

# Agricultural Market Situation and Outlook

April 10, 2020

**WEBINAR BEGINS AT 12:30 P.M. CST**

**NDSU**

EXTENSION

# Agricultural Market Situation and Outlook

April 10, 2020

**WELCOME!**

**NDSU**

EXTENSION

# Agricultural Market Situation and Outlook

Microphone & camera off

Use Chat for questions

**NDSU**

EXTENSION

# At the End

**Q&A:** Please use Chat

**Feedback:** 3 quick questions

<https://bit.ly/AgEconCOVID>

# Current Economic Conditions and Industry Exposure

Bryon Parman

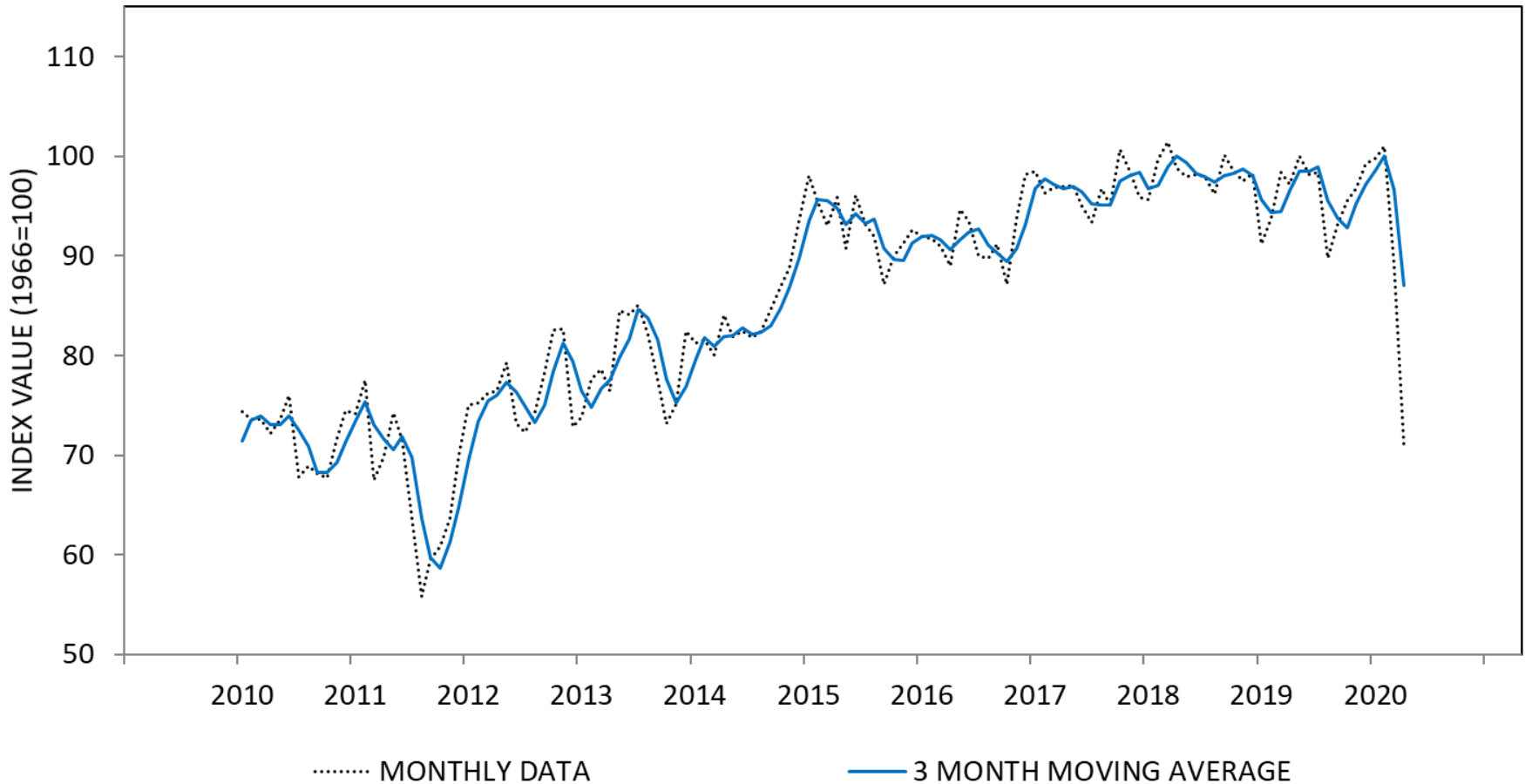
701-231-8248

Bryon.Parman@ndsu.edu



# University of Michigan Index of Consumer Sentiment

THE INDEX OF CONSUMER SENTIMENT



# FED Announces Another 2.3 Trillion in Rescue/Stimulus

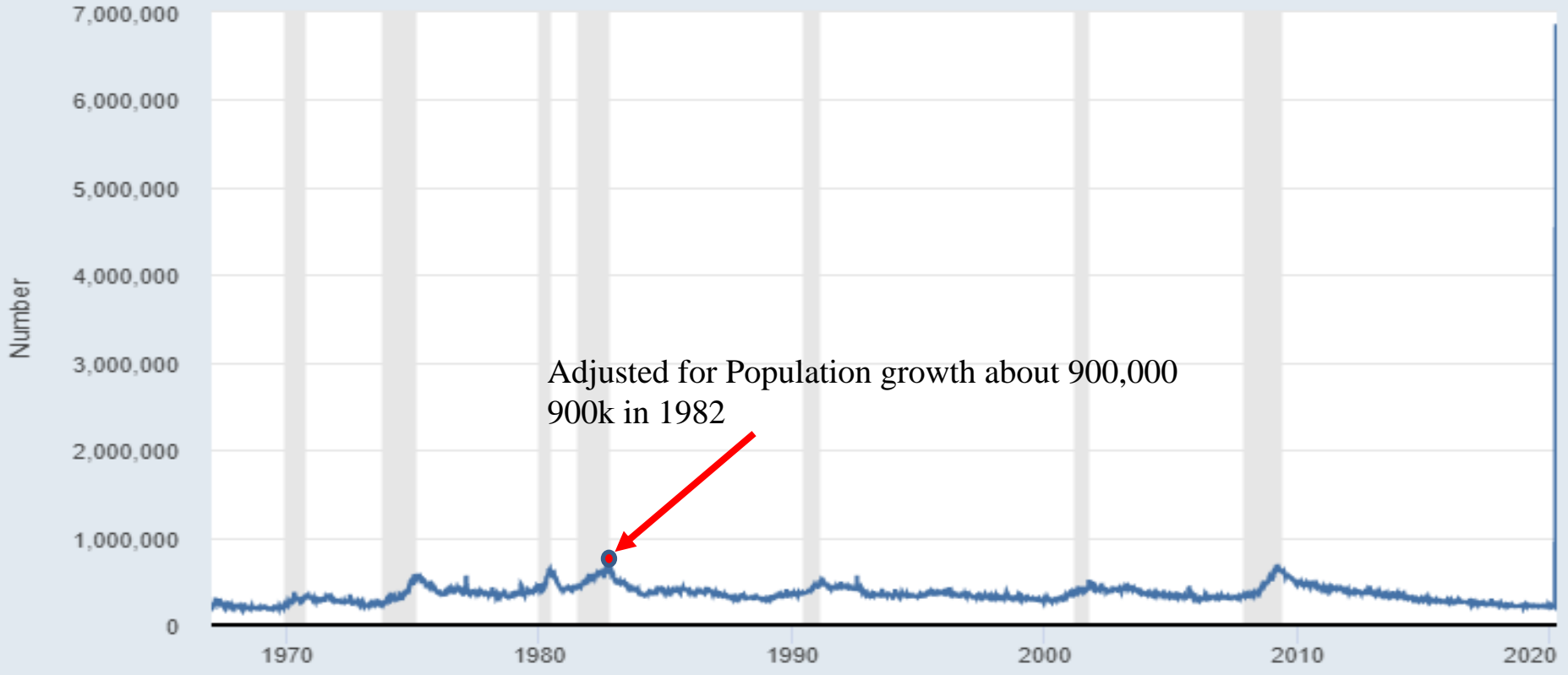
- More Liquidity via \$2.3 Trillion in Loans
  - That is \$2,300,000,000,000
    - \$600 billion “Main Street Lending Fund” for small to mid-sized businesses.
    - \$500 billion for short-term notes directly purchased from states, counties and cities
    - Will buy corporate “junk” rated bonds provided they were investment grade before March 23<sup>rd</sup>
    - Will buy highly rated new issues of CLO’s and mortgage backed securities

# Weekly Initial Jobless Claims

## 1975 – Week Ending April 4<sup>th</sup> 2020



Initial Claims



Source: U.S. Employment and Training Administration

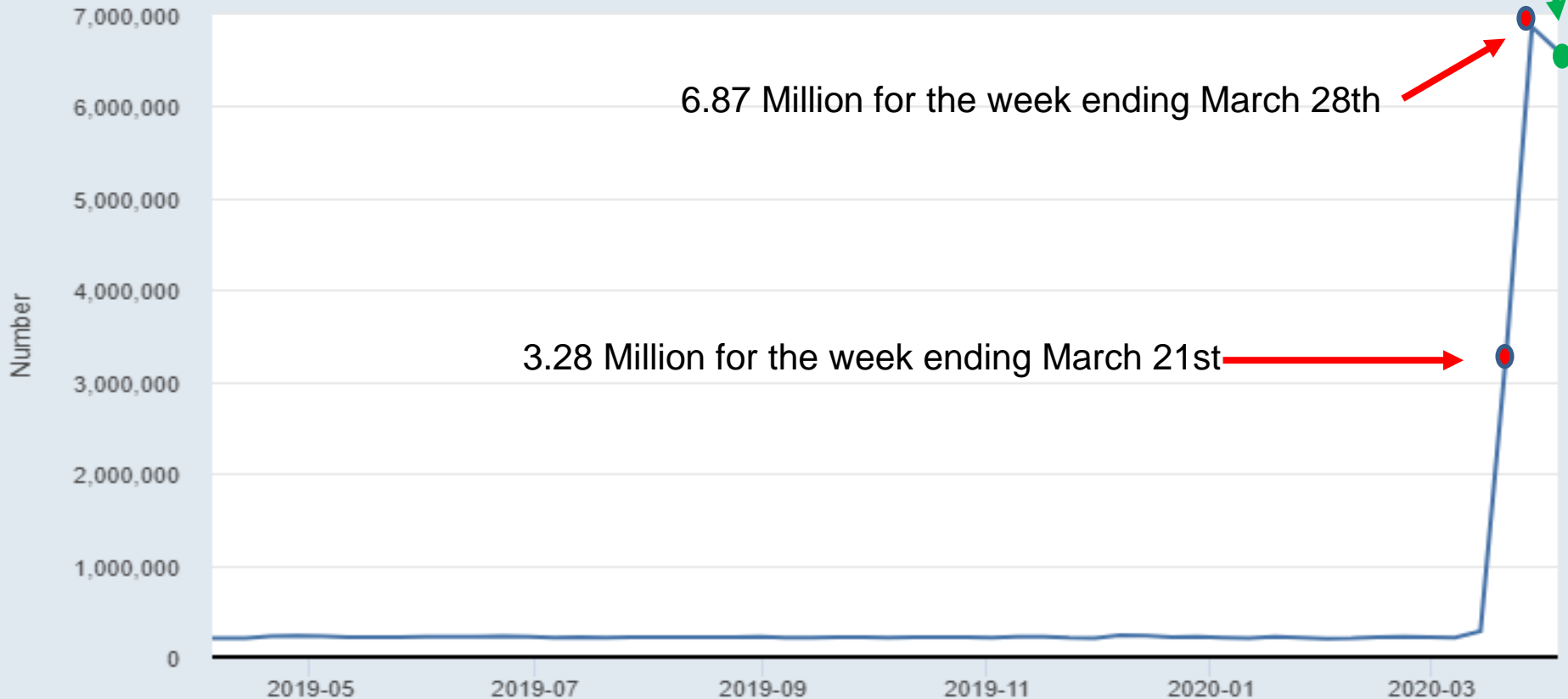


# Weekly U.S. New Jobless Claims Since April 2019

FRED

— Initial Claims

6.6 Million for the week ending April 4th



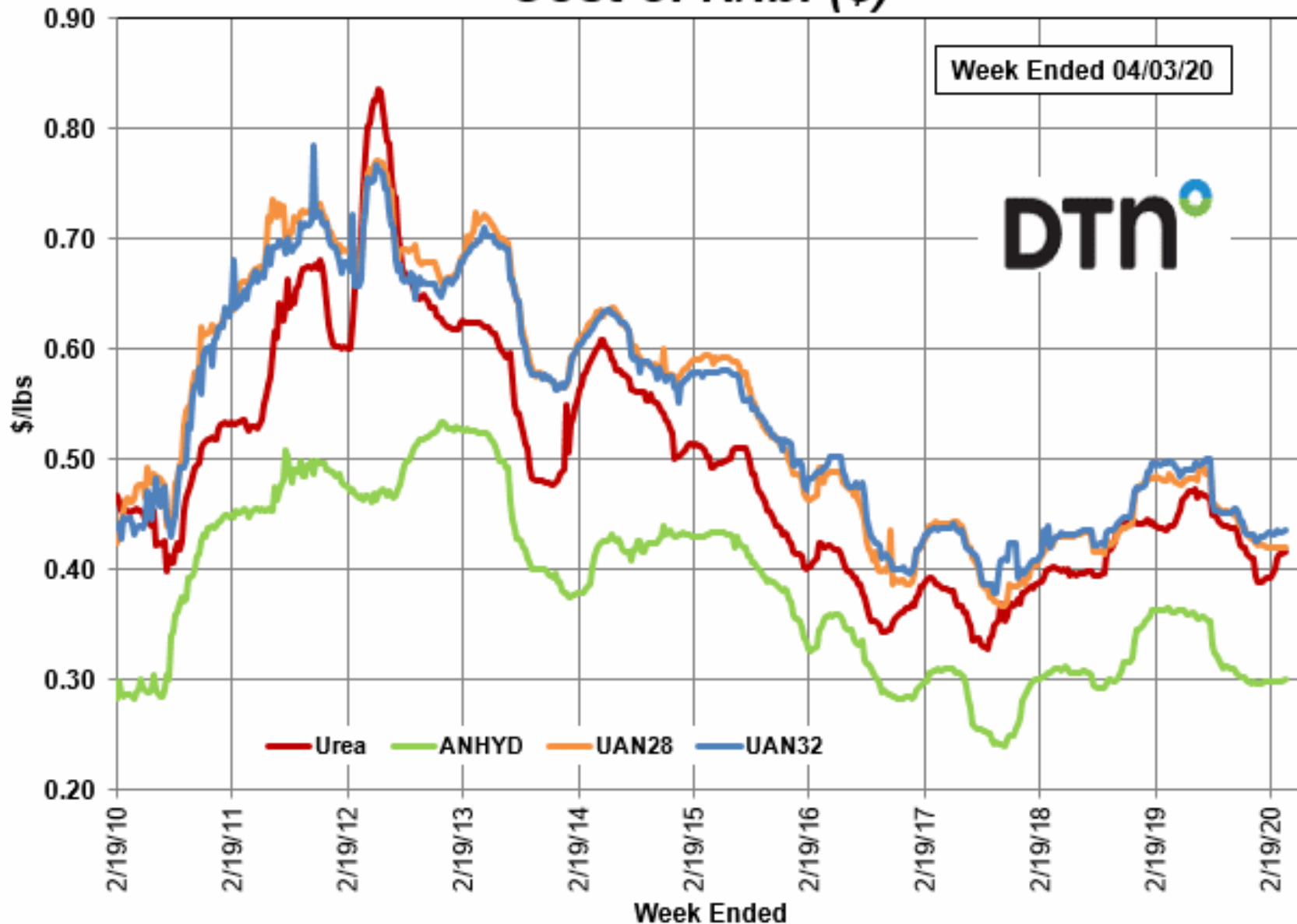
Source: U.S. Employment and Training Administration

# Unemployment: The Numbers

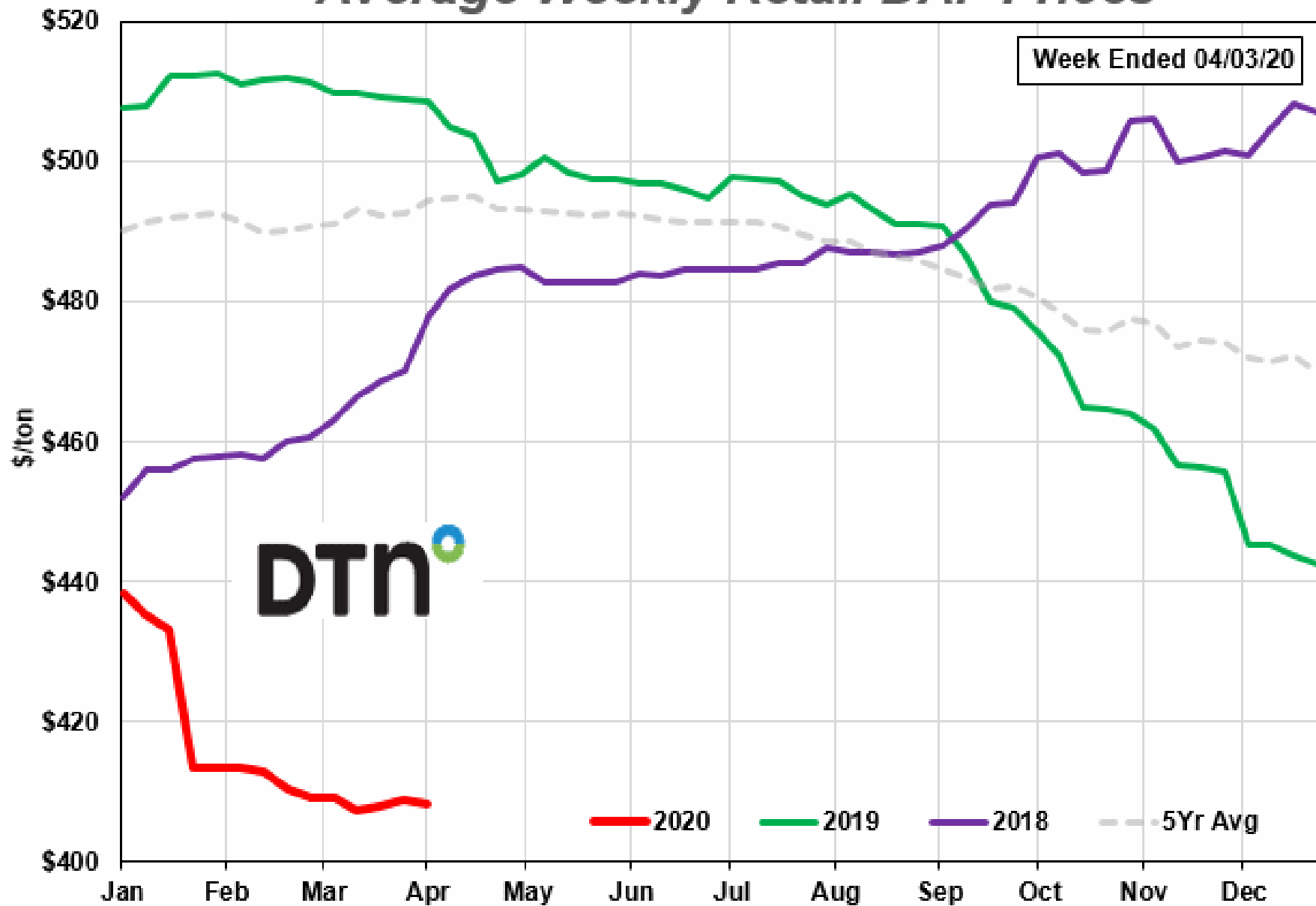
- Week Ending March 21<sup>th</sup>
  - New Unemployment 3.28 Million
- Week Ending March 28<sup>th</sup>
  - New Unemployment revised up to 6.87 Million
- Week ending April 4<sup>th</sup>
  - New Unemployment 6.6 Million
- Previously Unemployed (before Covid-19) 5.8 million
  - That yields a total of approximately 22-22.5 million unemployed
- U.S. Labor Force in February approximately 164.5 million
  - Estimated unemployment rate of about 13.7%, up from 3.5% a month ago.

Unemployment rate peaks: 2009 – 9.9% / 1982 10.8% /  
1933 – 25% /

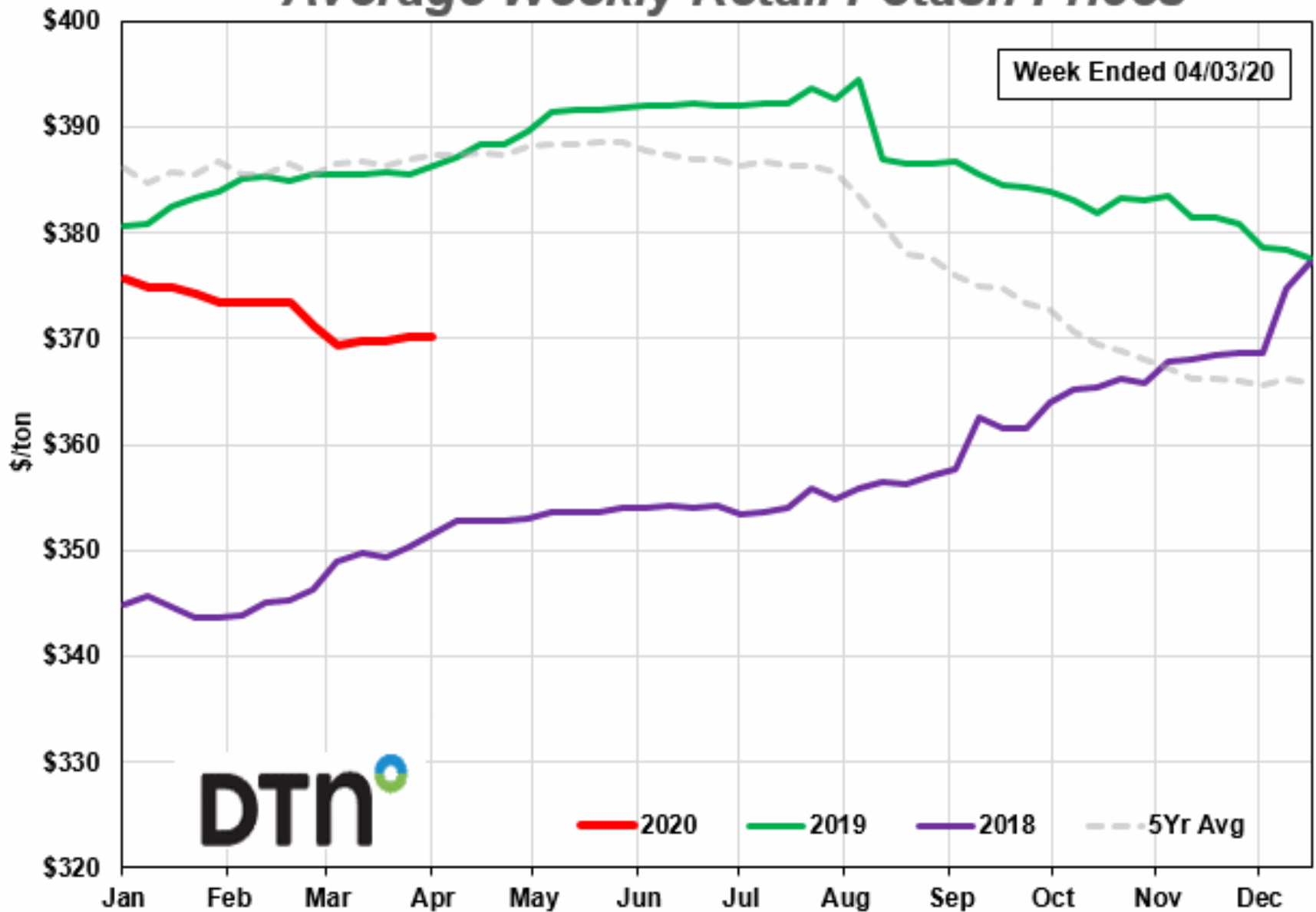
# Cost of N/lb. (\$)



# Average Weekly Retail DAP Prices



# Average Weekly Retail Potash Prices



**DTN**

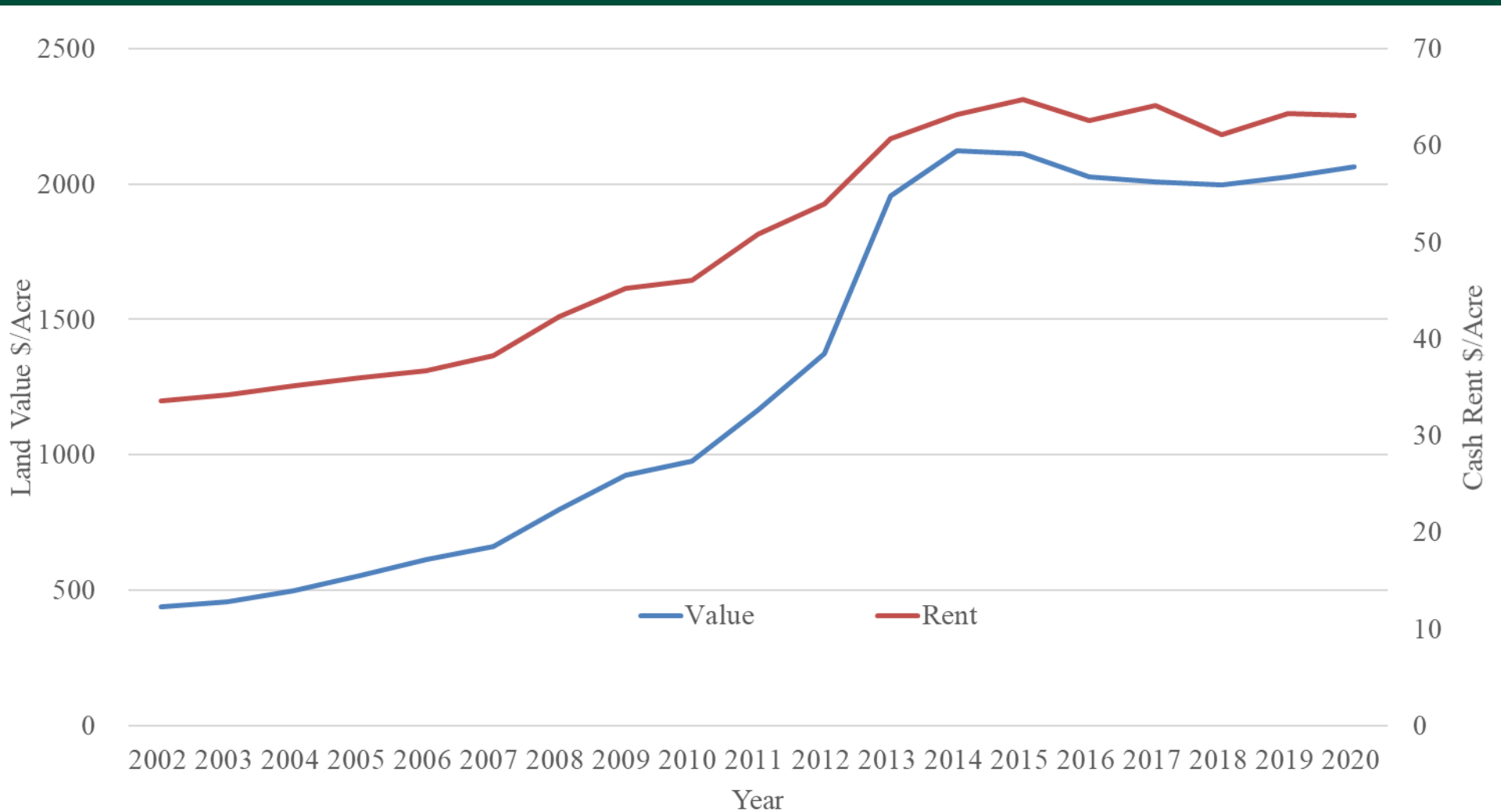
2020

2019

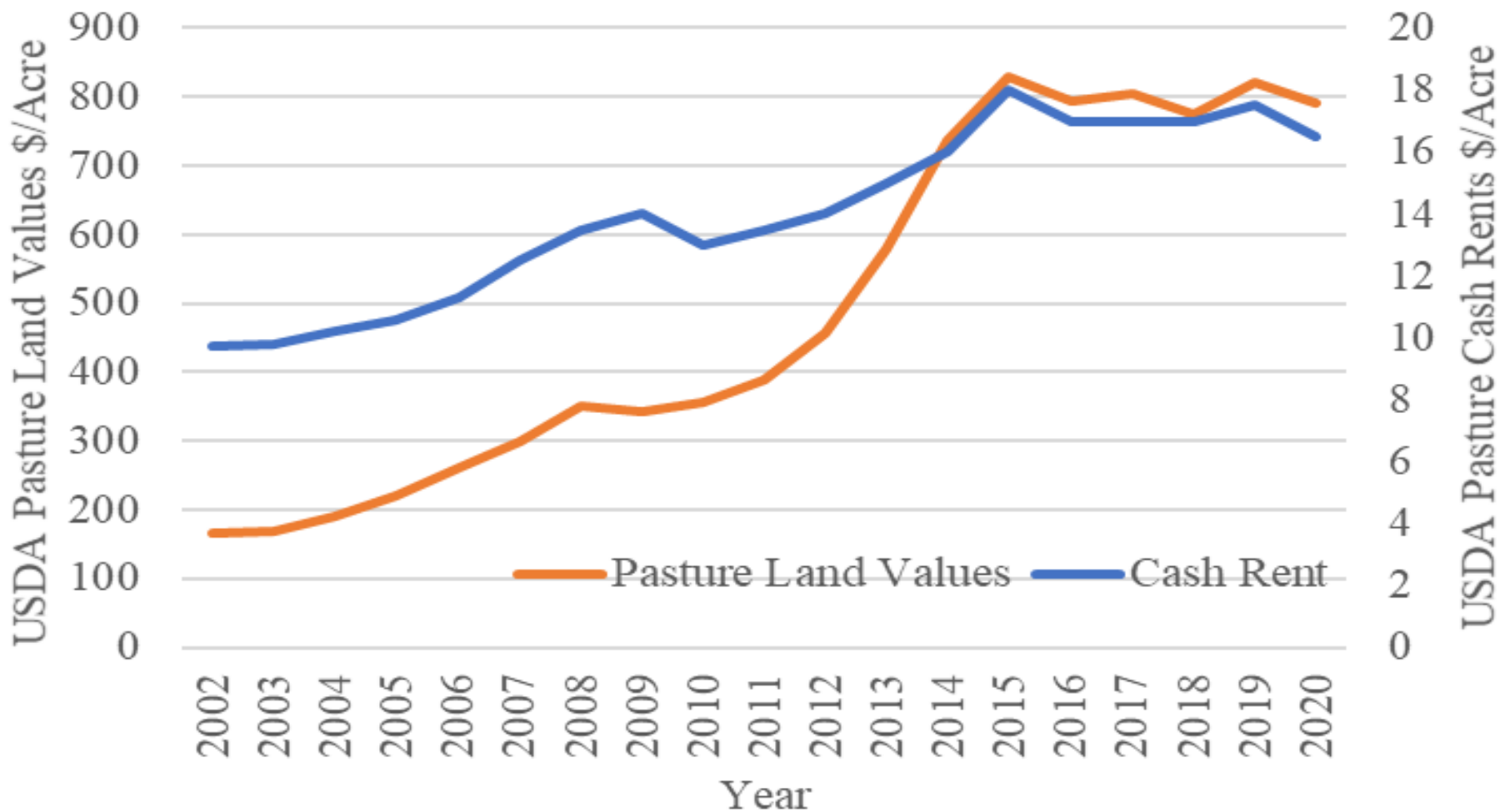
2018

5Yr Avg

# North Dakota Crop Land Values and Rents 2002-2020



# ND Pasture Land Values and Rents 2002 - 2020



# Land Outlook

- Interest rates to remain low for the foreseeable future
- Governmental support programs for ag. will help prop up land values / rents
- Production and demand conditions will also play a role heading into the 2020-2021 marketing year
  - Consumer confidence may lag considerably



# Crop Market Situation & Outlook

Frayne Olson

Crop Economist/  
Marketing Specialist

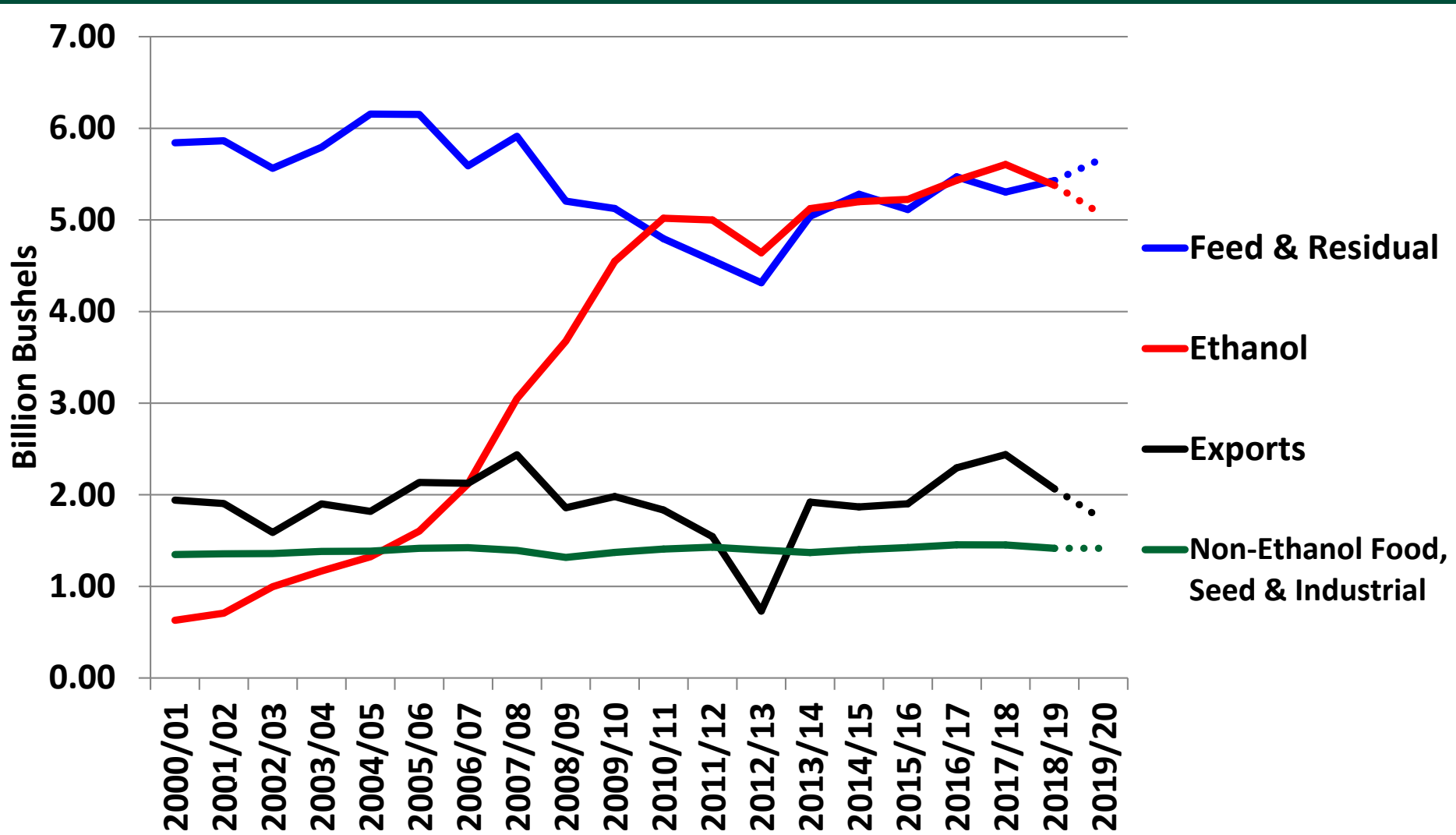
[frayne.olson@ndsu.edu](mailto:frayne.olson@ndsu.edu)

701-231-7377 (o)

701-715-3673 (c)



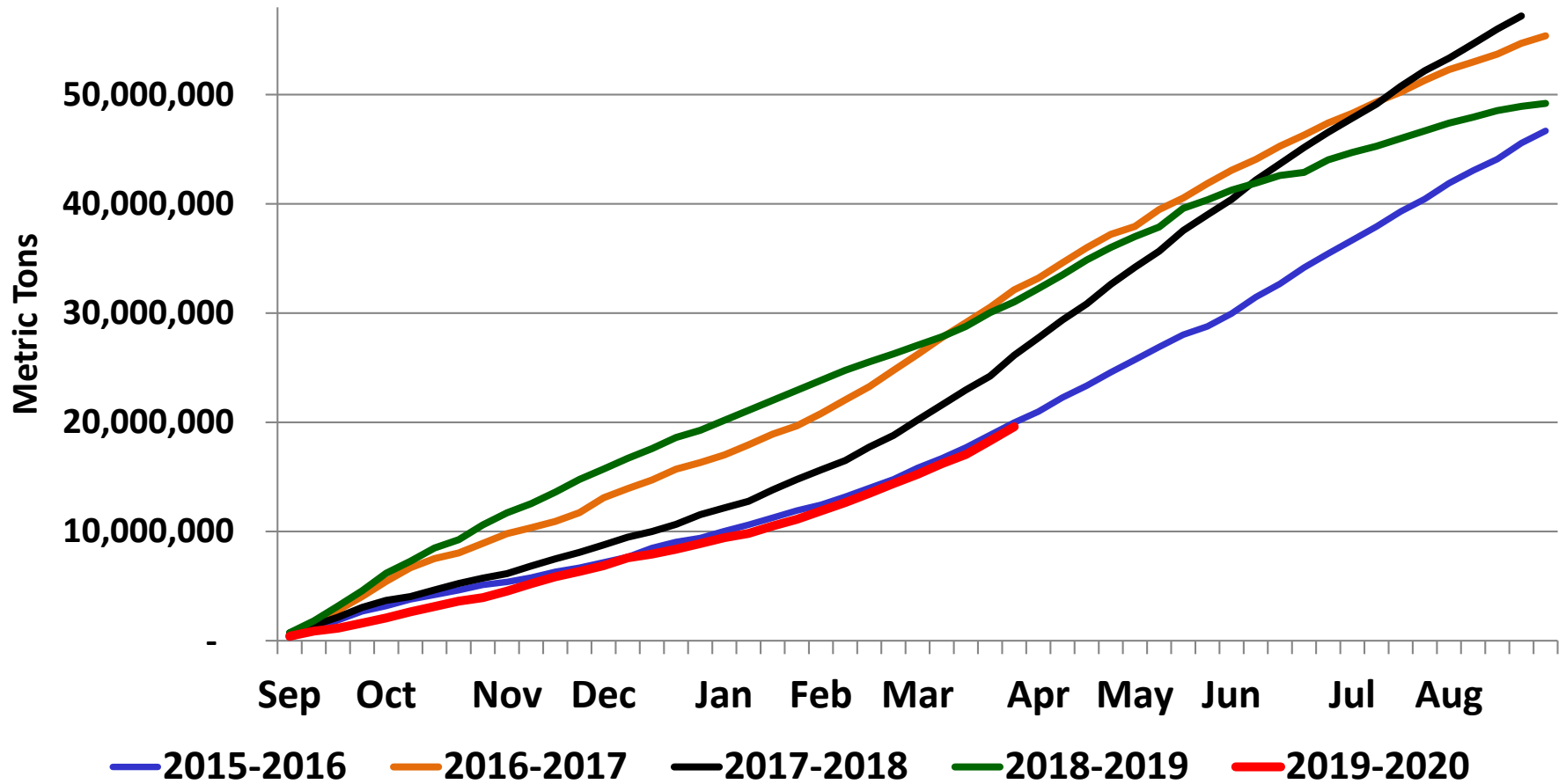
# Historic Corn Usage



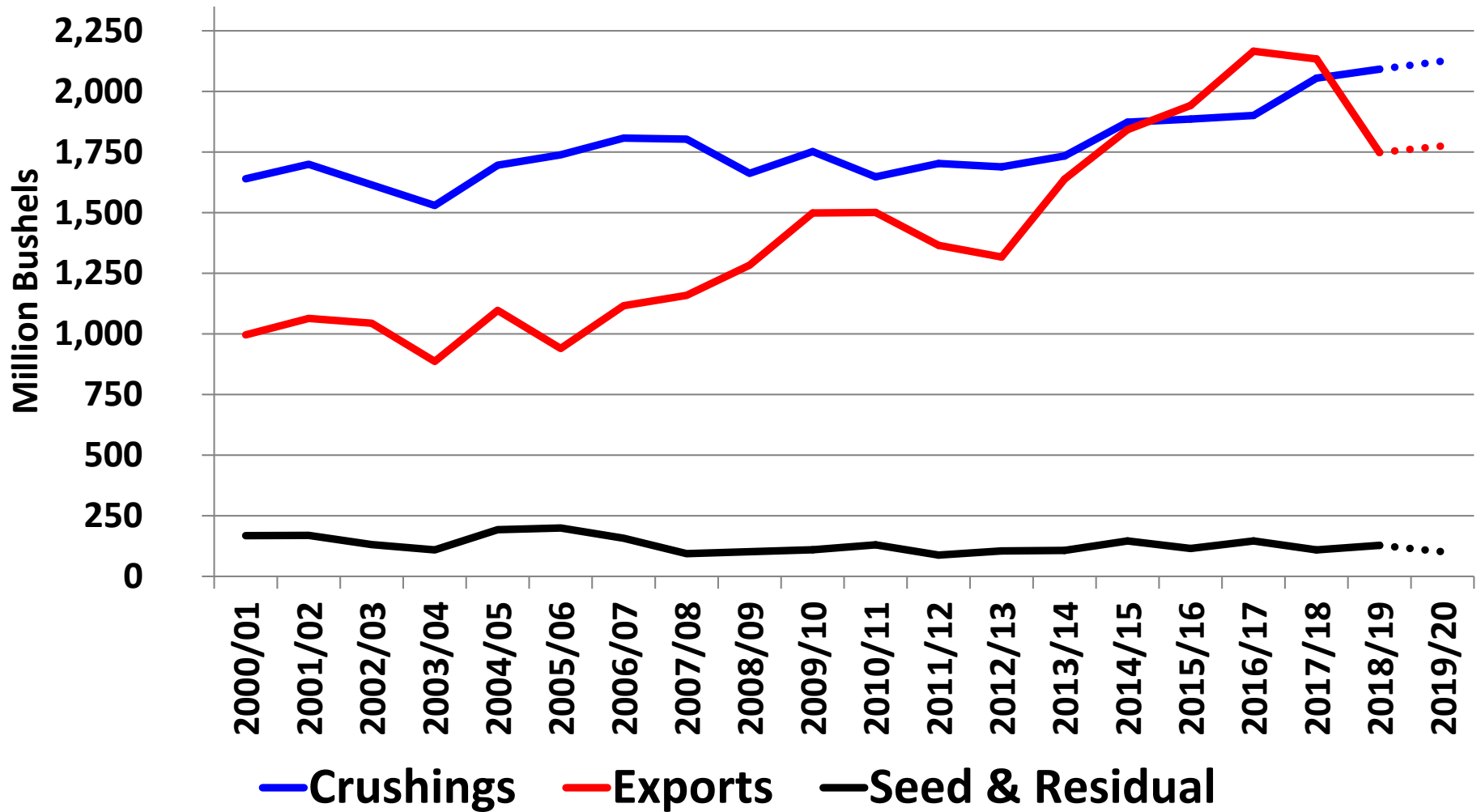
# Weekly U.S. Corn Export Sales

(09/03/2015 – 04/02/2020)

### Accumulated Exports

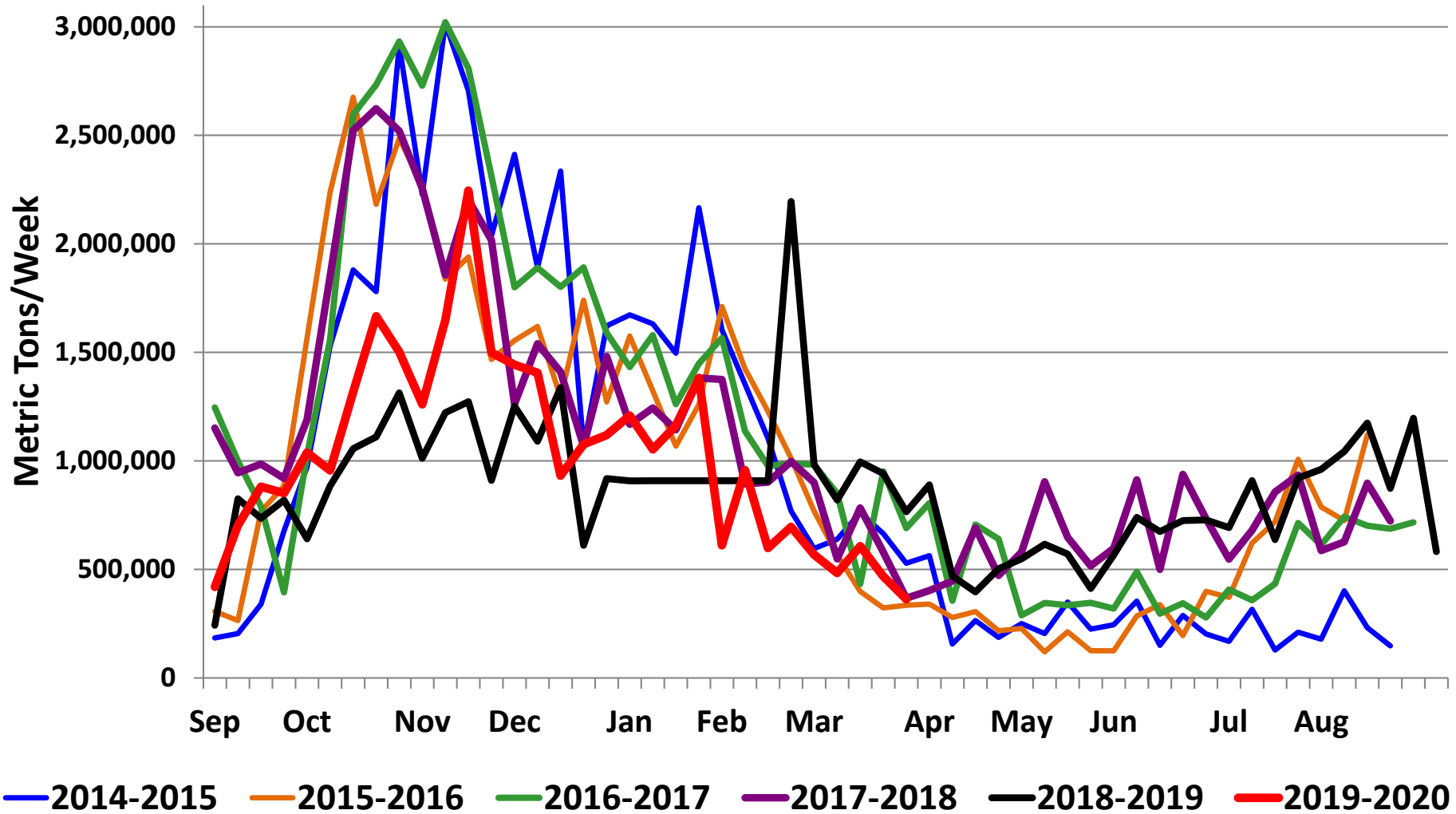


# Historic Soybean Usage



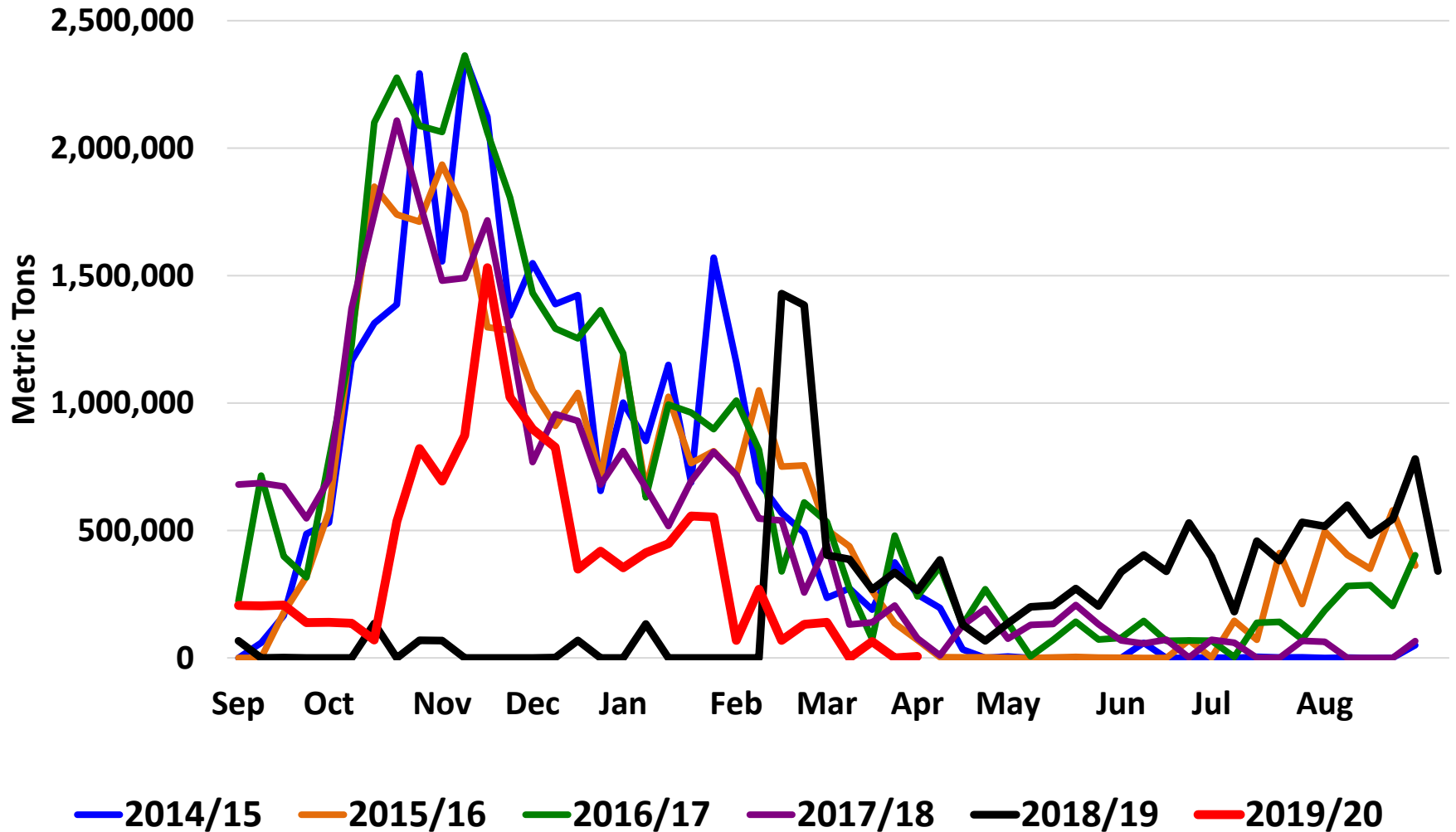
# Weekly U.S. Soybean Exports

(09/01/2013 – 04/02/2020)



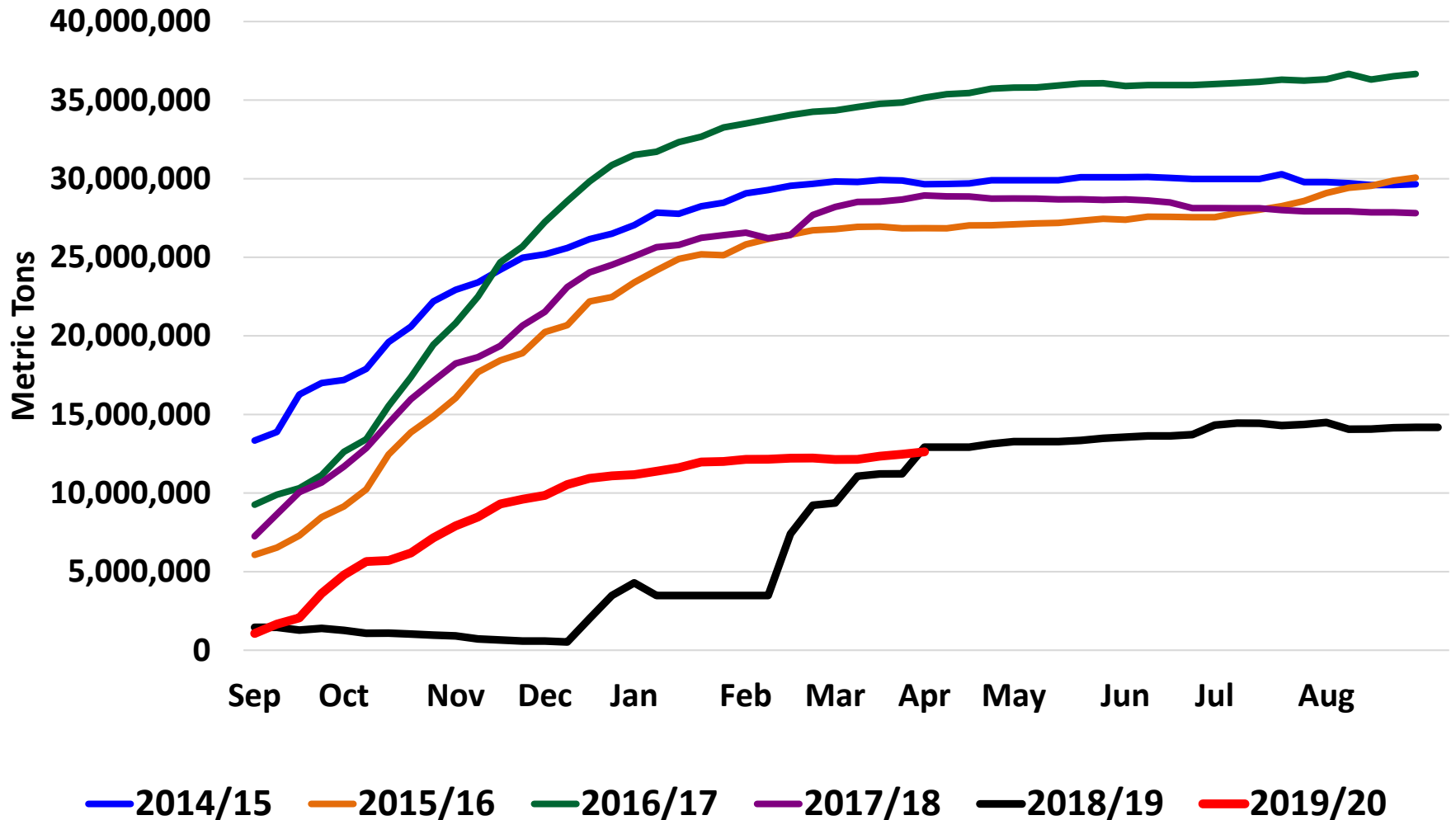
# Weekly U.S. Soybean Export Sales to China

(09/01/2014 – 04/02/2020)

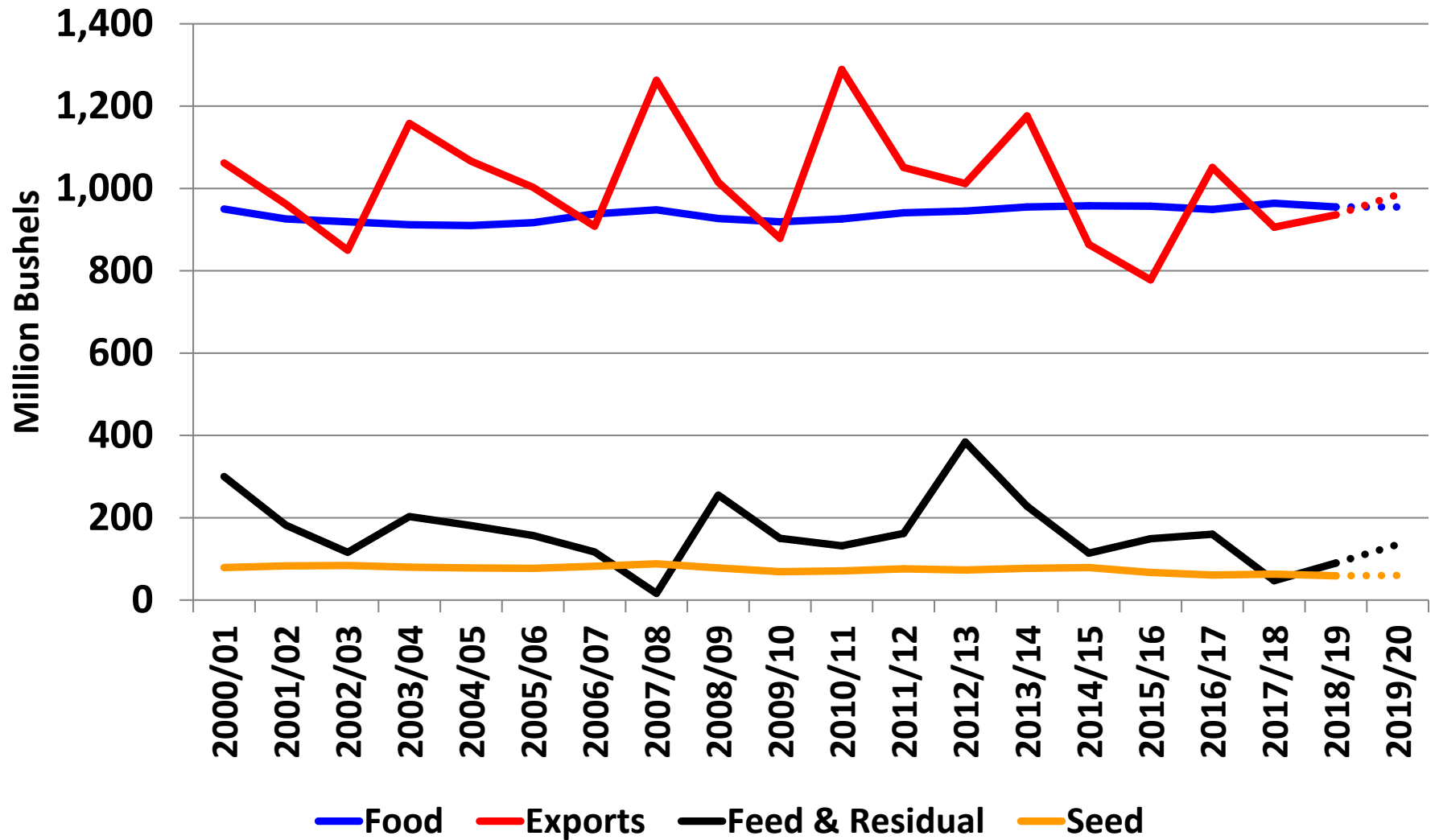


# Weekly U.S. Soybean Total Commitments by China

(09/01/2014 – 04/02/2020)



# Historic All Wheat Usage

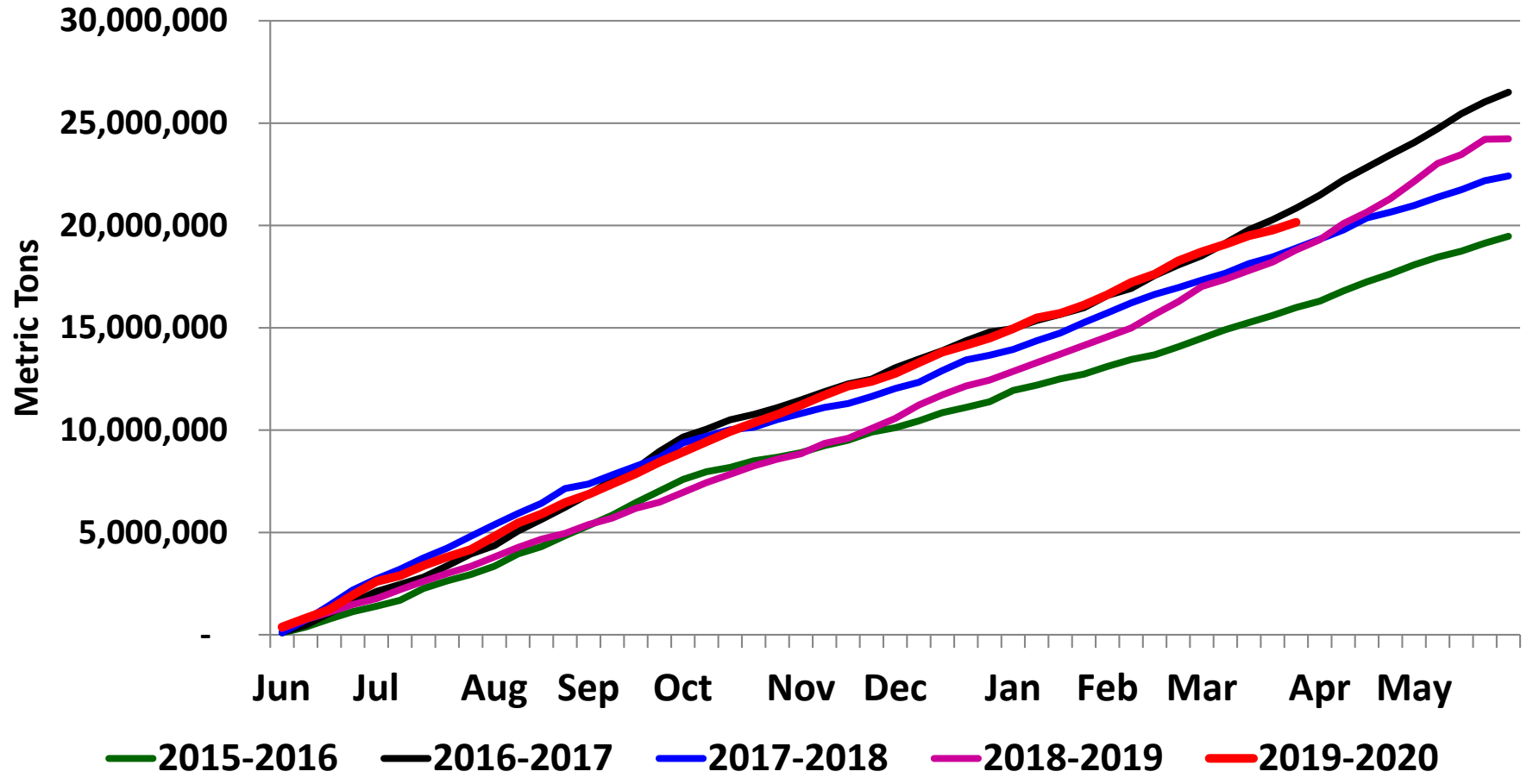




# Weekly U.S. All Wheat Export Sales

(06/04/2015 – 04/02/2020)

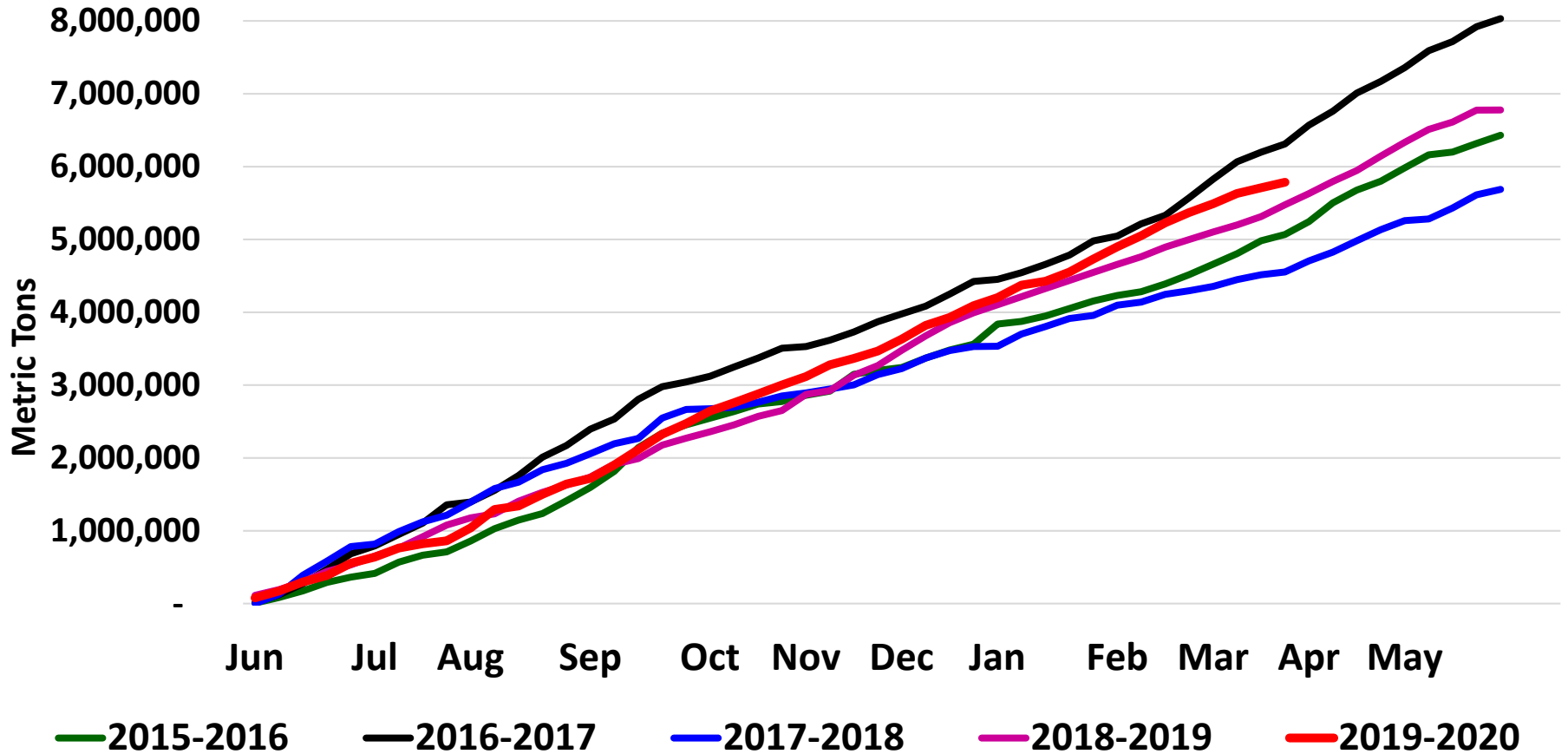
### Accumulated Exports



# Weekly U.S. HRSW Export Sales

(06/04/2015 – 04/02/2020)

Accumulated Exports



# Top 3 U.S. Export Destinations in 2018/19 MY (1,000 Metric Tons)

	<b>Corn</b>	<b>Soybean</b>	<b>All Wheat</b>	<b>Hard Red Spring Wheat</b>
<b>Largest Buyer</b>	<b>Mexico</b> (15,461)	<b>China</b> (13,370)	<b>Philippines</b> (3,047)	<b>Philippines</b> (1,760)
<b>Second Largest Buyer</b>	<b>Japan</b> (12,632)	<b>Mexico</b> (4,918)	<b>Mexico</b> (3,034)	<b>Japan</b> (864)
<b>Third Largest Buyer</b>	<b>Columbia</b> (4,672)	<b>Egypt</b> (2,705)	<b>Japan</b> (2,695)	<b>Taiwan</b> (624)
<b>Total 2018/19 Sales</b>	49,202	46,770	24,232	6,778
<b>Market Concentration of Top 3 Buyers</b>	66%	45%	36%	48%

# Livestock Price Situation and Outlook

Tim Petry

Extension Livestock  
Marketing Economist

Tim.Petry@ndsu.edu

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



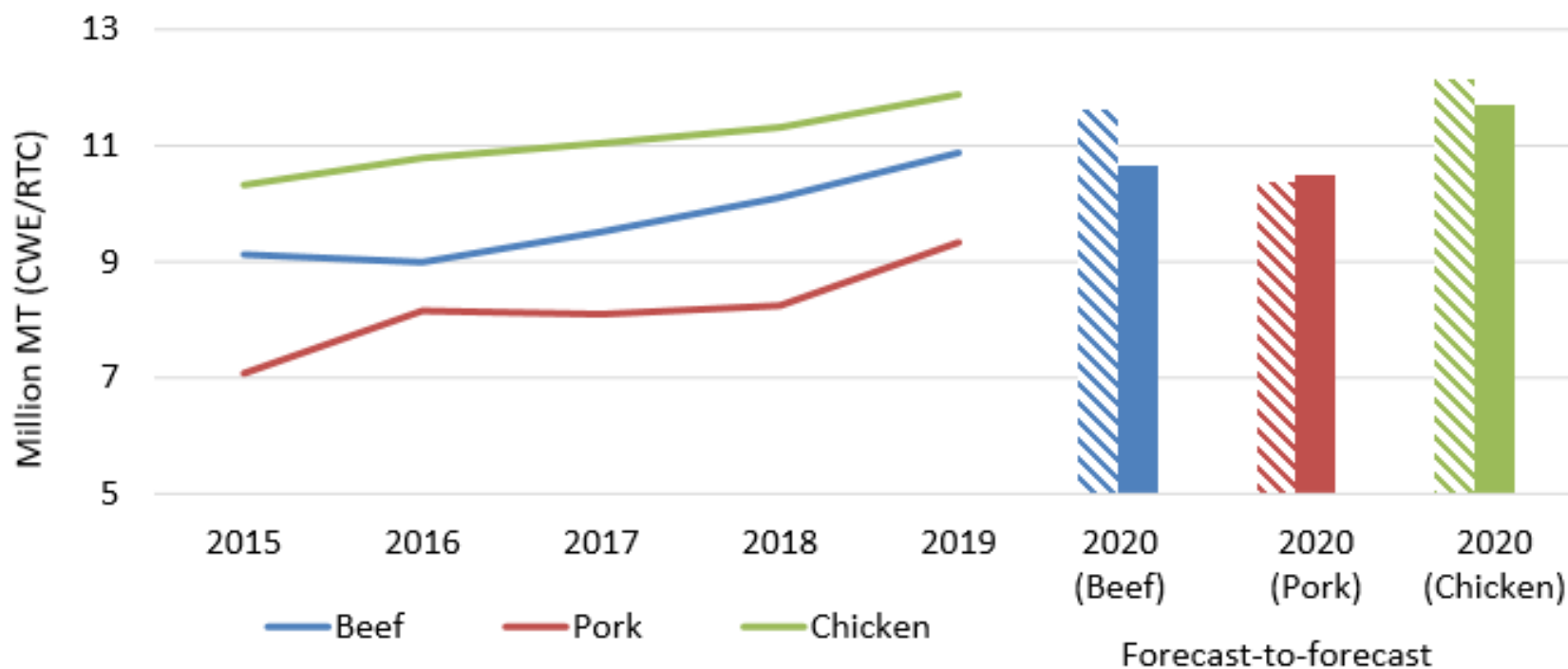
# Livestock and Poultry: World Markets and Trade



United States Department of Agriculture  
Foreign Agricultural Service  
April 9, 2020

## COVID-19 Upends Global Protein Markets

### Export Forecasts Lowered for Beef & Chicken in 2020



[https://apps.fas.usda.gov/psdonline/circulars/livestock\\_poultry.pdf](https://apps.fas.usda.gov/psdonline/circulars/livestock_poultry.pdf)





# World Agricultural Supply and Demand Estimates

Report of April 9, 2020

## U.S. Meat Trade

*Million Pounds*

Item	2019 estimate	2020 forecast	Change from March 10	Change from 2019
----- Exports -----				
Beef	3,022	3,160 	-105	138
Pork	6,321	7,475 	-275	1,154
Broilers	7,109	7,230	-200	121

<https://www.usda.gov/oce/commodity/wasde>

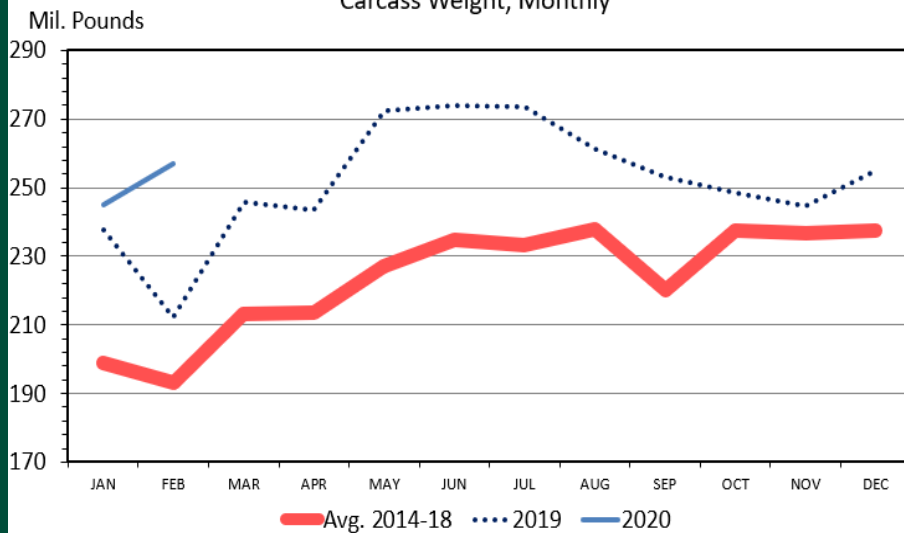
# Livestock and Meat International Trade Data

4/3/2020

[www.ers.usda.gov/data-products/livestock-and-meat-international-trade-data/](http://www.ers.usda.gov/data-products/livestock-and-meat-international-trade-data/)

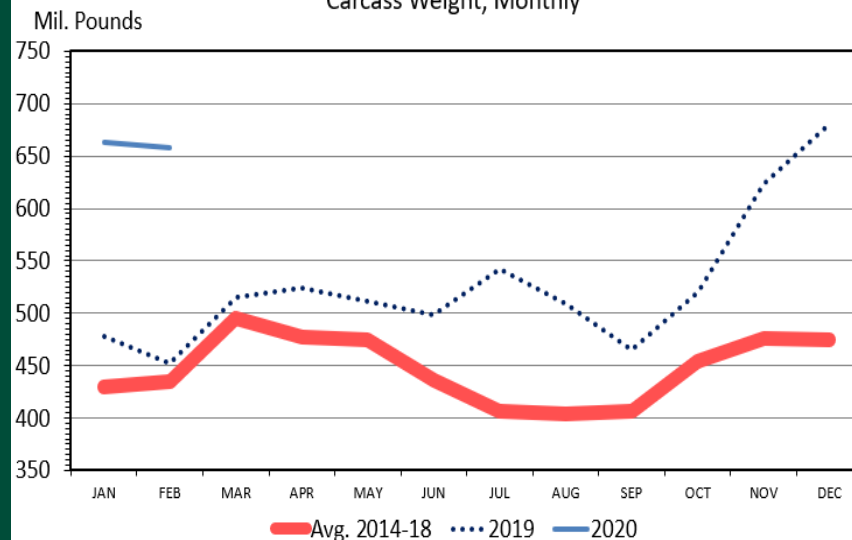
## US BEEF AND VEAL EXPORTS

Carcass Weight, Monthly



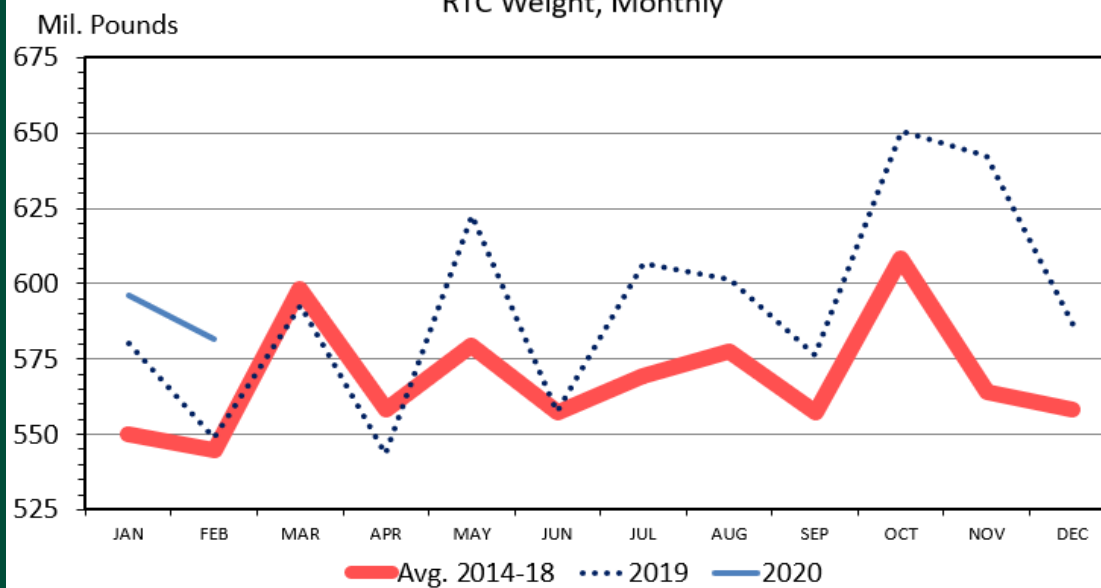
## US PORK EXPORTS

Carcass Weight, Monthly



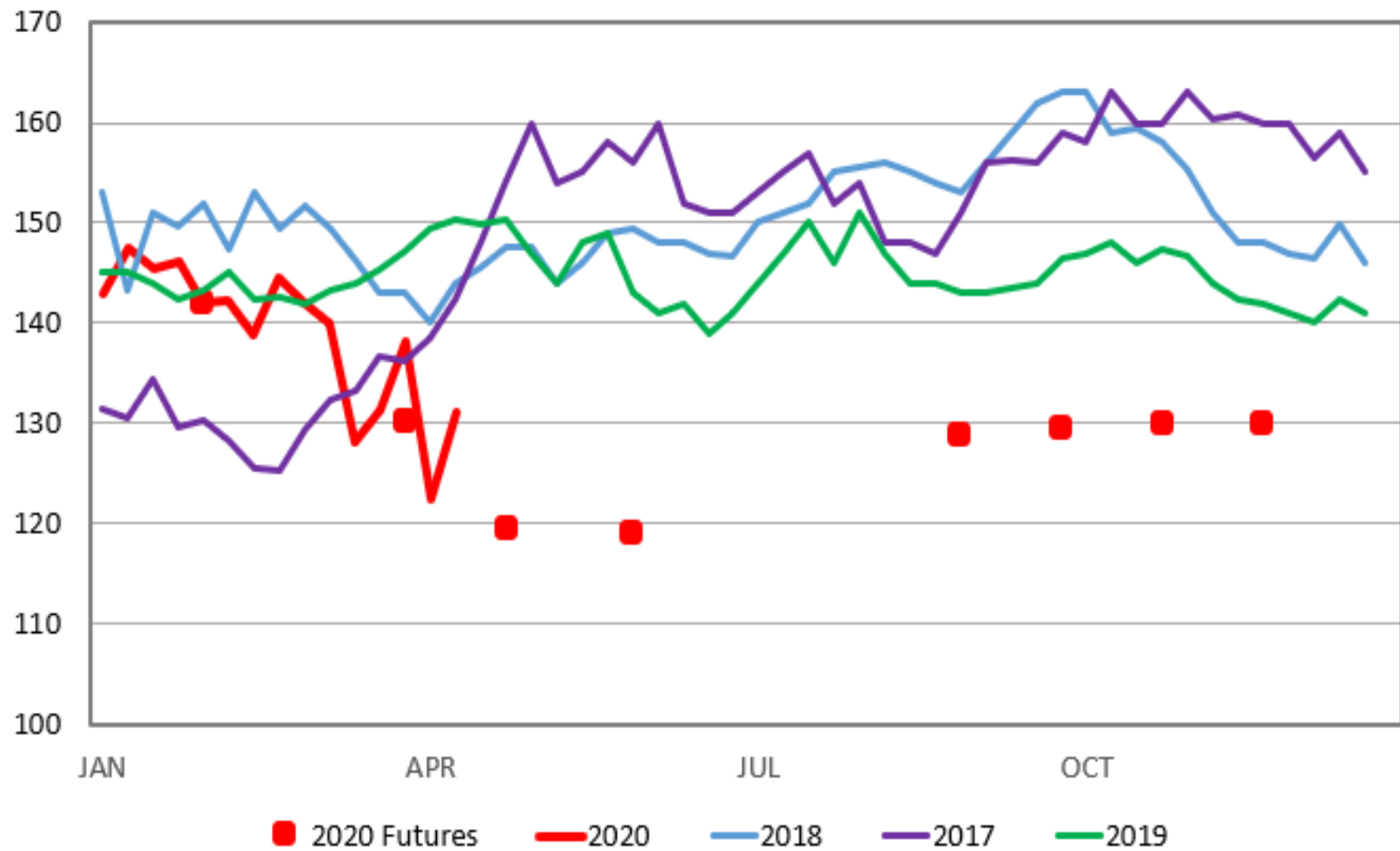
## US BROILER EXPORTS

RTC Weight, Monthly



# MED. & LRG. #1 FEEDER STEER PRICES

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





# Ag-Energy Situation and Outlook

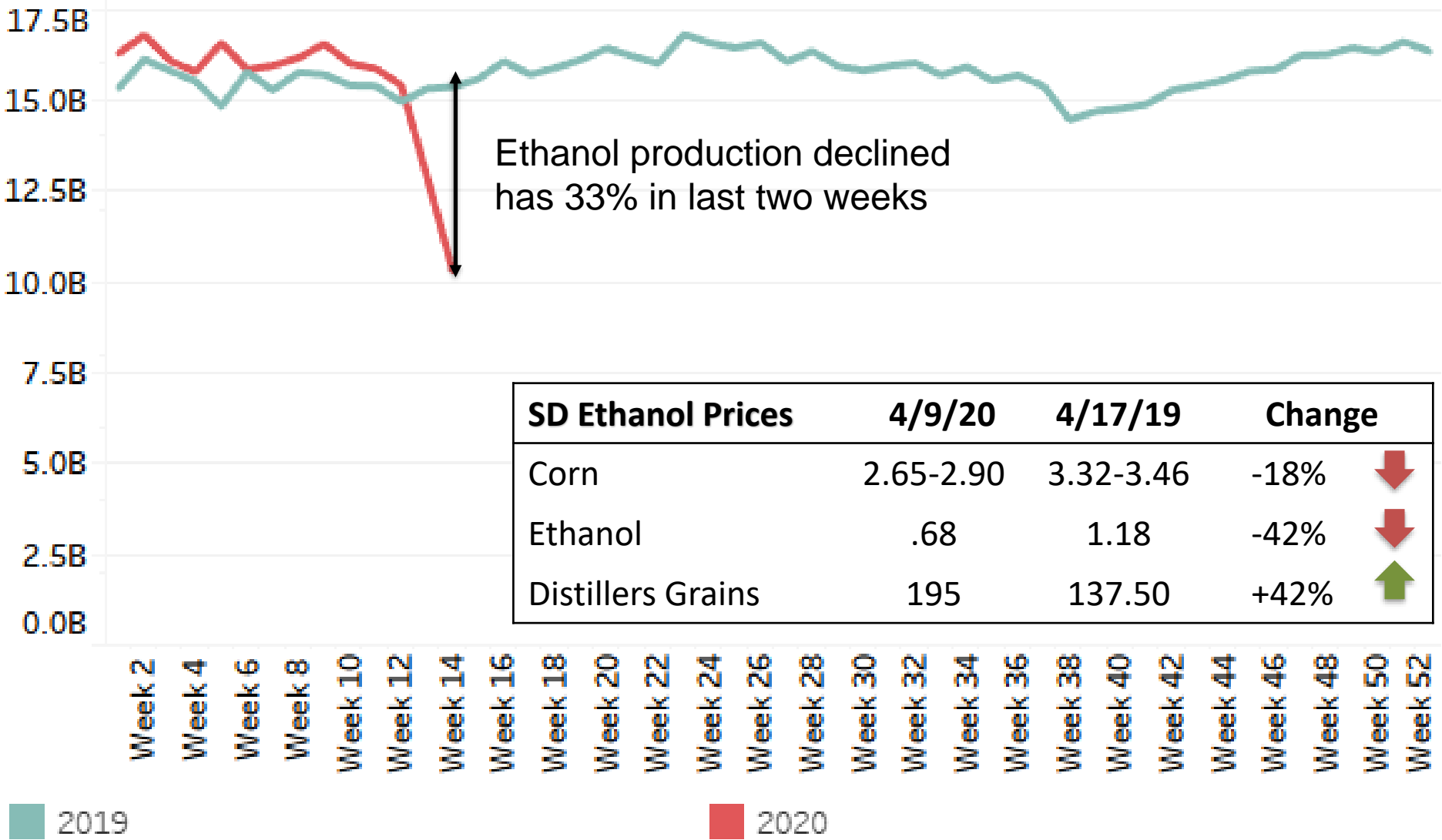
David Ripplinger  
Bioproducts/Bioenergy  
Economics Specialist  
david.ripplinger@ndsu.edu



# Situation

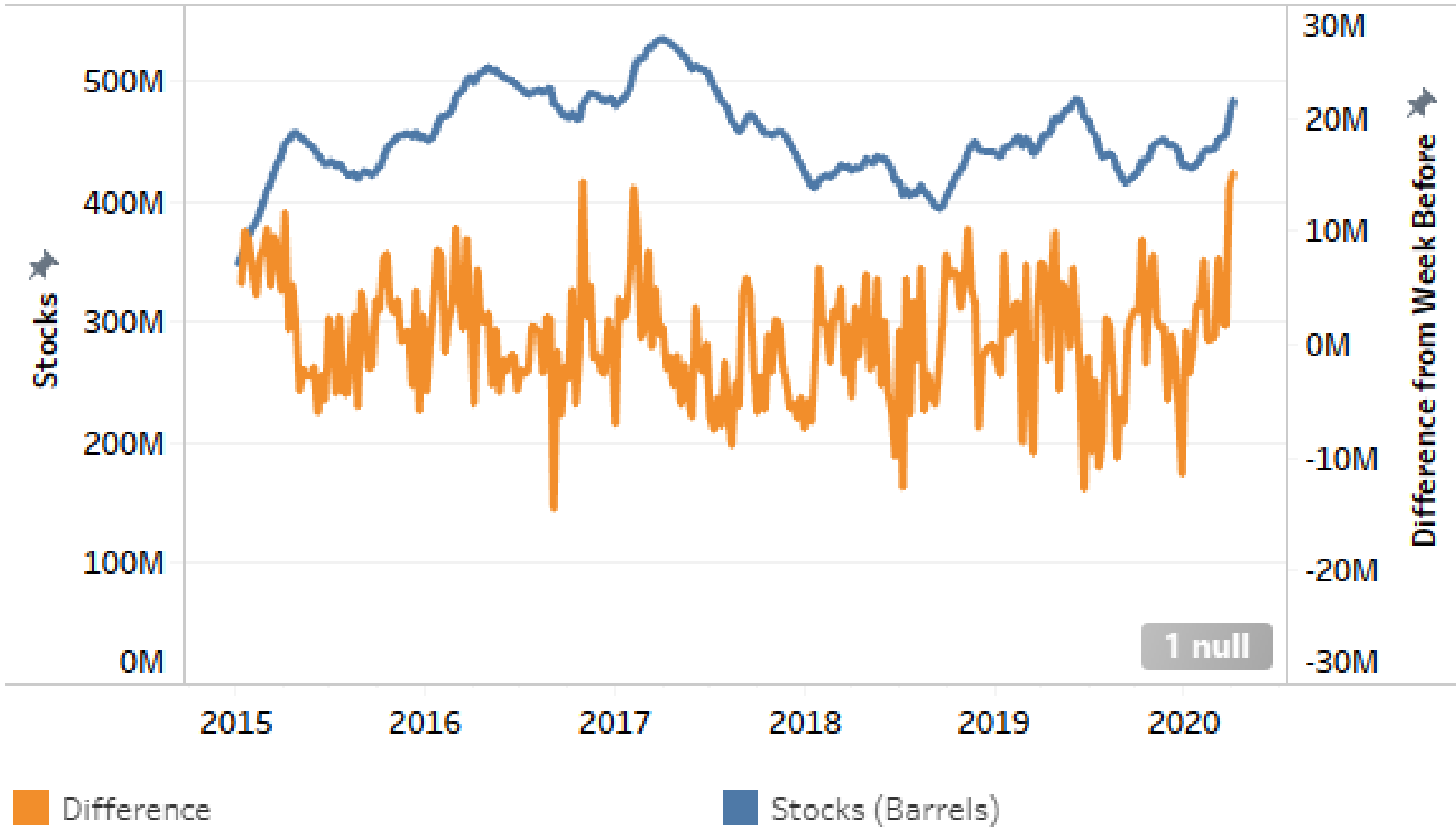
- Rapid decline in gasoline use, ethanol use, and ethanol reduction
- Additional reductions are needed
- 40% reduction in 2Q gasoline use (EIA)
- Storage crisis looms

# US Corn-Ethanol Production Year over Year

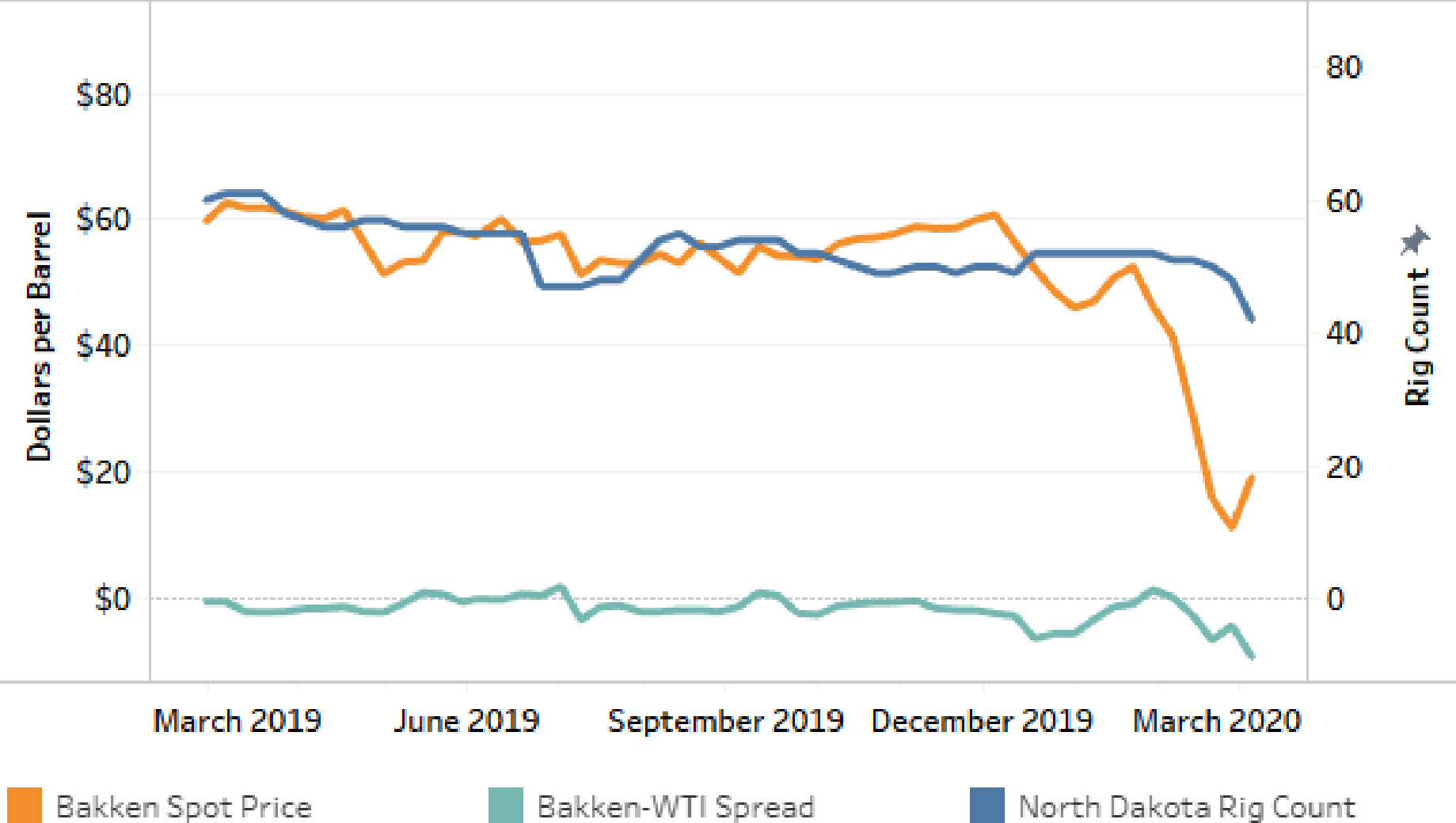


Data: EIA, USDA/AMS  
 Calculations: NDSU Extension

# US Commercial Crude Oil Stocks



# ND Oil Price and Rig Count



Data: EIA, Flint Hills Resources, Baker Hughes  
 Calculations: NDSU Extension

**Q&A:** Please use Chat

**Feedback:** 3 quick questions

<https://bit.ly/AgEconCOVID>

**Recording & More Info:**

[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)