United States
Department of
Agriculture

Foreign
Agricultural
Service

Foreign Agriculture Circular

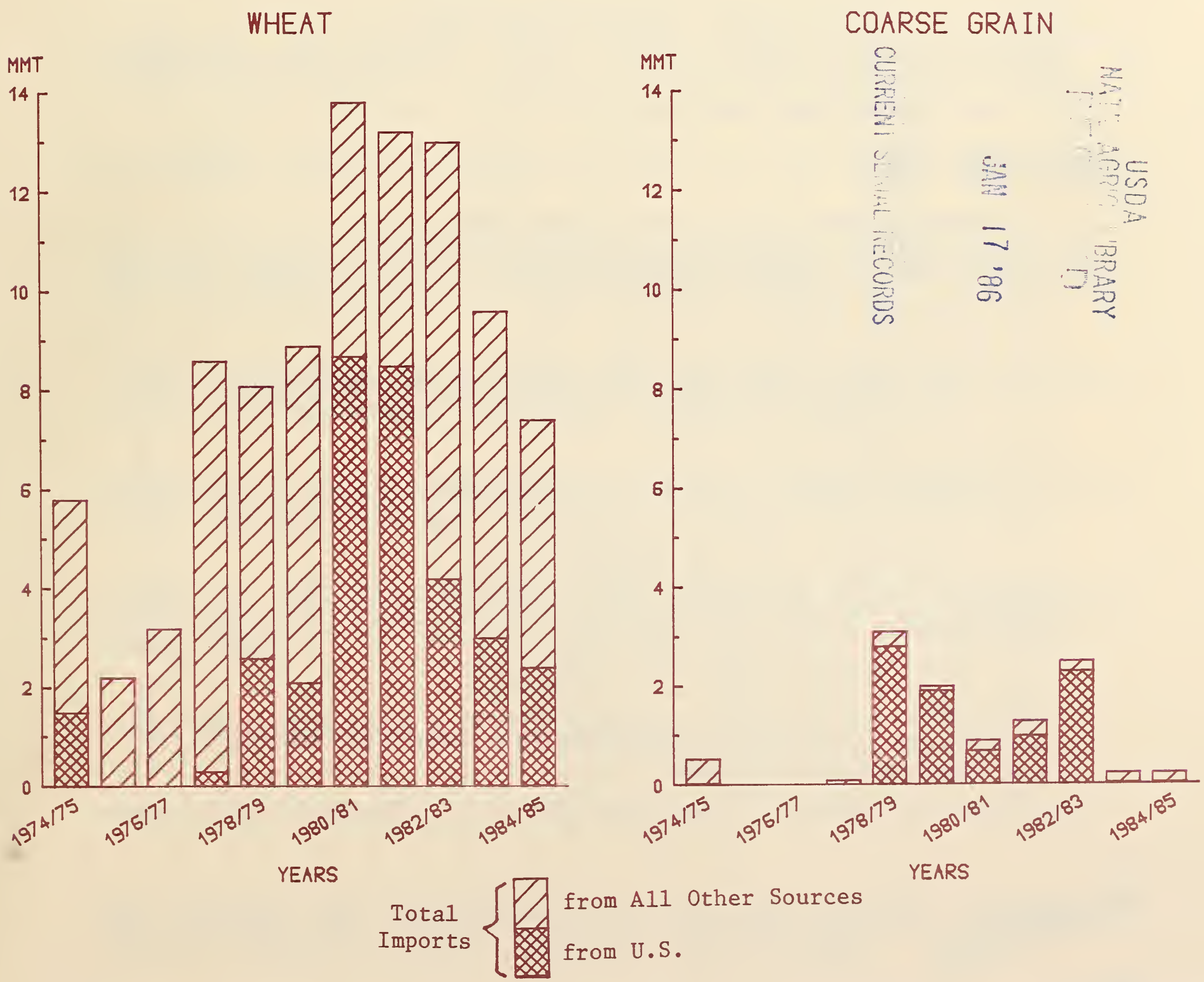
Grains

EMG-12-85
DECEMBER 1985

Export Markets for U.S. Grain and Products

This month's cover provides a profile of the trends in China's grain imports. Chinese total imports of wheat have declined each year since the 1980/81 peak of 13.2 MMT, mostly due to increased production. U.S. wheat shipments to China dropped both in terms of volume and as a share of the market since 1980/81. China's coarse grain imports were significant from 1978/79 through 1982/83 and were mostly from the U.S. Sharply increased corn production changed China to a net exporter of coarse grain beginning in 1983/84. For additional graphs and supporting data, see pages 12-13.

CHINESE TOTAL GRAIN IMPORTS FROM U.S. AND ALL OTHER SOURCES



Approved by the World Agricultural Outlook Board - USDA

EXPORT MARKETS FOR U.S. GRAIN AND FEED COMMODITIES
December 30, 1985

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TABLES AND GRAPHS

HIGHLIGHTS

Significant developments over the past month affecting U.S. exports:

--Canada has signed a long-term grain agreement with the Soviet Union for 25.0 million tons of grain between August 1986 and July 1991.

--Flooding in Argentina has hurt the wheat and corn crop and reduced export availabilities of these grains.

--Australian exportable supplies of feed wheat are likely to increase as a result of late rains which have reportedly damaged crop quality.

--New Canadian credit terms for Nigeria will likely mean greater competition for U.S. wheat exports in that market.

--Argentina has lowered wheat export taxes, possibly stimulating production and exports.

--Venezuelan imports of U.S. sorghum could reach last year's record levels as a result of a crop shortfall.

--Mexican imports of U.S. corn are likely to exceed last year's level as a result of a Mexican effort to rebuild domestic stocks.

--Canada's increase in estimated supplies of wheat and barley could mean greater competition for U.S. wheat and coarse grain exporters.

--Thailand is exporting record amounts of corn to Korea, partially filling the gap left by China.

--Spain is continuing to export record amounts of barley in an effort to reduce domestic stocks before accession to the European Community in January 1986.

--Iraq purchases 60,000 tons of long grain U.S. rice.

--Peru could be potential U.S. rice market due to a production shortfall.

This circular was prepared by the Grain and Feed Division, Commodity and Marketing Programs, FAS/USDA. Telephone: (202) 447-2009

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: As of mid-December, the U.S. wheat export forecast for June-May 1985/86 remains unchanged at 27.2 million tons. Improved export prospects for Canada were offset by a reduction in the Argentine export forecast. Increasing pressure for major competing countries to ship their wheat early may mean lower U.S. prospects in the near-term, but tightening competitor supplies in the longer term may benefit U.S. wheat exports. Accumulated wheat exports for June through November 1985 are 12.2 million tons, nearly 50 percent behind last year's level at this time.

Shipments and Sales: Wheat shipments in the 4-week period ending December 12 totaled 1.8 million tons, down 8 percent from last month, while new sales of 1.0 million tons over the same period were down 38 percent from last month. Leading destinations this month included Algeria, Japan, Jordan, and Korea. Major sales were made to Algeria, Egypt, and Iraq.

U.S. WHEAT SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR MY 1982 - 1986(PROJ)
AND MONTHLY FROM DECEMBER 1983 - DECEMBER 1985

US WHEAT SHIPMENTS, SALES, AND INSPECTIONS 1/
(JUNE/MAY--MILLION TONS)

Monthly Shipments		
4 Weeks Ending	1984/85	1985/86
Sep. 19	5.1	1.7
Oct. 17	4.5	2.2
Nov. 14	2.9	2.0
Dec. 20	3.3	2.3
Cumulative for MY	24.9	13.6

Monthly Sales 2/		
4 Weeks Ending	1984/85	1985/86
Sep. 19	4.0	2.2
Oct. 17	3.3	1.9
Nov. 14	3.1	1.4
Dec. 20	1.1	2.1
Cumulative for MY	31.7	15.9

Weekly and Annual Inspection Rates	Million MT	Million BU
Week Ending December 12..........	0.3	11.5
Week Ending December 19..........	0.4	14.3
Official Estimate for Current MY (Grain only)......................	25.6	940
Implied Weekly Average...........	0.5	18.1
Latest Six Weeks Weekly Average..................	0.4	16.5
Marketing Year-To-Date Weekly Average..................	0.5	17.8
Weekly Avg. Extrapolated Annually	25.2	925
Balance of Year to Achieve Estimate Implied Weekly Average...........	0.5	18.4

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.

IMPORTER BUYING ACTIVITY

WHEAT AND FLOUR IMPORTER BUYING ACTIVITY
REPORTED BETWEEN NOVEMBER 26, 1985 AND DECEMBER 24, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
11/26	Egypt	U.S.	197,000	SRW	131.98-133.38	Dec
11/27	Japan	U.S.	73,441	White, HRW, HRS		Jan
	Japan	Australia	17,500	ASW		Jan
11/29	Cyprus	U.S.	10,000	HRW	161.95 C&F	Feb
12/4	Japan	U.S.	37,047	White, HRS 14%		Feb
	Japan	Canada	30,000	CWRS		Feb
	Japan	Australia	15,500	ASW		Feb
	Japan	Australia	15,400	PH		Feb
	Korea	Canada	40,000	Feed Wheat	100.95	Jan
12/5	Korea	Argentina	30,000	Wheat	119.50 C&F	Jan
	Philippines	U.S.	50,000	Wheat Flour	228.25 C&F	Jan-March
	Philippines	U.S.	50,000	HRS 14%	25,000 @ 172.35 25,000 @ 189.09 C&F	Dec-Jan
	Japan	U.S.	112,435	HRW, White, HRS, HAD		Feb
	Japan	Canada	36,047	CWRS		Feb
	Japan	Australia	30,500	ASW		Feb
	Taiwan	Canada	81,000	CWRS 13 1/2%	163.25	M/A, A/S, O/N
12/12	Peru	Argentina	90,000		111.59-112.95	Jan
	Iraq	U.S.	37,500		192. C&F	Feb-April
	Korea	U.S.	45,500	White, HRW, HRS	White 139.99-140.10 HRW 149.90-142.99 HRS 171.20-172.86	Jan
12/13	Iraq	U.S.	110,000	HRW	141	Jan/Feb
12/17	Egypt	U.S.	187,000	SRW, white		Jan
12/18	Japan	U.S.	108,141	White, HRW, HRS		Feb
	Japan	Australia	48,300	ASW, PH		Feb
	Turkey	U.S.	350,000	HRW	115.75	Jan-Mar
12/19	Peru	Argentina	25,000	Argentine wheat	116	Feb
	Turkey	U.S.	75,000	HRW	115.75	Jan & Apr
12/20	Syria	France	85,000	French wheat	146.5-147.25	Jan-Feb
12/23	Zaire	U.S.	30,000	Wheat flour	200.00 C&F	Jan-Jun

1/ HRW=Hard Red Winter, HRS=Hard Red Spring, SRW=Soft Red Winter, HAD=Hard Amber Durum, WW=Western White ASW=Australian Soft White, CWRS=Canadian Western Red Spring, PH=Australian Prime Hard, AH=Australian Hard
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries Selling Activity and Competitive Practices

**Canada: The Canadian Government recently announced that it signed a new long-term grain agreement with the Soviet Union covering purchases of both wheat and feed grains. The agreement, which will be signed in Moscow in 1986, calls for a minimum purchase of 25.0 million tons of grain over the 5-year period beginning August 1, 1986. Unlike the current agreement which also calls for imports of 25 million tons over a 5-year period, the new one does not set minimum yearly purchases. When the present agreement expires on July 31, 1986, the Soviets will have taken over 36 million tons of Canadian grain, comprising annual imports of between 5.0 and 7.0 million tons of wheat and .3 to 2.3 million tons of barley.

**Argentina: U.S. wheat exporters could face less competition from high-quality Argentine wheat because of severe flooding in that country which has reportedly destroyed large amounts of wheat. Reports indicate that Argentina's National Grain Board is negotiating with private exporters to cut wheat exports an additional 700,000 tons, which would bring total cuts to over 1 million tons below October 1985 registration levels of 4.4 million tons. In addition, other sources report that Argentina is likely to be relieved of some of its 1.5-2.4 million tons in country-to-country agreements. With stocks already at extremely low levels, the Argentine wheat export forecast for the local 1985/86 (December-November) was reduced to 5.6 million tons, compared to 9.4 million tons in 1984/85. In addition to loss of supply, the rains are likely to have an adverse affect on quality which would add to already large global availabilities of feed-quality wheat, thereby increasing competition for exports of U.S. coarse grains. Argentina mainly produces a hard wheat and has averaged about 8.2 million tons of annual wheat exports over the past 3 years.

**Australia: Australia is expected to have larger supplies of feed wheat to compete with U.S. feed grains because late rains have damaged the 1985 wheat harvest. There are indications that as much as 30 percent of the wheat crop could be downgraded. Though an increase in supplies of feed-quality wheat is not expected to affect Australia's total wheat exports, it would add to already abundant supplies of feed wheat overhanging the world market. The Australian wheat marketing program is off to a strong start in 1985/86 (October/September) with sales of more than 6.0 million tons, compared to 4.7 million tons at this time a year ago when exports reached a record 15.0 million tons.

WHEAT SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1984/85-1985/86
(JULY/JUNE--MILLION TONS)

	Canada		Australia		Argentina		France 2/		Total	
	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86
4 Weeks Ending 1/										
Sep. 19	2.3	1.1	1.1	1.0	.1	.3	1.3	.6	5.0	3.0
Oct. 17	1.3	2.8	1.3	.9	.1	.4	1.2	.9	4.3	5.0
Nov. 16	1.4	1.4	1.1	1.1	#	.3	.8	N/A	3.2	N/A
Dec. 19	1.0	1.9	1.2	1.0	.1	.4	1.0	N/A	3.1	N/A
Cumulative Since July 1	11.9	9.7	7.6	6.0	.4	2.0	5.7	2.2	25.6	19.9
TOTAL FOR SEASON 3/	19.4	17.5	16.6	15.4	7.6	6.8	12.6	12.0	56.2	50.1

1/ Or nearest date thereto.
2/ Excludes intra-EC trade.
3/ Forecast for 1985/86.
Less than 0.1

Competitive Developments In Selected Foreign Markets

**Nigeria: U.S. wheat exporters are facing stiffer competition in the Nigerian wheat market bacause of the gap between U.S. and competitor wheat prices, and new Canadian credit terms. Wheat price quotations received by Nigerian flour millers from U.S. and competitor wheat exporters for January 1986 delivery indicated that U.S. prices are increasingly non-competitive. Up to now the United States has supplied nearly all of Nigeria's wheat imports, in spite of higher prices, due to the reliability of U.S. wheat quality and delivery, and the ease of arranging financing in the United States. However, there are indications that Nigerian millers are beginning to diversify their wheat sources. Recently, a $40 million line of credit guarantee was made available to Nigerian wheat importers by the Canadian Government, further increasing the attractiveness of Canadian wheat. Nigerian mills have already imported Canadian wheat valued at $15 million using this credit.

Internal Price Policies Of Foreign Countries

**Argentina: Significantly lower export taxes on Argentine wheat are likely to stimulate production and lead to higher exports, but rampant inflation could reduce the effects of the tax cut as has happened in the past. The Government of Argentina has reduced the wheat export tax from 28.0 to 16.5 percent. Already marginal farm returns have been diminished by continued inflation, falling world prices and a weakening dollar. The current commodity export taxes annually generate close to $1.1-1.2 billion, or nearly one-fifth of Argentina's total federal tax revenues. The farming community feels this level of taxation is unfair, adding further pressure to decrease export taxes.

MAJOR EXPORTER SUPPORT PRICES FOR WHEAT

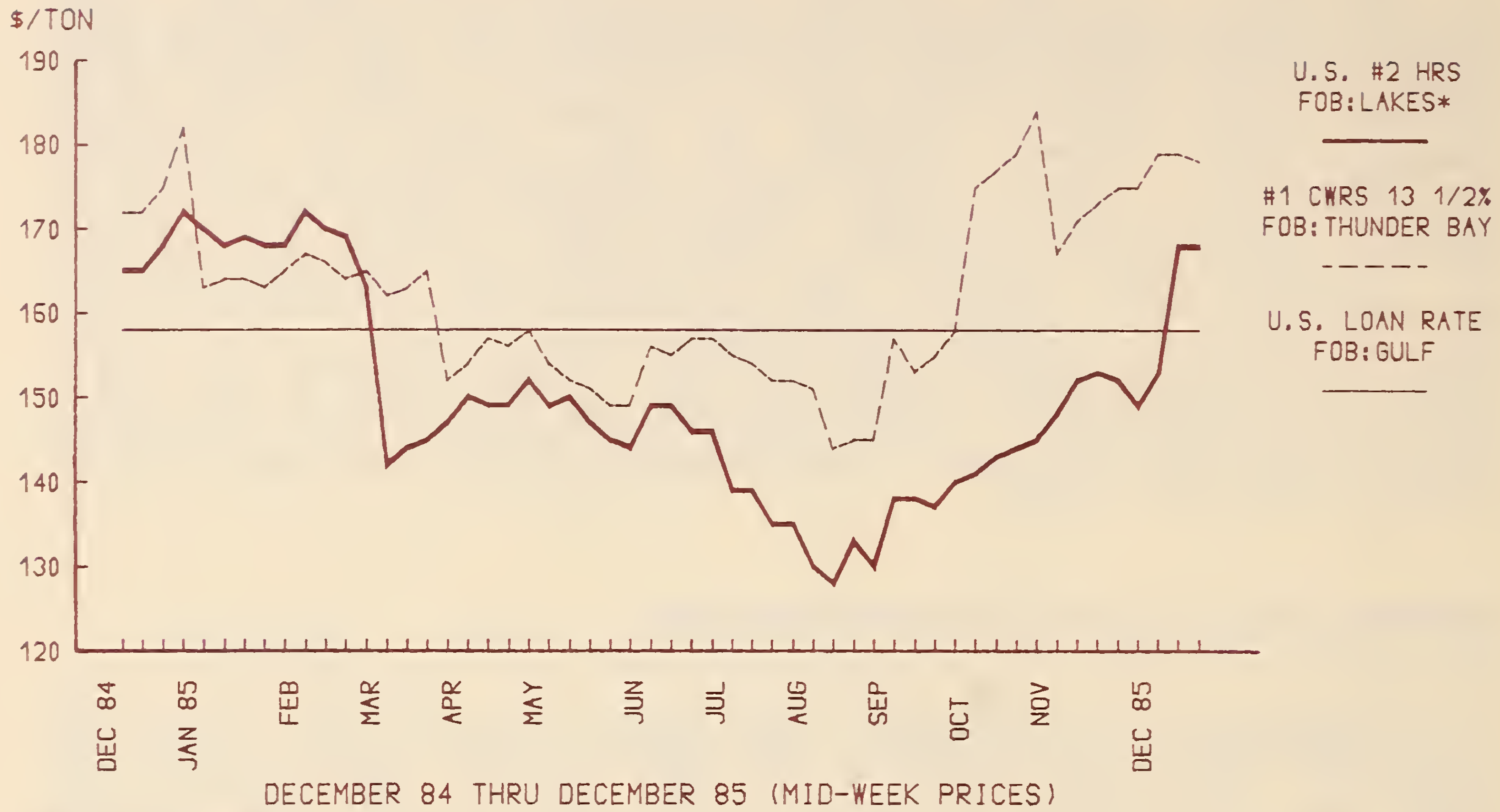
Exporter	1984/85 U.S.$ Equivalent per bu.	per ton	1984/85 Local Currency per ton	1985/86 U.S.$ Equivalent per bu.	per ton	1985/86 Local Currency per ton
U.S. (loan)	3.30	121	121 (US$)	3.30	121	121 (US$)
Argentina (reference)	2.46	89	4,800 1/	n/a	n/a	n/a 1/
Australia (min. pay.)	2.50	92	146 (A$)	n/a	n/a	n/a
Canada (initial pay.)	3.22	119	160 (C$)	3.18	117	160 (C$)
EC (intervention) 2/	3.86	142	183 (ECU)	3.70	136	180 (ECU)
(reference) 3/	4.49	165	213 (ECU)	4.30	158	209 (ECU)

1/ In new pesos, current season prices can be adjusted when necessary because of currency fluctuations. Caution should be taken when using this price in US$ equivalent because of the volatility of the Argentine exchange rate. Current price as of May 30, 1985.

2/ Support price paid for other milling wheats; EC prices represent medium-quality wheat.

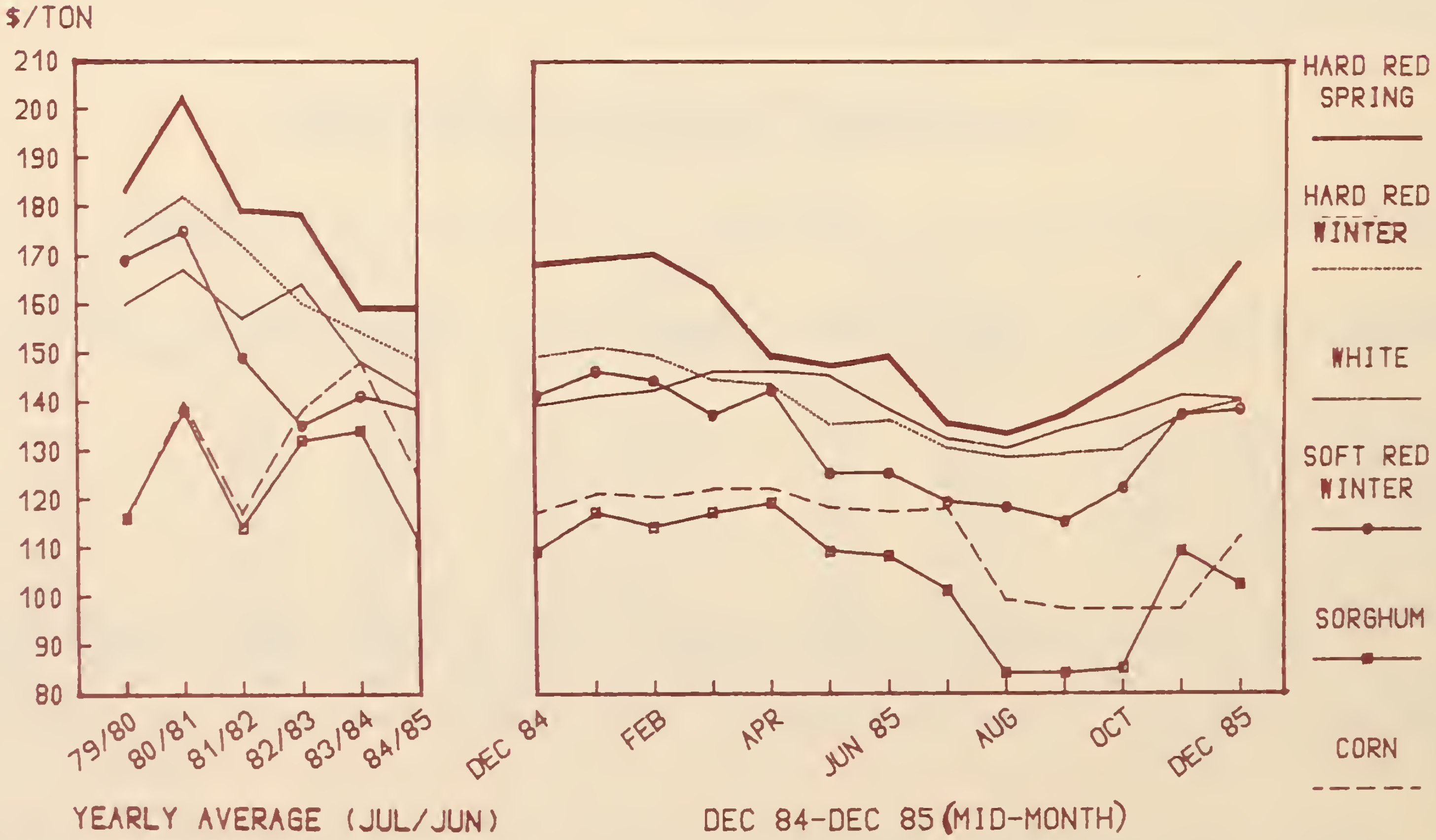
3/ Support price for bread-quality wheat.

HARD RED SPRING WHEAT EXPORT PRICES
U.S. AND CANADIAN



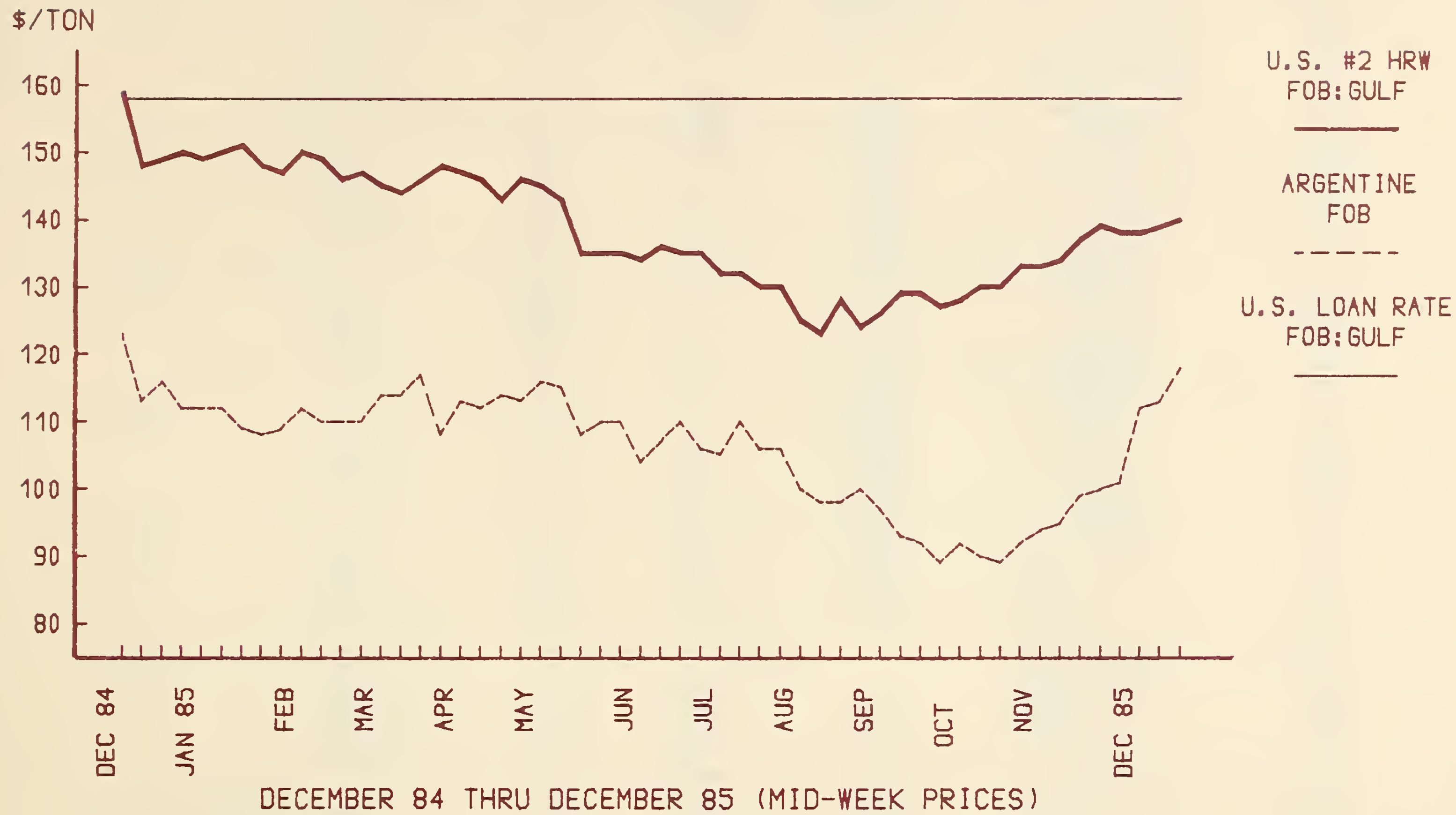
*FOB GULF DURING WINTER MONTHS

US. GRAIN COMMODITY EXPORT PRICES FOB GULF
EXCEPT FOB PNW FOR WHITE WHEAT
AND FOB LAKES FOR HARD RED SPRING*

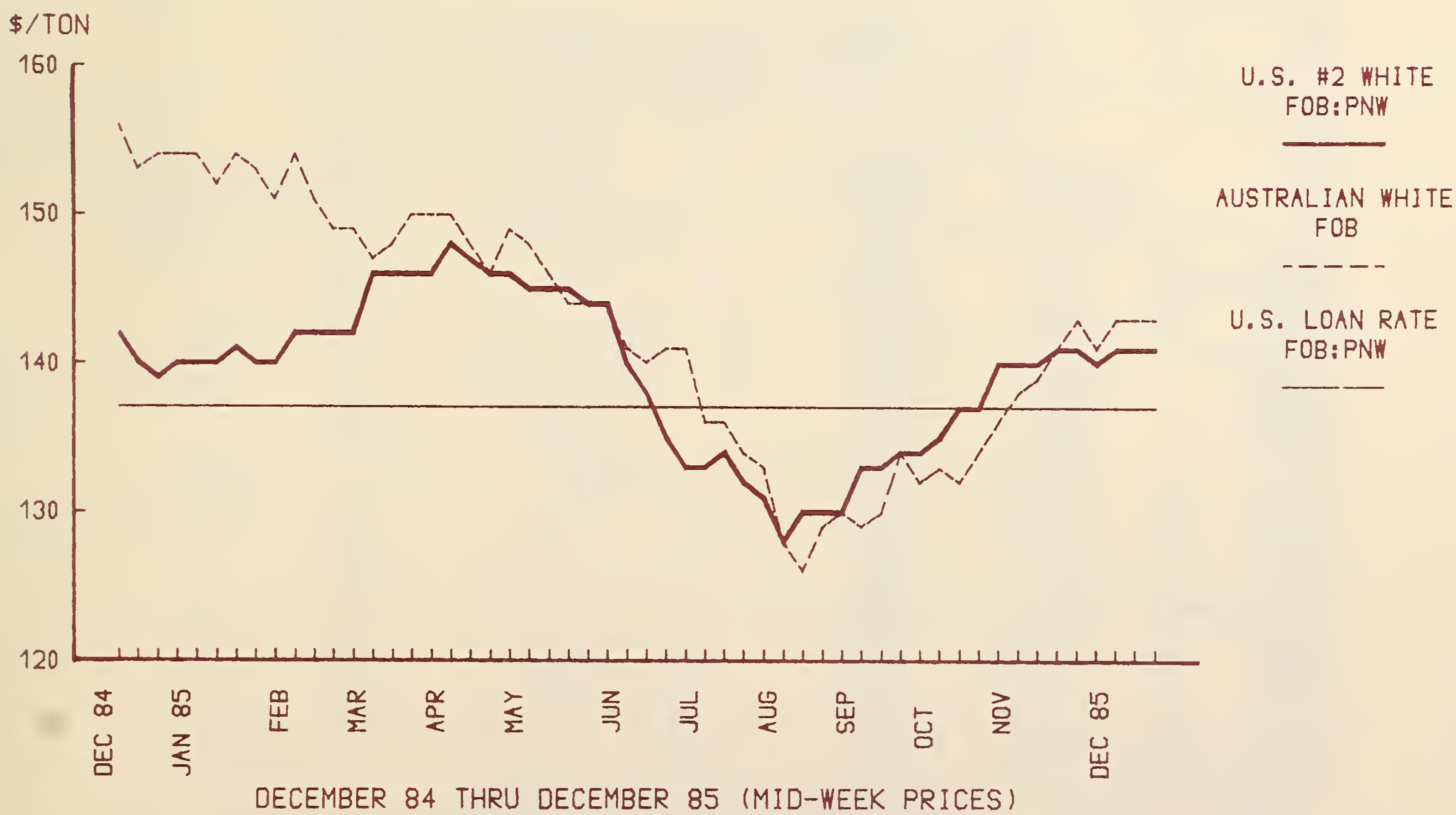


*FOB GULF DURING WINTER MONTHS

HARD RED WINTER WHEAT EXPORT PRICES
U.S. AND ARGENTINE



WHITE WHEAT EXPORT PRICES
U.S. AND AUSTRALIAN



**PL-480

FY 1986 PUBLIC LAW TITLE I/III
COUNTRY AND COMMODITY ALLOCATIONS 1/
(1000 Tons Grain Equivalent)

Country	$Million-Total	Wheat/Flour	Rice	Feedgrains
$790 or Less Per Capita GNP				
Bangladesh	70.0	308.0	35.0	--
Bolivia	20.0	127.0	--	--
Egypt	213.0	1,038.0 2/	--	--
El Salvador	46.0	148.0	--	--
Ghana	8.0	--	7.0	--
Guinea	6.0	--	20.0	--
Haiti	18.0	95.0	--	--
Honduras	15.0	82.0	--	--
Indonesia	30.0	127.0	33.0	--
Kenya	10.0	63.0	--	--
Liberia	11.0	--	37.0	--
Madagascar	8.0	--	14.0	--
Morocco	40.0	253.0	--	--
Mozambique	10.0	25.0	10.0	23.0
Pakistan	50.0	--	--	--
Philippines	35.0	158.0	33.0	--
Senegal	5.5	--	--	61.0
Sierra Leone	4.0	14.0	7.0	--
Somalia	20.0	34.0 1/	17.0	13.0
Sri Lanka	26.0	193.0	--	--
Sudan	50.0	358.0 1/	--	--
Yemen	5.0	--	13.0	--
Zaire	20.0	92.0	17.0	--
Zambia	10.0	37.0	--	--
Subtotal	730.5	3,152.0	243.0	97.0
Over $790 Per Capita GNP				
Costa Rica	23.0	114.0	--	63.0
Dominican Rep.	30.0	72.0	32.0	--
Guatemala	14.0	63.0	--	--
Jamaica	30.0	93.0	19.0	85.0
Peru	20.0	100.0	--	--
Tunisia	2.5	16.0	--	--
Subtotal	119.5	458.0	51.0	148.0
Allocated	850.0	3,610.0	294.0	245.0
Unallocated Reserve	100.0	--	--	--
TOTAL PROGRAM	950.0	3,610.0	294.0	245.0

1/ Preliminary
2/ Wheat equivalent of flour or some portion of wheat equiv. of flour.

**CCC Credit

U.S. WHEAT/FLOUR TRADE WITH SELECTED COUNTRIES
UNDER CCC GUARANTEE PROGRAMS*

	FY 1985		FY 1986		
	Guarantees Approved	Est. Quantity Shipped	Announced	Approved	Estimated Quantity Yet To Be Purchased 3/
	--$ Million	--1,000 Tons--	--Million Dollars--		----1,000 tons----
Bangladesh	42.1	280.7	--	--	--
Brazil	272.5	1,816.7	300.0	--	2,142.9
Chile	59.5	396.7	42.0	--	300.0
Colombia	79.0	526.7	100.0	0.6	710.0
Ecuador	32.6	217.3	55.0	1.3	383.8
Egypt	77.6	517.3	120.0 3/4/	--	725.5
Guatemala	16.1	107.3	--	--	--
Haiti	7.5	50.0	7.5	--	53.6
Iraq	88.5	590.0	130.0 4/	--	594.6
Jamaica	4.2	28.0	7.5 4/	--	53.6
Jordan	19.9	132.7	--	--	--
Korea	108.9	726.0	120.0	20.9	707.9
Pakistan	40.1	267.3	--	--	--
Philippines	43.2	288.0	--	--	--
Portugal	97.0	646.7 1/	73.0	--	521.4
Turkey	10.1	67.3	--	--	--
Yemen	--	--	40.0 4/	--	266.9
TOTAL	998.8	6,658.7	1,145.0	22.8	7,531.6

* Includes GSM-102, GSM-5, and Blended Credit, as of November 22, 1985.
1/ Wheat or feed grains 2/ Based on $140 per ton for wheat; $190 per ton for wheat flour.

3/ Non-operational
4/ Wheat and wheat flour

U.S. WHEAT EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
TOTAL EXPORTS FOR 1983/84-1984/85; COMMITMENTS TO DATE FOR 1985/86 WITH COMPARISON TO 1984/85
(JUNE/MAY--1,000 TONS)

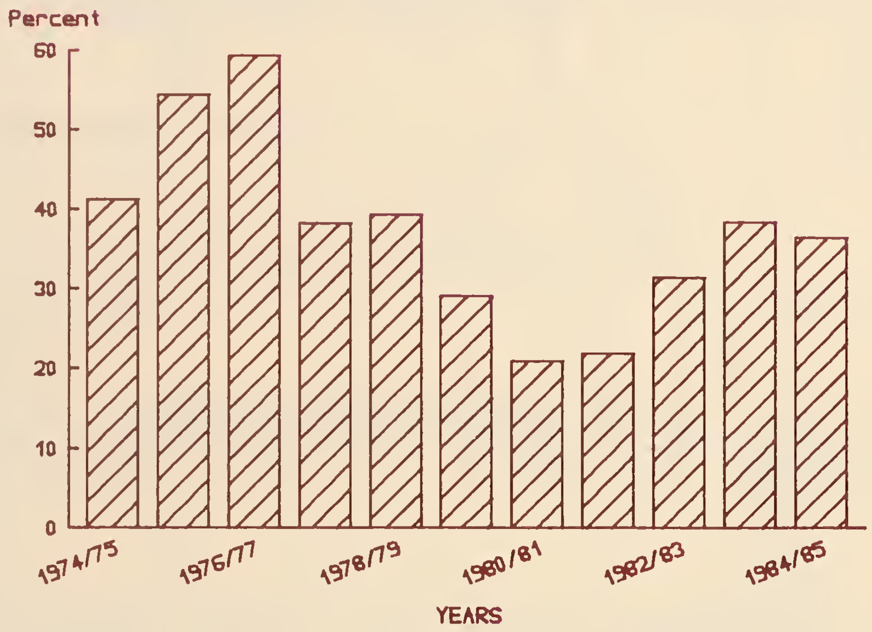
Destination	Marketing Year	Hard Red Winter	Hard Red Spring	Soft Red	All White	Durum	Total Exports
EC-10	1983/84	3	1,218	2	--	263	1,486
	1984/85	--	718	8	--	188	914
	1984/85*	--	605	6	--	162	773
	1985/86**	--	577	7	--	166	750
Other W. Europe	1983/84	795	32	411	16	49	1,303
	1984/85	546	99	633	--	45	1,323
	1984/85*	353	51	599	--	35	1,038
	1985/86**	710	71	155	6	4	946
USSR	1983/84	4,141	--	--	--	--	4,141
	1984/85	6,339	--	--	--	--	6,339
	1984/85*	6,799	--	--	--	--	5,032
	1985/86**	153	--	--	--		153
China	1983/84	1,368	--	1,549	--	--	2,917
	1984/85	105	--	2,693	--	--	2,798
	1984/85*	105	--	2,902	--	--	3,007
	1985/86**	--	--	581	--	--	581
Japan	1983/84	1,287	1,010	--	1,126	12	3,435
	1984/85	1,367	1,067	--	1,013	15	3,462
	1984/85*	895	724	--	773	--	2,392
	1985/86**	904	574	--	678	34	2,190
Taiwan	1983/84	245	185	--	130	--	560
	1984/85	299	211	--	145	--	655
	1984/85*	299	211	--	145	--	655
	1985/86**	275	202	--	143	--	620
Rep. of Korea	1983/84	649	221	2	1,179	--	2,051
	1984/85	674	231	--	1,103	--	2,008
	1984/85*	470	165	--	822	--	1,457
	1985/86**	379	148	3	683	--	1,213
Other Asia, Middle East, and Oceania	1983/84	2,288	1,232	258	1,222	21	5,021
	1984/85	2,227	1,002	178	1,502	--	4,909
	1984/85*	1,808	610	172	1,169	--	3,759
	1985/86**	1,360	500	138	799	--	2,797
Egypt	1983/84	--	--	539	807	--	1,346
	1984/85	30	--	429	1,205	--	1,664
	1984/85*	--	--	212	662	--	874
	1985/86**	--	--	1,019	55	--	1,074
Nigeria	1983/84	1,278	265	88	--	--	1,631
	1984/85	1,324	198	91	--	--	1,613
	1984/85*	647	211	61	--	--	919
	1985/86**	731	35	70	--	--	836
Other Africa	1983/84	471	7	1,876	45	844	3,243
	1984/85	418	39	2,034	35	803	3,329
	1984/85*	202	29	1,923	28	609	2,791
	1985/86**	792	65	728	--	349	1,934
Brazil	1983/84	2,181	66	66	--	--	2,313
	1984/85	3,111	67	67	--	--	3,245
	1984/85*	3,070	--	67	--	--	3,137
	1985/86**	722	--	--	--	--	722
Other W. Hemis.	1983/84	2,223	1,477	514	48	296	4,558
	1984/85	2,061	1,290	503	159	293	4,306
	1984/85*	1,584	1,063	370	139	236	3,392
	1985/86**	1,355	913	515	2	167	2,952
Total 1/	1983/84	17,128	5,647	5,593	5,541	1,556	35,465
	1984/85	18,460	4,862	6,577	5,234	1,458	36,591
	1984/85*	16,561	3,693	6,274	3,764	1,233	31,525
	1985/86**	7,527	3,231	3,248	2,392	805	17,203
MY Projection 2/		13,336	4,218	4,355	4,082	1,225	27,216

1/ Discrepancies due to rounding and sales to unknown destination.
2/ Projection for 1985/86, including flour and products
* Sales plus accumulated exports as of December 20, 1984, excluding sales for next marketing year.
** Sales plus accumulated exports as of December 19, 1985, excluding sales for next marketing year.

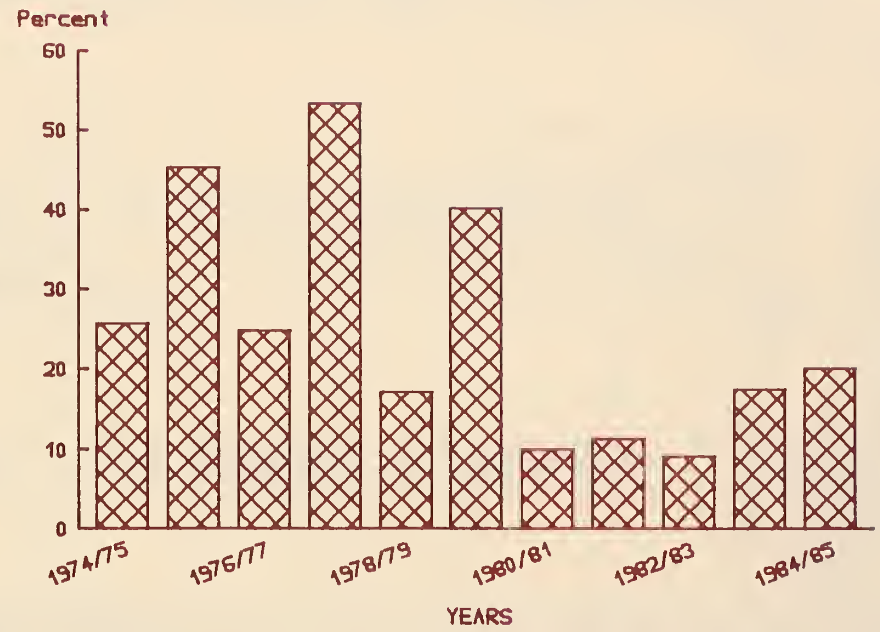
Source: U.S. Export Sales Report

PERCENT OF TOTAL CHINESE WHEAT IMPORTS FROM ALL OTHER SOURCES

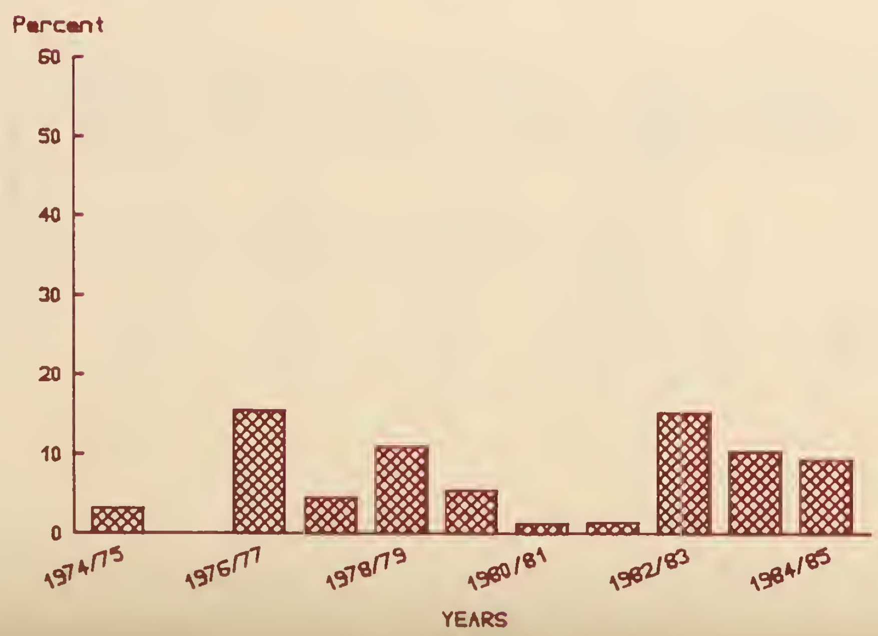
CANADA



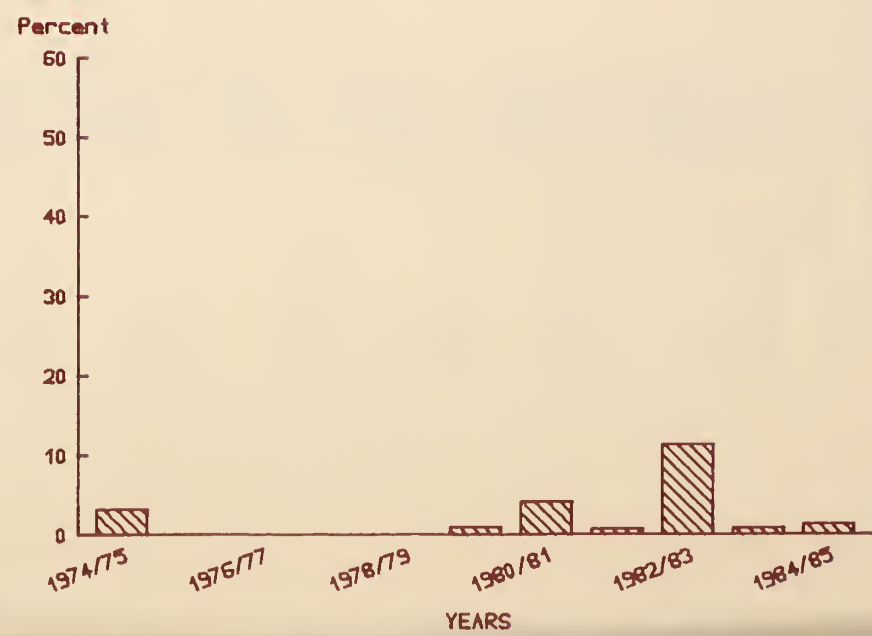
AUSTRALIA



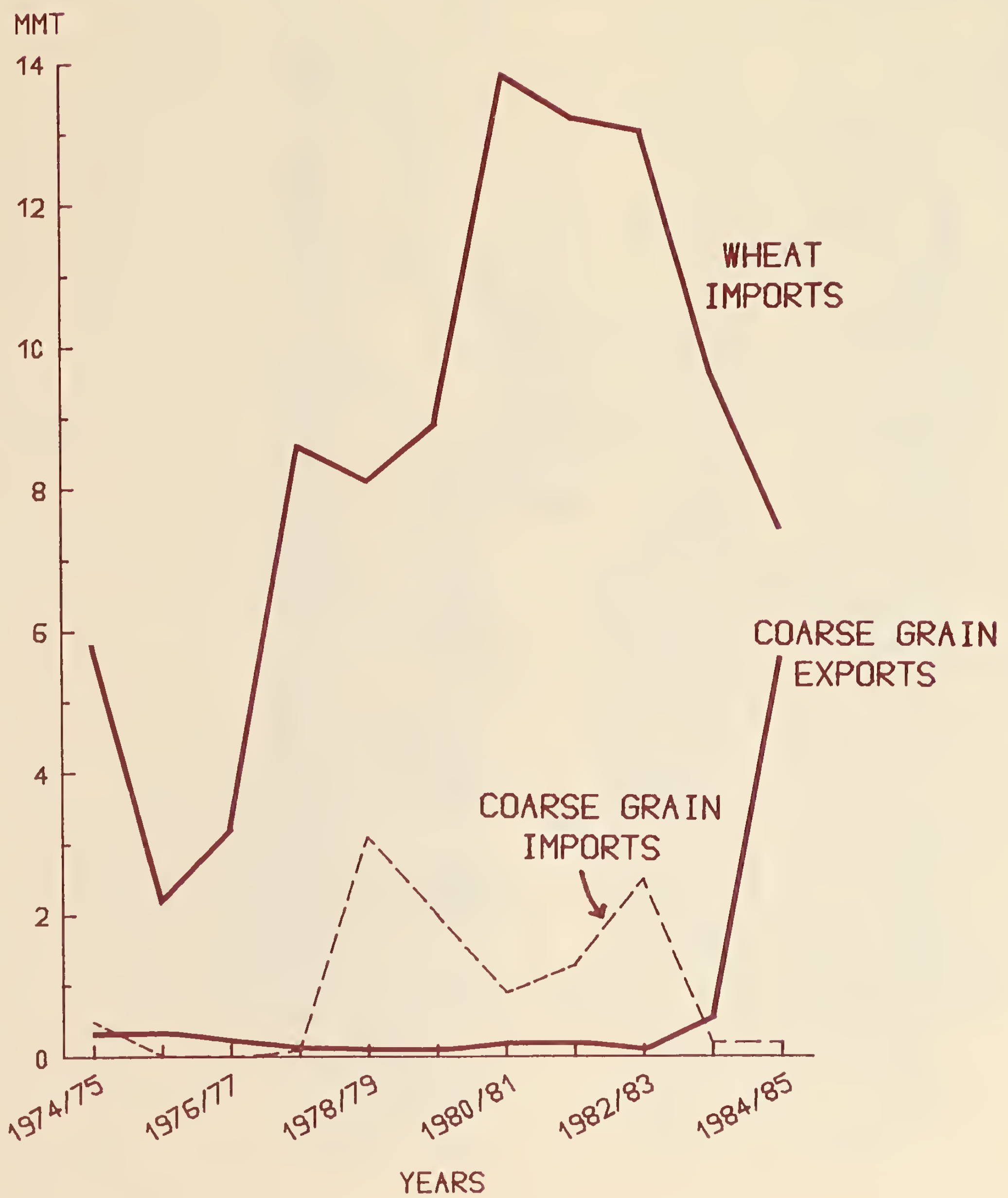
ARGENTINA



EC



CHINESE WHEAT AND COARSE GRAIN TRADE



CHINESE WHEAT AND COARSE GRAIN TRADE
1974/75 - 1984/85
JULY/JUNE YEARS

YEARS	WHEAT IMPORTS U.S.	WHEAT IMPORTS ALL OTHER SOURCES	COARSE GRAIN IMPORTS U.S.	COARSE GRAIN IMPORTS ALL OTHER SOURCES	TOTAL WHEAT IMPORTS	TOTAL COARSE GRAIN IMPORTS	TOTAL COARSE GRAIN EXPORTS
	Million Metric Tons						
1974/75	1.5	4.3	--	0.5	5.8	0.5	0.3
1975/76	0.0	2.2	0.0	0.0	2.2	0.0	0.4
1976/77	0.0	3.2	0.0	0.0	3.2	0.0	0.2
1977/78	0.3	8.3	0.0	0.1	8.6	0.1	0.1
1978/79	2.6	5.5	2.8	0.3	8.1	3.1	0.1
1979/80	2.1	6.8	1.9	0.1	8.9	2.0	0.1
1980/81	8.7	5.1	0.7	0.2	13.8	0.9	0.2
1981/82	8.5	4.7	1.0	0.3	13.2	1.3	0.2
1982/83	4.2	8.8	2.3	0.2	13.0	2.5	0.1
1983/84	3.0	6.6	--	0.2	9.6	0.2	0.6
1984/85	2.4	5.0	--	0.2	7.4	0.2	5.6

"--" denotes less than 50,000 MT.

CHINESE TOTAL WHEAT IMPORTS: PERCENT FROM U.S. AND ALL OTHER SOURCES
1974/75 - 1984/85
JULY/JUNE YEARS

	U.S.	CANADA	AUSTRALIA	ARGENTINA	EC
	Percent				
1974/75	25.9	41.4	25.9	3.4	3.4
1975/76	0.0	54.5	45.5	0.0	0.0
1976/77	0.0	59.4	25.0	15.6	0.0
1977/78	3.5	38.4	53.5	4.7	0.0
1978/79	32.1	39.5	17.3	11.1	0.0
1979/80	23.6	29.2	40.4	5.6	1.1
1980/81	63.0	21.0	10.1	1.4	4.3
1981/82	64.4	22.0	11.4	1.5	0.8
1982/83	32.3	31.5	9.2	15.4	11.5
1983/84	31.3	38.5	17.7	10.4	1.0
1984/85	32.4	36.5	20.3	9.5	1.4

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: As of mid-December, the 1985/86 grain trade forecast remains virtually unchanged at 49.1 million tons. Although corn sales and shipments through mid-December were lagging behind last year's levels, increased import demand from Mexico and Brazil and lower export prospects for Argentina may mean improved prospects for U.S. corn exports. Demand for other U.S. coarse grains, however, continues to be adversely affected by ample foreign supplies of barley, feed wheat, and non-grain feed ingredients.

Shipments and Sales: Corn shipments during the 4-week period ending Decmeber 12 totaled 4.2 million tons, an 11-percent increase over the 3.8 million tons shipped out last month. Major destinations included Japan and the Soviet Union. New sales of 4.4 million tons over the same period were 2 percent over last month's total. The largest sales were made to Japan, Mexico, Spain, and the Soviet Union. Sorghum shipments of 321,7ØØ and sales of 278,ØØØ tons were both 27 percent below last month's respective totals of 441,ØØØ and 321,ØØØ tons. The principal destination was Japan, with Israel and Japan being the major buyers.

US CORN AND SORGHUM SHIPMENTS, SALES AND INSPECTIONS 1/
(OCTOBER/SEPTEMBER--MILLION TONS)

Monthly Shipments

	CORN		SORGHUM	
4 Weeks ENDING	83/84	84/85	83/84	84/85
Sep. 19	2.4	1.8	.4	.3
TOTAL FOR MY	43.6	43.5	5.6	6.2
4 Weeks ENDING	84/85	85/86	84/85	85/86
Oct. 18	1.7	2.3	.7	.4
Nov. 14	5.2	3.8	.7	.4
Dec. 19	7.1	6.2	.7	.4
Cumulative for MY	14.0	11.7	2.0	1.2

Monthly Sales

	CORN		SORGHUM	
4 Weeks ENDING	83/84	84/85	83/84	84/85
Sep. 19	3.5	2.6	.5	.3
Cumulative for MY	48.6	47.3	6.8	7.2
4 Weeks ENDING	84/85	85/86	84/85	85/86
Oct. 17	3.6	2.6	.4	.3
Nov. 14	2.5	4.3	.7	.4
Dec. 19	2.6	5.5	.8	.3
TOTAL FOR MY	23.9	20.5	3.4	2.0

Weekly and Annual Inspection Rates

	CORN		SORGHUM	
	MT	BU	MT	BU
Week Ending December 12	1.1	44.5	0.04	1.7
Week Ending December 19	1.1	44.6	0.04	1.4
Official Estimate for Current MY (Grain only)	40.6	1608	6.99	275
Implied Weekly Average	0.8	30.9	0.13	5.3
Latest Six Weeks Weekly Average	1.3	49.3	0.07	2.8
Marketing Year-To-Date Weekly Average	1.0	39.9	0.10	3.9
Weekly Avg. Extrapolated Annually	52.7	2075	5.16	203
Balance of Year to Achieve Estimate Implied Weekly Average	0.7	28.4	0.14	5.7

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.
Source: Export Sales; FGIS

Source: Export Sales; FGIS

IMPORTER BUYING ACTIVITY

RECENT CORN AND SORGHUM IMPORTER BUYING ACTIVITY
REPORTED BETWEEN NOVEMBER 26, AND DECEMBER 24, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
11/29	Mexico	U.S.	360,500	YC		Dec/Jan
12/4	Taiwan	U.S	27,000	YC	130.08 C&F	Dec
	Korea	China	60,000	Corn	116.74-120.50 C&F	Jan
	Korea	Thailand	25,000	Corn	106.85-108.85 C&F	Jan
12/5	Egypt	U.S.	125,000	YC	133.75-134.47 C&F	LH Dec
	Taiwan	U.S.	27,000	YC		Dec
12/6	Taiwan	U.S.	21,500	YS	106	Jan
12/10	Korea	U.S.	50,000	YC	112.84	Jan
	Korea	Thailand	23,000	Corn	101.32 C&F	Jan
	Korea	Thailand	25,000	Corn	104.44 C&F	Jan
	Korea	China	15,000	Sorghum	89.88-92.25 C&F	Jan-Feb
12/16	Korea	Tailand	55,000	Corn		Jan-Feb
12/17	Brazil	U.S.	200,000	YC		Dec-Feb
12/19	Taiwan	U.S.	81,000	YC	114.39-114.60	Feb-Mar
12/23	Peru	U.S.	50,000	YC		Jan

1/ YC=#3 Yellow Corn unless otherwise stated, and YS=Yellow Sorghum
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

U.S. Market Opportunities

**Venezuela: U.S. sorghum exports to Venezuela in 1985/86 may again reach last year's record level due to lower than expected domestic production. The Venezuelan Ministry of Agriculture has lowered its estimate of 1985 sorghum production from 800,000 tons to 490,000 tons. As a result, imports could again reach last year's record 1.0 million tons, all of which were purchased from the United States. As of December 19, 1985 the United States had shipped or sold Venezuela nearly 200,000 tons of sorghum. In the 5 years prior to 1984/85 Venezuelan sorghum imports averaged about 400,000 tons per year, about 85 percent from the United States.

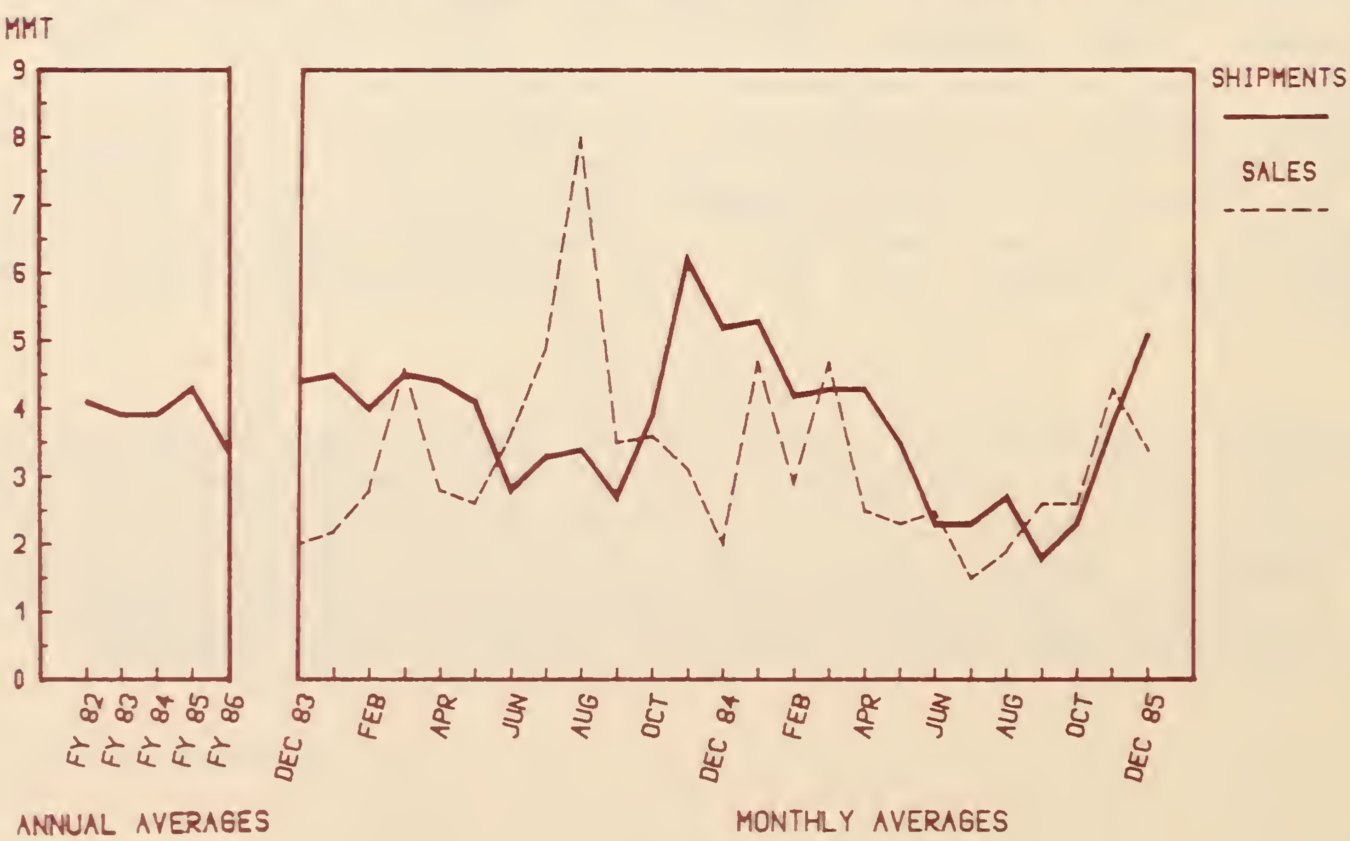
**Mexico: Exports of U.S. corn to Mexico could be much higher than last year's 1.5 million tons because of larger total import demand and a need to build up low domestic stocks. Mexico has traditionally been an erratic corn importer, taking from 500,000 to 4.0 million tons anuually over the past 5 years, over 95 percent from the United States, and is forecast to take 3.0 million tons from all origins in 1985/86 (October-September).

U.S. CORN AND SORGHUM EXPORTS BY DESTINATION
OCTOBER-SEPTEMBER--1,000 TONS

Destination	1982/83	1983/84	1984/85 Actual Exports	1984/85 Committed as of 10/20/84 1/	1985/86 Committed as of 10/19/85 1/
---CORN---					
EC	4,100	1,577	1,068	546	200
Other W. Europe	5,088	4,470	1,969	1,505	1,452
Eastern Europe	1,474	707	690	500	558
USSR	3,200	6,500	15,751	7,765	5,660
China	1,061	18	0	0	0
Japan	10,151	10,751	11,095	5,650	5,646
Taiwan	3,000	3,676	3,104	1,900	1,875
Rep. of Korea	3,908	2,970	57	307	1,025
Egypt	1,516	1,000	1,050	266	570
Canada	751	380	315	64	9
Mexico	4,091	2,508	3,057	458	1,000
Venezuela	890	1,041	608	201	6
Others	3,908	6,990	5,061	3,787	3,401
Total	47,507	47,050	45,961	23,805	21,458
--SORGHUM--					
Spain	115	453	45	45	1
Other W. Europe excl. Spain	351	106	79	16	37
Japan	741	1,505	2,706	1,615	1,515
Israel	941	574	587	307	175
Mexico	3,061	2,758	1,958	376	13
Venezuela	240	206	1,090	135	56
Others	451	580	515	469	131
Total	5,900	[illegible]	[illegible]	[illegible]	[illegible]

1/ Accumulated shipments and sales, excluding sales for next marketing year.
Source: U.S. Bureau of Census and U.S. Export Sales Report.

U.S. CORN SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1982 - 1986(PROJ)
AND MONTHLY FROM DECEMBER 1983 - DECEMBER 1985



Other Exporting Countries' Selling Activity and Competitive Developments

**<u>Canada</u>: Exports of U.S. wheat, corn, and barley in 1985/86 could encounter stronger competition from Canada because of larger-than-expected supplies of Canadian wheat and barley. The 1985/86 Canadian export estimates for wheat and barley were raised by 1.0 and .5 million tons respectively as a result of late-season adjustments in the supply estimate by the Canadian Government. Canada is now forecast to export 17.5 million tons of wheat (including large quantities of feed wheat), and 4.5 million tons of barley, as compared to 19.4 million and 2.5 million tons, respectively in 1984/85.

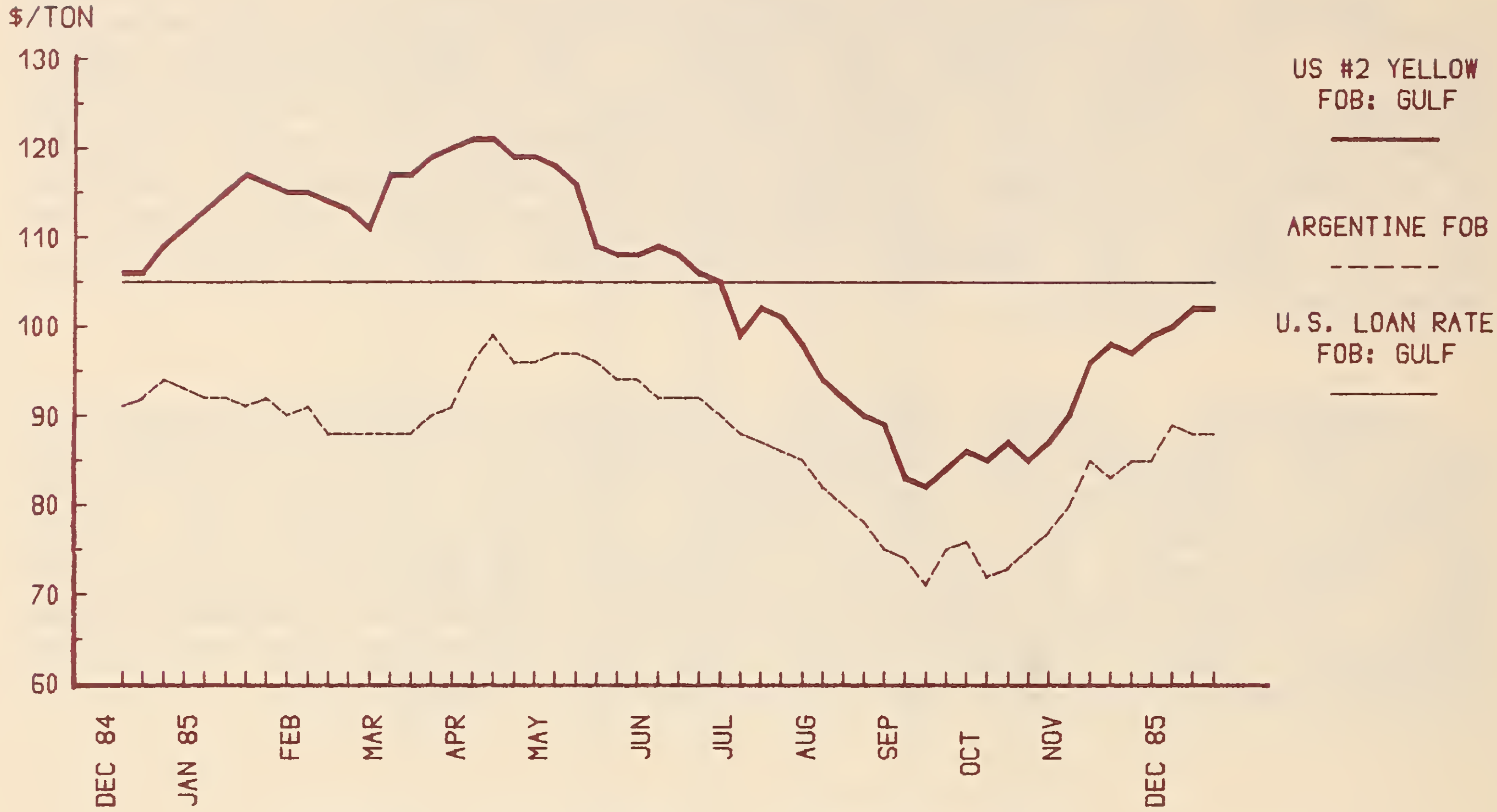
**<u>Argentina</u>: Recent flooding in Argentina has reportedly destroyed early corn plantings and is expected to result in a shift to sorghum and oilseeds. Consequently, the Argentine corn export forecast for 1985/86 (October-September) was lowered 400,000 tons to 9.0 million tons, while the sorghum export estimate was increased 500,000 tons to 2.8 million tons. In recent years Argentine farmers have shifted from sorghum to more profitable crops, including corn. Argentine exports of corn and sorghum in 1984/85 were 7.0 million and 3.4 million tons, respectively.

CORN AND SORGHUM SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1984/85-1985/86
(OCTOBER/SEPTEMBER--MILLION TONS)

	SORGHUM		CORN					
	Argentina		Argentina		Thailand		TOTAL	
4 Weeks Ending 1/	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
Sep. 19	.2	.1	.3	.2	.4	.2	.9	.5
TOTAL FOR SEASON 2/	4.8	3.4	5.9	7.1	3.0	2.9	13.7	13.4
4 Weeks Ending 1/	84/85	85/86	84/85	85/86	84/85	85/86	83/84	84/85
Oct. 17	.2	.1	.3	.2	.4	.3	.9	.6
Nov. 20	#	.1	.1	.1	.3	.3	.4	.5
Dec. 20	.1	.1	.1	.1	.4	.3	.6	.5
Cumulative Since October 1	.3	.3	.5	.4	1.2	.7	2.0	1.4
TOTAL FOR SEASON 2/	3.4	2.8	7.1	9.0	2.9	3.6	13.4	15.4

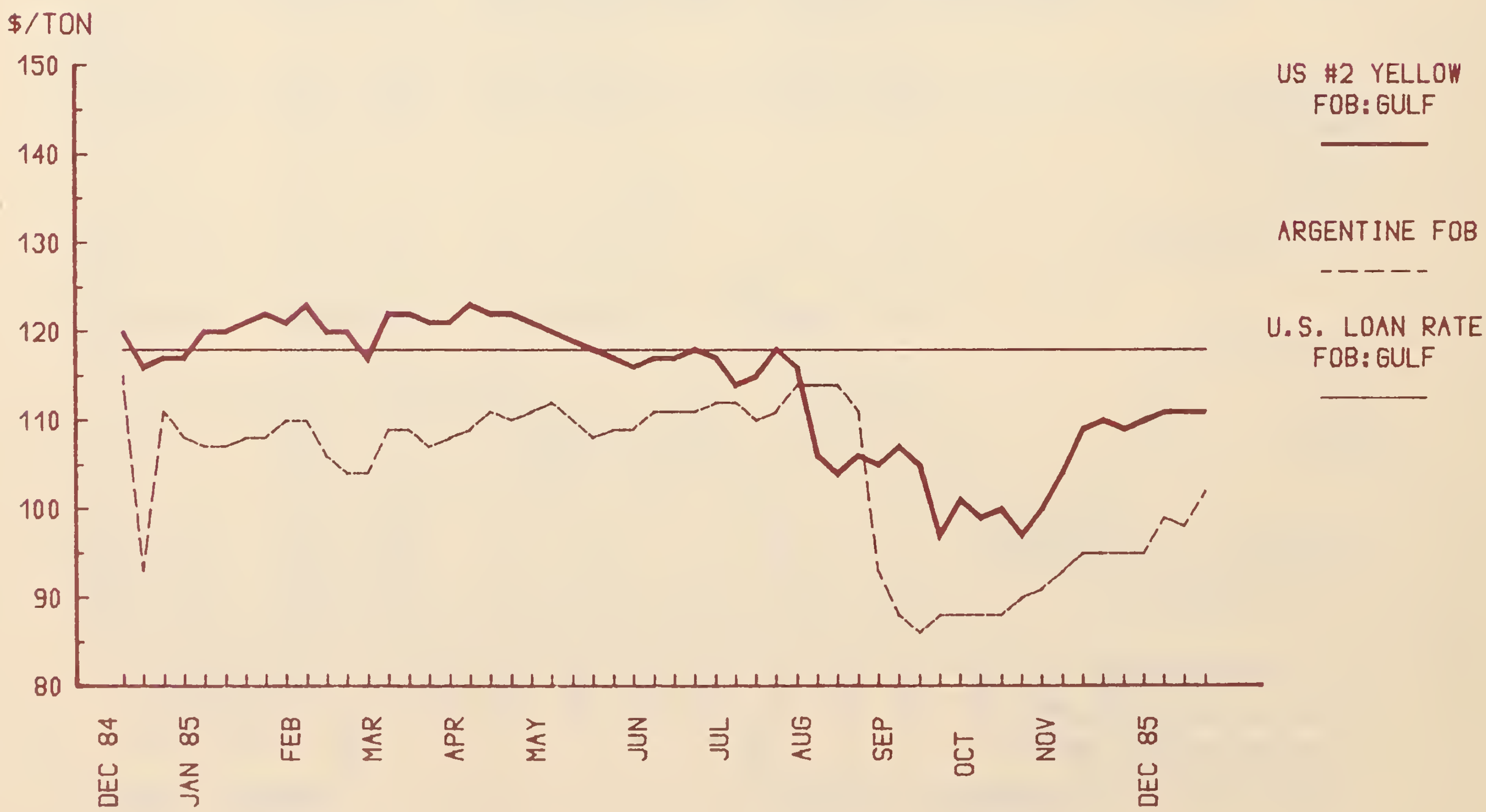
N/A = Not Available
1/ Or nearest date thereto.
2/ Projection for 1984/85.
Less than 100,000 tons.

SORGHUM EXPORT PRICES
U.S. AND ARGENTINE



DECEMBER 84 THRU DECEMBER 85 (MID-WEEK PRICES)

CORN EXPORT PRICES
U.S. AND ARGENTINE



DECEMBER 84 THRU DECEMBER 85 (MID-WEEK PRICES)

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

Competitive Developments in Selected Foreign Markets

**Kenya: An expected record corn crop could give Kenya an exportable corn surplus of over 200,000 tons in 1985/86 (October-September) as opposed to last year when a drought-affected harvest led to corn imports of 500,000 tons. Limited storage capacity would put pressure on the Government of Kenya to export most of its surplus production if the crop turns out to be as large as expected. Though Kenya has historically been an erratic trader of small quantities of corn, it is usually an importer, taking an average of 300,000 tons of corn in each of the last 6 years.

**Thailand: U.S. corn exporters are facing strong competition in the Korean corn market for the second year in a row. Thai corn sales to Korea have already reached over 400,000 tons in just the first quarter of 1985/86 (October/September), compared to shipments of 50,000 tons for all of 1984/85. Thailand has record exportable corn supplies and has apparently targeted Korea as a market for additional corn, particularly in light of lower Chinese exportable supplies. U.S. corn had been expected to regain most of the 1.5 million tons lost to China in 1984/85, since before last year the United States had supplied virtually all of Korea's 3-4 million-ton annual import needs.

BARLEY, OATS, AND RYE

U.S. Exports
June/May--1,000 Tons

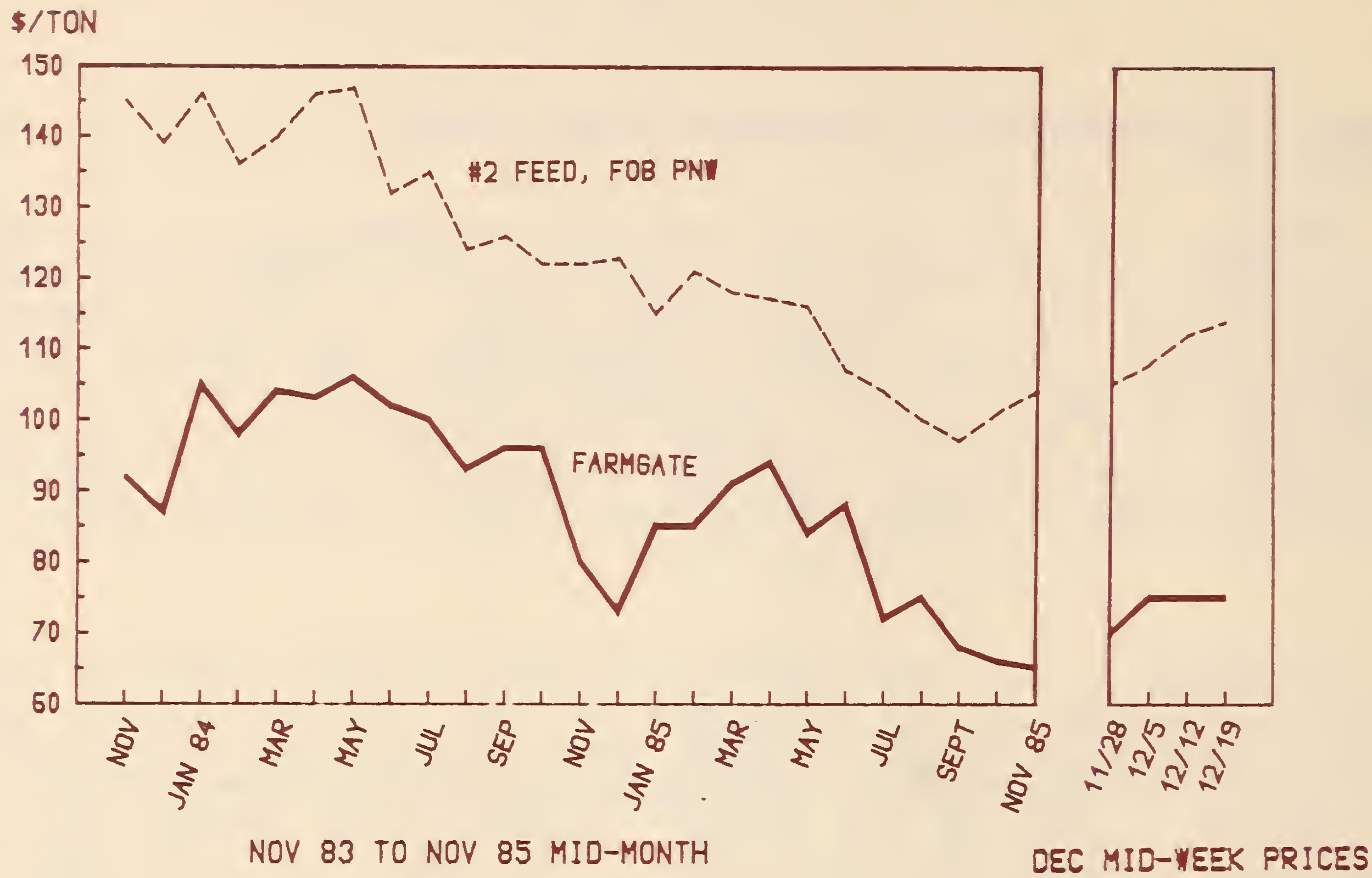
Grain	1983/84	1984/85 1/	1985/86 2/
Barley	1,991	1,676	1,306
Oats	39	15	30
Rye	25	10	25

1/ Estimated 2/ Forecast

Other Countries' Selling Activity and Competitive Practices

**Spain: There will likely be increased competition in the world barley market as a result of subsidized Spanish exports. Despite reports of stronger domestic demand which could have led to a temporary curtailment of barley exports, Spain has continued its aggressive export program by recently contracting to export 500,000 tons, bringing total commitments to a record 1.4 million tons so far in the 1985/86 local marketing year (July-June). Spain is reportedly attempting to reduce its stocks before its accession to the European Community in 1985, and still has stocks of about 500,000 tons which might yet be exported. Most of these exports are destined for Saudi Arabia and other Middle East markets.

U.S. FEED BARLEY PRICES
INTERIOR AND EXPORT POSITIONS



U.S. BARLEY EXPORTS BY DESTINATION
(JUNE/MAY--1,000 TONS)

Destination	1982/83	1983/84	1984/85 Total Exports	1984/85 Committed as of 12/19/84 1/	1985/86 Committed as of 12/19/85 1/
EC	102	260	105	105	--
Other W. Europe	226	441	353	354	1
Eastern Europe	--	126	--	--	60
Taiwan	146	227	255	282	109
Japan	113	172	314	314	125
Others	217	509	514	468	115
TOTAL	906	2,031	1,543	1,523	731

1/ Accumulated shipments and sales excluding sales for next marketing year.
SOURCE: U.S. Census for 1982/83-1983/84 and U.S. Export Sales for 1984/85-1985/86.

BARLEY SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1984/85-1985/86
(OCTOBER/SEPTEMBER--MILLION TONS)

	U.S.		CANADA		FRANCE 2/		U.K. 2/		TOTAL	
4 Weeks Ending 1/	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
September 19	0.0	*	0.2	0.4	0.0	*	0.1	0.0	1	0.6
Total For Season	2.1	1.3	4.[illegible]	3.5	1.1	2.1	1.4	2.3	8.6	8.2
4 Weeks Ending 1/	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86
October 17	*	0.2	0.4	0.2	0.3	0.3	0.2	0.1	0.8	0.7
November 15	0.4	*	0.4	[illegible]	0.3	0.2	[illegible]	0.1	1.2	0.5
December 20	0.1	*	[illegible]	0.3	0.2	0.2	0.3	0.1	0.7	0.5
Cum. Since Oct 1	0.6	0.2	0.5	0.6	0.6	0.7	0.7	0.3	2.8	1.4
Total For Season 3/	0.7	1.8	3.5	4.5	2.3	2.0	3.1	2.0	8.0	9.2

1/ Or closest date thereto.
2/ Excludes intra-EC trade. Cumulative reflects available data.
3/ Projection for 1985/86.
NA = Not Available.
* = Less than 50,000 tons.

RICE

LATEST U.S. EXPORT FORECAST, SHIPMENTS AND SALES 1/

Export Forecast: The forecast for the 1985/86 marketing year remains at 1.85 million tons, reflecting continued weak world demand and currently uncompetitive U.S. prices.

Shipments and Sales: U.S. rice exports during the 4-week period ending December 12 totaled 112,300 tons, sharply lower than the previous 4-week total of 143,200 tons. Major destinations included Iraq, Saudi Arabia, and Jamaica. Cumulative shipments for the 1985/86 marketing year through December 12 totaled 739,800 tons, or about 5 percent below the level of shipments for the same period one year ago. During the 4-week period ending December 12, registrations of new export sales for delivery in the current marketing year rose to 68,400 tons, compared to the previous 4-week total of 52,800 tons. Export commitments for 1985/86 delivery now total 955,600 tons, or approximately 10 percent below the 1,059,200 tons registered as of this date last year.

1/ Shipments and sales are on a product basis.

Weekly U.S. Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
Nov 21	15,300	31,425
Nov 28	59,700	35,475
Dec 5	13,800	27,300
Dec 12	23,500	28,075

IMPORTER BUYING ACTIVITY.

Buying activity remained weak during the past month, as importers tried to assess the price impact of new U.S. Farm Program legislation and the new Paddy Support Scheme in Thailand. However, Thailand benefitted from significant purchases by Liberia (20,000 tons of 35 percent broken), Madagascar (20,000 tons of A-1 Special), Iran (15,000 tons of 100 percent grade B), and Iraq (45,000-60,000 tons of fragrant 100 percent grade B). Iraq also bought 60,000 tons of U.S. rice under the GSM-102 program.

**Iraq: The Iraqi Grain Board purchased 60,000 tons of U.S. of #2/4 percent long-grain milled rice in mid December. The purchase included one cargo at $385 per ton C&F Iskenderun, Turkey and one at $390 per ton C&F Aquaba, Jordan, both for February shipment, and one cargo at $386.25 C&F Iskenderun and one at $391.75 per ton C&F Aquaba, both for March shipment. A recent report also indicates Iraq bought from 45,000 to 60,000 tons of Thai 100% B fragrant rice for January through April shipment.

RECENT RICE IMPORTER BUYING ACTIVITY
REPORTED BETWEEN NOVEMBER 25 AND DECEMBER 20, 1985

Buyer	Origin	Quantity 1,000 Tons	Quality 1/	Price $/MT 2/	Delivery Period	Date of Report
Brazil	Burma	10.0	5%	180	Nov/Dec	11/25
	Burma	10.0	10%	173	Nov/Dec	11/25
Djibouti	Thailand	1.0	P 100	N/A	N/A	12/6
Gambia	Thailand	3.0	A-1 Spec	N/A	Nov	11/25
Indonesia	Thailand	4.4	Gl 10%	N/A	N/A	12/13
Iran	Thailand	15.0	100% B	N/A	N/A	12/13
Iraq	U.S	15.0	2/4% LG	385 3/	Feb	12/13
	U.S.	15.0	2/4% LG	390 3/	Feb	12/13
	U.S.	15.0	2/4% LG	386 3/	Mar	12/13
	U.S.	15.0	2/4% LG	392 3/	Mar	12/13
	Thailand	45.0	100% F	N/A	Jan/Apr	12/20
Israel	Thailand	6.0	100% Br	N/A	N/A	N/A
Liberia	Thailand	20.0	25%	N/A	N/A	12/6
Malagasy	Thailand	20.0	A-1 Spec	N/A	N/A	12/6
Malaysia	Thailand	2.0	Gl 20%	N/A	Jan	11/25
Reunion	Thailand	4.0	A-1 Spec	N/A	N/A	12/6
Saudi Arabia	Thailand	2.0	100% B	N/A	Dec	12/13
	Thailand	2.0	P 100%	N/A	N/A	11/25
Sri Lanka	Thailand	3.5	A-1 Spec	N/A	N/A	12/6
Tanzania	Thailand	1.0	100% B	N/A	N/A	12/6
	Thailand	1.0	25% Sup	N/A	N/A	12/6
W. Africa	Thailand	3.0	35%	N/A	N/A	11/25
Zaire	Thailand	2.9	35%	N/A	Nov	11/25
N/A	Pakistan	7.0	40/45%	142	N/A	12/2
N/A	Pakistan	10.0	15/20%	158	N/A	12/2

1/ P = Parboiled, LG = Long Grain, MG = Medium Grain, SG = Short Grain, Br = Brown, F = Fragrant, L/Bld = Long, Boiled, F/Bld = Full Boiled, Gl = Glutinous, S = Super, Spec = Special
2/ F.O.B. basis unless otherwise indicated. Price information is in many cases unconfirmed and as reported through unofficial market sources.
3/ C&F
N/A Not available.

U.S. RICE EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
FOR 1982/83-1984/85 AND AUGUST 1 THROUGH DECEMBER 12 FOR 1985/86
(AUGUST/JULY--1,000 TONS)

Destination	Marketing Year	Long Grain Milled	Long Grain Brown 2/	Other 1/ Milled	Other 1/ Brown	Total Exports
EC-10	1982/83	1	214	15	--	230
	1983/84	29	192	2	70	293
	1984/85	10	209	7	98	331
	1985/86	0	96	1	0	97
Other W. Europe	1982/83	33	54	3	4	94
	1983/84	23	35	3	138	199
	1984/85	26	31	4	63	125
	1985/86	16	10	1	0	27
Iraq	1982/83	327	--	*	--	327
	1983/84	230	--	2	--	232
	1984/85	429	15	1	--	445
	1985/86	329	0	0	--	329
Saudi Arabia	1982/83	267	--	2	--	269
	1983/84	253	--	6	--	259
	1984/85	239	--	6	--	245
	1985/86	67	--		--	67
Other Middle East	1982/83	48	--	2	--	50
	1983/84	40	--	12	--	52
	1984/85	41	--	4	--	45
	1985/86	5	0	2	--	7
Republic of Korea	1982/83	--	--	*	213	213
	1983/84	--	--	*	112	112
	1984/85	--	--	--	--	--
	1985/86	--	--	--	--	--
Other Asia & Oceania	1982/83	2	--	129	--	131
	1983/84	3	--	140	--	143
	1984/85	3	--	99	--	102
	1985/86	1	--	4	152	157
Nigeria	1982/83	159	--	--	--	159
	1983/84	63	--	--	--	63
	1984/85	*	--	--	--	--
	1985/86	0	--	--	--	--
Other Africa	1982/83	148	110	153	4	415
	1983/84	95	150	136	--	381
	1984/85	116	65	278	11	470
	1985/86	59	28	57	10	155
Western Hemisphere	1982/83	137	23	86	38	284
	1983/84	156	24	109	14	303
	1984/85	137	48	13	19	217
	1985/86	66	36	4	13	118
Total 3/	1982/83	1,148	400	392	259	2,199
	1983/84	900	401	408	338	2,047
	1984/85	985	389	422	190	1,986
	1985/86	543	169	69	175	956

* Less than 500 tons.
1/ Includes short, medium, and mixed.
2/ Data not converted to a milled equivalency, and includes rough rice.
3/ Discrepancies due to rounding and changes to unknown destinations.
Source: U.S. Export Sales Report

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

Thailand's Board of Trade has discontinued the weekly posted prices, suggesting that the prices may cause confusion regarding the new Paddy Support Scheme. Actual FOB prices for Thai 100 percent B and parboiled 5 percent fell to $200 and $173, respectively, in quiet trading. Last year at this time, 100 percent B was selling at about the same price, while parboiled 5 percent was higher at $190 per ton.

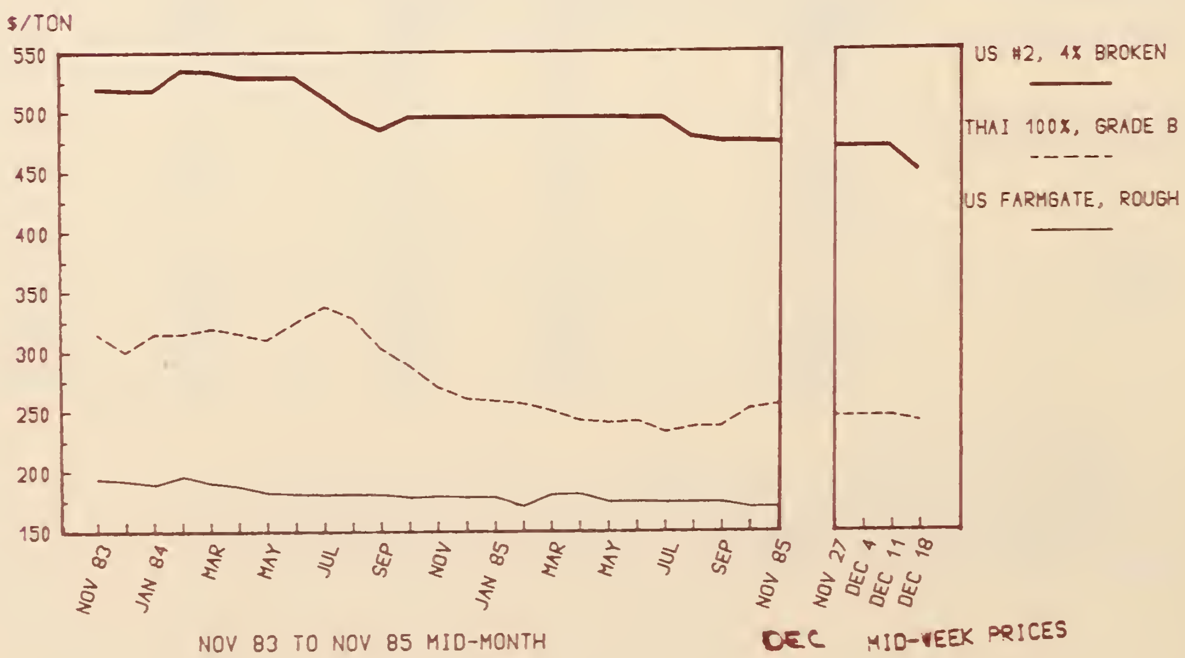
On the Rotterdam market, U.S. #2/4 percent long grain has fallen to $450 per ton C&F, in very light trading activity, while Thai 100 percent B fell back to $250 per ton C&F.

**Thailand: Thai exports dropped by more than 35 percent during the past month to 183,403 tons, following a slowdown in new sales during recent weeks as Thai exporters awaited further developments regarding the Paddy Support Scheme. Calendar year exports through December 11 totaled 3.85 million tons, compared to 4.25 million tons for the same period last year.

Weekly Thai Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
Nov 16	75,841	71,082
Nov 23	47,867	68,201
Nov 30	31,037	60,582
Dec 7	28,658	45,851

RICE PRICES
US AND THAI (C&F ROTTERDAM) AND US FARM



Apparent export commitments for CY 1985 as of December 11 are estimated at 4.18 million tons (as is basis), compared with 4.61 million tons registered by December 4 of last year.

The new Paddy Support Scheme went into effect on December 1, guaranteeing a paddy price at the mill of 3000 Baht (about $115 per ton) for 5% broken paddy rice. The Thai Government hopes to give farmers some relief from the low paddy prices which have resulted from overly competitive export pricing by Thai exporters. However, the scheme does seem to have at least one loophole in that the guaranteed price applies only at the mill; purchases by paddy merchants or middlemen operating at the farm level apparently are not covered. It seems too early to draw any definite inferences about the effect on export prices the new scheme will have, as it will be some time before any new crop rice reaches export position. For the time being, sales are slow as exporters wait for new price levels to develop.

**<u>Burma</u>: The exports of the Myanma Export Import Corporation (MEIC) are now expected to total only 420,000 tons in CY 1985, and 500,000 tons in CY 1986. Recent sales by MEIC include 10,000 tons of 5 percent brokens at $180 and 10,000 tons of 10 percent at $173 to Brazil for November/December shipment.

The MEIC is optimistic about improving the quality of rice for export in the coming year. Construction of several new mills has been completed, with more due to come on line in the next few years. MEIC hopes to compete in the high quality rice markets with a new "100 percent unbroken" rice and larger supplies of 5 and 10 percent broken rice. Currently, Burma's exports consist primarily of 35 percent broken rice. It remains to be seen if MEIC can find enough high quality paddy needed to produce significant quantities of rice at these higher grades.

**<u>Pakistan</u>: The Rice Export Corporation of Pakistan (RECP) exported 127,775 tons of rice during October, bringing total exports in 1985 to 688,905 tons. This amount compares with 905,000 tons exported during the same period a year ago. Major destinations included Brazil and Saudi Arabia (Basmati rice). Though sales of IRRI and Sind varieties have lagged this year, the RECP is expected to market all of the Basmati procured last year. The 1985/86 total rice crop is now estimated at 3.2 million tons, compared to 3.5 million tons for the 1984/85 crop. This fall in production will likely affect procurement, and RECP may be able to obtain only 1 million tons for export. However, about 200,000 tons will be carried over from the 1984/85 crop which should provide for more than adequate export supplies. RECP is not expecting any difficulty in finding markets for the expected 200,000 to 300,000 tons of Basmati procured for export.

**<u>Italy</u>: The National Rice Authority (NRA) has estimated the 1985/86 crop at a record 1.13 million tons. This compares with a 1984/85 crop of 1.01 million tons. The production increase is attributed to good weather conditions and the continuing trend of production increase brought about by the rationalization of the rice sector begun in 1982. Under that program, harvested area has increased by 5 percent, while the number of producers has declined from 11,000 to 9,000.

The NRA also stated that sales in the period from August through November totaled 360,000 tons. Italy is expected to export 480,000 tons of rice in the 1985/86 (Aug/July) marketing year, and 380,000 tons in CY 1985.

**China: Rice exports totaled 460,000 tons in the first half of 1985, according to offical customs statistics of the People's Republic of China (PRC). That puts exports ahead of the 1984 pace of 340,000 tons for the same period. The PRC exported 1.17 million tons in CY 1984, but is expected to export 1 million tons in CY 1985. Recent sales include a reported 35,000 tons of rice to Brazil.

**India: India currently has about 7.5 million tons of rice stocks, according to officials of the Food Corporation of India (FCI). With an adequate harvest expected from the 1985/86 crop, no imports are planned for CY 1986. The 1985/86 Basmati crop is expected to be much better than last year, possibly in excess of 300,000 tons. Traders in India are currently allowed to export only Basmati rice, but some traders reportedly are pressing the Government of India to lift the ban on coarse rice exports as well.

**South Korea: The Ministry of Agriculture has announced a rice production target for the 1986/87 (Nov/Oct) crop year of 5.47 million tons, compared to the 1985/86 harvest of 5.68 million tons of rice. The Ministry estimates that South Korea currently has a stockpile of rice exceeding 1.5 million tons, and has stated that no rice imports will be required in CY 1986.

U.S. Market Opportunity

**Peru: Peru may be in the market for U.S. rice due to a shortfall in the 1985 harvest, and a potentially poor 1986 harvest. The Agricultural Attache estimates that 150,000 tons of imports will be required during the April/June period next year to cover the shortfall from the 1985 crop. Meanwhile, a lack of irrigation water has delayed planting of the 1986 crop, which is normally planted by the end of December to avoid the cooler weather later in the growing season. A reduction both in area and yield is forecast for the 1986 crop, which could fall below the disastrous 1983 production of 430,000 tons (milled basis). With production that low, Peru could require an additional 200,000 tons of imports before the next rice harvest in July/August 1987.

U.S. EXPORT EXPANSION ACTIVITIES

**GSM-102: Credit Guarantees of $165.0 million were announced for Iraq in early November. Credit lines for other elgible countries remain at allocated levels: Jamaica ($10 million), and Portugal ($19.0 million). The previously announced credit line of $10.0 million for rice for Mexico has been shifted to vegetable oils.

**PL-480: During the past month a new agreement was signed with Bangladesh for $10.0 million.

QUANTITY AND VALUE OF U.S GRAIN AND FEED COMMODITY EXPORTS
IN FISCAL YEAR 1985 AND OMPARISON WITH PRECEEDING YEAR

	OCTOBER		CUMULATIVE OCT THRU SEP		ACTUAL EXPORTS	PROJECTED EXPORTS
	FY 85	FY 86	FY 85	FY 86	FY 85	FY 86
WHEAT (grain only)						
Quantity (1000 tons)	3737	2331	3737	2331	28524	2800
Value Per Ton (dollars)	150	133	150	133	149	139
Value (in million dollars)	561	310	561	310	4263	3892
CORN (grain only)						
Quantity (1000 tons)	3913	3173	3913	3173	46276	40850
Value Per Ton (dollars)	132	106	132	106	125	119
Value (in million dollars)	517	337	517	337	5771	4861
SORGHUM (grain only)						
Quantity (1000 tons)	921	600	921	600	7549	6985
Value Per Ton (dollars)	115	88	115	88	115	109
Value (in million dollars)	106	53	106	53	868	761
BARLEY, OATS, AND RYE (grain only)						
Quantity (1000 tons)	193	600	193	600	1202	800
Value Per Ton (dollars)	119	88	119	88	122	112
Value (in million dollars)	23	53	23	53	147	761
TOTAL COARSE GRAINS (grain only)						
Quantity (1000 tons)	5027	3832	5027	3832	55027	48368
Value Per Ton (dollars)	129	103	129	103	122	118
Value (in million dollars)	646	396	646	396	6786	5733
RICE (grain only)						
Quantity (1000 tons)	159	193	159	193	1908	1800
Value Per Ton (dollars)	415	342	415	342	354	350
Value (in million dollars)	66	66	66	66	676	630
PULSES						
Quantity (1000 tons)	39	66	39	66	425	425
Value Per Ton (dollars)	487	439	487	439	461	471
Value (in million dollars)	12	13	12	13	196	200
FLOUR AND OTHER GRAIN PRODUCTS						
Quantity (1000 tons)	196	153	196	153	2470	3111
Value Per Ton (dollars)	235	242	235	242	224	211
Value (in million dollars)	46	37	46	37	554	656
FORAGE, HAY, MIXED FEED AND GRAIN BYPRODUCTS						
Quantity (1000 tons)	381	640	381	640	6395	6400
Value Per Ton (dollars)	162	142	162	142	151	152
Value (in million dollars)	62	91	62	91	964	975
TOTAL VOLUME (in thousand tons)	9539	7215	9539	7215	94760	88660
TOTAL VALUE (in million dollars)	1400	929	1400	929	13439	12086

SOURCE: US Census

U.S. WHEAT PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/Bu.)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/Bu.)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/Bu.)
Trigger Release Price	$200	$4.45	$200	$4.45	--	--
Target Price	$195	$4.30	$198	$4.38	$198	$4.38
Loan (Reserve)	$171	$3.65	$158	$3.30	--	--
National Loan	$171	$3.65	$158	$3.30	$158	$3.30
Season Average Producer Price	$166	$3.53	$161	$3.38	$147-158	$3.00-3.20
Farm Price	--	--	--	--	$151	$3.12 2/
Paid Diversion	$136	$2.70	$136	$2.70	$136	$2.70

1/ Estimated equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $1.00 per bushel.

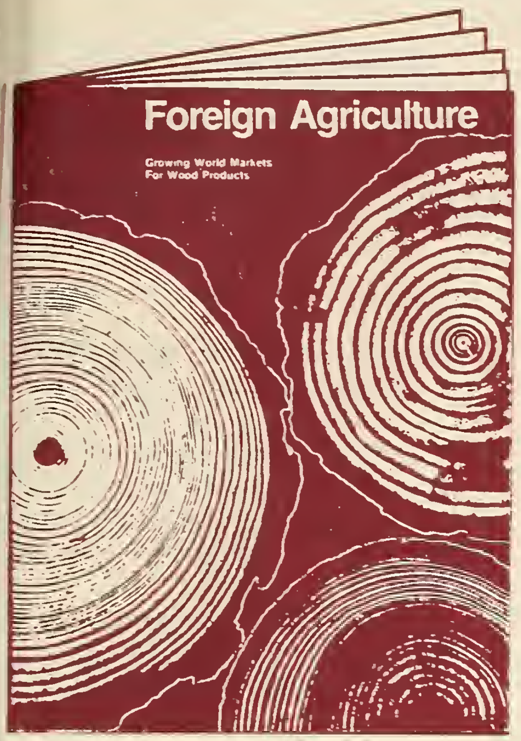
2/ ASCS 5-day moving average as of December 11, 1985

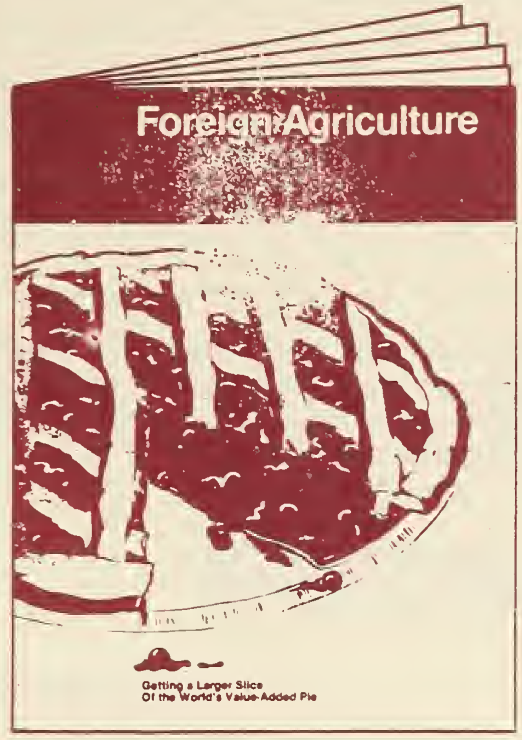
U.S. CORN PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/Bu.)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/Bu.)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/Bu.)
Trigger Release Price	$159	$3.25	$159	$3.25	--	--
Target Price	$144	$2.86	$151	$3.03	$151	$3.03
Loan (Reserve)	$136	$2.65	$132	$2.55	--	--
National Loan	$136	$2.65	$132	$2.55	$132	$2.55
Season Average Producer Price	$159	$3.25	$136	$2.65	$124-132	$2.35-2.55
Farm Price	--	--	--	--	$128	$2.25
Paid Diversion	$91	$1.50	--	--	--	--

1/ Estimated equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $.80 per bushel.

2/ ASCS 5-day moving average as of December 12, 1985





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Grains

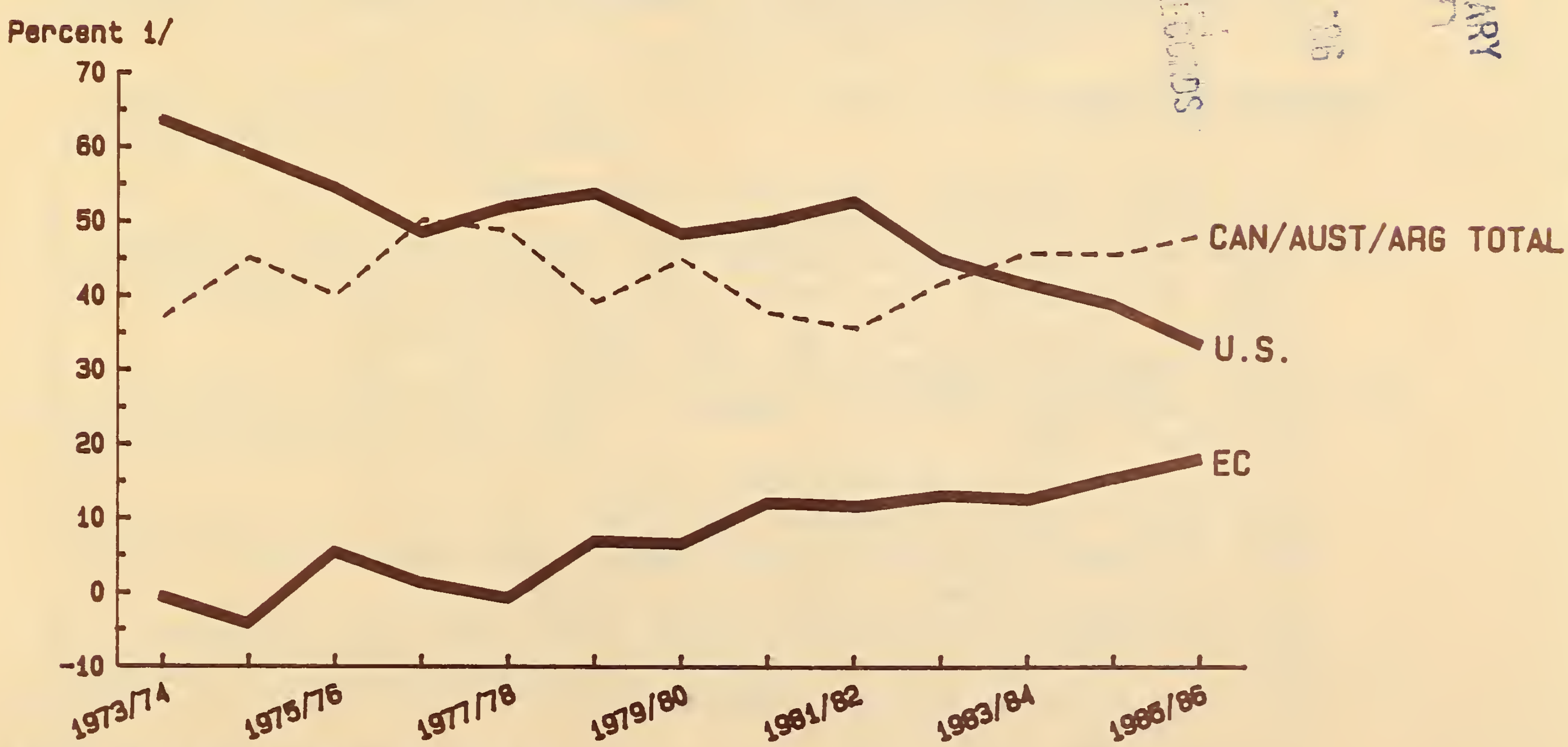
EMG-11-85
NOVEMBER 1985

Export Markets for U.S. Grain and Products

This month's cover graph highlights the continuing long-term difference between U.S. and EC grain policies, especially as related to trade. In spite of recent setbacks in world demand, the record shows a sustained growth in EC market share of world trade and a closely corresponding decline in U.S. export market share.

This apparent cause-effect relationship is particularly important when viewed against the fact that the Community uses export subsidies which are at times as high as $60-70 per ton and has not acted directly to curtail surplus production, whereas the United States has sought to avoid export subsidies and provides income and loan rate protection only to producers who cut back production.

WHEAT TRADE: CHANGING PROPORTIONS ACCOUNTED FOR BY EC AND MAJOR EXPORTERS (1973/74 - 1985/86 AS CURRENTLY FORECAST)



1/ PROPORTION OF THE TOTAL EXPORTS BY THE U.S., CANADA, AUSTRALIA, ARGENTINA, AND NET EXPORTS BY THE EC.

For supporting data, see page 11.

EXPORT MARKETS FOR U.S. GRAIN AND FEED COMMODITIES
November 29, 1985

CONTENTS PAGE

TABLES AND GRAPHS

HIGHLIGHTS

Significant developments over the past month affecting U.S. exports:

--Australia concludes long term grain agreements with Iraq and Jordan.

--Poor quality Canadian wheat crop could improve high-quality U.S. wheat exports, but stiffen competition for U.S. feed grains.

--Saudi Arabia is building more storage facilities for wheat and flour.

--Chile announced new minimum and maximum domestic wheat prices which could spur production but discourage consumption.

--Pakistan raised wheat support prices by 14 percent.

--Brazil could import up to 1 million tons of corn in 1985/86.

--South Africa's 1986 corn crop is being threatened by extended dry weather during the rainy season.

--Argentine corn and sorghum sowing has been delayed due to heavy rains in some areas.

--Portugal's increased use of non-grain feed ingredients could mean reduced imports of U.S. corn.

--Burma may have less rice to export as a result of severe flooding.

--Papua New Guinea (PNG) could become a market for U.S. rice as a result of recent PNG Government action.

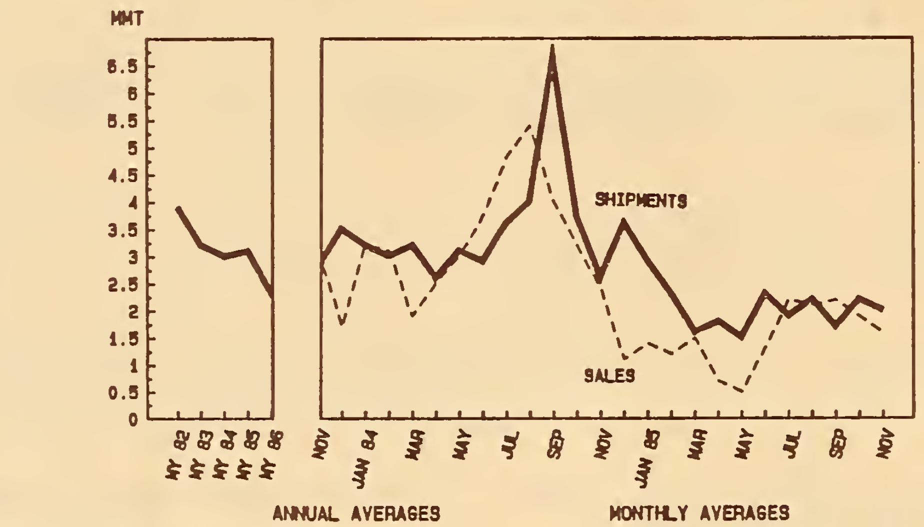
This circular was prepared by the Grain and Feed Division, Commodity and Marketing Programs, FAS/USDA. Telephone: (202) 447-2009.

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: The 1985/86 U.S. wheat export forecast fell to 27.2 million tons, the lowest level in 10 years, mostly as a result of more aggressive competition, particularaly from the European Community. Accumulated exports and commitments through November 14 were just under 15.0 million tons as compared to almost 31.0 million tons 1 year ago. The Soviet Union, which had purchased 7.0 million tons of wheat from the United States by mid-November 1984, has thus far purchased just 150,000 tons in 1985.

Shipments and Sales: Wheat shipments in the 4-week period ending November 14, totaled 2.0 million tons, down 10 percent from last month's total, while new wheat sales of 1.6 million tons were about 16 percent below last month's sales of 1.9 million tons. Japan, Algeria, Sri Lanka, and unknown destinations were the leading buyers while Japan, Egypt, and Chile were the principal destinations.

U.S. WHEAT SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR MY 1982 - 1986 (PROJ)
AND MONTHLY FROM NOVEMBER 1983 - NOVEMBER 1985



MY IS JUNE/MAY MARKETING YEAR

US WHEAT SHIPMENTS, SALES, AND INSEPCTIONS 1/
(JUNE/MAY--MILLION TONS)

Monthly Shipments		
4 Weeks Ending	1984/85	1985/86
Aug. 22	4.2	2.2
Sep. 19	5.1	1.7
Oct. 17	4.5	2.2
Nov. 14	2.9	2.0
Cumulative for MY	21.6	11.3

Monthly Sales 2/		
4 Weeks Ending	1984/85	1985/86
Aug. 22	5.4	2.1
Sep. 19	4	2.2
Oct. 17	3.3	1.9
Nov. 14	3.1	1.4
Cumulative for MY	30.6	14.8

Weekly and Annual Inspection Rates	Million MT	Million BU
Week Ending November 14..........	0.5	17.6
Week Ending November 21..........	0.5	20.2
Official Estimate for Current MY		
(Grain only)....................	25.6	940
Implied Weekly Average...........	0.5	18.1
Latest Six Weeks		
Weekly Average..................	0.5	18.1
Marketing Year-To-Date		
Weekly Average..................	0.5	18.9
Weekly Avg. Extrapolated Annually	26.7	982
Balance of Year to Achieve Estimate		
Implied Weekly Average...........	0.5	17.4

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.

Sizeable purchases of U.S. wheat by Japan, Algeria, and Sri Lanka were the month's highlights for U.S. wheat exporters. In general, global import buying has been at exceptionally low levels this season. North African purchasing has been somewhat postponed because of good crops; some countries are believed to have recently delayed purchasing because they expect growing competitive pressures to lead to further decline of world wheat prices.

WHEAT AND FLOUR IMPORTER BUYING ACTIVITY
REPORTED BETWEEN OCTOBER 26, 1985 AND NOVEMBER 25, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
10/28	Philippines	U.S.	75,000	HRS 14%	182.85-184.10 C&F	Nov/Dec
	Philippines	U.S.	25,000	White	158.32 C&F	Dec
10/30	Japan	U.S.	50,000			Dec
	Japan	Australia	35,000			Dec
	Japan	Canada	20,000			Dec
11/1	Japan	U.S.	53,247	HRW, HRS		Dec
	Japan	Canada	17,000	CWRS		Dec
	Japan	Australia	35,000	ASW		Dec
11/4	Korea	U.S.	21,200	White, HRW, HRS	136.60-165.60	Nov/Dec
11/5	Yemen	Australia	50,000	ASW	146.50 C&F	Nov/Dec
	Yemen	Australia	45,000	AH	151.50 C&F	Nov/Dec
11/7	Sri Lanka	U.S.	75,000	HRW 12%	138.80-141.65	Nov-Jan
	Sri Lanka	U.S.	92,267	SRW	131.36-134.27	Dec-Feb
11/8	Pakistan	U.S.	100,000	White	138.52-139.16	Dec
	Korea	U.S.	22,000	White, HRW, HRS	138.00-167.70	Nov/Dec
	Japan	U.S.	35,047	HRW		Jan
11/12	Sri Lanka	U.S.	14,561	HRW 12%	141.09	Jan
	Morocco	France	170,000	Wheat	106.00-109.00 C&F	Nov/Dec
11/13	Japan	U.S.	55,294	HRW, White		Jan
	Japan	Canada	17,000	CWRS		Jan
	Japan	Australia	15,500	SRW		Jan
11/18	Turkey	U.S.	25,000	HRW	100.50	Jan/Feb
11/20	Morocco	France	100,000	Wheat	110.95-112.75 C&F	Jan
11/21	Japan	U.S.	91,994	WW, HRW, HRS		Jan
	Japan	Australia	16,000	HRW		Jan
	Korea	U.S.	26,000	White, ARW, HRS	138.50-169.40	Dec/Jan
11/22	Korea	U.S.	16,500	White, HRW, HRS	138.40-167.50	Dec/Jan
	Korea	Canada	30,000	Feed wheat	99.65	Dec

1/ HRW=Hard Red Winter, HRS=Hard Red Spring, SRW=Soft Red Winter, HAD=Hard Amber Durum, WW=Western White ASW=Australian Soft White, CWRS=Canadian Western Red Spring, PH=Australian Prime Hard, AH=Australian Hard
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries' Selling Activity and Competitive Practices

WHEAT SHIPMMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1984/85-1985/86
(JULY/JUNE--MILLION TONS)

	Canada		Australia		Argentina		France 2/		Total	
	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86
4 Weeks Ending 1/										
Aug. 22	2.3	1.2	1.0	1.1	.1	.3	1.1	0.5	4.5	3.1
Sep. 19	2.3	1.1	1.1	1.0	.1	.3	1.3	N/A	4.8	N/A
Oct. 17	1.3	2.8	1.3	.9	.1	.4	1.2	N/A	3.9	N/A
Nov. 16	1.4	1.4	1.1	1.1	#	.3	.8	N/A	3.3	N/A
Forecast for Season 3/	19.4	16.5	16.6	15.2	8.0	6.4	12.6	12.0	56.6	50.1

1/ Or nearest date thereto.
2/ Excludes intra-EC trade.
3/ Projection for 1985/86.
Less than 0.1

EC Soft Wheat and Flour Export Licenses
As of Mid-November
(Million Metric Tons)

	1981	1982	1983	1984	1985
Soft Wheat	2.3	3.2	3.6	3.7	4.6
Flour	1.Ø	Ø.5	Ø.7	1.Ø	1.3
Total	3.3	3.7	4.3	4.7	5.9
	1981/82	1982/83	1983/84	1984/85	1985/86
Final Total	9.8	12.8	12.9	13.6	----

The above table illustrates the rapid pace of EC wheat and flour licenses issued so far this year, and reflects the Community's aggressive subsidized export program despite lower global import demand. Recent export subsidies have been $U.S. 55-6Ø per ton for soft wheat. Last year the Community exported a record 17.5 million tons to third countries (16 percent of world trade), and is expected to export at least that quantity again this year. Exports of that magnitude in 1985/86, however, would comprise almost 2Ø percent of forecast world wheat and flour trade.

**<u>Argentina</u>: Stronger demand for high quality U.S. wheat could result from some loss in Argentine wheat production and quality due to severe flooding across much of the country. The 1985/86 (July-June) export forecast prior to the adverse wheather was 7.4 million tons, already down from exports of 8.6 million tons in 1984/85.

**<u>European Community</u>: Aggressive marketing of subsidized EC wheat in China could negatively affect sales of wheat from the United States and other supplier countries. Reports indicate that France recently sold 25Ø,ØØØ - 6ØØ,ØØØ tons of wheat to China at a price of $98.ØØ FOB, with EC exporters getting an additional subsidy of almost 6 ECUs per ton above the standard subsidy. In 1984/85 (July/June) the European Community exported just 85,ØØØ tons of wheat to China. Sales of U.S. wheat to China ranged between 2.1 million and 8.6 million tons annually over the last 7 years. China's wheat imports have fallen sharply over the past 3 years from 13.Ø million tons in 1982/83 (July/June) to an estimated 6.5 million tons in 1985/86. The United States supplied China with about 3.Ø million tons of wheat in 1984/85, with Australia being the other major supplier.

**Australia : Iraq could be taking less U.S. wheat as a result of a new long-term grain agreement with Australia. The agreement calls for a minimum supply and purchase of 6.Ø million tons over the next 5 years, as well as provisions for Iraqi purchases of other grains such as rice. Australia is expected to supply about 35 percent of Iraq's forecast 3.Ø-million-ton wheat import requirement in competition with the United States, Canada, Turkey, and the European Community. Iraq has been a 7ØØ,ØØØ - 1 million-ton market for U.S. wheat over the last 3 years, virtually all of which was sold under the GSM-1Ø2 program.

**Australia: Some 1986 sales of U.S. wheat to Jordan could be displaced by stiff competition from Australia. The Australians have offered terms which include both lower prices and a lower interest rate than would be available under the U.S. GSM-1Ø2 program. In addition, the Australians have offered to take Jordanian phosphate as partial payment for wheat, an attractive proposition to the Jordanians who are short on foreign exchange. Jordan has been a dependable 1ØØ,ØØØ - 3ØØ,ØØØ-ton market for U.S. wheat over the past 5 years, and is expected to import almost 4ØØ,ØØØ tons of wheat from all origins in 1985/86.

Competitive Developments in Selected Foreign Markets

**Brazil: Brazil, which has in recent years annually imported 2.5 - 3.Ø million tons of U.S. wheat, has indicated it will not make additional purchases of U.S. wheat until late January or February 1986. This action may not necessarily result in lost U.S. sales, but just a postponement. The suspension is the result of large domestic supplies, limited storage capacity, and the schedulted arrival of Argentine and Canadian wheat purchased under government-to-government agreements. Total Brazilian wheat imports are forecast at 3.5 million tons for 1985/86 (July/June), down from the previous five-year average of 4.3 million tons.

**Portugal: The United States appears likely to lose some of its large share of the Portuguese wheat market to the European Community. France is expected to supply Portugal with about 1ØØ,ØØØ tons of wheat over the 1985/86 (July/June) year, or about 1/6 of Portugal's forecast wheat imports. Portugal has long been an important market for U.S. wheat, usually taking about 95 percent of its import requirements from the United States. The gradual deterioration in the U.S. market share of Portuguese wheat imports is expected to continue with Portugal's accession to the European Community in 1986.

**Canada: A poor quality 1985 Canadian wheat crop could improve demand for U.S. wheat exports, but result in larger exportable supplies of Canadian feed wheat. The Canadian Wheat Board has announced that only 20 percent of this year's wheat crop is No. 1 quality compared to 50 percent last year. The gains to U.S. exporters have already been felt in a sale of 75,000 tons of U.S. wheat to Norway, traditionally a market for Canadian wheat. On the other hand, any Canadian exports of feed quality wheat, will compete with U.S. feed grain exports. Recently, Korea bough 60,000 tons of feed wheat from Canada.

**Saudi Arabia: The Saudi wheat and flour import market is rapidly disappearing due to increased domestic production and growing buffer stocks. Saudi wheat imports reached their peak in 1979/80 at 1.4 million tons (550,000 tons from the United States). They have declined steadily since then to a forecast 100,000 tons for 1985/86 (July/June). Production in recent years has shot from 141,000 tons in 1980 to an estimated 1.7 million tons in 1985, leaving a surplus of almost 300,000 tons. To further reduce its reliance on imports, the Saudi Government is building silos which will expand storage capacity to 1.5 million tons, or over 1 year's supply at current levels of consumption. Finally, Saudi milling capacity, which is currently 4,000 tons per day, is expected to increase to 5,500 tons per day, which would eliminate the need for any flour imports.

**Canada: Shipping through the Welland Canal between Lakes Ontario and Erie resumed on November 7 after being closed down for nearly a month, and the backlog of 130 ships containing most of October's normal shipments has now been cleared. The temporary closing of the canal is not believed to have seriously affected total exports from either Canada or the United States. Nearly 50 percent of all exported Canadian grain (10 - 15 million tons annually) moves through the St. Lawrence Seaway. In October and November 1984 Canada moved nearly 3 million tons of grain through the seaway, whereas the United States only 100,000 tons. During the month the canal was closed, the Canadian Wheat Board tried to aid exporters by transporting nearly 120,000 tons of wheat by rail to eastern Canada for direct transhipment to ocean vessels.

Internal Price Policies Of Foreign Countries

**Chile: High government-supported wheat prices have led to increased production and declining imports, 80 - 90 percent of which have traditionally come from the United States. Chilean wheat imports have fallen from about 1.1 million tons in 1982/83 to a forecast 600,000 tons in 1985/86 while wheat production for the corresponding period has gone from nearly 600,000 tons to an estimated 1.2 million tons. From November 1, 1985 to October 31, 1986, the domestic price for wheat must range between U.S. $218 - $245/ton. A flexible system of duties and levies ensures that the price of imported wheat will fall within this band. For example, if the international price of wheat (based on the lowest international price of wheat on the shipping date) is below $218, a flexible import duty is imposed in addition to the standard 20 perenct value-added tax. If the price is above $212, no specific duty would be applied and the ad valorem duty would be reduced up to a maximum of $44.64. Flour millers attribute a recent 15 percent drop in flour sales to the high wheat prices and resulting high flour prices. Consumption of wheat in Chile has remained fairly constant at about 1.75 million tons over the last 15 years.

**Pakistan: The Government of Pakistan has raised support prices for the 1986 wheat crop by 14 percent over last year's level. The announcement is likely to increase wheat planting which began in October and is likely to continue through late November/early December. Pakistani wheat imports jumped to over 1.0 million tons in 1984/85 (July/June) and a forecast 1.7 million tons in 1985/86 from the roughly 450,000-ton level of recent years because of a drought-reduced crop. Over the past 6 years, the United States has annually exported about 200,000 tons of wheat to Pakistan.

EXPORTER SUPPORT PRICES FOR WHEAT

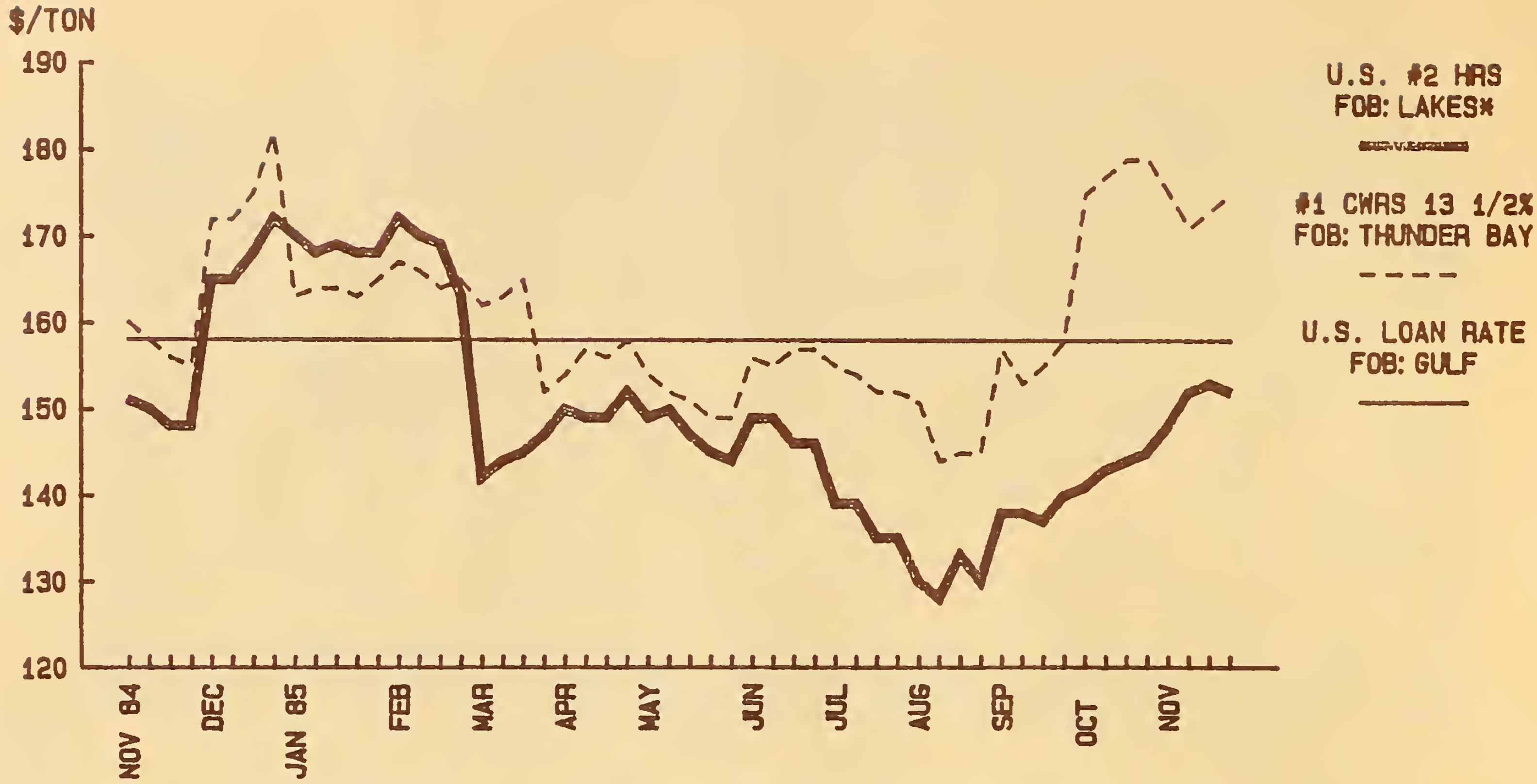
Exporter	1984/85 U.S.$ Equivalent per bu	1984/85 U.S.$ Equivalent per ton	1984/85 Local Currency per ton	1985/86 U.S.$ Equivalent per bu	1985/86 U.S.$ Equivalent per ton	1985/86 Local Currency per ton
U.S. (loan)	3.30	121	121 (US$)	3.30	121	121 (US$)
Argentina (reference)	2.46	89	4,800 1/	----	---	---
Australia (min. pay.)	2.50	92	146 (A$)	n/a	n/a	n/a
Canada (initial pay.)	3.22	119	160 (C$)	3.18	117	160 (C$)
EC (intervention) 2/	3.86	142	183 (ECU)	3.70	136	180 (ECU)
(reference) 3/	4.49	165	213 (ECU)	4.30	158	209 (ECU)

1/ In new pesos, current season prices can be adjusted when necessary because of currency fluctuations. Caution should be taken when using this price in US$ equivalent because of the volatility of the Argentine exchange rate. Current price as of May 30, 1985.

2/ Support price paid for other milling wheats; EC prices represent medium-quality wheat.

3/ Support price for bread-quality wheat.

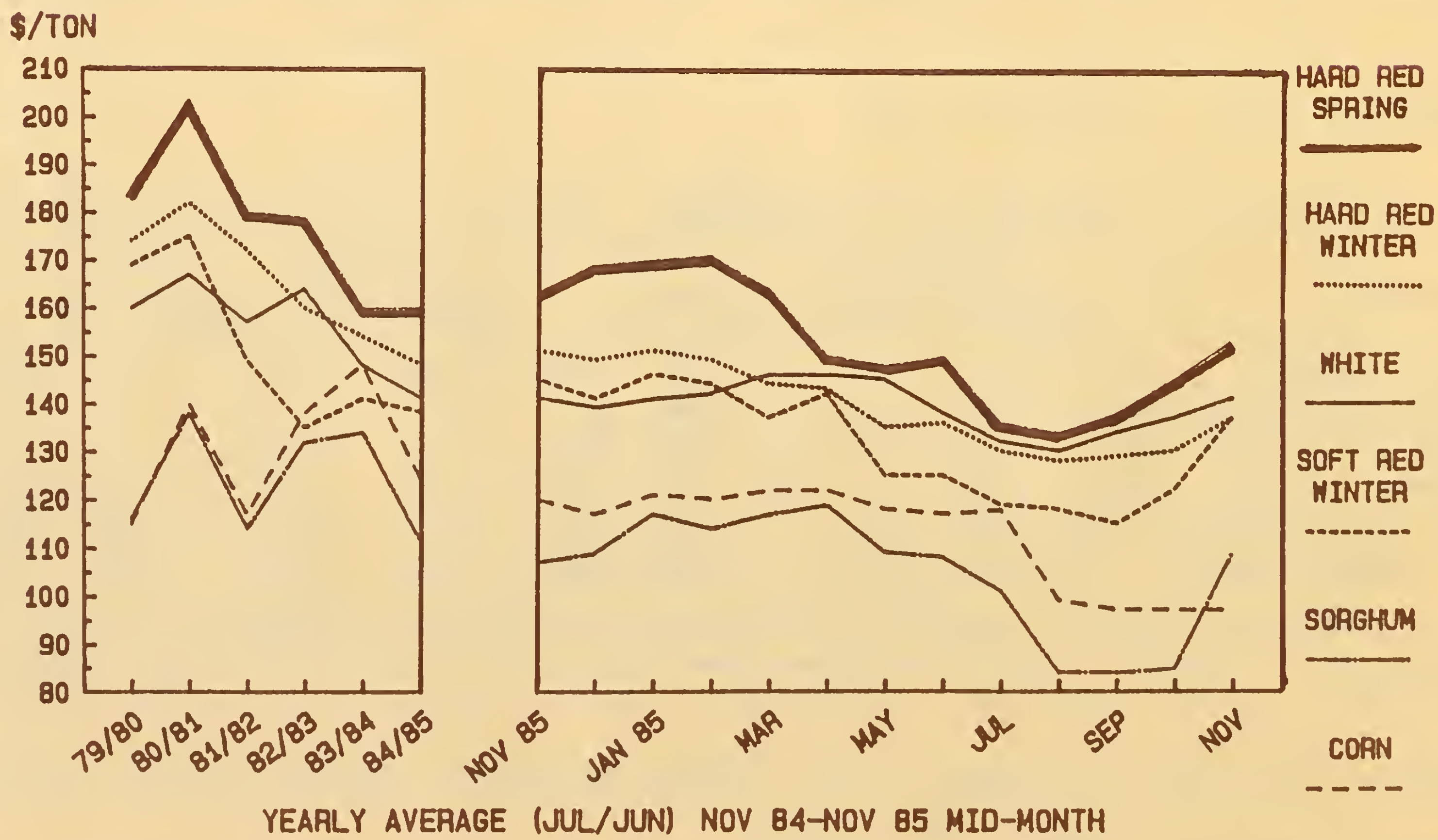
HARD RED SPRING WHEAT EXPORT PRICES
U.S. AND CANADIAN



NOVEMBER 84 THRU NOVEMBER 85 (MID-WEEK PRICES)

*FOB GULF DURING WINTER MONTHS

US. GRAIN COMMODITY EXPORT PRICES FOB GULF
EXCEPT FOB PNW FOR WHITE WHEAT
AND FOB LAKES FOR HARD RED SPRING*



YEARLY AVERAGE (JUL/JUN) NOV 84-NOV 85 MID-MONTH

*FOB GULF DURING WINTER MONTHS

WHEAT TRADE BY MAJOR EXPORTERS
PERCENT OF TOTAL MAJOR EXPORTER TRADE ONLY
JULY/JUNE YEARS

YEARS	U.S.	CAN/AUST/ARG TOTAL	EC 1/
1973/74	63.6	37.1	-0.6
1974/75	59.1	45.1	-4.2
1975/76	54.5	40.0	5.5
1976/77	48.5	50.2	1.3
1977/78	52.1	48.7	-0.8
1978/79	53.9	39.1	7.0
1979/80	48.4	45.0	6.6
1980/81	50.1	37.7	12.2
1981/82	52.8	35.6	11.7
1982/83	45.0	41.8	13.2
1983/84	41.6	45.8	12.6
1984/85	38.8	45.6	15.6
1985/86	33.5	48.3	18.2

1/ EC NET EXPORTS.

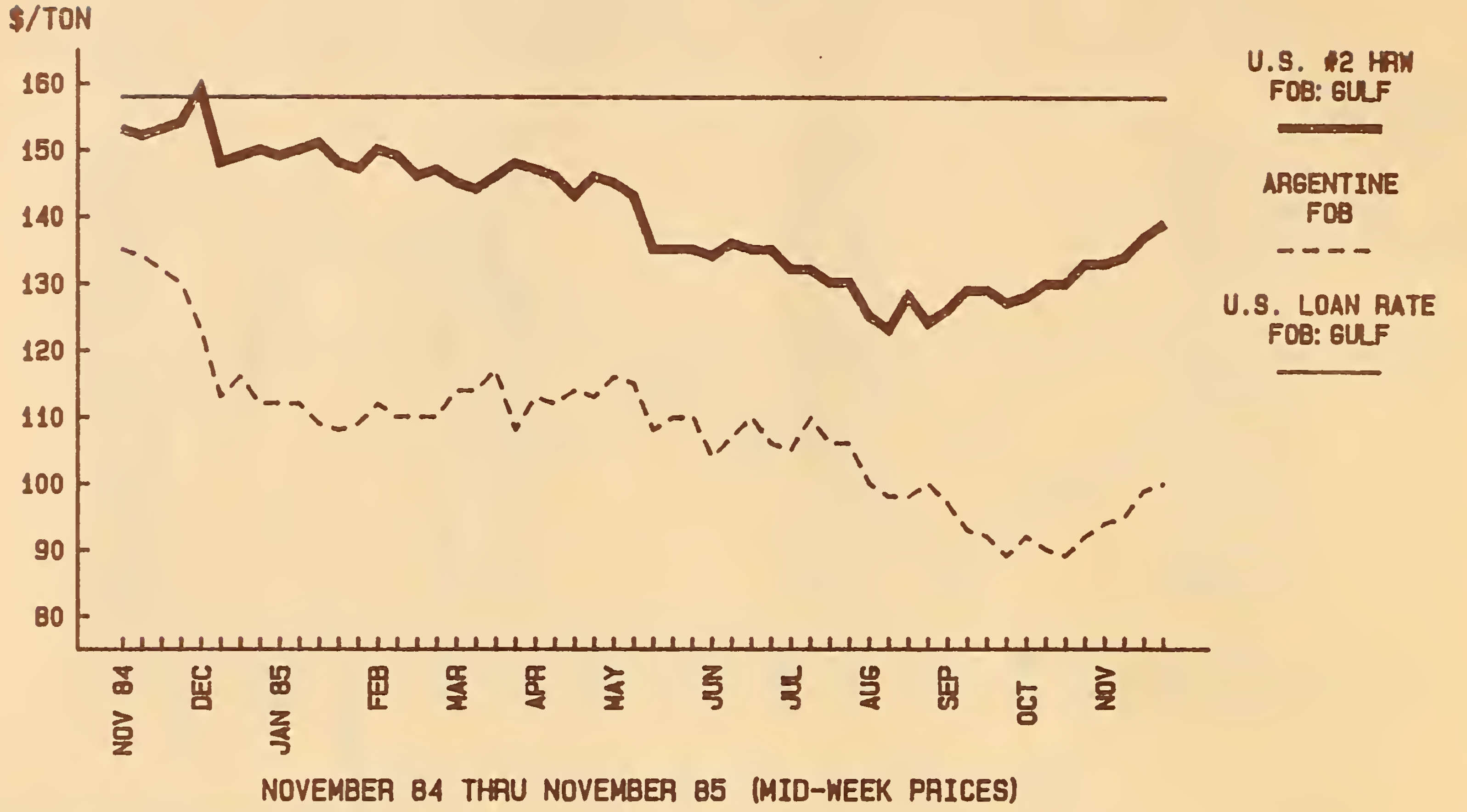
**CCC Credit

U.S. WHEAT/FLOUR TRADE WITH SELECTED COUNTRIES
UNDER CCC GUARANTEE PROGRAMS*

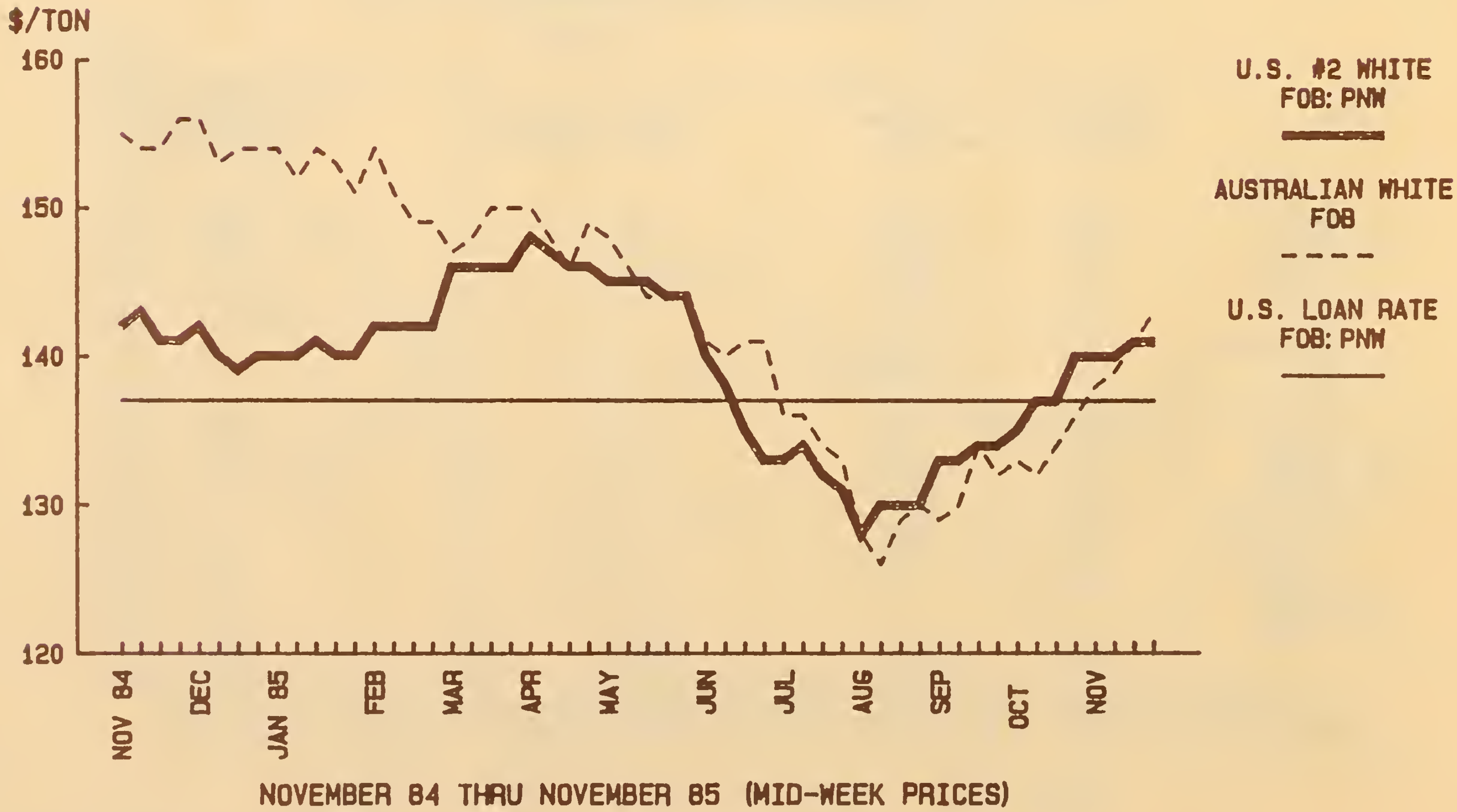
	FY 1985 1/		FY 1986 2/		
	Guarantees Approved --$ Million	Est. Quantity Shipped --1,000 Tons--	Announced --Million	Approved Dollars--	Estimated Quantity Yet To Be Purchased 3/ ----1,000 tons----
Bangladesh	42.1	280.7	--	--	--
Brazil	272.5	1,816.7	20.0	--	133.3
Chile	59.5	396.7	42.0	--	280
Colombia	79.0	526.7	--	--	--
Ecuador	32.6	217.3	55.0	--	366.7
Egypt	77.6	517.3	--	--	--
Guatemala	16.1	107.3	--	--	--
Haiti	7.5	50.0	--	--	--
Iraq	88.5	590.0	--	--	--
Jamaica	4.2	28.0	7.5	--	50.0
Jordan	19.9	132.7	--	--	--
Korea	108.9	726.0	120.0	4.4	770.7
Pakistan	40.1	267.3	--	--	--
Philippines	43.2	288.0	--	--	--
Portugal	97.0	646.7 1/ 2/	73.0	--	486.7
Turkey	10.1	67.3	--	--	--
Yemen	--	--	10.0	--	66.7
TOTAL	998.8	6,658.7	327.5	4.4	2154.1

* Includes GSM-102, GSM-5, and Blended Credit, as of November 22, 1985.
1/ Wheat or feed grains 2/ Registrations include reserve 3/ Based on $150 per ton

HARD RED WINTER WHEAT EXPORT PRICES
U.S. AND ARGENTINE



WHITE WHEAT EXPORT PRICES
U.S. AND AUSTRALIAN



**PL-480

FY 1986 PUBLIC LAW TITLE I/III
COUNTRY AND COMMODITY ALLOCATIONS 1/
(1000 Tons Grain Equivalent)

Country	$Million-Total	Wheat/Flour	Rice	Feedgrains
$790 or Less Per Capita GNP				
Bangladesh	70.0	308.0	35.0	--
Bolivia	20.0	127.0	--	--
Egypt	213.0	1,038.0 2/	--	--
El Salvador	46.0	148.0	--	--
Ghana	8.0	--	7.0	--
Guinea	6.0	--	20.0	--
Haiti	18.0	95.0	--	--
Honduras	15.0	82.0	--	--
Indonesia	30.0	127.0	33.0	--
Kenya	10.0	63.0	--	--
Liberia	11.0	--	37.0	--
Madagascar	8.0	--	14.0	--
Morocco	40.0	253.0	--	--
Mozambique	10.0	25.0	10.0	23.0
Pakistan	50.0	--	--	--
Philippines	35.0	158.0	33.0	--
Senegal	5.5	--	--	61.0
Sierra Leone	4.0	14.0	7.0	--
Somalia	20.0	34.0 1/	17.0	13.0
Sri Lanka	26.0	193.0	--	--
Sudan	50.0	358.0 1/	--	--
Yemen	5.0	--	13.0	--
Zaire	20.0	92.0	17.0	--
Zambia	10.0	37.0	--	--
Subtotal	730.5	3,152.0	243.0	97.0
Over $790 Per Capita GNP				
Costa Rica	23.0	114.0	--	63.0
Dominican Rep.	30.0	72.0	32.0	--
Guatemala	14.0	63.0	--	--
Jamaica	30.0	93.0	19.0	85.0
Peru	20.0	100.0	--	--
Tunisia	2.5	16.0	--	--
Subtotal	119.5	458.0	51.0	148.0
Allocated	850.0	3,610.0	294.0	245.0
Unallocated Reserve	100.0	--	--	--
TOTAL PROGRAM	950.0	3,610.0	294.0	245.0

1/ Preliminary
2/ Wheat equivalent of flour or some portion of wheat equiv. of flour.

U.S. WHEAT EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
TOTAL EXPORTS FOR 1983/84-1984/85; COMMITMENTS TO DATE FOR 1985/86 WITH COMPARISON TO 1984/85
(JUNE/MAY--1,000 TONS)

Destination	Marketing Year	Hard Red Winter	Hard Red Spring	Soft Red	All White	Durum	Total Exports
EC-10	1983/84	3	1,218	2	--	263	1,486
	1984/85	--	718	8	--	188	914
	1984/85*	--	479	4	--	122	605
	1985/86**	--	367	7	--	128	502
Other W. Europe	1983/84	795	32	411	16	49	1,303
	1984/85	546	99	633	--	45	1,323
	1984/85*	352	43	529	--	35	959
	1985/86**	260	56	190	6	4	516
USSR	1983/84	4,141	--	--	--	--	4,141
	1984/85	6,339	--	--	--	--	6,339
	1984/85*	6,785	--	--	--	--	5,032
	1985/86**	150	--	--	--	--	150
China	1983/84	1,368	--	1,549	--	--	2,917
	1984/85	105	--	2,693	--	--	2,798
	1984/85*	105	--	3,081	--	--	3,186
	1985/86**	--	--	581	--	--	581
Japan	1983/84	1,287	1,010	--	1,126	12	3,435
	1984/85	1,367	1,067	--	1,013	15	3,462
	1984/85*	802	664	--	702	--	2,168
	1985/86**	744	591	--	602	25	1,962
Taiwan	1983/84	245	185	--	130	--	560
	1984/85	299	211	--	145	--	655
	1984/85*	282	191	--	129	--	602
	1985/86**	310	214	--	143	--	667
Rep. of Korea	1983/84	649	221	2	1,179	--	2,051
	1984/85	674	231	--	1,103	--	2,008
	1984/85*	403	138	--	699	--	1,240
	1985/86**	322	129	3	584	--	1,038
Other Asia, Middle East, and Oceania	1983/84	2,288	1,232	258	1,222	21	5,021
	1984/85	2,227	1,002	178	1,502	--	4,909
	1984/85*	1,756	590	171	1,056	--	3,573
	1985/86**	979	409	138	799	--	2,325
Egypt	1983/84	--	--	539	807	--	1,346
	1984/85	30	--	429	1,205	--	1,664
	1984/85*	--	--	212	662	--	874
	1985/86**	--	--	712	--	--	712
Nigeria	1983/84	1,278	265	88	--	--	1,631
	1984/85	1,324	198	91	--	--	1,613
	1984/85*	585	164	73	--	--	822
	1985/86**	712	35	70	--	--	817
Other Africa	1983/84	471	7	1,876	45	844	3,243
	1984/85	418	39	2,034	35	803	3,329
	1984/85*	197	29	1,887	28	573	2,714
	1985/86**	657	64	577	--	165	1,463
Brazil	1983/84	2,181	66	66	--	--	2,313
	1984/85	3,111	67	67	--	--	3,245
	1984/85*	2,793	--	67	--	--	2,860
	1985/86**	721	--	--	--	--	721
Other W. Hemis.	1983/84	2,223	1,477	514	48	296	4,558
	1984/85	2,061	1,290	503	159	293	4,306
	1984/85*	1,522	997	350	140	211	3,220
	1985/86**	1,407	808	500	2	159	2,876
Total 1/	1983/84	17,128	5,647	5,593	5,541	1,556	35,465
	1984/85	18,460	4,862	6,577	5,234	1,458	36,591
	1984/85*	16,041	3,386	6,431	3,442	1,125	30,425
	1985/86**	6,423	2,861 **	2,896	2,151	749	17,976
MY Projection 2/		13,336	4,218	4,355	4,082	1,225	27,216

1/ Discrepancies due to rounding and sales to unknown destination.
2/ Projection for 1984/85, including flour and products
* Sales plus accumulated exports as of November 22, 1984, excluding sales for next marketing year.
** Sales plus accumulated exports as of November 20, 1985, excluding sales for next marketing year.

Source: U.S. Export Sales Report

CORN AND SORGHUM

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: The 1985/86 U.S. coarse grain export forecast declined this month as a result of lower barley export prospects in light of intensified competition from the EC and Australia. The United States can also expect increased competition from Canadian and EC feed wheat, as well as increased use of non-grain feed ingredients in key European and Far Eastern markets.

Shipments and Sales: Corn shipments during the 4-week period ending November 14 were 3.8 million tons, an increase of 65 percent over last month's total , while new corn sales were almost 4.3 million tons, well above last month's total of 2.6 million tons. Japan, unknown destinations, the Soviet Union, and Brazil were the major buyers, while Japan, the Soviet Union, and Egypt were the primary destinations. Sorghum shipments of 441,000 tons were 47 percent above last month's total, while sales of 381,000 tons also showed an increase over last month's level. Japan and Israel were the principal buyers.

US CORN AND SORGHUM SHIPMENTS, SALES AND INSPECTIONS 1/
(OCTOBER/SEPTEMBER--MILLION TONS)

Monthly Shipments

	CORN		SORGHUM	
4 Weeks ENDING	83/84	84/85	83/84	84/85
Aug. 22	3.7	2.7	.5	.7
Sep. 19	2.4	1.8	.4	.3
TOTAL FOR MY	43.6	43.5	5.6	6.2
4 Weeks ENDING	84/85	85/86	84/85	85/86
Oct. 18	1.7	2.3	.7	.4
Nov. 14	5.2	3.8	.7	.4
TOTAL FOR MY	7.0	5.4	1.3	.9

Monthly Sales

	CORN		SORGHUM	
4 Weeks ENDING	83/84	84/85	83/84	84/85
Aug. 22	3.7	1.9	.5	.3
Sep. 19	3.5	2.6	.5	.3
TOTAL FOR MY	48.6	47.3	6.8	7.2
4 Weeks ENDING	84/85	85/86	84/85	85/86
Oct. 17	3.6	2.6	.4	.3
Nov. 14	2.5	4.3	.7	.4
TOTAL FOR MY	21.3	15.0	2.6	1.7

Weekly and Annual Inspection Rates

	CORN		SORGHUM	
	MT	BU	MT	BU
Week Ending November 14	1.3	52.0	0.09	3.8
Week Ending November 21	1.6	62.5	0.10	4.0
Official Estimate for Current MY (Grain only)	40.8	1608	6.99	275
Implied Weekly Average	0.8	30.9	0.13	5.3
Latest Six Weeks Weekly Average	0.9	35.4	0.12	4.8
Marketing Year-To-Date Weekly Average	1.1	42.3	0.14	5.5
Weekly Avg. Extrapolated Annually	55.9	2199	9.75	384
Balance of Year to Achieve Estimate Implied Weekly Average	0.7	29.3	0.13	5.3

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.
Source: Export Sales; FGIS

The major corn buyers over the 4-week period ending November 14 were the Soviet Union (825,000 tons), Japan (1,362,000 tons), and unknown destinations (920,000 tons). The key purchaser in the sorghum market over this same period was Japan (375,000 tons).

U.S. Market Opportunities:

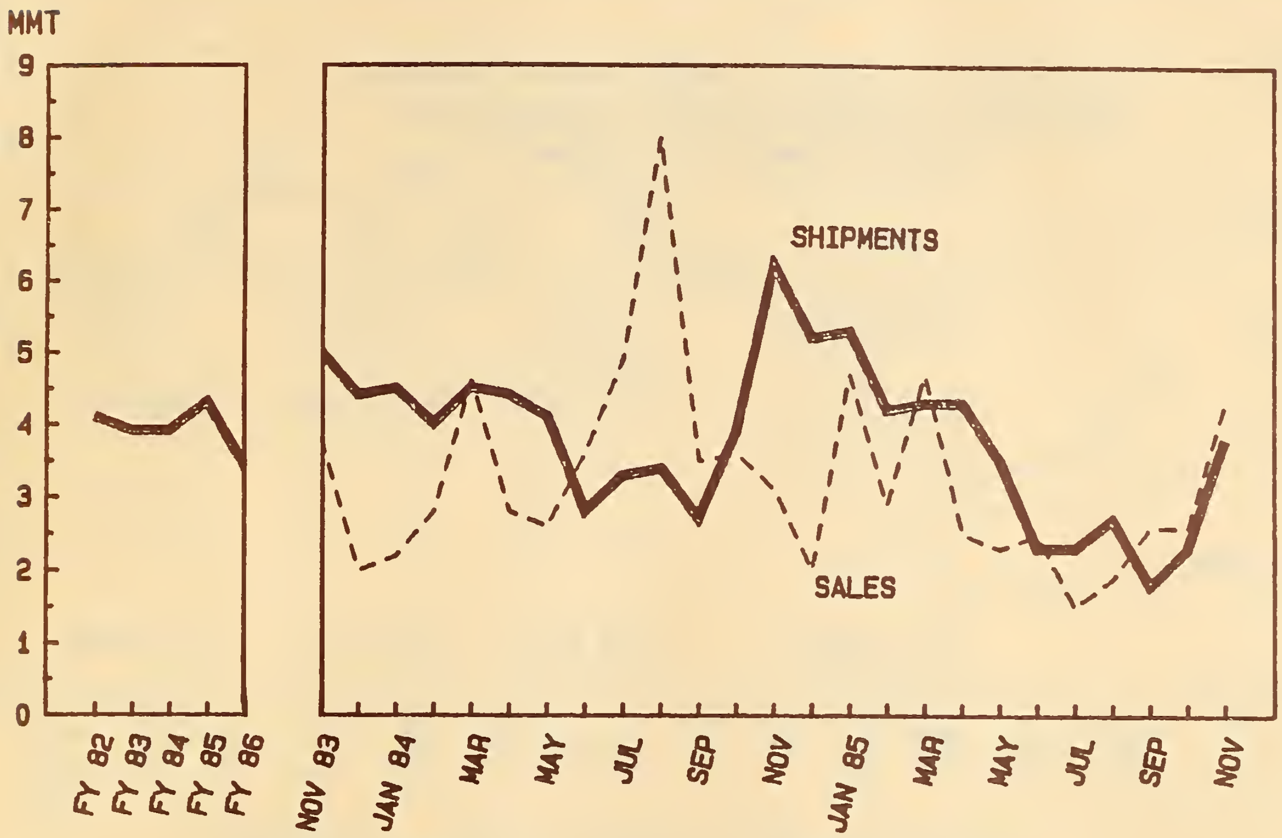
**Brazil: Brazil has purchased 400,000 tons of U.S. corn, and may take up to 1 million tons in 1985/86 (October-September) as part of an effort to reduce speculation and domestic price inflation. The effort could also include requesting the Government of Argentina to substitute corn for wheat under their grain agreement. At present, however, the Brazilians are still expected to take their entire corn import needs for 1985/86 from the United States. Brazil has historically been a sporadic corn trader, importing nearly 2 million tons in some years and exporting over 1 million tons in others. This year Brazil was expected to import just 400,000 tons. Also, reports of drought in several important corn-growing regions has interfered with corn sowing and will cause the Brazilian government to import corn before late January.

U.S. CORN AND SORGHUM EXPORTS BY DESTINATION
(OCTOBER/SEPTEMBER--1,000 TONS)

			1984/85		1985/86
Destination	1982/83	1983/84	Actual Exports	Committed as of 11/22/84 1/	Committed as of 11/14/85/
---CORN---					
EC	4,033	3,677	2,268	390	197
Other W. Europe	5,388	4,473	3,969	1,162	915
Eastern Europe	1,470	727	693	426	448
USSR	3,200	6,500	15,750	8,389	3,481
China	2,161	18	0	0	0
Japan	13,180	13,781	11,095	5,032	4,534
Taiwan	3,000	2,676	3,134	1,760	1,458
Rep. of Korea	3,908	2,972	87	260	580
Egypt	1,516	1,303	1,352	343	544
Canada	750	283	316	27	7
Mexico	4,091	2,808	1,297	650	636
Venezuela	892	1,140	638	219	0
Others	3,938	6,992	5,361	3,232	2,208
Total	47,527	47,350	45,960	21,890	15,008
--SORGHUM--					
Spain	105	465	45	45	0
Other W. Europe (excl. Spain)	251	136	79	36	27
Japan	741	1,505	2,726	1,421	1,258
Israel	341	574	587	233	163
Mexico	3,260	2,758	1,958	372	13
Venezuela	243	206	1,093	185	95
Others	462	582	508	394	163
Total	5,403	6,226	6,996	2,686	1,692

1/ Accumulated shipments and sales, excluding sales for next marketing year.
Source: U.S. Bureau of Census and U.S. Export Sales Report.

U.S. CORN SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1982 - 1986 (PROJ)
AND MONTHLY FROM NOVEMBER 1983 - NOVEMBER 1985



RECENT CORN AND SORGHUM IMPORTER BUYING ACTIVITY
REPORTED BETWEEN OCTOBER 26, AND NOVEMBER 25, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
10/30	Japan	U.S.	103,632	YC		1985/86
11/5	Korea	U.S.	50,000	#3 YC	108.46	Nov
11/6	Taiwan	U.S.	281,000	#2 YC	121.74-127.95 C&F	Nov/Feb
11/8	Korea	Thailand	20,000	Corn	104.95 C&F	Dec
	Brazil	U.S.	400,000	#2 YC		Nov/Jan
11/14	Japan	U.S.	103,632	Corn		1985/86
11/15	Peru	U.S.	40,000	YC		Nov/Dec
	Israel	U.S.	25,000	#2 YC		Jan
11/22	Korea	U.S.	50,000	#3 YC	111.55	Dec
	Taiwan	U.S.	50,000	#2 YC	127.45 C&F	Dec

1/ YC=#3 Yellow Corn unless otherwise stated, and YS=Yellow Sorghum
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

Other Exporting Countries' Selling Activity and Competitive Practices

CORN AND SORGHUM SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1984/85-1985/86
(OCTOBER/SEPTEMBER--MILLION TONS)

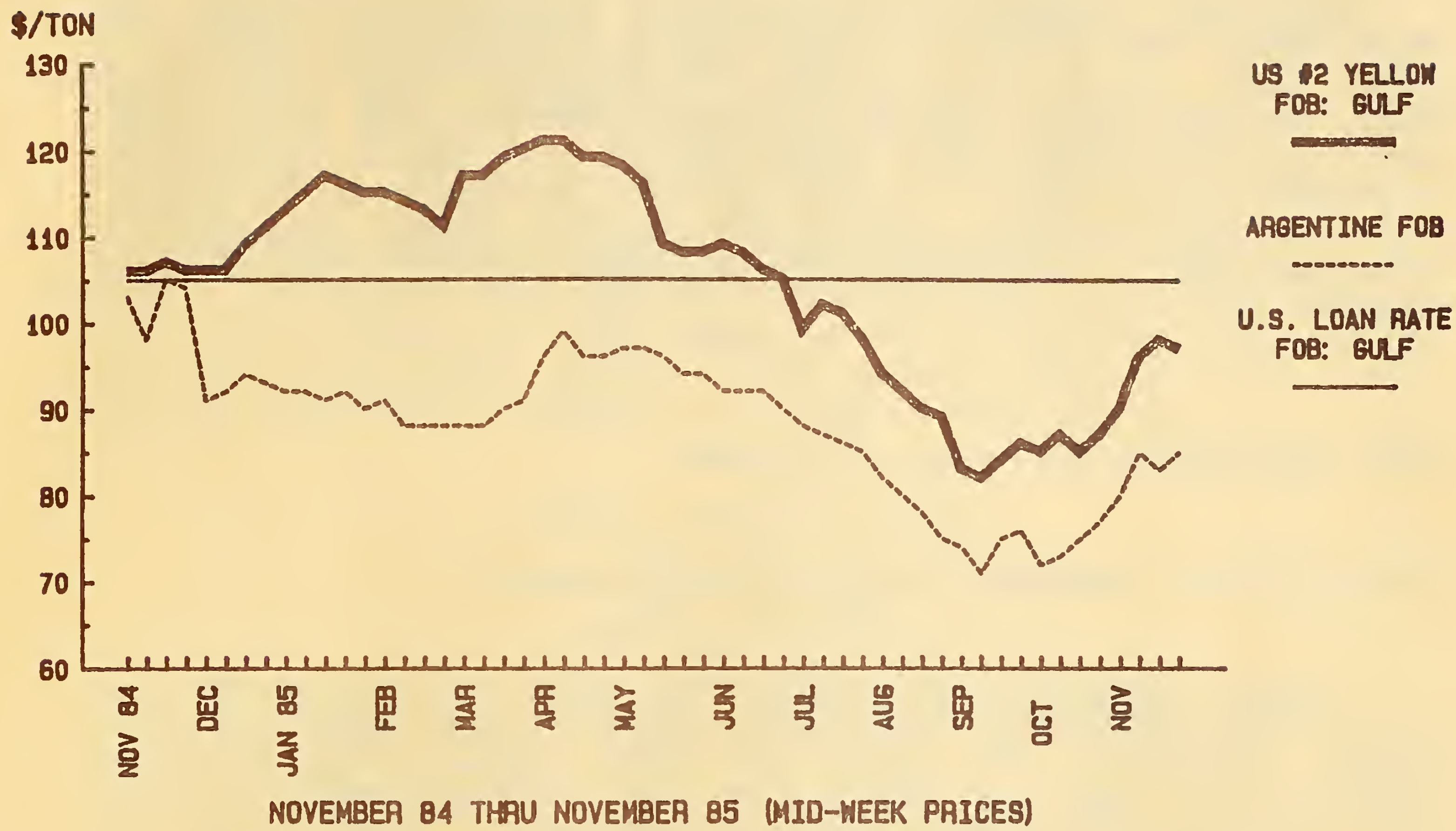
	SORGHUM		CORN					
	Argentina		Argentina		Thailand		TOTAL	
	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
4 Weeks Ending 1/								
Aug. 22	.2	.3	.5	.8	.3	.2	1.0	1.1
Sep. 19	.2	.1	.3	.2	.4	.2	.9	.5
TOTAL FOR SEASON 2/	4.8	3.4	5.9	7.1	3.0	2.8	13.7	13.3
	84/85	85/86	84/85	85/86	84/85	85/86	83/84	84/85
4 Weeks Ending 1/								
Oct. 17	.2	.1	.3	.2	.6	.3	1.1	.6
Nov. 20	#	.1	.1	.1	.5	.3	.6	.5
Cumulative in Marketing Year	.2	.2	.4	.3	1.1	.3	1.7	1.1
TOTAL FOR SEASON 2/	3.4	2.3	7.1	9.4	2.9	3.6	13.4	15.3

N/A = Not Available
1/ Or nearest date thereto.
2/ Projection for 1984/85.
\# Less than 100,000 tons.

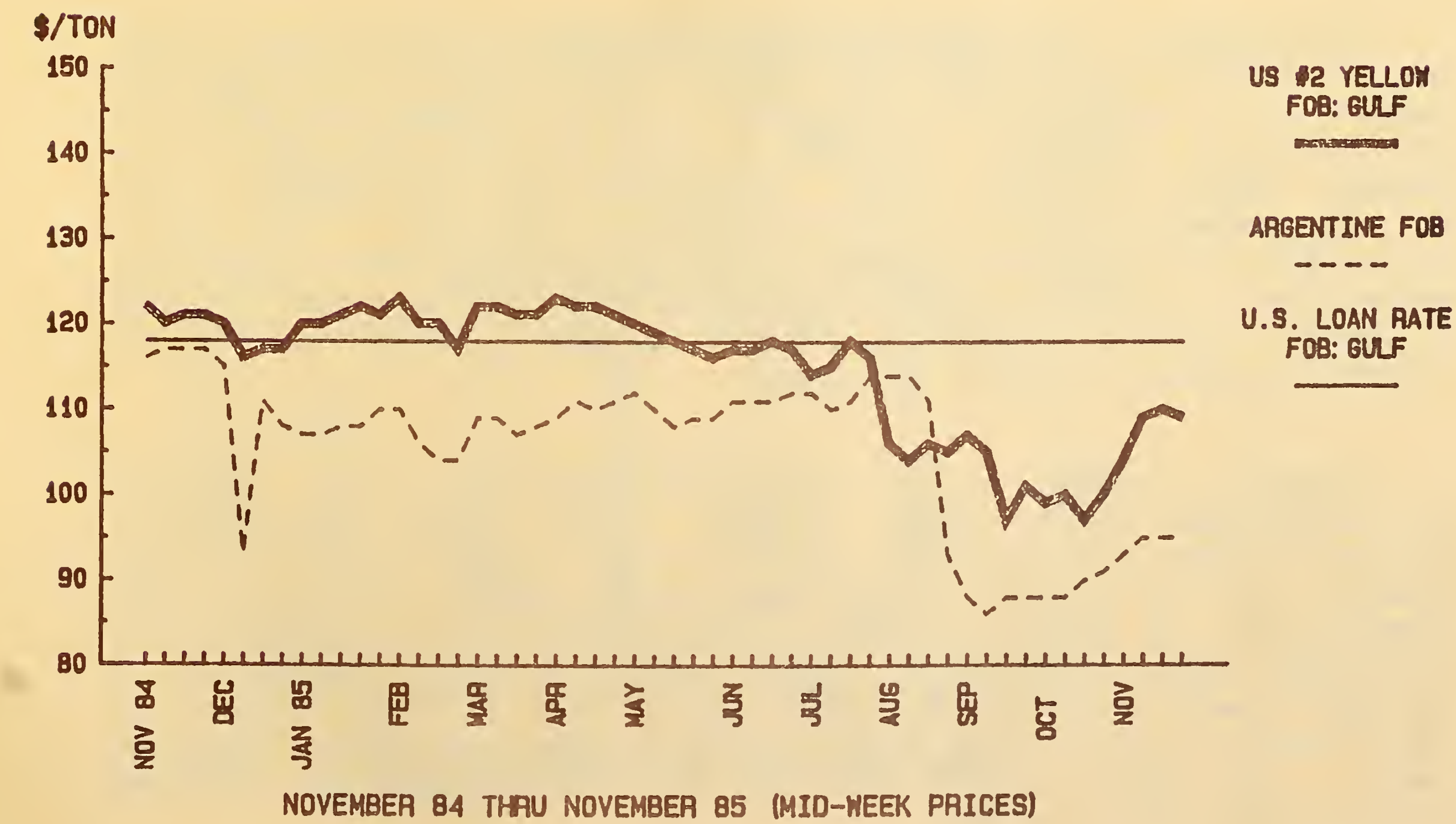
**South Africa: Larger exports of U.S. corn to the Far East could result from a continuation of dry conditions in the Maize Triangle of South Africa. The beneficial rains in October have been virtually negated by subsequent high temperatures and dryness. Fields planted after the optimal planting period risk the affects of typically drier, warmer weather in April and May when the crop is in the moisture-sensitive, grain-filling period of development. Drought affected crops in both 1984 and 1985 and caused this traditionally major corn exporter to be a net corn importer in each of those years. South Africa had been expected to resume its net exporting position this year and is still forecast to export 900,000 tons in October-September 1985/86 year, primarily to Japan and Taiwan.

**Argentina: Heavy rains have delayed the planting of Argentina's 1986 corn and sorghum crops, possibly decreasing exportable supplies and reducing competition for U.S. feed grains. Though sorghum can be planted through mid-December without much risk to the crop, the planting window for corn is virtually closed. Farmers hoping to plant corn may have to switch to oilseeds instead. Argentina is currently forecast to export 9.4 million tons of corn and 2.3 million tons of sorghum in 1985/86 (Oct/Sep) as compared to 7.1 and 3.4 million tons the previous year.

SORGHUM EXPORT PRICES
U.S. AND ARGENTINE



CORN EXPORT PRICES
U.S. AND ARGENTINE



**Thailand: Aggressive corn exports by Thailand in the Middle East could negatively affect U.S. corn exports in that growing market. In recent weeks Thailand has exported 78,000 tons of corn to the Middle East, including 60,000 tons to Syria which bought no corn from Thailand last year, and 11,000 tons to Libya which is a new market for Thailand. In light of its bumper corn production of 5.2 million tons in 1985/86, and exportable supplies of 3.6 million tons, it appears that Thailand is attempting to expand corn exports outside of its traditional Asian markets.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

Competitive Developments in Selected Foreign Markets

**Kenya: Kenya may have an exportable corn surplus of 200,000 tons for 1985/86 (October-September) in contrast to last year's imports of 550,000 tons, over half from the United States. Any exportable supplies this year are likely to be shipped to neighboring countries still suffering from drought-reduced harvests. Though Kenya has traditionally been both an importer and exporter of corn, that country has averaged annual imports of 300,000 tons over the last 6 years. Last year was the first since 1965/66 that the United States exported more than 100,000 tons of corn to Kenya, most of which was sent under the PL-480 program in response to the 1984 drought.

**Venezuela: Venezuelan imports of U.S. corn in 1985/86 are likely to be significantly lower than last year's level of 650,000 tons because of a projected record harvest. If the current crop estimates are realized, Venezuela may end up with an exportable surplus of a several hundred thousand tons. Indications are that Venezuela would try to market any surplus corn to neighboring countries in the form of pre-cooked maize flour. Venezuela has traditionally been an important market for U.S. corn, taking an average over 800,000 tons over the past 5 years. Venzuela is currently forecast to import 800,000 tons of corn from all origins in 1985/86 (Oct/Sep).

**Spain: Exports of U.S. feed grains could rise if Spain curtails its subsidized barley export program. The drought across most of southern Europe has damaged Spanish forage crops, leading to higher domestic barley prices and stronger internal demand for barley. This substitution of barley for forage in feed rations could reduce Spain's exportable supplies of barley. Spain exported a record 850,000 tons of barley between July and September, and had been planning to export an additional 1 million tons during the local July-June 1985/86 marketing year. This year is the first since 1977/78 that Spain has exported over 100,000 tons of barley.

**Portugal: Imports of U.S. corn in October-September 1985/86 are expected to fall below last year's levels because of higher utilization of non-grain feed ingredients (NGFIs) in feed rations, as well as stronger competition from Canada, Argentina, Portugal, and France. The price that feed compounders must pay for corn has tripled since 1982, and has made it economical for them to import duty-free substitutes such as manioc and corn gluten feed (CGF). Vitually all of Portugal's CGF imports are expected to come from the United States. Imports of manioc and CGF are expected to reach 350,000 tons and 100,000 tons respectively, while imports of corn are expected to continue falling in 1985/86 to 1.2 million tons from the 2.5-million-ton levels of the early 1980s. While this downward trend in Portuguese corn imports is expected to continue over the near term, it could be off-set somewhat by Portugal's rapidly expanding poultry industry. Only very small amounts of manioc and barley can be mixed into poultry feed rations, which should help the United States maintain an important share of the Portuguese corn-import market. The United States has traditionally supplied nearly all of Portugal's corn import requirements.

BARLEY, OATS, AND RYE

U.S. Exports
June/May--1,000 Tons

Grain	1983/84	1984/85 1/	1985/86 2/
Barley	1,991	1,676	1,306
Oats	39	15	30
Rye	25	10	25

1/ Estimated 2/ Projected

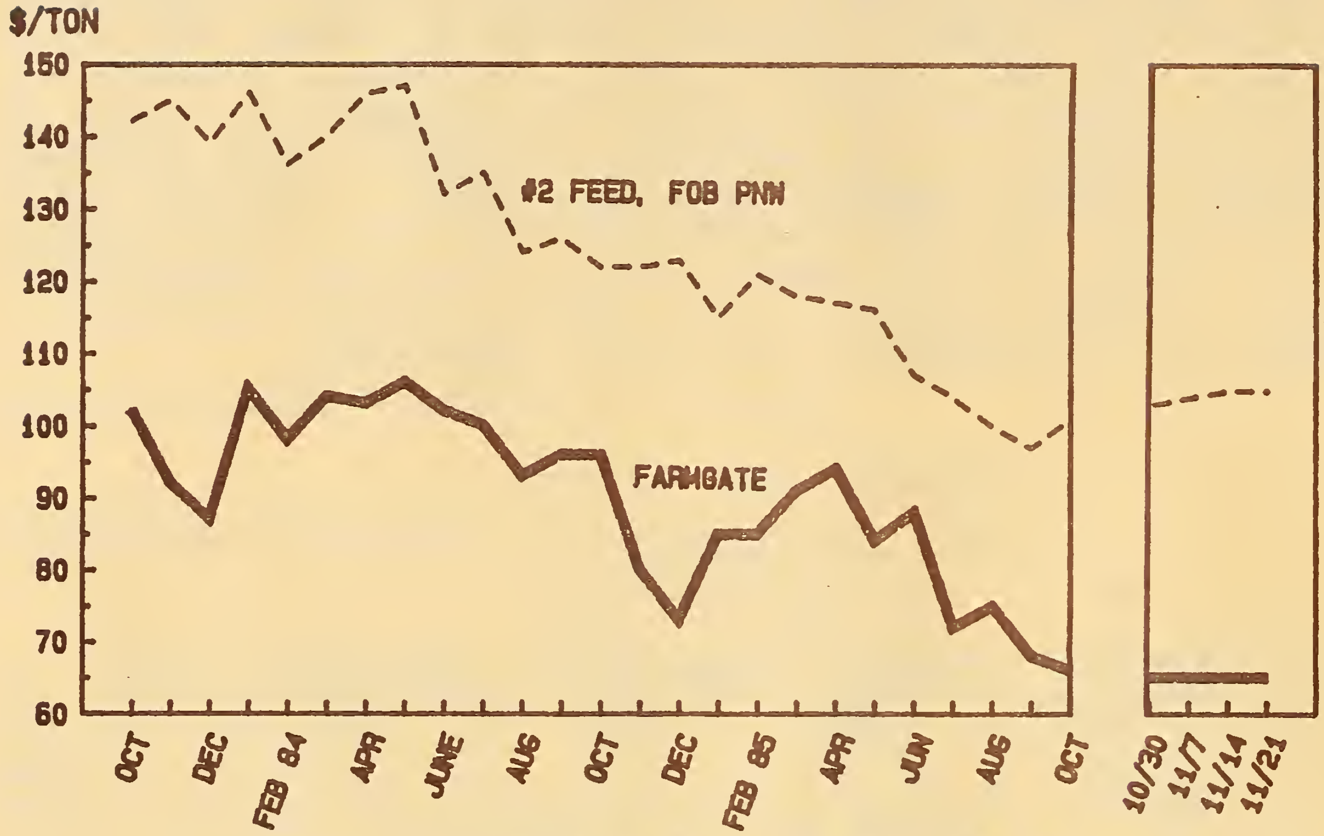
Other Countries Selling Activity and Competitive Practices

U.S. BARLEY EXPORTS BY DESTINATION
(JUNE/MAY--1,000 TONS)

			1984/85		1985/86
Destination	1982/83	1983/84	Total Exports	Committed as of 11/22/84 1/	Committed as of 11/14/85 1/
EC	122	360	105	110	--
Other W. Europe	226	441	353	357	1
Eastern Europe	--	126	--	--	60
Taiwan	146	223	259	259	100
Japan	119	372	314	314	123
Others	317	509	514	470	91
TOTAL	930	2,031	1,545	1,510	375

1/ Accumulated shipments and sales excluding sales for next marketing year.
SOURCE: U.S. Census for 1982/83-1983/84 and U.S. Export Sales for 1984/85-1985/86.

U.S. FEED BARLEY PRICES
INTERIOR AND EXPORT POSITIONS



OCT 83 TO OCT 85 MID-MONTH   NOV MID-WEEK PRICES

Other Countries Selling Activity and Competitive Practices

BARLEY SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1984/85-1985/86
(OCTOBER/SEPTEMBER--MILLION TONS)

	U.S.		CANADA		FRANCE 2/		U.K. 2/		TOTAL	
4 Weeks Ending 1	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
August 22	0.1	0.1	0.3	0.1	0.2	0.1	0.2	0.1	0.8	0.4
September 19	0.3	#	0.2	0.4	0.3	#	0.2	0.1	1	0.6
Total For Season 3/	2.1	1.3	4.2	2.5	1.1	2.1	1.4	2.3	8.8	8.4
4 Weeks Ending 1	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86
October 17	#	0.2	0.4	0.3	0.2	0.1	0.2	0.1	0.8	0.7
November 16	0.4	#	0.4	0.2	0.2	N/A				
Cum. Since Oct 1	#	0.2	0.8	0.5	0.2	0.1	0.2	0.1	1.3	0.9
Total For Season	1.3	0.8	2.5	4.0	2.1	2.0	2.3	2.0	8.2	8.8

1/ Or closest date thereto
2/ Excludes intra-EC trade Cumulative reflects available data.
3/ Projection for 1985/86
N/A Not Available
Less than 50,000 tons

**Thailand: The Thai Government may try to raise to 6.0 million tons,the amount of tapioca it ships to the EC under the Voluntary Restraint Agreement (VRA) it has with the European Community. This would increase exportable availabilities of EC feed grains and reduce the need for imported corn. Thailand currently has large tapioca surpluses which it is under pressure to export.

RICE

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES 1/

Export Forecast: The U.S. export estimate for calendar year 1985 and the 1986 forecast remain at 1.9 and 1.8 million tons respectively. With no prospect of an expansion in world trade in the coming year and little hope of any strenghening of world prices, the outlook for U.S. exports remains poor.

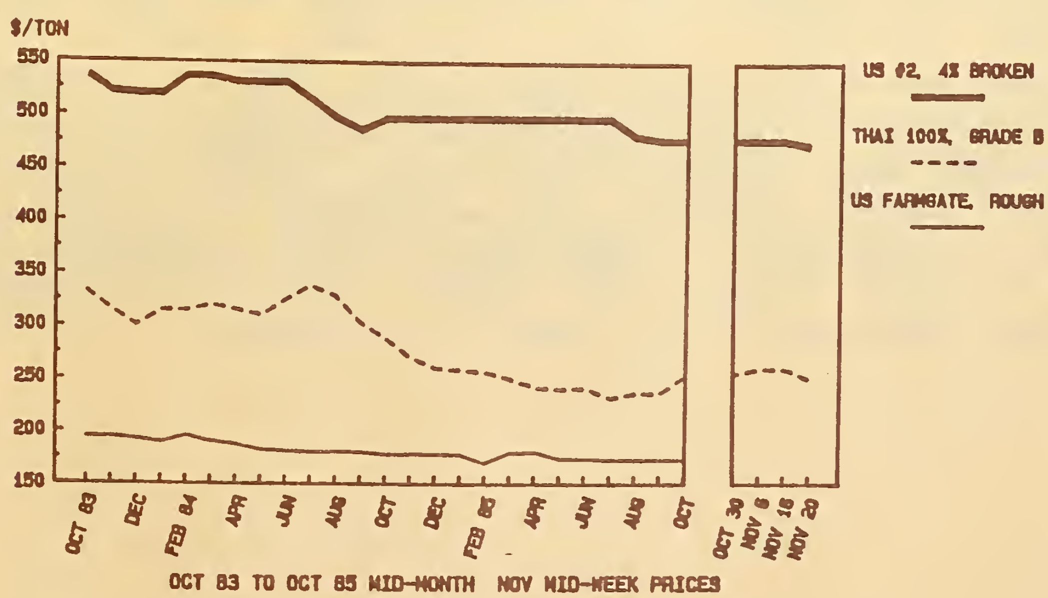
Shipments and Sales: U.S. rice exports during the 4-week period ending November 14 totaled 143,000 tons, down 25 percent from last month's shipments of 191,700 tons. Major destinations included Iraq and Senegal. Cumulative shipments for the 1985/86 marketing year through November 14 totaled 627,500 tons, or just 6 percent below last year's level at this time. Export commitments for 1985/86 delivery now total 887,000 tons, approximately 13 percent below registrations of 1 year ago.

1/ Shipments and sales are on a product basis.

Weekly U.S. Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
Oct 24	32,800	45,450
Nov 31	43,500	44,775
Nov 7	46,500	45,850
Nov 14	20,400	35,800

RICE PRICES
US AND THAI (C&F ROTTERDAM) AND US FARM



U.S. Market Opportunity

**Papua New Guinea: Papua New Guinea (PNG) has become a potential market for U.S. rice as a result of recent action by the PNG Government. Papua New Guinea rice imports, which are primarily short grain and could total just over 100,000 tons in 1985, have traditionally come from Australia. However, since May 1, 1985, rice imports from other sources have been permitted, provided that they are free of trogoderma granarium pest, or have been fumigated prior to shipment. The United States and Australia are officially free of this pest, and are therefore excused from those fumigation requirements.

IMPORTER BUYING ACTIVITY.

**China: The worst attack of pests and diseases on China's rice crop in a decade may mean that the country has less rice available for export in CY 1985. Close to 1 million tons of rice have reportedly been destroyed by the pestilence. China is expected to export 1 million tons of rice in CY 1985 and 900,000 tons in 1986.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

The prices posted by Thailand's Board of Trade in Bangkok remained unchanged again this month for all grades. Actual export prices for 100 percent B and parboiled 5 percent eased to $U.S. 199 and $173-174, down $1 and $1-2, respectively. In Rotterdam, the prices for U.S. #2/4 percent long grain fell to $470 per ton C&F, down $5 from from last month. By comparison, Thai 100 percent B was offered at $245 per ton, down sharply from $260 C&F in October.

Thai exports rose by 6 percent from the previous 4-week period to 284,330. The CY 1985 export estimate for Thailand was lowered to 4.1 million tons, about 400,000 tons below CY 1984 exports. As of November 17, cumulative 1985 exports were 3.7 million tons, as compared to 4.0 million tons at the same time a year ago. Outstanding export commitments for 1985 as of November 20 were estimated at 4.146 million tons, compared with 4.535 million tons registered by the same date last year.

Weekly Thai Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
Oct 26	59,391	66,741
Nov 2	61,514	62,551
Nov 9	87,584	65,717
Nov 16	75,841	71,082

**Iraq: A long-term grain agreement between Iraq and Australia may mean tougher competition for U.S. rice in that important market. Though the agreement primarily involves wheat, other provisions call for Australia to supply Iraq with other grains. This has already resulted in a rice sale to Iraq for the first time in years. In recent years the United States has usually supplied 80 to 90 percent of Iraq's rice imports. Iraq is forecast to import about 500,000 tons of rice in CY 1985 and 550,000 tons in 1986.

**Thailand: In an apparent effort to maintain high-quality rice prices, the Government of Thailand decided to barter Thai rice for Iranian oil. Thailand then restricted rice sales to Iraq, Malaysia, and Singapore (all high-quality markets) to the levels called for under government-to-government agreements in order to ensure adequate supplies for Iran.

**Burma: Burma may have fewer and lower quality exportable supplies of rice because of unusual, heavy rains which have reportedly destroyed as much as 10 percent of the crop. Indications are that some of the rain-damaged crop is expected to be mixed with higher quality rice, leading to a probable decrease in milling quality with a higher percentage of brokens. Burma, which normally exports about 5 percent of its total production, is currently forecast to export 450,000 tons of rice in CY 1985, down substantially from the 725,000 level the year before.

U.S. RICE EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
FOR 1982/83-1984/85 AND AUGUST 1 THROUGH NOVEMBER 14 FOR 1985/8
(AUGUST/JULY--1,000 TONS)

Destination	Marketing Year	Long Grain		Other 1/		Total
		Milled	Brown 2/	Milled	Brown	Exports
EC-10	1982/83	1	214	15	--	230
	1983/84	29	192	2	70	293
	1984/85	10	209	7	98	331
	1985/86	0	90	1	0	91
Other W. Europe	1982/83	33	54	3	4	94
	1983/84	23	35	3	138	199
	1984/85	26	31	4	63	125
	1985/86	14	8	1	0	23
Iraq	1982/83	327	--	*	--	327
	1983/84	230	--	2	--	232
	1984/85	429	15	1	--	445
	1985/86	290	0	0	--	290
Saudi Arabia	1982/83	267	--	2	--	269
	1983/84	253	--	6	--	259
	1984/85	239	--	6	--	245
	1985/86	63	--		--	63
Other Middle East	1982/83	48	--	2	--	50
	1983/84	40	--	12	--	52
	1984/85	41	--	4	--	45
	1985/86	5	0	1	--	6
Republic of Korea	1982/83	--	--	*	213	213
	1983/84	--	--	*	112	112
	1984/85	--	--	--	--	--
	1985/86	--	--	--	--	--
Other Asia & Oceania	1982/83	2	--	129	--	131
	1983/84	3	--	140	--	143
	1984/85	3	--	99	--	102
	1985/86	1	--	3	152	156
Nigeria	1982/83	159	--	--	--	159
	1983/84	63	--	--	--	63
	1984/85	*	--	--	--	--
	1985/86	0	--	--	--	--
Other Africa	1982/83	148	110	153	4	415
	1983/84	95	150	136	--	381
	1984/85	116	65	278	11	470
	1985/86	46	0	57	10	113
Western Hemisphere	1982/83	137	23	86	38	284
	1983/84	156	24	109	14	303
	1984/85	137	48	13	19	217
	1985/86	53	35	3	13	104
Total 3/	1982/83	1,148	400	392	259	2,199
	1983/84	900	401	408	338	2,047
	1984/85	985	389	422	190	1,986
	1985/86	485	161	67	175	888

* Less than 500 tons.
1/ Includes short, medium, and mixed.
2/ Data not converted to a milled equivalency, and includes rough rice.
3/ Discrepancies due to rounding and changes to unknown destinations.
Source: U.S. Export Sales Report

CHANGES IN PRICING POLICIES

**Indonesia: In what is probably an effort to hold down rice production increases in 1986 and reduce pressure on already burdensome stocks, the Indonesian government has decided not to raise the producer price for the first time since 1971. The government also announced that there would be no change in the price of fertilizer or other inputs to farmers. The highly successful efforts of the government to stimulate rice production have turned Indonesia from the largest rice importer in the world in 1981 into an estimated 400,000-ton exporter in 1985.

U.S. EXPORT EXPANSION ACTIVITIES

**GSM-102: As of October 25, the Commodity Credit Corporation (CCC) has announced credit guarantees for Fiscal Year 1986 totaling $39.0 million. The announced credit lines are: Jamaica ($10.0 million), Mexico ($10.0 million), and Portugal ($19.0 million). Additional guarantees may be announced at a later date.

**PL-480: Initial country allocations for the FY 1986 PL-480 program were announced over the past month. The table below details the approximate value of rice allocations for each country.

INITIAL PL-480 TITLE I/III ALLOCATION FOR RICE IN FY 1986

Country	Amount (Million Dollars)	Country	Amount (Million Dollars)
Bangladesh	10.0	Sierra Leone	2.0
Ghana	2.0	Somalia	5.0
Guinea	6.0	Yemen	5.0
Indonesia	10.0	Zaire	5.0
Liberia	11.0	Dominican Republic	10.0
Madagascar	6.0	Jamaica	6.0
Mozambique	3.0		

QUANTITY AND VALUE OF U.S GRAIN AND FEED COMMODITY EXPORTS
IN FISCAL YEAR 1985 AND OMPARISON WITH PRECEEDING YEAR

	SEPTEMBER FY 84	SEPTEMBER FY 85	CUMULATIVE OCT THRU SEP FY 84	CUMULATIVE OCT THRU SEP FY 85	ACTUAL EXPORTS FY 84	PROJECTED EXPORTS FY 85
WHEAT (grain only)						
Quantity (1000 tons)	6605	1965	41700	28524	41700	28524
Value Per Ton (dollars)	151	135	156	149	156	149
Value (in million dollars)	997	265	6501	4263	6501	4263
CORN (grain only)						
Quantity (1000 tons)	2718	2029	46986	46276	46986	46276
Value Per Ton (dollars)	143	109	149	125	149	125
Value (in million dollars)	388	222	7022	5771	7022	5771
SORGHUM (grain only)						
Quantity (1000 tons)	678	727	6226	7549	6226	7549
Value Per Ton (dollars)	112	92	133	115	133	115
Value (in million dollars)	76	67	829	868	829	868
BARLEY, OATS, AND RYE (grain only)						
Quantity (1000 tons)	375	20	2074	1202	2074	1202
Value Per Ton (dollars)	115	100	134	122	134	122
Value (in million dollars)	43	2	277	147	277	147
TOTAL COARSE GRAINS (grain only)						
Quantity (1000 tons)	3771	2776	55301	55027	55301	55027
Value Per Ton (dollars)	134	105	147	122	147	122
Value (in million dollars)	576	295	8128	6786	8128	6786
RICE (grain only)						
Quantity (1000 tons)	260	216	2212	1908	2212	1908
Value Per Ton (dollars)	373	343	405	354	405	354
Value (in million dollars)	97	74	897	676	897	676
PULSES						
Quantity (1000 tons)	28	32	390	425	390	425
Value Per Ton (dollars)	429	406	451	461	451	461
Value (in million dollars)	12	13	176	196	176	196
FLOUR AND OTHER GRAIN PRODUCTS						
Quantity (1000 tons)	133	192	2566	2481	2566	2481
Value Per Ton (dollars)	248	122	220	223	220	223
Value (in million dollars)	33	33	565	554	565	554
FORAGE, HAY, MIXED FEED AND GRAIN BYPRODUCTS						
Quantity (1000 tons)	411	542	6845	6395	6845	6395
Value Per Ton (dollars)	158	149	170	151	170	151
Value (in million dollars)	65	81	1165	964	1165	964
TOTAL VOLUME (in thousand tons)	8865	6110	109089	94760	109089	94760
TOTAL VALUE (in million dollars)	1376	844	17434	13493	17434	13493

SOURCE: US Census

U.S. WHEAT PROGRAMS

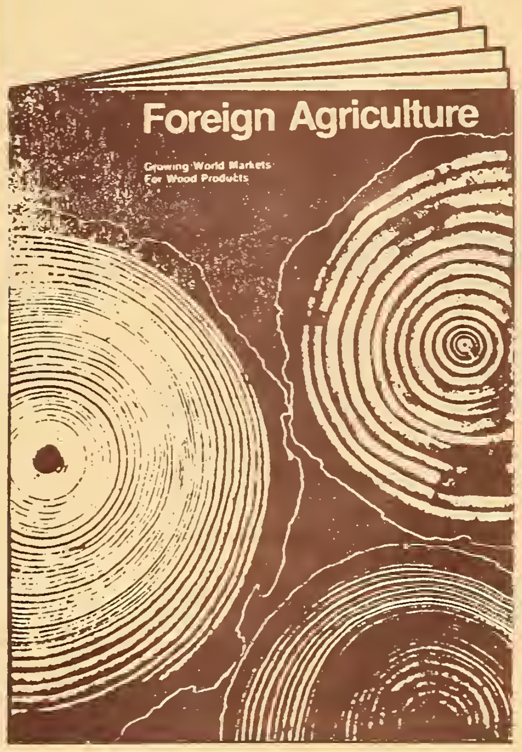
	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/Bu)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/Bu)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/Bu)
Trigger Release Price	$200	$4.45	$200	$4.45	--	--
Target Price	$195	$4.30	$198	$4.38	$198	$4.38
Loan (Reserve)	$171	$3.65	$158	$3.30	--	--
National Loan	$171	$3.65	$158	$3.30	$158	$3.30
Season Average Producer Price	$166	$3.53	$161	$3.38	$147-158	$3.00-3.20
Farm Price	--	--	--	--	$145	$2.95 2/
Paid Diversion	$136	$2.70	$136	$2.70	$136	$2.70

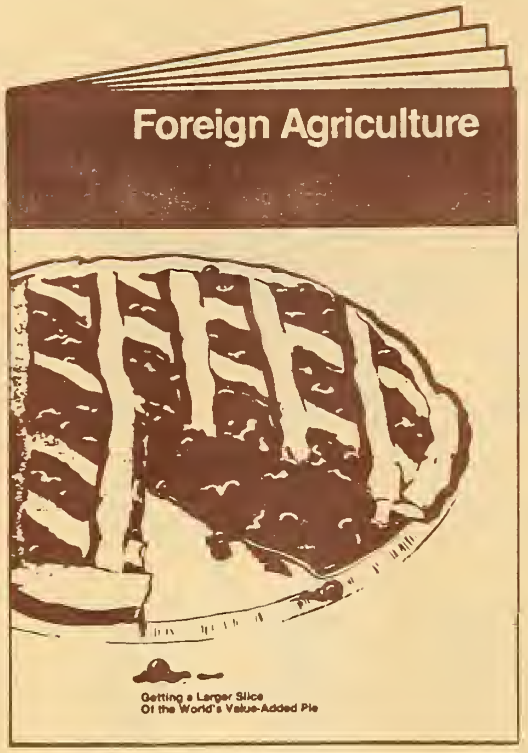
1/ Estimated f.o.b. equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $1.00 per bushel.
2/ ASCS 5-day moving average as of October 9, 1985

U.S. CORN PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/Bu)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/Bu)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/Bu)
Trigger Release Price	$159	$3.25	$159	$3.25	--	--
Target Price	$144	$2.86	$151	$3.03	$151	$3.03
Loan (Reserve)	$136	$2.65	$132	$2.55	--	--
National Loan	$136	$2.65	$132	$2.55	$132	$2.55
Season Average Producer Price	$159	$3.25	$136	$2.65	$124-132	$2.35-2.55
Farm Price	--	--	--	--	$128	$2.25
Paid Diversion	$91	$1.50	--	--	--	--

1/ Estimated f.o.b. equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $.80 per bushel.
2/ ASCS 5-day moving average as of November 12, 1985





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United States Department of Agriculture

Foreign Agricultural Service

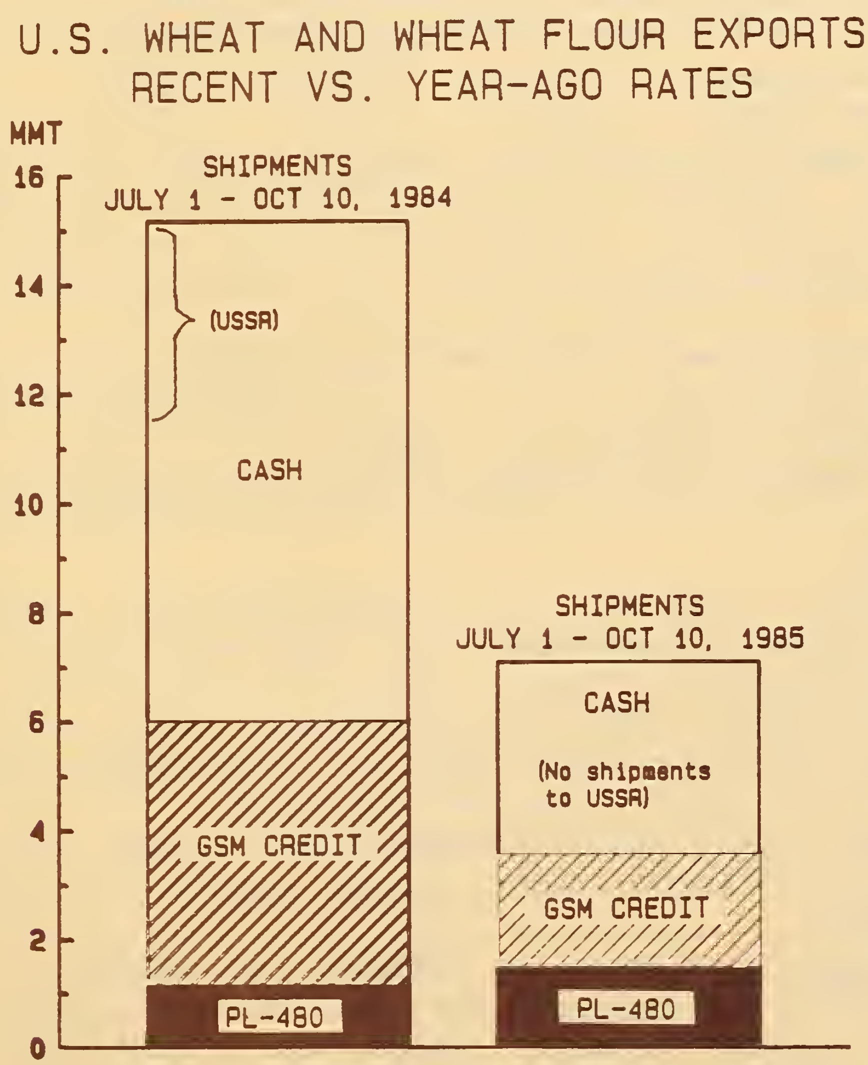
Foreign Agriculture Circular

Grains

EMG-10-85
OCTOBER 1985

Export Markets for U.S. Grain and Products

This month's cover focuses on the deterioration in U.S. wheat exports that has taken place this season, and more specifically, the severe drop-off in cash wheat exports. This deterioration primarily reflects the extraordinary and growing extent of under-pricing of U.S. wheat in world markets by wheat from other countries, especially the EC and Argentina, but also Australia and Canada. For example, Canada recently broke into the Colombian wheat market with a sale of 20,000 tons of No. 3 CWRS, 12% protein, sold at a reported $128.25 per ton FOB, whereas U.S. 12% HRW was priced at roughly $140/ton FOB. Recently, France reportedly sold over 100,000 tons of wheat to Morocco at the FOB equivalent of about $92-93 per ton while U.S. SRW was priced at about $125-128 per ton FOB. Argentina recently sold Lebanon 75,000 tons of wheat at $117.85 CIF while the cheapest U.S. offers were reported at $149.50 CIF. Australian wheat has reportedly been on offer to Near East destinations at prices in the range of $125-130 per ton, C&F basis, while at the same time the delivered cost of U.S. wheat to such destinations was reportedly about $150-155 per ton.



NOTE: Credit and PL-480 quantities are estimated.

As of October 10, U.S. wheat exports lag last year's level at this time by over 50 percent, or by about 8 million tons. Nearly 6 million tons of this decline is due to reduced cash exports, including a drop-off of nearly 4 million tons of exports to the Soviet Union. U.S. wheat exports to China, the Middle East, and Western Europe also lag considerably behind last season's exports. Another indication of the lack of competitiveness of U.S. wheat is the growing trend for many countries to not fully utilize available GSM financing. In FY 1984 nearly all announced programming was utilized, while in FY 1985 only about 50 percent of announced programs actually resulted in exports. For additional graphs and supporting data, see pages 23-24.

Approved by the World Agricultural Outlook Board - USDA

EXPORT MARKETS FOR U.S. GRAIN AND FEED COMMODITIES
November 1, 1985

CONTENTS PAGE

TABLES AND GRAPHS

HIGHLIGHTS

Significant developments over the past month affecting U.S. exports:

--The United States has sold 75,000 tons of high-quality wheat to Norway.

--Southern tier European countries may have lower export supplies and higher import demand because of weather-damaged crops.

--Canadian exports are not expected to be seriously affected by the temporary closing of the St. Lawrence Seaway. The Seaway is expected to be re-opened November 6.

--The Soviet Union has apparently purchased 1.2 million tons of soft French wheat, and is expected to purchase more.

--The European Community opened a special rebate of $70/ton for an indefinite quantity of wheat to Algeria, Morocco, and Tunisia.

--Increased Argentine exports to Malaysia are expected to force the United States completely out of the Malaysian market in 1985/86.

--Shortages of high-quality Canadian wheat may result in larger U.S. exports of high-quality wheat.

--The United Kingdom has purchased Australian wheat for the first time in 1985/86 since joining the EC in 1977.

--The Philippines purchased wheat flour from West Germany, marking the first wheat flour purchase from the EC since CY1982.

--Brazil's record 1985 wheat harvest will result in less U.S. wheat exports to that country.

--Increased feed demand and drought conditions in Colombia may result in larger higher U.S. sorghum exports.

--U.S. corn exports to Nigeria have been halted because of a government-imposed ban on all corn and rice imports.

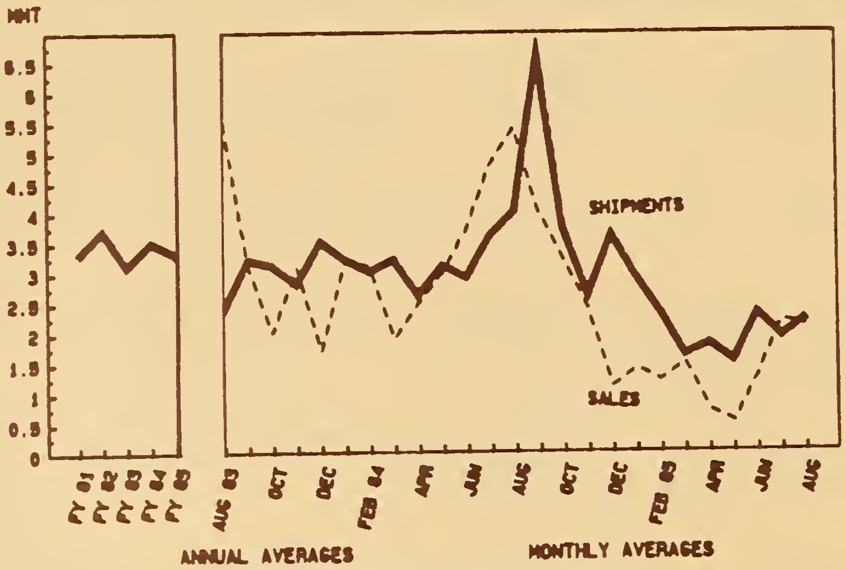
This circular was prepared by the Grain and Feed Division, Commodity and Marketing Programs, FAS/USDA. Telephone: (202) 447-2009.

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: The 1985/86 U.S. wheat export forecast fell sharply because of depressed world import demand, ample competitor supplies and lagging sales to a number of destinations. Accumulated exports and commitments through October 17 were 13.5 million metric tons as compared to 27.3 million tons one year before. It is especially notable that there are still no 1985/86 exports to the Soviet Union, while last year at this time accumulated exports to the USSR had reached nearly 4 million tons.

Shipments and Sales: Wheat shipments in the 4-week period ending October 17 totaled 2.2 million tons, up almost 25 percent from last month, but over 50 percent behind last year's level. Korea, Pakistan, Algeria, Taiwan, and unkown destinations were the leading buyers, while Japan, Korea, and Japan were the principal destinations.

U.S. WHEAT SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985 (PROJ)
AND MONTHLY FROM AUGUST 1983 - AUGUST 1985



US WHEAT SHIPMENTS, SALES, AND INSEPCTIONS 1/
(JUNE/MAY--MILLION TONS)

Monthly Shipments

4 Weeks Ending	1984/85	1985/86
Jul. 18	3.0	1.9
Aug. 22	4.2	2.2
Sep. 19	5.1	1.7
Oct. 17	4.5	2.2
Cumulative for MY	18.7	9.3

Monthly Sales 2/

4 Weeks Ending	1984/85	1985/86
Jul. 18	4.8	2.2
Aug. 22	5.4	2.1
Sep. 19	4	2.2
Oct. 17	3.3	1.9
Cumulative for MY	27.5	13.5

Weekly and Annual Inspection Rates

	Million MT	Million BU
Week Ending October 17...........	0.5	17.3
Week Ending October 24...........	0.5	19.1
Official Estimate for Current MY (Grain only).....................	26.9	990
Implied Weekly Average...........	0.5	19.0
Latest Six Weeks Weekly Average..................	0.5	19.4
Marketing Year-To-Date Weekly Average..................	0.5	18.2
Weekly Avg. Extrapolated Annually	25.7	945
Balance of Year to Achieve Estimate Implied Weekly Average..........	0.5	19.6

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.

2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.

Sizeable purchases of U.S. wheat by Korea, Algeria, Taiwan, and Pakistan, as well as the first sizable sales to the Soviet Union (150,000 tons) since October 1984, were the month's highlights for U.S. wheat exporters. In general, global import buying has been at exceptionally low levels this season. North African purchasing has been somewhat postponed because of good crops; some countries are believed to have recently delayed purchasing because they expect growing competitive pressures to lead to further decline of world wheat prices.

WHEAT AND FLOUR IMPORTER BUYING ACTIVITY
REPORTED BETWEEN SEPTEMBER 26, 1985 AND OCTOBER 25, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
9/26	Jordan	U.S. or Aus.	50,000	Wheat	125.90 C&F	Oct
9/27	Algeria	EC	275,000	French Wheat	103 - 104 C&F	Oct-Jan
9/30	Korea	U.S.	16,500	White, HW	131.15 FOB, 133.45 FOB	Oct/Nov
10/1	Taiwan	U.S.	88,000	HW 12% & 13%	156.50 @ 133.58 FOB	Various 86
10/3	Yemen	EC	20,000	Flour	175.75 C&F	Oct
	U.S.S.R.	Argentina	500,000	Wheat	92.00 @ 99.00 FOB	Oct-Dec
10/4	Morocco	EC	110,000	French Wheat	104.00 - 105.75	Oct
10/7	Lebanon	Argentina	75,000	Wheat	117.85 C&F	Oct-Dec
	Lebanon	EC	25,000	French Wheat	117.75 C&F	Oct
10/8	Tunisia	EC	100,000	French Wheat	107.50 C&F	Oct-Dec
10/9	Japan	U.S.	19,000	White	?	Dec
	Japan	Canada	19,000	CWRS	?	Dec
	Japan	Australia	15,000	Prime Hard	?	Dec
10/10	Pakistan	U.S.	125,000	White	134.61 @ 136.64 FOB	Nov
10/16	Japan	U.S.	55,000	White, HW 13%, HS 14%	?	Dec
	Japan	Canada	34,000	CWRS	?	Dec
	Korea	U.S.	57,700	White, HW, HS	Various	Nov
10/21	Korea	U.S.	21,000	White, HW, HS	Various	Nov/Dec
10/22	Norway	U.S.	25,000	HS 13.5%	138.00 FOB	Apr/May
10/24	Japan	U.S.	76,188	White, HW, HS	?	Dec
	Japan	Canada	17,500	CWRS	?	Dec
	Japan	Australia	16,000	ASW	?	Dec

1/ HRW=Hard Red Winter, HRS=Hard Red Spring, SRW=Soft Red Winter, HAD=Hard Amber Durum, WW=Western White ASW=Australian Soft White, CWRS=Canadian Western Red Spring, PH=Australian Prime Hard
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

DEVELOPMENTS AFFECTING U.S. EXPORTS

U.S. Market Opportunites

**Norway: Norway, one of the most quality-conscious buyers of premium wheat in the world, has purchased 75,000 tons of No. 2 Dark Northern Spring wheat from the United States. In recent years Norway has annually imported 100-150,000 tons of high-quality North American wheat, primarily from Canada. Reduced exportable supplies of high-quality Canadian wheat has apparently prompted Norway's shift to high quality U.S. wheat. This year only 20 percent of the 1985 crop has reportedly benn classified as top grade No. 1 CWRS, compared to 65 percent of last year's crop.

Other Exporting Countries' Selling Activity and Competitive Practices

WHEAT SHIPMMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1984/85-1985/86
(JULY/JUNE--MILLION TONS)

	Canada		Australia		Argentina		France 2/		Total	
4 Weeks Ending 1/	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86
Jul. 19	2.8	1.0	1.4	0.7	.2	.4	.3	0.1	4.7	3.2
Aug. 22	2.3	1.2	1.0	1.1	.1	.3	1.1	0.5	4.5	3.1
Sep. 19	2.3	1.1	1.1	1.0	.1	.3	1.3	N/A	4.8	N/A
Oct. 17	1.3	2.8	1.3	.9	.1	.4	1.2	N/A	3.9	N/A
Forecast for Season 3/	19.4	16.5	16.6	15.2	8.0	6.4	12.6	12.0	56.6	50.1

1/ Or nearest date thereto.
2/ Excludes intra-EC trade.
3/ Projection for 1985/86.

**Canada: Neither Canadian nor U.S. grain exports are expected to be significantly affected by the temporary closing of the St. Lawrence Seaway. This major transportation artery was forced to shut down because a lock wall collapsed on the Welland Canal (Lock 7) on October 14 with nine ships waiting in line to traverse the lock. Canadian officials have assessed the situation and estimate that the Seaway will be re-opened on November 6. Canadian grain officials have expressed concern over whether accelerated shipments and the use of ice breakers will allow all scheduled grain shipments to make it through the Seaway before cold weather forces the canal to close. Canada apparently has about 1 million tons of wheat on the seaward side of the lock which could be used to maintain some flow of grain to customers while its lock is shut down, which whould help minimize any loss of shipments. In addition, reports indicate that the Canadian government will pay for the shipment of grain by rail for points east of Thunder Bay until the canal re-opens. Nearly 50 percent of all exported Canadian grain (10-15 million tons) is shipped through the Seaway each year. In October and November of 1984, Canada moved nearly 3 million tons grain up the Seaway versus just 100,000 tons from the United States.

**European Community: The Soviet Union has reportedly purchased up to 4 million tons of soft French wheat. The Soviets purchased 6 million tons of wheat from the EC in July-June 1984/85. EC export licences as of late October were nearly at last year's high level of 4 million tons, an indication of strong sales commitments which may reflect large recent wheat sales to the Soviets.

**Australia: Further increases in Autstralian wheat exports over the past year are part of the reason for the decline in total U.S. wheat exports. Australia has established a new record for wheat exports, shipping over 14.5 million tons during the crop year ending September 30, 1985. The previous record was 14.1 million tons set in 1984. Australia's largest customer was Egypt, which bought 2.4 million tons. Other major buyers were the USSR, China, Iran, Iraq, Japan, and Korea, each of which bought over 1 million tons. The United States competes with Australia in each of these markets except Iran.

**Argentina: Argentine wheat sales to Malaysia in 1985/86 are expected to be considerably higher than July-June 1984/85 exports of 48,000 tons as a result of its price advantage over other suppliers. Largely because of these sales, the United States is not forecast to export any wheat to Malaysia in July/June 1985/86. The United States has supplied Malaysia with about 100,000 tons of the 500,000 to 600,000 ton annual import requirement over the past six years.

**European Community: The EC opened a special rebate of 80 ECU's/ton (about $70) for an indefinite quantity of soft wheat exports to Algeria, Morocco, and Tunisia (versus a rebate of 75 ECU's for exports elsewhere). The move is viewed as an attempt by the EC to match or beat U.S. wheat export prices to the countries targeted under the U.S. export enhancement program. The United States has so far sold 500,000 tons of wheat to Algeria, but none to Morocco under the program. Over the past month the EC has sharply increased the level of its export subsidies to all zones, with an added subsidy on sales to North African countries. In 1984/85 the EC exported some 2.7 million tons of wheat and products to Zone 1b countries compared to U.S. shipments of 2.9 million tons to those countries. The following table shows the growth in export subsidies over recent months, and last year's level by comparison.

Rising European Community Export Subsidies for Wheat

	ECUs	US$
Septmeber 28, 1984		
All Zones	3	2
August 1, 1985		
All Zones	36	28
September 20, 1985		
All Zones	41	32
Zone 1	55	42
September 26, 1985		
All Zones	68	57
Algeria	78	65
October 24, 1985		
All Zones	75	65
Zone 1b	80	68

Note: Zone 1 includes countries on the Mediterranean rim;
Zone 1b includes Morocco, Algeria, and Tunisia.

Competitive Developments in Selected Foreign Markets

**Canada: The United States may have somewhat improved export opportunities for milling wheat in coming months because of the Canadian Wheat Board's (CWB) recent suspension of sales of its higher grades of wheat to occassional customers. The restriction on sales of No. 1 and 2 Canadian Western Red Spring came as a result of continued adverse weather which has seriously hurt the quality and yield of the spring wheat crop. CWB officials have stated the sales restriction will not be lifted until the entire harvest is in and the supply situation assessed. Canadian sales exports of high quality wheat to its traditional customers and to those with whom it has long-term grain agreements (e.g. the Soviet Union) are expected to continue on schedule.

**United Kingdom: A shortage of high-quality wheat in the EC because of adverse weather has caused Britain to purchase 100,000 tons of prime hard wheat from Australia. This is the first year the UK has purchased wheat from Australia since Britain joined the European Community in 1976. Though Canada is still expected to supply the bulk of UK wheat imports, the Australian Wheat Board anticipates additional sales to Britain and other EC countries in 1985/86.

**Philippines: The Philippines, traditionally an important U.S. wheat market, recently purchased 8,000 tons of wheat flour from the Federal Republic of Germany for $238.50/ton for immediate shipment. The EC flour sale, the second to the Philippines this month, brings total EC sales to 10,000 tons for July-June 1985/86. The last flour sale made by the European Community was for 1500 tons in CY 1982.

**Brazil: Brazil's wheat import requirements in October-September 1985/86 are likely to be significantly lower than in July-June 1984/85 because of a record wheat crop. Wheat imports are expected to drop to 3.4 million tons, the lowest level since 1977/78. The United States is expected to supply slightly less than half of Brazil's wheat imports in 1985/86 compared to an average of nearly two-thirds of imports over the 5 previous years. This decline is due mainly to expected stronger competition from Argentine and Canadian supplies.

**European Community: U.S. wheat exports in 1985/86 will be adversely affected by two recent EC actions. First, in an apparent effort to minimize imports of milling quality wheat, the EC has authorized France to release 300,000 tons of high-quality soft wheat from intervention stocks for sale on the EC's internal market. Poor weather has resulted in a shortage of high-quality wheat in the 1985 crop which has led to higher prices for bread and milling wheat. The Commission's action should also help relieve some of the upward pressure on milling wheat prices, and will reduce stock levels of bread-quality wheat which were at 4.3 million tons on July 31, 1985. Secondly, the EC has authorized the sale of 600,000 tons of high-quality soft wheat from French and West German intervention stocks, reportedly for export to third countries.

Internal Price Policies Of Foreign Countries

*Major Exporters: The latest internal support prices for the principal world wheat exporters, on an individual marketing year basis, are listed below. Prices are not strictly comparable because of quality differences and because U.S., Argentine and EC prices are on a local delivery point basis. For example, in terms of quality differentials, the Canadian price is set for No. 1 CWRS, while No. 2 CWRS was discounted by approximately C$4 per ton and No. 3 CWRS by about C$15 per ton; No. 1 CWRS has represented about 40 percent of Canadian wheat exports over the past 10 years.

MAJOR EXPORTER SUPPORT PRICES FOR WHEAT

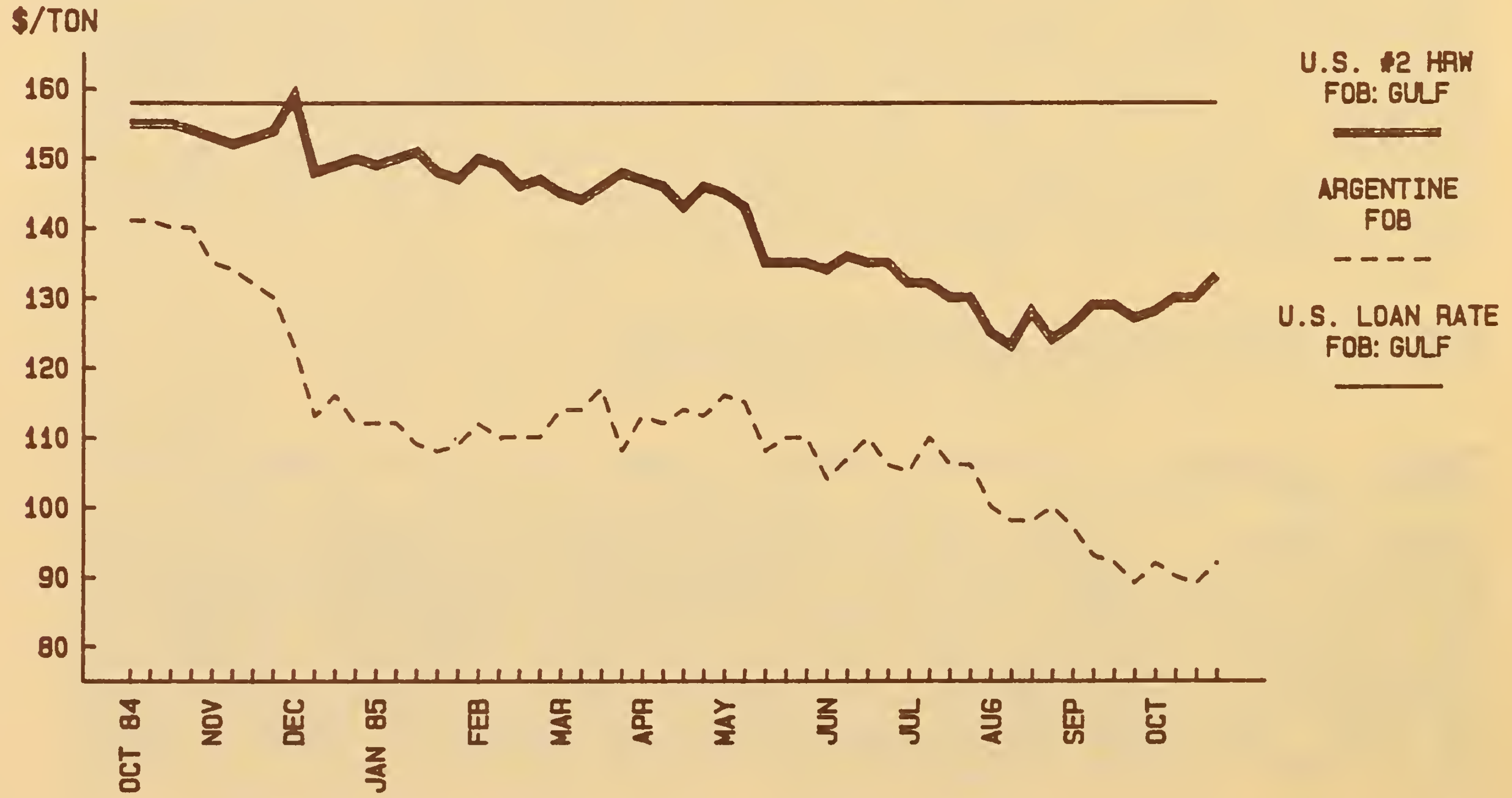
Exporter	1984/85 U.S.$ Equivalent		1984/85 Local Currency	1985/86 U.S.$ Equivalent		1985/86 Local Currency
	per bu	----per	ton ----	per bu	----per	ton ----
U.S. (loan)	3.30	121	121 (US$)	3.30	121	121 (US$)
Argentina (reference)	2.46	89	4,800 1/	----	---	---
Australia (min. pay.)	2.50	92	146 (A$)	n/a	n/a	n/a
Canada (initial pay.)	3.22	119	160 (C$)	3.18	117	160 (C$)
EC (intervention) 2/	3.86	142	183 (ECU)	3.70	136	180 (ECU)
(reference) 3/	4.49	165	213 (ECU)	4.30	158	209 (ECU)

1/ In new pesos, current season prices can be adjusted when necessary because of currency fluctuations. Caution should be taken when using this price in US$ equivalent because of the volatility of the Argentine exchange rate. Current price as of May 30, 1985.

2/ Support price paid for other milling wheats; EC prices represent medium-quality wheat.

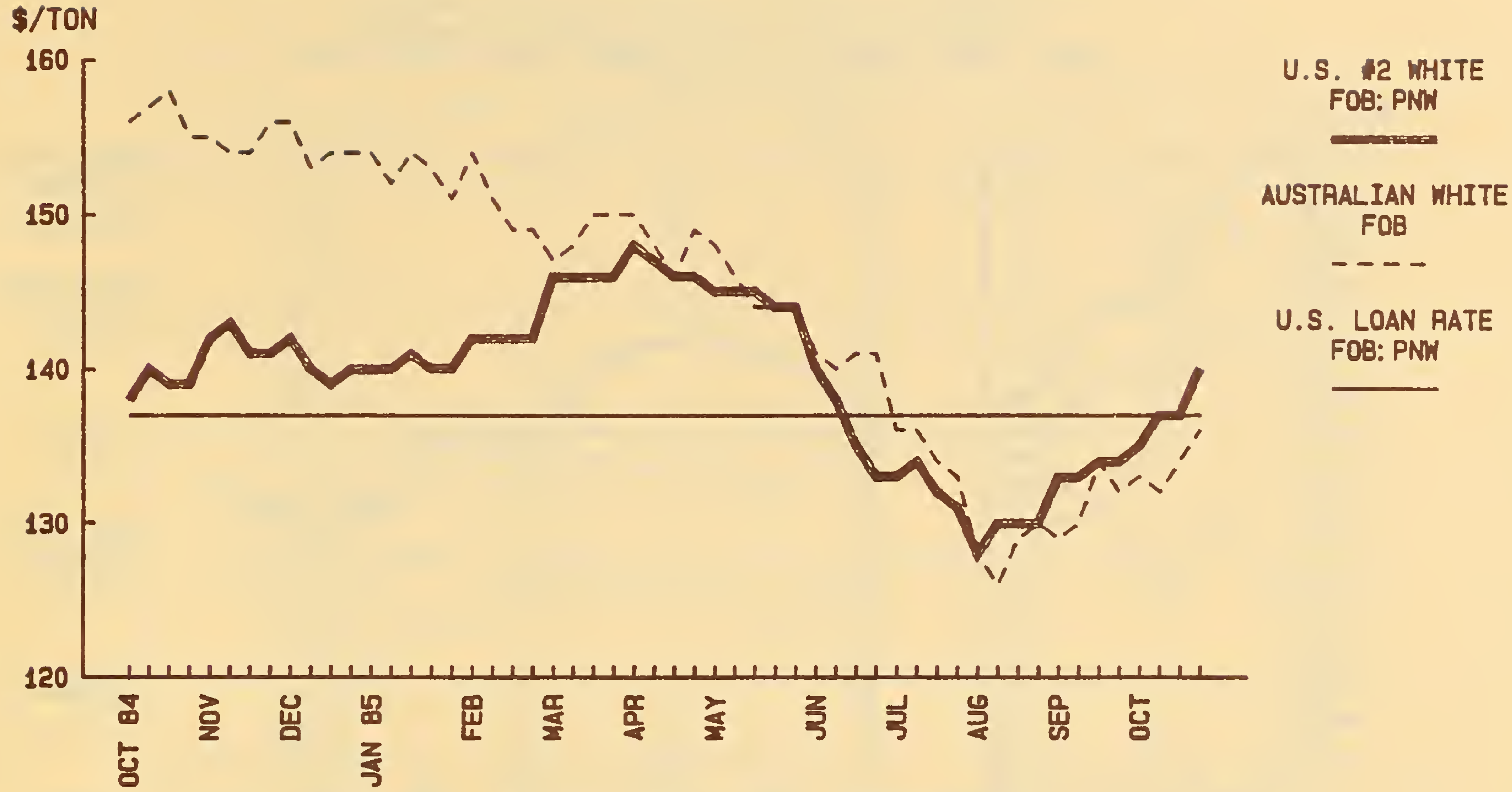
3/ Support price for bread-quality wheat.

HARD RED WINTER WHEAT EXPORT PRICES
U.S. AND ARGENTINE



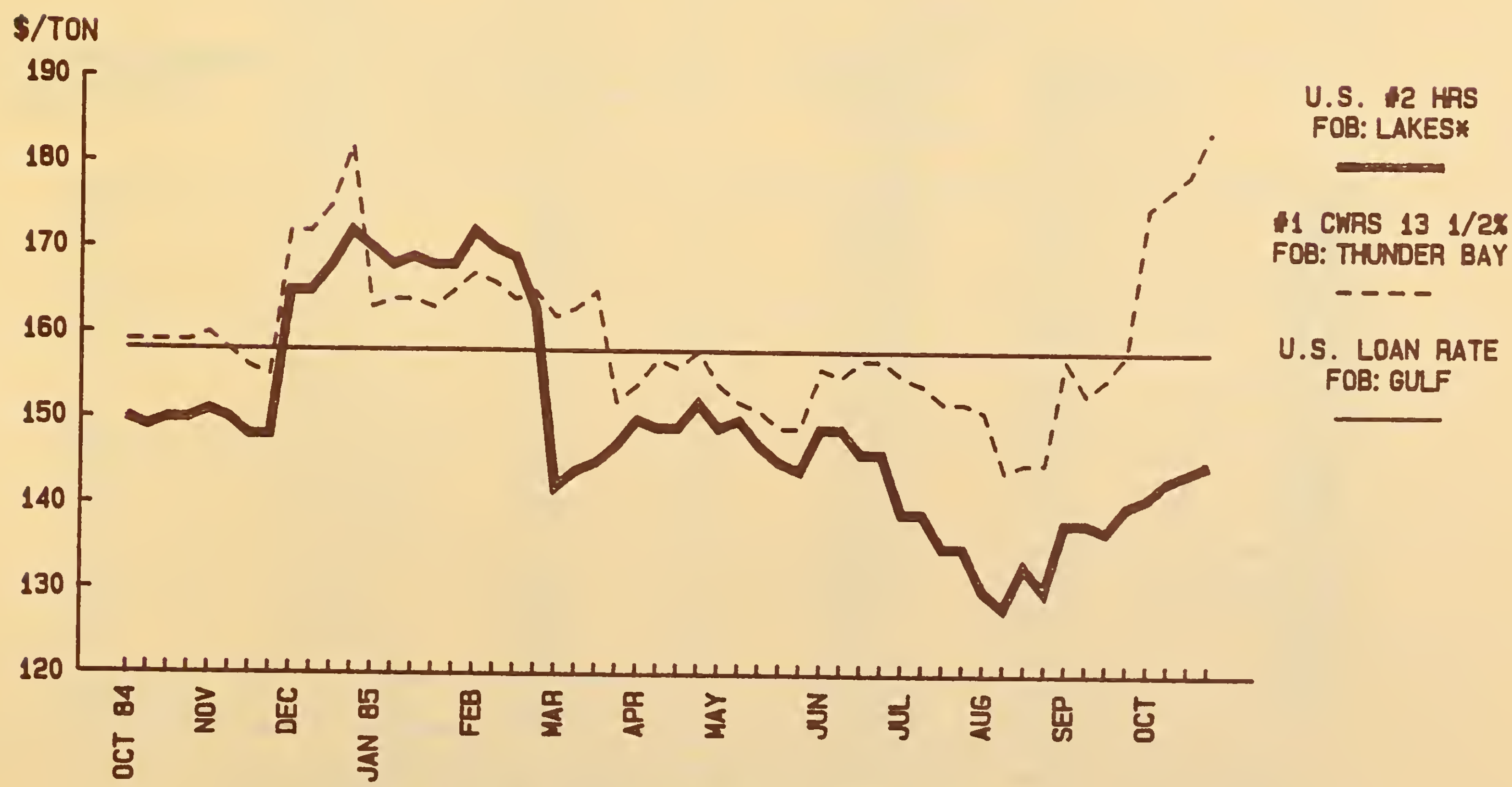
OCTOBER 84 THRU OCTOBER 85 (MID-WEEK PRICES)

WHITE WHEAT EXPORT PRICES
U.S. AND AUSTRALIAN



OCTOBER 84 THRU OCTOBER 85 (MID-WEEK PRICES)

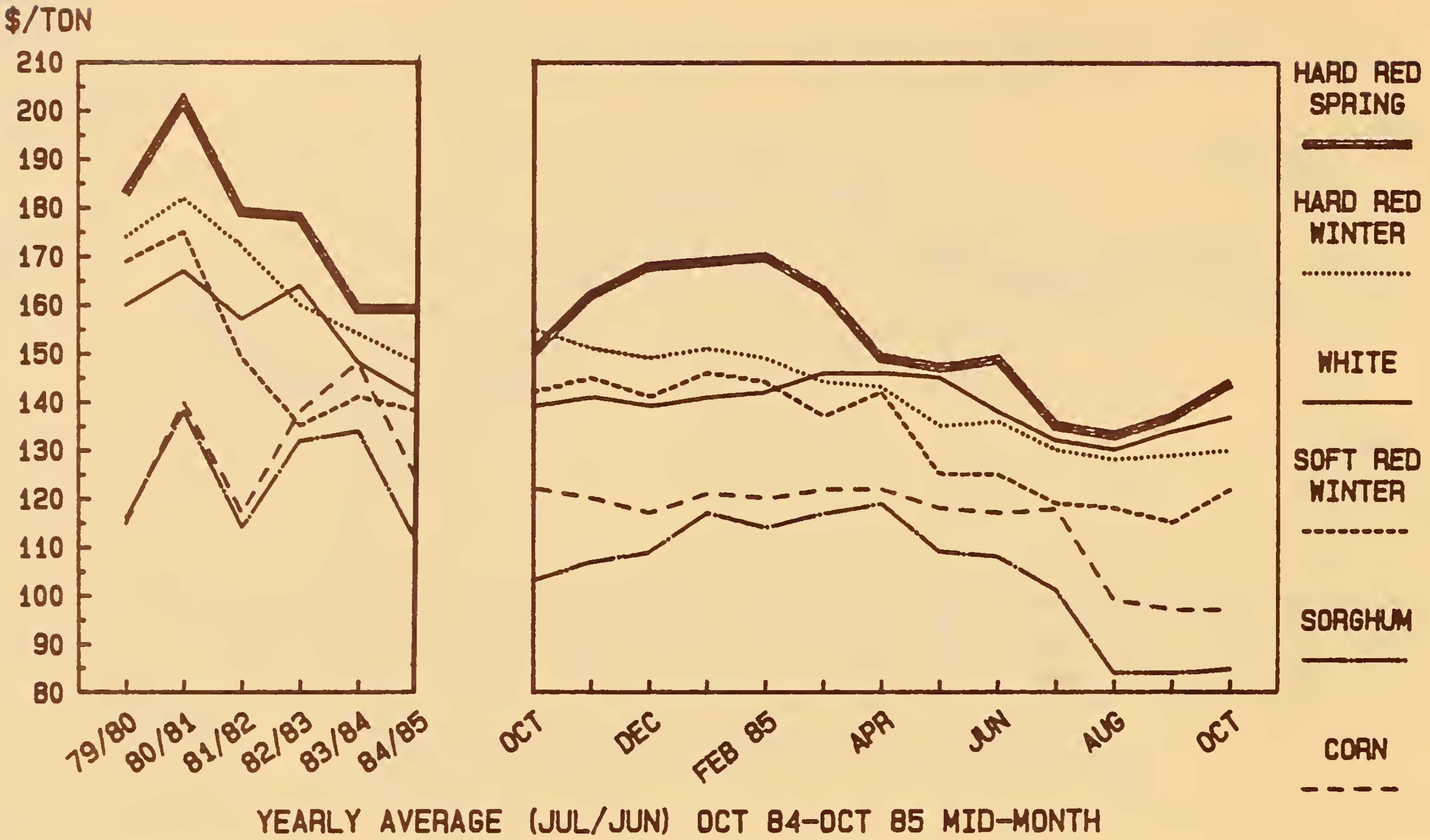
HARD RED SPRING WHEAT EXPORT PRICES
U.S. AND CANADIAN



OCTOBER 84 THRU OCTOBER 85 (MID-WEEK PRICES)

*FOB GULF DURING WINTER MONTHS

U.S. GRAIN COMMODITY EXPORT PRICES FOB GULF EXCEPT FOB PNW FOR WHITE WHEAT AND FOB LAKES FOR HARD RED SPRING*



*FOB GULF DURING WINTER MONTHS

**CCC Credit

U.S. WHEAT/FLOUR TRADE WITH SELECTED COUNTRIES UNDER CCC GUARANTEE PROGRAMS

	FY 1984 1/		FY 1986 2/		
	Guarantees Approved --$ Million	Est. Quantity Shipped --1,000 Tons--	Announced --Million	Approved Dollars--	Estimated Quantity Yet To Be Purchased 3/ ----1,000 tons----
Bangladesh	42.1	280.7	--	--	--
Brazil	272.5	1,816.7	20.0	--	133.3
Chile	59.5	396.7	42.0	--	280
Colombia	79.0	526.7	--	--	--
Ecuador	32.6	217.3	55.0	--	366.7
Egypt	77.6	517.3	--	--	--
Guatemala	16.1	107.3	--	--	--
Haiti	7.5	50.0	--	--	--
Iraq	88.5	590.0	--	--	--
Jamaica	4.2	28.0	7.5	--	50.0
Jordan	19.9	132.7	--	--	--
Korea	108.9	726.0	120.0	4.4	770.7
Pakistan	40.1	267.3	--	--	--
Philippines	43.2	288.0	--	--	--
Portugal	97.0	646.7 1/ 2/	73.0	--	486.7
Turkey	10.1	67.3	--	--	--
Yemen	--	--	10.0	--	66.7
TOTAL	998.8	6,658.7	327.5	4.4	2154.1

* Includes GSM-102, GSM-5, and Blended Credit, as of September 26, 1985.
1/ Wheat or feed grains 2/ Registrations include reserve 3/ Based on $150 per ton

U.S. WHEAT EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
TOTAL EXPORTS FOR 1983/84-1984/85; COMMITMENTS TO DATE FOR 1985/86 WITH COMPARISON TO 1984/85
(JUNE/MAY--1,000 TONS)

Destination	Marketing Year	Hard Red Winter	Hard Red Spring	Soft Red	All White	Durum	Total Exports
EC-10	1983/84	3	1,218	2	--	263	1,486
	1984/85	--	718	8	--	188	914
	1984/85*	--	284	4	--	138	426
	1985/86**	--	272	7	--	109	388
Other W. Europe	1983/84	795	32	411	16	49	1,303
	1984/85	546	99	633	--	45	1,323
	1984/85*	305	14	347	--	18	684
	1985/86**	257	59	125	--	--	441
USSR	1983/84	4,141	--	--	--	--	4,141
	1984/85	6,339	--	--	--	--	6,339
	1984/85*	5,032	--	--	--	--	5,032
	1985/86**	150	--	--			150
China	1983/84	1,368	--	1,549	--	--	2,917
	1984/85	105	--	2,693	--	--	2,798
	1984/85*	105	--	2,710	--	--	2,815
	1985/86**	--	--	409	--	--	409
Japan	1983/84	1,287	1,010	--	1,126	12	3,435
	1984/85	1,367	1,067	--	1,013	15	3,462
	1984/85*	576	491	--	578	--	1,645
	1985/86**	666	517	--	515	17	1,715
Taiwan	1983/84	245	185	--	130	--	560
	1984/85	299	211	--	145	--	655
	1984/85*	140	43	--	47	--	230
	1985/86**	352	223	--	144	--	719
Rep. of Korea	1983/84	649	221	2	1,179	--	2,051
	1984/85	674	231	--	1,103	--	2,008
	1984/85*	290	92	--	471	--	853
	1985/86**	283	106	3	495	--	887
Other Asia, Middle East, and Oceania	1983/84	2,288	1,232	258	1,222	21	5,021
	1984/85	2,227	1,002	178	1,502	--	4,909
	1984/85*	1,376	501	229	473	--	2,579
	1985/86**	808	323	37	677	--	1,845
Egypt	1983/84	--	--	539	807	--	1,346
	1984/85	30	--	429	1,205	--	1,664
	1984/85*	--	--	28	660	--	688
	1985/86**	--	--	734	--	--	734
Nigeria	1983/84	1,278	265	88	--	--	1,631
	1984/85	1,324	198	91	--	--	1,613
	1984/85*	462	59	100	--	--	621
	1985/86**	613	6	90	--	--	709
Other Africa	1983/84	471	7	1,876	45	844	3,243
	1984/85	418	39	2,034	35	803	3,329
	1984/85*	197	34	1,974	--	356	2,561
	1985/86**	655	1	439	--	165	1,260
Brazil	1983/84	2,181	66	66	--	--	2,313
	1984/85	3,111	67	67	--	--	3,245
	1984/85*	1,996	66	66	--	--	2,128
	1985/86**	721	--	--	--	--	721
Other W. Hemis.	1983/84	2,223	1,477	514	48	296	4,558
	1984/85	2,061	1,290	503	159	293	4,306
	1984/85*	1,478	861	350	138	181	3,008
	1985/86**	1,338	710	487	2	156	2,693
Total 1/	1983/84	17,128	5,647	5,593	5,541	1,556	35,465
	1984/85	18,460	4,862	6,577	5,234	1,458	36,591
	1984/85*	12,373	2,433	6,073	2,398	893	24,170
	1985/86**	6,043	2,370	2,532	1,832	679	13,456
MY Projection 2/		14,288	4,218	4,355	4,355	1,361	28,577

1/ Discrepancies due to rounding and sales to unknown destination.
2/ Projection for 1985/86, including flour and products
* Sales plus accumulated exports as of October 18, 1984.
** Sales plus accumulated exports as of October 16, 1985.

Source: U.S. Export Sales Report

**PL-480

FY 1986 PUBLIC LAW TITLE I/III
COUNTRY AND COMMODITY ALLOCATIONS 1/
(1000 Tons Grain Equivalent)

Country	Million-Total	Wheat/Flour	Rice	Feedgrains
$790 or Less Per Capita GNP				
Bangladesh	70.0	308.0	35.0	--
Bolivia	20.0	127.0	--	--
Egypt	213.0	1,557.0 2/	--	--
El Salvador	46.0	148.0	--	--
Ghana	8.0	--	7.0	--
Guinea	6.0	--	20.0	--
Haiti	18.0	95.0	--	--
Honduras	15.0	82.0	--	--
Indonesia	30.0	127.0	33.0	--
Kenya	10.0	63.0	--	--
Liberia	11.0	--	37.0	--
Madagascar	8.0	--	21.0	--
Morocco	40.0	253.0	--	--
Mozambique	10.0	25.0	10.0	23.0
Pakistan	50.0	--	--	--
Philippines	35.0	158.0	33.0	--
Senegal	5.5	--	--	61.0
Sierra Leone	4.0	14.0	7.0	--
Somalia	20.0	34.0 1/	17.0	13.0
Sri Lanka	26.0	193.0	--	--
Sudan	50.0	358.0 1/	--	--
Yemen	5.0	--	13.0	--
Zaire	20.0	92.0	17.0	--
Zambia	10.0	37.0	--	--
Subtotal	730.5	3,671.0	250.0	97.0
Over $790 Per Capita GNP				
Costa Rica	23.0	114.0	--	63.0
Dominican Rep.	30.0	72.0	32.0	--
Guatemala	14.0	63.0	--	--
Jamaica	30.0	93.0	19.0	85.0
Peru	20.0	100.0	--	--
Tunisia	2.5	16.0	--	--
Subtotal	119.5	458.0	51.0	148.0
Allocated	850.0	4,129.0	301.0	245.0
Unallocated Reserve	100.0	--	--	--
TOTAL PROGRAM	950.0	4,129.0	301.0	245.0

1/ Preliminary
2/ Wheat equivalent of flour or some portion of wheat equiv. of flour.

CORN AND SORGHUM

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: As of mid-October, the October-September 1985/86 forecast remained unchanged at 49.7 million tons. The likelihood of larger amounts of feed wheat from Canada, Australia, and the United Kingdom intensifying competition for U.S. feed grains may be tempered somewhat by lower corn export availabilities in China and stronger demand for feed grains in southern European countries affected by poor forage and rangeland crops.

Shipments and Sales: Corn shipments of 2.3 million tons in the 4-week period ending October 17 were slightly above the previous month's total, while new sales of 2.6 million tons were at the same level as last month. Taiwan, Japan, and the Soviet Union were the major buyers, while these same countries along with Egypt and Portugal were the primary destinations. Sorghum shipments (300,000 tons) were just under those of the previous 4 weeks, while sales (300,000 tons) were down about 15 percent over the same period. Japan and Venezuela were the primary destinations.

US CORN AND SORGHUM SHIPMENTS, SALES AND INSPECTIONS 1/
(OCTOBER/SEPTEMBER--MILLION TONS)

Monthly Shipments

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
Jul. 18	2.7	2.3	.4	.2
Aug. 22	3.7	2.7	.5	.7
Sep. 19	2.4	1.8	.4	.3
TOTAL FOR MY	43.6	43.5	5.6	6.2
4 Weeks ENDING	**84/85**	**85/86**	**84/85**	**85/86**
Oct. 18	1.7	2.3	.7	.2
TOTAL FOR MY	1.7	43.5	.7	6.2

Monthly Sales

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
Jul. 18	2.3	1.5	.4	.5
Aug. 22	3.7	1.9	.5	.3
Sep. 19	3.5	2.6	.5	.3
TOTAL FOR MY	48.6	47.3	6.8	7.2
4 Weeks ENDING	**84/85**	**85/86**	**84/85**	**85/86**
Oct. 17	3.6	2.6	.4	.3
TOTAL FOR MY	18.8	47.3	1.9	7.2

Weekly and Annual Inspection Rates

	CORN MT	CORN BU	SORGHUM MT	SORGHUM BU
Week Ending October 17............	0.8	33.4	0.15	6.1
Week Ending October 24............	0.7	25.9	0.10	4.0
Official Estimate for Current MY (Grain only).......................	40.8	1608	6.99	275
Implied Weekly Average............	0.8	30.9	0.13	5.3
Latest Six Weeks Weekly Average...................	0.6	23.2	0.19	7.6
Marketing Year-To-Date Weekly Average....................	0.6	24.8	0.15	6.0
Weekly Avg. Extrapolated Annually..	32.7	1288	7.95	313
Balance of Year to Achieve Estimate Implied Weekly Average............	0.8	31.5	0.13	5.3

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.
Source: Export Sales; FGIS

IMPORTER BUYING ACTIVITY

The major corn buyers over the four-week period ending October 17 were the Soviet Union (1,700,000 tons), Japan (557,000 tons), and Taiwan (412,000 tons). The key purchasers in the sorghum market over this same period were Japan (102,000 tons) and Venezuela (79,000) tons.

U.S. Market Opportunities:

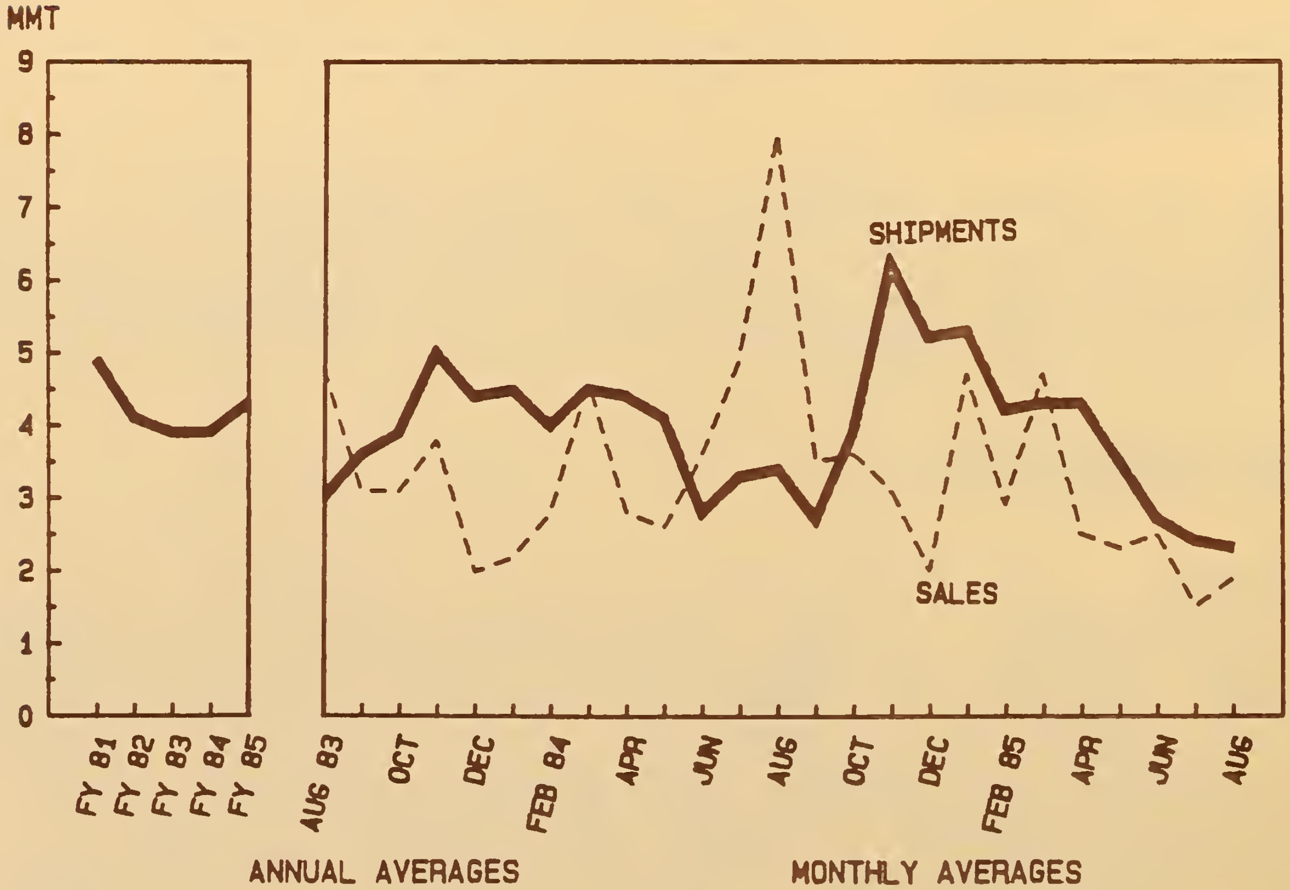
**Colombia: The United States may be able to increase its sorghum exports to Colombia. Though total sorghum imports for July-June 1985/86 are forecast at 100,000 tons, extended drought and increased feed demand have led the Government of Colombia to authorize sorghum imports of 100,000 metric tons for just the first half of 1985/86. Colombia produces two sorghum crops annually, the second of which is currently being planted. Ultimate import demand will depend on the outcome of this second crop. Colombia has imported about 100,000 tons of sorghum in each of the last 5 years, nearly all from the United States.

U.S. CORN AND SORGHUM EXPORTS BY DESTINATION
(OCTOBER/SEPTEMBER--1,000 TONS)

Destination	1982/83	1983/84	1984/85 Actual Exports	1984/85 Committed as of 10/17/84 1/	1985/86 Committed as of 9/19/85 //
---CORN---					
EC	4,033	3,677	2,268	167	119
Other W. Europe	5,388	4,473	3,969	925	782
Eastern Europe	1,470	727	693	385	320
USSR	3,200	6,500	15,750	8,259	2,655
China	2,161	18	0	0	0
Japan	13,180	13,781	11,095	3,514	3,106
Taiwan	3,000	2,676	3,134	1,293	1,119
Rep. of Korea	3,908	2,972	87	100	380
Egypt	1,516	1,303	1,352	285	535
Canada	750	283	316	3	3
Mexico	4,091	2,808	1,297	427	547
Venezuela	892	1,140	638	217	0
Others	3,938	6,992	5,361	3,254	1,188
Total	47,527	47,350	45,960	18,829	10,754
--SORGHUM--					
Spain	105	465	45	45	0
Other W. Europe (excl. Spain)	251	136	79	36	27
Japan	741	1,505	2,726	917	884
Israel	341	574	587	233	145
Mexico	3,260	2,758	1,958	271	13
Venezuela	243	206	1,093	163	98
Others	462	582	508	251	143
Total	5,403	6,226	6,996	1,916	1,310

1/ Accumulated shipments and sales, excluding sales for next marketing year.
Source: U.S. Bureau of Census and U.S. Export Sales Report.

U.S. CORN SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985 (PROJ)
AND MONTHLY FROM AUGUST 1983 - AUGUST 1985



RECENT CORN AND SORGHUM IMPORTER BUYING ACTIVITY
REPORTED BETWEEN SEPTEMBER 26, AND OCTOBER 25, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
9/30	Taiwan	U.S.	108,000	#2 YC	106.69 @ 106.73 FOB	Apr
10/1	Peru	U.S.	8,000	#2 YC	106.75 FOB	Oct
10/2	Jordan	U.S.	25,000	YC	103.50 FOB @ 119.00 C&F	Nov
	Taiwan	U.S.	108,000	#2 YC	105.95 @ 106.72 FOB	Nov/Dec
10/3	Mexico	U.S.	440,000	#2 YC	?	Oct/Nov
10/7	Japan	Optional	150,000	YS	98.40 C&F	Apr
	Peru	U.S.	20,000	#2 YC	115.86 C&F	Oct-Nov
10/8	Taiwan	U.S.	54,000	#2 YC	105.08 FOB	Feb
10/10	Taiwan	U.S.	33,000	#2 YC	101.82 FOB	Nov
10/15	Taiwan	U.S.	87,000	#2 YC	103.30 @ 105.82 FOB	Dec-Feb
	Taiwan	U.S.	33,000	YC	121.07 C&F	Nov-Dec
10/21	Korea	U.S.	50,000	#2 YC	112.89 C&F	Nov/Dec
10/23	Taiwan	U.S.	54,000	YC	118.91 C&F	Nov

1/ YC=#3 Yellow Corn unless otherwise stated, and YS=Yellow Sorghum
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

Other Exporting Countries' Selling Activity and Competitive Practices

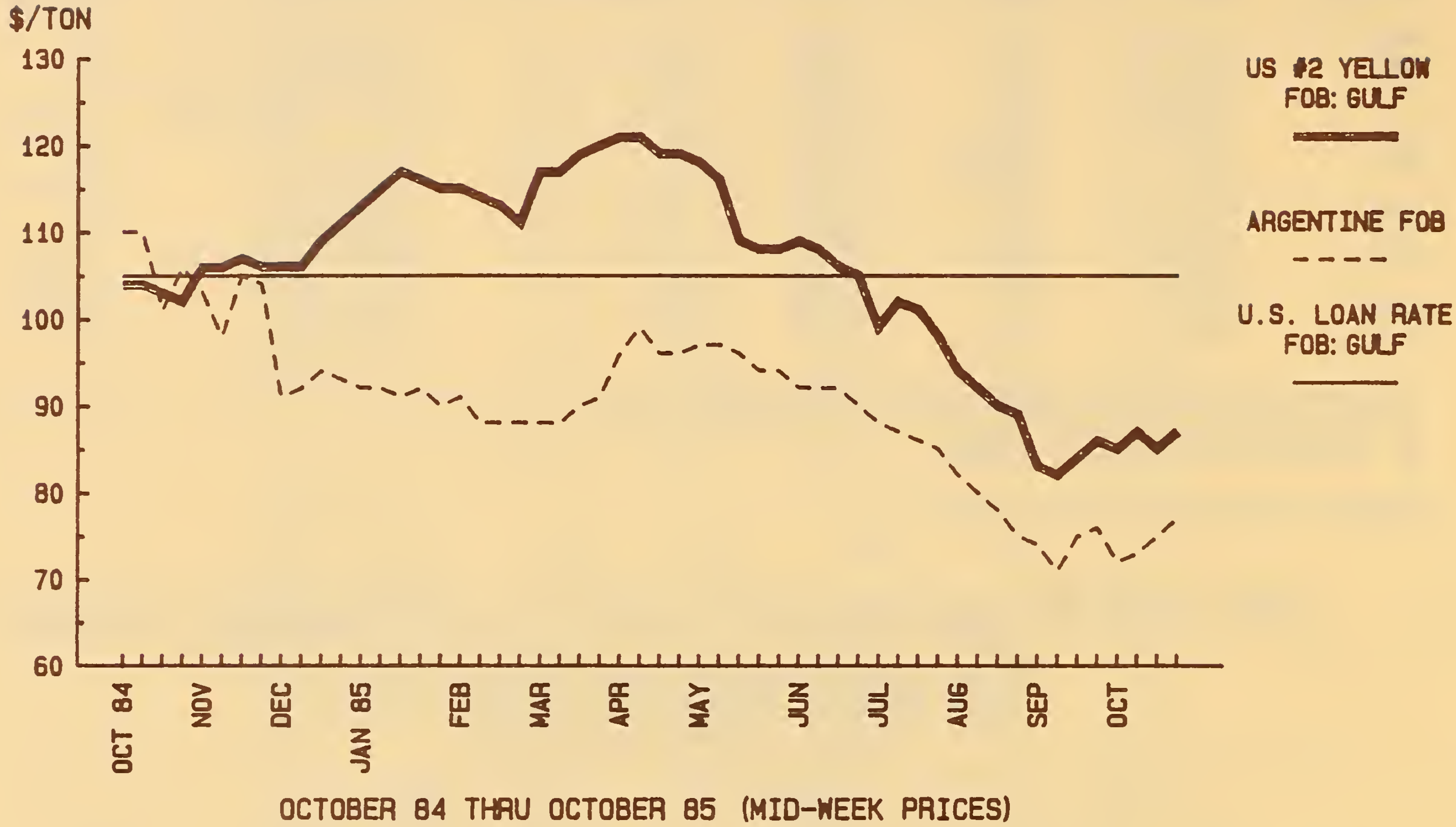
CORN AND SORGHUM SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1984/85-1985/86
(OCTOBER/SEPTEMBER--MILLION TONS)

	SORGHUM		CORN					
	Argentina		Argentina		Thailand		TOTAL	
	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
4 Weeks Ending 1/								
July 18	.6	.5	.7	.8	.1	#	1.4	1.4
Aug. 22	.2	.3	.5	.8	.3	.2	1.0	1.1
Sep. 19	.2	.1	.3	.2	.4	.2	.9	.5
TOTAL FOR SEASON 2/	4.8	3.4	5.9	7.1	3.0	2.8	13.7	13.3
	84/85	85/86	84/85	85/86	84/85	85/86	83/84	84/85
4 Weeks Ending 1/								
Oct. 17	.2	.1	.3	.2	.6	.3	1.1	.6
Cumulative in Marketing Year	.2	.1	.3	.2	.6	.3	1.1	.6
TOTAL FOR SEASON 2/	3.4	3.4	7.1	8.6	2.8	3.6	13.3	15.6

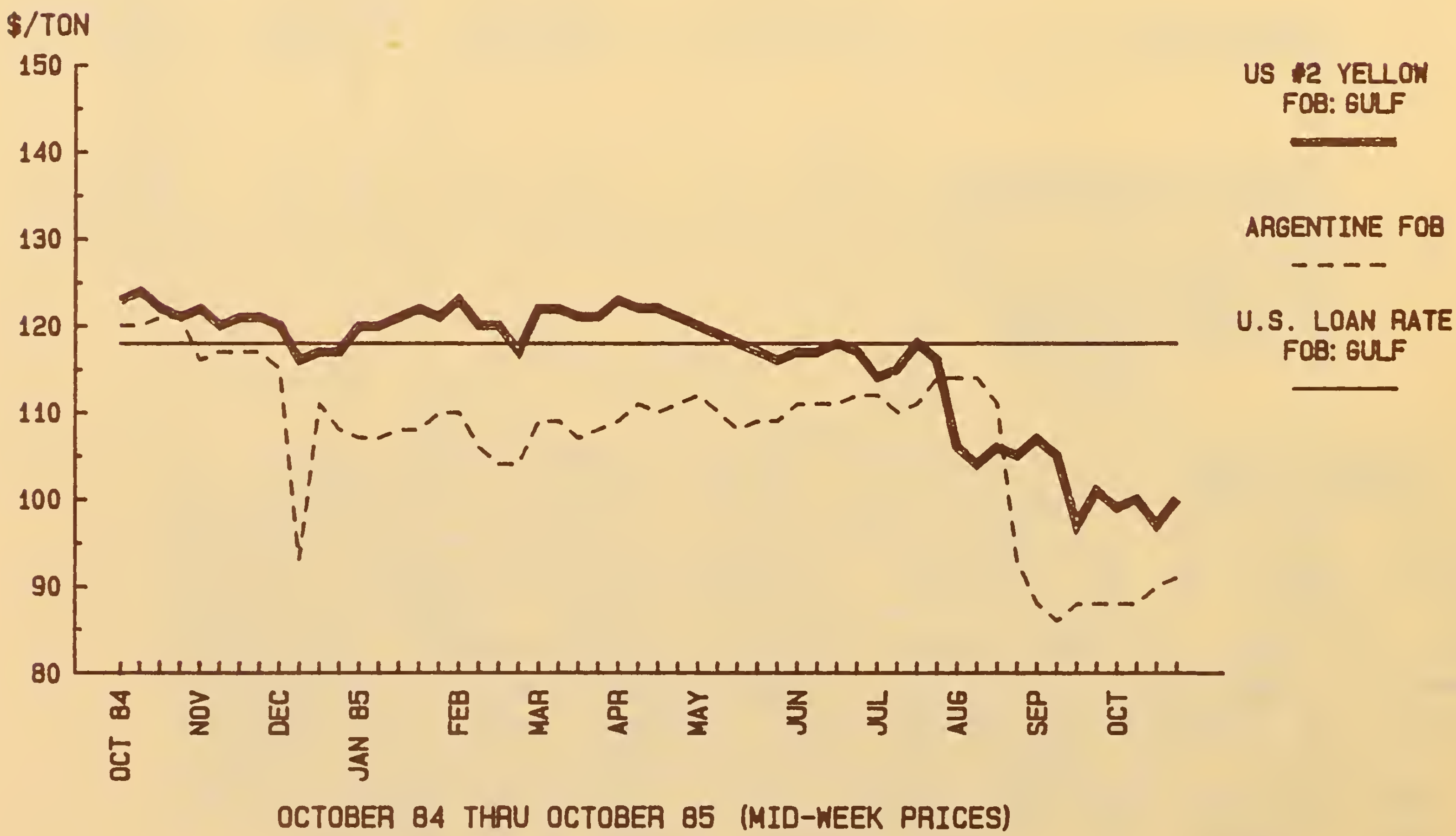
N/A = Not Available
1/ Or nearest date thereto.
2/ Projection for 1984/85.
Less than 100,000 tons.

**South Africa: U.S. corn exports to the Far East could increase if South Africa has to curtail its export program. South Africa has suspended sales of corn and sorghum because of concerns over adequate supplies caused by dry weather. Although official reports indicate recent rainfall in most of the affected areas, planting has been delayed in most of South Africa's corn-producing regions. The sales suspension comes at a time when South Africa was in the midst of planning for substantial export sales and had resumed its long-term grain agreement with Taiwan after drought caused South Africa to be a net corn importer for the last two years. The current South African corn export forecast for October-September 1985/86 is 900,000 tons.

SORGHUM EXPORT PRICES
U.S. AND ARGENTINE



CORN EXPORT PRICES
U.S. AND ARGENTINE



OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

**Japan: U.S. sorghum could recover some of the recent inroads made by Thai tapioca because of higher manioc and lower sorghum prices. Because of manioc's deficiency in protein, it must be at least $30/ton cheaper than sorghum in order to be competitive. The current price differential between manioc and sorghum is only $20 - $25 dollars per ton, making it economical for Japanese farmers to continue importing sorghum rather than swithching more heavily to manioc in feed rations. October-September 1985/86 sorghum exports to Japan are forecast at 4.6 million tons, over half of which is expected to come from the United States.

Competitive Developments in Selected Foreign Markets

**Soviet Union: Soviet demand for feed grains in October-September 1985/86 could be lower than last year's level becuase of a near record forage crop and unprecedented haylage and silage procurements. Reports cite greater input usage as one factor responsible for increased forage production, and state that the Soviets plan to continue allocate even more inputs (fertilizer, irrigation supplies, etc.) to forage production in the future. The Soviets are currently forecast to import 17 million tons of coarse grains in 1985/86, down substantially from a record 28 million tons in 1984/85.

**Nigeria: U.S. corn exports to Nigeria have been curtailed because of a government-imposed ban on all corn and rice imports. The ban, announced on Nigeria's Independence Day, October 1, was reportedly implemented to hasten the country toward self-sufficiency in grain and to save foreign exchange. The ban, however, is not expected to affect rice shipments arriving from Thailand under the government-to-government agreement. The United States has traditionally supplied most of Nigeria's corn imports (about 150,000 tons/year), while Thailand replaced the United States as Nigeria's major rice supplier in 1983 because of uncompetitive U.S. rice prices.

**Western Europe: As a result of drought-reduced pasture and forage crops, demand for feed grains will likely expand while exportable supplies shrink in key southern European countries. Spain, which has recently launched aggessive export programs aimed at exporting up to two million tons of barley, may have to curtail the programs short of that goal. Portugal, an important U.S. customer for feed grains, may have to import additional supplies. The EC, which has abundant stocks of barley and feed quality wheat, may feed larger amounts of domestic grain. The current EC wheat and coarse grain export forecast (excluding intra-trade) for 1985/86 is 22.5 million tons, down from 25.0 million tons in 1984/85. The drought is also causing growing concern over soil moisture levels for winter cereal sowing and early growth. If the dry conditions continue for the next several weeks, the winter grain supplies for 1986/87 could be seriously affected. Reports indicate that plantings of oats, wheat, barley, and forage crops to be harvested in 1986 have already been delayed in Spain and Portugal.

**German Democratic Republic: GDR grain imports could remain at levels substantially lower than those of recent years. Three bumper harvests in a row are believed to be more the result of improved production techniques, a higher utilization of inputs and better seed varieties than to the excellent weather the GDR has enjoyed over the past two years. The improved techniques are likely to mean permanantly higher levels of annual production on the order of 11 to 11.5 million tons a year, resulting in annual import requirements closer to 1.5 to 2.0 million tons than the traditional 3.0 - 3.5 million tons. The United States is currently forecast to supply 500,000 of the 600,000 ton corn market in October-September 1985/86, up from 400,000 tons in 1984/85. It is higher GDR production levels that have contributed to the drop in the value of U.S. agricultural exports to $31 million during January to July, 1985, from $72 million over the same period in 1984.

BARLEY, OATS, AND RYE

U.S. Exports
June/May--1,000 Tons

Grain	1983/84	1984/85 1/	1985/86 2/
Barley	1,991	1,676	1,306
Oats	39	15	30
Rye	25	10	25

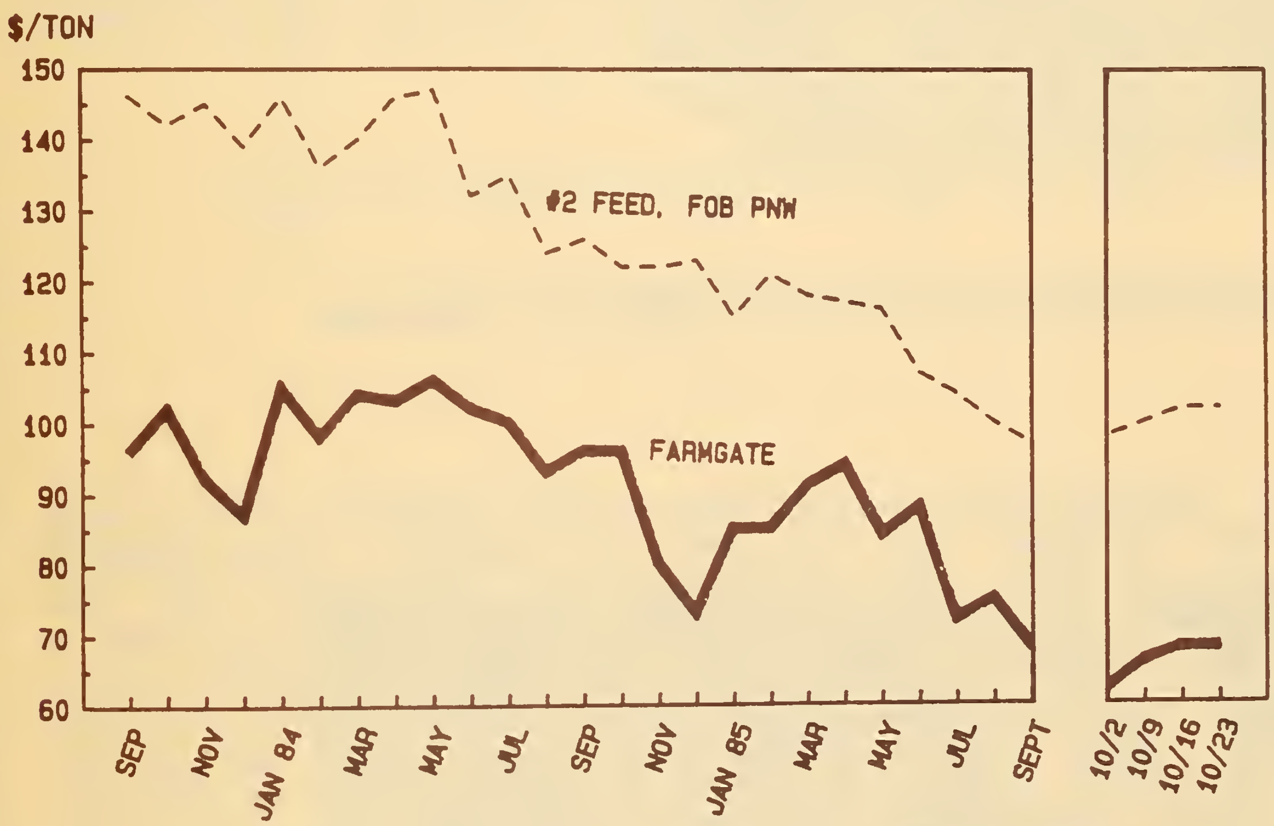
1/ Estimated 2/ Projected

BARLEY SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1984/85-1985/86
(OCTOBER/SEPTEMBER--MILLION TONS)

	U.S.		CANADA		FRANCE 2/		U.K. 2/		TOTAL	
4 Weeks Ending 1	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
July 18	#	0.1	0.3	0.2	#	0.1	#	0.1	0.3	0.5
August 22	0.1	0.1	0.3	0.1	0.2	0.1	0.2	0.1	0.8	0.4
September 19	0.3	#	0.2	0.4	0.3	0.1	0.2	0.1	1	0.6
Total For Season 3/	2.1	1.3	4.2	2.5	1.1	2.3	1.4	2.3	8.8	8.4
4 Weeks Ending 1	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86
October 17	#	0.2	0.3	0.1	0.2	N/A	0.2	N/A	0	N/A
Cum. Since Oct 1	#	0.2	0.3	0.1	0.2	N/A	0.2	N/A	0.7	N/A
Total For Season	1.3	1.4	2.5	4.0	2.3	2.0	2.3	2.0	8.4	9.4

1/ Or closest date thereto
2/ Excludes intra-EC trade Cumulative reflects available data.

U.S. FEED BARLEY PRICES INTERIOR AND EXPORT POSITIONS



SEP 83 TO SEP 85 MID-MONTH OCT MID-WEEK PRICES

U.S. BARLEY EXPORTS BY DESTINATION
(JUNE/MAY--1,000 TONS)

Destination	1982/83	1983/84	1984/85 Total Exports	1984/85 Committed as of 10/18/84 1/	1985/86 Committed as of 10/17/5 1/
EC	122	360	105	116	--
Other W. Europe	226	441	353	373	1
Eastern Europe	--	126	--	--	31
Taiwan	146	223	259	177	100
Japan	119	372	314	290	139
Others	317	509	514	505	83
TOTAL	930	2,031	1,545	1,461	354

1/ Accumulated shipments and sales excluding sales for next marketing year.
SOURCE: U.S. Census for 1982/83-1983/84 and U.S. Export Sales for 1984/85-1985/86.

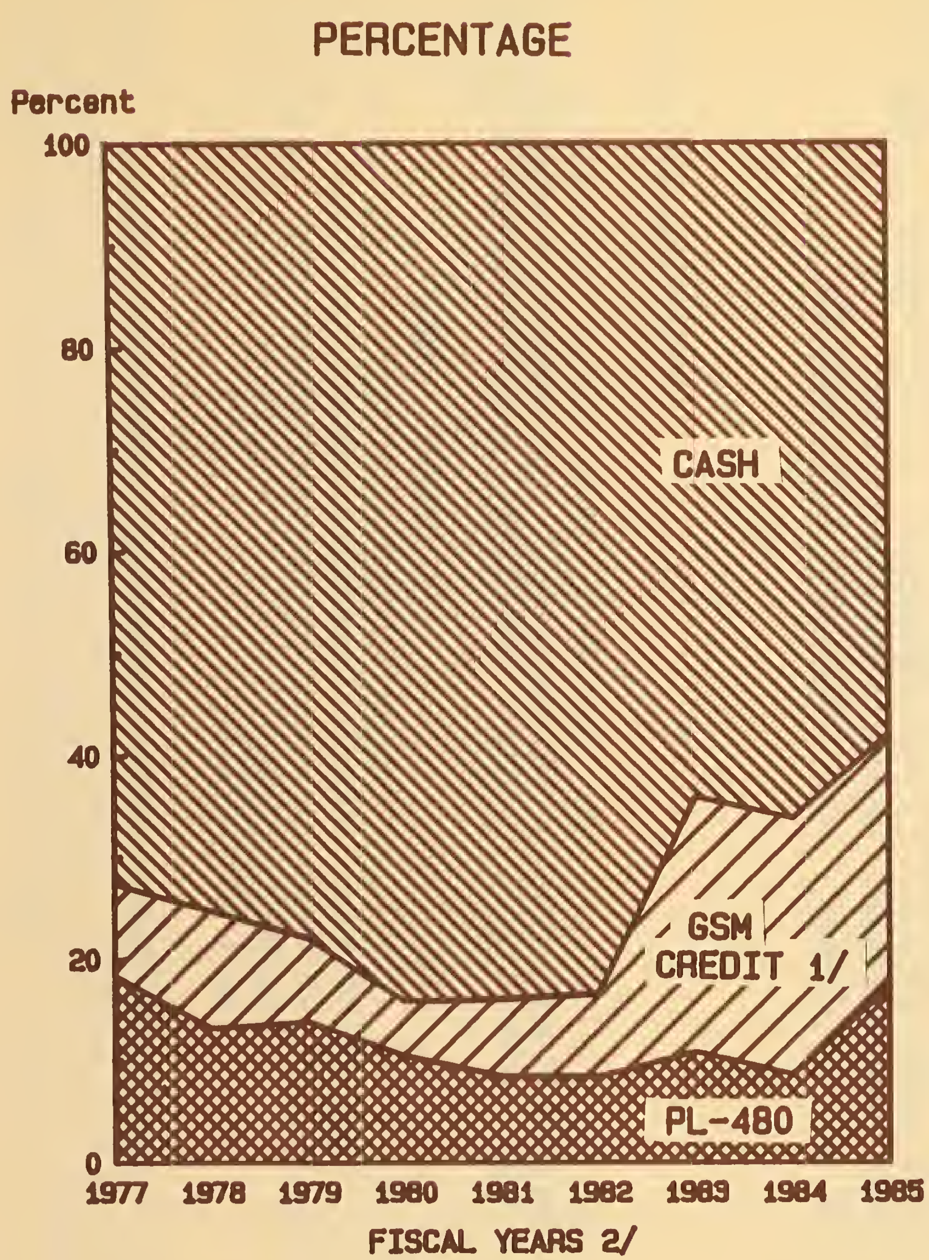
U.S. Export Opportunities

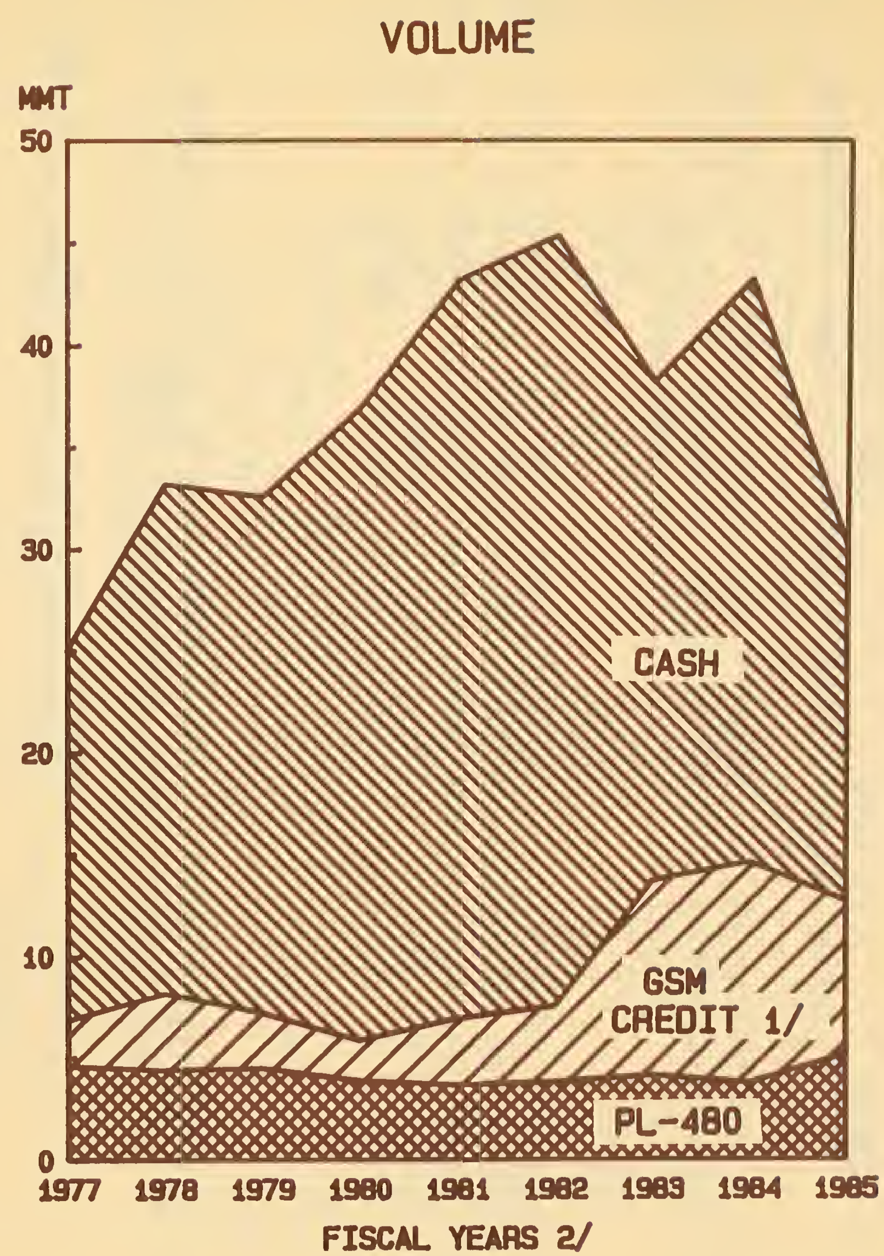
**Sweden and Finland: An opportunity to supply rye to Sweden and Finland has arisen because of a poor-quality Swedish rye crop. Sweden was forecast to export 25,000 tons of rye in October-September 1985/86, primarily to Finland. Reports now indicate that Sweden (which is normally a rye exporter) has inadequate supplies of bread quality rye to meet domestic needs and will have to import rye to maintain consumption at current levels. No bread quality rye is available for export. Finland is now in the market for 15,000 tons of rye, and is forecast to import 20,000 tons in 1985/86. Several East European countries have exportable supplies of the quality of rye desired by Finland. The United States is estimated to have about 500,000 tons of rye available for export.

Other Countries Selling Activity and Competitive Practices

**Spain: Spanish barley exports have already reached record levels, but additional programs may be curtailed because of higher domestic consumption. A record 1984 barley crop and a near record 1985 crop depressed domestic prices and put pressure on the Spanish government to export surplus supplies. Consequently, Spain exported 850,000 tons of barley through September and granted export licenses for an additional 100,000 tons, using export subsidies equivalent to $55 - $65 per ton. Spain had hoped to export as much as 2 million tons in 1985/86, but increased demand for barley and other feed grains by the dairy and livestock industries resulting from poor pasture and rangeland crops may temper barley export availabilities.

U.S. WHEAT & WHEAT FLOUR EXPORTS BY TYPE OF SALE





1/ Includes GSM-5 in 1977-1980, GSM-101 in 1979-1981, GSM-102 in 1981-1985, and Blended Credit in 1983-1985.

2/ October/September years, the basis on which program data is kept.

U.S. WHEAT AND WHEAT FLOUR EXPORTS BY TYPE OF SALE
MILLION METRIC TONS, PERCENTAGE OF EXPORTS

FISCAL YEARS	EXPORTS	PL-480 TITLE I, II, III	(%)	GSM CREDIT 1/ 5, 101, 102, BLENDED	(%)	CASH (RESIDUAL)	(%)
1977	25.1	4.6	18.4	2.3	9.0	18.2	72.6
1978	33.2	4.4	13.2	3.8	11.5	25.0	75.3
1979	32.5	4.5	13.9	2.7	8.2	25.3	77.8
1980	36.9	3.9	10.5	2.0	5.3	31.1	84.2
1981	43.2	3.7	8.5	3.3	7.6	36.2	83.9
1982	45.4	3.8	8.4	3.7	8.2	37.8	83.4
1983	38.2	4.2	10.9	9.5	25.0	24.5	64.1
1984	43.2	3.7	8.6	10.9	25.1	28.6	66.2
1985	30.1	5.2	17.3	7.5	24.8	17.4	57.9

JULY/JUNE TRADE YEAR COMPARISON AS OF OCTOBER 10 2/
MILLION METRIC TONS

YEARS	EXPORTS	PL-480	GSM	CASH
1984/85	15.2	1.1	4.9	9.2
1985/86	7.1	1.5	2.1	3.5

1/ GSM-5 WAS USED IN 1977-1980, GSM-101 IN 1979-1981, GSM-102 IN 1981-1985 AND BLENDED CREDIT IN 1983-1985.
2/ DATA FOR PL-480, GSM, AND CASH ARE ESTIMATED.

COUNTRIES/REGIONS WHICH ACCOUNT FOR MOST OF THE DROP
IN CASH SALES DURING THE TRADE YEAR COMPARISON PERIOD

LOCATION	EXPORTS (MMT)
USSR	3.8
CHINA	1.2
MIDDLE EAST	0.3
WESTERN EUROPE	0.2
TOTAL	5.6

RICE

LATEST U.S. EXPORT FORECAST, SHIPMENT AND SALES 1/

Export Forecast: The forecast for the 1985/86 marketing year has now been reduced to 1.85 million tons, reflecting continued weak world demand and uncompetitive U.S. prices.

Shipment and Sales: U.S. rice exports during the 4-week period ending October 17 totaled 191,700 tons, down from the previous 4-week total of 226,700 tons. Major destinations included the Philippines, Iraq, South Africa, and Morocco. Cumulative shipments for the 1985/86 marketing year through October 17 totaled 484,500 tons, or about 9 percent below the level of shipments for the same period one year ago. During the 4-week period ending October 17, registrations of new export sales for delivery in the current marketing year reached 127,800 tons, compared to the previous 4-week total of 110,600 tons. Export commitments for 1985/86 delivery now total 836,900 tons, or approximately 7 percent below the 892,100 tons registered as of this date last year.

1/ Shipments and sales are on a product basis.

Weekly U.S. Rice Exports
(Metric Tons)

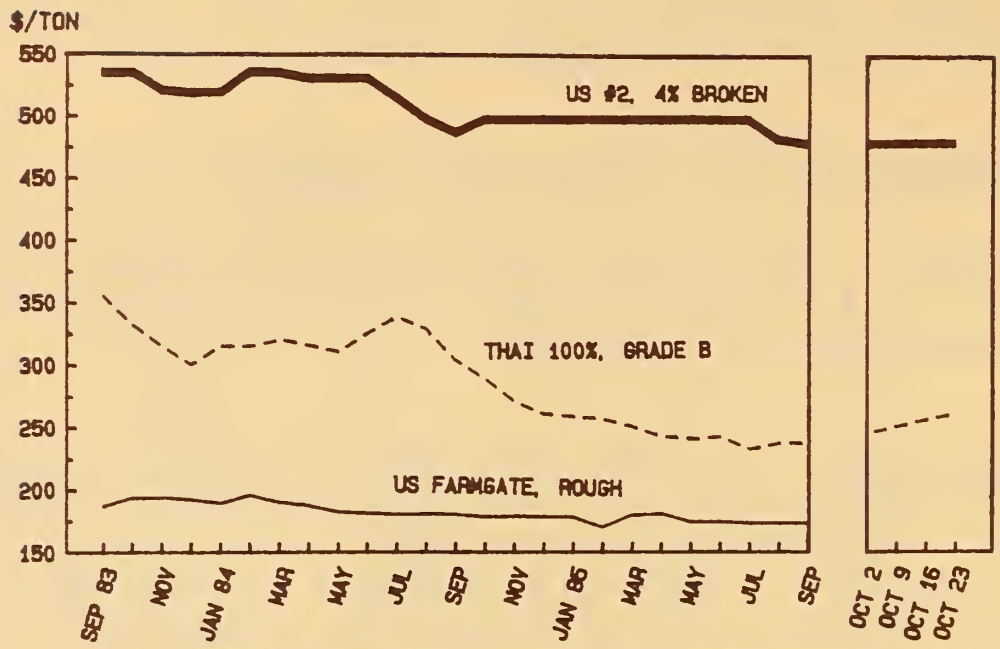
Week Ending	Actual	4-Week Moving Avg.
Sep 26	42,700	49,625
Oct 3	46,200	53,775
Oct 10	42,400	42,925
Oct 17	60,400	37,335

IMPORTER BUYING ACTIVITY.

Several substantial sales were reported over the past month, as trading activity remained moderate. Brazil reportedly purchased 120,000 tons of rice from Pakistan, buying from that origin for the first time. Brazil also bought as much as 40,000 tons from China and 10,000 tons from Burma. The Soviet Union bought 50,000 tons of rice from Thailand (for Vietnam), and is rumored to have purchased 50,000 tons from Burma for the same destination. Iran reportedly purchased 30,000 tons of 100 percent grade B from Thailand. Iraq made a large purchase of U.S. rice, utilizing most of the remaining credit line under the U.S. GSM-102 program.

**Iraq: Iraq completed purchases with credit guarantees under the GSM-102 program for Fiscal year 1985. Iraq utilized $178.8 million for rice purchases out of a possible $180.0 million. Iraq is expected to import 420,000 tons of rice from the U.S. in CY 1985.

RICE PRICES
US AND THAI (C&F ROTTERDAM) AND US FARM



SEP 83 TO SEP 85 MID-MONTH OCT MID-WEEK PRICES

RECENT RICE IMPORTER BUYING ACTIVITY
REPORTED BETWEEN SEPTEMBER 24 AND OCTOBER 25, 1985

Buyer	Origin	Quantity 1,000 Tons	Quality 1/	Price $/MT 2/	Delivery Period	Date of Report
Bangladesh	Thailand	14.4	P 25%	N/A	Oct/Nov	10/2
Benin	Thailand	2.1	P 5%	N/A	Oct/Nov	10/6
Brazil	Pakistan	60.0	15/20%	165	Oct/Dec	10/18
	Pakistan	20.0	15/20%	168	Oct/Dec	10/18
	China	20.0	N/A	N/A	N/A	10/27
	Pakistan	40.0	N/A	198 4/	N/A	10/29
Camoro Islands	Thailand	2.5	15%	N/A	N/A	10/2
Dubai	Thailand	1.0	100% B	N/A	N/A	10/2
	Thailand	1.0	5%	N/A	N/A	10/2
	Thailand	1.0	5%	N/A	N/A	10/21
Djibouti	Thailand	1.0	P 5%	N/A	N/A	10/7
Gambia	Thailand	3.0	A-1 Spec	N/A	N/A	10/2
	Thailand	1.0	A-1 Spec	N/A	N/A	10/7
Iran	Thailand	30.0	100% B	N/A	N/A	10/2
Italy	Thailand	2.5	100% B	N/A	Oct	10/21
	Thailand	2.5	100% B	193 blk	Oct	10/21
	Thailand	5.5	100% B	195	Oct	10/7
	Thailand	2.5	N/A	N/A	Oct	10/7
	Thailand	1.2	10%	N/A	N/A	10/29
	Thailand	2.3	A-1 Spec	120	Oct	10/29
	Thailand	2.0	100% B	210 blk	Nov	10/29
Kampuchea 5/	Burma	11.0	35%	166	Oct	10/8
Maldives	Thailand	1.0	10%	N/A	N/A	10/7
Saudi Arabia	Thailand	3.2	P 10%	N/A	N/A	10/2
Somalia	Thailand	2.5	P 10%	N/A	N/A	10/2
	Thailand	2.0	P 10%	N/A	N/A	10/2
Sudan	Thailand	2.0	10%	N/A	N/A	10/2
W Germany	Thailand	1.6	5%	N/A	N/A	10/2
Vietnam	Thailand	40.0	A-1 Spec	132	Nov	10/21
	Thailand	10.0	A-1 Spec	102	Nov	10/21

1/ P = Parboiled, LG = Long Grain, MG = Medium Grain, SG = Short Grain, B = Brown, F = Fragrant, L/Bld = Long, Boiled, F/Bld = Full Boiled, Gl = Glutinous, S = Super, Spec = Special
2/ F.O.B. basis unless otherwise indicated. Price information is in many cases unconfirmed and as reported through unofficial market sources.
3/ F.A.S., (U.S. PL-480 sale)
4/ C&F
5/ Japan Aid Program
N/A Not available.

U.S. RICE EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS

(AUGUST/JULY--1,000 TONS)

Destination	Marketing Year 4/	Long Grain Milled	Long Grain Brown 2/	Other 1/ Milled	Other 1/ Brown	Total Exports
EC-10	1982/83	1	214	15	--	230
	1983/84	29	192	2	70	293
	1984/85	10	209	7	98	331
	1985/86	0	87	0	0	88
Other W. Europe	1982/83	33	54	3	4	94
	1983/84	23	35	3	138	199
	1984/85	26	31	4	63	125
	1985/86	15	7	1	0	23
Iraq	1982/83	327	--	*	--	327
	1983/84	230	--	2	--	232
	1984/85	429	15	1	--	445
	1985/86	262	0	0	--	262
Saudi Arabia	1982/83	267	--	2	--	269
	1983/84	253	--	6	--	259
	1984/85	239	--	6	--	244
	1985/86	56	--	0	--	56
Other Middle East	1982/83	48	--	2	--	50
	1983/84	40	--	12	--	52
	1984/85	41	--	4	--	46
	1985/86	3	0	1	--	4
Republic of Korea	1982/83	--	--	*	213	213
	1983/84	--	--	*	112	112
	1984/85	--	--	--	--	--
	1985/86	--	--	--	--	--
Other Asia & Oceania	1982/83	2	--	129	--	131
	1983/84	3	--	140	--	143
	1984/85	3	--	99	--	102
	1985/86	1	--	2	152	155
Nigeria	1982/83	159	--	--	--	159
	1983/84	63	--	--	--	63
	1984/85	*	--	--	--	--
	1985/86	0	--	--	--	--
Other Africa	1982/83	148	110	153	4	415
	1983/84	95	150	136	--	381
	1984/85	116	65	278	11	476
	1985/86	59	28	57	10	154
Western Hemisphere	1982/83	137	23	86	38	284
	1983/84	156	24	109	14	303
	1984/85	137	48	13	19	217
	1985/86	48	30	2	14	94
Total 3/	1982/83	1,148	400	392	259	2,199
	1983/84	900	401	408	338	2,047
	1984/85	985	389	422	190	1,998
	1985/86	444	153	64	173	837

* Less than 500 tons.
1/ Includes short, medium, and mixed.
2/ Data not converted to a milled equivalency, and includes rough rice.
3/ Discrepancies due to rounding and changes to unknown destinations.
4/ 1985/86 year includes August 1 through September 19
Source: U.S. Export Sales Report

**Philippines: The Central Luzon and the Bicol regions, major rice producing areas, were hit by Typhoon Dot in late October. The U.S. Agricultural Attache estimates damage to rice production in the affected areas may exceed 300,000 tons (rough basis). Rice nearing the harvest stage was most severely damaged. Residual flooding from the storm may cause yet more damage, particularly to rice in early growth stages. The Philippines was forecast to produce about 8.5 million tons (rough basis) in the current (July-June) year, with imports forecast for 500,000 tons in CY 1985 and 300,000 tons in CY 1986. This level of damage to the rice crop will probably increase imports in CY 1986.

The National Food Authority (NFA) has announced the deregulation of the price of milled rice. The NFA action is part of a larger package of general economic reforms. It is hoped the move will increase prices to producers and, therefore, boost production.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

Thailand's Board of Trade increased the posted price of glutinous rice, and decreased the price of brokens and parboiled 5 percent by $5 per ton. Actual prices for Thai rice strenghthened this month, with 100 percent B reaching $215 per ton, while parboiled 5 percent fell to $178 per ton. Prices on world markets are still depressed relative to last year's levels. For instance, Pakistan's 40/45 percent broken rice, which brought $200-215 per ton this time one year ago, was sold for only $141 in late August.

On the Rotterdam market, U.S. #2/4 percent long grain has remained unchanged at $475 per ton C&F, while Thai 100 percent B firmed to $260 per ton C&F.

**Thailand: Thai exports fell by 8 percent from the previous 4-week period to 269,604 tons. The CY 1985 export estimate for Thailand remains 250,000 tons below the level of last year at 4.25 million tons. Exports as of October 14 totaled 3.44 million tons, compared to 3.78 million tons for the same period last year.

Weekly Thai Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
Sep 28	62,032	67,647
Oct 5	78,273	70,952
Oct 12	74,920	69,537
Oct 19	54,379	67,401

Outstanding export commitments for CY 1985 as of October 22 are estimated at 3.91 million tons, compared with 4.29 million tons registered by the same date last year.

The Government reportedly is finalizing details on the 1985/86 rice policy. The new scheme is expected to include a minimum guaranteed producer price of 3000 Baht ($110 U.S.) per ton for 5 percent paddy rice. This was a hotly debated issue in Thailand, as the support price is expected to increase Thai export prices, and price support payments could severely strain Thailand's budget. As part of the new policy, the rice mills will now get 9 percent subsidized credit to assist in paying the increased purchase price to the producers. The government will provide enough credit to the mills to enable purchases of 3 million tons of paddy rice. Remaining to be decided are the issues of the minimum 30 day stocking requirement (requiring mills to carry 30 days of normal milling tonnage in stock), and the export premium. New regulations which retroactively suspended (as of September 25) the 2.5 percent export tax on rice apparently were issued on October 24, although there has been much confusion regarding the actual effective date.

<u>Burma</u>: The exports of the Myanma Export Import Corporation (MEIC) declined sharply in August to 29,408 tons. This level is 43 percent lower than exports in July, and sharply lower than the 85,000 tons exported in August of 1984. Burma has now exported only 243,409 through August, compared with 544,480 for the same period in 1984. Burma is currently forecast to export 500,000 tons in CY 1985, but the poor export performance to date will make it difficult for MEIC to reach that level.

The bulk of the August exports were made up of a 10,000-ton shipment to Senegal and a 17,000-ton shipment probably destined for the Philippines or Sri Lanka. Reported September sales include 10,000 tons of 25 percent brokens at $149 per ton to Brazil (this rice is for prompt shipment, but MEIC is reportedly having difficulty obtaining the desired rice in the agreed time period), and 11,000 tons of 35 percent brokens at $166 per ton to Japan for a food-aid shipment to Kampuchea.

<u>Pakistan</u>: The Rice Export Corporation of Pakistan (RECP) exported 89,766 tons of rice during September, bringing total exports in 1985 to 561,130 tons. This amount compares with 848,500 tons exported during the same period a year ago. Exports have been lagging behind last year's pace due to RECP's reluctance to sell at the prevailing low world prices earlier in year. Abundant supplies of low-quality rice available for export in other Asian countries, combined with lower competitor prices has left Pakistan with unsold rice stocks of an estimated 450,000-500,000 tons. Pakistan faces stiff competition from Thailand in some of its traditional markets in Africa, and apparently has not made a sale of Basmati rice to Iran this year. The low level of exports to date and the current slow pace of new shipments may keep actual exports below the current export forecast of 900,000 tons in CY 1985, though pressure to sell remaining stocks has forced the RECP to conform to world market price levels.

The RECP has reportedly made a major sale to Brazil for the first time. In early October 80,000 tons was believed to have been sold, consisting of 60,000 tons of Sind 15/20 percent brokens at $165 per ton, and 20,000 tons of Punjab 15/20 percent at $168 per ton. A reported 40,000 ton shipment priced at $198 C&F Brazil is believed to be from Pakistan as well.

In other developments, the Government of Pakistan has increased the procurement price for milled rice by 3 to 4 percent for the 1985/86 (November-October) crop. The increase was made to ensure that the targeted amount of rice (1.25 million tons) is supplied to the RECP. Rice millers are now allowed to sell up to 25 percent of the total rice milled annually on the free market to compensate for the lower price they get on sales to the RECP. The 1.25 million ton procurement target for 1985/86 represents a 19 percent increase over the 1984/85 level. The Government raised the procurement target in hopes of expanding rice exports in the current year.

**Bangladesh: Imports by Bangladesh are now expected to total only 300,000 tons in CY 1985, down from 588,000 tons the previous year. Reportedly, offtake from Government stocks is so low at the present time that the Government has been forced to dispose of some 60,000 tons of rice that is beginning to deteriorate. The abundance of rice is having an impact on domestic prices, as farmers reportedly are receiving less than the Government support price for rice in some areas. At the request of the Goverment of Bangladesh, Japan will now supply only 60,000 tons of rice and 40,000 tons of wheat under the Kennedy Round Food-Aid Agreement, instead of the scheduled 100,000 tons of rice. Though prospects for the Aman crop look good, the reduction in imports could result in depleted stock levels.

**Colombia: The mid-1985 rice harvest was adversely affected by dry weather, pest outbreaks, and a shortage of harvesting and drying machinery. As a result, the Colombian Government's plan of exporting over 100,000 tons of rice in CY 1985 has now been reduced to 36,000 tons, including exports to Ecuador, Iran, and Jamaica. USDA currently forecasts 25,000 tons of exports for 1985. Production problems began with shortages of inputs and delayed plantings of non-irrigated rice in the northern coastal regions. Dry weather and pest problems lowered yields and increased production costs. The dry weather is not expected to seriously affect plantings for the second half of the year, as most of that production will be under irrigation.

**Brazil: As much as 120,000 tons of rice reportedly was purchased from Pakistan in the past month. The sale consisted of 60,000 tons of IRRI Sind 15/20 percent at $165 per ton, and 20,000 tons of IRRI Punjab 15/20 at $168 per ton. Another purchase of 40,000 tons of rice at $198 C&F was also made from Pakistan, and reports indicate more sales may be made. Brazil reportedly has bought 10,000 tons of 25 percent broken rice from Burma, at $149 per ton for November delivery, and up to 40,000 tons from China. Total purchases by Brazil now total at least 380,000 tons for CY 1985. The Government has authorized 400,000 tons of imports for this calendar year.

**Guyana: Traditionally a major rice producer in the Caribbean, the rice industry of Guyana is having difficulty meeting demand in 1985. Domestic shortages have been reported, as farmers have shifted from rice to other crops over the past few years. Harvested area has dropped from 136,000 hectares in 1977 to 90,000 hectares in 1985. Rain disrupted the the fall harvest period, while non-mechanized drying methods and poor milling yields caused excessive spoilage and waste. Guyana plans to export about 40,000 tons of rice to Trinidand and Tobago this calendar year as part of a bi-lateral trade agreement.

**India: Private traders are calling for Government permission to resume exports of common rice varieties. Currently, only exports of basmati are allowed. Two successive years of bumper rice harvests have increased domestic stocks to an estimated 7 million tons, taxing India's storage capacity. If the main Kharif crop, harvested during November-January is good, limited exports of common rice varieties may be allowed to resume, according to the Indian Commerce Secretary. India is currently forecast to export 200,000 tons of rice in CY 1985.

The GOI has increased the procurement price for rough rice in the 1985/86 (October-September) year by 5 percent over the previous year. Prospects thus far for the Kharif crop have reportedly been good. The overall behavior of the southwest monsoon has been about normal, however recent heavy rains in Punjab and Haryana provinces have damaged or delayed harvesting of the rice crop there.

**Indonesia: Bulog, the Indonesian foodstuffs agency, has announced it will donate 65,000 tons of rice to the Food and Agricultural Organization (FAO). The timing of the shipments of the rice, or the destination countries are not yet known. Indonesia has an estimated 3.5 million tons of rice in stock, following a year of record production in CY 1984, and another good harvest this year.

**Iran: Unfavorable weather and land ownership disputes (unresolved from the 1979 revolution) have cut rice production to 70% of the 1981/82 level, according to the Trade Ministry. Iran has purchased an estimated 600,000 tons of rice this year, and intends to buy more. Iran, a major market for U.S. rice from the mid-1970's through 1980, now purchases most of its rice from Pakistan and Thailand. Iran is forecast to import 750,000 tons in CY 1985.

**Ivory Coast: The Government of the Ivory Coast has decided not to increase the guaranteed minimum support prices for rice in the 1985/86 season. The rice industry of the Ivory Coast has been very successful over the past several years, and the Government apparently felt an increase was not necessary to maintain acceptable levels of production. Rice imports by the Ivory Coast have dropped from 437,000 tons in 1983, to an expected 250,000 tons in 1985, even though domestic consumption has continued to increase during this period.

**Nigeria: In a move aimed at stimulating domestic rice production and conserving scarce foreign exchange, the Government of Nigeria announced a ban on rice imports effective October 1. The ban is not expected to affect imports that are still arriving under a government-to-government agreement with Thailand. Rice imports fell sharply from the estimated 711,000 tons imported in CY 1983 to only an estimated 450,000 tons last year. Imports for CY 1985 had been forecast to increase slightly to 500,000 tons, but the new decree could hold imports well below that level. While the ban is scheduled to remain in effect through 1986, it remains to be seen whether Nigeria can forego all imports.

**South Korea: A typhoon lashed Korea's unharvested rice crop in early October, but production is still expected to meet the Government's target. Rice production in 1984/85 (November-October), estimated at 5.62 million tons (milled basis), exceeds the national requirement of 5.5 million tons. The Ministry of Agriculture and Fisheries (MAF) indicated no imports were planned for CY 1986.

The MAF has increased the purchase price of rice by 5 percent in Korean Won, but in U.S. dollar terms the price will actually decrease from $660 to $640 per ton.

**Sierra Leone: The Government of Sierra Leone is currently negotiating an agreement with the People's Republic of China for technical assistance on a $50 million rice growing project. The project is scheduled to produce 16,000 tons of rice initially, with eventual production of 50,000 tons targeted. No specific dates have been reported as to when the project would begin, or when targeted production could be achieved. The newly elected president stated that self-sufficiency in rice would be a top priority in his administration. Sierra Leone has produced an average of about 330,000 tons of rice annually over the past 5 years, while imports have averaged 85,000 tons annually over the same period. Sierra Leone is expected to import 100,000 tons of rice in CY 1985, including 6,000 tons from the United States under a PL-480 Title I program.

**Taiwan: The Food Bureau of Taiwan expects 400,000 tons of rice (brown basis) to be utilized as feed in the 1985/86 (July-June) year. This level represents an increase of 100,000 tons over the previous feed utilization estimate. Taiwan faces increased pressure to reduce rice stocks, as exports have dropped off sharply this year. Exports totaled only 46,000 tons for the first three quarters of 1985, compared with 130,000 tons for the same period in the previous year. Taiwan's two largest traditional rice buyers, Republic of Korea and Indonesia, both had good harvests last year, and have reduced or eliminated imports this year. Exports from Taiwan are currently expected to reach only 80,000 tons in CY 1985.

**Vietnam: A typhoon reportedly has destroyed 120,000 hectares of Vietnam's rice crop, the eighth typhoon of the monsoon season to hit that country. With so much weather related adversity, it is doubtful Vietnam will be able to reach its stated production target of 19 million tons of grain in 1985/86. USDA currently forecasts Vietnamese rice production at 15 million tons for 1985/86. The adverse conditions have also led to additional import activity, as the Soviet Union has recently purchased 50,000 tons of broken rice from Thailand at $132 per ton for November shipment. The Soviet Union may also have purchased an additional amount of rice from Burma, which is probably for shipment to Vietnam. Total purchases this year by Vietnam or by the Soviet Union for Vietnam are estimated at more than 330,000 tons, with total imports for CY 1985 expected to reach 400,000 tons.

U.S. EXPORT EXPANSION ACTIVITIES

**GSM-102: As of October 25, the Commodity Credit Corporation (CCC) has announced credit guarantees for Fiscal Year 1986 totaling $39.0 million. The announced credit lines are: Jamaica ($10.0 million), Mexico ($10.0 million), and Portugal ($19.0 million). Additional guarantees may be announced at a later date.

**PL-480: Initial country allocations for the FY 1986 PL-480 program were announced over the past month. The table below details the approximate value of rice allocations for each country.

INITIAL PL-480 TITLE I/III ALLOCATION
FOR RICE IN FY 1986

Country	Amount (Million Dollars)	Country	Amount (Million Dollars)
Bangladesh	10.0	Sierra Leone	2.0
Ghana	2.0	Somalia	5.0
Guinea	6.0	Yemen	5.0
Indonesia	10.0	Zaire	5.0
Liberia	11.0	Dominican Republic	10.0
Madagascar	6.0	Jamaica	6.0
Mozambique	3.0		

QUANTITY AND VALUE OF U.S GRAIN AND FEED COMMODITY EXPORTS
IN FISCAL YEAR 1985 AND COMPARISON WITH PRECEEDING YEAR

	AUGUST FY 84	AUGUST FY 85	CUMULATIVE OCT THRU AUG FY 84	CUMULATIVE OCT THRU AUG FY 85	ACTUAL EXPORTS FY 84	PROJECTED EXPORTS FY 85
WHEAT (grain only)						
Quantity (1000 tons)	3978	2364	35094	26558	41700	29000
Value Per Ton (dollars)	150	140	157	150	156	150
Value (in million dollars)	595	331	5505	3994	6501	4350
CORN (grain only)						
Quantity (1000 tons)	3435	2307	44265	44246	47001	46560
Value Per Ton (dollars)	147	115	150	125	149	125
Value (in million dollars)	506	266	6635	5547	7022	5820
SORGHUM (grain only)						
Quantity (1000 tons)	452	408	5548	6824	6226	7240
Value Per Ton (dollars)	124	113	136	118	133	118
Value (in million dollars)	56	46	753	807	829	854
BARLEY, OATS, AND RYE (grain only)						
Quantity (1000 tons)	108	113	1698	1183	2074	1300
Value Per Ton (dollars)	130	97	138	124	134	123
Value (in million dollars)	14	11	234	147	277	160
TOTAL COARSE GRAINS (grain only)						
Quantity (1000 tons)	3995	2828	51511	52253	55301	55100
Value Per Ton (dollars)	144	114	148	124	147	124
Value (in million dollars)	576	323	7622	6501	8128	6834
RICE (grain only)						
Quantity (1000 tons)	182	174	1952	1693	2212	1900
Value Per Ton (dollars)	396	322	410	356	405	350
Value (in million dollars)	72	56	800	603	897	665
PULSES						
Quantity (1000 tons)	25	27	361	393	390	425
Value Per Ton (dollars)	400	444	454	463	451	460
Value (in million dollars)	10	12	164	182	176	195
FLOUR AND OTHER GRAIN PRODUCTS						
Quantity (1000 tons)	103	142	7863	6823	8391	7400
Value Per Ton (dollars)	301	254	169	153	167	159
Value (in million dollars)	31	36	1328	1043	1400	1178
FORAGE, HAY, MIXED FEED AND GRAIN BYPRODUCTS						
Quantity (1000 tons)	582	575	6434	5819	6845	6300
Value Per Ton (dollars)	158	150	171	152	170	152
Value (in million dollars)	92	86	1100	884	1165	958
TOTAL VOLUME (in thousand tons)	8865	6110	97766	89025	109089	95225
TOTAL VALUE (in million dollars)	1376	844	1572	12680	17432	13607

SOURCE: US Census

U.S. WHEAT PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/Bu)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/Bu)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/Bu)
Trigger Release Price	$200	$4.45	$200	$4.45	--	--
Target Price	$195	$4.30	$198	$4.38	$198	$4.38
Loan (Reserve)	$171	$3.65	$158	$3.30	--	--
National Loan	$171	$3.65	$158	$3.30	$158	$3.30
Season Average Producer Price	$166	$3.53	$161	$3.38	$147-158	$3.00-3.20
Farm Price	--	--	--	--	$145	$2.95 2/
Paid Diversion	$136	$2.70	$136	$2.70	$136	$2.70

1/ Estimated f.o.b. equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $1.00 per bushel.
2/ ASCS 5-day moving average as of October 9, 1985

U.S. CORN PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/Bu)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/Bu)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/Bu)
Trigger Release Price	$159	$3.25	$159	$3.25	--	--
Target Price	$144	$2.86	$151	$3.03	$151	$3.03
Loan (Reserve)	$136	$2.65	$132	$2.55	--	--
National Loan	$136	$2.65	$132	$2.55	$132	$2.55
Season Average Producer Price	$159	$3.25	$136	$2.65	$124-132	$2.35-2.55
Farm Price	--	--	--	--	$128	$2.25
Paid Diversion	$91	$1.50	--	--	--	--

1/ Estimated f.o.b. equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $.80 per bushel.
2/ ASCS 5-day moving average as of October 9, 1985

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United States
Department of
Agriculture

Foreign
Agricultural
Service

Foreign Agriculture Circular

Grains

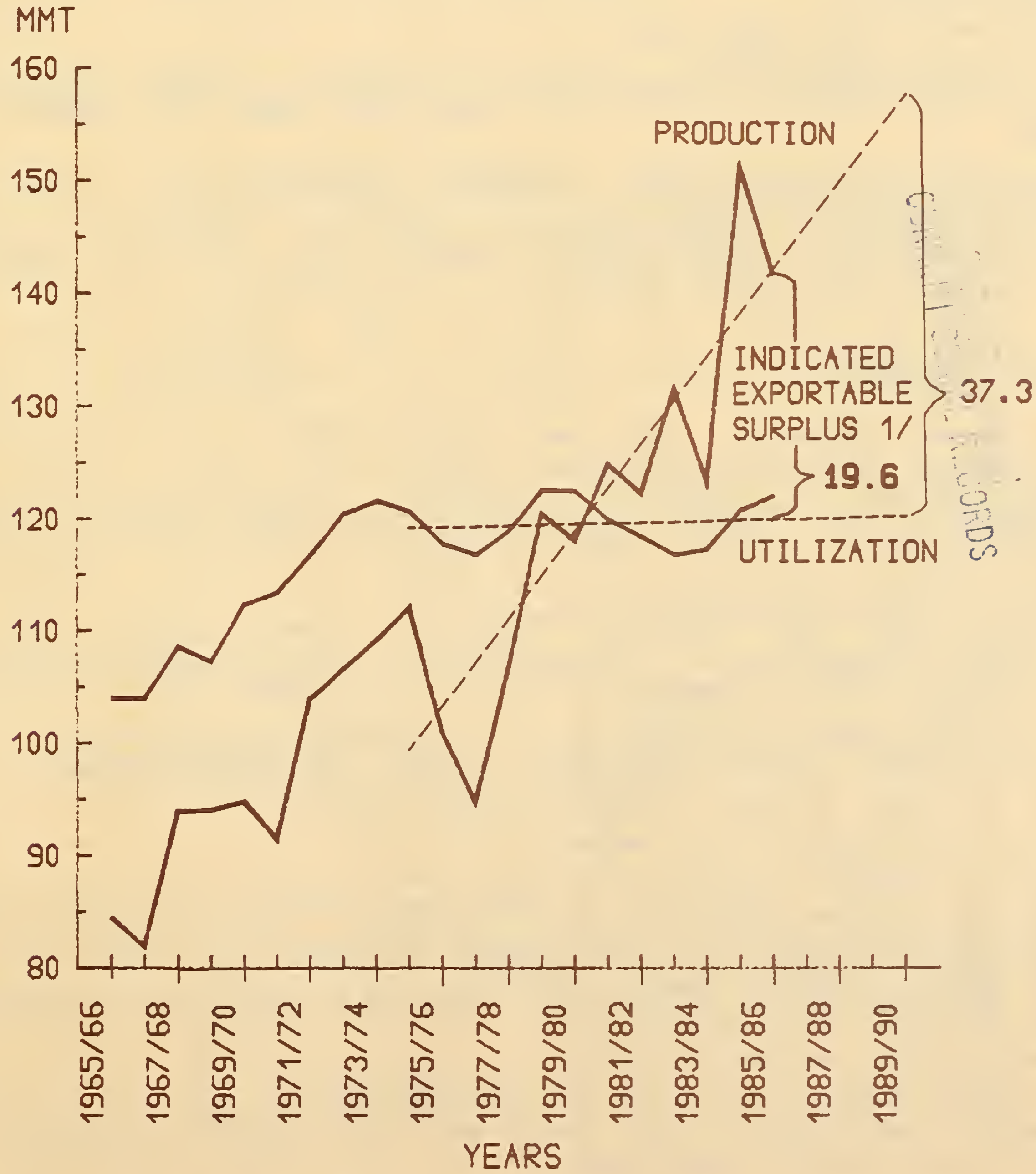
EMG-9-85
September 1985

Export Markets for U.S. Grain and Products

This month's cover highlights the EC's increasing challenge to traditional grain exporting countries. Over the past 10 years EC grain production has increased dramatically at the same time as utilization has stagnated. Viewed in terms of a trend line, with yearly fluctuations removed, the indicated EC total grain exportable surplus rises from a present level of 19.6 MMT to 37.7 MMT by 1989/90. This represents a growth rate of about 4 MMT annually, which is roughly twice the average growth rate of total world grain trade between 1960 and 1985.

The growing exportable surplus has serious ramifications for the EC and traditional exporting countries. If such surplus is exported, especially into a highly competitive market, the costs for the EC export subsidy program could soon approach $2 or $3 billion yearly. The economic impact on traditional and non-subsidizing export countries would be staggering. On the other hand, if the surplus is not exported, costs of storage and/or production limitations will also become very heavy for the EC. For additional graphs and supporting data, see pages 18-19.

EXPANDING EC WHEAT AND COARSE GRAIN SURPLUS



1/ The difference between extrapolations of trend lines calculated for the 1974/75-1985/86 base period.

Approved by the World Agricultural Outlook Board - USDA

EXPORT MARKETS FOR U.S. GRAIN AND FEED COMMODITIES
SEPTEMBER 27, 1985

CONTENTS PAGE

TABLES AND GRAPHS

HIGHLIGHTS

Significant developments over the past month affecting U.S. exports:

--The European Community has increased its subsidy on wheat exports to all zones and has placed a special subsidy on exports to Zone 1 (Mediterranean Basin Countries).

--The Soviet Union made its first October-September 1985/86 corn purchases of 1.8 million tons this month.

--South Africa has re-emerged as a corn exporter after a severe drought made that country a net importer over the past two years.

--Mexico recently purchased 121,000 tons of U.S. corn, its first grain purchase exempted from the import restrictions of the May 2nd Decree.

--Chinese corn exports could be further slowed by floods in key corn-growing provinces in Northeast China.

--Thailand's reduced export availabilities of manioc could result in higher feed grain imports in Asia.

--EC Export Authorizations against the recently announced special tender of 150,000 tons of low-quality French corn to Spain, Portugal and Switzerland have been halted at 96,000 tons.

--The United Kingdom may increase its imports of wheat in 1985/86 because of expectations of low protein levels and high moisture content in their domestic crop.

--The German Democratic Republic is likely to import less wheat in 1985/86 because of a second consecutive year of record grain production.

--Southern tier East European countries may have lower export supplies and higher import demand because of weather-damaged crops.

--U.S. rice exports during the four-week period ending September 19 reached 226,700 tons.

This circular was prepared by the Grain and Feed Division, Commodity and Marketing Programs, FAS/USDA. Telephone: (202) 447-2009.

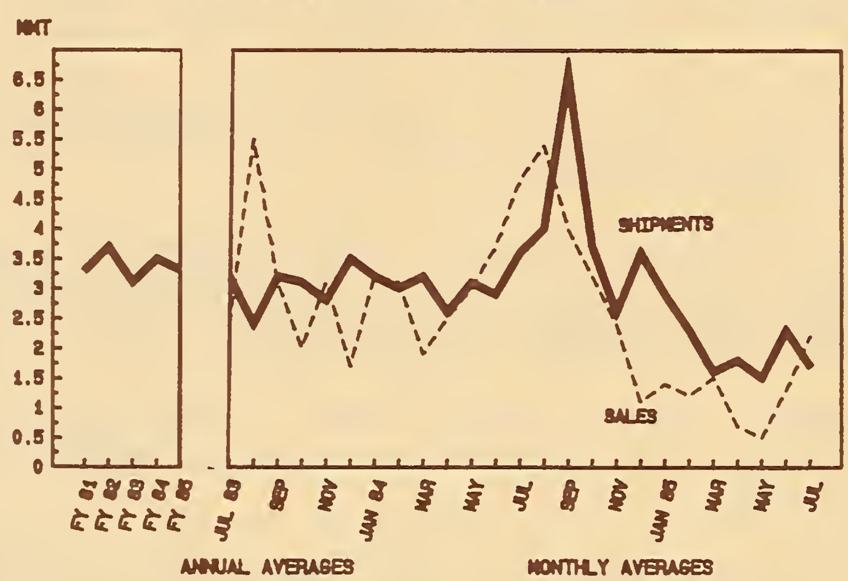
WHEAT

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: As of mid-September, the U.S. wheat export estimate for June-May 1984/85 remained unchanged at 38.8 million tons, but the 1985/86 forecast fell to 31.3 million tons because of weak import demand resulting from bumper crops in many importing countries and large exportable supplies in competitor countries.

Shipments and Sales: Wheat shipments in the 4-week period ending September 19 were a full 60 percent higher than last month, but are still 45 percent behind last year's level. Egypt, Japan, Pakistan, Sudan, Bolivia, and Peru were the leading buyers. Ecuador's purchases of 40,000 tons for 1986/87 delivery were the first sales reported for the next marketing year.

U.S. WHEAT SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985 (PROJ)
AND MONTHLY FROM JULY 1983 - JULY 1985



US WHEAT SHIPMENTS, SALES, AND INSEPCTIONS 1/
(JUNE/MAY--MILLION TONS)

Monthly Shipments		
4 Weeks Ending	1984/85	1985/86
July 18	3.0	1.9
Aug. 22	4.2	2.2
Sep. 19	5.1	1.7
Cumulative for MY	14.2	7.1

Monthly Sales 2/		
4 Weeks Ending	1984/85	1985/86
July 18	4.8	2.2
Aug. 22	5.4	2.1
Sep. 19	4	2.2
Cumulative for MY	23.3	11.5

Weekly and Annual Inspection Rates	Million MT	Million BU
Week Ending September 20.........	0.3	12.7
Week Ending September 13.........	0.5	18.6
Official Estimate for Current MY		
(Grain only).....................	29.9	1100
Implied Weekly Average...........	0.6	21.2
Latest Six Weeks		
Weekly Average...................	0.4	16.3
Marketing Year-To-Date		
Weekly Average...................	0.5	17.4
Weekly Avg. Extrapolated Annually	23.5	865
Balance of Year to Achieve Estimate		
Implied Weekly Average...........	0.6	22.8

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.

2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.

IMPORTER BUYING ACTIVITY

Sizeable U.S. wheat purchases by South Korea, Sudan, and Japan, along with two wheat sales to Egypt under the export enhancement program were the month's highlights for U.S. wheat exporters. In general, global import buying has been at exceptionally low levels this season. North African purchasing has been somewhat postponed because of good crops; some countries are believed to have recently delayed purchasing because they expect growing competitive pressures to lead to further decline of world wheat prices.

WHEAT AND FLOUR IMPORTER BUYING ACTIVITY
REPORTED BETWEEN JULY 25, 1985 AND AUGUST 24, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
8/27	Korea	U.S.	23,000	WW, HRW, HS	various	Oct/Nov
	Zambia	U.S.	38,375	HRW 11%	128.89 @ 126.44	Sept.
8/28	Brazil	U.S.	33,000	HRW 11%	?	Nov
	Japan	U.S.	36,000	Wheat	?	Nov
	Japan	Canada	34,000	Wheat	?	Nov
	Japan	Australia	17,000	Wheat	?	Nov
9/3	Egypt	France	50,000	Wheat	114.00/C&F;115.45 C&F	Oct
9/4	Japan	U.S.	56,000	HRW;HRW 13%;HRW 14%	?	Nov
	Japan	Canada	17,000	CWRS	?	Nov
	Japan	Australia	18,000	ASW	?	Nov
	Zaire	U.S.	22,498	HRW 12.5%	132.97 @ 133.74	Sept
	Portugal	U.S.	70,000	SRW	111.73 @ 116.65	Nov-Dec
9/5	Sudan	U.S.	114,523	HRW 11%	125.97 @ 126.93	Sept
9/6	Bolivia	U.S.	77,739	HRW 11%	128.47 @ 128.59	Sept
9/10	Honduras	U.S.	3,500	SRW	111.47	Sept
	Honduras	U.S.	5,150	HRS 14%	147.46	Sept
9/12	Japan	U.S.	68,000	U.S. Wheat	?	Nov
	Japan	Canada	38,000	Canadian Wheat	?	Nov
	Japan	Australia	15,000	Australian Wheat	?	Nov
	Bangladesh	U.S.	22,169	SRW	112.77	Sept
9/13	Pakistan	U.S.	126,000	WW	118.72 @ 126.50	Oct
	Ecuador	U.S. (?)	100,000	HRW 12%	147.97 C&F	Apr-June
	El Salvador	U.S.	1,326	HRS 14 %	166.09	Sept
9/16	Egypt	U.S.	175,000	WF	180.00 C&F	Nov-Dec
9/17	Egypt	U.S.	24,628	SRW	112.93	Sept
	Egypt	U.S.	250,000	SRW	109.93 C&F	Oct-Dec
9/18	Japan	U.S.	76,000	HRW;HRS	?	Nov
	Japan	Canada	29,000	Canadian Wheat	?	Nov
	Japan	Australia	17,000	Australian Wheat	?	Nov
	Syria	EC	100,000	European Wheat	120.34 @ 121.44 C&F	Nov
9/19	Sierra Leone	U.S.	7,531	HRW 12 %	139.87	Sept
	Taiwan	U.S.	27,000	HRW 12%	141.87	Oct-Nov
9/20	Korea	Canada	30,000	Wheat	95.50	?
9/23	Sri Lanka	Australia	50,000	HW	142.75 C&F	Nov
9/24	Pakistan	U.S.	95,000	WW	?	Nov
	Taiwan	U.S.	88,000	WW	122.14 @ 138.89	Jan-Nov 86

1/ HRW=Hard Red Winter, HRS=Hard Red Spring, SRW=Soft Red Winter, HAD=Hard Amber Durum, WW=Western White ASW=Australian Soft White, CWRS=Canadian Western Red Spring, PH=Australian Prime Hard
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries' Selling Activity and Competitive Practices

WHEAT SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(JULY/JUNE--MILLION TONS)

	Canada		Australia		Argentina		France 2/		Total	
	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
4 Weeks Ending 1/										
June 20	2.6	1.6	1.4	1.0	.3	.4	.5	1.3	4.8	4.3
Total for Season	21.8	19.4	11.6	16.6	9.6	8.0	9.5	12.6	52.5	56.6
	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86
4 Weeks Ending 1/										
July 18	2.8	1.0	1.4	.7	.2	.4	.3	0.3	4.7	2.4
Aug. 22	2.3	1.2	1.0	1.1	.1	.3	1.1	0.5	4.5	3.1
Sep. 19	2.3	1.1	1.1	1.0	.1	.3	1.3	N/A	4.8	N/A
Forecast for Season 3/	19.4	16.5	16.6	15.2	8.0	6.4	12.6	12.0	56.6	50.1

1/ Or nearest date thereto.
2/ Excludes intra-EC trade.
3/ Projection for 1985/86.

**Australia: The Australian Wheat Board (AWB) recently announced the sale of 800,000 metric tons of wheat to China-- its first sale to China for October-September 1985/86 shipment. The AWB now expects to ship about 1.3 million tons fo wheat to China during 1985/86, compared to 2.3 million tons in 1984/85. Australian sales to China now appear likely to be far below 1984/85 levels, which may be an indication that other supplier countries will have greater opportunity to export wheat to China. China's wheat imports are forecast to fall to 7 million tons in 1985/86 from 7.4 million tons in 1984/85.

Competitive Developments in Selected Foreign Markets

**North Yemen: Yemen may sign a 400,000 ton agreement with Australia as an assurance that it will continue customary wheat purchases. The U.S. has supplied about 30 percent of Yemen's 550,000 ton wheat imports since 1982/83, and has offered wheat and flour to Yemen under the export enhancement program.

**Australia: Australia will build a fully mechanized 30,000 ton-capacity grain storage facility for Egypt under a foreign aid program. The facility will be located in the Upper Nile Valley. Egypt is Australia's largest wheat market, taking an average of 1.8 million tons over the past five years. The two countries recently have signed a long term grain agreement committing Egypt to purchase 2 million tons of wheat annually through 1989.

**Colombia: Canada reportedly is negotiating a 20,000 ton hard wheat and 20,000 - 40,000 soft wheat sale to Colombia. Australia was successful in penetrating this market in April 1985 with a sale of 50,000 tons, its first wheat sale to that country since 1971. The U.S. traditionally has supplied 90 to 95 percent of the 500,000 to 600,000 ton Colombian wheat market, including 100 percent of Colombia's soft wheat imports. U.S. wheat exports to Colombia are aided by the GSM 102 program which provided Colombia $80 million in credit guarantees in FY 1985.

**German Democratic Republic: Wheat imports into the GDR are likely to fall in July-June 1985/86 because of a second consecutive year of record grain production. There is speculation that they will delay any wheat imports for the near future, and may take less than their import commitment under its long-term agreement with Canada and other countries. In the last few years wheat imports have averaged about 750,000 tons. The United States has not exported any wheat to the GDR since July-June 1982/83.

United Kingdom: Imports of high quality wheat by the United Kingdom (UK) are expected to increase in the 1985/86 marketing year because wet weather has resulted in a decline in the production forecast and, more importantly, expectations of low protein levels and excessive moisture. Entries of milling quality wheat into intervention are running far behind last year as rain has delayed the harvest. This, along with recent French and Australian purchases, may indicate that supplies of bread quality wheat are already low. The unexpected purchase of high quality Australian wheat is the first such sale since 1977. The UK normally takes most of its third country wheat from Canada, purchasing about one million tons per year. In spite of the UK's increased needs, the amount of U.S. origin wheat is expected to increase only slightly with the majority of the additional wheat being supplied by France, Canada, West Germany, and Australia.

Internal Price Policies Of Foreign Countries

European Community: The European Community (EC) has implemented a special "droit commun" or flat rate restitution of 55 ECU's ($41/ton) for soft wheat sales to Zone 1 (i.e. countries of the Mediterranean Basin, including Egypt and Algeria). The special restitution is part of a newly expanded system which began in June and parallels the normal weekly tender system.

In another development, the EC has suddenly increased the quantity of wheat authorized for export at its weekly tender at sharply higher restitution levels. The weekly wheat subsidy to all zones has nearly doubled during September to 67 ECUs ($56/ton), the highest level since April 1983. An additional, special flat-rate subsidy was set for Algeria at 78 ECUs ($65/ton). The weakening dollar, which declined 7.5 percent against the ECU the week of September 23-27 means that more dollars are necessary to equal each ECU. Ths weeks's authorizations of 500,000 tons under the weekly tender system to all zones compares to only 174,000 tons issued during the first 16 weeks of the 1985/86 season, and brings total weekly authorizations to 674,000 tons compared to 4.1 million tons issued by this time last year.

*Major Exporters: The latest internal support prices for the principal world wheat exporters, on an individual marketing year basis, are listed below. Prices are not strictly comparable because of quality differences and because U.S., Argentine and EC prices are on a local delivery point basis. For example, in terms of quality differentials, the Canadian price is set for No. 1 CWRS, while No. 2 CWRS was discounted by approximately C$4 per ton and No. 3 CWRS by about C$15 per ton; No. 1 CWRS has represented about 40 percent of Canadian wheat exports over the past 10 years.

MAJOR EXPORTER SUPPORT PRICES FOR WHEAT

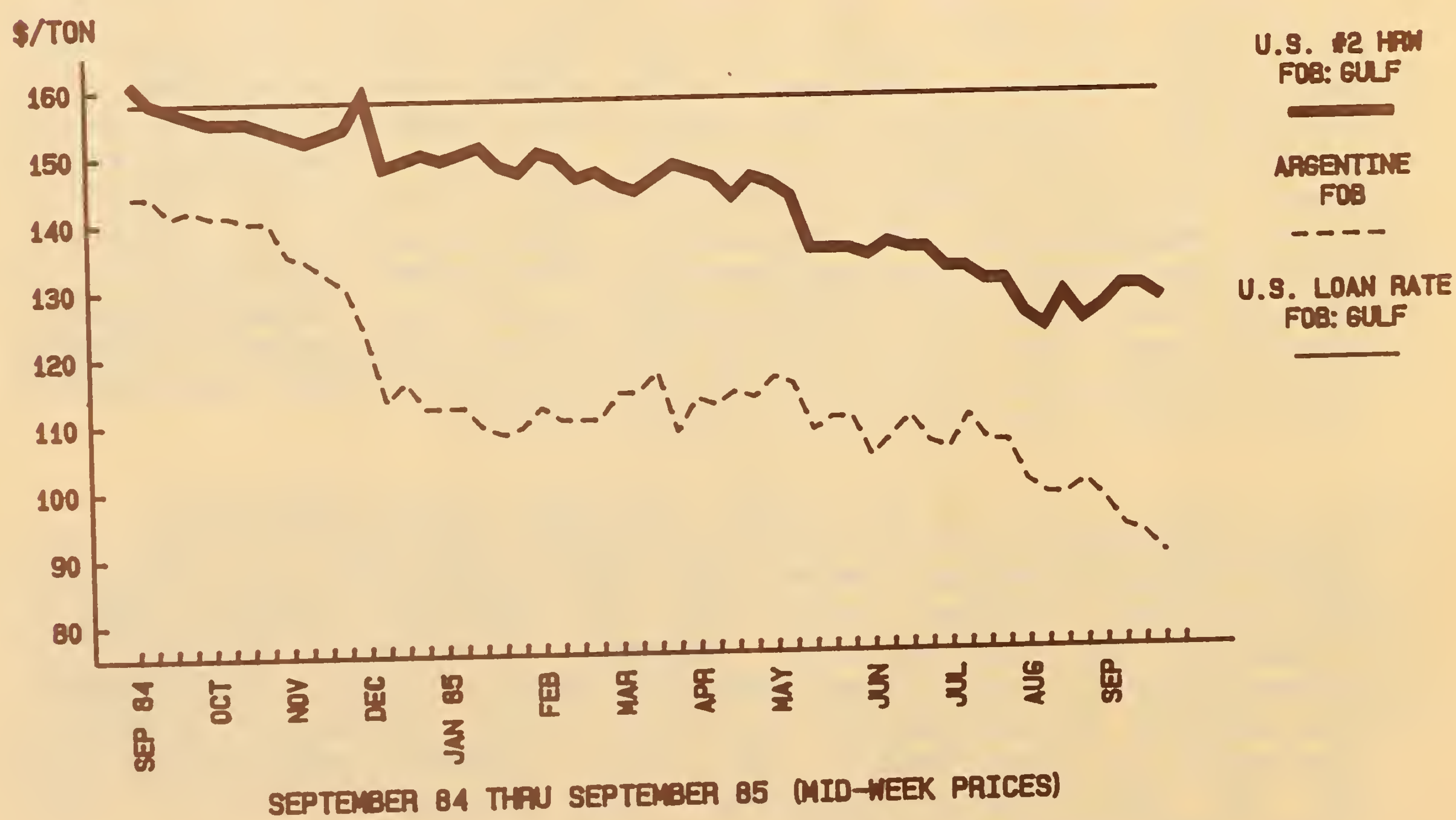
Exporter	1984/85 U.S.$ Equivalent per bu	1984/85 U.S.$ Equivalent per ton	1984/85 Local Currency per ton	1985/86 U.S.$ Equivalent per bu	1985/86 U.S.$ Equivalent per ton	1985/86 Local Currency per ton
U.S. (loan)	3.30	121	121 (US$)	3.30	121	121 (US$)
Argentina (reference)	2.46	89	4,800 1/	---	---	---
Australia (min. pay.)	2.50	92	146 (A$)	n/a	n/a	n/a
Canada (initial pay.)	3.22	119	160 (C$)	3.18	117	160 (C$)
EC (intervention) 2/	3.86	142	183 (ECU)	3.70	136	180 (ECU)
(reference) 3/	4.49	165	213 (ECU)	4.30	158	209 (ECU)

1/ In new pesos, current season prices can be adjusted when necessary because of currency fluctuations. Caution should be taken when using this price in US$ equivalent because of the volatility of the Argentine exchange rate. Current price as of May 30, 1985.

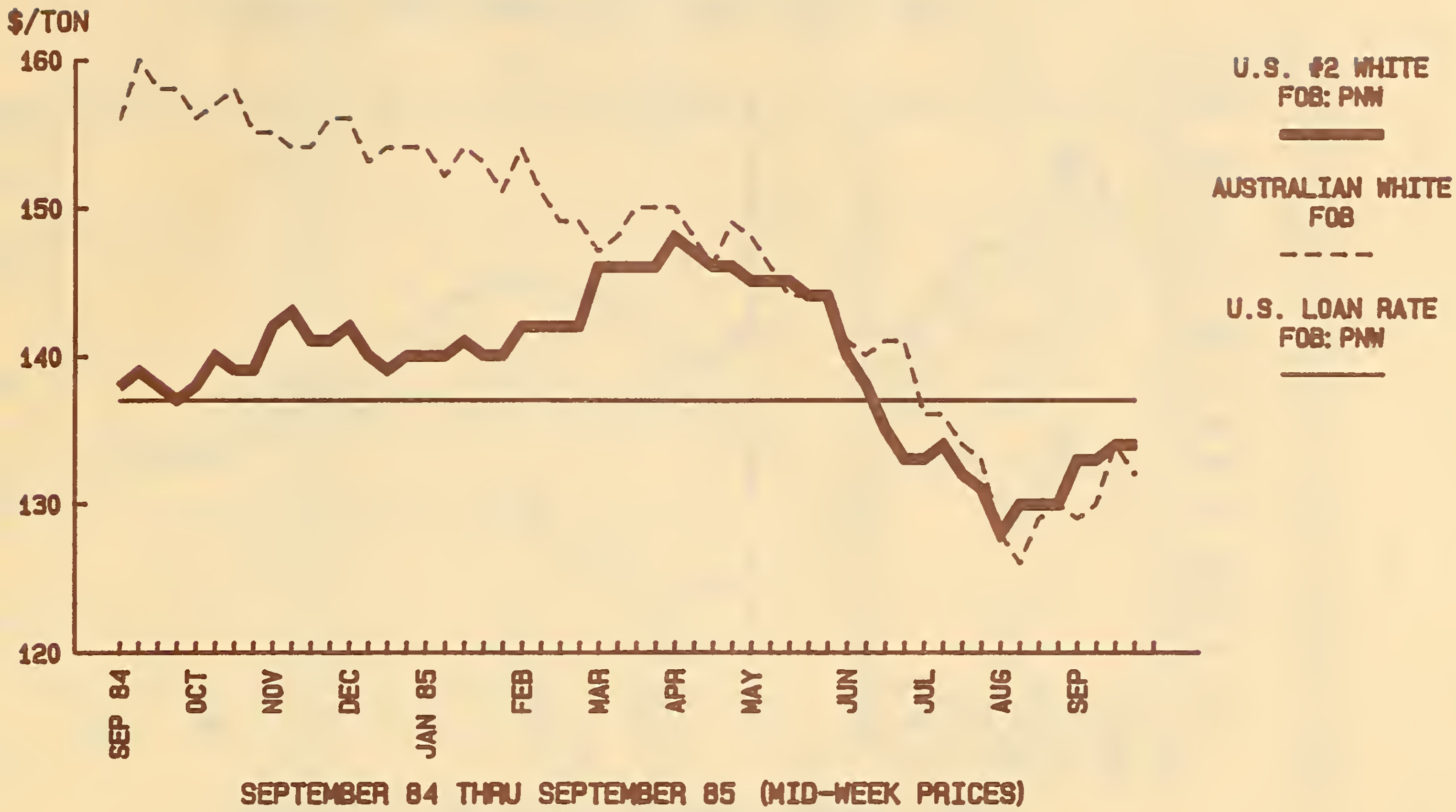
2/ Support price paid for other milling wheats; EC prices represent medium-quality wheat adjusted by monthly increments.

3/ Support price for bread-quality wheat.

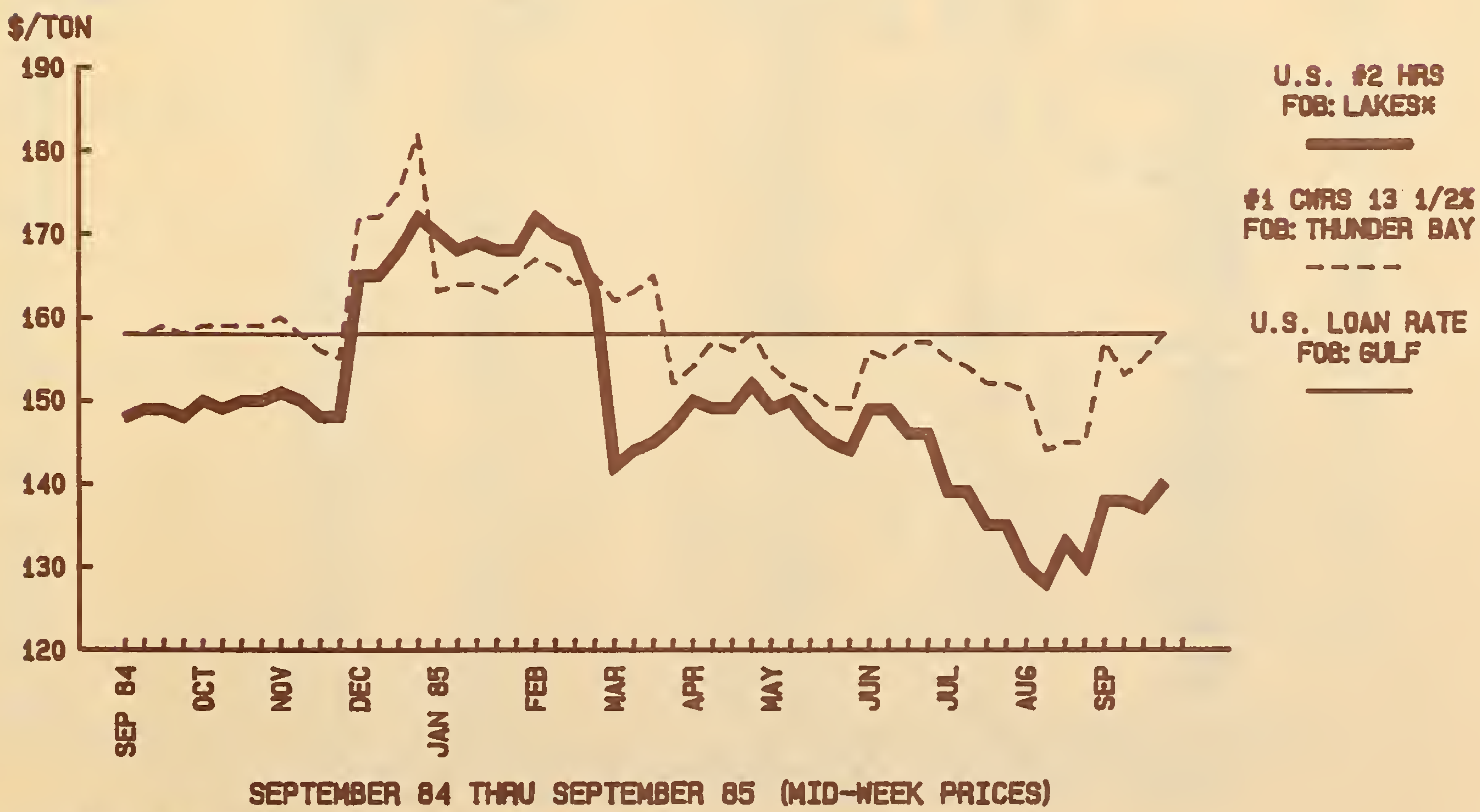
HARD RED WINTER WHEAT EXPORT PRICES
U.S. AND ARGENTINE



WHITE WHEAT EXPORT PRICES U.S. AND AUSTRALIAN

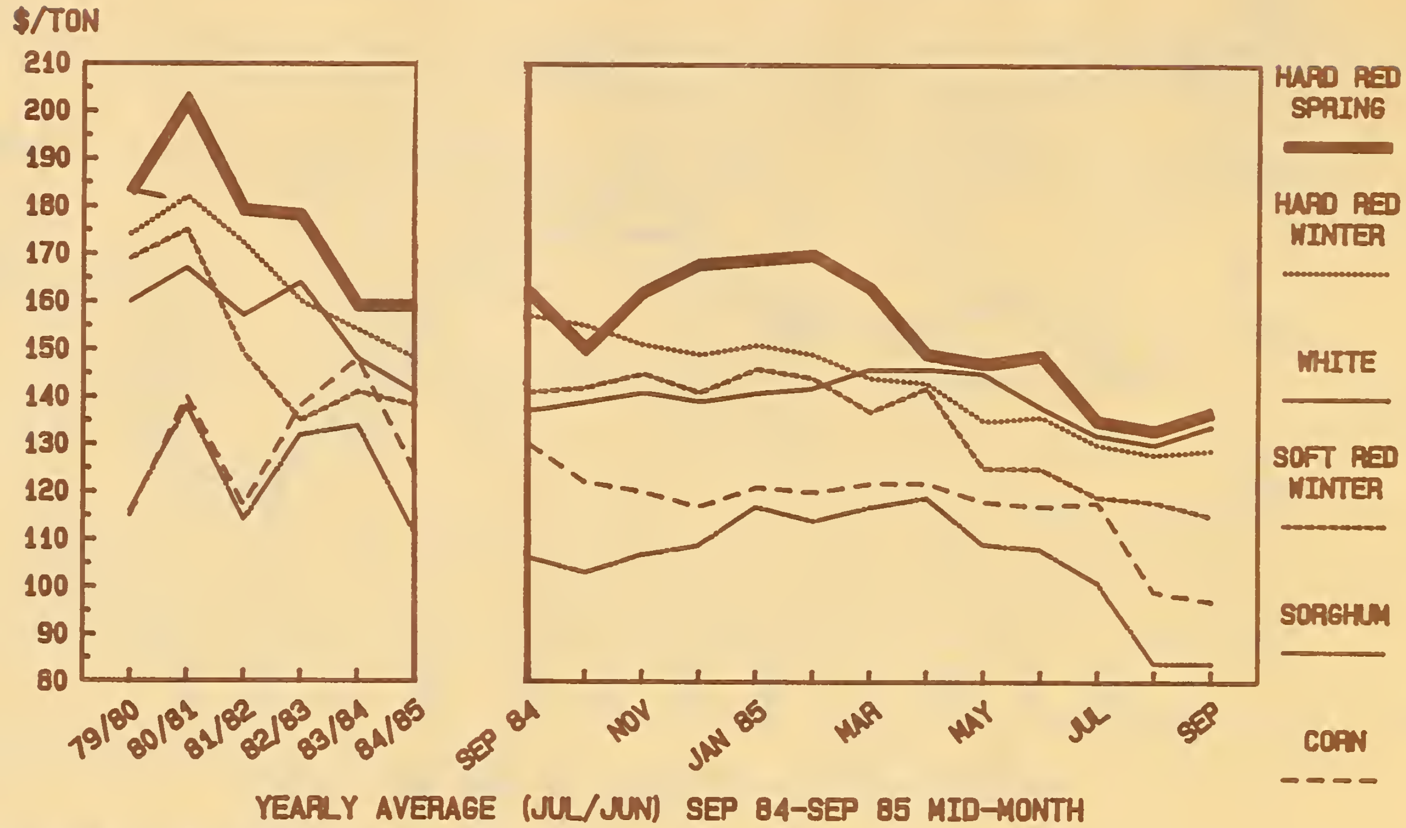


HARD RED SPRING WHEAT EXPORT PRICES U.S. AND CANADIAN



*FOB GULF DURING WINTER MONTHS

U.S. GRAIN COMMODITY EXPORT PRICES FOB GULF EXCEPT FOB PNW FOR WHITE WHEAT AND FOB LAKES FOR HARD RED SPRING*



*FOB GULF DURING WINTER MONTHS

**CCC-Credit

U.S. WHEAT/FLOUR TRADE WITH SELECTED COUNTRIES UNDER CCC GUARANTEE PROGRAMS

	FY 1984		FY 1985		
	Guarantees Approved --$ Million	Est. Quantity Shipped --1,000 Tons--	Announced --Million	Approved Dollars--	Estimated Quantity Yet To Be Purchased 3/ ----1,000 tons----
Bangladesh*	42.7	284.6	60.0	42.1	119.0
Brazil	437.1	2,914.0	500.0	272.5	1516.6
Chile	85.0	567.0	100.0	30.8	461.3
Colombia	84.9	566.0	100.0	72.1	186.0
Dominican Rep.	15.9	106.0	--	--	--
Ecuador	68.6	457.3	49.0	32.6	109.0
Egypt*	79.0	526.0	216.0	--	1440.0
Guatemala	20.7	138.0	16.0	15.0	7.0
Haiti	5.0	33.0	7.5	4.0	23.3
Iraq	183.7	1,225.0	190.0	88.5	677.0
Jamaica*	15.0	100.0	4.5	1.5	20.0
Jordan	--	--	27.0	0.0	180.0
Korea	130.0	867.0	110.0	108.9	7.3
Mexico	2.9	19.3	--	--	--
Morocco*	333.7	2,224.0	250.0	--	1,667.0
Pakistan	--	--	41.5	27.3	95.0
Peru	76.1	507.3	--	--	--
Philippines	95.5	636.7	120.0	43.2	518.0
Portugal	440.3	2,935.3 1/ 2/	117.0	97.1	132.6
Tunisia*	103.7	691.3	120.0	--	800.0
Turkey*	75.0	500.3	81.0	10.1	473.0
Yemen	--	--	20.0	--	133.0
TOTAL	2,294.8	15,298.1	2,129.5	845.7	8385.1

* Includes GSM-102, GSM-5, and Blended Credit, as of September 26, 1985.
1/ Wheat or feed grains 2/ Registrations include reserve 3/ Based on $150 per ton

U.S. WHEAT EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
TOTAL EXPORTS FOR 1983/84-1984/85; COMMITMENTS TO DATE FOR 1985/86 WITH COMPARISON TO 1984/85
(JUNE/MAY--1,000 TONS)

Destination	Marketing Year	Hard Red Winter	Hard Red Spring	Soft Red	All White	Durum	Total Exports
EC-10	1983/84	3	1,218	2	--	263	1,486
	1984/85	--	718	8	--	188	914
	1984/85*	--	284	4	--	138	426
	1985/86**						0
Other W. Europe	1983/84	795	32	411	16	49	1,303
	1984/85	546	99	633	--	45	1,323
	1984/85*	305	14	347	--	18	684
	1985/86**						0
USSR	1983/84	4,141	--	--	--	--	4,141
	1984/85	6,339	--	--	--	--	6,339
	1984/85*	5,032	--	--	--	--	5,032
	1985/86**						0
China	1983/84	1,368	--	1,549	--	--	2,917
	1984/85	105	--	2,693	--	--	2,798
	1984/85*	105	--	2,710	--	--	2,815
	1985/86**						0
Japan	1983/84	1,287	1,010	--	1,126	12	3,435
	1984/85	1,367	1,067	--	1,013	15	3,462
	1984/85*	576	491	--	578	--	1,645
	1985/86**						0
Taiwan	1983/84	245	185	--	130	--	560
	1984/85	299	211	--	145	--	655
	1984/85*	140	43	--	47	--	230
	1985/86**						0
Rep. of Korea	1983/84	649	221	2	1,179	--	2,051
	1984/85	674	231	--	1,103	--	2,008
	1984/85*	290	92	--	471	--	853
	1985/86**						0
Other Asia, Middle East, and Oceania	1983/84	2,288	1,232	258	1,222	21	5,021
	1984/85	2,227	1,002	178	1,502	--	4,909
	1984/85*	1,376	501	229	473	--	2,579
	1985/86**						0
Egypt	1983/84	--	--	539	807	--	1,346
	1984/85	30	--	429	1,205	--	1,664
	1984/85*	--	--	28	660	--	688
	1985/86**						0
Nigeria	1983/84	1,278	265	88	--	--	1,631
	1984/85	1,324	198	91	--	--	1,613
	1984/85*	462	24	100	--	--	586
	1985/86**						0
Other Africa	1983/84	471	7	1,876	45	844	3,243
	1984/85	418	39	2,034	35	803	3,329
	1984/85*	197	34	1,974	--	356	2,561
	1985/86**						0
Brazil	1983/84	2,181	--	66	--	--	2,247
	1984/85	3,111	--	67	--	--	3,178
	1984/85*	1,996	--	66	--	--	2,062
	1985/86**						0
Other W. Hemis.	1983/84	2,223	1,477	514	48	296	4,558
	1984/85	2,061	1,290	503	159	293	4,306
	1984/85*	1,478	861	350	138	181	3,008
	1985/86**						0
Total 1/	1983/84	17,128	5,647	5,593	5,541	1,556	35,465
	1984/85	18,460	4,862	6,577	5,234	1,458	36,591
	1984/85*	12,373	2,433	6,073	2,398	893	24,170
	1985/86**						0
MY Projection 2/		20,140	4,899	6,668	5,307	1,497	38,511

1/ Discrepancies due to rounding and sales to unknown destination.
2/ Projection for 1984/85, including flour and products
* Sales plus accumulated exports as of June 28, 1984, excluding sales for next marketing year.
** Sales plus accumulated exports as of June 27, 1985, excluding sales for next marketing year.

Source: U.S. Export Sales Report

**PL-480

FY 1985 PUBLIC LAW TITLE I/III
COUNTRY AND COMMODITY ALLOCATIONS
(1000 Tons Grain Equivalent)

Country	Million-Total	Wheat/Flour	Rice	Feedgrains
$790 or Less Per Capita GNP				
Bangladesh	94.5	356.0	67.0	--
Bolivia	20.0	140.0	--	--
Egypt	225.0	1,448.0 1/	--	--
El Salvador	49.0	138.0	--	--
Ghana	9.0	--	10.0	--
Guinea	6.0	--	21.0	--
Haiti	15.0	76.0	--	--
Honduras	15.0	92.0	--	--
Indonesia	40.0	250.0	--	--
Kenya	10.0	66.0	--	--
Liberia	6.0	--	18.0	--
Madagascar	11.0	--	39.0	--
Maldives	1.5	7.0	--	--
Morocco	55.0	367.0	18.0	--
Mozambique	17.0	32.0	34.0	21.0
Pakistan	59.0	--	--	--
Philippines	40.0	--	138.0	--
Sierra Leone	4.0	13.0	7.0	--
Somalia	20.0	31.0 1/	18.0	17.0
Sri Lanka	26.0	150.0	--	--
Sudan	64.5	420.0 1/	--	--
Yemen	12.0	29.0	20.0	--
Zaire	20.0	87.0	--	--
Zambia	10.0	35.0	--	--
Zimbabwe	8.0	50.0	--	--
Subtotal	837.5	3,787.0	390.0	38.0
Over $790 Per Capita GNP				
Costa Rica	21.4	115.0	--	24.0
Dominican Rep.	40.5	90.0	22.0	--
Ecuador	15.0	90.0	--	--
Guatemala	21.0	56.0	--	--
Jamaica	40.0	82.0	33.0	89.0
Peru	25.0	116.0	--	--
Tunisia	5.0	--	--	43.0
Subtotal	167.9	549.0	55.0	156.0
Allocated 3/	1,005.4	4,353.0	445.0	194.0
Unallocated Reserve	0.0	--	--	--
TOTAL PROGRAM	1,005.4	--	--	--

1/ Wheat equivalent of flour or some portion of wheat equiv. of flour.

CORN AND SORGHUM

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: As of mid-September, the October-September 1984/85 coarse grain estimate and 1985/86 forecast were substantially reduced to 55.6 and 49.7 million tons respectively. The export projections were lowered because expected end of season purchases form Japan, Korea, and Mexico failed to materialize, and because large corn harvests are forecast for major competitors (including the re-emergence of South Africa as an exporter) and various importing countries.

Shipments and Sales: Corn shipments of 2.1 million tons in the 4-week period ending September 19 were slightly below the previous month's total. However, new sales of 2.6 million tons were nearly 60 percent higher than last month's sales. Sorghum shipments (312,000 tons) were about 55 perent higher than over the previous four weeks while sales (350,000 tons) were down 35 percent over the same period.

US CORN AND SORGHUM SHIPMENTS, SALES AND INSPECTIONS 1/
(OCTOBER/SEPTEMBER--MILLION TONS)

Monthly Shipments

	CORN		SORGHUM	
4 Weeks ENDING	83/84	84/85	83/84	84/85
Jun. 20	3.7	2.3	.3	.3
Jul. 18	2.7	2.3	.4	.2
Aug. 22	3.7	2.7	.5	.7
Sep. 19	2.4	1.8	.4	.3
TOTAL FOR MY	43.6	43.5	5.6	6.2

Monthly Sales

	CORN		SORGHUM	
4 Weeks ENDING	83/84	84/85	83/84	84/85
Jun. 20	2.4	2.5	.2	.6
Jul. 18	2.3	1.5	.4	.5
Aug. 22	3.7	1.9	.5	.3
Aug. 22	3.5	2.6	.5	.3
TOTAL FOR MY	46.6	47.3	6.8	7.2

Weekly and Annual Inspection Rates

	CORN		SORGHUM	
	MT	BU	MT	BU
Week Ending September 13...........	0.5	20.3	0.18	7.0
Week Ending September 20	0.6	21.9	0.27	10.6
Official Estimate for Current MY (Grain only).......................	48.5	1908	6.99	275
Implied Weekly Average.............	0.9	36.7	0.13	5.3
Latest Six Weeks Weekly Average....................	0.5	18.5	0.12	4.8
Marketing Year-To-Date Weekly Average.....................	0.9	35.5	0.14	5.4
Weekly Avg. Extrapolated Annually..	46.9	1845	7.06	278
Balance of Year to Achieve Estimate Implied Weekly Average.............	0.6	23.0	0.30	12.0

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.
Source: Export Sales; FGIS

IMPORTER BUYING ACTIVITY

The major corn buyers over the four-week period ending September 19 were the Soviet Union (1,000,000 tons) , Portugal (120,000 tons), and Japan (230,000 tons). The key purchasers in the sorghum market over this same period were Japan (188,000 tons) and Colombia (60,000) tons.

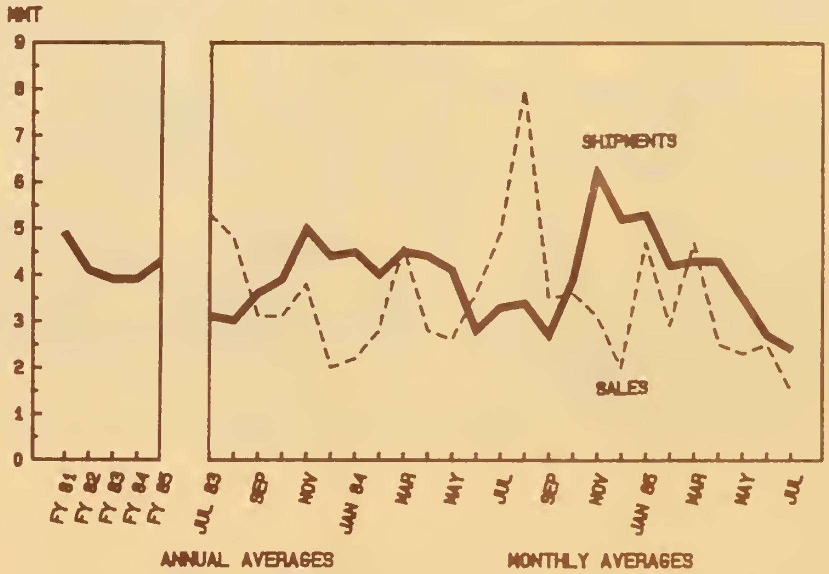
**Mexico: Mexico recently purchased 121,000 tons of U.S. corn, its first grain purchase exempted from import limitations imposed by the May 2 Decree of 1985. The purchase is thought to be an emergency measure to cover end-of-year shortages, but leaves in doubt the status of Mexico's import regulations and future purchasing plans. The May 2nd Decree empowers Mexico's Controller to nullify any trade contract Mexico makes, should he find that a given commodity does not meet contracted specifications, even if certified as meeting standards when it left the port of origin. The inherent risk to exporters and shippers under this system has effectively dissuaded exporters from bidding on Mexican grain tenders.

U.S. CORN AND SORGHUM EXPORTS BY DESTINATION
(OCTOBER/SEPTEMBER--1,000 TONS)

Destination	1981/82	1982/83	1983/84 Actual Exports	1983/84 Committed as of 9/20/84 1/	1984/85 Committed as of 9/19/85 1/
---CORN---					
EC	7,095	4,033	3,677	3,617	2,266
Other W. Europe	8,204	5,388	4,473	4,524	4,141
Eastern Europe	3,889	1,470	727	725	664
USSR	7,772	3,200	6,500	6,763	15,750
China	1,117	2,161	18	--	--
Japan	10,588	13,180	13,781	15,209	11,534
Taiwan	1,718	3,000	2,676	2,872	3,304
Rep. of Korea	2,690	3,908	2,972	2,961	1,602
Egypt	1,350	1,516	1,303	1,753	1,599
Canada	800	750	283	233	312
Mexico	571	4,091	2,808	2,672	1,296
Venezuela	414	892	1,140	1,084	638
Others	3,732	3,938	6,992	6,095	4,209
Total	49,940	47,527	47,350	48,508	47,315
--SORGHUM--					
Spain	790	105	465	402	45
Other W. Europe (excl. Spain)	540	251	136	135	78
Japan	2,437	741	1,505	1,774	2,844
Israel	368	341	574	639	556
Mexico	544	3,260	2,758	2,942	1,970
Venezuela	713	243	206	294	1,070
Others	898	462	582	613	622
Total	6,290	5,403	6,226	6,799	7,185

1/ Accumulated shipments and sales, excluding sales for next marketing year.
Source: U.S. Bureau of Census and U.S. Export Sales Report.

U.S. CORN SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985 (PROJ)
AND MONTHLY FROM JULY 1983 - JULY 1985



RECENT CORN AND SORGHUM IMPORTER BUYING ACTIVITY
REPORTED BETWEEN JULY 25 AND AUGUST 24, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
8/27	Taiwan	U.S.	27,000	YC	107.54	Oct
9/4	Colombia	U.S.	60,000	? Sorghum	?	Sept-Dec
	Colombia	Argentina	20,000	? Sorghum	?	Oct
	Portugal	U.S.	160,000	YC	97.50 @ 98.60	Nov
9/16	Mexico	U.S.	150,000	#2 YC	various	Sept-Oct
9/17	S. Korea	China	20,000	Sorghum	90.15 C&F	Sept-Oct
9/20	S. Korea	China	50,000	Corn	108.20 C&F	Oct-Nov
9/24	S. Korea	U.S.	50,000	#3 YC	114.41 C&F	Oct-Nov
	S. Korea	Thailand	20,000	Thai Corn	98.85	?

1/ YC=#3 Yellow Corn unless otherwise stated, and YS=Yellow Sorghum
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Countries' Selling Activity and Competitive Practices

CORN AND SORGHUM SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1982/83-1983/84
(OCTOBER/SEPTEMBER--MILLION TONS)

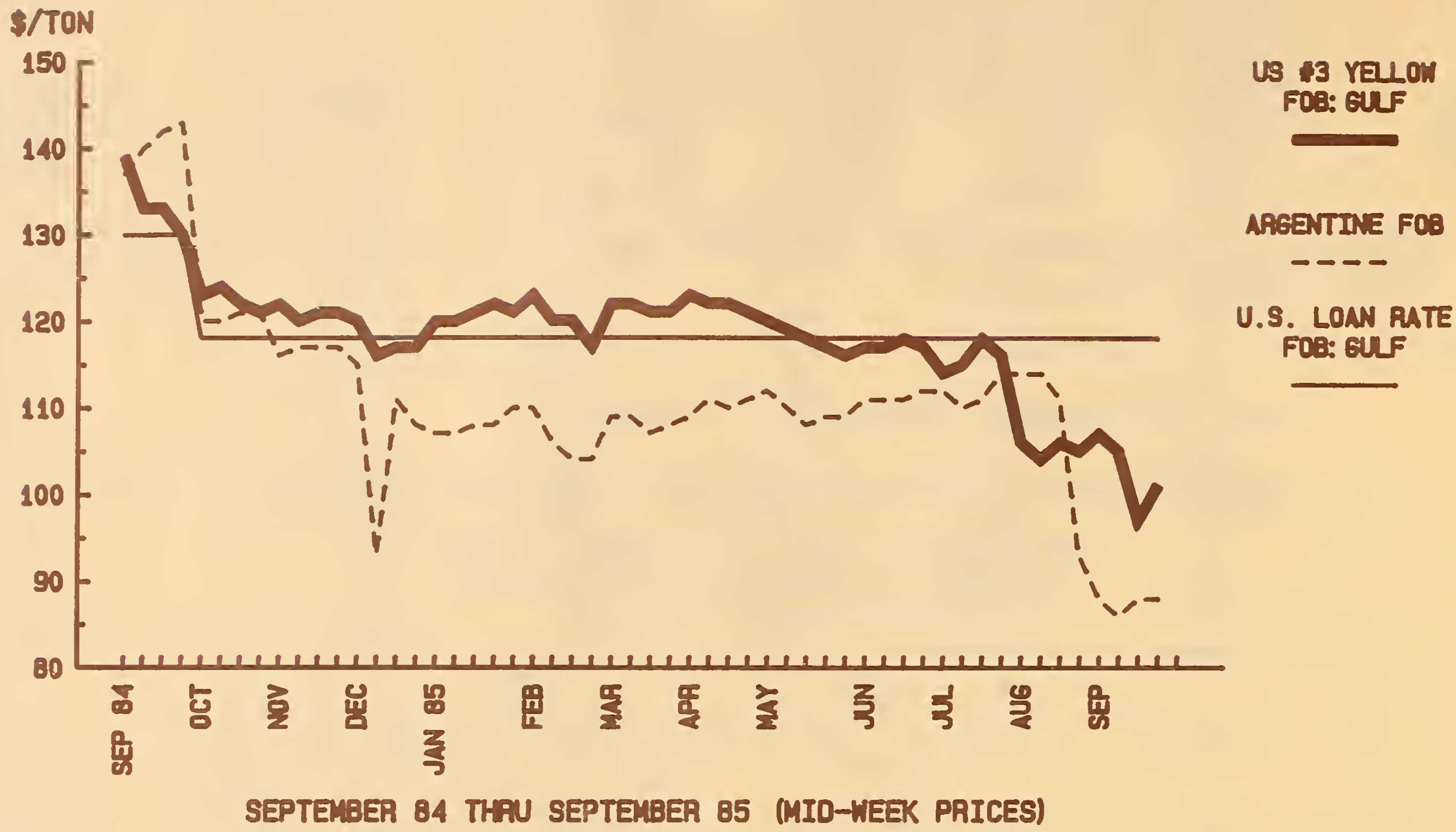
	SORGHUM		CORN					
	Argentina		Argentina		Thailand		TOTAL	
	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
4 Weeks Ending 1/								
June 20	.8	.6	.8	1.3	.2	.1	1.8	2.0
July 18	.6	.5	.7	.8	.1	#	1.4	1.4
Aug. 22	.2	N/A	.5	N/A	.3	N/A	1.0	1.2
Sep. 19	.2	.1	.3	.2	.4	.2	.9	.5
Cumulative in Marketing Year	4.8	3.4	5.9	7.2	3.1	2.4	13.8	13.0
TOTAL FOR SEASON 2/	4.8	3.5	5.9	8.0	3.1	3.3	13.8	14.8

N/A = Not Available
1/ Or nearest date thereto.
2/ Projection for 1984/85.
Less than 100,000 tons.

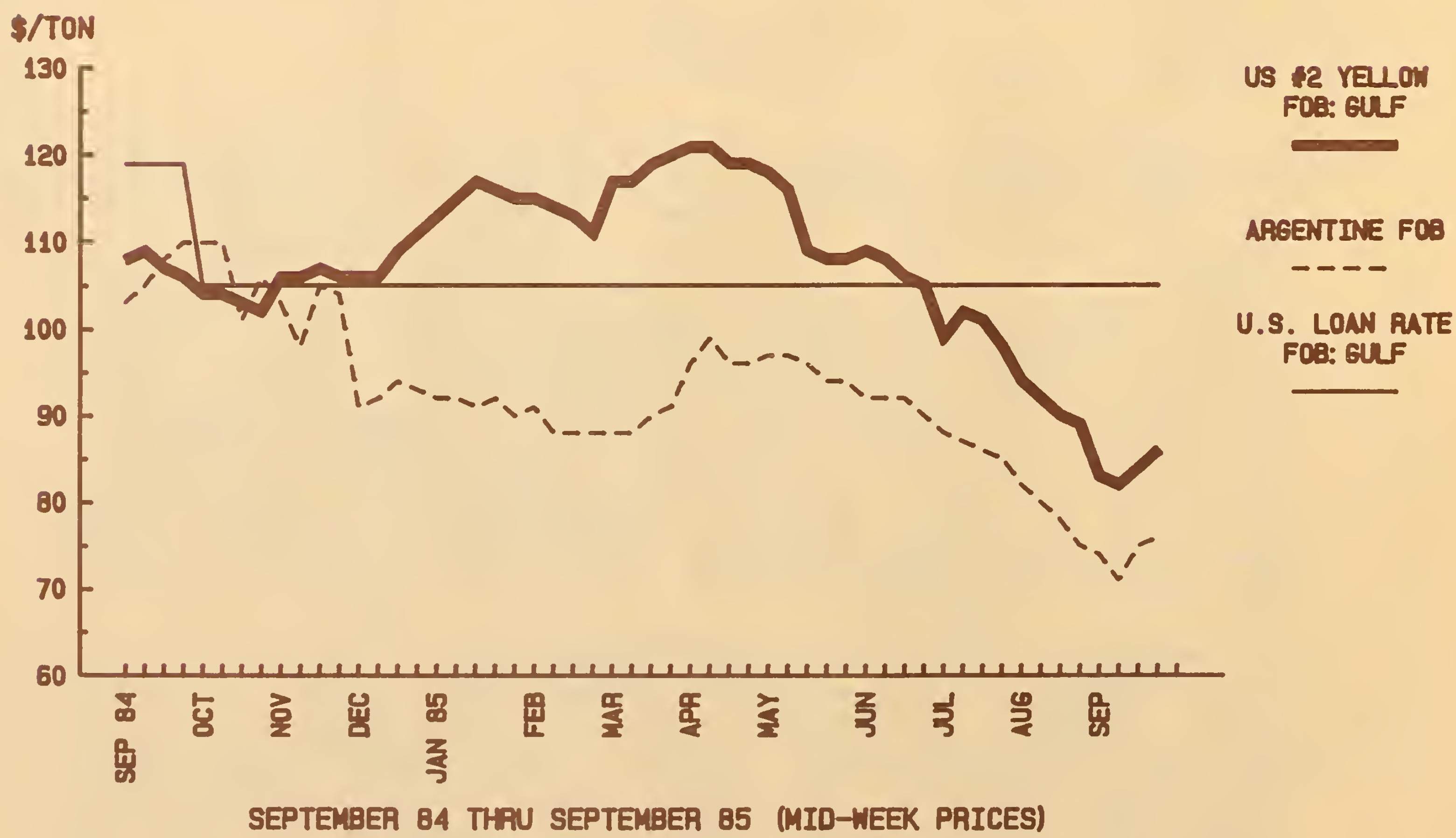
**South Africa: Some U.S. corn exports to the Far East could be displaced by the re-emergence of South Africa as a corn exporter and its efforts to regain its former markets in East Asia. Taiwan previously had a long term grain agreement with South Africa for 600,000 tons annually, and has already indicated it will take 200,000 of an estimated 3.2 million tons corn requirement from South Africa. Drought conditions in South Africa over the past two years resulted in very poor crops which turned this traditional corn exporter of about 3.5 million tons annually into a temporary 2 million ton importer. In the several years prior to the drought, South Africa exported almost 50 percent of its annual exports to Japan and Taiwan. Though the 1985 corn crop is low by historical standards, it is substantially larger than the recent drought-impacted crops, and has apparently produced some export availabilities.

**Canada: Canada has sold 30,000 tons of feed wheat to Korea, the first Canadian feed quality sale since the "special bin" sales of 1983. Normally Canada sells little, if any feed wheat, but this year may have available several million tons because of weather damage. During the period of the "special bin" sales, the Canadians moved aggressively into a wide selection of markets including the German Democratic Republic, Poland, China, Indonesia and Mexico, wiht large discounts and very competitive prices. The recent Canadian sale reportedly underpriced a similar Australian offer of $97-98/ton FOB by approximately $3.

CORN EXPORT PRICES
U.S. AND ARGENTINE



SORGHUM EXPORT PRICES
U.S. AND ARGENTINE



Competitive Developments in Selected Foreign Markets

**East Europe: The southern tier of Eastern Europe may have fewer export availabilities and higher import demand due to crop shortfalls. Dry weather has affected crops throughout the region, but Yugoslavia and Bulgaria have been hardest hit. The Yugoslavian coarse grain export forecast fell over one million tons this month, while Bulgaria's import forecast rose 700,000. Though only minor changes have been made in the Hungarian and Romanian trade forecasts, crops in those countries have been stressed and continued dry weather could result in a more serious trade impact.

**Japan: Though total Japanese corn imports are still forecast at almost 15 million tons for October-September 1985/86, the mix of suppliers is expected to change. New availabilities of South African corn are expected to displace Chinese and U.S. sales. Chinese sales may be especially affected, reportedly because of their increases in shipping rates, chronically delayed shipments, and quality problems. Japanese importers reportedly have bought 75,000 to 80,000 tons of South African corn for October-November shipment and may buy 250,000 tons by June 1986.

**China: Chinese corn exports which were already slowing down due to internal transportation constraints, port congestion, higher feed use and lower forecast production may be slowed further by flooding in key corn-growing provinces in notheastern China. Though Chinese officials are still assessing the situation, the latest reports characterize crop damage and economic losses in the area as "severe," with an estimated 20 percent decrease in agricultural output compared to last year's bumper 1984 crops. Chinese corn exports were already slowing due to internal transportation constraints, port congestion, higher feed use and lower forecast production. Chinese corn production is forecast to reach 69 million tons, its second best crop ever, but down considerably from the record 73.4 million ton crop estimated for 1984/85. Several consecutive years of record corn production transformed China from a 2-3 million ton corn importer in the late 1970s and early 1980s into a 5 million ton exporter in 1984/85.

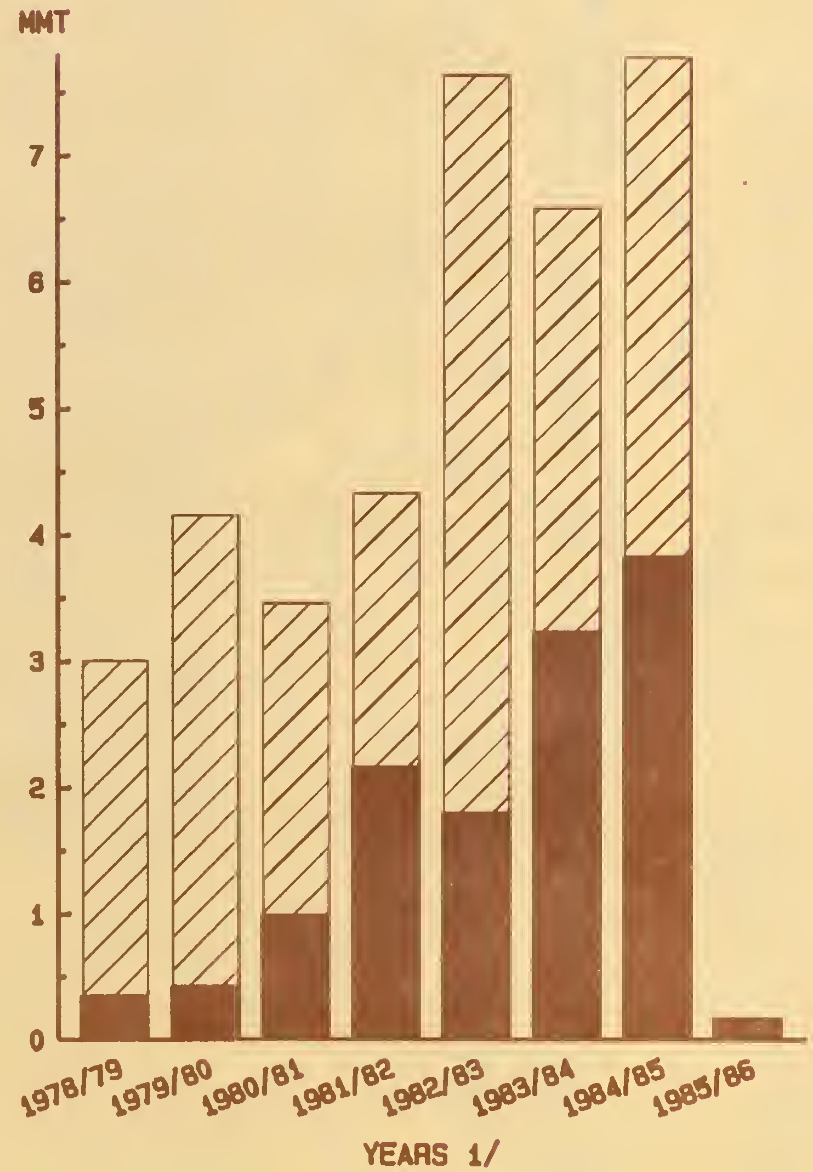
*** MANIOC ***

Other Countries' Selling Activity and Competitive Practices

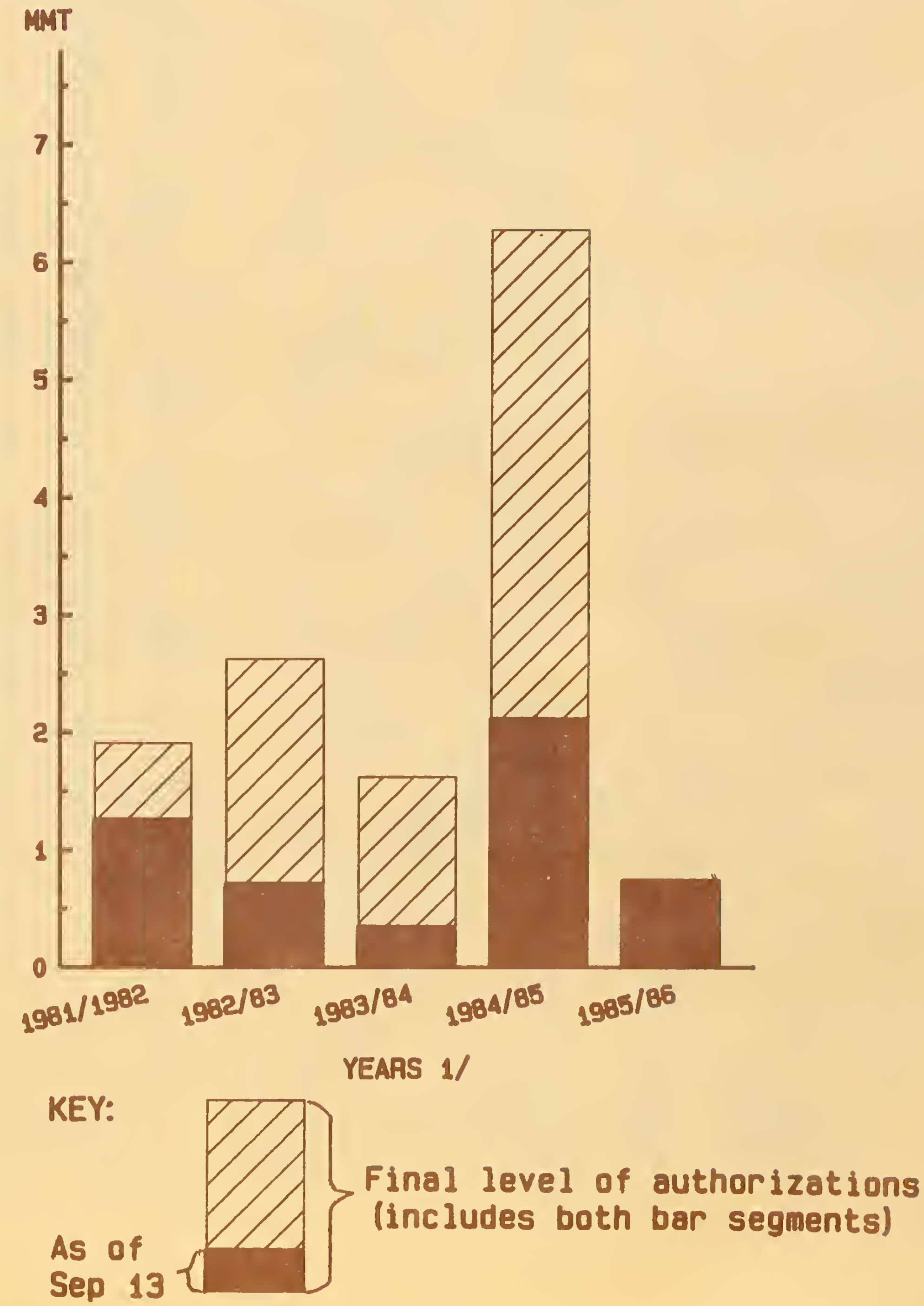
**Thailand: Demand for feedgrains, particularly in Asian markets, may increase because of the recent decline in export availabilities of Thai manioc, the starchy root which can be substituted for feed grains when combined with a protein source. Thailand normally provides 95 percent of the globally traded manioc, most of which has historically gone the the European Community (EC). During October-September 1984/85 Thailand has exported 2-3 million tons of surplus manioc, in direct competition with U.S. corn, to a number of non-traditional markets including the Soviet Union, Portugal, Japan, Korea and Taiwan. However, in 1985/86 price declines have apparently caused Thai farmers to divert manioc land to corn and jute, reducing manioc production by 35 percent and exportable supplies by two million tons, all of which would have been available for these non-traditional manioc markets.

EC EXPORT AUTHORIZATIONS: CURRENT LEVELS LAGGING CONSIDERABLY BEHIND PREVIOUS YEARS

EC WHEAT EXPORT AUTHORIZATIONS AS OF SEPT 13 SHOWING YEAR-END LEVELS FOR PRIOR YEARS FOR COMPARISON



EC BARLEY EXPORT AUTHORIZATIONS AS OF SEPT 13 SHOWING YEAR-END LEVELS FOR PRIOR YEARS FOR COMPARISON



1/ Based on Aug/July marketing year. Authorizations may be closed prior to the end of July.

EC WHEAT AND COARSE GRAIN: EXPANDING SURPLUS AND LAGGING EXPORT AUTHORIZATIONS

EC TOTAL WHEAT AND COARSE GRAIN: PRODUCTION AND UTILIZATION
MILLION METRIC TONS
AUGUST/JULY MARKETING YEARS
BASE PERIOD FOR TREND IS 1974/75 - 1985/86

YEARS	PRODUCTION	TREND	UTILIZATION	TREND
1965/66	84.5		104.0	
1966/67	81.9		104.0	
1967/68	93.9		108.6	
1968/69	94.1		107.3	
1969/70	94.8		112.4	
1970/71	91.4		113.5	
1971/72	103.9		116.8	
1972/73	106.6		120.4	
1973/74	109.2		121.6	
1974/75	112.1	99.2	120.6	119.1
1975/76	101.0	103.1	117.8	119.2
1976/77	94.7	107.0	116.8	119.2
1977/78	106.7	110.9	118.9	119.3
1978/79	120.3	114.8	122.5	119.4
1979/80	118.0	118.6	122.4	119.5
1980/81	124.8	122.5	119.9	119.5
1981/82	122.2	126.4	118.4	119.6
1982/83	131.5	130.3	116.8	119.7
1983/84	123.1	134.2	117.3	119.8
1984/85	151.1	138.1	120.8	119.8
1985/86	141.6	141.9	122.0	119.9
1986/87		145.8		120.0
1987/88		149.7		120.1
1988/89		153.6		120.1
1989/90		157.5		120.2

EC EXPORT AUTHORIZATIONS
MILLION METRIC TONS

	WHEAT		BARLEY	
YEARS 1/	AS OF SEP 13	FINAL	AS OF SEP 13	FINAL
1978/79	0.360	3.013		
1979/80	0.435	4.168		
1980/81	0.997	3.467		
1981/82	2.170	4.339	1.272	1.921
1982/83	1.803	7.643	0.727	2.636
1983/84	3.239	6.590	0.360	1.632
1984/85	3.831	7.781	2.130	6.287
1985/86	0.174		0.755	

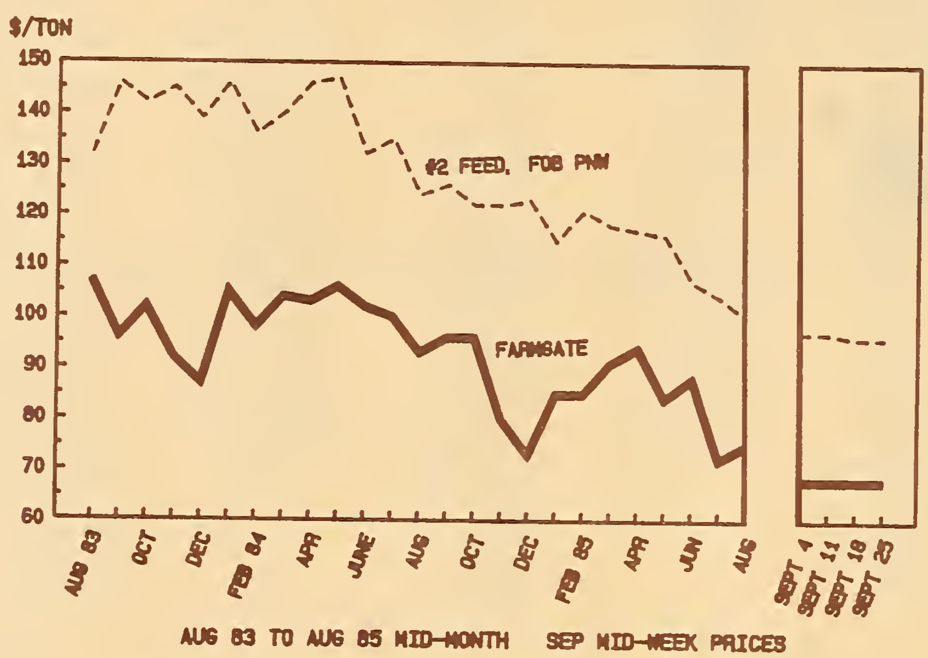
1/ Based on August/July marketing year. Authorizations may be closed prior to the end of July.

BARLEY SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(OCTOBER/SEPTEMBER--MILLION TONS)

	U.S.		CANADA		FRANCE 2/		U.K. 2/		TOTAL	
4 Weeks Ending 1	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
June 20	0.1	#	0.4	0.1	0.1	0.3	0.1	0.2	0.7	0.6
July 18	#	0.1	0.3	0.2	#	0.1	#	0.1	0.3	0.5
August 22	0.1	0.1	0.3	0.1	0.2	N/A	0.2	N/A	0.8	N/A
September 19	0.3	#	0.2	0.4	0.3	N/A	0.2	N/A	1	N/A
Cum. Since Oct 1	1.8	1.1	4.0	1.9	0.8	2.2	1.4	2.3	7.8	7.9
Total For Season 3/	2.1	1.3	4.2	2.6	1.1	2.5	1.4	2.5	8.8	8.9

1/ Or closest date thereto.
2/ Excludes intra-EC trade; Cumulative reflects available data.
3/ Projection for 1984/85.
N/A Not available
Less than 50,000 tons.

U.S. FEED BARLEY PRICES
INTERIOR AND EXPORT POSITIONS



U.S. BARLEY EXPORTS BY DESTINATION
(JUNE/MAY--1,000 TONS)

			1984/85		1985/86
Destination	1982/83	1983/84	Total Exports	Committed as of 9/20/84 1/	Committed as of 9/19/85 1/
EC	122	360	105	92	--
Other W. Europe	226	441	353	370	1
Eastern Europe	--	126	--	--	31
Taiwan	146	223	259	72	50
Japan	119	372	314	287	137
Others	317	509	514	293	75
TOTAL	930	2,031	1,545	1,114	294

1/ Accumulated shipments and sales excluding sales for next marketing year.
SOURCE: U.S. Census for 1982/83-1983/84 and U.S. Export Sales for 1984/85-1985/86.

BARLEY, OATS, AND RYE

U.S. Exports
June/May--1,000 Tons

Grain	1983/84	1984/85 1/	1985/86 2/
Barley	1,991	1,676	1,306
Oats	39	15	30
Rye	25	10	25

1/ Estimated 2/ Projected

Other Countries Selling Activity and Competitive Practices

**Bulgaria: Bulgarian barley imports are forecast to reach 900,000 tons in October-September 1985/86 because of weather damaged grain crops. Bulgaria normally imports only 50,000 tons annually. The shortfall in the Bulgarian grain crop is a result of a drought which has affected grain crops across the entire southern tier of Eastern Europe.

RICE

LATEST U.S. EXPORT FORECAST, SHIPMENT AND SALES 1/

Export Forecast: The forecast for the 1985/86 marketing year remains at 1.9 million tons, reflecting expected continued weak world demand and relatively high U.S. prices.

Shipment and Sales: U.S. rice exports during the 4-week period ending September 19 totaled 226,700 tons, up sharply from the previous 4-week total of 125,600 tons. Major destinations included the Philippines, Iraq, and Guinea. Cumulative shipments for the 1985/86 marketing year through September 19 totaled 296.8 thousand tons, or about 28 percent below the level of shipments for the same period one year ago. During the 4-week period ending September 19, registrations of new export sales for delivery in the current marketing year totaled 110,600 tons, compared to the previous 4-week total of 117,200 tons. Export commitments for 1985/86 delivery now total 713.1 thousand tons, or approximately 15 percent below the 833.4 thousand tons registered as of this date one year ago.

Weekly U.S. Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
Aug 29	70,900	35,075
Sep 5	29,600	32,725
Sep 12	85,800	51,825
Sep 19	40,400	56,675

1/ Shipments and sales are on a product basis.

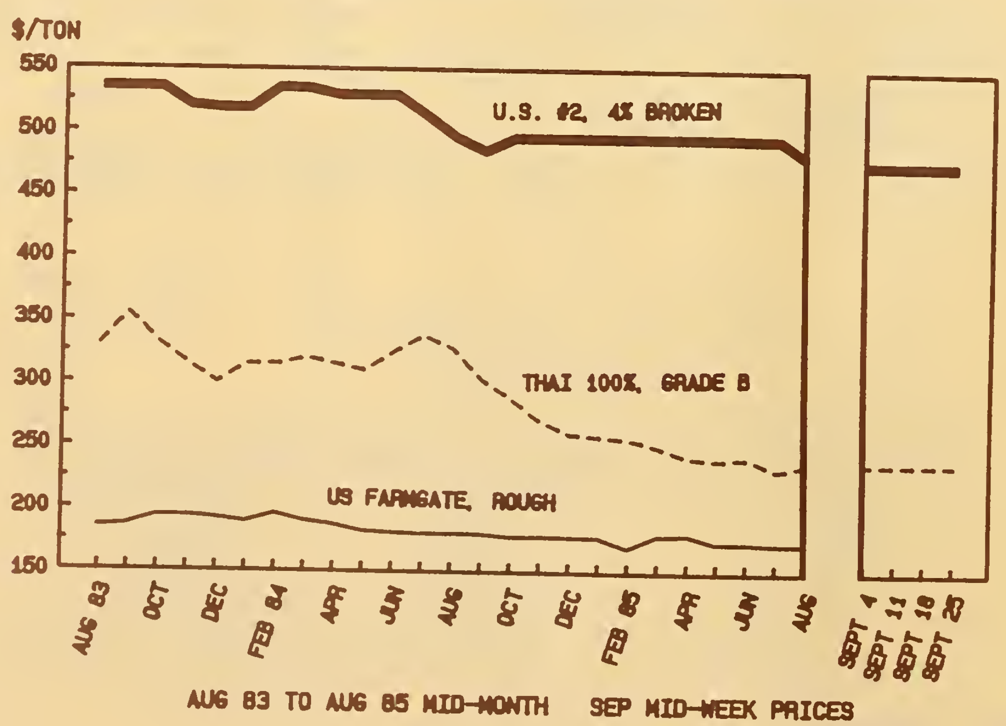
IMPORTER BUYING ACTIVITY.

Buying slowed somewhat from the robust activity of the previous month, but again Thailand received a majority of the business. Brazil purchased another 50,000 tons of rice from Thailand, Iran another 30,000 tons, and Senegal another 45,000 tons. Shipments to Brazil from Thailand have started on 150,000 tons of rice. Indonesia sold the Philippines 100,000 tons of rice on a loan/barter basis. Pakistan sold at least 30,000 tons under its tender system, including 20,000 tons of 15/20 percent and 10,000 tons of 40/45 percent brokens. Iraq purchased 77,500 tons of 2/4 percent broken long grain from the U.S. under the GSM-102 program.

**Philippines: The Government of the Philippines apparently has reached another agreement with the Government of Indonesia on a "rice loan" of the type agreed to last December. In that accord, the Philippines agreed to repay Indonesia within two years in kind or in cash for 100,000 tons of rice. The new agreement also covers 100,000 tons, and reportedly is already being loaded for shipment. The first shipments of the U.S. rice purchased under the PL-480 program arrived at the end of September. The U.S. rice is scheduled for further milling before it is available to consumers, and the National Food Authority evidently needed rice before the U.S. rice would be available.

**Iraq: The Iraqi Grain Board has made several purchases during the past month utilizing credit guarantees under the GSM-102 program. A tranch of 62,500 tons of milled long grain was purchased at the bginning of the month, comprised of 37,500 tons at $407.80 C&F Kuwait, and 25,000 tons at $400 C&F Jordan. Another purchase was made the following week of 15,000 tons of bulk milled long grain at $331 F.O.B. Gulf. Exports to Iraq this calendar year total about 215,000 tons, with outstanding sales of 138,000 tons. Iraq has outstanding credit guarantees of $17.7 million, which they are expected to utilize this fiscal year. Iraq is expected to import 500,000 tons of rice in CY 1985, 420,000 tons from the United States.

RICE PRICES
US AND THAI (C&F ROTTERDAM) AND US FARM



RECENT RICE IMPORTER BUYING ACTIVITY
REPORTED BETWEEN AUGUST 26 AND SEPTEMBER 23, 1985

Buyer	Origin	Quantity 1,000 Tons	Quality 1/	Price $/MT 2/	Delivery Period	Date of Report
Cameroon	Thailand	5.0	P5%	178	Sep	9/6
	Thailand	6.0	100% B	194	Aug	9/6
Congo	Thailand	3.3	15%	N/A	Sep	9/20
Djibouti	Thailand	3.5	P100%	N/A	Sep/Nov	9/6
	Thailand	1.0	P100%	N/A	N/A	9/19
Dubai	Thailand	2.0	P100%	N/A	N/A	9/20
	Thailand	1.0	5%	N/A	N/A	9/19
Hong Kong	Thailand	1.4	100% B	N/A	N/A	9/6
Iran	Thailand	30.0	100% B	N/A	Sep	9/20
Iraq	U.S.	37.5	#2/4% LG	407.80 4/	Oct/Sep	9/5
	U.S.	25.0	#2/4% LG	400 4/	Nov/Dec	9/5
	U.S.	15.0	#2/4% LG	331 Bulk	Nov/Dec	9/9
Laos	Thailand	1.0	G110%	N/A	Sep	9/6
	Thailand	2	G125%	N/A	Sep	9/6
Liberia	Thailand	10.0	P100	280 4/	Sep	8/8
Senegal	Thailand	45.0	A-1 Spec	N/A	N/A	9/19
Seychelles	Thailand	2	10%	N/A	N/A	9/6
Somolia	Thailand	8.0	P 10%	179	Sep	9/19
Syria	Thailand	4.0	100% B	N/A	N/A	9/6
Togo	Thailand	6.3	100% B	N/A	Aug	9/6
	Thailand	1.0	100% B	N/A	N/A	9/6
	Thailand	8.5	P5%	178	Sep	9/6
	Thailand	2.0	A-1 Spec	N/A	N/A	9/6
	Thailand	2.0	A-1 Spec	N/A	N/A	9/19
	Thailand	4.2	100%B	N/A	Sep	9/20

1/ P = Parboiled, LG = Long Grain, MG = Medium Grain, SG = Short Grain, B = Brown, F = Fragrant, L/Bld = Long, Boiled, F/Bld = Full Boiled, Gl = Glutinous, S = Super, Spec = Special
2/ F.O.B. basis unless otherwise indicated. Price information is in many cases unconfirmed and as reported through unofficial market sources.
3/ F.A.S., (U.S. PL-480 sale)
4/ C&F
N/A Not available.

U.S. RICE EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS

(AUGUST/JULY--1,000 TONS)

Destination	Marketing Year 4/	Long Grain Milled	Long Grain Brown 2/	Other 1/ Milled	Other 1/ Brown	Total Exports
EC-10	1982/83	1	214	15	--	230
	1983/84	29	192	2	70	293
	1984/85	10	209	7	98	331
	1985/86	0	80	0	0	80
Other W. Europe	1982/83	33	54	3	4	94
	1983/84	23	35	3	138	199
	1984/85	26	31	4	63	125
	1985/86	14	4	1	0	19
Iraq	1982/83	327	--	*	--	327
	1983/84	230	--	2	--	232
	1984/85	429	15	1	--	445
	1985/86	196	0	0	--	196
Saudi Arabia	1982/83	267	--	2	--	269
	1983/84	253	--	6	--	259
	1984/85	239	--	6	--	244
	1985/86	47	--	0	--	47
Other Middle East	1982/83	48	--	2	--	50
	1983/84	40	--	12	--	52
	1984/85	41	--	4	--	46
	1985/86	2	0	1	--	3
Republic of Korea	1982/83	--	--	*	213	213
	1983/84	--	--	*	112	112
	1984/85	--	--	--	--	--
	1985/86	--	--	--	--	--
Other Asia & Oceania	1982/83	2	--	129	--	131
	1983/84	3	--	140	--	143
	1984/85	3	--	99	--	102
	1985/86	1	--	2	152	154
Nigeria	1982/83	159	--	--	--	159
	1983/84	63	--	--	--	63
	1984/85	*	--	--	--	--
	1985/86	0	--	--	--	--
Other Africa	1982/83	148	110	153	4	415
	1983/84	95	150	136	--	381
	1984/85	116	65	278	11	476
	1985/86	57	15	57	10	140
Western Hemisphere	1982/83	137	23	86	38	284
	1983/84	156	24	109	14	303
	1984/85	137	48	13	19	217
	1985/86	45	17	2	11	74
Total 3/	1982/83	1,148	400	392	259	2,199
	1983/84	900	401	408	338	2,047
	1984/85	985	389	422	190	1,998
	1985/86	362	116	62	173	713

* Less than 500 tons.
1/ Includes short, medium, and mixed.
2/ Data not converted to a milled equivalency, and includes rough rice.
3/ Discrepancies due to rounding and changes to unknown destinations.
4/ 1985/86 year includes August 1 through September 19
Source: U.S. Export Sales Report

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

The prices posted by Thailand's Board of Trade in Bangkok remained unchanged again this month, the only exception being a slight increase in the price of glutinous rice. Actual prices moved upward from last month, due to tightened internal supply conditions. Thai 100 percent B rose to $198 per ton, while parboiled 5 percent sold at $183-184 per ton. In Rotterdam, the trade in U.S. #2/4 percent long grain has been very slow during the past month, and prices remain around $475 per ton. In comparison, Thai 100 percent B has been offered for $237 per ton.

**THAILAND: Thai exports fell by 12% from the previous four week period to 293,468 tons. The CY 1985 export estimate for Thailand remains at 4.25 million tons, down more than 250,000 tons from last year. Exports as of September 14 totaled 3.11 million tons, compared to 3.37 million tons for this period last year.

Weekly Thai Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
Aug 24	78,335	86,401
Aug 31	69,498	85,281
Sep 7	65,055	77,265
Sep 14	80,580	73,367

New sales activity dropped off from the previous month, as export commitments for CY 1985 as of September 11 are estimated at 3.51 million tons, compared with 4.12 million tons registered by the same date last year.

Reports indicate the Government may remove the export tax on rice in January. The Thai Cabinet has decided to remove the 2.5 percent export tax on newly harvested rice. The tax presently ranges from 127 to 170 Baht per ton ($4.60 to $6.18). The final decision will be made after the proposal is reviewed by Prime Minister Prem. The removal of the tax could decrease the export price of Thai rice.

**China: The production estimate for rice in China was lowered by 6 million tons (rough basis). China, the worlds largest rice producer, has again become a significant exporter over the past several years. A production decrease of this magnitude could reduce their export levels, currently estimated at 1 million tons in CY 1985 and 900,000 tons in CY 1987.

**Japan: A favorable crop outlook for Japan may allow the government to fulfill its stock building goal of 1.2 to 1.5 million tons of brown rice one year early. The production estimate for the crop that will be harvested during September through November has been raised from 10.2 to 10.6 million tons (milled basis). Because of the need to replenish stock levels, it is doubtful that Japan will export significant quantities of rice next year.

**BRAZIL: Brazil reportedly has purchased 230,000 tons of rice in CY 1985--150,000 tons from Thailand and the remainder from Argentina and Uruguay. Import licenses have been authorized for 400,000 tons of rice in CY 1985. The dismissal of the Finance Minister and the head of the Central Bank had delayed the opening of letters of credit. However, that problem apparently has been resolved as shipment from Thailand has started.

Government-to-government negotiations reportedly are underway with China for 100,000 tons of rice, and with Pakistan for 30,000 tons of rice, both under some type of barter agreement. Past history indicates reports of large imports to Brazil be viewed with caution.

**Spain: The Aricultural Price Regulatory Agency has exported 67,000 tons of rice during the market year ending in August. The exports were achieved with the aid of subsidies. Spain is planning to expand rice acreage in the current September through August market year from the present 75,000 hectares to as much as 100,000 hectares.

**Nigeria: Reports indicate 8 to 10 vessels currently are waiting for unloading off Nigerian ports with cargoes of rice shipped several months ago under a government-to-government agreement with Thailand. This news, together with reports of an excellent rice crop which will be harvested in October, points to little short term demand for rice by the new Nigerian Government.

**Vietnam: More than 60,000 hectares of rice were reportedly damaged by heavy monsoon rains in Vietnam. Though this is a small fraction of the 5.7 million hectares of rice planted in Vietnam, any shortfall probably will have to be replaced by imports. Current import estimates for CY 1985 are at 400,000 tons. Vietnam reportedly is in the market for 30,000 tons of low quality rice.

U.S. EXPORT EXPANSION ACTIVITIES

**GSM-102: As of September 25, the Commodity Credit Corporation (CCC) had available credit guarantees totaling $31.5 million. The outstanding credit lines were: Iraq ($17.7 million), Jamaica ($7.5 million), and Portugal ($6.3 million). The credit line for FY 1985 expires on September 30; any new purcheses must be made by that date.

**PL-480: The FY 1986 allocations for rice under the PL-480 Program have not yet been announced.

QUANTITY AND VALUE OF U.S GRAIN AND FEED COMMODITY EXPORTS
IN FISCAL YEAR 1985 AND COMPARISON WITH PRECEEDING YEAR

	JUNE		CUMULATIVE OCT THRU JUNE		ACTUAL EXPORTS	PROJECTED EXPORTS
	FY 84	FY 85	FY 84	FY 85	FY 84	FY 85
WHEAT (grain only)						
Quantity (1000 tons)	2867	2294	27488	22454	41700	31000
Value Per Ton (dollars)	153	146	159	152	156	150
Value (in million dollars)	439	335	4372	3416	6501	4650
CORN (grain only)						
Quantity (1000 tons)	2798	2679	37575	39514	47001	48465
Value Per Ton (dollars)	152	124	150	126	149	127
Value (in million dollars)	425	333	5633	4988	7022	6155
SORGHUM (grain only)						
Quantity (1000 tons)	259	636	4539	6385	6226	6985
Value Per Ton (dollars)	139	127	137	119	133	120
Value (in million dollars)	36	81	623	758	829	838
BARLEY, OATS, AND RYE (grain only)						
Quantity (1000 tons)	101	33	1552	988	2074	1100
Value Per Ton (dollars)	129	121	138	129	134	126
Value (in million dollars)	13	4	215	127	277	137
TOTAL COARSE GRAINS (grain only)						
Quantity (1000 tons)	3158	3348	43666	46887	55301	56550
Value Per Ton (dollars)	150	125	148	125	147	126
Value (in million dollars)	474	418	6471	5873	8128	7130
RICE (grain only)						
Quantity (1000 tons)	206	136	1613	1357	2212	2000
Value Per Ton (dollars)	388	346	413	361	405	350
Value (in million dollars)	80	47	666	490	897	700
PULSES						
Quantity (1000 tons)	21	36	311	336	390	450
Value Per Ton (dollars)	429	417	460	464	451	465
Value (in million dollars)	9	15	143	156	176	209
FLOUR AND OTHER GRAIN PRODUCTS						
Quantity (1000 tons)	295	250	1791	1681	2641	2600
Value Per Ton (dollars)	207	200	216	226	214	235
Value (in million dollars)	61	48	386	380	565	657
FORAGE, HAY, MIXED FEED AND GRAIN BYPRODUCTS						
Quantity (1000 tons)	534	497	5273	4839	6845	6500
Value Per Ton (dollars)	165	141	174	152	170	150
Value (in million dollars)	88	70	915	735	1165	975
TOTAL VOLUME (in thousand tons)	7081	6561	80436	77806	109089	99100
TOTAL VALUE (in million dollars)	1151	939	13015	11107	17432	14289

SOURCE: US Census

U.S. WHEAT PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/Bu)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/Bu)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/Bu)
Trigger Release Price	$200	$4.45	$200	$4.45	--	--
Target Price	$195	$4.30	$198	$4.38	$198	$4.38
Loan (Reserve)	$171	$3.65	$158	$3.30	--	--
National Loan	$171	$3.65	$158	$3.30	$158	$3.30
Season Average Producer Price	$166	$3.53	$161	$3.38	$149-156	$3.05-3.25
Farm Price	--	--	--	--	$140	$2.31 2/
Paid Diversion	$136	$2.70	$136	$2.70	$136	$2.70

1/ Estimated f.o.b. equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $1.00 per bushel.
2/ ASCS 5-day moving average as of August 28, 1985

U.S. CORN PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/Bu)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/Bu)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/Bu)
Trigger Release Price	$159	$3.25	$159	$3.25	--	--
Target Price	$144	$2.86	$151	$3.03	$151	$3.03
Loan (Reserve)	$136	$2.65	$132	$2.55	--	--
National Loan	$136	$2.65	$132	$2.55	$132	$2.55
Season Average Producer Price	$159	$3.25	$136	$2.65	$126-134	$2.40-2.60
Farm Price	--	--	$126	$2.41 2/	--	--
Paid Diversion	$91	$1.50	--	--	--	--

1/ Estimated f.o.b. equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $.80 per bushel.
2/ ASCS 5-day moving average as of September 27, 1985

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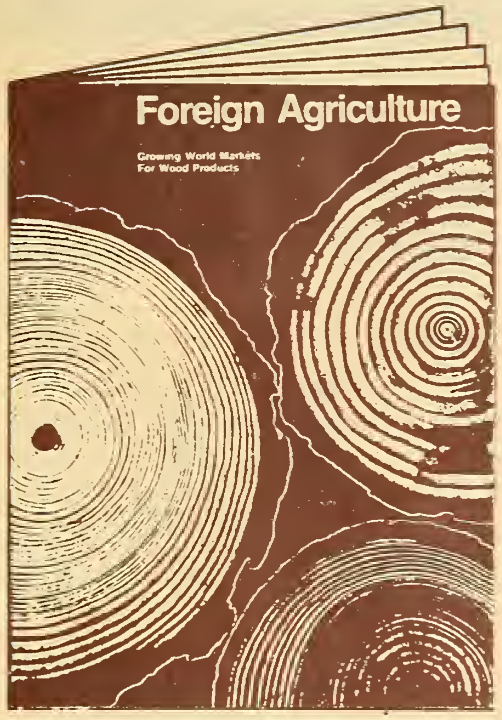

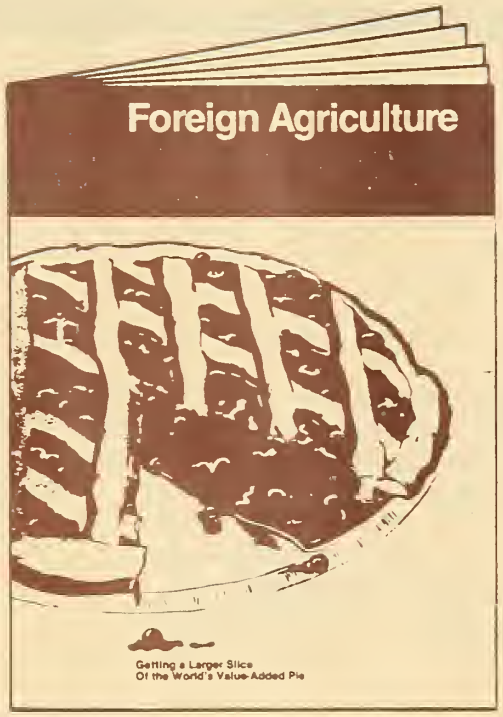

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EMG-8-85
August 1985

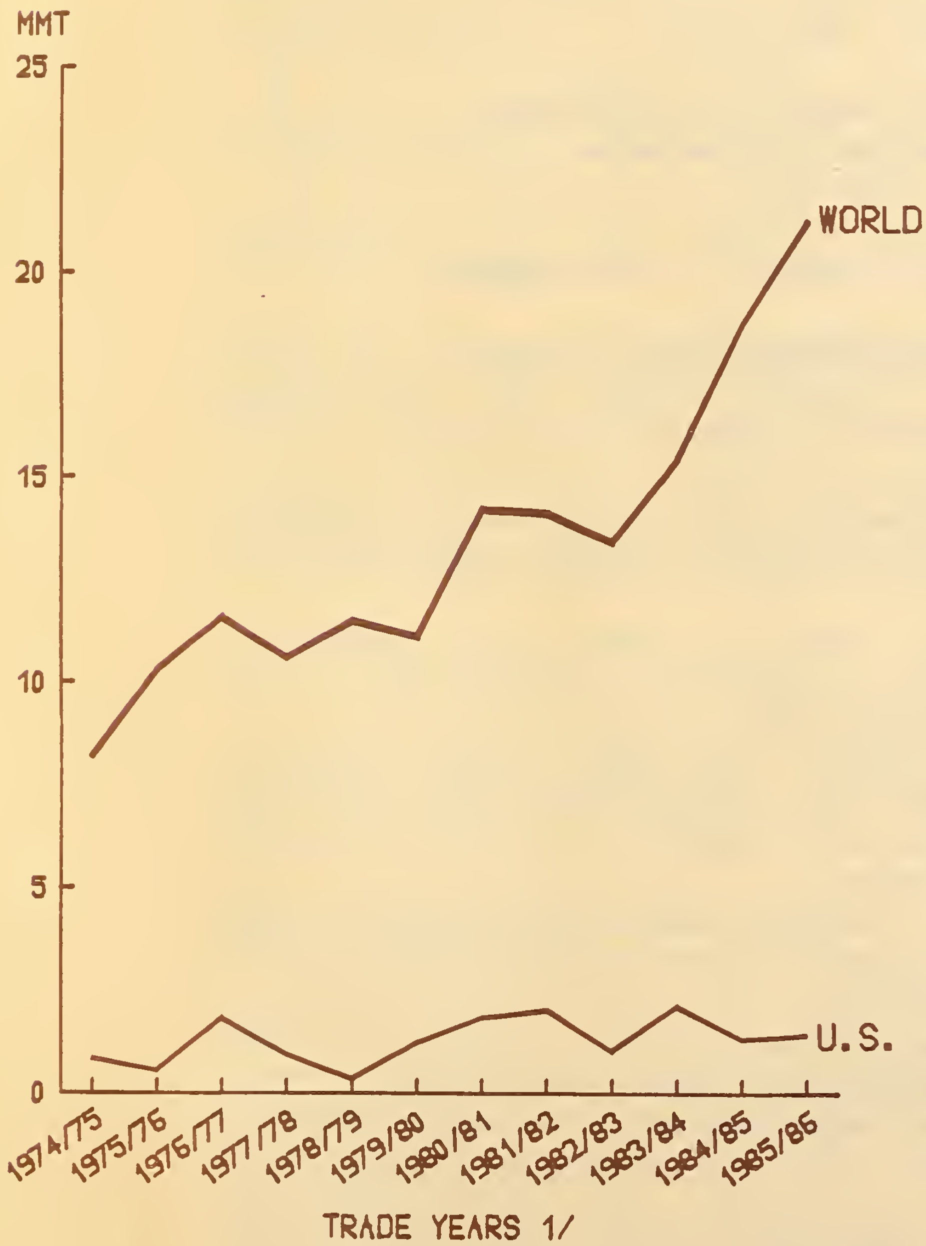
Foreign Agriculture Circular

Grains

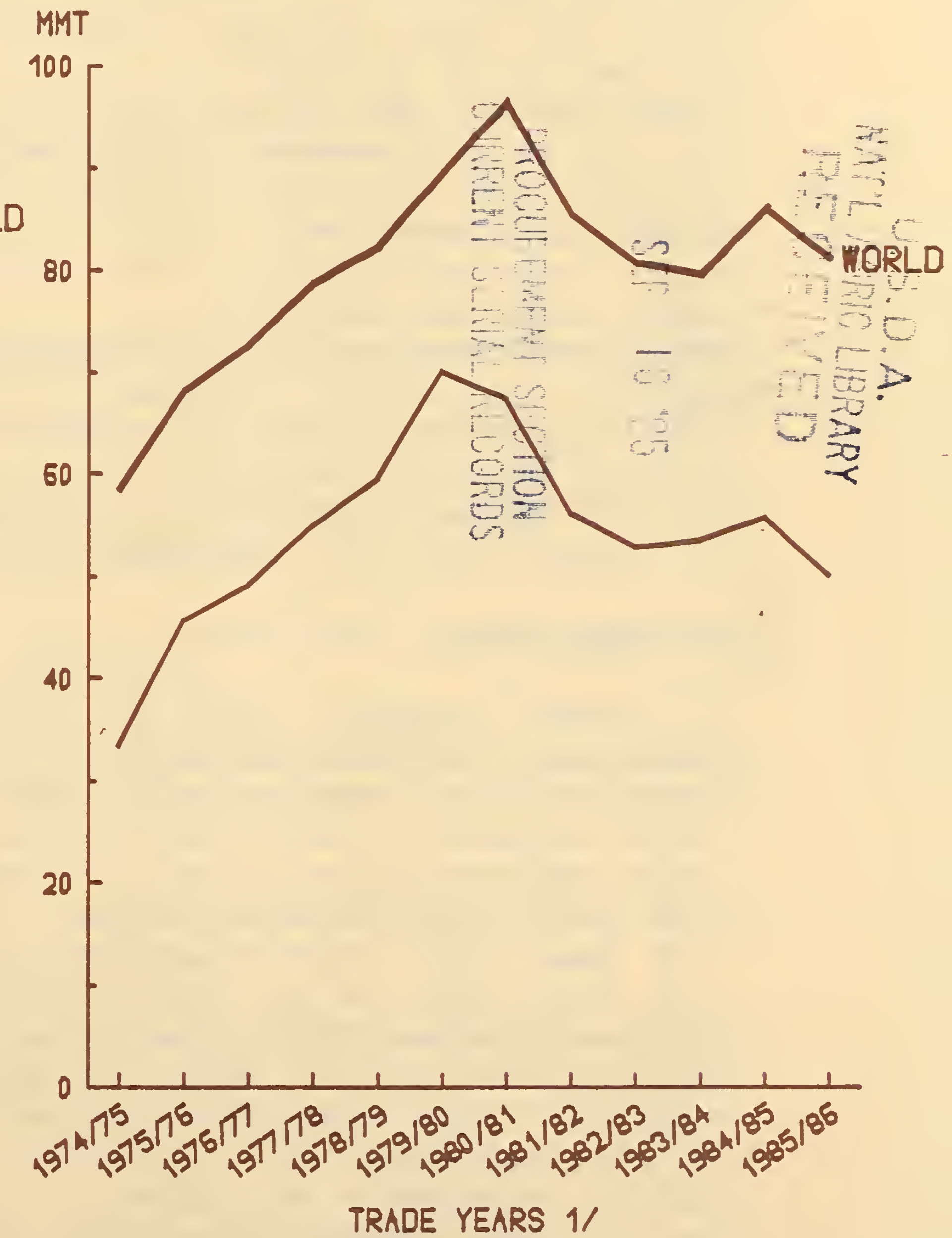
Export Markets for U.S. Grain and Products

In contrast to world corn and sorghum trade, which has been declining in recent years, world barley trade has dramatically increased. This has particular significance to the United States in two respects: 1.) the United States has not shared in this world barley trade growth, even though the United States is a large barley producer and 2.) a large portion of this growth in world barley trade is accounted for by subsidized exports. For additional graphs and supporting data see pages 12 & 13.

BARLEY TRADE



CORN/SORGHUM TRADE



1/ October/September years; 1974/75 - 1975/76 are July/June years.

Approved by the World Agricultural Outlook Board - USDA

EXPORT MARKETS FOR U.S. GRAIN AND FEED COMMODITIES
August 30, 1985

CONTENTS PAGE

TABLES AND GRAPHS

HIGHLIGHTS

Significant developments over the past month affecting U.S. exports:

--EC export authorizations for wheat and barley are only 14 percent of August 1984 levels because of insignificant Soviet purchases.

--Brazil will likely have sharply lower imports in the October-September 1985/86 year.

--Yugoslavian corn export availabilities could be reduced by as much as 500,000 tons due to drought.

--U.S. corn exports to Korea and Japan, already hurt by recent severe competition from diverse corn sources and price-discounted Australian wheat, are now being further cut by increased corn exports from Thailand. After finding its tapioca markets cut by EC actions, Thailand has produced a record corn crop which is selling at sharply reduced prices.

--The EC is having trouble harvesting its wheat and barley crops due to heavy rainfall which could create quality problems.

--Portugal will have greater wheat import requirements this year due to a short crop.

--The EC announced a special program for French corn exports; likely destinations are Spain, Portugal, Switzerland, and Austria. Any major sales to Spain or Portugal will adversely affect U.S. corn exports.

--Canada may move to restrict imports of U.S. corn in response to the U.S. enacting a tariff on Canadian hog imports.

--Colombia may need to import up to 100,000 tons of sorghum by the end of 1985 because of production shortfalls.

--Saudi Arabia made its largest purchase of U.S. corn, perhaps signaling the beginnings of a switch away from historically large imports of barley.

--The world rice trade picked up significantly over the past month, with Thailand getting most of the new sales.

The U.S. wheat export forecast for June-May 1985/86 remains unchanged since mid-July, but export commitments to date are less than 50 percent of last year, and reduced sales to the Soviet Union and other markets are diminishing trade prospects. The U.S. coarse grain export estimate for October-September 1984/85 was lowered in mid-August to reflect lower corn and barley shipments during recent months. The U.S. rice export estimate for calendar year 1985 is remains unchanged, but the export pace in coming weeks is expected to pick up because of end of fiscal-year shipments under PL-480 and GSM 102 programs.

This circular was prepared by the Grain and Feed Division, Commodity and Marketing Programs, FAS/USDA. Telephone: (202) 447-2009.

WHEAT

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: As of mid-August, the U.S. wheat export estimate for June-May 1984/85 remained unchanged at 38.8 million tons, as was the forecast for 1985/86, at 32.7 million tons.

Shipments and Sales: Wheat shipments in the 4-week period ending August 22 of 1.8 million tons continued their slow pace of recent months. New sales of 1.8 million tons were reported for delivery in June-May 1985/86, a slight decline from last month, and much below last year's pace.

US WHEAT SHIPMENTS, SALES, AND INSPECTIONS 1/
(JUNE/MAY--MILLION TONS)

Monthly Shipments

4 Weeks Ending	1984/85	1985/8
June 20	3.3	1.5
July 18	3.0	1.9
Aug. 22	4.2	2.2
Cumulative for MY	9.1	5.4

Monthly Sales 2/

4 Weeks Ending	1984/85	1985/86
June 20	3.7	1.3
July 18	4.8	2.2
Aug. 22	5.4	2.1
Cumulative for MY	20.1	9.3

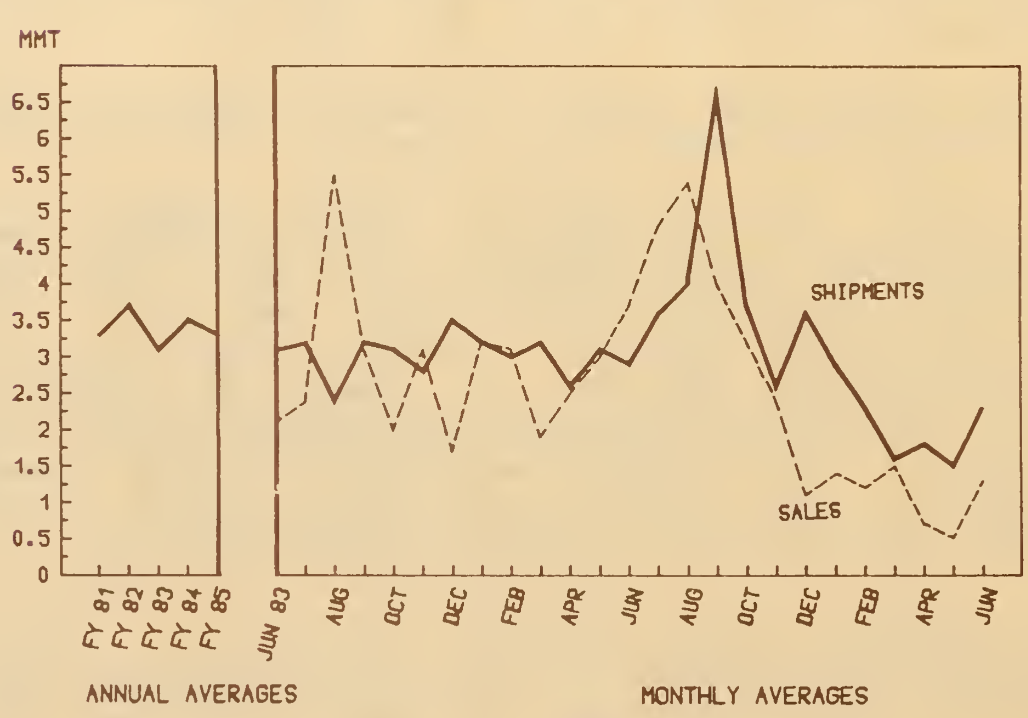
Weekly and Annual Inspection Rates

	Million MT	Million BU
Week Ending August 15............	0.3	11.9
Week Ending August 22............	0.5	19.8
Official Estimate for Current MY		
(Grain only).....................	31.3	1150
Implied Weekly Average...........	0.6	22.1
Latest Six Weeks		
Weekly Average...................	0.5	16.7
Marketing Year-To-Date		
Weekly Average...................	0.5	17.7
Weekly Avg. Extrapolated Annually	25.0	919
Balance of Year to Achieve Estimate		
Implied Weekly Average...........	0.6	23.5

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.

2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.

U.S. WHEAT SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM JUNE 1983 - JUNE 1985



IMPORTER BUYING ACTIVITY

Sizeable U.S. wheat purchases by Peru and Pakistan, along with continued steady buying from Japan were the month's highlights for U.S. wheat exporters. China has reportedly been a more active wheat buyer than in the last few months, but purchases are believed to be solely from the EC and Argentina. In general, global import buying has been at exceptionally low levels this season. North African purchasing has been somewhat postponed because of good crops; some countries are believed to have recently delayed purchasing becasue they expect growing competitive pressures to lead to further decline of world wheat prices.

WHEAT AND FLOUR IMPORTER BUYING ACTIVITY
REPORTED BETWEEN JULY 25, 1985 AND AUGUST 24, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
7/25	Zaire	US	18,508	HRW	134.87	August
7/26	Korea	US	20,000	WW, HRW	127.00, 132.70	September
	Korea	US	22,500	WW, HRW, HRS	126.75, 133.10, 153.40	September
7/29	Zaire	US	18,942	HRW	131.78	August
7/31	Japan	US	67,000	Wheat	?	October
	Japan	Canada	30,000	Wheat	?	October
	Japan	Australia	15,000	Wheat	?	October
8/1	Korea	US	48,000	WW, HRW, HRS	126.50, 229.80, 147.80	Sep/Oct
8/6	Kenya	US	78,419	HRW	121.23 @121.73	Aug/Sep
8/7	Japan	US	36,000	HRS	?	October
	Japan	Canada	35,000	Wheat	?	October
	Japan	Australia	35,000	Wheat	?	October
8/9	Portugal	US	35,000	SRW	114.90	Sep/Oct
	Portugal	US	35,000	HRW	121.90	September
8/13	Morocco	US	87,370	SRW	113.44 @ 116.42	September
8/14	Japan	US	71,000	HRW	?	October
	Japan	Canada	34,000	CWRS	?	October
	Portugal	US	35,000	HRW	125.95	October
	Portugal	US	35,000	SRW	119.05	October
	Peru	US	129,868	HRW	124.23 @ 124.84	September
8/16	Sri Lanka	Australia	50,000	ASW	108.00	September
8/20	Pakistan	US	90,000	SRW	119.57 @ 123.27	September
	Dom. Republic	US	14,599	HRS	141.96	September
8/21	Brazil	US	33,000	HRW	126.46	October
	Japan	US	70,000	Wheat	?	October
	Japan	Australia	16,000	Wheat	?	October
	Japan	Canada	16,000	Wheat	?	October
8/22	Chile	US	15,000	HAD	158.50	September
	Jamaica	US	11,777	SRW	112.26	September
8/23	Yemen	US	15,831	Wheat	126.33	September
	Korea	US	41,000	Wheat,HRW,HRS	?	Sep/Oct

1/ HRW=Hard Red Winter, HRS=Hard Red Spring, SRW=Soft Red Winter, HAD=Hard Amber Durum, WW=Western White ASW=Australian Soft White, CWRS=Canadian Western Red Spring, PH=Australian Prime Hard
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries Selling Activity and Competitive Practices

WHEAT SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(JULY/JUNE--MILLION TONS)

	Canada		Australia		Argentina		France 2/		Total	
	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
4 Weeks Ending 1/										
May 23	2.3	1.9	1.5	1.5	.4	.7	.4	1.1	4.4	5.[illegible]
June 20	2.6	1.6	1.4	1.0	.3	.4	.5	1.3	4.8	4.[illegible]
Total for Season	21.8	18.9	11.6	15.1	9.6	8.0	9.5	12.6	52.5	54.[illegible]
	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86
4 Weeks Ending 1/										
July 18	2.8	1.0	1.4	.7	.2	.4	.3	.1	4.7	3.[illegible]
Aug. 22	2.5	1.2	1.3	1.1	.1	.3	1.1	0.5	5.0	3.[illegible]
Forecast for S ason 3/	18.9	17.5	15.1	15.2	8.0	6.7	12.6	12.0	54.6	5[illegible].4

1/ Or nearest date thereto.
2/ Excludes intra-EC trade.
3/ Projection for 1985/86.

**India: Official sources in India have denied earlier reports of a sale of an additional 2.5 million tons of wheat to the USSR. The only confirmed Indian sale to the Soviets is for 500,000 tons of wheat to be delivered in 1985. India is forecast to export 1.5 million tons of wheat in its April-March 1985/86 marketing year.

Competitive Developments In Selected Foreign Markets

**Portugal: Portugal's wheat import needs in July-June 1985/86 are forecast to increase to 620,000 tons because of a 13 percent drop in production. The United States has been Portugal's traditional supplier, but the EC is expected to increase its share of the Portuguese wheat market over the next few years as certain changes in cereal imports relating to Portugal's accession to the EC on January 1, 1986 come into effect.

**United Kingdom: The heaviest rainfall in 10 years in the UK has caused lodging during the wheat and barley harvest and could mean the loss of about a million tons, as well as probable quality damage. A poor quality harvest could mean more grain sold into export channels at reduced prices, thereby lowering EC subsidy costs. However, it could also result in stronger demand for high-quality malting barley from North America, as occurred in 1983/84 under similar circumstances. The UK is traditionally a barley exporter, and in 1984/85 is estimated to move 3 million tons outside the EC, significantly higher than the 1.4 million tons exported in each of the previous several years.

**European Community: As a result of insignificant Soviet purchases and sluggish world demand, EC export authoizations for wheat and barley for August-July 1985/86 are only 14 percent of mid-August 1984 levels. Wheat authorizations total less than 200,000 tons, only five percent of the 3.8 million tons authorized by mid-August 1984, while barley authorizations are short of 600,000 tons compared to a corresponding 2.1 million tons. Last year at this time the Soviets had purchased over 3 million tons of EC wheat as compared to just 500,000 tons this year. EC wheat supplies are abundant as illustrated by the repetitive French bids for export authorzations of over a million tons at weekly tenders. Current EC wheat restitutions of $36/ton are more than double last year's levels, but still well below French requests. The Commission appears to be concerned with the budgetary effects of granting larger restitutions, as well as the prospects for increasing export sales.

**Brazil: Brazilian wheat imports could drop to 3.1 million tons in the October-September 1985/86 marketing year, which would mark a nine year low in wheat imports, according to the wheat purchasing agency of Banco do Brazil (CTRIN). The drop in imports is due to the CTRIN's prediction of a record 1985 wheat crop. USDA currently forecasts Brazilian imports of 4.4 million tons for 1985/86, down from 4.85 million tons in 1984/85.

**Dominican Republic: Dominican wheat imports are expected to rise to record levels in the July-June 1985/86 year of 215,000 tons. Virtually all of this amount should come from the United States through a combination of PL-480 and commercial sales. The Dominican government is maintaining its subsidy on wheat, allowing wheat consumption to increase 7 percent per year. The government has raised prices on other consumer products in an effort to remove the distortions from its economy.

Internal Price Policies Of Foreign Countries

**Egypt: Egypt is expected to import near record amounts of wheat (6.7 million tons) in the current July-June marketing year, in spite of government efforts to increase wheat production by raising producer prices 39 percent over the past year. The United States has exported an average of about 2.6 million tons of wheat to Egypt annually over the last 5 years, supplying an average of 41 percent of the market. It is possible, however, that higher producer prices could result in production increasing at a faster rate than consumption, thus reducing import needs.

**MAJOR EXPORTERS: The latest internal support prices for the principal world wheat exporters, on an individual marketing year basis, are listed below. Prices are not strictly comparable because of quality differences and because U.S., Argentine and EC prices are on a local delivery point basis. For example, in terms of quality differentials, the Canadian price is set for No. 1 CWRS, while No. 2 CWRS was discounted by approximately C$4 per ton and No. 3 CWRS by about C$15 per ton; No. 1 CWRS has represented about 40 percent of Canadian wheat exports over the past 10 years.

MAJOR EXPORTER SUPPORT PRICES FOR WHEAT

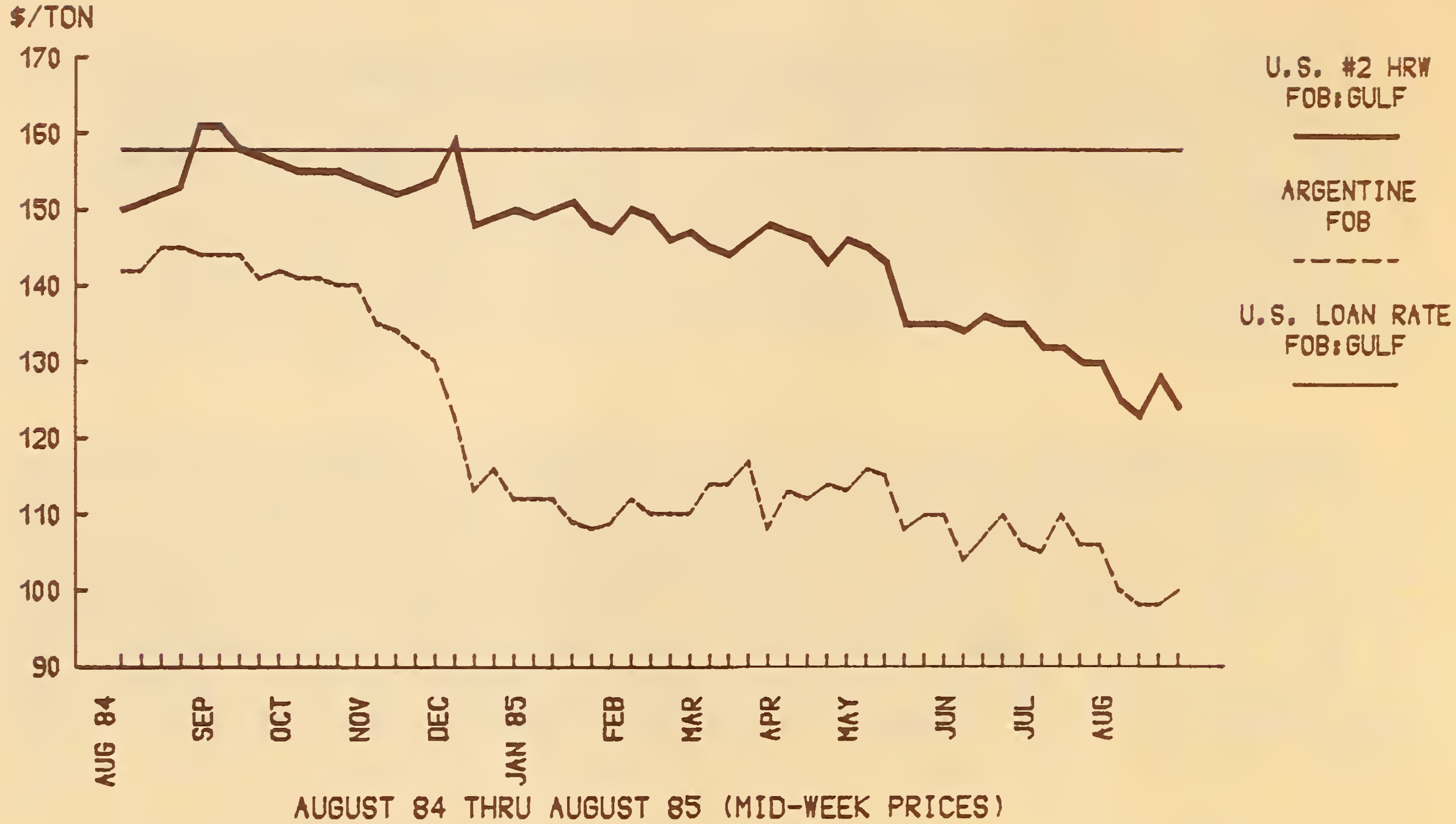
Exporter	1983/84 U.S.$ Equivalent		1983/84 Local Currency	1984/85 U.S.$ Equivalent		1984/85 Local Currency
	per bu	----per ton	----	per bu	----per ton	----
U.S. (loan)	3.65	134	134 (US$)	3.30	121	121 (US$)
Argentina (reference)	2.67	98	3,060 1/	2.46	89	4,800 1/
Australia (min. pay.)	3.72	137	150 (A$)	2.50	92	146 (A$)
Canada (initial pay.)	3.75	138	170 (C$)	3.22	119	160 (C$)
EC (intervention) 2/	4.44	163	185 (ECU)	3.86	142	183 (ECU)
(reference) 3/	5.85	189	215 (ECU)	4.49	165	213 (ECU)

1/ In new pesos, current season prices can be adjusted when necessary because of currency fluctuations. Caution should be taken when using this price in US$ equivalent because of the volatility of the Argentine exchange rate. Current price as of May 30, 1985.

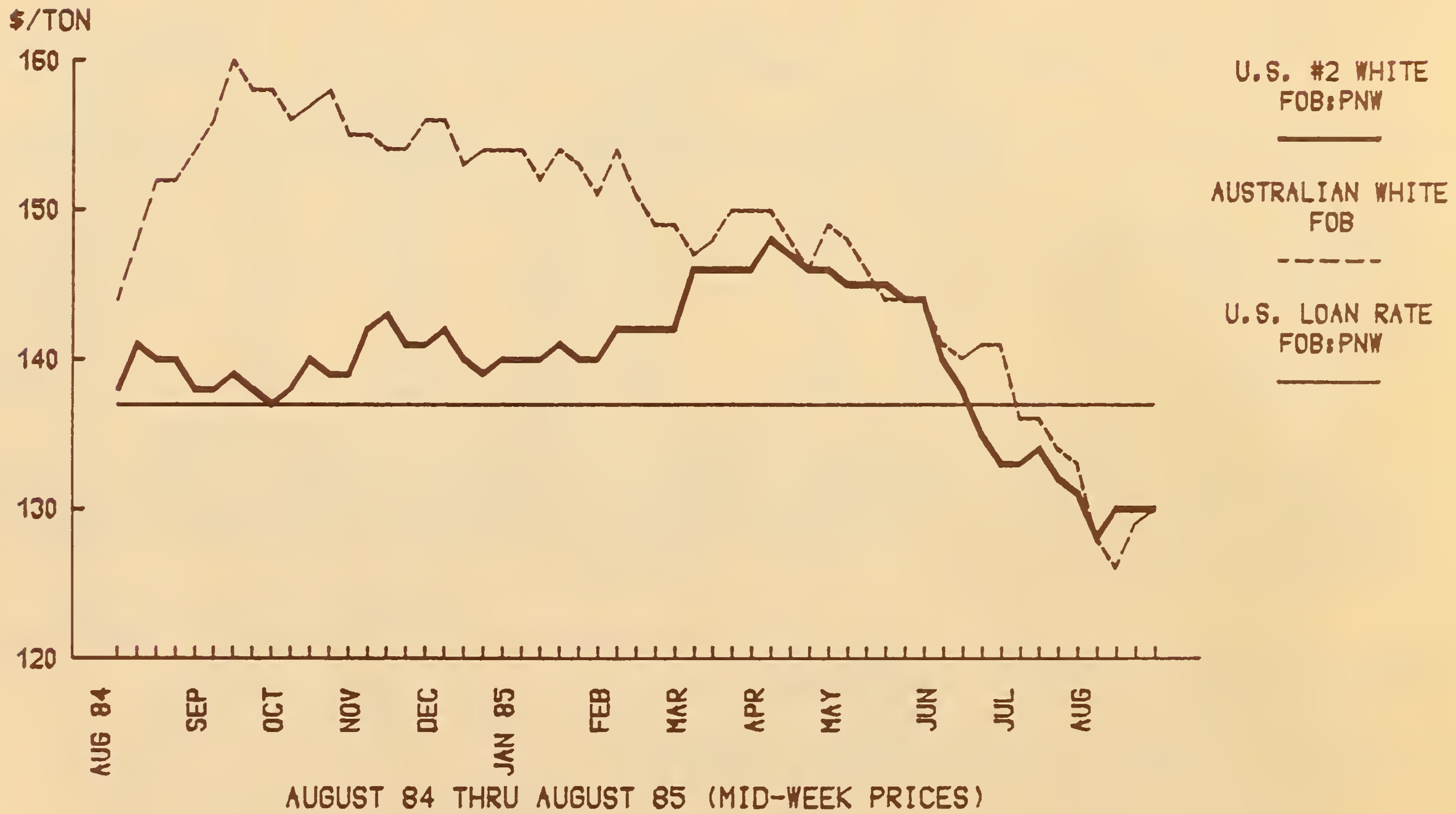
2/ Support price paid for other milling wheats; EC prices represent medium quality wheat adjusted by monthly increments.

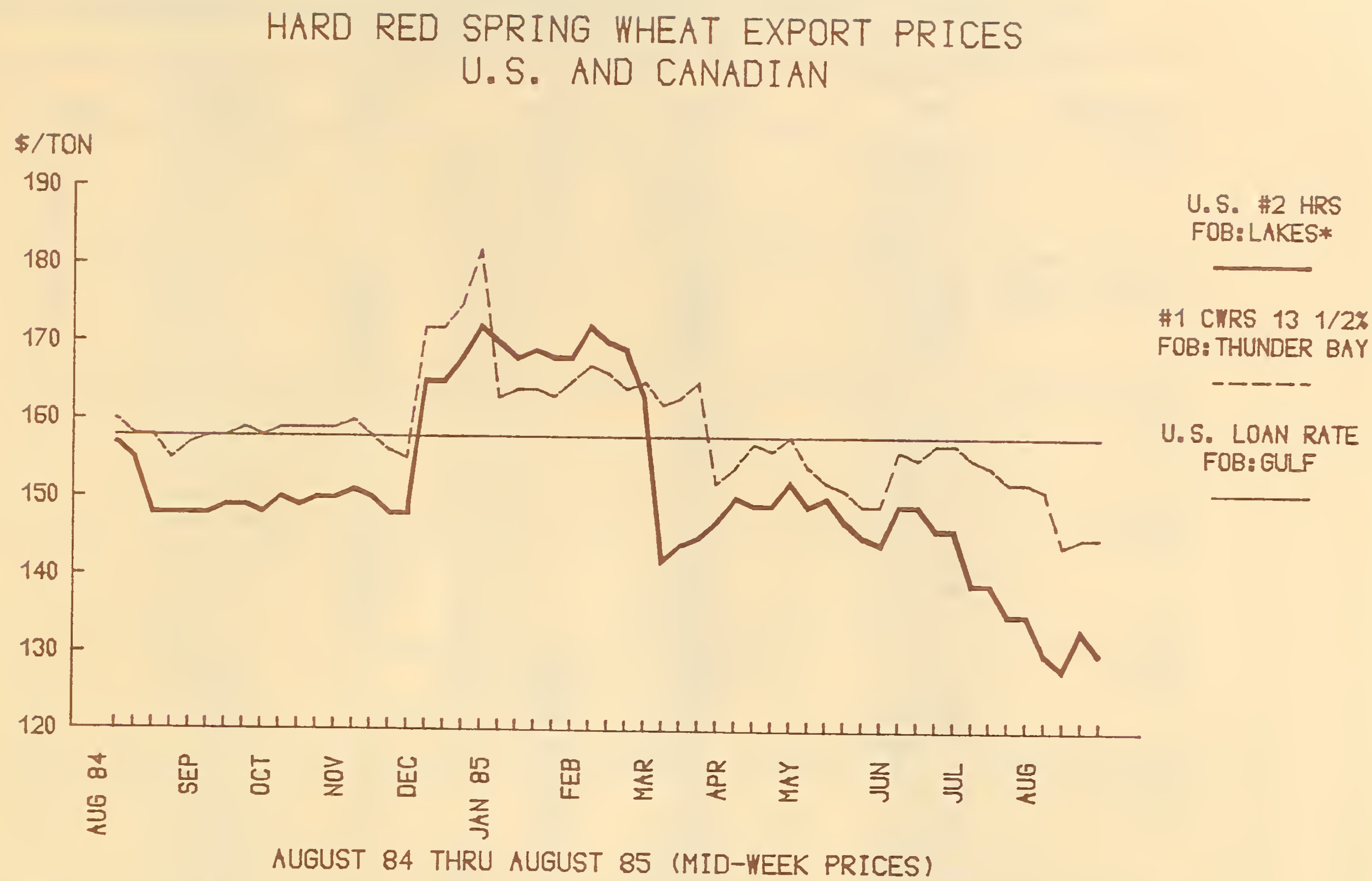
3/ Support price for bread quality wheat.

HARD RED WINTER WHEAT EXPORT PRICES
U.S. AND ARGENTINE

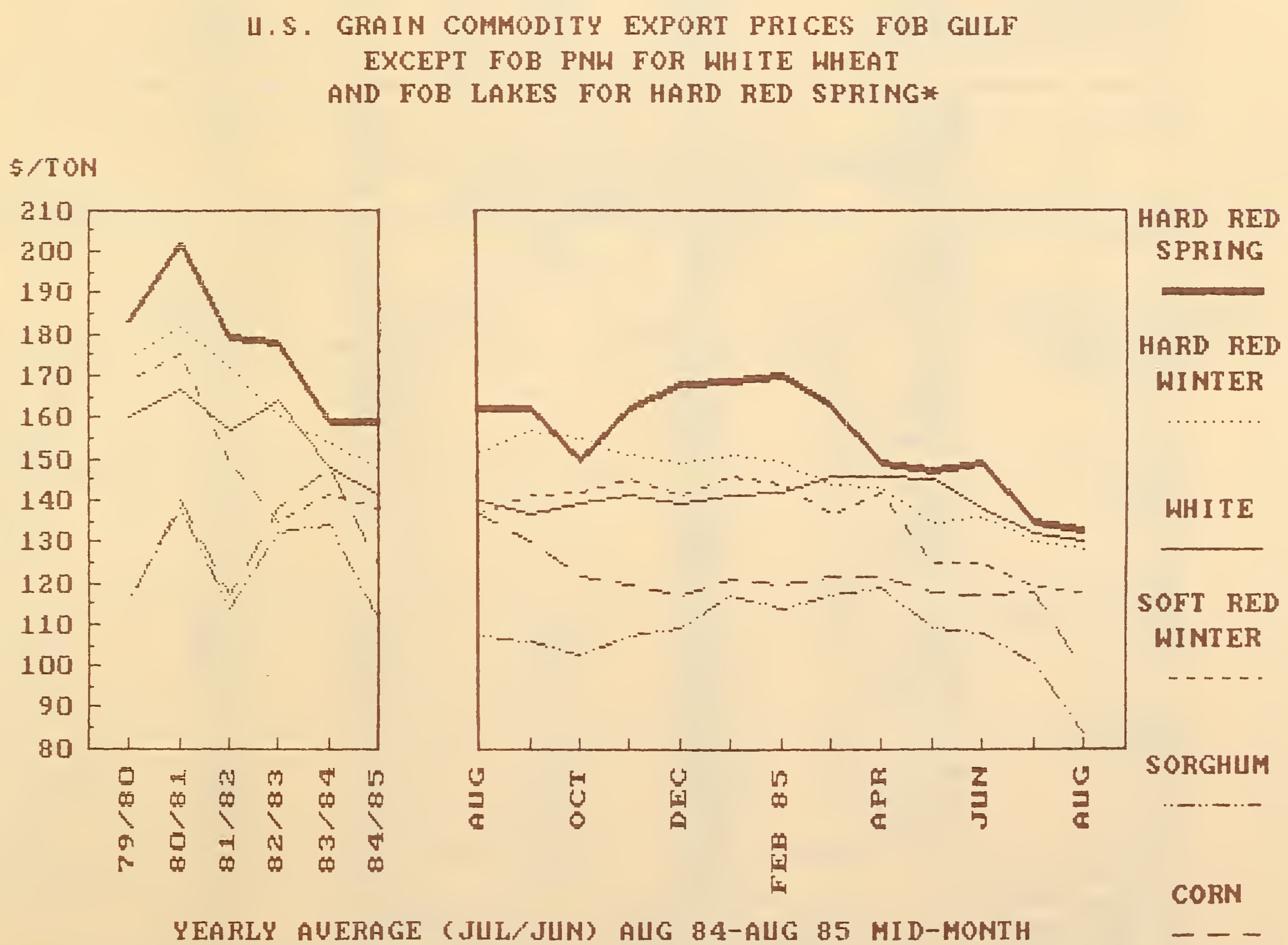


WHITE WHEAT EXPORT PRICES
U.S. AND AUSTRALIAN





*FOB GULF DURING WINTER MONTHS



*FOB GULF DURING WINTER MONTHS

U.S. WHEAT EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
TOTAL EXPORTS FOR 1983/84-1984/85; COMMITMENTS TO DATE FOR 1985/86 WITH COMPARISON TO 1984/85
(JUNE/MAY—1,000 TONS)

Destination	Marketing Year	Hard Red Winter	Hard Red Spring	Soft Red	All White	Durum	Total Exports
EC-10	1983/84	3	1,218	2	—	263	1,486
	1984/85	—	718	8	—	188	914
	1984/85*	—	194	4	—	54	252
	1985/86**	—	105	7	—	81	193
Other W. Europe	1983/84	795	32	411	16	49	1,303
	1984/85	546	99	633	—	45	1,323
	1984/85*	276	4	317	—	11	608
	1985/86**	194	23	163	—	0	380
USSR	1983/84	4,141	—	—	—	—	4,141
	1984/85	6,339	—	—	—	—	6,339
	1984/85*	4,527	—	—	—	—	4,527
	1985/86**	—	—	—	—	—	0
China	1983/84	1,368	—	1,549	—	—	2,917
	1984/85	105	—	2,693	—	—	2,798
	1984/85*	105	—	2,463	—	—	2,568
	1985/86**	—	—	549	—	—	549
Japan	1983/84	1,287	1,010	—	1,126	12	3,435
	1984/85	1,367	1,067	—	1,013	15	3,462
	1984/85*	445	386	—	386	—	1,217
	1985/86**	503	402	—	404	17	1,326
Taiwan	1983/84	245	185	—	130	—	560
	1984/85	299	211	—	145	—	655
	1984/85*	130	73	—	66	—	269
	1985/86**	170	128	—	103	—	401
Rep. of Korea	1983/84	649	221	2	1,179	—	2,051
	1984/85	674	231	—	1,103	—	2,008
	1984/85*	245	87	—	427	—	759
	1985/86**	184	76	3	329	—	592
Other Asia, Middle East, and Oceania	1983/84	2,288	1,232	258	1,222	21	5,021
	1984/85	2,227	1,002	178	1,502	—	4,909
	1984/85*	1,283	383	272	361	—	2,299
	1985/86**	608	297	18	340	—	1,263
Egypt	1983/84	—	—	539	807	—	1,346
	1984/85	30	—	429	1,205	—	1,664
	1984/85*	—	—	52	548	—	600
	1985/86**	—	—	210	—	—	210
Nigeria	1983/84	1,278	265	88	—	—	1,631
	1984/85	1,324	198	91	—	—	1,613
	1984/85*	372	20	20	—	—	412
	1985/86**	519	—	70	—	—	589
Other Africa	1983/84	471	7	1,876	45	844	3,243
	1984/85	418	39	2,034	35	803	3,329
	1984/85*	132	1	1,507	—	317	1,957
	1985/86**	280	—	321	—	129	730
Brazil	1983/84	2,181	—	66	—	—	2,247
	1984/85	3,111	—	67	—	—	3,178
	1984/85*	1,363	—	—	—	—	1,363
	1985/86**	689	—	—	—	—	689
Other W. Hemis.	1983/84	2,223	1,477	514	48	296	4,558
	1984/85	2,061	1,290	503	159	293	4,306
	1984/85*	1,019	727	286	132	158	2,322
	1985/86**	1,075	590	334	4	124	2,127
Total 1/	1983/84	17,128	5,647	5,593	5,541	1,556	35,465
	1984/85	18,460	4,862	6,577	5,234	1,458	36,591
	1984/85*	10,224	1,946	5,338	1,838	762	20,108
	1985/86**	4,323	1,685	1,760	1,161	417	9,346
MY Projection 2/		16,874	4,898	4,490	5,034	1,360	32,658

1/ Discrepancies due to rounding and sales to unknown destination.
2/ Projection for 1985/86, including flour and products.
* Sales plus accumulated exports as of August 23, 1984, excluding sales for next marketing year.
** Sales plus accumulated exports as of August 22, 1985, excluding sales for next marketing year.

Source: U.S. Export Sales Report

**PL-480

FY 1985 PUBLIC LAW TITLE I/III
COUNTRY AND COMMODITY ALLOCATIONS
(1000 Tons Grain Equivalent)

Country	Million-Total	Wheat/Flour	Rice	Feedgrains
$790 or Less Per Capita GNP				
Bangladesh	94.5	356.0	67.0	—
Bolivia	20.0	140.0	—	—
Egypt	225.0	1,448.0 1/	—	—
El Salvador	49.0	138.0	—	—
Ghana	9.0	—	10.0	—
Guinea	6.0	—	21.0	—
Haiti	15.0	76.0	—	—
Honduras	15.0	92.0	—	—
Indonesia	40.0	250.0	—	—
Kenya	10.0	66.0	—	—
Liberia	6.0	—	18.0	—
Madagascar	11.0	—	39.0	—
Maldives	1.5	7.0 1/	—	—
Morocco	55.0	367.0	18.0	—
Mozambique	17.0	32.0	34.0	21.0
Pakistan	59.0	—	—	—
Philippines	40.0	—	138.0	—
Sierra Leone	4.0	13.0	7.0	—
Somalia	20.0	26.0 1/	18.0	17.0
Sri Lanka	26.0	163.0	—	—
Sudan	64.5	400.0 1/	—	—
Yemen	12.0	29.0 1/	20.0	—
Zaire	20.0	82.0 1/	—	—
Zambia	10.0	35.0	—	—
Zimbabwe	8.0	50.0	—	—
Subtotal	837.5	3,770.0	390.0	38.0
Over $790 Per Capita GNP				
Costa Rica	21.4	115.0	—	24.0
Dominican Rep.	40.5	130.0	16.0	—
Ecuador	15.0	90.0	—	—
Guatemala	21.0	56.0	—	—
Jamaica	40.0	82.0	33.0	89.0
Mauritius	3.5	—	—	—
Peru	25.0	116.0	—	—
Tunisia	5.0	—	—	43.0
Subtotal	171.4	589.0	49.0	156.0
Allocated 3/	1,004.7	4,353.0	439.0	194.0
Unallocated Reserve	0.4	—	—	—
TOTAL PROGRAM	1,005.1	—	—	—

1/ Wheat equivalent of flour or some portion of wheat equiv. of flour.

**CCC Credit

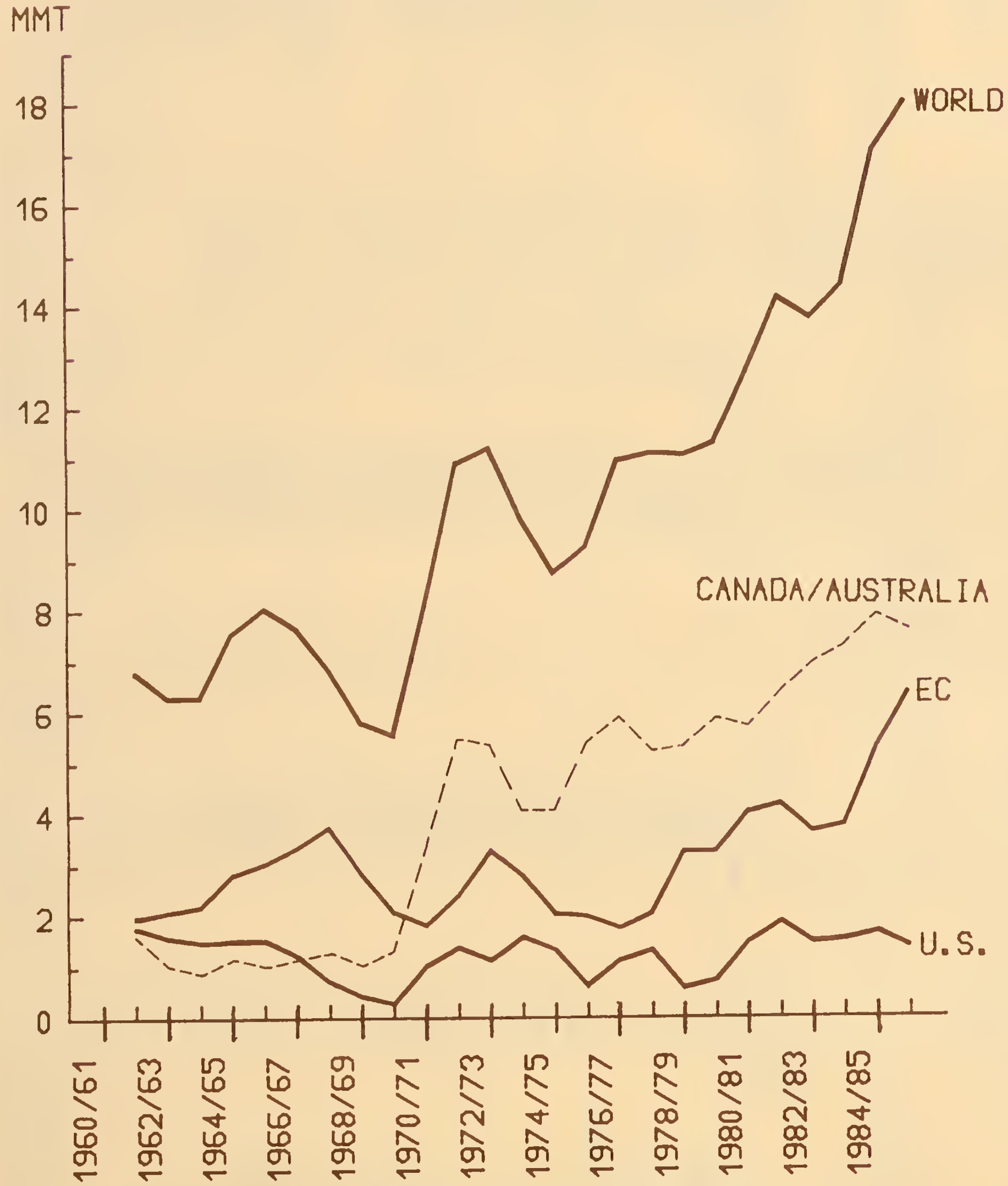
U.S. WHEAT/FLOUR TRADE WITH SELECTED COUNTRIES
UNDER CCC GUARANTEE PROGRAMS

	FY 1984		FY 1985		
	Guarantees Approved	Est. Quantity Shipped	Announced	Approved	Estimated Quantity Yet To Be Purchased 3/
	--$ Million	--1,000 Tons--	--Million Dollars--		----1,000 tons----
Bangladesh*	42.7	284.6	60.0	42.1	119.0
Brazil	437.1	2,914.0	500.0	268.1	1546.0
Chile	85.0	567.0	100.0	21.9	521.0
Colombia	84.9	566.0	100.0	64.2	239.0
Dominican Rep.	15.9	106.0	—	—	—
Ecuador	68.6	457.3	49.0	32.6	109.0
Egypt*	79.0	526.0	80.0	—	533.0
Guatemala	20.7	138.0	16.0	12.1	26.0
Haiti	5.0	33.0	7.5	4.0	23.3
Iraq	183.7	1,225.0	160.0	88.5	477.0
Jamaica*	15.0	100.0	4.5	0.6	26.0
Korea	130.0	867.0	110.0	106.1	26.0
Mexico	2.9	19.3	—	—	—
Morocco*	333.7	2,224.0	250.0	—	1,667.0
Pakistan	—	—	41.5	11.2	202.0
Peru	76.1	507.3	—	—	—
Philippines	95.5	636.7	120.0	43.2	512.0
Portugal	440.3	2,935.3 1/ 2/	117.0	89.1	186.0
Tunisia*	103.7	691.3	120.0	—	750.0
Turkey*	75.0	500.3	81.0	10.1	473.0
Yemen	—	—	20.0	—	133.0
TOTAL	2,294.8	15,298.1	1,936.5	793.8	7568.3

* Includes GSM-102, GSM-5, and Blended Credit, as of August 29, 1985.
1/ Wheat or feed grains 2/ Registrations include reserve 3/ Based on $150 per ton

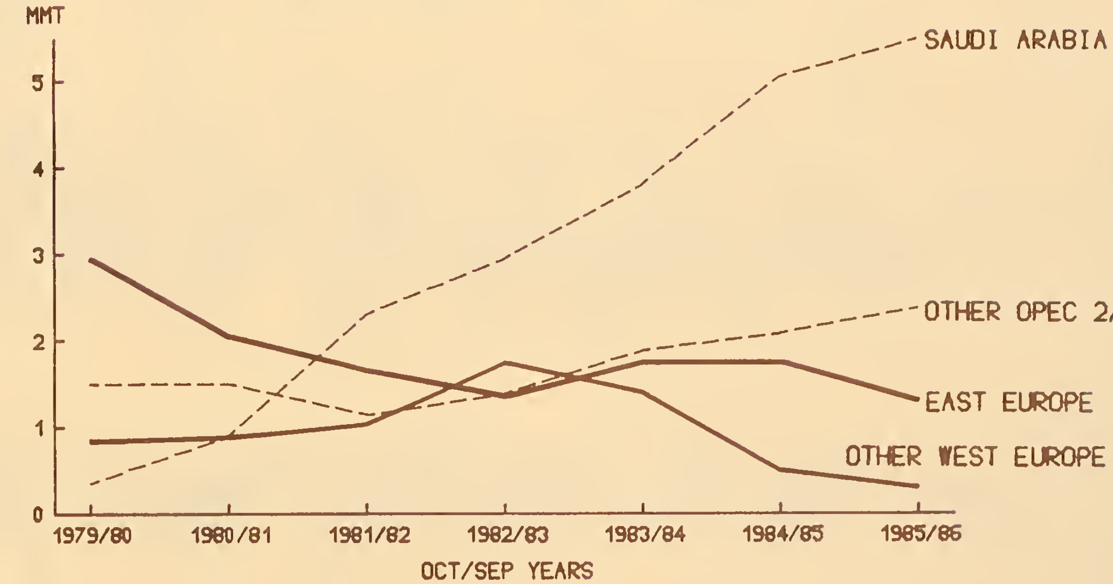
WORLD BARLEY TRADE

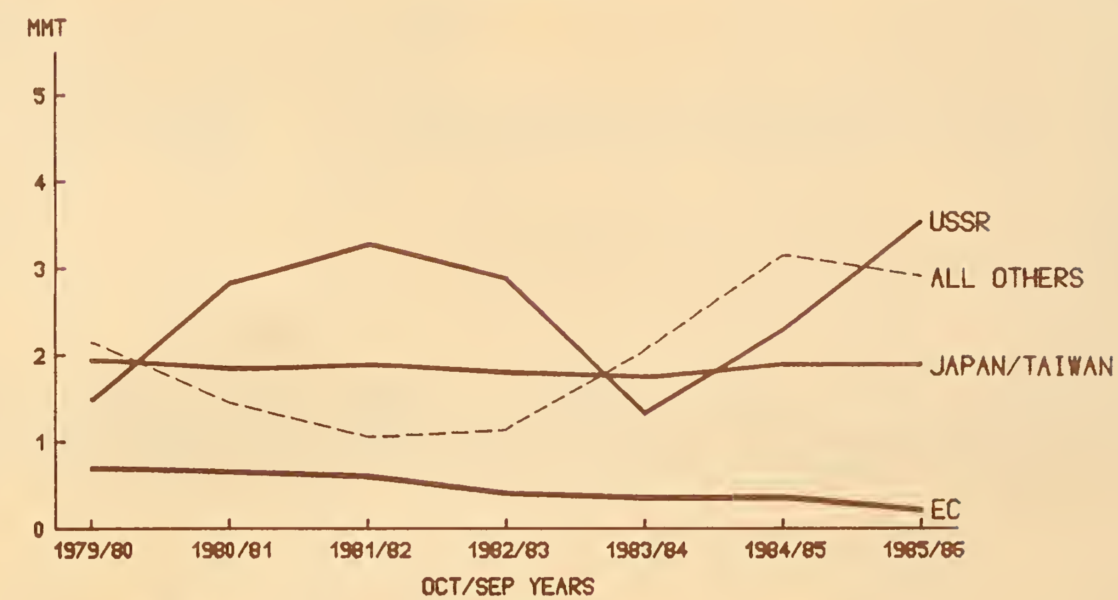
WORLD BARLEY EXPORTS 1/



1/ 2-year moving averages.
2/ Excludes intra-EC trade. July/June years through 1975/76, subsequently Oct/Sep years.

WORLD BARLEY IMPORTS 1/





1/ 2-year moving averages.
2/ Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Venezuela.

WORLD BARLEY AND CORN/SORGHUM TRADE

WORLD AND U.S. COARSE GRAIN TRADE
MILLION METRIC TONS
OCTOBER/SEPTEMBER YEARS 1/

YEARS	BARLEY WORLD	BARLEY U.S.	CORN/SORGHUM WORLD 2/	CORN/SORGHUM U.S.
1974/75	8.2	0.8	58.4	33.3
1975/76	10.3	0.5	68.2	45.6
1976/77	11.6	1.8	72.6	49.0
1977/78	10.6	0.9	78.7	54.9
1978/79	11.5	0.3	82.3	59.4
1979/80	11.1	1.2	89.6	70.1
1980/81	14.2	1.8	96.5	67.4
1981/82	14.1	2.0	85.6	56.3
1982/83	13.4	1.0	80.9	52.9
1983/84	15.4	2.1	79.7	53.6
1984/85	18.7	1.3	86.2	55.9
1985/86	21.2	1.4	81.4	50.2

BARLEY IMPORTS: ACTUAL & 2-YEAR AVERAGES
MILLION METRIC TONS
OCTOBER/SEPTEMBER YEARS 1/

YEARS	EC		USSR		JAPAN/TAIWAN		EAST EUROPE		SAUDI ARABIA		OTH OPEC 3/		OTHER W EUROPE		OTHERS	
1978/79	0.7		0.3		2.0		3.9		0.1		1.4		0.6		2.5	
1979/80	0.7	0.7	2.7	1.5	1.9	2.0	2.0	3.0	0.6	0.4	1.6	1.5	1.1	0.9	1.8	2.2
1980/81	0.6	0.7	3.0	2.9	1.8	1.9	2.1	2.1	1.2	0.9	1.4	1.5	0.7	0.9	1.1	1.5
1981/82	0.6	0.6	3.6	3.3	2.0	1.9	1.2	1.7	3.4	2.3	0.9	1.2	1.4	1.1	1.0	1.1
1982/83	0.2	0.4	2.2	2.9	1.6	1.8	1.5	1.4	2.5	3.0	1.9	1.4	2.1	1.8	1.3	1.2
1983/84	0.5	0.4	0.5	1.4	1.9	1.8	2.0	1.8	5.1	3.8	1.9	1.9	0.7	1.4	2.8	2.1
1984/85	0.2	0.4	4.1	2.3	1.9	1.9	1.5	1.8	5.0	5.1	2.3	2.1	0.3	0.5	3.5	3.2
1985/86	0.2	0.2	3.0	3.6	1.9	1.9	1.1	1.3	6.0	5.5	2.5	2.4	0.3	0.3	2.3	2.9

WORLD BARLEY EXPORTS
MILLION METRIC TONS
OCTOBER/SEPTEMBER YEARS 1/

YEARS	WORLD EXPORTS	2-YR AVERAGE	U.S. EXPORTS	2-YR AVERAGE	EC-10 EXPORTS	2-YR AVERAGE	CANADA EXPORTS	2-YR AVERAGE	AUSTRALIA EXPORTS	2-YR AVERAGE	CAN + AUST EXPORTS	2-YR AVERAGE
1960/61	6.0		1.8		1.4		0.8		0.8		1.6	
1961/62	7.6	6.8	1.8	1.8	2.5	2.0	0.9	0.9	0.7	0.7	1.6	1.6
1962/63	5.0	6.3	1.4	1.6	1.7	2.1	0.2	0.6	0.2	0.5	0.5	1.0
1963/64	7.6	6.3	1.6	1.5	2.8	2.2	0.9	0.5	0.4	0.3	1.3	0.9
1964/65	7.5	7.6	1.5	1.6	2.9	2.8	0.7	0.8	0.4	0.4	1.1	1.2
1965/66	8.6	8.1	1.6	1.6	3.2	3.1	0.7	0.7	0.2	0.3	0.9	1.0
1966/67	6.7	7.7	0.9	1.3	3.6	3.4	1.0	0.8	0.4	0.3	1.4	1.2
1967/68	7.0	6.9	0.6	0.8	4.0	3.8	1.1	1.0	0.1	0.3	1.2	1.3
1968/69	4.6	5.8	0.3	0.5	1.7	2.9	0.4	0.7	0.5	0.3	0.9	1.0
1969/70	6.5	5.6	0.3	0.3	2.5	2.1	1.2	0.8	0.6	0.5	1.8	1.3
1970/71	9.7	8.1	1.8	1.1	1.2	1.8	3.8	2.5	1.1	0.9	4.9	3.4
1971/72	12.1	10.9	1.0	1.4	3.7	2.4	4.2	4.0	1.8	1.5	6.0	5.5
1972/73	10.3	11.2	1.3	1.2	3.0	3.3	3.9	4.0	0.8	1.3	4.7	5.3
1973/74	9.3	9.8	1.9	1.6	2.7	2.8	2.6	3.3	0.8	0.8	3.5	4.1
1974/75	8.2	8.8	0.8	1.4	1.4	2.1	2.7	2.7	2.0	1.4	4.7	4.1
1975/76	10.3	9.3	0.5	0.7	2.6	2.0	4.2	3.4	2.0	2.0	6.1	5.4
1976/77	11.6	11.0	1.8	1.2	1.0	1.8	3.8	4.0	1.9	1.9	5.7	5.9
1977/78	10.6	11.1	0.9	1.4	3.2	2.1	3.6	3.7	1.2	1.6	4.8	5.2
1978/79	11.5	11.1	0.3	0.6	3.4	3.3	3.9	3.7	2.0	1.6	5.9	5.3
1979/80	11.1	11.3	1.2	0.8	3.2	3.3	3.0	3.4	2.9	2.5	5.9	5.9
1980/81	14.2	12.7	1.8	1.5	4.9	4.1	4.0	3.5	1.5	2.2	5.6	5.7
1981/82	14.1	14.2	2.0	1.9	3.5	4.2	5.5	4.8	1.7	1.6	7.2	6.4
1982/83	13.4	13.8	1.0	1.5	3.8	3.7	6.1	5.8	0.6	1.2	6.7	7.0
1983/84	15.4	14.4	2.1	1.6	3.8	3.8	4.2	5.2	3.7	2.2	8.0	7.3
1984/85	18.7	17.1	1.3	1.7	6.9	5.3	3.1	3.7	4.8	4.2	7.9	7.9
1985/86	17.3	18.0	1.4	1.4	6.0	6.4	3.7	3.4	3.6	4.2	7.3	7.6

1/ EXCLUDES INTRA-EC TRADE. JULY/JUNE YEARS THROUGH 1975/76. SUBSEQUENTLY YEARS ARE OCTOBER/SEPTEMBER.
2/ WORLD CORN/SORGHUM INCLUDES INTRA-EC TRADE.
3/ INCLUDES ALGERIA, ECUADOR, GABON, INDONESIA, IRAN, IRAQ, KUWAIT, LIBYA, NIGERIA, VENEZUELA.

** SPECIAL REPORT**
CHINA'S GRAIN SITUATION

The following article in based on observations made during a recent trip to China:

Stocks of corn in Northeast and to a lesser extent in North China should enable China to maximize corn loadings and exports through CY 1986. The drawdown of stocks (most of which accumulated over the past three years due to structural changes in feed and food use), the planned reduction of corn acreage and the stabilization of outturn, and increasing feed and industrial usage should limit exportable supplies beginning in 1987. According to CEROILFOOD (the government grain trading agency) and some provincial officials, all domestic outturn will eventually be utilized domestically, and China may resume importing corn. However, it appears more likely that even with increased usage, Jilin Province (Northeast China) will normally have about 2 million tons of excess corn which could be shipped to deficit areas in South China or exported. Given China's chronic shortage of foreign exchange, trade relationships with Japan, and the growing barter trade with the USSR, it is likely most of the surplus will be exported. With the exception of Northeast China and portions of North China, outturn in all other areas will be below requirements.

Exporters have sold more Chinese corn than can be delivered in CY 1985. Trade sources estimate CY 1985 sales could total about 5.0-5.5 million tons. According to knowledgeable Chinese sources, deliveries will fall within the range of from 3.0-4.0 million tons, implying a potential shortfall. Trade sources also report the cancellation of 1.0 million tons of corn previously earmarked for South Korea; other trade sources believe that 500,000 tons of Japanese purchases this year will be carried over into 1986. Jilin provincial officials stated they will be unable to fulfill state quotas for corn deliveries to the USSR. In May of this year, the Chinese stopped offering corn, presumably because of large sales already on the books to the USSR and other destinations, and limited loading capacity.

Vessel loadings probably peaked in April and May and will likely fall throughout the remainder of this summer and fall. Apparently, all ports north of Lianyungang have been pressed into service loading corn, often at the expense of other goods. The weather has been unusually dry through May, but the onset of the rainy season and the drawdown of stockpiles near port areas will slow the pace of loadings.

Port expansion is underway or planned for most northeastern ports, but for at least three--Dalian, Yantai, and Qingdao--grain loading facilities are not a part of this expansion. None of the northeastern ports currently have bulk-loading facilities for grain, and have had to resort to using coal-loading equipment for bulk handling.

An additional constraint on increasing grain exports is that the northeastern ports cannot currently service large ships. Dalian is the only port in the region which can load 20,000 ton vessels, while the others have a 15,000 ton vessel limit.

The Chinese are intent on increasing their capability to discharge imported wheat, especially at northeastern ports. Climate restricts the cultivation of wheat to limited areas of the Northeast, but the demand for wheat in urban and rural areas has grown rapidly over the past few years and is likely to continue. Even if available, the transfer of wheat from North China, virtually all of which is by rail, is limited by inadequate transportation. Within the past six months a contract was signed with an English firm for the installment of a pneumatic unloader at Dalian that will double that port's capacity to unload wheat from the current 1.5 million to over 3.0 million tons a year. A similar facility reportedly will be installed to the west of Dalian, at the port of Qinhuangdao.

Wheat consumption is also increasing in the major wheat growing areas of North China. The renovation of existing flour mills and the construction of new ones, along with the construction of noodle plants and bakeries, is prevalent throughout the region. Imports are down in recent years because of sizeable increases in production; however, production in Shandong is barely adequate in a good crop year, and wheat from this province is usually not of exportable quality. Growing demand for flour, especially high quality and specialty flours, will likely bring about an increase in wheat imports in North China.

CORN AND SORGHUM

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: As of mid-August, the 1984/85 U.S. coarse grain export estimate was lowered to 57.2 million tons, reflecting reduced corn and barley trade prospects. Corn exports to Japan and Mexico have dropped off, but shipments to the European Community have recently increased. The export forecast for October-September 1985/86 remains at 56.1 million tons.

Shipments and Sales: Corn shipments of 2.3 million tons in the 4-week period ending August 22 were equal to the previous month's total. However, new sales of 1.6 million tons were about 10 percent higher than last month. U.S. sorghum shipments (526,000 tons) during this period were about equal to last month, but new sales reported (198,700 tons) showed a significant decline.

US CORN AND SORGHUM SHIPMENTS, SALES AND INSPECTIONS 1/
(OCTOBER/SEPTEMBER--MILLION TONS)

Monthly Shipments

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
May 23	3.9	4.2	.3	.4
Jun. 20	3.7	2.3	.3	.3
Jul. 18	2.7	2.3	.4	.2
Aug. 22	3.7	2.7	.5	.7
TOTAL FOR MY	43.6	43.5	5.6	6.2

Monthly Sales

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
May 23	2.6	2.3	.2	.2
Jun. 20	2.4	2.5	.2	.6
Jul. 18	2.3	1.5	.4	.5
Aug. 22	3.7	1.9	.5	.3
TOTAL FOR MY	48.6	47.0	6.6	7.1

Weekly and Annual Inspection Rates

	CORN MT	CORN BU	SORGHUM MT	SORGHUM BU
Week Ending August 15	0.5	19.5	0.09	3.5
Week Ending August 22	0.4	17.6	0.13	5.1
Official Estimate for Current MY (Grain only)	48.5	1908	6.99	275
Implied Weekly Average	0.9	36.7	0.13	5.3
Latest Six Weeks Weekly Average	0.5	20.8	0.09	3.6
Marketing Year-To-Date Weekly Average	0.9	36.9	0.14	5.4
Weekly Avg. Extrapolated Annually	48.8	1921	7.11	280
Balance of Year to Achieve Estimate Implied Weekly Average	0.9	34.4	0.11	4.4

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.
Source: Export Sales; FGIS

IMPORTER BUYING ACTIVITY

Egypt was the largest purchaser of U.S. corn, with Portugal, Korea, and Taiwan also buying significant quantities. Thailand was also successful in making corn sales to Korea.

RECENT CORN AND SORGHUM IMPORTER BUYING ACTIVITY
REPORTED BETWEEN JULY 25 AND AUGUST 24, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
7/25	Korea	US	50,000	YC	124.00 C&F	Sep/Nov
7/31	Egypt	US	200,000	#3 YC	120.84 @ 22.73	September
	Portugal	US	18,000	YC	110.23	August
8/1	Taiwan	US	41,000	YS	101.20 C&F	Sep/Oct
8/2	Portugal	US	155,000	YC	108.05 @ 108.75	Aug/Sep
8/5	Korea	US	50,000	YC	?	September
	Korea	Thailand	20,000	Corn	?	September
8/7	Tunisia	US	48,644	YC	102.98 @ 102.49	Aug/Sep
8/14	Portugal	US	60,000	YC	103.25 @ 100.90	October
8/19	Egypt	US	205,000	YC	103.78 @ 109.49	Sep/Oct
8/22	Korea	US	50,000	YC	115.64 C&F	September
	Korea	Thailand	15,000	Corn	96.84 C&F	October
	Jamaica	US	2,127	#2 YC	105.99	September
	Egypt	US	150,000	YC	?	September
	Portugal	US	88,000	YC	97.05	September

1/ YC=#3 Yellow Corn unless otherwise stated, and YS=Yellow Sorghum
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

<u>Other Exporting Countries' Selling Activity and Competitive Practices</u>

CORN AND SORGHUM SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1982/83-1983/84
(OCTOBER/SEPTEMBER--MILLION TONS)

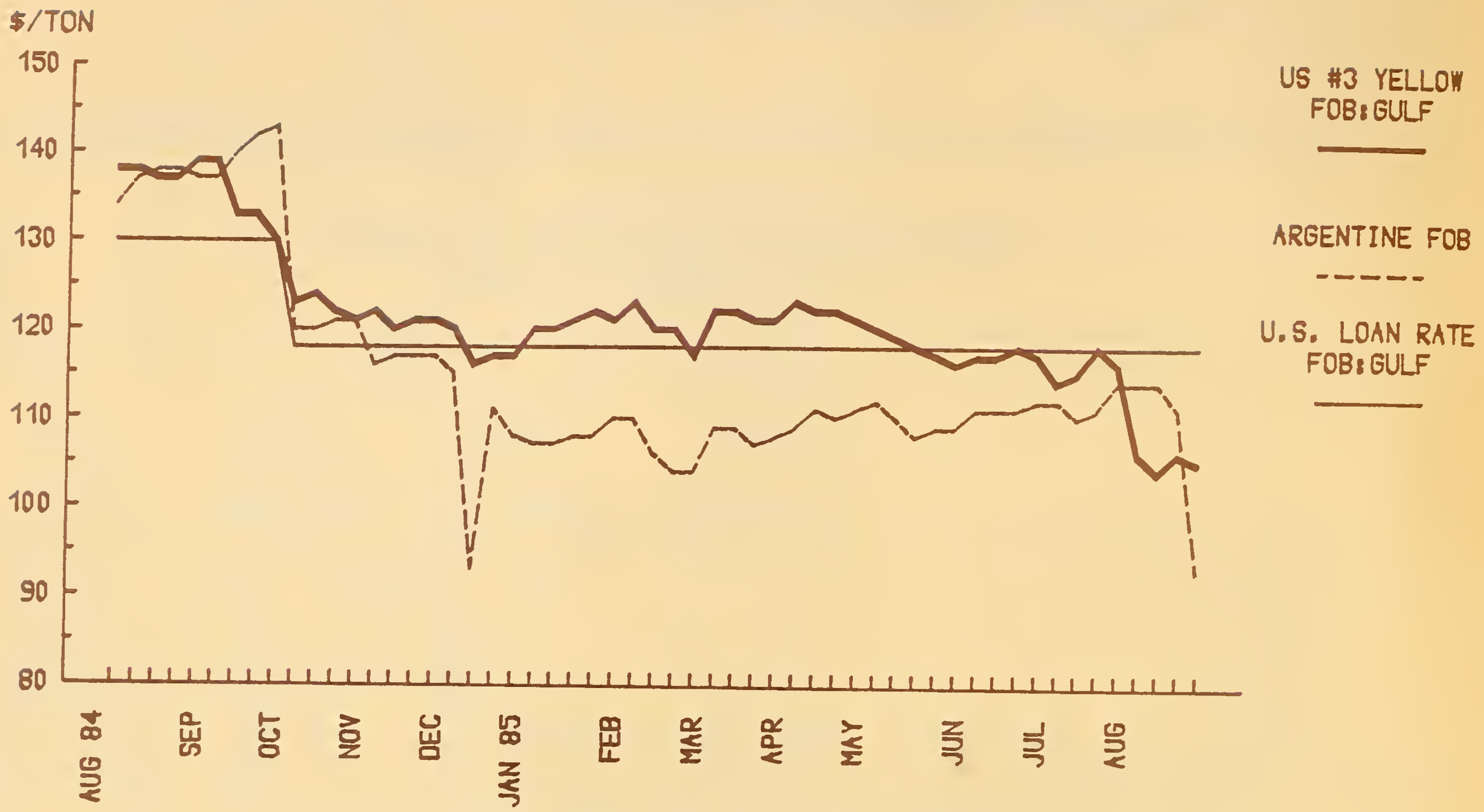
	SORGHUM		CORN					
	Argentina		Argentina		Thailand		TOTAL	
	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
4 Weeks Ending 1/								
May 23	1.1	.8	1.1	1.7	.1	.1	2.3	2.6
June 20	.8	.6	.8	1.3	.2	.1	1.7	2.0
July 18	.6	.5	.7	.8	.1	#	1.4	1.5
Aug. 22	.2	N/A	.5	N/A	.3	N/A	1.0	N/A
Cumulative in Marketing Year	4.6	3.0	5.6	6.3	2.8	2.4	13.0	11.7
TOTAL FOR SEASON 2/	4.8	3.5	5.9	8.0	3.1	2.8	13.8	14.3

N/A = Not Available
1/ Or nearest date thereto.
2/ Projection for 1984/85.
Less than 100,000 tons.

**<u>Thailand</u>: Japanese importers recently made a 10,000 ton purchase of new crop corn from Thailand for October shipment on a trial basis. Although a purchase of that size represents a drop in the bucket compared to Japan's annual 14-15 million ton imported corn needs, it represents renewed Thai interest in expanding its corn trade with Japan. Thai corn production is presently forecast at a record 4.9 million tons for 1985. With exports also forecast at a record of 3.5 million tons, Thailand is actively seeking buyers for its bumper harvest. Japan has not purchased substantial quantities of corn from Thailand since 1981 because of previous problems with aflatoxin contamination.

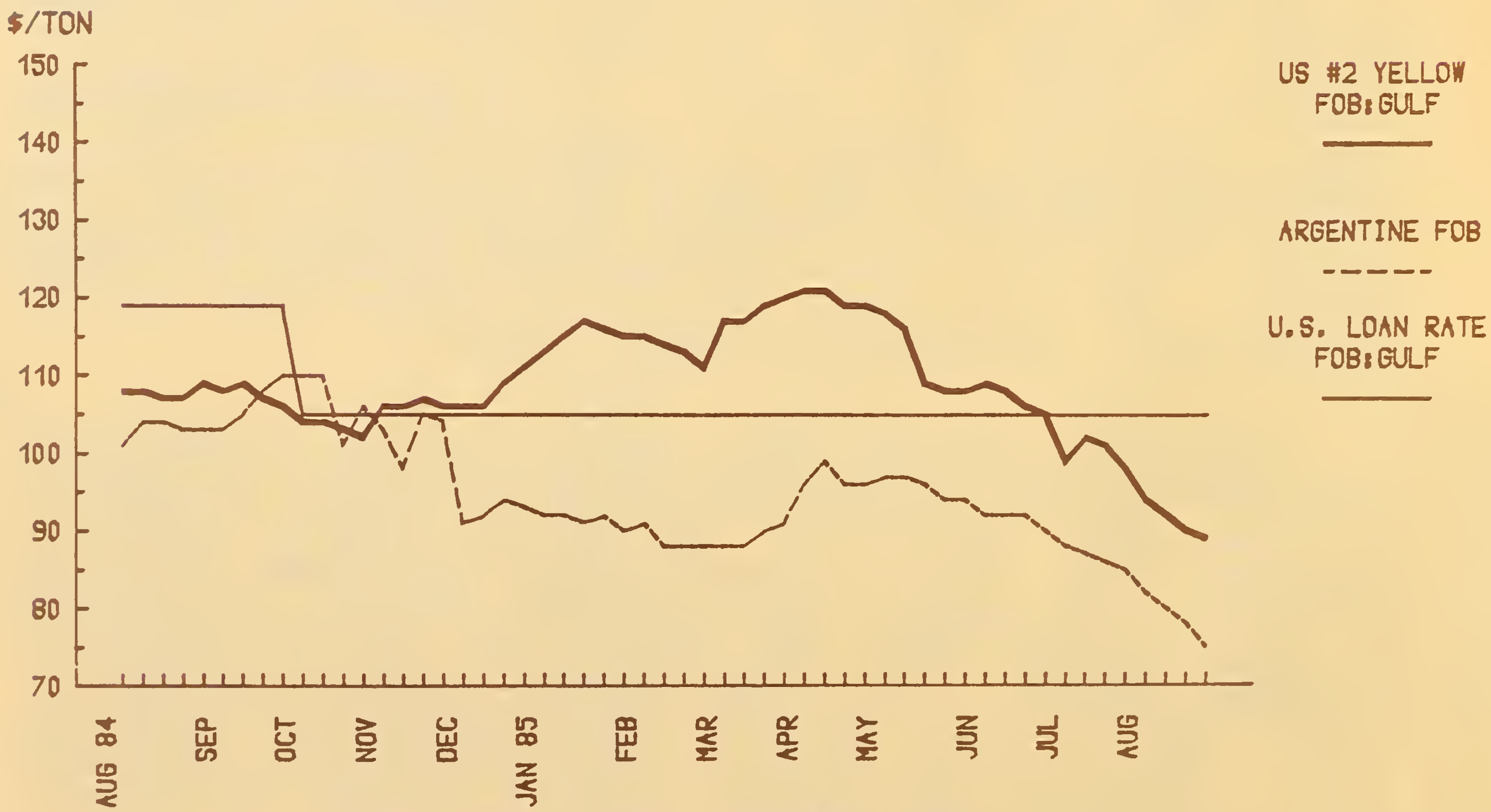
**<u>EC</u>: The EC announced a special export program for 150,000 tons of French corn to Sapin, Portugal, Switzerland, and Austria, with Spain as the most likely destination. The corn is expected to originate in southwest France, where an estimated surplus of 600,000 tons exists, and will be for shipment from August-October 1985. U.S. corn exports to these countries during the current trade year are likely to be adversely affected. The EC has recently authorized the export of 60,000 tons of French corn to Austria, Switzerland, and Lichtenstein with a subsidy of $70 per ton. In October-September 1984/85, the United States is forecast to export 2.0 and 1.5 million tons of corn to Spain and Portugal, respectively.

CORN EXPORT PRICES
U.S. AND ARGENTINE



AUGUST 84 THRU AUGUST 85 (MID-WEEK PRICES)

SORGHUM EXPORT PRICES
U.S. AND ARGENTINE



AUGUST 84 THRU AUGUST 85 (MID-WEEK PRICES)

U.S. CORN AND SORGHUM EXPORTS BY DESTINATION
(OCTOBER/SEPTEMBER--1,000 TONS)

Destination	1981/82	1982/83	1983/84 Actual Exports	1983/84 Committed as of 8/23/84 1/	1984/85 Committed as of 8/22/85 1/
---CORN---					
EC	7,095	4,033	3,677	3,520	2,072
Other W. Europe	8,204	5,388	4,473	4,477	3,998
Eastern Europe	3,889	1,470	727	734	616
USSR	7,772	3,200	6,500	6,600	15,750
China	1,117	2,161	18	--	--
Japan	10,598	13,180	13,781	15,655	11,611
Taiwan	1,718	3,000	2,676	2,731	3,275
Rep. of Korea	2,690	3,908	2,972	2,966	1,492
Egypt	1,350	1,516	1,303	1,484	1,589
Canada	800	750	283	169	272
Mexico	571	4,091	2,808	2,639	1,264
Venezuela	414	892	1,140	1,058	638
Others	3,732	3,938	6,992	6,536	4,460
Total	49,940	47,527	47,350	48,569	47,037
--SORGHUM--					
Spain	790	105	465	401	45
Other W. Europe (excl. Spain)	540	251	136	166	78
Japan	2,437	741	1,505	1,711	2,737
Israel	368	341	574	643	556
Mexico	544	3,260	2,758	2,863	1,976
Venezuela	713	243	206	278	1,082
Others	898	462	582	591	619
Total	6,290	5,403	6,226	6,653	7,093

1/ Accumulated shipments and sales, excluding sales for next marketing year.
Source: U.S. Bureau of Census and U.S. Export Sales Report.

U.S. CORN SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM JUNE 1983 - JUNE 1985

Competitive Developments in Selected Foreign Markets

**Yugoslavia: Export availabilities of corn will be affected this year because of lower production prospects caused by hot, dry weather during the critical growth periods of pollination and kernel formation. A large reduction from a forecast of 12 million tons is likely, which could trim exports by as much as 500,000 tons. Yugoslavia is currently forecast to export 1.5 million tons of corn in October-September 1985/86, but a crop of less than 10 million tons would be the smallest in 5 years. Domestic consumption is forecast at a record 10.5 million tons and, if maintained near this level, will require either a substantial draw-down in stocks, or corn imports later this year.

**Canada: In response to the U.S. enacting a tariff on Canadian hog imports which is tied to Canadian subsidies, the Ontario Corn Producers Association (OCPA) announced it is examining (1) U.S. policies in which corn may be directly and indirectly subsidized, and (2) the possibility of aflatoxin-contaminated U.S. corn entering Canada. The OCPA says that as long as barriers to hog imports continue, Canada may restrict imports of U.S. corn which have averaged approximately 700,000 tons over the last 5 years.

**Japan: End-of-year import data for July-June 1984/85 shows that sorghum imports from all sources exceeded 4.6 million tons, the highest level of Japanese imports in 5 years. However, corn imports of 13.8 million tons were the lowest level since 1981/82. Price relationships in the world market between sorghum and corn the past year were such that heavy substitution of sorghum took place in Japanese feed rations. Early import forecasts for 1985/86 indicate much higher corn imports due to more normal corn feeding patterns, and continued a high level of sorghum imports. The United States exported 12.3 million tons of corn and 2.5 million tons of sorghum to Japan in July-June 1984/85.

**Colombia: Colombia could import up to 100,000 tons of sorghum by the end of 1985 because of a substantial drop in sorghum production. Recent sorghum transactions at the Bogota Commodity Exchange show that domestic sorghum prices are about $20 per ton higher than imported sorghum, and in order to prevent price competition, the Grain Growers Federation has requested price increases of 3.2 percent per month on imported sorghum for the balance of the year. Despite the production decrease, demand for sorghum from the Colombian livestock industry is expected to remain strong in July-June 1985/86.

**Saudi Arabia: In what could indicate the beginnings of a possible shift from barley to corn, Saudi Arabia made the largest single purchase of U.S. corn in recent years, 180,000 tons (15,000 tons for delivery in 1984/85 and 165,000 tons in 1985/86). Corn purchases from the United States for the last five years have averaged about 90,000 tons, with corn imports from all origins averaging about 425,000 tons. USDA forecasts Saudi Arabia to import 6 million tons of barley and 700,000 tons of corn from all sources in October-September 1985/86.

**Thailand: A bumper Thai corn crop is likely and will put downward pressure on domestic prices and encourage the Thai government to expand markets for corn exports. However, increased corn exports may be constrained by other suppliers and significantly weaker demand from East Africa and the Soviet Union. As a result of the record crop, wholesale prices for corn have fallen 17 percent in the last month. Thailand hopes these lower prices along with efforts to reduce the level of aflatoxin in its corn will result in record corn export levels in the coming year.

Internal Price Policies of Foreign Countries

**Brazil: New production-support measures could lead to sharply increased corn exports from Brazil and a corresponding cut in U.S. corn export possibilities. The Production Loan Schedule (VBC), which along with support prices is the primary vehicle of Brazilian agricultural policy to stimulate production, was recently announced. The VBC's averaged almost 250 percent higher than last year and are considered high enough to cover farmers' increased variable costs, even with Brazil's rampent inflation. The VBC is a planting credit that assures loans at 3 percent interest plus 100 percent of the monetary correction. The size of the loans are based on production costs, productivity levels, region, and size of farm. Corn is one of the crops that will be most affected, since much is grown by small farmers who will receive 100 percent of the VBC; medium and large-sized farms will get 90 and 80 percent respectively. If preliminary reports of a 10 percent increase in corn acreage hold true a sizeable increase in production could take place, which could lead to higher exports. Brazil is forecast to export 200,000 tons of corn in April-March 1985/86.

TAPIOCA

Other Countries' Selling Activity and Competitive Practices

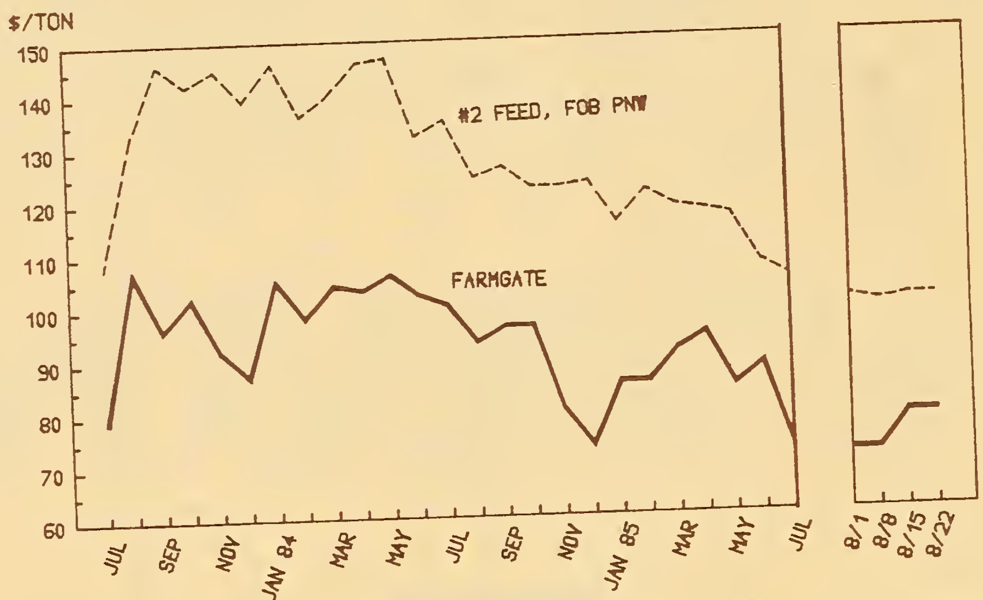
**United States: California ranchers have imported tapioca pellets as a feedgrain substitute for the first time because of low prices for protein additives and Thai tapioca. Until now, the United States has only imported tapioca for food purposes, usually on the order of 40-50,000 tons annually. The recent price relationships together with aggressive marketing of tapioca by Thailand have resulted in expanded sales into such non-traditional markets as the USSR, Japan, Korea, and Portugal, as well as the United States. The low price for tapioca is a result of Thailand's record crop and its voluntary restraint on tapioca exports to the European Community, which normally takes 95 percent of world tapioca trade. Tapioca (also known as cassava or manioc) is a subsistence food crop in many tropical developing countries which is high in energy, but virtually devoid of usable protein. Typically, the EC with its high variable levies on feed grains is the only importer which finds it economical to use tapioca for feed (see EMG-5-85, May 1985, for a more detailed discussion of displacement of feedgrains by tapioca).

BARLEY SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(OCTOBER/SEPTEMBER--MILLION TONS)

	U.S.		CANADA		FRANCE 2/		U.K. 2/		TOTAL	
4 Weeks Ending 1	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
May 23	0.1	#	0.6	0.2	0.1	0.3	0.1	0.3	0.9	0.8
June 20	0.1	#	0.4	0.1	0.1	0.2	0.1	0.3	0.7	0.6
July 18	#	0.1	0.2	0.1	#	N/A	#	N/A	0.3	N/A
August 22	0.1	0.1	0.3	N/A	0.2	N/A	0.8	N/A	1.4	N/A
Cum. Since Oct 1	1.8	1.1	4.0	1.9	0.8	2.2	1.2	2.3	7.8	7.5
Total For Season 3/	2.1	1.3	4.2	3.1	1.1	3.0	1.4	3.0	8.8	10.4

1/ Or closest date thereto.
2/ Excludes intra-EC trade; Cumulative reflects available data.
3/ Projection for 1984/85.
N/A Not available
Less than 50,000 tons.

U.S. FEED BARLEY PRICES
INTERIOR AND EXPORT POSITIONS



JUL 83 TO JUL 85 MID-MONTH   AUG MID-WEEK PRICES

U.S. BARLEY EXPORTS BY DESTINATION
(JUNE/MAY--1,000 TONS)

			1984/85		1985/86
Destination	1982/83	1983/84	Total Exports	Committed as of 8/23/84 1/	Committed as of 8/22/85 1/
EC	122	360	105	59	--
Other W. Europe	226	441	353	370	1
Eastern Europe	--	126	--	--	--
Taiwan	146	223	259	53	50
Japan	119	372	314	259	99
Others	317	509	514	106	64
TOTAL	930	2,031	1,545	847	214

1/ Accumulated shipments and sales excluding sales for next marketing year.
SOURCE: U.S. Census for 1982/83-1983/84 and U.S. Export Sales for 1984/85-1985/86.

BARLEY, OATS, AND RYE

U.S. Exports
June/May--1,000 Tons

Grain	1983/84	1984/85 1/	1985/86 2/
Barley	1,991	1,676	1,306
Oats	39	15	30
Rye	25	10	25

1/ Estimated 2/ Projected

Other Countries' Selling Activity and Competitive Practices

**Spain: Spain has temprorarily stopped issuing licenses to export barley in order to slow a sharp rise in domestic barley prices. Earlier this month, Spain announced a subsidy to help export 600,000 tons of barley in CY 1985 to help avoid a domestic market glut. Traders have applied for licenses exceeding the 600,000 tons ceiling, and as of late August, licenses for 240,000 have been granted.

BEANS, PEAS, AND LENTILS

Competitive Developments in Selected Foreign Markets

**Mexico: Import requirements for dry beans in October-September 1985/86 are now forecast at 200,000 tons, and the current year estimate was raised to 110,000 tons. The reasons for the increases are smaller plantings than originally anticipated due to strong competition from corn and sorghum. Current year purchases to date are reported as follows: Chile-58,000; Argentina-35,000; and the United States-11,000 tons.

RICE

LATEST U.S. EXPORT FORECAST, SHIPMENT AND SALES 1/

Export Forecast. The forecast for the 1985/86 marketing year is unchanged at 1.9 million tons, reflecting expected continued erosion of U.S. market share in South Africa, the Middle East, and Western Europe.

Shipment and Sales. U.S. rice exports during the 4-week period ending August 22 totaled 125,600 tons, down slightly from the previous 4-week total of 148,400 tons. Major destinations included Iraq, Saudi Arabia, and Senegal. Cumulative shipments for the new marketing year through August 22 totaled 70,100 tons, or less than half the level of shipments for the same period one year ago. During the 4-week period ending August 22, registrations of new export sales for delivery in the current marketing year totaled 117,200 tons, compared to the previous 4-week total of 86,200 tons. Export commitments for 1985/86 delivery now total 602.5 thousand tons, or approximately 4 percent below the 629.1 thousand tons registered as of this date one year ago.

1/ Shipments and sales are on a product basis.

Weekly U.S. Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
Aug 1	56,200	40,050
Aug 8	39,000	42,200
Aug 15	9,400	32,450
Aug 22	21,000	31,400

IMPORTER BUYING ACTIVITY

After several slow months, buying activity rebounded sharply last month with Thailand receiving most of the new business. Senegal bought 100,000 tons of A-1 Special from Thailand and Nigeria reportedly agreed to buy 100,000 tons of parboiled 5%. These two sales were apparently the result of a recent Thai trade mission to West Africa. Brazil is also believed to have purchased 100,000 tons from Thailand, and 30,000 tons from Uruguay. Sri Lanka reportedly bought 100,000 tons of rice from China and 50,000 tons from Pakistan, and the Philippines purchased 152,000 tons of brown rice from the United States under the PL-480 program.

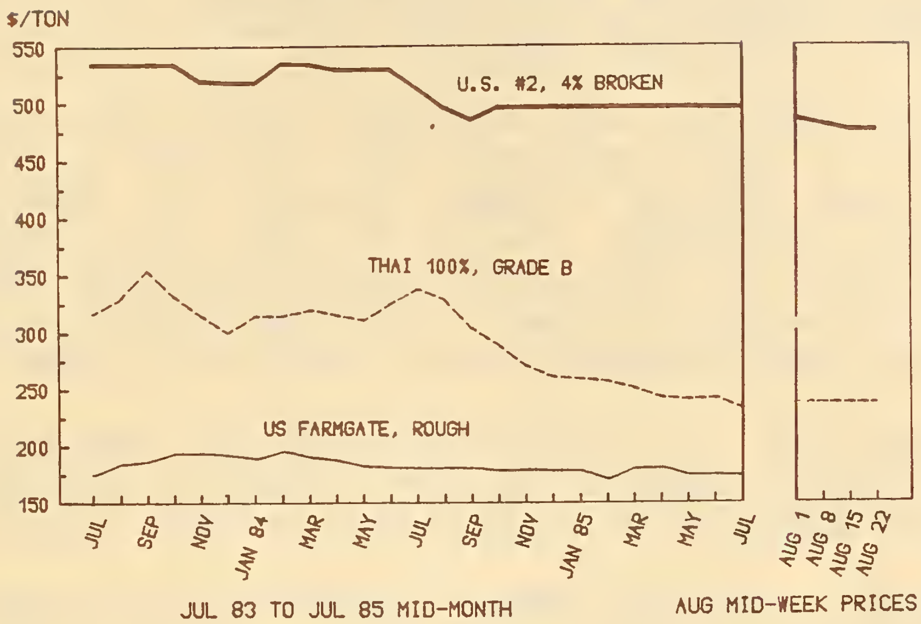
**Philippines: The Government of the Philippines purchased 151,866 tons of #5/20% medium grain brown rice on July 29 under a $40 million U.S. PL-480 agreement. The Philippines had been expected to import as much as 500,000 tons of rice in CY 1985, but with this purchase, the NFA (National Food Authority) reportedly has completed rice purchases for the current year, with total import commitments estimated at about 470,000 tons.

**Iraq: A tender for 37,500 tons was issued August 16 for reply on August 21. The Iraqi Grain Board subsequently requested to delay awards until August 28, but results have yet to be announced.

Iraq has a remaining balance of $68.2 million under GSM-102 credit guarantees, which should cover the purchase of about 180,000 tons of rice. While all purchases must be made before September 30, Iraq has until December 31 to complete shipment.

**Sri Lanka: The Food Commissioner's Department reportedly has purchased an additional 100,000 tons of 35% broken rice from China's Ceroilfoods, as earlier anticipated. The Department also bought an unexpected additional 50,000 tons of Sind 40/45% from Pakistan. Of the new purchases, 40,000 tons will likely be delivered in November or December, with the balance to be shipped in 1986. Unfavorable weather conditions and ethnic disruptions in northern Sri Lanka have caused a production shortfall in the fall harvested Yala crop, forcing Sri Lanka to import as much as 200,000 tons in CY 1985. Imports of at least 150,000 tons are also expected in 1986 to maintain buffer stocks at acceptable levels.

RICE PRICES
US AND THAI (C&F ROTTERDAM) AND US FARM



OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

Thailand's Board of Trade (BOT) has not changed the posted export prices since early July. However, during the past month, actual export prices of 100% B advanced by about $10, to $194 per ton, probably on the strength of recent Iranian purchases, while parboiled 5% remained more or less steady at $178 per ton. Current prices are still well below last year's levels, with prices one year ago reported at $272-275 per ton for 100% B and $265-268 per ton for parboiled 5%. In Rotterdam, the price of U.S. #2/4% long grain has moved downward by $10 in August to $475 per ton, reflecting the continued weak demand for U.S. rice. Other grades of U.S. rice have followed. Medium and low quality rice prices continue to be pressured, with offering prices in Pakistan's August 20 tender of only $141-143 per ton for 40/45%. Taiwan has also announced a new policy calling for sharply lower prices for remaining supplies of 1983/84 crop rice.

**Thailand: The current level of Thai rice exports continues to lag behind the record pace of last year. Total exports for CY 1985 are now expected to reach only 4.25 million tons, down more than 250,000 tons from last year. Exports as of August 17 totaled 2.82 million tons, compared to 3.03 million tons for this period last year.

Weekly Thai Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
Jul 20	50,274	59,062
Jul 27	67,064	57,343
Aug 3	73,978	58,830
Aug 10	97,118	72,108
Aug 17	96,174	83,583

New sales picked up sharply last month, with large purchases by Senegal and Iran, however, total commitments for CY 1985 as of August 21 are estimated at only 3.21 million tons, compared with 4.01 million tons registered by the same date last year.

The Bank of Thailand has announced it will offer improved terms for soft credit to rice exporters until December 31, in a bid to boost exports in the current calender year. The loan period has been extended from six months to up to three years, while the amount of credit available to an exporter has been increased from 50% to 60% of the value of the sales contract. The loans currently carry an interest rate of 9% per year, compared to the current Thai prime rate of 15.5%.

Drought conditions in northern Thailand have damaged 101,170 hectares of paddy fields, representing one percent of the total rice area in Thailand. The impact on total production is unknown at this time.

**Pakistan: The Rice Export Corporation of Pakistan (RECP) posted its highest monthly export level of the year with 93,791 tons exported in July. This brings total CY 1985 exports through July to only 390,527 tons, compared to about 705,000 tons for the same period last year. The RECP has increased export levels during the past several months using a weekly tender scheme. In a tender held August 20, the RECP received offers of $155.78 per ton for 10,000 tons of 15/20% and $141 and $143 per ton for Sind 40/45% (90 Kg bags, shipment within 60 days), but awards are not yet known.

**Burma: The Myanma Export Import Corporation (MEIC) shipped 51,983 tons of rice in July, excluding brokens. These shipments to Mauritius, Reunion, China, and Bangledesh, raise CY 1985 exports to 214,001 tons. The current level of MEIC's exports is 57 percent below that of last year at this time. MEIC recently offered 10,000 tons of long boiled 10% broken rice, but results of the tender are not known.

**Argentina: The Agricultural Secretariet has announced the reduction of export taxes on different types of rice. The previous rates of between 15.5 and 24.5 percent have been reduced to between 5 and 20 percent. The reduction was reportedly made to help exporters become more competitive in light of the decline in international rice prices over the past few years. Indeed, Argentine rice has become more competitive on the Rotterdam market, with prices already moving down $20 per ton for brown 7% broken rice since the announcement was made. Argentina is expected to export 145,000 tons of rice in CY 1985.

**Australia: The Bureau of Agricultural Economics has lowered its forecast of the 1985/86 rice crop to 737,000, about 100,000 tons lower than it predicted in June. The lower estimate is a result of a 12,000 hectare drop in area from the June forecast. The fall in production could limit rice exports in CY 1986 which are currently forecast at 500,000 tons.

RECENT RICE IMPORTER BUYING ACTIVITY
REPORTED BETWEEN JULY 30 AND AUGUST 25, 1985

Buyer	Origin	Quantity 1,000 Tons	Quality 1/	Price $/MT 2/	Delivery Period	Date of Report
Algeria	Thailand	6.0	5%	N/A	N/A	8/20
Brazil	Thailand	25.0	10%	198	Sep/Nov	8/20
	Thailand	75.0	15%	193	Sep/Nov	8/20
	Uruguay	30.0	N/A	N/A	N/A	8/26
	Argentina	36.0	N/A	N/A	N/A	8/26
Djibouti	Thailand	2.0	P 10%	N/A	N/A	8/20
	Thailand	1.0	P 100%	N/A	N/A	8/9
Dominican Rep	U.S.	22.3	#5/20% LG	314 3/	Sep	8/19
Dubai	Thailand	1.0	5%	183-145	N/A	8/9
	Thailand	2.0	10%	N/A	N/A	8/9
	Thailand	1.0	P 10%	N/A	N/A	8/9
Ghana	U.S.	9.3	#5/20% LG	318 3/	Sep	8/22
Iran	Thailand	15.0	100% B	N/A	N/A	8/20
Italy	Thailand	1.3	100% B	193	Aug	8/9
	Thailand	2.5	B 100%	N/A	N/A	8/9
	Thailand	1.3	A-1 S	138	Aug	8/9
Jamaica	U.S.	7.2	#5/10% BR,LG	278 3/	Sep	8/21
Japan	Thailand	4.0	Gl	N/A	Aug-Oct	8/20
Liberia	U.S.	2.8	#5/20% LG	315 3/	Sep	8/8
	U.S.	14.8	#5/20% P,LG	320-329 3/	Sep	8/8
Morocco	U.S.	10.1	#4/15% B,MG	265 3/	Sep	8/12
Nigeria	Thailand	5.0	P 5%	178	Sep	8/26
Philippines	U.S.	151.9	#5/20% B,MG	255 3/	Sep	8/1
Saudi Arabia	Thailand	1.3	A-1 Spec	N/A	N/A	8/26
Senegal	Thailand	100.0	A-1 Spec	169 4/	N/A	8/26
Somolia	Thailand	1.0	P 10%	183	N/A	8/20
Sudan	Thailand	1.0	P 10%	N/A	N/A	8/20
Syria	Australia	15.0	MG/SG	N/A	N/A	8/21
	Italy	15.0	5%	N/A	N/A	8/21
Togo	Thailand	14.5	35%	168	July	8/20
	Thailand	6.0	P 5%	N/A	N/A	8/9
Zanzibar	Thailand	10.0	10%	286 4/	Aug	8/2
N/A	Pakistan	10.0	15/20%	156	N/A	8/21
N/A	Taiwan	30.0	25% LG	130	N/A	8/22

1/ P = Parboiled, LG = Long Grain, MG = Medium Grain, SG = Short Grain, B = Brown, F = Fragrant, L/Bld = Long, Boiled, F/Bld = Full Boiled, Gl = Glutinous, S = Super, Spec = Special
2/ F.O.B. basis unless otherwise indicated. Price information is in many cases unconfirmed and as reported through unofficial market sources.
3/ F.A.S., (U.S. PL-480 sale)
4/ C&F
N/A Not available.

U.S. RICE EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
FOR 1982/83-1984/85 AND AUGUST 1 THROUGH AUGUST 22 FOR 1985/86
(AUGUST/JULY--1,000 TONS)

Destination	Marketing Year	Long Grain Milled	Long Grain Brown 2/	Other 1/ Milled	Other 1/ Brown	Total Exports
EC-10	1982/83	1	214	15	--	230
	1983/84	29	192	2	70	293
	1984/85	10	209	7	98	331
	1985/86	0	75	0	0	75
Other W. Europe	1982/83	33	54	3	4	94
	1983/84	23	35	3	138	199
	1984/85	26	31	4	63	125
	1985/86	14	2	1	0	16
Iraq	1982/83	327	--	*	--	327
	1983/84	230	--	2	--	232
	1984/85	429	15	1	--	445
	1985/86	150	0	0	--	150
Saudi Arabia	1982/83	267	--	2	--	269
	1983/84	253	--	6	--	259
	1984/85	239	--	6	--	244
	1985/86	28	--		--	28
Other Middle East	1982/83	48	--	2	--	50
	1983/84	40	--	12	--	52
	1984/85	41	--	4	--	46
	1985/86	2	0	1	--	3
Republic of Korea	1982/83	--	--	*	213	213
	1983/84	--	--	*	112	112
	1984/85	--	--	--	--	--
	1985/86	--	--	--	--	--
Other Asia & Oceania	1982/83	2	--	129	--	131
	1983/84	3	--	140	--	143
	1984/85	3	--	99	--	102
	1985/86	1	--	1	152	154
Nigeria	1982/83	159	--	--	--	159
	1983/84	63	--	--	--	63
	1984/85	*	--	--	--	--
	1985/86	0	--	--	--	--
Other Africa	1982/83	148	110	153	4	415
	1983/84	95	150	136	--	381
	1984/85	116	65	278	11	476
	1985/86	46	0	57	10	113
Western Hemisphere	1982/83	137	23	86	38	284
	1983/84	156	24	109	14	303
	1984/85	137	48	13	19	217
	1985/86	40	15	1	8	64
Total 3/	1982/83	1,148	400	392	259	2,199
	1983/84	900	401	408	338	2,047
	1984/85	985	389	422	190	1,998
	1985/86	280	92	61	170	603

* Less than 500 tons.
1/ Includes short, medium, and mixed.
2/ Data not converted to a milled equivalency, and includes rough rice.
3/ Discrepancies due to rounding and changes to unknown destinations.
Source: U.S. Export Sales Report

**Taiwan: The Central Trust of China (CTC) has announced a new export sales policy regarding prices and financing on 100,000 tons of 1983/84 crop rice. For sales of less than 20,000 tons Bonlai (medium grain) 15% broken rice is priced at $138 per ton, and Tsailai (long grain) 25% broken rice is $132.50 per ton. For sales of 20,000-49,999 tons, the price is $135 and $140 per ton respectively. On sales of 50,000 tons or more the prices are $132.50 for Bonlai and $127 for Tsailai. The CTC will also provide financing of 90 days on sales over 30,000 tons and 120 days on sales over 50,000 tons. With an unexpectedly poor export performance in CY 1984 and a disappointing sales pace so far this year, Taiwan apparently has made a strong bid to boost sales. Amid a trend of declining world prices and a shrinking world market, the CTC's action may suggest a new level for rice prices.

**Brazil: The Ministry of Agriculture has increased the 1985/86 production loan levels for upland and irrigated rice by 264 and 234 percent, respectively, over the levels of last year. The increased loan levels are intended to cover the real production cost increases incurred during the past year, plus the price changes due to runaway inflation. The program also has been changed this year to provide relatively greater assistance to small and medium sized farms, while limiting the amounts loaned to large farms. The government has also established the minimum guaranteed paddy prices for the 1985/86 rice crop at $148 per ton for upland and $152 per ton for irrigated rice (The rate of exchange at the time of this printing was 6900 CR$ = $1.00).

Trade rumors have circulated over the past month indicating large rice import needs by Brazil. Unconfirmed reports indicate Brazil may have purchased 100,000 tons of rice from Thailand, 30,000 tons from Uruguay, and 36,000 tons from Argentina. Reportedly, the government has authorized imports of up to 300,000 tons of rice for delivery in the last half of CY 1985, but the recent resignation of the Minister of Finance could delay approval of foreign exchanged allocations for rice purchases.

**Ivory Coast: Production incentives and favorable weather conditions may provide the Ivory Coast with a record rice crop in 1985/86. The government embarked on a self-sufficiency program, beginning with the 1984/85 crop, which aims at increasing production through greater technical assistance, free seed and fertilizer, increased credit availability, and improved marketing, storage and milling facilities. As a result, planted acreage has increased from 410,000 hectares in 1984 to 520,000 hectares in 1985. With the increased application of fertilizer and the favorable weather conditions, yields are also expected to increase.

The higher production could reduce import requirements from 370,000 tons in CY 1984 to as low as 300,000 tons in CY 1985. The principle rice suppliers to the Ivory Coast are China and Thailand, with Burma and Japan supplying lesser amounts. The U.S. sold small quantities in the past to this market, but high prices and a depressed Ivorian economy will keep U.S. rice out of reach for most consumers.

U.S. EXPORT EXPANSION ACTIVITIES

**GSM-102: As of August 23, the Commodity Credit Corporation (CCC) had available credit guarantees totaling $87.0 million. The outstanding credit lines were: Iraq ($68.2 million), Jamaica ($7.5 million), and Portugal ($6.3 million). The credit line for Iraq was increased by $15 million this month, as this amount was transferred from an outstanding credit line for barley.

**PL-480: The FY 1985 PL-480 program was brought to a close last month with the signing of new agreements with the Dominican Republic and Ghana. Final purchases for FY 1985 were made by the Philippines, Liberia, Morocco, Dominican Republic, Jamaica, and Ghana. The FY 1985 PL-480 programs for rice totaled $132.5 million which comered purchases of approximately 444,000 tons. This compares to the FY 1984 program of $87 million and 289,000 tons. The following table outlines the activity for FY 1985 PL-480 Title I/III programs.

STATUS OF P.L. 480 TITLE I/III RICE PROGRAMS FOR FY 1985
(FINAL)

Country	Allocation $Million	Agreement Signed	P.A. Issued	Tender Results: Date	TMT Purchased	Price $/MT FAS	Quality 1/
Completed							
Madagascar	11.0	X	X	12/28	42.1	258-264	MG
Jamaica	8.0	X	X	1/7	9.3	307-313	LG
Bangladesh	20.0	X	X	1/15	75.1	262-281	MG
Mozambique	2.5	X	X	2/5	9.1	274	MG
Morocco	5.0	X	X	3/12	10.0	222	B,MG 7/
Jamaica	2/	X	X	3/27	2.0	325	LG
Jamaica	2/	X	X	4/3	3.7	282	B,LG 8/
Somalia	5.0	X	X	4/24	4.2	307-311	MG
					3.2	323	LG
Somalia	3/	X	X	4/30	9.5	286	MG
Jamaica	2/	X	X	5/6	9.0	286-292	B,LG 8/
					1.5	324	LG
Yemen	8.0	X	X	5/22	20.2	372-383	LG,P 9/
Sierra Leone	2.0	X	X	6/7	0.9	319	MG
					5.3	325-336	LG
Mozambique	7.0 4/	X	X	6/11	23.4	299	MG
Guinea	6.0	X	X	7/10	19.7	301-310	LG
Philippines	40.0	X	X	7/29	151.9	255	B,MG
Liberia	6.0	X	X	8/8	2.8	315	LG
					14.8	320-329	LG,P
Morocco	5/	X	X	8/12	10.1	265	B,MG 7/
Dominican Rep.	7.0	X	X	8/19	22.3	314	LG
Jamaica	2.0 6/	X	X	8/21	7.2	278	B,LG 8/
Ghana	3.0	X	X	8/22	9.3	318	LG
Total	132.5				466.6		

1/ #5/20% unless otherwise indicated, B=Brown, P=Parboiled, MG=Medium Grain, and LG=Long Grain.
2/ From original $8.0 million allocation.
3/ From original $5.0 million allocation.
4/ Amendment to original agreement.
5/ From original $5.0 million allocation.
6/ Amendment to original agreement.
7/ #4/15%
8/ #5/10%
9/ #2/4%

This circular was prepared by the Grain and Feed Division, Commodity and Marketing Programs, FAS/USDA. Telephone: (202) 447-2009.

QUANTITY AND VALUE OF U.S GRAIN AND FEED COMMODITY EXPORTS
IN FISCAL YEAR 1985 AND COMPARISON WITH PRECEEDING YEAR

	JUNE		CUMULATIVE OCT THRU JUNE		ACTUAL EXPORTS	PROJECTED EXPORTS
	FY 84	FY 85	FY 84	FY 85	FY 84	FY 85
WHEAT (grain only)						
Quantity (1000 tons)	2867	2294	27488	22454	41700	31000
Value Per Ton (dollars)	153	146	159	152	156	150
Value (in million dollars)	439	335	4372	3416	6501	4650
CORN (grain only)						
Quantity (1000 tons)	2798	2679	37575	39514	47001	48465
Value Per Ton (dollars)	152	124	150	126	149	127
Value (in million dollars)	425	333	5633	4988	7022	6155
SORGHUM (grain only)						
Quantity (1000 tons)	259	636	4539	6385	6226	6985
Value Per Ton (dollars)	139	127	137	119	133	120
Value (in million dollars)	36	81	623	758	829	838
BARLEY, OATS, AND RYE (grain only)						
Quantity (1000 tons)	101	33	1552	988	2074	1100
Value Per Ton (dollars)	129	121	138	129	134	126
Value (in million dollars)	13	4	215	127	277	137
TOTAL COARSE GRAINS (grain only)						
Quantity (1000 tons)	3158	3348	43666	46887	55301	56550
Value Per Ton (dollars)	150	125	148	125	147	126
Value (in million dollars)	474	418	6471	5873	8128	7130
RICE (grain only)						
Quantity (1000 tons)	206	136	1613	1357	2212	2000
Value Per Ton (dollars)	388	346	413	361	405	350
Value (in million dollars)	80	47	666	490	897	700
PULSES						
Quantity (1000 tons)	21	36	311	336	390	450
Value Per Ton (dollars)	429	417	460	464	451	465
Value (in million dollars)	9	15	143	156	176	209
FLOUR AND OTHER GRAIN PRODUCTS						
Quantity (1000 tons)	295	250	1791	1681	2641	2600
Value Per Ton (dollars)	207	200	216	226	214	235
Value (in million dollars)	61	48	386	380	565	657
FORAGE, HAY, MIXED FEED AND GRAIN BYPRODUCTS						
Quantity (1000 tons)	534	497	5273	4839	6845	6500
Value Per Ton (dollars)	165	141	174	152	170	150
Value (in million dollars)	88	70	915	735	1165	975
TOTAL VOLUME (in thousand tons)	7081	6561	80436	77806	109089	99100
TOTAL VALUE (in million dollars)	1151	939	13015	11107	17432	14289

SOURCE: US Census

U.S. WHEAT PROGRAMS

	1983 Program		1984 Program		1985 Program	
	Equivalent: Export Price 1/ ($/Ton)	Farm Price ($/Bu)	Equivalent: Export Price 1/ ($/Ton)	Farm Price ($/Bu)	Equivalent: Export Price 1/ ($/Ton)	Farm Price ($/Bu)
Trigger Release Price	$200	$4.45	$200	$4.45	--	--
Target Price	$195	$4.30	$198	$4.38	$198	$4.38
Loan (Reserve)	$171	$3.65	$158	$3.30	--	--
National Loan	$171	$3.65	$158	$3.30	$158	$3.30
Season Average Producer Price	$166	$3.53	$161	$3.38	$149-156	$3.05-3.25
Farm Price	--	--	--	--	$140	$2.31 2/
Paid Diversion	$136	$2.70	$136	$2.70	$136	$2.70

1/ Estimated f.o.b. equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $1.00 per bushel.
2/ ASCS 5-day moving average as of August 28, 1985

U.S. CORN PROGRAMS

	1983 Program		1984 Program		1985 Program	
	Equivalent: Export Price 1/ ($/Ton)	Farm Price ($/Bu)	Equivalent: Export Price 1/ ($/Ton)	Farm Price ($/Bu)	Equivalent: Export Price 1/ ($/Ton)	Farm Price ($/Bu)
Trigger Release Price	$159	$3.25	$159	$3.25	--	--
Target Price	$144	$2.86	$151	$3.03	$151	$3.03
Loan (Reserve)	$136	$2.65	$132	$2.55	--	--
National Loan	$136	$2.65	$132	$2.55	$132	$2.55
Season Average Producer Price	$159	$3.25	$136	$2.65	$126-134	$2.40-2.60
Farm Price	--	--	$126	$2.41 2/	--	--
Paid Diversion	$91	$1.50	--	--	--	--

1/ Estimated f.o.b. equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $.80 per bushel.
2/ ASCS 5-day moving average as of August 28, 1985

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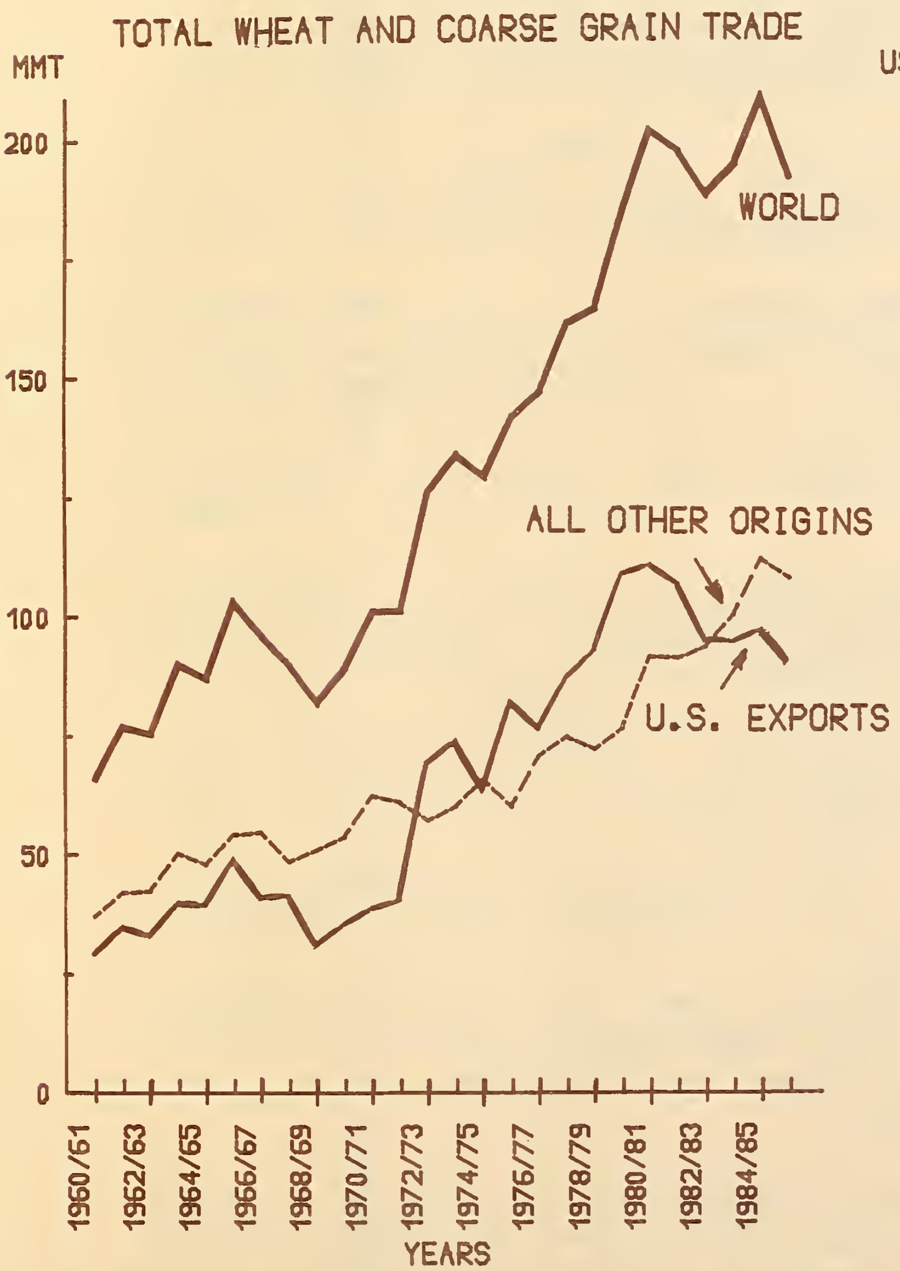
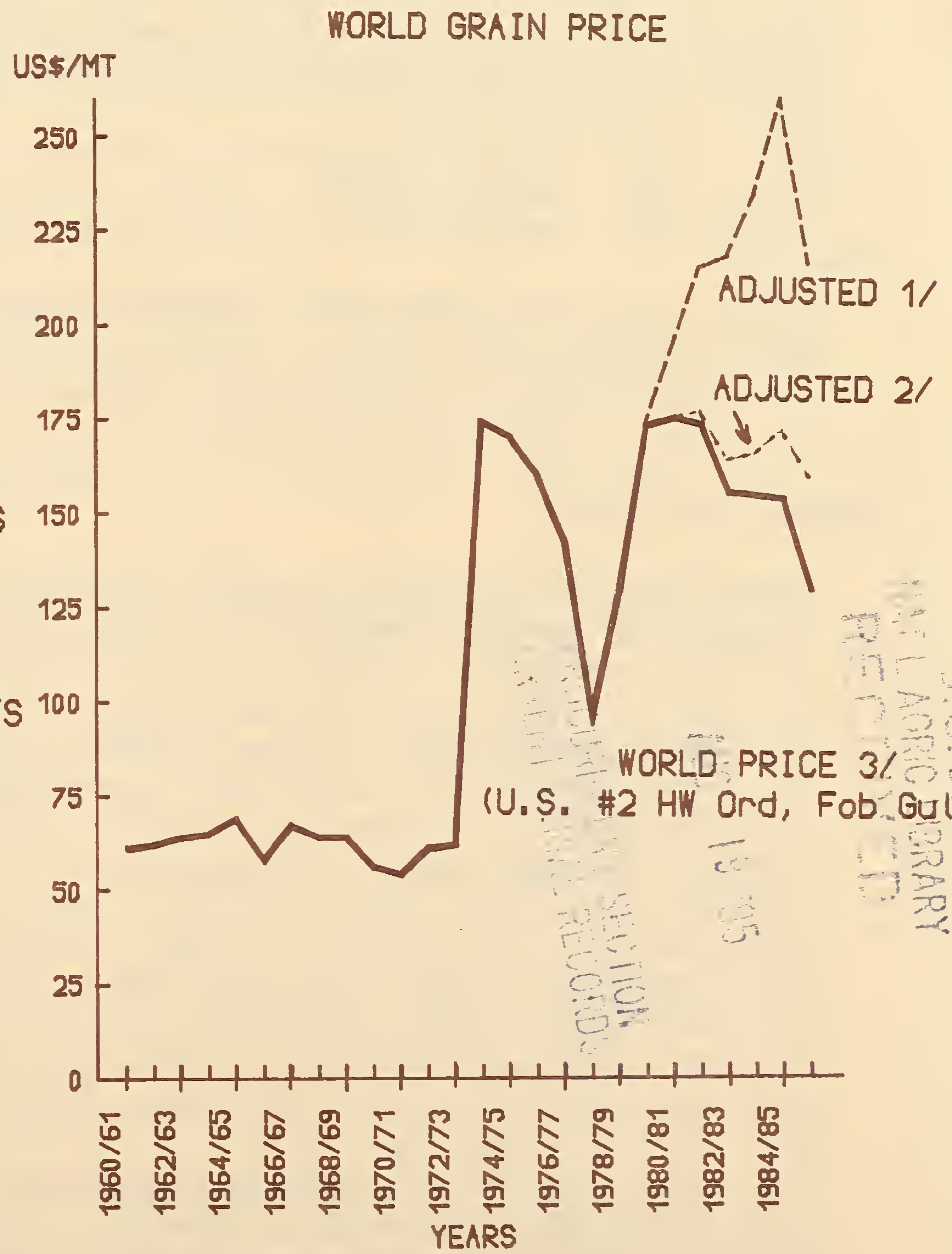
Grains

Export Markets for U.S. Grain and Products

EMG 7-85
July 1985

This month's cover provides a point of reference for comparing long-term trends and changes in world grain trade and the level of world prices. The trade volume graph shows that no recovery in the long-term growth patterns is yet in sight for global trade and that because competitor exports continue climbing at long-term trend, if not at an accelerated rate, the U.S. export volume is continuing to decline sharply. The price situation, that has both long and short term effects on trade volume, shows that world price has dropped markedly in the last five years, but apparently not enough to stimulate the continuation of global trade growth. However, upon closer examination, when price is adjusted for currency fluctuations and inflation to reflect the viewpoint of competitors or importers, price has not actually declined until very recently. It remains to be seen whether these recent price developments will continue and whether they will begin to affect the volume of world trade or the growth of competitor exports. For additional graphs and supporting data, see pages 14-15.





1/ U.S. Price adjusted by EC inflation rate differential with the U.S. and by EC exchange rate fluctuation relative to U.S. dollar, base year 1979.

2/ U.S. price adjusted by Canadian/Australian inflation rate differential with the U.S. and by the countries' exchange rate fluctuation relative to U.S. dollar, base year 1979.

3/ An August average price represents price each trade year.

Approved by the World Agricultural Outlook Board - USDA

EXPORT MARKETS FOR U.S. GRAIN AND FEED COMMODITIES
July 26, 1985

CONTENTS PAGE

TABLES AND GRAPHS

HIGHLIGHTS

Significant developments over the past month affecting U.S. exports:

--U.S. grain export prices have fallen about $5 per ton over the past month, and about $19 per ton from this time a year ago. Competitiveness of U.S. exports may also be improving somewhat, as dollar exchange rates have recently weakened.

--Australia has made its first commercial-sized sale of milling wheat (13,000 tons) to Korea, reportedly with help from a program for promotion of noodle flour made from its standard white wheat.

--China purchased 451,000 tons of U.S. wheat, the first significant quantity since 1984.

--Argentina and Brazil have initialed a wheat supply agreement for 1.375 million tons; U.S. and/or Canadian wheat exports to Brazil will drop as a result.

--Tunisia's bumper grain harvest will mean lower imports from all sources, including the United States.

--Argentina and the Soviet Union are negotiating a new grain agreement; the old agreement called for Soviet imports of 4 million tons of coarse grains annually.

--Thailand will be a more aggressive corn competitor this year as a result of a good harvest.

--Portugal is epected to import less corn this year because of increased use of non-grain feed ingredients such as manioc, and a depressed livestock sector.

--The Dominican Republic purchased 9,000 tons of U.S. pinto beans on commercial terms for delivery in 1985.

--The Dominican Republic may need to import up to 25,000 tons of rice in 1985, and as much as 110,000 tons in 1986.

--Liberia, which has been a steady market for U.S. rice, has approached Thailand about purchasing 70,000 tons.

The U.S. wheat export forecast for June-May 1985/86 is unchanged as of mid-July, but is being pressured by extremely slow export movement. The U.S. coarse grain export estimate for October-September 1984/85 was reduced 200,000 tons to reflect expected slower barley trade, but the U.S. corn export estimate was aided by an increase in sales to Korea and Japan because of delays in Chinese corn loadings. The U.S. rice export forecast for 1985 is also unchanged this month. U.S. export prices for rice remain generally uncompetitive with rice from other origins.

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: As of mid-July, the U.S. wheat export estimate for June-May 1984/85 was raised to 38.8 million tons, reflecting revisions based on available end-of-year census data. The export forecast for 1985/86 remains unchanged at 32.7 million tons.

Shipments and Sales: Wheat shipments in the 4-week period ending July 18 of 1.9 million tons continued their slow pace of recnt months. New sales of 2.2 million tons were reported for delivery in June-May 1985/86, a sizeable increase over the past few months, but much below the 4.8 million tons reported for the same period last year.

IMPORTER BUYING ACTIVITY

Sizeable U.S. wheat purchases by Latin and South American importers of nearly 365,000 tons were the month's highlights for U.S. exporters. Japan was again a regular buyer of U.S. wheat, as well as wheat from Canada and Australia, and France sold 180,000 tons of soft wheat to Morocco.

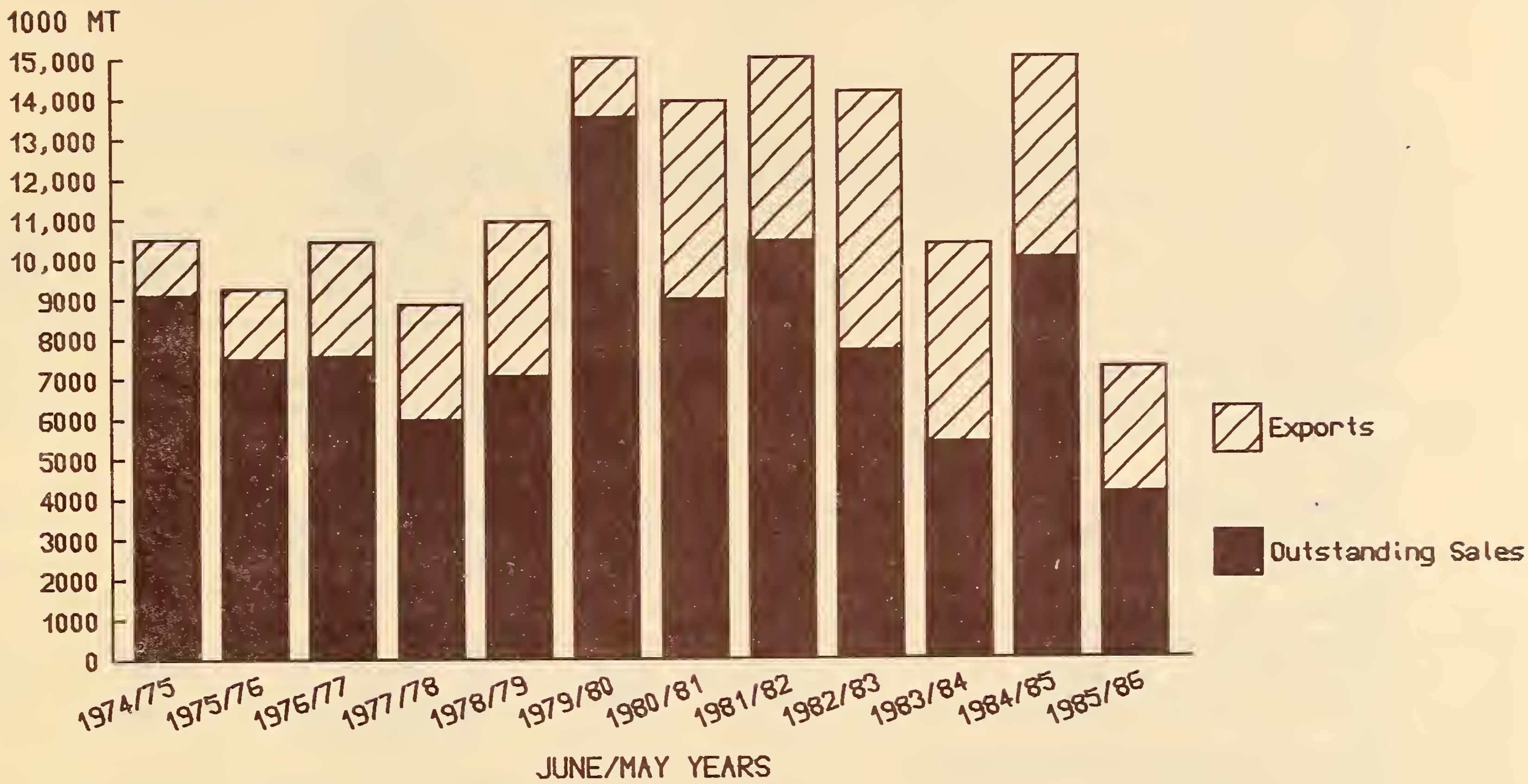
WHEAT AND FLOUR IMPORTER BUYING ACTIVITY
REPORTED BETWEEN JUNE 25, 1985 AND JULY 24, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
6/26	Brazil	US	66,000	HRW	137.04 @ 138.08	Oct/Nov
	Japan	US	55,000	Wheat	?	August
	Japan	Canada	38,000	Wheat	?	August
6/27	Syria	US	50,000	Wheat	149.00 C&F	Jul/Aug
	Syria	Hungary	20,000	Wheat	149.00 C&F	Jul/Aug
6/28	Ecuador	US	108,402	HRW	131.69 @ 135.14	Jul/Sep
7/1	Morocco	France	180,000	Wheat	119.98 @ 123.94 C&F	August
	Portugal	US	30,000	SRW	125.00	July
7/2	Guatemala	US	18,962	HRS	155.98 @ 163.77	Jul/Sep
7/3	Japan	US	55,094	HRW	?	September
	Japan	US	19,047	HRS	?	September
	Japan	Canada	35,000	CWRS	?	September
	Japan	Australia	32,000	ASW, PH	?	September
	Philippines	US	25,000	WW	135.95	Aug/Sep
	Philippines	US	25,000	HRS	163.75	Aug/Sep
7/5	Portugal	France	15,000	Wheat	126.75 C&F	July
7/9	Bangladesh	US	50,000	HRW	126.09 @ 126.82	August
	Bangladesh	US	50,000	SRW	125.50	August
	Honduras	US	7,000	HRW	134.19	September
	Honduras	US	800	HAD	154.33	September
	Honduras	US	7,300	SRW	123.45 @ 124.99	Aug/Sep
	Honduras	US	11,600	HRS	150.96 @ 153.29	Aug/Sep
7/10	Korea	Australia	13,000	ASW, PH	various	Jul/Sep
	Portugal	US	30,000	HRW	131.25	August
	Japan	US	72,000	WW, HRW, HRS	?	September
	Japan	Canada	38,000	CWRS	?	September
	Japan	Australia	34,000	ASW, PH	?	September
7/11	Pakistan	US	80,000	SRW	?	Aug/Sep
7/15	Portugal	US	25,000	SRW	123.75	August
7/17	Norway	Canada	50,000	CWRS	162.00	Dec/Feb
	Dom. Republic	US	75,500	HRW, HRS, SRW	various	Jul/Sep
	Japan	US	72,894	WW, HRW, HRS	?	September
	Japan	Canada	54,000	Wheat	?	September
	Japan	Australia	32,000	Wheat	?	September
7/18	Israel	US	34,000	HRW	?	September
7/19	El Salvador	US	69,299	HRW, HRS, SRW, HAD	various	Aug/Sep
7/24	Japan	US	19,000	Wheat	?	September
	Japan	Canada	17,000	Wheat	?	September
	Japan	Australia	17,000	Wheat	?	September
	Portugal	US	30,000	HRW	129.50	August
	Israel	US	55,000	HRW	132.38	Sep/Oct

1/ HRW=Hard Red Winter, HRS=Hard Red Spring, SRW=Soft Red Winter, HAD=Hard Amber Durum, WW=Western White ASW=Australian Soft White, CWRS=Canadian Western Red Spring, PH=Australian Prime Hard
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

U.S. WHEAT EXPORT COMMITMENTS
AS OF JULY 18 OF EACH MARKETING YEAR



U.S. WHEAT EXPORT COMMITMENTS 1/
AS OF JULY 18th 2/
(June/May--1,000 Tons)

Marketing Year	Outstanding Sales	Accumulated Exports
1985/86	4,127	3,117
1984/85	9,991	5,734
1983/84	5,399	4,952
1982/83	7,680	6,480
1981/82	10,431	5,971
1980/81	8,980	4,944
1979/80	13,541	4,082
1978/79	7,063	3,869
1977/78	6,002	2,864
1976/77	7,570	2,894
1975/76	7,511	1,767
1974/75	9,117	1,396

Source: U.S. Export Sales Report

1/ Sales plus accumulated exports, excluding sales for next marketing year.

2/ Or closest date thereto.

QUANTITY AND VALUE OF U.S GRAIN AND FEED COMMODITY EXPORTS
IN FISCAL YEAR 1985 AND COMPARISON WITH PRECEEDING YEAR

	MAY		CUMULATIVE OCT THRU MAY		ACTUAL EXPORTS	PROJECTED EXPORTS
	FY 84	FY 85	FY 84	FY 85	FY 84	FY 85
WHEAT (grain only)						
Quantity (1000 tons)	3070	1540	24621	20160	41700	33000
Value Per Ton (dollars)	158	156	160	153	156	150
Value (in million dollars)	486	241	3933	3081	6501	4950
CORN (grain only)						
Quantity (1000 tons)	4133	3461	34776	36835	47001	49100
Value Per Ton (dollars)	153	126	150	126	149	127
Value (in million dollars)	632	435	5208	4656	7022	6236
SORGHUM (grain only)						
Quantity (1000 tons)	374	464	4280	5749	6226	6985
Value Per Ton (dollars)	134	129	137	118	133	120
Value (in million dollars)	50	60	586	677	829	838
BARLEY, OATS, AND RYE (grain only)						
Quantity (1000 tons)	81	64	1451	955	2074	1550
Value Per Ton (dollars)	160	125	139	130	134	125
Value (in million dollars)	13	8	202	124	277	194
TOTAL COARSE GRAINS (grain only)						
Quantity (1000 tons)	4588	3989	40507	43539	55301	57635
Value Per Ton (dollars)	151	126	148	125	147	125
Value (in million dollars)	695	503	5996	5457	8128	7295
RICE (grain only)						
Quantity (1000 tons)	200	162	1407	1221	2212	2000
Value Per Ton (dollars)	365	383	416	363	405	375
Value (in million dollars)	73	62	586	443	897	750
PULSES						
Quantity (1000 tons)	34	29	290	301	390	450
Value Per Ton (dollars)	353	517	466	472	451	475
Value (in million dollars)	12	15	135	142	176	214
FLOUR AND OTHER GRAIN PRODUCTS						
Quantity (1000 tons)	304	240	1791	1681	2641	2800
Value Per Ton (dollars)	217	200	216	226	214	235
Value (in million dollars)	66	48	386	380	565	657
FORAGE, HAY, MIXED FEED AND GRAIN BYPRODUCTS						
Quantity (1000 tons)	494	497	4739	4343	6845	6500
Value Per Ton (dollars)	188	147	175	153	170	155
Value (in million dollars)	93	73	827	665	1165	1007
TOTAL VOLUME (in thousand tons)	8690	6457	73355	71245	109089	102385
TOTAL VALUE (in million dollars)	1425	942	11863	10168	17432	14873

SOURCE: US Census

U.S. WHEAT EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
TOTAL EXPORTS FOR 1983/84-1984/85; COMMITMENTS TO DATE FOR 1985/86 WITH COMPARISON TO 1984/85
(JUNE/MAY--1,000 TONS)

Destination	Marketing Year	Hard Red Winter	Hard Red Spring	Soft Red	All White	Durum	Total Exports
EC-10	1983/84	3	1,218	2	--	263	1,486
	1984/85	--	718	8	--	188	914
	1984/85*	--	99	2	--	36	137
	1985/86**	--	67	7	--	48	122
Other W. Europe	1983/84	795	32	411	16	49	1,303
	1984/85	546	99	633	--	45	1,323
	1984/85*	274	--	60	--	3	337
	1985/86**	128	23	89	--	4	244
USSR	1983/84	4,141	--	--	--	--	4,141
	1984/85	6,339	--	--	--	--	6,339
	1984/85*	2,166	--	--	--	--	2,166
	1985/86**	--	--	--	--	--	0
China	1983/84	1,368	--	1,549	--	--	2,917
	1984/85	105	--	2,693	--	--	2,798
	1984/85*	195	--	2,703	--	--	2,898
	1985/86**	--	--	571	--	--	571
Japan	1983/84	1,287	1,010	--	1,126	12	3,435
	1984/85	1,367	1,067	--	1,013	15	3,462
	1984/85*	302	294	--	290	--	886
	1985/86**	367	317	--	325	13	1,022
Taiwan	1983/84	245	185	--	130	--	560
	1984/85	299	211	--	145	--	655
	1984/85*	125	57	--	55	--	237
	1985/86**	169	127	--	103	--	399
Rep. of Korea	1983/84	649	221	2	1,179	--	2,051
	1984/85	674	231	--	1,103	--	2,008
	1984/85*	225	86	--	419	--	730
	1985/86**	161	68	3	271	--	503
Other Asia, Middle East, and Oceania	1983/84	2,288	1,232	258	1,222	21	5,021
	1984/85	2,227	1,002	178	1,502	--	4,909
	1984/85*	929	315	91	180	--	1,515
	1985/86**	497	253	16	234	--	1,000
Egypt	1983/84	--	--	539	807	--	1,346
	1984/85	30	--	429	1,205	--	1,664
	1984/85*	--	--	--	368	--	368
	1985/86**	--	--	210	--	--	210
Nigeria	1983/84	1,278	265	88	--	--	1,631
	1984/85	1,324	198	91	--	--	1,613
	1984/85*	152	20	10	--	--	182
	1985/86**	485	--	40	--	--	525
Other Africa	1983/84	471	7	1,876	45	844	3,243
	1984/85	418	39	2,034	35	803	3,329
	1984/85*	23	1	1,080	--	189	1,293
	1985/86**	172	--	218	--	129	519
Brazil	1983/84	2,181	--	66	--	--	2,247
	1984/85	3,111	--	67	--	--	3,178
	1984/85*	1,192	--	--	--	--	1,192
	1985/86**	658	--	--	--	--	658
Other W. Hemis.	1983/84	2,223	1,477	514	48	296	4,558
	1984/85	2,061	1,290	503	159	293	4,306
	1984/85*	706	586	231	81	127	1,731
	1985/86**	641	479	218	4	101	1,443
Total 1/	1983/84	17,128	5,647	5,593	5,541	1,556	35,465
	1984/85	18,460	4,862	6,577	5,234	1,458	36,591
	1984/85*	6,639	1,520	4,637	1,316	555	14,667
	1985/86**	3,242	1,364	1,427	870	342	7,245
MY Projection 2/		19,514	4,980	6,886	5,715	1,660	38,755

1/ Discrepancies due to rounding and sales to unknown destination.
2/ Projection for 1984/85, including flour and products (1985/86 projections by class not yet available).
* Sales plus accumulated exports as of July 19, 1984, excluding sales for next marketing year.
** Sales plus accumulated exports as of July 18, 1985, excluding sales for next marketing year.

Source: U.S. Export Sales Report

DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries Selling Activity and Competitive Practices

**Australia: The Australian Wheat Board's heavy promotion in Korea of noodle flour produced from its standard white wheat appears to have resulted in sales of 13,000 tons. Several Korean mills had made small, experimental purchases earlier, and at least one mill stated its preference for Australian wheat. The United States has been Korea's traditional supplier of milling wheat, and in July-June 1984/85 had approximately a 75 percent share of Korea's 2.65 million ton wheat market.

Competitive Developments In Selected Foreign Markets

**Brazil: The United States can expect wheat exports to Brazil in October-September 1985/86 to drop, due to Brazil's signing of an agreement to purchase 1.375 million tons of Argentine wheat for delivery between October 1985 and July 1986. When added to a wheat supply agreement with Canada for 1.0-1.5 million tons annually, this could account for as much as 65 percent of Brazil's forecast 4.4 million tons of wheat imports in July-June 1985/86. Brazil is estimated to have imported about 5.4 million tons of wheat in 1984/85, of which 3.45 million tons was supplied by the United States. Argentina may have difficulty fulfilling this commitment given the current dry conditions which have lowered 1985 wheat production prospects.

**Soviet Union: The Soviet Union has reportedly complained about the quality of recent wheat shipments from India that are part of a 500,000 ton contract signed earlier this year. That sale to the Soviet Union was the largest India made to a single market last year. Quality concerns could jeopardize India's ability to export the 1.5 million tons of wheat forecast to be shipped in April-March 1985/86.

**Argentina: The current Argentine wheat export projection for July-June 1985/86 of 6.7 million tons is the lowest since 1981/82. This stems from a sharply lower wheat production forecast, as a result of low soil moisture. The reduction of 1.7 million tons in forecast 1985 wheat production (to 11.5 million tons) will mean much lower export availabilities.

**Tunisia: Lower grain imports in Tunisia this year will likely result from bumper grain crop, up 90 percent from last year, according to recent reports. Substitution of domestically grown barley in feed rations is expected to cut into corn imports, and wheat imports could fall by as much as 25 percent in 1985/86. Reports also indicate that no durum wheat imports will be needed in the next 12 months. U.S. wheat exports to Tunisia have averaged 600,000 tons the past 3 seasons, and could be considerably lower this season.

Internal Price Policies Of Foreign Countries

**Greece: The Greek Ministry of Agriculture announced new producer prices for wheat during the coming August-July 1985/86 year. Prices for wheat (with comparison to 1984/85) are as follows: soft wheat, $153 ($132) and durum wheat $238 ($210).
In a related story on prices, the European Commission (EC) has advised Agricultural Ministers of the EC member states that if the EC Ministers fail to make a final decision on grain prices for 1985/86, it will reduce intervention prices by 1.8 percent on August 1, 1985 for all grains, except durum wheat. At the same time, a parallel adjustment will be made to the target price.

**MAJOR EXPORTERS: The latest internal support prices for the principal world wheat exporters, on an individual marketing year basis, are listed below. Prices are not strictly comparable because of quality differences and because U.S., Argentine and EC prices are on a local delivery point basis. For example, in terms of quality differentials, the Canadian price is set for No. 1 CWRS, while No. 2 CWRS was discounted by approximately C$4 per ton and No. 3 CWRS by about C$15 per ton; No. 1 CWRS has represented about 40 percent of Canadian wheat exports over the past 10 years.

MAJOR EXPORTER SUPPORT PRICES FOR WHEAT

	1983/84			1984/85		
Exporter	U.S.$ Equivalent		Local Currency	U.S.$ Equivalent		Local Currency
	per bu	----per ton	----	per bu	----per ton	----
U.S. (loan)	3.65	134	134 (US$)	3.30	121	121 (US$)
(reserve loan)	3.65	134	134 (US$)	N/A	N/A	N/A
Argentina (reference)	2.67	98	3,060 1/	2.46	89	4,800 1/
Australia (min. pay.)	3.72	137	150 (A$)	2.50	92	146 (A$)
(final pay.)	N/A	N/A	N/A	N/A	N/A	N/A
Canada (initial pay.)	3.75	138	170 (C$)	3.22	119	160 (C$)
(final pay.)	3.96	145	194 (C$)	N/A	N/A	N/A
EC (intervention) 2/	4.44	163	185 (ECU)	3.86	142	183 (ECU)
(reference)	5.85	189	215 (ECU)	4.49	165	213 (ECU)

1/ In new pesos, current season prices can be adjusted when necessary because of currency fluctuations. Caution should be taken when using this price in US$ equivalent because of the volatility of the Argentine exchange rate. Current price as of May 30, 1985.

2/ EC prices represent medium quality wheat adjusted by monthly increments.

US WHEAT SHIPMENTS, SALES, AND INSEPCTIONS 1/
(JUNE/MAY--MILLION TONS)

Monthly Shipments

4 Weeks Ending	1983/84	1984/85
Apr. 18	2.9	1.7
May 23	1.0	1.6
Total for MY	35.5	35.7
	1984/85	1985/86
June 20	3.3	1.5
July 18	3.0	1.9
Total for MY	5.0	3.2

Monthly Sales 2/

4 Weeks Ending	1983/84	1984/85
Apr. 18	2.5	0.7
May 23	1.0	0.5
Total for MY	35.5	35.7
	1984/85	1985/86
June 20	3.7	1.3
July 18	4.8	2.2
Total for MY	14.7	7.2

Weekly and Annual Inspection Rates

	Million MT	Million BU
Week Ending July 11..............	0.5	16.6
Week Ending July 18..............	0.4	14.7
Official Estimate for Current MY (Grain only)......................	31.3	1150
Implied Weekly Average...........	0.6	22.1
Latest Six Weeks Weekly Average..................	0.5	18.9
Marketing Year-To-Date Weekly Average..................	0.5	18.0
Weekly Avg. Extrapolated Annually	25.5	936
Balance of Year to Achieve Estimate Implied Weekly Average...........	0.6	22.8

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.

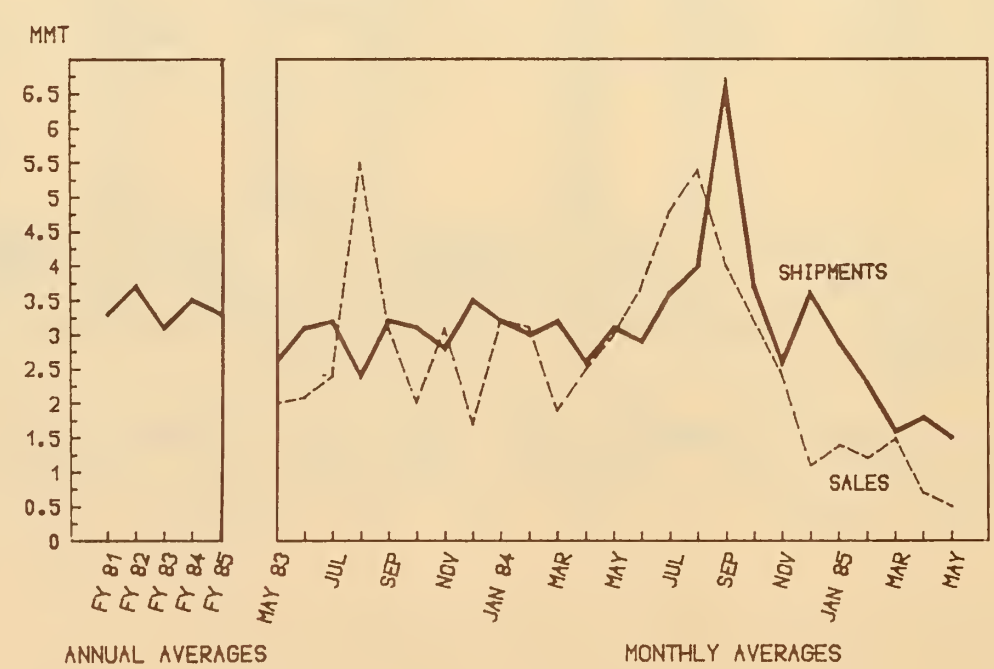
2/ Sales made since the beginning of he applicable marketing year, includinq sales for shipment in the next marketing year.

WHEAT SHIPMMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(JULY/JUNE--MILLION TONS)

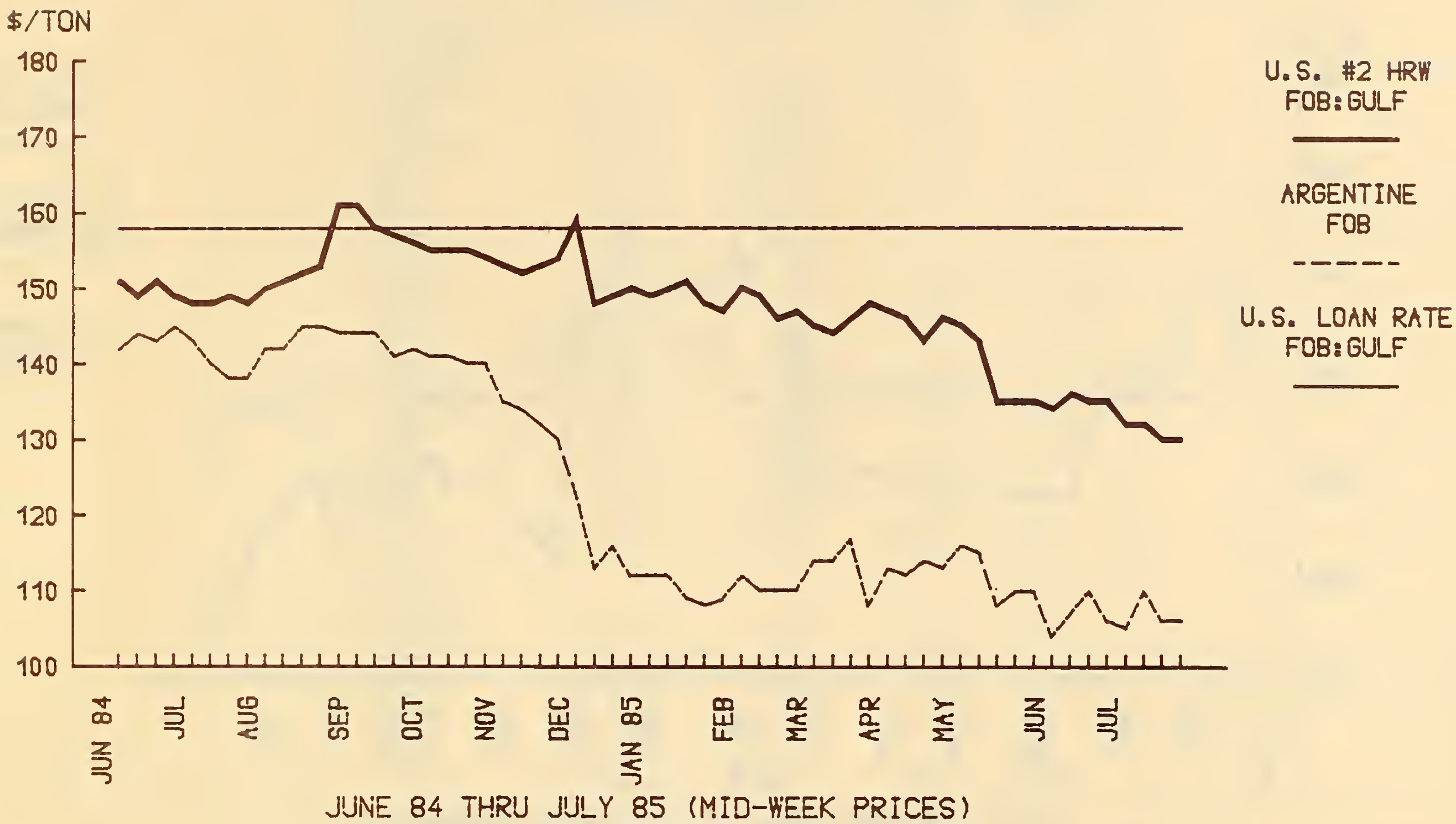
	Canada		Australia		Argentina		France 2/		Total	
	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
4 Weeks Ending 1/										
April 18	1.3	1.2	1.1	1.3	.8	1.1	.8	N/A	4.0	N/A
May 23	2.3	1.7	1.5	1.2	.4	.7	.4	N/A	4.4	N/A
June 20	2.6	1.9	1.4	1.1	.3	.1	.5	N/A	4.8	N/A
Total for Season	21.8	19.0	11.6	15.1	9.6	7.6	9.5	11.0	52.5	52.7
	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86	84/85	85/86
4 Weeks Ending 1/										
July 18	2.0	1.0	1.4	.7	.2	.4	.2	N/A	3.8	N/A
Total for Season 3/	19.0	19.0	15.1	15.2	8.0	6.7	11.0	10.5	53.1	51.4

1/ Or nearest date thereto.
2/ Excludes intra-EC trade.
3/ Projection for 1985/86.

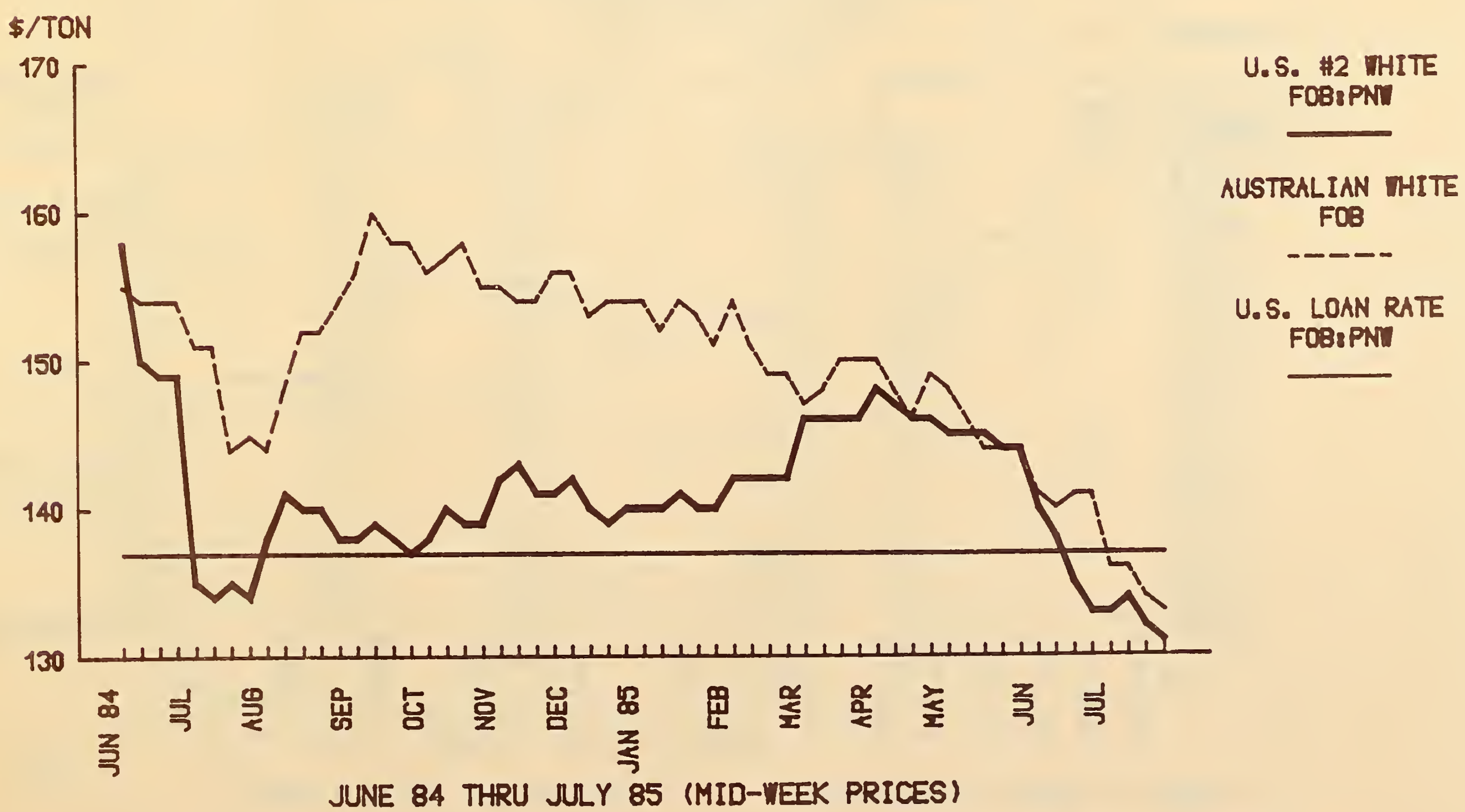
U.S. WHEAT SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM MAY 1983 - MAY 1985



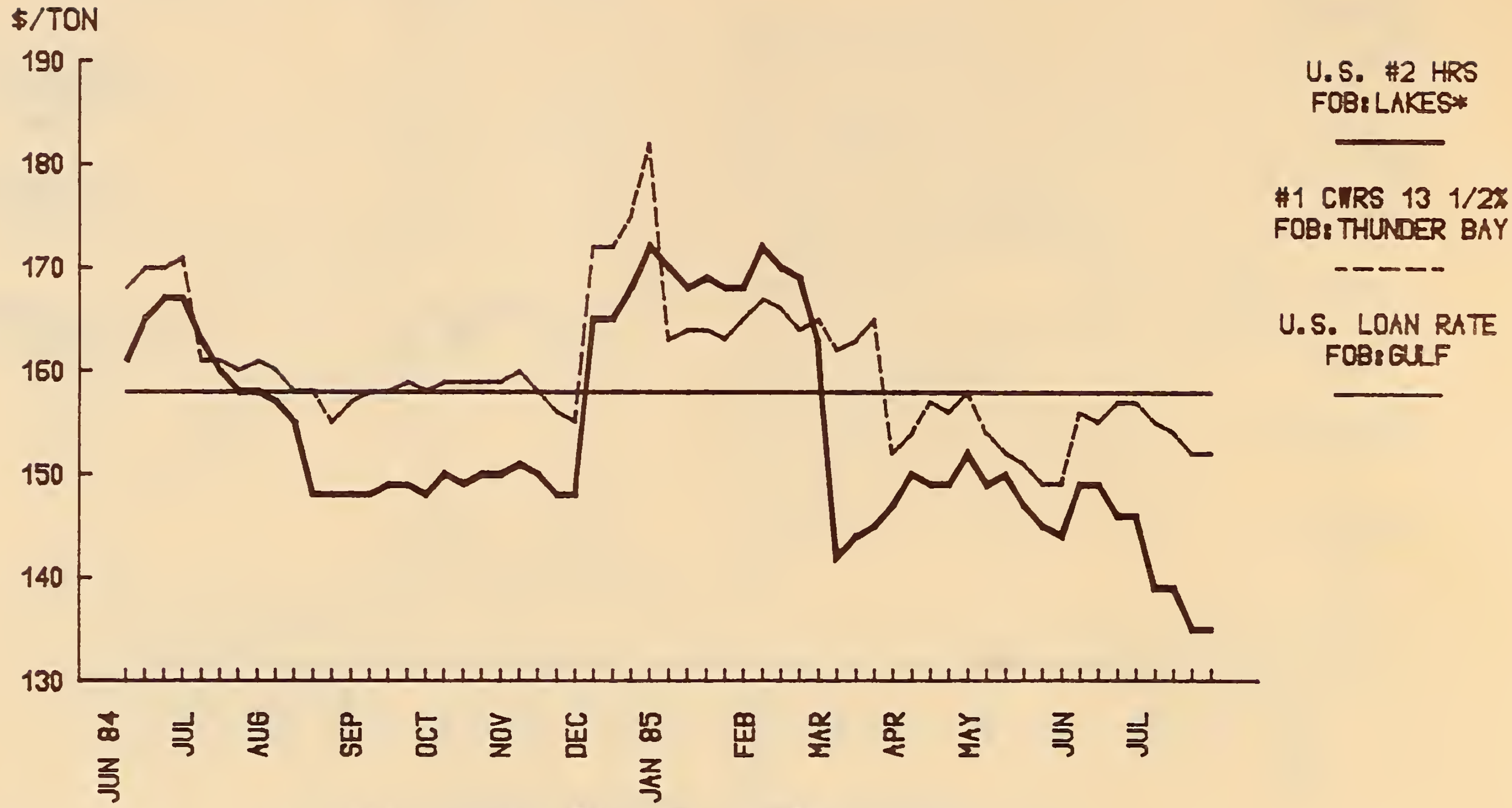
HARD RED WINTER WHEAT EXPORT PRICES
U.S. AND ARGENTINE



WHITE WHEAT EXPORT PRICES
U.S. AND AUSTRALIAN



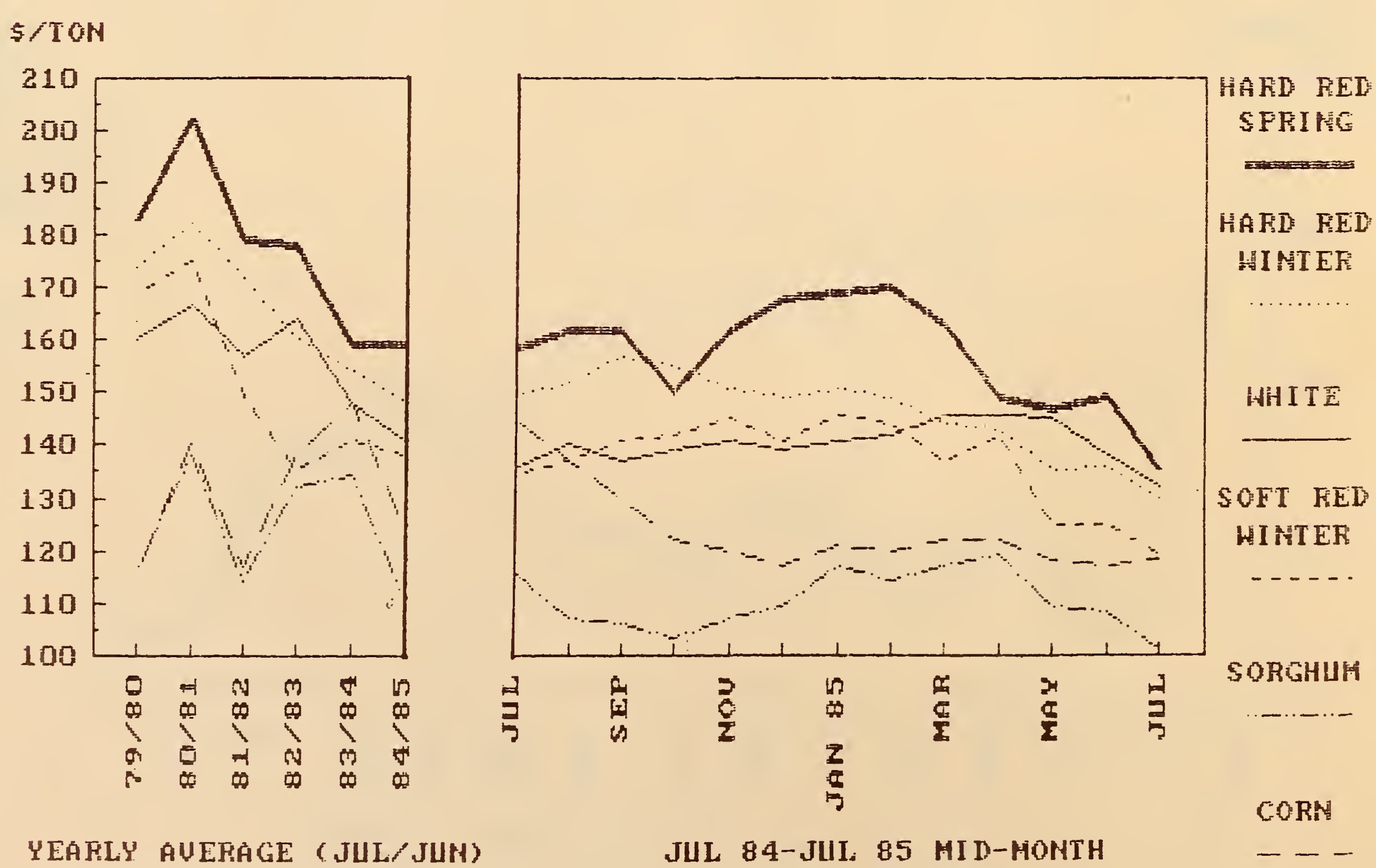
HARD RED SPRING WHEAT EXPORT PRICES
U.S. AND CANADIAN



JUNE 84 THRU JULY 85 (MID-WEEK PRICES)

*FOB GULF DURING WINTER MONTHS

U.S. GRAIN COMMODITY EXPORT PRICES FOB GULF
EXCEPT FOB PNW FOR WHITE WHEAT
AND FOB LAKES FOR HARD RED SPRING*



*FOB GULF DURING WINTER MONTHS

**PL-48Ø

FY 1985 PUBLIC LAW TITLE I/III
COUNTRY AND COMMODITY ALLOCATIONS
(1ØØØ Tons Grain Equivalent)

Country	Million-Total	Wheat/Flour	Rice	Feedgrains
$79Ø or Less Per Capita GNP				
Bangladesh	92.Ø	338.Ø	67.Ø	—
Bolivia	2Ø.Ø	14Ø.Ø	—	—
Egypt	225.Ø	1,448.Ø 1/	—	—
El Salvador	49.Ø	138.Ø	—	—
Ghana	9.Ø	—	1Ø.Ø	—
Guinea	6.Ø	—	21.Ø	—
Haiti	15.Ø	76.Ø	—	—
Honduras	15.Ø	92.Ø	—	—
Indonesia	4Ø.Ø	25Ø.Ø	—	—
Kenya	1Ø.Ø	66.Ø	—	—
Liberia	6.Ø	—	18.Ø	—
Madagascar	11.Ø	—	39.Ø	—
Maldives	1.5	7.Ø 1/	—	—
Morocco	55.Ø	367.Ø	18.Ø	—
Mozambique	17.Ø	32.Ø	34.Ø	21.Ø
Pakistan	55.Ø	—	—	—
Philippines	4Ø.Ø	—	138.Ø	—
Sierra Leone	4.Ø	13.Ø	7.Ø	—
Somalia	2Ø.Ø	26.Ø 1/	18.Ø	17.Ø
Sri Lanka	26.Ø	163.Ø	—	—
Sudan	64.2	395.Ø 1/	—	—
Yemen	12.Ø	29.Ø 1/	2Ø.Ø	—
Zaire	2Ø.Ø	82.Ø 1/	—	—
Zambia	1Ø.Ø	35.Ø	—	—
Zimbabwe	8.Ø	5Ø.Ø	—	—
Subtotal	83Ø.7	3,747.Ø	39Ø.Ø	38.Ø
Over $79Ø Per Capita GNP				
Costa Rica	24.Ø	132.Ø	—	24.Ø
Dominican Rep.	4Ø.5	13Ø.Ø	16.Ø	—
Ecuador	15.Ø	9Ø.Ø	—	—
Guatemala	21.Ø	56.Ø	—	—
Jamaica	4Ø.Ø	82.Ø	33.Ø	89.Ø
Mauritius	3.5	—	—	—
Peru	25.Ø	116.Ø	—	—
Tunisia	5.Ø	—	—	43.Ø
Subtotal	174.Ø	6Ø6.Ø	49.Ø	156.Ø
Allocated 3/	1,ØØ4.7	4,353.Ø	439.Ø	194.Ø
Unallocated Reserve	Ø.4	—	—	—
TOTAL PROGRAM	1,ØØ5.1	—	—	—

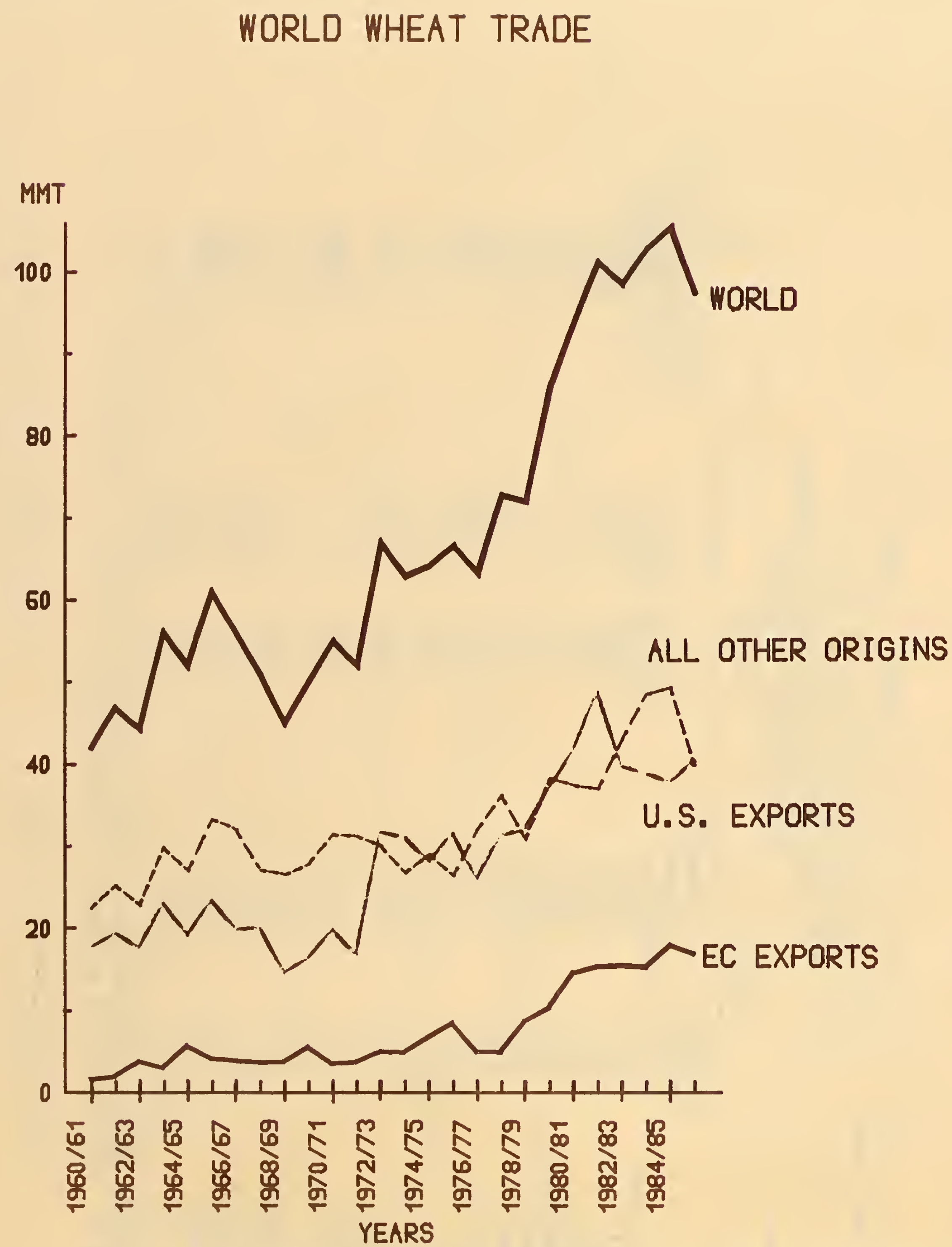
1/ Wheat equivalent of flour or some portion of wheat equiv. of flour.

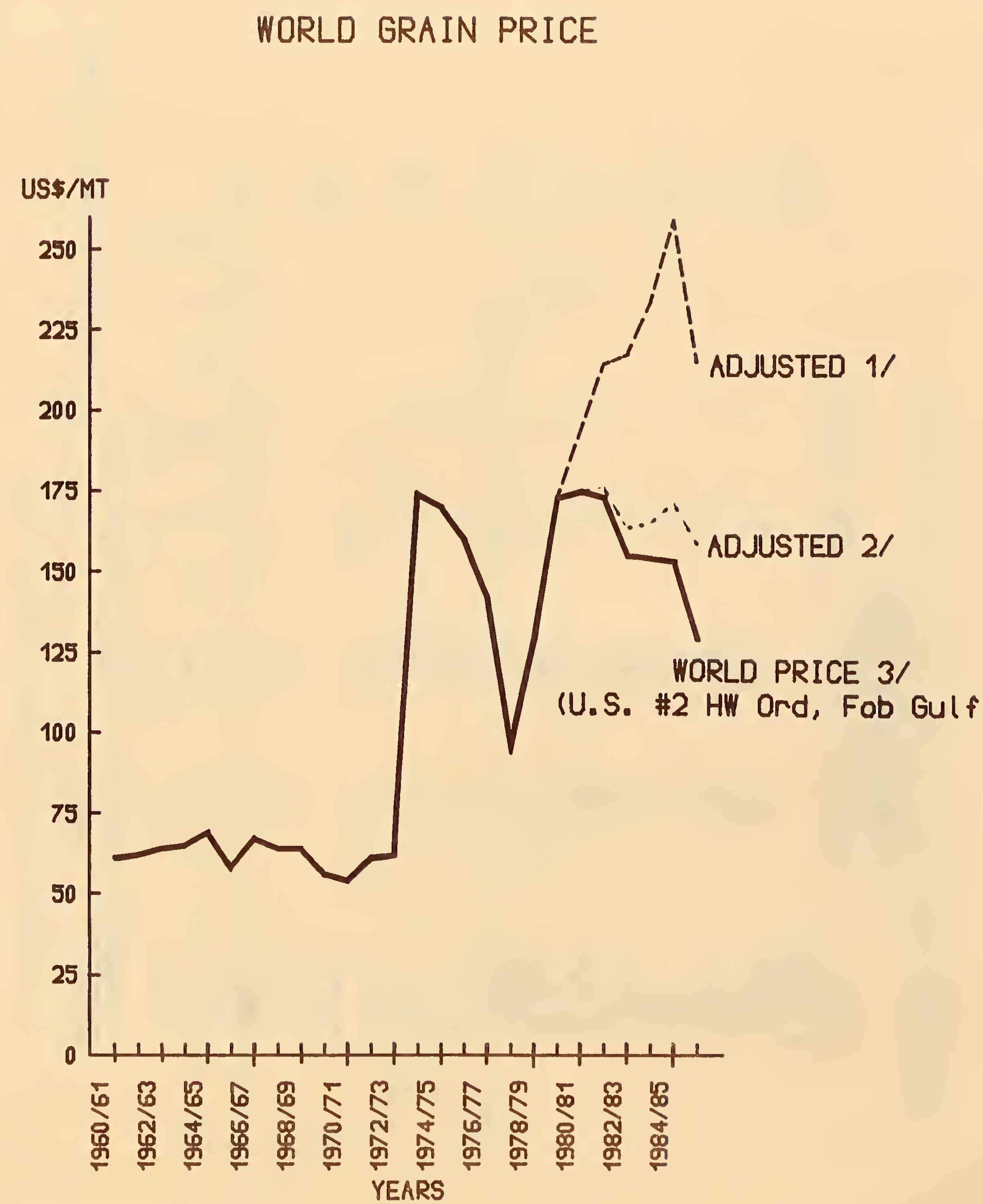
**CCC Credit

U.S. WHEAT/FLOUR TRADE WITH SELECTED COUNTRIES
UNDER CCC GUARANTEE PROGRAMS

	FY 1984		FY 1985		
	Guarantees Approved	Est. Quantity Shipped	Announced	Approved	Estimated Quantity Yet To Be Purchased
	--$ Million.	--1,ØØØ Tons--	--Million Dollars--		----1,ØØØ tons----
Bangladesh*	42.7	284.6	6Ø.Ø	29.Ø	2Ø7.Ø
Brazil	437.1	2,914.Ø	5ØØ.Ø	263.8	1575.Ø
Chile	85.Ø	567.Ø	1ØØ.Ø	--	666.Ø
Colombia	84.9	566.Ø	8Ø.Ø	49.5	2Ø4.Ø
Dominican Rep.	15.9	1Ø6.Ø	--	--	--
Ecuador	68.6	457.3	52.Ø	31.5	137.Ø
Egypt*	79.Ø	526.Ø	136.Ø	Ø.Ø	9Ø6.Ø
Guatemala	2Ø.7	138.Ø	13.Ø	11.8	8.Ø
Haiti	5.Ø	33.Ø	7.5	4.Ø	23.3
Iraq	183.7	1,225.Ø	19Ø.Ø	88.5	677.Ø
Jamaica*	15.Ø	1ØØ.Ø	--	--	--
Korea	13Ø.Ø	867.Ø	11Ø.Ø	99.Ø	116.7
Mexico	2.9	19.3	--	--	--
Morocco*	333.7	2,224.Ø	25Ø.Ø	--	1,667.Ø
Pakistan	--	--	41.5	--	276.7
Peru	76.1	5Ø7.3	--	--	--
Philippines	95.5	636.7	12Ø.Ø	3Ø.8	595.Ø
Portugal	44Ø.3	2,935.3 1/ 2/	117.Ø	51.Ø	34Ø.Ø
Tunisia*	1Ø3.7	691.3	12Ø.Ø	--	75Ø.Ø
Turkey*	75.Ø	5ØØ.3	81.Ø	1Ø.1	473.Ø
TOTAL	2,294.8	15,298.1	1,978.Ø	669.Ø	8621.7

* Includes GSM-1Ø2, GSM-5, and Blended Credit, as of July 22, 1985.
1/ Wheat or feed grains 2/ Registrations include reserve.





1/ U.S. Price adjusted by EC inflation rate differential with the U.S. and by EC exchange rate fluctuation relative to U.S. dollar, base year 1979.

2/ U.S. price adjusted by Canadian/Australian inflation rate differential with the U.S. and by the countries' exchange rate fluctuation relative to U.S. dollar, base year 1979.

3/ An August average price represents price each trade year.

WORLD TOTAL WHEAT AND COARSE GRAIN TRADE AND PRICE
TRADE YEARS 1/
TRADE IN MMT, PRICE IN US$/MT

	-PRICE- TOTAL	TRADE						
		WHEAT AND COARSE GRAIN			WHEAT			
YEAR	WORLD 2/	WORLD	U.S.	OTHERS	WORLD	U.S.	EC	OTHERS
1960/61	61.0	65.9	28.7	37.2	41.9	17.8	1.6	22.5
1961/62	62.0	76.8	33.9	42.9	46.8	19.5	2.0	25.3
1962/63	64.0	75.4	33.2	42.2	44.3	17.7	3.8	22.8
1963/64	65.0	90.0	39.1	50.9	56.0	23.1	3.0	29.9
1964/65	69.0	87.0	37.0	50.0	52.0	19.3	5.7	27.0
1965/66	58.0	103.0	48.8	54.2	61.0	23.4	4.2	33.4
1966/67	67.0	96.0	41.0	55.0	56.0	20.0	3.9	32.1
1967/68	64.0	89.9	39.9	50.0	51.0	20.2	3.7	27.1
1968/69	64.0	82.0	30.7	51.3	45.0	14.7	3.8	26.5
1969/70	56.0	89.1	35.7	53.4	50.0	16.5	5.6	27.9
1970/71	54.0	101.0	39.3	61.7	55.0	19.9	3.6	31.5
1971/72	61.0	101.3	37.3	64.0	52.0	16.9	3.8	31.3
1972/73	62.0	126.2	67.4	58.8	67.0	31.8	5.1	30.1
1973/74	174.0	134.0	75.7	58.3	63.0	31.2	5.0	26.8
1974/75	170.0	129.3	62.6	66.7	64.3	28.3	6.9	29.1
1975/76	160.0	141.9	78.0	63.9	66.7	31.7	8.6	26.4
1976/77	142.0	147.1	76.7	70.4	63.3	26.1	5.1	32.1
1977/78	96.0	161.6	87.8	73.8	72.8	31.5	5.0	36.3
1978/79	129.0	164.7	92.5	72.2	72.0	32.3	8.8	30.9
1979/80	173.0	185.2	108.6	76.6	86.0	37.2	10.4	38.4
1980/81	175.0	202.1	111.4	90.7	94.1	41.9	14.7	37.5
1981/82	173.0	197.9	107.4	90.5	101.3	48.8	15.5	37.0
1982/83	155.0	188.6	93.9	94.7	98.6	39.9	15.6	43.1
1983/84	154.0	194.8	94.6	100.2	102.9	38.9	15.4	48.6
1984/85	153.0	208.8	96.2	112.6	105.6	38.0	18.1	49.5
1985/86	129.0	192.1	92.1	100.0	97.5	40.5	17.0	40.0

1/ EXCLUDES INTRA-EC TRADE. ALL GRAIN ON JULY/JUNE YEARS THROUGH 1975/76. SUBSEQUENTLY, COARSE GRAIN ON AN OCTOBER/SEPTEMBER BASIS
2/ WORLD PRICE REPRESENTED BY AUGUST AVERAGE US #2 HW ORDINARY FOB GULF PRICE.

WORLD PRICE ADJUSTED
BASE YEAR 1979 1/
US$/MT

YEAR	U.S. 2/	ADJUSTED 3/	ADJUSTED 4/
1979/80	173	173	173
1980/81	175	178	174
1981/82	173	177	215
1982/83	155	164	218
1983/84	154	165	234
1984/85	153	172	259
1985/86	129	159	215

1/ ADJUSTMENT INDICES ON CALENDAR YEAR BASIS
2/ US #2 HW ORD, FOB GULF, REPRESENTS WORLD PRICE
3/ RELATIVE TO CANADA/AUSTRALIA
4/ RELATIVE TO EC, REPRESENTED BY FRANCE, W. GERMANY, ITALY, U.K.

ADJUSTED PRICE: The U.S. price adjusted by other countries' inflation rate differential with the U.S. and by their exchange rate fluctuation relative to the U.S. dollar. Indices are on a calendar year basis with 1979 as base year.

$$\text{Price}_{adj} = \left(\frac{\text{XRate}_i}{\text{XRate}_o}\right)\left(\frac{\text{Foreign CPI}_o}{\text{Foreign CPI}_i}\right)\left(\frac{\text{U.S. CPI}_i}{\text{U.S. CPI}_o}\right) \bullet \text{Price}_{nom}$$

WHERE:

Price_{adj}	=	U.S. price adjusted for exchange and inflation
XRate	=	Foreign exchange rate expressed in foreign currency per U.S. dollar
CPI	=	Consumer price index
i	=	Current year
o	=	Base year
Price_{nom}	=	Nominal U.S. price

CORN AND SORGHUM

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: As of mid-July, there were no changes in the U.S. corn and sorghum export estimates for October-September 1984/85 and 1985/86. Demand for U.S. corn could pick up in the balance of the current marketing year in Asian markets, as importers there experience delays in corn arrivals from China.

Shipments and Sales: Corn shipments of 2.3 million tons in the 4-week period ending July 18 were equal to the previous month's total. However, new sales of 1.5 million tons were about 40 percent lower than last month. U.S. sorghum shipments (200,000 tons) and sales (500,000 tons) were each about 100,000 tons lower than the previous month.

IMPORTER BUYING ACTIVITY

Taiwan was the largest buyer of U.S. corn this month, purchasing 571,000 tons for delivery in August-November. Japan made a large purchase of U.S. sorghum, which totaled 310,000 tons.

RECENT CORN AND SORGHUM IMPORTER BUYING ACTIVITY
REPORTED BETWEEN JUNE 25 AND JULY 24, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
6/27	Taiwan	US	27,000	#2 YC	123.14	August
7/1	Portugal	US	36,000	YC	117.40	July
7/5	Taiwan	US	230,000	#2 YC	119.29 @ 122.64	Jul/Aug
7/12	Morocco	US	9,700	YC	?	August
	Morocco	US	9,700	YS	?	August
7/15	Portugal	US	69,000	YC	?	Jul/Aug
	Egypt	US	130,000	YC	130.33 @ 130.85	August
	Japan	US	310,000	YS	107.00 @ 111.00 C&F	Oct/Dec
7/17	Israel	US	45,000	YS	?	September
7/22	Israel	US	20,000	#2 YC	110.72	Sep/Oct
	Taiwan	US	314,000	#2 YC	112.89 @ 121.26	Sep/Nov
7/24	Portugal	US	59,500	YC	115.05 @ 115.55	August

1/ YC=#3 Yellow Corn unless otherwise stated, and YS=Yellow Sorghum
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

US CORN AND SORGHUM SHIPMENTS, SALES AND INSPECTIONS 1/
(OCTOBER/SEPTEMBER--MILLION TONS)

Monthly Shipments

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
Apr. 18	4.0	4.1	.4	.4
May 23	4.9	4.2	.4	.4
Jun. 20	3.7	2.3	.3	.3
Jul. 18	2.7	2.3	.4	.2
TOTAL FOR MY	39.9	40.8	5.0	5.5

Monthly Sales

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
Apr. 18	2.7	2.5	.5	.4
May 23	2.7	2.3	.5	.2
Jun. 20	1.8	2.5	.2	.6
Jul. 18	4.9	1.5	.4	.5
TOTAL FOR MY	49.1	45.1	6.1	6.8

Weekly and Annual Inspection Rates

	CORN MT	CORN BU	SORGHUM MT	SORGHUM BU
Week Ending July 11	0.5	20.9	0.10	4.1
Week Ending July 18	0.6	22.9	0.04	1.7
Official Estimate for Current MY (Grain only)	49.1	1933	6.99	275
Implied Weekly Average	0.9	37.2	0.13	5.3
Latest Six Weeks Weekly Average	0.6	22.8	0.08	3.2
Marketing Year-To-Date				
Weekly Average	1.0	38.9	0.14	5.5
Weekly Avg. Extrapolated Annually	51.4	2024	7.32	288
Balance of Year to Achieve Estimate				
Implied Weekly Average	0.8	29.8	0.11	4.2

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.
Source: Export Sales; FGIS

CORN AND SORGHUM SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1982/83-1983/84
(OCTOBER/SEPTEMBER--MILLION TONS)

	SORGHUM		CORN					
	Argentina		Argentina		Thailand		TOTAL	
4 Weeks Ending 1/	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
April 18	.6	.5	1.1	1.5	.1	.2	1.8	2.2
May 23	1.1	.8	1.1	1.7	.1	.1	2.3	2.6
June 20	.8	.6	.8	1.3	.2	.1	1.7	2.0
July 18	.6	.5	.7	.8	.1	#	1.4	1.3
Cumulative in Marketing Year	3.8	3.0	5.1	6.4	2.6	2.4	11.5	11.8
TOTAL FOR SEASON 2/	4.8	3.5	5.9	8.0	3.2	3.0	13.9	14.5

N/A = Not Available
1/ Or nearest date thereto.
2/ Projection for 1984/85.
Less than 100,000 tons.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries Selling Activity and Competitive Developments

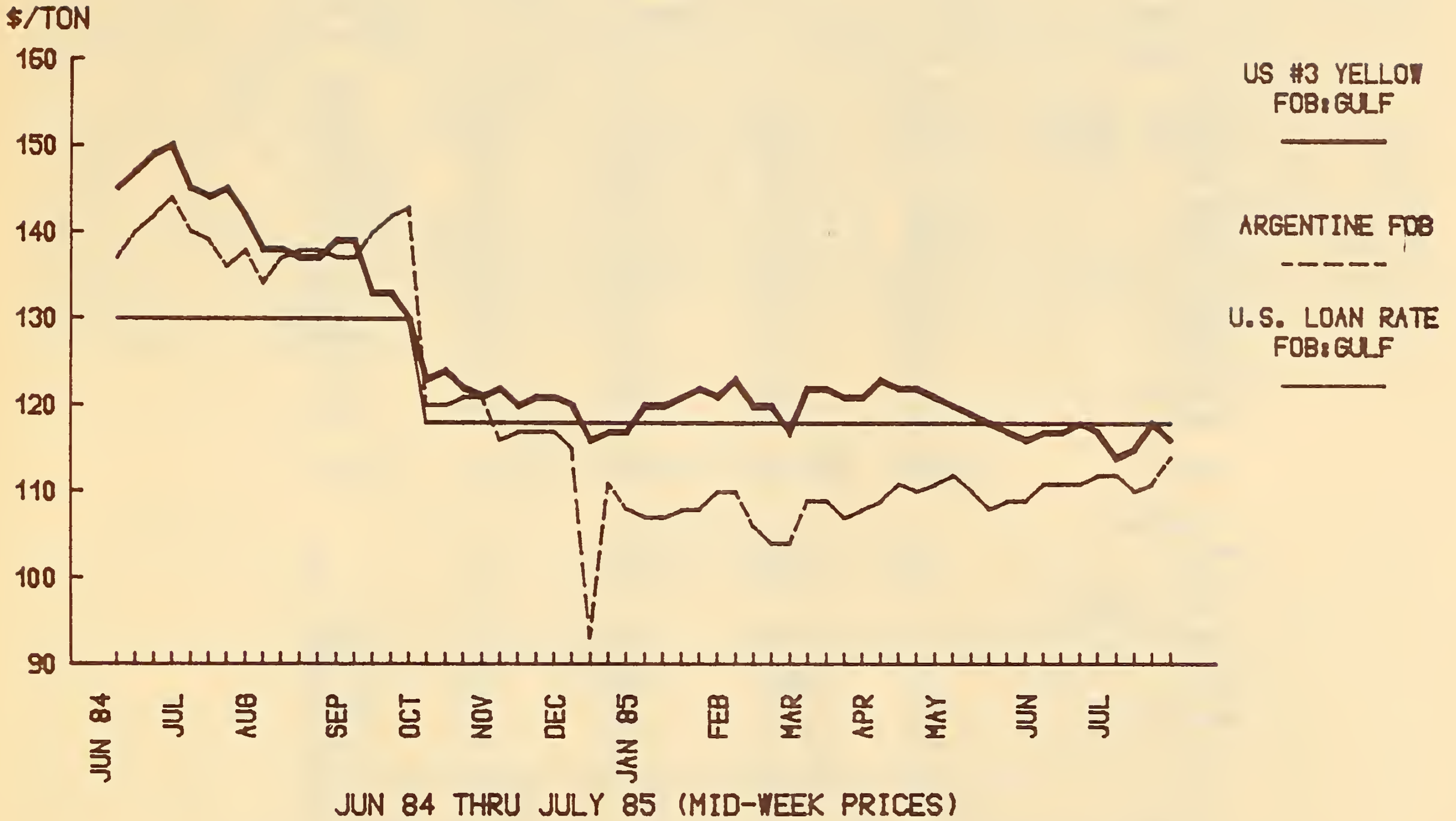
**Argentina: A delegation from Argentina traveled to Moscow in early July to renegotiate the grain supply agreement signed in July, 1980 that is due to expire at the end of 1985. Reports indicate that any preliminary agreement reached this month could lead to final negotiations for a new agreement at a later date. Argentina has stated its desire to include wheat in any new agreement, in addition to the previously agreed 4 millions tons of corn and/or sorghum. Argentina would like assurances that other agreement minimum quantities will be purchased each year (e.g., soybeans and beef), and the Soviets would like to see a more even balance of trade between the two countries (which currently favors Argentina).

**Thailand: Competition from Thailand in the world coarse grain market is now expected to intensify in 1985/86 due to improved crop prospects. Record corn production (4.9 million tons) is forecast for 1985, which will boost exportable supplies. Good growing conditions, increased use of hybrid seed, and shifts from manioc to corn are the major factors behind the increased crop outturn. Thai coarse grain exports, now forecast at 3.5 million tons in October-September 1985/86, would be 350,000 tons above the past 4-year average.

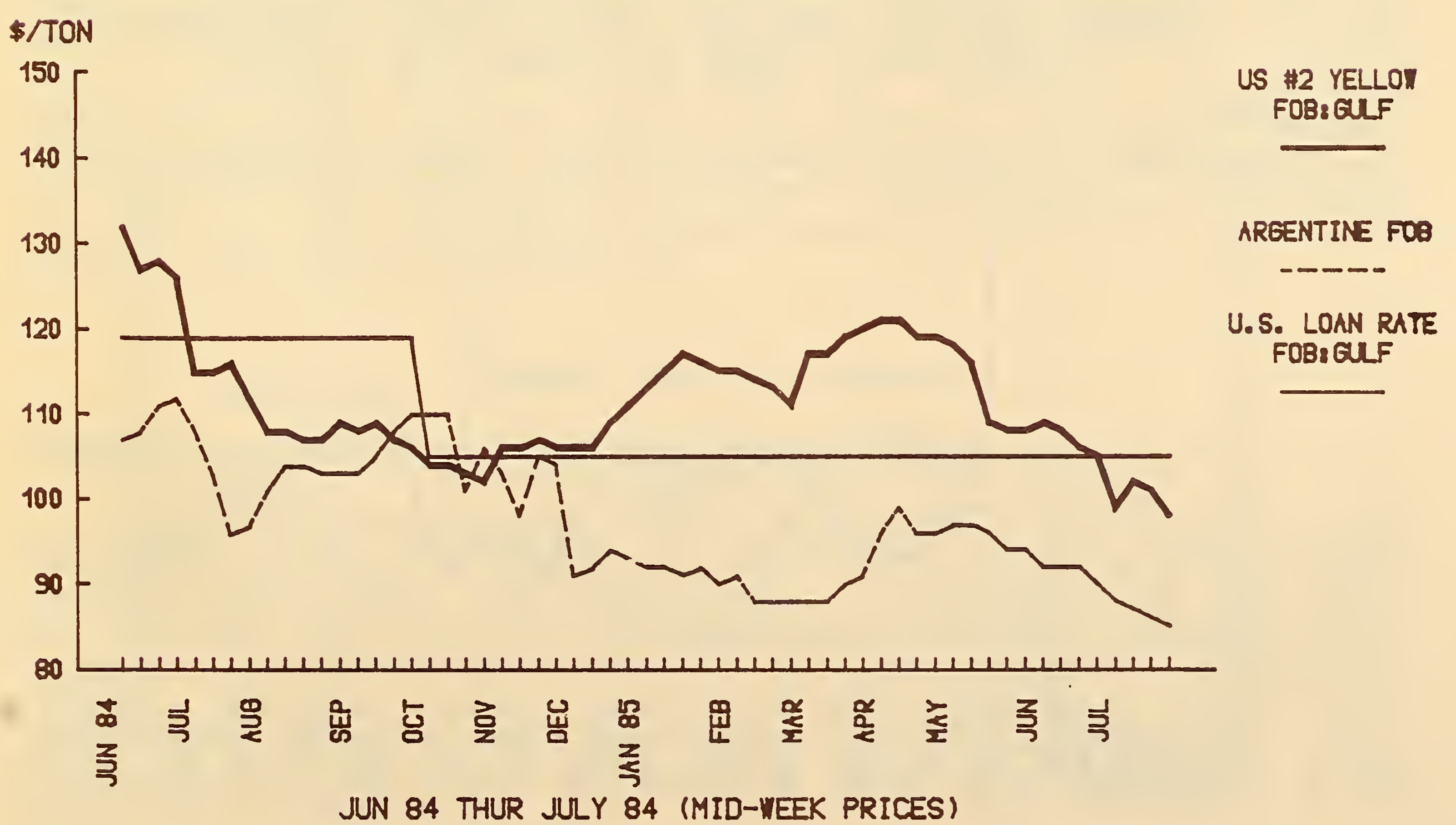
Competitive Developments in Selected Foreign Markets

**Portugal: The forecast for corn imports in October-September 1984/85 has been reduced 300,000 tons to 1.5 million tons. Lower livestock production due to herd reductions, increased use of non-grain feed ingredients (NGFI) such as manioc, and higher prices have all led to a decrease in demand for corn. In the coming 1985/86 year, corn imports are expected to remain at about the same level, but much depends on whether feed compounders react favorably to the increased use of NGFI, and whether some recovery in the livestock sector takes place. Another factor that will affect Portugal's level of corn imports is its scheduled accession to the European Community on January 1, 1986. Portugal has agreed to purchase 15 percent of its annual cereal needs from the EC during the first 5 years of entry transition, and also to liberalize 20 percent of imports (most likely for purchases of EC barley and feed wheat). Continued use of GSM-102 for corn purchases will help U.S. exporters maintain their share of the amount of imports outside the liberalization scheme in the coming season.

CORN EXPORT PRICES
U.S. AND ARGENTINE



SORGHUM EXPORT PRICES
U.S. AND ARGENTINE

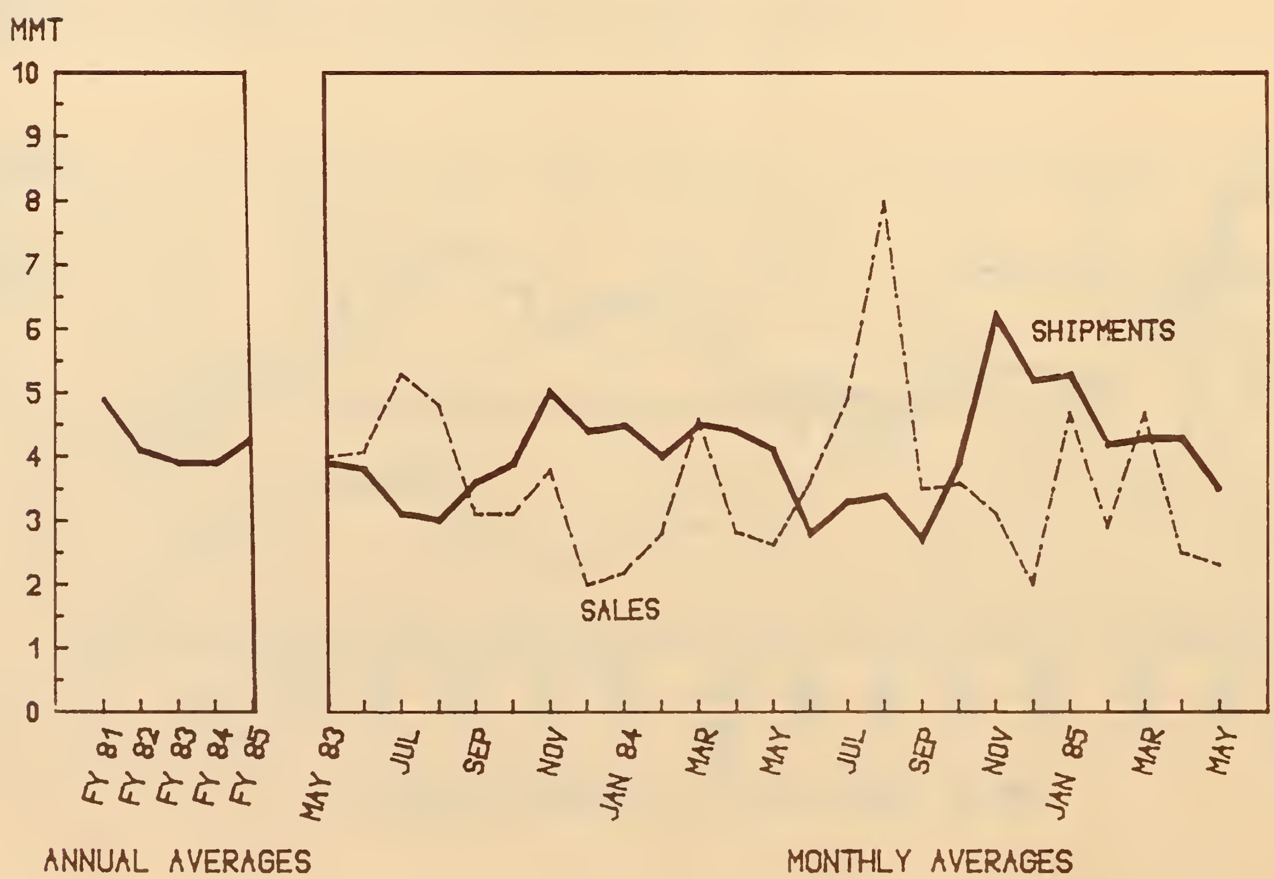


U.S. CORN AND SORGHUM EXPORTS BY DESTINATION
(OCTOBER/SEPTEMBER--1,000 TONS)

Destination	1981/82	1982/83	1983/84 Actual Exports	1983/84 Committed as of 7/19/84 1/	1984/85 Committed as of 7/18/85 1/
---CORN---					
EC	7,095	4,033	3,677	2,769	1,636
Other W. Europe	8,204	5,388	4,473	4,301	3,248
Eastern Europe	3,889	1,470	727	582	582
USSR	7,772	3,200	6,500	6,051	15,750
China	1,117	2,161	18	--	--
Japan	10,588	13,180	13,781	15,586	11,085
Taiwan	1,718	3,000	2,676	2,729	3,164
Rep. of Korea	2,690	3,908	2,972	2,798	1,392
Egypt	1,350	1,516	1,303	1,232	1,238
Canada	800	750	283	134	245
Mexico	571	4,091	2,808	2,415	1,264
Venezuela	414	892	1,140	1,012	637
Others	3,732	3,938	6,992	6,578	4,876
Total	49,940	47,527	47,350	46,187	45,117
--SORGHUM--					
Spain	790	105	465	317	45
Other W. Europe (excl. Spain)	540	251	136	134	78
Japan	2,437	741	1,505	1,560	2,549
Israel	368	341	574	645	559
Mexico	544	3,260	2,758	2,670	1,972
Venezuela	713	243	206	277	993
Others	898	462	582	544	617
Total	6,290	5,403	6,226	6,147	6,813

1/ Accumulated shipments and sales, excluding sales for next marketing year.
Source: U.S. Bureau of Census and U.S. Export Sales Report.

U.S. CORN SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM MAY 1983 - MAY 1985



**Korea: In order to assure that all contracted corn is delivered on a timely basis, Korea announced that a 10 percent bid bond will be placed on non-U.S. origin corn tenders. Successful suppliers will also be required to post a 10 percent performance bond to assure delivery. This action most likely was taken in response to late corn shipments from China.
In a separate development, U.S. sorghum exports to Korea in October-September 1984/85 are expected to fall to 100,000 tons, the lowest level in 3 years. Chinese sorghum, reportedly offered at $25 per tons less than sorghum from the United States, appears to be responsible for the decline. Sorghum exports from China do not seem to be affected by export controls recently imposed on corn exports that have caused loading delays. Korea is expected to import 300,000 tons of sorghum from all sources in 1984/85.

BARLEY, OATS, AND RYE

U.S. Exports
June/May--1,000 Tons

Grain	1983/84	1984/85 1/	1985/86 2/
Barley	1,991	1,676	1,415
Oats	39	15	30
Rye	25	10	25

1/ Estimated 2/ Projected

Other Countries Selling Activity and Competitive Practices

**Australia: A drive to consolidate the barley marketing activities of the states of South Australia, Victoria, and New South Wales (NSW) has begun. If successful, this new organization will be responsible for about 60-70 percent of the Australian crop, and a similar proportion of the 3-4 million tons of barley exported annually. Currently, the 2 southern states of South Australia and Victoria, and the state of NSW each has a barley marketing board, and the proposed consolidation would reduce the incidence of each undercutting the other in export markets. If agreement is reached, the consolidated Australian Barley Board could be formed in time for the 1986/87 marketing year.

BEANS, PEAS, AND LENTILS

Competitive Developments in Selected Foreign Markets

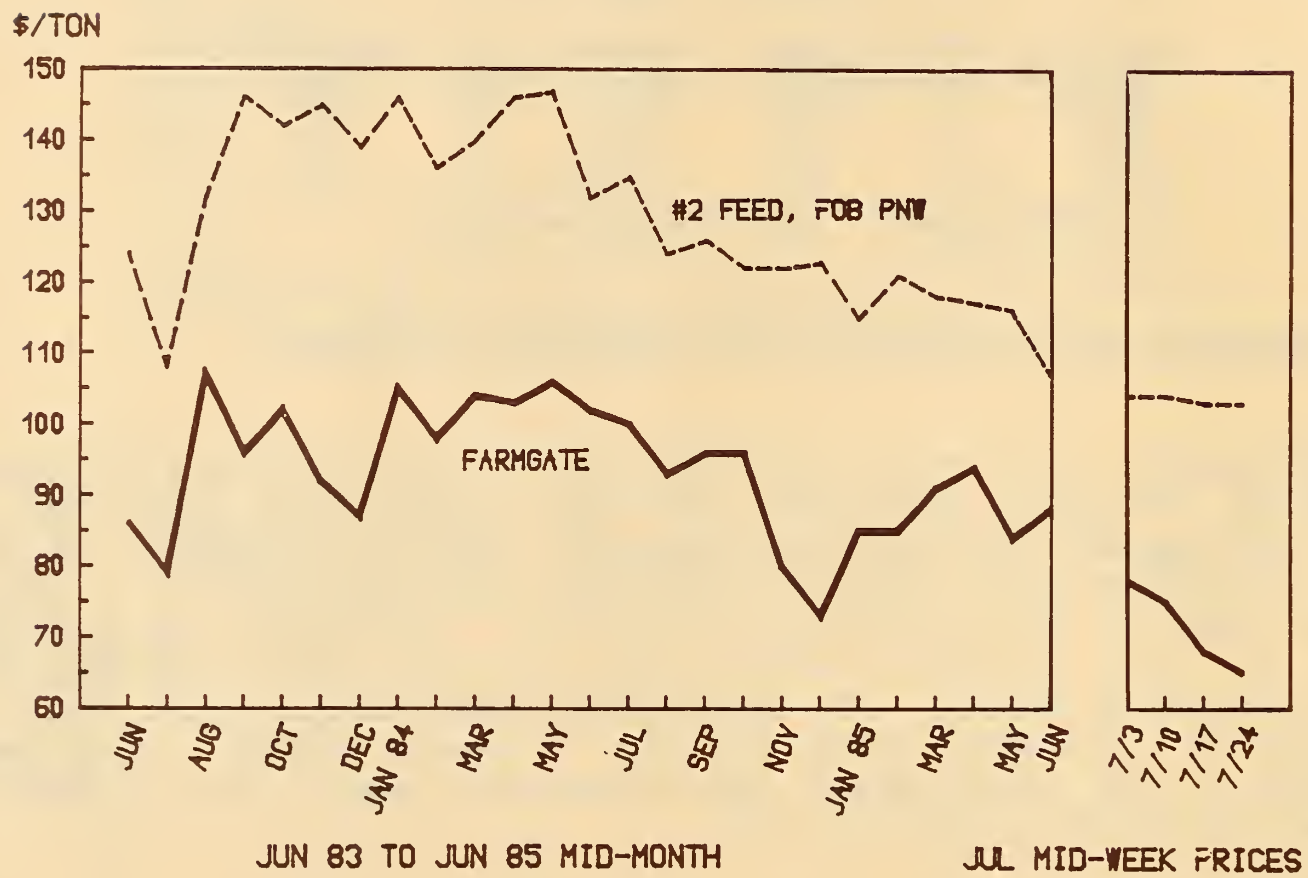
**Japan: Trading companies that are pulse quota holders agreed to allow processors to use 20 percent of their total quota for the balance of Japanese fiscal year 1985 (April-March). The decision stems from claims by processors that the quota holders are making excessive profits at their expense. The processors will continue to import through the quota-holding trading companies, mainly because of their familiarity with import procedures. Traders will pass offers on to processors, and these processors will pay traders and middleman distributors a percentage of the import price in commission fees.

U.S. BARLEY EXPORTS BY DESTINATION
(JUNE/MAY--1,000 TONS)

Destination	1982/83	1983/84	1984/85 Total Exports	1984/85 Committed as of 7/19/84 1/	1985/86 Committed as of 7/18/85 1/
EC	122	360	105	59	--
Other W. Europe	226	441	353	120	1
Eastern Europe	--	126	--	--	--
Taiwan	146	223	259	50	50
Japan	119	372	314	152	65
Others	317	509	514	73	75
TOTAL	930	2,031	1,545	454	191

1/ Accumulated shipments and sales excluding sales for next marketing year.
SOURCE: U.S. Census for 1982/83-1983/84 and U.S. Export Sales for 1984/85-1985/86.

U.S. FEED BARLEY PRICES
INTERIOR AND EXPORT POSITIONS



BARLEY SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(OCTOBER/SEPTEMBER--MILLION TONS)

4 Weeks Ending 1	U.S. 83/84	U.S. 84/85	CANADA 83/84	CANADA 84/85	FRANCE 2/ 83/84	FRANCE 2/ 84/85	U.K. 2/ 83/84	U.K. 2/ 84/85	TOTAL 83/84	TOTAL 84/85
April 24	0.2	#	0.4	0.2	#	0.2	0.2	0.2	0.8	0.6
May 23	0.1	#	0.6	0.2	0.1	0.3	0.1	0.3	0.9	0.8
June 20	0.1	#	0.4	0.1	0.1	0.2	0.1	0.3	0.7	0.6
July 18	#	0.1	0.2	0.1	#	N/A	#	N/A	0.3	N/A
Cum. Since Oct 1	1.7	1.0	3.7	1.9	0.6	1.8	1.0	2.1	7.0	6.8
Total For Season 3/	2.1	1.5	4.2	3.1	1.1	3.0	1.4	3.0	8.8	10.6

1/ Or closest date thereto.
2/ Excludes intra-EC trade; Cumulative reflects available data.
3/ Projection for 1984/85.
N/A Not available
Less than 50,000 tons.

**Dominican Republic: About 40 percent, or 7,500 tons of the summer dry bean crop is estimated to have been lost due to drought. To cover this deficit, INESPRE purchased 9,000 tons of U.S. pinto beans for July/October 1985 delivery. This was the first significant purchase of U.S. dry beans by the Dominican Republic since 1980, when they imported 6,600 tons.

**Mexico: CONASUPO purchased 2,500 tons of a combination of U.S. pinto, pink, and black beans, plus 5,500 tons of pinto beans which were part of a shipment originally destined for Brazil. This brings total shipments to Mexico in the current marketing year to about 11,700 tons. These sales are covered under an allocation of $20 million in GSM-102 guarantees for the purchase of U.S. dry beans during fiscal year 1985.

**Greece: The Ministry of Commerce announced quotas for pulse imports during calendar year 1985. The quota for third-country lentils is 5,391 tons, and traders expect about half of this total to come from the United States. The quota for all lentil imports during 1985 was announced at 15,466 tons, and is allocated as follows: Syria--2,696 tons; Morocco--5,351 tons; Lebanon--950 tons; Jordan--1,078 tons; and third-countries--5,391 tons. The quota for dried beans and chick peas was set at 4,960 tons and may come from any origin. U.S. competitors for the large white beans Greek consumers prefer are Turkey and Yugoslavia.

RICE

LATEST U.S. EXPORT FORECAST, SHIPMENTS AND SALES 1/

Export Forecast: The estimate for U.S. rice exports in 1984/85 (August/July) remains unchanged from last month at 2.0 million tons. The forecast for the 1985/86 marketing year is also unchanged at 1.9 million tons, reflecting expected continued erosion of U.S. market share in South Africa, the Middle East, and Western Europe.

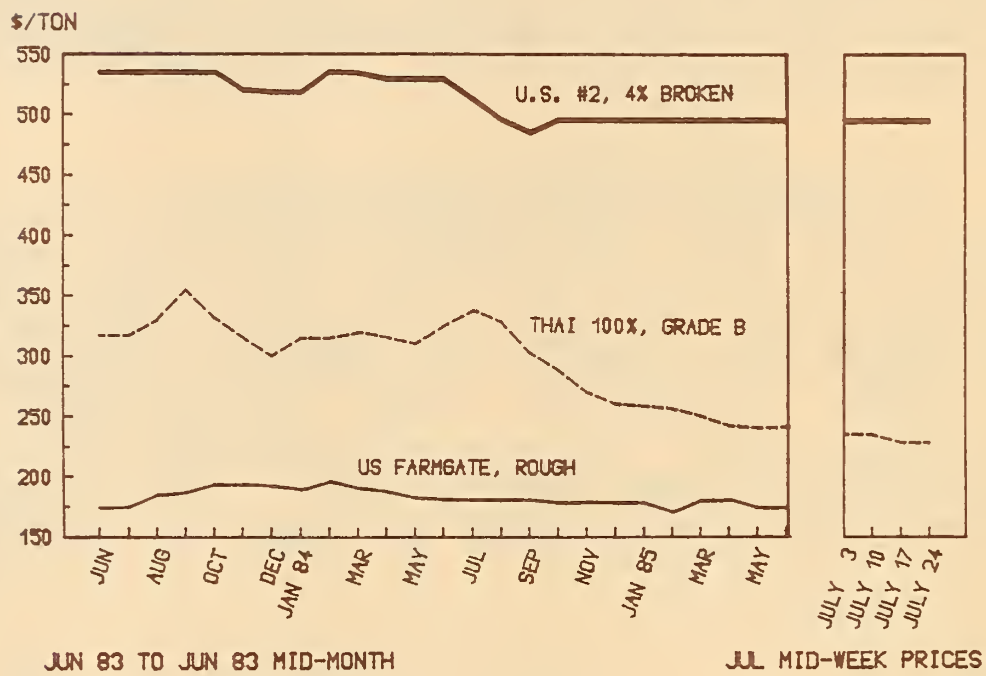
Shipments and Sales: U.S. rice exports during the 4-week period ending July 18 totaled 147,700 tons, down slightly from the previous 4-week total of 152,300 tons. Major destinations included Iraq, Saudi Arabia, and Senegal. Cumulative shipments for the marketing year through July 18 totaled 1.8 million tons, or about 9 percent below the level of shipments for the same period one year ago. During the 4-week period ending July 18, registrations of new export sales for delivery in the current marketing year totaled 24,600 tons, compared to the previous 4-week total of 135,300 tons. However, new sales totaling 61,600 tons were also registered for delivery in the 1985/86 marketing year. Export commitments for 1984/85 delivery now total 2.0 million tons, or approximately 8 percent below the 2.2 million tons registered as of this date one year ago. Commitments for 1985/86 delivery total 157,400 tons.

1/ Shipments and sales are on a product basis.

Weekly U.S. Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
June 27	25,300	38,175
July 4	44,400	39,375
July 11	30,400	34,000
July 18	48,400	37,125

RICE PRICES
US AND THAI (C&F ROTTERDAM) AND US FARM



IMPORTER BUYING ACTIVITY

There was virtually no major buying activity reported during the past month, with the only significant business being Iran's purchase of 30,000 tons of Thai rice and Guinea's purchase of 19,700 tons of U.S. rice under PL-480. It is quite likely that buyers are waiting for further price declines in Thailand, Pakistan and Burma as the prospect of another bumper Asian rice harvest in 1985/86 puts additional pressure on an already weak world market.

**Iran: A buying team from the General Trading Corporation (GTC) reportedly was in Bangkok seeking 100,000-150,000 tons of 100% B. One sale of 30,000 tons for prompt shipment has been reported, and the seller is believed to have an option for an additional 30,000 tons if the first lot passes inspection. It is estimated that GTC has purchased nearly 300,000 tons of rice from Thailand for delivery in CY 1985, but shipments have been plagued by GTC's severely restrictive inspection standards, and vessel loadings have been very slow. One vessel reportedly has been loading for two months but has taken on only 9,000 tons of rice.

In addition to the 300,000 tons of rice purchased from Thailand, GTC has also purchased 40,000 tons from Surinam, 75,000 tons from Pakistan, and 105,000 tons from Uruguay for total 1985 import commitments of 520,000 tons. Total imports are projected to reach 700,000 tons in CY 1985.

RECENT RICE IMPORTER BUYING ACTIVITY
REPORTED BETWEEN JUNE 30 AND JULY 25, 1985

Buyer	Origin	Quantity 1,000 Tons	Quality 1/	Price $/MT 2/	Delivery Period	Date of Report
Angola	Thailand	2.3	35%	N/A	N/A	7/3
Belgium	U.S.	8.6	N/A	N/A	N/A	various
Cameroon	Thailand	1.9	35%	N/A	N/A	7/3
Canada	U.S.	7.5	N/A	N/A	N/A	various
Djibouti	Thailand	1.2	35%	N/A	N/A	7/3
	Thailand	1.5	P 100%	N/A	N/A	7/5
Dubai	Thailand	2.0	100% B	N/A	N/A	various
Gambia	Thailand	1.8	35%	N/A	N/A	7/3
Guinea-Bissau	Thailand	1.3	35%	N/A	N/A	7/3
Guinea	U.S.	19.7	#5/20% LG	301-310 3/	Aug/Sep	7/11
Hong Kong	Thailand	1.6	100% B	N/A	N/A	7/3
Iran	Thailand	30.0	100% B	198	Jul/Aug	7/15
Ivory Coast	Thailand	2.0	25%	N/A	N/A	7/5
	Thailand	4.5	35%	N/A	N/A	7/5
	Thailand	1.5	A-1 Spec	155	N/A	7/5
Liberia	Thailand	5.0	P	N/A	Jul/Aug	7/15
	U.S.	3.2	N/A	N/A	Jul/Aug	7/22
Saudi Arabia	Thailand	5.3	P 100%	N/A	N/A	various
	U.S.	8.0	P #2/4% LG	N/A	N/A	various
Seychelles	Thailand	1.0	10%	N/A	N/A	7/3
Singapore	Thailand	1.0	F 100% C	N/A	N/A	7/3
Somalia	Thailand	7.7	P 10%	187	N/A	7/15
Togo	Thailand	5.0	35%	N/A	July	7/15
Yemen, N.	Thailand	2.1	P/B 100%	N/A	N/A	7/3
Yugoslavia	Thailand	3.0	5%	N/A	N/A	various
		1.0	10%	225	Aug	7/15
N/A	Pakistan	10.0	15/20%	160	Jul/Aug	7/11
	Pakistan	15.0	40/45%	151	Jul/Aug	7/11
	Pakistan	10.0	15/20%	154	Jul/Aug	7/15
	Pakistan	10.0	40/45%	146	Jul/Aug	7/15
N/A	Thailand	10.0	100% B	177	Jul	7/15

1/ P = Parboiled, LG = Long Grain, MG = Medium Grain, SG = Short Grain, B = Brown, F = Fragrant, L/Bld = Long, Boiled, F/Bld = Full Boiled, Gl = Glutinous
2/ F.O.B. basis unless otherwise indicated. Price information is in many cases unconfirmed and as reported through unofficial market sources.
3/ F.A.S., (U.S. PL-480 sale)
4/ C&F
N/A Not available.

U.S. RICE EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
FOR 1981/82-1983/84, AND AUGUST 1 THROUGH JULY 18 for 1984/85
(AUGUST/JULY--1,000 TONS)

Destination	Marketing Year	Long Grain Milled	Long Grain Brown 2/	Other 1/ Milled	Other 1/ Brown 2/	Total Exports
EC 10	1981/82	2	310	56	192	560
	1982/83	1	214	15	--	230
	1983/84	29	192	2	70	293
	1984/85	10	209	7	98	324
Other W. Europe	1981/82	58	76	4	28	166
	1982/83	33	54	3	4	93
	1983/84	23	35	3	138	199
	1984/85	26	31	4	63	124
Iraq	1981/82	270	--	*	--	270
	1982/83	327	--	*	--	327
	1983/84	230	--	2	--	232
	1984/85	428	15	1	--	445
Saudi Arabia	1981/82	250	--	15	--	265
	1982/83	267	--	2	--	269
	1983/84	253	--	6	--	253
	1984/85	235	--	6	--	241
Other Middle East	1981/82	191	8	17	3	220
	1982/83	48	--	2	--	50
	1983/84	40	--	12	--	52
	1984/85	40	--	4	--	44
Republic of Korea	1981/82	--	--	*	339	339
	1982/83	--	--	*	213	213
	1983/84	--	--	*	112	112
	1984/85	--	--	--	--	--
Other Asia & Oceania	1981/82	4	--	38	--	43
	1982/83	2	--	129	--	132
	1983/84	3	--	140	--	143
	1984/85	3	--	99	--	103
Nigeria	1981/82	347	--	--	--	347
	1982/83	159	--	--	--	159
	1983/84	63	--	--	--	63
	1984/85	*	--	--	--	*
Other Africa	1981/82	116	117	84	4	320
	1982/83	148	110	153	4	414
	1983/84	95	150	136	--	381
	1984/85	116	65	278	11	469
W. Hemisphere	1981/82	129	25	12	15	181
	1982/83	137	23	86	38	284
	1983/84	156	24	109	14	303
	1984/85	136	48	13	19	217
Total 3/	1981/82	1,379	535	228	581	2,723
	1982/83	1,148	400	392	259	2,198
	1983/84	900	401	408	338	2,043
	1984/85	1,017	368	411	191	1,987

* Less than 500 tons.
1/ Includes medium, short, and mixed.
2/ Data not converted to a milled equivalency. Includes rough rice.
3/ Discrepancies due to rounding and changes to unknown destinations.
SOURCE: U.S. Export Sales

**Liberia: The managing director of the Liberia Produce Marketing Corporation (LPMC) visited Bangkok in July, reportedly to discuss the purchase of up to 70,000 tons of Thai rice. Before leaving Thailand, the LPMC delegation apparently purchased 5,000 tons of parboiled rice on a trial basis, but this purchase is believed to be conditioned on obtaining short-term credit.

Historically, the United States has supplied 80-90 percent of Liberia's annual rice imports, which totaled an estimated 90,000 tons in CY 1984. Imports in CY 1985 are expected to fall to only 70,000 tons due to a good 1984/85 harvest. In recent years, sales under PL-480 have accounted for about 50 percent of total purchases of U.S. rice, but the current PL-480 agreement will provide only about 18,000 tons of the 60,000 tons expected to be imported from the United States this year.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

The prospect of another good Asian rice harvest in 1985/86 and continued weak world import demand has put further pressure on already weak world rice prices. In early July, Thailand's Board of Trade (BOT) reduced the posted export prices by $12 per ton for all grades except glutinous rice. The posted prices had been unchanged since March 27 although actual prices had fallen rather sharply in recent months. The posted prices for 100% B and parboiled 5% were lowered to $220 and $215 per ton, respectively. Actual prices also fell during the past month to $180-185 per ton for 100% B and $174-175 per ton for parboiled 5%. Prices have also fallen in Pakistan, as the successful bids in the July 2 tender fell to only $146 per ton for 40/45% and $154 per ton for 15/20%. However, RECP reportedly rejected even lower bids in the two subsequent weekly tenders.

**THAILAND: The pace of exports has continued to slow during the past month. Total CY 1985 exports as of July 17 were 2.43 million tons, compared to the 2.52 million tons shipped during the same period one year ago.

The Minister of Commerce reportedly has proposed to eliminate the export premium, export tax, and business tax on rice exports in an attempt to encourage new export sales and boost farm prices. Similar logic was used in late 1983 when the export premium and tax were both reduced by 50 percent. Unfortunately, most of the savings was passed on to foreign buyers in the form of lower export prices, leaving farmgate prices unchanged, although Thai exports in CY 1984 did increase sharply to 4.5 million tons.

New sales have fallen off sharply during the last several months, with total commitments for CY 1985 delivery estimated at 2.87 million tons, compared with the 3.72 million tons registered by the same date last year. Total exports are currently projected to reach 4.4 million tons this year, somewhat below the record 4.5 million tons shipped in CY 1984.

Weekly Thai Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
June 26	75,279	65,827
July 3	73,940	54,448
July 10	68,030	61,577
July 17	44,004	65,313

**PAKISTAN: The Rice Export Corporation of Pakistan (RECP) appears to be enjoying some success in selling rice under the recently adopted weekly rice tender scheme. However, export prices have fallen steadily, with successful bids in the July 2 tender of $154 per ton for 15/20% and $146 per ton for 40/45%, compared to the high bids in the June 4 tender of $168 per ton for 15/20% and $155 per ton for 40/45%. RECP apparently rejected the high bids of $140-141 per ton for 40/45% in the July 9 and 16 tenders. While the new sales scheme has helped pick up the pace of exports in May and June, total exports for January through June were only 296,736 tons, well below the 635,794 tons shipped during the same period one year ago. Total exports for CY 1985 are currently projected at 900,000 tons.

**Dominican Republic: Farm credit problems coupled with a severe drought have dampened prospects for the 1985 rice crop, making imports necessary for the first time since 1981. Production costs have skyrocketed 245 percent since 1983, while the amount of available credit necessary for the purchase of production inputs has remained unchanged. As a result, planting of the main spring crop was well behind normal, and fall plantings will likely also be reduced. The delay in plantings has been exacerbated by a severe drought. Although 98 percent of rice acreage is irrigated, water shortages have been experienced in some regions. The Agricultural Attache expects 1985 rice production to drop by 12 percent from last year's level, and import requirements in CY 1985 could be as much as 25,000 tons. To help cover the expected shortfall, a possible PL-480 program is currently being considered. The outlook for next year is also very bleak, barring any changes in the credit situation. Production in 1986 is forecast to decline a further 17 percent from 1985 levels, while import requirements may increase to over 100,000 tons.

**Japan: The Government of Japan (GOJ) has announced that the 1985 producer price for rice will be held at the 1984 level. This is the first time that the producer price has not been increased since 1969, and only the second time no increase was granted since the inception of the program in 1960. However, a large 1984/85 harvest, which has resulted in an even greater drain on the GOJ budget due to already high minimum producer prices, has increased pressure on the GOJ to limit further price increases. The rice industry in Japan has been characterized by heavy subsidies to producers while maintaining strict controls to prevent foreign imports. Japan has come under increasing international pressure to reduce tariffs on various agricultural commodities, thereby opening up these markets to foreign products. The powerful Japanese rice industry, which is opposed to allowing any rice imports, may have bowed to the producer price freeze in hopes of maintaining the present level of import controls.

**Spain: As part of the agricultural reform process required for accession to the European Economic Community, the Government of Spain has lifted a 1945 law limiting the production of rice. It is projected that the current production area of 75,000 hectares could increase by as much as one-third in the 1985/86 September-August marketing year. Most of this increase in area would be devoted to the production of long grain rice which could allow Spain to export as much as 120,000 tons of rice annually to EC countries in the medium term. Such exports would compete directly with U.S. long grain rice exports to the EC which currently average about 200,000 tons annually.

**SRI LANKA: A combination of drought and flooding in southern and western Sri Lanka and ethnic unrest in the north is expected to limit rice production this year. While the February/March-harvested Maha crop was significantly larger than the drought-reduced 1984 Maha crop, the Yala crop, which is harvested in August/September, is expected to fall far short of last year's record outturn. As a result, the Ag Counselor has revised downward the forecast for 1985/86 total rice production to only 2.37 million tons of paddy, compared to the 2.41 million tons harvested in 1984/85.

Anticipating a production shortfall due to the disruptions in the north, the Food Commissioner's Department had already purchased 150,000 tons of rice for delivery during CY 1985 to augment already low government stocks. The private sector had also contracted for another 15,000 tons. The government is now expected to purchase an additional 100,000 tons of rice from China's Ceroilfoods, with 40,000 tons scheduled for delivery in November or December and the balance in 1986. Total imports of at least 150,000 tons will likely be required in 1986 to prevent government buffer stocks from falling below acceptable levels.

U.S. EXPORT EXPANSION ACTIVITIES

**GSM-102: As of July 24, the Commodity Credit Corporation (CCC) had available credit guarantees totaling $67.5 million. The outstanding credit lines were: Iraq ($53.7 million), Jamaica ($7.5 million), and Portugal ($6.3 million). The credit line for Jamaica was increased by $2.0 million this month.

**PL-480: During the past month, Guinea bought 19,719 tons of #5/20% long grain rice and Liberia signed a new PL-480 agreement for $6.0 million. The Philippines also signed a new agreement for $40.0, and will tender on July 29. The following table outlines the current status of FY 1985 PL-480 Title I/III programs.

STATUS OF P.L. 480 TITLE I/III RICE PROGRAMS FOR FY 1985

Country	Allocation $Million	Agreement Signed	P.A. Issued	Tender Results Date	TMT Purchased	Price $/MT FAS	Quality 1/
Completed							
Madagascar	11.0	X	X	12/28	42.1	258-264	MG
Jamaica	8.0	X	X	1/7	9.3	307-313	LG
Bangladesh	20.0	X	X	1/15	75.1	262-281	MG
Mozambique	2.5	X	X	2/5	9.1	274	MG
Morocco	5.0	X	X	3/12	10.0	222	B,MG 6/
Jamaica	2/	X	X	3/27	2.0	325	LG
	3/	X	X	4/3	3.7	282	B,LG 7/
Somalia	5.0	X	X	4/24	4.2	307-311	MG
					3.2	323	LG
	4/	X	X	4/30	9.5	286	MG
Yemen	8.0	X	X	5/22	20.2	372-383	LG,P 8/
Sierra Leone	2.0	X	X	6/7	0.9	319	MG
					5.3	325-336	LG
Mozambique	7.0 5/	X	X	6/11	23.4	299	MG
Guinea	6.0	X	X	7/10	19.7	301-310	LG
Subtotal	74.5				237.6		
Pending							
Liberia	6.0	X					
Philippines	40.0	X	X				
Subtotal	46.0						
Total	120.5						

1/ #5/20% unless otherwise indicated,B=Brown, P=Parboiled, MG=Medium Grain, and LG=Long Grain.
2/ Second round of purchases under $8.0 million allocation.
3/ Third round of purchases under $8.0 million allocation, approx. $2.7 million balance remains.
4/ Second round of purchases under $5.0 million allocation.
5/ Amendment to original agreement.
6/ #4/15%
7/ #5/10%
8/ #2/4%

This circular was prepared by the Grain and Feed Division, Commodity and Marketing Programs, FAS/USDA. Telephone: (202) 447-2009.

U.S. WHEAT PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/Bu)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/Bu)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/Bu)
Trigger Release Price	$200	$4.45	$200	$4.45	--	--
Target Price	$195	$4.30	$198	$4.38	$198	$4.38
Loan (Reserve)	$171	$3.65	$158	$3.30	--	--
National Loan	$171	$3.65	$158	$3.30	$158	$3.30
Season Average Producer Price	$166	$3.53	$161	$3.38	$154-162	$3.20-3.40
Farm Price	--	--	--	--	$143	$2.91 2/
Paid Diversion	$136	$2.70	$136	$2.70	$136	$2.70

1/ Estimated f.o.b. equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $1.00 per bushel.
2/ ASCS 5-day moving average as of July 24, 1985

U.S. CORN PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/Bu)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/Bu)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/Bu)
Trigger Release Price	$159	$3.25	$159	$3.25	--	--
Target Price	$144	$2.86	$151	$3.03	$151	$3.03
Loan (Reserve)	$136	$2.65	$132	$2.55	--	--
National Loan	$136	$2.65	$132	$2.55	$132	$2.55
Season Average Producer Price	$159	$3.25	$136	$2.65	$128-136	$2.45-2.65
Farm Price	--	--	$133	$2.59 2/	--	--
Paid Diversion	$91	$1.50	--	--	--	--

1/ Estimated f.o.b. equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $.80 per bushel.
2/ ASCS 5-day moving average as of July 24, 1985

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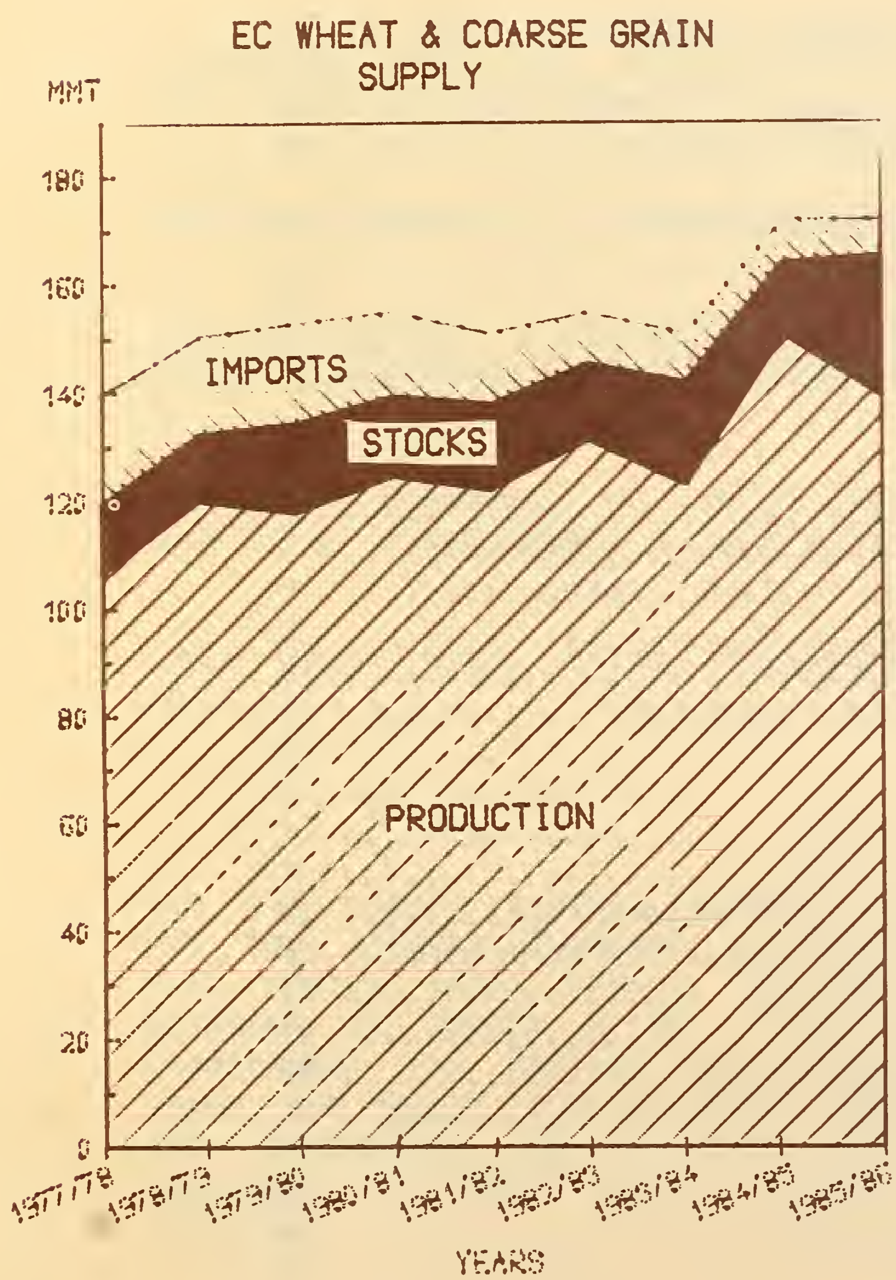
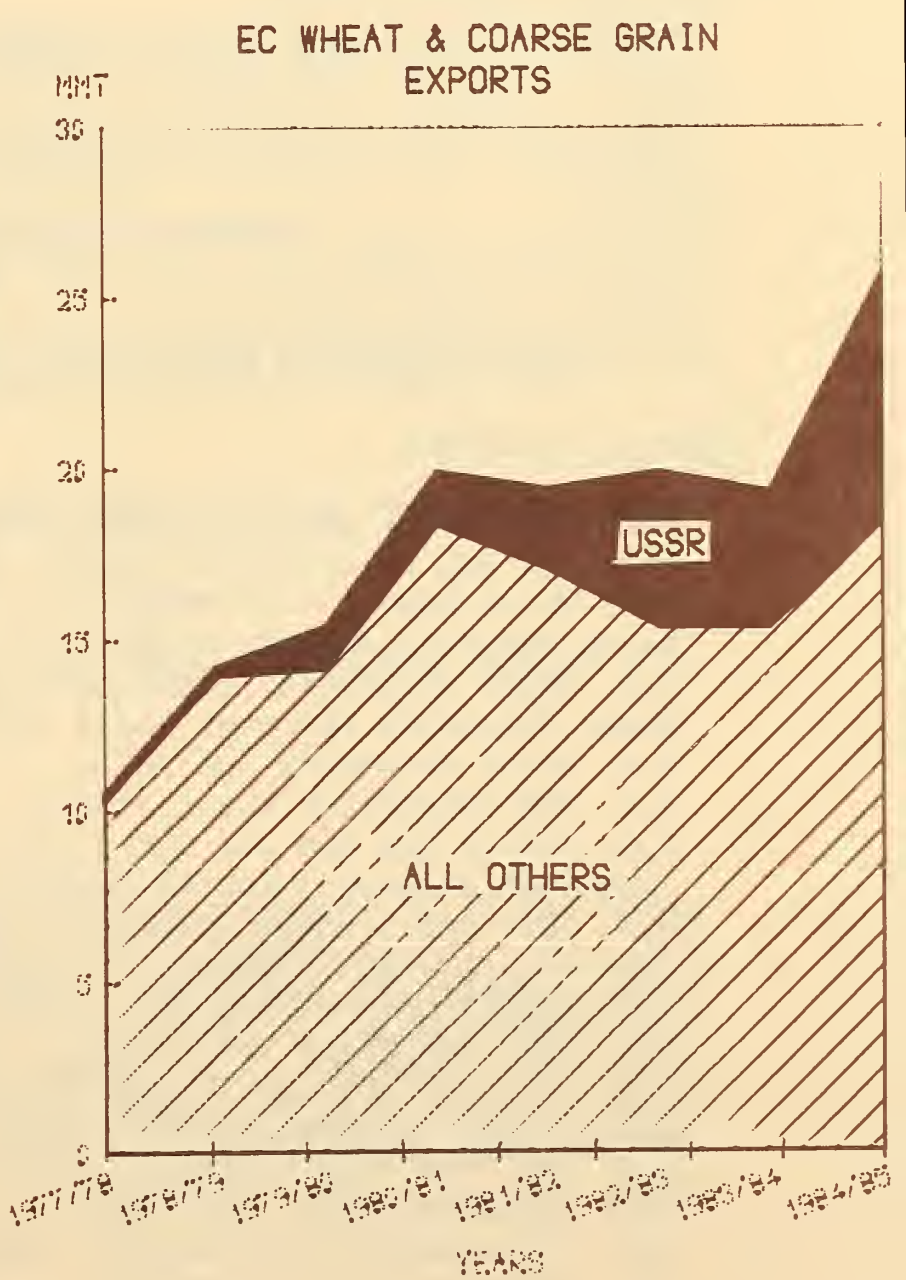
Grains

Export Markets for U.S. Grain and Products

EMG 6-85
June 1985

A major factor that continues to have an effect on the world and U.S. grain export situation is the supply and export position of the European Community (EC). This year the EC's grain supply is expected to match last season's record, given increased carryover from last season's huge crop and another sizable outturn anticipated this year. Thus, as last year, the potential exists for increased EC exports. Much will depend upon the policy to be followed with export subsidization. However, it is likely to be more difficult for the EC to increase or even maintain exports this year. Last year a very large portion of EC grain exports went to the Soviet Union, much larger than in any previous year. However, since this year's Soviet total grain imports are expected to be sharply lower, the Community would likely have to achieve major increases of exports to other destinations. For additional graphs and supporting data, see pages 14-18.





EXPORT MARKETS FOR U.S. GRAIN AND FEED COMMODITIES
June 28, 1985

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TABLES AND GRAPHS

HIGHLIGHTS

Significant developments over the past month affecting U.S. exports:

--Australian wheat sales to China in 1985 now total 1 million tons, despite the absence of a long-term agreement.

--France sold Egypt 325,000 tons of wheat flour under COFACE credit terms, which in addition to Italian flour sold last month, could very likely cover Egypt's flour import needs for the balance of 1985.

--Canadian wheat sales to the Soviet Union now exceed the minimum specified in their supply agreement.

--The EC could exceed its voluntary limit on commercial soft wheat and flour exports in the current August-July year.

--Argentina made new wheat sales to Brazil to help meet an agreement on trade between the two countries.

--Taiwan increased its import levy on bulk grain imports.

--Korea appears to have shifted most of its corn purchases back to the United States after shipping delays and higher prices for Chinese corn.

--Colombia announced a tender for 1,000 tons of U.S. lentils and 2,500 tons of small red beans.

--The Iraqi Grain Board announced a purchase of 100,000 tons of U.S. rice.

The U.S. wheat export forecast for 1985/86 is unchanged as of mid-June, but the 1984/85 forecast was lowered due to a lagging export pace. The U.S. coarse grain export forecast is also unchanged, but slowed export movement in recent weeks is expected to be offset by steady demand from traditional Far Eastern and European markets. U.S. sorghum prospects to Japan and Mexico look promising, especially with lower production expected from Argentina. The U.S. rice export forecast for calendar year 1985 was unchanged, as U.S. prices remained uncompetitive with rice from other origins.

WHEAT

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: As of mid-June, the U.S. wheat export forecast for June-May 1984/85 was reduced to 38.5 million tons, as shipments have continued at depressed levels. The export estimate for 1985/86 remains unchanged at 32.7 million tons.

Shipments and Sales: Wheat shipments in the 4-week period ending June 27 of 1.5 million tons were about equal to the previous month's total. They are expected to slow this month in anticipation of new crop winter wheat. New sales of 1.4 million tons were reported for delivery in the June-May 1985/86 marketing year.

IMPORTER BUYING ACTIVITY

Regular monthly wheat purchases from Japan, Korea, and the Philippines, a large soft wheat purchase by Egypt under P.L. 480, and China's purchase of soft wheat were the month's highlights for U.S. exporters. Lebanon bought wheat from Argentina and Australia to cover its import needs through September.

WHEAT AND FLOUR IMPORTER BUYING ACTIVITY
REPORTED BETWEEN MAY 25, 1985 AND JUNE 24, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
5/29	Japan	US	17,000	Wheat	?	July
	Japan	Canada	16,000	Wheat	?	July
	Japan	Australia	48,000	Wheat	?	July
5/30	Indonesia	US	24,000	WW	133.36	Jul/Aug
	Philippines	US	25,000	HRS	174.03	Jun/Jul
5/31	Korea	US	26,300	WW, HRW, HRS	various	Aug
	Egypt	US	209,105	SRW	118.98 @ 119.20	Jun/Jul
6/5	Japan	US	53,000	WW, HRS	?	Aug
	Japan	Canada	32,000	Wheat	?	Aug
	Japan	Australia	17,000	Wheat	?	Aug
	Portugal	US	23,500	SRW	121.35	Jun/Jul
	Korea	US	20,500	WW, HRW, HRS	130.75, 139,15, 163.20	Aug/Sep
6/6	Algeria	US	75,000	Soft Wheat	125.00 C&F	?
6/7	Sierra Leone	US	7,350	HRW	136.24	Jun/Jul
6/12	Philippines	US	25,000	HRS	171.14	July
	Japan	US	52,000	Wheat	?	Aug
	Japan	Australia	33,000	Wheat	?	Aug
	Taiwan	US	27,000	WW, HRW, HRS	various	July
6/13	Chile	US	16,000	HRW, SRW	133.85, 122.35	July
	Cyprus	EC	12,000	Wheat	125.10 C&F	Jul/Aug
	Taiwan	US	45,640	HRW, WW	147.20, 135.17	July
6/17	Lebanon	Argentina	104,000	Wheat	135.00 C&F	Jul/Oct
	Lebanon	Australia	28,000	Wheat	130.00 C&F	Jun/Jul
6/18	Sri Lanka	Argentina	50,000	Wheat	115.90	July
6/19	Japan	US	88,000	Wheat	?	Aug
	Japan	Canada	17,000	Wheat	?	Aug
	Haiti	US	39,750	HRW	139.83 @ 143.47	Jul/Sep
	Haiti	US	39,292	HRS	152.19 @ 159.17	Jul/Sep
6/20	China	US	60,000	SRW	?	?
6/21	Guatemala	US	14,450	HRW	135.82 @ 137.98	Jul/Sep
	Guatemala	US	24,466	HRS	152.50 @ 158.28	Jul/Sep
	Portugal	France	15,000	Wheat	129.90 C&F	July

1/ HRW=Hard Red Winter, HRS=Hard Red Spring, SRW=Soft Red Winter, HAD=Hard Amber Durum, WW=Western White ASW=Australian Soft White, CWRS=Canadian Western Red Spring, PH=Australian Prime Hard
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

QUANTITY AND VALUE OF U.S. GRAIN AND FEED COMMODITY EXPORTS
IN FISCAL YEAR 1985 AND COMPARISON WITH PRECEEDING YEAR

	APRIL		CUMULATIVE OCT THRU APR		ACTUAL EXPORTS	PROJECTED EXPORTS
	FY 84	FY 85	FY 84	FY 85	FY 84	FY 85
WHEAT (grain only)						
Quantity (1000 tons)	2644	1845	21551	18620	41700	35000
Value Per Ton (dollars)	153	153	160	152	156	150
Value (in million dollars)	405	283	3448	2840	6501	5250
CORN (grain only)						
Quantity (1000 tons)	4427	4258	30644	33375	47001	49100
Value Per Ton (dollars)	152	126	149	126	149	127
Value (in million dollars)	674	537	4576	4220	7012	6230
SORGHUM (grain only)						
Quantity (1000 tons)	368	617	3906	5225	6226	6985
Value Per Ton (dollars)	139	123	137	117	133	114
Value (in million dollars)	51	76	536	618	829	796
BARLEY, OATS, AND RYE (grain only)						
Quantity (1000 tons)	123	6	1369	891	2074	1750
Value Per Ton (dollars)	151	108	137	131	134	125
Value (in million dollars)	19	1	188	117	277	219
TOTAL COARSE GRAINS (grain only)						
Quantity (1000 tons)	4918	4881	35919	39520	55301	57834
Value Per Ton (dollars)	151	126	148	125	147	125
Value (in million dollars)	744	614	5300	4955	8128	7251
RICE (grain only)						
Quantity (1000 tons)	205	148	1207	1059	2212	2000
Value Per Ton (dollars)	420	345	424	360	405	375
Value (in million dollars)	86	51	512	381	897	750
PULSES						
Quantity (1000 tons)	32	20	256	272	390	450
Value Per Ton (dollars)	437	500	469	467	451	445
Value (in million dollars)	14	10	120	127	176	200
FLOUR AND OTHER GRAIN PRODUCTS						
Quantity (1000 tons)	275	334	1487	1441	2641	2300
Value Per Ton (dollars)	207	189	218	230	214	200
Value (in million dollars)	57	63	324	337	565	560
FORAGE, HAY, MIXED FEED AND GRAIN BYPRODUCTS						
Quantity (1000 tons)	597	596	4245	3845	6645	6800
Value Per Ton (dollars)	167	151	173	154	170	160
Value (in million dollars)	100	90	734	592	1165	1090
TOTAL VOLUME (in thousand tons)	8660	7824	64665	64787	109089	104385
TOTAL VALUE (in million dollars)	1407	1118	10438	9226	17432	15091

SOURCE: US Census

U.S. WHEAT EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
TOTAL EXPORTS FOR 1983/84-1984/85; COMMITMENTS TO DATE FOR 1985/86 WITH COMPARISON TO 1984/85
(JUNE/MAY--1,000 TONS)

Destination	Marketing Year	Hard Red Winter	Hard Red Spring	Soft Red	All White	Durum	Total Exports
EC-10	1983/84	3	1,218	2	--	263	1,486
	1984/85	--	718	8	--	188	914
	1984/85*	--	73	2	--	22	97
	1985/86**	--	54	7	--	18	79
Other W. Europe	1983/84	795	32	411	16	49	1,303
	1984/85	546	99	633	--	45	1,323
	1984/85*	242	2	59	--	7	310
	1985/86**	74	23	--	--	4	101
Eastern Europe	1983/84	--	--	283	--	72	355
	1984/85	--	--	--	--	65	65
	1984/85*	--	--	--	--	--	0
	1985/86**	--	--	--	--	--	0
USSR	1983/84	4,141	--	--	--	--	4,141
	1984/85	6,339	--	--	--	--	6,339
	1984/85*	219	--	--	--	--	219
	1985/86**	226	206	--	221	13	666
China	1983/84	1,368	--	1,549	--	--	2,917
	1984/85	105	--	2,693	--	--	2,798
	1984/85*	195	--	1,642	--	--	1,837
	1985/86**	--	--	120	--	--	120
Japan	1983/84	1,287	1,010	--	1,126	12	3,435
	1984/85	1,367	1,067	--	1,013	15	3,462
	1984/85*	236	208	--	231	--	675
	1985/86**	226	206	--	221	13	666
India	1983/84	198	--	--	968	--	1,166
	1984/85	--	--	--	--	--	0
	1984/85*	--	--	--	--	--	0
	1985/86**	--	--	--	--	--	0
Taiwan	1983/84	245	185	--	130	--	560
	1984/85	299	211	--	145	--	655
	1984/85*	119	43	--	47	--	209
	1985/86**	168	126	--	102	--	396
Rep. of Korea	1983/84	649	221	2	1,179	--	2,051
	1984/85	674	231	--	1,103	--	2,008
	1984/85*	98	32	--	177	--	307
	1985/86**	132	54	3	225	--	414
Other Asia, Middle East, and Oceania	1983/84	2,288	1,232	258	1,222	21	5,021
	1984/85	2,227	1,002	178	1,502	--	4,909
	1984/85*	818	238	31	180	--	1,267
	1985/86**	386	210	16	108	--	720
Egypt	1983/84	--	--	539	807	--	1,346
	1984/85	30	--	429	1,205	--	1,664
	1984/85*	--	--	--	242	--	242
	1985/86**	--	--	210	--	--	210
Nigeria	1983/84	1,278	265	88	--	--	1,631
	1984/85	1,324	198	91	--	--	1,613
	1984/85*	88	19	10	--	--	117
	1985/86**	242	--	--	--	--	242
Other Africa	1983/84	471	7	1,876	45	844	3,243
	1984/85	418	39	2,034	35	803	3,329
	1984/85*	10	--	912	--	120	1,042
	1985/86**	171	--	218	--	103	492
Brazil	1983/84	2,181	--	66	--	--	2,247
	1984/85	3,111	--	67	--	--	3,178
	1984/85*	826	--	--	--	--	826
	1985/86**	561	--	--	--	--	561
Other W. Hemis.	1983/84	2,223	1,477	514	48	296	4,558
	1984/85	2,061	1,290	503	159	293	4,306
	1984/85*	494	478	187	26	112	1,297
	1985/86**	411	397	156	4	90	1,058
Total 1/	1983/84	17,128	5,647	5,593	5,541	1,556	35,465
	1984/85	18,460	4,862	6,577	5,234	1,458	36,591
	1984/85*	4,270	1,098	3,242	888	397	9,895
	1985/86**	2,252	1,087	760	578	241	4,918
MY Projection 2/		20,140	4,899	6,668	5,307	1,497	38,511

1/ Discrepancies due to rounding and sales to unknown destination.
2/ Projection for 1984/85, including flour and products (1985/86 projections by class not yet available).
* Sales plus accumulated exports as of June 28, 1984, excluding sales for next marketing year.
** Sales plus accumulated exports as of June 27, 1985, excluding sales for next marketing year.

Source: U.S. Export Sales Report

Other Exporting Countries Selling Activity and Competitive Practices

**Australia: The Australian Wheat Board (AWB) sold 400,000 tons of wheat to China, for delivery through the end of 1985. This is the second sale (see EMG-4-85) by the AWB since its long-term agreement (LTA) expired at the end of 1984, and brings Chinese purchases of Australian wheat to 1 million tons in 1985. During last year's October-September 1983/84 Australian wheat marketing year, 2.21 million tons of wheat was sold to China by the AWB.

**France: Egypt recently purchased 325,000 tons of French wheat flour at a delivered price of $188 per ton. The flour, for August-December 1985 delivery, is covered by a 3-year credit agreement for $300 million signed in May for the purchase of French agricultural products. The credit agreement allows Egypt to buy 750,000 tons of flour, 500,000 tons of wheat, and various other agricultural products.

**Canada: Canadian Wheat Board (CWB) sales to the Soviet Union are now expected to exceed the 5.5 million tons minimum specified in the fourth year of their 5 year long-term grain agreement (LTA). Reports of heavy export movement to the Soviet Union during the month of May (1-1.2 million tons), on top of the 4.35 million tons already shipped during August-April 1984/85, indicate the minimum should be easily reached. If wheat exports drop to only 500,000 tons during the remaining 2 months of the Canadian marketing year, then CWB sales to the Soviet Union will likely exceed the previously forecast level of 6 million tons. Canadian wheat exports to all destinations during August-July 1984/85 are now forecast at 17.4 million tons.

**EC: Recent reports indicate that the EC Commission has dropped its voluntary program to restrain commercial soft wheat and flour exports for (August-July) 1984/85 to 14 percent of world trade. Since this decision comes so late in the year, it will have little impact on July-June 1984/85 world trade. However, it could signal the EC's intention to return to unrestrained wheat exports in 1985/86, particularly since the EC still has abnormally large intervention stocks (12-15 million tons), and current expectations are for another large wheat harvest amid declining world wheat import demand.

For 1984/85, the EC is forecast to export 16.5-17.5 million tons of soft wheat and flour, of which 1.5 million tons is likely to be in the form of food aid. That means commercial shipments could total 15-16.0 million tons, or about 14.5 percent of the current USDA world wheat trade estimate for 1984/85. Export licenses for soft wheat and flour (including carry-in licenses) cover nearly 16 million tons through mid-June, and additional sales are likely out of intervention stocks.

Competitive Developments In Selected Foreign Markets

**Brazil: A trade dispute over the balance of trade with Argentina (which Argentina claims swings $200-$300 million in favor of Brazil) has resulted in Brazilian purchases of 265,000 tons of Argentine wheat for 1985 delivery. Argentina originally wanted guarantee for much higher wheat purchase levels, but indications are additional sales of up to 1.2 million tons could take place later in 1985, if Argentine supplies hold out. Brazil will most likely to be pressed into buying a similar quantity of wheat from Argentina in 1986. Brazil's wheat imports in July-June 1985/86 are forecast at 4.5 million tons.

**Yugoslavia: No wheat has been imported in July-June 1984/85, contrary to earlier expectations. Due to lower consumption and higher stock levels, imports forecast at 300,000 tons (100,000 tons from the United States) failed to materialize. For the coming 1985/86 year, wheat imports of 500,000 tons are expected, depending on 1985 production, which is estimated at between 4.7 and 5.1 million tons.

**India: The government of India has stopped buying wheat from farmers, despite a mandate to buy all wheat offered for sale, because warehouses are full. Wheat purchases this season are at a record level of 10 million tons, yet farmers still hold up to 7 million tons that will be largely unprotected from monsoon rains. The surplus wheat may eventually be exported and compete with U.S. supplies.

Internal Price Policies Of Foreign Countries

**Taiwan: The Ministry of Economic Affairs announced that the special levy on imported bulk grains would be raised, effective July 1, 1985. The current levy of NT$242 per ton will increase to NT$280 (US$1=NT$39.8). Of particular concern is the fact that this increase will make grains more expensive vis. a vis. non-grain feed ingredients (e.g., tapioca and fishmeal), and substitution could lead to lower demand for grain imports. At the same time, authorities also lowered levels of required stocks. Wheat importers may now include 1 month of flour stocks in their 2 months of total wheat stocks, and corn importers may include one-half month supply of processed stocks in their required 1 1/2 months supply. Bulk grains in route to Taiwanese importers will still count towards the requirements.

**Chile: The procedure for determining the level of surtaxes on wheat imports will now be based on the price of soft red winter, as opposed to the cheapest wheat in the export market. Also, the surtaxes will remain at the same level for 1 week instead of changing every day if the reference price changed. The wheat import surtaxes are used to maintain a minimum import price, and are the base of the Chilean domestic price support mechanism. The surtax will be applied to all wheat imports, regardless of type and origin. Chile has imported an average of 900,000 tons of wheat from the United States over the past 5 years.

**EC: Although the Council of Ministers still has not reached a price policy agreement on grains, the EC Commission has decided to implement a temporary policy of cutting intervention prices by 1.8 percent in order to avoid market disruption. Last year, the EC lowered intervention prices by 1 percent, the first price reduction in EC history.

**MAJOR EXPORTERS: The latest internal support prices for the principal world wheat exporters, on an individual marketing year basis, are listed below. Prices are not strictly comparable because of quality differences and because U.S., Argentine and EC prices are on a local delivery point basis. For example, in terms of quality differentials, the Canadian price is set for No. 1 CWRS, while No. 2 CWRS was discounted by approximately C$4 per ton and No. 3 CWRS by about C$15 per ton; No. 1 CWRS has represented about 40 percent of Canadian wheat exports over the past 10 years.

MAJOR EXPORTER SUPPORT PRICES FOR WHEAT

Exporter	1983/84 U.S.$ Equivalent per bu	1983/84 U.S.$ Equivalent per ton	1983/84 Local Currency per ton	1984/85 U.S.$ Equivalent per bu	1984/85 U.S.$ Equivalent per ton	1984/85 Local Currency per ton
U.S. (loan)	3.65	134	134 (US$)	3.30	121	121 (US$)
(reserve loan)	3.65	134	134 (US$)	N/A	N/A	N/A
Argentina (reference)	2.67	98	3,060 (AP) 1/	2.46	89	4,800 (AP) 1/
Australia (min. pay.)	3.72	137	150 (A$)	2.50	92	146 (A$)
(final pay.)	N/A	N/A	N/A	N/A	N/A	N/A
Canada (initial pay.)	3.75	138	170 (C$)	3.22	119	160 (C$)
(final pay.)	3.96	145	194 (C$)	N/A	N/A	N/A
EC (intervention) 2/	4.08	150	208 (ECU)	3.97	146	206 (ECU)
(reference)	4.68	172	238	4.63	170	236 (ECU)

1/ In new pesos, current season prices can be adjusted when necessary because of currency fluctuations. Caution should be taken when using this price in US$ equivalent because of the volatility of the Argentine exchange rate. Current price as of May 30, 1985.

2/ EC prices represent medium quality wheat adjusted by monthly increments.

US WHEAT SHIPMENTS, SALES, AND INSPECTIONS 1/
(JUNE/MAY--MILLION TONS)

Monthly Shipments

4 Weeks Ending	1983/84	1984/85
Mar. 21	2.3	1.5
Apr. 18	2.9	1.7
May 23	1.0	1.6
Total for MY	35.5	33.7
	1984/85	1985/86
June 20	3.3	1.5
Total for MY	2.0	1.2

Monthly Sales 2/

4 Weeks Ending	1983/84	1984/85
Mar. 21	1.9	1.3
Apr. 18	2.5	[illegible]
May 23	1.0	0.5
Total for MY	36.9	30.6
	1984/85	1985/8
June 20	3.7	1.3
Total for MY	9.9	3.7

Weekly and Annual Inspection Rates

	Million MT	Million BU
Week Ending June 13...............	0.6	23.3
Week Ending June 20...............	0.5	18.9
Official Estimate for Current MY (Grain only)......................	31.3	1150
Implied Weekly Average...........	0.6	22.1
Latest Six Weeks Weekly Average.....................	0.4	15.2
Marketing Year-To-Date Weekly Average.....................	0.5	18.3
Weekly Avg. Extrapolated Annually	25.9	953
Balance of Year to Achieve Estimate Implied Weekly Average...........	0.6	22.3

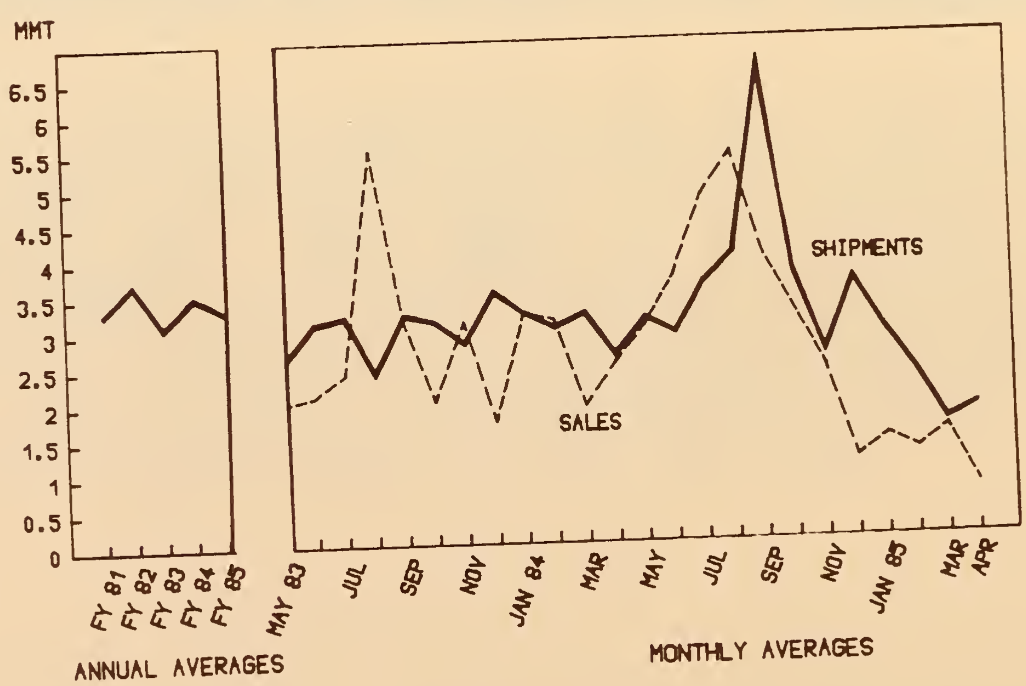
1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of he applicable marketing year, including sales for shipment in the next marketing year.

WHEAT SHIPMMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(JULY/JUNE--MILLION TONS)

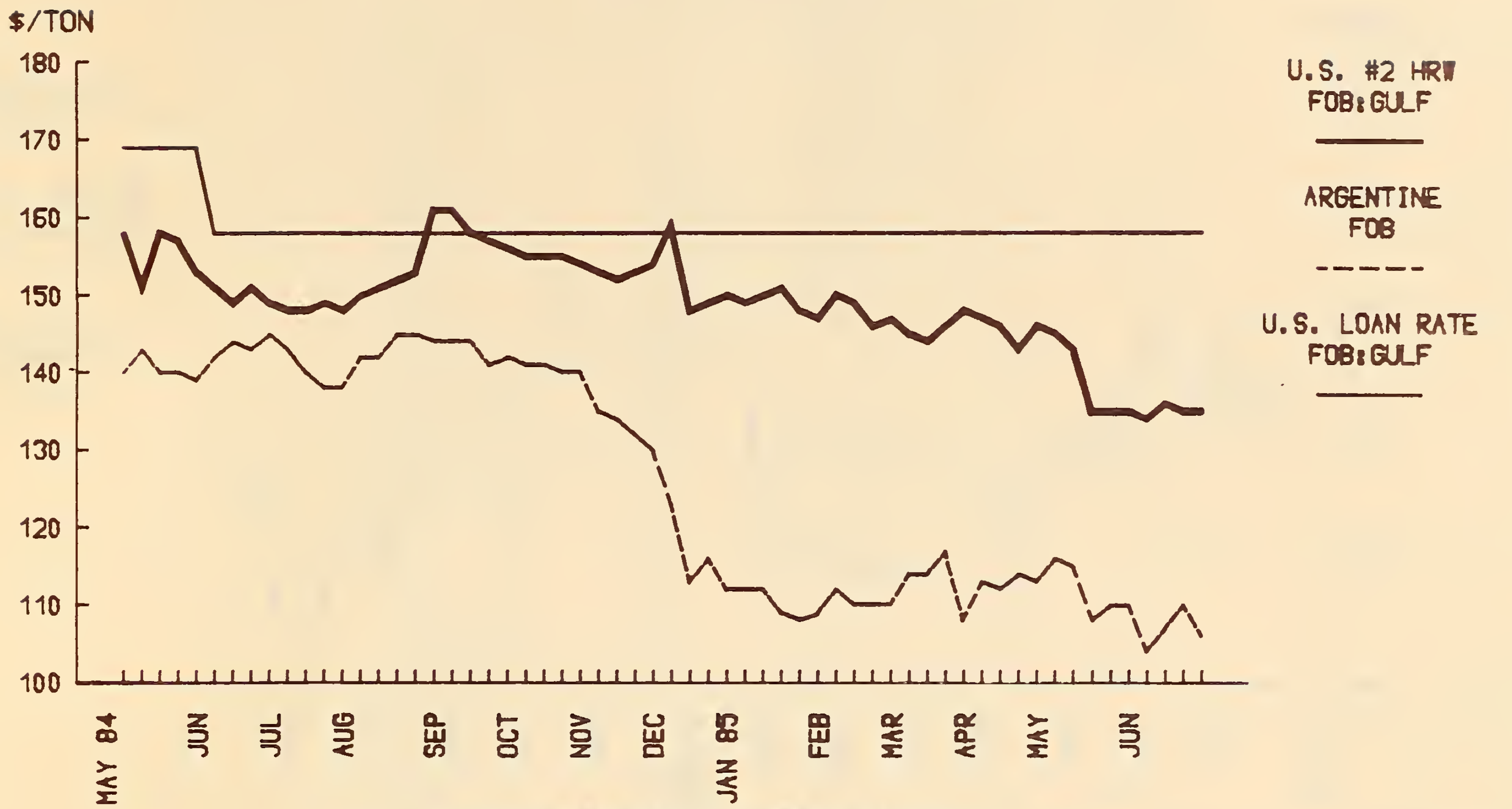
	Canada		Australia		Argentina		France		Total	
4 Weeks Ending 1/	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
March 21	1.0	.7	1.5	1.4	1.4	1.5	.7	1.3	4.6	4.6
April 18	1.3	.8	1.1	1.3	.6	1.1	.3	N/A	4.0	N/A
May 23	2.7	1.7	1.5	1.2	.4	.7	.4	N/A	4.4	N/A
June 20	2.6	1.9	1.4	1.1	.3	.1	.5	N/A	4.8	N/A
Cumulative Since July 1	21.6	19.0	11.6	14.7	9.5	7.5	9.5	8.8	52.3	50.1
Total for Season 3/	21.8	19.0	11.6	15.1	9.6	7.6	9.5	11.0	52.5	52.7

1/ Or nearest date thereto.
2/ Excludes intra-EC trade.
3/ Projection for 1984/85.

U.S. WHEAT SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM MAY 1983 - JUNE 1985

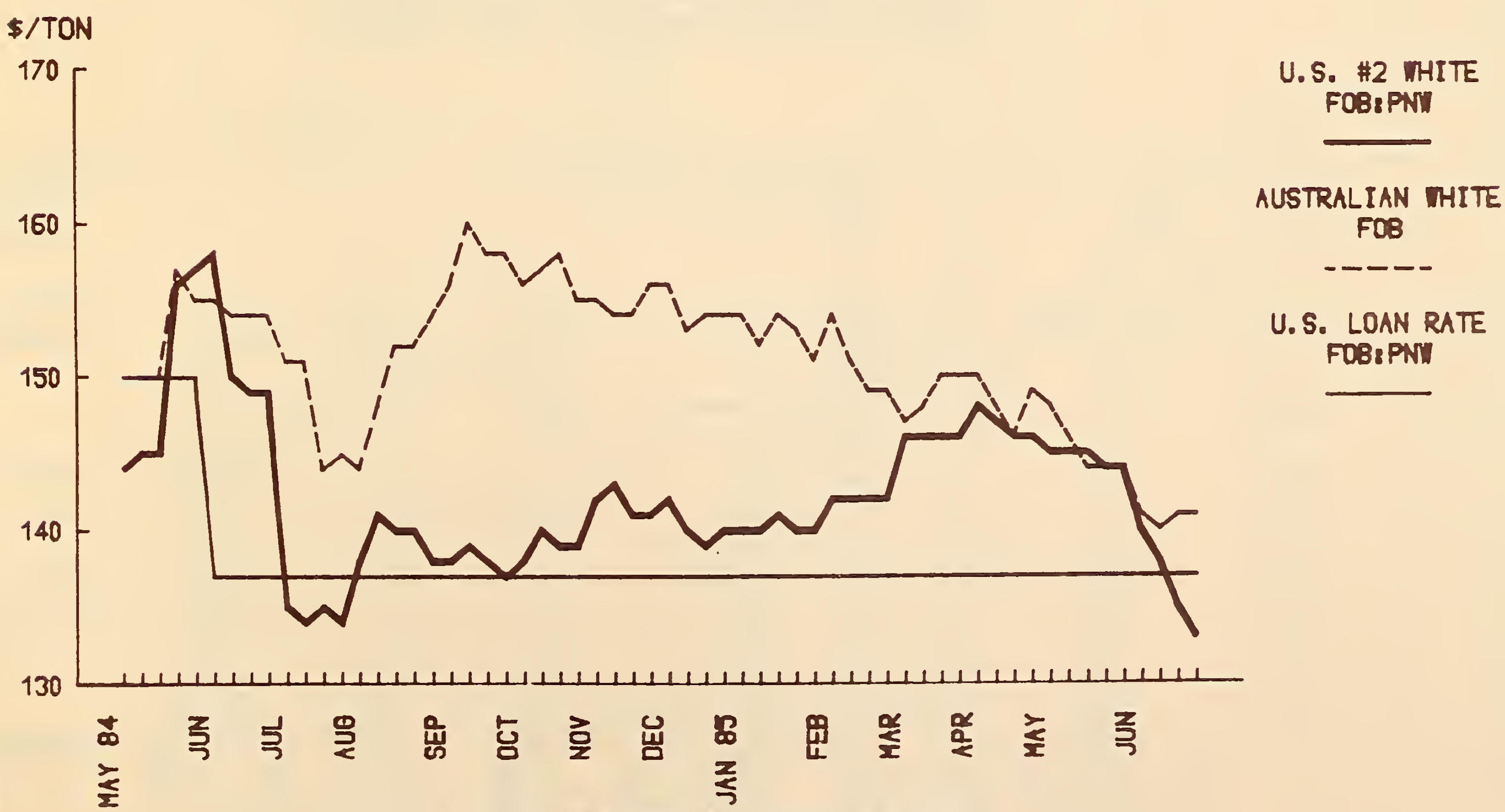


HARD RED WINTER WHEAT EXPORT PRICES
U.S. AND ARGENTINE



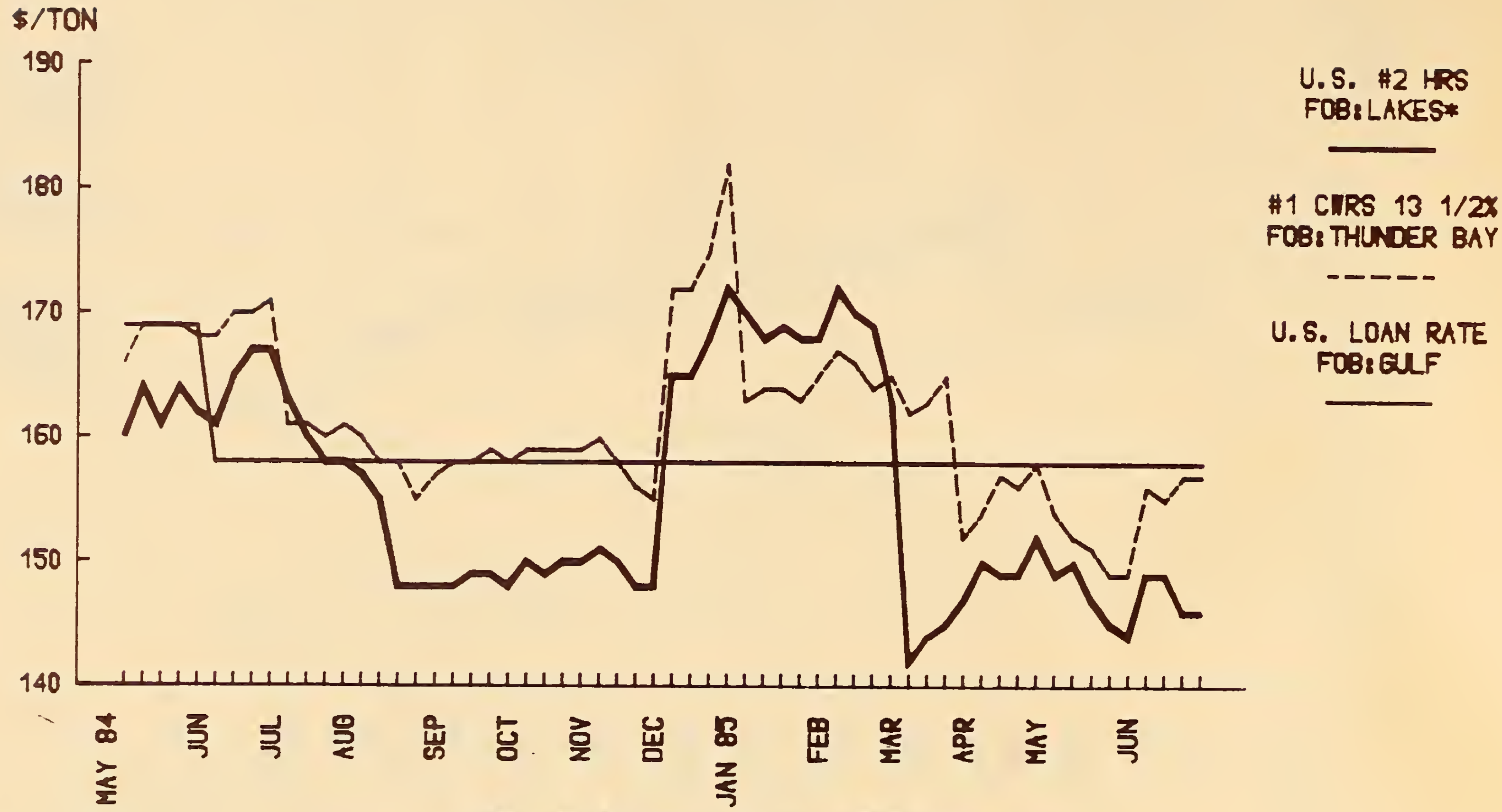
MAY 84 THRU JUNE 85 (MID-WEEK PRICES)

WHITE WHEAT EXPORT PRICES
U.S. AND AUSTRALIAN



MAY 84 THRU JUNE 85 (MID-WEEK PRICES)

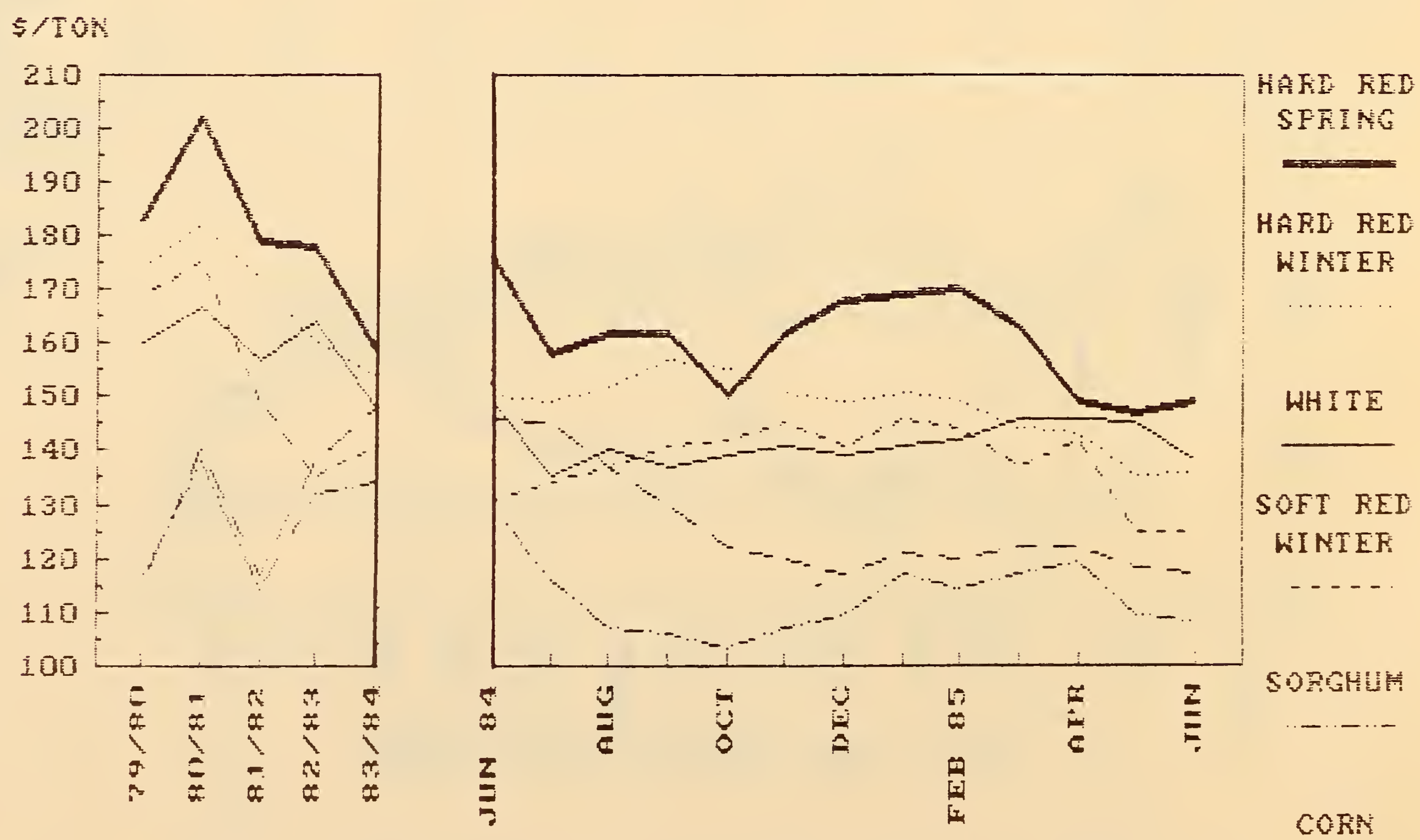
HARD RED SPRING WHEAT EXPORT PRICES
U.S. AND CANADIAN



MAY 84 THRU JUNE 85 (MID-WEEK PRICES)

* FOB:GULF DURING WINTER MONTHS

U.S. GRAIN COMMODITY EXPORT PRICES FOB GULF
EXCEPT FOB PNW FOR WHITE WHEAT
AND FOB LAKES FOR HARD RED SPRING*



YEARLY AVERAGE (JUL/JUN) JUN 84-JUN 85 MID-MONTH

*FOB GULF DURING WINTER MONTHS

**PL-480

FY 1985 PUBLIC LAW TITLE I/III
COUNTRY AND COMMODITY ALLOCATIONS
(1000 Tons Grain Equivalent)

Country	Million-Total	Wheat/Flour	Rice	Feedgrains
$805 or Less Per Capita GNP				
Bangladesh	92.0	338.0	67.0	--
Bolivia	20.0	130.0	--	--
Egypt	225.0	1,448.0 1/	--	--
El Salvador	44.0	138.0	--	--
Ghana	6.0	--	--	--
Guinea	6.0	--	21.0	--
Haiti	15.0	76.0	--	--
Honduras	15.0	76.0	--	--
Indonesia	40.0	250.0	--	--
Kenya	10.0	66.0	--	--
Liberia	16.0	--	48.0	--
Madagascar	11.0	--	39.0	--
Maldives	1.5	7.0 1/	2.0	--
Morocco	45.0	290.0	18.0	--
Mozambique	17.0	32.0	34.0	21.0
Pakistan	50.0	--	--	--
Senegal	8.0	--	--	61.0
Sierra Leone	4.0	13.0	7.0	--
Somalia	20.0	26.0 1/	18.0	17.0
Sri Lanka	26.0	163.0	--	--
Sudan	50.0	293.0 1/	--	--
Yemen	10.0	14.0 1/	20.0	--
Zaire	15.0	67.0 1/	--	15.0
Zambia	10.0	35.0	--	--
Zimbabwe	8.0	50.0	--	--
Subtotal	764.5	3,512.0	274.0	114.0
Over $805 Per Capita GNP				
Costa Rica	28.0	115.0	--	24.0
Dominican Rep.	35.5	45.0	--	170.0
Ecuador	15.0	90.0	--	--
Guatemala	16.0	56.0	--	--
Jamaica	35.0	75.0	27.0	89.0
Mauritius	3.5	12.0 1/	5.0	--
Peru	25.0	116.0	--	--
Tunisia	5.0	--	--	43.0
Subtotal	163.0	509.0	32.0	326.0
Allocated 3/	927.5	4,021.0	306.0	440.0
Unallocated Reserve	84.4	--	--	--
TOTAL PROGRAM	1,011.9	--	--	--

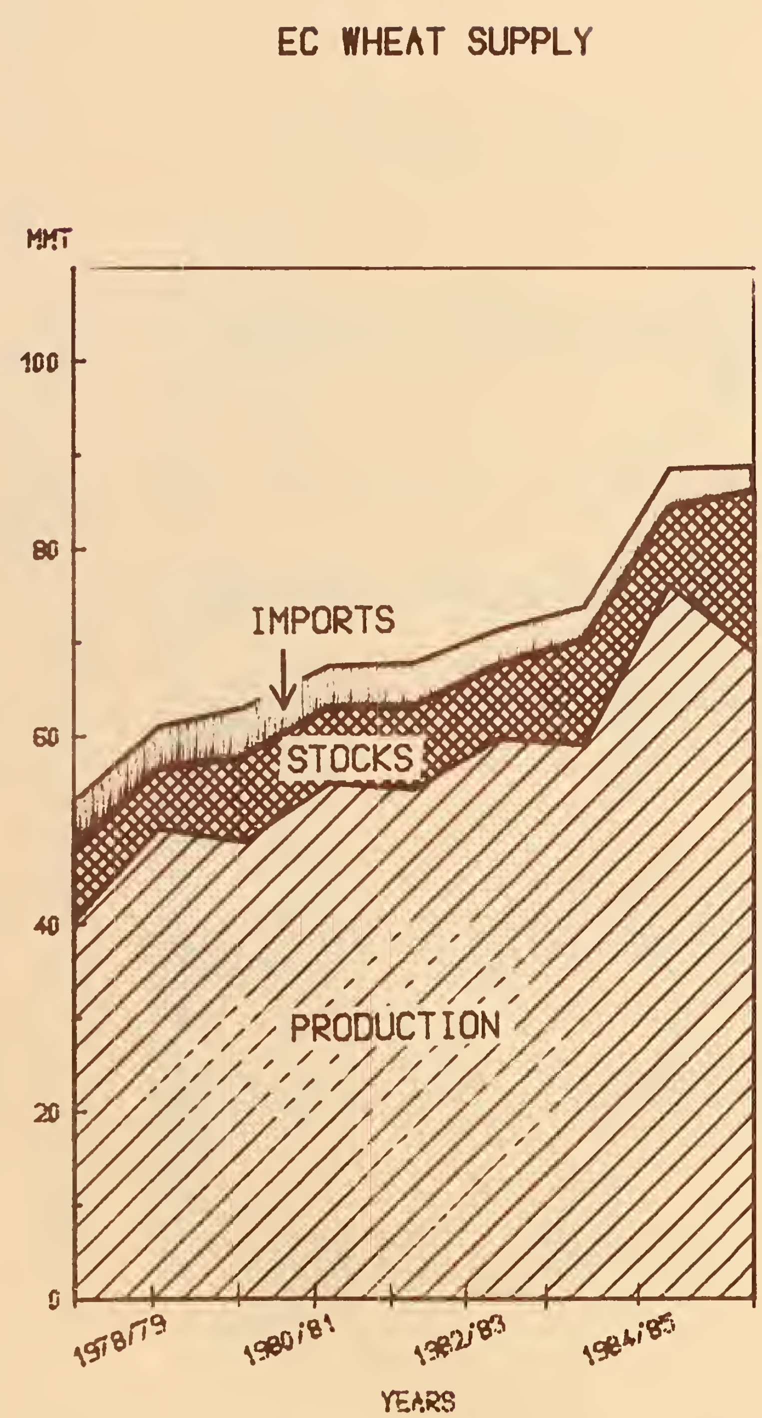
1/ Wheat equivalent of flour or some portion of wheat equiv. of flour.

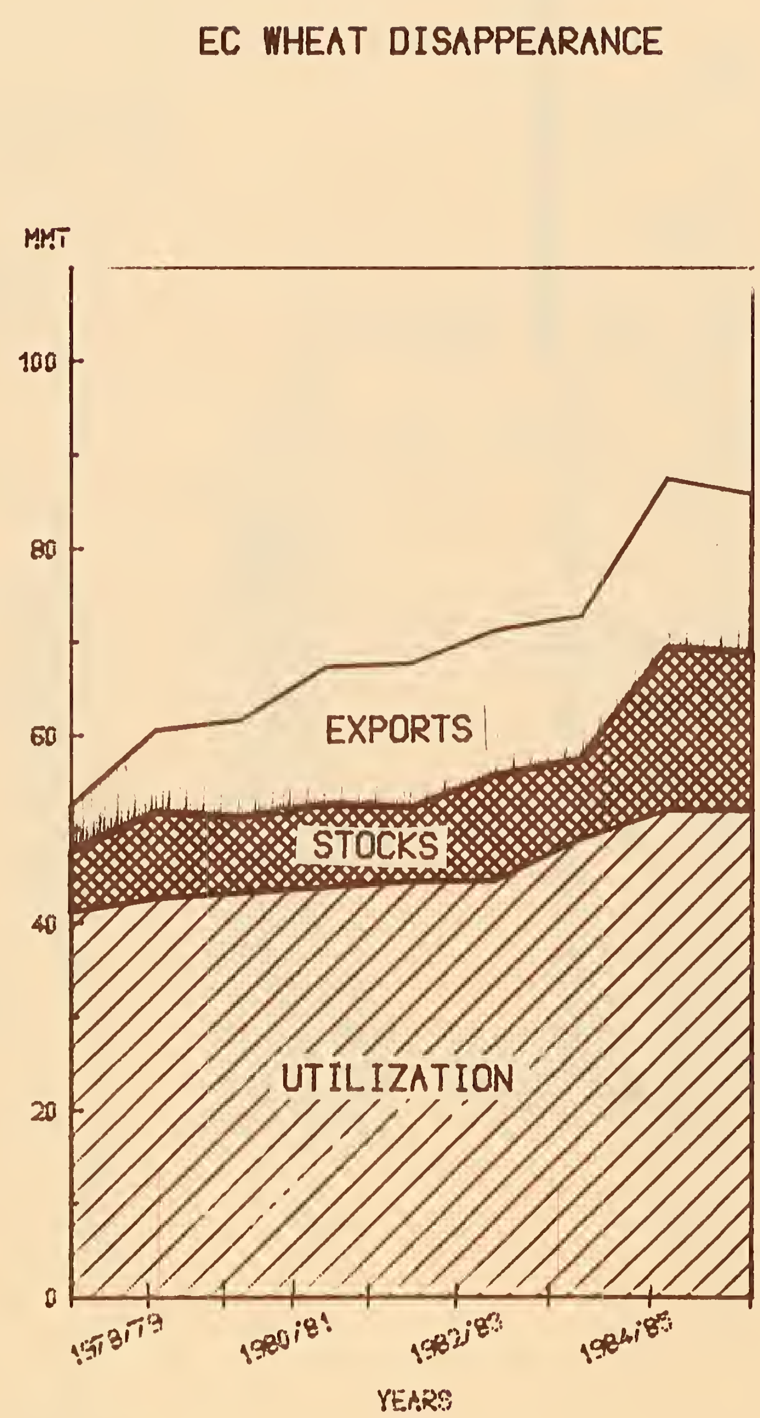
**CCC Credit

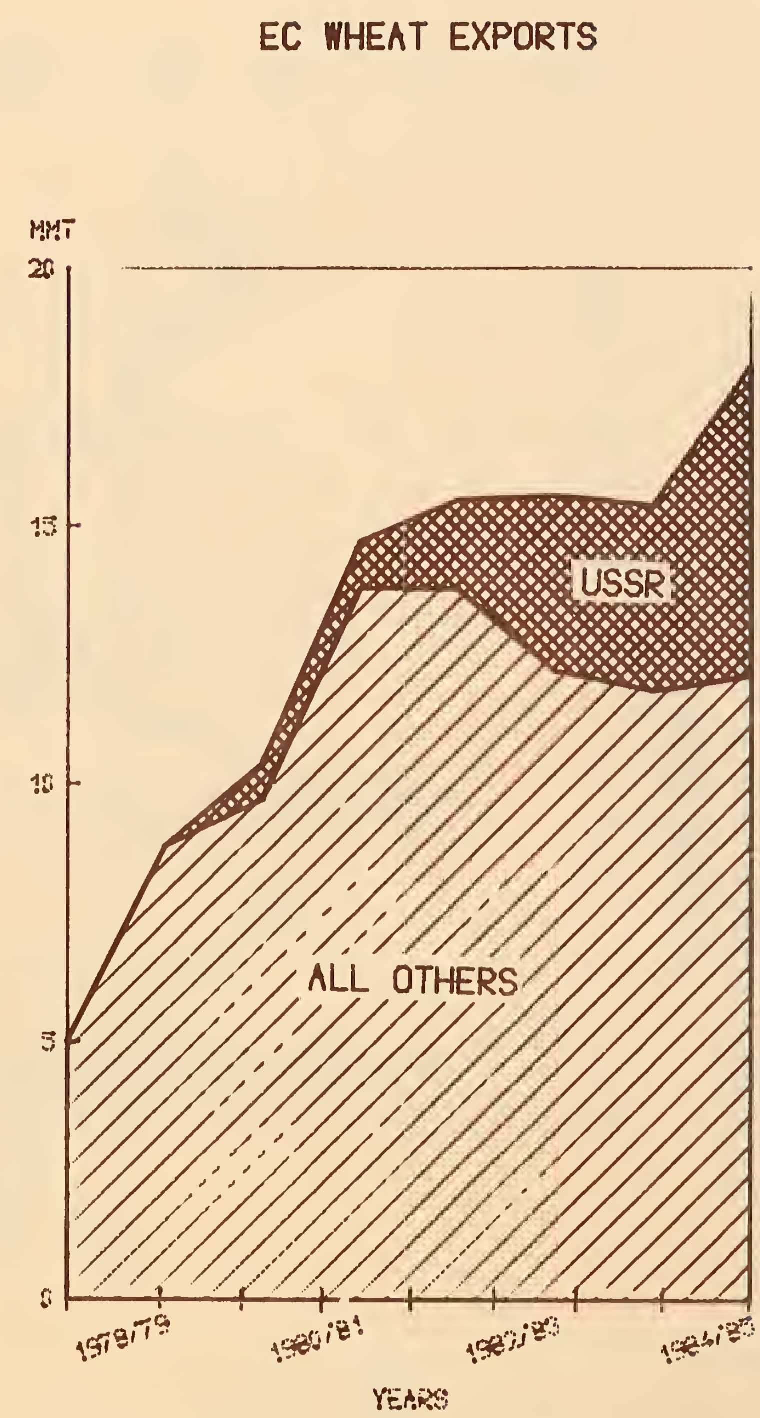
U.S. WHEAT/FLOUR TRADE WITH SELECTED COUNTRIES
UNDER CCC GUARANTEE PROGRAMS

	FY 1984		FY 1985		
	Guarantees Approved	Est. Quantity Shipped	Announced	Approved	Estimated Quantity Yet To Be Purchased
	--$ Million	--1,000 Tons--	--Million Dollars--		----1,000 tons----
Bangladesh*	42.7	284.6	58.0	27.0	207.0
Brazil	437.1	2,914.0	500.0	254.4	1607.5
Chile	55.0	367.0	100.0	--	566.1
Colombia	84.9	566.0	80.0	45.3	231.5
Dominican Rep.	15.9	105.0	--	--	--
Ecuador	68.6	457.3	52.0	31.5	157.0
Egypt*	75.0	526.0	136.0	0.0	905.0
Guatemala	20.7	138.0	13.0	21.5	8.0
Haiti	5.0	33.0	7.5	4.0	21.5
Iraq	183.7	1,225.0	190.0	88.5	677.0
Jamaica*	15.0	100.0	--	--	--
Korea	130.0	867.0	110.0	92.5	116.7
Mexico	2.9	19.3	--	--	--
Morocco*	333.7	2,224.0	250.0	--	1,667.0
Pakistan	--	--	41.5	--	276.7
Peru	76.1	507.3	--	--	--
Philippines	95.5	636.7	120.0	22.3	551.3
Portugal	440.3	2,935.3 1/ 2/	117.0	46.7	466.6
Tunisia*	103.7	691.3	120.0	--	750.0
Turkey*	75.0	500.3	81.0	10.1	473.0
TOTAL	2,294.3	15,298.1	1,976.0	636.1	8,619.5

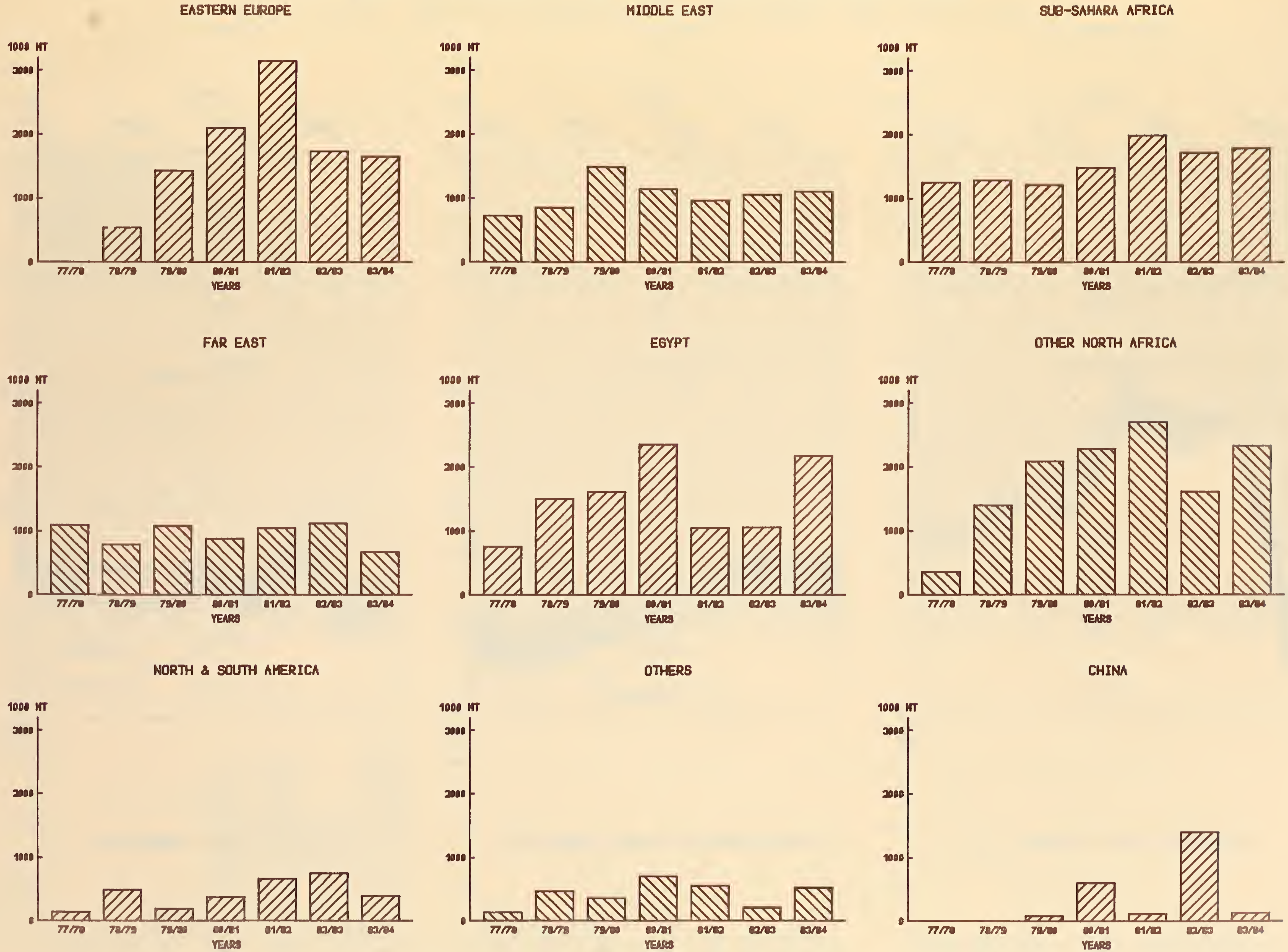
* Includes GSM-102, GSM-5, and Blended Credit, as of June 14, 1985.
1/ Wheat or feed grains 2/ Registrations include reserve.


EC WHEAT SUPPLY
MMT
100
80
60
40
20
0
IMPORTS
STOCKS
PRODUCTION
1978/79
1980/81
1982/83
1984/85
YEARS

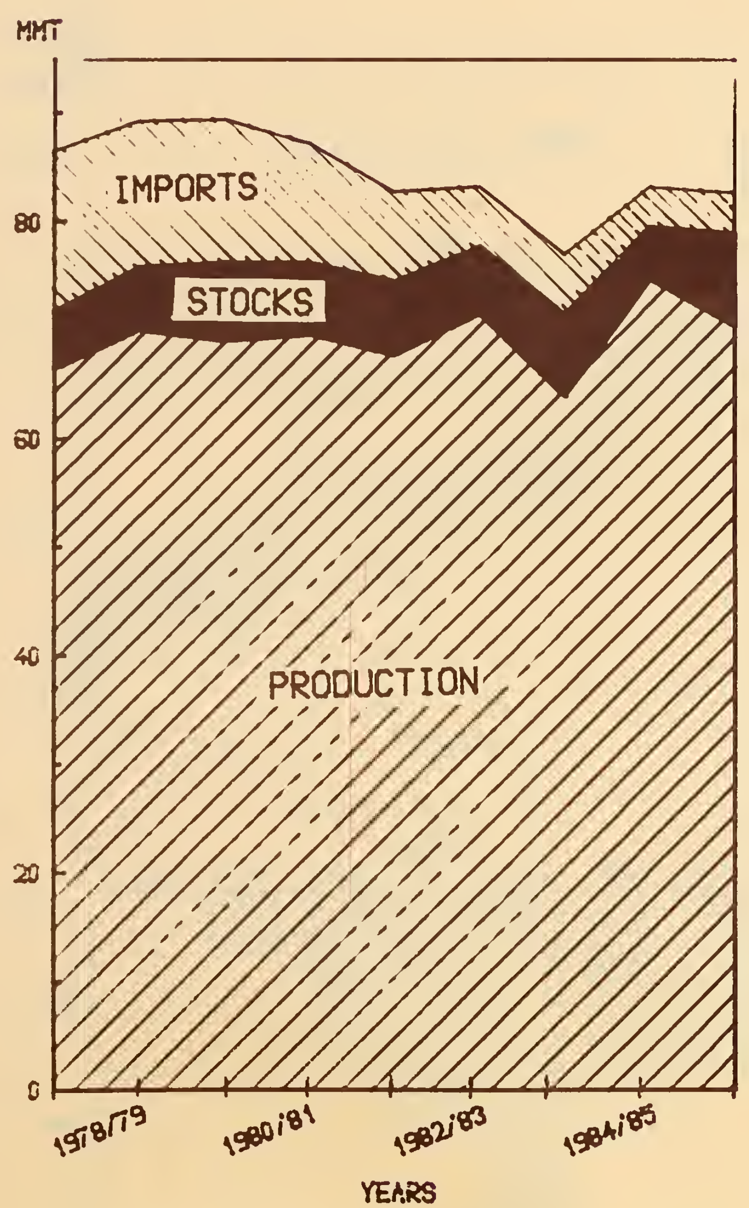

EC WHEAT DISAPPEARANCE
MMT
100
80
60
40
20
0
EXPORTS
STOCKS
UTILIZATION
1978/79
1980/81
1982/83
1984/85
YEARS


EC WHEAT EXPORTS
MMT
20
15
10
5
0
USSR
ALL OTHERS
1978/79
1980/81
YEARS

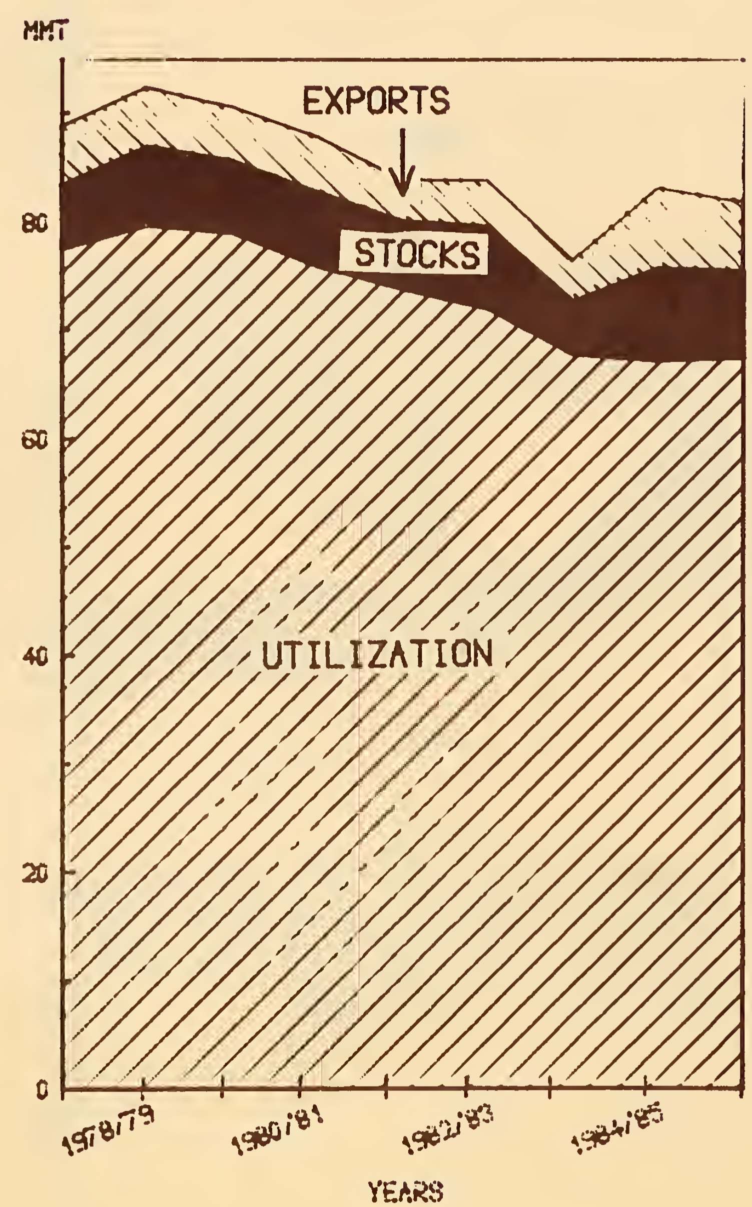
EC WHEAT EXPORTS TO NON-USSR DESTINATIONS



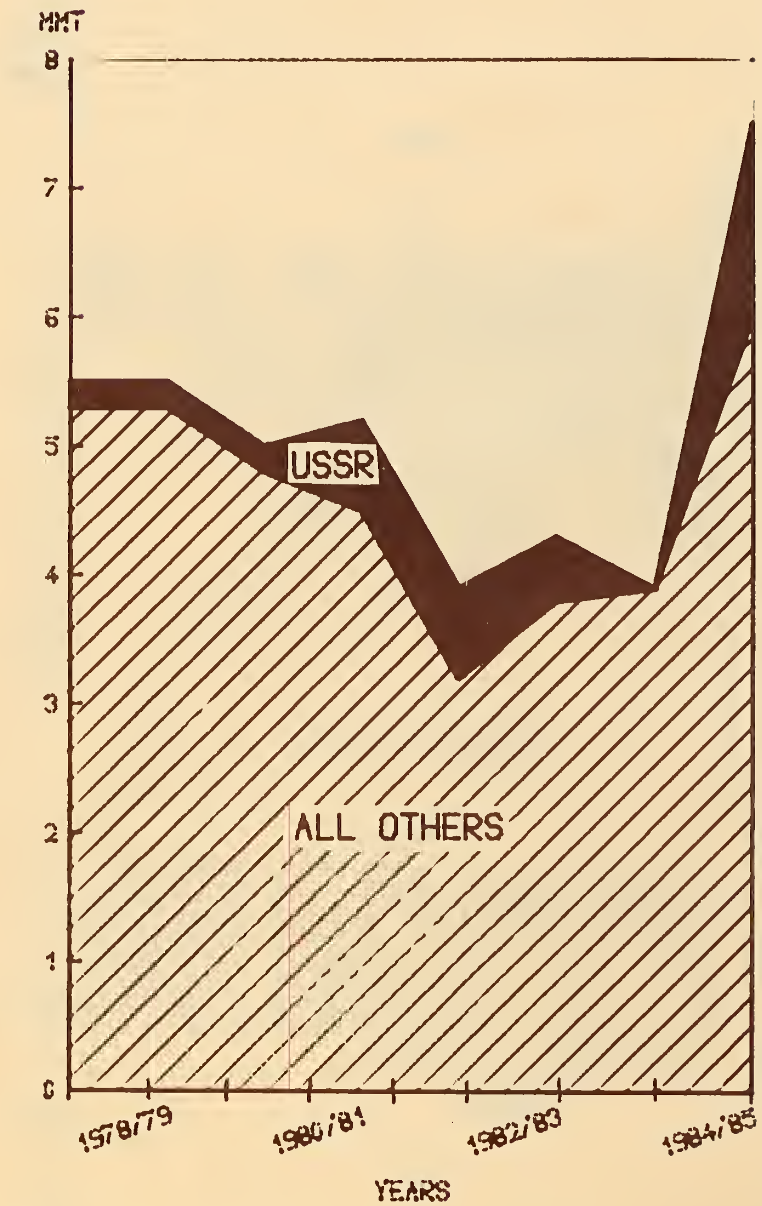
EC COARSE GRAIN SUPPLY



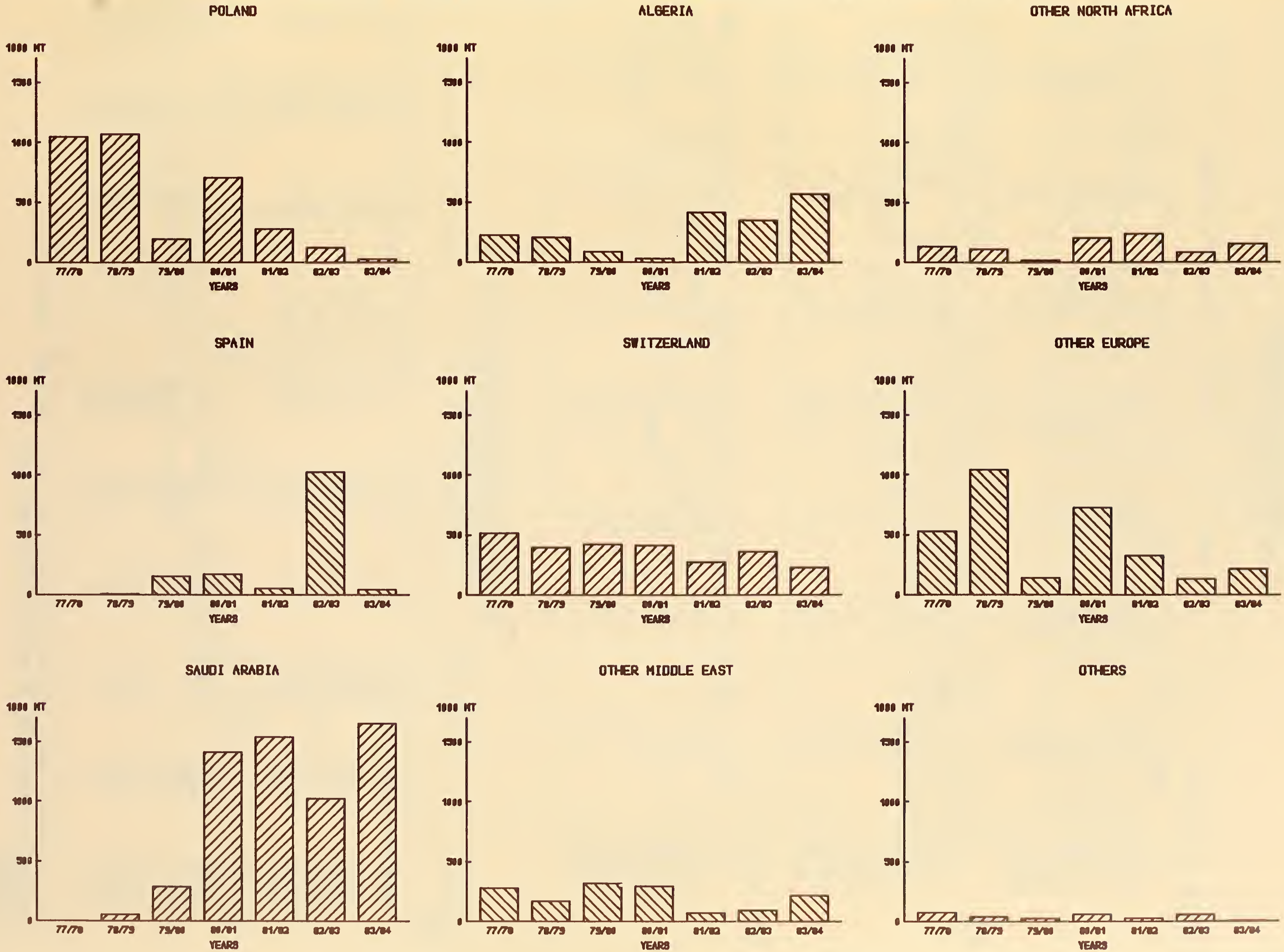
EC COARSE GRAIN DISAPPEARANCE



EC COARSE GRAIN EXPORTS



EC COARSE GRAIN EXPORTS TO NON-USSR DESTINATIONS



EC WHEAT & COARSE GRAINS: PS&D
TRADE YEARS 1977/78 - 1985/86 1/
MILLION METRIC TONS

WHEAT AND COARSE GRAINS

Year	Production	Begin Stocks	Imports	Utilization	End Stocks	Total Exports	Non-USSR Exp.	Exports to USSR
1977/78	106.7	12.6	20.3	118.9	11.9	10.5	10.3	0.2
1978/79	120.3	11.9	18.1	122.4	16.3	14.2	14	0.2
1979/80	118	16.3	18.5	122.4	14.5	15.4	14.2	1.2
1980/81	124.8	14.5	15.6	119.9	15.5	19.9	18.4	1.5
1981/82	122.2	15.5	13.1	118.4	13.8	19.4	17.1	2.3
1982/83	131.4	13.8	9.5	116.7	18.6	19.9	15.4	4.5
1983/84	123.1	18.6	9.1	117.1	12.9	19.3	15.4	3.9
1984/85 2/	150.9	12.9	7.9	119.6	25.6	25.6	18.4	7.2
1985/86 3/	139.5	25.6	6.6	119.7	24.6	23.5	N/A	N/A

WHEAT

Year	Production	Begin Stocks	Imports	Utilization	End Stocks	Total Exports	Non-USSR Exp.	Exports to USSR
1977/78	40.2	7.4	5.5	41.3	6.2	5	5	0
1978/79	50.3	6.2	4.6	42.7	9.1	8.8	8.8	0
1979/80	48.8	9.1	5.3	43.3	8	10.4	9.7	0.7
1980/81	55.1	8	4.5	43.9	8.8	14.7	13.8	0.9
1981/82	54.4	8.8	4.7	44.5	7.8	15.5	13.8	1.7
1982/83	59.8	7.8	3.9	44.6	11.2	15.6	12.2	3.4
1983/84	59.1	11.2	3.6	49.2	8.3	15.4	11.8	3.6
1984/85 2/	76.2	8.3	4.1	52.2	17.2	18.1	12.1	6
1985/86 3/	69.0	17.2	2.7	52.1	16.8	17	N/A	N/A

COARSE GRAINS 4/

Year	Production	Begin Stocks	Imports	Utilization	End Stocks	Total Exports	Non-USSR Exp.	Exports to USSR
1977/78	66.5	5.2	14.8	77.6	5.7	5.5	5.3	0.2
1978/79	70.1	5.7	13.5	79.8	7.1	5.5	5.3	0.2
1979/80	69.1	7.1	13.3	79.1	6.5	5	4.8	0.2
1980/81	69.7	6.5	11.1	76	6.7	5.2	4.5	0.7
1981/82	67.8	6.7	8.3	73.9	6.1	3.9	3.2	0.7
1982/83	71.6	6.1	5.6	72.1	7.4	4.3	3.8	0.5
1983/84	64	7.4	5.6	67.9	4.7	3.9	3.9	0
1984/85 2/	74.8	4.7	3.8	67.3	8.4	7.5	6	1.5
1985/86 3/	70.5	8.4	3.8	67.6	7.8	6.5	N/A	N/A

EC EXPORTS TO NON-USSR DESTINATIONS
TRADE YEARS 1977/78 - 1983/84 1/
THOUSAND METRIC TONS

WHEAT

YEARS	EAST EUROPE	MID EAST	CHINA	FAR EAST	EGYPT	OTH N AFRICA	SUB-SAHARA	N & S AMER	OTHERS
1977/78	6	725	0	1101	754	357	1254	142	140
1978/79	539	848	0	789	1513	1406	1286	492	471
1979/80	1441	1485	90	1085	1619	2096	1215	198	356
1980/81	2108	1144	607	880	2362	2290	1491	377	707
1981/82	3158	962	116	1050	1055	2711	1994	665	557
1982/83	1742	1055	1410	1125	1063	1617	1716	748	213
1983/84	1653	1106	137	676	2182	2340	1789	395	526

COARSE GRAINS

YEARS	POLAND	SPAIN	SWITZERLAND	OTHER EUROPE	SAUDI ARABIA	OTH MID EAST	ALGERIA	OTH N AFRICA	OTHERS
1977/78	1050	0	516	529	5	279	228	132	76
1978/79	1072	7	399	1045	54	168	211	114	43
1979/80	194	154	426	145	289	318	90	18	29
1980/81	713	173	414	729	1415	296	31	203	65
1981/82	281	53	275	328	1545	71	415	240	29
1982/83	125	1029	365	134	1028	94	348	85	60
1983/84	28	48	232	217	1657	216	570	158	11

1/ EXCLUDES INTRA-EC TRADE. WHEAT AND COARSE GRAINS ARE ON A JULY/JUNE BASIS THROUGH 1978/79.
SUBSEQUENTLY. COARSE GRAINS ARE ON AN OCTOBER/SEPTEMBER BASIS.
2/ PRELIMINARY.
3/ FORECAST.
4/ BARLEY. RYE. OATS. SORGHUM, AND MIXED GRAINS.

LATEST U.S. EXPORT FORECAST, SHIPMENTS, AND SALES

Export Forecast: As of mid-June, there were no changes in the U.S. corn and sorghum export forecasts for 1984/85 and 1985/86. Corn export movement for the balance of the marketing year is expected to be supported by improved demand from Spain and the European Community. U.S. sorghum exports may slow somewhat if Japan continues to purchase from Argentina.

Shipments and Sales: Corn shipments of 2.3 million tons in the 4-week period ending June 27 were approximately 19 percent less than the previous month's total. New sales of 2.5 million tons were 25 percent above the previous month. Sorghum shipments totaled 316,700 tons, about 10 percent above the previous month, and reported new sales of 551,600 tons maintained the brisk pace of recent months.

IMPORTER BUYING ACTIVITY

Mexico, Colombia, and Venezuela purchased a total of 65,000 tons of U.S. sorghum, and Korea returned to U.S. exporters for over 300,000 tons of corn. Egypt made a substantial purchase of U.S. corn under AID's Commodity Import Program, and Colombia bought 10,000 tons of white flint corn from El Salvador.

RECENT CORN AND SORGHUM IMPORTER BUYING ACTIVITY
REPORTED BETWEEN MAY 25 AND JUNE 24, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
5/29	Mexico	US	110,000	#2 YC	133.26 @ 135.60 C&F	June
	Mexico	US	22,000	#2 YS	106.40	Sep/Oct
	Korea	US	50,000	YC	135.33 C&F @ 124.00	June
5/31	Korea	US	110,000	YC	?	June
6/5	Colombia	El Salvador	10,000	White Corn	178.00	June
6/7	Tunisia	US	50,000	YC	130.50 C&F	Jun/Jul
	Egypt	US	180,000	#2 YC	117.95 @ 118.58	Jun/Jul
	Korea	US	50,000	YC	?	Jun/Jul
6/10	Taiwan	Australia	25,000	Sorghum	124.65 C&F	Jun/Jul
6/13	Venezuela	US	22,793	#2 YS	116.75 C&F	July
6/14	Colombia	US	20,000	#2 YS	126.40 C&F	June
	Korea	US	50,000	YC	136.54 C&F	Jun/Jul
6/20	Korea	US	50,000	YC	135.14	July

1/ YC=#3 Yellow Corn unless otherwise stated, and YS=Yellow Sorghum
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

US CORN AND SORGHUM SHIPMENTS, SALES AND INSPECTIONS 1/
(OCTOBER/SEPTEMBER--MILLION TONS)

Monthly Shipments

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
Mar. 21	3.9	4.2	.7	.7
Apr. 18	4.0	4.1	.4	.4
May 23	4.9	4.2	.4	.4
Jun. 20	3.7	2.3	.3	.3
TOTAL FOR MY	37.2	38.5	4.6	5.3

Weekly and Annual Inspection Rates

	CORN MT	CORN BU	SORGHUM MT	SORGHUM BU
Week Ending June 20	0.7	26.1	0.10	3.8
Week Ending June 27	0.8	31.1	0.16	[illegible]
Official Estimate for Current MY (Grain only)	49.1	1933	5.99	275
Implied Weekly Average	0.9	37.2	0.15	5.3
Latest Six Weeks Weekly Average	0.9	35.5	0.12	4.9
Marketing Year-To-Date Weekly Average	1.1	42.5	0.15	6.0
Weekly Avg. Extrapolated Annually	56.1	2210	7.92	312
Balance of Year to Achieve Estimate Implied Weekly Average	0.7	27.1	0.10	3.9

Monthly Sales

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
Mar. 21	4.6	4.7	.2	.5
Apr. 18	2.7	2.5	.5	.4
May 23	2.7	2.3	.5	.2
Jun. 20	1.8	2.5	.2	.6
TOTAL FOR MY	44.2	43.6	5.7	6.4

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.
Source: Export Sales; FGIS

CORN AND SORGHUM SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1982/83-1983/84
(OCTOBER/SEPTEMBER--MILLION TONS)

	SORGHUM Argentina 83/84	SORGHUM Argentina 84/85	CORN Argentina 83/84	CORN Argentina 84/85	CORN Thailand 83/84	CORN Thailand 84/85	TOTAL 83/84	TOTAL 84/85
4 Weeks Ending 1/								
March 21	.3	.1	.6	.4	.2	.1	1.1	.7
April 18	.6	.4	1.1	.9	.1	.1	1.8	1.5
May 23	1.1	.8	1.3	1.4	.1	.1	2.5	2.3
June 20	.8	.6	.7	1.3	.2	.1	1.7	2.0
Cumulative in Marketing Year	3.8	2.3	4.2	4.9	2.6	2.7	10.6	10.1
TOTAL FOR SEASON 2/	4.8	3.5	5.9	6.0	3.2	3.1	13.9	14.6

N/A = Not Available
1/ Or nearest date thereto.
2/ Projection for 1984/85.
Less than 100,000 tons.

Other Exporting Countries Selling Activity and Competitive Developments

**El Salvador: Colombia recently purchased, through its agricultural marketing agency IDEMA, 10,000 tons of white flint corn from El Salvador, at a price of $178 per ton. A tender for white corn was opened earlier, but an insufficient number of offerers prompted IDEMA to negotiate directly with El Salvador, which led to a government-to-government deal. About 90 percent of all corn produced in Colombia (857,000 tons in 1984) goes directly into human consumption. Total consumption (including corn for feed) is estimated at 980,000 tons in 1985/86.

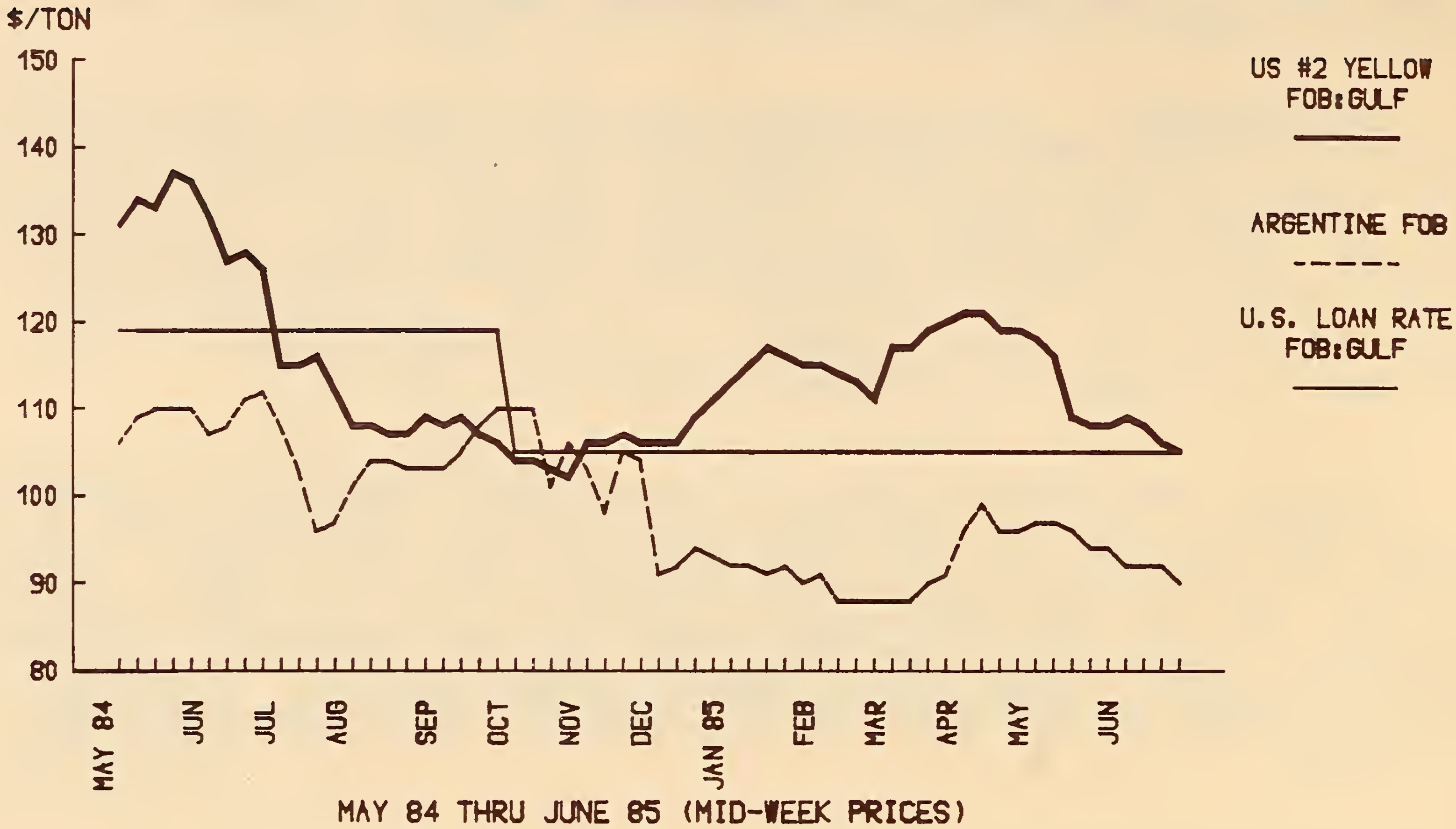
**China: The Chinese Ministry of Foreign Economic Relations and Trade established the China National Corn Export Association (CNCEA) in order to unify and coordinate foreign trade policies covering corn exports. The aim of this new association is to safeguard the interests of the entire industry, stimulate enthusiasm among central and local governments, and to prevent cut-rate pricing among competing Chinese exporters. It is hoped that the CNCEA will be a model and an example for other Chinese industries to follow.

Competitive Developments in Selected Foreign Markets

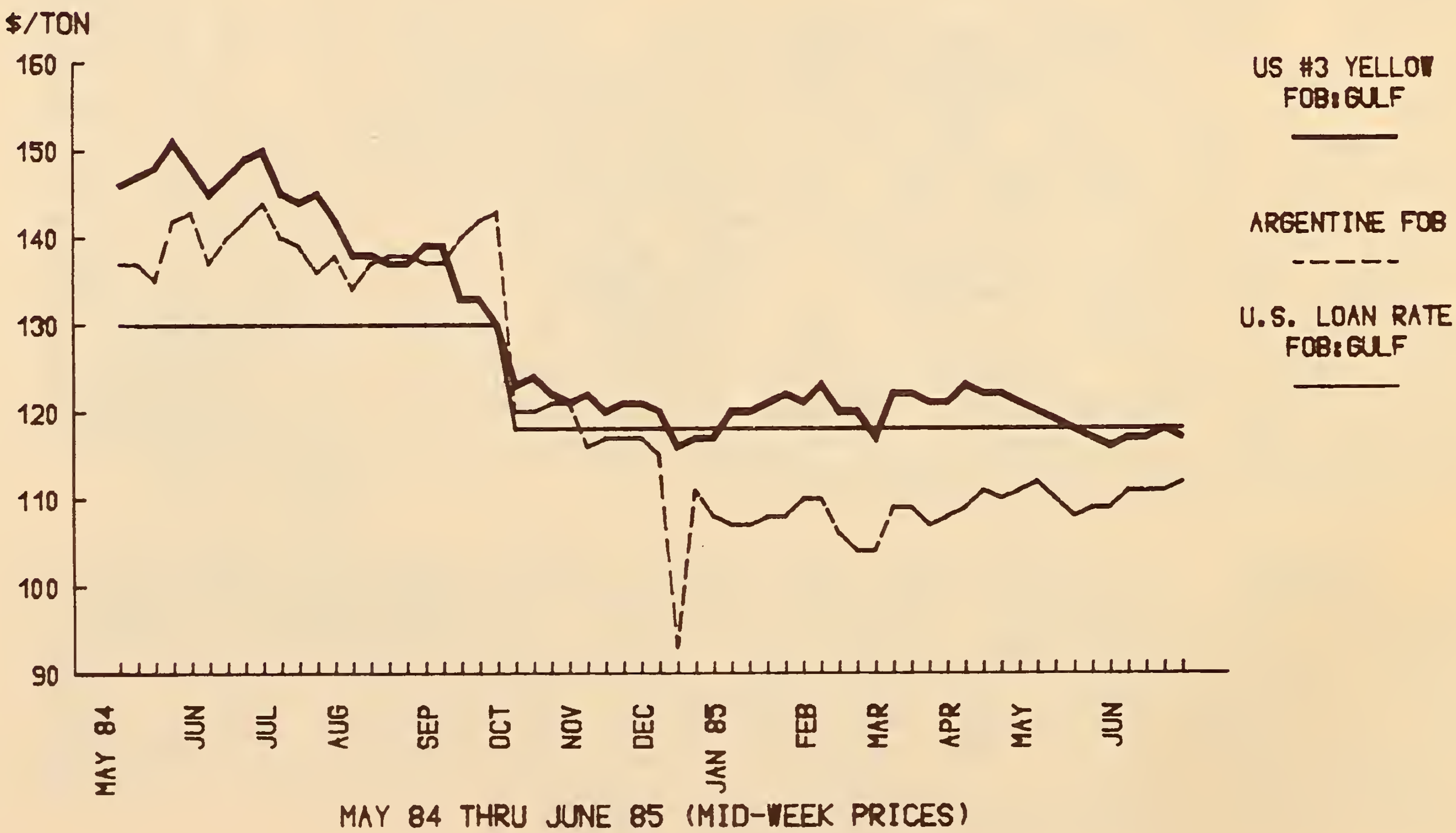
**Korea: After a flurry of purchases of Chinese corn, higher prices, shipping delays, and uncertainty about future performance have caused Korean importers to shift most of their corn purchases back to the United States. Still, Korea has purchased nearly 1.5 million tons from China in the current October-September 1984/85 year, compared to just 106,000 tons during the entire previous year. Of the estimated 2.1 million tons purchased since June, 1984, 1.2 million tons has been delivered, and relatively few problems were encountered before April of this year. At that time, Korean importers experienced an increase of $8-$10 per ton in Chinese offers for corn, and reports emerged of a slow down in the issuance of export licenses. It now appears as though Korean importers are switching back to U.S. corn (350,000 of 455,000 tons purchased in May), most likely because the price spread between U.S. and Chinese corn has narrowed appreciably. Korean corn imports in October-Septemeber 1984/85 could now exceed 2.8 million tons, with the United States and China having approximately equal shares.

**China: A new port with 100 berths, capable of handling 50 million tons of bulk and containerized cargo per year, will reportedly be built at Dalian, on the Dayao Bay. Plans are to have 4 berths, capable of handling over 4 million tons of cargo per year, operational by 1990. Dalian is one of 14 coastal cities in which China has offered special terms to lure foreign investment. This port will also enhance China's grain handling capabilities. China is expected to export 5.1 million tons of coarse grains (mostly corn) in October-September 1984/85.

SORGHUM EXPORT PRICES
U.S. AND ARGENTINE



CORN EXPORT PRICES
U.S. AND ARGENTINE

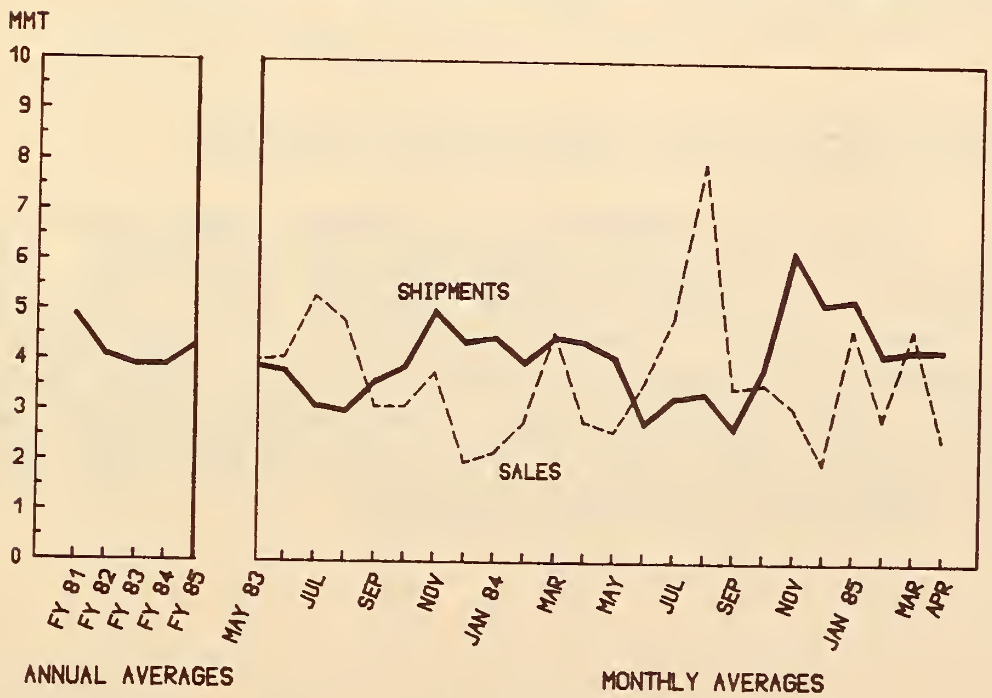


U.S. CORN AND SORGHUM EXPORTS BY DESTINATION
(OCTOBER/SEPTEMBER--1,000 TONS)

			1983/84		1984/85
Destination	1981/82	1982/83	Actual Exports	Committed as of 6/28/84 1/	Committed as of 6/27/85 1/
---CORN---					
EC	7,095	4,033	3,677	2,565	1,331
Other W. Europe	8,204	5,388	4,473	4,052	3,074
Eastern Europe	3,869	1,470	727	497	522
USSR	7.772	3,200	6,500	6,048	15,750
China	1,117	2,161	18	--	--
Japan	10,588	13,180	13,781	15,531	10,761
Taiwan	1,718	3,000	2,676	2,439	2,994
Rep. of Korea	2,690	3,905	2,972	2,692	1,336
Egypt	1,350	1,516	1,303	1,066	1,135
Canada	200	750	283	82	226
Mexico	571	4,091	2,808	1,906	1,259
Venezuela	414	392	1,140	947	617
Others	3,732	3,938	6,992	6,338	4,583
Total	49,940	47,027	47,350	44,163	43,588
--SORGHUM--					
Spain	750	105	455	317	45
Other W. Europe (excl. Spain)	540	251	136	133	58
Japan	2,437	741	1,505	1,501	2,354
Israel	368	341	574	643	512
Mexico	544	3,260	2,758	2,396	1,947
Venezuela	713	243	206	158	817
Others	698	462	582	554	600
Total	6,290	5,403	6,226	5,712	6,373

1/ Accumulated shipments and sales, excluding sales for next marketing year.
Source: U.S. Bureau of Census and U.S. Export Sales Report.

U.S. CORN SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM MAY 1983 - APRIL 1985



Internal Price Policies of Foreign Countries

**Zambia: The Government of Zambia announced higher producer prices, along with other incentives for the 1985/86 season. These new producer prices are expected to act as a floor, or minimum price, and farmers will be able to negotiate with prospective buyers for higher prices. Other incentives include introduction of a bonus for corn delivered to supply depots by the end of July, 1985. This early-delivery bonus is expected to help marketing organizations move corn to storage warehouses before the fall rainy season. The higher prices are considered sufficient by some to stimulate production, but others feel they will not completely cover increased costs. Any reduction in area planted to corn by these producers will most likely be offset by increased plantings by less-mechanized, small landholders. Zambia imported 220,000 tons of corn in 1984/85, but this year's production goal is 1 million tons, which would reduce demand for imported corn.

**Argentina: Following an 18 percent devaluation of the peso, Argentina increased export taxes on grains by 7-10 percent, therefore negating much of the price advantage gained by the devaluation. Argentina is forecast to export 7.6 million tons of wheat and 11.7 million tons of coarse grains during the current marketing year.

BARLEY, OATS, AND RYE

U.S. Exports
June/May--1,000 Tons

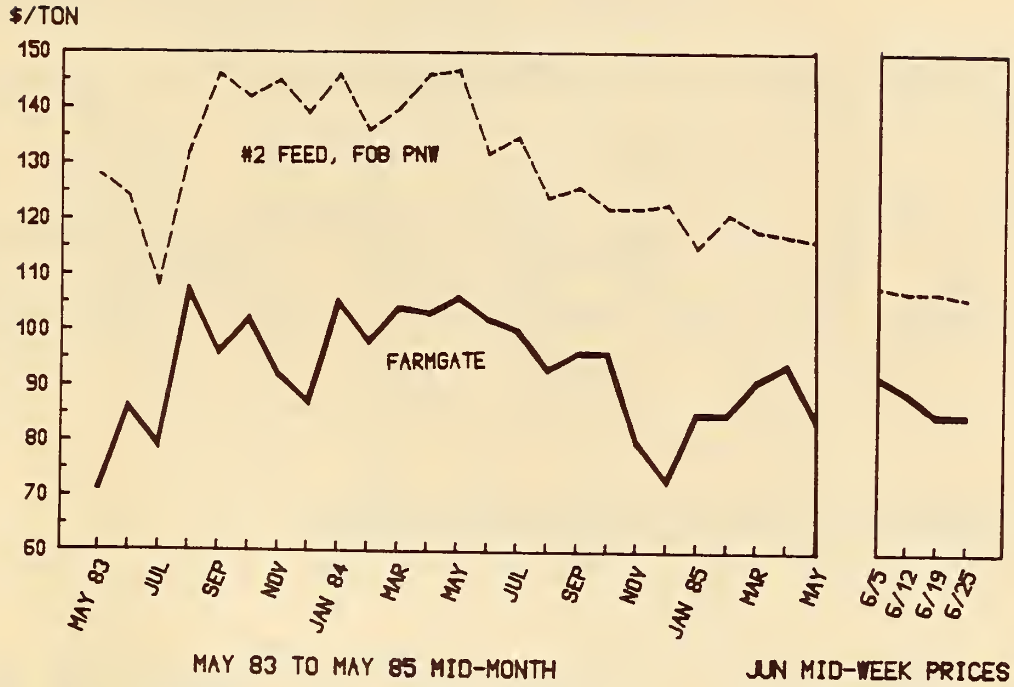
Grain	1983/84	1984/85 1/	1985/86 2/
Barley	2,003	1,742	1,633
Oats	29	15	29
Rye	25	25	25

1/ Estimated 2/ Projected

Other Countries Selling Activity and Competitive Practices

**Spain: Amidst increasing prospects for another bumper harvest, Spain has authorized the export of up to 800,000 tons of barley. Two other Spanish barley tenders have failed because Spanish prices are far higher than world market prices, and the Spanish government has been reluctant to grant sufficient subsidies necessary to make the barley price competitive in the world market. However, with this recent authorization, Spain has approved a subsidy of $34.3 million, or about $43 per ton, but still must compete with heavily subsidized EC barley exports.

U.S. FEED BARLEY PRICES
INTERIOR AND EXPORT POSITIONS



U.S. BARLEY EXPORTS BY DESTINATION
(JUNE/MAY--1,000 TONS)

Destination	1982/83	1983/84	1984/85 Total Exports	1984/85 Committed as of 6/28/84 1/	1985/86 Committed as of 6/27/85 1/
EC	122	360	105	--	--
Other W. Europe	226	441	353	88	1
Eastern Europe	--	126	--	--	--
Taiwan	146	213	255	25	50
Japan	119	372	314	134	42
Others	317	509	514	156	52
TOTAL	930	2,031	1,545	403	145

1/ Accumulated shipments and sales excluding sales for next marketing year.

SOURCE: U.S. Census for 1982/83-1983/84 and U.S. Export Sales for 1984/85-1985/86.

BARLEY SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(OCTOBER/SEPTEMBER--MILLION TONS)

4 Weeks Ending 1/	U.S. 83/84	U.S. 84/85	CANADA 83/84	CANADA 84/85	FRANCE 2/ 83/84	FRANCE 2/ 84/85	U.K. 2/ 83/84	U.K. 2/ 84/85	TOTAL 83/84	TOTAL 84/85
March 21	0.1	#	0.3	0.1	#	0.2	0.2	0.2	0.6	0.5
April 24	0.2	#	0.4	0.2	#	0.2	0.2	0.1	0.8	0.6
May 23	0.1	#	0.6	0.2	0.1	0.2	0.1	0.3	0.9	0.7
June 20	0.1	#	0.4	N/A	0.1	0.2	0.1	0.3	0.7	N/A
Cum. Since Oct 1	1.6	0.9	3.5	1.7	0.6	[illegible]	1.0	2.1	6.7	5.4
Total For Season 3/	2.1	1.7	4.2	3.1	1.1	3.0	1.4	3.0	9.1	10.8

1/ Or closest date thereto.
2/ Excludes intra-EC trade; Cumulative reflects available data.
3/ Projection for 1984/85.
N/A Not available
Less than 50,000 tons.

Other Countries Selling Activity and Competitive Practices

**Chile: The Mexcian importing agency, CONASUPO, reportedly purchased another 10,000 tons of black beans from Chile. In addition to purchases during April, Mexican dry bean purchases in 1985 now are estimated at 80,000 tons.

Competitive Developments in Selected Foreign Markets

**Argentina: Heavy frosts in mid-June may have damaged the alubia and black bean crops now being harvested. Estimates of damage range from "slight" up to 25,000 tons of alubias and 10,000 tons of black beans. Total Argentine bean production in 1985 is estimated at 200,000 tons. Export sales to date for alubias are very slow, with less than 20,000 tons reported, mostly to Europe. However, the black bean crop (estimated at 60,000 tons) is reported to be nearly sold out, due to brisk sales to Mexico.

**Colombia: A tender for 1,000 tons of U.S. No. 1 lentils, 5-6 mm. diameter, was announced June 24, 1985. Price quotes are to be either f.o.b. point of loading, or c.& f. Buenaventura, for delivery between July 25-August 10, 1985. Earlier this month, IDEMA purchased 800 tons of U.S. lentils under a tender for 1,800 tons, and this new tender likely represents the balnce not purchased at that time. This tender has also requested 2,500 tons of small red beans, same price quotes and delivery period.

U.S. Export Expansion Activities

**GSM-102: As of mid-June, the following countries have allocations under the FY 1985 export credit guarantee program for dry beans, peas, or lentils: Ecuador (lentils) $500,000; Honduras (beans) $1 million; and Iraq (dry beans and/or lentils) $11 million. In addition, Mexico has requested that $20 million of its FY 1985 GSM-102 allocation be switched to dried beans. If approved, these guarantees could be used to purchase approximately 35,000 tons of U.S. beans.

LATEST U.S. EXPORT FORECAST, SHIPMENT AND SALES 1/

Export Forecast: The forecast for U.S rice exports in 1984/85 (August/July) remains unchanged from last month at 2.0 million tons. The preliminary forecast for the 1985/86 marketing year is 1.9 million tons, reflecting expected continued erosion of U.S. market share in South Africa, the Middle East, and Western Europe.

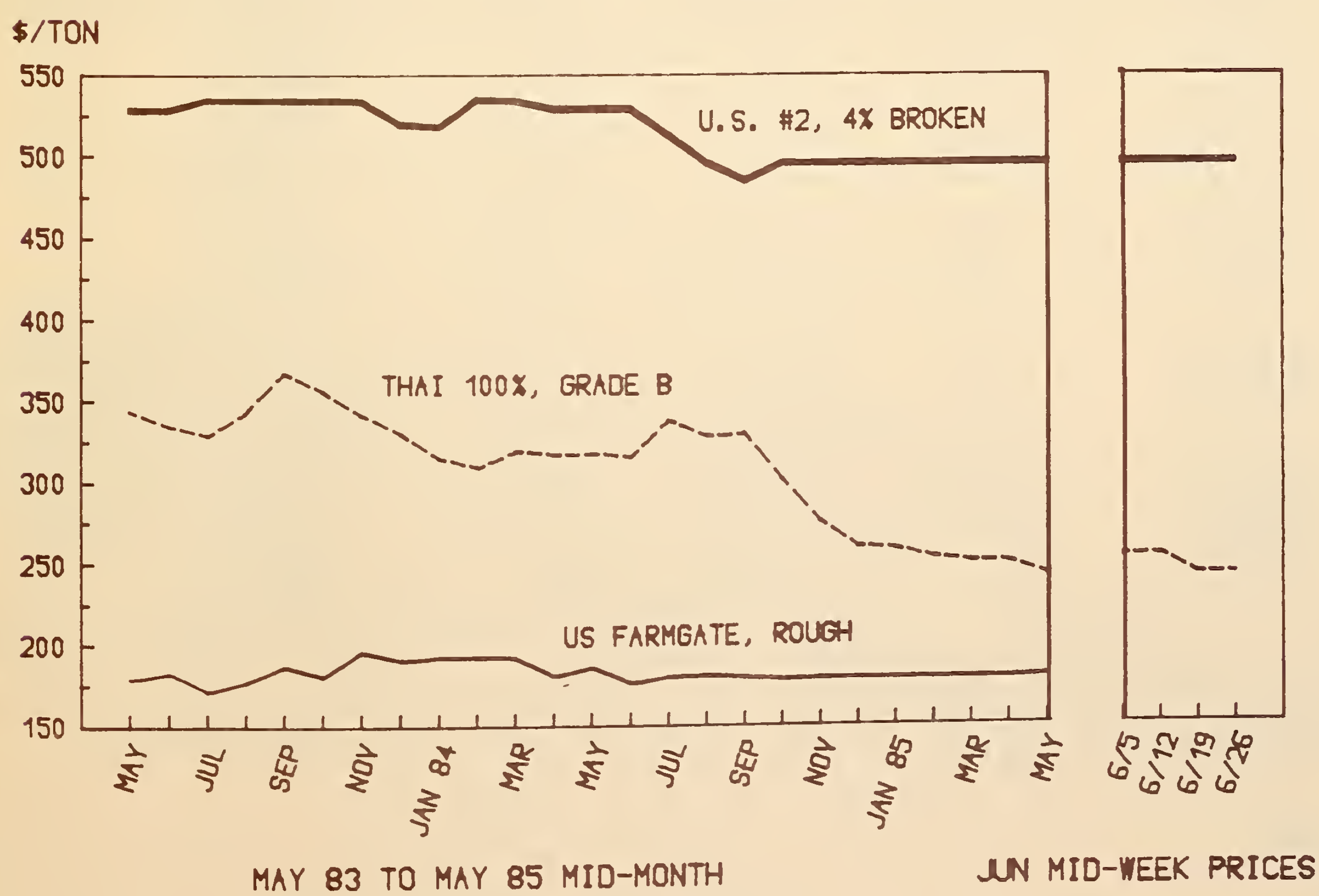
Shipment and Sales: U.S. rice exports during the 4-week period ending June 20 totaled 152,300 tons, compared to the previous 4-week total of 127,300 tons. Major destinations included Portugal, South Africa, Iraq, Guinea and Mali. Cumulative shipments for the marketing year through June 20 totaled 1.69 million tons, or about 9 percent below the level of shipments for the same period one year ago. Export sales registrations for the 4-week period totaled 135,300 tons, compared to the previous 4-week total of 186,300 tons. Export commitments for 1984/85 delivery now total 1.96 million tons, nearly 8 percent below the 2.13 million tons registered as of this date one year ago.

1/ Shipments and sales are on a product basis.

Weekly U.S. Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
May 30	24,900	26,625
June 6	39,600	27,150
June 13	51,900	35,200
June 20	35,900	38,075

RICE PRICES
US AND THAI C&F ROTTERDAM AND US FARM



RECENT RICE IMPORTER BUYING ACTIVITY
REPORTED BETWEEN MAY 30 AND JUNE 29, 1985

Buyer	Origin	Quantity 1,000 Tons	Quality 1/	Price $/MT 2/	Delivery Period	Date of Report
Cameroon	Thailand	3.9	5%	196	N/A	6/21
	Thailand	6.6	15%	188	N/A	6/21
Djibouti	Thailand	4.0	100% B	N/A	N/A	6/3
Dubai	Thailand	1.0	5%	N/A	N/A	6/3
	Thailand	1.0	5%	N/A	N/A	6/17
Hong Kong	Thailand	3.2	100% B	N/A	N/A	6/17
Indonesia	Thailand	5.0	Gl 10%	151	N/A	6/21
	Thailand	2.5	Gl 10%	N/A	N/A	6/3
	Thailand	12.5	F 100%	N/A	June	6/3
Iraq	Thailand	12.5	F 100%	N/A	June	6/3
	U.S.	100.0	#2/4% LG	385	Aug/Sep/Oct	6/25
Japan/Okinawa	Thailand	7.0	A-1 Spec	N/A	Jun/Jul	6/3
Japan/Africa 5/	Thailand	18.0	35%	181	June	6/17
Kuwait	Thailand	1.0	5%	N/A	N/A	6/17
Malaysia	Thailand	2.0	Gl 10%			
	Thailand	5.0	100% B	N/A	N/A	6/21
Mozambique	U.S.	23.4	#5/20% MG	299	Jul	6/11
Netherlands	Thailand	4.0	P/B 100%	N/A	N/A	6/21
Portugal	U.S.	14.0	B, MG	N/A	N/A	6/4
	Australia	13.0	B, MG	255 4/	N/A	6/4
Reunion	Burma	7.0	B 5%	175	Jul	6/10
Saudi Arabia	Thailand	3.0	P 100%	N/A	N/A	6/10
	U.S.	23.1	P #2/4% LG	N/A	N/A	Various
Sierra Leone	U.S.	0.8	#5/20% MG	319 3/	Jun/Jul	6/7
	U.S.	5.3	#5/20% LG	325-336 3/	Jun/Jul	6/7
Singapore	Thailand	1.4	35%	N/A	N/A	6/3
	Thailand	2.0	A-1 Spec	N/A	N/A	6/3
	Thailand	1.0	F 100% C	N/A	N/A	6/17
South Africa	U.S.	14.9	N/A	N/A	N/A	6/11
Syria	Thailand	24.0	100% C	229 4/	Jul/Aug	6/25
WFP 6/	Thailand	12.5	35%	169	Jun/Jul	6/21
Yugoslavia	Thailand	5.0	5%	196	N/A	6/21
Zaire	Thailand	5.0	25%	174	Jun/Jul	6/17
N/A	Thailand	1.0	15%	180	N/A	6/21
	Thailand	3.2	15%	180	Jun/Jul	6/21
	Thailand	5.0	25%	177	N/A	6/21
N/A	Pakistan	10.0	15/20%	168	Jun/Jul	6/13
	Pakistan	10.0	40/45%	155	Jun/Jul	6/25
	Pakistan	10.0	40/45%	156	Jun/Jul	6/25
	Pakistan	10.0	30/35%	158	Jun/Jul	6/25

1/ P = Parboiled, LG = Long Grain, MG = Medium Grain, SG = Short Grain, B = Brown, F = Fragrant, L/Bld = Long, Boiled, F/Bld = Full Boiled, Gl = Glutinous
2/ F.O.B. basis unless otherwise indicated. Price information is in many cases unconfirmed and as reported through unofficial market sources.
3/ F.A.S., (U.S. PL-480 sale)
4/ C&F
5/ Japan Aid Program
6/ World Food Program (UN)
N/A Not available.

U.S. RICE EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
FOR 1981/82-1983/84, AND AUGUST 1 THROUGH JUNE 20 for 1984/85
(AUGUST/JULY--1,000 TONS)

Destination	Marketing Year	Long Grain Milled	Long Grain Brown 2/	Other 1/ Milled	Other 1/ Brown 2/	Total Exports
EC 10	1981/82	2	310	56	192	560
	1982/83	1	214	15	--	230
	1983/84	29	192	2	70	293
	1984/85	10	199	6	98	314
Other W. Europe	1981/82	58	76	4	28	166
	1982/83	33	54	3	4	93
	1983/84	23	35	3	138	199
	1984/85	26	28	4	63	120
Iraq	1981/82	270	--	*	--	270
	1982/83	327	--	*	--	327
	1983/84	230	--	2	--	232
	1984/85	438	15	1	--	455
Saudi Arabia	1981/82	250	--	15	--	265
	1982/83	267	--	2	--	269
	1983/84	253	--	6	--	253
	1984/85	227	--	6	--	233
Other Middle East	1981/82	191	8	17	3	220
	1982/83	48	--	2	--	50
	1983/84	40	--	12	--	52
	1984/85	39	--	4	--	43
Republic of Korea	1981/82	--	--	*	339	339
	1982/83	--	--	*	213	213
	1983/84	--	--	*	112	112
	1984/85	--	--	--	--	--
Other Asia & Oceania	1981/82	4	--	38	--	43
	1982/83	2	--	129	--	132
	1983/84	3	--	140	--	143
	1984/85	3	--	99	--	102
Nigeria	1981/82	347	--	--	--	347
	1982/83	159	--	--	--	159
	1983/84	63	--	--	--	63
	1984/85	*	--	--	--	*
Other Africa	1981/82	116	117	84	4	320
	1982/83	148	110	153	4	414
	1983/84	95	150	136	--	381
	1984/85	137	65	254	11	466
W. Hemisphere	1981/82	129	25	12	15	181
	1982/83	137	23	86	38	284
	1983/84	156	24	109	14	303
	1984/85	132	45	12	19	208
Total 3/	1981/82	1,379	535	228	581	2,723
	1982/83	1,148	400	392	259	2,198
	1983/84	900	401	408	338	2,043
	1984/85	1,033	353	387	191	1,963

* Less than 500 tons.
1/ Includes medium, short, and mixed.
2/ Data not converted to a milled equivalency. Includes rough rice.
3/ Discrepancies due to rounding and changes to unknown destinations.
SOURCE: U.S. Export Sales

IMPORTER BUYING ACTIVITY

The world market was relatively quiet during the past month, with no major purchases reported except for Iraq's purchase of 100,000 tons of U.S. rice. Business in Europe was also quiet, as buyers there reportedly waited for further news on the U.S. Export Enhancement Program.

**IRAQ: After extended negotiations, the Iraqi Grain Board announced the purchase of 100,000 tons of U.S. #2/4 percent broken long grain rice for August/September/October delivery. This brings total purchases of U.S. rice for delivery in calendar year 1985 to an estimated 255,000 tons, with approximately $57.0 million in GSM-102 credit guarantees (approximately 150,000 tons) remaining for additional rice purchases before September 30. The shipping period was recently extended from September 30 to December 31. The Grain Board also purchased 12,500 tons of Thai fragrant rice, bringing total purchases of Thai rice this year to nearly 53,000 tons. Total rice imports in calendar year 1985 are currently forecast at 500,000 tons.

**NIGERIA: A delegation from Thailand is expected to travel to Lagos for negotiations on a new government-to-government rice agreement. The new contract reportedly will cover a somewhat smaller amount than the 400,000 ton agreement concluded last year. There has been some speculation that Nigeria's state governments or agents appointed by the state governments would be nominated to perform the actual importation under future purchases, however it is more likely that a federal agency will be selected since the state governments reportedly still are prohibited from acquiring new foreign debts or undertaking any foreign commitments. Nigeria is projected to import 500,000 tons of rice in calendar year 1985, with approximately 295,000 tons having already been shipped by Thailand and Pakistan through May.

**PORTUGAL: On June 14, EPAC, Portugal's cereals monopoly, purchased 13,000 tons of Australian calrose rice in its final rice tender of the season. (Portugal normally purchases rice to cover the `lean' period of March-when domestic supplies begin to run low-to September-when new crop domestic rice becomes available.) EPAC used GSM-102 credit guarantees to purchase 14,000 tons of U.S. medium grain rice in the May tender, but passed up the remaining GSM-102 to buy the Australian rice at $255 C&F in the June tender. (The lowest U.S. bid was reported at $282.50 C&F.) According to unofficial import data, the United States supplied 57 percent of Portugal's total imports during the July 1984 through June 1985 period, compared to 40 percent of total imports in the previous year.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

World rice prices remained at low levels during the past month, reflecting continued weak import demand. Thailand's Board of Trade (BOT) posted export prices were left unchanged for the twelfth consecutive week, although actual export prices fell due to the increased availability of second crop rice and the lack of new export business. The posted prices for 100 percent B and parboiled 5 percent remained at $232 and $227 per ton, respectively, with actual prices falling to $194-196 per ton for 100 percent B and $177-180 per ton for parboiled 5 percent. Quoted C&F Rotterdam prices for South American rice were unchanged with Argentina brown 7 percent broken at $295 per ton in bulk at and Uruguay 7 percent broken at $310 per ton in bulk.

**THAILAND: Exports began to fall off sharply by mid-June, although total exports through June 19 were 2.17 million tons, still more than 4 percent ahead of last year's record-setting pace.

Weekly Thai Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
May 29	99,108	94,000
June 5	119,458	100,788
June 12	39,512	89,365
June 19	29,061	71,785

Thai exporters reportedly are becoming increasingly concerned about Pakistan's new agressive pricing policy and the lack of significant new export business. The low prices being accepted under RECP's (the Rice Export Corporation of Pakistan) weekly tenders are putting increasing pressure on Thai prices, especially on the lower grades. Thai exporters are also nervous about recent heavy rains which suggest a bountiful wet season crop this fall. Thailand's apparent export commitments for 1985 delivery now stand at only 2.66 million tons, compared to the 3.14 million tons registered during the same period one year ago. Total exports in calendar year 1985 are projected at 4.4 million tons.

**PAKISTAN: Sales under the new weekly tender scheme have continued at a steady pace during the past two month. However, exports through May totaled only 210,189 tons (70,194 tons of basmati and 139,995 tons of coarse rice), or just over a third of the 562,319 tons exported through May of last year. Total exports in calendar year 1985 are currently forecast at 900,000 tons, but shipments will need to average nearly 100,000 tons per month over the next seven months to reach that level. Exports averaged just over 40,000 tons per month during the first five months of this year.

**BURMA: Export sales and shipments continue to lag well behind last year's pace. With no significant new business reported during the past month, it is becoming increasingly probable that MEIC, the Myanma Export Import Corporation, will have difficulty in shipping even the 600,000 tons currently projected for total exports in calendar year 1985. Exports through May totaled only 137,594 tons (excluding brokens), compared to the 350,016 tons shipped during the same period one year ago. Weak world demand, coupled with ample exportable supplies of rice and aggressive pricing in Thailand, Pakistan, and China, could result in Burma's worst export performance since 1978.

**ECUADOR: A drought during February and March has severely affected the rainy season rice crop. Ecuador usually is self-sufficient in rice production, even exporting significant amounts in years of good production. Because of the adverse rainy season weather, winter rice crop production is off about 26 percent. The dry season crop is also expected to be affected, since the residual soil moisture level needed for that crop will be low. The government will probably be forced to authorize imports of 20,000-30,000 tons to cover the expected shortfall around January 1986. Colombia is the traditional supplier of rice imports because of low prices, financing, and rapid delivery time. Attempts by U.S. suppliers to penetrate this market have been further frustrated by the short notice on calls for tenders.

**JAPAN: The outlook for the 1985/86 rice crop is favorable at this point, as the Ag Attache forecasts production of 10.2 million tons. Prior to the 1984/85 harvest, Japan experienced four consecutive poor harvests due to unfavorable weather. The poor crops, coupled with a rice land diversion program, depleted stocks to critically low levels. The Government of Japan is now engaged in a stock rebuilding program, hoping to add 400,000 tons from this year's crop.

**SOUTH AFRICA: A major South African rice importer has petitioned the Government of South Africa for a customs tariff increase on semi/wholly milled rice from 6 cents to 22 cents per kilogram and on broken rice from 4 cents to 20 cents. The importer alleged that growing imports of milled rice from Thailand are endangering the domestic rice milling industry, and cited the need to raise the import duty on milled rice imports to put unmilled rice imports on a competitive basis with milled rice. The United States has been the major supplier of South Africa's rice imports, mainly brown parboiled rice, but imports of Thai milled rice have increased from an estimated 7,000 tons in 1980 to over 56,000 tons in 1984. Although imports of rice from Thailand appear to be comprised primarily of low quality rice and not in direct competition with high quality U.S. rice, imports from the United States have fallen steadily since 1982 while total South African imports from all sources increased by nearly 30 percent.

SOUTH AFRICA: RICE IMPORTS
CY 1980-1984
(Metric Tons, Milled Basis)

Origin	1980	1981	1982	1983	1984
Thailand	---	---	---	---	56,257
Uruguay	14,682	11,733	13,369	10,592	17,347
U.S.	87,179	109,001	120,571	115,452	109,261
Other 1/	7,061	11,565	12,287	29,126	3,040
TOTAL	112,364	134,047	146,316	157,923	185,905

1/ Thailand not listed separately in 1980-1983 official statistics but believed to account for most of "other".

**SOUTH KOREA: Excellent planting weather and favorable moisture conditions create a good outlook for the 1985/86 rice crop. Additional irrigated acreage has been added giving 73 percent of the crop access to water. Reservoirs are reported to be at higher levels than last year at this time. South Korea had been a steady customer for U.S. medium grain rice, importing as much as 1.1 million tons in calendar year 1981 (2.3 million tons total imports), but good domestic rice harvests during the past two years eliminated the need for rice imports in 1984 and no exports are expected in 1985.

U.S. EXPORT EXPANSION ACTIVITIES

**GSM-102: As of May 26, the Commodity Credit Corporation (CCC) had available credit guarantees totaling $91.0 million. The outstanding credit lines were: Iraq ($79.2 million), Jamaica ($5.5 million), and Portugal ($6.3 million). The total for Iraq does not fully reflect the recent purchase of 100,000 tons of U.S. rice; the actual balance is an estimated $57.0 million.

**PL-480: During the past month, Sierra Leone bought 6,100 tons of #5/20 percent broken long grain and medium grain rice and Mozambique purchased 23,400 tons of #5/20 percent broken medium grain rice. Guinea signed a new PL-480 agreement for $6.0 million. The following table outlines the current status of FY 1985 PL-480 Title I/III programs.

STATUS OF P.L. 480 TITLE I/III RICE PROGRAMS FOR FY 1985

Country	Allocation $Million	Agreement Signed	P.A. Issued	Tender Results: Date	Tender Results: TMT Purchased	Tender Results: Price $/MT FAS	Tender Results: Quality 1/
Completed							
Madagascar	11.0	X	X	12/28	42.1	258-264	MG
Jamaica	8.0	X	X	1/7	9.3	307-313	LG
Bangladesh	20.0	X	X	1/15	75.1	262-281	MG
Mozambique	2.5	X	X	2/5	9.1	274	MG
Morocco	5.0	X	X	3/12	10.0	222	B,MG 6/
Jamaica	2/	X	X	3/27	2.0	325	LG
	3/	X	X	4/3	3.7	282	B,LG 7/
Somalia	5.0	X	X	4/24	4.2	307-311	MG
					3.2	323	LG
	4/	X	X	4/30	9.5	286	MG
Yemen	8.0	X	X	5/22	20.2	372-383	LG,P 8/
Sierra Leone	2.0	X	X	6/7	0.8	319	MG
					5.3	325-336	LG
Mozambique	7.0 5/	X	X	6/11	23.4	299	MG
Subtotal	68.5				217.9		
Pending							
Guinea	6.0	X	X				
Liberia	6.0						
Philippines	40.0						
Subtotal	52.0						
Total	120.5						

1/ #5/20% unless otherwise indicated, B=Brown, P=Parboiled, MG=Medium Grain, and LG=Long Grain.
2/ Second round of purchases under $8.0 million allocation.
3/ Third round of purchases under $8.0 million allocation, approx. $2.7 million balance remains.
4/ Second round of purchases under $5.0 million allocation.
5/ Amendment to original agreement.
6/ #4/15%
7/ #5/10%
8/ #2/4%

This circular was prepared by the Grain and Feed Division, Commodity and Marketing Programs, FAS/USDA. Telephone: (202) 447-2009.

U.S. WHEAT PROGRAMS

	1983 Program Equivalent: Export Price 1/: ($/Ton)	1983 Program Farm Price ($/Bu)	1984 Program Equivalent: Export Price 1/: ($/Ton)	1984 Program Farm Price ($/Bu)	1985 Program Equivalent: Export Price 1/: ($/Ton)	1985 Program Farm Price ($/Bu)
Trigger Release Price	$200	$4.45	$200	$4.45	--	--
Target Price	$195	$4.30	$198	$4.38	$198	$4.38
Loan (Reserve)	$171	$3.65	$158	$3.30	--	--
National Loan	$171	$3.65	$158	$3.30	$158	$3.30
Season Average Producer Price	$166	$3.53	$161	$3.38	$154-162	$3.20-3.40
Farm Price	--	--	$153	$3.16 2/	--	--
Paid Diversion	$136	$2.70	$136	$2.70	$136	$2.70

1/ Estimated equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $1.00 per bushel.
2/ ASCS 5-day moving average as of June 25, 1985

U.S. CORN PROGRAMS

	1983 Program Equivalent: Export Price 1/: ($/Ton)	1983 Program Farm Price ($/Bu)	1984 Program Equivalent: Export Price 1/: ($/Ton)	1984 Program Farm Price ($/Bu)	1985 Program Equivalent: Export Price 1/: ($/Ton)	1985 Program Farm Price ($/Bu)
Trigger Release Price	$159	$3.25	$159	$3.25	--	--
Target Price	$144	$2.86	$151	$3.03	$151	$3.03
Loan (Reserve)	$136	$2.65	$132	$2.55	--	--
National Loan	$136	$2.65	$132	$2.55	$132	$2.55
Season Average Producer Price	$159	$3.25	$136	$2.65	$130-138	$2.50-2.70
Farm Price	--	--	$136	$2.65 2/	--	--
Paid Diversion	$91	$1.50	--	--	--	--

1/ Estimated equivalent, adjusted from $/Bu. at the farm level by including transportation and handling allowances of $.80 per bushel.
2/ ASCS 5-day moving average as of June 25, 1985

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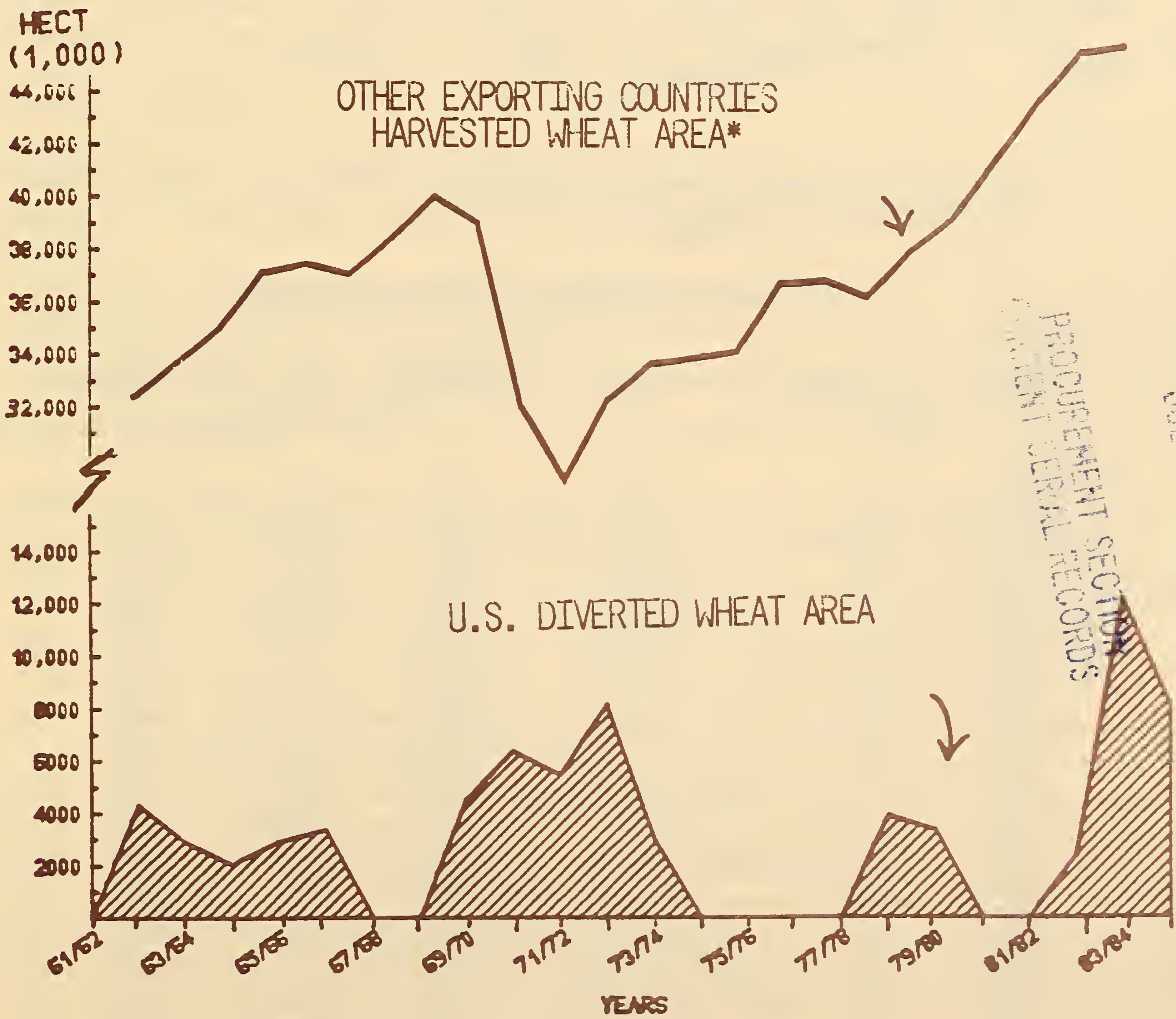
EMG-5-85
May 1985

Foreign Agriculture Circular

Grains

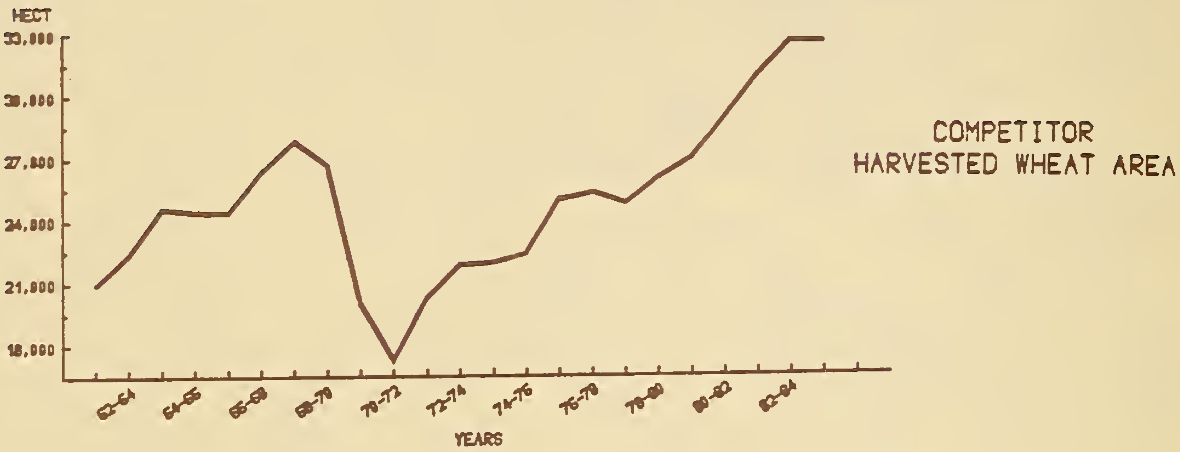
Export Markets for U.S. Grain and Products

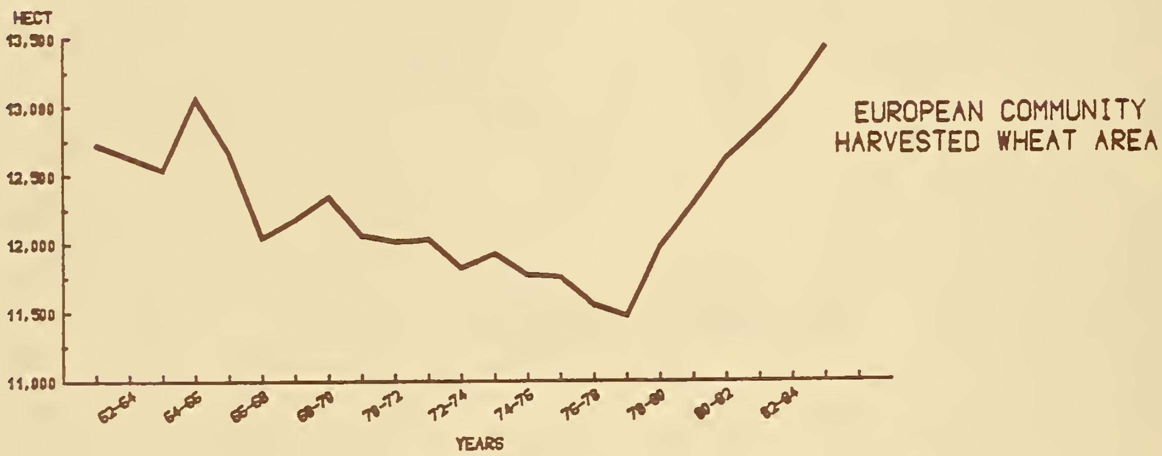
A topic of frequent interest is the relationship between U.S. wheat acreage diversion programs and the level of wheat acreage in competing export countries. This month's cover-page graph provides a historical comparison of such data. The main point to be drawn is the contrast between the early 1970's and the mid-1980's, periods of especially heavy curtailment of U.S. wheat area and stagnant or slow-growth conditions for total world wheat import volume. In the early 1970's, sustained competitiveness of U.S. wheat export prices limited other exporting countries' sales possibilities and caused major accumulations of unsold carry over stocks in those countries, forcing some of them to make area cut backs which were even larger than those occuring in the United States. In the mid-1980's however, because of periods of relatively less competitive U.S. export prices and still strong world wheat imports, other exporting countries' have increased sales, and their wheat area has continued to expand. Though domestic policies in foreign countries and other factors affect wheat area, cut backs in the United States have made way for increases elsewhere. Another contrast between the two periods is that in the early 1970's, the European Community (EC) was a rather small exporter whereas currently it is close to being the world's second largest; EC production expansion has been mainly through increased yields but in part also through expanded area. Further detail is shown on page 4.



* Includes Canada, Australia, Argentina and the EC. Other exporting countries data are shown as 2-year moving averages to reduce yearly fluctuations and emphasize longer-term shifts.

U.S. LAND DIVERSION PROGRAMS FOR WHEAT AND COMPETITOR WHEAT AREA





U.S. DIVERTED AND COMPETITOR HARVESTED WHEAT HECTARAGE
---1,000 HECTARES---

YEARS	U.S. DIVERTED ---AREA---	YEARS 1/	COMPETITOR 2/	EC	OTHER EXPORTERS 3/
			---HARVESTED AREA---		
60/61	0				
61/62	0	60-62	19.8	12.6	32.4
62/63	4.3		20.9	12.7	33.7
63/64	2.9	62-64	22.4	12.6	35.0
64/65	2.1		24.6	12.5	37.1
65/66	2.9	64-66	24.4	13.1	37.5
66/67	3.4		24.4	12.7	37.1
67/68	0	66-68	26.4	12.0	38.4
68/69	0		27.8	12.2	40.0
69/70	4.5	68-70	26.7	12.3	39.0
70/71	6.4		20.0	12.1	32.1
71/72	5.5	70-72	17.3	12.0	29.3
72/73	8.1		20.6	12.0	32.3
73/74	3.0	72-74	21.8	11.8	33.7
74/75	0		22.0	11.9	33.9
75/76	0	74-76	22.4	11.8	34.2
76/77	0		25.0	11.8	36.7
77/78	0	76-78	25.3	11.5	36.9
78/79	3.9		24.8	11.5	36.2
79/80	3.3	78-80	26.0	12.0	37.9
80/81	0		26.9	12.3	39.2
81/82	0	80-82	28.8	12.6	41.4
82/83	2.3		30.8	12.8	43.6
83/84	12.1	82-84	32.4	13.1	45.5
84/85	8.1		32.4	13.4	45.8

NOTE: U.S. data are annual, competitor, EC and other exporting countries are 2 year moving averages.

1/ Represents a 2-year moving average eg. 60-62 is the average of the harvested area planted to be marketed in 1960/61 and 1961/62 (July/June).

2/ Competitors include Australia, Argentina and Canada.

3/ Other exporting countries are competitors plus EC.

EXPORT MARKETS FOR U.S. GRAIN AND FEED COMMODITIES
May 31, 1985

CONTENTS PAGE

TABLES AND GRAPHS

HIGHLIGHTS

Major developments affecting U.S. exports for past month include:

---Australia sells wheat to Colombia for the first time since 1971/72.

---Egypt is likely to import more wheat and less flour imports as new flour mills become operational.

---Korea is reportedly tendering to buy in corn against defaulted Chinese corn contracts, possibly from the United States.

---Japan purchased 400,000 tons of Argentine corn, its largest single purchase of Argentine corn.

---Zimbabwe has an exportable surplus of 300,000 - 800,000 tons of corn as a result of a bumper 1985 harvest.

---Manioc imports are growing in major traditional feed grain markets.

The U.S. wheat export forecast as of May 7 was reduced for the 1984/85 marketing year to 38.9 million tons from 39.5 million tons last month. Increased competition in world markets and a slight drop in demand are the major factors. U.S. wheat exports in 1985/86 (July-June) are initially forecast to drop to 32.7 million tons, down over 6 million tons from 1984/85 estimates, the lowest level since 1978/79. Global wheat demand from the USSR is expected to fall because of increased production. Large carry-in stocks from bumper 1984 crops in many importing countries are expected to temper import needs in 1985/86. The lower import demand is expected to lower demand of all exporters, but the United States is forecast to absorb most of the decline.

The U.S. coarse grain export forecast was reduced from 58.8 to 58.3 million tons for 1984/85 (Oct-Sept) as continuing strong competition from EC barley exports have been displacing U.S. barley. The U.S. coarse grain export forecast for 1985/86 (Oct-Sept) is forecast to be down from lower expected 1984/85 estimate by about 6 million tons. As with wheat exports, Soviet coarse grain import demand is the major factor. Stagnating import demand, ample exportable surplus available in competitior countries, and increasing use of manioc are other factors inhibiting strong demand for U.S. feed grains.

WHEAT

Latest U.S. Exports Forecast, Shipments, and Sales

Export Forecast: As of mid-May 1984/85, the U.S. wheat export forecast has been reduced to 38.9 million tons. The first estimate of the 1985/86 U.S. wheat exports is 32.7 million tons, a reduction of nearly 7 million tons from 1984/85 estimates.

Shipments and Sales: Wheat shipments for the four-week period ending May 23 were down slightly this month, about the average for the last three months. New sales of 0.5 million tons are down 0.2 million tons from last month continuing the downward tend of recent months.

Importer Buying Activity: Buyers of U.S. wheat were highlighted by purchases from Taiwan, where over 200,000 tons of new crop wheat was purchased. Morocco was also a large buyer of U.S. wheat. Most of the wheat purchased was for new crop positions as U.S. price spreads tend to favor new crop over old. Japan bought U.S., Australian and Canadian wheat all in new crop positions.

WHEAT AND FLOUR IMPORTER BUYING ACTIVITY
REPORTED BETWEEN APRIL 25, 1985 AND MAY 24, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
4/25	Taiwan	US	46,000	HRW	146.06 @ 147.89	Sept/Nov
4/26	Columbia	Australia	50,000	ASW	?	May
	Taiwan	US	46,000	Wheat	146.06 @ 147.89	Sept/Nov
4/29	Taiwan	US	110,000	HRS	160.19 @ 169.08	Jul/Dec
5/1	Ethiopia	France	100,000	Wheat	?	May/Jun
5/2	Indonesia	US	37,500	WW	141.61	June
	Indonesia	US	87,865	HRS	161.17 @ 167.58	Jul/Aug
5/7	Korea	US	20,700	WW, HRW, HRS	131.90, 141.60, 164.00	Aug
	Jamaica	US	2,776	HRW	136.98	Sept
5/8	Brazil	US	33,000	HRW	137.74	Sept
	Japan	US	75,000	WW, HRW, HRS	?	July
	Japan	Canada	19,000	CWRS	?	July
	Japan	Australia	16,000	ASW	?	July
5/9	Zaire	US	12,500	HRW	141.62	May/Jun
	Korea	US	63,000	WW, HRW, HRS	140.70, 143.90, 169.10	Jun/Jul
5/10	Morocco	US	216,672	SRW	124.60 @ 126.77	?
	Morocco	US	12,500	Soft White	125.48	May/Jun
	Korea	US	20,000	WW, HRW, HRS	various	Jun/Jul
5/13	Algeria	US	120,000	Soft Wheat	128.50 C&F	Aug/Sept
	Algeria	Canada	400,000	Wheat	?	Aug/Sept
5/15	Japan	US	55,000	WW, HRW, HRS	?	July
	Japan	Canada	54,000	CWRS	?	July
	Japan	Australia	15,000	ASW	?	July
	Korea	Australia	50,000	Feed Wheat	?	Jun/Jul
5/16	Zaire	US	12,500	HRW	141.74	LH May/FH Jun
5/17	Philippines	US	25,000	HRS	188.77 C&F	June
	Philippines	US	25,000	WW	164.07 C&F	June
	Morocco	France	250,000	Wheat	129.00	June
	Korea	US	41,000	WW, HRW, HRS	various	Jun/Jul
5/22	Tunisia	France	50,000	Soft Wheat	133.00 @ 141.40 C&F	June
	Yemen	US	13,275	WW	143.48	June
	Japan	US	56,094	WW, HRW, HRS, HAD	?	July
	Japan	Canada	32,500	CWRS	?	July
	Japan	Australia	17,800	ASW	?	July
	Syria	France	85,000	Soft Wheat	133.30 @ 137.74 C&F	July
5/23	Sudan	US	42,231	Wheat flour	181.22 @ 200.25	Jun/Jul
	Costa Rica	US	71,417	HRS, SRW, HAD	various	Jun/Sept
5/24	Sudan	US	125,386	HRW	132.35 @ 135.48	May/Aug

1/ HRW=Hard Red Winter, HRS=Hard Red Spring, SRW=Soft Red Winter, HAD=Hard Amber Durum, WW=Western White ASW=Australian Soft White, CWRS=Canadian Western Red Spring, PH=Australian Prime Hard
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

QUANTITY AND VALUE OF U.S GRAIN AND FEED COMMODITY EXPORTS
IN FISCAL YEAR 1985 AND COMPARISON WITH PRECEEDING YEAR

	MARCH FY 84	MARCH FY 85	CUMULATIVE OCT THRU MAR FY 84	CUMULATIVE OCT THRU MAR FY 85	ACTUAL EXPORTS FY 84	PROJECTED EXPORTS FY 85
WHEAT (grain only)						
Quantity (1000 tons)	3231	1577	18907	16755	41700	35000
Value Per Ton (dollars)	156	152	161	152	156	150
Value (in million dollars)	504	240	3042	2556	6501	5250
CORN (grain only)						
Quantity (1000 tons)	4472	4329	26216	29114	47001	49100
Value Per Ton (dollars)	149	126	149	127	149	127
Value (in million dollars)	666	546	3903	3684	7022	6236
SORGHUM (grain only)						
Quantity (1000 tons)	651	863	3538	4668	6226	6985
Value Per Ton (dollars)	134	122	137	116	133	114
Value (in million dollars)	87	105	485	542	829	796
BARLEY, OATS, AND RYE (grain only)						
Quantity (1000 tons)	237	27	1245	885	2074	1750
Value Per Ton (dollars)	143	148	137	131	134	125
Value (in million dollars)	34	4	170	116	277	219
TOTAL COARSE GRAINS (grain only)						
Quantity (1000 tons)	5360	5219	30999	34667	55301	57834
Value Per Ton (dollars)	149	125	147	125	147	125
Value (in million dollars)	787	655	4558	4342	8128	7251
RICE (grain only)						
Quantity (1000 tons)	212	187	1002	911	2212	2000
Value Per Ton (dollars)	410	305	425	362	405	375
Value (in million dollars)	87	57	426	330	897	750
PULSES						
Quantity (1000 tons)	32	36	223	252	390	450
Value Per Ton (dollars)	437	500	475	464	451	445
Value (in million dollars)	14	18	106	117	176	200
FLOUR AND OTHER GRAIN PRODUCTS						
Quantity (1000 tons)	289	253	1313	1029	2641	2300
Value Per Ton (dollars)	218	213	203	254	214	200
Value (in million dollars)	63	54	266	261	565	560
FORAGE, HAY, MIXED FEED AND GRAIN BYPRODUCTS						
Quantity (1000 tons)	803	652	3647	3249	6845	6800
Value Per Ton (dollars)	172	144	174	155	170	160
Value (in million dollars)	138	94	634	502	1165	1090
TOTAL VOLUME (in thousand tons)	9927	7924	55991	56963	109089	104385
TOTAL VALUE (in million dollars)	1593	1119	9032	8108	17432	15091

SOURCE: US Census

MARKET OPPORTUNITIES

**Egypt: Egypt recently opened three flour mills, with three to follow each estimated to produce from 120,000 - 195,000 tons yearly. As those new mills become fully operational, Egyptian import demand for flour is likely to diminish while its import need for wheat expands. Egypt has historically been the single largest flour market in the world, taking an average of nearly 2 million tons of wheat-equivalent flour per year for the past 5 years. That represents nearly 30 percent of all wheat flour traded in the world. The EC has been one the largest supplier of both wheat and flour to Egypt, but additional demands for milling wheat could mean expanding opportunities for U.S. exporters.

DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries Selling Activity and Competitive Practices

**Australia: The Australian Wheat Board reportedly sold 50,000 tons of wheat to Colombia, the first sale of Australian wheat to that country since 1971/72. The United States had been supplying most of Colombia's wheat imports in recent years, which average over 500,000 tons per year. Australia has recently begun to actively seek out markets in South America as new outlets for its expanding production.

**Brazil: In an attempt to compensate Argentina for a reduction in its apple imports, Brazil has reportedly offered to increase its imports of Argentine wheat. The United States has accounted for about 60 percent of Brazil's total wheat imports during the past several marketing years. Brazil is expected to import 4.5 million tons in 1985/86 trade year (July-June).

Competitive Developments In Selected Foreign Markets

**Pakistan: Pakistan is expected to have a 2-million-ton production shortfall from its drought-impacted 1985 wheat crop. India, on the other hand, which is reported to have near-record wheat stocks and is experiencing storage problems, has offered to exchange up to 2 million tons of wheat for fertilizer from Pakistan. However, Pakistan has rejected the offer because of price and grading problems.

**Italy: Italy has sold 145,000 tons of durum wheat out of intervention stocks to the USSR, possibly representing the largest Italian durum sale ever to the Soviet Union. Italy has now sold all of its original 200,000 ton export authorization from intervention stocks, and has reportedly requested permission to auction an additional 150,000 tons.

Internal Price Policies Of Foreign Countries

**EC: The European Community has not as yet agreed on a price package for grain for the 1985/86 crop year. The original proposal was for an average 3.6-percent reduction in support prices, and an even larger cut in the effective support rate for milling wheat. In 1984/85, the EC lowered its support price for grain by 1 percent, the first decline since CAP formation in 1967.

**Egypt: France has recently renewed a credit line to Egypt for 3 years at an annual interest rate of 8.25 percent. The credit line is expected to be used to finance Egypt's purchase of 750,000 tons of wheat flour, 500,000 tons of soft wheat and the balance going to other processed products.

**MAJOR EXPORTERS: The latest internal support prices for the principal world wheat exporters, on an individual marketing year basis, are listed below. Prices are not strictly comparable because of quality differences and because U.S., Argentine and EC prices are on a local delivery point basis. For example, in terms of quality differentials, the Canadian price is set for No. 1 CWRS, while No. 2 CWRS was discounted by approximately C$4 per ton and No. 3 CWRS by about C$15 per ton; No. 1 CWRS has represented about 40 percent of Canadian wheat exports over the past 10 years.

MAJOR EXPORTER SUPPORT PRICES FOR WHEAT

	1983/84			1984/85		
Exporter	U.S.$ Equivalent		Local Currency	U.S.$ Equivalent		Local Currency
	per bu	----per ton	----	per bu	----per ton	----
U.S. (loan)	3.65	134	134 (US$)	3.30	121	121 (US$)
(reserve loan)	3.65	134	134 (US$)	N/A	N/A	N/A
Argentina (reference)	2.67	98	3,060 (AP) 1/	2.46	89	4,800 (AP) 1/
Australia (min. pay.)	3.72	137	150 (A$)	2.50	92	146 (A$)
(final pay.)	N/A	N/A	N/A	N/A	N/A	N/A
Canada (initial pay.)	3.75	138	170 (C$)	3.22	119	160 (C$)
(final pay.)	3.96	145	194 (C$)	N/A	N/A	N/A
EC (intervention) 2/	4.08	150	208 (ECU)	3.97	146	206 (ECU)
(reference)	4.68	172	238	4.63	170	236 (ECU)

1/ In new pesos, current season prices can be adjusted when necessary because of currency fluctuations. Caution should be taken when using this price in US$ equivalent because of the volatility of the Argentine exchange rate. Current price as of May 30, 1985.

2/ EC prices represent medium quality wheat adjusted by monthly increments.

US WHEAT SHIPMENTS, SALES, AND INSPECTIONS 1/
(JUNE/MAY--MILLION TONS)

Monthly Shipments

4 Weeks Ending	1983/84	1984/85
Feb. 21	2.9	2.3
Mar. 21	2.5	1.5
Apr. 18	2.9	1.7
May 23	1.0	1.6
Total for MY.	34.8	35.4

Monthly Sales 2/

4 Weeks Ending	1983/84	1984/85
Feb. 21	3.1	1.2
Mar. 21	1.9	1.5
Apr. 18	2.5	0.7
May 23	1.0	0.5
Total for MY.	36.9	36.6

Weekly and Annual Inspection Rates

	Million MT	Million BU
Week Ending May 16..............	0.4	13.4
Week Ending May 23..............	0.2	8.6
Official Estimate for Current MY (Grain only)....................	37.6	1380
Implied Weekly Average...........	0.7	26.5
Latest Six Weeks Weekly Average..................	0.4	13.1
Marketing Year-To-Date Weekly Average..................	0.7	26.4
Weekly Avg. Extrapolated Annually	37.3	1372
Balance of Year to Achieve Estimate Implied Weekly Average...........	0.9	34.0

1/ Shipments and sales data from U.S. export sale . Inspections data from Federal Grain Inspection Service.

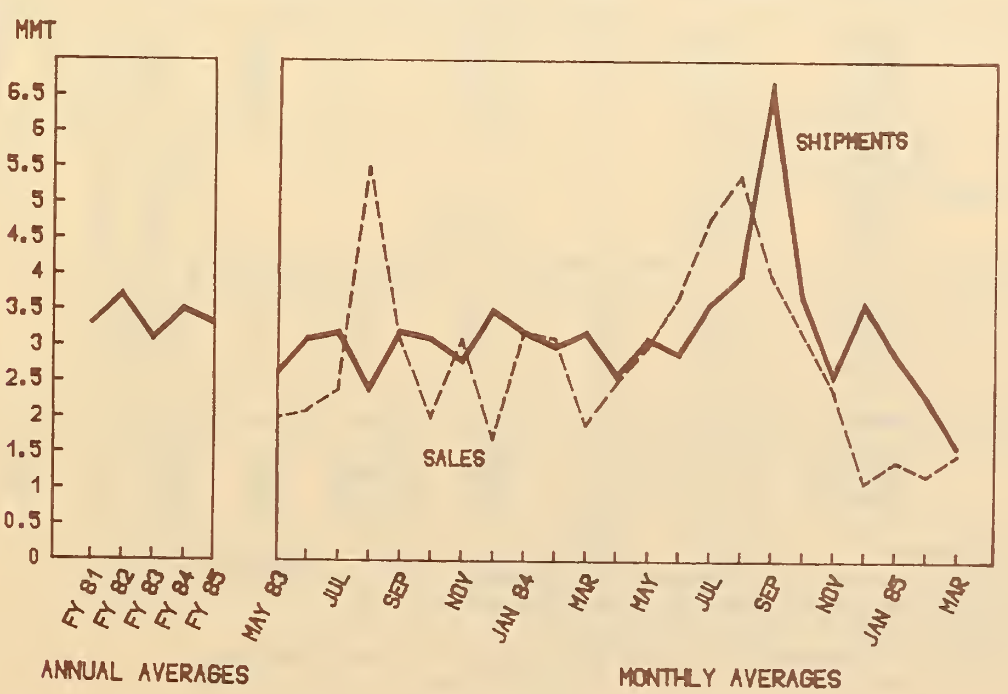
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.

WHEAT SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(JULY-JUNE--MILLION TONS)

	Canada		Australia		Argentina		France		Total	
4 Weeks Ending 1/	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
February 21	.8	.7	1.5	1.4	1.9	1.9	.8	.8	5.0	4.8
March 21	1.0	.7	1.5	1.4	1.4	1.5	.7	1.3	4.6	4.6
April 18	1.3	.8	1.1	1.2	.8	1.1	.8	N/A	4.0	N/A
May 23	2.1	1.7	1.5	1.5	.5	.9	.4	N/A	4.4	N/A
Cumulative Since July 1	17.7	16.7	10.5	13.2	9.4	7.8	9.0	8.8	46.6	46.5
Total for Season 3/	21.8	17.2	11.6	15.3	9.6	7.4	9.5	11.0	52.5	50.9

1/ Or nearest date thereto.
2/ Excludes intra-EC trade.
3/ Projection for 1984/85.

U.S. WHEAT SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM MAY 1983 - FEBRUARY 1985

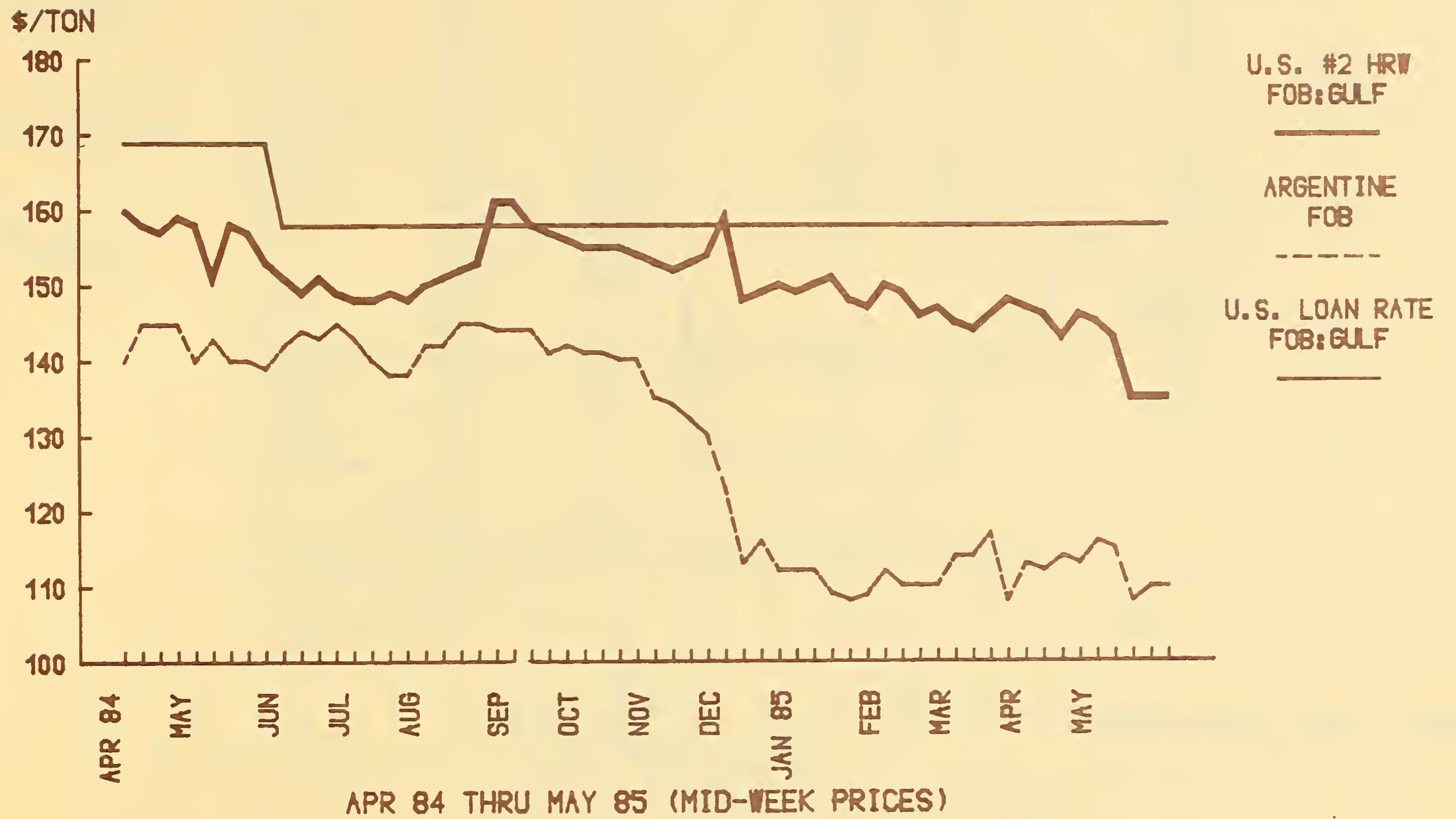


U.S. WHEAT EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
TOTAL EXPORTS FOR 1982/83-1983/84; COMMITMENTS TO DATE FOR 1984/85 WITH COMPARISON TO 1983/84
(JUNE/MAY--1,000 TONS)

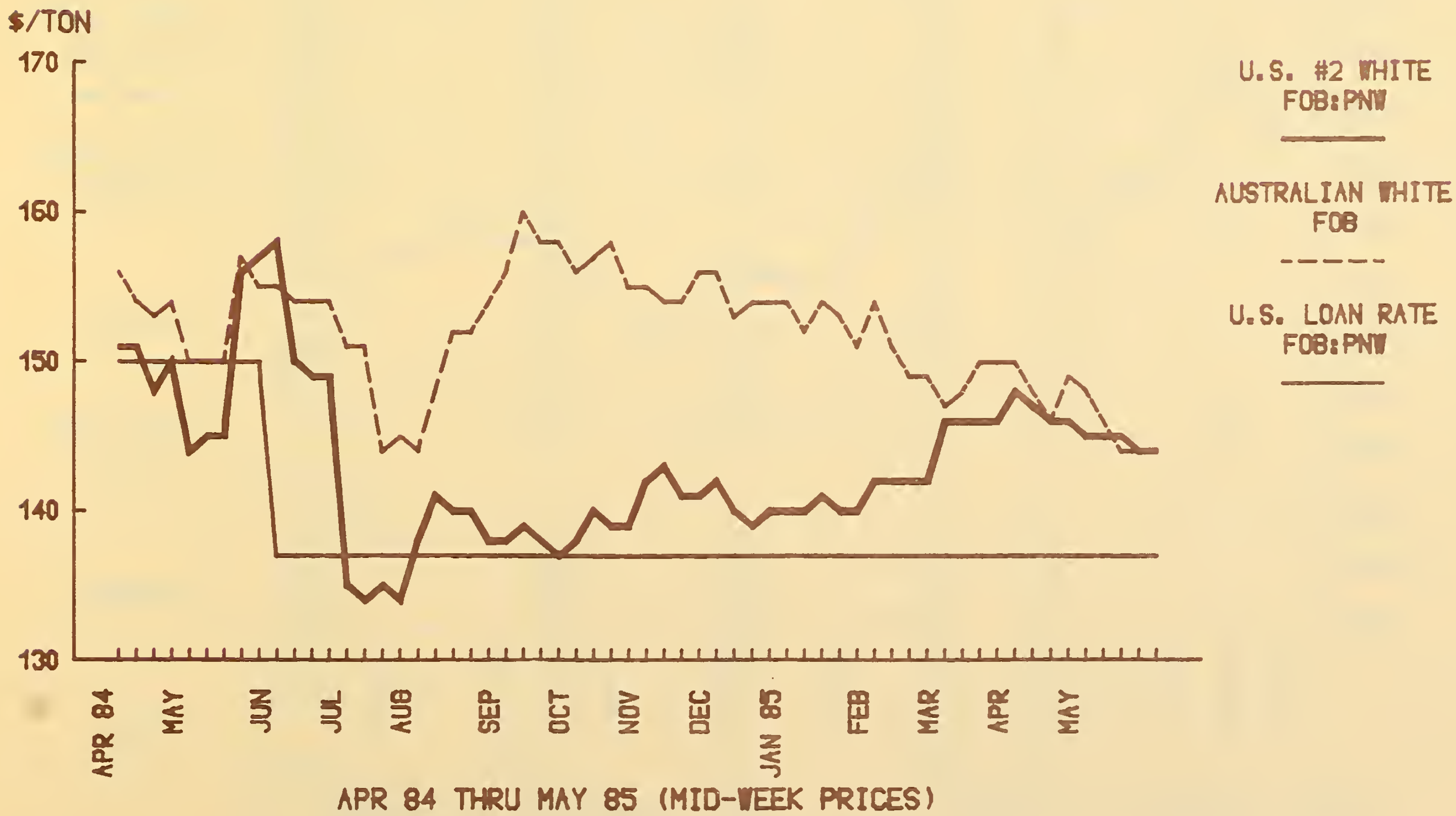
Destination	Marketing Year	Hard Red Winter	Hard Red Spring	Soft Red	All White	Durum	Total Exports
EC-10	1982/83	3	1,162	35	53	495	1,748
	1983/84	3	1,218	2	--	263	1,486
	1983/84*	3	1,202	8	--	268	1,481
	1984/85**	--	718	8	--	188	914
Other W. Europe	1982/83	343	95	289	4	7	738
	1983/84	795	32	411	16	49	1,303
	1983/84*	901	32	410	16	54	1,413
	1984/85**	546	99	633	--	45	1,323
Eastern Europe	1982/83	--	--	122	--	74	196
	1983/84	--	--	283	--	72	355
	1983/84*	--	--	283	--	72	355
	1984/85**	--	--	--	--	65	65
USSR	1982/83	3,374	--	--	--	--	3,374
	1983/84	4,141	--	--	--	--	4,141
	1983/84*	4,209	--	--	--	--	4,209
	1984/85**	6,339	--	--	--	--	6,339
China	1982/83	386	--	4,938	--	--	5,324
	1983/84	1,368	--	1,549	--	--	2,917
	1983/84*	1,438	--	1,549	--	--	2,987
	1984/85**	105	--	2,693	--	--	2,798
Japan	1982/83	1,266	987	20	1,049	--	3,322
	1983/84	1,287	1,010	--	1,126	12	3,435
	1983/84*	1,365	1,010	--	1,129	12	3,516
	1984/85**	1,367	1,067	--	1,013	15	3,462
India	1982/83	2,480	--	--	1,405	--	3,885
	1983/84	198	--	--	968	--	1,166
	1983/84*	198	--	--	968	--	1,166
	1984/85**	--	--	--	--	--	0
Taiwan	1982/83	309	195	--	170	--	674
	1983/84	245	185	--	130	--	560
	1983/84*	290	212	--	135	--	637
	1984/85**	299	211	--	145	--	655
Rep. of Korea	1982/83	605	162	--	990	--	1,757
	1983/84	649	221	2	1,179	--	2,051
	1983/84*	668	225	2	1,151	--	2,046
	1984/85**	674	231	--	1,103	--	2,008
Other Asia, Middle East, and Oceania	1982/83	2,554	1,858	833	568	1	5,814
	1983/84	2,288	1,232	258	1,222	21	5,021
	1983/84*	2,429	1,344	258	1,197	21	5,249
	1984/85**	2,227	1,002	178	1,502	--	4,909
Egypt	1982/83	--	--	397	1,331	--	1,728
	1983/84	--	--	539	807	--	1,346
	1983/84*	--	--	539	888	--	1,427
	1984/85**	30	--	429	1,205	--	1,664
Nigeria	1982/83	918	242	81	--	--	1,241
	1983/84	1,278	265	88	--	--	1,631
	1983/84*	1,256	284	88	--	--	1,628
	1984/85**	1,324	198	91	--	--	1,613
Other Africa	1982/83	611	95	1,086	--	666	2,458
	1983/84	471	7	1,876	45	844	3,243
	1983/84*	471	6	2,422	45	861	3,805
	1984/85**	418	39	2,034	35	803	3,329
Brazil	1982/83	2,113	--	--	--	--	2,113
	1983/84	2,181	--	66	--	--	2,247
	1983/84*	2,181	--	66	--	--	2,247
	1984/85**	3,111	--	67	--	--	3,178
Other W. Hemis.	1982/83	2,172	1,464	559	8	271	4,474
	1983/84	2,223	1,477	514	48	296	4,558
	1983/84*	2,310	1,546	524	73	317	4,770
	1984/85**	2,061	1,290	503	159	293	4,306
Total 1/	1982/83	16,881	6,065	8,360	5,408	1,514	38,228
	1983/84	17,128	5,647	5,593	5,541	1,556	35,465
	1983/84*	17,759	5,910	5,808	5,805	1,579	36,861
	1984/85**	18,460	4,862	6,577	5,234	1,458	36,591
MY Projection 2/		20,547	4,899	6,668	5,307	1,497	38,918

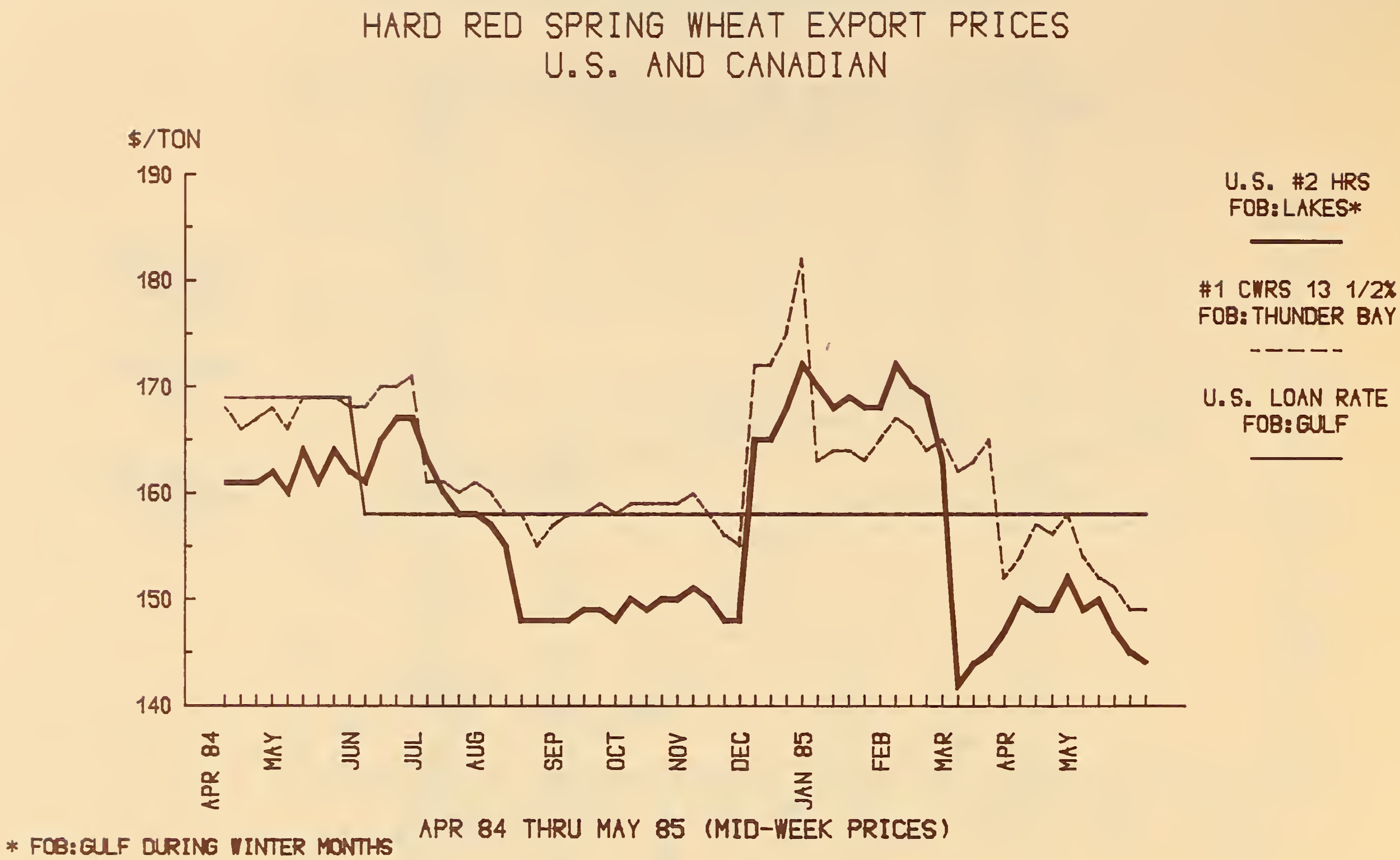
1/ Discrepancies due to rounding and sales to unknown destination.
2/ Projection for 1984/85, including flour and products
* Sales plus accumulated exports as of May 24, 1984, excluding sales for next marketing year.
** Sales plus accumulated exports as of May 23, 1985, excluding sales for next marketing year.

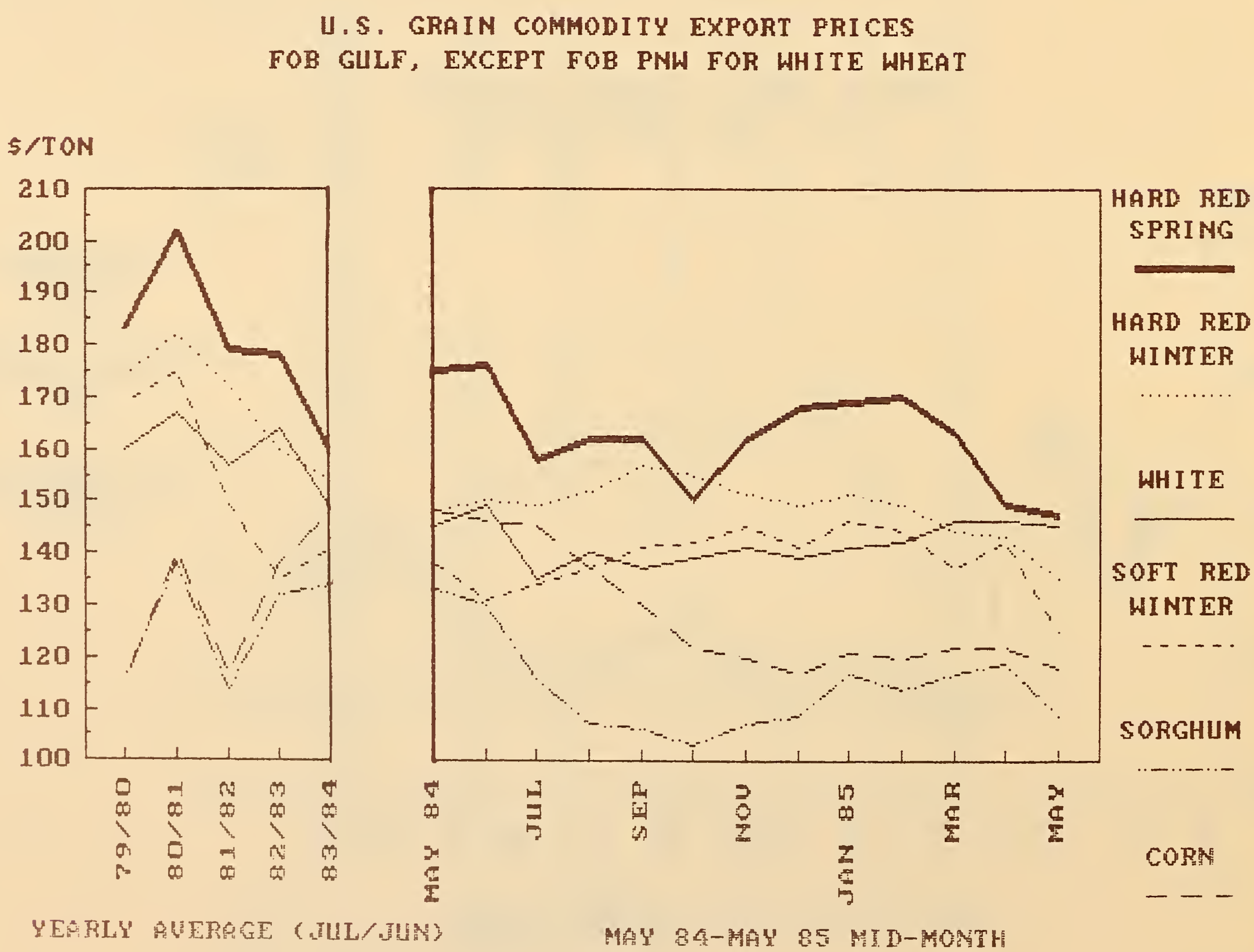
HARD RED WINTER WHEAT EXPORT PRICES
U.S. AND ARGENTINE



WHITE WHEAT EXPORT PRICES
U.S. AND AUSTRALIAN




HARD RED SPRING WHEAT EXPORT PRICES
U.S. AND CANADIAN
$/TON
190
180
170
160
150
140
U.S. #2 HRS
FOB:LAKES*
#1 CWRS 13 1/2%
FOB:THUNDER BAY
U.S. LOAN RATE
FOB:GULF
APR 84
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
JAN 85
FEB
MAR
APR
MAY
APR 84 THRU MAY 85 (MID-WEEK PRICES)
* FOB:GULF DURING WINTER MONTHS


U.S. GRAIN COMMODITY EXPORT PRICES
FOB GULF, EXCEPT FOB PNW FOR WHITE WHEAT
$/TON
210
200
190
180
170
160
150
140
130
120
110
100
HARD RED SPRING
HARD RED WINTER
WHITE
SOFT RED WINTER
SORGHUM
CORN
79/80
80/81
81/82
82/83
83/84
MAY 84
JUL
SEP
NOV
JAN 85
MAR
MAY
YEARLY AVERAGE (JUL/JUN)
MAY 84-MAY 85 MID-MONTH

**CCC Credit

U.S. WHEAT/FLOUR TRADE WITH SELECTED COUNTRIES
UNDER CCC GUARANTEE PROGRAMS

	FY 1984		FY 1985		
	TOTAL Exports	Estimated Exports Under CCC Programs	Announced	Approved	Estimated Quantity Yet To Be Purchased
	-------1000 tons------		--Million Dollars--		----1,000 tons----
Bangladesh	362.0	300.0	60.0	29.0	207.0
Brazil*	2,097.0	2,914.0 1/	500.0	249.6	1,669.3
Chile	860.0	567.0	100.0	0.0	666.0
Colombia	531.0	566.0 1/	80.0	42.0	253.3
Costa Rica	124.0	--	--	--	--
Dominican Rep.	151.0	106.0	--	--	--
Ecuador*	357.0	457.0 1/	52.0	31.5	137.0
Egypt*	2,073.0	526.0	136.0	0.0	906.0
Guatemala	109.0	138.0	13.0	11.8	8.0
Haiti	107.0	33.0	7.5	4.0	23.3
Iraq	952.0	1,225.0 1/	190.0	88.5	677.0
Jamaica	112.0	100.0	--	--	--
Korea	1,798.0	864.0	110.0	87.6	149.3
Morocco	1,849.0	2,245.0 1/	250.0	0.0	1,667.0
Nigeria	1,372.0	--	--	--	--
Peru	642.0	507.0	--	--	--
Philippines	572.0	637.0 1/	120.0	9.4	737.3
Portugal	720.0	2,780.0 1/ 2/	117.0	43.8	488.0
Tunisia	430.0	691.0	120.0	--	750.0
Turkey	591.0	500.0	81.0	10.1	473.0
Yemen	86.0	--	--	--	--
TOTAL	15,895.0	15,156.0	1,936.5	607.3	8,811.5

* Includes GSM-102, GSM-5, and Blended Credit, as of May 10, 1985.
1/ Exports under CCC programs exceed total FY 84 because some of the estimated shipments may have actually moved after September 30, 1984.
2/ Wheat or feed grains

IBM-PC:C1RTAB5.
5/27/85

**PL-480

FY 1985 PUBLIC LAW TITLE I/III
COUNTRY AND COMMODITY ALLOCATIONS
(1000 Tons Grain Equivalent)

Country	Million-Total	Wheat/Flour	Rice	Feedgrains
$805 or Less Per Capita GNP				
Bangladesh	92.0	338.0	67.0	--
Bolivia	20.0	130.0	--	--
Egypt	225.0	1,448.0 1/	--	--
El Salvador	44.0	138.0	--	--
Ghana	6.0	--	--	--
Guinea	6.0	--	21.0	--
Haiti	15.0	76.0	--	--
Honduras	15.0	76.0	--	--
Indonesia	40.0	250.0	--	--
Kenya	10.0	66.0	--	--
Liberia	16.0	--	48.0	--
Madagascar	11.0	--	39.0	--
Maldives	1.5	7.0 1/	2.0	--
Morocco	45.0	290.0	18.0	--
Mozambique	17.0	32.0	34.0	21.0
Pakistan	50.0	--	--	--
Senegal	8.0	--	--	61.0
Sierra Leone	4.0	13.0	7.0	--
Somalia	20.0	26.0 1/	18.0	17.0
Sri Lanka	26.0	163.0	--	--
Sudan	50.0	293.0 1/	--	--
Yemen	10.0	14.0 1/	20.0	--
Zaire	15.0	67.0 1/	--	15.0
Zambia	10.0	35.0	--	--
Zimbabwe	8.0	50.0	--	--
Subtotal	764.5	3,512.0	274.0	114.0
Over $805 Per Capita GNP				
Costa Rica	28.0	115.0	--	24.0
Dominican Rep.	35.5	45.0	--	170.0
Ecuador	15.0	90.0	--	--
Guatemala	16.0	56.0	--	--
Jamaica	35.0	75.0	27.0	89.0
Mauritius	3.5	12.0 1/	5.0	--
Peru	25.0	116.0	--	--
Tunisia	5.0	--	--	43.0
Subtotal	163.0	509.0	32.0	326.0
Allocated 3/	927.5	4,021.0	306.0	440.0
Unallocated Reserve	84.4	--	--	--
TOTAL PROGRAM	1,011.9	--	--	--

1/ Wheat equivalent of flour or some portion of wheat equiv. of flour.

SAUDI ARABIA
SPECIAL REPORT

Although Saudi Arabia has been one of the fastest growing grain markets in the past few years, government programs and policies, as well as a declining population, could curtail any appreciable future import demand growth. In fact, Saudi Arabia could eventually become an exporter of grains, albeit at a substantial expense to the government.

In half a decade, massive government spending has transformed the Kingdom from a wheat importer to a surplus producer and potential exporter. Toward the basic objective of self-sufficiency in key feedstuffs and modest consumer prices, the government has encouraged the growing of wheat by making free land available for development; providing interest-free loans; paying one-half the purchase price of all farm and irrigation equipment together with the cost of drilling wells; and subsidizing the cost of some inputs. For example, farmers pay about $.09 per gallon of diesel fuel which cost the government about $.16 a gallon to produce. At the same time, the government guaranteed farmers about $1,000 a ton ($27.25 a bushel) for all wheat produced. Response far exceeded even the most sanguine expectations. Outturn skyrocketed from only 18,000 tons in 1979 to about 1.5 million tons in 1984 and will increase still further to between 1.7 million tons in 1985.

Disappearance, however, has remained relatively static at about 870,000 tons a year. As a consequence, the potential size of the Saudi grain market is limited by the sparceness of population which totals about 10 to 11 million including between 3 to 4 million expatriates. Demand for imported grain will probably decline in the future as a result of a decline in the expatriate community as many projects initiated in the 1970s boom have been, or are now nearing completion the buildup in stocks has been rapid. The carryover as of July 1985, when the new crop will begin entering marketing channels, will be about 241,000 tons which, with a new crop of 1.7 million tons, would increase to about 640,000 tons by July 1986. A carry-over of this magnitude will fulfill the government goal of an 18-month strategic reserve with some surplus.

Recently, however, because of tightening budget considerations and over supply, Saudi Arabia reduced the purchase price for wheat by almost 50 percent to about $570 per ton ($15.50 a bushel) for the 1985 crop and will hold this price level through the 1989 crop. Some wells already under construction will be completed, but few if any new wells will be sunk. The government may lower the import subsidy and may increase the purchase price for barley. This would shift excess wheat acreage to barley, which is better adopted than wheat to alkaline desert conditions.

The government has supported nomadic sheep and camel producers by providing highly subsidized feed grain, and in the case of capital intensive poultry and dairy enterprises, by subsidizing the cost of feed and equipment. Costs of production are artificially low, but consumers are provided nominally priced meat, poultry and dairy products.

Barley imports increased from 550,000 tons in 1979 to about 6.0 million tons in 1984 while, corn and sorghum imports grew from 460,000 to about 800,000 tons. Coarse grain imports have been erratic, oscillation between periods of high subsidies and oversupply followed by periods of low subsidies and under supply. Since April 1984, the Saudi Arabia government has paid importers about $85 a ton for barley and sorghum and a subsidy equal to one-half the landed price of corn. The slack in imports of Sudanese sorghum, by far the major supplier, is being filled by larger purchases from Thailand and Argentina.

There is currently a glut of barley because importers, fearing the favorable subsidy may be rescinded, are accelerating purchases and deliveries. This, combined with the opening of the first bulk unloading facility, has caused serious congestion at Jiddah and large deliveries are programmed through September. It is estimated that Saudi Arabia will import about 6.0 million tons of barley in 1985.

Saudi coarse grain imports have likely peaked and could be entering a period of decline if surplus wheat acreage is diverted to barley. Feed use by nomadic tribesmen, which accounts the overwhelming majority of barley disappearance, is expected to decline. This will be offset, at least partially, by the importing of more sheep for finishing and slaughter in Saudi Arabia. Growth in the dairy sector is possible provided the Saudi Arabia continues current high cost subsidy programs.

Aside from wheat, alfalfa is the only crop that can be grown profitably in the newly irrigated areas. Outturn has increased rapidly and is now sufficient for virtually all Saudi Arabian requirements. Lentils are imported from nearby suppliers, primarily Turkey. The Kingdom will only buy sizable quantities from the United States if traditional suppliers are unable to fulfill Saudi needs.

About 1.0 million tons of the roughly 6.5 million tons of grain fed to livestock and poultry is in the form of mixed and formula feed, virtually all of which is poultry or dairy. The government Grain Silos and Flour Mills Organization (GSFMO) produces about 30 percent of all formula and mixed feed, the remainder is mixed on farms by large integrated enterprises.

The Kingdom imports about 200,000 tons of regular milled and 250,000 tons of parboiled rice annually. The United States has dominated the highly discriminating Saudi parboiled market. Saudi Arabia will continue to be a strong market for U.S. parboiled although because of price (the landed price of Thai and U.S. parboiled is about $250 and $520 a ton respectively) and improved quality about 5,000 tons of Thai parboiled is entering the Kingdom monthly. The U.S. share of the regular milled market is small and is eroding because of price. The changing composition of the population, i.e., the decline in expatriates and higher proportion of Asiatics within the expatriate community will have some impact on the price market. Total demand may decline with the decline in population, whereas the market for U.S. parboiled, most of which is consumed by Saudis, could continue strong. The market for lower quality parboiled may decline with the exodus of western expatriates and the market for regular milled may also fall somewhat due to the reduction in the number of Asiatic expatriates.

CORN AND SORGHUM

Latest U.S. Export Forecast, Shipments, and Sales

**Export Forecast: Both corn and sorghum export forecasts for 1984/85 are unchanged at 49.5 million tons and 7 million tons, respectively. For 1985/86, the initial corn export forecast is 43.2 million tons, largely as a result of expected lower Soviet imports and increased corn competition as well as increased competition from Thai manioc exports. Sorghum exports for 1985/86 are forecast to remain at 7 million tons largely as a result of forecast continued strong import demand and lower production in Argentina.

U.S. MARKET OPPORTUNITIES

**Spain: Spain is expected to purchase 500,000 - 1 million tons of corn during the balance of 1984/85 (Oct-Sept), despite ample domestic supplies of wheat and barley from a bumper 1984 harvest. This could lead to increased U.S. corn exports to Spain, but the United States will have to compete with the near-record Argentine exportable surplus. Apparently due to an informal government decision to import only corn for feed, Spain is apparently substituting U.S./Argentine corn for U.S./Argentine sorghum.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries Selling Activity and Competitive Developments

**Uruguay: Taiwan and Uruguay failed to sign a grain trade agreement during a recent meeting between Taiwan's Vice-President Lee and Uruguayan officials. The terms of the agreement, which was worked out in March, was for Taiwan to purchase 3 million tons of grain for Uruguay over the next 5 years. An economic conference was scheduled for the signing of the agreement, but it never took place. Uruguay's exports of grain (mostly sorghum and barley) have averaged just 200,000 tons per year in the last 5 years.

**Japan: Japan has purchased 400,000 tons of corn from Argentina for April-June shipment. This represents the largest Japanese purchase of Argentine corn in 10 years. The United States normally supplies 1.1 million tons (92 percent) of Japan's average monthly corn imports.

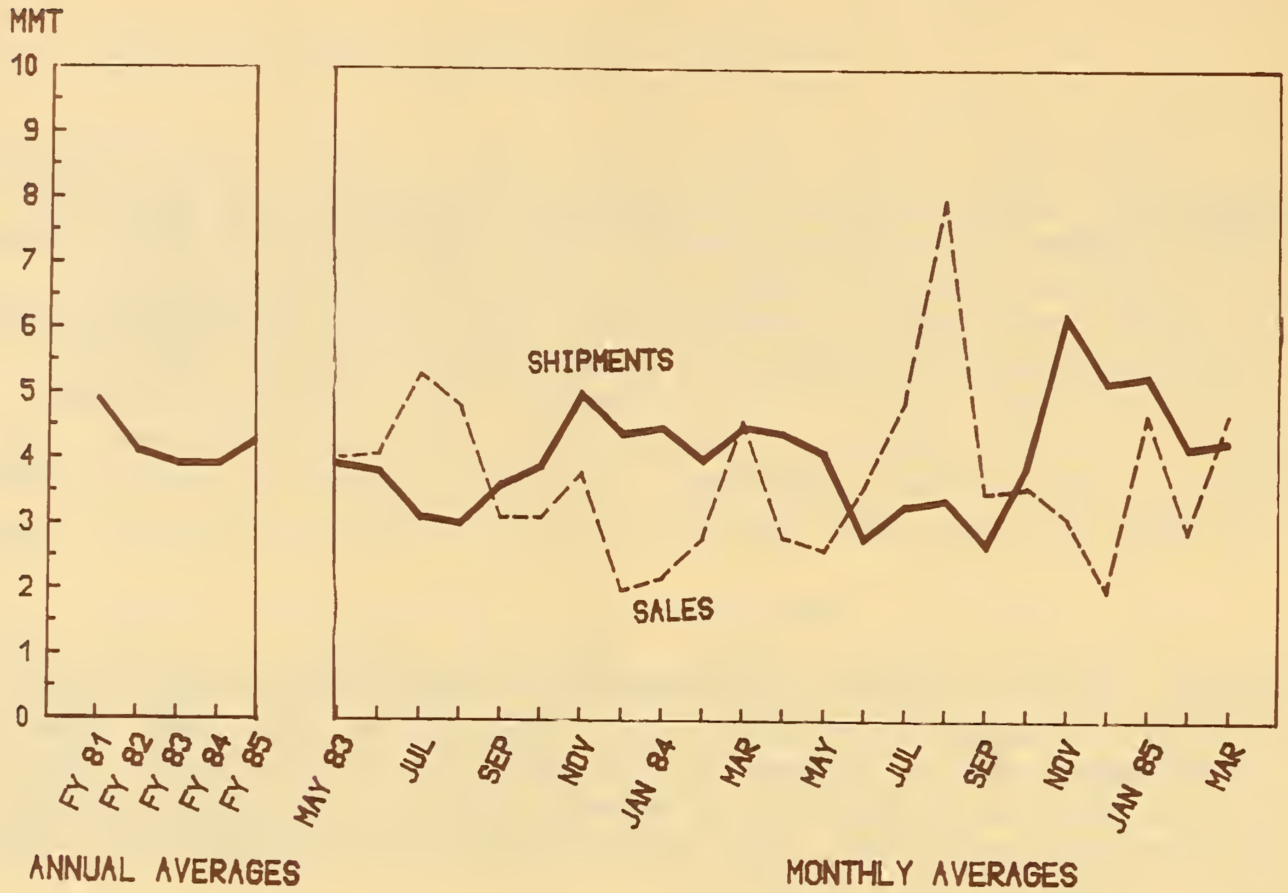
**Argentina: Despite the explosion of the grain elevator at Bahia Blanca, Argentine grain shipments reached record levels for the first 4 months of calendar year 1985. Shipments of grain from January through April totaled 10.8 million tons compared to 8.7 million tons for the same period last year. The explosion at Bahia Blanca, which is Argentina's second largest deep-water port and a major topping off port for corn and sorghum, was initially expected to have reduced Argentine export capacity by 17 percent.

**Zimbabwe: After 2 years of drought-induced poor corn harvest, Zimbabwe is expected to have an exportable surplus of 300,000 - 800,000 tons of corn from its 1985 bumper crop, estimated to be over 2.6 million tons. With very few cash markets available, Zimbabwe has been negotiating barter agreements with neighboring countries and has already sold 50,000 tons of corn to Zambia, and has arranged other shipments of corn to Zambia in exchange for hydroelectric power. A corn/wheat counter-trade agreement with South Africa for about 21,000 tons of South African wheat has also been arranged.

**Korea: Korea's imports of Chinese corn continue at record pace. In the first 4 months of calendar year 1985, Korea purchased 956,000 tons of Chinese corn as opposed to 275,000 tons of U.S. corn. The U.S. portion represented 27 percent of Korea's total corn imports for the period. In previous years, the United States has accounted for over 95 percent of Korea's corn imports.

**Mexico: Mexico has purchased 200,000 tons of corn from Argentina in marketing year 1984/85, and could purchase more if prices are attractive and delivery schedules are convenient. This could lead to reduced demand for U.S. corn. Argentine prices have remained low due to the large 12-million-ton 1985 crop just coming into the market. Mexico's overall domestic consumption has been reduced to 11.6 million tons from 11.9 million tons due to a sluggish economy and tight supplies.

U.S. CORN SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM MAY 1983 - FEBRUARY 1985

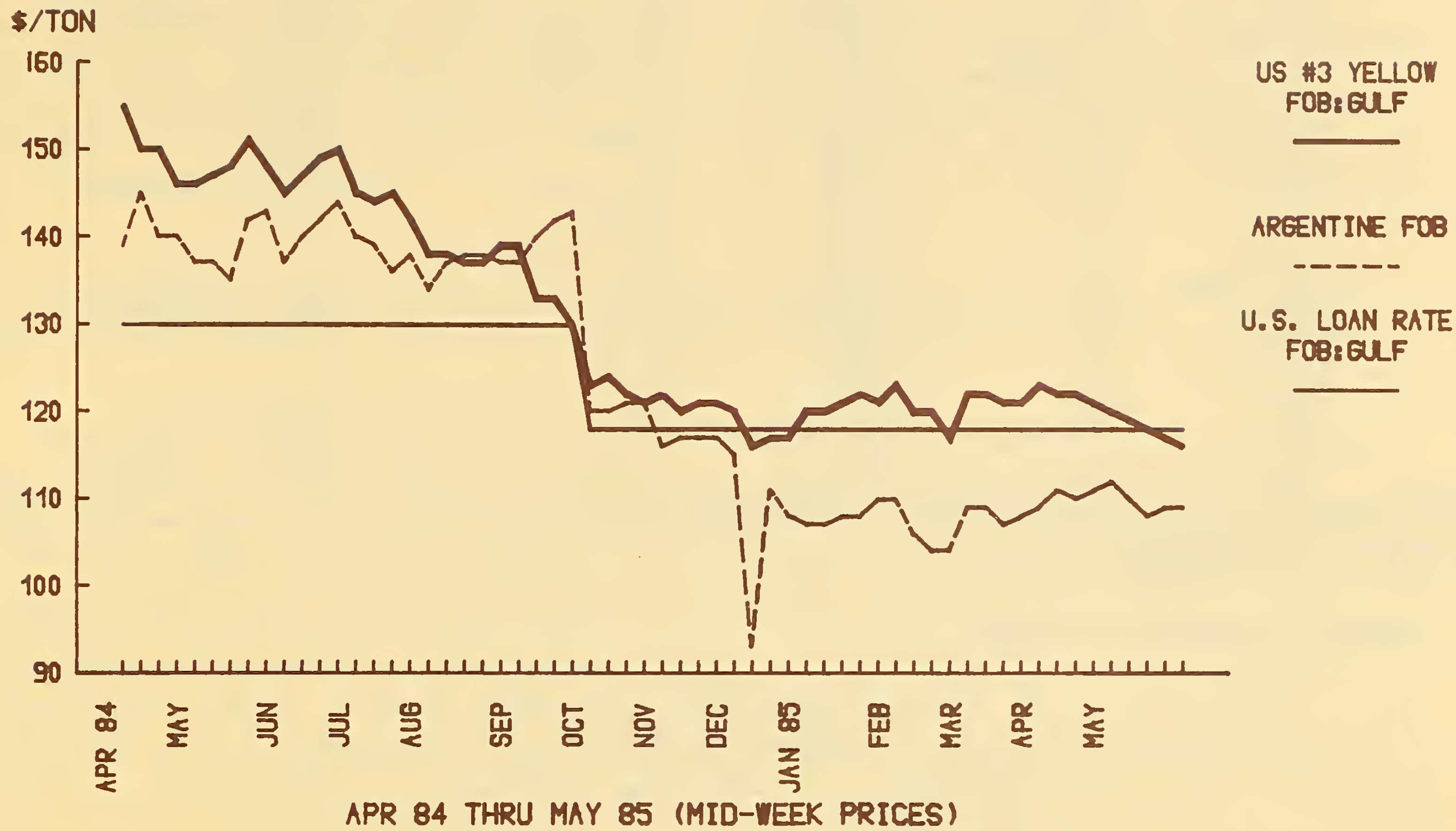


U.S. CORN AND SORGHUM EXPORTS BY DESTINATION
(OCTOBER/SEPTEMBER--1,000 TONS)

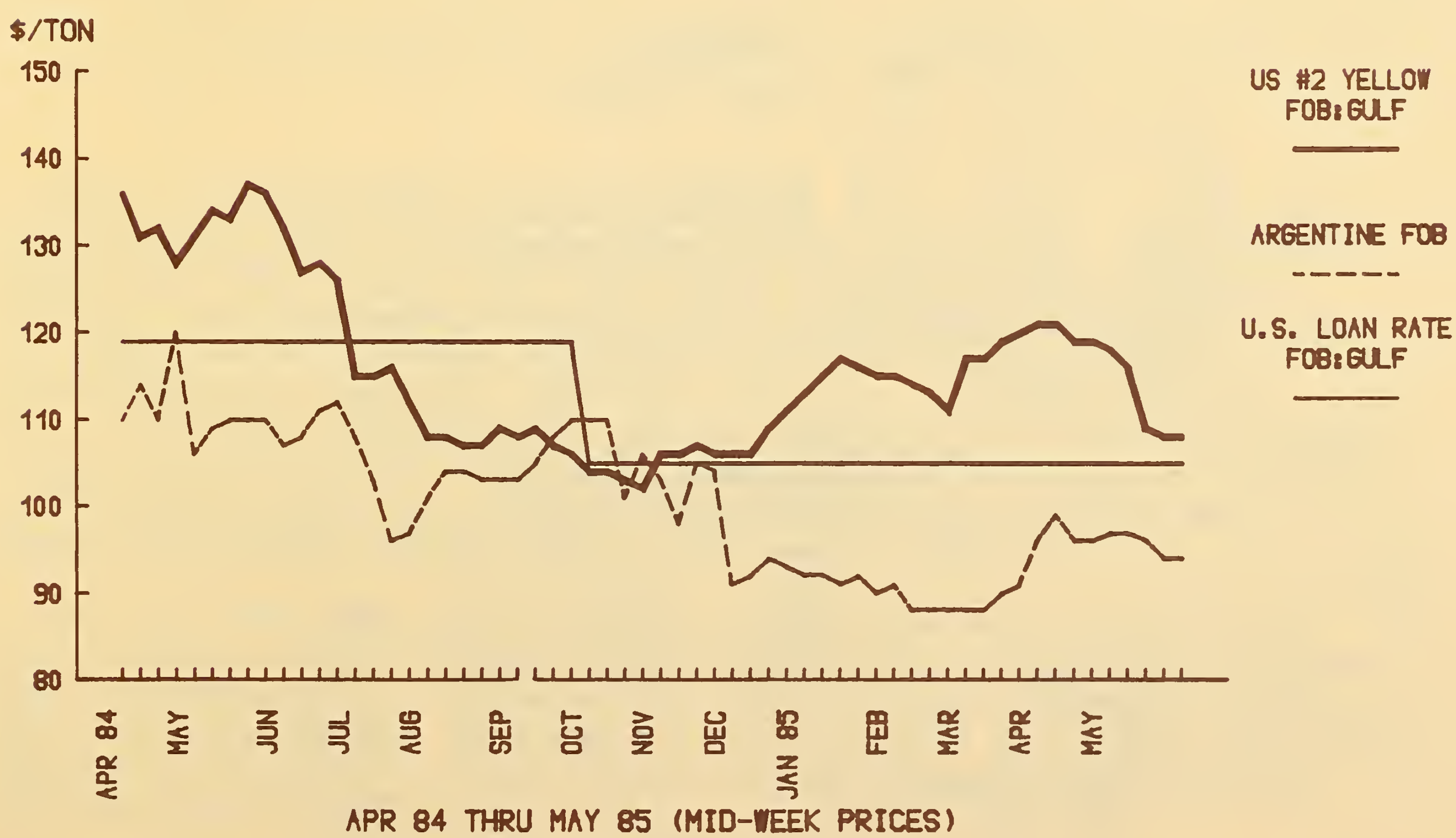
			1983/84		1984/85
Destination	1981/82	1982/83	Actual Exports	Committed as of 5/24/84 1/	Committed as of 5/23/85 1/
---CORN---					
EC	7,095	4,033	3,677	2,281	1,163
Other W. Europe	8,204	5,388	4,473	3,693	2,818
Eastern Europe	3,889	1,470	727	498	521
USSR	7,772	3,200	6,500	6,040	15,757
China	1,117	2,161	18	--	--
Japan	10,588	13,180	13,781	15,492	10,031
Taiwan	1,718	3,000	2,676	2,411	2,986
Rep. of Korea	2,690	3,908	2,972	2,409	887
Egypt	1,350	1,516	1,303	941	947
Canada	800	750	283	60	185
Mexico	571	4,091	2,808	1,853	1,139
Venezuela	414	892	1,140	851	568
Others	3,732	3,938	6,992	5,895	4,080
Total	49,940	47,527	47,350	42,424	41,082
--SORGHUM--					
Spain	790	105	465	317	45
Other W. Europe (excl. Spain)	540	251	136	102	58
Japan	2,437	741	1,505	1,496	2,348
Israel	368	341	574	599	487
Mexico	544	3,260	2,758	2,379	1,855
Venezuela	713	243	206	54	452
Others	898	462	582	618	577
Total	6,290	5,403	6,226	5,565	5,822

1/ Accumulated shipments and sales, excluding sales for next marketing year
Source: U.S. Bureau of Census and U.S. Export Sales Report.

CORN EXPORT PRICES
U.S. AND ARGENTINE



SORGHUM EXPORT PRICES
U.S. AND ARGENTINE



RECENT CORN AND SORGHUM IMPORTER BUYING ACTIVITY
REPORTED BETWEEN APRIL 25 AND MAY 24, 1985

Date of Purchase	Buyer	Origin	Quantity (tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
4/25	Taiwan	US	116,000	YC	129.40 @ 128.90	July
4/26	Korea	US	50,000	YC	128.27	May
	Taiwan	US	116,000	YC	129.40 @ 128.90	July
	Columbia	Argentina	20,000	Arg. Corn	116.45	May
4/29	Peru	Argentina	10,500	Arg. Corn	133.16 C & F	FH May
	Taiwan	US	117,000	YC	126.84 @ 127.24	Sept
5/3	Mexico	US	8,000	#2 YS	133.67	May/Jun
5/7	Taiwan	US	54,000	YC	120.69	Sept
	Jamaica	US	42,786	#2 & #3 YC	119.78 @ 123.29	Jun/Sept
5/8	Mexico	US	85,600	#2 YS	various	May/Jun
5/9	Morocco	US	60,000	YC (selllers opt)	?	May/Jul
5/10	Costa Rica	US	24,288	YC	116.89 @ 119.17	May/Jun
	Mexico	US	54,000	#2 YC	127.04 @ 127.24	June
	Korea	US	50,000	YC	117.06	June
5/16	Portugal	US	36,000	#2 YC	?	May/Jun
5/17	Korea	US	40,000	YC	140.28	May/Jun
5/22	Taiwan	US	118,000	YC	119.39 @ 126.00	Jun/Jul
5/23	Korea	US	50,000	#2 YC	125.62	June

1/ YC=#3 Yellow Corn unless otherwise stated, and YS=Yellow Sorghum
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

US CORN AND SORGHUM SHIPMENTS, SALES AND INSPECTIONS 1/
(OCTOBER/SEPTEMBER--MILLION TONS)

Monthly Shipments

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
Feb. 24	3.6	5.5	.6	.6
Mar. 21	3.9	4.2	.7	.7
Apr. 18	4.0	4.1	.4	.4
May 23	4.9	4.2	.4	.4
TOTAL FOR MY	34.6	36.2	4.3	5.0

Monthly Sales

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
Feb. 24	2.8	2.9	.9	.3
Mar. 21	4.6	4.7	.2	.5
Apr. 18	2.7	2.5	.5	.4
May 23	2.7	2.3	.5	.2
TOTAL FOR MY	42.4	41.1	5.0	5.8

Weekly and Annual Inspection Rates

	CORN MT	CORN BU	SORGHUM MT	SORGHUM BU
Week Ending May 16	0.7	26.1	0.10	3.8
Week Ending May 23	0.8	31.1	0.10	4.0
Official Estimate for Current MY (Grain only)	49.1	1933	6.99	275
Implied Weekly Average	0.9	37.2	0.13	5.3
Latest Six Weeks Weekly Average	0.9	35.5	0.12	4.9
Marketing Year-To-Date Weekly Average	1.1	42.5	0.15	6.0
Weekly Avg. Extrapolated Annually	56.1	2210	7.92	312
Balance of Year to Achieve Estimate Implied Weekly Average	0.7	27.1	0.10	3.9

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.
Source: Export Sales; FGIS

CORN AND SORGHUM SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1982/83-1983/84
(OCTOBER/SEPTEMBER--MILLION TONS)

4 Weeks Ending 1/	SORGHUM Argentina 83/84	SORGHUM Argentina 84/85	CORN Argentina 83/84	CORN Argentina 84/85	CORN Thailand 83/84	CORN Thailand 84/85	TOTAL 83/84	TOTAL 84/85
February 21	.1	#	.1	#	.2	.2	.4	.2
March 21	.3	.1	.6	.4	.2	.2	1.1	.7
April 18	.6	.4	1.1	.9	.1	.2	1.8	1.5
May 23	1.1	.8	1.3	1.9	.1	.1	2.0	2.3
Cumulative in Marketing Year	3.0	1.7	3.8	3.6	2.1	2.3	8.4	7.1
TOTAL FOR SEASON 2/	4.8	4.3	5.9	7.3	3.1	3.1	13.8	14.7

N/A = Not Available
1/ Or nearest date thereto.
2/ Projection for 1984/85.
Less than 100,000 tons.

INTERNAL PRICE POLICIES

**Taiwan: A proposal before Taiwan's cabinet to raise the levy on imported grain could reduce imports in favor of non grain substitutes such as tapioca. The proposal submitted by the Council of Agriculture and Ministry of Economic Affairs was to raise the levy on imported grains from $6 per ton to $7.60 per ton. This follows up on the approval last year of a $1 per ton increase.

**Zimbabwe: In an attempt to increase production, Zimbabwe has raised the 1985/86 producer price of corn about 30 percent.

**Mexico: A new Mexican decree is limiting grain imports by CONASUPO, as evidenced by the refusal of U.S. exporters to bid at recent tenders. The decree was aimed at limiting the expenditure of CONASUPO. This would give the comptroller full powers to determine if import purchases by parastatals meet the specification of tenders and the true need of the government of Mexico. The primary goal of the goverment is to effect a cut-back in CONASUPO's operations to reduce their impact on the Mexican operative budget, expenditures, and subsidies, and to regulate to the private sector responsibility for keeping Mexico supplied with food and feed.

**Argentina: Argentina raised its minimum support price for corn by 15 percent, to about US$ 89.00 per ton. Since 1981, Argentina has been encouraging a shift from sorghum to corn, and this action should further stimulate the shift.

TAPIOCA
SPECIAL REPORT

Global import demand patterns appear to be changing for a starchy root crop variously know as cassava, manioc, yucca, or tapioca. The reason is because this subsistance food crop, which is grown in many developing tropical countries, may also be used as a grain substitute in animal feed (if combined with a protein supplement) by price-conscious feed manufacturers in feedstuffs importing countries. Although over 100 million tons are traded yearly; over 95% supplied by Thailand, heretofore, virtually all purchased by the EC. These annual EC purchases of 4-6 MMT of Thai manioc since the mid-1970's have been a major cause of the Community's sharply reduced import need for U.S. corn.

Recently, other countries seem to have discovered Thai manioc's low price vis-a-vis corn, as well as its improved quality and hard pellitized form for feed mixing. Purchases from non-traditional feed grain markets will help Thailand move its current 3 MMT of surplus manioc, but will have the the twin affects of displacing coarse grain imports and increasing needs for protein meal.

The current trade agreement which provides for Thailand to supply the EC with 9.5 MMT of manioc through the end of CY 1986 is likely to be renewed. In the meantime, Thailand is attempting to maximize its shipments to Spain and Portugal prior to their accession by the EC to establish a basis for seeking an increase in the agreement. Shipments to Portugal are unofficially placed at 72,000 tons for the first quarter of CY 1985 compared to only 48,000 tons in all of CY 1984. Portuguese trade and government sources expect Portugal to import about 300,000 tons of non-grain feeds, mainly manioc, in CY 1985.

Spain has not yet imported manioc, and Spanish inexperience in handling, formulating and marketing it will likely constrain its use. However, at a cost of about $80 per ton landed at Spanish ports, Thai manioc is competitive with feedgrains, and could displace barley in swine rations, as occurred in the EC.

The USSR has signed a contract to purchase 500,000 tons of hard Thai pellets for March/June shipment at about $57 per ton FOB, the first significant sale to the USSR since 1981. The Soviets are reportedly interested in at least 1 MMT, and possibly as much as 2 MMT if the quality is acceptable.

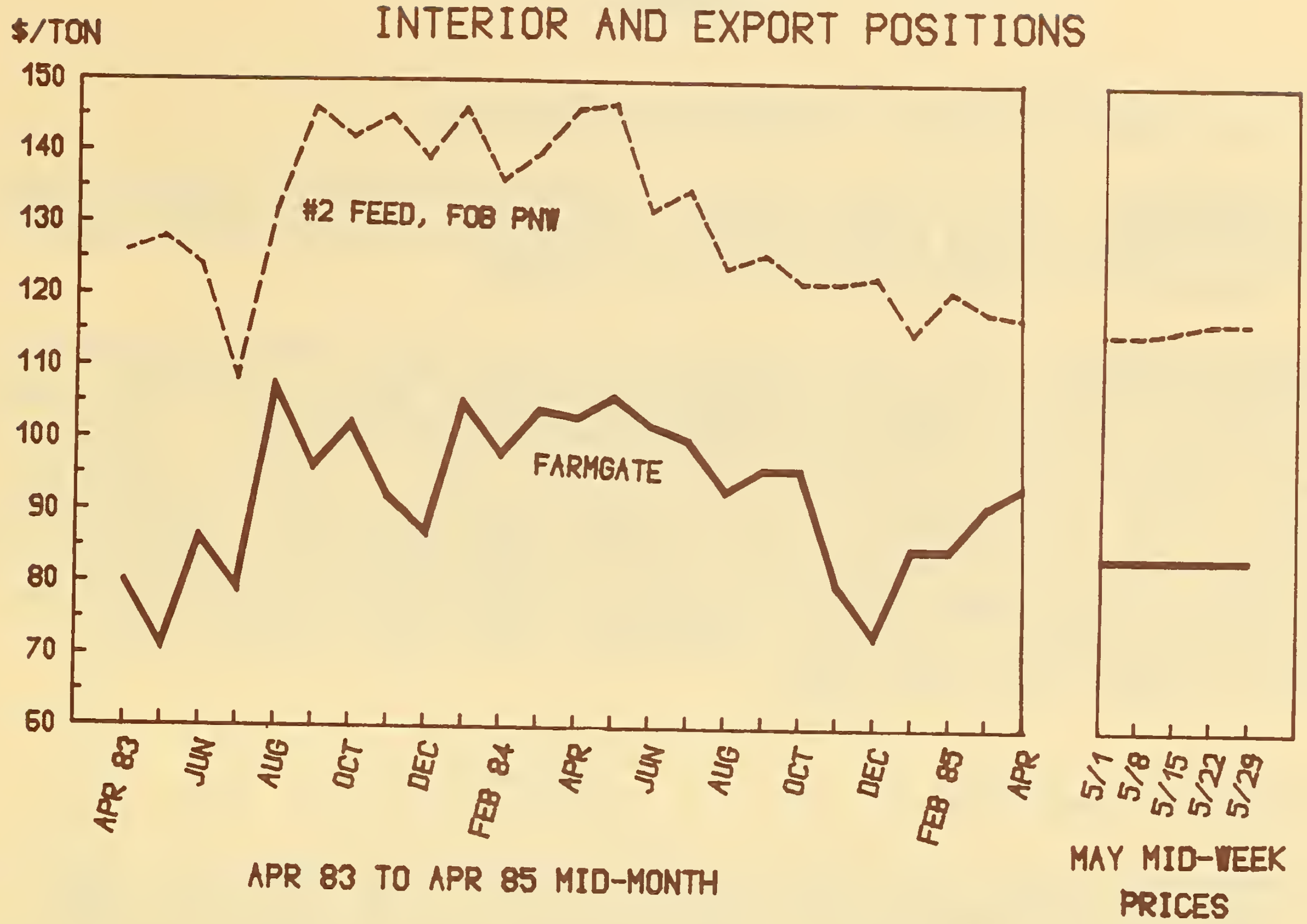
Japan is expected to purchase 4-500,000 tons of pellitized Thai manioc this year for feeding, which might displace some U.S. corn or sorghum. If manioc is imported by a bonded feed mill, it enters Japan duty free. Prices have reportedly dropped from $130 per ton C&F Japan last October to only $70 per ton in mid-May.

Taiwan has already purchased 225,000 tons in the first quarter of 1985 (compared to 50,000 tons in all of CY 1984). Korea bought 20,000 tons of Thai hard pellets for May shipment at about $51 C&F as a trial shipment and maybe a potential annual market for 200-250,000 tons of pellets. Other potential markets are reportedly Egypt, the Philippines and Romania - all countries where manioc would likely displace imported feed grains.

BARLEY, OATS, AND RYE

**<u>Spain</u>: Spain's bumper barley harvest in 1984 has resulted in large stocks, which Spain has been trying to export in the face of increased competition in the Mediterranean area, primarily from subsidized EC barley. A Spanish tender to export 150,000 ton of surplus barley was voided recently because these exports would require a $67-per-ton subsidy to be competitive in world markets. Spain is reported to have over 1 million tons of barely stocks, which will mean continued displacement of imported feed grains by these domestic supplies.

U.S. FEED BARLEY PRICES
INTERIOR AND EXPORT POSITIONS



U.S. BARLEY EXPORTS BY DESTINATION
(JUNE/MAY--1,000 TONS)

Destination	1981/82	1982/83	1983/84 Total Exports	1983/84 Committed as of 5/24/84 1/	1984/85 Committed as of 5/23/85 1/
EC	301	122	360	360	105
Other W. Europe	472	226	441	522	353
Eastern Europe	111	--	126	126	--
Taiwan	373	146	223	223	259
Japan	336	119	372	388	314
Canada	128	--	--	--	--
Others	546	317	509	520	514
TOTAL	2,267	930	2,031	2,139	1,545

1/ Accumulated shipments and sales excluding sales for next marketing year.
SOURCE: U.S. Census for 1981/82-1982/83 and U.S. Export Sales for 1983/84-1984/85.

BARLEY SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(OCTOBER/SEPTEMBER--MILLION TONS)

4 Weeks Ending 1/	U.S. 83/84	U.S. 84/85	CANADA 83/84	CANADA 84/85	FRANCE 2/ 83/84	FRANCE 2/ 84/85	U.K. 2/ 83/84	U.K. 2/ 84/85	TOTAL 83/84	TOTAL 84/85
February 21	0.1	#	0.3	0.2	0.1	0.2	0.1	0.2	0.6	0.7
March 21	0.1	#	0.3	0.1	#	0.2	0.2	0.2	0.6	0.5
April 24	0.2	#	0.4	0.2	#	0.2	0.2	0.2	0.8	0.6
May 23	0.1	#	0.6	0.2	0.1	N/A	0.1	0.2	0.9	N/A
Cum. Since Oct 1	1.5	0.9	3.1	1.7	0.5	1.3	0.9	1.7	6.0	5.6
Total For Season 3/	2.1	1.7	4.2	3.1	1.1	3.0	1.4	3.0	9.1	10.8

1/ Or closest date thereto.
2/ Excludes intra-EC trade; Cumulative reflects available data.
3/ Projection for 1984/85.
N/A Not available
\# Less than 50,000 tons.

LATEST U.S. EXPORT FORECAST, SHIPMENT AND SALES 1/

Export Forecast. The forecast for U.S. exports in 1984/85 (August/July) remains unchanged at 2.0 million tons. Prospects for new sales continue to be limited by uncompetitive U.S. rice prices.

Shipment and Sales. U.S. rice exports for the 4-week period ending May 16 were 127,300 tons, well below the previous 4-week total of 202,500 tons. Major destinations included Iraq, Saudi Arabia, and Senegal. Cumulative shipments through May 16 totaled 1.54 million tons, or about 9 percent below the level of shipments as of this date one year ago. Export sales registrations for the 4-week period totaled 186,300 tons, up sharply from the previous 4-week total of 80,100 tons. Total export commitments for 1984/85 delivery were 1.83 tons, compared to the 2.05 million tons committed at this time last year.

IMPORTER BUYING ACTIVITY

Buying activity picked up during the past month, with large purchases by Iran, Iraq, and the Philippines. The European market remained rather quiet, probably due to the presence of several lots of unsold Thai rice in Rotterdam warehouses and reports of possible additional shipments of uncommitted Thai rice. The large volume of unsold Thai rice could also account for the apparent lack of interest in new crop South American rice, despite a steady decline in the price of rice from Argentina and Uruguay.

U.S. MARKET OPPORTUNITIES

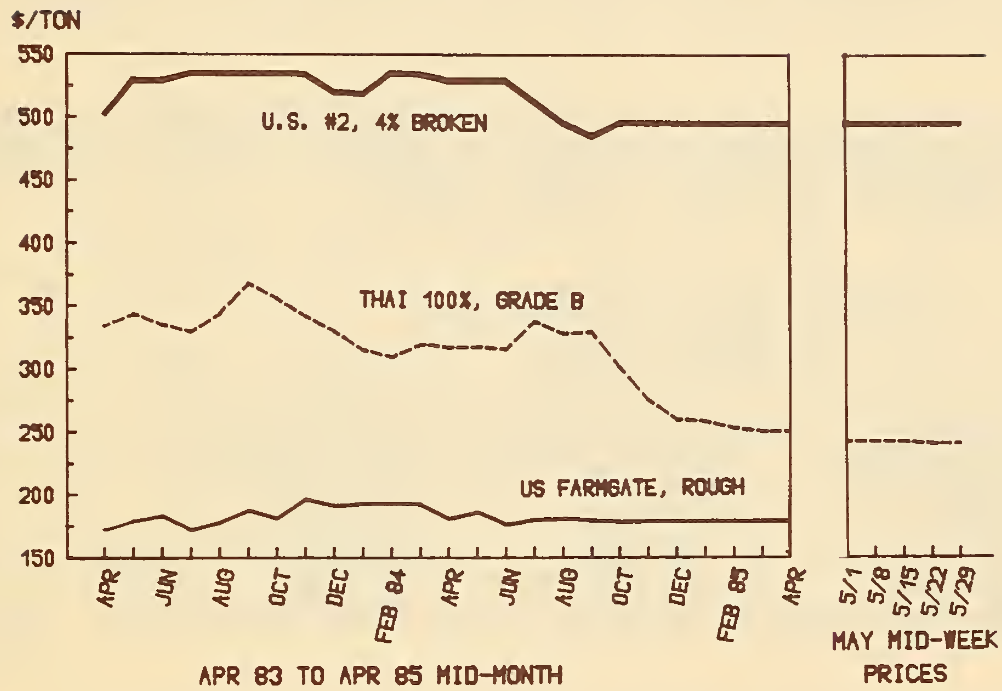
**SYRIA: The Foreign Trade Organization for Chemicals and Foodstuffs (GEZA) will tender for 36,000 tons of milled long, medium or short grain rice (short grain preferred), maximum 4 percent brokens, for July/August/September shipment. Bids are due June 10.

**IRAQ: The State Grain Trading Establishment is seeking bids on 50,000 tons of milled U.S. #2/4 percent long grain rice for delivery in August and September. Bids are due June 7, with awards to be made on June 12.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

World rice prices remained at depressed levels as large supplies of exportable rice continued to overhang the world market. Thailand's Board of Trade (BOT) posted prices were unchanged for the eigth consecutive week at $232 per ton for 100 percent B and $227 per ton for parboiled 5 percent. However, actual prices for 100 percent B were up by as much as $15 per ton ($214-215 per ton), reflecting a slowdown in deliveries of second crop rice to Bangkok from upcountry. In contrast, parboiled prices continued to weaken due to

RICE PRICES
US AND THAI C&F ROTTERDAM AND US FARM



STATUS OF P.L. 480 TITLE I/III RICE PROGRAMS FOR FY 1985

				Tender Results			
Country	Allocation $Million	Agreement Signed	P.A. Issued	Date	TMT Purchased	Price $/MT FAS	Quality 1/
Completed							
Madagascar	11.0	X	X	12/28	42.1	258-264	MG
Jamaica	8.0	X	X	1/7	9.3	307-313	LG
Bangladesh	20.0	X	X	1/15	75.1	262-281	MG
Mozambique	2.5	X	X	2/5	9.1	274	MG
Morocco	5.0 2/	X	X	3/12	10.0	222	B,MG 6/
Jamaica	3/	X	X	3/27	2.0	325	LG
	4/	X	X	4/3	3.7	282	B,LG 7/
Somalia	5.0	X	X	4/24	4.2	307-311	MG
					3.2	323	LG
	5/	X	X	4/30	9.5	286	MG
Yemen	8.0	X	X	5/22	20.2	372-383	LG,P 8/
Subtotal	59.5				188.4		
Pending							
Guinea	6.0						
Liberia	6.0						
Maldives	0.5						
Mauritius	1.5						
Mozambique	7.0	X 9/					
Sierra Leone	2.0	X	X				
Subtotal	23.0						
Total	82.5						

1/ #5/20% unless otherwise indicated, B=Brown, P=Parboiled, MG=Medium Grain, and LG=Long Grain.
2/ Approx. $3.8 million balance remains from original allocation.
3/ Second round of purchases under $8.0 million allocation.
4/ Third round of purchases under $8.0 million allocation, approx. $2.7 million balance remains.
5/ Second round of purchases under $5.0 million allocation.
6/ #4/15%
7/ #5/10%
8/ #2/4%
9/ Amendment to original agreement.

the lack of significant new business, with parboiled 5 percent prices falling $2 per ton to $187 per ton. Prices for South American rice have fallen $10-15 per ton during the past month with Argentina brown 7 percent brokens quoted at $295 per ton in bulk, c&f Rotterdam, and Uruguay brown 7 percent brokens quoted at $310 per ton. Uruguay also sold 4 percent broken milled rice at $365 per ton F.o.b.

1/ Shipments and sales are on a product basis.

**THAILAND: Exports have continued at a fairly steady pace during the last month, with total exports through May 22 reaching 1.88 million tons, or about 12 percent ahead of last year's record pace.

Weekly Thai Rice Exports
(Metric Tons)

Week Ending	Actual	4-Week Moving Avg.
April 27	122,063	86,163
May 4	92,308	96,018
May 11	85,201	105,025
May 22	99,384	99,739

The volume of new sales fell off somewhat during the past month in response to sharply rising wholesale prices. However, the recent downturn in new sales was also consistent with the idea that it would be difficult for Thailand to maintain the current record pace of exports given the expected smaller world market in 1985 relative to 1984. As of May 22, apparent export commitments for 1985 totaled 2.42 million tons, compared to 2.81 million tons registered as of this date one year ago. Total exports for CY 1985 are currently forecast at 4.3 millin tons.

Press reports suggest that a special commission has reviewed the government's Initial Paddy Support Scheme and determined that the scheme was not effective in supporting farm prices. The commission reportedly cited low support prices and the fact that the program was begun only after farmers had sold much of their rice crop as the main reasons for the program's failure. Reportedly, a working group has been formed to rework the support scheme for the 1985/86 crop.

**Pakistan: New sales activity increased this month with large sales to Iran, coupled with significant awards under the weekly tender scheme. The Rice Export Corporation of Pakistan (RECP) has apparently decided to lower its price demands in an effort to boost sales. In the most recent tenders, RECP sold 40/45% at $156 per ton which compares to a government-to-government sale to Cameroon earlier in the year at $178 per ton. However, export movement continues to lag well behind last year's pace, with total exports through April reaching only 172,000 tons compared to 456,000 tons for the same period one year ago. Total exports for CY 1985 are projected at only 900,000 tons, compared to the 1.06 million tons shipped in CY 1984.

The RECP concentrated on government-to-government sales early in the year, hoping to maximize prices, but sluggish sales caused RECP to adopt a new policy of weekly sales to the private trade as well. Unlike the monthly open market tenders used in the past, the new scheme calls for RECP to receive sealed offers from the private trade every Tuesday. Each exporter can purchase up to 35,000 tons (recently increased from 20,000 tons), but must post Rs. 75,000 in U.S. dollars as earnest money for each 5,000 tons of rice tendered. While sales do seem to have picked up, lower export prices may have had a greater impact than the new sales scheme.

Colombia: The Government of Colombia reportedly has high hopes for increasing rice exports substantially in CY 1985. Exports of 56,000 tons to Ecuador are expected this year, with a possible additional 50,000 tons for other, undisclosed destinations currently under negotiation. A barter agreement has been signed with four East European countries, with rice listed as an eligible trade commodity. Trade rumors also indicate a sale to Iran may be under discussion. However, current USDA projections place 1985 exports at only 50,000 tons. Despite a projected larger 1985 rice crop, weak world demand and low price levels will likely limit exports. The "temporary" addition last year of an "export compensation" of $40.00 per ton to an existing export rebate of 25-35 percent of the FOB value of rice exports seemed to have little effect as rice exports totaled only 25,000 tons. Exports this year will likely require even greater assistance.

Taiwan: The Ag Officer forecasts Taiwan's rice exports to drop sharply for the second straight year in CY 1985. There appears to be a lack of interest in Taiwanese rice, despite substantial price discounting and offers of soft credit terms, and no major sale has been reported this year. Indonesia, the largest traditional market for Taiwan, had a record harvest in 1984, and is currently in a position itself to export. Rice exports for Taiwan are now forecast to reach only 130,000 tons in CY 1985, down from 210,000 tons in CY 1984 and 533,000 tons in CY 1983.

In an effort to reduce their huge surplus of rice, Taiwan instituted a rice utilization and diversion program in 1983. This move has encouraged the planting of alternative crops, reducing rice acreage by ten percent to date. In addition, up to 300,000 tons of rice may be utilized for livestock feed in 1985/86. The program currently appears to have a good chance of solving Taiwan's rice surplus problem.

U.S. EXPORT EXPANSION ACTIVITIES

The U.S. Rice Council for Market Development sponsored a visit to the United States by Mr. W.K.A. Kikwai, Managing Director, National Cereals and Produce Board of Kenya. During May 18-23, Mr. Kikwai toured rice mills and port facilities in Texas, Louisiana, and Arkansas. He also met with USDA officials in Washington, D.C. to discuss U.S. credit programs and potential Kenyan purchases of U.S. rice.

GSM-102: As of May 28, the Commodity Credit Corporation (CCC) had available credit guarantees totaling $111.0 million. The outstanding credit lines were: Iraq ($95.5 million), Jamaica ($5.5 million), and Portugal ($10.0 million).

PL-480: During the past month, Somalia bought 9,456 tons of #5/20% medium grain rice and Yemen bought 20,180 tons of #2/4% long grain parboiled rice. Sierra Leone signed a new PL-480 agreement with an allocation of $2 million for rice. The following table outlines the current status of FY 1985 PL-480 Title I/III programs.

This circular was prepared by the Grain and Feed Division, Commodity Programs, FAS/USDA. Telephone: (202) 447-2009.

RECENT RICE IMPORTER BUYING ACTIVITY
REPORTED BETWEEN APRIL 27 AND MAY 29, 1985

Buyer	Origin	Quantity 1,000 Tons	Quality 1/	Price $/MT 2/	Delivery Period	Date of Report
Algeria	Thailand	12.0	5%	197	May	5/20
Czechoslovakia	Burma	6.0	5%	202	May	5/18
Djibouti	Thailand	10.0	P 10%	184	Jun	5/24
Dubai	Thailand	1.0	F 100% B	N/A	N/A	5/21
France	Thailand	8.0	B 100%	N/A	N/A	5/24
Iran	Uruguay	105.0	4%	365	May/Oct	5/25
	Thailand	15.0	100% B	N/A	N/A	5/24
	Pakistan	75.0	4%	188-196	Jun/Oct	5/14
Iraq	Thailand	12.5	F 100%	N/A	Jun	5/21
	U.S.	50.0	#2/4% LG	417-433 4/	Jun/Aug	5/7
Jamaica	U.S.	11.3	N/A	N/A	N/A	Various
Liberia	U.S.	9.0	N/A	N/A	N/A	5/23
Malaysia	Thailand	4.5	F 100% B	N/A	N/A	5/21
Philippines	Burma/China	60.0	35%	175 4/	Jun/Aug	5/24
	Thailand	55.0	55%	182 4/	Jun/Jul	5/21
Reunion	Thailand	2.0	B 100% B	N/A	N/A	5/24
	Thailand	6.0	B 5%	N/A	N/A	5/24
Romania	Burma	6.0	10%	195	Sep/Oct	5/18
Saudi Arabia	U.S.	25.2	N/A	N/A	N/A	Various
Singapore	Thailand	1.0	F 100% B	N/A	N/A	5/13
Somalia	U.S.	9.5	#5/20% MG	286 3/	May/Jun	4/30
Tanzania	Indonesia	8.5	15%	N/A	May	5/18
Tunisia	Thailand	6.0	5%	237 4/	Jul	5/25
West Africa	Thailand	1.4	35%	177	N/A	5/21
WFP 5/	Thailand	12.5	35%	170-172	N/A	5/25
Yemen, North	U.S	20.2	#2/4% LG, P	372-383 3/	Jul	5/22
N/A	Burma	10.0	B 1,2	122	May/Jun	5/25
N/A	Pakistan	10.0	15/20%	166	N/A	5/24
N/A	Pakistan	15.0	30/35%	162	Jun/Aug	5/25
		20.0	40/45%	156	Jun/Aug	5/25

1/ P = Parboiled, LG = Long Grain, MG = Medium Grain, SG = Short Grain, B = Brown, F = Fragrant, L/Bld = Long, Boiled, F/Bld = Full Boiled
2/ F.O.B. basis unless otherwise indicated. Price information is in many cases unconfirmed and as reported through unofficial market sources.
3/ F.A.S., (U.S. PL-480 sale)
4/ C&F
5/ World Food Program (UN)
N/A Not available.

U.S. RICE EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
FOR 1981/82-1983/84, AND AUGUST 1 THROUGH MAY 23 for 1984/85
(AUGUST/JULY--1,000 TONS)

Destination	Marketing Year	Long Grain Milled	Long Grain Brown 2/	Other 1/ Milled	Other 1/ Brown 2/	Total Exports
EC 10	1981/82	2	310	56	192	560
	1982/83	1	214	15	--	230
	1983/84	29	192	2	70	293
	1984/85	10	197	6	98	311
Other W. Europe	1981/82	58	76	4	28	166
	1982/83	33	54	3	4	93
	1983/84	23	35	3	138	199
	1984/85	25	28	3	48	104
Iraq	1981/82	270	--	*	--	270
	1982/83	327	--	*	--	327
	1983/84	230	--	2	--	232
	1984/85	388	15	1	--	405
Saudi Arabia	1981/82	250	--	15	--	265
	1982/83	267	--	2	--	269
	1983/84	253	--	6	--	253
	1984/85	205	--	5	--	210
Other Middle East	1981/82	191	8	17	3	220
	1982/83	48	--	2	--	50
	1983/84	40	--	12	--	52
	1984/85	39	--	4	--	42
Republic of Korea	1981/82	--	--	*	339	339
	1982/83	--	--	*	213	213
	1983/84	--	--	*	112	112
	1984/85	--	--	--	--	--
Other Asia & Oceania	1981/82	4	--	38	--	43
	1982/83	2	--	129	--	132
	1983/84	3	--	140	--	143
	1984/85	3	--	98	--	101
Nigeria	1981/82	347	--	--	--	347
	1982/83	159	--	--	--	159
	1983/84	63	--	--	--	63
	1984/85	*	--	--	--	*
Other Africa	1981/82	116	117	84	4	320
	1982/83	148	110	153	4	414
	1983/84	95	150	136	--	381
	1984/85	103	50	263	11	427
W. Hemisphere	1981/82	129	25	12	15	181
	1982/83	137	23	86	38	284
	1983/84	156	24	109	14	303
	1984/85	128	45	12	19	204
Total 3/	1981/82	1,379	535	228	581	2,723
	1982/83	1,148	400	392	259	2,198
	1983/84	900	401	408	338	2,043
	1984/85	922	337	393	176	1,827

* Less than 500 tons.
1/ Includes medium, short, and mixed.
2/ Data not converted to a milled equivalency. Includes rough rice.
3/ Discrepancies due to rounding and changes to unknown destinations.
SOURCE: U.S. Export Sales

U.S. WHEAT PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/BU)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/BU)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/BU)
Trigger Release Price	$200	$4.45	$200	$4.45	--	--
Target Price	$195	$4.30	$198	$4.38	$198	$4.38
Loan (Reserve)	$171	$3.65	$158	$3.30	--	--
National Loan	$171	$3.65	$158	$3.30	$158	$3.30
Season Average Producer Price	$166	$3.53	$161	$3.38	$154-162	$3.20-3.40
Current Farm Price	--	--	$158	$3.29 2/	--	--
Paid Diversion	$136	$2.70	$136	$2.70	$136	$2.70

1/ Estimated equivalent, adjusted from $/bushel at the farm level by including transportation and handling allowances of $1.00/bushel.

2/ ASCS 5-day moving average as of May 23, 1985.

U.S. CORN PROGRAMS

	1983 Program Equivalent Export Price 1/ ($/Ton)	1983 Program Farm Price ($/BU)	1984 Program Equivalent Export Price 1/ ($/Ton)	1984 Program Farm Price ($/BU)	1985 Program Equivalent Export Price 1/ ($/Ton)	1985 Program Farm Price ($/BU)
Trigger Release Price	$159	$3.25	$159	$3.25	--	--
Target Price	$144	$2.86	$151	$3.03	$151	$3.03
Season Average Producer Price	$159	$3.25	$136	$2.65	$130-$138	$2.50-2.70
Current Farm Price	--	--	$134	$2.61 2/	--	--
National Loan	$136	$2.65	$132	$2.55	$132	$2.55
Loan (Reserve)	$136	$2.65	$132	$2.55	--	--
Paid Diversion	$91	$1.50	--	--	--	--

1/ Estimated equivalent, adjusted from $/bushel at the farm level by including transportation and handling allowances of $.80/bushel.

2/ ASCS 5-day moving average as of May 23, 1985.

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United States Department of Agriculture

Foreign Agricultural Service

EMG-4-85

April 1985

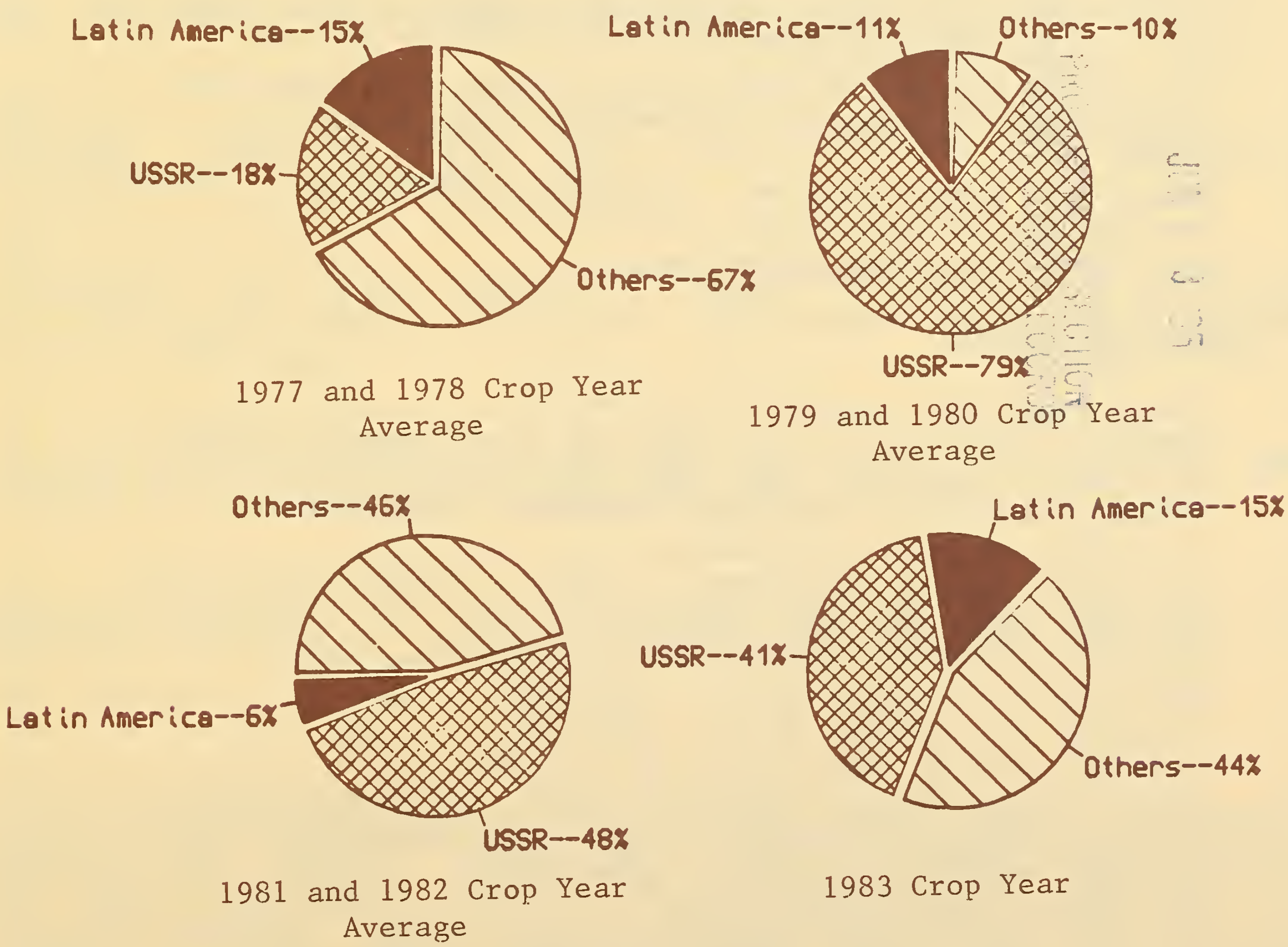
Foreign Agriculture Circular

Grains

Export Markets for U.S. Grain and Products

This month's cover shows recent changes in Argentina's wheat and coarse grain exports, particularly in proportions going to Latin America and the USSR. During the period which began in early 1980, the proportion of Argentine shipments to Latin America and other destinations declined, while shipments to the USSR increased. In the past year, however, the proportion going to Latin America has returned for the first time to the pre-1980 level. Shipments to the USSR remain large, but have fallen to about 41 percent from the previous high of 79 percent. It is expected that Argentina will continue to increase its grain exports to Latin America, which would have an important affect on the United States and other suppliers. Supporting table on page 14 .

Argentine Total Wheat and Coarse Grain Exports (Marketing Years)



NOTE: Each crop year combines the Argentine wheat (Dec-Nov) and coarse grains (Mar-Feb) marketing years; e.g. the 1983 crop year includes shipments during the 12-month period which ended November, 1984 for wheat, and February, 1985 for coarse grains.

EXPORT MARKETS FOR U.S. GRAIN AND FEED COMMODITIES
April 26, 1985

CONTENTS PAGE

TABLES AND GRAPHS

HIGHLIGHTS

Major developments affecting U.S. exports over the past month include:

--Pakistan began filling its large wheat import needs for the coming year, but prospects for U.S. wheat sales there were dimmed, as they entered into barter arrangements with a number of countries for Australian wheat.

--Israel could have record wheat imports this year, as drought severely reduced its crop for the second year in a row; U.S. wheat export commitments there are well above last year's pace.

--India could sell additional wheat to the Soviet Union, for shipment after June.

--Italy entered into an agreement with Egypt to provide up to 900,000 tons of wheat flour over a three year period.

--The Australian Wheat Board sold 600,000 tons of wheat to China, which could be one of the biggest sales to that market this year.

--Thailand raised its import duty on wheat and wheat flour, which could cut consumption of wheat-based foods.

--Yugoslavia will allow imports of sorghum for poultry feed again this year; last year, similar permission was granted and the United States supplied 32,000 tons.

--Spanish corn consumption is expected to reach record levels, and prospects for U.S. corn exports there are bright.

--Korean purchases of U.S. corn could pick up this year, as it reportedly purchased the last of Australia's weather-damaged feed wheat.

The U.S. wheat export forecast remained unchanged this month, but general prospects were somewhat dimmed, as a number of markets purchased wheat from southern hemisphere suppliers. The U.S. coarse grain export forecast was also unchanged, but continued Soviet purchases of U.S. corn in light of declining world demand has been a positive development. U.S. sorghum export sales to Asian markets are expected to remain strong, especially with reduced supplies in Australia and Argentina. The U.S. rice export forecast also was unchanged, but is being pressured because of weak demand and low world prices.

WHEAT

LATEST U.S. EXPORT FORECAST, SHIPMENTS AND SALES

Export Forecast: As of mid-April, the U.S. wheat export forecast--excluding 1.8 million tons of products--remains unchanged, at 37.7 million tons.

Shipments and Sales: Wheat shipments in the four-week period ending April 18 were up slightly from last month, but continued below the levels of January and February, as well as the year earlier figures. New sales of Ø.7 million tons are down over one-half from last month and are the lowest four-week period this marketing year.

IMPORTER BUYING ACTIVITY

Other than Japan and Korea, most buyers of U.S. wheat during the past month were PL-48Ø recipients. Morocco bought additional French wheat, and Turkey, Jordan, and Brazil turned to Argentina for their import needs.

WHEAT AND FLOUR IMPORTER BUYING ACTIVITY
REPORTED BETWEEN MARCH 27, 1985 AND APRIL 25, 1985

Date of Purchase	Buyer	Origin	Quantity (Tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
3/27	Brazil	US	66,000	HRW	137.98 @ 138.78	Jul/Aug
	Jamaica	US	55,000	SRW, HRW, HRS	various	Apr/Jul
3/28	Philippines	US	25,000	HRS	173.78	May
	Korea	Austr.	50,000	Feed Wheat	128.41 C&F	June
	Korea	US	20,000	HRW, HRS, WW	various	Apr/May
3/29	Costa Rica	US	4,000	HAD	164.74	Apr/May
	Costa Rica	US	12,000	HRS	156.99	Apr/May
	Korea	US	28,000	HRS, HRW, WW	various	Apr/May
	Ecuador	US	108,000	HRW	160.64 C&F	Apr/May
	Dominican Rep.	US	18,000	HRW, HRS	various	April
4/3	Sri Lanka	Austr.	50,000	ASW	130.20	May
	Morocco	France	120,000	Wheat	133.75 @ 138.00 C&F	Apr/May
	Philippines	US	25,000	HRS	173.46	May/Jun
	Korea	US	20,000	WW, HRW, HRS	various	Apr/May
	Egypt	US	68,910	Wheat Flour	221.78 @ 258.82	May
4/4	Jordan	Argentina	25,000	Wheat	148.00 C&F	May
	Jordan	US/Austr.	25,000	Wheat	157.50 C&F	June
4/10	Japan	US	19,047	Wheat	?	June
	Japan	Canada	19,047	CWRS	?	June
	Japan	Austr.	47,600	ASW	?	June
4/11	Philippines	US	25,000	HRS	173.96	May/Jun
	Korea	US	20,000	HRS, WW, HRW	145.00 @ 168.90	May
4/12	Brazil	Argentina	50,000	Wheat	118.00	Sept
	Bolivia	US	33,346	HRW	142.80	LH May/FH Jun
	Portugal	US	34,000	HRW	145.96	May
4/17	Portugal	France	15,000	Wheat	136.65 C&F	FH May
	Bolivia	US	36,811	HRW	134.98 @ 137.95	June
	Japan	US	103,188	WW, HRW, HRS	?	June
	Japan	Canada	69,684	CWRS, CWAD	?	June
	Korea	US	50,000	WW, HRW, HRS	various	May/Jun
	Turkey	Argentina	70,000	Wheat	119.50 @ 120.00	May/Jun
4/19	Brazil	US	33,000	HRW	139.40	Sept
4/22	Morocco	France	250,000	Wheat	134.50 @ 138.66	May
	Taiwan	US	65,000	WW	134.12 @ 136.78	Jul/Jan
4/23	Zimbabwe	US	56,334	HRW	138.62 @ 145.44	May/Jun
4/24	Taiwan	US	49,000	HRW	146.07 @ 149.17	Nov/Jan
	Japan	US	57,141	HRW, HRS	?	June
	Japan	Canada	55,094	CWRS	?	June
	Japan	Austr.	15,100	PH	?	June
	Somalia	US	14,538	Wheat Flour	206.02 @ 206.52	May/June
	Somalia	US	7,777	SRW	162.64	May/June

1/ HRW=Hard Red Winter, HRS=Hard Red Spring, SRW=Soft Red Winter, HAD=Hard Amber Durum, WW=Western White ASW=Australian Soft White, CWRS=Canadian Western Red Spring, PH=Australian Prime Hard
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

QUANTITY AND VALUE OF U.S GRAIN AND FEED COMMODITY EXPORTS
IN FISCAL YEAR 1985 AND COMPARISON WITH PRECEEDING YEAR

	FEBRUARY		CUMULATIVE OCT THRU FEB		ACTUAL EXPORTS	PROJECTED EXPORTS
	FY 84	FY 85	FY 84	FY 85	FY 84	FY 85
WHEAT (grain only)						
Quantity (1000 tons)	3023	2327	15677	15199	41700	37500
Value Per Ton (dollars)	159	153	162	152	156	150
Value (in million dollars)	482	356	2539	2316	6501	5625
CORN (grain only)						
Quantity (1000 tons)	4014	4198	21744	24852	47001	49100
Value Per Ton (dollars)	149	125	149	126	149	127
Value (in million dollars)	598	525	3237	3138	7022	6236
SORGHUM (grain only)						
Quantity (1000 tons)	631	928	2887	3804	6226	6985
Value Per Ton (dollars)	135	119	138	115	133	114
Value (in million dollars)	85	110	398	436	829	796
BARLEY, OATS, AND RYE (grain only)						
Quantity (1000 tons)	126	95	1009	858	2074	2200
Value Per Ton (dollars)	143	137	134	131	134	125
Value (in million dollars)	18	13	135	112	277	275
TOTAL COARSE GRAINS (grain only)						
Quantity (1000 tons)	4771	5221	25640	29514	55301	58285
Value Per Ton (dollars)	147	124	147	125	147	125
Value (in million dollars)	701	648	3770	3686	8128	7307
RICE (grain only)						
Quantity (1000 tons)	102	134	790	724	2212	2000
Value Per Ton (dollars)	451	396	429	378	405	390
Value (in million dollars)	46	53	339	274	897	780
PULSES						
Quantity (1000 tons)	24	30	192	217	390	450
Value Per Ton (dollars)	500	433	474	456	451	450
Value (in million dollars)	12	13	91	99	176	200
FLOUR AND OTHER GRAIN PRODUCTS						
Quantity (1000 tons)	191	286	1005	888	2642	2300
Value Per Ton (dollars)	194	203	203	233	214	200
Value (in million dollars)	37	58	204	207	565	560
FORAGE, HAY, MIXED FEED AND GRAIN BYPRODUCTS						
Quantity (1000 tons)	549	465	2845	2597	6845	6800
Value Per Ton (dollars)	166	150	174	157	170	160
Value (in million dollars)	91	70	496	408	1165	1090
TOTAL VOLUME (in thousand tons)	8660	8463	46149	49139	109089	109540
TOTAL VALUE (in million dollars)	1369	1198	7439	6990	17432	15562

SOURCE: US Census

MARKET OPPORTUNITIES

**PAKISTAN: Persistent drought is affecting Pakistan's 1985 wheat production, which could fall more than 2 million tons below estimated consumption requirements. Stocks are currently adequate, however, larger than normal imports are likely in the coming year, in order to meet consumption needs and maintain stocks at desired levels. The government of Pakistan announced plans to import 200,000 tons during May and June, 50,000 tons during the monsoon months of July and August, and 100,000 tons per month thereafter until the next wheat harvest in April, 1986. U.S. wheat exports to Pakistan averaged 168,000 tons over the past five years, but could increase significantly if Pakistan's import requirements reach record levels.

**ISRAEL: U.S. wheat commitments to Israel in the current wheat marketing year (June-May) are approaching 600,000 tons--about 40 percent above 1983/84. For the second year in a row, Israel is experiencing a wheat crop failure due to drought. Irrigated wheat (about one-third of the total) is doing slightly better, but water quotas reportedly have been exceeded, and irrigation had to be stopped, reducing yield prospects. As a result, wheat import requirements in the coming year will be higher than anticipated, and U.S. wheat exports to Israel could be near record levels.

DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries Selling Activity and Competitive Practices

**INDIA: The Soviet Union has reportedly expressed interest in purchasing an additional 1 million tons of wheat from India, most likely to be shipped after June. Last December, India sold the Soviets 500,000 tons for shipment in the first half of 1985. As a result of a good wheat harvest, India is forecast to export 750,000 tons of wheat in July-June 1984/85. Record food grain stocks and prospects for another good harvest could result in significant wheat exports again this year.

**ITALY: A number of Italian firms have entered into an agreement with the government of Egypt to provide 900,000 tons of wheat flour over a 3-year period. For 1985, 165,000 tons will be shipped to Egypt at a price of $195.50 per ton, C&F. Credit at 9.5 percent reportedly was offered, with the Italian government providing payment guarantees. Prior to this sale, it was believed that the U.S. (under PL 480) and France (under a COFACE credit line) would provide Egypt with most of its annual flour requirements of approximately 1.5 million tons.

**AUSTRALIA: The Australian Wheat Board (AWB) announced a sale of 600,000 tons of wheat to China, to be delivered through the balance of 1985. This is the first AWB sale to China since its long term agreement expired at the end of 1984. Chinese wheat imports have been steadily declining over the past five years, and are forecast at only 8.3 million tons in 1984/85. Future AWB sales will depend on China's import requirements, and the price of competing offers at the time.

Competitive Developments In Selected Foreign Markets

**MOROCCO: The possibility of wheat flour shortages in Morocco seems to have been ameliorated for the short-term, as France has extended a new COFACE credit line. A Moroccan delegation recently visiting Paris was reportedly seeking as much as 800,000 tons, but was offered credit to cover approximately 250,000 tons of wheat. It was felt at the time that Morocco would need a minimum of 400,000 tons to meet consumption needs until September, when domestic wheat is harvested. Additional wheat will likely be needed before September.

**ARGENTINA: The mid-March grain elevator explosion at the port of Bahia Blanca apparently has had a limited effect on Argentina's ability to export. The volume of grain exports in March reached a record 2.3 million tons, and Bahia Blanca's 475,000 tons was not appreciably below February's pre-explosion level. It appears that Argentine wheat and coarse grain exports in 1984/85, forecast at 19.2 million tons, will be only slightly lower than the record level of 1983/84.

**EC: The EC could reinstitute the onward processing scheme in the near future, whereby mills import wheat levy-free, and export an equivalent amount of flour without the benefit of export restitutions (subsidies). Although this action could increase U.S. wheat sales to the EC, the impact on U.S. wheat sales elsewhere is not clear. Before its suspension in 1983, the onward processing scheme was used primarily by Italian exporters. At that time, the system was particularly attractive for semolina exporters, who would import durum wheat. The onward processing scheme enables an EC wheat miller to import high-quality wheat levy-free, which can be used to blend with domestic wheat.

**PAKISTAN: A number of barter agreements have reportedly been finalized, in which Pakistan will receive 500,000 tons of Australian wheat from several countries in return for cotton and other commodities. It appears Pakistan will try to barter for much of its large wheat deficit this year so long as prices remain competitive, in order to save foreign exchange. U.S. wheat was offered, but lower freight rates to Pakistan weighed in favor of the Australian wheat.

Internal Price Policies of Foreign Countries

**CANADA: Under the Western Grain Stabilization Program (WGSP), a C$450 million interim payment will be paid to Canadian producers in western provinces for the 1984/85 crop. The WGSP, which is jointly funded by producers and the federal government, guarantees that net cash returns to prairie producers as a group will not be below the previous 5-year average. In August and October 1984, similar payouts totaling C$223 million were made for the 1983/84 crop, but this year's payment is the largest since the program's inception in 1978. It results from the relatively low marketings of grains and oilseeds expected in 1984/85, and is being made now to provide needed cash to producers as they prepare to seed the new crop. An estimated 77 percent of prairie grain producers participate in the voluntary WGSP.

**THAILAND: The government of Thailand (GOT) raised the import duty on both wheat and wheat flour to $100 per ton. This is expected to increase production costs of domestic flour by 20 percent, and would make imported flour less expensive than flour produced locally. But in response to complaints from local millers, the GOT added a 40 percent surcharge on flour imports in order to restore the balance between imported and domestically-produced flour prices. Flour consumption in Thailand could decline by as much as 15 percent, and actual imports of wheat by a significantly larger amount. U.S. wheat sales to Thailand, which have averaged about 100,000 tons the past 2 years, could decline substantially.

**INDIA: The government of India is now allowing private traders to export wheat and wheat products, and has established minimum export prices. For whole wheat, the minimum export price is $130.72 per ton; for maida (white flour) $167.48; and for wholemeal atta (95 percent extraction whole wheat flour) $142.97 (all export prices based on $1 equals 12.24 rupees). No limitation has been set on export quantities' and therefore it is likely that they will be allowed based on a first-come, first-serve basis, subject to these minimum export prices.

**CHILE: Under the wheat price band for the coming season announced by the Chilean Minister of Agriculture, all wheat imports during November-October 1985/86 must fall within the range of $237 and $264 per ton. These are landed prices, and include applicable duties and import taxes. The maximum import price was reduced by about 3 percent, while the minimum import price (which is the reference price for domestic wheat producers) remains unchanged. Although the reference price is not guaranteed to producers, it is expected to be attractive enough to encourage additional wheat plantings in 1985/86. Chile's wheat imports in July-June 1984/85 are forecast at 750,000 tons, compared to the previous three-year average of about 1 million tons, and will most likely continue their downward trend if an increase in production takes place.

US WHEAT SHIPMENTS, SALES, AND INSEPCTIONS 1/
(JUNE/MAY--MILLION TONS)

Monthly Shipments		
4 Weeks Ending	1983/84	1984/85
Jan. 24	3.5	3.2
Feb. 21	2.9	2.3
Mar. 21	2.5	1.5
Apr. 18	2.9	1.7
Cumulative for MY......	31.7	33.8

Monthly Sales 2/		
4 Weeks Ending	1983/84	1984/85
Jan. 24	3.3	1.4
Feb. 21	3.1	1.2
Mar. 21	1.9	1.5
Apr. 18	2.5	0.7
Cumulative for MY.......	38.6	36.1

Weekly and Annual Inspection Rates	Million MT	Million BU
Week Ending April 11.............	0.5	18.3
Week Ending April 18.............	0.4	13.3
Official Estimate for Current MY (Grain only).....................	37.7	1385
Implied Weekly Average...........	0.7	26.6
Latest Six Weeks Weekly Average..................	0.4	15.3
Marketing Year-To-Date Weekly Average..................	0.8	27.8
Weekly Avg. Extrapolated Annually	39.4	1446
Balance of Year to Achieve Estimate Implied Weekly Average...........	0.5	17.7

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.

2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.

WHEAT SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(JULY-JUNE--MILLION TONS)

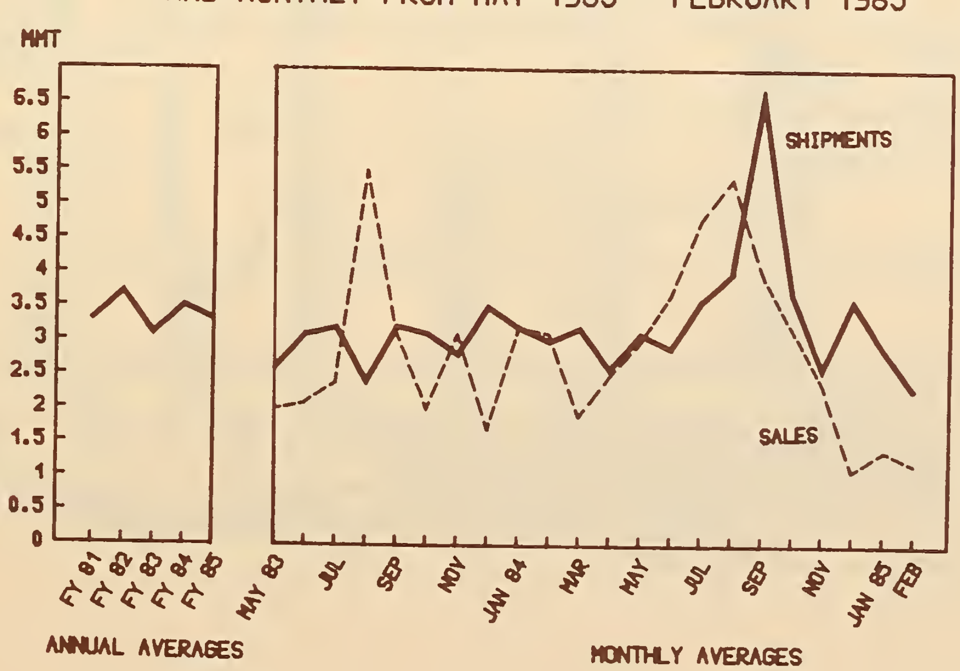
	Canada		Australia		Argentina		France		Total	
4 Weeks Ending 1/	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
January 24	.9	.7	1.6	1.1	1.7	1.5	.8	1.0	5.0	4.3
February 21	.8	.7	1.5	1.4	1.9	1.9	.8	.8	5.0	4.8
March 21	1.0	.7	1.5	1.4	1.4	1.5	0.7	1.0	4.6	4.6
April 18	1.3	.8	1.1	1.2	.8	N/A	0.8	N/A	4.0	N/A
Cumulative Since July 1	15.6	15.0	9.0	11.7	8.9	5.8	8.3	8.5	41.8	41.0
Total for Season 3/	21.8	17.2	11.6	15.3	9.6	7.4	9.5	11.0	52.5	50.9

1/ Or nearest date thereto.

2/ Excludes intra-EC trade.

3/ Projection for 1984/85.

U.S. WHEAT SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM MAY 1983 - FEBRUARY 1985



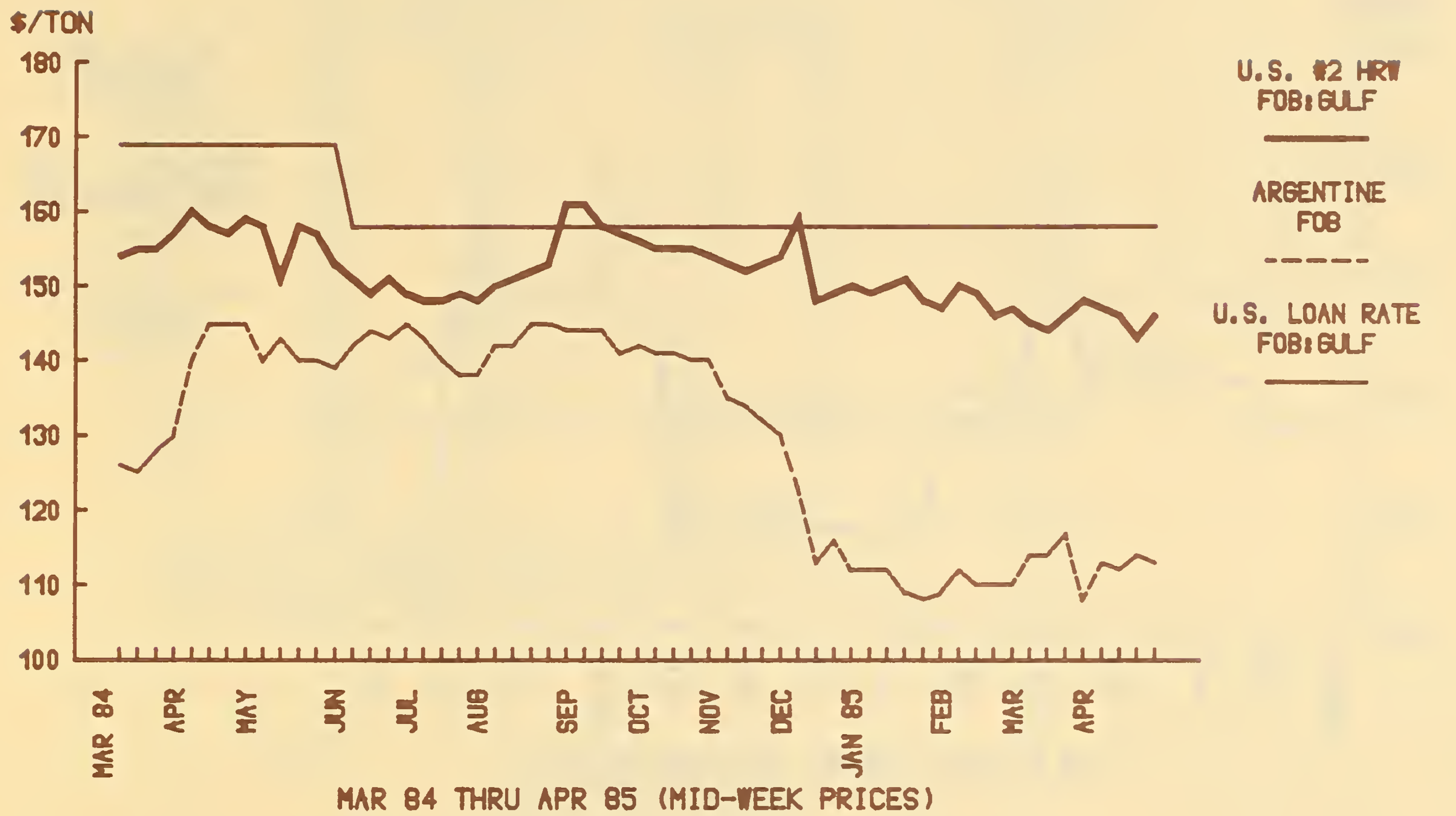
U.S. WHEAT EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
TOTAL EXPORTS FOR 1982/83-1983/84; COMMITMENTS TO DATE FOR 1984/85 WITH COMPARISON TO 1983/84
(JUNE/MAY--1,000 TONS)

Destination	Marketing Year	Hard Red Winter	Hard Red Spring	Soft Red	All White	Durum	Total Exports
EC-10	1982/83	3	1,162	35	53	495	1,748
	1983/84	3	1,218	2	--	263	1,486
	1983/84*	3	1,077	8	--	247	1,335
	1984/85**	--	666	8	--	174	848
Other W. Europe	1982/83	343	95	289	4	7	738
	1983/84	795	32	411	16	49	1,303
	1983/84*	901	33	410	15	35	1,394
	1984/85**	546	78	633	--	46	1,303
Eastern Europe	1982/83	--	--	122	--	74	196
	1983/84	--	--	283	--	72	355
	1983/84*	--	--	283	--	71	354
	1984/85**	--	--	--	--	65	65
USSR	1982/83	3,374	--	--	--	--	3,374
	1983/84	4,141	--	--	--	--	4,141
	1983/84*	4,204	--	--	--	--	4,204
	1984/85**	6,339	--	--	--	--	6,339
China	1982/83	386	--	4,938	--	--	5,324
	1983/84	1,368	--	1,549	--	--	2,917
	1983/84*	1,306	--	1,573	--	--	2,879
	1984/85**	105	--	2,693	--	--	2,798
Japan	1982/83	1,266	987	20	1,049	--	3,322
	1983/84	1,287	1,010	--	1,126	12	3,435
	1983/84*	1,401	987	--	1,129	12	3,529
	1984/85**	1,324	1,046	--	1,013	15	3,398
India	1982/83	2,480	--	--	1,405	--	3,885
	1983/84	198	--	--	968	--	1,166
	1983/84*	198	--	--	968	--	1,166
	1984/85**	--	--	--	--	--	0
Taiwan	1982/83	309	195	--	170	--	674
	1983/84	245	185	--	130	--	560
	1983/84*	288	196	--	135	--	619
	1984/85**	300	211	--	145	--	656
Rep. of Korea	1982/83	605	162	--	990	--	1,757
	1983/84	649	221	2	1,179	--	2,051
	1983/84*	631	210	2	1,151	--	1,994
	1984/85**	666	225	--	1,103	--	1,994
Other Asia, Middle East, and Oceania	1982/83	2,554	1,858	833	568	1	5,814
	1983/84	2,288	1,232	258	1,222	21	5,021
	1983/84*	2,328	1,335	258	1,241	21	5,183
	1984/85**	2,232	970	178	1,499	--	4,879
Egypt	1982/83	--	--	397	1,331	--	1,728
	1983/84	--	--	539	807	--	1,346
	1983/84*	--	--	539	892	--	1,431
	1984/85**	30	--	429	1,205	--	1,664
Nigeria	1982/83	918	242	81	--	--	1,241
	1983/84	1,278	265	88	--	--	1,631
	1983/84*	1,122	281	78	--	--	1,481
	1984/85**	1,214	198	91	--	--	1,503
Other Africa	1982/83	611	95	1,086	--	666	2,458
	1983/84	471	7	1,876	45	844	3,243
	1983/84*	471	6	1,977	23	815	3,292
	1984/85**	374	39	1,978	28	773	3,192
Brazil	1982/83	2,113	--	--	--	--	2,113
	1983/84	2,181	--	66	--	--	2,247
	1983/84*	2,212	--	66	--	--	2,278
	1984/85**	3,113	--	67	--	--	3,180
Other W. Hemis.	1982/83	2,172	1,464	559	8	271	4,474
	1983/84	2,223	1,477	514	48	296	4,558
	1983/84*	2,187	1,496	517	47	307	4,554
	1984/85**	2,060	1,307	432	159	278	4,236
Total 1/	1982/83	16,881	6,065	8,360	5,408	1,514	38,228
	1983/84	17,128	5,647	5,593	5,541	1,556	35,465
	1983/84*	17,310	5,759	5,682	5,601	1,546	35,898
	1984/85**	18,283	4,749	6,509	5,154	1,438	36,133
MY Projection 2/		20,684	5,035	6,804	5,307	1,633	39,463

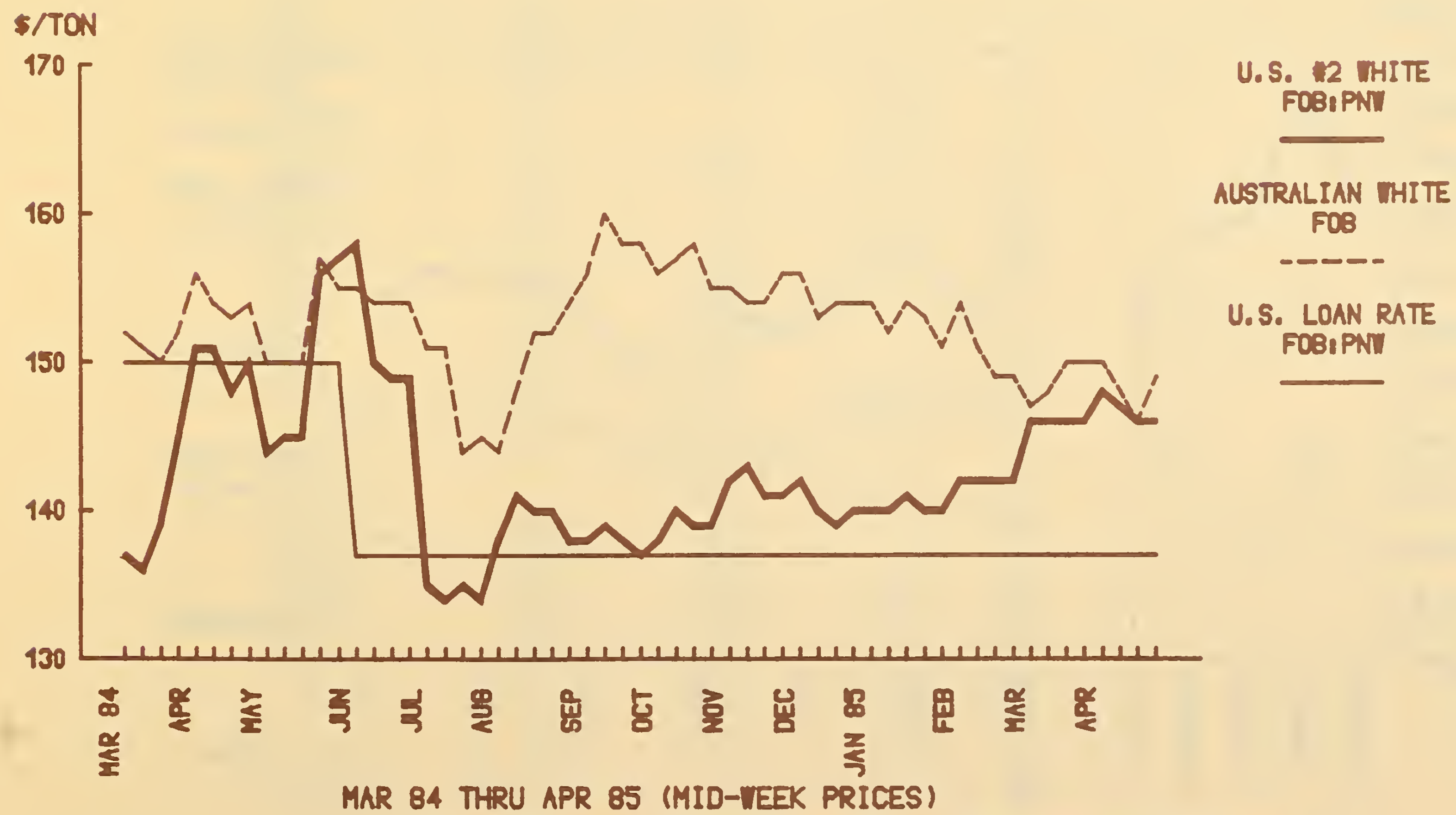
1/ Discrepancies due to rounding and sales to unknown destination.
2/ Projection for 1984/85, including flour and products
* Sales plus accumulated exports as of April 26, 1984, excluding sales for next marketing year.
** Sales plus accumulated exports as of April 25, 1985, excluding sales for next marketing year.

Source: U.S. Export Sales Report

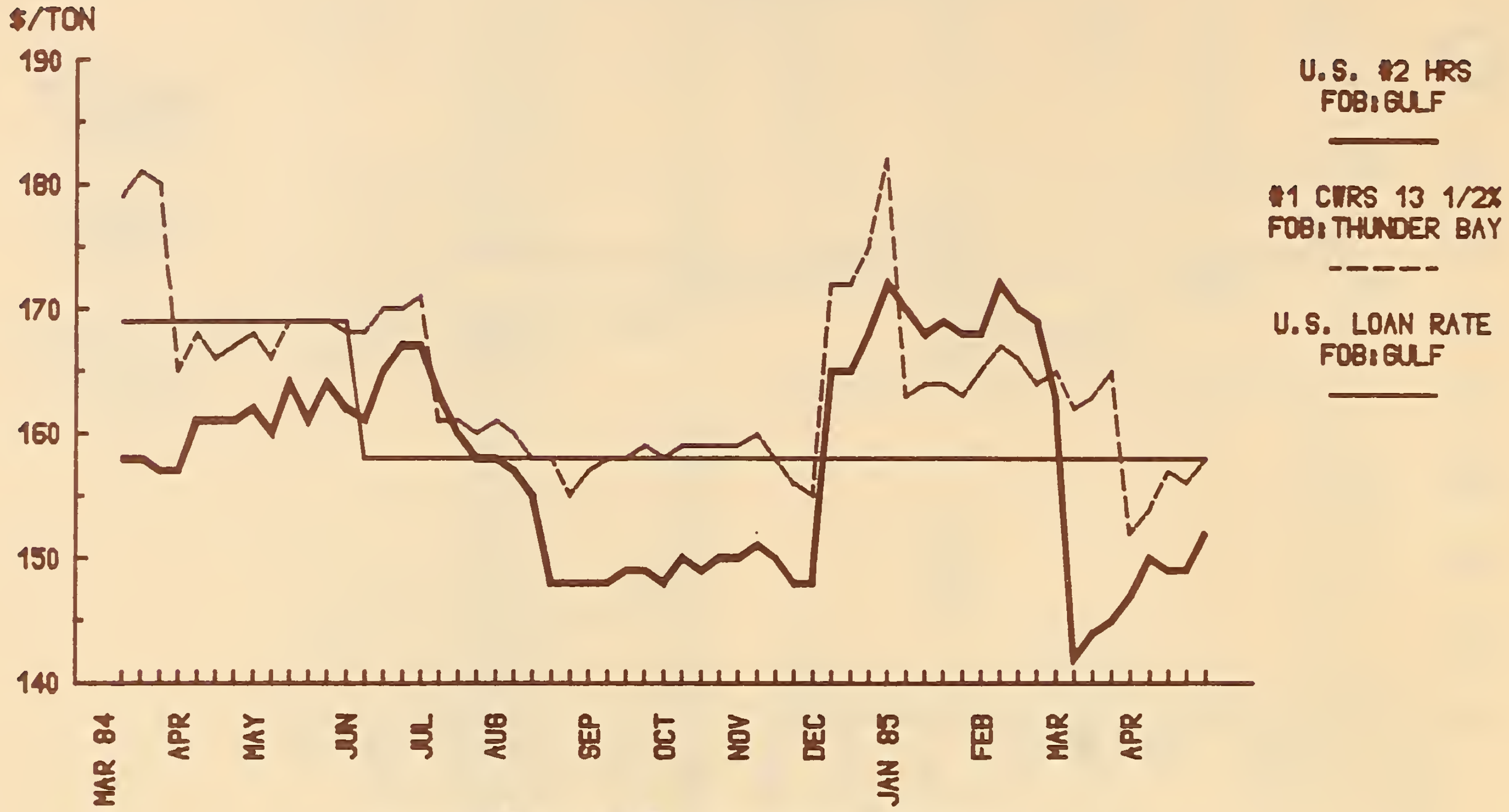
HARD RED WINTER WHEAT EXPORT PRICES
U.S. AND ARGENTINE



WHITE WHEAT EXPORT PRICES
U.S. AND AUSTRALIAN

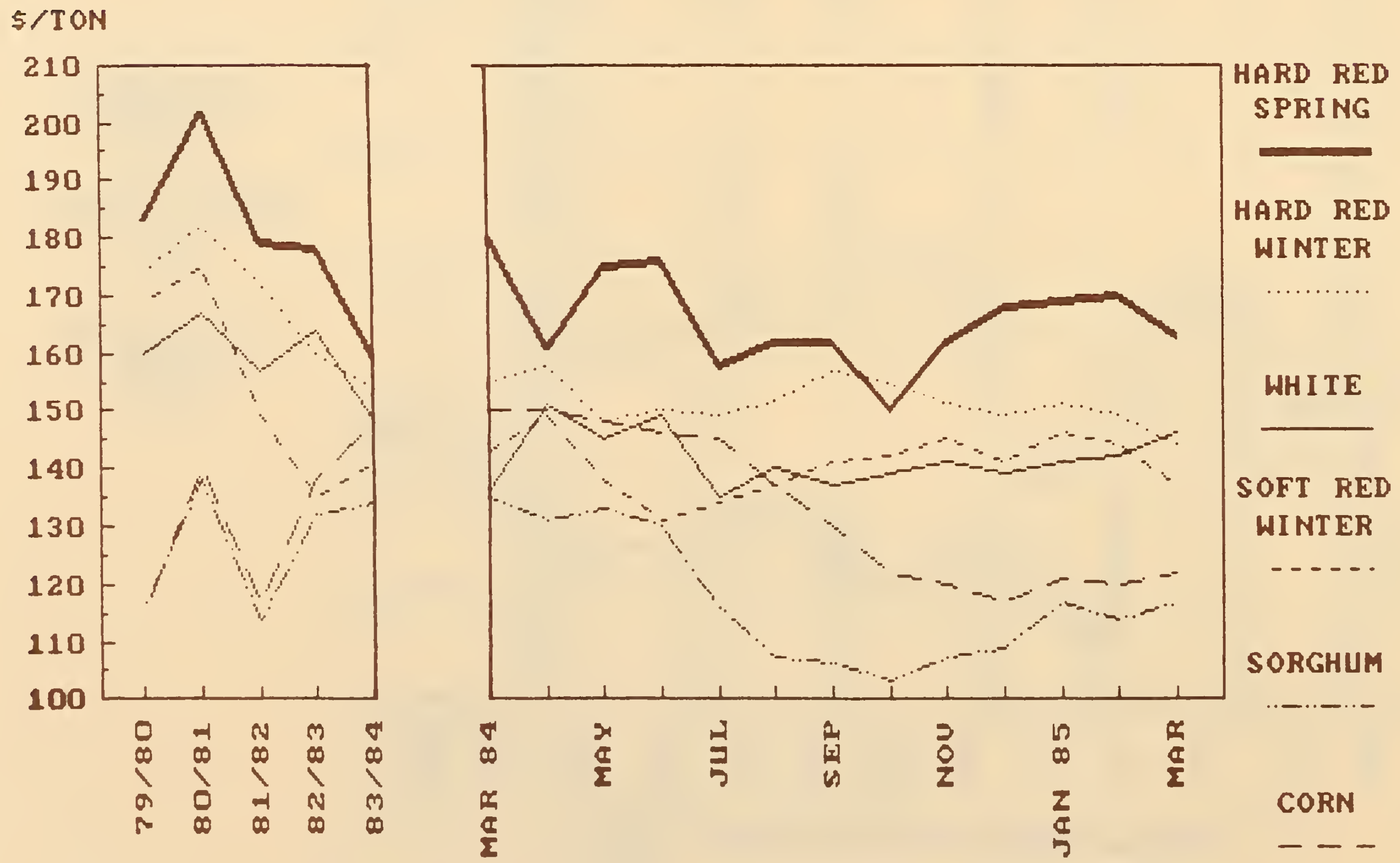


HARD RED SPRING WHEAT EXPORT PRICES
U.S. AND CANADIAN



MAR 84 THRU APR 85 (MID-WEEK PRICES)

U.S. GRAIN COMMODITY EXPORT PRICES
FOB GULF, EXCEPT FOB PNW FOR WHITE WHEAT



YEARLY AVERAGE (JUL/JUN) APR 84-APR 85 MID-MONTH

**CCC Credit

U.S. WHEAT/FLOUR TRADE WITH SELECTED COUNTRIES
UNDER CCC GUARANTEE PROGRAMS

	FY 1984		FY 1985		
	TOTAL Exports	Estimated Exports Under CCC Programs	Announced	Approved	Estimated Quantity Yet To Be Purchased
	-------1000 tons------		--Million Dollars--		----1,000 tons----
Bangladesh	362.0	300.0	60.0	29.0	207.0
Brazil	2,097.0	2,914.0 1/	500.0	240.1	1,733.0
Chile	860.0	567.0	100.0	0.0	666.0
Colombia	531.0	566.0 1/	80.0	40.8	261.0
Costa Rica	124.0	--	--	--	--
Dominican Rep.	151.0	106.0	--	--	--
Ecuador	357.0	457.0 1/	52.0	31.5	137.0
Egypt	2,073.0	526.0	136.0	0.0	906.0
Guatemala	109.0	138.0	13.0	4.1	59.0
Haiti	107.0	33.0	7.5	1.9	37.0
Iraq	952.0	1,225.0 1/	190.0	88.5	677.0
Jamaica	112.0	100.0	--	--	--
Korea	1,798.0	864.0	110.0	82.2	185.0
Morocco	1,849.0	2,245.0 1/	250.0	0.0	1,667.0
Nigeria	1,372.0	--	--	--	--
Peru	642.0	507.0	--	--	--
Philippines	572.0	637.0 1/	120.0	4.7	787.0
Portugal	720.0	2,780.0 1/ 2/	117.0	43.8	488.0
Tunisia	430.0	691.0	120.0	--	750.0
Turkey	591.0	500.0	81.0	10.1	473.0
Yemen	86.0	--	--	--	--
TOTAL	15,895.0	15,156.0	1,936.5	576.7	9,033.0

* Includes GSM-102, GSM-5, and Blended Credit, as of April 12, 1985.
1/ Exports under CCC programs exceed total FY 84 because some of the estimated shipments may have actually moved after September 30, 1984.
2/ Wheat or feed grains

**PL-480

FY 1985 PUBLIC LAW TITLE I/III
COUNTRY AND COMMODITY ALLOCATIONS
(1000 Tons Grain Equivalent)

Country	Million-Total	Wheat/Flour	Rice	Feedgrains
$805 or Less Per Capita GNP				
Bangladesh	92.0	338.0	67.0	--
Bolivia	20.0	130.0	--	--
Egypt	225.0	1,448.0 1/	--	--
El Salvador	44.0	138.0	--	--
Ghana	6.0	--	--	--
Guinea	6.0	--	21.0	--
Haiti	15.0	76.0	--	--
Honduras	15.0	76.0	--	--
Indonesia	40.0	250.0	--	--
Kenya	10.0	66.0	--	--
Liberia	16.0	--	48.0	--
Madagascar	11.0	--	39.0	--
Maldives	1.5	7.0 1/	2.0	--
Morocco	45.0	290.0	18.0	--
Mozambique	17.0	32.0	34.0	21.0
Pakistan	50.0	--	--	--
Senegal	8.0	--	--	61.0
Sierra Leone	4.0	13.0	7.0	--
Somalia	20.0	26.0 1/	18.0	17.0
Sri Lanka	26.0	163.0	--	--
Sudan	50.0	293.0 1/	--	--
Yemen	10.0	14.0 1/	20.0	--
Zaire	15.0	67.0 1/	--	15.0
Zambia	10.0	35.0	--	--
Zimbabwe	8.0	50.0	--	--
Subtotal	764.5	3,512.0	274.0	114.0
Over $805 Per Capita GNP				
Costa Rica	28.0	115.0	--	24.0
Dominican Rep.	35.5	45.0	--	170.0
Ecuador	15.0	90.0	--	--
Guatemala	16.0	56.0	--	--
Jamaica	35.0	75.0	27.0	89.0
Mauritius	3.5	12.0 1/	5.0	--
Peru	25.0	116.0	--	--
Tunisia	5.0	--	--	43.0
Subtotal	163.0	509.0	32.0	326.0
Allocated 3/	927.5	4,021.0	306.0	440.0
Unallocated Reserve	84.4	--	--	--
TOTAL PROGRAM	1,011.9	--	--	--

1/ Wheat equivalent of flour or some portion of wheat equiv. of flour.

**MAJOR EXPORTERS: The latest internal support prices for the principal world wheat exporters, on an individual marketing year basis, are listed below. Prices are not strictly comparable because of quality differences and because U.S., Argentine and EC prices are on a local delivery point basis. For example, in terms of quality differentials, the Canadian price is set for No. 1 CWRS, while No. 2 CWRS was discounted by approximately C$4 per ton and No. 3 CWRS by about C$15 per ton; No. 1 CWRS has represented about 40 percent of Canadian wheat exports over the past 10 years. EC prices given below are for medium quality wheat in August and do not include monthly incremental increases.

MAJOR EXPORTER SUPPORT PRICES FOR WHEAT

	1983/84			1984/85		
Exporter	U.S.$ Equivalent		Local Currency	U.S.$ Equivalent		Local Currency
	per bu	----per ton	----	per bu	----per ton	----
U.S. (loan)	3.65	134	134	3.30	121	121 ($)
(reserve loan)	3.65	134	134	N/A	N/A	N/A
Argentina (reference)	2.67	98	3,060 pesos 1/	2.46	90	21,000 pesos 1/
Australia (min. pay.)	3.72	137	150 (A$)	2.50	92	146 (A$)
(final pay.)	N/A	N/A	N/A	N/A	N/A	N/A
Canada (initial pay.)	3.75	138	170 (C$)	3.22	119	160 (C$)
(final pay.)	3.96	145	194 (C$)	N/A	N/A	N/A
EC (intervention) 2/	4.39	165	198 (ECU)	3.91	144	203 (ECU)
(reference)	5.10	190	228	4.55	167	234 (ECU)

1/ In new pesos, current season prices can be adjusted when necessary because of currency fluctuations. Caution should be taken when using this price in US$ equivalent because of the volatility of the Argentine exchange rate. Current price as of February 11, 1985.

2/ Prices represent average quality wheat adjusted by monthly increments.

Cover Graph

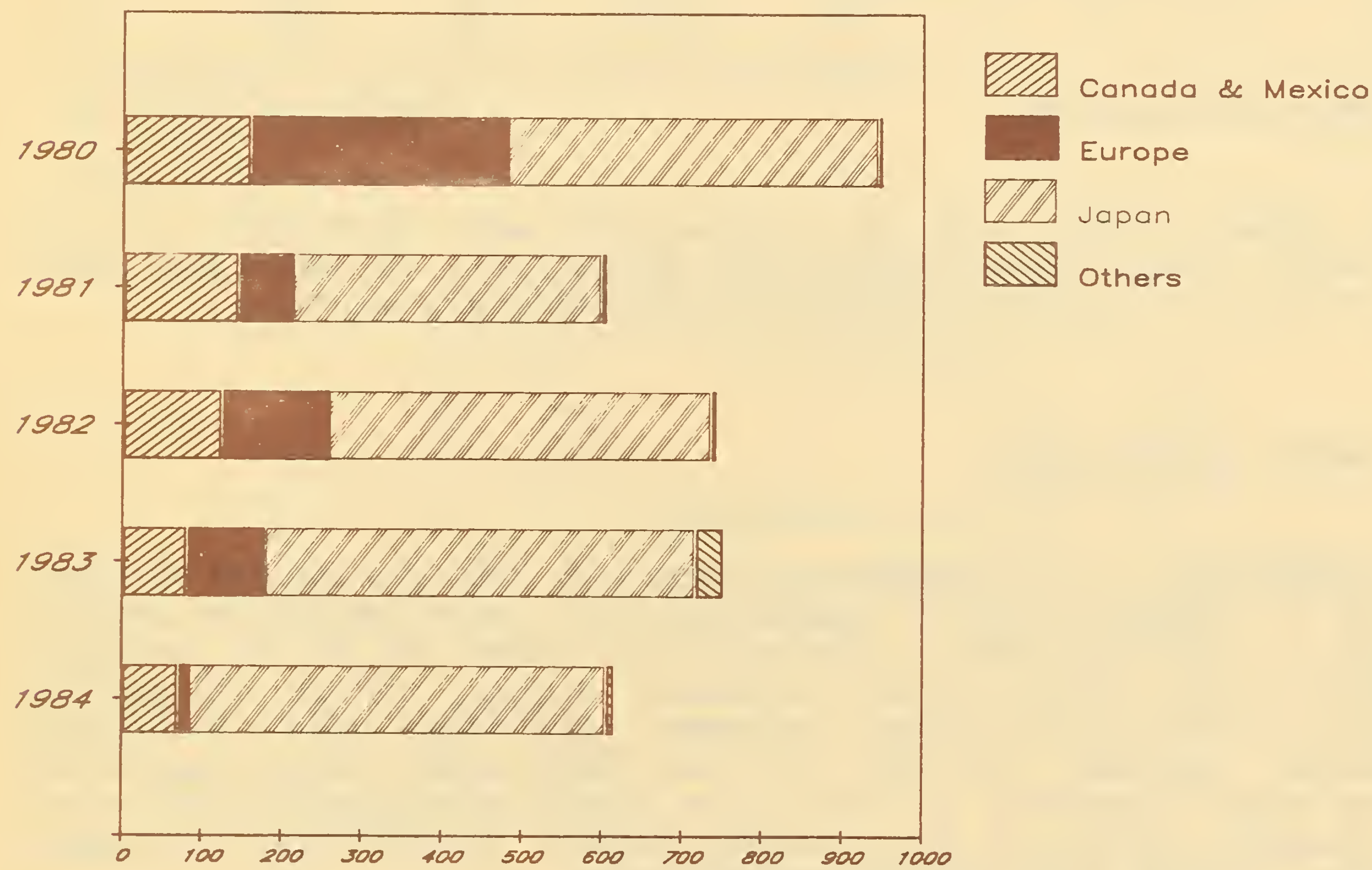
Argentine Total Wheat and Coarse Grain Exports
(1,000 Tons)

	1978	1979	1980	1981	1982	1983	1984
Latin America	1,481	2,497	1,592	1,399	977	1,162	2,626
USSR	2,894	1,728	6,886	14,900	8,607	8,835	7,175
Others	7,870	9,498	1,233	1,564	5,334	11,123	7,553
TOTAL	12,245	13,723	9,711	17,863	14,918	21,110	17,354

U.S. Hay and Products Exports

U.S. exports of all classes of baled hay, alfalfa hay cubes, and suncured and dehydrated hay pellets averaged 733,000 tons with a value of just under $100 million over the past five years. Alfalfa hay cubes accounted for 48 percent of the total, followed by suncured pellets at 21 percent, baled hay at 19 percent, and dehydrated pellets at 13 percent. Japan accounted for 77 percent of total U.S. exports in 1983 and 1984. U.S. exports in 1984 were 16 percent below the five-year average, as both both suncured and dehy sales to Western Europe and Japan dropped sharply. Alfalfa cube exports totaled 397,000 tons last year, the highest in five years, and baled hay exports of 133,000 tons was up slightly over the previous 2 years.

U.S. Hay and Products Exports 1/



1/ Hay & Straw, Alfalfa Cubes, Suncured Alfalfa Meal, Dehydrated Alfalfa Meal

U.S. Hay and Products Exports
(Metric Tons)

(Calendar Year)	1980	1981	1982	1983	1984
Canada and Mexico	158,634	144,026	123,633	80,545	70,399
Europe	321,207	68,742	134,042	98,162	13,627
Japan	464,620	386,030	478,875	538,352	521,676
Others	5,159	5,951	6,195	34,535	9,530
TOTAL	949,906	604,749	742,745	751,594	615,232

Source: U.S. Census Dept.

CORN AND SORGHUM

LATEST U.S. EXPORT FORECAST, SHIPMENTS AND SALES

Export Forecast: The U.S. corn export forecast--excluding 0.4 million tons of products--remains at 49.1 million tons this month. Additional purchases by the Soviet Union were offset by weakness in other traditional U.S. markets, particularly the European Community. The U.S. sorghum export forecast is also unchanged this month.

Shipments and Sales: Corn shipments are down slightly from last month, marking the third consecutive month of declines, but continue to exceed last year's levels. Corn sales dropped off sharply this month, as the Soviet Union curtailed purchases.

IMPORTER BUYING ACTIVITY

Egypt, Taiwan, Korea, and the USSR were the major corn buyers over the past month. Egypt bought from both the United States and Argentina, while Korea continues to purchase from both the United States and China.

U.S. MARKET OPPORTUNITIES

**YUGOSLAVIA: The government of Yugoslavia (GOY) has decided to allow imports of 100,000 tons of either sorghum and/or tapioca for poultry feeding. Last year, similar permission was granted and the GOY purchased 32,000 tons of sorghum from the United States. The GOY will provide one-half of the hard currency necessary for these feed imports and Yugoslavian importers the other half from funds earned through exports of poultry meat. Permission for imports was granted because of the continued high domestic price of corn, which, despite an export ban since last September, is well above the official GOY price.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries Selling Activity and Competitive Practices

**ARGENTINA: In the current October-September 1984/85 marketing year, U.S. corn export commitments to Peru of 42,000 tons are nearly 100,000 tons behind last year's pace. Peru recently purchased 80,000 tons of corn from Argentina, which is estimated to be two-thirds of its corn needs for the balance of 1985. For the past three years, Argentine corn sales to Peru averaged only 20,000 tons, while U.S. corn exports have accounted for most of their import needs, averaging 425,000 tons.

RECENT CORN AND SORGHUM IMPORTER BUYING ACTIVITY
REPORTED BETWEEN March 27 AND April 25, 1985

Date of Purchase	Buyer	Origin	Quantity (Tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
3/27	Korea	US	50,000	YC	139.98 C&F	April
	Korea	China	80,000	Chinese Corn	127.70 @ 128.90 C&F	Jun/Jul
	Jamaica	US	28,500	YC	?	Apr/Jun
3/29	Korea	US	100,000	YC	128.60 @ 129.26	Apr/May
	Korea	China	80,000	Chinese Corn	?	May
	Dominican Rep.	US	8,000	YC	?	April
4/2	Philippines	US	25,000	#2 YC	148.58 C&F	May
4/3	Colombia	US	20,000	#2 YS	?	April
4/10	Portugal	US	23,000	YC	124.20	Apr/May
	Korea	US	55,000	YC	130.27	May
	Korea	China	40,000	Chinese Corn	131.50 @ 131.95 C&F	May/Jul
4/11	Egypt	US	167,500	YC	123.03 @ 125.50	Apr/May
	Taiwan	US	54,000	YC	140.36	May
	Taiwan	US	27,000	YC	130.20	May
4/12	Colombia	US	10,000	#2 YS	136.22 C&F	Apr/May
	Portugal	US	35,000	YC	124.50	May
4/17	Peru	Argentina	80,000	Arg. Corn	111.50	Apr/Jul
	Egypt	Argentina	150,000	Arg. Corn	142.38 C&F	Apr/May
4/19	Mexico	US	88,500	YS	?	May
	Peru	Argentina	10,500	Arg. Corn	?	FH May
4/24	Somalia	US	13,118	#2 YC	152.36 @ 152.77	May/Jun
	Taiwan	US	138,000	YC	?	June

1/ YC=#3 Yellow Corn unless otherwise stated, and YS=Yellow Sorghum
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

US CORN AND SORGHUM SHIPMENTS, SALES AND INSPECTIONS 1/
(OCTOBER/SEPTEMBER--MILLION TONS)

Monthly Shipments

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
Jan. 24	4.7	5.9	.6	.9
Feb. 24	3.6	5.5	.6	.6
Mar. 21	3.9	4.2	.7	.7
Apr. 18	4.0	4.1	.4	.4
TOTAL FOR MY	29.7	32.0	3.9	4.6

Monthly Sales

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
Jan. 24	2.5	4.7	.3	.9
Feb. 24	2.8	2.9	.9	.3
Mar. 21	4.6	4.7	.2	.5
Apr. 18	2.7	2.5	.5	.4
TOTAL FOR MY	39.7	38.7	5.1	5.6

Weekly and Annual Inspection Rates

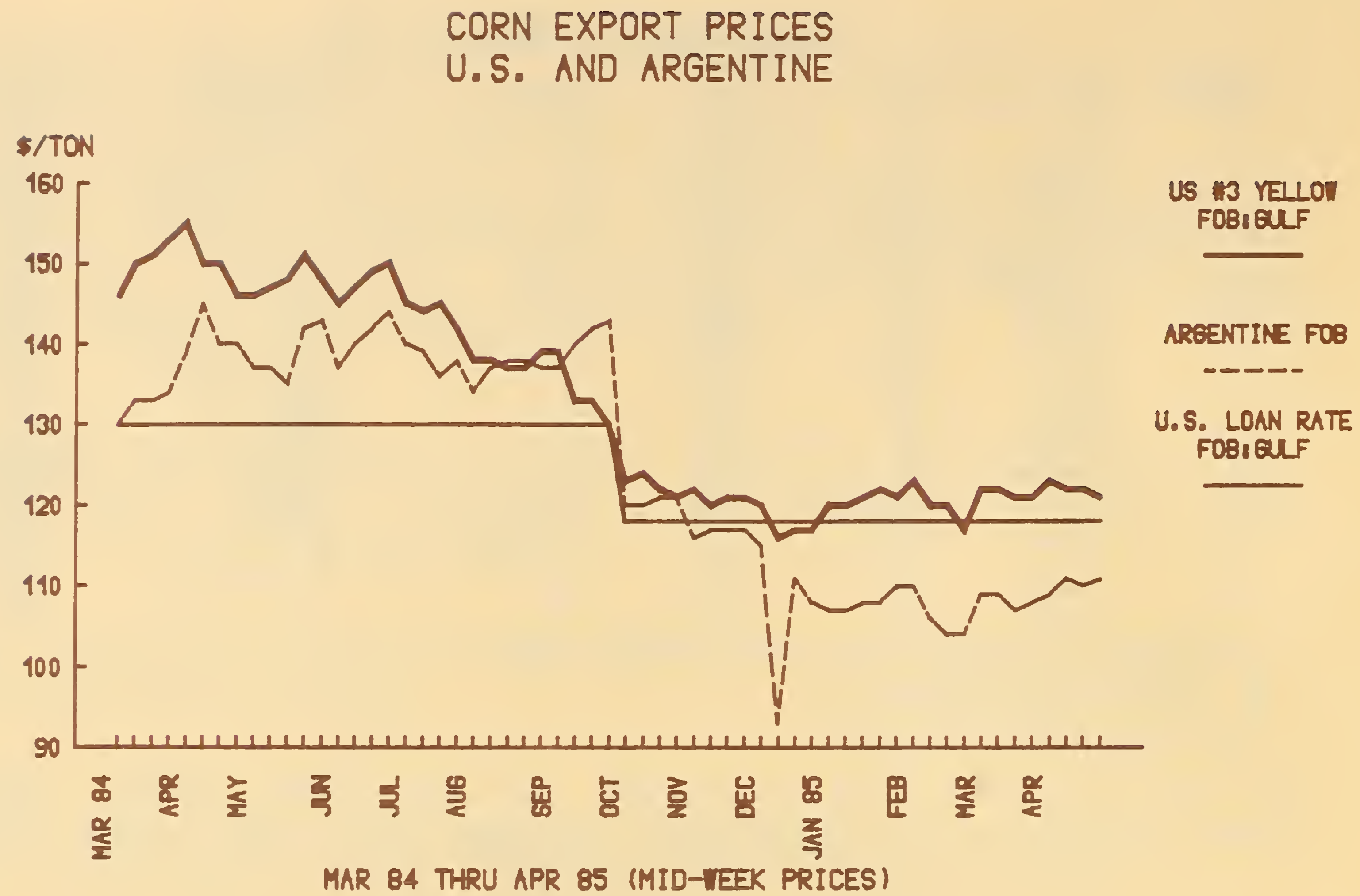
	CORN MT	CORN BU	SORGHUM MT	SORGHUM BU
Week Ending April 11	1.0	38.2	0.02	0.6
Week Ending April 18	1.0	38.0	0.13	5.2
Official Estimate for Current MY (Grain only)	49.1	1933	6.99	275
Implied Weekly Average	0.7	26.6	0.13	5.3
Latest Six Weeks Weekly Average	1.0	38.6	0.11	4.2
Marketing Year-To-Date Weekly Average	1.1	43.8	0.16	6.2
Weekly Avg. Extrapolated Annually	51.0	2009	5.56	219
Balance of Year to Achieve Estimate Implied Weekly Average	0.7	28.5	0.10	4.1

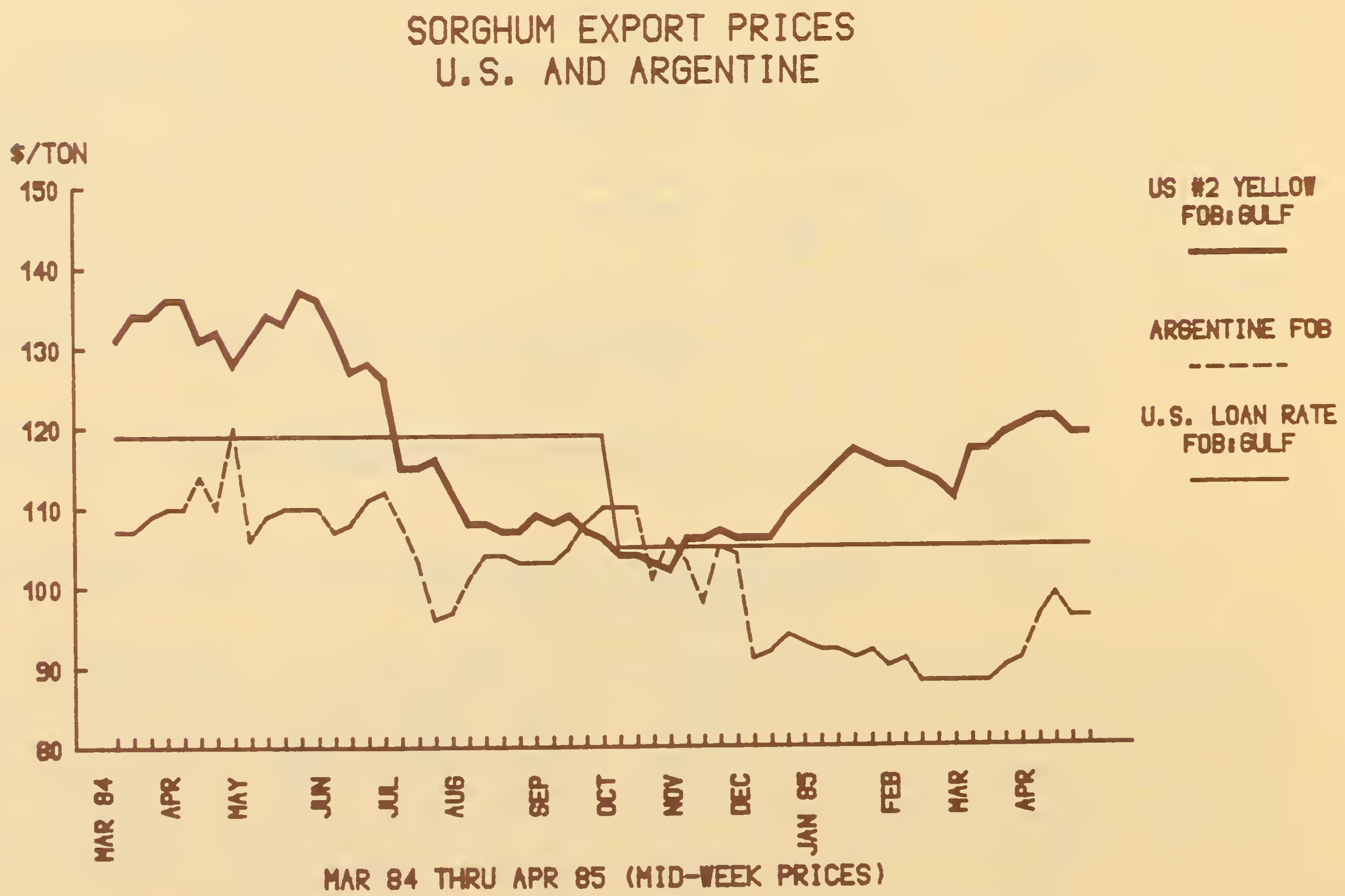
1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.
Source: Export Sales; FGIS

CORN AND SORGHUM SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1982/83-1983/84
(OCTOBER/SEPTEMBER--MILLION TONS)

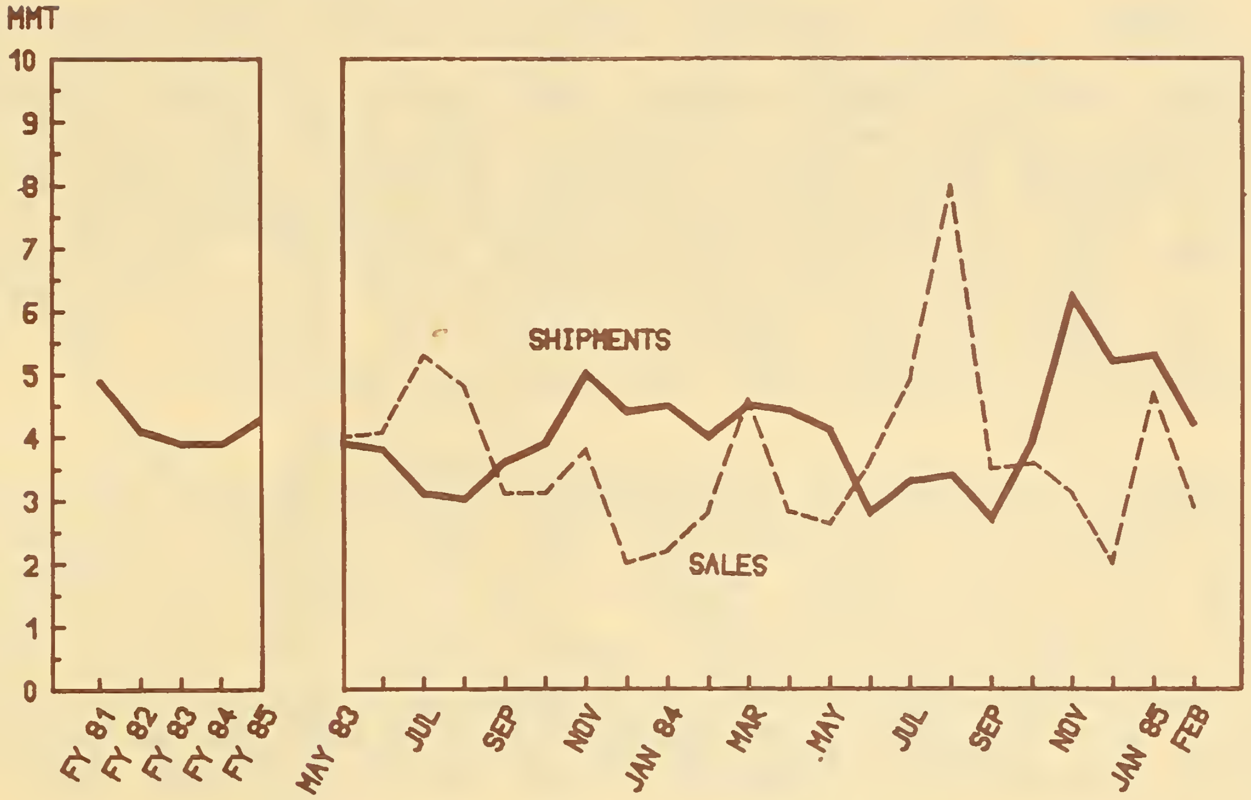
4 Weeks Ending 1/	SORGHUM Argentina 83/84	SORGHUM Argentina 84/85	CORN Argentina 83/84	CORN Argentina 84/85	CORN Thailand 83/84	CORN Thailand 84/85	Total 83/84	Total 84/85
January 24	.1	.1	.1	*	.2	.2	.4	.3
February 21	.1	*	.1	*	.2	.2	.4	.2
March 21	.3	.1	.6	.4	.2	.2	1.1	.7
April 18	.6	.4	1.1	.9	.1	.2	1.8	1.5
Cumulative in Marketing Year	1.9	.9	2.5	1.7	2.0	2.2	6.4	4.8
TOTAL FOR SEASON 2/	4.8	4.3	5.9	7.3	3.1	3.1	13.8	14.7

N/A = Not Available
1/ Or nearest date thereto.
2/ Projection for 1984/85.
* Less than 100,000 tons.


CORN EXPORT PRICES
U.S. AND ARGENTINE
$/TON
160
150
140
130
120
110
100
90
US #3 YELLOW
FOB: GULF
ARGENTINE FOB
U.S. LOAN RATE
FOB: GULF
MAR 84
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
JAN 85
FEB
MAR
APR
MAR 84 THRU APR 85 (MID-WEEK PRICES)


SORGHUM EXPORT PRICES
U.S. AND ARGENTINE
$/TON
150
140
130
120
110
100
90
80
US #2 YELLOW
FOB: GULF
ARGENTINE FOB
U.S. LOAN RATE
FOB: GULF
MAR 84
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
JAN 85
FEB
MAR
APR
MAR 84 THRU APR 85 (MID-WEEK PRICES)

U.S. CORN SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM MAY 1983 - FEBRUARY 1985



U.S. CORN AND SORGHUM EXPORTS BY DESTINATION
(OCTOBER/SEPTEMBER--1,000 TONS)

Destination	1981/82	1982/83	1983/84 Actual Exports	1983/84 Committed as of 4/19/84 1/	1984/85 Committed as of 4/18/85 1/
---CORN---					
EC	7,095	4,033	3,677	2,189	1,043
Other W. Europe	8,204	5,388	4,473	3,389	2,603
Eastern Europe	3,889	1,470	727	419	503
USSR	7,772	3,200	6,500	6,044	15,077
China	1,117	2,161	18	--	--
Japan	10,588	13,180	13,781	14,729	9,648
Taiwan	1,718	3,000	2,676	2,216	2,331
Rep. of Korea	2,690	3,908	2,972	2,200	689
Egypt	1,350	1,516	1,303	864	947
Canada	800	750	283	13	145
Mexico	571	4,091	2,808	1,706	1,086
Venezuela	414	892	1,140	562	447
Others	3,732	3,938	6,992	5,371	4,216
Total	49,940	47,527	47,350	39,702	38,735
--SORGHUM--					
Spain	790	105	465	317	45
Other W. Europe (excl. Spain)	540	251	136	82	57
Japan	2,437	741	1,505	1,462	2,453
Israel	368	341	574	587	460
Mexico	544	3,260	2,758	1,962	1,642
Venezuela	713	243	206	54	433
Others	898	462	582	590	506
Total	6,290	5,403	6,226	5,054	5,596

1/ Accumulated shipments and sales, excluding sales for next marketing year.
Source: U.S. Bureau of Census and U.S. Export Sales Report.

Competitive Developments in Selected Foreign Markets

**SPAIN: Corn consumption during the current Spanish marketing year (July-June) has increased as a result of a government/private trade agreement not to import barley, rye, oats, or sorghum. However, corn consumption remains well below that of past years due to substitution of less expensive and readily available domestic wheat and barley. Corn imports from all sources are expected to be 2.4 million tons in 1984/85, and the U.S. share should remain around 80 percent. Corn consumption in Spain is expected to return to previous high levels in the coming year, but the level of U.S. exports there will depend on the price and availability of competing corn from France and Argentina.

**KOREA: A purchase of weather-damaged feed wheat from Australia's 1984 crop, believed to be the last feed wheat available from that source, brings Korea feed wheat purchases from all origins in October-September 1984/85 to about 850,000 tons. With strong feed grain consumption in Korea expected again in 1985/86, demand for U.S. corn could be restored to more historical levels. U.S. corn shipments to Korea, which averaged 3.2 million tons the prior 3 years, have fallen to only 500,000 tons so far in 1984/85, displaced by the Australian feed wheat and Chinese corn.

Internal Price Policies of Foreign Countries

**URUGUAY: Current high prices for corn and sorghum are expected to encourage expanded production in the coming season. In dollar terms, prices received by Uruguayan farmers are up 24 percent for corn and 11 percent for sorghum over the previous year. A new domestic fructose plant, increased poultry production, and efforts to renew exports to Taiwan and Mexico all have stimulated demand for corn and sorghum. Uruguay is expected to export corn for the first time since 1978/79, and sorghum exports should equal the 1984/85 level of 120,000 tons.

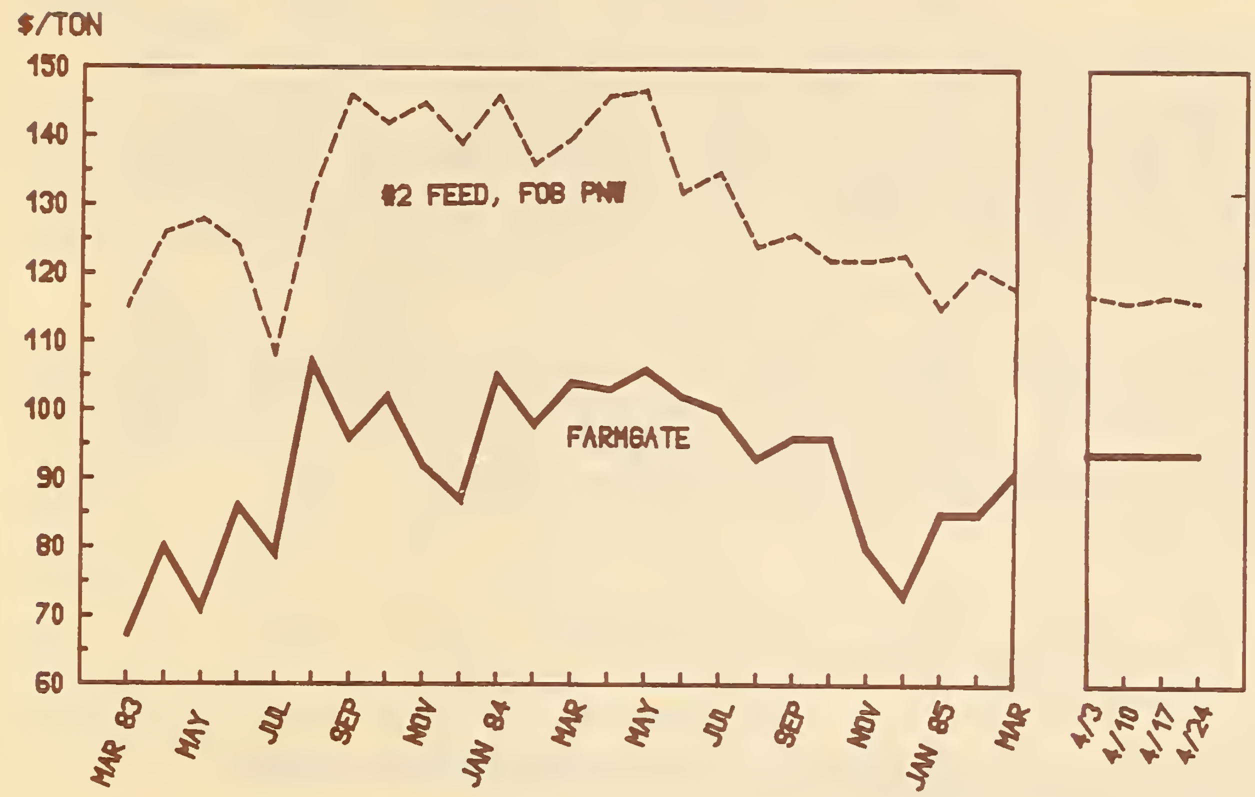
BARLEY, OATS AND RYE

U.S. EXPORTS OF BARLEY, OATS AND RYE
JUNE/MAY--1,000 TONS

Grain	1982/83	1983/84 1/	1984/85 2/
Barley	1,023	2,003	1,960
Oats	43	29	15
Rye	5	25	25

1/ Estimated.
2/ Projected.

U.S. FEED BARLEY PRICES
INTERIOR AND EXPORT POSITIONS



APR 83 TO APR 85 MID-MONTH   APR MID-WEEK PRICES

U.S. BARLEY EXPORTS BY DESTINATION
(JUNE/MAY--1,000 TONS)

Destination	1981/82	1982/83	1983/84 Total Exports	1983/84 Committed as of 4/19/84 1/	1984/85 Committed as of 4/18/85 1/
EC	301	122	360	350	105
Other W. Europe	472	226	441	529	354
Eastern Europe	111	--	126	126	--
Taiwan	373	146	223	223	259
Japan	336	119	372	372	314
Canada	128	--	--	--	--
Others	546	317	509	504	491
TOTAL	2,267	930	2,031	2,104	1,523

1/ Accumulated shipments and sales excluding sales for next marketing year.
SOURCE: U.S. Census for 1981/82-1982/83 and U.S. Export Sales for 1983/84-1984/85.

BARLEY SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(OCTOBER/SEPTEMBER--MILLION TONS)

4 Weeks Ending 1	U.S. 83/84	U.S. 84/85	CANADA 83/84	CANADA 84/85	FRANCE 2/ 83/84	FRANCE 2/ 84/85	U.K. 2/ 83/84	U.K. 2/ 84/85	TOTAL 83/84	TOTAL 84/85
January 24	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.7	0.6
February 21	0.1	#	0.3	0.2	0.1	0.1	0.1	0.2	0.6	0.7
March 21	0.1	#	0.3	0.1	#	N\A	0.2	N\A	0.6	N\A
April 24	0.2	#	0.4	0.2	#	N/A	0.2	N/A	0.8	N/A
Cum. Since Oct 1	1.4	1.1	2.4	1.4	0.4	0.7	0.8	1.1	5.0	3.7
Total For Season 3/	2.1	2.2	4.3	3.0	1.1	2.5	1.4	2.5	9.2	10.2

1/ Or closest date thereto.
2/ Excludes intra-EC trade; Cumulative reflects available data.
3/ Projection for 1984/85.
N/A Not available
Less than 50,000 tons.

Other Exporting Countries Selling Activity and Competitive Practices

**CANADA: Although barley production during the August-July 1984/85 marketing season was about the same as the previous year, domestic consumption and exports will decline sharply. Barley utilization will be substantially lower because of smaller increases in livestock production, and slow movement into eastern Canada, where plentiful corn supplies are available at competitive prices. Because of low beginning stocks, exports in 1984/85 are forecast to drop by 45 percent, to 3.1 million tons. Most of these barley exports have been committed to supply agreement signatories, and additional export sales will depend on the needs of the western livestock industry. A tight feed supply situation has developed there, and Canadian imports of U.S. barley (42,000 tons so far in 1984/85) have the potential of increasing during the summer months.

BEANS, PEAS, AND LENTILS

Other Exporting Countries Selling Activity and Competitive Practices

**CHILE: Mexico, through its importing agency CONASUPO, recently purchased 20,000 tons of black beans from Chile at $452 per ton, C&F. This brings total Mexican bean purchases in 1985 to about 70,000 tons--35,000 tons from Argentina, 32,000 tons from Chile, and 3,000 tons from the United States.

Competitive Developments in Selected Foreign Markets

**ARGENTINA: Dry bean production in 1985 is now forecast at 265,000 tons, compared to just 195,000 tons in 1984. This includes 160,000 tons of alubia beans, 80,000 tons of black beans, 20,000 tons of red beans, and 5,000 tons of other varieties. Total export commitments of new crop black beans to Mexico, Venezuela, and Cuba is reportedly near 70,000 tons.

U.S. Export Expansion Activities:

**GSM-102: As of mid-April, the following countries have allocations under the FY 1985 export credit guarantee program: Ecuador (lentils) $500,000; Honduras (dry beans) $1 million; and Iraq (dry beans and lentils) $11 million.

RICE

LATEST U.S. EXPORT FORECAST, SHIPMENT AND SALES 1/

Export Forecast. The forecast for U.S. exports in 1984/85 (August/July) was unchanged from last month at 2.0 million tons. The pace of new sales was sluggish as U.S. rice prices remained uncompetitive with rice from other origins.

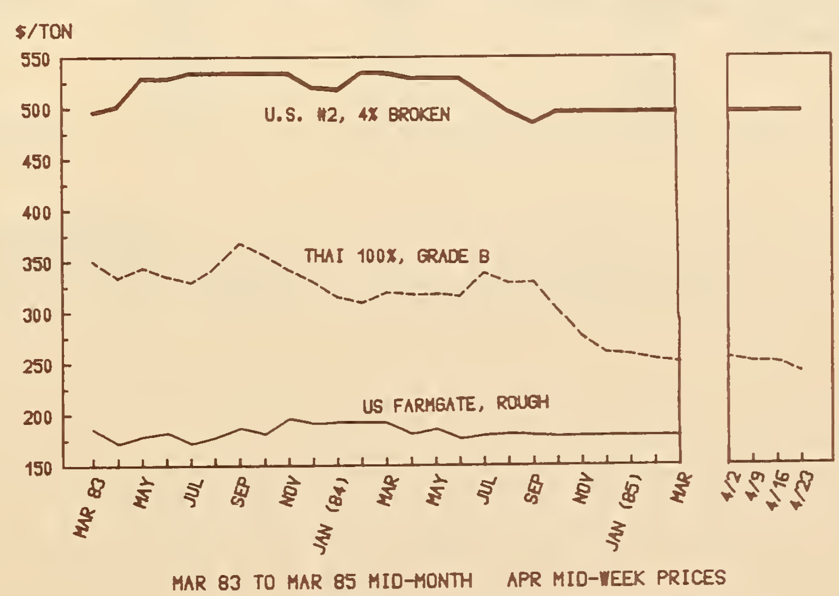
Shipments and Sales. U.S. rice exports for the 4-week period ending April 15 jumped sharply to 202,500 tons, well above the previous 4-week total of 109,900 tons. Major destinations included Iraq, Burkina Faso and Senegal. (The latter two shipments were comprised of rice sold under the African drought relief program.) Cumulative shipments through April 18 totaled 1.40 million tons, about 8 percent below the 1.52 million tons shipped during the same period one year ago. Export sales registrations for the 4-week period ending April 18 totaled only 80,100 tons, down sharply from the previous 4-week total of 128,100 tons. Total export commitments for 1984/85 delivery were 1.63 million tons, compared to the 1.86 million tons committed as of this date one year ago.

IMPORTER BUYING ACTIVITY

Reported buying activity was somewhat weaker this month, although the Philippines, Iran and Mauritania all made large purchases and the Soviet Union bought another 50,000 tons of Thai rice that is believed to be destined for Vietnam. In Europe there was reported interest in several lots of Thai rice which arrived in Rotterdam unsold and which are now being offered at large discounts. Interest is also being shown for new crop rice from Argentina and Uruguay, which reportedly is now being offered at more reasonable price levels than were seen earlier in the season.

1/ Shipments and sales are on a product basis.

RICE PRICES
US AND THAI C&F ROTTERDAM AND US FARM



RECENT RICE IMPORTER BUYING ACTIVITY
REPORTED BETWEEN MARCH 28 AND APRIL 26, 1985

Buyer	Origin	Quantity 1,000 Tons	Quality 1/	Price $/MT 2/	Delivery Period	Date of Report
Cameroon	Thailand	3.0	P 5%	N/A	N/A	4/26
Indonesia	Thailand	5.0	5% Gl	N/A	N/A	4/26
Iran	Thailand	14.3	100% B	N/A	N/A	4/26
	Surinam	40.0	N/A	260	Apr/Dec	4/19
Italy	U.S.	10.2	MG, B	N/A	N/A	Various
Jamaica	U.S.	3.7	#5/10% B, LG	282 3/	Apr/May	4/4
Malaysia	Burma	40.0	5%	212-217 4/	Jul/Dec	4/2
Maldives	Thailand	1.0	P 100%	N/A	N/A	3/29
Mauritania	Thailand	45.0	A-1 Spec	162	Aug-Nov-Feb	3/29
	Thailand	1.0	100% B	N/A	Aug	3/29
Philippines	Thailand	30.0	A-1 S	172 4/	May/Jun	4/26
	Thailand	45.0	55%	182 4/	May/Jul	4/26
	China	40.0	35%	175 4/	Apr/May	4/26
Saudi Arabia	U.S.	16.3	N/A	N/A	N/A	Various
	Thailand	4.0	P 100%	N/A	N/A	3/29
Somalia	U.S.	4.2	#5/20% MG	307-311 3/	May/Jun	4/25
	U.S.	3.2	#5/20% LG	323 3/	May/Jun	4/25
South Africa	U.S.	14.4	#2/4% LG	N/A	N/A	4/3
Togo	Thailand	10.0	35%	N/A	N/A	4/10
USSR/Vietnam	Thailand	50.0	A-1 Spec	156	May/Jul	4/17
Yemen, P.D.R.	Thailand	3.0	P 100%	N/A	N/A	4/26
N/A	Thailand	10.0	35%	171	Apr	3/29

1/ P = Parboiled, LG = Long Grain, MG = Medium Grain, SG = Short Grain, B/ = Brown, F = Fragrant, L/Bld = Long, Boiled, F/Bld = Full Boiled
2/ F.O.B. basis unless otherwise indicated. Price information is in many cases unconfirmed and as reported through unofficial market sources.
3/ F.A.S., (U.S. PL-480 sale)
4/ C&F
N/A Not available.

U.S. RICE EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
FOR 1981/82-1983/84, AND AUGUST 1 THROUGH APRIL 18 for 1984/85
(AUGUST/JULY--1,000 TONS)

Destination	Marketing Year	Long Grain Milled	Long Grain Brown 2/	Other 1/ Milled	Other 1/ Brown 2/	Total Exports
EC 10	1981/82	2	310	56	192	560
	1982/83	1	214	15	--	230
	1983/84	29	192	2	70	293
	1984/85	10	189	6	98	303
Other W. Europe	1981/82	58	76	4	28	166
	1982/83	33	54	3	4	93
	1983/84	23	35	3	138	199
	1984/85	20	27	3	48	98
Iraq	1981/82	270	--	*	--	270
	1982/83	327	--	*	--	327
	1983/84	230	--	2	--	232
	1984/85	363	15	1	--	380
Saudi Arabia	1981/82	250	--	15	--	265
	1982/83	267	--	2	--	269
	1983/84	253	--	6	--	253
	1984/85	178	--	5	--	183
Other Middle East	1981/82	191	8	17	3	220
	1982/83	48	--	2	--	50
	1983/84	40	--	12	--	52
	1984/85	17	--	3	--	20
Republic of Korea	1981/82	--	--	*	339	339
	1982/83	--	--	*	213	213
	1983/84	--	--	*	112	112
	1984/85	--	--	--	--	--
Other Asia & Oceania	1981/82	4	--	38	--	43
	1982/83	2	--	129	--	132
	1983/84	3	--	140	--	143
	1984/85	3	--	97	--	100
Nigeria	1981/82	347	--	--	--	347
	1982/83	159	--	--	--	159
	1983/84	63	--	--	--	63
	1984/85	*	--	--	--	*
Other Africa	1981/82	116	117	84	4	320
	1982/83	148	110	153	4	414
	1983/84	95	150	136	--	381
	1984/85	85	49	192	--	326
W. Hemisphere	1981/82	129	25	12	15	181
	1982/83	137	23	86	38	284
	1983/84	156	24	109	14	303
	1984/85	118	31	11	19	180
Total 3/	1981/82	1,379	535	228	581	2,723
	1982/83	1,148	400	392	259	2,198
	1983/84	900	401	408	338	2,043
	1984/85	817	315	318	176	1,625

* Less than 500 tons.
1/ Includes medium, short, and mixed.
2/ Data not converted to a milled equivalency. Includes rough rice.
3/ Discrepancies due to rounding and changes to unknown destinations.
SOURCE: U.S. Export Sales

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

World rice prices remained at low levels, with little prospect of improvement in the near term. Thailand's Board of Trade (BOT) posted prices were raised by $5 per ton for all qualities over last month, but actual prices showed little or no change. As of April 25, BOT prices (FOB Bangkok) were $232 per ton for 100% B and $227 per ton for parboiled 5%. One year ago, BOT prices were $265 per ton for both 100% B and parboiled 5%.

US. EXPORT EXPANSION ACTIVITIES

GSM-102: As of April 25, the Commodity Credit Corporation (CCC) had available credit guarantees totaling $122.2 million. The outstanding credit lines were: Iraq (115.3 million), Jamaica (6.9 million) and Portugal (10.0 million).

PL-480: During the past month, Jamaica bought 3,700 tons of #5/20% long grain brown rice and Somalia bought 4,200 tons of #5/20% medium grain and 3,200 tons of #5/20% long grain. The following table outlines the current status of FY 1985 PL-480 Title I/III programs.

STATUS OF P.L. 480 TITLE I/III RICE PROGRAMS FOR FY 1985

Country	Allocation $Million	Agreement Signed	P.A. Issued	Tender Results: Date	TMT Purchased	Price $/MT FAS	Quality 1/
Completed							
Madagascar	9.0	X	X	12/28	42.1	258-264	MG
Jamaica	8.5	X	X	1/7	9.3	307-313	LG
Bangladesh	20.0	X	X	1/15	75.1	262-281	MG
Mozambique	2.0	X	X	2/5	9.1	274	MG
Morocco	5.0 2/	X	X	3/12	10.0	222	B,MG
Jamaica	3/	X	X	3/27	2.0	325	LG
	4/	X	X	4/3	3.7	282	B,LG
Somalia	5.0 5/	X	X	4/24	4.2	307-311	MG
					3.2	323	LG
Subtotal	51.0				158.7		
Pending							
Guinea	6.0						
Liberia	6.0						
Maldives	0.5						
Mauritius	1.5						
Mozambique	7.0	X					
Sierra Leone	3.0						
Yemen	5.0	X					
Subtotal	29.0						
Total	80.0						

1/ #5/20% unless otherwise indicated, P=Parboiled, MG=Medium Grain, and LG=Long Grain.
2/ Approx. $3.8 million balance remains from original allocation.
3/ Second round of purchases under $8.5 million allocation.
4/ Third round of purchases under $8.5 million allocation, approx. $2.9 million balance remains.
5/ Approx. $2.7 million balance remains from original allocation.

This circular was prepared by the Grain and Feed Division, Commodity Programs, FAS/USDA, Washington, D.C. 20250 Telephone (202) 447-2009.

U.S. WHEAT PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/BU)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/BU)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/BU)
Trigger Release Price	$200	$4.45	$200	$4.45	--	--
Target Price	$195	$4.30	$198	$4.38	$198	$4.38
Loan (Reserve)	$171	$3.65	$158	$3.30	--	--
National Loan	$171	$3.65	$158	$3.30	$158	$3.30
Season Average Producer Price	$167	$3.54	$160-162	$3.35-3.40	--	--
Current Farm Price	--	--	$162	$3.40 2/	--	--
Paid Diversion	$136	$2.70	$136	$2.70	$136	$2.70

1/ Estimated equivalent, adjusted from $/bushel at the farm level by including transportation and handling allowances of $1.00/bushel.

2/ ASCS 5-day moving average as of April 26, 1985.

U.S. CORN PROGRAMS

	1983 Program Equivalent Export Price 1/ ($/Ton)	1983 Program Farm Price ($/BU)	1984 Program Equivalent Export Price 1/ ($/Ton)	1984 Program Farm Price ($/BU)	1985 Program Equivalent Export Price 1/ ($/Ton)	1985 Program Farm Price ($/BU)
Trigger Release Price	$159	$3.25	$159	$3.25	--	--
Target Price	$144	$2.86	$151	$3.03	$151	$3.03
Season Average Producer Price	$157	$3.20	$134-$138	$2.60-$2.70	--	--
Current Farm Price	--	--	$136	$2.66 2/	--	--
National Loan	$136	$2.65	$132	$2.55	$132	$2.55
Loan (Reserve)	$136	$2.65	$132	$2.55	--	--
Paid Diversion	$91	$1.50	--	--	--	--

1/ Estimated equivalent, adjusted from $/bushel at the farm level by including transportation and handling allowances of $.80/bushel.

2/ ASCS 5-day moving average as of April 26, 1985.

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United States
Department of
Agriculture

Foreign
Agricultural
Service

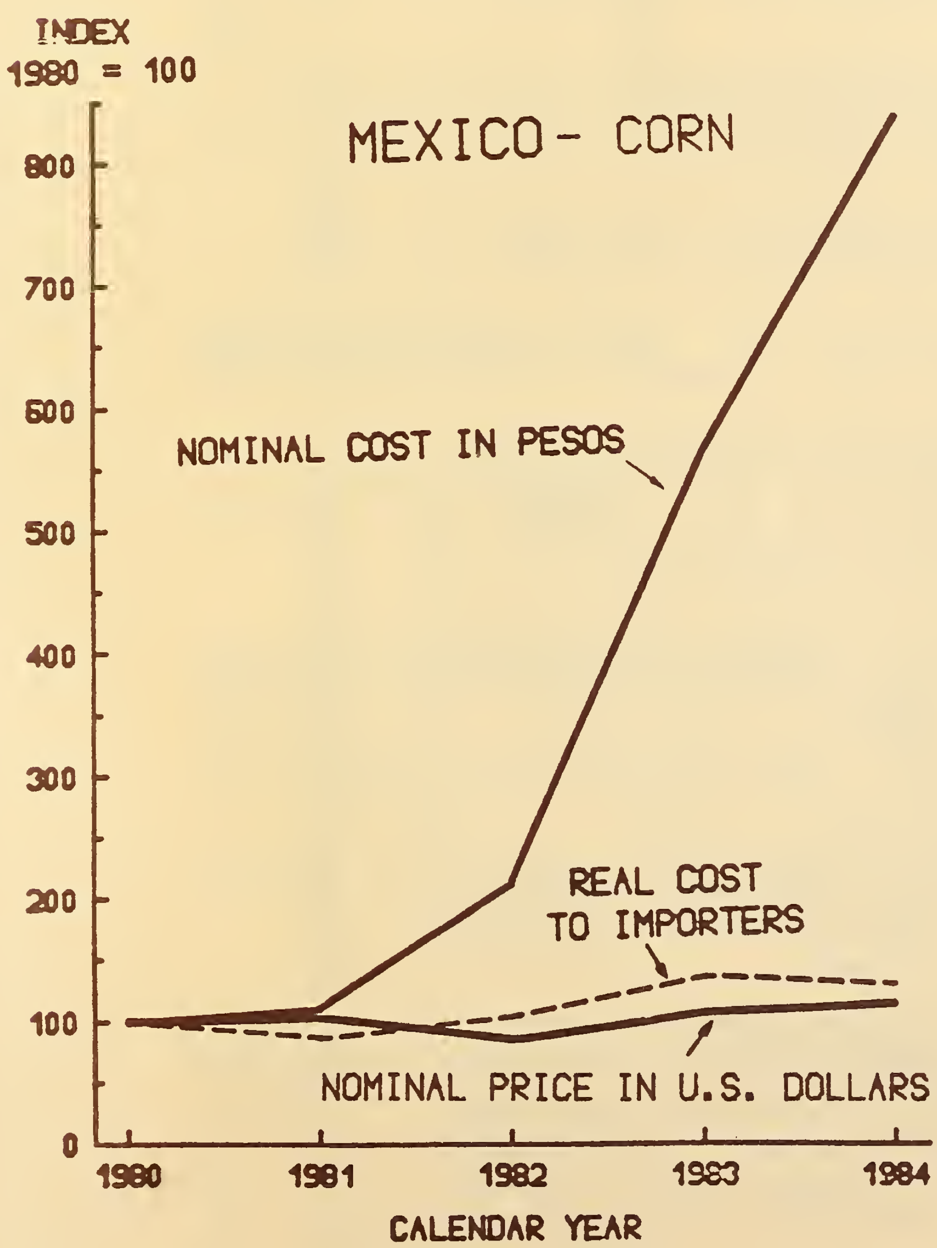
Foreign Agriculture Circular

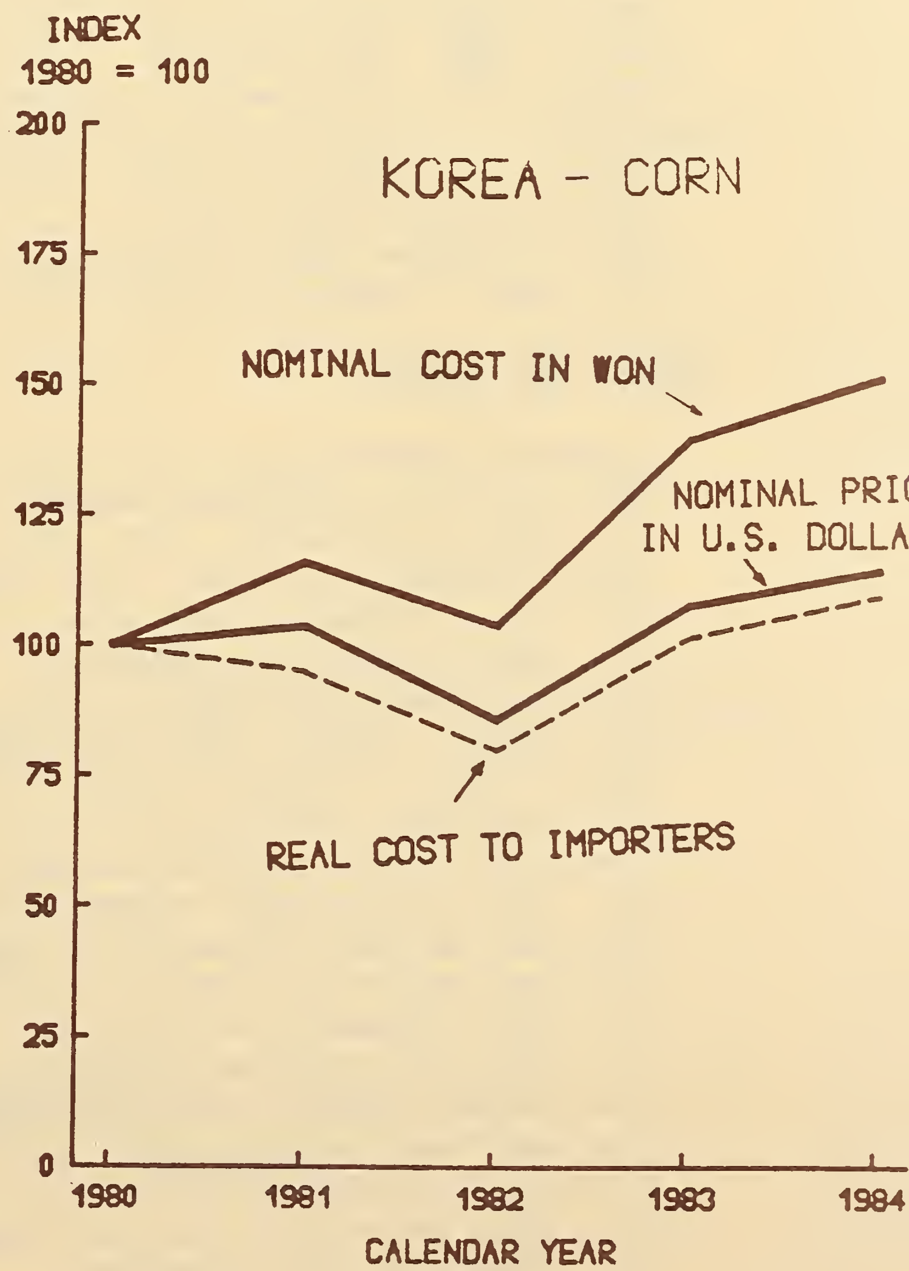
Grains

Export Markets for U.S. Grain and Products

EMG-3-85
March 1985

During the recent slackening of growth of world grain trade volume, the strength of the U.S. dollar has often been cited as a major contributing factor. Since most international grain transactions are U.S. dollar-denominated, it is true that the cost of grain to users in importing countries has increased very sharply in nominal terms, e.g., pesos per ton, etc... However, there has been some tendency to exaggerate this development, thus giving the currency factor disproportionately large importance relative to other causes of the slow-down of grain importation and usage in foreign countries. By citing some extremely misleading cases, for example, it has been suggested by some that since imported grain is currently costing buyers 400 or 600 or even 800 percent more than it did four or five years ago, any other purported cause of the grain trade slow-down becomes insignificant by comparison. In reality, however, sharp changes in exchange rates vis-a-vis the U.S. dollar have generally been accompanied by unusually high or run-away inflation rates which largely offset and in some cases exceed the change in exchange rate. As a result, the real cost of grain to users in importing countries has risen much less sharply than is indicated simply by the change in nominal exchange rates.





Approved by the World Agricultural Outlook Board - USDA

EXPORT MARKETS FOR U.S. GRAIN AND FEED COMMODITIES
March 29, 1985

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TABLES AND GRAPHS

COVER CHART

CORN PRICES TO MEXICO
All Prices Indexed 1980 = 100

Calendar Year	Nominal	Adjusted For Exchange Only	Adjusted For Exchange & Inflation
1980	100	100	100
1981	104	111	87
1982	86	213	105
1983	108	565	138
1984	115	837	130

CORN PRICES TO KOREA
All Prices Indexed 1980 = 100

Calendar Year	Nominal	Adjusted For Exchange Only	Adjusted For Exchange & Inflation
1980	100	100	100
1981	104	116	95
1982	86	104	80
1983	108	140	102
1984	115	152	110

Exchange Adjusted Price: The nominal corn price adjusted for fluctuations in the exchange rate, indexed so that 1980 = 100.

$$Price_{ex} = \left(\frac{XRATE_i}{XRATE_{by}} \right) C_{pr}$$

Exchange and Inflation Adjusted Price: The nominal corn price adjusted for exchange rate fluctuations and the countries' inflation. Standard exchange rates and the consumer price index (CPI) are used. This adjusted price is also indexed so that 1980 = 100.

$$Price_{ei} = \left(\frac{XRATE_i}{XRATE_{by}} \right) \left(\frac{CPI_{by}}{CPI_i} \right) C_{pr}$$

$Price_{ex}$ = exchange adjusted price
$Price_{ei}$ = exchange & inflation adjusted price
XRATE = exchange rate (par rate/market rate) expressed in foreign currency per U.S. dollar
CPI = consumer price index
i = time period
by = base year
C_{pr} = nominal corn price (FOB Gulf)

HIGHLIGHTS

Major developments affecting U.S. exports over the past month include:

--Taiwan will purchase 270,000 tons of wheat from the United States during an April buying mission.

--Bangladesh will import record amounts of wheat, and U.S. commercial sales there are expected to exceed 500,000 tons.

--Mexico's large feed wheat purchases from Australia are displacing purchases of U.S. coarse grains.

--Turkey's large purchases of non-U.S. wheat mean it might not use $70 million that remains in a GSM-102 credit line.

--Egypt tendered for 150,000 tons of U.S. corn for April delivery, perhaps as a result of loading delays in Argentina.

--Yugoslavia has extended its ban on corn exports, which could increase demand for U.S. corn from its customers.

--China sold corn to first-time markets such as South Africa and the Philippines.

--Loading delays at Argentina's deep-water port of Bahia Blanca, due to an elevator explosion, could shift some import demand to the United States.

--Soviet grain imports are now forecast at record levels for 1984/85, as are U.S. grain sales there.

The U.S. wheat export forecast was lowered this month, reflecting China's continued absence from world markets, the suspension of the blended credit program, and expected strong competition from southern hemisphere exporters. The U.S. coarse grain export forecast was also lowered, despite continued strong corn demand from the Soviet Union. Although the U.S. sorghum export pace has been brisk, 3 million tons of Chinese corn sold thus far to Korea and Japan alone is displacing U.S. coarse grain sales to those markets. Limited new sales and a slow export pace this month caused a slight reduction in the U.S. rice export forecast.

QUANTITY AND VALUE OF U.S GRAIN AND FEED COMMODITY EXPORTS
IN FISCAL YEAR 1985 AND COMPARISON WITH PRECEEDING YEAR

	JANUARY		CUMULATIVE OCT THRU JAN		ACTUAL EXPORTS	PROJECTED EXPORTS
	FY 84	FY 85	FY 84	FY 85	FY 84	FY 85
WHEAT (grain only)						
Quantity (1000 tons)	3221	2896	12654	12871	41700	37500
Value Per Ton (dollars)	160	153	162	152	156	150
Value (in million dollars)	516	444	2057	1961	6501	5625
CORN (grain only)						
Quantity (1000 tons)	4375	5278	17730	20654	47001	49100
Value Per Ton (dollars)	151	125	149	127	149	127
Value (in million dollars)	662	659	2639	2613	7022	6236
SORGHUM (grain only)						
Quantity (1000 tons)	682	735	2257	2876	6226	6985
Value Per Ton (dollars)	135	117	139	113	133	114
Value (in million dollars)	92	86	314	326	829	796
BARLEY, OATS, AND RYE (grain only)						
Quantity (1000 tons)	167	131	881	764	2074	2200
Value Per Ton (dollars)	132	148	134	132	134	125
Value (in million dollars)	22	16	118	99	277	275
TOTAL COARSE GRAINS (grain only)						
Quantity (1000 tons)	5224	6144	20868	24294	55301	58285
Value Per Ton (dollars)	148	124	147	125	147	125
Value (in million dollars)	776	761	3071	3038	8128	7307
RICE (grain only)						
Quantity (1000 tons)	139	123	689	590	2212	2000
Value Per Ton (dollars)	432	317	425	373	405	390
Value (in million dollars)	60	39	293	220	897	780
PULSES						
Quantity (1000 tons)	39	29	168	187	390	450
Value Per Ton (dollars)	487	448	470	465	451	450
Value (in million dollars)	19	13	79	87	176	200
FLOUR AND OTHER GRAIN PRODUCTS						
Quantity (1000 tons)	186	140	815	601	2642	2300
Value Per Ton (dollars)	226	257	204	246	214	200
Value (in million dollars)	42	36	166	148	565	560
FORAGE, HAY, MIXED FEED AND GRAIN BYPRODUCTS						
Quantity (1000 tons)	686	548	2296	2132	6845	6800
Value Per Ton (dollars)	176	155	176	158	170	160
Value (in million dollars)	121	85	405	338	1165	1090
TOTAL VOLUME (in thousand tons)	9495	9880	37490	40675	109089	109540
TOTAL VALUE (in million dollars)	1534	1378	6071	5792	17432	15562

SOURCE: US Census

WHEAT

LATEST U.S. EXPORT FORECAST, SHIPMENTS AND SALES

Export Forecast: As of mid-month, the U.S. wheat export forecast has been lowered to 39.4 million tons, down 700,000 tons from last month. The recent pace of sales has been slow, as many countries appear to be either buying from competitors or awaiting new crop U.S. wheat supplies. Suspension of the blended credit program will not help the U.S. competitive position vis a vis other exporters in credit-sensitive importing countries.

Shipments and Sales: U.S. wheat shipments in the four weeks ending March 21 were only 1.5 million tons--the lowest so far in the 1984/85 marketing year. Shipments to the Soviet Union continue to be extremely slow.

IMPORTER BUYING ACTIVITY

Japan, and the Philippines were again regular buyers of U.S. wheat this month, covering their import needs through May. Australia continued to aggressively sell its 1985 wheat crop to Asian customers, and France made substantial sales to Tunisia, Morocco, and Spain.

WHEAT AND FLOUR IMPORTER BUYING ACTIVITY
REPORTED BETWEEN FEBRUARY 27, 1985 AND MARCH 26, 1985

Date of Purchase	Buyer	Origin	Quantity (Tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
2/27	Sri Lanka	Austr.	50,000	PH	154.00 C&F	March
	Sri Lanka	France	50,000	Soft Wheat	135.00 C&F	March
	Japan	US	87,447	WW, HRW, HRS	?	Apr/May
	Japan	Canada	15,000	CWRS	?	April
	Philippines	US	50,000	HRS	167.53 FOB & 185.48 C&F	Mch/Apr
2/28	Egypt	US	52,627	Wheat flour	225.67 @ 232.59 FAS	April
3/1	Ecuador	US	31,000	HRW	166.42 C&F	Mch/Apr
	Zaire	US	12,500	HRW	144.39	March
	Israel	US	25,000	HRW	143.75 @ 143.85	April
3/4	Tunisia	France	100,000	Soft Wheat	128.00 @ 130.60 C&F	Mch/Apr
	Korea	US	32,000	WW, HRW, HRS	various	April
3/5	Philippines	US	25,000	WW	166.25 C&F	Mch/Apr
	Philippines	US	25,000	HRS	168.88	Mch/Apr
	Kenya	Austr.	30,000	ASW	?	Mch/Apr
3/6	Japan	US	89,341	WW, HRW, HRS	?	May
	Japan	Canada	15,500	CWRS	?	May
	Japan	Aust	33,000	ASW	?	May
	Morocco	France	130,000	Soft Wheat	126.50 @ 127.50 C&F	March
3/7	Spain	France	168,000	Wheat	137.60 @ 140.55 C&F	Mch/Apr
	Spain	Bulgaria	20,000	Wheat	136.55 C&F	Mch/Apr
3/8	Portugal	US	30,000	HRW	146.24	April
	Dom. Republic	US	18,000	HRW, HRS	various	March
	Peru	Argentina	100,000	Wheat	117.00	Mch/May
3/12	Yemen	Austr.	25,000	ASW	?	May
	Yemen	Canada	25,000	Soft Wheat	?	May
	Morocco	US	73,270	SRW	136.38	?
3/13	Japan	US	105,794	WW, HRW, HRS	?	May
	Japan	Canada	31,300	CWRS, CWAD	?	May
	Zaire	US	12,500	HRW	143.97	Mch/Apr
	Philippines	US	25,000	HRS	170.33	April
3/14	Cyprus	Bulgaria	12,000	Soft Wheat	127.35 C&F	April
3/15	Egypt	US	213,000	SRW, WW	136.30 @ 144.40	Mch/Apr
3/19	El Salvador	US	58,000	HRW, HRS, SRW	various	Apr/Jul
3/20	Japan	US	92,041	WW, HRW, HRS	?	May
	Japan	Canada	34,500	CWRS	?	May
	Japan	Austr.	17,000	ASW	?	May
	Brazil	US	66,000	HRW	138.98 @ 139.24	Jul/Aug
	Indonesia	US	129,700	HRS, WW	various	Apr/May
3/22	Philippines	US	25,000	HRS	170.75	April
3/26	Honduras	US	66,750	SRW, HRW, HRS	various	Apr/Aug

1/ HRW=Hard Red Winter, HRS=Hard Red Spring, SRW=Soft Red Winter, HAD=Hard Amber Durum, WW=Western White ASW=Austrailian Soft White, CWRS=Canadian Western Red Spring, PH=Australian Prime Hard
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

MARKET OPPORTUNITIES

****YUGOSLAVIA:** Despite an excellent 1984 wheat crop of 5.6 million tons, increased use of wheat as feed in drought-affected areas and exports out of the Vojvodina republic will result in import requirements of approximately 300,000 tons this spring. A smaller wheat crop in 1985 is expected, and Yugoslavia may decide to import even larger quantities to maintain adequate stocks. Since each republic must provide scarce foreign exchange for wheat imports, barter arrangements are popular, but the deciding factor for wheat imports in 1985 will most likely be availability of short-term credit.

****TAIWAN:** Taiwan announced it would purchase 270,000 tons of U.S. wheat during its planned buying mission here in April. If the wheat is shipped before the end of July, U.S. exports to Taiwan in the current wheat marketing year could easily exceed the current forecast of 710,000 tons. Taiwan's wheat imports from the U.S. have averaged 600,000 tons over the past five years.

DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries Selling Activity and Competitive Practices

****ARGENTINA:** Peru has agreed in principle to give priority to Argentine wheat and purchase (depending on supplies and prices) up to 700,000 tons annually for the next 4 years. It is understood not to be a binding agreement, merely a statement of intent. Peruvian wheat imports from Argentina in 1985 will equal at least 400,000 tons, and could exceed 700,000 tons if credit offered by Argentina is utilized. Peru is expected to import 980,000 tons of wheat in July-June 1984/85, and since a P.L. 480 agreement will supply about 120,000 tons, a minimum of 140,000 tons of Peru's 1984/85 wheat requirements remains to be purchased.

****TURKEY:** The recently concluded trade agreement with the USSR calls for Turkish grain exports during the years 1986-1990. The proposed volume of grain exports is to begin at 100,000 tons in 1986, and increase yearly to 1.5 million tons in 1990. However, Turkey is also expected to remain a grain importer for the immediate future, so it appears unlikely the export volumes stated in the agreement will be reached.

Competitive Developments In Selected Foreign Markets

****TAIWAN:** As a result of a growing surplus of rice, authorities in Taiwan are considering holding future wheat imports at current levels to encourage rice consumption. Wheat imports are controlled through yearly quotas issued to flour millers by the Board of Foreign Trade (BOFT). The 1985 quota has been set at 500,000 tons. U.S. wheat exports to Taiwan later in 1985 (about 700,000 tons in July-June 1984/85) could be adversely affected by the BOFT decision, as could be any wheat purchases made from Uruguay under the recently negotiated supply agreement.

**<u>BANGLADESH</u>: The U.S. share of the growing Bangladesh wheat market is expected to exceed 40 percent this year, and U.S. commercial sales under GSM-102 could exceed 500,000 tons. Wheat imports during July-June 1984/85 are forecast at a record 2.2 million tons. The record level of wheat imports in 1984/85 is partially due to food shortages caused by a series of floods early in the year. A repeat of this record level of wheat imports probably will not take place in 1985/86 due to expected improvements in rice supplies. Australia is the major U.S. competitor in Bangladesh, whose commercial purchases are expected to continue to come from the cheapest source.

**<u>MOROCCO</u>: Since last month's decision to purchase 250,000 tons of wheat under COFACE Credit, Moroccan and French banks have been negotiating the $15 million Morocco has in arrears from 1983. Delivery is being delayed on sales of 130,000 tons under the current credit line from France and with USDA's Blended Credit program being suspended, Moroccan wheat stocks could be drawn down sharply this summer. The balance of French credit covering approximately 120,000 tons was to be used this month, but it now appears that agreement will have to be reached on Moroccan arrearages before exporters are willing to make additional sales.

**<u>MEXICO</u>: Large feed wheat purchases are having a negative impact on U.S. coarse grain exports to Mexico. Wheat used as feed is forecast at a record 800,000 tons in July-June 1984/85, an increase of one-third over the previous year. Purchases of feed wheat from Australia that now total approximately 240,000 tons will be delivered through September. Mexico has found this feed wheat competitively priced with sorghum, and it is replacing sorghum to some extent in feed rations. It is expected that Mexico will continue to buy feed wheat if the current price relationships are maintained.

**<u>PAKISTAN</u>: The U.S. share of Pakistan's wheat market is expected to be remain about one-half in the coming year, despite expectations that imports will be sharply lower. An increase in forecast production will probably more than offset a consumption increase due to population growth and allow stocks to rebuild. Because of a short crop in 1984, Pakistan imported 1 million tons of wheat on commercial terms for the first time in 4 years. In coming years, Pakistan will most likely purchase wheat on commercial terms when its crop cannot meet domestic consumption requirements.

**<u>TURKEY</u>: Although the expected level of U.S. wheat exports to Turkey of 500,000 tons in July-June 1984/85 should be met, our market share is now one-third below last year's. Despite an unused GSM-102 credit line of $70 million for about 475,000 tons of wheat, Turkey is filling its import needs from non-U.S. sources. One February wheat tender by the Turkish Soil Products Office (TMO) was rescheduled due to U.S. offers being $35 per ton higher than other origins. At a second tender last month, the TMO purchased 200,000 tons of Argentine and 100,000 tons of European Community wheat, which brings their total wheat imports in the current marketing year (June-May) to over 1 million tons.

**INDONESIA: The U.S. share in the declining Indonesian wheat market increased slightly in 1984 over the previous year, despite aggressive marketing by Australia, Argentina, and Canada. As a result of high flour prices and plentiful supplies of rice, consumption of wheat-based foods declined in CY 1984, after steadily increasing for years. Wheat imports in CY 1984 declined 16 percent from the previous year, and a further drop of 10 percent is forecast for 1985. Stocks of wheat have reached record levels, and with current price relationships favoring increased rice consumption, further erosion in demand is expected.

**GREECE: As a result of a 60 percent increase in durum wheat production in 1984 and lower exports, Greece will carry record beginning stocks into the July-June 1985/86 marketing year. Exports of only 417,000 tons of durum wheat (including semolina) during the current marketing year are mostly intra-EC trade. Record stocks of over 200,000 tons (60 percent of total annual domestic consumption) will pressure Greek durum exports next year, especially if the trend of increasing durum yields continues. Exports in 1985/86 are expected to approach record levels.

Internal Price Policies of Foreign Countries

**POLAND: On March 1, the Polish Government simultaneously raised prices of flour and cereal products and ended rationing except for semolina. Adequate supplies of domestic grain, supplemented by imports, have built stocks to a sufficient level so that rationing is no longer required. Average retail prices for flour will rise by 42 percent and the cost of bread will rise by one-third. Despite the price hikes, consumption of cereal-based foods is expected to remain strong, and mill expansion will allow an additional 150,000 tons of grain to be processed this year. This is the first of three scheduled retail price increases in Poland. Polish wheat imports during July-June 1984/85 are forecast at 2.1 million tons; a surge in consumption due to the end of rationing could cause an increase in demand and higher imports.

US WHEAT SHIPMENTS, SALES, AND INSEPCTIONS 1/
(JUNE/MAY--MILLION TONS)

Monthly Shipments			Weekly and Annual Inspection Rates	Million MT	Million BU
4 Weeks Ending	1983/84	1984/85		MT	BU
Dec. 20	3.4	2.8	Week Ending March 14............	0.4	13.1
Jan. 24	3.5	3.2	Week Ending March 21............	0.3	12.2
Feb. 21	2.9	2.3			
Mar. 21	2.5	1.5	Official Estimate for Current MY		
Cumulative for MY......	28.8	32.1	(Grain only)......................	37.7	1385
			Implied Weekly Average..........	0.7	26.6
Monthly Sales 2/					
			Latest Six Weeks		
4 Weeks Ending	1983/84	1984/85	Weekly Average..................	0.4	15.8
Dec. 20	3.1	1.1	Marketing Year-To-Date		
Jan. 24	3.3	1.4	Weekly Average..................	0.8	28.8
Feb. 21	3.1	1.2	Weekly Avg. Extrapolated Annually	40.8	1499
Mar. 21	1.9	1.5			
Cumulative for MY.......	34.9	35.4	Balance of Year to Achieve Estimate		
			Implied Weekly Average..........	0.5	17.4

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.

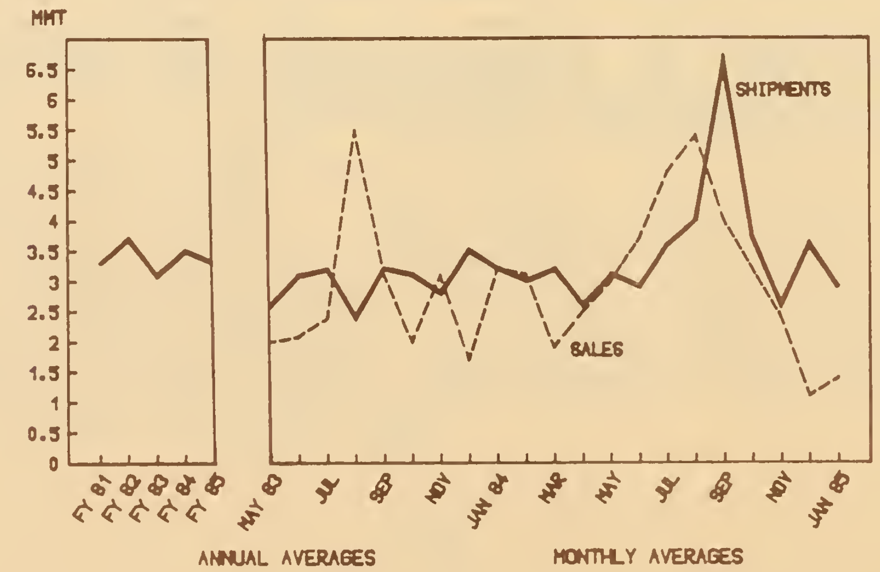
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.

WHEAT SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(JULY-JUNE--MILLION TONS)

4 Weeks Ending 1/	Canada 83/84	Canada 84/85	Australia 83/84	Australia 84/85	Argentina 83/84	Argentina 84/85	France 83/84	France 84/85	Total 83/84	Total 84/85
December 20	1.3	1.0	.9	1.1	.7	.2	1.1	1.0	4.0	3.3
January 24	.9	.6	1.6	1.1	1.7	1.5	.8	1.0	5.0	4.2
February 21	.8	.7	1.5	1.0	1.9	N/A	.8	N/A	5.0	N/A
March 21	1.0	.6	1.5	1.4	1.4	1.6	1.0	1.0	4.9	4.6
Cumulative Since July 1	14.3	13.4	7.8	10.5	8.1	4.8	7.8	8.7	38.0	37.4
Total for Season 3/	21.8	17.2	11.6	15.3	9.6	7.5	10.0	11.0	53.0	51.4

1/ Or nearest date thereto.
2/ Excludes intra-EC trade.
3/ Projection for 1984/85.

U.S. WHEAT SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM MAY 1983 - DECEMBER 1984

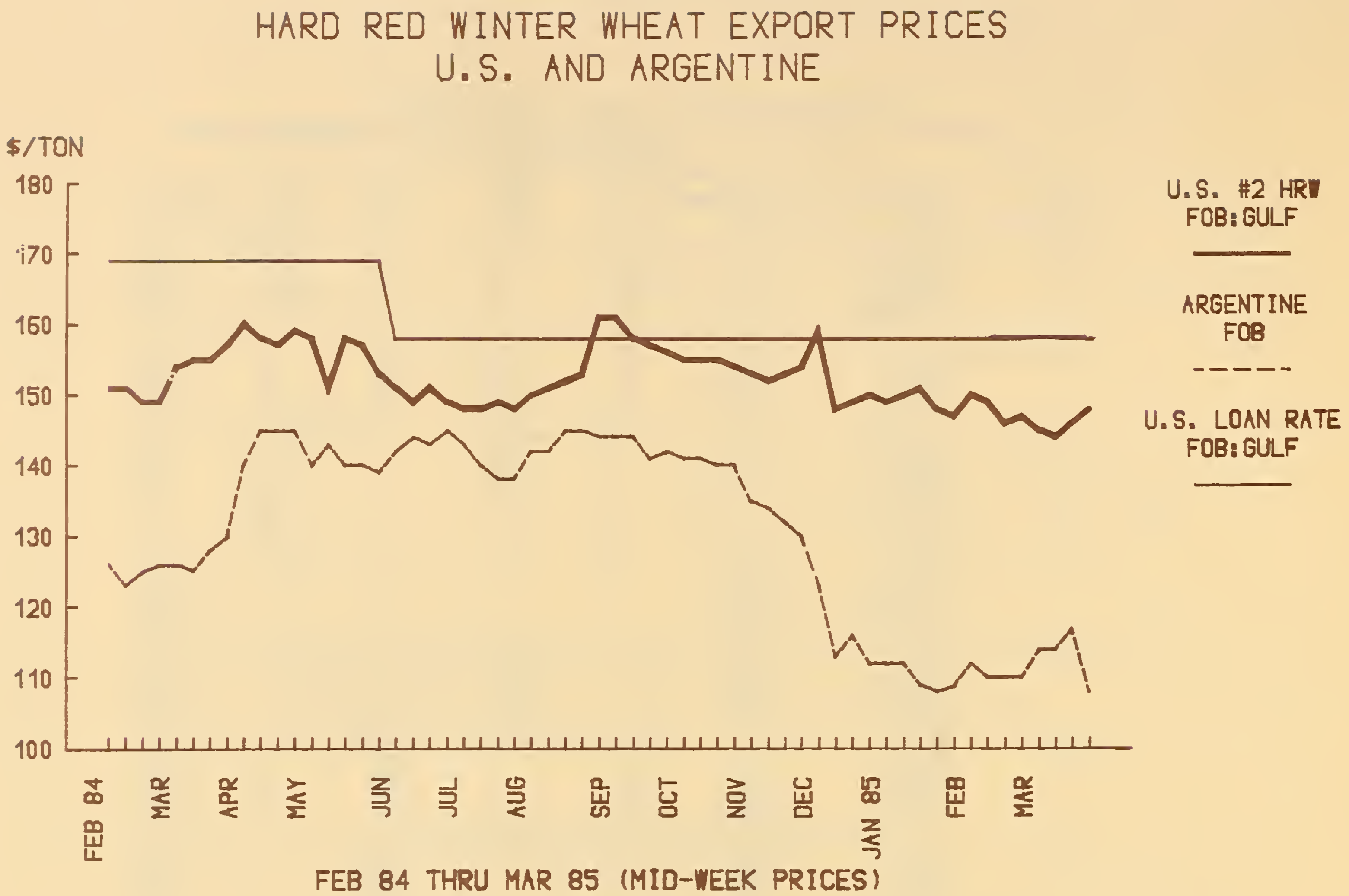


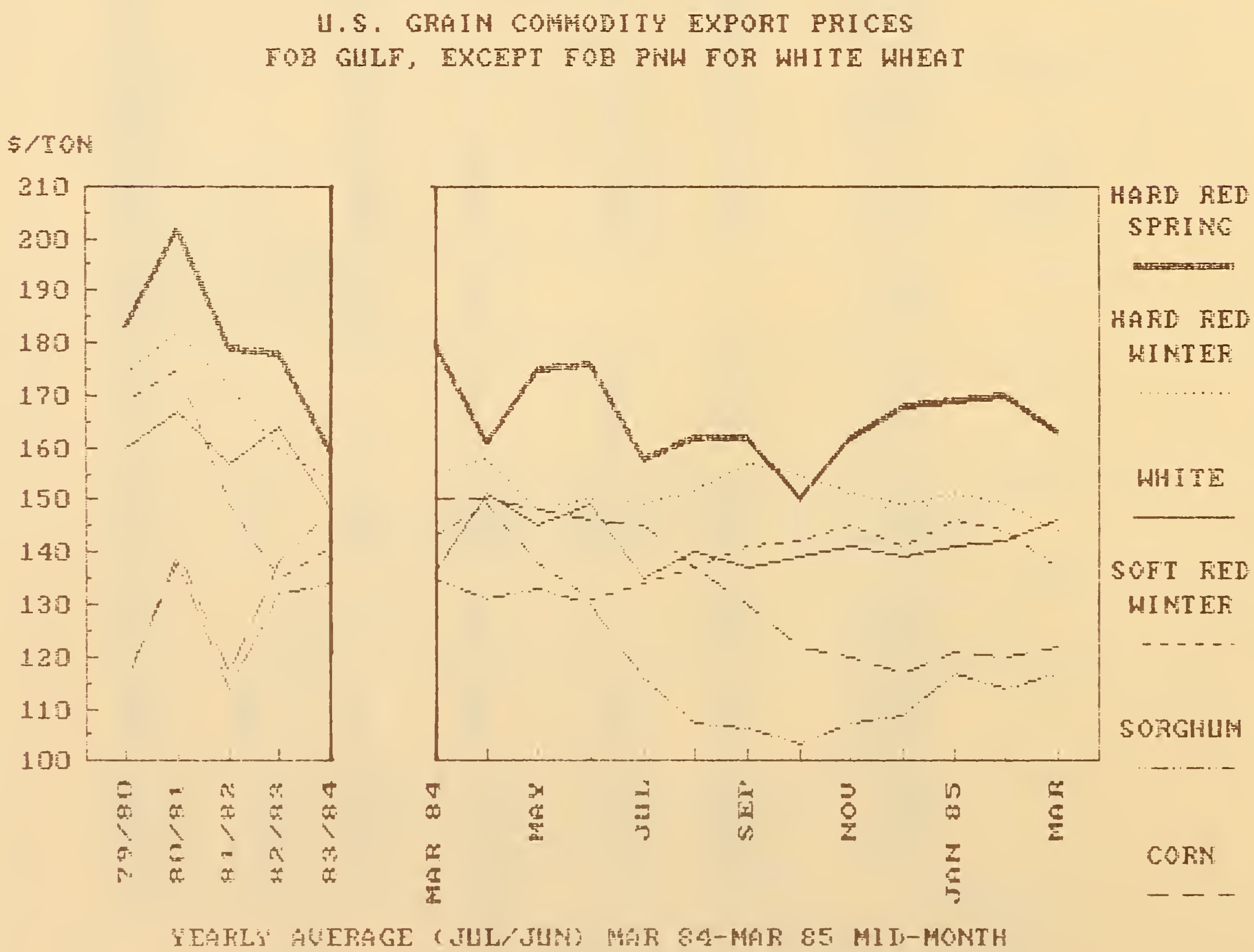
U.S. WHEAT EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
TOTAL EXPORTS FOR 1982/83-1983/84; COMMITMENTS TO DATE FOR 1984/85 WITH COMPARISON TO 1983/84
(JUNE/MAY--1,000 TONS)

Destination	Marketing Year	Hard Red Winter	Hard Red Spring	Soft Red	All White	Durum	Total Exports
EC-10	1982/83	3	1,162	35	53	495	1,748
	1983/84	3	1,218	2	--	263	1,486
	1983/84*	3	1,082	8	--	247	1,340
	1984/85**	--	665	8	--	174	847
Other W. Europe	1982/83	343	95	289	4	7	738
	1983/84	795	32	411	16	49	1,303
	1983/84*	866	21	379	15	31	1,312
	1984/85**	512	60	632	--	35	1,239
Eastern Europe	1982/83	--	--	122	--	74	196
	1983/84	--	--	283	--	72	355
	1983/84*	--	--	281	--	72	353
	1984/85**	--	--	--	--	65	65
USSR	1982/83	3,374	--	--	--	--	3,374
	1983/84	4,141	--	--	--	--	4,141
	1983/84*	4,203	--	--	--	--	4,203
	1984/85**	6,339	--	--	--	--	6,339
China	1982/83	386	--	4,938	--	--	5,324
	1983/84	1,368	--	1,549	--	--	2,917
	1983/84*	1,306	--	1,566	--	--	2,872
	1984/85**	105	--	2,723	--	--	2,828
Japan	1982/83	1,266	987	20	1,049	--	3,322
	1983/84	1,287	1,010	--	1,126	12	3,435
	1983/84*	1,226	981	--	1,103	9	3,319
	1984/85**	1,263	993	--	981	9	3,246
India	1982/83	2,480	--	--	1,405	--	3,885
	1983/84	198	--	--	968	--	1,166
	1983/84*	198	--	--	968	--	1,166
	1984/85**	--	--	--	--	--	0
Taiwan	1982/83	309	195	--	170	--	674
	1983/84	245	185	--	130	--	560
	1983/84*	288	178	--	123	--	589
	1984/85**	300	210	--	145	--	655
Rep. of Korea	1982/83	605	162	--	990	--	1,757
	1983/84	649	221	2	1,179	--	2,051
	1983/84*	630	209	2	1,144	--	1,985
	1984/85**	587	200	--	976	--	1,763
Other Asia, Middle East, and Oceania	1982/83	2,554	1,858	833	568	1	5,814
	1983/84	2,288	1,232	258	1,222	21	5,021
	1983/84*	2,352	1,254	258	1,200	21	5,085
	1984/85**	2,166	860	178	1,491	--	4,695
Egypt	1982/83	--	--	397	1,331	--	1,728
	1983/84	--	--	539	807	--	1,346
	1983/84*	--	--	530	656	--	1,186
	1984/85**	25	--	404	1,201	--	1,630
Nigeria	1982/83	918	242	81	--	--	1,241
	1983/84	1,278	265	88	--	--	1,631
	1983/84*	1,084	258	69	--	--	1,411
	1984/85**	1,089	197	91	--	--	1,377
Other Africa	1982/83	611	95	1,086	--	666	2,458
	1983/84	471	7	1,876	45	844	3,243
	1983/84*	451	5	1,757	3	801	3,017
	1984/85**	426	26	2,381	28	771	3,632
Brazil	1982/83	2,113	--	--	--	--	2,113
	1983/84	2,181	--	66	--	--	2,247
	1983/84*	2,210	--	66	--	--	2,276
	1984/85**	3,089	--	67	--	--	3,156
Other W. Hemis.	1982/83	2,172	1,464	559	8	271	4,474
	1983/84	2,223	1,477	514	48	296	4,558
	1983/84*	2,053	1,503	518	46	307	4,427
	1984/85**	1,943	1,295	401	158	264	4,061
Total 1/	1982/83	16,881	6,065	8,360	5,408	1,514	38,228
	1983/84	17,128	5,647	5,593	5,541	1,556	35,465
	1983/84*	16,938	5,614	5,462	5,245	1,503	34,762
	1984/85**	17,805	4,529	6,494	4,984	1,406	35,218
MY Projection 2/		20,684	5,035	6,804	5,307	1,633	39,463

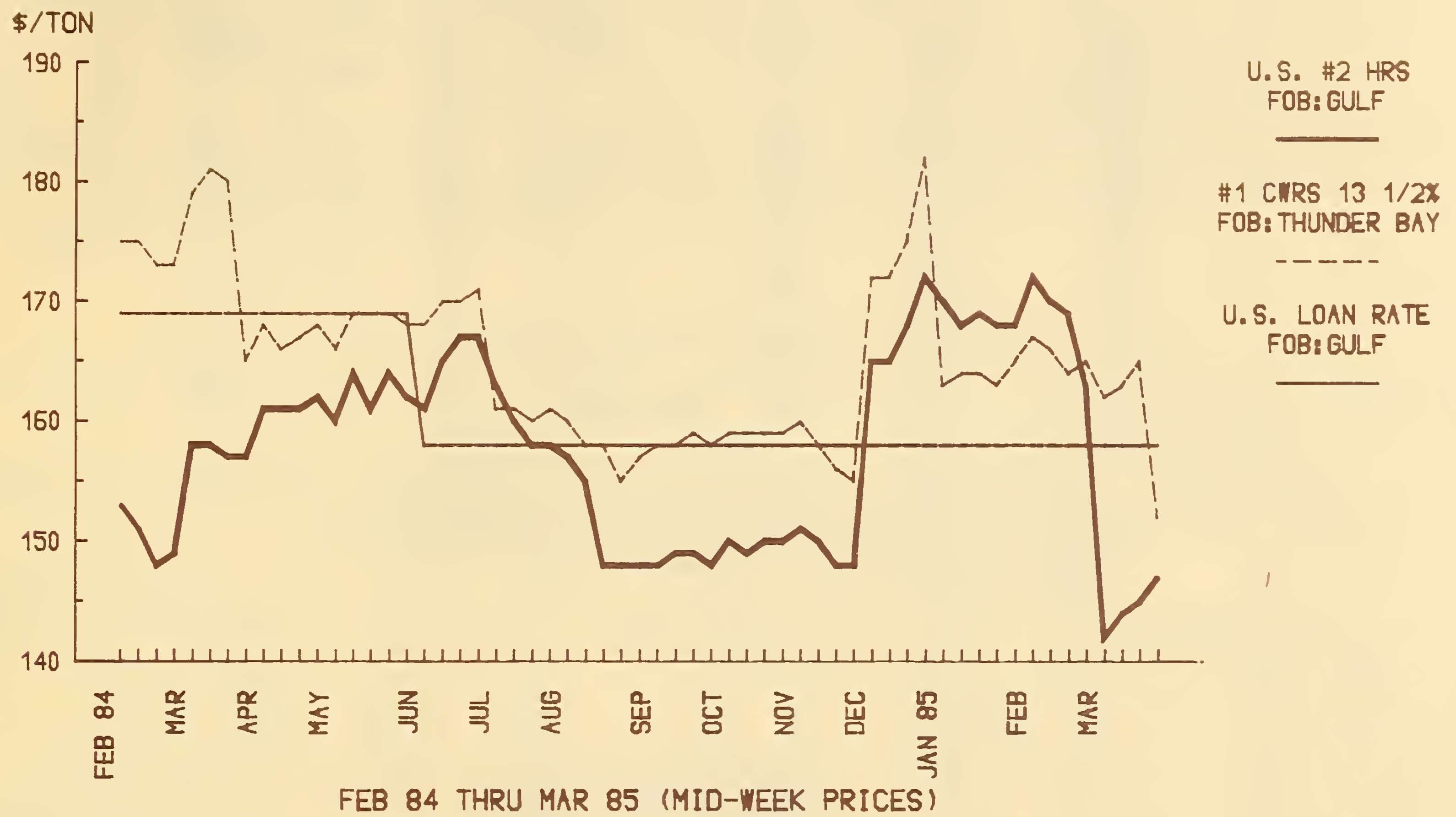
1/ Discrepancies due to rounding and sales to unknown destination.
2/ Projection for 1984/85, including flour and products
* Sales plus accumulated exports as of March 22, 1984, excluding sales for next marketing year.
** Sales plus accumulated exports as of March 21, 1985, excluding sales for next marketing year.

Source: U.S. Export Sales Report

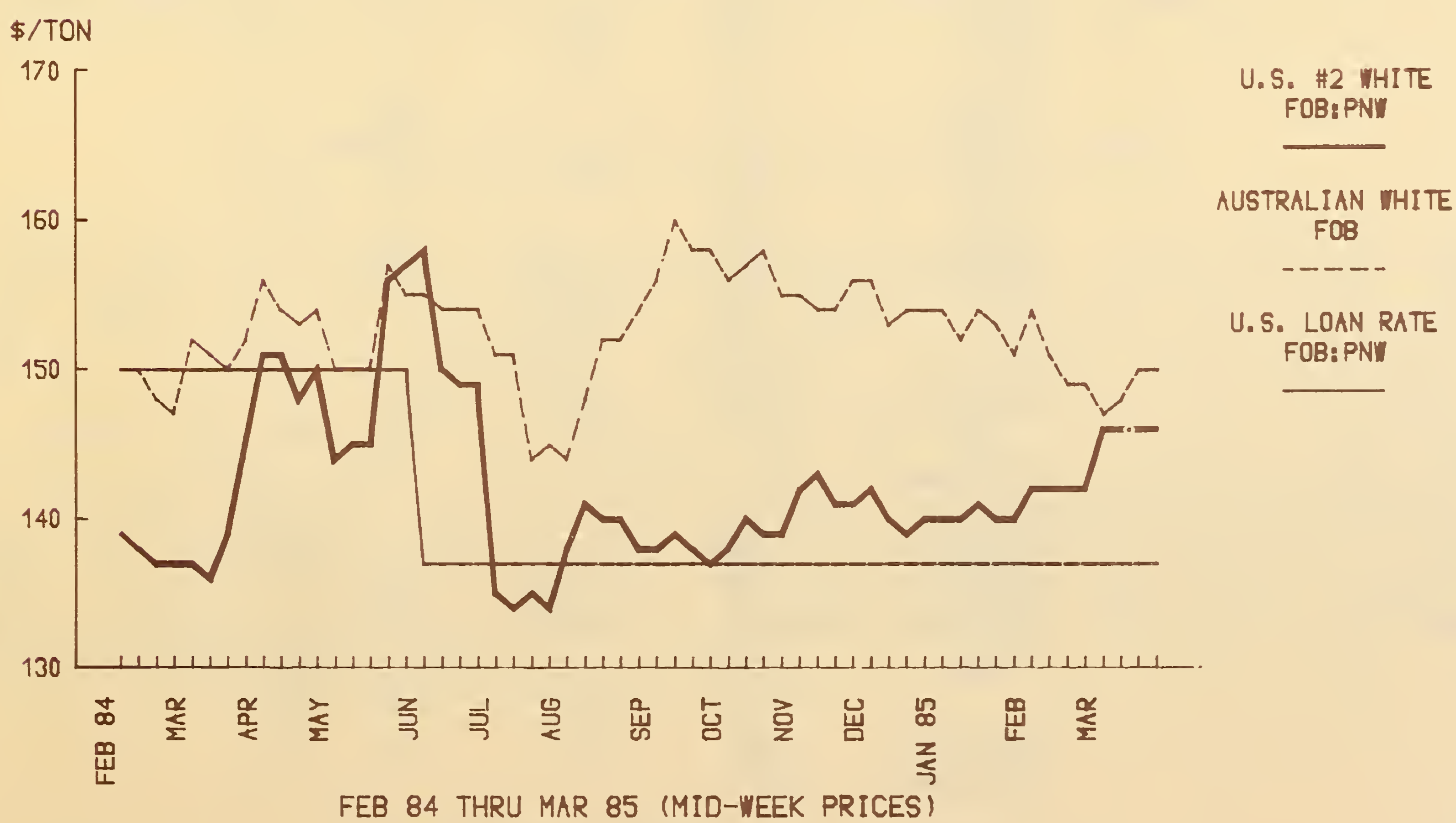

HARD RED WINTER WHEAT EXPORT PRICES
U.S. AND ARGENTINE
$/TON
180
170
160
150
140
130
120
110
100
U.S. #2 HRW
FOB: GULF
ARGENTINE
FOB
U.S. LOAN RATE
FOB: GULF
FEB 84
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
JAN 85
FEB
MAR
FEB 84 THRU MAR 85 (MID-WEEK PRICES)


U.S. GRAIN COMMODITY EXPORT PRICES
FOB GULF, EXCEPT FOB PNW FOR WHITE WHEAT
$/TON
210
200
190
180
170
160
150
140
130
120
110
100
HARD RED SPRING
HARD RED WINTER
WHITE
SOFT RED WINTER
SORGHUM
CORN
79/80
80/81
81/82
82/83
83/84
MAR 84
MAY
JUL
SEP
NOV
JAN 85
MAR
YEARLY AVERAGE (JUL/JUN) MAR 84-MAR 85 MID-MONTH

HARD RED SPRING WHEAT EXPORT PRICES U.S. AND CANADIAN



WHITE WHEAT EXPORT PRICES U.S. AND AUSTRALIAN



**CCC Credit

U.S. WHEAT/FLOUR TRADE WITH SELECTED COUNTRIES UNDER CCC GUARANTEE PROGRAMS

	FY 1984		FY 1985		
	TOTAL Exports	Estimated Exports Under CCC Programs	Announced	Approved	Estimated Quality Yet To Be Purchased
	-------1000 tons------		--Million Dollars--		----1,000 tons----
Bangladesh	362.0	300.0	60.0	29.0	207.0
Brazil	2,097.0	2,914.0 1/	500.0	191.4	2,057.0
Chile	860.0	567.0	100.0	0.0	666.0
Colombia	531.0	566.0 1/	80.0	28.7	342.0
Costa Rica	124.0	--	--	--	--
Dominican Rep.	151.0	106.0	--	--	--
Ecuador	357.0	457.0 1/	52.0	14.7	249.0
Egypt	2,073.0	526.0	136.0	0.0	906.0
Guatemala	109.0	138.0	13.0	2.8	68.0
Haiti	107.0	33.0	7.5	1.9	37.0
Iraq	952.0	1,225.0 1/	190.0	88.5	677.0
Jamaica	112.0	100.0	--	--	--
Korea	1,798.0	864.0	110.0	76.8	221.0
Morocco	1,849.0	2,245.0 1/	250.0	0.0	1,667.0
Nigeria	1,372.0	--	--	--	--
Peru	642.0	507.0	--	--	--
Philippines	572.0	637.0 1/	120.0	--	800.0
Portugal	720.0	2,780.0 1/ 2/	117.0	36.8	535.0
Tunisia	430.0	691.0	120.0	--	750.0
Turkey	591.0	500.0	81.0	10.1	473.0
Yemen	86.0	--	--	--	--
TOTAL	15,895.0	15,156.0	1,936.5	480.7	9655.0

* Includes GSM-102, GSM-5, and Blended Credit, as of March 15, 1985.
1/ Exports under CCC programs exceed total FY 84 because some of the estimated shipments may have actually moved after September 30, 1984.
2/ Wheat or feed grains

**PL-480

FY 1985 PUBLIC LAW TITLE I/III COUNTRY AND COMMODITY ALLOCATIONS (1000 Tons Grain Equivalent)

Country	Million-Total	Wheat/Flour	Rice	Feedgrains
$805 or Less Per Capita GNP				
Bangladesh	92.0	338.0	67.0	--
Bolivia	20.0	130.0	--	--
Egypt	225.0	1,448.0 1/	--	--
El Salvador	44.0	138.0	--	--
Ghana	6.0	--	--	--
Guinea	6.0	--	21.0	--
Haiti	15.0	94.0	--	--
Honduras	15.0	95.0	--	--
Indonesia	40.0	250.0	--	--
Kenya	10.0	66.0	--	--
Liberia	16.0	--	46.0	--
Madagascar	11.0	--	39.0	--
Maldives	1.5	4.0 1/	2.0	--
Morocco	45.0	290.0	18.0	--
Mozambique	10.0	32.0	9.0	21.0
Pakistan	50.0	--	--	--
Senegal	8.0	6.0	10.0	24.0
Sierra Leone	4.0	13.0	7.0	--
Somalia	20.0	44.0 1/	25.0	--
Sri Lanka	26.0	163.0	--	--
Sudan	50.0	300.0 1/	--	--
Yemen	10.0	11.0 1/	7.0	--
Zaire	15.0	67.0 1/	--	15.0
Zambia	10.0	26.0	5.0	--
Zimbabwe	8.0	50.0	--	--
Subtotal	757.5	3,565.0	256.0	60.0
Over $805 Per Capita GNP				
Costa Rica	28.0	115.0	--	24.0
Dominican Rep.	35.5	90.0	--	145.0
Guatemala	16.0	54.0	--	--
Jamaica	35.0	100.0	20.0	75.0
Mauritius	3.5	12.0 1/	5.0	--
Peru	20.0	50.0	--	--
Tunisia	5.0	--	--	43.0
Subtotal	143.0	421.0	25.0	287.0
Allocated 3/	900.5	3,986.0	281.0	347.0
Unallocated Reserve	153.1	--	--	--
TOTAL PROGRAM	1,053.6	--	--	--

1/ Wheat equivalent of flour or some portion of wheat equiv. of flour.

**MAJOR EXPORTERS: The latest internal support prices for the principal world wheat exporters, on an individual marketing year basis, are listed below. Prices are not strictly comparable because of quality differences and because U.S., Argentine and EC prices are on a local delivery point basis. For example, in terms of quality differentials, the Canadian price is set for No. 1 CWRS, while No. 2 CWRS was discounted by approximately C$4 per ton and No. 3 CWRS by about C$15 per ton; No. 1 CWRS has represented about 40 percent of Canadian wheat exports over the past 10 years. EC prices given below are for medium quality wheat in August and do not include monthly incremental increases.

MAJOR EXPORTER SUPPORT PRICES FOR WHEAT

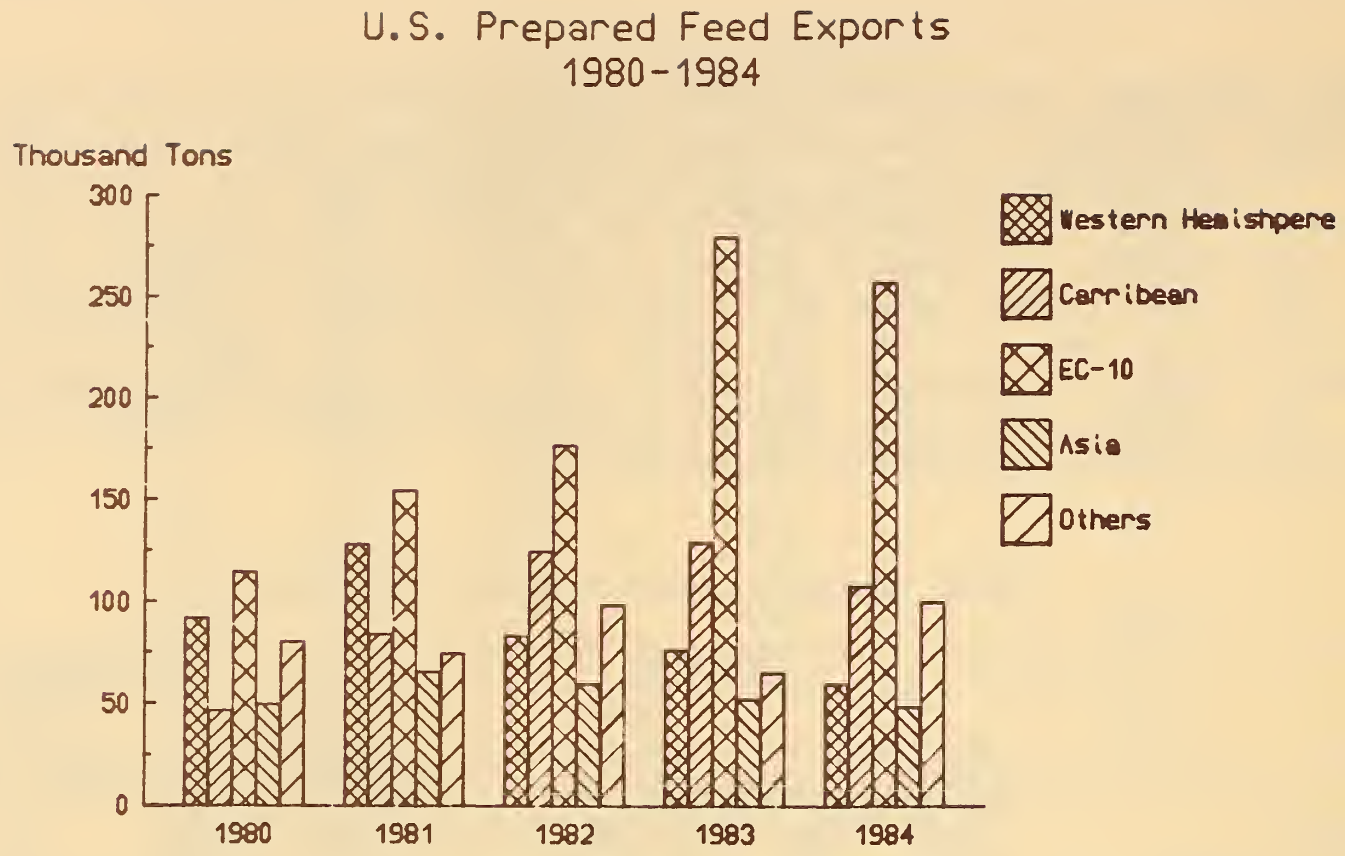
Exporter	1983/84 U.S.$ Equivalent		1983/84 Local Currency	1984/85 U.S.$ Equivalent		1984/85 Local Currency
	per bu	----per ton	----	per bu	----per ton	----
U.S. (loan)	3.65	134	134	3.30	121	121 ($)
(reserve loan)	3.65	134	134	N/A	N/A	N/A
Argentina (reference)	2.67	98	3,060 pesos 1/	2.46	90	21,000 pesos 1/
Australia (min. pay.)	3.72	137	150 (A$)	3.41	125	146 (A$)
(final pay.)	N/A	N/A	N/A	N/A	N/A	N/A
Canada (initial pay.)	3.75	138	170 (C$)	3.40	125	160 (C$)
(final pay.)	3.96	145	194 (C$)	N/A	N/A	N/A
EC (intervention) 2/	4.39	165	198 (ECU)	4.22	138	196
(reference)	5.10	190	228	4.93	159	226

1/ In new pesos, current season prices can be adjusted when necessary because of currency fluctuations. Caution should be taken when using this price in US$ equivalent, because of the volatility of the Argentine exchange rate. Current price as of February 11, 1985.

2/ Prices represent average quality wheat adjusted by monthly increments.

U.S. PREPARED FEED EXPORTS DECLINE SLIGHTLY IN 1984

The volume of U.S. prepared feed exports declined somewhat in 1984, following the previous years record level that exceeded 600,000 tons for the first time. The biggest market for U.S. feed exports was again the European Community, which accounted for nearly 50 percent of the total. Surprisingly, the second biggest market has become the island nations of the Carribean, especially Trinidad-Tobago, whose demand for prepared feed exceeds their ability to produce it from raw materials. Canada, Mexico, and Asia are also big markets for prepared specialty feeds, although exports there have been declining due to increased use of domestic material and feed mill expansion. The value of U.S. prepared feed exports in 1984 exceeded $160 million for the first time. If these countries expand their livestock sectors in 1985 and decide imports of prepared feeds are economical, U.S. feed exports could reach record levels.



This graph based on Census Dept. data for the following classifications: Poultry, Livestock, Dairy Cattle, and Animal Feeds.

CORN AND SORGHUM

LATEST U.S. EXPORT FORECAST, SHIPMENTS AND SALES

Export Forecast: The U.S. corn export forecast was lowered in Mid-March to 49,5 million tons, down 1.9 million tons from the previous month. U.S. corn trade prospects have deteriorated for a number of major markets such as the EC, Korea, Japan and South Africa. Buoyant demand for U.S. sorghum has prompted an increase in the export forecast to 7 million tons.

Shipments and Sales: Corn sales to the USSR have continued to dominate the corn market, with Soviet commitments increasing 1.5 million tons over the past month. Japan and Taiwan were also active corn buyers during March. Japan has continued to buy sorghum at high monthly rates, and with Mexico are the leading destinations for sorghum shipments.

IMPORTER BUYING ACTIVITY

China continues to provide stiff competition in Asian corn markets, with a sale reported to the Philippines as well as additional sales to Korea. Outside of the USSR, Taiwan and Japan have been major buyers of U.S. corn.

U.S. MARKET OPPORTUNITIES

EGYPT: Egypt has issued an urgent tender to purchase 150,000 tons of U.S. corn for April shipment in lieu of anticipated delayed shipments from Argentina. This is the first concrete indication of pervasive affects of the elevator explosion at Bahia Blanca--primarily a wheat exporting port, but also a major deep-water port used for topping off corn and sorghum shipments.

Demand for corn in Egypt is growing rapidly, as its livestock industry expands, but heavy subsidies on imported corn are forcing Egypt to look for cost effective alternatives such as sorghum. Recently, the Egyptian Ministry of Agriculture approved grain sorghum as a feedstuff and expressed interest in imports on a trial basis. Sorghum has not been imported in recent years, so careful coordination over purchase specifications in the milling and feeding industries will be essential if any significant amount is to substitute for corn.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries Selling Activity and Competitive Practices

YUGOSLAVIA: Corn exports in October-September 1984/85 have been revised downward, resulting from the government of Yugoslavia's refusal to lift an export ban imposed in September 1985. Switzerland, the USSR, and other East European countries who normally import corn from Yugoslavia could look to other suppliers if the ban is not lifted soon. Yugoslavia corn exports during October-September 1984/85 are estimated at only 500,000 tons, despite export availability that reportedly totals 1.5 million tons. Ending stocks of corn in Yugoslavia are expected to be nearly 3 million tons, and if the 1985 corn crop is near normal, exportable supplies in 1985/86 would reach record levels.

CHINA: The South African Maize Board has reported its first purchase of corn from China. One cargo of about 20,000 tons was purchased at about $9 per ton less than the U.S. offer price, and reports are that the quality of the Chinese corn is very good. The South African authorities stated that even though they will be competing with China once they resume exporting, so long as imports are required, South Africa will consider corn from any source. South Africa is expected to import 1.2 million tons of corn during October-September 1984/85.

**ZIMBABWE: Timely rains received during the growing season appear to have broken a 2-year drought, and a return to a normal corn crop should allow stocks to rebuild. It is now expected that the 1985 crop will exceed domestic requirements, and exports will again be resumed. Zimbabwe's last substantial exports of about 250,000 tons took place in 1981/82. Neighboring corn-deficit countries such as Zambia and South Africa are likely to be the recipients of Zimbabwe's corn.

**ARGENTINA: Additional purchases of Australian feed wheat, which are approaching 250,000 tons, are adversely affecting U.S. exports to Mexico. Mexico recently purchased 600,000 tons of sorghum and up to 200,000 tons of corn from Argentina (in addition to 40,000 tons of corn bought in February). These are the first Argentine corn sales to Mexico since 1975/76, and preclude the United States from completely filling Mexico's import needs in 1984/85, as was previously expected. The large sorghum purchase will mean reduced prospects for further U.S. sales to Mexico, which are well behind last year's pace.

SHIFTING ORIGIN OF MEXICO'S COARSE GRAIN IMPORTS

				Sales and Shipments as of Feb. 28	
	1981/82	1982/83	1983/84	1983/84	1984/85
U.S.					
Corn	571	4,091	2,808	1,677	1,073
Sorghum	544	3,260	2,758	1,602	1,510
TOTAL	1,115	7,351	5,566	3,279	2,983
Argentina					
Corn	--	--	--	--	250
Sorghum	372	--	500	385	600
TOTAL	372	--	500	385	850
Total Corn and Sorghum	1,487	7,351	6,066	3,664	3,433
U.S. share	75%	100%	92%	89%	75%

Competitive Developments in Selected Foreign Markets

**ARGENTINA: A grain elevator explosion at the port of Bahia Blanca in the mid-March could adversely affect grain exports. This deep-water facility handles about 20 percent of Argentina's grain and oilseed exports (mostly wheat). Early reports are that the elevator will only be 50 percent operational once the debris is cleared. Since few other large-draft facilities exist in Argentina, the United States could pick up additional sales if Argentine customers shift some purchases in anticipation of beyond-normal loading delays.

RECENT CORN AND SORGHUM IMPORTER BUYING ACTIVITY
REPORTED BETWEEN February 27 AND March 26, 1985

Date of Purchase	Buyer	Origin	Quantity (Tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
2/27	Korea	China	41,000	Chinese Corn	?	Apr/May
	Taiwan	US	27,000	YC	124.84	March
2/28	Egypt	Arg	250,000	Arg. Corn	128.90 @ 134.00 C&F	March
	Taiwan	US	253,000	YC	126.45 @ 129.25	Apr/May
	Korea	China	90,000	Chinese Corn	?	Apr/May
3/1	Israel	US	30,000	#2 YC	120.76 @ 121.05	April
3/5	Philippines	Thailand	25,000	YC	132.94 C&F	Mch/Apr
3/7	Korea	China	30,000	Chinese Corn	121.50 C&F	April
3/8	Korea	China	110,000	Chinese Corn	120.80 @ 122.35 C&F	Mch/Apr
3/13	Portugal	US	30,000	YC	121.25	April
	Korea	China	85,000	Corn	121.90 @ 123.50 C&F	Mch/May
3/15	Taiwan	US	33,000	YC	149.18 C&F	Mch/Apr
	Portugal	US	20,000	YC	133.27	April
	Taiwan	US	33,000	YC	127.18	Mch/Apr
3/21	Mexico	US	70,000	#2 YS	various	Apr/May
	Mexico	US	5,000	#2 YC	?	Apr/May
3/22	Korea	China	145,000	Chinese Corn	126.00 @ 126.70 C&F	May/July
3/26	Philippines	China	25,000	Chinese Corn	135.40 C&F	Apr/May

1/ YC=#3 Yellow Corn unless otherwise stated, and YS=Yellow Sorghum
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

US CORN AND SORGHUM SHIPMENTS, SALES AND INSPECTIONS 1/
(OCTOBER/SEPTEMBER--MILLION TONS)

Monthly Shipments

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
Dec. 20	6.9	4.3	.6	.4
Jan. 24	4.7	5.9	.6	.9
Feb. 24	3.6	5.5	.6	.6
Mar. 21	3.9	4.2	.7	.7
TOTAL FOR MY	25.7	29.6	3.6	4.2

Monthly Sales

4 Weeks ENDING	CORN 83/84	CORN 84/85	SORGHUM 83/84	SORGHUM 84/85
Dec. 20	3.7	2.0	1.0	.4
Jan. 24	2.5	4.7	.3	.9
Feb. 24	2.8	2.9	.9	.3
Mar. 21	4.6	4.7	.2	.5
TOTAL FOR MY	37.0	36.3	4.5	5.1

Weekly and Annual Inspection Rates

	CORN MT	CORN BU	SORGHUM MT	SORGHUM BU
Week Ending March 14	0.9	35.8	0.17	6.5
Week Ending March 21	1.0	40.1	0.14	5.4
Official Estimate for Current MY (Grain only)	35.2	1385	6.99	275
Implied Weekly Average	0.7	26.6	0.13	5.3
Latest Six Weeks Weekly Average	1.0	39.5	0.18	7.0
Marketing Year-To-Date Weekly Average	1.1	44.4	0.17	6.8
Weekly Avg. Extrapolated Annually	58.6	2309	8.99	354
Balance of Year to Achieve Estimate Implied Weekly Average	0.8	30.5	0.10	3.9

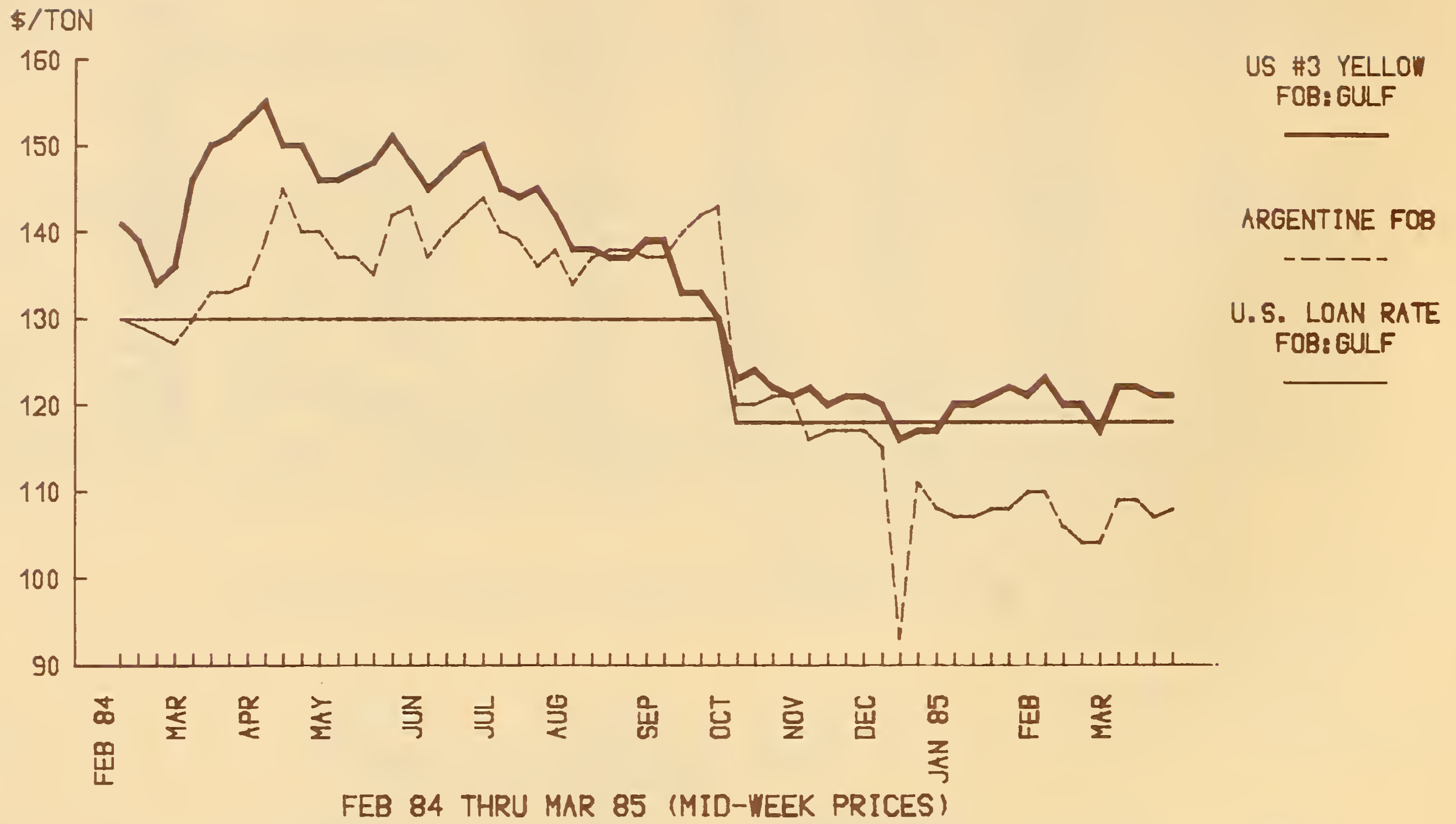
1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.
Source: Export Sales; FGIS

CORN AND SORGHUM SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1982/83-1983/84
(OCTOBER/SEPTEMBER--MILLION TONS)

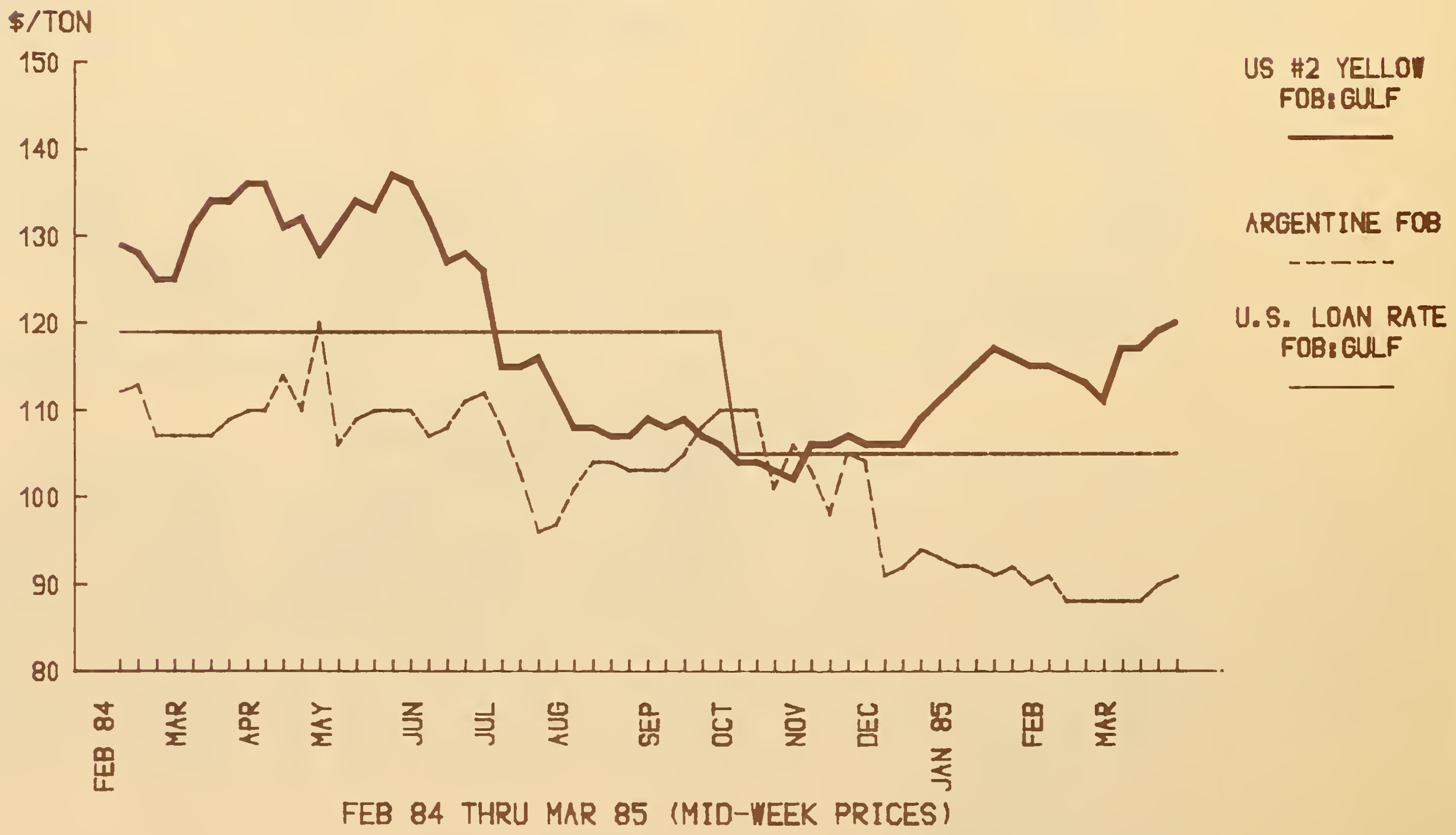
4 Weeks Ending 1/	SORGHUM Argentina 83/84	SORGHUM Argentina 84/85	CORN Argentina 83/84	CORN Argentina 84/85	CORN Thailand 83/84	CORN Thailand 84/85	Total 83/84	Total 84/85
December 20	.2	.1	.2	.1	.4	.4	.8	.6
January 24	.1	.1	.1	*	.2	.2	.4	.2
February 21	.1	*	.1	*	.2	.2	.4	.2
March 21	.3	.1	.6	.3	.2	.2	1.1	.6
Cumulative in Marketing Year	1.3	.5	1.4	.7	1.9	2.0	4.6	3.2
TOTAL FOR SEASON 2/	4.8	4.5	5.9	7.3	3.1	3.1	13.8	14.9

N/A = Not Available
1/ Or nearest date thereto.
2/ Projection for 1984/85.
* Less than 100,000 tons.

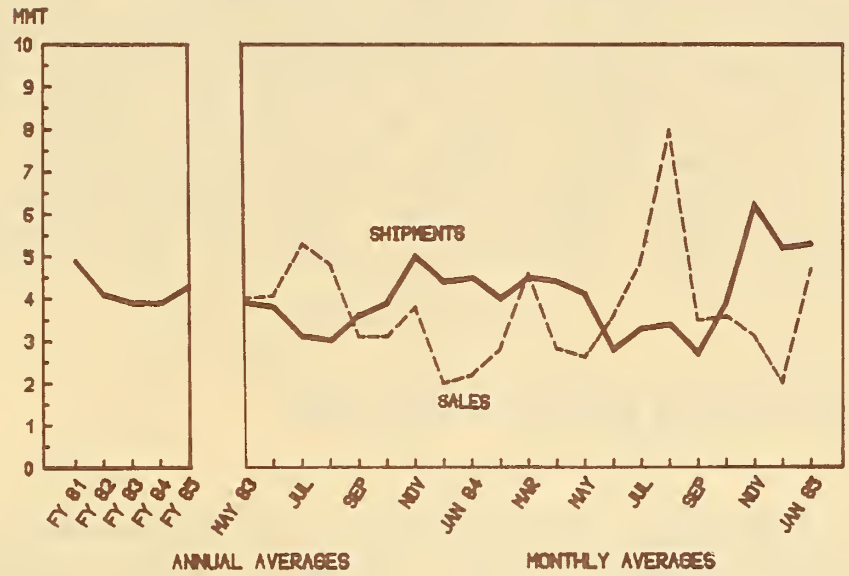
CORN EXPORT PRICES
U.S. AND ARGENTINE



SORGHUM EXPORT PRICES
U.S. AND ARGENTINE



U.S. CORN SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM MAY 1983 - DECEMBER 1985



U.S. CORN AND SORGHUM EXPORTS BY DESTINATION
(OCTOBER/SEPTEMBER--1,000 TONS)

Destination	1981/82	1982/83	1983/84 Actual Exports	1983/84 Committed as of 3/15/84 1/	1984/85 Committed as of 3/14/85 1/
---CORN---					
EC	7,095	4,033	3,677	2,062	996
Other W. Europe	8,204	5,388	4,473	3,187	2,296
Eastern Europe	3,889	1,470	727	419	503
USSR	7,772	3,200	6,500	4,244	13,144
China	1,117	2,161	18	--	--
Japan	10,588	13,180	13,781	13,344	8,209
Taiwan	1,718	3,000	2,676	2,238	2,212
Rep. of Korea	2,690	3,908	2,972	1,822	483
Egypt	1,350	1,516	1,303	742	812
Canada	800	750	283	3	112
Mexico	571	4,091	2,808	1,683	1,097
Venezuela	414	892	1,140	544	368
Others	3,732	3,938	6,992	5,892	4,521
Total	49,940	47,527	47,350	36,180	34,753
--SORGHUM--					
Spain	790	105	465	307	45
Other W. Europe (excl. Spain)	540	251	136	82	47
Japan	2,437	741	1,505	1,340	2,158
Israel	368	341	574	564	480
Mexico	544	3,260	2,758	1,675	1,525
Venezuela	713	243	206	54	355
Others	898	462	582	486	479
Total	6,290	5,403	6,226	4,508	5,089

1/ Accumulated shipments and sales, excluding sales for next marketing year.
Source: U.S. Bureau of Census and U.S. Export Sales Report.

**USSR: The United States has benefited from the USSR's large import needs as sales for July-June 1984/85 shipment to date, at nearly 21 million tons, are significantly above the pace of the previous record year of 1981/82. Recent large USSR grain purchases have resulted in an increase in projected July-June 1984/85 Soviet grain imports to an all-time high of 52 million tons, significantly above the old record of 39.9 million tons. Wheat imports, projected at 26 million tons, would be a full 25 percent above last year's record, while coarse grain imports are expected to be close to 1981/82's record of 25.5 million tons.

Internal Price Policies of Foreign Countries

**VENEZUELA: Sorghum that had to be replanted due to dry conditions benefited from an extended rainy season, which coupled with subsidized fertilizer and increased producer prices, means expanded production and lower import levels in the coming year. Venezuelan sorghum imports in October-September 1984/85 will approach a record 600,000 tons. To insure full utilization of domestically produced sorghum, the Venezuelan government will limit imports until late in 1985, after domestic deliveries have been completed. Venezuelan imports of U.S. sorghum have averaged 433,000 tons over the past five years, but higher local production aided by higher prices and more easily obtainable production credit, will reduce the need for imports in 1985.

BARLEY, OATS AND RYE

U.S. EXPORTS OF BARLEY, OATS AND RYE
JUNE/MAY--1,000 TONS

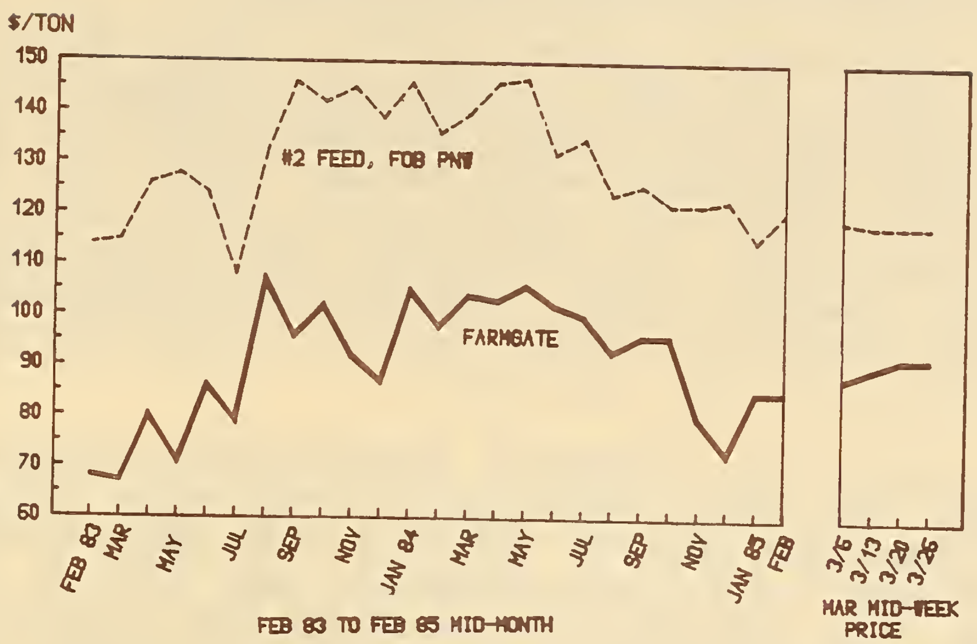
Grain	1982/83	1983/84 1/	1984/85 2/
Barley	1,023	2,003	1,960
Oats	43	29	15
Rye	5	25	25

1/ Estimated.
2/ Projected.

Other Exporting Countries Selling Activity and Competitive Practices

**UNITED KINGDOM: The huge U.K. wheat crop in 1984/85 has, in effect, priced barley out of the domestic market. Consumption of barley in the U.K. continues to decline, as maltsters and brewers are using less and its feed usage plummets due to feed wheat being available at or near a discount to barley during most of August-July 1984/85. Barley prices have been supported by brisk export demand, good sales to EC intervention stocks, and farmers withholding some barley from the market in hopes of higher prices. Trade sources believe the barley market is finely balanced, as only a few British pounds separate sales to intervention from the export market. Current August-July 1984/85 U.K. barley exports are nearly twice those of last year, and traders believe good potential exists for additional sales this marketing year. U.K. barley exports, based on strong demand from North Africa and the Middle East, are expected to be about 2.5 million tons during August-July 1984/85.

U.S. FEED BARLEY PRICES
INTERIOR AND EXPORT POSITIONS



U.S. BARLEY EXPORTS BY DESTINATION
(JUNE/MAY--1,000 TONS)

Destination	1981/82	1982/83	1983/84 Total Exports	1983/84 Committed as of 3/21/84 1/	1984/85 Committed as of 3/21/85 1/
EC	301	112	360	360	105
Other W. Europe	472	226	441	512	354
Eastern Europe	111	--	126	126	--
Taiwan	373	146	223	224	258
Japan	336	119	372	346	314
Canada	128	--	--	--	--
Others	546	317	509	621	492
Total	2,267	920	2,033	2,063	1,523

1/ Accumulated shipments and sales excluding sales for next marketing year.
SOURCE: U.S. Census for 1981/82-1982/83 and U.S. Export Sales for 1983/84-1984/85.

BARLEY SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1981/82-1983/84
(OCTOBER/SEPTEMBER--MILLION TONS)

	U.S.		CANADA		FRANCE 2/		U.K. 2/		Total	
4 Weeks Ending 1/	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
December 20	.3	.1	.2	.1	*	.2	.1	.3	.6	.7
January 24	.2	.2	.2	.2	.1	.1	.1	.2	.7	.6
February 21	.1	*	.3	.2	.1	.1	.1	N/A	.6	.5
March 21	.1	*	.3	.1	*	N/A	.2	N/A	.6	N/A
Cum. Since Oct 1	1.2	.7	2.0	1.2	.4	.7	.6	1.1	4.2	3.7
Total For Season 3/	2.1	2.2	4.3	3.0	1.1	2.5	1.4	2.5	9.2	10.2

1/ Or closest date thereto.
2/ Excludes intra-EC trade; Cumulative reflects available data.
3/ Projection for 1984/85.
N/A Not available.
* Less than 50,000 tons.

BEANS, PEAS, AND LENTILS

Competitive Developments in Selected Foreign Markets

**GREECE: Greece has announced a new lentil quota of 5,391 tons from third country origins for 1985. Domestic lentil production has averaged about 5,000 tons per year, while annual consumption needs are estimated at 11,500 tons. The difference is met by imports, but the 1984 lentil quota was not filled due to high offer prices and low retail prices established by the Greek government. If ceiling prices for lentils (which are kept artificially low through consumer subsidies) are increased slightly and U.S. prices are competitive, a market opportunity exists for U.S. lentils in Greece during June and July this year.

**MEXICO: Mexico has purchased 40,000 tons of black beans from Argentina during the first week of March. Reportedly, 8-12,000 tons is old crop for immediate shipment priced at about $450 per ton, c&f, and 30,000 tons of new crop for July shipment at about $500 per ton. Mexico is believed to have purchased another 10,000 tons of beans from Chile. Dry bean imports in Mexico during October-September 1984/85 are estimated at 70,000 tons. No U.S.-origin beans have yet been purchased this year.

RICE

LATEST U.S. EXPORT FORECAST, SHIPMENT AND SALES 1/

Export Forecast. The forecast for U.S. rice exports in 1984/85 (August/July) was lowered marginally last month to 2.0 million tons. Uncompetitive U.S. rice prices and weaker world demand continue to dampen prospects for U.S. rice exports.

Shipments and Sales. U.S. rice exports during the 4-week period ending March 21 rose slightly to 109,900 tons from the previous 4-week total of 106,700 tons. Cumulative shipments through March 21 totaled 1.20 million tons, or about 8 percent below the 1.30 million tons shipped during the same period one year ago. Export sales registrations for the 4-week period ending March 21 totaled 128,100 tons, compared to the previous 4-week total of 204,800 tons. Total export commitments for 1984/85 delivery reached 1.55 million tons, compared to the 1.68 million tons committed as of this date one year ago.

IMPORTER BUYING ACTIVITY

Overall buying activity remained somewhat weak during March despite reported large purchases by Iran, Sri Lanka, Vietnam and the Ivory Coast. The Philippines and Vietnam are reported to be seeking additional quantities of rice and there is continued speculation that Brazil may enter the market for a large purchase.

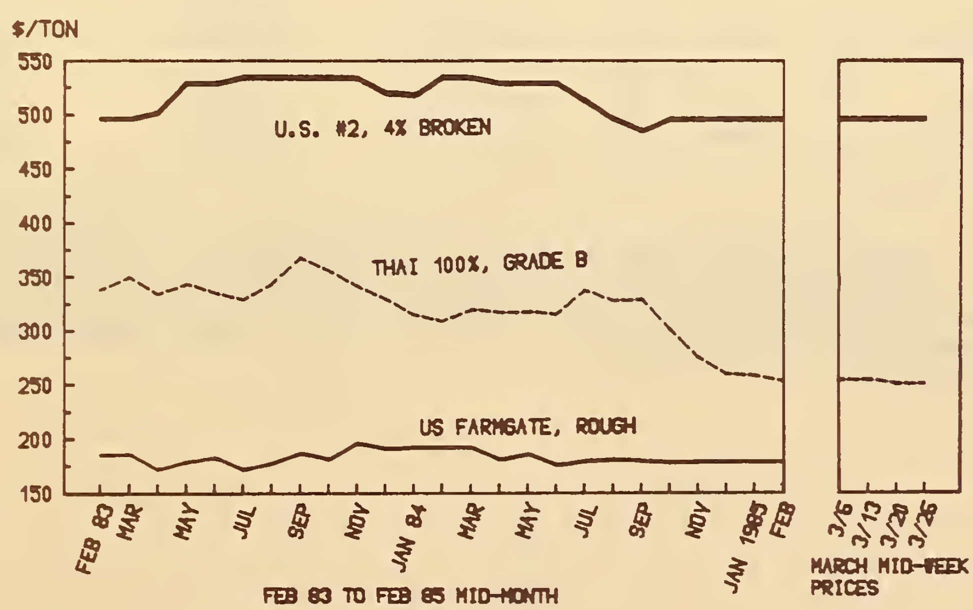
1/ Shipments and sales data are on a product basis.

**BANGLADESH: Despite heavy rains and flooding during May through September last year which reduced the Boro, Aus and broadcast Aman rice crops, late monsoon rains and increased plantings of high-yield rice varieties produced a good transplanted Aman crop. As a result, the 1984/85 total rice harvest reached an estimated 14.4 million tons--only slightly below the record 1983/84 harvest of 14.5 million tons. With a low level of rice stocks coming into 1984/85 and anticipating a smaller 1984/85 harvest, Bangladesh purchased a large volume of Thai rice in June of last year. As a result, CY 1984 imports reached an estimated 565,000 tons. With rice stocks now at more comfortable levels, imports in calendar year 1985 will likely fall to less than 400,000 tons. Bangladesh reportedly purchased 30,000 tons of rice from Burma this month (possible barter for jute bags) which brings total import commitments for CY 1985 to an estimated 223,000 tons.

**IRAN: During the past month, the General Trading Corporation (GTC) purchased 180,000 tons of Thai 100% B and 15,000 tons of Thai fragrant 100% B, bringing CY 1985 total purchases to an estimated 240,000 tons--all from Thailand. In CY 1984, Thailand exported about 416,000 tons of rice to Iran. Pakistan was also a major supplier last year, shipping about 154,000 tons, but GTC apparently has not yet purchased any rice from Pakistan this year. Iran also purchased rice from Argentina, Uruguay and Surinam last year, but no new purchases from those countries have been announced. Iran's total imports in CY 1985 are projected at 700,000 tons.

**SRI LANKA: The Food Commissioner's Department has announced the purchase of an additional 100,000 tons of rice from China's Ceroilfoods to bolster government food stocks. Sri Lanka announced an initial purchase of 50,000 tons from Ceroilfoods in January to replenish buffer stocks and to insure against a possible shortfall in procurement due to civil disturbances and rebel activity in the northern and eastern areas of the country. Although 1984/85 domestic rice production was expected to be sufficient to meet consumption needs, it was feared that the disturbances could limit government procurement, resulting in rice shortages in the marketplace. The Food Commissioners' Department reportedly has suggested that further purchases are possible, if the violence in the north continues to disrupt procurement. It is also reported that 40,000 tons of the most recent purchase from Ceroilfoods will come from Burma, which would indicate a resumption of the triangular trade arrangement That had apparently ended last year.

RICE PRICES
US AND THAI C&F ROTTERDAM AND US FARM



RECENT RICE IMPORTER BUYING ACTIVITY
REPORTED BETWEEN FEBRUARY 28 AND MARCH 27,1985

Buyer	Origin	Quantity 1,000 Tons	Quality 1/	Price $/MT 2/	Delivery Period	Date of Report
Angola	Thailand	10.0	20%	184	Mar/Apr	3/18
Bangladesh	Burma	30.0	35%	Barter	N/A	3/21
Belgium	Thailand	6.0	B 100% B	180	N/A	3/18
	U.S.	2.9	N/A	N/A	N/A	Various
Cuba	Thailand	3.0	25% S	180	N/A	3/1
Indonesia	Thailand	5.0	GL 10%	185	Mar	3/18
Iran	Thailand	15.0	F 100% B	238	N/A	3/18
	Thailand	180.0	100% B	N/A	Apr/Dec	3/22
Israel	Thailand	2.0	5%	N/A	N/A	3/8
Ivory Coast	Thailand	110.0	A-1 Spec	N/A	N/A	3/8
Jamaica	U.S.	2.0	#5/20% LG	325 3/	Apr/May	3/27
Malagasy	Thailand	16.0	35%	N/A	N/A	3/8
Malaysia	Thailand	3.0	F 100% B	N/A	N/A	3/1
	Thailand	1.5	10%	N/A	N/A	3/18
Maldives	Burma	5.0	L/Bld 10%	175	N/A	3/4
Morocco	U.S.	10.0	B #4/15% MG	222 3/	Mar/Apr	3/12
Netherlands	Thailand	1.8	Brokens	179-185	Apr	3/18
	U.S.	4.7	N/A	N/A	N/A	Various
Saudi Arabia	Thailand	3.0	P 100%	N/A	N/A	3/22
	U.S.	16.0	N/A	N/A	N/A	Various
Senegal	Thailand	10.0	A-1 Spec	163	Mar	3/8
Singapore	Thailand	15.0	100% B	N/A	N/A	3/1
	Thailand	15.0	100% B	N/A	N/A	3/22
Sri Lanka	Burma	40.0	N/A	170	N/A	3/21
	China	60.0	N/A	170	N/A	3/21
Syria	Thailand	12.0	100% C	236 4/	Apr	3/18
Turkey	Thailand	5.0	10%	185	Mar	3/1
	Thailand	5.0	100% B	225 4/	N/A	3/22
Vietnam	Thailand	12.0	A-1 S	156	Mar	3/1
	Thailand	10.0	A-1 S	N/A	Mar	3/1
	Indonesia	50.0	N/A	Barter	Mar/Apr	3/21
USSR/Vietnam	Thailand	50.0	A-1 S	156	Mar	3/1
N/A	Burma	5.0	B2,3,4	113	N/A	3/15
N/A	Indonesia	124.0	SG	N/A	N/A	3/21

1/ P = Parboiled, LG = Long Grain, MG = Medium Grain, SG = Short Grain, B/ = Brown, F = Fragrant, L/Bld = Long, Boiled, F/Bld = Full Boiled
2/ F.O.B. basis unless otherwise indicated. Price information is in many cases unconfirmed and as reported through unofficial market sources.
3/ F.A.S., (U.S. PL-480 sale)
4/ C&F
N/A Not available.

U.S. RICE EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
FOR 1981/82-1983/84, AND AUGUST 1 THROUGH MARCH 21 for 1984/85
(AUGUST/JULY--1,000 TONS)

Destination	Marketing Year	Long Grain Milled	Long Grain Brown 2/	Other 1/ Milled	Other 1/ Brown 2/	Total Exports
EC 10	1981/82	2	310	56	192	560
	1982/83	1	214	15	--	230
	1983/84	29	192	2	70	293
	1984/85	10	179	6	88	283
Other W. Europe	1981/82	58	76	4	28	166
	1982/83	33	54	3	4	93
	1983/84	23	35	3	138	199
	1984/85	19	27	3	48	96
E. Europe & USSR	1981/82	*	--	*	--	*
	1982/83	*	--	*	--	*
	1983/84	--	--	--	--	--
	1984/85	--	--	--	--	--
Iran	1981/82	85	--	--	--	85
	1982/83	--	--	--	--	--
	1983/84	--	--	--	--	--
	1984/85	--	--	--	--	--
Iraq	1981/82	270	--	*	--	270
	1982/83	327	--	*	--	327
	1983/84	230	--	2	--	232
	1984/85	364	15	1	--	380
Saudi Arabia	1981/82	250	--	15	--	265
	1982/83	267	--	2	--	269
	1983/84	253	--	6	--	253
	1984/85	162	--	5	--	166
Other Middle East	1981/82	106	8	17	3	135
	1982/83	48	--	2	--	50
	1983/84	40	--	12	--	52
	1984/85	17	--	2	--	19
Republic of Korea	1981/82	--	--	*	339	339
	1982/83	--	--	*	213	213
	1983/84	--	--	*	112	112
	1984/85	--	--	--	--	--
Other Asia & Oceania	1981/82	4	--	38	--	43
	1982/83	2	--	129	--	132
	1983/84	3	--	140	--	143
	1984/85	3	--	99	--	102
Nigeria	1981/82	347	--	--	--	347
	1982/83	159	--	--	--	159
	1983/84	63	--	--	--	63
	1984/85	*	--	--	--	*
Other Africa	1981/82	116	117	84	4	320
	1982/83	148	110	153	4	414
	1983/84	95	150	136	--	381
	1984/85	64	49	190	10	313
W. Hemisphere	1981/82	129	25	12	15	181
	1982/83	137	23	86	38	284
	1983/84	156	24	109	14	303
	1984/85	108	23	10	19	160
Total 3/	1981/82	1,379	535	228	581	2,723
	1982/83	1,148	400	392	259	2,198
	1983/84	900	401	408	338	2,043
	1984/85	768	298	314	165	1,545

* Less than 500 tons.
1/ Includes medium, short, and mixed.
2/ Data not converted to a milled equivalency. Includes rough rice.
3/ Discrepancies due to rounding and changes to unknown destinations.
SOURCE: U.S. Export Sales

**VIETNAM: With a number of purchases of Thai rice having been made on behalf of the government of Vietnam by Japanese trading houses, plus a recent large purchase (apparently also destined for Vietnam) by the Soviet Union's Exportkhleb, it appears that the 1984/85 rice crop in Vietnam may be even smaller (or consumption much higher) than originally believed. This most recent round of purchases brings Vietnam's CY 1985 purchases of Thai rice to an estimated 132,000 tons. In addition, another 30,000 tons were purchased from Burma in January, and there are rumors of a barter for 50,000 tons of rice from Indonesia (probably Taiwanese rice), for a total of as much as 212,000 tons--all for shipment by the end of May. Vietnam's total imports in CY 1985 are currently forecast at 400,000 tons, but there are reports that Exportkhleb is seeking further quantities of Thai rice, which may also be destined for Vietnam.

**PHILIPPINES: It is reported that Thailand, Burma, China and Indonesia are all offering rice to the National Food Authority (NFA) with very attractive prices and terms. Indonesia, which "loaned" 100,000 tons of rice to the Philippines last December, reportedly has offered an additional 100,000 tons at 6 percent interest for two years. A recent trade mission from Thailand was apparently unsuccessful with an offer of two year credit at 10% interest, but the head of the NFA was expected to visit Bangkok in mid-March for further negotiations. Total imports for the Philippines in CY 1985 are currently projected at 250,000 tons.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

World prices continued at depressed levels last month as world import demand remained weak and more than ample exportable supplies weighed heavily on the world market. A large quantity of unsold rice was reported off the coast of West Africa, and an unknown volume of Thai rice reportedly was being shipped to Europe, unsold, further depressing prices in that market. Thailand's Board of Trade (BOT) posted prices were raised $2 per ton for all qualities in early March, but dropped $5 per ton by late March (except brokens). As of March 27, BOT posted prices (FOB Bangkok) were $227 per ton for 100% B and $222 per ton for parboiled 5%. Actual prices were reported to be basically unchanged at $194-197 per ton for 100% B and $184-186 per ton for parboiled 5%. By way of comparison, at this time last year Thai prices were reported to be $250-260 per ton for 100% B and $240-250 for parboiled 5%.

Other Exporting Countries Selling Activities

**THAILAND: Exports picked up slightly in March, keyed by shipments to Nigeria and Mexico. Total exports through March 16 were 1,047,374 tons, compared with 947,650 tons shipped during the same period one year ago.

Weekly Thai Rice Exports

Week Ending	Actual	4-Week Moving Average
February 23	79,287	100,323
March 2	123,434	101,451
March 9	103,776	107,772
March 16	117,846	106,086

As of March 16, estimated Thai export commitments for CY 1985 delivery totaled 2.2 million tons, compared to 1.7 million registered as of this date one year ago. Despite the current levels of exports and new sales, weak world import demand is expected to limit total Thai exports to only 4.3 million tons in CY 1985.

The Customs Department reportedly has recommended that the export duty (currently 2.5% of the Board of Trade posted rice prices) be eliminated to "increase the competitiveness" of Thai rice. The export premium apparently would remain at current levels ($2-7 per ton depending on grade). However, an association of packaged rice exporters has also requested the elimination of the export premium on rice exports in 12 to 25 kilogram packages (about $7.10 per ton for white rice and $4.45 per ton for parboiled rice.) The premium on smaller packages was eliminated earlier this year.

**PAKISTAN: New sales from the 1984/85 rice crop continue to lag behind last year's pace with less than 150,000 tons sold through February, compared to over 720,000 tons sold by this date one year ago. Increased competition from Thailand and a higher asking price for Basmati rice ($650 per ton versus $600 per ton last year) have sharply limited new sales. Exports likewise continued at a slow pace with total shipments in January and February of only 37,697 tons, compared to a total of 216,772 tons shipped during the same period last year. Given the current pace of new sales and continued weak world import demand, Pakistan's CY 1985 exports are projected to reach only 900,000 tons.

**BURMA: In a March tender, the Myanma Export-Import Corporation sold 5,000 tons of B2,3,4 broken rice to the private trade, but rejected all bids on 10,000 tons of B1,B2 brokens. Another 30,000 tons of rice reportedly were sold/bartered to Bangladesh. It is also believed that Burma will supply 40,000 tons of the 100,000 tons of rice purchased by the Food Commissioner's Department in Sri Lanka from China's Ceroilfoods, which could signal a resumption of the triangular trade arrangement which ended last year. Despite these recent sales, MEIC's total export commitments for CY 1985 are estimated at less than 200,000 tons, compared to estimated commitments by this date one year ago of more than 600,000 tons. Total exports in CY 1985 are projected to fall to only 600,000 tons, as MEIC continues to hold out for higher prices in a weak world market.

**INDONESIA: Bulog, the Indonesian government's food authority, continues it's aggressive marketing of Indonesia's current rice surplus. Earlier this month, Bulog sold about 120,000 tons of rice to the private trade and reportedly bartered 50,000 tons of rice to Vietnam in exchange for Chinese soybeans. Bulog has now sold/bartered/loaned an estimated 285,000 tons of rice for delivery in CY 1985, and there are reports that Bulog has an additional quantity of rice which it considers to be exportable surplus. Government stocks as of March 1 totaled 2.5 million tons, compared to about 1.4 million tons held on this date one year ago. Indonesia traditionally has been a net importer of rice, importing 1.2 million tons in CY 1983 and just under 400,000 tons last year. However, imports in CY 1985 should total less than 50,000 tons, while exports will likely reach at least 300,000 tons.

U.S. Export Expansion Activities:

**GSM-102: As of March 28, the Commodity Credit Corporation (CCC) had available credit guarantees totaling $132.8 million. The outstanding credit lines were : Iraq ($115.0 million), Jamaica ($7.9 million) and Portugal (9.9 million).

**PL-480: In the past month, Morocco purchased 10,000 tons of #4/15% brown medium grain rice and Jamaica bought 2,000 tons of #5/20 medium grain. The following table outlines the current status of FY 1985 PL-480 Title I/III programs.

STATUS OF P.L. 480 TITLE I/III RICE PROGRAMS FOR FY 1985

Country	Allocation $Million	Agreement Signed	P.A. Issued	Tender Results Date	TMT Purchased	Price $/MT FAS	Quality 1/
Completed							
Madagascar	9.0	X	X	12/28	42.1	258-264	MG
Jamaica	8.0	X	X	1/7	9.3	307-313	LG
Bangladesh	20.0	X	X	1/15	75.1	262-281	MG
Mozambique	2.0	X	X	2/5	9.1	274	MG
Morocco	6.0 2/	X	X	3/12	10.0	222	B,MG
Jamaica	3/	X	X	3/27	2.0	325	LG
Subtotal	45.0				147.6		
Pending							
Guinea	6.0						
Liberia	6.0						
Maldives	0.6						
Mauritius	1.5						
Mozambique	7.0	X					
Sierra Leone	3.0						
Somalia	7.0	X					
Yemen	5.0						
Subtotal	36.1						
Total	81.1						

1/ #5/20% unless otherwise indicated, P=Parboiled, MG=Medium Grain, and LG=Long Grain.
2/ $3.8 million balance remains from original allocation.
3/ Second round of purchases under $8.0 million allocation, about $2.4 million balance remains.

This circular was prepared by the Grain and Feed Division, Commodity Programs, FAS/USDA, Washington, D.C. 20250 Telephone (202) 447-2009.

U.S. WHEAT PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/BU)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/BU)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/BU)
Trigger Release Price	$200	$4.45	$200	$4.45	--	--
Target Price	$195	$4.30	$198	$4.38	$198	$4.38
Loan (Reserve)	$171	$3.65	$158	$3.30	--	--
National Loan	$171	$3.65	$158	$3.30	$158	$3.30
Season Average Producer Price	$167	$3.54	$160-162	$3.35-3.40	--	--
Current Farm Price	--	--	$162	$3.40 2/	--	--
Paid Diversion	$136	$2.70	$136	$2.70	$136	$2.70

1/ Estimated equivalent, adjusted from $/bushel at the farm level by including transportation and handling allowances of $1.00/bushel.
2/ ASCS 5-day moving average as of March 27, 1985.

U.S. CORN PROGRAMS

	1983 Program Equivalent Export Price 1/ ($/Ton)	1983 Program Farm Price ($/BU)	1984 Program Equivalent Export Price 1/ ($/Ton)	1984 Program Farm Price ($/BU)	1985 Program Equivalent Export Price 1/ ($/Ton)	1985 Program Farm Price ($/BU)
Trigger Release Price	$159	$3.25	$159	$3.25	--	--
Target Price	$144	$2.86	$151	$3.03	$151	$3.03
Season Average Producer Price	$157	$3.20	$134-$138	$2.60-$2.70	--	--
Current Farm Price	--	--	$138	$2.70 2/	--	--
National Loan	$136	$2.65	$132	$2.55	$132	$2.55
Loan (Reserve)	$136	$2.65	$132	$2.55	--	--
Paid Diversion	$91	$1.50	--	--	--	--

1/ Estimated equivalent, adjusted from $/bushel at the farm level by including transportation and handling allowances of $.80/bushel.
2/ ASCS 5-day moving average as of March 27, 1985.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

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United States Department of Agriculture

Foreign Agricultural Service

EMG-2-85

February 1985

Foreign Agriculture Circular

Grains

Export Markets for U.S. Grain and Products

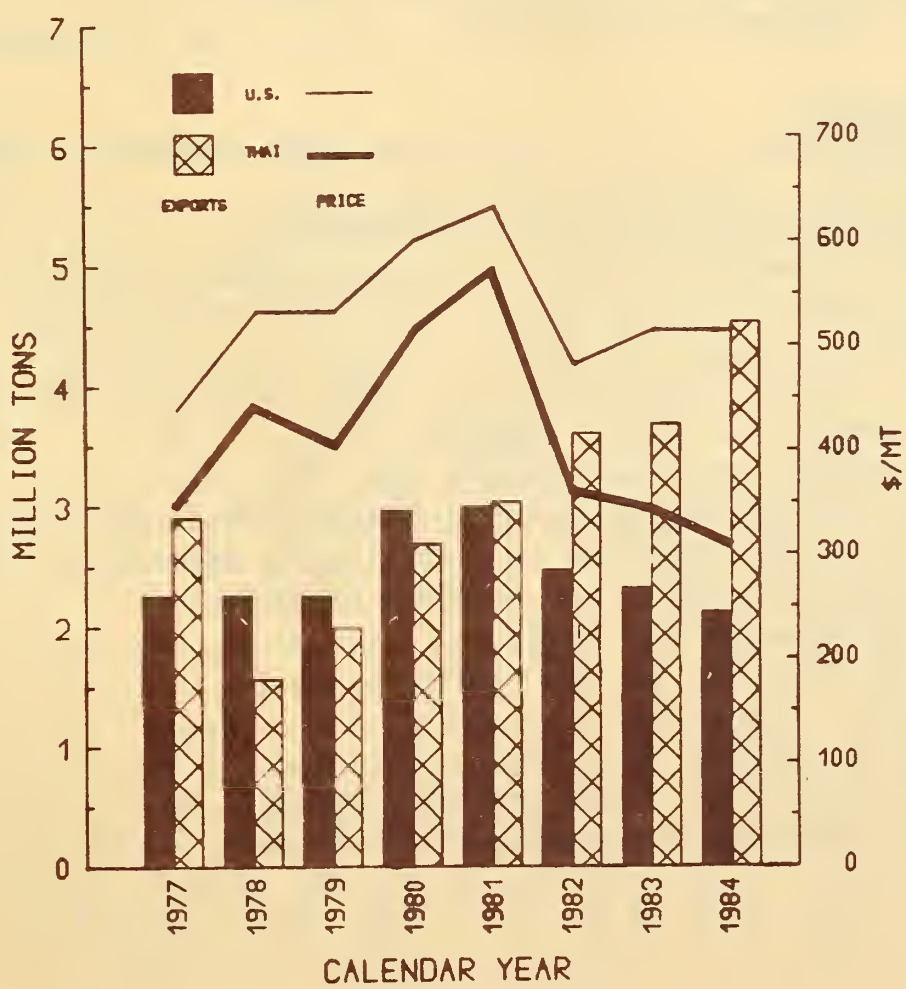
With the recent declining tendency for U.S. rice and grain export volumes, and indications of possible further decline in the coming season, there is continued interest in the competitiveness of U.S. prices in foreign markets. One indication of such competitiveness is the relationship between prices of the rice and/or grain being exported from the United States and those quoted for similar commodities being exported by competing countries. For rice, the most meaningful comparison usually involves Thailand rice, whereas for wheat, comparisons may be made between Canadian and U.S. hard red spring wheat or Argentine vs. U.S. hard winter wheat; for corn, the customary indicator is the relationship between the prices of Argentina and U.S. corn.

The following graphs of comparisons cover a five to eight year period. In the case of rice, the comparison is on a annual basis, whereas for wheat and corn, where seasonal price movement is much more pronounced because of the heavy seasonal pattern of Argentine grain export marketing, the price comparisons shown below are on a monthly basis.

In all three cases--rice, wheat, and corn--the ability of the foreign origin commodity to be priced below the U.S. price has steadily increased, particularly over the past two years. Basically, as competing countries harvests have increased, they have priced their commodities accordingly, while U.S. export prices have been prevented from maintaining the previous relationship, mainly by reason of the more dominant influence of internal market programs which support prices and withhold stocks from the market (cont'd page 3).

Additional graphs can be found on pages 3 and 4.

EFFECT OF PRICE ON U.S. AND THAI RICE EXPORTS
CY 1977-1984



EXPORT MARKETS FOR U.S. GRAIN AND FEED COMMODITIES
March 1,1985

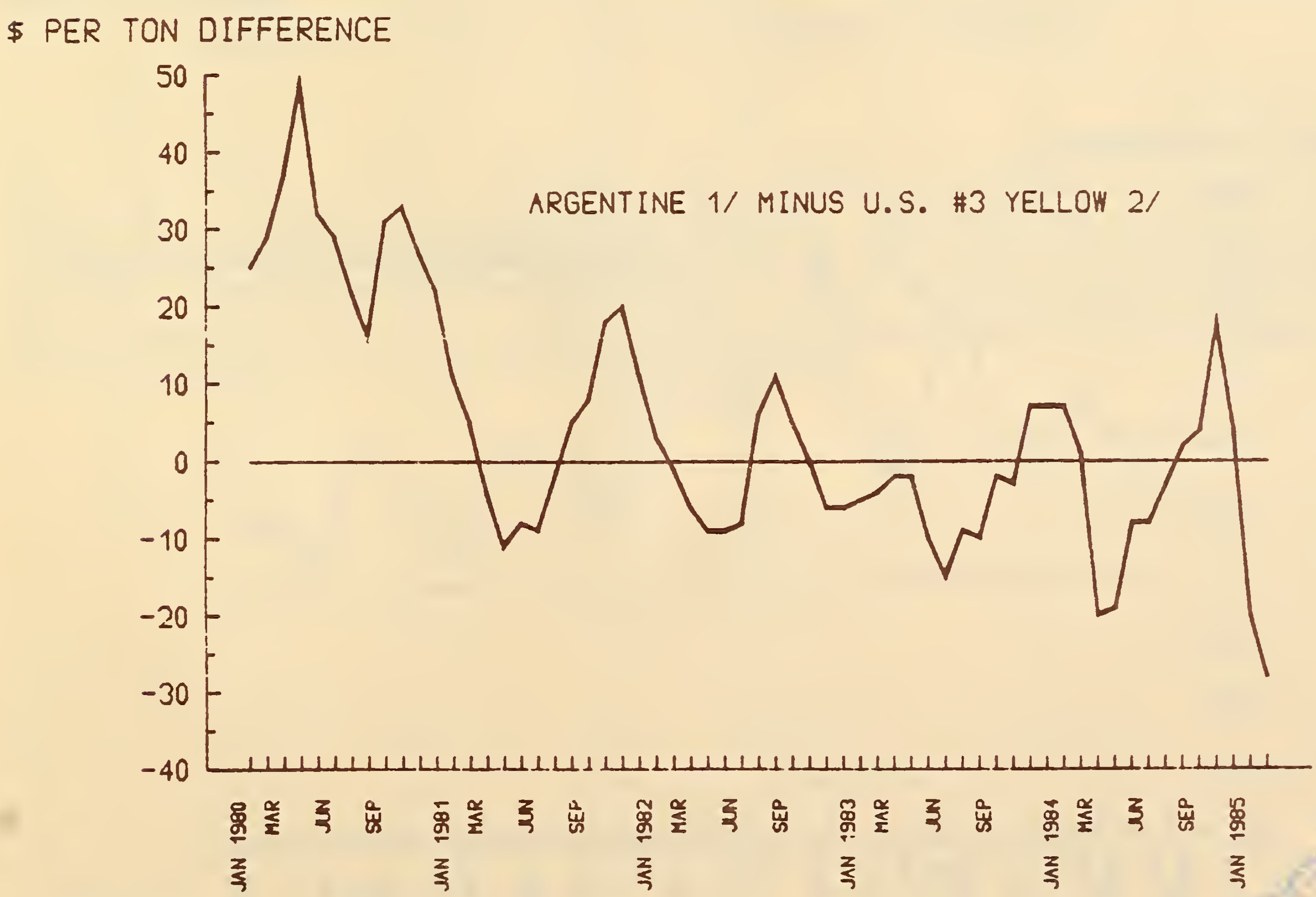
CONTENTS PAGE

TABLES AND GRAPHS

In examining these graphs, two additional points should be taken into account. First, intrinsic differences in quality and/or condition may mean that the commodity from one country will normally trade at a premium over its closest competition from another country. Historically, for example, U.S. rice has commanded a substantial price premium in world commercial markets because of its reputation for constant high quality. In the case of wheat, U.S. hard red spring is customarily viewed as being "competitive" with Canadian wheat when priced slightly lower on a per ton or a per bushel basis, whereas in the case of U.S. hard winter vs. Argentine wheat and also U.S. corn vs. Argentine corn, a "competitive" relationship usually means that the U.S. commodity can command a small premium in most markets. A related point, in studying the graphs, is that all of the prices shown are on an FOB basis which, especially in the case of Argentina, means that part of the apparent premium for U.S.-origin grain derives from lower freight costs to most of the world's largest import markets.

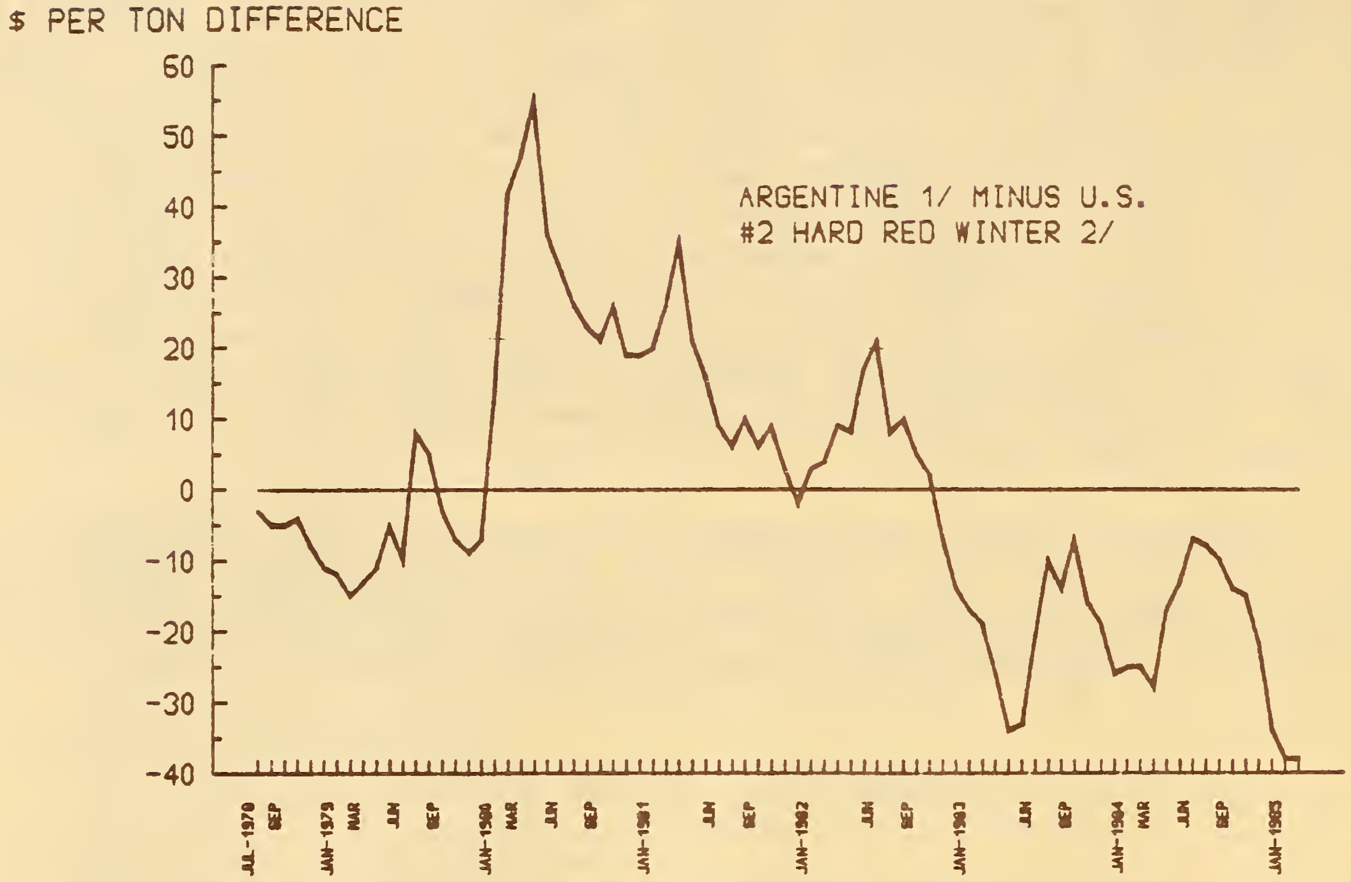
A second background point, particularly in analyzing the comparisons with Argentina, is that the year January 1980 for corn and the entire period 1980-1982 for wheat were to a considerable extent distorted by an unusually large premium for Argentine grain because of heavy sales to the USSR.

COMPETITIVENESS OF U.S. CORN PRICES



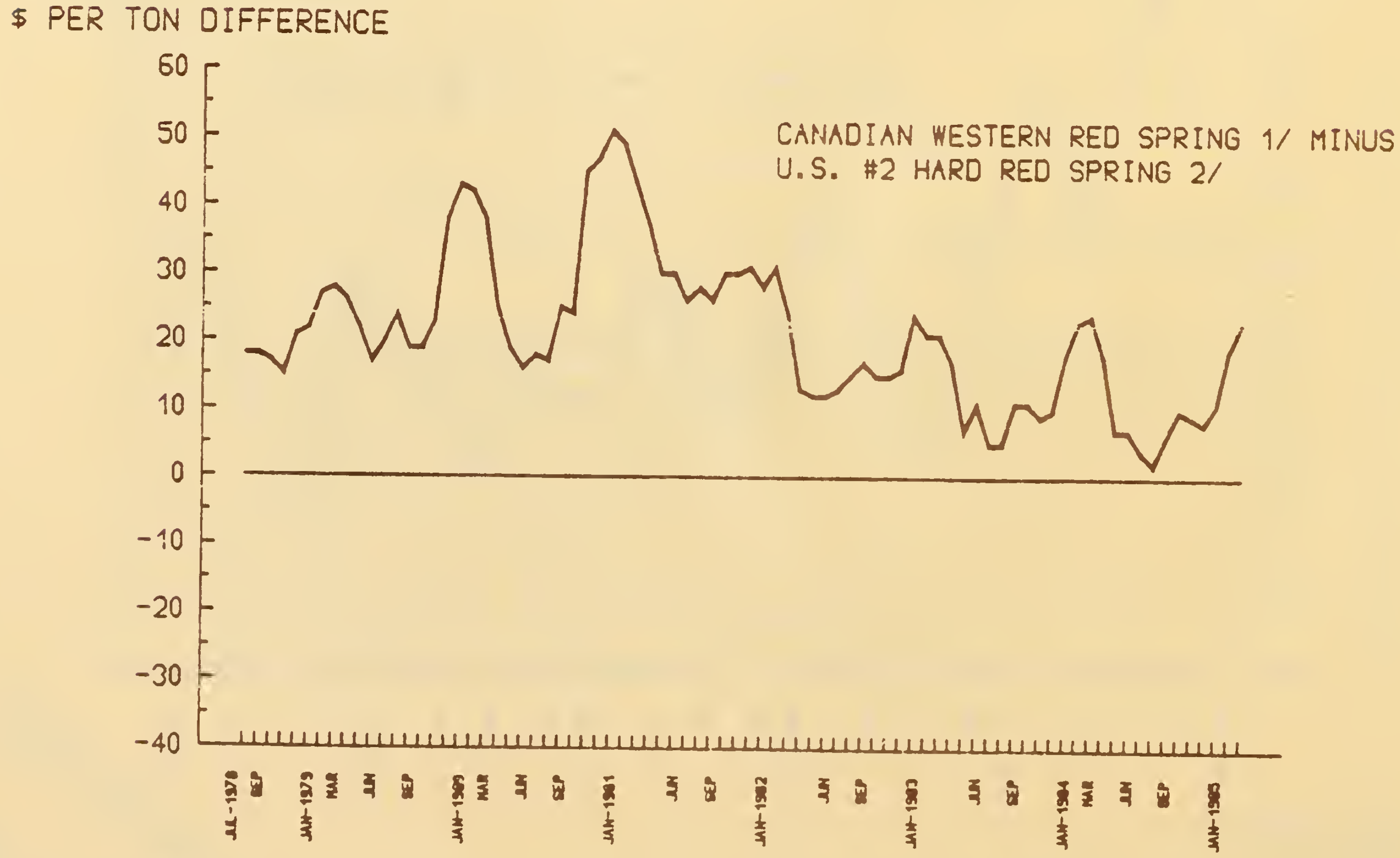
1/ FOB ARGENTINA
2/ FOB GULF

COMPETITIVENESS OF U.S. WHEAT PRICES



1/ FOB ARGENTINA
2/ FOB GULF

COMPETITIVENESS OF U.S. WHEAT PRICES



1/ FOB THUNDER BAY
2/ FOB DULUTH

HIGHLIGHTS

Major developments affecting U.S. exports over the past month include:

--Australia sold feed wheat to the Soviet Union, which could adversely affect U.S. coarse grain exports there.

--Brazil continued to purchase wheat from non-U.S. origins, at lower than U.S. export prices.

--The EC proposed a 3.6 percent reduction in grain prices for the 1985/86 season, not enough to affect 1985 production.

--Japan continued to purchase Chinese corn in substantial quantities.

--Zimbabwe's corn crop is expected to recover this year, allowing a rebuilding of stocks, and the opportunity to export.

--Taiwan renewed grain supply agreements with Uruguay and South Africa.

--Argentina reduced its export tax on corn and sorghum, hoping to facilitate sales.

The U.S. wheat export forecast was lowered in February due to lagging sales to a number of traditional markets. The forecast for U.S. coarse grain exports is unchanged from January, as the Soviet Union continues to purchase U.S. corn at a record pace. The U.S. rice export forecast is also unchanged as good trade prospects in the EC and Iraq are offset by eroding propsects in most other major markets.

QUANTITY AND VALUE OF U.S GRAIN AND FEED COMMODITY EXPORTS
IN FISCAL YEAR 1985 AND COMPARISON WITH PRECEEDING YEAR

	DECEMBER		CUMULATIVE OCT THRU DEC		ACTUAL EXPORTS	PROJECTED EXPORTS
	FY 84	FY 85	FY 84	FY 85	FY 84	FY 85
WHEAT (grain only)						
Quantity (1000 tons)	3508	3590	9432	9975	41700	38290
Value Per Ton (dollars)	163	153	163	152	156	152
Value (in million dollars)	572	551	1541	1517	6502	5820
CORN (grain only)						
Quantity (1000 tons)	4449	5247	13354	15376	47001	51000
Value Per Ton (dollars)	148	126	148	127	149	127
Value (in million dollars)	658	661	1977	1953	7022	6477
SORGHUM (grain only)						
Quantity (1000 tons)	494	646	1575	2141	6226	6350
Value Per Ton (dollars)	139	110	141	112	133	115
Value (in million dollars)	69	71	222	240	829	730
BARLEY, OATS, AND RYE (grain only)						
Quantity (1000 tons)	336	238	713	632	2074	2200
Value Per Ton (dollars)	132	148	134	132	134	127
Value (in million dollars)	44	35	96	83	277	279
TOTAL COARSE GRAINS (grain only)						
Quantity (1000 tons)	5279	6131	15642	18149	55301	59550
Value Per Ton (dollars)	146	125	147	125	147	126
Value (in million dollars)	771	767	2295	2276	8128	7486
RICE (grain only)						
Quantity (1000 tons)	164	148	550	467	2212	2000
Value Per Ton (dollars)	417	364	424	389	405	390
Value (in million dollars)	68	54	233	182	897	780
PULSES						
Quantity (1000 tons)	36	62	131	159	390	400
Value Per Ton (dollars)	518	453	455	465	451	450
Value (in million dollars)	19	28	60	74	176	180
FLOUR AND OTHER GRAIN PRODUCTS						
Quantity (1000 tons)	143	134	632	462	2642	2300
Value Per Ton (dollars)	258	262	195	242	214	200
Value (in million dollars)	37	35	123	112	565	560
FORAGE, HAY, MIXED FEED AND GRAIN BYPRODUCTS						
Quantity (1000 tons)	494	518	1610	1584	6845	7000
Value Per Ton (dollars)	178	176	176	160	170	170
Value (in million dollars)	88	91	284	253	1165	1190
TOTAL VOLUME (in thousand tons)	9624	10583	27997	30796	109089	109540
TOTAL VALUE (in million dollars)	1555	1526	4536	4414	17432	16016

SOURCE: US Census

WHEAT

LATEST U.S. EXPORT FORECAST, SHIPMENTS AND SALES

Export Forecast: The U.S. wheat export forecast estimate has been lowered to 40.1 million tons, down 1.4 million tons from last month. The slow pace of new sales over recent months is a reflection of low demand for U.S. wheat in a number of markets, particularly the USSR and China.

Shipments and Sales: U.S. wheat shipments in the four weeks ending February 21 of 2.3 million tons were the lowest so far in the 1984/85 marketing year. Shipments to the Soviet Union are tapering off and other markets have failed to pick up the slack. The volume of new sales in February shows a continuation of the lagging pace over the past few months.

IMPORTER BUYING ACTIVITY

Buying activity appears to have dropped off this month with Brazil, Japan, Egypt and Turkey as the major buyers. The EC and Argentina were able to under-price U.S. wheat for the Brazilian and Turkish tenders. The USSR reduced its commitments of U.S. wheat, apparently in favor of lower-priced wheat from other origins.

WHEAT AND FLOUR IMPORTER BUYING ACTIVITY
REPORTED BETWEEN JANUARY 31, 1985 AND FEBRUARY 26, 1985

Approx. Date of Purchase	Buyer	Origin	Quantity (Tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
1/31	Brazil	U.S.	33,000	HRW	141.83	June
	Jamaica	U.S.	7,000	HRS	162.35	Mar/April
	Jamaica	U.S.	8,000	SRW	144.29	Mar/April
2/1	Egypt	U.S.	107,800	Wheat Flour	230.16 @ 239.20 FAS	Mar/April
	Bangladesh	U.S.	120,226	WW	139.33 @ 140.23	Feb/March
2/6	Brazil	U.S.	132,000	HRW	140.72 @ 141.79	June/July
	Japan	U.S.	33,000	HRW, HRS	?	April
	Japan	Canada	17,300	CWRS	?	April
	Japan	Aust	32,500	ASW, PH	?	April
	Mozambique	U.S.	9,000	SRW	150.00 @ 152.92	Mar/April
	Mozambique	U.S.	22,539	SRW	146.41 @ 149.05	Mar/April
2/8	Costa Rica	U.S.	16,000	HRS,SRW	various	March
2/12	Korea	Aust	50,000	Feed Wheat	122.39 C&F	March
	Portugal	France	15,000	Soft Wheat	126.75 C&F	February
	Philippines	U.S.	25,000	HRS	?	March
2/13	Malta	U.S.	10,000	HRW	175.75 C&F	March
	Brazil	Canada	95,000	CWRS	115.95 @ 117.95	June/July
	Brazil	EC	50,000	Soft Wheat	117.90 @ 119.79	June/July
2/14	Japan	U.S.	14,000	HRS	?	April
	Japan	Canada	17,137	CWRS	?	April
	Japan	Austr	32,700	ASW, PH	?	April
	Egypt	U.S.	167,000	WW	140.65 @ 144.86	Feb/March
2/15	Bangladesh	UK	27,000	Soft Wheat	159.00 C&F	April
2/20	Turkey	Argentine	200,000	Wheat	137.00 C&F	Mar/April
	Turkey	EC	100,000	Soft Wheat	132.00 C&F	May
	Japan	U.S.	107,841	WW, HRW, HRS	?	April
	Japan	Canada	17,000	CWRS, CWAD	?	April
	Japan	Australia	17,000	PH	?	April
2/22	Portugal	U.S.	30,000	SRW	140.00	March

1/ HRW=Hard Red Winter, HRS=Hard Red Spring, SRW=Soft Red Winter, HAD=Hard Amber Durum, WW=Western White ASW=Austrailian Soft White, CWRS=Canadian Western Red Spring, PH=Argentine Prime Hard
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

MARKET OPPORTUNITIES

**Spain: The National Farm Commodity Service has been authorized by the government of Spain to import 600,000 tons of bread wheat. Three separate tenders of 200,000 each will be held; the first will be announced shortly for March delivery. Imports are necessary because large quantities of domestic wheat used as animal feed (along with 200,000 tons of unregistered exports to Portugal) caused a sharp upturn in domestic prices, which the Spanish government would like to see return to lower levels. Although Spanish wheat imports have averaged 165,000 tons over the past three marketing years, the United States has not sold wheat there since 1983.

DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries Selling Activity and Competitive Practices

**Australia: The Australian Wheat Board confirmed a sale of 950,000 tons of wheat to the Soviet Union for March-April delivery. The sale includes 500,000 tons of milling and 450,000 tons of feed wheat. This is the first time Australian feed wheat has been sold to the Soviet Union. Other details, including price, are not known at this time.

**India: Record domestic wheat procurement during April-March 1984/85, coupled with large imports from the previous year, have caused a record build up of Government of India (GOI) stocks. As of January 1, stocks approached 15 million tons, an increase of nearly 5 million tons over the previous year. If a near-normal wheat harvest takes place this spring, GOI stocks are expected to peak at nearly 20 million tons in July 1985, and lack of storage facilities will pose a serious problem. Considering domestic stock requirements, the exportable surplus is reported to be nearly 2 million tons. Export contracts now total 750,000 tons of wheat, comprised of 500,000 tons to the Soviet Union, 150,000 tons to Romania, and 100,000 tons of famine relief to Africa. Additional sales of 1.5 million tons are likely, which will make 1985 a record year for Indian wheat exports.

Competitive Developments In Selected Foreign Markets

**Brazil: Despite a balance of unused GSM-102 credit guarantees exceeding $300 million, Brazil continues to purchase cheaper wheat from sources other than the United States. Recently, Brazil bought 100,000 tons from Argentina, bringing total Brazilian purchases from Argentina this season to about 700,000 tons. In addition, Brazil bought 50,000 tons from the European Community, raising total July-June 1984/85 purchases from the EC to 90,000 tons.

**Turkey: Turkey reportedly purchased 200,000 tons of Argentine wheat and 100,000 tons of French wheat at a recent tender. Reportedly, neither sale included credit, but this is the first Turkish purchase of Argentine wheat according to available records. Turkey has been allocated $81 million in GSM-102 credit guarantees for wheat purchases in 1985, but has used only $10 million thus far. Earlier this season, all of Turkey's projected wheat imports in 1984/85 (800,000 tons) were expected to come from the United States.

**Ecuador: A rapidly growing population and rising per capita consumption (spurred by an exchange rate subsidy for imports) is causing the Ecuadorian wheat market to grow at about 10 percent annually. Domestic consumption is now approaching 400,000 tons, and since local production of wheat is nill, nearly all requirements must be met by imports. Most of Ecuador's July-June 1984/85 wheat imports (currently estimated at approximately 360,000 tons) are expected to be covered the 1985 GSM-102 credit line of $52 million.

**Philippines: Competition for U.S. wheat in the Philippines during July-June 1984/85 is expected to be tougher then ever. Philippines wheat imports are expected to be 820,000 tons, a record level due to growing consumption of wheat-based foods. The Philippine government is making efforts to narrow the price difference between wheat products and rice (the traditional staple food). The Australian Wheat Board has unofficially discussed one-year credit for wheat purchases, indicating their strong desire to enter this market, and Argentina has offered wheat at a substantial discount to U.S. prices. Still, it is expected that the bulk of Philippine wheat imports during the coming year will come from the United States and be financed under GSM-102 credit.

Internal Price Policies of Foreign Countries

**France: Soft wheat prices in France are lower than the intervention price for the first time in recent history, which means intensified internal pressures to ease the growing surplus by exporting more wheat. Total EC wheat and flour exports during the current July-June year are 800,000 tons ahead of last year's pace, when the EC exported a record 16 million tons.

**EC: The proposed reduction in EC grain price supports for 1985/86 will have virtually no impact on the forthcoming 1985 grain harvest, since most of the EC's wheat and barley (comprising 80 percent of total grain production) has already been planted. The proposed reduction of only 3.6 percent is also unlikely to modify the long-term prospects of steadily rising exportable wheat and barley surpluses. Under the Common Agricultural Policy reform package, 1985/86 prices should have been reduced by the maximum 5 percent, but even that level would probably be insufficient to alter future planting programs. Last year, EC grain production (excluding durum wheat) exceeded the 1984 production threshold by some 22 million tons as a result of very favorable weather and continuing shifts to high-yielding varieties.

**Chile: Higher guaranteed wheat prices for the 1984/85 growing season caused a significant increase in plantings which, coupled with better-than-expected yields, should mean Chile's largest wheat output since 1977. The 1985 wheat harvest is progressing well, and some stock rebuilding may be realized despite lower imports (700,000 tons during December-November 1984/85). Average wheat prices during 1984 increased 3 percent over the previous year, to approximately $200 per ton. However, current prices are even higher and this could cause additional land to be planted, which would further erode future wheat import demand.

**Cargo Preference to Apply to Blended Credit: A U.S. District Court Judge recently ruled that the USDA's Blended Credit Program is subject to cargo preference rules. Given that U.S. flag vessels cost over $50.00 per ton more than foreign flag vessels to ship bulk cargo, the ruling jeopardizes the $536 million currently allocated in the program, and could negate the aim of making U.S. wheat and flour more competitive in the international market. The cargo preference law was enacted in 1954 to support the U.S. Merchant Marine Fleet, and states that half of any U.S. government-generated cargo that is shipped to other nations on concessional terms must be shipped on U.S. flag vessels, when such vessels are available. A previous ruling stated that Cargo Preference did not apply to the Blended Credit program.

**Major Exporters: The latest internal support prices for the principal world wheat exporters, on an individual marketing year basis, are listed below. Prices are not strictly comparable because of quality differences and because U.S., Argentine and EC prices are on a local delivery point basis. For example, in terms of quality differentials, the Canadian price is set for No. 1 CWRS, while No. 2 CWRS was discounted by approximately C$4 per ton and No. 3 CWRS by about C$15 per ton; No. 1 CWRS has represented about 40 percent of Canadian wheat exports over the past 10 years. EC prices given below are for medium quality wheat in August and do not include monthly incremental increases.

MAJOR EXPORTER SUPPORT PRICES FOR WHEAT

Exporter	1983/84 U.S.$ Equivalent		1983/84 Local Currency	1984/85 U.S.$ Equivalent		1984/85 Local Currency
	per bu	----per	ton ----	per bu	----per	ton ----
U.S. (loan)	3.65	134	134	3.30	121	121 ($)
(reserve loan)	3.65	134	134	N/A	N/A	N/A
Argentina (reference)	2.67	98	3,060 pesos 1/	2.46	90	21,000 pesos 1/
Australia (min. pay.)	3.72	137	150 (A$)	3.41	125	146 (A$)
(final pay.)	N/A	N/A	N/A	N/A	N/A	N/A
Canada (initial pay.)	3.75	138	170 (C$)	3.40	125	160 (C$)
(final pay.)	3.96	145	194 (C$)	N/A	N/A	N/A
EC (intervention) 2/	4.39	165	198 (ECU)	4.22	138	196
(reference)	5.10	190	228	4.93	159	226

1/ In new pesos, current season prices can be adjusted when necessary because of currency fluctuations. Caution should be taken when using this price in US$ equivalent, because of the volatility of the Argentine exchange rate. Current price as of February 11, 1985.

2/ Prices represent average quality wheat adjusted by monthly increments.

US WHEAT SHIPMENTS, SALES, AND INSPECTIONS 1/
(JUNE/MAY--MILLION TONS)

Monthly Shipments

4 Weeks Ending	1983/84	1984/85
Nov. 22	3.4	3.4
Dec. 20	3.4	2.8
Jan. 24	3.5	3.2
Feb. 21	2.9	2.3
Cumulative for MY......	26.3	30.6

Monthly Sales 2/

4 Weeks Ending	1983/84	1984/85
Nov. 22	2.8	2.4
Dec. 20	3.1	1.1
Jan. 24	3.3	1.4
Feb. 21	3.1	1.2
Cumulative for MY	33.0	33.9

Weekly and Annual Inspection Rates

	Million MT	Million BU
Week Ending February 14...........	0.7	24.6
Week Ending February 21...........	0.5	18.4
Official Estimate for Current MY (Grain only)......................	38.4	1410
Implied Weekly Average............	0.8	27.1
Latest Six Weeks Weekly Average....................	0.6	22.4
Marketing Year-To-Date Weekly Average.....................	0.8	30.5
Weekly Avg. Extrapolated Annually..	43.2	1587
Balance of Year to Achieve Estimate Implied Weekly Average............	0.5	17.9

1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.

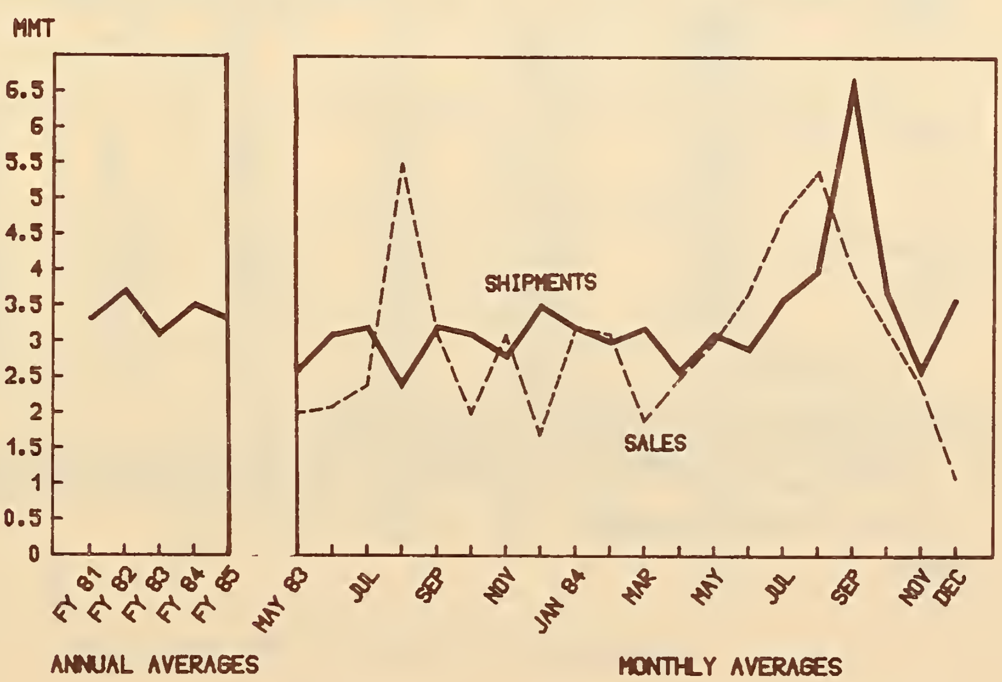
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.

WHEAT SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1983/84-1984/85
(JULY/JUNE--MILLION TONS)

	Canada		Australia		Argentina		France 2/		Total	
4 Weeks Ending 1/	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
Nov. 21	1.8	1.5	.6	1.1	.3	.1	1.2	.8	3.9	3.5
Dec. 20	1.3	1.0	.9	1.1	.7	.2	1.1	1.0	4.0	3.3
Jan. 24	.9	.6	1.6	1.1	1.7	1.5	.8	1.0	5.0	4.2
Feb. 21	.8	.7	1.5	1.0	1.9	N/A	.8	N/A	5.0	N/A
Cumulative since July 1	13.3	12.8	6.3	9.1	6.7	2.3	6.8	6.7	33.1	30.9
Total for Season 3/	21.8	17.2	11.6	15.0	9.6	7.5	9.5	11.0	53.0	50.7

1/ Or nearest date thereto.
2/ Excludes intra-EC trade.
3/ Projection for 1984/85.

U.S. WHEAT SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM MAY 1983 - DECEMBER 1984



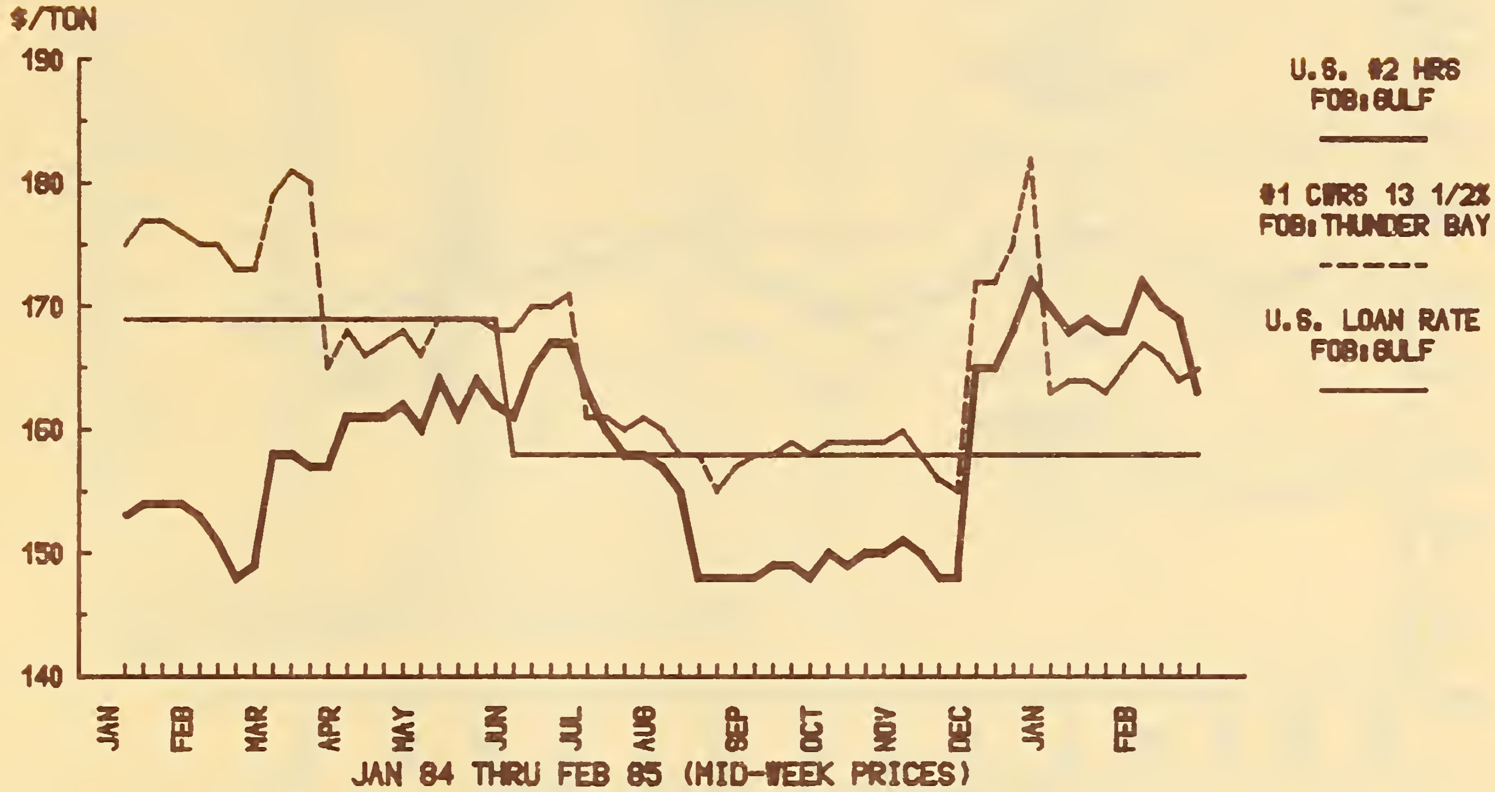
U.S. WHEAT EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
TOTAL EXPORTS FOR 1982/83-1983/84; COMMITMENTS TO DATE FOR 1984/85 WITH COMPARISON TO 1983/84
(JUNE/MAY--1,000 TONS)

Destination	Marketing Year	Hard red Winter	Hard red Spring	Soft Red	All White	Durum	Total Exports
EC-10	1982/83	3	1,162	35	53	495	1,748
	1983/84	3	1,218	2	--	263	1,486
	1983/84*	3	1,021	28	--	241	1,293
	1984/85**	--	651	8	--	155	814
Other W. Europe	1982/83	343	95	289	4	7	738
	1983/84	795	32	411	16	49	1,303
	1983/84*	889	21	316	7	31	1,264
	1984/85**	468	60	632	--	35	1,195
Eastern Europe	1982/83	--	--	122	--	74	196
	1983/84	--	--	283	--	72	355
	1983/84*	--	--	313	--	49	362
	1984/85**	--	--	--	--	65	65
USSR	1982/83	3,374	--	--	--	--	3,374
	1983/84	4,141	--	--	--	--	4,141
	1983/84*	4,203	--	--	--	--	4,203
	1984/85**	6,356	--	--	--	--	6,356
China	1982/83	386	--	4,938	--	--	5,324
	1983/84	1,368	--	1,549	--	--	2,917
	1983/84*	1,273	--	1,566	--	--	2,839
	1984/85**	105	--	2,723	--	--	2,828
Japan	1982/83	1,266	987	20	1,049	--	3,322
	1983/84	1,287	1,010	--	1,126	12	3,435
	1983/84*	1,139	849	--	993	9	2,990
	1984/85**	1,133	884	--	926	9	2,952
India	1982/83	2,480	--	--	1,405	--	3,885
	1983/84	198	--	--	968	--	1,166
	1983/84*	198	--	--	968	--	1,166
	1984/85**	--	--	--	--	--	0
Taiwan	1982/83	309	195	--	170	--	674
	1983/84	245	185	--	130	--	560
	1983/84*	288	178	--	123	--	589
	1984/85**	300	210	--	145	--	655
Rep. of Korea	1982/83	605	162	--	990	--	1,757
	1983/84	649	221	2	1,179	--	2,051
	1983/84*	606	200	2	1,073	--	1,881
	1984/85**	560	189	--	943	--	1,692
Other Asia, Middle East, and Oceania	1982/83	2,554	1,858	833	568	1	5,814
	1983/84	2,288	1,232	258	1,222	21	5,021
	1983/84*	2,220	1,056	258	1,138	21	4,693
	1984/85**	1,995	646	178	1,447	--	4,266
Egypt	1982/83	--	--	397	1,331	--	1,728
	1983/84	--	--	539	807	--	1,346
	1983/84*	--	--	530	506	--	1,036
	1984/85**	--	--	266	1,130	--	1,396
Nigeria	1982/83	918	242	81	--	--	1,241
	1983/84	1,278	265	88	--	--	1,631
	1983/84*	940	239	59	--	--	989
	1984/85**	988	197	81	--	--	1,096
Other Africa	1982/83	611	95	1,086	--	666	2,458
	1983/84	471	7	1,876	45	844	3,243
	1983/84*	441	5	1,557	3	743	2,749
	1984/85**	376	26	1,917	28	714	3,061
Brazil	1982/83	2,113	--	--	--	--	2,113
	1983/84	2,181	--	66	--	--	2,247
	1983/84*	2,178	--	66	--	--	2,244
	1984/85**	3,089	--	67	--	--	3,156
Other W. Hemis.	1982/83	2,172	1,464	559	8	271	4,474
	1983/84	2,223	1,477	514	48	296	4,558
	1983/84*	1,943	1,392	504	39	278	4,156
	1984/85**	1,856	1,230	401	147	257	3,891
Total 1/	1982/83	16,881	6,065	8,360	5,408	1,514	38,228
	1983/84	17,128	5,647	5,593	5,541	1,556	35,465
	1983/84*	16,352	5,064	5,290	4,820	1,448	32,974
	1984/85**	17,256	4,110	6,273	4,836	1,396	32,982
My Projection 2/		20,820	5,307	7,076	5,307	1,633	40,143

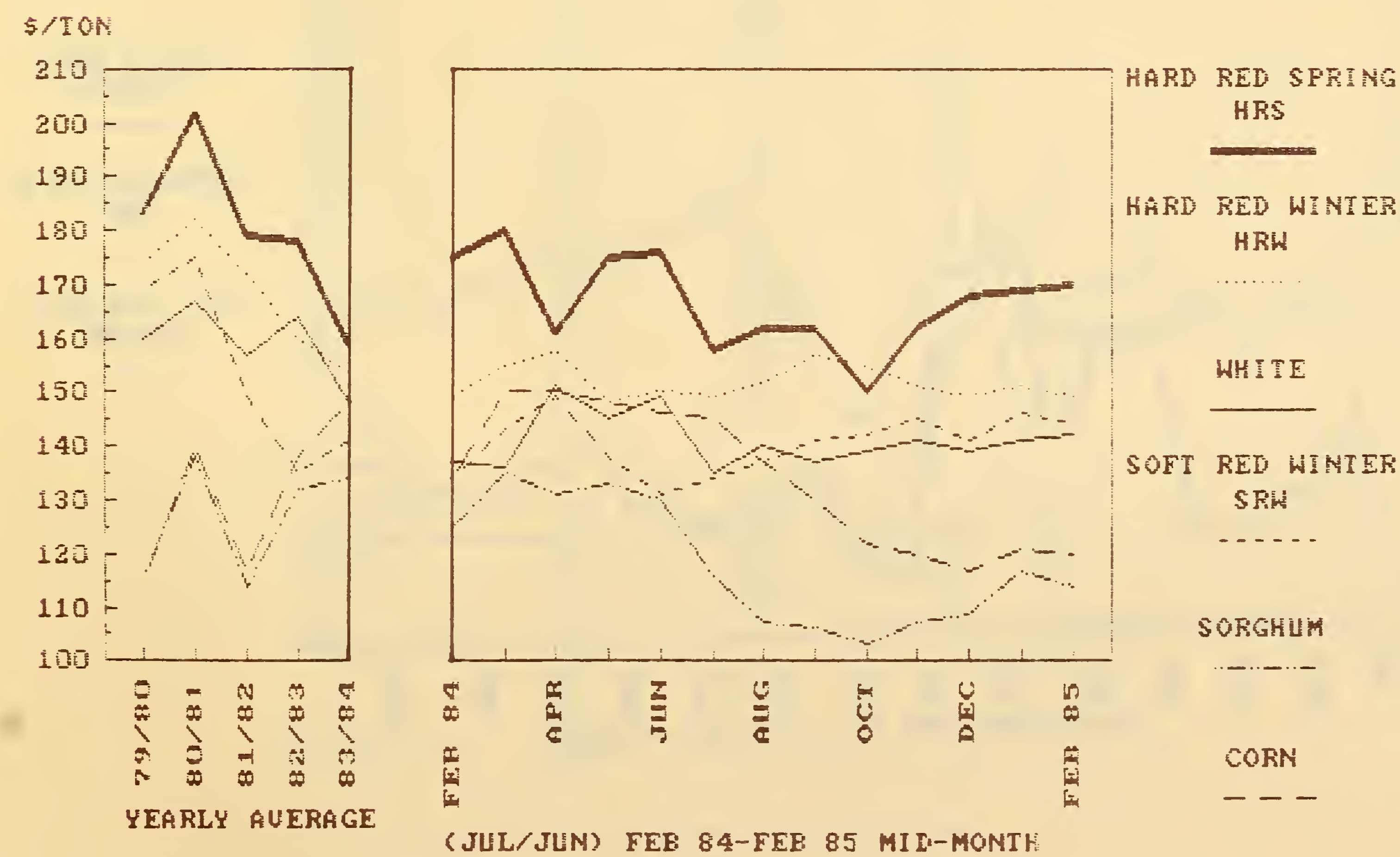
1/ Discrepancies due to rounding and sales to unknown destination.
2/ Projection for 1984/85, including flour and products
* Sales plus accumulated exports as of February 23, 1984, excluding sales for next marketing year.
** Sales plus accumulated exports as of Febraury 21, 1985, excluding sales for next marketing year.

Source: U.S. Export Sales Report

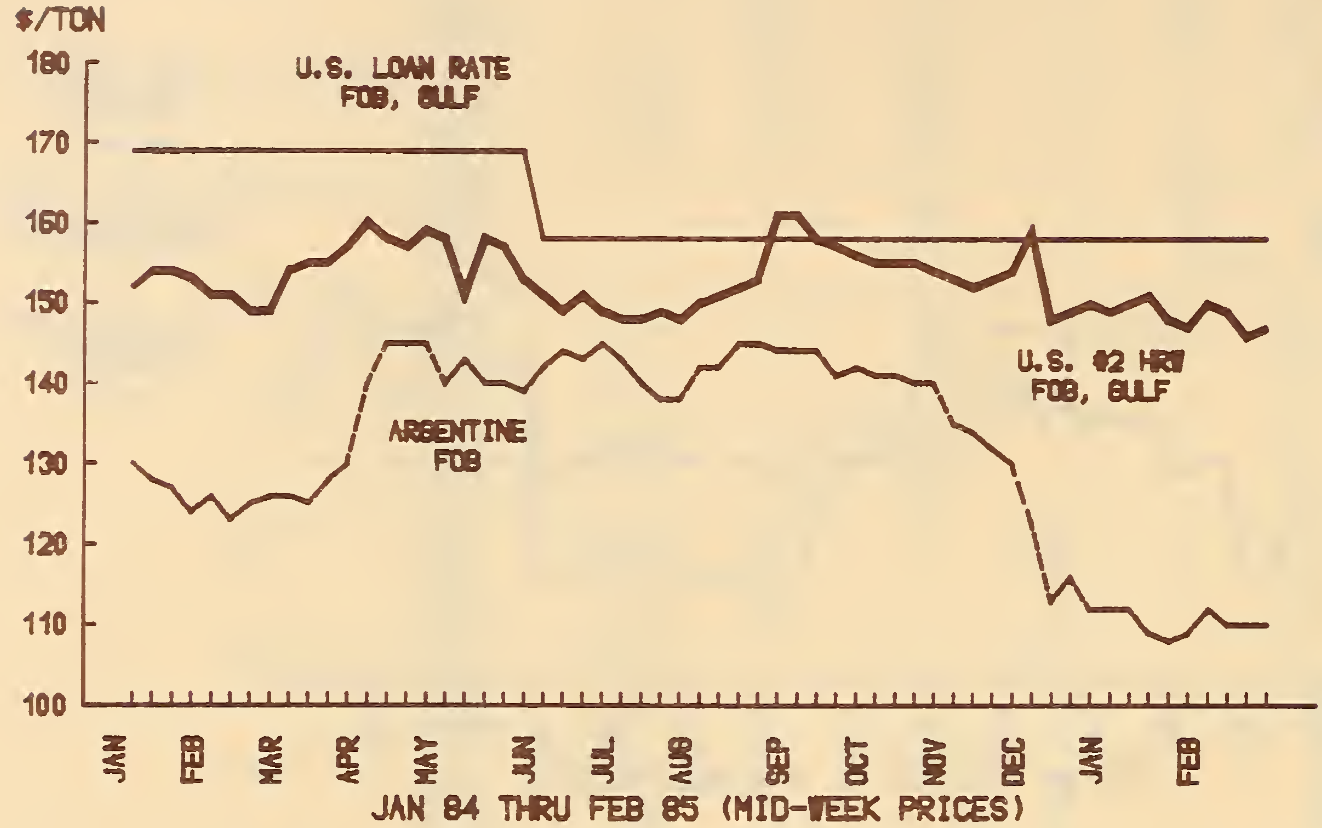
HARD RED SPRING WHEAT EXPORT PRICES
U.S. AND CANADIAN



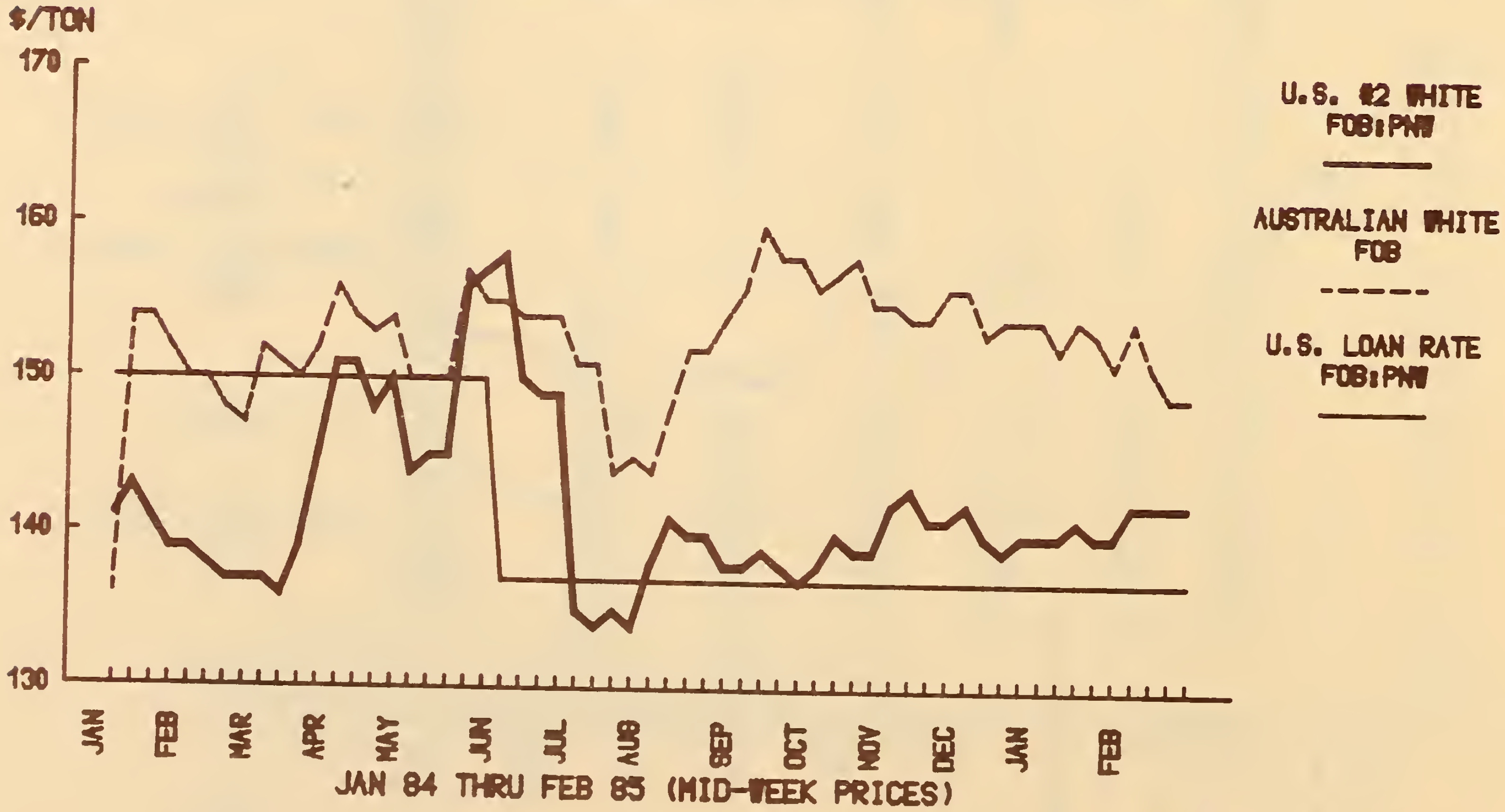
U.S. GRAIN COMMODITY EXPORT PRICES
FOB GULF, EXCEPT FOB PNW FOR WHITE WHEAT



HARD RED WINTER WHEAT EXPORT PRICES
U.S. AND ARGENTINE



WHITE WHEAT EXPORT PRICES
U.S. AND AUSTRALIAN



**CCC Credit

U.S. WHEAT/FLOUR TRADE WITH SELECTED COUNTRIES
UNDER CCC GUARANTEE PROGRAMS

	FY 1984		FY 1985		
	TOTAL Exports	Estimated Exports Under CCC Programs	Announced	Approved	Estimated Quality Yet To Be Purchased
	-------1000 tons------		--Million Dollars--		----1,000 tons----
Bangladesh	362.0	300.0	60.0	29.0	207.0
Brazil	2,097.0	2,914.0 1/	500.0	191.4	2,057.0
Chile	860.0	567.0	100.0	0.0	666.0
Colombia	531.0	566.0 1/	80.0	2.4	517.0
Costa Rica	124.0	--	--	--	--
Dominican Rep.	151.0	106.0	--	--	--
Ecuador	357.0	457.0 1/	52.0	9.9	281.0
Egypt	2,073.0	526.0	136.0	0.0	906.0
Guatemala	109.0	138.0	--	--	--
Haiti	107.0	33.0	7.5	--	50.0
Iraq	952.0	1,225.0 1/	190.0	49.3	938.0
Jamaica	112.0	100.0	--	--	--
Korea	1,798.0	864.0	110.0	62.3	318.0
Morocco	1,849.0	2,245.0 1/	250.0	0.0	1,667.0
Nigeria	1,372.0	--	--	--	--
Peru	642.0	507.0	--	--	--
Philippines	572.0	637.0 1/	120.0	--	800.0
Portugal	720.0	2,780.0 1/ 2/	117.0	27.5	597.0
Tunisia	430.0	691.0	120.0	--	750.0
Turkey	591.0	500.0	81.0	10.1	473.0
Yemen	86.0	--	--	--	--
TOTAL	15,895.0	15,156.0	1,923.5	381.9	10,227.0

* Includes GSM-102, GSM-5, and Blended Credit, as of February 8, 1985.
1/ Exports under CCC programs exceed total FY 84 because some of the estimated shipments may have actually moved after September 30, 1984.
2/ Wheat or feed grains

**PL-480

INITIAL FY 1985 PUBLIC LAW TITLE I/III
COUNTRY AND COMMODITY ALLOCATIONS
(1000 Tons Grain Equivalent)

Country	Million-Total	Wheat/Flour	Rice	Feedgrains
$805 or Less Per Capita GNP				
Bangladesh	92.0	338.0	67.0	--
Bolivia	20.0	130.0	--	--
Egypt	225.0	1,448.0 1/	--	--
El Salvador	44.0	138.0	--	--
Ghana	6.0	--	--	--
Guinea	6.0	--	21.0	--
Haiti	15.0	94.0	--	--
Honduras	15.0	95.0	--	--
Indonesia	40.0	250.0	--	--
Kenya	10.0	66.0	--	--
Liberia	16.0	--	46.0	--
Madagascar	11.0	--	39.0	--
Maldives	1.5	4.0 1/	2.0	--
Morocco	45.0	290.0	18.0	--
Mozambique	10.0	32.0	9.0	21.0
Pakistan	50.0	--	--	--
Senegal	8.0	6.0	10.0	24.0
Sierra Leone	4.0	13.0	7.0	--
Somalia	20.0	44.0 1/	25.0	--
Sri Lanka	26.0	163.0	--	--
Sudan	50.0	300.0 1/	--	--
Yemen	10.0	11.0 1/	7.0	--
Zaire	15.0	67.0 1/	--	15.0
Zambia	10.0	26.0	5.0	--
Zimbabwe	8.0	50.0	--	--
Subtotal	757.5	3,565.0	256.0	60.0
Over $805 Per Capita GNP				
Costa Rica	28.0	115.0	--	24.0
Dominican Rep.	35.5	90.0	--	145.0
Guatemala	16.0	54.0	--	--
Jamaica	35.0	100.0	20.0	75.0
Mauritius	3.5	12.0 1/	5.0	--
Peru	20.0	50.0	--	--
Tunisia	5.0	--	--	43.0
Subtotal	143.0	421.0	25.0	287.0
Allocated 3/	900.5	3,986.0	281.0	347.0
Unallocated Reserve	153.1	--	--	--
TOTAL PROGRAM	1,053.6	--	--	--

1/ Wheat equivalent of flour or some portion of wheat equiv. of flour.

CORN AND SORGHUM

LATEST U.S. EXPORT FORECAST, SHIPMENTS AND SALES

Export Forecast: As of mid-February, the U.S. corn export forecast for marketing year 1984/85, excluding about 430,000 tons of products, has remained constant at 51.4 million tons. Heavy Soviet corn purchases in recent weeks, leading to a higher forecast of Soviet corn imports, is largely offset by expanding competition from China in major Asian markets like Japan and Korea.

Shipments and Sales: U.S. corn sales over the pst month remained strong, with continued large purchases by the USSR, Japan, and Taiwan.

IMPORTER BUYING ACTIVITY

Korean continued to purchase Chinese corn and Mexico made several large purchases of corn and sorghum for the United States and Argentina.

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

Other Exporting Countries Selling Activity and Competitive Practices

**China: Japan has reportedly purchased 500,000 tons of Chinese corn for May through July shipment, bringing Chinese corn sales to Japan to over 1.4 million tons so far in October-September 1984/85. Shipping delays however, have resulted in only about 160,000 tons actually being landed by the end of January. Unless China steps up its shipping schedule, Japanese demand for U.S. corn could increase from the prevailing rate of 1.15 million tons per month, and U.S. exports would not be as adversely affected by the large Chinese sales as was previously believed.

**Malawi: Zambia has reportedly purchased 80,000 tons of corn on commercial terms from Malawi. Large stocks, coupled with good crop prospects, prompted the Malawi government to export corn, and Zambia has large grain import requirements because of persistent drought. Malawi is forecast to export 200,000 tons of corn during October-September 1984/85.

Competitive Developments in Selected Foreign Markets

**Korea: The Ministry of Agriculture and Fisheries (MAF) announced plans to promote domestic forage production in hopes of replacing as much as 170,000 tons of imported grain. The MAF reports Korean feed compounders are using less corn in their rations because of lower priced alternative feeds, and are concentrating on holding corn's share of the grain/energy source in feed at or below its 1984 share of 61 percent (down from 98 percent in 1980).

In 1984, there was a major shift in the feed grain import market from corn to feed wheat, which accounted for about 17 percent of total feed grain imports. For 1985, a continuing shift way from corn is expected, especially if Korean import duties on tapioca are lowered as suggested by the MAF. These developments all point to lower 1985 feed grain imports by Korea, as the country seeks to use less corn in feed formulation and increase production and utilization of domestic feed ingredients.

**Portugal: Seamen and dock workers in Portugal's two state shipping companies began an indefinite strike to protest government plans to close the firms. If the firms are closed, merchant marine unions have threatened to block Portugal's maritime trade. The United States is expected to export nearly 3 million tons of coarse grains and wheat to Portugal in the 1984/85 marketing year.

**Yugoslavia: Despite a record 1984 corn crop, the ban on exports which was imposed by the government of Yugoslavia in September 1984 could mean further reductions in its exports if not lifted soon. Exports of corn during October-September 1984/85 are projected at 700,000 tons, but most likely will be reduced if the export ban is continued. Any reduction of Yugoslavian corn exports is expected to be carried over as stocks, which are already at record levels approaching 2.8 million tons.

**Uruguay: The grain supply agreement of 1983 between Taiwan and Uruguay has unofficially been extended through 1990. A letter of intent will reportedly be signed this spring, calling for 3 million tons of grain to be delivered between 1985 and 1990. At this time, it appears that the agreement quantities (especially corn and sorghum) are beyond Uruguay's ability to supply, but any grain shipped is expected to replace U.S. exports to Taiwan.

**Zimbabwe: Excellent rains this month appear to have broken a 2-year drought, and corn production is expected to recover enough to rebuild buffer stocks. Corn exports during October-September 1984/85 could be possible if the corn crop exceeds Zimbabwe's annual domestic consumption requirements. Zimbabwe's last substantial exports of about 250,000 tons took place in 1981/82. South Africa has been mentioned as a possible destination, perhaps under a corn-for-wheat barter arrangement.

RECENT CORN AND SORGHUM IMPORTER BUYING ACTIVITY
REPORTED BETWEEN JANUARY 31 AND FEBRUARY 26, 1985

Date of Purchase	Buyer	Origin	Quality (Tons)	Grade 1/	Price Range 2/ ($US per ton)	Delivery Period 3/
1/31	Korea	U.S.	50,000	YC	125.70	Feb/March
	Jamaica	U.S.	26,000	#2 YC	126.34	February
	Jamaica	U.S.	13,500	YC	123.80	February
	Egypt	U.S.	100,000	#2 YC	126.43	February
	Jordan	China	25,000	Chinese Corn		Feb-April
2/4	Portugal	U.S.	70,000	YC	124.00 @ 124.20	March
2/6	Mozambique	U.S.	18,615	YC	125.90	March
2/7	Korea	U.S.	50,000	YC	138.75 C&F	Feb/March
	Korea	China	40,000	Chinese corn	120.75 @ 120.99	Mar/April
2/8	Taiwan	Aust	33,500	Austr. sorghum	124.90 C&F	April/May
	Korea	China	85,000	Chinese corn	120.90 @ 122.70 C&F	March
2/12	Morocco	U.S.	40,000	YC	139.48 @ 134.10 C&F	March/April
2/13	Israel	U.S.	25,000	#2 YC	122.50	Feb-March
	Korea	China	35,000	Chinese corn	121.90 C&F	March
	Morocco	U.S.	40,000	YC	134.10 @ 139.48 C&F	March-April
2/15	Philippines	Thai	25,000	Thai corn	127.15 C&F	March
	Mexico	U.S.	213,000	YS	?	March/April
	Mexico	Argen	60,000	Arg. sorghum	?	March/April
	Mexico	U.S.	125,000	#2 YC	?	April
2/21	Columbia	U.S.	20,000	YS	130.68 C&F	March

1/ YC=#3 Yellow Corn unless otherwise stated, and YS=Yellow Sorghum
2/ FOB unless otherwise noted.
3/ FH denotes first half; LH, last half.

SOURCE: Unofficial market news reports.

US CORN AND SORGHUM SHIPMENTS, SALES AND INSPECTIONS 1/
(OCTOBER/SEPTEMBER--MILLION TONS)

Monthly Shipments

	CORN		SORGHUM	
4 Weeks Ending	83/84	84/85	83/84	84/85
Nov. 22	6.6	6.6	.7	.7
Dec. 20	6.9	4.3	.6	.4
Jan. 24	4.7	5.9	.6	.9
Feb. 24	3.6	5.5	.6	.6
TOTAL FOR MY	21.8	25.4	2.9	3.5

Monthly Sales 2/

	CORN		SORGHUM	
4 Weeks Ending	83/84	84/85	83/84	84/85
Nov. 22	4.3	3.1	1.0	.7
Dec. 20	3.7	2.0	1.0	.4
Jan. 24	2.5	4.7	.3	.9
Feb. 21	2.8	2.9	.9	.3
TOTAL FOR MY	32.4	31.6	4.3	4.6

Weekly and Annual Inspection Rates

	CORN		Sorghum	
	MT	BU	MT	BU
Week Ending February 14	1.0	39.9	.14	5.7
Week Ending February 21	1.1	43.4	.27	10.6
Official Estimate for Current MY (Grain only)	51.0	2008	6.35	250
Implied Weekly Average	1.0	38.6	.12	4.8
Latest Six Weeks Weekly Average	1.0	40.3	0.20	7.7
Marketing Year-To-Date Weekly Average	1.2	47.4	0.17	6.9
Weekly Avg. Extrapolated Annually	62.6	2464	9.1	359
Balance of Year to Achieve Estimate Implied Weekly Average	0.8	32.8	0.9	3.4

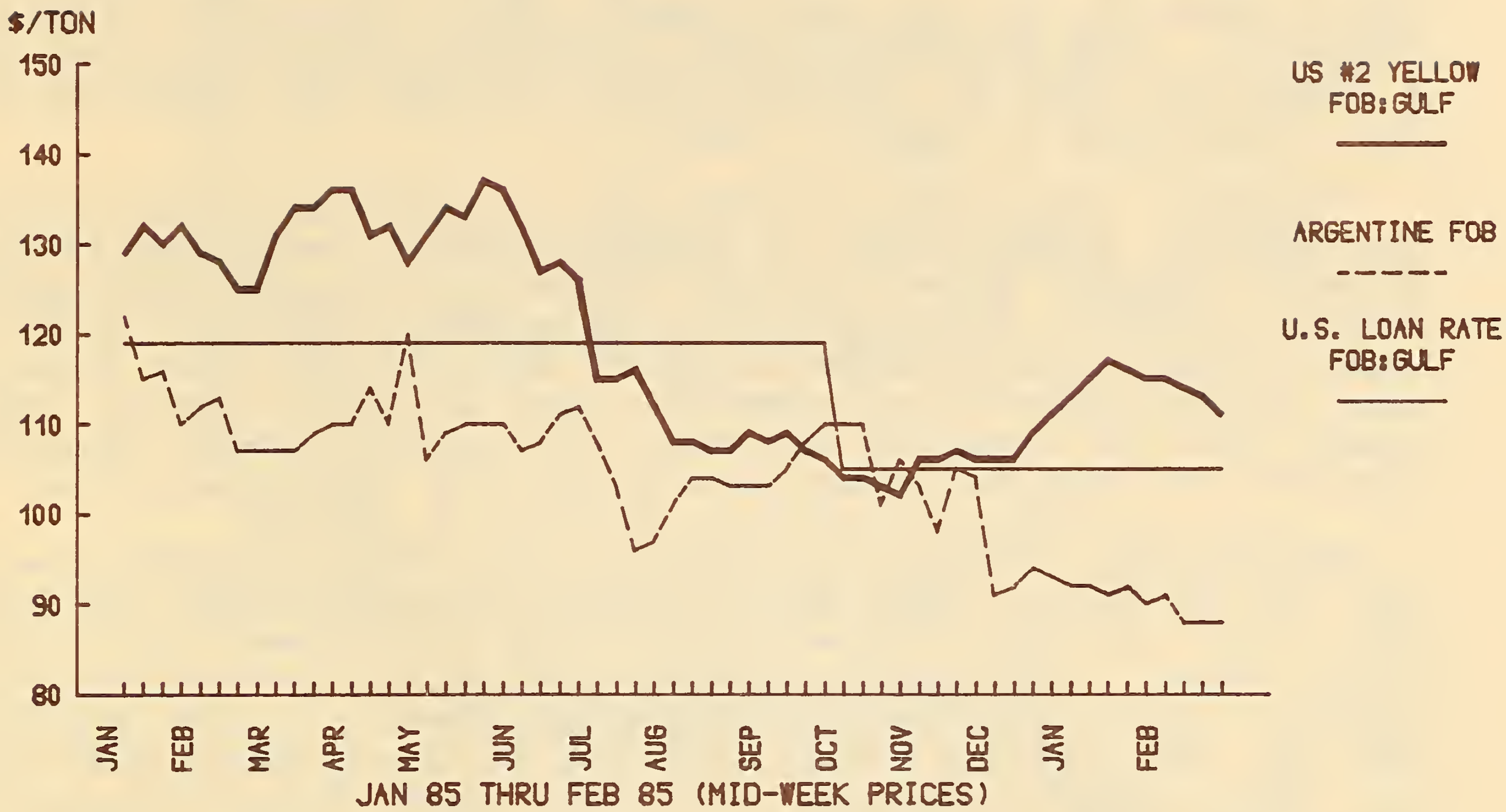
1/ Shipments and sales data from U.S. Export Sales. Inspections data from Federal Grain Inspection Service.
2/ Sales made since the beginning of the applicable marketing year, including sales for shipment in the next marketing year.
Source: Export Sales; FGIS

CORN AND SORGHUM SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1982/83-1983/84
(OCTOBER/SEPTEMBER--MILLION TONS)

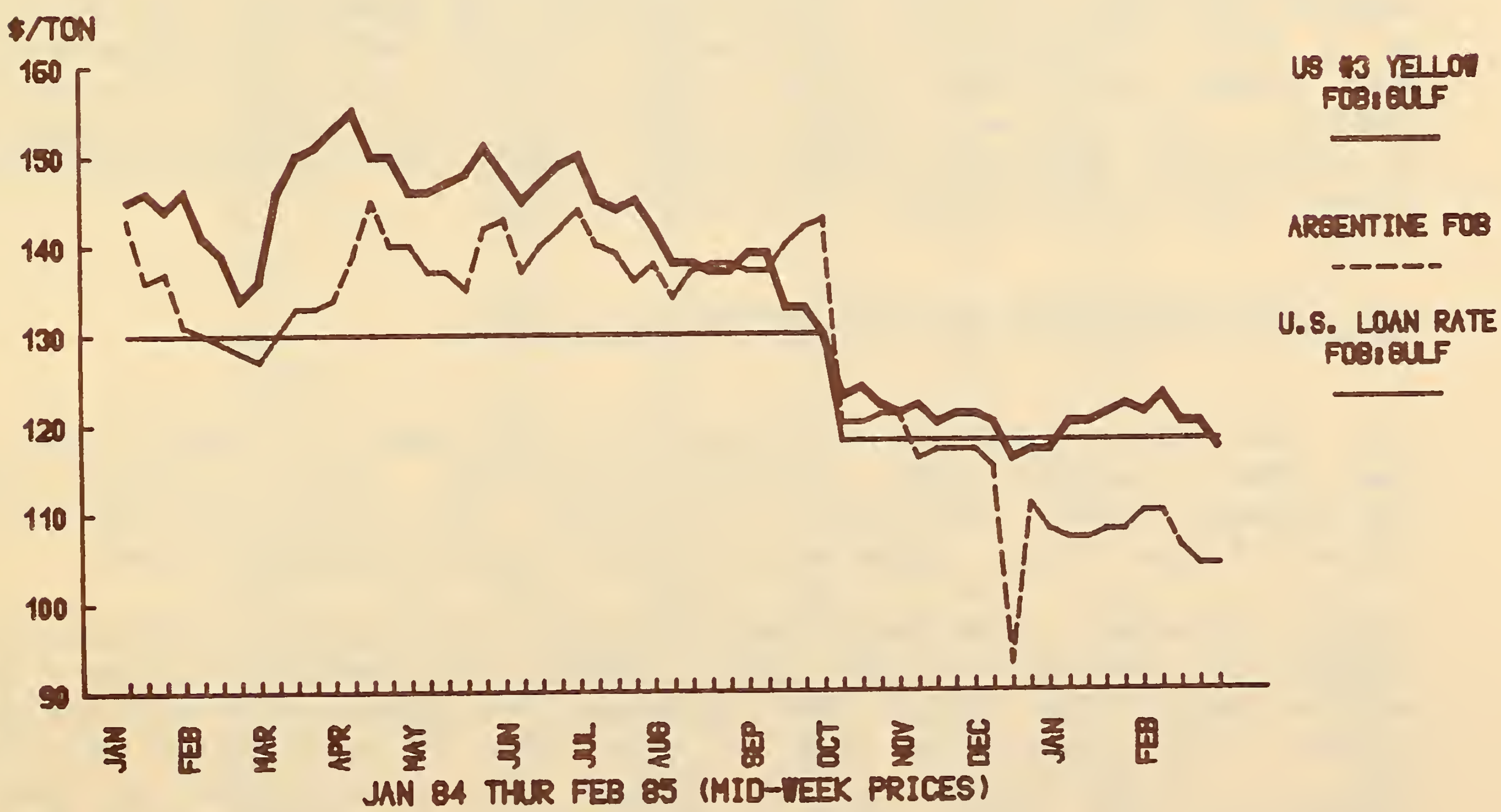
	SORGHUM		CORN					
	Argentina		Argentina		Thailand		Total	
4 Weeks Ending	83/84	84/85	83/84	84/85	83/84	84/85	83/84	84/85
Nov. 22	.3	--	.2	.1	.4	.3	.9	.4
Dec. 20	.1	.1	.2	.1	.4	.4	.7	.6
Jan. 24	.1	.1	.1	*	.2	.2	.4	.2
Feb. 21	.1	N/A	.1	N/A	.2	.3	.4	N/A
Cumul. in MY	1.0	.4	.9	.4	1.7	1.8	3.7	2.6
TOTAL FOR SEASON 2/	4.8	4.5	5.9	7.0	3.1	3.1	13.8	14.6

N/A Not available
1/ Or nearest date thereto.
2/ Projection for 1984/85.
* Less than 100,000 tons.

SORGHUM EXPORT PRICES
U.S. AND ARGENTINE



CORN EXPORT PRICES
U.S. AND ARGENTINE



**German Democratic Republic (GDR): Demand for U.S. corn is expected to remain strong in 1985. Imports of 650,000 tons are estimated, most of which should be of U.S. origin. Corn imports have remained strong in recent years due to its high feeding value in the swine and poultry industries. Feed consumption of corn in the GDR is projected to rise over 4 percent as these two industries expand; this will keep demand for U.S. corn strong during the balance of 1985.

**Taiwan: Despite two successive poor corn harvests in South Africa, the Board of Foreign Trade in Taiwan announced it would renew the corn purchase agreement between the two countries for 3 more years through June-May 1987/88. It is expected that the agreement would again be for an annual minimum corn purchases of 600,000 tons, although actual shipments under the old agreement approached this amount only during 1982/83. Final details will be ironed out next month, but with this renewal, Taiwan has signified its intent to purchase South African corn if it is available.

**Soviet Union: February 14, 1985 a U.S. export sale of 193,000 tons of corn to the Soviet Union was announced, bringing the wheat and coarse grain total for this October-September Long Term Agreement year to 15.6 million tons. The previous record of 15.5 million tons was set during 1978/79. Soviet grain imports this year are forecast to reach 50 million tons for the July-June 1984/85 period and this strong demand should help U.S. grain exports (wheat and coarse grain) exceed 100 million tons, the highest level since 1981/82.

Internal Price Policies of Foreign Countries

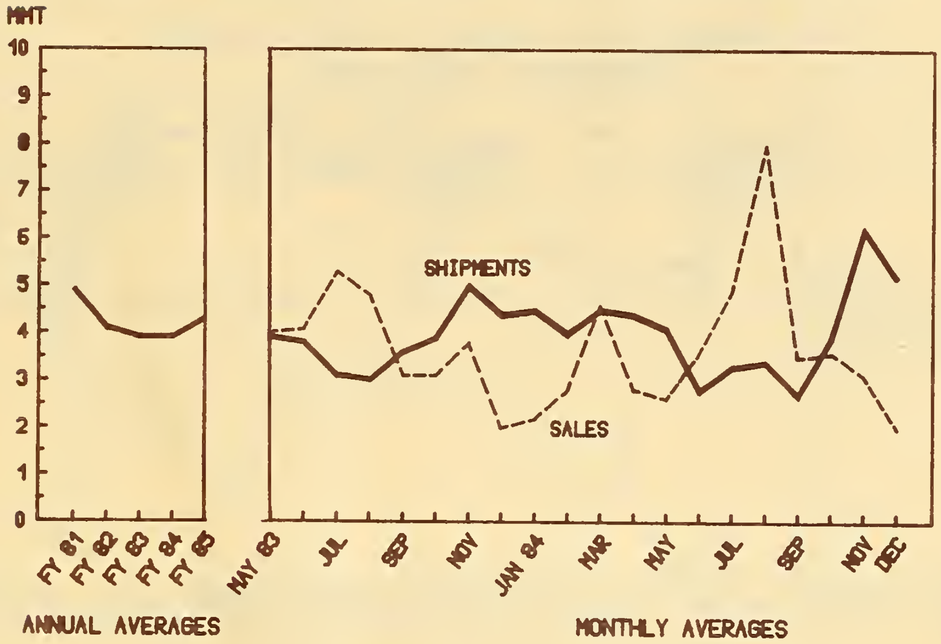
**Argentina: The Ministry of Economy announced a resolution which reduced the export tax for corn and sorghum. The reason for the reduction is a result of generally good growing conditions and crop prospects that have caused prices and income to decline at all levels in the marketing channel. The 6 percent reduction in the tax (to 26.5 percent) is expected to facilitate Argentine coarse grain exports during October-September 1984/85, which are forecast at 11.7 million tons.

U.S. Corn Gluten Feed and Meal Exports Up in 1984

U.S. corn gluten feed and meal exports for 1984 rose to a record level of just over 3.6 million tons, up slightly from 1983. The EC continued to be the primary export destination, accounting for 3.5 million tons, or 97 percent of 1984 trade. Japan was a distant second with 83,000 tons.

Earlier forecasts from Europe had predicted a drop in EC corn gluten feed imports in 1984 due to higher use of abundant and low-priced EC grain and reduced demand for dairy feed following the imposition of milk quotas. However, U.S. exports to the EC were only off about 50,000 tons from 1983. Price flexibility has enabled corn gluten feed to remain competitive with other medium protein feeds; CIF Rotterdam prices during 1984 ranged from a high of about $175 per ton in January to a low of $105 per ton in September.

U.S. CORN SHIPMENTS AND SALES
ANNUAL MONTHLY AVERAGES FOR FY 1981 - 1985(PROJ)
AND MONTHLY FROM MAY 1983 - DECEMBER 1985



U.S. CORN AND SORGHUM EXPORTS BY DESTINATION
(OCTOBER/SEPTEMBER--1,000 TONS)

Destination	1981/82	1982/83	1983/84 Actual Exports	1983/84 Committed as of 2/23/84 1/	1984/85 Committed as of 2/21/85 1/
---CORN---					
EC	7,095	4,033	3,677	1,958	835
Other W. Europe	8,204	5,388	4,473	2,855	2,161
Eastern Europe	3,889	1,470	727	417	501
USSR	7,772	3,200	6,500	3,966	12,602
China	1,117	2,161	18	--	--
Japan	10,588	13,180	13,781	11,807	7,189
Taiwan	1,718	3,000	2,676	2,186	1,933
Rep. of Korea	2,690	3,908	2,972	1,617	480
Egypt	1,350	1,516	1,303	741	776
Canada	800	750	283	3	110
Mexico	571	4,091	2,808	1,678	1,052
Venezuela	414	892	1,140	502	280
Others	3,732	3,938	6,992	4,624	3,614
Total	49,940	47,527	47,350	32,354	31,533
--SORGHUM--					
Spain	790	105	465	306	45
Other W. Europe (excl. Spain)	540	251	136	81	48
Japan	2,437	741	1,505	1,343	1,976
Israel	368	341	574	505	485
Mexico	544	3,260	2,758	1,600	1,488
Venezuela	713	243	206	54	250
Others	898	462	582	429	381
Total	6,290	5,403	6,226	4,318	4,673

1/ Accumulated shipments and sales, excluding sales for next marketing year.
Source: U.S. Bureau of Census and U.S. Export Sales Report.

BARLEY, OATS AND RYE

U.S. EXPORTS OF BARLEY, OATS AND RYE
JUNE/MAY1,000 TONS

Grain	1982/83	1983/84 1/	1984/85 2/
Barley	1,028	2,000	1,525
Oats	43	29	43
Rye	5	25	25

1/ Estimated.
2/ Projected.

Other Exporting Countries Selling Activity and Competitive Practices

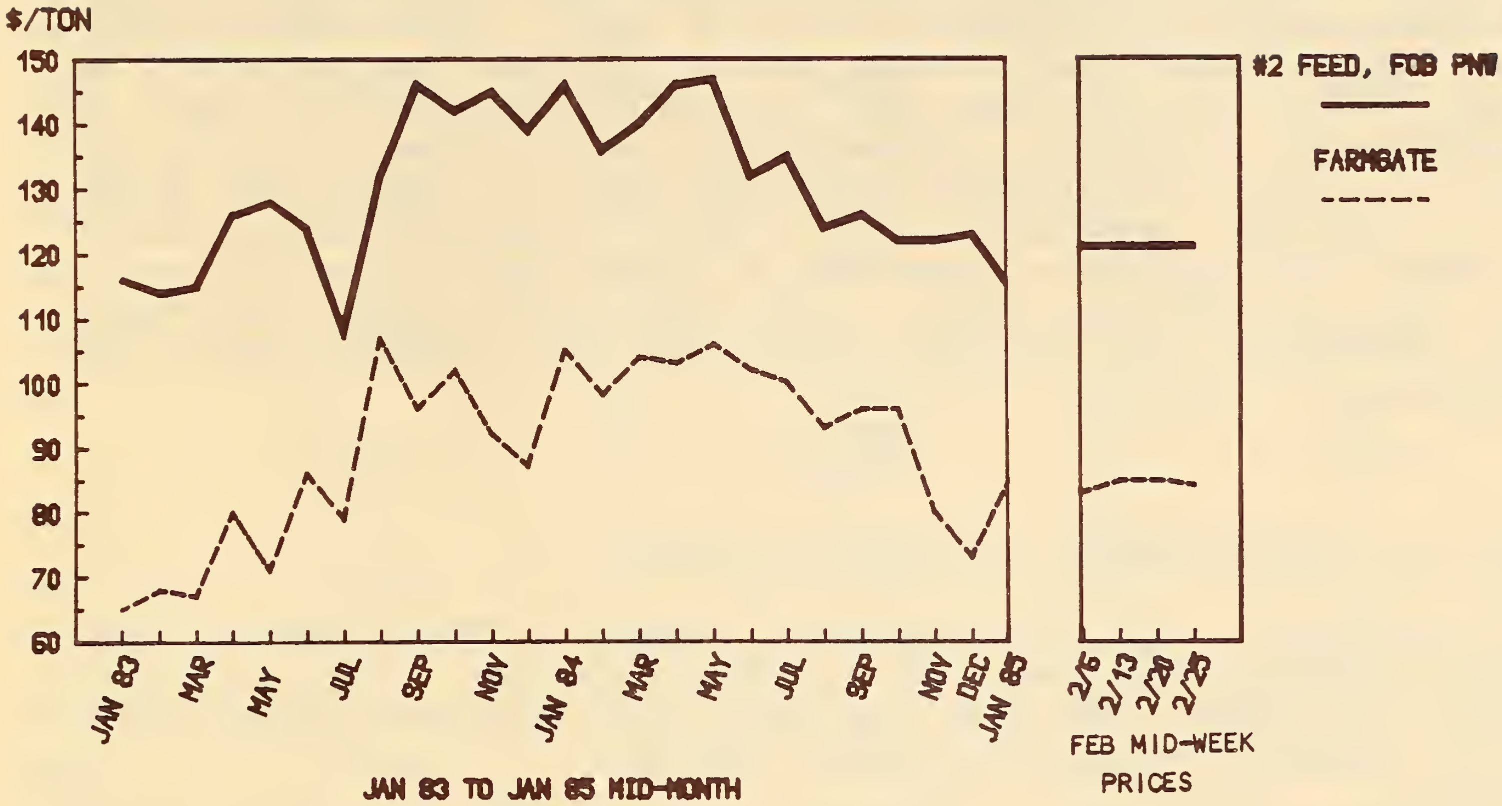
**France: Barley exports are forecast at 4.7 million tons for August-July 1984/85, an increase of 2 million tons over the previous season. This increase can be attributed to an extraordinarily large crop coupled with a relatively high level of restitution (export subsidy) since the beginning of the marketing year. Outside of intra-EC trade, major buyers of French barley have been Saudi Arabia and the Soviet Union, each taking about 1 million tons.

Competitive Developments in Selected Foreign Markets

**Japan: Although total barley imports during July-June 1984/85 are forecast to decline slightly from the previous year, imports from the United States could again exceed 400,000 tons. U.S. export commitments since July 1 are 315,000 tons, a slight increase over a year ago. If domestic consumption remains strong, prospects are good for additional U.S. sales of barley to Japan in 1985.

**Spain: Although Spain still hopes to export some 500,000 tons of barley from its record 1984 harvest of 10.7 million tons, present price relationships and high export subsidization costs preclude the government from granting export authorizations. Spain had been hoping to export barley to Arab countries or the Soviet Union, which would help alleviate burdensome carryover stocks. However, Spain faces strong competition from subsidized EC barley exports, and would have to pay an export subsidy of about $35 per ton to move its barley in the international market.

U.S. FEED BARLEY PRICES
INTERIOR AND EXPORT POSITIONS



U.S. BARLEY EXPORTS BY DESTINATION
(JUNE/MAY--1,000 TONS)

Destination	1981/82	1982/83	1983/84 Total Exports	1983/84 Committed as of 2/21/84 1/	1984/85 Committed as of 2/21/85 1/
EC	301	112	360	360	105
Other W. Europe	472	226	441	512	354
Eastern Europe	111	—	126	126	—
Taiwan	373	146	223	224	258
Japan	336	119	372	346	314
Canada	128	—	—	—	—
Others	546	317	509	621	519
Total	2,267	920	2,033	2,063	1,550

1/ Accumulated shipments and sales excluding sales for next marketing year.
SOURCE: U.S. Census for 1981/82-1982/83 and U.S. Export Sales for 1983/84-1984/85.

BARLEY SHIPMENTS BY MAJOR EXPORTING COUNTRIES
RECENT MONTHS AND SEASON TOTALS FOR 1981/82-1983/84
(OCTOBER/SEPTEMBER--MILLION TONS)

4 Weeks Ending 1/	U.S. 83/84	U.S. 84/85	CANADA 83/84	CANADA 84/85	FRANCE 2/ 83/84	FRANCE 2/ 84/85	U.K. 2/ 83/84	U.K. 2/ 84/85	Total 83/84	Total 84/85
November 23	.2	.2	.6	.3	.1	.2	.1	.2	1.0	.9
December 20	.3	.1	.2	.1	*	.2	.1	.3	.6	.7
January 24	.2	.2	.2	.2	.1	.2	.1	.2	.7	.7
February 21	.1	*	.3	.2	.1	N/A	.1	N/A	.6	N/A
Cum. Since Oct 1	1.1	.7	1.8	1.1	.4	.8	.4	.9	3.7	N/A
Total For Season 3/	2.1	2.2	4.3	3.0	1.1	2.5	1.4	2.5	9.2	10.2

1/ Or closest date thereto.
2/ Excludes intra-EC trade; Cumulative reflects available data.
3/ Projection for 1984/85.
N/A Not available.
* Less than 50,000 tons.

BEANS, PEAS, AND LENTILS

Competitive Developments in Selected Foreign Markets

**India: Imports of pulses is currently permitted by the private trade under Open General Licensing (OGL) through the National Agricultural Cooperative Marketing Federation. In CY 1984, India imported about 150,000 tons of pulses, about 45,000 tons of green peas and the balance in lentils. The share of dry peas in India's imports of pulses is increasing, as is the U.S. share of this growing market. U.S. dry pea exports to India have increased from 8,000 tons in CY 1982 to over 30,000 tons in CY 1984. Imports of pulses in India are expected to continue as per capita consumption recovers from its steady decline of recent years. Pulses are an important staple in the diet of many Indians, especially among vegetarians and low-income groups in the southern part of the country.

RICE

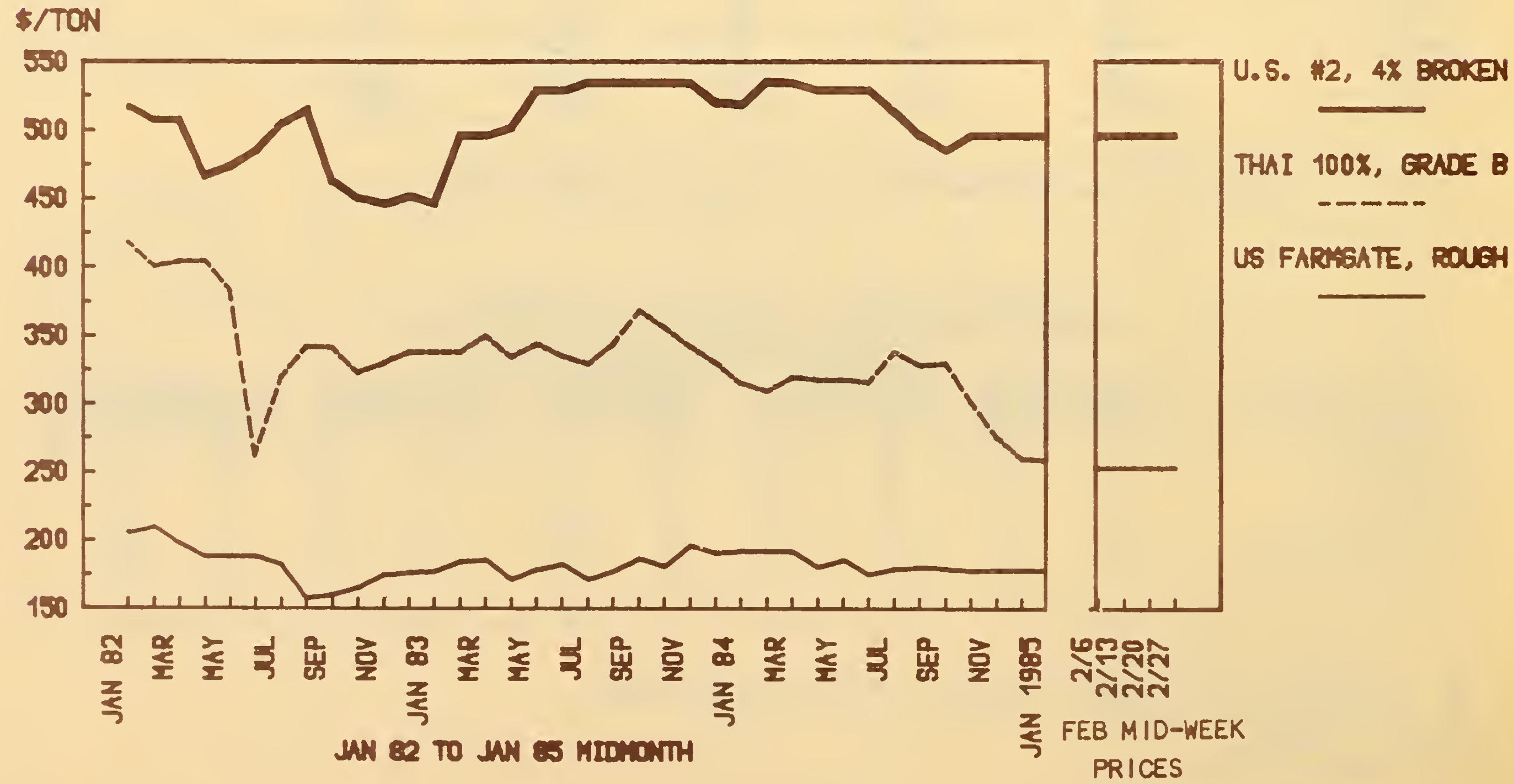
LATEST U.S. EXPORT FORECAST, SHIPMENT AND SALES 1/

Export Forecast. The forecast for U.S. exports in 1984/85 (August/July) remains unchanged from last month at 2.05 million tons. Large exportable supplies of cheaper rice from other sources and weak world import demand continue to depress the outlook for U.S. exports.

Shipments and Sales. U.S. rice exports during the 4-week period ending February 21 fell to 106,700 tons from the previous 4-week total of 143,200 tons. Cumulative shipments through February 21 totaled 1.07 million tons, nearly 9 percent below the 1.17 million tons shipped during the same period one year ago. Export sales registrations for the 4-week period ending February 21 increased to 204,800, compared to the previous 4-week total of 172,000. Iraq was the major buyer, but large sales to Senegal and Portugal were also registered.

1/ Shipments and sales data are on a product basis.

RICE PRICES
US AND THAI C&F ROTTERDAM AND US FARM



RECENT RICE IMPORTER BUYING ACTIVITY
REPORTED BETWEEN FEBRUARY 1 AND MARCH 1, 1985

Buyer	Origin	Quantity 1,000 Tons	Quality 1/	Price $/MT 2/	Delivery Period	Date of Report
Algeria	Thailand	10.0	100% B	220 4/	Feb/Mar	2/8
Brunei	Thailand	17.5	100% B	N/A	Mar/Dec	2/8
China	Thailand	124.0	25% S	185	Mar/Oct	2/22
Cuba	Thailand	20.0	25%	180	N/A	2/28
Gambia	Thailand	24.0	A-1 Spec	152	Feb/Apr	2/22
Guinea	Thailand	40.0	35%	193	N/A	2/8
Iraq	U.S.	87.5	#2/4% LG	400-413 4/	Mar/May	2/24
	U.S.	15.0	B #2/4% LG	355 4/	N/A	2/24
	Thailand	15.0	F 100%	N/A	Feb/Mar	2/4
Libya	Taiwan	10.0	SG	N/A	N/A	2/26
Mauritania	Thailand	12.0	A-1 Spec	N/A	Jun	2/8
Mozambique	U.S.	9.1	#5/20 MG	274 3/	Mar	2/5
Portugal	U.S.	14.0	B MG	245	N/A	2/27
Senegal	Thailand	12.0	A-1 Spec	152	Feb	2/4
Singapore	Thailand	15.0	100% B	196	Mar/Jun	2/8
Syria	Thailand	12.0	100% C	223 4/	Mar	2/4
Tanzania	Indonesia	15.0	N/A	N/A	N/A	2/25
Togo 5/	Burma	4.1	35%	205	Feb	2/27
Vietnam	Thailand	20.0	A-1 Spec	152	Feb	2/22
N/A	Thailand	10.0	35%	N/A	Feb/Mar	2/8
	Thailand	40.0	A-1 Spec	N/A	N/A	2/25
	Thailand	50.0	A-1 Spec/S	156	N/A	2/22
N/A 5/	Burma	3.0	35%	N/A	Feb	2/27
N/A	Burma	3.0	Brokens	140	Feb	2/27

1/ P = Parboiled, LG = Long Grain, MG = Medium Grain, SG = Short Grain, B/ = Brown, F = Fragrant, L/Bld = Long, Boiled, F/Bld = Full Boiled
2/ F.O.B. basis unless otherwise indicated. Price information is in many cases unconfirmed and as reported through unofficial market sources.
3/ F.A.S., (U.S. PL-480 sale)
4/ C&F
5/ Japan Aid Program (Kennedy Round Agreement)
N/A Not available.

U.S. RICE EXPORT COMMITMENTS BY CLASS TO MAJOR DESTINATIONS
FOR 1981/82-1983/84, AND AUGUST 1 THROUGH FEBRUARY 21 for 1984/85
(AUGUST/JULY--1,000 TONS)

Destination	Marketing Year	Long Grain Milled	Long Grain Brown 2/	Other 1/ Milled	Other 1/ Brown 2/	Total Exports
EC 10	1981/82	2	310	56	192	560
	1982/83	1	214	15	--	230
	1983/84	29	192	2	70	293
	1984/85	10	161	6	88	265
Other W. Europe	1981/82	58	76	4	28	166
	1982/83	33	54	3	4	93
	1983/84	23	35	3	138	199
	1984/85	18	25	3	49	95
E. Europe & USSR	1981/82	*	--	*	--	*
	1982/83	*	--	*	--	*
	1983/84	--	--	--	--	--
	1984/85	--	--	--	--	--
Iran	1981/82	85	--	--	--	85
	1982/83	--	--	--	--	--
	1983/84	--	--	--	--	--
	1984/85	--	--	--	--	--
Iraq	1981/82	270	--	*	--	270
	1982/83	327	--	*	--	327
	1983/84	230	--	2	--	232
	1984/85	364	15	1	--	365
Saudi Arabia	1981/82	250	--	15	--	265
	1982/83	267	--	2	--	269
	1983/84	253	--	6	--	253
	1984/85	147	--	3	--	150
Other Middle East	1981/82	106	8	17	3	135
	1982/83	48	--	2	--	50
	1983/84	40	--	12	--	52
	1984/85	16	--	2	--	18
Republic of Korea	1981/82	--	--	*	339	339
	1982/83	--	--	*	213	213
	1983/84	--	--	*	112	112
	1984/85	--	--	--	--	--
Other Asia & Oceania	1981/82	4	--	38	--	43
	1982/83	2	--	129	--	132
	1983/84	3	--	140	--	143
	1984/85	3	--	96	--	98
Nigeria	1981/82	347	--	--	--	347
	1982/83	159	--	--	--	159
	1983/84	63	--	--	--	63
	1984/85	*	--	--	--	*
Other Africa	1981/82	116	117	84	4	320
	1982/83	148	110	153	4	414
	1983/84	95	150	136	--	381
	1984/85	64	48	137	4	248
W. Hemisphere	1981/82	129	25	12	15	181
	1982/83	137	23	86	38	284
	1983/84	156	24	109	14	303
	1984/85	102	22	10	19	152
Total 3/	1981/82	1,379	535	228	581	2,723
	1982/83	1,148	400	392	259	2,198
	1983/84	900	401	408	338	2,043
	1984/85	745	277	258	156	1,435

* Less than 500 tons.
1/ Includes medium, short, and mixed.
2/ Data not converted to a milled equivalency. Includes rough rice.
3/ Discrepancies due to rounding and changes to unknown destinations.
SOURCE: U.S. Export Sales

IMPORTER BUYING ACTIVITY

Overall activity was somewhat weaker last month compared to the heavy buying activity reported in January. China and Iraq each made large purchases during the past month, but other reported sales were for relatively small quantities. The European market was fairly quiet, with new crop South American rice expected to become available by the end of March or early April.

**Iraq: In its February tender, the Grain Board purchased 87,500 tons of U.S. #2/4% long grain milled rice and 15,000 tons of #2/4% long grain brown rice. Iraq apparently also purchased 15,000 tons of Thai 100% B fragrant rice in late January.

A Thai trade mission which recently traveled to Iraq reportedly was told that Iraq would limit imports of Thai rice this year to only 40,000-45,000 tons of fragrant rice. During the trade team's visit, the Iraqi Grain Board apparently received a government-to-government offer for 100% B fragrant rice at $350 C&F with favorable two year credit; a private sector offer was also made at $320 C&F with slightly higher credit terms. The Grain Board countered with offers of $315 and $280 per ton for the government and private contracts, respectively. Apparently the two sides were unable to come to terms and no sales were concluded. Iraq is currently forecast to import 500,000 tons of rice in CY 1985, with imports from the United States expected to reach 450,000 tons

OTHER DEVELOPMENTS AFFECTING U.S. EXPORTS

World prices remained weak during the past month due to large supplies of exportable rice and limited import demand. Thailand's Board of Trade (BOT) posted prices were unchanged from last month. As of February 27, the BOT prices were $230 per ton for 100% B and $227 per ton for parboiled 5%, while actual prices were reported at $195-200 per ton for 100% B and $189-190 per ton for parboiled 5%. U.S. #2/4% long grain milled rice was sold to Iraq at around $380-385 F.O.B. U.S. Gulf.

Other Exporting Countries Selling Activities and Competitive Practices

**Thailand: Exports continued at a heavy pace during the past month, highlighted by shipments to Nigeria and Bangladesh. Total exports through February 16 were 623,031 tons, up sharply from the 479,257 tons shipped during the same period one year ago.

WEEKLY THAI RICE EXPORTS

Week Ending	Actual	4-Week Moving Avg.
January 26	75,491	75,297
February 2	118,921	90,438
February 9	78,494	88,432
February 16	124,589	99,374

As of February 20, estimated Thai export commitments for 1985 delivery totaled 1.7 million tons, compared to 1.3 million tons registered for export on this date one year ago. Total Thai exports for CY 1985 are currently forecast at 4.1 million tons.

**Pakistan: There were no reports of significant sales activity in February. However, there were reports of a warehouse workers' strike against the Rice Export Corporation of Pakistan (RECP), the government export monopoly. Workers reportedly halted loading operations and dumped at least 50,000 tons of rice outside warehouses at Port Qasim, a major export facility near Karachi.

**Burma: Reports suggest that the Myanma Export Import Corporation is holding out for unrealistically high prices for 1985 crop rice (apparently $20 per ton higher than prices for comparable qualities of Thai rice). As a result, new sales are lagging well behind last year's pace. Total sales to date are estimated at only about 116,000 tons, compared to the estimated 370,000 tons sold by this date one year ago. Exports are also off sharply, with just over 30,000 tons shipped through February, compared with exports of more than 80,000 tons for the same period last year. Given the current pace of sales and exports, Burma may be hard pressed to meet the current CY 1985 export forecast of 800,00 tons.

**Indonesia: A barter agreement covering 15,000 tons of rice and other unspecified goods in exchange for 6,000 tons of clove from Tanzania has been announced. This is the second export agreement signed by Indonesia since November of last year. Export commitments now total 115,000 tons (including an earlier contract with the Philipppines for 100,000 tons). Indonesia traditionally has been a major importer of rice, importing 1.2 million tons as recently as 1983 and just under 400,000 tons last year. However, with record rice crops in each of the last two years, the government now finds itself in the position of having to dispose of excesssive rice stocks. Bulog officials recently traveled to the Philippines, reportedly to offer an additional amount of rice to that country, but no new sales have been announced. While there will still be some imports of glutinous rice and high quality white rice this year, it is possible that Indonesia may become a net exporter of rice for the first time.

**<u>Papua-New Guinea:</u> The government of Papua-New Guinea has announced that it will not renew the 10-year-old exclusive source agreement with Australia that will expire on May 1, 1985. Importers will now be free to buy from any source, but as an inducement to domestic production, total imports will not be allowed to exceed the current level of approximately 100,000 tons per year. This change in government policy will most likely benefit other Asian rice exporters, such as Thailand.

U.S. EXPORT EXPANSION ACTIVITIES

**<u>GSM-102</u>: In February, Iraq purchased 102,500 tons of rice and Portugal bought 14,000 tons under the GSM-102 program. As of February 28, the Commodity Credit Corporation (CCC) had available credit guarantees totaling $135.2 million. The outstanding credit lines were: Iraq ($115.3 million), Jamaica ($9.0 million) and Portugal ($10.9).

**<u>PL-480</u>: During the past month, Mozambique purchased 9,100 tons of U.S. #5/20% medium grain rice and Morocco signed a new agreement for $5.0 million worth of medium grain brown rice (approximately 18,000 tons). The following table outlines the current status of FY 1985 PL-480 Title I/III programs.

STATUS OF P.L. 480 TITLE I/III RICE PROGRAMS FOR FY 1985

Country	Allocation $Million	Agreement Signed	P.A. Issued	Tender Results: Date	TMT Purchased	Price $/MT FAS	Quality 1/
<u>Completed</u>							
Madagascar	9.0	X	X	12/28	42.1	258-264	MG
Jamaica	6.0 2/	X	X	1/7	9.3	307-313	LG
Bangladesh	20.0	X	X	1/15	75.1	262-281	MG
Mozambique	2.0	X	X	2/5	9.1	274	MG
Subtotal	37.0				135.6		
<u>Pending</u>							
Ghana	2.0						
Guinea	6.0						
Liberia	6.0						
Maldives	0.6						
Mauritius	1.5						
Morocco	6.0	X	X				
Senegal	4.0						
Sierra Leone	3.0						
Somalia	7.0						
Yemen	5.0						
Subtotal	41.1						
Total	78.1						

1/ #5/20% unless otherwise indicated, P=Parboiled, MG=Medium Grain, and LG=Long Grain.
2/ $3.1 million balance remains from original allocation.

This circular was prepared by the Grain and Feed Division, Commodity Programs, FAS/USDA, Washington, D.C. 20250 Telephone (202) 447-2009.

U.S. WHEAT PROGRAMS

	1983 Program Equivalent: Export Price 1/ ($/Ton)	1983 Program Farm Price ($/BU)	1984 Program Equivalent: Export Price 1/ ($/Ton)	1984 Program Farm Price ($/BU)	1985 Program Equivalent: Export Price 1/ ($/Ton)	1985 Program Farm Price ($/BU)
Trigger Release Price	$200	$4.45	$200	$4.45	--	--
Target Price	$195	$4.30	$198	$4.38	$198	$4.38
Loan (Reserve)	$171	$3.65	$158	$3.30	--	--
National Loan	$171	$3.65	$158	$3.30	$158	$3.30
Season Average Producer Price	$167	$3.54	$160-164	$3.35-3.45	--	--
Current Farm Price	--	--	$159	$3.34 2/	--	--
Paid Diversion	$136	$2.70	$136	$2.70	$136	$2.70

1/ Estimated equivalent, adjusted from $/bushel at the farm level by including transportation and handling allowances of $1.00/bushel.
2/ ASCS 5-day moving average as of February 28, 1985.

U.S. CORN PROGRAMS

	1983 Program Equivalent Export Price 1/ ($/Ton)	1983 Program Farm Price ($/BU)	1984 Program Equivalent Export Price 1/ ($/Ton)	1984 Program Farm Price ($/BU)	1985 Program Equivalent Export Price 1/ ($/Ton)	1985 Program Farm Price ($/BU)
Trigger Release Price	$159	$3.25	$159	$3.25	--	--
Target Price	$144	$2.86	$151	$3.03	$151	$3.03
Season Average Producer Price	$157	$3.20	$134-$140	$2.60-$2.75	--	--
Current Farm Price	--	--	$133	$2.57 2/	--	--
National Loan	$136	$2.65	$132	$2.55	$132	$2.55
Loan (Reserve)	$136	$2.65	$132	$2.55	--	--
Paid Diversion	$91	$1.50	--	--	--	--

1/ Estimated equivalent, adjusted from $/bushel at the farm level by including transportation and handling allowances of $.80/bushel.
2/ ASCS 5-day moving average as of February 28, 1985.

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