



Indiana Farm Bureau®

Indiana and U.S. Farmers Intend to Plant Less Corn, More Soybeans for 2024

Dr. Todd D. Davis
Chief Economist
March 28, 2024

The U.S. Department of Agriculture (USDA) released the first survey of farmers' planting intentions for 2024 crops on March 28, 2024. Analysts surveyed before the *Prospective Plantings* report's release expected farmers in the U.S. to plant 92 million corn acres and 86.3 million soybean acres this year. The analysts believed the corn area would decrease from last year as rebuilding corn stocks from 2023 has reduced corn profitability. In contrast, soybean stocks remain relatively tight, and university budgets project better profitability for soybeans than corn.

Farmers told USDA that they intend to plant 90 million corn acres, a decrease of 4.6 million acres (5%) from 2023. This projection is near the lower range of analysts' estimates for the 2024 corn area and was over 2 million acres below the average trade expectation.

Farmers in the top five producing corn states of Iowa, Illinois, Minnesota, Nebraska and Indiana all plan to reduce corn area in 2024, with about 40% of the total acreage reduction occurring in these top-producing states. The most significant potential reduction is in Minnesota, with corn area projected to decrease by 700,000 acres (8%) from last year. Corn farmers across the country read the same relative profitability signals when making their planting decisions, as the USDA survey indicates that corn farmers plan to reduce or keep corn planted area unchanged in 38 of the 48 states surveyed.

The *Prospective Plantings* report indicates that U.S. farmers intend to increase soybean planted area by 2.9 million acres, a 3.5% increase from last year. The report matched the average trade estimate for the 2024 soybean-planted area, so the futures market was not surprised. The most significant potential acreage increase is estimated in North Dakota, with the projected soybean area increasing by 700,000 acres (11%) from 2023. About 30% of the increased soybean acres are in the top five soybean-producing states. However, farmers nationwide indicated that they plan to increase or keep the same soybean area in 24 of the 29 states surveyed.

In addition, 24% of the total increase in soybean area is forecasted for North Dakota, which plans to increase soybean area by 700,000 acres (11%). However, North Dakota typically suffers from significant lost acres due to prevented plantings, so the scope of this potential increase may not be realized.

Indiana farmers said they plan to plant 5.1 million corn acres (decrease of 350,000) and 5.75 million soybean acres (increase of 250,000) in 2024, reducing corn area by 6.4% and increasing soybean area by 4.5% from 2023.

The market was preparing for reduced corn acreage in 2024 due to reduced profitability potential as increased corn ending stocks has limited price potential. Using USDA's Corn Supply and Demand estimate from the February 2024 *Agricultural Outlook Conference*, a planted corn area of 90 million acres could potentially reduce 2024 corn ending stocks if yields are just 2% below the estimated trend yield of 180 bushels per acre. In contrast, if farmers plant 86.5 million soybean acres, the 2024 soybean stocks could continue to increase, barring a production problem that reduces the national yield by 10% or more from the 52-bushel trend yield.

The December 2024 corn futures contract closed \$0.15 $\frac{1}{2}$ per bushel higher to \$4.77 $\frac{3}{4}$ per bushel. The futures market received the surprising potential reduction in corn planted area and the possibility of not creating even larger ending stocks favorably. The November 2024 soybean futures contract closed \$0.02 $\frac{3}{4}$ per bushel higher to \$11.86 $\frac{1}{4}$ a bushel. The soybean market's price response was limited because the report met expectations and did not fundamentally change expected 2024 soybean ending stocks.

Today's report is the first of many survey-based reports to help managers understand the 2024 corn and soybean market fundamentals. Managers can use this information to update and modify marketing and business plans to reflect market conditions. Since the corn and soybean seed is still in the bag, market fundamentals could change significantly from USDA's February projections. Mother Nature has the final say on the 2024 planted area; however, everyone will have to wait for the June Acreage report for an update on the potential size of the 2024 corn and soybean crops.