WHEAT: Changes this month to the 2023/24 U.S. wheat outlook increase supplies and domestic use, leave exports unchanged, and increase ending stocks. Supplies are raised on larger production, which is up 74 million bushels to 1,739 million, on higher harvested area and yields. The first 2023/24 survey-based production forecast for other spring and Durum indicates a decrease from last year. Conversely, winter wheat production is forecast higher on larger harvested area and higher yields. Gains for all wheat production are partly offset by smaller beginning stocks, which are lowered 18 million bushels to 580 million as indicated in the Grain Stocks report, issued June 30. The 2023/24 ending stocks are forecast at 592 million bushels, 30 million higher than last month. The projected season-average farm price is forecast at $7.50 per bushel, down $0.20 from last month.

This month provides the first by-class 2023/24 U.S. wheat supply and use projections. Two consecutive years of drought-affected Hard Red Winter (HRW) wheat crops reduce HRW ending stocks to the lowest level in 16 years despite decreased total use. HRW food use is forecast to be the smallest since 2010/11, while HRW exports are the lowest since by-class supply and utilization records began in 1973/74.

Updates to the 2023/24 global wheat outlook reduce supplies, increase consumption, lower exports, and decrease stocks compared with last month. Supplies are reduced 0.9 million tons to 1,066.0 million as lower global production is partially offset by larger beginning stocks. Production is reduced primarily for the EU, Argentina, and Canada, and is only partially offset by increases for the United States and Pakistan. EU production is lowered 2.5 million tons to 138.0 million, as ongoing dry weather diminishes yield prospects primarily in Germany, Spain, France, and Italy. The forecast for Argentina wheat production is decreased 2.0 million tons to 17.5 million based on revised government estimates of planted area. Dry conditions in parts of Alberta and Saskatchewan lowers production for Canada 2.0 million tons to 35.0 million. Global trade is projected down 1.0 million tons to 211.6 million as lower exports from Argentina and Canada are only partially offset by more exports from Russia. World consumption is raised 3.3 million tons to 799.5 million, primarily on increased feed and residual use in China where rains at harvest, especially in Henan province, degraded wheat quality for food use. Projected 2023/24 world ending stocks are lowered 4.2 million tons to 266.5 million and would be the fourth consecutive annual decline.

COARSE GRAINS: This month’s 2023/24 U.S. corn outlook is for fractionally higher supplies and ending stocks. Corn beginning stocks are lowered 50 million bushels, as greater feed and residual use for 2022/23 more than offsets reductions in corn used for ethanol and exports. Corn production for 2023/24 is forecast up 55 million bushels as greater planted and harvested area from the June 30 Acreage report is partially offset by a 4.0-bushel reduction in yield to 177.5 bushels per acre. According to data from the National Centers for Environmental Information, harvested-area-weighted June precipitation data for the major Corn Belt states represented an extreme downward deviation from average. However, timely rainfall and cooler than normal temperatures for some of the driest parts of the Corn Belt during early July is expected to moderate the impact of June weather. For much of the crop the critical pollination period will be in the coming weeks. With supply rising fractionally and use unchanged, ending stocks are up 5 million bushels. The season-average farm price received by producers is unchanged at $4.80 per bushel.
Global coarse grain production for 2023/24 is forecast 0.1 million tons higher to 1,513.4 million. This month’s 2023/24 foreign coarse grain outlook is for lower production and use, and slightly smaller stocks relative to last month. Foreign corn production is fractionally higher with area increases for Canada and Ukraine that are partially offset by an area reduction for the EU. For 2022/23, corn production is raised for Brazil but lowered for Argentina based on harvest results to date. Foreign barley production for 2023/24 is lowered with cuts for the EU and Ukraine partly offset by increases for Argentina and Morocco.

Major global trade changes for 2023/24 include larger corn exports for Ukraine, with greater imports for the EU. For 2022/23 corn exports are higher for Brazil but are lowered for Argentina for the local marketing year beginning March 2023. Corn exports are also raised for Ukraine, Russia, and the EU but reduced for the United States and India. Barley exports for 2023/24 are lowered for the EU and Ukraine but increased for Argentina. China’s barley and sorghum imports are increased. Foreign corn ending stocks are virtually unchanged relative to last month. Global corn stocks, at 314.1 million tons, are up 0.1 million.

RICE: The outlook for 2023/24 U.S. rice this month is for larger supplies, exports, and domestic use but slightly lower ending stocks. Supplies increase as higher production more than offsets reductions in both beginning stocks and imports. All rice production is projected at 201.0 million cwt, up primarily on higher harvested area as indicated in the NASS Acreage report, issued June 30. Most of the production increase is for medium- and short-grain rice with the recovery in California rice area following last year’s severe drought. The projected all rice yield is 7,599 pounds per acre, up 12 pounds from last month with more of the relatively higher yielding medium- and short-grain harvested area than last month. Total 2023/24 imports are down only slightly from last year’s record at 38.0 million cwt as Asian aromatic long-grain imports and medium-and short-grain imports from China are expected to remain substantial. Total domestic and residual use is projected higher at 155.0 million cwt with greater supplies and would be the highest on record. Total exports are projected higher at 80.0 million cwt on larger supplies and reduced U.S. prices. All rice 2023/24 ending stocks are projected lower at 29.6 million cwt but still up 16 percent from 2022/23. The 2023/24 all rice season-average farm price is projected at $17.00 per cwt, down $0.60 from last month on reductions for both long-grain and other states medium- and short-grain prices.

The 2023/24 global rice outlook this month is for slightly higher supplies and consumption, increased trade, and greater stocks. World supplies are increased by 0.3 million tons to 694.3 million, mostly on higher U.S. production. Global 2023/24 rice consumption is projected at a record 523.9 million tons, up 0.1 million, as higher consumption by Kenya and Vietnam more than offsets a decline for Thailand. World trade is projected at 56.4 million tons, up 0.6 million on higher exports by Vietnam and the United States. Projected 2023/24 world ending stocks are 170.4 million tons, up 0.2 million as increases for Burma, Vietnam, and Turkey more than offset reductions for Taiwan, Bangladesh, and Thailand.

OILSEEDS: U.S. oilseed production for 2023/24 is projected at 127.6 million tons, down 5.6 million from last month with reductions for soybeans and sunflowerseed, partly offset by higher canola and peanuts. Soybean production is projected at 4.3 billion bushels, down 210 million on lower harvested area. Harvested area, forecast at 83.5 million acres in the June 30 Acreage report, is down 4.0 million from last month. The soybean yield forecast is unchanged at 52.0 bushels per acre. With lower production partly offset by higher beginning stocks, 2023/24 soybean supplies are reduced 185 million bushels. Soybean crush is reduced 10 million bushels reflecting a lower soybean meal domestic disappearance forecast. Soybean exports are reduced 125 million bushels to 1.85 billion on lower U.S. supplies and lower global imports. With lower supplies only partly offset by reduced use, ending stocks for 2023/24 are projected at 300 million bushels, down 50 million from last month.

The U.S. season-average soybean price for 2023/24 is forecast at $12.40 per bushel, up $0.30 from last month. The soybean meal price is projected at $375.00 per short ton, up $10.00. The soybean oil price forecast of 60.0 cents per pound is up 2 cents.
The Environmental Protection Agency (EPA) issued the final renewable fuels standards rule for 2023, 2024, and 2025. The 2023 biomass-based diesel volume mandate was unchanged from the proposal published last December. For 2024, EPA increased the non-cellulosic advanced biofuel volume mandate but lowered the implied conventional volume. USDA assumes that biomass-based diesel would be produced in excess of the advanced biofuel volume mandate to make up the shortfall in conventional renewable fuel to meet the total renewable fuel obligation. With the offsetting changes compared to the proposal in 2024, there is no change to soybean oil used for biofuel for 2023/24 this month.

Foreign oilseed production is increased 1.5 million tons to 539.7 million on higher sunflowerseed, soybean, and rapeseed production. Sunflowerseed and rapeseed production is raised for Ukraine reflecting higher area in government planting progress reports. Soybean production is increased for Canada based on the latest plantings report from Statistics Canada. Partly offsetting is lower rapeseed production for the EU, down 0.8 million tons to 20.2 million based on dry conditions especially in France and Germany.

Global soybean trade for 2023/24 is down 3.1 million tons to 169.3 million as reduced U.S. exports are paired with lower imports for China, Egypt, Bangladesh, Pakistan, Turkey, and Thailand. China’s imports are lowered 1.0 million tons to 99.0 million due to higher carryin supplies from increased imports in the prior marketing year. Global soybean ending stocks are reduced 2.4 million tons to 121.0 million mainly on lower U.S. stocks.

SUGAR: U.S. sugar supply for 2022/23 is raised by 82,447 short tons, raw value (STRV) on increased imports only partially offset by lower production while use is lowered 75,000. The resulting 157,447-STRV stock increase pushes the total to 1,840,610 STRV for an ending stocks-to-use ratio of 14.45 percent. U.S. beet sugar production is estimated at 5,146,621 STRV, a decrease of 24,185 on processors’ estimates of their beet sugar from sliced beets. All beet slicing is complete except for the ongoing campaign in California. No changes were made to beet production occurring in August-September 2023. Cane sugar in Florida is reduced by 31,987 STRV on processor reporting. TRQ raw imports are increased by 137,789 STRV on USDA’s increase announced last week. There is no change in TRQ shortfall as USTR has not yet announced country allocations. Re-export imports are reduced by 125,000 STRV after data reconciliations were completed by USDA and Custom and Border Protection (CBP). Greater sugar supply availability in Mexico results in an import increase of 25,830 STRV. High-tier tariff imports are increased by 100,000 STRV to 350,000 on a large raw sugar entry made in June and on a higher expected pace of refined sugar imports for the remainder of the fiscal year. Use is reduced by 75,000 STRV to 12,740,000 on an observed slowing of the pace of deliveries for human consumption.

U.S. sugar supply for 2023/24 is increased by 291,502 STRV on increased beginning stocks, larger beet sugar production, and increased imports while use is lowered 75,000. The resulting 366,502-STRV stock increase pushes the total to 1,719,260 STRV for an ending stocks-to-use ratio of 13.50 percent. U.S. beet sugar production is projected to increase 72,197 STRV to 5,021,759 on NASS area planted and harvested in the Acreage report that is larger than reported (area planted) or implied (area harvested) in the earlier Prospective Plantings report. TRQ imports are increased by 231,485 STRV on USDA’s July 5 announcement of the additional specialty refined sugar TRQ. In the same announcement USDA also established the raw and refined sugar TRQs set at levels consistent with WTO bindings. Re-export imports are reduced by 125,000 STRV consistent with the reduction made for 2022/23. High-tier tariff imports are increased by 45,000 STRV to 165,000. The monthly pace of expected high-duty refined imports are projected at about 90 percent of the rate for 2022/23 and raw sugar entries are projected at zero. An evaluation of U.S. Sugar Needs as defined in the CVD Suspension Agreement implies shipments from exported Mexico sugar at 1,485,900 STRV. This is a reduction of 89,627 STRV from last month. The change in use is carried over from 2022/23.

The Mexico production campaign for 2022/23 finished at 5,224,239 metric tons (MT) as of June 18. Imports for consumption are increased by 30,000 MT to 75,000 on CONADESUCA reporting and on
other official data concerning exports to Mexico reported by other countries. Production for 2023/24 is unchanged at 5,900,000 MT. Drought conditions are severe in the Pacific region and dryness is a problem in other areas. Greater fertilizer and other input use than in 2022/23 is projected to keep production higher than last year's poor showing.

LIVESTOCK, POULTRY, AND DAIRY: The total U.S. red meat and poultry production forecast for 2023 is raised from last month on higher forecast beef, broiler, and turkey production. Pork production is fractionally lower this month. Beef production is raised with higher expected steer and heifer, cow, and bull slaughter. Pork production is lowered slightly as larger expected fourth-quarter slaughter is more than offset by lower production in the second and third quarters. Broiler and turkey production is raised on slaughter data for the second quarter. Turkey production is also raised for the third quarter on hatchery data. Egg production is raised for the second quarter on recent hatchery data. For 2024, the beef production forecast is lowered as expected fed cattle marketings are shifted into late 2023 rather than early 2024. Pork production is reduced as producers indicated intentions to reduce farrowings in the second half of 2023 and lower farrowings are expected to continue in the first half of 2024. However, a more rapid rate of growth in pigs per litter is expected to partly offset the lower farrowings. Nonetheless, smaller-than-previously-expected pig crops in late-2023 and early 2024 will result in a lower pork production forecast. Poultry and egg forecasts are unchanged from last month.

Beef imports for 2023 are raised on recent trade data. Exports for the year are reduced slightly; but no change is made to the export forecast for 2024. Pork imports for 2023 are raised slightly on recent trade data; exports are raised for 2023 and 2024 on continued demand strength from China and several Latin American countries. No changes are made to the broiler export forecasts, but turkey exports are raised for both 2023 and 2024.

For 2023, cattle and hog price forecasts are raised from last month on firm demand and relatively tight supplies. This strength is expected to carry into 2024. Broiler, and turkey prices for 2023 are reduced on current prices and higher production. For 2024, turkey prices are lowered while broiler prices are unchanged. Egg prices for 2023 are raised slightly on second-quarter prices; no change is made to the outlying quarters.

The milk production forecast for 2023 is unchanged from last month. The milk production forecast for 2024 is reduced from last month, based on lower dairy cow inventories and slower growth in milk per cow.

For 2023, exports are reduced on both a fats and skim-solids basis. Fats basis exports are lowered primarily reflecting lower butter and cheese shipments. Skim-solids basis exports reflect lower exports of whey products as well as a number of other dairy products; however, these declines are partially offset by higher nonfat dry milk (NDM) exports. For 2024, fat basis exports are reduced as weakness in butter sales is expected to carry into the next year. Skim-solids basis export reductions are largely due to lower expected lactose exports. Imports on a fat basis for 2023 are unchanged with largely offsetting changes for a number of products, but skim-solids imports are lowered on lower milk protein concentrates. For 2024, imports on both a skim-solids basis and a fat basis are lowered slightly.

For 2023, prices of cheese, NDM, and whey are lower than the previous month's forecast based on continued ample supplies of cheese and competition in international NDM and whey markets. The price of butter is unchanged. The Class III price forecast is reduced on weaker cheese and whey prices, and the Class IV price decline reflects lower NDM prices. The all milk price forecast is lowered to $19.55 per cwt.

For 2024, prices of cheese, NDM, and whey are lower than the previous month's forecast, but the butter price is higher. The Class III milk price is lower than the previous month on the weaker cheese
and whey price, but the Class IV price forecast is unchanged as the lower NDM price and higher butter price are offsetting. The all milk price forecast is lowered to $19.10 per cwt.

**COTTON:** The U.S. 2023/24 cotton projections show lower exports and higher beginning and ending stocks. Beginning stocks are 50,000 bales higher due to lower 2022/23 disappearance, and 2023/24 exports are reduced 250,000 bales due to reductions in projected world trade and U.S. market share. U.S. planted area is 169,000 acres lower this month, as indicated in the June 30 Acreage report. Harvested area is up 117,000 acres however as rainfall in West Texas remains above median levels, and projected U.S. output remains at 16.5 million bales. Ending stocks are forecast at 3.8 million bales, 300,000 bales higher than in June. The projected price received by U.S. upland cotton producers is 76 cents per pound this month, 1 cent lower than in June.

For the global 2023/24 cotton balance sheet, higher beginning stocks account for much of the 1.7-million-bale increase in ending stocks. Beginning stocks are 1.1 million bales higher as a 1.8-million-bale increase in estimated 2022/23 production spread over India, Brazil, and Australia more than offsets a 675,000-bale increase in global consumption, and a 350,000-bale decrease in Argentina’s ending stocks. The Argentina change follows 10 years of historical balance sheet revisions. Projected world 2023/24 production is 120,000 bales higher this month as expected larger crops in Pakistan and Afghanistan offset a reduced outlook for Australia and Argentina. Consumption is projected 550,000 bales lower as reductions for China, Bangladesh, Turkey, and Vietnam more than offset improved prospects for Pakistan.

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