



WEEKLY OUTLOOK



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CORN AND SOYBEAN EXPORT PROGRESS

In its February report, the USDA's World Agricultural Outlook Board revised the projections of 2009-10 marketing year corn and soybean exports. The marketing year is nearing the midpoint, so that prospects for the year are becoming into better focus.

U.S. corn exports for the current marketing year are projected at 2 billion bushels, 50 million below the January projection, but 142 million above the very low level of a year ago. The projection is 437 million bushels below the record exports established in the 2007-08 marketing year. From September 1, 2009 through February 4, 2010, the USDA reported corn export inspections of 694 million bushels, 14 million more than the total of a year earlier. From September through December 2009, Census Bureau exports exceeded export inspections by 51 million bushels. Last year, Census Bureau estimates through February exceeded inspections by 35 million bushels. If the 51 million bushel margin has been maintained since December this year, cumulative exports are about 30 million larger than those of a year ago. To reach the USDA projection of 2 billion bushels for the year, weekly shipments need to average about 42.2 million bushels from now through August. To date, exports have averaged only 33.2 million bushels per week.

As of February 4, 2010, the USDA reported that 469 million bushels of corn have been sold for export, but not yet shipped. Unshipped sales a year earlier totaled only 373 million bushels. Export commitments (shipments plus sales) are currently near 1.21 billion bushels. Weekly sales now need to average about 26.6 million bushels per week in order for commitments to reach 2 billion bushels. For the 4 weeks ended February 4, sales averaged 41.1 million bushels. The pace of outstanding export sales is encouraging, but the pace of shipments will have to accelerate substantially to reach the projection of 2 billion bushels.

U.S. soybean exports during the current marketing year are projected at 1.4 billion bushels, 25 million bushels above the January projection and 117 million bushels above the record exports of a year ago. From September 2009 through February 4, 2010, the USDA reported export inspections of 978 million bushels, 262 million above the cumulative total of a year ago. From September through December 2009, Census

Bureau soybean export estimates exceeded inspections by 15 million bushels. Through February last year, Census Bureau estimates exceeded inspections by 42 million bushels. If the 15 million bushel difference between the Census Bureau and inspections estimates has been maintained since December, current exports exceed those of a year ago by 235 million bushels. To reach the USDA projection of 1.4 billion bushels for the year weekly shipments need to average 13.7 million bushels per week from now through August 2010. To date, exports have averaged 44.3 million bushels per week.

As of February 4, the USDA reported that 313 million bushels of soybeans had been sold for export but not yet shipped. The total of those outstanding sales was 222 million bushels a year ago. Weekly sales now need to average only about 3.2 million bushels to reach total commitments of 1.4 billion bushels. Weekly sales have begun the seasonal decline, averaging 12.8 million bushels for the 2 weeks ended February 4. Sales should continue to decline as the record South American crop comes to market. That crop is now forecast at 4.754 billion bushels, 1.244 billion larger than the drought reduced crop of 2009.

The USDA projects 2009-10 marketing year soybean meal exports at a record 10 million tons, 17.5 percent larger than exports of a year ago. The Census Bureau reports exports during the first quarter of the year at 3.439 million tons, 65 percent above the first quarter total of last year. Soybean oil exports are projected at a record 3.25 billion pounds, 48 percent larger than exports of a year ago. For the first quarter of the marketing year, the Census Bureau reports exports of 952 million pounds, 164 percent larger than exports of a year ago. Last year, exports were small in the first half and large in the second half of the year. Like soybean exports, the pace of meal and oil shipments will slow with the availability of the South American crop.

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