

Agricultural Market Situation and Outlook

WELCOME!

June 19, 2020

Use the Q&A tool
to ask questions

After the webinar you'll be invited
to complete a short survey

Macroeconomic: Unemployment and Net Farm Income

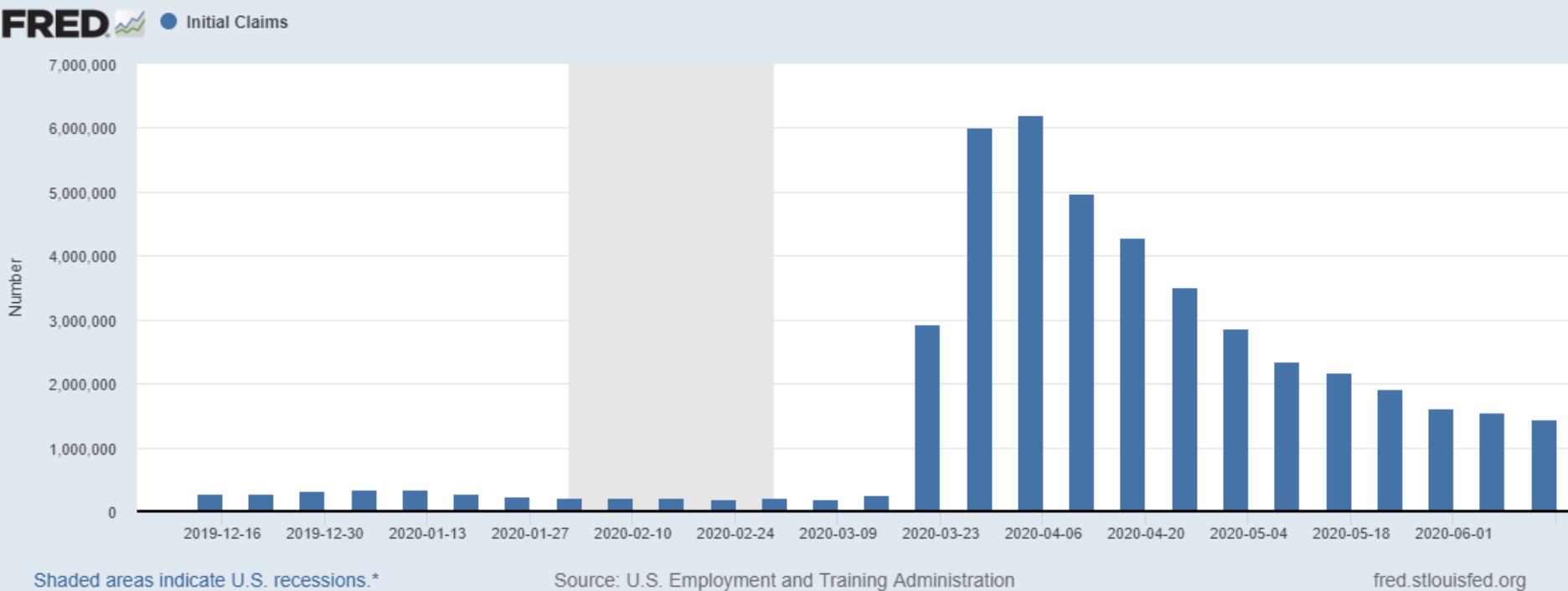
Bryon Parman

Cell – 701-261-5919

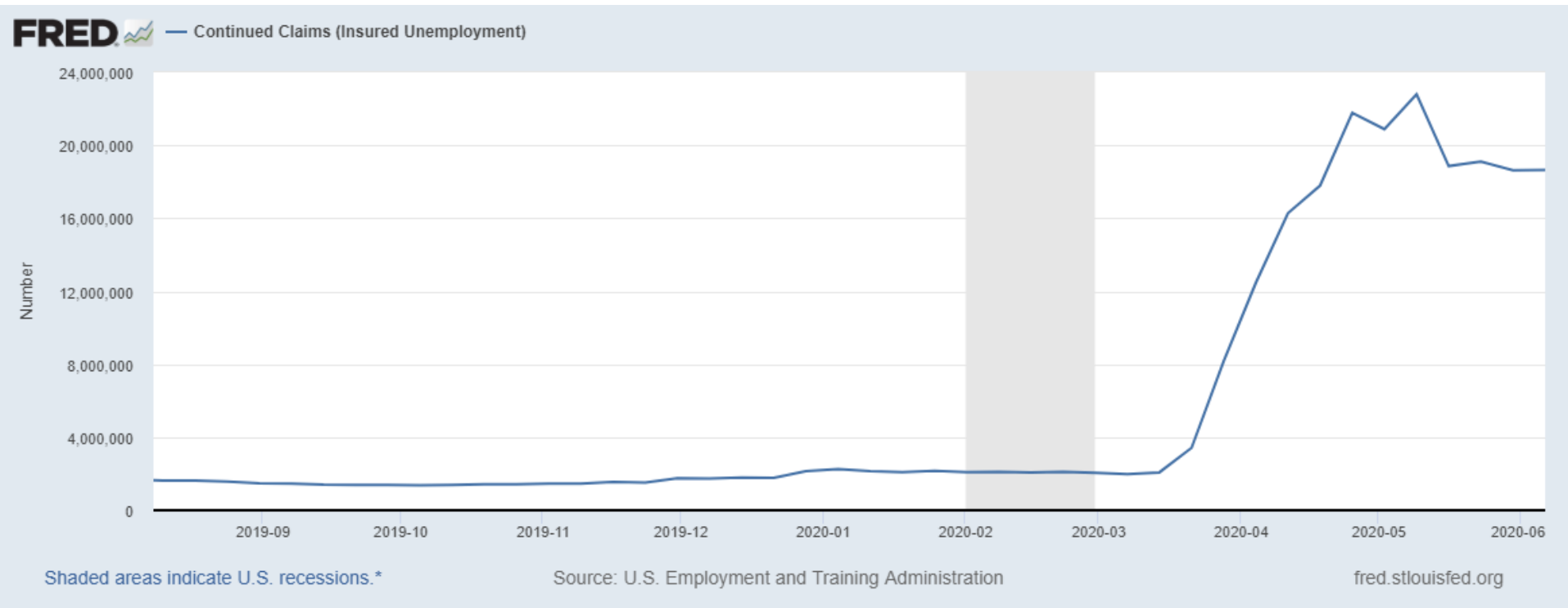
Bryon.Parman@ndsu.edu



Weekly Initial Jobless Claims, St. Louis Federal Reserve

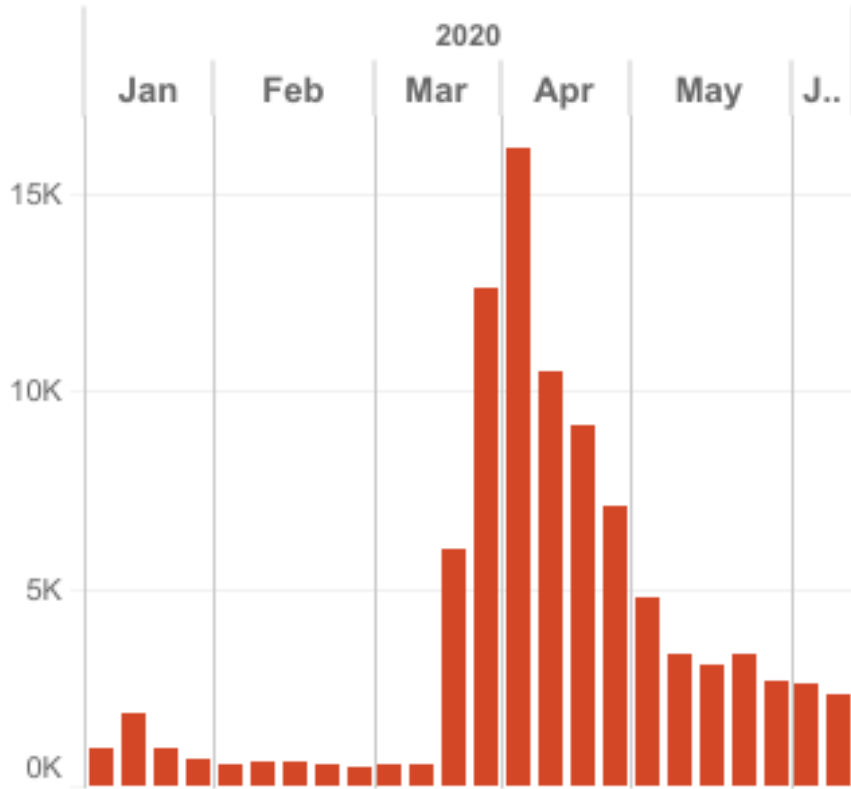


Weekly Continuous Jobless Claims

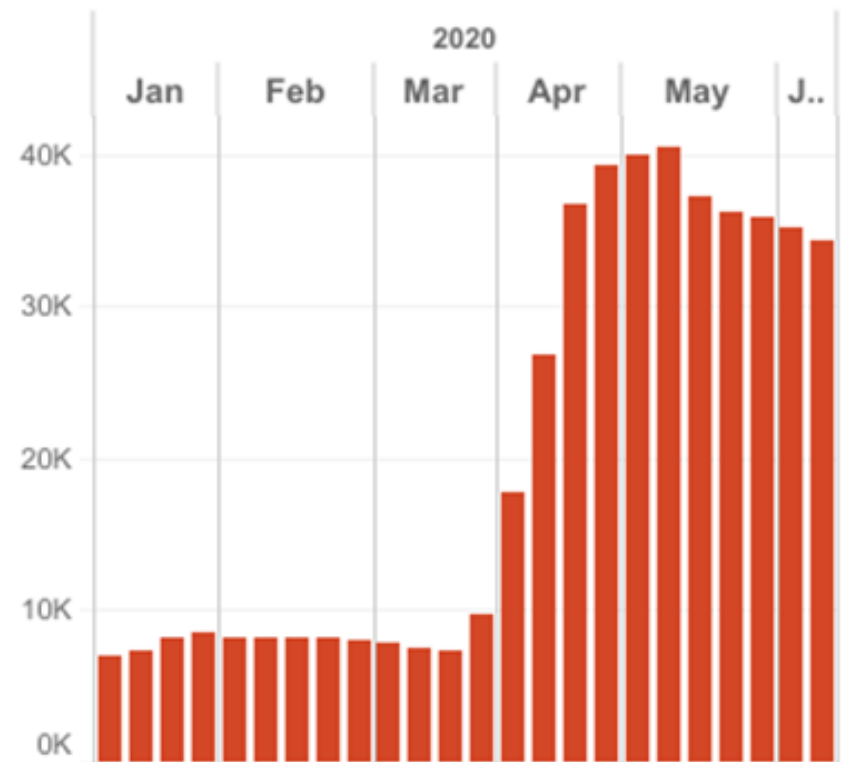


North Dakota Weekly New Jobless Claims and Continuous Claims

Weekly ND Initial Jobless Claims



Weekly ND Continuous Jobless Claims



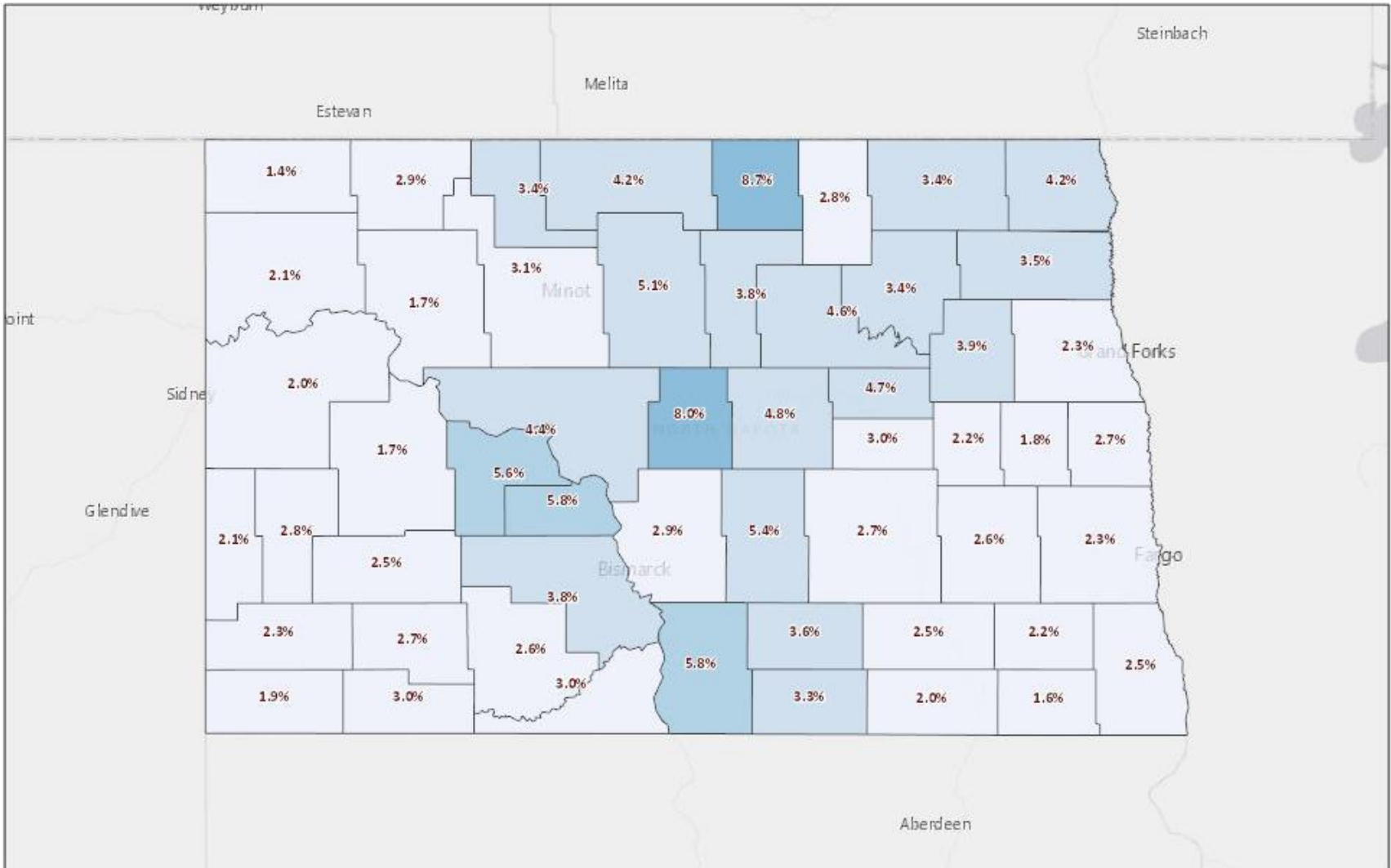
ND Employment Statistics

NORTH DAKOTA	Apr 2020	Mar 2020	Apr 2019
LABOR FORCE	405,229	402,720	401,447
Employed	367,918	391,913	391,484
Unemployed	37,311	10,807	9,963
Unemployment Rate (%)	9.2	2.7	2.5

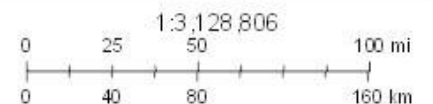
37,311 Unemployed is a North Dakota Record

National Unemployment rate was 14.7%

Unemployment Rate Map



June 17, 2020



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

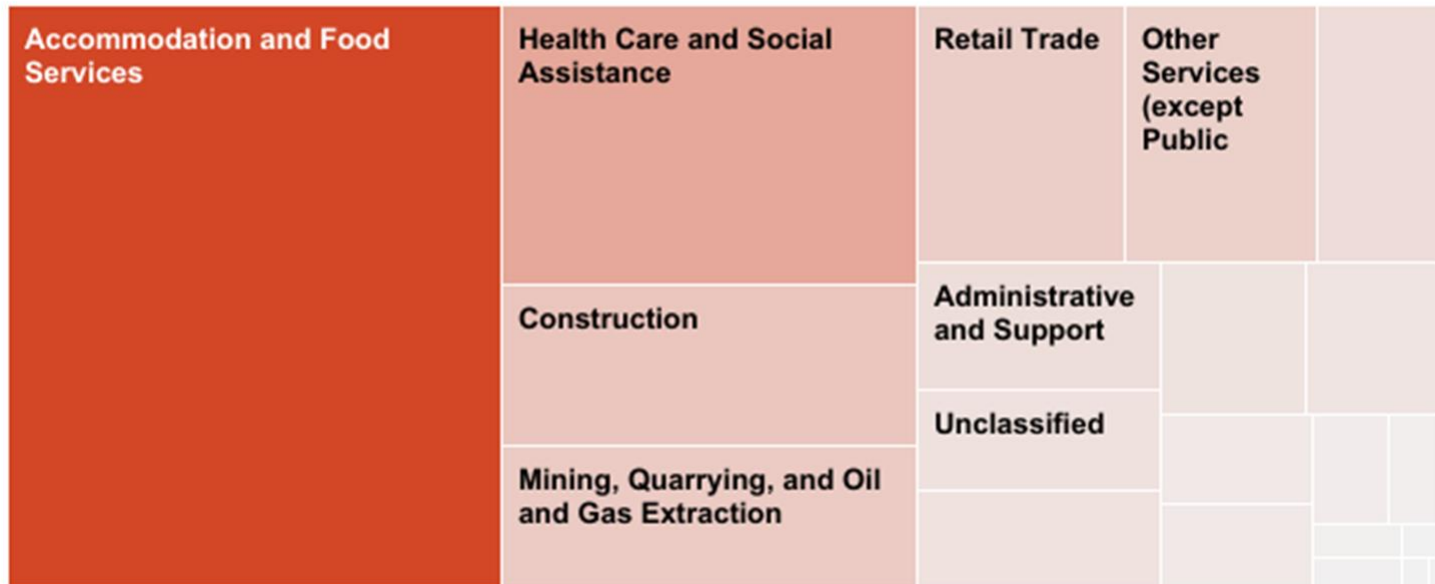
Source: Labor Market Information Center, Job Service North Dakota, LAUS Unit

Pre-Covid North Dakota Unemployment

ND Unemployed by Industry

Week ending Mar 21, 2020 ND Total initial claims **5,976**

Click on the tree map to filter data by level of detail



Last Updated 6/18/2020 7:30 AM

ND Unemployed by Industry

Week ending Apr 11, 2020 ND Total initial claims **10,504**

Click on the tree map to filter data by level of detail

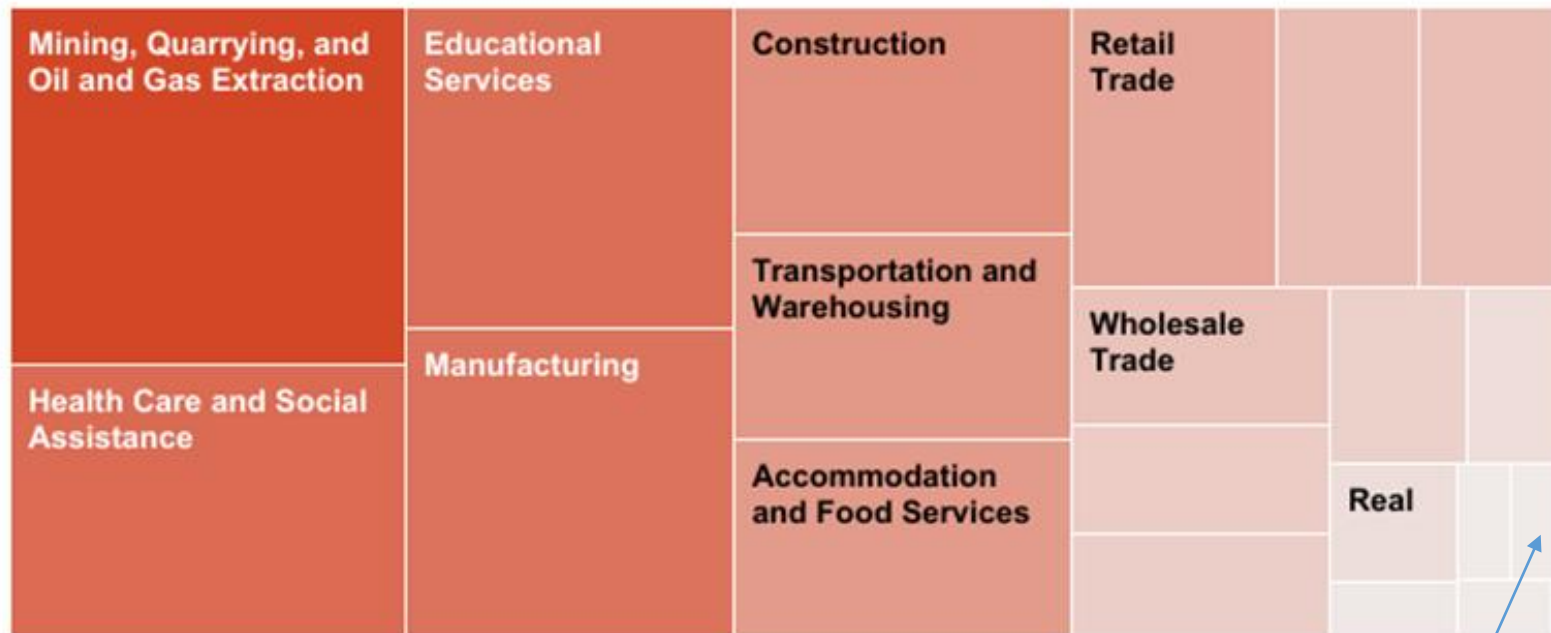


Last Updated 6/18/2020 7:30 AM

ND Unemployed by Industry

Week ending Jun 6, 2020 ND Total initial claims **2,568**

Click on the tree map to filter data by level of detail

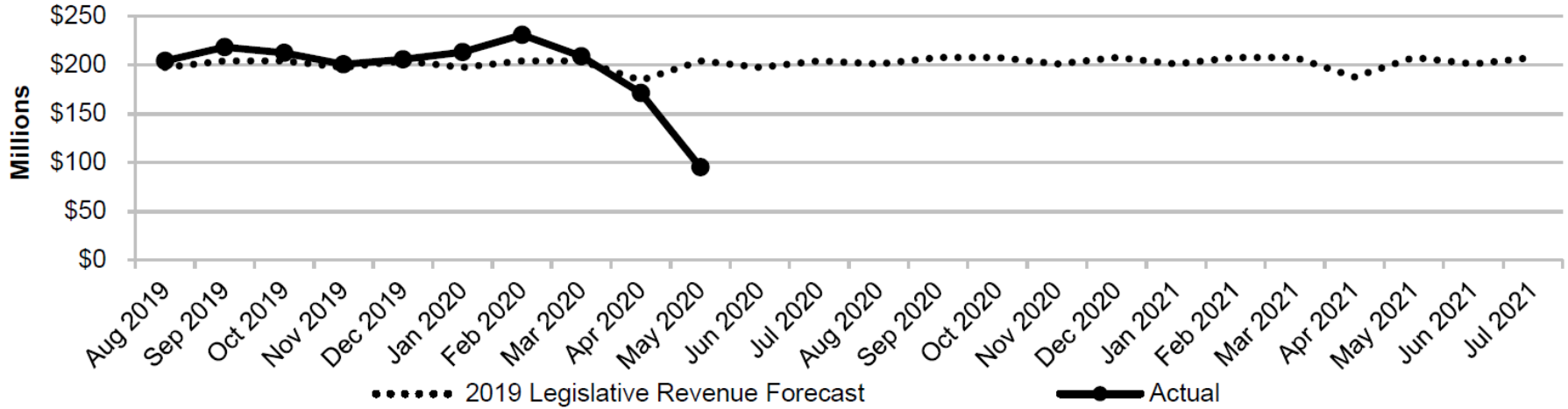


Last Updated 6/18/2020 7:30 AM

Ag., Forestry, Fishing,
Or Hunting

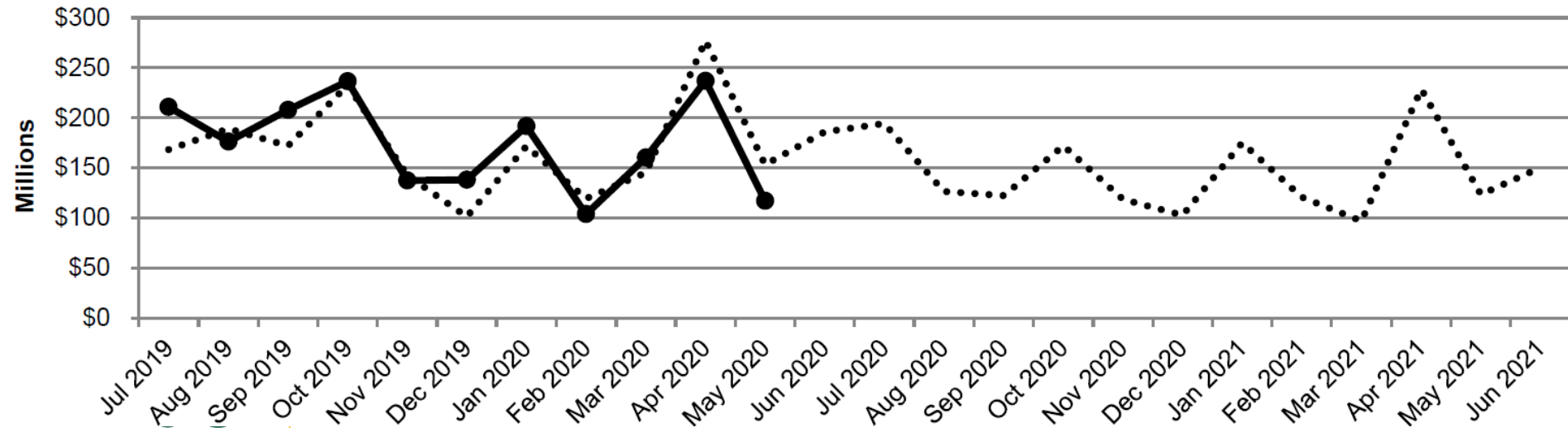
OIL AND GAS TAX REVENUE COLLECTIONS

The chart below provides information on total oil and gas tax revenue collections based on the 2019 legislative forecast and actual allocations through May 2020.



COMPARISON TO FORECAST - TAX AND FEE REVENUES

The chart below provides information on general fund tax and fee revenues based on the 2019 legislative forecast and actual allocations through May 2020.



ND June Report 2020 General Fund Taxes Collected

Amounts Shown in Millions								
	May 2020				Biennium to Date			
	Actual	Forecast	Variance		Actual	Forecast	Variance	
			Amount	Percent			Amount	Percent
Tax and fee revenues								
Sales and use taxes	\$50.05	\$77.46	(\$27.41)	(35%)	\$895.59	\$859.40	\$36.19	4%
Motor vehicle excise tax	7.30	11.06	(3.76)	(34%)	109.56	112.21	(2.65)	(2%)
Individual income tax	4.74	13.82	(9.08)	(66%)	334.07	378.41	(44.34)	(12%)
Corporate income tax	2.68	2.10	0.58	28%	80.97	52.74	28.23	54%
Oil and gas taxes	29.35	29.35	0.00	0%	329.67	329.67	0.00	0%
Coal conversion tax	1.71	1.65	0.06	4%	17.47	17.11	0.36	2%
Cigarette and tobacco tax	1.91	1.88	0.03	2%	23.07	22.17	0.90	4%
Wholesale liquor tax	0.74	0.77	(0.03)	(4%)	8.36	8.43	(0.07)	(1%)
Gaming tax	1.06	0.72	0.34	47%	10.36	3.66	6.70	183%
Insurance premium tax	10.51	10.49	0.02	0%	50.67	40.55	10.12	25%
Departmental collections	5.67	1.75	3.92	224%	26.72	30.02	(3.30)	(11%)
Interest income	0.86	0.38	0.48	126%	9.15	2.42	6.73	278%
Mineral leasing fees	0.71	1.90	(1.19)	(63%)	23.23	17.55	5.68	32%
Total tax and fee revenues	\$117.29	\$153.33	(\$36.04)	(24%)	\$1,918.89	\$1,874.34	\$44.55	2%
Transfers and other sources								
Bank of North Dakota profits	\$35.00	\$35.00	\$0.00	0%	\$70.00	\$70.00	\$0.00	0%
Mill and Elevator Association profits	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
Lottery	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
Gas tax administration	0.00	0.00	0.00	N/A	1.00	1.00	0.00	0%
Legacy fund	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
Tax relief fund	0.00	0.00	0.00	N/A	8.60	8.60	0.00	0%
Strategic investment and improvements fund	0.00	0.00	0.00	N/A	382.20	382.20	0.00	0%
Research North Dakota fund	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
Remaining transfers and other sources	0.00	0.00	0.00	N/A	0.90	0.00	0.90	N/A
Total transfers and other sources	\$35.00	\$35.00	\$0.00	0%	\$462.70	\$461.80	\$0.90	0%
Total general fund revenues	\$152.29	\$188.33	(\$36.04)	(19%)	\$2,381.59	\$2,336.14	\$45.45	2%

ND May 2020 Oil and Gas Taxes

	Amounts Shown in Millions							
	May 2020				Biennium to Date			
	Actual	Forecast	Variance		Actual	Forecast	Variance	
Amount			Percent	Amount			Percent	
Three Affiliated Tribes	\$10.32	\$22.10	(\$11.78)	(53%)	\$213.10	\$216.73	(\$3.63)	(2%)
Legacy fund	25.54	54.62	(29.08)	(53%)	524.85	535.65	(10.80)	(2%)
North Dakota outdoor heritage fund	0.00	0.00	0.00	N/A	7.50	7.50	0.00	0%
Abandoned well reclamation fund	0.33	0.67	(0.34)	(51%)	5.84	5.88	(0.04)	(1%)
Political subdivisions	13.75	25.12	(11.37)	(45%)	283.08	279.06	4.02	1%
Common schools trust fund	3.85	8.98	(5.13)	(57%)	82.28	88.03	(5.75)	(7%)
Foundation aid stabilization fund	3.85	8.98	(5.13)	(57%)	82.28	88.03	(5.75)	(7%)
Resources trust fund	7.89	18.40	(10.51)	(57%)	168.68	180.46	(11.78)	(7%)
Oil and gas research fund	0.60	1.31	(0.71)	(54%)	11.90	12.02	(0.12)	(1%)
State energy research center fund	0.00	0.00	0.00	N/A	5.00	5.00	0.00	0%
General fund	29.35	64.01	(34.66)	(54%)	329.67	308.88	20.79	7%
Tax relief fund	0.00	0.00	0.00	N/A	200.00	200.00	0.00	0%
Budget stabilization fund	0.00	0.00	0.00	N/A	48.43	75.00	(26.57)	(35%)
Lignite research fund	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
State disaster relief fund	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
Municipal infrastructure fund	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
Strategic investment and improvements fund	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
County and township infrastructure fund	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
Airport infrastructure fund	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
Total oil and gas tax revenue allocations	\$95.48	\$204.19	(\$108.71)	(53%)	\$1,962.61	\$2,002.24	(\$39.63)	(2%)

COVID-19 Crop Marketing Plan Update

Frayne Olson

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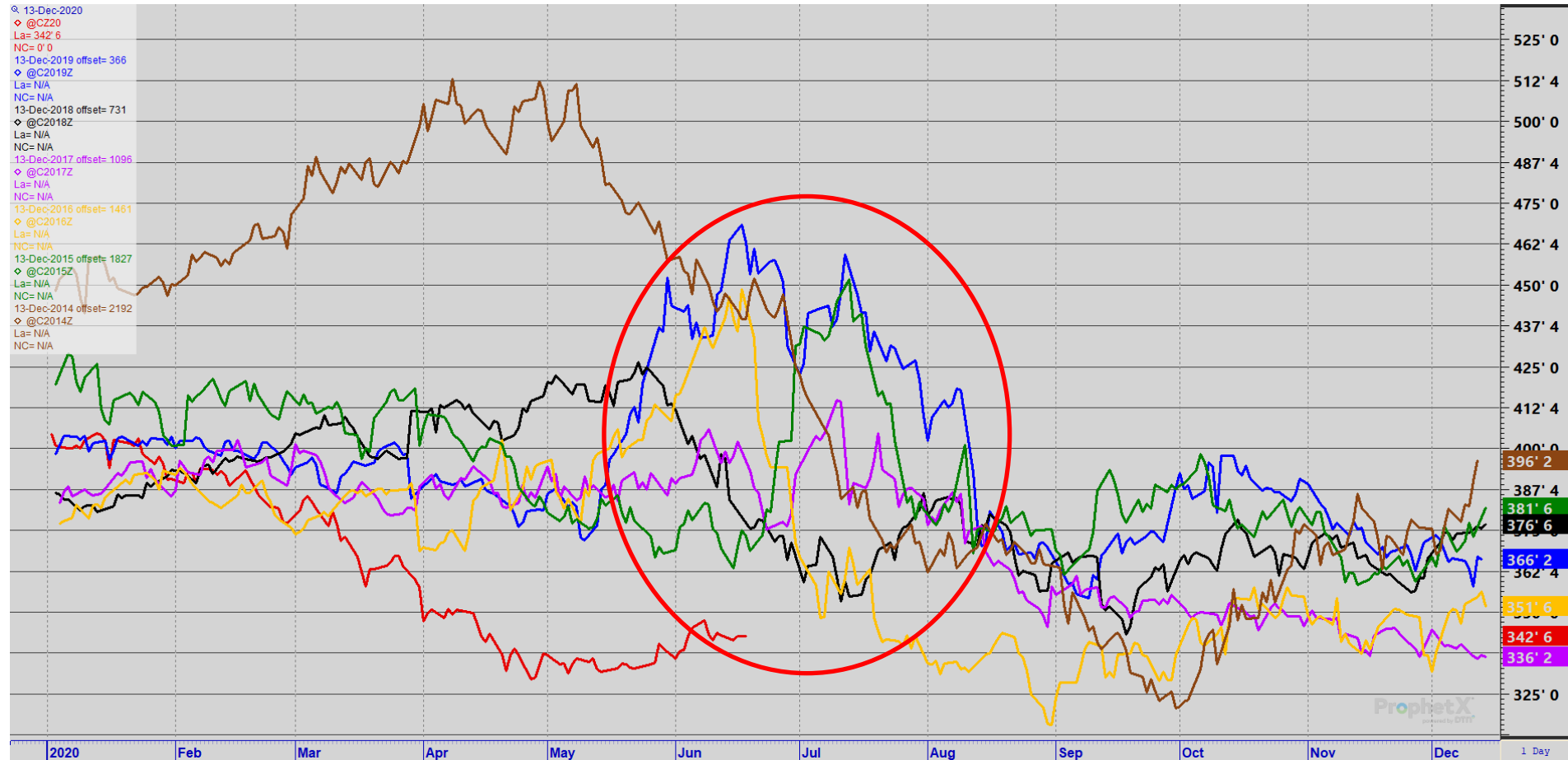
Mechanics of a Marketing Plan

- **Set pricing objectives.**
- **Set timing objectives.**
- Choose the correct marketing tool.
- **Monitor market conditions.**
- Update or modify when needed.
- Implement!

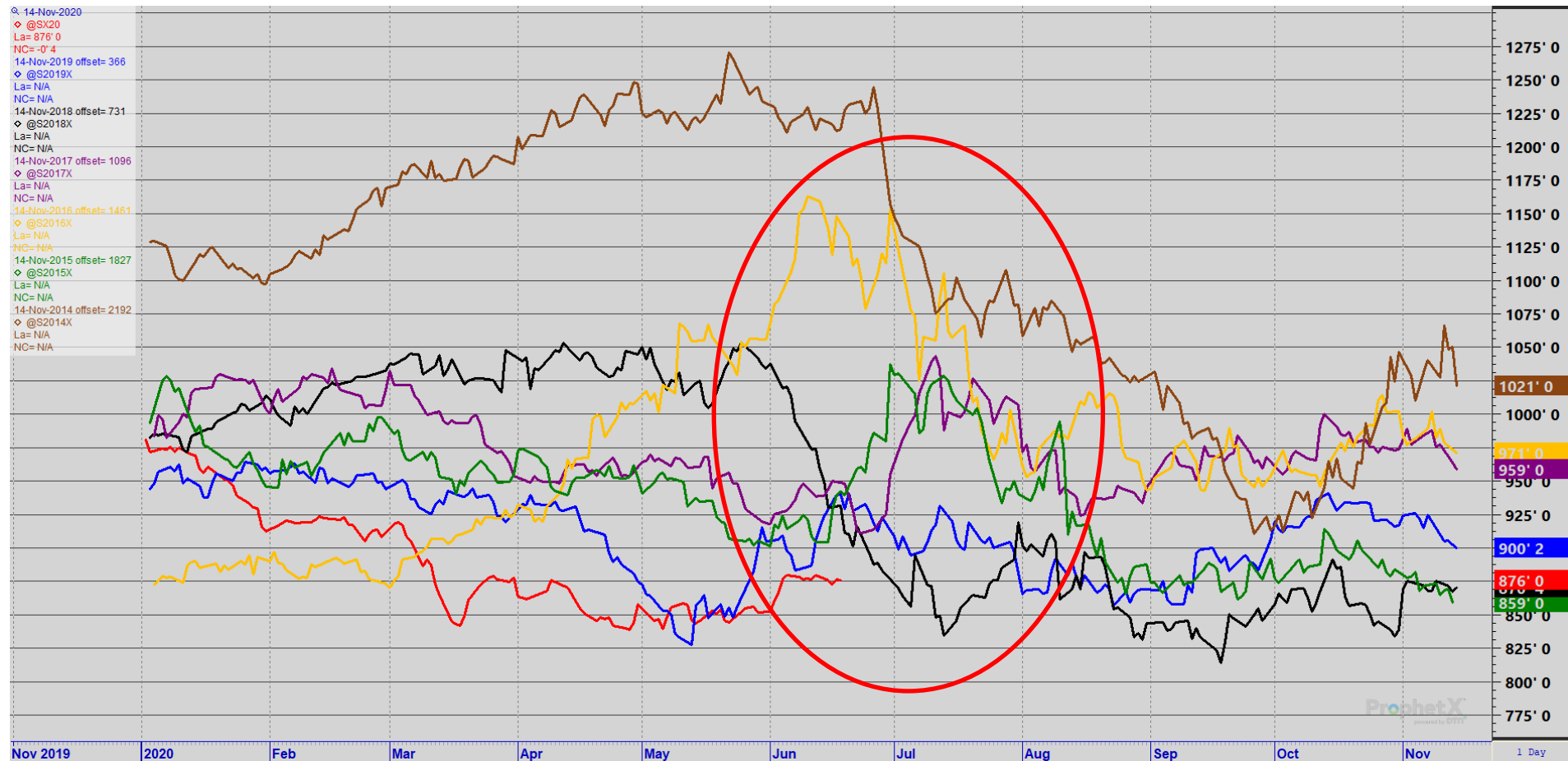
What Could Change Current Market Psychology?

- **Weather concerns impacting yields and quality:**
 - Wheat – Winter wheat harvest progress in July
 - Corn – Pollination in July
 - Soybeans – Pod filling in August
 - Brazilian safrinha corn filling (May)
 - Black Sea winter wheat harvest (July)
- Ethanol production and consumption (weekly)
- Export sales (weekly):
 - U.S. – China Phase One Agreement
 - Economic recovery in Mexico, Japan, China and South Asia

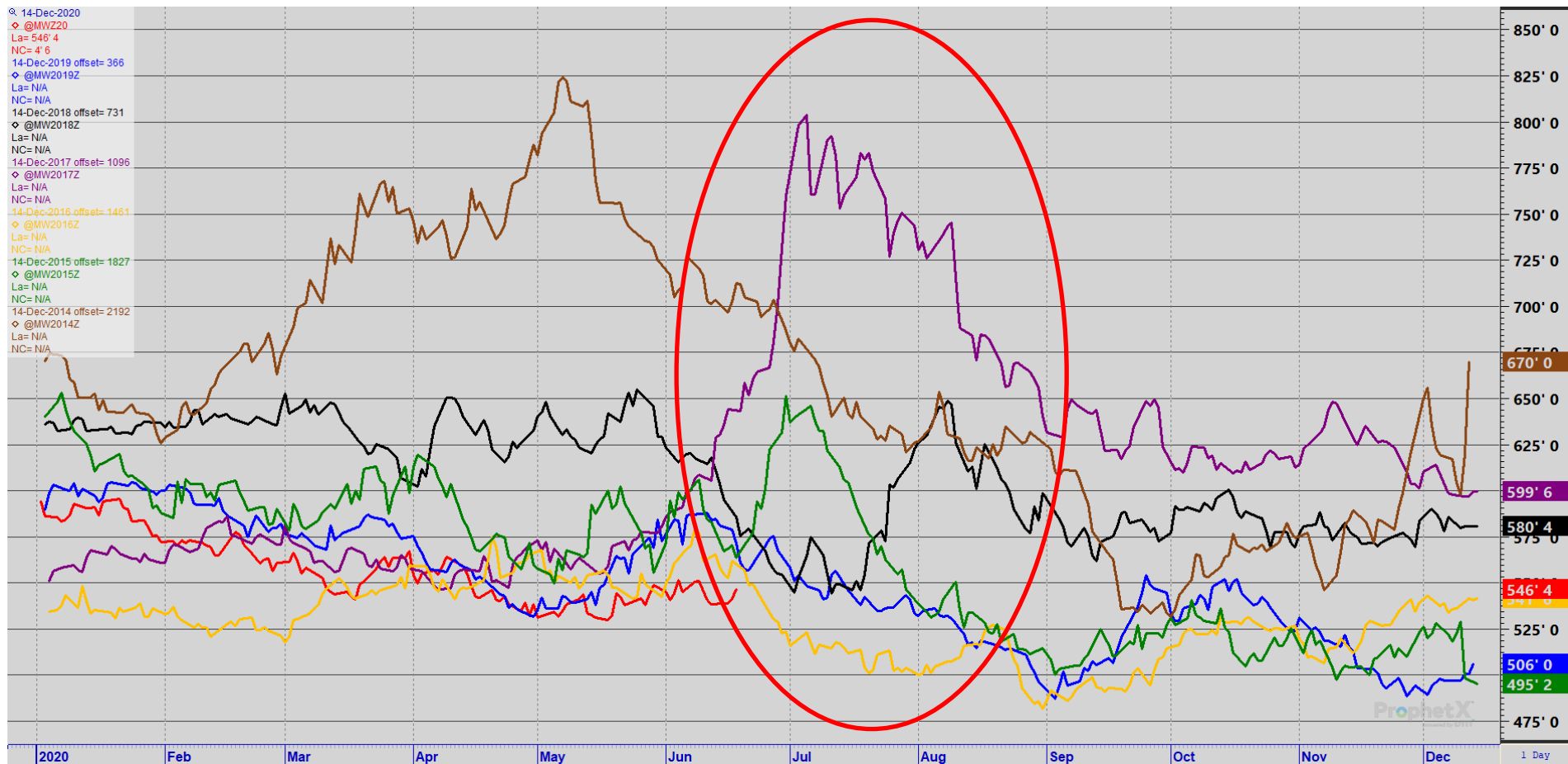
Review of Seasonal Price Patterns: Corn – Dec. CBOT



Review of Seasonal Price Patterns: Soybean – Nov. CBOT



Review of Seasonal Price Patterns: Spring Wheat – Dec. MGEX



Weekly USDA Crop Progress Report

Corn Condition – Selected States: Week Ending June 14, 2020

State	Very Poor (Percent)	Poor (Percent)	Fair (Percent)	Good (Percent)	Excellent (Percent)
Iowa	-	2	15	68	15
Illinois	3	7	27	48	15
Nebraska	1	2	26	54	17
Minnesota	1	2	13	61	23
Indiana	2	6	26	56	10
North Dakota	-	1	27	64	8
18 States	1	4	24	56	15
Previous Week	1	3	21	60	15
Previous Year	2	8	31	52	7

Weekly USDA Crop Progress Report

Soybean Condition – Selected States: Week Ending June 14, 2020

State	Very Poor (Percent)	Poor (Percent)	Fair (Percent)	Good (Percent)	Excellent (Percent)
Illinois	3	5	28	51	13
Iowa	-	1	17	68	14
Minnesota	-	1	15	63	21
Indiana	2	5	26	57	10
Nebraska	1	2	19	62	16
North Dakota	-	1	25	68	6
18 States	1	3	24	60	12
Previous Week	1	3	24	60	12
Previous Year	(NA)	(NA)	(NA)	(NA)	(NA)

Weekly USDA Crop Progress Report

Spring Wheat Condition – Selected States: Week Ending June 14, 2020

State	Very Poor (Percent)	Poor (Percent)	Fair (Percent)	Good (Percent)	Excellent (Percent)
North Dakota	-	3	19	73	5
Montana	-	1	15	78	6
Minnesota	1	1	10	67	21
Idaho	-	1	21	66	12
South Dakota	-	2	28	65	5
Washington	-	5	9	65	21
6 States	-	2	17	73	8
Previous Week	-	1	17	72	10
Previous Year	1	1	21	69	8

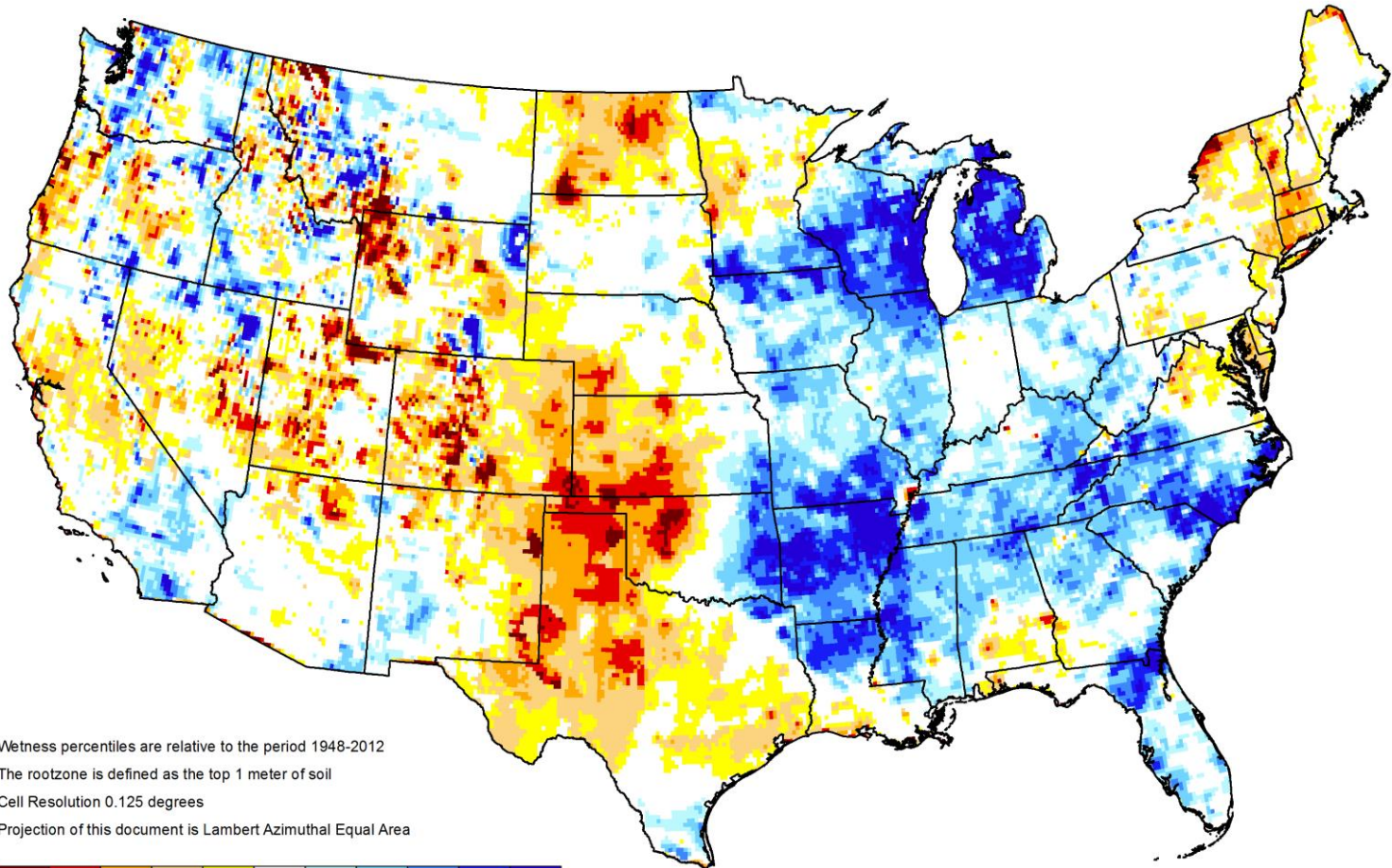
Winter Wheat Harvest Update

- Harvest Progress as of June 19, 2020:
 - Texas 63% complete
 - Oklahoma 92% complete
 - Kansas 2% complete
- Wide range of yields reported, depending upon freeze damage and dry conditions:
 - 20 bu./a. to over 60 bu./a. (53.6 bu./a. was 2019 avg.)
- Test weights are average:
 - Range from 58 lbs./bu. To 65 lbs./bu.
 - Averaging 62 lbs./bu. (60 lbs./bu. is base)
- Protein content is also extremely variable:
 - Range from 9% to over 14%
 - Averaging 11% (11.5% was 2019 average)



GRACE-Based Root Zone Soil Moisture Drought Indicator

June 15, 2020

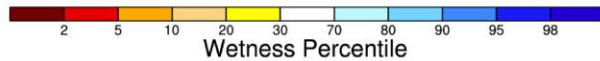


Wetness percentiles are relative to the period 1948-2012

The rootzone is defined as the top 1 meter of soil

Cell Resolution 0.125 degrees

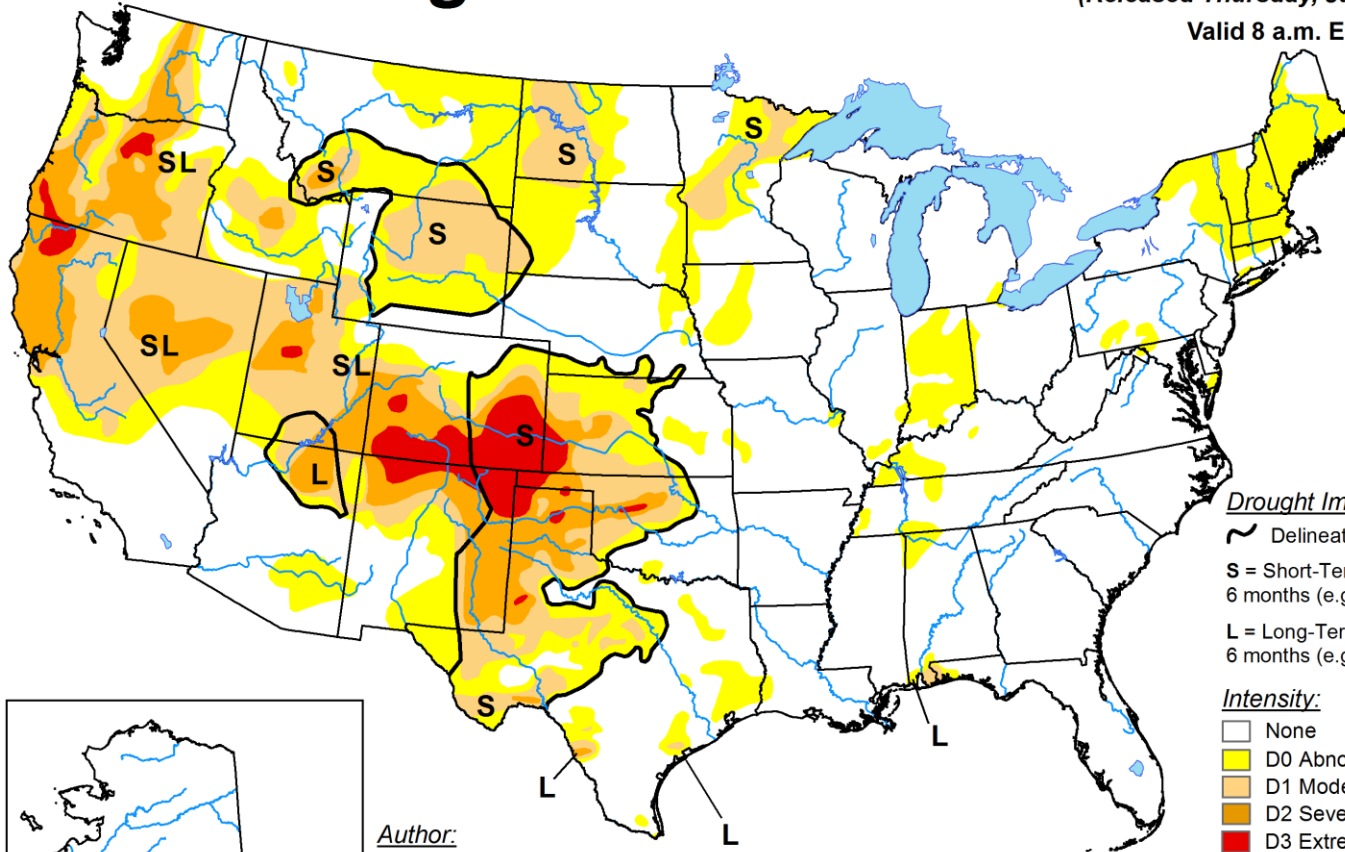
Projection of this document is Lambert Azimuthal Equal Area



<https://nasagrace.unl.edu>

U.S. Drought Monitor

June 16, 2020
 (Released Thursday, Jun. 18, 2020)
 Valid 8 a.m. EDT

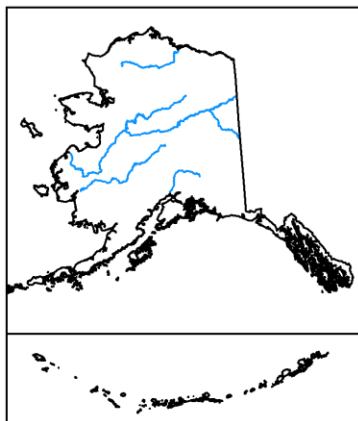


Drought Impact Types:

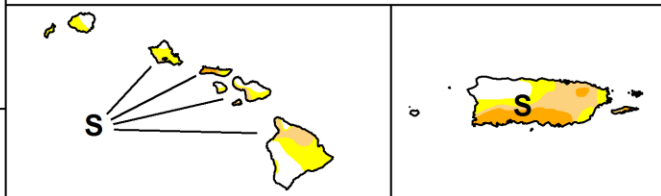
- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought



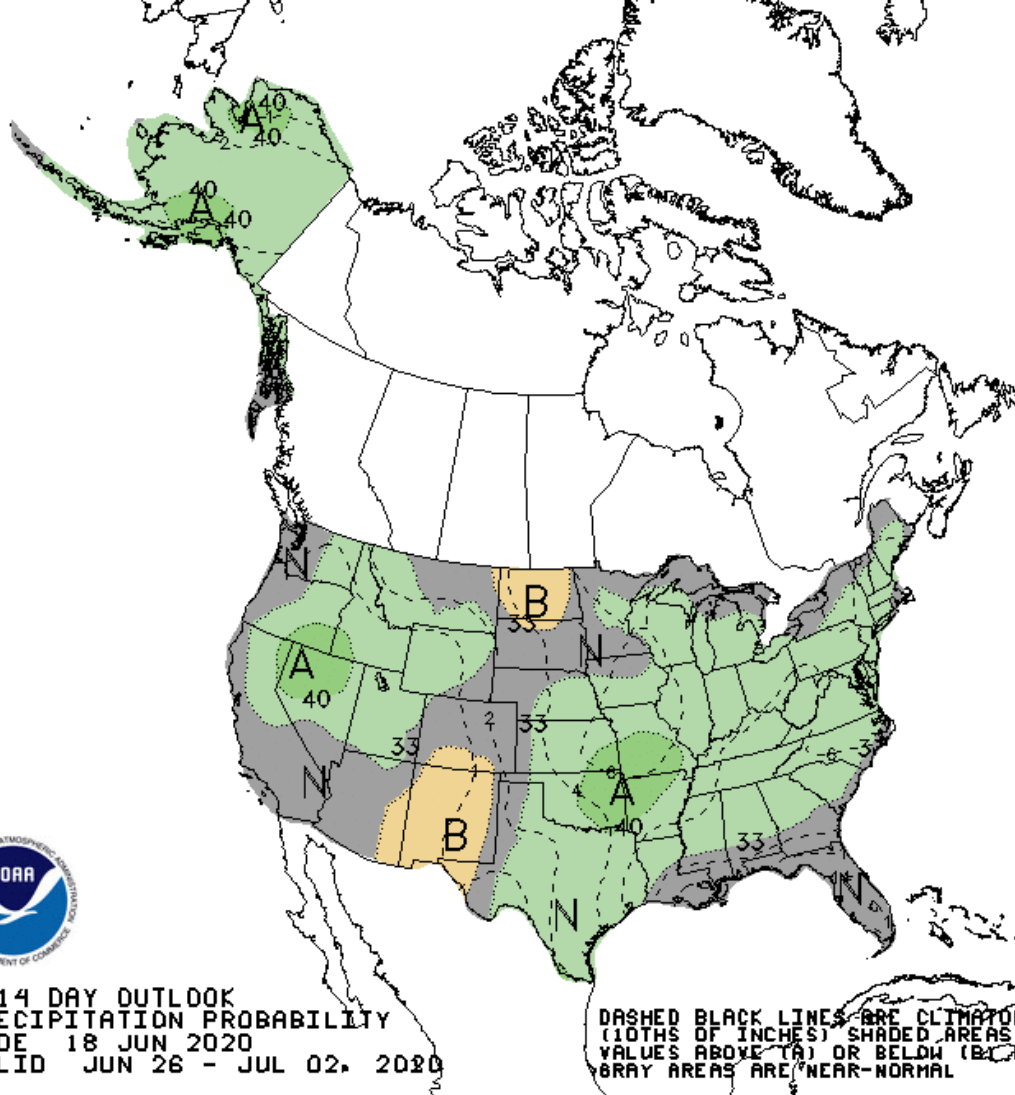
Author:
 Richard Tinker
 CPC/NOAA/NWS/NCEP



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

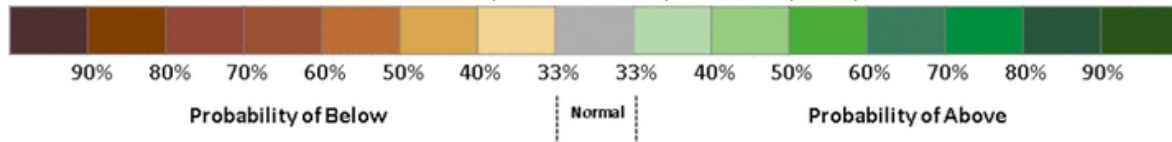


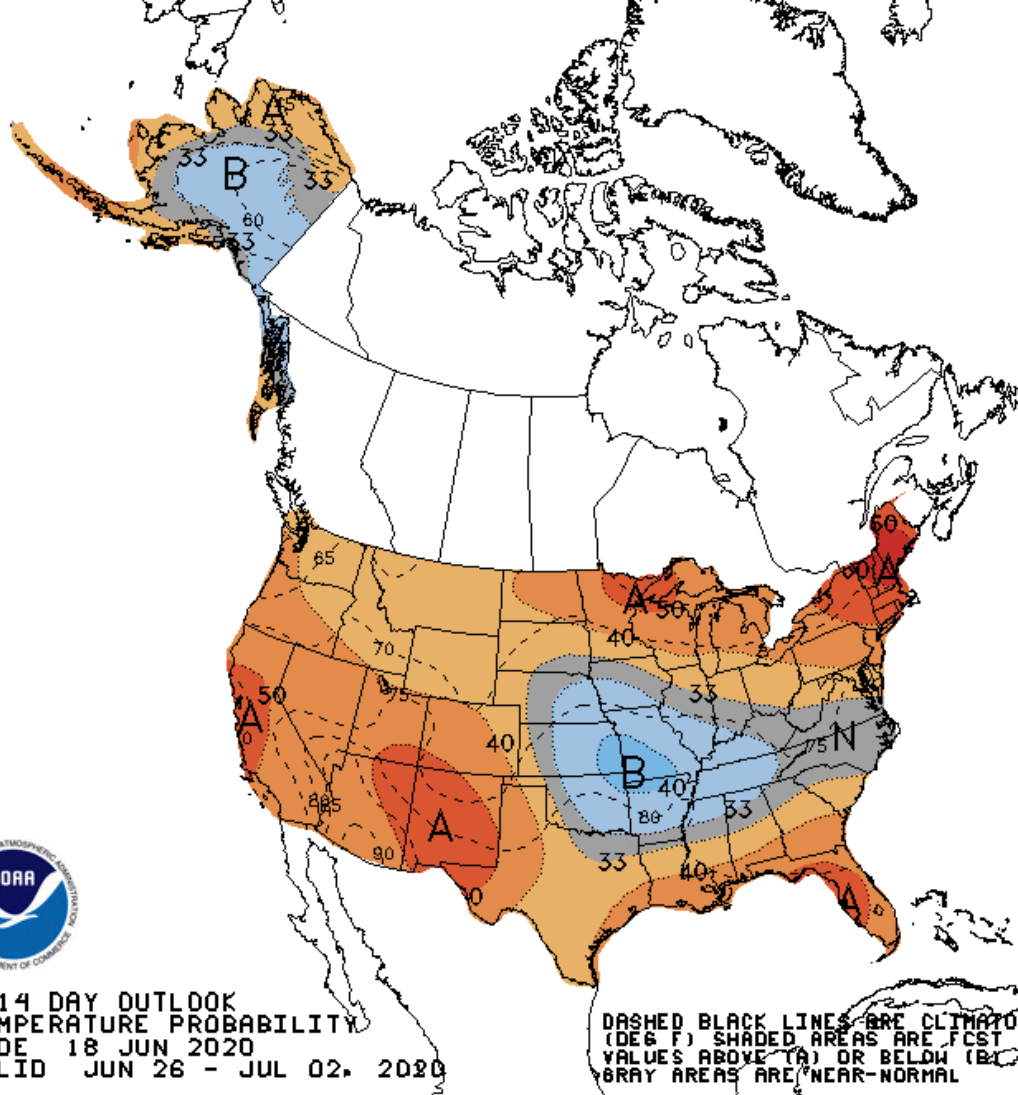
droughtmonitor.unl.edu



8-14 DAY OUTLOOK
 PRECIPITATION PROBABILITY
 MADE 18 JUN 2020
 VALID JUN 26 - JUL 02, 2020

DASHED BLACK LINES ARE CLIMATOLOGY
 (10THS OF INCHES) SHADED AREAS ARE FCS
 VALUES ABOVE (A) OR BELOW (B) NORMAL
 GRAY AREAS ARE NEAR-NORMAL

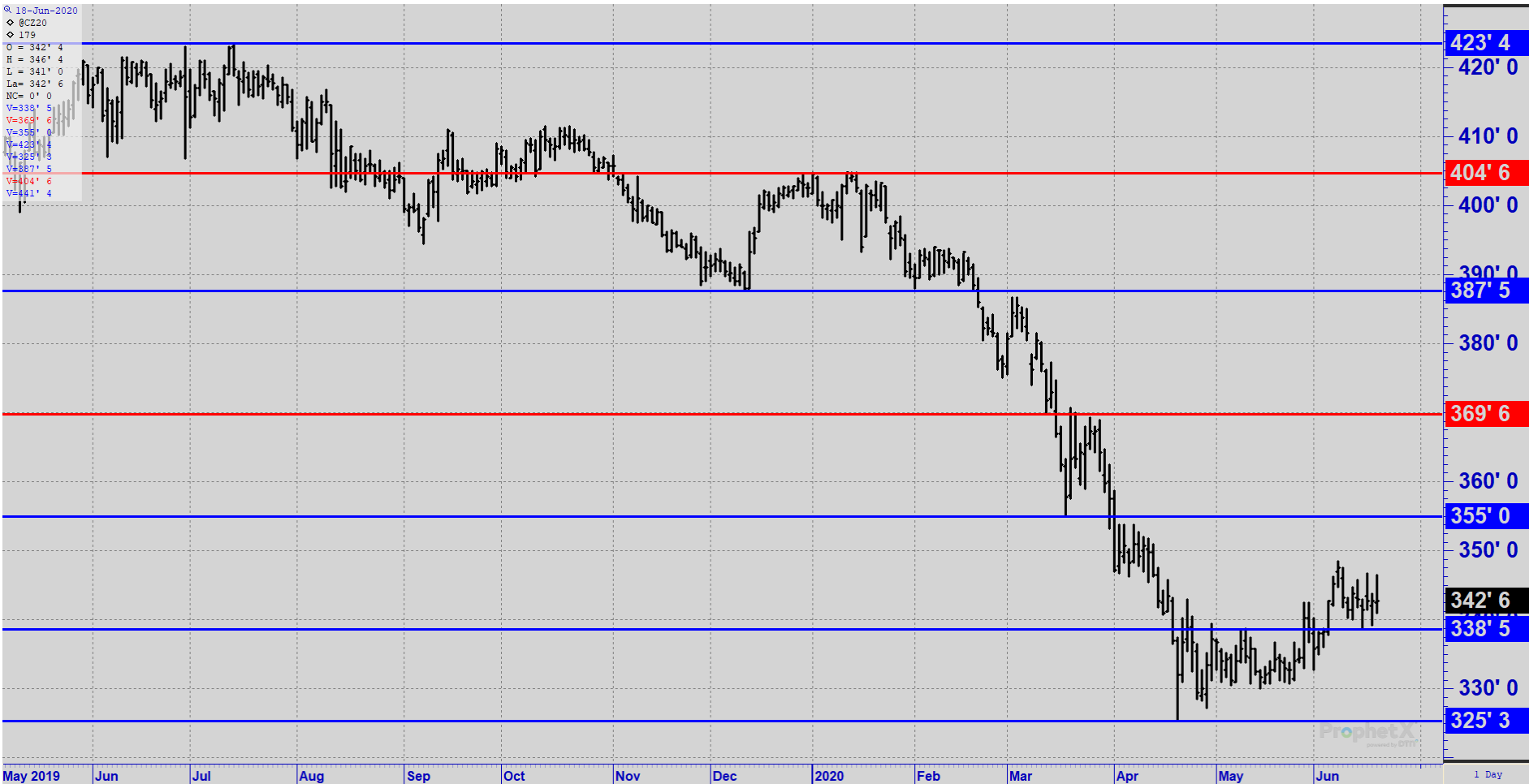




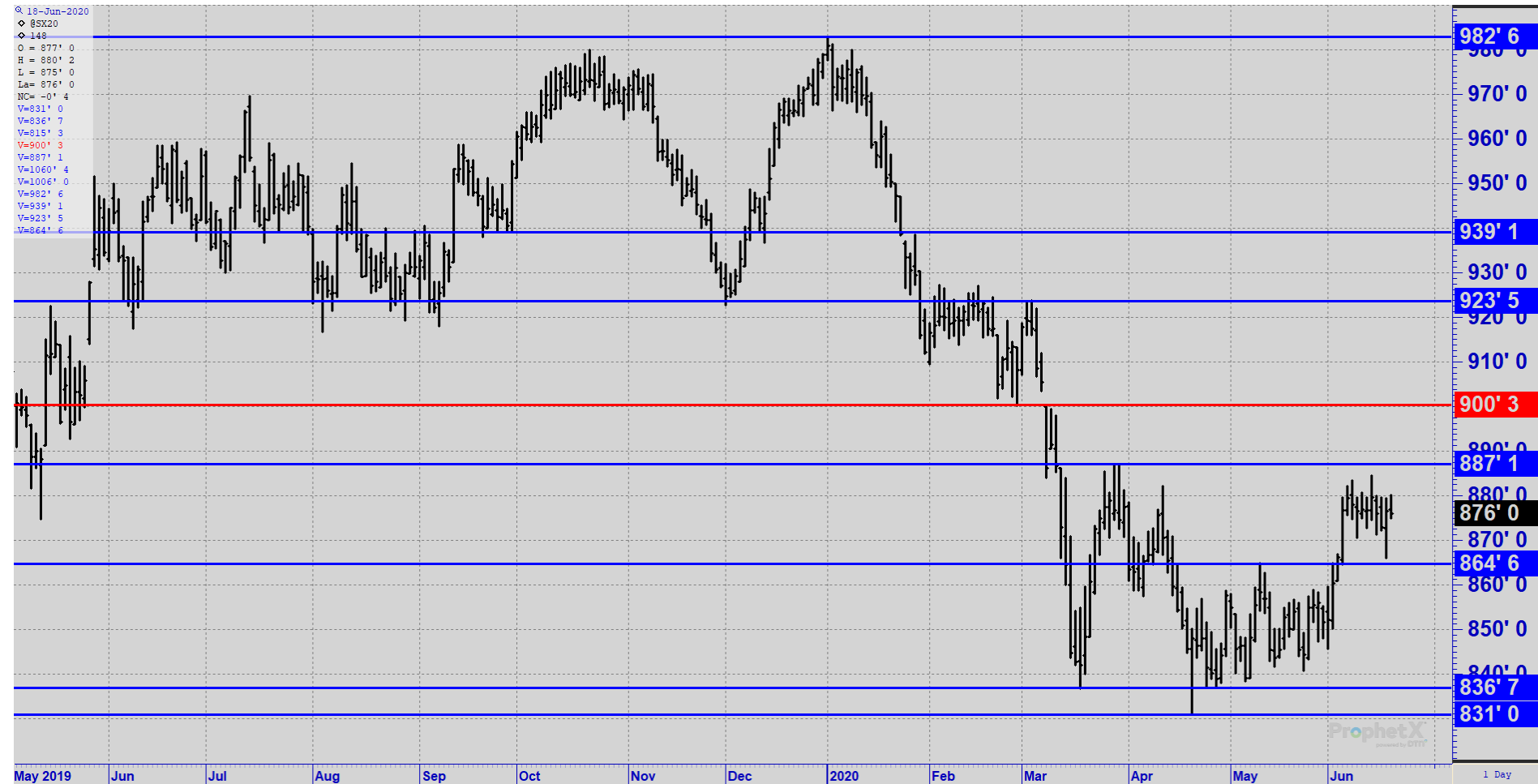
8-14 DAY OUTLOOK
 TEMPERATURE PROBABILITY
 MADE 18 JUN 2020
 VALID JUN 26 - JUL 02, 2020

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL

Setting Price Targets: Corn – Dec. CBOT



Setting Price Targets: SB – Nov. CBOT



Setting Price Targets: HRS – Sep. MGEX



LIVESTOCK PRICE SITUATION AND OUTLOOK

Tim Petry

Extension Livestock Marketing
Economist

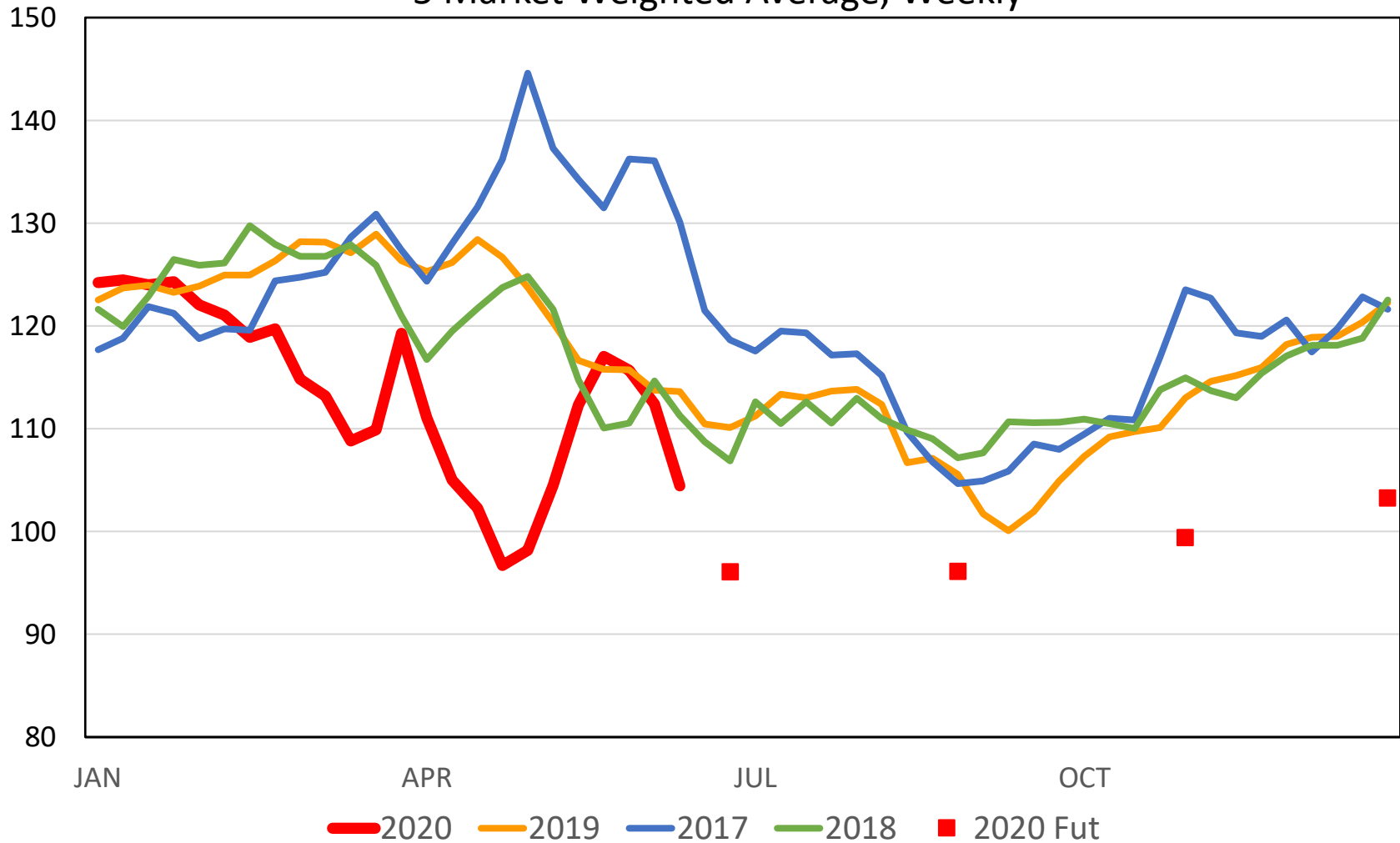
Tim.Petry@ndsu.edu

www.ndsu.edu/livestockeconomics



SLAUGHTER STEER PRICES

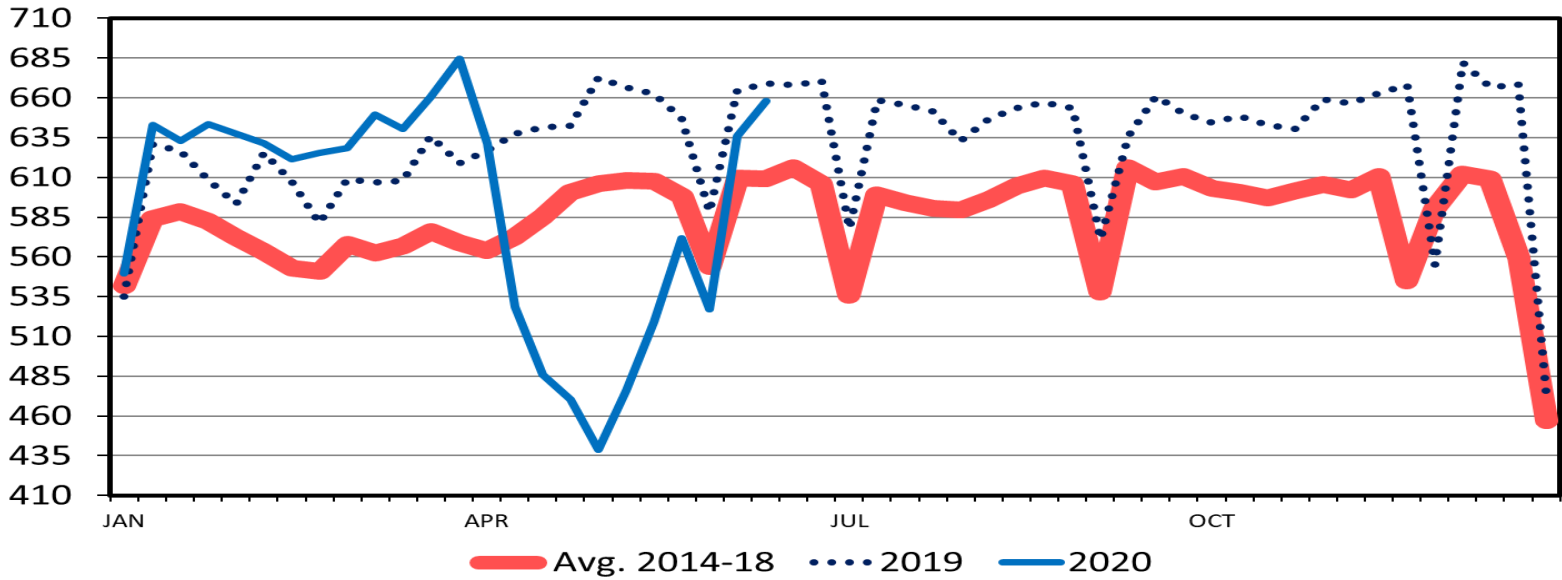
5 Market Weighted Average, Weekly



CATTLE SLAUGHTER

Federally Inspected, Weekly

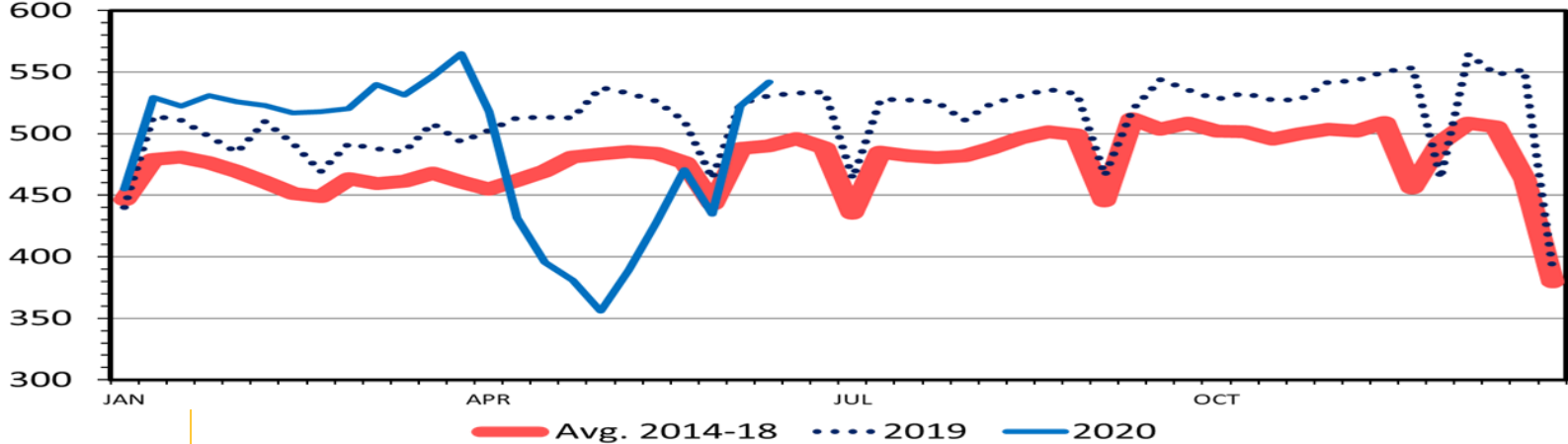
Thou. Head



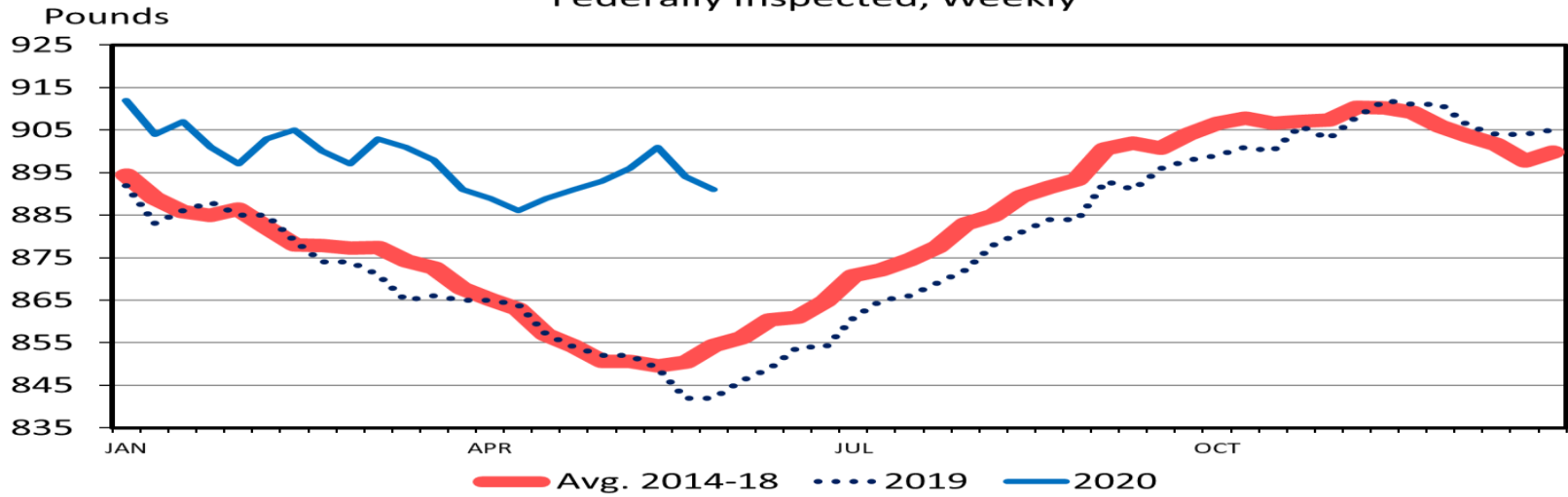
BEEF PRODUCTION

Federally Inspected, Weekly

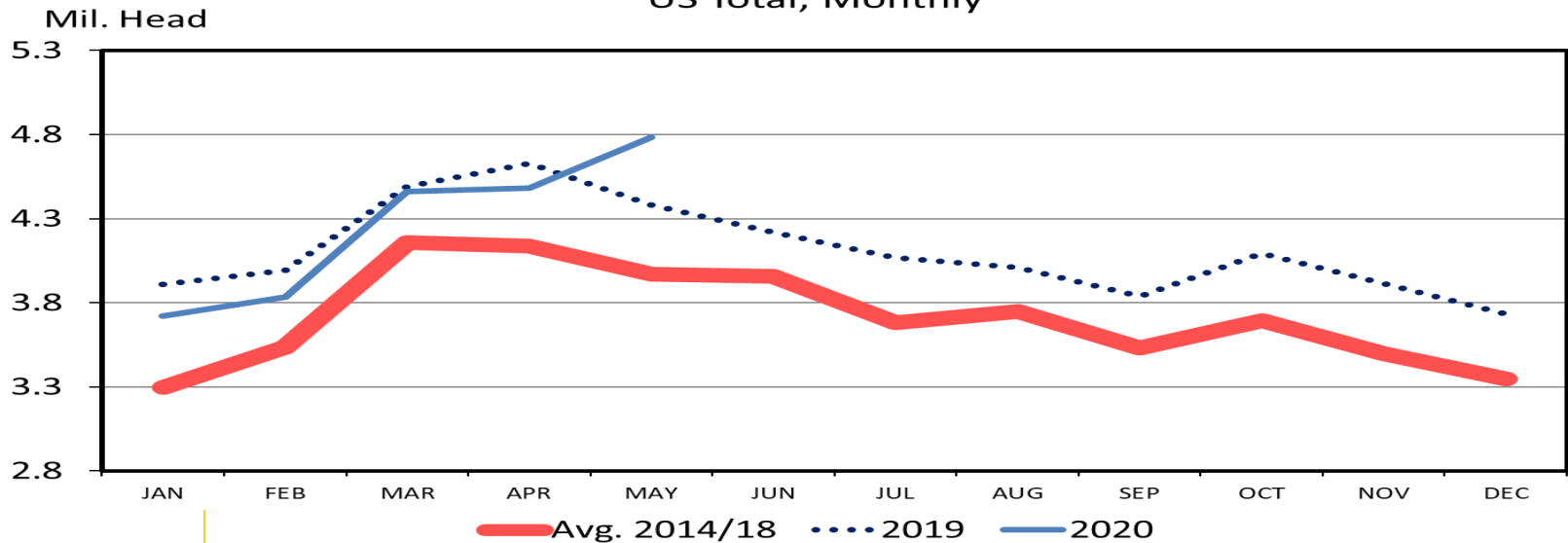
Mil. Pounds



STEER DRESSED WEIGHT Federally Inspected, Weekly



CATTLE ON FEED OVER 120 DAYS US Total, Monthly





National Agricultural Statistics Service

Today's Reports

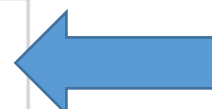
Jun 19, 2020

Cattle on Feed

Cattle on Feed

Released at 3:00 pm ET

	Average of Estimates	Range of Estimates
On-feed June 1	99.0	95.5 – 100.0
Placed in May	97.6	81.2 – 102.2
Marketed in May	73.6	72.7 – 76.8

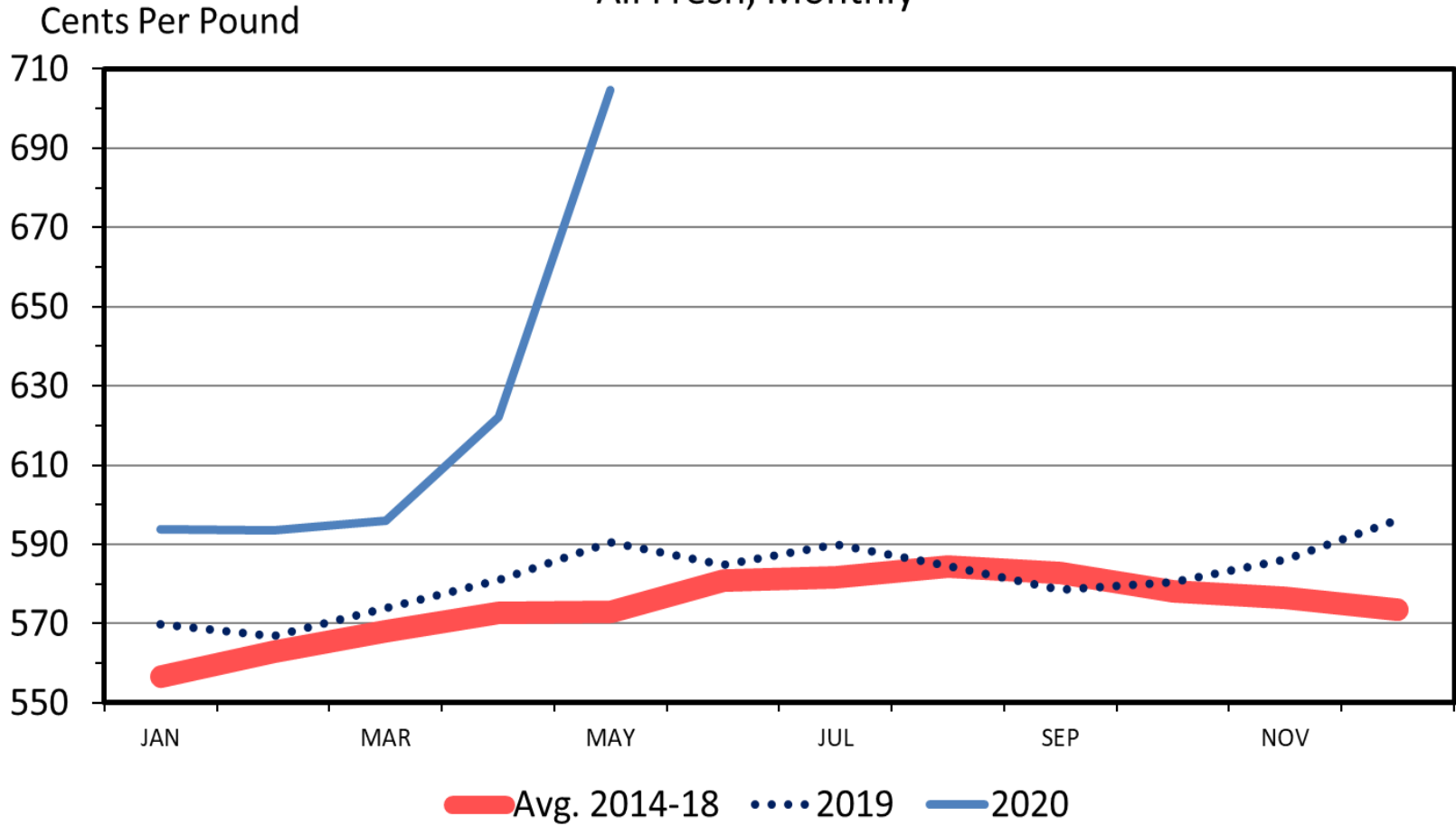


Analyst	On-Feed June 1	Placed in May	Marketed May
Allegiant	99.4	99.6	73.5
Allendale Inc	99.0	99.8	75.7
HedgersEdge.com	97.9	91.4	74.3
Linn Group	95.5	81.2	76.8
LMIC	99.7	101.3	73.2
Mike Sands	98.0	92.0	73.0
New Frontier Capital	99.2	98.1	72.7
N.Dakota State Univ.	99.1	99.5	73.2
Steiner Consulting	100.0	102.0	73.2
Texas A&M University	99.9	102.2	73.2
US Commodities	98.6	94.5	72.9

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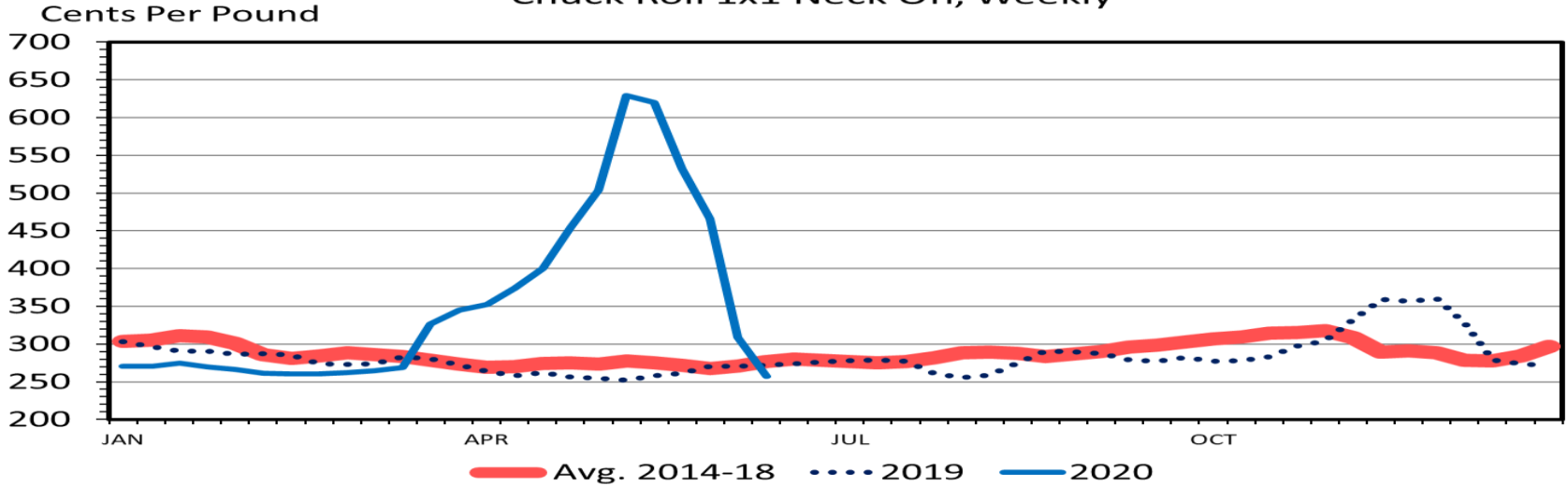
RETAIL BEEF PRICE

All Fresh, Monthly



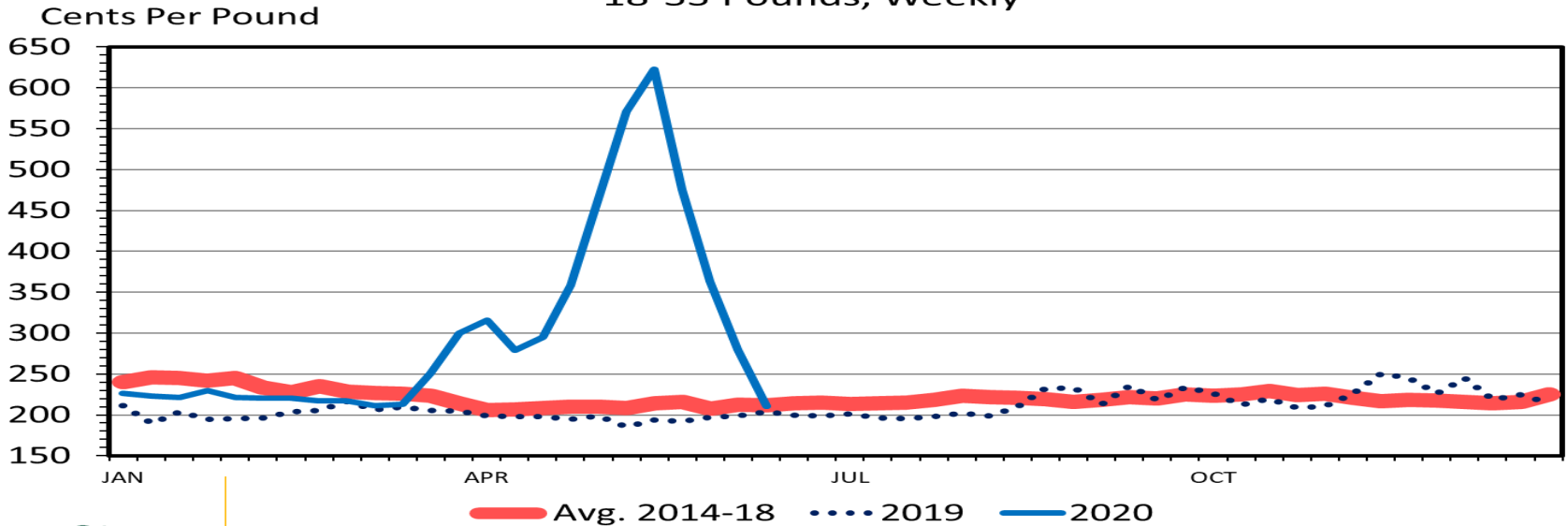
WHOLESALE BEEF CHUCK PRICES

Chuck Roll 1x1 Neck Off, Weekly



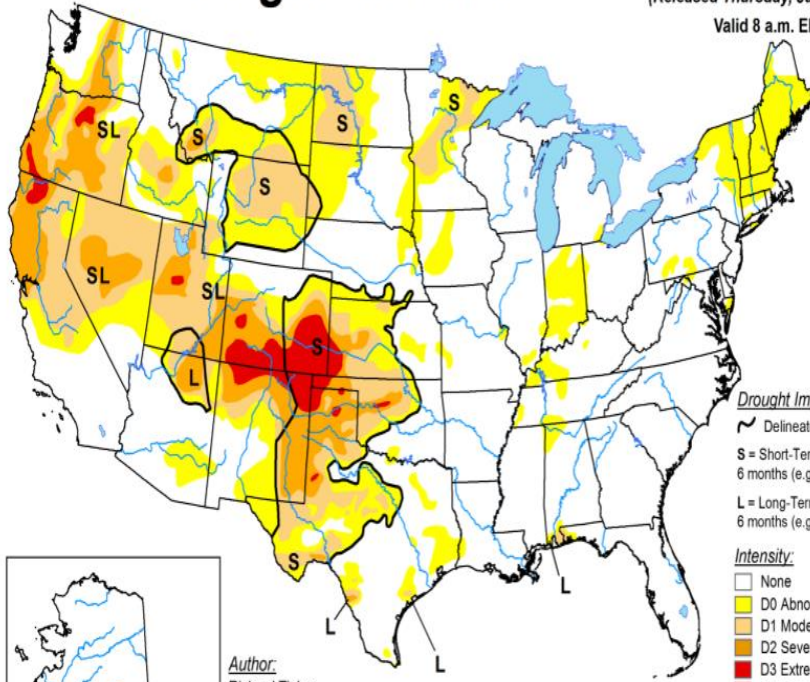
WHOLESALE BEEF BOTTOM ROUND PRICES

18-33 Pounds, Weekly



U.S. Drought Monitor

June 16, 2020
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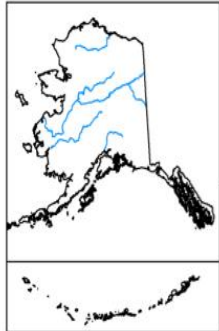


Drought Impact Types:

- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought



Author:
 Richard Tinker
 CPC/NOAA/NWS/NCEP

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

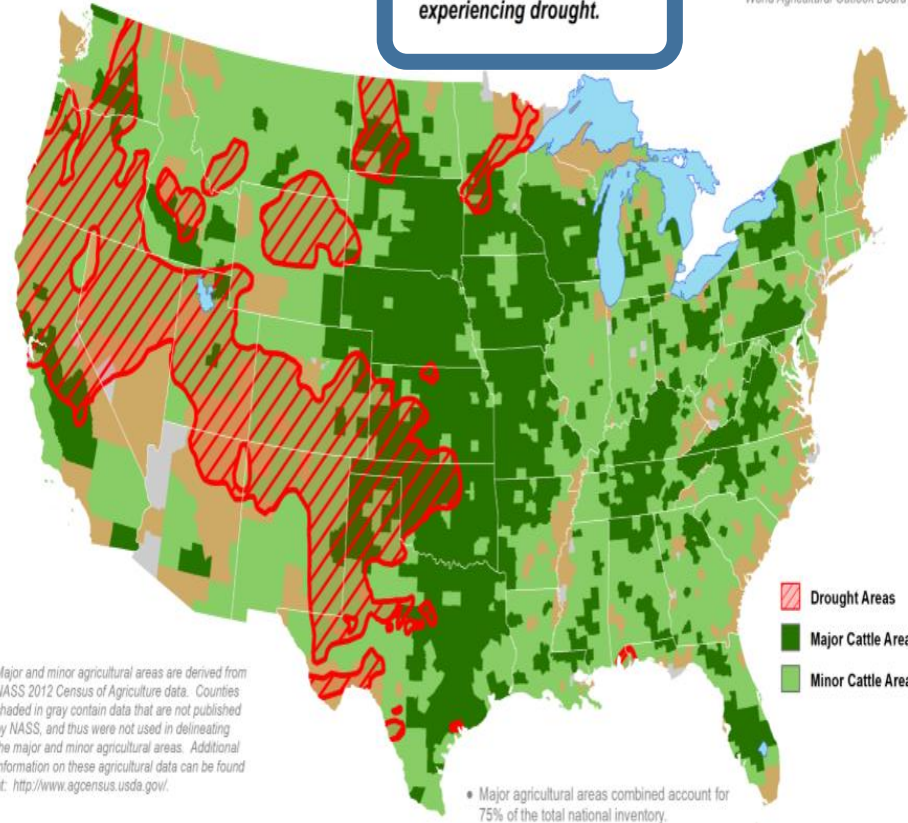


droughtmonitor.unl.edu

U.S. Cattle Areas Experiencing Drought

Reflects June 16, 2020
 U.S. Drought Monitor data

Approximately **23%** of cattle inventory is within an area experiencing drought.



This product was prepared by the USDA Office of the Chief Economist World Agricultural Outlook Board.

- Drought Areas
- Major Cattle Area
- Minor Cattle Area

Major agricultural areas combined account for 75% of the total national inventory.

Major and minor agricultural areas are derived from NASS 2012 Census of Agriculture data. Counties shaded in gray contain data that are not published by NASS, and thus were not used in delineating the major and minor agricultural areas. Additional information on these agricultural data can be found at: <http://www.agcensus.usda.gov/>.

Ag-Energy Situation and Outlook

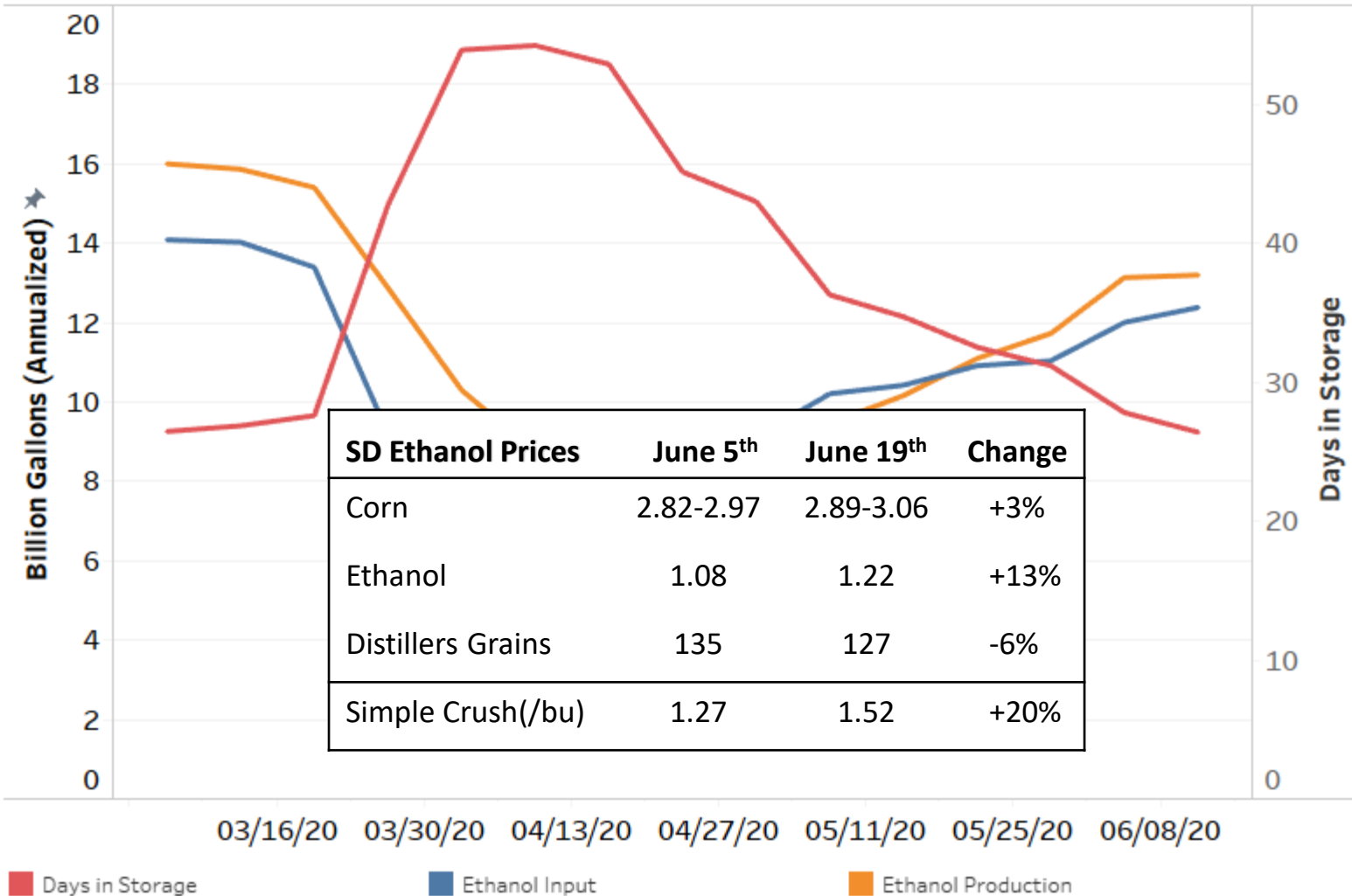
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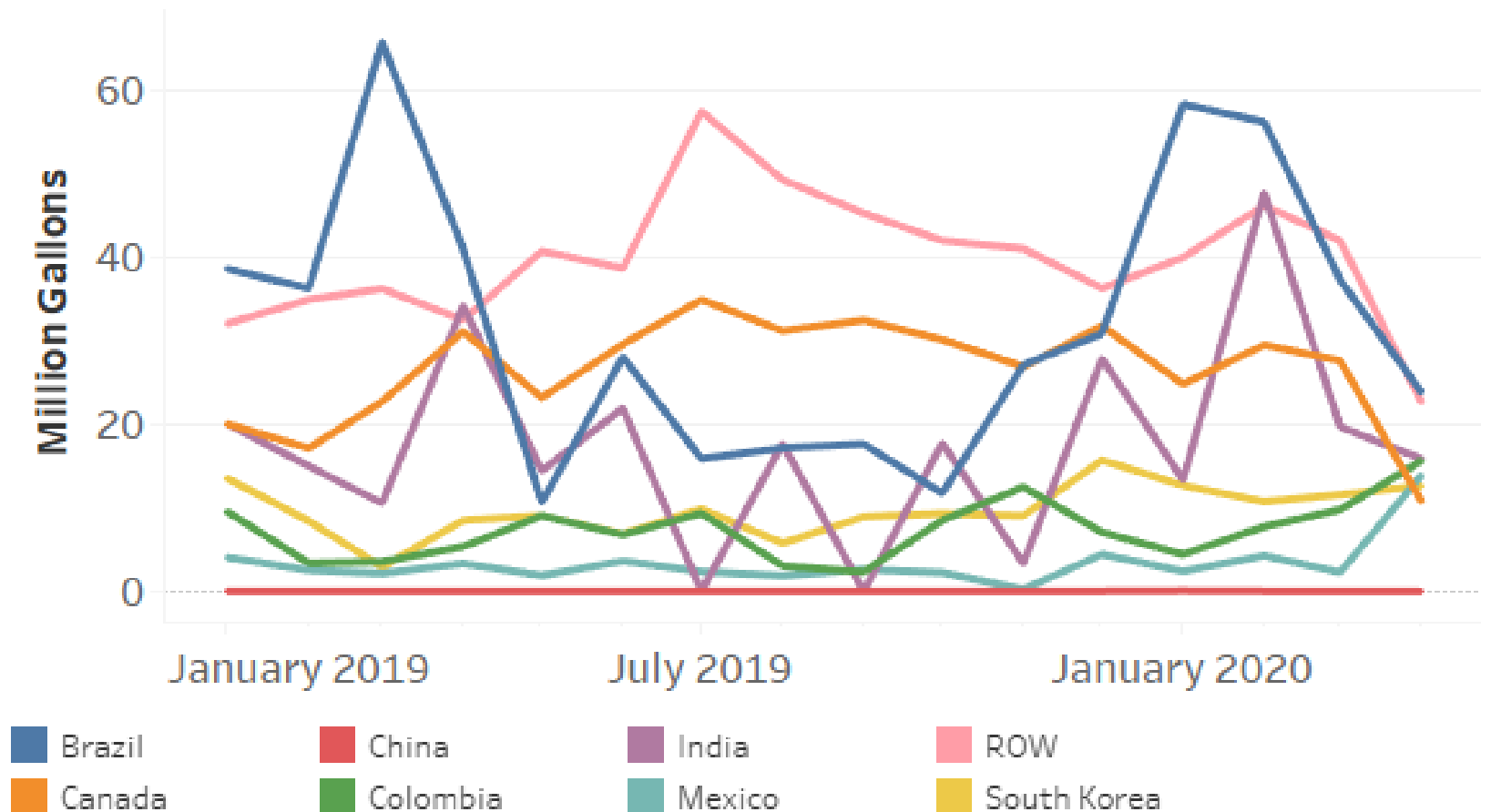


Ethanol Production, Use, and Margins



Data: EIA, USDA/AMS
 Calculation: NDSU Extension

US Ethanol Exports by Destination



Data: EIA

Use the Q&A tool
to ask questions

After the webinar you'll be invited
to complete a short survey

Recording and Additional Information

www.ag.ndsu.edu/extension/economics

www.ag.ndsu.edu/alerts/coronavirus