Subject: New farmdoc Marketing & Outlook Brief and Research Report Available

Dear *farmdoc* Subscriber:

A new *Marketing & Outlook Brief* is available:

MOBR 2008-02: Are Corn Trend Yields Increasing at a Faster Rate?

You may view the brief in HTML and PDF formats at:
http://www.farmdoc.uiuc.edu/marketing/mobr/mobr_08-02/mobr_08-02.html

Summary:
There has been considerable discussion in the agricultural community that improved technology has caused corn trend yields to increase at an increasing rate in recent years. The effect of both weather and technology on corn yields is estimated over 1960-2007 for three important corn producing states, Illinois, Iowa, and Indiana. Regression models were developed to estimate the separate effects of weather and technology on state-average corn yields in the three states. The results did not indicate a notable increase in trend yields for corn in the mid-1990s.

A new *Marketing & Outlook Research Report* is also available. It is a longer and more in-depth analysis of weather and technology effects for both corn and soybeans:

MORR 2008-01: Weather, Technology, and Corn and Soybean Yields in the U.S. Corn Belt

You may view the report in PDF format at:
http://www.farmdoc.uiuc.edu/marketing/morr/morr_08-01/morr_08-01.pdf

Summary:
The purpose of this study was to investigate the relationship between weather, technology, and corn and soybean yields in the U.S. Corn Belt. Corn and soybean yields, monthly temperature, and monthly precipitation observations were collected over 1960 through 2006 for Illinois, Indiana, and Iowa. Analysis of the regression results showed that corn yields were particularly affected by technology, the magnitude of precipitation during June and July, and the magnitude of temperatures during July and August. Soybean yields were most affected by technology and the magnitude of precipitation during June through August. Some parameter breakpoints were identified, but were difficult to explain since the results were not consistent across states and crops. Additional tests for structural change were directed specifically at the trend variable in corn models. The tests did not indicate a notable change in the technology trend for corn since the mid-1990s. Corn and soybean yield forecasts from the regression models on June 1 and July 1 were no more accurate then trend yield forecasts. Regression model forecasts for corn improved on August 1, while model forecasts for soybeans improved by September 1. USDA corn and soybean forecasts were always more accurate than those from the regression models. Nonetheless, encompassing tests showed that the accuracy of USDA yield forecasts could be significantly improved by the information contained in regression model forecasts.

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