



# ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE  
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

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## MID-OCTOBER CORN AND SOYBEAN UPDATE

DROUGHT, INSECTS, DISEASES AND HEAVY HARVEST-TIME RAINS have adversely affected the crop-yield prospects in Illinois and nationally. In spite of this, the nation's farmers face the problem of disposing of record-size corn and soybean crops and a near-record wheat crop. Such is the news in USDA's crop production report for October.

According to USDA, the 1977 U.S. corn crop will average 90.8 bushels per acre, based on conditions as of October 1. That gives a total crop of 6.3 billion bushels. That would be the third successive new record for U.S. corn production, representing an increase of a third over the severely damaged 1974 crop. Total feed grains were forecast at 220 million ton--4 percent above last year and also a new record.

Adverse weather has caused crop reductions in many parts of the Northern Hemisphere during the past month. Some of these developments will lead to larger U.S. grain exports. However; if the U.S. crops turn out to be as big as the October estimate, larger U.S. exports, by themselves, will not offer much hope for boosting grain prices significantly.

In Illinois, the corn crop was pegged as averaging 111 bushels per acre--the same as estimated last month, but up 4 bushels from 1977. The crop continues to be ahead of schedule, as it has all year. On October 11, 29 percent of the Illinois corn was harvested, compared to the three-year average of only 19 percent.

On balance, the price outlook suggests that substantial amounts of corn will move into government loan this year. Corn held until next summer is likely to fetch something close to the \$2.00 loan rate.

The 1977 soybean crop, based on October 1 conditions, will total an estimated 1.7 billion bushels. That figure is up only 3 million from the September estimate. Prior to 1977, the record for U.S. soybean production was 1.5 billion bushels in 1973. No matter what happens, the 1977 crop will be of record size. In fact, the present crop is so huge that even with a small soybean carryover, the total supply of U.S. soybeans in 1977 probably will also set a new record.

Illinois farmers will harvest about 319 million bushels of 1977 soybeans--up sharply from the 242 million figure for last year. By October 1, 36 percent of the



Illinois bean acreage had been combined. The comparative three-year average is 63 percent. Illinois farmers seem to be giving priority to corn over soybeans in their harvest plans this year.

The domestic demand for soybean meal continues to be weak. Usage has not yet accelerated in response to new-crop receipts, suggesting the possibility of further price declines for both meal and soybeans.

Clouding the price outlook for beans and corn is the potential of a general dock strike affecting all East Coast and Gulf ports. Already, the local strike at New Orleans has backed up barge traffic to the point of causing price weakness at interior markets. There is little farmers can do about this situation, but it should be watched closely. If the strike becomes serious enough, a Taft-Hartley 80-day "cooling off" period could create improved opportunities for pricing grain for near-by delivery as our export customers try to move the grain they need in the expectation of a strike around the first of the year.

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