

Agricultural Markets Situation and Outlook

March 11, 2021

Use the Q&A tool
to ask questions

Rising Fertilizer Costs and Stimulus Round 3

Bryon Parman

Cell – 701-261-5919

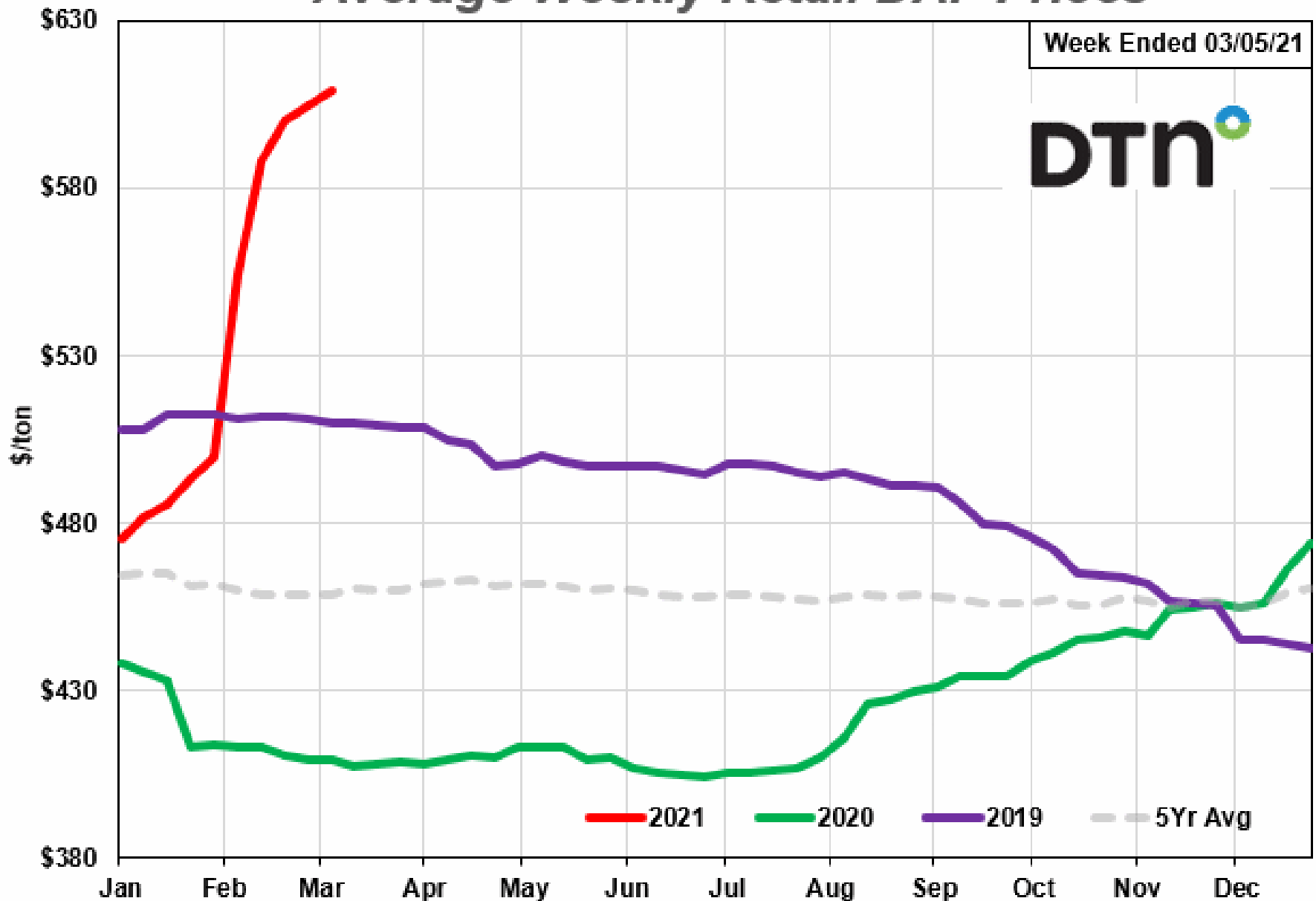
Bryon.Parman@ndsu.edu



NDSU EXTENSION

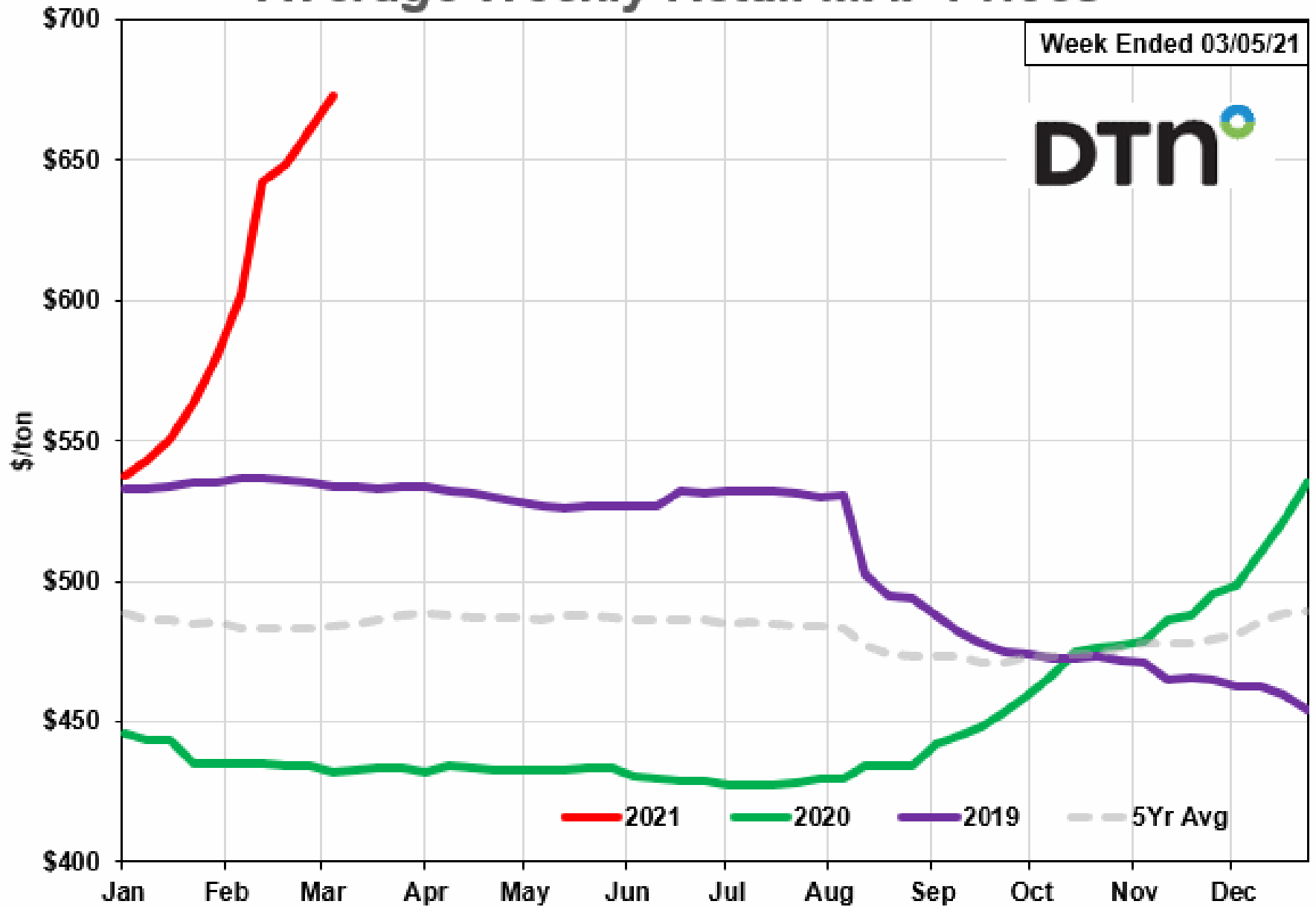
Average Weekly Retail DAP Prices

Week Ended 03/05/21

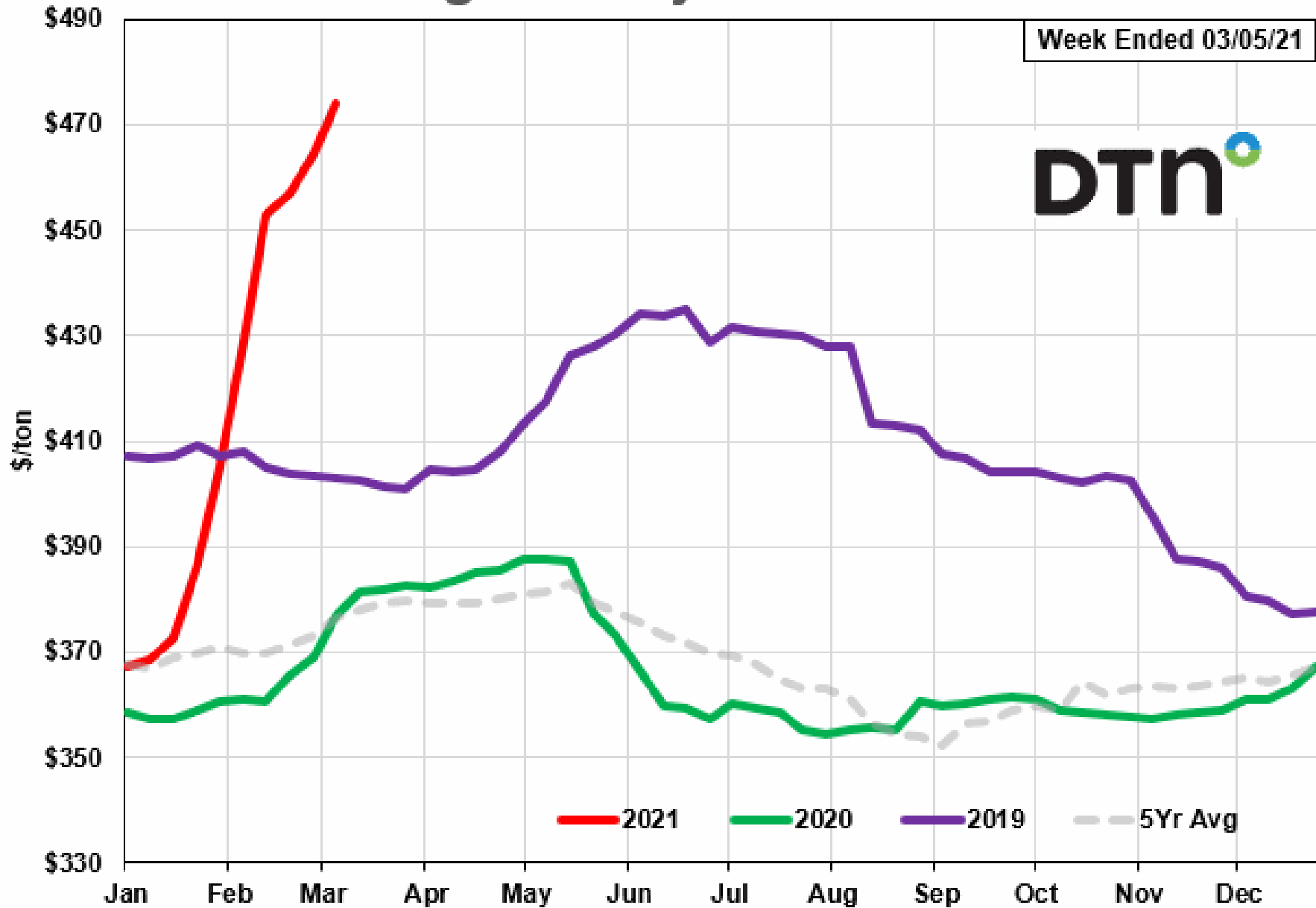


Average Weekly Retail MAP Prices

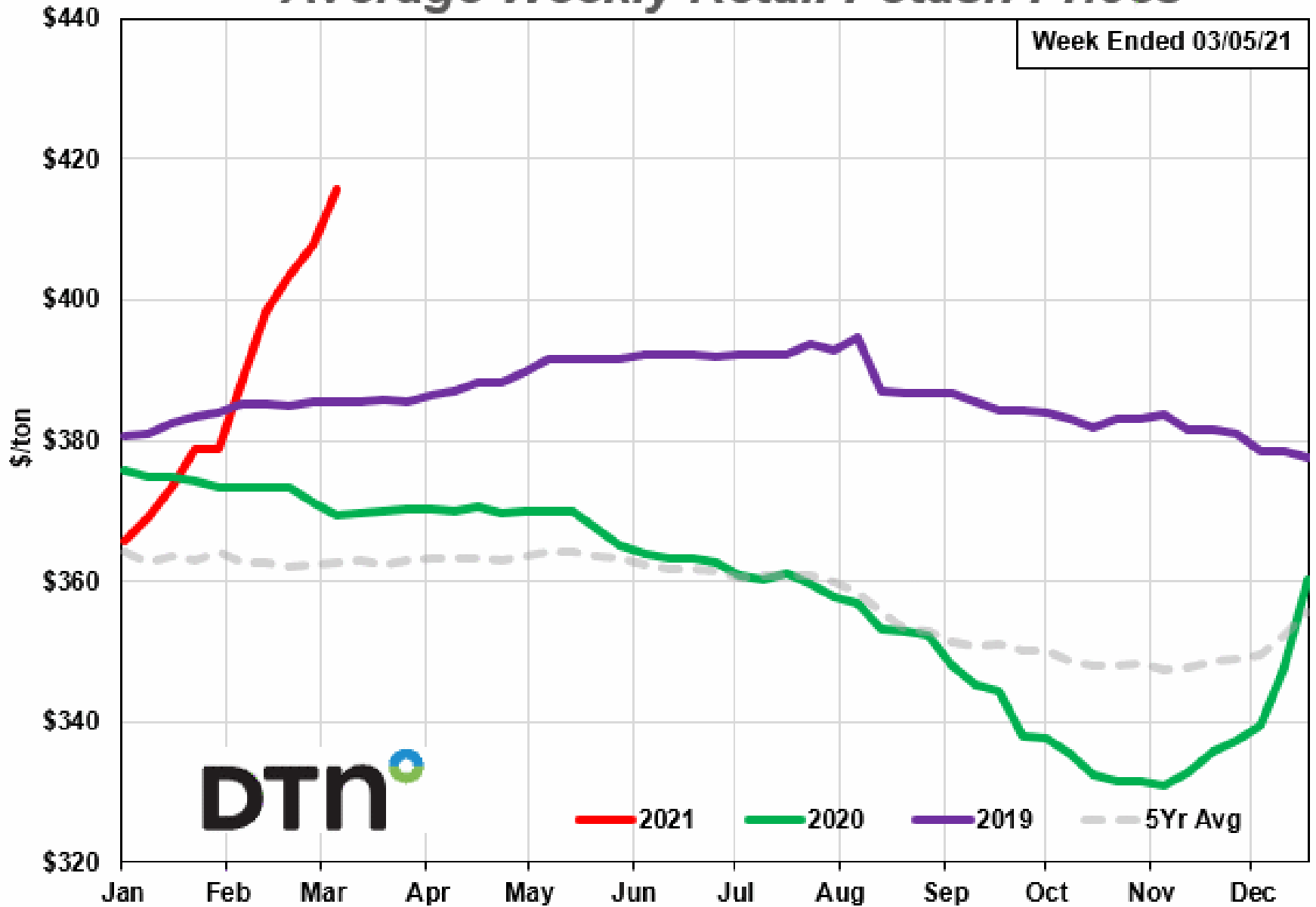
Week Ended 03/05/21



Average Weekly Retail Urea Prices



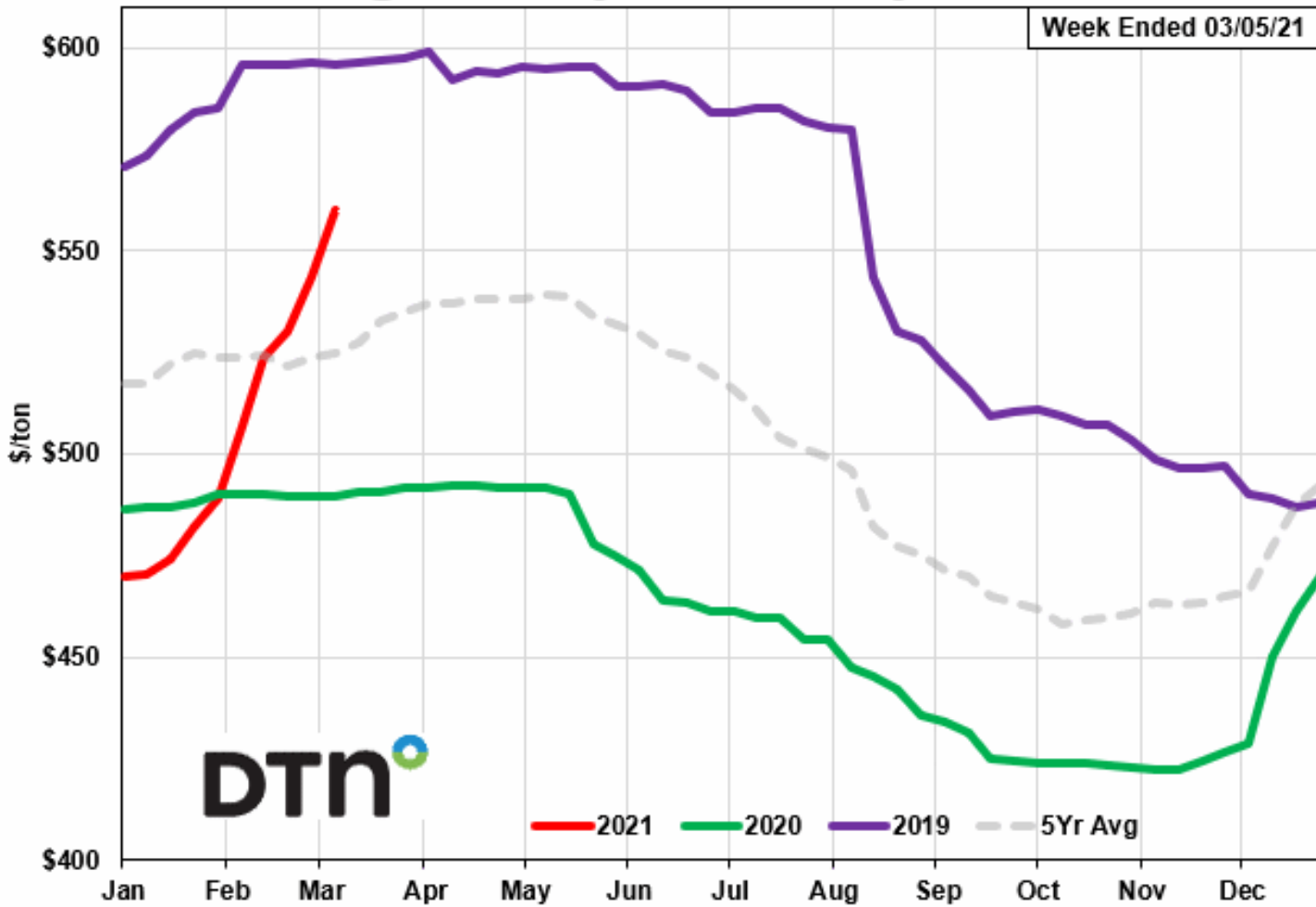
Average Weekly Retail Potash Prices



DTN

— 2021 — 2020 — 2019 - - - 5Yr Avg

Average Weekly Retail Anhydrous Prices



Recent Paper Suggests Anhydrous could go over \$600 per ton

- Ibendahl believes prices could continue to rise through the fall.
 - model predicts national anhydrous ammonia prices could reach \$600 per ton before falling off some in the fall.
 - In some places it is already well above \$600 per ton
- I believe this will push UREA close to \$550 per ton

MINNESOTA	High	Low	Avg	prev	Chg	#
Anhydrous	615	505	607	533	74.29	14
UAN 32%	350	240	342	301	40.86	14
Urea	490	321	467	439	27.95	22
DAP 18-46-00	650	525	623	590	33.33	6
MAP 11-52-00	730	695	702	677	24.38	16
Potash	450	380	426	411	15.00	22
Starter 10-34-00	585	585	585	500	85.00	13

What else is in 3rd Stimulus Package

- \$1,400 checks per individual making less than \$75k, or married couples making less than \$150k
 - This includes dependent children
 - Family of 4 w/ kids gets \$5,600
- \$2,000 child tax cred moved to \$3,000 per child
- For children under 6, Credit moves to \$3,600
- Extending the federal unemployment benefits to Sept 6th (\$300 on top of the state unemp. Benefits rate)

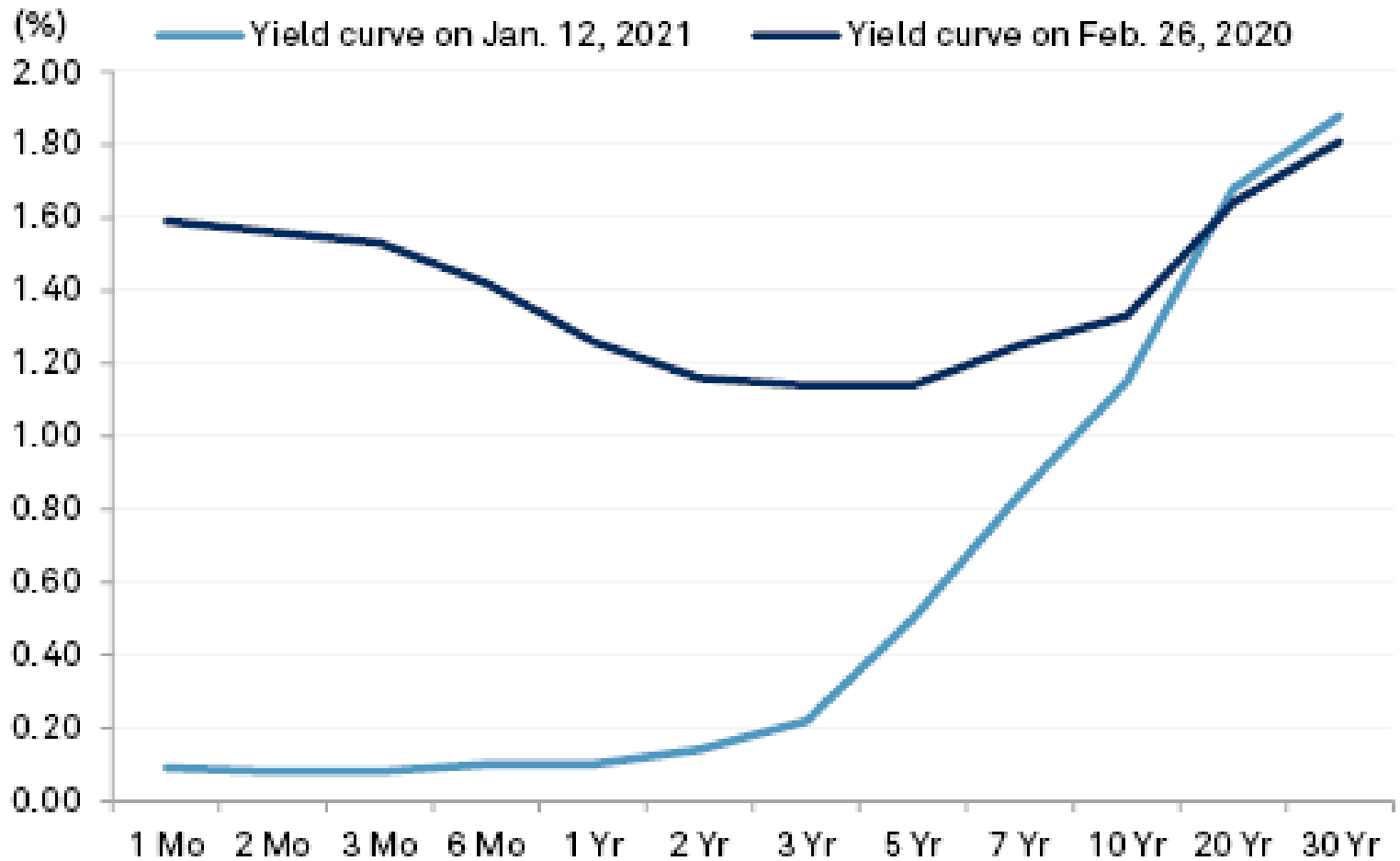
Concerns over inflationary Pressure

- Investors worried new stimulus money will cause inflation
- Bond prices for longer term bonds at current interest rates fall
- Bond yields move inversely to bond prices (since the interest payment rate is fixed)

FED Tweaking its bond buying program

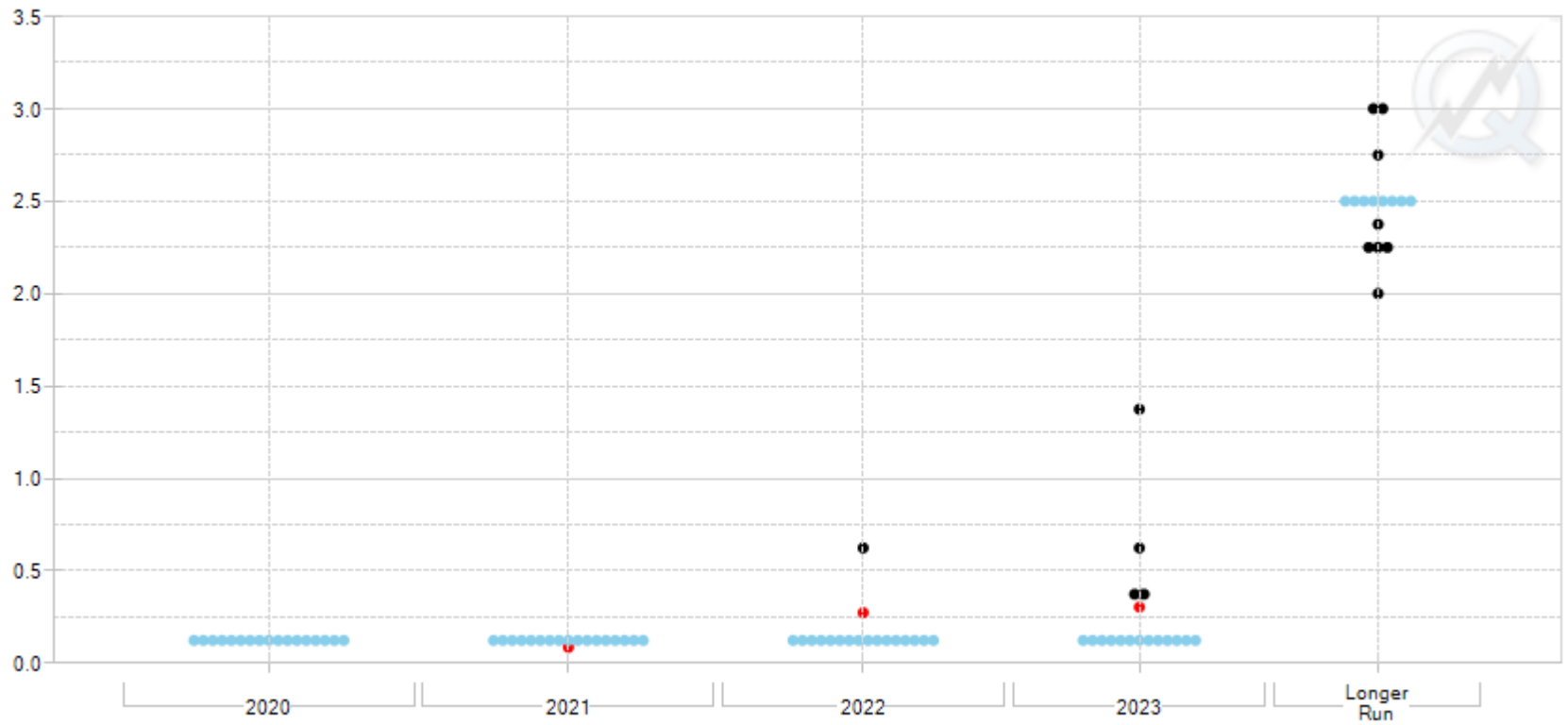
- Operation Twist
 - Fed unloading many of its shorter term bonds and buying up longer term T-Bonds
 - 10 year notes

US Treasury yield curve steepens dramatically since start of pandemic



As of Jan. 12, 2020.
Source: U.S. Treasury Department

FOMC Participants' Assessments of Appropriate Monetary Policy : "Dot-Plot"



Blue dots indicate the median projection. Data is based on the economic projections published on September 16, 2020.
Red dots indicate the effective rate implied by the year-end Fed Funds and future price.

Ad Hoc Payments the last 3 years

- 2018 MFP 1 Total Payout
 - Approximately \$9,000,000,000 (Billion)
- 2019 MFP 2 Total Payout
 - Approximately \$14,300,000,000 (Billion)
- 2020 CFAP 1
 - Approximately \$10,200,000,000 (Billion)
- 2020 CFAP 2
 - Approximately \$14,000,000,000 (Billion)

Other Notes

- NDSU crop compare tool
- NDSU ARC-PLC Calculator
- NDSU ARC-IC Tool
- Nitrogen Decision Tool
- PP Analysis
- Grain Storage Costs
 - <https://www.ag.ndsu.edu/farmmanagement/tools>

Be Prepared for Price Volatility

Frayne Olson

Crop Economist/ Marketing
Specialist

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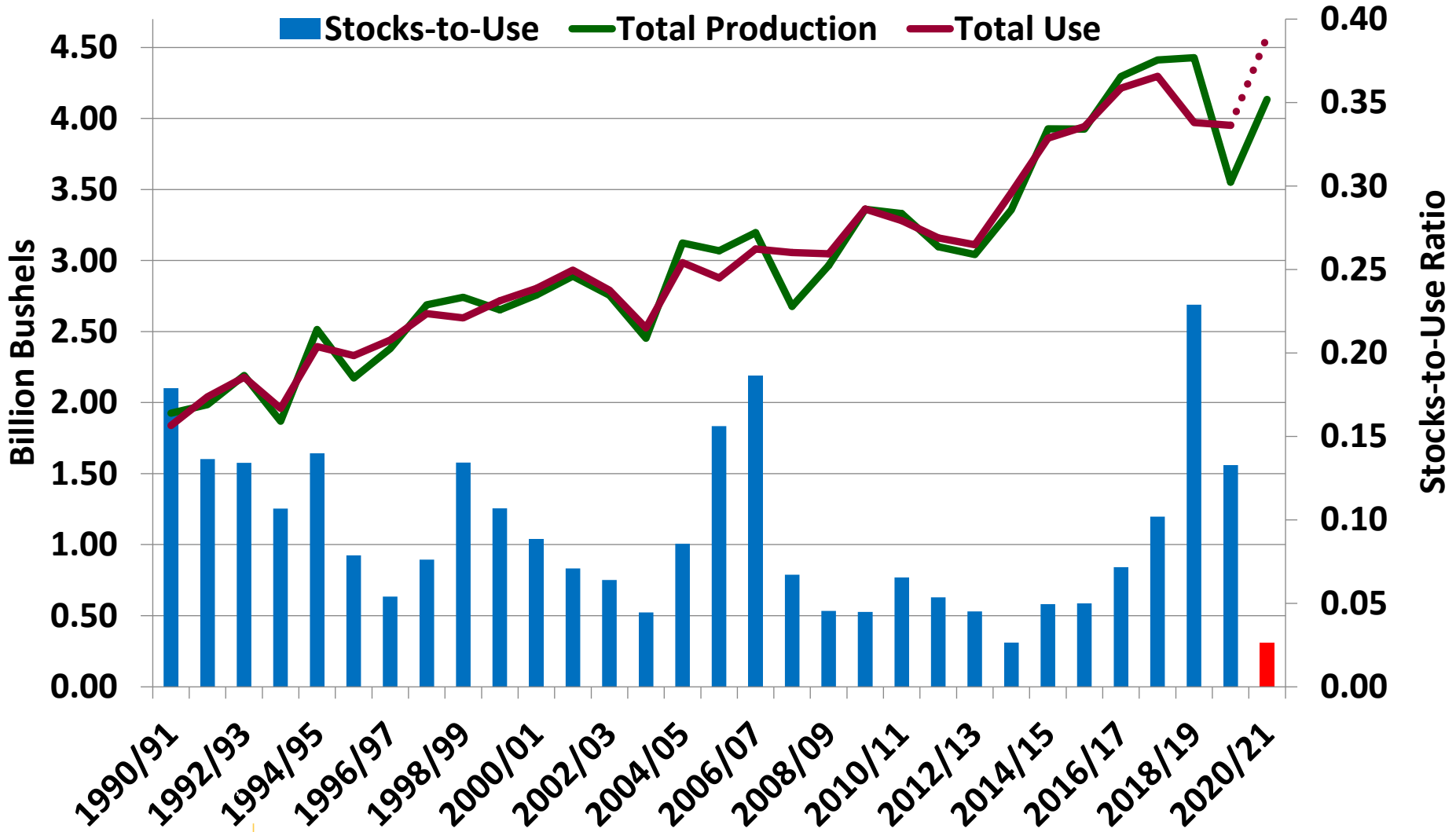
701-231-7377 (o)

701-715-3673 (c)



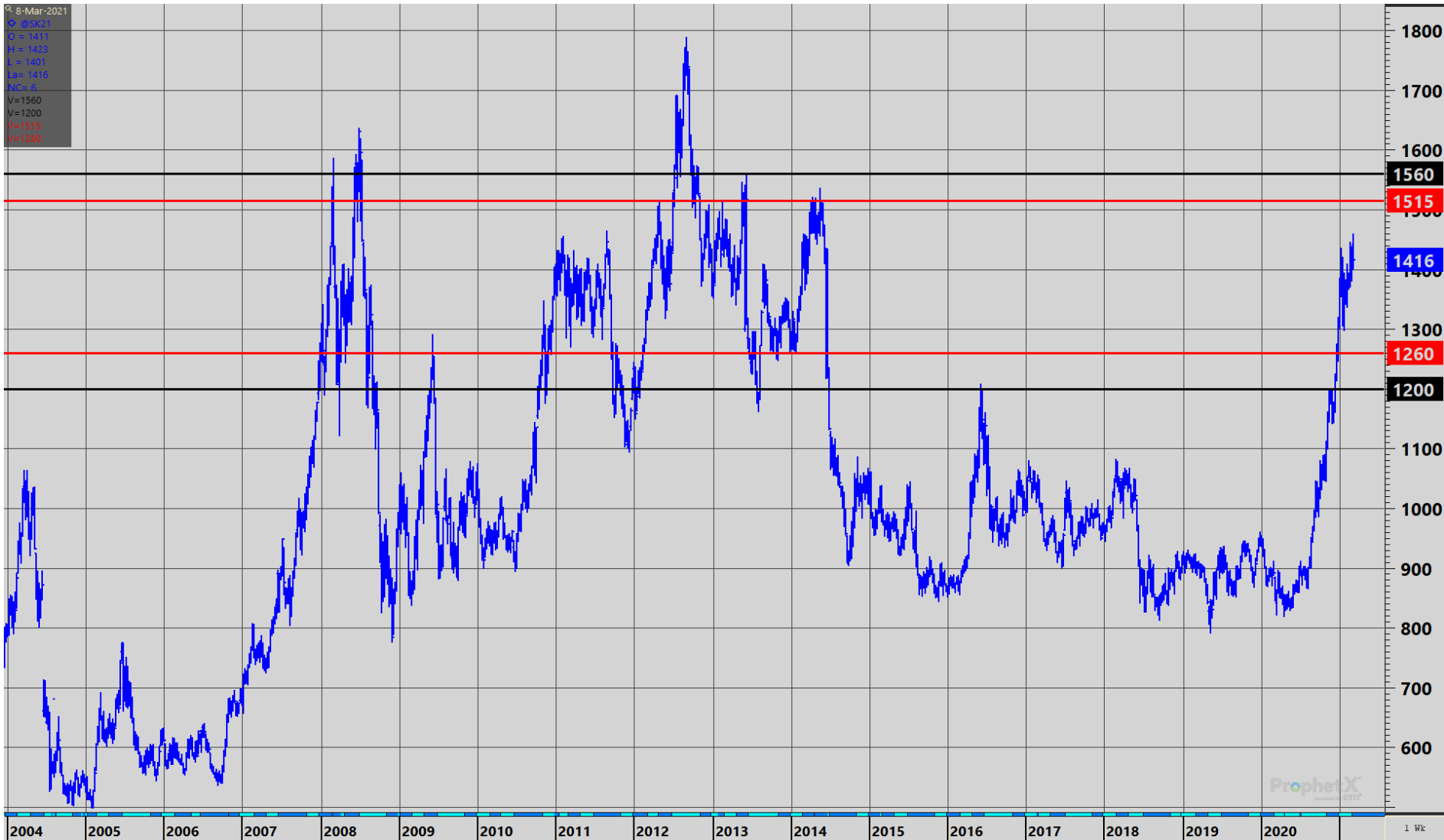
U.S. Soybean – Total Prod. & Use

(Billion Bushels)



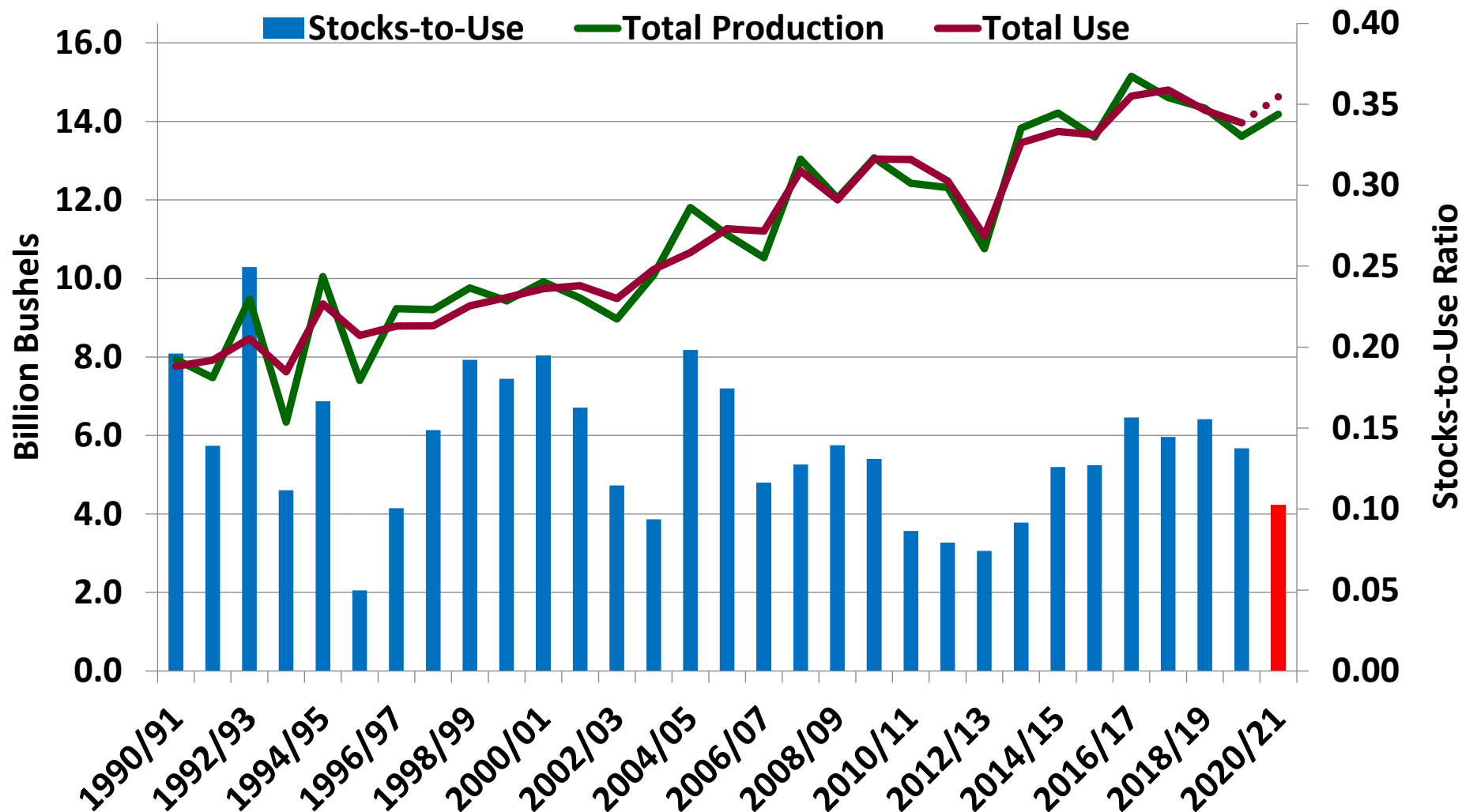
EXTENSION AGRIBUSINESS

Nearby CBOT Soybean Prices

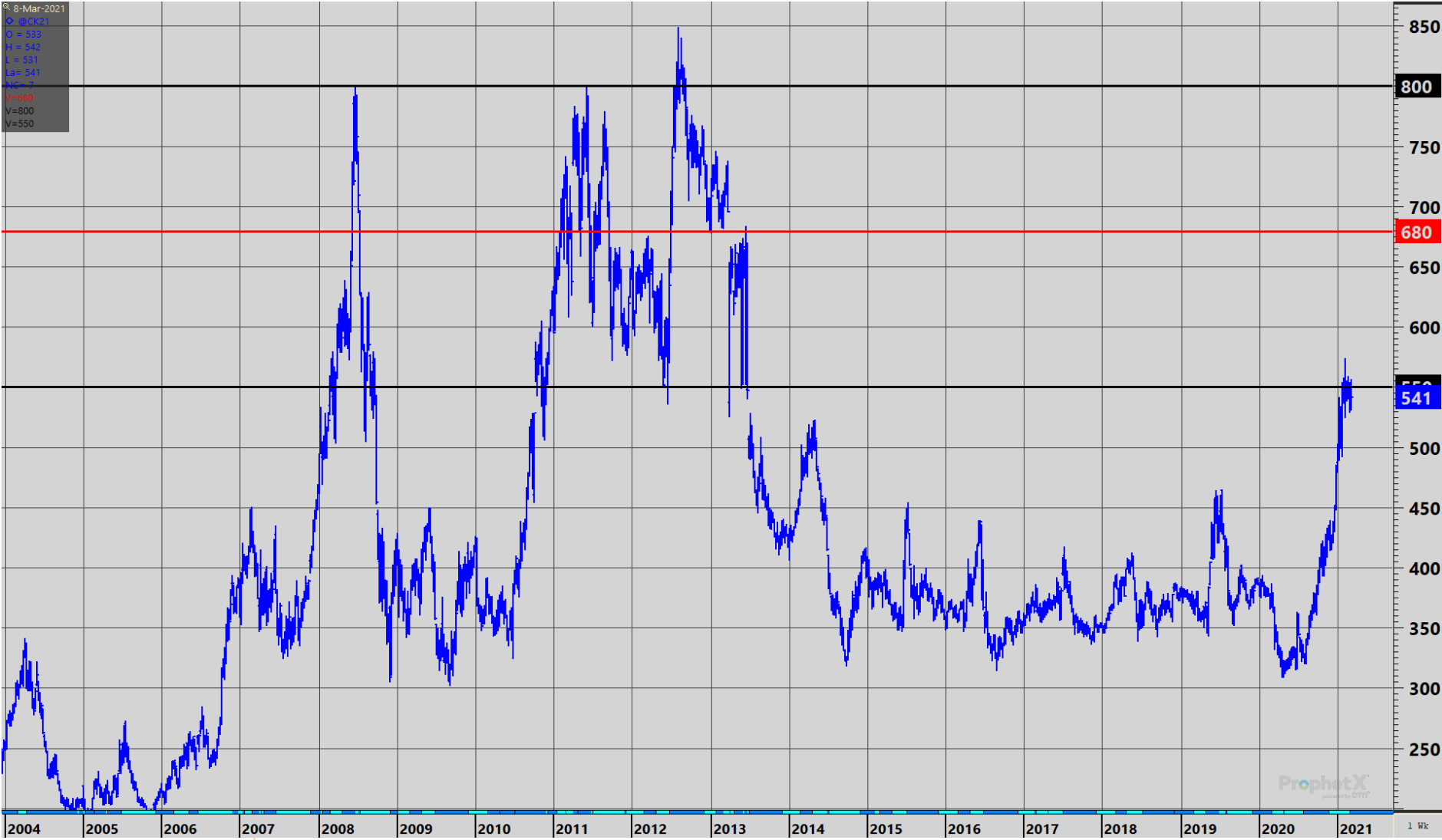


U.S. Corn – Total Production & Use

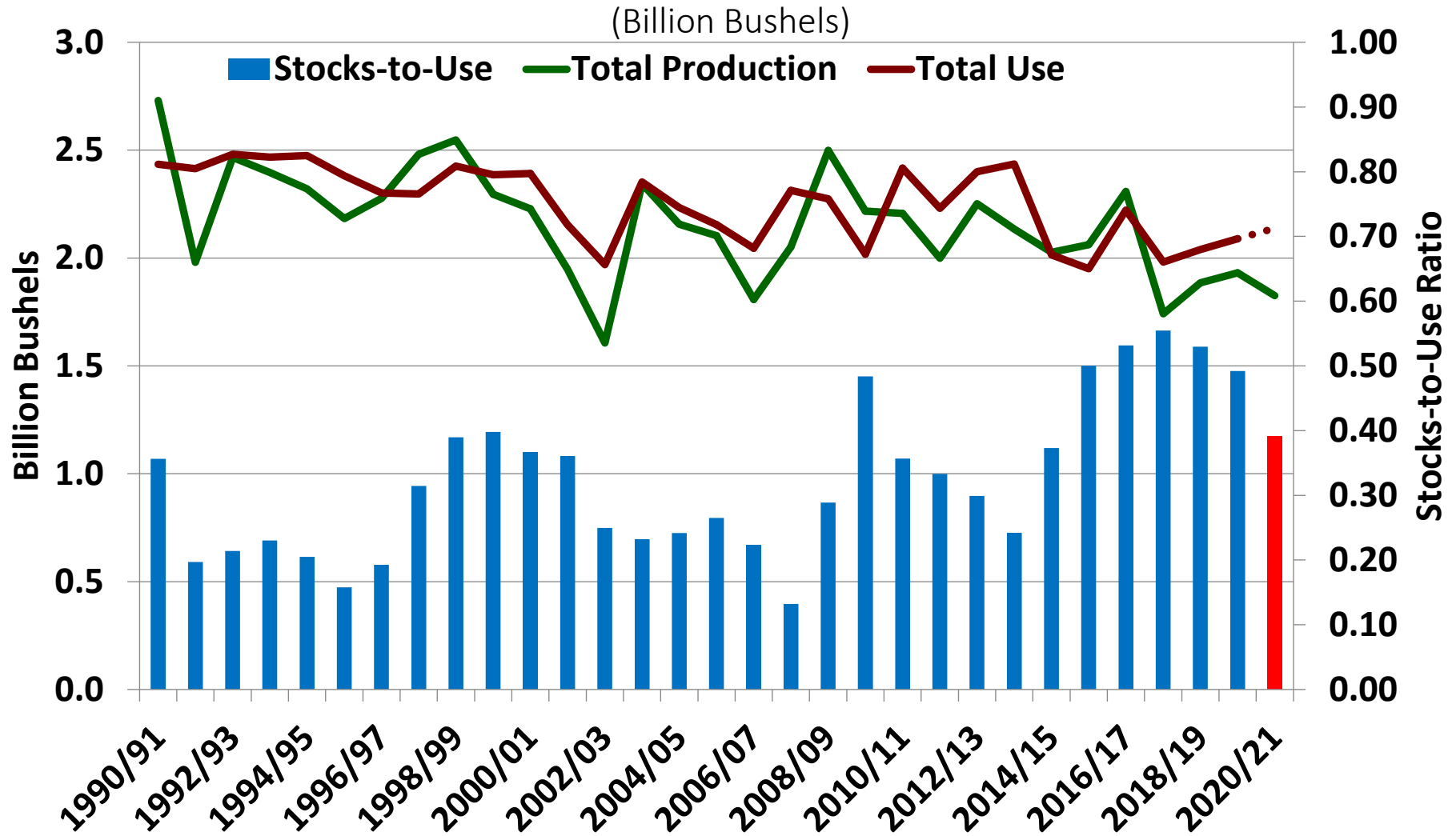
(Billion Bushels)



Nearby CBOT Corn Prices

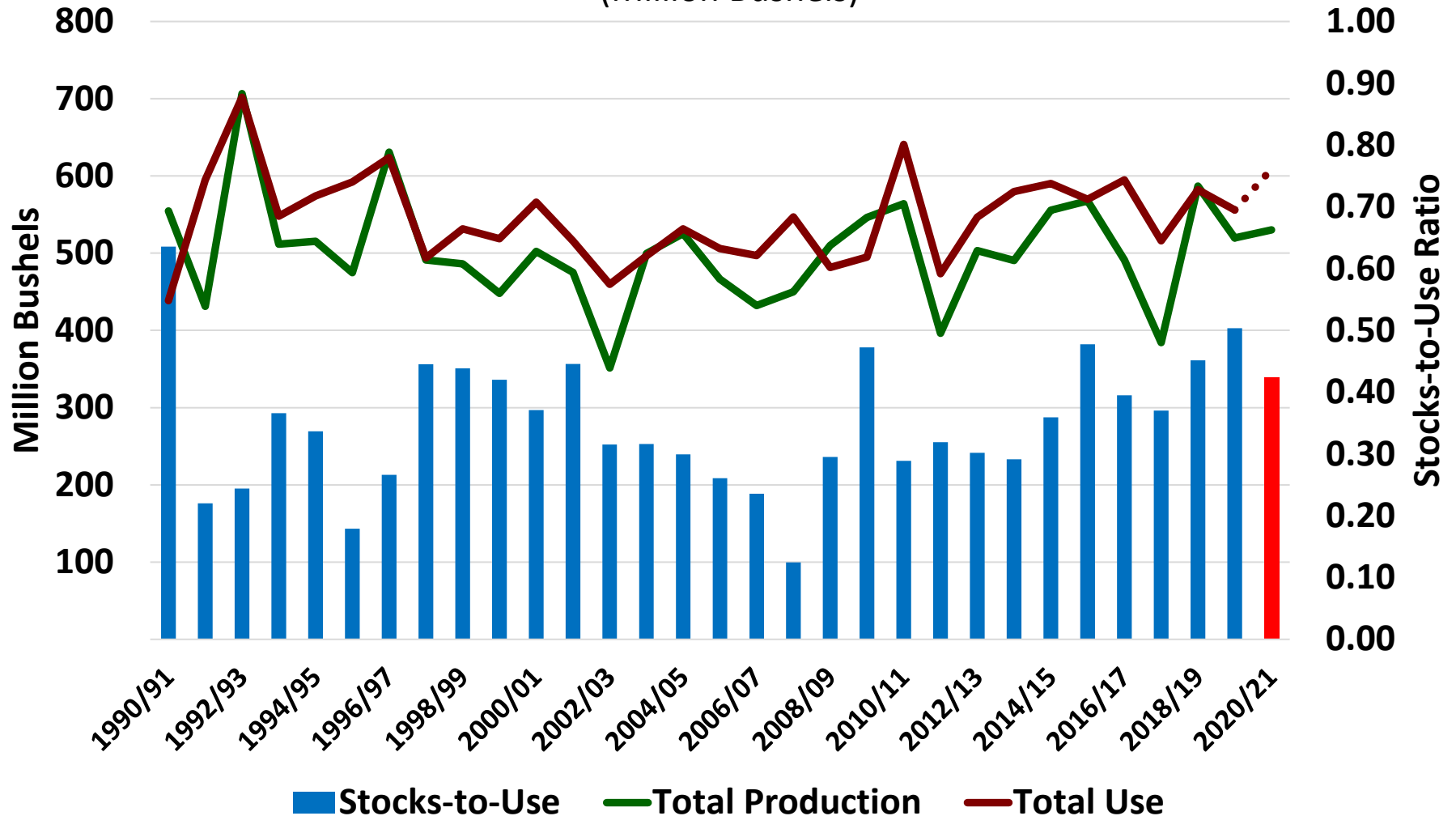


U.S. All Wheat – Total Prod. & Use

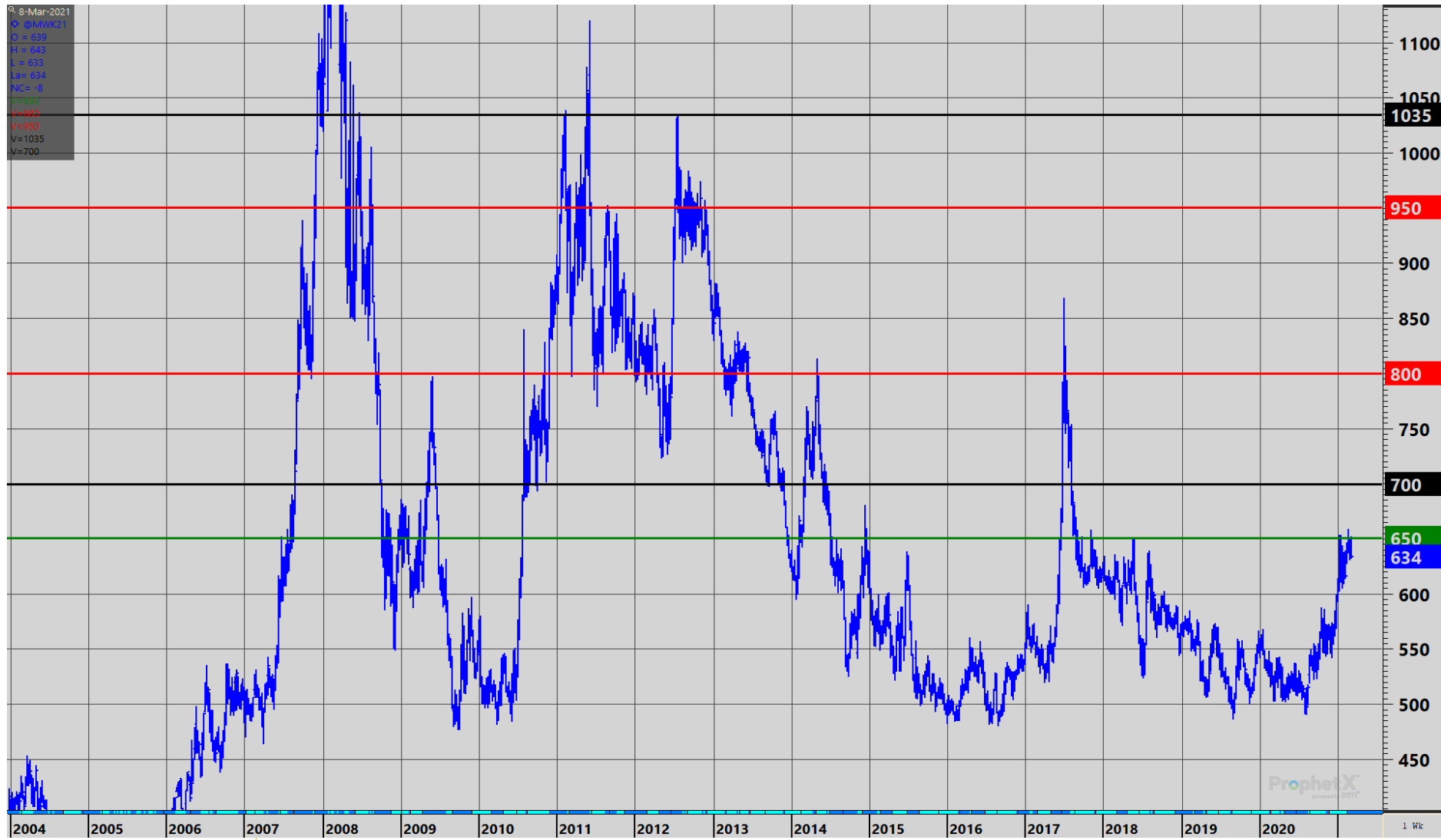


U.S. HRSW – Total Prod. & Use

(Million Bushels)



Nearby MGEX Spring Wheat Prices

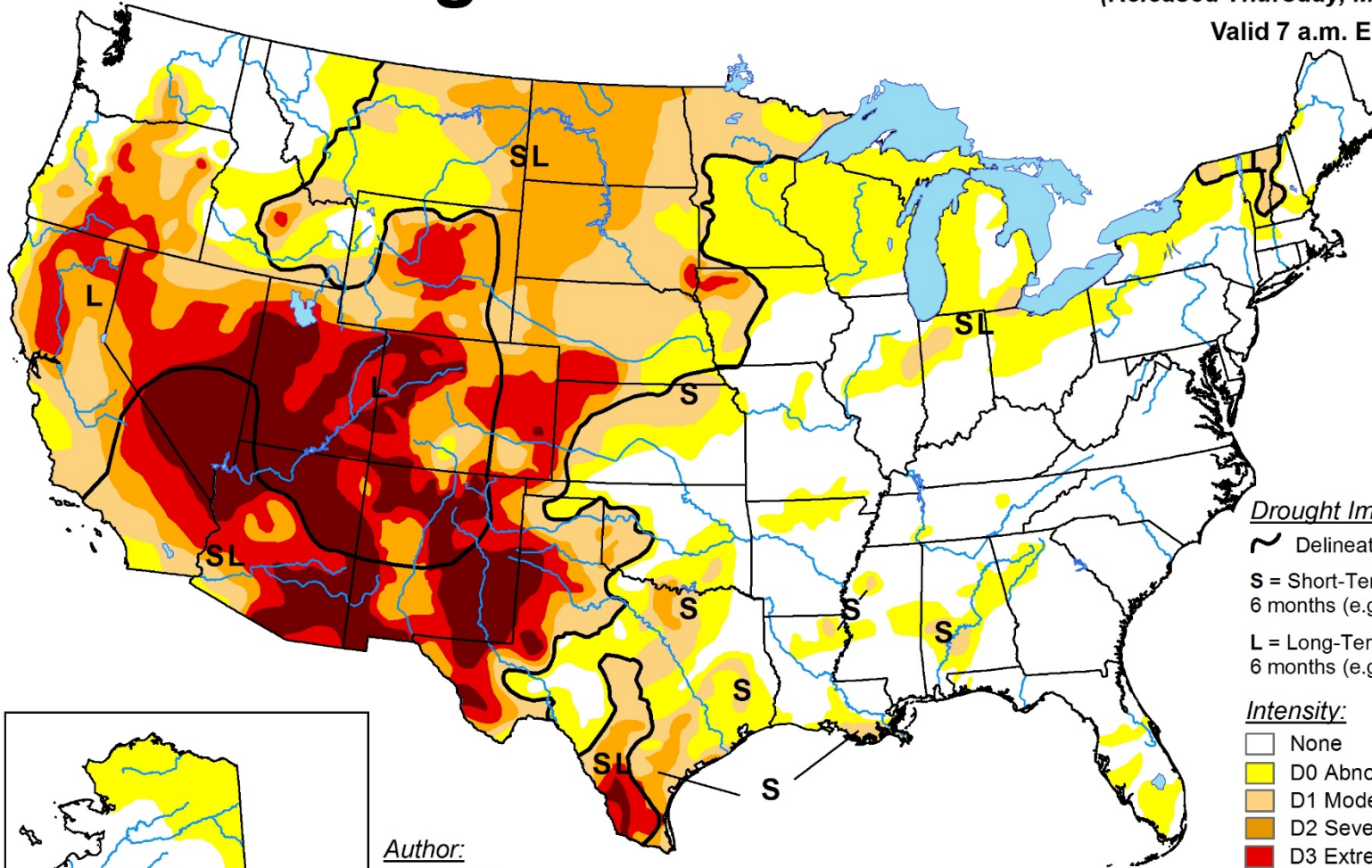


U.S. Drought Monitor


March 9, 2021

(Released Thursday, Mar. 11, 2021)







Valid 7 a.m. EST



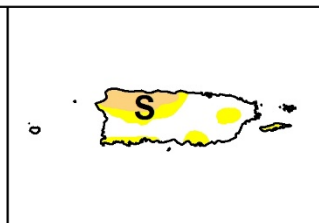
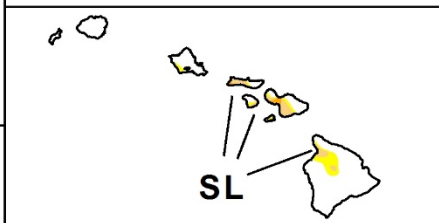
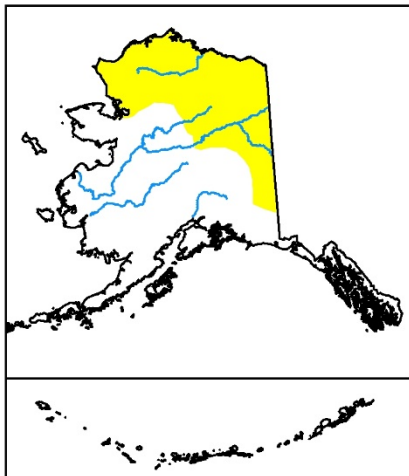
Drought Impact Types:

-  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)

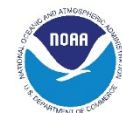
Intensity:

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

Author:
 Brian Fuchs
 National Drought Mitigation Center



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

USDA – Prospective Plantings and Quarterly Grain Stocks reports

11:00 am CT
Wednesday, March 31,
2021

LIVESTOCK PRICE SITUATION AND OUTLOOK

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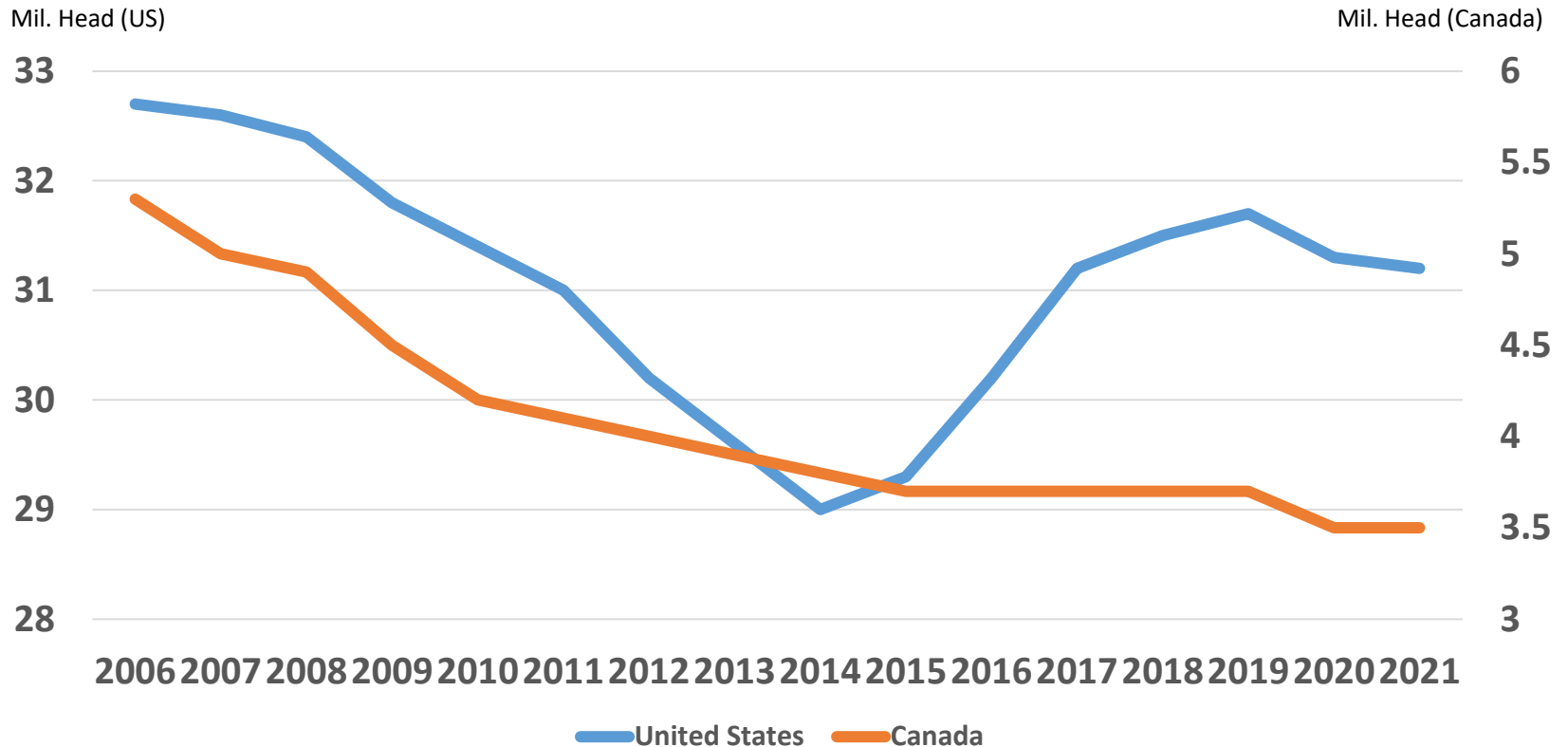




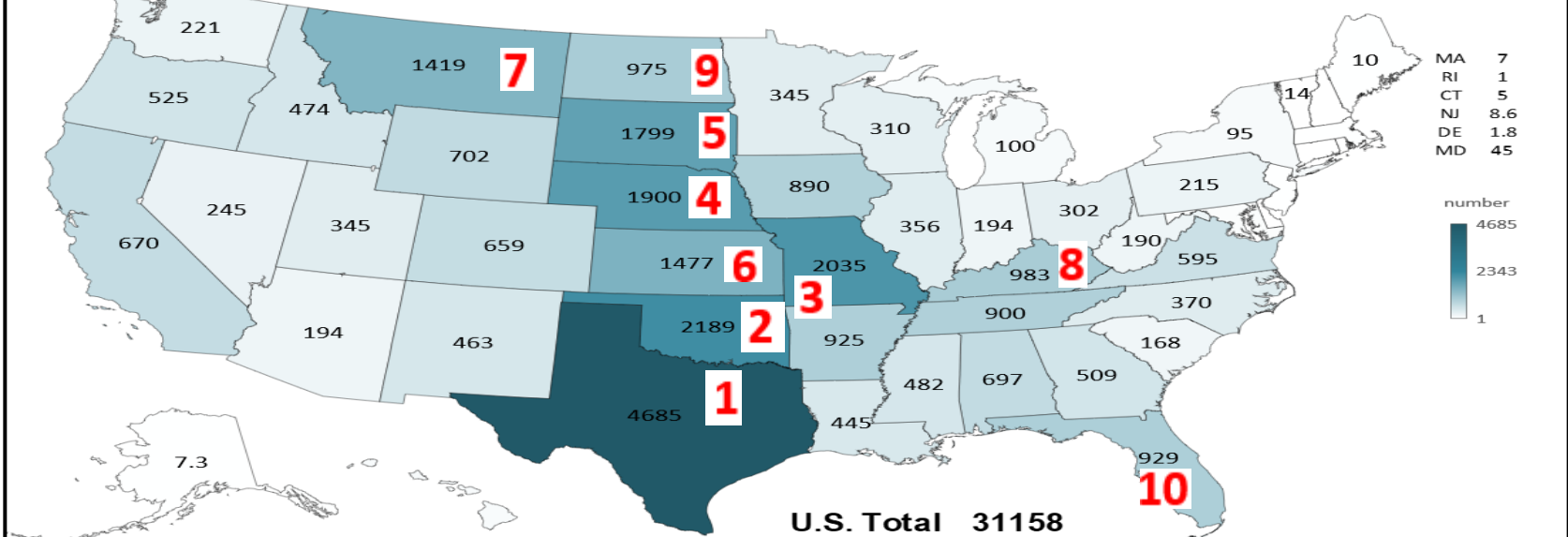
BEEF COW INVENTORY



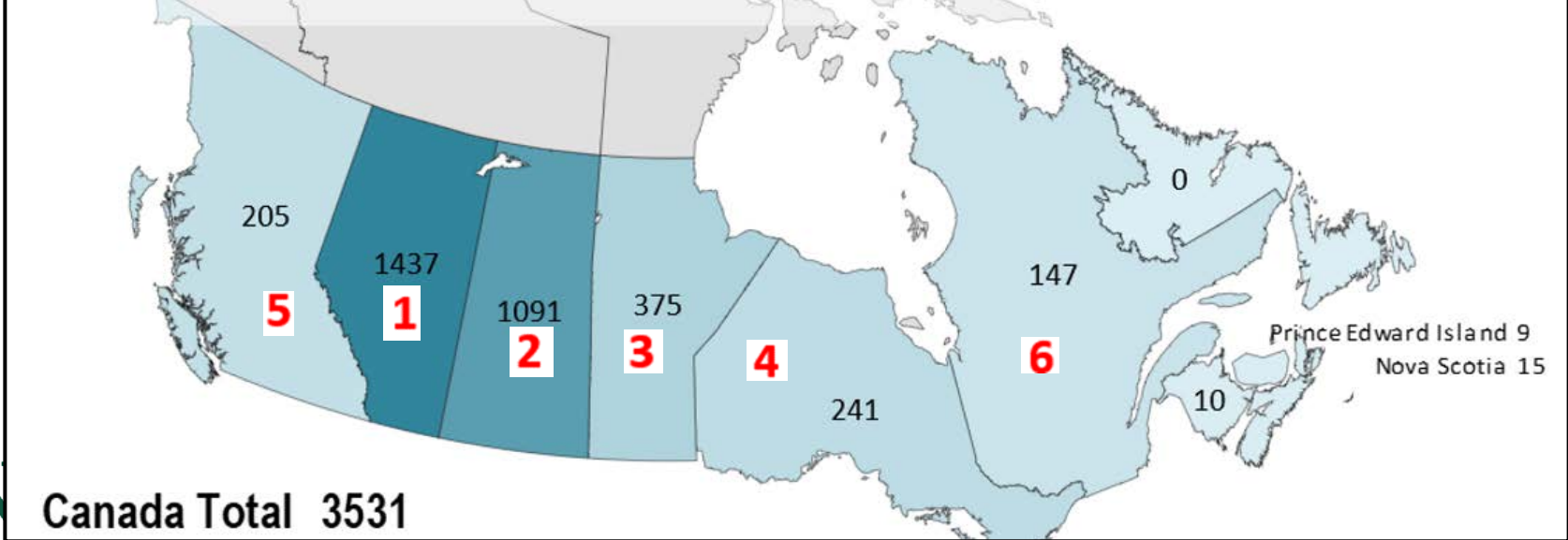
January 1, United States and Canada, Annual



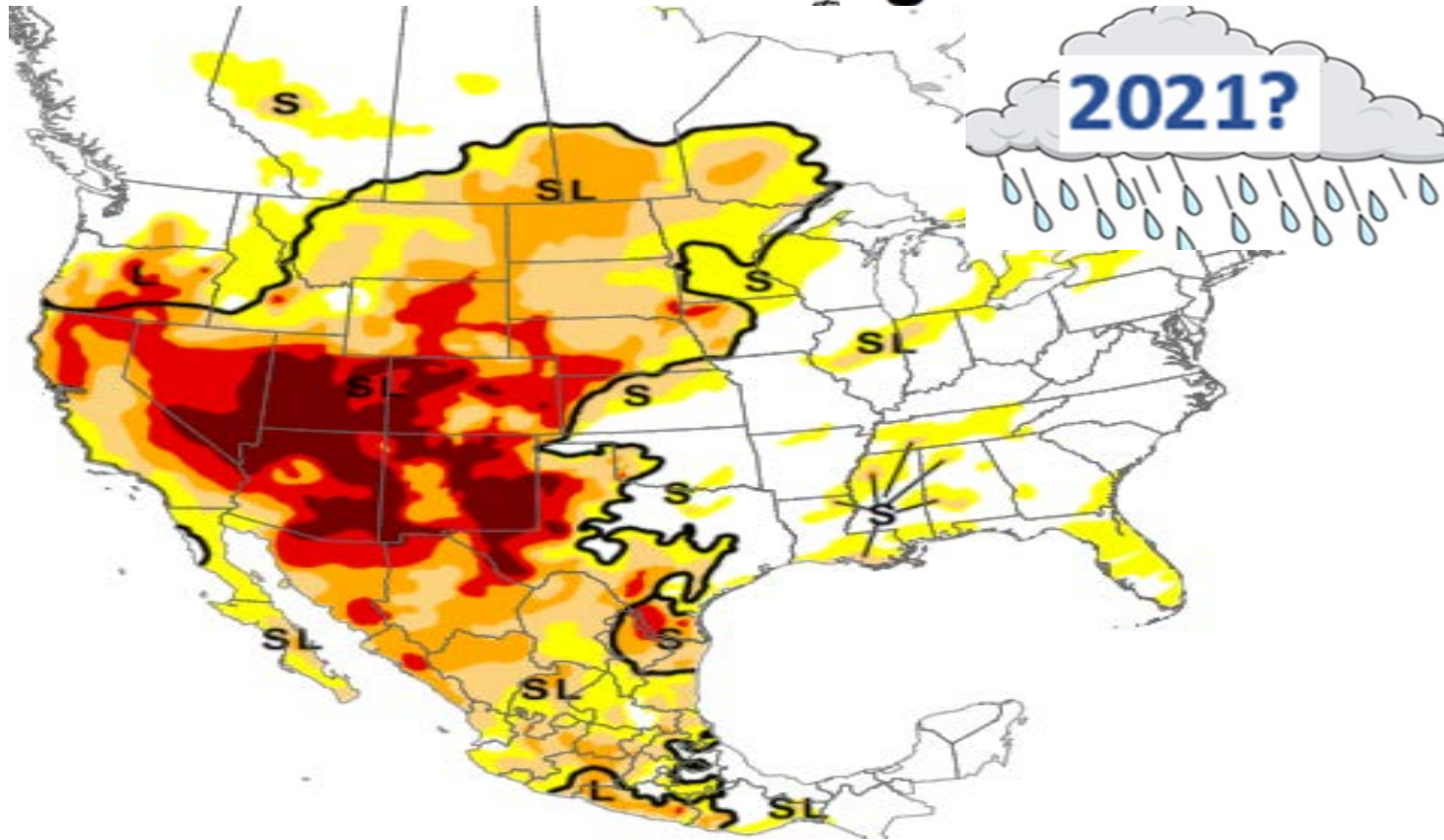
BEEF COWS THAT CALVED JANUARY 1, 2021 (1000 Head)



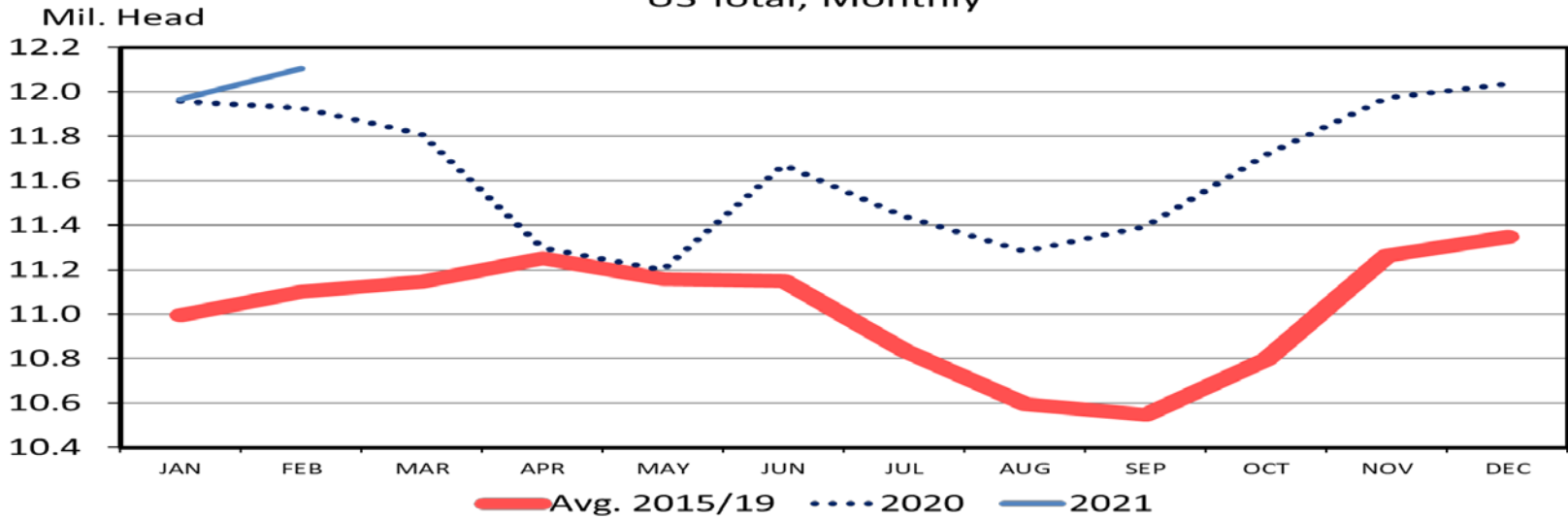
BEEF COWS JANUARY 1, 2021 Canada, 1000 Head



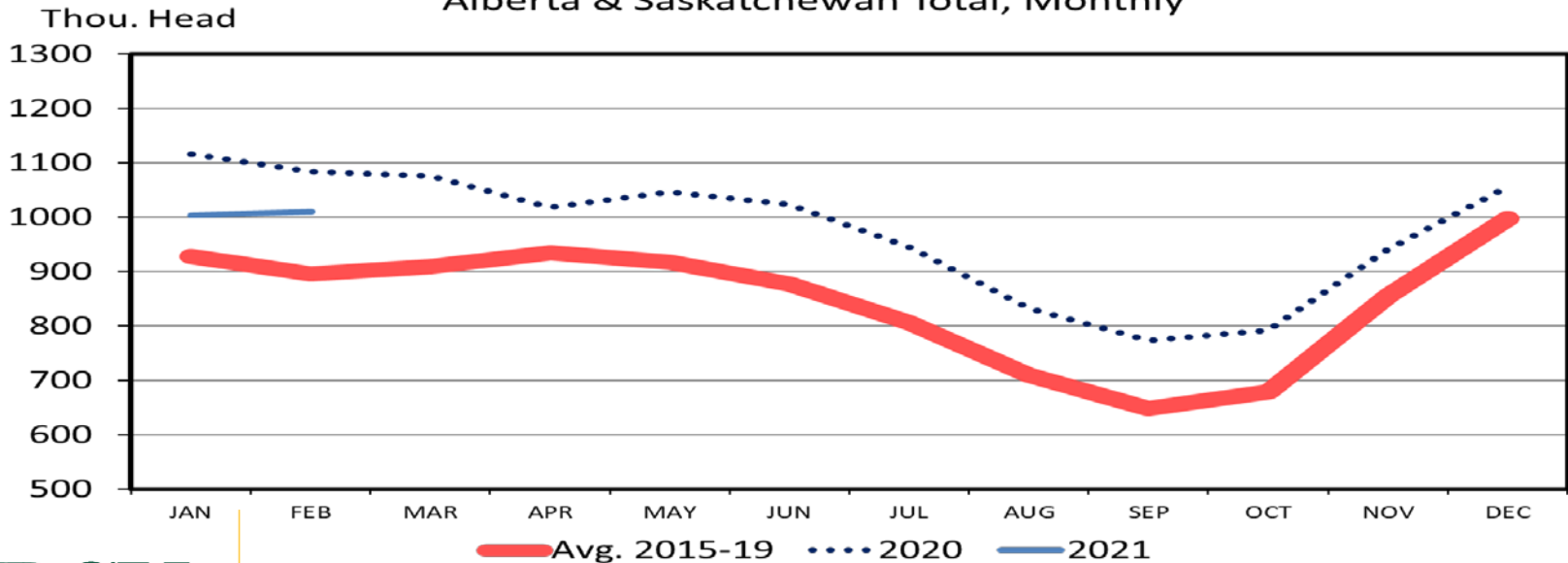
North American Drought Monitor



CATTLE ON FEED US Total, Monthly



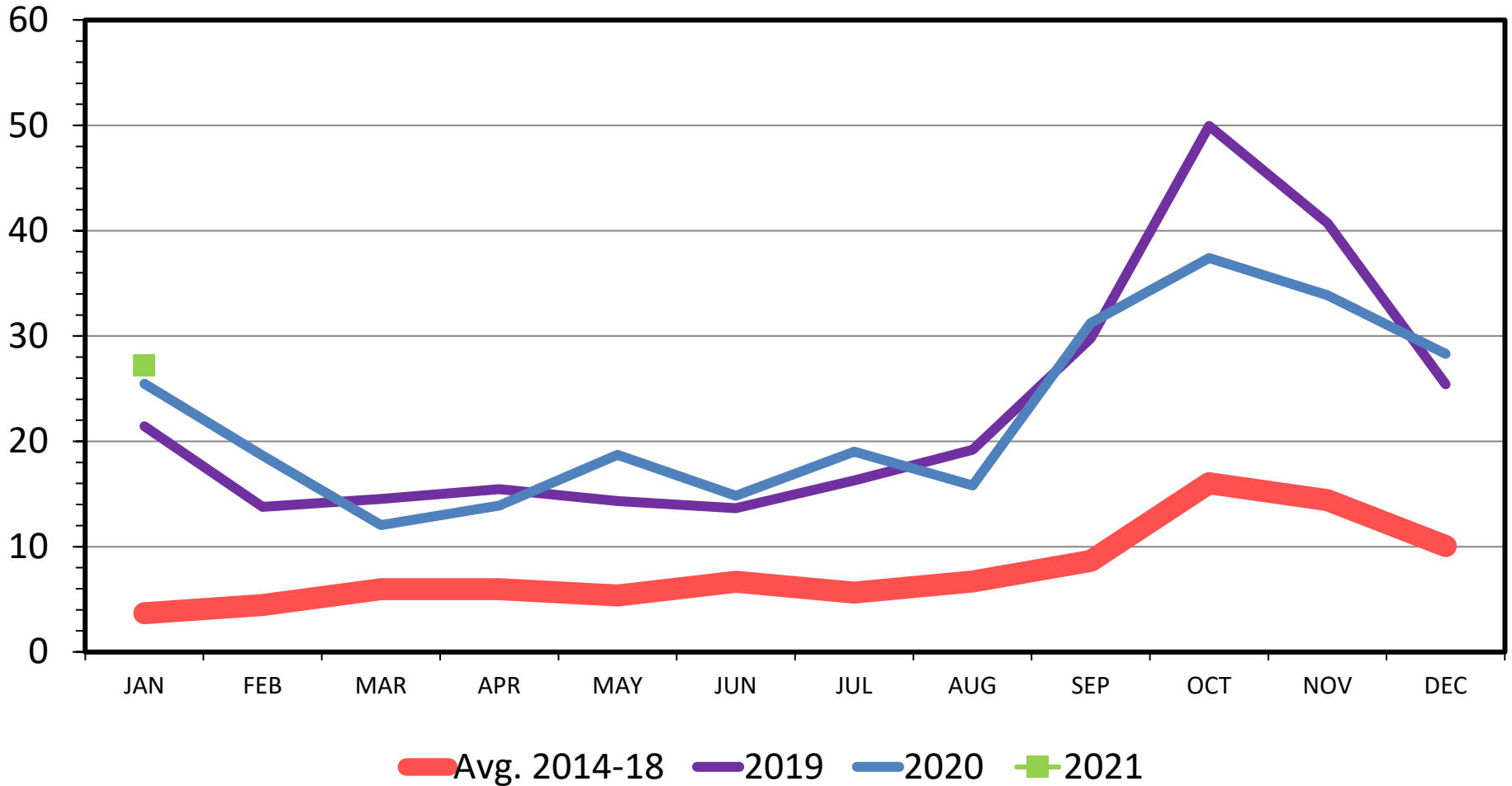
CATTLE ON FEED Alberta & Saskatchewan Total, Monthly



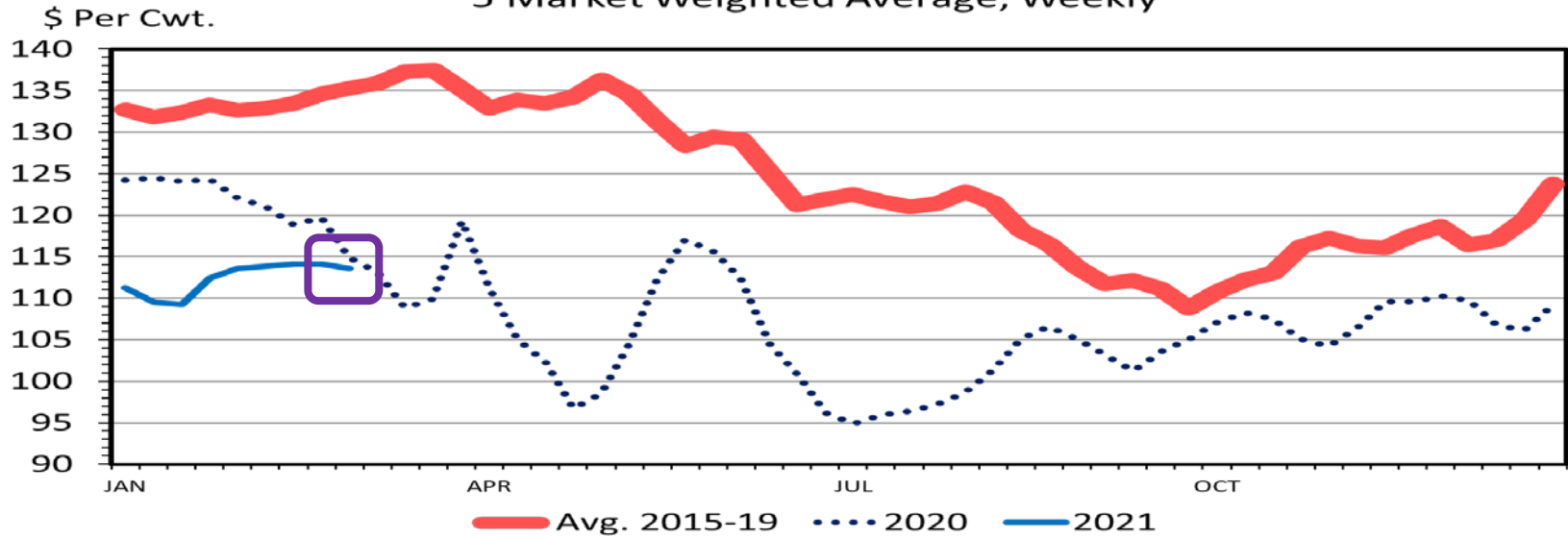
US FEEDER CATTLE EXPORTS TO CANADA

Monthly

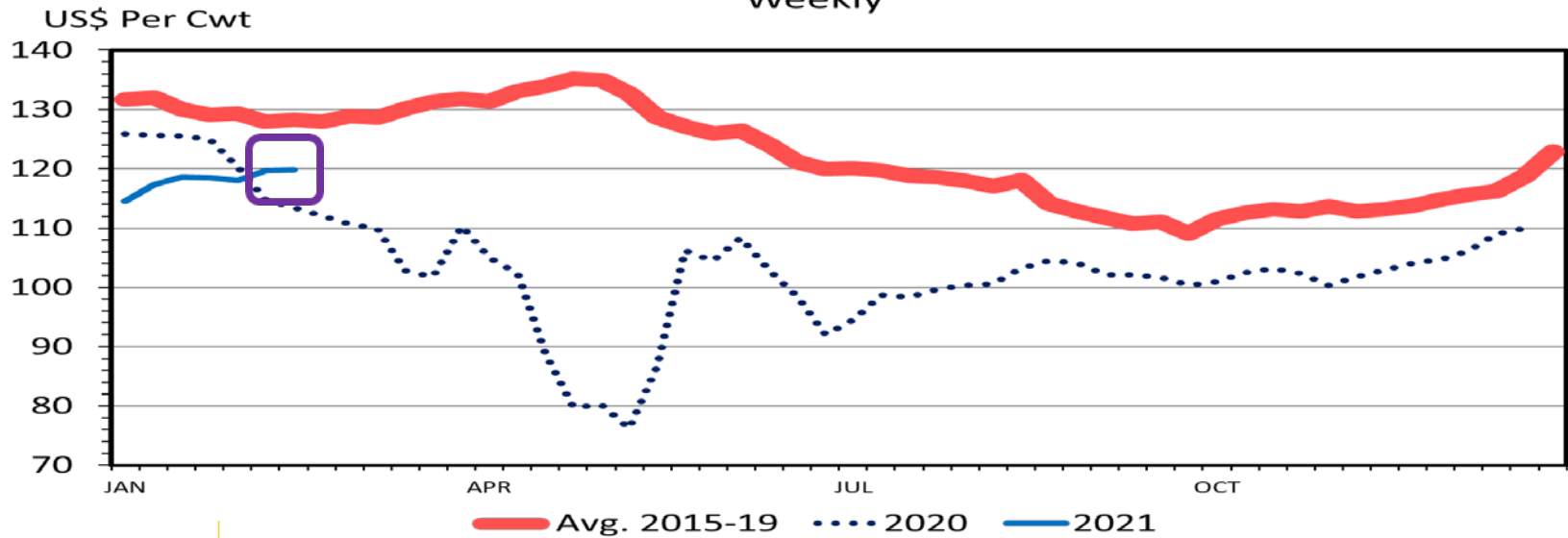
Thou. Head



SLAUGHTER STEER PRICES 5 Market Weighted Average, Weekly



ALBERTA SLAUGHTER STEER PRICE Weekly



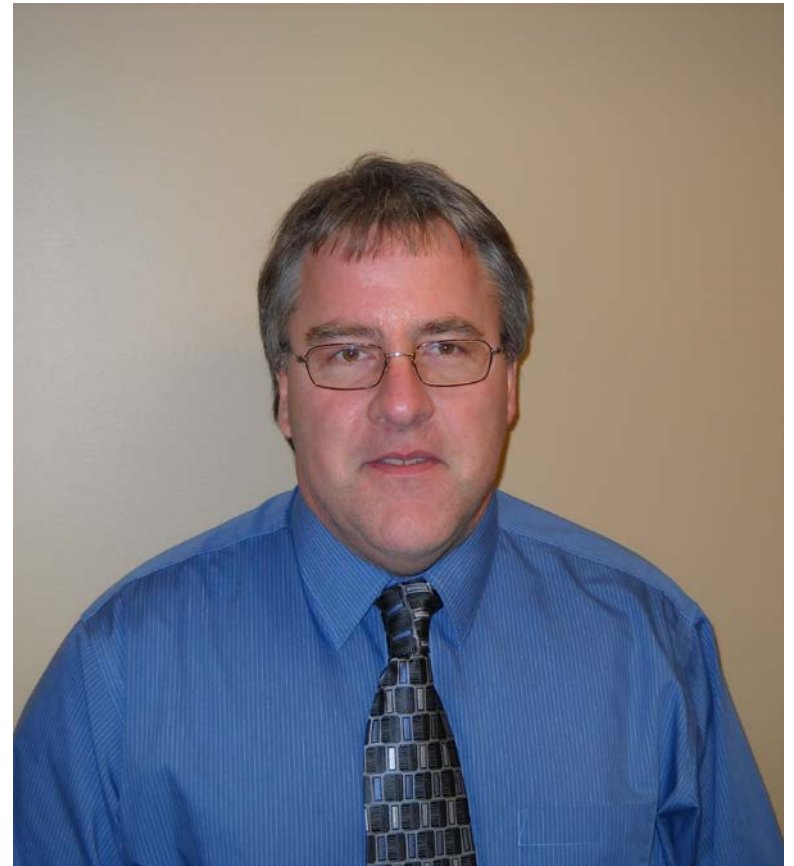
Farm Service Agency Deadlines

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Quality Loss Adjustment Program

QLA sign up deadline extended from
March 5 to April 9

Wheat protein as a quality loss to be
determined



Agricultural Risk Coverage and Price Loss Coverage Program

ARC/PLC 1.4 Million farms have signed up
About 81%

New FSA data just released March 8 (a little late in the game)

Deadline is **March 15**

ARC-CO, PLC, ARC-IC



Crop Insurance

Crop insurance sign-up deadline is **March 15**

This includes:

Supplemental Coverage Option (SCO)

Enhanced Coverage Option (ECO)



Non-insured Crop Disaster Assistance Program (NAP)

NAP insurance sign-up deadline is **March 15**

Spring planted crops and perennial forages



Conservation Reserve Program (General Sign-up)

CRP general sign-up has an indefinite deadline

Contact your FSA office



Coronavirus Food Assistance Program (CFAP)

CFAP AA “*CFAP 3.0*” is still under review
Secretary Vilsack said a decision is several weeks away

Sign-up deadline will be set 30 days from final decision

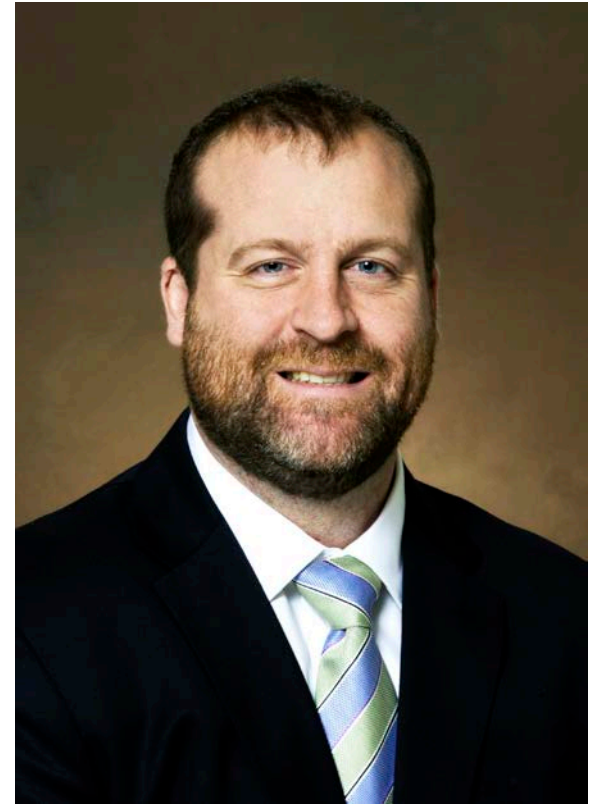
Energy Outlook

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Corn-Ethanol Situation and Outlook

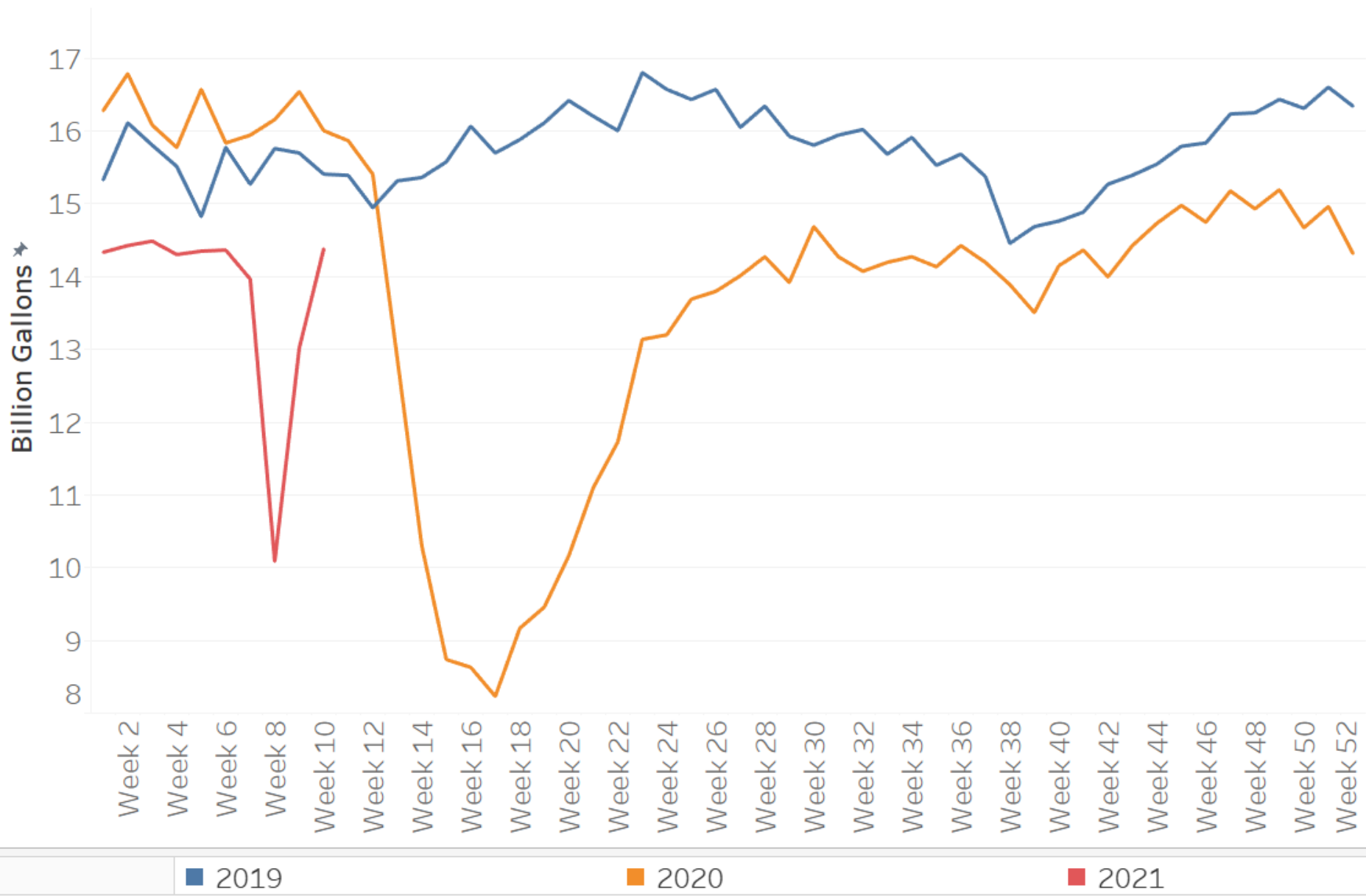
High corn prices – hurting margins

Disruptions from Texas Power Crisis impacted production

Economic recovery – increased use

Export recovery - China

Weekly US Ethanol Production

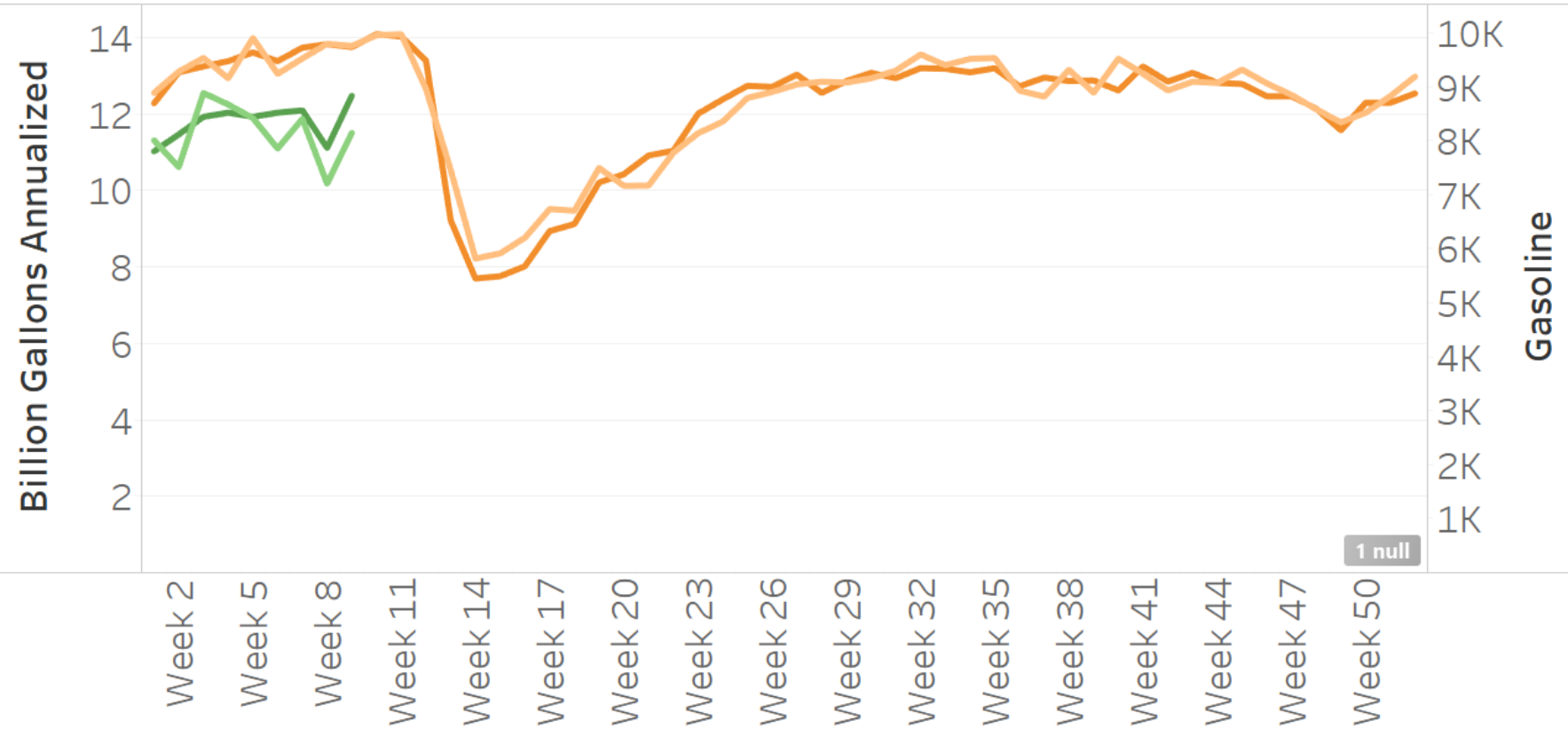


■ 2019

■ 2020

■ 2021

Weekly US Ethanol vs Gasoline Supplied



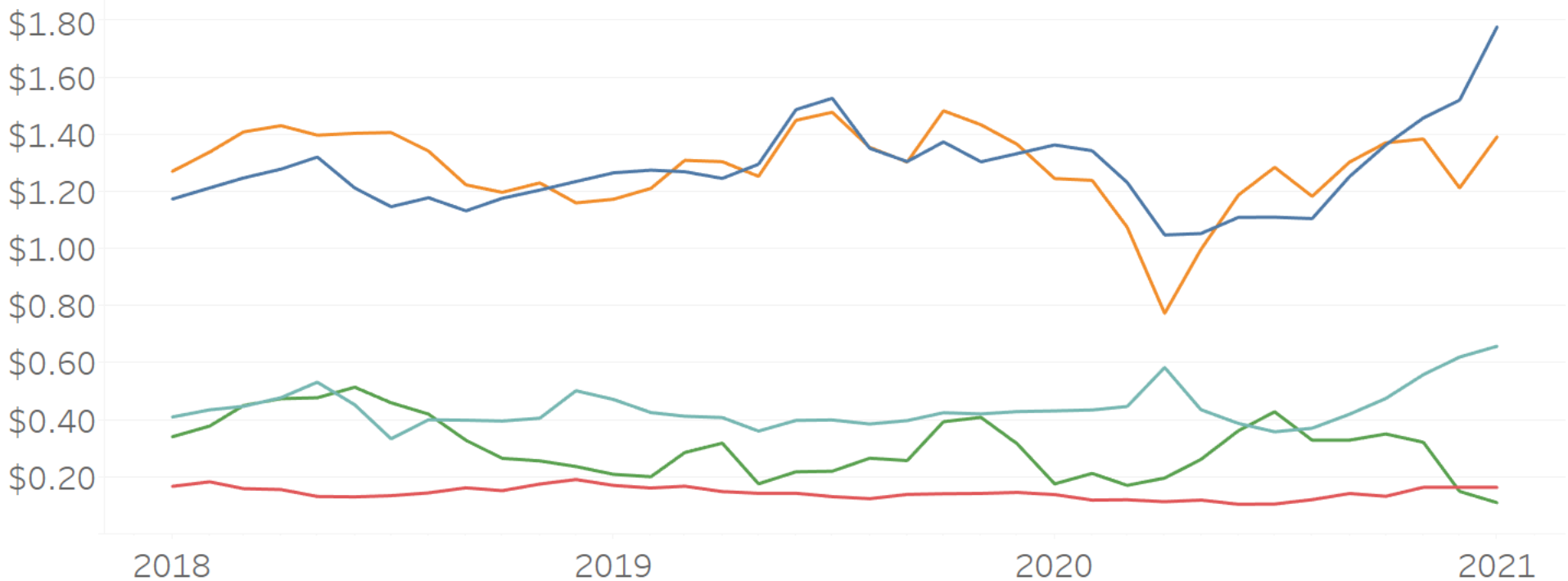
■ 2020, Ethanol Input
 ■ 2020, Gasoline
 ■ 2021, Ethanol Input
 ■ 2021, Gasoline

US Ethanol Stocks



■ 2019
 ■ 2020
 ■ 2021

US Corn Ethanol Crush Margins



■ Corn Per Gallon ■ Ethanol ■ Simple Crush
■ DDGS per Gallon ■ Natural Gas Per Gallon

Exclusive: Three ships carrying U.S. ethanol head to China - sources

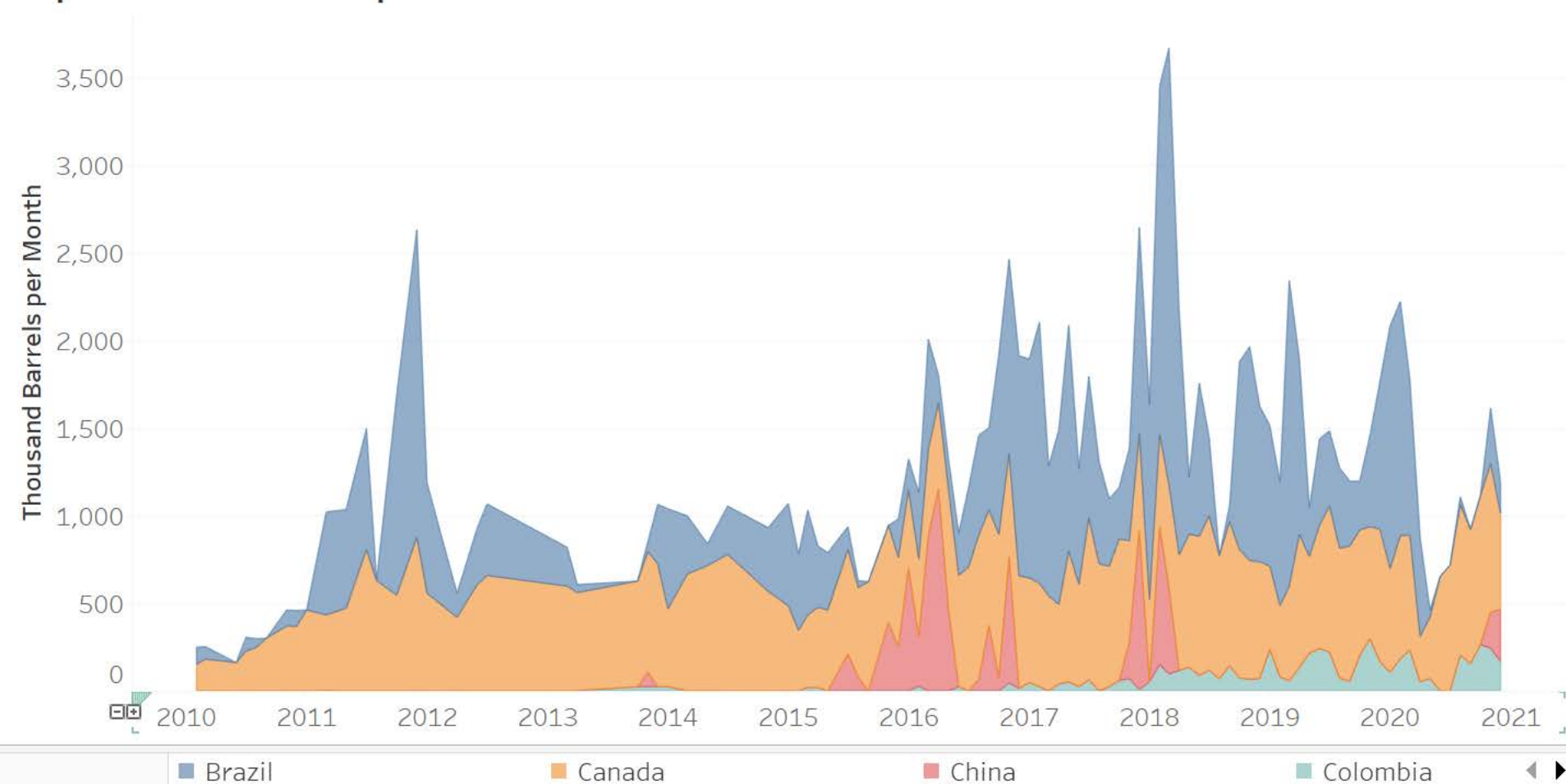


By Stephanie Kelly, Hallie Gu

4 MIN READ



Top US Ethanol Export Destinations



Please use the Q&A tool
to ask questions

The next webinar is scheduled for 1 pm CT
Thursday, March 11th

For the slides and recording of this webinar please
visit ag.ndsu.edu/farmmanagement/outlook

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