



## Grain Price Outlook: *farmdoc* Twentieth Anniversary

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*This is the second in a series of articles celebrating the 20<sup>th</sup> anniversary of farmdoc. A list of all nine articles in the series and authors can be found at the end of this article.*

Commodity outlook at *farmdoc* provides timely analysis of commodity markets important to the Corn Belt from a fundamental perspective. The output consists of a weekly outlook and applied analysis articles on issues related to price fundamentals. On Monday of each week, an article focuses on issues driving prices and influencing the marketing decisions of producers across major commodities. Over the last two decades, applied research articles addressing a variety of topics related to commodity price analysis appeared on *farmdoc* websites. While the vast majority of articles focus on corn and soybean markets, analysis on hogs, cattle, and wheat also provide information to producers.

The weekly outlook comes out every Monday and derives from many decades as a leading extension program providing analysis of commodity markets. A variety of authors participated in weekly articles over the years. The advent of *farmdoc* triggered the move from a weekly mailer to the online format. Under the *farmdoc* banner, weekly articles were provided primarily by Darrel Good and Chris Hurt (Purdue University). Darrel provided analysis on grain markets and Chris wrote the outlook for hogs and cattle. In recent years, Jim Mintert (Purdue University) took on the role of cattle outlook and Todd Hubbs moved into the role of grain market analyst.

Articles using applied research analysis address a wide-ranging variety of issues since the onset of *farmdoc*. The applied research articles tend to be on topics of immediate interest to commodity markets. However, many articles explore structural changes to underlying fundamentals and the implications of these changes. All of these articles focus on sound economic thinking and methodology to explore the evolving nature of agricultural markets. Topics encompass diverse areas of inquiry. Crop yield forecasting models, stocks-to-use price modeling, market advisory service effectiveness, and a wide variety of issues related to supply and demand fundamentals covered many of the research areas addressed on *farmdoc*.

The last two decades witnessed significant changes in commodity markets. These changes presented challenges and opportunities for market analysis. A key narrative during the previous twenty years emphasized the imperative to feed a rapidly growing population. Higher incomes promised the possibility

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of changing diets throughout much of the developing world along with population growth. In conjunction with these macro-drivers underlying changes in commodity markets, the fundamentals witnessed a shift in the mid-2000's with the passing of the Renewable Fuels Standard and the ascension of China to the WTO. These events changed the nature of demand and supply across all commodity markets and provided the impetus for some key findings in *farmdoc* commodity analysis.

In the last twenty years, numerous applied research efforts out of the commodity outlook team produced some meaningful successes. This section highlights a few of the important works. Research on the pricing performance of market advisory services, [the AgMas project](#), represented a considerable emphasis on applied market analysis in the early days of *farmdoc*. This work provided an unbiased and rigorous evaluation of advisory services for producers through the early 2000s. The demand shifts in the mid-2000s gave rise to research on the [era of new prices](#) in grain markets that helped to frame both short and long-run prospects for major row crops in Illinois. A series of articles laying out the economic rationale for price dynamics under evolving demand scenarios helped in understanding marketing and price expectations. In conjunction with research on price expectations, considerable effort went into explaining and evaluating USDA report forecasts and estimates. [Convergence performance in futures contracts](#) motivated research on the causes and solutions of these issues to help in hedging performance and efficient contract design.

As we look to the future, the work on commodity outlook analysis at *farmdoc* appears set to remain a prominent area of investigation. Recent developments in trade bring U.S. shares of world markets into focus over the short and long run. The waning impact of the RFS requires considerable analysis of the implications for commodity markets. As the U.S. adjusts to the changing nature of world demand and supply in what looks to be a turbulent 21<sup>st</sup> century, the need for unbiased analysis of commodity market fundamentals remains.

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### ***farmdoc daily* 20<sup>th</sup> Anniversary Celebration Series**

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