

RETURN TO 419 M.H.



# ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE  
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

June 6, 1979

## SOYBEAN AND CORN EXPORTS MAY NOT MAKE TARGETS

EXPORTS OF SOYBEANS AND GRAIN REMAIN LARGE and will probably set new records, but soybeans and corn will be hard pressed to reach the lofty projections of the USDA. To meet those target volumes, shipments will have to be large throughout the summer.

SOYBEAN exports through May 31 totaled 628 million bushels compared to 563 million at the same time last year. A record for the year by a wide margin is assured. However, in anticipating a carryover of only 140 million bushels, the USDA is projecting an export total for the year of 800 million. At the end of 39 weeks of the marketing year the weekly average was 16.1 million. The average needed for the remaining 14 weeks to achieve 800 million for the year is 13.9 million, and recent weekly totals have been below that amount.

Through March 23, the 29th week, the weekly average was 17.2 million bushels. For the past 10 weeks the average has been 12.9 million, and for the past 6 weeks--since April 20--it has been only 10.2 million. The average was only 8.3 million during the week ending May 31.

The decrease since the middle of April coincides with the harvest in South America. The Brazilian harvest has been delayed by rainfall, which also slowed movement of the crop to processing plants. Export competition has come primarily from the Argentine. Argentina exports a large percentage of its production and moves it quickly. Whether the inroads from South America will continue through August will depend on exports from Argentina and the extent to which importers in Europe and Japan have let inventories decline in anticipation of a large South American crop. If they have let their forward cover get short and if large shipments from South America are not forthcoming, they will be back in U.S. markets. The prospects for the year are not pessimistic, but the fact remains that we have not done well lately.

CORN exports through May 31 totaled 1,256 million bushels compared to 1,165 million by the same date last year. This amount would seem to be on target for the USDA projection of 2,050 million. However, the figure may be deceptive because of



the unusually large exports last summer. At the end of the 35th week of the season the weekly average was 35.9 million. It will take a weekly average of 46.7 million during the balance of the season to meet the projection. The average for the past six weeks has been 45.0 million. Thus there will have to be continued large exports through the summer to make the target. Should the rate of the last six weeks hold for the balance of the year, the total will be 1,976 million and a new record.

The record exports of corn are being achieved in spite of very large world grain crops in 1978. These large volumes underscore the continued expansion of world demand for livestock feed and are strongly suggestive of a further increase in exports in 1979-80. A trend concept points to a total on the order of 2,300 million bushels. Whether the amount turns out to be larger or smaller will depend on production outside of the U.S. At present, production conditions around the world look fairly normal. It is unlikely that the bumper crops of the past two years will be repeated.

WHEAT exports continue to be large, so it seems likely that the USDA projection of 1,200 million bushels, including flour and other wheat products, will be achieved. The very large total is especially significant because of the large world crops in 1978. The underlying demand for grain of U.S. origin is strong.

*T.A. Hieronymus*

T.A. Hieronymus, Extension Specialist, Prices and Outlook

Cooperative Extension Service  
United States Department of Agriculture  
University of Illinois  
At Urbana-Champaign  
Urbana, Illinois 61801

Official Business  
Penalty for private use, \$300

FIRST CLASS

DARRELL GOOD  
417 MUMFORD HALL  
1-19,23

POSTAGE AND FEES PAID  
U.S. DEPARTMENT OF  
AGRICULTURE  
AGR 101



A