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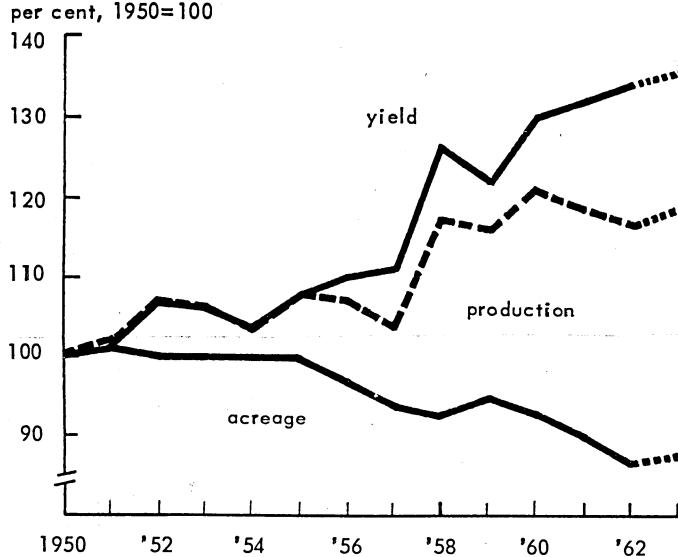
October 25, 1963

THE HARVEST SEASON is well under way and record crops are being reaped. Crop production in 1963 is estimated to be 10 per cent above the 1957-59 average and nearly 2 per cent above the record level of last year, according to the U. S. Department of Agriculture. This record production is being harvested from the second smallest acreage since the beginning of records in 1909. Only in 1962 were fewer acres harvested, reflecting the sharp cutback in acreage by farmers participating in the Government's wheat and feed grain programs.

The explanation for the expected record harvest lies, of course, in the very high yields per acre being obtained during this year. The index of crop yields on October 1 was estimated at 114, exceeding the previous high of 112 last year.

Relatively high price supports and acreage restrictions on some crops have stimulated farmers to utilize all available means of boosting yields. Crop production per acre has risen over one-third since 1950. New yield records have been set each successive year since 1954 with the exception of 1959. In that year yields had been exceeded only in 1958.

Yields and Production Move to Record Highs



In the last decade United States average corn yields rose from 40 to 66 bushels; yields of sorghum grain increased from 18 to over 40 bushels and soybean yields increased more than 7 bushels to 25 bushels per acre. The major force in achieving higher yields has been improved technology. Greater use of fertilizer, development of new hybrids, adoption of better soil management practices, development of new insecticides and herbicides and further gains in mechanization have all played an important role.

Feed grain production is now expected to be nearly 6 per cent larger than last year's total. Corn production,

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based on October 1 conditions, is now estimated to total a record 4 billion bushels—10 per cent above last year's harvest. Yields continued to rise and are estimated at 65.9 bushels per acre compared with 64.1 in 1962. The corn crop is exceptionally good in the major Corn Belt states, but production in northern and eastern areas suffered somewhat from unfavorable weather. Yields are expected to be 2 to 3 bushels above the record levels reached last year in Illinois, Indiana and Iowa. In Wisconsin and Michigan, however, dry weather conditions during much of the summer reduced production per acre somewhat.

Production of grain sorghum is expected to total 526 million bushels—about 3 per cent above last year's crop. The indicated yield of 41 bushels is slightly below last year but is the third highest on record. Estimates of oats and barley production are 5 and 8 per cent below last year, reflecting a cutback in acreage and slightly smaller yields.

Soybean production jumped to an estimated record 727 million bushels from 675 million last year as good weather brought exceptionally favorable yields from the record acreage planted. Farmers put 4 per cent more acres to this crop in response to the relatively high prices which prevailed last spring.

In spite of record production of both corn and soybeans, prices for these commodities are well above the year-ago levels. Corn prices at Chicago are about 10 cents a bushel above a year earlier and prices of soybeans are up nearly 25 cents. Because of the prospective strengthening of export demand, the Commodity Credit Corporation resale formula (loan price plus allowance for seasonal and locational differences) for CCC-owned corn and the expanding demand—domestic and foreign—for soybeans, most observers do not expect to see much seasonal decline in these prices as the harvest season progresses.

The larger consumption of both corn and soybeans at above year-earlier prices is expected to sharply boost the net income of cash grain farmers, but at the same time higher feed cost will tend to reduce net returns to livestock operators.

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