



# ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE  
DEPARTMENT OF AGRICULTURAL ECONOMICS

*Urbana, Illinois 61801*

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## LARGE SOYBEAN AND HUGE CORN CROPS

THE 1978 CORN CROP was estimated at 6,798 million bushels on September 1. This is a record by a wide margin--up 441 million, 7 percent, from last year. The average yield nationally is now estimated at 100.3 bushels per acre, up 3.2 bushels from the previous record established in 1972 and up from 90.8 in 1977.

The price impact may not be very great and may be entirely registered in the market before harvest has begun in volume. The location of the increase in corn production is of particular significance. The big increase is in Iowa where the crop is estimated at 1,391 million, up 300 million from last year. Another major increase is in Nebraska with a crop of 674 million compared to 629 million last year. The Illinois yield of 116 bushels per acre ties the 1975 record, but total estimated production is up only 88 million bushels from last year. At 631 million bushels, Indiana production is actually down 2 million.

The big increases in corn production are west of the Mississippi River where set-aside program participation and the use of the reserve program are large. The loan system should prevent the price from going below the loan by more than the cost of storage. There should be a good demand for corn for export from states east of the Mississippi, and a large crop west of the river is conducive to high feeding rates.

The huge corn crop expected this year makes it unlikely that the price of corn will rise above the loan before the actual size of the 1979 crop becomes known. Even with good exports and high rates of feeding, an increase in the carryover of 200 million bushels or more appears likely.

The impact of the size of the corn crop will be reduced by smaller crops of oats, barley, and grain sorghums. The combined production of these is 39.7 million tons, down from 44.1 million in 1977. The price of wheat is high relative to corn and little will be fed.

As of September 7, the soybean crop was estimated at 1,772 million bushels, up a scant 7 million from a month ago and 56 million from last year. The national average yield was placed at 28 bushels, down from last years record 29.6 bushels. The Illinois yield of 34 bushels is down 3 bushels from last year. The Iowa yield estimate is 35 bushels, up from 34 in 1977.

The supplies of soybeans are large but not burdensome. A major increase occurred in the demand for soybean products, both domestic and export, during the past year. Supplies are not large enough to supply a comparable demand increase during the year ahead. In addition, Brazil has used her small 1978 crop at a rapid rate and will be out of the market for the next six months. Soybean supplies are probably large enough to prevent a major price rise, but not large enough to make owning \$6 soybeans dangerous.

There will be another crop estimate in October. Over the past seven years, the corn yield has gone up five times and down twice from September to the final figure for the year. The soybean yield estimate has gone down five times and up twice. In addition, the weather has been hot and dry since September 1, which is hard on a late soybean crop.

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