

Agricultural Markets Review

from Nationwide Economics



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Ag News Highlights

North Dakota moves to recruit more truckers

With the U.S. currently experiencing a shortage of more than 80,000 truckers, North Dakota governor Doug Burgum signed an emergency order in late January aimed at recruiting truckers specifically for delivering milk. The order waives the hours-of-service requirement for truckers on top of North Dakota's milk marketing board waiving enforcement of certain licensing requirements through the end of March. The order is a response to one of North Dakota's major milk distributors going out of business, which put more than 50 school districts at risk of losing access to milk. Gov. Burgum described the order as a temporary fix while officials decide how to "get the government out of the way" in the process of recruiting more truck drivers. ([U.S. News and World Report](#))

Two states make it easier to kill wild pigs

As growing wild pig populations cause significant damage to agriculture and private property, California Senator Bill Dodd has introduced legislation to make it easier and less costly to hunt them. California's Department of Fish and Wildlife already allows for year-round hunting of wild pigs, but the proposed legislation would lift additional hunting restrictions (e.g., reclassifying wild pigs and reducing licensing requirements).

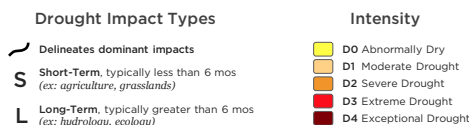
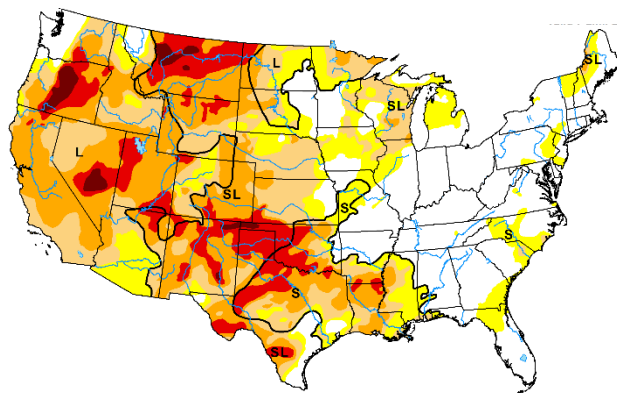
In Texas, Hays and Caldwell Counties have gone a step further by offering bounties for killed wild pigs. Each county will be offering five dollars per killed pig as they attempt to get their wild pig populations under control. Wild pigs are increasingly problematic to Texas wildlife and agriculture and are present in 253 of Texas' 254 counties. ([Pork Business](#))

Super Bowl means chicken wings

Chicken wings are a staple at Super Bowl parties, and although they are pricier this year than they have been in the past (wing prices are up by 30 cents per pound versus 2021) it is still expected that Americans matched 2021's record chicken wing consumption during last weekend's Super Bowl. According to the National Chicken Council (NCC), chicken wing consumption was once again expected to reach 1.42 billion wings during Super Bowl LVII, equal to the estimated record number consumed for Super Bowl LV. ([NCC](#))

Drought Monitor

The drought monitor looks nearly identical to this time last month, with a slight decrease in moderate drought conditions on the Atlantic Coast and a slight increase in extreme drought conditions in Texas and Louisiana. Parts of the Pacific Northwest and much of Montana are still experiencing extreme or exceptional droughts. California is much better than a year ago.



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Commodity Prices

Monthly average, January 2022

	Average Price	1 Month Change	3 Month Change	12 Month Change
Corn ¹	\$5.96	3%	18%	18%
Cotton, Upland ³	\$1.19	11%	11%	52%
Soybeans ¹	\$13.81	8%	16%	2%
Wheat (winter) ¹ (Dec. 2021)	\$7.80	0%	9%	39%
Cattle, All Beef ² (Dec. 2021)	\$137.00	6%	10%	27%
Hogs ²	\$77.56	6%	-9%	18%
Milk ² (Dec. 2021)	\$21.80	5%	18%	19%
Broilers ³	\$1.22	9%	27%	62%
Eggs ⁴	\$1.29	-13%	34%	52%
Crude Oil ⁵ West Texas Intermediate	\$83.22	16%	2%	60%
Diesel Fuel ⁶ U.S. City Average	\$3.72	2%	3%	39%

Table Footnotes

¹ \$ per bushel

² \$ per hundredweight (CwT)

³ \$ per pound

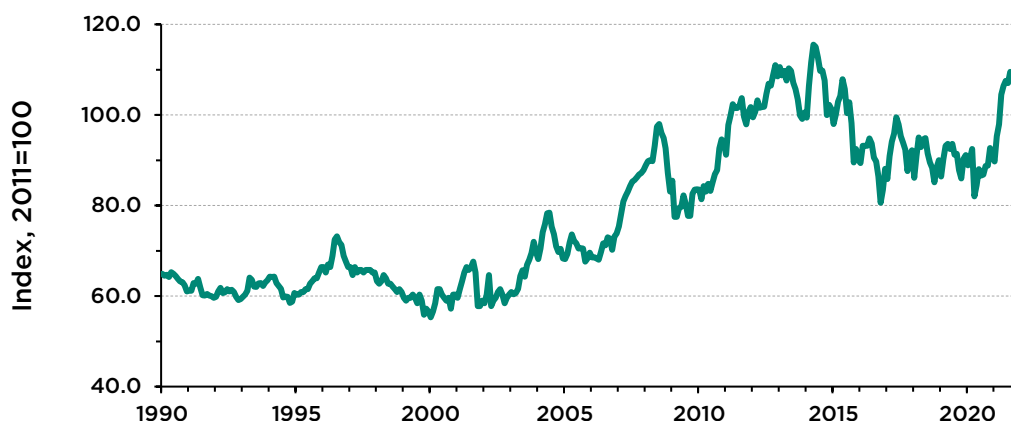
⁴ \$ per dozen

⁵ \$ per barrel

⁶ \$ per gallon

Planting and price projections for the 2022 growing season

Prices received by farmers for all farm products



Sources: USDA; Haver Analytics

The 2022 planting season is nearly here, and the projections for this spring reflect higher prices for several crops (the index of prices received by farmers closed 2021 at its second highest level ever) as well as difficulty keeping up with strong international demand due to port bottlenecks (*i.e.*, lower ag exports). While a falloff in exports for most ag products is expected for 2022, last year was a record-setting year for ag exports and the current projections for 2022 are still strong. Highlights from the February World Agriculture Supply and Demand Estimates (WASDE) include:

- Corn prices are up by 92 cents per bushel, leading to a year-over-year increase of 2.7 million in expected corn acres planted. Domestic demand is up (for food, seed, and ethanol), while exports should fall; total use in 2022 is expected to be similar to 2021. International demand is projected to be very strong due to poor yields in South America resulting from unseasonably bad weather.
- Soybean prices have increased by nearly three dollars per bushel, driving an expected 4.8 million increase in expected planted acreage over 2021. Domestic demand should be about the same as last year while exports are expected to fall, most likely as a result of limited capacity to export. As with corn, international demand is very strong due to lowered expectations for the South America harvest.
- While an increase is expected in wheat acreage, a decline in projected yield leads to a lower total supply estimate and contributes to a sharp increase in average farm price per bushel. Domestic use is expected to increase slightly from 2021, while exports are projected to fall.
- Sorghum prices (up by almost 10 percent) project to lead to more planted acreage and domestic production. Primarily an exported crop, sorghum is one of the few crops to see an increase in projected exports.
- Prices for nearly all animal products (including steers, broilers, turkeys, eggs, and milk) are up significantly over the past year. Only barrows and gilts (pigs) have seen a decline in price over the period. Production of these animal products is expected to be close to 2021 levels.
- Milk price increases have driven price gains for milk products, as well, including cheese, butter, nonfat dry milk, and dry whey. Projected milk prices for 2022 would be the second-highest on record behind 2014.

([USDA](#))

EIA Energy Forecast

	2022 (January) ¹	2022 ²	2023 ²
West Texas Crude (per barrel)	\$83.22	\$70.00	\$62.00
Diesel Fuel (retail \$ per gallon)	\$3.72	\$3.34	\$3.27
Natural Gas (per million Btu)	\$4.32	\$3.74	\$3.73

¹ Latest actual price.

² Forecast prices are an average for the month of January.

Source: [U.S. Energy Information Administration](https://www.eia.gov/)

Glossary

Acronyms/Terminology

USDA – United States Department of Agriculture

Hundredweight – Refers to a unit of 100 pounds in the U.S. and Canada

Data Sources

Commodities excluding beef and milk – Haver Analytics and The Wall Street Journal

Beef and milk – Haver Analytics and the U.S. Department of Agriculture (Prices received by farmers)

Drought Monitor – National Drought Mitigation Center, <http://droughtmonitor.unl.edu/>

Additional information sources

CoBank Knowledge Center – www.cobank.com/Knowledge-Exchange.aspx

USDA Economic Research Service – www.ers.usda.gov

USDA Price & Import/Export Forecasts – [USDA Economic Research Service Publications](https://www.ers.usda.gov/publications/)

Association of Equipment Manufacturers – www.aem.org/agriculture/

Agriculture Commodity Prices - <http://www.cnbc.com/agricultural-commodities/>

Livestock Commodity Prices - <http://www.cnbc.com/livestock-commodities/>



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