



United States  
Department of  
Agriculture

Office of the  
Chief Economist

World Agricultural  
Outlook Board

Long-term  
Projections Report  
OCE-2015-1

February 2015

# USDA Agricultural Projections to 2024

## 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*



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## Long-term Projections on the Internet

***USDA Agricultural Projections to 2024*** 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/oce151.aspx](http://www.ers.usda.gov/publications/oce-usda-agricultural-projections/oce151.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)

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**USDA Agricultural Projections to 2024.** 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-2015-1, 97 pp.

### **Abstract**

This report provides projections for the agricultural sector to 2024. 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 2014.

In the near term, the agricultural sector will adjust to lower prices for most farm commodities. For crops, production response to lower prices will result in reduced acreage planted. In the livestock sector, lower feed costs will provide economic incentives for expansion. Longer run developments for global agriculture reflect steady world economic growth and continued global demand for biofuel feedstocks, which combine to support increases in consumption, trade, and prices of agricultural products. Thus, following reductions in 2015 and 2016, farm cash receipts grow through the remainder of the projection period. Although farm production expenses also increase beyond 2016, net farm income remains above its 2001-10 average. Similarly, the value of U.S. agricultural exports falls in 2015 due to lower crop prices, but then rises over the rest of the projection period.

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

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## 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 2014, 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 2014 *World Agricultural Supply and Demand Estimates* report. The macroeconomic assumptions were completed in October 2014.

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**

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### **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.