

FILE

# AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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

#103

June 23, 1980

## HIGHLIGHTS

U.S. wheat stocks on June 1 were down slightly from both the year ago level and the May forecast. As expected, corn and soybean stocks were up sharply from June 1, 1979. But with much larger quantities of corn in the farmer-owned reserve and in CCC inventory, free stocks remained around the year ago level. By October 1, free stocks of corn are expected to be considerably below last year, although total stocks will remain larger.

Prospective September 1 soybean stocks have been reduced from the previous forecast, as the improved outlook for crush and exports more than offset the indicated larger 1979 crop. Rice and cotton supply and use prospects are unchanged from May 12.

### Wheat Stocks Slightly Below Expectations

Wheat stocks on June 1, 1980 totaled 901 million bushels, about 20 million below the previous estimate, and 25 million below a year earlier. Stocks have declined the past two years after four successive years of increases.

The indicated wheat feed and residual estimate for 1979/80 is 94 million bushels, 20 million above the previous forecast. Wheat exports for the year reached a record 1,375 million bushels, 15 percent above 1978/79. Total disappearance of a record 2.17 billion bushels was up nearly 6 percent from a year earlier.

Farm prices of wheat for 1979/80 averaged around \$3.75 per bushel compared with \$2.98 in 1978/79.

Sorghum Feed Use Estimate Lowered; Corn Reserve Estimates Revised

The sorghum feed use estimate for 1979/80 was reduced by 20 million bushels to 540 million based on lower-than-expected usage during the April-May period. Corn feed use during April-May was up around 1 percent from the same period last year, and in line with expectations. For 1979/80, feed use of feed grains is estimated at 136 million tons, 2 percent above 1978/79.

The estimate of farmer-owned reserve stocks of corn for 1979/80 has been decreased by 50 million bushels to 950 million mainly reflecting smaller-than-expected placements of corn into reserve by non-participants. However, increases in CCC purchases will likely offset the lower reserve placements so that total farmer-owned reserve and CCC inventory of corn will still likely reach 1.25 billion bushels by the end of the marketing year.

For the 1979/80 marketing year, the farm price of corn is expected to average \$2.40 per bushel, 15 cents above 1978/79.

U.S. Soybean Exports Revised Up; Carryout Reduced

Exports of U.S. soybeans, soybean meal, and soybean oil have been revised up for 1979/80, reflecting strong export movement in recent weeks. The stronger-than-anticipated export movements in soybean meal and oil are now expected to result in a 10-million-bushel larger crush than previously thought. The soybean export estimate has been increased by 25 million bushels. Consequently, total soybean usage for 1979/80 is expected to be 35 million bushels higher than previously forecast.

The stronger export market for U.S. soybeans and products is attributed largely to continuing low prices for soybean meal and oil compared to competing products and to a slow rate of movement through mid-June in exports from Brazil. Combined soybean and meal exports out of Brazil were only 6 percent ahead of year earlier levels through mid-June while soybean oil exports were less than half. Brazilian export availabilities, on the other hand, are sharply larger.

With soybean meal selling at a near 20 percent discount to corn in EC markets in mid-June, meal continues to be a very attractive buy, particularly compared to a year earlier when meal was priced at a 6 percent premium to corn.

Though soybean usage was revised up by 35 million bushels for 1979/80, carryout stocks were reduced by only 20 million bushels from the May 12 forecast. The June 1, 1980 Grain Stocks report indicated that U.S. soybean production in 1979 may have been underestimated by 15 million bushels, and this adjustment is added to the carryover estimate.

With little change in carryout stocks for 1979/80 season average prices for soybeans and products are not expected to change from the May forecasts. Oil and meal prices should continue modestly above the low levels reached in April 1980.

The projected range for 1980/81 soybean exports has been increased 25 million bushels to reflect downward revisions in 1979/80 South American soybean crops.

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
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 (estimated)
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 : 2.6    --- 110.5 135.8 138.6
Food & other use  : 19.0   2.3  15.6  20.7  42.3
Exports          : 37.4   3.8  61.0  71.1 112.4
  Use, total     : 59.0   6.1 187.1 227.6 293.3
Ending stocks    : 24.5   1.6  42.8  52.4  78.8
Average farm price 4/ : 138   234   94    ---    ---
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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          :           :           : Estimated
              : 1977/78 1/ : 1978/79 : 1979/80
*****
              :           :           :
              : Million metric tons
WHEAT
Ending stocks, total : 32.0      25.2      24.5
  Farmer-owned reserve: 9.3        10.7        6.8
  CCC inventory       : 1.3        1.4         5.4
  Free stocks        : 21.4       13.1       12.3
Average farm price 2/ : 86         109         138
:
CORN
Ending stocks, total : 28.0      32.7      42.8
  Farmer-owned reserve: 8.0        13.7      24.1
  CCC inventory       : .3         2.5         7.6
  Free stocks        : 19.7       16.5      11.1
Average farm price 2/ : 80         89          94
:
TOTAL FEED GRAINS
Ending stocks, total : 41.2      45.9      52.4
  Farmer-owned reserve: 10.2       16.4      27.0
  CCC inventory       : .6         3.8         8.8
  Free stocks        : 30.4       25.7      16.6
:
RICE
Ending stocks, total : 1.2        1.5        1.6
  Farmer-owned reserve: ---         ---         ---
  CCC inventory       : .5         .4          .1
  Free stocks        : .7         1.1        1.5
Average farm price 2/ : 209        180        234
:
TOTAL GRAINS 3/
Ending stocks, total : 74.5      72.8      78.8
  Farmer-owned reserve: 19.5       27.1      33.8
  CCC inventory       : 2.4        5.6       14.3
  Free stocks        : 52.6       40.1      30.7
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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      : 1978/79 : 1979/80 : 1980/81 2/
                :           : Estimated : Projected
*****
FEED GRAINS:
Area           :           : Million acres
  Planted      :    122.8   :    117.6
  Harvested    :    104.5   :    101.2
Yield per harv. :           : Metric tons
  acre         :     2.08   :     2.31
                :           : Million metric tons
Beginning stocks :    41.2    :    45.9    :    52.4
Production      :   217.4    :   233.9    :  196-239
Imports         :     .3     :     .2     :     .2
  Supply, total :   258.9    :   280.0    :  248-291
Feed and residual :   133.1    :   135.8    :  123-139
Food, seed, & ind. :   19.7    :   20.7    :   23-25
  Domestic, total :   152.8    :   156.5    :  146-164
Exports         :    60.2    :    71.1    :   66-77
Use, total      :   213.0    :   227.6    :  215-238
Ending stocks   :    45.9    :    52.4    :   29-53
                :
CORN:
Area           :           : Million acres
  Planted      :    80.1    :    80.0
  Harvested    :    70.3    :    71.0
Yield per harv. :           : Bushels
  acre         :   100.8    :   109.4
                :           : Million bushels
Beginning stocks :   1,104    :   1,286    :   1,686
Production      :   7,087    :   7,764    :  6,500-7,900
Imports         :     1      :     1      :     1
  Supply, total :   8,192    :   9,051    :  8,187-9,587
Feed and residual :   4,198    :   4,350    :  4,000-4,500
Food, seed, & ind. :    575    :    615    :   700-760
  Domestic, total :   4,773    :   4,965    :  4,700-5,260
Exports         :   2,133    :   2,400    :  2,350-2,700
Use, total      :   6,906    :   7,365    :  7,150-7,900
Ending stocks   :   1,286    :   1,686    :   900-1,700
Avg. farm price 3/ :    2.25    :    2.40    :   2.35-2.90
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1/ Marketing year beginning October 1 for corn and sorghum; June 1 for barley and oats. 2/ Production ranges based on World Crop Production report, June 11, 1980. Ranges reflect the standard error of estimate from trend and judgment of analysts. 3/ Season average farm price, dollars per bushel.

SORGHUM, BARLEY AND OATS 1/

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*****
Commodity      : 1978/79 : 1979/80 : 1980/81 2/
                :          : Estimated : Projected
*****
SORGHUM:      :          :          :          :
Yield/harv. acre : 55.1    : 62.9
                :          :          :          :
                :          : Million bushels
Beginning stocks : 191     : 159     : 76
Production       : 748     : 814     : 650-850
Imports          :
Supply, total    : 939     : 973     : 726-926
Feed and residual : 566     : 540     : 420-500
Food, seed, & ind. : 7       : 7       : 7
Domestic, total : 573     : 547     : 427-507
Exports          : 207     : 350     : 225-275
Use, total       : 780     : 897 3/  : 660-770
Ending stocks    : 159     : 76      : 50-125
Avg. farm price 4/ : 2.02    : 2.25    : 2.25-2.80
BARLEY:        :          :          :          :
Yield/harv. acre : 48.6    : 50.6
                :          :          :          :
                :          : Million bushels
Beginning stocks : 172     : 229     : 191
Production       : 449     : 378     : 330-390
Imports          : 10      : 11      : 10
Supply, total    : 631     : 618     : 531-591
Feed and residual : 206     : 202     : 175-225
Food, seed, & ind. : 170     : 170     : 165-180
Domestic, total : 376     : 372     : 340-405
Exports          : 26      : 55      : 40-60
Use, total       : 402     : 427     : 390-450
Ending stocks    : 229     : 191     : 120-175
Avg. farm price 4/ : 1.92    : 2.30    : 2.15-2.65
OATS:          :          :          :          :
Yield/harv. acre : 52.2    : 54.4
                :          :          :          :
                :          : Million bushels
Beginning stocks : 311     : 287     : 239
Production       : 596     : 534     : 460-550
Imports          : 1       : 1       : 1
Supply, total    : 908     : 822     : 700-790
Feed and residual : 530     : 499     : 460-530
Food, seed, & ind. : 78      : 80      : 80
Domestic, total : 608     : 579     : 540-610
Exports          : 13      : 4       : 5-15
Use, total       : 621     : 583     : 550-620
Ending stocks    : 287     : 239     : 125-175
Avg. farm price 4/ : 1.20    : 1.35    : 1.30-1.60
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1/ Marketing year beginning October 1 for sorghum, June 1 for barley and oats. 2/ Production ranges based on World Crop Production report, June 11, 1980. Ranges reflect the standard error of estimate from trend and judgment of analysts. 3/ Total usage includes expected larger-than-normal quantities of new-crop sorghum, while ending stock estimate does not reflect 1980-crop sorghum. 4/ Season average farm price, dollars per bushel.

WHEAT AND RICE 1/

\*\*\*\*\*  
 Commodity : 1978/79 : 1979/80 : 1980/81 2/  
 : : : Estimated : Projected  
 \*\*\*\*\*

WHEAT: :  
 Area : Million acres  
 Planted : 66.3 71.6  
 Harvested : 56.9 62.6  
 Yield per harv. : Bushels  
 acre : 31.6 34.2  
 : Million bushels  
 Beginning stocks : 1,177 925 901  
 Production : 1,798 2,142 2,100-2,450  
 Imports : 1 2 2  
 Supply, total : 2,976 3,069 3,003-3,353  
 Food : 591 600 605-615  
 Seed : 87 99 90-102  
 Feed and residual : 179 94 50-125  
 Domestic, total : 857 793 745-840  
 Exports : 1,194 1,375 1,200-1,500  
 Use, total : 2,051 2,168 2,000-2,300  
 Ending stocks : 925 901 850-1,300  
 Avg. farm price 3/ : 2.98 3.75 3.45-4.15  
 RICE (rough equiv.) :  
 Area : Million acres  
 Allotment : 1.80 1.80  
 Planted : 2.99 3.00  
 Harvested : 2.97 2.98  
 Yield per harv. : Pounds  
 acre : 4,484 4,588  
 : Million cwt.  
 Beginning stocks : 27.4 31.6 34.8  
 Production : 133.2 136.7 135-153  
 Imports : .1 --- ---  
 Supply, total : 160.7 168.3 169.8-187.8  
 Domestic : 48.0 50.5 51-55  
 Exports : 76.9 83.0 78-93  
 Use, total : 124.9 133.5 130-147  
 Ending stocks : 31.6 34.8 31-47  
 Dif. unactd. : +4.2  
 Avg. farm price 3/ : 8.16 10.60 9.00-12.00  
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1/ Marketing year beginning June 1 for wheat and August 1 for rice.  
 2/ Production ranges based on World Crop Production report, June 11, 1980. Ranges reflect the standard error of estimate from trend and judgment of analysts. 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      : 1978/79 : 1979/80 : 1980/81 2/
                :           : Estimated : Projected
*****
SOYBEANS:      :
Area           :           Million acres
  Planted      :    64.0    71.6
  Harvested    :    63.3    70.5
Yield per harv. :           Bushels/acre
  unit        :    29.5    32.2
                :           Million bushels
Beginning stocks :    161     174     380
Production      :   1,870   2,268   1,925-2,240
  Supply, total :   2,031   2,442   2,305-2,620
Crushings       :   1,018   1,130   1,075-1,165
Exports         :    753 3/   850     825-900
Seed and feed   :     76     80     80
Residual        :     10     17     15
  Use, total    :   1,857   2,077   1,995-2,160
Ending stocks   :     174    380 4/   310-460
Avg. farm price :    6.66    6.10    5.75-7.00
SOYBEAN OIL:   :           Million pounds
Beginning stocks :    729     776     1,120
Production      :  11,323  12,094  11,715-12,700
  Supply, total :  12,052  12,870  12,835-13,820
Domestic        :   8,942   9,200   9,400-9,800
Exports         :   2,334   2,550   2,350-2,650
  Use, total    :  11,276  11,750  11,750-12,450
Ending stocks   :     776   1,120   1,085-1,370
Avg. price 5/   :    27.4   23.0    19.0-25.0
SOYBEAN MEAL:  :           Thousand short tons
Beginning stocks :    243     267     325
Production      :  24,354  27,008  25,530-27,665
  Supply, total :  24,597  27,275  25,855-27,990
Domestic        :  17,720  19,400  18,435-21,000
Exports         :   6,610   7,550   6,600-7,100
  Use, total    :  24,330  26,950  25,535-27,600
Ending stocks   :     267    325     320-390
Avg. price 6/   :  190.10  170.00  160.00-200.00
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1/ Marketing year beginning September 1 for soybeans; October 1 for soybean oil and meal. 2/ Production ranges based on World Crop Production report, June 11, 1980. Ranges reflect the standard error of estimate from trend and judgment of analysts. 3/ Based on inspections for export. 4/ Ending stocks for 1979/80 include a 15-million-bushel underestimate of the 1979 crop, as indicated in the June 1 Grain Stocks report. 5/ Simple average of crude soybean oil, Decatur, cents per pound. 6/ Simple average of 44% protein, Decatur, dollars per short ton.

SOYBEANS AND PRODUCTS (Metric Measure) 1/

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*****
Commodity : 1978/79 : 1979/80 : 1980/81 2/
          :          : Estimated : Projected
*****
SOYBEANS:
Area : Million hectares
  Planted : 25.9 29.0
  Harvested : 25.6 28.5
Yield per harv. : Metric tons/hectare
  unit : 1.98 2.17
          : Million metric tons
Beginning stocks : 4.4 4.7 10.3
Production : 50.9 61.7 52.4-61.0
  Supply, total : 55.3 66.4 62.7-71.3
Crushings : 27.7 30.8 29.3-31.7
Exports : 20.5 3/ 23.1 22.5-24.5
Seed and feed : 2.1 2.2 2.2
Residual : .3 .5 .4
  Use, total : 50.6 56.5 54.3-58.8
Ending stocks : 4.7 10.3 4/ 8.4-12.5
Avg. farm price : 245 224 211-257
SOYBEAN OIL: : Thousand metric tons
Beginning stocks : 331 352 508
Production : 5,136 5,486 5,314-5,761
  Supply total : 5,467 5,838 5,822-6,269
Domestic : 4,056 4,173 4,264-4,445
Exports : 1,059 1,157 1,066-1,202
  Use, total : 5,115 5,330 5,330-5,647
Ending stocks : 352 508 492-621
Avg. price 4/ : 604 507 419-551
SOYBEAN MEAL: : Thousand metric tons
Beginning stocks : 220 242 295
Production : 22,094 24,501 23,160-25,097
  Supply, total : 22,314 24,743 23,455-25,392
Domestic : 16,075 17,599 16,724-19,051
Exports : 5,996 6,849 5,987-6,441
  Use, total : 22,072 24,449 23,165-25,038
Ending stocks : 242 295 290-354
Average price 6/ : 210 187 176-220
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1/ Marketing year beginning September 1 for soybeans; October 1 for soybean oil and meal. 2/ Production ranges based on World Crop Production report, June 11, 1980. Ranges reflect the standard error of estimate from trend and judgment of analysts. 3/ Based on inspections for export. 4/ Ending stocks for 1979/80 include a .4-million-metric-ton underestimate of the 1979 crop, as indicated in the June 1 Grain Stocks report. 5/ Simple average of crude soybean oil, Decatur, dollars per metric ton. 6/ Simple average of 44% protein, Decatur, dollars per metric ton.

COTTON: UPLAND AND EXTRA LONG STAPLE 1/

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*****
Commodity      : 1978/79 : 1979/80 : 1980/81 2/
                :           : Estimated : Projected
*****
                :           : DOMESTIC MEASURE
Area           :           : Million acres
  Planted      : 13.4     : 13.9
  Harvested    : 12.4     : 12.8
Yield per harv. :           : Pounds
  acre         : 421      : 548
                :           : Million 480-lb. bales
Beginning stocks 3/ : 5.3     : 4.0     : 3.2
Production     : 10.9    : 14.6    : 12.2-15.2
  Supply, total 4/ : 16.2    : 18.6    : 15.4-18.4
Mill use       : 6.4     : 6.5     : 5.8-6.8
Exports        : 6.2     : 9.0     : 6.0-8.5
  Use, total    : 12.5    : 15.5    : 12.5-14.5
Dif. unactd. 5/ : .3      : .1      : .1
Ending stocks  : 4.0 3/  : 3.2     : 3.0-5.0
Avg. farm price 6/ : 58.4    : 62.6 7/ : 8/
                :           : METRIC MEASURE
Area           :           : Million hectares
  Planted      : 5.41    : 5.64
  Harvested    : 5.01    : 5.19
Yield per harv. :           : Metric tons
  hectare     : .47     : .61
                :           : Million metric tons
Beginning stocks 3/ : 1.16    : .87     : .70
Production     : 2.36    : 3.18    : 2.66-3.31
  Supply, total 4/ : 3.53    : 4.05    : 3.35-4.01
Mill use       : 1.39    : 1.42    : 1.26-1.48
Exports        : 1.35    : 1.96    : 1.31-1.85
  Use, total    : 2.72    : 3.38    : 2.72-3.16
Dif. unactd. 5/ : .07     : .02     : .02
Ending stocks  : .87 3/  : .70     : .65-1.09
Avg. farm price 6/ : 1.29    : 1.38 7/ : 8/
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1/ Marketing year beginning Aug. 1. 2/ Production ranges based on World Crop Production report, June 11, 1980. Other ranges reflect the standard error of estimate from trend and/or the root mean square error and judgment of analysts. 3/ Based on Bureau of the Census data. 4/ Includes imports. 5/ Difference between ending stocks based on Bureau of Census data and preceding season's supply less distribution. 6/ Season average farm price, domestic measure, cents per pound; metric measure, dollars per kilogram. 7/ Weighted average price for the first 8 months of the season; not a forecast for 1979/80. 8/ USDA is prohibited from publishing cotton price projections. Note: Totals may not add due to rounding.

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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	