

Crop price forecast mixed, livestock prices improve

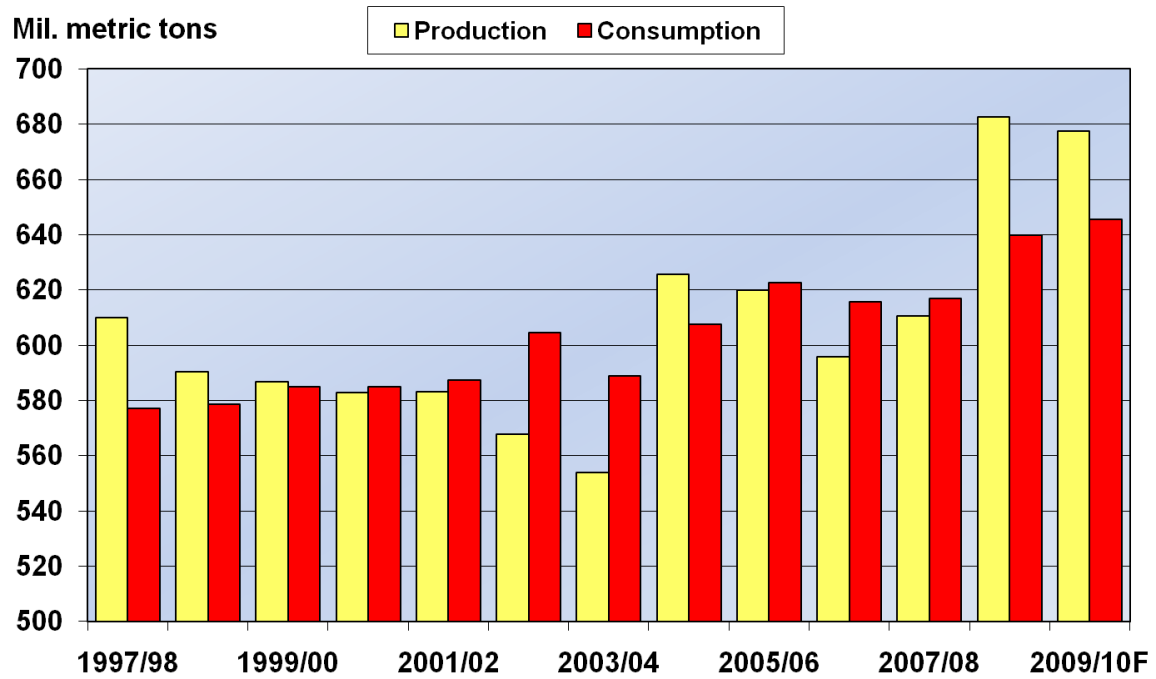
By Sara Wyant

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Washington, Feb. 18. With record production of many crops, commodity prices will decline in 2010 but because of strong domestic and world demand, prices are still expected to stay relatively high compared to historical levels, noted USDA's Chief Economist Joe Glauber during the opening session of USDA's annual Outlook conference. Livestock prices are expected to gradually improve this year, leading the nation's farm sector to a \$5.5 billion increase in net cash income, he added. USDA forecasts that corn prices will average \$3.60/bu in 2010 and soybeans will average \$8.80/bu. Wheat prices will be under significant pressure as a glut of global stocks continues to exceed consumption. Prices are expected to average \$4.90 in 2010, down almost \$2.00 from 2008/2009 highs. (USDA's estimates in chart below.)

Crops	2008/09	2009/10	2010/11
wheat	6.78	4.85	4.90
corn	4.06	3.70	3.60
soybeans	9.97	9.45	8.80
rice	16.80	14.30	13.00
cotton	47.8	62.0	64.0
Animal products	2008	2009	2010
beef	92.27	82.68	88.25
pork	47.84	41.24	47.75
broilers	79.70	77.60	79.50
milk	18.29	12.81	16.55

Global wheat production and consumption



Source: Source: USDA-WAOB, *World Agricultural Supply and Demand Estimates*, February 9, 2010.

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