

World Agricultural Supply and Demand Estimates

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WHEAT: The outlook for 2023/24 U.S. wheat this month is for higher supplies, increased domestic use, unchanged exports, and higher ending stocks. Supplies are raised 85 million bushels, primarily on higher production as reported in the NASS *Small Grains Annual Summary*, released September 29. Domestic use is raised 30 million bushels, all on higher feed and residual use. The NASS *Grain Stocks* report released September 29 indicated a higher year-to-year increase for first quarter (June-August) domestic disappearance than previously expected. Exports remain at 700 million bushels with several offsetting by-class changes. Projected ending stocks are raised by 55 million bushels to 670 million, up 15 percent from last year. The season-average farm price is reduced \$0.20 per bushel to \$7.30 on higher projected stocks and expectations for futures and cash prices for the remainder of the marketing year.

The global wheat outlook for 2023/24 is for reduced supplies, lower consumption, decreased trade, and lower stocks. Supplies are reduced 3.5 million tons to 1,051.0 million as reduced production for Australia, Kazakhstan, and Ethiopia is only partially offset by higher production for the United States. Australia is lowered 1.5 million tons to 24.5 million on continued dry conditions over most of the production regions. Kazakhstan is reduced 2.0 million tons to 13.0 million on suboptimal growing conditions this season. Ethiopia is also lowered 2.0 million tons to 5.5 million on reduced harvested area, dry conditions in August and September, and less input use. Global consumption is reduced 3.0 million tons to 792.9 million, mainly on lower feed and residual use for Russia and Kazakhstan while most of the food, seed, and industrial use reductions are for Ethiopia and Nigeria. World trade is decreased 1.1 million tons to 206.3 million on reduced exports by Australia, Brazil, and Kazakhstan only partially offset by higher Russian exports. Projected 2023/24 global ending stocks are lowered 0.5 million tons to 258.1 million, the lowest since 2015/16.

COARSE GRAINS: This month's 2023/24 U.S. corn outlook is for reduced supplies, lower feed and residual use and exports, and smaller ending stocks. Corn production is forecast at 15.064 billion bushels, down 70 million on a cut in yield to 173.0 bushels per acre. Corn supplies are forecast at 16.451 billion bushels, a decline of 160 million bushels from last month, with lower production and beginning stocks. Exports are reduced 25 million bushels reflecting smaller supplies and slow early-season demand. Feed and residual use is down 25 million bushels based on lower supply. With supply falling more than use, corn ending stocks for 2023/24 are lowered 110 million bushels. The season-average corn price received by producers is raised 5 cents to \$4.95 per bushel.

Global coarse grain production for 2023/24 is forecast down 2.0 million tons to 1,494.6 million. The 2023/24 foreign coarse grain outlook is for slightly higher production, larger trade, and greater stocks relative to last month. Foreign corn production is higher on increases for Argentina, Moldova, the EU, and Paraguay. Argentina corn production is raised reflecting higher expected area. The EU is higher on an increase for France. Foreign barley production is cut based on reductions for Australia and Kazakhstan that are partly offset by an increase for the EU.

Major global trade changes include larger corn exports for Argentina and Paraguay but a reduction for the United States. Corn imports are lowered for Bangladesh. Barley exports are raised for Russia but reduced for Australia. Barley imports are higher for Iran and Kazakhstan. Foreign corn ending stocks are higher, mostly reflecting increases for Ukraine and Moldova. Global corn stocks, at 312.4 million tons, are down 1.6 million.

RICE: The 2023/24 U.S. rice outlook is for slightly reduced supplies, higher exports, unchanged domestic use, and lower ending stocks. Supplies are reduced slightly on lower production as the NASS October *Crop Production* report decreased the all rice yield 14 pounds per acre to 7,737 pounds, which remains a record. The 2023/24 export forecast is raised 1.0 million cwt to 86.0 million, all long-grain rice, on a stronger-than-expected pace of early sales and shipments to Mexico and Central America. The season-average farm price for all rice is unchanged at \$16.80 per cwt.

The 2023/24 global rice outlook is for slightly increased supplies, consumption, and trade compared with last month, leaving ending stocks nearly unchanged. With minimal changes to rice production globally, higher beginning stocks for Indonesia explain most of the increase in 2023/24 global supplies. Global trade is raised this month for both 2022/23 and 2023/24 as Indonesia, the fourth-largest rice-consuming country, imports more to replenish government stocks on supply concerns. Global exports are raised slightly on increases for Cambodia and Vietnam. Ending stocks are nearly unchanged from last month at 167.5 million tons, with an offsetting increase to stocks for Indonesia and decreases for China and Colombia, but remain the lowest in six years.

OILSEEDS: U.S. oilseed production for 2023/24 is forecast at 120.9 million tons, down 1.3 million from last month with lower soybean, cottonseed, peanut, rapeseed, and sunflowerseed production. Soybean production is forecast at 4.1 billion bushels, down 42 million on lower yields. Harvested area is unchanged at 82.8 million acres. The soybean yield is projected at 49.6 bushels per acre, down 0.5 bushels from the September forecast. The largest production changes are for Kansas, Michigan, and Nebraska. With lower production partly offset by higher beginning stocks, supplies are reduced 24 million bushels. Soybean exports are reduced 35 million bushels to 1.76 billion with increased competition from South America. Soybean crush is projected at 2.3 billion bushels, up 10 million, driven by higher soybean meal exports and soybean oil domestic demand. Soybean oil domestic use is raised in line with an increase for 2022/23. With lower exports partly offset by increased crush, ending stocks are unchanged from last month at 220 million bushels.

The U.S. season-average soybean price for 2023/24 is unchanged at \$12.90 per bushel. Soybean meal and oil prices are unchanged at \$380 per short ton and 63 cents per pound, respectively.

Foreign 2023/24 oilseed production is lowered 0.2 million tons to 538.5 million mainly on lower soybean and peanut output for India and lower canola production for Canada. Partly offsetting is higher rapeseed production for Poland and higher sunflowerseed production for Argentina. India soybean production is lowered 1.0 million tons to 11.0 million, as near-record rains in September along with the historically dry conditions in August negatively impacted yields.

Global 2023/24 soybean exports are lowered 0.2 million tons to 168.2 million with lower exports for the United States partly offset by higher shipments for Brazil. Soybean imports are lowered for Pakistan. Global soybean crush is increased 0.8 million tons to 328.5 million on higher crush for China and the United States. China's crush is raised 1.0 million tons to 97.0 million in line with higher crush and domestic soybean meal demand in the prior marketing year. Partly offsetting is

lower crush for India and Pakistan on lower supplies. Global soybean ending stocks are lowered 3.6 million tons to 115.6 million mainly on lower stocks for China, Brazil, and India.

SUGAR: Mexico sugar supply for 2022/23 is increased by 31,402 metric tons (MT) to 6.474 million on increased imports. Sugar exports are reduced by 54,098 MT to 1.011 million. This reduction is based on a full-year accounting made by FAS of imports from Mexico. This final estimate becomes the USDA estimate of sugar exported from Mexico to the United States. Other exports not under license are estimated at 21,860 MT, an amount that has not changed for several months. Domestic deliveries are increased by 129,521 MT attributed mainly to a strong pace of deliveries for human consumption. Ending stocks are residually estimated at 835,501 MT, a reduction of 44,022 from last month.

Mexico production for 2023/24 is reduced by 225,000 MT to 5.575 million. Mexico is currently experiencing widespread drought conditions. Rainfall amounts for the April-September period have been at their lowest levels since 2013 in 12 out of the 15 states in which sugarcane is grown. Regions most severally affected are in the western Pacific region. The effects on yields vary depending on irrigation but will be lower overall. The states of Veracruz (the largest producing state in Mexico) and Quintana Roo have not experienced the worst of the drought, so production of low polarity sugar for the U.S. market may not be affected as much as might be expected. Imports are expected to increase as they have in 2022/23 to compensate for the lower production and are projected at 322,039 MT. Overall supply projected this month ends up being close to that projected last month and will be needed to meet exports to the United States, increased domestic delivery needs for consumption and IMMEX, and ending stocks to cover the period in 2024/25 before the start of that season's sugar campaign.

U.S. sugar supply for 2022/23 is decreased by 178,935 short tons, raw value (STRV) on lower-than-expected Louisiana cane sugar production in September that gets pushed into 2023/24 but mostly on a decrease in imports. Imports under the WTO raw and FTA TRQs plus re-export programs are down 93,785 STRV. Imports from Mexico are down 63,211 STRV. High-tier tariff imports are up a small amount but the total for the year is a record at 452,626 STRV. Total deliveries are down by 21,000 STRV as those made for human consumption are down by 25,000 on pace with only a small offset for increased re-export products. Exports are increased 25,000 STRV on pace. Ending stocks at 1.977 million STRV are down 182,935 from last month.

U.S. sugar supply for 2023/24 is decreased by 182,212 STRV attributable to lower beginning stocks. Import and production changes are largely offsetting. FTA TRQ imports set on a calendar year basis are increased 13,099 STRV on imports expected to enter in third quarter 2023 now expected in the fourth quarter of 2023. NASS lowered sugarbeet yields in several States implying a 71,200 STRV reduction in beet sugar production. NASS increased the sugarcane yield in Louisiana and production expected in September is pushed over to 2023/24. Deliveries for human consumption are down 25,000 STRV in line with the reduction made for 2022/23. Ending stocks are residually projected at 1.557 million STRV for an ending stocks-to-use ratio of 12.29 percent, down from 13.51 last month.

LIVESTOCK, POULTRY, AND DAIRY: The forecast for 2023 red meat and poultry production is lowered from last month, as higher beef and pork production is more than offset by lower broiler and turkey. Beef production is raised on higher cow and bull slaughter in the second half of the year which more than offsets lowered third-quarter steer and heifer slaughter. The increase in total slaughter is partially offset by lower dressed weights. Pork production is raised for the second half of the year with a higher-than-expected pace of slaughter and upward revisions to the first-half 2023 pig crop. Broiler production is lowered on current hatchery and slaughter data. Turkey production is lowered from last month based on the most recent production data. Egg

production is reduced on lower expected hatching egg production. For 2024, the red meat and poultry production forecast is raised. Beef production is raised primarily on higher feedlot marketings. Pork production is raised as the *Quarterly Hogs and Pigs* report, released September 28, pointed to a more rapid rate of growth in pigs per litter than previously expected. With larger expected pig crops in the second half of 2023 and first-half 2024, slaughter in 2024 is forecast higher, boosting the production forecast. Broiler and turkey production forecasts are lowered on recent hatchery data and expectations for modest growth in production during the year. Total egg production is unchanged for 2024.

The beef import forecasts for 2023 and 2024 are raised on continued strength in demand and availability of supplies in Oceania. Beef exports are lowered for 2023 and 2024 on increased competition. Pork imports are increased for both 2023 and 2024 largely on higher imports from the EU. Pork exports are lowered for 2023 on the current pace of trade but raised for 2024 on improved competitiveness in Asian markets. Broiler exports are raised for 2023 based on recent trade data but lowered for 2024 as U.S. broiler meat is expected to be less competitive on the global market. Turkey exports are raised for 2023 and 2024 based on lower prices for U.S. product.

Cattle price forecasts for 2023 are lowered from last month reflecting September and early-October prices and weaker expected demand for cattle during the fourth quarter of the year. Cattle prices for 2024 are also lowered from last month, as larger supplies of cattle in feedlots are expected to put downward pressure on fed cattle prices. The hog price forecast for 2023 is lowered from last month due to current prices and larger hog supplies. Hog price forecasts for 2024 are also lowered, as larger supplies of hogs pressure prices. Broiler prices for 2023 and 2024 are raised due to lower production. Turkey price forecasts for 2023 and 2024 are reduced on continued weakness in demand. Egg price forecasts for 2023 are lowered on recent prices and for 2024 on steady demand.

The milk production forecast for 2023 is raised from last month on slightly more rapid growth in milk per cow. The forecast for 2024 is unchanged from last month.

Fat basis imports for 2023 are unchanged from last month. Higher expected imports of butter in 2024 support a higher fat-basis import forecast although cheese imports are forecast lower. Skim-solids basis imports are raised for 2023, reflecting higher imports of milk proteins. For 2024, lower cheese and milk protein imports result in a lower skim-solids import forecast. Exports in 2023 are reduced on both a fat basis and a skim-solids basis with lower expected sales of butter, nonfat dry milk (NDM), and dry whey. For 2024, weaker expected sales of butter and dry whey are reflected in lower fat basis and skim-solids basis export forecasts.

Recent strength in butter prices and expectations of continued firm demand support an increase in the butter price for 2023. Cheese is reduced on current prices and continued large stocks while the NDM price is raised on current prices. The whey price forecast is unchanged. The Class III price is reduced, reflecting the lowered cheese price forecasts, but the Class IV price is raised on stronger butter and NDM prices. For 2024, price forecasts for butter and NDM are raised as price strength is expected to carry into the new year. The cheese price is reduced, but the whey price is unchanged. The Class III price forecast is reduced on the lower cheese prices while the Class IV price forecast is raised on higher butter price and NDM prices. The 2023 all milk price forecast is raised to \$20.70 per cwt and the 2024 all milk price is raised to \$20.55 per cwt.

COTTON: The 2023/24 U.S. cotton supply and demand estimates show lower production, exports, and ending stocks compared with last month. Production is 315,000 bales lower at 12.8

million bales, down 2 percent from a month earlier as lower yields in Texas offset gains elsewhere. With production projected lower and exports down 100,000 bales to 12.2 million, ending stocks are reduced 200,000 bales. The 2023/24 season-average price for upland cotton is forecast unchanged from last month at 80.0 cents per pound, nearly 5 cents below the final 2022/23 price of 84.8 cents.

World 2023/24 beginning stocks of cotton are 10.3 million bales lower this month than in September, a decline to 82.8 million, entirely attributable to a permanent accounting change in the balance sheet for Brazil back to 2000/01. Ending stocks for the 2023/24 world balance sheet are also down by 10.0 million bales because of this change. To better account for the change in timing of Brazil's harvest, USDA has shifted ahead by one year its 2000/01-2022/23 production estimates. Until this change, USDA's estimated Brazilian and global ending stocks were significantly inflated because they reflected Brazil's entire year's production. See the Foreign Agricultural Service's October 2023 issue of *Cotton: World Markets and Trade* for further details.

In an additional production change, the estimate for what is now USDA's 2023/24 Brazil crop was increased 160,000 bales to 14.56 million, reflecting an October 10 revision by Brazil's Companhia Nacional de Abastecimento (CONAB).

Other changes in the world 2023/24 cotton balance sheet are small. Production is 210,000 bales higher than in September as larger crops in Brazil, Argentina, and Tanzania offset reductions in the United States, Australia, and Greece. World consumption and trade are virtually unchanged, down 89,000 bales and down 35,000 bales, respectively.

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