



WEEKLY OUTLOOK

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

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CORN AND SOYBEAN PRODUCTION ESTIMATES NEAR EXPECTATIONS

ON AUGUST 10, THE USDA RELEASED ITS FIRST ESTIMATE of the size of the 1984 corn and soybean crops. The corn crop is estimated at 7.668 billion bushels, 84 percent larger than last year's crop. The production estimate is very close to the average expectation of about 7.7 billion bushels. If the crop develops as expected, it will be the fourth largest.

Planted acreage of corn is estimated at 79.79 million acres, 150 thousand less than the June estimate and 19.6 million more than planted last year. Acreage is well under the 82.8 million average of the 1979 through 1982 period. Acreage harvested for grain is forecast at 71.06 million, 500 thousand less than the June estimate.

The U.S. average corn yield is expected to be 107.9 bushels, compared with only 81 bushels last year. That yield would be the fourth largest, only 1.8 and 1.0 bushels less than the 1979 and 1981 yields respectively. The yield would be 5.3 less than the 1982 record.

Corn production in Illinois is forecast at 1.3 billion bushels, more than double last year's crop but 13 percent less than the 1982 crop. The state average yield is estimated at 119 bushels. Of the major corn producing states, Iowa is expected to have the highest yield (122 bushels) and the largest crop (1.55 billion bushels).

The 1984 soybean crop is estimated at 2.035 billion bushels, almost identical to the average expectation of 2.04 billion. The crop would be 30 percent above last year's production and the third largest.

Planted acreage of soybeans totaled 68.175 million, 5 million more than last year, but 2 million less than the 1979-82 average. The national average yield is estimated at 30.5 bushels per acre, the third largest. Average yields were 32.1 and 31.5 in 1979 and 1982, respectively.

The Illinois soybean crop is expected to reach 313 million bushels, reflecting an average yield of 34 bushels per acre. As in the case of corn, Iowa is expected to have the highest yield (38 bushels) and the largest crop (319 million bushels).

The 1984 wheat crop is estimated at 2.528 billion bushels, almost identical to the early projection by the USDA's World Outlook Board. The winter wheat crop

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at 2.045 billion bushels is the third largest, about 60 million less than produced in 1981 and 1982. The spring wheat crop, including durum, is estimated at 483 million bushels, about 50 million bushels above last year's crop, but 215 million less than the 1981 and 1982 crops.

Production of soft red winter wheat is estimated at 542 million bushels, compared with last year's crop of 506 million. Production was 676 million in 1981 and 613 million in 1982. The Illinois wheat crop totaled 70.4 million bushels, reflecting an average yield of 44 bushels.

The USDA also revised world grain production estimates. Significant changes for coarse grains included a 15 and 4 percent reduction in the size of the Canadian and Russian crops, respectively. In the case of wheat, the Canadian production estimate was lowered 26 percent and the Russian crop was lowered 6 million tons or 7 percent. These changes were generally expected. Both the coarse grain and wheat crops produced outside of the United States are expected to be smaller than last year.

IMPLICATIONS. While the prospective corn and soybean crops are large, carryover stocks are extremely small. Corn supplies for the 1984-85 crop year total about 8.2 billion bushels. Excluding last year, that is the smallest supply since 1977. Soybean supplies at 2.14 billion will be the smallest since 1978 (excluding last year). Even though supplies do not appear burdensome, both the corn and soybean crops exceed the expected level of use. After a period of rapid growth in the 1970s, the market for U.S. corn and soybeans has stabilized. The carryover stocks of corn and soybeans at the end of the 1984-85 marketing year are expected to be about double the extremely low levels of this year.

Darrel Good

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

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

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