



WEEKLY OUTLOOK

Department of Agricultural Economics
College of Agriculture
University of Illinois at Urbana-Champaign

August 18, 1982

CORN AND SOYBEAN CROPS EXPECTED TO SET RECORD

BASED ON GROWING CONDITIONS AS OF AUGUST 1, THE USDA estimates that the 1982 corn and soybean crops will be of record size. The corn crop is forecast at 8.315 billion bushels, 1.4 percent larger than last year's record production. Soybean production is expected to reach 2.293 billion bushels, 14.6 percent greater than a year ago and 1.1 percent larger than the previous record set in 1979.

The predicted acreage of corn to be harvested, 73.02 million acres, is 1.6 million less than last year. However, the national average yield is forecast at 113.9 bushels per acre, up 4 bushels per acre from last year. The average corn yield in Illinois is expected to be a record 136 bushels per acre. Corn production in the eastern Corn Belt states of Illinois, Indiana, and Ohio is expected to be 358 million bushels, or 14.5 percent larger than a year ago. Production in the western Corn Belt states of Iowa, Nebraska, and Minnesota is estimated to be 200 million bushels, or 6 percent less than a year ago.

The harvested acreage of soybeans is projected at 70.97 million, up from 66.69 million last year. The U.S. average yield is expected to reach 32.3 bushels per acre. Both acreage and yield estimates are of record size. Production in Illinois is forecast at 386.2 million bushels, reflecting an average yield of 41 bushels per acre. Of the major soybean-producing states, only Iowa and Nebraska are expected to have smaller crops than a year ago.

The production estimate for the 1982 winter wheat crop was lowered slightly from last month. That crop, at 2.1 billion bushels, is estimated to be identical in size to the 1981 crop. The spring wheat crop is forecast at 673 million bushels, 20 million less than a year ago.

The estimates for coarse grain production in other countries for the year ahead were about unchanged from last month. In the case of wheat, production estimates were increased by 2 million tons for Canada and lowered 3 million tons for Australia. Production of coarse grains outside of the United States will be 1 percent more than a year ago, while wheat production will be 1 percent less.

STATE • COUNTY • LOCAL GROUPS • U.S. DEPARTMENT OF AGRICULTURE COOPERATING

THE ILLINOIS COOPERATIVE EXTENSION SERVICE PROVIDES EQUAL OPPORTUNITIES IN PROGRAMS AND EMPLOYMENT.

The USDA's revised supply and demand estimates were also released last week. For corn, the export estimate for the current year was lowered to 2.075 billion bushels, 100 million less than last month's estimate. Feed use is projected at 4.3 billion bushels, down from last month's estimate of 43.5 billion bushels. Carry-over supplies as of September 30, 1982, are projected at 2.076 billion bushels. By September 30, 1983, corn inventories are expected to increase to 2.8 billion bushels.

In the case of soybeans, the crush estimate was lowered 10 million bushels, but the export estimate was increased 10 million bushels. Carry-over inventories as of August 31, 1981, will be about 270 million bushels. A year from now those inventories are expected to increase to 420 million bushels.

Corn and soybean prices declined sharply in the face of the large production estimates. Farmer sales have accelerated, and it is generally believed that harvest sales will have to be large because storage space is limited. Corn prices have declined well below the loan rate, and many farmers may forfeit loan corn to the CCC. The limiting factor may be the ability of the ASCS to find adequate storage space in a timely fashion.

After harvest, corn and soybean prices should show significant recovery, although the recovery will come from quite low levels. Tight farmer holding, accelerated export buying, and a more attractive set-aside program will be the major supporting factors.

Darrel Good

Issued by *Darrel Good*, Extension Economist, Prices and Outlook

Cooperative Extension Service
United States Department of Agriculture
University of Illinois
At Urbana-Champaign
Urbana, Illinois 61801

Official Business
Penalty for private use, \$300

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE
AGR 101

