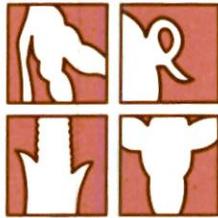




Cooperative
Extension Service
University of Illinois
at Urbana-Champaign



WEEKLY OUTLOOK

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

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ASSESSMENT OF EXPORT PROGRESS

The 1987-88 corn and soybean marketing year is approaching the halfway point, while the wheat marketing year is approaching the end of the third quarter. Exports of these commodities are running well ahead of last year's pace.

USDA export inspection figures show that 737.2 million bushels of corn were exported during the first 24 weeks of the 1987-88 marketing year. That figure is 155 million bushels, or 27 percent, above cumulative exports on the same date a year ago. It should be noted that recent export inspection figures have overstated actual exports as reported by the Department of Commerce. Through the first four months of the 1987-88 marketing year (September-December 1987) export inspection figures exceeded Commerce figures by 13.2 million bushels. That is an average difference of 700,000 bushels per week. The increase in corn exports so far this year reflects larger shipments to all of the major European and Asian importers of U.S. corn. Africa and the Western Hemisphere have imported less U.S. corn than a year ago.

Unshipped sales are also quite large. As of February 4, 358 million bushels of corn had been sold but not yet exported. That figure compares to 208 million bushels last year and 223 million bushels two years ago. The large level of unshipped sales reflects purchases by the European Community, Japan, and Taiwan. There are no reports of undelivered sales to the USSR at this time. The large level of outstanding sales suggests that corn export activity will remain brisk in the near term but could taper off during the summer months. The USDA projects 1.7 billion bushels of U.S. corn will be exported during the current marketing year. It is unlikely that exports will exceed that figure.

After 24 weeks, U.S. soybean exports were reported at 458.1 million bushels, up by 49 million bushels, or 12 percent, from the level of export on the same date a year ago. The increase reflects larger shipments to the European Community, the USSR, South Korea, and Brazil. Unshipped sales are larger than a year ago but by a small margin. As of February 4, undelivered sales were reported at 155 million bushels compared with 130 million bushels a year ago. The increase in undelivered sales reflects larger outstanding sales to the USSR and Japan.

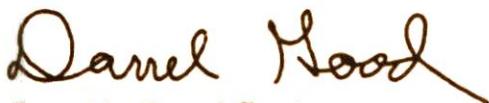
Soybean exports during the last half of the marketing year are expected to decline sharply if the South American crop matures normally. Earlier this month the USDA projected that crop at 1.05 billion bushels, 12 percent larger than last year's harvest. It is unlikely that soybean exports for the year will exceed the current USDA forecast of 760 million bushels.

Soybean meal exports are running well behind the pace of a year ago and well behind the rate needed to reach the USDA projection of 7 million tons. Through February 4, meal exports

totaled 2.12 million tons, compared to 2.88 million tons on the same date a year ago. That decline has been registered in spite of 515,000 tons being shipped to the USSR, compared with no shipments a year ago. Undelivered sales are nearly double the level of a year ago, but most of that increase reflects sales to the USSR.

With a large South American crop on the horizon, it is unlikely that U.S. meal sales will increase enough to reach the USDA projection. Sales may reach only 6.5 million tons. If so, the domestic soybean crush would fall short of the USDA projection by about 20 million bushels, leaving carryover stocks at 325 million bushels.

At the end of 37 weeks, wheat exports stand at 1.008 billion bushels, 44 percent above the level of exports on the same date a year ago. The large increase reflects the aggressive export enhancement program, with Eastern Europe, the USSR, and China buying significantly larger quantities of U.S. wheat. The USDA projects that exports for the 1987-88 marketing year will reach 1.55 billion bushels, 54 percent more than exported last year. Carryover stocks are expected to be reduced to 1.281 billion bushels, the lowest level since 1982.



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