

## **Corn Planting Is Second-Largest Since 1946**

(Reuters)

American farmers have planted their second-largest corn acreage since 1946, the government said Tuesday, shocking traders who thought that cold, wet spring weather in the Midwest had shrunk corn sowings.

Corn plantings rose 1 percent from last year, to 87.035 million acres, the Agriculture Department said, up from March estimates of 84.986 million acres and above trade estimates that averaged 83.961 million acres.

“These numbers definitely are bearish on corn,” said Mario Balletto, an analyst with Citigroup in Chicago, noting crop conditions bode well for strong yields.

Barring bad weather during the rest of the growing season, livestock and ethanol producers should have ample supplies of corn, said Darrel Good, an agricultural economist at the University of Illinois. “This takes a lot of pressure off the corn, and we might continue to see a little weakness,” Mr. Good said.

Planting in the America’s grain-growing heartland got off to a slow start this spring, and traders had expected the report would show farmers were forced to switch areas planned for corn to soybeans, which take less time to reach maturity.

“In late May, however, drier conditions allowed farmers to make rapid progress,” the agency said, noting 97 percent of intended corn acres had been planted by the time it conducted its survey during the first two weeks of June.

Corn prices rallied just as farmers began planting, said Terry Francl, an economist with the American Farm Bureau Federation.

“That may have been the thing that convinced people to plant a little more corn,” Mr. Francl said. The sowings imply corn production of 12.3 billion bushels, based on yield projections made earlier this month. That would be the second-largest corn crop after 2007’s 13.038 billion bushels.

The agency also forecast wheat acres at 59.775 million acres, down 5 percent from last year but above trade expectations of 58.243 million acres.

As expected, farmers planted a record area to soybeans this spring. The agency said farmers seeded 77.483 million acres of soybeans, up 2 percent from last year, implying production could reach a record 3.3 billion bushels. The soybean plantings were below average trade estimates of 78.121 million acres, released ahead of the report. A large soy crop would replenish United States supplies drained as China went on a buying spree at a time when weather problems sidelined competing suppliers in South America.