

USDA's Baseline Projections to 2025

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USDA baseline projections report

<http://www.ers.usda.gov/topics/farm-economy/agricultural-baseline-projections.aspx>

The screenshot shows a web browser window displaying the USDA Economic Research Service (ERS) website. The page title is "Agricultural Baseline Projections". The navigation bar includes links for "Topics", "Data", "Publications", "Newsroom", and "Calendar". The breadcrumb trail reads: "You are here: Home / Topics / Farm Economy / Agricultural Baseline Projections". The main content area features a large image of a farm landscape. Below the image, the "Overview" section states: "USDA Agricultural Projections to 2025, released in February 2016, provides longrun projections for the farm sector for the next 10 years. These annual projections cover agricultural commodities, agricultural trade, and aggregate indicators of the sector, such as farm income." To the right of the overview, there is a "Related Data" section with a list of links: "Agricultural Baseline Database", "Commodity and Food Elasticities", "International Baseline Data", "International Food Consumption Patterns", and "International Macroeconomic Data Set". The left sidebar contains links for "Overview", "USDA's Long-term Projections Process", "Questions & Answers", "Readings", and "Baseline Related Historical Data". The bottom of the page shows a Windows taskbar with various application icons and a system clock indicating 8:21 AM on 4/20/2016.

USDA United States Department of Agriculture Economic Research Service

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Overview

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Related Topics

- Farm & Commodity Policy
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- Macroeconomics & Agriculture

Overview

USDA Agricultural Projections to 2025, released in February 2016, provides longrun projections for the farm sector for the next 10 years. These annual projections cover agricultural commodities, agricultural trade, and aggregate indicators of the sector, such as farm income.

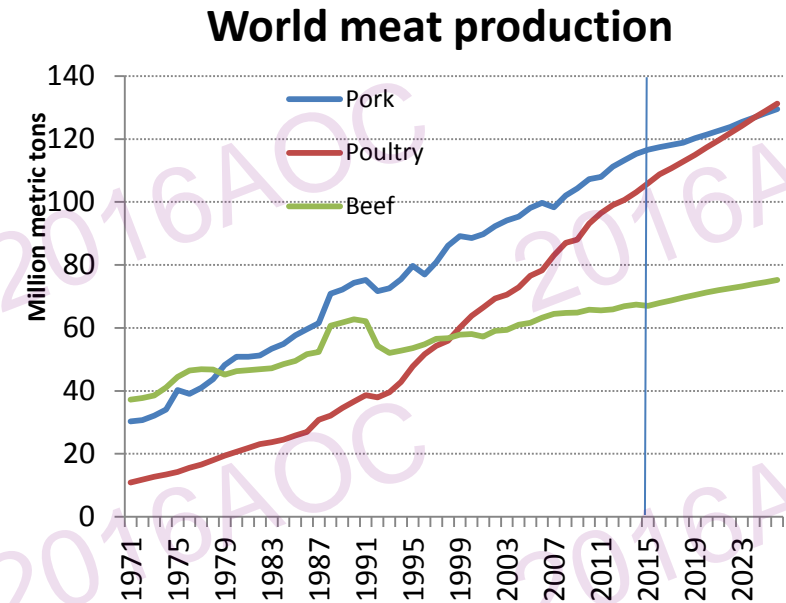
Related Data

- Agricultural Baseline Database
- Commodity and Food Elasticities
- International Baseline Data
- International Food Consumption Patterns
- International Macroeconomic Data Set

8:21 AM 4/20/2016

Poultry is fastest growing type of meat production

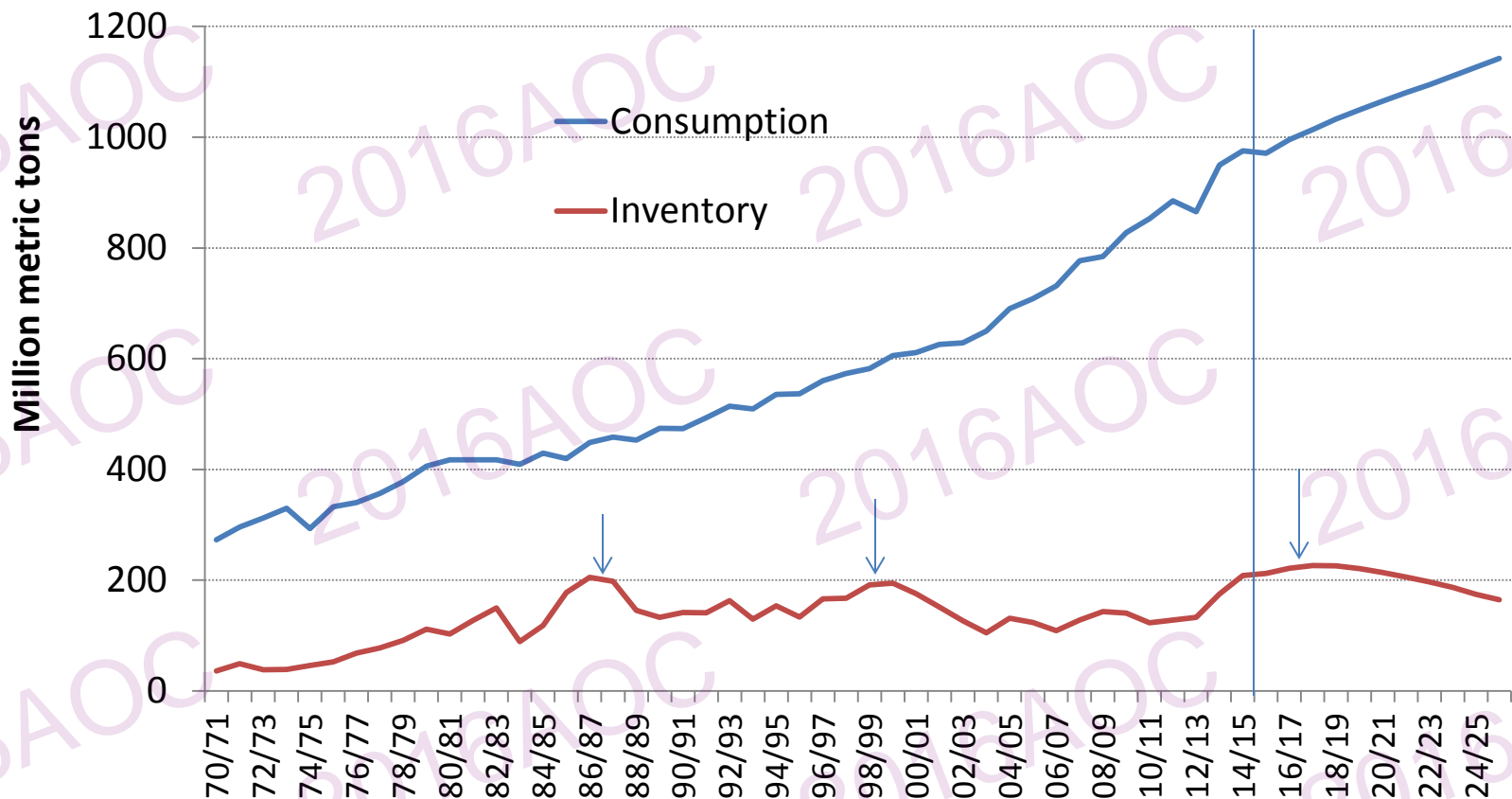
- Poultry has been the fastest-growing type of meat since the 1990s
- Poultry converts grain to protein more efficiently than pork or beef
- Poultry and pork output will be nearly equal by 2025



Corn consumption will rise 18% during 2015-25
(slower than 37% during 2005-15)

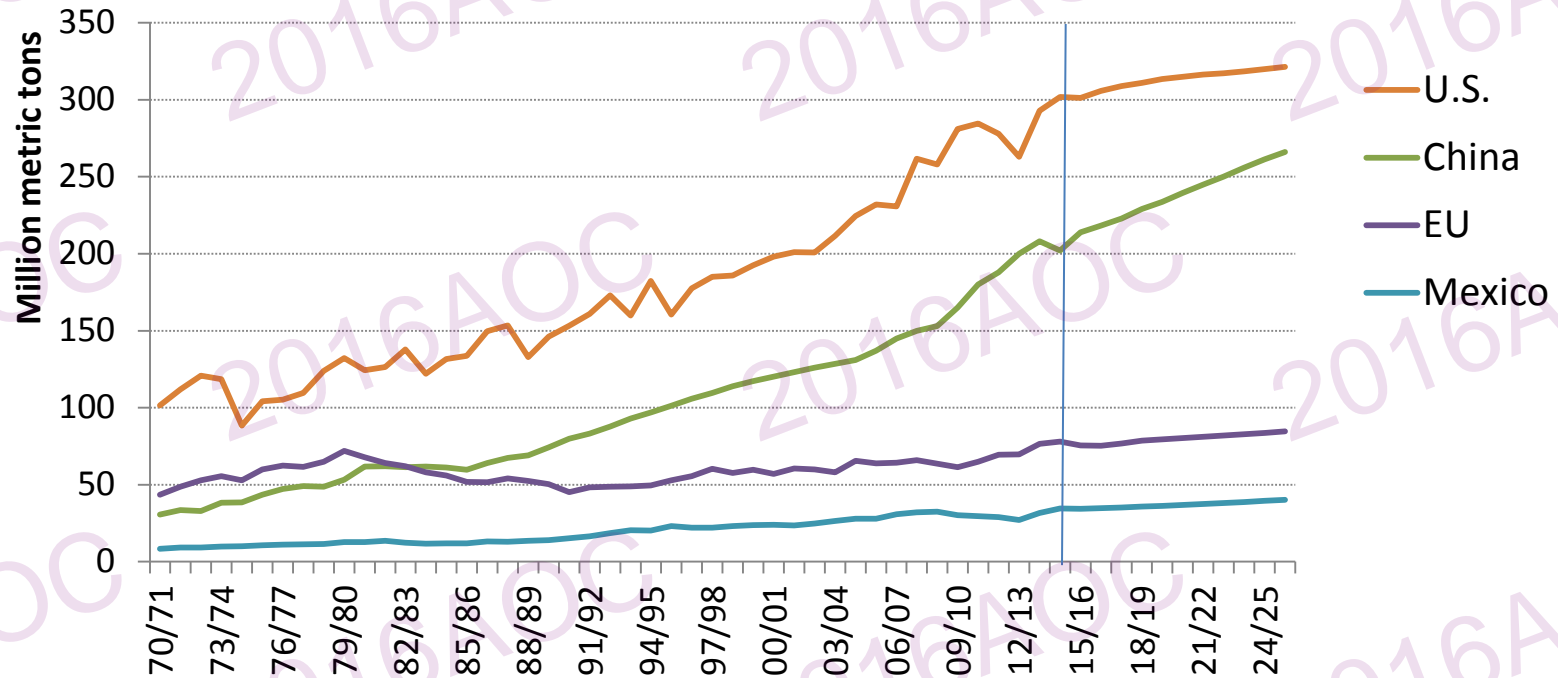
Corn stocks will rise to record high in 2017/18

World corn consumption and inventory, 1970-2025



United States and China are the leading corn-consuming countries

**Corn consumption, selected countries,
1970-2025**

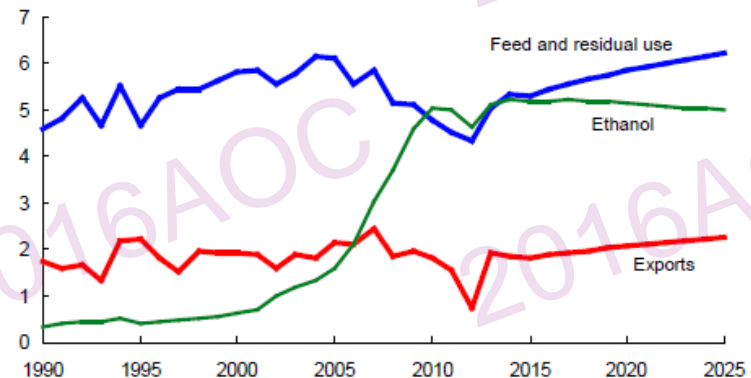


Consumption of U.S. corn will grow moderately

- Ethanol use of corn will decline due to falling gasoline consumption
- Feed and residual increase due to rising corn production, feed demand stimulated by low corn prices
- Exports increase slowly.

U.S. corn: Feed and residual use, ethanol, and exports

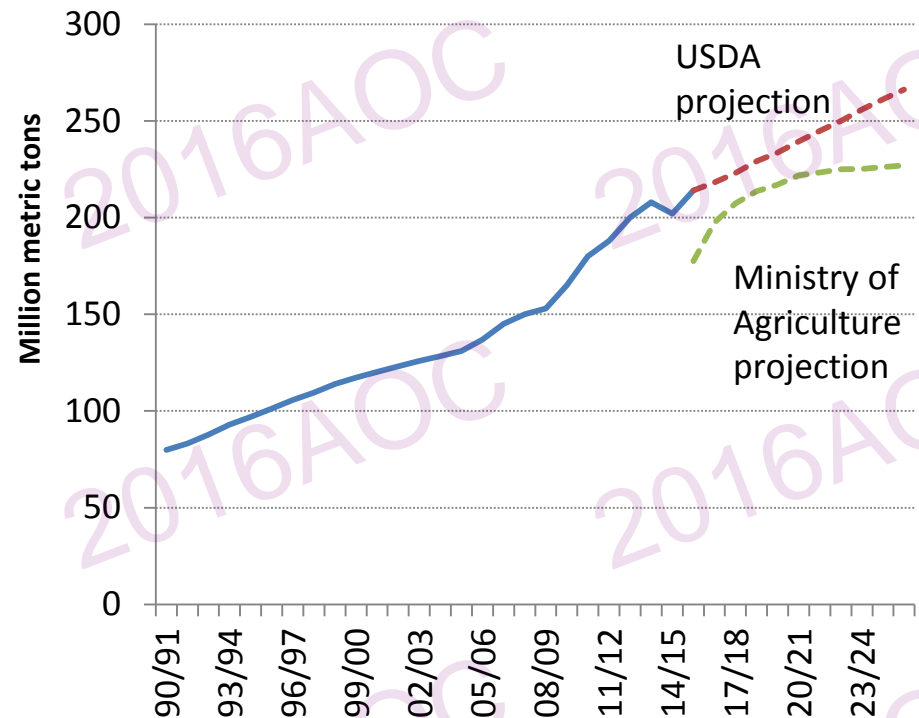
Billion bushels



Different views of China's corn consumption growth

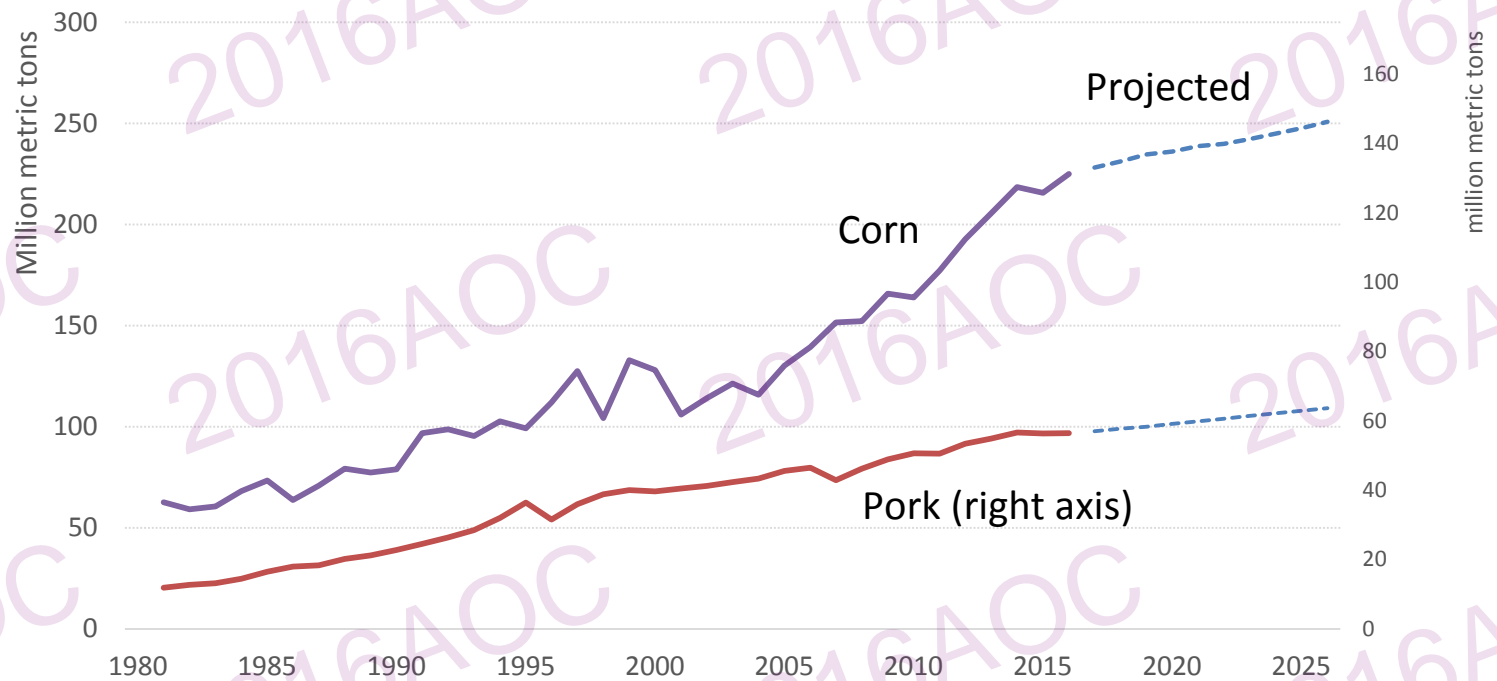
- USDA's estimate of China corn consumption is higher than MOA's estimate
- MOA projects stronger growth in 2016/17 and 2017/18
- USDA projects stronger growth in later years

China corn consumption, 1990-2025

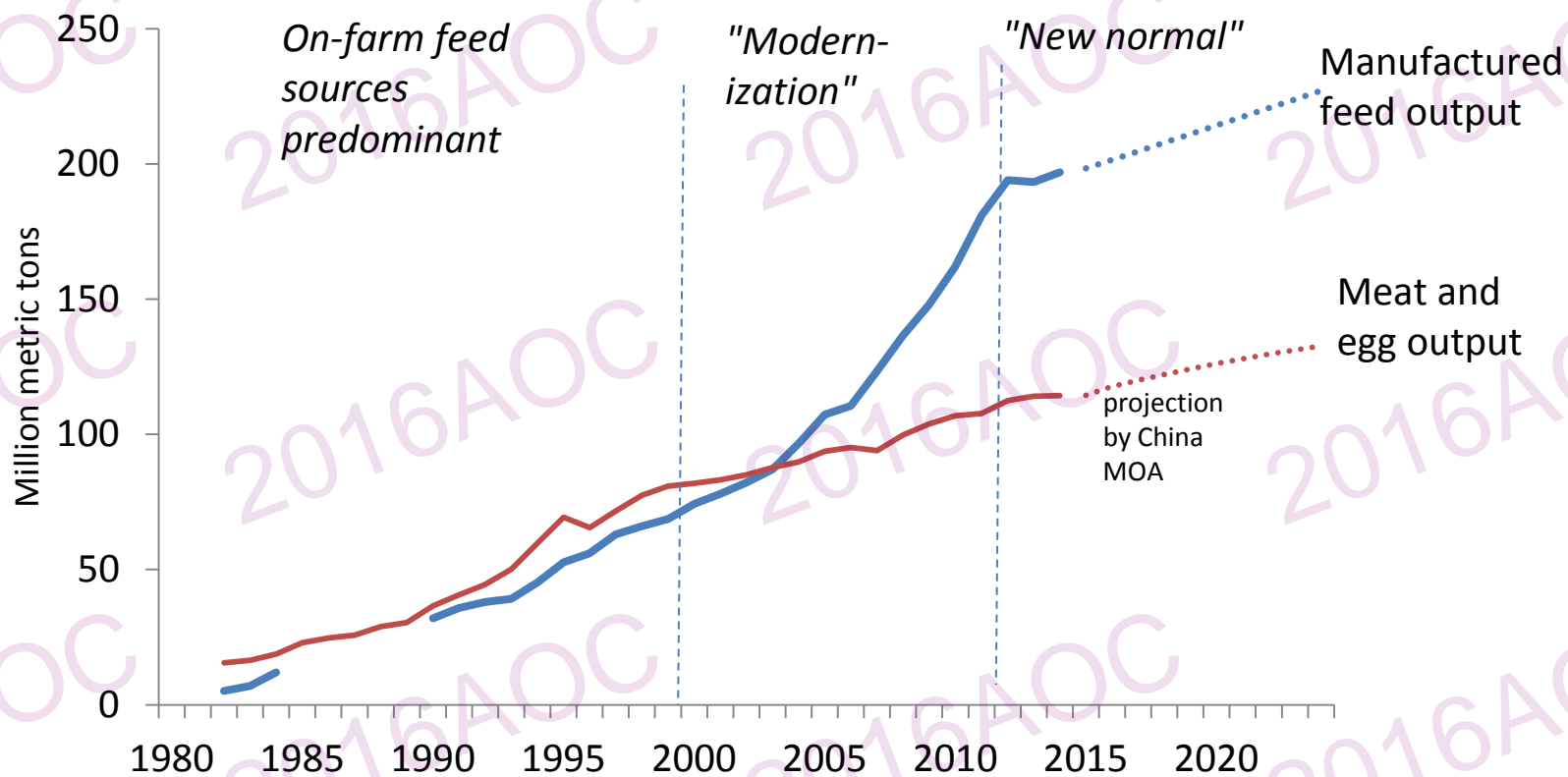


USDA corn projections reflect growth in pork and poultry output

China corn and pork production
USDA baseline

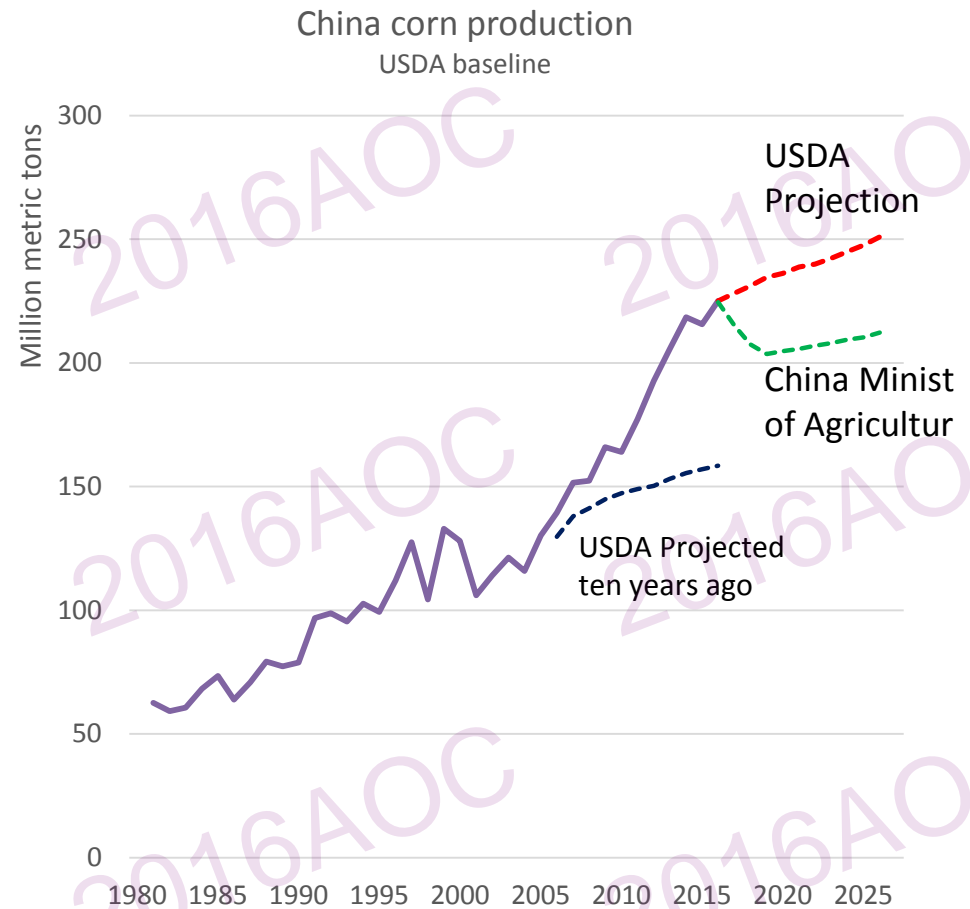


China feed, meat and egg output, 1982-2024



Why is China's corn production so hard to predict?

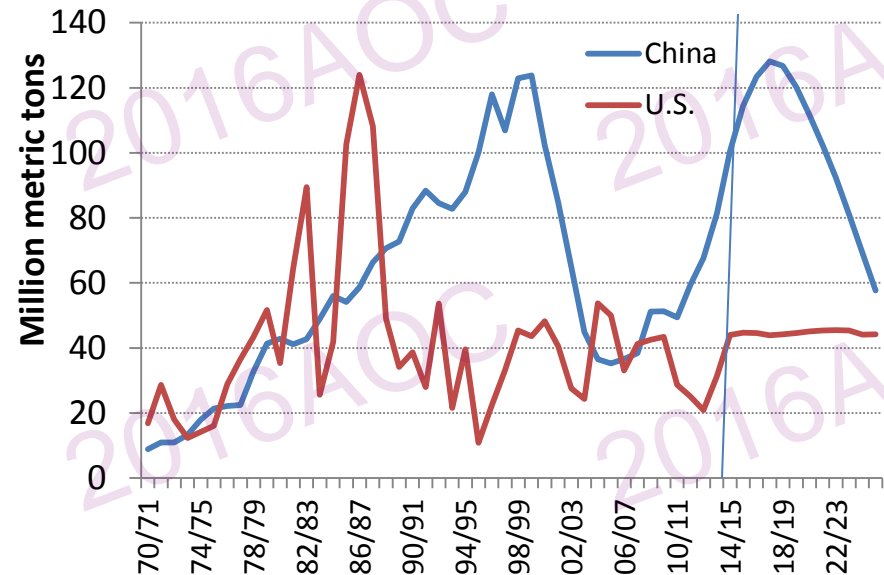
- In 2015, China's corn output was 40% more than USDA's projection from 2005.
- This year, USDA projected slower growth in corn production
- China Ministry of Agriculture projects a decline in corn production



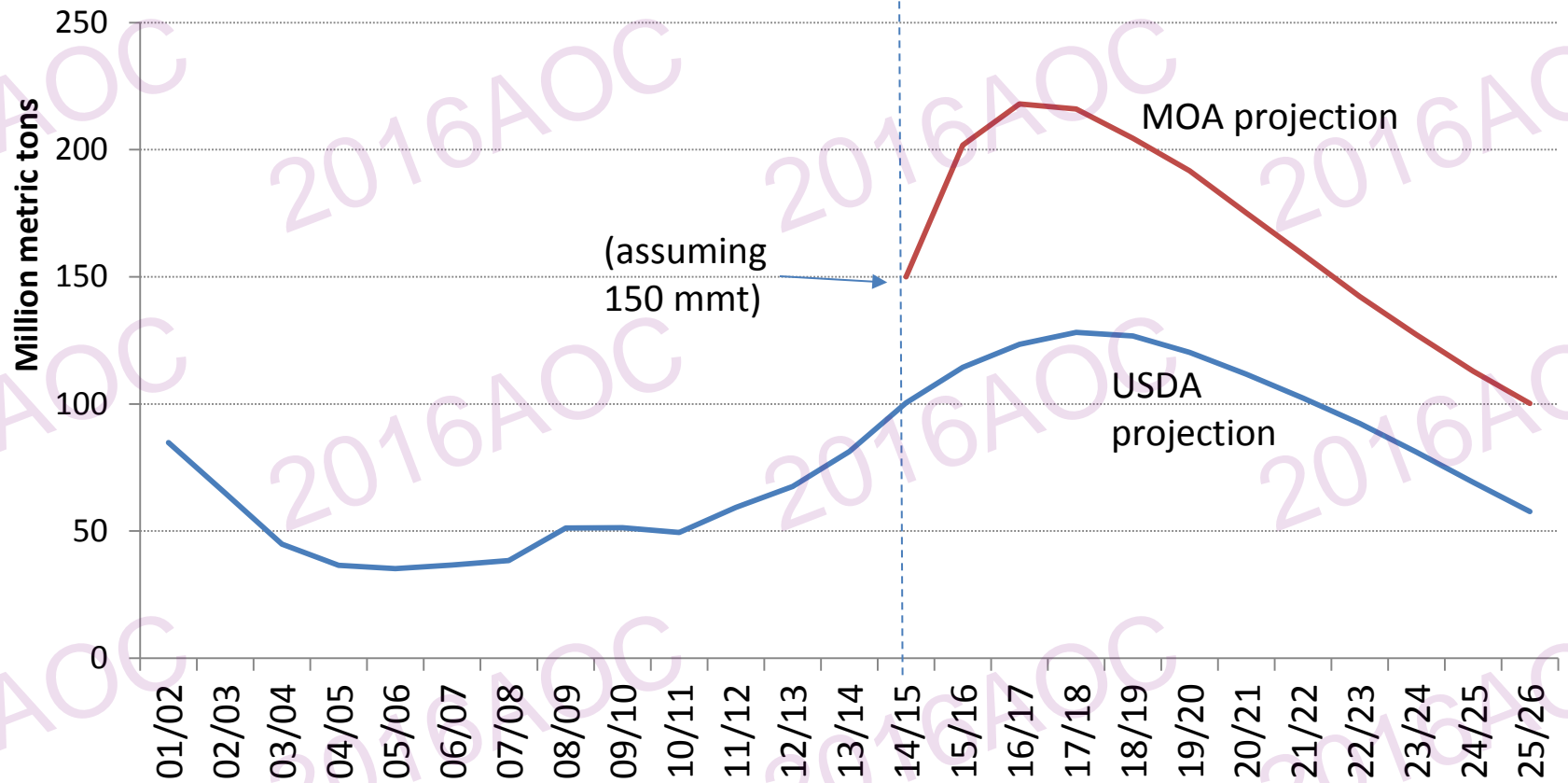
China corn inventory peaks in 2017/18

- China has accumulated a large inventory of corn
- Similar to U.S. in 1980s, China in 1990s
- China's corn inventory will decline from 2018 to 2025

Corn inventory, U.S. and China, 1970-2015

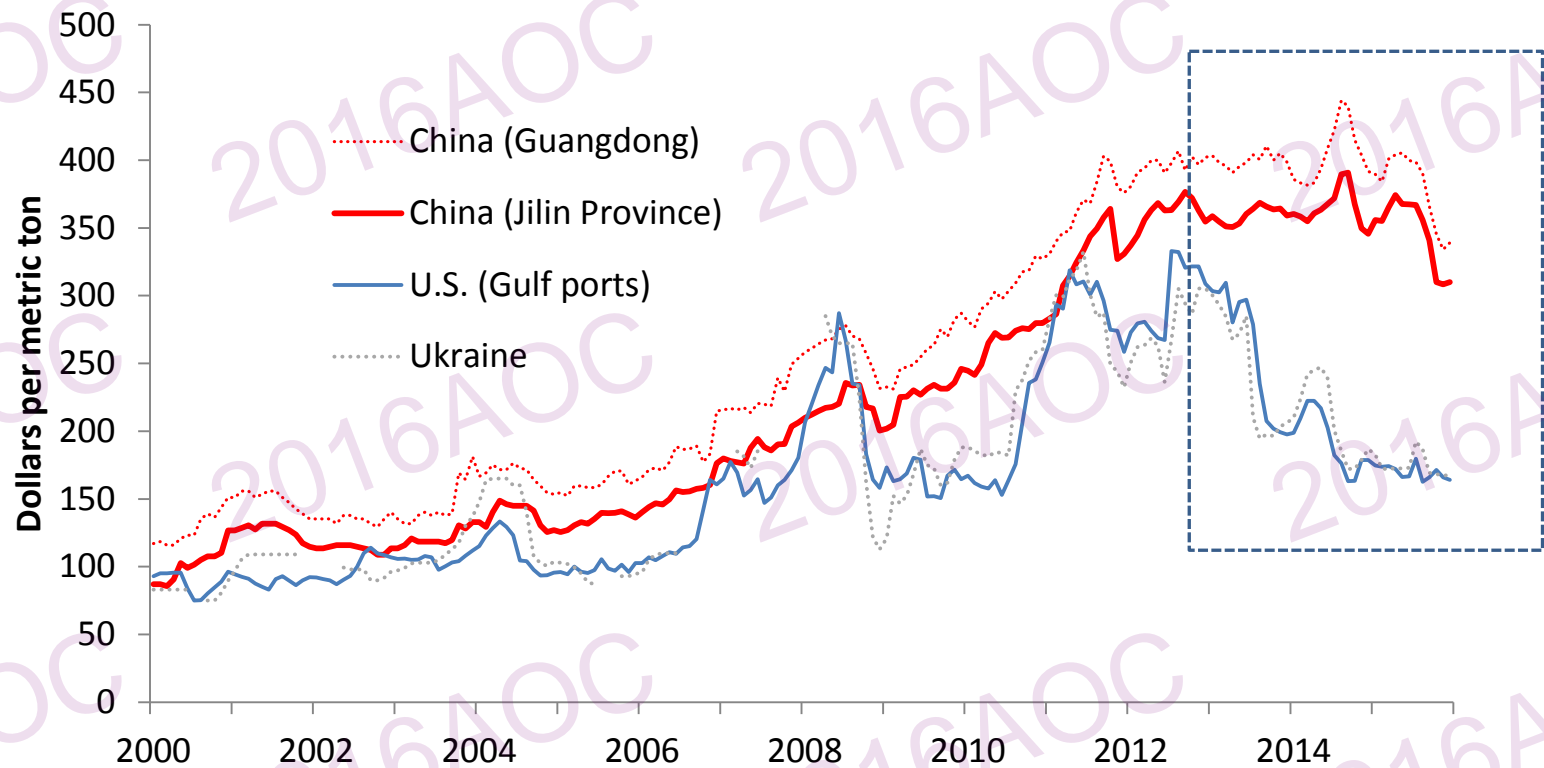


Estimates of China's corn inventory



Abundant supplies keep downward pressure on corn prices

Corn prices, 2000-15

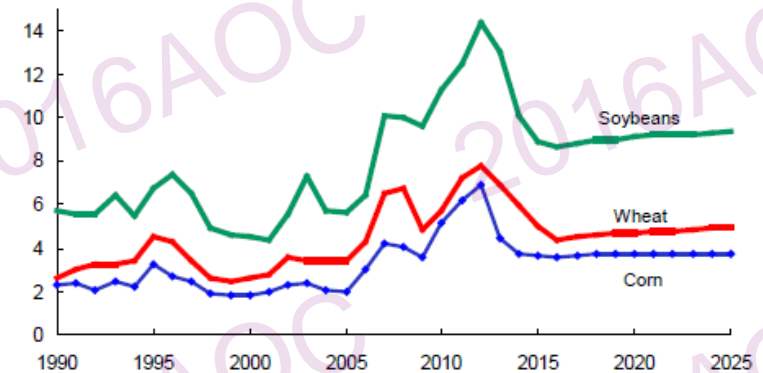


U.S. prices increase moderately after 2016/17

- Prices have fallen due to increased world production
- Corn, soybean, and wheat prices projected to fall until 2016/17

U.S. farm-level prices: Corn, wheat, and soybeans

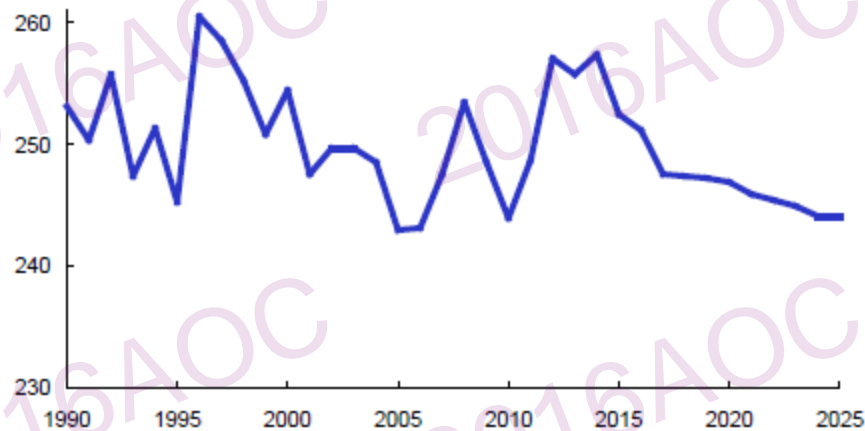
Dollars per bushel



Crop area in the U.S. is expected to decline due to low prices

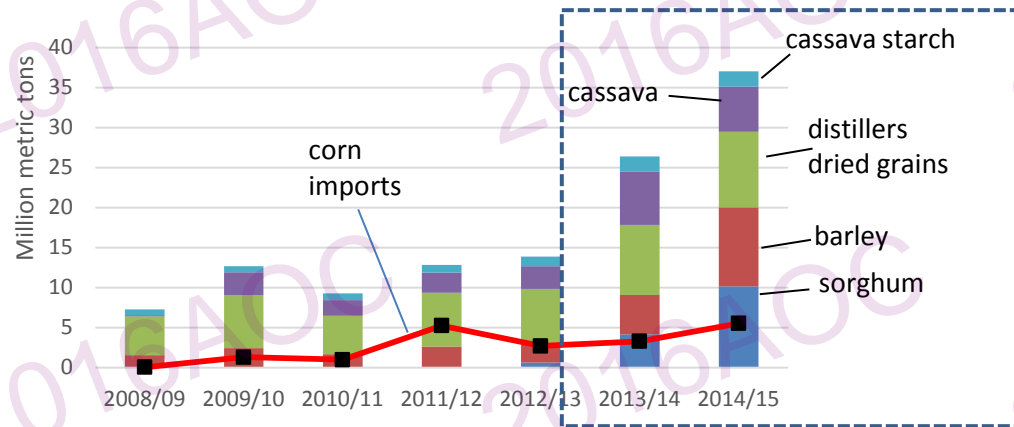
U.S. planted area: Eight major crops¹

Million acres



¹ The eight major crops are corn, sorghum, barley, oats, wheat, rice, upland cotton, and soybeans.

China imports of corn substitutes



China's sorghum imports will decrease

Sorghum imports, 2010-2025

