



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

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PROSPECTIVE PLANTINGS

THE USDA RELEASED THE APRIL 1 prospective plantings report on April 14. The report showed the intended soybean acreage at 55.7 million acres, or 10.7 percent greater than last year. The prospective corn acreage was put at 83.9 million acres, or 0.2 percent less than last year. The 2.6 million-acre increase in soybean intentions since January 1 was anticipated by most market analysts, but the reduction of 600 thousand acres of corn was less than anticipated. For 1977, the total corn and soybean planting intentions are 2 million acres greater than on January 1 and 5.2 million acres greater than last year. Illinois farmers intend to plant 3 percent less corn and 10 percent more soybeans than in 1976.

The report showed a significant reduction in planting intentions for spring wheat, sorghum, rice, and sugarbeets. Large acreage increases are planned for cotton, oats, and barley. The increase in cotton acreage intentions is at the expense of sorghum, primarily in Texas, while oats and barley will apparently replace some spring wheat and sugarbeets in the Dakotas and the upper Midwest.

The April 14 report also showed an increase in total planting intentions of 3.4 million acres above actual plantings of 1976. The January 1 prospective planting report indicated an increase of only 1.1 million acres. Some 1.9 million acres of the increase can be attributed to reductions in winter wheat plantings. The remaining 1.5 million acres represents a net increase over 1976.

The net increase appears to be coming from a variety of areas. Increased intentions for oats and barley in the Dakotas and Minnesota exceed the decreases in spring wheat intentions, indicating that recent rainfall will bring more of the upper Midwest into production. Larger cotton acreage intentions resulted in net acreage increases in the Southwest. Indications of more soybeans in the Southeast will result in a greater total crop acreage. Soybeans may be replacing some pasture land made available by the liquidation of beef herds in this area. Increased soybean acreage in the Midwest exceeds the reduction in other reported crops. This may mean reductions in hay and pasture land and winter wheat land being replaced with corn or soybeans.

IMPLICATIONS FOR CORN AND SOYBEAN PRICES. Corn planting intentions as of April 1 suggest 72.1 million acres for harvest. If 1977 yields reach the average of the past

five years, the 1977 corn crop projects to almost 6.3 billion bushels, and total supplies to 7 billion bushels. If current planting intentions are carried out, the 1977 feed grain acreage would be nearly identical to that of 1976. Current corn prices, with December futures at about \$2.70, appear to be discounting a 6.3-billion bushel corn crop. A normal planting and growing season would indicate that price declines have a better probability than price increases. The grain stocks report to be released on April 21 will indicate how rapidly the 1976 crop is being used, and may have price implications if the rate is significantly different than the one anticipated.

Soybean acreage intentions and the average yield of the past five years suggest a 1977 crop of slightly over 1.5 billion bushels and total supplies of about 1.6 billion bushels—an increase of only 5 percent over 1976. Soybean supplies will apparently remain tight and prices strong relative to corn. The July 1 plantings report may show a further increase in soybean acreage.

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