

The Feed – Summer 2019

FARMER  AC

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August 14, 2019

Agenda

Highlights from
the analysis

Why they are
important for
producers and
lenders alike

Other news and
factoids

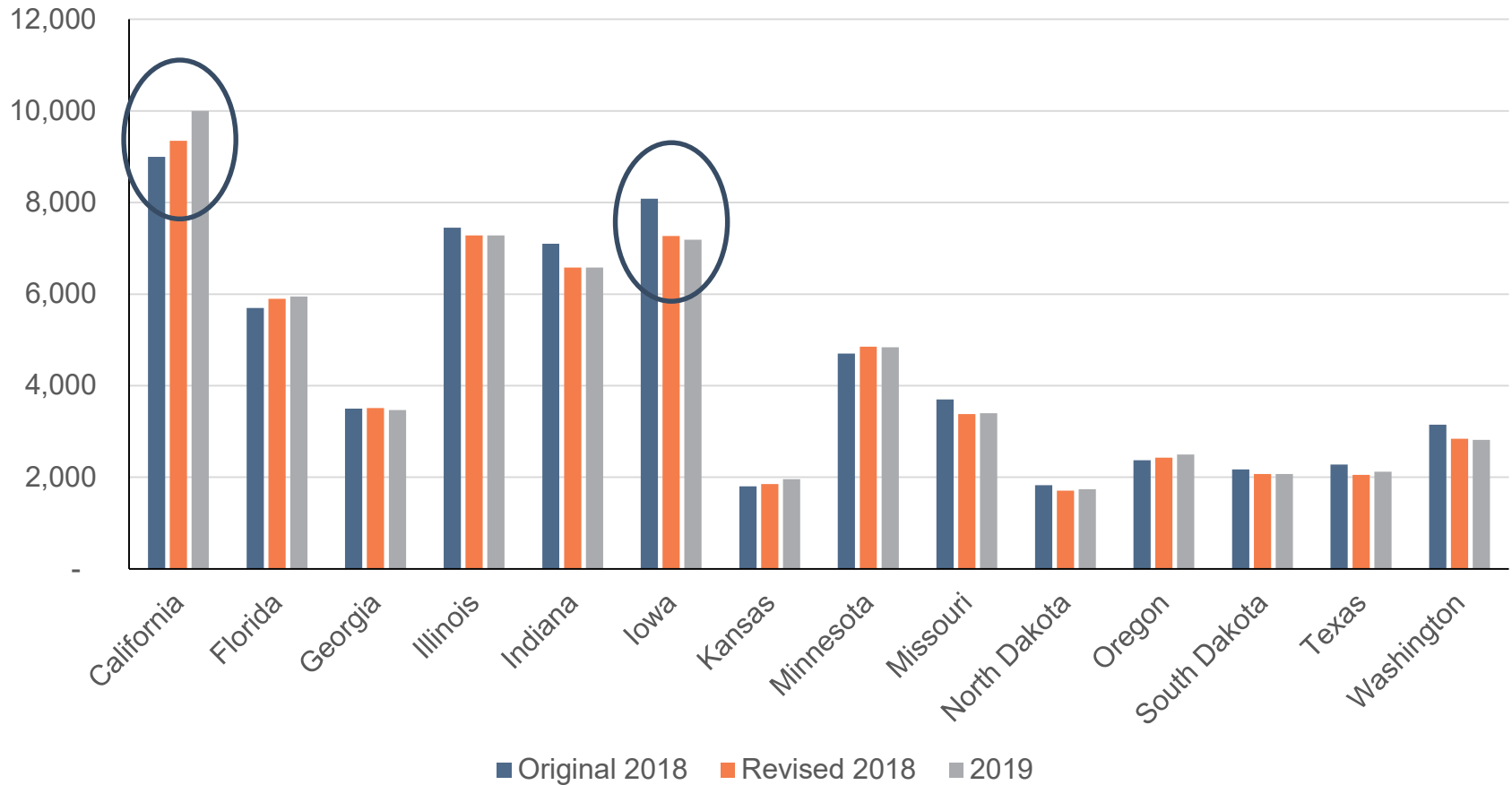
How you can
access this and
future editions

Q&A



Highlight 1: Land Values Up Despite Downward Revision

Average Farm Real Estate Value per Acre



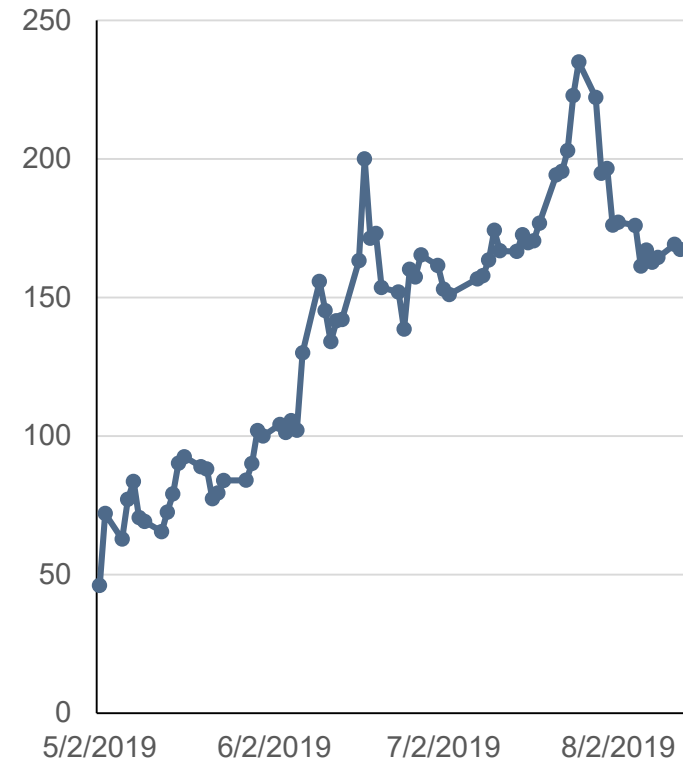
Highlight 2: Plant-Based Protein Rising



Ingredients:

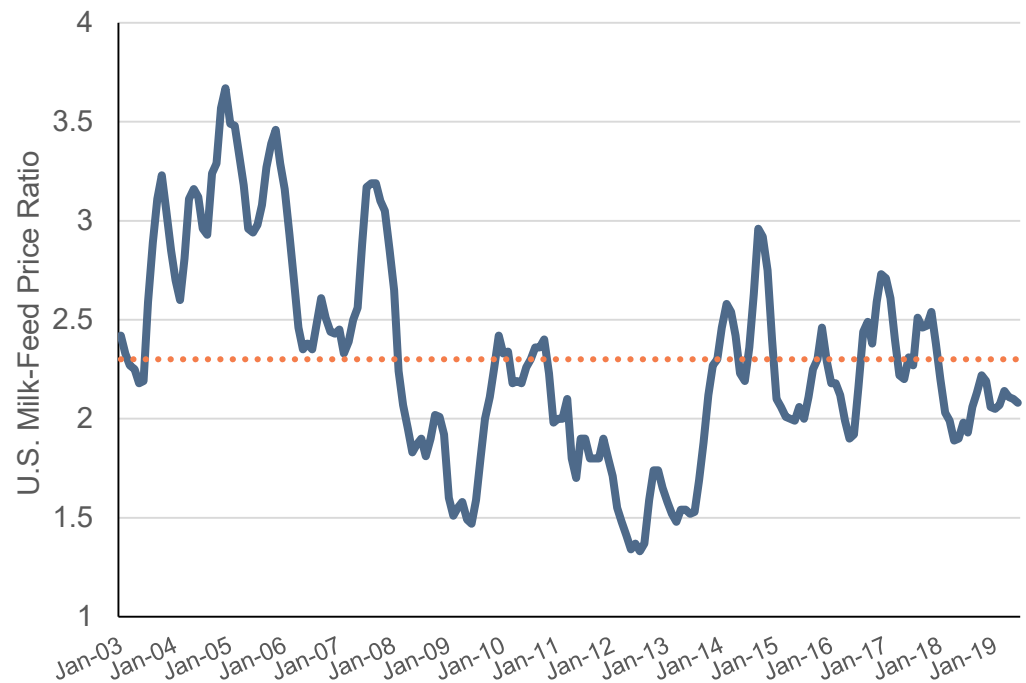
- Soybeans
- Yellow Peas
- Dry, Edible Beans
- Coconut Oil
- Canola Oil

Beyond Meat Daily Close Price

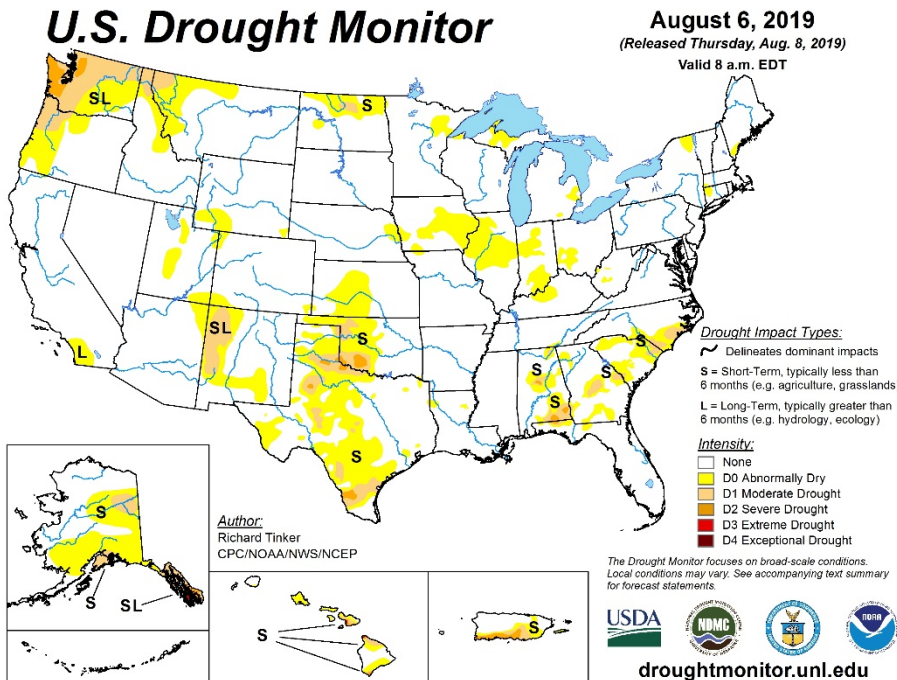


Highlight 3: Improved Dairy Outlook

- Price improvement throughout 2019
- New opportunities for dairy producers
 - Digestive wellness
 - Dairy proteins
 - Flavors
 - Sugar reduction
- Higher feed costs a drag
- Will 2020 hold up?

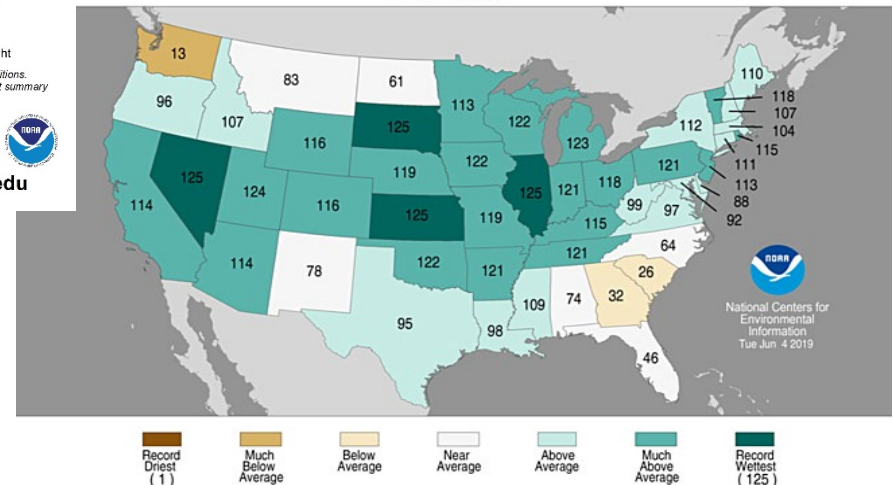


Highlight 4: Weather



- Cool, wet spring followed by hot summer
- Very little drought in U.S.
- NOAA increased likelihood of above-average hurricane season

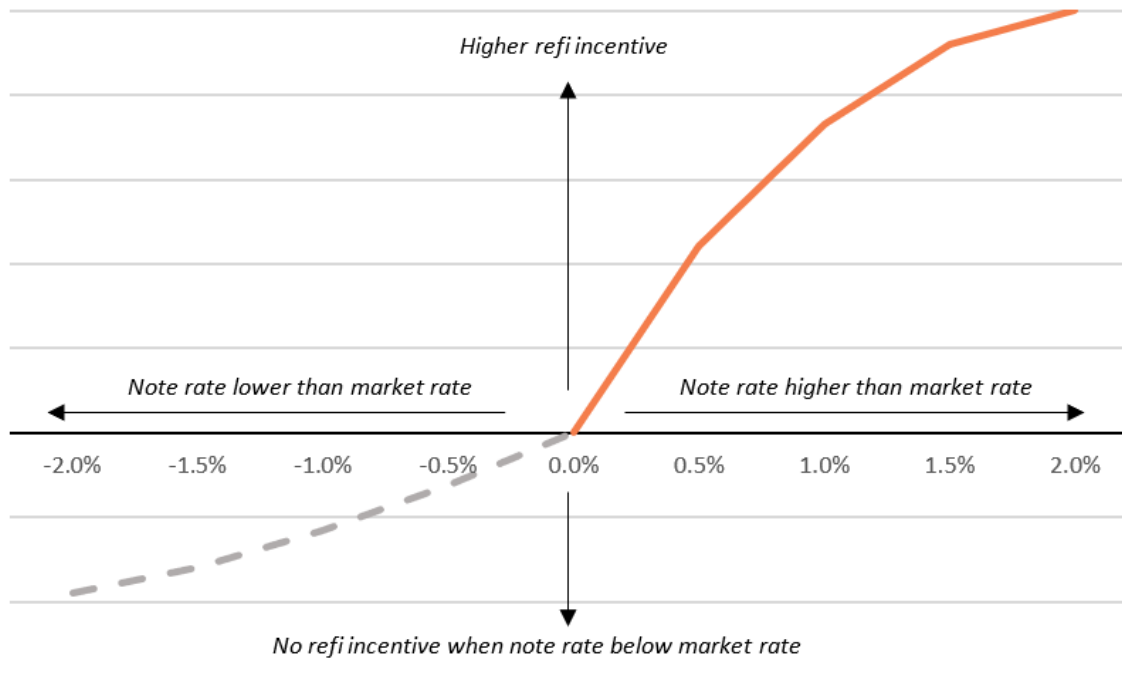
Statewide Precipitation Ranks
 January–May 2019
 Period: 1895–2019



Source: Drought Monitor, University of Nebraska-Lincoln; NOAA



Highlight 5: Predicting Prepayments



- Interest rates down in 2019 after a rapid rise in 2018
- 150 bps lower in some points on the yield curve
- More incentive to refinance
- Prepayments can result in loss of customer
- Machine learning models can identify predictors of prepayment that traditional models may miss



Other News

To Tariff or
Not to Tariff

How much
corn is out
there?

Recession
risk building

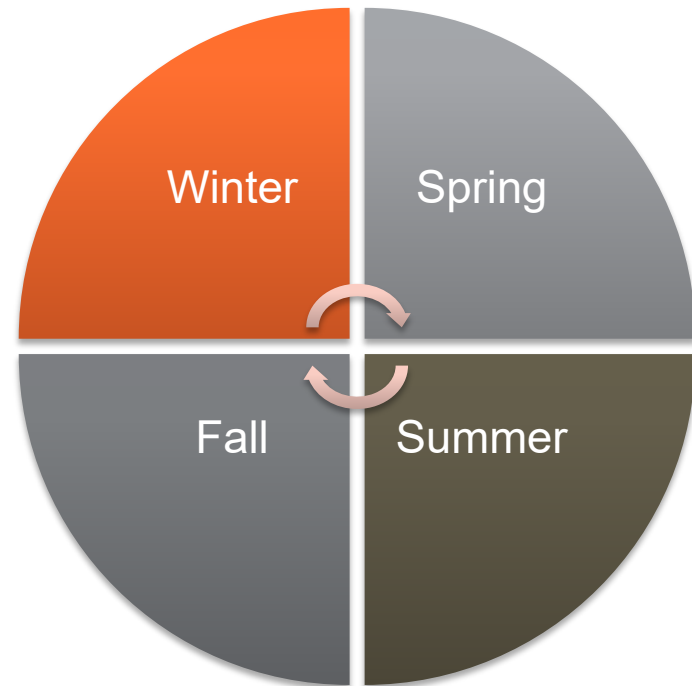
Beef price
collapse



Details on The Feed

- **Quarterly publication**
- **Focus on sectors and stories relevant to the season**
- **Available on the Farmer Mac website to download or subscribe**
(<https://www.farmermac.com/thefeed/>)
- **Subscribers automatically receive it via email**
- **Send comments and requests to thefeed@farmermac.com**

Publication Schedule





Questions?



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Thank You!