The Facts About Commodity Price Changes Following USDA Reports

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THE FACTS ON HOW USDA REPORTS IMPACT PRICES

The common opinion among many in agriculture is that prices always go down following the release of USDA crop and livestock reports. However, **the facts show that prices go up as often as they go down.** Most people tend to remember when prices decline following a report due to the media attention it gets but the facts show that prices increase just as often or more often.

The tables and charts in this pamphlet illustrate a comparison of cash commodity price changes following USDA reports. The tables show the number of times prices increase and decrease after the release of reports over time, and the average gains and declines. If you look at the soybean price tables as an example, you can see that over the past five years soybean prices increased 16 times and only decreased 9 times on the day the monthly *Crop Production* report was released. Prices for corn and wheat on the day of and week after release of the respective report for each commodity followed a similar pattern, increasing more often than they declined, for the time period specified in this pamphlet. Meanwhile, the tables and charts for cattle and hogs show that prices increased as often as they decreased.

USDA reports in and of themselves do not determine the price. The actual supply that enters the marketplace, along with domestic and export demand, determine the price farmers receive for their products. It is true that the futures market, and then in turn the cash market, may go up or down following USDA reports. However, these fluctuations are often due to the market correcting itself from speculative trading leading up to the USDA report based on information from private forecasters. Following a particular USDA report, prices will adjust to the information provided and may go up or down that day, but the tables in this pamphlet show that **over longer periods of time prices go up about half the time and go down about half the time following the release of USDA reports.**

Cattle Price

(Weekly weighted avg prices for live steers & heifers in 8 states.)

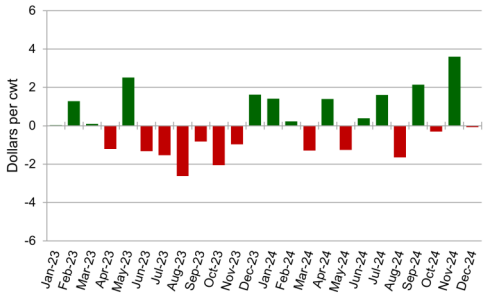
2023-2024 – 24 Total Reports

The USDA *Cattle on Feed* report is released monthly and includes the on -feed inventory, fed cattle marketings, and feeder cattle placements. The chart below summarizes how cattle prices changed the week following release of these reports over the past two years.

Number of changes and average change for the **week after** the report release

Price increases: 12..... Average Change: +$1.36
Price decreases: 12 .....Average Change: -$1.26
No Change: 0

Range of Cattle Price Changes for the Week after NASS *Cattle on Feed* Reports: 2023-2024



Hog Price

(Slaughter hogs, IA, So MN base lean prices, converted to live price.)

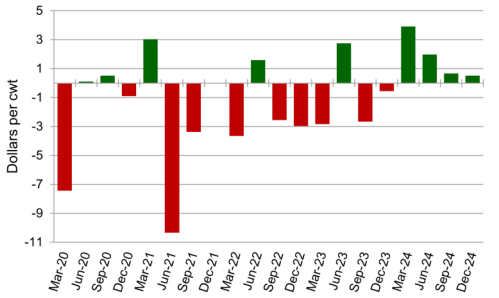
2020-2024 – 20 Total Reports

The USDA *Quarterly Hogs & Pigs* report is published in March, June, September, and December and provides data on hog and pig inventory, actual and intended farrowings, and pig crop estimates. The chart below summarizes how hog prices changed the week following release of these reports over the past five years.

Number of changes and average change for the **week after** the report release

Price increases: 10..... Average Change: +$1.51
Price decreases: 10..... Average Change: -$3.73
No Change: 0

Range of Hog Price Changes for the Week after NASS *Hogs and Pigs* Reports: 2020-2024



Corn Price

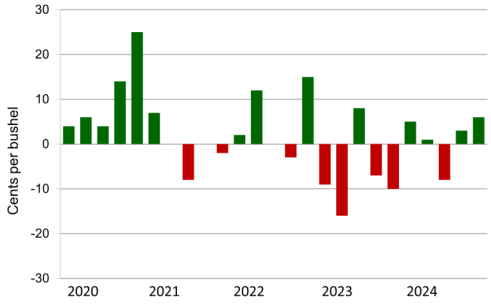
(Closing cash price for Southern Iowa #2 yellow corn.)
2020-2024 – 25 Total Reports

Corn production forecasts are published in the monthly *Crop Production* report in August, September, October, and November with final estimates published in the January *Crop Production Annual Summary*. The charts below summarize how corn prices changed on the day of or the week after these reports were released over the past 5 years.

Number of changes and average change on the **day of** the report release

Price Increases: 14 ..... Average Change: +8.0¢/bu
Price Decreases: 8 ..... Average Change: -7.9¢/bu
No change: 3

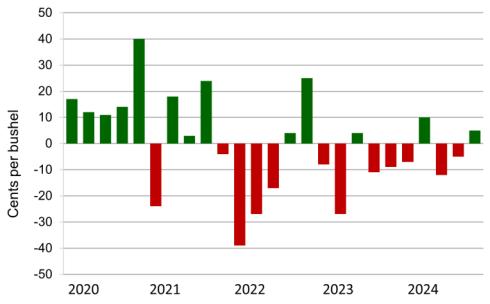
Range of Corn Price Changes on the day of NASS *Crop Production* Reports: 2020-2024



Number of changes and average change the **week after** the report release

Price Increases: 13 ..... Average Change: +14.4¢/bu
Price Decreases: 12 ..... Average Change: -15.8¢/bu
No change: 0

Range of Corn Price Changes the Week after NASS *Crop Production* Reports: 2020-2024



Soybean Price

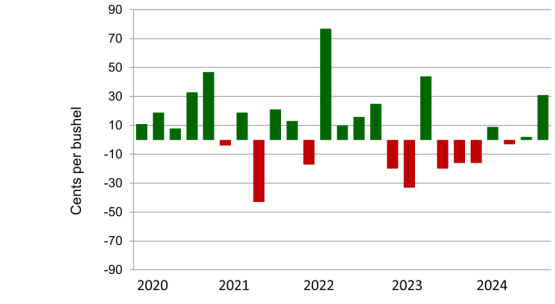
(Average prices paid at Southern Iowa points by processors.)
2020-2024 – 25 Total Reports

Soybean production forecasts are published in the monthly *Crop Production* report in August, September, October, and November with final estimates published in the January *Crop Production Annual Summary*. The charts below summarize how soybean prices changed on the day of or the week after these reports were released over the past 5 years.

Number of changes and average change on the **day of** the report release

Price Increases: 16 ..... Average Change: +24.1¢/bu
Price Decreases: 9 ..... Average Change: -19.1¢/bu
No change: 0

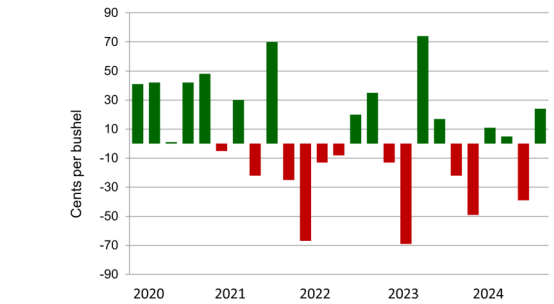
Range of Soybean Price Changes on the day of NASS *Crop Production* Reports: 2020-2024



Number of changes and average change the **week after** the report release

Price Increases: 14 ..... Average Change: +32.9¢/bu
Price Decreases: 11 ..... Average Change: -30.2¢/bu
No change: 0

Range of Soybean Price Changes the Week after NASS *Crop Production* Reports: 2020-2024



Wheat Price

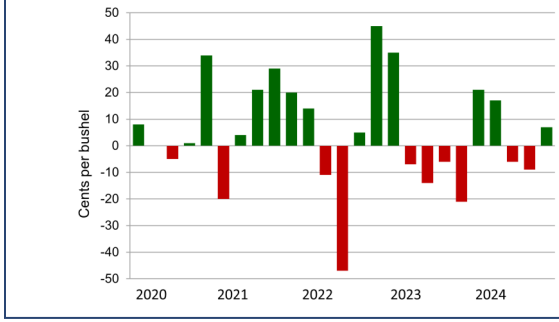
(Closing cash price for Kansas City #1 hard winter wheat.)
2020-2024 – 25 Total Reports

Wheat production forecasts are published in the monthly *Crop Production* report in May, June, July, and August with final estimates published in the September *Small Grains Annual Summary*. The charts below summarize how wheat prices changed on the day of or the week after these reports were released over the past 5 years.

Number of changes and average change on the **day of** the report release

Price Increases: 14 ..... Average Change: +18.6¢/bu
Price Decreases: 10 ..... Average Change: -14.6¢/bu
No change: 1

Range of Wheat Price Changes on the day of NASS *Crop Production* Reports: 2020-2024



Number of changes and average change the **week after** the report release

Price Increases: 13 ..... Average Change: +24.8¢/bu
Price Decreases: 12 ..... Average Change: -28.5¢/bu
No change: 0

Range of Wheat Price Changes the Week after NASS *Crop Production* Reports: 2020-2024

