major commodities. Callers will use a regular long-distance business line at regular long-distance rates.

The **Food Grains 1985 Outlook Session** will be held on Tuesday, December 4, at 1:00 p.m.

As last year, a 900-line service will allow listeners to hear all sessions. The service costs 50 cents for the first minute and 35 cents for each additional minute. Thus, you can hear an hour-long session for less than \$22, plus tax.

For a copy of the preliminary **Outlook '85** program, which contains time and location for each session, please write: Outlook '85, USDA/WAOB, Room 5143-S., Washington, D.C. 20250.
