

Contribution Of Corn Exports To Domestic Utilization

WASHINGTON, D.C. — In the United States, demand for corn is determined by domestic utilization as well as international demand. U.S. farmers must produce the quantity of corn necessary to meet both domestic and international demand in order to maximize their returns and minimize their per unit costs of production. The export market can greatly influence total demand and corn producer incomes.

Exports of corn as a percent of total production have doubled since the 1960s. Between 1988 and 1992, exports have averaged 28.2 percent, or more than 1 out of every 3.5 acres of corn harvested in the United States.

Exports of value-added corn products, such as corn gluten feed, corn oil and high fructose corn syrup, have more than doubled only 3.06 million metric tons (mmt) in 1982 to over 7.35 mmt in 1992. The combined exports of value-added corn products and whole corn have accounted for an average of 30.6 percent of corn production in the United States during that time period.

Increases in corn exports to meet increases in international demand translate into increased domestic farm prices for corn. Recent studies have found that for every 100-million-bushel (2.54 mmt) increase in exports, the domestic price of a bushel of corn

increased by 7 cents in 1992.

U.S. exports of corn this year are way ahead of last year's export pace. As of March 25, U.S. corn exports totaled 1.3 billion bushels (bbu), compared to only 1.1 bbu during the same period last year; this represents an 18 percent increase. The U.S. Feed Grains Council's World Feed Grains Demand Model forecasts U.S. corn exports increasing from 1.5 bbu in 1992 to 2 bbu by 2001, or a 3.1 percent annual increase.

For more information about domestic corn utilization and prices, contact the U.S. Feed Grains Council, 1400 K St., NW, Suite 1200, Washington, D.C., 20005, (202) 789-0789.



CORN TALK NEWS

PENNSYLVANIA MASTER CORN GROWERS ASSOC., INC.

China Faces Poor Corn Quality

WASHINGTON, D.C. — Recent field visits to feedmillers and end-users support trade intelligence reports that Chinese corn exports are under some pressure due to poor quality. Shipments over the past two months have contained high levels of aflatoxin, moisture, mold, and heat damage.

Buyers in Malaysia are blaming the poor quality on several factors, primarily China's wet harvest and storage

conditions during the winter. The lack of credible export quality inspections at Chinese ports and the "renegade traders" — alleged merchants of poor quality corn — are also to blame. Malaysian buyers have started paying premiums to other origins to get better quality corn, which bodes well for the United States.

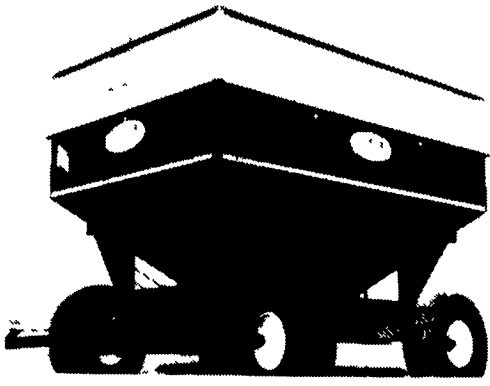
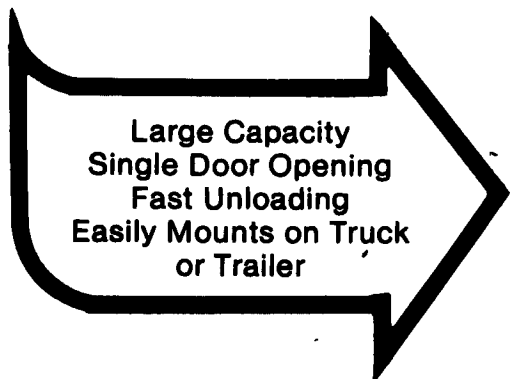
Corn Still Needed In South Africa

South Africa's 1992 corn crop, is in serious trouble because of a lack of widespread rainfall and low soil

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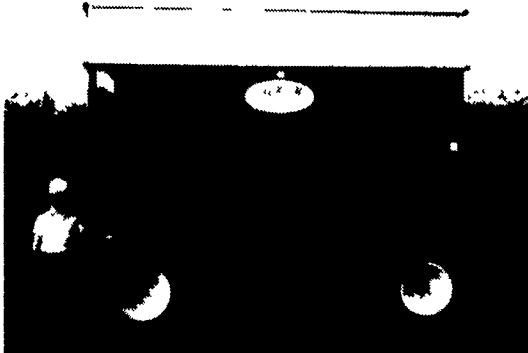


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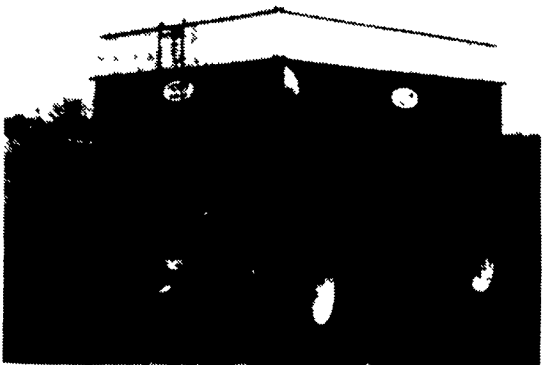


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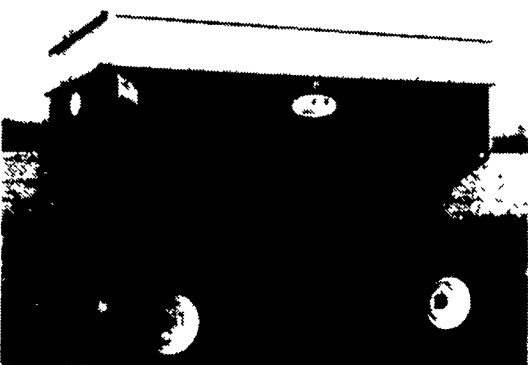


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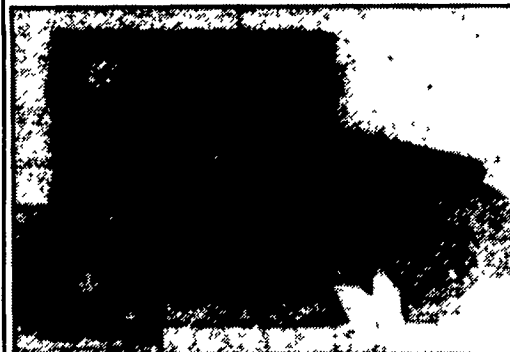
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