



WEEKLY OUTLOOK

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

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WORLD GRAIN PRODUCTION

THE USDA RELEASED REVISED ESTIMATES OF 1983-84 world grain and oilseed production on March 9. These estimates contained some changes from the February figures.

Production of coarse grains in areas outside of the United States is projected at 546.3 million metric tons, down 2.5 million tons from the February estimate. Significant reduction in production estimates included 3 million tons for the Soviet Union, 2.5 million tons for South Africa, and 0.8 million tons for Brazil. Increases included 3 million tons for China and 0.2 million tons for Argentina.

At 4.5 million tons, the South African crop will be 55 percent less than the January estimate and about the same size as last year's drought-damaged crop. South Africa will not be able to resume exporting corn this year and may import as much as 2.5 million tons from the United States. The Soviet crop estimate, at 105 million tons, is below target but is 9 million tons larger than last year's crop.

Even though the world coarse grain estimate was lowered, the forecast for production outside of the United States is 18.2 million tons larger than last year's crop. While production in the United States was reduced by 46 percent, production elsewhere is expected to increase by 3.4 percent. If the estimate for production outside of the United States actually materializes, that crop will be one-third larger than the crop of just 10 years ago.

Production of wheat in areas outside of the United States is projected at 421.4 million metric tons, 1.3 million less than the February estimate. The most significant change was the 2 million ton reduction in the projected size of the Soviet crop. At 78 million tons, that crop is 8 million tons smaller than last year's crop.

If the latest estimates materialize, the production of wheat outside of the United States will be 7.1 million tons, or 4.2 percent, larger than last year's crop. Production outside of the United States has increased 30 percent over the past 10 years. The 1983 crop in the United States was 14 percent smaller than last year's crop, but 36 percent larger than the crop of 10 years ago.

The production of soybeans outside of the United States is forecast at 36.52 million tons, as compared with the February estimate of 36.28 million tons and last

year's crop of 33.32 million tons. The South American soybean crop is estimated at 21.53 million tons (791 million bushels), as compared with last month's estimate of 21.22 million tons (780 million bushels). The increase reflects slightly better crop prospects in Argentina.

As in the case of coarse grains and wheat, soybean production outside of the United States has expanded to take advantage of the small 1983 crop in the United States. Production in South America is expected to be 100 million bushels, or 14.4 percent larger than last year's crop. The U.S. crop was down by about 680 million bushels, or 30 percent, from the previous year.

The large crops of grain and soybeans outside of the United States imply that substantial competition for U.S. exports will continue. The smaller-than-expected coarse grain crops in South Africa and the Soviet Union, however, mean that U.S. corn exports will be supported near current levels for the next three or four months. Competition for U.S. soybean exports will intensify during the spring and summer months, as the South American crop is harvested.

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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