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Agricultural Letter

October 9, 1970

THE 1970 CORN CROP is currently estimated at nearly 4.2 billion bushels—9 percent smaller than last year's crop. The estimate is based on a U. S. Department of Agriculture special survey of crop conditions in 24 states as of September 23. The states surveyed account for about 98 percent of total U. S. corn production.

This year's crop estimates have been lowered each month since July as the combined damage from drought and leaf blight disease became more evident. The latest decline in estimated production—5 percent less than the September 1 estimate—was attributed primarily to further spreading of blight disease during the first three weeks of September.

The U.S.D.A. special survey—the first since 1947—did not provide individual state estimates as do the regularly scheduled monthly reports. Rather, it divided the 24 states into three regional groupings with production estimates for each area. The regional estimates indicate corn yields in the eastern Corn Belt states of Illinois, Indiana, and Ohio have been reduced most by blight infestation. These three states normally account for over four-fifths of the corn produced in the seven-state East North Central and Northeast region. This region showed a decline of 14 bushels per acre from last year.

In the West North Central region, a six-state area where nearly three-fourths of the corn output is accounted for by Iowa, Nebraska, and Missouri, yields were estimated at about 12 bushels per acre less than a year ago. Much of the decline in this region was due to drought conditions rather than leaf blight disease.

In the 11-state Southern region, which purportedly was hardest hit by blight, yields declined less than in the other two regions but were still down nearly ten bushels per acre from 1969 levels.

Harvesting losses may further affect this year's yields. Blight infected fields are more likely to show above average harvesting losses. Because the plants are generally weakened, they are more susceptible to wind damage and less amenable to mechanical combining and shelling operations. In addition, corn borer, stalk rot, and root worms—diseases that result in high field loss—are causing concern in many areas of the Corn Belt.

Harvesting is well ahead of a year ago in many regions of the country. Drought and blight caused the crop to mature earlier than usual, enabling farmers to begin harvesting sooner. Iowa farmers, for example, had harvested 15 percent of the crop by the end of the first week in October, compared to 5 percent at that time a year ago. Illinois corn harvest was about a week ahead of last year's schedule despite an unusually large amount of rain during September. An accelerated harvest lessens the chance for weather damage to the crop.



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THE 1971 FARM PROGRAM for feed grains may well be affected by this year's unexpectedly large decline in corn production and attendant sharp increase in prices. Greater planted acreage may be fostered by reducing the payment rate on diverted acres and by reducing the minimum amount of acres that must be idled in order to participate in the program. Last year, around 40 million feed grain acres were idled. Hence, there is a large potential for expansion.

Farmers have already demonstrated their ability to increase corn output rapidly. In 1967, high prices and government encouragement resulted in nearly a 15 percent increase in the corn crop over the preceding year—and the largest corn crop ever recorded. This was accomplished with a reduction in idled acreage of just over 7 million acres, and an increase in yield from 72 to 78 bushels per acre. In terms of yield, it is unlikely that next year's corn crop will be as adversely affected by blight as this year's. An estimated 90 percent of the 1970 crop carries the Texas sterile gene, making it highly vulnerable to blight. Substantially less of next year's crop will be as susceptible to blight because a much higher proportion of resistant seed varieties will be utilized.

The proposed "set-aside" plan for diverted acreage also will increase a farmer's ability to expand corn and other feed grain crop acreage in 1971. The set-aside plan will allow participants to produce any crop on their acreage after idling a percentage of feed grain base acreage. Under this past year's program, the amount of feed grain crops that could be planted on participating farms was limited to the feed grain base acreage less the diverted acreage. In addition to allowing farmers to expand feed grain production beyond their base acreage, the set-aside program probably will require fewer idled acres even if farmers participate at the same rate as in 1970. Payments for idled acres beyond the mandatory amount also seem unlikely.

In summary, high corn prices this year will work to encourage production next season, while curtailing demand. These market forces, coupled with government policy, likely will cause the boom in corn prices to be short-lived as production potential is unleashed in 1971.

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