



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

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CROP PRODUCTION

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THE LATEST USDA ESTIMATES OF 1975 CROP PRODUCTION were released on August 11. The U.S. corn crop was estimated at 5,850 million bushels, down from the estimate of 6,046 million as of July 1, but up from the short 1974 crop of 4,651 million. The indicated Illinois corn crop is 1,161 million bushels, compared to 831 million last year. The average yield is currently estimated at 109 bushels per acre. Iowa production is estimated at 1,092 million bushels.

The grain sorghum crop is estimated at 811 million bushels, up from 628 million in 1974. Barley is estimated at 389 million bushels, versus 308 last year. The estimate for oats is 698, compared to 621 million bushels last year.

Total feed grain production is currently estimated at 207.1 million tons. The estimate a month ago was 215.9, a cut during July of 4.1 percent. The figure of 207.1 compares with 165.1 million tons of feed grains in 1974 and 205 in 1973.

The 1975 wheat crop is estimated at 2,141 million bushels, down from 2,187 a month ago, but up 19.4 percent from last year.

For soybeans, the crop is estimated at 1,458 million bushels. Last year's production was 1,233 million, and the record crop was 1,547 million bushels in 1973.

What are the implications of this report for farm prices, consumer food costs, and export availability? First, a word of caution: the crops are not yet in the bins and weather yet to happen will have an important affect on actual crop yields. In the past, estimates have been about as apt to go up as down from the August 1 estimate. Unless something very unusual occurs, the final crops should be plus or minus 5 percent in terms of the estimates just made.

The wheat crop is large enough to permit a normal domestic use plus an increase in exports of 350 million bushels. The U.S. can export a lot of wheat to Russia without creating a shortage here.

The indicated feed-grain production is large enough to provide for: (1) an increase in carryover, up to the comfortable year-ago level; (2) an increase in exports of 25 percent; and (3) an increase in domestic feed use of 15 percent.

The soybean crop is large enough to provide for a 26-percent increase in crush and export without reducing the large carryover of this year.

Increases in use as large as the current crop estimates make possible appear to be unlikely. To use 15 percent more feed grains would require a rapid rebuilding of herds. This is especially difficult because July crop damage was in the heavy livestock production areas. Such an increase in soybean use appears impossible in the face of Brazilian competition.

The need to substantially raise use from current levels implies lower prices for farmers. A greater availability of feed implies lower prices for consumers, but the time needed to increase livestock numbers will delay relief for consumers. Large crops suggest that there is no need for export restrictions.

This material provided by Professor T.A. Hieronymous for this newsletter.

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