

## **Watching the Crop**

Brent Carpenter, May 2015

Crop and livestock producers alike can benefit from a working knowledge of the USDA reports that track crop progress through the growing season. The following is a roundup of the key reports for corn and soybeans that provide clues about the new crop and therefore move markets.

### *Prospective Plantings and Acreage*

The Prospective Plantings report is the first official forecast of the annual acreage tug-of-war. It is released at the end of March and remains the benchmark of planted acres until the Acreage report comes out at the end of June. Both reports rely on farmer surveys in the first half of the month. Your responses matter.

Corn planted acreage is currently forecast at 89.2 million acres, down for the third year in a row. The 2012 actual planted corn acres of 97.2 million set the recent record—the highest since 1936. The current estimate for soybean planted acres is up 0.9 million acres from last year and sets a new record at 84.6 million acres. Expect the markets to react if the June Acreage report deviates much from these markers.

### *WASDE*

Each month the USDA releases the 40 page World Agricultural Supply and Demand Estimates report (WASDE, pronounced waz-dee') which gives the current supply and use balance sheets for the major crops and livestock products. This is probably the most watched report through the growing season and for good reason. It combines the global market intelligence of all the relevant USDA agencies into a standard supply and use table, including an estimate of the farm price for the marketing year. Serious market watchers have learned how to interpret the components of the balance sheet.

The first balance sheets for new crop corn and soybeans are released in May. At that time 2015 production will be estimated using the prospective planted acres and yield estimates generated by a statistical trend model that adjusts for weather. Yield forecasts for June and July continue as model estimates. Abnormal weather will give the markets and yield estimators fits.

The August report is especially watched because it gives the first USDA estimates of corn and soybean yields based on actual in-field measurements. Several private firms will estimate yield through the summer in anticipation of the August report.

It would be a good business practice to watch the WASDE reports and observe how the market behaves leading up to and shortly after the release dates of May 12, Jun 12, Jul 10, Aug 12, and Sep 11. This report is available at <http://www.usda.gov/oce/commodity/wasde/>

### *Crop Condition and Progress*

This weekly report summarizes how crops are progressing in the different growing regions, as observed by assigned reporters. The first report is available in April and continues through harvest.

### *How to access*

Crop reports are free online. With the exception of the WASDE, all of the above reports can be found at the USDA-NASS site, <http://www.nass.usda.gov/>. Go to the section labeled "follow NASS" to set up a free e-mail subscription.