High Plains Economic Outlook

Darren Hudson
Combest Endowed Chair for Agricultural Competitiveness
Texas Tech University
Texas Alliance for Water Conservation
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Outline

Macroeconomic Outlook

Commodity Outlook
Inflation

Inflation slowed down (even declined) in the past month but still well above recent price levels. Food inflation remained a large component of growth while energy actually declined leaving the overall rate flat.
Interest Rates

Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis

Shaded areas indicate U.S. recessions.

Source: Board of Governors of the Federal Reserve System (US) - fred.stlouisfed.org
USD
Producer Prices

Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Labor Statistics
Crude Oil
Nat Gas
Cotton #2 Dec '23 (CTZ23)
90.45s +3.85 (+4.45%) 08/12/22 [ICE/US]
INTERACTIVE CHART for Fri, Aug 12th, 2022

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Cattle
Conclusions

- Recent price increases in cotton and corn offer pricing opportunities for 2023.
- Higher input prices will remain a challenge though early signs of easing in producer prices (chemicals, trucking, etc.) hopefully mean that trend will continue and prices will ease going into the winter for pre-purchase opportunities.
- Energy prices remain elevated. Looking into 2023 and 2024, current crude futures indicate easing of energy prices going forward but political/international events can change that quickly.
- Easing of USD is good for exports but remains elevated. For cotton, will there any cotton left??
- Future demand for cotton remains uncertain.