

AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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FOR IMMEDIATE RELEASE

#1

HIGHLIGHTS

Prospects for feed grain, soybean, wheat, and cotton crops improved in August, easing somewhat the tight supply-demand pressures for the 1973/74 marketing year. For rice, the pressures persist despite a large increase in the 1973 crop. Some of the tables in this new report carry projections for 1974 crops and 1974/75 marketings. Legal restrictions prevent the publication of production projections for cotton. The 1974 program has not yet been announced for rice. The 1974 data are very rough approximations. They are mainly indications of expected directions of change. These projections are subject to change as additional information becomes available. A report for release Dec. 21 will provide the official estimate of the planted acreage of winter wheat. Planting intentions for other major crops will be reported early in 1974.

STRONG DEMAND TO OUTWEIGHT HUGE WHEAT CROP

The 1973 wheat crop, for which harvest is nearing completion, is a record-large 1.7 billion bushels but total supplies are down a tenth from last year and are the least since 1967 because of reduced stocks of old-crop wheat. Total use for 1973/74, although expected to be down somewhat from last season, will exceed 1973 production and further reduce the carryover next summer to about 300 million bushels. Acreage and production should expand further in 1974, offset the reduced carryover, and boost the supply a little above the current level. Assuming little change in total use, stocks could then increase around 100 million bushels.

FEED GRAIN PROSPECTS BRIGHTEN

A boost in corn and sorghum crop prospects in the past month has eased the tight supply-demand situation for feed grains a little. Although beginning stocks for 1973/74 are down sharply, the increased production in prospect will keep the total supply nearly up to the 1972/73 level. However, use will likely about equal last season's record volume and result in a small further decline in stocks at the end of the 1973/74 year. Exports

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NOTE

This is the first issue of a new report that is designed to be regularly published shortly after release of major crop and stocks reports from USDA. It is the product of an effort to give the public the timeliest analytical information available officially from the Department. A schedule of upcoming release dates will be made available soon.

may be down a little but domestic use--with slightly more grain-consuming animals than last season--may increase further. A substantial increase in plantings may occur next year, pointing to some buildup in stocks a year hence.

The soybean carryover as of September 1, 1973, is now placed at 65 million bushels. The crop has progressed very well, and the total supply for 1973/74 is estimated almost 23 percent more than last year's. Even with estimated crush and exports expected to increase by 15 percent over last year's level, the soybean carryover for next September 1 is projected at 200 million bushels, triple this year's very small carryover.

SOYBEAN COMPLEX
BREATHES EASIER

Both domestic use and exports of soybean meal in 1973/74 are expected to increase. The export figure in the table reflects an evaluation of the reported total export intentions for soybean meal, reflecting the anticipated world protein supply-demand situation and considering meal's joint product relationship with soybean oil.

The soybean oil carryover (crude and refined) on October 1, 1973, is expected to be tight. However, increased soybean oil production in 1973/74 should permit an increase in domestic use of about the normal 300 million pounds. Because of an anticipated increase in competing world supplies, including soybean oil from U.S. bean exports, and a reduction in U.S. Government PL-480 export assistance programs, 1973/74 exports of oil are estimated at 1 billion pounds, down about 200 million from 1972/73.

Projected soybean planted acreage for 1974 is down a little because of the large anticipated increases in corn and cotton acreages and the assumption of normal 1974 crop planting weather.

COTTON CROP
IMPROVES, BUT
RESERVES TO
STAY LOW

Although production prospects improved in the past month, the crop is still expected to fall 6 percent short of 1972's. Also, total use may slightly exceed the 1972/73 volume. Larger exports may more than offset smaller anticipated mill use. Thus, the carryover next summer may be a little smaller than the 3.8 million bales of August 1, 1973.

RICE SITUATION
TIGHT

The September crop report forecast the 1973 rice crop at 98.4 million cwt., 16 percent above 1972. (The forecast does not reflect possible losses resulting from tropical storm Delia in early September). The larger crop would more than offset the smallest beginning stocks since 1962, boosting supplies. But world demand is expected to continue strong. The world supply is the tightest in years. Ending U.S. stocks may rise slightly by the summer of 1974.

WHEAT

Item	1972/73	1973/74 Based on --		Projected 1974/75 *
	Preliminary	August indications	September indications	
<u>Acreage (Mil. Acres)</u>				
Set-aside	20.1	7.4	7.4	0
Planted	54.9 ^{1/}	58.8	58.8	66.0
Harvested	47.3	53.7	53.7	58.1
<u>Yield Per Harvested Acre (Bu.)</u>				
	32.7	32.0	32.2	32.6
<u>Supply (Million Bushels)</u>				
Beginning stocks	863	428	428	301
Production	1,545	1,717	1,727	1,894
Imports	1	1	1	1
Total	2,409	2,146	2,156	2,196
<u>Disappearance</u>				
Domestic	796	757	755	791
Exports	1,185	1,100	1,100	1,000
Total	1,981	1,857	1,855	1,791
<u>Ending Stocks</u>	428 ^{2/}	289	301	405

^{1/} Includes 2.6 million acres planted and subsequently designated as voluntary set-aside. ^{2/} Excludes grain in transit, the volume of which was abnormally large as of the survey date.

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* These 1974/75 projections are rough approximations based on presently available data. They are mainly indications of expected directions of change. Each of the numbers should be considered as representative of a fairly wide range rather than a precise estimate. These projections are subject to change as additional information becomes available.

RICE

Item	1971/72	1972/73	1973/74 Est.
		Estimate	Based on September indications
<u>Acreage</u>			
Allotment (1,000 A)	1,836.5	1,836.5	2,222.1
Planted (1,000 A)	1,826.0	1,824.0	2,178.8
Harvested (1,000 A)	1,817.9	1,817.9	2,168.6
<u>Yield per Harvested Acre (Lb.)</u>			
	4,718	4,684	4,537
<u>(Million Cwt. Rough)</u>			
<u>Supply</u>			
Beginning Stocks, Aug. 1	18.6	11.4	5.1
Production	85.8	85.2	93.4
Imports	1.1	0.5	1.0
Total	105.5	97.1	104.5
<u>Disappearance</u>			
Domestic	35.4	35.8	37.2
Exports	56.9	54.0	58.1
Total	92.3	89.8	95.3
Ending Stocks, Jul. 31	11.4	5.1	9.2
Difference Unaccounted	+1.8	+2.2	

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about crop and weather conditions here and abroad; changes in economic conditions; availability of inputs such as fertilizer and fuel; and other developments that could lead to changes in producers' production and marketing decisions.

CORN

Item (Mktg. year beginning Oct. 1)	1973/74 Based on			
	1972/73 Preliminary	August Indica- tions	Sept. Indica- tions	Projected 1974/75 *
<u>Acreage (Mil. acres)</u>				
Set Aside	24.4	5.7	5.7	-0-
Planted	66.3	71.3	71.3	75.5
Harvested	57.3	61.5	61.5	65.5
<u>Yield Per Harvested Acre (Bu.)</u>				
	96.9	92.1	93.8	97.0
<u>(Million Bushels)</u>				
<u>Supply</u>				
Beginning Stocks	1,126	775	775	725
Production	5,553	5,661	5,768	6,354
Imports	1	1	1	1
Total	6,680	6,437	6,544	7,080
<u>Disappearance</u>				
Domestic	4,655	4,627	4,694	5,030
Exports	1,250	1,125	1,125	1,050
Total	5,905	5,752	5,819	6,080
<u>Ending Stocks</u>	775	685	725	1,000

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

Item	1973/74 Based on			
	1972/73 Preliminary	August Indica- tions	Sept. Indica- tions	Projected 1974/75 *
<u>Acreage (Mil. acres)</u>				
Set Aside	36.6	9.1	9.1	--
Planted	115.2	121.7	121.7	126.0
Harvested	94.1	102.4	102.4	106.2
<u>Yield Per Harvested Acre (Tons)</u>				
	2.12	2.02	2.05	2.15
<u>(Million Short Tons)</u>				
<u>Supply</u>				
Beginning Stocks	48.4	34.5	33.8	30.7
Production	199.8	206.6	210.3	228.4
Imports	0.4	0.4	0.4	0.4
Total	248.6	241.6	244.5	259.5
<u>Disappearance</u>				
Domestic	171.9	172.0	174.1	182.5
Exports	42.9	39.7	39.7	36.7
Total	214.8	211.7	213.8	219.2
<u>Ending Stocks</u>	33.8	29.8	30.7	40.3

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

SOYBEANS

Item	1972/73 Estimate	1973/74 Based on		Projected 1974/75 *
		August Indica- tions	Sept. Indica- tions	
<u>Acreage</u>				
Planted (mil. A.)	47.0	57.2	57.2	54.0
Harvested (mil. A.)	45.8	56.2	56.2	53.0
% Harvested	97.3	98.2	98.2	98.1
<u>Yield Per Harvest.</u>				
Acre (bu.)	28.0	27.4	28.5	29.0
<u>Supply</u> (Million Bushels)				
Carryin, Sept. 1	72.0	50	65	200
Production	1,282.9	1,540	1,599	1,535
Total	1,354.9	1,590	1,664	1,735
<u>Disappearance</u>				
Crushings	721	775	775	825
Exports	480	600	600	650
Seed, Feed and Residual	89	90	89	90
Total	1,290	1,465	1,464	1,565
Carryover, Aug. 31	65	125	200	170

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SOYBEAN OIL

Item	1972/73 Estimate	1973/74 Based on		Projected 1974/75 *
		August Indica- tions	Sept. Indica- tions	
<u>Supply</u> (Million Pounds)				
Carryin, Oct. 1	785	375	365	665
Production	7,480	8,300	8,300	8,825
Total	8,265	8,675	8,665	9,490
<u>Disappearance</u>				
Domestic	6,700	7,100	7,000	7,300
Exports	1,200	1,000	1,000	1,200
Total	7,900	8,100	8,000	8,500
Carryover, Sept. 30	365	575	665	990

SOYBEAN MEAL

Item	1972/73 Estimate	1973/74 Based on		Projected 1974/75 *
		August 1 Indica- tions	Sept. 1 Indica- tions	
<u>Supply</u> (1,000 Short Tons)				
Carryin, Oct. 1	192	167	212	182
Production	16,670	18,370	18,370	19,550
Total	16,862	18,537	18,582	19,732
<u>Disappearance</u>				
Domestic	12,000	12,770	12,800	13,950
Exports	4,650	5,600	5,600	5,600
Total	16,650	18,370	18,400	19,550
Carryover, Sept. 30	212	167	182	182

UPLAND COTTON

Item	1971/72	1972/73	1973/74 based on --	
			August indications	September indications
<u>Acreage (Thousand Acres)</u>				
Planted	12,253	13,903	13,029	13,029
Harvested	11,370	12,888	12,318	12,288
Set-aside	2,061	2,049	0	0
<u>Yield Per Harvested Acre (Pounds)</u>				
	438	507	493	502
(Thousand <u>480-lb. Bales</u>)				
<u>Supply</u>				
August 1 Beginning				
Stocks <u>1/</u>	4,223	3,309	3,782	3,782
Production <u>2/</u>	10,294	13,567	12,648	12,853
Imports and City Crop	82	53	75	75
Total <u>3/</u>	14,601	16,930	16,505	16,710
<u>Disappearance</u>				
Mill Consumption				
Exports	3,378	5,303	5,700	5,900
Total <u>3/</u>	11,461	12,970	13,100	13,200
<u>Ending Stocks</u>	<u>1/</u> 3,309	<u>1/</u> 3,782	3,405	3,510

1/ Based on Census Bureau data.

2/ In season ginnings.

3/ May not add due to rounding.

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