



WEEKLY OUTLOOK

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FINAL PRODUCTION ESTIMATES RELEASED

FINAL ESTIMATES OF THE SIZE OF THE 1984 corn and soybean crops were released on January 25. As expected, the corn crop estimate was increased from the November figure. The January estimate has been above the November estimate for seven consecutive years. The 1984 harvest is now pegged at 7.65 billion bushels, an increase of 123 million bushels, or 1.6 percent, from the November figure.

Harvested acreage of corn totaled 71.776 million acres, up 700,000 from the November forecast. The U.S. average yield was 106.6 bushels per acre, up .7 bushels from the November estimate and the fourth highest yield on record.

In Illinois, harvested acreage of corn totaled 10.94 million acres, compared to the November estimate of 10.93 million. The state average yield was 114 bushels per acre, the fifth highest on record. Corn production in the state totaled 1.247 billion bushels, up 12 million from the November figure.

The U.S. soybean crop is estimated at 1.861 billion bushels, a decrease of 40.8 million bushels, or 2 percent, from the November figure. Harvested acreage of soybeans totaled 66.093 million, 740,000 less than estimated in November. The U.S. average yield was 28.2 bushels per acre, .3 bushels less than the previous estimate.

The Illinois soybean crop totaled 288.6 million bushels, down 6.4 million from the previous estimate. The state average yield was 32 bushels per acre on 9.02 million acres. The yield estimate is unchanged, but acreage is 200,000 less than the previous estimate.

Revised supply and demand estimates were not released following the new production estimates. New estimates will be made following the February 11 *Grain Stocks* report. If no changes are made in the estimate of use, carryover stocks of corn will be projected at 1.298 billion bushels. Beginning stocks were only 722 million bushels. With no change in the projected rate of soybean use, carryover stocks of soybeans will be projected at 184 million bushels, only 9 million more than beginning stocks.

The new production figure for corn has to be somewhat bearish, even though the increase was generally expected. The estimated size of the U.S. sorghum crop

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was also increased. Production is estimated at 865.9 million bushels, an increase of 52.4 million bushels, or 6.4 percent. The CCC loan program will continue to support corn prices near current levels. However, rally potential will be limited at least until spring unless the stocks report contains a surprise. Participation in the 1985 feed grain program should be strongly considered.

The revised soybean production estimate, along with the rapid rate of domestic crush, suggests some rally potential in soybeans. The Census Bureau estimated the December crush at 101 million bushels, the highest monthly figure since January 1983. Increasingly, soybeans will be crushed to meet meal demand rather than oil demand. This suggests that meal prices will gain on oil prices.

The rally potential in soybeans is probably rather modest, 50 to 60 cents per bushel, unless other factors come into play. A drop in the value of the dollar or significant weather problems in Brazil would provide the stimulus for further price increases.

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