



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

December 8, 1976

EXPORT PROSPECTS: CORN, GOOD/SOYBEANS, FAIR/WHEAT, POOR

DECEMBER IS EARLY IN THE CROP YEAR to project grain exports for the year as a whole, particularly for corn and soybeans. But it is interesting to look at where we stand compared with earlier years.

Corn exports from October 1 through November 26 totaled 343 million bushels, compared to 299 million on the same date a year ago--an increase of 14.7 percent. If this rate of increase continues through next September 30, the annual total would be 1,940 million bushels. Most projections, including those of the USDA, are on the order of 1,600 to 1,700 million. Comparisons with earlier years would also project to levels substantially above current forecasts. As of November 7, the outstanding unshipped sales were 542 million bushels, compared to 474 million bushels on the same date a year ago. This also suggests a very large total for the year.

Soybean exports are lagging behind year-ago levels. From September 1 through November 26, a total of 132 million bushels were inspected compared to 148 million on the same date a year ago--a decrease of 11 percent. On this basis, the projection for the year would be 494 million, compared to current projections of about 525 million. However, comparisons with progress at this time in earlier years suggests a total of 520 to 540 million bushels.

Because of the smaller 1976 soybean crop, the combined crush and export is down 105 million bushels, or 7.4 percent. The same reduction from last year would produce a total of 514 million for this year. Advance bookings on November 7 were 180 million bushels, compared to 174 million on the same date a year ago--an insignificant difference. The situation to date suggests that soybean exports and availability are about in balance.

Wheat exports from June 1 through November 26 were 516 million bushels, compared to 649 million on the same date a year ago--a decrease of 20 percent. On the basis of events a year ago, the projection for this year would be 938 million bushels. The current USDA projection for the crop year is 1,050 million. Half of the wheat crop year is now history, so projections for the year are much more reliable than with corn where only a sixth of the year is history.

Unless wheat exports increase rapidly from the level of the first half of the year, the carryover next May 31 will be at or above the pre-1972 level.

Thus, we would rate corn exports as good; soybeans, fair; and wheat, poor. The large corn exports may give way for improved wheat exports. The price of wheat is low enough to encourage substituting wheat for corn in animal rations. Such substitution probably would be great by now if wheat producers were selling instead of putting wheat in the loan. Moving wheat into animal feed is more likely to be done abroad, rather than in the United States. Under normal conditions, wheat is fed extensively in Europe and Russia. We may see foreign buyers substituting wheat for planned imports of corn.

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