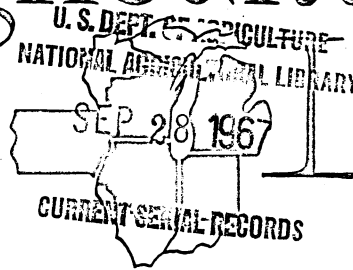


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Federal Reserve Bank of Chicago - -

September 15, 1967

Agricultural Letter



Number 926

PRODUCTION PROSPECTS improved further during August for feed grains and soybeans, reflecting generally favorable weather conditions in major producing areas. Total crop production is now estimated to be 5 percent above last year and 3 percent above the record in 1965. Yield per acre is estimated to be slightly above last year and just under the 1965 record.

Feed grain production is now expected to total a record 175 million tons—up about 12 percent from last year. While production of barley is expected to be at a reduced level, this would be more than offset by record production of both grain sorghum and corn.

Corn output is now projected to total a record 4.7 billion bushels—14 percent above the previous record of 4.1 billion bushels produced last year. Much of the increased output can be attributed to the expanded acreage—the largest since 1960—but yields per acre are also forecast at a record level. Current indications point to a record U. S. yield of 76.5 bushels per acre compared with 72.1 last year. The yield per acre in Illinois is forecast at a whopping 101 bushels which, if achieved, would be the first time any state attained more than a 100 bushel per acre average. Also, if the forecast total production of 1.1 billion bushels is realized, Illinois would be the first state to produce a billion bushel crop of any kind.

Soybean prospects are also exceptionally favorable. Estimated production is now expected to total just over 1 billion bushels—up 8 percent from last year and about in line with the expansion in acreage. The average yield per acre, at 25 bushels, is expected to dip under the 25.4 of last year but will be well above average.

Although the prospects for a record harvest are now favorable, several weeks will pass before all crops are harvested. Weather conditions during August were generally favorable, but temperatures continued on the cool side and crop development continues somewhat behind normal. Recent reports from crop reporting services indicate that corn is maturing a week or more behind average in Indiana and Illinois. Only 10 percent of the crop is mature in Indiana and only 15 percent in Illinois. Corn in Iowa is also reported to be maturing behind both last year and average.

Production in many areas, therefore, will depend partially on frost-free weather needed to assure maturity of late fields. Immature corn or soybeans subjected to a killing freeze suffer both reduced yields and quality. Furthermore, immature corn is difficult to store, and soybeans that are frosted when immature yield oil that is off-color.

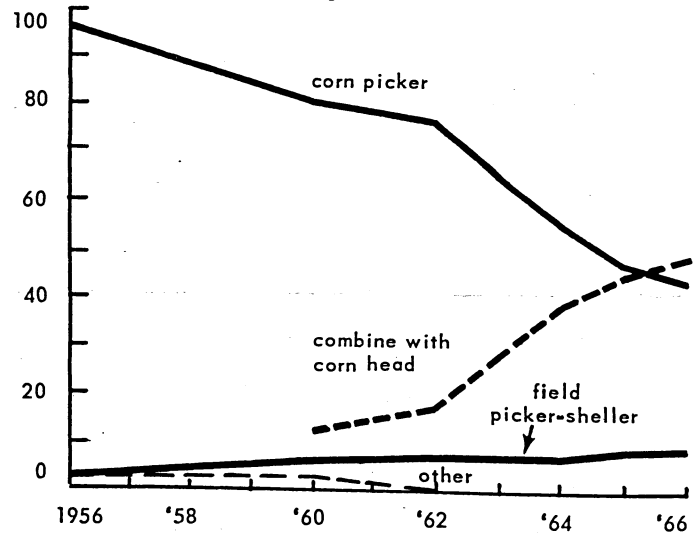
In addition to weather uncertainties, the rapid adoption of new harvesting methods may accentuate the problems associated with handling an exceptionally large harvest. In recent years the combine with corn head

the picker-sheller have been rapidly replacing the mechanical picker for harvesting corn.

The use of field shelling equipment has increased very rapidly during the past four or five years and in 1966 was used to harvest nearly three-fifths of the corn acreage in Illinois. Judging by the sales of such equipment during January through June the proportion of acreage harvested by this means this year undoubtedly will be substantially higher. According to the Farm and Industrial Equipment Institute, sales of corn heads for combines, nationally, during the first six months of 1967 exceeded the year-earlier level by 37 percent; in Illinois sales were up about 25 percent.

Field Shelling Equipment Replaces Corn Picker

Percent of Illinois corn acreage



Corn harvested in this fashion is harvested at a higher moisture content and usually requires artificial drying to be stored safely. In general, placement of drying capacity and proper storage facilities have not kept pace with the adoption of new harvesting methods. This is compounded this year by the record production in prospect. As a result, these facilities are likely to be taxed to the limit in many areas, and discounts on high moisture grain may be well above a year earlier.

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