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**Farmers Planted Less Corn and
More Soybean Acres than Last Year**

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Executive Summary

- USDA projects that the U.S. corn area will decline by 3% from 2023 to 91.5 million acres in 2024, while the U.S. soybean area will increase by 3% to 86.1 million acres.
- When the acreage survey was conducted in early June, USDA projected 3.36 million corn acres and 12.8 million soybean acres remaining. The 2024 remaining acres are larger than last year and the average for 2020 to 2023.
- Corn ending stocks are projected to increase even with the reduced planted area in 2024. Soybean ending stocks depend on how much of the remaining soybean acres are planted to soybeans instead of filed as prevented planting for crop insurance.

USDA updated the projected 2024 planted corn and soybean area in the June 28 Acreage report. Farmers surveyed in March for the Prospective Plantings report indicated they intended to plant 90 million corn acres and 86.5 million acres of soybeans. Before the report's release, analysts expected 90.3 million acres of corn and 86.9 million acres of soybeans (Table 1).

USDA continued its reputation for surprising the market! The Acreage survey projects corn planted area at 91.5 million acres, a 3% decrease from last year; however, corn planted area was 1.2 million above the average analyst's expectation and the range of expectations. Farmers indicated that they increased corn plantings by 1.5 million acres from the Prospective Plantings survey in March (Table 1).

Table 1. 2024 Corn and Soybean Planted Area with Comparisons to Industry Expectations, March Prospective Plantings and 2023 Planted Area.

	Acreage Report	Industry Average Expectation	Industry Range of Expectations	Prospective Plantings	2023 Planted Area
	Million Acres				
Corn	91.5	90.3	89 - 91.2	90	94.6
Soybeans	86.1	86.9	86.1 - 87.6	86.5	83.6

About 50% of the reduction in corn area is projected to occur in the states listed in Table 2. USDA projects the largest decrease in corn plantings in Minnesota, with a 500,000-acre decrease from 2023. Indiana and Illinois farmers indicated they planted 350 and 300 fewer acres this year, respectively. In addition, North Dakota and South Dakota planted 250 and 200 fewer acres this year, respectively.

Nebraska is the only top-five corn-producing state that indicated an increase in corn area. Iowa farmers responded that the corn area is unchanged from 2023 (Table 2).

Table 2. 2024 Projected Planted Corn Acres and Change from 2023 for the United States and Selected Midwest States.

	----- Thousand Acres -----			
	2024	2023	Change	% Change
United States	91,475	94,641	-3,166	-3%
Iowa	13,100	13,100	+0	+0%
Illinois	10,900	11,200	-300	-3%
Nebraska	10,100	9,950	+150	+2%
Minnesota	8,100	8,600	-500	-6%
Indiana	5,100	5,450	-350	-6%
South Dakota	6,100	6,300	-200	-3%
North Dakota	3,800	4,050	-250	-6%

USDA projects soybean area to increase by 2.5 million acres, or 3%, from last year to a projected 86.1 million acres. The soybean area increased but by an amount less than the industry expected and was at the lower range of expectations. In addition, the soybean area did not increase by an amount indicated by farmers surveyed in March for the Prospective Plantings report.

The most significant increases in soybean area are projected in North Dakota (+600,000), Illinois (+350,000), Indiana (+250,000) and Minnesota (+250,000). Iowa is the only top-producing soybean state that is projected to reduce soybean planted area slightly by 50,000 acres by 2023 (Table 3).

Table 3. 2024 Projected Planted Soybean Acres and Change from 2023 for the United States and Selected Midwest States.

	----- Thousand Acres -----			
	2024	2023	Change	% Change
United States	86,100	83,600	+2,500	+3%
Iowa	9,900	9,950	-50	-1%
Illinois	10,700	10,350	+350	+3%
Nebraska	5,300	5,250	+50	+1%
Minnesota	7,600	7,350	+250	+3%
Indiana	5,750	5,500	+250	+5%
South Dakota	5,100	5,100	+0	+0%
North Dakota	6,800	6,200	+600	+10%

USDA's survey of planted areas tends to be more accurate in years where Mother Nature cooperates with farmers and the crops are planted before June 1. USDA projects that 3.3 million corn and 12.8 million soybean acres remained to be planted when the Acreage survey was conducted. The amount remaining is more significant than last year and more than the average from 2020 to 2023. The planting estimates are sometimes revised in the August WASDE report in years where planting is delayed significantly beyond the survey window. Do not be surprised if the planted areas for both crops are adjusted in the August report.

Implications for 2024 Corn and Soybean Ending Stocks and Price Potential

The July WASDE will adopt the planted and harvested acreage estimates from the Acreage report. It also typically assumes the trend yield in the June report. The World Agricultural Outlook Board tends to prefer to adjust yields in the August report as farmers are surveyed for their yield projections. This suggests that the trend yields of 181- and 52-bushel corn and soybeans, respectively, will be adopted for the July report.

Based on the estimates from the June WASDE, ending corn stocks would increase from 2.1 billion to 2.3 billion bushels. How sensitive are stocks to lower yields? If USDA reduces the national yield by 2% to 177 bushels per acre, stocks will decrease but would still exceed 2 billion bushels. The point is that planted area is just one piece of the puzzle determining price, and a large carry-in will keep corn ending stocks high unless there is a strong increase in use or an unexpected reduction in yield. Corn prices will continue to face strong headwinds from significant levels of ending stocks.

The 3% increase in planted acreage for soybeans implies soybean stocks might decline slightly from the June estimate. This result seems surprising until you remember that USDA has been using the March acreage estimate, which is 400,000 acres above the June estimate. However, a more realistic understanding of the direction for ending stocks and price depends on how many of the 12.8 million soybean acres are planted to soybeans. If the 2024 soybean planted area is 85.1 million acres, a 52-bushel yield would reduce ending stocks to about an 8.9% stocks-to-use ratio compared to the current projected ratio of 10.4%. The takeaway message is that the soybean market has some cushion to absorb a small production shock. However, a reduced planted area by 500,000 acres combined with a 2-bushel reduction in harvested yield could trim ending stocks to a 5.5%

stocks-to-use ratio and support a much higher price The soybean market could get more interesting from potential reductions in acreage and yield.

As we head into the heat of summer, the market will monitor precipitation and temperatures. The December 2024 corn and November 2024 soybean futures contracts lost \$0.49 $\frac{1}{2}$ and \$0.45 $\frac{3}{4}$ per bushel in value from June 14 to June 28. A weather market that threatens the size of either crop may develop, so farmers should remain vigilant for opportunities to remove price risk on any bushels of planned production to be sold at harvest.