



United States  
Department of  
Agriculture

Office of the  
Chief Economist

World Agricultural  
Outlook Board

Long-term  
Projections Report  
OCE-2016-1

February 2016

# USDA Agricultural Projections to 2025

## Interagency Agricultural Projections Committee

World Agricultural Outlook Board, Chair  
Economic Research Service  
Farm Service Agency  
Foreign Agricultural Service  
Agricultural Marketing Service  
Office of the Chief Economist  
Office of Budget and Program Analysis  
Risk Management Agency  
Natural Resources Conservation Service  
National Institute of Food and Agriculture

*USDA Long-term Projections*



---

## Long-term Projections on the Internet

***USDA Agricultural Projections to 2025*** is available in both pdf and Microsoft Word formats at:

[www.usda.gov/oce/commodity/projections/](http://www.usda.gov/oce/commodity/projections/)

and also at:

[www.ers.usda.gov/publications/oce-usda-agricultural-projections/oce-2016-1.aspx](http://www.ers.usda.gov/publications/oce-usda-agricultural-projections/oce-2016-1.aspx)

Data from the new USDA long-term projections are available electronically at:

[usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1192](http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1192)

Information on USDA's long-term projections process may be found at:

[www.ers.usda.gov/topics/farm-economy/agricultural-baseline-projections/usdas-long-term-projections-process.aspx](http://www.ers.usda.gov/topics/farm-economy/agricultural-baseline-projections/usdas-long-term-projections-process.aspx)

---

**USDA Agricultural Projections to 2025.** Office of the Chief Economist, World Agricultural Outlook Board, U.S. Department of Agriculture. Prepared by the Interagency Agricultural Projections Committee. Long-term Projections Report OCE-2016-1, 99 pp.

### **Abstract**

This report provides projections for the agricultural sector to 2025. Projections cover agricultural commodities, agricultural trade, and aggregate indicators of the sector, such as farm income. The projections are based on specific assumptions about macroeconomic conditions, policy, weather, and international developments, with no domestic or external shocks to global agricultural markets. The Agricultural Act of 2014 is assumed to remain in effect through the projection period. The projections are one representative scenario for the agricultural sector for the next decade and reflect a composite of model results and judgment-based analyses. The projections in this report were prepared during October through December 2015.

Over the next several years, the agricultural sector continues to adjust to lower prices for most farm commodities. Although reduced energy prices have decreased energy-related agricultural production costs, lower crop prices in the near term result in declines in planted acreage. Lower feed costs provide economic incentives for expansion in the livestock sector. Longrun developments for global agriculture reflect steady world economic growth and continued global demand for biofuel feedstocks, factors which combine to support longer run increases in consumption, trade, and prices of agricultural products. Although a stronger U.S. dollar constrains growth in U.S. agricultural exports somewhat, the United States remains competitive in global agricultural markets. Reflecting these near-term market adjustments and longer term factors, U.S. export values decline in 2015-16 and farm cash receipts fall in 2015-17 before both grow over the rest of the projection period. Net farm income generally increases over the projection period.

**Keywords:** Projections, crops, livestock, biofuel, ethanol, biodiesel, U.S. dollar value, crude oil prices, trade, farm income, U.S. Department of Agriculture, USDA

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and, where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

## Contents

	Page
USDA Long-term Projections: Background .....	iii
USDA Contacts for Long-term Projections .....	iv
Acknowledgments.....	iv
Introduction and Projections Overview .....	1
Key Assumptions and Implications .....	2
Macroeconomic Assumptions.....	6
U.S. Crops.....	19
U.S. Livestock.....	39
U.S. Farm Income.....	48
Agricultural Trade.....	53
Box: U.S. Agricultural Trade Projections.....	58
List of Tables .....	93

## USDA Long-term Projections: Background

USDA's long-term agricultural projections presented in this report are a departmental consensus on a longrun scenario for the agricultural sector. These projections provide a starting point for discussion of alternative outcomes for the sector.

The projections in this report were prepared during October through December 2015, with the Agricultural Act of 2014 assumed to remain in effect through the projection period. The scenario presented in this report is not a USDA forecast about the future. Instead, it is a conditional, longrun scenario about what would be expected to happen under a continuation of current farm legislation and other specific assumptions. Critical long-term assumptions are made for U.S. and international macroeconomic conditions, U.S. and foreign agricultural and trade policies, and growth rates of agricultural productivity in the United States and abroad. The report assumes that there are no domestic or external shocks that would affect global agricultural supply and demand. Normal weather is assumed. Changes in any of these assumptions can significantly affect the projections, and actual conditions that emerge will alter the outcomes.

The report uses as a starting point the short-term projections from the November 2015 *World Agricultural Supply and Demand Estimates* report. The macroeconomic assumptions were completed in October 2015.

The projections analysis was conducted by interagency committees in USDA and reflects a composite of model results and judgment-based analyses. The Economic Research Service had the lead role in preparing the departmental report. The projections and the report were reviewed and cleared by the Interagency Agricultural Projections Committee, chaired by the World Agricultural Outlook Board. USDA participants in the projections analysis and review include the World Agricultural Outlook Board; the Economic Research Service; the Farm Service Agency; the Foreign Agricultural Service; the Agricultural Marketing Service; the Office of the Chief Economist; the Office of Budget and Program Analysis; the Risk Management Agency; the Natural Resources Conservation Service; and the National Institute of Food and Agriculture.

### **USDA Contacts for Long-term Projections**

Questions regarding these projections may be directed to the report coordinators:

Paul Westcott, Economic Research Service, e-mail: [westcott@ers.usda.gov](mailto:westcott@ers.usda.gov)

James Hansen, Economic Research Service, e-mail: [jhansen@ers.usda.gov](mailto:jhansen@ers.usda.gov)

David Stallings, World Agricultural Outlook Board, e-mail: [dstallings@oce.usda.gov](mailto:dstallings@oce.usda.gov)

### **Acknowledgments**

The report coordinators, on behalf of the Interagency Agricultural Projections Committee, thank the many analysts in different agencies of USDA for their contributions to the long-term projections analysis and to the preparation and review of this report.