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# Agricultural Letter

Number 345

CROP ACREAGE in the U. S. this year will be reduced slightly from last year's level if farmers carry out their March 1 intentions as reported to the USDA. In past years the March 1 report has provided a rather good indication of actual plantings despite a host of influences that develop between March 1 and actual planting time. This year, however, planted acreages could deviate somewhat more from current intentions because of changes that may take place in the farm law.

For many years the total acreage planted to crops has been remarkably stable. The estimated acreage for 1956 is 352 million, which is about 3 million less than in 1955 and 2 per cent below the 1945-54 average.

Feed grains apparently will account for most of the contraction from last year's total acreage. Corn is indicated to be down 2.9 million acres, oats are down 2.0 million and barley is off 1.3 million. Partly offsetting this 6.2 million acre reduction are increases of 2.1 million for soybeans and 0.7 million for wheat, principally durum.

Corn plantings will be the lowest in the 31 years of record--if farmers hold to their March 1 intentions. The 78.7 million acres indicated for this year would be 3½ per cent below last year and 7 per cent under the 1945-54 average. However, if yields per acre are average, this year's acreage would still be sufficient to produce a crop large enough to cover the nation's needs in the 1956 crop year.

Among District states the reduction in corn acreage is centered in Iowa and Illinois--the two largest producing states in the nation. In each of them corn plantings are indicated to be down 5 per cent. The wide spread between the CCC loan rate and the market price for the 1955 crop is reported to have influenced many more farmers to plan to comply with corn acreage allotments this year.

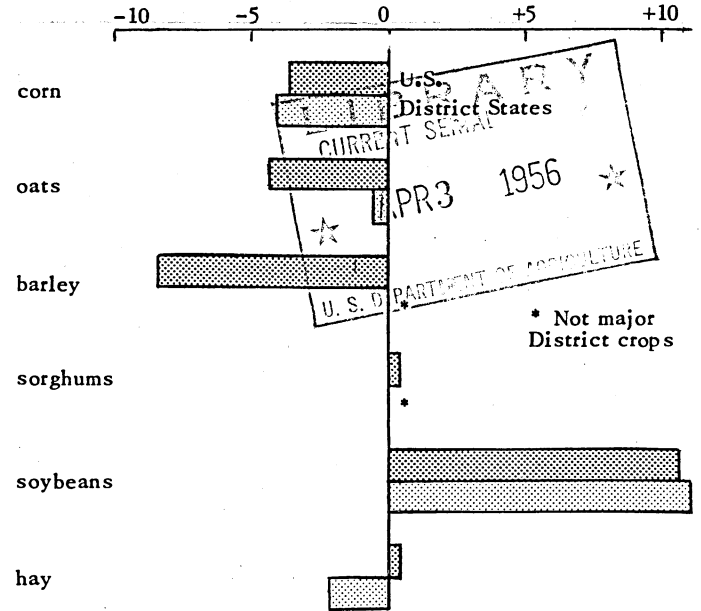
Soybean acreage will be larger this year. If March 1 intentions are carried out, plantings will be 11 per cent above the 1955 acreage--the previous high--and 50 per cent above the 1945-54 average.

The soybean situation has been one of the bright spots in the current farm recession. Although acreage and production of beans have risen steadily and substantially for a number of years, the demand--especially the foreign demand--for that commodity has increased commensurately. Consequently, bean prices have generally held above support levels. Relatively attractive soybean prices, combined with acreage allotments and/or unattractive prices for other crops, have encouraged the further shift to soybeans which apparently will take place this year.

Among District states the strongest shift to beans apparently will occur in Iowa where a 26 per cent increase in acreage is planned. The "tall corn" state

intends to reduce corn plantings 540 thousand acres and increase soybean acreage 564 thousand.

Difference between crop acreages indicated for 1956 and acreages actually planted in 1955 per cent change



Oats acreage seeded last fall and this spring will be down moderately from last year's record. Record high stocks of oats on hand this January 1 and a drop in prices to the lowest level since 1942 are held to be responsible for the decline.

In none of the District states is the change in planned oats acreage significant. Most of the decline will take place in the Great Plains area.

Barley acreage is down following disappointing yields and lower prices last year. The acreage of grain sorghums will remain about the same, following a number of years of uninterrupted increase. Oats, barley and sorghums are the principal feed grains that were planted on acres diverted from wheat production when allotments were imposed on that crop.

A NEW FARM LAW could alter significantly the intentions reported on March 1. For example, if the "soil bank" becomes law before planting begins--and if the rental payments are high enough--substantial acreages could be removed from crops and allowed to lie idle.