

USDA Issues Long-Term Crop, Livestock Forecast

JOSH FUNK, Associated Press

OMAHA, Neb. (AP) — The U.S. Department of Agriculture predicted strong growth in crop and livestock production in its 10-year forecast released Monday, but it cautioned that those projections were based on assumptions, such as a return to normal weather patterns, that some believe are unlikely.

The 105-page annual report provides a lookahead at nearly every major agricultural product, from barley and beef to staples like corn and soybeans. Unsurprisingly, it predicted strong growth in demand for food because of world population growth and an expected increase in incomes in developing nations.

It predicted the world's farmers would meet this demand by increasing yields, or the amount produced per acre, in the U.S. and expanding production overseas. But it didn't provide details on how farmers would achieve these increases and it was based on some unlikely assumptions, such as normal weather, steady economic growth and no changes in farm or foreign policy.

Globally, there has been an increase in severe weather patterns, and farm policy changes are under consideration in the U.S. and overseas.

But USDA economist David Stallings said there's no way for the agency to forecast surprises like the current drought in the U.S., so the agency's long-term projections don't reflect them.

But the key factor behind most of the USDA projections — global population growth of about 1 percent a year — seems likely. Stallings said as population grows and parts of the developing world become more affluent, demand for crops and meat from cattle, poultry and pork will grow. The USDA expects farmers to increase production to capitalize on the greater demand for their products, and agricultural economist Wesley Peterson said that was realistic.

"Historically over the last 200 years, food production has grown faster than population," said Peterson, a professor at the University of Nebraska-Lincoln.

Specifically, it predicts a steady increase in meat consumption per person and more meat exports. The USDA predicts beef exports to the major beef-importing countries will jump 30 percent to 8.1 million tons by 2022. Although the United States exports beef, it is expected to become a net importer this year and consume 20 percent of all exports by 2022.

Domestic production of beef isn't expected to increase much until at least 2015 because many cattle producers who have been hurt by drought and high feed costs have reduced the size of their herds.

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U.S. corn production is expected to grow to 15.26 billion bushels by 2022 as better crop technology allows farmers to get more out of each acre. That would be up from last year's drought-stricken crop of 10.73 billion bushels, which was still one of the largest in U.S. history thanks to more drought-resistant corn and expanded planting. The USDA predicts U.S. farmers will control 46 percent of the export market in 2022.

The National Corn Growers Association said the predictions show the great potential of the U.S. corn crop, if everything comes together just right. And Paul Bertels, a vice president with the trade group, said the USDA predictions are in line with what corn growers expect.

"I don't think it's unrealistic," Bertels said.

The U.S. soybean crop is expected to grow to 3.6 billion bushels in 2022, up from the 3.3 billion expected this year.

The USDA predicts the U.S. wheat crop will stay about the same over the next decade, with farmers harvesting 2.08 billion bushels in 2022, down from the 2.2 billion expected this year.

The agency expects U.S. net farm income to reach a record \$127.6 billion this year because of the high crop prices coming out of the drought. Even with the increased production the USDA predicts, income levels should stay relatively high, it said, with net farm income about \$94.7 billion in 2022.

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