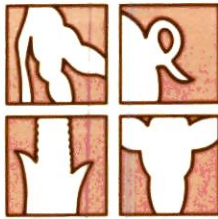




Cooperative  
Extension Service  
University of Illinois  
at Urbana-Champaign



# WEEKLY OUTLOOK

Department of Agricultural Economics  
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University of Illinois at Urbana-Champaign

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## ALTERNATIVE CROPS--LOOK BEFORE YOU LEAP

THE LOW PRICES FOR CORN AND SOYBEANS have created an interest in alternative crops among producers in Illinois and throughout the Midwest.

That interest has been further stimulated by the so-called 50/92 provision of the 1985 Food Security Act. This provision states in part that if "producers on a farm devote...8 percent [or more] of the permitted feed grain acreage of the farm for the crop to conservation uses or nonprogram crops...the producers shall be eligible for payments...on such acreage...[but they] must actually plant feed grains for harvest on at least 50 percent of the permitted feed grain acreage of the farm." In other words, producers can plant as little as 50 percent of their permitted acreage to the program crop and still receive deficiency payments on 92 percent of their permitted acreage. Nonprogram crops could be planted on the remaining acreage.

Because of objections raised by the producers of some of these nonprogram crops, however, it appears that the type and amount of nonprogram crops permitted under this provision will be restricted. The interest in possible alternative crops, nevertheless, remains high. Many producers, for example, are seeking alternatives to soybeans.

But before switching to a crop with which they have had little or no experience, producers should answer several important production and marketing questions. On the production side, they should consider the production and management practices required to successfully produce the crop and whether or not they have the resources to carry out those practices. What inputs are required? Are those inputs readily available? At what price? Is special equipment required? What are the potential disease and pest problems with this crop? Is technical expertise available to help identify problems and to provide advise on solutions? How critical is the timing of production practices? What are the implications of different weather scenarios? What kind of machinery and facilities are required to properly harvest, store, and transport this crop? What are realistic yield expectations? What are the implications for future cropping

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patterns on this acreage? The list of questions is almost inexhaustible. On the marketing side, producers need to determine if there is an acceptable outlet for the crop. Who are the potential buyers? Where are they located? What prices can realistically be expected? Is a price contract available now? What kind of quality discounts are associated with this crop? How reliable is the market? How stable is the market? Producers tend to assume that the markets for nonprogram crops have the same characteristics as the markets for the well-established crops of corn and soybeans.

In the majority of cases, they will discover that there is not an obvious alternative to corn and soybeans. There are not many commodities that are currently in short supply, and it is difficult to identify demand that is not being met. As they evaluate alternative crops, producers should be realistic in their expectations and should obtain sound, objective advice from qualified professionals.

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