

World Agricultural Supply and Demand Estimates

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WHEAT: Projected U.S. wheat supplies for 2013/14 are raised slightly this month as small increases for Soft Red Winter wheat and Durum are mostly offset by decreases for White, Hard Red Spring and Hard Red Winter wheat. U.S. wheat exports for 2013/14 are raised 25 million bushels reflecting continued strong early season sales and an increased outlook for China imports. Despite larger expected crops in several major exporting countries, strong early season demand and higher projected world imports and consumption also boost prospects for U.S. shipments. Ending stocks are projected 25 million bushels lower. The projected range for the 2013/14 season-average farm price is lowered 10 cents per bushel at the midpoint to \$6.40 to \$7.60 per bushel. Despite the tighter domestic balance sheet, larger world wheat supplies and lower-than-expected prices reported to date reduce prospects for the weighted average farm price.

Global wheat supplies for 2013/14 are raised 7.5 million tons with increases in production for several of the world's largest exporters pushing world production to a record 705.4 million tons. Production is raised 2.8 million tons for the European Union with the biggest increases for Spain, France, and Germany, and smaller increases for Romania, Bulgaria, and Hungary. Production is raised 2.5 million tons for Kazakhstan where abundant spring and summer rainfall is supporting prospects for strong yields, much as in the adjoining spring wheat areas of Russia. Ukraine production is raised 2.0 million tons based on the latest harvest results. Production is raised 0.5 million tons for Canada as favorable soil moisture and a lack of heat stress across the western Prairies support higher yield prospects. India production is raised 0.5 million tons based on the latest government assessment. Turkey production is raised 0.4 million tons for wheat reflecting a favorable growing season throughout the region.

Partly offsetting this month's production increases are reductions in South America where crops will not be harvested until late 2013. Production is lowered 1.0 million tons for Argentina based on lower reported seedings. Brazil production is lowered 0.3 million tons reflecting the late July freeze event that appears to have damaged developing wheat in limited areas of southern Brazil.

Global wheat consumption for 2013/14 is raised 6.9 million tons with increases in wheat feeding projected for a number of countries and higher food use expected for India and Iran. Feed use is raised again this month for China with higher projected imports. Feed use is also increased for the European Union, Syria, Moldova, Kazakhstan, and Morocco. Wheat feeding is lowered for Thailand and Vietnam with lower imports projected for both countries. Imports are raised for Iran, Pakistan, Syria, and Turkey. Global wheat exports for 2013/14 are raised 4.9 million tons with increases for Kazakhstan, the European Union, Ukraine, and Canada totaling 7.0 million tons. Exports are lowered for Argentina and Brazil with reduced production prospects. India exports are also lowered as relatively high internal prices limit export opportunities. Rising world supplies reduce prices and support global consumption growth, thereby limiting the increase in projected 2013/14 global wheat ending stocks to 0.6 million tons.

COARSE GRAINS: Projected 2013/14 U.S. feed grain supplies are reduced this month with lower forecast production for corn and sorghum. Corn production for 2013/14 is lowered 187 million bushels to 13.8 billion. The first survey-based corn yield forecast, at 154.4 bushels per acre, is down

2.1 bushels from last month's projection. Sorghum production is forecast 36 million bushels lower with the forecast yield 5.9 bushels per acre below last month's projection.

Corn beginning stocks for 2013/14 are projected 10 million bushels lower with a 15-million-bushel increase in 2012/13 exports only partly offset by a 5-million-bushel increase in imports. Feed and residual use for 2013/14 is lowered 50 million bushels this month with the smaller crop. Exports are projected 25 million bushels lower with reduced domestic supplies and increased foreign competition. Ending stocks for 2013/14 are projected 122 million bushels lower. The projected season-average farm price for corn is raised 10 cents at both ends of the range to \$4.50 to \$5.30 per bushel. Prices received by farmers are expected to remain above cash bid levels through the fall as producers who forward-priced corn earlier in the year support the weighted average farm-gate price.

Global coarse grain supplies for 2013/14 are projected 2.9 million tons lower as the reduction in the United States more than offsets an increase in foreign supplies. Global 2013/14 corn production is lowered 2.7 million tons. In addition to the United States, corn production is lowered for Mexico, the European Union, Russia, and Serbia. Partly offsetting are increases for Ukraine, India, and Turkey. Ukraine production is raised 3.0 million tons as higher reported area combines with favorable July temperatures to raise production prospects. Production is raised 1.0 million tons for India as favorable monsoon rainfall supports increased plantings and a higher yield outlook. Turkey corn production is raised 0.4 million tons with higher area and higher expected yields. Global barley production is raised 1.1 million tons with increases for the European Union, Argentina, and Turkey more than offsetting a reduction for Canada. Global rye and mixed grain production are also raised slightly this month with increases for the European Union.

Global 2013/14 corn trade is raised with increased imports projected for Mexico, South Korea, the European Union, and Egypt. Corn exports are projected higher for Ukraine, but partly offset by declines for Russia, the European Union, and the United States. Corn trade is also increased for 2012/13 with higher imports for Egypt, South Korea, Turkey, the European Union, and Indonesia. Exports for 2012/13 are raised for Brazil and Argentina. Supporting the increase in Brazil export prospects, particularly over the next few months, is a 3.0-million-ton increase in 2012/13 corn production. Global corn consumption for 2013/14 is projected 2.3 million tons lower. Reduced U.S. feed and residual use is only partly offset by increases for South Korea, Ukraine, and Egypt. Global corn ending stocks for 2013/14 are projected 0.8 million tons lower with the increases for Ukraine, India, and Brazil, mostly offsetting the reduction projected for the United States.

RICE: U.S. total rice supplies for 2013/14 are projected at 238.4 million cwt, up 2.9 million from last month. Projected beginning stocks and production are each raised from a month ago, while imports are lowered. USDA's first survey-based forecast of the 2013/14 U.S. rice crop is 181.4 million cwt, up 1.9 million from last month's projection, but down 9 percent from the previous year. Average all rice yield is forecast at 7,406 pounds per acre, up 76 pounds per acre from last month's projection, but down only slightly from last year's record. Area harvested is unchanged at 2.45 million acres. Long-grain production is forecast at 124.8 million cwt and combined medium- and short-grain production at 56.6 million, up 0.8 million and 1.1 million from a month ago, respectively. The all rice import projection is lowered 1.0 million cwt to 22.5 million due in part to an expected larger crop. All rice beginning stocks for 2013/14 are raised 2.0 million cwt to 34.6 million because of a decrease in the 2012/13 export estimate to 107.0 million.

U.S. total rice use for 2013/14 is projected at 208.0 million cwt, up 1.0 million cwt from last month. The all rice export projection is raised 1.0 million cwt to 96.0 million cwt—all in medium/short grain. Long-grain and combined medium- and short-grain exports are projected at 66.0 million and 30.0 million, respectively. All rice domestic and residual use is unchanged at 112.0 million cwt. U.S. all rice ending stocks for 2013/14 are projected at 30.4 million cwt, up 1.9 million from last month, but 12 percent below the previous year.

The 2013/14 long-grain U.S. season-average farm price is projected at \$14.00 to \$15.00 per cwt, down 50 cents per cwt on each end of the range. The combined medium- and short-grain price is projected at \$15.80 to \$16.80 per cwt, unchanged from a month ago. The all rice price is projected at \$14.50 to \$15.50 per cwt, down 40 cents per cwt on each end of the range. A year-to-year smaller crop and tighter supplies, particularly for long-grain rice, are expected to provide some support to prices; however, plentiful supplies among the major Asian exporters will dampen the increase. Global 2013/14 export prices are expected to be lower than a year ago.

The projected decrease in global 2013/14 total supply is greater than the drop in total use thus resulting in a decrease in world ending stocks. Global production is lowered 0.8 million tons to 477.9 million, still a record, due primarily to a forecast reduction for China, which is partially offset by increases for Pakistan and the United States. China's 2013/14 rice crop is lowered 1.0 million tons to 143.0 million nearly the same as 2012/13. Hot dry weather in the lower Yangtze River Valley and in the southwest has stressed both the single and late rice crops. Rice production is likely to be negatively affected in Hunan, Jiangxi, and Anhui provinces. Global beginning stocks for 2013/14 are lowered 0.6 million tons due mostly to a 0.5-million-ton reduction for Indonesia—Indonesia's 2012/13 crop is lowered nearly a million tons to 36.6 million. World 2013/14 consumption is reduced 0.8 million tons with most of the decline in Indonesia and China. Global trade is raised 0.7 million tons with increases in exports for India, Pakistan, the United States, and Vietnam. Import projections are raised for China and a number of West African countries, which are partially offset by reductions for Turkey and the United States. Global ending stocks for 2013/14 are projected at 107.5 million tons, down 0.5 million from last month, but an increase of 2.7 million from the previous year. The largest stocks reduction for 2013/14 is for India, down 0.5 million from a month ago.

OILSEEDS: U.S. oilseed production for 2013/14 is projected at 96.2 million tons, down 4.7 million from last month mainly due to a lower soybean production forecast. Soybean production for 2013/14 is forecast at 3.255 billion bushels, down 165 million due to lower harvested area and yields. Harvested area is forecast at 76.4 million acres, down 0.5 million from the July projection. The first survey-based soybean yield forecast of 42.6 bushels per acre is 1.9 bushels below last month's projection but 3 bushels above last year's drought-reduced yield. Soybean supplies for 2013/14 are projected 5 percent below last month based on the lower production forecast. With reduced supplies and higher prices, U.S. soybean exports are reduced 65 million bushels to 1.385 billion. Lower U.S. exports will be mostly offset by increases for South America, especially Argentina. Soybean crush is also lowered as higher prices reduce prospective exports for soybean meal. Soybean ending stocks are projected at 220 million bushels, down 75 million from last month.

U.S. soybean balance sheet changes for 2012/13 include increased imports, reduced exports, and increased crush. Imports are raised 10 million bushels to 35 million based on strong shipments from South America. Exports are reduced 15 million to 1.315 billion bushels reflecting exceptionally low shipments in recent weeks and revised export data for September through December 2012 from the U.S. Department of Commerce. Crush is increased 25 million bushels to 1.685 billion to account for increased soybean meal exports. Soybean ending stocks are unchanged at 125 million bushels.

The U.S. season-average soybean price for 2013/14 is forecast at \$10.35 to \$12.35 per bushel, up 60 cents on both ends. Soybean meal prices are forecast at \$305 to \$345, up 15 dollars at the midpoint. Soybean oil prices are forecast at 44 to 48 cents per pound, down 3 cents at the midpoint reflecting the sharp drop in futures contract prices in the past month.

Global oilseed production for 2013/14 is projected at 493.1 million tons, up 0.2 million tons from last month. Reductions for soybeans and cottonseed are offset by increases for rapeseed, sunflowerseed, peanuts, and palm kernel production. Lower soybean production projected for the United States is partly offset by an increase for India where higher harvested area more than offsets

