

AGRICULTURAL SUPPLY & DEMAND ESTIMATES

Outlook '74



Approved by the Outlook and Situation Board • U.S. Department of Agriculture • For Immediate Release
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HIGHLIGHTS

Although the 1974 crops still generally seem to be headed for a production peak well above any past year, prospects have been lowered from the lofty indications of a few months ago. Farmers apparently got in much but not all the acreage they were intending to plant this spring. Adverse weather kept them out of the fields late in the spring, forced delays and some abandonment, lowered our yield per acre projections, and damaged the winter wheat crop awaiting harvest.

The wheat production forecast has been shaved. Corn acreage has fallen a little below what had been intended. And total plantings to 4 feed grains are less than intended but still above last year. Soybean acreage is also down from intentions but some late plantings may have occurred. Cotton acreage is close to intentions. Rice slightly exceeds intentions.

Output of grains may still be large enough to allow some modest rebuilding of stocks from the very low levels of this summer and fall.

To avoid giving the impression of a higher degree of precision than actually exists, alternative indications or projections are shown in the tables in this report and are intended to reflect the possibility of diverse outcomes. They were not derived statistically. The alternative indications are a change from previous issues in which single figures were shown. In the previous issues the 1974-75 projections were approximations based on the latest available data. These approximations were representative of fairly wide ranges rather than precise estimates. The data will continue to be subject to change as additional information becomes available.

NOTES

The acreage estimates are those reported by the Statistical Reporting Service and are based on surveys conducted about June 1 and include acreage planted or intended to be planted and acreage intended to be harvested. This year, because of weather conditions, more than the usual acreage of corn, cotton, and soybeans remained to be planted in early June. Yields for small grains are those reported by SRS. Projected yields for other commodities are not based on survey data but take into account past trends with subjective adjustments for such things as weather to date, acreage, and availability of fertilizer. Changes in acreage resulting from the usual followup survey during July will be shown in the August 13 issue of this report. The issue will also include forecasts of yields and production based on objective measurements.

OVER

WHEAT SITUATION TIGHTENS

Production expectations for 1974 crop winter wheat are down 129 million bushel from the June crop report but still a record high. The decline reflects continued dry weather in some areas, excess moisture in others, and advancing disease damage. Spring wheat planted acreage is down 1.8 million acres from the March intentions. Production is forecast at 522 million bushels. Acreage of all wheat for harvest is forecast at 63.7 million acres. With an indicated yield at 30.2 bushels per acre, production of all wheat is forecast at a record 1,925 million bushels. Projected exports for 1974-75 were reduced by 50 million bushels because of improved crop conditions primarily in the USSR and higher world wheat prices. Similarly, projected domestic use was dropped 50 million to reflect a possible wheat-feed grain price relationship which would not be as favorable for wheat feeding. Stocks next summer may increase moderately from the very low level of this July 1.

RECORD RICE SUPPLY

Near optimum conditions have prevailed in the Southern rice States. Although the California crop was planted late, growing conditions since then have been favorable as well. Assuming normal conditions through harvest, total supply would rise to a record 119.4-121.8 million cwt., up from 118.1 million previously estimated. With no change in utilization, carryout stocks would exceed the 17.7 million cwt previously indicated.

FEED GRAIN PLANTINGS TRAIL INTENTIONS: STOCKS TO STAY TIGHT

Feed grain plantings may total 123 million acres, 1.6 million more than last year but 3.2 million less than intended in March. Corn plantings trail intentions by about a million acres and sorghum plantings are off about 1.2 million. These developments and some bad weather that has affected prospects for per acre yields have put the feed grain output projection at 210-221 million tons, up from last year but well below our earlier projection of 227 million. Corn production might total 5.95-6.35 billion bushels and sorghum production may total around 850 million. Corn would still be a record by a wide margin, but sorghum output would be down from the 937 million bushels of last year. With projected total utilization in 1974-75 nearly as large as the indicated production totals, stocks may increase only moderately during the coming year over the low beginning levels.

SOYBEAN ACREAGE DOWN FROM INTENTIONS--PERHAPS

Acreage planted to soybeans is placed at 53.4 million compared with 55.0 million intended in March and 57.3 million in 1973. Because the delays in planting were particularly great for soybeans, these acreage projections are preliminary. Flooded acreage and double-cropped acreage, mostly behind wheat, continued to be planted to soybeans well into July.

Average yield is projected between 26.5 to 28.0 bushels per acre. Yields on late planted acreage are, of course, subject to possible early frost damage. Crop production is accordingly projected between 1,390 and 1,470 million bushels. Total supplies could turn out not much different from last year.

For the 1973-74 marketing year, the estimate of domestic use has been increased, lowering the carryover on August 31, 1974, by 20 million bushels from our previous forecast. The domestic crush estimate has been raised 10 million bushels, increasing oil and meal availabilities this year.

COTTON ACREAGE CUT

Farmers in the SRS survey indicated they had planted (or intended to plant) about 14-1/4 million acres of upland cotton this year, 3 percent below March intentions but 15 percent above 1973. However, very little cotton has been planted since June 1 because of unusually dry weather on the Texas High Plains and extremely wet weather in northern areas of the Delta. Furthermore, these conditions have led to greater than normal abandonment in recent weeks, thus reducing production prospects.

It now appears that August 1 upland cotton stocks will total about 3.4 million bales, slightly below earlier estimates because of continuing large exports. Shipments are estimated at around 6.1 million bales for 1973-74. So with both beginning stocks and 1974 production below earlier expectations, a smaller 1974-75 cotton supply is likely, but demand is also projected to be lower. U.S. cotton exports may decline moderately from the current season's level and mill consumption may range from 7 to 7-1/2 million bales, compared with 1973-74's 7.4 million.

UPLAND COTTON

Item	1972/73	1973/74 Indications	1974/75 Projected
<u>Acreage (Million Acres)</u>			
Planted	13.9	12.4	14.3
Harvested	12.9	11.9	
Set-Aside	2.0	0	0
<u>Yield Per Harvested Acre (Pounds)</u>	507	519	
		(Million 480-lb. Bales)	
<u>Supply</u>			
August 1 Beginning Stocks	2/ 3.2	2/ 4.0	3.4
Production, Imports and City Crop	13.6	12.9	1/
Total	16.8	16.9	
<u>Disappearance</u>			
Mill Consumption	7.7	7.4	7.0 to 7.5
Exports	5.3	6.1	5.0 to 5.5
Total	13.0	13.5	12.0 to 13.0
<u>Ending Stocks</u>	2/ 4.0	3.4	

1/ USDA is prohibited from estimating production prior to release of the August Crop Production Report.

2/ Based on Census Bureau data.

Prepared by: Interagency Cotton Estimates Committee
 Thomas Q. Beatty, Chairman, ASCS
 Russell Barlowe, ERS
 Dewey Pritchard, FAS

7/12/74

WHEAT

Item	1972/73 Preliminary	1973/74 Indications	1974/75 Projected
Acreage (Mil. Ac.)			
Set-aside	20.1	7.4	0
Planted	54.9 ^{1/}	59.0	69.8
Harvested	47.3	53.9	63.7
Yld. Per Harvested Acre (Bu.)			
	32.7	31.8	30.2
(Million Bushels)			
Supply			
Beginning Stocks July 1	863	438	218
Production	1,545	1,711	1,925
Imports	1	3	1
Total	2,409	2,152	2,144
Disappearance			
Domestic	786	784	760
Exports	1,185	1,150	1,000
Total	1,971	1,934	1,760
Ending Stocks	438	218	384

^{1/} Includes 2.6 million acres planted and subsequently designated as voluntary set aside.

Prepared by: Interagency Commodity Estimates Committee for Wheat
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RICE

Item	1972-73 Preliminary	1973-74 Indications	1974-75 Projected
Acreage			
Allotment (Million A.)	1.86	2.22	2.10
Planted (Million A.)	1.82	2.18	2.40
Harvested (Million A.)	1.82	2.17	2.39
Yield/harvested acre (lb.)			
	4,700	4,277	4,700-4,800
(Million Cwt.)			
Supply			
Beginning stocks, Aug. 1	11.4	5.1	7.1
Production	85.4	92.8	112.3-114.7
Imports	0.5	0.1	--
Total	97.3	98.0	119.4-121.8
Disappearance			
Domestic	35.8	37.7	39.2
Exports	54.0	53.2	61.2
Total	89.8	90.9	100.4
Ending stocks, July 31	5.1	7.1	19.0-21.4
Difference unaccounted	+2.4	--	--

Prepared by Interagency Commodity Estimates Committee for Rice:

George Schaefer, Chairman, ASCS
James Naive, ERS
Robert Bieber, FAS

CORN

Item (Mktg. year beginning Oct. 1)	1972/73 Preliminary	1973/74 Indications	1974/75 Projected
<u>Acreage (Mil. Ac.)</u>			
Set aside	24.4	6.0	--
Planted	67.0	71.6	77.7
Harvested	57.4	61.8	67.6
<u>Yld. Per Harvested Acre (Bu)</u>			
	97.1	91.4 (Million Bushels)	88.0 - 94.0
<u>Supply</u>			
Beginning Stocks	1,126	709	453
Production	5,573	5,643	5,950 - 6,350
Imports	1	1	1
Total	6,700	6,353	6,404 - 6,804
<u>Disappearance</u>			
Feed	4,310	4,265	4,295 - 4,375
Food, Ind. and Seed	423	435	435
Total domestic	4,733	4,700	4,730 - 4,810
Exports	1,258	1,200	1,150
Total	5,991	5,900	5,880 - 5,960
<u>Ending Stocks</u>	709	453	524 - 844

Prepared by: Interagency Commodity Estimates Committee for
Corn:

William Askew, Chairman, ASCS
James Naive, ERS
Donald Novotny, FAS

FEED GRAINS 1/
(Includes Corn, Sorghum, Oats and Barley)

Item	1972/73 Preliminary	1973/74 Indications	1974/75 Projected
<u>Acreage (Mil. Ac.)</u>			
Set aside	36.6	9.4	--
Planted	115.1	121.4	123.0
Harvested	94.0	102.3	104.8
<u>Yld. Per Harvested Acre (Tons)</u>			
	2.13	2.00 (Million Short Tons)	2.00 - 2.11
<u>Supply</u>			
Beginning Stocks	48.4	32.4	21.9
Production	199.9	205.0	209.7 - 220.9
Imports	0.4	0.3	0.4
Total	248.7	237.7	232.0 - 243.2
<u>Disappearance</u>			
Feed	156.2	155.9	153.0 - 155.2
Food, Ind. and Seed	17.0	17.3	17.6
Total domestic	173.2	173.2	170.6 - 172.8
Exports	43.1	42.6	40.2
Total	216.3	215.8	210.8 - 213.0
<u>Ending Stocks</u>	32.4	21.9	21.2 - 30.2

1/ Marketing year beginning October 1 for corn and sorghum,
July 1 for barley and oats.

Prepared by: Interagency Commodity Estimates Committee for
Feed Grains:

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James Naive, ERS
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SOYBEANS

Item	1972/73	1973/74 Indications	1974/75 Projected
<u>Acreage</u>			
Planted (Mil. A)	46.9	57.3	53.4
Harvested (Mil. A)	45.7	56.4	52.5
<u>Yield Per Harvested Acre (Bu.)</u>			
	27.8	27.8	26.5 - 28.0
(Million Bushels)			
<u>Supply</u>			
Carryin, Sept. 1	72.0	60	170 - 170
Production	1,270.6	1,567	1,390 - 1,470
Total	1,342.6	1,627	1,560 - 1,640
<u>Disappearance</u>			
Crushings	722	810	815 - 835
Exports	480	550	565 - 585
Seed, Feed and Residual	81	97	90 - 90
Total	1,283	1,457	1,470 - 1,510
Carryover, Aug. 31	60	170	90 - 130

Membership of the Interagency Commodity Estimates Committee for Soybeans, Flaxseed, Cottonseed and Oils:

Malcolm Maclay, Chairman, ASCS
Alan Holz, FAS
George Kromer, ERS

SOYBEAN OIL

Item	1972/73	1973/74 Indications 1/	1974/75 Projected
(Million Pounds)			
<u>Supply</u>			
Carryin, Oct. 1	785	516	666 - 666
Production	7,501	8,900	8,725 - 8,925
Total	8,286	9,416	9,391 - 9,591
<u>Disappearance</u>			
Domestic	6,705	7,350	7,600 - 7,600
Exports	1,065	1,400	1,150 - 1,250
Total	7,770	8,750	8,750 - 8,850
Carryover, Sept. 30	516	666	641 - 741

SOYBEAN MEAL

Item	1972/73	1973/74 Indications 1/	1974/75 Projected
(1,000 Short Tons)			
<u>Supply</u>			
Carryin, Oct. 1	192	183	408 - 408
Production	16,709	19,600	19,300 - 19,800
Total	16,901	19,783	19,708 - 20,208
<u>Disappearance</u>			
Domestic	11,973	13,800	13,900 - 14,150
Exports	4,745	5,575	5,450 - 5,700
Total	16,718	19,375	19,350 - 19,850
Carryover, Sept. 30	183	408	358 - 358

1/ Based on an October 1 marketing year crush of 830 million bushels.