

CORN PRICE

Changes following Crop Production Reports 1/

Crop Item	One Day After Report	One Week After Report
Average Change -- Cents per Bushel		
1985-2005 Crop Production	40 Increases Ave 4.8¢	52 Increases Ave 7.2¢
	16 No Change	1 No Change
	49 Decreases Ave 5.2¢	52 Decreases Ave 10.0¢
Total Reports	105	105

1/ Closing cash price for Southern Iowa #2 Yellow Corn.

SOYBEAN PRICE

Changes following Crop Production Reports 1/

Crop Item	One Day After Report	One Week After Report
Average Change – Cents per Bushel		
1985-2005 Crop Production	50 Increases Ave 10.4¢	52 Increases Ave 15.8¢
	4 No Change	2 No Change
	51 Decreases Ave 11¢	51 Decreases Ave 18¢
Total Reports	105	105

1/ Average prices paid at Southern Iowa points by processors.

WHEAT PRICE

Changes following Crop Production Reports 1/

Crop Item	One Day After Report	One Week After Report
Average Change – Cents per Bushel		
1987-2005 Crop Production	50 Increases Ave 5.8¢	57 Increases Ave 9.2¢
	10 No Change	7 No Change
	49 Decreases Ave 4.7¢	45 Decreases Ave 12.8¢
Total Reports	109	109

1/ Closing cash price for Kansas City #1 Hard Winter Wheat.

All prices reported by AMS Grain Market News.

HOG PRICE

Changes following Quarterly Hog & Pig Reports 1/

Year	Report Date	Week of Report	Week after Report	Price Change
- Dollars per Cwt. -				
2003	Mar 28	34.68	33.51	-1.17
	Jun 27	44.55	44.10	-0.45
	Sep 26	40.86	38.51	-2.35
	Dec 30	36.45	36.57	+0.12
2004	Mar 26	48.85	45.97	-2.88
	Jun 25	59.02	56.91	-2.11
	Sep 24	59.66	57.66	-2.00
	Dec 28	46.04	52.60	+6.56
2005	Mar 24	49.51	48.61	-0.90
	Jun 24	49.56	47.66	-1.90
	Sep 30	50.35	50.01	-0.34
	Dec 28	42.46	42.06	-0.40

1/ Barrows and gilts, 5 markets combined.

THREE YEAR SUMMARY

Number of Changes and Ave. Change

2003, 2004, & 2005 Summary – 12 Reports

Price Increases - - 2	Ave: +\$3.34
Price Decreases - - 10	Ave: -\$1.45

Do USDA Reports Lower Commodity Prices?



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THE FACTS ON USDA REPORTS AND PRICES

We are often asked why prices always go down following the release of USDA crop and livestock reports. Most news accounts would lead you to believe that prices always “take a tumble” following the release of these reports. The fact is that prices go up about as often as they go down. We usually don’t hear when prices go up following our reports, but we have the facts showing they do.

This pamphlet illustrates a comparison of 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 Monthly Cattle Price table, as an example, you can see that during 2004 and 2005 cattle prices actually increased 10 times and decreased 14 times following the monthly Cattle on Feed report. Similar findings occurred for Hogs, Corn, Soybeans, and Wheat Prices.

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 current cash market, may go up or down following our reports. But these fluctuations are generally minor, as the market has already made adjustments to expected supplies. One reason why farmers and others may believe that USDA reports drive down prices is because the media rarely emphasize price increases following the reports. As you can see from the attached tables, that is only telling half of the story.

WHY HAVE USDA REPORTS?

- Reports published by USDA’S National Agricultural Statistics Service serve as a tool for farmers and others involved in agriculture to make production, marketing, and business decisions.
- The reports are based on voluntary reporting by farmers and agribusinesses who are the most accurate source for the information.
- Individual farm information is kept strictly confidential by law and used only to set national, state, and county level estimates of U.S. and South Dakota agricultural production and inventories.
- Without unbiased supply reports for agriculture, farmers would be at the biggest disadvantage trying to secure the best price for their commodities...buyers generally have more information resources at their disposal.

TWO YEAR SUMMARY

Number of Changes and Ave. Change

2004 & 2005 Cattle Summary – 24 Reports

Price Increases - - 10

Ave: +\$2.54

Price Decreases - - 14

Ave: -\$1.56

MONTHLY CATTLE PRICE

Changes following Cattle on Feed Reports
Average Price 1/

Year	Report Date	Week of Report	Week after Report	Price Change
-- -Dollars per Cwt.- - -				
2004	Jan 16	79.00	85.72	+6.72
	Feb 20	78.78	81.94	+3.16
	Mar 19	86.61	82.85	-3.76
	Apr 16	86.74	85.15	-1.59
	May 21	86.04	85.15	-0.89
	Jun 18	87.00	89.55	+2.55
	Jul 23	84.69	84.58	-0.11
	Aug 20	86.96	82.22	-4.74
	Sep 17	84.39	83.88	-0.51
	Oct 22	86.00	84.76	-1.24
	Nov 19	84.62	88.43	+3.81
	Dec 17	85.57	89.68	+4.11
2005	Jan 21	89.55	88.37	-1.18
	Feb 18	87.77	86.79	-0.98
	Mar 18	90.18	90.20	+0.02
	Apr 22	93.90	92.63	-1.27
	May 20	88.81	86.84	-1.97
	Jun 17	83.60	82.13	-1.47
	Jul 22	79.04	79.57	+0.53
	Aug 19	79.07	81.76	+2.69
	Sep 23	86.06	86.87	+0.81
	Oct 21	87.58	87.26	-0.32
	Nov 18	89.97	90.97	+1.00
	Dec 23	95.77	93.98	-1.79

1/ Based on 7 state steer and heifer prices.
Source: Market News, Agriculture Marketing Service.