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Economics Newsletter

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MAJOR U.S. EXPORTS IN 1977 AND PROJECTED FOR 1978

Farm Exports a Record

U.S. exports of agricultural products continued to rise in 1977. Their total value was \$23.7 billion. Exports of most agricultural products rose both in volume and in value, except for wheat and feedgrains. The quantity of wheat exported was down about 8 percent and the value down about 28 percent. Feedgrain volume fell 6 percent with a declining value of 19 percent. Together, the value of wheat and feedgrain exports was off \$2.3 billion.

Export values were higher for soybeans (+33%), soybean and cottonseed oils (+74%), protein meal (+8%), dairy products (+24%), fats, oils, and greases (+34%), meats and meat products (+19%), and for other crops not grown in our area. While the origins of these products cannot be traced directly, it might be safe to assume that South Dakota farmers shared in the increased sales and incomes.

Agricultural imports also rose during 1977, bringing that total to \$13.45 billion. A nearly 50 percent rise in coffee prices was associated with a 25 percent decline in volume imported. Cocoa, tea and spices were also higher-priced. The net result of our agricultural trade was a surplus of \$10.2 billion which helps offset an over-all U.S. trade deficit of \$27 billion.

Wheat

Japan and the USSR remained the largest importers of U.S. wheat during 1977 with Japan buying 3.32 million metric tons and Russia taking 3.02 million tons. Taiwan, Egypt, Iran, Portugal and Mexico took increased quanti-

ties of wheat last year. India and Turkey, often good U.S. markets, have had good harvests and have been exporting some wheat.

Coarse Grains

There were large coarse-grain harvests throughout the world last year and it had the effect of reducing the U.S. feedgrain exports by about six percent. This volume was still the second largest on record. However, sales to the USSR, the European Community (EC) and Eastern Europe were down considerably, with smaller declines of exports to Canada and Egypt. Feedgrain exports were up 17 percent to Japan and considerably higher in such areas as Portugal, South Korea, Taiwan, Greece and Israel.

Combined soybean and soybean meal exports were the highest ever, at 21.5 million tons. Bean exports increased, however, while meal exports declined in volume. The export unit values were up in both cases due to a short 1976 crop of beans. Soybean export volumes increased to the EC (+4%) and Japan (+11%). Shipments to the USSR, Spain and Taiwan were slightly lower than in 1976. Oilmeal shipments were down to the EC, Spain and Eastern Europe; but Japan and Canada took larger amounts. Soybean oil exports were up 52 percent, much of the increase going to India and Egypt.

Livestock Products

The value of all animal and animal products exports increased by 12 percent from \$2.4 billion to \$2.7 billion. Japan is the largest U.S. market for beef although the U.S. share of that market dropped in 1977.

A Look Ahead

World wheat and coarse grain production prospects for this year are very tentative at this writing. Winter wheat seedings in the U.S. are down 14 percent and intentions to plant show spring wheat down five percent and feedgrain plantings with a decline of one percent. Reports from overseas are mixed with inadequate rainfall in part of the Soviet wheat region, Eastern Europe and North Africa. In Western Europe, India and China, growing conditions are considered generally better.

It is anticipated that the volume of U.S. oilseed-and-product exports could rise by 10 percent, but the values will likely be down as much as 22 percent as there has been a general rise in supplies here and throughout the world. Eastern Europe is an expanding market for oilseeds and meals. The U.S. norm-

ally accounts for nearly half of the world output. The large U.S. and world supplies will put pressure on local market prices.

U.S. exports of beef are expected to continue high this year. U.S. supplies of beef are plentiful and overseas demand for quality beef cuts continues strong. Japan will remain the largest U.S. market for beef. Our exports of pork are expected to decline about 15 percent as the result of larger pork output in Canada, Mexico, the European Community and Japan. Each of the poultry meat categories is expected to gain slightly.

Exports from the United States should benefit from the weakening of the U.S. dollar against foreign currencies in major markets such as Japan and West Germany. They are now paying less for U.S. products than they were a few months ago.

Robert J. Antonides, Extension Economist and Associate Professor

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Remember - Agri-Business Day is Tuesday, April 4, 1978

8:30 A.M.-Staurolite Inn, Brookings

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