

FILE

AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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

#99

March 11, 1980

HIGHLIGHTS

World and U.S. demand continues strong for feedstuffs. Export prospects have improved substantially for corn, while marginally higher levels are indicated for soybeans and soybean meal. The soybean crush also has been increased slightly because of stronger demand for soybean meal. Cotton supply and use estimates are unchanged from February 12, while wheat and rice estimates are unchanged from January 28.

Corn Export Estimate Increased

The 1979/80 corn export estimate has been increased to 2.4 billion bushels, 125 million above the January 28 estimate, and nearly 275 million above last year's record. The higher estimate reflects a decrease in export availabilities from Argentina as a result of deteriorating crop prospects and growing world demand as importing nations seek new sources of grain in the face of strong competition from the USSR. U.S. feedgrain exports in 1979/80 are forecast at 69 million tons, 15 percent above 1978/79.

Corn carryover stocks in 1979/80 are now expected to total around 1.7 billion bushels, an increase of 400 million from 1978/79. Of the total, about 1 billion bushels will likely be in the farmer-owned reserve or CCC inventory. If quantities moving into the reserve are not adequate to maintain prices at pre-suspension levels, corn will be purchased by CCC.

With the recent improvement in export prospects and lower expected carryover, corn prices for the 1979/80 season are likely to average from \$2.30 to \$2.50 per bushel. This is 5 cents above the previous estimate and above 1978/79's average of \$2.25 per bushel.

Soybean Meal Usage Stronger than Expected

Soybean meal disappearance has been revised up for both domestic feeding use and for export. Domestic feed use of soybean meal is now expected to run over 7 percent larger in 1979/80. Improved prospects for United States poultry output in 1980 combined with a very favorable meal to corn price ratio are contributing to the stronger domestic demand. Soybean meal exports are now expected to increase by about 9 percent in 1979/80. Favorable meal to corn prices are contributing to the strong soybean meal export movement which was up 10.5 percent during the first four months of this marketing year. Strength in the soybean meal market is also attributed to the likely purchase of soybean meal by the Soviet Union from other export origins to replace most of the soybean meal contracted for originally from the United States.

With a higher usage of soybean meal the domestic U.S. soybean crush should reach 1.1 billion bushels. This will add additional soybean oil supplies and increase downward price pressures in the vegetable oil market with demand steady to a little weaker than anticipated previously. Domestic soybean oil usage was up only 1 percent in the first quarter. Large supplies of competing fats and oils, particularly sunseed oil and lard, have held soybean oil usage in check. However, lower prices for soybean oil for the remainder of this year should encourage some pickup in usage.

Soybean exports were also increased slightly as forecasted soybean output in Argentina was cut by 10 million bushels. Much of the Argentina soybean production would be exported in this marketing year as soybeans.

The increased soybean crush and exports will reduce carryover from 440 million bushels to an estimated 425 million in this marketing year. Season average soybean prices at the farm should average between \$6.00 and \$6.40 per bushel down 5 to 10 percent from last season's \$6.66. Soybean oil prices are expected to be down about 10 percent with soybean meal prices down by 5 to 10 percent.

GRAINS—UNITED STATES

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*****
Item          : Wheat : Rice : Corn : Feed : Total
               :      : (Rough):      : Grains1/: Grains2/
*****
               :      :      :      :      :
               :      :      :      :      : Million metric tons
               :      :      :      :      :
1977/78
Beginning stocks : 30.3   1.8  22.5  29.9   62.1
Production       : 55.4   4.5 163.2 203.4  263.7
  Supply, total 3/ : 85.7   6.3 185.7 233.6  326.1
               :      :      :      :      :
Feed and residual : 5.0    ---  94.2 117.3  122.5
Food & other use  : 18.1   1.7  14.0  18.8   38.9
Exports          : 30.6   3.3  49.5  56.3   90.2
  Use, total      : 53.7   5.0 157.7 192.4  251.6
Ending stocks    : 32.0   1.2  28.0  41.2   74.5
Average farm price 4/ : 86     209   80    ---    ---
               :      :      :      :      :
1978/79 (preliminary)
Beginning stocks : 32.0   1.2  28.0  41.2   74.5
Production       : 48.9   6.0 180.0 217.4  273.0
  Supply, total 3/ : 81.0   7.3 208.1 258.9  348.0
               :      :      :      :      :
Feed and residual : 4.9    --- 106.6 133.1  138.2
Food & other use  : 18.4   2.2  14.6  19.7   40.6
Exports          : 32.5   3.5  54.2  60.2   96.2
  Use, total      : 55.8   5.7 175.4 213.0  275.0
Ending stocks    : 25.2   1.5  32.7  45.9   72.8
Average farm price 4/ : 109    180   89    ---    ---
               :      :      :      :      :
1979/80 (projected)
Beginning stocks : 25.2   1.5  32.7  45.9   72.8
Production       : 58.3   6.2 197.2 233.9  299.0
  Supply, total 3/ : 83.5   7.7 229.9 280.0  372.1
               :      :      :      :      :
Feed and residual : 2.0    --- 110.5 136.9  139.2
Food & other use  : 18.9   2.3  15.6  20.7   42.2
Exports          : 36.1   3.8  61.0  69.1  109.1
  Use, total      : 57.0   6.1 187.1 226.7  290.5
Ending stocks    : 26.5   1.6  42.8  53.3   81.6
Average farm price 4/ : 136-143 209-226 91-98    ---    ---
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1/ Including corn. 2/ Includes rye. 3/ Including imports.
4/ Dollars per metric ton.

GRAIN CARRYOVER STOCKS, FARMER-OWNED RESERVE,
CCC INVENTORY, AND PRICES

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*****
Crop          :           :           : Projected
              : 1977/78 1/ : 1978/79 : 1979/80
*****
              :           :           :
              :           :           : Million metric tons
WHEAT
Ending stocks, total : 32.0      25.2      26.5
  Farmer-owned reserve: 9.3        10.7        6.8
  CCC inventory       : 1.3        1.4         5.4
Average farm price 2/ : 86         109        136-143
:
CORN
Ending stocks, total : 28.0      32.7      42.8
  Farmer-owned reserve: 8.0        13.7        22.9
  CCC inventory       : .3         2.5         2.5
Average farm price 2/ : 80         89         91-98
:
TOTAL FEED GRAINS
Ending stocks, total : 41.2      45.9      53.3
  Farmer-owned reserve: 10.2       16.4        25.7
  CCC inventory       : .6         3.8         3.8
:
RICE
Ending stocks, total : 1.2        1.5         1.6
  Farmer-owned reserve: ---         ---         ---
  CCC inventory       : .5         .4          .3
Average farm price 2/ : 209        180        209-226
:
TOTAL GRAINS 3/
Ending stocks, total : 74.5      72.8      81.6
  Farmer-owned reserve: 19.5       27.1        32.5
  CCC inventory       : 2.4        5.6         9.5
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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. 3/ Includes rye.

FEED GRAINS AND CORN 1/

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*****
Commodity      : 1977/78   : 1978/79   : 1979/80
                :           :           : Proj. : Prob. variab.2/
*****
FEED GRAINS:
Area           :           :           : Million acres
  Planted      : 128.9    : 122.8     : 117.6
  Harvested    : 108.1    : 104.5     : 101.2
Yield per harv. :           :           : Metric tons
  acre         : 1.88     : 2.08      : 2.31
                :           :           : Million metric tons
Beginning stocks : 29.9     : 41.2      : 45.9
Production      : 203.4    : 217.4     : 233.9
Imports         : .3       : .3        : .2
  Supply, total : 233.6    : 258.9     : 280.0
Feed and residual : 117.3    : 133.1     : 136.9      +6 to -6
Food, seed, & ind. : 18.8    : 19.7     : 20.7
  Domestic, total : 136.1    : 152.8     : 157.6      +6 to -6
Exports         : 56.3     : 60.2      : 69.1      +5 to -5
  Use, total     : 192.4    : 213.0     : 226.7      +9 to -9
Ending stocks   : 41.2     : 45.9      : 53.3      +6 to -6
                :
CORN:
Area           :           :           : Million acres
  Planted      : 83.6     : 80.1      : 80.0
  Harvested    : 70.9     : 70.3      : 71.0
Yield per harv. :           :           : Bushels
  acre         : 90.7     : 100.8     : 109.4
                :           :           : Million bushels
Beginning stocks : 884      : 1,104     : 1,286
Production      : 6,425    : 7,087     : 7,764
Imports         : 3        : 1         : 1
  Supply, total : 7,312    : 8,192     : 9,051
Feed and residual : 3,709    : 4,198     : 4,350      +200 to -200
Food, seed, & ind. : 551     : 575      : 615
  Domestic, total : 4,260    : 4,773     : 4,965      +200 to -200
Exports         : 1,948    : 2,133     : 2,400      +150 to -150
  Use, total     : 6,208    : 6,906     : 7,365      +300 to -300
Ending stocks   : 1,104    : 1,286     : 1,686      +200 to -200
Avg. farm price 3/ : 2.02    : 2.25     : 2.30-2.50
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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/

 Commodity : 1977/78 : 1978/79 : 1979/80
 : : : Proj. : Prob. variab.2/

SORGHUM:		Bushels		
Yield/harv. acre	: 56.3	55.1	62.9	
	:	Million bushels		
Beginning stocks	: 91	191	159	
Production	: 793	748	814	
Imports	:			
Supply, total	: 884	939	973	
Feed and residual	: 473	566	560	+25 to -25
Food, seed, & ind.	: 7	7	7	
Domestic, total	: 480	573	567	+25 to -25
Exports	: 213	207	275	+30 to -30
Use, total	: 693	780	842	+40 to -40
Ending stocks	: 191	159	131	+40 to -40
Avg. farm price 3/	: 1.82	2.02	2.20-2.40	
BARLEY:		Bushels		
Yield/harv. acre	: 43.9	48.6	50.6	
	:	Million bushels		
Beginning stocks	: 126	172	229	
Production	: 420	449	378	
Imports	: 9	10	10	
Supply, total	: 555	631	617	
Feed and residual	: 168	206	205	+20 to -20
Food, seed, & ind.	: 158	170	170	
Domestic, total	: 326	376	375	+20 to -20
Exports	: 57	26	50	+10 to -10
Use, total	: 383	402	425	+25 to -25
Ending stocks	: 172	229	192	+20 to -20
Avg. farm price 3/	: 1.78	1.92	2.25-2.35	
OATS:		Bushels		
Yield/harv. acre	: 55.8	52.2	54.4	
	:	Million bushels		
Beginning stocks	: 165	311	287	
Production	: 751	596	534	
Imports	: 2	1	1	
Supply, total	: 918	908	822	
Feed and residual	: 512	530	530	+30 to -30
Food, seed, & ind.	: 84	78	80	
Domestic, total	: 596	608	610	+30 to -30
Exports	: 11	13	4	+1 to -1
Use, total	: 607	621	614	+30 to -30
Ending stocks	: 311	287	208	+25 to -25
Avg. farm price 3/	: 1.10	1.19	1.30-1.40	

 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.

WHEAT AND RICE 1/

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*****
Commodity          : 1977/78 : 1978/79 :      1979/80
                   :         :         :      : Proj.: Prob. variab. 2/
*****
WHEAT:
Area               :
   Planted         :      75.1   66.3   71.6
   Harvested      :      66.5   56.9   62.6
Yield per harv.   :
   acre           :      30.6   31.6   34.2
                   :
                   :           Million bushels
Beginning stocks  :      1,112   1,177   925
Production       :      2,036   1,798   2,142
Imports          :           2     1     2
   Supply, total  :      3,150   2,976   3,069
Food             :           586   591   600      +5 to -5
Seed             :           80    87    95      +5 to -5
Feed and residual :           183   179    75      +20 to -20
   Domestic, total :           849   857   770      +25 to -25
Exports          :           1,124   1,194   1,325  +100 to -100
   Use, total     :           1,973   2,051   2,095  +110 to -110
Ending stocks    :           1,177   925    974  +110 to -110
Avg. farm price 3/ :           2.33   2.98   3.70-3.90
RICE (rough):
Area               :
   Allotment      :           1.80   1.80   1.80
   Planted        :           2.26   2.99   3.00
   Harvested     :           2.25   2.97   2.98
Yield per harv.   :
   acre           :           4,412   4,484   4,588
                   :
                   :           Million cwt.
Beginning stocks  :           40.5   27.4   31.6
Production       :           99.2   133.2   136.7
Imports          :           .1     .1     ---
   Supply, total  :           139.8   160.7   168.3
Domestic         :           37.7   48.0   50.5      +2 to -2
Exports          :           72.8   76.9   83.0      +5 to -5
   Use, total     :           110.5   124.9   133.5  +6 to -6
Ending stocks    :           27.4   31.6   34.8      +6 to -6
Dif. unactd.    :           +1.9   +4.2
Avg. farm price 3/ :           9.49   8.16   9.50-10.25
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1/ Marketing year beginning June 1 for wheat and 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, dollars per bushel for wheat and dollars per hundredweight for rice.

SOYBEANS AND PRODUCTS (Domestic Measure) 1/

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*****
Commodity      : 1977/78 : 1978/79 : 1979/80
                :         :         : Proj. : Prob. variab.2/
*****
SOYBEANS:      :
Area           :           Million acres
  Planted      : 58.8      64.0      71.6
  Harvested    : 57.6      63.3      70.5
Yield per harv. :           Bushels/acre
  unit        : 30.6      29.5      32.2
                :           Million bushels
Beginning stocks : 103       161       174
Production      : 1,762     1,870     2,268     +30 to -30
  Supply, total : 1,865     2,031     2,442     +30 to -30
Crushings       : 927       1,018     1,100     +20 to -20
Exports         : 700       753 3/    820       +20 to -20
Seed and feed   : 69        76        80
Residual        : 8         10        17
  Use, total    : 1,704     1,857     2,017     +20 to -20
Ending stocks   : 161       174       425       +30 to -30
Avg. farm price : 5.88      6.66      6.00-6.40
SOYBEAN OIL:   :           Million pounds
Beginning stocks : 771       729       776
Production      : 10,288    11,323    11,769    +220 to -220
  Supply, total : 11,059    12,052    12,545    +220 to -220
Domestic        : 8,273     8,942     9,350     +200 to -200
Exports         : 2,057     2,334     2,200     +150 to -150
  Use, total    : 10,330    11,276    11,550    +200 to -200
Ending stocks   : 729       776       995       +200 to -200
Avg. price 4/   : 24.6      27.4      23-26
SOYBEAN MEAL:  :           Thousand short tons
Beginning stocks : 228       243       267
Production      : 22,371    24,354    26,293    +500 to -500
  Supply, total : 22,599    24,597    26,560    +500 to -500
Domestic        : 16,276    17,720    19,000     +400 to -400
Exports         : 6,080     6,610     7,200     +200 to -200
  Use, total    : 22,356    24,330    26,200     +400 to -400
Ending stocks   : 243       267       360
Avg. price 5/   : 164.20    190.10    165.00-185.00
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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 the outcome will fall within the indicated ranges. 3/ Based on inspections for export. 4/ Simple season average of crude soybean oil, Decatur, cents per pound. 5/ Simple season average of 44% protein, Decatur, dollars per short ton.

SOYBEANS AND PRODUCTS (Metric Measure) 1/

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*****
Commodity : 1977/78 : 1978/79 : 1979/80
           :           :           : Proj. : Prob. variab. 2/
*****
SOYBEANS:
Area : Million hectares
  Planted : 23.8 25.9 29.0
  Harvested : 23.3 25.6 28.5
Yield per harv. : Metric tons/hectare
  unit : 2.06 1.98 2.17
           : Million metric tons
Beginning stocks : 2.8 4.4 4.7
Production : 48.0 50.9 61.7 +0.8 to -0.8
  Supply, total : 50.8 55.3 66.4 +.8 to -.8
Crushings : 25.2 27.7 29.9 +.5 to -.5
Exports : 19.1 20.5 3/ 22.3 +.5 to -.5
Seed and feed : 1.9 2.1 2.2
Residual : .2 .3 .5
  Use, total : 46.4 50.6 54.9 +.5 to -.5
Ending stocks : 4.4 4.7 11.6 +.8 to -.8
Avg. farm price : 216 245 220-235
SOYBEAN OIL: : Thousand metric tons
Beginning stocks : 350 331 352
Production : 4,667 5,136 5,338 +100 to -100
  Supply total : 5,016 5,467 5,690 +100 to -100
  Domestic : 3,753 4,056 4,241 +90 to -90
  Exports : 933 1,059 998 +70 to -70
  Use, total : 4,686 5,115 5,239 +90 to -90
Ending stocks : 331 352 451 +90 to -90
Avg. price 4/ : 542 604 507-573
SOYBEAN MEAL: : Thousand metric tons
Beginning stocks : 207 220 242
Production : 20,295 22,094 23,853 +455 to -455
  Supply, total : 20,501 22,314 24,095 +455 to -455
  Domestic : 14,765 16,075 17,237 +360 to -360
  Exports : 5,516 5,996 6,532 +180 to -180
  Use, total : 20,281 22,072 23,768 +360 to -360
Ending stocks : 220 242 327
Average price 5/ : 181 210 182-204
*****

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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 the outcome will fall within the indicated ranges. 3/ Based on inspections for export. 4/ Simple season average of crude soybean oil, Decatur, dollars per metric ton. 5/ Simple season average of 44% protein, Decatur, dollars per metric ton.

COTTON: UPLAND AND EXTRA LONG STAPLE 1/

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*****
Commodity      : 1977/78 : 1978/79 : 1979/80
                :          : Prelim. : Proj.:Prob.variab.2/
*****
                :
                :          DOMESTIC MEASURE
Area           :          Million acres
  Planted      :      13.7      13.4      14.0
  Harvested    :      13.3      12.4      13.0
Yield per harv. :          Pounds
  acre        :      520      421      551
                :          Million 480-lb. bales
Beginning stocks3/ :      2.9      5.3      4.0
Production     :      14.4      10.9      14.9 +0.1 to -0.1
  Supply, total4/ :      17.3      16.2      18.8 +.1 to -.1
Mill use       :      6.5      6.4      6.4 +.2 to -.2
Exports        :      5.5      6.2      8.0 +.5 to -.5
  Use, total   :      12.0      12.5      14.4 +.5 to -.5
Dif. unactd. 5/ :          6/      .3      .1
Ending stocks  :      5.3 3/      4.0 3/      4.5 +.5 to -.5
Avg. farm price 7/ :      52.3      58.4      61.5 8/
                :
                :          METRIC MEASURE
Area           :          Million hectares
  Planted      :      5.54      5.41      5.69
  Harvested    :      5.37      5.01      5.25
Yield per harv. :          Metric tons
  hectare     :      .58      .47      .62
                :          Million metric tons
Beginning stocks3/ :      .64      1.16      .87
Production     :      3.13      2.36      3.24 +.02 to -.02
  Supply, total 4/ :      3.77      3.53      4.09 +.02 to -.02
Mill use       :      1.42      1.39      1.39 +.04 to -.04
Exports        :      1.19      1.35      1.74 +.11 to -.11
  Use, total   :      2.61      2.72      3.14 +.11 to -.11
Dif. unactd. 5/ :          9/      .07      .02
Ending stocks  :      1.16 3/      .87 3/      .98 +.11 to -.11
Avg. farm price 7/ :      1.15      1.29      1.36 8/
*****

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1/ Marketing year beginning Aug. 1. 2/ The "probable variability" reflects the "root mean square error" and/or "standard errors of estimate" and judgement. 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/ Weighted average price for the first 5 months of the season; not a forecast for 1979/80. 9/ Less than 0.005. Note: Totals may not add due to rounding.

The Agricultural Supply and Demand Estimates Tables were prepared by
the Interagency Commodity Estimates Committee for:

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WHEAT: Paul Meyers, Chairman, WFAOSB; Larry Hall, FAS; David
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RICE: Paul Meyers, Chairman, WFAOSB; Frank Gomme, FAS; Charles
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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, rye = bushels x .025401	1 hectare = 2.471044 acres
Oats = bushels x .014515	
480 lb. bales to metric tons	
Cotton = bales x .217727	
Cwt. to metric tons	
Rice = cwt. x .045359	
Kilograms to pounds	
Kilogram = 2.204622 pounds	