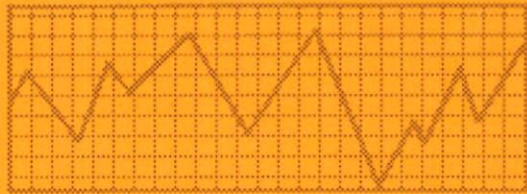




Cooperative  
Extension  
Service



# WEEKLY OUTLOOK

A joint publication of the Departments of Agricultural Economics, Colleges of Agriculture of Purdue University, West Lafayette, Indiana, and the University of Illinois at Urbana-Champaign

NOVEMBER 18, 1991

## WORLD AND U.S. CROP ESTIMATES CONTINUE TO CHANGE

The USDA's November *Crop Production* report contained a number of revisions in the estimated size of world and U.S. grain and oilseed crops. World crop estimates have implications for U.S. export prospects.

In the case of corn, the U.S. crop estimate was increased by only 7 million bushels, to a total of 7.486 billion bushels. The 1991 crop is estimated to be 447 million bushels smaller than the 1990 crop. The final production estimate for the season will be released in early January. The most significant changes included a 118 million bushel increase in the size of the Chinese corn crop and a 67 million bushel increase in the Mexican crop estimate. The larger Chinese crop will result in a continuation of competition for U.S. corn in the Asian market. The larger Mexican crop will reduce export prospects for U.S. corn to that country.

The production estimate for coarse grains in the USSR was reduced by 5 million tons, to a total of only 85.5 million tons. That crop is nearly 25 percent smaller than the 1990 crop and is the smallest harvest in 10 years. The smaller crop, however, does not translate into a sharp increase in imports, due to the lack of hard currency in the USSR. The USDA projects a 16 percent decline in coarse grain feeding in the USSR this marketing year. The projection of U.S. corn exports was lowered from 1.65 to 1.575 billion bushels, the lowest level in 5 years and the third lowest level in 17 years. Stocks of U.S. corn at the end of the 1991-92 marketing year are projected at 1.284 billion bushels, the lowest level in 8 years. Projected stocks are adequate if the 1992 growing season is favorable.

The 1991 U.S. soybean production estimate was increased by 28 million bushels, to a total of 1.962 billion. The crop is nearly 2 percent larger than the 1990 crop and the largest crop in 6 years. Soybean production in the rest of the world is expected to increase by 46 million bushels, reflecting an 82 million bushel increase in South America and a 37 million bushel reduction in China. South American production, however, is expected to be 103 million bushels smaller than the record harvest of 1990.

World production of major oilseeds (including soybeans) is estimated at 222.4 million tons in 1991-92, up 2.3 percent from last year's crop. Production of oilseeds other than soybeans is projected at 117.1 million tons, 2.4 percent larger than last year's production. Most of that increase is coming in the United States, where production is nearly 26 percent larger than last



year's crops. Production of oilseeds, other than soybeans, in the rest of the world is up only about 0.5 percent. Over the past 12 years, there has been only one year when production of these other oilseed crops outside the United States has declined. Over that time, the average annual increase in production was 4.2 percent.

As a result of the small 1991 South American soybean harvest and the very small increase projected for world oilseed production in 1991-92, U.S. export prospects have improved. U.S. soybean exports are expected to increase by 53 million bushels (17 percent), soybean meal exports are expected to increase by 800,000 tons (15 percent), and soybean oil exports are projected to increase by 325 million pounds (45 percent). Even with improved export prospects, stocks of U.S. soybeans at the end of the 1991-92 marketing year are expected to be abundant, at 315 million bushels.

In the case of wheat, the USDA lowered its production estimates for Australia and the USSR by 37 million and 184 million bushels, respectively. The estimates for Eastern Europe and China were increased by 37 million and 74 million bushels, respectively. Production of wheat outside of the United States is nearly 5 percent smaller than last year's crop. The USDA increased its U.S. export projection by 25 million bushels, to a total of 1.125 billion bushels. Stocks of U.S. wheat at the end of the 1991-92 marketing year are projected at 514 million bushels, the lowest level in 17 years. Those stocks are more than adequate if the 1992 crop develops favorably.

The market greeted the new round of production, demand, and stock projections with a sigh of relief. December corn futures rallied 3 cents, December wheat futures (Chicago) moved 8 cents higher, and January soybean futures managed a 15 cent rally. Those higher prices quickly gave way, however, as delays in the announcement of a credit package for the USSR were extended and additional precipitation was forecast for the hard red winter wheat areas. This type of choppy, sideways price pattern may continue well into the winter.

*Darrel Good*

Issued by Darrel Good  
Extension Economist  
University of Illinois

Cooperative Extension Service  
United States Department of Agriculture  
University of Illinois  
At Urbana-Champaign  
Urbana, Illinois 61801