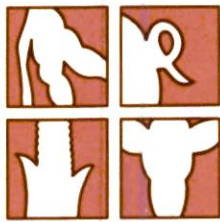




Cooperative
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WEEKLY OUTLOOK

Department of Agricultural Economics
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September 17, 1986

CORN PRODUCTION ESTIMATE DECLINES, SOYBEANS UNCHANGED

ON SEPTEMBER 11, THE USDA RELEASED revised production estimates as well as supply and demand estimates for 1986 grain and oilseed crops. The production estimates were slightly smaller than expected by the market, based on private forecasts released earlier this month. The 1986 corn crop is now estimated at 8.268 billion bushels, just fractionally lower than the August estimate and only 6.7 percent below last year's record crop. The U.S. average corn yield in 1986 is estimated at a record 119.7 bushels per acre, but 0.7 bushel below the estimate of a month ago.

Compared with last month's estimates, production potential declined in the eastern Corn Belt, remained unchanged in the western Corn Belt, and improved in some Southeastern states. Production in Illinois is estimated at 1.421 billion bushels, down 41 million from the August estimate. The average yield for Illinois is expected to be 138 bushels per acre, 4 bushels below the August estimate, but 3 bushels above last year's record.

The 1986 soybean crop estimate remained essentially unchanged from the August estimate of 1.98 billion bushels, 5.7 percent below the 1985 crop. Harvested acreage of soybeans is forecast at 59.793 million acres, 370 thousand below the August figure and down 1.79 million acres from last year. The U.S. average yield is pegged at 33.1 bushels per acre, 0.2 bushels above the August estimate and 1.0 bushels less than last year's record yield.

Compared with the August estimates, soybean production potential declined in parts of the eastern Corn Belt and in some Southern states. Production figures were increased for a number of Southeastern states and in parts of the western Corn Belt. The crop in Illinois is estimated at 375.9 million bushels, down 9 million from the August figure and down 6.6 million from the 1985 crop. The State average yield is projected at 42 bushels per acre, down 0.5 bushel from the 1985 average and 1 bushel below the August projection.

The 1986 wheat crop totals 2.121 billion bushels, 303 million bushels below the 1985 crop and 44 million bushels below the August estimate. The decline from the August estimate came in the spring wheat crop.

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Revisions in the supply and demand estimates for the 1986 crop of corn reflected the new production figures. Demand figures were not altered. Carryover stocks as of September 1, 1986 are estimated at 4.018 billion bushels. By September 1, 1987, those stocks are expected to total 5.339 billion bushels, only marginally lower than the projection made last month. The USDA forecasts that the average price of corn for the 1986-87 marketing year will fall in a range of \$1.60 to \$1.85 per bushel.

For soybeans, stocks as of September 1, 1986 are estimated at 535 million bushels, 10 million bushels above the previous forecast. The projection for domestic use of soybeans during the year ahead was increased by 20 million bushels to 1.075 billion bushels. The export figure was unchanged at 760 million bushels, 20 million bushels above the revised estimate for the past 12 months. Stocks as of September 1, 1987 are forecast at 590 million bushels, 10 million less than the August forecast. The USDA projects the average price of soybeans for the 1986-87 marketing year in a range of \$4.55 to \$4.95 per bushel.

The smaller wheat crop figure resulted in a smaller carryover projection. June 1, 1987 stocks are forecast at 1.8 billion bushels, 100 million bushels below the level of beginning inventories.

Near term price prospects for corn, soybeans, and wheat will likely be dominated by news out of Washington. Changes in the 1986 programs are still possible and the nature of the 1987 feed grain program will be important.

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