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ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

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PLENTY OF CORN, LOTS OF SOYBEANS

THE USDA'S CROP REPORT FOR AUGUST 1 indicated a corn crop of 7,109 million bushels and a soybean crop of 2,129 million, both of which would be records. If these estimates materialize, corn supplies will be adequate to abundant and soybean supplies will be burdensome during the year ahead. A bountiful harvest will be partially paid for with downward pressures on prices.

The projected corn yield averaging 102.1 bushels per acre for the nation is up slightly from last year's record figure of 101.2 and up 6.3 bushels from the estimate of 95.8 bushels made on July 1. The record month-to-month increase reflected the near-ideal weather during the month of July. The estimate on August 1 of 112 bushels per acre for Illinois was up 2 bushels from the 110 set a month ago and also above the final estimate of 111 bushels for 1978. At 114, the Iowa estimate was up 8 bushels from a month ago but down from last year's figure of 117 bushels per acre. The Indiana estimate was 112 bushels on August 1, compared to 107 last month and 108 last year. Barring early frost, a huge corn crop is assured.

The price implications are not all that bad. The use of corn for 1978-79 will be almost 7 billion bushels. We should expect larger exports because of crop problems in Russia and a growing world demand. Hog and poultry numbers are large, which could sustain domestic use for the first half of the year. During the year ahead, use should exceed 1979 production, slightly reducing the carryover. However, there is more than enough corn outside the reserve to supply the market. Corn will have to sell at prices that will encourage high feeding rates in the United States, and hog prices are currently under pressure.

Both the acreage figures and the projected yields contribute to the huge estimate for soybean production. The acreage for harvest is estimated at 70.3 million acres, up 11.6 percent from last year's 63.0 million. The average yield is estimated at 30.3 bushels for the nation, compared to 29.2 last year and the record of 30.6 in 1977. At 2,129 million, the crop estimate is up 15.5 percent from last year.

The Illinois soybean yield is estimated at 33 bushels, on the average, compared to 33 last year and 38 in 1977. At 37, Iowa is down from last year's figure of 38 bushels. The estimates for the other principal states show Missouri at 30 compared

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