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: Tariffs, Tariffs, Tariffs

Canada - $25B
Top 5 US Ag Imports in 2017
- Food Preps $1.1B
- Other Bakers Wares $1.0B
- Dog Or Cat Food $0.6B
- Ethanol $0.6B
- NA Beverages $0.5B
14% of US Imports Affected by New Tariffs

EU - $15B
Top 5 US Ag Imports in 2017
- Soybeans $1.6B
- Almonds, No Shell $1.5B
- Whiskies $0.7B
- Wood pellets $0.7B
- Food Preps, Nesi $0.5B
8% of US Imports Affected by New Tariffs

China - $24B
Top 5 US Ag Imports in 2017
- Soybeans $12.3B
- Cotton, Not Carded $1.0B
- Grain Sorghum $0.8B
- Hides/Skins $0.8B
- Lumber, Oak $0.8B
90% of US Imports Affected by New Tariffs

Mexico - $19B
Top 5 US Ag Imports in 2017
- Maize Except Seed $2.7B
- Soybeans $1.6B
- Wheat, Except Durum $0.9B
- Swine Hams, Fr/Ch $0.8B
- Bovine Boneless Fr/C $0.7B
13% of US Imports Affected by New Tariffs

India - $2B
Top 5 US Ag Imports in 2017
- Almonds, In Shell $0.6B
- Cotton, Not Carded $0.4B
- Ethyl Alcohol, Unden $0.2B
- Apples, Fresh $0.1B
- Almonds, No Shell $0.1B
45% of US Imports Affected by New Tariffs

Source: USDA GATS Trade Data; Tariff Announcements from World Trade Organization; Highlighted commodities indicate a new retaliatory tariff was levied between June and September 2018
Highlight 2: Land Values Holding (Mostly)

- USDA’s annual land value survey shows cropland average up 0.98%, total farm real estate up 1.95% from June 2017 to June 2018
- Upper plains show decreases in average reported farm real estate values

Source: USDA, NASS Quickstats
Highlight 3: LIBOR Sunset

- London Interbank Offered Rate is on its way out (banks no longer required to submit rates starting in 2021)
- Tons and tons and tons of financial instruments are priced to the index
- Most notes/mortgages/instruments contain an index switch clause; leading candidate right now is Secured Overnight Financing Rate (SOFR)

Loans Indexed to USD LIBOR Rates

Source: Federal Reserve Bank of New York
Highlight 4: Weather

- Drought persists in Southwest
- East coast very wet (Florence/summer storms)
- Southern plains helped by summer moisture

Source: Drought Monitor, University of Nebraska-Lincoln; NOAA
Highlight 5: Oh, Soy

- Big soybean crop coming, harvest is happening quickly
- Good demand, both foreign and domestic
- Cash prices plummeted in August on expectations of big crop and a doubling-down of trade tensions with China

Source: USDA, National Agricultural Statistics Service.
Other News

USDA MFP, FPD, and ATP

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