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ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

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WORLD CROP PROSPECTS SUGGEST LARGE U.S. EXPORTS

THE LATEST USDA ESTIMATES PLACE the 1979-80 world crop of wheat and coarse grain at 1.131 billion metric tons. If this total materializes, it would be the second largest ever, about 5 percent less than last year's record crop. The world wheat crop would be about 7 percent smaller than last year; the coarse grain crop, about 4 percent less. Of course, these estimates are subject to change. There is considerable speculation, for example, that the September crop report will show an increase in the estimated size of the U.S. corn crop.

However, based on August estimates of production and consumption, the world grain inventories will be declining during the 1979-80 crop year. Ending stocks for wheat and coarse grain are expected to total only 15 percent of consumption, compared to 18 percent a year ago. Wheat inventories are expected to be the most plentiful, at 22 percent of utilization. Ending stocks for coarse grain are projected at about 10 percent of consumption, compared to 13 percent the last two years.

Almost as important as the size of the world grain crop is its distribution. For wheat, production outside the United States is expected to be down nearly 12 percent. The biggest decline is the 25 percent reduction in the USSR. Of the major producing countries outside of the United States, only India's wheat crop is expected to be larger than last year. The U.S. wheat crop is estimated at 19 percent above the one last year, which would account for 14 percent of the world crop.

Coarse grain production outside of the United States is projected at 5 percent below last year. Only the crops in South Africa, Brazil, and Thailand are thought to be larger than those last year. As in the case of wheat, the largest estimated reduction is a decline of 20 percent in Russia. The U.S. coarse grain crop is forecast at about 1 percent less than last year's production. That would account for 30 percent of the world total.

Because world grain consumption is expected to be large and because the crop outside the United States is smaller than last year, U.S. exports of grain are likely to be of record size during the year ahead. If the current USDA estimates hold up, the United States would account for 50 percent of the world wheat exports and 70 percent of the world coarse-grain exports during the 1979-80 crop year.

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