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WHEAT SITUATION

WS-181 For Release October 24, P. M. OCTOBER 1962

World wheat trade in 1961-62 reached a new high--an estimated 1,670 million bushels, 9 percent above 1960-61. Exports from all major exporters increased, with those from the U.S. showing the greatest gain.

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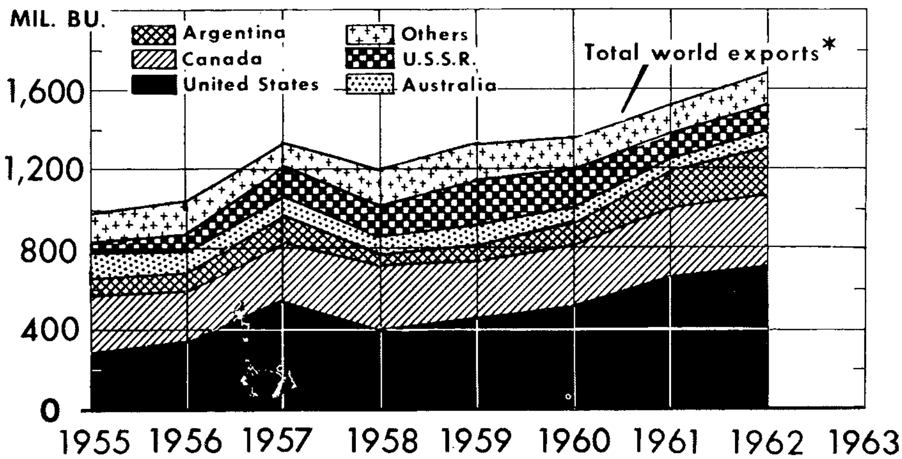
U.S. exports of wheat and flour for dollars in 1961-62 amounted to about 220 million byshels, an increase of 7 percent over 1960-61; exports under Government programs were about 500 million bushels, an increase of 9 percent.

Exports of U.S. wheat to Common Market countries in 1961-62 were 68 million bushels, more than 2 1/2 times the amount in 1959-60.

World wheat production in 1962 appears to be approaching a total of 8.5 billion bushels, exceeded only in 1958 when 8.7 billion bushels were produced.

U.S. Increases Exports in Record World Wheat Market



YEAR ENDING JUNE 30. *INCLUDES WHEAT EQUIVALENT OF FLOUR.

U. S. DEPARTMENT OF AGRICULTURE NEG. FAS 2298 FOREIGN AGRICULTURAL SERVICE

IN THIS ISSUE

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Table 1.--Wheat: Supply and distribution, United States, 1956-62

	Year beginning July						
	1956	1957	1958	1959	1960 1/	1961 1/	1962 2/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Supply							
Carryover on July 1	1,033.5	908.8	881.4	1,295.1	1,313.5	1,411.2	1,304
Production	1,005.4	955.7	1,457.4	1,121.1	1,357.3	1,234.7	1,095
Imports 3/	7.8	10.9	7.8	7.4	8.2	5.9	6
Total	2,046.7	1,875.4	2,346.6	2,423.6	2,679.0	2,651.8	2,405
Domestic disappearance							
Food 4/	482.3	485.9	496.8	496.2	496.0	499.6	502
Seed	58.0	63.0	64.3	62.9	64.0	56.6	63
Industry	.5	.3	.1	.1	.1	---	---
Feed 5/	47.6	41.9	47.0	40.7	45.8	73.0	40
Total	588.4	591.1	608.2	599.9	605.9	629.2	605
Exports 6/	549.5	402.9	443.3	510.2	661.9	718.3	600
Total disappearance	1,137.9	994.0	1,051.5	1,110.1	1,267.8	1,347.5	1,205
Stocks on June 30	908.8	881.4	1,295.1	1,313.5	1,411.2	1,304.3	1,200

1/ Preliminary. Distribution items for 1961 are partly estimated.
2/ Projected.
3/ Imports include full-duty wheat, wheat imported for feed, and dutiable flour and other wheat products in terms of wheat. They exclude wheat imported for milling in bond and export as flour, also flour free for export.
4/ Includes shipments to United States Territories and wheat for military food use at home and abroad.
5/ This is the residual figure, after all other disappearance has been taken into account; feed for 1961 appears to be larger than it should be.
6/ Exports are of wheat, including flour wholly from U. S. wheat and other wheat products in terms of wheat. They include exports for relief or charity by individuals and private agencies. Shipments are included in domestic disappearance for food.

THE WHEAT SITUATION

Approved by the Outlook and Situation Board, October 17, 1962

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SUMMARY

The total U. S. wheat supply for the marketing year which began July 1, 1962, estimated at 2,405 million bushels, is down about 250 million from a year earlier and about 275 million bushels from the all-time record 2 years ago.

Domestic disappearance for 1962-63 is now estimated at 605 million bushels, which is about average. Exports are expected to reach 600 million bushels, substantially below the record level that prevailed in 1961-62 and the previous record a year earlier. This is because of the near-record world wheat crop expected in 1962-63. On the basis of these estimates, a carryover of about 1,200 million bushels would result on July 1, 1963. A carryover of this size would be about 100 million bushels below that on July 1 this year and would be the second consecutive reduction.

Table 2.--Wheat: Estimated supply and distribution by classes, United States, 1958-62

Item	Hard red winter	Soft red winter	Hard red spring	Durum	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1958-59						
Carryover, July 1, 1958	611	6	203	27	34	881
Production	836	192	233	22	174	1,457
Imports 1/	---	---	8	---	---	8
Supply	1,447	198	444	49	208	2,346
Exports, including shipments 2/	259	43	46	1	98	447
Domestic disappearance 3/	252	134	147	26	45	604
Carryover, June 30, 1959	936	21	251	22	65	1,295
1959-60						
Carryover, July 1, 1959	936	21	251	22	65	1,295
Production	620	156	151	20	174	1,121
Imports 1/	---	---	7	---	---	7
Supply	1,556	177	409	42	239	2,423
Exports, including shipments 2/	292	40	49	1	130	512
Domestic disappearance 3/	262	127	142	23	43	597
Carryover, June 30, 1960	1,002	10	218	18	66	1,314
1960-61						
Carryover, July 1, 1960	1,002	10	218	18	66	1,314
Production	794	190	188	34	151	1,357
Imports 1/	---	---	8	---	---	8
Supply	1,796	200	414	52	217	2,679
Exports, including shipments 2/	434	54	32	6	138	664
Domestic disappearance 3/	258	134	145	26	41	604
Carryover, June 30, 1961	1,104	12	237	20	38	1,411
1961-62 4/						
Carryover, July 1, 1961	1,104	12	237	20	38	1,411
Production	755	203	116	19	142	1,235
Imports 1/	---	---	6	---	---	6
Supply	1,859	215	359	39	180	2,652
Exports, including shipments 2/	487	56	42	16	119	720
Domestic disappearance 3/	305	135	130	18	40	628
Carryover, June 30, 1962	1,067	24	187	5	21	1,304
1962-63 4/ 5/						
Carryover, July 1, 1962	1,067	24	187	5	21	1,304
Production	547	155	183	67	143	1,095
Imports 1/	---	---	6	---	---	6
Supply	1,614	179	376	72	164	2,405
Exports, including shipments 2/	424	35	40	3	100	602
Domestic disappearance 3/	263	133	140	27	40	603
Carryover, June 30, 1963	927	11	196	42	24	1,200

1/ Excludes imports for milling-in-bond and export as flour. 2/ Includes shipments to Alaska and Hawaii and the U. S. Territories. Includes exports for relief or charity by individuals and private agencies. 3/ Wheat for food (including military food use at home and abroad), feed, seed and industry. 4/ Preliminary. 5/ Imports and distribution are projected.

Note:-Figures by classes in this table are not based on survey or enumeration data and are therefore only approximations. Class production is established on the basis of the quinquennial wheat-variety surveys. CCC inventories are reported by classes and total stocks have been broken down by classes largely on the basis of CCC holdings of each class. Exports and shipments, by classes, are estimated on the basis of "inspection for export" for wheat as grain and on the basis of the area from which exports are made for flour. Data for 1929-57 are in The Wheat Situation, June 1962, pages 22-23.

Prospective carryovers July 1, 1963, of hard red winter and soft red winter are expected to be down from a year earlier. Little change may occur in the size of the carryover of white wheat, while stocks of durum may increase sharply. Hard red spring may be up slightly.

USDA announced on October 16 that soft red wheat again will be eligible for export under P. L. 480. It was determined that these exports can be programmed without impairing stocks needed for domestic requirements and carryover as well as for export sales for dollars.

Wheat prices at the major markets generally have declined since the beginning of the new crop year. High prices relative to support during the early summer months encouraged sales by farmers and only relatively small quantities have been placed under price support. The 101 million bushels of 1962-crop wheat put under support through August is the smallest amount put under support through that date since 1957.

The Food and Agricultural Act of 1962 does not require any change from the 1963 wheat program on which farmers voted last August. Producers will continue to be eligible for price support at the announced rate of $1.82 per bushel, if they do not exceed their farm acreage allotment based upon the 55-million-acre national allotment.

The Bill does provide, however, for a voluntary diversion program for the 1963 wheat crop similar to the voluntary aspect of the program for 1962. It differs in that any grower who signs to divert acreage in 1963 must reduce his acreage by the amount of the signup or he will lose price support eligibility, as well as payments under the voluntary portion of the program.

The signup for the voluntary aspects of the 1963 wheat program will run from October 15 to December 14 for winter wheat. The spring wheat signup period will be after the first of the year.

Assuming a voluntary cut of 7 million acres in acreage harvested and an average yield of 26 bushels per acre, a crop of 1,225 million bushels would be produced. Along with the expected July 1, 1963, carryover of 1,200 million bushels and imports of about 5 million, this would provide a total supply of about 2,430 million bushels, 25 million above that indicated for the current year. Total disappearance in 1963-64 might be about 20 million bushels greater than estimated for 1962-63. As a result, the carryover on July 1, 1964, might show little change from the 1,200 million bushels currently estimated for the end of 1962-63. Without the voluntary diversion program, stocks would increase.

World wheat production in 1962 is forecast at approaching 8.5 billion bushels, about 7 percent above 1961 and is exceeded only by 1958 when a total of 8.7 billion bushels were harvested. World rye is tentatively estimated at 1.35 billion bushels, slightly above the 1961 total of 1.34 billion.

World wheat trade in 1961-62 totaled about 1,702 million bushels, 180 million bushels or 12 percent above a year earlier. U. S. exports reached an all-time high of 718 million bushels, 9 percent above the previous record in 1960-61. U. S. exports increased to South America and Africa, maintained about the same level to Europe, and declined to Asia.

World trade is expected to decline substantially during 1962-63, with strong competition appearing among exporting countries for existing markets. Production is up in Western Europe, North Africa, and parts of Asia. U. S. exports in 1962-63 are projected at 600 million bushels compared with the record 718 million in the previous year. U. S. exports are expected to be less to all areas, with possible exception of South America.

DOMESTIC WHEAT SITUATION

Supply Reduced in 1962-63; Carryover at Year-end May Be Down About 105 Million Bushels

The total wheat supply for the marketing year which began July 1, 1962, is now estimated at 2,405 million bushels, 10 percent below the record 2,679 million in 1960-61 and 9 percent below the 2,652 million in 1961-62 (table 1). The decrease is due to a reduction in both carryover and production. The 1962 crop was indicated, as of October 1, at 1,095 million bushels. The carryover on July 1, 1962, totaled 1,304 million bushels, and imports may total about the same as the 6 million last year.

Domestic disappearance for 1962-63 is now estimated at 605 million bushels, which is about average. Use for food, the principal domestic use, is expected to be about 502 million bushels, while use for feed is estimated to be about 40 million bushels. While seed use in 1961-62 totaled only about 57 million bushels, seed use in 1962-63 is estimated at about 63 million bushels, reflecting a return to the 55-million-acre allotment program for 1963. Exports in 1962-63 are expected to reach 600 million bushels, substantially below the record level that prevailed in 1961-62 and the previous record a year earlier. This is because of the near-record world wheat crop expected in 1962-63. On the basis of these estimates, a carryover of about 1,200 million bushels would result on July 1, 1963. This is down from the carryover at the beginning of the year and the second consecutive reduction.

Prospective Carryovers of Hard Red Winter, and Soft Red Winter Down on July 1, 1963; Soft Red Programed Under P. L. 480

The total carryover at the end of the 1962-63 marketing year may be down about 105 million bushels from the carryover on July 1, 1962, (table 1).

Stocks of hard red winter wheat, which are in greatest surplus, may be down about 140 million bushels, while stocks of soft red winter may be down about 13 million. Little change may occur in the size of the carryover of white wheat, hard red spring may be up slightly, but stocks of durum may be increased sharply, by possibly 37 million bushels. Production of durum in 1962 was increased greatly as a result of the special provisions of the program for 1962 which allowed increased acreage of this class of wheat and because of the good growing conditions.

USDA announced on October 16 that soft red wheat again will be eligible for export under P. L. 480. It was determined that these exports can be programmed without impairing stocks needed for domestic requirements and carryover as well as for export sales for dollars.

Export sales of soft red for dollars probably will not reach the levels of last year. Several countries which purchased substantial quantities last year are expected to buy considerably less because of their improved production prospects.

Exports of soft red wheat under P. L. 480 (Titles 1 and IV) during recent years have prevented carryover supplies of this class of wheat from becoming unduly burdensome. During the past 4 marketing years, 1958-61, approximately 78 million bushels of the 193-million-bushel total of soft red wheat exports have been under P. L. 480.

1962 Wheat Crop 11 Percent Below Last Year

Production of all wheat in 1962 is estimated, as of October 1, at 1,095 million bushels, about the same as estimated in September. This is 3 percent smaller than average and 11 percent smaller than last year. Prospective yield per harvested acre of all wheat at 24.9 bushels is 1.0 bushel above last year and 4.2 bushels above the 10-year average.

The winter wheat production estimate is unchanged from September. The 815-million bushel crop is 24 percent below that of 1961 but only 7 percent below the average. The yield per harvested acre of 24.1 bushels is 2.3 bushels below last year but 2.1 bushels above the average.

Production of durum wheat was estimated, as of October 1, at 67 million bushels, almost $3\frac{1}{2}$ times larger than last year's drought-shrunken crop and $2\frac{1}{2}$ times larger than the 10-year average. The yield of 28.6 bushels per acre is an all-time record and nearly double the average. Quality of the crop shows wide variation due to some stem rust damage on susceptible varieties and the prolonged harvesting period.

Other spring wheat production was estimated at 213 million bushels, down slightly from the September 1 forecast. The current crop is 53 percent above last year's drough-reduced crop but 6 percent below average. The yield of 27.0 bushels per harvested acre is a record and compares with last year's 15.0 bushels and the 10-year average of 17.3 bushels. By October 1, the harvest of spring

Table 3 .- Wheat and rye: Cash closing prices and support prices at terminal markets, specified months and days, 1961 and 1962

Commodity, market and grade	Cash closing prices								1962-crop support prices	
	Monthly average					Daily range			Effective	
	Sept. 1961	June 1962	July 1962	Aug. 1962	Sept. 1962	Oct. 11, 1961	Oct. 4, 1962	Oct. 11, 1962	Oct. 11, 1962	Terminal
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Wheat:										
Chicago:										
No. 2 Yellow Hard Winter	2.00	2.21	2.22	2.17	2.14	2.04	2.09	2.09	2.21	2.27
No. 2 Red Winter	1.98	2.17	2.15	2.11	2.07	2.01	2.03	2.04	2.21	2.27
St. Louis:										
No. 2 Red Winter	2.02	2.18	2.16	2.12	2.09	1.99-2.04	2.04-2.08	2.06-2.10	2.21	2.27
Kansas City:										
No. 1 Hard Winter ordinary protein	2.05	2.20	2.20	2.17	2.17	2.04-2.05	2.19-2.21	2.18-2.20	2.22	2.28
No. 1 Hard Winter 13 percent protein	2.23	2.35	2.37	2.40	2.38	2.16-2.27	2.32-2.46	2.31-2.45	2/	2/
Fort Worth:										
No. 1 Hard Winter	2.35	2.48	2.55	2.54	2.54	2.34-2.37	2.48-2.60	2.48-2.60	2.41	2.47
Minneapolis:										
No. 1 Dark Northern Spring, ordinary protein	2.26	2.33	2.34	2.30	2.30	2.28-2.30	2.34-2.35	2.32-2.33	2.32	2.38
No. 1 Dark Northern Spring, 13 percent protein	2.28	2.37	2.39	2.34	2.35	2.33-2.34	2.39-2.42	2.37-2.40	2/	2/
No. 1 Dark Northern Spring, 15 percent protein	2.34	2.47	2.50	2.45	2.49	2.39-2.40	2.51-2.56	2.49-2.54	2/	2/
No. 1 Hard Amber Durum	3.37	2.81	2.68	2.61	2.53	3.55-3.58	2.55-2.60	2.50-2.60	2.69	2.75
Portland:										
No. 1 Hard Winter, ordinary protein	2.15	2.27	2.33	2.33	2.29	2.12-2.13	2.25	2.24-2.25	2.12	2.18
No. 1 Soft White	2.13	2.18	2.19	2.15	2.13	2.12	2.11-2.12	2.12	2.12	2.18
Toledo:										
No. 2 Red Winter	1.92	2.11	2.10	2.06	2.04	1.94-1.95	2.02	2.03	---	---
No. 2 Soft White	1.91	2.11	2.10	2.06	2.03	1.93-1.94	2.01	2.01	---	---
Rye:										
Minneapolis: No. 2	1.22	1.24	1.14	1.12	1.12	1.24-1.28	1.13-1.16	1.11-1.15	1.15	1.22

1/ Cash grain closing prices are not the range of cash sales during the day but are on-track cash prices established at the close of the market. The terminal rate is a rate used in determining the effective support price for grain in terminal storage or in transit to terminal and for calculating most county price support rates. The effective support price is the established terminal support rate for grain received by rail minus the deduction for storage as of the date shown. A comparison of the above effective price support rate and the current cash closing price is an indication of whether the market price is above or below the support rate provided the location of the grain is on track at the specified terminals. The monthly average price is the simple average of the daily closing prices.

2/ Not available since quality premiums are based on the sedimentation test rather than on the protein test.

wheat other than durum was nearing completion. However, cool weather and heavy dews slowed drying of the grain and restricted combining activity.

Prices Near Effective Support

Prices of the principal classes of wheat at the major markets have been declining gradually since the beginning of the new crop year. However, in October they recovered and hard wheats are near the levels reported during July. During the summer months, prices were high relative to support. This encouraged sales by farmers and only relatively small quantities have been placed under price support. Thus, it would appear that market supplies have been fully ample for existing demand. The 101 million bushels of 1962-crop wheat put under support through August in only a little more than half as much as of that date in 1961 and is the smallest amount put under support through August since 1957. The quantity placed under support in 1962 represents only 9 percent of the crop while last year 16 percent of the crop was put under support through August.

In mid-October, prices of most wheats with the exception of red winter were near the effective support price. A year earlier, they were all above support except red winter which was at support. The prices of hard wheats are finding additional strength this year due to the use of the sedimentation test to establish price support premiums on these wheats. Prices of soft wheats, particularly white wheat, are generally unchanged from a year earlier primarily as a result of smaller export requirements.

On October 16, No. 1 Hard Winter at Kansas City was $2.19 per bushel, 3 cents below the effective support but 15 cents above the price on that date a year earlier. No. 1 Dark Northern Spring, ordinary protein, at Minneapolis was $2.34 per bushel, 2 cents above support and 7 cents above last year.

No. 2 Red Winter at St. Louis on October 16 was $2.10 per bushel, 11 cents below the effective support while No. 1 Soft White at Portland was $2.12 per bushel, the same as the support price. Red Winter was 8 cents above the price on that date a year earlier while Soft White was 1 cent below.

The Voluntary 1963 Wheat Program

Farmers already have approved marketing quotas for the 1963 crop of wheat, and the seeding of winter wheat was largely guided by the program on which farmers voted last August. The 1962 Farm Bill does not require farmers to change their plans and they continue to be eligible for price support at $1.82 per bushel (minimum national average support), if they do not exceed their farm acreage allotment based upon the 55-million-acre national allotment. The Bill does provide, however, a voluntary diversion program for the 1963 crop of wheat similar to that for the 1962 crop. To participate in this program, producers must divert to conservation use at least 20 percent of (1) their

Table 4.- Wheat: Loan rates, quantity pledged and delivered to Commodity Credit Corporation, stocks owned by CCC, and loans outstanding, 1938-63

Year beginning July	Loan rate per bushel: National average: Actual	Loan rate per bushel: National average: As a percentage of parity 1/	Loan rate per bushel: No. 2 Hd. Winter, ordinary protein, Kansas City	Loan rate per bushel: No. 1 Dk. No. Spring, ordinary protein, Minneapolis	Loan rate per bushel: No. 1 Soft White, Portland	Placed under price support 2/	Delivered to CCC 3/	CCC stocks and loans outstanding at year end (June 30): Stocks owned by CCC 4/	CCC stocks and loans outstanding at year end (June 30): Under loan from-: Current crop 5/	CCC stocks and loans outstanding at year end (June 30): Under loan from-: Previous crop	CCC stocks and loans outstanding at year end (June 30): Total
	Dol.	Pct.	Dol.	Dol.	Dol.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1938	0.59	52	0.72	0.81	0.67	85.7	15.7	6.6	21.5	---	28.1
1939	.63	56	.77	.87	.73	167.7	7.7	1.6	10.3	---	11.9
1940	.64	57	.77	.87	.73	278.5	173.7	169.2	31.4	7.2	207.8
1941	.98	85	1.10	1.15	1.05	366.3	269.8	319.7	98.1	1.4	419.2
1942	1.14	85	1.27	1.32	1.21	408.1	184.0	259.8	133.3	4.9	398.0
1943	1.23	85	1.37	1.42	1.34	130.2	.3	99.1	15.5	2.5	117.1
1944	1.35	90	1.50	1.53	1.46	180.4	72.9	103.7	20.1	1.9	125.7
1945	1.38	90	1.53	1.55	1.49	59.7	.2	---	32.5	---	32.5
1946	1.49	90	1.64	1.66	1.60	22.0	---	---	.7	---	.7
1947	1.84	90	2.02	2.04	1.98	31.2	---	---	.8	---	.8
1948	2.00	90	2.23	2.25	2.18	366.0	290.9	227.2	16.3	---	243.5
1949	1.95	90	2.20	2.22	2.16	380.8	247.5	327.7	28.5	5.0	361.2
1950	1.99	90	2.25	2.27	2.21	196.9	41.9	196.4	8.9	2.3	207.6
1951	2.18	90	2.44	2.46	2.40	212.9	91.3	143.3	11.6	---	154.9
1952	2.20	90	2.48	2.51	2.44	459.9	397.7	470.0	22.5	---	492.5
1953	2.21	90	2.49	2.52	2.45	555.1	486.1	774.6	71.4	3.9	849.9
1954	2.24	90	2.53	2.57	2.46	430.0	391.6	975.9	11.3	2.8	990.0
1955	2.08	82.5	2.37	2.41	2.28	320.2	276.7	950.7	27.6	1.3	979.6
1956	2.00	82.6	2.30	2.34	2.21	253.2	148.5	823.9	9.5	3.3	836.7
1957	2.00	79.7	2.31	2.36	2.22	256.3	6/193.0	834.9	14.8	3.4	853.1
1958	1.82	75	2.14	2.20	2.05	609.4	6/515.0	1,146.6	52.2	9.9	1,208.7
1959	1.81	76.7	2.11	2.19	2.03	317.5	6/190.0	1,195.4	26.4	34.6	1,256.4
1960	1.78	75	2.07	2.15	1.99	424.0	6/270.0	1,242.5	42.0	45.4	1,329.9
1961 7/	1.79	75.5	2.08	2.16	1.99	271.2	6/120.0	1,096.6	18.0	40.0	1,154.6
1962 7/	2.00	82.6	2.27	2.38	2.18	100.6					
1963 7/	1.82	75									

1/ The national average loan rate at the farm as a percentage of the parity price of wheat at the beginning of the marketing year.
2/ Includes under purchase agreements, beginning 1948.
3/ Includes deliveries of purchase-agreement wheat to CCC.
4/ Includes open-market purchases, if any, beginning in 1943, and accordingly may include some new-crop wheat.
5/ From the crop of the year shown. Does not include any new-crop wheat.
6/ Includes quantities expected to be delivered.
7/ Preliminary.

wheat acreage allotment or (2), in the case of small farms with allotments of less than 15 acres, their allotment or their average 1959, 1960 and 1961 plantings of wheat, whichever is larger. They then would be eligible for diversion payments equal to 50 percent of the value of normal production on the diverted acreage, based on the support rate, and for payment at a rate of 18 cents per bushel on the normal production of the acreage devoted to wheat. The 1959 and 1960 average yield is used in deriving normal production. The maximum acreage diversion on any farm would be the larger of 50 percent of the allotment or 10 acres.

Any grower who signs to divert acreage in 1963 must reduce his acreage by the amount of the signup or he will lose price support eligibility, as well as all payments under the volumtary portion of the program.

The price support payment of 18 cents per bushel will be made in payment-in-kind certificates and CCC will assist farmers in marketing the certificates. CCC will be permitted to sell wheat from its stocks at not less than the $1.82 price support level to cover the cost of those certificates that it redemms for farmers.

The diversion payment may be made in either cash or certificates. This same provision was included in the 1962 Wheat Stabilization Program and all payments were made in cash.

The signup period for the special voluntary 1963 wheat program will run from October 15 to December 14 for winter wheat. The signup period for spring wheat will be after the first of the year.

The Wheat Outlook for 1963

The 1963 diversion program, which came into effect after much of the winter wheat crop was seeded differs from the voluntary diversion portion of the 1962 program in several ways. One of the most important differences is the provision requiring compliance with 1963 signup intentions as a condition of price support eligibility. In 1962, farmers were required to reduce their acreage allotment by 10 percent while as much as an additional 30 percent could be diverted on a voluntary basis and price support eligibility was not affected by any change in farmers' plans to divert acreage on the voluntary portion.

Because of the differences in the 1962 and 1963 diversion programs and the timing element, it is difficult to draw a comparison between the voluntary participation in the 1962 program and expected voluntary participation in the 1963 program. However, assuming that the voluntary diversion in 1963 is about 7 million acres, the harvested acreage might be about 47 million. This would be 3 million more than was harvested in 1962. With a continuation of the upward trend in yields, a yield of 26 bushels per harvested acre might prevail. This would be slightly more than 1 bushel above that in 1962.

The resulting 1963 crop of 1,225 million bushels, along with the expected July 1, 1963 carryover of 1,200 million and imports of about 5 million, would provide a total supply of 2,430 million bushels. A beginning supply of this size would be somewhat larger than the currently indicated 1962-63 wheat supply. Domestic disappearance in 1963-64 might be about 5 million bushels smaller than that estimated for 1962-63, although exports might be about 25 million larger. As a result, the carryover on July 1, 1964 might show little change from the 1,200 million bushels currently estimated for the end of 1962-63. Without the voluntary diversion program, stocks would increase.

Wheat Program for 1964 And Subsequent Crops

There are two principal features in the permanent wheat provisions of the 1962 Farm Bill. The first eliminates the 55-million-acre national allotment and authorizes the Secretary to estimate the total requirements for wheat in the coming year. He then announces a marketing quota and a commensurate acreage allotment large enough to meet those requirements after allowing for some reduction in stocks. However, the marketing quota cannot be less than 1 billion bushels. Diversion payments are authorized for 1964 and 1965 on an acreage equal to the difference between their new allotment under the bill and their wheat allotment based on the 55-million-acre program. Producers can also voluntarily divert additional land.

The other principal feature of the wheat program is a change in the price support system. A marketing certificate program is substituted for the present price support system. The certificates provide a means of distinguishing between wheat for food and some portion of exports to be supported at between 65 and 90 percent of parity and wheat for feed and seed which would be supported at a level consistent with the support level of feed grains and world wheat prices.

The marketing certificate program provides greater flexibility for farmers to produce wheat for feed, if they want to, providing that an acreage diversion program for feed grains is in effect. The certificate program also enables the Government to reduce its stocks by reducing the allotment sufficiently to bring production below projected requirements. Farm income from wheat could be maintained with the certificate system even though production is reduced.

If more than one-third of the producers voting in the referendum reject the program, price support would be provided at 50 percent of parity to cooperators.

Another important provision in the permanent wheat program is that the exemption under which any farmer could grow 15 acres of wheat would be terminated permanently. These small producers could either come into the program or stay out but they would have to meet certain requirements regardless of their choice. The Bill provides also that the Secretary may increase the allotment for any type of wheat which would otherwise be in short supply. This will make it possible to gear the supply of different kinds of wheat to the market demand.

If an acreage diversion program is in effect for feed grains, the Secretary shall permit producers to substitute wheat for feed grain on feed grain acres, or vice versa, to such extent as not to impair the effectiveness of either the wheat or feed grain programs.

Adequate authority is provided in the Bill for the Secretary to administer the Wheat Marketing Certificate Program in a manner agreeable both to wheat producers and the wheat and flour industry. Authority is provided also for the Secretary to make an orderly transition from the 1963 wheat program to the 1964 program in a manner which will avoid both windfall profits and unexpected losses which might otherwise occur.

WORLD WHEAT SITUATION

World Wheat Trade Higher in 1961-62; U. S. Exports at All-time Record 1/

World wheat and flour trade in 1961-62 amounted to 1,702 million bushels according to preliminary tabulations (table 5). This is about 180 million bushels higher than in 1960-61 or an increase of 12 percent. Exports from the United States, Canada, and Australia amounted to 718 million, 365 million, and 232 million bushels, respectively. Total exports from these countries were 127 million bushels higher than the previous year. Shipments from Argentina and France also were higher than the previous year.

Smaller 1961 crops in Europe, Africa, and parts of Asia created larger markets and resulted in the expansion. An exceptional demand for durum wheat occurred due to small 1961 crops in principal durum producing countries. Wheat import requirements were smaller in India, but remained high in Communist China. Argentina and France joined Australia and Canada as substantial exporters to Communist China. Argentina and Australia have reportedly sold out their 1961 crops, or are holding them to supply traditional markets. Carryover stocks in principal wheat exporting countries had declined substantially at the close of the 1961-62 season.

U. S. exports of wheat, including flour and other products in wheat equivalent, moved upward to achieve an all-time high of 718 million bushels, 9 percent above the previous record in 1960-61. U. S. exports increased to South America and Africa, maintained about the same level to Europe, and declined to Asia. Wheat sold for dollars increased during 1961-62 to account for more than 220 million bushels of total U. S. exports.

World Wheat Trade to Decline in 1962-63; U. S. Exports May Be Down Nearly 120 Million Bushels 1/

World wheat trade is expected to decline substantially during 1962-63, with strong competition appearing among exporting countries for existing markets. The present situation indicates that world import requirements may be some 150 million bushels less than the 1,702 million bushels that are estimated to have been shipped in 1961-62. The principal basis for the expected decline is the higher wheat production reported by countries in Western Europe, North Africa, and parts of Asia.

1/ Prepared in the Grain Division, Foreign Agricultural Service, USDA.

Table 5 .- Wheat and flour: World exports by country of origin, year beginning July, average 1950-54, annual 1958-61

Country of origin	Average 1950-54	1958	1959	1960 Wheat	1960 Flour	1960 Total	1961 1/ Wheat	1961 1/ Flour	1961 1/ Total	1961 1/ Total
	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 bushels
Major exporters:										
United States 2/	9,108.6	12,066.0	13,875.3	15,273.1	2,747.9	18,021.0	16,552.0	2,999.8	19,551.8	718,393
Canada	8,038.4	8,177.0	7,600.1	8,327.9	1,001.7	9,329.6	9,069.2	871.3	9,940.5	365,244
Australia	2,668.1	2,045.8	3,153.4	4,163.9	822.4	4,986.3	5,577.0	728.5	6,305.5	231,684
Argentina	2,205.0	2,797.2	2,109.2	1,908.7	1.3	1,910.0	2,352.2	1.0	2,353.2	86,465
France	1,091.7	1,055.3	1,766.6	1,196.0	362.7	1,558.7	1,335.9	517.7	1,853.6	68,108
U.S.S.R.	1,721.7	5,996.8	5,519.7	3/3,675.0	---	3/3,675.0	3/4,000.0	---	3/4,000.0	146,945
Total	24,833.5	32,138.1	34,024.3	34,544.6	4,936.0	39,480.6	38,886.3	5,118.3	44,004.6	1,616,839
South America:										
Uruguay	189.6	187.9	---	---	1.0	1.0	5.5	.5	6.0	220
Total	189.6	187.9	---	---	1.0	1.0	5.5	.5	6.0	220
Eastern Europe:										
Bulgaria	84.1	6.0	16.0	32.8	---	32.8	---	---	---	---
Czechoslovakia	11.8	57.8	73.0	10.1	---	10.1	---	---	---	---
Germany, East	---	14.9	117.5	60.7	---	60.7	10.0	---	10.0	367
Hungary	74.3	26.2	53.0	26.4	45.9	72.3	90.0	30.0	120.0	4,409
Poland	6.8	30.8	.5	---	.2	.2	---	---	---	---
Rumania	137.9	170.0	12.7	3.2	---	3.2	---	---	---	---
Yugoslavia	.1	10.0	83.0	91.5	---	91.5	---	---	---	---
Total	315.0	315.7	355.7	224.7	46.1	270.8	100.0	30.0	130.0	4,776
Western Europe:										
Austria	1.4	.1	.1	37.3	---	37.3	20.0	---	20.0	735
Belgium-Luxembourg	18.9	90.9	137.8	11.6	5.5	17.1	47.0	68.4	115.4	4,240
Denmark	17.3	3.7	2.7	8.3	.4	8.7	32.4	.5	32.9	1,209
Finland	7.0	23.4	41.0	19.4	42.1	61.5	17.0	80.0	97.0	3,564
Germany, West	52.8	665.3	796.2	61.7	755.4	817.1	88.4	1,082.0	1,170.4	43,005
Greece	---	95.3	79.8	---	---	---	---	---	---	---
Ireland	---	45.7	42.7	90.2	---	90.2	59.0	---	59.0	2,168
Italy	10.7	885.6	460.6	2.6	63.6	66.2	10.0	190.0	200.0	7,349
Netherlands	37.9	12.8	5.6	9.1	1.5	10.6	10.7	1.2	11.9	437
Spain	11.9	558.0	191.0	13.0	---	13.0	16.0	---	16.0	588
Sweden	177.8	119.8	83.1	184.4	---	184.4	189.0	---	189.0	6,945
United Kingdom	19.3	12.7	7.1	---	11.6	11.6	---	10.0	10.0	367
Others	5.7	---	8.2	5.0	---	5.0	5.0	---	5.0	184
Total	360.7	2,513.3	1,855.9	442.6	880.1	1,322.7	494.5	1,432.1	1,926.6	70,791
Africa:										
Algeria	220.1	7.0	40.5	.5	4/64.0	64.5	.3	4/35.0	35.3	1,297
Egypt	---	4.0	4.7	.3	4.7	5.0	---	6.1	6.1	224
Morocco	82.9	180.1	106.4	40.0	6.3	46.3	---	---	---	---
Tunisia	168.6	98.8	118.8	52.5	4/32.0	84.5	8.8	---	8.8	323
Others	---	5.4	2.1	---	3.0	3.0	---	5.0	5.0	184
Total	471.6	295.3	272.5	93.3	110.0	203.3	9.1	46.1	55.2	2,028
Asia:										
Aden	---	23.0	25.7	1.4	18.4	19.8	6.7	18.8	25.5	937
Iraq	27.8	---	---	---	---	---	---	---	---	---
Israel	---	10.0	16.0	11.8	---	11.8	15.0	---	15.0	551
Jordan	---	4.6	6.0	.4	3.7	4.1	.5	4.5	5.0	184
Lebanon	1.4	2.6	3.0	2.0	3.0	5.0	3.0	2.0	5.0	184
Syria	157.0	70.1	10.0	---	---	---	15.0	---	15.0	551
Turkey	421.6	323.7	105.0	1.0	---	1.0	---	---	---	---
Hong Kong	4.4	33.8	34.5	2.0	31.7	33.7	3.5	31.5	35.0	1,286
Japan	92.2	20.0	22.8	.6	51.2	51.8	---	80.0	80.0	2,939
Malaya	13.6	11.4	9.7	.7	2.8	3.5	.4	9.6	10.0	367
Others	---	2.4	20.0	1.0	2.0	3.0	2.0	3.0	5.0	184
Total	718.0	501.6	252.7	20.9	112.8	133.7	46.1	149.4	195.5	7,183
Others, unspecified	353.1	---	---	---	---	---	---	---	---	---
World total	27,241.5	35,951.9	36,761.1	35,326.1	6,086.0	41,412.1	39,541.5	6,776.4	46,317.9	1,701,837
Equivalent, 1,000 bu.	1,000,954	1,321,006	1,350,739	1,298,012	223,622	1,521,634	1,452,900	248,937	1,701,837	

1/ Preliminary, subject to revision.
2/ Includes exports of flour not wholly from U. S. wheat.
3/ FAS estimate of total exports.
4/ Consists mainly of wheat groats and semolina.

Foreign Agricultural Service, Grain Division.

Import markets in Western Europe are expected to have much smaller requirements in 1962-63, probably 100 million bushels less than last season. A record wheat crop seems likely to reduce import requirements to the quality hard wheats and durum needed to supplement indigenous wheat production.

Record or near-record crops in India and Pakistan should cause some reduction in import requirements. Mainland China is expected to continue as a large importer, though probably importing less than during the past 2 seasons.

Larger exportable supplies will be available outside the United States this season. Canada's surplus will be moderately larger. France has about 135 million bushels for export. Australia will have a larger 1962 wheat crop and a larger surplus if current prospects materialize. After several years of below-average crops, Syria may return to an export position this season as is the case of former French North Africa where last year's crop was very small. Argentina seems to be the only foreign exporter with poorer prospects than last season.

U. S. exports of wheat and products in terms of wheat in 1962-63 are projected at 600 million bushels compared with the record 718 million bushels the previous marketing year, down nearly 120 million bushels. Dollar exports and exports under government programs are both expected to be less.

U. S. exports are expected to be less to all areas, with the possible exception of South America. The prospective decline this year will break an upward trend of exports that began in 1958-59.

Supplies in Major Exporting Countries Down on October 1

Supplies of wheat in the four major exporting countries on October 1 declined for the second consecutive year (table 7). Only Canada showed an increase in the supply available for export or carryover from the previous October 1. However, this increase of 65 million bushels was much more than offset by declines in the other three countries--United States was down 203 million bushels, Argentina down 37 million, and Australia down 15 million from a year earlier. The total drop in supplies from October 1, 1961, to this October 1 was 190 million bushels compared with a drop of 347 million between 1960 and 1961.

Near-record 1962 World Breadgrain Crop Forecast 2/

World breadgrain production in 1962 is expected to be the second largest recorded, according to preliminary estimates of the Foreign Agricultural Service.

Production of wheat and rye is forecast at 292 million short tons; this was exceeded only in 1958 when the total was 3 percent larger. Present

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2/ From Foreign Crops and Markets - World Summaries, September 27, 1962, with revisions since that date by Foreign Agricultural Service, USDA.

Table 6.- Wheat: Acreage, yield per acre, and production in specified countries, year of harvest, average 1955-59, annual 1960-62 1/

Continent and country	Acreage 2/				Yield per acre 3/				Production			
	Average 1955-59	1960	1961	1962 4/	Average 1955-59	1960	1961	1962 4/	Average 1955-59	1960	1961	1962 4/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:												
Canada	22,104	23,198	25,316	26,893	20.5	21.1	11.2	19.7	452,595	489,624	283,394	530,654
Mexico	2,214	1,853	2,100	2,160	20.6	26.8	24.0	23.8	45,595	49,600	50,400	51,400
United States	49,128	51,896	51,620	44,059	22.3	26.2	23.9	24.9	1,095,357	1,357,272	1,234,705	1,095,225
Estimated total 5/	73,530	77,030	79,120	73,200	21.7	24.6	19.8	23.0	1,594,000	1,897,000	1,570,000	1,680,000
Europe:												
Austria	634	685	682	682	32.8	37.7	38.3	36.7	20,802	25,800	26,150	25,000
Belgium	498	498	510	523	53.6	57.0	52.0	47.8	26,672	28,400	26,500	25,000
Denmark	179	203	260	363	58.8	57.9	61.3	60.6	10,521	11,760	15,950	22,000
Finland	314	447	586	675	23.9	30.2	28.8	26.7	7,514	13,500	16,900	18,000
France	10,432	10,769	9,876	11,119	34.3	37.6	35.6	38.2	358,210	405,000	351,800	424,200
Germany, West	3,045	3,429	3,435	3,200	45.5	53.0	43.1	50.6	138,676	181,750	148,000	162,000
Greece	2,704	2,820	2,636	2,689	21.4	22.1	22.2	22.9	57,762	62,200	58,600	61,500
Ireland	361	362	345	315	42.3	47.5	50.0	50.5	15,279	17,200	17,250	15,900
Italy	12,145	11,300	10,721	11,243	27.2	22.1	28.4	30.1	329,880	250,000	305,000	338,000
Netherlands	250	313	304	326	57.8	69.2	57.6	53.4	14,446	21,670	17,500	17,400
Norway	35	22	24	26	32.4	38.2	41.7	35.0	1,134	840	1,000	910
Portugal	2,009	1,825	1,606	1,631	12.1	10.3	9.8	13.0	24,286	18,800	15,700	21,200
Spain	10,728	10,230	9,390	10,576	15.4	12.7	12.8	16.5	165,400	130,000	120,000	175,000
Sweden	831	836	679	785	33.7	36.2	44.0	42.0	28,030	30,260	29,850	33,000
Switzerland	243	258	272	256	44.7	49.4	41.9	46.5	10,860	12,750	11,400	11,900
United Kingdom	2,098	2,101	1,827	2,266	48.5	53.3	52.6	53.8	101,720	112,000	96,100	122,000
Estimated total Western Europe 5/	46,560	46,160	43,210	46,730	28.2	28.7	29.2	31.6	1,313,000	1,325,000	1,260,000	1,475,000
Bulgaria	3,466	3,113	3,212	--	19.6	23.6	19.5	--	68,100	73,500	62,500	--
Czechoslovakia	1,818	1,610	1,589	1,500	30.0	34.3	37.8	--	54,500	55,200	60,000	--
Germany, East	1,026	1,033	932	939	41.1	48.4	41.0	--	42,160	50,000	38,200	--
Hungary	3,112	2,600	2,505	2,700	22.0	25.0	28.4	--	68,500	65,000	71,100	--
Poland	3,581	3,360	3,462	3,459	23.4	25.2	29.9	--	83,900	84,600	103,500	--
Rumania	7,302	7,010	7,337	7,660	16.2	18.1	19.8	--	118,600	126,750	145,000	--
Yugoslavia	4,750	5,090	4,843	5,090	21.5	25.8	24.1	--	102,000	131,170	116,500	--
Estimated total Eastern Europe 5/	25,310	24,060	24,130	25,000	21.4	24.5	24.9	21.8	542,000	590,000	600,000	545,000
Estimated total all Europe 5/	71,870	70,220	67,340	71,730	25.8	27.3	27.6	28.2	1,855,000	1,915,000	1,860,000	2,020,000
U.S.S.R. (Europe and Asia) 6/	159,000	148,500	155,000	167,500	12.0	11.4	12.3	--	1,910,000	1,700,000	1,900,000	--

Asia:												
Iran	--	--	--	--	--	--	--	--	95,950	96,000	103,000	96,000
Iraq	2,540	3,100	3,200	--	10.7	7.0	9.4	--	27,118	22,000	30,000	--
Israel	137	135	106	--	17.6	11.1	18.9	--	2,418	1,500	2,000	--
Jordan	638	--	--	--	8.6	--	--	--	5,458	1,600	5,100	--
Lebanon	162	128	143	146	10.4	5.7	9.0	12.6	1,682	735	1,290	1,840
Syria	2,540	1,900	2,100	--	10.0	6.3	7.8	--	25,392	12,000	16,400	43,000
Turkey	16,990	15,600	15,500	--	13.7	16.7	14.5	--	232,000	260,000	225,000	245,000
China	--	--	--	--	--	--	--	--	900,000	--	--	--
India	30,448	32,542	32,047	33,240	10.9	11.6	12.6	13.1	330,926	376,700	403,900	434,000
Pakistan	11,496	12,192	11,603	11,400	11.6	11.9	12.2	12.6	133,192	144,700	141,300	144,000
Japan	1,551	1,489	1,603	1,585	32.5	37.8	40.8	37.9	50,482	56,250	65,400	60,000
Korea, Republic of	317	306	310	--	14.1	16.7	17.9	--	4,469	5,120	5,550	--
Estimated total 5/	142,010	144,600	138,160	143,650	13.3	13.3	13.5	13.9	1,895,000	1,920,000	1,865,000	2,000,000
Africa:												
Algeria	4,658	4,725	4,622	4,522	10.0	11.6	5.2	--	46,364	55,000	24,000	--
Egypt	1,561	1,512	1,436	1,510	34.4	36.4	36.8	36.8	53,778	55,100	52,800	55,500
Morocco	3,888	4,099	3,845	3,677	9.2	9.6	6.1	14.1	35,723	39,200	23,300	51,700
Tunisia	2,908	3,346	2,000	2,100	6.1	5.0	4.0	7.1	17,798	16,600	8,000	15,000
South Africa, Republic of 7/	2,906	2,796	--	--	9.5	10.1	--	--	27,554	28,300	31,000	--
Estimated total 5/	17,600	18,220	16,950	16,740	11.1	11.5	9.1	12.8	195,000	210,000	155,000	215,000
South America:												
Argentina	11,598	8,893	10,316	--	19.5	16.9	18.4	--	225,676	150,000	190,000	--
Brazil	2,386	2,000	--	--	10.3	6.5	5.6	--	24,460	13,000	--	--
Chile	2,030	2,068	2,094	--	20.0	20.0	18.7	--	40,597	41,300	39,100	--
Colombia	412	410	395	--	12.8	13.0	13.5	--	5,288	5,330	5,330	--
Peru	365	380	377	--	14.2	14.8	17.0	--	5,166	5,640	6,400	--
Uruguay	1,604	1,292	1,077	--	11.8	11.7	12.7	--	18,950	15,160	13,650	--
Estimated total 5/	18,680	15,310	16,370	15,500	17.4	15.3	16.5	17.1	323,000	235,000	270,000	265,000
Oceania:												
Australia	9,629	13,439	14,700	--	17.5	20.4	16.8	--	168,320	273,720	246,300	--
New Zealand	103	187	183	--	46.7	49.7	47.0	--	4,814	9,290	8,600	--
Total Oceania	9,732	13,626	14,883	15,190	17.8	20.8	17.1	20.4	173,134	283,010	254,900	310,000
Estimated world total 5/	492,420	487,510	487,820	503,310	16.1	16.7	16.1	16.7	7,950,000	8,160,000	7,875,000	8/ 8,390,000

1/ Years shown refer to years of harvest in the Northern Hemisphere. Harvests of Northern Hemisphere countries are combined with those of the Southern Hemisphere which immediately follow; thus, the crop harvested in the Northern Hemisphere in 1962 is combined with preliminary forecasts for the Southern Hemisphere harvests which will begin late in 1962 and end early in 1963. 2/ Figures refer to harvested areas as far as possible. 3/ Yield per acre calculated from acreage and production data shown. 4/ Preliminary estimates for Northern Hemisphere countries; for Southern Hemisphere, preliminary forecasts based largely on acreage and weather conditions to date. 5/ Estimated totals, which in the case of production are rounded to millions, include allowances for any missing data for countries shown and for other producing countries not shown. 6/ Unofficial estimates for production. 7/ Production on European holdings only. 8/ Revisions of production in a number of countries, made since this table was compiled, would bring the world total up to 8,465 million bushels for 1962.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source material, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

Table 7 .- Wheat: Supplies available for export or carryover in the United States, Canada, Argentina and Australia, October 1, 1960-62

Item	1960-61	1961-62	1962-63 1/
	Mil. bu.	Mil. bu.	Mil. bu.
UNITED STATES			
Carryover stocks, July 1	1,314	1,411	1,304
Production	1,357	1,235	1,095
Total domestic supplies	2,671	2,646	2,399
Domestic requirements for season 2/	606	629	605
Exports, July 1 through September 30 3/	141	165	145
Supplies available on October 1 4/	1,924	1,852	1,649
CANADA			
Carryover stocks, August 1	600	608	396
Production	517	283	551
Total supplies	1,117	891	947
Domestic requirements for season 2/	156	138	150
Exports, August 1 through September 30 3/	57	71	50
Supplies available on October 1	904	682	747
	1959-60	1960-61	1961-62 1/
ARGENTINA			
Carryover stocks, December 1	60	60	35
Production	215	150	190
Total supplies	275	210	225
Domestic requirements for season 2/	127	135	130
Exports, December 1 through September 30 3/	77	36	93
Supplies available on October 1	71	39	2
AUSTRALIA			
Carryover stocks, December 1	68	64	28
Production	198	274	246
Total supplies	266	338	274
Domestic requirements for season 2/	77	79	78
Exports, December 1 through September 30 3/	107	198	150
Supplies available on October 1	82	61	46
	1960	1961	1962
THE FOUR COUNTRIES			
Total supplies available on October 1 for export to end of season or carryover	2,981	2,634	2,444

1/ Preliminary. 2/ Estimated requirements for seed, food (milling for domestic use) and feed for the season. 3/ Exports of wheat and flour in grain equivalent. 4/ Without imports.

forecasts are tentative and subject to change as later estimates become available for Northern Hemisphere countries and as the crops develop in the Southern Hemisphere, where harvests begin in November. Thus, growing conditions up to early December will play an important part in determining the final outturn in Argentina and Australia, the leading producers in the Southern Hemisphere.

The 1962 world wheat production forecast approaches 8.5 billion bushels (table 6), about 7 percent above the 1961 crop and was exceeded only in 1958 when a total of 8.7 billion bushels was produced. World rye is tentatively estimated at 1.35 billion bushels, slightly above the 1961 total of 1.34 billion. Increases in North America and Western Europe more than offset estimated reductions in Eastern Europe.

This year's wheat outturn in North America is estimated at 1,680 million bushels, above 1961 and the 1955-59 average but 11 percent below the record 1960 harvest. Canada's production of 531 million bushels was sharply above the poor crop of 283 million last year and offset the substantial reduction in the United States.

Production of rye in North America is estimated at 52 million bushels, the largest crop since 1948. The U. S. crop of 39 million bushels is 43 percent above the 1961 outturn because of increased acreage and larger yields. Canada's acreage and yields were also up and the harvest of 13 million bushels was almost double the small 1961 production.

Wheat production in Western Europe is estimated at a record 1,550 million bushels. This is 290 million bushels above the small 1961 crop. Increases are general but the most significant gains are in France, Spain, Italy, West Germany, and the United Kingdom. Increased acreage was an important factor in all of these countries except West Germany where a moderate reduction is reported. Larger yields also played an important part.

Rye production in Western Europe is estimated as 220 million bushels, compared with 205 million last year. Rye acreage continued its downward trend but yields were larger than in 1961. Most of the crop increase was in West Germany, where more than half Western Europe's total is produced.

Eastern Europe's wheat crop is estimated at 545 million bushels, well below the bumper crop of 1961. Growing conditions were less favorable than last year and reduced yields more than offset larger acreage. Rye production is also indicated to be slightly smaller because of reduced acreage and slightly smaller yields.

Wheat acreage is reported somewhat larger in the Soviet Union. The reported 167.5 million acres is 8 percent above the 1961 acreage. The increase is in spring wheat acreage to make up for extensive winterkill in the important winter wheat region of the Ukraine. Drought in a number of important regions is believed to have affected yields. Production, therefore, might not exceed the 1961 outturn. A small rye acreage increase is indicated in the Soviet Union but yields are expected to be less than the good 1961 yields.

A larger wheat crop is estimated for Asia. A tentative estimate of 2 billion bushels is well above last year's total and would be a new record. Increases over the previous record in 1960 are mainly in India and Syria; both countries report record harvests. Turkey is the only rye producer of importance in Asia and little change from the 1961 production is reported.

A good wheat outturn is reported for Africa after the poor crop of a year ago. The present forecast of 215 million bushels is above average and considerably above last year's small harvest of 155 million. Most of the increase is in the important producing North African countries. Rye is of no significance in Africa.

South America's outlook is less favorable than last year mainly because of drought in parts of Argentina. Although it is too early for reliable indications, the 1962 harvest beginning in November may be slightly less than the 1961 production.

The outlook for Australia's wheat crop is promising after a slow start because of dryness. A record crop is expected if adequate rains are received during the remainder of the growing season. Rye is of no importance in the area.

World Durum Supplies Up Sharply 3/

World supplies of durum in the 1962-63 marketing season are sharply above the small supplies of a year ago and are more than ample to fill all normal requirements. Greatly expanded durum production is reported, especially in the exporting countries.

Canada's all-time record durum crop this year provides an exportable supply of some 1,300,000 metric tons. Argentina may have as much as 300,000 tons for export, Syria 470,000, Morocco 200,000, and Tunisia 75,000. Thus, a total of 2,345,000 tons is available in those five countries alone. In addition, Spain may have 100,000 tons for export and minor quantities should be available in other foreign producing countries. The total of the above exportable supplies, without considering the large U. S. crop, exceeds estimated normal requirements of importing countries and is much larger than total export availabilities last year.

The shortage of durum was general during 1961-62 and minimum needs in importing countries could not be covered by available supplies. Consequently, substantial substitution of hard wheat for durum was necessary in the manufacture of macaroni, spaghetti and related products. Supplies of durum were low in North America; Canada exported only some 170,000 metric tons, compared with 1.1 million tons exported in 1960-61. Exports from the small U. S. crop were about 435,000 tons and Argentina supplied about 250,000 tons. Total durum exports under the International Wheat Agreement were 1.2 million tons in 1959-60 and 1.8 million in 1960-61.

3/ Adopted from Foreign Crops and Markets - September 17, 1962, Foreign Agricultural Service, USDA.

Table 8 .- Wheat, flour and other products: Imports and exports, United States, 1940-61

Year beginning July	IMPORTS: Wheat: Suitable for milling 1/	Wheat: Unfit for human consumption	Flour (wheat equivalent) 2/	Other products (wheat equivalent) 3/	Total wheat, flour and other products	Wheat for milling in bond and export as flour
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
1940	165	3,237	121	39	3,562	7,331
1941	1,699	1,785	177	43	3,704	11,912
1942	806	150	99	72	1,127	7,577
1943	4/136,013	188	158	89	136,448	10,952
1944	4/ 26,235	15,919	193	37	42,384	9,213
1945	1,136	767	78	56	2,037	11,591
1946	21	28	8	27	84	1,984
1947	7	118	6	18	149	19
1948	1,317	10	172	31	1,530	3,070
1949	1,003	1,097	90	47	2,237	9,621
1950	174	11,647	5	93	11,919	8,180
1951	1,475	29,921	109	104	31,609	5,907
1952	1,016	20,384	117	85	21,602	6,415
1953	999	4,300	133	105	5,537	3,089
1954	1,043	2,915	90	149	4,197	1,004
1955	960	8,710	90	173	9,933	75
1956	916	6,536	92	239	7,783	115
1957	838	9,722	94	293	10,947	41
1958	568	6,824	105	272	7,769	657
1959	1,042	5,889	162	317	7,410	310
1960	852	6,908	136	336	8,232	227
1961	819	4,612	92	362	5,885	---

Year beginning July	EXPORTS: Wheat: Nonmilitary	Wheat: Military 5/	Flour (wheat equivalent): Nonmilitary	Flour (wheat equivalent): Military 5/	Other products (wheat equivalent 3/	Total wheat, flour and other products	Flour from milled-in-bond wheat (wheat equivalent) 6/
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
1940	10,810	---	22,812	---	226	33,848	6,935
1941	12,632	---	7/14,894	---	326	27,852	9,130
1942	6,555	---	19,948	---	1,266	27,769	6,900
1943	11,942	---	28,333	---	2,347	42,622	10,835
1944	19,010	54,358	28,304	40,233	2,463	144,368	9,398
1945	226,135	46,878	79,872	35,489	2,213	390,587	12,688
1946	8/153,995	44,796	9/166,291	28,896	3,441	397,419	6,642
1947	10/207,362	97,326	11/133,085	41,019	7,095	485,887	1,028
1948	232,666	142,754	102,385	24,754	1,438	503,997	2,745
1949	140,377	118,344	39,248	501	649	299,119	9,700
1950	290,473	31,362	43,607	131	572	366,145	8,441
1951	427,130	5,254	42,331	---	535	475,250	4,927
1952	274,079	2,702	40,409	---	574	317,764	6,871
1953	182,011	1,289	32,984	228	530	217,042	3,316
1954	226,342	963	46,329	---	738	274,372	1,123
1955	12/295,320	---	50,244	---	708	12/346,272	81
1956	12/475,247	---	12/73,311	---	978	12/549,536	137
1957	12/323,081	---	12/78,681	---	1,156	12/402,918	59
1958	12/361,543	---	12/80,558	---	1,193	12/443,294	521
1959	12/418,359	---	12/90,666	---	1,214	12/510,239	441
1960	12/561,182	---	12/99,700	---	1,063	12/661,945	680
1961 13/	12/608,173	---	12/109,239	---	879	12/718,291	587

1/ Imports of wheat of milling quality have been limited to a quota of 800,000 bushels per year since May 29, 1941, of which 795,000 may come from Canada. During the war years 1943-44 and 1944-45 this import restriction was waived. Imports of registered and certified wheat seed are permitted ex-quota. 2/ Imports of flour have been limited to a quota of 4,000,000 pounds per year since May 29, 1941, of which 3,815,000 pounds may come from Canada (total quota is 93,200 bushels, wheat equivalent). Flour for special experimental purposes may be imported ex-quota. Excludes flour "free for export". 3/ Consists of macaroni, spaghetti and similar products, wheat cereal breakfast foods, bread and biscuits, semolina and prepared mixes. 4/ Includes wheat and wheat products used for livestock and poultry feed, imported duty-free by the Commodity Credit Corporation. 5/ Reported by the National military establishments. 6/ Usually all from imported wheat, although in some years small quantities of United States wheat were added. 7/ 14,072,000 reported plus 822,000 unreported exports to British Services. 8/ 142,637,000 reported plus 11,358,000 unreported exports to Germany, financed by the United Kingdom. 9/ 154,407,000 reported plus 11,884,000 unreported exports to Germany, financed by the United Kingdom. 10/ 184,324,000 reported plus 23,038,000 unreported exports to Germany, financed by United Kingdom. 11/ 123,546,000 reported plus 9,539,000 unreported exports to Germany, financed by the United Kingdom. 12/ Includes exports for relief or charity by individuals and private agencies. 13/ Preliminary.

Bureau of Foreign and Domestic Commerce and Bureau of the Census except where noted.

This year's near-record durum harvest in the United States is three and one-half times the small 1961 crop. Acreage is up 53 percent and indicated yields are a new high.

Table 9.--Durum: Production in specified countries, 1960-62 1/

Country	1960	1961	1962
	1,000 metric tons	1,000 metric tons	1,000 metric tons
United States	929	516	1,830
Canada	444	395	1,666
France	65	59	79
Italy	1,088	1,685	1,500
Syria	325	450	1,300
Morocco	745	481	1,055
Tunisia	360	170	325
Argentina	N.A.	2/270	N.A.

1/ A number of countries that produce durum do not report production by classes and therefore cannot be included. In some of the countries listed, reported durum includes some bread wheat. 2/ Unofficial estimate.

ERS PUBLISHES NEW MAGAZINE

The Farm INDEX, a new monthly magazine of the Economic Research Service, began publication in October.

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Table 10.- Wheat: Estimated July 1 stocks in four major exporting countries, 1940-62

Year	United States grain 1/	Canadian grain 2/	Argentina	Australia	Total
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1940	280	322	102	135	839
1941	385	517	201	75	1,178
1942	631	449	238	142	1,460
1943	619	630	288	200	1,737
1944	317	398	290	159	1,164
1945	279	314	175	50	818
1946	100	98	115	68	381
1947	84	123	125	58	390
1948	196	103	130	105	534
1949	307	135	125	95	662
1950	425	140	100	120	785
1951	400	232	85	100	817
1952	256	270	35	80	641
1953	606	435	160	95	1,296
1954	934	650	155	155	1,894
1955	1,036	570	165	160	1,931
1956	1,033	620	130	183	1,966
1957	909	765	160	115	1,949
1958	881	675	175	70	1,801
1959	1,295	580	160	135	2,170
1960	1,314	565	140	145	2,164
1961	1,411	3/645	100	150	2,306
1962 4/	1,304	3/430	70	100	1,904

1/ Includes United States wheat in Canada. 2/ Includes Canadian wheat in the United States. 3/ Revised data; not comparable with 1957-60, which Canadians will revise later. 4/ Preliminary

Foreign Agricultural Service. Prepared on the basis of official statistics of foreign governments, reports of U. S. Foreign Service officers, or other information.

Table 11.- Wheat: Price per bushel in 3 exporting countries, nearest mid-month, June-October 1962; weekly, August-October 1962

Date (Friday)		Hard Spring			Soft	
		No. 1 Dark Northern at Duluth 1/ (United States)	No. 2 Manitoba Northern at Fort William 2/ 3/ (Canada)	Hard Winter No. 1 at Galveston 4/ (United States)	No. 1 White at Portland 1/ (United States)	Australia 3/
		Dollars	Dollars	Dollars	Dollars	Dollars
Mid-month						
June	15	2.36	1.81	2.35	2.18	---
July	13	2.36	1.81	2.37	2.18	---
August	17	2.26	1.83	2.34	2.15	---
September	14	2.30	1.84	2.36	2.12	5/1.57
October	12	2.32	1.82	2.35	2.12	---
Weekly						
August	31	2.33	1.82	2.35	2.12	---
September	7	2.35	1.82	2.36	2.12	---
	21	2.29	1.84	2.35	2.13	---
	28	2.29	1.84	2.32	2.12	---
October	5	2.34	1.82	2.35	2.12	---

1/ Spot or to arrive. 2/ Fort William quotation is in store. 3/ Sales to noncontract countries. Converted to U.S. currency. 4/ F.o.b. ship. CCC selling price for immediate delivery. 5/ Australian Wheat Board basic selling price for f.a.q. bulk wheat, f.o.b. basis, quoted at running around 14s. 10½d. per bushel the first half of September continuing the upward trend of recent months. This compares with 14s. 9d. reported in May. No later data available.

Table 12.- Wheat: Weighted average cash price per bushel, specified markets, August-October, 1961 and 1962

Month and date	All classes and grades, six markets 1961	All classes and grades, six markets 1962	No. 2 Dark Hard and Hard Winter, Kansas City 1961	No. 2 Dark Hard and Hard Winter, Kansas City 1962	No. 1 Dark N. Spring, Minneapolis 1961	No. 1 Dark N. Spring, Minneapolis 1962	No. 2 Hard Amber Durum, Minneapolis 1961	No. 2 Hard Amber Durum, Minneapolis 1962	No. 2 Soft Red Winter, St. Louis 1961	No. 2 Soft Red Winter, St. Louis 1962	No. 1 Soft White, Portland 1/ 1961	No. 1 Soft White, Portland 1/ 1962
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Month												
August	2.34	2.39	2.04	2.25	2.30	2.42	3.14	2.58	1.97	2/2.07	2.09	2.14
September	2.41	2.45	2.07	2.23	2.38	2.44	3.36	2.54	1.94	---	2.13	2.13
Week ended												
Aug. 31	2.34	2.42	2.05	2.26	2.32	2.41	3.26	2.56	---	---	2.12	2.13
Sept. 7	2.39	2.45	2.01	2.24	2.34	2.44	3.37	2.52	3/1.92	---	2.14	2.12
14	2.43	2.45	2.08	3/2.27	2.37	2.43	3.35	2.53	1.93	---	2.13	2.12
21	2.43	2.45	2.07	2.22	2.40	2.43	3.41	2.55	3/1.99	---	2.13	2.13
28	2.40	2.46	2.09	2.20	2.39	2.46	3.35	2.54	3/1.96	---	2.13	2.13
Oct. 5	2.36	2.49	2.07	2.17	2.40	2.49	3.42	2.59	2/1.87	---	2.13	2.12
12	2.39	2.46	2.10	2.21	2.43	2.47	3.55	2.54	---	---	2.12	2.12

1/ Average of daily cash quotations.
2/ 1 car sold.
3/ 2 cars sold.

Table 13.- Wheat: Average closing price per bushel of December futures, specified markets, August-October, 1961 and 1962

Month and date	Chicago 1961	Chicago 1962	Kansas City 1961	Kansas City 1962	Minneapolis 1961	Minneapolis 1962
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Month						
August	2.05	2.15	2.05	2.17	2.26	2.35
September	2.05	2.10	2.04	2.14	2.25	2.32
Week ended						
Aug. 31	2.04	2.14	2.05	2.16	2.26	2.33
Sept. 7	2.05	2.15	2.04	2.17	2.25	2.34
14	2.06	2.13	2.04	2.16	2.25	2.34
21	2.06	2.08	2.03	2.13	2.26	2.32
28	2.06	2.03	2.03	2.09	2.25	2.29
Oct. 5	2.03	2.02	2.01	2.12	2.26	2.31
12	2.04	2.04	2.02	2.12	2.26	2.31

Table 14 .- Wheat: CCC-owned stocks, by positions, by States, October 1, 1962 1/

State	Bin sites	Terminals, elevators and warehouses 2/	Maritime Fleet	Total
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Alabama	---	85	---	85
Arkansas	---	1,961	---	1,961
California		4,540	---	4,540
Colorado	539	28,365	---	28,904
Georgia	---	3/	---	3/
Idaho	---	6	---	6
Illinois	---	441	---	441
Iowa	---	4,857	---	4,857
Kansas	12,164	423,036	---	435,200
Louisiana	---	7,206	---	7,206
Maine	---	1,314	---	1,314
Maryland	---	1,344	---	1,344
Massachusetts	---	679	---	679
Michigan	---	5	---	5
Minnesota	148	61,553	---	61,701
Mississippi	---	366	---	366
Missouri	202	32,935	---	33,137
Montana	428	12,620	---	13,048
Nebraska	802	143,676	---	144,478
New Jersey	---	290	---	290
New Mexico	---	3,361	---	3,361
New York	---	6,113	15,834	21,947
North Carolina	---	4	---	4
North Dakota	1,690	46,648	---	48,338
Oklahoma	---	55,492	---	55,492
Oregon	---	1,851	6,653	8,504
Pennsylvania	---	568	---	568
South Dakota	6,422	28,923	---	35,345
Tennessee	---	1,419	---	1,419
Texas	---	98,054	---	98,054
Virginia	---	531	14,076	14,607
Washington	---	3,168	---	3,168
Wisconsin	---	15,019	---	15,019
Wyoming	---	2,493	---	2,493
Sub-total	22,395	988,923	36,563	1,047,881
In-transit or trust 4/				
Dallas Area	---	---	---	4,803
Kansas City Area	---	---	---	3,129
Minneapolis Area	---	---	---	101
Portland Area	---	---	---	596
U. S. total	22,395	988,923	36,563	1,056,510

1/ Includes stocks sold but not delivered. 2/ Includes terminals, subterminals, country elevators, warehouses, etc. 3/ Less than 500 bushels. 4/ Moved from official weight points and has not been unloaded or sold.

Grain Division, Agricultural Stabilization and Conservation Service.

Table 15.- Wheat: CCG-owned stocks, by classes and commodity office areas, October 1, 1962 1/

Class	Kansas City	Dallas	Evanston	Minneapolis	Portland	Maritime Fleet		Total
						Portland area	Evanston area	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Hard winter	647,564	172,357	664	27,376	8,756	1,407	15,206	873,330
Hard spring	---	---	9,508	148,304	2	---	14,704	172,518
Soft winter	1,170	158	746	---	8	---	---	2,082
White	325	---	26	213	1,390	5,246	---	7,200
Mixed	1,040	236	81	10	5	---	---	1,372
Durum	---	---	---	8	---	---	---	8
Total	650,099	172,751	11,025	175,911	10,161	6,653	29,910	1,056,510

1/ Includes stocks sold but not delivered.

Grain Division, Agricultural Stabilization and Conservation Service.

Table 16.- Wheat: CCC sales and other dispositions, July 1 - October 5, 1962 with comparisons

Item	July 1, 1961- October 6, 1961	July 1, 1962- October 5, 1962
	1,000 bushels	1,000 bushels
Domestic Sales and Dispositions		
By ASCS Commodity Offices		
Nonstorable country warehouse	262	534
Nonstorable track and terminal	446	1,031
Statutory minimum 1/	13,829	945
Other domestic	66	9
Donations	---	3
By ASC County Offices		
Nonstorable bin site	1,234	3
Statutory minimum 1/	11,658	---
Total domestic	27,495	2,525
Export Sales and Dispositions		
GR-345 2/	24,544	22,590
Barter	14,415	1,954
GSM credit 3/	1,486	3,512
Other export	---	---
Donations	3,476	10,694
Total export	43,921	38,750
Total dispositions	71,416	41,275

1/ For unrestricted domestic use.
2/ Sales under payment-in-kind program.
3/ General Sales Manager's Credit Program; CCC sales made at the next export price.

Grain Division, Agricultural Stabilization and Conservation Service.

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The Wheat Situation is published in February, April, June, August and October. The next issue will be released in February 1963.

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