



WEEKLY OUTLOOK

Department of Agricultural Economics
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1983 CORN AND SOYBEAN PRODUCTION ESTIMATES INCREASED

ON JANUARY 13 THE USDA RELEASED REVISED PRODUCTION ESTIMATES for the 1983 corn and soybean crops. Last year's corn crop is now estimated at 4.204 billion bushels, 2 percent larger than the previous estimate, but 50 percent less than the revised production estimate for 1982. The soybean crop is estimated at 1.595 billion bushels, 3.8 percent more than the previous estimate and 28 percent less than the 1982 crop.

Harvested acreage of corn totaled 51.537 million, 334 thousand more than the previous estimate. The national average yield is now estimated at 81.6 bushels per acre as compared with the November estimate of 80.5 bushels.

Corn production in Illinois totaled 632 million bushels, 8 million more than the November estimate. The state average yield estimate remained unchanged at 80 bushels per acre. Compared with the November estimate, the largest absolute increases in production came in Iowa, Indiana, Nebraska and Wisconsin; even these increases were relatively modest, averaging only about 1 percent. Twenty-four of the 41 states for which production numbers were released showed an increase from the November estimate.

Harvested acreage of soybeans totaled 62.163 million acres, 765 thousand more than the November estimate. The national average yield estimate was increased from 25 to 25.7 bushels per acre. The acreage and yield estimates for Illinois were essentially unchanged. The greatest change came in Iowa and Missouri. Both the acreage and the yield estimates were increased for most of the southern states, where poor weather during harvest was thought to have reduced production.

This is the sixth consecutive year and the ninth year out of the last 12 that the corn production estimate has increased from November to January. The percentage increase this year was about equal to the average of the previous eight increases. This is the sixth year out of the last 12 that the January soybean production estimate has increased from November to January. Percentage wise, the increase this year was the largest of the six years.

The USDA also released revised world crop production estimates. There were no major changes in the estimate of the coarse grain crops in other countries. The total production of coarse grains in countries other than the United States

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is expected to total 550.4 million metric tons during 1983-84, up 4.2 percent from last year.

There were only minor changes in the estimated size of the world wheat crop. Production outside of the United States is expected to be 4.3 percent larger than last year's crop.

World soybean production estimates, except for the United States, were about unchanged from last month's figures. Production outside of the United States is expected to total 1.32 billion bushels, 8 percent more than last year's figure. The South American crop is expected to total 758 million bushels, nearly 10 percent larger than last year's crop. This estimate is unchanged from last month. Many analysts had expected the Brazilian production estimate to increase by 10 to 20 million bushels.

The larger corn and soybean estimates for the United States are expected to put considerable pressure on prices for the next few weeks. Soybean prices are expected to decline more sharply than corn prices. In the longer run, corn prices will still receive support from the reserve trigger price.

The January *Grain Stocks* report will be released on January 23. The corn and wheat stocks figure will indicate the magnitude of domestic feeding during the October-December quarter of the marketing year. The soybean stocks figure will provide a check on the size of the 1983 crop.

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