



# Can One Monster Crop End the New Era of Grain Prices?

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University of Illinois



COMMODITIES

# U.S. Corn Prices Fall to Five-Year Low on Higher-than-Expected Supplies

Wheat Prices Also Falling, While Soybeans Are Up

<http://online.wsj.com/articles/u-s-corn-stockpiles-rise-after-sharp-increase-in-output-1412093706>

## Low corn prices have widespread impact on U.S. agriculture

Christopher Doering,, Gannett Washington  
Bureau

11:20 p.m. CDT August 9,  
2014

<http://www.desmoinesregister.com/story/money/agriculture/2014/08/10/low-corn-prices-impact-agriculture/13819129/>

October 10, 2014

Policy Pennings by Daryll E. Ray & Harwood D. Schaffer

### Local corn prices dip below \$2 in some areas

Even before the current farm bill was adopted, we shared our concern that a \$4 plus plateau in corn prices, which was being widely predicted, was in all likelihood no plateau at all. In our November 15,

<http://agpolicy.org/weekcol/741.html>

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Commentary by Daryll E. Ray & Harwood D. Schaffer

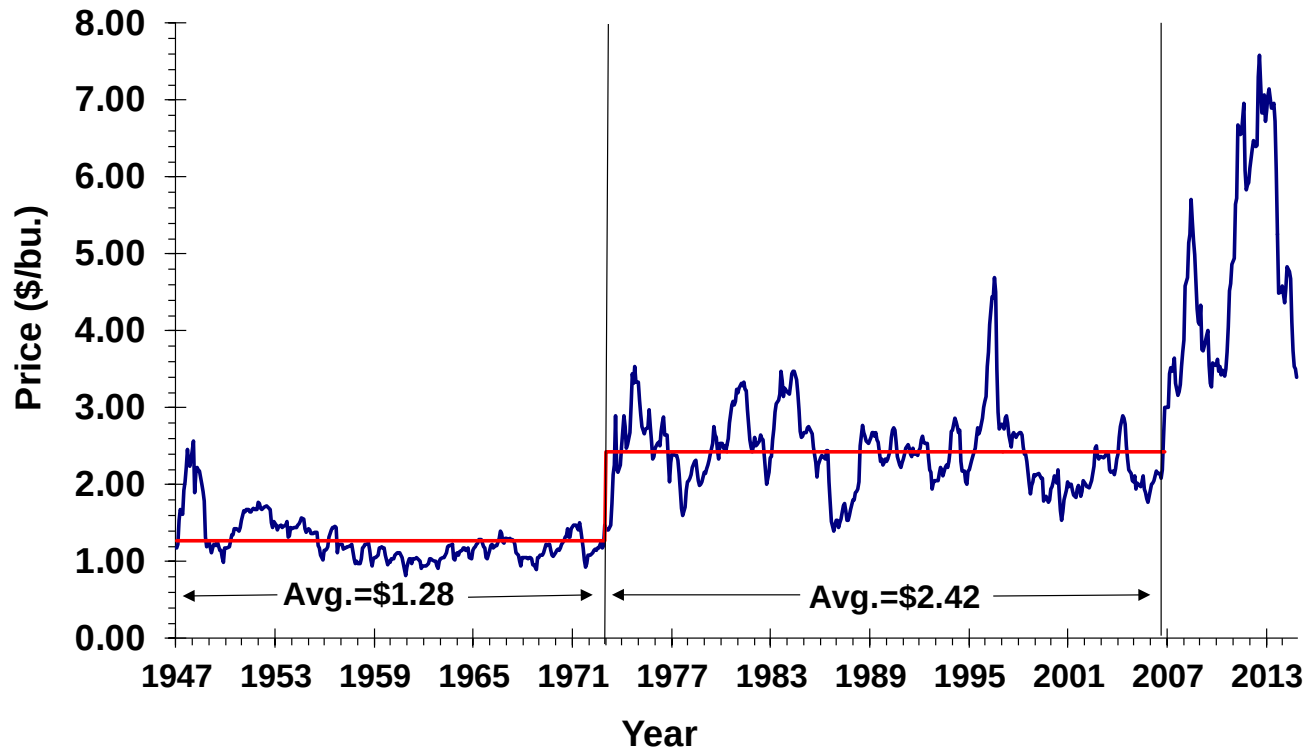
down \$2 in some areas

When the farm bill was adopted, we shared our concern that a \$4 plus plateau in corn prices, which was widely predicted, was in all likelihood no plateau at all. In our November 15,

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**“Uber-Bearish”**

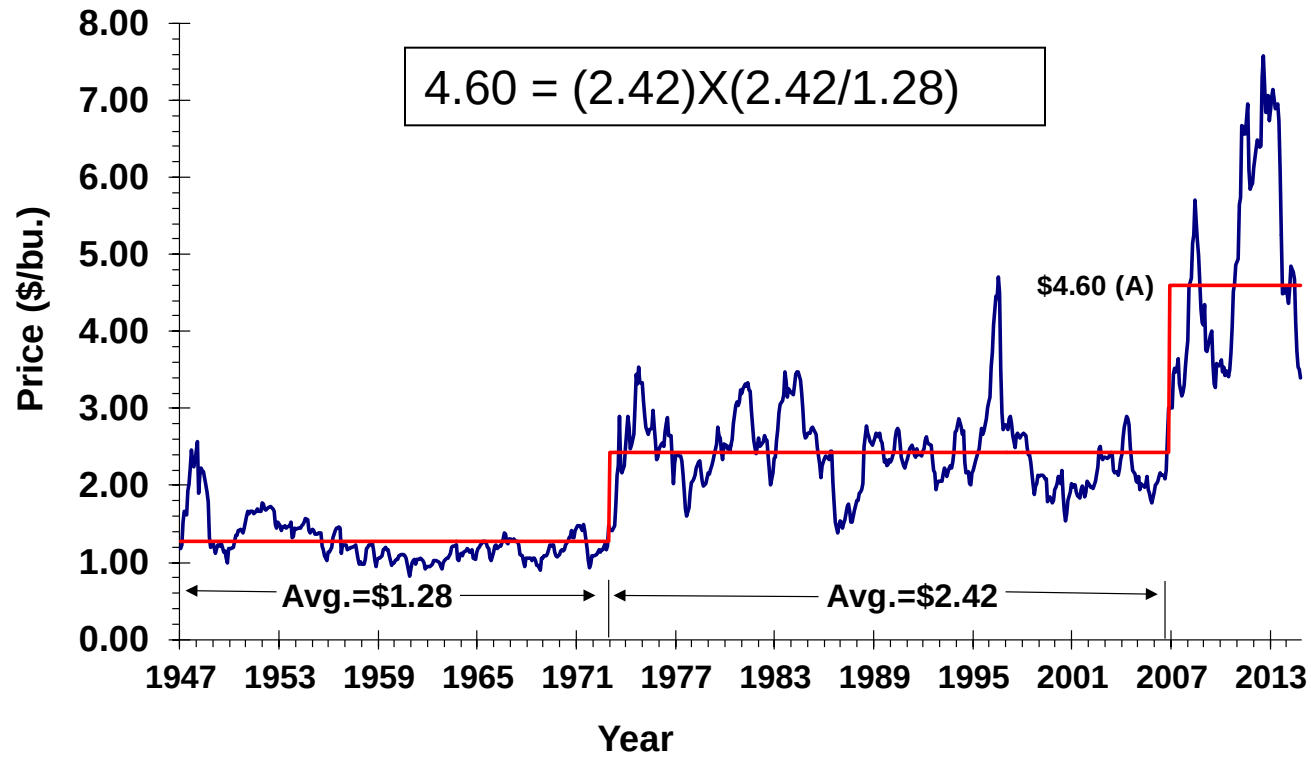
### Monthly Farm Price of Corn in Illinois, January 1947 - November 2014\*



Source: NASS/USDA

\*November: preliminary

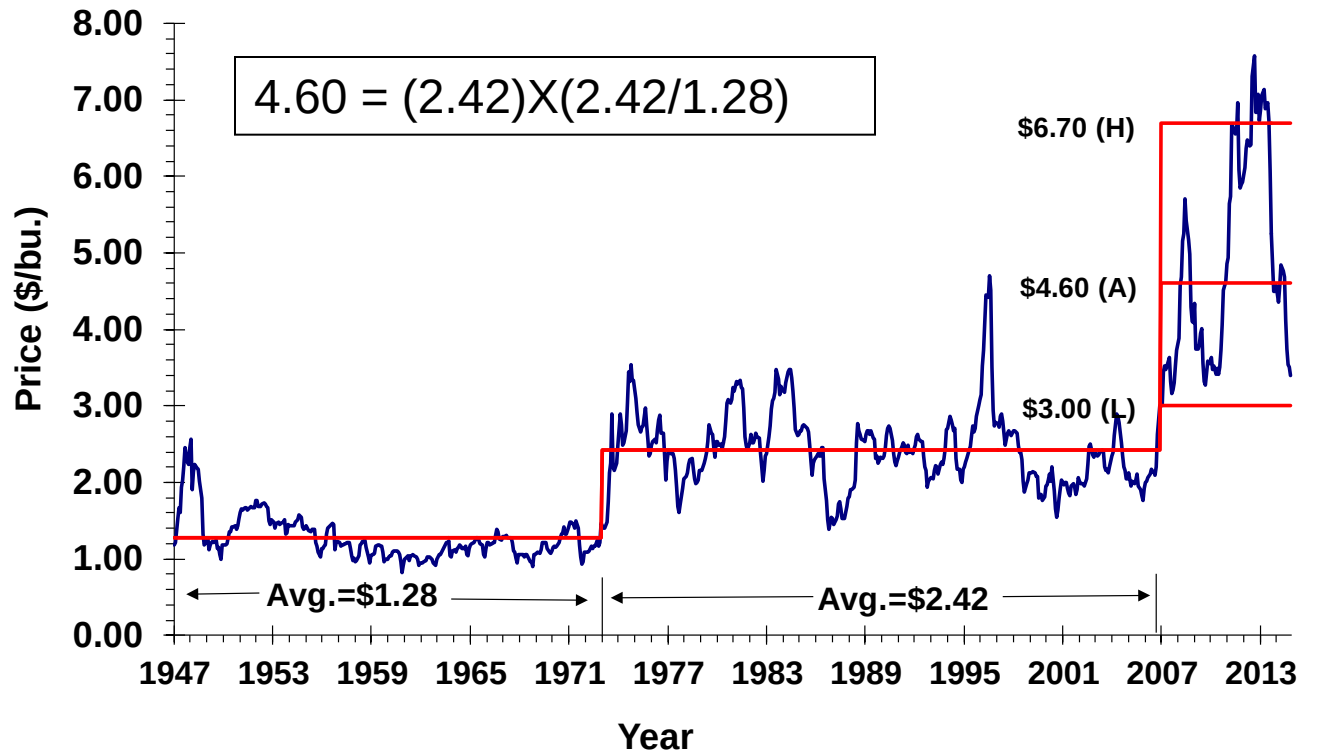
### Monthly Farm Price of Corn in Illinois, January 1947 - November 2014 and Projected Future Average\*



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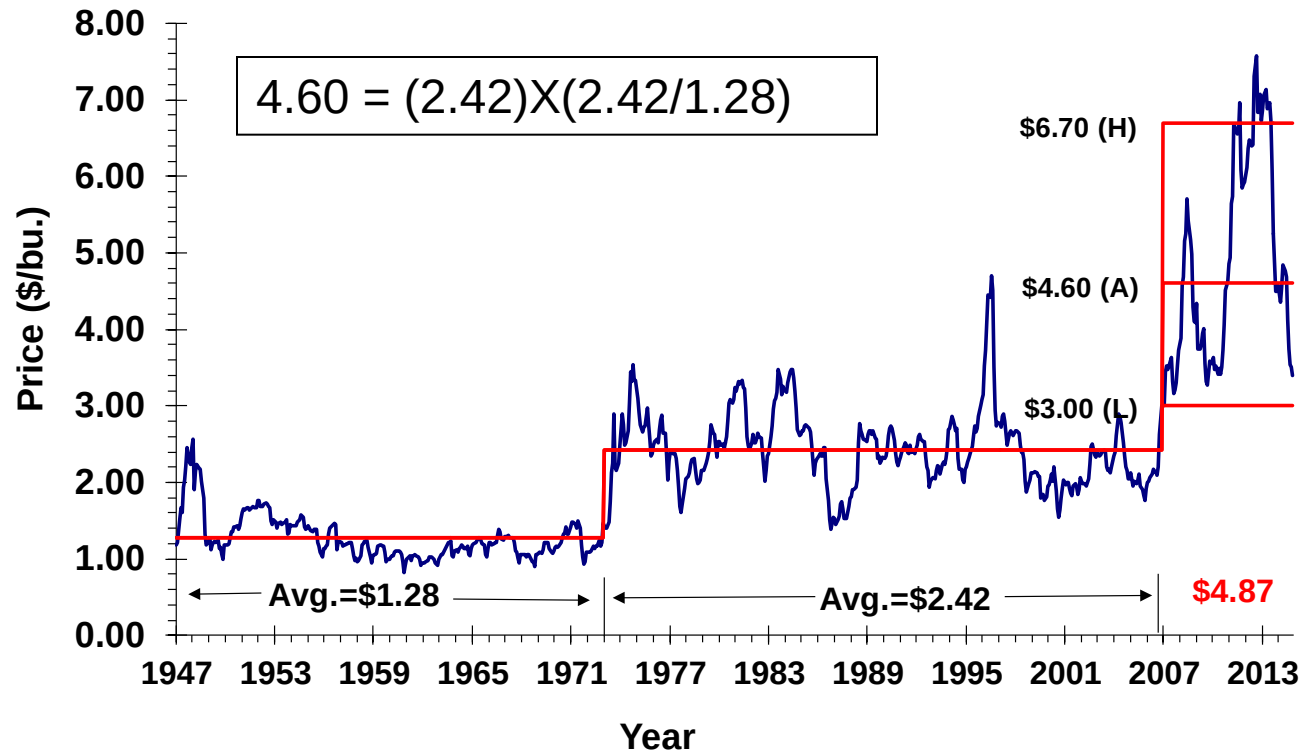
### Monthly Farm Price of Corn in Illinois, January 1947 - November 2014 and Projected Future Range\*



Source: NASS/USDA

\*H: High, A: Average, L: Low

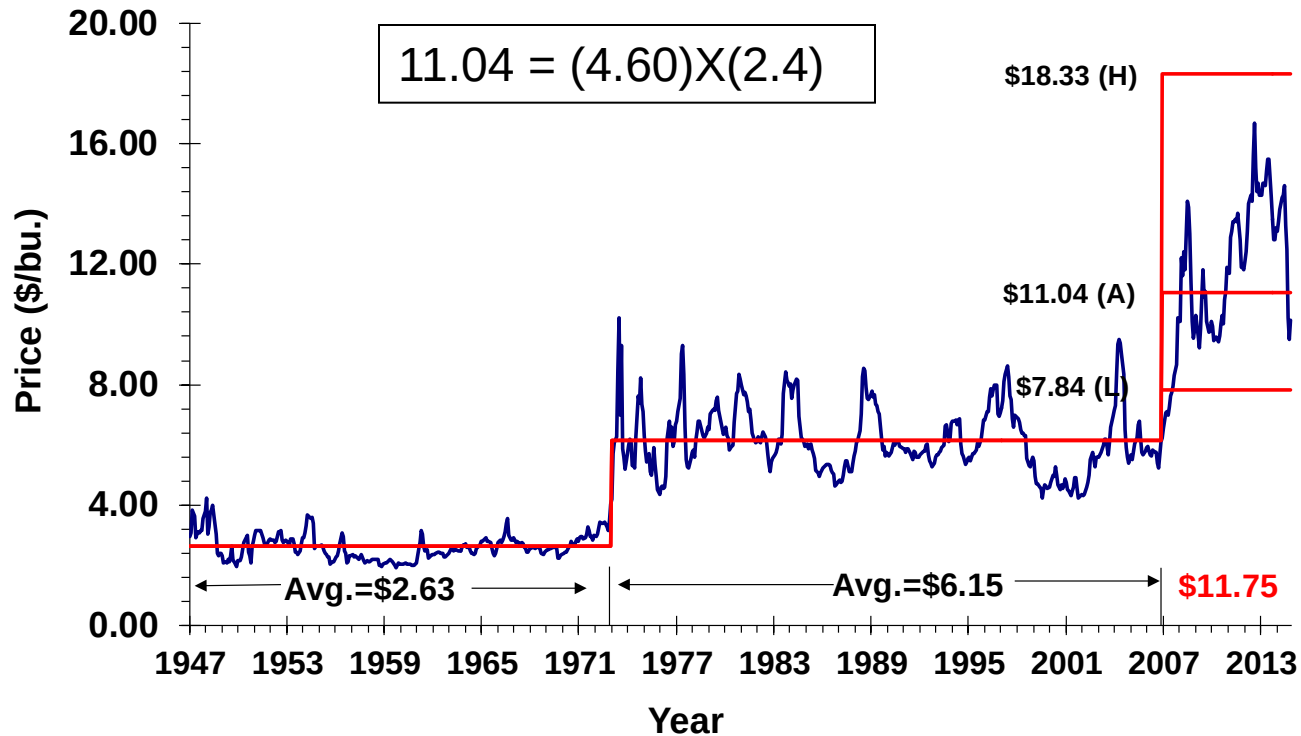
### Monthly Farm Price of Corn in Illinois, January 1947 - November 2014 and Projected Future Range\*



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### Monthly Farm Price of Soybeans in Illinois, January 1947 - November 2014 and Projected Future Range\*

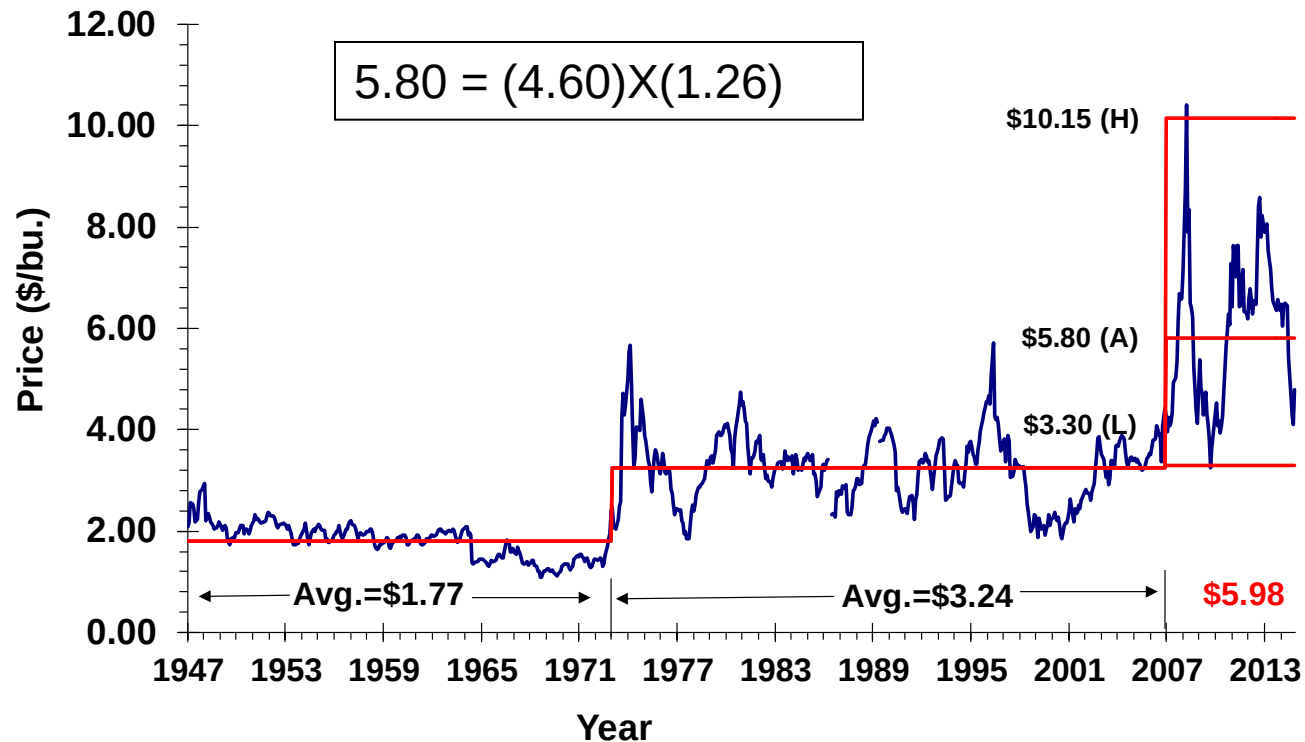


Source: NASS/USDA

\*H: High, A: Average, L: Low



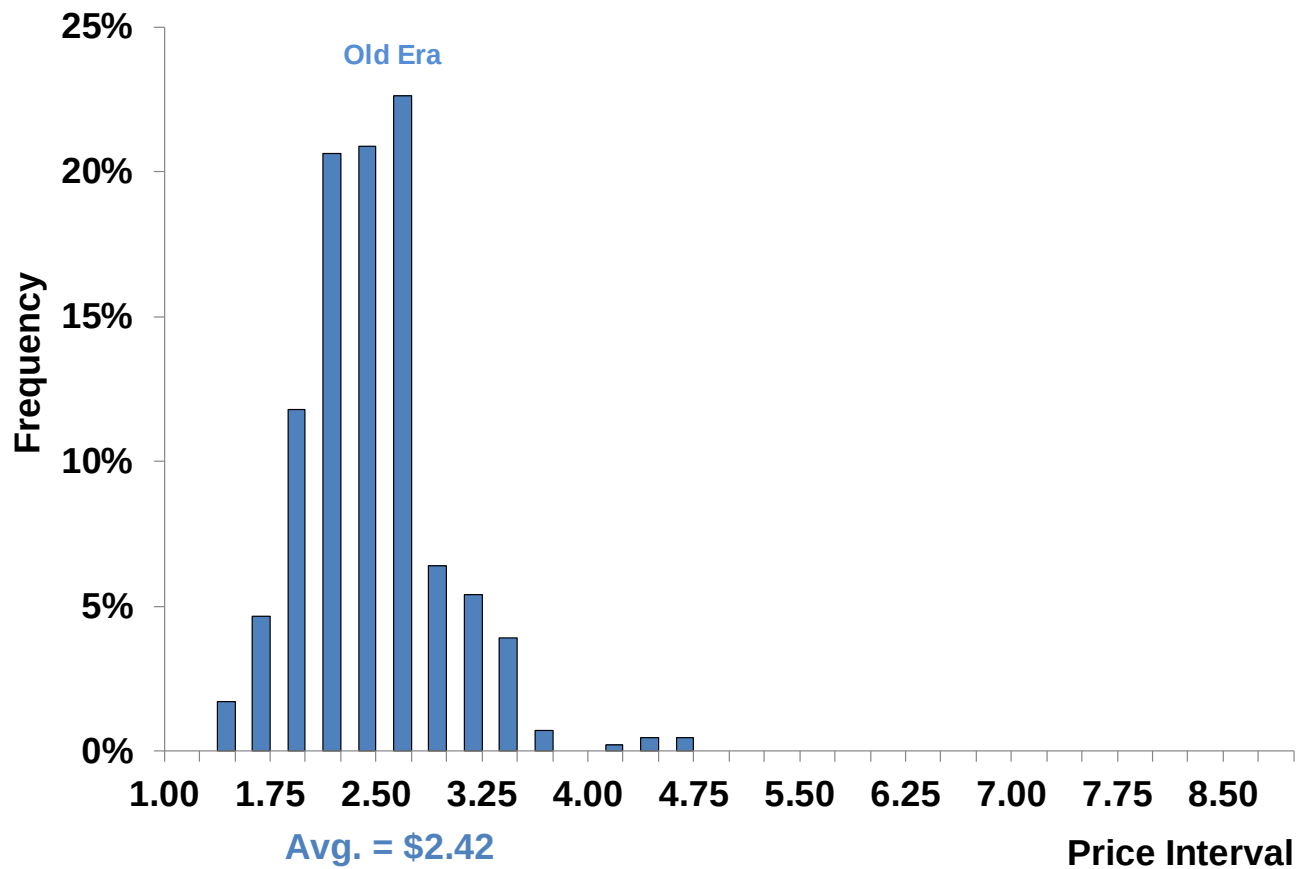
### Monthly Farm Price of Wheat in Illinois, January 1947 - November 2014 and Projected Future Range\*



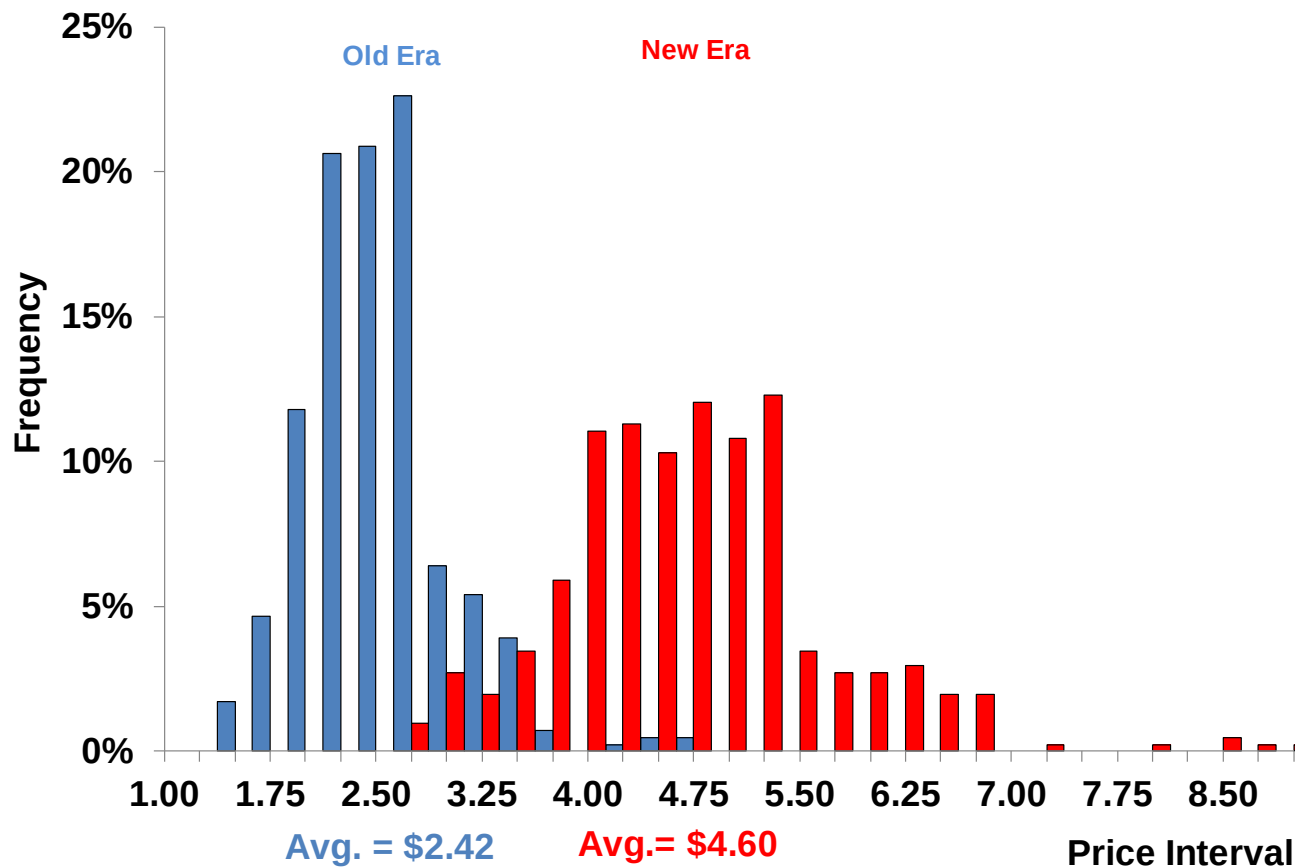
Source: NASS/USDA

\*H: High, A: Average, L: Low

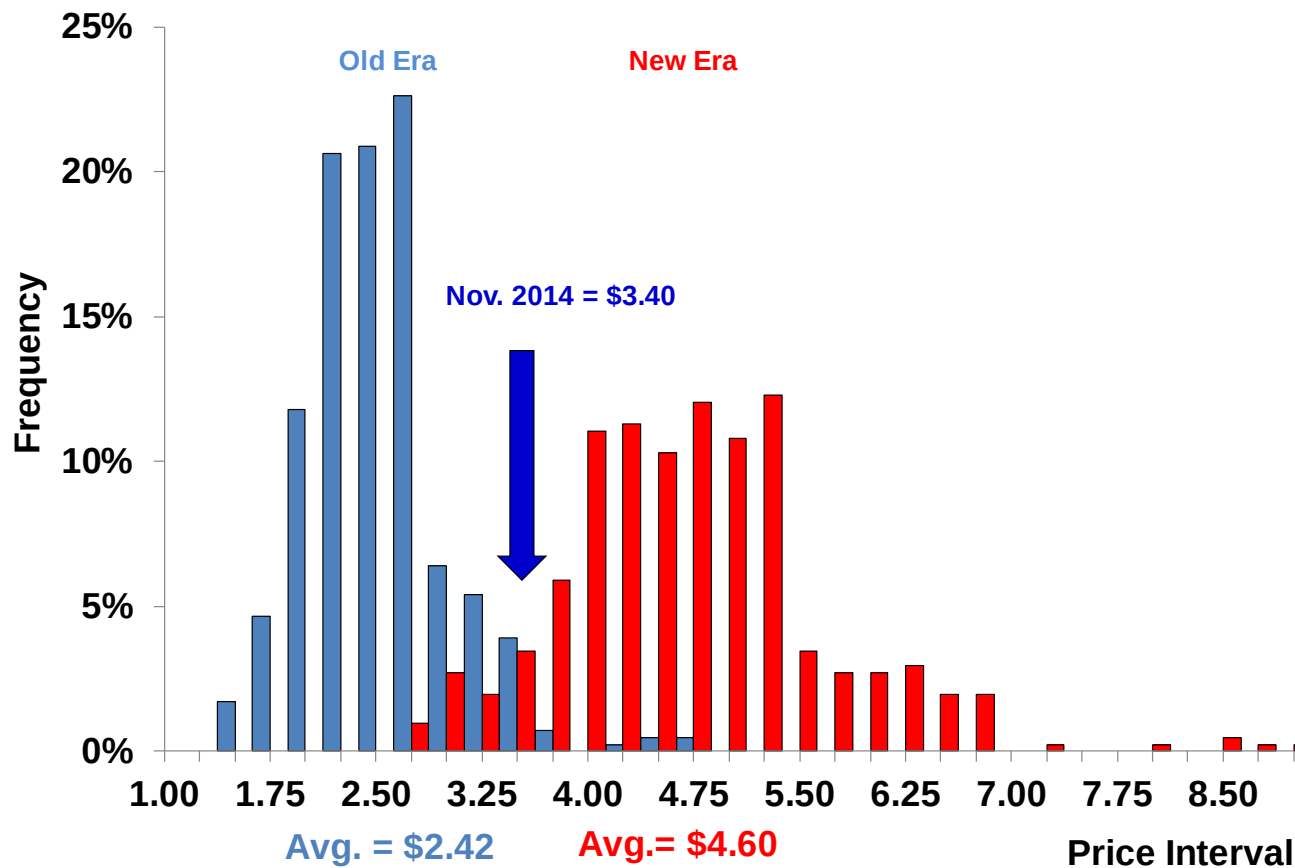
**Projected Distribution of the Monthly Farm Price of Corn in Illinois during the Old and New Eras**



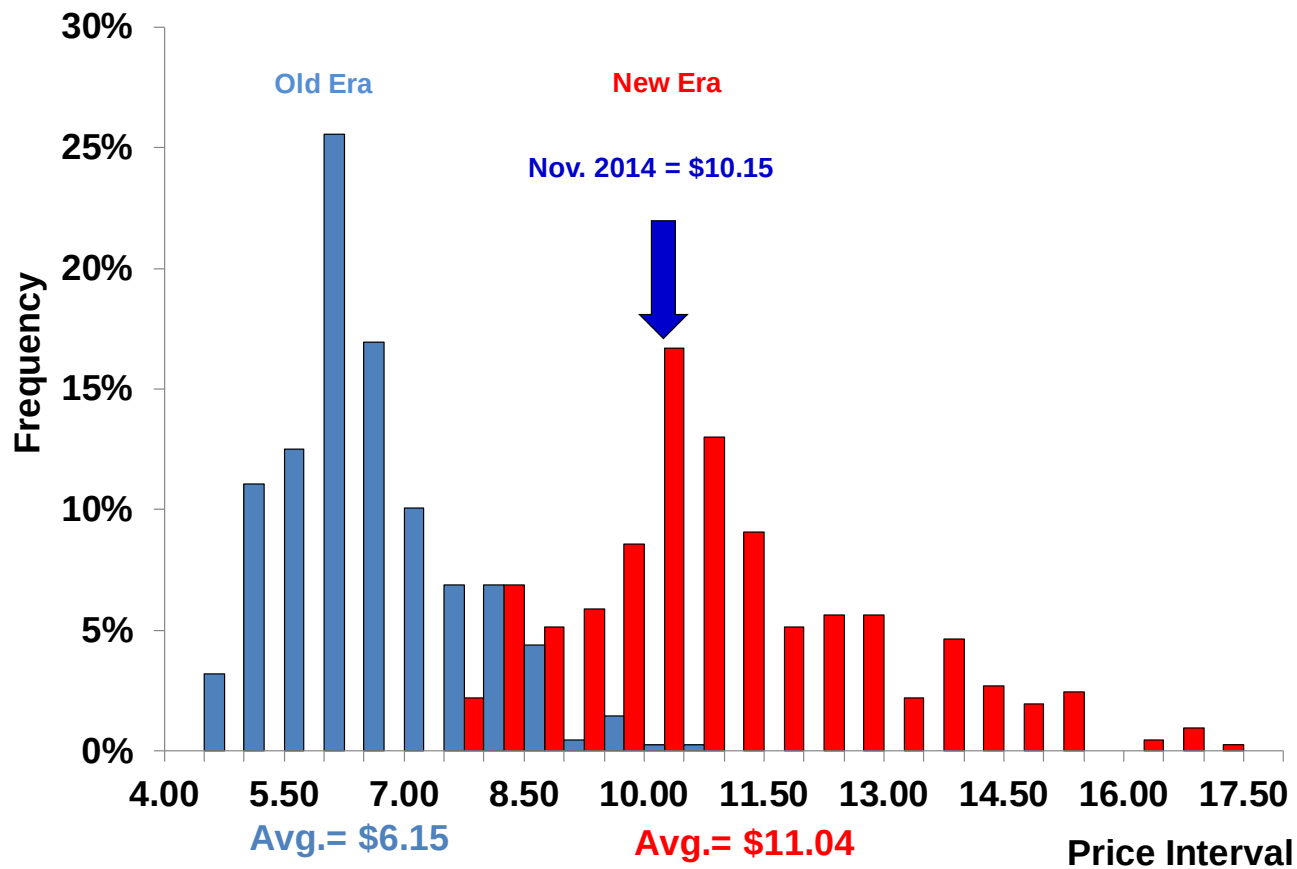
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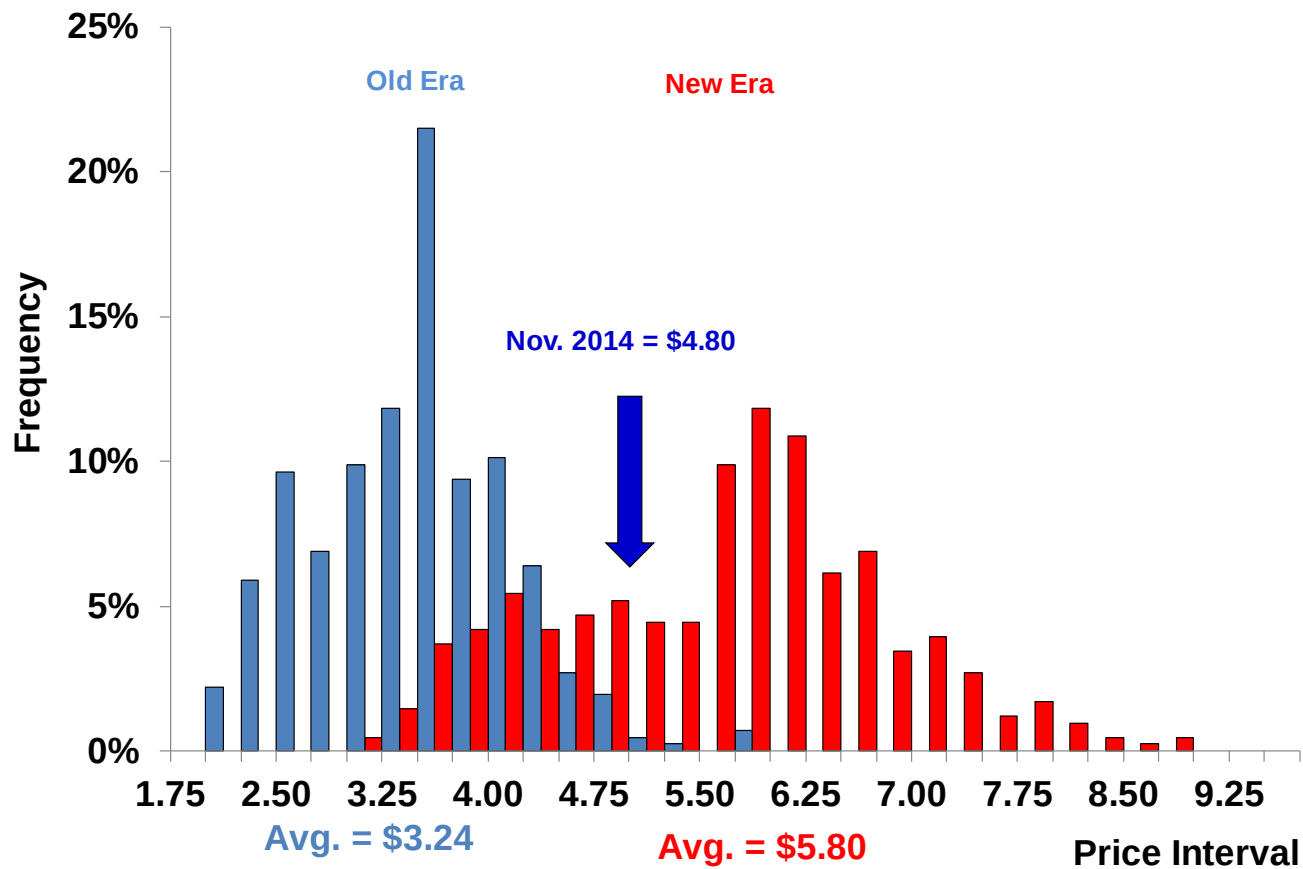
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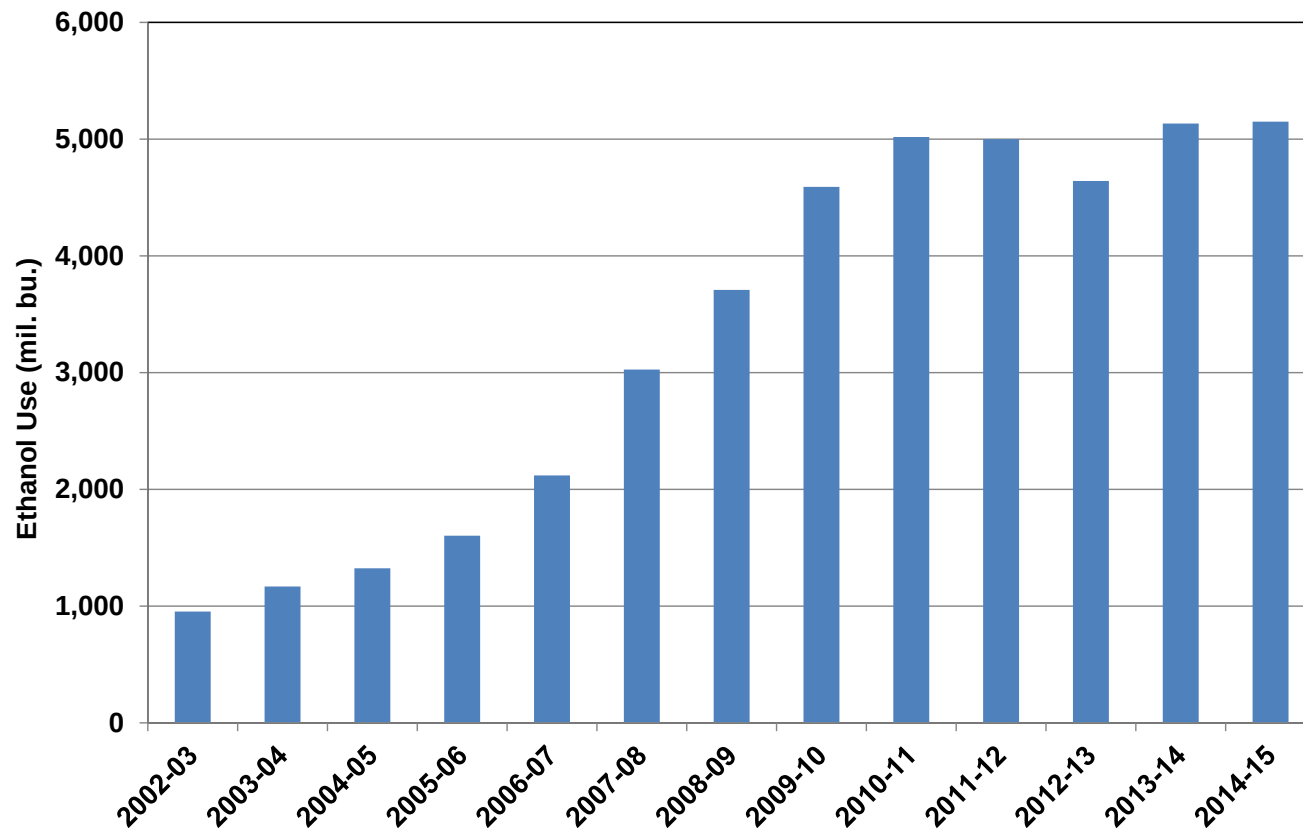
### Projected Distribution of the Monthly Farm Price of Soybeans in Illinois during the Old and New Eras



### Projected Distribution of the Monthly Farm Price of Wheat in Illinois during the Old and New Eras



### U.S. Corn Use For Ethanol, 2002-03 - 2014-15 Marketing Years\*

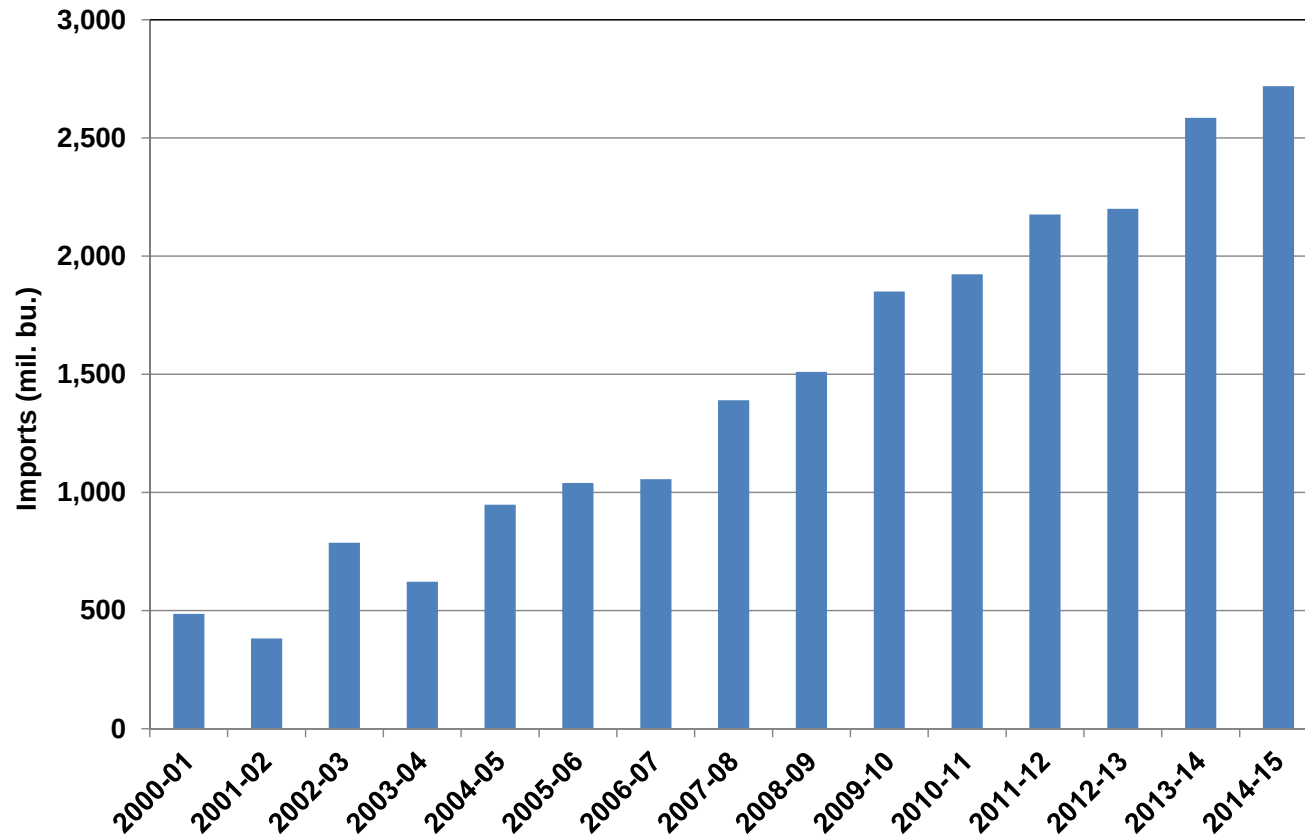


Source: WASDE/USDA

Marketing Year

\*2014-15: projected

### Chinese Soybean Imports, 2000-01 - 2014-15 Marketing Years\*



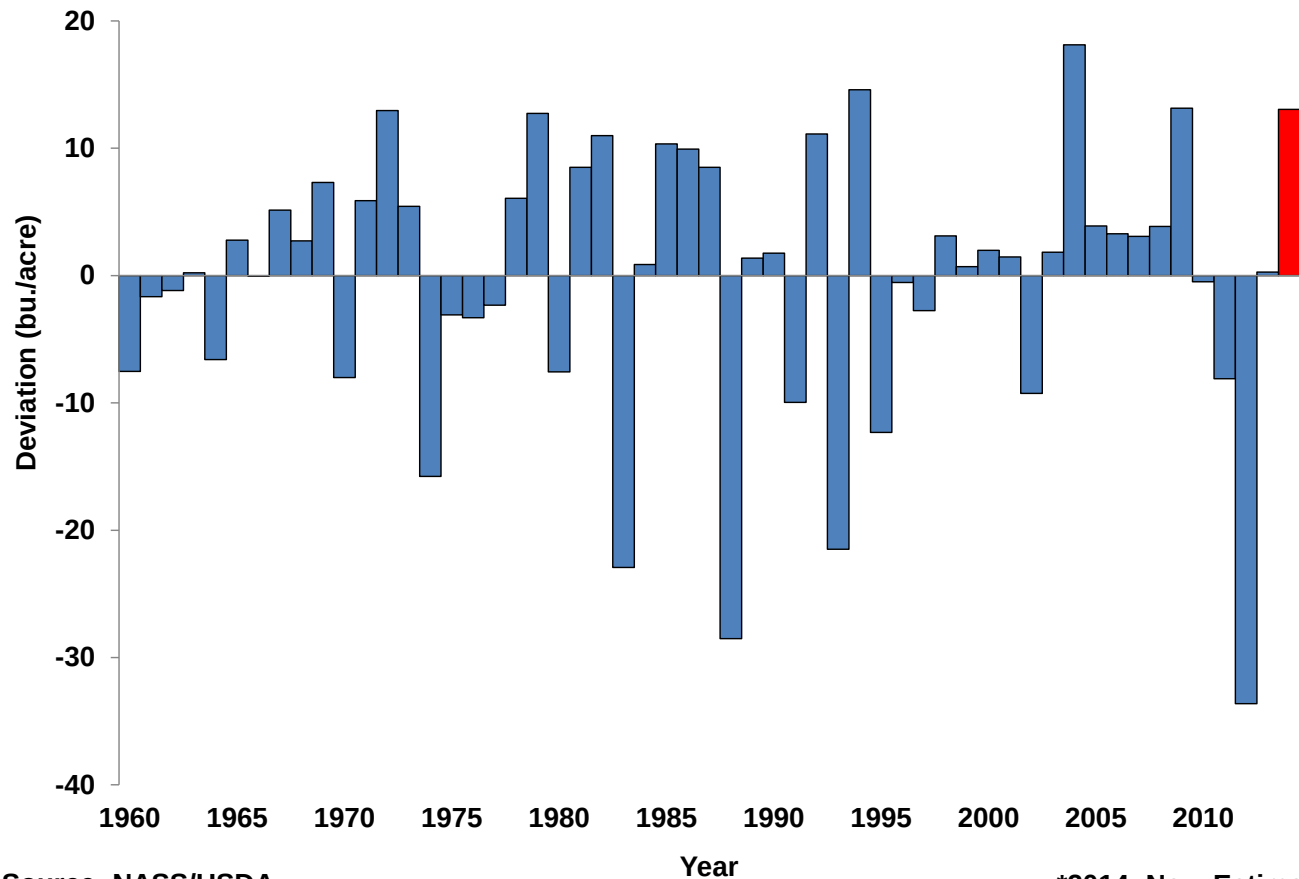
Source: WASDE/USDA

Marketing Years

\*2014-15: projected



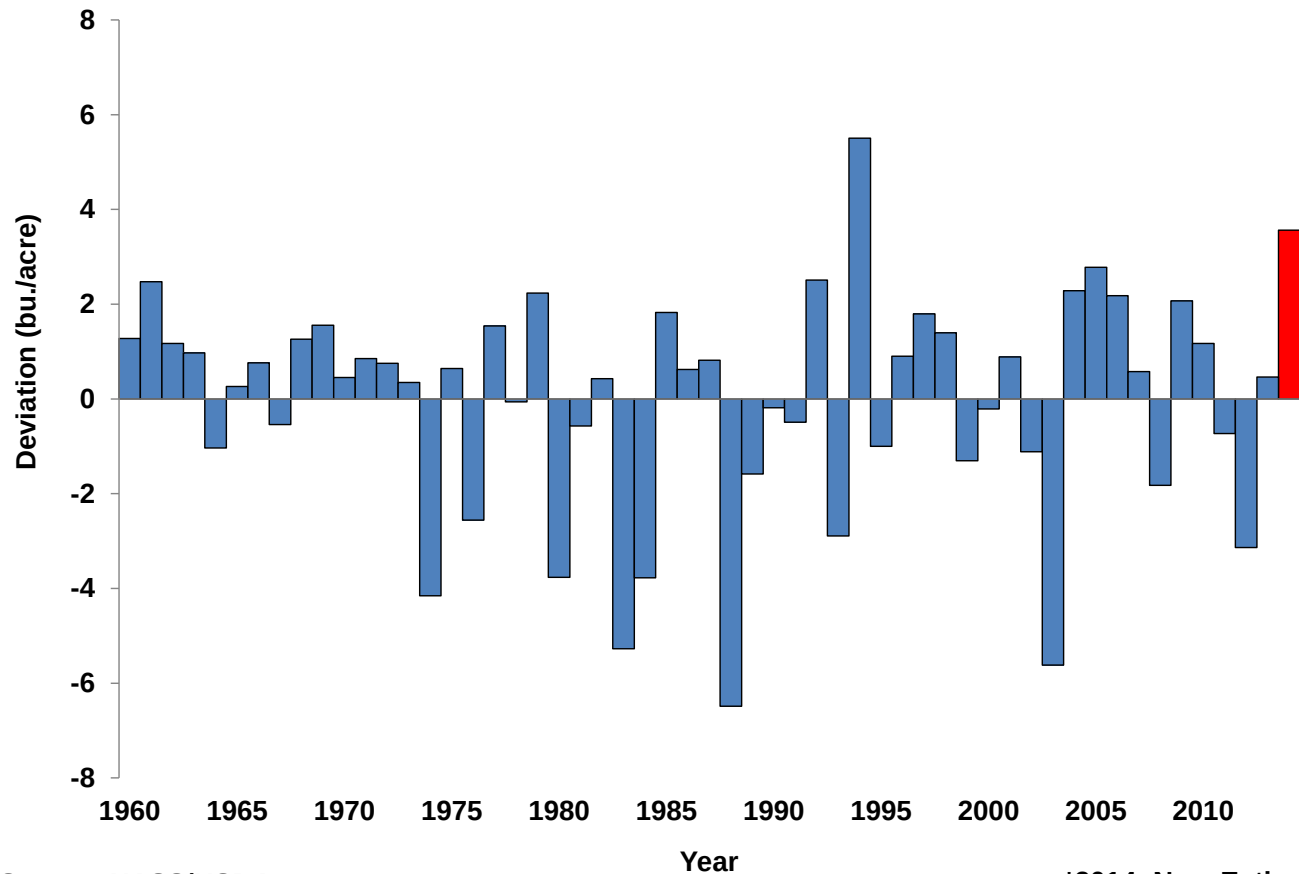
Deviations from Trend for U.S. Corn Yield, 1960-2014\*



Source: NASS/USDA

\*2014: Nov. Estimate

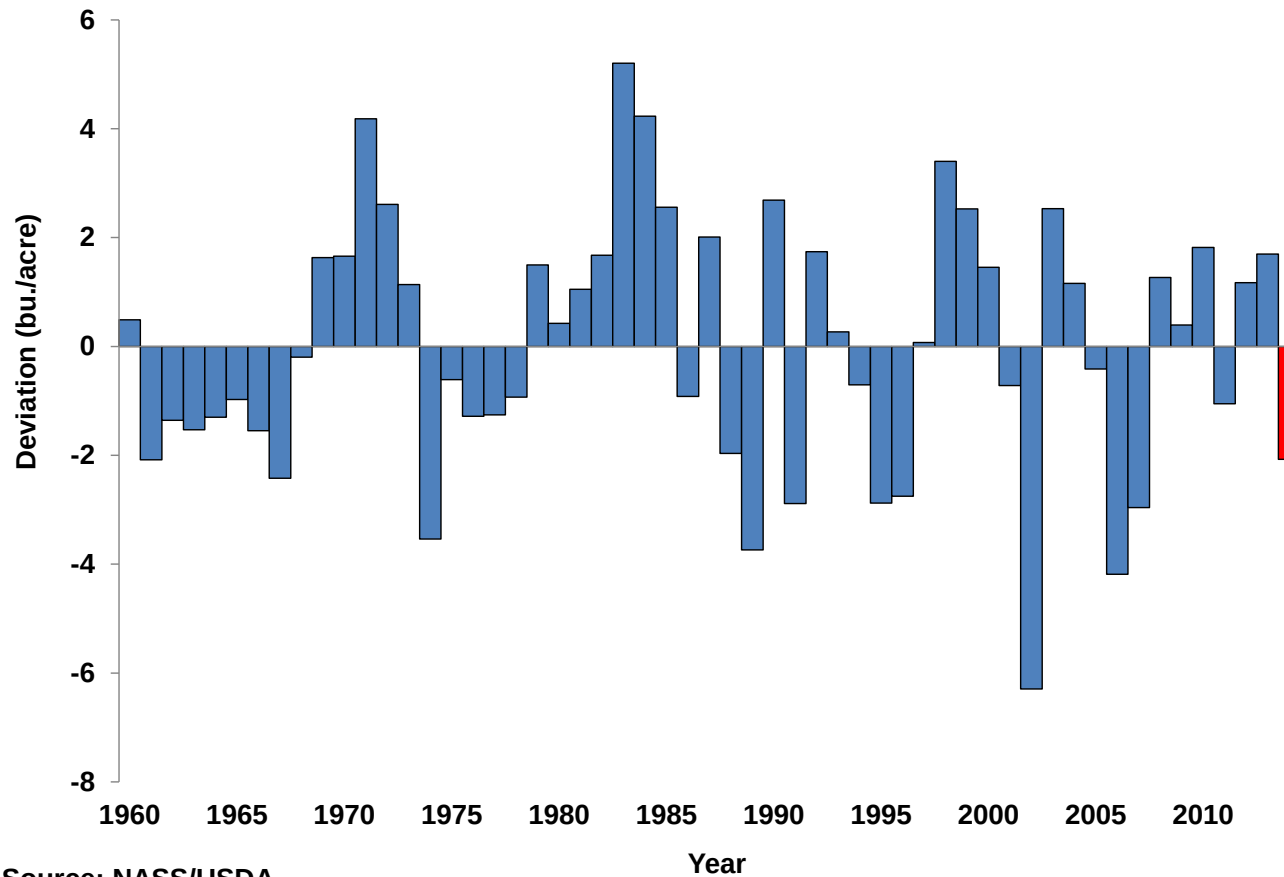
Deviations from Trend for U.S. Soybean Yield, 1960-2014\*



Source: NASS/USDA

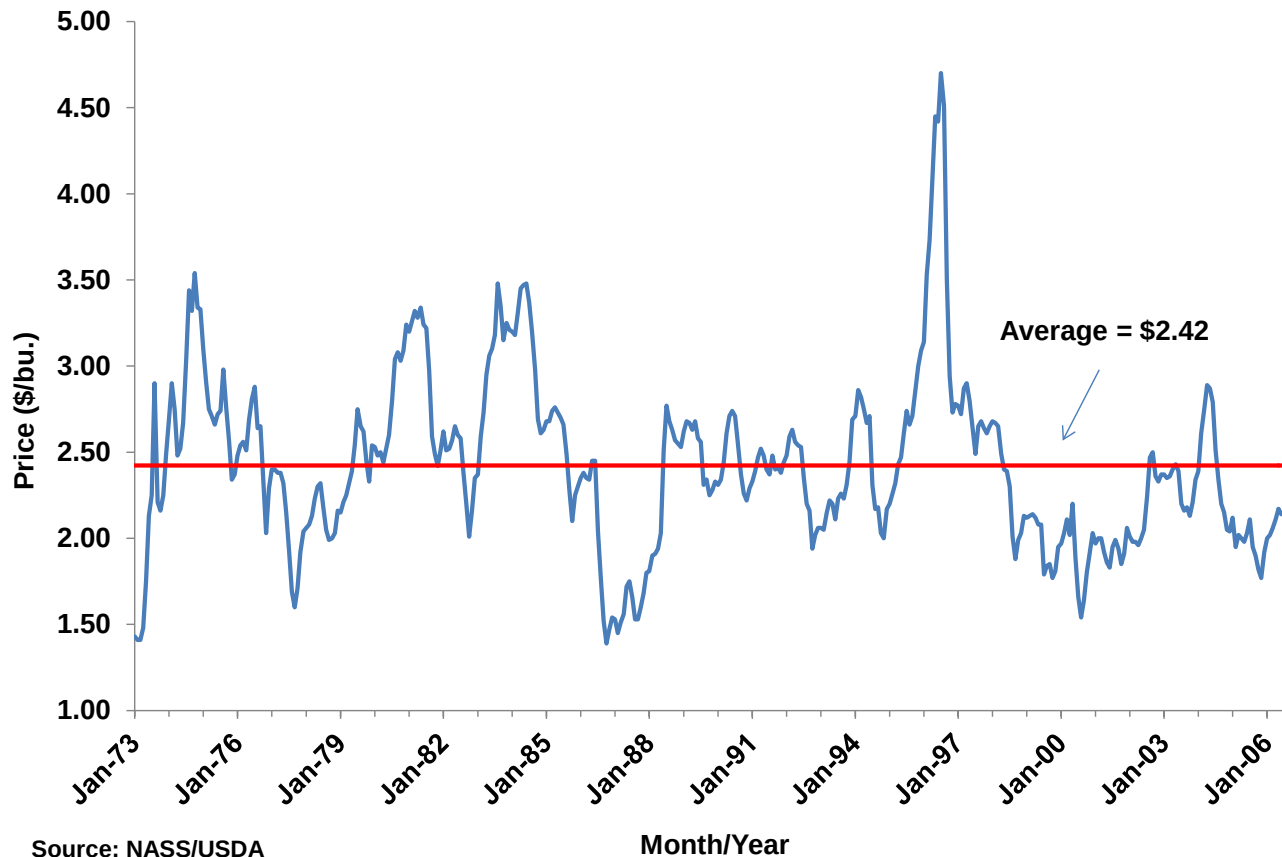
\*2014: Nov. Estimate

Deviations from Trend for U.S. All Wheat Yield, 1960-2014

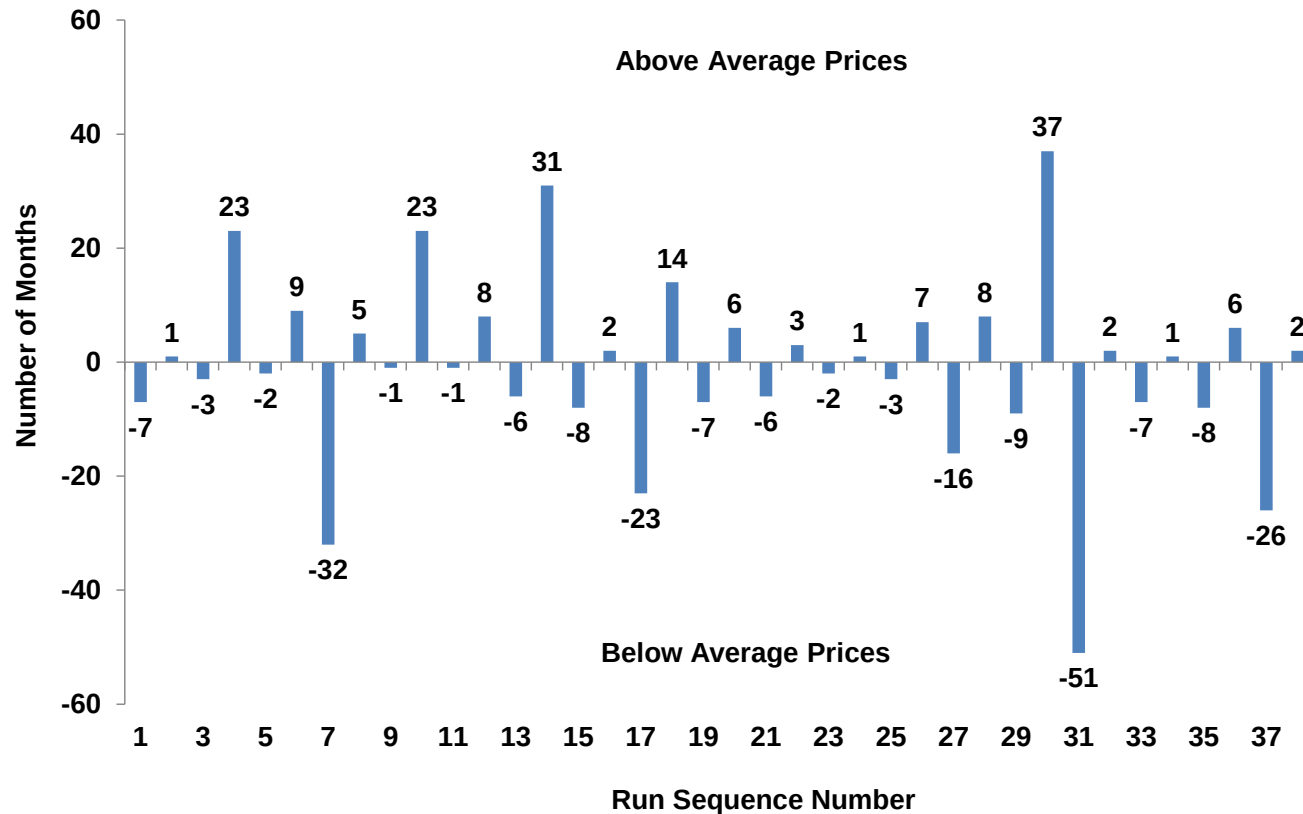


Source: NASS/USDA

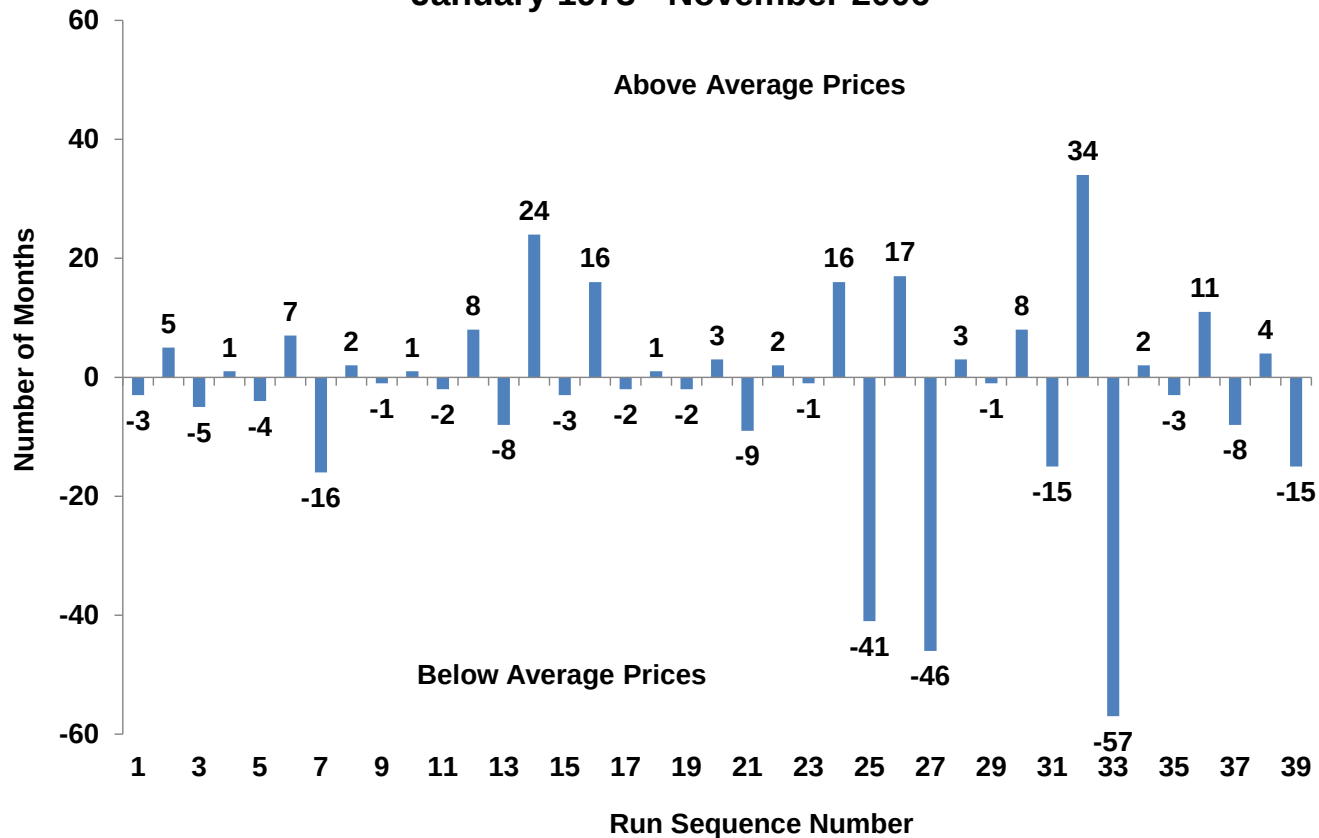
### Monthly Average Farm Price of Corn in Illinois, January 1973 - November 2006



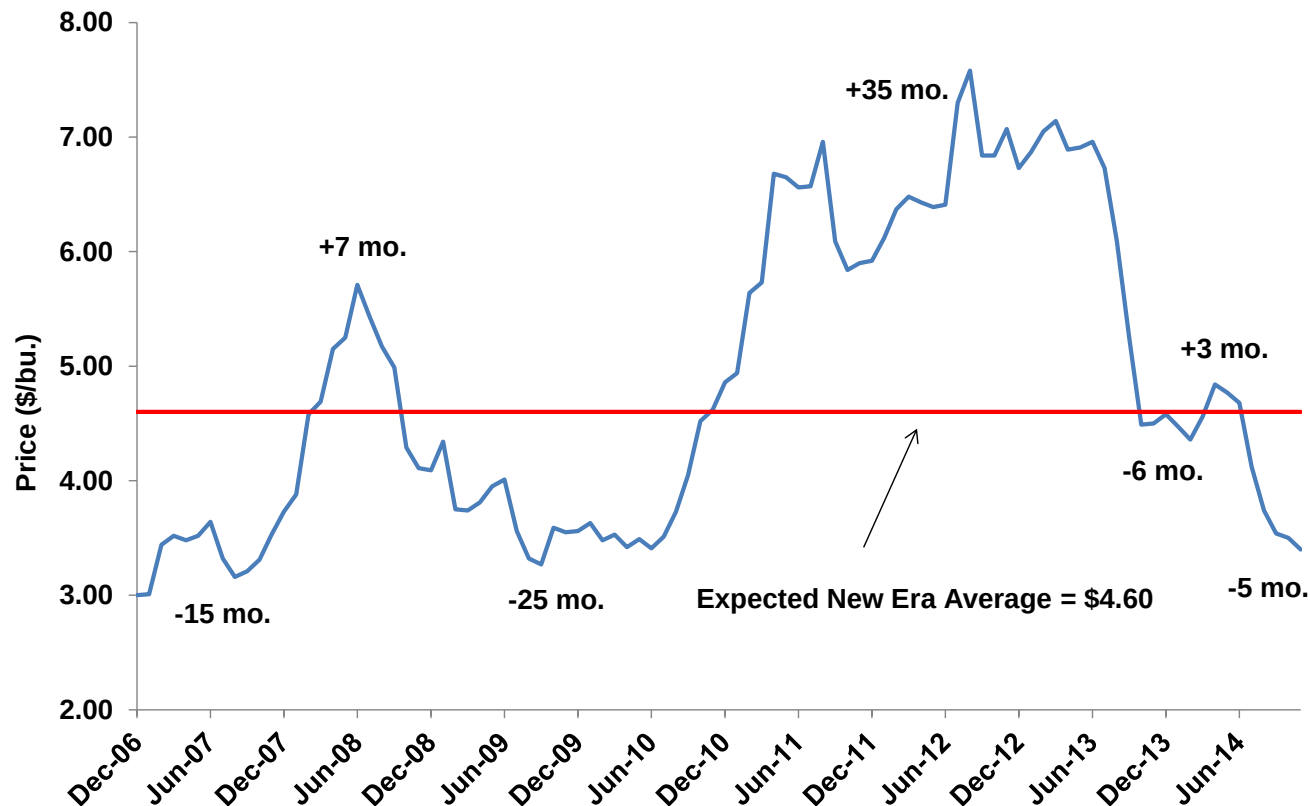
### Sequence of Runs Above and Below Average, Monthly Average Farm Price of Corn in Illinois, January 1973 - November 2006



### Sequence of Runs Above and Below Average, Monthly Average Farm Price of Soybeans in Illinois, January 1973 - November 2006



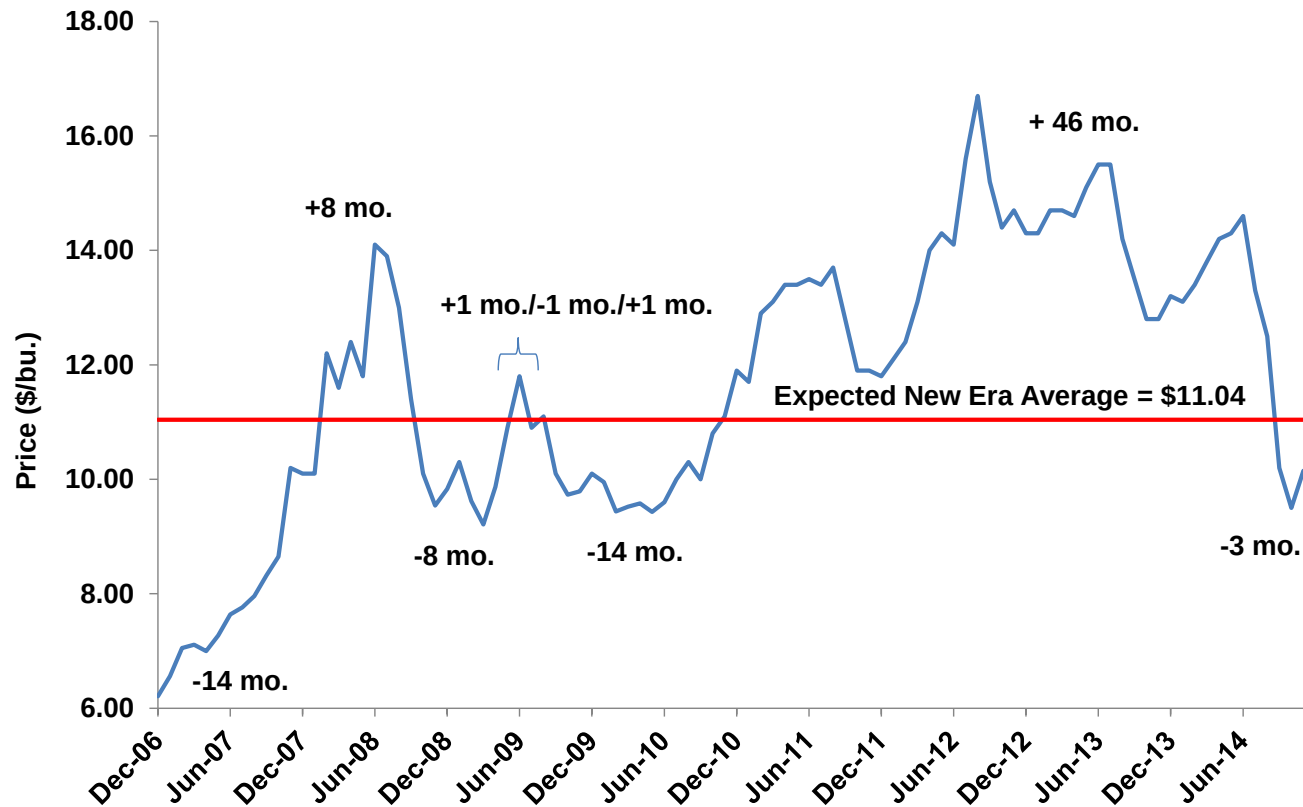
### Monthly Average Farm Price of Corn in Illinois, December 2006 - November 2014\*



Source: NASS/USDA

\*November: preliminary

### Monthly Average Farm Price of Soybeans in Illinois, December 2006 - November 2014\*



Source: NASS/USDA

\*November: preliminary



**FAPRI and CME Futures Market Forecasts of U.S. Marketing Year  
Average Price of Corn as of December 7, 2014**

