

July WASDE Report Points to Surpluses of US Corn and Sorghum

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The most recent World Agricultural Supply and Demand Estimates (WASDE) report points to strong production of U.S. coarse grains, particularly of corn and sorghum. It is also predicting an abundant supply of grain for export mostly due to flat U.S. consumption expectations.

Fewer Acres of Corn Planted, but Strong Yield Still Expected

The total planted area for corn decreased in the latest WASDE because the planted area did not meet original intentions following poor weather during spring planting. Currently, planted corn hectares are at 37.1 million, down from 38.6 million last year. However, improving weather this summer has pushed corn yield predictions higher. The WASDE predicts 10.4 metric tons per hectare currently, but many feel this is a conservative estimate.

“The prospect of another large crop is strong at this point,” said Erick Erickson, U.S. Grains Council vice president. “Analysts are generally looking at yields higher than what the USDA (United States Department of Agriculture) has in its current WASDE. It could put the United States on track for another record or near record harvest.”

Abundant Corn for Export

Along with improving yield expectations, the WASDE also reports that U.S. ethanol and feed use is not expected to increase substantially. As a result, it is anticipated that an ample supply of corn will be available for export in the 2014/2015 marketing year.

WASDE continues to report conditions that point to a plentiful 2014 corn harvest. As always, the weather for the rest of the season will determine the final production.



Source: Reuters/John Sommers II

Substantial Sorghum Production and Exports Expected

In the July WASDE, sorghum hectares increased over earlier expectations this year to 3 million hectares. While lower than in 2013, these increased hectares are coupled with high yield expectations of 4 tons per hectare, which leads to projected higher production in 2014. Predictions for sorghum production are 8.9 million tons compared to 8.5 million tons last year. Because of strong export sales last year, the WASDE is also projecting increased exports this year with 44 percent, 3.9 million tons, of the crop available for export.

While the crops are still subject to weather changes throughout the season, current predictions are strong for U.S. corn and sorghum harvests. ♦

Register for Export Exchange 2014 Today

Registration for Export Exchange 2014, the premiere international trade conference focused on U.S. coarse grains exports, is now open! At the event, international buyers have the opportunity to learn about U.S. grains through educational sessions and dynamic speakers as well as to network with the more than 300 U.S. suppliers and agribusiness professionals attending the conference.



Held every two years, this year the conference is scheduled for Oct. 20-22 at the Sheraton Seattle Hotel in Seattle, Washington.

Visit <http://www.exporthexchange.org> to register. Additional information about Export Exchange, including the agenda and hotel reservation information, is also available online. ♦

Wisconsin Corn Crop Progressing Well Despite Early Challenges

Earlier this season, Wisconsin faced some of the worst weather in the major U.S. corn growing states, as a cool, wet spring delayed planting. While the summer started out colder and wetter than normal, the weather has improved during the last few weeks.

According to the United States Department of Agriculture's (USDA's) Wisconsin Crop Progress and Condition report, 76 percent of the Wisconsin corn crop is currently rated as good to excellent. Overall, corn is silking in 22 percent of the state. Soil moisture is also high, thanks to abundant rains.



Source: Reuters/Mike Blake

The rains do, however, mean farmers have fewer days suitable for fieldwork. Suitable days averaged 5.7 the week of July 21 compared to 6.4 days the same week last year.

David Adams, a farmer in southeastern Wisconsin, noted that the biggest difference in this year's crop was the range of different corn growing stages.

"The thing that is unusual about this season is that the development of corn on my farm is so spread out," Adams said. "I have everything from knee-high to tasseling corn."

Adams said he does not expect the variation will hurt his yield, as there is still plenty of time left in the season.

Despite early challenges, Wisconsin corn is moving along. Improving weather in July means that the corn crop is beginning to develop and catch up to some other areas. Overall, these factors will not affect the high-quality that international buyers expect from U.S. corn. ♦

Trans-Pacific Partnership Negotiations Continued in Ottawa

In July, chief negotiators from the 12 countries participating in the Trans-Pacific Partnership (TPP) talks met in Ottawa, Ontario, to continue their work. The TPP is a potential free trade agreement between countries in the Asia-Pacific region, including Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, the United States and Japan. The agreement is intended to reduce or eliminate tariffs and other barriers to trade for goods, services and agriculture products, and establish rules for foreign direct investment and other related economic activities.

Goals for the Ottawa Meeting

In previous talks, the member countries had worked on several contested points, which they hope to resolve ahead of a ministerial meeting in the near future.

Many participating countries wanted the Ottawa meeting to move final negotiations toward a basic agreement. U.S. President Barack Obama spoke publicly before the meeting to express the desire to have a basic agreement made by Nov. 10 for the Asia-Pacific Economic Cooperation forum.

These indicators reflect the continuing hope of some participants for a basic agreement by the end of the year.

Progress Made, But More Needed Before Agreement

In Ottawa, negotiators agreed that exports or imports of goods produced with forced labor would be banned as part of the agreement. They also came to an agreement in regard to quarantines and the safety of imported foods.

Several issues remained unresolved after the meeting, including state-run company reforms, intellectual property concerns and environmental affairs. The schedule for a planned follow-up meeting for negotiations was also undetermined. Koji Tsuruoka, chief Japanese negotiator, told Reuters that the member countries felt that the timing was not right to set a ministerial meeting since sufficient progress had not been made on several issues.

While there was progress toward an agreement at the most recent TPP meeting in Ottawa, several points still need to be resolved before a basic agreement can be reached. To further this goal, negotiations continue in separate discussions on issues such as talks between the United States and Japan regarding market access, particularly of sensitive products like rice, wheat, sugar, meat and dairy. These dialogues will help members prepare for intensive tariff negotiations with all the TPP countries in future meetings. In doing so, participants are hoping to an agreement before the end of 2014. ♦



TPP Ministerial Meeting in Singapore on February 22, 2014
Source: AFP/Roslan Rahman