

U.S. grain exports likely to be shorter due to expanding world grain production

By DIETER KRIEG
WASHINGTON, D.C. — Grain exports are running

25 per cent ahead of a year ago, but due to favorable agricultural conditions all around the globe the U.S. is likely to have stockpiles this year which are nearly as big as those of four years ago. Export controls for 1976-77 are described as "very remote." No problems are seen in U.S. crop production, except possibly in the Southwest where drought has been of concern. A wheat crop of 1.8 to 1.9 billion bushels is expected in the U.S. while the Soviet crop is expected to be significantly improved, thus creating a situation in which exports are not likely to be as great as in previous years.

Soybean exports are at record levels, but prices are lower because of the significant increase in available edible oil, particularly palm oil and Brazilian soybeans.

Farmers have therefore made the right decision by cutting back on soybeans. Most switched to corn, which is okay, but what's really needed is more cotton. That market is reportedly in need of greater production, but, unfortunately, few LANCASTER FARMING subscribers can grow the fluffy white stuff.

With grain reserves expected this year and next, suggestions are circulating in the Capitol and farming regions as to how reserves should be handled.

Farmers are reminded that "full production" means "no restraint," not "plant from fence row to fence row."

The U.S.'s credibility as an exporter of grains has been damaged by the indictments of grain exporters. The Russians have not been getting "real good deals" during the past two years.

That, in a nutshell, is how Richard Bell, assistant U.S. secretary of agriculture, described the current grain production - export situation. He made the remarks last week at the Hotel Washington before a group of Newspaper Farm Editors who were holding their annual meeting there. The Secretary also noted that more grain sales to Russia could be expected "any day" and that there had been lots of discussions going on between Russian buyers and U.S. export firms. The prediction held true, as reports of sales were made just a day later.

Bell said the world food situation is much improved from a year ago, especially in poorer countries. Russia is predicting a 205,000,000 ton wheat crop, although that goal has been judged to be a little far-fetched by USDA experts. In the past, USDA has had more accurate predictions on Soviet crop yields than the Russians themselves.

The improved grain outlook is due mostly to a world-wide increase in rice production, as well as record grain yields last year in the U.S. Bell noted that the outlook would have even been much better if the Soviet crop had not been as disastrous as it was.

In spite of the greater yields and increasing stockpiles, many people around the world are still in need of food aid, Bell reminded the gathering of farm writers. He pointed out that the United States and Canada continue to be the world's primary food suppliers. Western European countries are providing some food aid to poor countries now, Bell said, but the oil exporting countries are still idle in that respect.

The Secretary predicts that U.S. wheat stocks for the summer of 1977 will reach close to 50 million tons if current projections hold true. "But they're high predictions," he added. At any rate, the stockpile is likely to be nearly as great as those held prior to Russian grain sales in 1972. Asked about how grain reserves are to be held, Bell expressed ideas which would favor private concerns, rather than government ownership.

Bell was asked to comment on countervailing duties, a means which makes the importation of foreign products less favorable to importers. According to the USDA spokesman, these duties are not a "revenue-maker." They simply deter imports. For example, a countervailing duty at a rate of 28 cents per pound has been imposed on beef from Ireland. Since then Irish beef has stayed in Ireland — hence no income from that tax.

Negotiations between USDA and Europe have been going on to seek more favorable status for American tobacco and citrus growers, Bell said. USDA is looking at those proceedings with "great hopes," the Secretary said.

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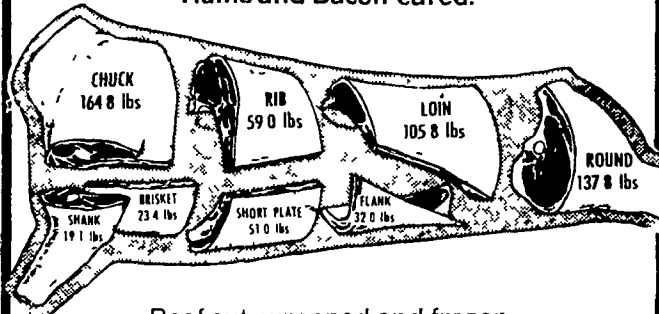


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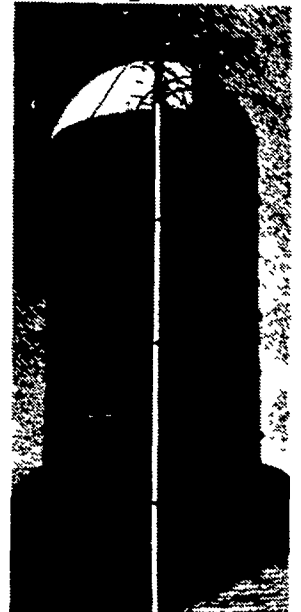
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