2016 Montana Agricultural Outlook

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MSU Extension

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

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

Author:
David Miskus
NOAA/NWS/NCEP/CPC
Drought Status – October 2015

Montana Water Supply and Moisture Status by County - October 2015

Moisture Status
Current Month

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

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)

<table>
<thead>
<tr>
<th>Location</th>
<th>January</th>
<th>April</th>
<th>August</th>
<th>October</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago Mercantile Exchange</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Feeder Cattle</td>
<td>185</td>
<td>182</td>
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<td>178</td>
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CROPS \((\text{GRAIN, HAY \& PULSES})\)
# Global Wheat Production Shares

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

Source, WASDE-537, 2015
Montana Grain Production

Millions of Bushels

- Winter Wheat
- Spring Wheat
- Barley

Montana Grain Prices
(2015$)

$2014/Bushel


Winter Wheat  Spring Wheat  Barley
Montana Wheat Prices, 2014/2015
Montana Wheat Prices, 2014/2015
Montana Wheat Prices, 2014/2015

Dollars per Bushel (2015$)

- January
- February
- March
- April
- May
- June
- July
- August
- September
- October
- November
- December

2014  2015  Average
## 2015 Futures Prices

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

<table>
<thead>
<tr>
<th>Location</th>
<th>March</th>
<th>May</th>
<th>July</th>
<th>September</th>
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<tr>
<td>Minneapolis Grain Exchange</td>
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<td>Hard Red Spring Wheat</td>
<td>4.93</td>
<td>5.01</td>
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<td>Kansas City Board of Trade</td>
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<tr>
<td>Hard Red Winter Wheat</td>
<td>4.65</td>
<td>4.75</td>
<td>4.86</td>
<td>5.00</td>
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<td>Chicago Board of Trade</td>
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<tr>
<td>Corn</td>
<td>3.58</td>
<td>3.64</td>
<td>3.70</td>
<td>3.75</td>
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Montana Hay Prices
($2015)

Average $/Ton, 1991–2015
Montana Pulse Production

Millions of Pounds


Lentils Dry Edible Peas
Montana Pulse Prices
($2015)

$/Hundred Weight (cwt)

1999 2001 2003 2005 2007 2009 2011 2013 2015

Montana State University Extension
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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