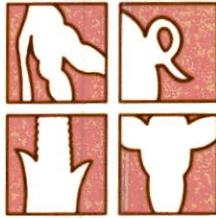




Cooperative
Extension Service
University of Illinois
at Urbana-Champaign



WEEKLY OUTLOOK

Department of Agricultural Economics
College of Agriculture
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September 27, 1989

EXPORT UPDATE

The 1988-89 marketing year for corn and soybeans ended on August 31. Based on USDA's weekly export inspection figures, soybean exports for the year totaled 539 million bushels. Based on estimates in USDA's *U.S. Export Sales* report, soybean exports totaled 542 million bushels. Both figures are larger than projected in the USDA's September *Supply and Demand* report. If those figures are correct, stocks of soybeans on September 1 should have been near 149 million bushels. Those stocks will be revealed in USDA's *Grain Stocks* report, to be released on September 28.

USDA's weekly inspection figures showed cumulative corn exports of 2.05 billion bushels. Summary figures from *U.S. Export Sales* totaled 2.07 billion bushels. Through July, figures from the Census Bureau showed less exports than the other two sources. None of the estimates included corn products. Earlier in the month, USDA projected exports of corn and corn products at 2.075 billion bushels. September 1 stocks of corn are more difficult to project than soybean stocks because of uncertainty about feed and residual use. Lower feed prices and the large numbers of animals being fed suggest that summer feed use was larger than projected and that September 1 stocks were near 1.8 billion bushels.

As pointed out last month, export sales of the 1989 corn and soybean crops have started slowly. Two weeks into the 1989-90 marketing year, corn sales totaled only 304 million bushels. Sales by the same time last year exceeded 500 million bushels. Sales to Mexico have been larger than a year ago, and Taiwan purchases are about equal to those of last year. China has bought 6 million bushels of U.S. corn. Sales to the two largest buyers, Japan and the USSR, are running well behind the pace of last year. The lower level of sales to Japan, however, represents a more typical buying pattern. Japan made large purchases early last year as the drought threatened the availability of corn.

Concerns about exports focus mostly on the USSR. Except for a small amount of carryover sales from the 1988-89 marketing year, no new corn has been sold to the USSR. Most observers believe that the USSR will buy large quantities of U.S. corn this year. Recent statements from that country indicate that purchases will be delayed until after December. The unusual buying pattern has brought the USDA's export projection of 2 billion bushels into question. If exports are to reach that level, shipments will need to average 39 million bushels per week for the next 50 weeks. New sales will have to average 34 million bushels per week.

Through September 14, only 111 million bushels of new crop soybeans had been sold for export, down about 12 percent from the low level of a year ago. The USSR had purchased 5 million bushels of soybeans compared with none a year ago. Taiwan had purchased more U.S. soybeans than last year. Sales to the European Community and Japan are well behind the pace of a year ago.

For the year, the USDA expects that soybean exports will reach only 575 million bushels, only six percent more than a year ago. Except for last year, the projected level of exports is the smallest since the 1976-77 marketing year. Two weeks into the year, exports total only 7.8 million bushels. Exports for the remainder of the year will have to average 11.3 million bushels per week to reach the USDA projection. New sales will have to average 9.3 million bushels per week.



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