

AEC 305 – Fall 2009
(Extra Credit: Maximum of 15 points)

Topic: Select an agricultural commodity to analyze supply and demand factors affecting nominal and real prices. Your paper should have the following sections:

- A. **Prices** – Provide a descriptive analysis along with a graph and a table indicating annual nominal and real prices from 1980 -2009 or monthly price changes from 2005 to 2009. Recall that annual and monthly CPI index values are available online at <ftp://ftp.bls.gov/pub/special.requests/cpi/cpi.txt>.

If you select to analyze annual price data go to: <http://www.nass.usda.gov/index.asp>, and conduct a data query under “Quick Stats.” For your annual 2009 data point, just use the most recent data month available on “Agricultural Prices”

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1002> or the online site we used to determine our crop price index www.ers.usda.gov/publications/AgOutlook/AOTables/ (Table 5).

If you select to analyze monthly price data go to: “Agricultural Prices” listed under “Most Requested Reports at www.nass.usda.gov/Publications/ and proceed to “Agricultural Prices” (recent monthly price data) and *Annual Price Summary* (historical monthly price data).

- B. **Demand Analysis:** Identify the major “demand” variables affecting your commodity in 2008 and 2009? Look at the changes in prices from part A above. Investigate which demand variables may have influenced prices in recent years/months.
- C. **Supply Analysis:** Identify the major factors affecting the “supply” for your commodity in 2008 and 2009? Look at the changes in prices from part A above. Investigate which supply variables may have influenced prices in recent years/months.
- D. **Sources** – Be sure to site all your sources (Note: There will be a significant discount if you do not identify your sources of information

Note to address parts B and C, you need to examine some commodity analysis reports. A good starting point would be the USDA’s briefing rooms which have commodity situation and outlook reports. Go to: Economic Research Service (ERS) Briefing Rooms: <http://www.ers.usda.gov/Briefing/> and locate your crop or livestock selection on the right hand side of the page. This site will provide you with a lot of resources. Also some farm and commodity organizations have market analysis reports, so search for them online. I’ve listed some other online sources below, but feel free to conduct your analysis using any valid data/information source.

Paper Structure – Each paper should have a separate section on each topic listed in the above outline. The paper should be around 3-5 pages in length (double-spaced, 10-12 point font), excluding graphs/tables, and sources. *Create your own graphs and tables and identify all references.*

Paper Deadline – anytime before Friday, December 11th

Plagiarism: As stated in the syllabus, the minimum penalty for plagiarism is an "E" in the course. I will closely examine papers to insure that all text, graphics and tables are the student’s original work AND is properly cited.

Other Potential Sources of Information

- ERS Data: <http://www.ers.usda.gov/Data/>
- ERS Statistical Indicators: <http://www.ers.usda.gov/publications/Agoutlook/aotables/>
- ERS Amber Waves: <http://www.ers.usda.gov/AmberWaves/>
- NASS: Agricultural Statistics: www.nass.usda.gov/Publications/Ag_Statistics/2008/index.asp
- Chicago Board of Trade: <http://www.cbot.com/cbot/pub/page/0,3181,949,00.html>
- Chicago Mercantile Exchange: <http://www.cme.com/>
- Livestock Information Marketing Center: <http://www.lmic.info/index.shtml>
- Individual Commodity Grower Organizations (just Google your commodity)