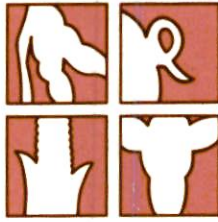




Cooperative  
Extension Service  
University of Illinois  
at Urbana-Champaign



# WEEKLY OUTLOOK

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

June 14, 1989

## **Estimate Reduced for Winter Wheat**

The 1989 winter wheat harvest is now expected to total only 1.408 billion bushels, 22 million bushels less than last month's estimate and 153 million bushels smaller than the 1988 crop. The reduction from last month's estimate was about equally divided between hard and soft red winter wheat. Hard red production is expected to reach 682.8 million bushels, 12.8 million bushels less than estimated in May and 197.3 million bushels below the 1988 crop. The soft red crop is pegged at 540.9 million bushels, 11.6 million bushels below the previous estimate but 67.3 million bushels larger than the 1988 harvest. The national average winter wheat yield is still expected to be 35 bushels per acre, but the estimate of harvested acreage declined by 200,000 acres.

Compared with the May figures, production estimates declined in southeastern and western states and in Ohio, Missouri, and Texas. Larger estimates were made for Illinois, Michigan, Montana, and Oklahoma. The Illinois crop is estimated at 89.9 million bushels, one third larger than the 1988 crop. The spring wheat crop has not yet been estimated, but average yields are expected to produce a crop of 620 million bushels, 2.5 times the size of the 1988 drought-reduced crop.

The estimate of winter wheat production was near the low end of trade expectations. The impact, however, will be offset by the fact that exports during the year ending May 31 fell about 20 million bushels below the projection. As a result, June 1 stocks of wheat were thought to have totaled 616 million bushels, 22 million bushels larger than projected and identical to the decline in the production estimate for winter wheat. June 1 stocks will be revealed in the June 30 *Grain Stocks* report. The demand projections for the current marketing year are unchanged. Stocks on June 1, 1990, are expected to be reduced to 500 million bushels. The average price is expected to be between \$3.80 and \$4.20 per bushel. Unless prospects for crop production in other areas of the world deteriorate, the average is likely to be at the low end of the range. The U.S. crop could increase by 20 percent in 1990 with normal growing conditions.

For soybeans, the USDA increased the estimate of domestic crush for the current marketing year by 10 million bushels, reflecting a 250,000 ton increase in projected use of soybean meal. Exports are expected to be larger and domestic use smaller than was projected last month. The soybean harvest in Brazil and Argentina is estimated at 1.077 billion bushels, about 7 million bushels below last month's estimate but 58 million bushels larger than the 1988 harvest. Stocks of soybeans in the United States on September 1, 1989, are projected at 125 million bushels, less than a 4-week supply. Those stocks are projected to increase to 275 million bushels by

September 1, 1990, because of a 30 percent increase in production and only a 5 percent increase in use during the 1989-90 marketing year. The average price for that marketing year is projected in a range of \$4.75 to \$6.25 per bushel. An update on planted acreage of soybeans will be available on July 12.

All supply-and-demand estimates and projections for the current and 1989-90 marketing years for corn remain unchanged from last month's figures. The estimate of June 1 corn stocks to be released in June 30 will provide the basis for evaluating the rate of domestic feed use of corn. Estimates of use have been disappointingly low so far this year. The July 12 *Crop Production* report is expected to show some reduction in corn acreage from the March intentions of 73.253 million acres. That expectation is based on rain-delayed planting in the eastern corn belt.



**Issued by Darrel Good**  
**Extension specialist**  
**Prices and Outlook**

Cooperative Extension Service  
United States Department of Agriculture  
University of Illinois  
At Urbana-Champaign  
Urbana, Illinois 61801

**FIRST CLASS**