2.2 billion bushels. Noting that prices ordinarily are lowest during and immediately after harvest and then rise to a peak in the following quarter, Hoskin said the 1983 pattern would depend on how tightly farmers hold onto their harvest, the pace of exports and livestock slaughter, the corn price pattern and 1984 production prospects.

Hoskin projected U.S. soybean meal use at 23.5 million short tons in 1983/84, with exports in the 5.7 million ton range. Hoskin credited the expected decline in domestic use to an anticipated drop in livestock production. Soybean meal prices for 1983/84, meanwhile, are projected between $230 and $250 a ton, a sharp increase over the $187 averaged for 1982/83.

Hoskin forecast domestic soybean oil consumption at 9.75 billion pounds (4 million metric tons), down slightly from 9.85 billion pounds in 1982/83. He said oil exports are expected to decline by a quarter to 1.5 billion pounds, with stocks falling by nearly half, to 795 million pounds.

Noting that cottonseed and sunflowerseed oil are also in short supply with prices sharply higher than a year ago, Hoskin said the U.S. might increase palm oil imports. "In 1980/81, when soybean oil production declined, palm oil sold at discount to soybean oil for three months, a reversal of normal circumstances. As a result, palm oil imports increased sharply and remained high until spring 1981. Such a situation could be repeated in 1983/84."

In his talk, McDonnell had noted that the sunflowerseed crop reduction of nearly 1 million metric tons, representing 40%, was more dramatic than the soybean crop shortfall. McDonnell projected that sunflowerseed exports to the three primary markets—EC, Portugal and Mexico—would be reduced.

Meanwhile, McDonnell said the U.S. normally exports more than half of the cottonseed oil produced, the bulk going to Venezuela, Egypt, Japan and the Dominican Republic. He said both cottonseed oil production and exports would be down sharply in 1983/84. Hoskin estimated cottonseed production at 30.4 million tons (2.75 million metric tons) and sunflowerseed at 1.5 million metric tons for 1983/84.

U.S. peanuts, in addition, were affected by the drought, with production off 15% from the 1982 level. McDonnell said peanut exports, on a shelled basis, would probably be about 215,000 metric tons in 1983/84 as opposed to 232,000 tons in 1982/83.

Predicting corn oil production to rise 5% to 1.02 billion pounds in 1983/84, Hoskin said palm and corn oil could help relieve some of the tightness in the oils market.

Noting that corn prices have an important influence on soybean prices, Hoskin said the season average price for corn is forecast between $3.40 and $3.80 a bushel and soybean prices are expected to be between $8.85 and $9.35, based on projected stock-to-use ratio, in line with the USDA forecast price of $8.50 to $9.50. A decline in corn prices or a large 1984 soybean crop, however, could drop soybean prices to the lower end of the range.

Hoskin said the proportion of soybean-to-corn acreage will depend heavily on relative prices at planting time. Admitting that forecasts now are tenuous, Hoskin said U.S. soybean acreage in 1984 could range between 70 and 73 million acres. If yields are at or near trend, this could mean production of over 2.2 billion bushels. "Production in the 2 billion range would certainly push down prices probably as early as next summer," Hoskin said.

The third oilseeds speaker, Professor J. William Uhrig of the Agricultural Economics Department at Purdue University, said farmers this fall had been bullish, holding for higher soybean prices. Admitting that some rationing would have to occur, Uhrig said he didn't believe it would happen at harvest but could occur perhaps early in 1984. Uhrig said the market will be volatile until the 1984 production is more assured and the size of the Brazilian crop is known. The strength of demand will also be crucial.

Soy crush volume rises

The United States' soybean processing industry continued to operate at increased capacity during the third quarter of 1983, producing increasing amounts of oil and meal.

Statistics from the National Soybean Processor's Association (NSPA) show a total crush of 252,631,000 bushels, up about 18% over the same quarter the previous year. NSPA plants were operated at 66.92% of capacity for the third quarter of 1983, compared to 56.70% capacity in the same quarter of 1982.

Oil and meal yield were both higher. For 1983, oil yield was 10.88 pounds per bushel, compared to 10.76 the previous year; 1983 meal yield was 47.72 pounds per bushel, compared to 47.11 the previous year.

U.S. Soybean Crush—Third Quarter 1983

	Total capacity (thousand bushels)	Total crush	% capacity	Oil produced (thousand lbs)	Oil yield	Meal produced (thousand tons)	Meal yield
July	127,197	81,556	64.12	886,089	10.86	1,936	47.47
August	127,197	84,954	66.79	921,364	10.85	2,026	47.69
September	123,094	86,121	69.96	941,597	10.93	2,066	47.99
Total for quarter		252,631	66.92	2,749,050	10.88	6,028	47.72