

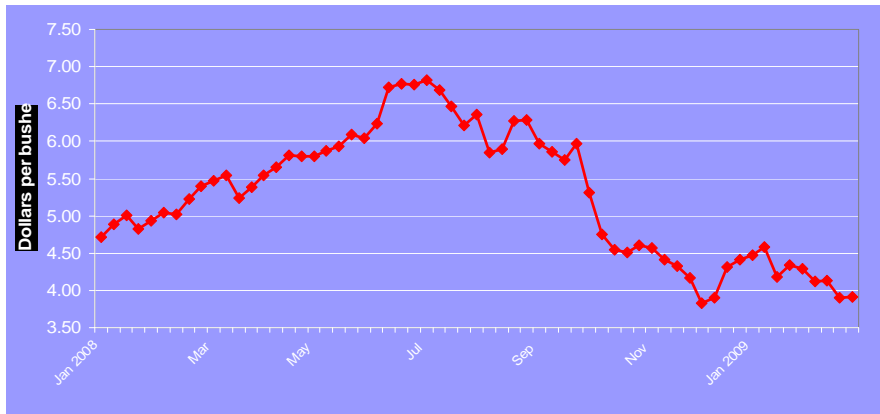


# Outlook for 2009

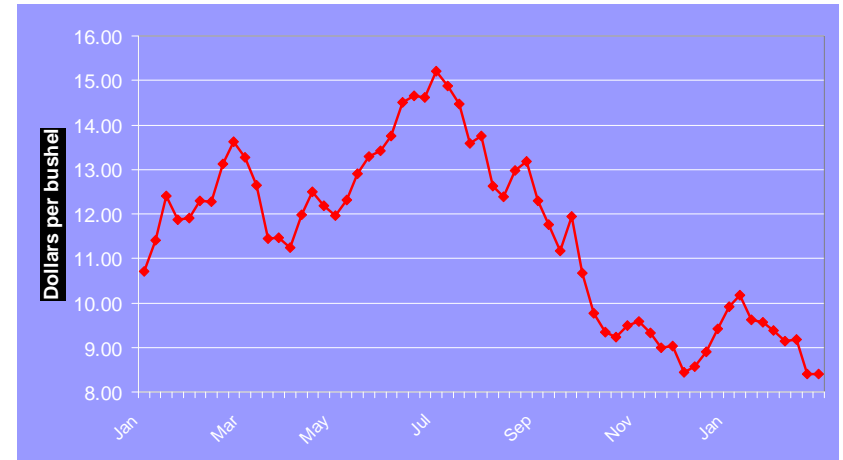
Joseph W. Glauber, USDA

*85<sup>th</sup> Annual Agricultural Outlook Forum  
February 26, 2009*

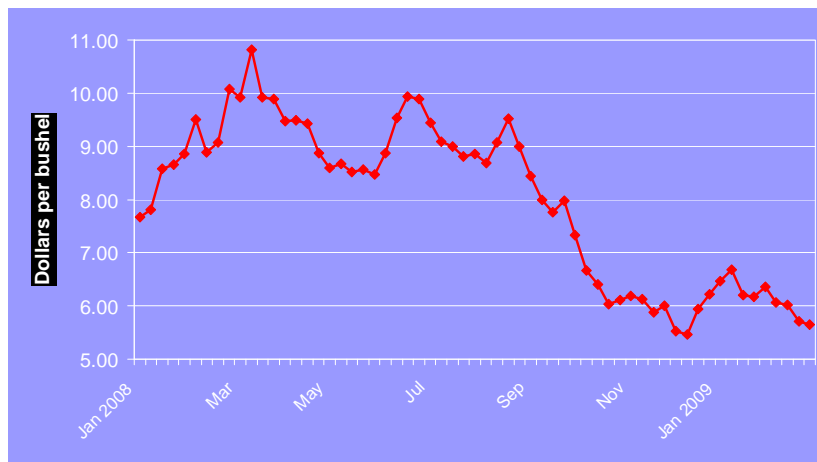
# 1--Volatility roils crop markets . . .



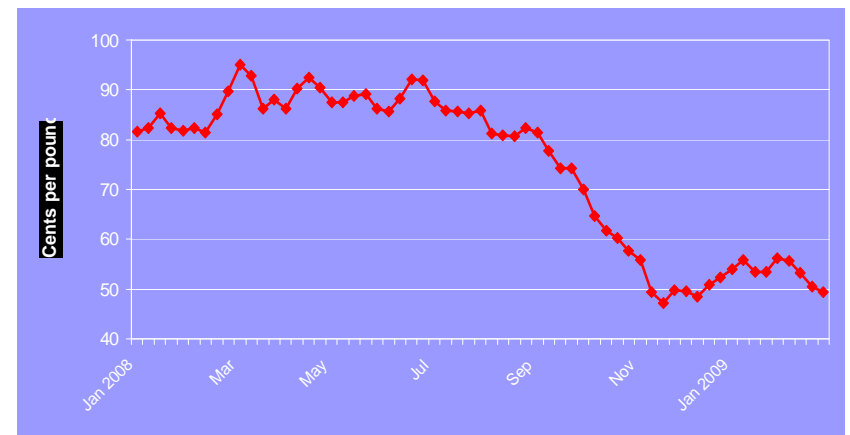
Dec 09 corn



Nov 09 soybeans

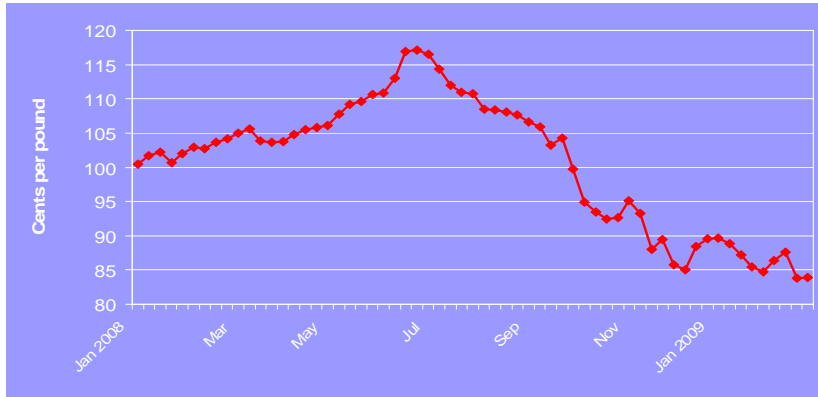


Jul 09 HRW wheat

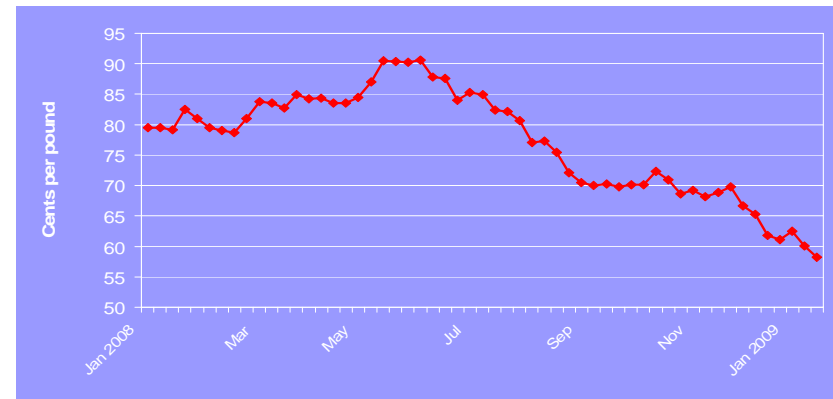


Dec 09 cotton

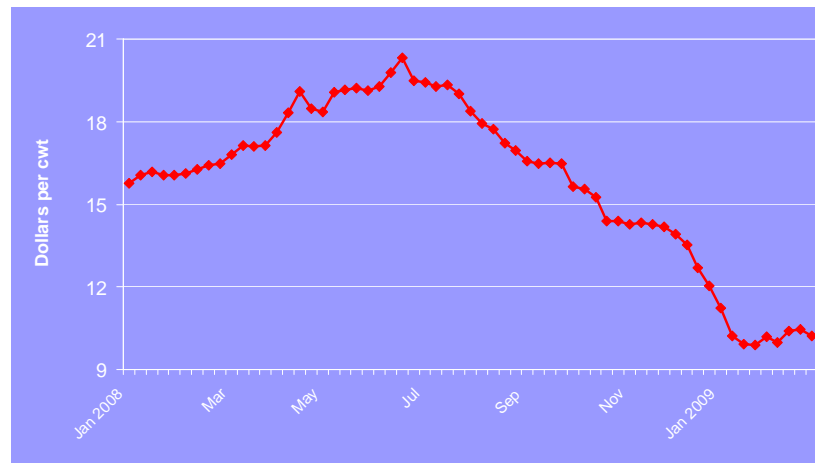
# 2--and livestock markets. . .



Apr 09 Live cattle

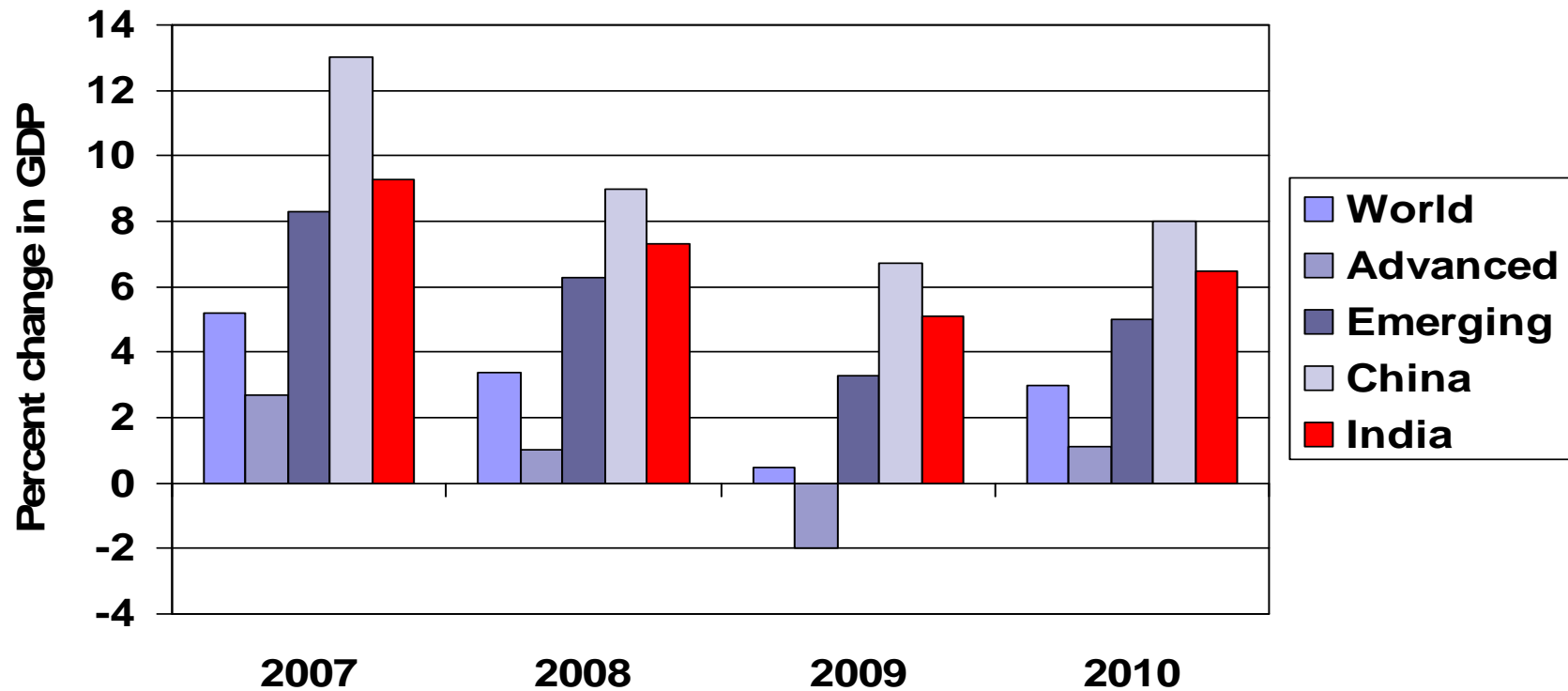


Apr 09 Lean hogs



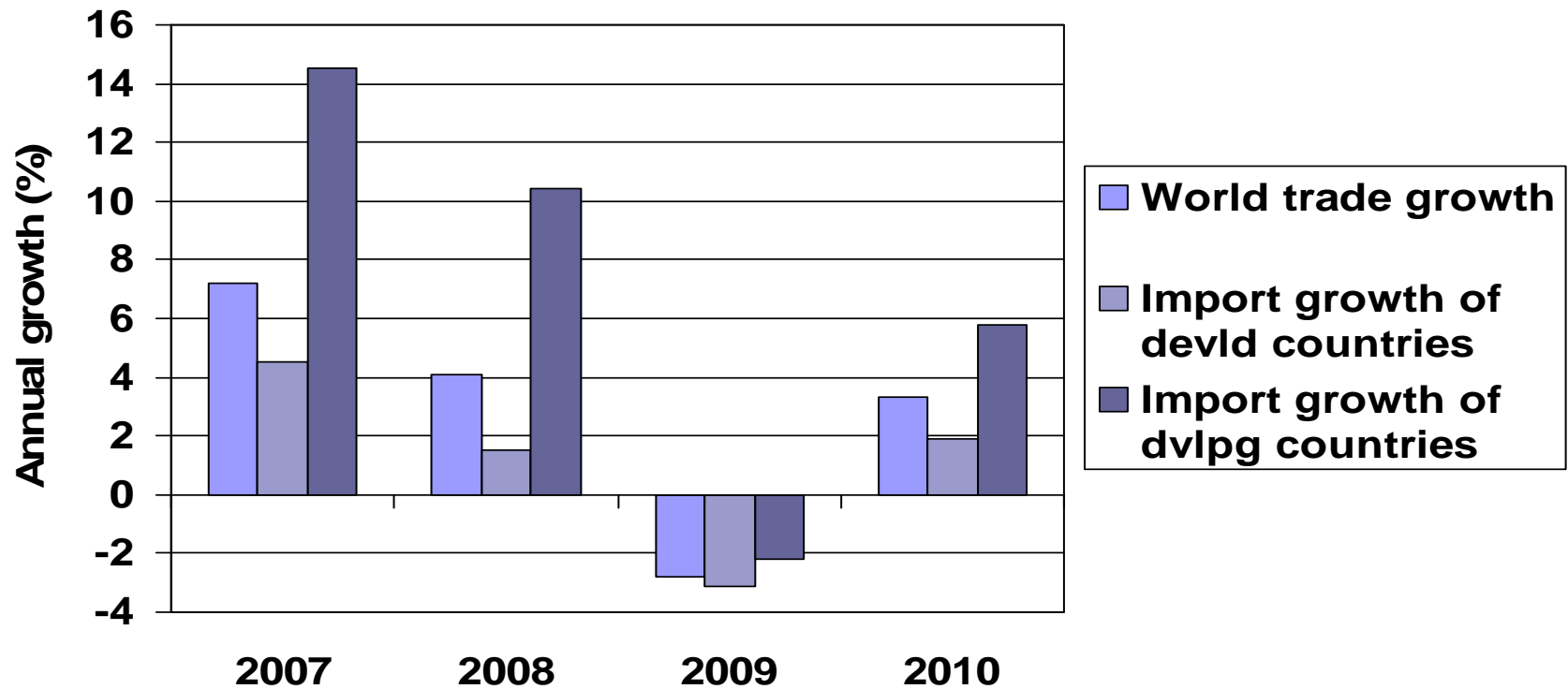
Apr 09 Class III milk

# 3--World GDP grow weakest since WWII



Source: IMF World Economic Outlook

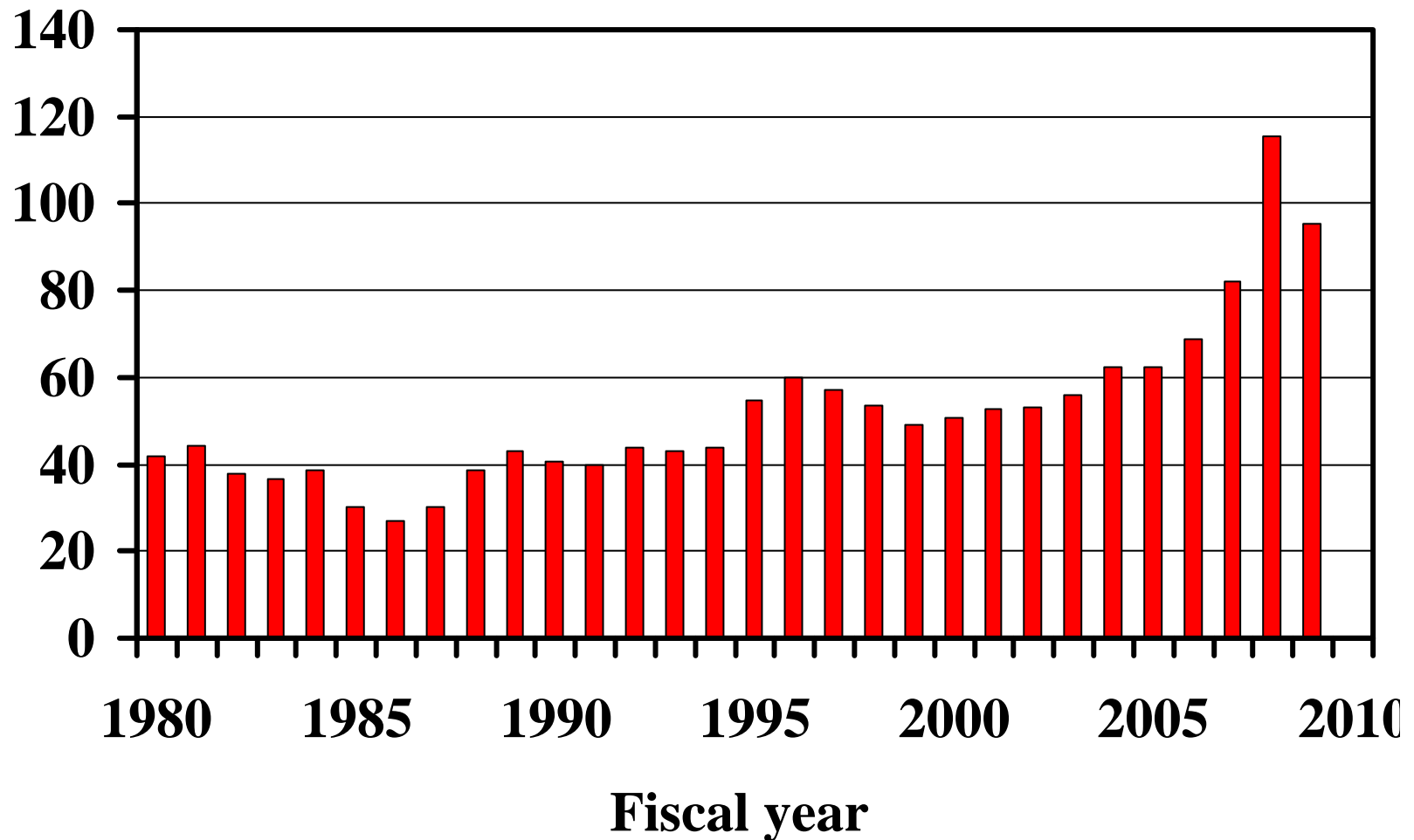
# 4--World trade to fall in 2009-first time since 1982



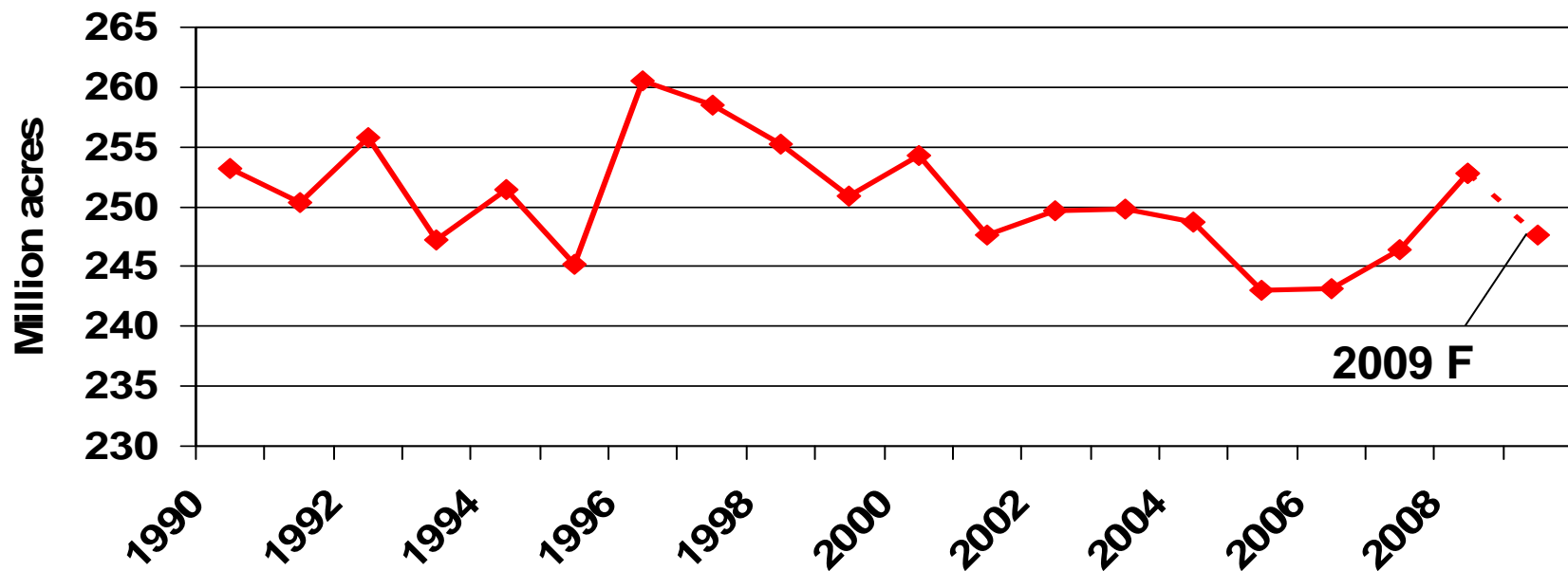
Source: IMF World Economic Outlook

# 5--U.S. agricultural exports to fall but remain 2<sup>nd</sup> highest on record

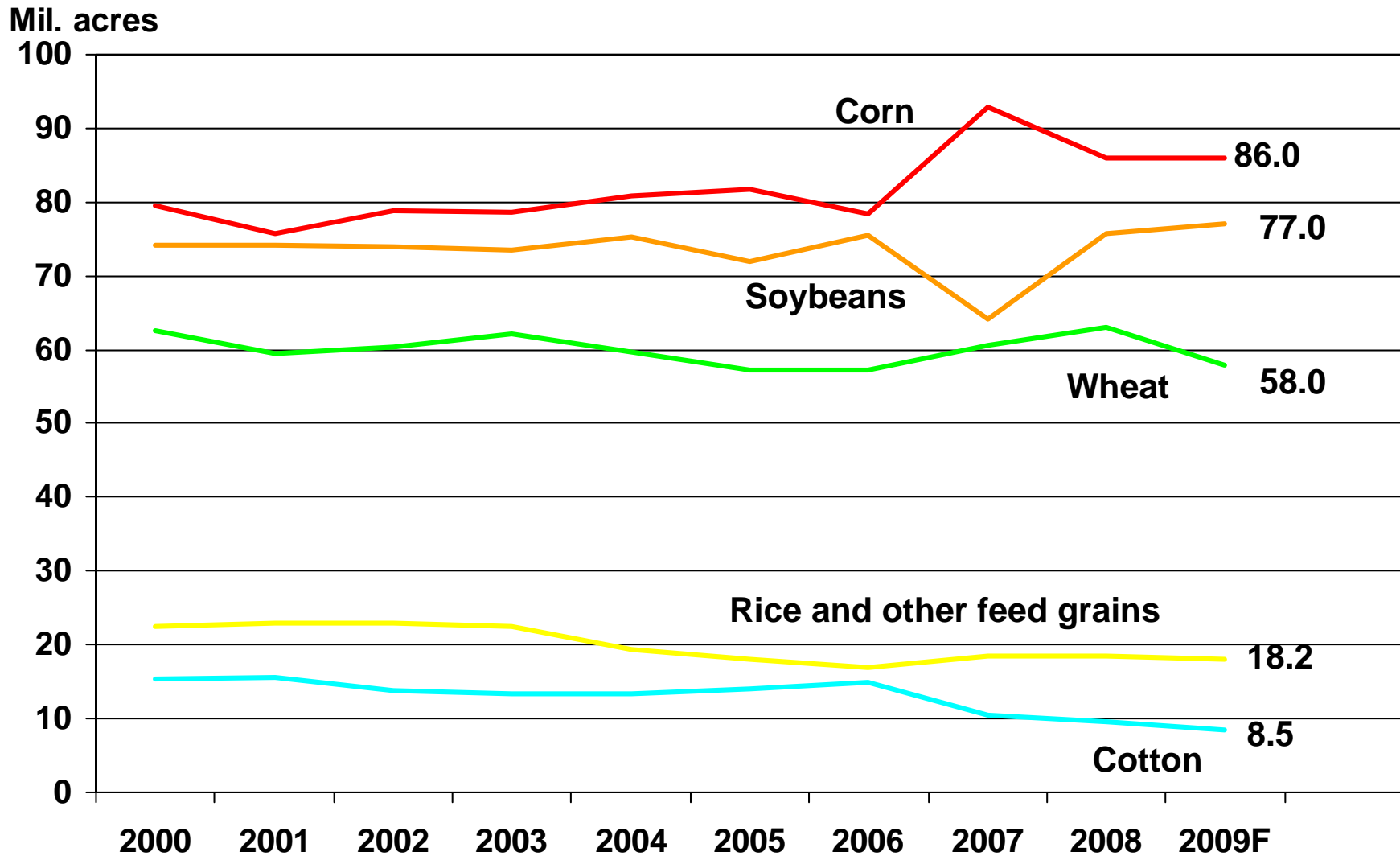
Bil. \$



## 6--Area planted to 8 major field crops projected to fall 5 million acres in 2009

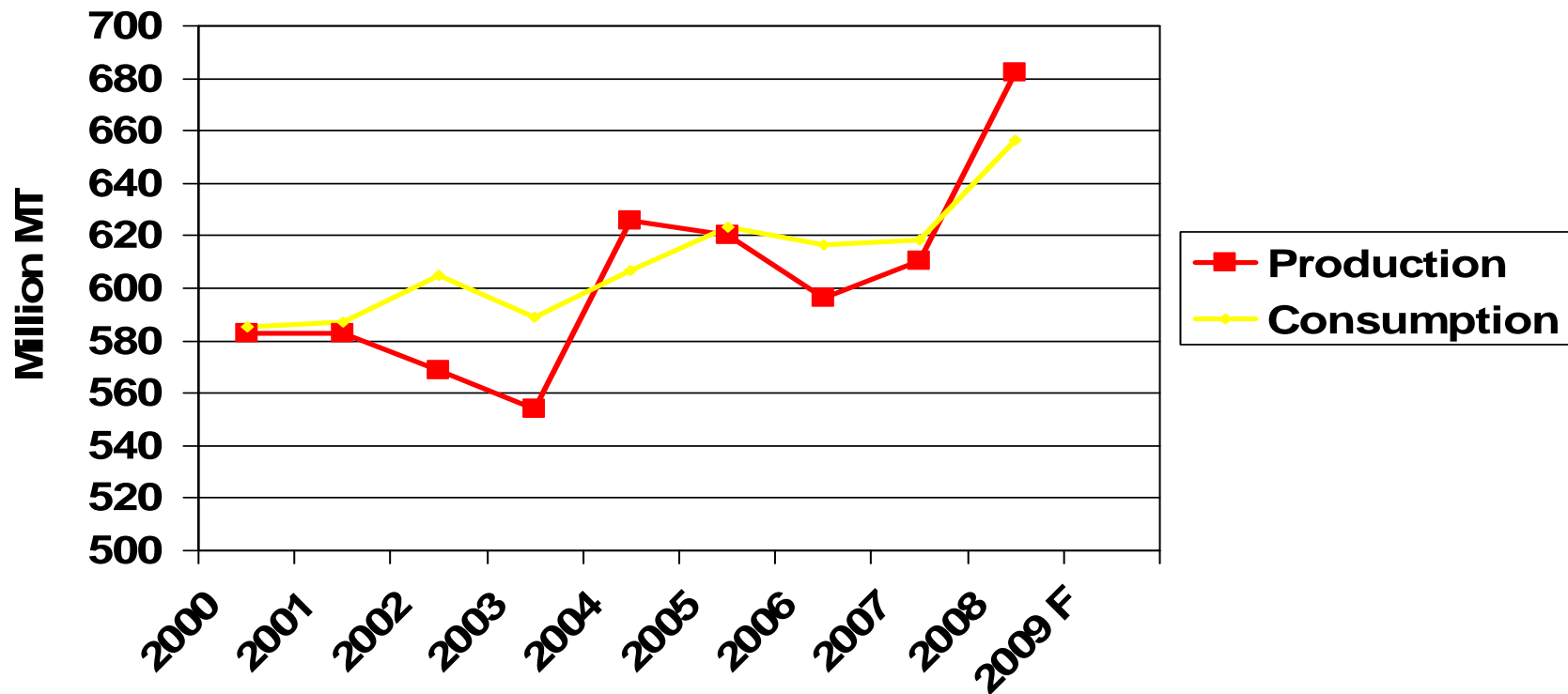


# 7--Soybean area to rise in 2009; other crop area flat or declining

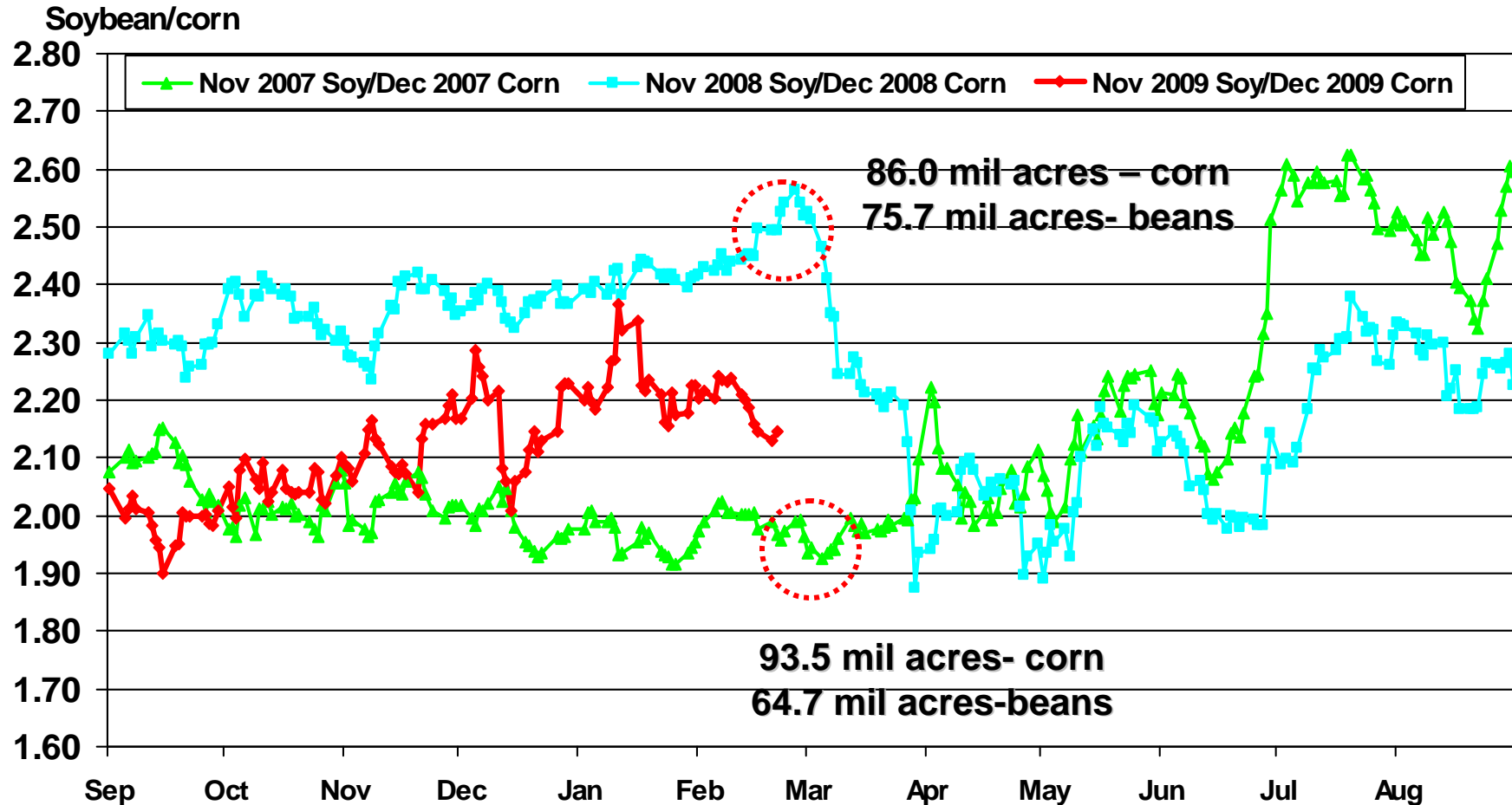




# 8--World wheat production exceeds consumption for only 2nd time since 2000

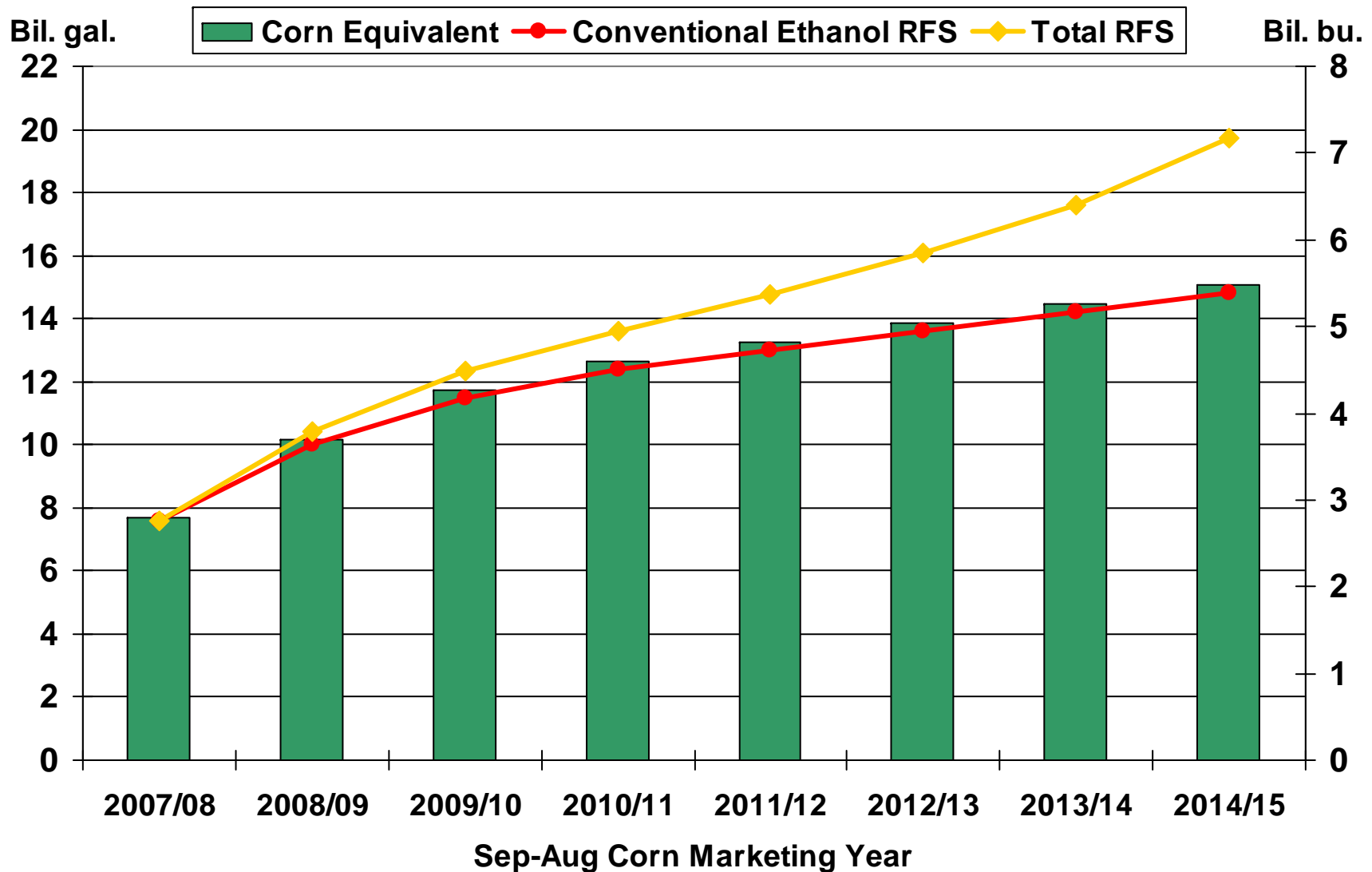


# 9--New-crop soybean/corn futures price ratio compared to 2007 and 2008

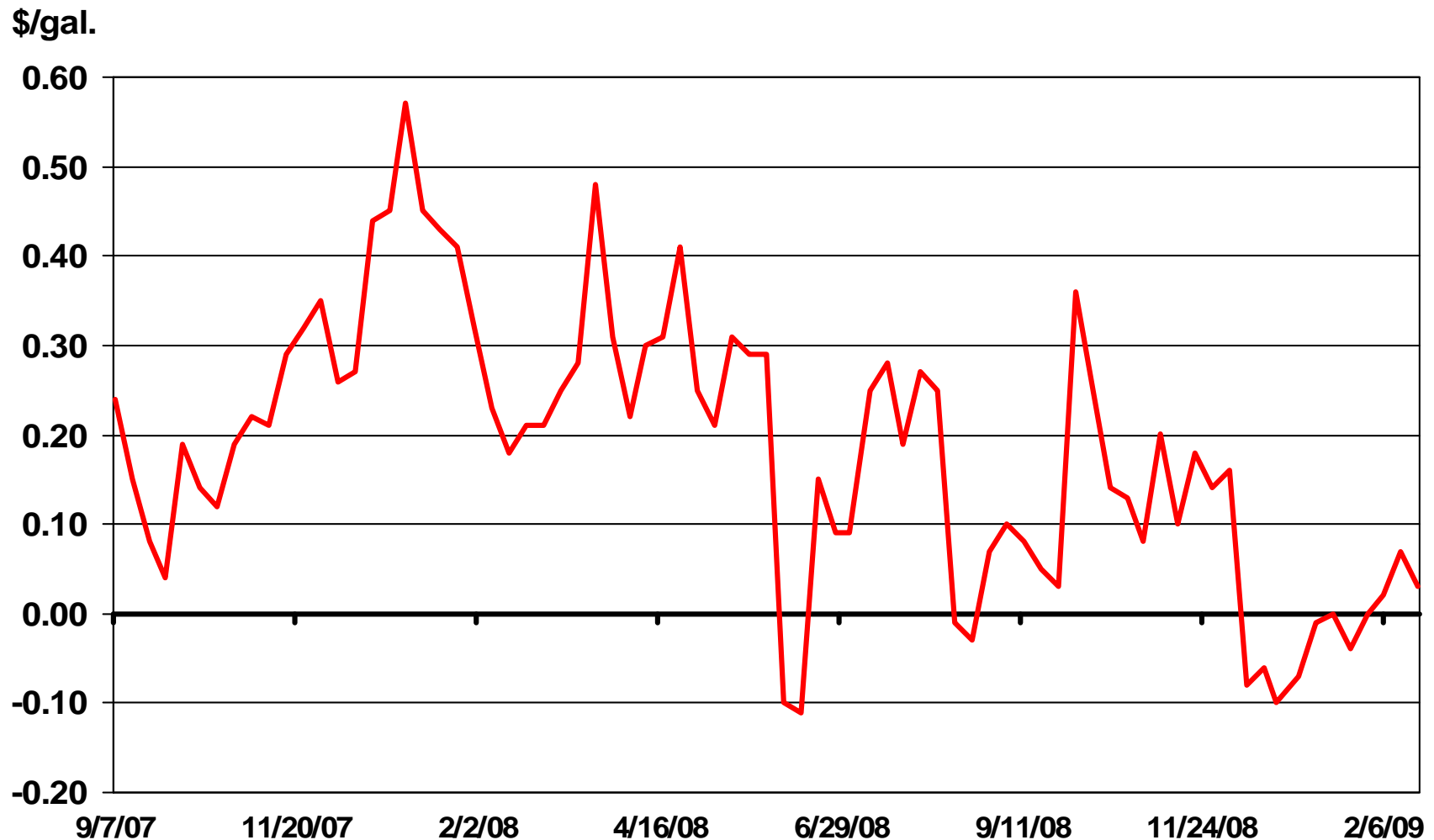


Note: Chicago Board of Trade daily settlement prices.

# 10--RFS and corn equivalent

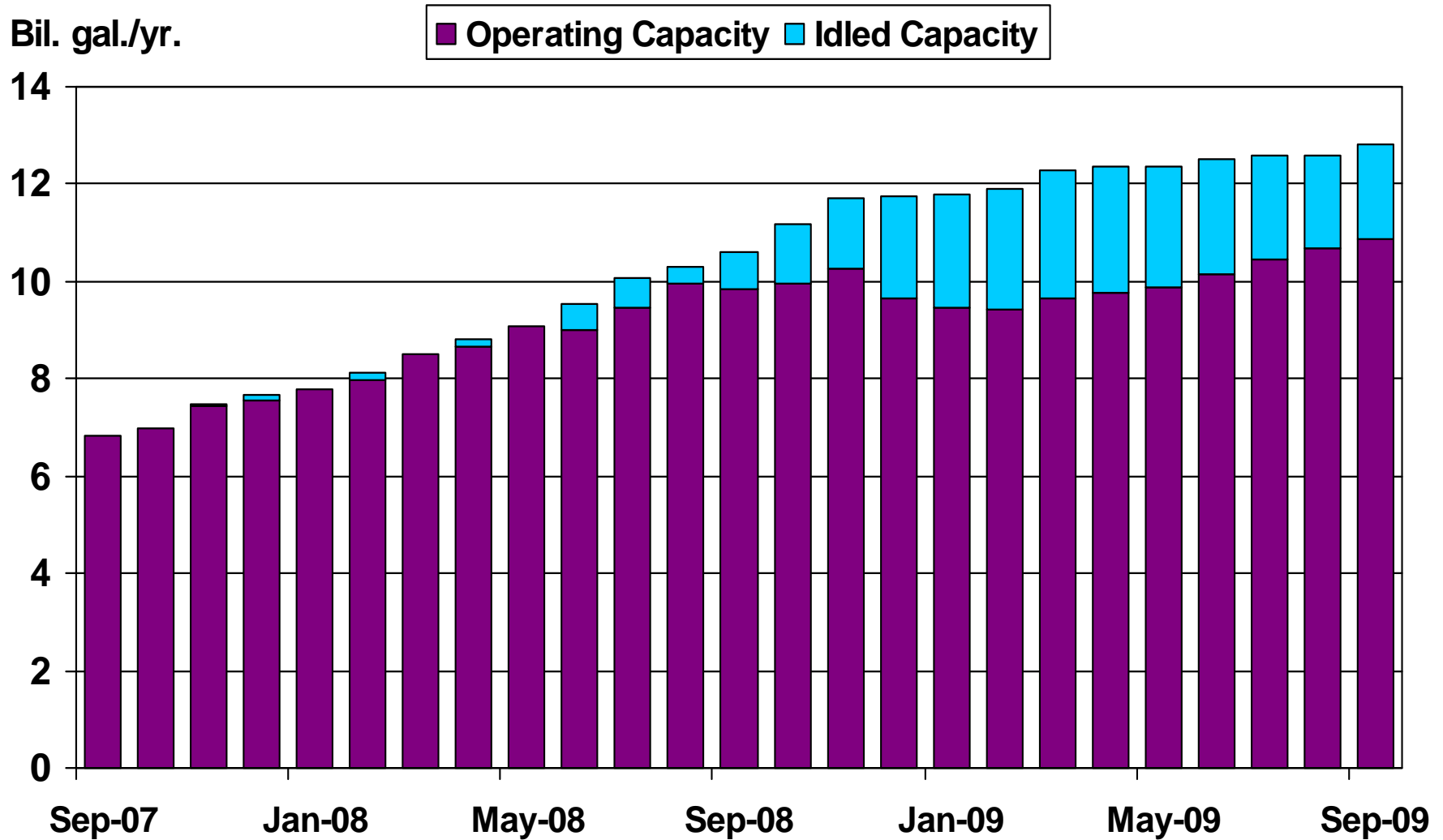


# 11-Ethanol producer net returns remain low



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

# 12--U.S. ethanol production capacity

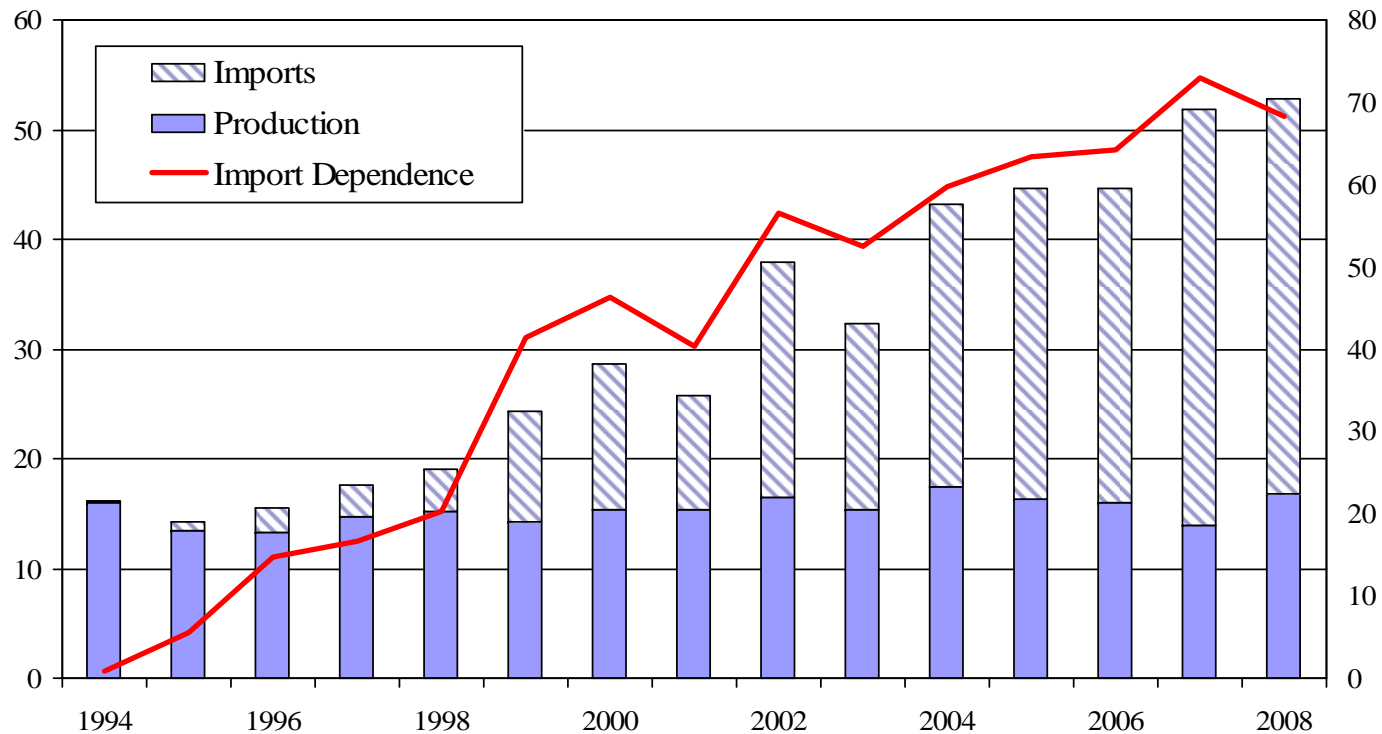


Source: USDA-WAOB internal estimates and projections.

# 13—China soybean import dependence continues to grow

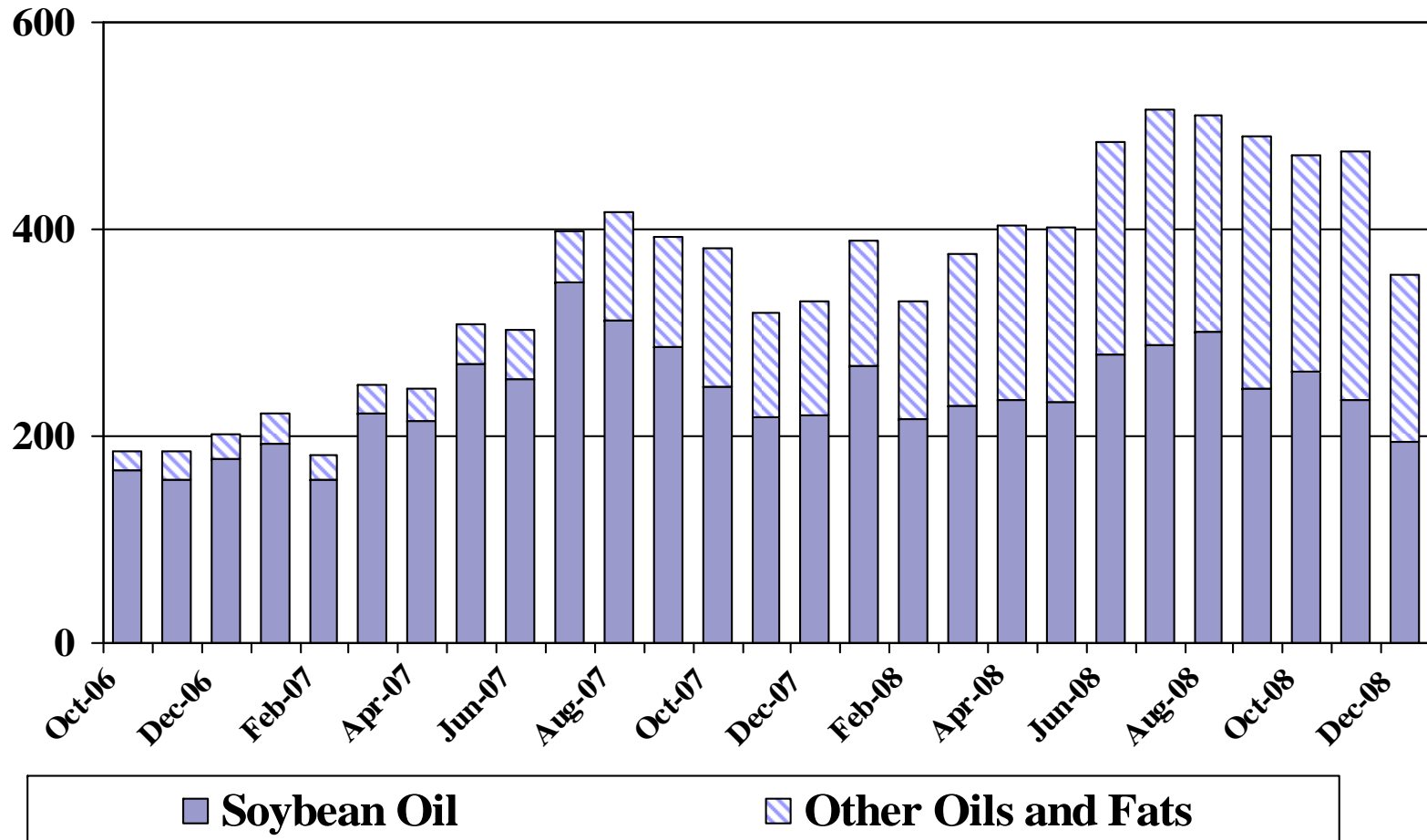
Million Tons

Percent

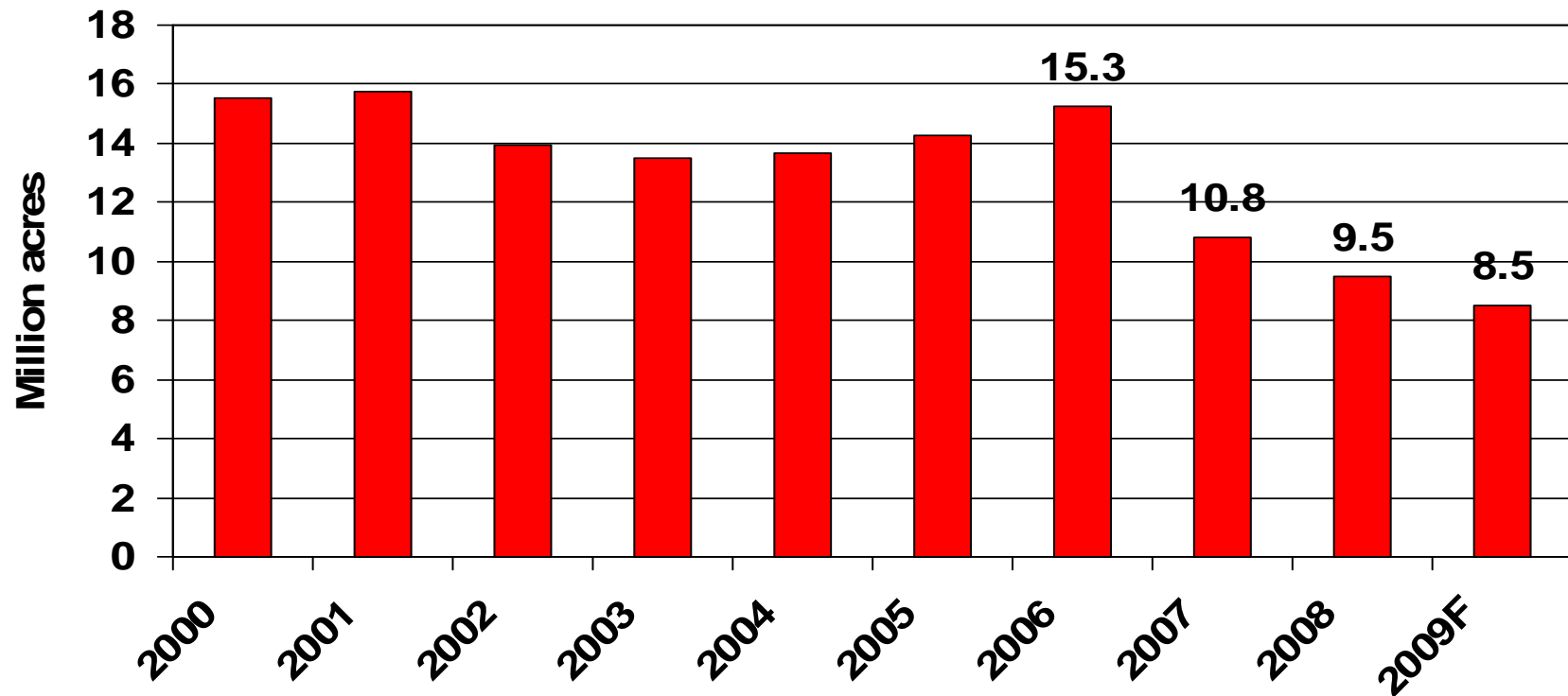


# 14--Soybean oil share of biodiesel declining

Million lbs.

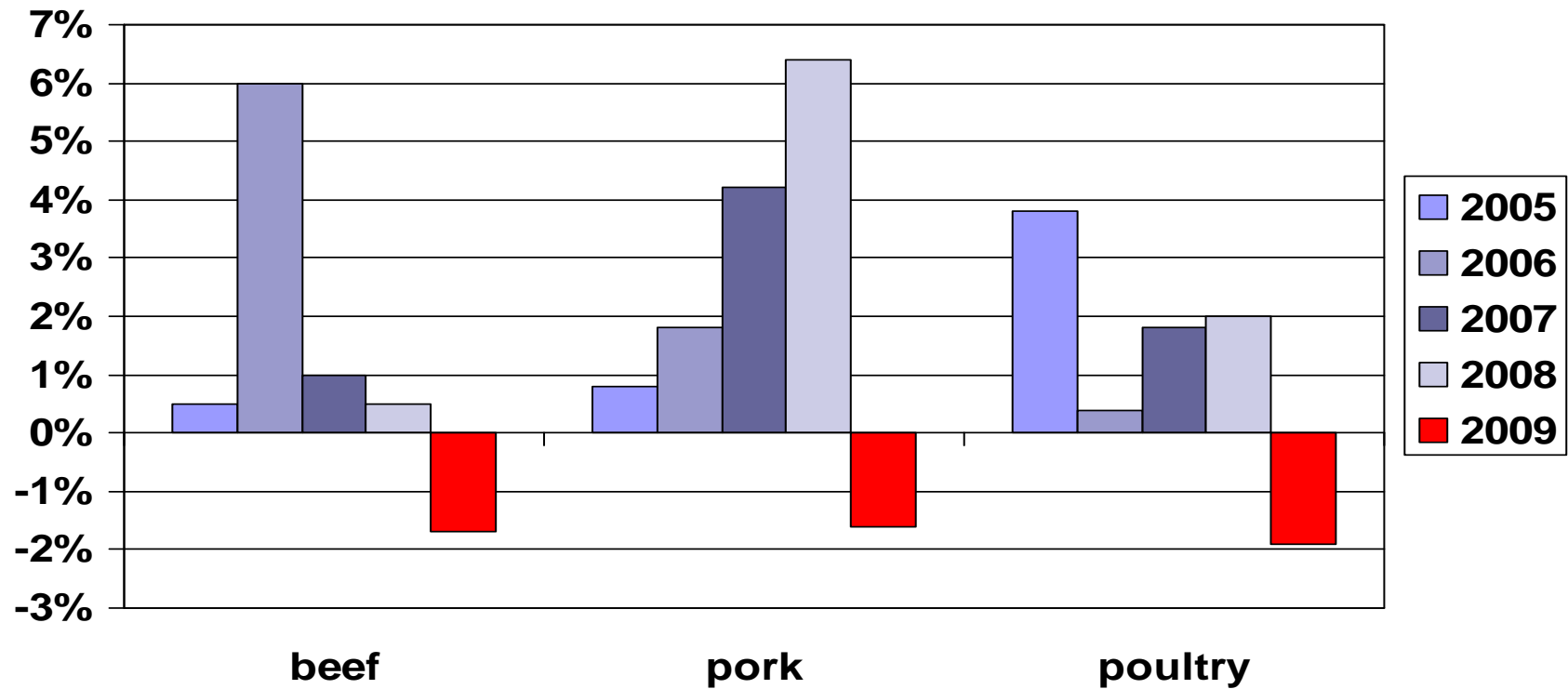


## 15--Cotton planted area continues to fall

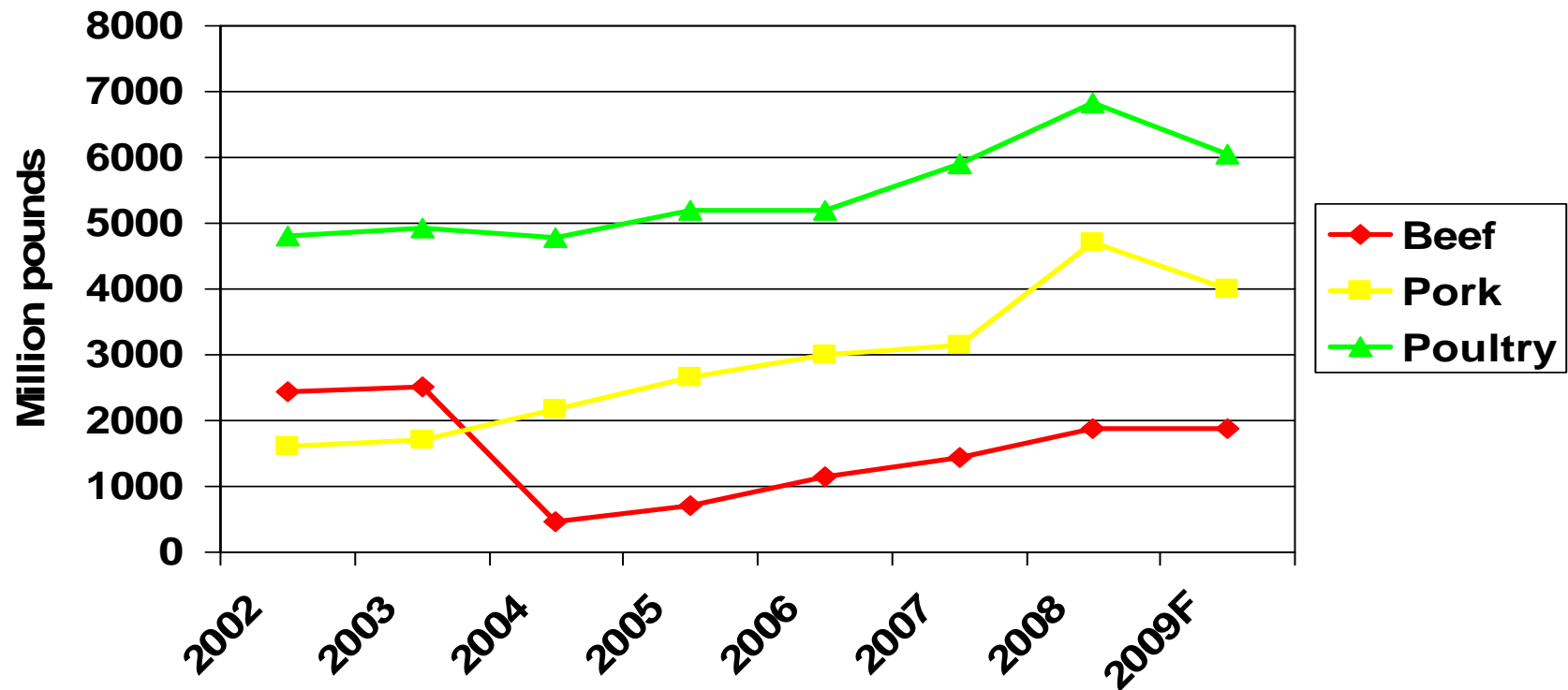




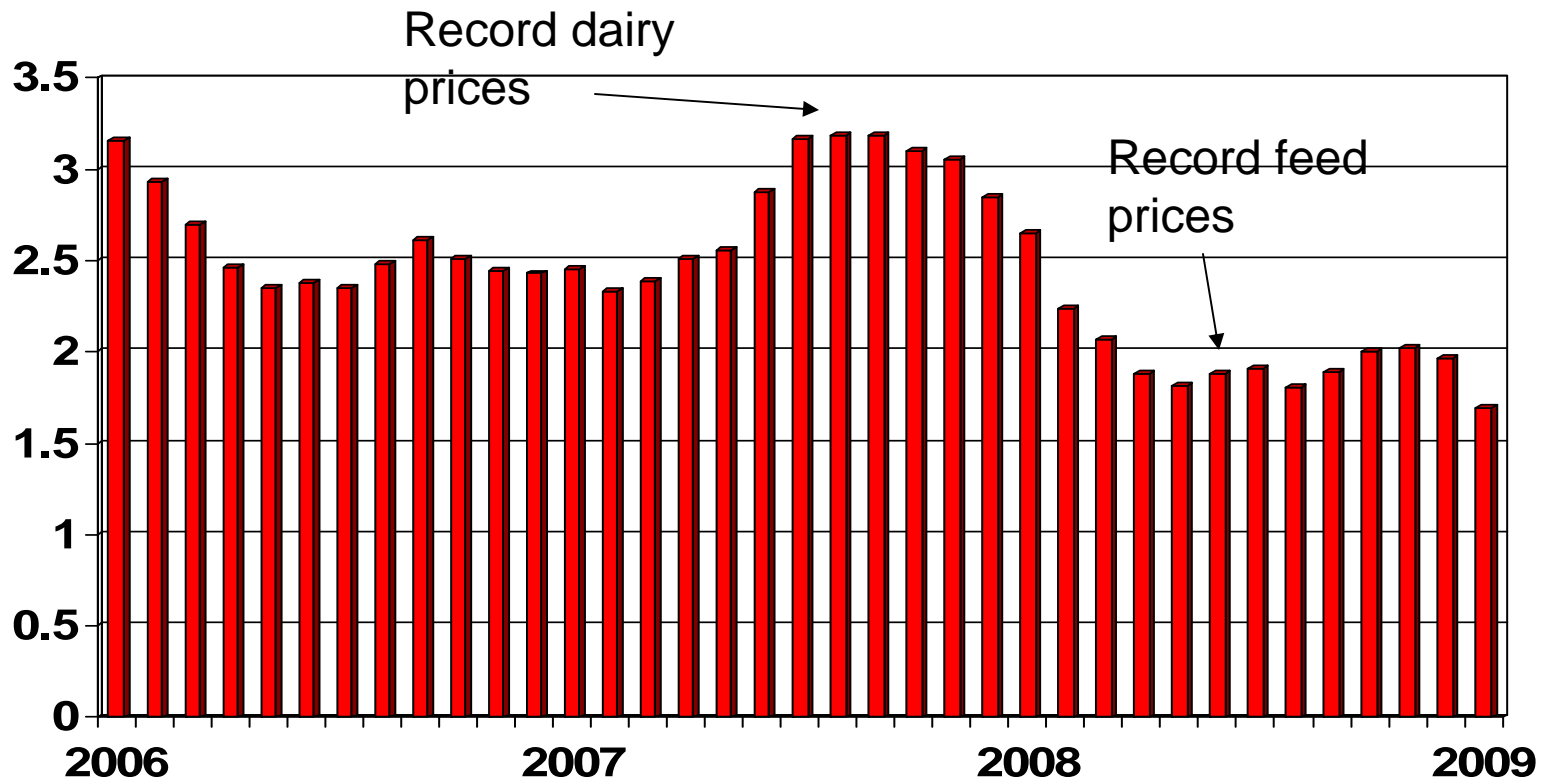
# 16--Meat and poultry production projected to contract in 2009



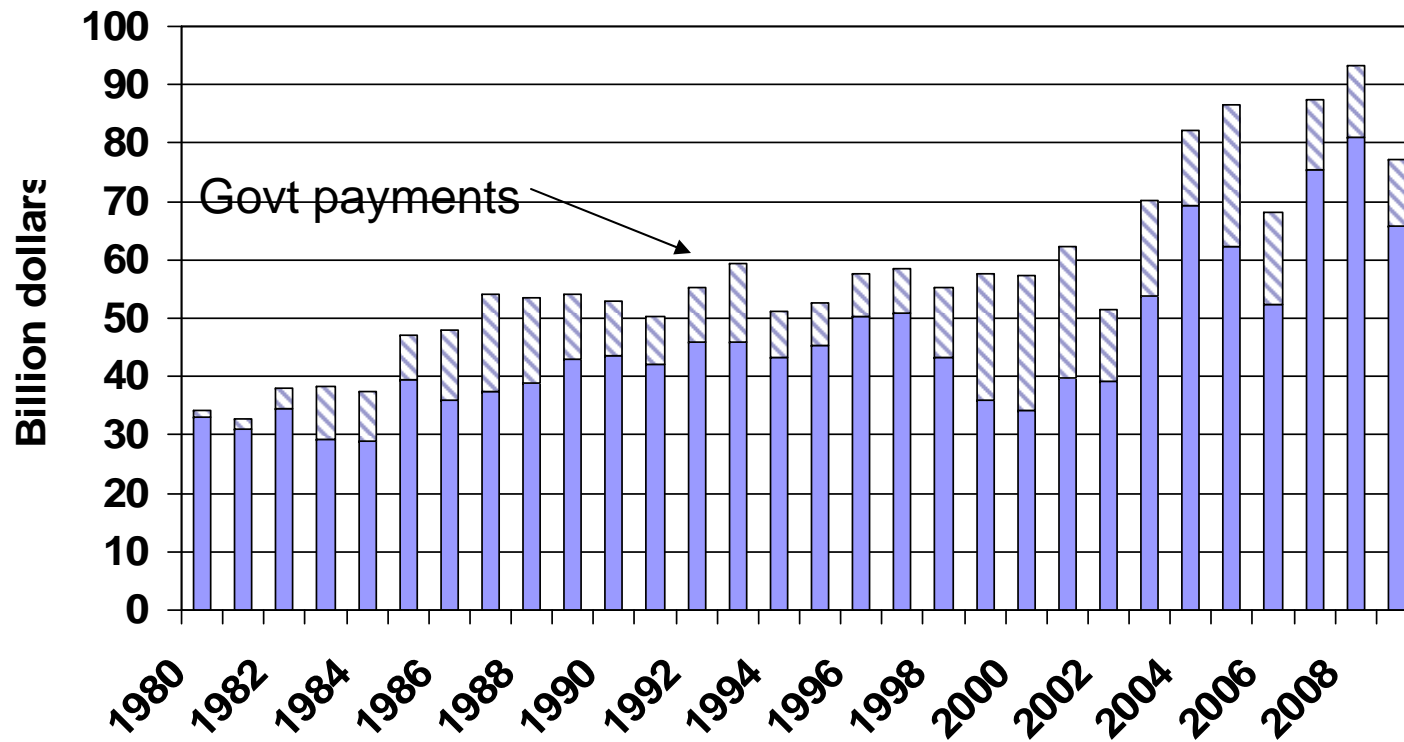
# 17--Meat and poultry exports forecast to fall in 2009



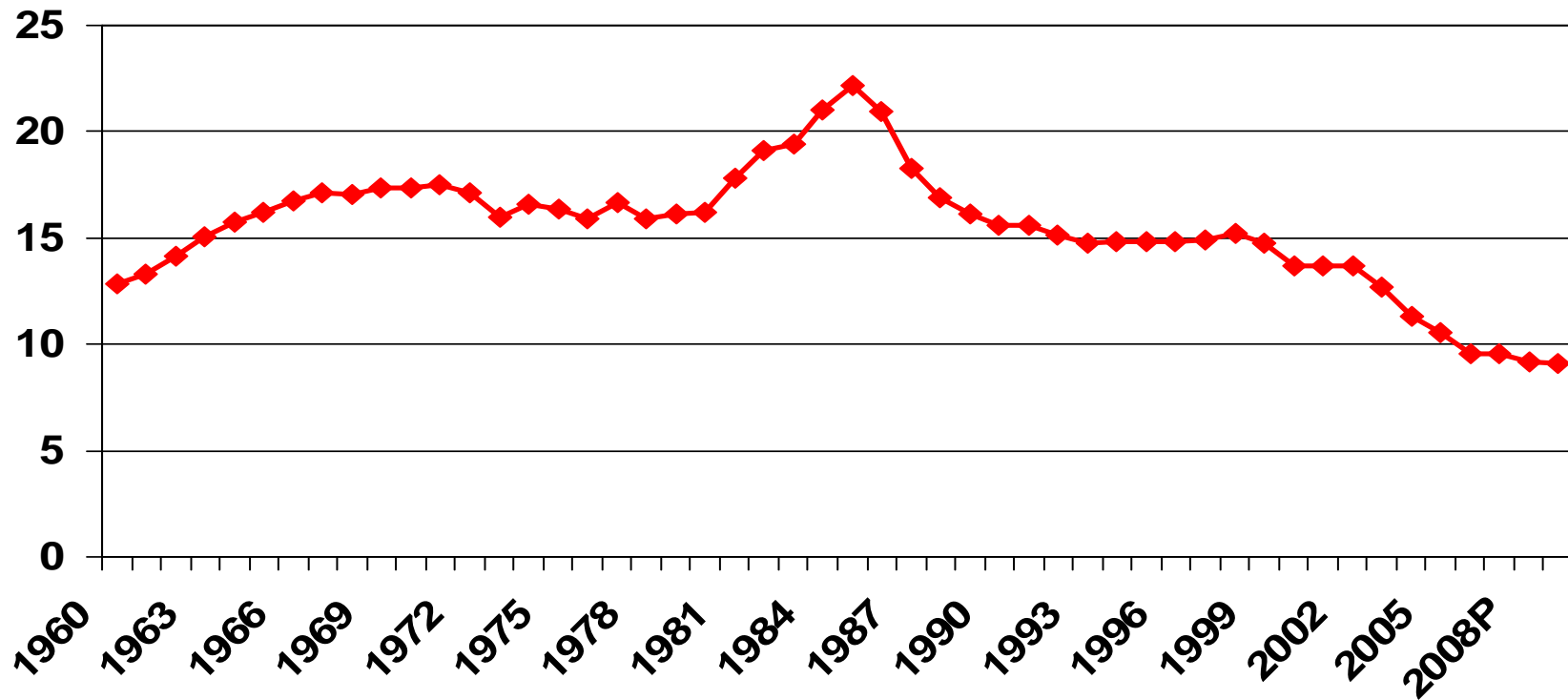
# 19--Milk price-to-feed ratio falls to lowest level since 1983



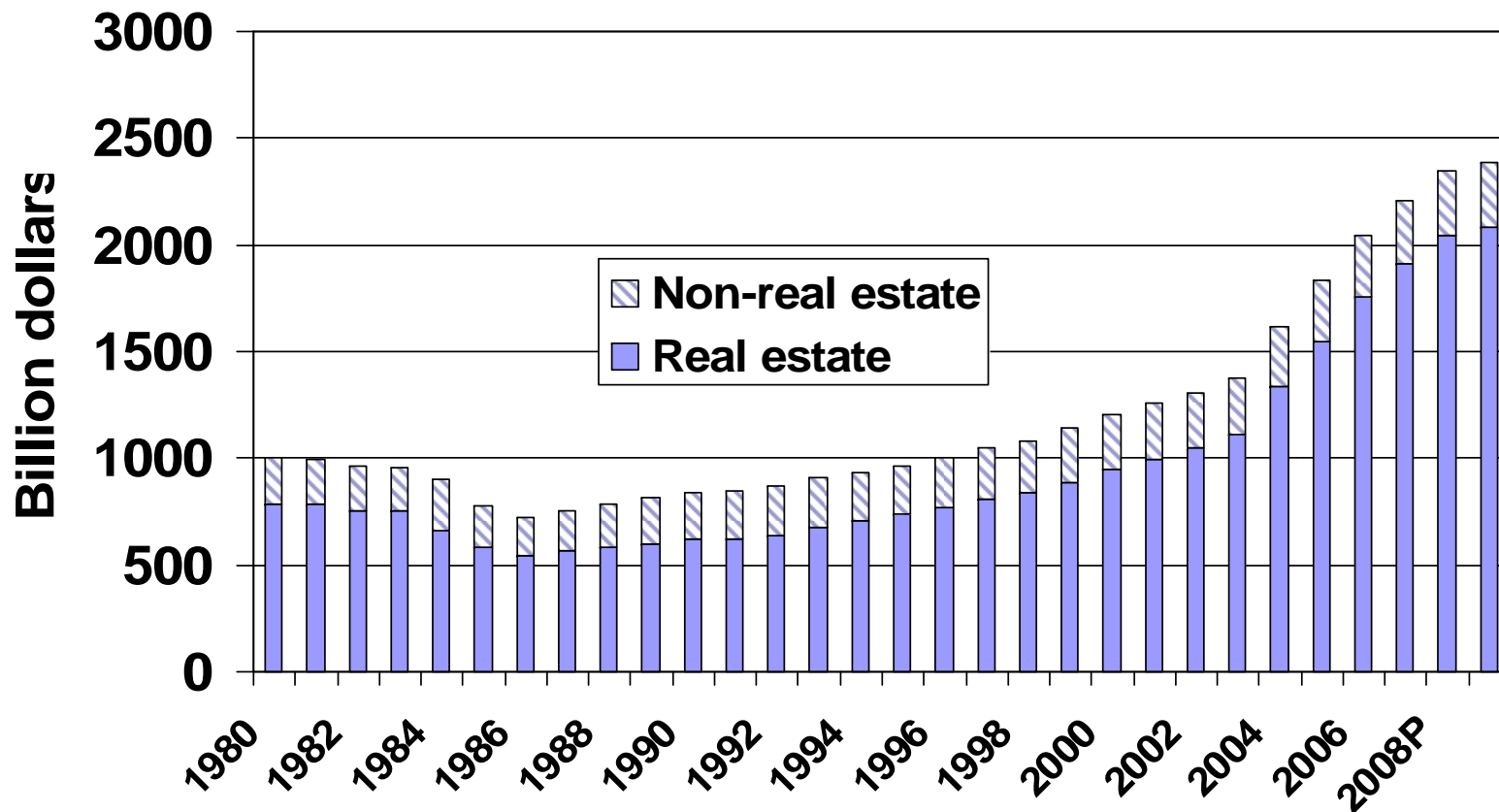
# 20--Net cash farm income



# 21--Debt as a percent of assets falls to 9 percent



## 22-Farm real estate values flatten after appreciating over \$1 trillion since 2002





**USDA's 85<sup>th</sup>  
Agricultural Outlook  
Forum**

Global Agriculture &  
Rural America  
in Transition

February 26-27, 2009