



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

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PLANTING INTENTIONS

THE USDA RELEASED THE JANUARY 1 PLANTING INTENTIONS REPORT on January 20.

CORN. The report showed a total of 79.3 million acres. This is a decrease of 4.1 percent from the amount actually planted in 1977, but is down 5.2 million acres (or 6.1 percent) from the total farmers said they intended to plant in January of 1977. About 86 percent of the planted acreage is normally harvested for grain, suggesting a potential of 68.2 million acres for harvest in 1978. Yields, of course, are uncertain; but a normal yield of 90 bushels per acre would produce 6.1 billion bushels, compared to 6.36 billion in 1977. However, the carryover is likely to be higher than a year ago, leaving the corn available for use in 1978-79 at about the same level as during the current year.

Illinois farmers have intentions of planting 11.1 million acres of corn--down only 1 percent from last year's actual plantings, but 5.1 percent below their intentions a year ago. In Iowa, the report shows a decrease of 400,000 acres, but an increase of 100,000 acres in Indiana.

SOYBEANS. The planting intentions are up 6.8 percent nationally, at 63.1 million acres. Assuming that 98 percent of the planted acreage will be harvested and that a normal yield of 28 bushels per acre is produced, the 1978 crop would be 1.73 billion bushels. That would be only slightly larger than the high-yielding crop of 1977. As in the case of corn, however, the soybean carryover is expected to be larger than last year.

Illinois farmers intend to plant 9.4 million acres of soybeans, up 5.6 percent from last year's figure of 8.9 million acres. Every major soybean-producing state showed an increased acreage in the intentions report for 1978; Iowa, up 550,000 acres; Indiana, up 250,000 acres; and Missouri, up 420,000 acres.

FEED GRAINS. The planting intentions total 124 million acres, compared to 128 million planted in 1977. Only grain sorghum showed an increase over last year. A major increase is indicated in Kansas, where winter-wheat seedlings were down 1.7 million acres.

FOOD GRAINS. For durum wheat, acreage intentions were up 1 million while other spring wheat intentions were down 2 million. The total food-grain acres (winter wheat, rye, spring wheat, and rice) are now placed at 71.3 million acres, well below the 79.7 million planted last year.

IMPLICATIONS. The planting-intentions report indicates that farmers are changing their plans in response to low prices and increasing inventories of some grains. The intentions also indicate some response to relative prices: reduced corn, wheat, and cotton acreages and an increase in the acreages for soybeans and sorghum.

With normal weather during the 1978 planting and growing season, corn supplies will again be abundant. However, expanding exports and increases in the number of domestic livestock may result in a disappearance in excess of production during 1978-79.

The expanded soybean acreage indicates that 1978 may bring another record crop. The necessity of using record amounts of soybean meal in the domestic market and of exporting increasing quantities of soybean oil may keep soybean prices under pressure.

The planting-intentions report is intended as a guide to farmers in finalizing their plans. The report may result in changes in price relationships that could alter some planting intentions. The next report of planting intentions will be issued in April.

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