



# WEEKLY OUTLOOK

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## CAN EXPORT PROJECTIONS BE MET?

CORN, SOYBEAN, AND WHEAT EXPORTERS MAY FIND that their perception of time is relative to the rates of export in their current marketing years. For those dealing primarily with beans, time may be passing quickly because exports are continuing strong and unabated as the midpoint of their marketing year approaches. In contrast, corn and wheat export rates are lagging behind those needed to meet the relatively low projections for the marketing years, which are, respectively, about two-fifths and two-thirds complete. Except for soybeans, the possibility of exports falling short of currently projected totals increases with each week.

Corn export inspections through February 10 totaled 744 million bushels, averaging about 38.6 million bushels per week since October 1. In the remaining 33 weeks of the marketing year, this rate will have to increase by nearly 3 million bushels per week in order to reach the USDA's 2.1 billion bushel export projection. The roller-coaster nature of recent weekly export inspections (43.3 million bushels on January 27, 38.7 million on February 3, and 41.2 million on February 10) tends to raise, then dash hopes that the necessary surge in exports is beginning.

The sluggishness of our corn exports seems directly related to the weak demands of our European trading partners. Accumulated exports (as of January 20) to Eastern Europe are only 43 percent of last year's total, and similar exports to the European Community (EC) and the Soviet Union are, respectively, 67 percent and 72 percent the size of last year's. On the other hand, accumulated exports to Japan are up by more than 21 percent over those a year ago. Similar increases are exhibited throughout the rest of Asia. China, notably, has increased her U.S. corn imports so far by 177 percent, albeit only to 38 million bushels.

The picture of wheat exports is even more gloomy. Inspections through February 10 total just over one billion bushels, or about 27.8 million per week since July 1, 1982. In order to meet the USDA's export projection of 1.6 billion bushels for the marketing year, inspections will have to increase by nearly one-third (10 million bushels) a week for a relatively brief sixteen weeks.

Demand for U.S. wheat is down throughout the world. Accumulated exports to the Soviet Union are down by 70 percent from a year ago; to Western European countries outside the EC by 64 percent; to China, Africa, and the Western Hemisphere

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by approximately 80 percent. India is the only major importer of U.S. wheat that has significantly increased wheat purchases (about 18 percent) this year.

The "overachiever" in this year's export market is clearly soybeans. The 449 million bushels of beans inspected for export since September 1 is almost half of the 950 million bushels projected for export--and the strongest half of the marketing year still remains. Average weekly export inspections have averaged 19.5 million bushels, well ahead of the 17.3 million bushel weekly rate to meet the projected total.

How well exports of corn, wheat, and soybeans fare in the remainder of their marketing years depends on a number of factors. For corn and wheat exports (in particular) to improve, the worldwide economic downturn will have to reverse quickly, the dollar weaken noticeably, and expectations about new crop supplies deteriorate. The likelihood of all three happening is small. Even if there is an atypical spurt in the marketing year's second half, it will not make up for the dismal showing in corn and wheat exports this year.



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