U.S. farm prices received for corn, grain sorghum, soybeans, long-grain rice, and cotton are expected to be lower for crops planted in 2014 than prices received for production in 2013. Expectations for lower prices are due to outlooks for increases in ending stocks. Production is projected to increase for soybeans, rice, and cotton. Generally, increases in ending stocks are due to either decreased total use or increases in use outpaced by production increases. U.S. wheat prices are expected higher in 2014 than the previous year. (USDA, WASDE 2014).

Corn and Grain Sorghum

U.S. corn use for 2014/15 is projected 1.8% percent lower than in 2013/14. With a decrease in acreage and an anticipated increase in yield over 2013/14, corn production is projected to increase by 0.1% in 2014/15. Feed and residual use is projected lower with animal numbers down from 2013/14. Larger projected foreign supplies and lower import demand from other countries are expected to limit U.S. exports. Corn used to produce ethanol in 2014/15 is expected to be unchanged for the year with gasoline consumption expected to remain unchanged in 2015.

Corn ending stocks are projected at 1.7 billion bushels, up 580 million bushels from the 2013/14 estimate. Ending stocks are projected to increase to 12.9% of total use in Figure 1 from 8.4% for 2013/14. Following the increase in supply relative to demand, the average farm price is projected at $3.85 to $4.55 per bushel, down from $4.65 per bushel for 2013/14. Similar projections for grain sorghum are indicated by the supply and demand relationship with prices in Figure 2.

Soybeans

Increased soybean acreage with an anticipated yield increase lead to a projected 10.5% production increase over 2013/14. The U.S. soybean crush for 2014/15 is projected to increase 1.2% from 2013/14 due to increased domestic soybean meal consumption. Even with lower prices for foreign buyers, soybean meal exports are projected up only slightly with Argentina soybean meal exports accounting for most of the gains in global soybean meal trade. U.S. soybean exports are projected to increase 1.6% from 2013/14 due to record supplies and competitive prices.

With only a slight increase in soybean use, ending stocks for 2014/15 are projected at 330 million bushels, up 200 million bushels from 2013/14. The increased stocks-to-use ratio of 9.6% in Figure 3 is up from 3.8% in 2013/14. The U.S. average soybean price for 2014/15 is forecast to decline to $9.75 to $11.75 per bushel from $13.10 per bushel in 2013/14.
Rice

Total U.S. 2014/15 all rice production is projected to increase by 23.1 million cwt. over 2013/14 production to 213.0 million cwt. Total use is projected to increase by 11.0 million cwt. over 2013/14 to 230.0 million cwt. Accounting for beginning stocks and imports, total supply is projected to increase by 16.0 million cwt. The result is a net increase of 5.0 million cwt. in ending stocks for 2014/15. Domestic and residual use is projected at 128.0 million cwt., and exports are projected at 102.0 million cwt. Imported rice accounts for 17.2% of domestic and residual use. Long-grain production is projected to increase by 29.1 million cwt. over 2013/14 production. Medium and short-grain production is projected to decline by 6.0 million cwt. The decline in California medium-grain plantings due to drought and water restrictions has attracted more acres of medium-grain rice acreage in the Delta. This will be a limiting factor for long-grain rice production and relieve some downward pressure on long-grain rice prices.

U.S. all rice ending stocks for 2014/15 are projected at 34.3 million cwt, with long-grain ending stocks at 24.3 million cwt, and combined medium and short-grain rice stocks at 7.7 million cwt. Ending stocks for long-grain rice at 14.0% of use in Figure 4 is an increase from a level of 11.2% for 2013/14. The U.S. 2014/15 long-grain rice average farm price is projected at $6.08 to $6.53 per bushel, compared to $6.98 per bushel for the previous year. The combined medium and short-grain price is projected at $8.33 to $8.78 per bushel, an increase from $8.10 per bushel for 2013/2014.

Cotton

U.S. cotton projections for 2014/15 include increased production, decreased use, and increased ending stocks compared to 2013/14. Production is forecast at 14.5 million bales, Domestic mill use is forecast to increase by 2.8% above 2013/14. Exports are projected to decrease by 6.7% due to lower anticipated world import demand. The result is a projected decrease in total use of 4.3% compared to 2013/14.

Ending stocks are projected at 29.1% of total use, which is about equal to the 10-year average. Ending stocks for 2013/14 are estimated at 20.0% of total use. The projected range for the marketing year average price is 63.0 to 83.0 cents per pound in Figure 5, compared with 77.5 cents estimated for 2013/14.

Wheat

U.S. wheat supplies for 2014/15 are projected to decrease by 10.5% from 2013/14 with beginning stocks, production, and imports all expected lower. Production is projected to decrease 7.8% from 2013/14. Total use is expected to decrease by 11.2%.

Decreases in beginning stocks and imports limit the increase in 2014/15 ending stocks to 24.9% of total use. Although the ending stocks-to-use ratio is a slight increase over 2013/14, ending wheat stocks of 540 million bushels for 2014/15 are projected at a decreased absolute level for the fifth consecutive year. The all wheat average farm price in Figure 6 for 2014/14 is projected at $6.65 to $7.95 per bushel compared to an estimated $6.85 per bushel for 2013/14.
Figure 1. U.S. Corn, ¹Marketing Year Average Price and Ending Stocks-to-Use Ratio, 2012-2014 (Projected). ¹Marketing year beginning September 1 and ending August 31 of the following year.

Figure 2. U.S. Sorghum, ¹Marketing Year Average Price and Ending Stocks-to-Use Ratio, 2012-2014 (Projected). ¹Marketing year beginning September 1 and ending August 31 of the following year.

Figure 3. U.S. Soybean, ¹Marketing Year Average Price and Ending Stocks-to-Use Ratio, 2012-2014 (Projected). ¹Marketing year beginning September 1 and ending August 31 of the following year.

Figure 4. U.S. Long-Grain Rice, ¹Marketing Year Average Price and Ending Stocks-to-Use Ratio 2012-2014 (Projected). ¹Marketing year beginning August 1 and ending July 31 of the following year.

Figure 5. U.S. Cotton, ¹Marketing Year Average Price and Ending Stocks-to-Use Ratio, 2012-2014 (Projected). ¹Marketing year beginning August 1 and ending July 31 of the following year.

Figure 6. U.S. Wheat, ¹Marketing Year Average Price and Ending Stocks-to-Use Ratio, 2012-2014 (Projected). ¹Marketing year beginning June 1 and ending May 31 of the following year.
Summary of 2014 Price Projections

Only wheat has a 2014/15 projected U.S. price that is greater than the price in 2013/14 production year. Figure 7 through Figure 13 present U.S. prices of field crops for 2012 - 2014. Prices for 2013 are estimates for the 2013/14 production and prices for 2014 are projections for the 2014/15 production year.

Stocks-to-Use Trends

Figure 14 through Figure 19 present long-term stocks-to-use ratios for 2000-2014 (USDA, FAS 2014). Although ending stocks-to-use ratios are projected to increase for 2014/15, the projected levels continue a declining trend for corn, sorghum, cotton, and wheat over the 2000-2014 period. Projected 2014/15 levels for rice and soybeans are similar to a steady trend for 2000-2014. Table 1 presents average stocks-to-use ratios for the 10-year period of 2003-2012 and ratios for 2013 and 2014. Rice in Table 1 is all milled rice. Projections for 2014 are greater than the previous year stocks-to-use levels for all crops. Projected stocks-to-use ratios for corn and cotton are similar to the 2003-2012 average. Projected levels for sorghum, rice, and wheat are less than the 10-year average. Soybeans have a projected level of 9.6% which is greater than the 10-year average of 7.9%.

Table 1. U.S. Stocks-to-Use Ratios, 2003-2012
Average, 2013 and 2014

<table>
<thead>
<tr>
<th>Crop</th>
<th>2003-2012</th>
<th>2013</th>
<th>2014</th>
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<tr>
<td>Corn</td>
<td>12.2</td>
<td>8.4</td>
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<tr>
<td>Sorghum</td>
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<td>4.9</td>
<td>6.8</td>
</tr>
<tr>
<td>Soybean</td>
<td>7.9</td>
<td>3.8</td>
<td>9.6</td>
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<tr>
<td>Rice, milled</td>
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<td>13.4</td>
<td>14.9</td>
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<tr>
<td>Cotton</td>
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<td>20.0</td>
<td>29.1</td>
</tr>
<tr>
<td>Wheat</td>
<td>28.5</td>
<td>23.9</td>
<td>24.9</td>
</tr>
</tbody>
</table>

References


Figure 14. Corn, U.S. Stocks-to-Use, 2000-2014, Marketing Year September-August, 2014 is a Projection for August 2015.

Figure 15. Sorghum, U.S. Stocks-to-Use, 2000-2014, Marketing Year September-August, 2014 is a Projection for August 2015.

Figure 16. Soybean, U.S. Stocks-to-Use, 2000-2014, Marketing Year September-August, 2014 is a Projection for August 2015.

Figure 17. Rice, Milled, U.S. Stocks-to-Use, 2000-2014, Marketing Year August-July, 2014 is a Projection for July 2015.

Figure 18. Cotton, U.S. Stocks-to-Use, 2000-2014, Marketing Year August-July, 2014 is a Projection for July 2015.

Figure 19. Wheat, U.S. Stocks-to-Use, 2000-2014, Marketing Year June-May, 2014 is a Projection for May 2015.