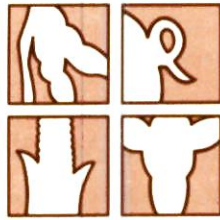




Cooperative
Extension Service
University of Illinois
at Urbana-Champaign



WEEKLY OUTLOOK

Department of Agricultural Economics
College of Agriculture
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April 24, 1985

WORLD GRAIN PRODUCTION IN PERSPECTIVE

IT IS COMMON PRACTICE TO ANALYZE GRAIN PRODUCTION estimates in terms of change from the previous year. This practice is logical since it is the magnitude of change in production which is likely to have an impact on prices. However, it is useful to occasionally review the longer term trends in production levels. The longer view provides more perspective on structural changes which may have occurred and which may influence future production levels.

Our focus here is on changes in production over the past 10 years. Crops included in the analysis are soybeans, wheat, and coarse grains.

World soybean production has increased from about 66 million metric tons in 1975-76 to an estimated 89.8 million tons for the current year. Overall, production levels have increased on the order of one-third in the last 10 years. Production in the U.S. has varied considerably in recent years, but the trend has been sideways since 1978.

Soybean production outside of the U.S. has increased from about 24 million tons in the mid-1970s to an estimated 39 million tons this year. Production outside of the U.S. has increased by about two-thirds during the last 10 years. Production in the U.S. accounted for about 63 percent of the world crop in 1975-76, and an estimated 56 percent in 1984-85.

Increased soybean production has come primarily in Argentina and Brazil. The crop in Argentina increased from about .5 million tons in 1976 to an estimated 6.6 million in 1984. The Brazilian crop has increased from under 10 million to nearly 16 million tons.

World wheat production totaled about 350 million tons in 1975-76 and is forecast at 514 million tons this year, an increase of 47 percent. Production in the U.S. is expected to be 22 percent above the level of 10 years ago, while production in the rest of the world is up more than 50 percent. The U.S. share of world production has declined from 20 percent in 1975 to about 14 percent this year.

Major increases in wheat production have occurred over the last 10 years in a large number of areas. The most dramatic have been in China (114 percent), western Europe (80 percent), and India (87 percent). Half of the increase in

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western European production occurred this year. Production in the USSR continues to be extremely volatile, with the trend being down since 1980.

World coarse grain production totaled 645 million tons in 1975-76 and is estimated at 800.9 million this year, an increase of 24 percent. Production in the U.S. has increased at about the same rate as in the rest of the world. China has consistently increased production, with the 1984 crop estimated to be 38 percent larger than the 1975 crop. Production has been highly variable in the USSR. Production in western Europe has been variable, but was basically sideways from 1977 through 1983. However, the 1984 crop was 23 percent larger than the 1983 crop.

The U.S. has maintained its share of world coarse grain production over the last 10 years, but has reduced its share of soybean and wheat production. This trend is likely to continue, at least into the immediate future. There is a growing effort by many countries not only to become self-sufficient in grain production, but to capture a larger share of the world market.

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