



# ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE  
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

April 13, 1977

## ANTICIPATING PLANTING INTENTIONS

THE USDA WILL RELEASE THE RESULTS of a survey of planting intentions at 2 p.m. on April 14. It will indicate farmers' intentions as of about April 1. The survey is designed as a guide to farmers in finalizing their cropping plans just before planting. Anticipating what the survey will show is useful for two reasons. First, the market will react to the report if intentions are different than expected. Second, anticipation sharpens awareness and accuracy of interpretation.

The central question is the extent to which the weather and price changes have affected farmers' intentions since the last survey was made on January 1. Weather developments during the first quarter of 1977 did much to relieve the apprehension that existed at the beginning of the period. Above-normal rainfall in March gave a green light to intensive cropping and maximum acreage of such moisture-consuming crops as corn. The price of corn went up 2 cents per bushel between January 1 and April 1, while the price of soybeans per bushel increased by \$2.12. Based on then-current prices, soybeans were \$44.70 more profitable per acre than corn on January 1, and \$127.20 more profitable on April 1.

The most comparable year to 1977 is 1973, when corn prices increased from \$1.51 to \$1.57 and soybeans from \$4.09 to \$6.50 between January 1 and March 1. (Spring intentions were reported in March that year.) On January 1, 1973, soybeans had a profitability advantage of \$7.40 which increased to \$96.60 on March 1. Soybean planting intentions increased from 48.8 million acres on January 1 to 53.3 million on March 1, while corn acreage intentions were essentially unchanged. The increase in soybean acreage in 1973 was obtained from land that had been idled under crop programs in 1972. A choice among crops was much less difficult to make then than now because of greater acreage availability.

If soybean acreage intentions increase from January 1 to April 1 this year, that will be a switch, not an increase. The acreage planted in principal crops in the United States increased from 193.1 million in 1972 to 212.3 million in 1973. The total was about unchanged in 1974 and 1975 before increasing to 219 million in 1976. On January 1, 1977, the planting intentions for all principal crops totalled 220.2 million acres.

Plans for significant changes were made by January 1, 1977. Soybean planting intentions were 53.1 million acres, up 2.8 million from 1976. Other shifts were: corn, up 0.4 million acres; grain sorghums, down 1.5 million; oats, up 0.3 million; barley, up 1.4 million; spring and durum wheat, down 3.7 million; cotton up 1.6 million; and sugar beets, down 0.1 million. In Illinois, farmers said they intended to plant 0.3 million fewer acres of corn and 0.45 million more acres of soybeans. In the principal Corn Belt States, planting intentions showed 1.35 million more acres of soybeans, 0.1 million more acres of corn, and 1.3 million more acres of principal crops.

A significant question is whether farmers watch current cash prices or bids for harvest delivery. As noted above, soybean production was \$127.20 per acre more profitable than corn on April 1, based on current cash prices. On April 1, however, harvest prices as reflected in the futures markets showed a soybean profit advantage of \$43 per acre. A response to price changes guided by current prices would be different than those guided by forward prices.

The April 14 report will probably show a further increase in soybean acres and a decrease in corn acres, but the increase in soybeans is likely to be greater than the decrease in corn. Increases in soybean acreage will be relatively greater outside than inside the Corn Belt. There is no way to estimate the change with confidence; but my guess is that soybeans will be up 1.8 million acres and that corn will be down 1 million acres.

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