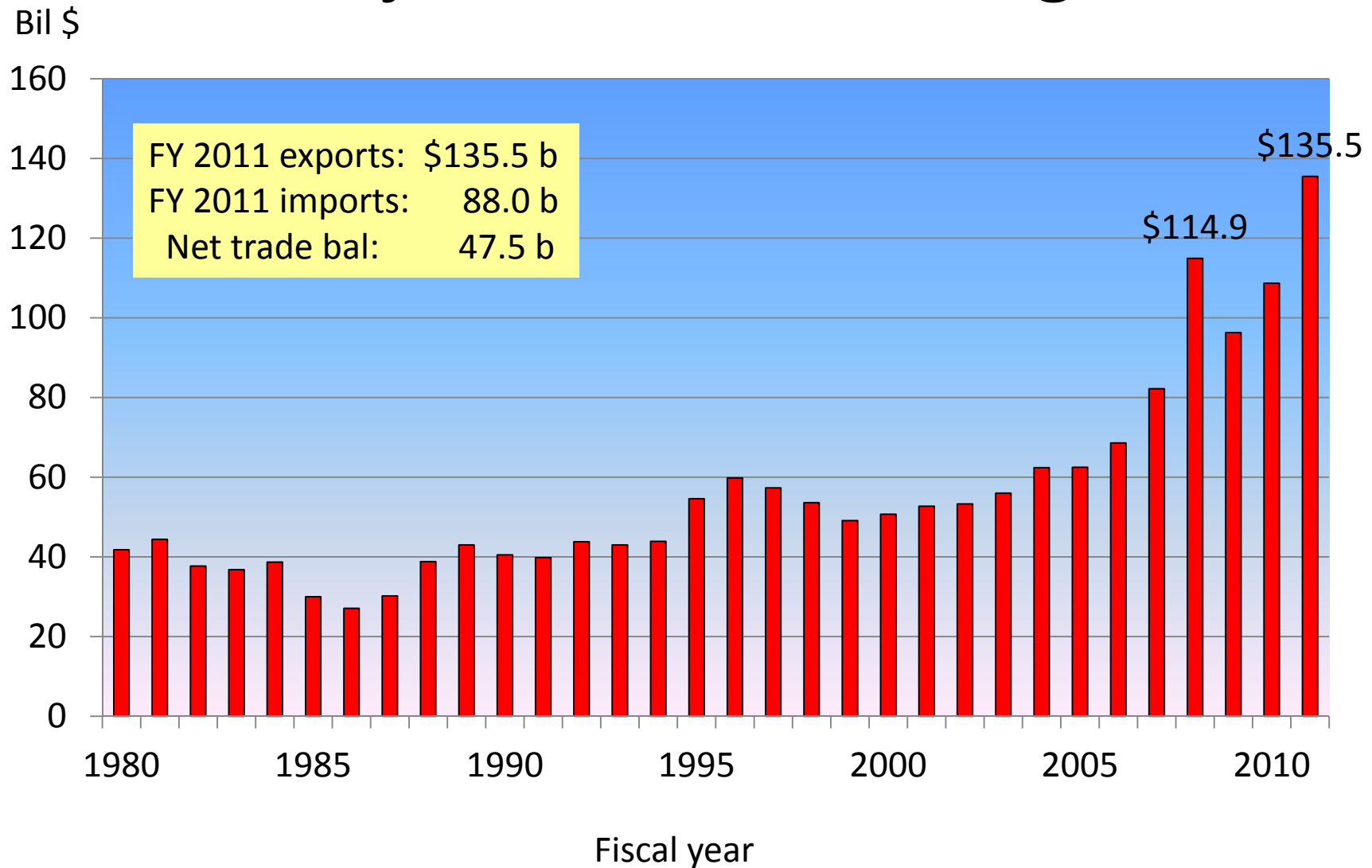




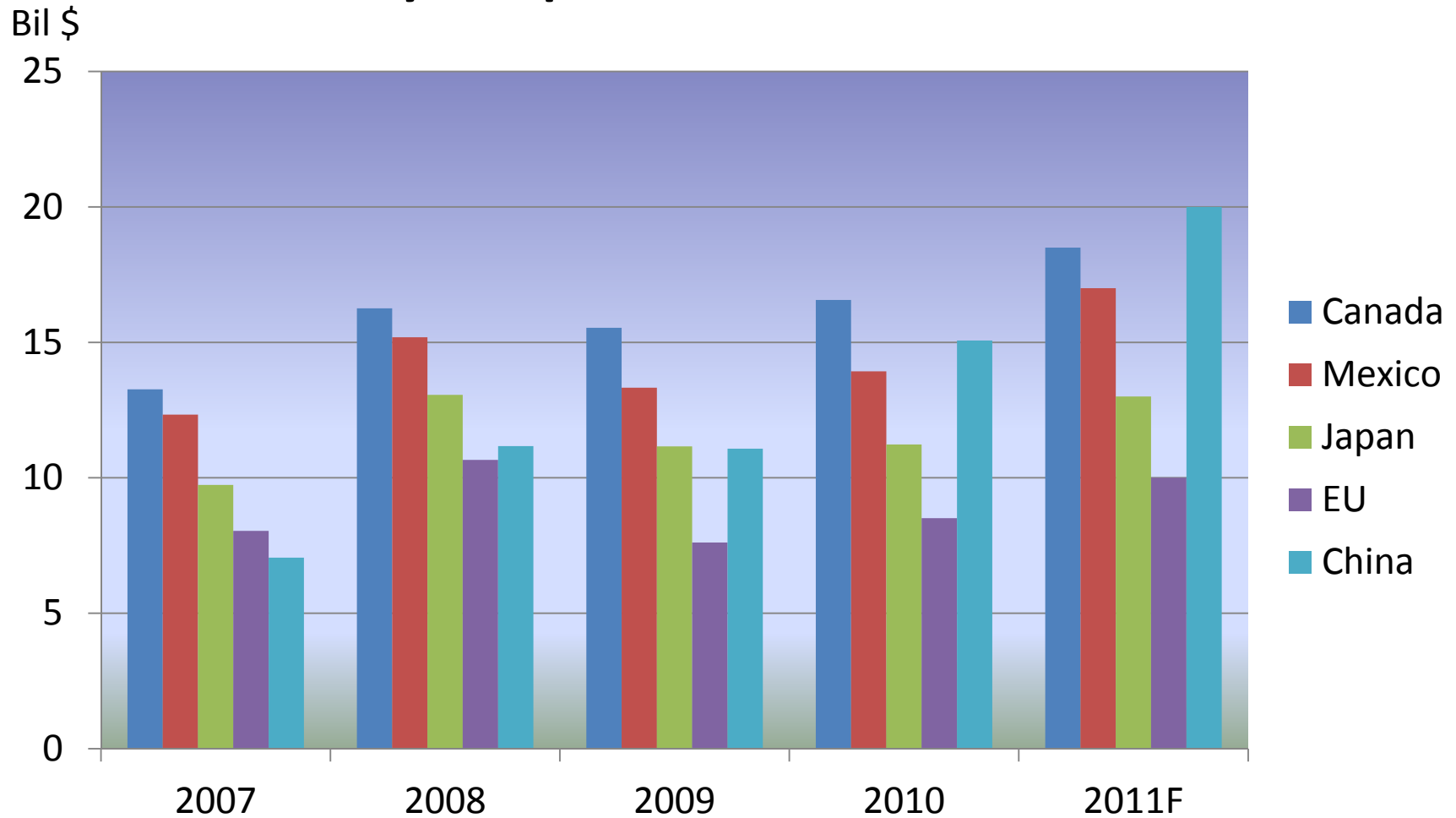
Outlook for the Farm Economy in 2011

Joseph W. Glauber
Chief Economist, USDA
USDA Agricultural Outlook Forum
February 24, 2011

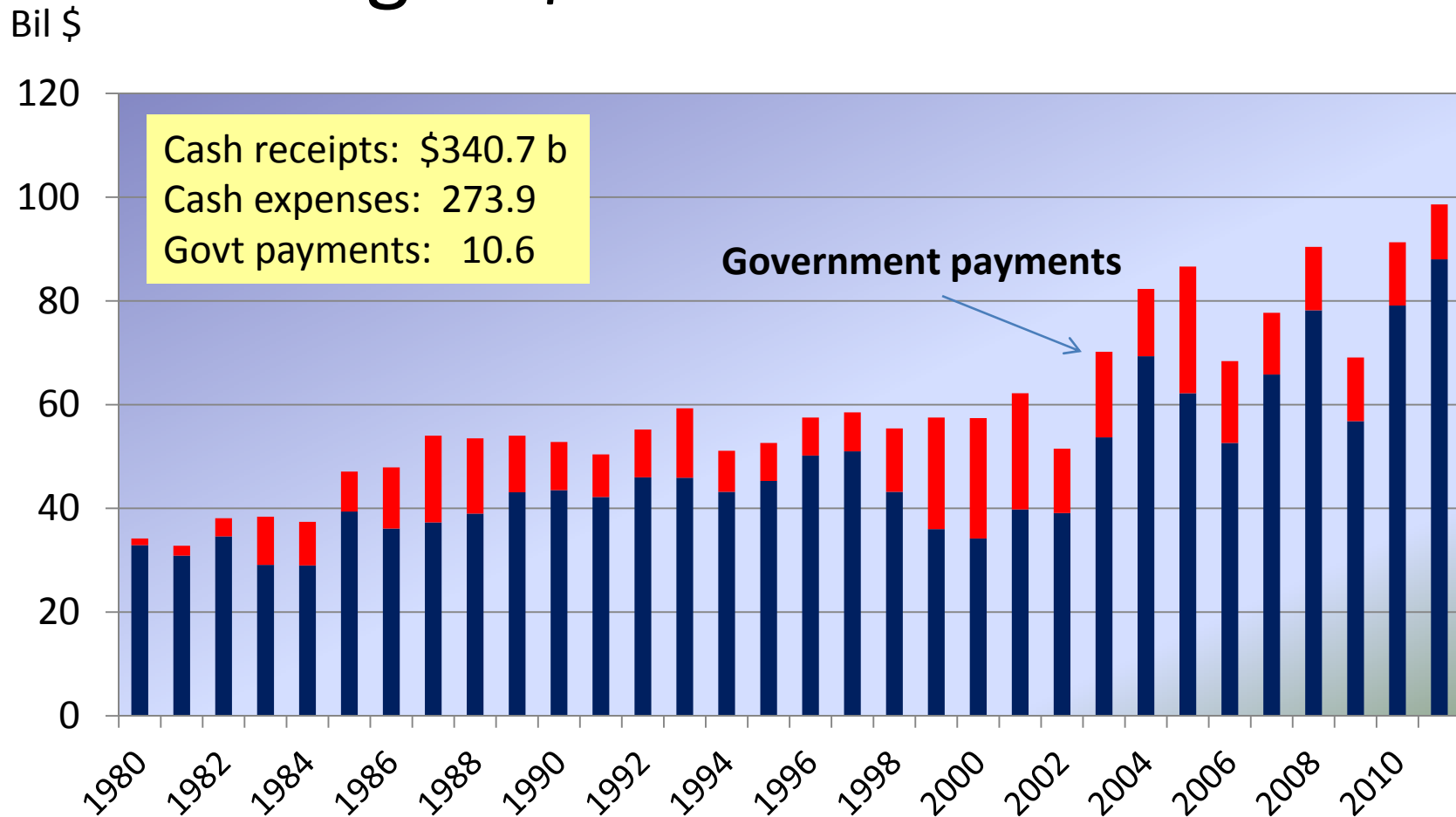
US Agricultural Exports: Projected at Record High



US Agricultural Exports: By Top 5 Destinations



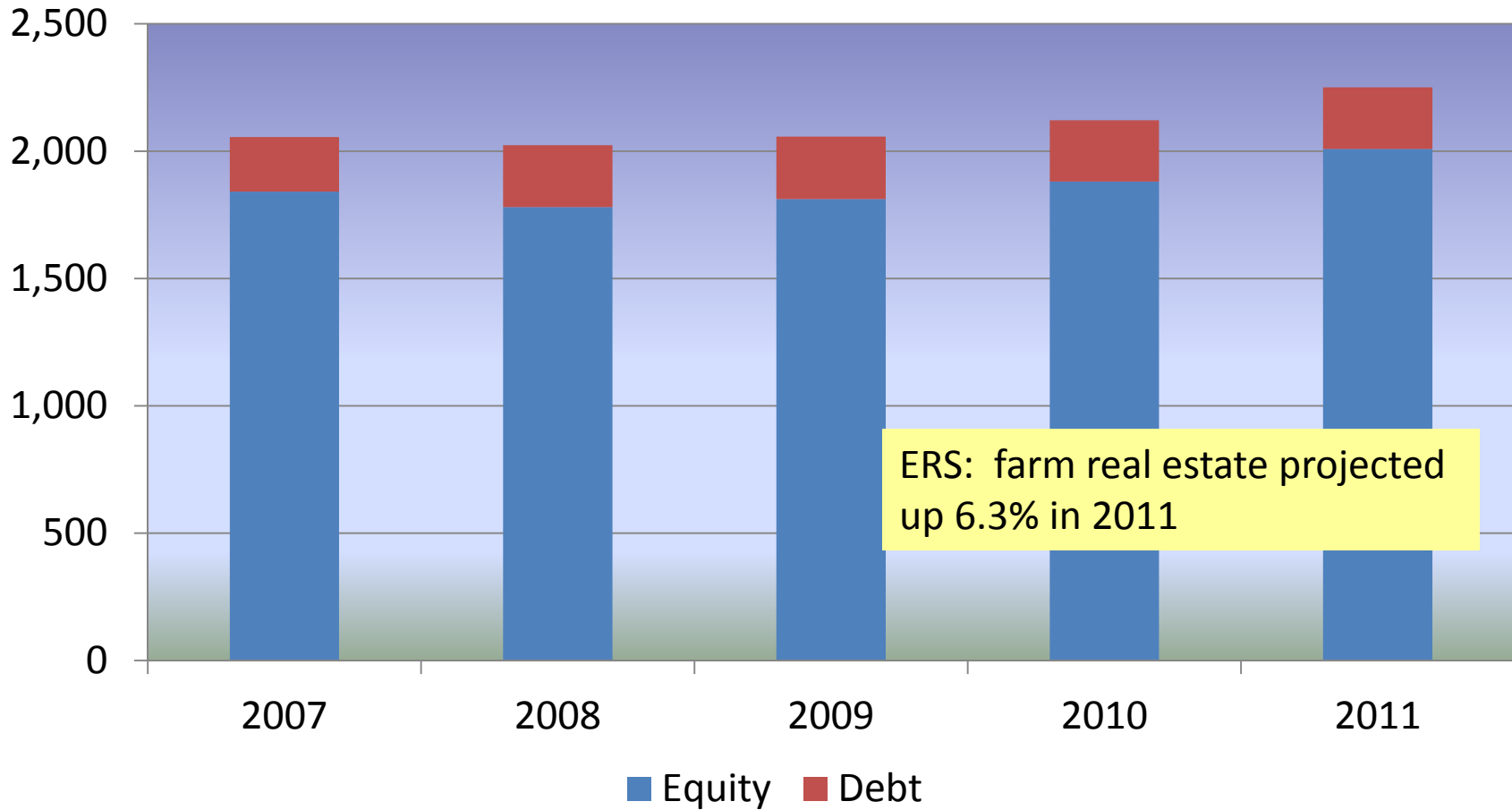
Net Cash Income: Rising to \$98.6 Billion in 2011



Source: Economic Research Service, February 2011

Farm Sector Equity: Regains Equity Lost in 2008

Billion dollars



Futures Prices: For Fall Delivery

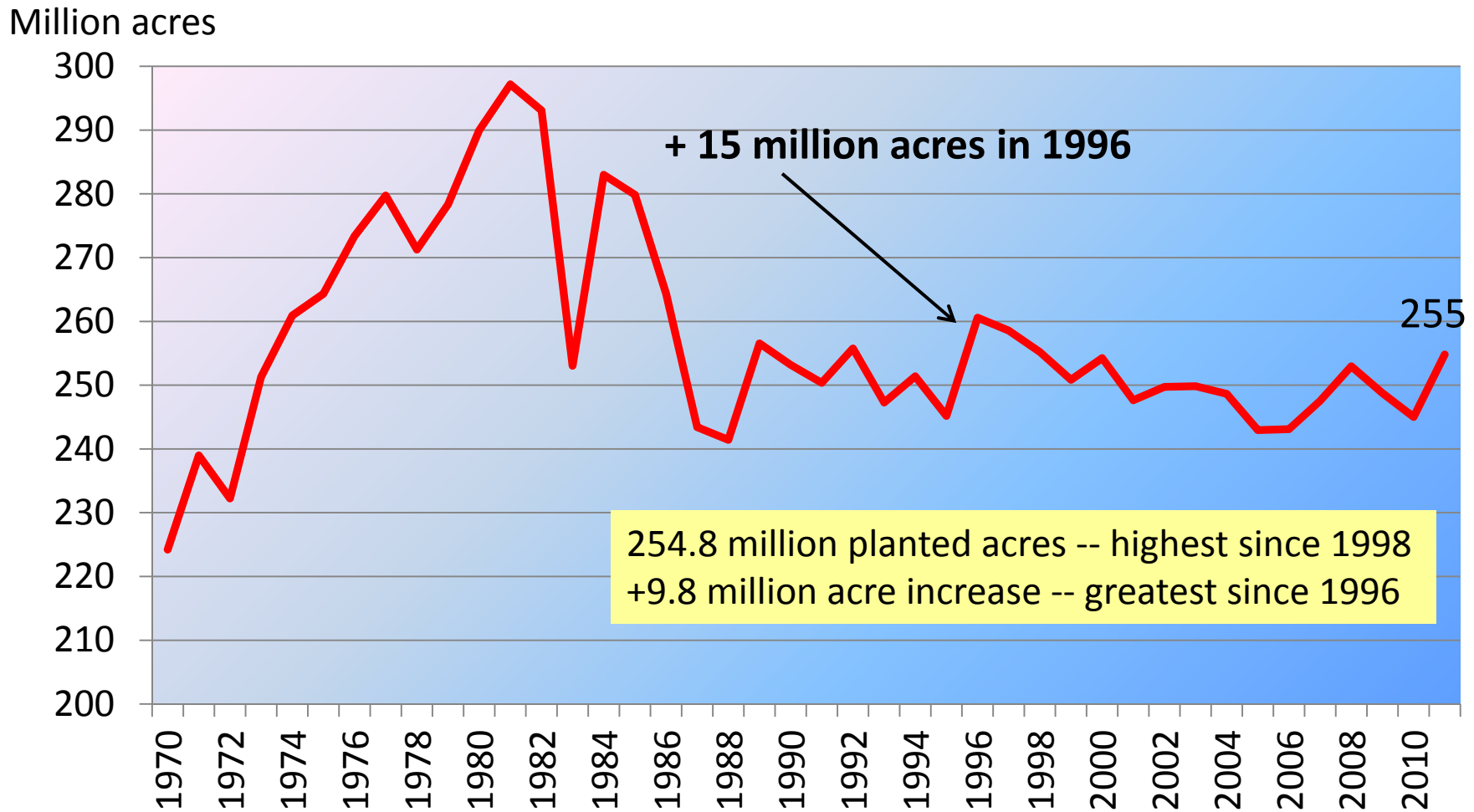
Contract	Delivery month	2010	2011	Percent change
Spring wheat (MPL)	Sep	\$5.59/bu	\$9.54/bu	70.7%
Corn (CBOT)	Dec	\$4.09/bu	\$5.81/bu	42.1%
Soybeans (CBOT)	Nov	\$9.44/bu	\$13.33/bu	41.3%
Cotton (ICE)	Dec	72.76 ¢/lb	111.14 ¢/lb	52.8%

Average daily closing prices over Jan 1- Feb 15.

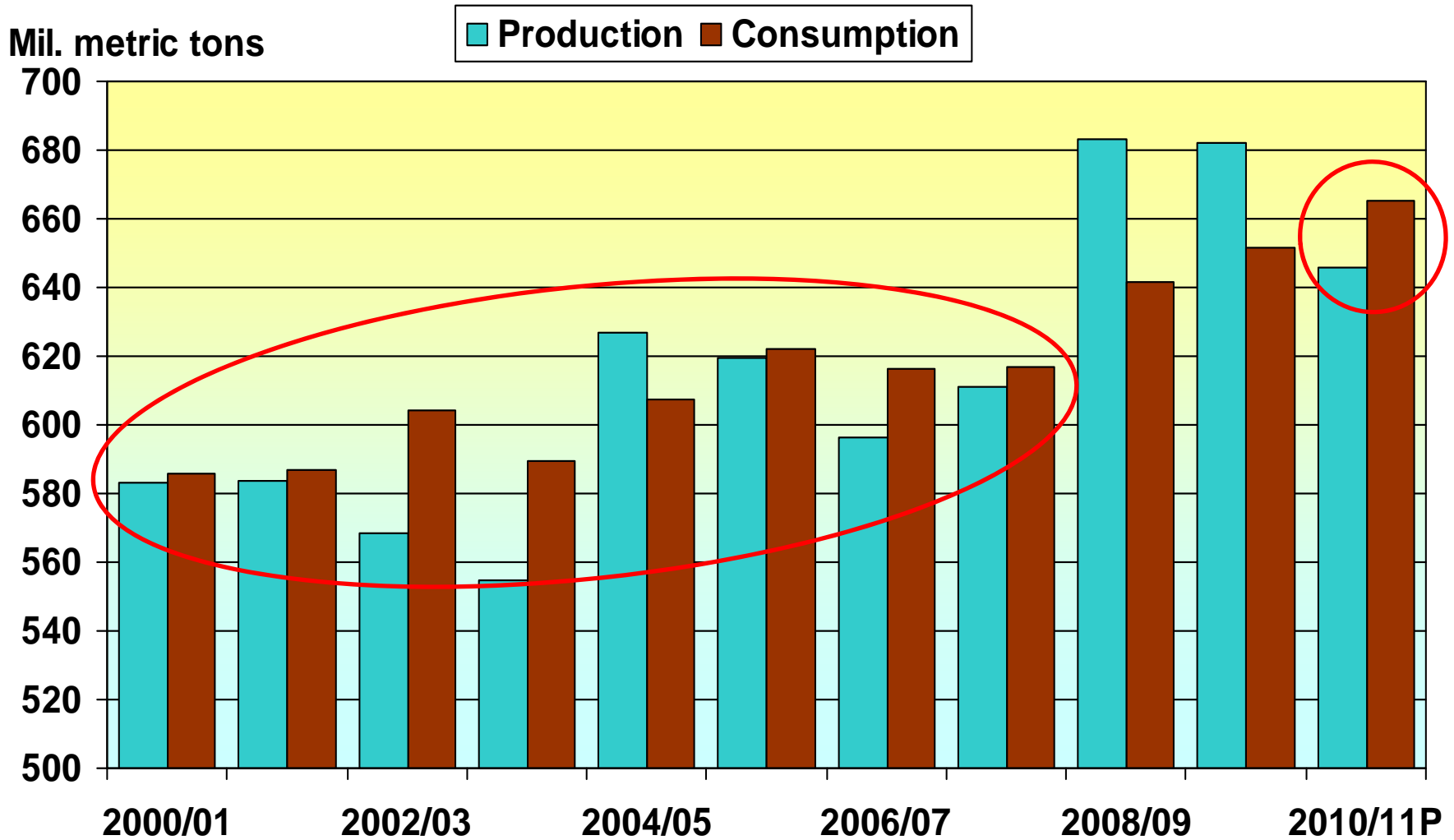
Planted Acres: Projected to Rise in 2011

Crop	2006	2007	2008	2009	2010	2011F	change
Corn	78.3	93.5	86.0	86.4	88.2	92.0	3.8
Soybeans	75.5	64.7	75.7	77.5	77.4	78.0	0.6
Wheat	57.3	60.5	63.2	59.2	53.6	57.0	3.4
Upland cotton	14.9	10.5	9.3	9.0	10.8	12.8	2.0
Minor feed grains	14.1	15.5	15.8	13.6	11.4	12.2	0.8
Rice	2.8	2.8	3.0	3.1	3.6	2.9	-0.8
Total 8 crops	243.1	247.5	253.0	248.7	245.0	254.8	9.8

8 Major Row Crops: Area Planted

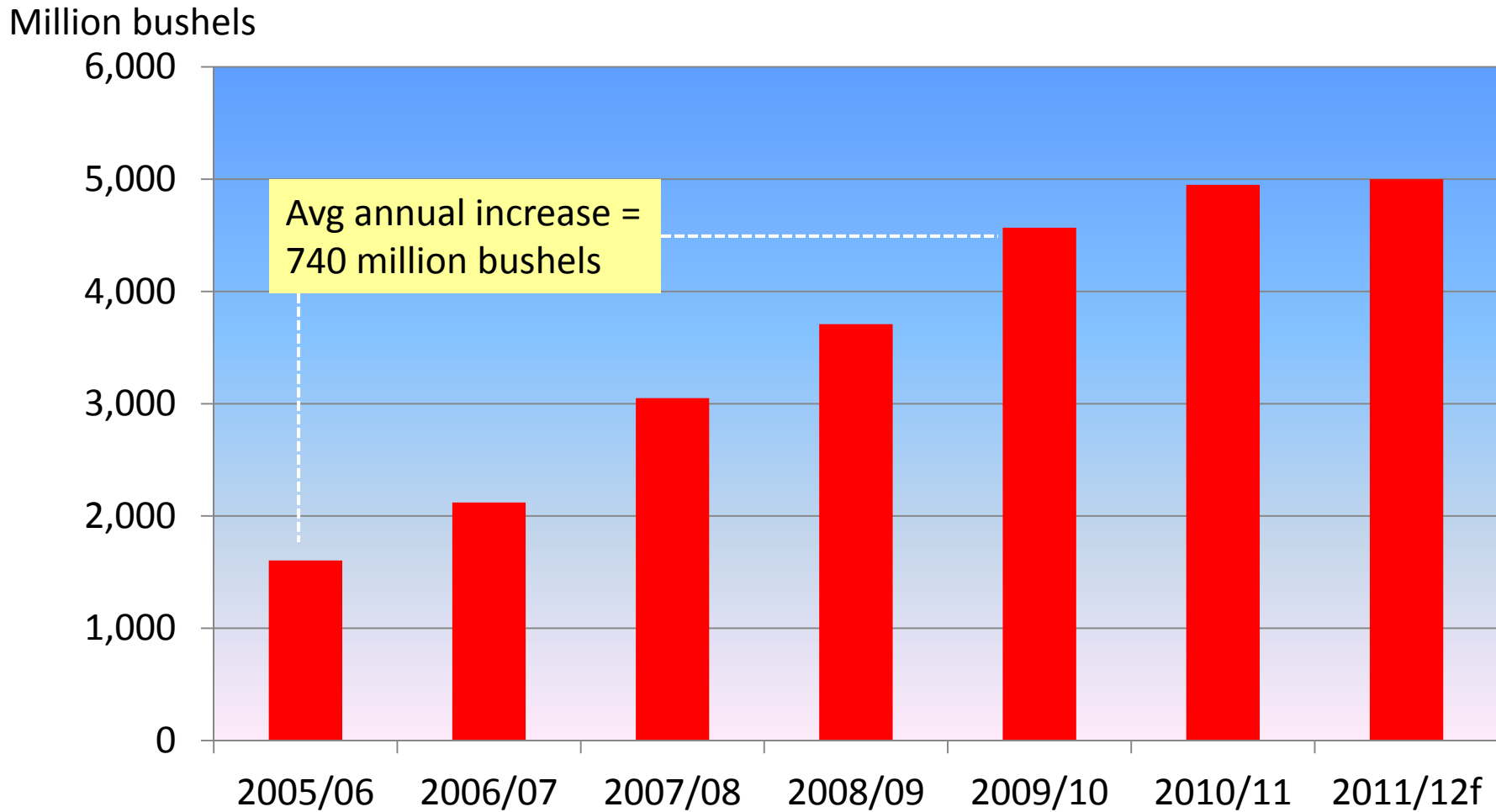


Global Wheat:

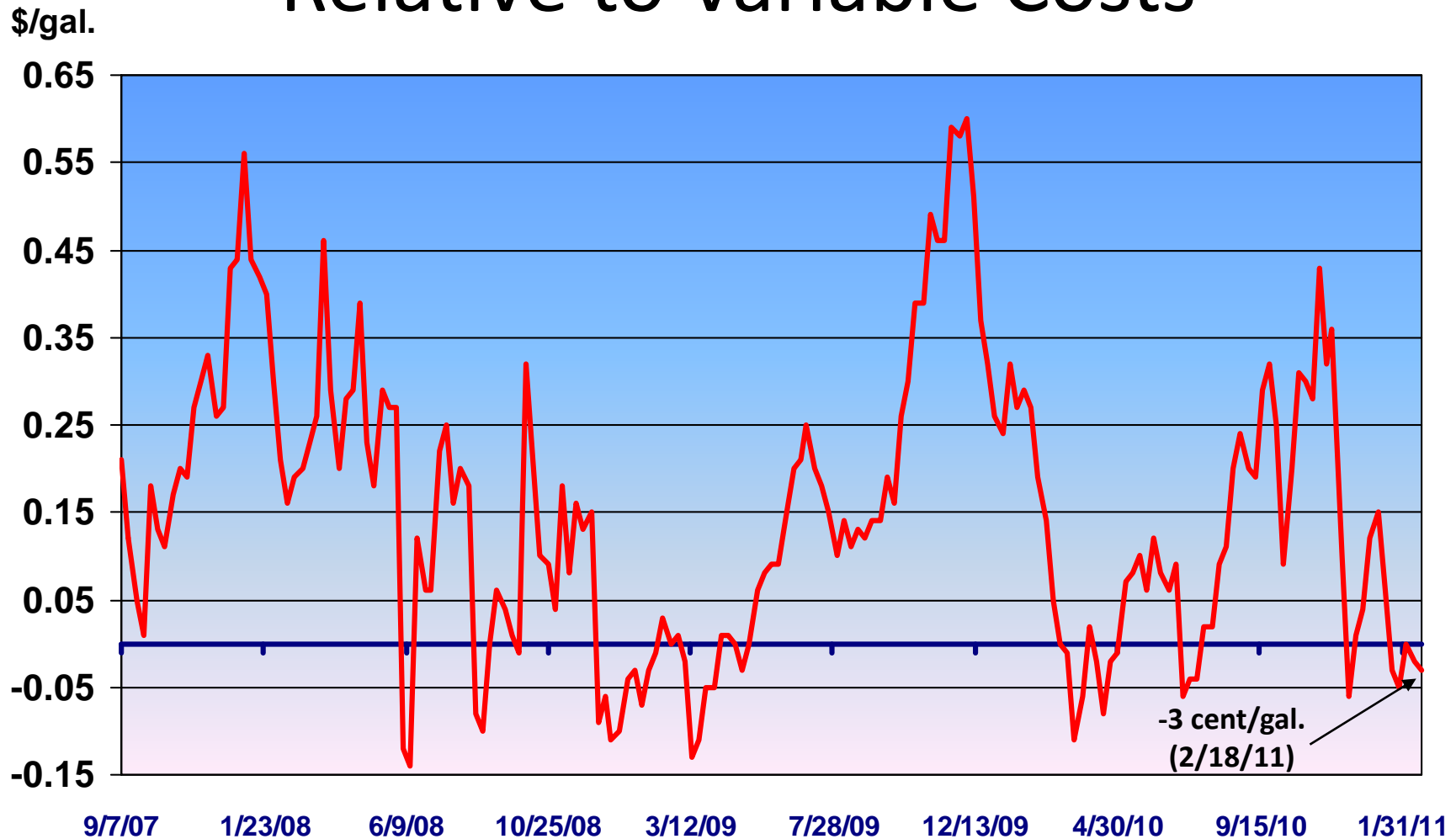


Source: USDA-WAOB, *World Agricultural Supply and Demand Estimates*, January 12, 2011.

Corn Use for Ethanol: Growth Expected to Slow



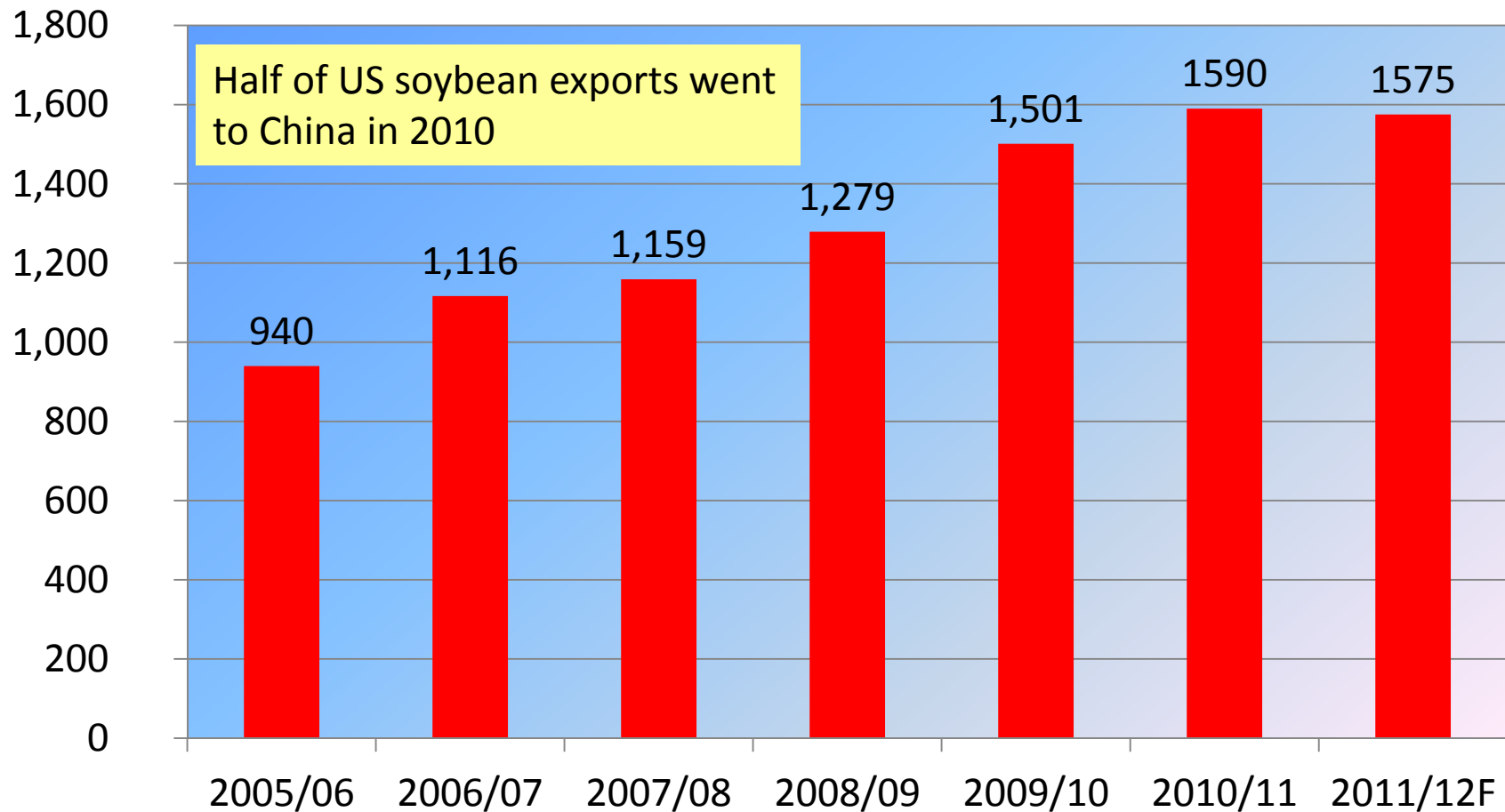
Ethanol Producer Net Returns: Relative to Variable Costs



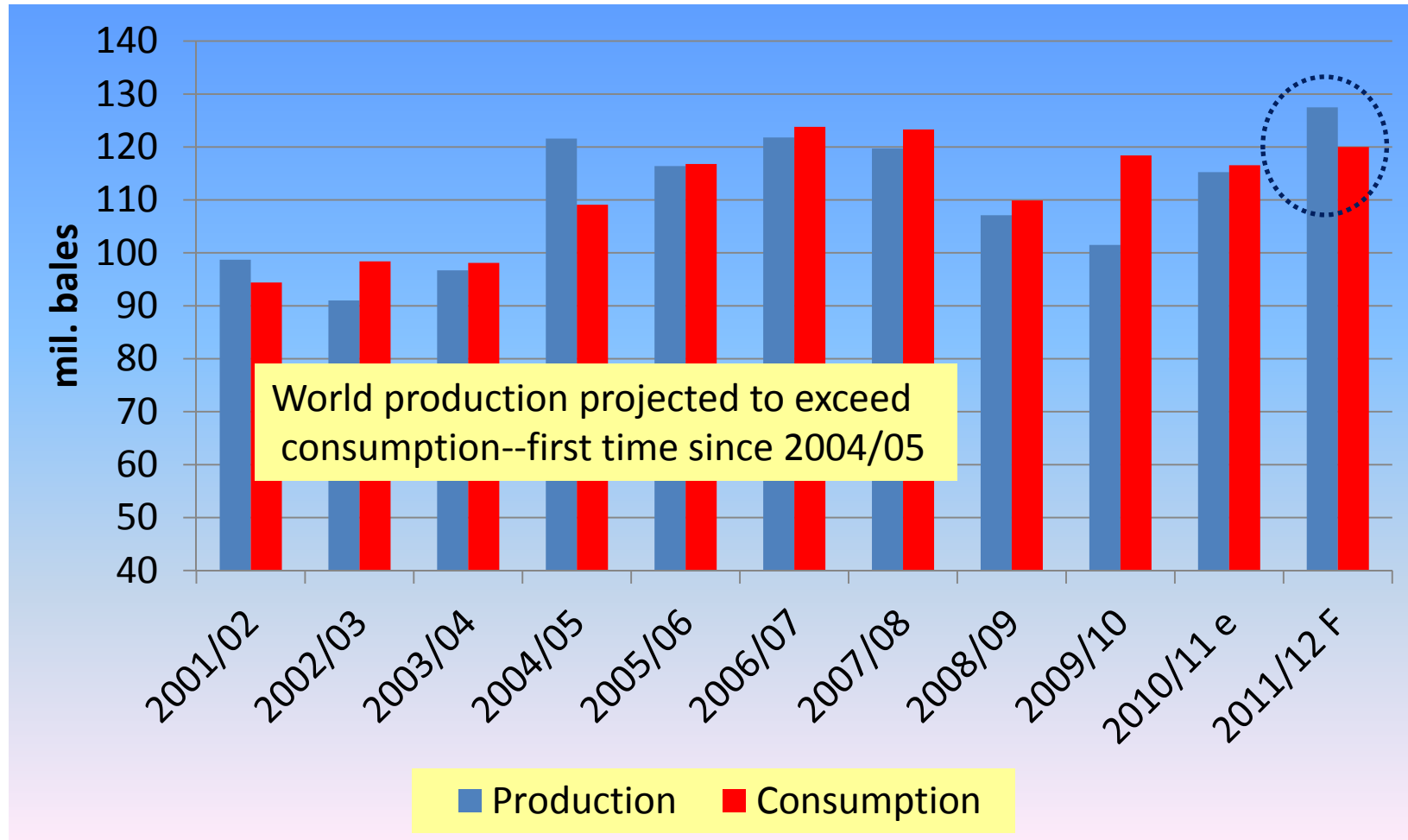
Note: USDA-WAOB estimates based on USDA-AMS plant reports and DOE-EIA estimates and forecasts for natural gas and electricity prices.

US Soybean Exports: Expected to Remain Strong

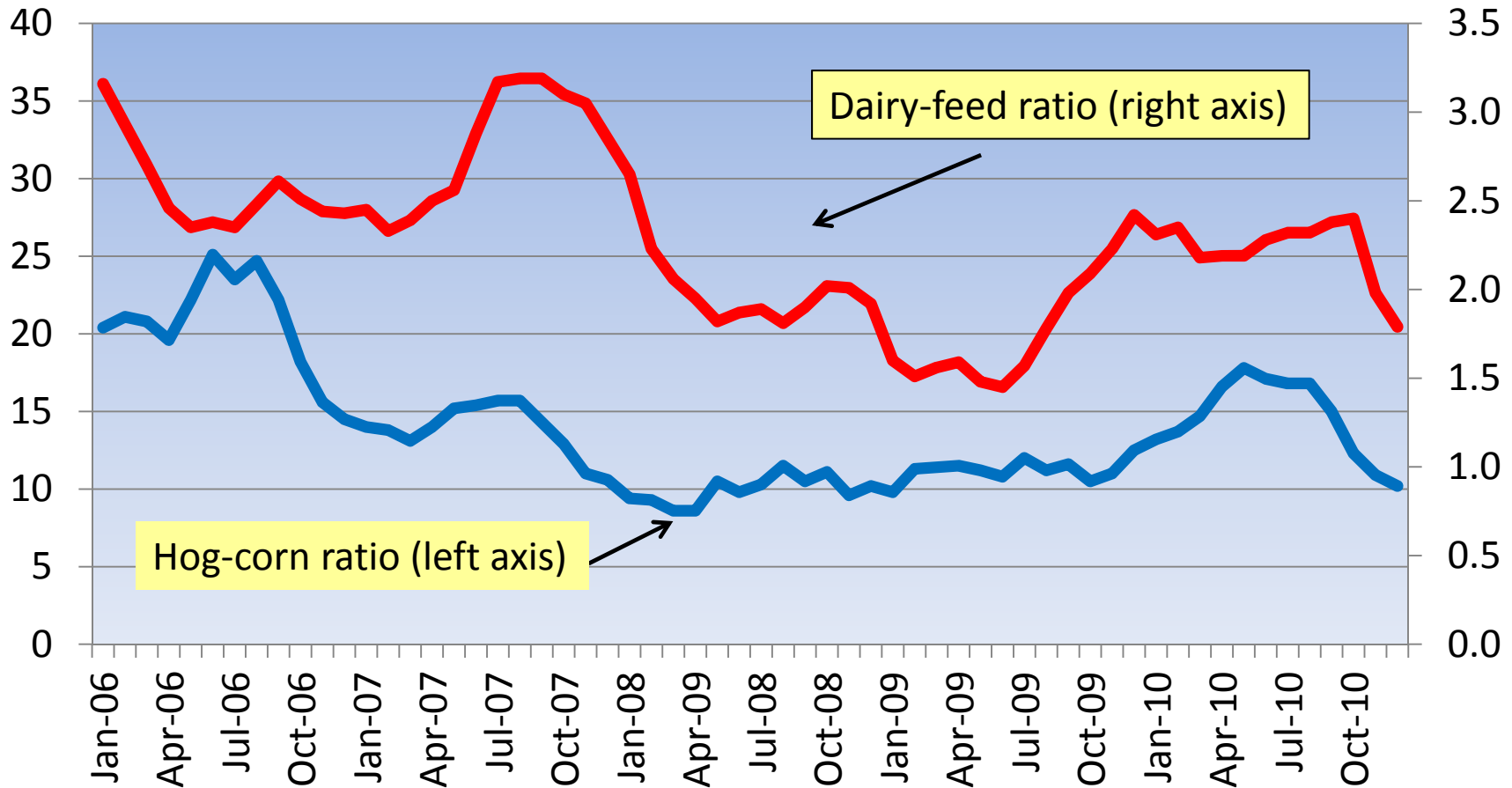
Million bushels



Global Cotton Production



Hog and Dairy Profitability Measures: Reflecting Higher Feed Costs



Total Meat Production: Almost Unchanged in 2011

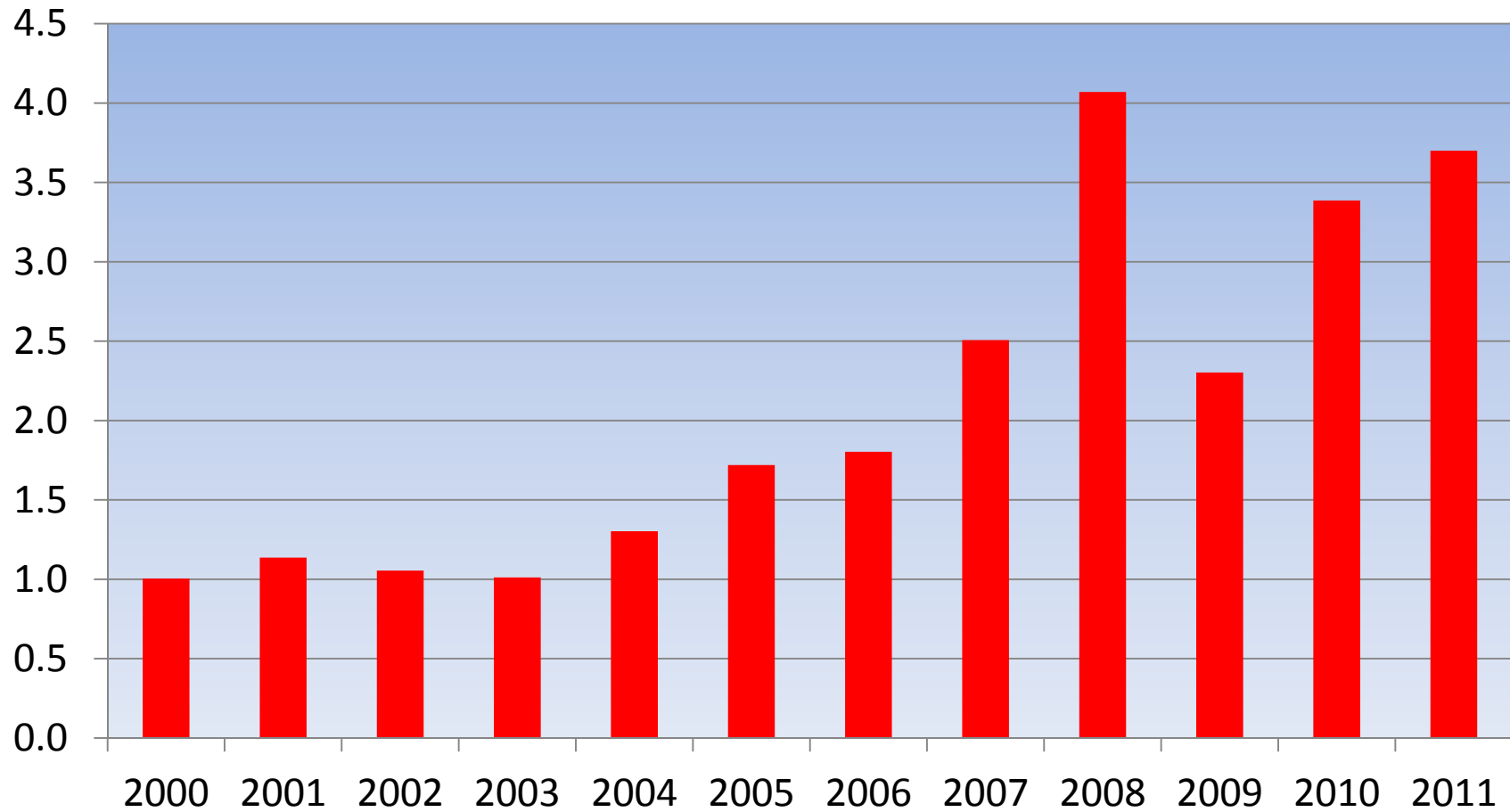
Billion Pounds	2010	2011	% Change
Beef	26.32	25.92	-1.5
Pork	22.44	22.53	0.4
Broiler Meat	36.90	37.30	1.1
Turkey	5.64	5.63	0.3

Red Meat Exports: Higher in 2011

Billions Pounds	2010	2011	% Change
Beef	2.30	2.35	2.0
Pork	4.23	4.68	10.6
Broiler Meat	6.77	6.65	-1.8
Turkey	0.58	0.56	-3.9

Dairy Exports: Rebound in 2011

Billion dollars

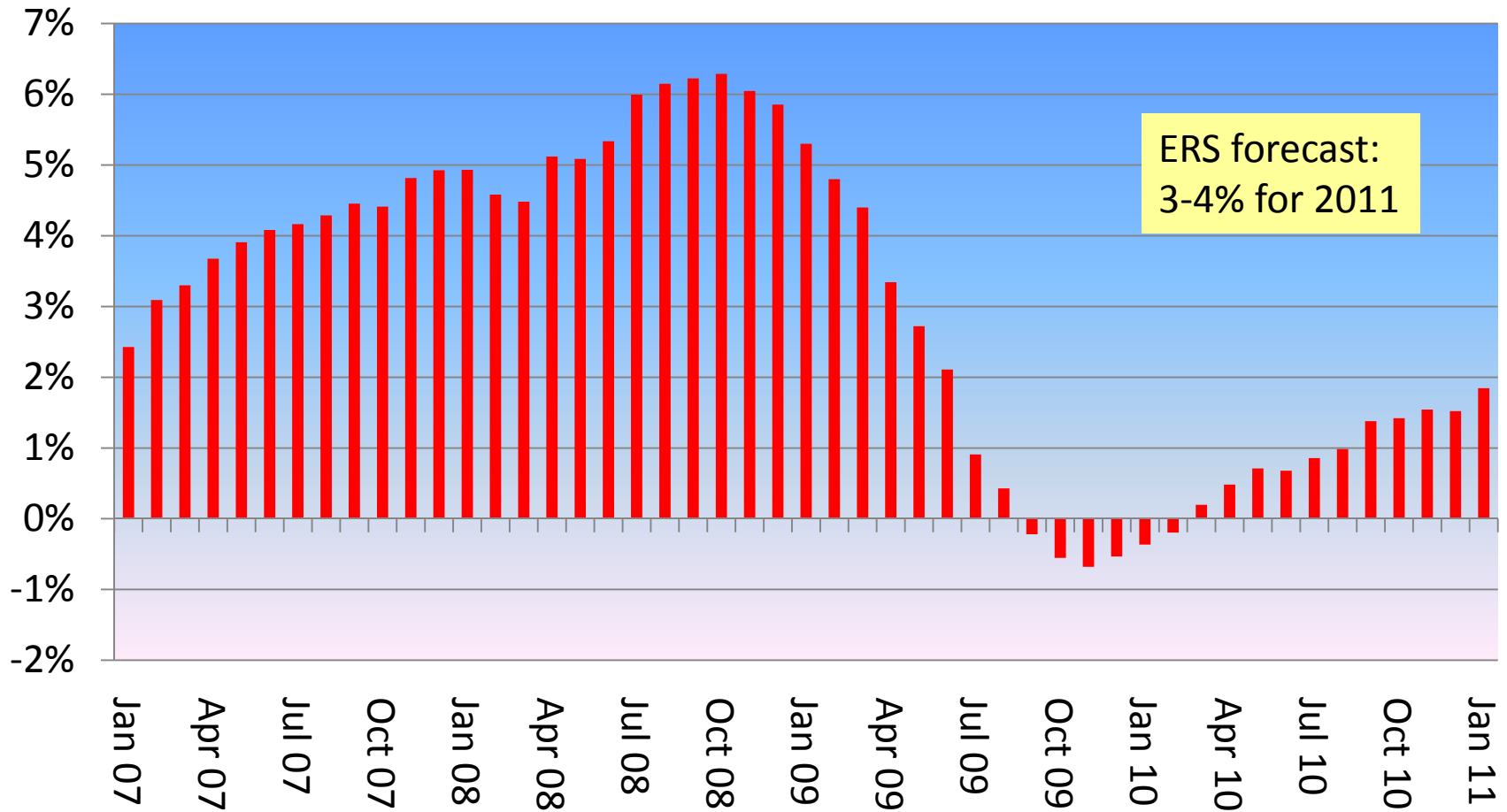


Agricultural Commodity Prices

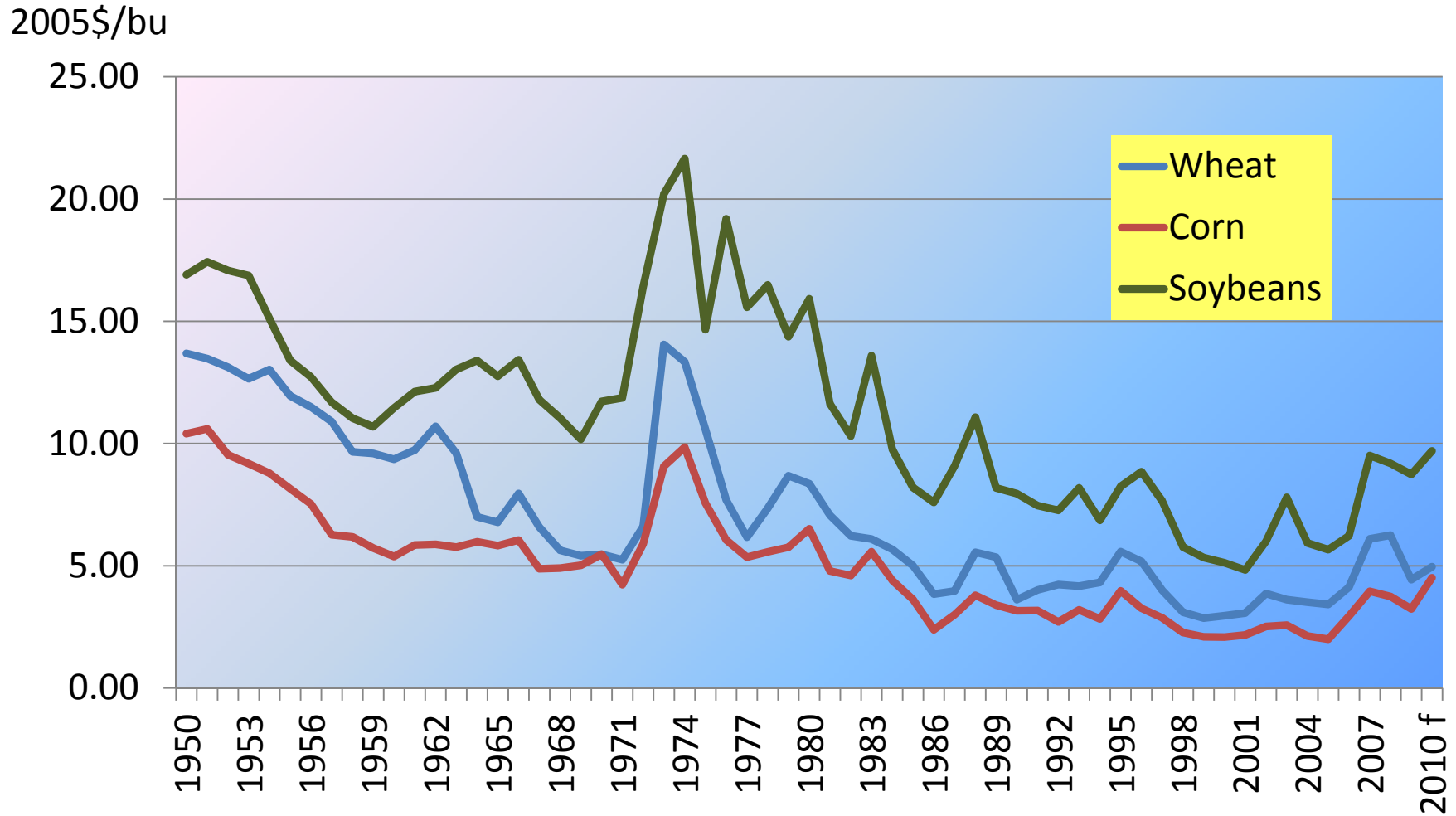
Crops	2008/09	2009/10	2010/11	2011/12F	% Change 2010-11
wheat	6.78	4.87	5.70	7.50	31.6
corn	4.06	3.55	5.40	5.60	3.7
soybeans	9.97	9.59	11.70	13.00	11.1
rice	16.80	14.40	12.40	13.00	4.8
cotton	47.8	62.9	81.5	110.0	35.0
Animal products	2008	2009	2010	2011	% Change 2010-11
beef	92.27	83.25	95.38	105.50	10.6
pork	47.84	41.24	55.06	59.50	8.1
broilers	79.70	77.60	82.90	82.50	-0.5
milk	18.29	12.83	16.29	18.05	10.8

Source: Office of the Chief Economist, February 2011

All Food CPI Rising Again



Real corn, wheat and soybean prices



Deflated by GDP implicit price deflator, 2005 = 100 (BEA 2010)