

# Agricultural Market Situation and Outlook

**WELCOME!**

July 23rd, 2020

Use the Q&A tool  
to ask questions

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

# Unemployment and Ag Credit Conditions

Bryon Parman

Cell – 701-261-5919

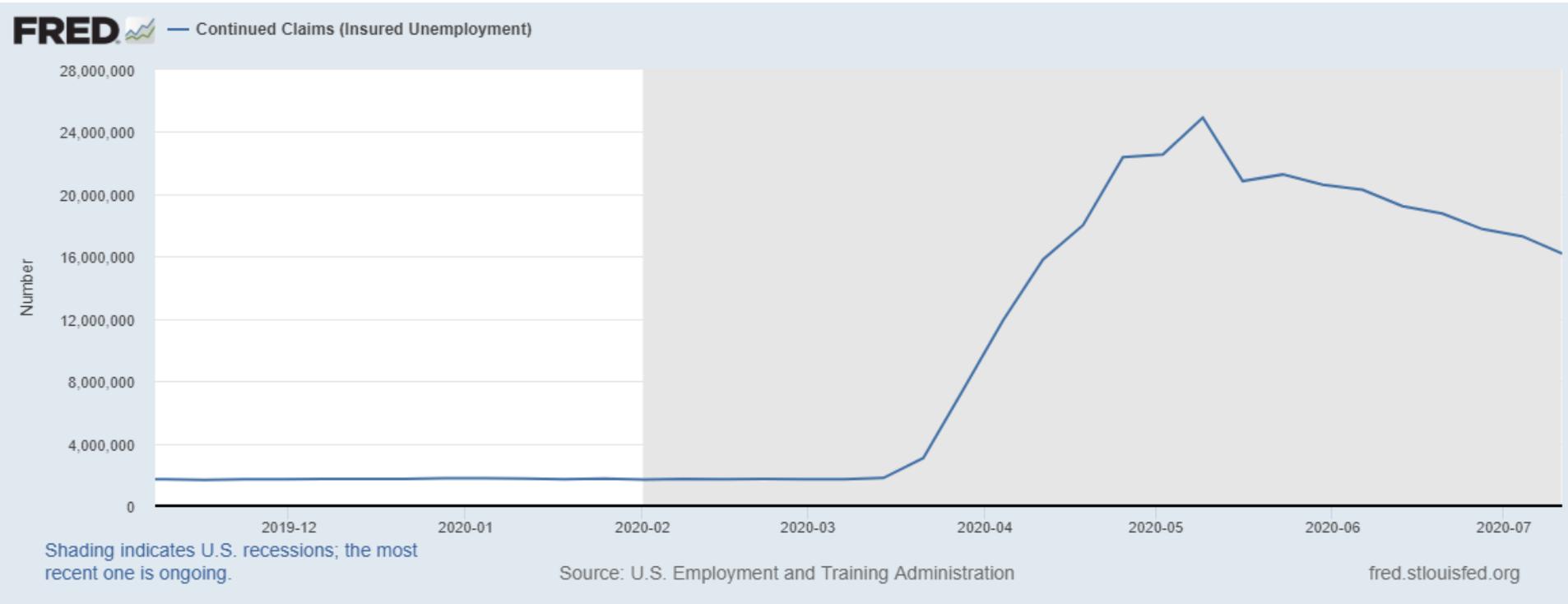
Bryon.Parman@ndsu.edu



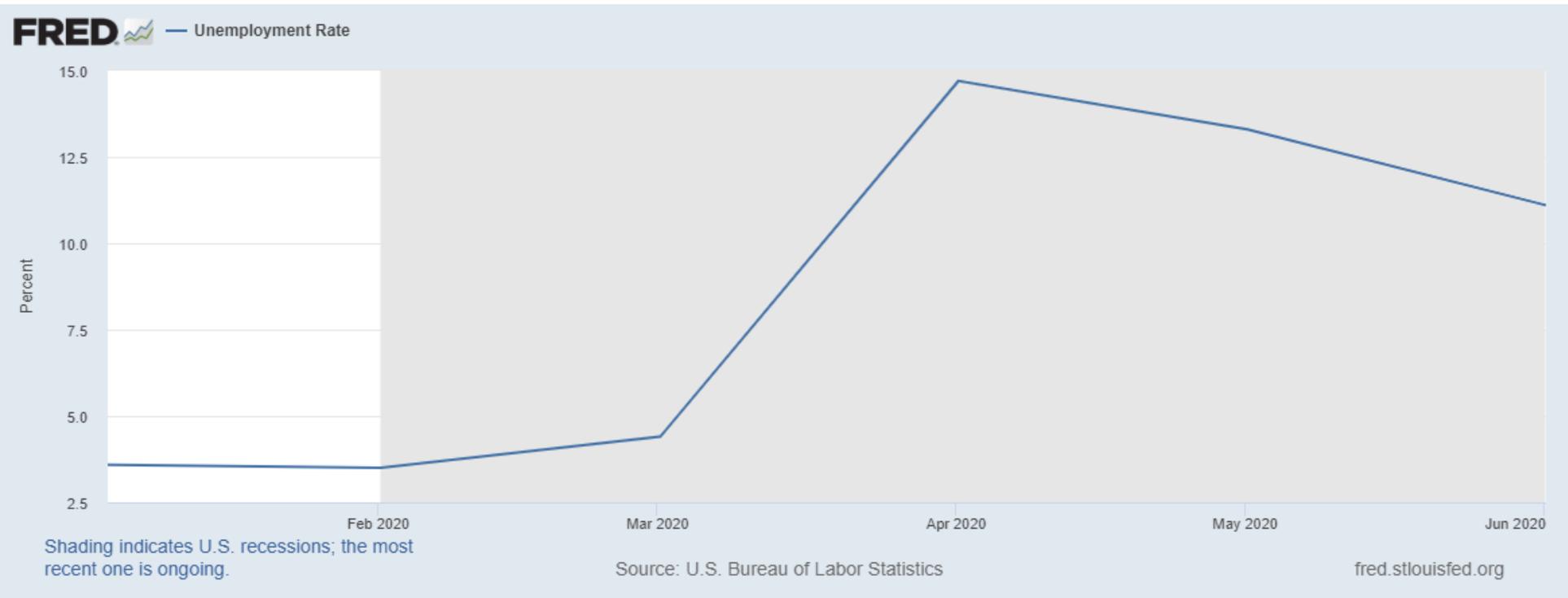
# Weekly Initial Jobless Claims, St. Louis Federal Reserve: Claims Increase 100K



# U.S. Continuous Jobless Claims Down Approximately 1.2 Million

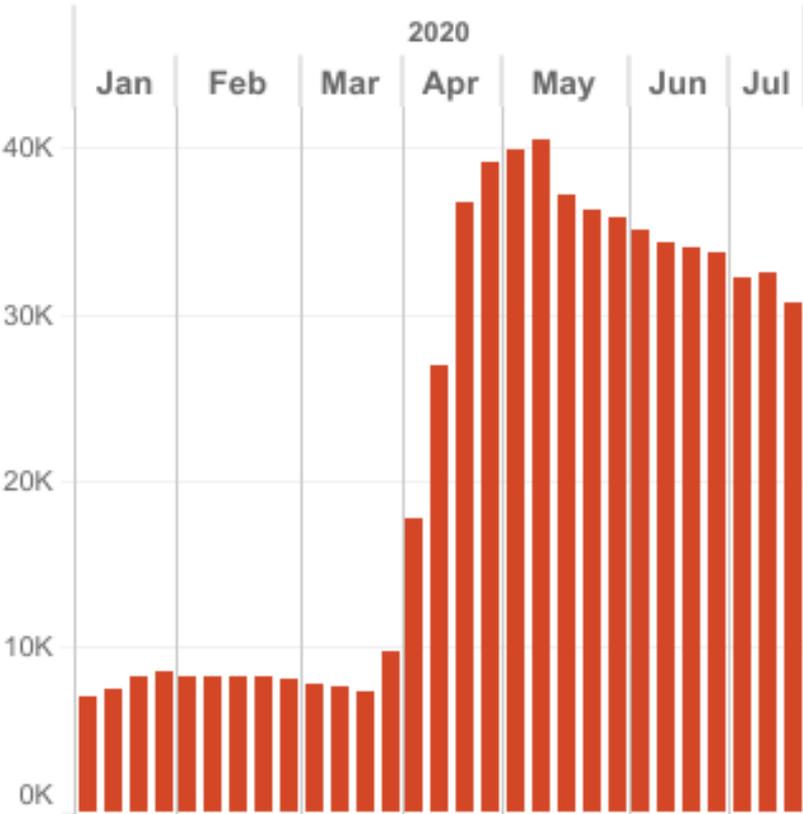


# U.S. Unemployment Rate 11.1%

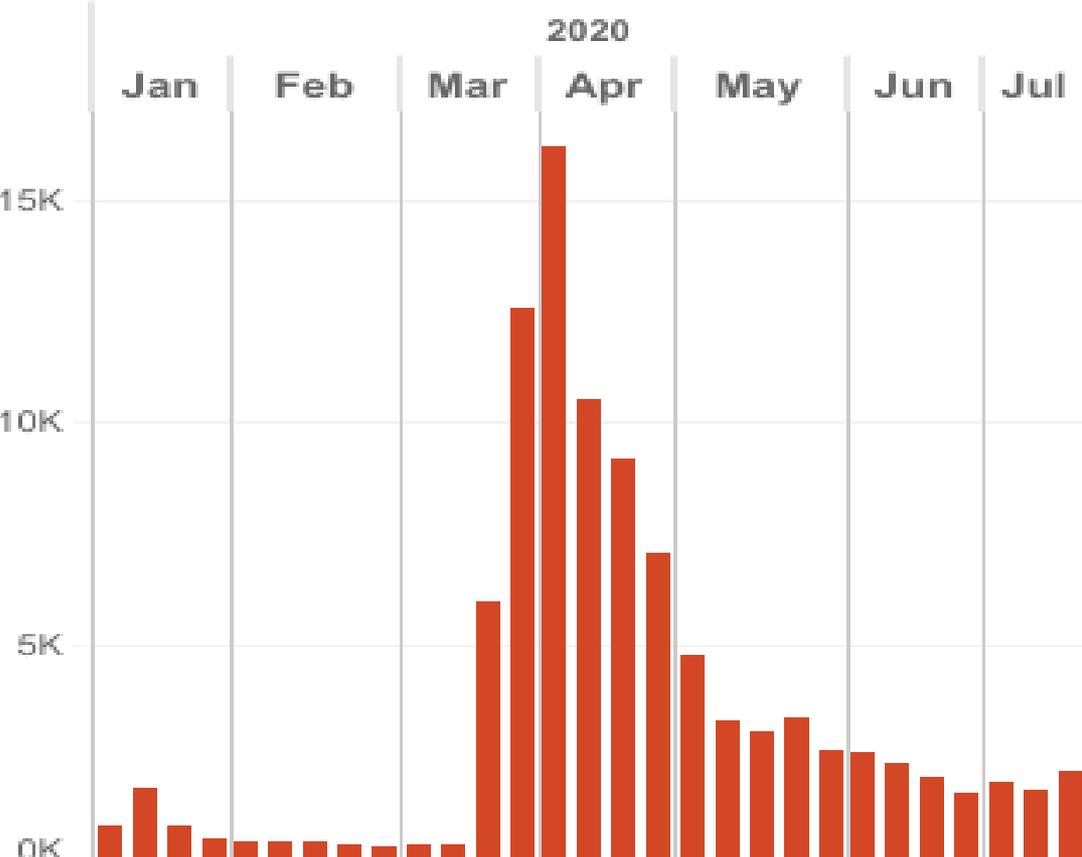


# ND Continuous and Weekly Unemployment Claims Week Ending July 18<sup>th</sup>

### Continuous Claims



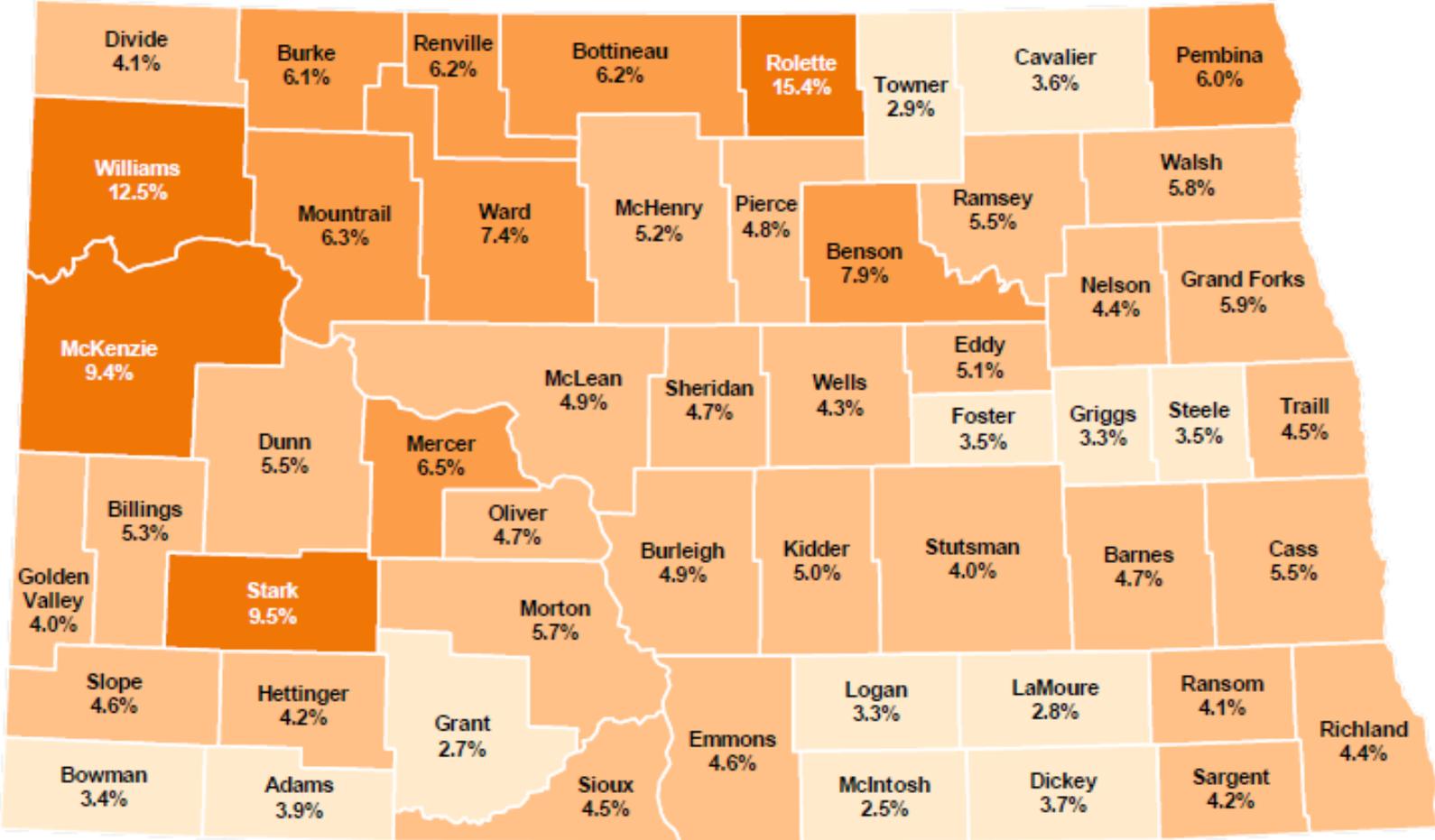
### Initial Weekly Claims



# North Dakota Unemployment June Report

NORTH DAKOTA	Jun 2020	May 2020	Jun 2019
LABOR FORCE	398,730	402,457	403,647
Employed	374,388	365,917	393,878
Unemployed	24,342	36,540	9,769
Unemployment Rate (%)	6.1	9.1	2.4

# NORTH DAKOTA COUNTY UNEMPLOYMENT RATES



North Dakota Unemployment Rate (Not Seasonally Adjusted): 6.3%

### COUNTY UNEMPLOYMENT RATES (JUNE 2020)

Below 4.0%
  4.0% to 5.9%
  6.0% to 7.9%
  Above 7.9%

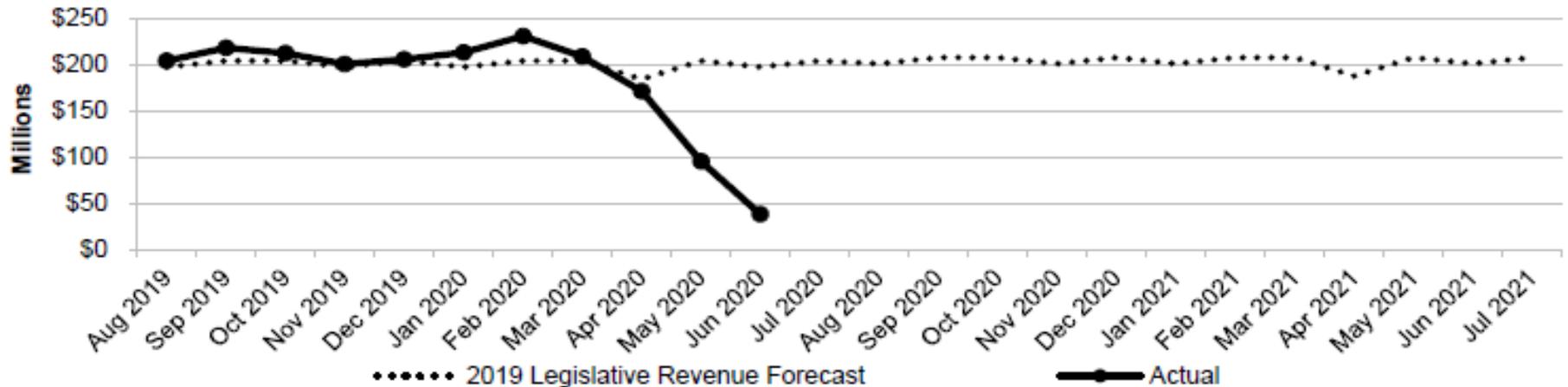
Source: Labor Market Information Center, Job Service North Dakota, Local Area Unemployment Statistics

[Map Creation Date: July 22, 2020 Author: Labor Market Information Center, Job Service North Dakota]



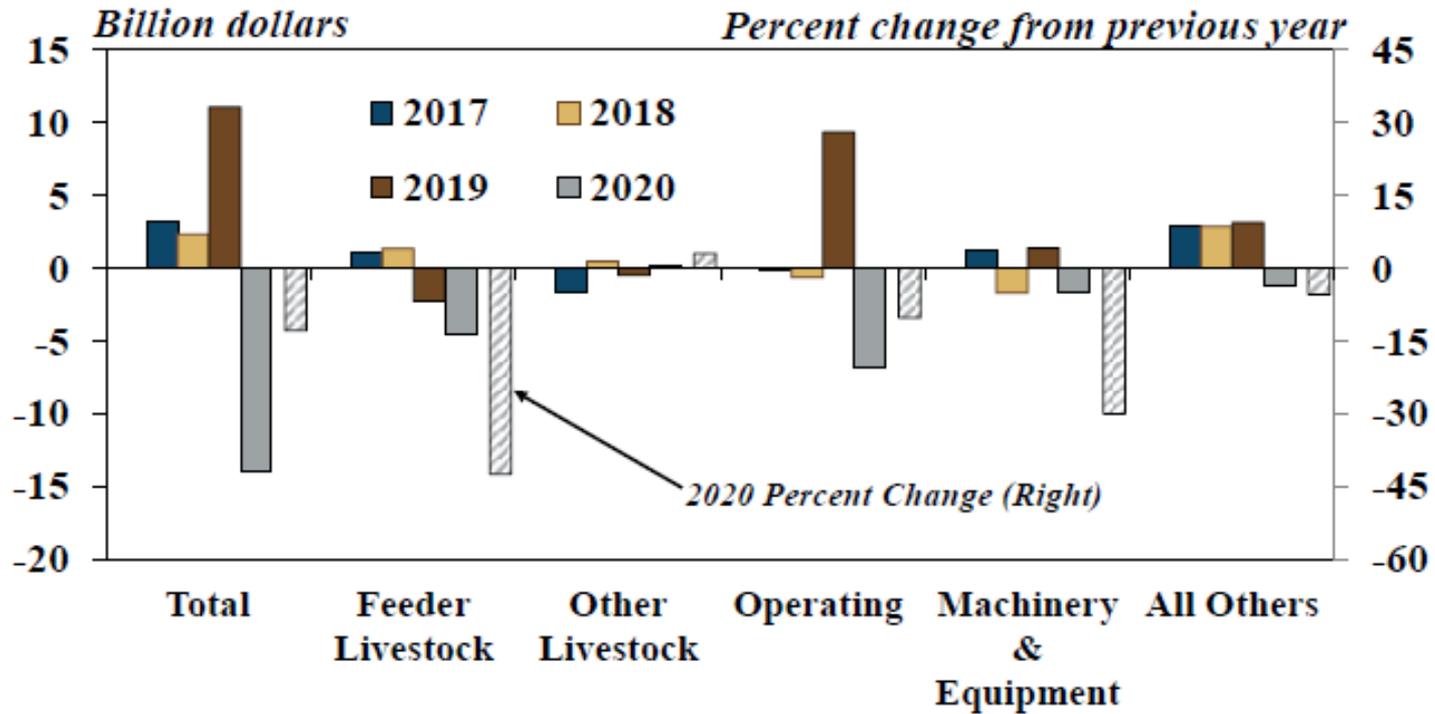
# Oil and Gas Tax Revenue Allocations

	Amounts Shown in Millions							
	June 2020				Biennium to Date			
	Actual	Forecast	Variance		Actual	Forecast	Variance	
			Amount	Percent			Amount	Percent
Three Affiliated Tribes	\$3.93	\$21.39	(\$17.46)	(82%)	\$217.02	\$238.12	(\$21.10)	(9%)
Legacy fund	10.24	52.86	(42.62)	(81%)	535.10	588.51	(53.41)	(9%)
North Dakota outdoor heritage fund	0.00	0.00	0.00	N/A	7.50	7.50	0.00	0%
Abandoned well reclamation fund	0.14	0.64	(0.50)	(78%)	5.99	6.52	(0.53)	(8%)
Political subdivisions	6.94	24.37	(17.43)	(72%)	290.02	303.43	(13.41)	(4%)
Common schools trust fund	1.41	8.69	(7.28)	(84%)	83.70	96.72	(13.02)	(13%)
Foundation aid stabilization fund	1.41	8.69	(7.28)	(84%)	83.70	96.72	(13.02)	(13%)
Resources trust fund	2.90	17.81	(14.91)	(84%)	171.58	198.27	(26.69)	(13%)
Oil and gas research fund	0.22	1.26	(1.04)	(83%)	12.12	13.28	(1.16)	(9%)
State energy research center fund	0.00	0.00	0.00	N/A	5.00	5.00	0.00	0%
General fund	10.86	61.88	(51.02)	(82%)	340.53	370.76	(30.23)	(8%)
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
<b>Total oil and gas tax revenue allocations</b>	<b>\$38.05</b>	<b>\$197.59</b>	<b>(\$159.54)</b>	<b>(81%)</b>	<b>\$2,000.69</b>	<b>\$2,199.83</b>	<b>(\$199.14)</b>	<b>(9%)</b>



# Kansas City Federal Reserve Agricultural Lending Report

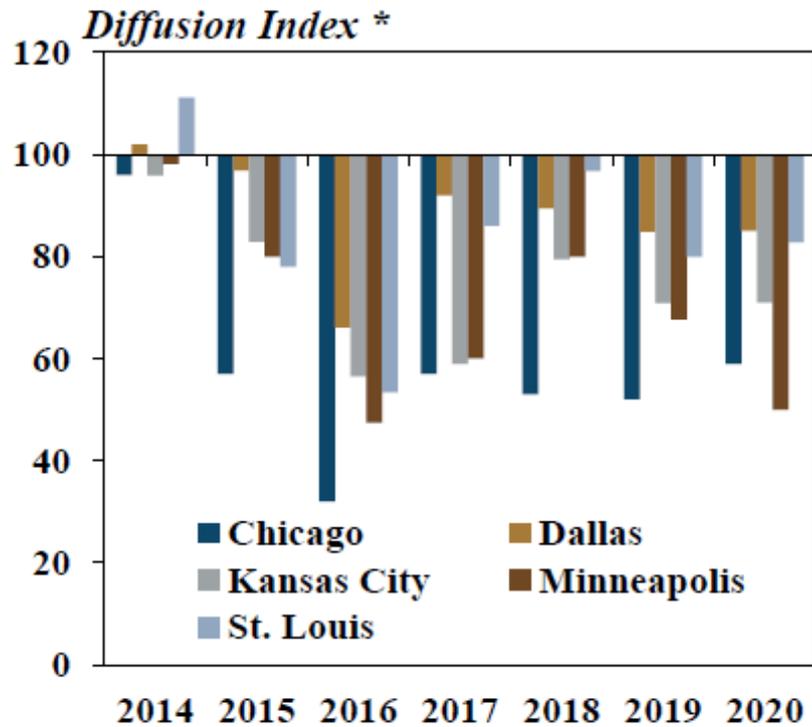
## Chart 2: Change in Non-Real Estate Loans by Purpose, Second Quarter



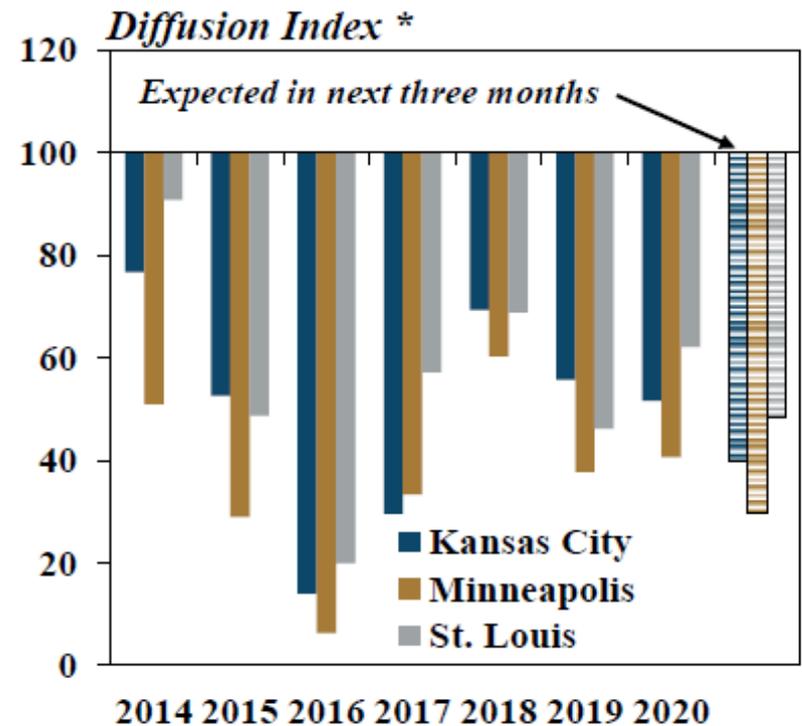
Source: Agricultural Finance Databook, Table A.3.

# Chart 10: Agricultural Credit Conditions, First Quarter

## Farm Loan Repayment Rates

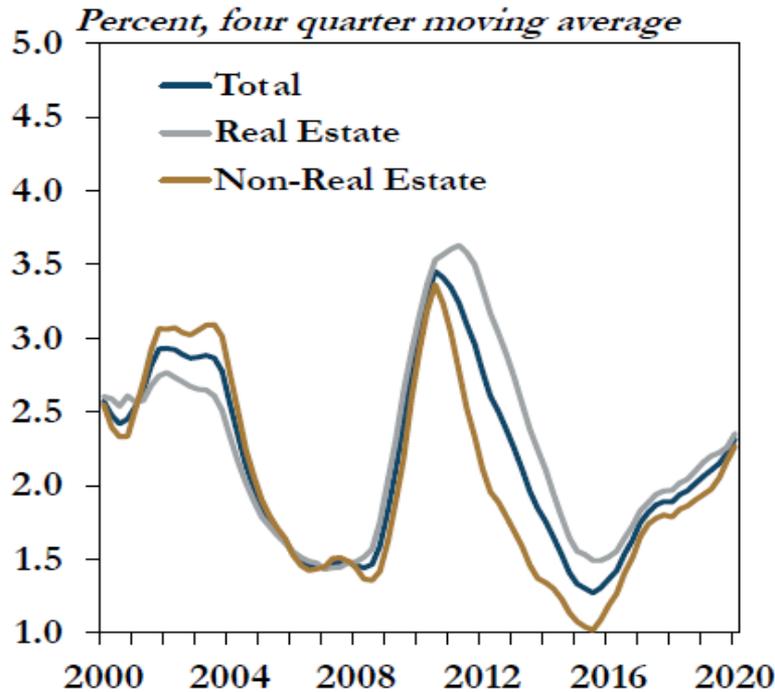


## Farm Income

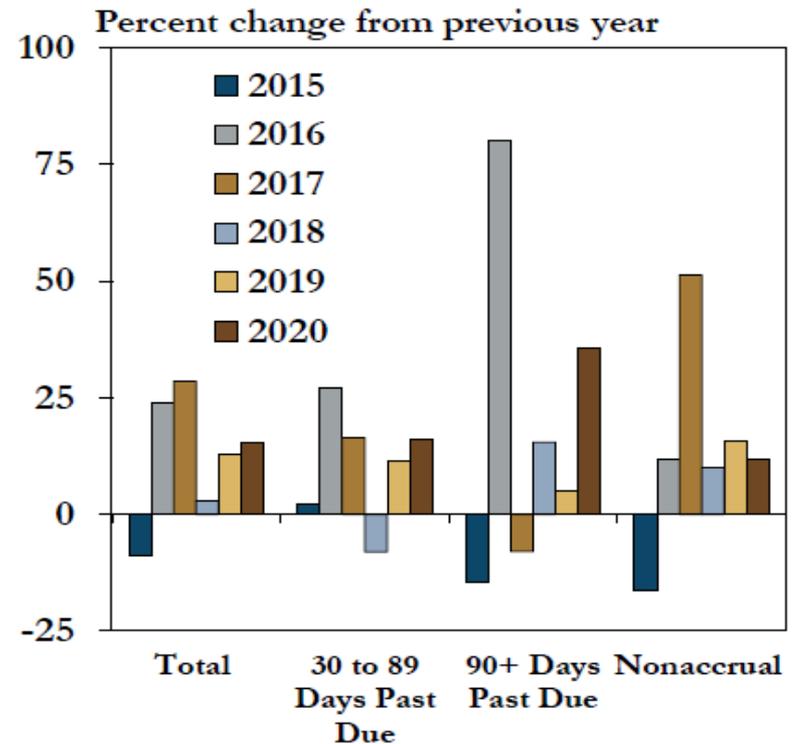


# Chart 8: Delinquent Farm Loans at Commercial Banks\*

Delinquency Rate



Total Delinquent Balances, First Quarter



\*Excludes Rabobank, N.A. from all previous periods (See footnote 1)  
 Note: Delinquency Rate includes the share of all past due and nonaccruing loans.  
 Source: Federal Reserve Board of Governors.

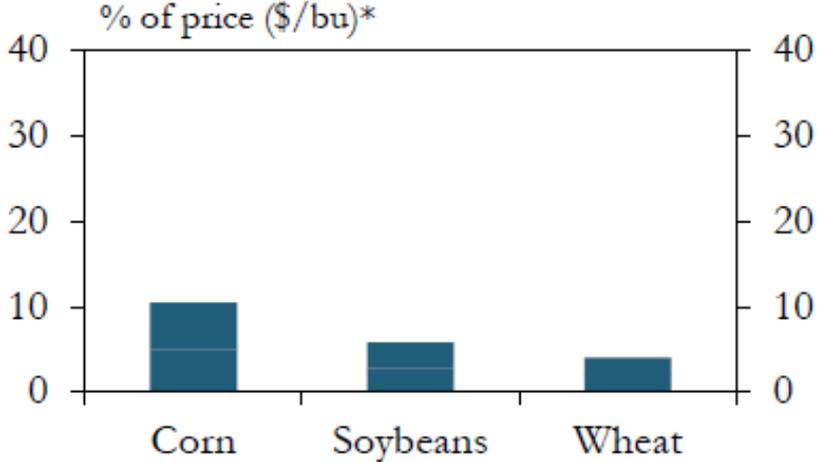
## Table: Paycheck Protection Program (PPP) Loans in Survey of Terms of Lending to Farmers

<b>PPP Loans Reported in First Quarter Survey During week of May 4, 2020</b>	
Share of Total Loan Volume	22%
Share of Total Number of Loans	22%
Share of Participating Banks Reporting PPP Loans	9%
Number of States Receiving PPP Loans	39
Average Loan Size	\$98,000
Median Loan Size	\$26,000

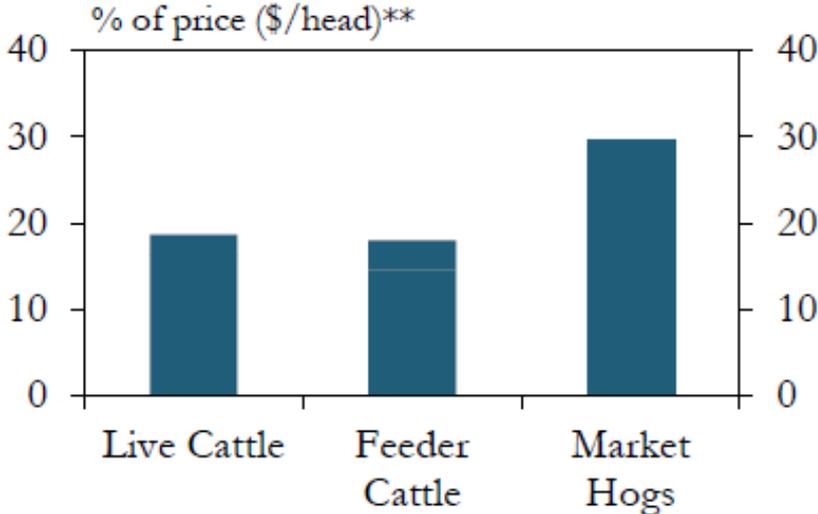
Source: Survey of Terms of Lending to Farmers

# The USDA Coronavirus Food and Aid Program (CFAP) will allocate support more heavily towards the livestock sector.

### Crop CFAP Payments



### Livestock CFAP Payments



\* Estimated using marketing year average price forecast from WASDE for the 2019/2020 MY.

\*\* Estimated using monthly average prices from Jan through May 2020. For live cattle, \$/head estimates assume market weight of 1200 lbs. For reference, feeder cattle weigh 600-800 pounds, and market hogs weigh more than 120 pounds.

Note: Crop CFAP payments will be made based on 50 percent of a producer's 2019 total production or 2019 inventory, whichever is smaller. Cattle and hog CFAP payments will be based on livestock sold between January and mid-April 2020 and the highest number of livestock on the farm between mid-April and mid-May.

Sources: USDA, Iowa State University, and KC Fed calculations.

# LIVESTOCK PRICE SITUATION AND OUTLOOK

Tim Petry

Extension Livestock Marketing  
Economist

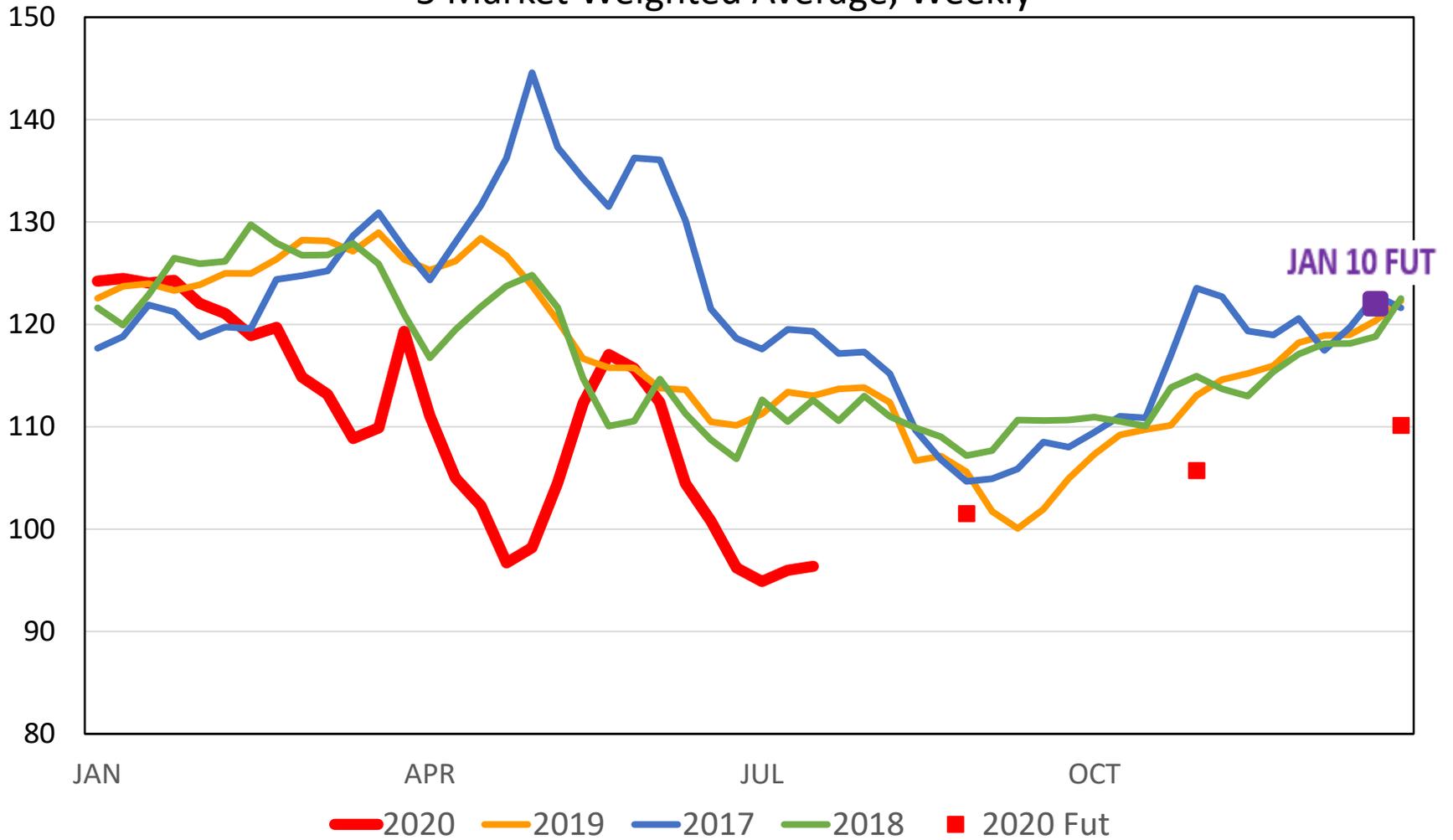
[Tim.Petry@ndsu.edu](mailto:Tim.Petry@ndsu.edu)

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



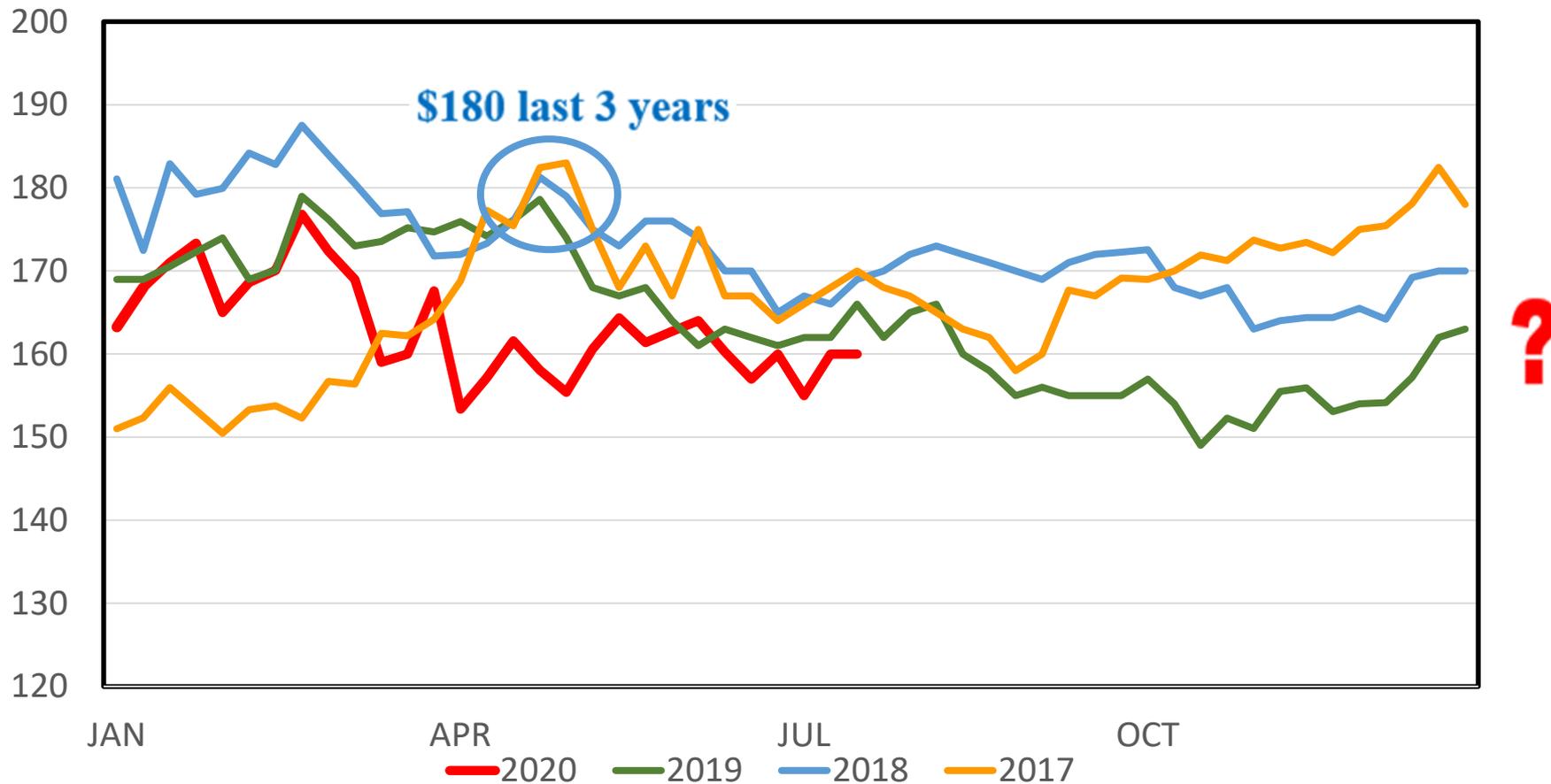
# SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly



# MED. FRAME #1 STEER CALF PRICES

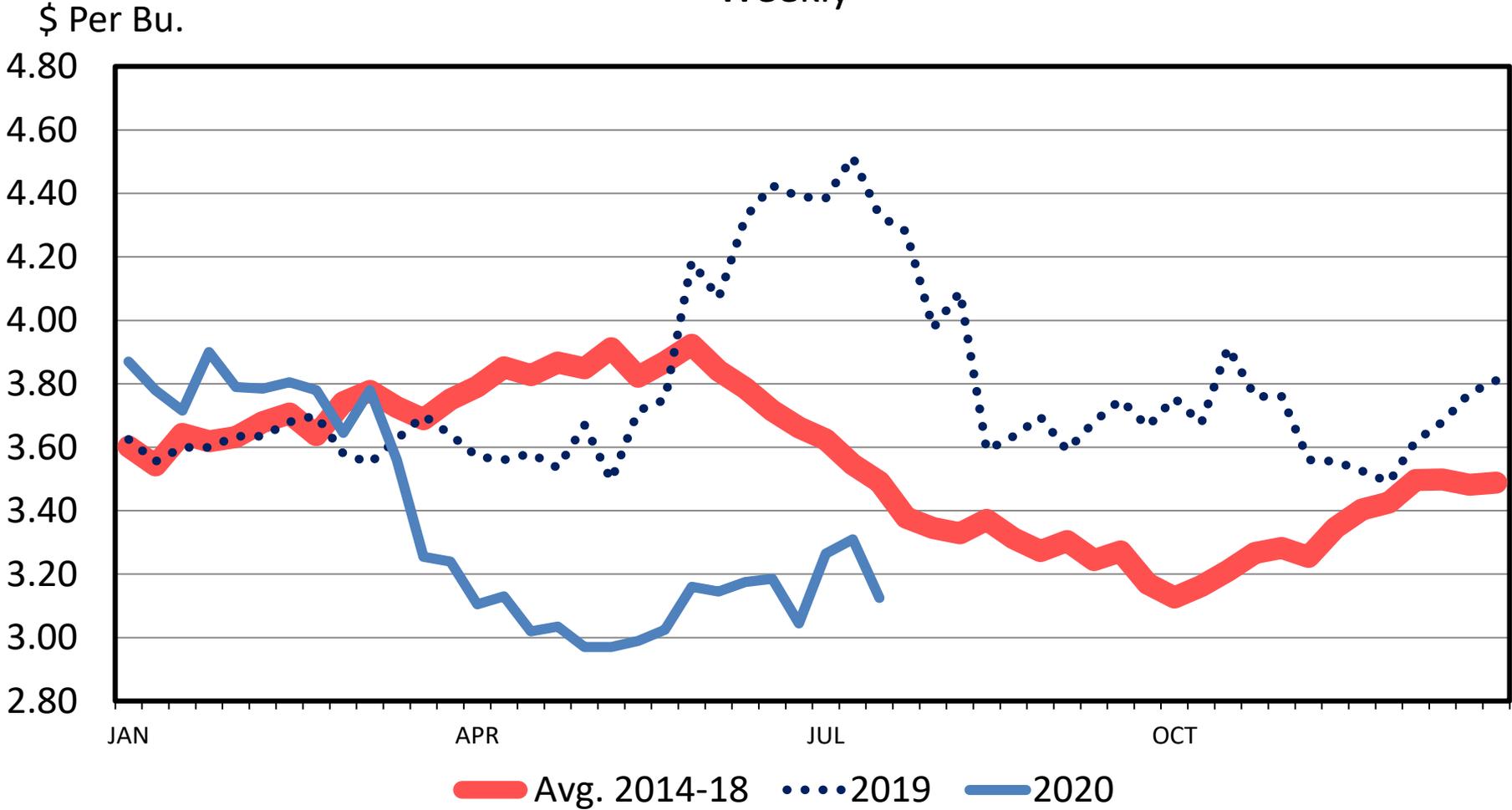
## 550-600 Pounds, N.D., Weekly



?

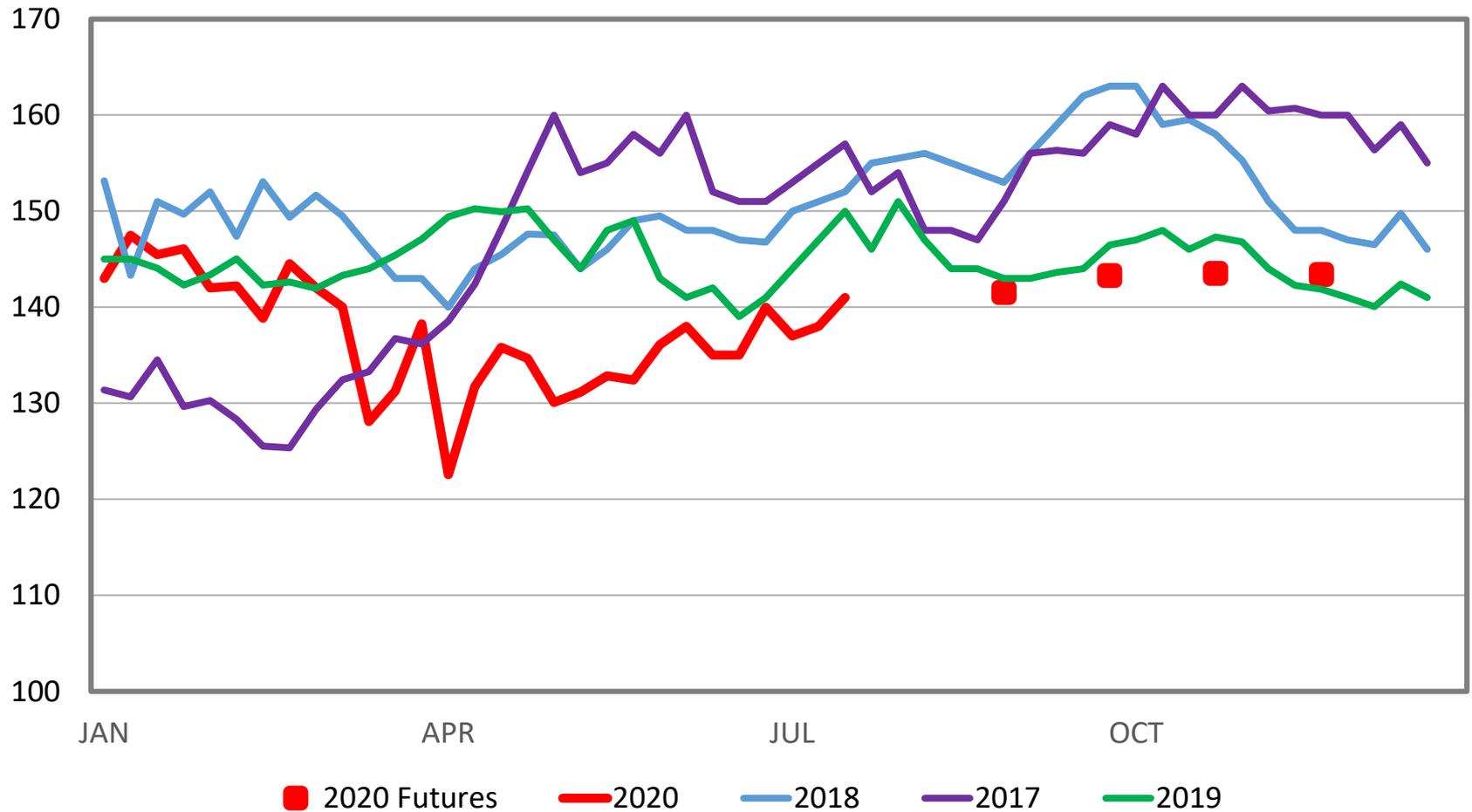
# OMAHA CORN PRICES

Weekly



# MED. & LRG. #1 FEEDER STEER PRICES

## 750-800 Pounds, N.D., Weekly

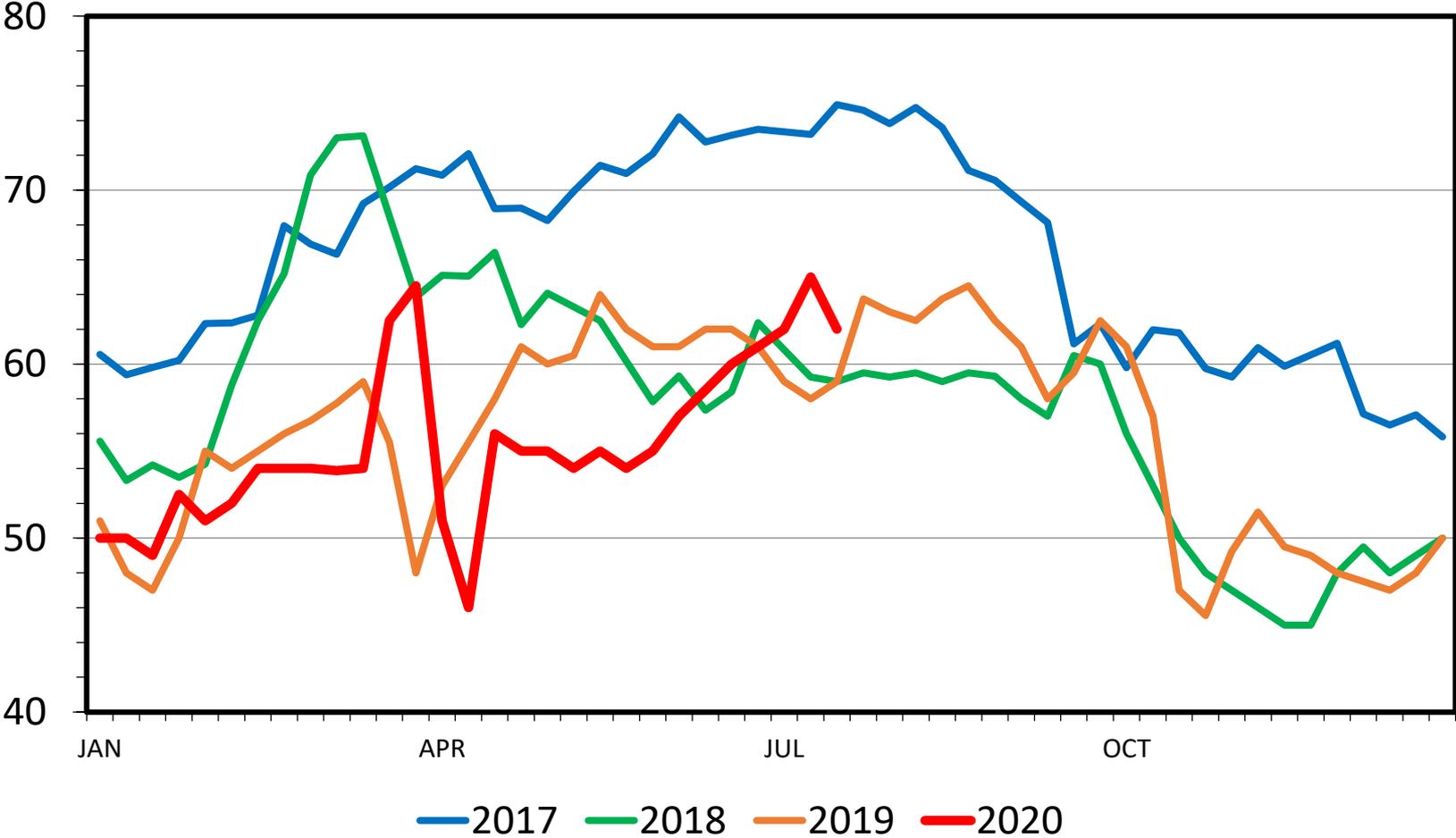


# BEEF CULL COW PRICES

85-90% Lean, Weekly

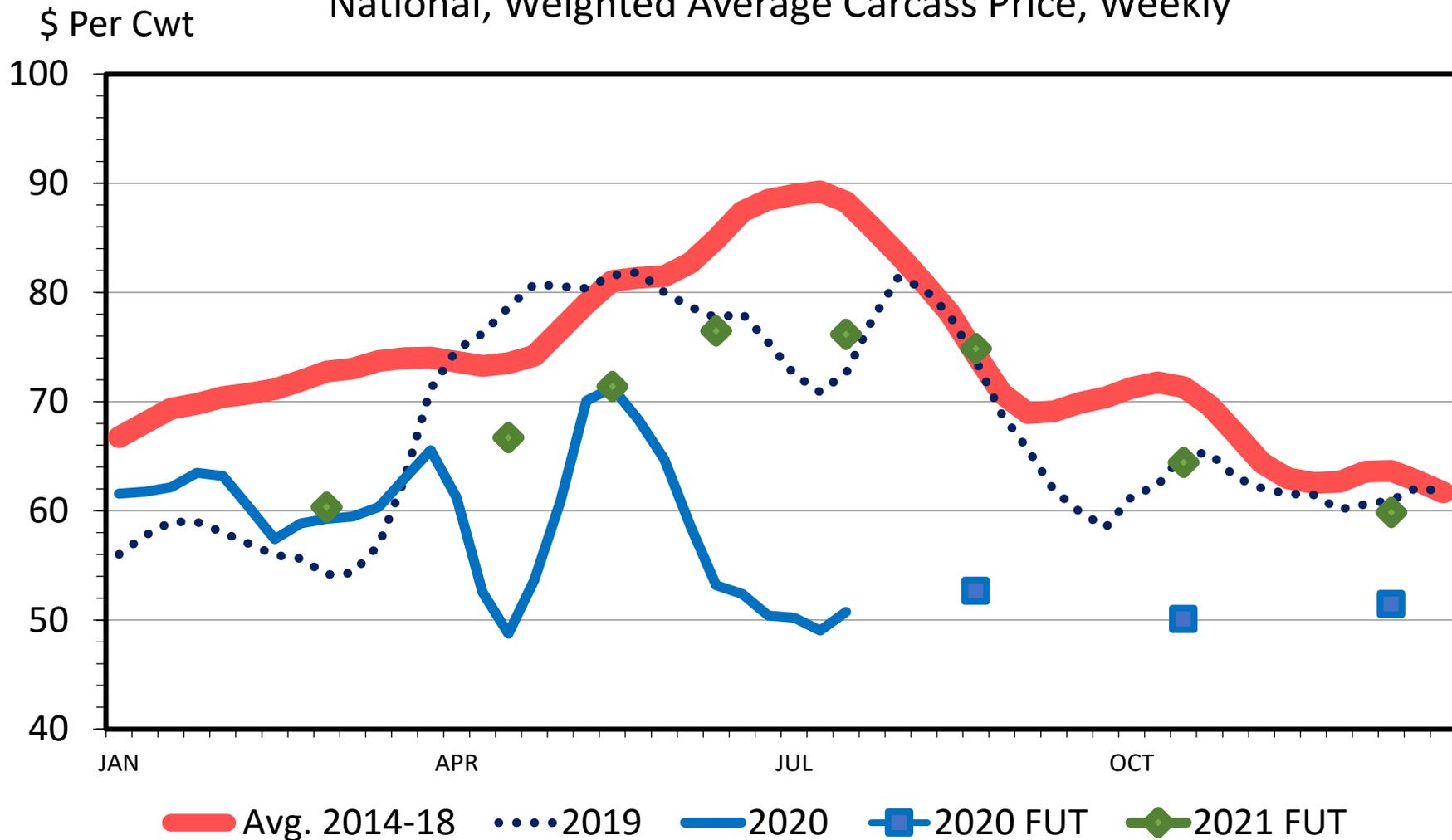
MT/SD Ave

\$ Per Cwt.



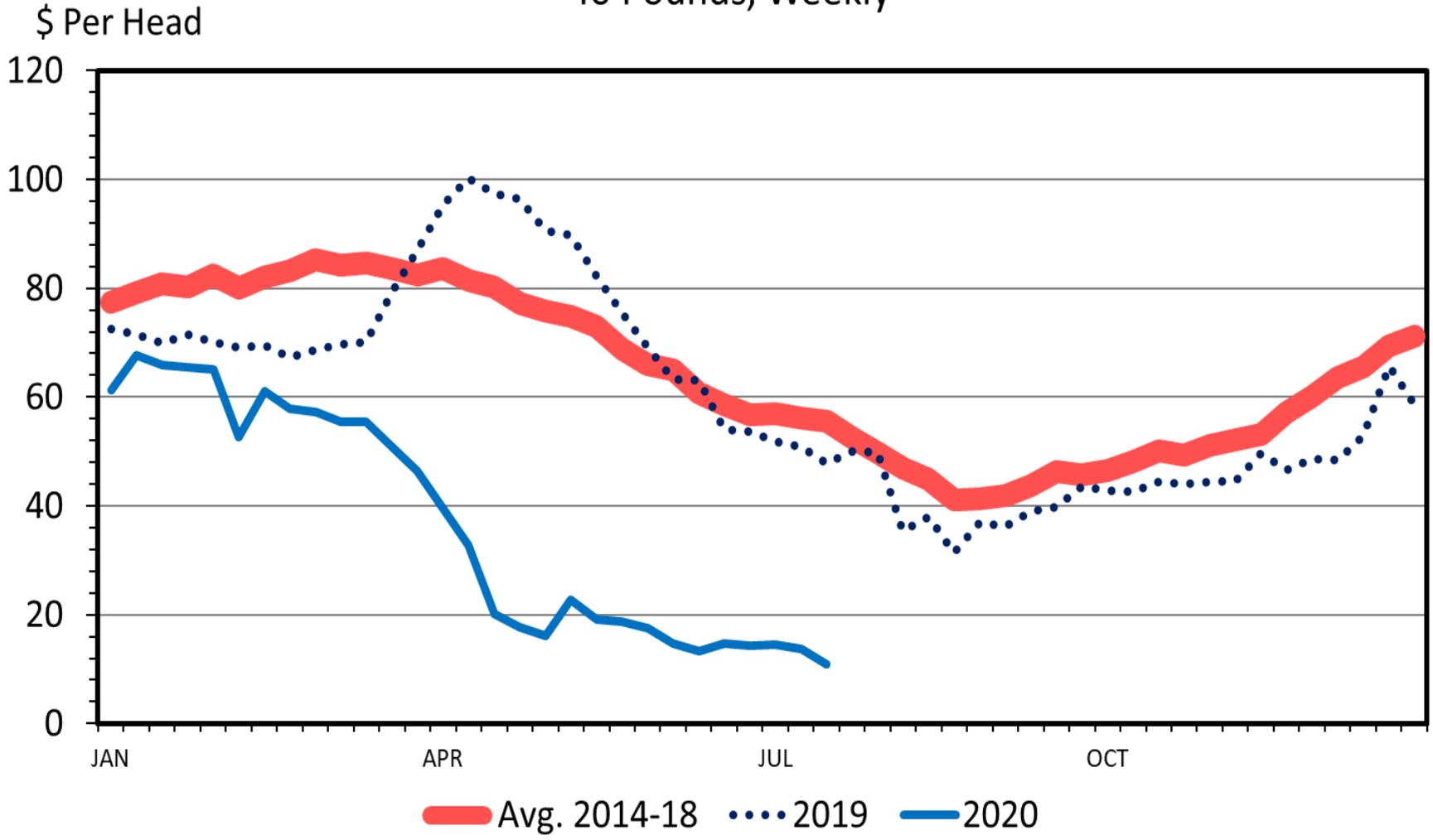
# BASE SLAUGHTER HOG PRICES

National, Weighted Average Carcass Price, Weekly



# FEEDER PIG PRICES

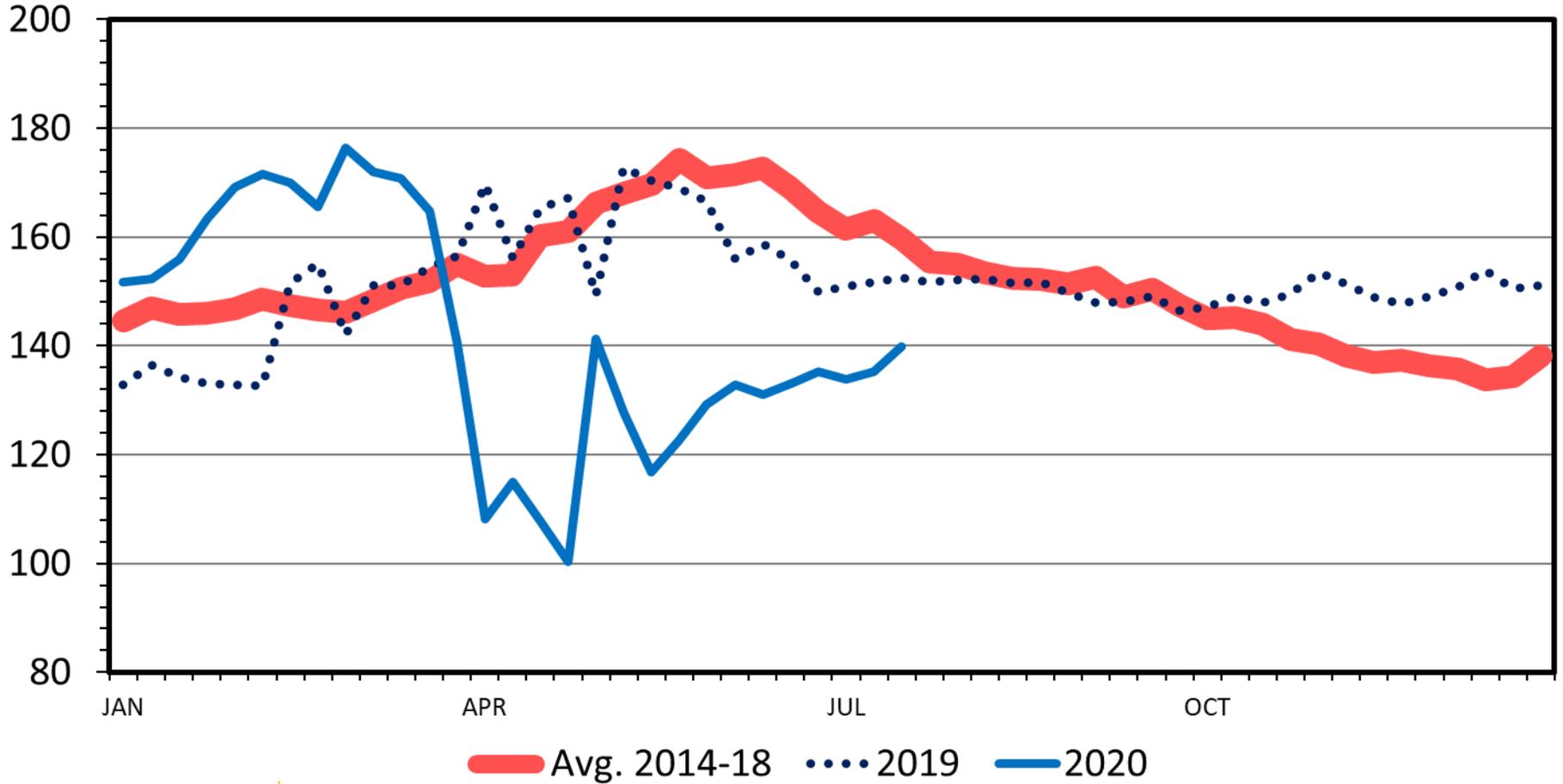
40 Pounds, Weekly



# MARKET LAMB PRICES

Northern Plains, Weekly

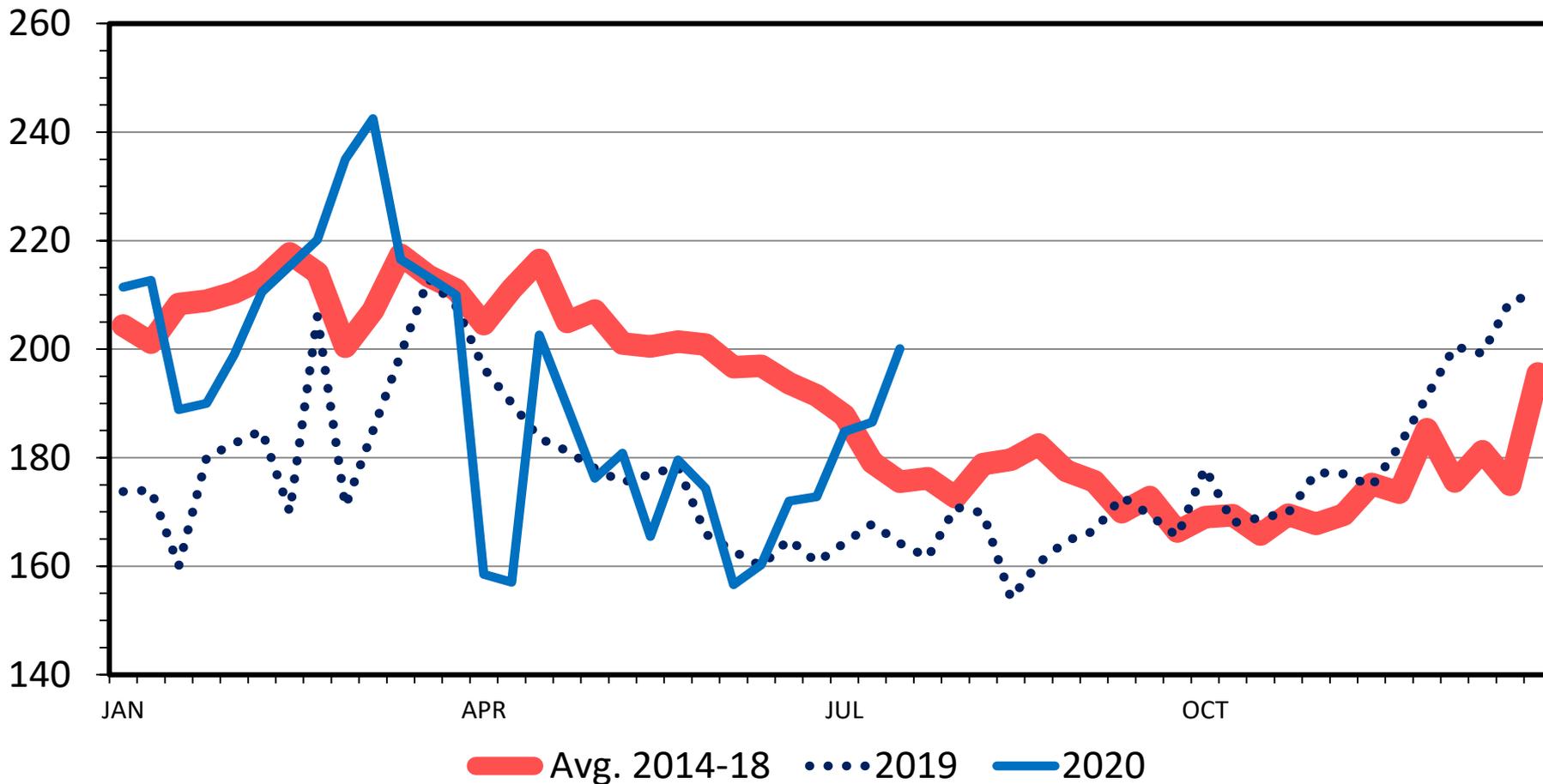
\$ Per Cwt.



# FEEDER LAMB PRICES

3-Market Average; CO, TX & SD; Weekly

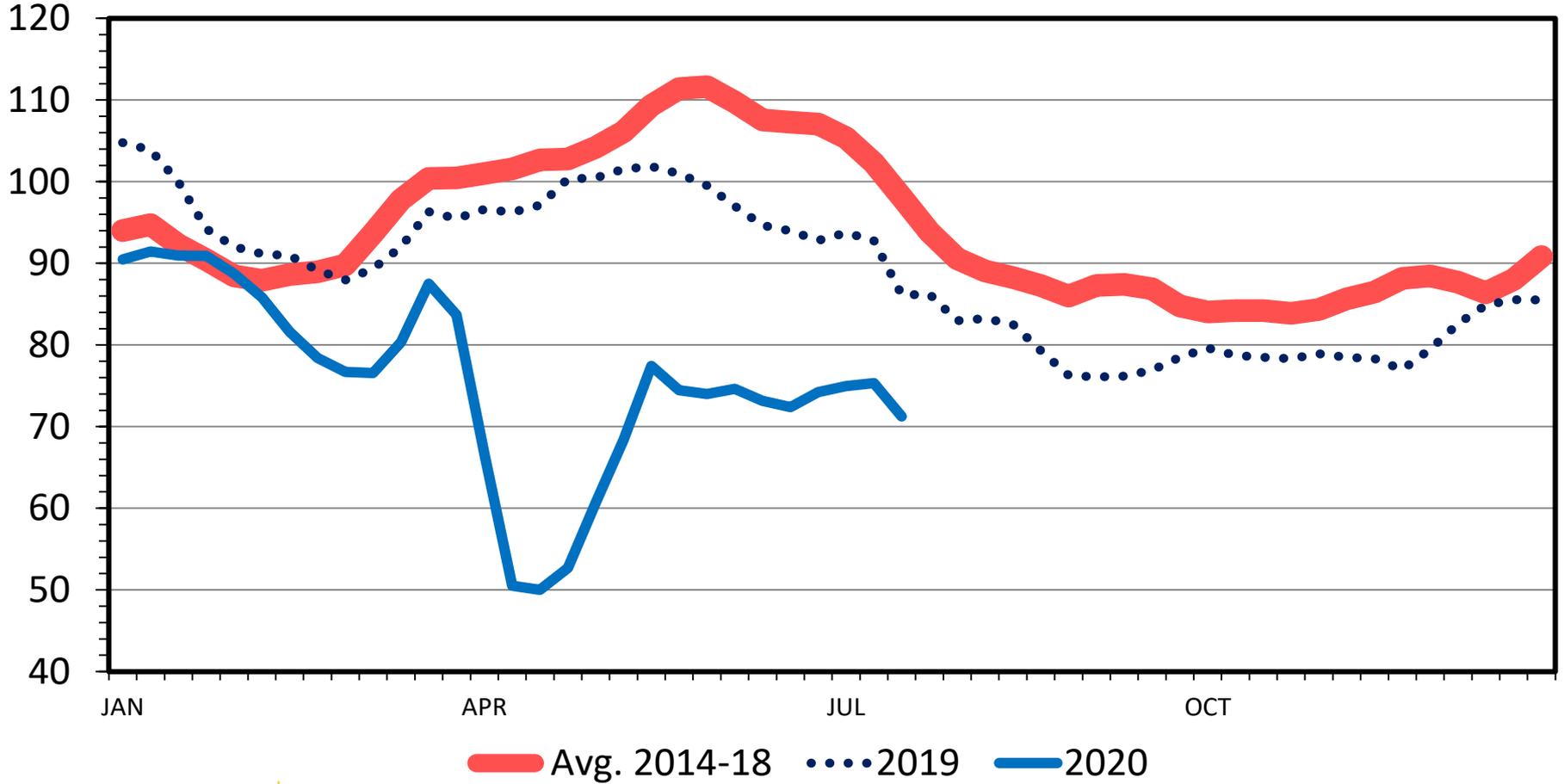
\$ Per Cwt.



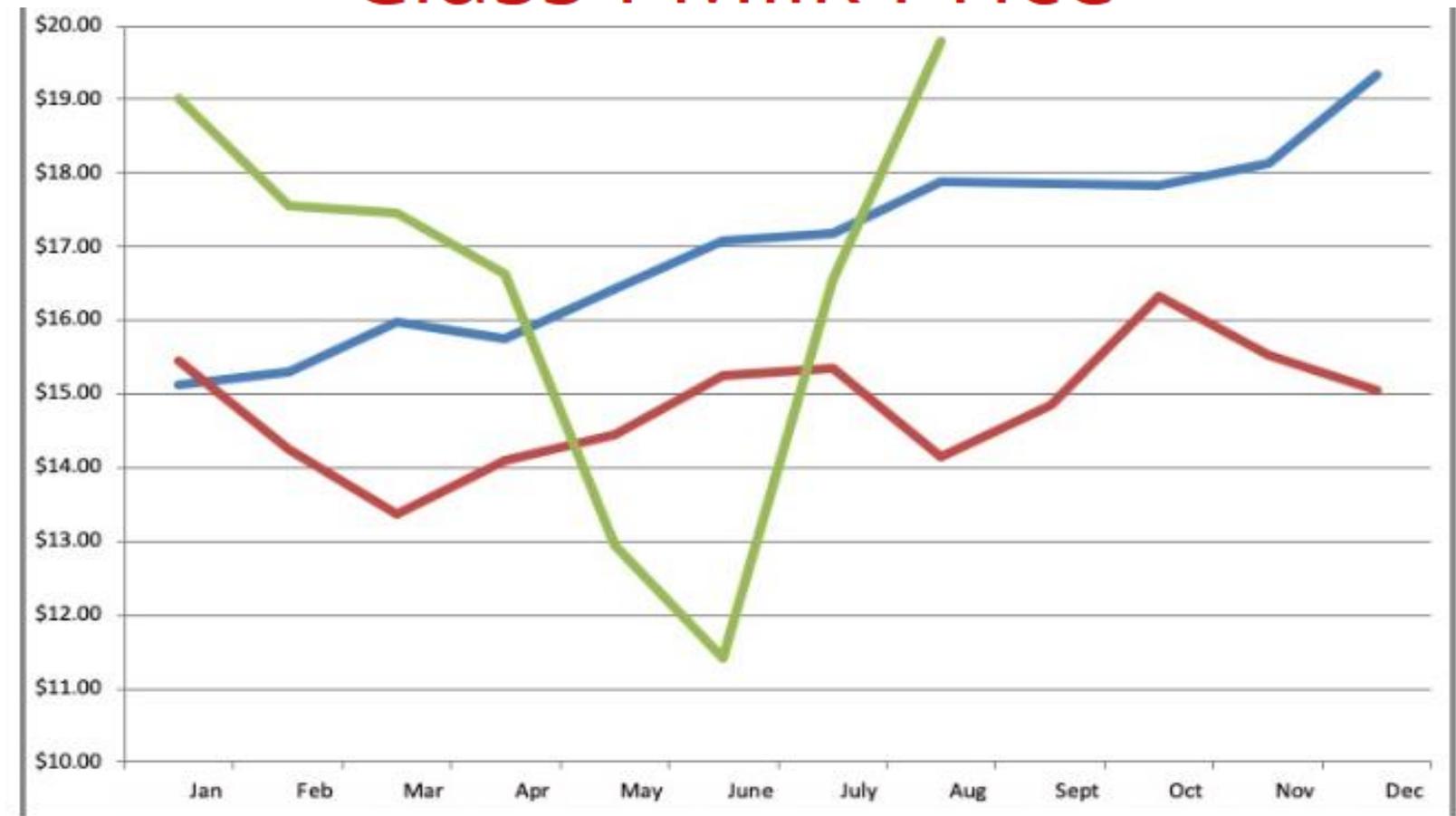
# BROILER PRICES

National Composite (Whole Bird), Weekly

Cents Per Pound



# Class I Milk Price



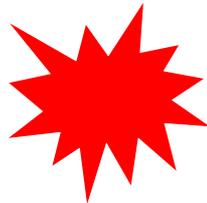


**United States Department of Agriculture  
National Agricultural Statistics Service**

**July 2020**

**24**

**3:00 pm ET**



- Cattle

- Cattle on Feed

[www.nass.usda.gov/Publications/Calendar/reports\\_by\\_date.php](http://www.nass.usda.gov/Publications/Calendar/reports_by_date.php)

# Ag-Energy Situation and Outlook

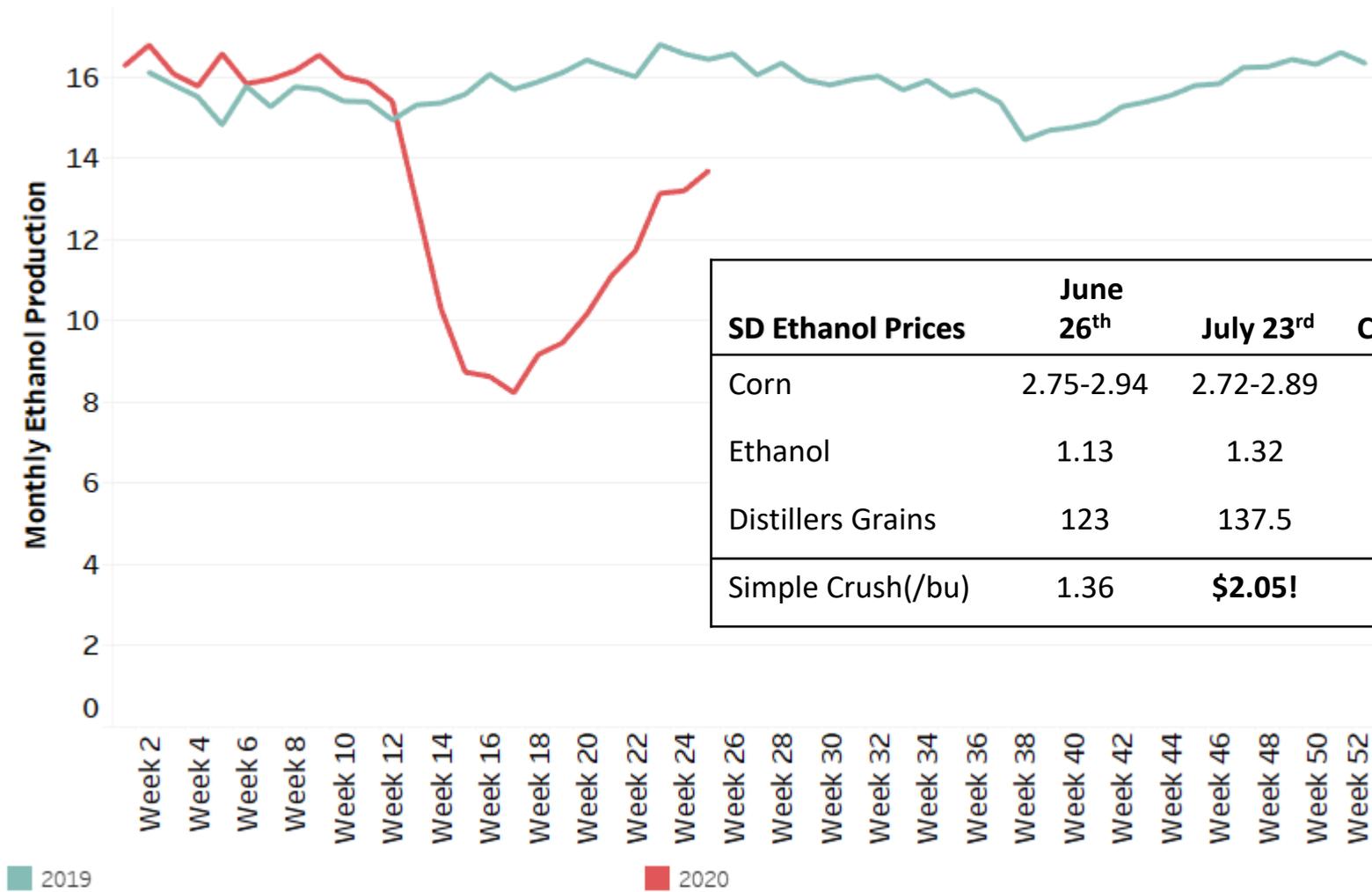
David Ripplinger

Bioproducts/Bioenergy  
Economics Specialist

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# US Ethanol Production (Annualized, Billion Gallons)



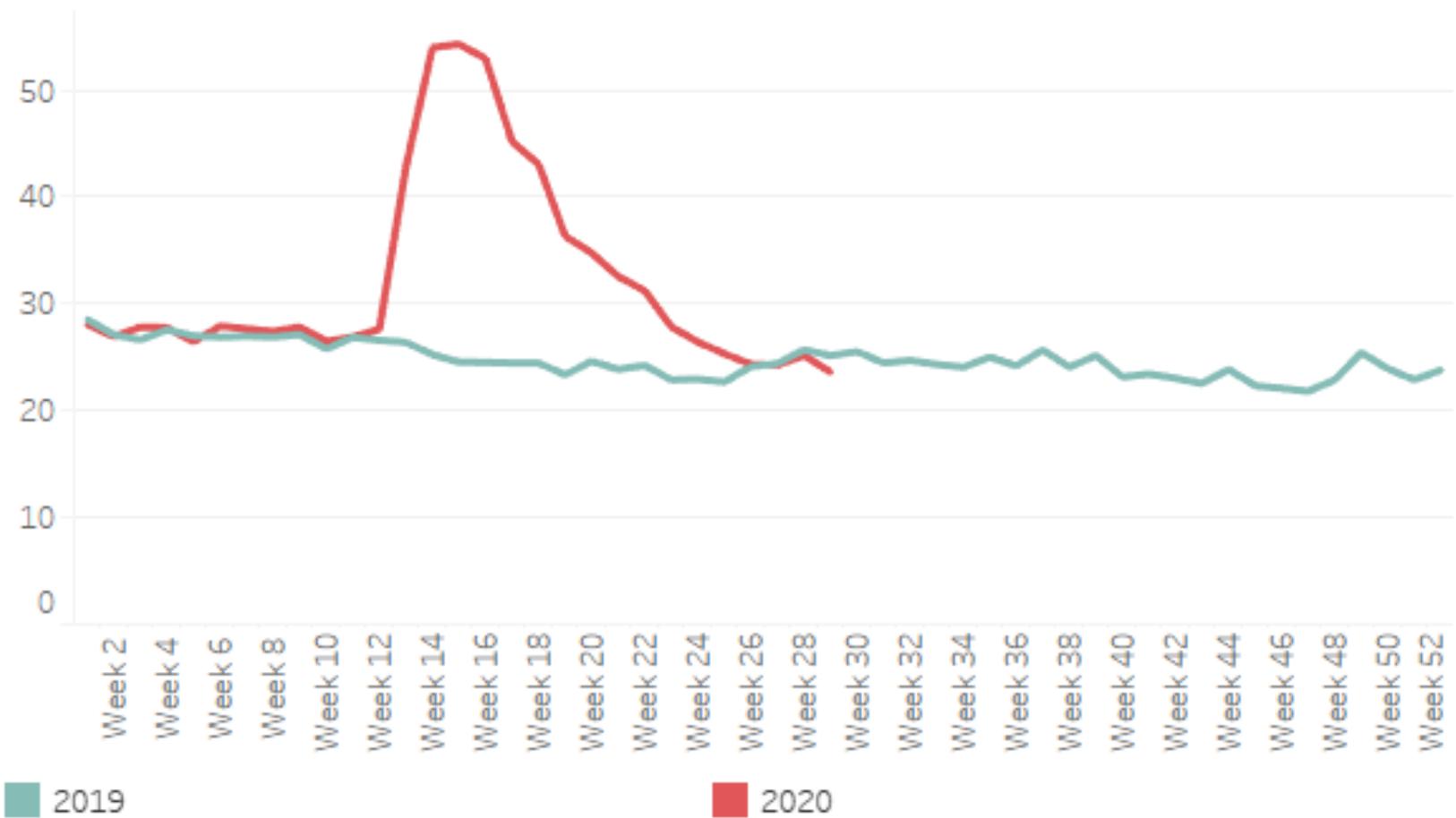
SD Ethanol Prices	June 26 <sup>th</sup>	July 23 <sup>rd</sup>	Change
Corn	2.75-2.94	2.72-2.89	-1.5%
Ethanol	1.13	1.32	<b>+17%</b>
Distillers Grains	123	137.5	+12%
Simple Crush(/bu)	1.36	<b>\$2.05!</b>	<b>+50%</b>

Data: EIA, USDA/AMS  
 Calculation: NDSU Extension



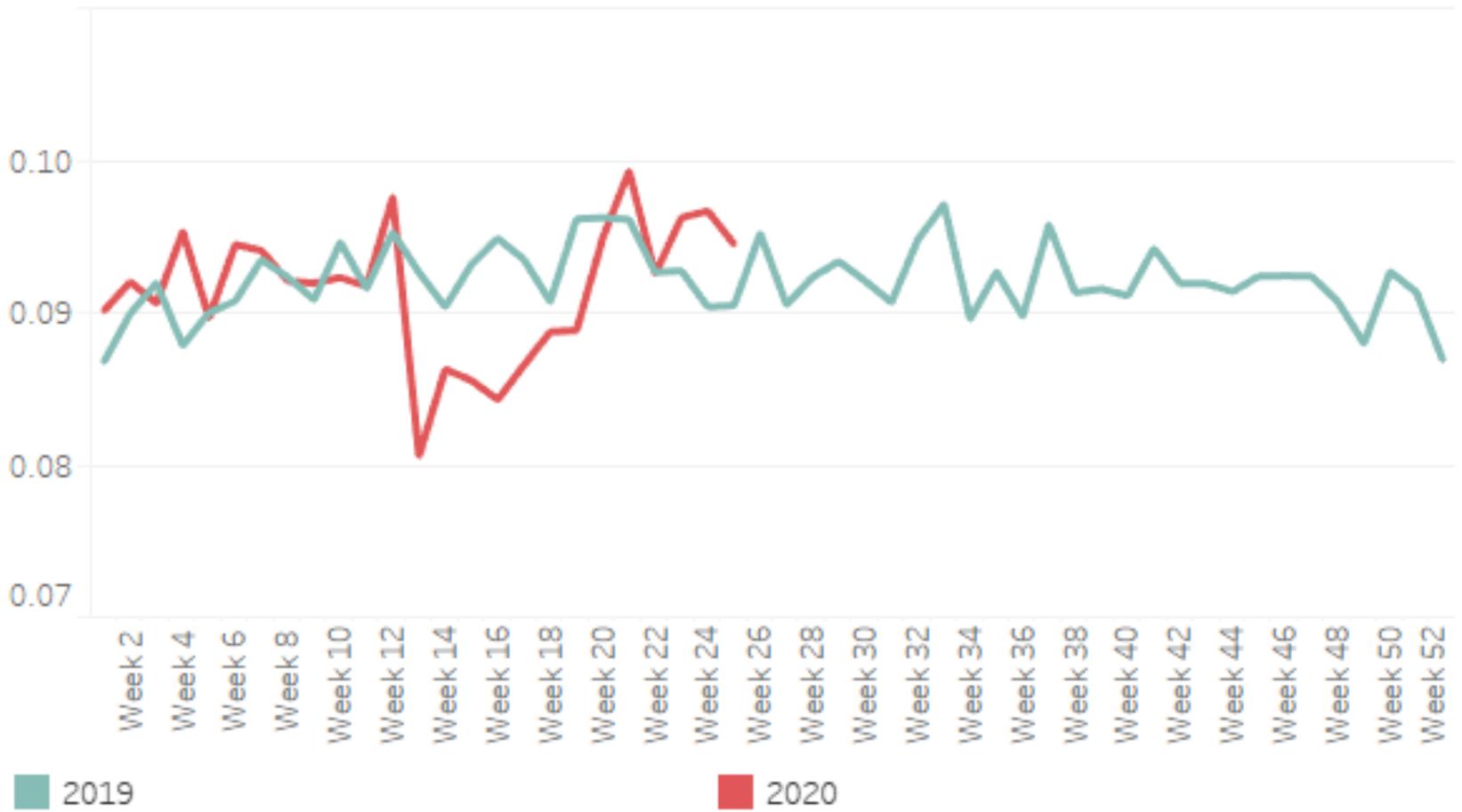
EXTENSION AGRIBUSINESS

# Days in Storage, Year-over-Year



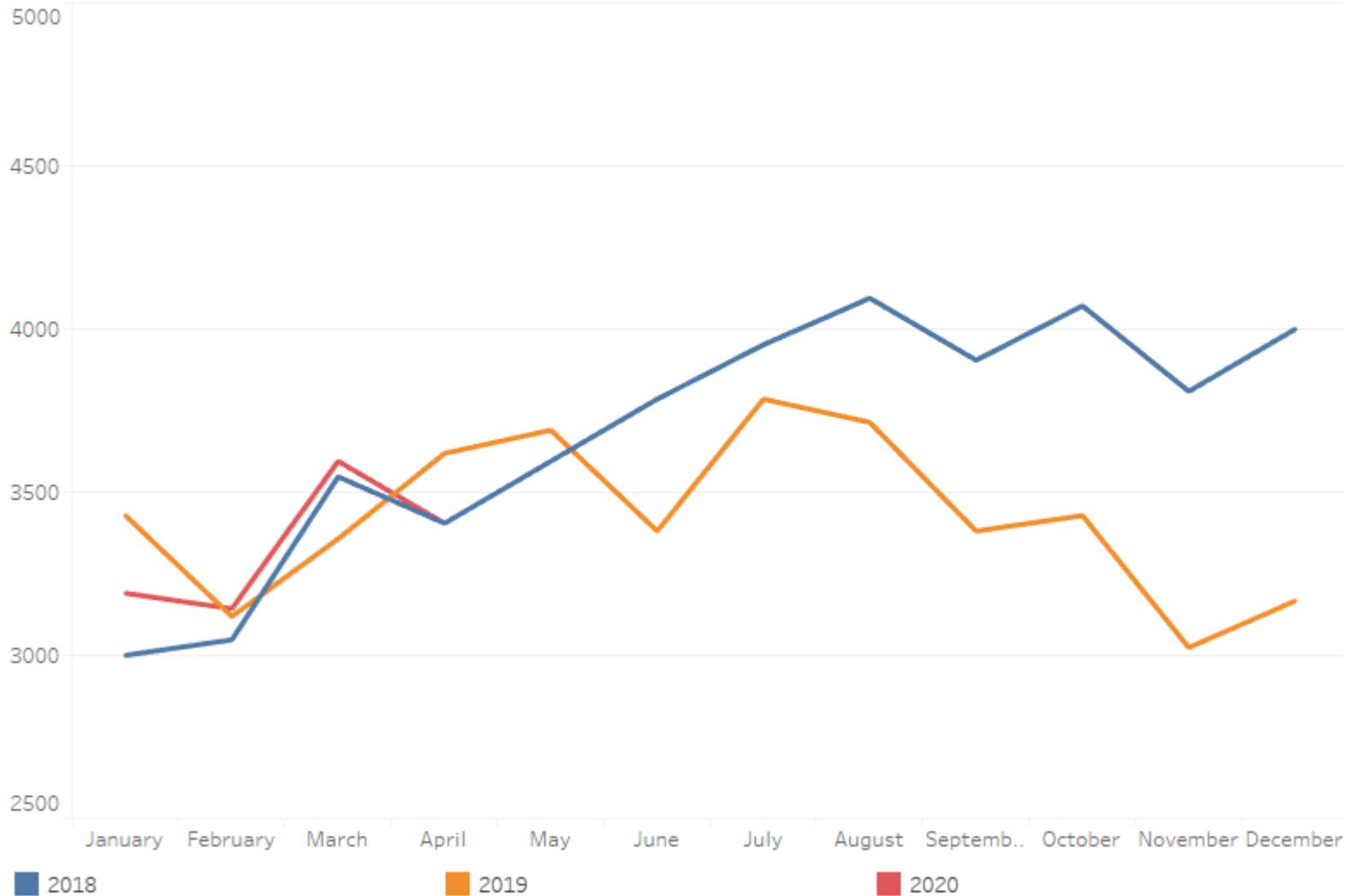
Data: EIA

# Blend Rate, Year-over-year

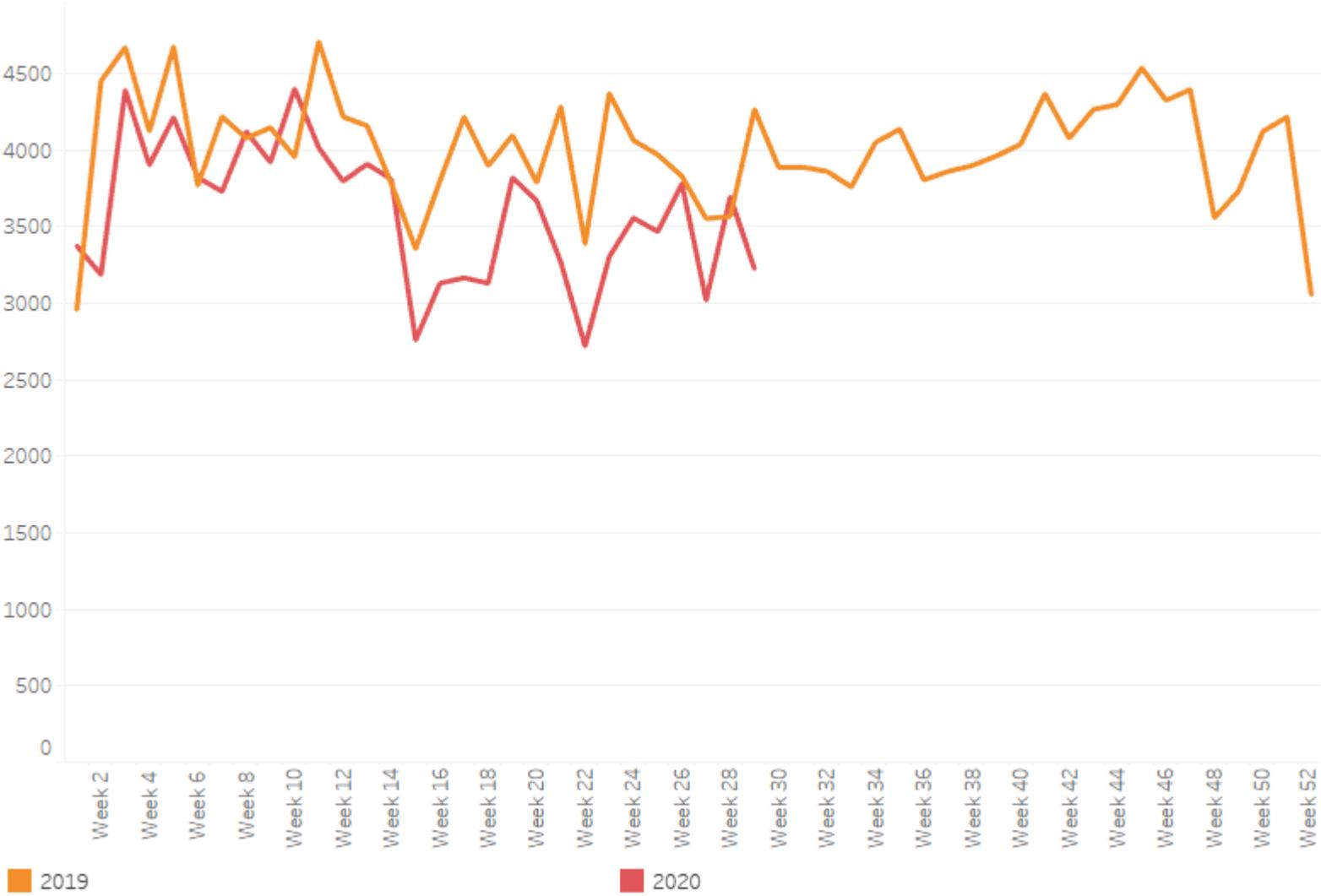


Data: EIA

## Monthly Biodiesel Production (thousands of barrels)



# Diesel Supplied by Week



# ND Petroleum

DC District Court ordered DAPL drained until a full environment impact assessment is done correctly (July 6<sup>th</sup>)

US Court of Appeals issued a stay allowing it to continue to operate (July 16<sup>th</sup>)

-570,000 BBLs/d (1/3 of ND's pre-COVID production)

-The National Environmental Protection Act (NEPA) requires that federal projects consider environmental impacts

-US Army Corps of Engineers (a federal agency) manages the Missouri River and has responsibility.

-A full study was never completed.

-Outstanding legal questions as Energy Transfer Partners went ahead with construction and operation.

# Agricultural Market and Situation Outlook Webinars to continue

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

August 6<sup>th</sup>

August 20<sup>th</sup>

September 3<sup>rd</sup>

Use the Q&A tool  
to ask questions

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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)