



# ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE  
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

October 15, 1976

## CROP REPORT A DULL AFFAIR

*CROP PRODUCTION.* The USDA's October 1 projection of corn production was 5,865 million bushels, down 27 million from the September 1 estimate. The average yield for corn in Illinois was unchanged from the estimate of a month ago, 98 bushels per acre; but that is down 18 bushels from a year ago. The estimate for total Illinois corn production is now 1,137 million bushels, down from the 1975 figure of 1,242 million. The yield estimates for Ohio, Indiana, and Iowa were unchanged from those of last month.

The production estimate for grain sorghums was slightly higher: 714 million bushels as of October 1, compared to 710 million last month. The projected figure for the total products of the four feed grains is now 201.8 million tons, compared to the estimate of 202.4 million on September 1. Some 202.4 million tons were produced in 1975.

The figures on wheat production are essentially unchanged. The October 1 estimate is 2,127 million bushels, compared to 2,139 million a month ago.

Soybean production was estimated at 1,250 million bushels as of October 1, compared to 1,274 million on September 1. The reduction nationally is half a bushel per acre, on the average. The Illinois yield was increased from 31 to 32 bushels an acre, as a projected average. At 33 bushels per acre, the estimated average for Indiana was down by 1 bushel for October 1 versus a month earlier.

If the production estimates made for October 1 stand up through the final report in January, this will be a remarkable tribute to the skill of the Cooperative Crop-Reporting Service. Throughout the corn- and soybean-producing regions, the weather has been extremely variable, making the October estimates subject to a greater-than-usual chance of being changed. The USDA appears to have appraised conditions on September 1 very accurately.

*IMPLICATIONS FOR CORN PRICES.* The situation of no changes in production estimates should have no implications for prices. The market now ought to go about the business of digesting the crop estimates, putting the crops into storage, and appraising the demands for the year ahead.

Some things stand out: (1) Although the corn crop will be of record size, it is likely to be only about 100 million bushels larger than the total amount used

during the past year, making the carryover near the minimum level. (2) Advance sales of corn for export are large, but the total for the year will probably be less than that for last year because of a bumper grain crop in Russia. (3) The available feed grain can be supplemented by using a much-larger-than-usual amount of wheat. Feed availability is about 10 to 12 percent above that of last year. (4) At current corn prices, livestock feeding ratios are not conducive to a greater use of feed. (5) The course of corn prices between now and January will be influenced by whether farmers store or sell their corn.

*IMPLICATIONS FOR SOYBEAN PRICES.* Soybean useage during the year ahead will be significantly below the levels of the year just ending. Soybean availability, however, is large in relation to use during most recent years. The record use occurred in 1975-76, built on 18-cent oil, \$125 meal, and \$5 soybeans. Current prices are much higher, and may be more than enough so to ration the smaller supply. The most important factor in soybean prices between now and January will be farmer holding-selling behavior.

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