

The Feed – Fall 2019

FARMER  AC

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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

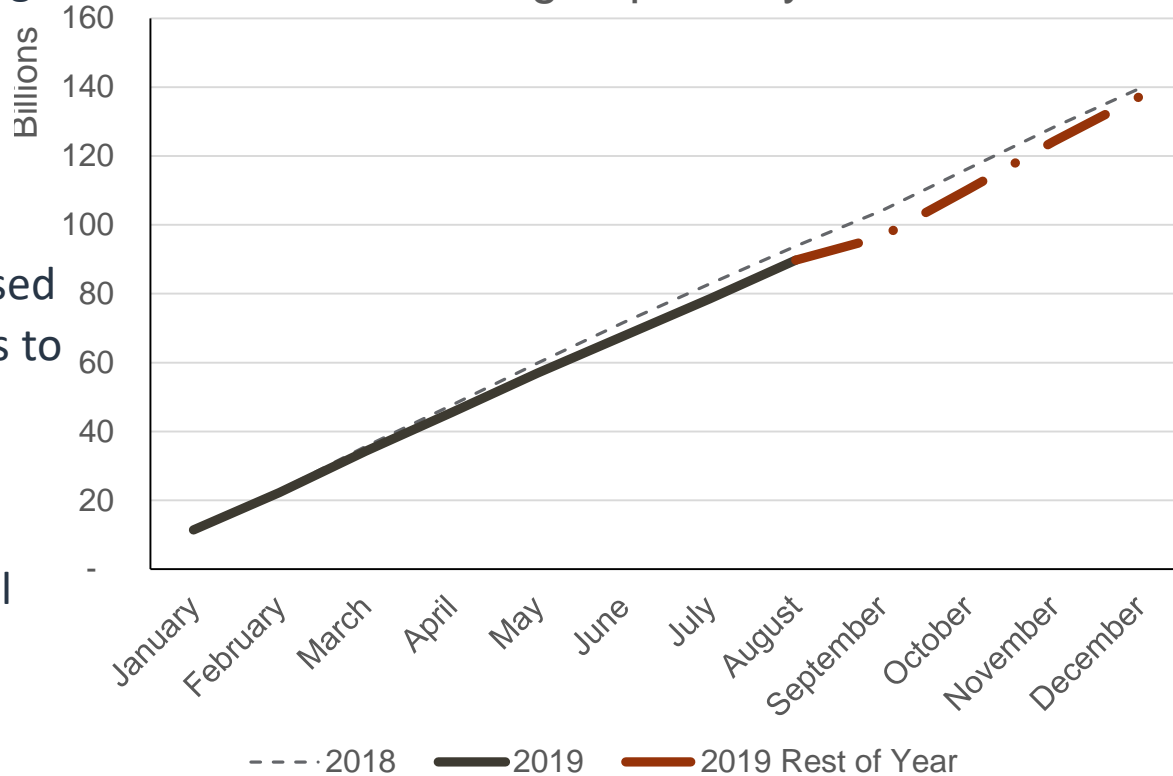
Q&A



Highlight 1: 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?

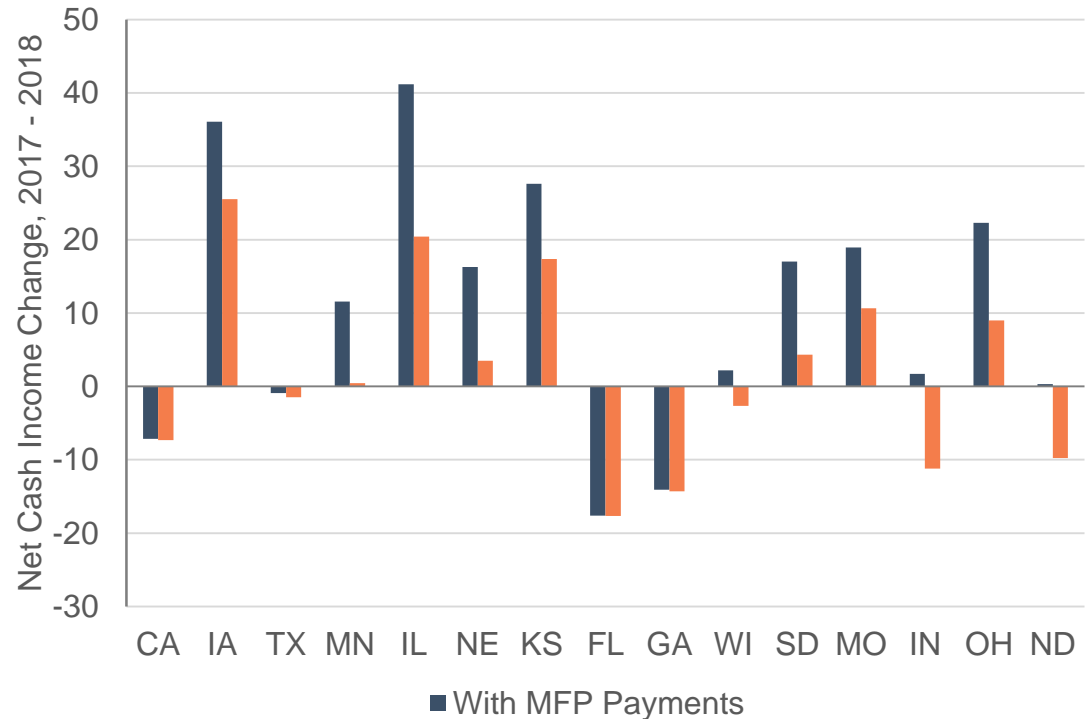
Cumulative Ag Exports by Month



Highlight 2: Cash Receipts not driving 2019 NCFI rebound

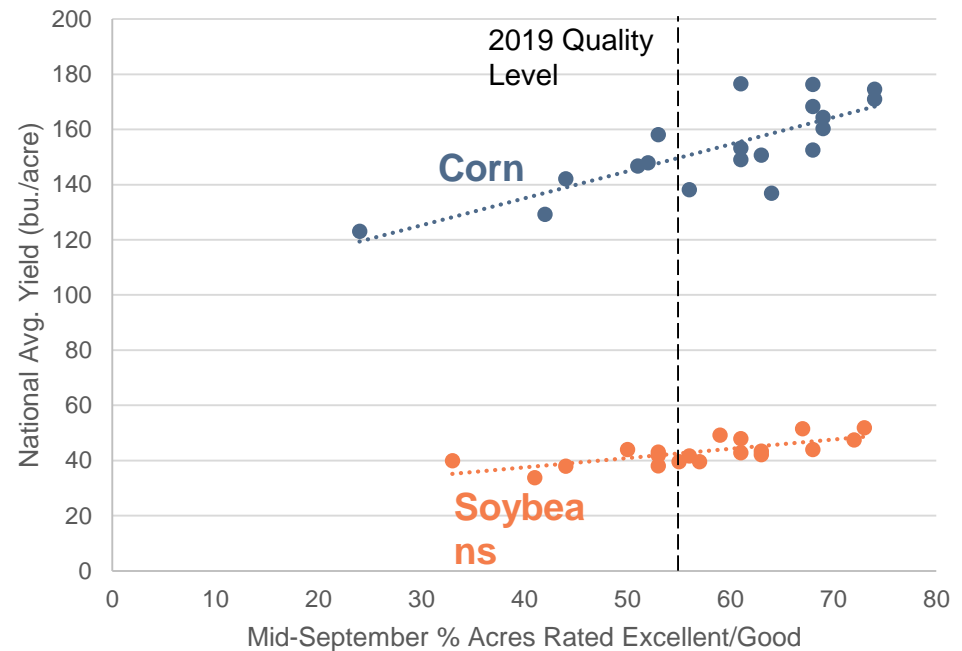
2019 forecast for net cash farm income revised up:

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

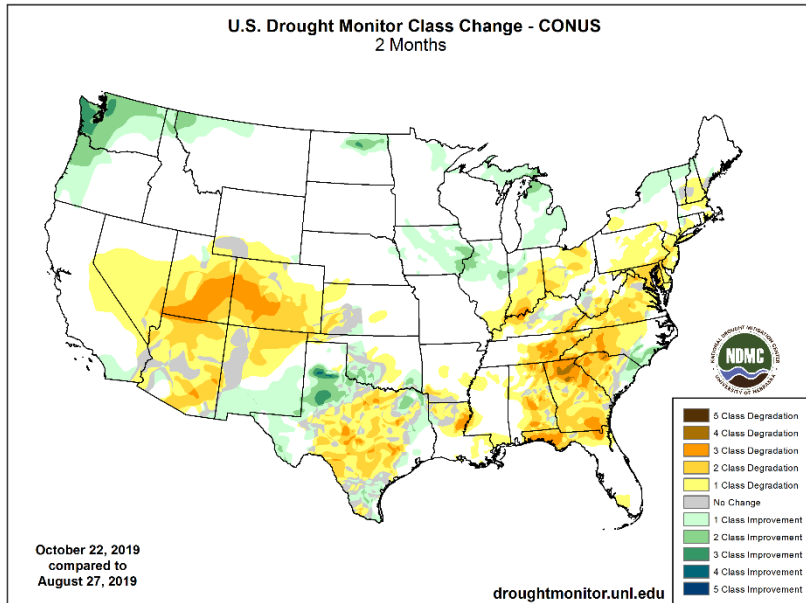


Highlight 3: Uncertain outlook for 2019 Corn and Soybeans

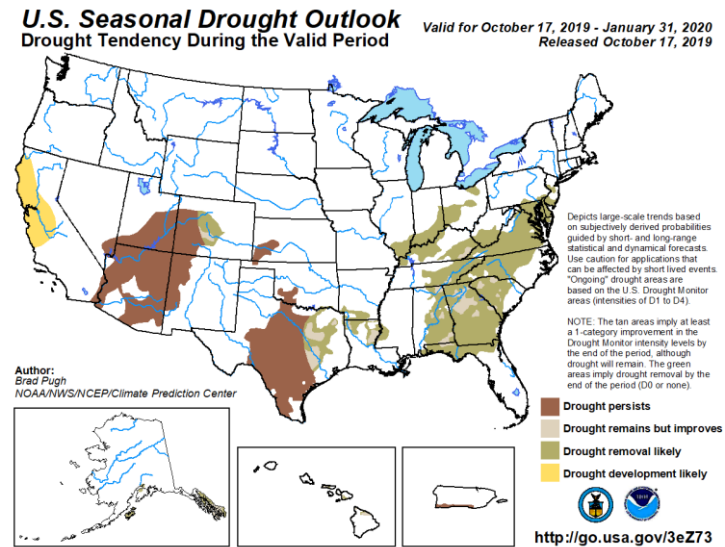
- Unusually late harvesting season
- Demand continues to pressure prices
 - Domestic use including ethanol is down
 - Exports down as Brazil continues record production
- Stock changes
- Clarification on Chinese purchases



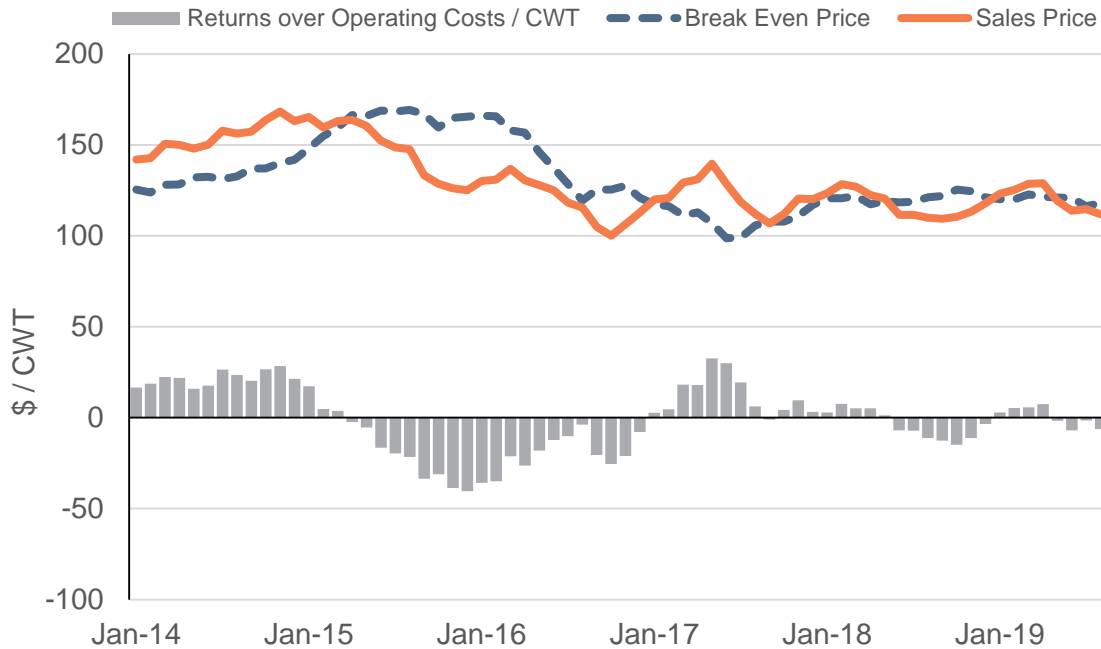
Highlight 4: Weather



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



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



Other News

Prevent plant at
historic highs

A decade of
rising land
values

Timber hit by
trade

Ethanol waivers
hit court

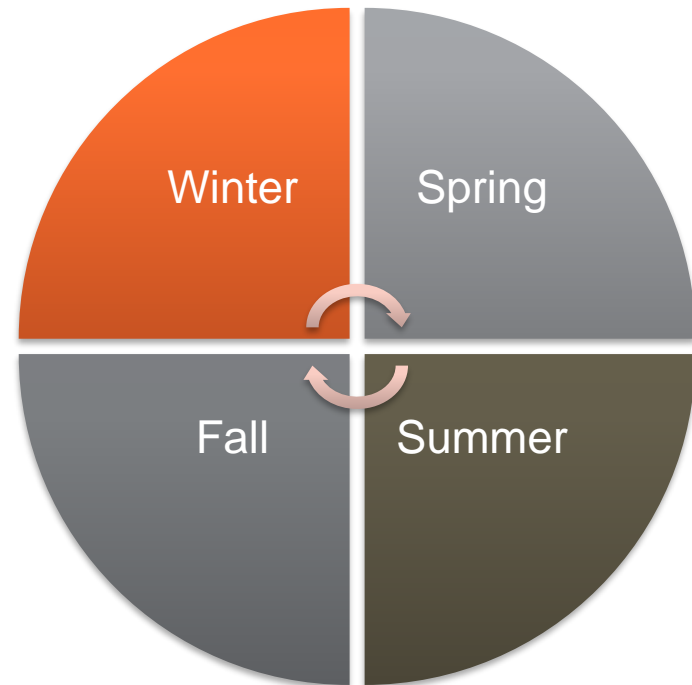
African Swine
Fever still
wreaking havoc
overseas



Details on The Feed

- **Quarterly publication**
- **Focus on sectors and stories relevant to the season**
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Publication Schedule





Questions?



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Thank You!