



WEEKLY OUTLOOK



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CORN AND SOYBEAN USE TO EXCEED PROJECTIONS?

With 7.5 weeks left in the 1991-92 marketing year for corn and soybeans, it appears that use for the year will be slightly larger than projected by the USDA earlier this month.

SOYBEANS. The USDA has projected that soybean exports for the marketing year will reach 680 million bushels, 123 million bushels more than were exported last year and the largest shipments in 4 years. Export shipments through July 9 totaled 626.1 million bushels according to USDA export inspection figures and 623.3 million according to the weekly U.S. Export Sales report. Through May, figures from the Commerce Department showed soybean exports running about 6 million bushels behind USDA figures.

Using the weekly inspection figures, exports for the remainder of July and August will have to average 7.1 million bushels per week to reach the USDA projection of 680 million bushels. That is about 2 million bushels per week less than the average for the same period last year. The needed rate is also slightly less than the average since the seasonal decline in exports began in late April. Exports have averaged 7.4 million bushels per week for the past 11 weeks.

As of July 9, the USDA indicated that 63 million bushels of soybeans had been sold for export before the end of August, but not yet shipped. That is, export commitments now stand at 686 to 689 million bushels, depending on which weekly report of inspections is used. It is generally believed that some of the outstanding export sales will be cancelled, or more likely moved into the 1992-93 marketing year. The USDA now expects exports next year to total 675 million bushels, 25 million bushels above the projection of a month ago. It appears, however, that actual shipments this year could exceed the USDA projection by 5 to 10 million bushels.

The USDA currently projects the domestic soybean crush for the 1991-92 marketing year at 1.235 billion bushels, 4 percent larger than the crush of a year ago. Through May, the U.S. Census Bureau indicated that 950 million bushels had been crushed, 5.4 percent more than during the same period last year. Weekly figures from the National Oilseed Processors Association indicate that the crush since May has been nearly 8 percent larger than during the same 7 weeks last year. The crush for the year may well exceed the USDA projection by 10 to 15 million bushels. Overall, use could easily exceed projections by 20 million bushels.

CORN. The USDA has projected that corn exports for the 1991-92 marketing year will reach 1.55 billion bushels, 10 percent below exports of a year ago and the smallest shipments in 5 years. Through July 9, exports totaled 1.342 billion bushels according to the weekly inspection figures, but only 1.288 billion according to the weekly U.S. Export Sales report. Through May, figures from the Commerce Department showed corn exports running about 11 million bushels behind USDA inspection figures.

If the weekly inspection figures are correct, exports for the last 7.5 weeks of the 1991-92 marketing year need to average 27.5 million bushels per week to reach the USDA projection. Exports during the same period last year averaged 33.5 million bushels per week. As of July 9, the USDA indicated that 259.5 million bushels of corn had been sold for export during this marketing year, but not yet delivered. That is, export commitments stand at 1.547 to 1.601 billion bushels, depending on which weekly report of shipments is used. It appears that exports will exceed the USDA projection by 25 million bushels.

The biggest uncertainty surrounding corn use is in the feed and residual category. Through the first three quarters of the year, use in that category stood at a record 4.046 billion bushels. The USDA projects that use during the last quarter (June through August) will also be record large at 904 million bushels. The size of the livestock inventory and the relatively high price of wheat, suggest that use could be even larger. Stocks of corn on September 1 may be below 1 billion bushels for the first time in 16 years.

The level of corn and soybean stocks at the end of the 1991-92 marketing year will not be revealed until September 30. Revelation of small stocks would help establish a bottom in the corn and soybean markets.



Issued by Darrel Good
Extension Specialist
University of Illinois

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