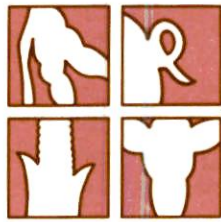




Cooperative  
Extension Service  
University of Illinois  
at Urbana-Champaign



# WEEKLY OUTLOOK

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

November 2, 1988

## ANTICIPATING THE CROP PRODUCTION REPORT

Corn and soybean markets are being influenced primarily by demand prospects. The USDA's *Crop Production* report, to be released on November 9, however, will influence prices. Even if changes are not large, market psychology will be influenced by the new production figures. A review of the November corn production estimates for the past 15 years indicates that changes from the October estimate are typically small. From 1973 through 1987, the average difference between the two estimates was 1.05 percent. The difference was 1 percent or less in 10 of the 15 years. Relatively large changes (an average of 3.1 percent) were recorded for the crop estimates of 1976, 1979, and 1983.

Over the past 15 years, the November corn production estimate was higher than the October estimate eleven times, lower three times, and unchanged one time. The percentage increase ranged from 0.2 to 3.4 percent and averaged 1.1 percent. The percentage decline ranged from 0.1 to 3.2 percent and averaged 1.2 percent.

Beginning with 1973, there were 6 years in which the October estimate was larger than the September estimate, as it was this year. The November figure was higher in each of those 6 years by an average of 1.2 percent. There has been only one other year since 1973 in which the pattern of the first three production estimates followed that of 1988. In 1975, the August estimate was followed by a smaller figure in September and a larger figure in October. In that year, the November production estimate was 1.2 percent larger than the October estimate.

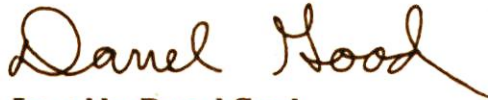
There has been a strong historical pattern for the November corn production estimate to be slightly above the October estimate. Reports of better-than-expected corn yields in 1988 suggest that the pattern will continue this year. A change consistent with past history would result in a November figure near 4.6 billion bushels, or 50 to 55 million bushels above the October figure.

The pattern of soybean production estimates has been more checkered than that for corn. From 1973 through 1987, the November figure was above the October estimate eight times, below five times, and unchanged twice. In years with larger estimates, the average increase was 1.4 percent. In years with smaller estimates, the average decline was 1.5 percent. The average absolute change for the past 15 years was 1.3 percent.

Over those 15 years, there were 8 years in which the October estimate was larger than the September figure, as it was this year. In six of those years, the November estimate exceeded the October estimate by an average of 1.5 percent. The average decline in the other 2 years was 0.9 percent. There has been only one other year in the past 15 years in which the pattern of the first three production estimates followed that of 1988. In 1986, the September estimate was

first three production estimates followed that of 1988. In 1986, the September estimate was unchanged from the August figure and was followed by a larger estimate in October. In that year, the November estimate was 0.9 percent larger than the October figure.

Anticipating the November 1988 soybean production estimate is a little more difficult. History would suggest that there might be a modest increase from last month. Reports suggest that 1988 yields have been above expectations, but not consistently. Several acres of double-cropped soybeans probably will not be harvested. Look for the November figure to be unchanged to 15 million bushels larger than the 1.501 billion bushel figure released last month.



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