



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

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CROP PRODUCTION

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THE SEPTEMBER 1 CROP ESTIMATES were down from those of August 1, and were moderately lower than those generally expected. The corn crop was estimated at 5,687 million bushels, down 163 million from a month ago. The estimate for the average yield in Illinois was up 1 bushel, and now stands at 110 bushels per acre. The Indiana figure was unchanged: an average of 100 bushels per acre. The reductions were west of the Mississippi. The Iowa estimate was reduced from 91 to 86 bushels per acre, Missouri from 72 to 63, and Nebraska from 88 to 86 bushels per acre, on the average.

The estimates for oats, barley, and grain sorghums were all reduced slightly. The total feed-grain production was estimated at 201.1 million tons—down 3 percent from a month ago, but up 22 percent from the 1974 figure of 165.1 million tons.

The soybean crop was estimated at 1,442 million bushels—down 1 percent from the August estimate, but up 17 percent from 1974. The Illinois yield estimate was unchanged from a month ago, still at 35 bushels per acre; Iowa was unchanged at 31; Indiana, unchanged at 32; and Missouri at 24, was down 2 bushels per acre.

The September 1 crop estimates are more reliable indicators of the final crop size than those of August 1 because the crop is further along. However, the harvest still lies ahead, and final crop sizes are not known. The next estimate will be released on October 10.

The decrease of 3 percent in the estimate on feed-grain production does not change the fundamental circumstance. We are now moving from a situation of relative scarcity caused by the short 1974 crops to one of relative abundance. There is enough corn and the other feed grains to permit exports as large as our physical capacity to load ships—a 10- to 12-percent increase in domestic feed utilization, and a restoration of carryover stocks back up to comfortable levels.

For the next several months, corn prices will depend on how great the pressure of sales at harvest is and on farmers' attitudes about holding their grain. Then, there will be a period in which the dominant influence will be the rate of use. Corn

futures prices indicate cash corn prices at Chicago in the general area of \$3 a bushel during the first half of 1976. In the first half of 1975, \$3 Chicago corn resulted in major cuts in the rate of feeding. Current prices may be too high to encourage the increased use that the crop size permits.

During the spring and summer of 1976, corn prices will be influenced by attitudes toward owning the carryover. These attitudes will depend on how large the 1976 crops seem likely to be and on how people view owning commodities versus owning money.

The cut in the crop estimate will further postpone an increase in livestock production and greater meat supplies. Consumer meat prices will stay strong longer than they would have otherwise.

The soybean estimate of 1,442 million bushels is not of fundamental market significance. The crop is large enough to permit an increase of 161 million bushels—15 percent—in crush and export, with the carryover unchanged at the current, abundant level. Soybeans face increasing competition from abroad, particularly from palm oil and Brazilian soybeans.

This material was prepared by Dr. T.A. Hieronymous for this newsletter.

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