

AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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

#78

November 13, 1978

HIGHLIGHTS

Estimated yields were raised further for corn and soybeans during October. Season-ending total grain stocks are now projected at around 83 million tons, some 10 million above beginning stocks. Despite large grain and soybean supplies, prices are being supported by strong export demand, expanding feed use, farmer holdings and heavy use of the reserve programs. With slightly lower cotton production indicated abroad, U.S. export estimates have been raised.

Feed Grain Crop Up Slightly

With nearly ideal harvesting conditions, total feed grain production was estimated at 211 million metric tons as of November 1, up 1 percent from October. Domestic and export disappearance prospects are unchanged. Despite a larger world coarse grain crop, strong foreign markets are maintaining exports. The estimate of ending stocks for 1978/79 was raised by the amount of increase in estimated production.

The lower ends of price forecast ranges for corn and sorghum were raised slightly to account for higher-than-expected harvesttime prices. Placement of corn into the farmer-owned reserve continues at a heavy pace. As of November 3, nearly 15 million tons of feed grains including 11.6 million tons of corn (455 million bushels) were in the reserve. Over the past month, weekly entries of corn into the reserve have been averaging about 25 million bushels.

Soybean and Product Market Prospects Improve

With continued strong world demand for high protein meal and reduced availability of competitive supplies, U.S. exports of soybeans and meal (soybean equivalent) were each increased 10 million bushels from October 12 estimates. U.S. soybean exports during 1978/79 are now expected to total around 740 million bushels, up 40 million from last year's record. Exports so far this year are running about 40 million bushels above a year ago and further year-to-year gains are likely in the weeks ahead. However, as competitive supplies of soybeans and meal from South America, come on the world market, U.S. exports will slow later in 1979/80. With production about in balance with projected use, the U.S. farm price for soybeans is forecast between \$6 to \$7 per bushel.

Oil markets have been stronger than anticipated recently. Domestic use was increased slightly from the October 12 forecast, while exports were trimmed. For the entire season, soybean oil exports are projected around 15 percent below the 1977/78 level due to the increased production of edible oils abroad and prospects for reduced U.S. shipments under P.L. 480. The average U.S. oil price is projected at 25 cents per pound, slightly above 1977/78.

Heavy Early Season Export Movement Supporting Rice Prices

November 1 conditions indicate little change in the record 1978 rice crop. With big U.S. supplies, prices are relatively steady, as heavy early season export movement supports the market. Producer prices for the season are expected to average \$7.00 to \$7.50 per cwt., down from \$9.43 in 1977/78.

Wheat estimates are unchanged from October 24.

Cotton Export Outlook Brightens

Based on November 1 conditions, the 1978/79 U.S. cotton crop is forecast at 11 million bales, 1 percent above the October forecast, but 24 percent below 1977 output. Harvested acreage is estimated at 12.3 million, 1 million below last season. Average yield is forecast at 429 pounds per harvested acre, up slightly from the October forecast, but 91 pounds below 1977.

The outlook for U.S. cotton exports has improved and for the 1978/79 season exports are forecast at 5.8 million bales. Domestic cotton mill use remains slow, although some improvement in the denim market is evident. Mill use is estimated at 6.3 million bales for the season. With projected disappearance slightly above last season's 12 million bales, carryover next August 1 is forecast at 4.4 million, almost 1 million below this season's beginning level. The range of uncertainty is still relatively wide, with prospective U.S. stocks likely to range between 3-1/2 and 5 million bales.

GRAINS--UNITED STATES

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*****
Item : Wheat : Rice : Corn : Feed : Total
      : : (Rough): :Grains4/:Grains
*****
      : (Million metric tons)
1976/77
Beginning stocks : 18.1 1.7 10.0 17.2 37.0
Production : 58.3 5.2 159.2 193.4 256.9
Supply, Total 1/ : 76.5 6.9 169.4 211.0 294.4
:
Feed use : 2.8 --- 91.1 112.6 115.5
Food & other use : 17.6 1.9 13.0 17.9 37.3
Exports : 25.8 3.0 42.8 50.6 79.4
Use, Total : 46.2 4.9 146.9 181.1 232.2
Ending stocks : 30.3 1.8 22.5 29.9 62.0
Average farm price 2/ : 100 155 85 --- ---
:
1977/78 (preliminary)
Beginning stocks : 30.3 1.8 22.5 29.9 62.0
Production : 55.1 4.5 161.8 201.8 261.4
Supply, Total 1/ : 85.5 6.3 184.3 232.0 323.8
:
Feed use : 5.2 --- 93.9 116.9 122.1
Food & other use : 17.7 1.7 13.9 18.8 38.2
Exports : 30.6 3.3 49.5 56.3 90.2
Use, Total : 53.5 5.0 157.3 192.0 250.5
Ending stocks : 32.0 1.2 27.0 40.0 73.2
Average farm price 2/ : 85 208 80 --- ---
:
1978/79 (projected) 3/
Beginning stocks : 32.0 1.2 27.0 40.0 73.2
Production : 48.4 6.3 175.0 211.1 265.8
Supply, Total 1/ : 80.4 7.5 202.1 251.4 339.3
Feed use : 3.4 --- 100.3 124.6 128.0
Food & other use : 17.5 2.0 14.5 19.4 38.9
Exports : 31.3 3.0 48.3 54.9 89.2
Use, Total : 52.6 5.0 163.1 198.9 256.5
Ending stocks : 28.2 2.5 39.0 52.5 83.2
Average farm price 2/ : 103-110 154-165 79-85 --- ---
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1/ Including imports. 2/ Dollars per metric ton. 3/ Probable variability of supply-use projections are shown on the individual grains tables. 4/ Including corn.

GRAIN CARRYOVER STOCKS, FARMER-OWNED CCC RESERVES AND
PRICES 1/

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*****
Crop                                     :           Preliminary Projected
                                           : 1976/77   1977/78   1978/79
*****
                                           :           Million metric tons
WHEAT
Ending stocks, total                    :    30.3     32.0     28.2
  Farmer-owned reserve                   :     ---      9.3     11.0
  CCC reserve                             :     ---      1.3      1.4
Average farm price 2/                    :     100      85     103-110
:
CORN
Ending stocks, total                    :    22.5     27.0     39.0
  Farmer-owned reserve                   :     ---      8.0     13.3
  CCC reserve                             :     ---      .3      1.5
Average farm price 2/                    :      85      80     79-85
:
TOTAL FEED GRAINS
Ending stocks, total                    :    29.9     40.0     52.5
  Farmer-owned reserve                   :     ---     10.5     17.0
  CCC reserve                             :     ---      .7      2.0
:
RICE
Ending stocks, total                    :      1.8      1.2      2.5
  Farmer-owned reserve                   :     ---      ---      .4
  CCC reserve                             :      .8      .5      1.0
Average farm price 2/                    :     155     208     154-165
:
TOTAL GRAINS
Ending stocks, total                    :    62.0     73.2     83.2
  Farmer-owned reserve                   :     ---     19.8     28.4
  CCC reserve                             :      .8      2.5      4.4
*****

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1/ Farmer-owned reserves and CCC inventory are as of June 1 for wheat, Oct. 1 for feed grains, and August 1 for rice. 2/ Dollars per metric ton.

FEED GRAINS AND CORN 1/

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*****
Commodity      : 1976/77 : 1977/78 : 1978/79
                :          : Estimated: Proj. : Prob. Variab. 2/
*****
:
FEED GRAINS:  :
Area          :          : Million acres
  Planted     : 128.7   : 128.1   : 121.4
  Harvested   : 106.3   : 107.0   : 102.6
Yield per harv. :          : Metric tons
  acre       : 1.82    : 1.89    : 2.06
:
:          : Million metric tons
Beginning stocks : 17.2    : 29.9    : 40.0
Production       : 193.4   : 201.8   : 211.1      +3 to -3
Imports          : 0.4     : 0.3     : 0.3
  Supply, total  : 211.0   : 232.0   : 251.4
Feed            : 112.6   : 116.9   : 124.6      +7 to -7
Food, seed, &  :
  indust.       : 17.9    : 18.8    : 19.4
  Domestic, total : 130.5   : 135.7   : 144.0      +7 to -7
Exports         : 50.6    : 56.3    : 54.9      +5 to -5
  Use, total     : 181.1   : 192.0   : 198.9     +10 to -10
Ending stocks   : 29.9    : 40.0    : 52.5      +7 to -7
:
CORN:         :
Area          :          : Million acres
  Planted     : 84.4    : 82.7    : 78.5
  Harvested   : 71.3    : 70.0    : 68.1
Yield per harv. :          : Bushels
  unit       : 87.9    : 91.0    : 101.2
:
:          : Million bushels
Beginning stocks : 399     : 884     : 1,064
Production       : 6,266   : 6,371   : 6,890     +150 to -150
Imports          : 3       : 3        : 1
  Supply, total  : 6,668   : 7,258   : 7,955
Feed            : 3,587   : 3,698   : 3,950     +200 to -200
Food, seed, &  :
  indust.       : 513     : 548     : 570
  Domestic, total : 4,100   : 4,246   : 4,520     +200 to -200
Exports         : 1,684   : 1,948   : 1,900     +150 to -150
  Use, total     : 5,784   : 6,194   : 6,420     +300 to -300
Ending stocks   : 884     : 1,064   : 1,535     +200 to -200
Avg. farm price 3/: 2.15    : 2.03    : 2.00-2.15
*****

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1/ Marketing year beginning October 1 for corn and sorghum; June 1 for barley and oats. 2/ The "probable variability" reflects the "root mean square error" and/or "standard error of estimate" from trend and judgment. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges. 3/ Season average farm price, dollars per bushel.

SORGHUM, BARLEY, AND OATS 1/

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*****
Commodity      : 1976/77 : 1977/78 : 1978/79
                :          : Prelim. : Proj.: Prob. Variab.2/
*****
SORGHUM:      :          :          :          :
Yield/harv. unit : 48.9    56.2    52.4
                :          :          :          :
                :          :          :          : Million bushels
Beginning stocks : 51      91      191
Production       : 720     791     704    +25 to -25
Imports          :
  Supply, total  : 771     882     890
Feed            : 428     471     505    +30 to -30
Food, seed,& indt.: 6        7        6
  Domestic, total : 434     478     511    +30 to -30
Exports         : 246     213     220    +30 to -30
  Use, total     : 680     691     731    +45 to -45
Ending stocks   : 91      191     164    +40 to -40
Avg. farm price 3/: 2.03    1.73    1.90-2.05
BARLEY:        :          :          :          :
Yield/harv. unit : 44.9    43.8    48.1
                :          :          :          :
                :          :          :          : Million bushels
Beginning stocks : 128     126     171
Production       : 372     416     438
Imports         : 11      9        10
  Supply, total  : 511     551     619
Feed            : 161     163     185    +25 to -25
Food, seed,& indt.: 158     160     162
  Domestic, total : 319     323     347    +25 to -25
Exports         : 66      57      40     +10 to -10
  Use, total     : 385     380     387    +30 to -30
Ending stocks   : 126     171     232    +20 to -20
Avg. farm price 3/: 2.25    1.80    1.80-1.90
OATS:          :          :          :          :
Yield/harv. unit : 45.7    55.6    49.9
                :          :          :          :
                :          :          :          : Million bushels
Beginning stocks : 205     165     310
Production       : 546     748     596
Imports         : 1        2        1
  Supply, total  : 752     915     907
Feed            : 489     510     510    +30 to -30
Food, seed,& indt.: 88      84      85
  Domestic total : 577     594     595    +30 to -30
Exports         : 10      11      10     +2 to -2
  Use, total     : 587     605     605    +30 to -30
Ending stocks   : 165     310     302    +30 to -30
Avg. farm price 3/: 1.56    1.14    1.05-1.15
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1/ Marketing year beginning October 1 for sorghum, June 1 for barley and oats. 2/ The "probable variability" reflects the "root mean square error" and/or "standard error of estimate" from trend and judgment. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges. 3/ Season average farm price, dollars per bushel.

SOYBEANS AND PRODUCTS (Domestic Measure) 1/

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*****
Commodity      : 1976/77 : 1977/78 : 1978/79
                :          : Prelim. : Proj. : Prob. Variab.2/
*****
SOYBEANS:      :
Area           :          : Million acres
  Planted      :   50.2   :   58.8   :   64.4
  Harvested    :   49.4   :   57.6   :   63.3
Yield per harv. :          : Bushels/acre
  unit        :   26.1   :   30.6   :   28.6
                :          : Million bushels
Beginning stocks :   245    :   103    :   159
Production      :  1,288   :  1,762   :  1,810   +50 to -50
  Supply, total :  1,533   :  1,865   :  1,969   +50 to -50
Crushings       :   790    :   927    :   980    +40 to -40
Exports         :   564    :   700    :   740    +40 to -40
Seed and feed   :    62    :    69    :    70
Residual        :    14    :    10    :    14
  Use, total    :  1,430   :  1,706   :  1,804   +60 to -60
Ending stocks   :    107   :    159   :    165   +50 to -50
Avg. farm price :   6.81   :   5.80   :   6.50   +.50 to -.50
SOYBEAN OIL:   :          : Million pounds
Beginning stocks :  1,251   :   767    :   738
Production      :  8,578   : 10,288   : 10,632   +400 to -400
  Supply, total :  9,829   : 11,055   : 11,370   +400 to -400
  Domestic      :  7,515   :  8,260   :  8,600   +400 to -400
  Exports       :  1,547   :  2,057   :  1,700   +300 to -300
  Use, total    :  9,062   : 10,317   : 10,300   +400 to -400
Ending stocks   :    767   :    738   :  1,070   +200 to -200
Avg. price 3/   :    24    :   24.5   :    25    +3 to -3
SOYBEAN MEAL:  :          : Thousand short tons
Beginning stocks :    355   :    228   :    243
Production      : 18,488   : 22,373   : 23,277   +1000 to -1000
  Supply, total : 18,843   : 22,601   : 23,520   +1000 to -1000
  Domestic      : 14,056   : 16,278   : 17,150   +800 to -800
  Exports       :  4,559   :  6,080   :  6,000   +400 to -400
  Use, total    : 18,615   : 22,358   : 23,150   +1000 to -1000
Ending stocks   :    228   :    243   :    370   +75 to -75
Avg. price 4/   : 199.80   : 164.20   : 180.00   +20 to -20
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1/ Marketing year beginning September 1 for soybeans, October 1 for soybean oil and meal. 2/ The "probable variability" reflects the "root mean square error" and/or "standard error of estimate" from trend and judgment. Chances are about 2 out of 3 that outcomes will fall within the indicated ranges. 3/ Simple season average of crude soybean oil, Decatur, cents per pound. 4/ Simple season average of 44% protein, Decatur, dollars per short ton.

SOYBEANS AND PRODUCTS (Metric Measure) 1/

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*****
Commodity      : 1976/77 : 1977/78 : 1978/79
                :          : Prelim. : Proj. : Prob. Variab. 2/
*****
SOYBEANS:      :
Area           :          Million hectares
  Planted      :    20.3    23.8    26.1
  Harvested   :    20.0    23.3    25.6
Yield per harv. :          Metric tons/hectare
  unit        :    1.76    2.06    1.92
                :          Million metric tons
Beginning stocks :    6.7     2.8     4.3
Production      :    35.1    48.0    49.3    +1.4 to -1.4
  Supply, total :    41.7    50.8    53.6    +1.4 to -1.4
Crushings       :    21.5    25.2    26.7    +1.1 to -1.1
Exports         :    15.3    19.1    20.1    +1.1 to -1.1
Seed and feed   :    1.7     1.9     1.9
Residual        :    0.4     .3      .4
  Use, total    :    38.9    46.4    49.1    +1.6 to -1.6
Ending stocks   :    2.8     4.3     4.5    +1.4 to -1.4
Avg. farm price :    250     213     239    +18 to -18
SOYBEAN OIL:   :          Thousand metric tons
Beginning stocks :    567     348     335
Production      :    3,891   4,667   4,823   +180 to -180
  Supply, total :    4,458   5,015   5,157   +180 to -180
Domestic        :    3,409   3,747   3,901   +180 to -180
Exports         :    702     933     771    +140 to -140
  Use, total    :    4,111   4,680   4,672   +180 to -180
Ending stocks   :    348     335     485    +90 to -90
Avg. price 3/   :    529     540     551    +65 to -65
SOYBEAN MEAL:  :          Thousand metric tons
Beginning stocks :    322     207     220    +45 to -45
Production      :    16,772  20,296  21,117  +900 to -900
  Supply, total :    17,094  20,503  21,337  +900 to -900
Domestic        :    12,751  14,767  15,558  +725 to -725
Exports         :    4,136   5,516   5,443   +365 to -365
  Use, total    :    16,887  20,283  21,001  +900 to -900
Ending stocks   :    207     220     336    +70 to -70
Avg. price 4/   :    220     181     198    +20 to -20
*****

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1/ Marketing year beginning September 1 for soybeans, October 1 for soybean oil and meal. 2/ The "probable variability" reflects the "root mean square error" and/or "standard error of estimate" from trend and judgment. Chances are about 2 out of 3 that outcomes will fall within the indicated ranges. 3/ Simple season average of crude soybean oil, Decatur, dollars per metric ton. 4/ Simple season average of 44% protein, Decatur, dollars per metric ton.

WHEAT AND RICE 1/

 Commodity : 1976/77 : 1977/78 : 1978/79
 : : Prelim. : Proj. Prob. Variab.2/

WHEAT: :
 Area : Million acres
 Planted : 80.2 74.8 66.3
 Harvested : 70.8 66.2 56.5
 Yield per harv. : Bushels
 unit : 30.3 30.6 31.5
 : Million bushels
 Beginning stocks : 665 1,112 1,176
 Production : 2,142 2,026 1,778 +25 to -25
 Imports : 3 2 2
 Supply, total : 2,810 3,140 2,956 +25 to -25
 Domestic :
 Food : 553 569 565 +10 to -10
 Seed : 92 80 80 +5 to -5
 Feed : 103 191 125 +50 to -50
 Domestic, total : 748 840 770 +60 to -60
 Exports : 950 1,124 1,150 +100 to -100
 Use, total : 1,698 1,964 1,920 +150 to -150
 Ending stocks : 1,112 1,176 1,036 +165 to -165
 Avg. farm price 3/: 2.73 2.31 2.80-3.00
 RICE (rough): :
 Area : Million acres
 Allotment : 1.80 1.80 1.80
 Planted : 2.49 2.26 3.06
 Harvested : 2.48 2.25 3.06
 Yield per harv. : Pounds
 unit : 4,663 4,412 4,504
 : Million cwt.
 Beginning stocks : 36.9 40.5 27.4
 Production : 115.6 99.2 137.7 +3.0 to -3.0
 Imports : .1 .1
 Supply, total : 152.6 139.8 165.1
 Domestic : 42.7 37.6 44.0 +2.0 to -2.0
 Exports : 65.6 72.8 67.0 +5.0 to -5.0
 Use, total : 108.3 110.4 111.0 +6.0 to -6.0
 Ending stocks : 40.5 27.4 54.1 +7.0 to -7.0
 Dif. unactd. : +3.8 +2.0
 Avg. farm price 3/: 7.02 9.43 7.00-7.50

 1/ Marketing year beginning June 1 for wheat, August 1
 for rice. 2/ The "probable variability" reflects the "root mean
 square error" and/or "standard error of estimate" from trend and
 judgment. Chances are about 2 out of 3 that the outcome will
 fall within the indicated ranges. 3/ Season average farm price
 for wheat, dollars per bushel; for rice, dollars per hundredweight.

COTTON: UPLAND AND EXTRA LONG STAPLE 1/

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*****
Commodity      : 1976/77 : 1977/78 : 1978/79
                :           :         : Proj.: Prob. Variab. 2/
*****
                :
                :         DOMESTIC MEASURE
Area           :         Million acres
  Planted      :      11.7      13.7      13.0
  Harvested    :      10.9      13.3      12.3
Yield per harv. :         Pounds
  acre        :      465      520      429
                :         Million 480-lb. bales
Beginning stocks3/:      3.7      2.9      5.3
Production     :      10.6      14.4      11.0      +0.4 to -0.4
  Supply, total 4/:      14.3      17.3      16.3      +0.4 to -0.4
Mill use       :      6.7      6.5      6.3      +0.2 to -0.3
Exports        :      4.8      5.5      5.8      +0.7 to -0.7
  Use, total   :      11.5      12.0      12.1      +0.7 to -0.7
Dif. unactd.5/ :      0.1      6/      0.1
Ending stocks  :      2.9 3/      5.3 3/      4.4      +0.7 to -0.7
Avg. farm price 7/:      64.1      51.7 8/      9/
                :
                :         METRIC MEASURE
Area           :         Million hectares
  Planted      :      4.7      5.5      5.3
  Harvested    :      4.4      5.4      5.0
Yield per harv. :         Metric tons
  hectare     :      0.52      0.58      0.48
                :         Million metric tons
Beginning stocks3/:      0.8      0.6      1.2
Production     :      2.3      3.1      2.4      +0.1 to -0.1
  Supply, total 4/:      3.1      3.8      3.5      +0.1 to -0.1
Mill use       :      1.5      1.4      1.4      +0.1 to -0.1
Exports        :      1.0      1.2      1.3      +0.2 to -0.2
  Use, total   :      2.5      2.6      2.7      +0.2 to -0.2
Dif. unactd.5/ :      6/      6/      6/      6/
Ending stocks  :      0.6 3/      1.2 3/      1.0      +0.2 to -0.2
Avg. farm price 7/:      1.41      1.14 8/      9/
*****

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1/ Marketing year beginning Aug. 1. 2/ The "probable variability" reflects the "root mean square error" and/or "standard error of estimate" from trend and judgment. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges. 3/ Based on Bureau of Census data. 4/ Includes imports. 5/ Difference between ending stocks based on Bureau of Census data and preceding season's supply less distribution. 6/ Less than 0.05. 7/ Season average farm price, domestic measure, cents per pound; metric measure, dollars per kilogram. 8/ Average to April 1, 1978. 9/ USDA is prohibited from projecting cotton prices.

 The Agricultural Supply and Demand Estimates Tables were prepared by the
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WHEAT: Paul Meyers, Chairman; Frank Gomme, OGSM; Randell Weber, ASCS;
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Conversion Factors

Bushels to metric tons	Area
Wheat & soybeans = bushels x .027216	1 acre = .404694 hectares
Barley = bushels x .021772	
Corn, sorghum,	1 hectare = 2.4710 acres
rye = bushels x .025400	
Oats = bushels x .014515	
480 lb. bales to metric tons	
Cotton = bales x .217700	
Cwt. to metric tons	
Rice = cwt. x .453597	
Kilograms to pounds	
Kilogram = 2.2046 pounds	