



WEEKLY OUTLOOK

Department of Agricultural Economics
College of Agriculture
University of Illinois at Urbana-Champaign

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GRAIN EXPORT UPDATE

PROSPECTS FOR U.S. GRAIN EXPORTS HAVE CHANGED several times during the last few months. For corn exports, prospects have deteriorated, while expectations for soybean shipments remain high. Wheat exports are expected to reach a record high. On the basis of export inspections to date, we can re-evaluate the export potential for the year.

Through February 4, corn exports totaled 717.2 million bushels, compared with 974 million bushels on the same date last year and 874 million bushels 2 years ago. An examination of exports by country of destination shows that most of our major importers have bought less corn than a year ago. The two exceptions are Spain and Egypt where imports are up 38 and 45 percent, respectively. However, these two countries only account for 12 percent of U.S. corn exports to date.

Compared with imports a year ago, U.S. corn imports have declined 20 percent in the European Community, 37 percent in eastern Europe, 15 percent in Japan, and 79 percent in Mexico. These four areas, which imported 51 percent of U.S. corn a year ago, have imported only 43 percent this year. Corn exports to Russia, however, have been about equal to year-ago levels.

There are a number of reasons for the overall decline in U.S. corn exports. These reasons include an economic slowdown in Europe, high interest rates, a strong U.S. dollar, and large feed grain supplies in other exporting countries.

The USDA now estimates that U.S. corn exports will reach 2.25 billion bushels by the end of the marketing year (September 30, 1982). Weekly exports will have to increase from an average of 40 million bushels per week to 45 million bushels to reach that estimate. Outstanding export sales of corn are only 40 percent as large as sales a year ago. It is thus likely that exports will fall short of USDA projections.

Wheat exports through February 4 totaled 1.18 billion bushels, about 18 percent above last year's level. Wheat exports have increased substantially to

western Europe, Russia, India, Iran, Egypt, and Brazil. On the other hand, eastern European countries have imported only 35 percent as much U.S. wheat as a year ago. Exports to Japan and China are also smaller than those of last year.

The USDA estimates that U.S. wheat exports will reach 1.85 billion bushels by the end of the marketing year (May 31, 1982). Weekly exports will have to increase by nearly 12 percent if that estimate is to be reached. As with corn, exports may fall short of the projection.

Through February 4, soybean exports totaled 413 million bushels compared with only 335 million last year. Exports to date have been slightly larger than 2 years ago when a record 875 million bushels were exported for the year. Compared with last year's imports, however, imports of U.S. soybeans are down in eastern Europe, China, and Mexico. So far, these areas have accounted for only 3 percent of U.S. soybean exports this year.

Increased soybean shipments to western Europe have accounted for the larger total exports. Exports to European Community countries are up 37 percent, while other western European countries have taken 87 percent more U.S. soybeans than a year ago. Western Europe has taken 64 percent of U.S. soybean exports to date.

U.S. soybean exports will decline as the South American crop comes to market this spring. However, it is likely that exports by the end of the marketing year (August 31, 1982) will exceed the USDA's projection of 840 million bushels.

Darrel Good

Issued by *Darrel Good*, Extension Specialist, Prices and Outlook

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

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