



November 2014 U.S. Crop Price Update

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Summary

The November 2014 update of U.S. crop price projections for 2014-2018 indicates only small changes from October estimates for most crops:

- The projected corn price for the 2014/15 marketing year was increased slightly this month, to \$3.50 per bushel. USDA slightly reduced its estimate of this year's record U.S. corn crop.
- Reduced corn acreage and an assumed return to trend-line yields result in smaller projected corn supplies in 2015. This allows corn prices to recover to \$3.89 per bushel for the 2015/16 marketing year, and to exceed \$4.00 per bushel from 2016-2018.
- Offsetting increases in soybean production and use leave projected 2014/15 soybean prices at \$10.00 per bushel, very close to last month's estimate.
- 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 \$9.10 per bushel. From 2016-2018, soybean prices average around \$10 per bushel.
- The wheat outlook is also little unchanged from October. Projected wheat prices decline from \$5.90 per bushel for 2014/15 to \$5.36 per bushel in 2015/16 and remain below \$6 per bushel through 2018.
- Reported year-to-date prices result in a slight upward revision in projected 2014/15 upland cotton prices, to 61.4 cents per pound. Projected prices remain near this level for 2014-2018, far below the levels of 2010-2013.

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-November 2104. 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 face 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	3.50	3.89	4.02	4.10	4.10
Soybeans (\$/bu.)	9.59	11.30	12.50	14.40	13.00	10.00	9.10	9.78	10.08	10.23
Wheat (\$/bu.)	4.87	5.70	7.24	7.77	6.87	5.90	5.36	5.50	5.70	5.90
Durum	5.47	5.98	9.68	8.18	7.46	7.77	6.37	6.54	6.78	7.02
Other spring	5.23	6.49	8.24	8.24	6.73	5.83	5.60	5.75	5.95	6.16
Winter	4.71	5.37	6.81	7.55	6.89	5.88	5.26	5.40	5.59	5.78
Upland cotton (cents/lb.)	62.90	81.50	88.30	72.50	77.90	61.41	60.79	60.19	60.71	61.54
Sorghum (\$/bu.)	3.22	5.02	5.99	6.33	4.28	3.41	3.60	3.75	3.87	3.91
Rice (\$/cwt)	14.40	12.70	14.50	15.10	16.10	14.64	13.94	14.24	14.25	14.30
Long grain	12.90	11.00	13.40	14.50	15.40	12.57	12.82	13.09	13.09	13.13
Medium/short (exc. Japonica)	15.70	15.00	14.30	14.70	15.80	15.49	14.21	14.55	14.57	14.65
Japonica	19.50	20.80	18.40	18.40	19.90	22.01	17.77	18.18	18.21	18.31
Barley (\$/bu.)	4.66	3.86	5.35	6.43	6.06	5.15	4.62	4.66	4.76	4.81
Oats (\$/bu.)	2.02	2.52	3.49	3.89	3.75	3.25	3.12	3.22	3.27	3.28
Peanuts (cents/lb.)	21.70	22.50	31.80	30.10	24.90	21.36	23.02	22.08	22.21	22.19
Sunflower seed (\$/cwt)	15.10	23.30	29.10	25.40	21.50	20.46	18.67	19.10	19.59	19.70
Canola (\$/cwt)	16.20	19.30	24.00	26.50	20.60	16.45	17.05	17.89	18.71	18.72
Flaxseed (\$/bu.)	8.15	12.20	13.90	13.80	13.80	12.01	11.36	11.79	12.02	12.15
Lentils (\$/cwt)	26.80	25.70	25.00	20.70	19.80	20.51	19.34	20.08	20.49	20.74
Safflower (\$/cwt)	17.10	17.20	24.40	27.50	23.70	23.44	21.40	22.23	22.69	22.97
Mustard seed (\$/cwt)	30.40	25.90	33.60	35.80	36.00	31.54	29.81	30.79	31.40	31.82
Dry peas (\$/cwt)	8.98	9.77	15.30	15.70	14.60	11.63	11.78	12.18	12.48	12.72
Rapeseed (\$/cwt)	26.30	23.40	27.00	26.10	25.60	23.65	22.12	23.14	23.66	23.92
Large chickpeas (\$/cwt)	29.10	30.50	42.10	37.90	31.20	28.02	26.04	27.00	27.70	28.25
Small chickpeas (\$/cwt)	20.30	20.80	21.50	27.40	22.90	20.75	19.27	19.98	20.51	20.93
Crambe (\$/cwt)	36.80	32.80	37.80	36.50	35.80	32.61	30.63	31.59	32.29	32.84
Sesame seed (\$/cwt)	28.00	30.60	35.00	32.00	44.00	45.89	43.09	44.48	45.48	46.24

Note: FAPRI-MU prepared these projections in mid-November 2014 based on information available at that time. Macroeconomic and policy assumptions are the same as those underlying the August 2014 baseline update, but the projections incorporate November 2014 USDA estimates of U.S. and global crop supply and use.