



USDA's 2010-2019 Projections report includes net farm income forecast

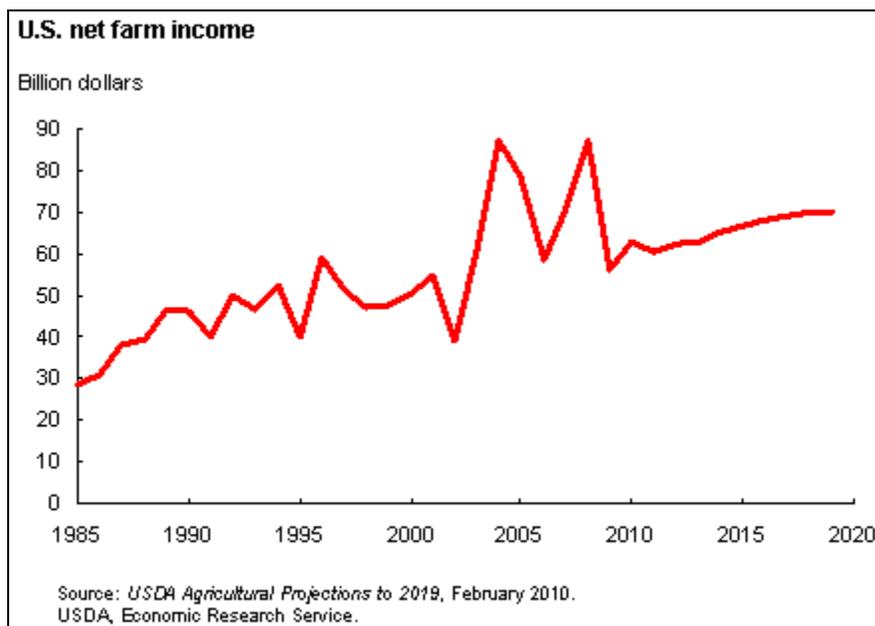
By Stewart Doan

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Washington, Feb. 11 – Farmers' net cash income in 2010 is forecast to total \$76 billion, up \$5.5 billion from 2009 and above the ten-year average, according to a U.S. Department of Agriculture (USDA) report released Thursday.

The projected 7.8 percent increase in net cash income is based on expectations for a pickup in demand for meat, milk and eggs.

“Now that the U.S. economy has stabilized and is showing signs of improvement, consumers are expected to increase their consumption of animal products, thus firming up market prices and improving the earnings of livestock producers, led by dairy farmers and cattle producers,” USDA economists said in the annual forecast. The report concludes that “Net farm income declines in the near term from the high levels of 2007 and 2008, but then grows moderately over the next decade and exceeds the average of the previous 10 years by the middle of the projection period.



Livestock receipts are forecast to increase \$11.5 billion in 2010, recovering about half of the \$22.3 billion decline in 2009, but economic conditions for crop producers are expected to deteriorate slightly or stabilize, the report said.

“Crop receipts are expected to be down \$6 billion in 2010, compounding the decline of \$16.8 billion in 2009. Crop receipts are projected to be down across the board, except for small increases in cotton and greenhouse/nursery products.”

Following a \$9.3 billion decline in '09, farm production expenses are forecast to rise \$700 million this year to \$281.4 billion, the second highest level ever, USDA said, while noting that fertilizer prices have fallen by about 50 percent in the past year.

To access USDA's complete “Agricultural Baseline Projections: U.S. Agricultural Sector Measures, 2010-2019,” go to: <http://ers.usda.gov/Briefing/Baseline/>

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