



# WEEKLY OUTLOOK

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## REVISED SUPPLY AND DEMAND ESTIMATES

FOLLOWING THE NOVEMBER *CROP PRODUCTION* REPORT, the USDA released revised estimates of total supply, use, and carryover stocks for the major grains and oilseeds for the United States and the world. First a look at the projection for the United States.

Corn supplies for the 1984-85 marketing year are estimated at 8.25 billion bushels, 13 percent more than a year ago, but 9 percent less than the average of the 5 previous years. Domestic feed use of corn is projected at 4 billion bushels, 7 percent more than a year ago, but 8 percent less than the average of the previous 5 years. Use for seed, food, and industrial purposes is projected at 1.05 billion bushels, up 8 percent from last year and the eleventh consecutive annual increase. Use for all such purposes has doubled in the past 9 years.

Corn exports are projected at 2.075 billion bushels, 50 million less than last month's projection, but 209 million more than exported last year. If this estimate materializes, corn exports will be above 2 billion bushels for the first time in 4 years. Carryover stocks of corn are projected at 1.125 billion bushels, or 15.8 percent of total use.

Wheat supplies are estimated at 3.973 billion bushels, about 1 percent more than a year ago. Domestic use of wheat is expected to total 1.067 billion bushels, 45 million less than a year ago. The smaller estimate reflects reduced wheat feeding. Wheat exports are now projected at 1.525 billion bushels, 50 million less than the previous estimate, but 96 million more than a year ago. Carryover stocks are expected to remain large at 1.381 billion bushels, or 53.3 percent of total use. The supplies of soft red winter wheat are relatively tight, however. Carryover supplies are projected at 71 million bushels, or only 13 percent of total use.

Soybean supplies at 2.077 billion bushels are up 96 million bushels from last year, but 9 percent less than the average of the previous 5 years. The USDA projects domestic crush at 1 billion bushels and exports at 790 million bushels. The export estimate is 20 million bushels less than the previous forecast. Seed, feed, and residual uses of soybeans are estimated at 87 million, bringing the total to 1,877. Use is expected to be only 4 percent more than a year ago even though prices are significantly lower. The projected use is 5 percent less than the

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average of the previous 5 years and 11 percent less than the record level of use in 1982-83.

The world supply and demand estimates for the major grains show a modest increase in use, but larger carryover stocks. Use of corn worldwide is projected at 427.8 million metric tons, 4 percent more than a year ago. Ending stocks are expected to total 45.7 million tons, up 33 percent from the relatively low level of beginning stocks.

The use of all coarse grains is estimated at 771.6 million tons, up nearly 2 percent. Ending stocks, at 86.1 million tons, will be 26 percent above beginning inventories.

Wheat use is expected to be up 4 percent, at 502.2 million metric tons. An increase of 3 percent in carryover stocks is projected. Combined carryover stocks of coarse grains and wheat is estimated at 190.8 million metric tons, 15 percent of total use.

In the case of soybeans, world use is projected at 89.2 million metric tons, up 4 percent from last year. Ending stocks are expected to increase by 8 percent, to 13.5 million tons, or 15 percent of total use.

The latest supply and demand estimates paint a picture of adequate, although not burdensome, supply of grain and soybeans worldwide. Wheat remains the most abundant of the major grains. The projections of the size of some of the crops in the southern hemisphere, particularly soybeans, are very tentative as planting is just being completed. However, unless there is a major production problem, prices for U.S. grains and soybeans are not expected to show much, if any, strength through the winter months.

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