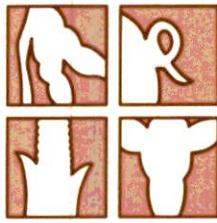




Cooperative
Extension Service
University of Illinois
at Urbana-Champaign



WEEKLY OUTLOOK

Department of Agricultural Economics
College of Agriculture
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CORN ACREAGE DOWN, SOYBEANS UP

In its July *Crop Production* report the USDA estimated planted acreage of corn at 66.024 million acres. Soybean acreage was pegged at 58.685 million acres. The estimate of corn acreage is 10.65 million acres below the level of plantings a year ago, and 1.53 million less than intentions reported in March. Soybean acreage is down 2.8 million acres from a year ago, but 1.8 million more than March intentions.

In Illinois, Missouri, Nebraska, Texas, and Wisconsin corn acreage is larger than March intentions. Acreage is less than intentions in the other major producing states. Ohio shows the greatest decline with a difference of 400,000 acres. Acreage of corn harvested for grain is forecast at 59.553 million acres: 9.6 million less than a year ago.

Changes from March intentions for soybean acreage show very little regional consistency. In the Corn Belt, acreage exceeds intentions in Indiana, Ohio, and Missouri; is unchanged in Iowa; and is down in Illinois. Acreage exceeds intentions in Arkansas, Mississippi, and Louisiana but is below intentions in North Carolina. Harvested acreage is projected at 57.649 million: 2.2 million less than harvested in 1986.

Planted acreage of all classes of wheat for harvest in 1987 totals 65.163 million acres: 6.87 million less than a year ago, but about 300,000 acres above March intentions. Harvested acreage of wheat is forecast at 55.386 million acres--only 5.3 million less than a year ago.

Planted acreage of sorghum is estimated at 11.77 million acres, which is only marginally less than March intentions. Harvested acreage is expected to total 10.532 million acres: 3.37 million less than in 1986. Planted acreage of oats, at 17.96 million acres, exceeds March intentions by nearly 2.3 million acres and 1986 plantings by 3.25 million. Harvested acreage is forecast at 7.29 million acres--only 420,000 more than a year ago.

The USDA also released revised supply and demand estimates on July 9.

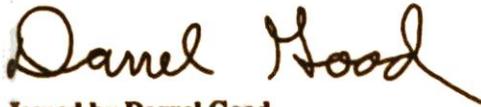
Corn. For the 1986-87 marketing year, the projection of corn use was increased by 161 million bushels to 7.341 billion. Feed and residual use is projected at 4.65 billion bushels, up 100 million bushels from the June figure. Exports are expected to total 1.5 billion, up 50 million from last month's projection. Carryover stocks are projected at 4.954 billion bushels.

The World Outlook Board of the USDA predicts that stocks will be reduced to 4.609 billion bushels by the end of the 1987-88 marketing year. This projection is based on a crop of 7.15 billion bushels and a total use of 7.5 billion bushels. This production projection assumes a record national average yield of 120 bushels per acre. Also, feed and residual use of corn is projected at 4.7 billion bushels. That figure seems too large and may be based on an over-estimate of feed use during the current year. Exports are expected to increase by 100 million bushels and processing use is expected to remain unchanged, at 1.2 billion bushels.

Soybean. For the 1986-87 soybean marketing year, the USDA increased the crush projection by 5 million bushels and the residual estimate by 15 million. Carryover stocks are projected at 560 million bushels. That projection may still be 25 million bushels too high in light of the apparent overestimate of last year's crop.

The World Outlook Board projects that next year stocks will be reduced by only 15 million bushels. This projection, however, is probably too pessimistic because beginning stocks are likely be less than projected. A yield of 33 bushels per acre is needed to attain the crop projection of 1.9 billion bushels. Again, in light of last year's yield overestimate, that projection seems too high. Stocks will remain large but will likely be reduced to well under 500 million bushels.

Wheat. The winter wheat crop is estimated at 1.574 billion bushels, which is essentially unchanged from the June estimate, and about 55 million bushels above last year's crop. Spring wheat production has not been estimated but is expected to total 560 million bushels, which is about equal to the 1986 harvest. Use of wheat during the 1987-88 marketing year is expected to equal the 2.195 billion bushels used in 1986-87, with a decrease in feeding but an increase in exports. Carryover stocks are projected at 1.77 million: a decline of 45 million bushels from the level of beginning stocks.



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