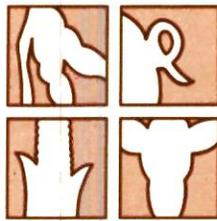




Cooperative
Extension Service
University of Illinois
at Urbana-Champaign



WEEKLY OUTLOOK

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

December 4, 1985

EXPORT UPDATE

THE RATES OF EXPORT FOR SOYBEAN AND SOYBEAN MEAL exceed the rates of a year ago, whereas corn, wheat, and soybean oil shipments are behind the pace set last year.

The marketing year for soybeans began on September 1. The USDA expects soybean exports for the marketing year to total about 675 million bushels, or 13 percent more than a year ago. Through the first 12 weeks of the year, exports reached about 149 million bushels, 16 percent more than the accumulated exports of a year ago. The increase has come from larger shipments to the European Economic Community and to Japan. Exports to Japan have been one-third larger than exports a year ago.

The marketing year for soybean meal and oil began on October 1. The USDA expects meal exports for the year to reach 5.5 million tons, 12 percent above shipments of a year ago. Oil exports are expected to decline by 13 percent to 1.45 billion pounds. Through the first eight weeks of the year, meal exports totaled 742 thousand tons, up 48 percent from a year ago. All of that increase is the result of increased sales to Western Europe, particularly the European Economic Community. Soybean oil exports during the first eight weeks of the marketing year reached only 91.3 million pounds, 69 percent below the level of a year ago. The decline reflects the fact that India has received no U.S. soybean oil to date, compared to 116 million pounds a year ago.

The improved market for soybeans and soybean meal is the result of a number of factors. The relatively small quantities of South American products and the decline in the value of the dollar have made U.S. products more competitive. The smaller grain harvest in Western Europe has also increased the European demand for low-priced protein meal. The increase in sales of soybeans and soybean meal, however, is in relation to very small exports of a year ago. Soybean exports a year ago were the lowest since 1976-77, and the projection for the current year is the second lowest since then.

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The rapid rate of soybean meal sales suggests that protein exports may exceed USDA projections. A key factor will be the size of the South American harvest next spring. Dry weather has delayed planting in some areas of Brazil this fall.

The corn marketing year began on October 1. For the entire year, the USDA projects corn exports at 1.625 billion bushels, about 12 percent less than a year ago. Exports during the first eight weeks of the year totaled 288 million bushels, 15 percent less than a year ago. Corn exports to most major importing countries have been below levels of a year ago. The exceptions are South Korea and Egypt. The biggest decline, about 50 percent, has been in sales to the Soviet Union.

The wheat marketing year began on June 1. The USDA forecasts exports for the year at 1 billion bushels, 30 percent less than exports of a year ago. Through 25 weeks of the marketing year, wheat exports (excluding flour) totaled only 453 million bushels, down 46 percent from the level of a year ago.

The decline in wheat exports is the result of sharp declines in sales to the Soviet Union, China, and a number of African countries. Shipments to the Soviet Union are down 97 percent; exports to China are down 76 percent; and African countries have received 43 percent less U.S. wheat than a year ago.

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