



# WEEKLY OUTLOOK

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April 13, 1983

## GRAIN EXPORTS STILL LAGGING

THE SLUGGISH EXPORT DEMAND FOR U.S. CORN AND WHEAT that we outlined two months ago has not improved. Exports of soybeans and soybean products, however, exceed last year's level.

Through March 31, the midpoint of the marketing year, corn export inspections totaled 996 million bushels, about 40 million bushels less than a year ago. There are some bright spots in the export market. Japan, the single largest customer for U.S. corn, has imported nearly 30 percent more than a year ago. Sales to China, while still small, are up 1.75 times over last year. Mexico has bought 1.5 times more U.S. corn than last year, although not as much as two years ago.

On the negative side, combined exports to Europe and the USSR are down nearly 40 percent from a year ago. A year ago at this time, exports to these areas represented 57 percent of the total. This year, they account for only 36 percent of the total.

The USDA projects corn exports for the year at 2.05 billion bushels, up 4 percent from last year. Export inspections will have to average 40.5 million bushels per week for the remainder of the marketing year to reach this projection.

In the case of wheat, there are only two months left in the 1982-83 marketing year. The USDA projects exports at 1.525 billion bushels, 14 percent less than a year ago. Through the first 10 months of the marketing year, exports of wheat total 1.24 billion bushels, about 15 percent less than a year ago. Exports of wheat products, which are included in the final export estimates, are almost identical to last year's. It appears that final export figures will be close to the USDA's projection.

Soybean exports as of March 31 totaled 577.64 million bushels, only 1 million bushels above last year's total on the same date. Compared to a year ago, sales to Japan, Spain, Poland, and Mexico have increased, while sales to Russia and China have declined. The USDA forecasts 1982-83 exports at 950 million bushels, 21 million more than a year ago. With the slightly larger crop in South America this spring, the U.S. may have more competition in the export market during the last

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half of the marketing year. It seems unlikely that USDA projections for the year will be exceeded. Weekly inspections must average 17 million bushels from now on to reach the projection.

Exports of soybean meal to date are about 16 percent larger than a year ago. Of the major customers, the largest increase in sales has been to the European Community (EC), up 30 percent. This increase accounts for the large cut in feed-grain imports by the EC. Again, the increase in sales to date is in line with the USDA's projected increase (16.5 percent) for the year. Soybean oil exports are running at a relatively low level, but about 13 percent ahead of last year's pace. For the marketing year, the USDA has projected oil exports unchanged from last year.

This midyear analysis of exports suggests that progress is generally on target to meet USDA projections. Wheat exports will fall well short of last year's record. Corn exports may exceed year-ago levels, but they will be well behind the large exports of 1979-80 and 1980-81. Soybean exports appear to be on the way to a new record.

Exports of U.S. grains have been limited by the general downturn in world economic conditions and the continued strength of the dollar. An added factor for the year ahead is the higher price level of grain, particularly corn. This suggests that grain exports during 1983-84 will remain well below the highs of two and three years ago.

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