

Last week (November 28, 2017), the USDA's World Agricultural Outlook Board (WAOB) provided early release tables that will be included in their long-term annual projections to 2027. The link to the tables is [here](#); the complete write-up will be released in February 2018. The baseline supply and utilization balance sheets include cattle, hogs, poultry, dairy, and major crops. Though developed in a long-term framework, the baseline does give some perspective on current USDA thinking near-term (i.e., 2018). Today, we will highlight corn, soybeans, and soybean meal. WASDE estimates that both corn and soybean acreage planted will increase year-over-year in 2018.

Corn Highlights For 2018, the WAOB is projecting corn plantings to be 91 million acres, an increase of about 600,000 acres compared to 2017's. They do forecast a year-over-year drop in the national average corn yield per acre, resulting in bushels to be produced about unchanged from this years. Total corn use (feed, ethanol, exports, and food) in 2918 is forecast to be essentially unchanged. The result is a further year-over-year build-up of corn in storage (about 4% s of September 1, 2019) . The national average corn price received by farmers for the 2018/19 crop-marketing year at \$3.30 per bushel would be 10 cents above 2016/17.

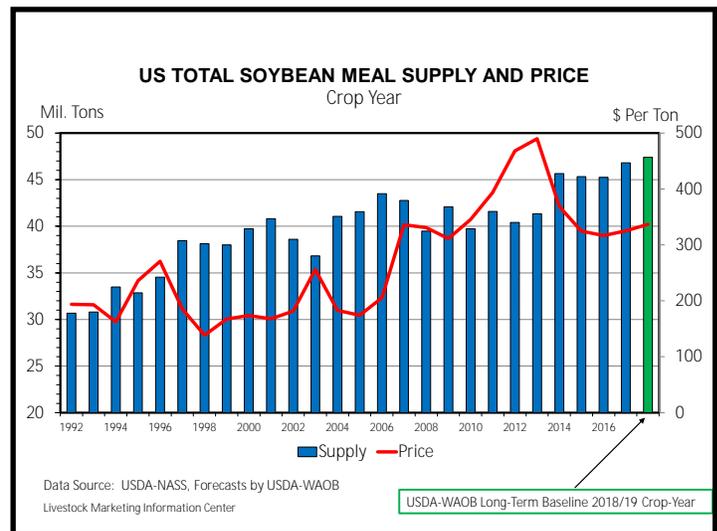
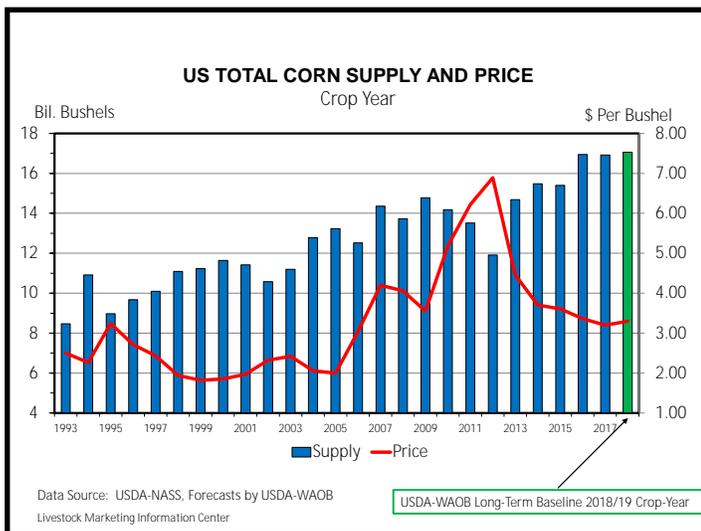
For the balance of the forecast period (2019/20 through

2027/28), the USDA's baseline calls for a trend of fewer corn acres planted and higher yields per acre. For example, in 2023/24 plantings could be about 85.5 million acres and yield larger than 180 bushels for the first time. USDA's long-term assumption of normal weather keeps the national average annual corn price in the \$3.30 to \$3.60 per bushel range for the next 10 years.

Soybeans and Meal Historically, the U.S. has planted more corn than soybean acres, but that picture may be changing. The WAOB put 2018 soybean plantings at 91.0 million acres the same as corn and 800,000 above 2017's. In 2019, they have soybean acreage in the U.S. exceeding corn for the first time. The primary factor underlying the rise in soybean cultivation is increasing demand from China for soybeans, soybean oil, and soybean meal.

For the next 10 years, the forecast is for U.S. soybean acreage planted to range between 91.0 and 92.0 million acres. USDA is generally projecting higher yields. However, the pace of growth is much less than that of corn.

Soybean meal is a very important feedstuff, especially in the hog and poultry sectors. For 2017/18 the projection is for meal to average \$315.00 per ton. With normal weather, the price range for the next 10 years is between \$325.00 and \$350.00 per ton.



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