



WEEKLY OUTLOOK



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SEASONAL PATTERN OF SOYBEAN EXPORTS

There is a very distinct seasonal pattern of exports of soybeans from the United States. Weekly exports are typically small as the marketing year begins in September, large during the winter months, and relatively small during the spring and summer months. Consider the past seven years as an example. For the marketing years 1984-85 through 1990-91, exports during the first eight weeks of the year averaged 9.5 million bushels per week. The average was 16.6 million per week in the next twenty-two weeks and 8.5 million bushels during the final twenty-two weeks of the marketing year. Described another way, the weekly rate of exports during the first eight weeks of the year averaged 74 percent of the annual rate. The average increased to 131 percent of the annual rate in the following twenty-two weeks and declined to 67 percent of the annual rate during the final twenty-two weeks.

The seasonal pattern of U.S. exports reflects the harvest and marketing of the South American soybean crop. That crop is harvested in the March through May period and competes most heavily with U.S. soybeans in the world market through October. The spring and summer decline in U.S. exports was less pronounced last year because of the relatively small South American harvest. The 1991 crop in Brazil, Argentina, and Paraguay totaled 1.05 billion bushels, 12.5 percent smaller than the previous harvest and the smallest crop in four years.

The large South American crop currently being harvested should result in a more typical seasonal pattern of U.S. soybean exports this year. Typically, the weekly rate of U.S. exports begins the seasonal decline in the first half of April. During the 1985-86 marketing year, the decline began in mid-May. For the past seven years (excluding last year) the weekly rate of exports for the period April through August averaged 49 percent less than the weekly rate for the period September through March. The decline exceeded 50 percent in four of those six years. The decline was only 35 percent in 1986-87 and 45 percent in 1985-86, when soybean prices were extremely low and South American production was relatively constant.

For the current marketing year, U.S. soybean exports averaged 16.27 million bushels per week during the first 30 weeks of the marketing year (September through March). If that rate declines by a typical 50 percent for the period April through August, exports for the

entire marketing year will reach 667 million bushels. From March 27 through April 23, exports averaged 14.1 million bushels per week, declining to 11.2 million in the final week. If the seasonal decline is a little late or slightly less pronounced than the typical decline, the rate of exports to date projects to a total of 688 million bushels. The USDA is currently projecting exports at 680 million bushels. Exports need to average 7.5 million bushels per week for the remainder of the year for that total to be reached.

As of April 23, soybean exports plus outstanding export sales totaled 609 million bushels. To reach the USDA's projection for the year, only 4 million bushels of soybeans need to be sold each week for the remainder of the marketing year. The average for the past two weeks was 3.9 million bushels.

For much of the year, the market has anticipated that U.S. soybean exports would be larger than currently projected by the USDA. The recent decline in exports and export sales in line with the typical seasonal pattern suggests that the current projection is probably correct. Some early harvest delays in Brazil have been overcome and harvest there is near a normal pace.

Soybean prices will now mostly reflect U.S. weather conditions. We still expect that the March highs will be exceeded during periods of adverse weather this spring or summer.

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