

FACT SHEET

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USDA'S EXPORT SALES REPORTING SYSTEM: EARLY ALERT SYSTEM

USDA's Export Sales Reporting Program monitors U.S. agricultural exports on a daily and weekly basis.

Export sales reports provide a constant stream of up-to-date information about 39 U.S. agricultural commodities sold abroad. A single statistic reveals the significance of the program: in a typical year, it monitors more than 40 percent of all U.S. agricultural exports.

The program also serves as an early alert on the possible effects of foreign sales on U.S. supplies and prices. The weekly U.S. Export Sales report is the most current source of U.S. export sales data. The data are used to analyze the overall level of export demand, determine where markets exist, and assess the relative position of U.S. commodities in those markets.

Why the Program Was Instituted

The Export Sales Reporting Program has its roots in the unexpected purchase of large amounts of grain by the Soviet Union in 1972. The huge, unanticipated purchases of U.S. wheat and corn that year produced a sizable run-up in U.S. food prices and depleted U.S. reserve stocks.

In addition, there was concern that some companies might have had an unfair advantage in that situation, because they had access to market-sensitive information that was unavailable to the public. To ensure that all parties involved in the production and export of U.S. grain have access to up-to-date export information, Congress mandated Export Sales Reporting in 1973.

Before the program was established, it was difficult for the public to obtain information on exports until the products were actually shipped. The program guarantees that everyone has access to the same information at the same time.

How the Program Works

The program encompasses both daily and weekly reports. Weekly reports are required for certain designated commodities: feed grains, wheat, wheat products, rye, flaxseed, linseed oil, cotton, cottonseed, oilseed products, rice, cattle hides and skins, and beef.

U.S. exporters are also required to report all large daily sales of certain commodities by 3:00 p.m. Eastern time on the business day after a sale is made.

Large sales for all reportable commodities (except soybean oil) are defined as 100,000 metric tons or more of one commodity in one day to a single destination, or cumulative sales of 200,000 tons or more of one commodity during the weekly reporting period to a single destination. Large sales for soybean oil are 20,000 tons daily or 40,000 tons or more in one weekly reporting period.

The commodities covered by the Export Sales Reporting Program have been selected for monitoring through consultations between USDA and organizations that represent commodity producers and traders. The Secretary of Agriculture has the authority to add commodities to the list of products that are monitored.

U.S. exporters provide information on the quantity of their sales transactions, the type and class of commodity, the marketing year of the shipment and the ultimate destination. They also report any changes in previously reported information, such as cancellations or changes in destinations.

About 370 exporters report on a weekly basis via online, fax and e-mail, with approximately 1,300 data entries each week. All data are kept confidential, as required by law, and released only in aggregate form.

Checks and Balances

Several measures ensure the accuracy of the information. FAS has a memorandum of understanding with USDA's Grain Inspection, Packers and Stockyards Administration to resolve discrepancies in export data.

Staff members meet periodically with exporters to verify and reinforce sound reporting practices. As an additional check, exporters must submit quarterly contract information to confirm reported activities.

Contacts

For background on the program, contact the FAS Export Sales Reporting staff at:

Tel.: (202) 720-9209 Fax: (202) 690-3270 E-mail: esr@fas.usda.gov

Accessing the Information

Daily: All daily sales reported to USDA by 3:00 p.m. are summarized and released to the public at 9:00 a.m. on the next business day.

Weekly: The weekly summary of export activity, U.S. Export Sales, is published every Thursday at 8:30 a.m. The report is available electronically on the FAS Web site at: www.fas.usda.gov/export-sales/esrd1.asp

It is also available in paper copy via annual subscription from the National Technical Information Service: Tel.: 1-800-363-2068

Historical: Detailed historical data is available on the FAS Web site under <u>Weekly Export Sales</u>.

General information about FAS programs, resources and services is available on the Internet at the FAS Web site: http://www.fas.usda.gov