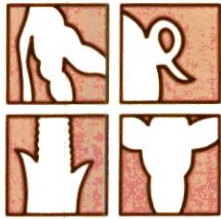




Cooperative
Extension Service
University of Illinois
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WEEKLY OUTLOOK

Department of Agricultural Economics
College of Agriculture
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April 20, 1988

USDA UPDATES ESTIMATES OF WORLD PRODUCTION

Last week, the USDA released revised estimates of 1987-88 world crop production. The major interest was in the revised figures for soybean production, particularly the size of the current crop in Brazil. Dryness in parts of that country late in the season has reduced potential production. The USDA now estimates that crop at 661 million bushels, 18 million fewer bushels than last month's estimate. The estimated size of the Argentine crop was unchanged from last month's estimate of 331 million bushels. Soybean production in Paraguay is estimated at 37 million bushels, about 1.5 million fewer bushels than the March estimate.

The April estimate of soybean production in those three South American countries totaled 1.029 billion bushels, down about 20 million bushels from the March estimate. That estimate, however, is 90 million bushels above the 1987 harvest and 74 million bushels above the 1985 record harvest in those countries. Production of soybeans in all countries, excluding the United States, is estimated at 1.818 billion bushels, up 152 million bushels from the record of last year. Production of all the major oilseed crops outside of the United States is estimated at 143.7 million tons, 7 percent above last year's record. Much of that increase represents increased rapeseed production in Western Europe.

In spite of large soybean crops outside of the United States, exports of U.S. soybean protein during the 1987-88 marketing year are expected to be slightly larger than exports a year ago. Exports of soybean meal are expected to be down by 634,000 tons, but the meal content of whole bean exports is projected to be up by 900,000 tons.

Wheat production outside of the United States is expected to total 16.35 billion bushels and is fractionally higher than the March figure, but 6 percent below the record crop of last year. The largest absolute reduction from wheat production last year was in the Soviet Union: the 1987 crop was down 434 million bushels (13 percent). Sharp reductions also occurred in Australia (25 percent) and Canada (17 percent). These smaller crops, along with the export bonus program, have resulted in a significant rebound in U.S. wheat exports during the 1987-88 marketing year.

The coarse grain crop outside of the United States is now pegged at 571.7 million tons, about .5 percent less than the March figure and 1.5 percent below the record production of last year. The largest decline has come in Eastern Europe. Production there is estimated at 64.3 million tons, down 13 percent from last year's record crop. Production in the Soviet Union was record large at 115.8 million tons, 9 percent above the record reached last year.

The USDA also issued its monthly *Supply and Demand* report last week. In the case of soybeans, the projection of exports during the current marketing year was increased by 25 million bushels, to 785 million bushels. Stocks of U.S. soybeans at the end of the marketing year on August 31, 1988, are now projected at 290 million bushels, the lowest level in 4 years.

The 1987-88 marketing year for wheat ends on May 31. Exports for that year are now projected at 1.6 billion bushels. That figure is an increase of 50 million bushels from last month's projection and almost 600 million bushels more than were exported last year. If that estimate is reached, exports will be 685 million bushels above the recent low reached in the 1985-86 marketing year and only 170 million fewer bushels than the record level reached in the 1981-82 marketing year. Stocks of wheat at the end of the current marketing year are expected to total only 1.231 billion bushels, 590 million fewer bushels than stocks a year ago. Ending stocks will be at a 6-year low.

No revisions were made in the supply and demand estimates for corn. Stocks at the end of the marketing year on August 31, 1988, are projected to be a burdensome 4.123 billion bushels. Based on the rate of feed and residual use of corn to date, however, use in that category may fall 100 million bushels below the current USDA forecast of 4.9 billion bushels.



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