

Corn plantings may reach highest level since 1946

ATASTE of \$4 futures could be all the incentive growers need to plant the most corn in more than 60 years, according to a new *Farm Futures* magazine survey of planting intentions for 2007. Based on the latest survey, conducted by e-mail Jan. 5-21, *Farm Futures* estimates producers currently plan to put in 88.4 million acres of corn this spring, a 10.1 million-acre increase from 2006. If realized, this would represent the highest corn acreage total since 1946.

During the survey period, December corn futures rallied more than 35 cents a bushel in response to the bullish Jan. 12 USDA supply-and-demand report. This included the first trades in history for a December contract over \$4.

"Tightening old-crop supplies and strong demand for corn to produce ethanol will require both good weather and a huge increase in acreage to keep the U.S. from running out of corn in 2007," says *Farm Futures* market analyst Arlan Suderman. "This unique situation is giving farmers a chance to lock in outstanding profits, and they plan to take advantage of it."

Farm Futures' first survey of 2007 planting intentions in September suggested farmers wanted to put in 85 million acres of corn this coming spring.

"The postharvest rally in corn convinced them to follow through with those plans," says Bryce Knorr, *Farm Futures* senior editor, who directed the survey.

"Many already did fall fieldwork and applied fertilizer anticipating this shift to corn."

USDA survey due

By the time USDA releases its benchmark survey of planting intentions at the end of March, the numbers could get even bigger — if the price is right. More than 40% of those surveyed said they would consider shifting acres at the last minute, though the average farmer surveyed said it would take \$4.50 December futures to trigger a switch.



CORN QUEST: Acreage of U.S. corn is expected to jump markedly this year as prices increase, causing farmers to switch from other crops such as soybeans. New USDA figures will be released later this month.

Key Points

- Corn prices may spur plantings to more than 60-year high.
- USDA's planting survey is due at the end of this month.
- The surge in corn will displace soybean plantings.

The surge in corn acres will take a heavy toll on soybean plantings. *Farm Futures* estimates acreage could drop to 69.5 million acres this spring, down from 75.5 million in 2006. Last fall's survey put soybean plantings at 72 million.

"The potential for soybean plantings to drop so sharply this year is helping support the soybean market,

despite plentiful old-crop supplies," says Suderman. He notes the ratio of new-crop soybean to corn prices has fallen below 2 to 1 recently. The magazine's survey included 484 farmers from across the U.S.

Farm Futures' survey of corn intentions for 2006 proved the most accurate of those released prior to USDA's March 31, 2006, prospective plantings report.

Published nine times annually by Farm Progress Companies, *Farm Futures* provides business and management information to 205,000 large-scale, high-income U.S. farm operators. *Western Farmer-Stockman* is also a Farm Progress publication.

■ See related cover story.

NewsWatch Briefs

Parker Water teams with CSU in ag irrigation study

A major study on ways to sustain irrigated agriculture while meeting increasing water demands in Colorado has been jointly launched by Parker Water and Sanitation District and Colorado State University. The results of the three-year, \$1 million-plus project are expected to provide crucial information that can be used in the development of water policy from both the agricultural and urban perspectives. For more information, including a fact sheet about the project, visit www.newsinfo.colorado.state.edu and click on release heading. Parker Water and Sanitation can be reached at 303-841-4627. Colorado State can be reached at

970-491-5261 or by contacting Nik Olsen at 970-491-7766.

Rural women needed for chronic illness study

The College of Nursing at Montana State University is looking for rural women with chronic illnesses to participate in a support network that will be forming in the fall. The program enhances rural women's ability to manage their chronic condition and assesses its effect on their quality of life. Women who are interested in the project are encouraged to call the program's toll-free number, 888-375-1317, at the MSU College of Nursing in Bozeman, Mont. Those interested can also contact the program via e-mail at scudney@montana.edu, or look at more informa-

tion about the project at www.montana.edu/cweinert.

Oregon given grade of A- in battling invasive species

Oregon's Invasive Species Council has given the state a grade of A- for its overall successful efforts in 2006 against unwanted exotic organisms that could do great harm to Oregon. The grade matches the A- of 2005 and remains the highest mark issued since the Invasive Species Council was established nearly five years ago. Previous grades on the annual report card included a B in 2004 and a B- in 2003. The full 2006 Invasive Species Council report card is available online at the Oregon state's Web site, oregon.gov/oisc.

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Contact us:

Editor: T.J. Burnham
tburnham@farmprogress.com
12309 N.E. 21st St., Vancouver, WA 98684
Phone: (360) 546-2433; Fax: (360) 546-2977

Contributing Editors:

Tom Bechman; John Otte, Economics;
Lisa Schmidt; J.T. Smith; Arlan Suderman,
Marketing & Management; Ann Toner; Lon
Tonneson; and John Vogel.

Executive Editor: Dan Crummett

Corporate Editorial Director: Willie Vogt,
(651) 454-6994, wvogt@farmprogress.com

Sales: Sandy Creighton, Phone: (559) 433-9343
and Terry Butzirus, Phone: (402) 489-9331

Subscription questions: (800) 441-1410

For additional sales and company information see last page of marketplace section.

POSTMASTER: Please send address corrections to *Western Farmer-Stockman*, 191 S. Gary Ave., Carol Stream IL 60188

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