

The Feed – Summer 2018



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Agenda

Highlights from
the analysis

Why they are
important for
producers and
lenders alike

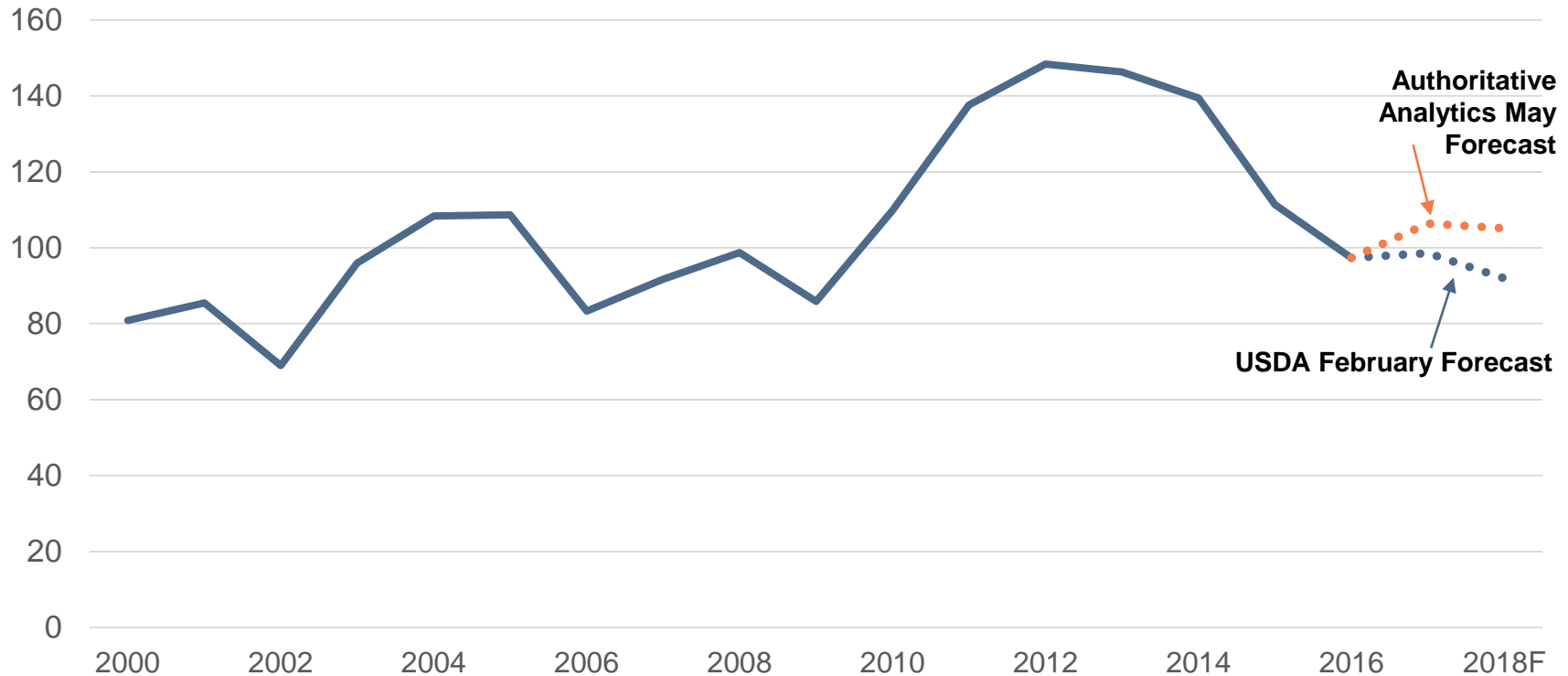
Other news and
factoids

How you can
access this and
future editions

Q&A



Highlight 1: Off-Cycle Ag Economic Update

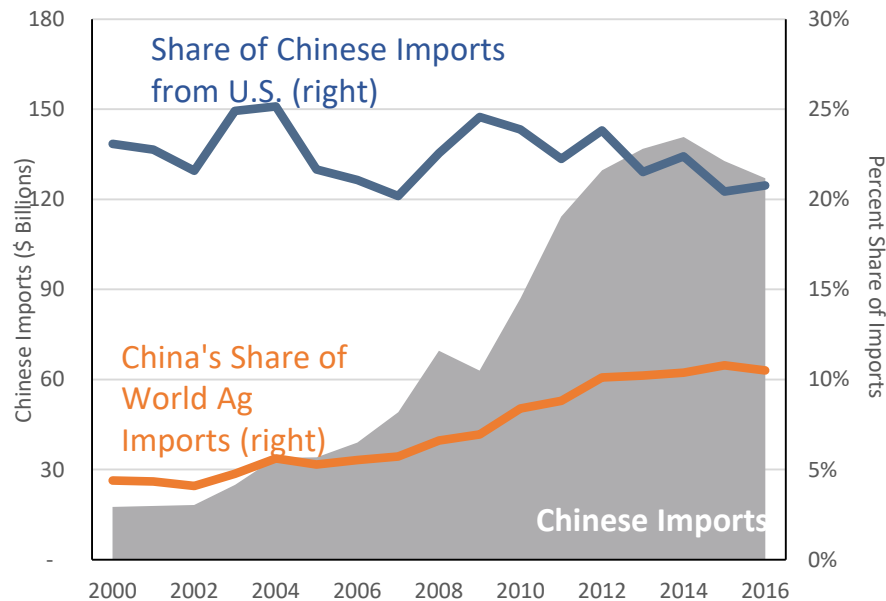


- ***Lots of newly updated data on the agricultural economy published since USDA's last forecast back in February***
- ***Authoritative Analytics forecast suggest 2017 may have been stronger than initially expected***
- ***Outlook for 2018 is relatively flat income***

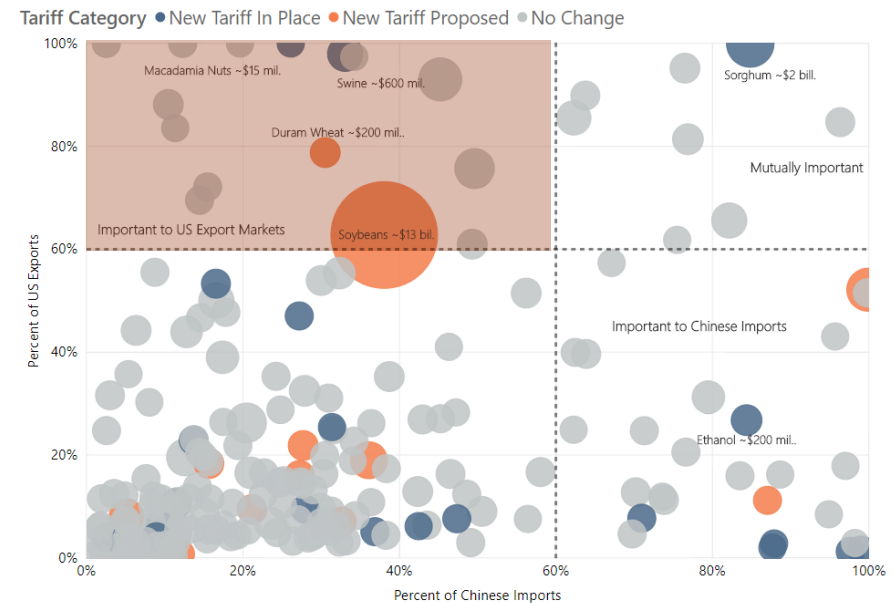


Highlight 2: Chinese Ag Trade

- **China imports a lot of agricultural goods**
- **Newly enacted/proposed tariffs only affect a portion of all agricultural goods exported from the U.S. to China**
 - But some of them really matter like soybeans, pork, wheat, and a handful of nut products
- **Population and income growth still make China a tremendous growth opportunity for U.S. producers**

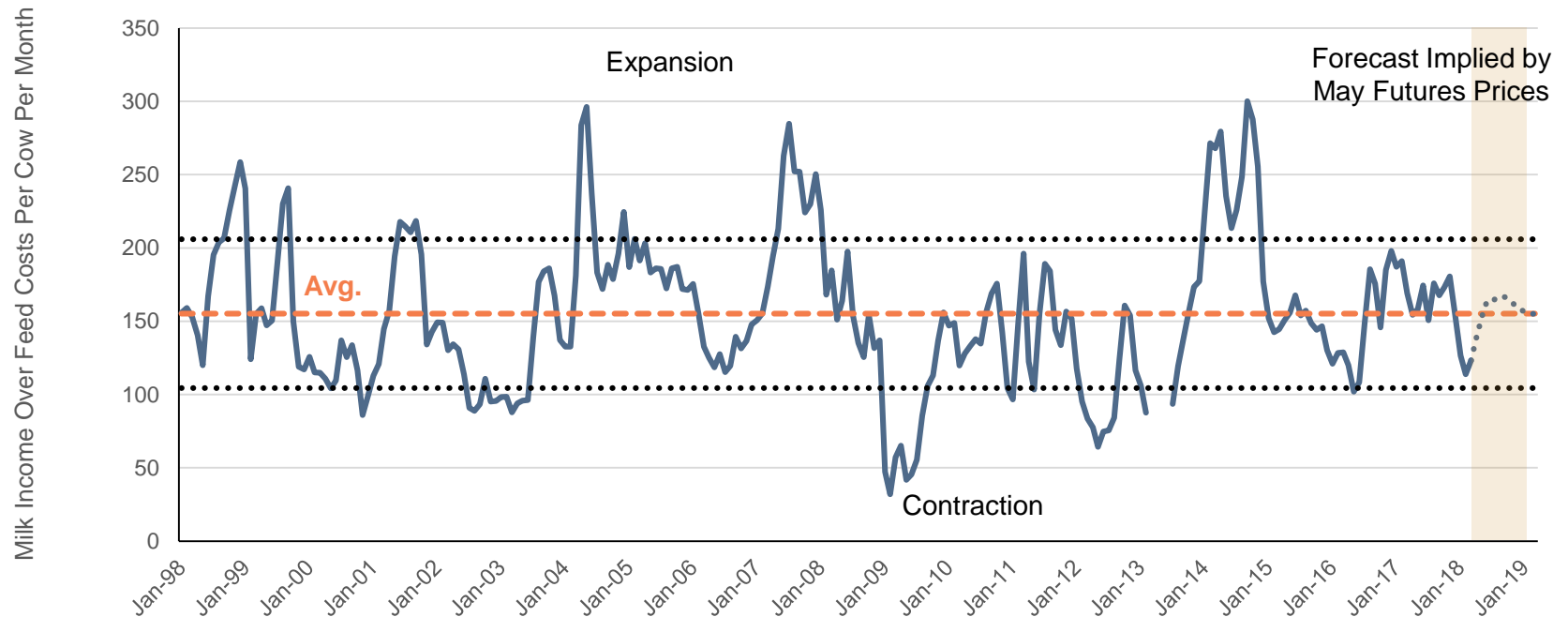


Source: United Nations Trade data accessed from USDA, Foreign Agricultural Service, GATS.



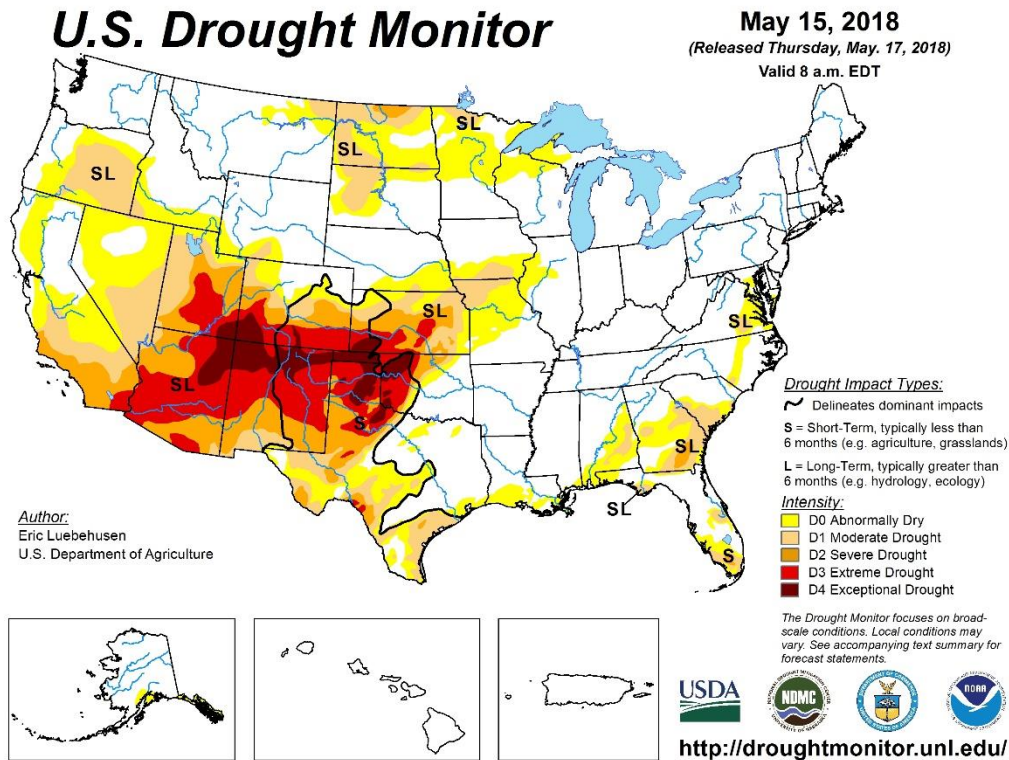
Highlight 3: Dairy Doldrums Reversing

- **Strong exports in February and March pulling up dairy prices**
- **USDA recently revised milk prices by \$0.60 per cwt**
- **Current futures prices imply average profitability by late 2018 and into 2019**

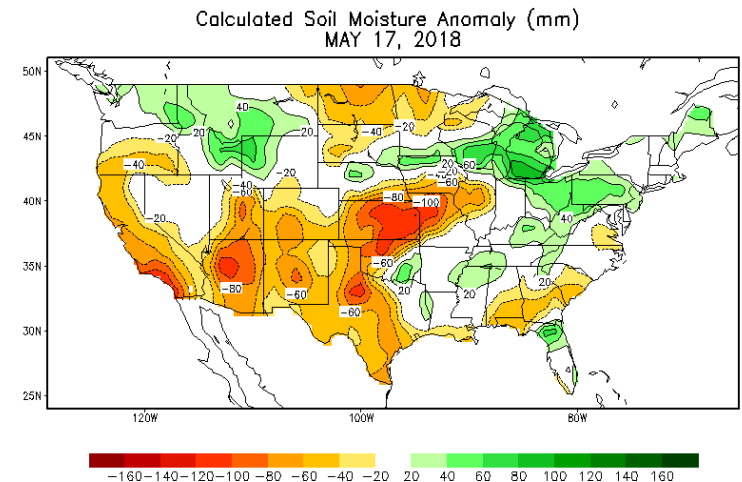


Source: University of Wisconsin Understanding Dairy Markets, Authors Calculations.

Highlight 4: Weather



- **Drought persists in Southern Plains and Southwest**
- **California water low but not dire straights**
- **Some dryness in Midwest but otherwise fairly good conditions**

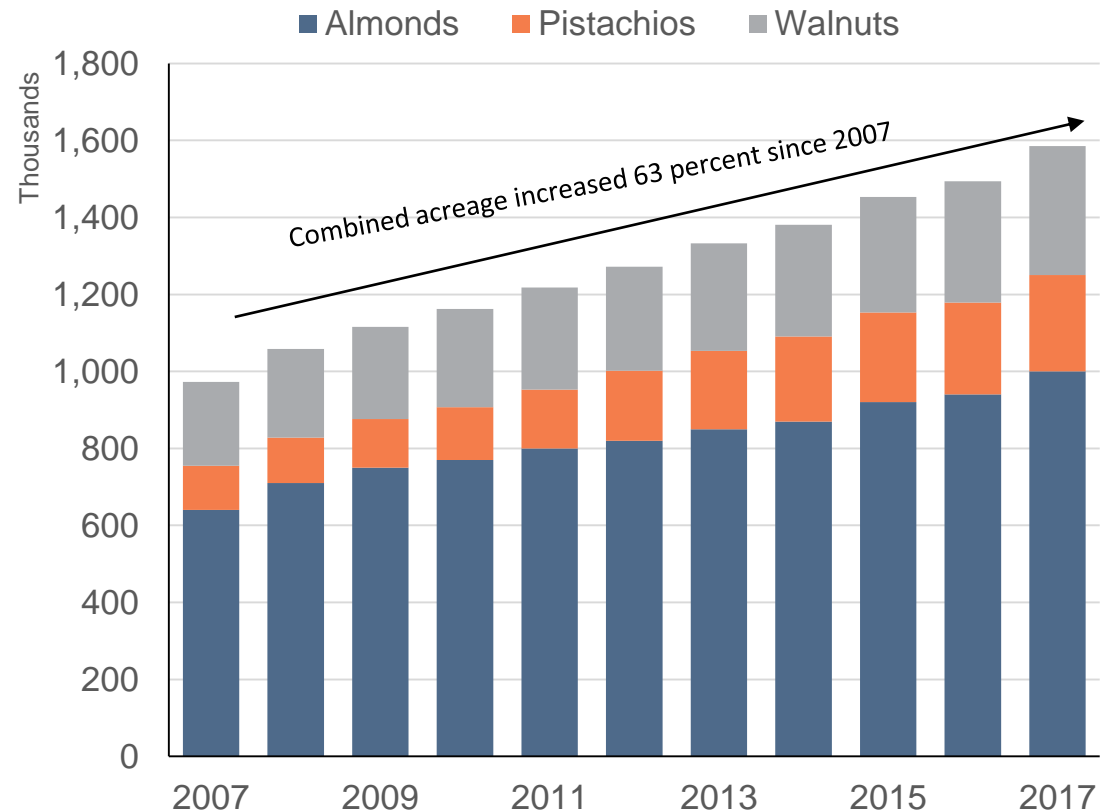


Source: Drought Monitor, University of Nebraska-Lincoln; NOAA



Highlight 5: Aw Nuts

- ***U.S. almond, pistachio, and walnut acreage continue to grow***
- ***Strong demand and weather-related production concerns have lifted Almond prices***
- ***Walnut markets are dealing with lower export demand compared to last year***



Other News

China
soybean
snub?

Tight protein
margins

Farm bill
bust

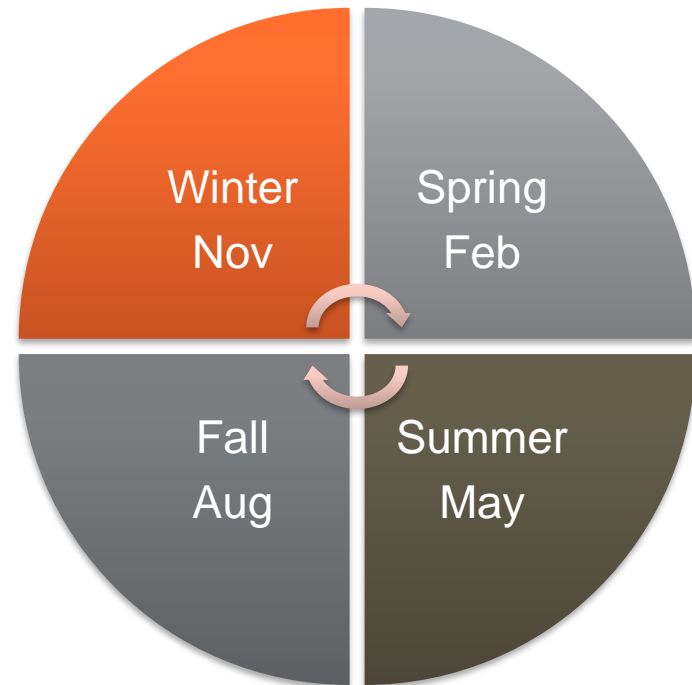
Economic
booster shot



Details on The Feed

- **Quarterly publication**
- **Focus on sectors and stories relevant to the season**
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- **Subscribers automatically receive it via email**
- **Send comments and requests to thefeed@farmermac.com**

Publication Schedule





Questions?



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Thank You!