



Weekly Outlook: Corn and Soybean Acreage in 2018

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Speculation over the competition between spring crops for acreage is a hot topic for discussion over recent weeks. Projections for corn and soybean acreage from many market observers have settled on lower corn and higher soybean acreage in 2018. The March 29 *Prospective Plantings* report will provide the initial indication of potential acreage allotments for spring crops and sets the tone for corn and soybean production potential moving forward.

Anticipating planted acreage of corn and soybeans begins with considering the amount of acreage available for planting this spring. Over the 2015 – 2017 period, total acreage for principal crops tracked by the USDA came in at 318.9, 319.2, and 319.1 million acres respectively. When one considers Conservation Reserve Program (CRP) acreage and prevent plant acres during the period, acreage totaled 349.8, 346.5, and 345.1 million acres. Over the same period, corn and soybean acreage combined expanded from 170.7 million acres to 180.3 million acres. In total, planting intentions for corn and soybean plantings equal to or slightly larger than those of last year would not be a surprise.

In considering the potential acreage available to spring crops, a reduction in acreage available during 2018 due to increased enrollment in CRP is negligible. The current 2018 acreage enrollment is reported at 23.5 million acres, on par with last year's enrollment. Winter wheat seedings reported by the USDA in January came in at about the same level as last year, 80,000 acres lower than seedings of a year ago at 32.6 million acres. The acreage of soft red winter wheat is up four percent to 5.98 million acres. White winter wheat seeding increased one percent to 3.56 million acres. Seedings of other classes of wheat were less than those of a year earlier. The prospect of double-cropping soft red winter wheat acreage may present additional acreage for soybeans this year. The condition of the hard red winter wheat crop is quite poor in the southern Plains. Despite the development of limited rain in many of the drought-impacted regions, the poor condition suggests acreage may be abandoned. Depending on weather condition developments, some abandoned acres may get replanted to other crops this spring with corn and soybeans as strong contenders for acreage this year.

Spring weather conditions influence the acreage of spring-planted crops and the size of prevented plantings. The weather forecast for parts of the Midwest indicates very wet conditions this spring which may slow planting and impact acreage allotments. Prevented planted acres totaled only 2.6 million acres in 2017, down from the previous three years. In those three years, prevented plantings were reported at 4.4 million, 6.7 million, and 3.4 million acres, respectively. Prospects for prevented planting revolve around the potential for spring flooding. [The NOAA forecasts](#) the potential for moderate flooding in the lower Mississippi River Valley, the Ohio Valley, the Illinois River Basin, and the lower Missouri River

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Basin. Flooding in these areas may lead to an increase in prevented plantings and would presumably reduce the total acreage planted this spring. The size of that acreage adjustment will develop over the spring. A return to average prevented plantings would diminish possible acreage availability.

The competition among individual crops is another driver into determining the total acreage available for corn and soybean planting. A consensus has developed around the belief that cotton and rice will compete with corn and soybean acreage in the Mid-South region and parts of the Southeast. Currently, cotton acreage is projected by the USDA to increase by 5.5 percent to 13.3 million acres in 2018. Similarly, rice acreage is projected to increase 13.7 percent to 2.8 million acres. As a result, corn and soybeans are expected lose a portion of the acreage allotment in those areas. Spring wheat, corn, soybeans, and other oilseed crops will compete for acreage in the northern Plain states. At 11 million acres, planted spring wheat in 2017 came in at the lowest level since 1972. Current difficulties in winter wheat areas provide a rationale for more spring wheat acreage as the weather permits. Continued snow cover in many areas of the region may impact spring wheat acreage as winter continues to stick around longer than desired.

Total corn and soybean acreage could be at or above the level seen in 2017 with the possibility for an increase in total principal crop acreage. Current expectations are for a decrease in corn acreage and for soybean acreage to increase. Early trade surveys placed corn acreage in a range between 87.5 – 90.0 million acres. Soybean acreage expectations indicate the potential for much higher soybean acreage with trade survey projections in a range between 89.9 – 92.6 million acres. The recent soybean rally may have altered those expectations slightly to an even greater expansion of soybean acreage. If soybean acreage does exceed corn acreage, it would be the second time since 1960 and the first time since 1983.

The USDA reports the results of the spring planting survey in the *Prospective Plantings* report released on March 29. Reported corn or soybean acreage showing substantial deviations from trade estimates may generate a price reaction. Weather, price relationships between crops, and planting progress require scrutiny as the planting season develops to evaluate potential changes in spring acreage allotments for 2018.

YouTube Video: Discussion and graphs associated with this article at <https://youtu.be/N8Zd8aJqjIY> .

References

National Weather Service, Office of Hydrologic Development. *National Hydrologic Assessment*. March 15, 2018. <http://www.nws.noaa.gov/oh/2018NHA.html>