



# ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE  
DEPARTMENT OF AGRICULTURAL ECONOMICS

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## WORLD CROP CONDITIONS

SPRING DROUGHT IN WESTERN EUROPE, summer drought in Eastern Europe, dry weather in the United States, earthquakes in China, and unfavorable harvest conditions in the USSR appear to be producing, of all things, a record world grain crop. The average grain yields in much of the northern hemisphere, excluding the USSR, are lower than a year ago; but increased acreage will more than offset these reductions.

In the United States, the production of all feed grains is expected to equal last year's record output of 202.4 million short tons. The wheat crop is the largest on record. To the north, Canada harvested a bumper wheat crop and is expected to produce a total feed-grain crop at least equal to last year's output.

The USDA projects that the USSR's grain crop will total 205 million metric tons, which would be well above the 1974 and 1975 crops but slightly below the 1973 crop. The harvest is progressing well, although grain quality is suffering somewhat because of adverse weather conditions.

In spite of spring weather problems and earthquakes during the late summer, the grain crop in the People's Republic of China is expected to approach the production of a year ago. Similarly, the grain crop in India is relatively problem-free for the second year in a row, and stocks continue to accumulate there.

The major bleak spot in the world grain situation is Europe. Western Europe's coarse-grain production is projected at 74 million metric tons, down 7 percent from last year and well below earlier expectations. The wheat crop in Western Europe is actually larger than last year, so that total grain production is likely to be only 4 percent less than last year. In Eastern Europe, the coarse grain crop is expected to be down about 5 percent from a year ago. Although late rains have been reported in much of Europe, the primary beneficiaries will be the pasture and forage crops, not the grain crops.

Most of the southern hemisphere's grain crop will not be harvested until winter and next spring. Early projections are for a substantial increase in coarse-grain production from Australia, Argentina, Brazil, and South Africa. Prevailing weather between now and next spring, of course, will determine final crop prospects. The southern half of the Australian grain belt suffered dry weather during wheat planting, and reduced wheat crop is expected.

As a result of the increased world grain production, the tight grain situation of the past 4 to 5 years probably will be reduced somewhat. World wheat production will exceed projected consumption by 15 to 20 million tons, raising world stocks to about 80 million metric tons. Coarse grain production is expected to exceed consumption by 10 to 15 million metric tons.

Another effect of the large world grain crops will be a reduction in total world grain trade; more specifically, a reduction in U.S. grain exports. The USSR and India will not import as much grain as last year, but Western Europe is likely to increase its imports by about 10 percent. Japan's imports may be up 5 percent.

The most recent USDA estimates project U.S. exports of wheat at 1.05 billion bushels in 1976-77, compared to 1.175 billion bushels in 1975-76. This estimate seems optimistic. Exports may not exceed 950 million bushels. The 1976-77 corn exports are projected at 1.55 million bushels, down from 1.7 million in the current year. Total U.S. feed-grain exports are projected at 50 million short tons, down 9 percent from this year.

*Prepared and issued by D.L. Good, Extension Economist, Prices and Outlook*

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