What are the Correct 2019 U.S. Corn & Soybean Planted Acres?

Controversy arose Friday, June 28, 2019, when the USDA National Ag Statistics Service (NASS) released their Annual Planted Acreage report. The U.S. corn planted acreage estimated number of 91.7 million acres was much larger than the trade expected. The estimated soybean plantings of 80.04 million acres were much smaller than expected. Subsequent harvested acreage in this report was estimated at 83.6 million acres for corn and 79.3 million acres for soybeans, respectively. Futures price volatility ensued that day with a large drop in corn futures and an increase in soybean futures prices. Late and prevented planting issues followed along with the accuracy of the report.

In July, NASS plans to resurvey 14 states regarding planted acres. Any acreage modification would appear in the Aug. 12 USDA Crop Production report.

Subsequently, the USDA World Agricultural Supply and Demand Estimates (WASDE) report released on July 11 simply adjusted planted and harvested acres to follow those in the June 28 NASS numbers.

Increased Corn Planted Acres

NASS uses sound scientific methods to derive the planted acreage numbers. The “Root Mean Square Error” method used for planted acres is 0.9 percent for corn 1.3 percent for soybeans. This means that chances are 2 out of 3 that the current 2019 corn planted acreage number forecast will not be above or below the final acreage by more than 0.9 percent. Using a 90 percent confidence interval, that difference will not exceed 1.5 percent or about 1.38 million acres of corn.

In the report, most states found slightly higher corn planted acres as compared to the 2018 numbers. Those states included North Dakota with 550,000 and Kansas with 450,000 additional corn acres. Both Iowa and Nebraska increased their corn acres by 400,000 acres each. Illinois corn acres were unchanged from 2018 with slight adjustments in Minnesota and Indiana. The corn planted acres went down in states including South Dakota, Missouri, Wisconsin and Ohio.

Where are the Prevented Planting Acres?

Aggregate prevented planting acres were not addressed in the report but is rumored to be more than 10 million acres nationwide. The USDA Farm Service Agency (FSA) will collect this failed acreage data from farmers by mid-
July as a part of the annual acreage certification. However, this FSA failed acreage data will likely not be reconciled with the NASS planted acreage data until the Sept. 12 or Oct. 10 Crop Production reports.

If the prevented planting number is as high as the 10 million acres total, not all those acres will be corn and soybeans. This total number might be slightly inflated due to farmer’s filing prevented planting for partial fields. These payment claims would favor corn acres due to the payment differential with soybean acres. Late planting of spring wheat in states such as North Dakota and South Dakota will also be reflected in subsequent NASS reports.

Expect the late corn and soybean planting in the Eastern Corn Belt to be the primary focus of the resurvey. A simple method to explain a portion of the acreage difference might be to subtract the 2019 total corn and soybean planted acreage estimates from 2018 total corn and soybean planted acres. That difference would total 6.225 million acres and partially explain the large number of prevented planting acres that will still need to be reconciled planted acreage numbers.

**Decreased Soybean Planted Acres**

Every major soybean producing state saw a decrease in soybean planted acres as compared to 2018. While lower soybean acres were anticipated nationwide, the drop by more than 9 million acres was surprising.

Using a 90 percent confidence interval, the difference in soybean planted acres to the final number will not exceed 2.2% or about 1.76 million acres of soybeans. Statistically, USDA NASS should not be more than 1.38 million acres of corn and 1.76 million acres of soybeans, respectively.

**Impact to Your Marketing Plan**

Despite the acreage controversy, expect the final U.S. corn and soybean planted acreage numbers to be adjusted slightly from those released June 28. Futures price volatility will likely continue well into the late summer and early fall months. The “short-covering” of futures positions by the commodity funds was common this spring due to the wet planting conditions. Expect commodity funds to “buy futures” as uncertainty for both acres and crop yields remain uncertain.

Farmers should continue to set reasonable price objectives and sell bushels incrementally as the futures market moves higher. Consider the importance of managing your cash flow needs for this next fall and winter. Continue to capture these higher futures prices and lock in the strongest corn basis in recent years.