



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

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PLANTING INTENTIONS: IMPACT OF THE APRIL 16 REPORT

THE SURVEY OF FARMERS' PLANTING INTENTIONS for 1979 as of April 1 will be released on April 16. The report probably will set the course of corn and soybean prices until planting and growing conditions take over. A January survey was made. The results were released on January 22. The April release is an update of farmers' plans. The January and April reports cover 35 states for corn and 27 states for soybeans. The states surveyed in January and April for corn typically include those producing 98 percent of the corn and 98.6 percent of the soybeans grown.

The planting intentions for corn were 79.2 million acres on January 1, an increase of 1.2 percent over 1978. The soybean planting intentions totaled 65.4 million acres, an increase of 3.5 percent.

The planting intentions for corn in Illinois were 10.9 million acres, down 100 thousand; the intended soybean acreage was 9.35 million, up 100 thousand. On January 1, Illinois farmers did not indicate any major changes from last year.

Corn planting intentions were up 900 thousand acres in the 35 states surveyed. Increases were widely scattered over the Corn Belt and suggested less participation in the government program.

Soybean planting intentions in the 27 states surveyed were up 2.235 million acres. Nearly all states showed an increase. There were two large increases, 550 thousand acres (13 percent) in Minnesota and 320 thousand acres (13 percent) in Tennessee.

The record of change in corn acreage from the January 1 to the April 1 intentions and to the July 1 report of actual plantings is one of stability. During the last six years, the largest increase in the January 1-to-April 1 intentions was 2.4 percent in 1976; the largest decrease, 0.7 percent in 1977. In five of the six years, there was a decrease in the actual plantings compared to the April 1 intentions. The largest decrease was 3.5 percent in 1978.

Changes in soybean intentions versus actual plantings have been larger than those for corn. In three of the last six years, there were major changes in intentions from January 1 to April 1. Intentions went up 6.8 percent between January 1 and March 1 in 1973. (Prior to 1975, the second survey was for March 1.) In the

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spring of 1973, we had \$12 soybeans. The January 1-to-April 1 change in 1976 was a decrease of 3.1 percent. The price of soybeans was about \$4.60 per bushel, down a dollar from the year before. There was an increase of 4.9 percent in the intentions between January 1 and April 1 in 1977. A sharp increase in the soybean prices occurred during the winter and spring of 1977.

Over the past six years, there has been a marked tendency for the April 1-to-July 1 change to be in the same direction and of about the same size as the change between January 1 and April 1. The record seems to show that when there is a sharp increase in the price of soybeans from harvest to the following spring, acreage intentions go up substantially from January 1 to April 1; also, when soybean prices are low relative to other crops and to the preceeding year's average, intentions go down between January and April.

Soybean prices are now moderately favorable in relation to other crops. The price reached more than \$7 at the end of October before declining into early January. The loss has since been recovered. Soybean prices rose by 9.2 percent from January 1 to April. But during the same period, corn prices increased by 6 percent.

There has been nothing dramatic in the soybean market since January 1 to suggest a major change in the acreage intentions reported in January. The market appears to expect a major increase. If that does not occur, soybean prices will probably increase after the report on April 16.

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