



crush was about 9 percent smaller than that of a year ago, the total for the second quarter would have been about 418 million bushels. Over the previous 5 years, seed and residual use of soybeans during the second quarter of the year has ranged from 25.9 to 88.3 million bushels. The average was about 63 million bushels. Using the 5-year average for seed and residual use, second quarter use of soybeans would have been near 960 million bushels, resulting in March 1 stocks near 1.3 billion bushels.

USDA estimates place corn exports during the first half of the year at 790 million bushels. Through December 2008, cumulative Census Bureau export estimates were 45 to 50 million larger than the USDA estimates. If that margin persisted through February, second quarter exports were near 385 million bushels. Domestic use during the quarter is difficult to anticipate and expectations will be in a wide range. Assuming that domestic use is on pace to reach the USDA projection for the year and that use is following a typical seasonal pattern, consumption during the second quarter would have been near 2.6 billion bushels. Under these assumptions, March 1 stocks would have been near 7.1 billion bushels.

While the March 1 stocks estimates for corn and soybeans could contain some surprises, more attention may be focused on the *Prospective Plantings* report. At the annual outlook conference, the USDA used a 2009 corn planting estimate of 86 million acres to construct the projected supply and consumption balance sheet for 2009-10. That projection is equal to 2008 plantings. The USDA used an estimate of 77 million acres for soybeans, 1.3 million more than planted in 2008. The combined acreage of corn and soybeans appears low given the 4.2 million acre reduction in winter wheat seedings already reported and the expected 2 million acre reduction in total cotton, rice, and spring wheat acreage. However, the USDA expects total crop land acreage to decline in 2009 as a result of prospects for lower returns and fewer opportunities for double-cropped soybeans.

The intended planted acreage of individual crops revealed on March 31 will be important. The market will assess those intentions and decide if relative prices need to change to alter those intentions. Over all price levels, however, will be influenced by the magnitude of acreage intended for all crops. Unless total acreage is reduced, acreage intentions may point to a potential surplus of one or more crops in 2009-10.

Issued by Darrel Good  
Extension Economist  
University of Illinois