

# Agricultural Market Situation and Outlook

**WELCOME!**

July 9, 2020

Use the Q&A tool  
to ask questions

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

# Macro and Meat Production

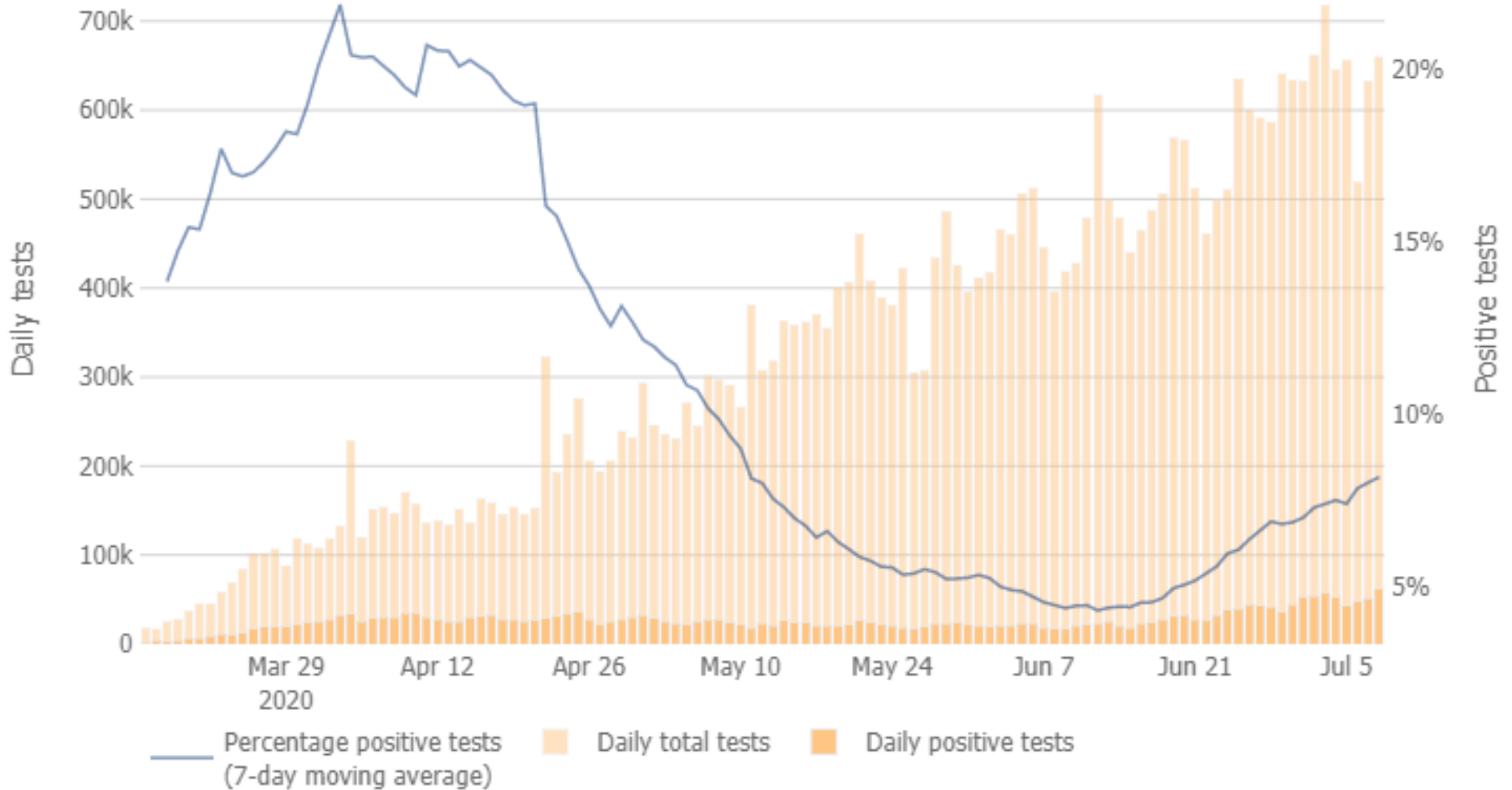
Bryon Parman

Cell – 701-261-5919

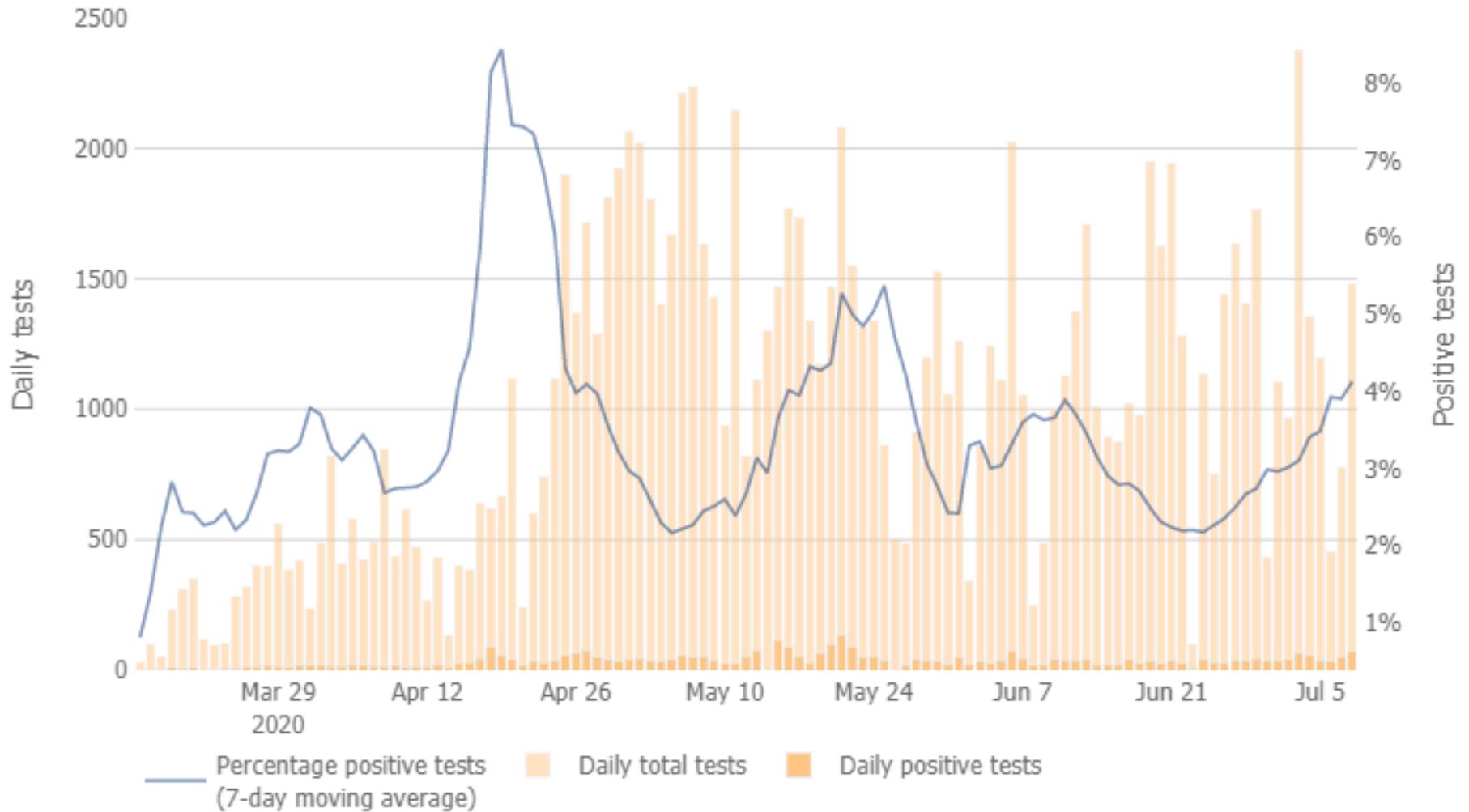
Bryon.Parman@ndsu.edu



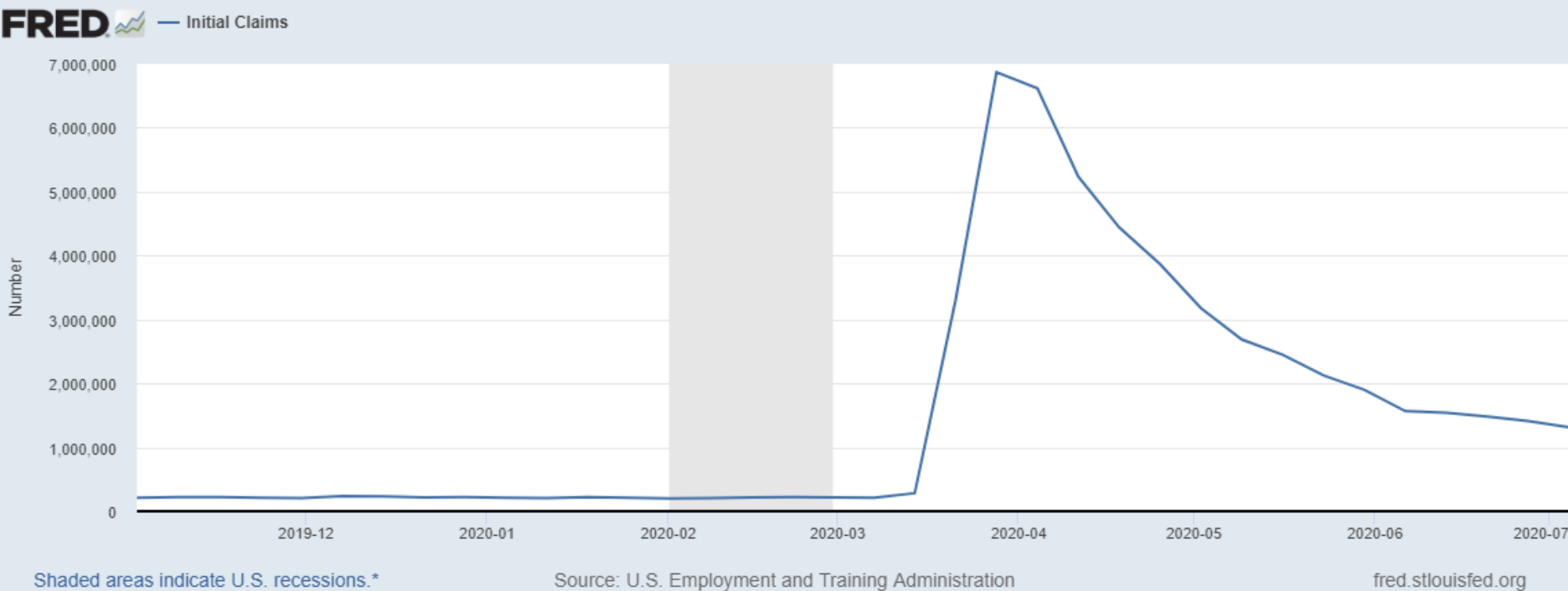
# U.S. Positive COVID-19 Test Rate



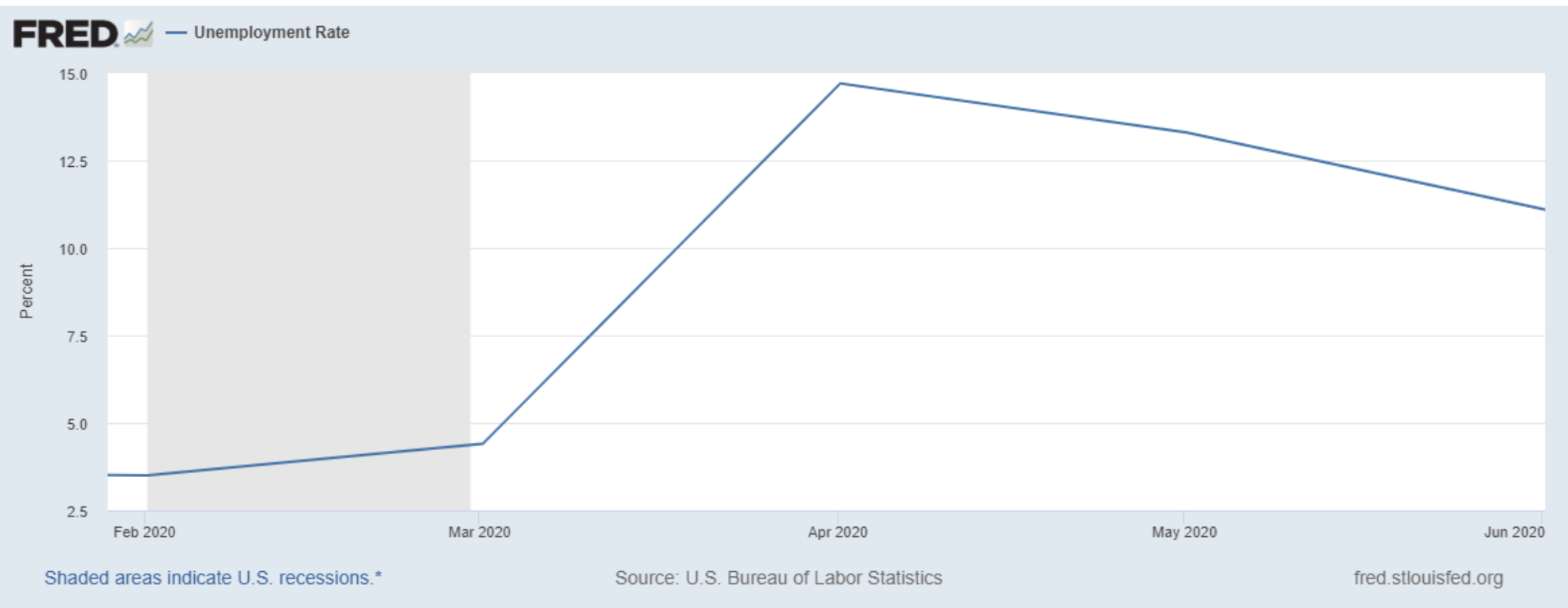
# ND Positive Test Rate



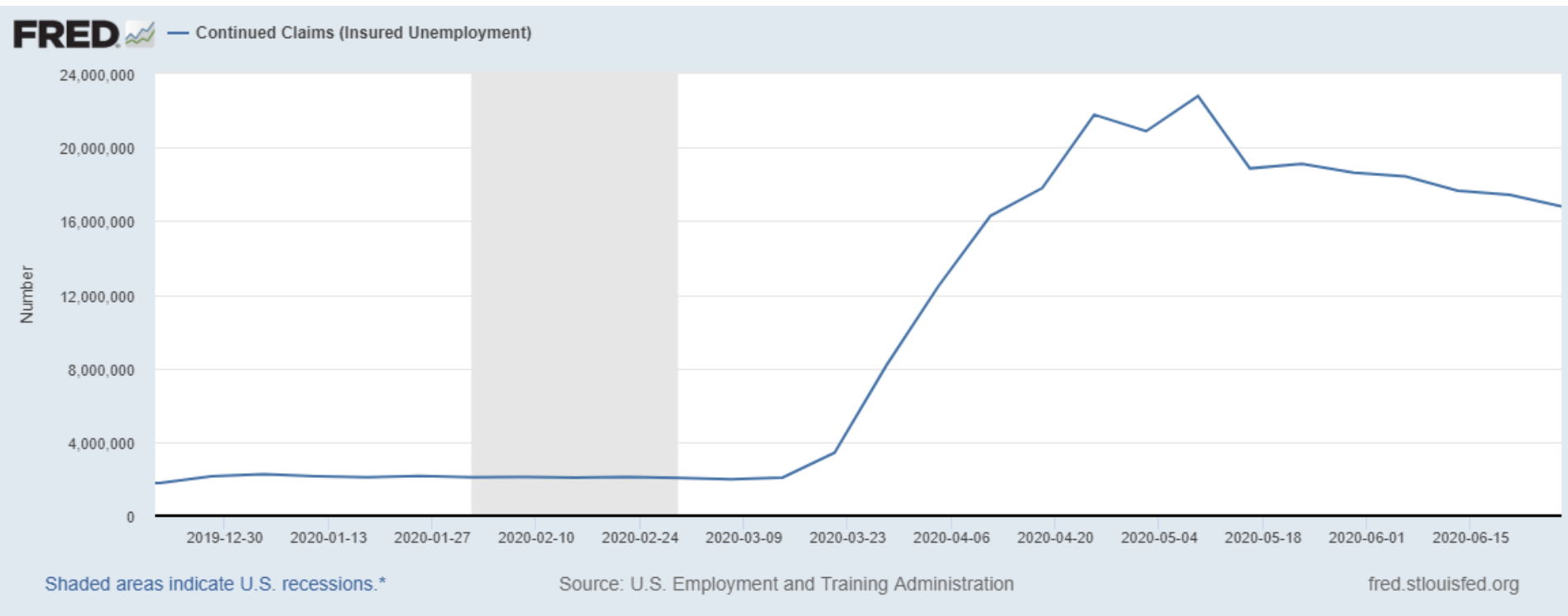
# Weekly Initial Jobless Claims, St. Louis Federal Reserve



# U.S. Unemployment Rate



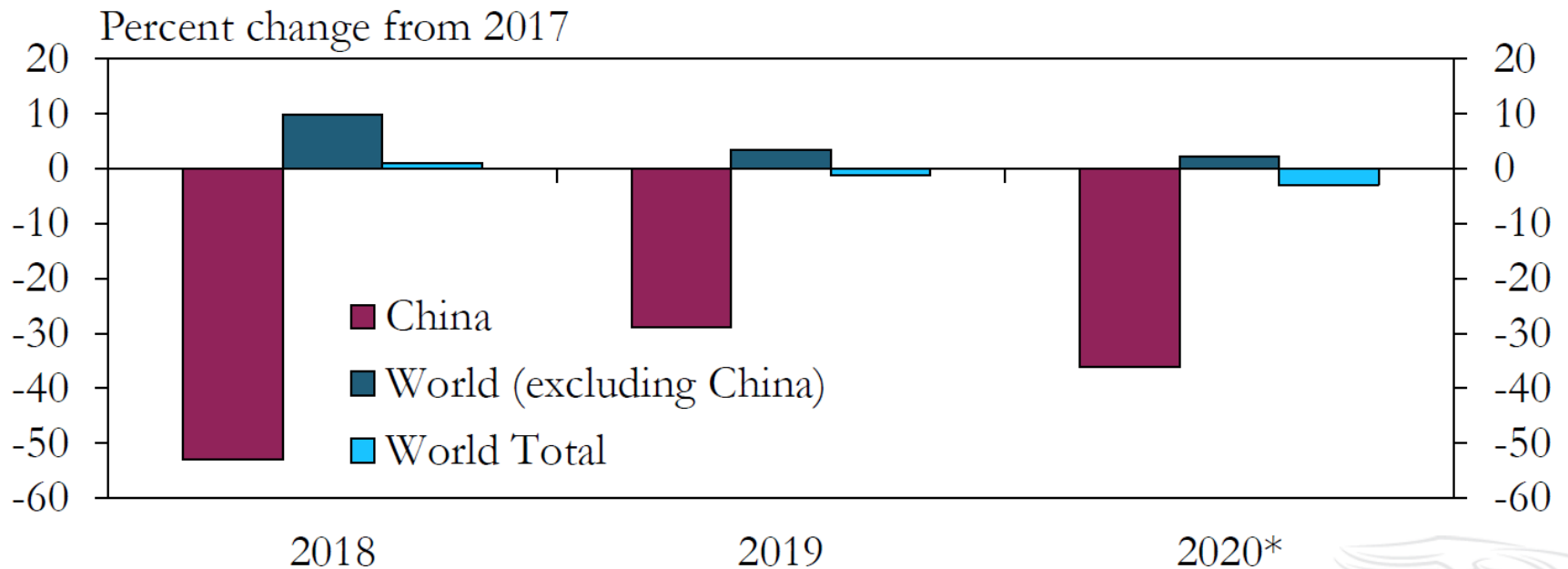
# U.S. Continuous Jobless Claims





# Increases in U.S. agricultural exports have remained limited, particularly with respect to China.

## U.S. Agricultural Exports

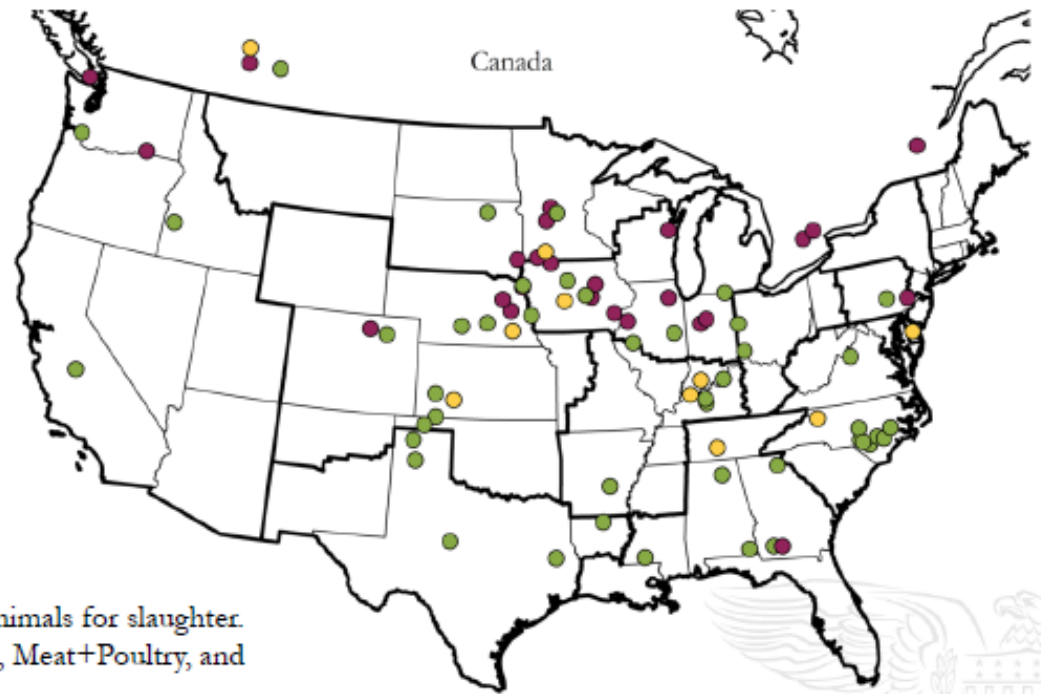


# All meat packing plants have reopened, but the effects of COVID-19 in the supply chain could persist.

## Meat Packing Plants Affected by COVID-19

### Status as of 6/22/2020

- Positive COVID-19 cases, but never closed
- Closed for less than one week - subsequently reopened
- Closed for more than one week - subsequently reopened

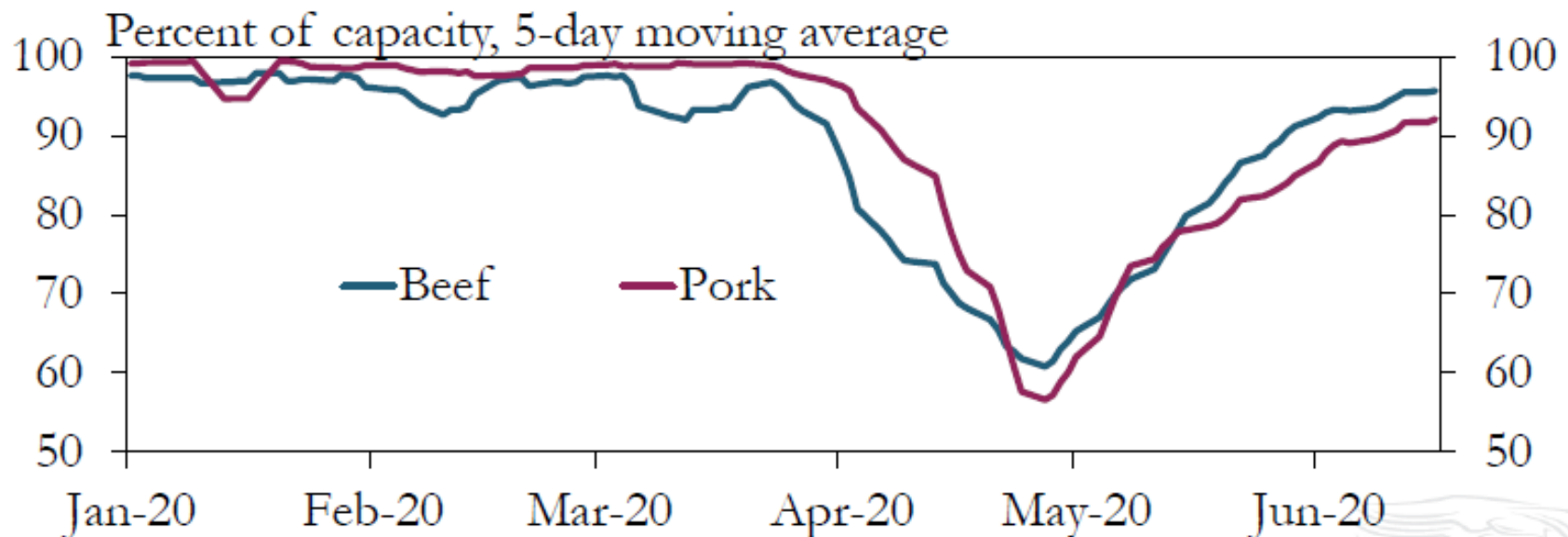


Note: Includes beef, pork, and poultry plants that purchase animals for slaughter.  
Sources: Food & Environment Reporting Network, Drovers, Meat+Poultry, and various local news outlets.



# Capacity utilization at meat plants increased, but remained slightly limited by modified operations.

## U.S. Beef and Pork Plant Capacity Utilization

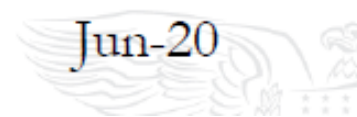
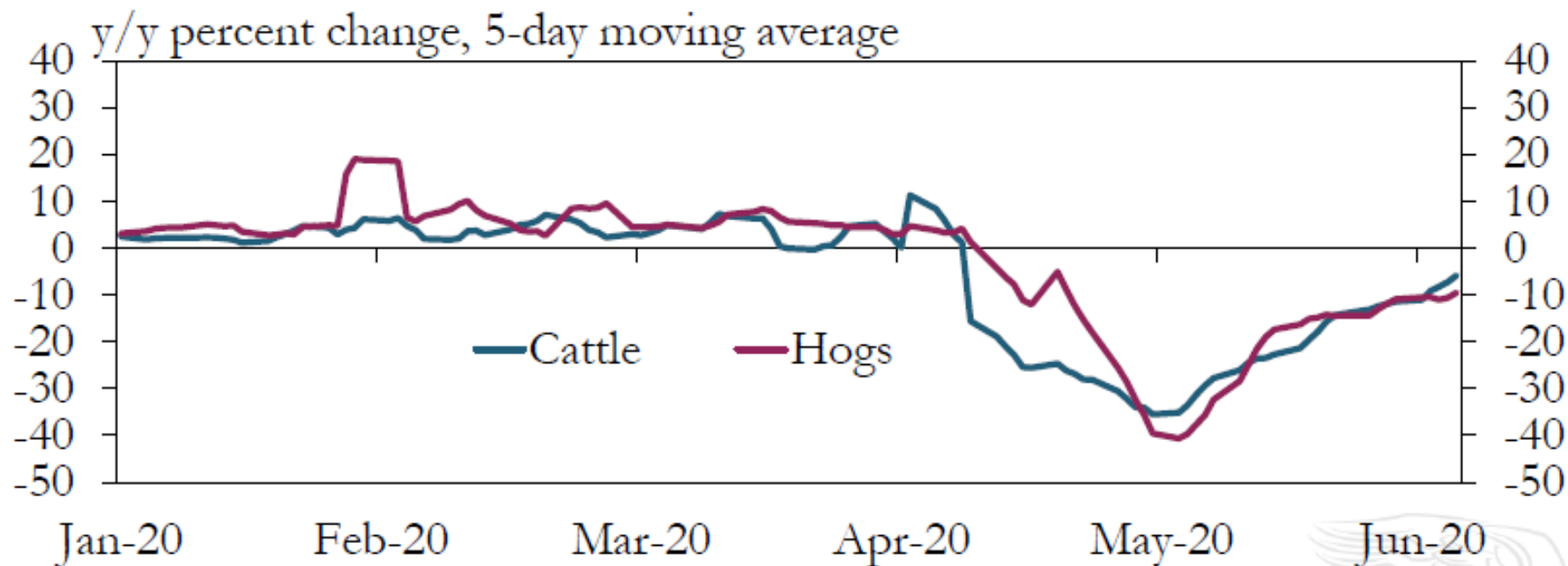


Sources: USDA, National Pork Board, and KC Fed Calculations.



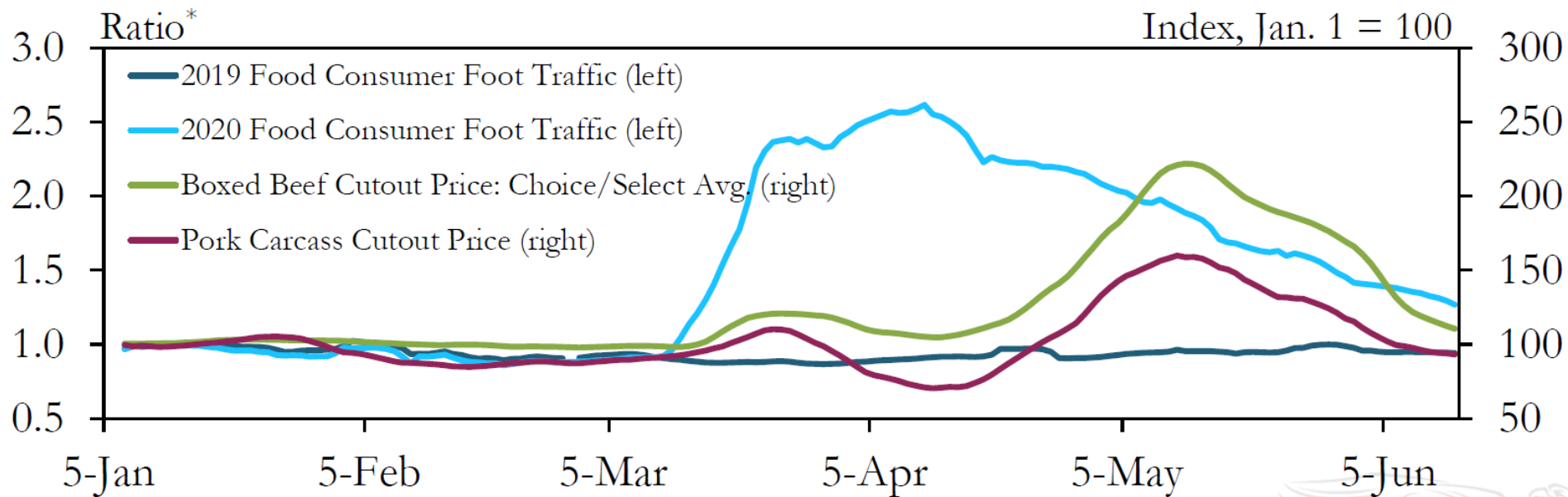
# Alongside reduced operations at packing plants, meat production continued to lag 2019 levels.

## Daily Cattle and Hog Slaughter



**In addition to the packing plant disruptions, consumers have shifted their food purchases to retail outlets.**

Foot Traffic at Supermarkets vs. Restaurants and Wholesale Meat Prices



# Preview of USDA Reports and Update on World Grain Prices

Frayne Olson

Crop Economist/ Marketing  
Specialist

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# Report Background

- ***World Agricultural Supply and Demand Estimates (WASDE)***
  - Monthly update of U.S. and global supply and demand forecasts for major crops and meat products.
    - Corn, Sorghum, Barley, Oats
    - Soybean, Soybean Oil, Soybean Meal
    - Wheat (all wheat and each sub-class)
    - Cotton (long grain, medium & short grain)
    - Rice
    - Sugar

# Report Background

- ***World Agricultural Supply and Demand Estimates (WASDE)***
  - Will include information from the June, 30 *Acreage* report for planted and harvested acres.
- ***Production*** – U.S. and state level average yield and total production forecasts.
  - Yield estimates are not expected to change from trendline.
    - August report is first farmer based survey of yields for corn and soybeans.
    - September report will add “objective” yield estimates.
    - Satellite imagery (NDVI) is used to cross check survey and objective yield estimates.



# Pre-Report Estimates: *U.S. Average Yield and Total Production*

<b>2020-21 Yield and Total Production Estimates</b>				
	<b>Corn</b>		<b>Soybean</b>	
	<b>Bushel/Acre</b>	<b>Production (bill. bu.)</b>	<b>Bushel/Acre</b>	<b>Production (bill. bu.)</b>
<b>Average Trade Estimate</b>	<b>178.5</b>	<b>15.036</b>	<b>50.0</b>	<b>4.152</b>
Highest Trade Estimate	180.5	15.296	52.8	4.382
Lowest Trade Estimate	176.4	14.932	48.8	4.123
<b>USDA June 11, 2020</b>	<b>178.5</b>	<b>15.996</b>	<b>49.8</b>	<b>4.125</b>
<b>USDA July 10, 2020</b>	<b>??</b>	<b>??</b>	<b>??</b>	<b>??</b>

# Pre-Report Estimates: *U.S. Ending Stocks – New Crop*

<b>U.S. 2020-21 Ending Stocks (billion bushels) – New Crop</b>			
	<b>All Wheat</b>	<b>Corn</b>	<b>Soybean</b>
<b>Average Trade Estimate</b>	<b>0.948 bill. bu.</b>	<b>2.683 bill. bu.</b>	<b>0.416 bill. bu.</b>
Highest Trade Estimate	1.006 bill. bu.	3.010 bill. bu.	0.572 bill. bu.
Lowest Trade Estimate	0.825 bill. bu.	2.400 bill. bu.	0.355 bill. bu.
<b>USDA June 11, 2020</b>	<b>0.925 bill. bu.</b>	<b>3.323 bill. bu.</b>	<b>0.395 bill. bu.</b>
<b>USDA July 10, 2020</b>	<b>??</b>	<b>??</b>	<b>??</b>

# Pre-Report Estimates: *U.S. Ending Stocks – Old Crop*

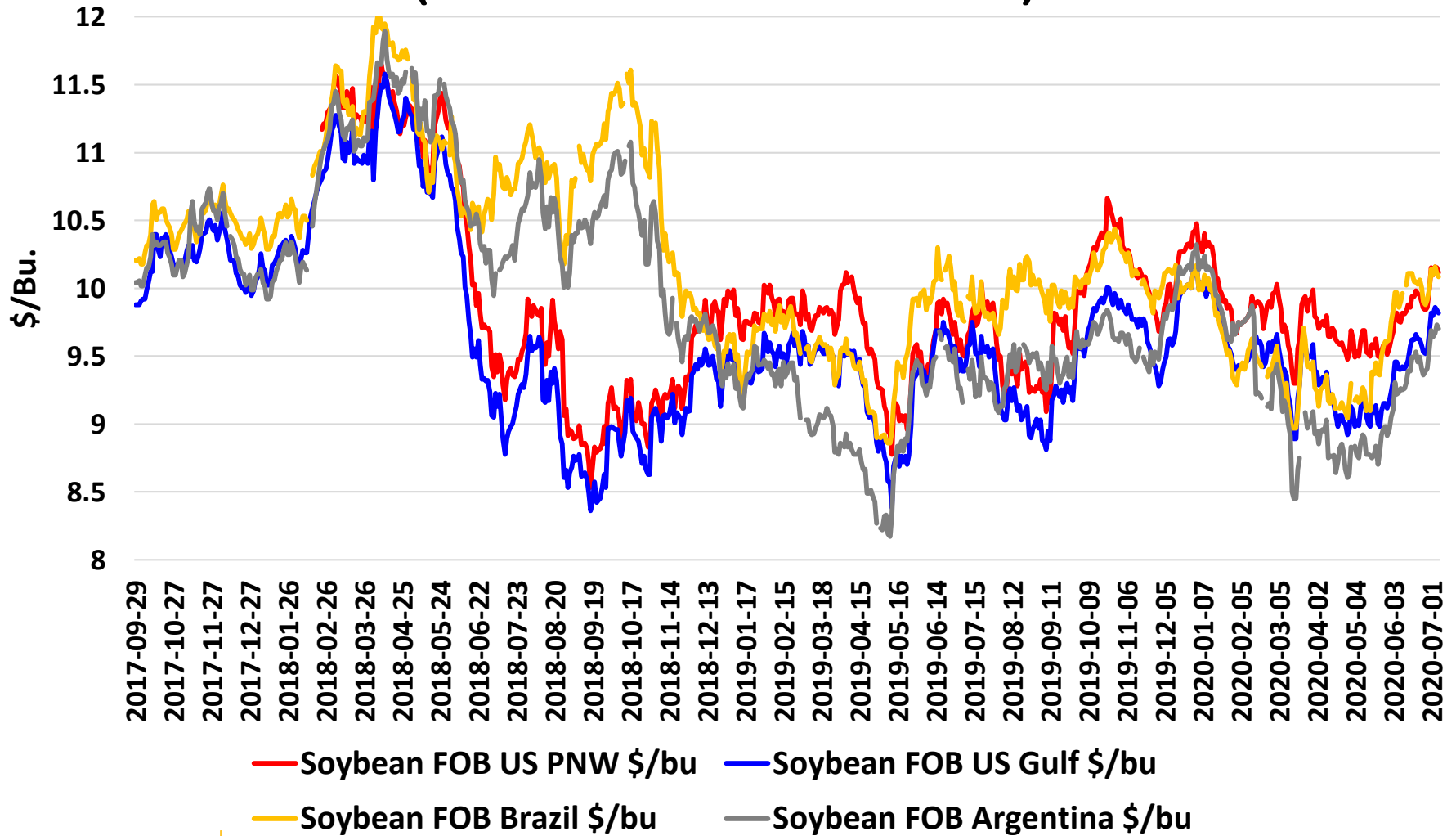
<b>U.S. 2019-20 Ending Stocks (billion bushels) – Old Crop</b>			
	<b>All Wheat</b>	<b>Corn</b>	<b>Soybean</b>
<b>Average Trade Estimate</b>	N.A.	<b>2.277 bill. bu.</b>	<b>0.584 bill. bu.</b>
Highest Trade Estimate	N.A.	2.403 bill. bu.	0.635 bill. bu.
Lowest Trade Estimate	N.A.	2.166 bill. bu.	0.560 bill. bu.
<b>USDA June 11, 2020</b>	<b>0.983 bill. bu.</b>	<b>2.103 bill. bu.</b>	<b>0.585 bill. bu.</b>
<b>USDA July 10, 2020</b>	<b>1.044 bill. bu.</b>	<b>??</b>	<b>??</b>

# Current Export Prices - Soybeans

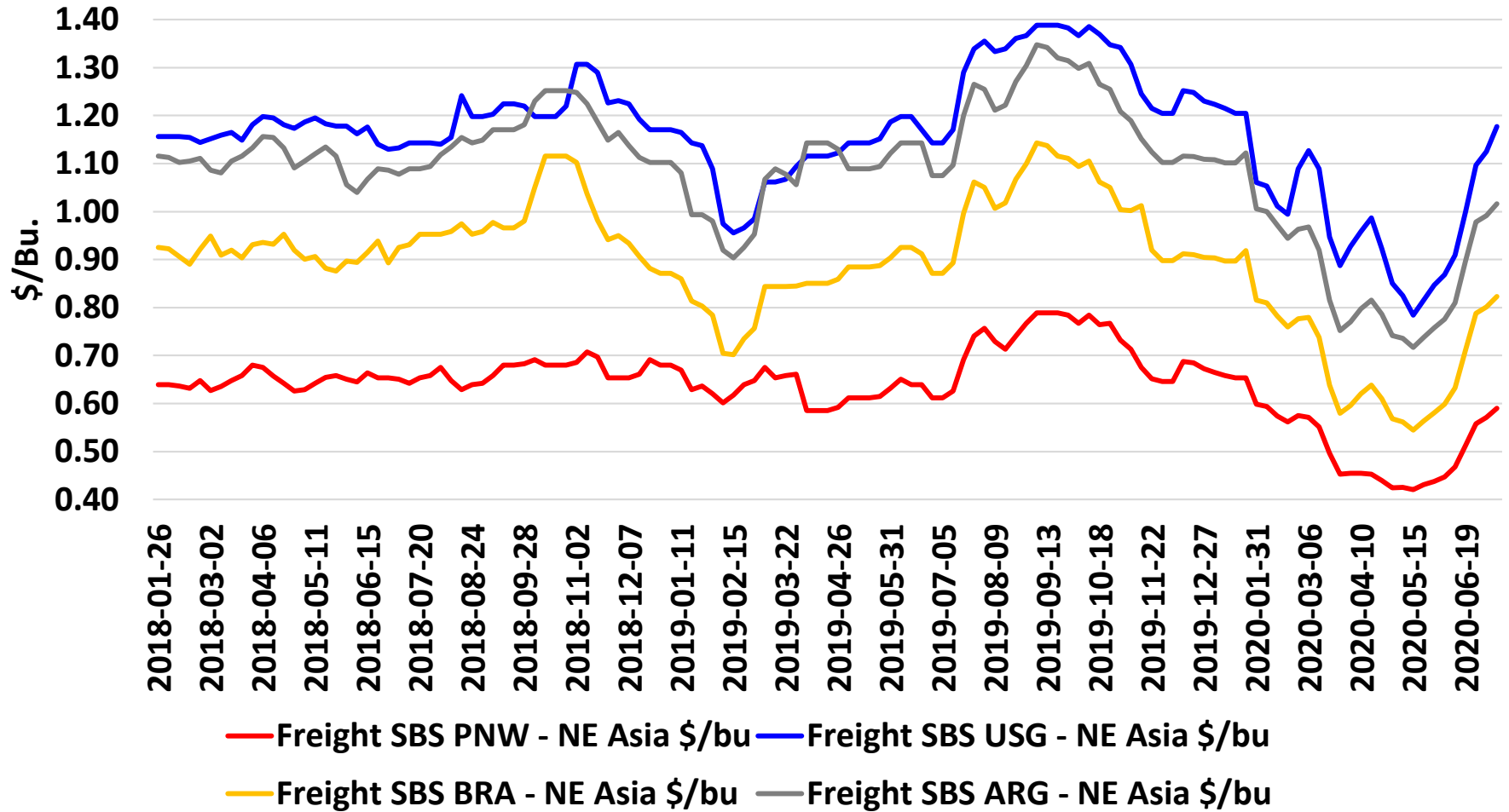
Port	FOB \$/MT	FOB \$/Bu.	Freight \$/MT	Freight \$/Bu.	CFR \$/MT	CFR \$/Bu.
<b>U.S. PNW</b>	<b>371.75</b>	<b>10.12</b>	<b>23.00</b>	<b>0.63</b>	<b>394.75</b>	<b>10.74</b>
U.S. Gulf	360.75	9.82	47.25	1.29	408.00	11.10
<b>Brazil</b>	<b>370.50</b>	<b>10.08</b>	<b>32.25</b>	<b>0.88</b>	<b>402.75</b>	<b>10.96</b>
Argentina	356.50	9.70	39.50	1.08	401.00	10.78

FOB = Free On Board (outbound price); Freight to North Asia; CFR = Cost and Freight (inbound price)  
Insurance costs not included

# Historical Export Prices – Soybean (09-28-17 to 07-08-20)



# Historical Ocean Freight to North Asia (01-26-18 to 07-08-20)



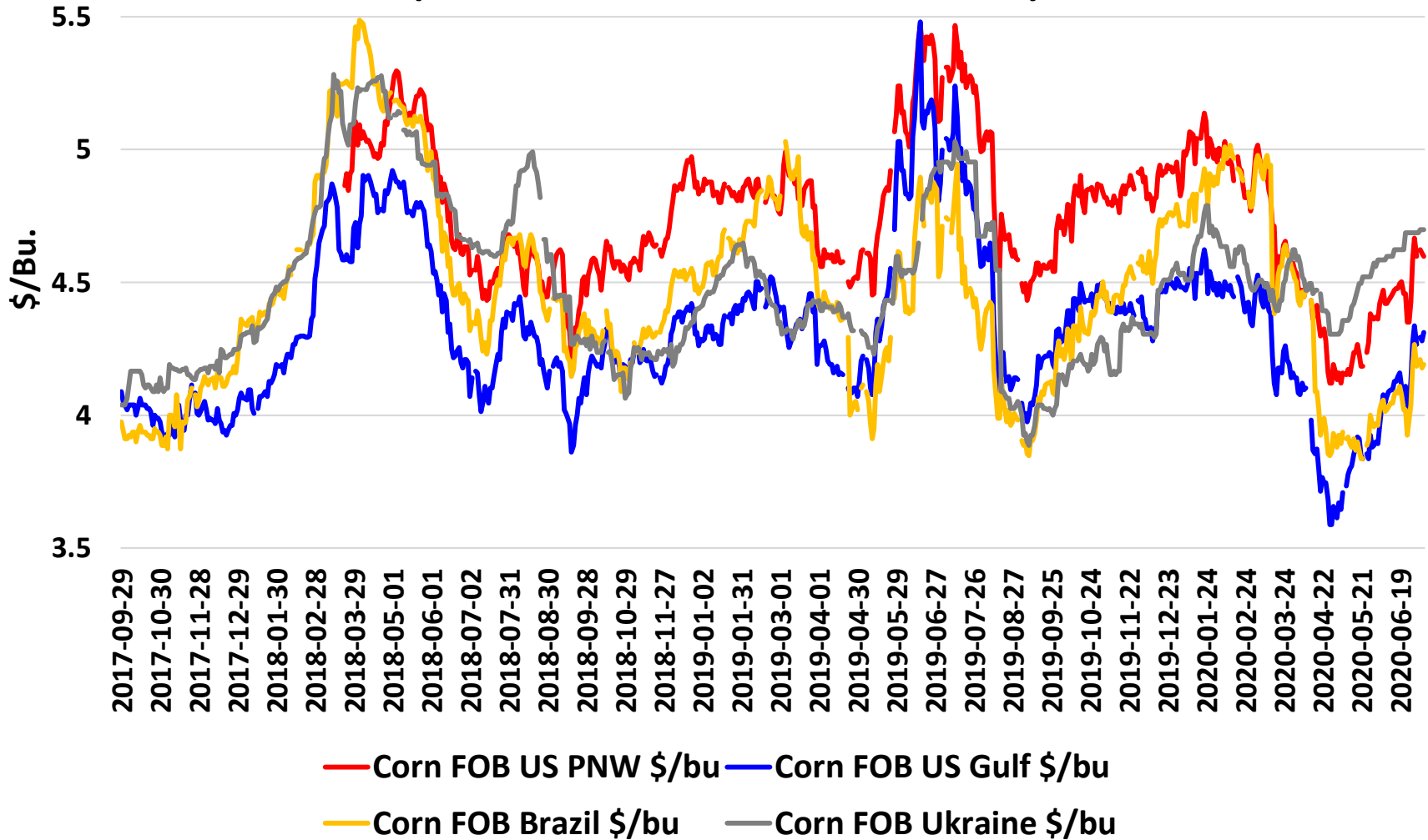
# Current Export Prices - Corn

Port	FOB \$/MT	<i>FOB</i> \$/Bu.	Freight \$/MT	<i>Freight</i> \$/Bu.	CFR \$/MT	<i>CFR</i> \$/Bu.
<b>U.S. PNW</b>	<b>181.00</b>	<b>4.60</b>	<b>23.00</b>	<b>0.58</b>	<b>204.00</b>	<b>5.18</b>
U.S. Gulf	169.75	4.31	47.25	1.20	217.00	5.51
<b>Brazil</b>	<b>165.00</b>	<b>4.19</b>	<b>32.25</b>	<b>0.82</b>	<b>197.25</b>	<b>5.01</b>
Ukraine	185.00	4.70	28.75	0.73	213.75	5.43

FOB = Free On Board (outbound price); Freight to North Asia; CFR = Cost and Freight (inbound price)  
Insurance costs not included

# Historical Export Prices – Corn

(09-28-17 to 07-08-20)





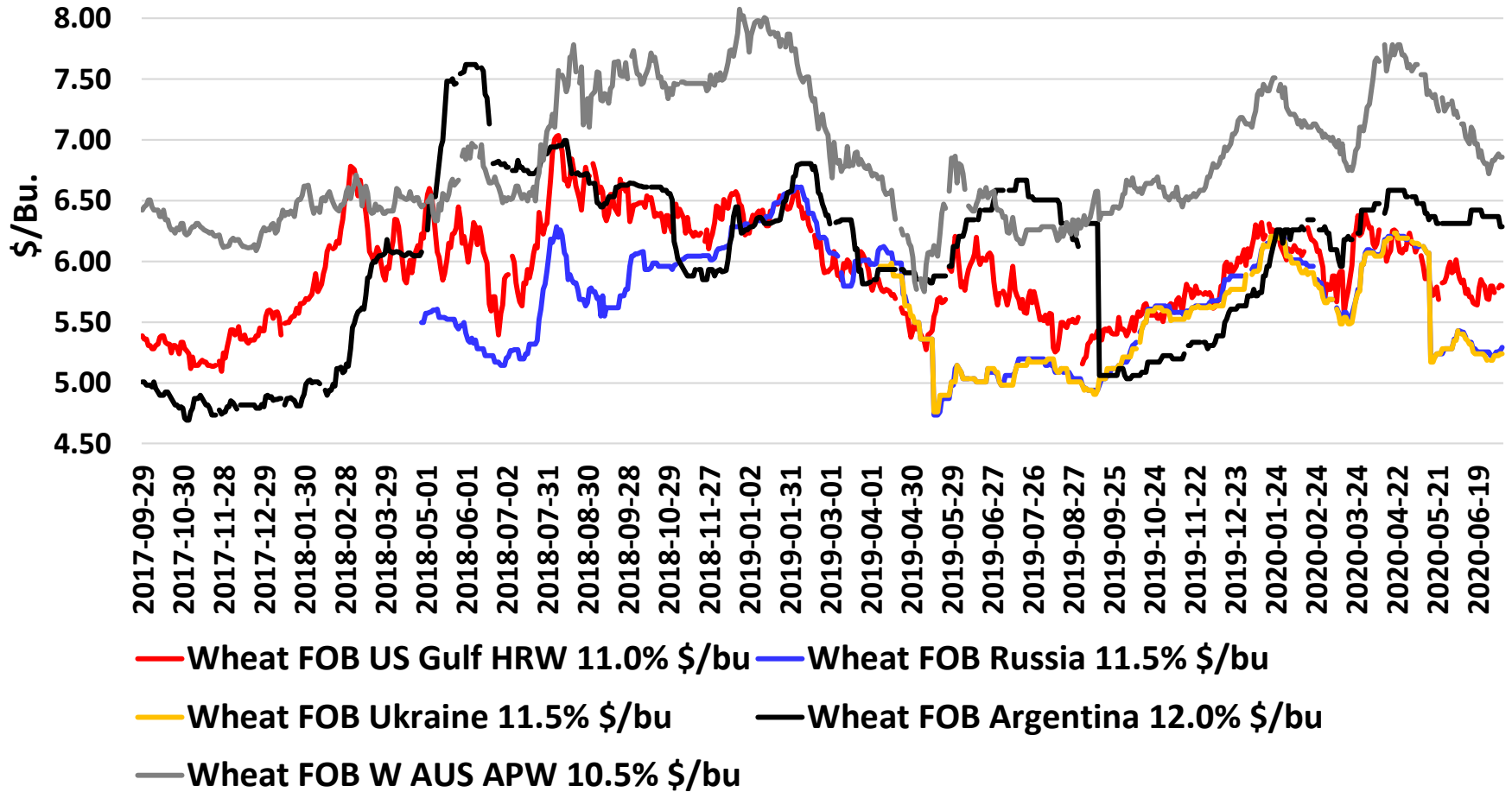
# Current Export Prices - Wheat

Port	FOB \$/MT	FOB \$/Bu.	Freight \$/MT	Freight \$/Bu.	CFR \$/MT	CFR \$/Bu.
U.S. HRW Gulf – 11.0%	213.00	5.80	47.25	1.29	260.25	7.08
Russian – 11.5%	194.50	5.29	28.75	0.78	223.25	6.08
Ukraine – 11.5%	192.50	5.24	28.75	0.78	221.25	6.02
Argentina – 12.0%	231.00	6.29	39.50	1.08	270.50	7.36
Australia – APW 10.5%	252.00	6.86	17.00	0.46	269.00	7.32

FOB = Free On Board (outbound price); Freight to North Asia; CFR = Cost and Freight (inbound price)  
Insurance costs not included

# Historical Export Prices – Wheat

## (09-28-17 to 07-08-20)



**USDA – WASDE and  
Production Report Released  
at  
11:00 am CT  
Friday, July 10**

# LIVESTOCK PRICE SITUATION AND OUTLOOK

Tim Petry

Extension Livestock Marketing  
Economist

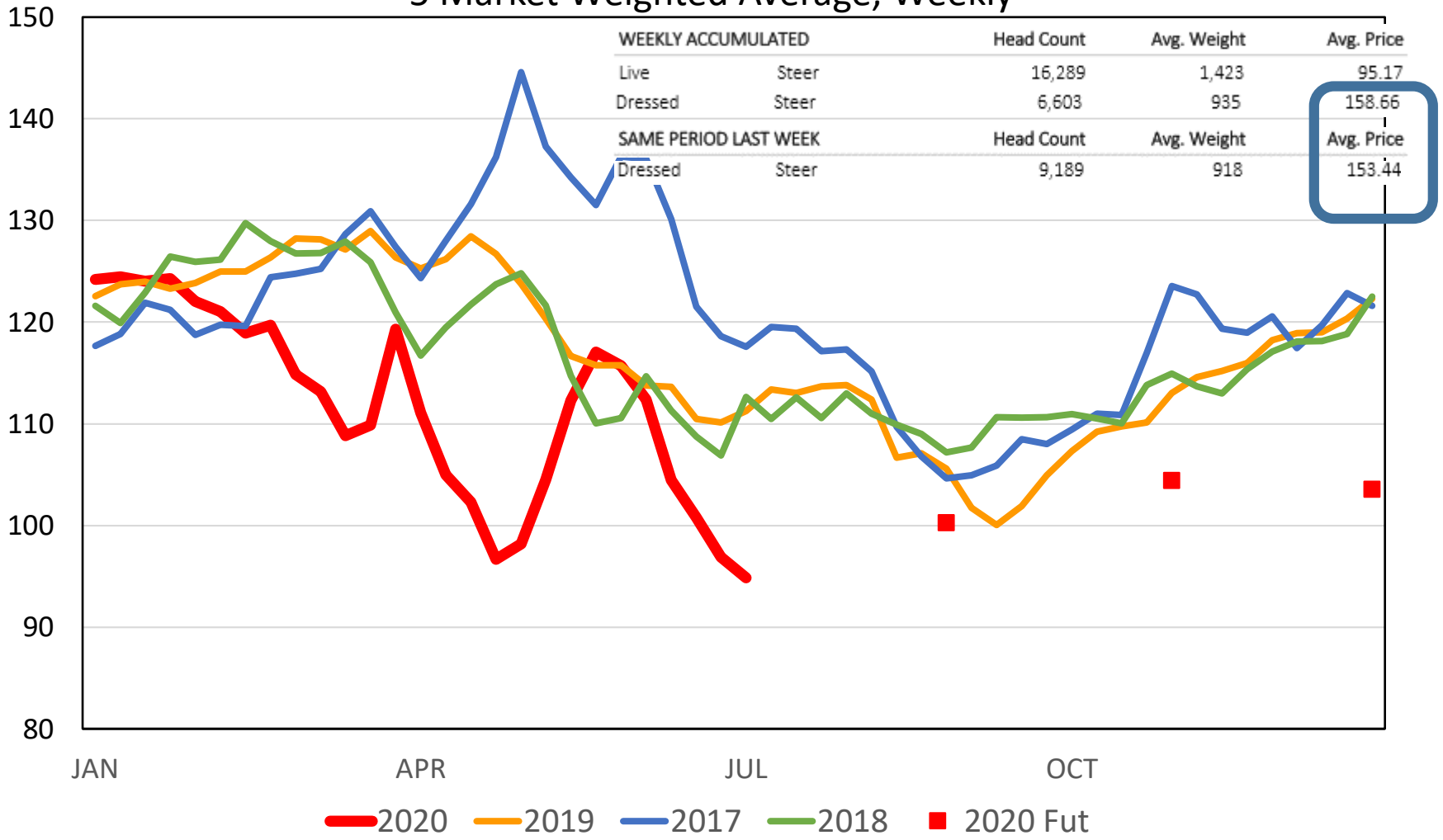
[Tim.Petry@ndsu.edu](mailto:Tim.Petry@ndsu.edu)

[www.ndsu.edu/livestockeconomics](http://www.ndsu.edu/livestockeconomics)

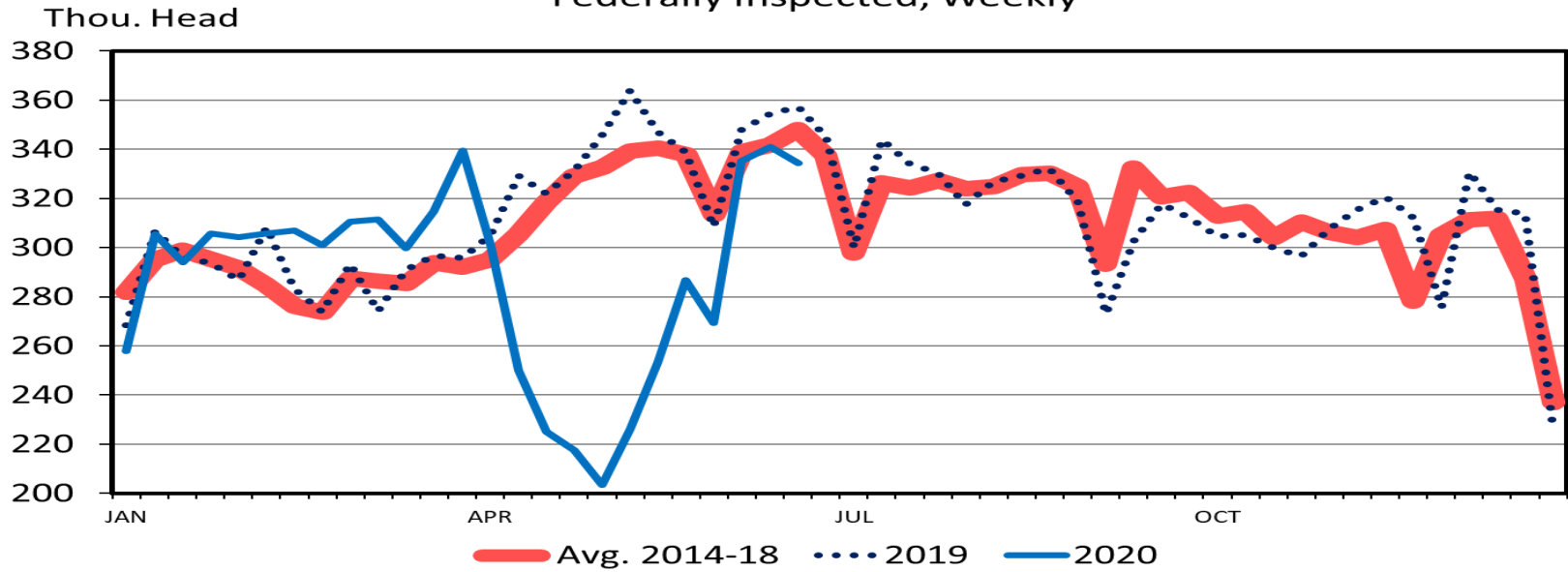


# SLAUGHTER STEER PRICES

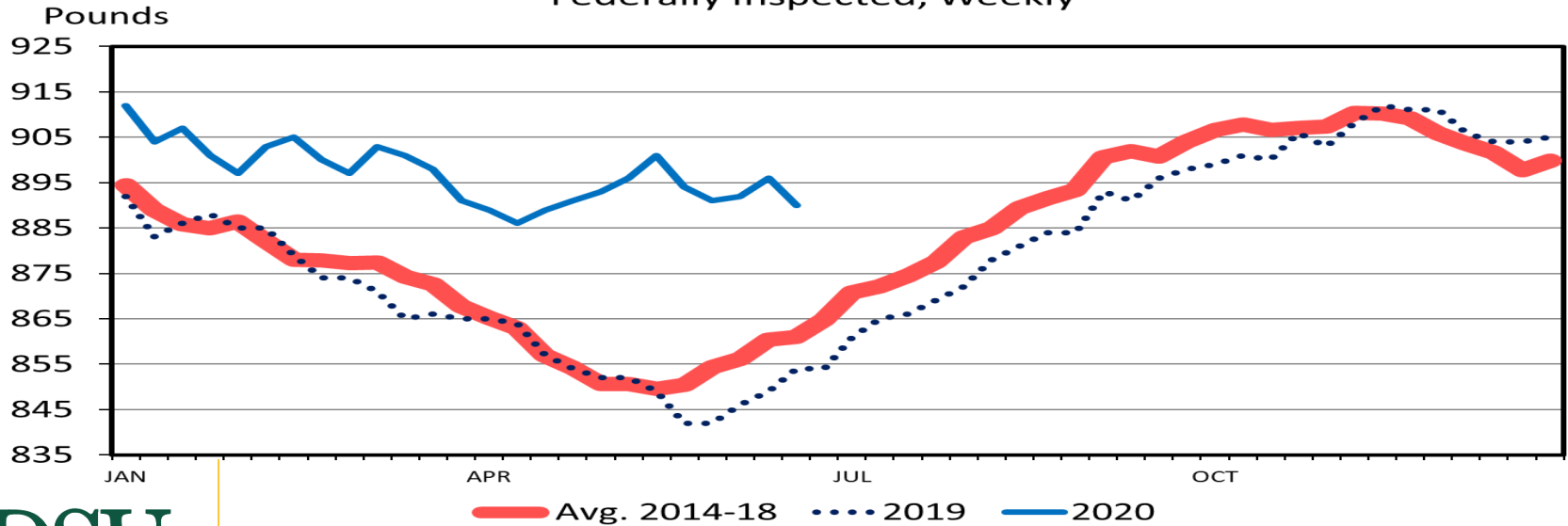
5 Market Weighted Average, Weekly



## STEER SLAUGHTER Federally Inspected, Weekly

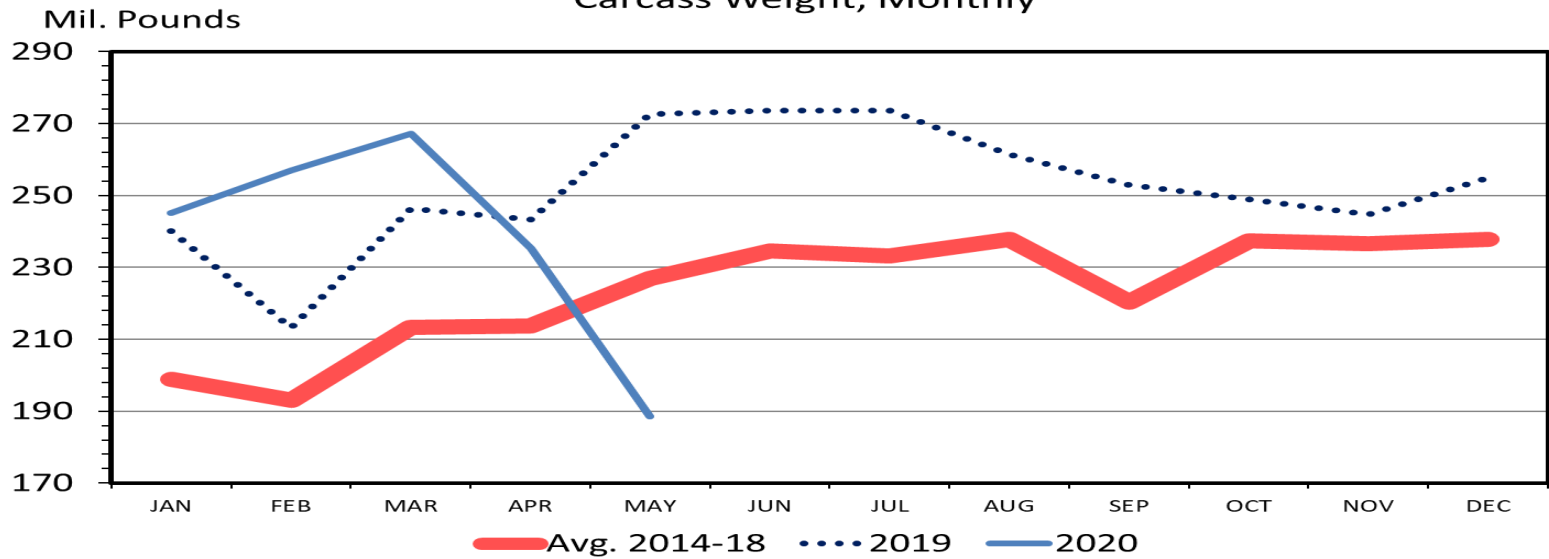


## STEER DRESSED WEIGHT Federally Inspected, Weekly



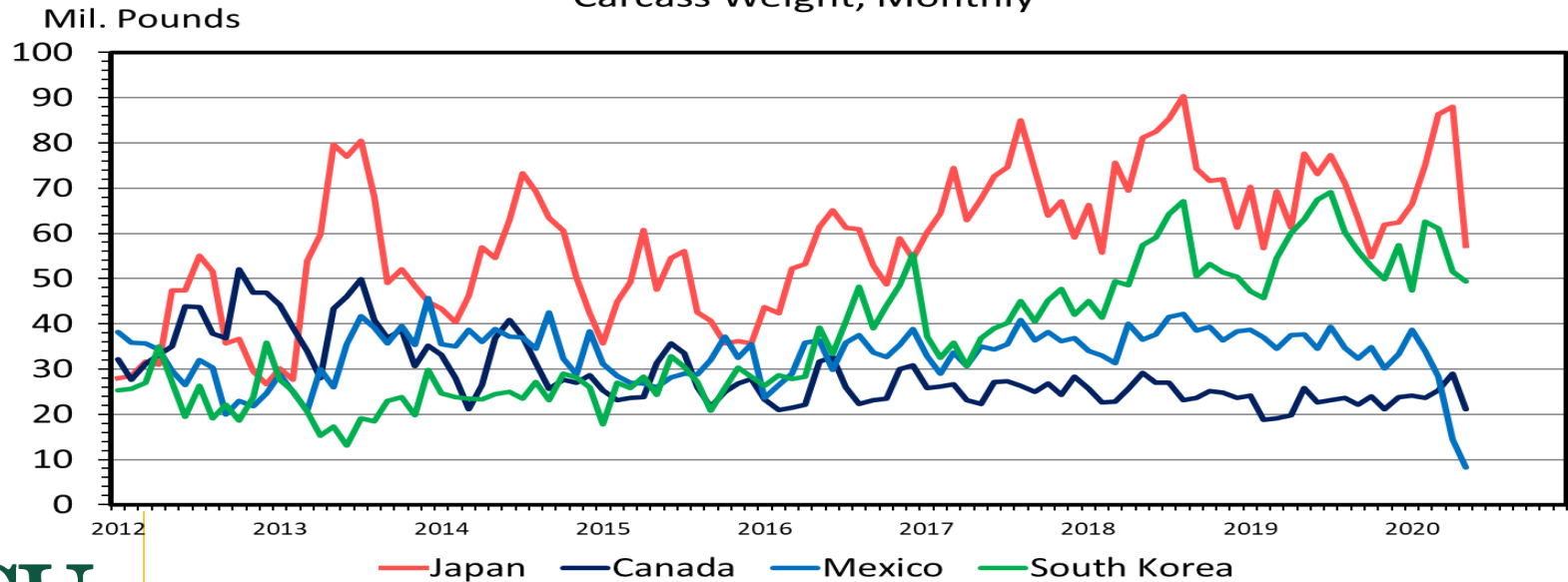
## US BEEF AND VEAL EXPORTS

Carcass Weight, Monthly



## US BEEF EXPORTS TO MAJOR MARKETS

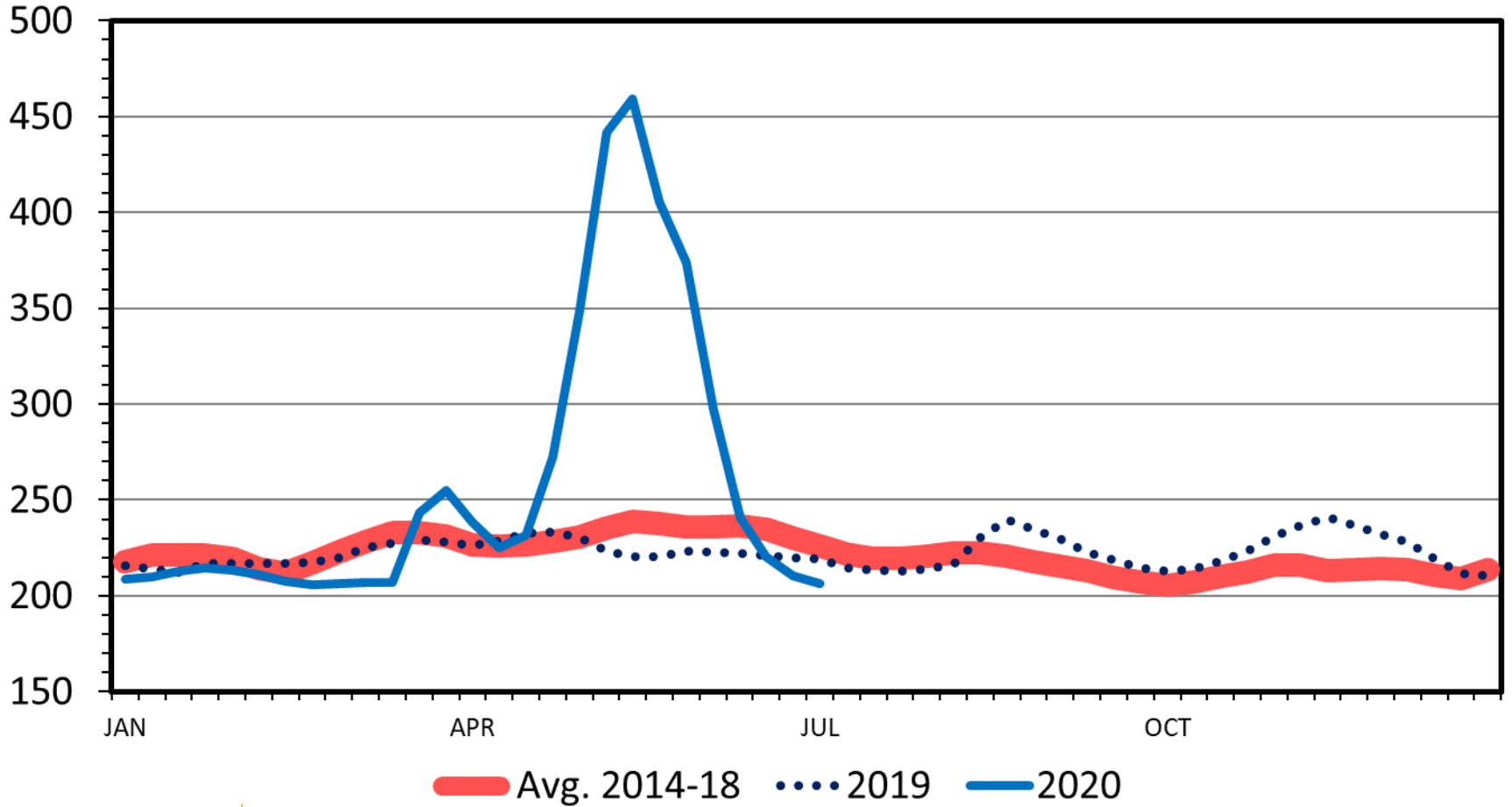
Carcass Weight, Monthly



# BOXED BEEF CUTOUT VALUE

Choice 600-900 Lbs., Carcass, Negotiated, Weekly

\$ Per Cwt.

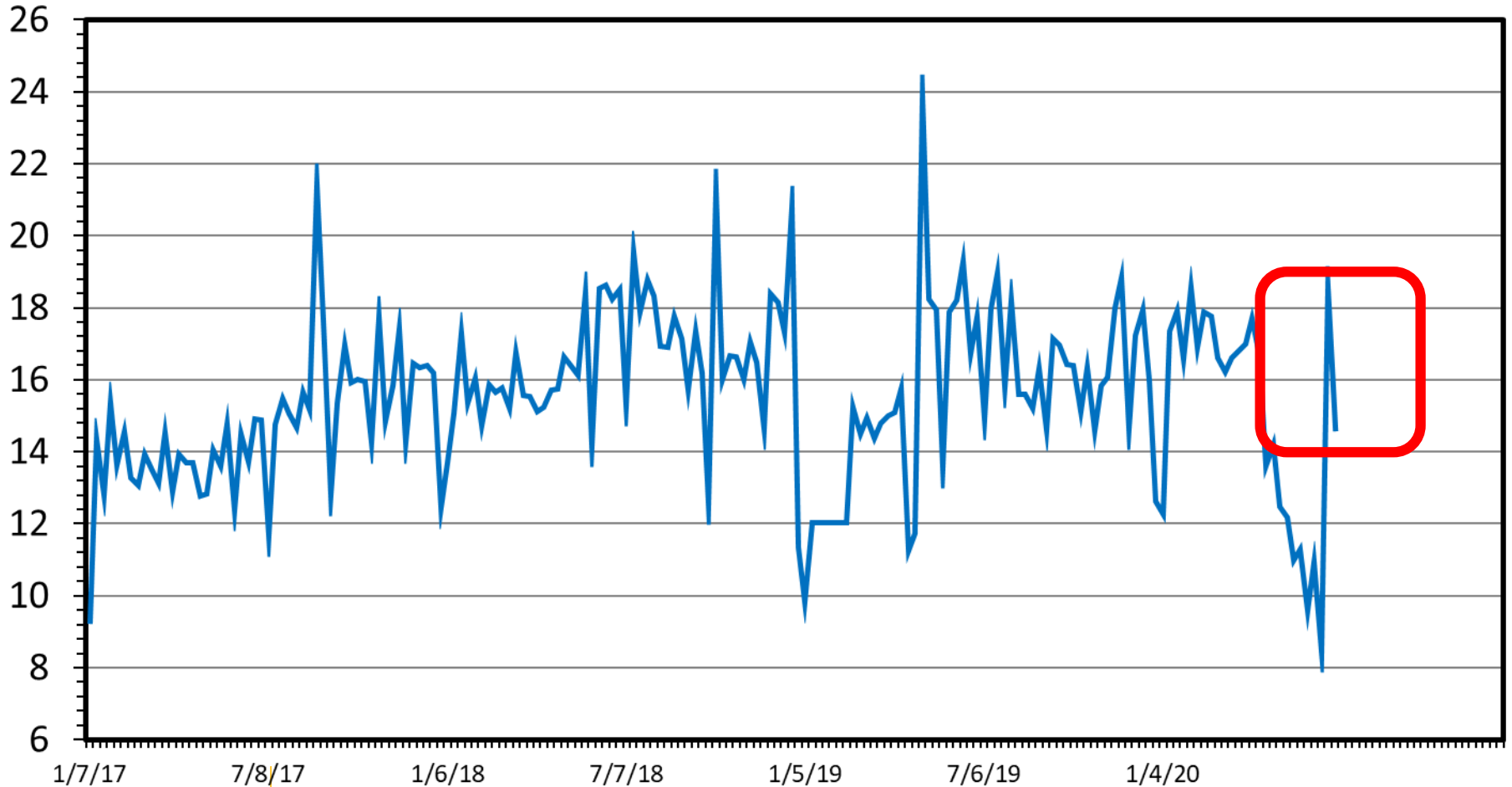




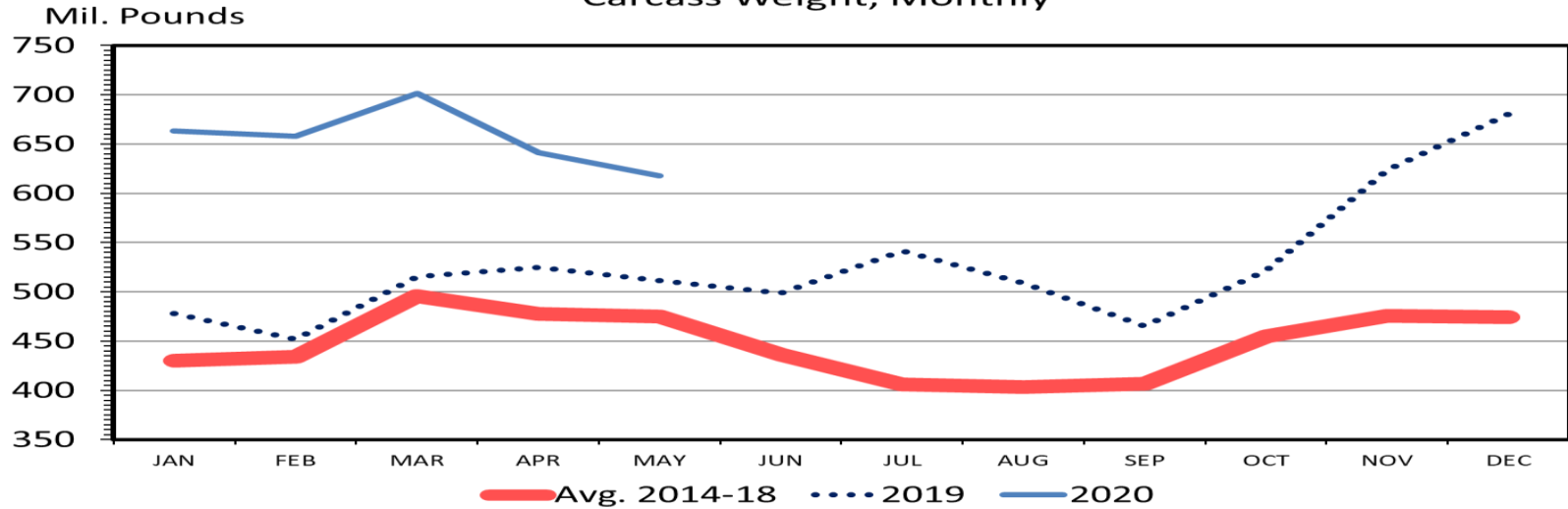
# TOTAL U.S. EXPORTS OF BEEF MUSCLE CUTS

Weekly

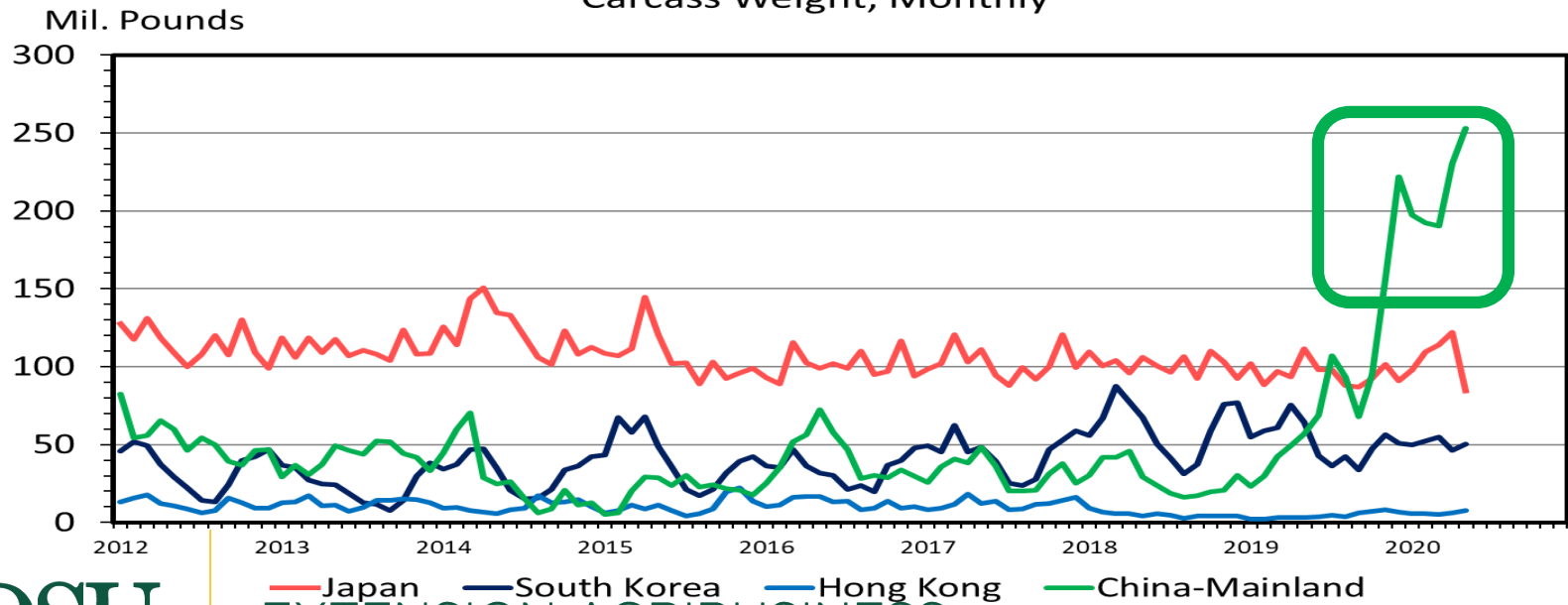
1000 MT



## US PORK EXPORTS Carcass Weight, Monthly

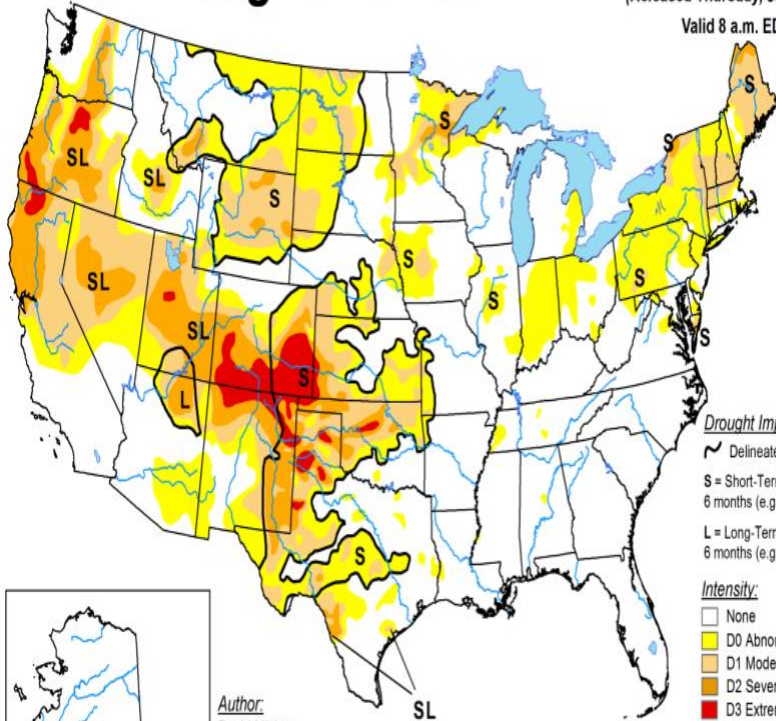


## US PORK EXPORTS TO MAJOR MARKETS Carcass Weight, Monthly



# U.S. Drought Monitor

July 7, 2020  
 (Released Thursday, Jul. 9, 2020)  
 Valid 8 a.m. EDT



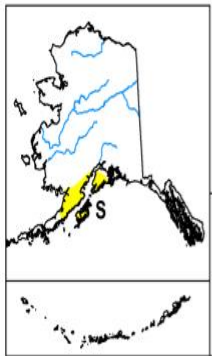
**Drought Impact Types:**  
 ~ Delineates dominant impacts  
 S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)  
 L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

**Intensity:**  
 □ None  
 □ D0 Abnormally Dry  
 □ D1 Moderate Drought  
 □ D2 Severe Drought  
 □ D3 Extreme Drought  
 □ D4 Exceptional Drought

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](http://droughtmonitor.unl.edu)

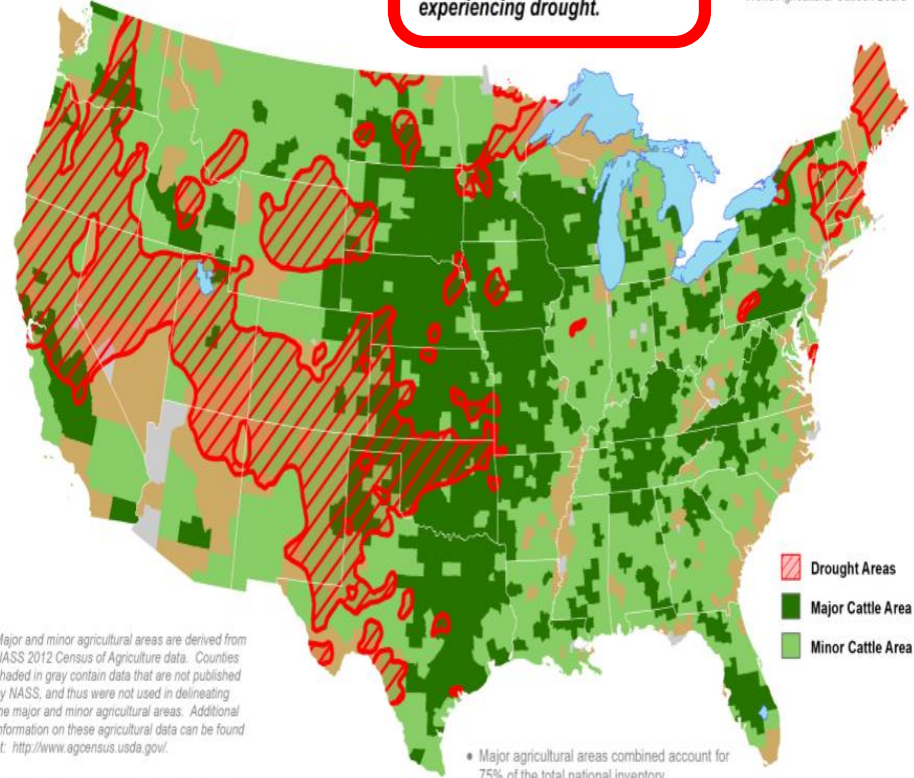


**Author:**  
 David Miskus  
 NOAA/NWS/NCEP/CPC

# U.S. Cattle Areas Experiencing Drought

Reflects July 7, 2020  
 U.S. Drought Monitor data

Approximately 24% of cattle inventory is within an area experiencing drought.



▨ Drought Areas  
 ■ Major Cattle Area  
 ■ Minor Cattle Area

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/>.

- Major agricultural areas combined account for 75% of the total national inventory.
- Major and minor agricultural areas combined account for 99% of the total national inventory.

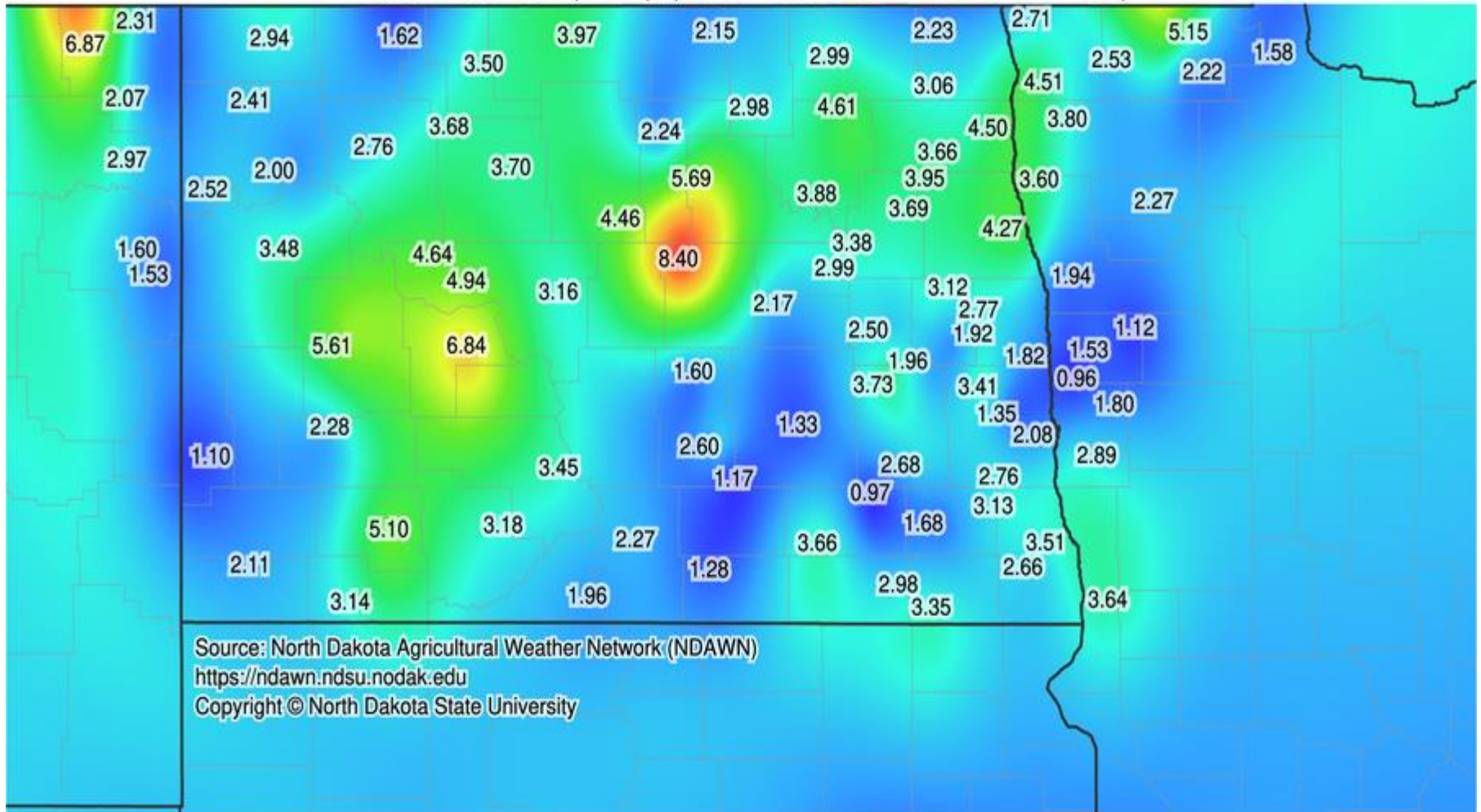
Mapped drought areas are derived from the U.S. Drought Monitor product and do not depict the intensity of drought in any particular location. More information on the Drought Monitor can be found at: <http://droughtmonitor.unl.edu/>.



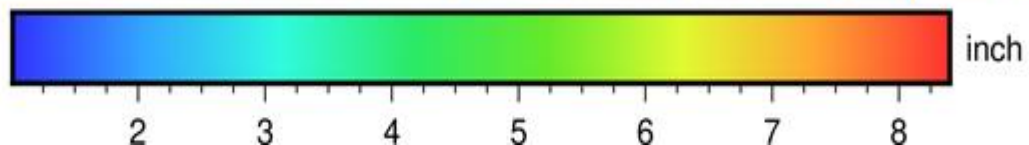
This product was prepared by the USDA Office of the Chief Economist World Agricultural Outlook Board

# IT RAINED!!!

Total Rainfall (inch) (2020-06-25 – 2020-07-08)



Source: North Dakota Agricultural Weather Network (NDAWN)  
<https://ndawn.ndsu.nodak.edu>  
Copyright © North Dakota State University



# U.S. Drought Monitor North Dakota

Cumulative % area  
(% Change from previous week)

**June 30, 2020**  
(Released Thursday, Jul. 2, 2020)  
Valid 8 a.m. EDT

DO  
17%  
(+2%)

D1  
53%  
(0%)

D2  
1%  
(+1%)

None  
29%  
(-2%)

**July 7, 2020**  
(Released Thursday, Jul. 9, 2020)  
Valid 8 a.m. EDT

DO  
53%  
(+18%)

D1  
18%  
(-35%)

~~D2  
0%  
(-1%)~~

None  
29%  
(0%)

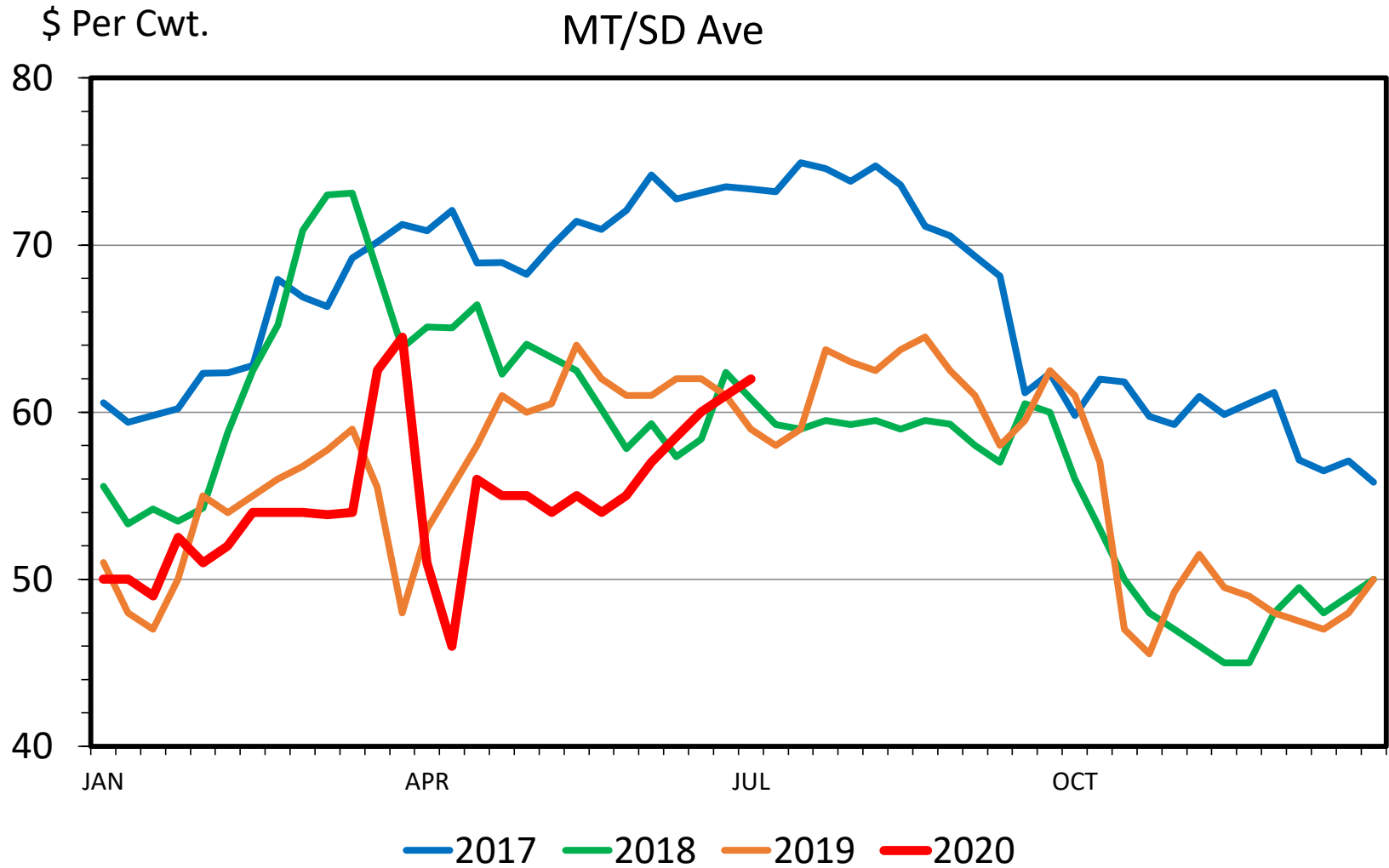
## FSA Eligibility

- D2 for at least eight consecutive weeks during the grazing period
- D3 at any time during the grazing period
- D3 for at least four (nonconsecutive) weeks during the grazing period
- D4 at any time during the grazing period
- D4 for at least four (nonconsecutive) weeks during the grazing period

# BEEF CULL COW PRICES

85-90% Lean, Weekly

MT/SD Ave



# GETTING BACK TO NORMAL?



## SPAM<sup>®</sup> Museum

The SPAM Museum will reopen July 6th! Please check the hours below for the SPAM Gift Shop and our new hours.

# Ag-Energy Situation and Outlook

David Ripplinger

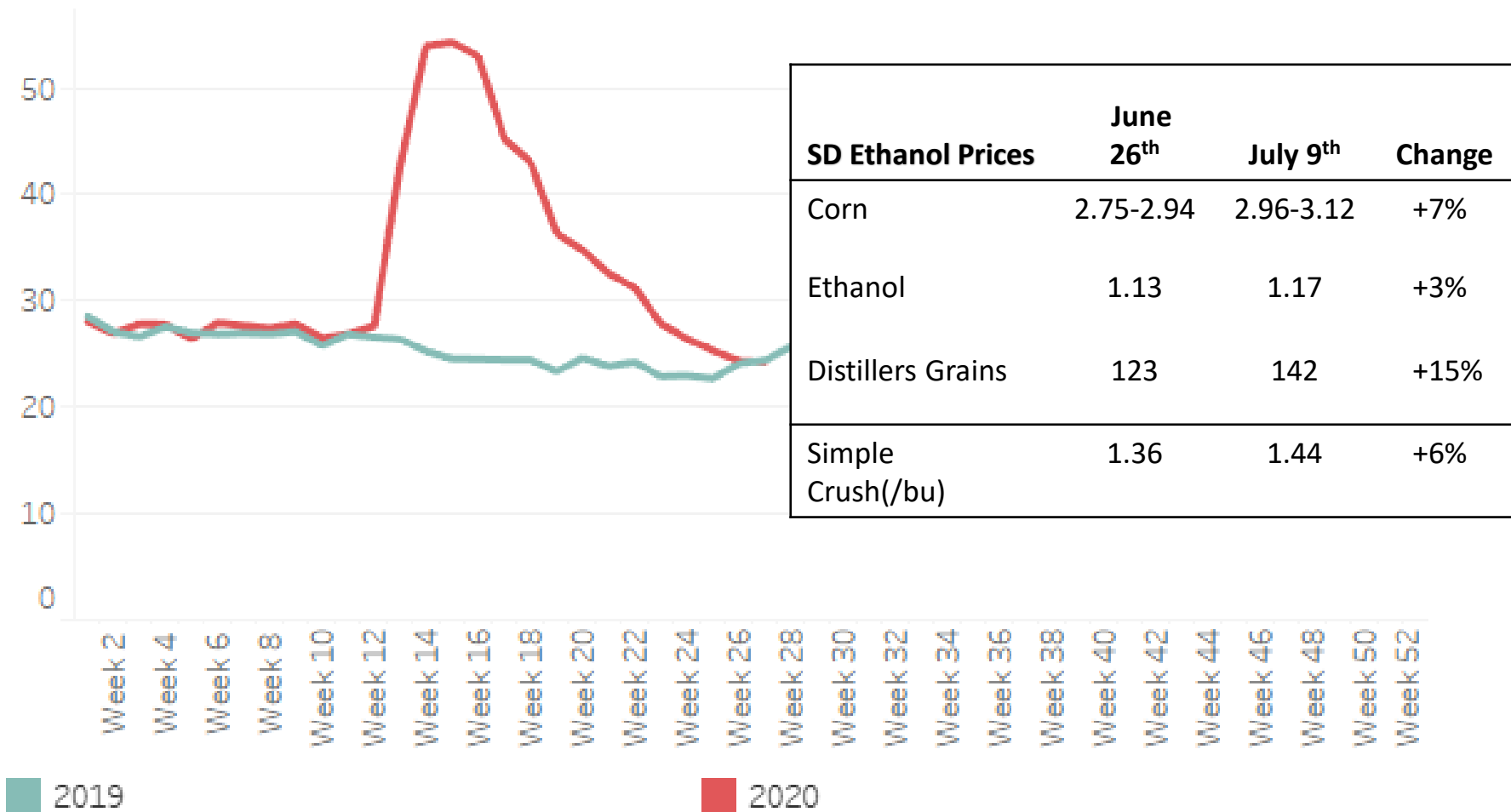
Bioproducts/Bioenergy  
Economics Specialist

[david.ripplinger@ndsu.edu](mailto:david.ripplinger@ndsu.edu)



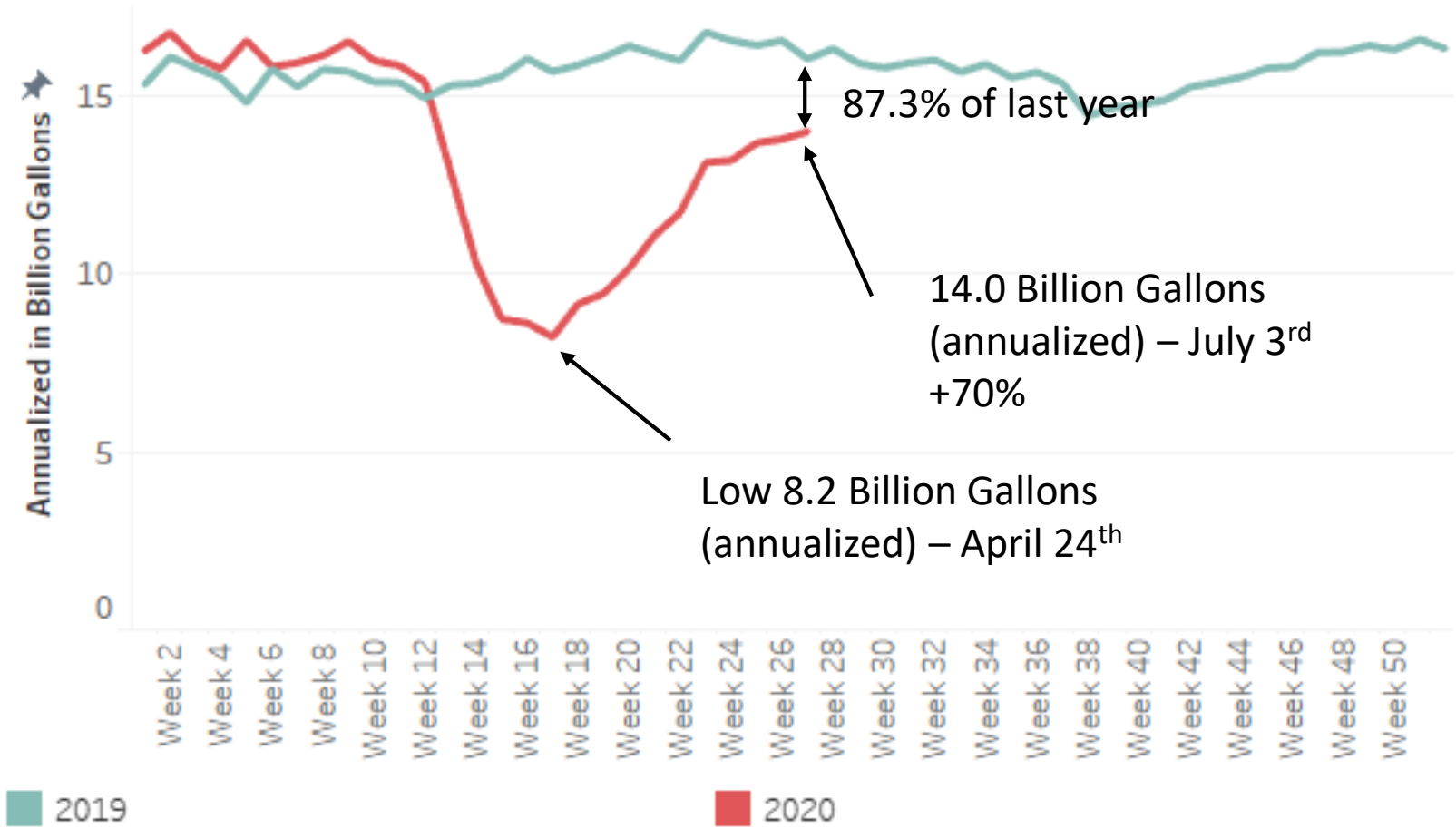


# Days in Storage, Year-over-Year



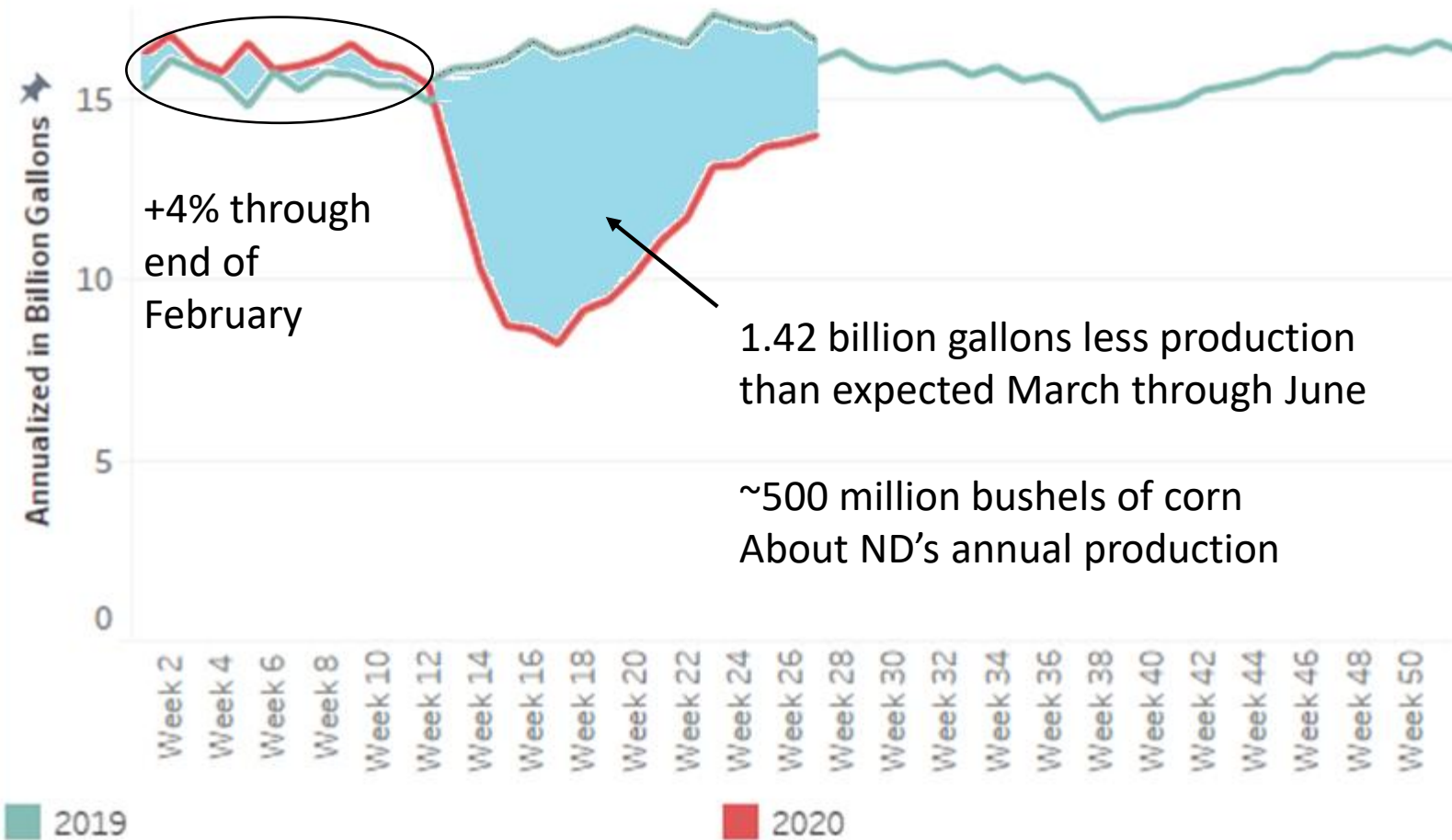
Data: EIA, USDA/AMS  
 Calculation: NDSU Extension

# US Ethanol Production, Year-over-Year



Data: EIA  
 Calculation: NDSU Extension

# US Ethanol Production, Year-over-Year



+4% through end of February

1.42 billion gallons less production than expected March through June

~500 million bushels of corn  
About ND's annual production

Data: EIA  
Calculation: NDSU Extension

# Agricultural Market and Situation Outlook Webinars to continue

Every other Thursday at 12.30 pm for the rest  
of the summer –

July 23<sup>rd</sup>

August 6<sup>th</sup>

August 20<sup>th</sup>

September 3<sup>rd</sup>

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](http://www.ag.ndsu.edu/extension/economics)

[www.ag.ndsu.edu/alerts/coronavirus](http://www.ag.ndsu.edu/alerts/coronavirus)