

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

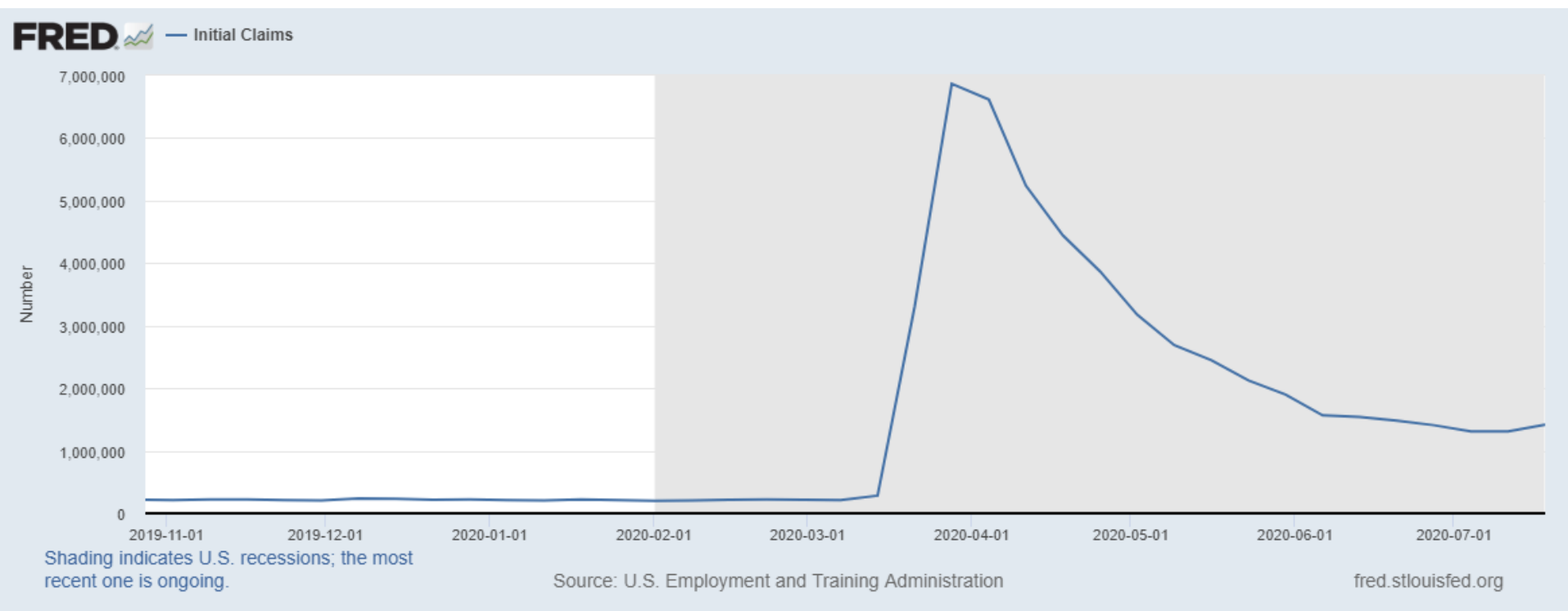
Bryon Parman

Cell – 701-261-5919

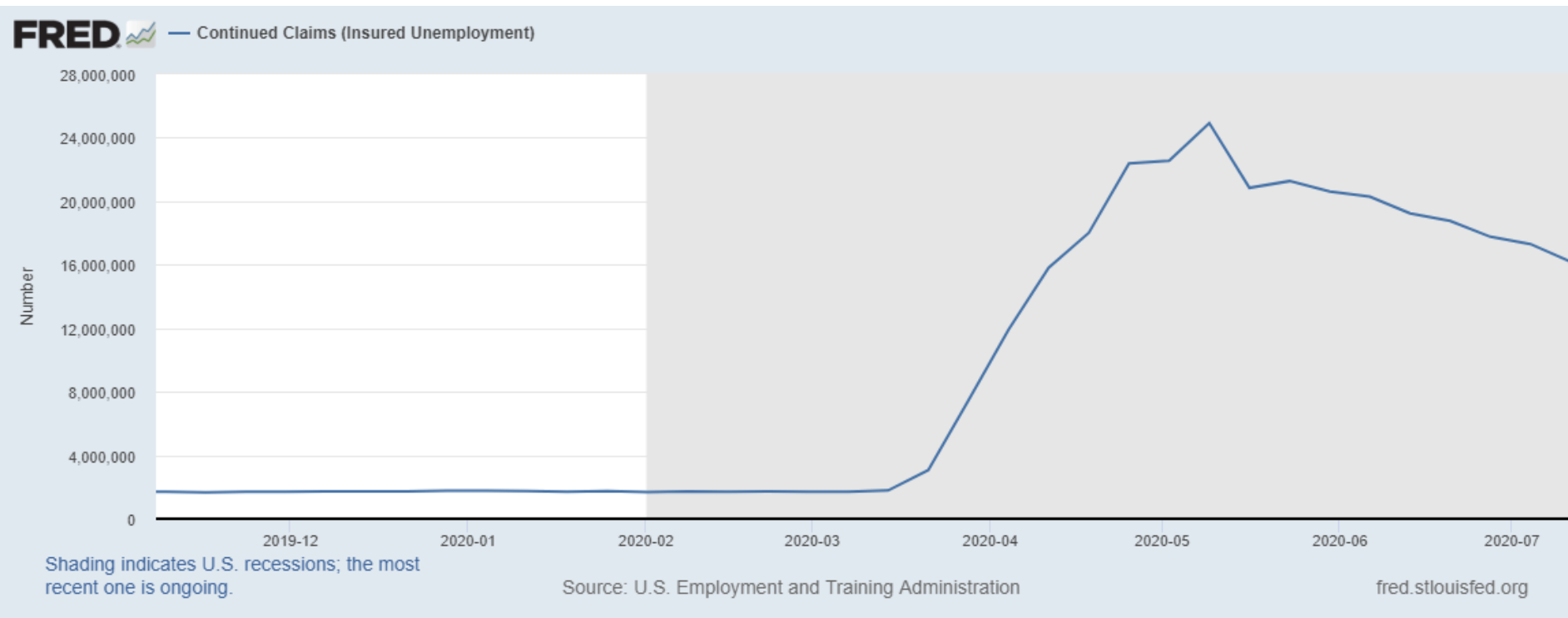
Bryon.Parman@ndsu.edu



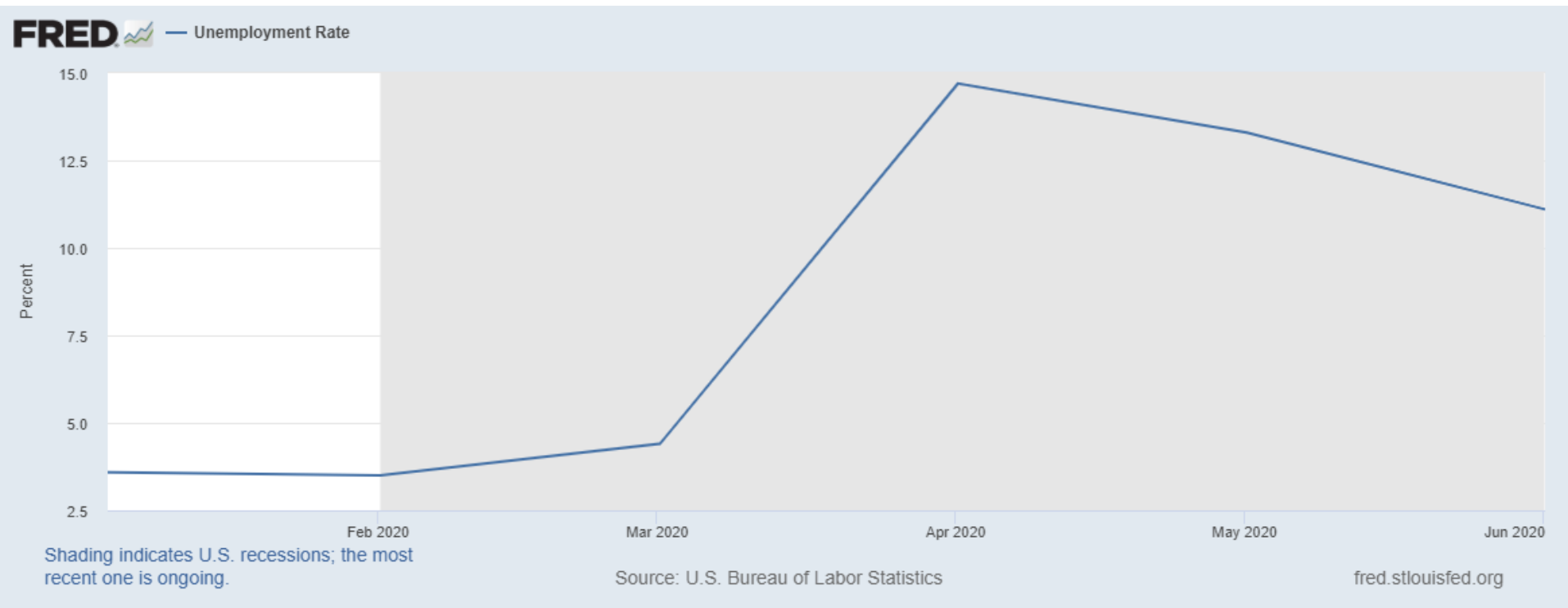
Weekly Initial Jobless Claims, St. Louis Federal Reserve: Claims Increase 100K



U.S. Continuous Jobless Claims Down Approximately 1.2 Million

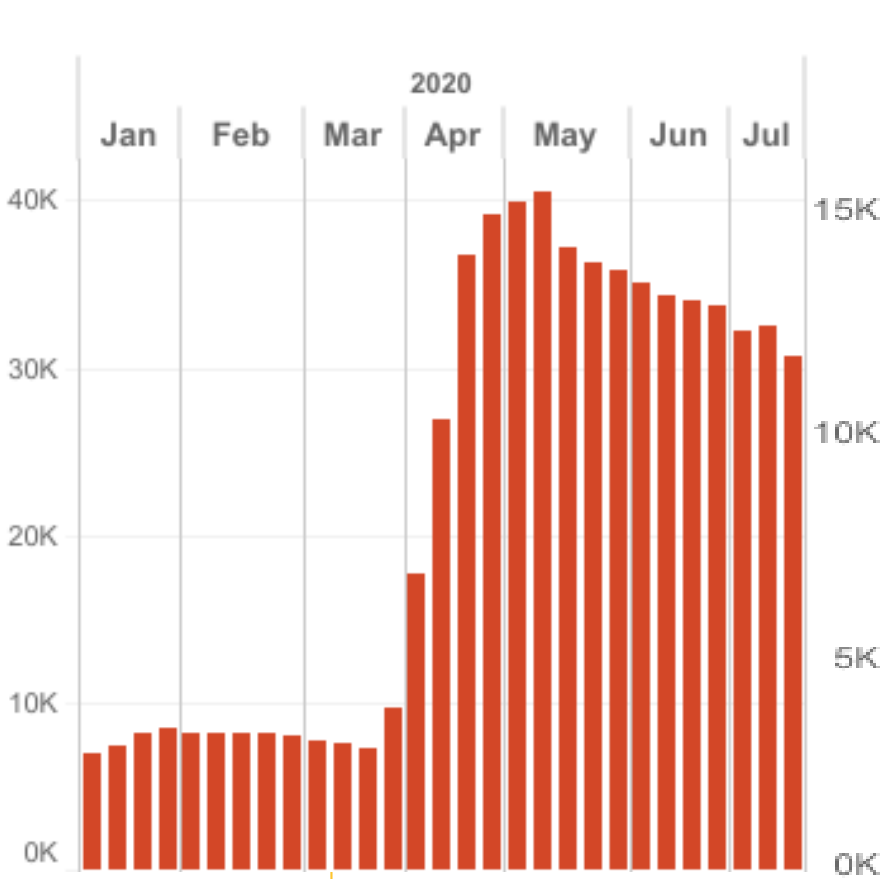


U.S. Unemployment Rate 11.1%

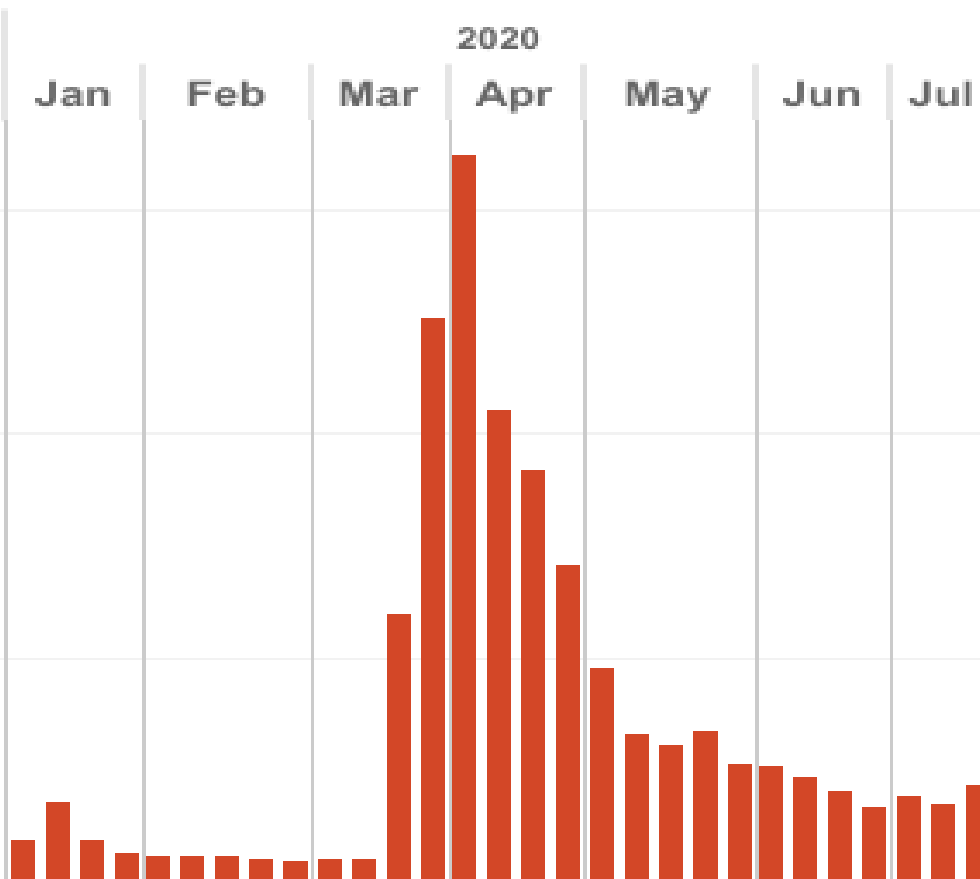


ND Continuous and Weekly Unemployment Claims Week Ending July 18th

Continuous Claims



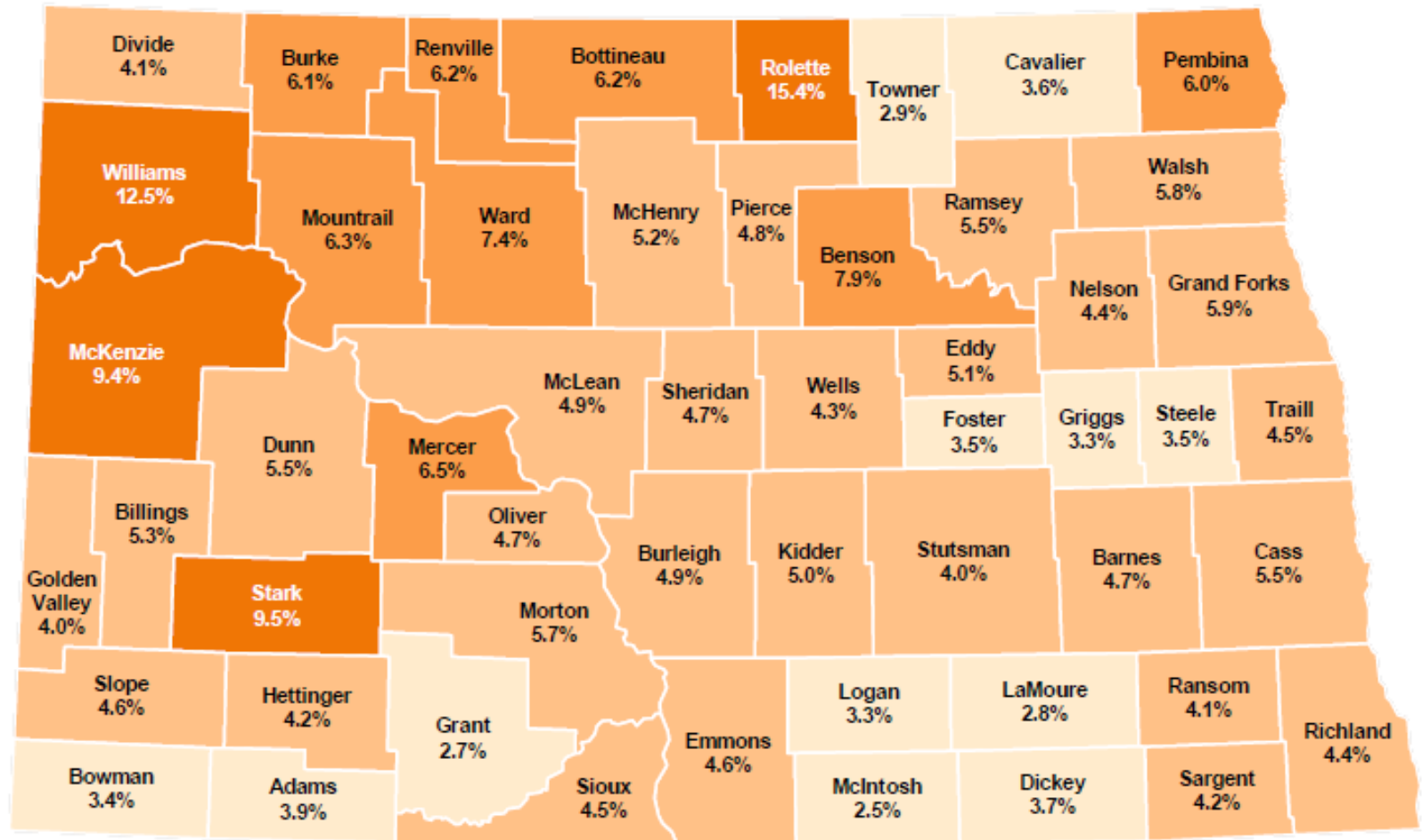
Initial Weekly Claims



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)

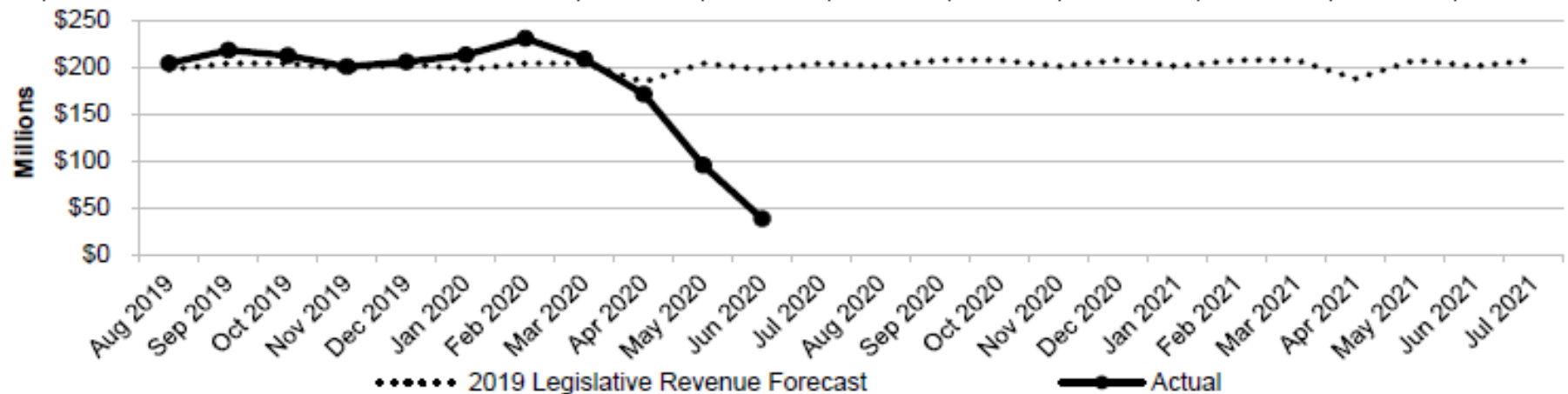
Below 4.0% 4.0% to 5.9% 6.0% to 7.9% Above 7.9%

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]

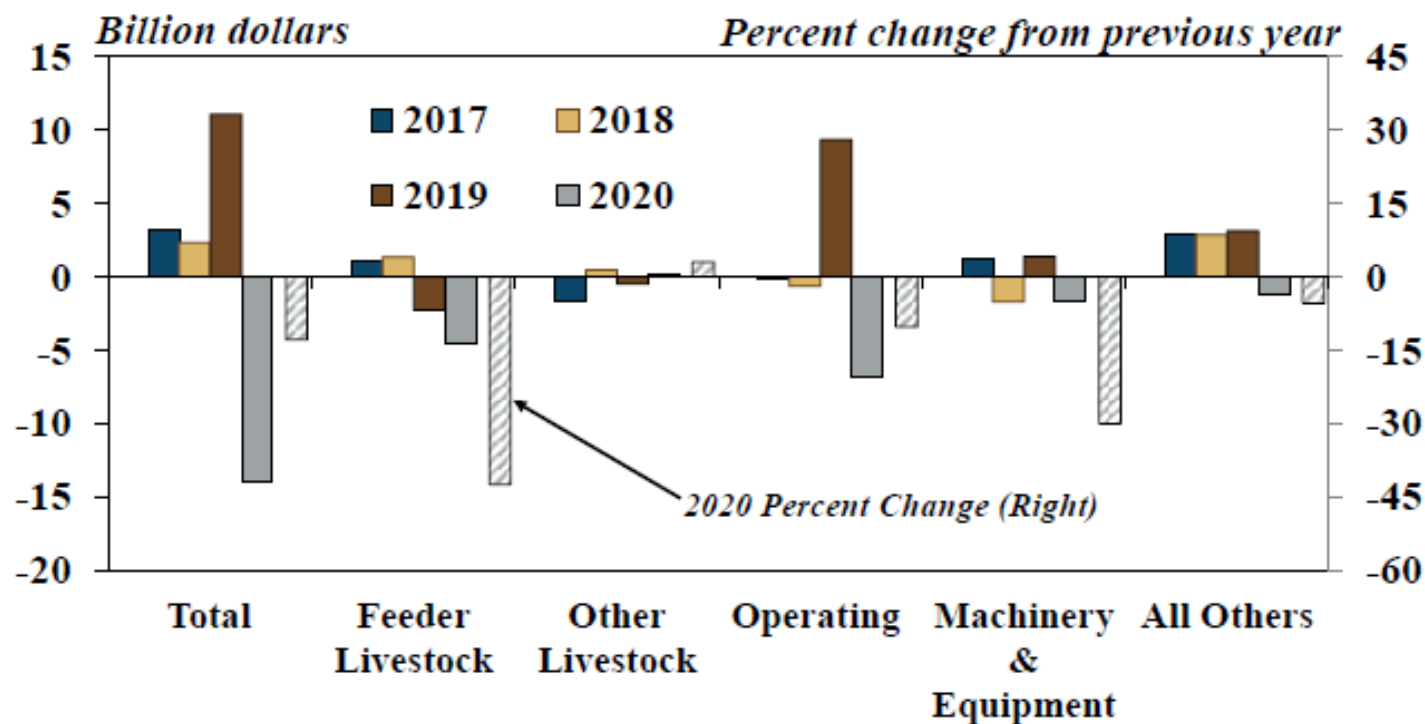
Oil and Gas Tax Revenue Allocations

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
Total oil and gas tax revenue allocations	\$38.05	\$197.59	(\$159.54)	(81%)	\$2,000.69	\$2,199.83	(\$199.14)	(9%)



Kansas City Federal Reserve Agricultural Lending Report

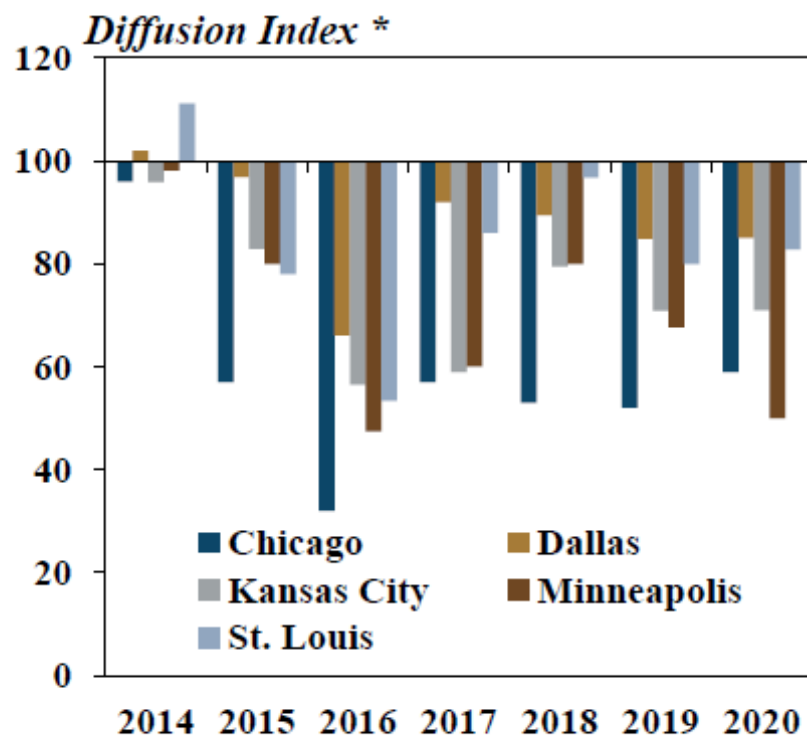
Chart 2: Change in Non-Real Estate Loans by Purpose, Second Quarter



Source: Agricultural Finance Databook, Table A.3.

Chart 10: Agricultural Credit Conditions, First Quarter

Farm Loan Repayment Rates



Farm Income

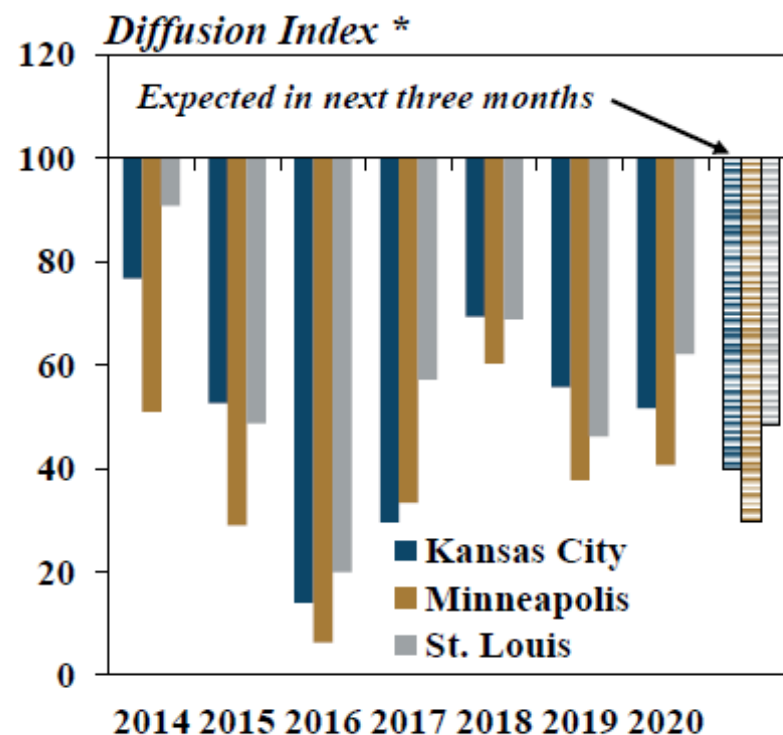
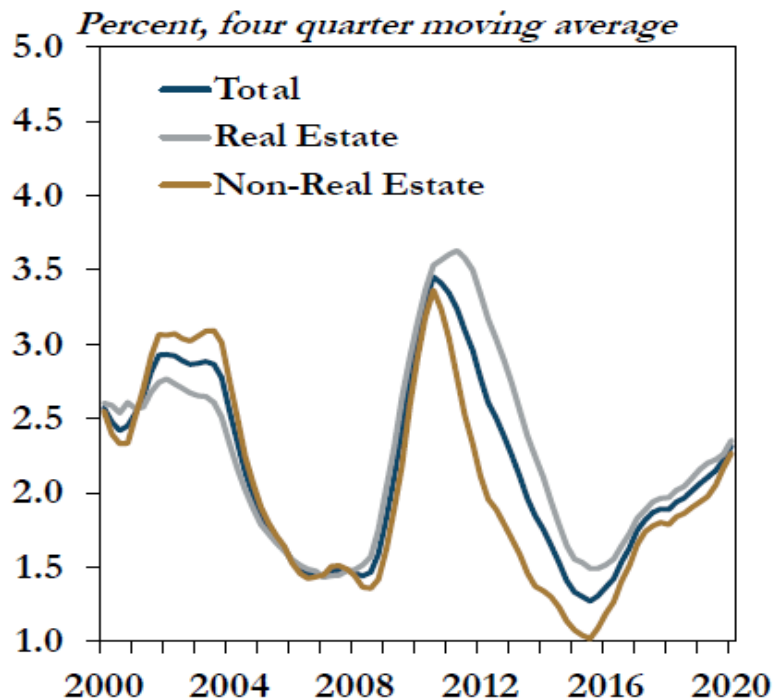


Chart 8: Delinquent Farm Loans at Commercial Banks*

Delinquency Rate



*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.

Total Delinquent Balances, First Quarter

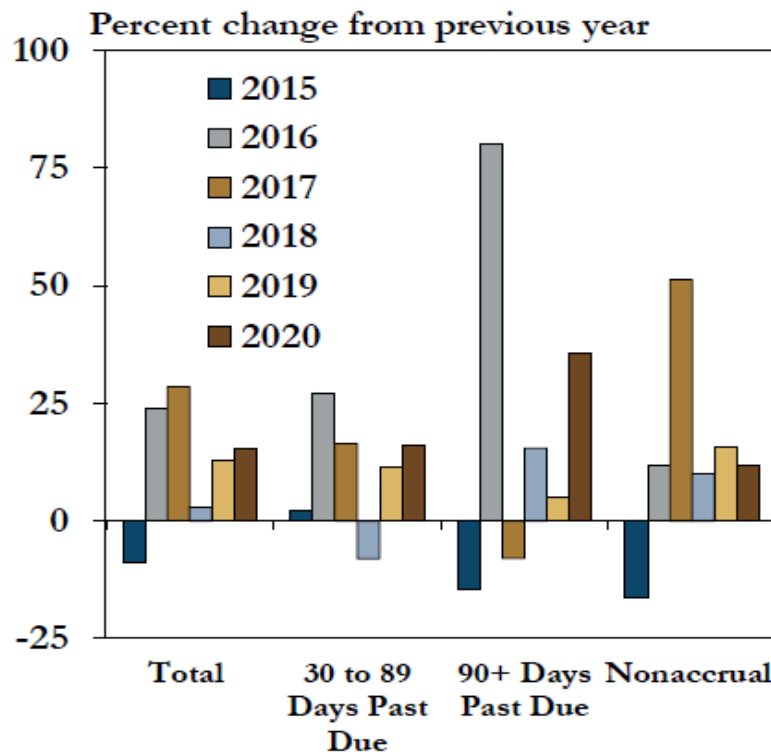


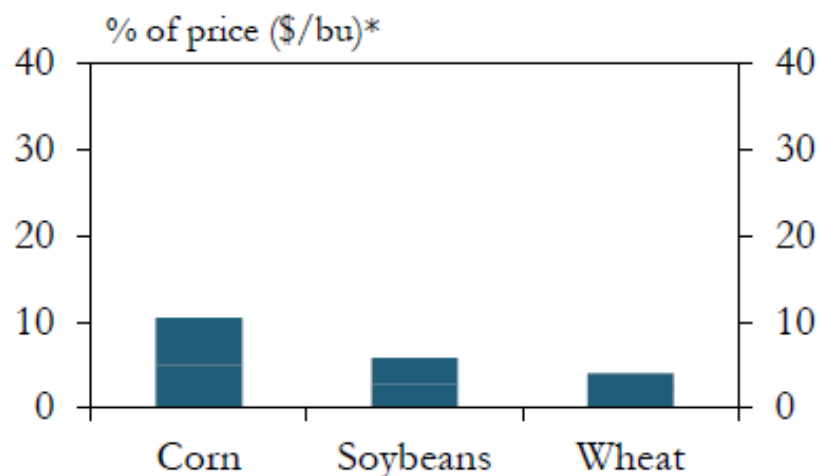
Table: Paycheck Protection Program (PPP) Loans in Survey of Terms of Lending to Farmers

PPP Loans Reported in First Quarter Survey During week of May 4, 2020	
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

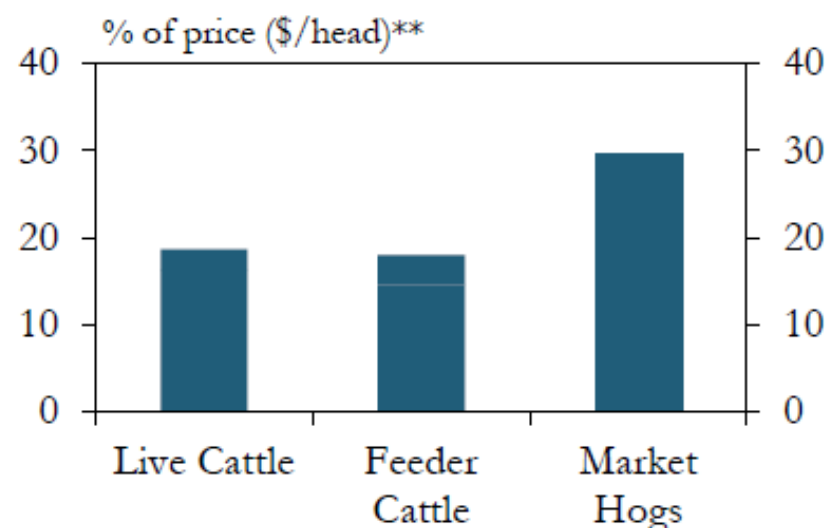
Source: Survey of Terms of Lending to Farmers

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

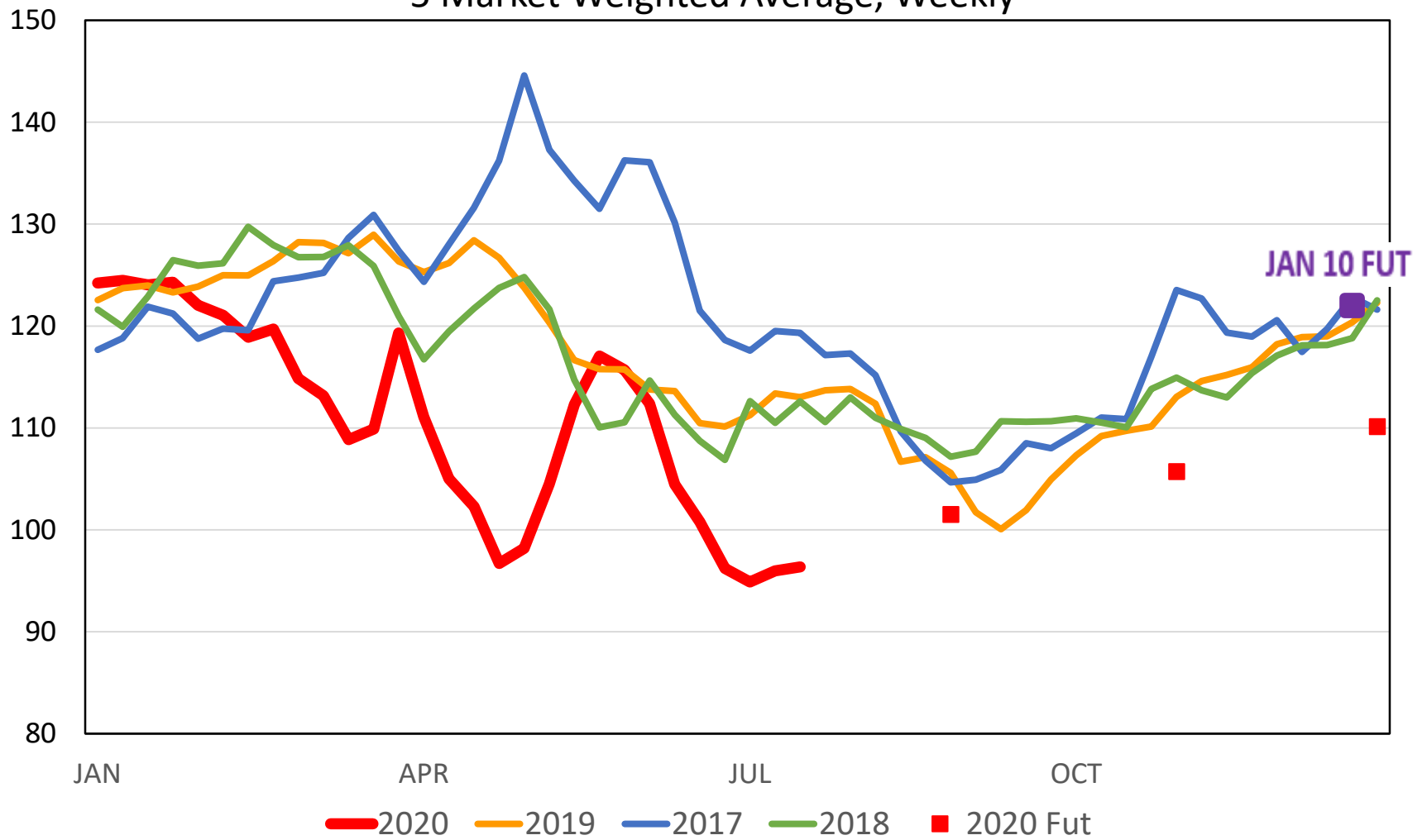
Tim.Petry@ndsu.edu

www.ndsu.edu/livestockeconomics



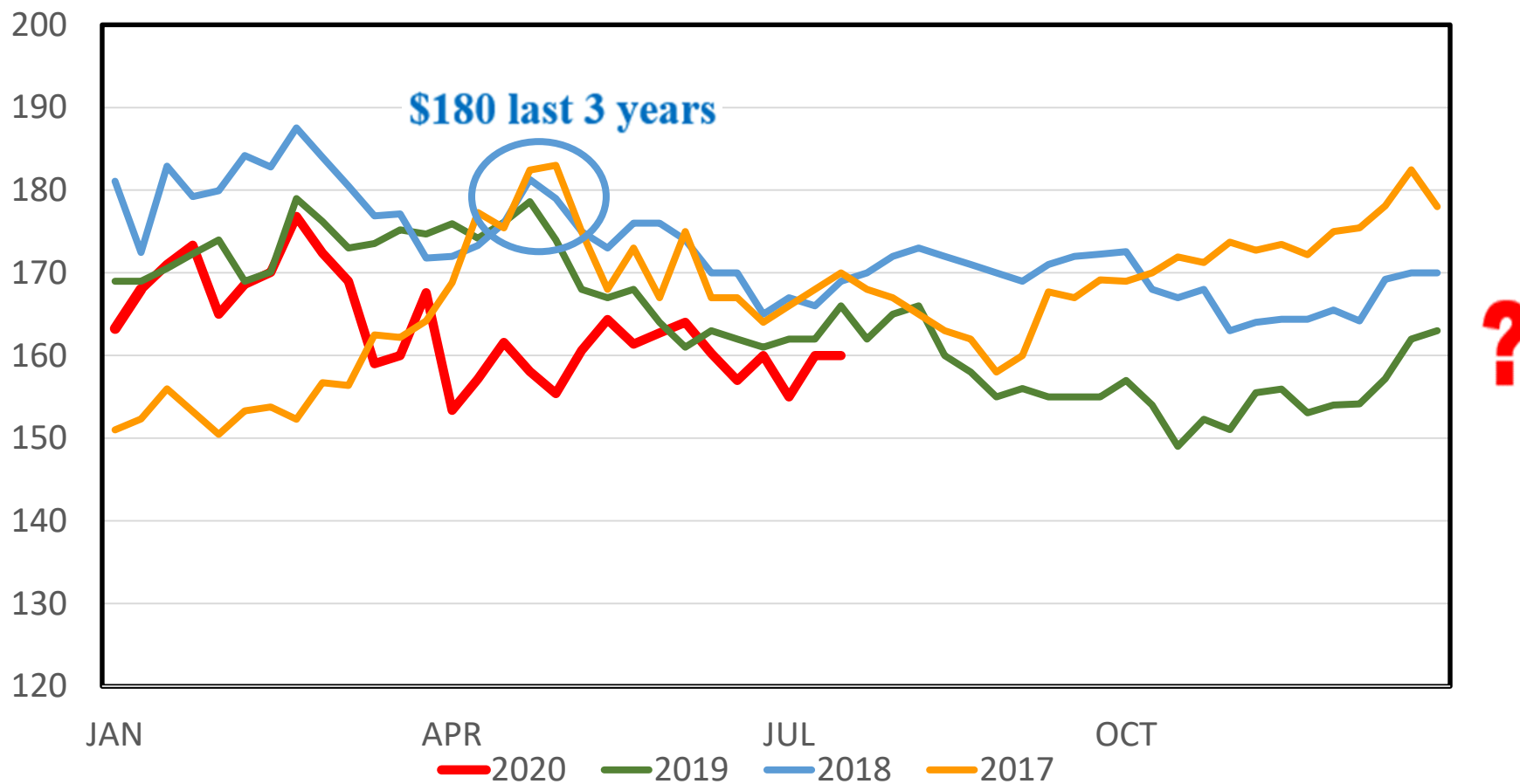
SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly



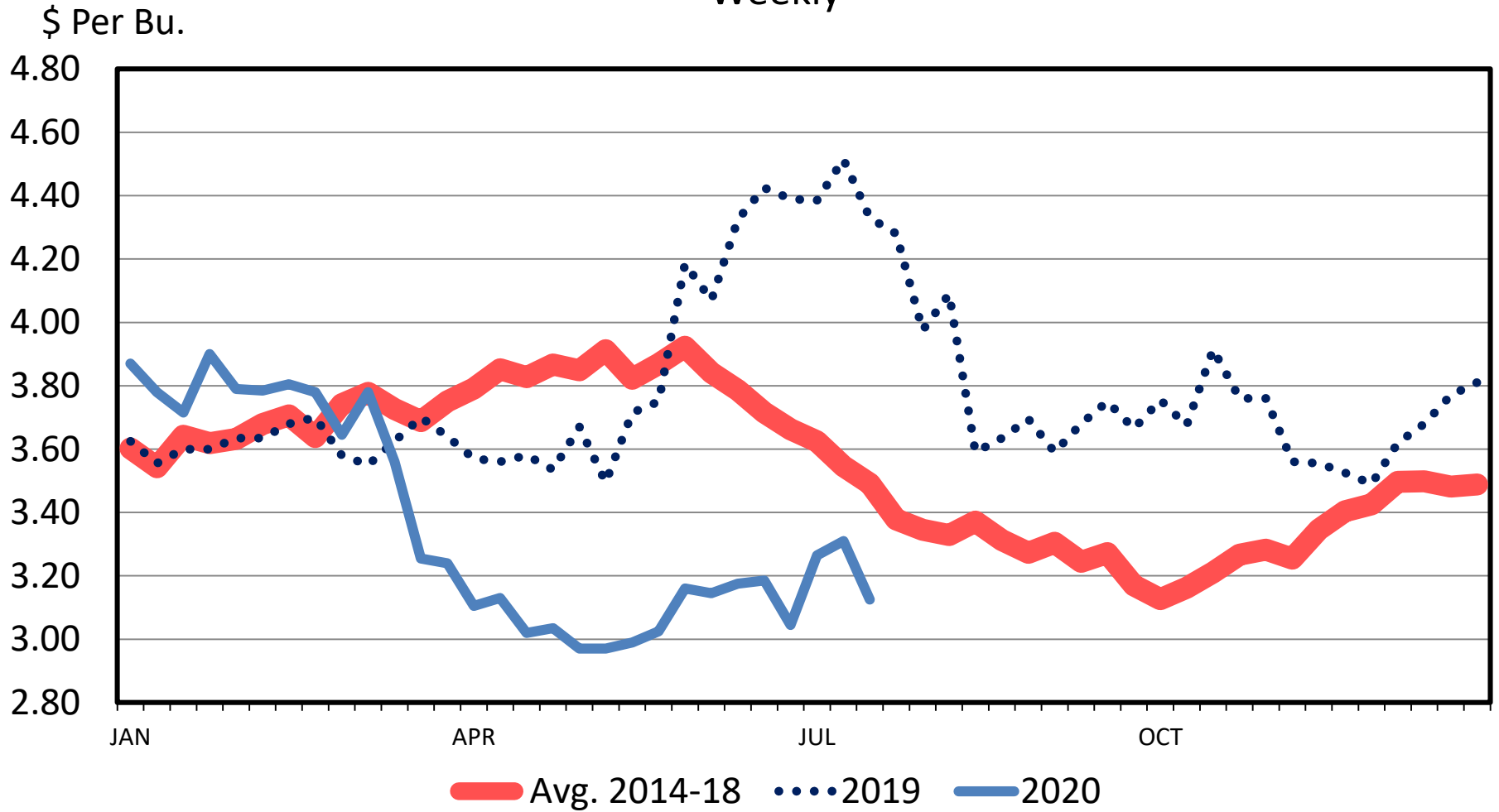
MED. FRAME #1 STEER CALF PRICES

550-600 Pounds, N.D., Weekly



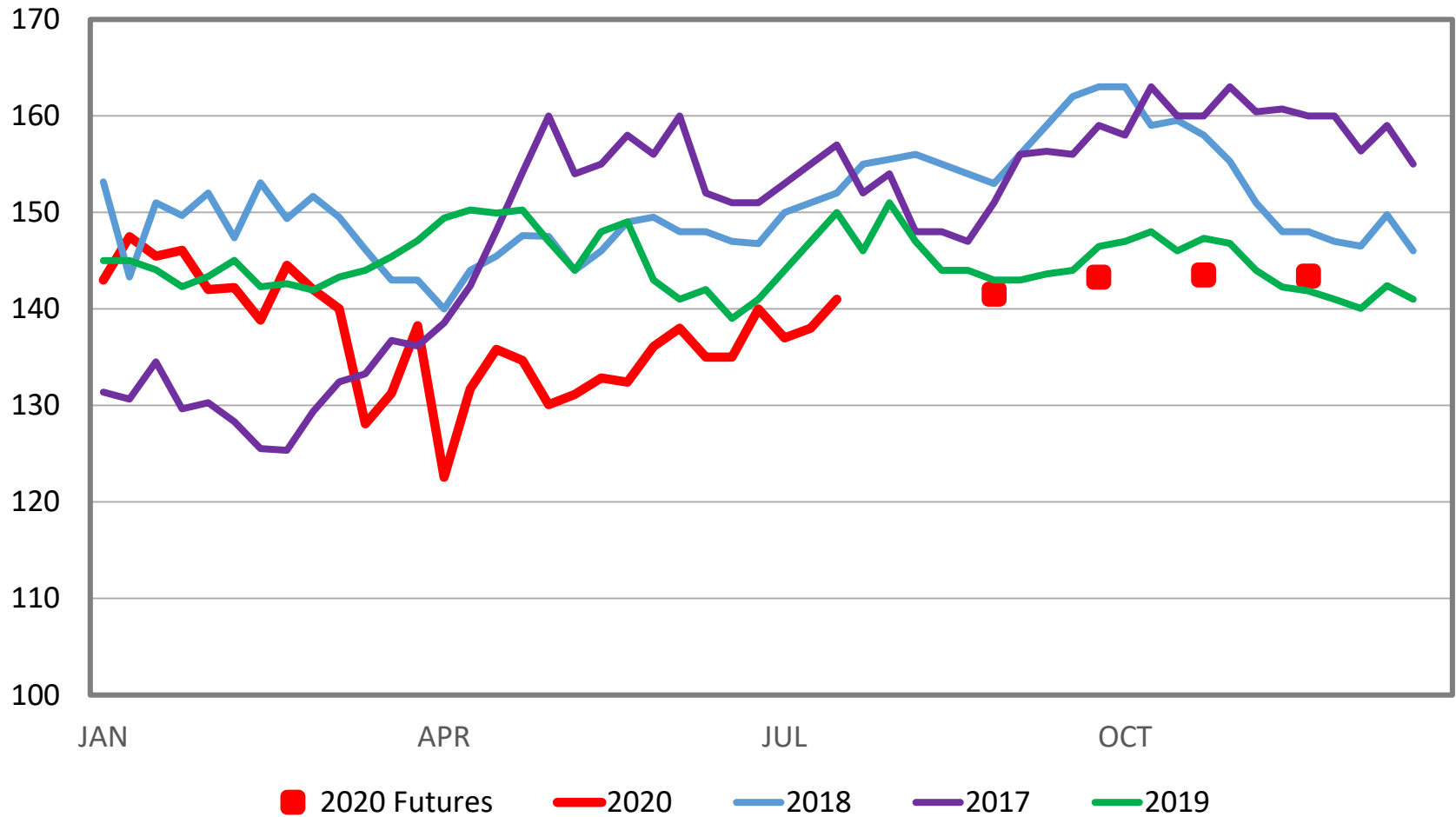
OMAHA CORN PRICES

Weekly



MED. & LRG. #1 FEEDER STEER PRICES

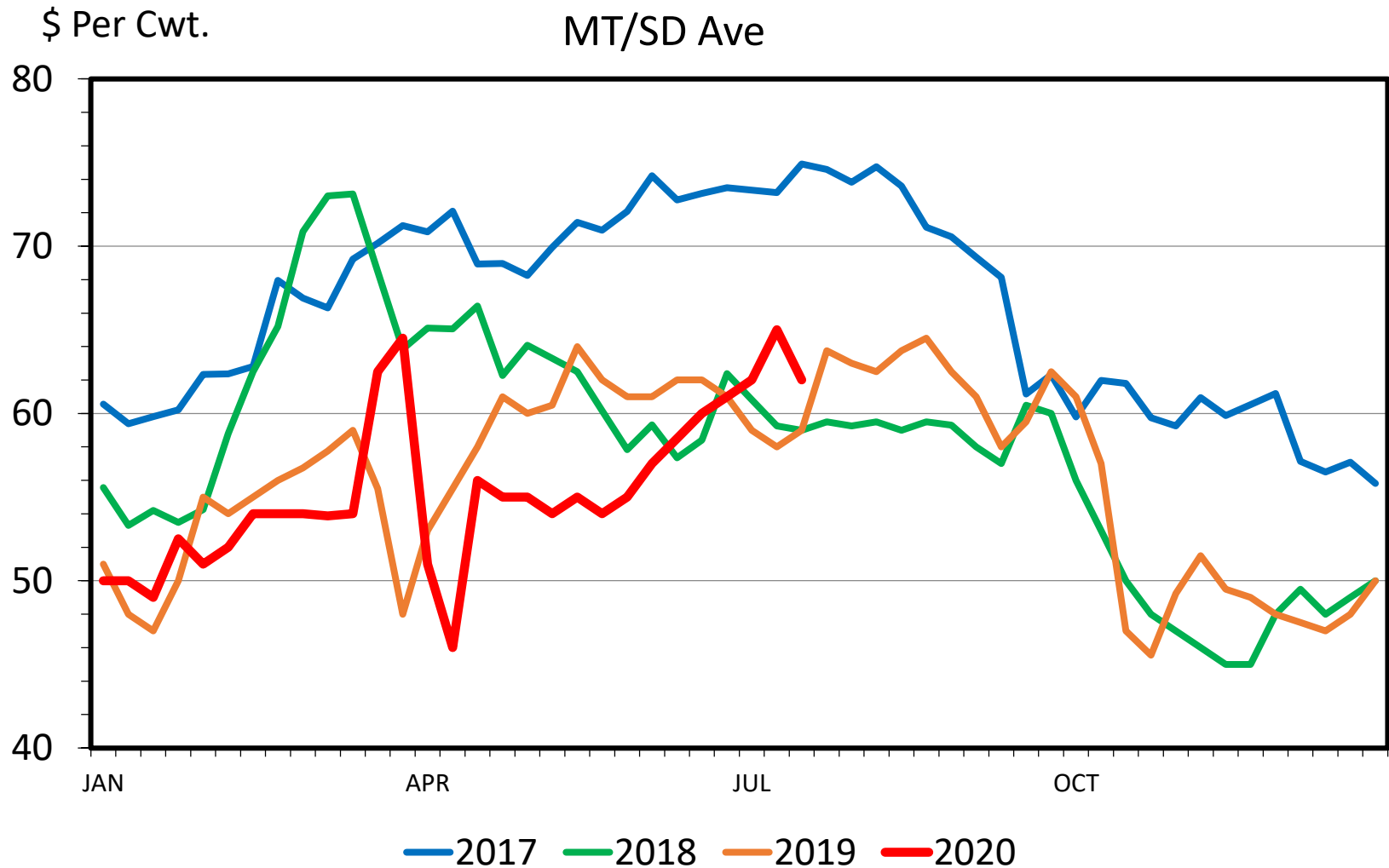
750-800 Pounds, N.D., Weekly



BEEF CULL COW PRICES

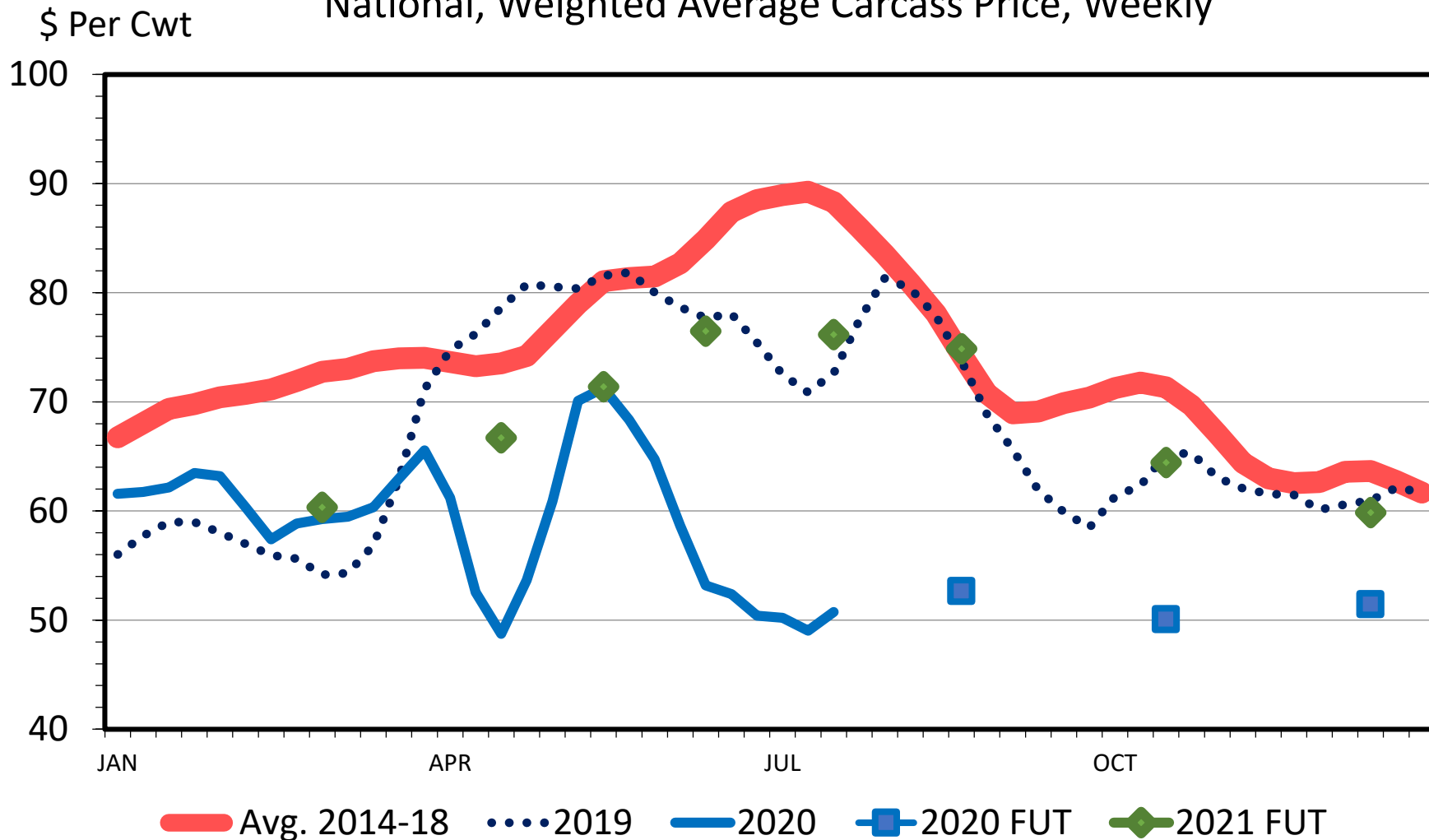
85-90% Lean, Weekly

MT/SD Ave



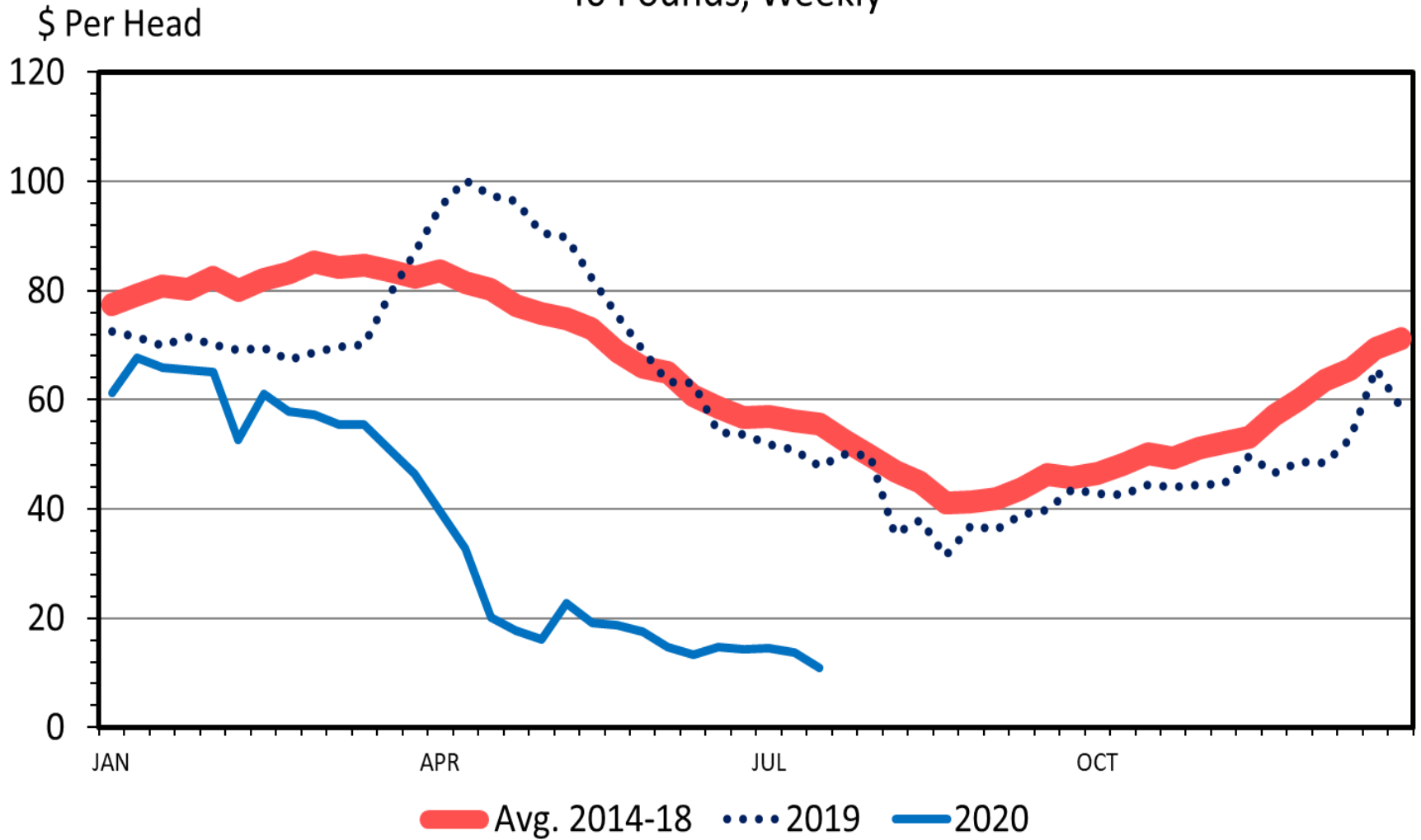
BASE SLAUGHTER HOG PRICES

National, Weighted Average Carcass Price, Weekly



FEEDER PIG PRICES

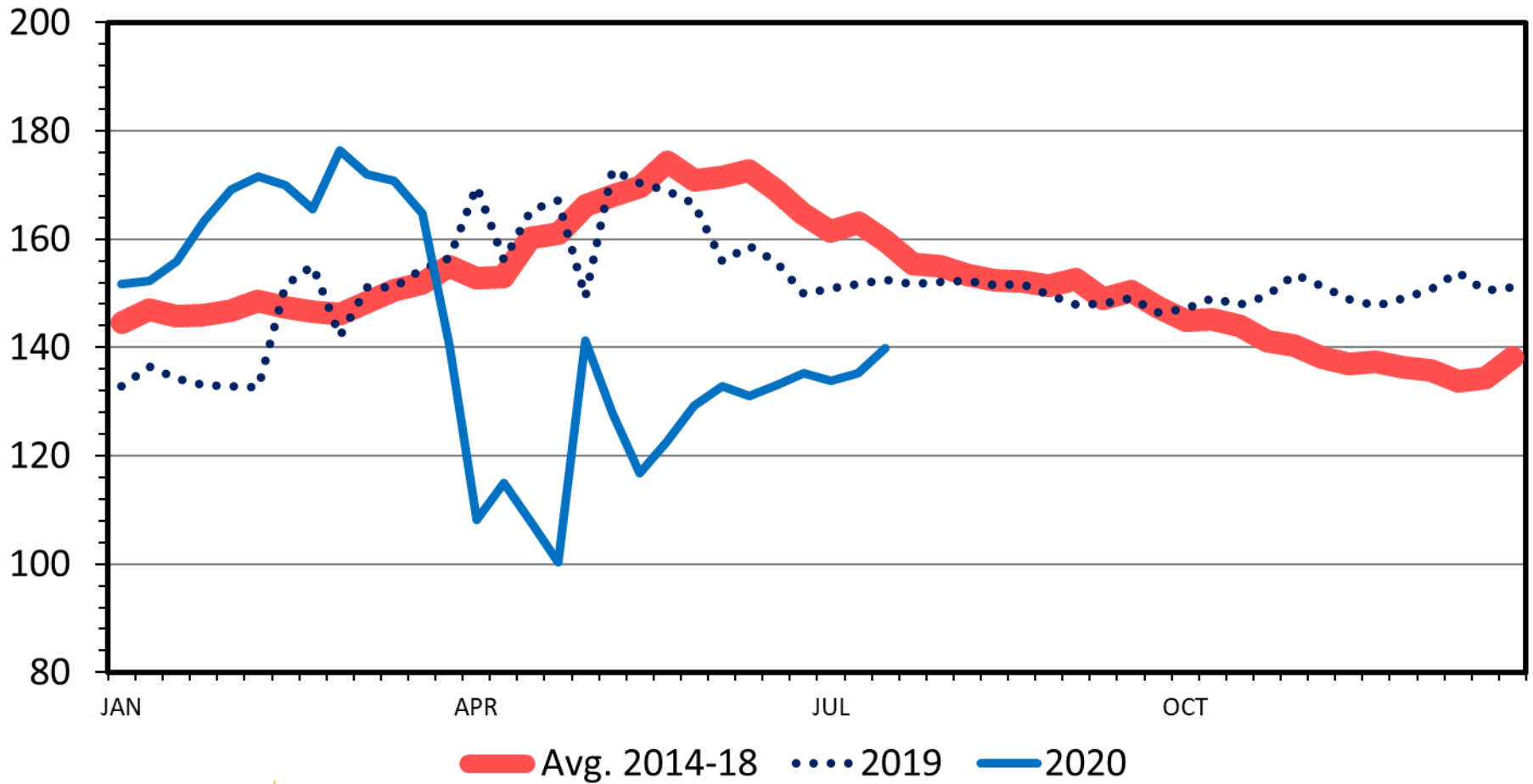
40 Pounds, Weekly



MARKET LAMB PRICES

Northern Plains, Weekly

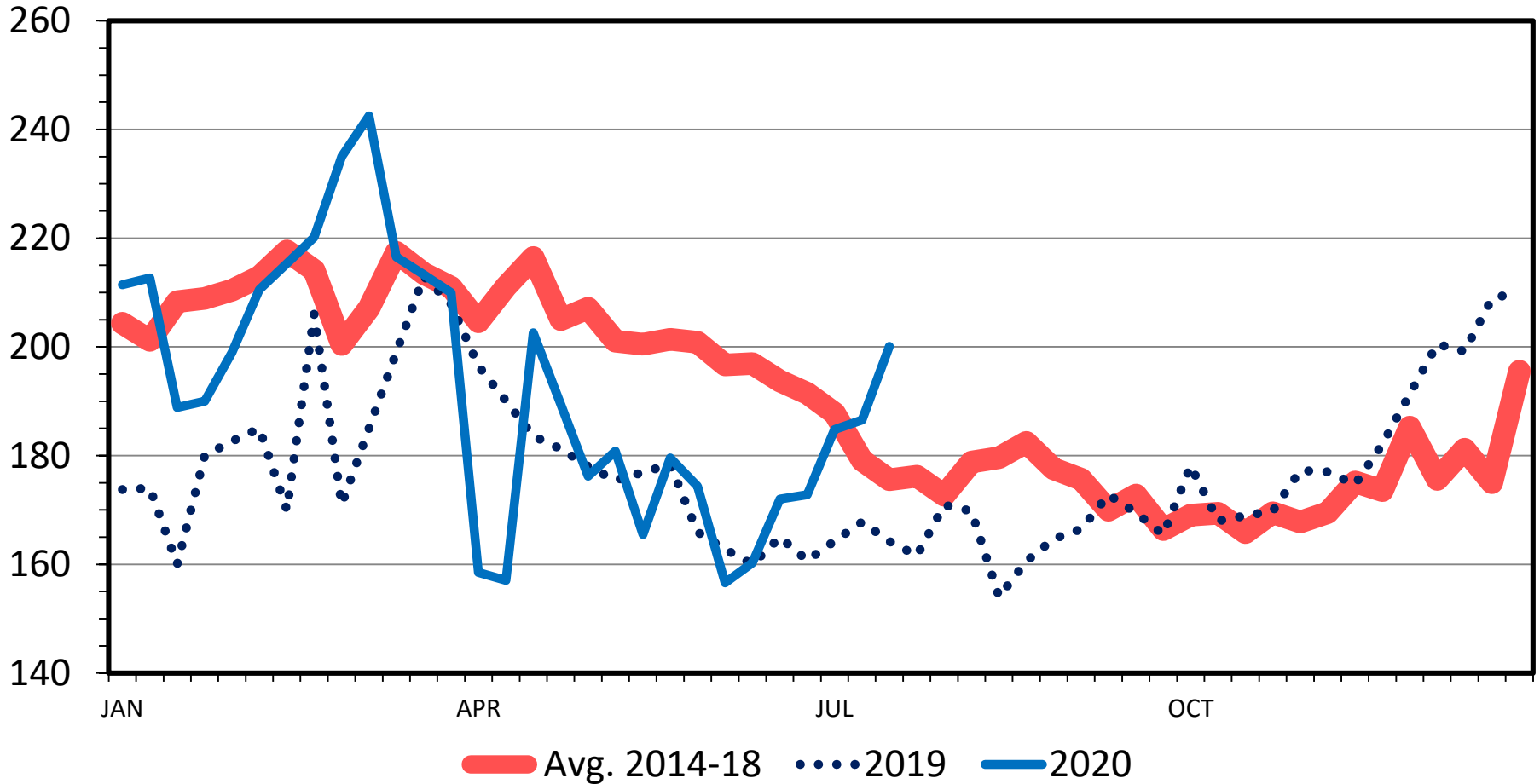
\$ Per Cwt.



FEEDER LAMB PRICES

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

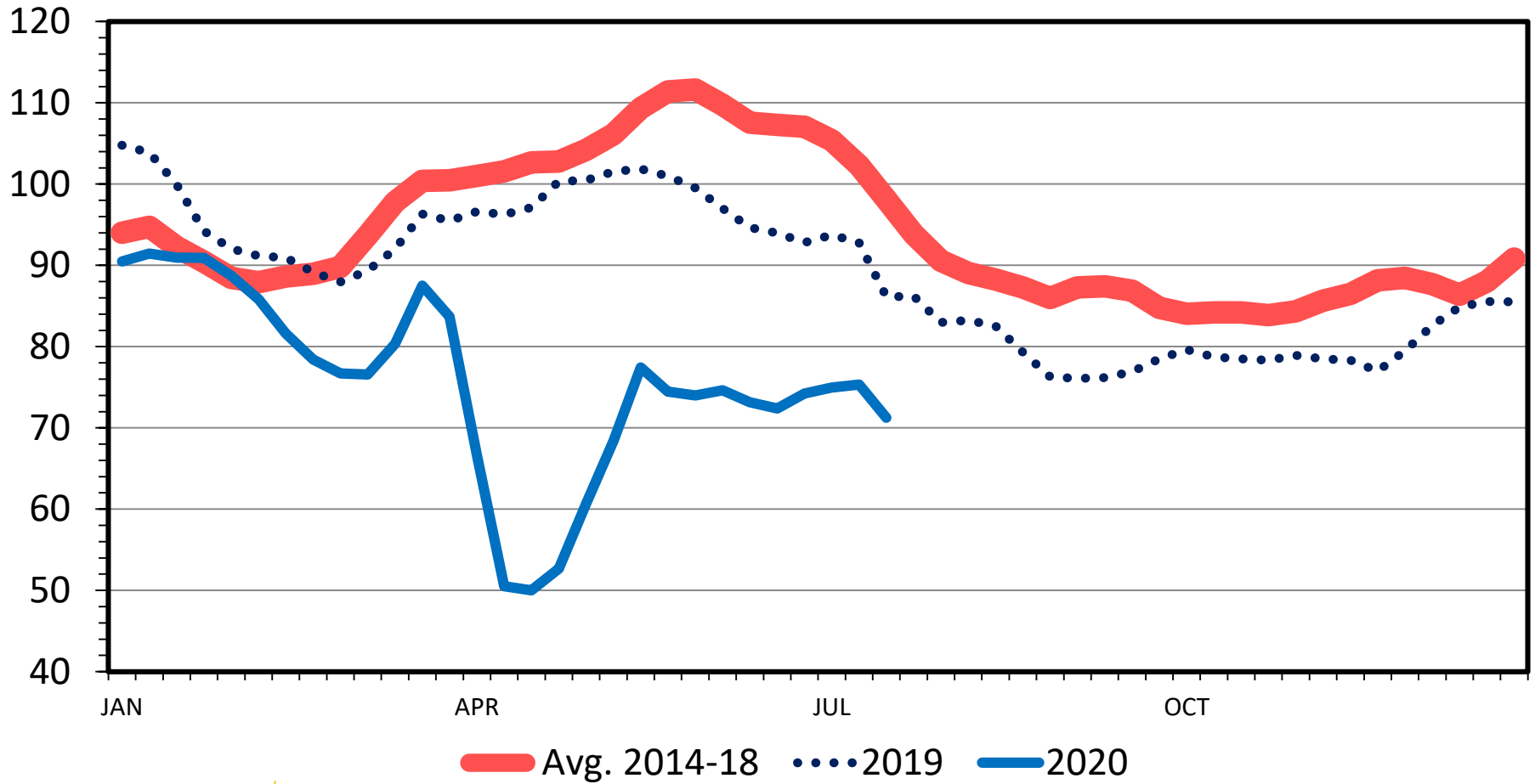
\$ Per Cwt.



BROILER PRICES

National Composite (Whole Bird), Weekly

Cents Per Pound



Class I Milk Price



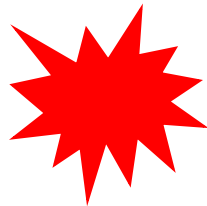


United States Department of Agriculture National Agricultural Statistics Service

July 2020

24

3:00 pm ET



- Cattle

- Cattle on Feed

www.nass.usda.gov/Publications/Calendar/reports_by_date.php

Ag-Energy Situation and Outlook

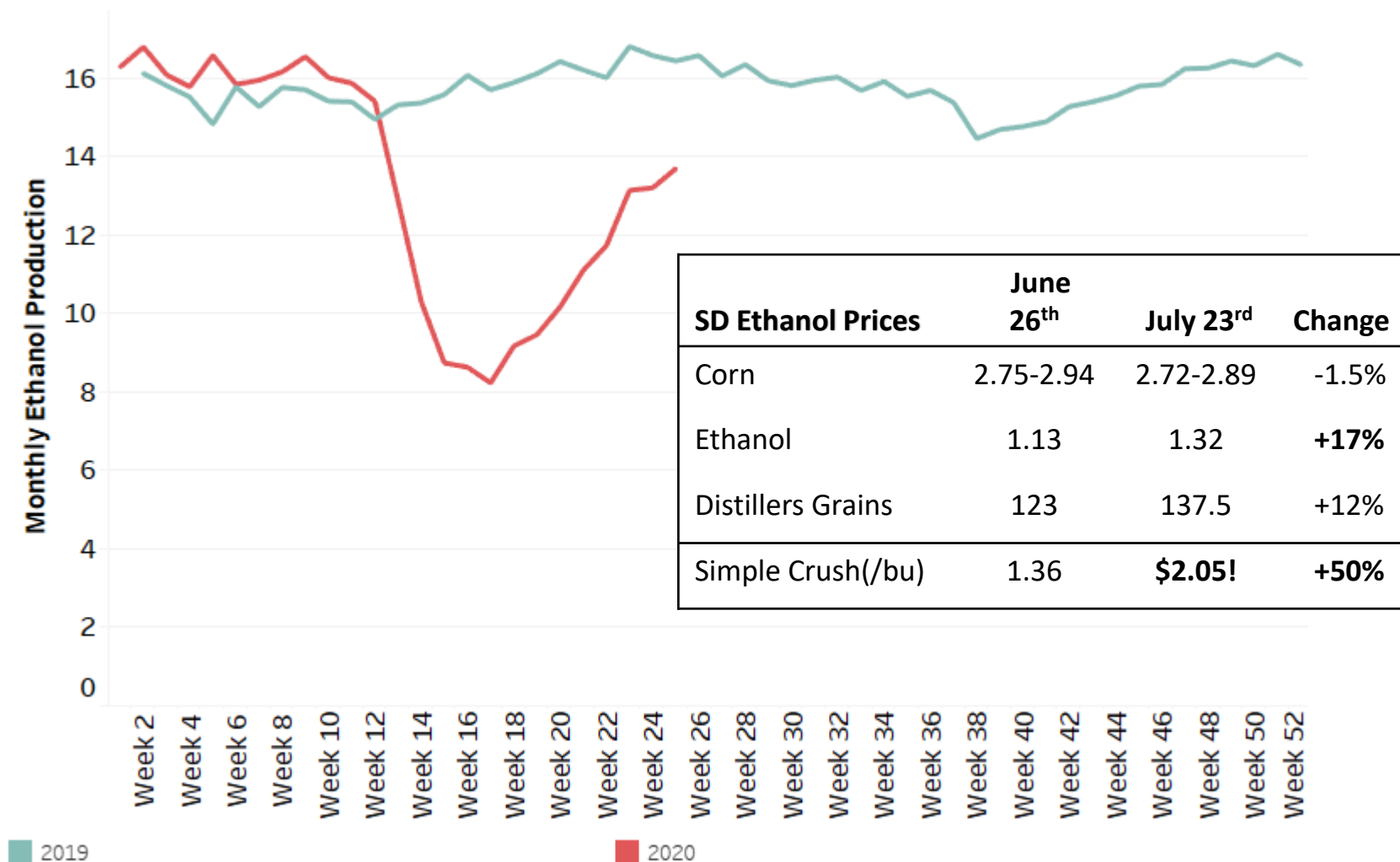
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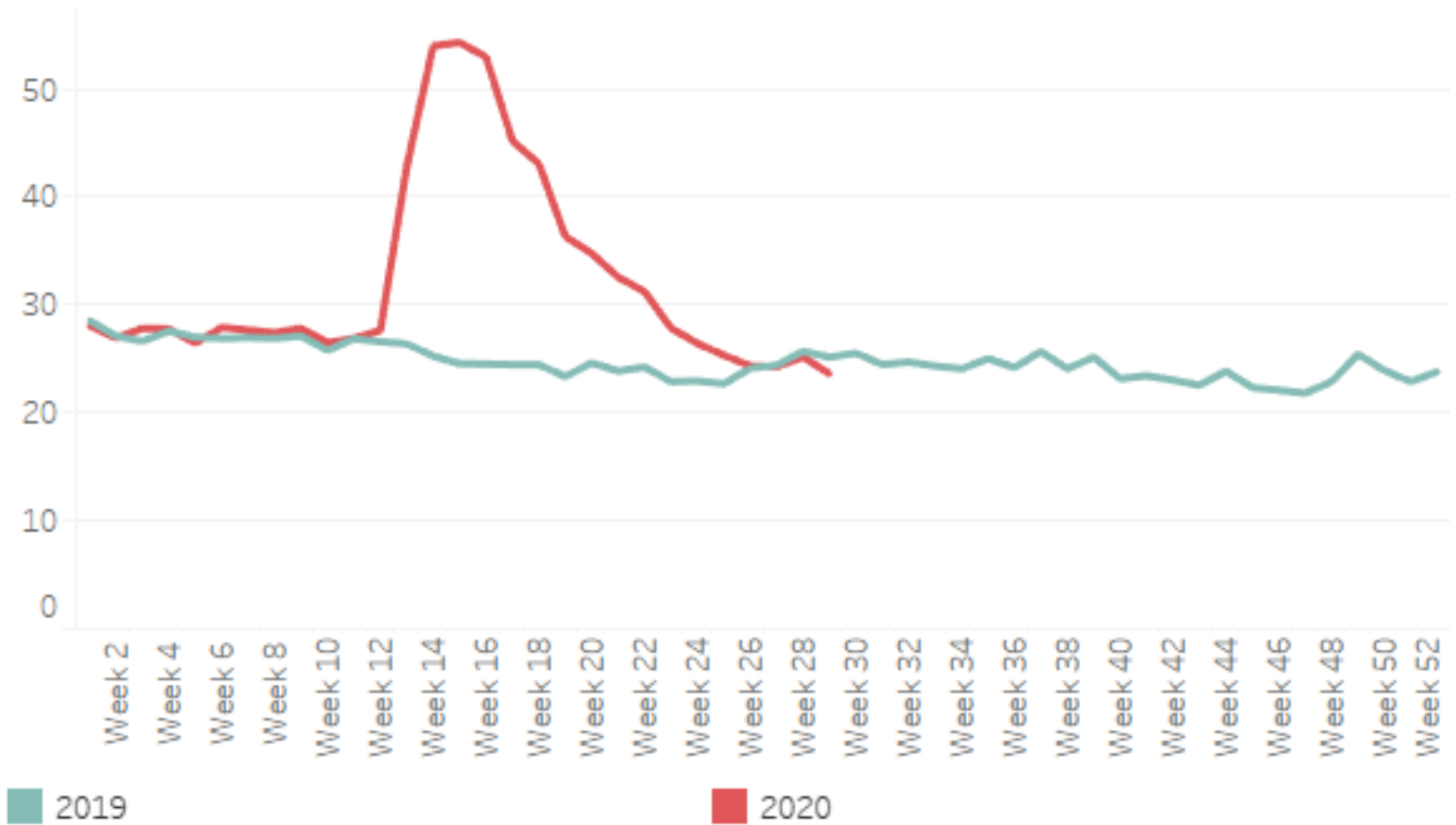


US Ethanol Production (Annualized, Billion Gallons)



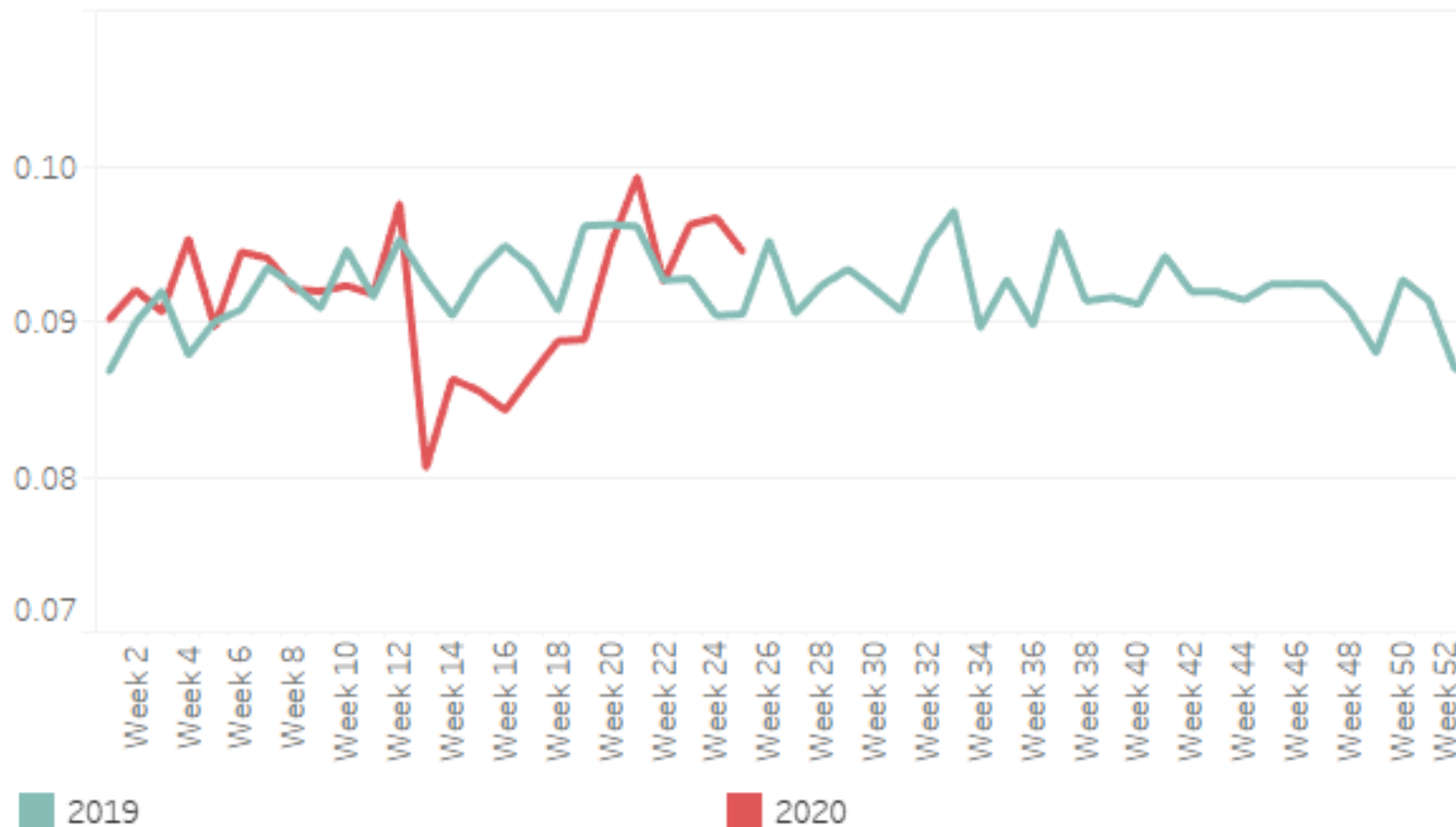
Data: EIA, USDA/AMS
Calculation: NDSU Extension

Days in Storage, Year-over-Year



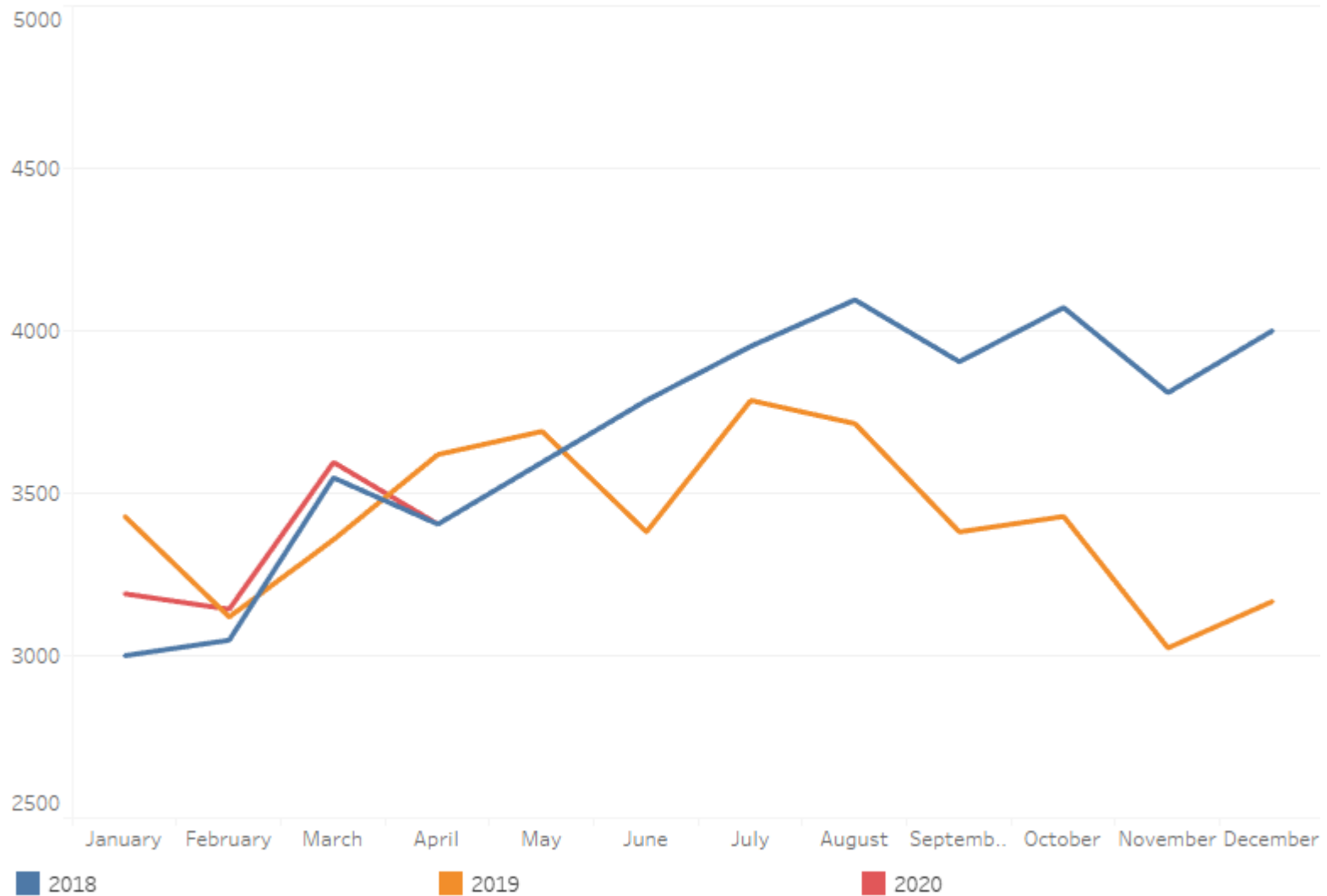
Data: EIA

Blend Rate, Year-over-year

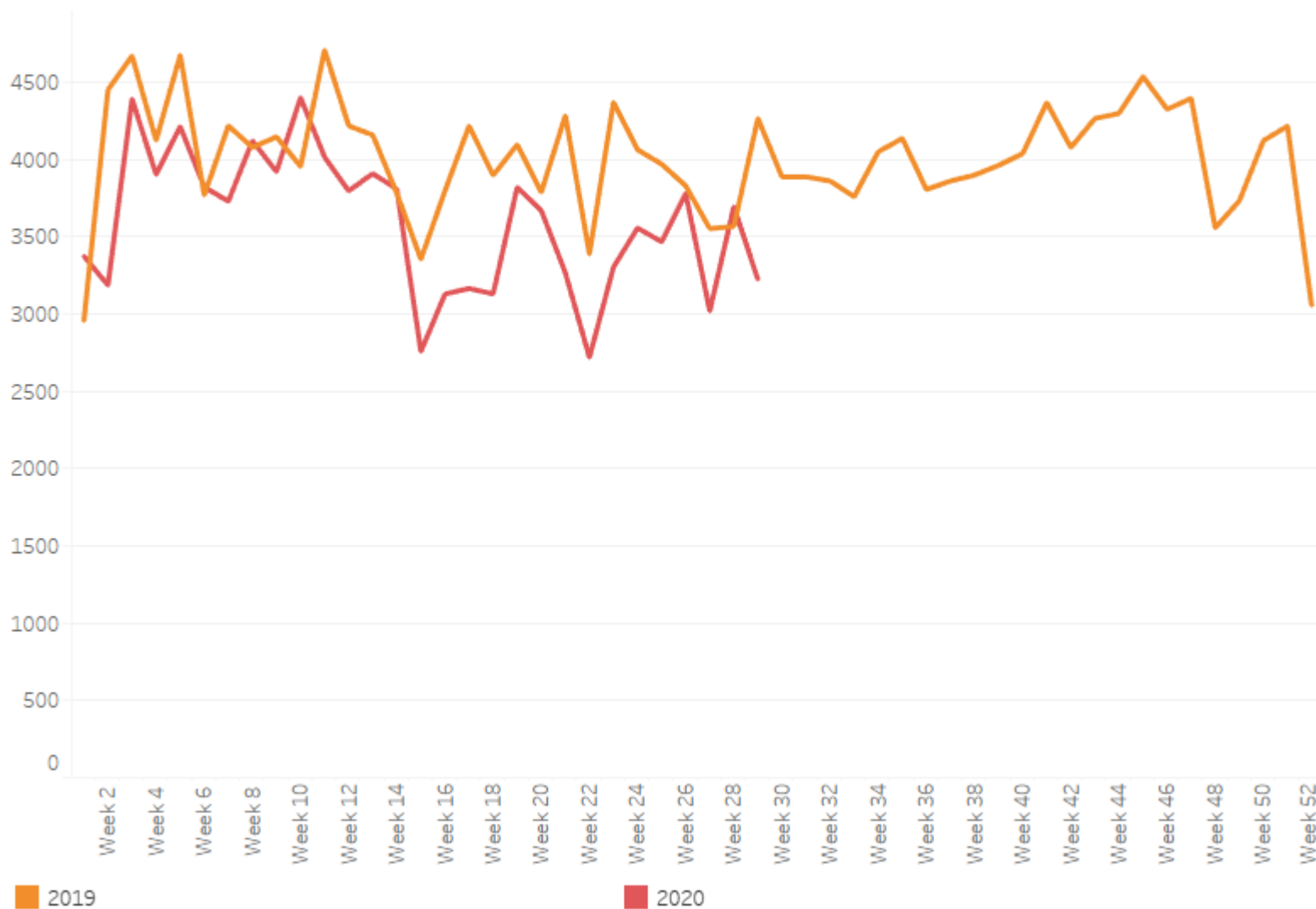


Data: EIA

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 6th)

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

- 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 6th

August 20th

September 3rd

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