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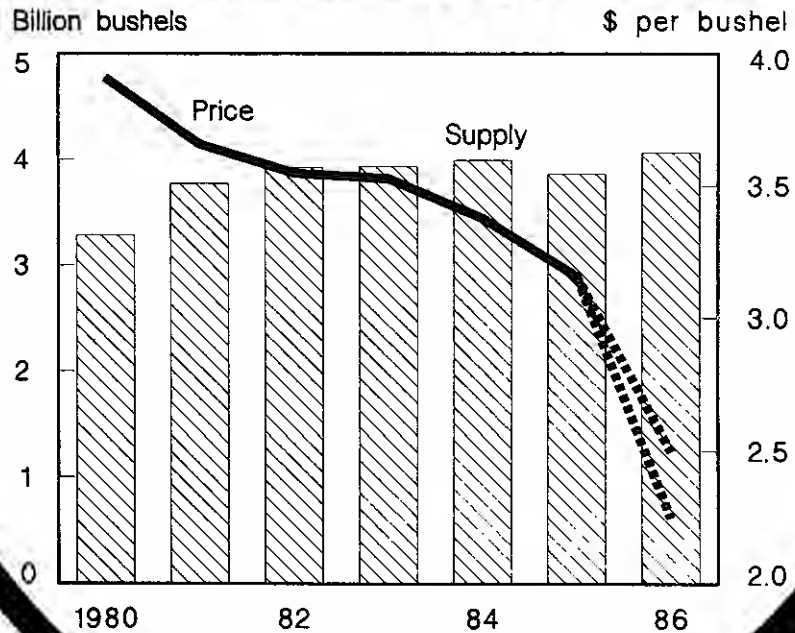
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# Wheat

## Situation and Outlook Report

**Wheat Supplies Remain Large; Prices Weak**



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**Situation Coordinator**  
Allen Schienbein, Analyst (202) 786-1840

**Data Base Manager**  
Barbara A. Chancey (202) 786-1840

**Electronic Word Processing**  
Shawn F. Irving

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

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## SUMMARY

U.S. wheat production, aided by generally good growing conditions, has ballooned to record heights in several of the last 6 years, resulting in excessive stocks. Government efforts to reduce stocks have depended heavily upon acreage reduction programs, although the new farm bill puts additional emphasis on expanding exports. Participation in the 1986 acreage reduction program, at 84 percent, and less-than-ideal weather in winter wheat areas lowered the 1986 U.S. wheat harvest to a 6-year low of 2.16 billion bushels, 11 percent less than 1985.

Despite the smaller harvest, a record 4.07 billion bushels are available for the 1986/87 marketing year. Increased carryin stocks and the expected record Hard Red Spring crop will overshadow reduced Hard Red Winter output, resulting in a bread wheat supply of 3.03 billion bushels, an alltime high. Meantime, soft wheat stocks probably will decline 6 percent from last season due to the short Soft Red Winter harvest. Durum supplies will represent about 2 years of normal use.

The outlook for wheat use is more favorable this season as prices are at their lowest level in 8 years. U.S. exports are expected to rise 25 percent from 1985/86, when they posted their most precipitous yearly decline on record. The Export Enhancement Program and other credit programs will make

U.S. wheat more competitive in world markets, likely raising total shipments to near 1.15 billion bushels. Lower wheat prices, induced by a drop in the loan rate from \$3.30 to \$2.40 a bushel, should also raise domestic use, including livestock wheat feeding, to slightly above 1985/86's volume. Nevertheless, total disappearance during 1986/87 may about equal 1986 production, again leaving large carryover stocks.

The world wheat situation also features continued record supplies, a modest pickup in use, increased trade, and depressed prices. Even though the United States and the Soviet Union had smaller 1986 crops, global production is forecast at 506 million tons, the second largest on record. China will remain the largest producer. Offsetting the large supplies is the prospect that use will reach a record 506 million tons, leaving global stocks about equal to 1985/86's record high. World trade is expected to rise, mainly reflecting larger imports by the Soviet Union.

U.S. winter wheat growers are currently seeding the 1987 crop. The acreage reduction program offered for this crop requires participating growers to idle 27.5 percent of their wheat base acreage. Compliers will be entitled to a \$4.38-a-bushel target price, the same as in 1986, and a \$2.28 loan rate.

## OUTLOOK FOR 1986/87

### *Reduced Acreage and Yield Lower 1986 Winter Wheat Crop*

Over the past six growing seasons, favorable weather conditions have offset reductions in harvested winter wheat acreage, resulting in very high average per-acre yields; 1983's 41.8 bushels was a record. Yearly production averaged about 2 billion bushels during that span. But the odds ran out for the 1986 harvest as less-than-ideal weather lowered yields in Hard Red Winter (HRW) Southern Plains areas and more severe dryness in the Southeast reduced the average yield of 1986 Soft Red Winter wheat. White wheat grown in the Pacific Northwest fared the best of all winter wheat classes, but winter damage to Eastern White wheat depressed the average for the total White class.

The average per-acre yield for the 1986 winter wheat crop was 35.5 bushels harvested from 43.2 million acres, for total production of 1.53 billion bushels. Production and yield were the lowest since 1978/79. Enrollment in the 1986 acreage reduction program was more than 85 percent of the base acreage in HRW areas, compared with 72 percent in 1985. Overall winter area seeded totaled 54 million acres, 7 percent less than a year ago and a 7-year low.

While the winter wheat crop was developing in the Southern Plains, rain delayed seeding of the U.S. spring wheat crop (Hard Red Spring and Durum) in the Northern Plains. However, most of the region enjoyed abundant moisture throughout the growing season. Participation in the acreage reduction program totaled 92 to 96 percent of base acreage in North Dakota, South Dakota, and Montana. But, the 1986 program required only 25 percent of the base left idle, compared with 30 percent in 1985. Consequently, more spring wheat was planted in 1986. With the resulting good weather, the August 1 production forecast was the third largest on record. Wheat growers cut Durum plantings 9 percent, but seeded some of the area to Hard Red Spring because of a more favorable price outlook. So despite heavy program compliance, the August HRS production forecast is for a record 503 million bushels, while the Durum crop is projected to total 102 million bushels.

U.S. winter wheat acreage,  
yield, and production 1980-86

Year	Area		Yield per acre	Pro- duction
	Planted	Harvested		
	Million acres		Bushels	Million bushels
1980	57.8	51.6	36.8	1,902.0
1981	65.5	58.5	35.9	2,097.1
1982	65.5	57.6	36.0	2,073.6
1983	62.1	47.6	41.8	1,988.3
1984	63.4	51.5	40.0	2,060.3
1985	57.8	48.0	38.1	1,827.2
1986 1/	53.9	43.2	35.5	1,532.5

1/ Preliminary.

### *Record Carryin Lifts 1986/87 Supply to Highest Ever*

Reflecting the lowest total wheat disappearance of 9 years during 1985/86, old-crop stocks rose to a record 1.9 billion bushels as of June 1. Although weather and the acreage reduction program significantly cut 1986 production, the total volume of wheat that can be utilized in 1986/87 is a record 4.07 billion bushels. The rise in June 1 stocks focused on larger quantities of all wheat classes—bread wheat stocks up over 400 million bushels, soft wheat up 40 million, and Durum 23 million. Adding those stocks to the expected 1986 record Hard Red Spring crop and reduced Hard Red Winter production equates to a 1986/87 bread wheat supply of over 3.03 billion bushels. At the same time, the soft wheat supply will decline 6 percent from last season. The 2-year supply of Durum will continue.

The apparent marketability of these record stocks may be misleading because of the large quantity of farmer generic certificates and export bonus payments in the market place. These certificates entitle the holder to redeem stocks from the Commodity Credit Corporation (CCC) inventory, and producer loans, literally adding to the free stock supply. On June 1, 1986, 54 of every 100 bushels were isolated from the market because the grain was obligated to the farmer-owned reserve (FOR), the special producer storage loan program (SPSLP), or owned by CCC. FOR wheat cannot be released for sale on the commercial market until farm prices are above \$4.50 a bushel, an unlikely event in the

near future, so forfeitures to CCC and placement into the SPSLP seem to be the only outlet. Additionally, disposition of CCC stocks for unrestricted sales could normally only take place when market prices are above \$5 a bushel in 1986/87. But, producer deficiency payments and the export bonus program allow the market to dispose of some CCC and producer loan wheat through certificate disbursement, adding to readily marketable supplies.

The remaining other 46 bushels are readily marketable, but a large portion needs to be redeemed from CCC loan obligations. That is, a grower needs to receive a market price that will justify paying off the loan plus accrued interest, or approximately \$3.55 a bushel. The going farm price has been considerably below the redemption value, meaning that most of the grain will be forfeited to CCC stocks or placed into the FOR. Government wheat stocks could climb to over 875 million bushels by season's end, the highest since the early 1960's.

So at the start of the 1986/87 marketing year, all of 1986's production and only a small portion of old-crop wheat were available for disposition. Even so, the season's disappearance, projected at 2.2 billion bushels, could be met without any dramatic price strength. Slow entry of 1986 wheat into the \$2.40-a-bushel loan program suggests that producers are finding market prices above the net loan value—loan value adjusted for Gramm-Rudman-Hollings minus storage and interest costs—are resisting 1986 crop loan placement. As of mid-August wheat under loan was 118 million bushels, only one-third of the 1985 crop volume at the same time a year ago.

#### *Domestic Demand To Increase Slightly*

Record wheat supplies suggest that bread flour prices should move lower, and that bakers could restrain from intensive buying during harvest. July and August flour prices were 4 to 13 percent lower than the same period a year ago with the lesser percent representing the threat of tightening soft wheat stocks as the season progresses. Overall food wheat consumption is forecast to rise in 1986/87 to about 690 million bushels, grain equivalent. Livestock wheat feeding is likely to be more concentrated in

U.S. spring wheat acreage, yield, production 1980-86 1/

Year	Area		Yield per acre	Production
	Planted	Harvested		
	Million acres		Bushels	Million bushels
1980	23.0	19.5	24.6	478.9
1981	22.7	22.2	31.0	688.3
1982	20.7	20.3	34.0	691.4
1983	14.3	13.8	31.3	431.5
1984	15.8	15.4	34.7	534.5
1985	17.8	16.7	35.8	597.6
1986 2/	18.1	17.7	35.7	632.2

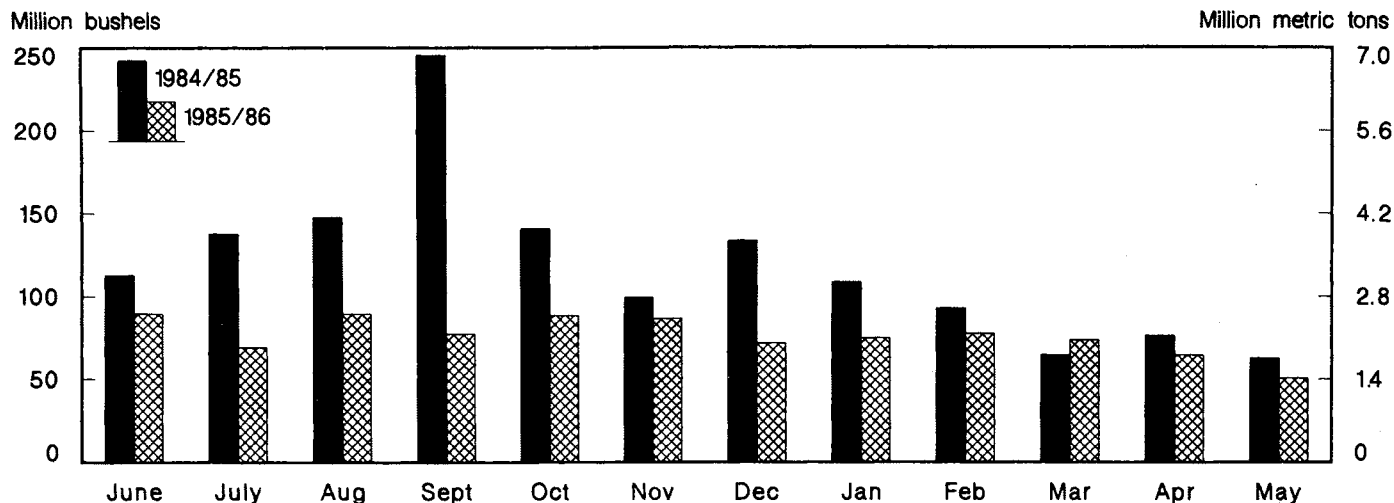
1/ Includes Durum. 2/ Forecast.

southwestern wheat growing areas rather than the southern poultry producing region. The decline in Soft Red Winter wheat production and the potential bumper supplies of feed grains have widened the price spread, favoring low-cost corn. For 1986/87, total wheat feeding is forecast to reach 300 million bushels.

#### *Rebound in Exports Expected in 1986/87*

The decline in U.S. wheat export activity during 1985/86 was the most precipitous ever experienced. Loadings of 915 million bushels were down 509 million from the previous season and 856 million from the 1981/82 record. To reverse the decline in the U.S. share of world wheat trade, export bonus programs have been implemented during the past two seasons. During 1985/86, the Export Enhancement Program (EEP) favored certain markets by offering U.S. exporting companies extra quantities of CCC-owned stocks for sale to overseas markets. Program sales began slowly, but ballooned late last season. In anticipation of large supplies of lower-priced wheat, many customers deferred purchases until early in the 1986/87 marketing year. Current export commitments (outstanding sales plus shipments) are 27 percent above a year ago. Total shipments of SRW (the more favored EEP class) in July were the largest in 2 years. Adding to the potential for boosting overseas shipments of U.S. wheat was the Presidential announcement that the Soviet Union be included in the EEP. This offer is good only for the remainder of the long-term grain trade agreement year (October 1,

## U.S. Wheat Exports



Includes flour and products in wheat equivalent.

1985–September 30, 1986). The ultimate EEP will be determined by future subsidies that make U.S. wheat more attractively priced. However, competitors' responses also will bear heavily on the degree of success. For the season, U.S. wheat exports are forecast at 1.15 billion bushels, one-fourth higher than last year, but still nearly 20 percent under the average for the past five seasons.

### Farm Prices Below Loan Level

The impact of the Food Security Act of 1985 (the "farm bill") first became evident as the 1986 wheat harvest developed early this summer. The law permitted the loan rate to be adjusted downward 20 percent from the \$3-a-bushel base to \$2.40. The Gramm–Rudman–Hollings budget law imposes a further effective reduction to \$2.30, \$1 below the 1985 support rate. While the loan rate is considered a supportive price base, it is not necessarily a "floor" when huge supplies and sluggish demand are present. Farm prices rarely went above the loan rate in 1985/86, averaging \$3.16 a bushel for the season. While the 1986/87 marketing year forecast reflects expanded disappearance, the record supply will tend to keep prices around the lower loan rate.

Supporting the possibility that prices could strengthen as the season progresses is the potential for supplies to tighten because of grain being isolated through various Government programs. The current pace of 1986–crop loan placements would need to

triple to equal last season's activity, but even with smaller placements, the tightness of available stocks near season's end could

Wheat exports and prices

Year	Exports	Farm prices	Loan rate
	Million bushels	\$/bushel	
1978/79	1,194	2.97	2.35
1979/80	1,375	3.78	2.50
1980/81	1,514	3.91	3.00
1981/82	1,771	3.65	3.20
1982/83	1,509	3.55	3.55
1983/84	1,429	3.53	3.65
1984/85	1,424	3.38	3.30
1985/86	915	3.16	3.30
1986/87 1/	1,150	2.25–2.50	2.40

1/ Forecast.

strengthen prices. However, offsetting this is the issuance of commodity payments in the form of generic certificates, both for expanded bonus export sales and program payments, which free up CCC and producer loan stocks. Normally, increased export activity should generate higher prices, but price upswings may be limited this season because of the large U.S. supply. This season's exports are expected to consume only 28 percent of stocks compared with 1980/81, when over 45 percent of the supply went overseas at an average farm price of \$3.91 a bushel. This comparison illustrates the importance of export activity in establishing a

season's prices. The national average farm price in 1986/87 likely will be between \$2.25 and \$2.50 a bushel, compared with \$3.16 last year.

### *1987 Wheat Program Announced*

For 5 successive crop years, efforts have been made through Government acreage reduction programs to curtail the expanding production of wheat in the United States. Each year, program features were established that appeared responsible and reasonable to the situation and outlook at that time. In some years, provisions were announced after winter wheat had been planted and adjustments were needed to encourage producer participation. Considering that in most of these 5 crop years, good to above average weather lifted per-acre yields to record highs, increased grower participation became the major factor in reducing wheat production from the record 1981 crop by 23 percent. About one-half of base acreage was in compliance with the 1982 program, while compliance represented 84 percent of the base in 1986.

The 1987 target price, which was set by the Food Security Act of 1985, is frozen at the 1986 level of \$4.38 a bushel and the loan rate will be \$2.28. To help increase U.S. competitiveness in the world wheat market, the "Findley provision" was invoked. This allowed USDA to lower the loan rate by 20 percent from the \$2.85-a-bushel basic rate. Other features of the wheat program include:

- o Participants must limit 1987 wheat plantings to be harvested at no more than 72.5 percent of their base acres, meaning that 27.5 percent of the base must be idled.
- o USDA reserves the right to implement an optional payment-in-kind acreage diversion program, using the bid system to idle additional acres.
- o There will be no offsetting compliance requirement between farms, but limited cross-compliance will apply. This provision prohibits producers from overplanting base acreages of other program commodities on the same farm.

- o A marketing loan program will not be implemented.
- o Actual crop yields for 1987 and subsequent years will be used to establish 1988 and future farm program yields.
- o Program signup will be from October 1, 1986, through March 1987.

Another important program that should be increasingly significant for the 1987/88 marketing year is the Conservation Reserve Program. By 1990, the competitive bid program aims to retire 40 to 50 million acres of highly erodible farmland from producing a tillable crop for at least 10 years. Producers will receive payments and technical assistance upon acceptance of designated acres. An estimated 8.9 million acres of highly erodible land has been enrolled in the program since its inception, with a goal of at least 15 million acres by the end of the 1987 crop year. An estimated 5 million acres of wheat acreage base are expected to be retired under this program by 1987 and 13 million by 1990.

## **WORLD WHEAT OUTLOOK**

### *Another Large World Wheat Crop Expected; Trade To Expand*

The world wheat situation features continued record supplies, a modest pickup in utilization, slightly higher trade, and depressed prices. Under these circumstances, the global crop is forecast at 505.6 million metric tons, the second largest on record and the third successive harvest to exceed 500 million. Major contributors will be China with 87.5 million tons, compared with (85.3) last year; the Soviet Union with 76.0 million (83.0); the EC-12 with 71.4 million (71.6); the United States at 58.9 million (66.0); India at 47.0 million (44.2); and Canada with 29.5 million (23.9). Major Southern Hemisphere producers (Argentina, Brazil, and Australia) may add about 29 million tons to the world bumper harvest, up slightly from a year ago.

Compensating for the expected large 1986 crop is the prospect that utilization will grow to a record 506 million tons, just over total production. If these forecasts continue on

course, global wheat stocks would about match the record high of 1985/86. That means supplies carried into the 1987/88 season would likely represent about one-fourth of the world's yearly consumption, whereas 5 years ago, the ratio of surplus supplies (above immediate world needs) to use was only 18 percent. Most of these stocks are in the storage bins of the major exporting nations, with the United States holding over 40 percent.

#### *Some Expansion in Trade Expected*

On the world scene, demand for imported wheat is expected to recover about 8 percent above last season as significantly lower world wheat prices and a general improvement in the global economy encourage importers to expand total utilization. Large available quantities of lower quality wheat at prices competitive with feed grains should increase the market for wheat in animal feed rations. However, competition among exporters who are attempting to dispose of burdensome supplies is likely to be more intense than in 1985/86. While the "import pie" maybe somewhat larger during the 1986/87 marketing year, exporters are likely to try and retain their old customers through agreements and bid competitively for any expanded demand. Even some recent nontraditional wheat trading channels such as India, Saudi Arabia, and possibly Pakistan, also appear to be bidding for a share. Importing countries may be spurred to larger purchases if price cutting and enticing credit terms become prevalent.

#### *Outlook for Major U.S. Markets*

Hot, dry June weather in the European USSR caused 1986 winter wheat harvest prospects to deteriorate while weather conditions have been mostly favorable in spring wheat areas. However, total production is forecast to be down 8 percent from last year. As a result, USSR purchases from the world market to meet 1986/87 needs are estimated at 19 million tons, 3 million more than last season. China is expected to remain the world's largest wheat producer in 1986. Mid-May rains ensured a harvest only fractionally below the record 1984 crop. Since 1980, wheat production has increased nearly 60 percent in China. As a result, Chinese imports have been scaled down significantly and long term grain trade agreements with both Canada and the United States have not been renewed. Total imports may be only slightly larger than the 1985/86 low. In Africa, a probable record crop in Morocco and good crops in Algeria and Egypt may be partly offset by drought-reduced yields in Tunisia. Still, the general uptrend in consumption will require additional wheat imports. In Brazil, the combination of favorable crop conditions and increased wheat planting may produce a harvest close to 1985's record 4.3 million tons. Imports may be up slightly from 1985/86's low levels. Record production in Pakistan due to increased plantings, greater use of fertilizers, and excellent weather, will sharply reduce import needs.

World wheat supply and distribution, 1981-86 1/

Marketing year	Beginning stocks 2/	Production	Total exports	Total utilization 3/
Million metric tons				
1981/82	78.2	448.4	101.3	441.5
1982/83	85.1	479.2	98.7	467.9
1983/84	96.3	491.0	102.0	486.0
1984/85	101.3	515.6	106.9	500.2
1985/86 4/	116.7	502.8	85.0	494.2
1986/87 5/	125.3	505.6	91.7	505.9

1/ Data in this table are based on an aggregate of differing local marketing years. 2/Stocks data are 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 are inclusive of annual level adjustments. 4/Preliminary. 5/Projected.

Source: Foreign Agricultural Service, World Grain Situation.



## Outlook for Principal U.S. Competitors

A record area sown to wheat this year and beneficial rains increase the chance for a record 1986 Canadian harvest of 29.5 million tons. Reported Durum area is up 9 percent. The earlier production outlook in the EC-12 has been adjusted downward due to lower yield expectations in France, Spain, and Germany. A larger harvest in the United Kingdom is not expected to offset the reduction, lowering the EC-12's 1986 crop 1 percent from last year. Although growers are expected to plant fewer acres to wheat in Argentina, higher yields than from 1985's weather-damaged crop are expected to provide increased exportable supplies for 1986/87. On the other hand, dry weather may reduce Australia's harvest to the lowest level in 3 years. Intense competition, the smaller crop, and reduced carryin stocks could reduce Australian exports 8 percent from the 1985/86 record.

### WHEAT BY CLASS

#### *Smallest HRW Harvest in Seven Seasons; 1986/87 Supplies Remain Largest Ever*

Based on conditions as of August 1, the 1986 Hard Red Winter (HRW) harvest at 1.03 billion bushels will be the smallest since 1978.

Dry spring conditions reduced the average yield per acre in many major producing States with Texas yields 8 bushels an acre below last year. In addition, participation by HRW growers in the acreage reduction program helped reduce harvested area by more than 4 million acres, the lowest in the last five seasons. The 1986 harvest of 326.4 million bushels in Kansas was down more than 105 million from last year and the first crop under 400 million bushels in 5 years.

Despite the smaller crop, its addition to record old-crop HRW stocks results in a record 2.0-billion-bushel supply. As a consequence, the 1986/87 season will focus on the all-important export market, the only outlet through which stocks might be lowered this season. Because about one-half of total U.S. wheat exports are HRW, the degree to which the 1986/87 export season might be judged a success depends upon the final volume of HRW shipped overseas. The key to this volume appears to again be the purchasing schedule of the Soviet Union, normally the

leading buyer of the class. Soviet imports from all world sources are projected to rise about 110 million bushels in July/June 1986/87. Expectations that current season USSR purchases from the United States will top last year's low 5.6 million bushels will help lift the 1986/87 forecast for HRW to around 630 million bushels. Much of this expansion reflects the inclusion of the Soviet Union in the EEP. This season's export forecast is a hefty 230-million-bushel increase over 1985/86, but still represents the smallest loadings since 1976/77.

Reflecting the low 1986-crop prices at harvest and tightening of feed grain stocks this summer, HRW livestock feed use should remain close to last season's estimate of about 230 million bushels.

Early season prices at Kansas City were running about 5 cents a bushel above the national average farm loan of \$2.40, down more than 20 percent from a year ago. Under this situation, eligible growers could put their new harvest under loan or limit selling until some seasonal price upswing. So far, early season loan placements have not been as heavy as last year, possibly indicating that producers are resisting low prices or awaiting a pick-up in HRW demand. Little old-crop stocks are readily saleable—because they are isolated from the market in the grain reserve, owned by CCC, or under a \$3.30-bushel loan obligation—except through certificate exchanges.

Estimated Hard Red Winter wheat acreage, yield, and production, 1979-86

Year	Area		Yield per acre	Production
	Planted	Harvested		
	Million acres		Bushels	Million bushels
1979	38.2	31.3	34.9	1,091.6
1980	40.7	35.8	33.0	1,181.3
1981	43.4	37.9	29.3	1,112.1
1982	43.2	37.0	33.6	1,243.6
1983	41.3	30.2	38.5	1,197.8
1984	43.6	34.1	36.7	1,250.6
1985	42.5	34.5	35.7	1,230.1
1986 1/	39.4	31.5	32.7	1,028.6

1/ Projected.

**Record 1986 HRS Harvest;  
Supplies To Balloon**

Abundant and timely moisture throughout the growing season and expanded acreage will likely inundate grain storage facilities with a record 503-million-bushel harvest of Hard Red Spring (HRS). Nearly 95 percent of the wheat base acreage in the Northern Plains States was enrolled in the 1986 acreage reduction program. Yet because the program required idling only 25 percent of the base rather than the 30 percent in 1985, growers harvested 1.2 million more acres this year. The price ratio between Durum and HRS during 1985/86 favored planting more HRS this spring. The average yield may also be record high.

A bumper 1986 crop means the HRS supply will rise to a record 1.0 billion bushels, the first time that stocks of any wheat class, other than HRW, have built to such a level. Domestic disappearance may be on the upswing because HRS will be a good source of abundant and attractively priced high-protein wheat.

Early season HRS export commitments are nearly a third above last season, suggesting that 1986/87 overseas business may be well above last year's 166 million bushels. Indicated HRS new-crop stocks of higher-than-expected protein levels may lower protein premiums from last season's high levels, thus attracting foreign buyers. However, competition from Canada's record 1986 crop may limit the size of the upturn in 1986/87 exports.

Estimated Hard Red Spring wheat acreage, yield, and production, 1979-86

Year	Area		Yield per acre	Production
	Planted	Harvested		
	Million acres		Bushels	Million bushels
1979	14.2	14.0	26.3	368.8
1980	16.3	13.6	22.9	311.4
1981	16.1	15.8	29.4	463.8
1982	15.5	15.2	32.4	492.6
1983	11.1	10.7	30.2	322.7
1984	12.0	11.7	34.9	408.8
1985	14.0	13.1	35.1	460.3
1986 1/	14.6	14.3	35.2	503.1

1/ Projected.

The current export forecast is up modestly from a year ago but total disappearance is not expected to top the 1986 crop, so HRS stocks will likely be record large when the 1987 crop is seeded.

**Reduced 1986 Durum Crop;  
Demand To Pick Up**

Throughout most the 1985/86 marketing year, Durum wheat was selling at prices below Hard Red Spring wheat. The two classes are grown in proximity in the Northern Plains. Durum, the speciality pasta making wheat, most often commands the premium price. But since 1981, Durum production outpaced demand and stocks began to build until yearend carryover rarely slipped below 100 million bushels. Yearly disappearance of around 100 million bushels tended to hold down prices. In 1986, growers took note and reduced Durum seedings 10 percent, likely shifting acreage to Hard Red Spring wheat. However, above-average growing conditions maintained yields at a high 36.1 bushels, just below last year's record 36.4 bushels an acre. An estimated 100 million bushels will be harvested this year. A harvest this size would push the 1986/87 supply above 200 million, twice the expected disappearance. Exports need to respond sharply to prevent Durum stocks from exceeding 100 million bushels by yearend (May 31, 1987).

Clouding the outlook for increased U.S. overseas Durum business is the prospect for record or near-record harvests in two major

Estimated Durum acreage, yield and production, 1979-86

Year	Area		Yield per acre	Production
	Planted	Harvested		
	Million acres		Bushels	Million bushels
1979	4.0	3.9	27.1	106.7
1980	5.5	4.8	22.4	108.4
1981	5.8	5.7	32.4	183.0
1982	4.3	4.2	34.9	145.9
1983	2.6	2.5	29.3	73.0
1984	3.3	3.2	32.1	103.4
1985	3.2	3.1	36.4	112.5
1986 1/	2.9	2.8	36.1	101.8

1/ Projected

competitor nations, Canada and Italy. World trade may be up slightly due to a sharp decline in Tunisian production and expanded needs from other North African markets. U.S. Durum exports are forecast at 60 million bushels, 13 percent larger than a year ago.

*SRW Harvest at 8-Year Low;  
Exports Projected Lower*

Wet fall seeding conditions and a late soybean harvest in the Southeast significantly lowered Soft Red Winter (SRW) acreage for the 1986 harvest. Then, as the crop came out of winter dormancy, the early stages of the 1986 drought reduced SRW harvestable acres and yields. Combines could only reap 289 million bushels for the 1986 crop, the smallest in 8 years. Slightly larger carryin of old-crop supplies will somewhat offset the smaller production, but the 1986/87 SRW supply will be near 370 million bushels, down 14 percent from a year ago. The reduced stocks preclude any dramatic shift in the supply and disappearance of SRW. Over the past 5 years, demand for SRW (foreign and domestic) has consumed an average 525 million bushels per season, with 282 million consisting of exports. Thus, there is little doubt that 1986/87 consumption cannot meet the average volume of past years. Domestic users, particularly cookie, cracker, and cake flour producers, will try to "lock in" their needs as soon as possible to obtain quality and price.

Characteristically, SRW has been the cheapest U.S. wheat at dockside, but this may not be the situation for all of 1986/87. Exports

Estimated Soft Red Winter wheat acreage, yield, and production, 1979-86

Year	Area		Yield per acre	Production
	Planted	Harvested		
	Million acres		Bushels	Million bushels
1979	8.4	7.6	40.7	309.6
1980	11.7	10.6	41.7	441.8
1981	16.7	15.3	44.3	678.0
1982	17.2	15.8	37.3	588.9
1983	15.6	12.8	39.4	504.2
1984	14.5	12.6	42.2	531.4
1985	10.6	9.1	40.4	368.0
1986 1/	10.1	7.7	37.6	289.3

1/ Projected.

of SRW in the past two seasons have been directed toward the Export Enhancement Program (EEP) and the Chinese market. Sales to China were sharply off in 1985/86 but EEP targeted sales took up some of the slack. Still, EEP and other market sales are expected to take about 130 million of 1986/87 supplies. In combination with expected lower SRW feed use, all of 1986's crop and some old-crop supplies should be consumed. Carryover stocks on June 1, 1987, probably will decline to about 50 million bushels.

*1986 White Wheat Harvest Down Slightly;  
Supplies Remain Large*

Expanded participation in the acreage reduction program, particularly in the Pacific Northwest, helped reduce harvested acres of the 1986 White wheat crop. Although yields were threatened by early summer dry weather, the total White wheat yield was up slightly from a year ago. As a result, the acreage cutback lowered the 1986 harvest 5 percent from a year ago, table 4. Quality of 1986 Western White is judged good with above-average test weights and protein slightly below soft White wheat level (a desirable feature). For the past seven seasons, the U.S White wheat industry experienced large crops while disappearance slipped dramatically, causing record stocks to be carried over from season to season.

Projections for the 1986/87 marketing year show the total White wheat supply up fractionally from last year, with domestic and

Estimated White wheat acreage, yield and production, 1979-86 1/

Year	Area		Yield per acre	Production
	Planted	Harvested		
	Million acres		Bushels	Million bushels
1979	6.6	5.6	46.0	257.4
1980	6.6	6.3	53.7	338.0
1981	6.2	6.0	58.1	348.5
1982	6.0	5.7	51.6	294.0
1983	5.9	5.3	60.8	322.0
1984	5.8	5.3	56.7	300.6
1985	5.3	4.9	52.2	253.9
1986 2/	5.0	4.6	52.6	241.9

1/ Winter and spring. 2/ Projected

export disappearance up modestly, and ending stocks still around a record 200 million bushels. A sharp drop in Eastern White wheat production (Michigan), with indications that quality may be in short supply, implies that Western White supplies could find their way to eastern U.S. markets. Japan and Korea, the year's top two buyers of U.S. wheat in 1985/86, are expected to remain major customers, but Pakistan, with a record 1986 crop, may constrain buying. Some targeted EEP markets should help to maintain White wheat shipments near last year's volume.

#### WRAP-UP OF 1985/86

Despite major efforts to reduce wheat production in the United States in the last 3 years, supplies were still considered excessive. To participate in the 1985 acreage reduction program, growers could not plant more than 70 percent of their wheat acreage base. Twenty percent of the base acres were idled in the ARP program and 10 percent were idled under the paid land diversion program. Those who participated were protected by a target price of \$4.38 a bushel, and were eligible for a price-support loan of \$3.30 a bushel. The final tally showed that growers agreed to cut their wheat plantings by 30 percent on 73 percent of the Nation's wheat base. They idled 19 million acres.

The acreage cutback helped reduce the 1985 winter wheat harvest 7 percent from 1984, to the smallest in 5 seasons. However, favorable spring weather in the Northern Plains allowed the 1985 spring wheat crop (Hard Red Spring and Durum) to be seeded in near-record time. Summer combining of spring wheats showed that widespread good weather upped average per-acre yields to a record 35.8 bushels, increasing production 12 percent from 1984. On balance, 1985's total wheat crop of 2.4 billion bushels was down 7 percent from 1984, but still was the fourth largest U.S. wheat harvest ever. Reduced output met some policy objectives by

trimming the 1985/86 supply level, but by only 3 percent from 1984/85's record high.

During the same year, wheat crops throughout the world were developing well and total foreign output decreased by less than 2 percent. As a result, world wheat supplies reached a new peak and a large share of these stocks were held by exporting nations, particularly the United States. World trade volume took a sharp drop because of large 1985 harvests in the USSR and China. Thus, competition among exporters intensified. A "buyers' market" made pricing so important that the supported price levels in the United States could be readily undercut by competitors. U.S. monthly exports started slow and remained stagnant through the remainder of the year. Shipments totaled 915 million bushels by season's end, a record annual decline, and only the second time in 13 years that volume fell below 1 billion bushels.

The Export Enhancement Program was established in 1985/86 to improve the U.S. competitive situation. The program developed slowly but kept 1985/86 exports from slipping below 900 million bushels. U.S. wheat exports to Egypt, Algeria, and Morocco rose to the extent that those countries were among the top six wheat buyers last season. Chinese and Soviet purchase were exceptionally low.

Not since the 1977/78 season has wheat disappearance fallen below 2.0 billion bushels—1985/86 use was 1.96 billion bushels. Total domestic consumption outpaced export volume by 135 million bushels, a happening not repeated in 14 years. Although heavy wheat feeding would be consistent with low harvesttime prices, large quantities of lower-priced corn and grain sorghum and a short 1985 Soft Red Winter harvest limited feed use to below 1984/85's more than 400 million bushels. Consequently, 1985/86 wheat use fell far short of the crop and yearend stocks rose nearly 500 million bushels to an alltime high of 1.9 billion.

Wheat stocks during 1985/86 were so large that not even record grower placement of eligible grain into the \$3.30-a-bushel loan program could spark much price recovery. Expectations that a much lower loan rate would ensue from passage of the Food Security Act of 1985 also pressured prices. The result was below-loan-level farm prices throughout the season. The national average farm price was \$3.16 a bushel, compared with \$3.38 in 1984/85. Eligible 1985 program participants received a deficiency payment of \$1.08 per bushel, totaling \$1.56 billion.

Wheat use

Year	Exports	Food and seed	Feed and residual	Total
Percent				
1982/83	62.4	29.5	8.1	100.0
1983/84	56.3	29.2	14.5	100.0
1984/85	55.2	28.9	15.9	100.0
1985/86	46.6	39.0	14.4	100.0



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Table 1.--Wheat: Supply, disappearance, area and prices, marketing years, 1980-87

Item	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86 (Prel.)	1986/87 (Proj.)
Million acres							
Supply							
June 1 stocks,	902	989	1,159	1,515	1,399	1,425	1,900
Production	2,381	2,785	2,765	2,420	2,595	2,425	2,165
Imports 1/	3	3	8	4	9	15	5
Total supply	3,286	3,777	3,932	3,939	4,003	3,865	4,070
Disappearance							
Food	610	602	616	635	651	678	690
Seed	113	110	97	100	93	89	85
Feed and residual	60	135	195	376	409	283	300
Total domestic	783	847	908	1,111	1,154	1,050	1,075
Exports 1/	1,514	1,771	1,509	1,429	1,424	915	1,150
Total disappearance	2,297	2,618	2,417	2,540	2,578	1,965	2,225
May 31, stocks	989	1,159	1,515	1,399	1,425	1,900	1,845
Million acres							
Area							
Planted	80.8	88.3	86.2	76.4	79.2	75.6	72.0
Harvested	71.1	80.6	77.9	61.4	66.9	64.7	60.9
Set aside and diverted	--	--	5.8	29.8	18.5	18.8	
National base acreage	--	--	90.7	90.9	94.0	94.0	
Bushels per acre							
Yield/harvested acre	33.5	34.5	35.5	39.4	38.8	37.5	35.5
Dollars per bushel							
Prices							
Received by farmers	3.91	3.65	3.55	3.53	3.38	3.16	2.25-2.50
Loan rate	3.00	3.20	3.55	3.65	3.30	3.30	2.40
Target	3.08	3.81	4.05	4.30	4.38	4.38	4.38
Thousand dollars							
Value of production	9,303	10,172	9,813	8,533	8,755	7,652	

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.

## Wheat: Production--by Major States (\*records)

State	1980	1981	1982	1983	1984	1985	1986 1/
Million bushels							
Colorado	110.3	87.9	85.0	122.1*	115.0	139.3	102.1
Kansas	420.0	302.5	458.5*	448.2	431.2	433.2	326.4
Minnesota	102.6	140.0*	126.8	79.0	120.7	142.4	132.8
Montana	119.8	172.8	180.3*	136.9	104.7	50.2	142.9
Nebraska	108.3*	104.4	101.5	98.9	81.0	89.7	78.0
N. Dakota	179.7	328.3*	324.8	194.1	284.2	323.3	319.5
Oklahoma	195.0	172.8	227.7*	150.5	190.8	165.0	150.8
S. Dakota	62.4	89.0	98.5	89.7	126.0*	111.2	127.6
Texas	130.0	183.4*	144.0	161.0	150.0	187.2	115.2
Washington	160.2	168.3	138.9	172.6*	160.3	128.2	120.7

1/ Preliminary.

Table 2.--Wheat: Marketing year supply and disappearance, quarterly, 1985-86

Year and periods beginning June 1	Supply				Disappearance					Ending stocks			
	Beginning stocks	Production	Imports 1/	Total	Domestic use				Exports 1/	Total disappearance	Govt. owned	Privately owned 3/	Total
					Food	Seed	Feed 2/	Total					
Million bushels													
1985/86													
June-Sept.	1,425.2	2,424.8	6.1	3,856.1	223.7	35.0	299.7	558.4	326.6	885.8	428.5	2,542.6	2,971.1
Oct.-Dec.	2,971.1	---	4.0	2,975.1	176.8	31.0	(6.1)	201.7	247.3	449.0	498.8	2,027.3	2,526.1
June-Mar.	2,526.1	---	1.8	2,527.9	166.9	1.0	3.9	171.8	226.1	397.9	534.6	1,595.4	2,130.0
Apr.-May	2,130.0	---	2.8	2,132.8	110.7	21.0	(14.3)	117.4	115.3	232.7	601.7	1,298.3	1,900.1
Mkt. year	1,425.2	2,424.8	14.7	3,864.7	678.1	88.0	283.2	1,049.3	915.3	1,964.6	601.7	1,298.3	1,900.1

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.

\*Totals may not add because of rounding.



Table 3--Wheat: Quarterly supply and disappearance, 1980-86

Year and periods beginning June 1	Supply				Disappearance						Ending stocks		
	Beginning stocks	Production	Imports 1/	Total	Domestic use				Exports 1/	Total disappearance	Govt. owned	Privately owned 3/	Total
					Food	Seed	Feed 2/	Total					
Million bushels													
1980/81													
June-Aug.	902.0	2,380.9	0.8	3,283.7	144.2	2.0	48.1	194.3	375.4	569.7	202.1	2,511.9	2,714.0
Sept.-Nov.	2,714.0	-----	0.6	2,714.6	162.1	76.0	4.9	243.0	379.3	622.3	202.9	1,889.4	2,092.3
Dec.-Feb.	2,092.3	-----	0.6	2,092.9	158.8	4.0	8.1	170.9	399.2	570.1	203.2	1,319.6	1,522.8
Mar.-May	1,522.8	-----	0.5	1,523.3	145.4	31.0	(2.1)	174.3	359.9	534.2	199.7	789.4	989.1
Mkt. Year	902.0	2,380.9	2.5	3,285.4	610.5	113.0	59.0	782.5	1,513.8	2,296.3	199.7	789.4	989.1
1981/82													
June-Aug.	989.1	2,785.4	0.7	3,775.2	149.2	1.0	144.9	295.1	424.1	719.2	195.4	2,860.6	3,056.0
Sept.-Nov.	3,056.0	-----	0.8	3,056.8	161.7	78.0	(7.1)	232.6	485.8	718.4	190.6	2,147.8	2,338.4
Dec.-Feb.	2,338.4	-----	0.7	2,339.1	150.1	4.0	(7.6)	146.5	415.0	561.5	190.2	1,587.4	1,777.6
Mar.-May	1,777.6	-----	0.6	1,778.2	141.4	27.0	4.6	173.0	445.8	618.8	190.3	969.1	1,159.4
Mkt. Year	989.1	2,785.4	2.8	3,777.3	602.4	110.0	134.8	847.2	1,770.7	2,617.9	190.3	969.1	1,159.4
1982/83													
June-Aug.	1,159.4	2,765.0	1.2	3,925.6	152.9	1.0	131.3	285.2	411.1	696.3	193.3	3,036.0	3,229.3
Sept.-Nov.	3,229.3	-----	3.0	3,232.3	159.5	74.0	18.8	252.3	337.2	589.5	189.7	2,453.1	2,642.8
Dec.-Feb.	2,642.8	-----	2.6	2,645.4	152.4	3.0	24.2	179.6	393.8	573.4	184.6	1,887.4	2,072.0
Mar.-May	2,072.0	-----	0.8	2,072.8	151.6	19.0	20.5	191.1	366.6	557.7	192.0	1,323.1	1,515.1
Mkt. Year	1,159.4	2,765.0	7.6	3,932.0	616.4	97.0	194.8	908.2	1,508.7	2,416.9	192.0	1,323.1	1,515.1
1983/84													
June-Aug.	1,515.1	2,419.8	1.1	3,936.0	158.7	1.0	196.5	356.2	346.7	702.9	365.0	2,868.1	3,233.1
Sept.-Nov.	3,233.1	-----	0.9	3,234.0	163.1	75.0	100.5	338.6	359.7	698.3	375.8	2,159.9	2,535.7
Dec.-Feb.	2,535.7	-----	1.0	2,536.7	166.8	3.0	46.4	216.2	369.0	585.2	313.8	1,637.7	1,951.5
Mar.-May	1,951.5	-----	1.0	1,952.5	154.0	21.0	25.7	200.7	353.2	553.9	188.1	1,210.5	1,398.6
Mkt. Year	1,515.1	2,419.8	4.0	3,938.9	642.6	100.0	369.1	1,111.7	1,428.6	2,540.3	188.1	1,210.5	1,398.6
1984/85													
June-Aug.	1,398.6	2,594.8	4.6	3,998.0	157.8	1.0	279.9	438.7	399.2	837.9	278.1	2,882.0	3,160.1
Sept.-Nov.	3,160.1	-----	1.8	3,161.9	168.5	65.0	103.9	337.4	486.0	823.4	359.4	1,979.1	2,338.5
Dec.-Feb.	2,338.5	-----	1.2	2,339.7	164.2	4.0	35.5	203.7	335.2	538.9	375.7	1,414.7	1,800.8
Mar.-May	1,800.8	-----	1.8	1,802.6	160.5	23.0	(9.8)	173.7	203.7	377.4	377.6	1,047.6	1,425.2
Mkt. Year	1,398.6	2,594.8	9.4	4,002.8	651.0	93.0	409.5	1,153.5	1,424.1	2,577.6	377.6	1,047.6	1,425.2
1985/86													
June-Aug.	1,425.2	2,424.8	3.5	3,853.5	165.8	1.0	234.1	400.9	249.1	650.0	406.7	2,796.8	3,203.5
Sept.-Nov.	3,203.5	-----	5.1	3,208.6	185.6	63.0	63.7	312.3	252.9	565.2	517.1	2,126.3	2,643.4
Dec.-Feb.	2,650.3	-----	2.7	2,646.1	164.2	3.0	(1.3)	165.9	224.4	390.3	526.3	1,729.5	2,255.8
Mar.-May	2,255.8	-----	3.5	2,259.3	162.5	21.0	(13.3)	170.2	189.0	359.2	601.7	1,298.4	1,900.1
Mkt. Year	1,425.2	2,424.8	14.8	3,864.8	678.1	88.0	283.2	1,049.3	915.4	1,964.7	601.7	1,298.4	1,900.1

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.

\* Totals may not add due to rounding.

Table 4--Wheat classes: Marketing year supply and disappearance, 1981-87 1/

Year beginning June 1	Supply			Disappearance			Ending stocks May 31
	Beginning stocks	Pro- duction	Total 2/	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	3,777	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	3,932	908	1,509	2,417	1,515
<u>1983/84</u>							
Hard Winter	754	1,198	1,952	503	704	1,207	745
Hard Spring	408	323	732	197	221	418	314
Soft Red	74	504	578	282	222	504	74
White	143	322	465	78	220	298	167
Durum	136	73	212	51	62	113	99
All classes	1,515	2,420	3,939	1,111	1,429	2,540	1,399
<u>1984/85</u>							
Hard Winter	745	1,251	1,996	562	717	1,279	717
Hard Spring	314	409	725	171	183	354	371
Soft Red	74	531	605	288	253	541	64
White	167	301	470	87	210	297	173
Durum	99	103	207	46	61	107	100
All classes	1,399	2,595	4,003	1,153	1,424	2,577	1,425
<u>1985/86</u>							
Hard Winter	717	1,230	1,947	548	395	943	1,004
Hard Spring	371	460	838	176	166	342	496
Soft Red	64	368	432	204	149	353	79
White	173	254	430	80	152	232	198
Durum	100	113	218	42	53	95	123
All classes	1,425	2,425	3,865	1,050	915	1,965	1,900
<u>1986/87 3/</u>							
Hard Winter	1,004	1,029	2,033	557	630	1,187	846
Hard Spring	496	503	1,001	187	170	357	644
Soft Red	79	289	368	192	130	322	46
White	198	242	441	82	160	242	199
Durum	123	102	227	57	60	117	110
All classes	1,900	2,165	4,070	1,075	1,150	2,225	1,845

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

Table 5--Wheat: Price support loan status on specified dates, 1980-86

Crop year	Total stocks	Total CCC inventory	Outstanding CCC loans	Farmer-owned reserve	Free stocks
<u>Million bushels</u>					
1980/81					
Jun. 1	989.1	199.7	54.6	359.6	375.2
Sep. 1	2,714.0	202.1	96.7	211.0	2,204.2
Dec. 1	2,092.3	202.9	128.2	210.5	1,550.7
Mar. 1	1,522.8	203.2	114.3	303.8	901.5
1981/82					
Jun. 1	1,159.4	190.3	112.0	560.4	296.7
Sep. 1	3,056.0	195.4	147.0	398.6	2,315.0
Dec. 1	2,338.4	190.6	195.4	459.1	1,493.3
Mar. 1	1,777.6	190.2	182.2	515.2	890.0
1982/83					
Jun. 1	1,515.1	192.0	65.2	1,060.6	197.3
Sep. 1	3,229.3	193.3	77.5	763.3	2,195.2
Dec. 1	2,642.8	189.7	105.6	986.3	1,361.2
Mar. 1	2,072.0	184.6	92.5	1,117.1	677.8
1983/84					
Jun. 1	1,398.6	188.0	379.1	611.2	220.3
Sep. 1	3,233.1	365.0	294.1	824.8	1,749.2
Dec. 1	2,535.7	375.8	396.0	736.6	1,027.3
Mar. 1	1,951.5	313.8	443.9	610.7	583.1
1984/85					
Jun. 1	1,425.2	377.6	175.0	654.1	218.5
Sep. 1	3,160.1	278.1	254.9	657.9	1,969.2
Dec. 1	2,338.5	359.4	274.2	674.9	1,057.0
Mar. 1	1,800.8	375.7	218.4	673.8	532.9
1985/86					
Jun. 1	1,900.1	601.7	677.7	433.3	24.3
Sep. 1	3,203.5	406.7	493.7	675.3	1,613.6
Dec. 1	2,643.4	517.1	734.9	599.0	737.7
Mar. 1	2,255.8	526.3	770.8	525.6	325.6

1/ Fiscal inventory figures were adjusted to reflect purchases being made during this period.

2/ Reserve data as reported by telephone survey.

Table 6.—Wheat: Marketing year supply and disappearance, 1960-87\*

Year beginning June 1	Supply				Disappearance						Ending stocks May 31		
	Begin- ning stocks	Produc- tion	Imports 1/	Total	Domestic Use				Exports 1/	Total disap- pearance	Govt. owned	Pri- vately owned 3/	Total
					Food	Seed	Feed 2/	Total					
Million bushels													
1960/61	1,384.2	1,354.7	8.1	2,747.0	496.5	64.3	30.4	591.0	653.5	1,244.5	1,224.6	277.8	1,502.4
1961/62	1,502.4	1,232.4	5.9	2,740.7	504.0	56.3	44.0	604.4	715.7	1,320.1	1,074.4	346.2	1,420.6
1962/63	1,420.6	1,092.0	5.3	2,517.9	502.7	61.4	34.7	598.8	649.4	1,248.2	1,101.8	167.9	1,269.7
1963/64	1,269.7	1,146.8	4.0	2,420.6	487.9	64.9	28.6	581.5	845.6	1,427.1	799.8	193.7	993.5
1964/65	993.5	1,283.4	1.8	2,278.7	514.4	65.5	54.9	634.9	722.7	1,357.6	634.8	286.3	921.1
1965/66	921.1	1,315.6	0.9	2,237.6	517.9	61.5	145.9	725.3	851.8	1,577.1	299.2	361.3	660.5
1966/67	660.5	1,304.9	1.7	1,967.1	505.1	77.4	100.5	683.1	771.3	1,454.3	122.0	390.8	512.8
1967/68	512.8	1,507.6	1.0	2,021.4	517.8	71.3	36.8	625.8	765.3	1,391.2	100.1	530.1	630.2
1968/69	630.2	1,556.6	1.1	2,187.9	522.4	60.8	156.5	739.7	544.2	1,283.9	139.5	764.5	904.0
1969/70	904.0	1,442.7	2.9	2,349.5	520.1	55.5	188.4	764.0	603.0	1,367.0	277.2	705.4	982.6
1970/71	982.6	1,351.6	1.4	2,335.7	517.1	62.1	193.0	772.1	740.8	1,512.9	352.6	470.2	822.8
1971/72	822.8	1,618.6	1.1	2,442.5	523.7	63.2	262.4	849.3	609.8	1,459.1	355.1	628.3	983.4
1972/73	983.4	1,546.2	1.3	2,530.9	531.8	67.4	199.5	798.7	1,135.1	1,933.8	6.3	590.8	597.1
1973/74	597.1	1,710.8	2.6	2,310.5	544.3	84.0	125.1	753.4	1,217.0	1,970.4	0.6	339.5	340.1
1974/75	340.1	1,781.9	3.4	2,125.4	545.0	92.0	34.9	671.9	1,018.5	1,690.4	--	435.0	435.0
1975/76	435.0	2,126.9	2.4	2,564.3	588.5	99.0	38.3	725.8	1,172.9	1,898.7	--	665.6	665.6
1976/77	665.6	2,148.8	2.7	2,817.1	588.0	92.0	74.3	754.4	949.5	1,703.9	--	1,113.2	1,113.2
1977/78	1,113.2	2,045.5	1.9	2,160.6	586.5	80.0	192.5	858.9	1,123.9	1,982.8	48.3	1,129.5	1,177.8
1978/79	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	51.1	873.0	924.1
1979/80	924.1	2,134.1	2.1	3,060.3	596.1	101.0	86.0	783.1	1,375.2	2,158.3	187.8	714.2	902.0
1980/81	902.0	2,380.9	2.5	3,285.4	610.5	113.0	59.0	782.5	1,513.8	2,296.3	199.7	789.4	989.1
1981/82	989.1	2,785.4	2.8	3,777.3	602.4	110.0	134.8	847.2	1,770.7	2,617.9	190.3	696.1	1,159.4
1982/83	1,159.4	2,765.0	7.6	3,932.0	616.4	97.0	194.9	908.3	1,508.6	2,416.9	192.0	1,323.1	1,515.1
1983/84	1,515.1	2,419.8	4.0	3,938.9	642.6	100.0	369.1	1,111.7	1,428.6	2,540.3	188.1	1,210.5	1,398.6
1984/85	1,398.6	2,594.8	9.4	4,002.8	650.9	93.0	409.5	1,153.4	1,424.2	2,577.6	377.6	1,047.6	1,425.2
1985/86	1,425.2	2,424.8	14.7	3,864.7	678.1	88.0	283.2	1,049.3	915.3	1,964.6	601.7	1,298.3	1,900.1
1986/87 4/	1,900.1	2,164.7	5.2	4,070.0	690.0	85.0	300.0	1,075.0	1,150.0	2,225.0	875.0	970.0	1,845.0

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/ Projections.

\* Totals may not add because of rounding.

Table 7--Exports: Wheat, flour, and wheat products, United States, by months, 1980-86\*

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Total
1,000 bushels													
Wheat (grain only)													
1981/82	124,521	138,168	145,428	194,148	156,993	127,495	137,757	124,163	138,719	159,078	148,181	116,496	1,711,147
1982/83	156,914	117,914	124,336	130,992	98,520	94,638	88,457	143,141	146,594	131,134	112,451	96,235	1,441,326
1983/84	113,506	116,701	87,823	119,263	114,810	102,880	128,887	118,357	111,096	118,713	97,132	112,813	1,341,981
1984/85	105,356	133,276	146,187	242,694	137,290	97,283	131,941	106,430	85,493	57,924	67,811	56,588	1,368,272
1985/86	84,264	63,930	86,862	72,206	85,650	82,384	61,857	69,656	70,869	67,393	56,438	46,399	847,905
1986/87	79,416												
Flour (grain equivalent) 1/													
1981/82	5,794	2,779	3,438	2,496	668	411	902	1,767	8,068	5,775	6,955	5,983	45,036
1982/83	4,577	1,364	3,488	2,508	3,904	2,483	999	3,998	8,865	6,532	10,530	7,521	56,769
1983/84	9,611	8,198	7,849	8,801	8,473	3,504	1,245	2,301	3,337	7,438	7,311	8,149	76,217
1984/85	6,828	4,136	1,288	1,693	3,260	1,778	948	403	6,422	5,778	6,563	4,022	43,118
1985/86	3,640	3,072	1,638	3,213	1,303	2,909	8,497	3,756	5,561	5,172	6,582	2,382	47,724
1986/87	5,108												
Wheat products (grain equivalent) 2/													
1981/82	1,827	1,150	1,009	1,037	1,171	1,406	572	1,211	1,875	351	2,246	692	14,547
1982/83	971	465	1,073	984	529	2,604	472	796	492	586	630	935	10,537
1983/84	633	1,075	1,300	578	502	904	1,346	600	1,789	780	363	503	10,373
1984/85	881	670	587	1,076	429	497	824	1,831	935	916	1,956	2,164	12,765
1985/86	1,984	2,472	1,258	2,097	1,683	1,476	1,542	1,449	1,170	1,103	1,590	1,903	19,726
1986/87	1,502												
Total wheat, flour, and products													
1981/82	132,142	142,097	149,875	197,681	158,832	129,312	139,231	127,141	148,662	165,204	157,382	123,171	1,770,730
1982/83	162,462	119,743	128,897	134,485	102,952	99,726	89,928	147,935	155,950	138,252	123,611	104,691	1,508,632
1983/84	123,750	125,974	96,972	128,642	123,785	107,288	131,478	121,258	116,222	126,931	104,806	121,465	1,428,571
1984/85	113,065	138,082	148,062	245,463	140,979	99,558	133,713	108,664	92,851	64,618	76,330	62,774	1,424,159
1985/86	89,888	69,472	89,757	77,516	88,635	86,770	71,896	74,861	77,599	73,667	64,609	50,684	915,355
1986/87	85,576												

1/Includes meal and groats and Durum. 2/Includes macaroni, rolled wheat, and bulgar. \*Totals may not add because of independent rounding.

Source: Bureau of the Census.

Table 8.—Wheat: Inspections for export by class and country of destination, June-May 1985/86

Country	Hard Red Spring	Hard Red Winter	Soft Red Winter	White	Durum	Mixed	Total
	<u>1,000 bushels</u>						
Algeria	0	8,270	11,238	0	28,362	0	47,870
Bangladesh	0	10,123	815	6,894	0	0	17,832
Barbados	853	0	104	0	0	0	957
Belgium	1,278	0	0	0	353	0	1,631
Bolivia	0	4,193	0	0	0	0	4,193
Brazil	0	27,676	0	0	0	0	27,676
Chile	0	7,088	8,031	0	1,853	0	16,972
China (Mainland)	0	0	21,333	0	0	0	21,333
China (Taiwan)	8,784	10,882	0	5,667	0	0	25,333
Columbia	0	16,667	1,638	0	0	0	18,305
Costa Rica	3,940	0	609	0	450	0	4,999
Cyprus	393	786	0	0	259	0	1,438
Dominican Republic	4,717	2,424	677	0	113	226	8,157
Ecuador	168	12,167	312	0	227	1,465	14,339
Egypt	0	0	52,288	4,779	0	0	57,067
El Salvador	3,768	74	1,822	0	241	0	5,905
Ethiopia	0	153	1,260	0	0	0	1,413
Finland	2,231	0	0	227	129	0	2,587
France	639	0	0	0	0	0	639
Ghana	1,795	0	0	0	0	0	1,795
Guatemala	2,832	768	36	0	397	70	4,103
Haiti	2,389	2,741	0	0	0	0	5,130
Honduras	849	782	897	0	104	0	2,632
Hong Kong	1,969	474	0	1,413	0	0	3,856
Indonesia	2,890	4,475	0	2,544	0	0	9,909
Iraq	0	23,257	0	0	0	0	23,257
Israel	0	16,384	890	0	0	0	17,274
Italy	12,492	0	0	0	1,007	0	13,499
Jamaica	1,739	102	3,323	0	0	0	5,164
Japan	35,774	45,614	0	35,147	2,098	0	118,633
Jordan	0	7,833	0	0	0	0	7,833
Kenya	0	3,023	0	0	0	0	3,023
Korea, Republic of	8,950	21,621	99	39,113	0	0	69,783
Malaysia	2,001	377	0	454	0	0	2,832
Malta	417	554	0	0	0	0	971
Morocco	0	23,051	16,256	0	0	0	39,307
Netherlands	9,096	0	243	0	5,207	0	14,546
Nigeria	454	28,637	3,050	0	0	1,673	33,814
Norway	1,848	0	0	0	0	0	1,848
Pakistan	0	0	0	41,855	0	0	41,855
Panama	1,854	0	268	61	345	0	2,528
Peru	0	5,636	33	0	0	0	5,669
Philippines	18,427	0	0	6,747	0	0	25,174
Poland	0	0	0	0	3,397	0	3,397
Portugal	0	12,383	6,576	0	917	0	19,876
Rep. S. Africa	0	1,270	0	0	0	0	1,270
Singapore	667	0	0	81	0	0	748
Sri Lanka	0	4,237	3,560	0	0	0	7,797
Sudan	78	13,509	0	0	0	0	13,587
Thailand	1,321	548	0	616	0	0	2,485
Trinidad	2,398	0	1,639	0	0	0	4,037
Tunisia	0	0	1,700	0	594	0	2,294
Turkey	0	16,879	0	0	0	0	16,879
United Kingdom	388	0	0	0	0	0	388
USSR	0	5,608	0	0	0	0	5,608
Venezuela	14,865	1,242	1,649	0	4,622	0	22,378
Yemen	0	0	0	512	0	0	512
Zaire	0	4,206	1	0	0	0	4,207
Zambia	0	1,411	0	0	0	0	1,411
Zimbabwe	0	1,179	0	0	0	0	1,179
Other	6,942	7,134	1,017	830	552	429	16,904
United States	154,710	349,825	141,260	146,940	51,227	3,863	847,825

Source: Grain Market News, Agricultural Marketing Service.

Table 9.--Wheat and flour: Price relationships at milling centers, annual and by periods, 1981-86

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>										
<b>1981/82</b>										
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
<b>1982/83</b>										
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
<b>1983/84</b>										
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
<b>1984/85</b>										
June-Sept.	9.21	9.78	1.47	11.26	2.05	9.64	10.31	1.21	11.52	1.89
Oct.-Dec.	9.05	9.85	1.47	11.32	2.27	9.16	10.56	1.11	11.67	2.50
Jan.-Mar.	8.77	9.90	1.16	11.06	2.29	9.09	11.27	.83	12.11	3.01
Apr.-May	8.62	9.58	1.16	10.74	2.12	9.34	11.22	.88	12.11	2.77
Mkt. year	8.91	9.78	1.32	11.10	2.18	9.31	10.84	1.01	11.85	2.54
<b>1985/86</b>										
June-Sept.	8.01	8.89	1.10	9.99	1.98	8.68	10.96	.78	11.74	3.06
Oct.-Dec.	8.37	9.10	1.39	10.48	2.11	9.24	11.61	1.06	12.67	3.43
Jan.-Mar.	8.37	9.33	1.10	10.43	2.06	9.05	11.69	.83	12.53	3.48
Apr.-May	8.38	9.70	1.21	10.91	2.53	9.30	11.04	.95	11.99	2.69
Mkt. year	8.28	9.25	1.20	10.45	2.17	9.07	11.32	.91	12.23	3.16

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 10--Wheat: Farm price for leading classes and major feed grains in region, 1982-87 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>														
<u>Central and So. Plains (Hard Winter) 2/</u>														
<u>Wheat:</u>														
1982/83	3.49	3.37	3.34	3.38	3.36	3.43	3.49	3.51	3.51	3.60	3.71	3.68	3.50	3.47
1983/84	3.49	3.34	3.54	3.59	3.56	3.49	3.45	3.48	3.41	3.48	3.62	3.63	3.51	3.56
1984/85	3.46	3.30	3.42	3.45	3.43	3.41	3.36	3.34	3.34	3.34	3.39	3.25	3.37	3.23
1985/86	3.06	2.90	2.85	3.00	3.06	3.22	3.22	3.16	3.10	3.21	3.32	2.92	3.09	3.23
1986/87	2.39													2.35
<u>Sorghum:</u>														
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	2.49	2.49	2.49	2.51	2.60	2.57	2.73	2.69	2.66	3.32
1985/86	2.80	2.64	2.40	2.22	2.06	2.12	2.21	2.33	2.23	2.24	2.35	2.34	2.33	3.32
1986/87	2.23													3.24
<u>Cornbelt (Soft Red Winter) 3/</u>														
<u>Wheat:</u>														
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	3.33	3.43	3.46	3.26	3.38	3.54	3.44	3.39	3.66
1984/85	3.26	3.22	3.29	3.29	3.29	3.40	3.42	3.44	3.39	3.42	3.44	3.19	3.34	3.32
1985/86	3.01	2.94	2.74	2.67	2.77	3.11	3.22	3.18	3.23	3.36	3.42	2.88	3.04	3.32
1986/87	2.40													2.36
<u>Corn:</u>														
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	2.83	2.76	2.76	2.84	2.85	2.91	2.95	2.91	3.08	2.76
1985/86	2.89	2.85	2.65	2.38	2.21	2.38	2.47	2.48	2.49	2.48	2.50	2.59	2.53	2.76
1986/87	2.56													1.94
<u>Northern Plains (Spring and Durum) 4/</u>														
<u>Other spring</u>														
1982/83	3.62	3.59	3.46	3.45	3.44	3.51	3.47	3.45	3.41	3.59	3.79	3.84	3.56	3.57
1983/84	3.81	3.80	3.78	3.69	3.68	3.66	3.59	3.62	3.59	3.68	3.78	3.87	3.71	3.68
1984/85	3.86	3.69	3.52	3.49	3.47	3.46	3.41	3.45	3.46	3.49	3.57	3.56	3.54	3.34
1985/86	3.50	3.30	3.05	3.18	3.35	3.50	3.56	3.51	3.46	3.51	3.57	3.48	3.41	3.34
1986/87	2.80													2.44
<u>Durum:</u>														
1982/83	3.50	3.36	3.10	3.09	3.19	3.25	3.16	3.40	3.22	3.47	3.82	3.99	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	4.07	3.95	3.68
1984/85	3.96	3.73	3.84	3.78	3.75	3.77	3.69	3.63	3.61	3.55	3.60	3.56	3.71	3.34
1985/86	3.53	3.34	3.18	3.08	3.01	3.07	3.16	3.17	3.17	3.20	3.28	3.41	3.22	3.34
1986/87	3.29													2.44
<u>Pacific Northwest (White) 5/</u>														
<u>Wheat:</u>														
1982/8	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
1983/8	3.78	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
1984/8	3.71	3.26	3.32	3.31	3.38	3.38	3.35	3.43	3.45	3.53	3.57	3.54	3.44	3.43
1985/8	3.35	2.97	3.05	3.15	3.28	3.39	3.44	3.40	3.41	3.52	3.60	3.49	3.34	3.43
1986/87	2.37													2.50
<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	2.91	2.98	3.02	2.98	2.97	3.00	2.97	2.87	3.03	2.74
1985/86	2.68	2.56	2.61	2.55	2.52	2.67	2.77	2.72	2.65	2.53	2.48	2.54	2.61	2.74
1986/87	2.19													1.67
<u>U.S. average</u>														
<u>Wheat:</u>														
1982/83	3.39	3.26	3.34	3.38	3.43	3.48	3.51	3.57	3.57	3.66	3.75	3.75	6/3.55	3.55
1983/84	3.50	3.34	3.61	3.65	3.61	3.54	3.48	3.50	3.40	3.49	3.63	3.66	6/3.53	3.65
1984/85	3.46	3.28	3.43	3.43	3.43	3.45	3.38	3.38	3.38	3.38	3.34	3.29	6/3.38	3.30
1985/86	3.09	2.93	2.89	3.00	3.09	3.23	3.25	3.19	3.15	3.28	3.36	3.02	6/3.16	3.30
1986/87	2.48													2.40

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 11--Wheat: Cash prices for leading classes at major markets, 1981-86

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
<u>Dollars per bushel</u>													
<b>KANSAS CITY, NO. 1 HARD RED WINTER (ORDINARY PROTEIN)</b>													
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	3.89	3.84
1984/85	3.80	3.67	3.80	3.89	3.86	3.85	3.76	3.76	3.74	3.67	3.62	3.42	3.74
1985/86	3.38	3.17	3.03	3.07	3.15	3.35	3.42	3.32	3.30	3.36	3.45	3.40	3.28
1986/87	2.80	2.50											
<b>13% PROTEIN</b>													
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	4.14
1984/85	4.15	3.99	3.98	4.03	4.01	3.99	3.91	3.87	3.87	3.80	3.84	3.72	3.93
1985/86	3.72	3.53	3.36	3.41	3.50	3.70	3.81	3.69	3.65	3.67	3.70	3.65	3.62
1986/87	2.90	2.70											
<b>CHICAGO, NO. 2 SOFT RED WINTER</b>													
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	3.51	3.62	3.49	3.51	3.55	3.58	3.63	3.34	3.51
1985/86	3.27	3.09	2.87	2.83	3.04	3.33	3.46	3.34	3.37	3.40	3.39	3.25	3.22
1986/87	2.52	2.58											
<b>ST. LOUIS, NO. 2 SOFT RED WINTER</b>													
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	3.60	3.72	3.67	3.69	3.65	3.67	3.65	3.24	3.57
1985/86	3.29	3.07	2.84	2.85	3.10	3.42	3.58	3.48	3.49	3.64	3.66	2.74	3.26
1986/87	2.61	2.60											
<b>TOLEDO, NO. 2 SOFT RED WINTER</b>													
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	3.43	3.53	3.43	3.52	3.56	3.54	3.58	3.30	3.48
1985/86	3.22	3.02	2.77	2.74	2.90	3.18	3.39	3.32	3.34	3.47	3.30	3.22	3.16
1986/87	2.58	2.55											
<b>TOLEDO, NO. 2 SOFT WHITE</b>													
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	3.41	3.51	3.41	3.50	3.53	3.48	3.48	3.18	3.42
1985/86	3.13	3.02	2.89	2.89	3.12	3.30	3.41	3.26	3.26	3.31	2.89	2.93	3.12
1986/87	2.50	2.52											
<b>PORTLAND, NO. 1 SOFT WHITE</b>													
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	3.73	3.78	3.76	3.77	3.83	3.93	3.94	3.91	3.82
1985/86	3.73	3.57	3.45	3.57	3.72	3.77	3.80	3.75	3.74	3.85	3.88	3.78	3.72
1986/87	3.03	2.75											
<b>MINNEAPOLIS, NO. 1 DARK NO. SPRING (ORDINARY PROTEIN)</b>													
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	3.64	3.64	3.48	3.47	3.52	3.55	3.64	3.55	3.70
1985/86	3.54	3.29	2.87	2.97	3.01	3.42	3.45	3.38	3.32	3.33	3.42	3.05	3.25
1986/87	2.51	2.17											
<b>14% PROTEIN</b>													
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	4.03	4.02	3.92	3.90	3.92	3.94	4.36	4.02	4.06
1985/86	3.99	3.77	3.56	3.76	3.91	4.09	4.16	3.97	3.90	4.00	4.17	4.03	3.94
1986/87	3.17	3.00											
<b>HARD AMBER DURUM, (MILLING)</b>													
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	4.47	4.46	4.43	4.34	3.37	4.33	4.36	4.32	4.44
1985/86	4.16	4.05	3.99	4.07	4.03	4.08	4.09	4.01	4.01	3.99	4.07	4.24	4.07
1986/87	3.79												

Source: Grain Market News, Agricultural Marketing Service.

Table 12--Wheat: Domestic and foreign prices, 1977-86

Year and month	United States				Foreign		
	Farm 1/	Kansas City 2/	Gulf ports 3/	Rotterdam 4/	Argentina 5/	Canada 6/	Australia 7/
Dollars per metric ton							
Calendar year							
1977	83	94	105	126	100	116	113
1978	105	116	131	147	126	134	119
1979	130	147	162	186	159	171	142
1980	140	159	176	213	203	192	176
1981	141	160	176	210	190	194	175
1982	130	147	161	195	166	165	160
1983	132	145	158	185	138	169	161
1984	127	140	153	180	135	166	153
1985	117	125	137	169	106	173	141
1985							
January	124	138	149	184	109	164	153
February	124	137	149	183	111	164	150
March	124	135	146	166	114	166	149
April	126	133	146	172	113	174	148
May	121	126	137	169	112	172	145
June	114	124	134	165	107	173	141
July	108	116	130	155	107	171	134
August	106	111	124	148	98	160	128
September	110	113	128	158	93	177	131
October	114	116	130	169	92	179	134
November	119	123	136	178	98	184	139
December	116	126	139	184	114	196	144
1986							
January	117	122	133	178	108	189	140
February	116	121	131	176	102	183	133
March	121	123	136	164	97	189	139
April	123	127	138	172	96	187	137
May	111	125	128	163	90	185	131
June	91	102	107	135	85	169	114
July	84	91	103	128	81	160	104

NA = Not available.

1/ Winter wheat. 2/ No. 1, Hard Winter, ordinary protein. 3/ No. 2, Hard Winter, ordinary protein, f.o.b vessel. 4/ U.S., No. 2 Hard Winter, 13.5 percent, c.i.f. Dark Northern Spring, 14 percent, c.i.f. 5/ f.o.b Buenos Aires. 6/ No. 1, CWRS, 13.5 percent, in-store, St. Lawrence. 7/ ASW, f.o.b.

Table 13—Wheat and wheat flour: World trade, production, stocks, and utilization, July–June 1982–87

Country or region	1982/83	1983/84	1984/85	1985/86	1986/87 as of Aug. 13
Million metric tons					
<b>Exports</b>					
Canada	21.4	21.8	19.4	16.7	19.5
Australia	8.1	10.6	15.3	15.7	14.5
Argentina	7.5	9.7	8.0	6.1	4.6
EC-12	16.3	15.5	18.5	15.5	15.0
USSR	0.5	1.0	1.0	1.0	1.0
All others	5.0	5.1	6.6	4.9	5.6
Total non-U.S.	58.8	63.1	68.8	60.0	60.2
USA 1/	39.9	38.9	38.1	25.0	31.5
World total	98.7	102.0	106.9	85.0	91.7
<b>Imports</b>					
EC-12	4.6	4.5	3.0	2.9	2.6
USSR	20.2	20.5	28.1	16.0	19.0
Japan	5.8	5.9	5.6	5.4	5.5
E. Europe	4.5	3.8	2.6	3.4	3.2
China	13.0	9.6	7.4	6.3	7.0
All others	50.6	57.7	60.2	51.1	54.5
World total	98.7	102.0	106.1	85.0	91.7
<b>Production 2/</b>					
Canada	26.7	26.5	21.2	23.9	29.5
Australia	8.9	22.0	18.7	16.1	15.0
Argentina	15.0	12.8	13.2	8.5	9.6
EC-12	64.7	63.8	82.8	71.6	71.4
USSR 3/	86.0	79.0	73.0	83.0	76.0
E. Europe	34.7	35.4	42.0	37.8	39.3
China	68.4	81.4	87.8	85.3	87.5
India	37.5	42.8	45.5	44.2	47.0
All other foreign	62.1	61.4	60.8	66.5	71.5
USA	75.3	65.9	70.6	66.0	58.9
World total	479.2	491.0	515.6	502.8	505.6
<b>Utilization 3/</b>					
USA	24.7	30.2	31.4	28.6	29.3
USSR 4/	105.7	97.0	96.1	98.0	97.0
China	81.4	91.0	95.2	91.6	94.5
All other foreign	256.1	267.8	277.5	276.1	285.1
World total	467.9	486.0	500.2	494.2	505.9
<b>Stocks, ending 5/</b>					
	96.3	101.3	116.7	125.3	125.1

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 and Outlook, USDA, Foreign Agricultural Service.

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