

AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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

#55

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RAINS IN PLAINS IMPROVE WINTER WHEAT PROSPECTS

With harvest moving into full swing and moisture conditions improved, particularly in the Plains, the 1977 winter wheat crop based on conditions to June 1 is estimated by the Statistical Reporting Service at 1,526 million bushels, 3 percent above the May forecast but still below last year's harvest by 3 percent. On the basis of the winter wheat forecast and conditions in the spring wheat areas, all wheat production is estimated to fall between 1,900 million bushels and 2,150 million bushels. Chances are about 2 out of 3 that actual production will fall within the projected range.

The odds at this time favor a 1977 crop of around 2 billion bushels. Coupled with the largest carryover since 1963, the 1977/78 wheat supply could be record large.

Developments for the 1977 world crop have generally been favorable so far this year for another large harvest. Wheat production outside the United States is currently estimated at about 350 million metric tons, near the record 355 million last year. However, past annual variations in output, reflecting mainly weather and disease, suggest the final outcome could vary by about 5 or 6 percent above or below the current estimate. However, with record domestic supplies, low prices, and continued growth in world consumption, U.S. exports are projected a little above last season's 950 million bushels.

With large U.S. wheat supplies and lower prices in relation to other grains, use in livestock feeding appears heavy. Wheat feeding is expected to jump to over 200 million bushels and could be the largest since the 1940's.

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NOTE TO USERS

* The format for 1977/78 wheat projections in this issue has been modified
* from previous issues and, consequently, estimates are not directly comparable
* with previous reports. The two projected alternatives generally approximate a
* range around an expected midpoint. The ranges primarily reflect variations
* caused by weather and growing indications both here and abroad. But they also
* reflect errors in estimation procedures and changes in other factors that
* affect supply and demand for the commodity.

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WHEAT (Domestic Measure) 1/

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*****
Commodity      : 1975/76 : 1976/77 : 1977/78
                :          : Estimated : Projected 2/
*****
                :
                : Favorable Unfavorable
WHEAT:         :
                : Million acres
Area           :
  Planted      : 75.1      80.2
  Harvested    : 69.6      70.8
Yield per harvested: Bushels per acre
  unit         : 30.7      30.3
                :
                : Million bushels
Beginning stocks : 435      664      1,105      1,105
Production       : 2,135    2,147    2,150    1,900
Imports         : 2        2         2         2
  Supply total   : 2,572    2,813    3,257    3,007
Domestic        :
  Food          : 559      555      558      558
  Seed          : 95       88       85       87
  Feed         : 81       115      275      200
Domestic, total : 735      758      918      845
Exports         : 1,173    950      900      1,100
Disappearance, total: 1,908    1,708    1,818    1,945
Ending stocks   : 664      1,105    1,439    1,062
Season average farm:
  price ($/bu.) : 3.55     2.85     2.25-2.35 2.40-2.80

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1/ Marketing year beginning June 1 for wheat.

2/ Based primarily on favorable and unfavorable growing conditions this summer in the United States and abroad.

WHEAT (Metric Measure) 1/ 2/

 Commodity : 1975/76 : 1976/77 : 1977/78
 : : Estimated : Projected 3/

WHEAT:	:	Favorable Unfavorable		
Area	:	Million hectares		
Planted	:	30.4	32.5	
Harvested	:	28.2	28.7	
Yield per harvested	:	Metric tons per hectare		
unit	:	2.1	2.0	
	:	Million metric tons		
Beginning stocks	:	11.8	18.1	30.1 30.1
Production	:	58.1	58.4	58.5 51.7
Imports	:	0.1	0.1	0.1 0.1
Supply total	:	70.0	76.6	88.6 81.8
Domestic	:			
Food	:	15.2	15.1	15.2 15.2
Seed	:	2.6	2.4	2.3 2.4
Feed	:	2.2	3.1	7.5 5.4
Domestic, total	:	20.0	20.6	25.0 23.0
Exports	:	31.9	25.9	24.5 29.9
Disappearance, total:	:	51.9	46.5	49.5 52.9
Ending stocks	:	18.1	30.1	39.1 28.9
Season average farm	:			
price (\$/MT)	:	130	105	83-86 88-103

1/ Marketing year beginning June 1 for wheat.
 2/ Conversion factor: Hectare = 2.471 acres; Metric ton = 2204.6
 pounds or 36.7437 bushels (wheat). 3/ Based primarily on favorable
 and unfavorable growing conditions this summer in the United
 States and abroad.

The Agricultural Supply and Demand Estimates Tables were prepared
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