



WEEKLY OUTLOOK

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ACREAGE UNCHANGED; RESERVE IS IN PRODUCTION

INTENTIONS OF FARMERS TO PLANT SPRING CROPS WERE RELEASED on March 19. They showed virtually no change from last year. At 84.0 million acres, intentions to plant corn were down 0.2 percent. Intentions to plant soybeans were 69.8 million, down 0.4 percent from 1980. The production base for corn and soybeans is the same as last year.

In recent years, surveys of intentions to plant have been made on January 1 and April 1. Hence, this year's survey, conducted on March 1, is not precisely comparable to those of other years. During the past four years, however, changes from April 1 intentions to actual plantings have been quite small. Shifts from corn to soybeans have been about the same as shifts from soybeans to corn, and the number of swing acres appears to be about 1.5 million. Changes this year will depend primarily on weather at planting time.

On the basis of recent years' experience we should expect about 10.2 million acres of corn to be harvested for silage, leaving 72.8 million to be harvested as grain. During the past five years corn yields have ranged from 88.0 bushels per acre in 1976 to 109.7 in 1979 and have averaged 96.1. These numbers suggest that corn production will be between 6.4 and 8.0 billion bushels. At the average yield, production would be 7.0 billion. The bottom end of the yield range would result in an acute shortage of corn and the top end a troublesome abundance. Weather this year will be unusually important because there will be only a minimum pipeline supply of corn at the end of the current crop year. The use of corn during 1980-81 is about 7.7 billion bushels. To produce such an amount this year will require a yield of 105.8 bushels per acre, 10 bushels above the five-year average and the second highest yield on record.

The acreage of soybeans harvested tends to be about 98.5 percent of the planted acreage, so we should expect to harvest 68.8 million acres in 1981. During the past five years the yield has ranged from 26.1 bushels per acre in 1976 to 32.1 in 1979. The average has been 29.0 bushels per acre. The

indicated range in crop size is from 1.8 to 2.2 billion bushels, and the average yield would produce 2.0 billion. The total disappearance of soybeans in 1980-81 will be about 1.97 billion bushels. It was 2.08 billion in 1979-80. Average yields this year will produce about as many soybeans as are currently being used but will leave no room for the kind of demand increase that has typified soybeans for many years.

The total acreage in crops increased consistently during the 1970s as reserve acreage was called back into use to satisfy world demand. This process appears to be at an end, and Illinois intentions may be typical of this change. At 11.6 million acres, intentions to plant corn are down 0.1 million from last year; at 9.2 million acres, soybeans are down 0.1 million. The acreage seeded to wheat last fall was up 0.2 million.

For the United States, planting intentions for all principal crops other than winter wheat and hay total 243.2 million, compared to 242.6 million in 1980. The winter wheat acreage is up 6.5 million, but intentions to harvest hay are down 8.4 million. The all-crops acreage is virtually unchanged, whereas it had increased about 10 million acres in 1979 and about 5 million in 1980. From 1972 to 1980 the all-crop acreage went up about 60 million.

Crop production in the U.S. will be at capacity in 1981. The easy sources of increased production have been used up. If demand continues to rise, it can be met only by yield increases and by rising real prices.

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