

Less corn, more soybeans being planted in 2008

New federal forecast shows higher food prices here to stay

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U.S. corn growers intend to plant 86 million acres of corn for all purposes this year, down 8 percent from last year's record acreage – the highest since 1944.

U.S. soybean producers intend to plant 74.8 million acres in 2008, the U.S. Department of Agriculture forecast Monday, up 18 percent over last year, but 1 percent below the record high acreage in 2006.

All wheat planted area is estimated at 63.8 million acres, up 6 percent from last year.

The decrease in expected acreage for corn crops is due to favorable prices for other crops, high input costs for corn, and crop rotation considerations are motivating some farmers to plant fewer acres to corn. The net result for food companies and consumers is higher food prices.

Corn prices have soared in the past two years fueled by overseas demand for food and the booming ethanol industry. Higher prices have hit margins of meat companies, who use corn to feed their animals.

Despite the decrease, corn acreage is expected to remain at historically high levels as the corn price outlook remains strong due in part to the continued expansion in ethanol production.

Acreage increases are expected in all states, except West Virginia. The largest increases are expected in Iowa and Nebraska, up 1.3 million acres and 1.2 million acres from 2007, respectively.

If realized, the planted acreage in Kansas, New York, and Pennsylvania will be the largest on record.

The 2008 winter wheat planted area, at 46.8 million acres, is 4 percent above last year and up slightly from the previous estimate.