

## November 2019 U.S. Crop Price Update

November 2019 reports from USDA had only modest impacts on the outlook for grains, oilseeds and cotton. Excessive rainfall earlier this year has reduced 2019 U.S. production of corn and soybeans, resulting in an increase of projected prices in the 2019/20 marketing year. As indicated in last month's update, prices could fall again in 2020/21 if more typical planting conditions next spring contribute to a larger harvest next fall.

The price projections are based on a simple model of crop markets and the assessment of FAPRI analysts. They assume a continuation of current policies. At the time these projections were prepared, it was not clear what a reported trade deal between the United States and China might mean for U.S. agricultural exports and prices. No attempt was made to incorporate possible impacts of a deal into these projections, but if and when more information becomes available, it will be considered in future updates.

Highlights of this update include:

- Price projections for the 2019/20 marketing year generally are similar to those reported by USDA in the November 2019 World Agricultural Supply and Demand Estimates. Projected 2019/20 corn prices average \$3.85 per bushel; soybean prices average \$8.99 per bushel, and wheat prices average \$4.58 per bushel.
- Wet conditions at planting time reduced corn and soybean acreage in 2019. If 2020 is a more normal year, the result could be a significant increase in 2020 planted acreage for both corn and soybeans. This could contribute to a large increase in production for both crops.
- Unless a trade deal or other factors result in especially strong crop demand, increased supplies could weigh on 2020/21 marketing year prices for corn and soybeans. Projected prices are \$3.53 per bushel for corn and \$8.54 per bushel for soybeans.
- Wheat prices have been pressured by large global supplies, and year-to-date prices suggest that the 2019/20 price could fall below USDA's projected \$4.60 per bushel. Only a modest price increase is projected for the 2020/21 marketing year.
- In November, USDA reduced its estimate of the 2019 U.S. cotton crop. This results in slightly higher prices than previously projected, but the expected upland cotton price in 2019/20 is still more than 10 percent lower than it was in 2018/19. Given high U.S. stock levels, prices are projected to remain around 62 cents per pound in 2020/21.
- Reduced U.S. rice production has contributed to an increase in projected rice prices in 2019/20. As with corn and soybeans, projected increases in production in 2020/21 could cause prices to retreat again.

**Summary:**

*The monthly update to U.S. crop price projections is based on information available in mid-November 2019.*

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

Report #01-19  
2019 U.S. Baseline Outlook

Report #03-19  
2019 August Baseline Update for  
U.S. Agricultural Markets

Bulletin #03-19  
November 2019 U.S. Crop Price  
Update

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Supply and use tables associated with these price projections can be found at [www.fapri.missouri.edu](http://www.fapri.missouri.edu). Given continuing uncertainty about the provisions of a trade deal with China, when or if it would be implemented, and a host of other factors, we expect to provide additional updates as more information becomes available in the months ahead. The next comprehensive FAPRI baseline, which will include projections for livestock markets, government program costs, farm income and consumer food prices, is slated for release in March 2020.

### U.S. crop farm prices

|                              | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|------------------------------|---------|---------|---------|---------|---------|---------|
| Corn (\$/bu.)                | 3.61    | 3.85    | 3.53    | 3.56    | 3.60    | 3.64    |
| Soybeans (\$/bu.)            | 8.48    | 8.99    | 8.54    | 8.61    | 8.55    | 8.56    |
| Wheat (\$/bu.)               | 5.16    | 4.58    | 4.73    | 4.86    | 4.98    | 5.08    |
| Durum                        | 5.33    | 5.07    | 5.05    | 5.19    | 5.32    | 5.43    |
| Other spring                 | 5.31    | 4.70    | 4.86    | 4.99    | 5.12    | 5.23    |
| Winter                       | 5.08    | 4.53    | 4.68    | 4.79    | 4.91    | 5.01    |
| Upland cotton (cents/lb.)    | 70.30   | 61.98   | 62.32   | 63.85   | 66.27   | 68.35   |
| Cottonseed (\$/ton)          | 155.00  | 155.88  | 153.14  | 153.42  | 151.89  | 151.03  |
| Seed cotton (cents/lb.)      | 34.53   | 30.95   | 31.03   | 31.72   | 32.74   | 33.64   |
| Sorghum (\$/bu.)             | 3.26    | 3.40    | 3.17    | 3.28    | 3.33    | 3.37    |
| Barley (\$/bu.)              | 4.62    | 4.66    | 4.57    | 4.65    | 4.74    | 4.81    |
| Oats (\$/bu.)                | 2.66    | 2.88    | 2.58    | 2.61    | 2.64    | 2.67    |
| Rice (\$/cwt)                | 12.30   | 13.03   | 12.05   | 12.10   | 12.45   | 12.70   |
| Long grain                   | 10.80   | 11.82   | 10.97   | 11.06   | 11.44   | 11.72   |
| Medium/short (exc. Japonica) | 12.30   | 12.41   | 11.52   | 11.62   | 12.01   | 12.30   |
| Japonica                     | 20.00   | 18.88   | 17.52   | 17.54   | 17.96   | 18.25   |
| Peanuts (cents/lb.)          | 21.50   | 21.03   | 22.12   | 22.19   | 22.13   | 22.14   |
| Sunflower seed (\$/cwt)      | 17.30   | 17.78   | 17.02   | 16.99   | 16.79   | 16.74   |
| Canola (\$/cwt)              | 15.80   | 15.27   | 15.45   | 15.50   | 15.34   | 15.33   |
| Flaxseed (\$/bu.)            | 9.81    | 9.36    | 9.12    | 9.19    | 9.18    | 9.20    |
| Lentils (\$/cwt)             | 17.70   | 14.73   | 15.95   | 16.08   | 16.08   | 16.14   |
| Safflower (\$/cwt)           | 20.30   | 19.57   | 19.16   | 19.32   | 19.32   | 19.40   |
| Mustard seed (\$/cwt)        | 28.60   | 28.75   | 28.38   | 28.62   | 28.69   | 28.83   |
| Dry peas (\$/cwt)            | 10.50   | 9.69    | 9.89    | 10.03   | 10.12   | 10.21   |
| Rapeseed (\$/cwt)            | 18.40   | 18.32   | 18.19   | 18.26   | 18.11   | 18.10   |
| Large chickpeas (\$/cwt)     | 21.10   | 18.46   | 19.11   | 19.43   | 19.62   | 19.83   |
| Small chickpeas (\$/cwt)     | 21.70   | 14.52   | 17.09   | 17.33   | 17.47   | 17.63   |
| Crambe (\$/cwt)              | 22.10   | 21.93   | 21.77   | 22.10   | 22.28   | 22.49   |
| Sesame seed (\$/cwt)         | 35.00   | 32.50   | 32.57   | 33.02   | 33.26   | 33.54   |

Note: FAPRI-MU prepared these projections in mid-November 2019 based on information available at that time.

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