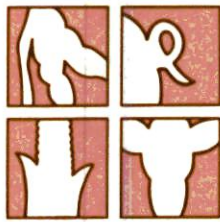




Cooperative  
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# WEEKLY OUTLOOK

Department of Agricultural Economics  
College of Agriculture  
University of Illinois at Urbana-Champaign

December 17, 1986

## WORLD PRODUCTION OF WHEAT AND COARSE GRAINS -- A REVIEW

ON DECEMBER 11, THE USDA RELEASED new estimates of the 1986-87 world grain crops. This is an opportune time to review the trends in world wheat and coarse grain production over the past 10 years. First a look at wheat.

Wheat production in the United States totaled 55.4 million tons in 1977, grew to a record 76.2 million tons in 1981, and declined back to 56.5 million tons by 1986. Outside of the U.S. wheat production totaled only 327.2 million tons in 1977 and then jumped to 398.3 million in 1978 on the basis of the largest-ever crop in the Soviet Union. Production varied from 365 to 375 million tons from 1979 through 1981 and then increased to 403.3 million tons in 1982. Production outside of the U.S. has been increasing since 1981, with only a minor set back in 1985. The crop outside of the U.S. in 1986-87 is forecast at a record 465.2 million tons, up 7 percent from last year.

Increased wheat production since 1981 has come in China (49 percent), Western Europe (24 percent), Canada (29 percent), Eastern Europe (30 percent), and India (22 percent). Since the record crop of 1981, U.S. wheat production has declined 26 percent, while production outside of the U.S. has increased 25 percent. Compared to 1977, U.S. wheat production is about unchanged, while production in the rest of the world is up 42 percent. The Soviet Union is expected to harvest the largest crop since 1980.

Production of coarse grains (corn, sorghum, oats and barley) in the United States grew from 203.8 million tons in 1977 to a record 274.4 million tons in 1985. The 1986 crop is expected to be the second largest ever at 250.8 million tons. Production of coarse grains outside of the United States, totaling 500.4 million tons in 1977, jumped to 531.6 million tons in 1978 on the basis of a huge crop in the Soviet Union. Production remained around the 530 million tons mark through 1982 as the Soviet crop declined from the high level of 1978 and production increased in China, Europe, and South America.

Production of coarse grains outside of the United States made another large increase to 548.3 million tons in 1983 on the basis of large crops in the Soviet Union, China, and India. Production grew to about 570 million tons in 1984 and

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1985 and is expected to be a record 585.7 million tons in 1986. The Soviet crop is expected to be a record 108 million tons in 1986-87. The Canadian crop is also expected to be record large at 27.6 million tons.

In the United States, the 1986 harvest of coarse grains is about the same size as the crops of 1981 and 1982. Production outside of the United States is expected to be about 11 percent larger than the 1981 and 1982 crops. Compared to the 1977 crops, production is 23 percent larger in the United States and 17 percent larger in the rest of the world.

Since 1981 the combined production of wheat and coarse grains outside of the United States has increased 16 percent, production in the United States is down 6 percent. While the U.S. has been attempting to reduce production in the face of surplus, the rest of the world has increased in reaction to high world prices (supported by U.S. farm policy) and expectations of either getting a larger share of the world export market or reducing import requirements.

As a result of the shift in production, U.S. grain exports have declined sharply. Corn exports declined from 2.4 billion bushels in 1979-80 to 1.2 billion in 1985-86. Exports for the current year are forecast at 1.125 billion bushels, the lowest level in 15 years. Wheat exports peaked at 1.77 billion bushels in 1981-82 and declined to 915 million bushels in 1985-86. Exports for the current year will be only slightly above that low level.



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