

AGRICULTURAL SUPPLY & DEMAND ESTIMATES



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HIGHLIGHTS

If planting, growing and harvesting conditions generally favor 1979 crops around the world, increases in output likely would mean supplies well above projected usage for 1979/80, resulting in a buildup of stocks and downward pressure on prices. However, if weather patterns in the United States and other major producing areas of the world are unfavorable and lead to relatively small crops, output likely would fail to match disappearance. This would mean a drop in carryover stocks and prices significantly stronger than in 1978/79.

* Early-Season Uncertainties *
*
* At this early date, considerable uncertainty surrounds the *
* 1979/80 crop supply, use and price outlook. Most of the *
* spring crops are yet to be planted. The crop size will *
* depend importantly on planting, growing, and harvesting *
* conditions. To attempt to show the magnitude of the *
* uncertainty at this stage, two supply-use alternatives *
* were developed. Alternative I assumes relatively large *
* production worldwide, stemming from generally favorable *
* crop conditions. Alternative II assumes reduced worldwide *
* production due to generally unfavorable crop conditions. *

April 1 planting intentions indicated that seedings for major U.S. crops may increase nearly 3 percent from 1978. This increase partly reflects expanded double-cropping and lower expected participation in the 1979 set-aside programs. Price relationships suggest acreage increases for soybeans, wheat and cotton, while a smaller acreage is indicated for feed grains. Planting conditions and relative prices in coming weeks will have a major influence on acreage planted, with any extended delays tending to favor shifts to soybean acreage.

It is too early to accurately predict either planting or growing conditions around the world, but current good to excessive moisture supplies provide a basis for making some assessments. While abundant moisture--a key to good yields--bodes well for winter grain production prospects in most areas of the Northern Hemisphere, excessive moisture is resulting in problems in several areas for spring crops. In Northern Europe, for example, winter grains suffered from slightly above-normal winterkill due to cold, wet conditions. Excessive moisture is also delaying the planting of spring grains and other crops in some areas of Northern and Eastern Europe, Northern USSR, and North America. In the United States, where soil moisture also ranges from favorable to excessive, extreme wetness (including moderate flooding) is delaying corn plantings in the upper Midwest and cotton, soybean, and rice plantings in portions of the Mississippi Delta.

April 1 stocks of corn, soybeans and rice were well above year-earlier levels, as expected. However, heavy producer participation in the CCC loan program and the large farmer-owned grain reserve reduced free stocks available to the market.

PLANTINGS OF MAJOR CROPS

CROP	: 1976	: 1977	: 1978	: 1979 1/	: 1979/78

	: Million acres				: Percent
Corn	: 84.4	83.6	79.7	79.2	-0.6
Sorghum	: 18.4	17.0	16.5	15.6	-5.2
Barley	: 9.2	10.6	10.0	8.6	-13.5
Oats	: 16.7	17.7	16.4	15.0	-8.2
Feed grains	: 128.7	128.9	122.6	118.4	-3.3
:					
Durum wheat	: 4.7	3.2	4.1	4.4	+6.6
Other spring wheat	: 17.8	15.6	14.3	14.8	+3.7
Total spring wheat	: 22.5	18.8	18.4	19.2	+4.3
Winter wheat	: 57.7	56.3	47.7	51.5	+7.8
Total wheat	: 80.2	75.1	66.1	70.6	+6.9
:					
Soybeans	: 50.2	58.8	64.0	68.8	+7.4
Upland cotton	: 11.6	13.6	13.3	14.3	+7.6
Sunflower 3/	: 0.8	2.3	2.8	4.9	+75.3
Flaxseed	: 1.1	1.4	0.9	0.8	-6.0
Sugarbeets	: 1.5	1.3	1.3	1.2	-10.8
Rye	: 2.7	2.7	3.0	3.1	+3.1
Rice	: 2.5	2.3	3.1	2.9	-4.4
Total	: 279.3	286.3	277.1	283.8	+2.9

1/ Indicated plantings as of December 1 for winter wheat and rye, and as of April 1 for other crops. 2/ Percentages from unrounded data. 3/ Total of four States.

Increased Corn Feeding Indicated

April 1 stocks of corn indicated continuation of heavy feeding from last fall with January-March 1979 feed use up 11 percent over a year ago. Feed use of corn for 1978/79 is projected at 4.1 billion bushels, 100 million above the previous estimate. The increase in feeding is largely attributable to the sharper than expected expansion in pork production. Corn exports through March are running about 8 percent above a year earlier, and should total about 1,950 million bushels for the 1978/79 season.

Feed grain carryover stocks into 1979/80 are expected to total around 54 million metric tons, up some 13 million over last year, but about 3 million below the previous estimate. Nearly 50 percent of the carryover will be held in the farmer-owned reserve and CCC inventory.

Farmers plan to seed about 118 million acres to feed grains during 1979 about 4 million less than in 1978, and the lowest acreage since 1972. The smaller acreage reflects some shifting into the more favorably priced crops of soybeans and sunflowers.

Soil moisture conditions in the Corn Belt are similar to a year ago when excessive moisture delayed planting. Despite good progress in plowing last fall, field work is lagging normal because of wetness this spring.

With favorable weather conditions in 1979, feed grain production would likely approach last year's record level. Large supplies and relatively low prices, suggest feed use would again expand sharply. Even with favorable worldwide weather, expanding world demand would likely maintain exports at near record levels. Strong demand would maintain stocks and prices at about the same level as in 1978/79.

But, if unfavorable weather occurs this year, production would fall well below last year. Feed use could be reduced from this year's level while exports would increase substantially. Stocks would decline and prices would strengthen to the point where most of the grain in the farmer-owned reserve would be released and sold.

These alternatives have been designed because it is still too early to make a single point estimate on supply and use with any degree of certainty. However, an assessment of current prospects suggests some reduction in supplies coupled with larger disappearance. Thus, stocks would likely decline, resulting in strong feed grain prices.

Continued Strong Soybean Demand in Prospect

U.S. soybean usage for 1978/79 has been upped 25 million bushels (10 million crush and 15 million export). Larger prospective use reflects continued strong demand for meal and oil coupled with a delayed Brazilian soybean harvest. However, U.S. soybean stocks next September 1 still are forecast at 140 million bushels. Assessments based on current and prospective soybean prices suggest a somewhat larger 1978/79 carryover than that indicated by the reported crop and the current forecast of disappearance. A balancing item is included in the soybean tables to reconcile reported supply with projected disappearance and stocks.

U.S. soybean supplies are likely to be record large in 1979/80. Producers intend to expand plantings by 7 percent and, if planting and growing conditions are relatively favorable, the 1979/80 supply would total around 2.2 billion bushels. Even with relatively unfavorable production conditions, a projected supply of over 1.9 billion bushels would nearly match this season's record 2.0 billion-bushel level.

Under both scenarios, expanding hog and poultry numbers, coupled with favorable soybean meal prices for feed use, would be expected to maintain strong world demand for soybeans. However, short world crops would result in sharply higher prices and somewhat moderated demand, while very large crops would exceed expanded use and result in stock additions and lower prices.

On balance, current conditions suggest some expansion in soybean supplies coupled with larger disappearance, leaving stocks and prices possibly close to levels expected this season.

Wheat Demand Strengthens

A combination of stronger export demand and lower than expected April 1 stocks have reduced the estimate of June 1 stocks to 950 million bushels, down 20 percent from the level of carryover on June 1, 1978. With the level of wheat exports in prospect over the next couple months, the 1978/79 export estimate was raised by 25 million bushels from the previous forecast. April 1 stocks indicate feed use for the year of 175 million bushels, up 25 million from the previous forecast.

Indicated acreage of 1979 wheat is up 7 percent from 1978, indicating a larger prospective crop. However, there has been considerable reseeding of winterkilled wheat in the Pacific Northwest.

The 1979 wheat crop could total nearly 2.1 billion bushels with favorable weather this year. If conditions worldwide are also favorable, exports would be reduced and stocks would increase modestly.

With unfavorable weather here and abroad, U.S. wheat supplies would still be sufficient to meet the larger demand. A combination of a small U.S. and world crop would cause prices to increase significantly over current levels, but the availability of reserve stocks would enable the U.S. to meet domestic and export requirements.

Although a number of uncertainties remain, current conditions suggest some reduction in wheat supplies coupled with disappearance slightly below a year ago. Stocks would likely fall below this year's level, with a modest increase in price.

Rice Export Estimate Increased

The rice export estimate for 1978/79 has been increased from 70 million cwt. to a record 74 million reflecting larger-than-expected sales to African and Middle East countries, particularly Iran. Even with record utilization this year, rice stocks will likely increase by 20 million cwt. to around 47 million.

For 1979/80, favorable weather would likely result in another record crop and further buildup in rice stocks. Prices would likely be reduced to near the loan level.

Even with favorable world weather conditions, 1979/80 projections point to another record year for rice exports. This outlook reflects the injection of Brazilian demand into next year's picture combined with a continuation of strong growth in some Middle East and African markets.

With unfavorable weather, and sharply higher exports, rice stocks would be drawn down and prices could increase a tenth over this year's level.

These alternatives have been designed to reflect the range of supply-utilization possibilities at this time. However, current conditions suggest some expansion in supplies coupled with record large disappearance, leaving stocks and prices close to levels expected for 1978/79.

Cotton Export Prospects Strengthen; Much Larger 1979 Crop Likely

U.S. cotton exports during 1978/79 now are expected to total about 6.3 million bales, matching prospective mill use for the first time since 1937/38. Strong foreign demand, especially from Japan, the Republic of Korea, and China, and limited supplies in other major producing countries are boosting our anticipated exports 5 percent above earlier indications to the highest level since 1960/61. So, with expected disappearance in excess of the small 1978 crop, this summer's stocks may drop to about 3.7 million bales, down from 5.3 million at the beginning of the 1978/79 season.

The U.S. cotton outlook for 1979/80 hinges largely on weather. If production conditions are generally unfavorable worldwide, as they were this season, U.S. production and use could balance at the 12 to 12-1/2 million-bale level, implying little change in stocks. Even with relatively low yields, the 8-percent increase in intended plantings would boost U.S. production substantially above the 1978 outturn. Under this scenario, reduced foreign crops would further strengthen the export demand for U.S. cotton.

On the other hand, if production conditions are favorable here and abroad, U.S. stocks would build up sharply. Relatively high yields, coupled with larger acreage, could boost the U.S. crop about 3 million bales above anticipated disappearance of 11 1/2 million. As a result, stocks could nearly double during the season.

While a range of possibilities exists, current conditions suggest some expansion in cotton supplies coupled with slightly smaller disappearance, thus boosting stocks moderately above the relatively low level expected at the end of this season.

GRAINS--UNITED STATES

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*****
Item          : Wheat : Rice : Corn : Feed  : Total
                :      :      :      :      :
                :      :      :      :      : Grains3/: Grains
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                :      :      :      :      :
                :      :      :      :      : (Million metric tons)
1976/77
Beginning stocks : 18.1   1.7  10.0   17.2   37.0
Production       : 58.3   5.2  159.2  193.4  256.9
  Supply, Total 1/ : 76.5   6.9  169.4  211.0  294.4
Feed use         :  1.8   ---  91.1  112.6  114.4
Food & other use  : 18.6   1.9  13.0   17.9   38.4
Exports          : 25.8   3.0  42.8   50.6   79.4
  Use, Total      : 46.2   4.9  146.9  181.1  232.2
Ending stocks    : 30.3   1.8  22.5   29.9   62.0
Average farm price 2/ : 100   155   85   ---   ---
1977/78 (preliminary)
Beginning stocks : 30.3   1.8  22.5   29.9   62.0
Production       : 55.4   4.5  163.2  203.4  263.3
  Supply, Total 1/ : 85.7   6.3  185.7  233.6  325.6
Feed use         :  5.0   ---  94.2  117.3  122.3
Food & other use  : 18.1   1.7  14.0   18.8   38.6
Exports          : 30.6   3.3  49.5   56.3   90.2
  Use, Total      : 53.7   5.0  157.7  192.4  251.1
Ending stocks    : 32.0   1.2  28.0   41.2   74.4
Average farm price 2/ : 86   209   80   ---   ---
1978/79 (estimated)
Beginning stocks : 32.0   1.2  28.0   41.2   74.4
Production       : 49.0   6.3  179.9  217.3  272.6
  Supply, Total 1/ : 81.1   7.5  207.9  258.8  347.4
Feed use         :  4.8   ---  104.1  129.4  134.2
Food & other use  : 18.4   2.0  14.6   19.6   40.0
Exports          : 32.0   3.4  49.5   55.9   91.3
  Use, Total      : 55.2   5.4  168.2  204.9  265.5
Ending stocks    : 25.9   2.1  39.7   53.9   81.9
Average farm price 2/ : 108   170   83   ---   ---

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1/ Including imports. 2/ Dollars per metric ton. 3/ Including corn.

GRAIN CARRYOVER STOCKS, FARMER-OWNED RESERVE,
CCC INVENTORY, AND PRICES

Crop : : Preliminary : Estimated
: 1976/77 : 1977/78 1/ : 1978/79

	Million metric tons		
WHEAT			
Ending stocks, total	30.3	32.0	25.9
Farmer-owned reserve	---	9.3	11.2
CCC inventory	---	1.3	1.4
Average farm price 2/	100	86	108
CORN			
Ending stocks, total	22.5	28.0	39.7
Farmer-owned reserve	---	8.0	18.8
CCC inventory	---	.3	2.4
Average farm price 2/	85	80	83
TOTAL FEED GRAINS			
Ending stocks, total	29.9	41.2	53.9
Farmer-owned reserve	---	10.5	22.3
CCC inventory	---	.7	3.5
RICE			
Ending stocks, total	1.8	1.2	2.1
Farmer-owned reserve	---	---	.1
CCC inventory	.8	.5	.7
Average farm price 2/	155	209	170
TOTAL GRAINS			
Ending stocks, total	62.0	74.4	81.9
Farmer-owned reserve	---	19.8	33.6
CCC inventory	.8	2.5	5.6

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.

FEED GRAINS AND CORN 1/

Commodity	:	1977/78	:	1978/79	:	1979/80
	:	Prelim.	:	Estimated	:	Projected 2/

	:			Alt. I		Alt. II
FEED GRAINS:	:					
Area	:		Million acres			
Planted	:	128.9		122.6		
Harvested	:	108.0		104.3		
Yield per harv.	:		Metric tons			
acre	:	1.88		2.08		
	:		Million metric tons			
Beginning stocks	:	29.9		41.2	53.9	53.9
Production	:	203.4		217.3	214.7	176.9
Imports	:	0.3		0.3	0.2	0.2
Supply, total	:	233.6		258.8	268.8	231.0
Feed	:	117.3		129.4	138.7	121.9
Food, seed, &	:					
indust.	:	18.8		19.6	20.4	19.7
Domestic, total	:	136.1		149.0	159.1	141.6
Exports	:	56.3		55.9	55.8	63.1
Use, total	:	192.4		204.9	214.9	204.7
Ending stocks	:	41.2		53.9	53.9	26.3
	:					
CORN:	:					
Area	:		Million acres			
Planted	:	83.6		79.7		
Harvested	:	70.9		70.0		
Yield per harv.	:		Bushels			
unit	:	90.7		101.2		
	:		Million bushels			
Beginning stocks	:	884		1,104	1,562	1,562
Production	:	6,425		7,082	7,000	5,800
Imports	:	3		1	1	1
Supply, total	:	7,312		8,187	8,563	7,363
Feed	:	3,709		4,100	4,400	3,900
Food, seed, &	:					
indust.	:	551		575	600	580
Domestic, total	:	4,260		4,675	5,000	4,480
Exports	:	1,948		1,950	1,950	2,200
Use, total	:	6,208		6,625	6,950	6,680
Ending stocks	:	1,104		1,562	1,613	683
Avg. farm price3/	:	2.02		2.11	2.10-2.20	2.75-3.00

1/ Marketing year beginning October 1 for corn and sorghum; June 1 for barley and oats. 2/ Alternative I assumes relatively favorable production conditions worldwide; Alternative II assumes relatively unfavorable production conditions worldwide.
3/ Season average farm price, dollars per bushel.

SORGHUM, BARLEY, AND OATS 1/

 Commodity : 1977/78 : 1978/79 : 1979/80
 : Prelim. : Estimated : Projected 2/

			Alt. I	Alt.II
SORGHUM:		Bushels		
Yield/harv. unit	56.3	55.1		
		Million bushels		
Beginning stocks	91	191	187	187
Production	793	748	770	600
Imports				
Supply, total	884	939	957	787
Feed	473	525	530	450
Food, seed, & ind.	7	7	7	7
Domestic, total	480	532	537	457
Exports	213	220	210	240
Use, total	693	752	747	697
Ending stocks	191	187	210	90
Avg. farm price 3/	1.82	1.94	2.00-2.10	2.60-2.80
BARLEY:		Bushels		
Yield/harv. unit	43.9	48.4		
		Million bushels		
Beginning stocks	126	172	237	237
Production	420	447	390	330
Imports	9	10	10	10
Supply, total	555	629	637	577
Feed	168	200	240	190
Food, seed, & ind.	158	162	170	160
Domestic, total	326	362	410	350
Exports	57	30	35	45
Use, Total	383	392	445	395
Ending stocks	172	237	192	182
Avg. farm price 3/	1.78	1.90	1.85-1.95	2.30-2.45
OATS		Bushels		
Yield/harv. unit	55.8	52.2		
		Million bushels		
Beginning stocks	165	311	293	293
Production	751	601	610	490
Imports	2	1	1	1
Supply, total	918	913	904	784
Feed	512	525	570	500
Food, seed, & ind.	84	85	90	90
Domestic total	596	610	660	590
Exports	11	10	10	10
Use, total	607	620	670	600
Ending stocks	311	293	234	184
Avg. farm price 3/	1.10	1.18	1.20-1.30	1.50-1.65

1/ Marketing year beginning October 1 for sorghum, June 1 for barley and oats. 2/ Alternative I assumes relatively favorable production conditions worldwide; Alternative II assumes relatively unfavorable production conditions worldwide. 3/ Season average farm price, dollars per bushel.

SOYBEANS AND PRODUCTS (Domestic Measure) 1/

Commodity	: 1977/78	: 1978/79	:	1979/80
	: Prelim.	: Estimated	:	Projected 2/

			Alt. I	Alt. II
SOYBEANS:				
Area		Million acres		
Planted	: 58.8	64.0		
Harvested	: 57.6	63.0		
Yield per harv. unit	: 30.6	29.2		
		Bushels/acre		
		Million bushels		
Beginning stocks	: 103	161	140	140
Production	: 1,762	1,843	2,070	1,800
Supply, total	: 1,865	2,004	2,210	1,940
Crushings	: 927	1,010	1,060	900
Exports	: 700	800	815	835
Seed and feed	: 69	75	75	75
Residual	: 8	4	10	10
Use, total	: 1,704	1,889	1,960	1,820
Imbalance	: ---	25 3/	---	---
Ending stocks	: 161	140	250	120
Avg. farm price	: 5.88	6.75	5.75-6.25	8-10
SOYBEAN OIL:		Million pounds		
Beginning stocks	: 771	729	940	940
Production	: 10,288	11,061	11,555	9,810
Supply, total	: 11,059	11,790	12,495	10,750
Domestic	: 8,273	8,700	9,100	8,400
Exports	: 2,057	2,150	1,900	1,700
Use, total	: 10,330	10,850	11,000	10,100
Ending stocks	: 729	940	1,495	650
Avg. price 4/	: 24.6	27	18-20	30-34
SOYBEAN MEAL:		Thousand short tons		
Beginning stocks	: 228	243	380	380
Production	: 22,371	23,987	25,175	21,375
Supply, total	: 22,599	24,230	25,555	21,755
Domestic	: 16,276	17,500	18,500	16,500
Exports	: 6,080	6,350	6,600	5,050
Use, total	: 22,356	23,850	25,100	21,550
Ending stocks	: 243	380	455	205
Avg. price 5/	: 164.20	185.00	170-180	240-260

1/ Marketing year beginning September 1 for soybeans, October 1 for soybean oil and meal. 2/ Alternative I assumes relatively favorable production conditions worldwide; Alternative II assumes relatively unfavorable production conditions worldwide. 3/ Quantity needed to balance reported supply with estimated use and ending stocks. 4/ Simple season average of crude soybean oil, Decatur, cents per pound. 5/ Simple season average of 44% protein, Decatur, dollars per short ton.

SOYBEANS AND PRODUCTS (Metric Measure) 1/

 Commodity : 1977/78 : 1978/79 : 1979/80
 : Prelim. : Estimated : Projected 2/

Alt. I Alt. II

SOYBEANS:	:			
Area	:		Million hectares	
Planted	:	23.8	25.9	
Harvested	:	23.3	25.5	
Yield per harv.	:		Metric tons/hectare	
unit	:	2.06	1.96	
	:		Million metric tons	
Beginning stocks	:	2.8	4.4	3.8 3.8
Production	:	48.0	50.2	56.3 49.0
Supply, total	:	50.8	54.5	60.1 52.8
Crushings	:	25.2	27.5	28.8 24.5
Exports	:	19.1	21.8	22.2 22.7
Seed and feed	:	1.9	2.0	2.0 2.0
Residual	:	.2	.1	.3 .3
Use, total	:	46.4	51.4	53.3 49.5
Imbalance	:	---	.7 3/	---
Ending stocks	:	4.4	3.8	6.8 3.3
Avg. farm price	:	216	248	211-230 294-367
SOYBEAN OIL:	:		Thousand metric tons	
Beginning stocks	:	350	331	426 426
Production	:	4,667	5,017	5,241 4,450
Supply total	:	5,016	5,348	5,668 4,876
Domestic	:	3,753	3,946	4,128 3,810
Exports	:	933	975	862 771
Use, total	:	4,686	4,922	4,990 4,581
Ending stocks	:	331	426	678 295
Avg. price 4/	:	542	595	397-441 661-750
SOYBEAN MEAL:	:		Thousand metric tons	
Beginning stocks	:	207	220	345 345
Production	:	20,295	21,761	22,838 19,391
Supply, total	:	20,501	21,981	23,183 19,736
Domestic	:	14,765	15,876	16,783 14,969
Exports	:	5,516	5,761	5,987 4,581
Use, total	:	20,281	21,636	22,770 19,550
Ending stocks	:	220	345	413 186
Average price 5/	:	204	204	187-198 265-287

 1/ Marketing year beginning September 1 for soybeans, October 1 for soybean oil and meal. 2/ Alternative I assumes relatively favorable production conditions worldwide; Alternative II assumes relatively unfavorable production conditions worldwide. 3/ Quantity needed to balance reported supply with estimated use and ending stocks. 4/ Simple season average of crude soybean oil, Decatur, dollars per metric ton. 5/ Simple season average of 44% protein, Decatur, dollars per metric ton.

WHEAT AND RICE 1/

Commodity	:	1977/78	:	1978/79	:	1979/80
	:	Prelim.	:	Estimated	:	Projected 2/

	:				Alt. I	Alt. II
WHEAT:	:					
Area	:			Million acres		
Planted	:	75.1		66.1		
Harvested	:	66.5		56.8		
Yield per harv.	:			Bushels		
unit	:	30.6		31.6		
	:			Million bushels		
Beginning stocks	:	1,112		1,177	951	951
Production	:	2,036		1,799	2,075	1,735
Imports	:	2		2	2	2
Supply, total	:	3,150		2,978	3,028	2,688
Food	:	586		590	605	595
Seed	:	80		87	83	87
Feed and Residual	:	183		175	225	125
Domestic, total	:	849		852	913	807
Exports	:	1,124		1,175	1,000	1,250
Use, total	:	1,973		2,027	1,913	2,057
Ending stocks	:	1,177		951	1,115	631
Avg. farm price 3/:	:	2.33		2.94	2.65-2.85	3.50-3.70
RICE (rough):	:					
Area	:			Million acres		
Allotment	:	1.80		1.80		
Planted	:	2.26		3.08		
Harvested	:	2.25		3.06		
Yield per harv.	:			Pounds		
unit	:	4,412		4,505		
	:			Million cwt.		
Beginning stocks	:	40.5		27.4	47.2	47.2
Production	:	99.2		137.8	141.0	125.0
Imports	:	.1				
Supply, total	:	139.8		165.2	188.2	172.2
Domestic	:	37.8		44.0	48.5	44.5
Exports	:	72.8		74.0	74.0	83.0
Use, total	:	110.6		118.0	122.5	127.5
Ending stocks	:	27.4		47.2	65.7	44.7
Dif. unactd.	:	+1.8				
Avg. farm price 3/:	:	9.49		7.72	7.00-7.15	8.00-8.50

1/ Marketing year beginning June 1 for wheat, August 1 for rice.

2/ Alternative I assumes relatively favorable production conditions worldwide; Alternative II assumes relatively unfavorable production conditions worldwide. 3/ Season average farm price for wheat, dollars per bushel; for rice, dollars per hundredweight.

COTTON: UPLAND AND EXTRA LONG STAPLE 1/

Commodity	: 1977/78	: 1978/79	: 1979/80	
	:	: Estimated	: Projected 2/	

	:		Alt. I	Alt. II
DOMESTIC MEASURE				
Area	:	Million acres		
Planted	: 13.7	13.4		
Harvested	: 13.3	12.4		
Yield per harv.	:	Pounds		
acre	: 520	421		
	:	Million 480-lb. bales		
Beginning stocks3/	: 2.9	5.3	3.7	3.7
Production	: 14.4	10.9	14.6	12.2
Supply, total 4/	: 17.3	16.2	18.3	15.9
Mill use	: 6.5	6.3	6.5	5.5
Exports	: 5.5	6.3	5.0	7.0
Use, total	: 12.0	12.6	11.5	12.5
Dif. unactd. 5/	: 6/	0.1	0.1	0.1
Ending stocks	: 5.3 3/	3.7	6.9	3.5
Avg. farm price 7/	: 52.3	60.5 8/	9/	9/
METRIC MEASURE				
Area	:	Million hectares		
Planted	: 5.54	5.41		
Harvested	: 5.37	5.00		
Yield per harv.	:	Metric tons		
hectare	: 0.58	0.47		
	:	Million metric tons		
Beginning stocks3/	: 0.64	1.16	0.81	0.81
Production	: 3.13	2.36	3.18	2.66
Supply, total 4/	: 3.77	3.53	3.98	3.46
Mill use	: 1.42	1.36	1.42	1.20
Exports	: 1.19	1.38	1.09	1.52
Use, total	: 2.61	2.74	2.50	2.72
Dif. unactd. 5/	: 10/	0.02	0.02	0.02
Ending stocks	: 1.16 3/	0.81	1.50	0.76
Avg. farm price 7/	: 1.15	1.33 8/	9/	9/

1/ Marketing year beginning Aug. 1. 2/ Alternative I assumes relatively favorable production conditions worldwide; Alternative II assumes relatively unfavorable production conditions worldwide. 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. 6/ Less than 0.05. 7/ Season average farm price, domestic measure, cents per pound; metric measure, dollars per kilogram. 8/ Average price to January 1, 1979. 9/ USDA is prohibited from projecting cotton prices. 10/ Less than 0.005.

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

FEED GRAINS: Paul Meyers, Chairman, WFAOSB; Frank Gomme, OGSM;
Orville I. Overboe, ASCS; Tom Elam, ESCS; Donald J. Novotny, FAS;
Ralph Tapp, AMS.

SOYBEANS, COTTONSEED AND OILS: James R. Donald, Acting Chairman,
WFAOSB; Harry Sullivan, ASCS; George W. Kromer, ESCS; Alan E.
Holz, FAS; Clarence Goldsborough, OGSM; David Spalding, AMS.

WHEAT: Paul Meyers, Chairman, WFAOSB; Frank Gomme, OGSM;
Randell Weber, ASCS; Tom Elam, ESCS; Donald J. Novotny, FAS;
David Spalding, AMS.

RICE: Paul Meyers, Chairman, WFAOSB; Frank Gomme, OGSM; George
Schaefer, ASCS; Donald J. Novotny, FAS; Charles Hunley, AMS; Tom
Elam, ESCS.

COTTON: Russell G. Barlowe, Chairman, WFAOSB; Wayne E. Bjorlie,
ASCS; R. Samuel Evans, ESCS; Gordon H. Lloyd, FAS; Geron E.
Rathell, OGSM; Donald Bratton, AMS.

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 = 2.4710 acres
Oats = bushels x .014515	
480 lb. bales to metric tons	
Cotton = bales x .217700	
Cwt. to metric tons	
Rice = cwt. x .0453597	
Kilograms to pounds	
Kilogram = 2.2046 pounds	