

World Agricultural Supply and Demand Estimates

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WHEAT: The 2022/23 U.S. wheat outlook for supply and use is unchanged this month. The projected 2022/23 season-average farm price (SAFP) is lowered \$0.25 per bushel to \$9.00 on reported NASS prices to date and expectations for cash and futures prices the remainder of 2022/23. Despite the decline, \$9.00 per bushel would remain a record SAFP.

The 2022/23 global wheat outlook raises supplies, consumption, exports, and ending stocks this month. Supplies increase by 3.6 million tons to 1,059.6 million, as production increases for Russia and Ukraine more than offset a decline in beginning stocks. Production in Russia is forecast 3.0 million tons higher, to 91.0 million, on harvest results for winter wheat to date published by the Russian Ministry of Agriculture. If realized, area harvested, yield, and production for Russia will all reach record highs. The Ukraine production forecast is increased 1.0 million tons to 20.5 million as the harvest is nearly complete and government statistics reported higher yields in the Forest and Forest-Steppe zones.

Larger supplies boost global consumption by 2.4 million tons to 791.0 million, almost entirely on increased feed and residual use as food, seed, and industrial use is nearly unchanged. Feed and residual use in Russia is forecast 1.0 million tons higher to 21.0 million on additional supplies. EU feed and residual use is increased 1.0 million tons to 44.0 million as wheat prices are now more competitive with feed grains, spurring demand. Global trade is nearly unchanged, rising 0.2 million tons to 208.9 million as there were no changes for any of the major exporters. World ending stocks increase 1.2 million tons to 268.6 million as stock increases in Russian and Ukraine more than offset a decline in the EU.

COARSE GRAINS: This month's 2022/23 U.S. corn outlook is for lower supplies, smaller feed and residual use, reduced exports and corn used for ethanol, and tighter ending stocks. Projected beginning stocks for 2022/23 are 5 million bushels lower based on essentially offsetting export and corn used for ethanol changes for 2021/22. Corn production for 2022/23 is forecast at 13.9 billion bushels, down 415 million from last month on reductions to harvested area and yield. The national average yield is forecast at 172.5 bushels per acre, down 2.9 bushels. Harvested area for grain is forecast at 80.8 million acres, down 1.0 million. Total U.S. corn use is cut 250 million bushels to 14.3 billion. Feed and residual use is lowered 100 million bushels based on a smaller crop and higher expected prices. Exports are cut 100 million bushels to 2.3 billion while corn used for ethanol is lowered 50 million to 5.3 billion. With supply falling more than use, ending stocks are down 169 million bushels to 1.2 billion. The season-average corn price received by producers is raised 10 cents to \$6.75 per bushel.

This month's 2022/23 foreign coarse grain outlook is for larger production, higher trade, and increased stocks relative to last month. Foreign corn production is forecast higher with increases for China, Ukraine, Canada, and Mozambique more than offsetting reductions for

the EU and Serbia. China corn production is raised as abundant rainfall in key Northeast provinces and the North China Plain boost yield prospects. Ukraine corn production is raised with an increase in yield expectations while Canada is higher based on greater indicated area. EU corn production is lowered based on reductions for France, Romania, and Germany. Foreign barley production is higher with larger production in Russia and Australia more than offsetting a decline for Syria.

Major global coarse grain trade changes for 2022/23 include larger corn exports for Ukraine but a reduction for the United States. Corn imports are lowered for Canada and Vietnam. Foreign corn ending stocks are raised 2.2 million tons to 273.6 million, mostly reflecting increases for China and India that are partially offset by declines for Ukraine, the EU, and Thailand. World corn ending stocks at 304.5 million tons, are down 2.2 million.

RICE: The outlook for 2022/23 U.S. rice this month is for lower supplies, reduced domestic use and exports, and smaller ending stocks. Supplies are reduced on a combination of lower beginning stocks and smaller production. Beginning stocks are lowered on the NASS *Rice Stocks* report, issued August 19. The NASS September *Crop Production* report reduced 2022/23 all rice production by 10.9 million cwt to 165.1 million on decreased harvested area and lower yields. The average all rice yield is down 41 pounds per acre to 7,586 pounds. This is the lowest U.S. rice production since 1993/94. Long-grain production is reduced 8.0 million cwt to 132.3 million, and combined medium- and short-grain production is lowered 2.9 million cwt to 32.8 million. Total domestic and residual use is lowered by 4.0 million cwt to 141.0 million on the smaller crop size. All rice exports are lowered 2.0 million cwt (all long-grain) to 77.0 million as U.S. rice is expected to be increasingly uncompetitive with lower supplies. All rice ending stocks are decreased by 5.6 million cwt to 30.9 million, down 22 percent from last year. The season-average farm price for all rice is raised \$0.60 per cwt to a record \$19.40 with increases for both the long-grain and the medium- and short-grain prices.

The 2022/23 global outlook is for lower supplies, higher consumption, reduced trade, and lower stocks. Supplies are reduced 4.4 million tons to 692.9 million primarily on lower production for China, India, and Pakistan. China's production is reduced 2.0 million tons to 147.0 million on drought conditions in southern China. India's production is lowered 2.0 million tons to 126.5 million on continued dry conditions in the northeast region. This would be the first rice production decline for India since 2015/16. Pakistan's production is decreased 500,000 tons to 8.4 million on expectations that August flooding reduced harvested area. World 2022/23 consumption is raised 0.6 million tons to a record 519.3 million on higher use for India. Global 2022/23 trade is reduced 1.1 million tons to 53.6 million on lower India exports that are partially offset by higher exports from Thailand, Vietnam, Burma, and Pakistan. India's exports are lowered 2.0 million tons to 20.0 million as India recently imposed export duties on rough, brown, and white milled rice and a ban on exports of brokens. Projected 2022/23 world ending stocks are reduced by 5.0 million tons to 173.6 million, primarily on reductions for India and China.

OILSEEDS: U.S. soybean supply and use changes for 2022/23 include higher beginning stocks and lower production, crush, exports, and ending stocks. Higher beginning stocks reflect a lower export forecast for 2021/22. Soybean production is projected at 4.4 billion bushels, down 152 million with lower harvested area and yield. Harvested area is down 0.6 million from the August forecast. The soybean yield forecast of 50.5 bushels per acre is down 1.4 bushels from last month. The crush forecast is reduced 20 million bushels and the

soybean export forecast is reduced 70 million bushels on lower supplies. Ending stocks are projected at 200 million bushels, down 45 million from last month. The U.S. season-average soybean price is forecast at \$14.35 per bushel, unchanged from last month. Soybean meal and oil prices are also unchanged at \$390 per short ton and 69.0 cents per pound, respectively. Other changes this month include lower peanut and higher cottonseed production.

Foreign 2022/23 oilseed production is increased 2.8 million tons to 516.3 million mainly on higher sunflowerseed and soybean production for Ukraine and higher rapeseed production for Australia. Ukraine's sunflowerseed production is raised 1.0 million tons to 10.5 million due to favorable August rainfall. Ukraine's soybean production is raised on higher area. Rapeseed production for Australia is raised on recent beneficial rainfall improving yield prospects. Higher exports of sunflowerseed and rapeseed from Ukraine and Australia are in line with higher EU imports. EU soybean imports are lowered with higher supplies of other oilseeds. China soybean imports for 2022/23 are lowered 1.0 million tons to 97 million. Global soybean ending stocks at 98.9 million tons are down 2.5 million mainly on lower U.S. and China stocks.

SUGAR: U.S. 2021/22 sugar stocks are reduced by 74,093 short tons, raw value (STRV) as combined lower production and imports are only partially offset by lower use. Beet sugar production is lowered by 53,440 STRV on a small reduction in estimated sucrose recovery from crop year sliced sugarbeets and also less sugar (about 20,000 STRV) from desugared molasses. Beet sugar production in August-September 2022 is still estimated at 500,000 STRV. Cane sugar in Texas is reduced a small amount on revised processor reporting. Imports are reduced by 72,615 STRV. Imports of 117,615 STRV under the 2021/22 raw sugar TRQ are now expected to enter after September 30 in fiscal year 2022/23 as permitted by the USDA extension of the quota year. Although USDA extended the quota year time limit by two additional months from October 31 to December 31, there is no expected reduction in the raw sugar TRQ shortfall of 77,162 STRV. Partially offsetting the TRQ import decrease is a 45,000-STRV increase in high-tier tariff imports, due mainly to high duty raw sugar imports made by refiners in August. Deliveries for human consumption are reduced by 50,000 STRV to 12,550,000 on lower-than-expected direct consumption imports in July and projected for August and September.

For 2022/23, cane sugar production in Louisiana is increased by 40,000 STRV on the NASS increase in forecast sugarcane production. Florida cane sugar production is decreased by 31,537 STRV based on processors' forecasts submitted to USDA. Beet sugar production is decreased by 18,421 STRV on lower sugarbeet production forecast by NASS. An increase in sugarbeet production in the Red River Valley is more than offset by reduced production in the Great Plains. Imports of sugar from Mexico are decreased by 137,405 STRV to 1,618,775. This projected reduction is made on the U.S. Needs calculation as provided in the CVD Suspension Agreement governing exports from Mexico to the United States of sugar for consumption. There are no changes to use. Ending stocks are projected at 1,710,386 STRV for an ending stocks-to-use ratio of 13.5 percent.

There are no changes from last month for Mexico sugar supply and use for either 2021/22 or 2022/23.

LIVESTOCK, POULTRY, AND DAIRY: The forecast for 2022 red meat and poultry production is fractionally higher than last month, as higher beef, pork, and broiler forecasts are partly offset by a lower turkey forecast. Beef production is raised for the second half of the year with higher expected slaughter for the period offset slightly by lower expected third-quarter carcass weights. Pork production for the third quarter is raised on a higher-than-expected slaughter pace albeit at slightly lower carcass weights. Broiler production is raised slightly on current slaughter data and higher eggs set and chicks placed. Turkey production is forecast lower based on slaughter to date and hatchery data. Egg production is raised slightly from last month. For 2023, the red meat and poultry production forecast is raised on higher beef and broiler production. The beef forecast was raised, reflecting higher expected placements in late 2022 which will be marketed in the first half of 2023. Broiler production is raised on higher expected eggs set and chicks placed during the year. Turkey production is lowered slightly, as first quarter production is expected to be close to 2022 levels. The pace of egg production growth for 2022 is expected to carry into early 2023, supporting a higher forecast.

The beef import forecast for 2022 is lowered on July trade data and expectations of slower imports, largely from Oceania during the remainder of the year; the export forecast is unchanged. Beef import and export forecasts for 2023 are unchanged. Pork imports and exports are both lowered for 2022 on recent data. For 2023, pork imports are lowered but the export forecast is unchanged. The broiler export forecast for 2022 is lowered on recent data and expectations of slowing demand in price sensitive markets; the forecast for 2023 is unchanged. Turkey exports are unchanged for 2022 and 2023.

Cattle price forecasts for 2022 are raised on current strength in demand, but forecasts for 2023 are unchanged. The 2022 hog price forecast is lowered on observed prices but is unchanged for 2023. The broiler price forecasts for 2022 and 2023 are lowered on higher forecast production. Turkey price forecasts for 2022 are unchanged, while 2023 prices are raised as a result of the lowered early-year production forecasts. The 2022 egg price forecast is raised as second half prices are expected to be supported by firm demand; as demand strength is expected to continue in early 2023, the first quarter price forecast is also raised.

The milk production forecasts for 2022 and 2023 are lowered from last month. Milk cow numbers are reduced, reflecting the average July 2022 cow number reported in the recent *Milk Production* report. Slower growth in cow numbers is carried through late 2022 and is expected to carry into 2023. Output-per-cow is forecast to increase at a slightly more rapid pace in 2022 but the forecast for 2023 is unchanged.

Fat and skim-solids basis imports for 2022 and 2023 are raised, largely driven by recent trade data and higher expected imports of cheese throughout the forecast period. Exports for both years are raised on expectations of stronger whey, lactose, and cheese exports, which are projected to be price competitive.

For 2022, forecasts for butter prices and nonfat dry milk (NDM) are raised slightly on current price strength, but cheese and whey prices are unchanged. Both Class III and Class IV prices are raised, reflecting changes in their component values. For 2023, forecasts for butter and NDM are raised on tighter supplies, cheese is lowered slightly, while whey prices are unchanged. The Class III price is unchanged while the Class IV price forecast is raised

on higher butter prices. The 2022 all milk price forecast is raised to \$25.45 per cwt and the 2023 all milk price is raised to \$22.70 per cwt.

COTTON: The 2022/23 U.S. cotton projections include higher beginning stocks, production, exports, and ending stocks this month. Beginning stocks are increased 250,000 bales, largely reflecting 2021/22 reported ending stocks data from the Agricultural Marketing Service and the NASS *Cotton System Consumption and Stocks* report. Production is 1.3 million bales higher at 13.8 million, with higher production expected in most major producing states. Exports are projected 600,000 bales higher this month as the U.S. share of exportable supplies rises, and ending stocks are 900,000 bales higher at 2.7 million bales. The season-average price for upland cotton is forecast at 96 cents per pound, 1 cent lower than in August.

The 2022/23 world cotton projections include higher production and ending stocks relative to last month, and lower consumption. World production is projected 1.4 million bales higher as more production in the United States, Australia, China, and Turkey offset decreases for Pakistan, Uzbekistan, and Togo. World consumption is 460,000 bales lower, with reductions in Pakistan and Vietnam. World trade is unchanged as higher U.S., Australia, and Mexico exports offset lower expected shipments from Brazil and Uzbekistan. On the import side, a 200,000-bale increase in Pakistan's expected imports offsets reduced expectations for Turkey and Vietnam. World ending stocks are 2.0 million bales higher this month, at 84.8 million bales.

Approved by the Secretary of Agriculture and by the Chairman of the World Agricultural Outlook Board, Mark Jekanowski, (202) 720-6030. This report was prepared by the Interagency Commodity Estimates Committees.

APPROVED BY:

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SETH MEYER
SECRETARY OF AGRICULTURE DESIGNATE