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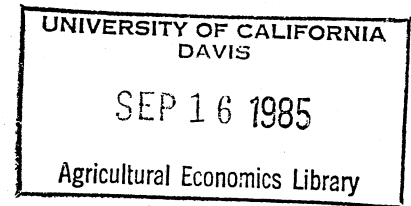
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AAEA ANNUAL OUTLOOK SURVEY  
1985<sup>1</sup>

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Background

The 1985 survey was the eighth in an annual series which began in 1978 for the purpose of capitalizing on the broad expertise in agricultural outlook in the profession and providing a focus for discussion at the Annual Meeting. The survey was directed toward those members actively engaged in outlook work. Members contacted were urged to respond in those areas in which they had some basis for making forecasts. We also asked them to check those areas where they had special expertise.

Over 500 schedules were distributed in late June to a sub-set of members compiled from several sources including: (1) names in the AJAE 1984 Handbook-Directory classified under "commodity supply/demand analysis" and "agricultural situation/outlook" as their areas of interest; (2) a list of institutional members and their representatives; and (3) members who have made presentations at recent national or regional outlook meetings. Sets were sent to chairpersons of departments of agricultural economics to be distributed to appropriate faculty to ensure contacts with new entrants into outlook programs.

Seventy-two responses were received by the end of the third week of July when the results were compiled. Sixty-two percent of the respondents were from universities, 27 percent from industry, and 11 percent from government, about the same make-up as the last several years. About one-third were making major or moderate use of formal econometric models. Forty-four percent of the respondents had major and 26 percent had moderate outlook responsibilities.

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<sup>1</sup>Presented at the AAEA Annual Meeting, in the Industry-Extension Outlook Session, Iowa State University, August 1985.

1985  
Agricultural outlook

## Results

A summary of the results is presented in Table 1. Written in the survey schedule are the mean values of the responses.<sup>2</sup>

Red meat production is expected to decrease in 1986, the rate of decrease in beef production is expected to be nearly constant and the cutback in pork production is expected to turn around the second half of 1986. Broiler production is expected to increase over the entire forecast period, but the expected rate of growth slows in 1986. Egg production is expected to fall off 1% in 1986.

Cattle and hog prices are expected to strengthen marginally in 1986. Feeder steers are expected to bring a fairly normal premium over steers throughout the forecast period. Steer prices are expected to follow the same seasonal pattern they followed the three years previous to 1984 and unlike 1985 have their seasonal high in the spring quarter of 1986. Hog prices are expected to stay in the upper \$40 range for all of 1986.

The wheat production and carryover projections for 1985-86 are close to the USDA's July 10 Supply/Demand Report. But the export figure is more optimistic than the USDA meaning domestic use is expected to be lower than the USDA figure. Corn production in 1985 is projected to be 90 million bushels less than the USDA July report and 1985-86 exports of corn 45 million bushels more, but the expected carryover is only 60 million bushels less, meaning AAEA members are more pessimistic on domestic use by about 75 million bushels. Soybean 1985-86 production, export, and carry-out projections are in the same range as the July USDA estimates. Cotton export and carry-out projections are more optimistic than the USDA.

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<sup>2</sup>The numbers in parentheses at the left-hand side of Section II are the numbers of respondents who have major forecasting responsibilities on the respective items. The total numbers responding in each of the items are given in Tables 2-6. For a summary of the "expert opinion," see Table 7. Inconsistencies between the predicted quarterly and annual changes on livestock is due to the fact that all respondents did not make both quarterly and annual forecasts.

The corn, wheat, cotton, and soybean price projections for 1985-86 are all 3-4 percent lower than for 1984-85 as would be expected with the projected increases in carryover. The soy oil price projection is for over an 11 percent drop which is nearly double the decrease indicated in the government estimates. However, the composite soy meal projection is for slightly higher prices in 1985-86 rather than lower prices as the USDA is projecting.

Cash receipts from both crops and livestock are expected to drop 2 percent in 1985 before both recover marginally in 1986. Net cash income is expected to drop almost 10 percent in 1985 and then hold its own in 1986. Total net farm income is projected to drop 20 percent in the survey results in 1985 and only recovering 3 percent in 1986.

The decline in land prices experienced over the past several years is expected to continue at a rapid rate. This indicates that the survey respondents feel that not only are the producers' revenues going to be down this next year, but the debt to equity ratios, and therefore the borrowing capacity, of many farmers will also be hurt by continued deterioration of their equity.

Real GNP is expected to grow 3.4 percent in 1985, which is nearly twice the rate we have seen the first half of the year and is projected to slow to 2.6 percent in 1986. Inflation, as measured by the CPI, is expected to continue increasing at about the same 4 percent rate we saw in 1984 over the next two years. Food price increases are projected to grow at a slower pace in 1985 before picking back up in 1986.

#### Variation in the Most Likely Forecasts

Tables 2-6 present the number of responses to each of the items, the mean values of the forecasts (the probability aspects are shown in a later section), the standard deviation (S.D.), and the minimum and maximum values in the range of forecasts. In livestock production (Table 2), the greatest differences among

forecasters is in the beef sector where projections ranged from decreases of over 10 percent to increases of several percent, but the overwhelming consensus is for beef production to drop in 1986. The conclusion of whether pork production will increase or decrease is unclear according to the survey results.

All livestock prices are expected to go up marginally, given the composite forecasts of all the respondents. However, among the forecasters there are substantial variations as can be seen by studying the ranges and the S.D.s as a percent of the means.

As might be expected, variance in the exports and carryover for the 1984-85 season are relatively small since these values are fairly well established at this time. While the range of estimates for 1985 crop production are fairly wide, the S.D. as a percent of the mean range from 2-5 percent, showing there is a fairly strong consensus on the crop production forecasts. However, the variation among forecasters on 1985-86 exports and carry-out are not as similar as shown by the ranges and S.D.

The crop price forecasts, as seen by the wide ranges, show there is always both pessimists and optimists in every crowd. But the S.D.s are actually fairly narrow for the 1985-86 crop years, other than soy meal, especially given the number of scenarios that could unfold over the next year.

The other items forecasted, as presented in Table 6, showed significant variability other than cash receipts for marketing. However, two messages come through the differences, land prices will continue down and inflation will continue.

#### "Expert Opinion"

Table 7 includes predictions on selected items by those who have major forecasting responsibilities in the respective areas. The results were, in general, similar to those from the entire set of respondents. This group was

slightly more bearish on 1986 prices on cattle and broilers--and slightly more bullish on 1986 eggs, cotton, and soy meal. Another notable difference was the higher predictions on economic growth and cash receipts in 1986. This group was also expecting slightly lower general inflation.

### Probability Forecasts

Over the past several years, there has been much discussion on the value of probability forecasts. Therefore, a version of probability forecasts were included in the survey. On selected items, each respondent was asked to give a low, most likely, and high forecast. "Low" was defined as only a 5 percent chance of the price being lower and "High" as only a 5 percent chance of the price being higher. Some results of these forecasts are shown in Tables 8-12. Due to surveys still coming in up to the last minute, there has been little time for analysis of the findings, but there are some interesting points that might be made. When looking at the diagrams in Tables 9-11, it is clear that the distributions are not typically symmetric. It is also evident that if a producer listened to just any one of the forecasters, they could put themselves in serious jeopardy. This evidence contributes to a stronger case for producers using composite forecasts.

Further analysis of the probability forecasts will be made available to the respondents. While the forecasts themselves become dated as more information becomes available, as is true of all forecasts, these forecasts clearly give a better sense of the analysts' confidence in their point forecasts. From a grower's perspective, this fact and the skewness in the forecast distributions has significant implications for producer decision-making.

### Conclusions

On the whole, the respondents verified the belief that agriculture is not out of the woods, and the next couple of years are likely to be worse years

financially than the last few, which have not been good years. Supply is expected to grow faster than demand in all the surveyed crops which means ending stocks will increase and continue to put pressure on prices. Red meat demand is expected to continue its fall as evidenced by the minimal price increase expected, given the expected cutbacks in production and the expected continued growth in incomes. Some positive findings in the survey are the expected continued growth in real GNP and the expected moderate increases in inflation.

TABLE 1

AAEA ANNUAL OUTLOOK SURVEY

AAEA Members Involved in Market Analysis, Outlook or Forecasting

I. Personal Information

- A. Name AAEA (72) \* B. Affiliation Universities (45)  
Independents (19) Government (8)
- C. How much use do you make of formal econometric models in developing your forecast? (Major 9) (Moderate 17) (Minor 22) (None 24)
- D. Forecasting is a (Major 32) (Moderate 19) (Minor 19) responsibility in my position.

Please make estimates where you feel you have professional competence. You need not respond in all areas. Please put a check (✓) next to the commodities and/or economic areas for which you have major forecasting responsibility.

II. Commodity Outlook

A. Livestock & Poultry

	1985					1986				
	I	II	III	IV	Annual	I	II	III	IV	Annual
<u>Production</u>	Percent Change From Previous Year									
( <u>19</u> ) Beef (comm. prod.)	0	+1	-.6	-1.3	-.32	-2.3	-3.7	-2.8	-2.6	-2.9
( <u>17</u> ) Pork (comm. prod.)	-3	+2	-.3	-1.8	-1.9	-1.9	-1.7	.16	2.2	.02
( <u>8</u> ) Broilers (FI prod.)	+4	+6	4.5	4.0	4.87	2.5	2.2	1.7	1.3	2.5
( <u>5</u> ) Eggs (farm prod.)	+2	+0	.3	-.6	.82	-1.7	-1.3	-.6	-.6	-.9

1985 II is a forecast

<u>Prices</u>	I	II	III	IV	Annual	I	II	III	IV	Annual
Choice slaughter steers (Omaha, \$/cwt.)	62.24	57.66	59.21	62.00	61.07	63.33	65.17	64.29	64.35	64.36
Feeder steers, med. frame No.1, 600-700 lb., Kansas City (\$/cwt)	68.30	66.90	66.85	66.12	67.36	70.09	71.26	70.82	70.80	69.96
Barrows & gilts, 7 markets (\$/cwt)	47.32	43.09	47.84	46.77	46.77	48.21	47.61	49.59	46.37	48.26
Broilers, 12 city area (¢/lb.)	51.5	51.00	49.43	48.35	49.44	50.05	49.05	49.30	49.17	50.25
Eggs, NY, grd. A, lg. (¢/doz.)	61.7	60.00	65.26	69.56	63.54	69.67	65.67	66.79	68.43	67.62

Pick one of the above commodities you are most familiar with and give a low, most likely, and high price for the II quarter of 1986.

<u>Commodity</u>	<u>Low</u>	<u>Most Likely</u>	<u>High</u>
Steers	59.40	65.55	70.30
<u>Feeder Steers</u>	<u>71.00</u>	<u>73.60</u>	<u>76.50</u>

Low = only a 5% chance prices will be lower.  
 High = only a 5% chance prices will be higher.

\*Names necessary to insure credibility of the survey, but will not be recorded with data nor used in analysis of survey results.

Hogs	44.23	48.00	52.73
Broilers	47.00	51.50	56.00
Eggs	64.50	69.50	72.50



B. Crops

	<u>Supply &amp; Utilization</u>				
	1984-85	Crop Year	1985-86 Crop Year		
	<u>Exports</u>	<u>Carry Out</u>	<u>Production</u>	<u>Exports</u>	<u>Carry Out</u>
( 21 ) Wheat (mil. bu.)	<u>XXX</u>	<u>XXX</u>	<u>2416</u>	<u>1245</u>	<u>1526</u>
( 23 ) Corn (mil. bu.)	<u>1918</u>	<u>1231</u>	<u>7986</u>	<u>1747</u>	<u>2139</u>
( 9 ) Cotton, upland & ELS (mil. bales)	<u>6.43</u>	<u>4.09</u>	<u>12.18</u>	<u>5.08</u>	<u>6.25</u>
( 26 ) Soybeans (mil. bu.)	<u>646</u>	<u>288</u>	<u>1895</u>	<u>690</u>	<u>374</u>

Prices

	<u>1984-85</u>	<u>1985-86</u>		
		<u>Low</u>	<u>Most Likely</u>	<u>High</u>
Corn (\$/bu.) (U.S. farm)	<u>2.65</u>	<u>2.40</u>	<u>2.55</u>	<u>2.74</u>
Wheat (\$/bu.) (U.S. farm)	<u>3.38</u>	<u>3.09</u>	<u>3.27</u>	<u>3.45</u>
Cotton (¢/lb.) (U.S., SLM, 1-1/16, in.)	<u>59.8</u>	<u>55.3</u>	<u>58.1</u>	<u>61.3</u>
Soybeans (\$/bu.) (U.S. farm)	<u>5.83</u>	<u>5.24</u>	<u>5.64</u>	<u>6.13</u>
Soybean oil (¢/lb.) (Decatur, IL)	<u>30.1</u>	<u>24.0</u>	<u>26.8</u>	<u>29.5</u>
Soybean meal (\$/ton) (Decatur, IL)	<u>125</u>	<u>113</u>	<u>129</u>	<u>141</u>

III. Agricultural and General Economic Outlook

	<u>1984P</u>	<u>1985</u>	<u>1986</u>
( 6 ) Cash receipts from marketings			
All crops and products (bil. \$)	<u>70</u>	<u>68.6</u>	<u>69.2</u>
All livestock and products (bil. \$)	<u>72</u>	<u>70.6</u>	<u>72.6</u>
( 5 ) Net cash income (bil. \$)	<u>36</u>	<u>32.5</u>	<u>32.7</u>
( 6 ) Total net farm income	<u>31</u>	<u>24.8</u>	<u>25.6</u>

Percent Change From Previous Year

	<u>1984</u>	<u>1985</u>	<u>1986</u>
( 4 ) Land values, April 1	<u>-.1</u>	<u>-12</u>	<u>-9</u>
( 3 ) Real GNP (1972 \$)	<u>+6.8</u>	<u>+3.4</u>	<u>+2.6</u>
( 3 ) CPI, all items (1967 = 100)	<u>+4.2</u>	<u>+3.9</u>	<u>+4.3</u>
( 6 ) Food prices (all, at home and away)	<u>+3.9</u>	<u>+2.9</u>	<u>+3.7</u>

Mail responses to Jim Hilker, Department of Agricultural Economics, Room 1 Agriculture Hall, Michigan State University, East Lansing, MI, 48824-1039.

Must be received by: July 19, 1985.

TABLE 2  
LIVESTOCK PRODUCTION PREDICTIONS

Product	Percent Change From Previous Year				
	N	Mean	S.D.	Min.	Max.
BEEF					
1985					
III	24	-0.60	1.88	-5.00	3.00
IV	25	-1.28	2.91	-6.00	5.00
Annual	28	-0.32	1.49	-3.00	4.00
1986					
I	21	-2.29	2.16	-10.00	1.00
II	20	-3.70	3.16	-13.00	1.00
III	19	-2.84	2.52	-8.00	2.00
IV	19	-2.63	2.79	-9.00	2.00
Annual	26	-2.87	2.42	-7.00	3.00
PORK					
1985					
III	24	-0.33	1.46	-3.00	2.00
IV	24	-1.75	3.17	-5.00	10.00
Annual	28	-1.91	1.20	-5.00	1.50
1986					
I	21	-1.90	1.95	-5.00	2.00
II	20	-1.65	2.67	-6.00	3.00
III	19	0.16	2.46	-5.00	5.00
IV	19	2.16	3.50	-5.00	12.00
Annual	24	0.02	2.52	-5.00	6.00
BROILERS					
1985					
III	16	4.50	1.37	1.00	6.00
IV	16	4.00	1.62	1.00	6.00
Annual	20	4.87	0.66	4.00	6.00
1986					
I	15	2.53	1.89	-1.00	6.00
II	14	2.21	2.65	-2.00	6.00
III	13	1.65	2.66	-2.00	7.00
IV	12	1.25	2.62	-3.00	6.00
Annual	17	2.46	2.27	-1.00	6.00
EGGS					
1985					
III	10	0.30	1.19	-1.00	2.00
IV	10	-0.60	1.69	-3.00	2.00
Annual	11	0.82	0.72	0.00	2.00
1986					
I	10	-1.65	1.61	-4.00	1.00
II	10	-1.25	1.72	-5.00	1.00
III	8	-0.63	1.32	-2.00	1.00
IV	8	-0.56	1.72	-3.00	3.00
Annual	10	-0.90	0.94	-2.00	1.00

TABLE 3  
LIVESTOCK PRICE PREDICTIONS

Product	N	Mean	S.D.	Min.	Max.
Choice slaughter steers, \$/cwt					
Omaha					
1985					
III	23	59.21	2.20	54.00	63.00
IV	23	62.00	2.06	59.00	66.00
Annual	27	61.07	1.77	58.75	67.74
1986					
I	18	63.33	2.32	58.00	67.00
II	18	65.17	3.12	60.00	71.00
III	17	64.29	3.46	58.00	71.00
IV	17	64.35	3.31	56.00	70.00
Annual	24	64.36	4.55	55.00	80.24
Feeder steers, med. frame, \$/cwt					
No. 1, 600-700 lbs.,					
Kansas City					
1985					
III	18	66.85	2.77	62.00	72.00
IV	18	66.12	2.95	63.00	75.00
Annual	17	67.36	1.52	65.00	70.00
1986					
I	14	70.09	3.33	66.00	76.00
II	14	71.26	4.94	66.00	84.00
III	14	70.82	5.42	64.00	83.00
IV	14	70.80	5.13	65.00	81.20
Annual	16	69.96	4.87	60.00	80.00
Barrows and gilts, \$/cwt					
7 markets					
1985					
III	22	47.84	2.03	44.00	50.00
IV	22	46.77	1.68	44.00	51.00
Annual	25	46.77	0.97	45.25	49.39
1986					
I	18	48.21	1.58	45.00	51.00
II	18	47.61	2.34	42.00	52.00
III	17	49.59	3.38	43.00	55.00
IV	17	46.37	4.67	32.00	53.00
Annual	23	48.26	2.47	42.75	53.37
Broilers, 12 city area ¢/lb					
1985					
III	14	49.43	1.84	46.00	52.50
IV	13	48.35	1.87	44.00	51.00
Annual	15	49.44	1.29	47.00	51.15
1986					
I	11	50.05	2.29	44.00	52.50
II	11	49.05	2.51	43.00	52.00
III	10	49.30	3.55	40.00	54.00
IV	9	49.17	2.21	45.00	53.00
Annual	13	50.25	2.97	43.00	56.26
Eggs, N.Y., grade a, large ¢/doz					
1985					
III	9	65.26	1.92	61.30	68.00
IV	9	69.56	3.72	63.00	75.00
Annual	11	63.54	1.84	60.00	67.00
1986					
I	9	69.67	4.32	62.00	76.00
II	9	65.67	3.56	60.00	71.00
III	7	66.79	4.47	60.00	73.00
IV	7	68.43	6.95	55.00	78.00
Annual	9	67.62	3.49	62.12	74.00

TABLE 4

CROP SUPPLY AND UTILIZATION PREDICTIONS

Product	Million Bushels or Bales				
	N	Mean	S.D.	Min.	Max.
<b>WHEAT</b>					
<u>1985-86</u>					
Production	27	2415.57	62.00	2300.00	2560.00
Exports	27	1245.04	89.72	1100.00	1433.00
Carryout	27	1526.46	71.83	1399.00	1650.00
<b>CORN</b>					
<u>1984-85</u>					
Exports	29	1918.21	40.89	1800.00	2000.00
Carryout	29	1230.79	52.96	1100.00	1350.00
<u>1985-86</u>					
Production	35	7986.45	201.20	7200.00	8288.00
Exports	31	1746.90	59.01	1600.00	1862.00
Carryout	31	2139.06	177.29	1767.00	2500.00
<b>COTTON</b>					
<u>1984-85</u>					
Exports	12	6.43	0.07	6.30	6.50
Carryout	12	4.09	0.08	4.00	4.20
<u>1985-86</u>					
Production	12	12.18	0.63	10.60	12.80
Exports	12	5.08	0.46	4.50	6.50
Carryout	12	6.25	1.00	3.70	7.50
<b>SOYBEANS</b>					
<u>1984-85</u>					
Exports	34	645.76	29.97	590.00	710.00
Carryout	34	287.74	23.41	220.00	335.00
<u>1985-86</u>					
Production	37	1895.24	68.65	1700.00	2000.00
Exports	36	690.44	40.84	600.00	784.00
Carryout	35	374.41	72.56	219.30	500.00

TABLE 5  
CROP PRICE PREDICTIONS

Product	Unit	N	Mean	S.D.	Min.	Max.
Corn, U.S. farm	\$/bu					
1984-85		35	2.65	.09	2.56	3.10
1985-86		40	2.55	.09	2.40	3.00
Wheat, U.S. farm	\$/bu					
1985-86		32	3.27	.10	3.00	3.47
Cotton, U.S., SLM, 1-1/16 in.	¢/lb					
1984-85		8	59.83	1.25	58.50	62.20
1985-86		9	58.07	2.17	55.00	62.00
Soybeans, U.S. farm	\$/bu					
1984-85		35	5.83	.09	5.65	6.10
1985-86		40	5.64	.22	5.20	6.25
Soybean Oil, Decatur, Ill.	¢/lb					
1984-85		19	30.06	1.14	28.00	31.20
1985-86		23	26.82	1.99	22.00	30.00
Soybean Meal, Decatur, Ill.	\$/ton					
1984-85		20	124.57	4.44	120.00	135.00
1985-86		24	129.45	16.25	110.00	171.87

TABLE 6

PREDICTIONS OF FARM INCOME, LAND  
VALUES AND THE GENERAL ECONOMY

	Unit		Mean	S.D.	Min.	Max.
<u>Cash Receipts From Marketings</u>						
Crops	Bil \$					
1985		18	68.62	1.83	65.00	71.00
1986		18	69.16	3.05	62.00	74.90
Livestock	Bil \$					
1985		18	70.64	2.44	65.00	75.00
1986		18	72.61	3.52	64.00	78.00
<u>Net Cash Income</u>						
	Bil \$					
1985		18	32.49	3.39	24.00	36.00
1986		18	32.74	3.22	27.00	38.30
<u>Total Net Farm Income</u>						
	Bil \$					
1985		17	24.76	3.69	19.00	33.00
1986		16	25.56	2.89	20.00	30.00
<u>Land Values, April 1</u>						
	% Change					
1985	From	--	-12.0	--	--	--
1986	Previous	31	-9.4	4.36	-18.0	2.0
	Year					
<u>Real GNP</u>						
	% Change					
1985	From	31	3.37	.89	2.00	6.20
1986	Previous	31	2.61	1.67	-1.50	6.80
	Year					
<u>CPI, All Items</u>						
	% Change					
1985	From	34	3.92	.59	3.00	5.50
1986	Previous	34	4.27	.95	2.00	6.50
	Year					
<u>CPI, Food (All)</u>						
	% Change					
1985	From	27	2.89	1.29	-2.00	4.50
1986	Previous	26	3.70	1.05	2.00	6.80
	Year					

TABLE 7

PREDICTIONS OF PRICES AND SELECTED ITEMS BY RESPONDENTS WITH  
MAJOR FORECASTING RESPONSIBILITIES IN THE RESPECTIVE AREAS

	Unit	Mean	
		1985	1986
<u>Livestock</u>			
Choice slaughter steers, Omaha	\$/cwt	60.34	63.29
Feeder steers, med. frame, No. 1, 600-700 lbs., Kansas City	\$/cwt	67.00	69.82
Barrows and gilts, 7 markets	\$/cwt	46.70	48.19
Broilers, 12 city area	¢/lb	49.50	48.66
Eggs, N.Y., grade A, large	¢/doz	64.67	71.33
<u>Crops</u>			
		<u>1984-85</u>	<u>1985-86</u>
Corn, U.S. farm	\$/bu	2.65	2.56
Wheat, U.S. farm	\$/bu	--	3.28
Cotton, U.S. SLM, 1-1/16 in.	¢/lb	60.18	58.50
Soybeans, U.S. farm	\$/bu	5.83	5.65
Soybean oil, Decatur, Ill.	¢/lb	30.00	26.58
Soybean meal, Decatur, Ill.	\$/ton	124.86	131.60
<u>Other</u>			
		<u>1985</u>	<u>1986</u>
Cash receipts from marketings	Bil \$		
Crops		68.68	70.33
Livestock		70.10	73.25
Net cash income	Bil \$	30.00	32.00
Total net farm income	Bil \$	23.00	25.66
Land values, April 1	% Change	-12.00	-8.20
Real GNP	% Change	3.26	3.23
CPI, all items	% Change	4.00	3.87
CPI, food (all)	% Change	2.57	3.52

TABLE 8

CROP PROBABILITY PRICE FORECASTS  
FOR 1985-86 CROP YEARS

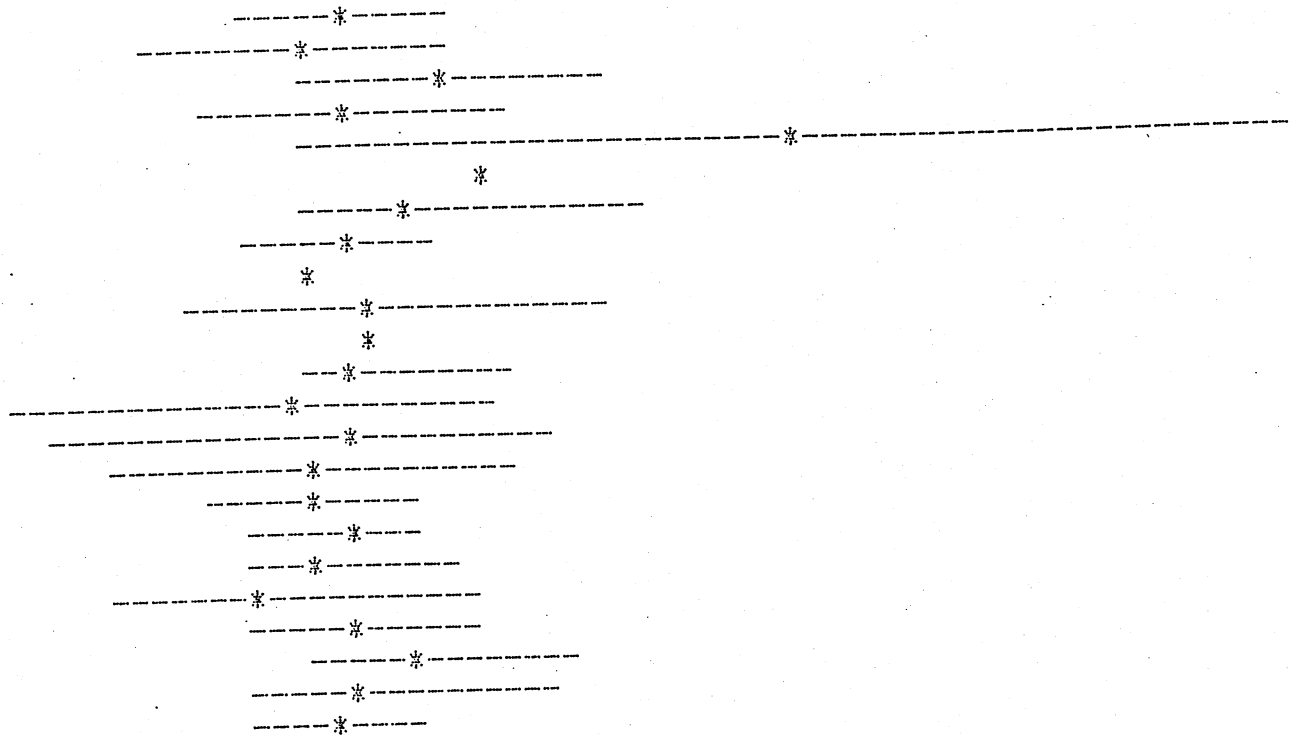
Product	Unit	N	Mean	S.D.	Min.	Max.
Corn, U.S. farm	¢/bu					
Low		36	2.40	.10	2.20	2.57
Most likely		40	2.55	.09	2.40	3.00
High		36	2.74	.18	2.60	3.50
Wheat, U.S. farm	¢/bu					
Low		29	3.09	.16	2.50	3.30
Most likely		32	3.27	.10	3.00	3.47
High		29	3.45	.12	3.25	3.90
Cotton, U.S., SLM, 1-1/16 in.	¢/lb					
Low		9	55.30	3.00	50.00	60.00
Most likely		9	58.10	3.16	55.00	62.00
High		9	61.30	2.25	58.00	65.00
Soybeans, U.S. farm	¢/bu					
Low		36	5.24	.20	4.70	5.75
Most likely		40	5.64	.22	5.20	6.25
High		36	6.13	.38	5.40	7.00
Soybean Oil, Decatur, Ill.	\$/bu					
Low		20	24.00	2.41	20.00	28.00
Most likely		23	26.80	2.79	22.00	30.00
High		20	29.50	4.44	23.00	33.00
Soybean Meal, Decatur, Ill.	\$/ton					
Low		20	113.00	12.80	90.00	145.00
Most likely		24	129.00	16.00	110.00	172.00
High		20	142.00	16.90	115.00	180.00



Table 9. Distribution of Probabilistic Price Forecasts for the Average Farm Price for 1985/86 Corn (\$/bu)

Average "Most Likely" Forecast															
2	2	2	2	2	2	2	2	2	2	3	3	3	3	3	3
1	2	3	4	5	6	7	8	9	0	1	2	3	4	5	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

"Experts"



"Non-Experts"

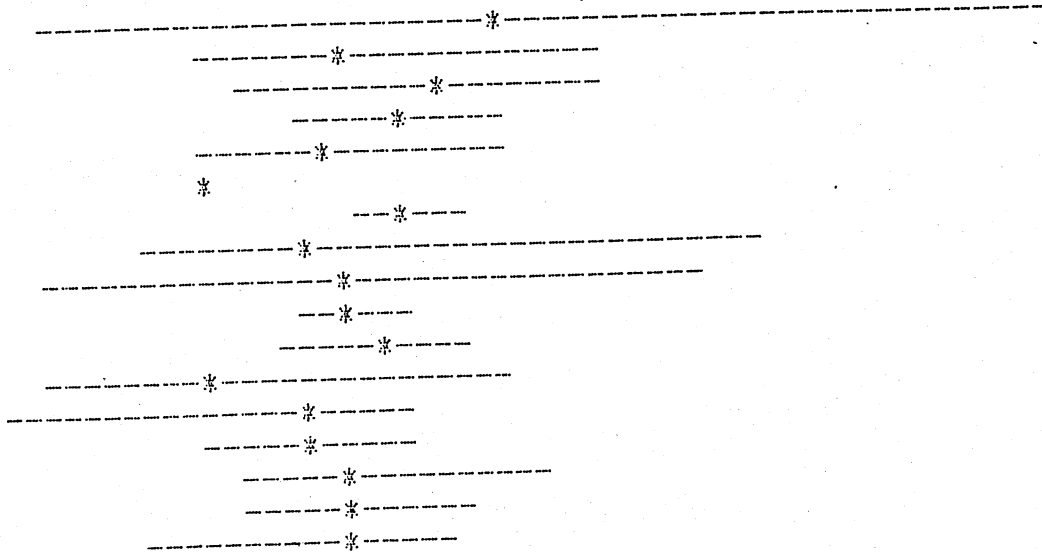


Table 10. Distribution of Probabilistic Price Forecasts for the Average Farm Price for 1985/86 Wheat (\$/bu)

Average "Most Likely" Forecast														
2	2	2	2	2	3	3	3	3	3	3	3	3	3	3
5	6	7	8	9	0	1	2	3	4	5	6	7	8	9
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

"Experts"

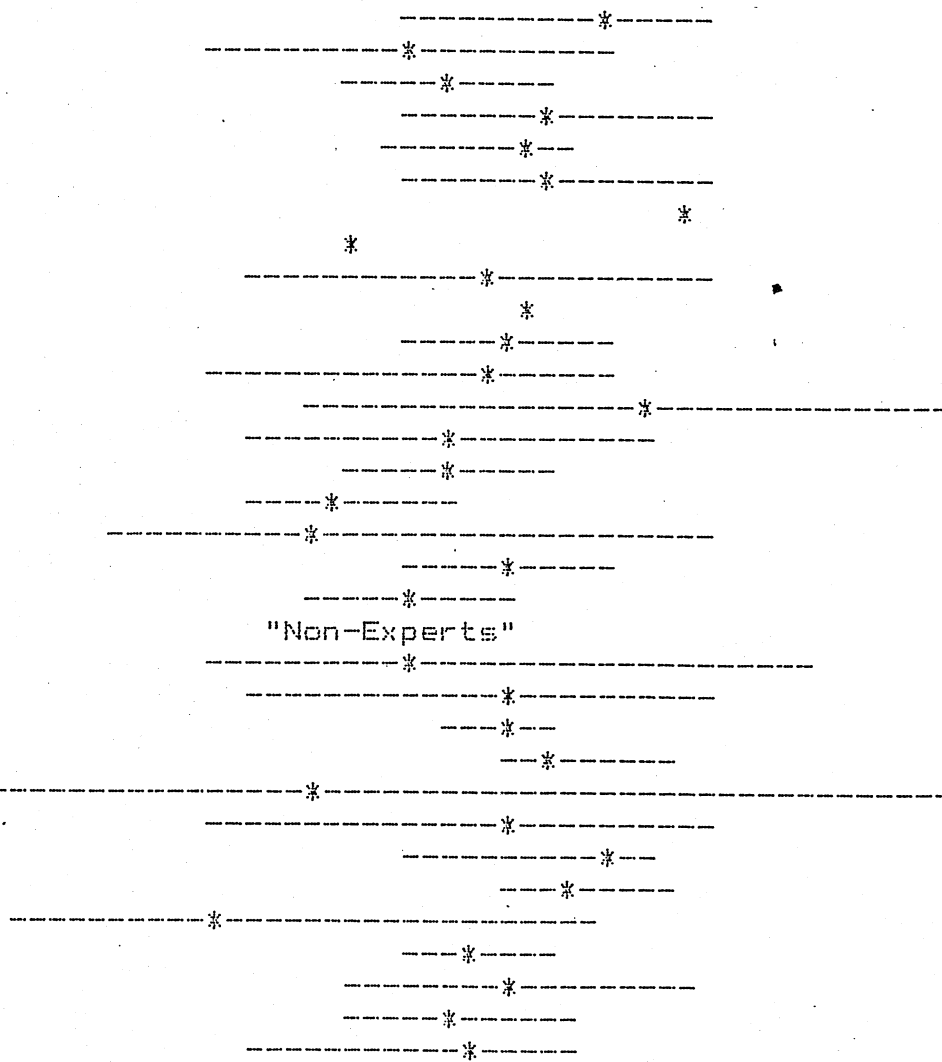
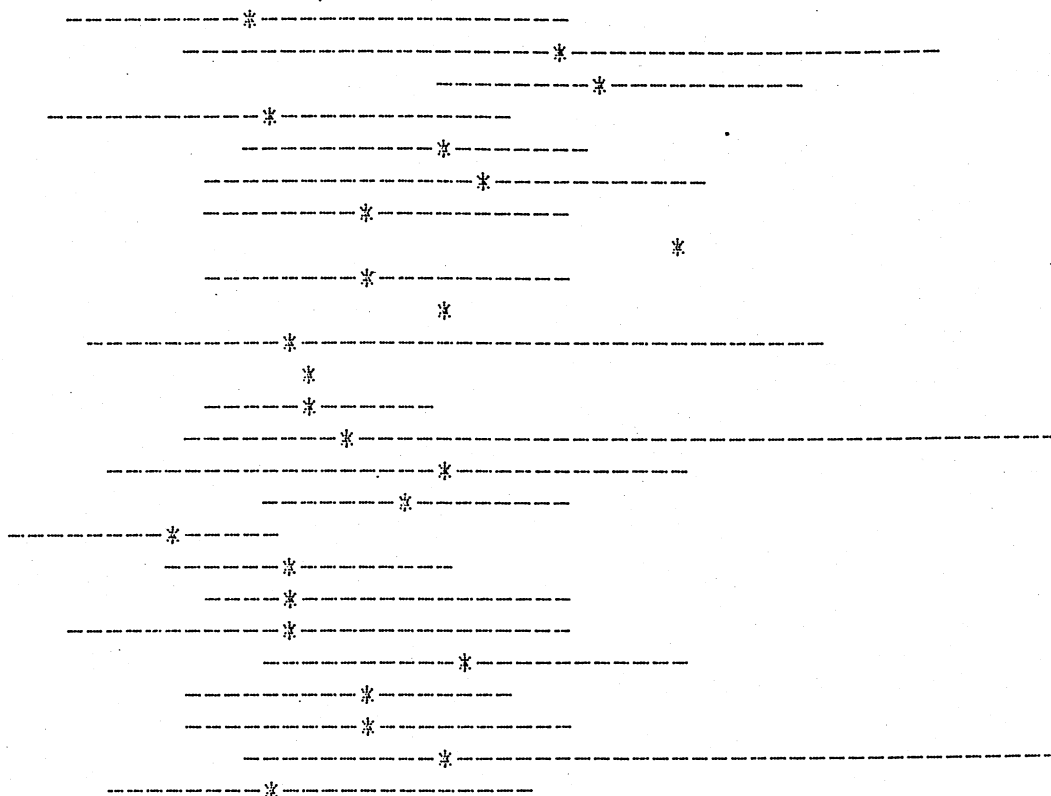


Table 11. Distribution of Probabilistic Price Forecasts for the Average Farm Price for 1985/86 Soybeans (\$/bu)

Average "Most Likely" Forecast														
4	4	4	4	5	5	5	5	5	6	6	6	6	6	7
2	4	6	8	0	2	4	6	8	0	2	4	6	8	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

"Experts"



"Non-Experts"

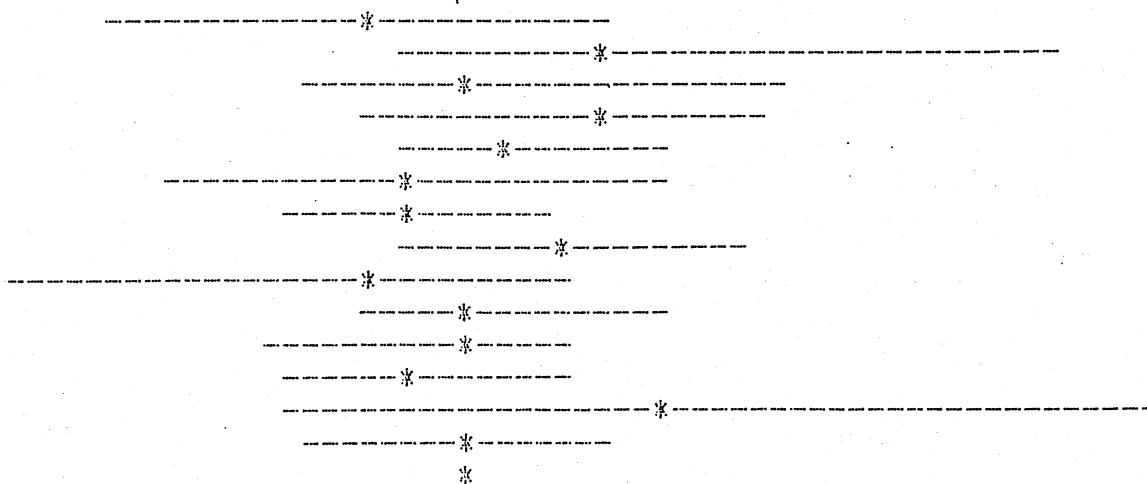


TABLE 12

LIVESTOCK PROBABILITY PRICE FORECASTS

Product	N	Mean	S.D.	Min.	Max.
Choice slaughter steers, Omaha					
<u>1986 II</u>					
Low	10	59.40	3.69	50.00	64.00
Most likely	10	65.55	3.41	60.00	71.00
High	10	70.30	5.06	63.00	80.00
Feeder steers, med. frame, No. 1, 600-700 lbs., Kansas City					
<u>1986 II</u>					
Low	2	71.00	NA	67.00	75.00
Most likely	2	73.60	NA	69.00	78.20
High	2	76.50	NA	73.00	80.00
Barrows and gilts, 7 markets					
<u>1986 II</u>					
Low	11	44.23	2.61	40.00	50.00
Most likely	11	48.00	2.45	45.00	54.00
High	11	52.73	2.05	50.00	56.00
Broilers, 12 city area					
<u>1986 II</u>					
Low	2	47.00	NA	46.00	48.00
Most likely	2	51.50	NA	51.00	52.00
High	2	56.00	NA	54.00	58.00
Eggs, N.Y., grade a, large					
<u>1986 II</u>					
Low	2	64.50	NA	64.00	65.00
Most likely	2	69.50	NA	68.00	71.00
High	2	72.50	NA	71.00	74.00