

# AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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

#68

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## STRONGER DEMAND FOR SOYBEANS CUTS CARRYOVER ESTIMATE

The demand for U.S. soybeans and products this year is proving stronger than earlier estimated due to smaller than expected supplies of Indian peanuts and USSR sunflowerseed and a reduced 1978 Brazilian soybean crop--now estimated at 10.5 to 11.0 million metric tons versus 12.0 million last year.

The estimate of the U.S. soybean crush has been increased by 25 million bushels from our previous report, reflecting the strong demand for oil and meal, along with an adjustment for reduced oil and meal yields per bushel.

Soybean exports have been boosted 15 million bushels because of the expected shortfall in Brazilian exportable supplies this spring and summer.

U.S. use of soybean oil and exports were revised upward slightly to reflect recent strengthening in demand at home and abroad. Domestic meal use was raised 400,000 short tons to 16.4 million tons because of heavier than expected feeding of soybean meal.

The U.S. soybean carryover for next September 1 has been revised downward about 40 million bushels from our previous report to 215 million bushels. This is still about double last year. Soybean prices currently are favorable relative to corn and cotton, which lends support to earlier indications that soybean plantings will be higher this year, perhaps 8 percent or so.

## DOMESTIC RICE USE REDUCED

Domestic use of rice for 1977/78 has been reduced 1.5 million cwt. from our last report to 43.8 million. A smaller utilization by brewers is expected to cut industrial use for the first time since 1970/71. Part of this decline is offset by the increased seed purchases expected for 1978 crop plantings. With no other changes, ending stocks are raised accordingly.

## NOTE TO USERS:

Wheat, feed grain, and cotton projections are unchanged from our last report. Totals on tables in this report may not add and conversions between measures may not be exact due to rounding.

## SOYBEANS AND PRODUCTS (Domestic Measure) 1/

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*****
Commodity      : 1975/76 : 1976/77:   1977/78
                :         : Est. : Proj.: Prob.Variab. 2/
*****
SOYBEANS:      :
Area           :           Million acres
  Planted      :   54.6   50.2   59.1
  Harvested    :   53.6   49.4   57.9
Yield per harvested :           Bushels per acre
  unit        :   28.9   26.1   29.6
                :           Million bushels
Beginning stocks :   188    245    103
Production       : 1,547   1,288   1,716
  Supply, total  : 1,735   1,533   1,819
Crushings        :   865    790    900    +40 to -40
Exports          :   555    564    625    +35 to -35
Seed, feed, &   :
  residual      :    70    76     79
Disappearance, total : 1,490   1,430   1,604   +50 to -50
Ending stocks    :    245    103    215   +50 to -50
Season average   :
  farm price($/bu.) : 4.92    6.81   5.50 - 6.00
SOYBEAN OIL:    :           Million pounds
Beginning stocks :    561   1,251    767
Production       : 9,630   8,578   9,833 3/+400 to -400
  Supply, total  : 10,191  9,829   10,600
Domestic         : 7,964   7,515   7,900  +400 to -400
Exports          :    976   1,547   1,800  +200 to -200
Disappearance, total : 8,940   9,062   9,700  +300 to -300
Ending stocks    : 1,251    767    900  +200 to -200
Average price    :
(cts./lb.) 4/   : 18.3    24     20 - 24
SOYBEAN MEAL:   :           Thousand short tons
Beginning stocks :    358    355    228
Production       : 20,754  18,488  21,547 3/+900 to -900
  Supply, total  : 21,112  18,843  21,775
Domestic         : 15,612  14,056  16,400  +700 to -700
Exports          :  5,145   4,559   5,000  +300 to -300
Disappearance, total : 20,757  18,615  21,400  +800 to -800
Ending stocks    :    355    228    375  +100 to -100
Av. price($/ton) 5/ : 147.80  199.80  140 - 180
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1/ Marketing year beginning Sept. 1 for soybeans; Oct. 1 for soybean oil and meal. 2/ The "probable variability" reflects the ESCS estimate of "root mean square error" for production. The chances are about 2 out of 3 that the final outcome would fall within the indicated range. Comparable estimates of variability are used for other items in the S/U balance. 3/ Based on Oct.-Sept. year crush of 915 million bu. 4/ Simple average of crude soybean oil price at Decatur. 5/ Simple average of 44% protein, Decatur.

## SOYBEANS AND PRODUCTS (Metric Measure) 1/ 2/

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*****
Commodity      : 1975/76 : 1976/77 :      1977/78
                :          : Est.   : Proj. : Prob. Variab.3/
*****
SOYBEANS:      :
Area           :          : Million hectares
  Planted      : 22.1    : 20.3    : 23.9
  Harvested   : 21.7    : 20.0    : 23.4
Yield per harvested:      : Metric tons per hectare
  unit        : 1.94    : 1.76    : 1.99
                :          : Million metric tons
Beginning stocks : 5.1     : 6.7     : 2.8
Production      : 42.1    : 35.1    : 46.7
  Supply, total : 47.2    : 41.7    : 49.5
Crushings       : 23.5    : 21.5    : 24.5    +1.1 to -1.1
Exports         : 15.1    : 15.3    : 17.0    +1.0 to -1.0
Seed, feed, and :          :
  residual     : 1.9     : 4/ 2.1  : 2.2
Disappearance, total: 40.6   : 38.9    : 43.7    +1.4 to -1.4
Ending stocks   : 6.7     : 2.8     : 5.9     +1.4 to -1.4
Season avg. farm :          :
  price ($/MT) : 180.78  : 250     : 202 - 220
SOYBEAN OIL:   :          : Thousand metric tons
Beginning stocks : 254     : 567     : 348
Production      : 4 368   : 3 891   : 4 460 4/ +181 to -181
  Supply, total : 4 623   : 4 458   : 4 808
Domestic        : 3 612   : 3 409   : 3 583    +181 to -181
Exports         : 443     : 702     : 816      +91 to -91
Disappearance, total: 4 055   : 4 111   : 4 400    +136 to -136
Ending stocks   : 567     : 348     : 408      +91 to -91
Av. price ($/MT) 5/ : 403.44  : 529     : 441 - 529
SOYBEAN MEAL:  :          : Thousand metric tons
Beginning stocks : 325     : 322     : 207
Production      : 18 828  : 16 772  : 19 547 4/ +816 to -816
  Supply, total : 19 152  : 17 094  : 19 754
Domestic        : 14 163  : 12 751  : 14 878    +635 to -635
Exports         : 4 667   : 4 136   : 4 536    +272 to -272
Disappearance, total: 18 830  : 16 887  : 19 414    +726 to -726
Ending stocks   : 322     : 207     : 340      +91 to -91
Av. price($/MT) 6/ : 162.92  : 220     : 154 - 198
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1/ Marketing year beginning Sept. 1 for soybeans, Oct. 1 for soybean oil and meal. 2/ Conversion factor: Hectare = 2.471 acres; Metric ton = 2204.6 pounds or 36.7437 bushels. 3/ The "probable variability" reflects the ESCS estimate of "root mean square error" for production. The chances are about 2 out of 3 that the final outcome would fall within the indicated range. Comparable estimates of variability are used for other items in the S/U balance. 4/ Based on Oct.-Sept. year crush of 24.9. 5/ Simple average of crude soybean oil price at Decatur. 6/ Simple average of 44% protein, Decatur.

## RICE 1/

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*****
Commodity          : 1975/76 : 1976/77 :      1977/78
                   :          : Prelim. : Proj.:Prob.Variab.2/
*****
                   :          :          :          :
                   :          :          :          : DOMESTIC MEASURE
Area               :          :          :          : Million acres
  Allotment       : 1.80   : 1.80   : 1.80
  Planted         : 2.83   : 2.49   : 2.26
  Harvested      : 2.82   : 2.48   : 2.25
Yield per harvested :          :          :          : Pounds per acre
  unit           : 4,558  : 4,663  : 4,412
                   :          :          :          : Million cwt.
Beginning stocks  : 7.1    : 36.9   : 40.5
Production       : 128.4  : 115.6  : 99.2
Imports          : --     : .1     : --
  Supply, total   : 135.5  : 152.6  : 139.7
Domestic         : 40.3   : 42.7   : 43.8      +2 to -2
Exports         : 56.5   : 65.6   : 68.0      +5 to -5
Disappearance, total : 96.8   : 108.3  : 111.8     +5 to -5
Ending stocks    : 36.9   : 40.5   : 27.9      +5 to -5
Diff. unaccounted : +1.9   : +3.8
Season average farm :
  price ($/cwt.) : 8.35   : 7.02   : 9.00-9.50
                   :          :          :          : METRIC MEASURE
Area               :          :          :          : Million hectares
  Allotment       : 0.73   : 0.73   : 0.73
  Planted         : 1.15   : 1.01   : 0.92
  Harvested      : 1.14   : 1.00   : 0.91
Yield per harvested :          :          :          : Metric tons per hectare
  unit           : 5.11   : 5.23   : 4.95
                   :          :          :          : Million metric tons
Beginning stocks  : 0.32   : 1.67   : 1.83
Production       : 5.82   : 5.24   : 4.50
Imports          : --     : .01    : --
  Supply, total   : 6.15   : 6.92   : 6.33
Domestic         : 1.83   : 1.94   : 1.99      +0.09 to -0.09
Exports         : 2.56   : 2.98   : 3.08      +0.23 to -0.23
  Disappearance, total : 4.39   : 4.92   : 5.07      +0.23 to -0.23
Ending stocks    : 1.67   : 1.83   : 1.26      +0.23 to -0.23
Difference unaccounted : +0.09   : +0.17
Season average farm :
  price ($/MT)   : 184    : 155    : 198-209
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1/ Marketing year beginning August 1. 2/ Conversion factor: Hectare = 2.471 acres; Metric ton = 2204.6 pounds or 36.7437 bushels (wheat); 22.046 cwt (rice). 3/ Chances are about 2 out of 3 that the final outcome would fall within the indicated range.