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REMARKS OR ADDITIONAL ROUTING

Maybe you might want to
send this over to the
Cotton group -

Taken from November issue
World Agricultural Production
and Trade
Statistical Report
US Dept of Agriculture
Foreign Agriculture Service

FROM (Name or Organization)	ROOM NO.	DATE
FP Smith	PHONE NO.	12/19

Senegal is expected to harvest a record peanut crop this year following the drought-reduced output last year. Factors contributing to the bumper harvest include satisfactory growing conditions and technical assistance to the "peanut basin" provided by Societe d' Assistance Technique et de Corporation (SATEC). One of the most significant contributions made by SATEC during 1966 was the introduction of fork peanut harvesters by which farmers reportedly were able to increase their harvest efficiency from 80 percent by hand to nearly 100 percent. During 1967 there was a marked increase in the use of fertilizer and farm machinery. Commercial purchases from the coming crop by the Office de Commercialization Agricole (OCA) for crushing and export are forecast at a record 1.2 million short tons (1.1 million metric tons) unshelled basis, compared with about 800,000 tons (728,000) last year. On the basis of expected purchases, total production may approach 1,390,000 million short tons against about 975,000 in 1966.

INCO
COTTON

A record peanut crop was harvested in South Africa early in 1967. Production is placed at 366,000 tons or 67 percent above last year's and 48 percent above the 1960-64 average. Acreage increased by only 3 percent but the yield per acre rose tremendously. Moreover, the quality of the crop is reported to be slightly better than that of last year.

The estimated rise of about one-fourth in Asia's peanut production this year is due mainly to the expectation of a record crop in India. Rains reportedly were timely and well spaced in the peanut-growing areas of India and the crop made excellent progress. At this early date, production is forecast at 6.9 million tons, up 40 percent from last year's crop and 22 percent above the 1960-64 average.

Despite indications of more-favorable-than-usual weather in Mainland China this year and repeated claims by the Chinese of bumper harvests of oilseeds and other crops, a number of adverse factors, resulting primarily from the Cultural Revolution, tend to partially counteract these factors. Peanut production is estimated tentatively at about 2.8 million tons against an estimate of 2.6 million last year.

Peanut crops in Indonesia, Japan, and Thailand apparently were maintained at the 1966 levels.

WORLD COTTON PRODUCTION BELOW CONSUMPTION AGAIN IN 1967-68

The world cotton situation in 1967-68 is featured by an excess of consumption over production for the second successive year and a consequent sharp reduction in world cotton stocks. World trade is forecast at about the 1966-67 level, when 18.1 million bales were exported.

World cotton production this season is estimated at 47.3 million bales, compared with 47.7 million in 1966-67.¹ The United States crop, now estimated at 8.0 million bales, is sharply lower than the 9.9 million bales harvested last season.² This is the smallest U.S. crop since 1921, and reflects both reduced acreage and below normal average yields per acre.

¹ U.S. cotton in running bales, other bales 480 pounds net.

² In season ginning plus city crop.

was down about 1.0 million from the 9,754,000 harvested in 1966-67. Decline was a result of reduced planting because of heavy farmer participation in the acreage diversion program, and also an extremely hot planting season in many cotton producing states. An average yield of 448 pounds per acre is the lowest in six years and compares with 480 pounds in 1966-67 and a record of 527 pounds in 1965-66. Production of American-Egyptian cotton is estimated at 67,000 running bales, compared with 71,154 bales last season.

Production of cotton outside the United States is forecast at 39.3 million bales in 1967-68, up 1.5 million from a year earlier and the largest ever recorded. Crops in the foreign Free World may aggregate around 23.8 million bales, compared with 22.7 million in 1966-67. This record crop is a result of expanded acreage and higher yields. Significantly larger crops are expected in Brazil, Colombia, India, Iran, Pakistan, and several other countries. Among the countries where 1967-68 production will probably be below a year earlier are Mexico, Spain, Syria, and Tanzania. Production in Communist countries is placed at 15.5 million bales, compared with 15.1 million in 1966-67. The Russian crop may reach 9.4 million bales, an increase of 0.1 million from the record crop harvested in 1966-67. In Mainland China, the crop is placed at 6.0 million bales, compared with 5.7 million last season.

World consumption of cotton in 1967-68 is estimated at 52.5 million bales, up 0.9 million from the alltime high of last season and 17 percent above the low point reached in 1962-63. Cotton consumption in all foreign countries in 1967-68 is estimated at 43.4 million bales, an increase of 1.3 million from last season. The foreign Free World is expected to use about 26.4 million bales, compared with 25.3 million in 1966-67. Net exporting countries will continue to require more cotton for their domestic industries. A number of net importing countries of the foreign Free World will also consume more cotton in 1967-68 than a year earlier. Mill activity is expected to be sharply higher in India and Japan this season. The favorable outlook for agricultural production in India in 1967-68 should assure an adequate supply of cotton, thus allowing consumption to increase nearly 10 percent from the slightly over 5.0 million bales used last season. Continuation of the present high level of activity in Japan will result in mill offtake substantially higher than the 3,241,000 bales used in 1966-67. Aggregate consumption of cotton in Western Europe in the current season is expected to at least equal the offtake in the 1966-67 season.

Consumption of cotton in Communist countries is estimated at 17.0 million bales for 1967-68, up 0.4 million from last season. About one-half the increase is expected in the USSR and most of the other in Mainland China.

Mill consumption in the United States is likely to be around 9.1 million bales, compared with 9.5 million bales in 1966-67. Reduced consumption in 1967-68 is indicated by the downward trend in the daily rate of cotton use and by the upward trend in the ratio of mill inventories to unfilled orders for cotton cloth.

COTTON: World stocks, production, consumption, and exports by areas,
seasons beginning August 1

Item and area	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68
Beginning stocks										
United States.....	8.7	8.9	7.6	7.2	7.8	11.2	12.4	14.3	16.9	12.4
Foreign Free World:										
Exporting countries.....	4.3	3.8	3.3	3.6	3.9	3.9	3.7	4.4	4.7	4.5
Importing countries 2/.....	5.9	5.4	3.9	6.5	5.6	5.7	6.5	5.9	5.5	6.1
Communist countries.....	3.3	3.4	3.5	2.8	2.3	2.0	2.6	2.8	3.0	3.0
Foreign total.....	13.5	12.6	12.7	12.9	11.8	11.6	12.8	13.1	13.2	13.6
World total.....	22.2	21.5	20.3	20.1	19.6	22.8	25.2	27.4	30.1	26.0
Production										
United States 3/.....	11.4	14.6	14.4	14.4	14.9	15.3	15.2	14.9	9.9	8.0
Foreign Free World.....	17.4	16.6	18.9	19.6	21.9	22.0	23.0	23.5	22.7	23.8
Communist countries.....	15.7	15.7	13.2	11.2	11.0	12.9	13.8	16.7	15.1	15.5
Foreign total.....	33.1	32.3	32.1	30.8	32.9	34.9	36.8	38.2	37.8	39.3
World total.....	44.5	46.9	46.5	45.2	47.8	50.2	52.0	53.1	47.7	47.3
Consumption										
United States.....	8.7	9.0	8.3	9.0	8.4	8.6	9.2	9.5	9.5	9.1
Foreign Free World:										
Exporting countries.....	4.8	5.0	5.2	5.5	5.6	6.0	6.2	6.3	6.9	7.1
Importing countries.....	15.4	17.2	18.1	18.0	17.6	18.4	18.6	18.7	18.6	19.3
Communist countries.....	16.6	16.9	15.4	13.3	13.3	14.6	15.5	16.2	16.6	17.0
Foreign total.....	36.8	39.1	38.7	36.8	36.5	39.0	40.3	41.2	42.1	43.4
World total.....	45.5	48.1	47.0	45.8	44.9	47.6	49.7	50.7	51.6	52.5
Exports										
United States.....	2.6	7.2	6.6	4.9	3.4	5.7	4.1	2.9	4.7	4.7
Foreign Free World 4/.....	8.7	8.1	8.5	8.9	11.0	10.5	10.7	11.6	11.0	11.0
Communist countries.....	2.0	2.1	1.9	1.7	1.5	1.8	2.0	2.3	2.6	2.2
Foreign total.....	10.7	10.2	10.4	10.6	12.5	12.3	12.7	13.9	13.4	13.2
World total.....	13.5	17.4	17.0	15.5	15.9	18.0	16.8	16.8	18.1	17.9
Exports, net, Free World										
to Communist.....	1.0	1.4	1.5	1.6	1.9	2.3	2.0	1.7	1.5	1.6

1/ 480 pounds net weight, except U.S. is in running bales. 2/ Includes estimated cotton afloat, in transit, and in free ports. 3/ In-season ginnings plus city crop. 4/ Includes small quantities re-exported.

Compiled from records of Cotton Division, Foreign Agricultural Service.

World carryover of raw cotton on August 1, 1967, totaled an estimated 26.0 million bales, a decline of 4.1 million from the record level of 30.1 million bales a year earlier. A further reduction will occur during this season with most of the change again being in the United States. Cotton stocks in the United States on August 1, 1967, amounted to 12.4 million bales, compared with the alltime high of 16.9 million one year earlier. Stocks in this country will be below 7.0 million bales at the end of the current season if estimates of disappearance (consumption plus exports) and production materialize. This will be the lowest end of season stock level since 1953 when the carryover totaled 5.6 million bales. Stocks in foreign countries are expected to be little changed from the beginning to end of the current season.

World trade in cotton this season is forecast at around 18.0 million bales, or about the same as in 1966-67. U.S. exports are tentatively placed at 4.7 million bales, the same as in 1966-67. U.S. shipments this season should remain high since raw cotton requirements in foreign importing countries are likely to be about unchanged from the 1966-67 level, and exportable supplies in foreign producing countries will be no larger than a year ago. Exports by foreign Free World countries in 1967-68 are likely to about equal the 11.0 million bales shipped last season. Export availability in the USSR will probably be slightly lower in 1967-68 since the small increase in production will likely be more than offset by expanded domestic consumption in that country. Because of this, net imports by Communist countries from the Free World could increase slightly in the current season.

AUSTRALIA'S BARLEY AND OATS EXPORTS SHOW DRAMATIC GAINS

Barley and oats exports from Australia during July-June 1966-67 were 827,000 metric tons as compared to 478,000 tons for the previous year. This is an increase of 73 percent. The principal markets were Italy and Japan consisting of almost half the total exports.

Exports of barley increased 87 percent from 227,000 metric tons during 1965-66. Major increased shipments went to Italy, Spain, Japan, Lebanon, Saudi Arabia, and Taiwan. This was partially offset by no exports to West Germany, Denmark, and Poland; and less shipments to the United Kingdom.

Oats shipments increased from 251,000 metric tons to 403,000 tons during 1966-67 or by 61 percent. Countries showing the principal gains were Italy, the Netherlands, Japan, and South Africa. West Germany received 103,000 tons less than during the previous year.