

March 2015 U.S. Crop Price Update

FAPRI-MU released its 2015 ten-year baseline outlook for agricultural markets (FAPRI-MU Report #01-15) on March 9, 2015. The outlook was based on market conditions and other information available in January 2015.

This update incorporates March 2015 supply and demand estimates from USDA and other information that was not available at the time the baseline was prepared. With few exceptions, the price outlook for major crops has not changed very much from the 2015 FAPRI-MU baseline or from the update published in February.

- As more information becomes available from USDA's monthly *Agricultural Prices* reports, better estimates are possible for 2014/15 marketing year prices.
- Corn prices for 2014/15 are now projected to average \$3.69 per bushel, up slightly from the 2015 baseline and from the February update. USDA increased its estimate of corn exports this month.
- Soybean prices are now projected at \$10.13 per bushel for the 2014/15 marketing year, also up slightly from estimates released previously. Year-to-date prices have been slightly higher than anticipated.
- Most of the 2014/15 wheat marketing year has now been completed, and year-to-date prices suggest a marketing year average price of about \$6.08 per bushel.
- The one crop where 2014/15 price estimates have changed more noticeably is rice. All-rice prices are now projected to average \$14.21 per hundredweight, up significantly from previous estimates, based primarily on available monthly prices. Long-grain rice is projected to average \$12.46 per hundredweight.
- For most crops, the outlook for years after 2014/15 is consistent with previous estimates. Corn prices, for example, rebound to \$3.93 per bushel in 2015/16 in response to tighter supplies, and average around \$4.00 per bushel through 2018/19.
- Soybean and wheat prices are both projected to decline in 2015/16, given continued large global supplies for those crops. Prices for both crops recover in later years.

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-March 2015. The work is part of a joint project with Texas A&M's Agricultural and Food Policy

Summary:

The monthly update to U.S. crop price projections is based on information available in mid-March 2015.

For more on this topic, see these FAPRI-MU publications:

Report #01-15
2015 U.S. Baseline Briefing Book

Bulletin #03-15
February 2015 U.S. Crop Price Update

Bulletin #02-15
January 2015 U.S. Crop Price Update

Report #08-14
December 2014 U.S. Crop Price Update

All previous months' U.S. crop price updates can be found at <http://www.fapri.missouri.edu>.

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Center to provide 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.

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	3.69	3.93	3.95	3.99	4.11
Soybeans (\$/bu.)	9.59	11.30	12.50	14.40	13.00	10.13	9.31	9.66	10.00	10.35
Wheat (\$/bu.)	4.87	5.70	7.24	7.77	6.87	6.08	5.20	5.26	5.43	5.68
Durum	5.47	5.98	9.68	8.18	7.46	8.85	6.42	6.25	6.45	6.75
Other spring	5.23	6.49	8.24	8.24	6.73	5.94	5.50	5.59	5.76	6.02
Winter	4.71	5.37	6.81	7.55	6.89	5.96	5.02	5.11	5.27	5.50
Upland cotton (cents/lb.)	62.90	81.50	88.30	72.50	77.90	61.03	60.48	62.09	62.20	63.81
Sorghum (\$/bu.)	3.22	5.02	5.99	6.33	4.28	3.87	3.68	3.69	3.79	3.91
Rice (\$/cwt)	14.40	12.70	14.50	15.10	16.30	14.21	14.17	14.05	14.04	14.00
Long grain	12.90	11.00	13.40	14.50	15.40	12.46	12.59	12.73	12.68	12.73
Medium/short (exc. Japonica)	15.70	15.00	14.30	14.70	15.70	15.19	14.84	14.45	14.49	14.18
Japonica	19.50	20.80	18.40	18.40	20.70	20.24	19.55	18.78	18.83	18.44
Barley (\$/bu.)	4.66	3.86	5.35	6.43	6.06	5.28	4.63	4.64	4.68	4.83
Oats (\$/bu.)	2.02	2.52	3.49	3.89	3.75	3.25	2.99	2.99	2.99	3.06
Peanuts (cents/lb.)	21.70	22.50	31.80	30.10	24.90	21.76	22.01	21.63	21.98	22.22
Sunflower seed (\$/cwt)	15.10	23.30	29.10	25.40	21.40	20.18	19.50	19.73	20.67	21.00
Canola (\$/cwt)	16.20	19.30	24.00	26.50	20.60	17.12	16.81	17.43	18.04	18.28
Flaxseed (\$/bu.)	8.15	12.20	13.90	13.80	13.80	12.07	11.40	11.62	11.86	12.12
Lentils (\$/cwt)	26.80	25.70	25.00	20.70	19.80	23.22	20.96	21.34	21.77	22.24
Safflower (\$/cwt)	17.10	17.20	24.40	27.60	27.90	23.79	22.46	22.87	23.36	23.88
Mustard seed (\$/cwt)	30.40	25.90	33.60	35.80	37.20	31.90	29.86	30.35	30.97	31.68
Dry peas (\$/cwt)	8.98	9.77	15.30	15.70	14.60	11.84	11.72	11.91	12.20	12.56
Rapeseed (\$/cwt)	26.30	23.40	27.00	26.10	25.10	23.54	22.16	22.71	23.38	23.93
Large chickpeas (\$/cwt)	29.10	30.50	42.10	37.90	31.20	28.50	25.92	26.39	27.07	27.91
Small chickpeas (\$/cwt)	20.30	20.80	21.50	27.40	22.90	20.91	18.98	19.33	19.84	20.47
Crambe (\$/cwt)	36.80	32.80	37.80	36.50	35.10	33.15	30.57	31.04	31.72	32.56
Sesame seed (\$/cwt)	28.00	30.60	35.00	32.00	44.00	46.56	42.95	43.64	44.61	45.80

Note: FAPRI-MU prepared these projections in mid-March 2015 based on information available at that time.

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