

# 2016 Montana Agricultural Outlook

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Major Data Source: National Agricultural Statistics Service

Montana Field Office (Eric Sommer, Director)

# 2015/16 Overview

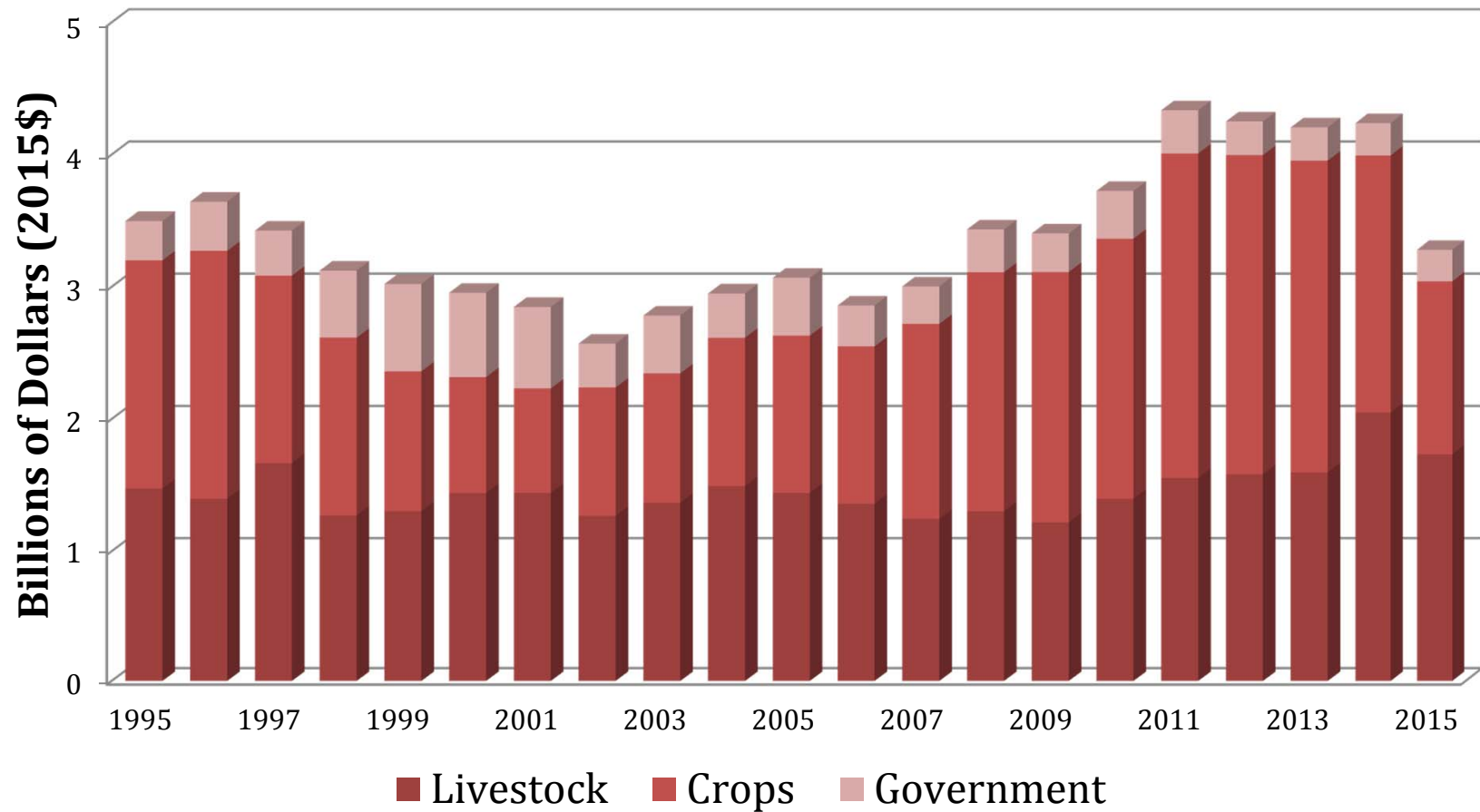
- Cattle
  - Declining cattle prices
    - Evidence of some herd rebuilding
    - Sluggish cattle and beef *exports*
    - Very high Australian *imports* of beef

# 2015/16 Overview

## Crops

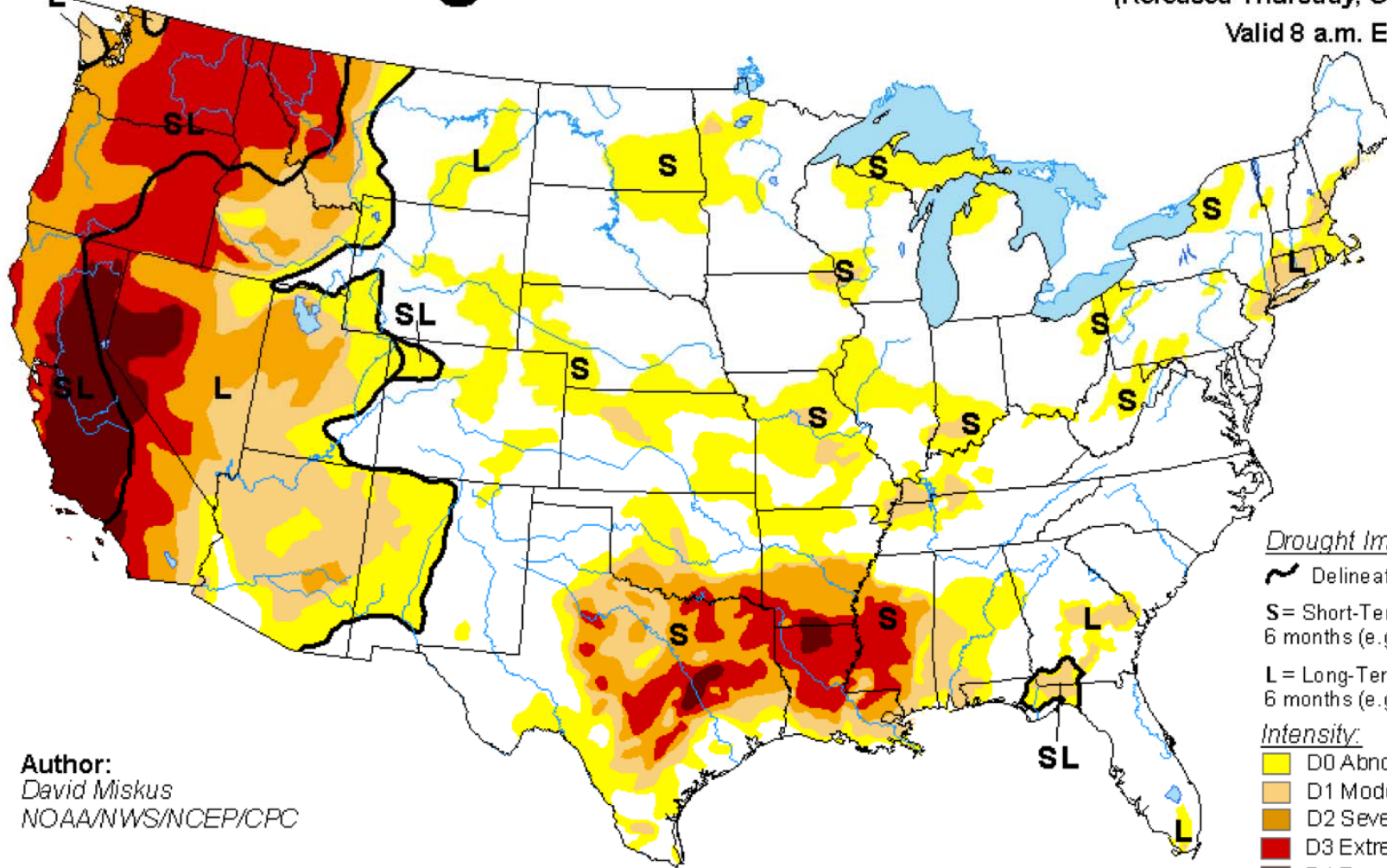
- Declining grain prices
  - Record worldwide wheat production (and stocks)
  - Historically low exports (*strong dollar*)
- Pulse crop production continues to increase
- Local foods/farmer's markets

# Cash Receipts (1995 – 2015f)



# U.S. Drought Monitor

October 13, 2015  
(Released Thursday, Oct. 15, 2015)  
Valid 8 a.m. EDT



Author:  
David Miskus  
NOAA/NWS/NCEP/CPC

### Drought Impact Types:

- ~ Delineates dominant impacts
- S= Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L= Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

### Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

# Drought Status – October 2015



<http://drought.mt.gov>

Montana Water Supply and Moisture Status by County - October 2015

## Map Key

Drought Impact Type

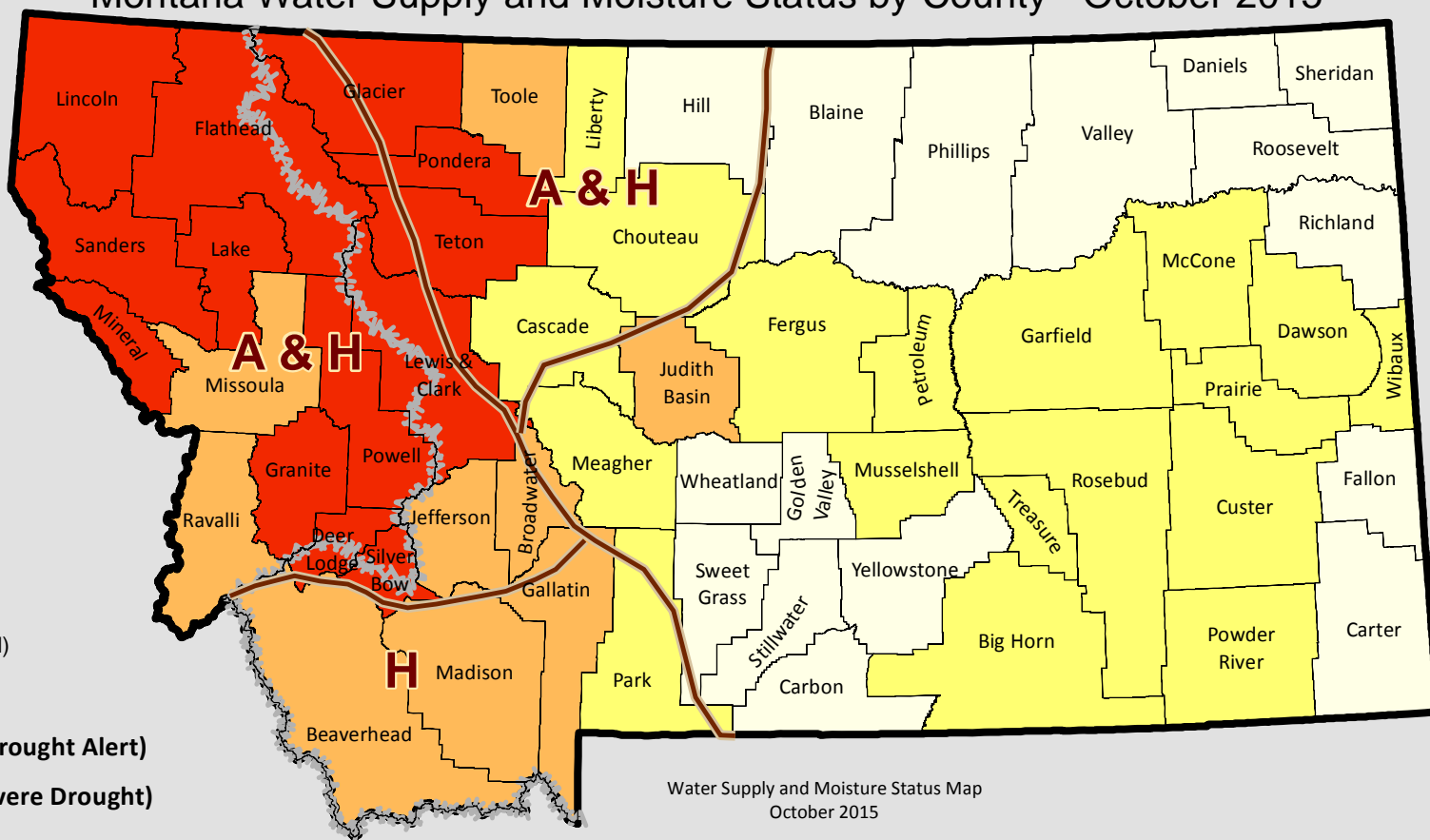
Continental Divide

## Moisture Status

### Current Month

- Extremely Moist
- Moderately Moist
- Slightly Moist
- Near Average (Normal)
- Slightly Dry
- Moderately Dry **(Drought Alert)**
- Extremely Dry **(Severe Drought)**

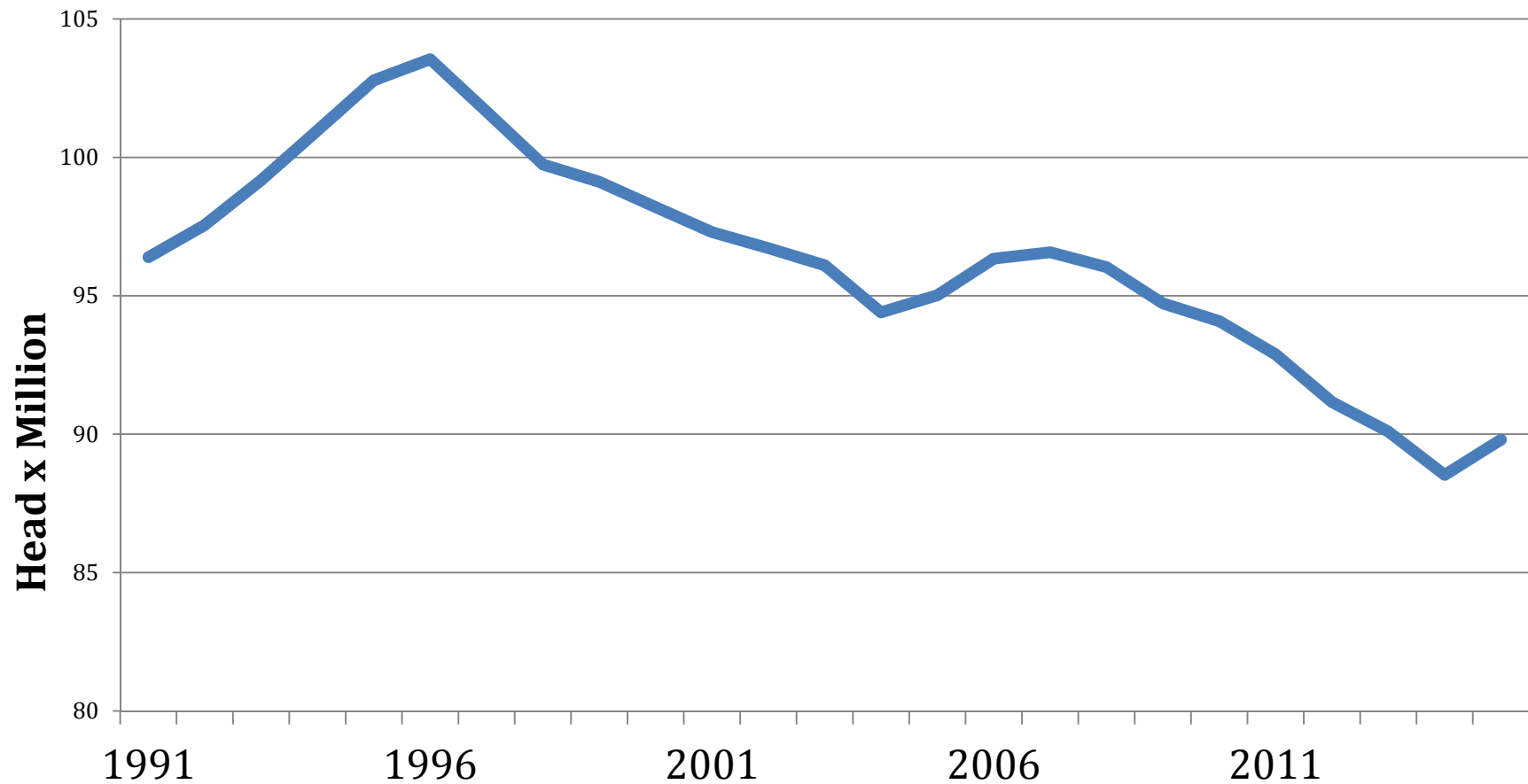
Drought Impact Types -



Water Supply and Moisture Status Map  
October 2015

# CATTLE

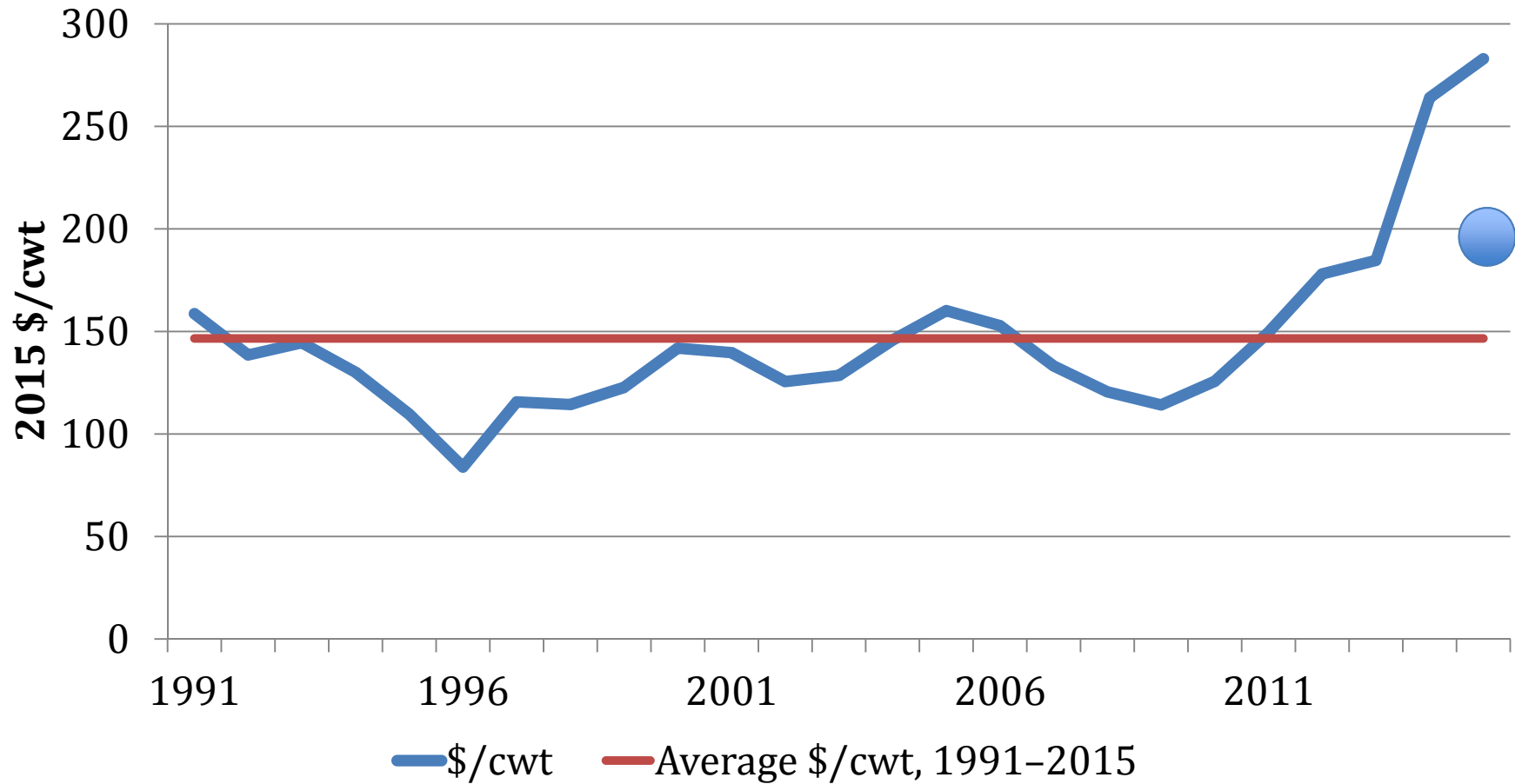
# U.S. Cattle Inventory



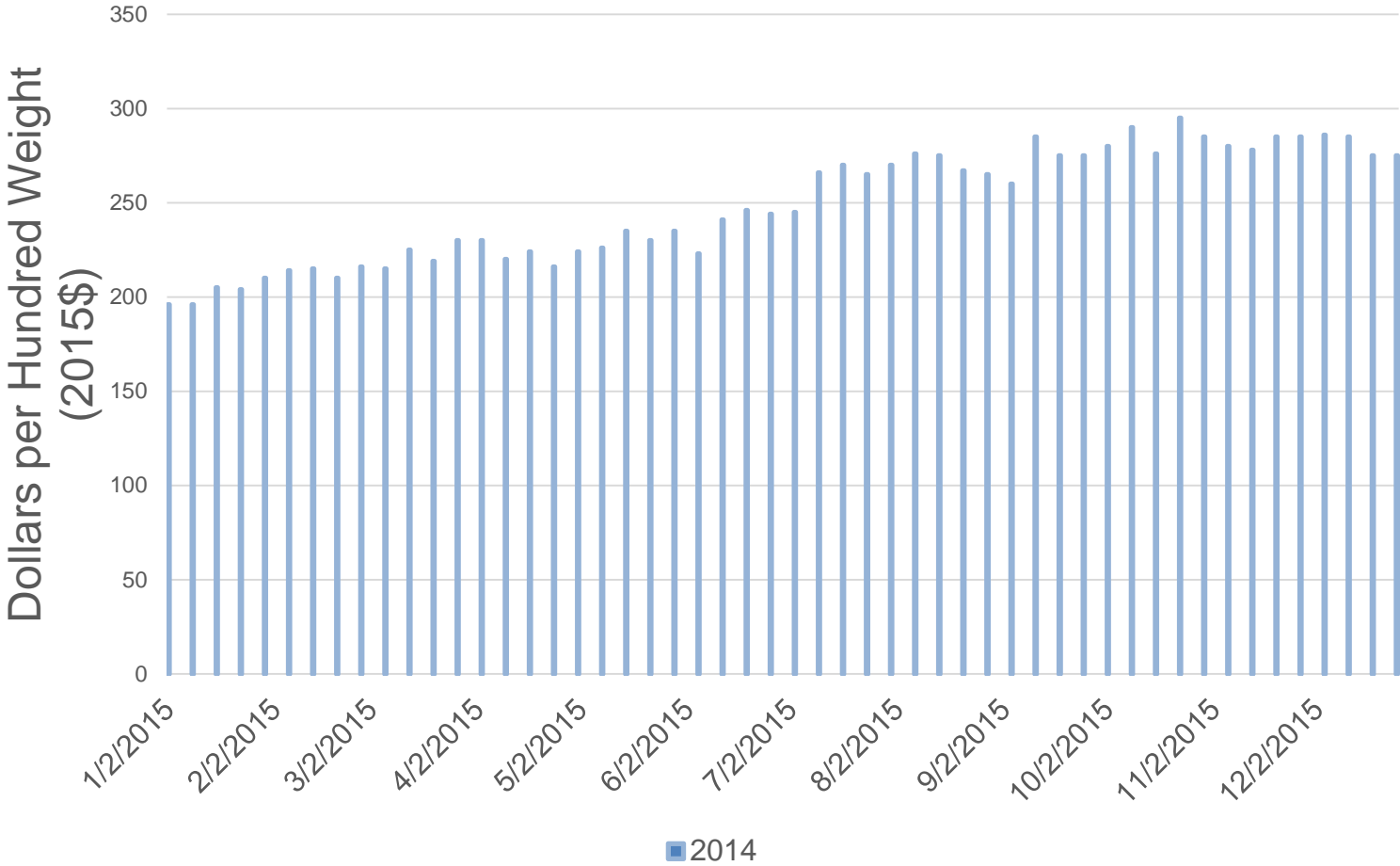
Montana herd flat at approximately 2.5 million head



# U.S. Average Calf Prices (2015\$)

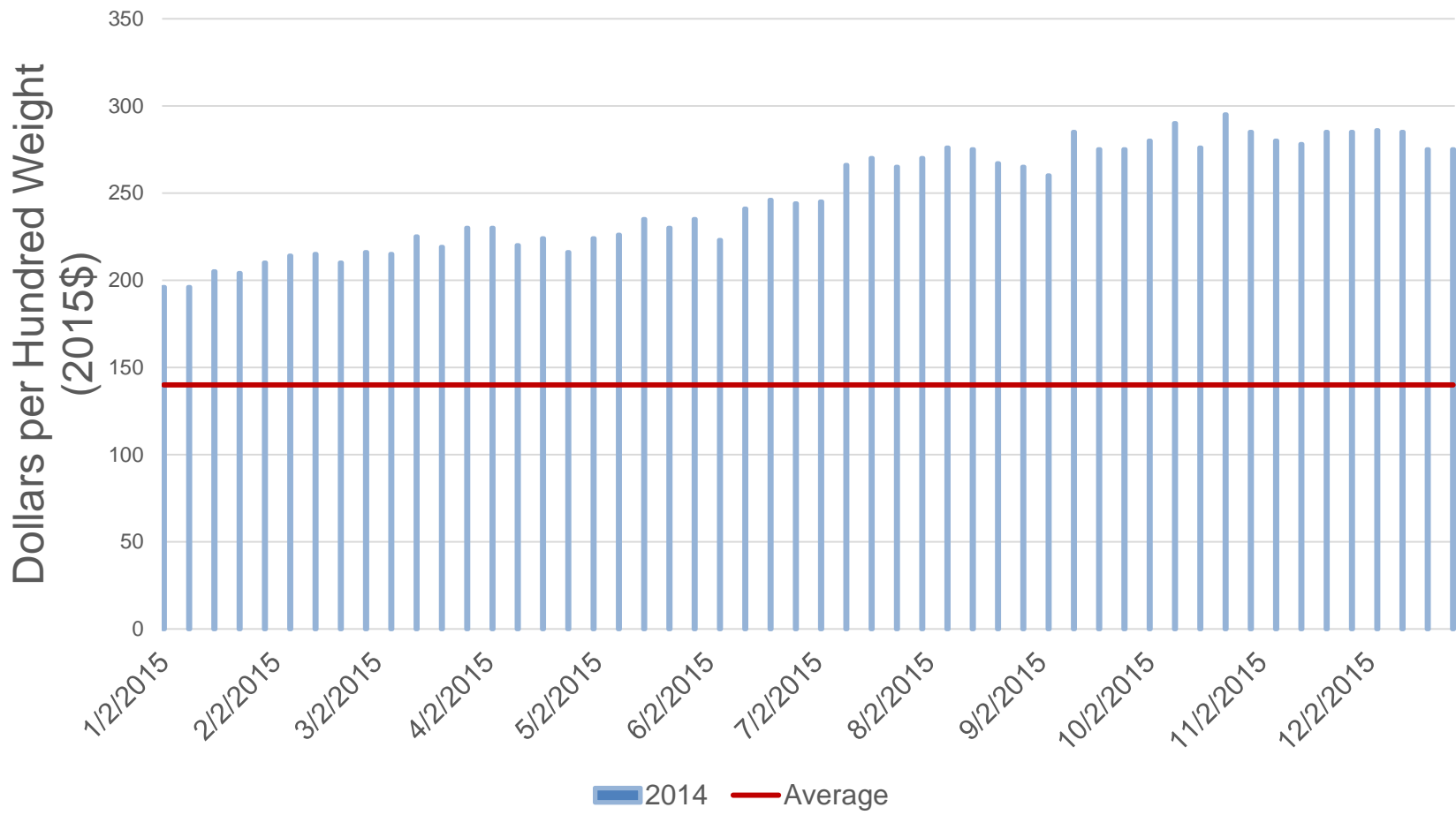


# U.S. Average Calf Prices, 2014/2015, (500-600 lbs. 2015\$)

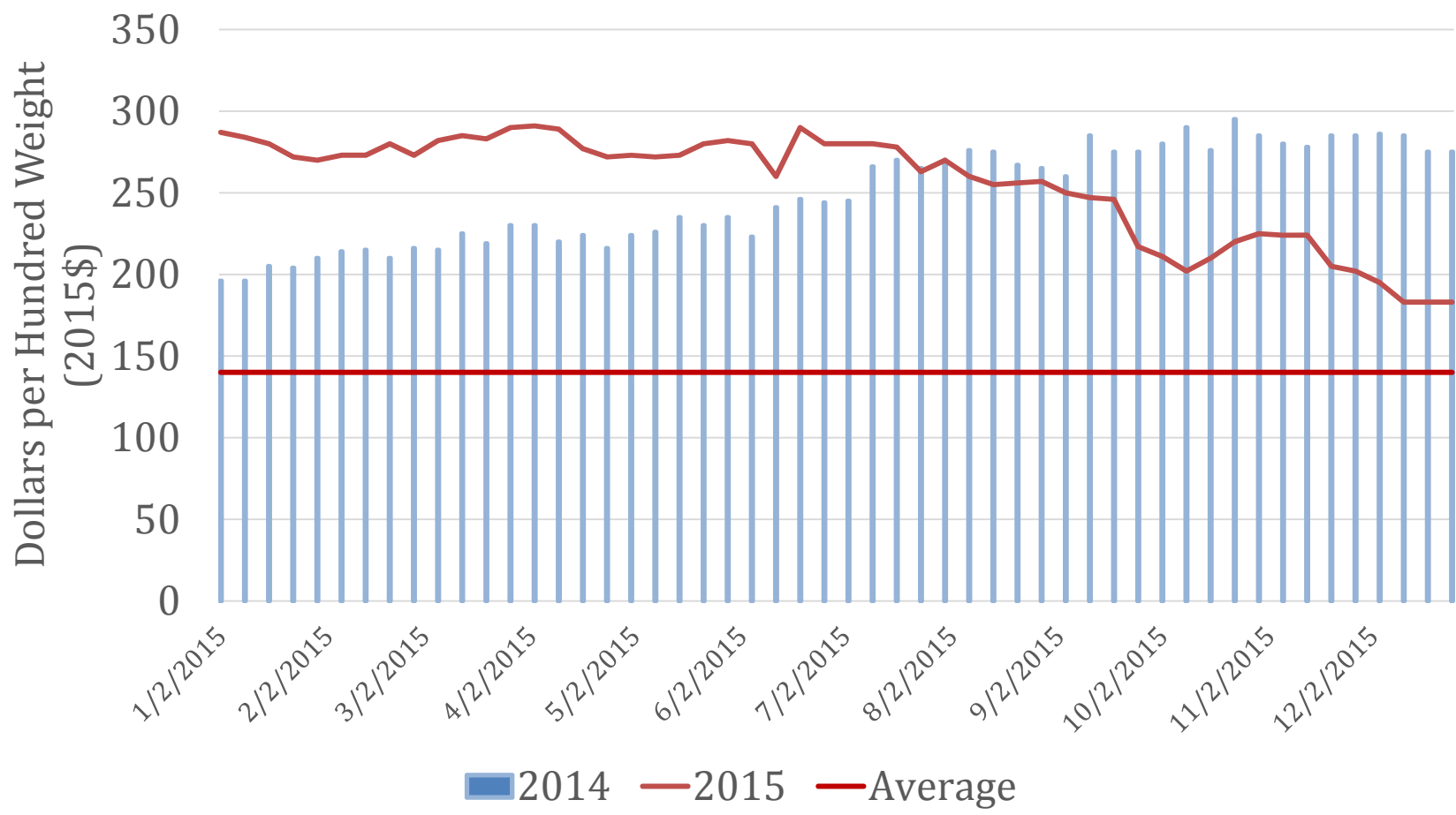


Source: Agmanager, KSU

# U.S. Average Calf Prices, 2014/2015, (500-600 lbs. 2015\$)



# U.S. Average Calf Prices, 2014/2015, (500-600 lbs. 2015\$)



# 2015 Futures Prices

(\$/hundred pounds, with basis adjustments - 01/25/15)

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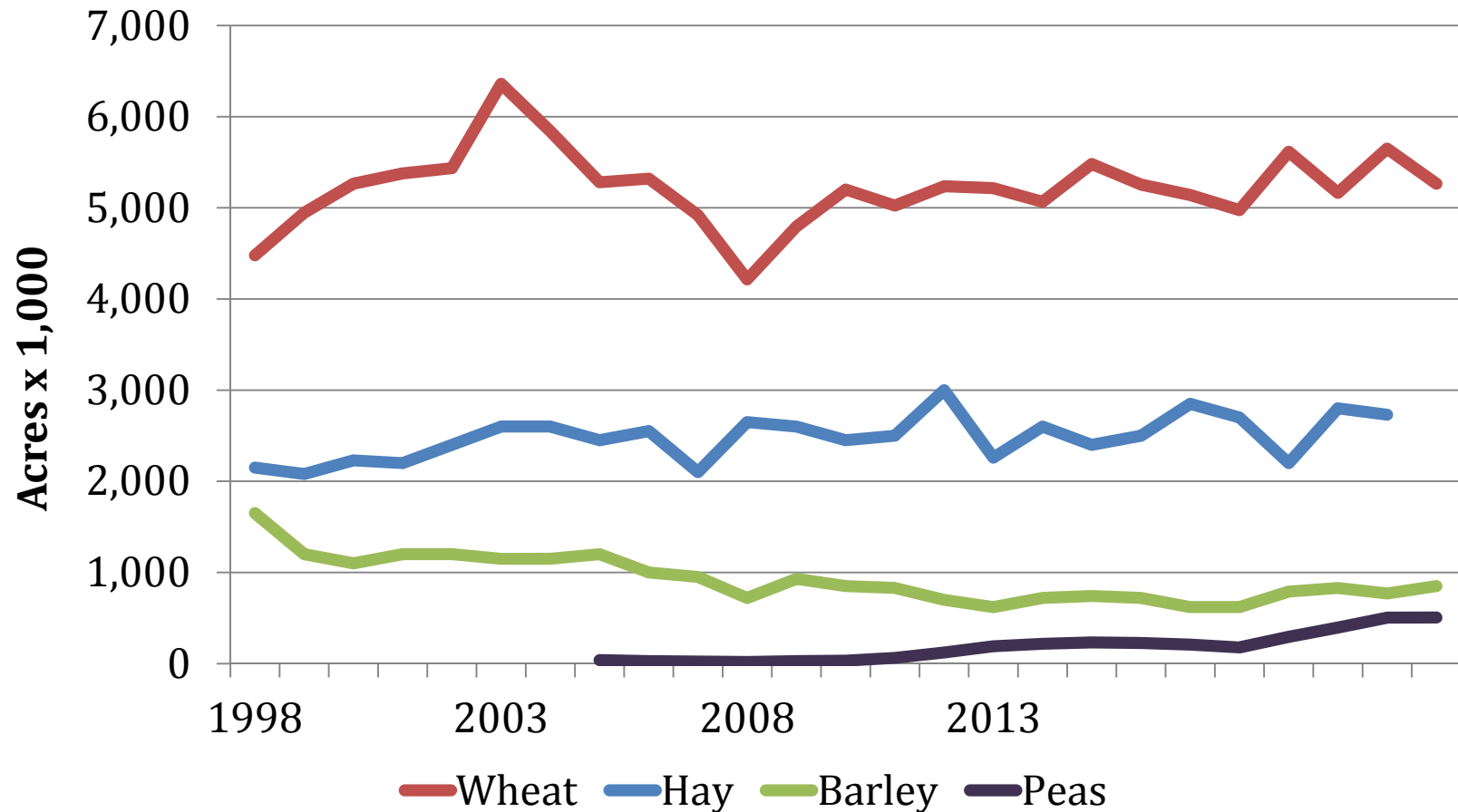
Location	January	April	August	October
Chicago Mercantile Exchange				
Feeder Cattle	185	182	182	178

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# **CROPS (*GRAIN, HAY & PULSES*)**

# Montana Major Crop Acreage



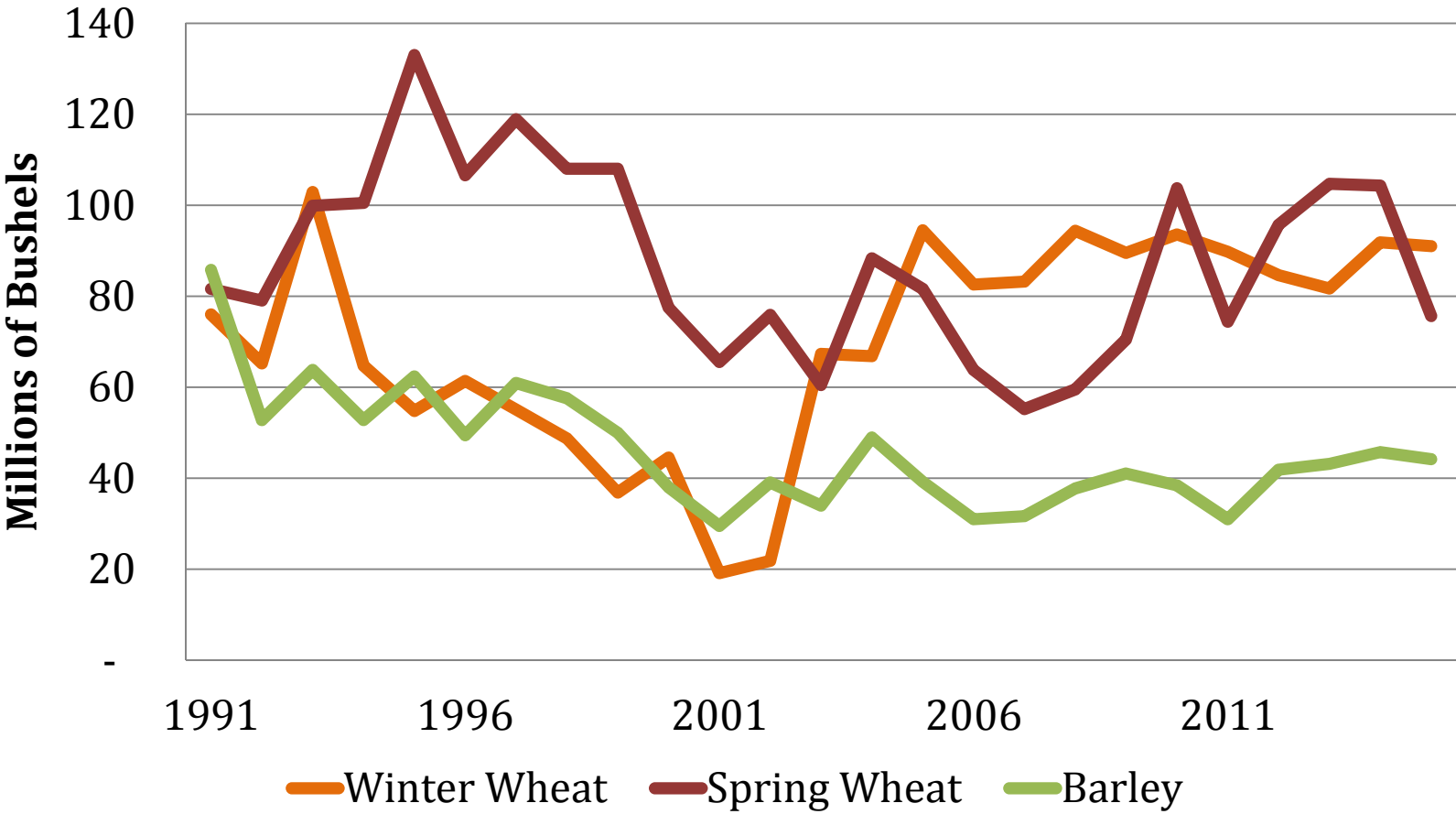
# Global Wheat Production Shares

	2014/15		2015/16	
	mmt	%	mmt	%
Australia	24	3	27	4
Canada	29	4	26	4
China	126	17	130	18
EU-27	155	21	155	21
India	96	13	89	12
FSU-12	112	15	118	16
U.S.	55	8	56	8
Other	150	21	132	18
<b>Total</b>	<b>723</b>	<b>100</b>	<b>733</b>	<b>100</b>

Source, WASDE-537, 2015

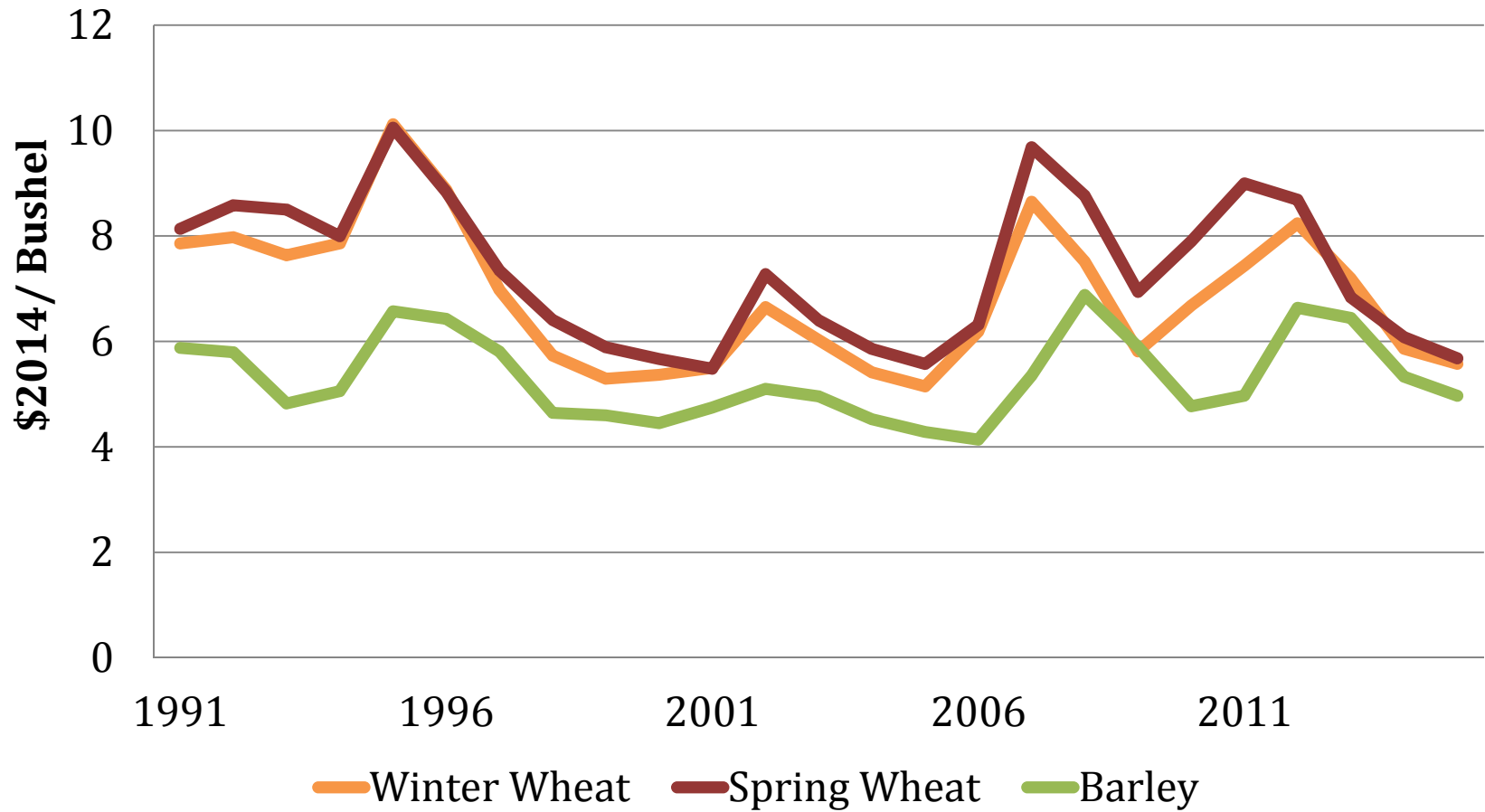


# Montana Grain Production

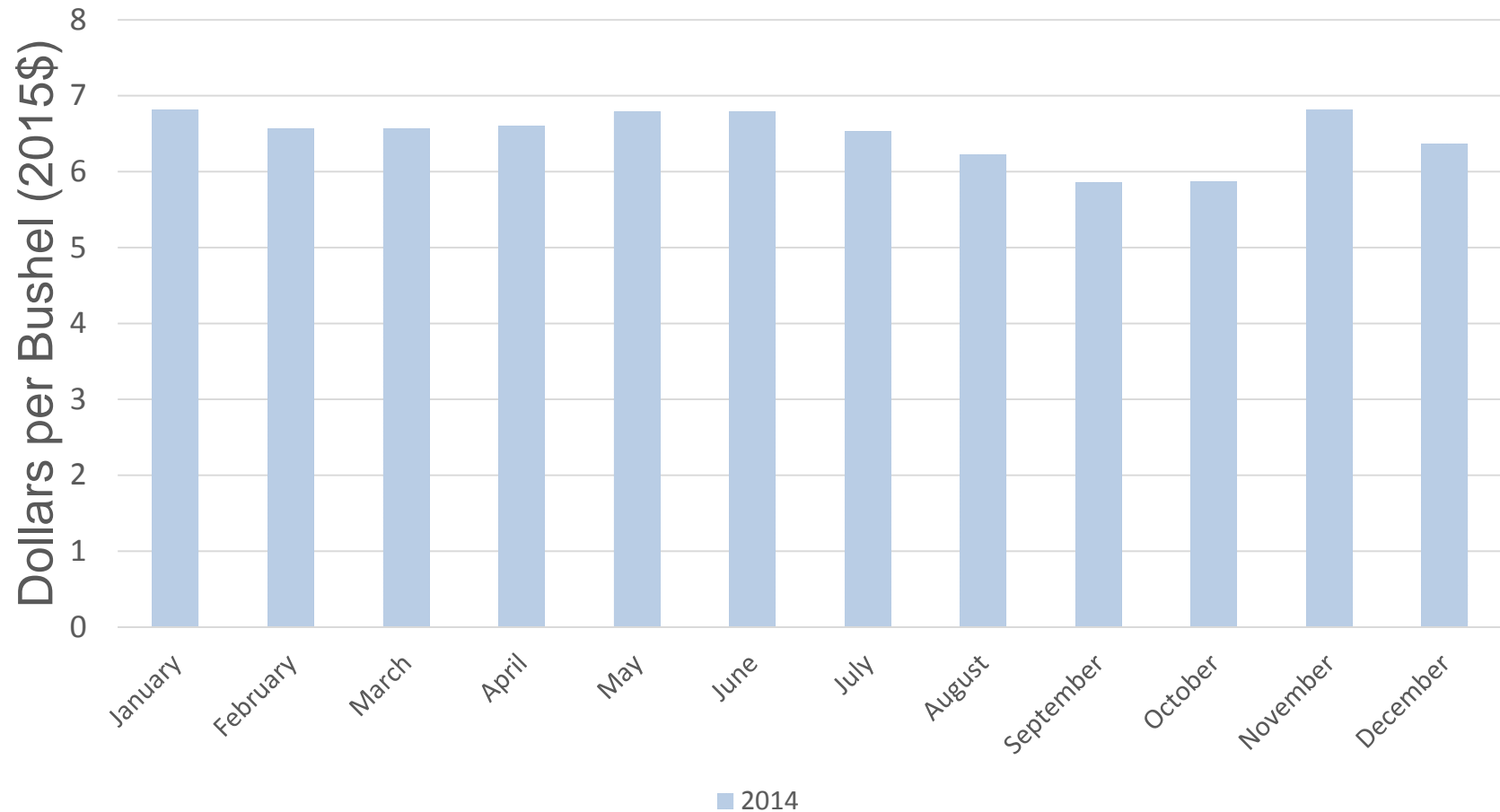


# Montana Grain Prices

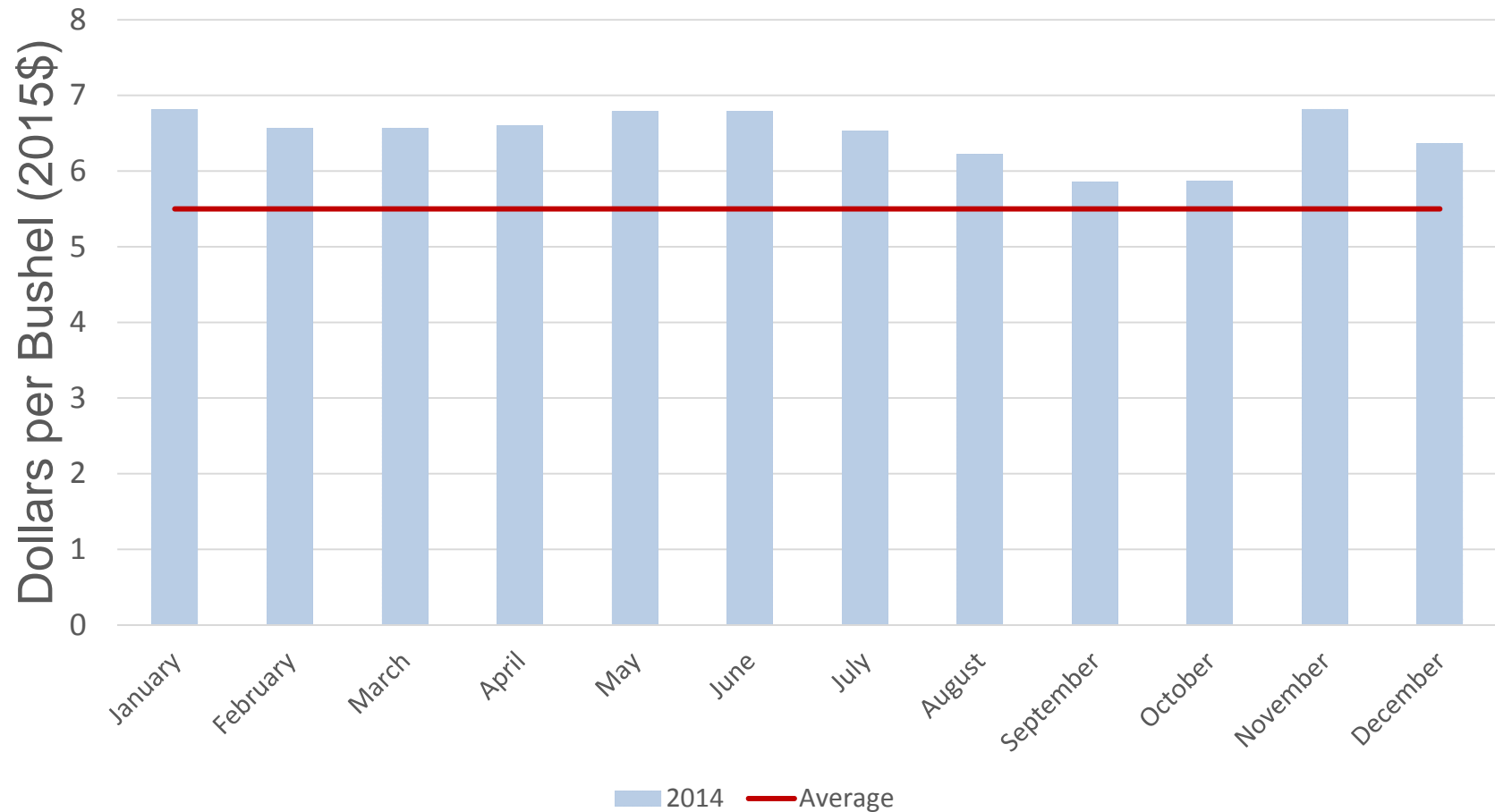
(2015\$)



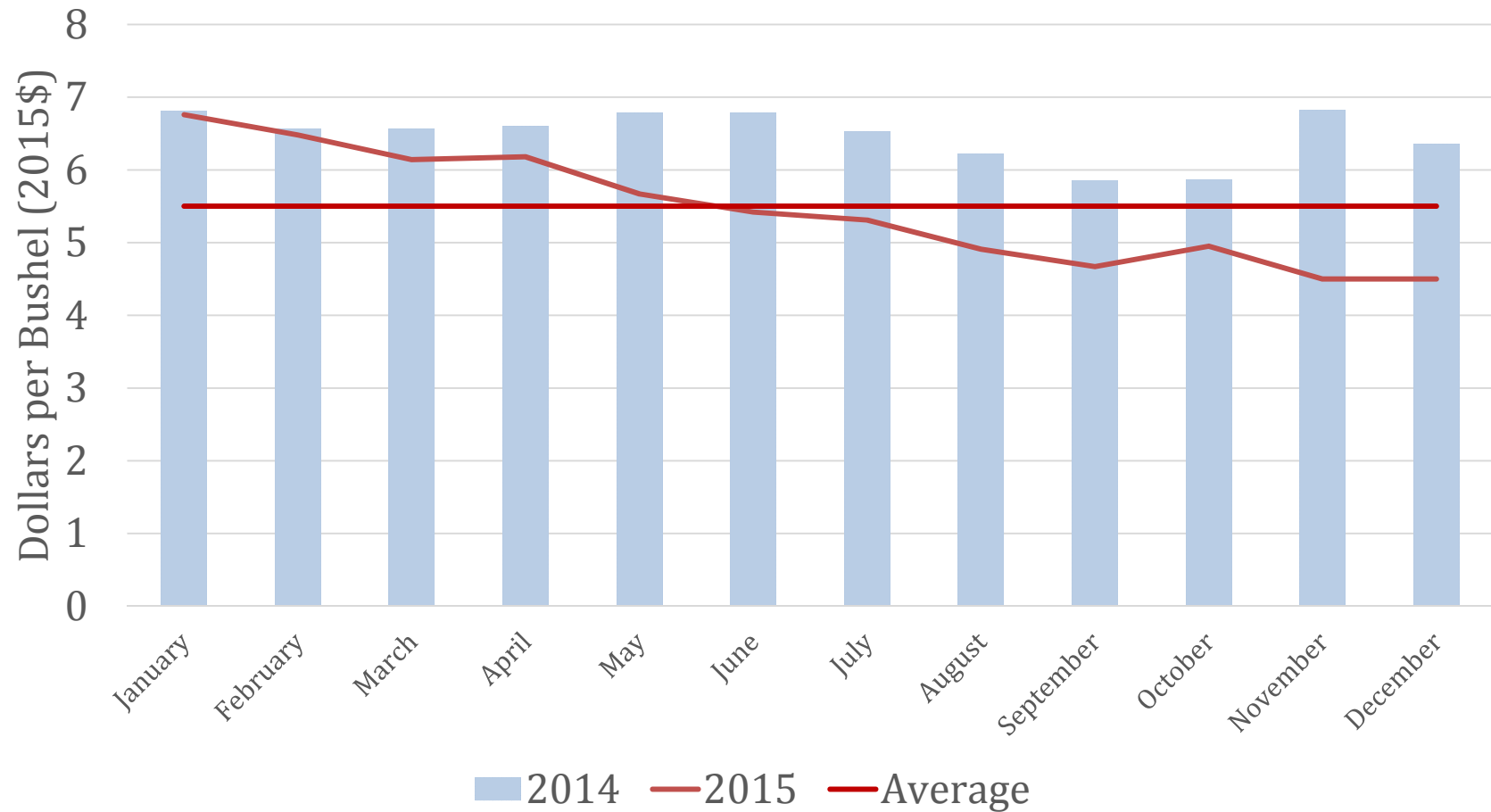
# Montana Wheat Prices, 2014/2015



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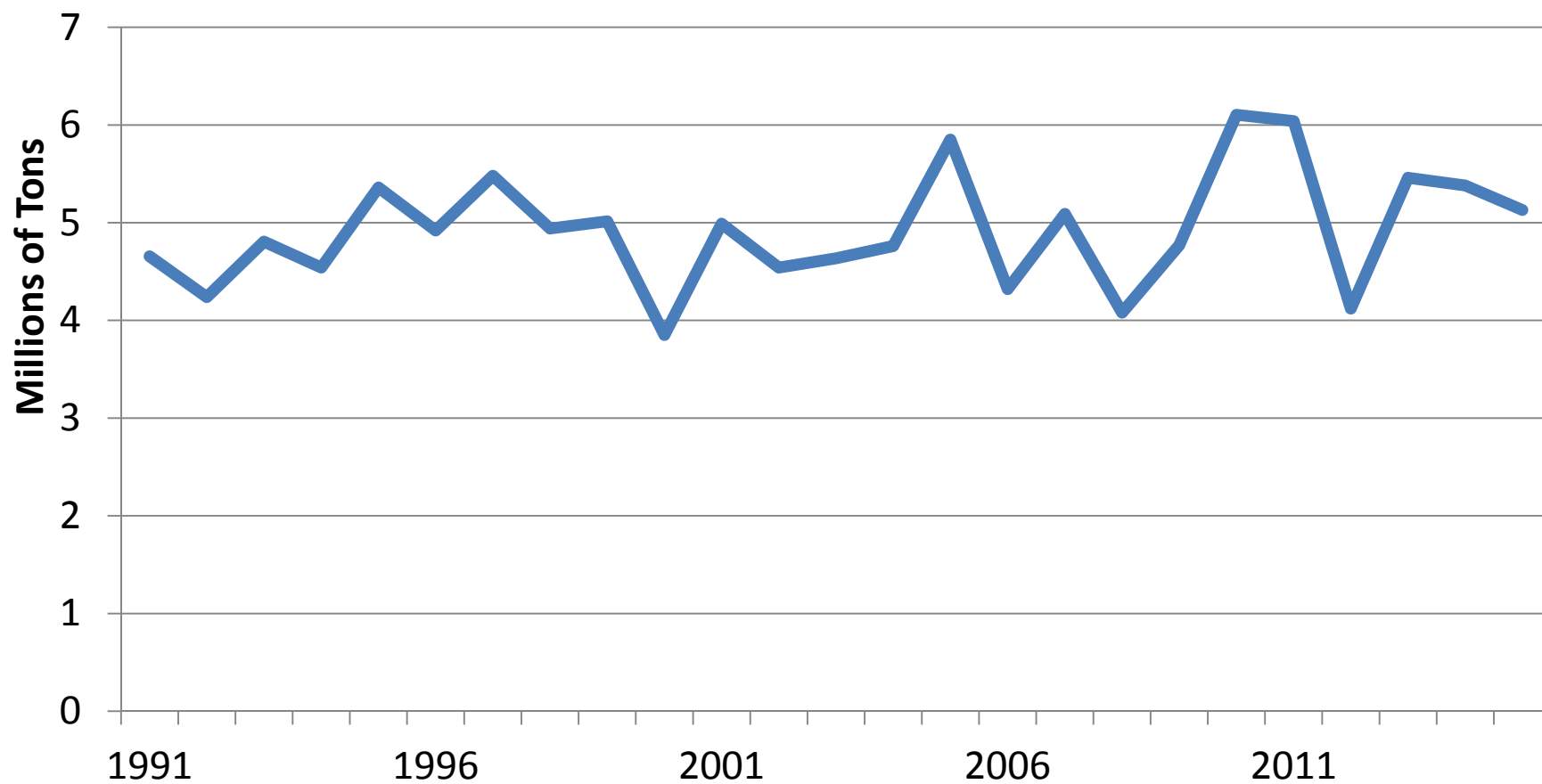


# 2015 Futures Prices

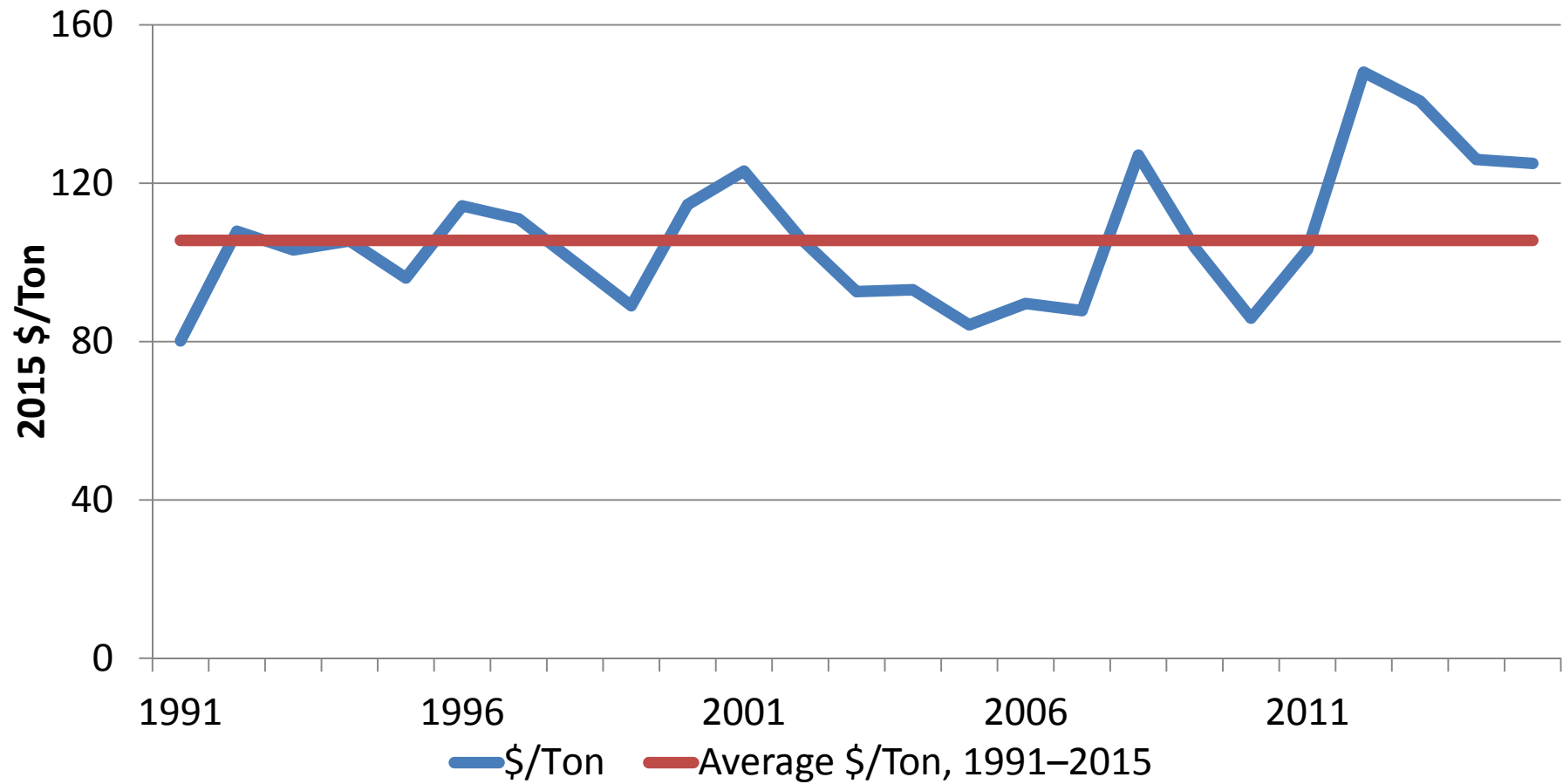
(\$/bu, no basis adjustment – 12/31/15)

Location	March	May	July	September
Minneapolis Grain Exchange				
Hard Red Spring Wheat	4.93	5.01	5.12	5.24
Kansas City Board of Trade				
Hard Red Winter Wheat	4.65	4.75	4.86	5.00
Chicago Board of Trade				
Corn	3.58	3.64	3.70	3.75

# Montana Hay Production

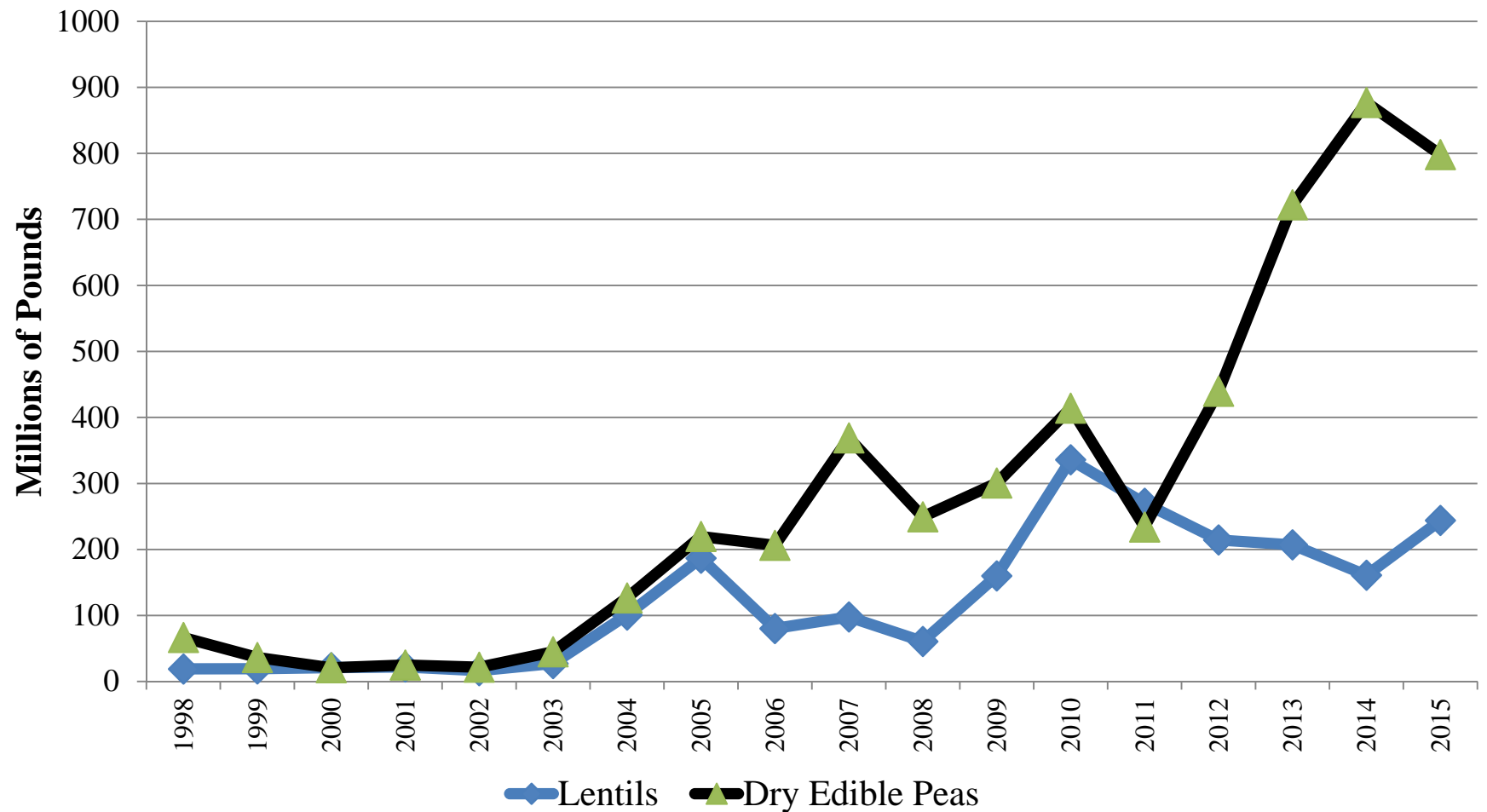


# Montana Hay Prices (\$2015)

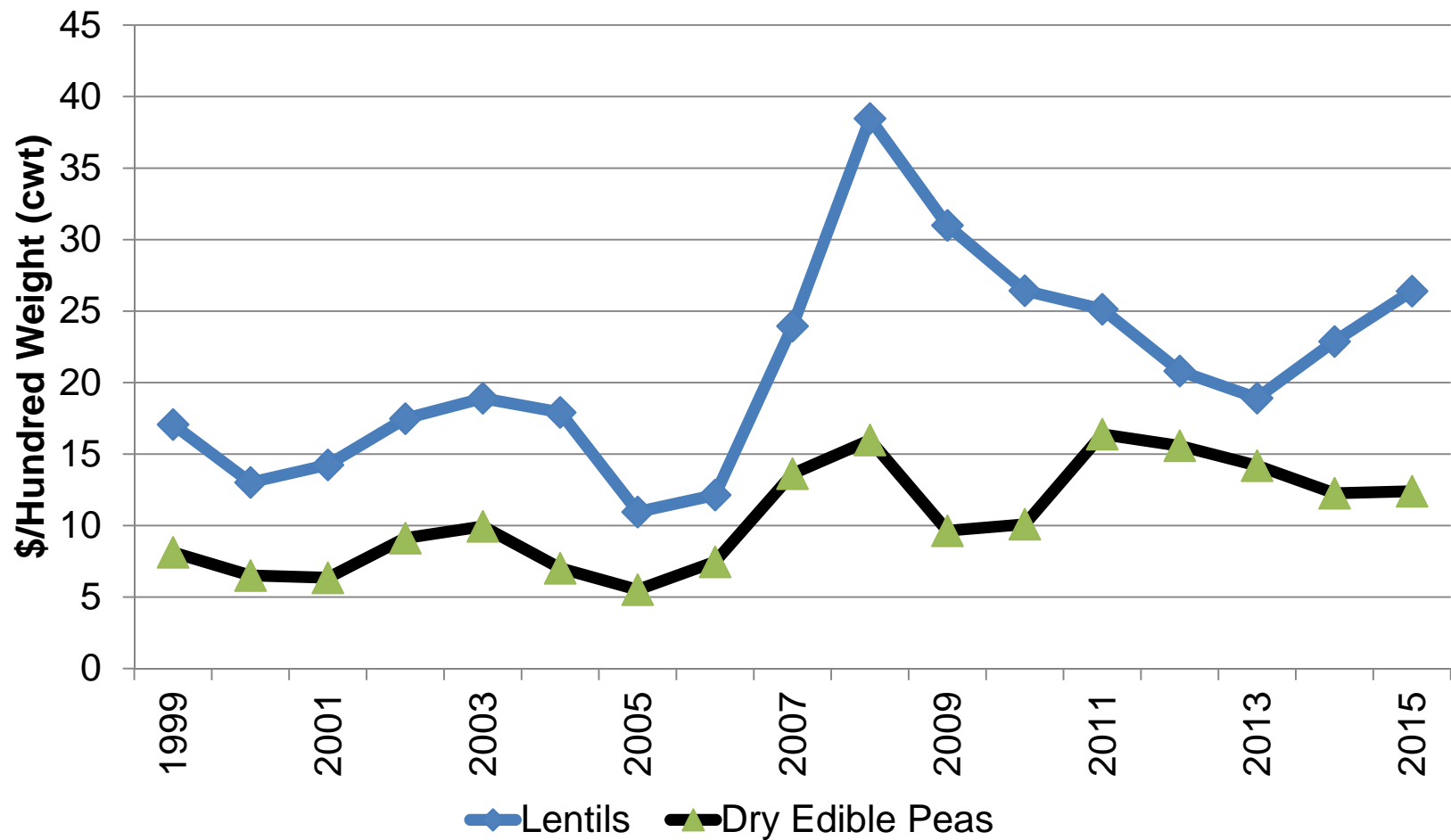




# Montana Pulse Production



# Montana Pulse Prices (\$2015)



# Farmer's Markets/Local Foods

- Farmer's Markets
  - 71 markets, \$2 million in sales
  - Growth has slowed in the past three years
- Local Foods
  - Anecdotal evidence
  - Major issues – crop insurance & farm programs

# 2016 Forecast

- Livestock:
  - Herd expansion
  - Lower prices, but above historical averages
  
- Grains:
  - World wheat “glut”
  - Prices below historical averages
  - Local foods – more growth expected

# Questions?

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