



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

September 6, 1978

WORLD GRAIN PRODUCTION

THE 1978 WORLD GRAIN CROP is developing without any major problem areas. Although it is still very early in the crop year, the 1978 world production of wheat and coarse grains is now estimated at 1.13 billion metric tons, based on conditions existing on August 15. This means that many of the crops in the Southern Hemisphere have not yet been planted. Moisture conditions in much of the grain-producing areas of the Southern Hemisphere, however, are reported as satisfactory.

The August production estimate is 2 percent greater than the July estimate, and 5 percent greater than last year's output. The upward revision since July primarily reflects improving crop conditions in the United States, Canada, and the USSR.

The U.S. wheat and feed-grain crops are expected to total 252 million metric tons--about 5.4 million metric tons, or 2 percent, less than last year. A record crop is predicted, but reductions in wheat and other feed-grain production may more than offset this increase.

The 1978 USSR grain crop is now placed at 220 million tons, only 4 million tons under the 1976 record. Moisture conditions continue to be good, with temperatures somewhat below normal. Like the U.S., however, the USSR's crop development is reported as generally later than normal.

In the European Community, generally favorable growing conditions and increased planted acreages are expected to produce the largest grain crop since 1974. Almost all of the increase over last year's output is accounted for by wheat.

Turkey reportedly has harvested another bumper crop of wheat, and India's recent wheat harvest was a record one, too. North African and Middle Eastern wheat production has recovered from the recent low levels. The Australian and Argentine crops have been planted, with no major problems reported.

The generally optimistic world outlook for crops implies that the level of world trade for both wheat and coarse grains might be down from the figures for this year. The latest Foreign Agriculture Service estimates forecast a reduction of a 4.3 percent in wheat exports and a slight decline in the world movement of coarse grains.

Feed-grain imports by the European Community are expected to decline because of a stabilization in the number of livestock and the substitution of feed that is not

grain production is expected to increase from 447 million last year to 481 in 1976. These major increases will cut into the markets for U.S. grains, particularly wheat.

How large the wheat exports will be for the balance of the crop year ending next May 31 is uncertain. The USDA is currently estimating 1,050 million bushels. But exports from June 1 through August 20 were down 42 million bushels, or 15 percent. Such a decrease projects to an annual total of 950 million bushels.

If exports of about a billion bushels and minimum domestic use of 710 million are subtracted from the available supply, a total of 1,051 million bushels would be available for feed and carryover. This is 700 million above minimum. The record nongovernment carryover was 665 million last May 31. The 700 million surplus will be divided between feed and carryover. Since the market and the farmers in particular are unlikely to carry 1,050 million, a large quantity of wheat will probably go for feed.

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