



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

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USDA ESTIMATES 1978 CROP ACREAGE

ON JUNE 30, THE USDA RELEASED AN ESTIMATE OF ACREAGE planted to major crops in 1978. Total acreage of these crops is placed at 279.5 million acres, down 9.1 million acres or 3 percent from last year.

The most dramatic decline has come in wheat acreage, down 8.5 million acres, or 11 percent, from a year ago. Corn acreage is placed at 78.7 million acres, which is 5 percent less than it was a year ago. Soybean plantings are estimated to be 64.3 million acres, or 9 percent more than last year. Total feed grain acreage (corn, sorghum, oats, and barley) is estimated at 121.6 million acres, down 5 percent from 1977.

In Illinois, acreage planted to major crops has been reduced by 510,000 acres, or 2 percent, from last year. Corn acreage is estimated at 11 million acres, representing a decrease of 250,000 acres. Soybean planting totaled 9.25 million acres, up 350,000 acres over last year. The area planted to oats increased by 10,000 acres, while winter wheat acreage declined by 620,000 acres, or 37 percent.

Corn acreage showed a decline from last year in all major producing states except Minnesota and South Dakota. The greatest reductions came in Georgia, Iowa, and Missouri. Soybean plantings were increased rather uniformly in every major producing state. Missouri led the increase with a gain of 430,000 acres.

The June 1 acreage indications imply that participation in the set-aside and diversion programs has been minimal, except for wheat producers. Of the 9.1-million acre reduction in all major crops, 8.5 million is accounted for by wheat. Some reduction in feed grains is probably attributable to cross compliance requirements for those participating in the wheat set-aside.

In the Corn Belt, there was a shift from corn to soybeans. Iowa showed no reduction in total acreage from last year. The acreage reductions in Illinois, Indiana, Ohio, and Missouri reflect reduction in winter wheat acreage and the resultant decrease in double-cropped soybeans

CORN. The corn acreage estimate is in line with most expectations and in itself should have little price impact. Price prospects are still tied to the weather and yield prospects. The USDA placed 1978 harvested acreage at 68.2 million acres. We are currently using corn at the rate of about 6.1 billion bushels per year.

A 1978 yield under 90 bushels per acre is necessary to produce a crop smaller than our current rate of use. Some increase in use is expected next year, but a near normal yield will result in large stocks at the end of the 1978-79 marketing year.

SOYBEANS. The soybean acreage estimate is at the high end of most expectations, indicating another large crop in 1978. Unlike corn disappearance, however, soybean disappearance is large and demand is expected to remain strong through 1978-79. The initial impact of the acreage report has been declining prices. Longer run price prospects still hinge on summer weather and yield prospects. A yield in excess of 27 bushels per acre is necessary to produce a larger crop than last year. Because of strong demand and yield uncertainty, some price strength in new crop soybeans is possible, at least until it becomes clear that the 1979 crop in Brazil will be large.

The USDA will make its first estimate of the size of the 1978 corn crop on July 11. The soybean crop estimate, as well as any revisions in planted acreage, will be released on August 10.

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