



WEEKLY OUTLOOK



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WORLD PRODUCTION ESTIMATES UPDATED

The USDA's world supply and demand estimates for the major grain and oilseed crops were updated last week. For the upcoming marketing year, world stocks of coarse grains (corn, sorghum, barley and oats) are expected to increase while wheat and soybean inventories are projected to decline slightly.

COARSE GRAINS. World production of coarse grains during the 1992-93 marketing year is now projected at 823.8 million tons, 3 percent larger than last year's crop. Production in the United States is expected to be 12 percent larger than the 1991 crop, while production in the rest of the world is expected to be about unchanged. Corn accounts for 87.5 percent of the projected U.S. coarse grain crop. That crop is expected to be 13 percent larger than the 1991 harvest.

Production in South Africa and the former USSR is expected to rebound from the small crops of the past year. The South African crop is projected to be nearly 3 times as large as the drought reduced crop of this year. The crop in the former USSR is projected to increase by 16.5 percent and imports are expected to decline by one-third. The crops in Eastern Europe, the European Community, and China are expected to decline by 16 percent, 7 percent, and 2 percent, respectively. World coarse grain trade is expected to decline by 5.5 percent. Imports of corn by the former USSR are projected at 6.4 million tons, 42 percent smaller than imports of the current marketing year.

Consumption of coarse grains world wide is expected to expand by less than 1 percent during the 1992-93 marketing year, leading to an increase in stocks. That increase, however, will occur entirely in the United States. Ending stocks in the U.S. are projected to increase by one-third, while stocks outside the U.S. are projected to be about unchanged.

WHEAT. World wheat production for the 1992-93 marketing year is projected at 543.8 million tons, about the same size as the 1991-92 crop. Production in the United States is estimated at 60.7 million tons, nearly 13 percent larger than the 1991 harvest. Production in the rest of the world is expected to decline by 4 million tons. Production is projected to increase by 46 percent in Australia and 12 percent in the former USSR. Production is expected to decline by 20 percent in Eastern Europe and by 11 percent in Canada.

Wheat consumption in the former USSR is projected to decline by 5.3 million tons, or about 5 percent, while imports are expected to decline by 6 million tons, or 29 percent. World wheat

trade during the 1992-93 marketing year is projected at 101.7 million tons, down 5 percent from this past year. The U.S. is expected to lose market share to Australia.

The relatively small world wheat crop will keep stocks from accumulating. Ending stocks are projected at 128.7 million tons, down 2.4 million tons from stocks of this year and 14 million tons less than stocks of 2 years ago.

SOYBEANS. World soybean production is expected to increase by 1.7 million tons, or 1.6 percent, during the year ahead. A slightly smaller U.S. crop is expected to be more than offset by increased production in Argentina, Brazil, and China. Production of all major oilseeds is expected to show a smaller increase of 0.7 percent, due to a reduction in the size of the world rapeseed crop.

World consumption of soybeans is projected to increase by about 1 million tons, leaving stock levels slightly lower, at 18.4 million tons. The U.S. is expected to hold 42 percent of the inventory, about unchanged from the level of the past 2 years.

The projections for the 1992-93 marketing year are clearly very tentative. Many of the southern hemisphere crops have not yet been planted. If these projections materialize, world grain stocks will remain at comfortable levels. Projected stocks of corn, coarse grains, and soybeans represent 17 to 18 percent of total annual use. Wheat stocks represent 23 percent of annual use.

With the threat to the U.S. soybean and feed grain crops essentially eliminated with the rainfall of the past 2 weeks, corn and soybean prices will remain under pressure into harvest. The lows of the past 3 years will likely be challenged again.

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

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