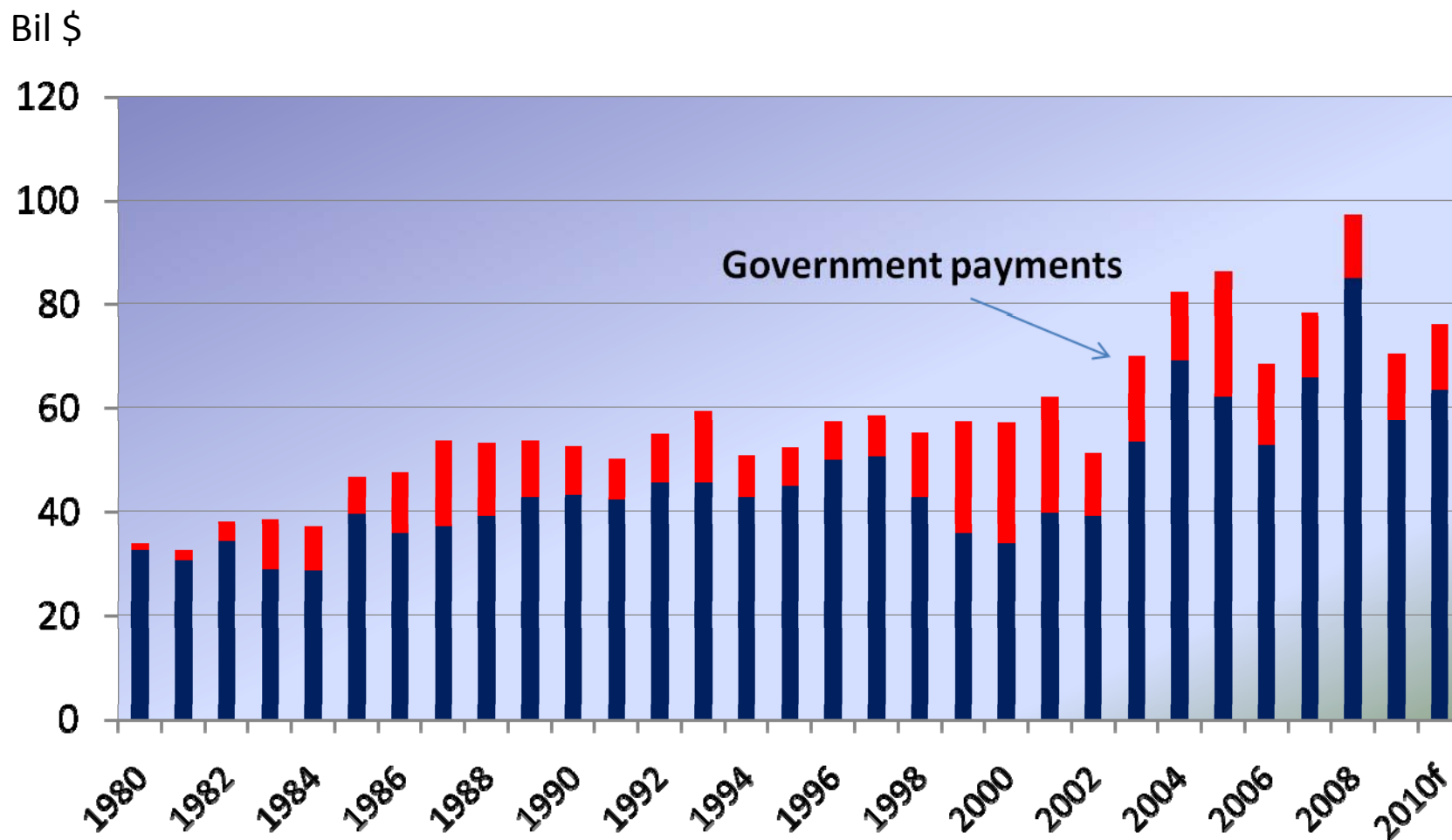




Farm Outlook for 2010

Joseph W. Glauber
Chief Economist, USDA
86th Annual Agricultural Outlook Forum
February 12, 2010

Net cash income to rise by \$5.5 billion in 2010

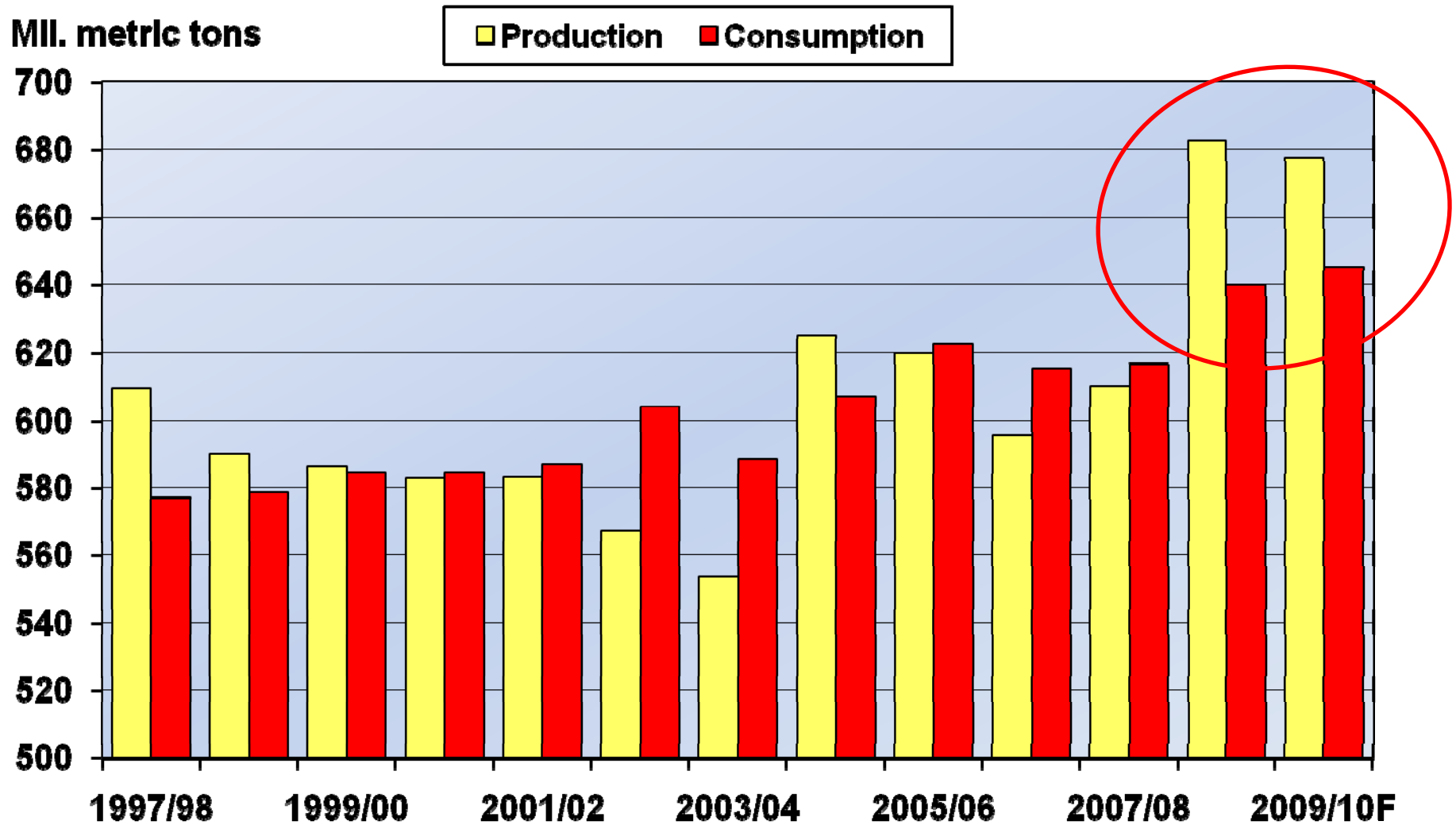


Source: Economic Research Service, February 2010

Planted acres to 8 major crops down 5.6 million acres from 2008

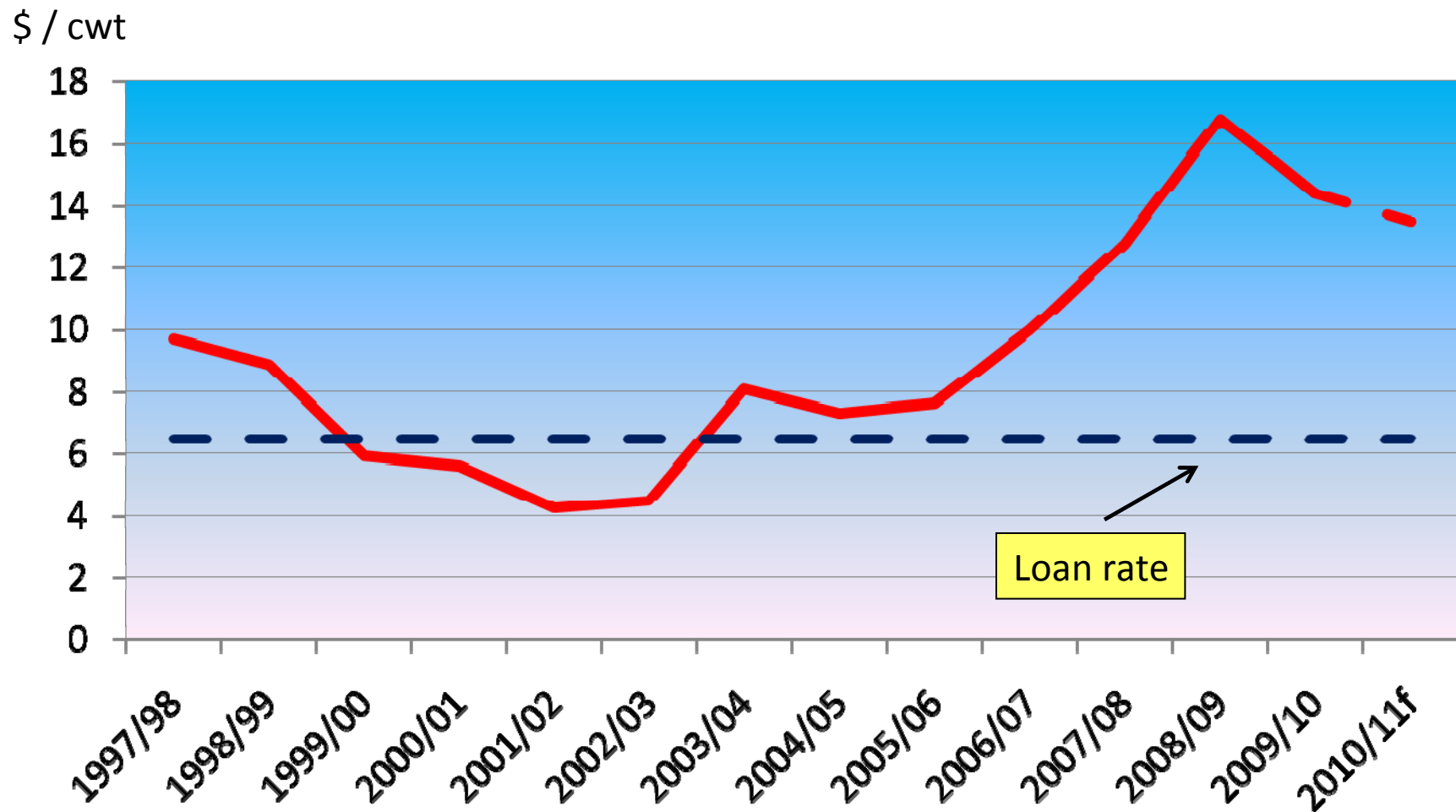
Crop	2008	2009	2010 1/
Corn	86.0	86.5	89.0
Sorghum	8.3	6.6	7.0
Barley	4.2	3.6	3.6
Oats	3.2	3.4	3.4
Wheat	63.2	59.1	53.8
Rice	3.0	3.1	3.2
Upland cotton	9.3	9.0	10.3
Soybeans	75.7	77.5	77.0
8 major crops	252.9	248.8	247.3
CRP	34.6	33.8	31.4
Total planted + CRP	287.5	282.5	278.7

Global wheat production responds to high prices

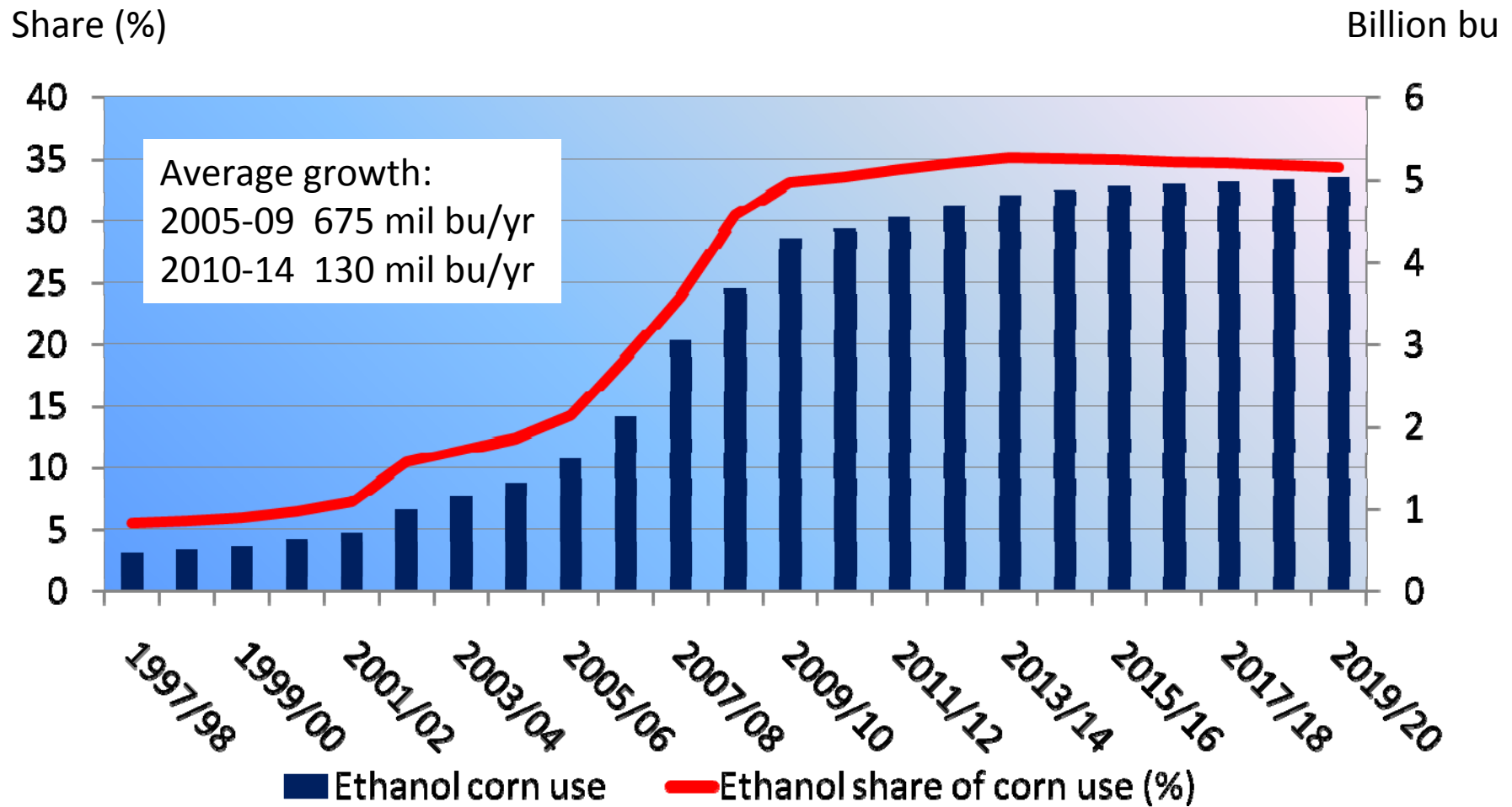


Source: USDA-WAOB, *World Agricultural Supply and Demand Estimates*, February 9, 2010.

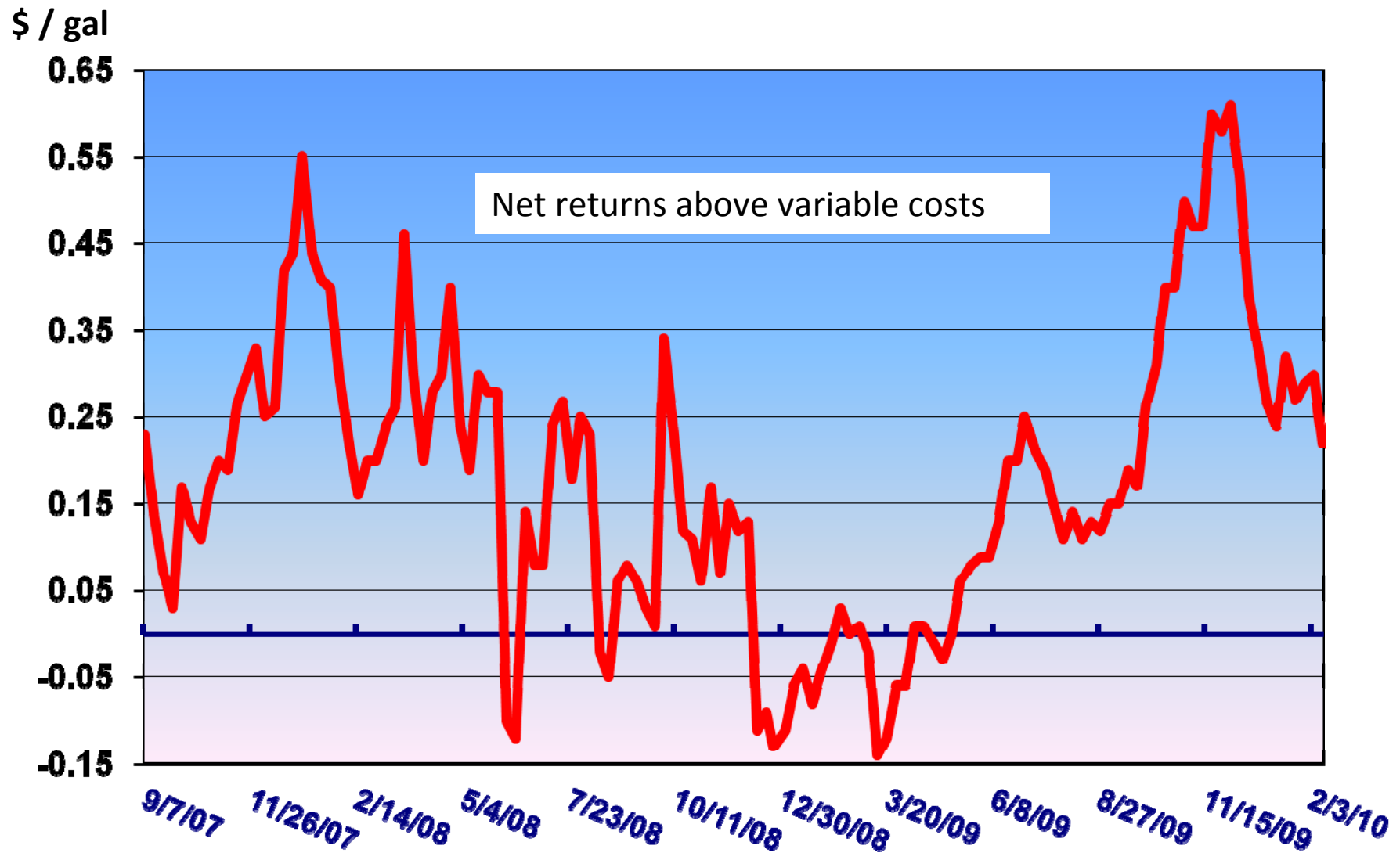
Rice prices to remain high relative to historical levels



Growth in corn use for ethanol slows

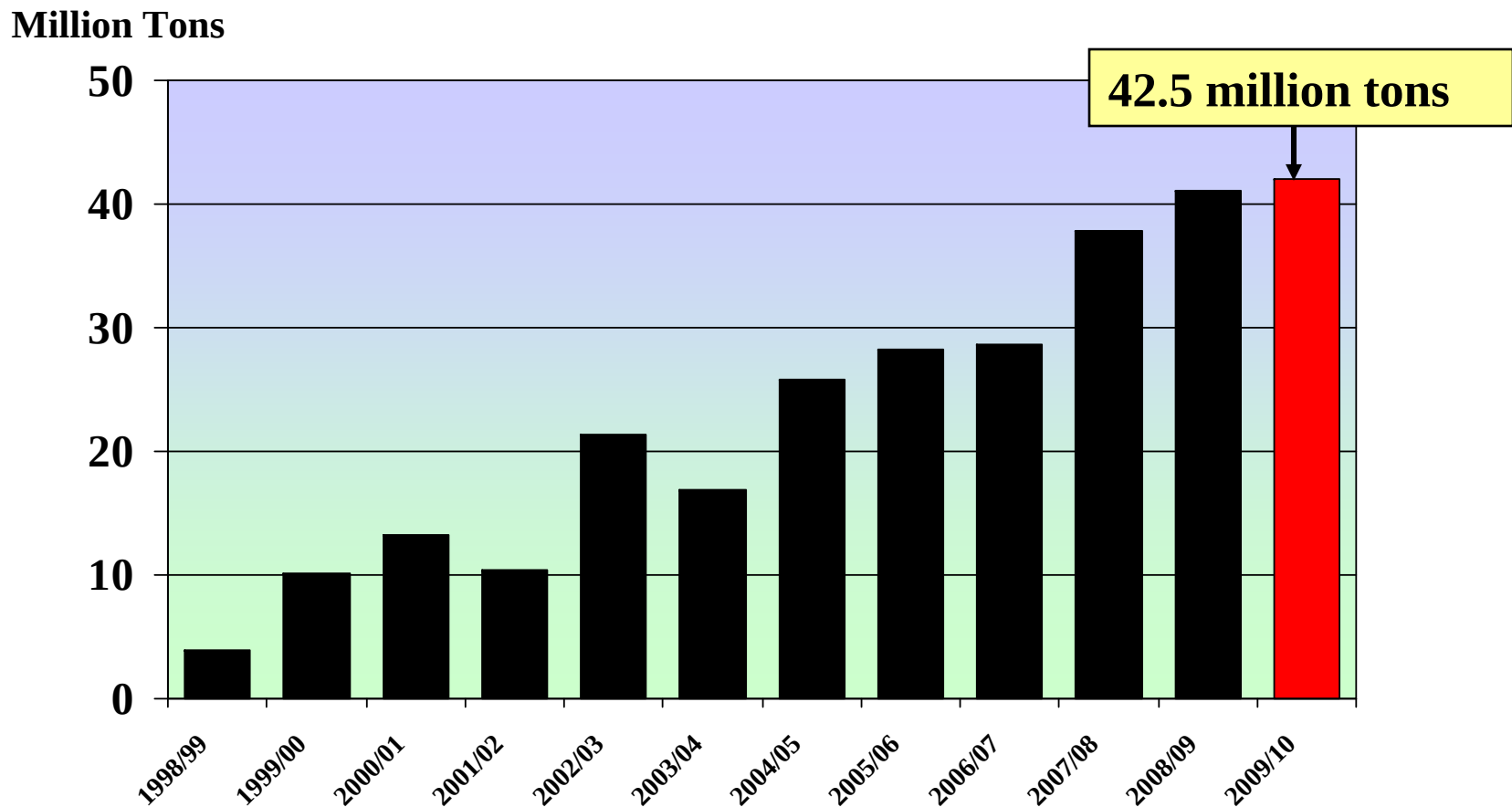


Profitability returns to ethanol production

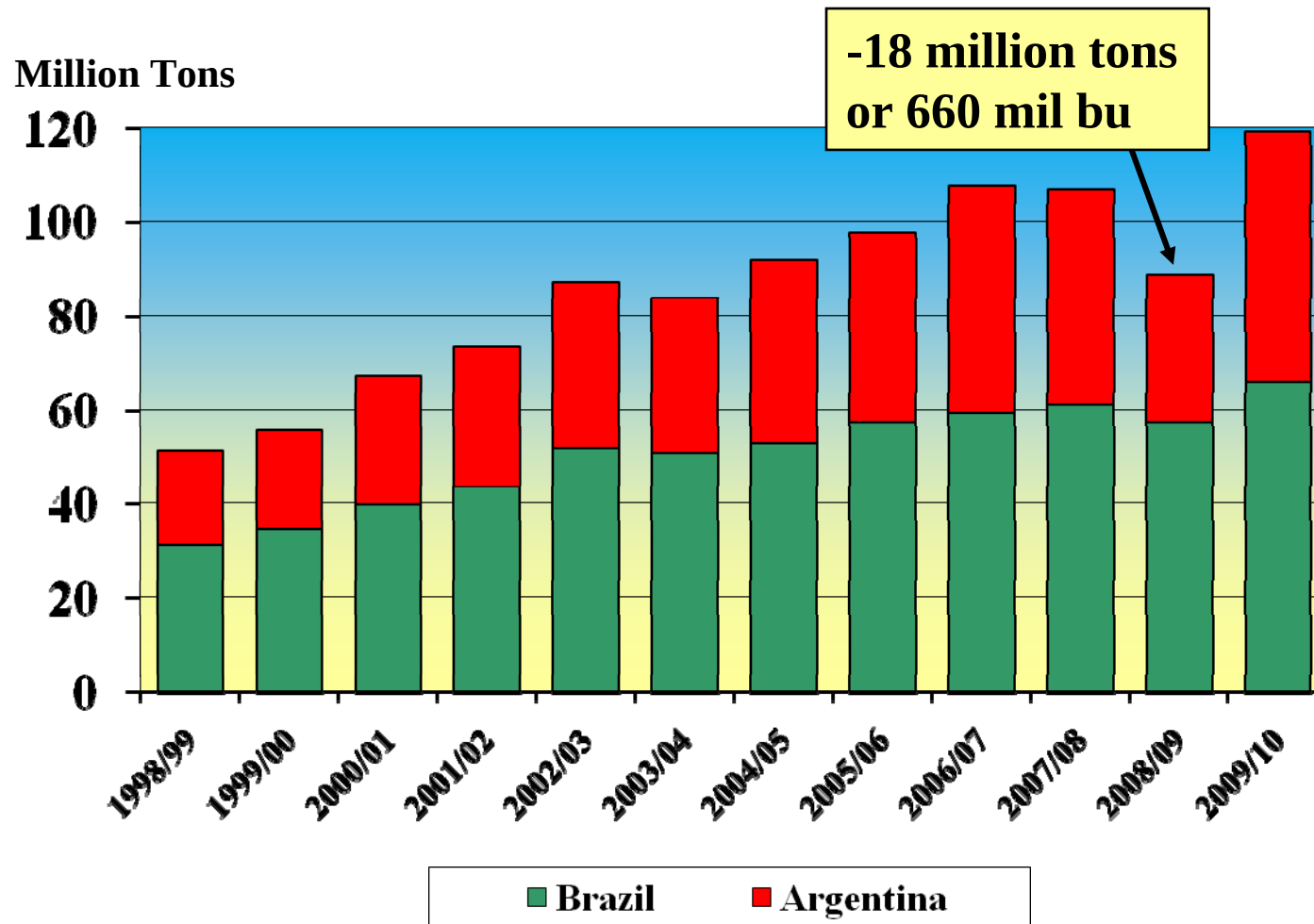


Note: USDA-WAOB estimates based on USDA-AMS plant reports and DOE-EIA estimates and forecasts for natural gas and electricity prices.

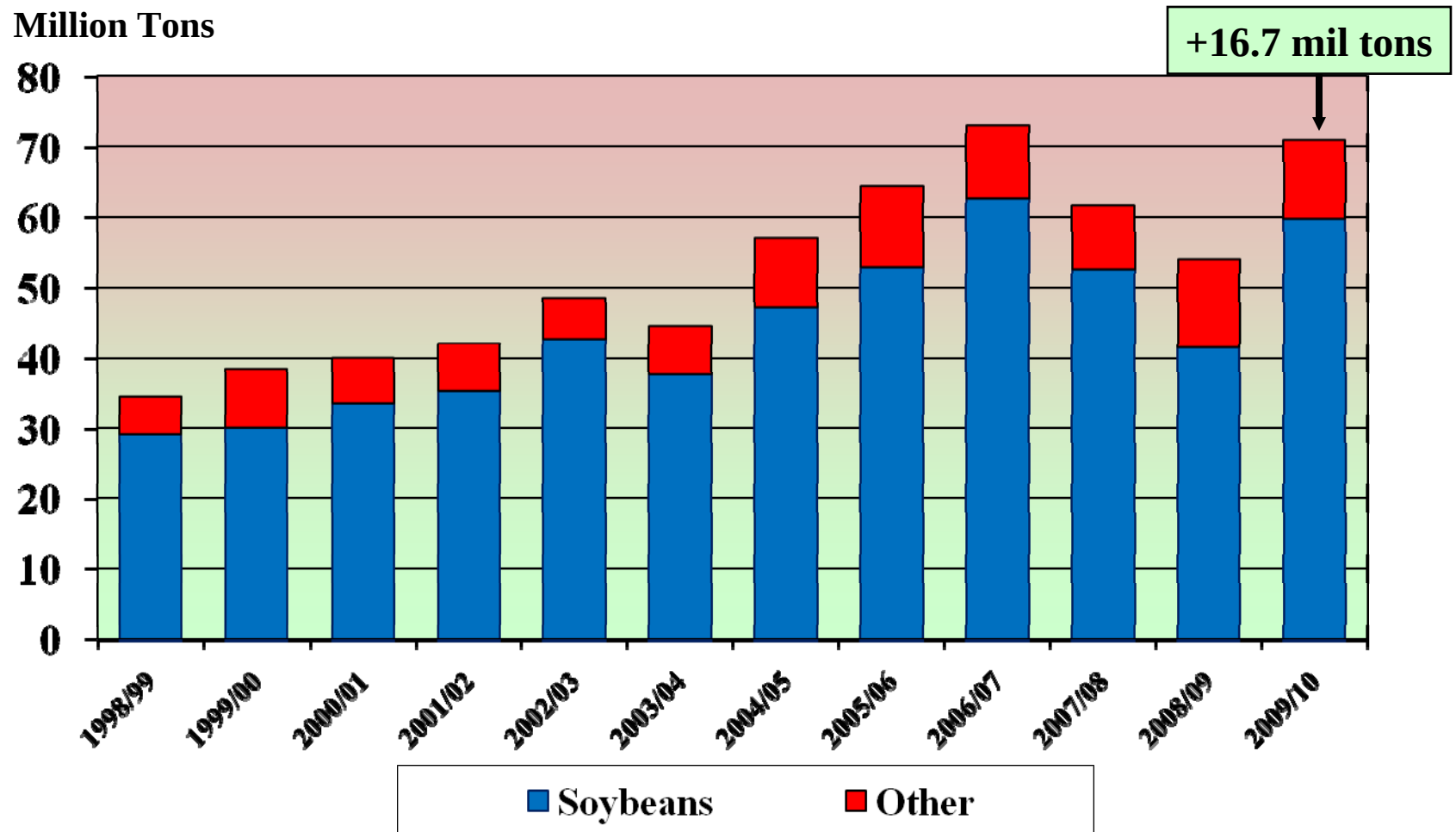
China soybean imports now account for 54% of global trade



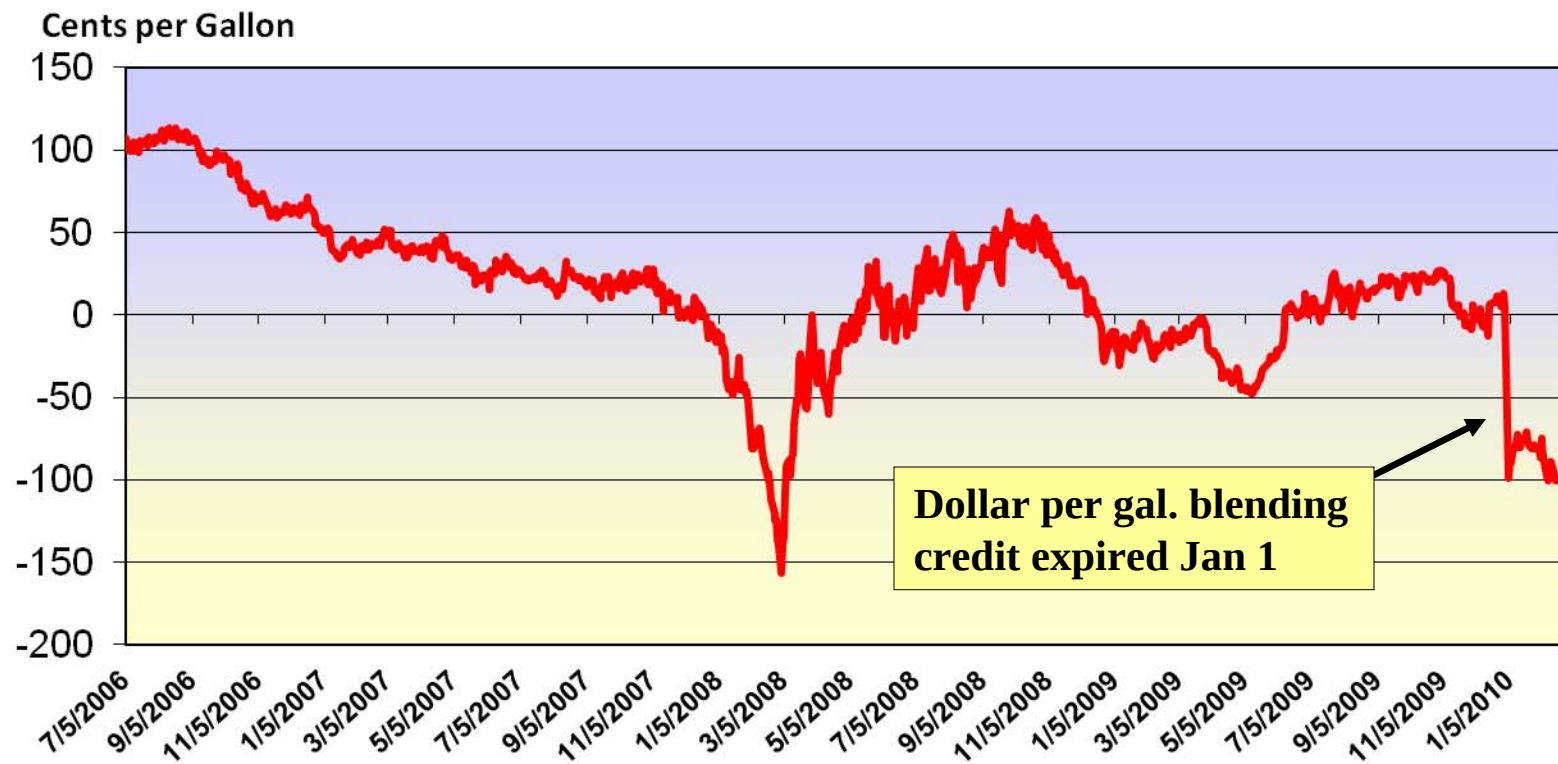
Argentina and Brazil soy production losses set the stage for 2009/10



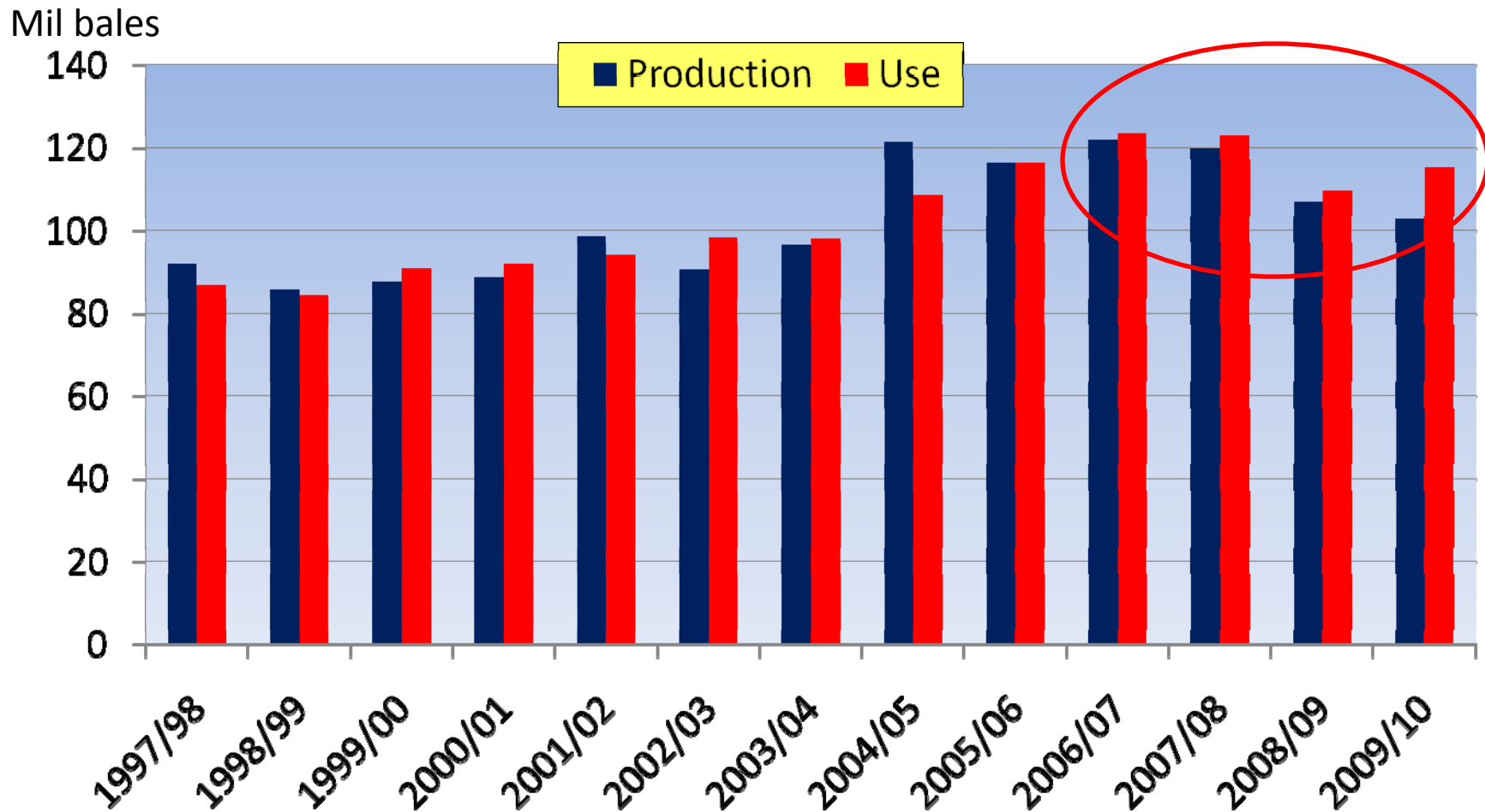
Global oilseed stocks rebuild after 2-year decline



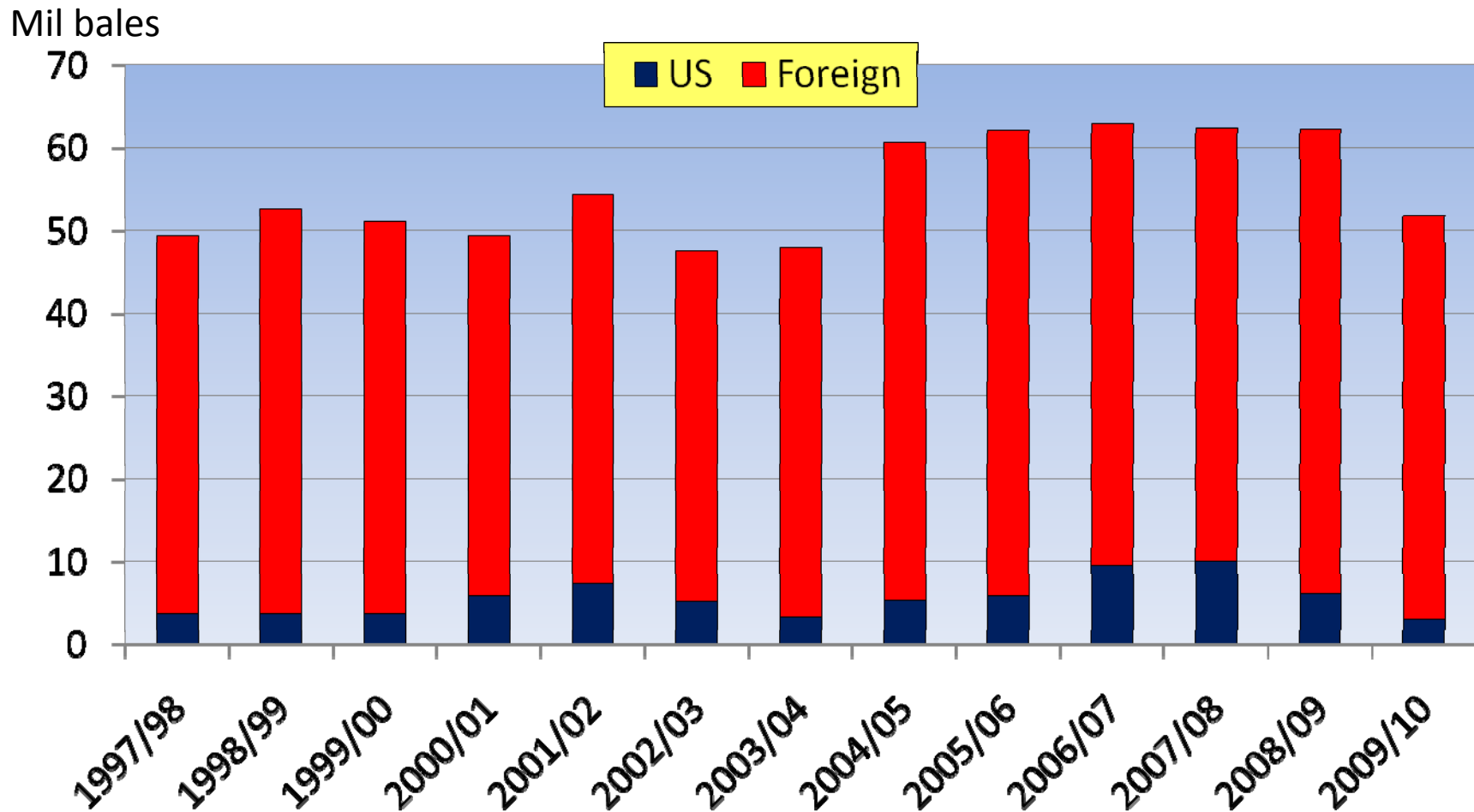
U.S. Domestic Soybean Oil-based Biodiesel Production Margin



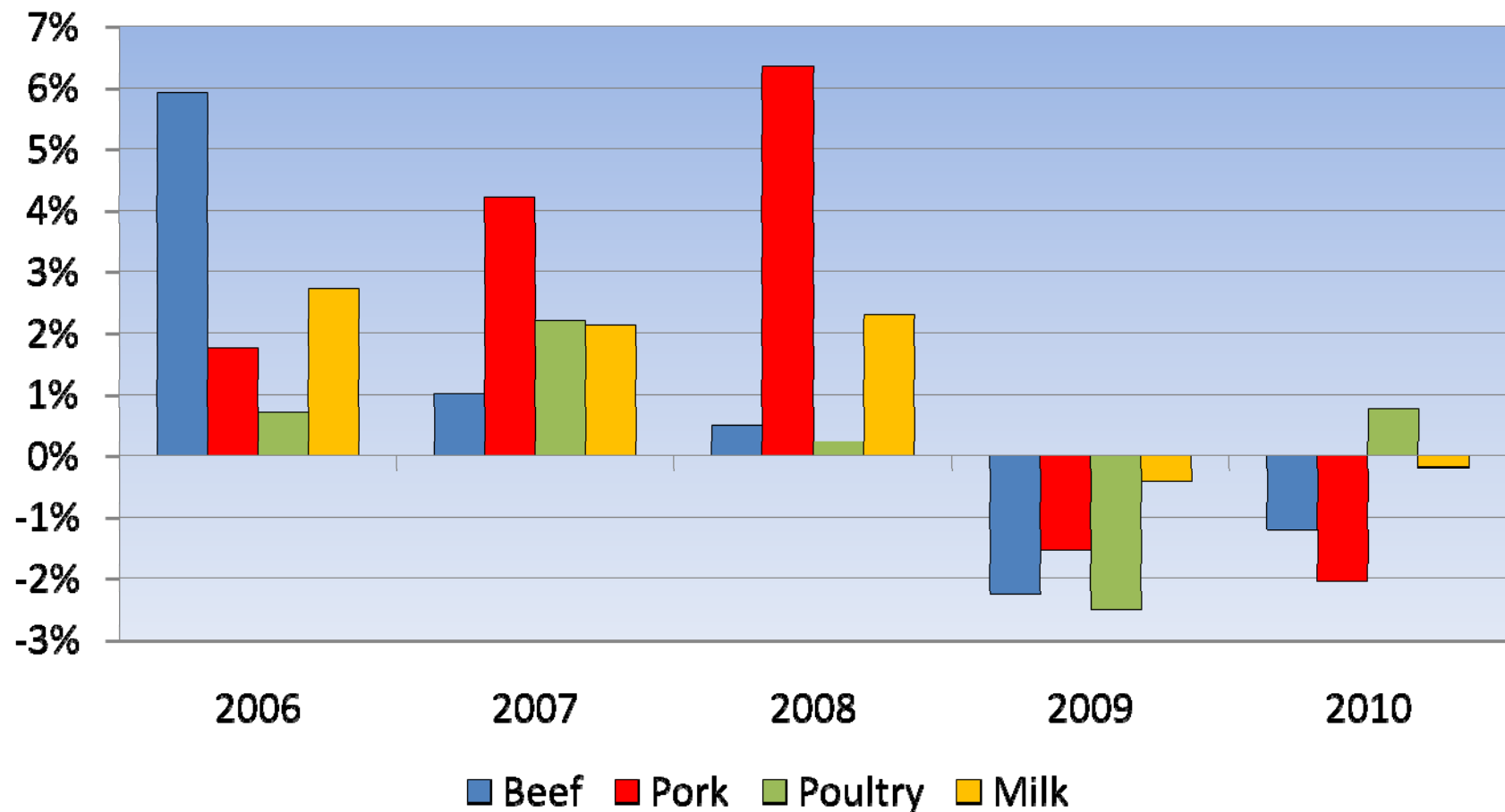
Global cotton use exceeds production for 4th straight year



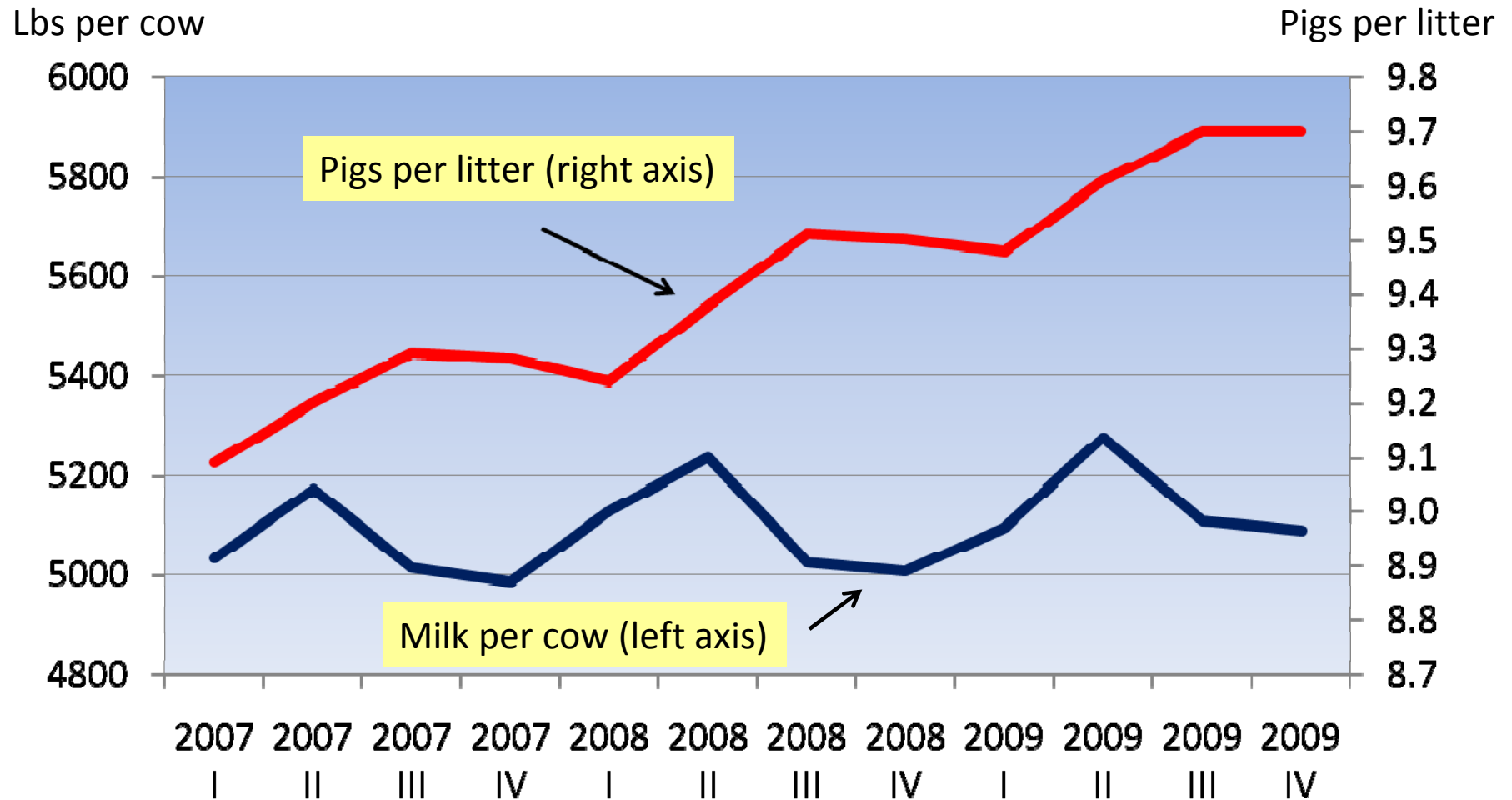
Global cotton ending stocks lowest since 2003/04



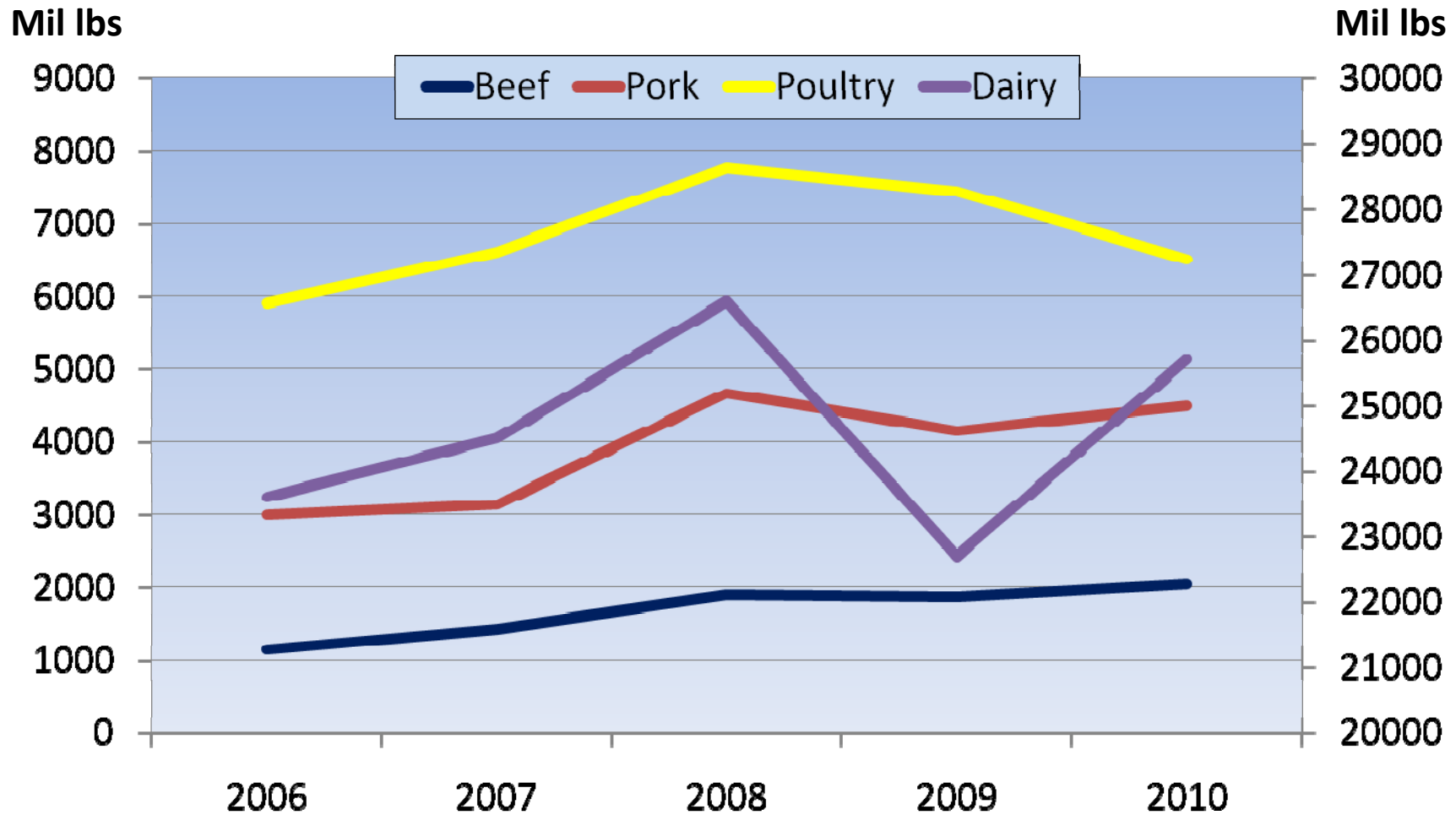
Further contraction in livestock and dairy sectors



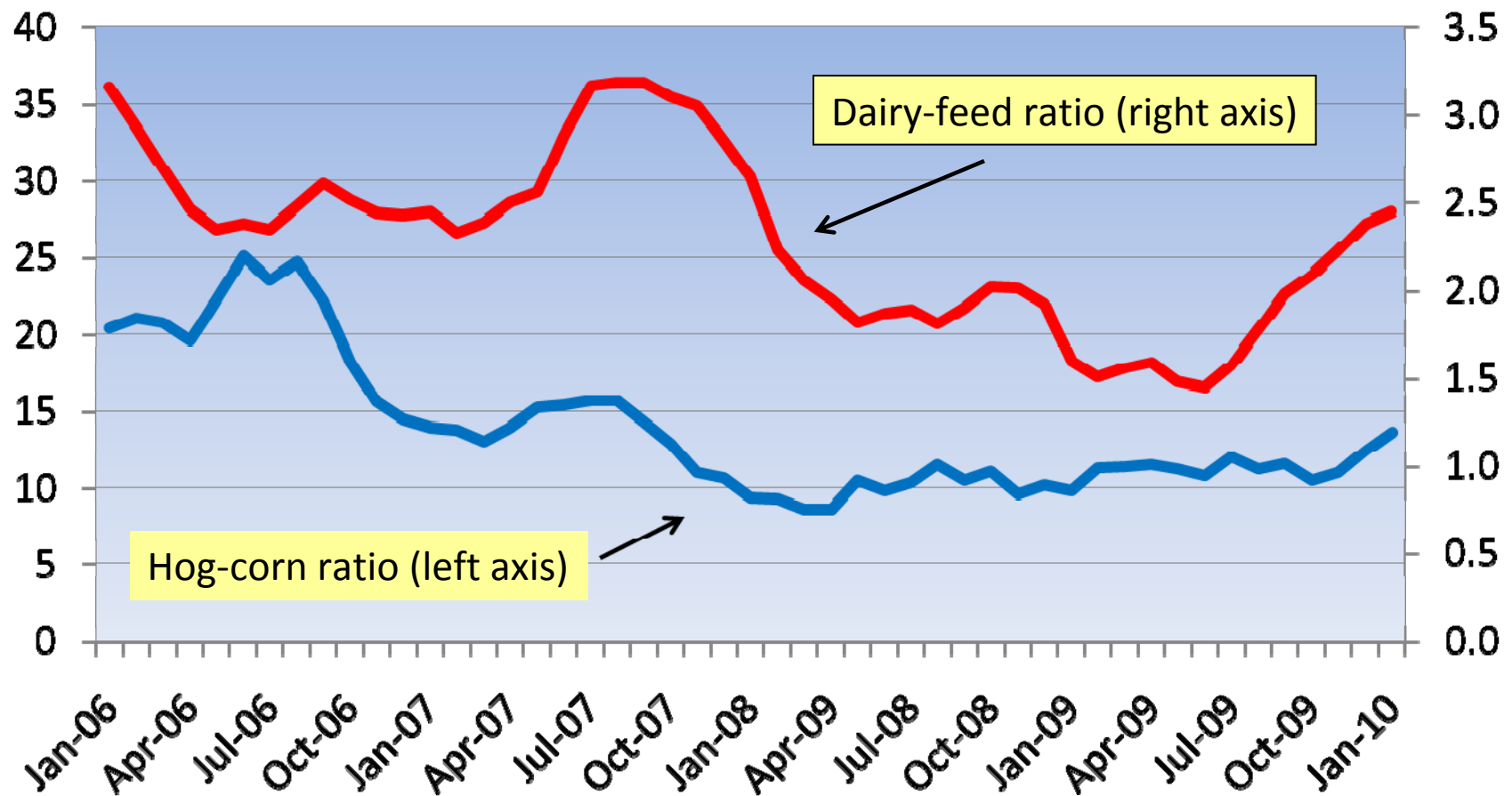
Productivity gains offset drop in inventory



Beef, pork and dairy exports recover, poultry exports forecast to fall in 2010



Profitability measures improving



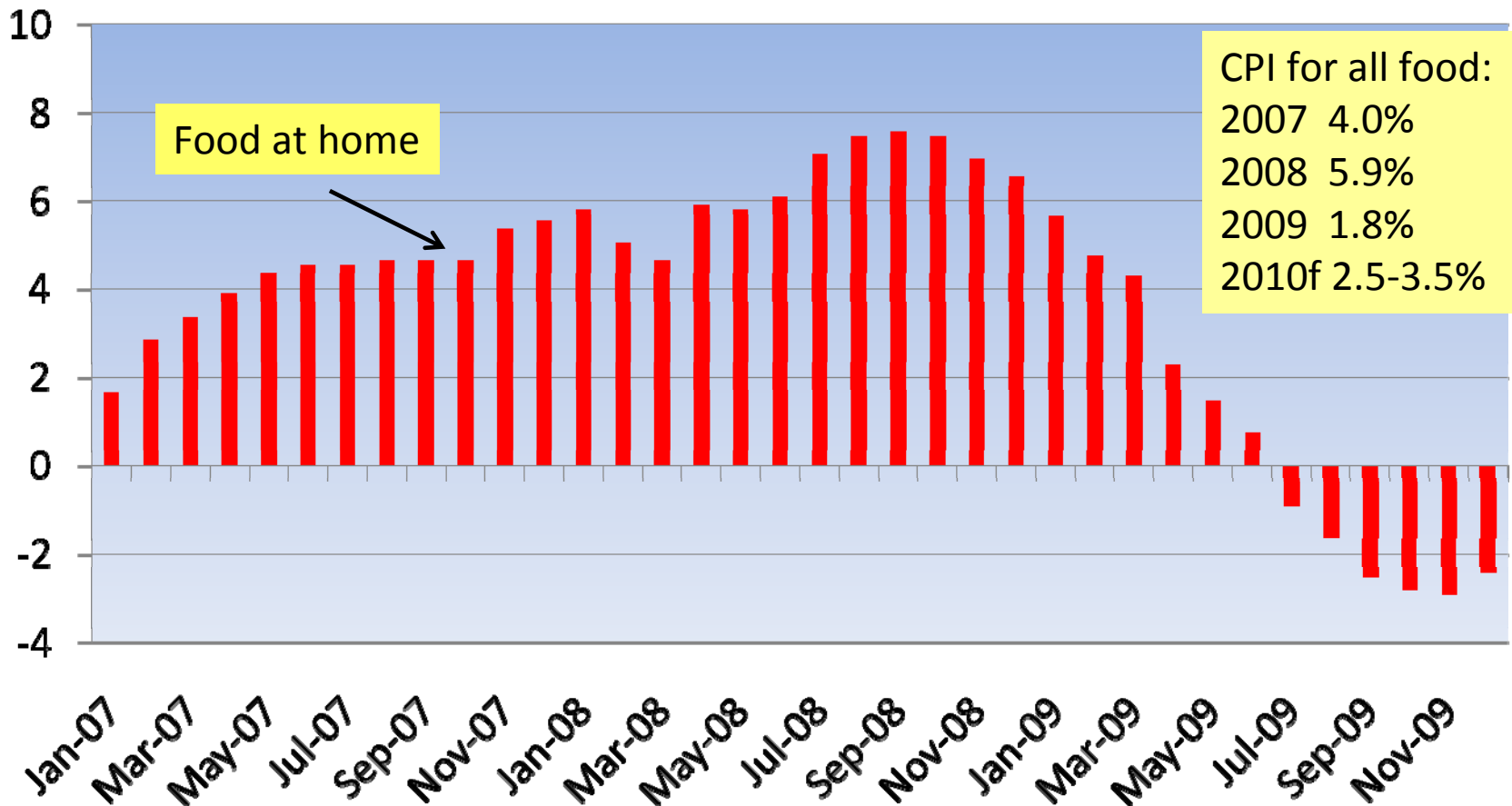
Crop prices mixed; livestock, dairy and poultry to rise in 2010

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

Source: Office of the Chief Economist, February 2010

Food inflation to remain low

Percent change
from previous year



Source: Bureau of Labor Statistics; Economic Research Service