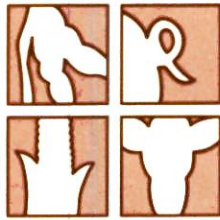




Cooperative  
Extension Service  
University of Illinois  
at Urbana-Champaign



# WEEKLY OUTLOOK

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

August 21, 1985

## U.S. SOYBEAN PROTEIN EXPORTS ARE DOWN SHARPLY

ONE OF THE MAJOR REASONS FOR THE POOR PERFORMANCE of soybean prices during the 1984-85 marketing year was the sharp decline in exports of U.S. soybean protein. Soybean meal exports for the marketing year which ends on September 30, 1985 are now projected at 4.7 million tons. Soybean exports for the year ending August 31, 1985 are projected at only 600 million bushels. Exports of that magnitude represent the equivalent of 14.18 million tons of soybean meal. Total protein exports, then, are expected to be only 18.88 million tons.

A year ago, soybean protein exports were forecast at 24.46 million tons. Actual exports represent a short fall of nearly 23 percent from expectations. Protein exports during the 1984-85 marketing year are 10 million tons, or 35 percent, less than during the peak years of 1979-80 and 1981-82.

The sharp decline in U.S. soybean protein exports over the past three years reflects two basic developments--increased competition and reduced consumption of soybean protein in western Europe.

During the peak year of U.S. soybean protein exports (1981-82), exports from Argentina and Brazil totaled 12.41 million tons. During the 1984-85 marketing year, exports from those two countries reached an estimated 17.05 million tons. Exports from South America increased 4.64 million tons, while U.S. exports declined 10.09 million tons.

Soybean meal consumption in countries other than the United States exceeded 46 million tons in both 1981-82 and 1982-83. Consumption in western Europe was record large in 1981-82 at 22.79 million tons.

In 1984-85, soybean meal consumption outside the United States is forecast at 43.85 million tons, 2.7 million less than in 1982-83. Consumption in western Europe is expected to reach only 19.5 million tons, 14 percent less than just three years ago.

What about the year ahead? Early indications suggest that world soybean meal consumption will rise modestly in 1985-86. The USDA projects about a 1 million ton increase outside of the United States. Consumption in western Europe is

STATE • COUNTY • LOCAL GROUPS • U.S. DEPARTMENT OF AGRICULTURE COOPERATING

THE ILLINOIS COOPERATIVE EXTENSION SERVICE PROVIDES EQUAL OPPORTUNITIES IN PROGRAMS AND EMPLOYMENT.

expected to remain stable. Early projections by the Foreign Agricultural Service reflect expectations that the Argentine soybean crop in 1986 will approach the 1984 record of 260 million bushels. However, the Brazilian crop is expected to be slightly smaller than the 1985 record of 625 million bushels. These estimates are very tentative as South America is just now approaching the planting season.

The outlook for a marginal increase in world consumption and a stable crop in South America, provides the basis for some optimism about U.S. soybean protein exports during the year ahead. A weaker U.S. dollar would add to the optimism. However, U.S. protein exports are certainly not expected to rebound to the level of three years ago. An increase of 2 to 2.5 million tons might be expected. That is equivalent to 85 to 105 million bushels of soybeans. With only a marginal increase in domestic soybean consumption expected, inventories will continue to mount during the year ahead. Soybean meal prices are expected to remain low relative to feed grain prices. Feed prices in general will be low because of large grain supplies and depressed livestock prices.

The value of the dollar, the progress of the South American crop, and the rate of exports of U.S. soybeans and soybean meal will be important factors to watch following harvest.

*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

Official Business  
Penalty for private use, \$300

POSTAGE AND FEES PAID  
U.S. DEPARTMENT OF  
AGRICULTURE  
AGR 101

