



**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.*



## Weekly Outlook: Implications of USDA Reports for Corn and Soybeans

Todd Hubbs

Department of Agricultural and Consumer Economics  
University of Illinois

July 2, 2018

*farmdoc daily* (8): 121

---

Recommended citation format: Hubbs, T. "[Implications of USDA Reports for Corn and Soybeans.](#)" *farmdoc daily* (8): 121 , Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, July 2, 2018.

Permalink: <https://farmdocdaily.illinois.edu/2018/07/implications-usda-reports-corn-soybeans.html>

---

On June 29, the USDA released the [Acreage](#) and [Grain Stocks](#) reports. The reports provided little support for corn and soybean prices. Trade policy and weather developments look to dictate corn and soybean price movements as we move through the summer.

A growth in principal crop acreage constituted one of the major revelations in the USDA reports released on Friday. Total principal crop acreage came in at 322.1 million acres, up 4.1 million acres from the March Prospective Planting report. Principal crop acreage estimates increased by 2.9 million acres over 2017. Significant increases over March planting intentions occurred in hay (1.4 million acres), corn (1.1 million acres), and spring wheat acreage (575,000 acres). Despite the increase in corn acreage from March, corn and soybean planted acreage is down 1.6 million acres from last year, to 178.7 million acres.

Corn producers reported they intended to plant 89.128 million acres of corn this year, 1.03 million less than planted last year. Corn planted acres came in 1.1 million acres larger than March planting intentions. When compared to March planting intentions in major producing states, the June survey revealed higher corn acres in North Dakota (300,000 acres), Minnesota (300,000 acres), Kansas (300,000 acres), and Nebraska (400,000 acres). Acreage lower than March intentions in South Dakota (500,000 acres) and Texas (100,000 acres) offset gains seen in many areas of the western Corn Belt. The major producing states in the eastern Corn Belt saw slight to no changes from the March intentions.

The projection for corn acreage intended for harvest sits at 81.8 million acres, 0.9 million less than harvested in 2017. Yield is challenging to predict at this point in the growing season. The strong start to the year indicates potential yield is likely above the USDA's June assessment of 174 bushels per acre. Corn production in the U.S. during 2018 may be in the range between 14.1 and 14.4 billion bushels.

---

We request all readers, electronic media and others follow our citation guidelines when re-posting articles from farmdoc daily. Guidelines are available [here](#). The farmdoc daily website falls under University of Illinois copyright and intellectual property rights. For a detailed statement, please see the University of Illinois Copyright Information and Policies [here](#).

Soybean producers intended to plant 89.557 million acres of soybeans. The soybean acreage intentions came in near market expectations. Soybean planted acres increased by 575 thousand acres over March planting intentions. At the time of the survey in early June, producers indicated that 8.5 percent of the intended soybean acreage is yet to be planted. When compared to March planting intentions in major producing states, the June survey revealed greater soybean acres in many states. The most substantial adjustments came in Iowa (100,000 acres), Missouri (350,000), and Illinois (300,000 acres). Acreage lower than March intentions is reported in North Dakota (500,000 acres), Minnesota (100,000 acres), and Nebraska (100,000 acres).

Soybean harvested acreage is projected at 88.9 million acres, 660,000 acres less than harvested in 2017. Yield potential is highly uncertain at this point in the growing season. Favorable growing conditions throughout the summer could result in the U.S. average yield near 49.5 bushels per acre. At this yield level, 2018 soybean production would be close to 4.4 billion bushels.

June 1 corn stocks came in at 5.31 billion bushels, nearly 77 million bushels larger than last year and 38 million bushels larger than the average trade guess. Estimation of total disappearance during the quarter is 3.58 billion bushels. Despite the size of the livestock herd throughout this marketing year, feed and residual use continue to show disappointing consumption numbers. Estimated third quarter feed and residual use come in slightly lower than last year at 939 million bushels. Estimates of feed and residual use during the first three quarters of the marketing year sits at 4.694 billion bushels. To reach the projected 5,500 million bushels of corn the USDA projects for feed and residual during this marketing year, feed and residual use in the fourth quarter must equal 806 million bushels. Fourth quarter feed and residual use has not exceeded 800 million bushels since the 2005-06 marketing year. Based on current stocks estimate, it appears feed and residual use this year may not reach the projection of 5,500 million bushels and indicates a reduction by the USDA in the next WASDE report on July 12.

The June 1 soybean stocks estimate indicated a record 1.22 billion bushels, up 256 million bushels from last year. Total disappearance for the quarter was approximately 890 million bushels. To meet the current USDA projection for soybean ending stocks, 717 million bushels of use is necessary for the fourth quarter. Despite the continued uncertainty in soybean export markets, June 1 soybean stocks are neutral for soybean prices as soybean consumption maintains a pace to meet USDA projections for the 2017-18 marketing year.

The uncertainty surrounding trade policy and the evolving weather for crop development will continue to dominate corn and soybean prices over the near term. The USDA reports were not supportive for corn prices. Given the current pace of consumption in feed and residual now being experienced, year ending stocks for corn will likely be higher than the 2.102 billion bushels projected by USDA on June 9. In addition, the increase in corn acreage points to adequate supply during the next marketing year. A record June 1 stocks for soybeans combined with a moderate rise in acreage continues to place the focus on China-U.S. trade issues.

**YouTube Video:** Discussion and graphs associated with this article at <https://youtu.be/nCDnIjmVwWM>

## References

USDA, National Agricultural Statistics Service. Acreage (June 2018).  
<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1000>

USDA, National Agricultural Statistics Service. *Grain Stocks* (June 2018).  
<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1079>