



# WEEKLY OUTLOOK

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## EXPORT PROGRESS

CURRENT USDA EXPORT PROJECTIONS FOR THE 1983-84 marketing year show no increase for corn over the low level of last year, a modest decline for wheat, and a sharp decline for soybeans and soybean products. With tight supplies of corn and soybeans, the rate of exports and export sales will be important in determining how much domestic use will have to be cut.

First, a look at wheat exports. For the year June 1, 1983, through May 31, 1984, the USDA projects exports of 1.4 billion bushels, as compared with 1.509 billion last year. Through November 24, 1983, wheat exports totaled 636 million bushels, 69.5 million bushels less than on the same date a year ago. Exports of hard red winter and durum wheat have been slightly larger than a year ago. Shipments of hard red spring and white wheat are down modestly. The greatest decline has been in shipments of soft red winter wheat. At this time last year, about 190 million bushels of soft red winter wheat had been exported. This year only about 100 million bushels have been reported. Outstanding sales of soft red winter wheat as of November 17 were 58 percent less than a year ago.

The cut in soft red winter wheat exports reflects a slowdown in sales to China. Through November 17, China had imported only 18 million bushels of U.S. wheat as compared with 144 million bushels a year ago. Shipments of wheat to the Soviet Union, all hard red winter wheat, are running about three times as large as a year ago.

Based on shipments during the first half of the marketing year and the level of outstanding sales, wheat exports are on target to reach the USDA's projection of 1.4 billion bushels.

The USDA expects corn exports to reach 1.875 billion bushels for the year beginning October 1, 1983. This estimate is only 5 million larger than last year's actual level of exports. Through the first 3 weeks of the marketing year, corn exports totaled about 330 million bushels, as compared with 312 million during the same period last year. Compared with last year's figures, shipments have increased to the European Community, Spain, Japan, Taiwan, and Mexico. The Soviet Union has imported less U.S. corn than a year ago, while China has not bought any U.S. corn.

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Outstanding sales of corn stood at 600 million bushels on November 17, 44 percent more than a year ago. Those large outstanding sales relative to a year ago reflect purchases by Japan, Taiwan, Korea, Mexico, and Venezuela. These countries, particularly Japan, have been aggressive in buying U.S. corn early because of the short supply. With only eight weeks of export data, it is difficult to evaluate the potential for the year. However, the large level of outstanding sales is encouraging. Any production problems in the Southern Hemisphere would likely result in U.S. exports exceeding the USDA estimate.

The USDA expects soybean exports for the year beginning September 1, 1983, to reach only 720 million bushels as compared with 905 million last year. During the first 12 weeks of the year, exports totaled 192.1 million bushels, 35 million less than a year ago. Outstanding sales, however, are nearly 20 percent larger than a year ago. Japan has been a very aggressive buyer of U.S. soybeans. Western European countries, including the European Economic Community, have purchased significantly fewer U.S. soybeans than a year ago. Shipments of soybean meal have been larger than last year's, but soybean oil sales have been nearly nonexistent.

In order for exports of U.S. soybeans and soybean products to be as low as currently estimated, the South American soybean crop and the Malaysian palm oil crop will both have to be very large in 1984.

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