Highlights from the analysis

Why they are important for producers and lenders alike

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Q&A
**Highlight 1: Trade Implications for US Market**

- U.S. agricultural output is growing faster than domestic demand, making the farm economy more dependent on exports.
- U.S. trading partners have imposed counter-tariffs, forcing importers to find substitutes.
- Tariffs may mean U.S. soybean producers miss out on additional international growth.
- Does new potential Chinese purchases offset market fundamentals?

Source: USDA NASS June Area Survey Data; Quickstats; 2017 Ag Census Data.
Highlight 2: Cash Receipts not driving 2019 NCFI rebound

2019 forecast for net cash farm income revised up:

- Expenses now forecast flat
  - Inputs offsetting labor
- Government payments up
  - Regional variation
- Cash receipts forecast down from 2018 levels

Source: USDA Economic Research Service
Highlight 3: Uncertain outlook for 2019 Corn and Soybeans

- Unusually late harvesting season
- Demand continues to pressure prices
  - Domestic use including ethanol is down
  - Exports down as Brazil continues record production
- Stock changes
- Clarification on Chinese purchases
**Highlight 4: Weather**

- **Hot summer has led to rising drought conditions after wet spring**
- **Preliminary indications indicate drier than normal conditions over coming months**

**Source:** Drought Monitor, University of Nebraska-Lincoln; NOAA
Highlight 5: Cattle continues to face headwinds

- Cattle inventories are holding steady and beef stocks are down, two signals of a future downturn in the cattle cycle
- Holcomb, Kansas Tyson Foods plant fire lowered cattle prices in August 2019
- Cattle prices remain lower than in 2018, but rebounded from Holcomb-fire lows

Source: Iowa State University Extension, Estimated Livestock Returns
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