

# OUTLOOK FOR COMMODITY PRICES

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## Executive Summary

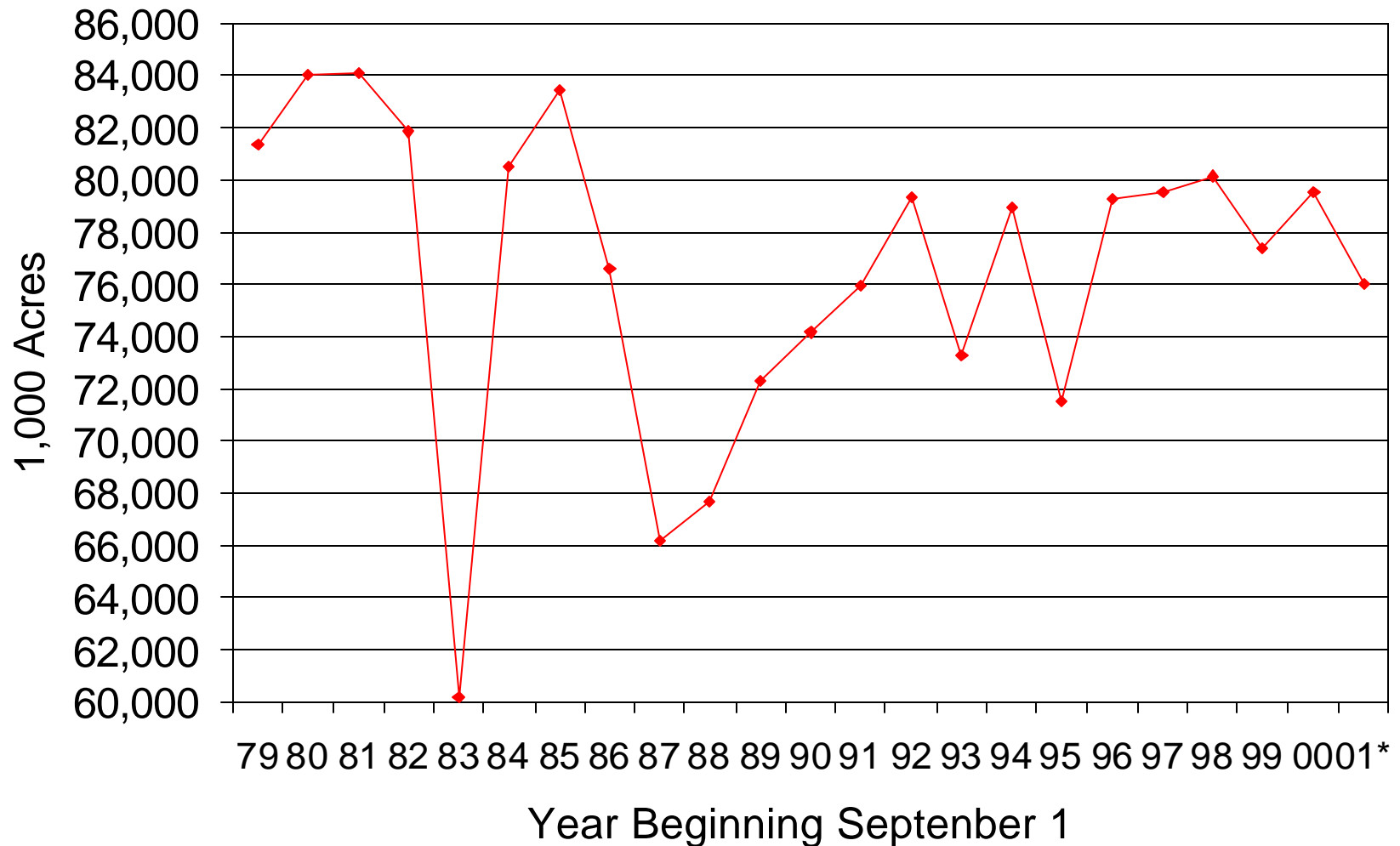
- Large U.S. crops for sixth consecutive year.
- World grain consumption to exceed world production for second consecutive year.
- U.S. and world grain stocks remain low.
- Decline in U.S. wheat acreage may be ending.
- U.S. corn exports start slowly, but should be large in last half of the year due to smaller South America and China supplies.
- Processing use of corn expanding rapidly due to increased ethanol production.
- U.S. soybean export sales are very large early in the year.
- Another record South American soybean crop in 2002?
- Corn prices to be flat to slightly higher through the winter, but should show some additional strength in the spring to attract more acres.
- Soybean prices may have limited upside potential due to persistence of large world supplies.
- Wheat prices will be well supported by declining world stocks. Watch USDA's January winter wheat seedings report.
- Expansion in U.S. hog production is occurring slowly, but demand (domestic and export) may be softer.
- Hog prices should remain profitable through most of 2002.
- Cattle numbers remain in a cyclical decline. Feedlot placements are finally declining.
- Beef production should decline throughout 2002, but slaughter weights are rising. Watch the USDA January report for signs of herd expansion.
- Cattle prices should move higher through 2002, but demand weakness due to the economic downturn may limit the move higher.

# Outlook for Commodity Prices

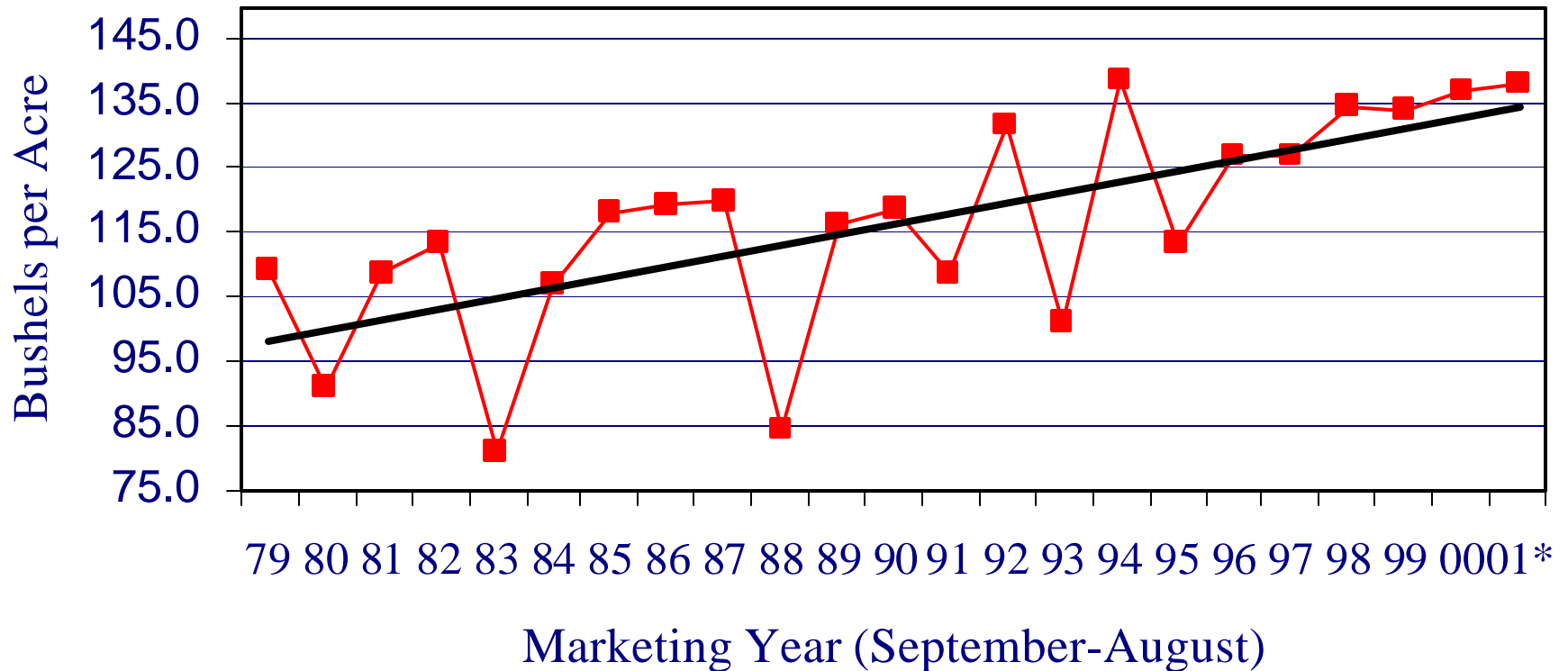
**Darrel Good**



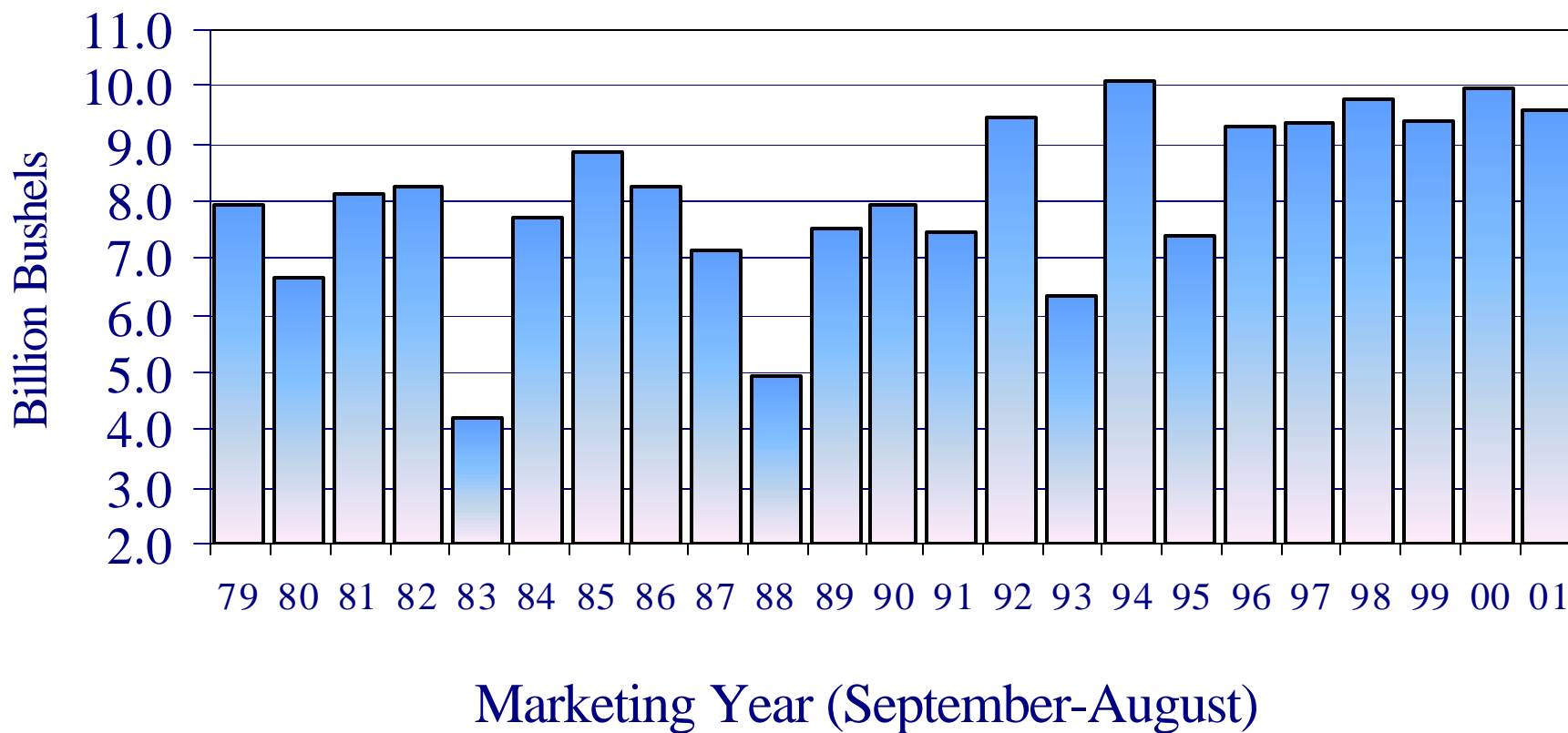
# US Corn Acres Planted



# US Corn Yields

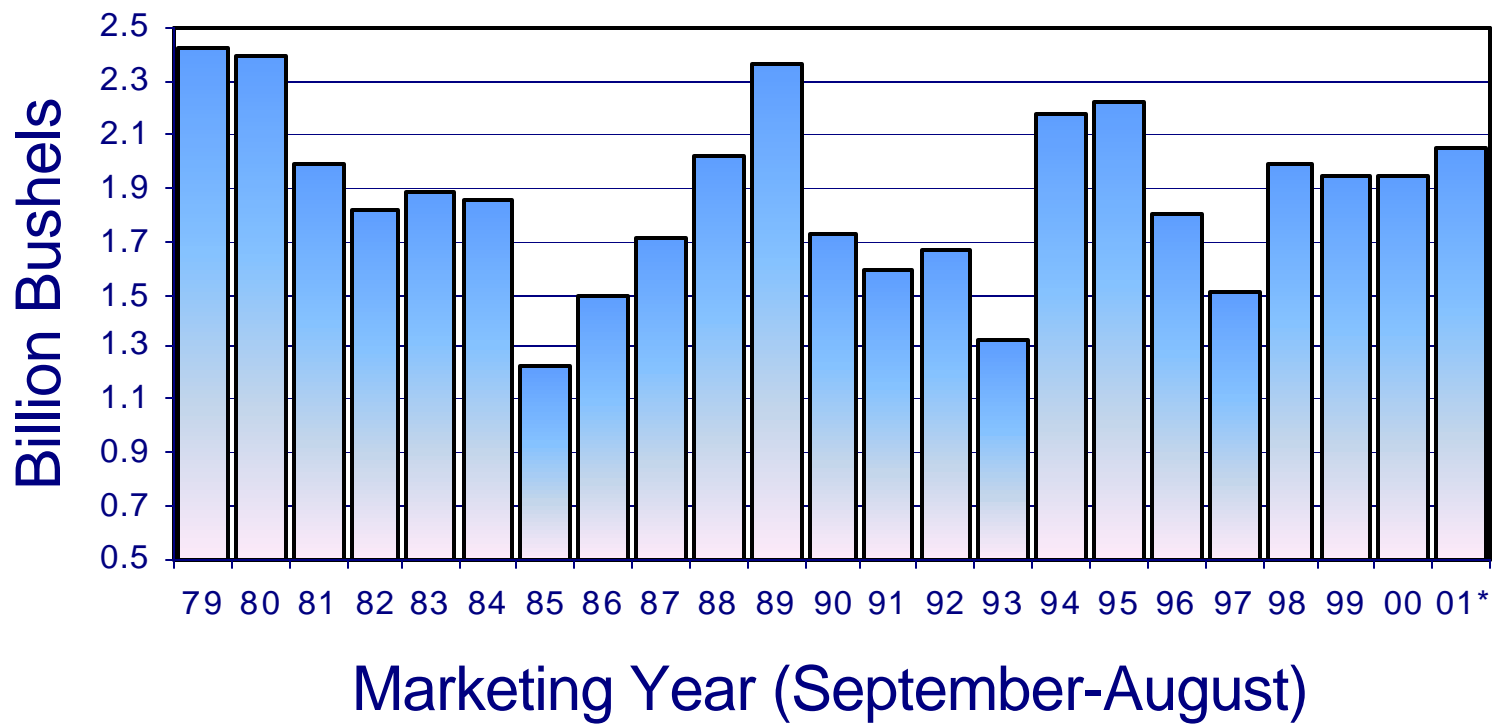


# US Corn Production

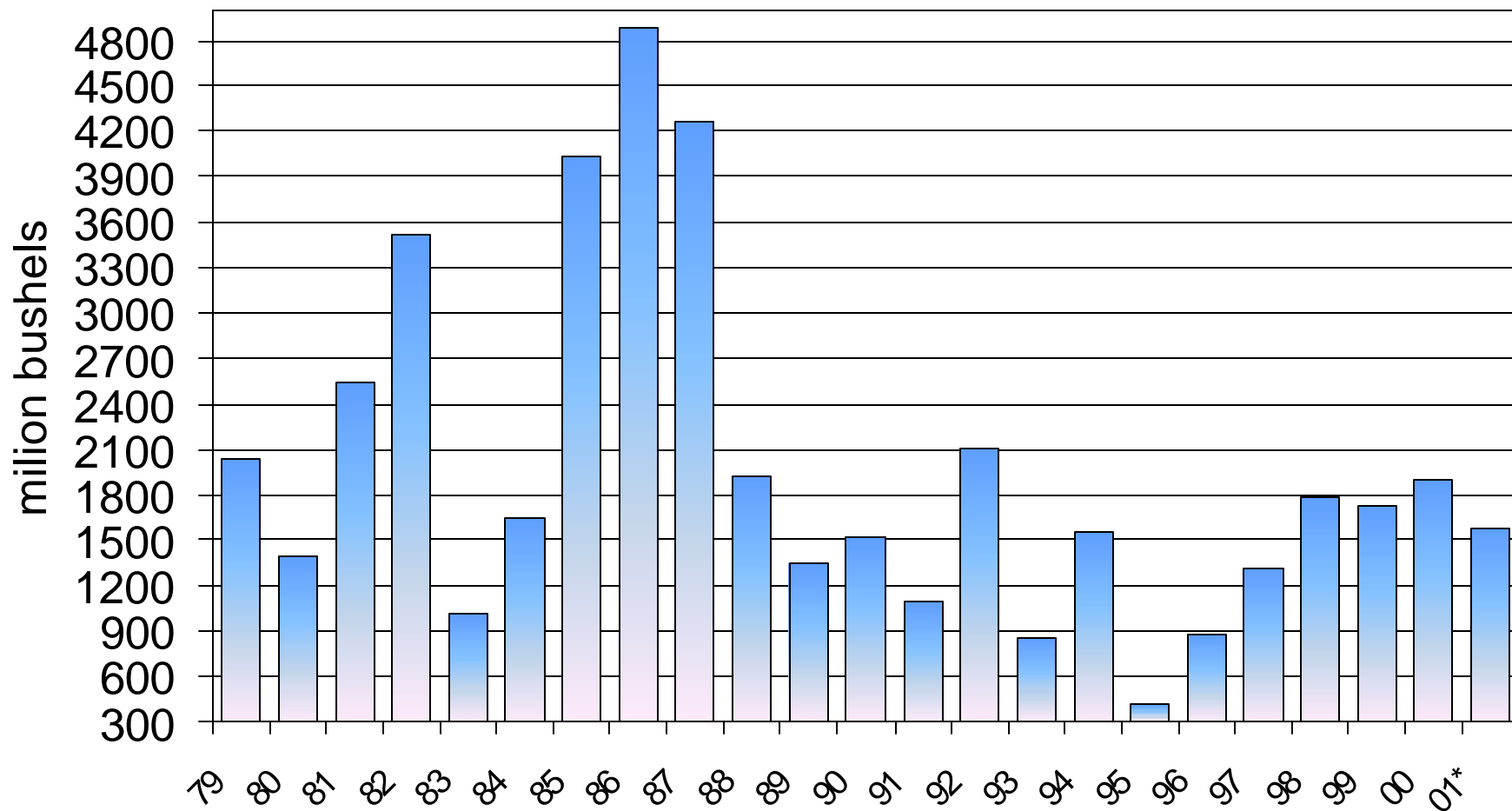


\*2001 estimated

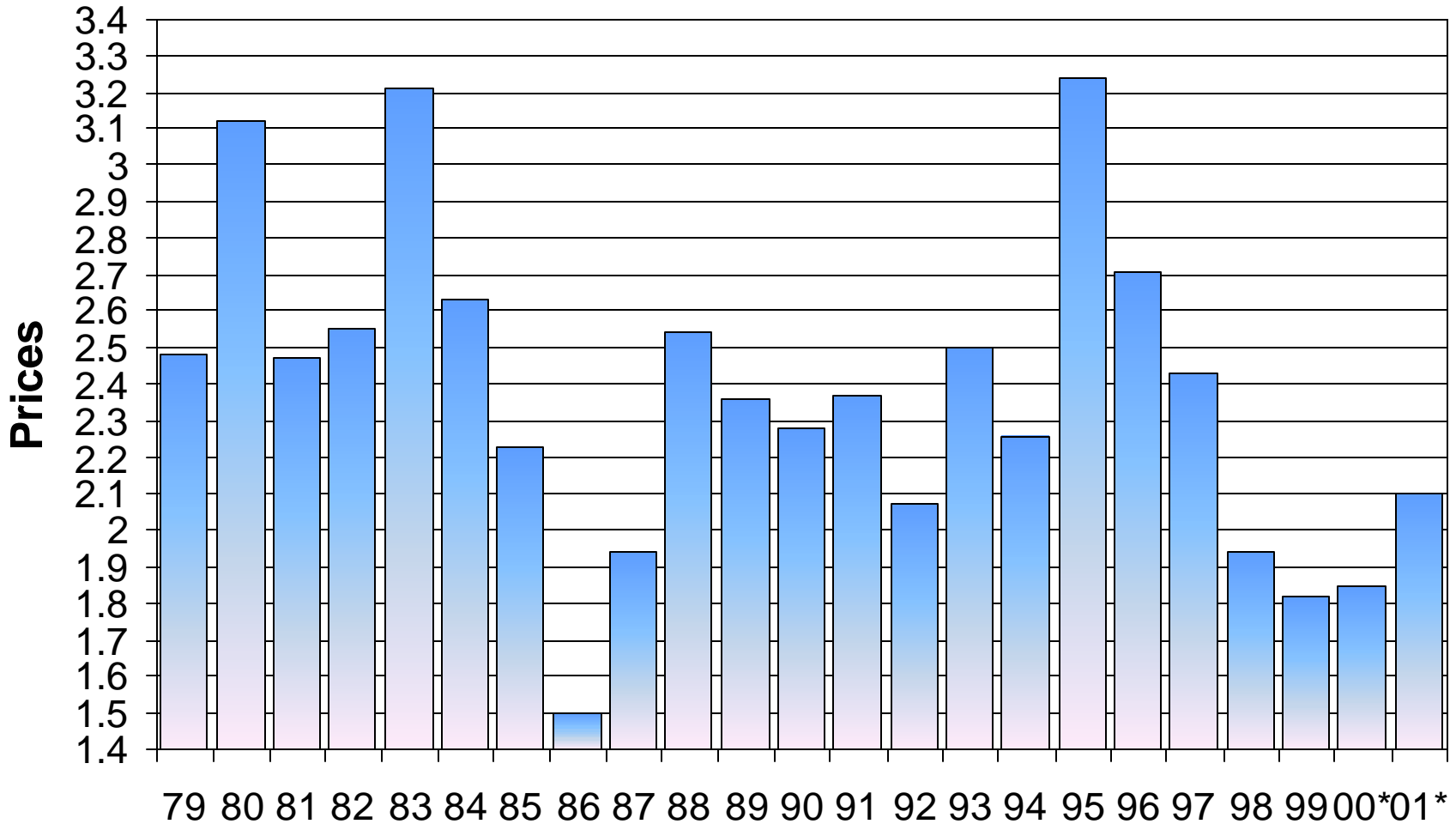
# US Corn Exports



# Ending Stocks of Corn



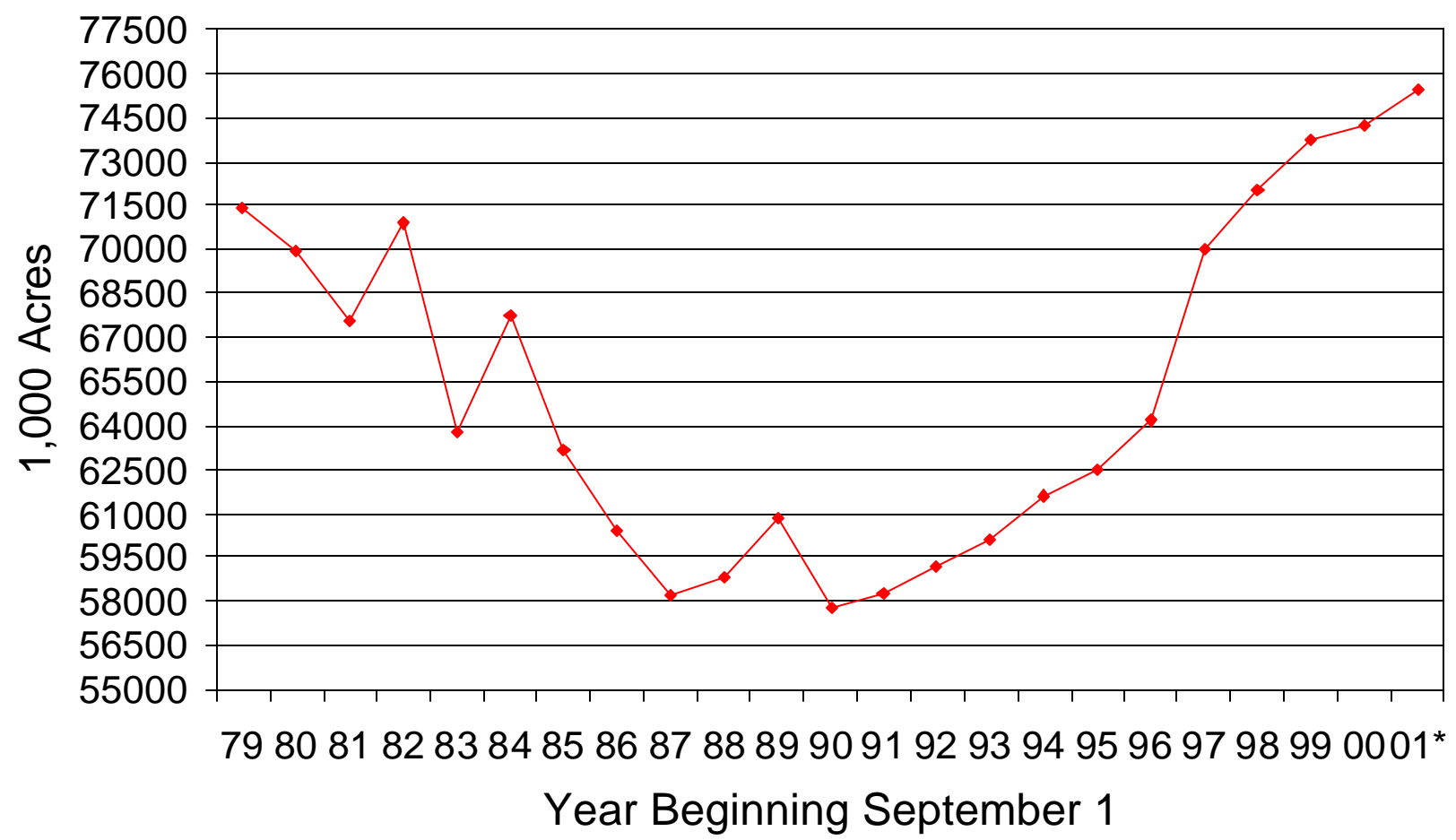
# Average Farm Price of Corn



\* projected



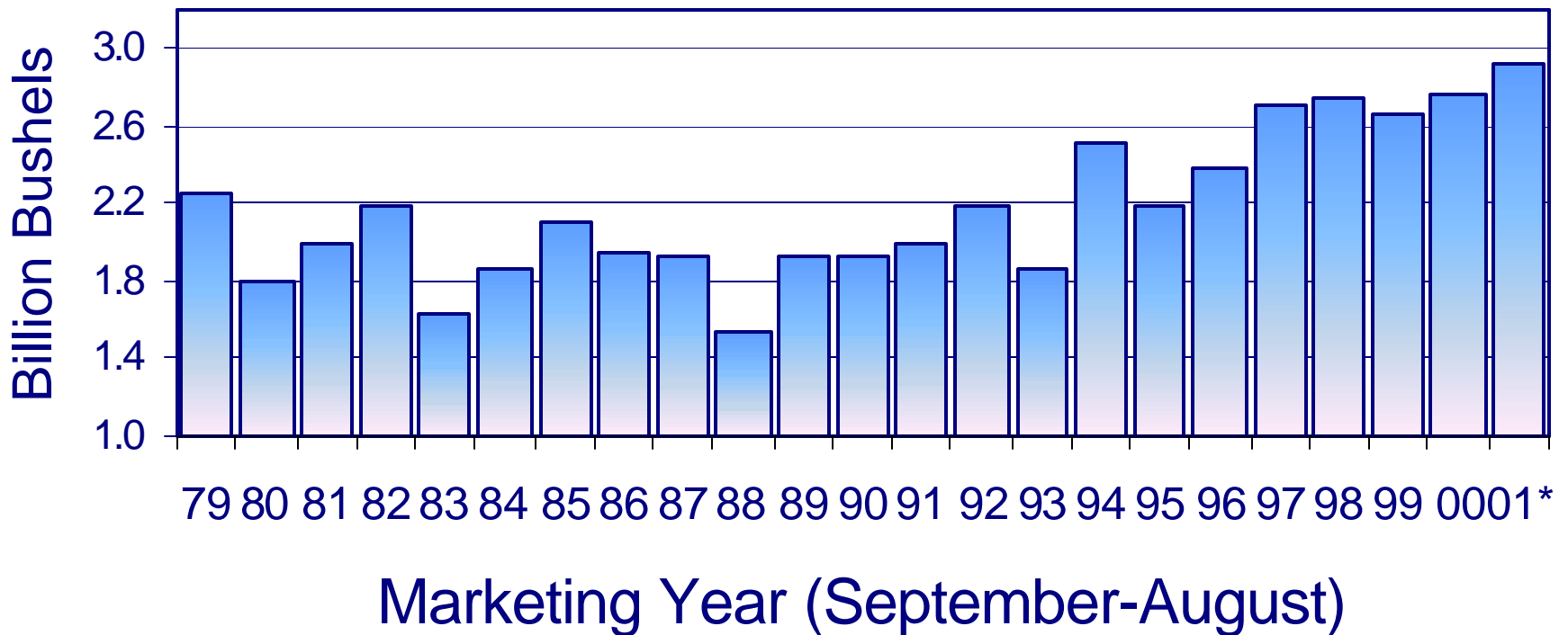
# US Soybean Acres Planted



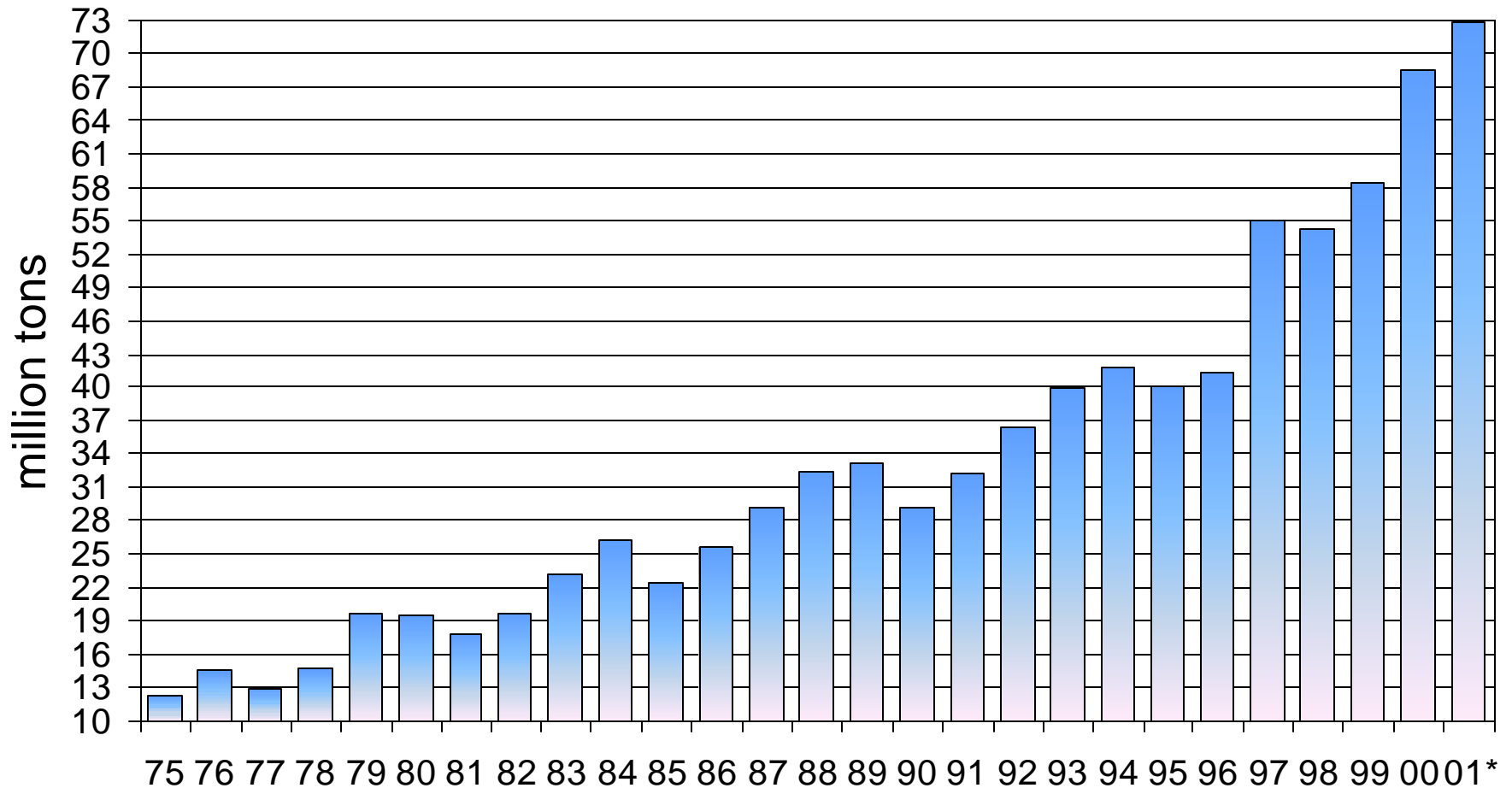
# US Soybean Yields



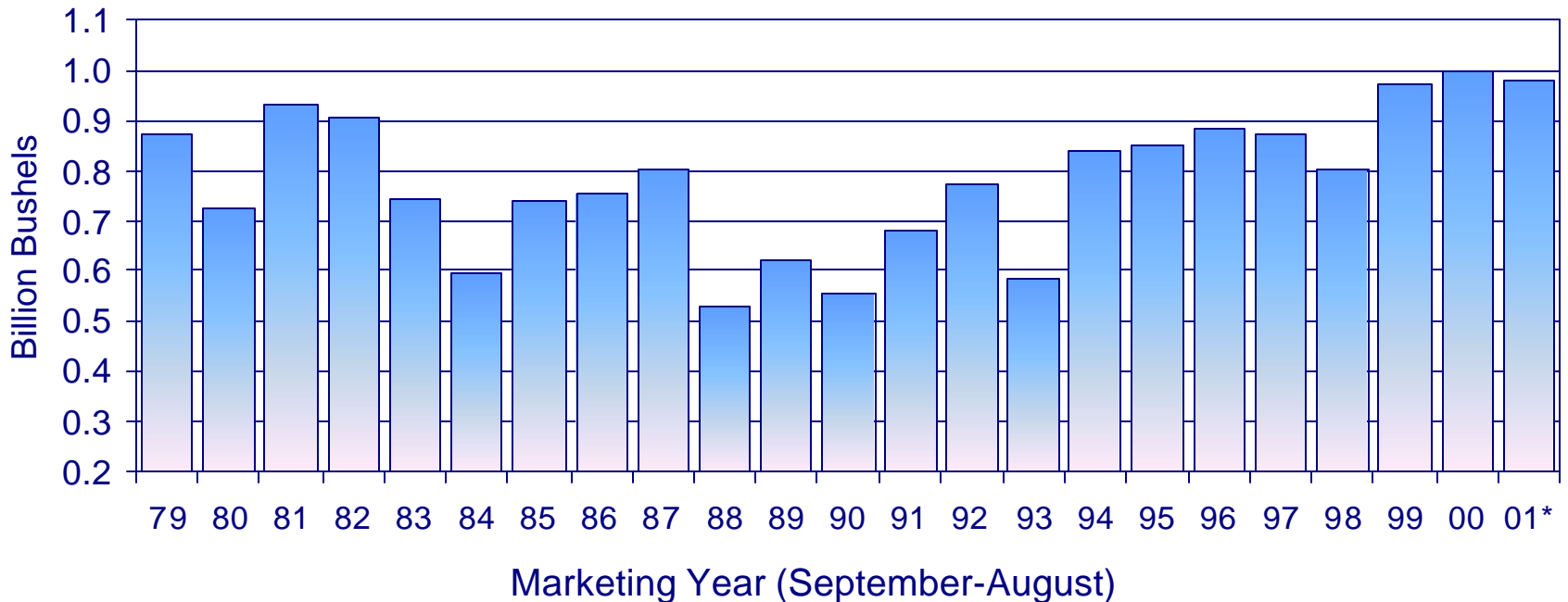
# US Soybean Production



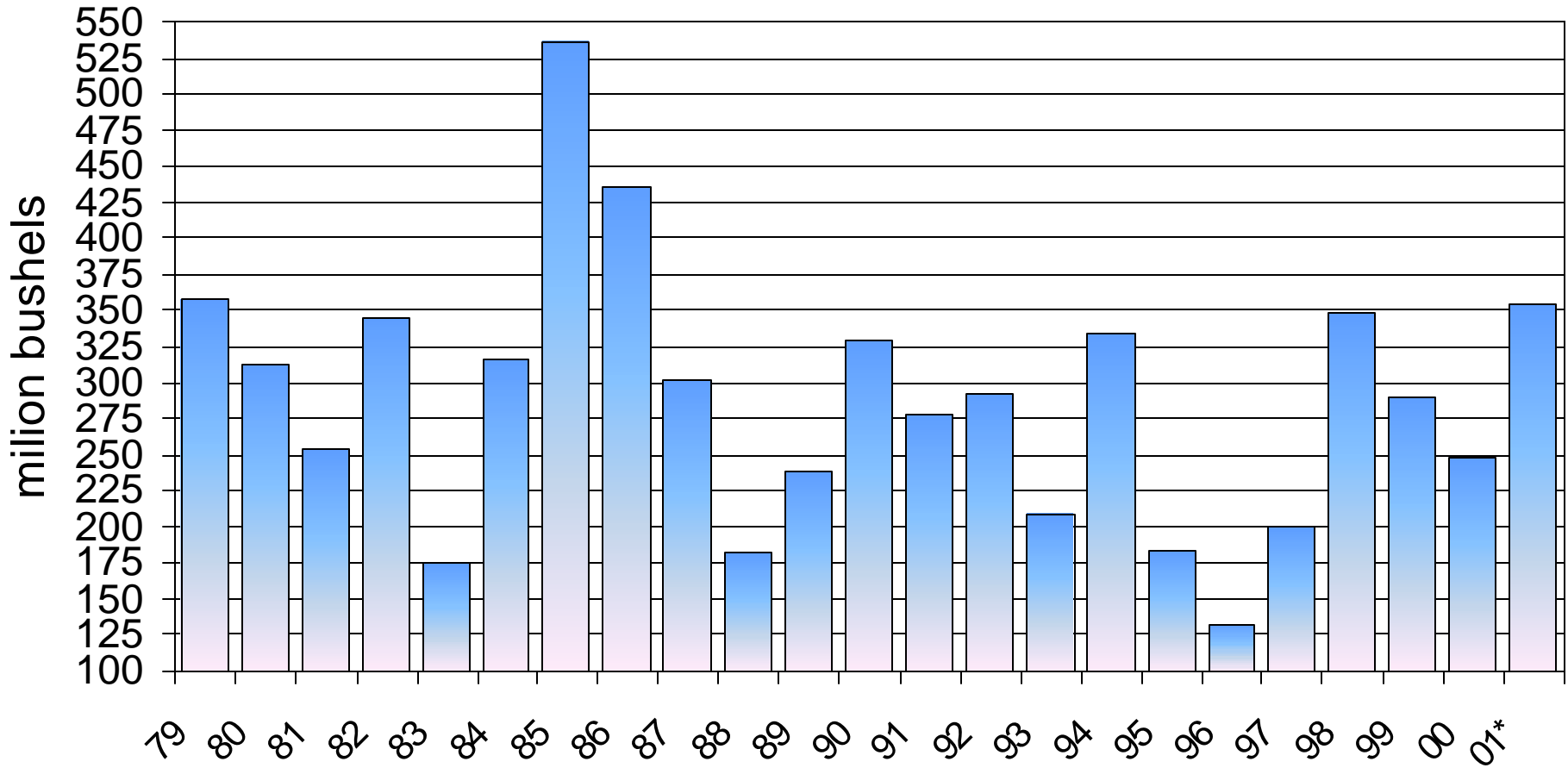
# South American Soybean Production



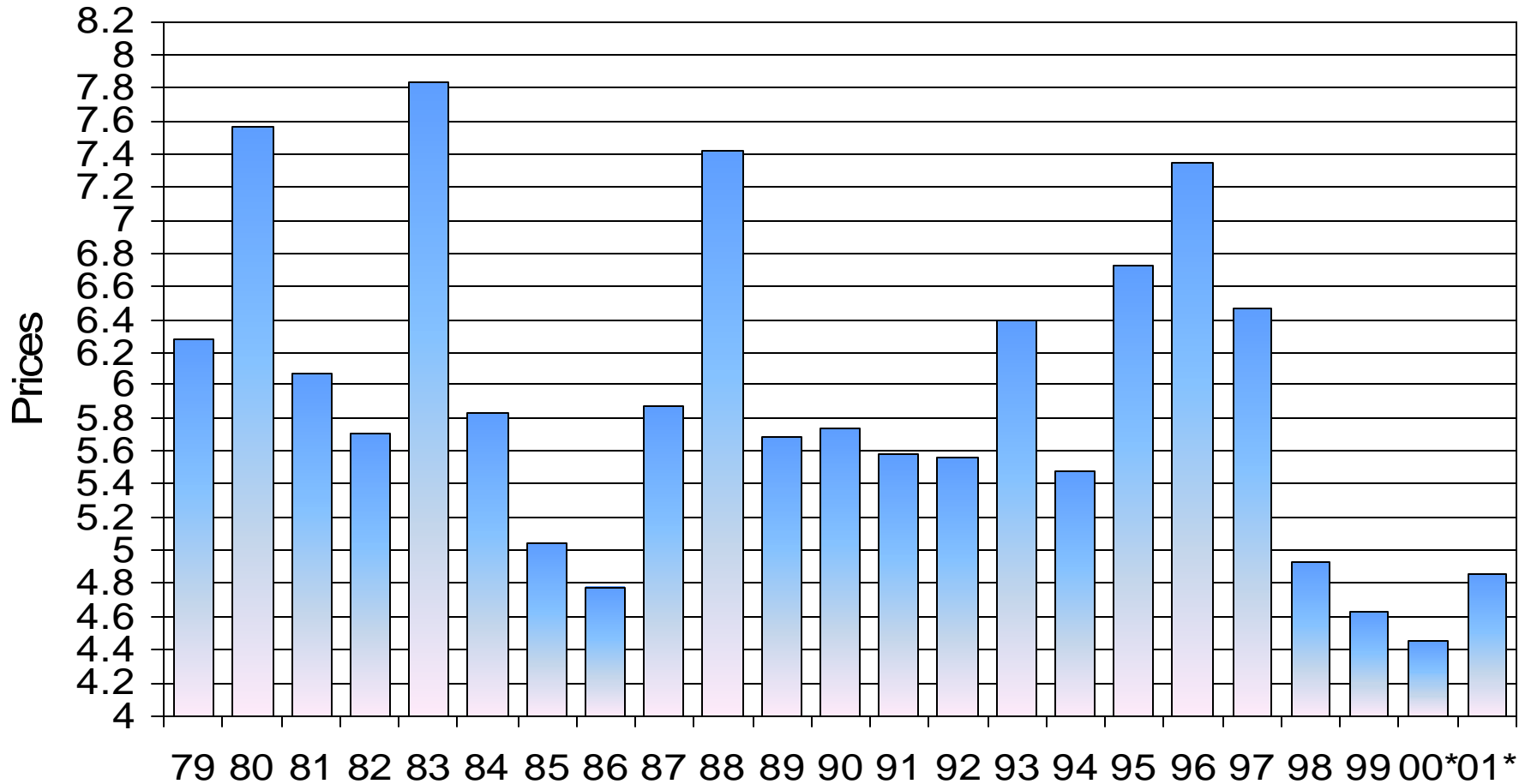
# US Soybean Exports



# Ending Stocks of Soybeans

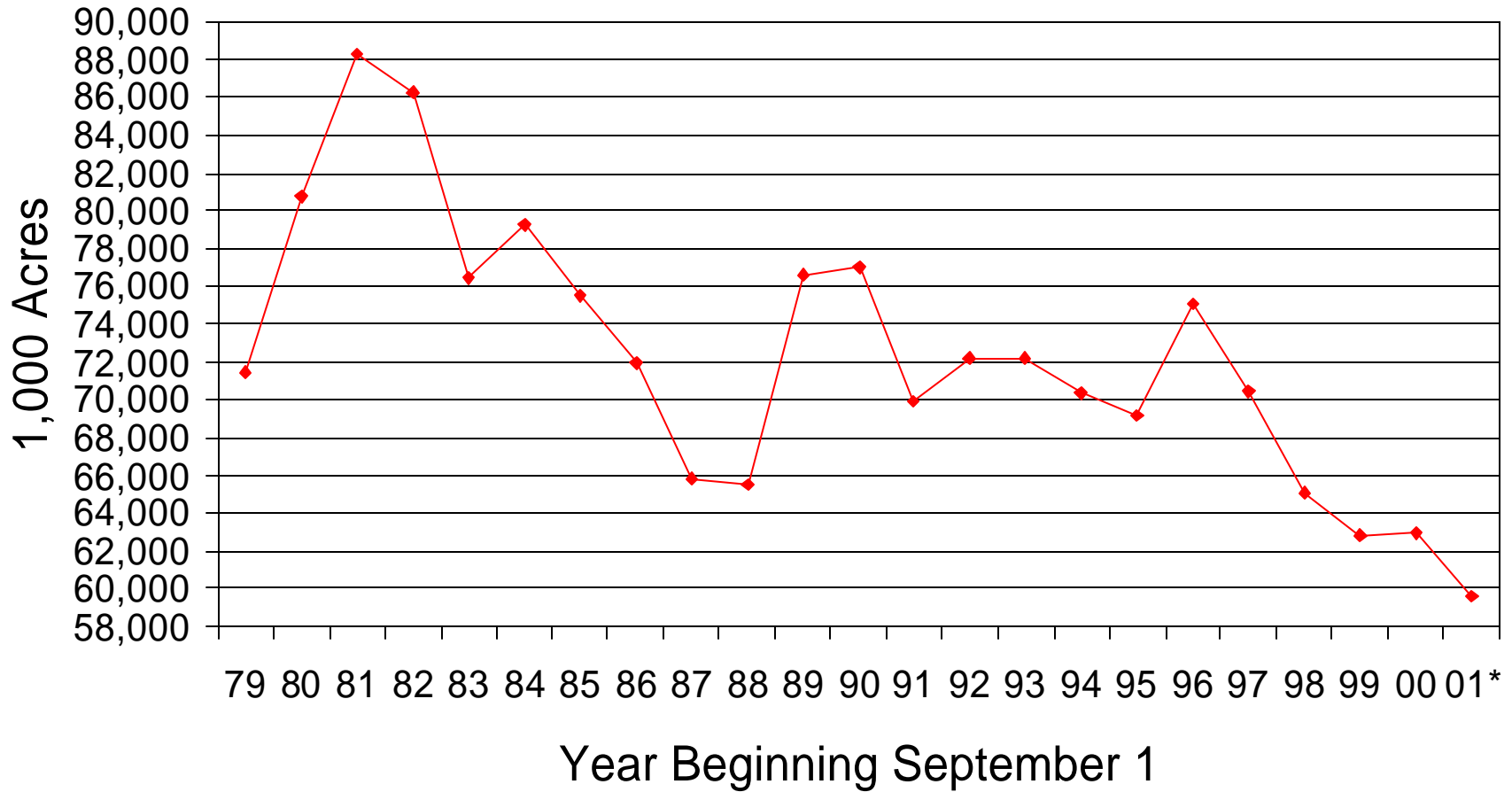


# Average Farm Price of Soybeans



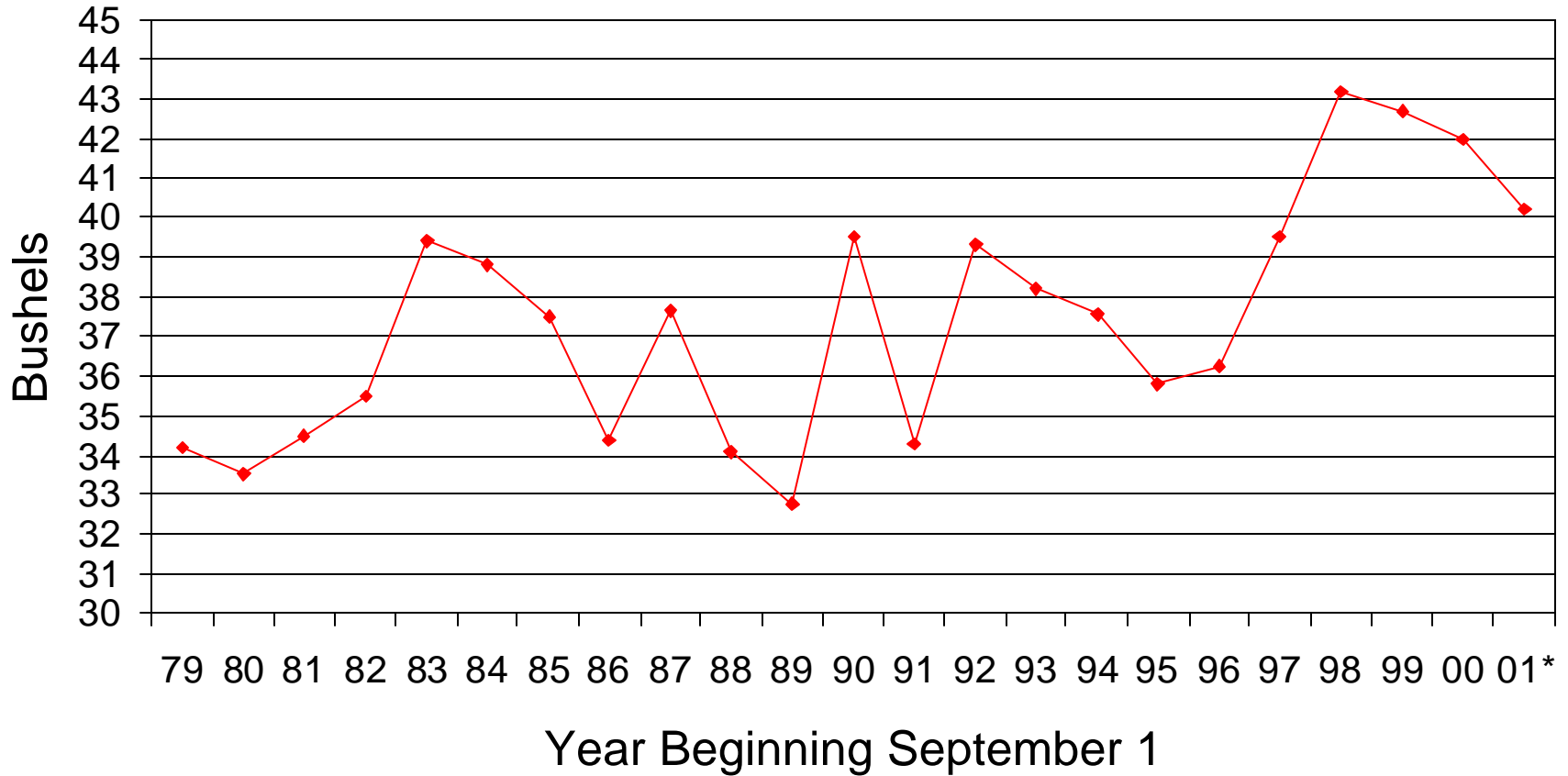
\* projected

# US Wheat Acres Planted

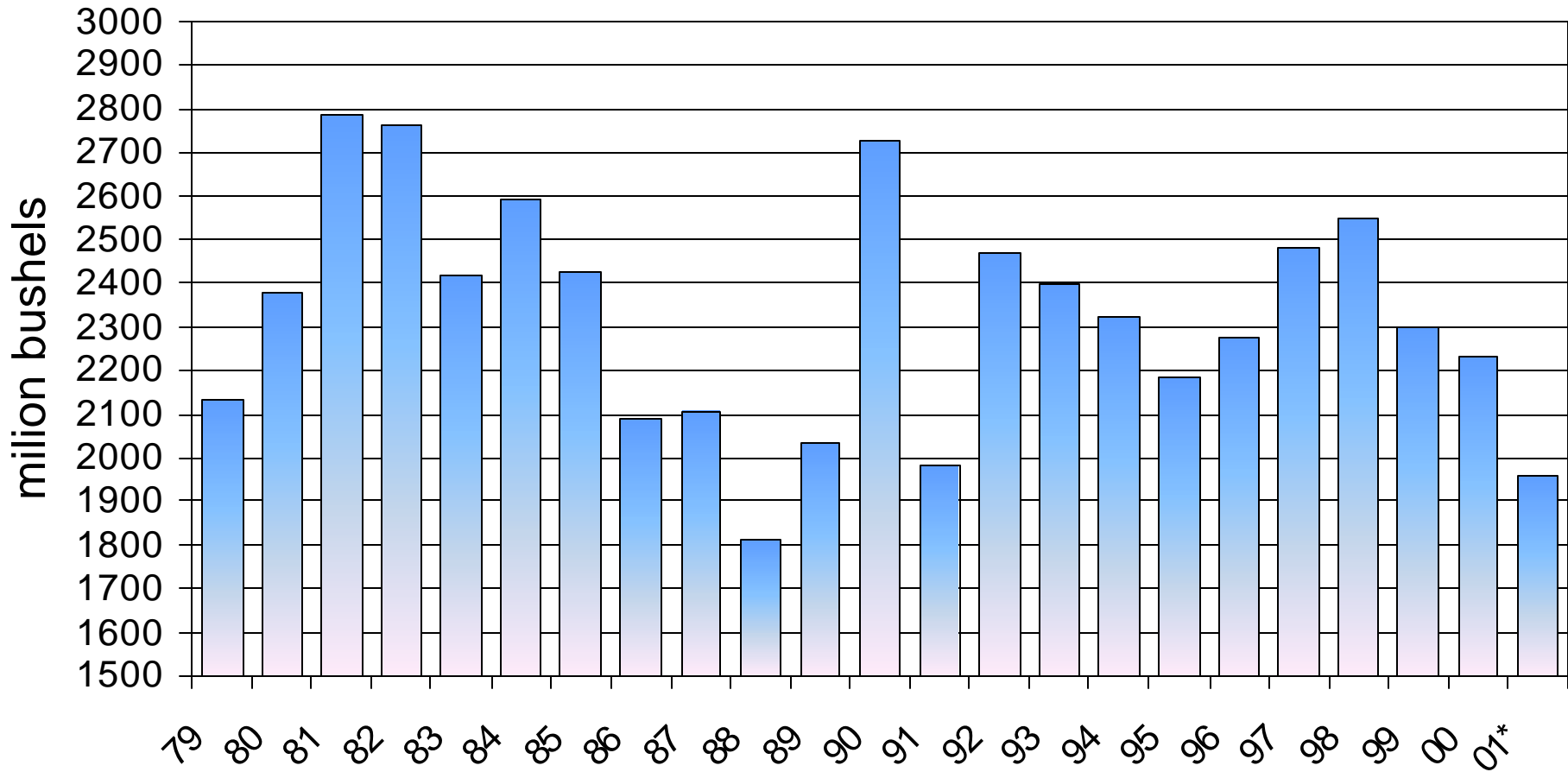




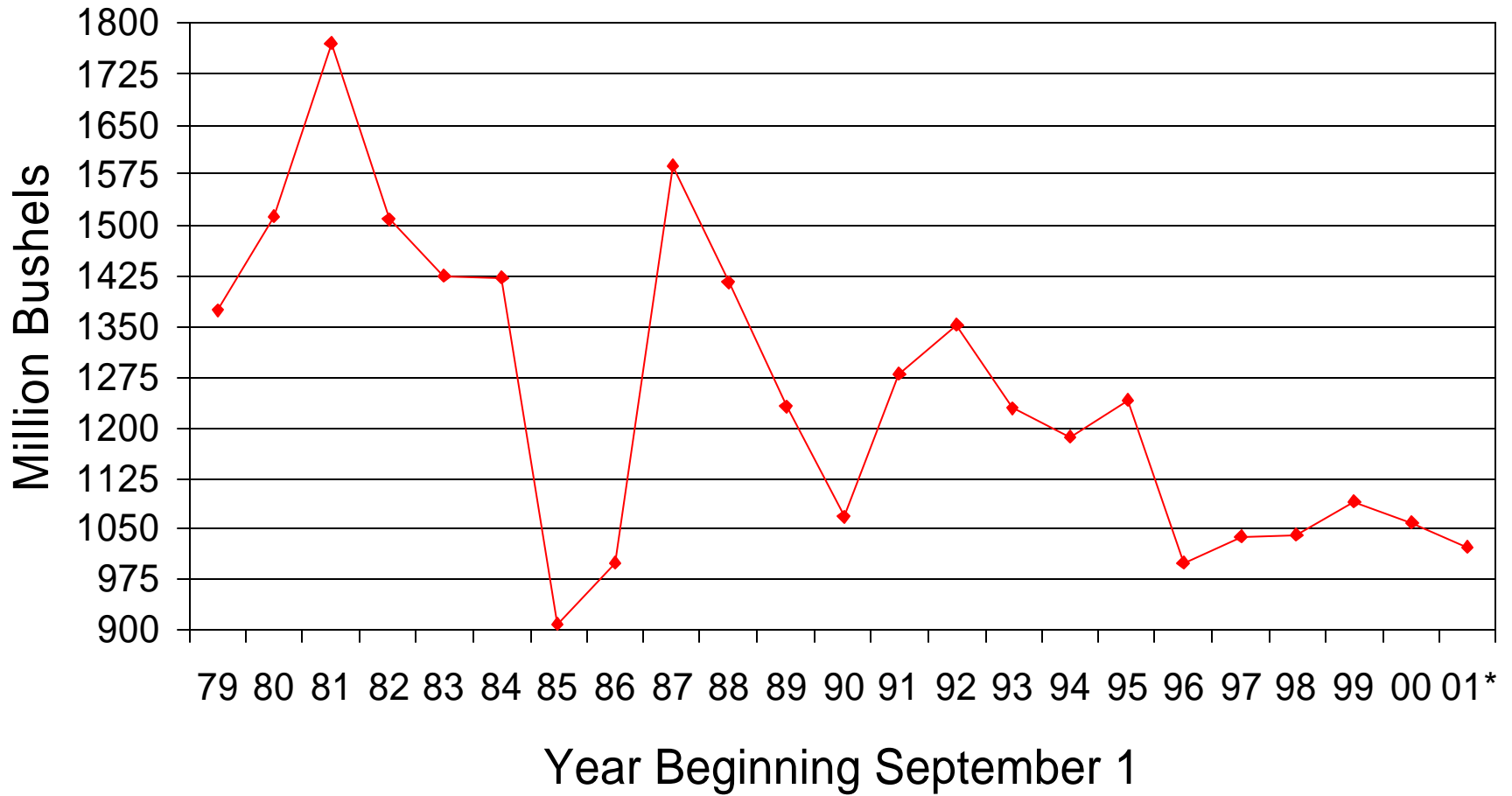
# US Wheat Yield Per Acre



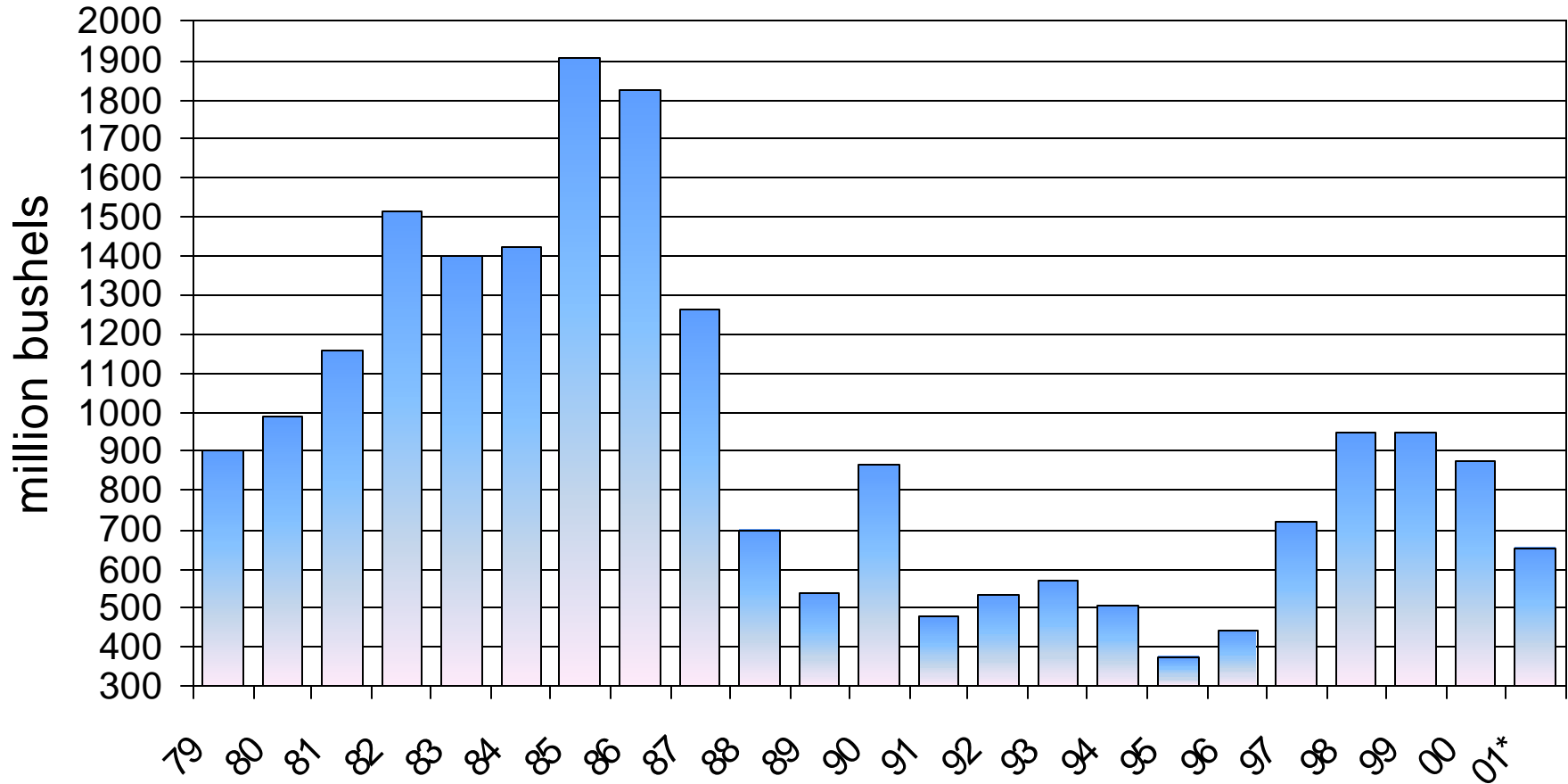
# US Wheat Production



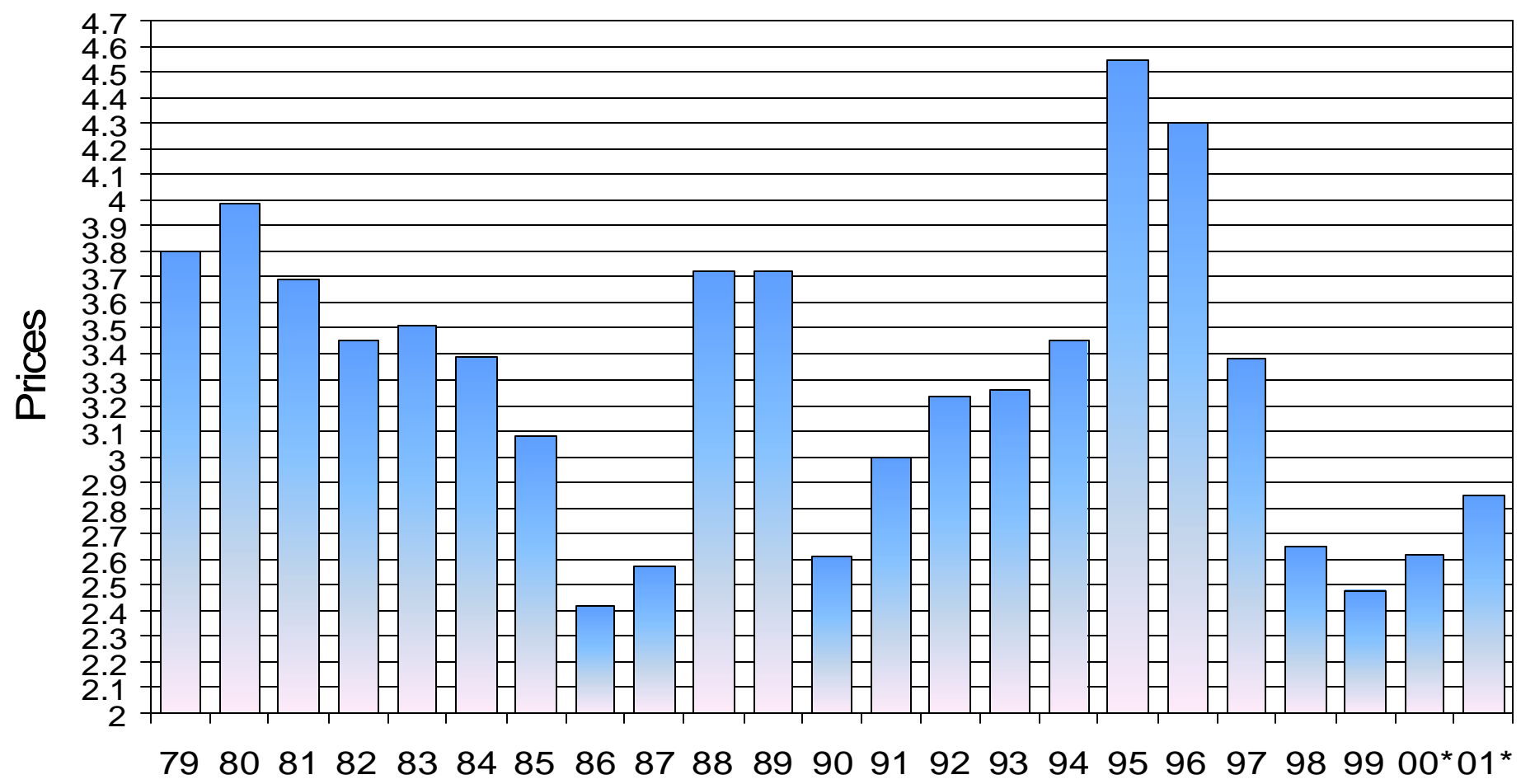
# US Wheat Exports



# Ending Stocks of Wheat

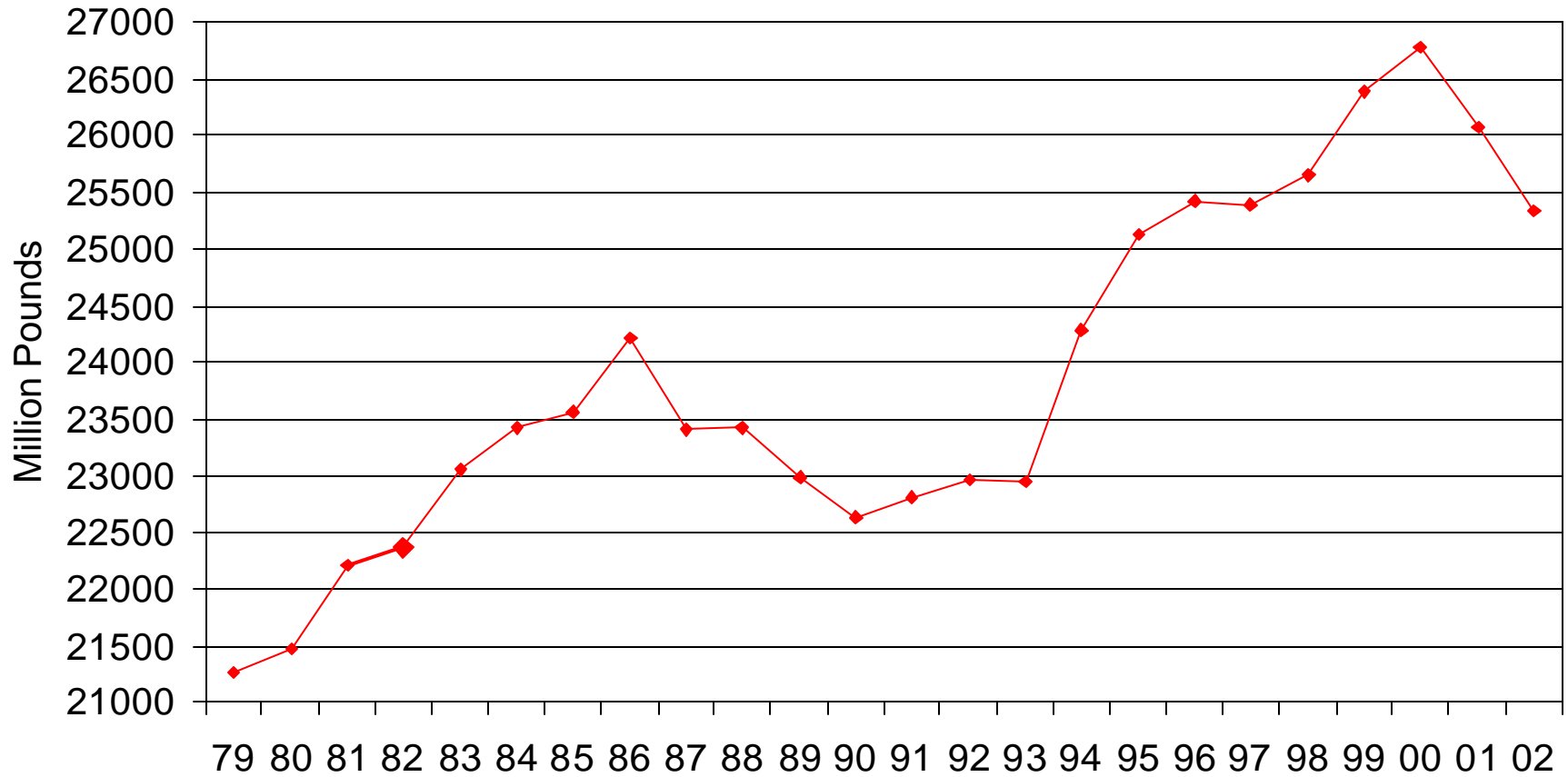


# Average Farm Price of Wheat

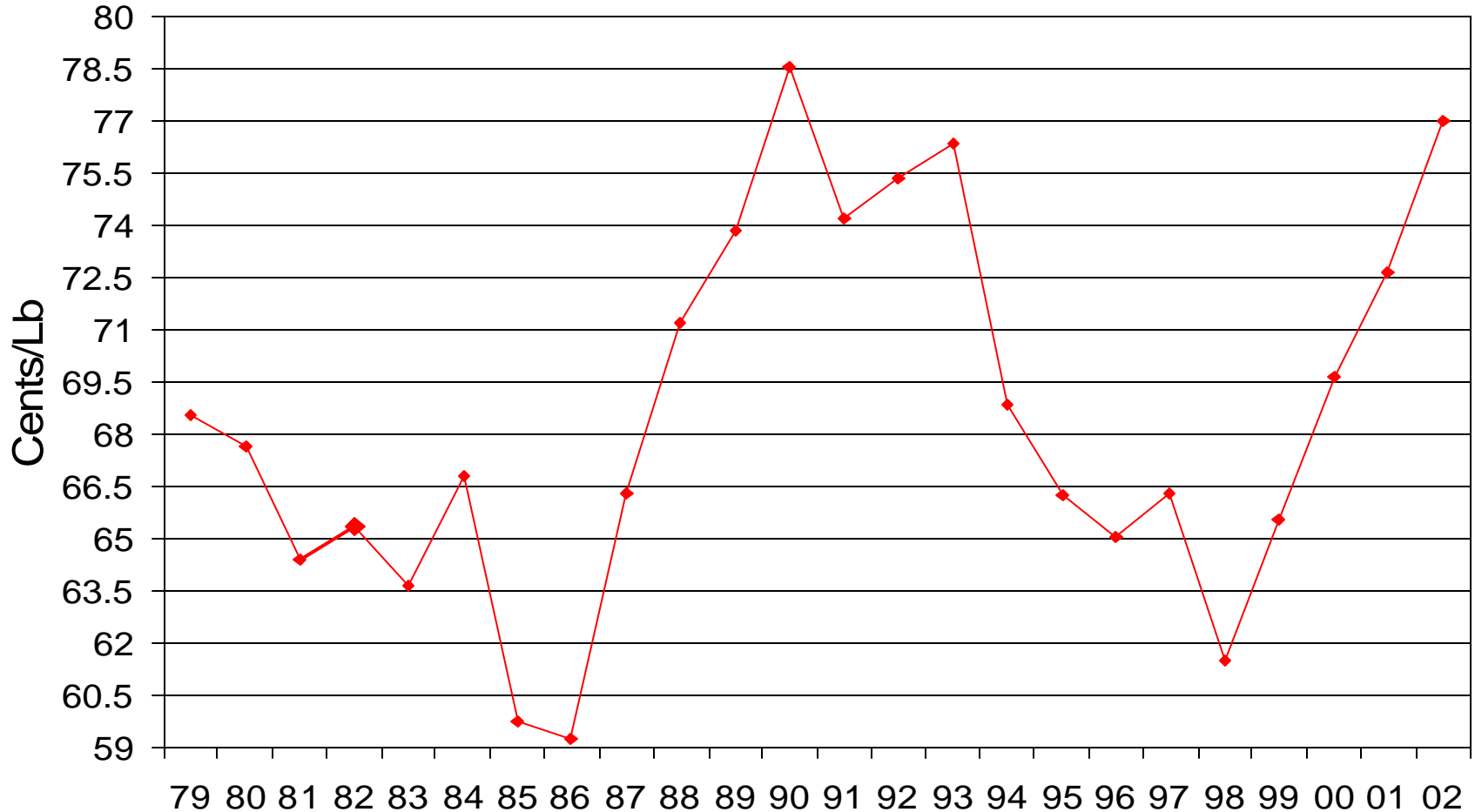


\* projected

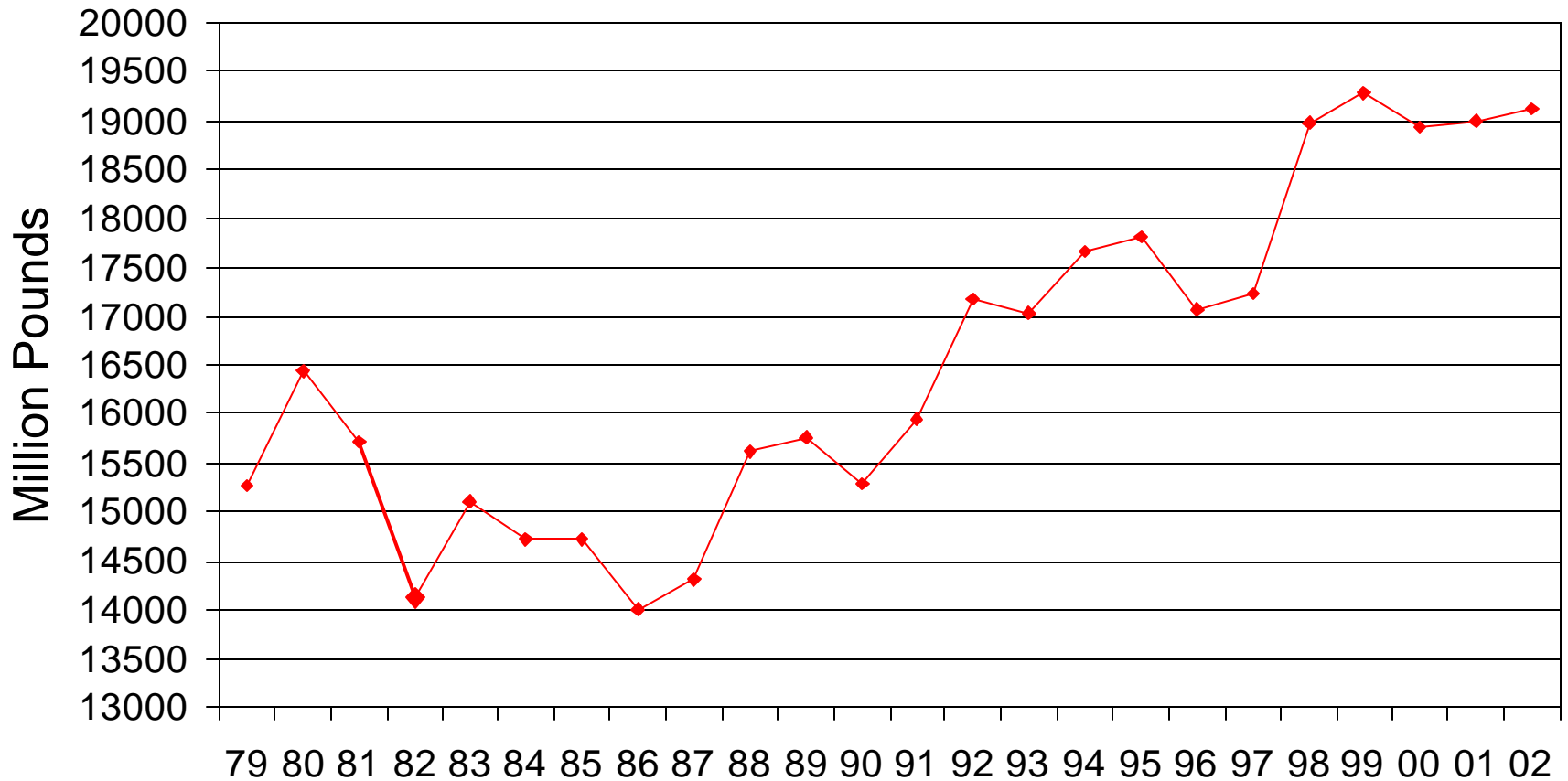
# US Commercial Beef Production



# Slaughter Steer Price



# US Commercial Pork Production





# Hog Prices (Barrows and Gilts, U.S.)

