According to the Merriam-Webster Dictionary, a commodity is “something that is bought and sold”; “something...that is useful or valued.” In agriculture, many things produced are bought, sold, and traded through commodity markets. Do you know which agricultural commodities are the most valued or most often traded?

Objective:

Identify agricultural commodities and examine where they are produced in the United States.

Key Terms:

- barley
- canola
- cash-settled butter
- cheese spot call
- commodity
- corn
- cotton
- feeder cattle

- frozen pork bellies
- lean hogs
- live cattle
- lumber
- milk
- oats
- pulpwood
- rough rice
- soybean
- sugar
- timber
- wheat
- wool

Agricultural Commodities

In 2013 the top 10 agricultural commodity–producing states, in terms of cash receipts, were (in descending order) California, Iowa, Nebraska, Minnesota, Texas, Illinois, Kansas, North Carolina, Wisconsin, and Indiana. A commodity is a raw material or unprocessed agricultural product that can be bought and sold. There are about 50 major commodity markets worldwide that facilitate investment trade in nearly 100 primary commodities.
FOOD COMMODITIES

Some of the best-known agricultural commodities used for food are corn, wheat, oats, rough rice, barley, soybeans, rapeseed (canola), sugar, milk, cash-settled butter, cheese spot call, live cattle, feeder cattle, lean hogs, and frozen pork bellies.

Corn

Corn (maize) is a large cereal grain plant that has a leafy stalk on which ears are produced that contain the grains or seeds called kernels. It is one of the most valuable cereal grain crops grown in the United States and the world. Dent corn is the most common type of corn grown in the United States. It is referred to as field corn.

Corn is the most widely produced feed grain in the United States, accounting for more than 90 percent of total production. Around 80 million acres of land are planted with corn. Most of the crop is used as livestock feed. The remainder is processed into a multitude of food and industrial products, including starch; sweeteners, such as high-fructose corn syrup; corn oil; and ethanol for use as a fuel.

Corn is grown in most states, but production is concentrated in Illinois, Iowa, Indiana, eastern portions of South Dakota and Nebraska, western Kentucky and Ohio, and the northern two-thirds of Missouri. The top corn-producing states, Iowa and Illinois, typically account for slightly more than one-third of the U.S. crop.

Wheat

Wheat is a cereal plant that produces grain which is ground to make flour for bread, pasta, pastry, etc. Its production in the United States is second only to that of corn. Unlike corn, wheat is predominantly used for human consumption. Wheat is the leading food plant grown in the United States and is therefore considered the most important cereal grain crop.

There are two main classes of wheat. Spring wheat is planted in the spring, grows during the summer, and matures in early fall. Spring wheat is planted in the northern states, where the winters are harsh. Winter wheat is planted in the fall, establishes itself over the winter, and grows rapidly in the spring. Winter wheat is typically grown in the central Plains and the southern states.

**Oats**

*Oats* are annual grasses that were the last cereal grains to be domesticated. Oats probably originated from the Asian wild red oat, which grew as a weed in other grain crops. Belief is that oats were first cultivated in southeastern Europe or Asia Minor around 2,000 years ago.

Oats have many uses: human consumption, animal feed, and more.


**Rough Rice**

Rice as it comes out of the field is called rough rice in the commodity markets. Rough rice is seeds of the rice plant that have not had the outer hull and bran layers removed.

Rice production is the largest single food-producing use of land. Roughly 9 percent of the earth’s arable land is used for rice production.

Eighty-five percent of the rice produced in the world is used for human consumption.

From 2012 to 2014 the top rice-producing states were (1) Arkansas, (2) California, (3) Louisiana, (4) Missouri, (5) Mississippi, and (6) Texas. Eighty percent of the rice crop in the United States is produced in Arkansas, California, and Louisiana.

**Barley**

*Barley* is a cereal grain used commercially for animal feed, the production of malt (an important ingredient in beer production), and human food applications.

Barley is the fourth largest grain crop after wheat, rice, and corn.

The top barley-producing states are (1) North Dakota, (2)

**Soybean**

*Soybean* is a species in the legume family of plants grown for its beans; it can fix nitrogen from the air in the soil.

Soybeans originated in East Asia. In 1879 a few farmers began to plant soybeans for use as forage for livestock.

Soybean oil is a widely used vegetable oil. Soybeans are generally considered a source of complete protein. Soybean oil meal, soybean oil cake, and soybean meal can be used as sources of protein in animal feeds.

Top producing states in 2014 were (1) Illinois, (2) Iowa, (3) Minnesota, (4) Indiana, (5) Nebraska, (6) Missouri, (7) Ohio, (8) South Dakota, (9) North Dakota, and (10) Arkansas.

**Canola**

*Canola* is an oilseed that is crushed to produce oil and meal. Canola oil is also an important feedstock for the growing biodiesel market.

“Canola” was originally a trademarked name of the rapeseed plant. The name was derived from “can” (for Canada) and “ola” (for oil low acid).

U.S. canola production is concentrated in the Northern Plains, where a drier, shorter growing season makes corn and soybean cultivation less productive. The top canola-producing states are (1) North Dakota, (2) Oklahoma, (3) Montana, (4) Idaho, (5) Washington, (6) Minnesota, and (7) Oregon. The state of North Dakota alone produces more than 80 percent of the nation’s canola crop.

**Sugar**

*Sugar* is a carbohydrate known as sucrose in its crystalline powder form. It is derived from either the sugarcane plant or the sugarbeet. Sugar is used worldwide in the sweetening of soft drinks, foods, and medicines.

The top sugarcane-producing states are Louisiana and Florida.

The largest and most dynamic region for sugarbeet production is in or close to the Red River Valley of western Minnesota and eastern North Dakota. The top sugarbeet-producing states are Minnesota, North Dakota, Idaho, Michigan, and California.
**Milk**

*Milk* traded as a commodity generally means cow’s milk, specifically Milk Class III. Milk Class III refers to all Grade A and Grade B milk used in the manufacture of products other than those for which Milk Class I (fluid milk sold as such) and Milk Class II (cottage cheese and yogurt) are used. Milk Class III is generally employed in the production of cheese.

Holstein cattle are the most popular breed of dairy cattle. This breed makes up more than 90 percent of the dairy cattle in the United States.

In 2014 the leading dairy-producing states were (1) California, (2) Wisconsin, (3) New York, (4) Pennsylvania, and (5) Idaho.

**Cash-Settled Butter**

Cash-settled butter refers to futures on Grade AA butter. Butter is typically a yellow or white dairy product consisting of an emulsion of milk fat and water that is obtained by churning cream.

**Cheese Spot Call**

Cheese spot call refers to cheddar cheese futures contracts. Cheese is a dairy product usually formed by curdling milk or cream. Cheese is curd of milk that has been coagulated and separated from whey.

**Live Cattle**

Live cattle are cattle industrially raised for beef production from the calf stage until they reach between 600 and 800 pounds.

Most ranchers breed their herds of cows in the summer, thus producing the new crop of calves in the spring. The calves are weaned from their mothers after six to eight months. They grow to near full size by feeding on pasture or other roughage before more intensive feeding.

More than 50 percent of the total value of U.S. sales of cattle and calves comes from the top five states: (1) Texas, (2) Nebraska, (3) Kansas, (4) California, and (5) Oklahoma.
**Feeder Cattle**

*Feeder cattle* are cattle that have reached 600 to 800 pounds and been moved to a feedlot where they are fed a special food mix to encourage rapid weight gain. An animal is considered “finished” when it reaches full weight and is ready for slaughter, typically at around 1,200 pounds, producing a dressed carcass of around 745 pounds.

**Lean Hogs**

*Lean hogs* are industrially raised pigs, swine, or hogs. These animals are slaughtered to obtain pork meat. The leading swine-producing states are (1) Iowa, (2) North Carolina, (3) Minnesota, (4) Illinois, (5) Nebraska, (6) Indiana, (7) Missouri, (8) Oklahoma, (9) Ohio, and (10) Kansas.

**Frozen Pork Bellies**

*Frozen pork bellies* are the source of bacon.

**FIBER COMMODITIES**

Cotton and wool are the two primary agricultural commodities used to provide clothing and textiles.

**Cotton**

*Cotton* is a staple fiber that is the most widely used natural fiber for the manufacture of clothes and textiles. Upland cotton is native to North America. More than 99 percent of the cotton grown in the United States is of the upland variety. One percent of cotton produced in the United States is a superior long-staple type called pima.
In 2014 the top cotton-producing states were (1) Texas, (2) Georgia, (3) Mississippi, (4) North Carolina, (5) Arkansas, (6) California, (7) Alabama, (8) Missouri, (9) South Carolina, and (10) Arizona.

Wool

Wool is a fabric made from the sheared hair of sheep, llama, or other ruminants. Sheep’s wool is used all over the world in the manufacture of clothing and fabrics. Cashmere wool is obtained from goats, mohair from goats, and angora from rabbits.


FIGURE 8. Wool is a fabric made from the sheared hair of sheep, llama, or other ruminants.

FOREST COMMODITIES

Timber is trees of forested areas considered as a source of wood. Wood is the raw material from which forest industries manufacture countless products for home, factory, and office. Some uses of wood are for lumber, pulpwood, veneer, poles, railroad ties, and pilings.
**Lumber**

Lumber is timber sawed into boards, planks, or other structural members of standard or specified length. It is further used to produce furniture and other manufactured items.

Random length lumber is lumber of varying lengths but generally in increments of evenly cut 2-foot boards.


**Pulpwood**

Pulpwood is wood that has been reduced either mechanically or chemically to pulp. Pulpwood is primarily used for the manufacture of paper, fiberboard, chemical products, and paperboard.


**Summary:**

A commodity is a raw material or unprocessed agricultural product that can be bought and sold. In a recent year, the top 10 agricultural commodity–producing states, in terms of cash receipts, were (in descending order) California, Iowa, Nebraska, Minnesota, Texas, Illinois, Kansas, North Carolina, Wisconsin, and Indiana.

Some of the best-known agricultural commodities used for food are corn, wheat, oats, rough rice, barley, soybean, canola (rapeseed), sugar, milk, cash-settled butter, cheese spot call, live cattle, feeder cattle, lean hogs, and frozen pork bellies.

Cotton and wool are the two primary agricultural commodities used to provide clothing and textiles.

Random length lumber is lumber of varying lengths but generally in increments of evenly cut 2-foot boards. Pulpwood is wood that has been reduced either mechanically or chemically to pulp.
Checking Your Knowledge:

1. What is a commodity?
2. What are the top agricultural commodity-producing states?
3. What are the major agricultural commodities used for food?
4. What are the major agricultural commodities used for fiber?
5. What is timber?

Expanding Your Knowledge:

Conduct research to determine which commodities are produced in your area. Is there a diversity of commodities, or are there basically one or two different commodities?

Web Links:

The Great Corn Adventure
http://www.urbanext.uiuc.edu/corn/A_03.html

Types of Grains

Top Agricultural Commodities Produced Worldwide and in Six Specific Countries
http://www.cropsreview.com/agricultural-commodities.html

Agricultural Career Profiles
http://www.mycaert.com/career-profiles