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ECONOMIC POLICY BOARD  
EXECUTIVE COMMITTEE MEETING

AGENDA  
8:30 a.m.  
Roosevelt Room

October 20, 1975

- |  |         |
|--|---------|
| 1. Food Deputies Report                    | MacAvoy |
| 2. Status Report on Regulatory Initiatives | MacAvoy |
| 3. Definition of Full Employment           | Malkiel |

October 17, 1975

ECONOMIC POLICY BOARD  
EXECUTIVE COMMITTEE

Proposed Agenda

Monday, October 20, 1975

- |  |         |
|--|---------|
| 1. Food Deputies Report                    | MacAvoy |
| 2. Status Report on Regulatory Initiatives | MacAvoy |
| 3. Definition of Full Employment           | Malkiel |

Tuesday, October 21, 1975

No Executive Committee Meeting -  
Republican Leadership Meeting

Wednesday, October 22, 1975

No Executive Committee Meeting  
Bipartisan Leadership Meeting

Thursday, October 23, 1975

- |   |         |
|---|---------|
| 1. Future Role for EPB/NSC Commodity Task Force | Parsky  |
| 2. Troika Forecast                              | Malkiel |

Friday, October 24, 1975

1. Report of CIEP Committee on Multinational Corporations: Codes of Conduct for Multinational Corporations
2. Implementation of GSP and the Strengthening of the President's Expropriation Policy

THE WHITE HOUSE  
WASHINGTON

October 18, 1975

TO EPB EXECUTIVE COMMITTEE MEMBERS

The attached paper(s) will be discussed  
at the Monday, October 20 Executive  
Committee meeting.

COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

ALAN GREENSPAN, CHAIRMAN  
PAUL W. MACAVOY  
BURTON G. MALKIEL

October 17, 1975

MEMORANDUM FOR: EPB - EXECUTIVE COMMITTEE  
FROM: Paul W. MacAvoy *Paul MacAvoy*  
SUBJECT: Food Deputies Report No. 31

1. USDA Supply and Demand Estimates after October Crop Report.

There were only minor changes in the October forecast of 1975-76 crop production, so that the projected supply-demand situation remains essentially as it was in September. The feed grain production estimate is up 1.1 million metric tons to 183.6 million tons. The domestic demands and the world supply-demand situation remain essentially unchanged from the September estimates. Virtually the entire feed grain production increase is projected to be added to carryover stocks into 1976-77. This would put U.S. ending stocks for 1975-76 at 19.9 million metric tons, up 64 percent from this year's inventory levels.

Soybean production is estimated to be up 0.8 million metric tons from the September forecast to 40.1 million tons. However, estimated beginning stocks have been reduced by an equal amount, so that total supply of soybeans remains unchanged at 45.2 million tons. This is 18 percent greater than last year.

2. Export Monitoring

Reported export commitments for 1975-76 remain above 1974-75 for wheat but well below 1974-75 for corn and soybeans. Export commitments for all three crops are well below those at this time of year in 1973-74. The figures are compared with total exports for 1973-74 and 1974-75 and projected total exports for 1975-76



in Table 1. The level of commitments relative to exports was higher in 1973-74

Table 1  
U.S. Exports of Wheat, Corn, and Soybeans  
(millions of metric tons)

	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>
Total reported export commitments as of end of September	87.0	62.2	41.1
Total exports	77.5	68.8*	81.8*
USDA estimate.			

and 1974-75 because of special circumstances -- the embargo in 1973 and the short crop in 1974. In both years potential importers were anxious to line up grain supplies early because of uncertainty about actually getting the quantities desired. This year, with record-large U.S. supplies, the incentives to make early commitments are not so strong. The USDA projection for 1975-76 total exports is not tied to progress in export commitments. It is derived from estimates of the world supply-demand situation in grains.

### 3. World Grain Situation

The USDA projects 1975-76 production of both wheat and feed grains to increase by about 30 million metric tons (3 percent) over 1974-75. However, the projected increase is entirely attributable to larger crops in the United States. Foreign production is expected to decline from 722 million metric tons of wheat and feed grains in 1974-75 to 710 million tons in 1975-76. This reduction incorporates an 18 million ton decrease in Soviet grain production.

Projected ending stocks of grain (excluding rice) are 100 million metric tons for both 1974-75 and 1975-76. However, the unchanged world total consists of a projected 11 million ton increase in stocks in the United States and an 11 million ton decrease in the rest of the world.

One factor which will make the world grain situation less tighter than the 1975-76 grain production estimates indicate is the upcoming rice crop. World rice production is forecast to be a record-large 341 million metric tons in 1975-76, up 4 percent from 1974-75. This level of output would allow some build-up of world rice stocks and could weaken import demand for grain, especially in Southeast Asia.