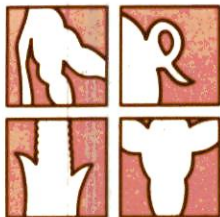




Cooperative  
Extension Service  
University of Illinois  
at Urbana-Champaign



# WEEKLY OUTLOOK

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

*September 18, 1985*

## CORN AND SOYBEAN PRODUCTION ESTIMATES INCREASED

AS EXPECTED, THE USDA'S SEPTEMBER CROP PRODUCTION REPORT contained larger estimates for corn and soybeans than last month's report. Production potential is estimated at 8.469 billion bushels for corn and 2.063 billion for soybeans.

The estimate for corn is 204 million bushels above the August figure and 813 million bushels above the 1984 crop. The production estimate exceeds the 1982 record by 234 million bushels. The national average yield potential is estimated at 113.3 bushels per acre, 0.1 bushel above the 1982 record.

The soybean production estimate is 104 million bushels above the August figure and 202 million above the 1984 crop. The national average yield is estimated at 33.2 bushels per acre, 1.1 bushels above the 1979 record. Because of reduced acreage, the 1985 crop is 198 million bushels below the 1979 record and 127 million bushels less than the 1982 crop.

In Illinois, the average corn yield is expected to be 129 bushels per acre, 2 bushels less than the record yield of 1982. The corn crop, as of September 1, was estimated at 1.464 billion bushels, 34 million less than the 1982 crop. The state average soybean yield is expected to be 38 bushels per acre, 1 bushel less than in 1979 and 0.5 bushels below the 1982 yield. Production potential totals 340.1 million bushels, 14 million less than in 1982 and 39 million less than the 1979 crop.

The USDA also released revised supply and demand estimates for the 1984-85 crop year and revised projections for the 1985-86 marketing year. In the case of corn, the export projection for the current marketing year was lowered by 75 million bushels, to 1.85 billion bushels. Feed use of corn is still projected at only 4.15 billion bushels. That figure seems a little low in light of the number of livestock fed and the heavy slaughter weights. The corn inventory as of October 1, 1985 is projected at 1.317 billion bushels.

For the 1985-86 marketing year, corn exports are expected to decline by 225 million bushels, feeding is expected to increase by 175 million bushels, and

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seed and processing uses are projected to increase by 55 million bushels. Total use will be about unchanged from the current year. The corn inventory is expected to total 2.717 billion bushels on October 1, 1986.

In the case of soybeans, revisions for the 1984-85 marketing year were very minor. Inventories as of September 1, 1985 are estimated at 310 million bushels. For the 1985-86 marketing year, soybean use is expected to increase by about 90 million bushels. The inventory of soybean on September 1, 1986 is projected at 555 million bushels.

The magnitude of the 1985 crop along with prospects for very little growth in market size suggest that prices during the 1985-86 season will average below those of the 1984-85 marketing year. Some additional pressure on prices might be expected during harvest. Much depends on how rapidly farmers sell the crop. Widespread use of the Commodity Credit Corporation (CCC) loan program is expected to force some price recovery following harvest. The magnitude of rebound will be limited by the large supply.

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