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AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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HIGHLIGHTS

Larger than expected exports of soybeans, cotton, and rice during 1976/77 have led to upward revisions in projected use of these commodities since our last report.

For 1977/78, with the recent improvement in the winter wheat crop and with harvest imminent, the projected production range for wheat has been narrowed. While the favorable weather projection remains at 2,050 million bushels, the unfavorable projection has been upped 100 million bushels to 1,850 million.

Because of uncertainties about weather and growing conditions, two weather-related alternatives are projected for 1977/78 crop supplies and use.

The first alternative assumes that farmers will enjoy generally favorable moisture and temperature conditions during the planting, growing, and harvesting seasons both in this country and abroad.

The second alternative assumes poor weather in the United States along with poor weather abroad and a related strong foreign market for U.S. farm products.

These two alternatives show the continuing uncertainties facing U.S. agriculture. However, greatly improved U.S. weather and the adaptability of U.S. farmers to adverse conditions suggest that the odds at this time are for U.S. grain and oilseed crops to be closer to the favorable weather alternative than to the poor weather alternative.

WINTER WHEAT CROP IMPROVES BUT STILL BELOW LAST YEAR

The 1977 winter wheat crop, based on May 1 conditions, is estimated at 1,477 million bushels, 6 percent below last year but up 3 percent from the December forecast because of improved moisture conditions. On the basis of this forecast and with the start of the harvest imminent, the production estimate under the unfavorable weather alternative was raised from 1,750 to 1,850 million bushels. The favorable weather projection remains at 2,050 million bushels. Crop conditions still point to a 1977 crop near the favorable weather outcome. The winter crop estimates and the changes in the projections continue to point to large wheat supplies which will likely be the dominant market influence.

For the 1976/77 marketing year, wheat feeding has been raised 15 million bushels to 115 million, reflecting wheat's current competitive edge over other grains.

1976/77 RICE EXPORTS TO RISE TO RECORD HIGH

The 1976/77 rice export estimate has been raised 3.1 million cwt. to 69.2 million to reflect continued strong commercial purchasing by Mideastern and African countries and expected export sales in the final months of the marketing year.

Under the unfavorable weather alternative, the 1977/78 rice export estimate has also been increased slightly.

SOYBEAN EXPORTS REVISED UPWARD

Soybean exports have been revised upward by 5 million bushels to 550 million for the 1976/77 year. Weekly export sales to date show soybean sales are running well ahead of a year ago despite the smaller crop. However, recent export inspections indicate that the anticipated slowing in the pace of exports compared with a year earlier may have begun. A decline in new sales and perhaps some cancellations of previous orders are likely in the weeks ahead.

Supply-disposition estimates for the 1977/78 season, under the favorable weather alternative, have been revised upward to reflect a reappraisal of improved potential domestic demand for soybean meal. The higher level of demand would require a crush of 860 million bushels. This would shade bean stocks and would imply a larger oil production than previously projected.

PROSPECTIVE COTTON CARRYOVER TRIMMED AS EXPORTS SURGE

Continuing large export sales, coupled with heavy shipments during recent weeks, point to 1976/77 U.S. cotton exports of around 5.1 million bales, up 4 percent from our previous estimate. This season's cumulative exports plus outstanding sales for delivery prior to August 1 now total 5.2 million 480-pound bales. However, some of this cotton, along with additional sales expected during the balance of the season, may not be shipped until early 1977/78.

With exports taking a bigger bite out of current cotton supplies, the August 1, 1977, carryover may fall to about 2.7 million bales, a million below last summer's level and the smallest since 1951. U.S. mill use of cotton is now estimated at 6.7 million bales, down 7-1/2 percent from last season as a result of higher cotton prices in relation to manmade fibers. Although this situation will continue for the next 6 months or so, the anticipated larger 1977 cotton crop is expected to give domestic cotton consumption a competitive lift.

WHEAT AND RICE (Domestic Measure) 1/

Commodity	: 1975/76	: 1976/77	: 1977/78		
	: Estimated	: Projected 2/		Alt. I	Alt. II

				Alt. I	Alt. II
WHEAT:					
Area	Million acres				
Planted	: 75.1	80.2	--	--	
Harvested	: 69.6	70.8	--	--	
Yield per harvested unit	: 30.7	30.3	--	--	
	Bushels per acre				
	Million bushels				
Beginning stocks	: 435	664	1,105	1,105	
Production	: 2,135	2,147	2,050	1,850	
Imports	: 2	2	2	2	
Supply total	: 2,572	2,813	3,157	2,957	
Domestic					
Food	: 559	555	558	558	
Seed	: 95	88	85	89	
Feed	: 81	115	200	250	
Domestic, total	: 735	758	843	897	
Exports	: 1,173	950	900	1,200	
Disappearance, total	: 1,908	1,708	1,743	2,097	
Ending stocks	: 664	1,105	1,414	860	
Season average farm price (\$/bu.)	: 3.55	2.85	2.25-2.35	2.60-3.10	
RICE:					
Area	Million acres				
Allotment	: 1.80	1.80	1.80	1.80	
Planted	: 2.82	2.51	--	--	
Harvested	: 2.80	2.50	--	--	
Yield per harvested unit	: 4,567	4,679	--	--	
	Pounds per acre				
	Million cwt.				
Beginning stocks	: 7.1	36.9	41.9	41.9	
Production	: 128.0	117.0	100.8	97.4	
Imports	: --	--	--	--	
Supply, total	: 135.1	153.9	142.7	139.3	
Domestic	: 40.2	42.8	44.1	44.1	
Exports	: 56.5	69.2	63.2	69.2	
Disappearance, total	: 96.7	112.0	107.3	113.3	
Ending stocks	: 36.9	41.9	35.4	26.0	
Diff. unaccounted	: +1.5	--	--	--	
Season average farm price (\$/cwt.)	: 8.34	6.70	7.00-7.50	8.50-9.50	

1/ Marketing year beginning June 1 for wheat, August 1 for rice.
 2/ Alternative I bases projections on relatively favorable spring and summer weather worldwide; Alternative II assumes unfavorable domestic and foreign weather conditions.

WHEAT AND RICE (Metric Measure) 1/ 2/

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

WHEAT:			Alt. I	Alt. II
Area		Million hectares		
Planted	30.4	32.5	--	--
Harvested	28.2	28.7	--	--
Yield per harvested unit	2.1	2.0	--	--
		Million metric tons		
Beginning stocks	11.8	18.1	30.1	30.1
Production	58.1	58.4	55.7	50.3
Imports	0.1	0.1	0.1	0.1
Supply total	70.0	76.6	85.9	80.5
Domestic				
Food	15.2	15.1	15.2	15.2
Seed	2.6	2.4	2.3	2.4
Feed	2.2	3.1	5.4	6.8
Domestic, total	20.0	20.6	22.9	24.4
Exports	31.9	25.9	24.5	32.7
Disappearance, total	51.9	46.5	47.4	57.1
Ending stocks	18.1	30.1	38.5	23.4
Season average farm price (\$/MT)	130	105	83-86	95-114

RICE:				
Area		Million hectares		
Allotment	0.73	0.73	0.73	0.73
Planted	1.14	1.02	--	--
Harvested	1.13	1.01	--	--
Yield per harvested unit	5.12	5.24	--	--
		Million metric tons		
Beginning stocks	0.32	1.67	1.90	1.90
Production	5.80	5.31	4.57	4.42
Imports	--	--	--	--
Supply, total	6.12	6.98	6.47	6.32
Domestic	1.82	1.94	2.00	2.00
Exports	2.56	3.14	2.87	3.14
Disappearance, total	4.39	5.08	4.87	5.14
Ending stocks	1.67	1.90	1.61	1.18
Difference unaccounted:	+0.06	--	--	--
Season average farm price (\$/MT)	184	148	154-165	187-209

1/ Marketing year beginning June 1 for wheat, August 1 for rice.
 2/ Conversion factor: Hectare = 2.471 acres; Metric ton = 2204.6 pounds or 36.7437 bushels (wheat), 22.046 cwt. (rice) 3/ Alt. I bases projections on relatively favorable spring and summer weather worldwide; Alt. II assumes unfavorable domestic and foreign weather conditions.

SOYBEANS AND PRODUCTS (Domestic Measure) 1/

Commodity : 1975/76 : 1976/77 : 1977/78
 : : Estimated : Projected 2/

SOYBEANS:			Alt. I	Alt. II
Area		Million acres		
Planted	: 54.7	50.3	--	--
Harvested	: 53.8	49.4	--	--
Yield per harvested unit	: 28.8	Bushels per acre		
		25.6	--	--
		Million bushels		
Beginning stocks	: 185	245	65	65
Production	: 1,546	1,265	1,625	1,360
Supply, total	: 1,731	1,510	1,690	1,425
Crushings	: 865	820	860	760
Exports	: 555	550	570	525
Seed, feed, & residual	: 66	75	85	80
Disappearance, total	: 1,486	1,445	1,515	1,365
Ending stocks	: 245	65	175	60
Season average farm price (\$/bu.)	: 4.92	7-8	5-6	8-9

SOYBEAN OIL:				
		Million pounds		
Beginning stocks	: 561	1,251	1,220	1,220
Production	: 9,630	3/ 8,909	9,200	8,130
Supply, total	: 10,191	10,160	10,420	9,350
Domestic	: 7,964	7,440	7,800	7,400
Exports	: 976	1,500	1,400	1,200
Disappearance, total	: 8,940	8,940	9,200	8,600
Ending stocks	: 1,251	1,220	1,220	750
Average price (cents/lb.) ^{4/}	: 18.3	25-27	18-22	27-31

SOYBEAN MEAL:				
		Thousand short tons		
Beginning stocks	: 358	355	355	355
Production	: 20,754	3/ 19,400	20,425	18,050
Supply, total	: 21,112	19,755	20,780	18,405
Domestic	: 15,612	14,600	15,425	13,650
Exports	: 5,145	4,800	5,000	4,500
Disappearance, total	: 20,757	19,400	20,425	18,150
Ending stocks	: 355	355	355	255
Average price (\$/ton) ^{5/}	: 147.80	225-250	150-175	250-275

1/ Marketing year beginning 9/1 for soybeans, 10/1 for soybean oil and meal. 2/ Alt. I bases projections on relatively favorable spring and summer weather worldwide; Alt. II assumes unfavorable domestic and foreign weather conditions. 3/ Based on Oct.-Sept. year crush of 810 million bu. 4/ Simple average of crude soybean oil price at Decatur. 5/ Simple average of 44% protein.

SOYBEANS AND PRODUCTS (Metric Measure) 1/ 2/

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

SOYBEAN:			Alt. I	Alt. II
Area	Million hectares			
Planted	22.1	20.4	--	--
Harvested	21.8	20.0	--	--
Yield per harvested unit	Metric tons per hectare			
	1.94	1.72	--	--
	Million metric tons			
Beginning stocks	5.0	6.7	1.8	1.8
Production	42.1	34.4	44.2	37.0
Supply, total	47.1	41.1	46.0	38.8
Crushings	23.5	22.3	23.4	20.7
Exports	15.1	15.0	15.5	14.3
Seed, feed, and residual	1.8	2.0	2.3	2.2
Disappearance, total	40.4	39.3	41.2	37.1
Ending stocks	6.7	1.8	4.8	1.6
Season avg. farm price (\$/MT)	180.78	257-294	184-220	294-331

SOYBEAN OIL:	Thousand metric tons			
Beginning stocks	254	567	553	553
Production	4,368	4/ 4,041	4,173	3,688
Supply, total	4,623	4,609	4,727	4,241
Domestic	3,612	3,375	3,538	3,357
Exports	443	680	635	544
Disappearance, total	4,055	4,055	4,173	3,901
Ending stocks	567	553	553	340
Average price (\$/MT) 5/	403.44	551-595	397-485	595-683

SOYBEAN MEAL:	Thousand metric tons			
Beginning stocks	325	322	322	322
Production	18,828	4/ 17,599	18,529	16,375
Supply, total	19,152	17,921	18,851	16,697
Domestic	14,163	13,245	13,993	12,383
Exports	4,667	4,354	4,536	4,082
Disappearance, total	18,830	17,599	18,529	16,465
Ending stocks	322	322	322	231
Average price (\$/MT) 6/	162.92	248-276	165-193	276-303

1/ Marketing year beginning Sept. 1 for soybeans, Oct. 1 for soybean oil and meal. 2/ Conversion factor: Hectare = 2.471 acres Metric ton = 2204.6 pounds or 36.7437 bushels. 3/ Alt. I bases projections on relatively favorable spring and summer weather worldwide; Alt. II assumes unfavorable domestic and foreign weather conditions. 4/ Based on Oct.-Sept. year crush range of 22. 5/ Simple average of crude soybean oil price at Decatur. 6/ Simple average of 44% protein.

COTTON: UPLAND AND EXTRA LONG STAPLE 1/

Commodity	DOMESTIC measure			METRIC measure 2/		
	1974/75	1975/76	1976/77	1974/75	1975/76	1976/77
	Est.	Est.	Est.	Est.	Est.	Est.

Area	Million acres			Million hectares		
Planted	13.7	9.5	11.7	5.5	3.8	4.7
Harvested	12.6	8.8	10.9	5.1	3.6	4.4
Yield per harv. unit	Pounds per acre			Metric ton per hectare		
	441	453	465	0.49	0.51	0.52
	Million 480-lb. bales			Million metric tons		
Beginning stocks	3/ 3.8	3/ 5.7	3/ 3.7	0.8	1.2	0.8
Production	11.5	8.3	10.6	2.5	1.8	2.3
Supply, total 4/	15.4	14.1	14.3	3.3	3.1	3.1
Mill use	5.9	7.3	6.7	1.3	1.6	1.5
Exports	3.9	3.3	5.1	0.9	0.7	1.1
Disappearance, total	9.8	10.6	11.8	2.1	2.3	2.6
Difference unaccounted 5/	0.1	0.2	0.2	6/ 6/	6/ 6/	6/ 6/
Ending stocks	3/ 5.7	3/ 3.7	2.7	1.2	0.8	0.6
Season average farm price	Cents per pound			Dollars per metric ton		
	42.9	51.3	65.0	946	1,131	1,433

 1/ Marketing year beginning Aug. 1. 2/ Conversion factor:
 Hectare = 2.471 acres. Metric ton = 2204.6 pounds or 4.59
 480-pound bales. 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.
 Estimated for 1976/77. 6/ Less than 0.05 mil. metric tons.

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

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