

Agricultural Market Situation and Outlook

WELCOME!

June 26, 2020

Use the Q&A tool
to ask questions

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

A 2nd Wave of COVID?

Unemployment, Net Farm Income, and Government Assistance

Bryon Parman

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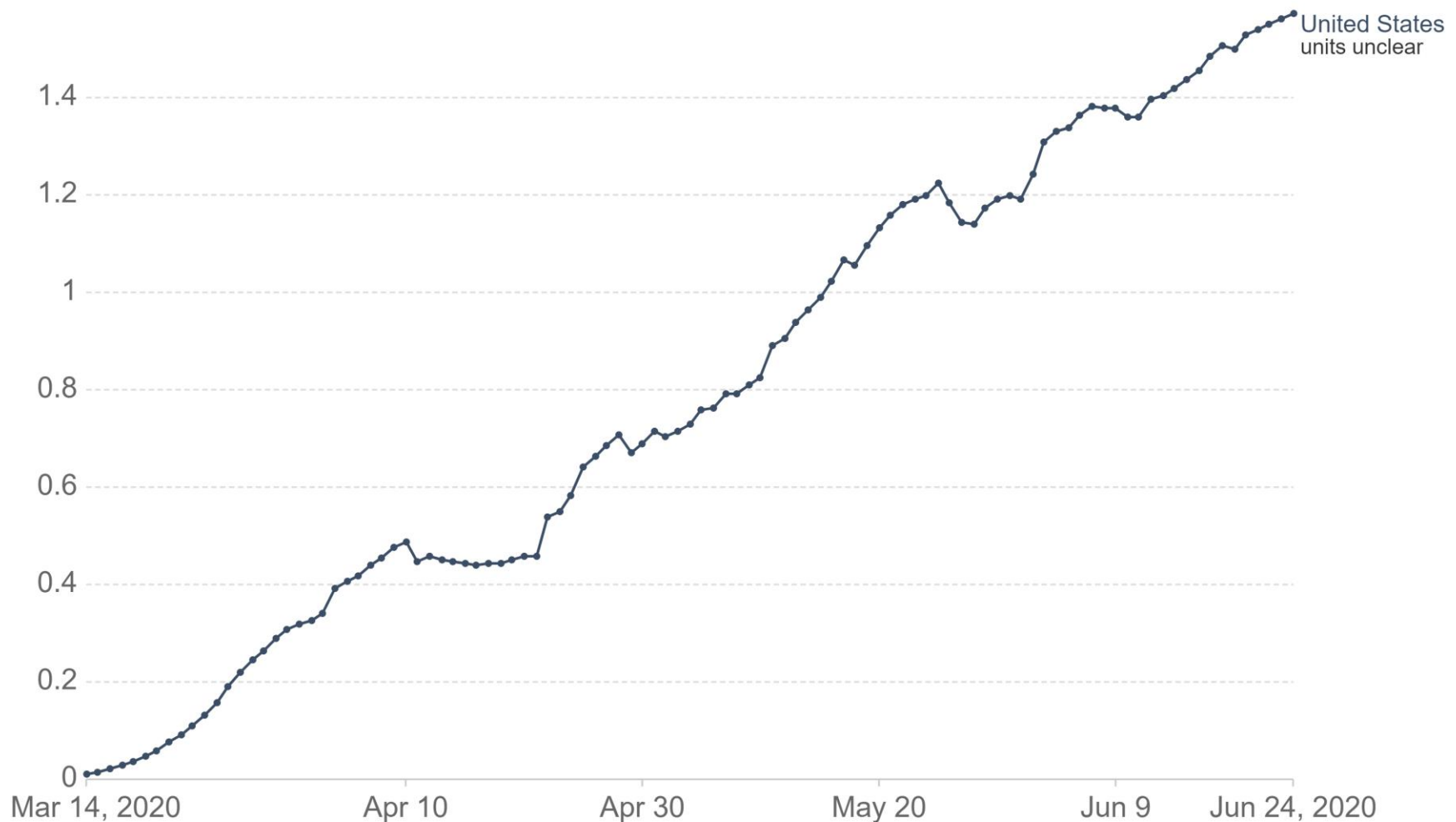
Bryon.Parman@ndsu.edu



Daily COVID-19 tests per thousand people

The figures are given as a rolling 7-day average.

Our World
in Data



Source: Official data collated by Our World in Data

OurWorldInData.org/coronavirus • CC BY

Note: Comparisons of testing data across countries are affected by differences in the way the data are reported. Daily data is interpolated for countries not reporting testing data on a daily basis. Details can be found at our Testing Dataset page.

The share of daily COVID-19 tests that are positive

The daily positive rate, given as a rolling 7-day average.

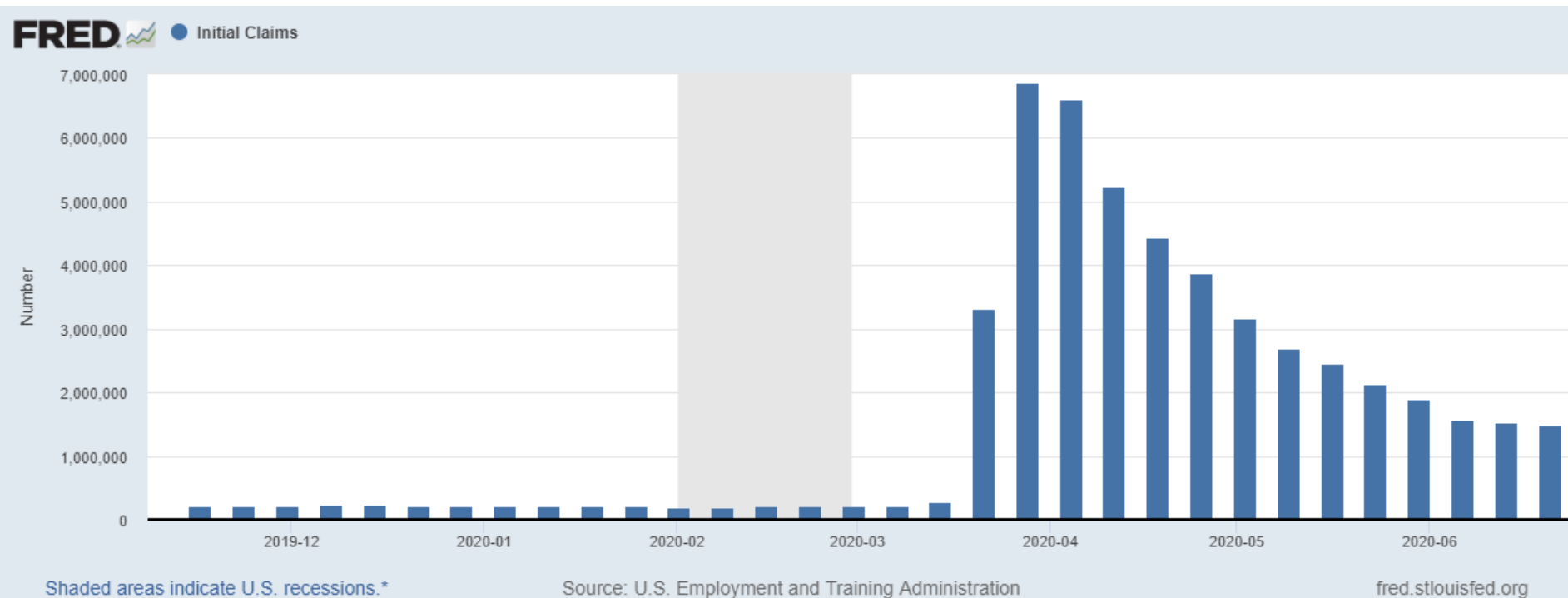


Source: Official data collated by Our World in Data

OurWorldInData.org/coronavirus • CC BY

Note: Comparisons of testing data across countries are affected by differences in the way the data are reported. Daily data is interpolated for countries not reporting testing data on a daily basis. Details can be found at our Testing Dataset page

Weekly Initial Jobless Claims, St. Louis Federal Reserve



Weekly Continuous Jobless Claims

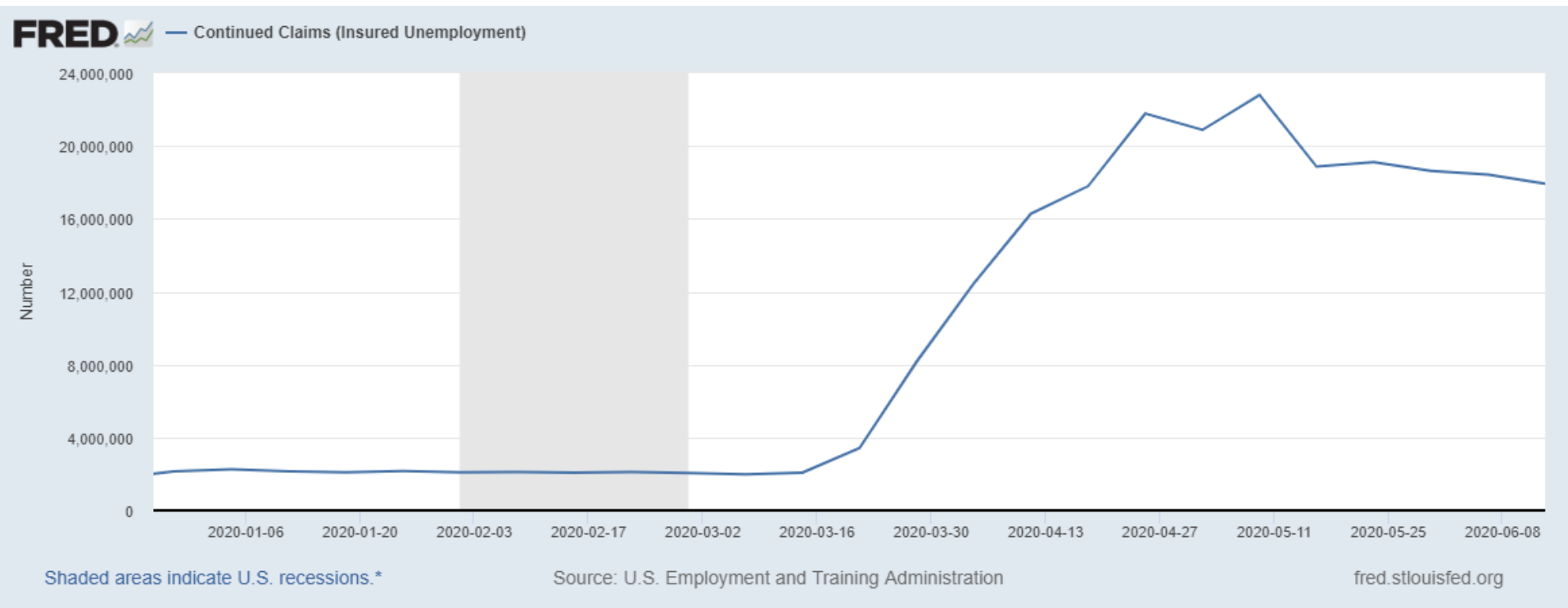


Figure 2. Net Farm Income (Accrual) Per Farm

N.D. Farm Business Management Education Program

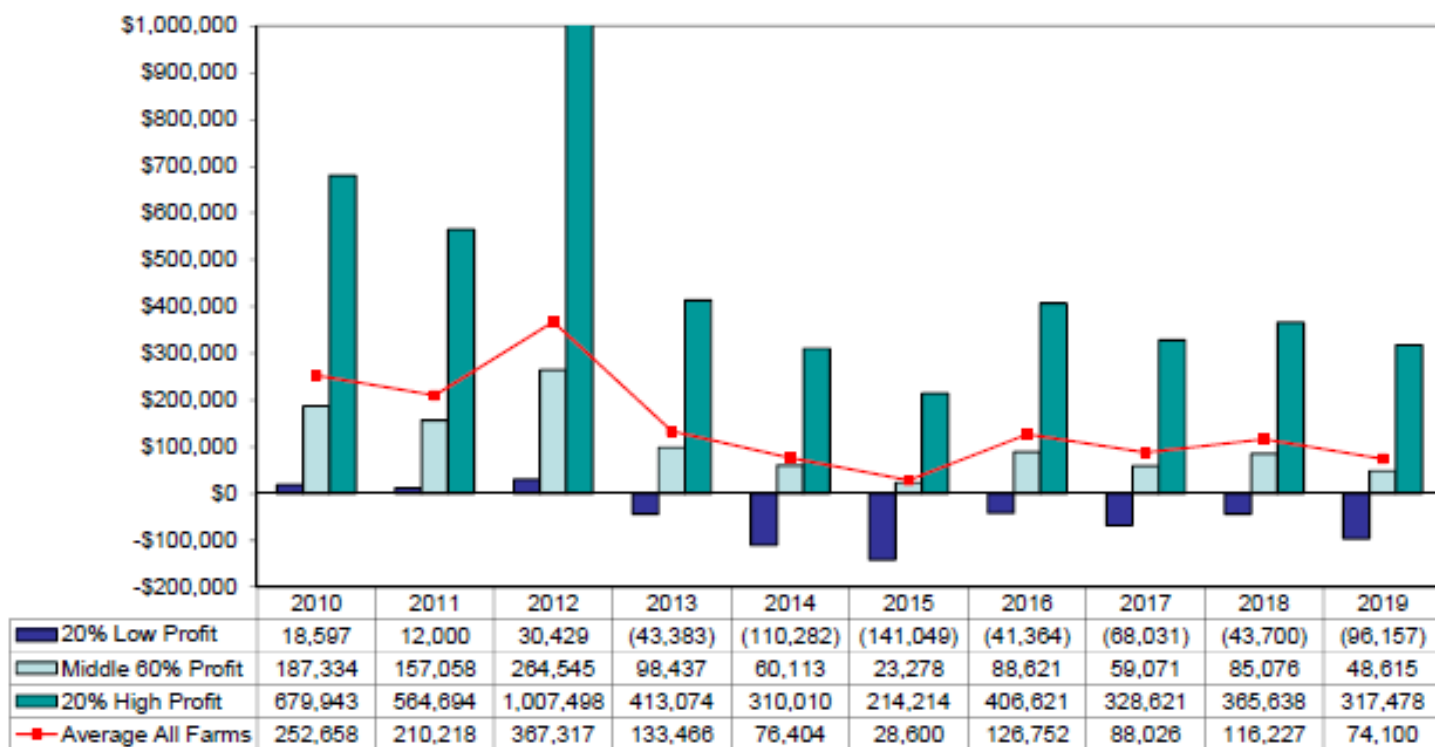
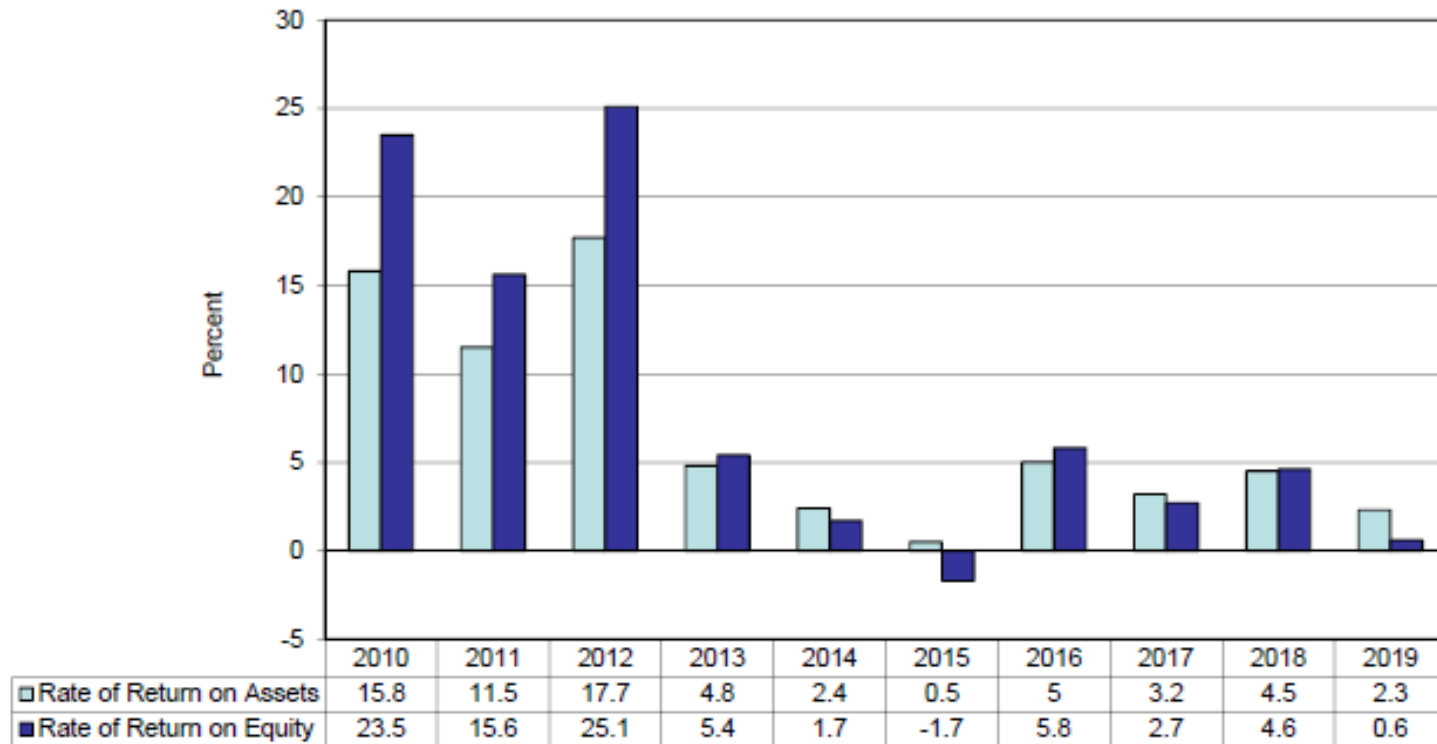


Figure 4. Profitability Measures Per Farm

N.D. Farm Business Management Education Program



2018 Net Farm Income and Government Payments for the Low, Mid and Highest Net Farm Income Groups.

	State Avg.	Low 20%	40-60%	High 20%
<u>Gross cash farm income</u>	\$772,147	\$630,177	\$640,028	\$1,419,845
Crop government payments	\$23,347	\$17,734	\$18,523	\$46,221
CRP payments	\$1,119	\$1,119	\$437	\$1,623
Other government payments (MFP & Disaster)	\$35,734	\$25,106	\$35,269	\$57,246
Total government payments	\$60,200	\$43,959	\$54,229	\$105,090
Net farm income	\$116,227	-\$42,700	\$80,927	\$365,638

2019 Net Farm Income and Government Payments for the Low, Mid and Highest Net Farm Income Groups.

	State Avg.	Low 20%	40-60%	High 20%
Gross cash farm income	\$846,523	\$954,899	\$514,996	\$1,534,550
Crop government payments	\$16,943	\$13,808	\$7,367	\$38,279
CRP payments	\$1,222	\$527	\$1,044	\$3,102
Other government payments (MFP & Disaster)	\$68,404	\$63,903	\$43,275	\$127,817
Total government payments	\$86,569	\$78,238	\$51,686	\$169,198
Net farm income	\$74,100	-\$96,157	\$39,002	\$317,478

FAPRI U.S. Farm Income Projections to 2025

U.S. farm income

Calendar year	2018	2019	2020	2021	2022	2023	2024	2025
(Billion dollars)								
Farm receipts	401.9	408.6	383.9	390.4	409.4	422.7	432.0	440.2
Crops	196.2	196.7	186.5	189.3	195.9	200.9	205.4	209.4
Livestock	176.5	177.6	164.8	169.0	181.0	188.5	192.4	195.7
Farm-related	29.1	34.3	32.5	32.1	32.5	33.3	34.1	35.1
Direct government payments	13.7	23.7	32.8	16.6	14.9	13.8	13.1	12.6
Gross cash income	415.5	432.2	416.7	407.0	424.2	436.5	445.1	452.8
Nonmoney income	19.1	20.1	20.7	20.8	20.7	20.7	20.7	20.8
Value of inventory change	-7.1	-14.5	1.7	-1.3	-0.2	-0.1	0.2	0.3
Gross farm income	427.6	437.8	439.1	426.5	444.7	457.1	465.9	473.9
Cash expenses	311.3	311.8	314.5	311.9	319.2	324.1	328.9	335.0
Total expenses	343.8	344.3	348.5	347.0	354.7	359.6	364.4	370.7
Net cash income	104.2	120.4	102.2	95.1	105.0	112.5	116.2	117.8
Net farm income	83.8	93.6	90.6	79.4	90.0	97.5	101.6	103.2
Deflated (2020 \$)	87.3	95.2	90.6	78.6	88.5	95.5	98.8	99.4

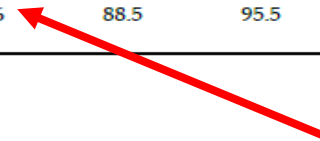
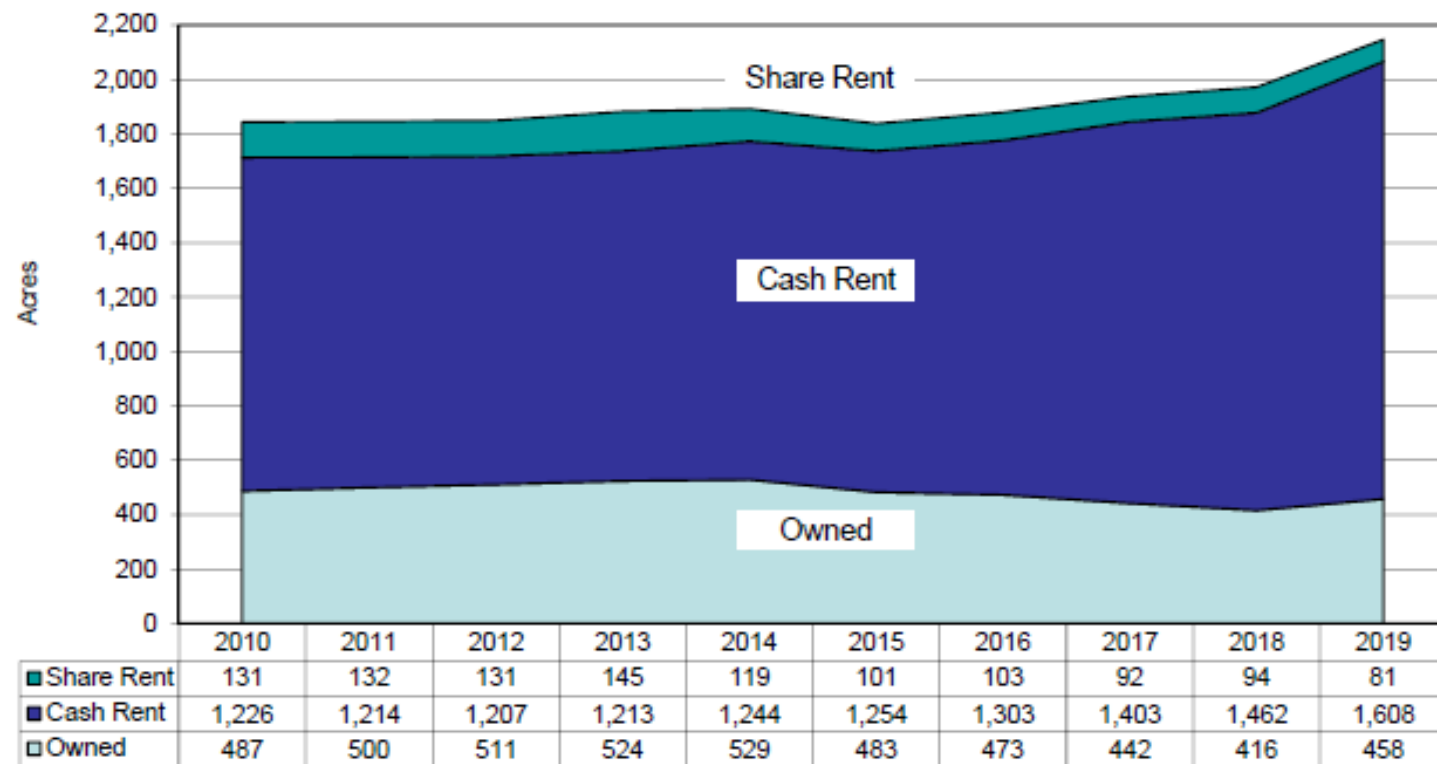


Figure 8. Crop Acreage Per Farm
N.D. Farm Business Management Education Program



USDA Acreage and Grain Stocks Reports

Frayne Olson

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Report Background

- ***Grain Stocks report:***

- Conducted every three months.
- On-farm stocks is survey of approximately 79,900 farmers.
- Off-farm stocks is survey of all known commercial grain storage facilities; approximately 8,400 facilities.

- ***Acreage report:***

- Updates the March 31 *Prospective Plantings* report.
- Survey of approximately 68,100 farmers.
- Conducted the first two weeks of June.

Pre-Report Estimates: *Grain Stocks*

June 1, 2020 Grain Stocks (billion bushels)			
	All Wheat	Corn	Soybean
Average Trade Estimate	0.980 bill. bu.	4.951 bill. bu.	1.392 bill. bu.
Highest Trade Estimate	0.996 bill. bu.	5.150 bill. bu.	1.490 bill. bu.
Lowest Trade Estimate	0.925 bill. bu.	4.795 bill. bu.	1.275 bill. bu.
USDA June 1, 2019	1.080 bill. bu.	5.202 bill. bu.	1.783 bill. bu.
USDA Mar. 1, 2020	1.412 bill. bu.	7.953 bill. bu.	2.253 bill. bu.
USDA June 1 , 2020	??	??	??

Pre-Report Estimates: *Acreage*

2020 Acreage (million acres)						
	Corn	Soybean	All Wheat	Winter Wheat	Other Spring	Durum
Average Trade Estimate	95.207	84.716	44.718	30.849	12.551	1.313
Highest Trade Estimate	97.00	85.60	45.10	31.60	12.81	1.44
Lowest Trade Estimate	93.00	83.50	44.20	30.40	12.15	1.20
USDA March 31 Survey	96.990	83.510	44.655	30.775	12.590	1.290
USDA 2019 Final	89.70	76.10	45.158	31.159	12.66	1.339
USDA 2020 Acreage	??	??	??	??	??	??

U.S. Corn Supply & Demand Table

U.S. Corn	2018/2019	2019/2020 (Est.)	2020/2021 (Jun.)
Planted A.	88.9 Mill. A.	89.7 Mill. A.	97.0 Mill. A.
Harvested A.	81.3 Mill. A.	81.3 Mill. A.	89.6 Mill. A.
Yield/Harvest A.	176.4 bu.	167.4 bu.	178.5 bu.
Beginning Stocks	2,140 Mill. Bu.	2,221 Mill. Bu.	2,103 Mill. Bu.
Production	14,340 Mill. Bu.	13,617 Mill. Bu.	15,995 Mill. Bu.
Imports	28 Mill. Bu.	45 Mill. Bu.	25 Mill. Bu.
Total Supply	16,509 Mill. Bu.	15,883 Mill. Bu.	18,123 Mill. Bu.
Feed & Residual	5,430 Mill. Bu.	5,700 Mill. Bu.	6,050 Mill. Bu.
Food, Seed, Ind.	6,793 Mill. Bu.	6,305 Mill. Bu.	6,600 Mill. Bu.
Ethanol	5,378 Mill. Bu.	4,900 Mill. Bu.	5,200 Mill. Bu.
Exports	2,065 Mill. Bu.	1,775 Mill. Bu.	2,150 Mill. Bu.
Total Use	14,288 Mill. Bu.	13,780 Mill. Bu.	14,800 Mill. Bu.
Ending Stocks	2,221 Mill. Bu.	2,103 Mill. Bu.	3,323 Mill. Bu.

U.S. Corn Supply & Demand Table

U.S. Corn	2018/2019	2019/2020 (Est.)	2020/2021 (Jun.)
Planted A.	88.9 Mill. A.	89.7 Mill. A.	95.2 Mill. A.
Harvested A.	81.3 Mill. A.	81.3 Mill. A.	87.9 Mill. A.
Yield/Harvest A.	176.4 bu.	167.4 bu.	178.5 bu.
Beginning Stocks	2,140 Mill. Bu.	2,221 Mill. Bu.	2,103 Mill. Bu.
Production	14,340 Mill. Bu.	13,617 Mill. Bu.	15,698 Mill. Bu.
Imports	28 Mill. Bu.	45 Mill. Bu.	25 Mill. Bu.
Total Supply	16,509 Mill. Bu.	15,883 Mill. Bu.	17,826 Mill. Bu.
Feed & Residual	5,430 Mill. Bu.	5,700 Mill. Bu.	6,050 Mill. Bu.
Food, Seed, Ind.	6,793 Mill. Bu.	6,305 Mill. Bu.	6,600 Mill. Bu.
Ethanol	5,378 Mill. Bu.	4,900 Mill. Bu.	5,200 Mill. Bu.
Exports	2,065 Mill. Bu.	1,775 Mill. Bu.	2,150 Mill. Bu.
Total Use	14,288 Mill. Bu.	13,780 Mill. Bu.	14,800 Mill. Bu.
Ending Stocks	2,221 Mill. Bu.	2,103 Mill. Bu.	3,026 Mill. Bu.

U.S. Soybean Supply & Demand Table

U.S. Soybean	2018/2019	2019/2020 (Est.)	2020/2021 (Jun.)
Planted A.	89.2 Mill. A.	76.1 Mill. A.	83.5 Mill. A.
Harvested A.	87.6 Mill. A.	75.0 Mill. A.	82.8 Mill. A.
Yield/Harvest A.	50.6 bu.	47.4 bu.	49.8 bu.
Beginning Stocks	438 Mill. Bu.	909 Mill. Bu.	585 Mill. Bu.
Production	4,428 Mill. Bu.	3,552 Mill. Bu.	4,125 Mill. Bu.
Imports	14 Mill. Bu.	15 Mill. Bu.	15 Mill. Bu.
Total Supply	4,880 Mill. Bu.	4,476 Mill. Bu.	4,725 Mill. Bu.
Crushings	2,092 Mill. Bu.	2,140 Mill. Bu.	2,145 Mill. Bu.
Exports	1,748 Mill. Bu.	1,650 Mill. Bu.	2,050 Mill. Bu.
Seed	88 Mill. Bu.	97 Mill. Bu.	100 Mill. Bu.
Residual	43 Mill. Bu.	4 Mill. Bu.	35 Mill. Bu.
Total Use	3,971 Mill. Bu.	3,891 Mill. Bu.	4,330 Mill. Bu.
Ending Stocks	909 Mill. Bu.	585 Mill. Bu.	395 Mill. Bu.

U.S. Soybean Supply & Demand Table

U.S. Soybean	2018/2019	2019/2020 (Est.)	2020/2021 (Jun.)
Planted A.	89.2 Mill. A.	76.1 Mill. A.	84.7 Mill. A.
Harvested A.	87.6 Mill. A.	75.0 Mill. A.	84.0 Mill. A.
Yield/Harvest A.	50.6 bu.	47.4 bu.	49.8 bu.
Beginning Stocks	438 Mill. Bu.	909 Mill. Bu.	585 Mill. Bu.
Production	4,428 Mill. Bu.	3,552 Mill. Bu.	4,183 Mill. Bu.
Imports	14 Mill. Bu.	15 Mill. Bu.	15 Mill. Bu.
Total Supply	4,880 Mill. Bu.	4,476 Mill. Bu.	4,783 Mill. Bu.
Crushings	2,092 Mill. Bu.	2,140 Mill. Bu.	2,145 Mill. Bu.
Exports	1,748 Mill. Bu.	1,650 Mill. Bu.	2,050 Mill. Bu.
Seed	88 Mill. Bu.	97 Mill. Bu.	100 Mill. Bu.
Residual	43 Mill. Bu.	4 Mill. Bu.	35 Mill. Bu.
Total Use	3,971 Mill. Bu.	3,891 Mill. Bu.	4,330 Mill. Bu.
Ending Stocks	909 Mill. Bu.	585 Mill. Bu.	453 Mill. Bu.

U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2018/2019	2019/2020 (Est.)	2020/2021 (Jun.)
Planted A.	47.8 Mill. A.	45.2 Mill. A.	44.7 Mill. A.
Harvested A.	39.6 Mill. A.	37.2 Mill. A.	37.7 Mill. A.
Yield/Harvest A.	47.6 bu.	51.7 bu.	49.8 bu.
Begin Stocks	1,099 Mill. Bu.	1,080 Mill. Bu.	983 Mill. Bu.
Production	1,885 Mill. Bu.	1,920 Mill. Bu.	1,877 Mill. Bu.
Imports	135 Mill. Bu.	105 Mill. Bu.	140 Mill. Bu.
Total Supply	3,119 Mill. Bu.	3,105 Mill. Bu.	3,000 Mill. Bu.
Food	955 Mill. Bu.	962 Mill. Bu.	964 Mill. Bu.
Seed	59 Mill. Bu.	60 Mill. Bu.	61 Mill. Bu.
Feed & Residual	90 Mill. Bu.	135 Mill. Bu.	100 Mill. Bu.
Exports	936 Mill. Bu.	965 Mill. Bu.	950 Mill. Bu.
Total Use	2,039 Mill. Bu.	2,122 Mill. Bu.	2,075 Mill. Bu.
Ending Stocks	1,080 Mill. Bu.	982 Mill. Bu.	925 Mill. Bu.

USDA Reports Released at
11:00 am CT
Tuesday, June 30

LIVESTOCK PRICE SITUATION AND OUTLOOK

Tim Petry

Extension Livestock Marketing
Economist

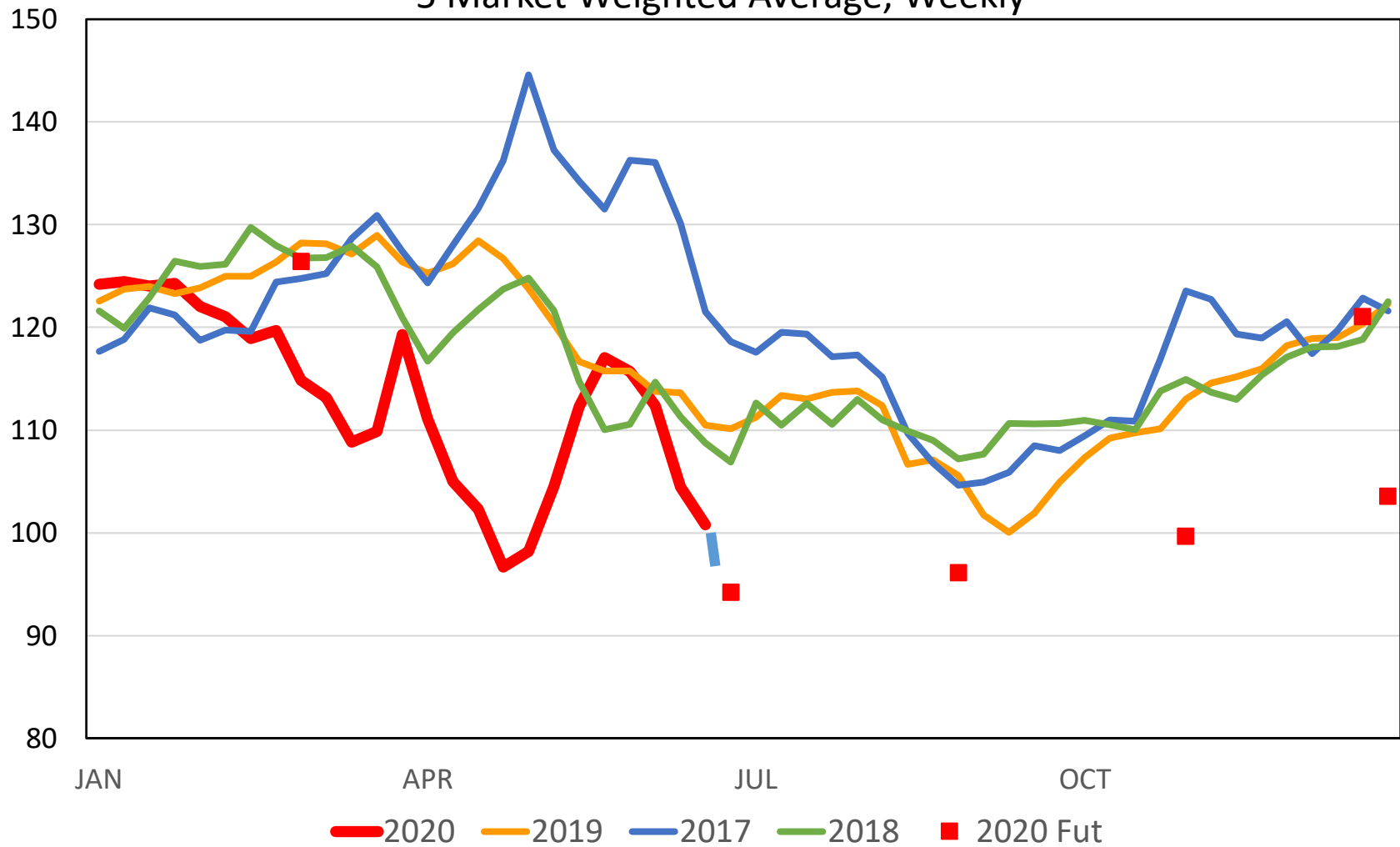
Tim.Petry@ndsu.edu

www.ndsu.edu/livestockeconomics



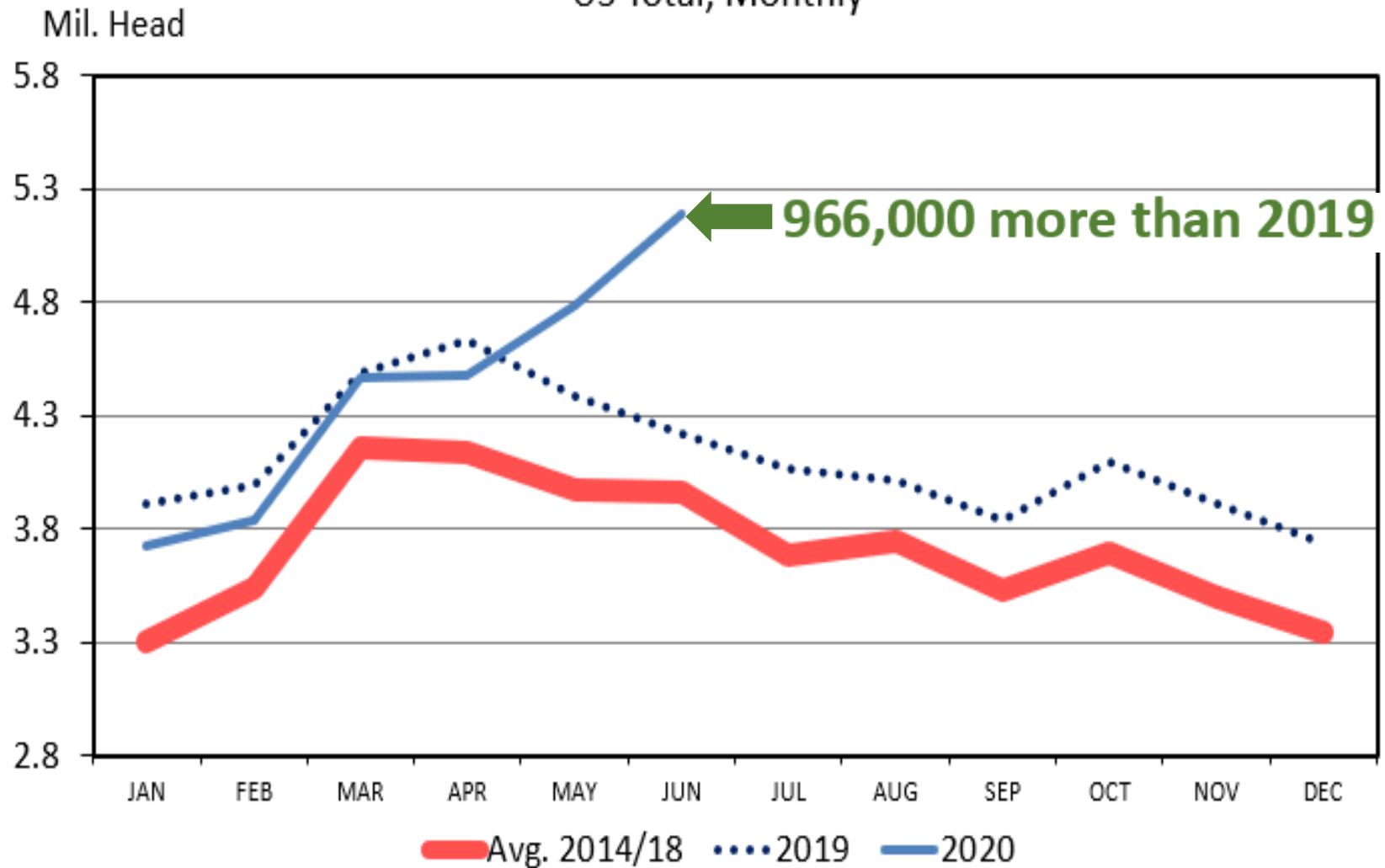
SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly



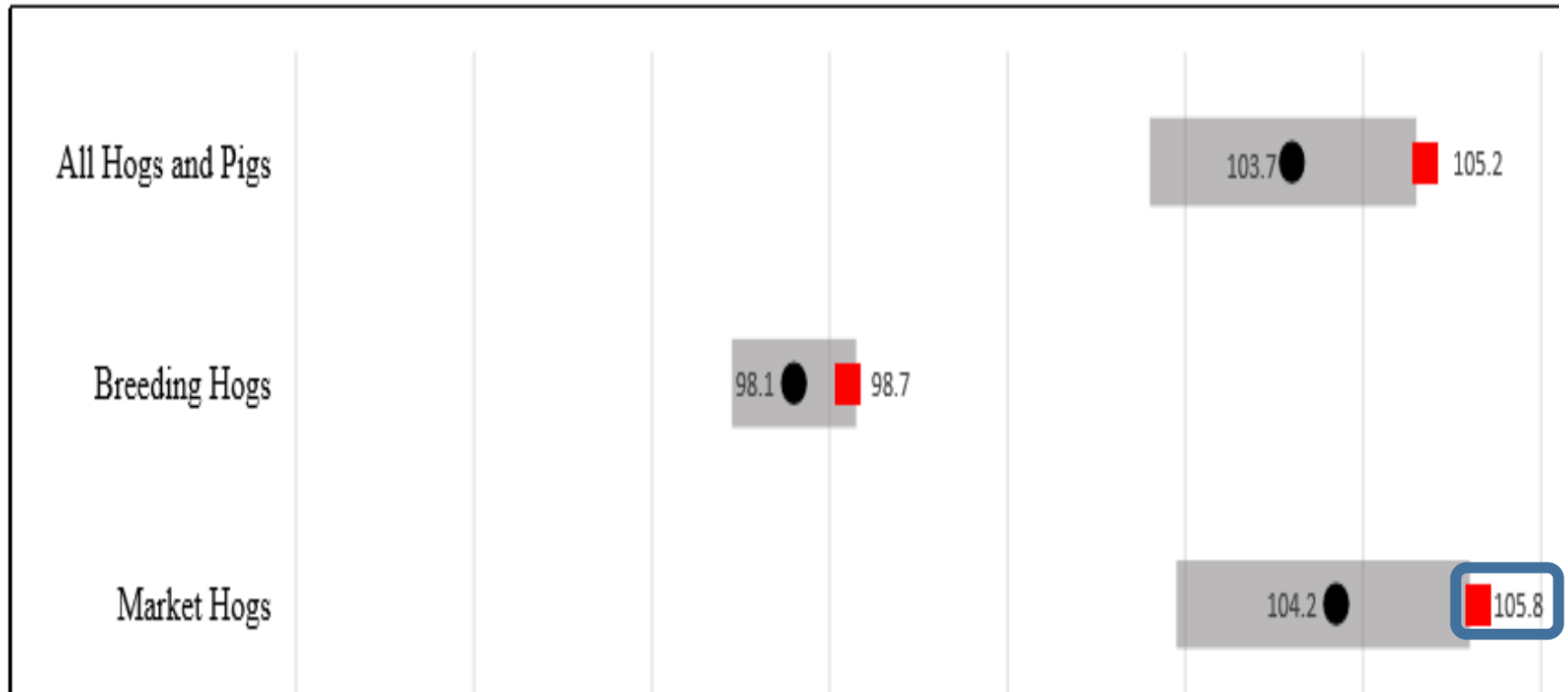
CATTLE ON FEED OVER 120 DAYS

US Total, Monthly





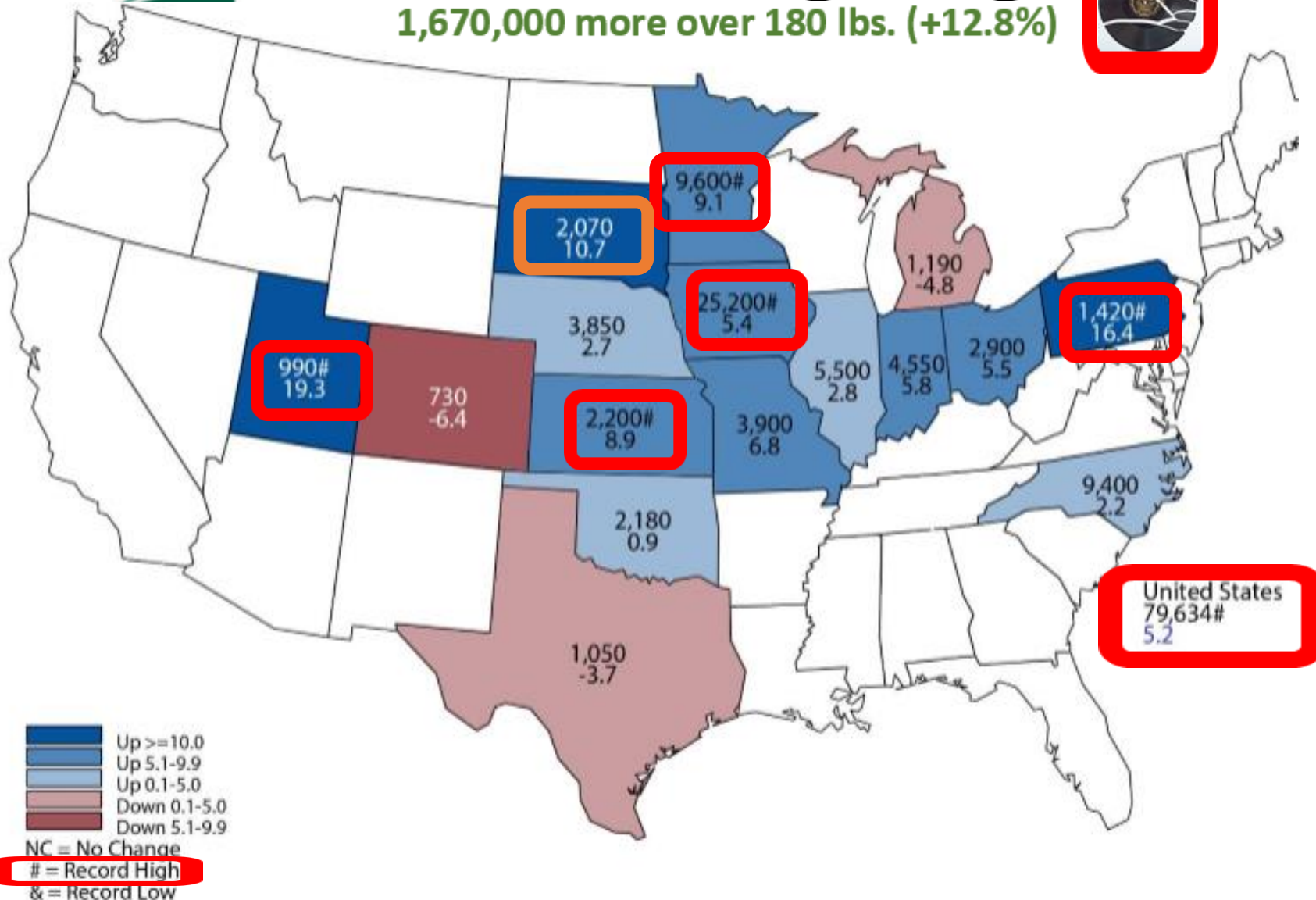
2020 June Hogs & Pigs Trade Expectations Compared to NASS Estimates Percent of Previous Year



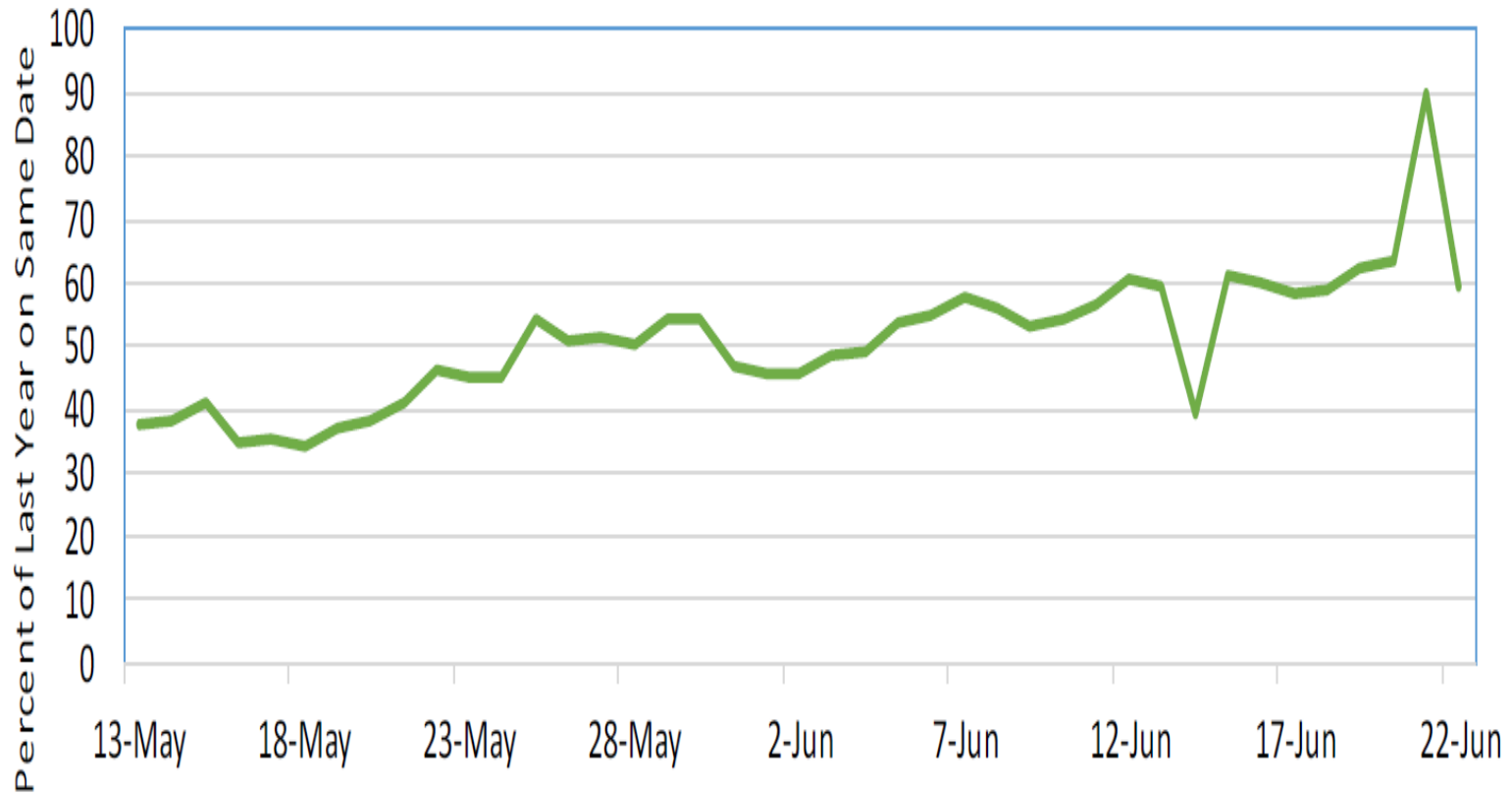


2020 June Hogs & Pigs

1,670,000 more over 180 lbs. (+12.8%)



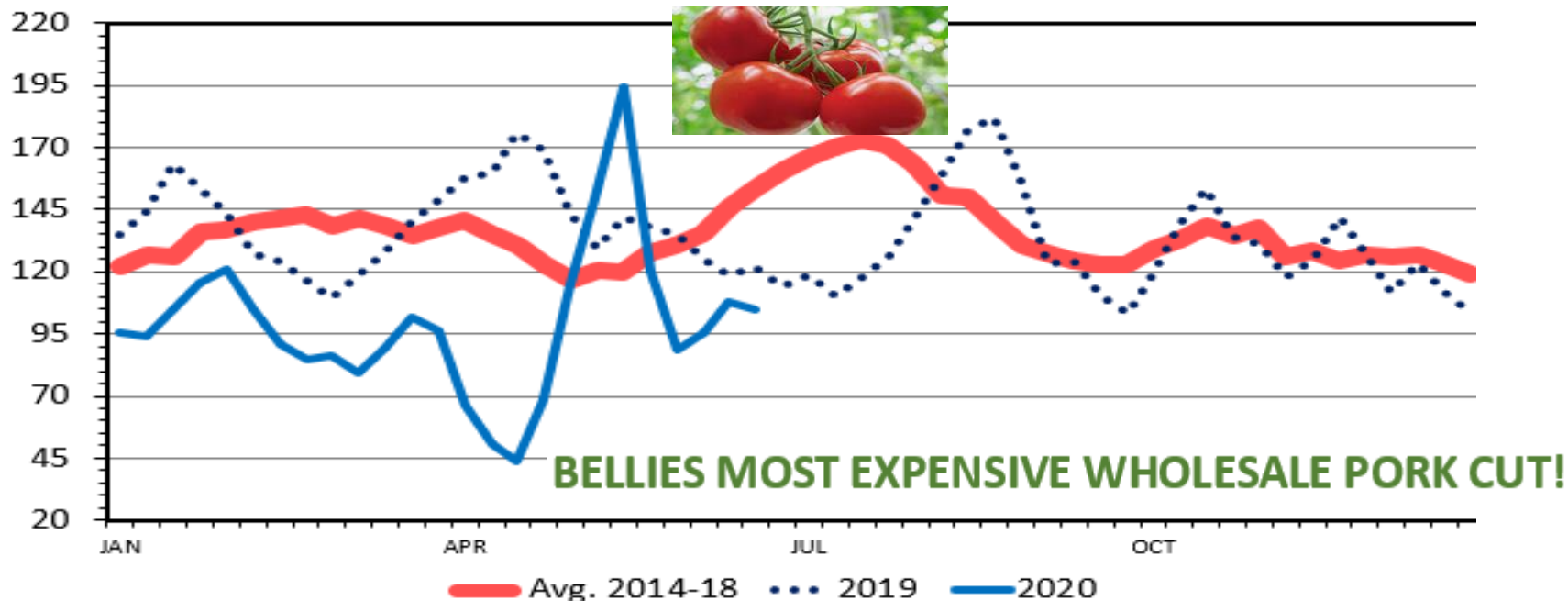
United States Seated Diners at Restaurants Open for Reservation



Source: OpenTable

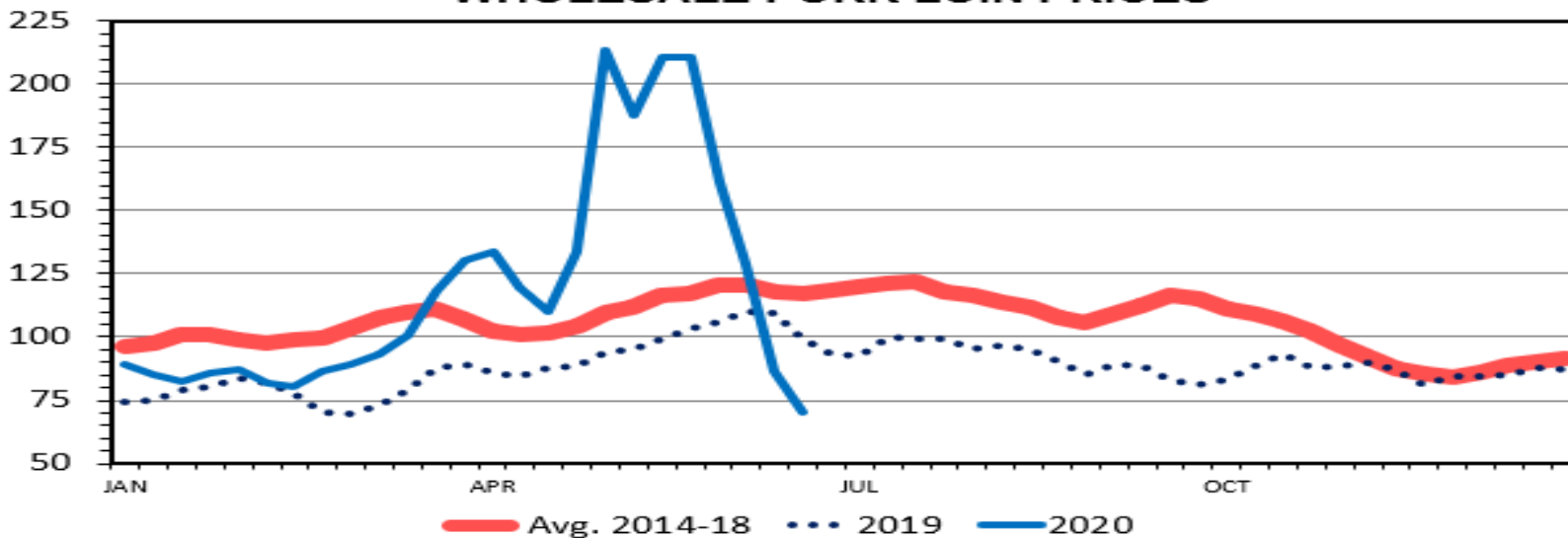
Cents Per Pound

WHOLESALE PORK BELLY PRICES

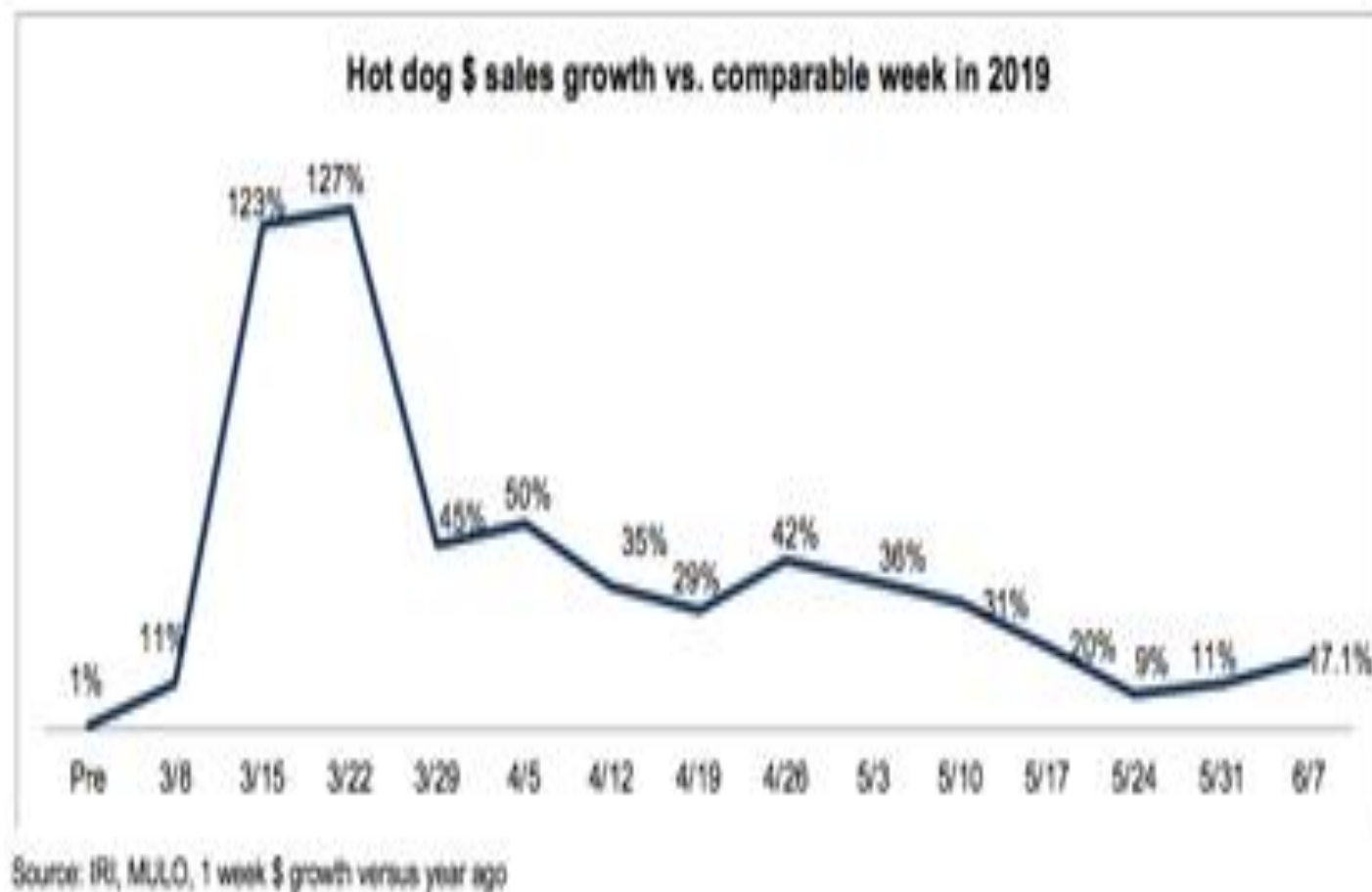


Cents Per Pound

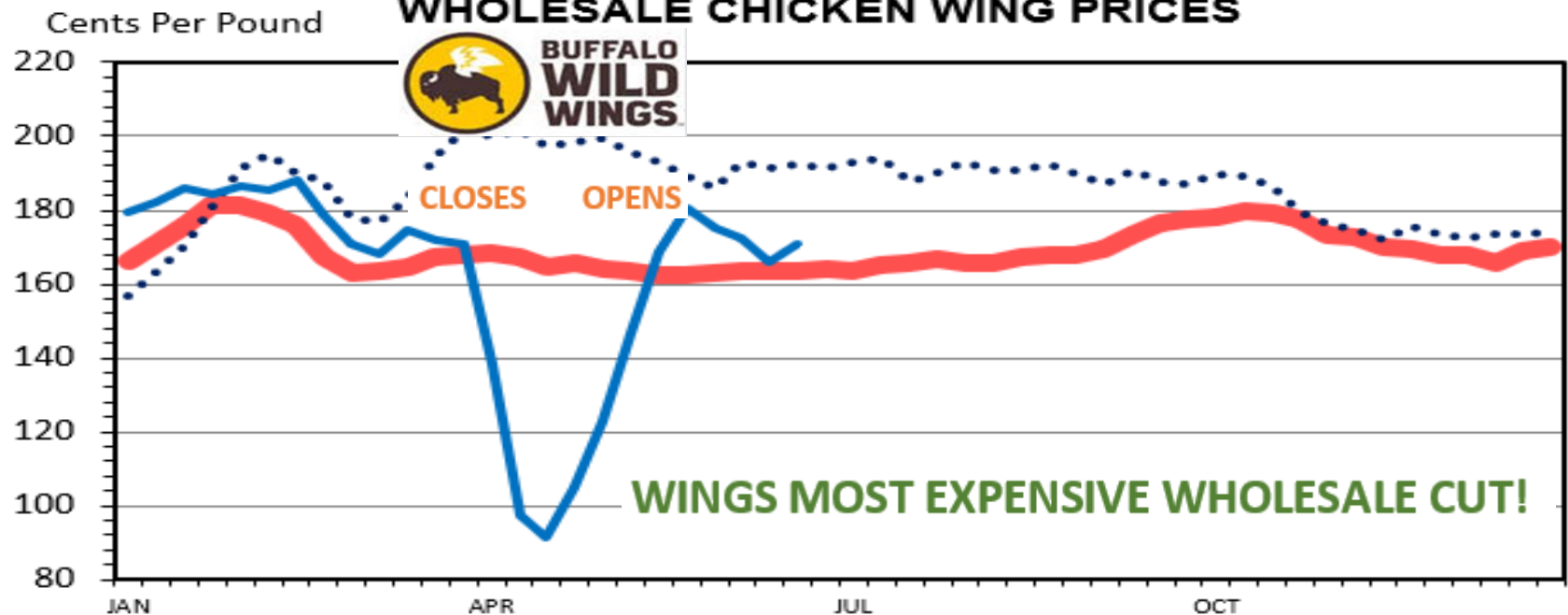
WHOLESALE PORK LOIN PRICES



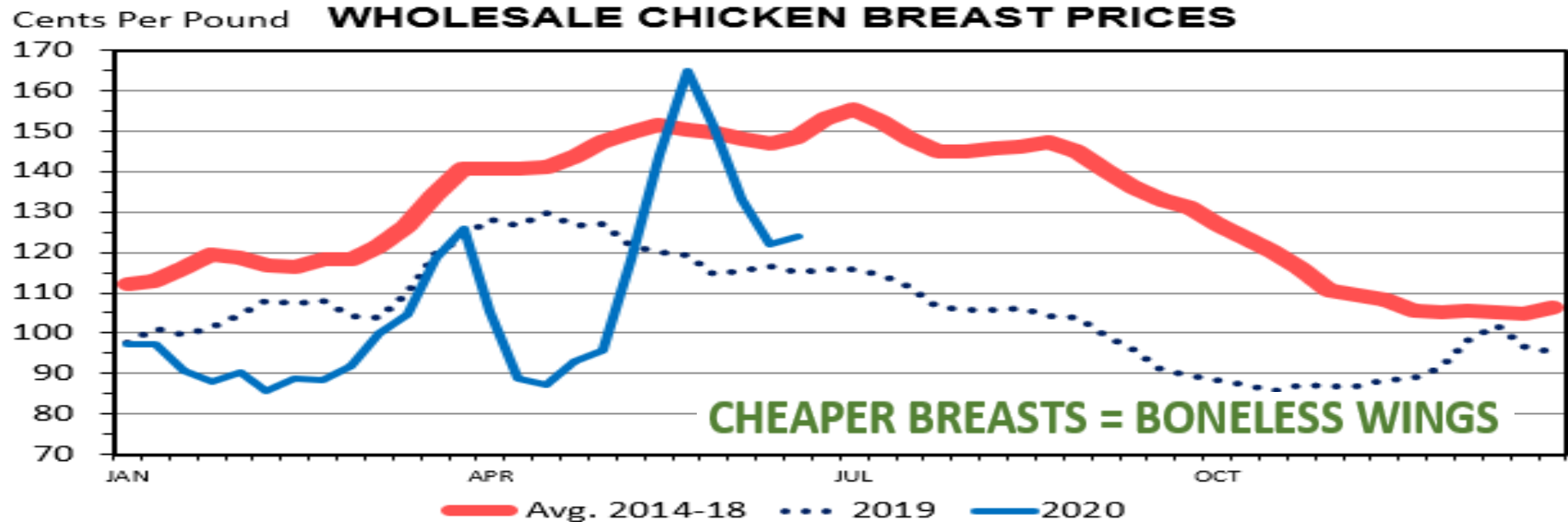
Hot dogs still up 17%, three months into the pandemic



WHOLESALE CHICKEN WING PRICES



WHOLESALE CHICKEN BREAST PRICES



Ag-Energy Situation and Outlook

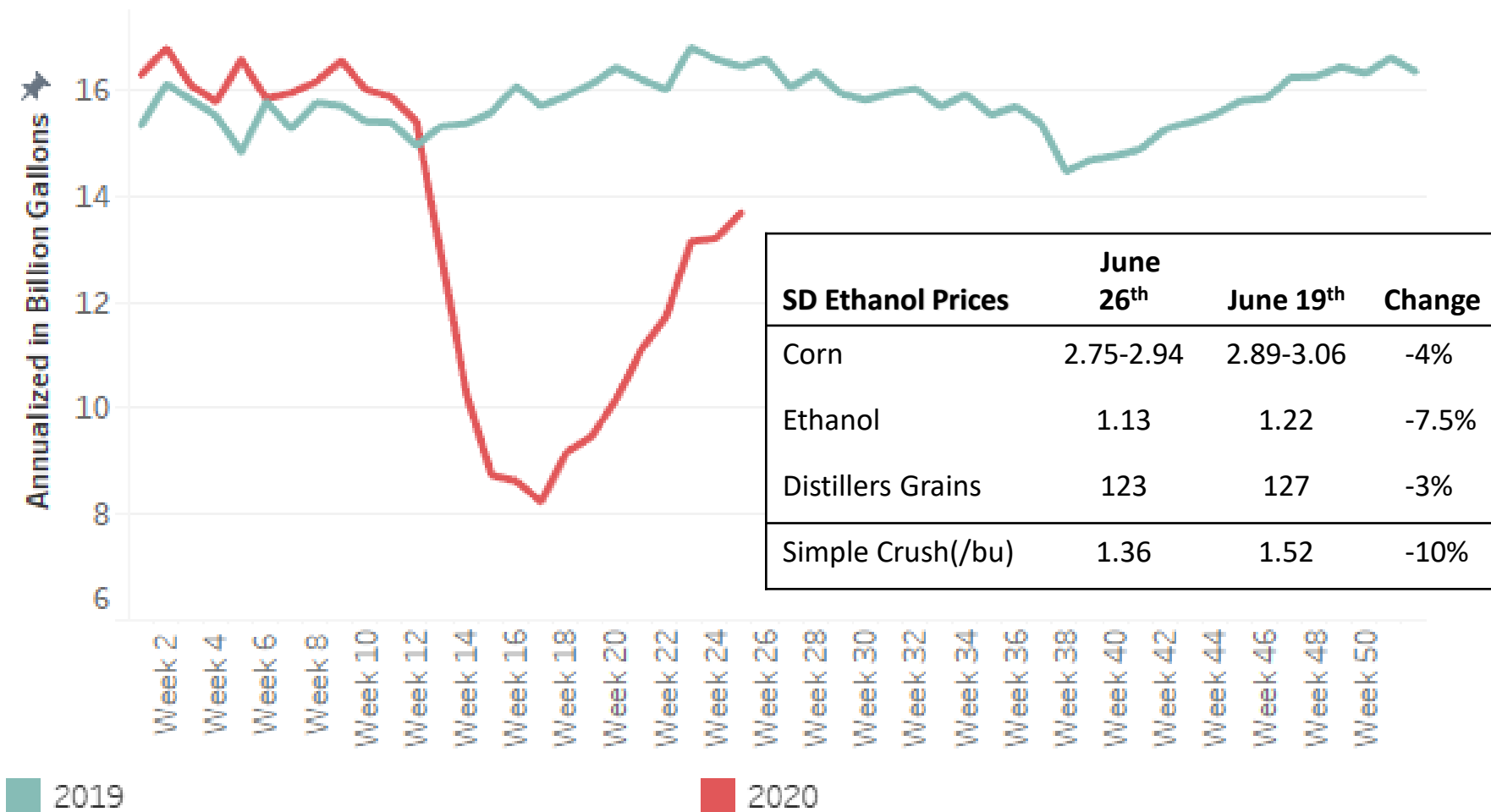
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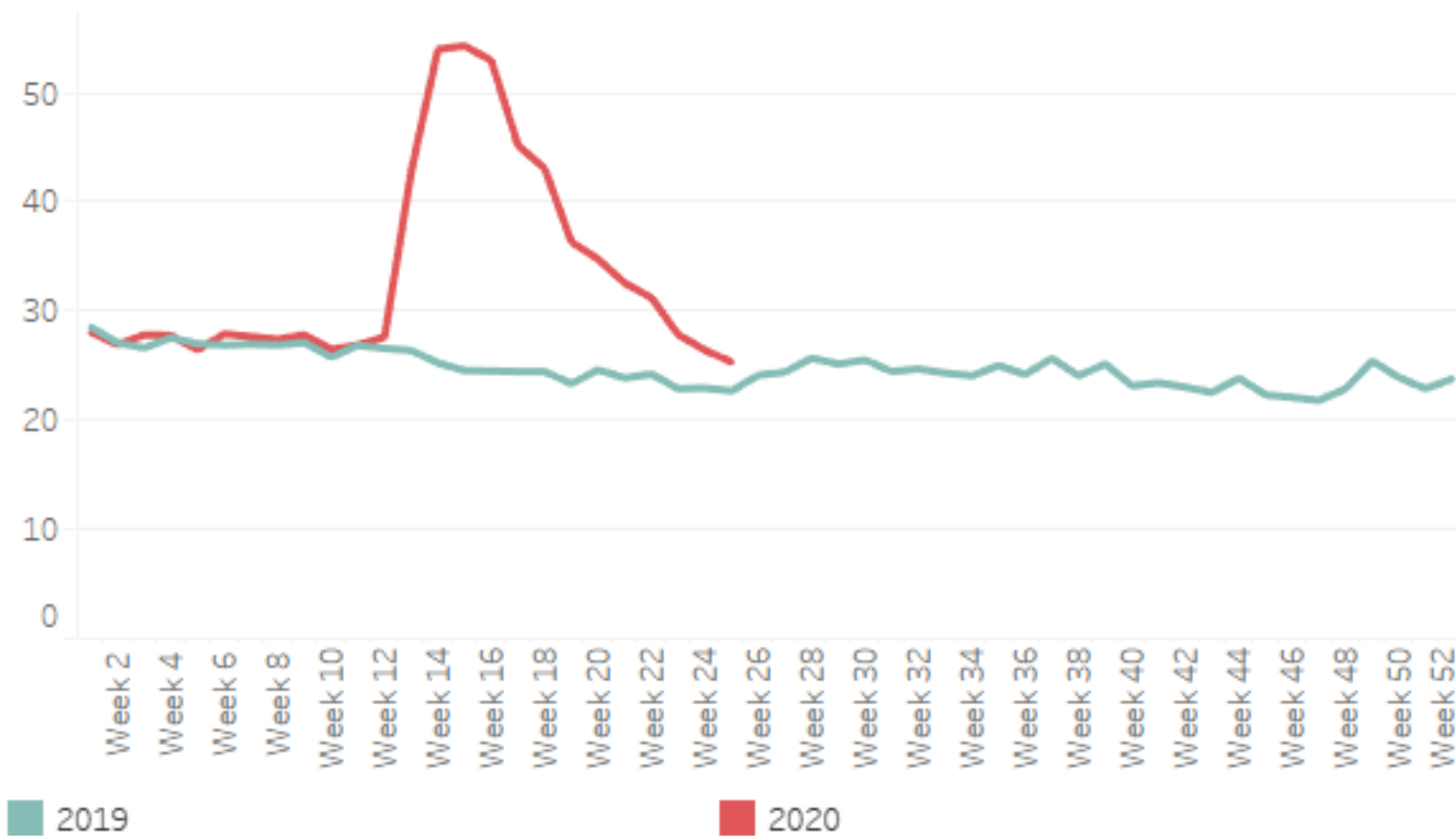


US Ethanol Production, Year-over-Year

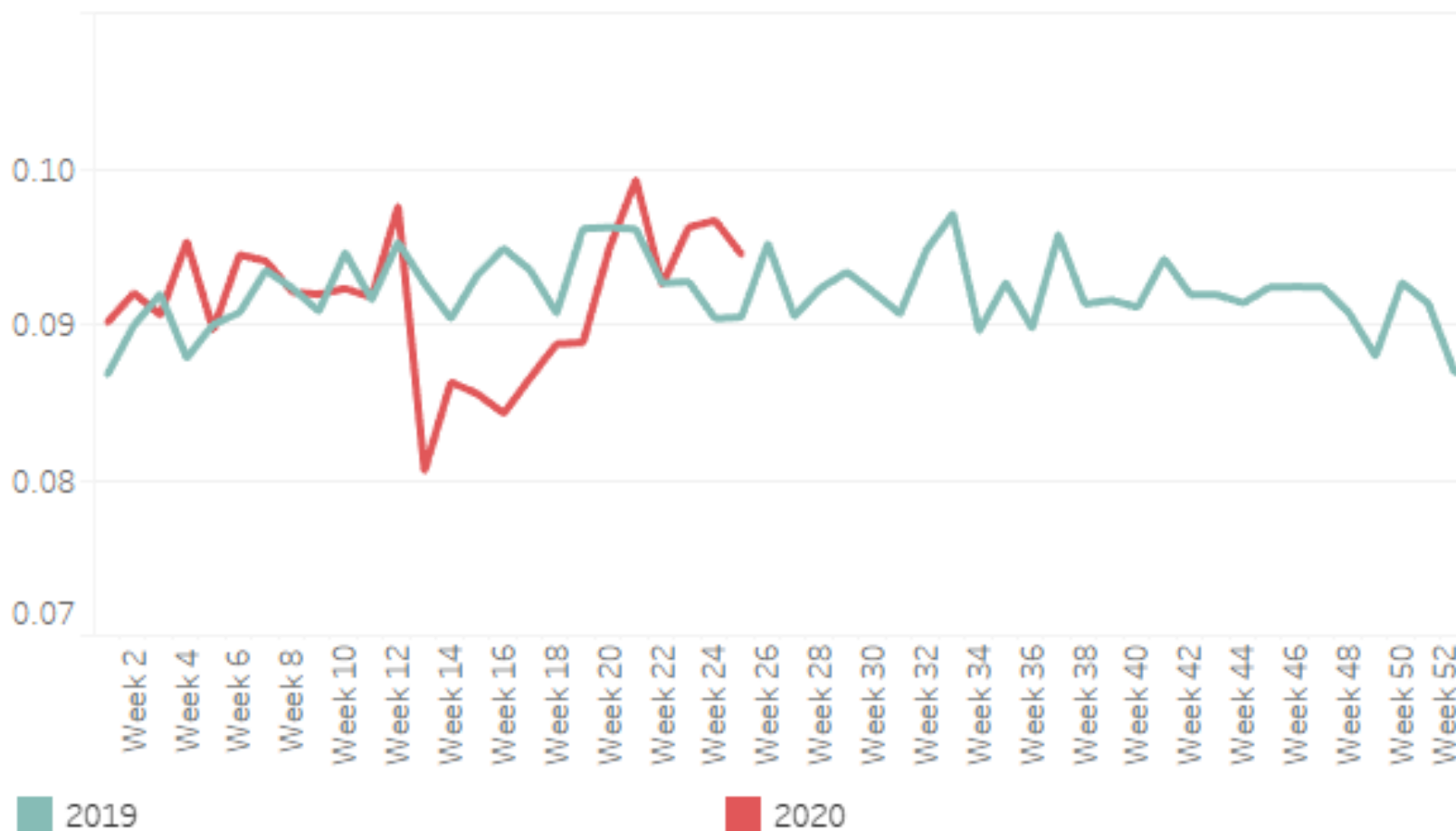


Data: EIA, USDA/AMS
Calculation: NDSU Extension

Days in Storage



Blend Rate, Year-over-year



We're moving!

Agricultural Market and Situation Outlook Webinars will continue this summer

Every other Thursday at 12.30 pm beginning July 9th

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