



October 2014 U.S. Crop Price Update

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Summary

The October 2014 update of U.S. crop price projections for 2014-2018 generally indicates only modest changes from September estimates:

- The projected corn price for the 2014/15 marketing year was reduced slightly this month, to \$3.40 per bushel. The record U.S. corn crop got even bigger in USDA's October estimates, and carry-in stocks were also greater than had been estimated in September.
- Corn acreage could decline in 2015, and more typical growing conditions would result in lower yields next year. Projected prices increase to \$3.74 per bushel for 2015/16, and to \$4.20 per bushel by 2018/19.
- USDA soybean production estimates also increased slightly this month, but this was offset by a reduction in carry-in stocks, leaving total supplies marginally reduced from September estimates. The projected 2014/15 soybean price is little changed from last month, at \$9.95 per bushel.
- Soybean acreage could stay near this year's record in 2015 and the resulting large soybean supplies cause projected 2015/16 prices to drop to \$8.93 per bushel, before recovering to \$10.50 per bushel by 2018/19.
- The wheat outlook is largely unchanged from September. Projected wheat prices decline from \$5.88 per bushel for 2014/15 to \$5.39 per bushel in 2015/16 before recovering to \$5.97 per bushel by 2018/19.
- In line with October USDA estimates, the projected season-average price for upland cotton in 2014/15 is reduced to 60 cents per pound, in part because of weaker export demand from China. Projected average cotton prices remain near that level from 2015-2018.

These estimates are developed by the Food and Agricultural Policy Research Institute at the University of Missouri using its models of agricultural markets and information available in mid-October 2014. The work is part of a joint project with Texas A&M's Agricultural and Food Policy Center to develop a web-based decision aid for producers who must make program participation choices under the new farm bill.

U.S. crop producers must make a one-time election to participate in the Agriculture Risk Coverage (ARC) or the Price Loss Coverage (PLC) program for the life of the 2014 farm bill. Payments under each of the program options are very sensitive to crop prices. Different expectations about future crop prices will lead to different expectations about future payments under the programs.

Excel tables available at www.fapri.missouri.edu report projected U.S. supply and use for corn, soybeans, wheat, upland cotton, rice and sorghum. Plans call for additional updates each month through the end of the ARC-PLC election period.

FAPRI-MU and collaborating researchers will continue to develop more comprehensive ten-year estimates of the outlook for U.S. and world crop, livestock and biofuel markets, farm income, farm program costs, consumer food expenditures and other indicators. Work on the next ten-year outlook is underway, and final reports will be issued in early 2015.

U.S. crop farm prices

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Corn (\$/bu.)	3.55	5.18	6.22	6.89	4.46	3.40	3.74	3.98	4.19	4.20
Soybeans (\$/bu.)	9.59	11.30	12.50	14.40	13.00	9.95	8.93	9.55	10.26	10.50
Wheat (\$/bu.)	4.87	5.70	7.24	7.77	6.87	5.88	5.39	5.63	5.87	5.97
Durum	5.47	5.98	9.68	8.18	7.46	7.49	6.34	6.63	6.92	7.04
Other spring	5.23	6.49	8.24	8.24	6.73	5.97	5.67	5.92	6.17	6.28
Winter	4.71	5.37	6.81	7.55	6.89	5.80	5.28	5.51	5.73	5.84
Upland cotton (cents/lb.)	62.90	81.50	88.30	72.50	77.90	60.03	58.95	58.21	58.92	60.04
Sorghum (\$/bu.)	3.22	5.02	5.99	6.33	4.28	3.33	3.54	3.71	3.88	3.92
Rice (\$/cwt)	14.40	12.70	14.50	15.10	16.10	14.43	13.56	13.44	13.53	13.69
Long grain	12.90	11.00	13.40	14.50	15.40	12.97	12.48	12.35	12.43	12.56
Medium/short (exc. Japonica)	15.70	15.00	14.30	14.70	16.10	14.72	13.83	13.73	13.84	14.02
Japonica	19.50	20.80	18.40	18.40	18.40	19.49	17.29	17.16	17.30	17.52
Barley (\$/bu.)	4.66	3.86	5.35	6.43	6.06	5.17	4.55	4.69	4.90	4.93
Oats (\$/bu.)	2.02	2.52	3.49	3.89	3.75	3.20	3.03	3.20	3.34	3.34
Peanuts (cents/lb.)	21.70	22.50	31.80	30.10	24.90	20.12	22.87	21.87	22.37	22.42
Sunflower seed (\$/cwt)	15.10	23.30	29.10	25.40	21.60	19.55	18.56	19.01	20.09	20.39
Canola (\$/cwt)	16.20	19.30	24.00	26.50	20.60	17.06	17.11	17.67	19.09	19.27
Flaxseed (\$/bu.)	8.15	12.20	13.90	13.80	13.80	12.17	11.46	11.88	12.35	12.52
Lentils (\$/cwt)	26.80	25.70	25.00	20.70	19.80	19.44	18.18	18.92	19.74	20.04
Safflower (\$/cwt)	17.10	17.20	24.40	27.50	23.70	20.67	19.25	20.08	21.00	21.33
Mustard seed (\$/cwt)	30.40	25.90	33.60	35.80	36.00	31.25	29.44	30.47	31.60	32.02
Dry peas (\$/cwt)	8.98	9.77	15.30	15.70	14.60	11.08	11.24	11.70	12.20	12.39
Rapeseed (\$/cwt)	26.30	23.40	27.00	26.10	25.60	21.82	20.09	21.05	22.21	22.63
Large chickpeas (\$/cwt)	29.10	30.50	42.10	37.90	31.10	30.85	28.86	29.96	31.14	31.59
Small chickpeas (\$/cwt)	20.30	20.80	21.50	27.40	22.80	20.12	18.63	19.45	20.34	20.68
Crambe (\$/cwt)	36.80	32.80	37.80	36.50	35.80	32.51	30.51	31.61	32.79	33.25
Sesame seed (\$/cwt)	28.00	30.60	35.00	32.00	44.00	44.74	41.90	43.48	45.18	45.83