

World Agricultural Supply and Demand Estimates

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WHEAT: The outlook for 2022/23 U.S. wheat this month is for stable supplies, increased domestic use, unchanged exports, and slightly lower ending stocks. Total domestic use is projected 5 million bushels higher at 1,093 million as an increase in food use more than offsets a decrease in seed use. Food use is raised 7 million bushels to a record 977 million on strong calendar year third quarter wheat ground for flour reported in the latest NASS *Flour Milling Products*. All wheat exports are unchanged at 775 million bushels, with offsetting changes for White wheat and Durum. Projected 2022/23 ending stocks are lowered 5 million bushels to 571 million, the lowest level since 2007/08. The projected 2022/23 season-average farm price is unchanged at \$9.20 per bushel.

The global wheat outlook for 2022/23 is for increased supplies, consumption, trade, and ending stocks. Supplies are projected up 1.3 million tons to 1,059.0 million based on increases in beginning stocks and production. World production is raised 1.0 million tons to 782.7 million as larger production in Australia, Kazakhstan, and the UK more than offsets declines in Argentina and the EU. Production in Australia is raised 1.5 million tons to 34.5 million as above average rain over the past month supported crop development and boosted yields, following widespread favorable conditions earlier in the growing season. Argentina production is lowered as continued widespread dry conditions through most of October further eroded yield potential, especially in northern areas. Feed and residual use is raised 0.9 million tons as increases in the EU, South Korea, the Philippines, and Vietnam more than offset a decline in India. However, FSI consumption is lowered 1.5 million tons primarily on decreases for Bangladesh and Indonesia. The global forecast for trade is increased 0.3 million tons to a record 208.7 million, primarily on higher exports from Australia, Kazakhstan, and the UK that more than offset a reduction in exports by Argentina. Projected global ending stocks are increased 0.3 million tons to 267.8 million, with increases for Australia and India and a decrease for the EU accounting for most of the change.

COARSE GRAINS: This month's 2022/23 U.S. corn outlook is for higher production, larger feed and residual use, and greater ending stocks. Corn production is forecast at 13.930 billion bushels, up 35 million from last month on a 0.4-bushel increase in yield to 172.3 bushels per acre. Feed and residual use is higher based on a larger crop. With supply rising more than use, corn ending stocks are raised 10 million bushels. The season-average corn price received by producers is unchanged at \$6.80 per bushel.

Global coarse grain production for 2022/23 is forecast fractionally lower at 1,459.5 million tons. This month's 2022/23 foreign coarse grain outlook is for reduced production, lower trade, and smaller stocks relative to last month. Foreign corn production is forecast lower as declines for the EU, South Africa, Philippines, and Nigeria are partly offset by increases for Angola, Mali, Pakistan, Turkey, and Senegal. Corn production in the EU is down based on a

decline for Hungary. South Africa is reduced based on lower expected area. Barley production is lowered for Argentina but raised for Australia and the EU.

Major global trade changes include lower corn exports for South Africa. Corn imports are reduced for Vietnam, Algeria, and Turkey. For 2021/22, corn exports for Argentina are cut for the local marketing year beginning March 2022, based on shipments observed through October. For 2022/23, barley exports are raised for Australia but lowered for Argentina and Russia. Barley imports are reduced for China. Foreign corn ending stocks are down, mostly reflecting declines for Nigeria and South Africa that are partly offset by an increase for Vietnam. Global corn ending stocks, at 300.8 million tons, are down 0.4 million.

RICE: The outlook for 2022/23 U.S. rice this month is for nearly unchanged supplies, higher domestic use, reduced exports, and larger ending stocks. Supplies are fractionally lower as reduced production is not completely offset by higher imports. The NASS November *Crop Production* report reduced 2022/23 all rice production 1.1 million cwt to 164.3 million, all on lower yields. The average all rice yield is down 50 pounds per acre to 7,549 pounds. This is the lowest U.S. rice production since 1993/94. Imports are raised 1.0 million cwt (all long-grain) to a record 45.0 million with strong demand for Thai and Indian rice. Total domestic and residual use is also raised 1.0 million cwt (all long-grain) to 142.0 million on higher consumption of imported fragrant rice. All rice exports are lowered 4.0 million to 71.0 million cwt with 3.0 million of the reduction for long-grain on lagging shipments to the leading U.S. markets of Mexico and Haiti. All rice exports would be the lowest since 1991/92 as the United States continues to be uncompetitive in several key markets. All rice ending stocks are raised 2.9 million cwt to 36.1 million but are still down 9 percent from last year. The season-average farm price for all rice is raised \$0.50 per cwt to a record \$19.90, all on higher medium- and short-grain price forecasts, with the long-grain price unchanged.

The 2022/23 global outlook is for lower supplies, consumption, trade, and ending stocks this month. Supplies are reduced 2.5 million tons to 686.8 million, on lower beginning stocks for India and smaller production for Pakistan, Nigeria, and Sri Lanka. India's beginning stocks are reduced 1.0 million tons on higher exports and domestic consumption for 2021/22. Pakistan's 2022/23 production is lowered 0.8 million tons to 6.6 million on heavy flooding in the Sindh region expected to reduce yields. This would be Pakistan's lowest production since 2012/13. World 2022/23 consumption is lowered 0.3 million tons to 517.8 million on reductions for Pakistan and India. Global trade is reduced 0.4 million tons to 52.8 million as lower Pakistan exports are not completely offset by higher India exports. Projected world ending stocks are reduced 2.2 million tons to 169.0 million, primarily on reductions for India, Indonesia, Vietnam, and Sri Lanka.

OILSEEDS: The U.S. soybean outlook for 2022/23 is for increased production, crush, and ending stocks. Soybean production is forecast at 4.35 billion bushels, up 33 million on higher yields. Higher yields in Iowa and Missouri account for most of the change in production. Soybean crush is raised 10 million bushels on an increased domestic soybean meal disappearance forecast. With exports unchanged, soybean ending stocks are raised 20 million bushels to 220 million. The U.S. season-average soybean price for 2022/23 is forecast at \$14.00 per bushel, unchanged from last month. Soybean oil price is also unchanged at 69 cents per pound. The soybean meal price is forecast at \$400.00 per short ton, up 10 dollars.

Global oilseed production for 2022/23 is projected at 645.6 million tons, down 1.0 million from last month. Lower soybean, sunflowerseed, and cottonseed production is partly offset by higher rapeseed. Global soybean production is down 0.5 million tons to 390.5 million, mainly on lower production for Argentina. Area harvested for Argentina is reduced reflecting in-country estimates. Sunflowerseed production is reduced for Ukraine on lower reported yields. Global rapeseed production is raised 1.0 million tons to 84.8 million on higher yields for Australia and the EU.

Global oilseed ending stocks are projected at 121.9 million tons, up 1.4 million. Soybean stocks account for most of the change with an increase to China's stocks based on a revision to 2021/22 imports. Another notable oilseed change includes lower palm oil production for Malaysia, which is reduced 1.0 million tons to 18.8 million. With reduced Malaysian palm oil supply and no change in exports, ending stocks are lower.

SUGAR: U.S. sugar supply and use for 2021/22 is revised to incorporate complete fiscal year estimates in USDA's Sweetener Market Data (SMD). Beet sugar production is estimated at 5.155 million short tons, raw value (STRV), an increase over last month of 77,618 due to more production in September than expected last month. Louisiana cane sugar production is lowered by 58,824 STRV to 1.923 million on lower-than-expected production in September. Along with small changes in some other components, deliveries for human consumption are lowered by 81,845 STRV to 12.470 million. Most of this decrease is attributable to very low direct consumption imports in September. The final year estimate of ending stocks is 1.814 million STRV. This is 40,823 STRV more than last month and results in a stocks-to-use ratio of 14.3 percent.

U.S. sugar supply in 2022/23 is lowered 196,055 STRV from last month on lower total production and imports only mildly offset by higher beginning stocks. Beet sugar production is lowered 111,341 STRV to 4.994 million. Beet processors reduced their forecast of sugarbeets available for slicing due to higher expected beet pile shrink. An increase in cane sugar production partially offsets the beet sugar decline. Florida production is increased 20,923 STRV to 1.989 million based on a higher sugarcane yield forecast by both processors and NASS. Louisiana production is increased to 2.006 million STRV on increased area harvested and on adjustments made for September production. Imports are reduced by 168,986 STRV mainly on lower imports from Mexico based on lower exportable supply (see below) that offsets a 25,000 STRV increase in high-tier tariff imports from raw sugar imported by a refiner in early November. Deliveries for human consumption are reduced by 25,000 STRV in line with the 2021/22 reduction. Ending stocks are residually projected at 1.701 million STRV for ending stocks-to-use ratio of 13.5 percent.

Mexico sugar production for 2022/23 is the same as last month at 5.900 million metric tons (MT). Area harvested is expected at about 800,000 hectares and yields are unchanged from last month. Although good rainfall amounts came in September, they should have arrived earlier in the growing season, or at least by August, to have had a significant effect on production. Total imports for combined use in consumption and IMMEX are lowered by 15,000 MT to more closely match imports recorded in 2021/22. Strong deliveries for consumption in September pushed the total for 2021/22 to 4.113 million MT, an increase of 63,100 MT relative to last month. Deliveries of high fructose corn syrup in 2021/22 amounted to 1.291 million MT, dry basis and this same amount is projected for 2022/23. Per capita sweetener consumption for 2021/22 at 41.09 kilograms is carried forward to 2022/23

and implies sugar deliveries for consumption at 4.168 million MT. This is a 117,598 MT increase over last month. Deliveries for IMMEX for 2022/23 at 533,000 MT closely match the recorded total for 2021/22. Ending stocks for 2022/23 at 979,291 MT provide enough sugar to meet use in 2023/24 before the start of the harvest campaign in November. Exports are residually projected at 1.219 million MT, a decrease of 183,616. Exports under license to the United States are reduced 166,020 MT and other exports are reduced 17,596 MT to zero.

LIVESTOCK, POULTRY, AND DAIRY: The forecast for 2022 red meat and poultry production is raised from last month as higher beef and broiler forecasts for the fourth quarter are partly offset by lower pork and turkey forecasts. Beef production is raised with higher expected cattle slaughter as well as higher carcass weights. Pork production is lowered on a slower expected pace of slaughter. Broiler production is raised on current slaughter and hatchery data. Turkey production is lowered based on tighter bird supplies. Egg production is lowered from last month on recent hatchery data.

For 2023, the beef forecast is lowered on tighter supplies of fed cattle and lower cow slaughter. Broiler production is raised on expected growth in broiler flocks. Turkey production is lowered slightly for the first two quarters. Egg production is reduced as slower expected growth in production in late 2022 is carried into the first part of 2023.

Beef imports for 2022 are lowered on recent data, higher expected U.S. cow slaughter, and weaker expected imports from Oceania in the fourth quarter. Exports are lowered on recent data and expected weaker exports to Asian markets. No changes are made to beef trade for 2023. Pork imports are lowered and exports are raised for 2022 on observed data. Weaker imports are carried through into 2023, but exports are unchanged. Broiler export forecasts for 2022 are raised on recent trade data while 2023 exports are unchanged. Turkey exports are raised for 2022 and 2023 on current trade data.

Cattle price forecasts for 2022 and 2023 are raised on stronger expected demand. The 2022 hog price forecast is raised on prices to date; 2023 prices are unchanged. The broiler price forecast for 2022 is lowered on recent data, but 2023 forecasts are unchanged. Turkey price forecasts for both 2022 and 2023 are raised with lowered expected production. Egg price forecasts for 2022 and 2023 are raised on recent prices and expectations of continued firm demand.

The milk production forecast for 2022 is raised from last month, while 2023 production is unchanged. The dairy cow inventory for both years is lowered on recent published data but output per cow is raised.

Fat and skim-solids basis imports for 2022 are lowered, driven by recent trade data and lower expected imports of cheese and butterfat products. Forecasts for 2023 fat basis imports are lowered on weaker butterfat products, while skim-solids basis imports are raised on cheese. Exports on a fat basis for 2022 are lowered on weaker expected exports of cheese and butterfat products but raised for 2023. Exports on a skim-solids basis are raised in 2022 on higher expected exports of skim milk powders (SMP) and lactose and for 2023 on higher SMP and whey exports.

For 2022, forecasts for butter, cheese, and nonfat dry milk (NDM) prices are lowered on current prices and larger milk supplies. Whey prices are unchanged. Both Class III and

Class IV prices are lowered on weaker product prices. For 2023, the price forecast for butter is raised, but lowered for cheese and NDM. Whey prices are unchanged. With lower cheese and NDM prices, Class III and Class IV price forecasts are lowered. The 2022 all milk price forecast is lowered to \$25.50 per cwt and the 2023 all milk price is lowered to \$22.60 per cwt.

COTTON: The 2022/23 U.S. cotton balance sheet shows slightly higher production and higher ending stocks this month. Production is 1.5 percent higher, at 14.0 million bales, as a decrease in the Southwest is more than offset by increases elsewhere. Domestic mill use and exports are unchanged, and ending stocks are 200,000 bales higher at 3.0 million bales or 20 percent of use. The 2022/23 season average price for upland cotton is reduced 5 cents this month to 85 cents per pound.

This month's 2022/23 global cotton balance sheet includes lower production, consumption, trade and ending stocks. Production is down 1.6 million bales from last month, led by a 700,000-bale cut in Pakistan's crop as gin arrivals there signal the extent of damage from earlier precipitation and flooding. Unusually high precipitation is also driving a 500,000-bale reduction in Australia's 2022/23 crop, and in part accounts for a 630,000-bale decline in West Africa's expected output. Global cotton consumption is projected 650,000 bales lower this month, with a 300,000-bale cut to mill use in both Pakistan and Bangladesh. World trade is 400,000 bales lower, with import reductions for Bangladesh and China only partly offset by Pakistan's increase; West African exporters account for most of the decline in projected exports. At 87.3 million bales, world ending stocks in 2022/23 are projected 600,000 bales lower than in October, but 1.6 million higher than the year before.

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APPROVED BY:



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