dgAcres

Will farmers plant fencerow to fencerow this spring?

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It’s only January, but many farmers are probably champing at the bit to plant their 2021 crops after recent market action pushed corn and soybean prices to multiyear highs.

In fact, reports indicate a handful of farmers actually planted soybeans in Illinois and Wisconsin in November (generally in 1- to 3-acre test plots) to experiment if and how well the crop can overwinter in the Midwest.

Now, the more important question seems to be will farmers plant “fencerow to fencerow,” a phrase popularized by former Ag Secretary Earl Butz in the 1970s, this spring after crop prices recently reached $5 per bushel for corn and $14 for beans?

“Supplies are getting tighter and tighter, pushing ending stocks lower,” Shelby Swain Myers, American Farm Bureau Federation (AFBF) economist, said during AFBF’s annual convention. “It’s led to a lot of incentive to plant those crops.”

USDA cut ending stocks by 150 million bushels for corn Tuesday while stocks in all positions as of Dec. 1 declined 10% for soybeans and 9% for wheat.

“We had 5% less corn and 20% fewer soybeans in 2019 (when heavy rains prompted a record amount of prevented plantings),” Myers said. “That led to the beginning of lower corn and soybean ending stocks.”

And more recently, global demand for protein intensified, particularly in China where African swine fever decimated the Chinese hog herd beginning in 2018. Chinese imports subsequently jumped 117% for corn, 89% for sorghum, 58% for wheat, 40% for cotton and 1% for soybeans as China rebuilds its swine herd.

“China imported more corn in 2020 than ever before,” Myers said. “And we expect them to import a record amount of soybeans, despite the tariffs.”

U.S. farmers responded this year by harvesting 10% more soybean acres (82.3 million) and 1% more corn for grain (82.5 million acres).

Now, as another annual acreage battle takes shape, Myers looks for a shift to more bean acres this spring.

“We expect soybean plantings to jump from 83 million to 89 million acres,” the economist said. “For corn, we had 91 million acres in 2020, the highest since 2016, but acres could decline slightly (in 2021) to around 90 million.”

Myers also projects all wheat seedings to grow by 4% this year (USDA projected winter wheat plantings increased 5% last fall), cotton acres could decrease 6% and ground in the Conservation Reserve Program could dip to its lowest level since 1988 at around 20 million acres. END