What are the effects of commodity prices on GDP Growth?

Evidence from Maize and Soybean Prices.

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Abstract: GDP growth is determined through a multitude of independent variables. Understanding each variables significance and predictive power can be utilized as an asset for increasing productivity, managing and understanding recessions, and improving GDP annual growth. This paper examines the significance and magnitude of the effects of two major agricultural commodity prices (maize and soybeans) on US GDP per capita. While these individual commodity prices do not prove significant, it is determined that the overall agricultural CPI does have strong predictive power of GDP per capita. Further research must be conducted to better understand this effect.