



BISMARCK, N.D. (AP)—U.S. farmers weathered soggy summer conditions to produce what is expected to be the second-largest corn crop on record and the biggest soybean crop in history, the U.S. Department of Agriculture announced Wednesday, Aug. 12.

Moderate temperatures in most of the major corn and soybean states helped boost production, the department said.

It estimates soybean production at 3.2 billion bushels, up 8 percent from last year. Yield, or the amount produced per acre, is expected to average 41.7 bushels, up 2.1 bushels from last year and the fourth best on record.

Corn production is forecast at 12.8 billion bushels, up 5 percent from last year but down 2 percent from the 2007 record. Yield is expected to average 159.5 bushels per acre, up 5.6 bushels from last year and the second-highest on record.

Darin Newsom, senior analyst at the Omaha-based market information company DTN, said the forecasts were not a surprise and unlikely to affect the market.

“There’s still plenty of corn out there; it’s not a tight supply-and-demand situation,” he said.

Corn prices for December delivery were up 5 cents Wednesday at \$3.36 a bushel on the Chicago Board of Trade, while soybeans for November delivery were up 5 cents to \$10.44 a bushel.

A steady supply of corn is good news for consumers, since it is an ingredient in a large number of foods and used to feed the cattle, pigs and chickens that end up on dinner tables.

Newsom said the soybean situation is a bit different, with tight supplies and strong demand. But, the soybean market affects consumers less at the grocery store than corn, he said. Soybeans are used to produce cooking oil, tofu and other soy products.

“If there’s a grain market out there that looks like it could continue to rally or push higher yet, it would certainly be soybeans,” Newsom said.

In Iowa, the largest corn producing state, this year’s harvest is expected to be 2.47 billion bushels, surpassing the record of 2.38 billion bushels set in 2007.

“Iowans, by and large, got their crop planted promptly. We’ve had a really beautiful mix of rain when we’ve needed it, warm days, cool nights—conditions that really make corn plants happy,” said Edith Munro, spokeswoman for the Iowa Corn Grower’s Association. “A lot of the (farmers) will say that it’s a really good-looking crop this year in Iowa.”

In South Dakota, where both the corn and soybean crops are expected to set state records, the crops look good but are about two weeks behind in development, said Gary Duffy, who grows both crops in the east central part of the state.

“So it all depends on when we get that killing frost,” Duffy said. “If we don’t get that killing frost too early, I think we have a bumper crop of corn. August is when soybeans are made, so it’s going to depend on how the weather goes from here on in.”

The same situation holds true in Indiana, where an early frost could still take a bite out of farmers’ harvest—and profits—because late-planted corn and soybeans are running weeks behind average in development.

“There’s a lot of vulnerability out there. The next month or so will determine how things look this fall,” said Greg Preston, director of the Indiana Agricultural Statistics Service.

Steve Stockdale, a federal crops statistician in Wisconsin, said its corn crop also is behind and at risk for an early frost.

Along with food, corn is used to make ethanol and soybeans to make biodiesel. Some have questioned whether the demand from the renewable fuels industry has led to increased food prices.

Bob Dinneen, president of the Renewable Fuels Association, said the big crops projected by USDA show that American farmers are capable of “providing food, feed, and fuel for the nation.”

“Technological advancements in both the seed and in the field are allowing farmers to produce more per acre, while using fewer inputs such as fertilizer and diesel fuel,” he said. “There can be no doubt that we are fully capable of meeting the food and feed obligations we have to the world while simultaneously helping break our addiction to foreign oil.”