

WEEKLY OUTLOOK



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SOYBEAN AND WHEAT EXPORTS UP, CORN DOWN

In its January *Supply and Demand* report, the USDA projected a 19 percent increase in soybean exports during the 1991-92 marketing year. Wheat exports are expected to be 17 percent larger, while corn exports are projected to decline by nearly 9 percent.

Through the first 20 weeks of the 1991-92 soybean marketing year, USDA export inspection figures showed shipments of 303 million bushels of soybeans. That figure is 47 percent larger than cumulative exports of a year ago. Exports are off to the fastest start since the 1987-88 marketing year. Export estimates from the USDA's *U.S. Export Sales* report and from the Census Bureau have been very close to the USDA inspection figures. That has not always been the case.

The rapid pace of soybean exports to date is due, in large part, to the small Brazilian harvest of last spring. That crop was 24 percent smaller than the 1990 harvest, 33 percent smaller than the record harvest of 1989, and the smallest harvest since 1986. Total South American production was down 15 percent from last year's crop. All of the major importers, except Mexico, have bought more U.S. soybeans than a year ago. The biggest gains have been to the USSR, Eastern Europe, and Western Europe. As of January 16, 135 million bushels of soybeans had been sold for export, but not yet shipped. That figure is 23 million bushels, or 20 percent, larger than outstanding sales of a year ago.

To reach the USDA's projection of 665 million bushels of soybean exports by August 31, shipments for the next 32 weeks will have to average 11.3 million bushels per week, only slightly higher than the average for the same time period last year. Exports will depend largely on the size of the 1992 South American harvest. The USDA is currently projecting that crop at 1.09 billion bushels, only 7 percent larger than the 1991 harvest. If the crop does not exceed the current projection, exports could exceed the current forecast by 10 to 20 million bushels.

Through the first 33 weeks of the 1991-92 marketing year, USDA export inspection figures showed wheat exports of 796 million bushels, an increase of 24 percent from the level of a year ago. The large increase reflects a continuation of the export bonus program and generous export credits to the former USSR. Shipments to the USSR total 127 million bushels, nearly 5 times the level of shipments by this time last year. Shipments to China are up 35 percent and exports to Japan are up 14 percent.

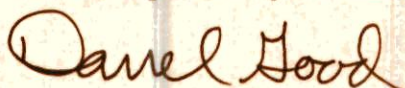
To reach the USDA projection of 1.25 billion bushels for the year, exports during the last 19 weeks of the marketing year will have to average nearly 24 million bushels per week, 1.5 million bushels above the average during the same period last year. As of January 16, 210 million bushels of wheat had been sold for export, but not yet shipped. That figure is 50 million bushels, or 30 percent, larger than outstanding sales of a year ago. Over half of the outstanding sales are to the former USSR and China.

It appears that wheat exports will easily meet the USDA projection. Only 245 million bushels need to be sold to reach that level. The key will be the export bonus program and the reallocation, if any, of outstanding export credits to the USSR.

Through the first-20 weeks of the corn marketing year, USDA export inspection figures totaled 589 million bushels, 5 percent less than the shipments of a year ago. Figures from the *U.S. Export Sales* report showed exports 20 million bushels less than the inspection figures, while figures from the Census Bureau were equal to inspection figures through November.

Corn exports to the USSR are 5 times larger than a year ago, but total sales to the USSR are down about 25 percent. Sales to Japan are up 11 percent, while sales to Taiwan are about unchanged. Sales to Egypt, Mexico, and South Korea are down sharply. The decline in exports to South Korea reflects increased exports of Chinese corn to that country.

To reach the USDA's projection of 1.575 billion bushels of corn exports by August 31, exports will have to average about 30 million bushels per week for the next 32 weeks, about 10 percent less than the average of the same period last year. As of January 16, only 237 million bushels of corn had been sold for export but not yet shipped. That figure is 154 million bushels, or 39 percent, less than outstanding sales of a year ago. Without additional credits to the former USSR, exports may fall short of the USDA projection.



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