



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

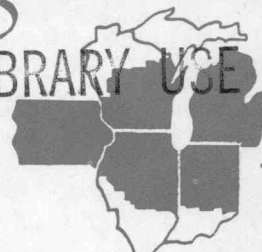
AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

September 19, 1975

# Agricultural Letter

IN LIBRARY USE ONLY



Number 1344

**CROP PRODUCTION PROSPECTS** dimmed further during August. According to the U.S. Department of Agriculture, conditions as of September 1 suggest feed grain production will total 201 million tons, down 3 percent from the August 1 estimate but 22 percent greater than the 1974 crop. Oilseed production was revised downward slightly, and food grain production estimates remained virtually unchanged in the September report. As a result of these changes, estimates of domestic feed grain utilization during the next year also have been revised downward slightly.

**Corn production** is now pegged at 5.69 billion bushels, just slightly above the record 5.65 billion bushels harvested in 1973. Much of the 163 million bushel reduction since the August 1 estimate was due to the continued lack of rain in western and northern Corn Belt states during the first half of August. Iowa corn production prospects were lowered 5 percent and accounted for about one-third of the total U.S. decline since August 1. The Wisconsin corn production total also was reduced 5 percent. Estimates of the size of the Illinois and Indiana corn crop were increased about 1 percent, while the estimated Michigan corn crop was unchanged. Despite the lower production estimates, as of September 1 it appears that all Corn Belt states will likely produce more corn in 1975 than in 1974.

## 1975 Corn and Soybean Production Estimates

|                       | <u>Ill.</u> | <u>Ind.</u> | <u>Iowa</u> | <u>Mich.</u> | <u>Wis.</u> | <u>United States</u> |
|-----------------------|-------------|-------------|-------------|--------------|-------------|----------------------|
| <b>Corn</b>           |             |             |             |              |             |                      |
| Harvested acres (000) | 10,650      | 5,650       | 12,000      | 1,820        | 2,350       | 66,793               |
| Change (percent)      | 6           | 3           | 1           | 1            | 4           | 2                    |
| Yield per acre (bu.)  | 110         | 100         | 86          | 78           | 84          | 85                   |
| Change (bu.)          | 27          | 29          | 6           | 17           | 16          | 14                   |
| Production (mil. bu.) | 1,172       | 565         | 1,032       | 142          | 197         | 5,687                |
| Change (percent)      | 41          | 46          | 9           | 29           | 28          | 22                   |
| <b>Soybeans</b>       |             |             |             |              |             |                      |
| Harvested acres (000) | 8,190       | 3,630       | 6,950       | 600          | 205         | 53,533               |
| Change (percent)      | - 3         | - 7         | - 2         | - 5          | - 6         | 2                    |
| Yield per acre (bu.)  | 35          | 32          | 31          | 25           | 23          | 27                   |
| Change (bu.)          | 10.5        | 7           | 3           | 4            | 3           | 3.5                  |
| Production (mil. bu.) | 287         | 116         | 215         | 15           | 5           | 1,442                |
| Change (percent)      | 38          | 19          | 8           | 13           | 9           | 17                   |

Corn supplies available in the 1975/76 crop year (Oct. 1 through Sept. 30) are now expected to total just under 6 million bushels, up 17 percent from the 1974/75 crop year. The U.S. Department of Agriculture estimates that domestic feed utilization may increase from 8 to 17 percent over the depressed level of the 1974/75 crop year. Exports are likely to rise somewhere between 14 and 32 percent above the estimated 1.14 billion bushels of corn exported in the current crop year. Despite the projected 11 to 12 per-

cent increase in disappearance rates in the upcoming crop year, it is estimated that the carryover on September 30, 1976 will be nearly twice as large as the extremely low 295 million bushels currently projected for this year.

**Soybean production** was estimated at 1.44 billion bushels as of September 1, down about 1 percent from the August 1 estimate but 17 percent above the reduced 1974 harvest. There were no yield or production revisions between the August and September crop reports in any Seventh District state.

Supplies of soybeans for the crop year that began September 1 are now estimated at 1.66 billion bushels, up approximately 18 percent from the previous year. Although some modest increase in utilization is expected in the 1975/76 crop year, U.S. carryover stocks at the end of the year are likely to increase for the third consecutive year and most likely will surpass the 1969 record of 324 million bushels.

**Wheat production** estimates as of September were lowered 5 million bushels and now stand just under 2.14 billion bushels. All other estimates of supply and demand remain unchanged since August. As with corn, it is anticipated that wheat exports will expand in the current crop year (July 1 through June 30). Nevertheless, the large harvest could boost carryover stocks by as much as 80 percent above the June 30, 1975 level of 319 million bushels.

**Crop prices** have strengthened in the light of the declining production prospects and preliminary successful negotiations on conditions necessary for additional sales to the Soviet Union. However, additional sales to Russia remain contingent on estimated crop production levels to be announced October 10. Crop prices will likely remain volatile until details of additional Russian sales are announced and the size of the U.S. corn crop is more firmly established. There appears to be a growing consensus among market observers, however, that prices of feed grains and soybeans will peak during or shortly after the corn harvest and then follow a declining path in subsequent months, somewhat similar to the experience of the past year.

Terry Francel  
Agricultural Economist