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Trade Implications of the Food Security Act of 1985

Abstract

One of the central themes of the Food Security Act of 1985 (FSA85) is to make the United States more competitive in exporting agricultural commodities. The means to achieve this objective include lower loan rates, marketing loan provisions, and export credits and subsidies. The comprehensive analysis of the FSA85 (Womack et. al.) has taken these programs into account in making estimates of U.S. prices, exports and other performance variables. The purpose of this paper is to focus attention on the foreign import demand and competitor supplies that underlie the U.S. export estimates and to evaluate the responsiveness of trade patterns to the changes in U.S. policies.

Keywords

Agriculture, Policy, Food security, International Trade

Disciplines

Agricultural and Resource Economics | Agriculture | Economic Policy | Food Security | International Economics

Trade Implications of the Food Security Act of 1985

William H. Meyers and Michael D. Helmar

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Introduction

One of the central themes of the Food Security Act of 1985 (FSA85) is to make the United States more competitive in exporting agricultural commodities. The means to achieve this objective include lower loan rates, marketing loan provisions, and export credits and subsidies. The comprehensive analysis of the FSA85 (Womack et.al.) has taken these programs into account in making estimates of U.S. prices, exports and other performance variables. The purpose of this paper is to focus attention on the foreign import demand and competitor supplies that underlie the U.S. export estimates and to evaluate the responsiveness of trade patterns to the changes in U.S. policies.

This analysis was conducted with the FAPRI regional trade model by imposing the price levels determined in the FAPRI cross-commodity model analysis of the FSA85 (Womack et.al.). The same foreign income growth and exchange rate assumptions were used, and the U.S. exports generated by the regional trade model were consistent with the levels determined in the cross-commodity model. The regional trade analysis is focused on feed grains, wheat, and soybeans--the three largest export earning crops.

Trade Patterns Under FSA85

With the reduction of loan rates, U.S. and world market prices fall. The depreciation of the U.S. dollar also adds to the competitiveness of U.S. exports in world markets. These factors should stimulate world imports and increase the U.S. market share.

Net exports of wheat are projected to increase more than 16 percent from the low point in 1985/86, but do not reach 1984/85 levels during the forecast period. The primary reason is that imports by the USSR and China are not

projected to return to their 1984/85 levels. On the export side, the EC is expected in the short run to increase export restitutions in order to maintain export levels of 15-16 million tons. They will also have to continue to carry the large stocks that built up as a result of the exceptional yield in 1984/85. In the longer run, the increased costs of stock holding and export subsidies may increase pressures to alter domestic support policies. Competitors' exports are projected to increase by only five percent, while U.S. exports grow by 40 percent between 1985/86 and 1988/89. Thus, the U.S. export share by 1988/89 nearly returns to the 1983 and 1984 levels of 40 percent.

Feed Grains

Net exports of feed grains are projected to increase by 12 percent from 1985/86 to 1988/89. The growth is broadbased among importing regions except the EC, which is expected to increase exports of feed grain surpluses. Net exports of competitors grow by about eight percent, primarily in Argentina and South Africa. By 1988/89, South Africa is expected to restore export supplies to levels that existed from 1979 to 1981. Exports of the United States grow more rapidly (15 percent) than that of competitors, so the U.S. trade share increases slightly but not to the levels of earlier years.

Soybeans and Soymeal

Net exports of soybeans and soymeal increase nearly 16 percent from 1985/86 to 1988/89. Although the developed country markets of Europe and Japan remain very important, more rapid import growth is projected for other regions. Except for Brazil's recovery from the drought effects in 1985/86, competitor exports remain similar to recent years, so the U.S. trade share holds or grows slightly.

Export Response to Price Changes

The degree to which U.S. exports are influenced by changes in U.S. export prices depends on several factors:

1. Foreign demand and supply response. The more importers and competing exporters insulate their domestic markets from world price fluctuations, the less impact price changes will have on U.S. exports.
2. U.S. trade share. The larger U.S. exports are relative to foreign demand or supply, the less impact price changes will have. It is easier for a very small exporter to, say, double its exports by reducing its export price because it is a small share of the total market.
3. Duration of the price change. The longer the price change remains in effect, the greater will be the impact on exports. Because of the time involved in adding or removing production capacity in agriculture, foreign as well as domestic production would respond more to a long run change than to a short run change in prices.
4. Scope of the price change. If the price of only one of several substitutable commodities changes, the export impact for that commodity will be greater. If the prices of all grains change together, the export impact is smaller since the possibilities for substitution are more limited.

The export response to price on which the FSA85 analysis is based is reported in Table 5. The impacts for wheat and corn were generated by evaluating what would happen if the projected prices were held constant at current loan rates from 1986/87 to 1988/89. By the last year, wheat exports would be 17 percent lower and corn exports about 13 percent lower. In both cases exports dropped by nearly 0.5 percent for each 1 percent rise in prices (elasticity of nearly .5). In both cases the export response to price changes became larger over time.

Since soybean prices in the FSA85 analysis were only slightly below the current loan rate, an earlier soybean yield impact analysis by Meyers et.al. was used. Soybeans exports in the first year dropped by 0.8 percent and in the third year by 1.4 percent for each 1 percent increase in price. The

greater export response is partly due to the fact that, unlike corn and wheat, soybean trade is relatively free of price insulation and trade barriers. Since soybeans are so tightly linked to the product soymeal, an analysis of the net effects on both exports is more appropriate. When the price of soybeans increases, some direct soymeal exports are substituted for soybean exports. When this is taken into account, the net impact on both meal and bean exports is reduced, and an elasticity of -0.86 is obtained for the third year.

In all these cases, export responsiveness to price changes increases with time. The three year period is relatively short, but it is expected that even corn and wheat export response would reach the elasticity of -1.0 over several years.

Export Performance Under FSA85

The value of exports is important not only because of its contribution to income in agriculture but also because of its contribution to reducing the large U.S. trade deficit. The crops evaluated in this report plus rice and cotton constitute nearly two-thirds of the value of agricultural trade in most years. All of the projected export values, except corn, increase between 1985/86 and 1988/89, but only soybeans and soymeal surpass the export values in 1984/85 (Table 6). None of the commodities reach the export values of 1983/84.

When projected export performance for 1986-88 is compared to that of the previous 12 years, it is not encouraging (Table 7). For all commodities, average U.S. export levels and values peaked in the 1978-81 period. Except for wheat, projected export levels in 1986-88 are equal to or better than that in the dismal 1982-85 period; but export values are lower in all cases.

Because of the short run export elasticities, exports do not increase enough to offset the price declines, so export values also decline. These consequences are more related to the world economic and policy environment than to the FSA85. These conditions were created by forces mostly external to agricultural policy, so it is not likely that a change in commodity programs will reverse the situation.

6
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Table 1. World Wheat Trade Patterns, 1983/84-1985/86 and Projections under the FSA85

Region	83/84 ^a	84/85 ^a	85/86 ^a	86/87	87/88	88/89
Million Metric Tons						
Net Exporters						
Canada	21.03	18.10	17.18	17.63	17.61	17.04
Australia	13.92	17.18	15.11	15.32	15.91	15.74
EC	13.84	15.77	15.15	15.05	15.19	16.08
Argentina	9.24	7.39	6.48	6.48	7.23	7.85
Total Non-U.S.	58.04	58.43	53.91	54.48	55.93	56.71
United States	38.89	38.75	24.67	28.89	31.48	34.61
(trade share %)	(40)	(40)	(31)	(35)	(36)	(38)
Total Net Exports	96.93	97.18	78.58	83.38	87.40	91.31
Net Importers						
Japan	5.47	5.57	5.48	5.42	5.35	5.27
India	2.80	-0.38	-0.69	-1.46	-1.29	-1.46
USSR	20.47	27.06	14.92	16.92	17.14	17.87
China	11.25	7.81	6.45	5.89	5.84	5.34
E. Europe	1.22	0.46	1.73	1.67	1.57	1.70
Africa & M.E.	21.25	21.91	19.93	20.96	21.75	23.00
Other Asia	11.01	10.80	9.13	10.12	11.09	11.98
Other Lat. America	11.01	11.52	9.21	9.71	10.89	11.84
Other W. Europe	-0.41	-0.40	-0.50	-0.60	-0.70	-0.80
Other Importers	12.89	14.46	12.93	14.75	15.76	16.56
Wheat Price						
U.S. Gulf (\$/MT)	153	138	135	123	121	117

^aData for 1983/84-1985/86 from USDA Foreign Agriculture Circular, "Grains," January 1986.

Table 2. World Feed Grains Trade Patterns, 1983/84-1985/86 and Projections under the FSA85

Region	83/84 ^a	84/85 ^a	85/86 ^a	86/87	87/88	88/89
Thousand Metric Tons						
Net Exporters						
Argentina	12958	14202	15203	16137	16044	16335
Canada	7961	6493	7780	7801	7699	7690
Australia	3025	3134	3220	2897	2744	2558
Thailand	2914	2639	2772	2866	2851	2934
South Africa	812	638	1943	2099	3605	3824
Total Non-U.S.	27670	27106	30919	31800	32943	33340
United States	55182	56523	48487	51194	54106	55902
(trade share %)	(67)	(68)	(61)	(62)	(62)	(63)
Total Net Exports	82852	83628	79407	82994	87049	89242
Net Importers						
EC	947	439	-708	-1316	-2155	-2767
Japan	19388	20095	21962	23055	24305	25367
Spain	6066	6231	6602	7039	7294	7591
USSR	14637	23045	13704	14870	15589	17004
E. Europe	5785	5465	5765	6065	6615	6665
Hi Income E. Asia	8237	7953	8147	8499	9195	9101
Other Importers	27793	20400	23935	24783	26206	26281
Corn Price						
U.S. Gulf (\$/MT)	138	113	109	92	83	85

^aData for 1983/84-1985/86 from USDA Foreign Agriculture Circular, "Grains," January 1986.

Table 3. World Soybean Trade Patterns, 1983/84-1985/86 and Projections under the FSA85

Region	83/84 ^a	84/85 ^a	85/86 ^a	86/87	87/88	88/89
Thousand Metric Tons						
Exporters						
Brazil	1590	3260	76	1910	2071	1871
Argentina	2970	3290	3051	2860	2608	2366
China	730	1000	800	700	700	700
Total Non-U.S.	5290	7550	3928	5470	5379	4938
United States	20221	16275	20396	21054	21963	23177
(trade share %)	(79)	(68)	(84)	(79)	(80)	(82)
Total Net Exports	25511	23825	24324	26524	27342	28115
Importers						
EC	9690	9880	9768	10229	10279	10268
Spain	2600	2100	2417	2720	3014	3093
Japan	4730	4610	4864	4985	5089	5133
E. Europe	780	551	639	628	686	729
USSR	950	850	850	1380	1430	1480
Other Importers	6543	5123	5786	6581	6844	7411
Soybean Price						
Rotterdam (\$/MT)	301	233	230	222	220	221

^aData for 1983/84-1985/86 from USDA Foreign Agriculture Circular, "Oilseeds and Products," January 1986.

Table 4. World Soymeal Trade Patterns, 1983/84-1985/86 and Projections under the FSA85

Region	83/84 ^a	84/85 ^a	85/86 ^a	86/87	87/88	88/89
Thousand Metric Tons						
Exporters						
Brazil	7711	8440	8144	8080	8131	8384
Argentina	2120	2880	2874	3086	3281	3455
China	690	650	550	500	550	600
Total Non-U.S.	10521	11970	11567	11666	11962	12439
United States	4860	4460	4322	5158	5437	5958
(trade share %)	(32)	(27)	(27)	(31)	(31)	(32)
Total Net Exports	15381	16430	15889	16824	17399	18397
Importers						
EC	7340	7610	7333	7492	7783	8069
Spain	60	590	239	159	88	157
Japan	438	440	531	551	589	680
E. Europe	3550	3260	3187	3272	3319	3387
USSR	830	550	600	1575	1695	1854
Other Importers	4071	3898	3999	3774	3925	4250
Soymeal Price						
Rotterdam (\$/MT)	221	155	189	191	188	192

^aSee Table 3.

Table 5. Responsiveness of U.S. and Competitor Exports to Changes in U.S. Prices in FAPRI Trade Models

	First Year	Second Year	Third Year
Wheat^a			
Imports (%)	-3.8	-4.4	-5.1
Competitor Exports (%)	1.2	2.8	5.1
U.S. Exports (%)	-8.3	-11.9	-16.9
Price (%)	28.8	32.0	37.0
U.S. Export Value (%)	20.4	20.0	20.0
U.S. Export Elasticity	-0.29	-0.37	-0.46
Corn^a			
Imports (%)	-0.6	-2.9	-2.9
Competitor Exports (%)	2.3	8.8	9.4
U.S. Exports (%)	-2.7	-12.5	-12.7
Price (%)	24.7	27.2	26.2
U.S. Export Value (%)	22.0	14.7	13.6
U.S. Export Elasticity	-0.11	-0.46	-0.48
Soybeans^b			
Imports (%)	-6.0	-4.6	-4.0
Competitor Exports (%)	4.3	3.9	4.8
U.S. Exports (%)	-9.1	-7.0	-6.3
Price (%)	11.0	5.2	4.4
U.S. Export Value (%)	1.9	-1.8	-1.9
U.S. Export Elasticity	-0.83	-1.35	-1.43
Soybeans and Soymeal^b			
Elasticity	-0.65	-0.79	-0.86

^aComputed by comparing FSA85 results to the case where prices are held at current loan rates.

^bComputed by reducing soybean production by 5 percent per year. soybean case ignores the effect on soymeal exports. The "Soybeans and Soymeal" case aggregates soybean and soymeal export values to estimate a joint response elasticity.

Table 6. Annual Value of U.S. Agricultural Exports

Crop/Year ^a	83/84	84/85	85/86	86/87	87/88	88/89
	Million Dollars					
Corn	7022	5918	4857	4149	4191	4418
Wheat	6497	5707	3137	3078	3273	3380
Soybeans	5714	3870	4150	4019	4365	4731
Soymeal	1203	876	780	921	986	1049
Rice	897	667	543	426	474	553
Cotton	2395	1952	827	938	1146	1376
Other	14299	10981	8517	8119	8591	9153
Total	38027	29971	22811	21650	23026	24660

^aBased on July-June year as reported in Agricultural Statistics. The 1983/84 figures are actual data, other years are estimated data.

Table 7. Selected U.S. and World Export Patterns Under Three Previous Farm Bill Periods and under FSA85.

	1974-77	1978-81	1982-85	1986-88
Wheat				
World Exports (mil. m.t.)	54.63	78.37	90.15	88.77
U.S. Exports (mil. m.t.)	29.02	39.80	35.73	31.68
U.S. Share (%)	53.1	50.8	39.6	35.7
U.S. Value (\$Mil)	4075	6511	5313	3244
Feed Grains				
World Exports (mil. m.t.)	66.79	87.99	79.35	86.43
U.S. Exports (mil. m.t.)	47.78	64.57	53.48	53.73
U.S. Share (%)	71.5	73.4	67.4	62.2
U.S. Value-Corn (\$Mil)	4599	7208	5879	4253
Soybeans				
World Exports (mil. m.t.)	18.42	25.64	25.25	27.33
U.S. Exports (mil. m.t.)	15.25	22.23	20.21	21.70
U.S. Share (%)	82.8	86.7	80.0	79.4
U.S. Value (\$Mil)	3771	6019	4900	4372
Soymeal				
World Exports (mil. m.t.)	9.35	13.48	15.51	16.99
U.S. Exports (mil. m.t.)	4.55	6.40	5.16	5.96
U.S. Share (%)	48.7	47.5	33.3	35.1
U.S. Value (\$Mil)	868	1515	1077	985
Rice				
World Exports (mil. m.t.)	8.76	12.26	11.83	*
U.S. Exports (mil. m.t.)	2.07	2.71	2.11	2.49
U.S. Share (%)	23.7	22.1	17.9	*
U.S. Value (\$Mil)	780	1185	745	484
Cotton				
World Exports (mil. m.t.)	3.69	4.27	4.23	*
U.S. Exports (mil. m.t.)	0.95	1.52	1.14	1.20
U.S. Share (%)	25.8	35.6	27.0	*
U.S. Value (\$Mil)	1289	2338	1719	1153

*Projections for rice and cotton are made with aggregate export models so regional detail is not available.

Appendix 1

Detailed Commodity Tables for
Trade Implications of the Food Security Act of 1985

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
U.S. WHEAT						
MILLION HECTARES						
AREA PLANTED	30.92	32.05	29.39	29.27	27.72	25.28
AREA HARVESTED	24.85	27.07	26.14	26.03	24.63	22.41
YIELD (MT/HA)	2.65	2.61	2.52	2.54	2.57	2.60
MILLION METRIC TONS						
PRODUCTION	65.85	70.65	65.87	66.11	63.29	58.27
BEG. STOCKS	41.20	37.96	38.45	50.08	56.47	58.46
TOT. SUPPLY	107.05	108.62	104.32	116.19	119.76	116.73
FEED USE	10.20	11.20	9.37	10.45	9.39	9.30
FOOD USE	17.28	17.69	17.71	18.03	18.31	18.58
SEED, ETC.	2.72	2.53	2.48	2.34	2.12	2.04
EXPORTS	38.89	38.75	24.67	28.89	31.48	34.61
TOT. DEMAND	69.09	70.17	54.23	59.72	61.30	64.53
END. STOCKS	37.96	38.45	50.08	56.47	58.46	52.20
FARM PRICE (\$/BU)	3.49	3.11	3.00	2.47	2.39	2.27

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
U.S. WHEAT						
MILLION ACRES						
AREA PLANTED	76.4	79.2	72.6	72.3	68.5	62.5
AREA HARVESTED	61.4	66.9	64.6	64.3	60.8	55.4
YIELD (BU/AC)	39.4	38.8	37.5	37.8	38.2	38.7
MILLION METRIC TONS						
PRODUCTION	2420	2596	2420	2429	2325	2141
BEG. STOCKS	1514	1395	1413	1840	2075	2148
TOT. SUPPLY	3934	3991	3833	4269	4400	4289
FEED USE	375	412	344	384	345	342
FOOD USE	635	650	651	663	673	683
SEED, ETC.	100	93	91	86	78	75
EXPORTS	1429	1424	906	1062	1157	1272
TOT. DEMAND	2539	2578	1993	2194	2252	2371
END. STOCKS	1395	1413	1840	2075	2148	1918
FARM PRICE (\$/BU)	3.49	3.11	3.00	2.47	2.39	2.27

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
=====						
CANADA WHEAT						

MILLION HECTARES						
AREA HARVESTED	13.73	13.31	12.94	12.57	12.18	11.54
YIELD (MT/HA)	1.94	1.61	1.74	1.86	1.88	1.90
MILLION METRIC TONS						
PRODUCTION	26.63	21.43	22.52	23.39	22.89	21.92
BEG. STOCKS	9.20	9.59	7.58	7.53	7.82	7.58
TOT. SUPPLY	35.83	31.02	30.10	30.92	30.71	29.50
FEED USE	2.11	2.10	2.12	2.16	2.17	2.18
FOOD USE	3.10	3.24	3.27	3.31	3.35	3.39
EXPORTS	21.03	18.10	17.18	17.63	17.61	17.04
TOT. DEMAND	26.24	23.43	22.57	23.10	23.13	22.60
END. STOCKS	9.59	7.58	7.53	7.82	7.58	6.90

AUSTRALIA WHEAT						

MILLION HECTARES						
AREA HARVESTED	12.91	12.76	12.67	12.59	12.52	12.47
YIELD (MT/HA)	1.70	1.52	1.38	1.50	1.51	1.51
MILLION METRIC TONS						
PRODUCTION	21.95	19.40	17.48	18.89	18.91	18.84
BEG. STOCKS	2.40	7.27	6.49	5.84	6.55	6.62
TOT. SUPPLY	24.35	26.67	23.97	24.73	25.46	25.45
FEED USE	1.20	1.41	1.32	1.54	1.62	1.72
FOOD USE	1.95	1.60	1.70	1.31	1.32	1.35
EXPORTS	13.92	17.18	15.11	15.32	15.91	15.74
TOT. DEMAND	17.07	20.19	18.13	18.17	18.85	18.81
END. STOCKS	7.27	6.49	5.84	6.55	6.62	6.65

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
----- EC WHEAT -----						
MILLION HECTARES						
AREA HARVESTED	13.10	13.60	13.10	13.33	13.37	13.44
YIELD (MT/HA)	4.59	5.61	5.09	5.04	5.13	5.17
MILLION METRIC TONS						
PRODUCTION	60.15	76.35	66.63	67.21	68.53	69.54
BEG. STOCKS	18.60	15.40	22.90	20.90	20.20	20.50
TOT. SUPPLY	78.75	91.75	89.53	88.11	88.73	90.04
FEED USE	19.51	22.29	22.79	22.11	22.22	22.47
FOOD USE	30.00	30.80	30.70	30.76	30.83	30.89
EXPORTS	13.84	15.77	15.15	15.05	15.19	16.08
TOT. DEMAND	63.35	68.85	68.63	67.91	68.23	69.44
END. STOCKS	15.40	22.90	20.90	20.20	20.50	20.60
----- ARGENTINA WHEAT -----						
MILLION HECTARES						
AREA HARVESTED	6.38	5.83	5.15	5.63	5.81	5.97
YIELD (MT/HA)	1.79	2.16	1.92	1.96	2.00	2.05
MILLION METRIC TONS						
PRODUCTION	11.42	12.59	9.89	11.04	11.62	12.25
BEG. STOCKS	3.10	0.80	1.50	0.50	0.66	0.66
TOT. SUPPLY	14.52	13.39	11.39	11.54	12.28	12.90
FEED USE	0.20	0.15	0.15	0.15	0.15	0.15
FOOD USE	4.27	4.35	4.26	4.25	4.25	4.25
EXPORTS	9.24	7.39	6.48	6.48	7.23	7.85
TOT. DEMAND	13.72	11.89	10.89	10.88	11.62	12.25
END. STOCKS	0.80	1.50	0.50	0.66	0.66	0.66

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
=====						
INDIA WHEAT						

MILLION HECTARES						
AREA HARVESTED	23.63	24.48	24.79	24.89	24.89	24.84
YIELD (MT/HA)	1.82	1.83	1.86	1.90	1.95	2.00
MILLION METRIC TONS						
PRODUCTION	43.01	44.80	46.10	47.30	48.53	49.67
BEG. STOCKS	12.00	16.00	17.10	18.10	18.33	18.69
TOT. SUPPLY	55.01	60.80	63.20	65.40	66.86	68.36
FEED USE	0.30	0.30	0.30	0.30	0.30	0.30
FOOD USE	41.51	43.02	44.11	45.31	46.59	47.71
EXPORTS	-2.80	0.38	0.69	1.46	1.29	1.46
TOT. DEMAND	39.01	43.70	45.10	47.07	48.17	49.46
END. STOCKS	16.00	17.10	18.10	18.33	18.69	18.90
=====						
JAPAN WHEAT						

MILLION METRIC TONS						
PRODUCTION	0.70	0.83	0.97	1.12	1.27	1.42
BEG. STOCKS	1.82	1.74	1.83	1.88	1.93	1.98
NET IMPORTS	5.47	5.57	5.48	5.42	5.35	5.27
TOT. SUPPLY	7.99	8.14	8.28	8.42	8.55	8.67
FEED USE	0.14	0.11	0.10	0.10	0.09	0.08
FOOD USE	6.10	6.20	6.29	6.39	6.47	6.55
TOTAL DEMAND	6.24	6.31	6.40	6.48	6.56	6.64
END. STOCKS	1.74	1.83	1.88	1.93	1.98	2.04

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
=====						
USSR WHEAT						
=====						
MILLION METRIC TONS						
PRODUCTION	79.00	73.00	83.00	84.00	85.00	86.00
NET IMPORTS	20.47	27.06	14.92	16.92	17.14	17.87
TOT. SUPPLY	99.47	100.06	97.92	100.92	102.14	103.87
FEED USE	37.41	36.11	35.14	39.76	40.72	41.84
FOOD USE	60.06	59.95	58.79	61.16	61.41	62.04
TOTAL DEMAND	97.47	96.06	93.92	100.92	102.14	103.87
STOCK CHANGE	2.00	4.00	4.00	0.00	0.00	0.00
=====						
PRC WHEAT						
=====						
MILLION METRIC TONS						
PRODUCTION	81.39	87.80	86.00	91.20	93.90	96.60
NET IMPORTS	11.25	7.81	6.45	5.89	5.84	5.34
TOT. SUPPLY	92.64	95.61	92.45	97.09	99.74	101.94
UTILIZATION	92.64	95.61	92.45	97.09	99.74	101.94
STOCK CHANGE	0.00	0.00	0.00	0.00	0.00	0.00
=====						
E EUROPE WHEAT						
=====						
MILLION METRIC TONS						
PRODUCTION	35.40	41.60	37.10	38.30	39.40	40.00
NET IMPORTS	1.22	0.46	1.73	1.67	1.57	1.70
TOT. SUPPLY	36.62	42.06	38.83	39.97	40.97	41.70
UTILIZATION	36.92	41.66	38.73	39.89	40.97	41.70
STOCK CHANGE	-0.30	0.40	0.10	0.08	0.00	0.00
=====						

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
=====						
WORLD TOTAL						

MILLION METRIC TONS						
OTHER REGIONS						
AFRICA & M.E.	21.25	21.91	19.93	20.96	21.75	23.00
OTHER ASIA	11.01	10.80	9.13	10.12	11.09	11.98
OTHER LAT. AMERICA	11.01	11.52	9.21	9.71	10.89	11.84
OTHER W. EUROPE	-0.41	-0.40	-0.50	-0.60	-0.70	-0.80
ROW	12.89	14.46	12.93	14.75	15.76	16.56
WORLD TOTAL						
NET IMPORTS	96.96	98.81	78.58	83.38	87.40	91.31
NET EXPORTS	96.96	98.81	78.58	83.38	87.40	91.31

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
----- WORLD WHEAT TRADE -----						
MILLION METRIC TONS						
NET EXPORTERS						
CANADA	21.03	18.10	17.18	17.63	17.61	17.04
AUSTRALIA	13.92	17.18	15.11	15.32	15.91	15.74
EC	13.84	15.77	15.15	15.05	15.19	16.08
ARGENTINA	9.24	7.39	6.48	6.48	7.23	7.85
TOTAL NON-U.S.	58.04	58.43	53.91	54.48	55.93	56.71
UNITED STATES	38.89	38.75	24.67	28.89	31.48	34.61
WORLD TOTAL	96.93	97.18	78.58	83.38	87.40	91.31
----- MILLION METRIC TONS -----						
NET IMPORTERS						
JAPAN	5.47	5.57	5.48	5.42	5.35	5.27
INDIA	2.80	-0.38	-0.69	-1.46	-1.29	-1.46
USSR	20.47	27.06	14.92	16.92	17.14	17.87
CHINA	11.25	7.81	6.45	5.89	5.84	5.34
E. EUROPE	1.22	0.46	1.73	1.67	1.57	1.70
AFRICA & M.E.	21.25	21.91	19.93	20.96	21.75	23.00
OTH. ASIA	11.01	10.80	9.13	10.12	11.09	11.98
OTH. LAT. AMERICA	11.01	11.52	9.21	9.71	10.89	11.84
OTH. W. EUROPE	-0.41	-0.40	-0.50	-0.60	-0.70	-0.80
ROW	12.89	14.46	12.93	14.75	15.76	16.56
WORLD TOTAL	96.96	98.81	78.58	83.38	87.40	91.31

ANALYSIS OF 1985 FARM BILL-FEED GRAINS

YEAR	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89
=====						
U.S. CORN						

AREA HARV. (MIL. AC)	51.5	71.8	75.1	66.6	65.4	64.5
YIELD (BU/ACRE)	81.1	106.5	116.4	114.0	115.3	116.1
MILLION BUSHELS						
PRODUCTION	4175	7656	8747	7591	7544	7490
BEG. STOCKS	3120	723	1378	3082	3249	3200
IMPORTS	2	2	1	1	1	1
TOT. SUPPLY	7297	8381	10126	10673	10794	10691
FEED USE	3734	4100	4291	4477	4478	4557
FOOD USE	795	858	888	933	967	999
SEED, GASOHOL, ETC.	179	207	241	277	311	339
EXPORTS	1866	1838	1625	1736	1837	1903
TOT. DEMAND	6574	7003	7045	7424	7594	7798
END. STOCKS	723	1378	3082	3249	3200	2893
FARM PRICE (\$/BU)	3.20	2.65	2.47	1.99	1.94	1.96

WORLD FEED GRAINS TRADE						

THOUSAND METRIC TONS						
NET EXPORTERS						
ARGENTINA	12958	14201	15202	16136	16044	16335
CANADA	7961	6493	7771	7801	7699	7690
AUSTRALIA	3025	3132	3219	2896	2744	2558
THAILAND	2914	2639	2772	2866	2851	2934
SOUTH AFRICA	812	638	1943	2099	3605	3824
TOTAL NON-U.S.	27670	27102	30908	31799	32942	33340
UNITED STATES	55182	56529	48507	51195	54107	55902
WORLD TOTAL	82852	83631	79415	82993	87049	89242

THOUSAND METRIC TONS						
NET IMPORTERS						
EC	947	439	-708	-1316	-2155	-2767
JAPAN	19388	20097	21963	23054	24305	25367
SPAIN	6066	6232	6602	7039	7294	7591
USSR	14637	23045	13704	14870	15589	17004
E. EUROPE	5785	5465	5765	6065	6615	6665
HI INCOME E ASIA	8237	7953	8150	8499	9195	9101
ROW	27793	20400	23940	24783	26206	26281
WORLD TOTAL	82852	83631	79415	82993	87049	89242

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
=====						
U.S. SOYBEANS						

MILLION ACRES						
AREA PLANTED	63.1	67.7	62.7	62.9	61.9	62.8
AREA HARVESTED	62.5	66.1	61.4	61.6	60.6	61.5
YIELD (BU/ACRE)	26.2	28.2	34.2	31.5	31.9	32.1
MILLION BUSHELS						
PRODUCTION	1636	1861	2101	1942	1934	1974
BEG. STOCKS	345	176	318	543	533	455
TOT. SUPPLY	1981	2037	2419	2485	2467	2429
CRUSH	983	1030	1044	1089	1115	1149
EXPORTS	743	598	749	774	807	852
OTHER USE	79	91	83	90	90	90
TOT. DEMAND	1805	1719	1876	1952	2012	2090
END. STOCKS	176	318	543	533	455	339
FARM PRICE (\$/BU)	7.75	5.87	5.19	4.86	4.99	5.05
=====						
U.S. SOYMEAL						

1000 SHORT TONS						
PRODUCTION	22763	24526	24794	25852	26482	27277
BEG. STOCKS	474	265	397	365	392	398
TOT. SUPPLY	23237	24791	25191	26217	26874	27675
DOMESTIC CONS.	17615	19478	20062	20139	20483	20706
EXPORTS	5357	4916	4764	5686	5993	6567
TOT. DEMAND	22972	24394	24826	25825	26476	27273
END. STOCKS	265	397	365	392	398	402
DECATUR PRICE (\$/ST)	188	125	146	138	139	142

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
----- BRAZIL SOYBEANS -----						
1000 HECTARES						
AREA HARVESTED	9320	9600	8851	9616	9649	9685
YIELD (MT/HA)	1.63	1.79	1.53	1.74	1.74	1.76
1000 METRIC TONS						
PRODUCTION	15200	17203	13498	16731	16789	17046
BEG. STOCKS	3610	3738	3827	3267	3600	3623
TOT. SUPPLY	18810	20941	17325	19998	20389	20669
CRUSH	12510	12850	12958	13446	13642	14069
NET EXPORTS	1590	3260	76	1910	2071	1871
OTHER USE	972	1004	1023	1042	1053	1082
TOT. DEMAND	15072	17114	14058	16398	16766	17023
END. STOCKS	3738	3827	3267	3600	3623	3646
----- BRAZIL SOYMEAL -----						
1000 METRIC TONS						
PRODUCTION	9700	9940	10107	10488	10641	10974
BEG. STOCKS	680	979	629	589	619	644
TOT. SUPPLY	10380	10919	10736	11077	11260	11618
DOMESTIC CONS.	1690	1850	2004	2378	2484	2565
EXPORTS	7711	8440	8144	8080	8131	8384
TOT. DEMAND	9401	10290	10147	10458	10616	10949
END. STOCKS	979	629	589	619	644	669

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
=====						
ARGENTINA SOYBEANS						

1000 HECTARES						
AREA HARVESTED	2910	3269	3346	3364	3363	3357
YIELD (MT/HA)	2.40	1.99	2.18	2.19	2.20	2.21
1000 METRIC TONS						
PRODUCTION	7000	6500	7294	7367	7398	7418
BEG. STOCKS	1800	2574	1638	1634	1643	1651
TOT. SUPPLY	8800	9074	8932	9001	9041	9069
CRUSH	2980	3860	3950	4186	4458	4708
EXPORTS	2970	3290	3051	2860	2608	2366
OTHER USE	276	286	297	312	324	336
TOT. DEMAND	6226	7436	7298	7358	7390	7410
END. STOCKS	2574	1638	1634	1643	1651	1659
=====						
ARGENTINA SOYMEAL						

1000 METRIC TONS						
PRODUCTION	2370	3080	3069	3253	3464	3658
BEG. STOCKS	140	250	180	230	223	250
TOT. SUPPLY	2510	3330	3249	3483	3687	3908
DOMESTIC CONS.	140	270	145	174	156	181
EXPORTS	2120	2880	2874	3086	3281	3455
TOT. DEMAND	2260	3150	3019	3260	3437	3636
END. STOCKS	250	180	230	223	250	272

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
----- EC SOYBEANS -----						
	1000 METRIC TONS					
PRODUCTION	86	142	294	300	305	310
BEG. STOCKS	329	197	373	365	363	371
IMPORTS	9690	9880	9768	10229	10279	10268
TOT. SUPPLY	10105	10219	10435	10894	10947	10949
CRUSH	9610	9500	9706	10149	10177	10163
OTHER USE	298	346	364	382	399	417
TOT. DEMAND	9908	9846	10070	10531	10576	10580
END. STOCKS	197	373	365	363	371	369
----- EC SOYMEAL -----						
	1000 METRIC TONS					
PRODUCTION	7640	7570	7784	8140	8162	8151
BEG. STOCKS	355	295	285	205	208	220
NET IMPORTS	7340	7610	7333	7492	7783	8069
TOT. SUPPLY	15335	15475	15402	15837	16153	16440
DOMESTIC CONS.	15040	15190	15197	15629	15933	16211
END. STOCKS	295	285	205	208	220	229

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
----- SPAIN SOYBEANS -----						
1000 METRIC TONS						
PRODUCTION	0	0	0	0	0	0
BEG. STOCKS	23	15	3	8	12	16
IMPORTS	2600	2100	2417	2720	3014	3093
TOT. SUPPLY	2623	2115	2420	2728	3026	3109
CRUSH	2600	2100	2399	2701	2993	3071
OTHER USE	8	12	14	15	17	18
TOT. DEMAND	2608	2112	2412	2716	3010	3089
END. STOCKS	15	3	8	12	16	20
----- SPAIN SOYNEAL -----						
1000 METRIC TONS						
PRODUCTION	2050	1700	1919	2161	2395	2457
BEG. STOCKS	130	40	80	87	94	100
NET IMPORTS	60	590	239	159	88	157
TOT. SUPPLY	2240	2330	2237	2407	2576	2714
DOMESTIC CONS.	2200	2250	2151	2313	2476	2607
END. STOCKS	40	80	87	94	100	107

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
=====						
JAPAN SOYBEANS						

1000 METRIC TONS						
PRODUCTION	217	210	220	225	230	235
BEG. STOCKS	800	827	819	859	875	899
IMPORTS	4730	4610	4864	4985	5089	5133
TOT. SUPPLY	5747	5647	5903	6069	6194	6267
CRUSH	3830	3790	3982	4107	4190	4217
FOOD USE	840	844	861	880	891	906
OTHER USE	250	194	201	207	214	220
TOT. DEMAND	4920	4828	5044	5194	5295	5343
END. STOCKS	827	819	859	875	899	924

=====						
JAPAN SOYMEAL						

1000 METRIC TONS						
PRODUCTION	2993	3027	3126	3224	3290	3311
BEG. STOCKS	83	188	123	117	121	124
NET IMPORTS	438	440	531	551	589	680
TOT. SUPPLY	3514	3655	3780	3893	4000	4115
DOMESTIC CONS.	3326	3532	3663	3772	3876	3987
END. STOCKS	188	123	117	121	124	128

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
=====						
E. EUROPE SOYBEANS						

	1000 METRIC TONS					
PRODUCTION	635	707	750	725	725	725
IMPORTS	780	551	639	628	686	729
TOT. SUPPLY	1415	1258	1389	1353	1411	1454
CRUSH	1360	1200	1327	1293	1346	1387
OTHER USE	55	58	62	60	65	67
TOT. DEMAND	1415	1258	1389	1353	1411	1454
CHANGE IN STOCKS	0	0	0	0	0	0

=====						
E. EUROPE SOYMEAL						

	1000 METRIC TONS					
PRODUCTION	1070	950	1046	1019	1060	1093
NET IMPORTS	3550	3260	3187	3272	3319	3387
TOT. SUPPLY	4620	4210	4233	4291	4379	4480
DOMESTIC CONS.	4580	4210	4230	4286	4382	4478
CHANGE IN STOCKS	40	0	3	5	-3	2

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
=====						
WORLD SOYBEAN TRADE						

EXPORTERS						
BRAZIL	1590	3260	76	1910	2071	1871
ARGENTINA	2970	3290	3051	2860	2608	2366
CHINA	730	1000	800	700	700	700
TOTAL NON-U.S.	5290	7550	3928	5470	5379	4938
UNITED STATES	20221	16275	20396	21054	21963	23177
WORLD TOTAL	25511	23825	24324	26524	27342	28115

IMPORTERS						
EC	9690	9880	9768	10229	10279	10268
SPAIN	2600	2100	2417	2720	3014	3093
JAPAN	4730	4610	4864	4985	5089	5133
E. EUROPE	780	551	639	628	686	729
USSR	950	850	850	1380	1430	1480
ROW	6543	5123	5786	6581	6844	7411
WORLD TOTAL	25293	23114	24324	26524	27342	28115

ANALYSIS OF 1985 FARM BILL

YEAR	83/84	84/85	85/86	86/87	87/88	88/89
----- WORLD SOYNEAL TRADE -----						
EXPORTERS						
BRAZIL	7711	8440	8144	8080	8131	8384
ARGENTINA	2120	2880	2874	3086	3281	3455
CHINA	690	650	550	500	550	600
TOTAL NON-U.S.	10521	11970	11567	11666	11962	12439
UNITED STATES	4860	4460	4322	5158	5437	5958
WORLD TOTAL	15381	16430	15889	16824	17399	18397

IMPORTERS						
EC	7340	7610	7333	7492	7783	8069
SPAIN	60	590	239	159	88	157
JAPAN	438	440	531	551	589	680
E. EUROPE	3550	3260	3187	3272	3319	3387
USSR	830	550	600	1575	1695	1854
ROW	4071	3898	3999	3774	3925	4250
WORLD TOTAL	16289	16348	15889	16824	17399	18397
