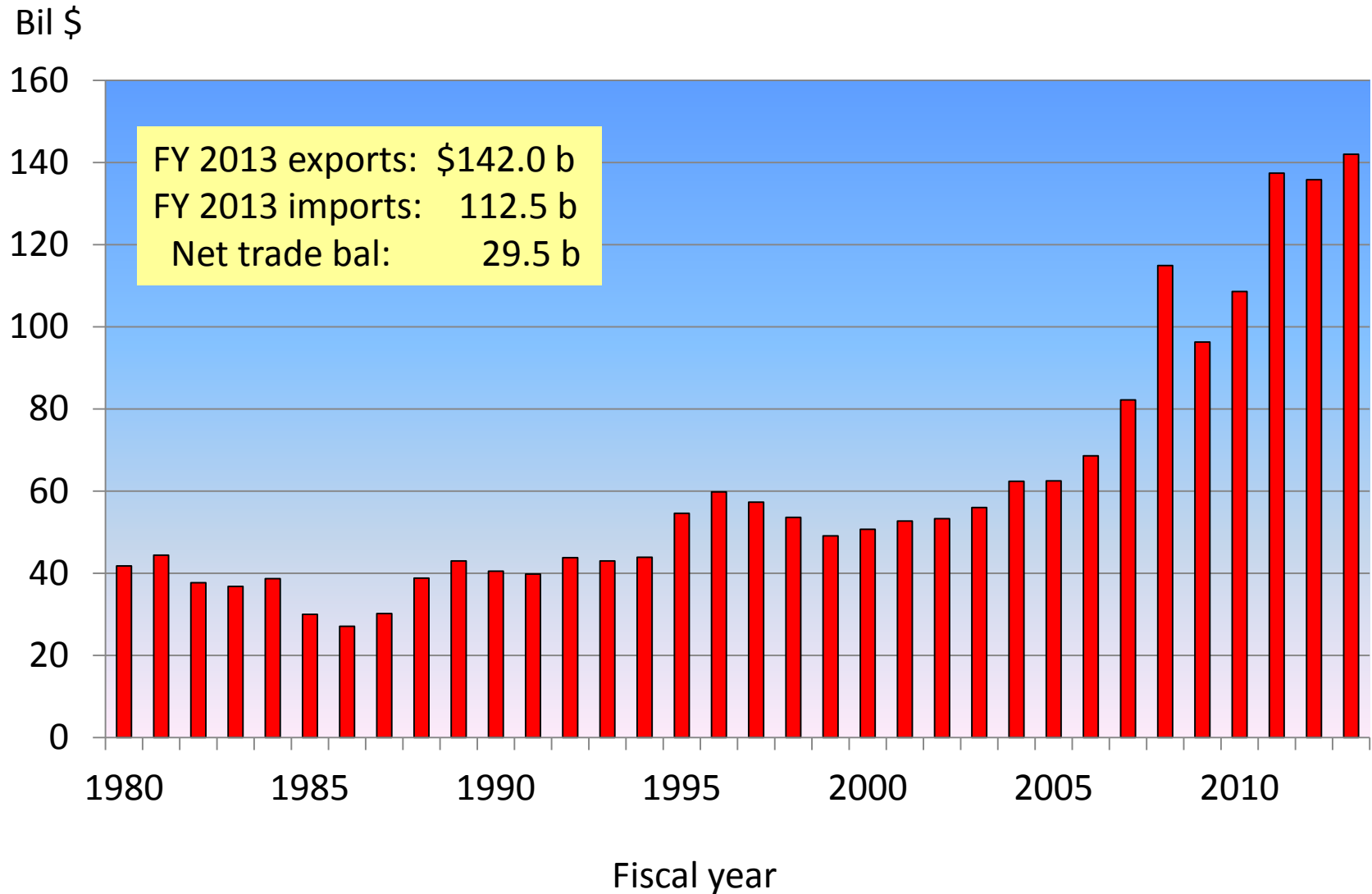




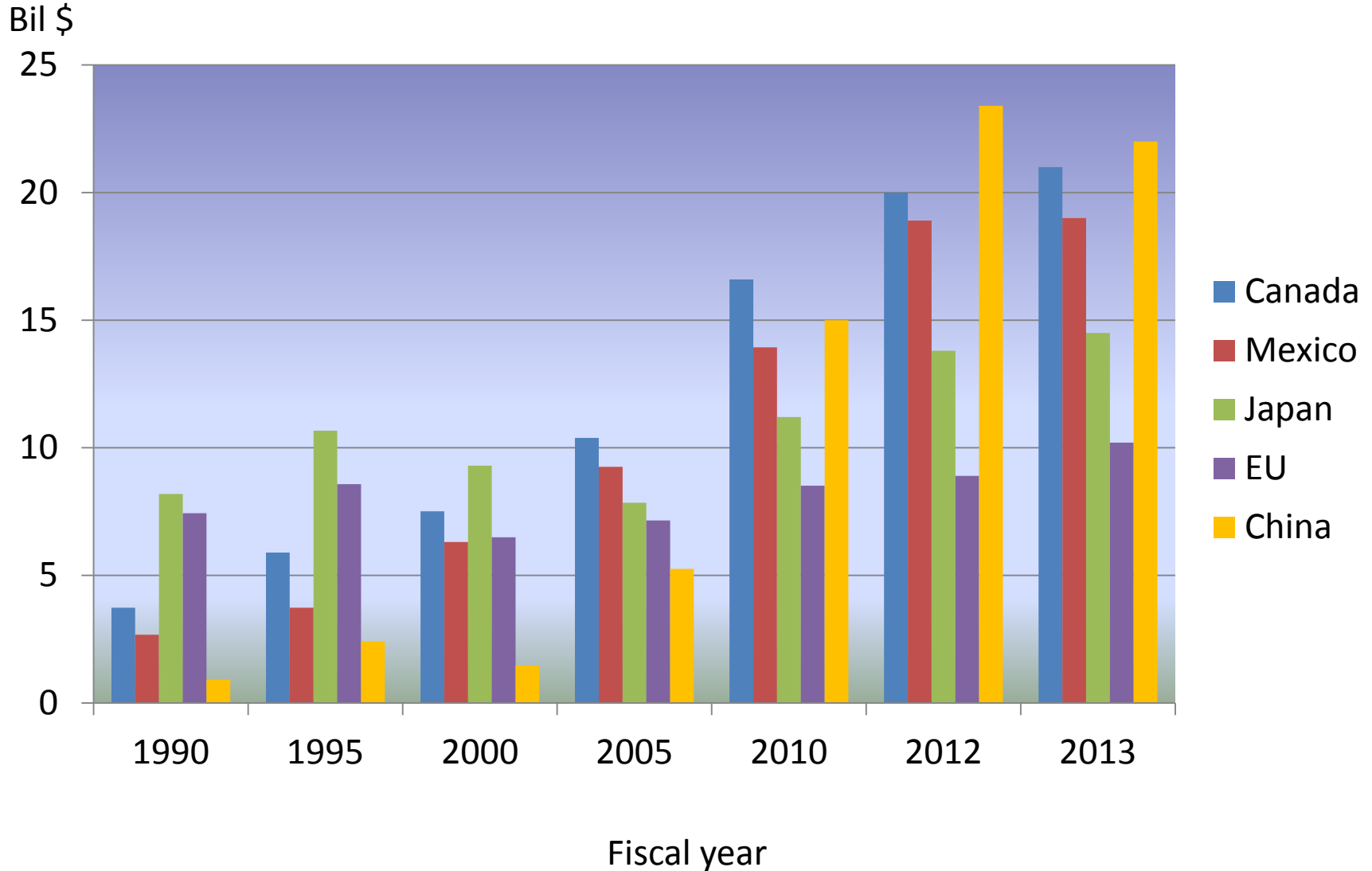
Agricultural Outlook for 2013

Joseph W. Glauber
Chief Economist, USDA
USDA 89th Agricultural Outlook Forum
February 21, 2013

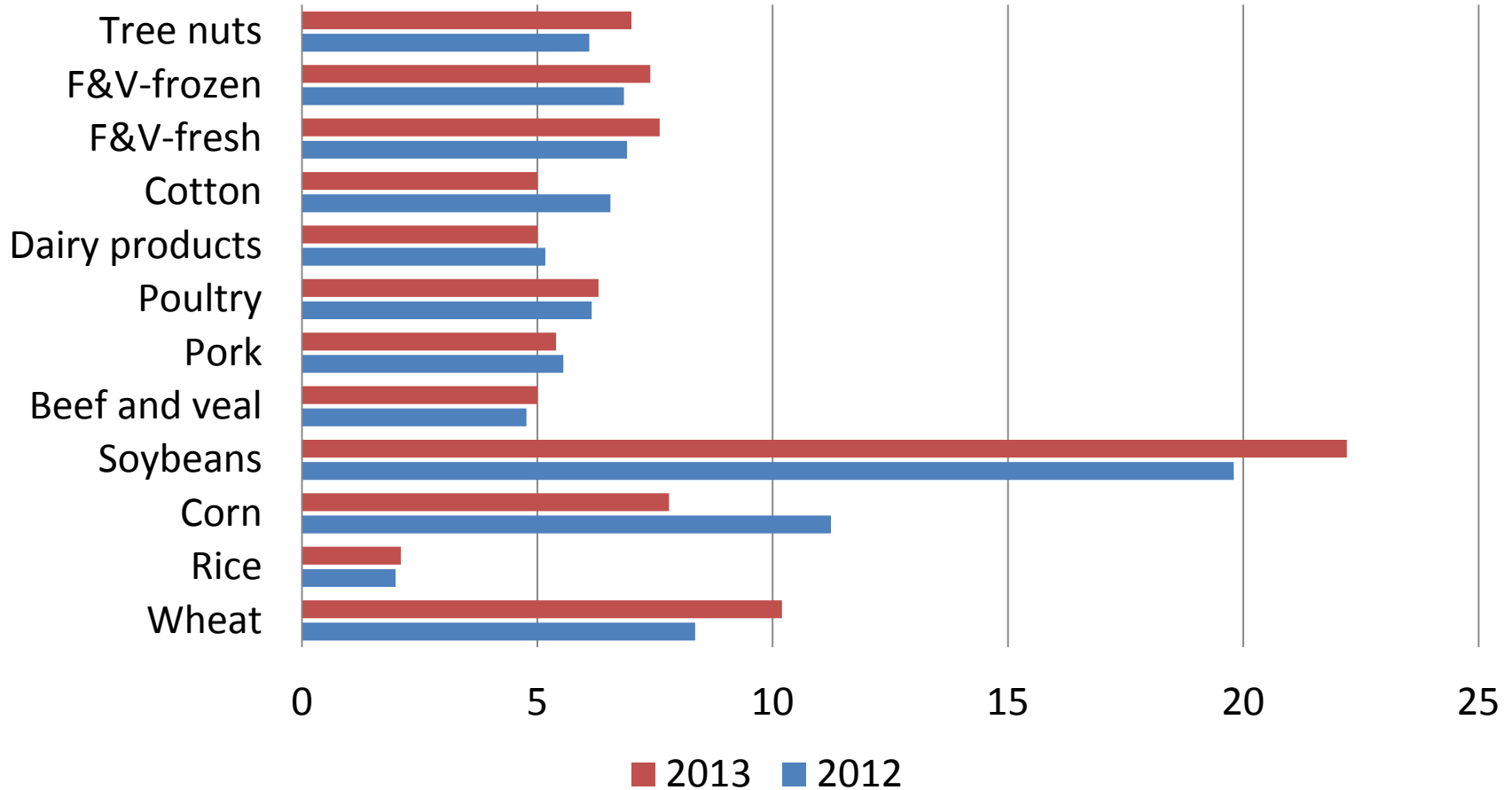
US agricultural exports projected at record high



China remains top destination for US agricultural exports for 2nd straight year

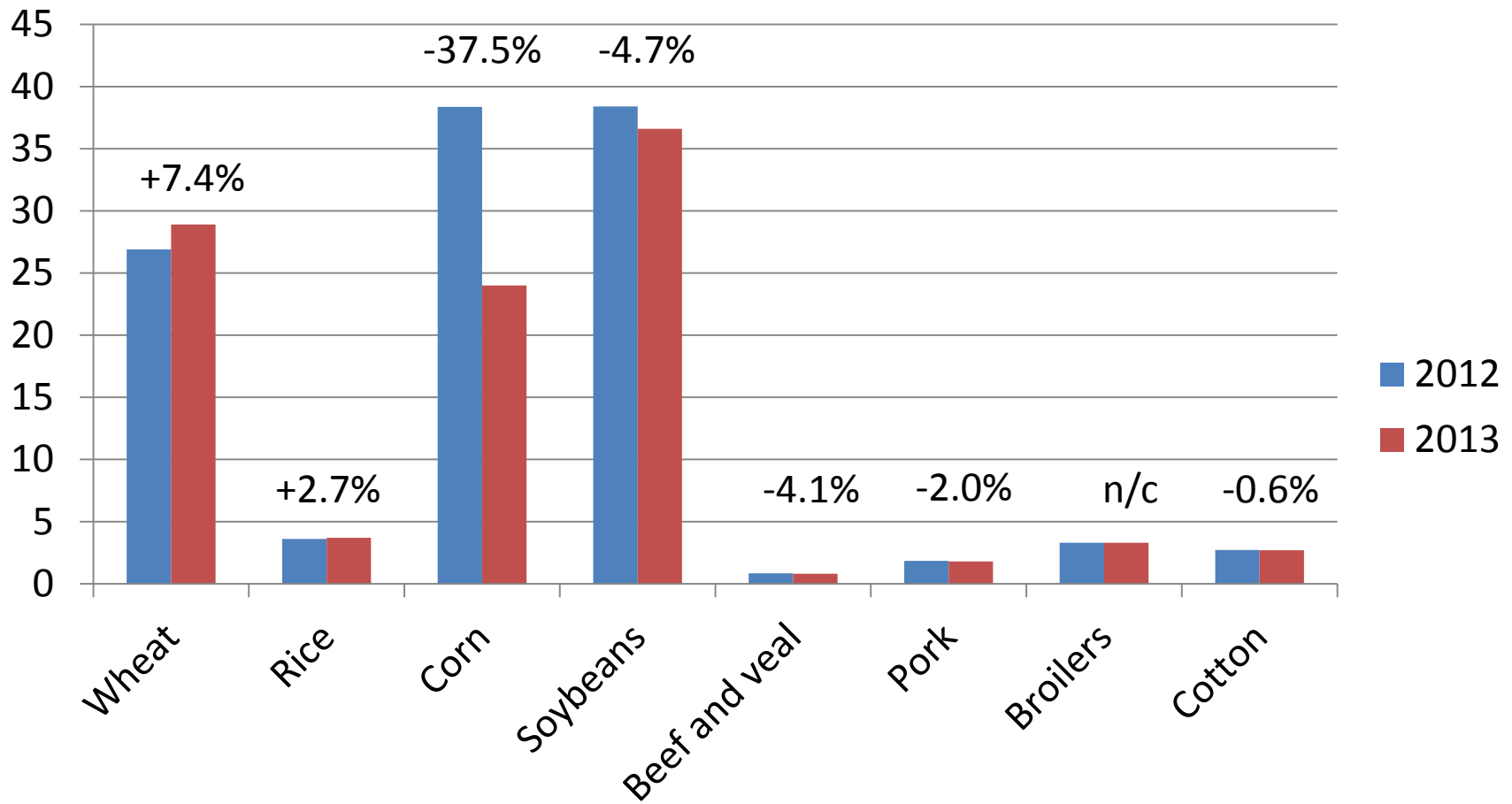


Export values forecast up in FY 2013 for most commodity categories



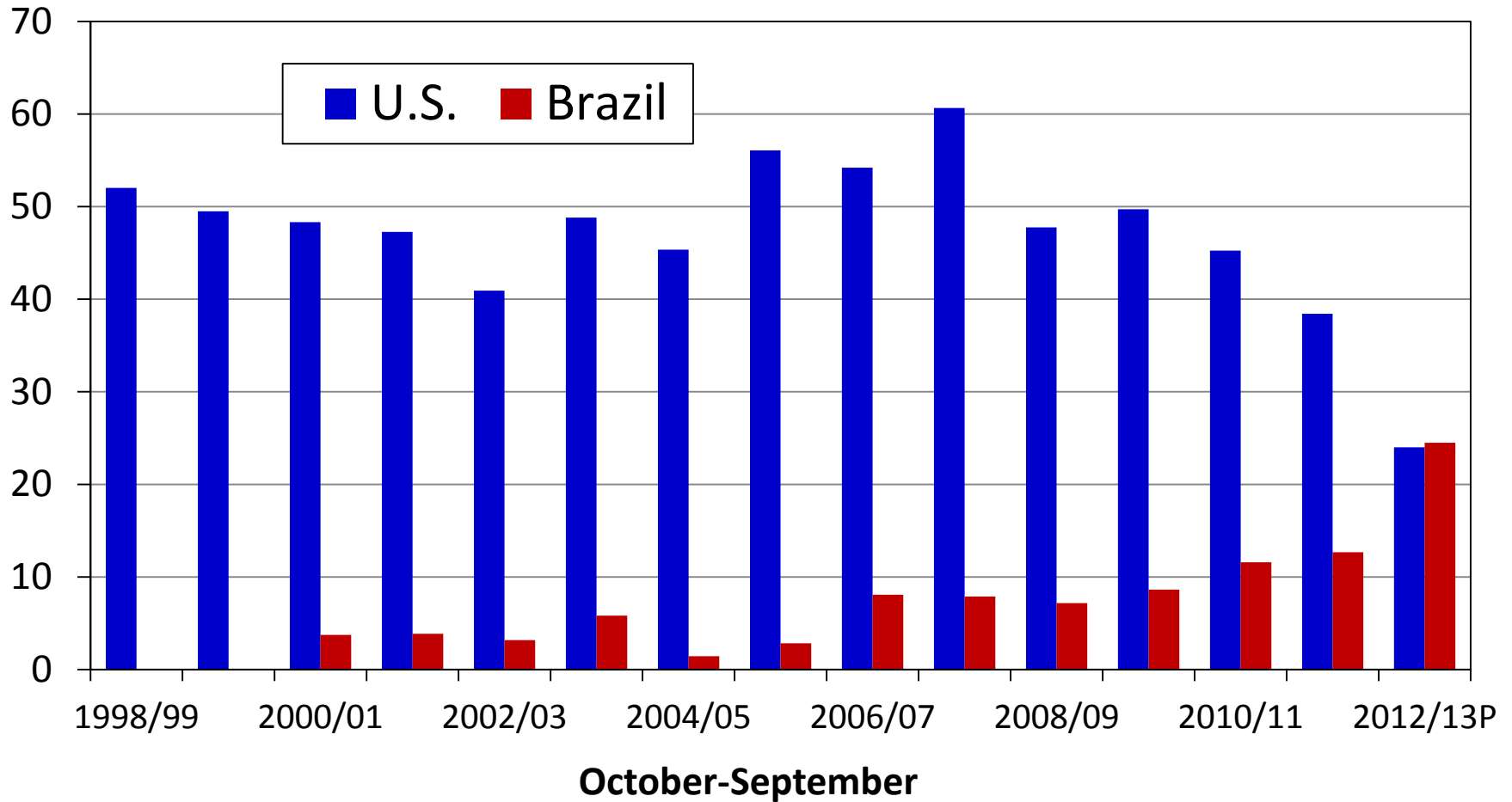
But export volumes flat or down for most commodities

Mil mt



Brazil corn exports to surpass U.S. exports?

Million mt



Source: USDA-FAS monthly trade circular, *Grain: World Markets and Trade*, February 8, 2013

Global ending stocks tighten for grains

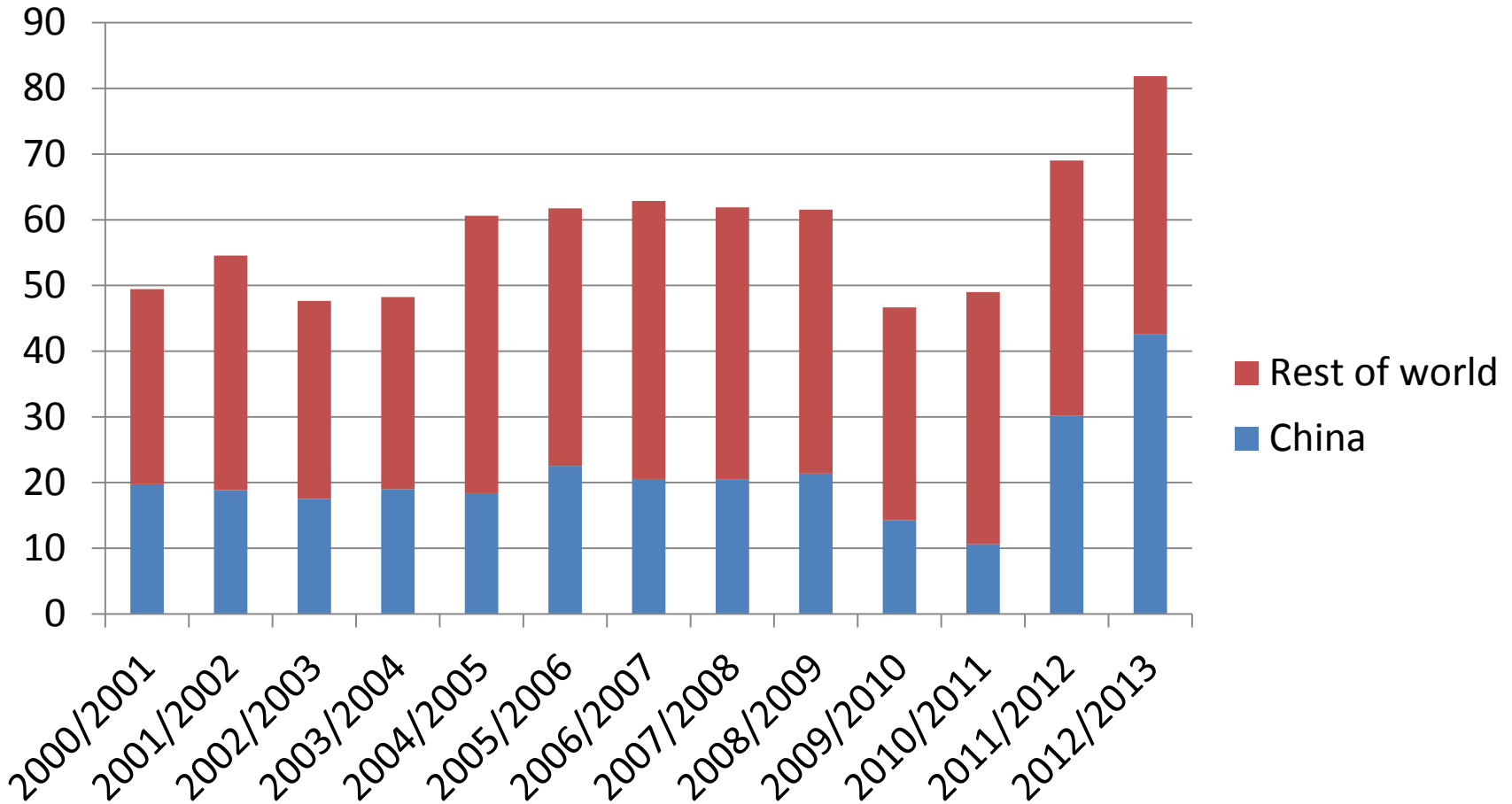
Crop	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	Days of use					
Wheat	76	96	112	110	104	96
Corn	62	69	65	55	54	50
Rice	69	77	79	81	84	80
Soybeans	83	72	93	101	80	84
Upland Cotton	187	208	144	156	245	281



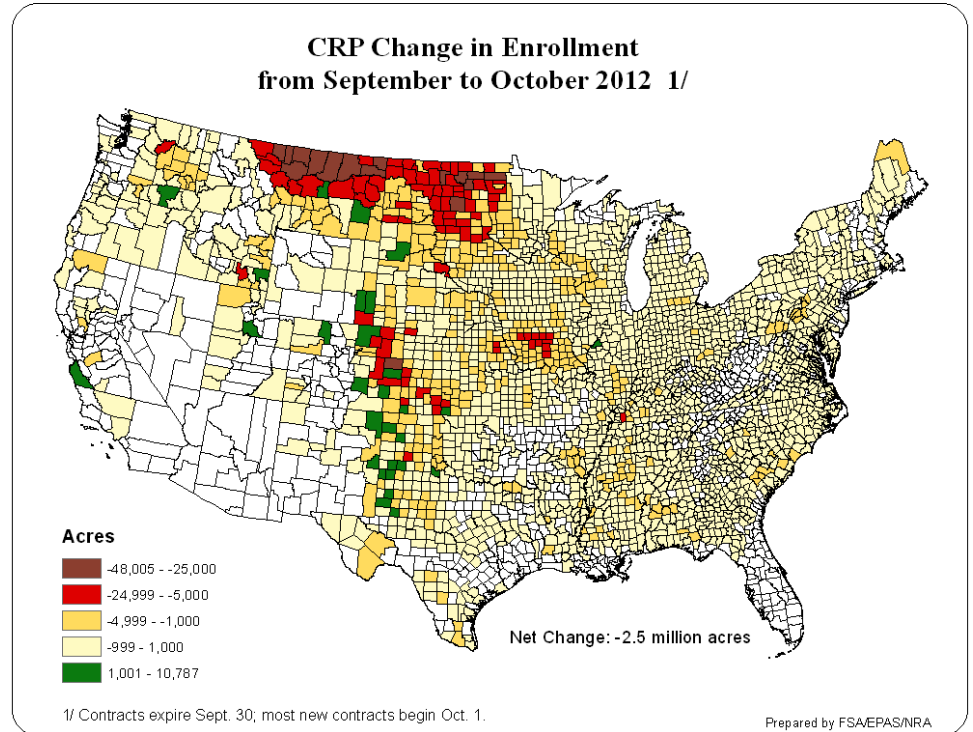
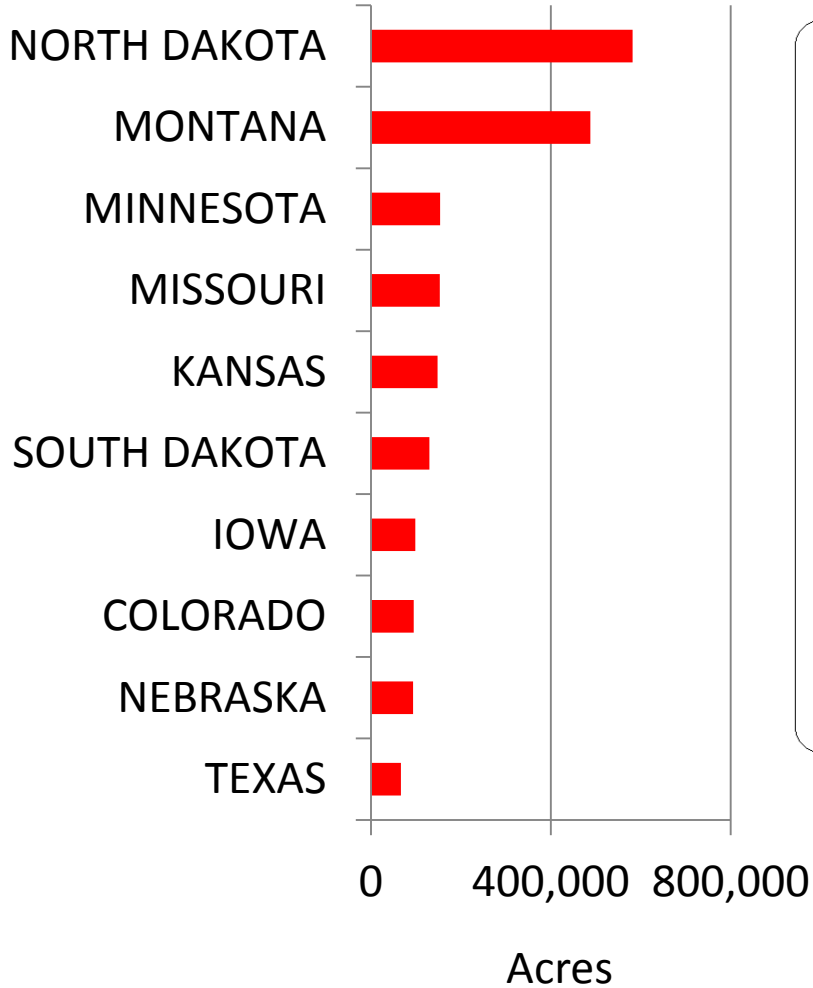
lowest since 1973/74

China builds cotton inventory

Million bales



Much of area exiting CRP is located in Plains states



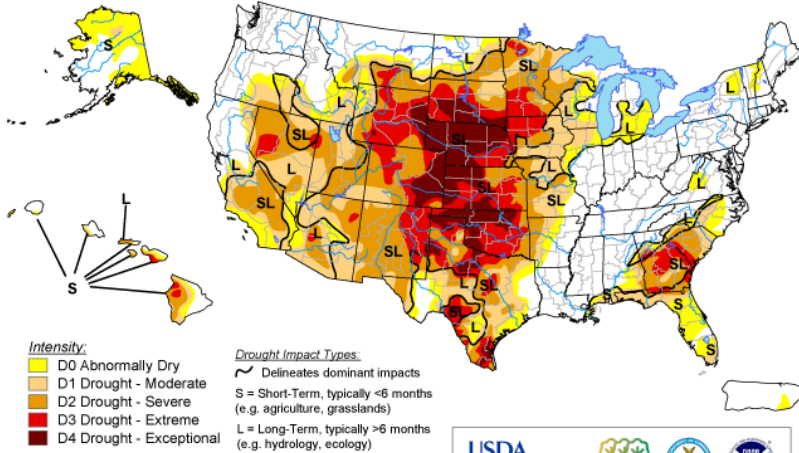
Planted acres projected to decline in 2013

Million acres

Crop	2007	2008	2009	2010	2011	2012	2013F	Percent change
Corn	93.5	86.0	86.4	88.2	91.9	97.2	96.5	-0.7
Soybeans	64.7	75.7	77.5	77.4	75.0	77.2	77.5	+0.4
Wheat	60.5	63.2	59.2	53.6	54.4	55.7	56.0	+0.5
Upland cotton	10.5	9.3	9.0	10.8	14.4	12.1	9.8	-19.0
Minor feed grains	15.5	15.8	13.6	11.4	10.6	12.6	12.9	+2.4
Rice	2.8	3.0	3.1	3.6	2.7	2.7	2.6	-3.7
Total 8 crops	247.5	253.0	248.7	245.0	249.0	257.5	255.3	-0.9
CRP	36.8	34.6	33.7	31.4	31.2	29.5	27.1	-8.1
8 crops + CRP	284.3	287.6	282.4	276.4	280.2	287.0	282.4	-1.6

Drought persists across much of the United States

U.S. Drought Monitor February 12, 2013 Valid 7 a.m. EST



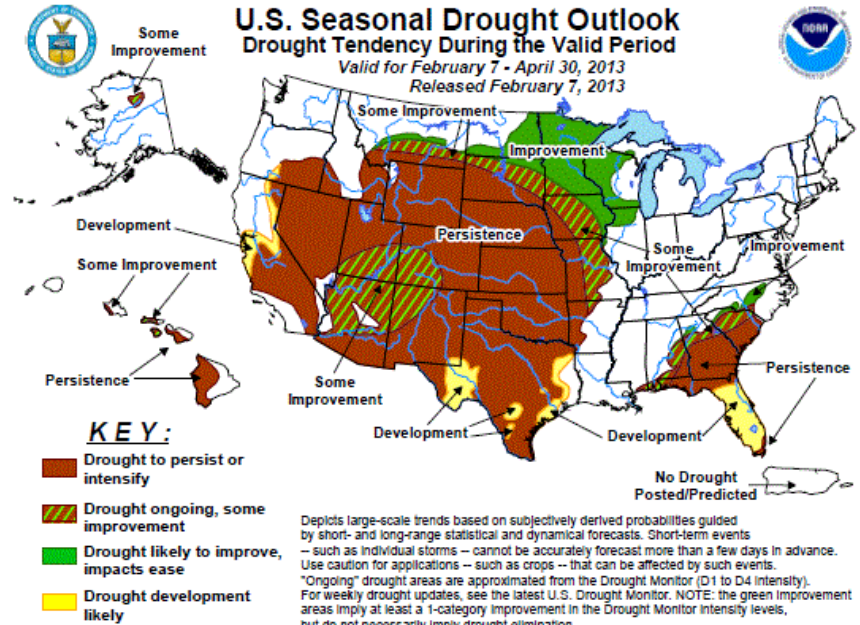
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://droughtmonitor.unl.edu/>



Released Thursday, February 14, 2013

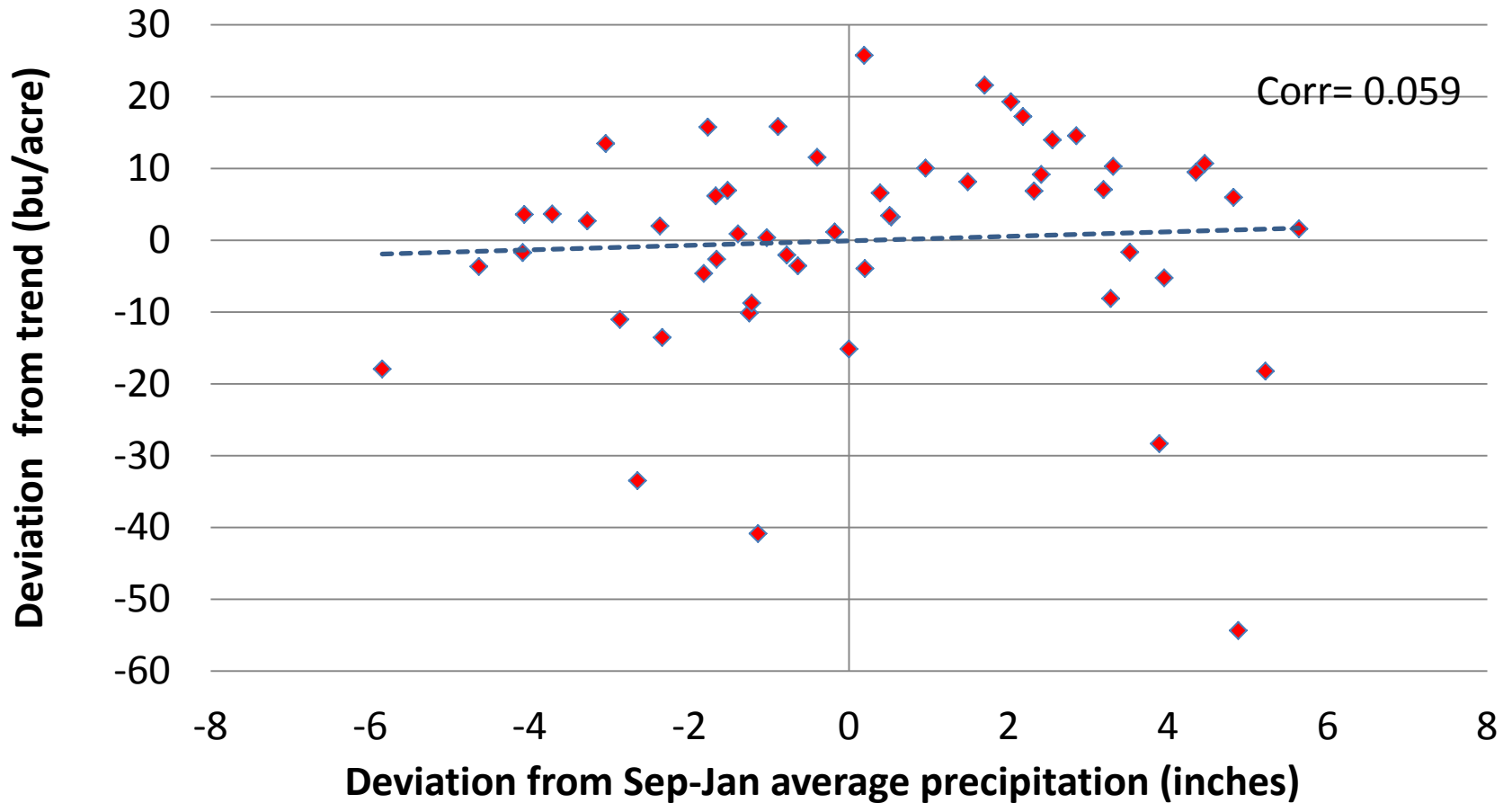
Author: Michael Brewer/L. Love-Brotar, NOAA/NESDIS/NCDC



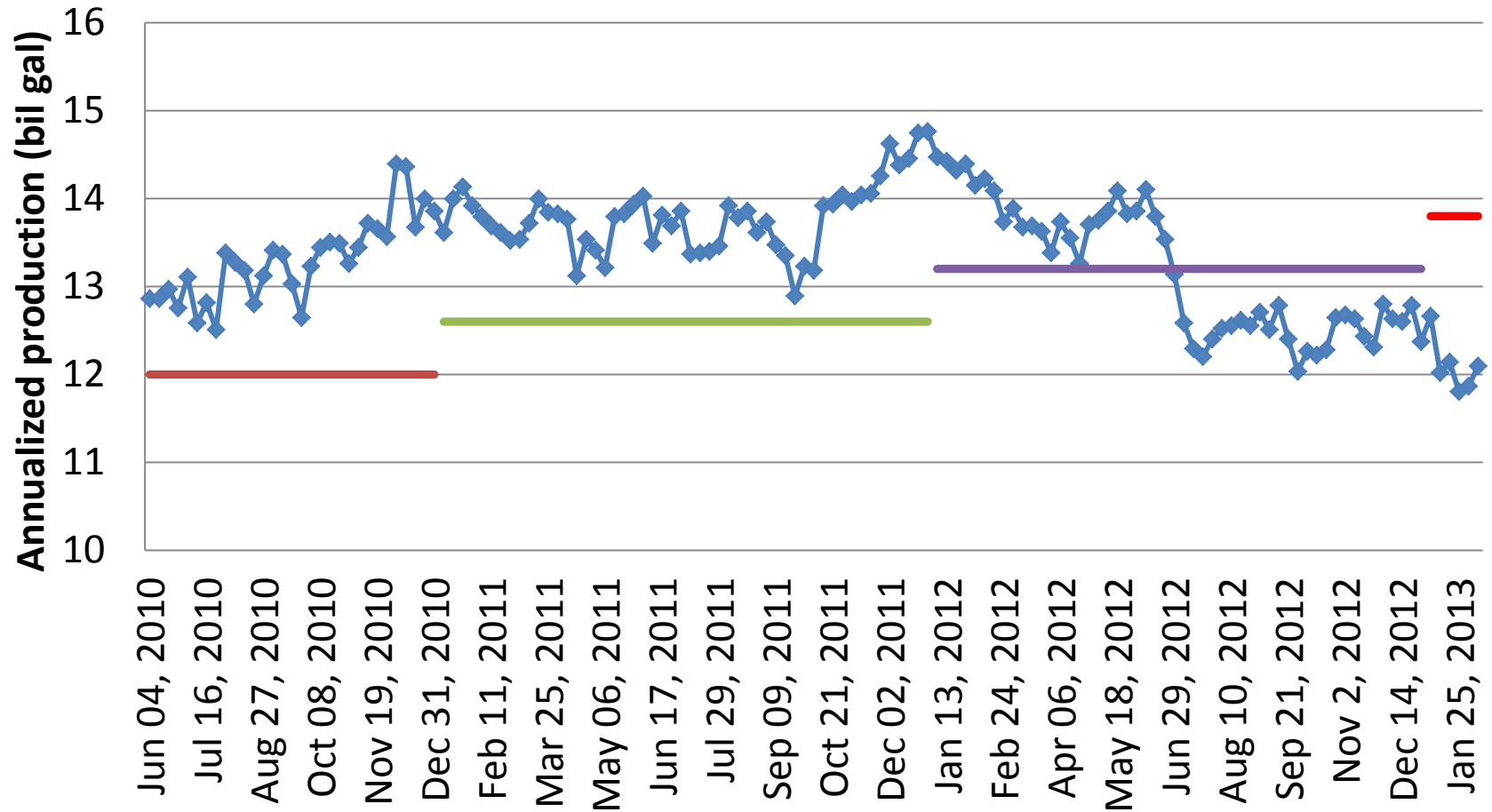
Corn and soybean production projected to rebound in 2013

Crop	Unit	2012	2013	Change
Corn	Mil bu	10,780	14,530	34.8%
Soybeans	Mil bu	3,015	3,405	12.9%
Cotton	Mil bales	17.0	14.0	-17.7%
Rice	Mil cwt	199.5	192.0	-3.8%
Wheat	Mil bu	2,269	2,100	-7.4%

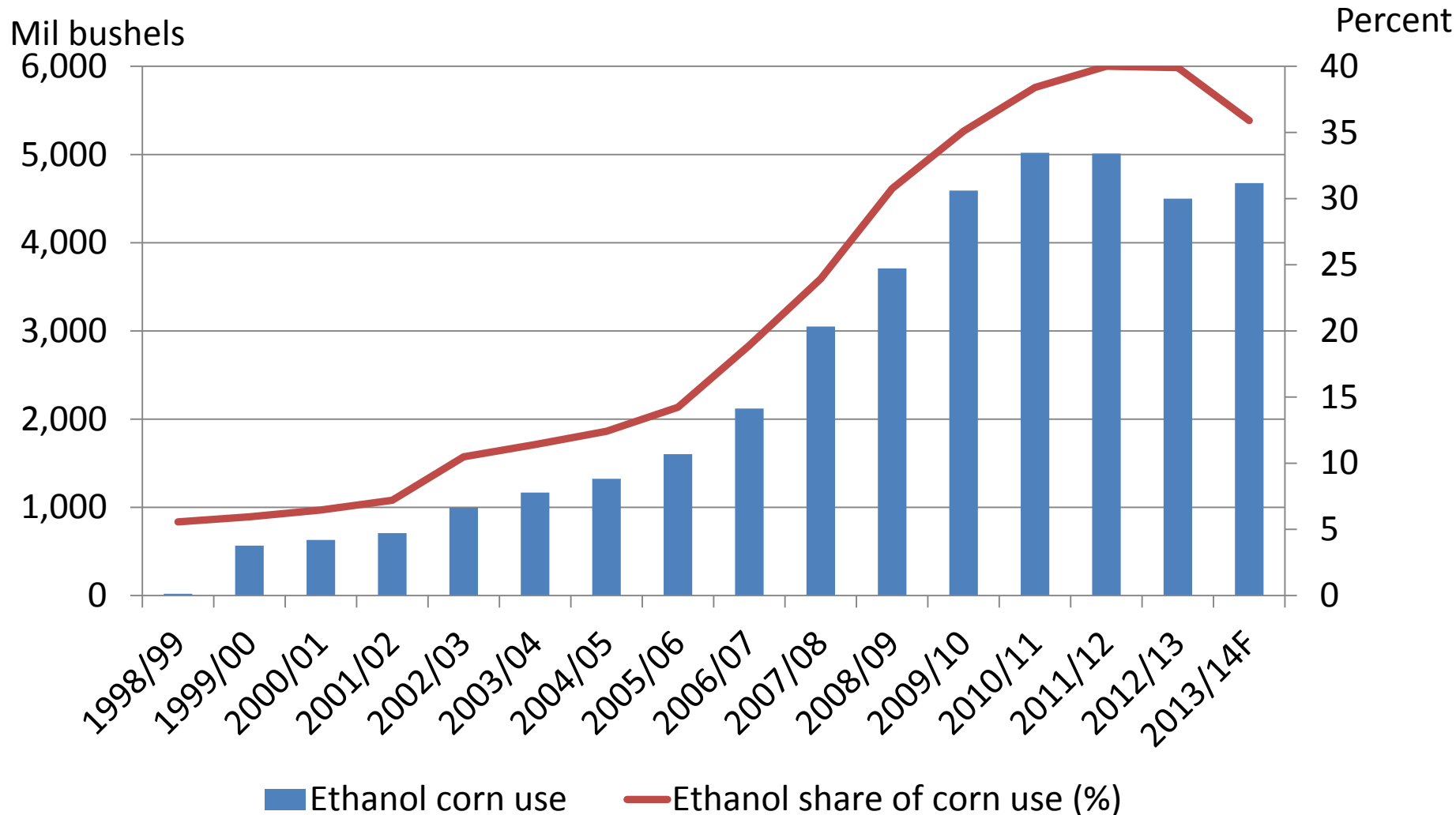
Preseason precipitation and Iowa corn yields



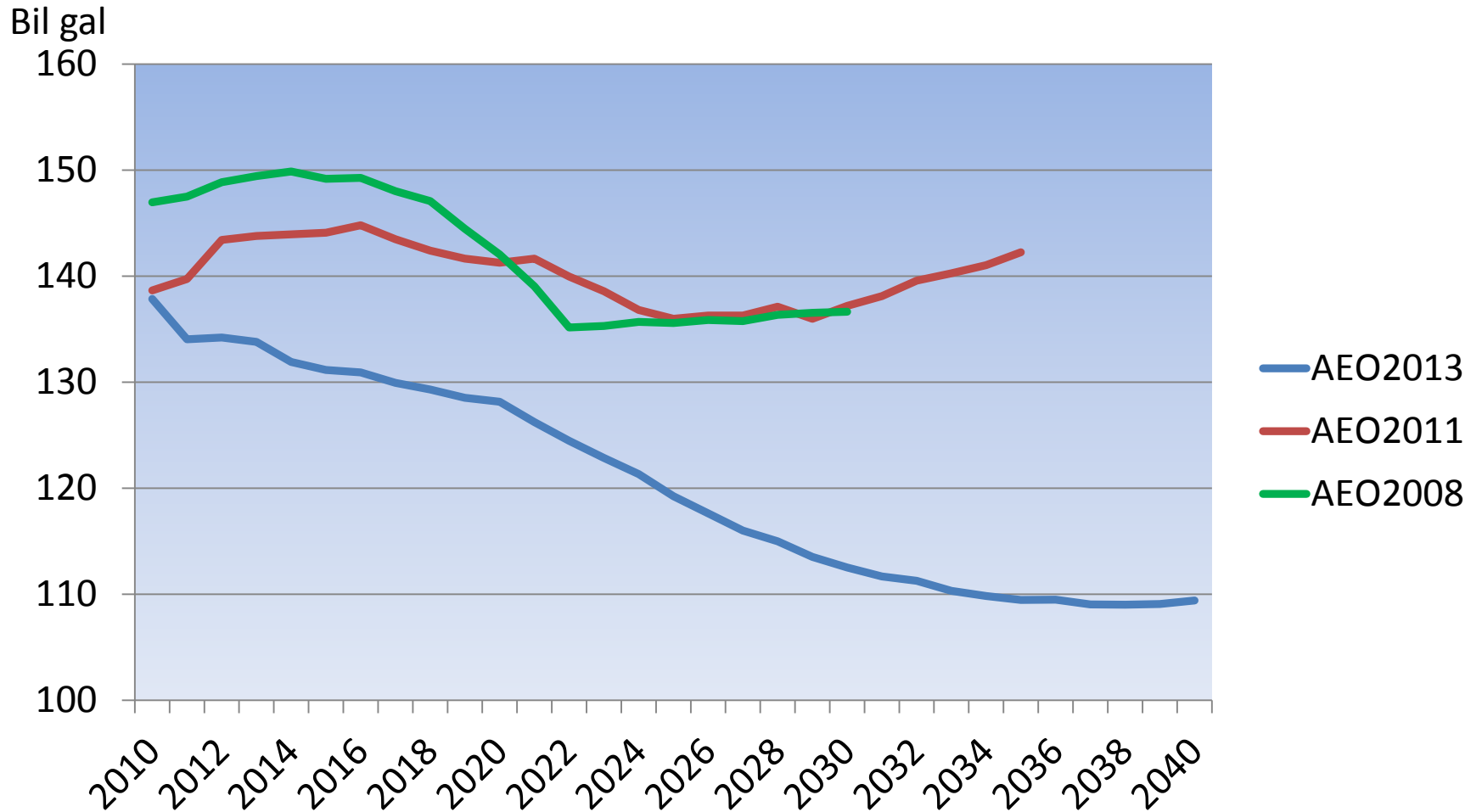
Weekly ethanol production below RFS caps for conventional biofuels



US corn use for ethanol rebounds, but below 5 billion bushels



Motor gasoline use projected to decline



Source: DOE--Energy Information Administration, Annual Energy Outlook

Commodity prices fall from record levels

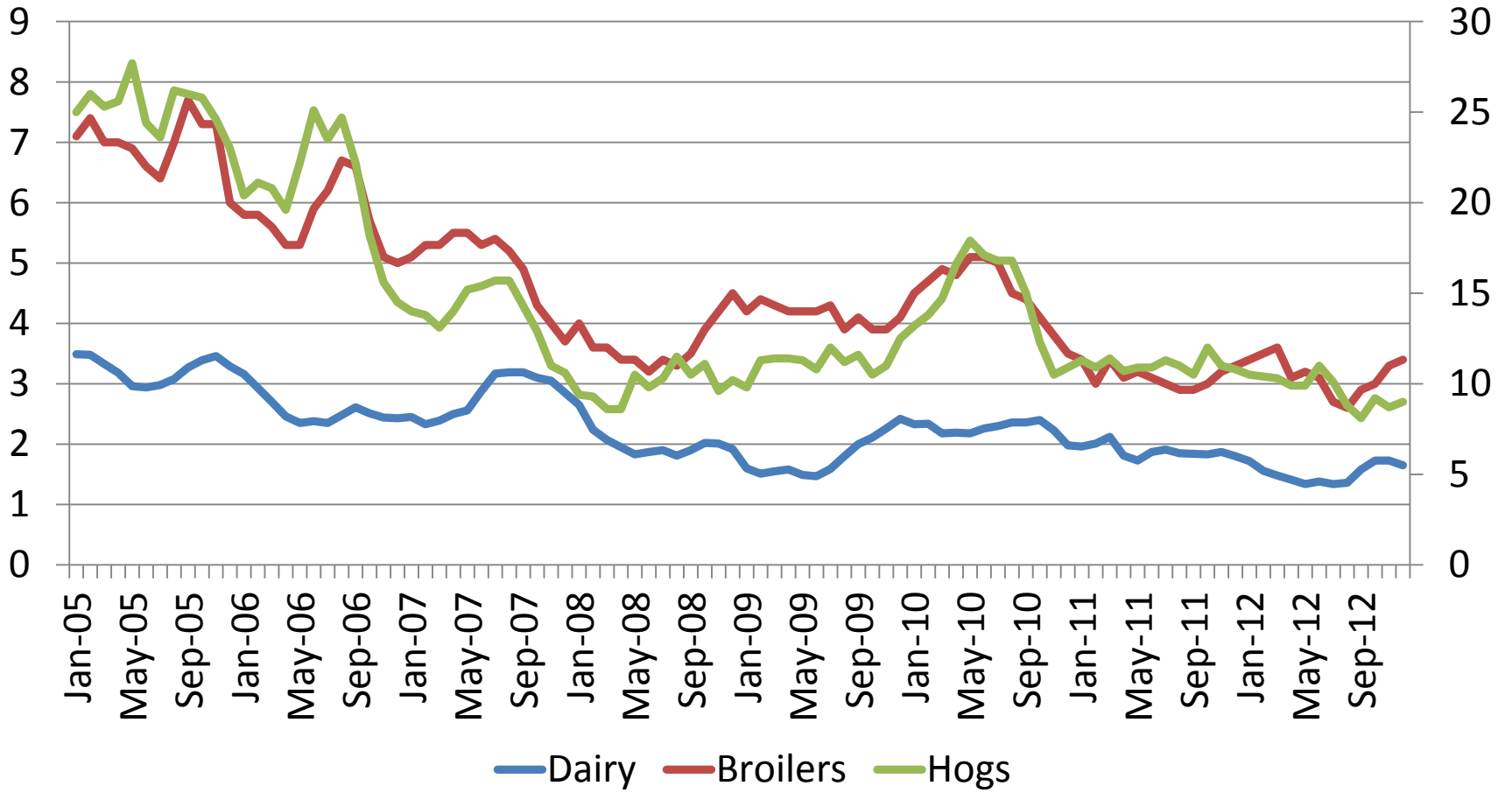
Crop	2009/10	2010/11	2011/12	2012/13	2013/14F	% Change 2011-12
Wheat	4.87	5.70	7.24	7.90	7.00	-11.4%
Corn	3.55	5.18	6.22	7.20	4.80	-33.3%
Soybeans	9.59	11.30	12.50	14.30	10.50	-26.6%
Rice	14.40	12.70	14.50	14.90	15.20	+2.0%
Cotton	62.9	81.5	88.3	71.0	73.0	+2.8%

Wheat, corn and soybeans in dollars per bushel; rice in dollars per hundredweight; cotton in cents per pound. Numbers in red denote record levels.

High feed costs keep feed ratios at low levels

Dairy and Broilers

Hogs

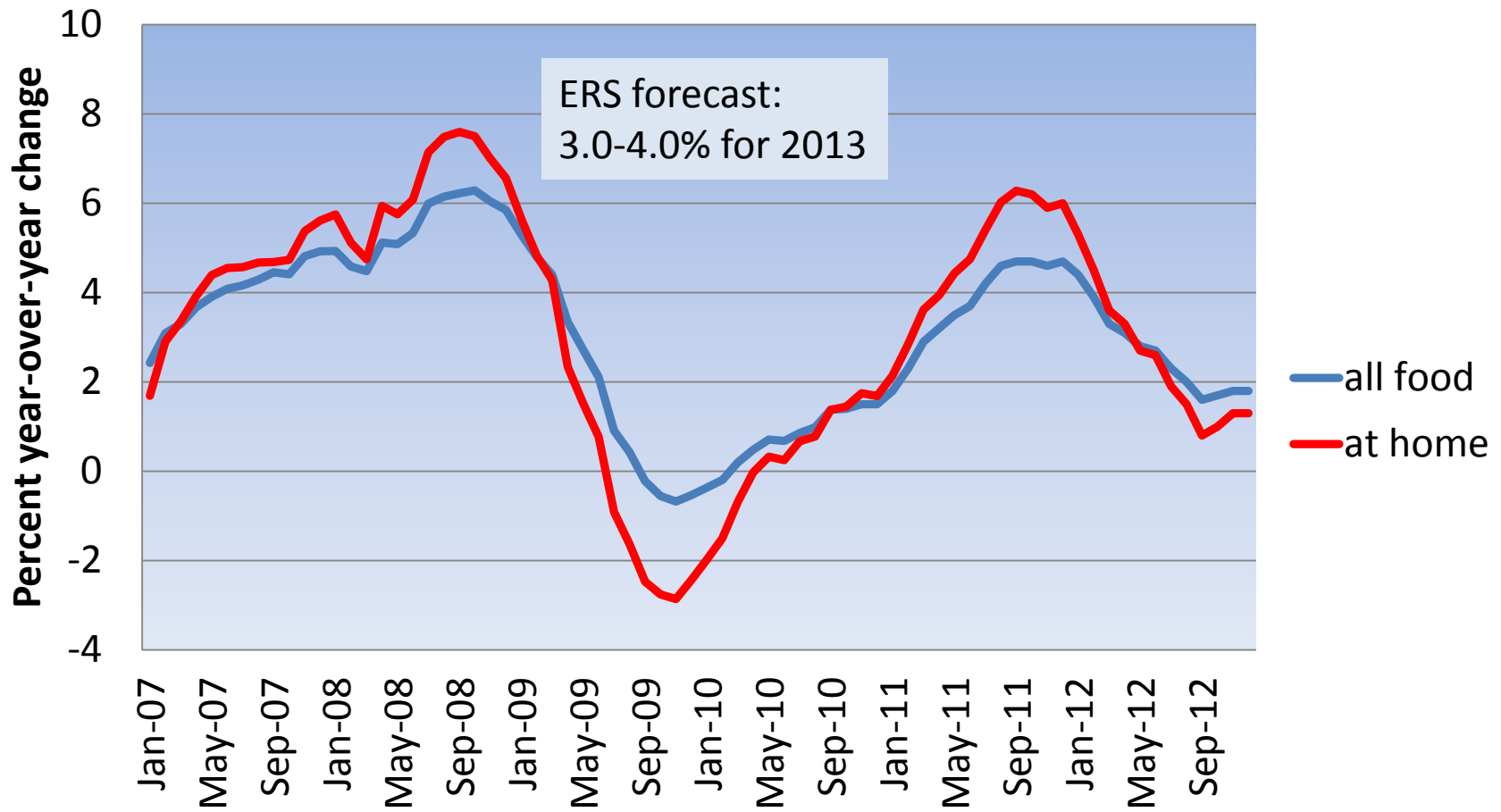


Livestock, dairy and poultry prices projected to increase in 2013

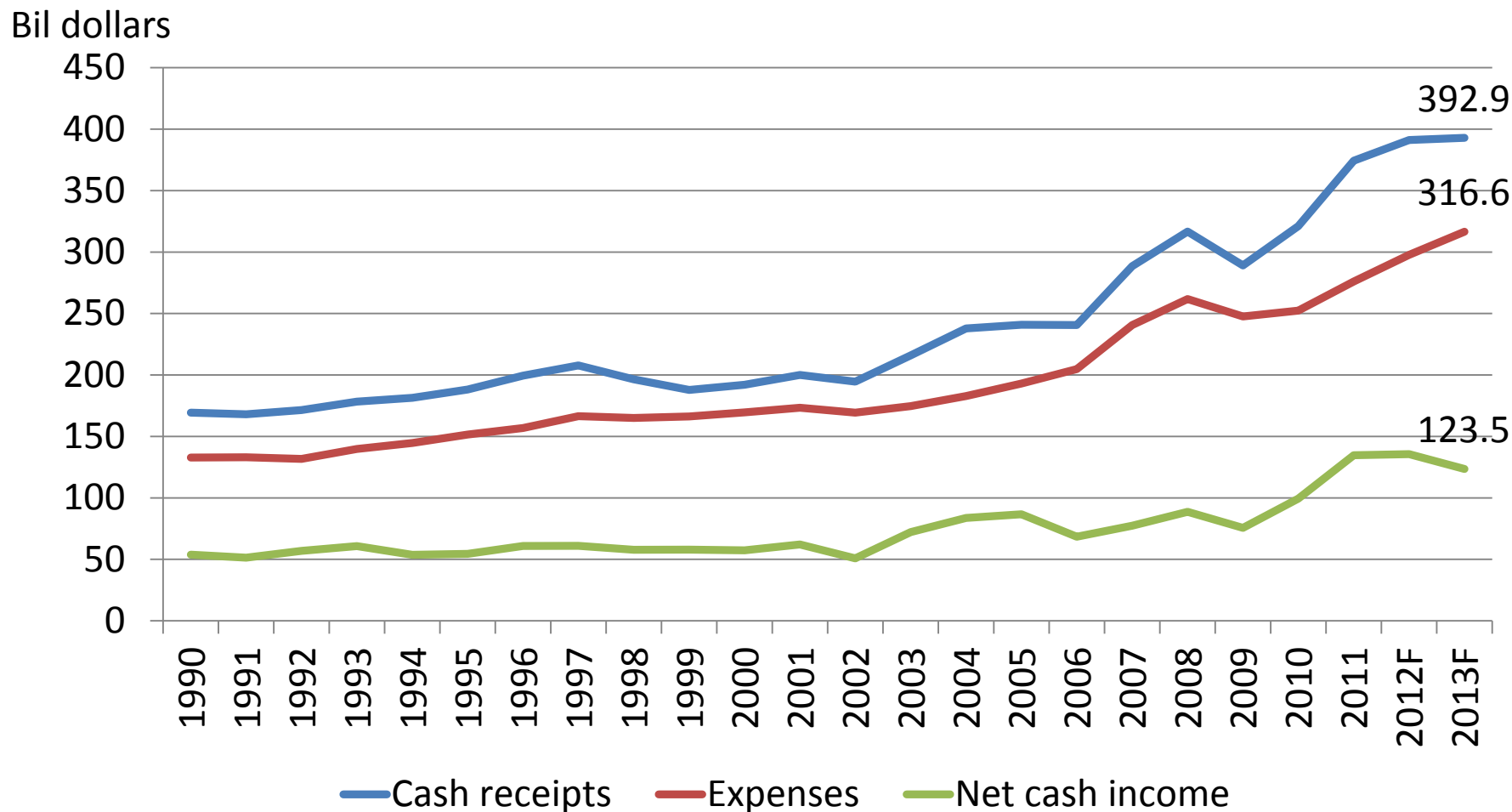
Animal products	2009	2010	2011	2012	2013F	% Change 2012-13
	Dollars per cwt					
Cattle	83.25	95.38	114.73	122.86	129.50	5.4
Hogs	41.24	55.06	66.11	60.88	63.00	3.5
Broilers	77.60	82.90	79.90	86.6	95.00	9.7
Milk	12.83	16.26	20.14	18.51	19.25	4.0

Prices in red denote record levels.

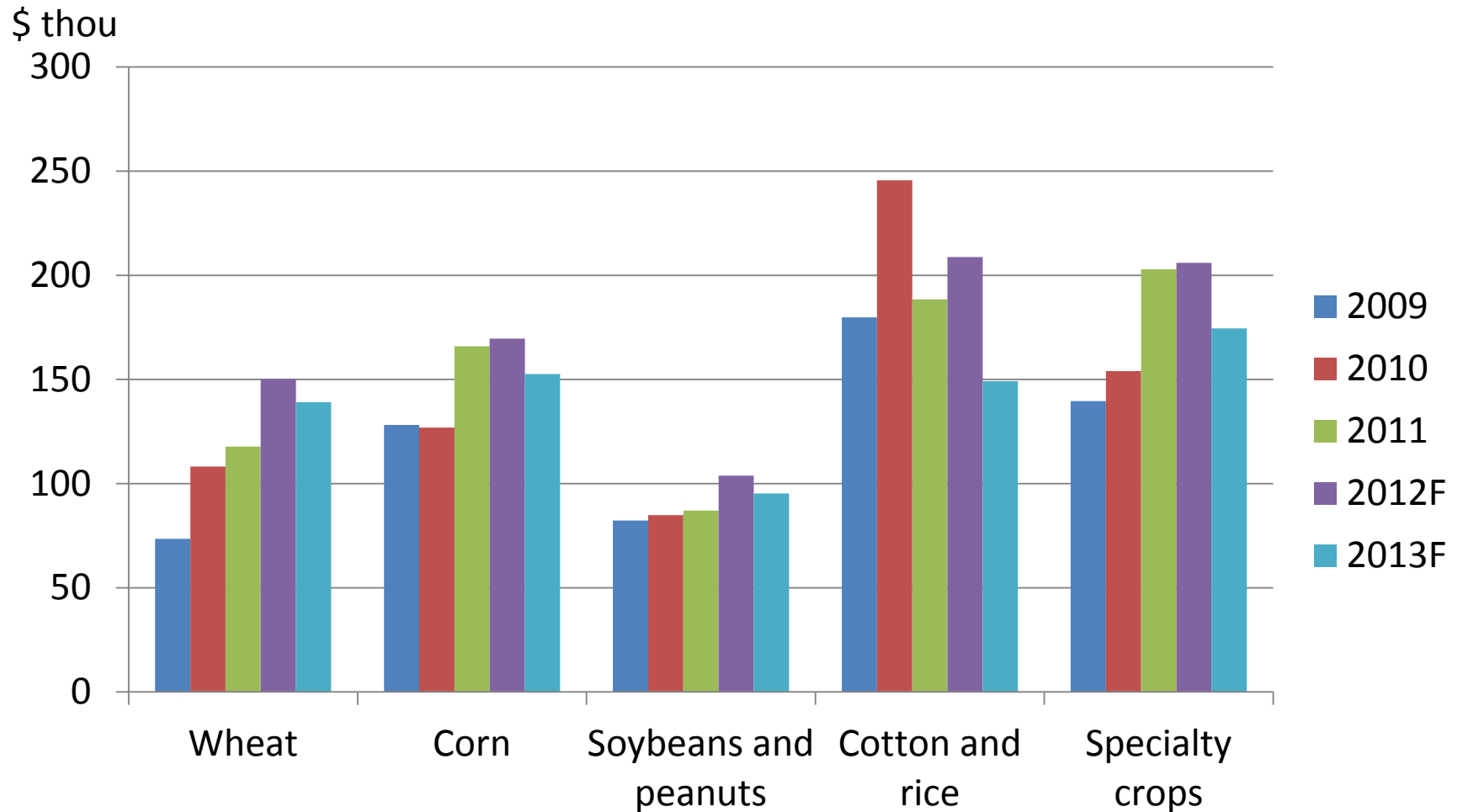
Food CPI to rise in 2013 but likely to remain below levels in 2008 and 2011



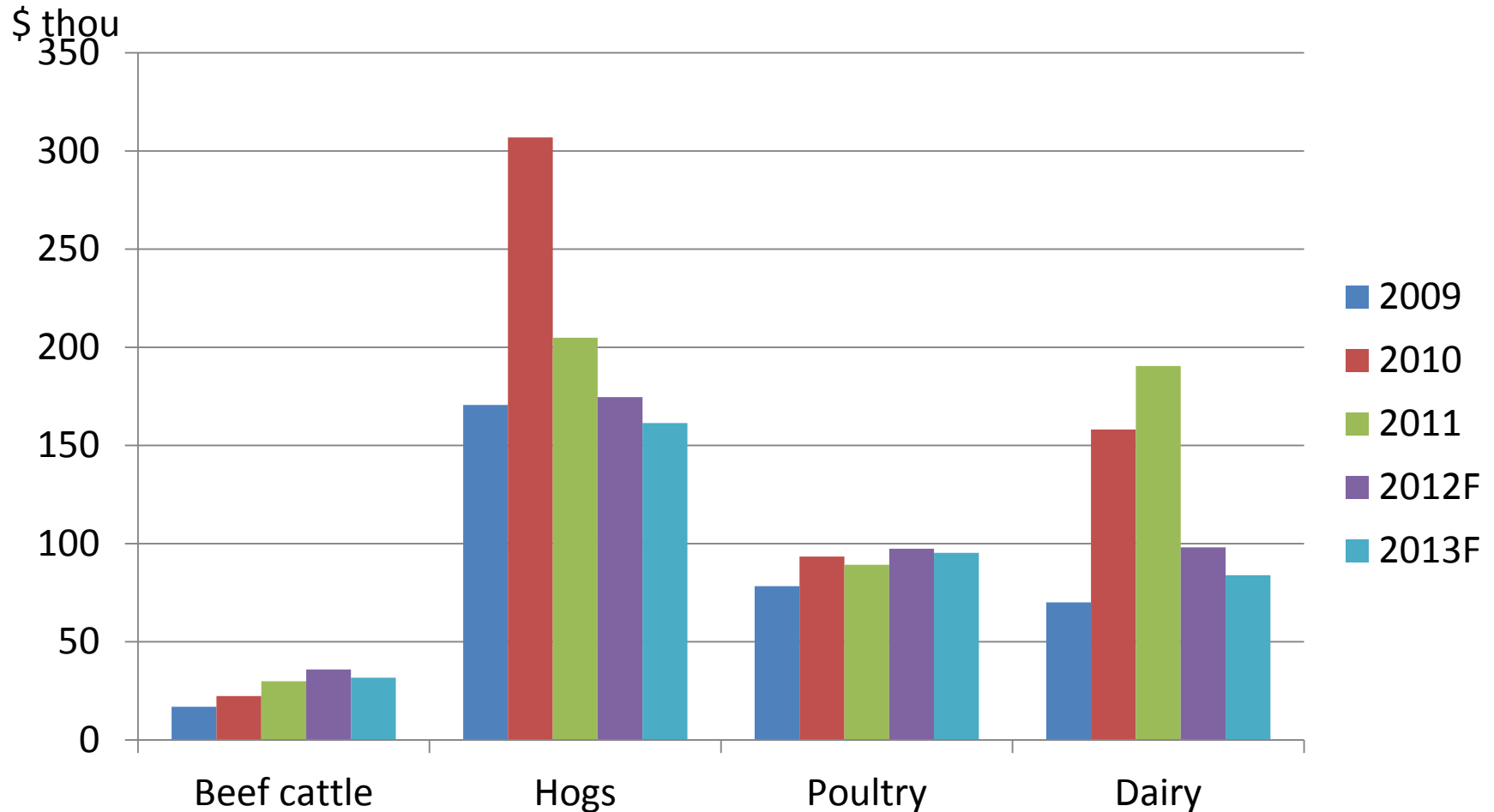
Net cash income projected to fall in 2013, but remain high relative to historical levels



Net cash income projected to fall for most crop producers



Net cash income for livestock producers expected to decline in 2013



Source: Economic Research Service