



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

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WORLD GRAIN SUPPLIES ARE TIGHT

THE WORLD GRAIN SUPPLY FOR 1975-76 appears to be slightly larger than in the 1974-75 market year by about 2 percent. However, reserves will be small and mostly in the United States, according to the USDA's Foreign Agricultural Service.

WORLD GRAIN PRODUCTION AND CONSUMPTION

Based on mid-August crop prospects, production is expected to be 953 million metric tons, up 5.5 percent from 1974. Yet, the carryover stocks of 100 million metric tons are 10 percent smaller. Thus, the gain in world supplies is only 2 percent.

Consumption is expected to increase by about the same rate over the past year as recovery begins in the world's livestock industries. So, the rebuilding of grain reserves, especially food grains, must wait.

WHEAT

The 1975-76 world wheat supply is estimated to be about 411 million metric tons, compared to 408 million in 1974-75. Total production of 358 million metric tons is up 7 million, carryover stocks are smaller and world consumption of wheat will increase because Russia is apparently filling her feed-grain deficit with imported wheat. The Soviet's 1975 wheat crop of 85 million metric tons was slightly larger than in 1974.

If the estimates hold, world carryover stocks prior to the 1976 harvest would be down a few million metric tons. The wheat markets will be strong, and will be sensitive to crop reserves anywhere. Already, they are responding to poor prospects for the Australian harvest this winter and to a lack of moisture in USSR for seeding their winter wheat.

FEED GRAINS

The feed-grain balance does not appear to be quite as close as that for wheat, even though Russia's cut was in feed-grain crops--barley, oats, rye, and corn. By current estimates, the USSR will produce about 75 million metric tons of feed grains in 1975, compared to 97 million last year. Livestock feeding has already been reduced in the United States, Japan, and Western Europe. However, some increase in

A metric ton is 2,204.6 pounds. The equivalent in feed grains is 36.743 bushels of soybeans or wheat, and 39.368 bushels of corn.

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world feed-grain consumption is expected in 1975-76. The USDA estimate is for a 2-percent increase, from 579 to 593 million metric tons. Carryover stocks are expected to be about 54 million metric tons a year hence, compared to 47 million this year.

There are major uncertainties in many of these projections. One is whether the Soviets will purchase more wheat or more feed grains to fill their needs. Thus far, they have contracted for more wheat than feed grains, even though their shortage is in the feed grains. Since wheat is an eligible grain for CCC financing and corn is not, this may be a factor in further purchases.

L.F. Stice, Extension Specialist, Grain Marketing

Cooperative Extension Service
United States Department of Agriculture
University of Illinois
At Urbana-Champaign
Urbana, Illinois 61801

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