



# FARMER MAC

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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

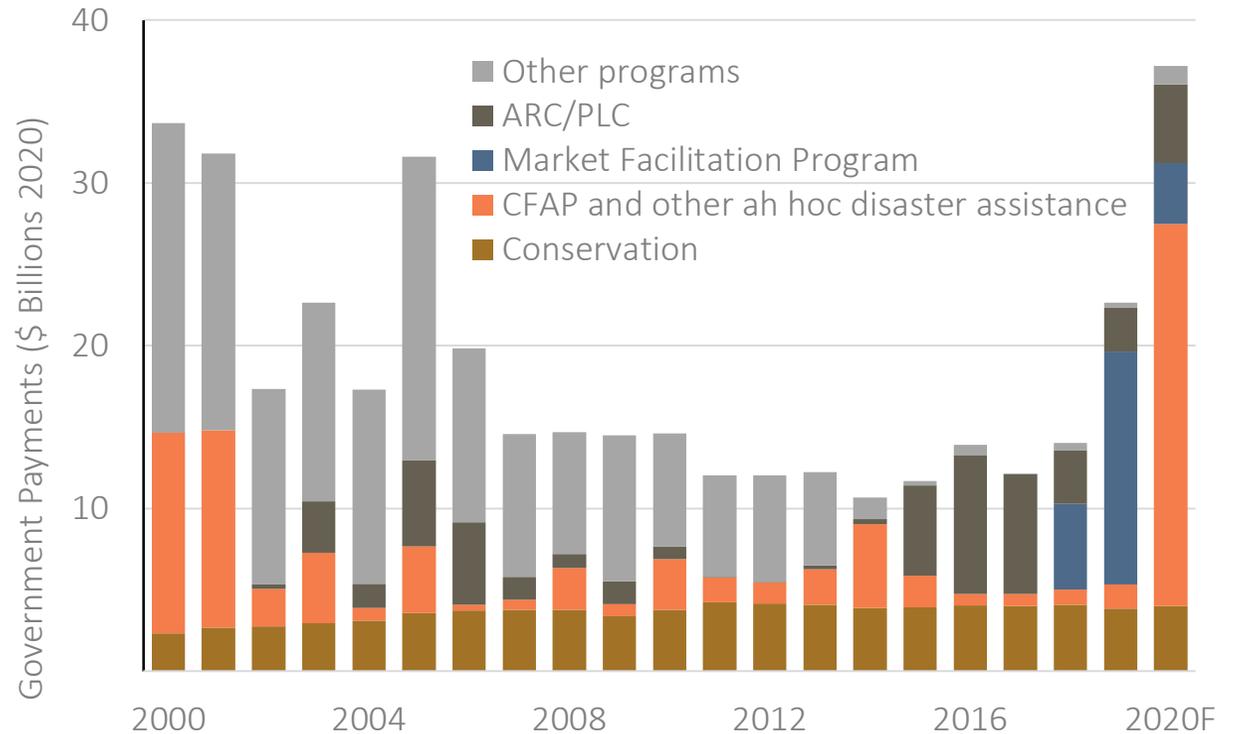
Q&A



# Highlight 1: Net Farm Incomes

- Sector net farm income forecast for 2020 revised up, above average since 2000
- Government support forecast to hit record highs; likely to be further increased in November
- Crop producers likely to see income gains over 2019; animal producers could see large year-over-year losses

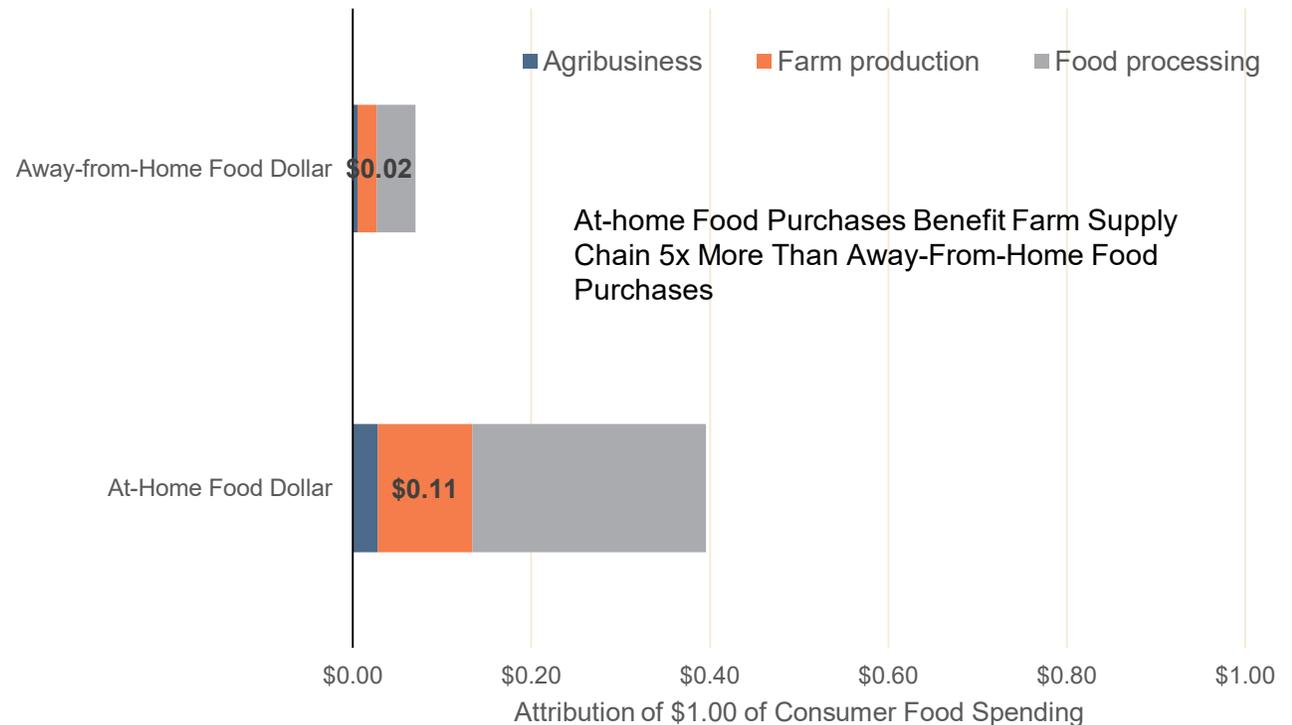
Total Government Payments by program type



# Highlight 2: Consumer Food Purchases

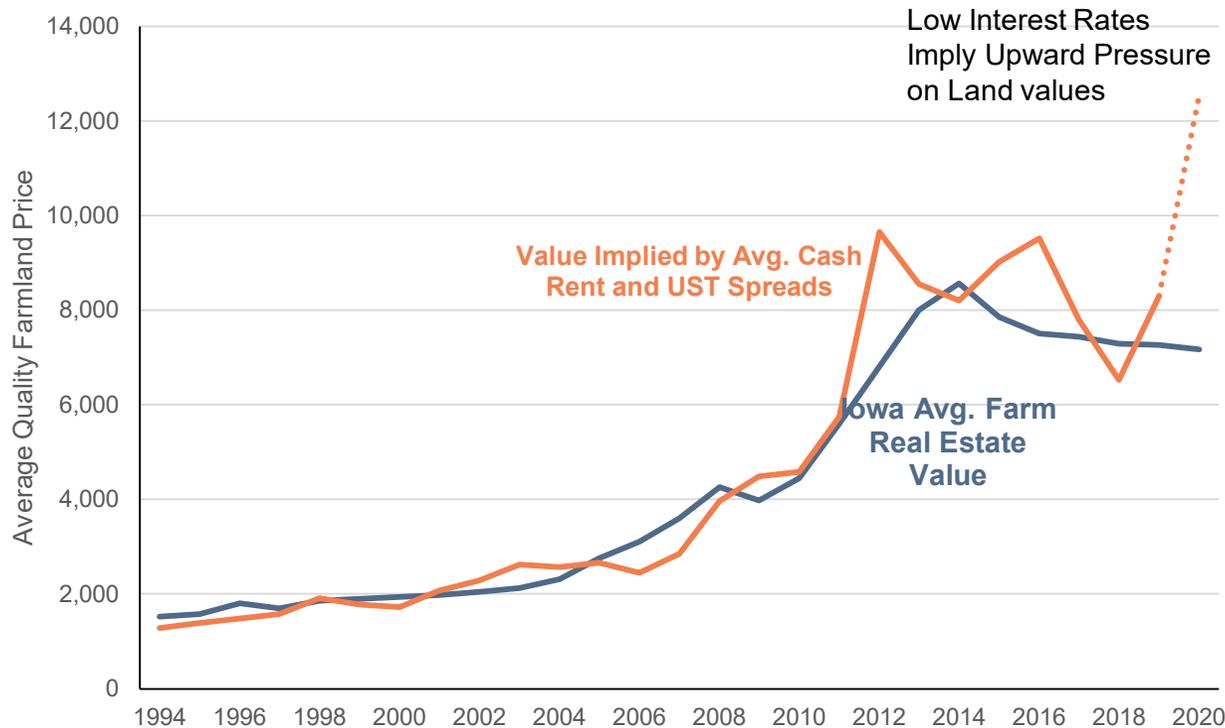
- Consumers have spent more of their dollars at grocery stores vs. away from home dining
- This preference is likely to continue over the near term
- Farmers and ranchers earn 5X more of at-home food dollars compared to away from home food dollars

Farm Share of the Consumer Food Dollar



# Highlight 3: Farm Real Estate Values

Actual and Implied Farmland Values



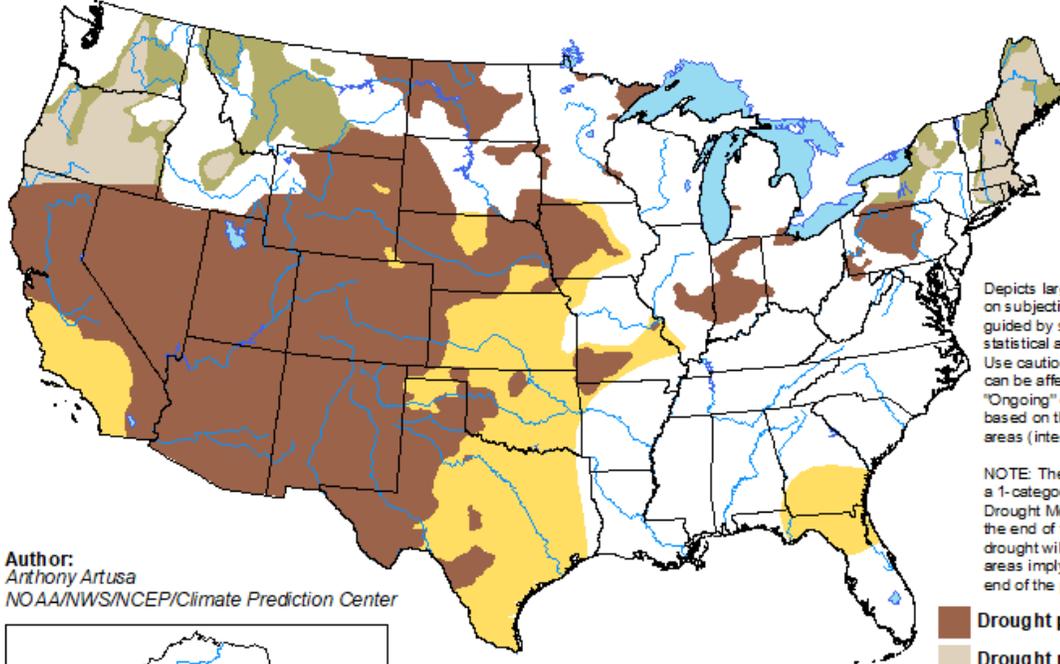
- Farm real estate values held steady in 2020, some regional variations
- Cash rents held firm in 2020, dropping only \$1 per acre on average between 2019 and 2020
- A low-interest-rate environment and steady demand could provide support to land values heading into 2021



# Highlight 4: Weather

## U.S. Seasonal Drought Outlook Drought Tendency During the Valid Period

Valid for October 15, 2020 - January 31, 2021  
Released October 15, 2020



Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

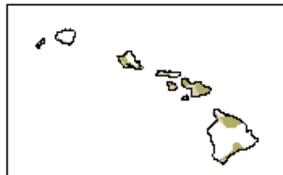
NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

- Drought persists
- Drought remains but improves
- Drought removal likely
- Drought development likely

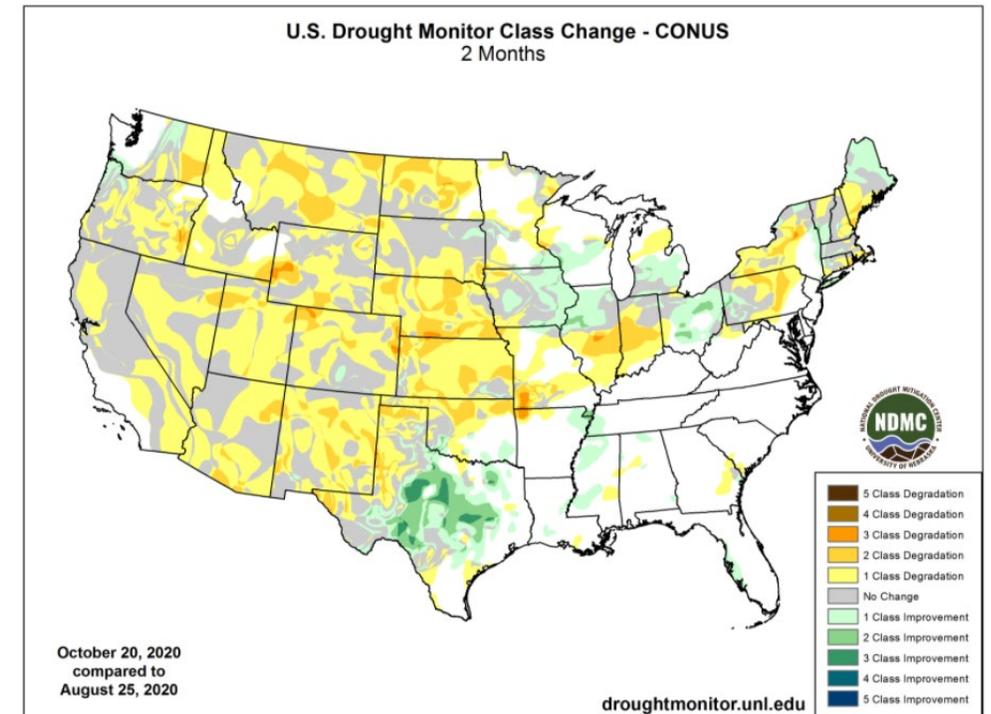


<http://go.usa.gov/3eZ73>

Author:  
Anthony Artusa  
NOAA/NWS/NCEP/Climate Prediction Center



- Favorable fall fieldwork conditions are being seen throughout the Midwest
- A moderate to strong La Niña weather pattern is likely for fall and winter

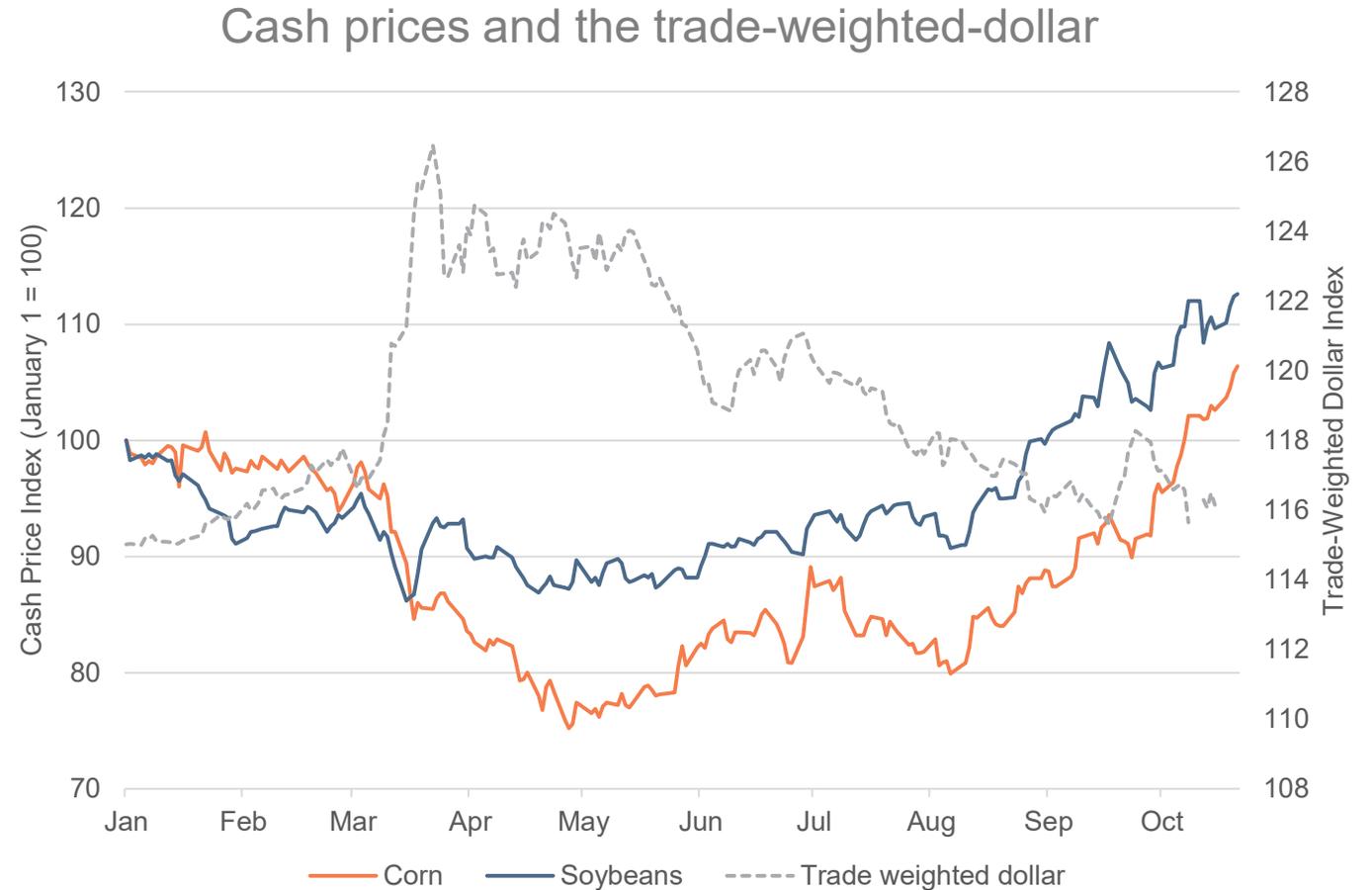


October 20, 2020  
compared to  
August 25, 2020

droughtmonitor.unl.edu

# Highlight 5: The Global Economy and Ag Trade

- Historic commitments aided by a weak dollar and tight global supplies
- Both corn and soybeans saw bullish surprises
- Potential for supercycle era stocks-to-use ratios



## Other News

Zoomcast  
Zingers

How Ag Banks  
responded to 2020

Nut Commodity  
Update

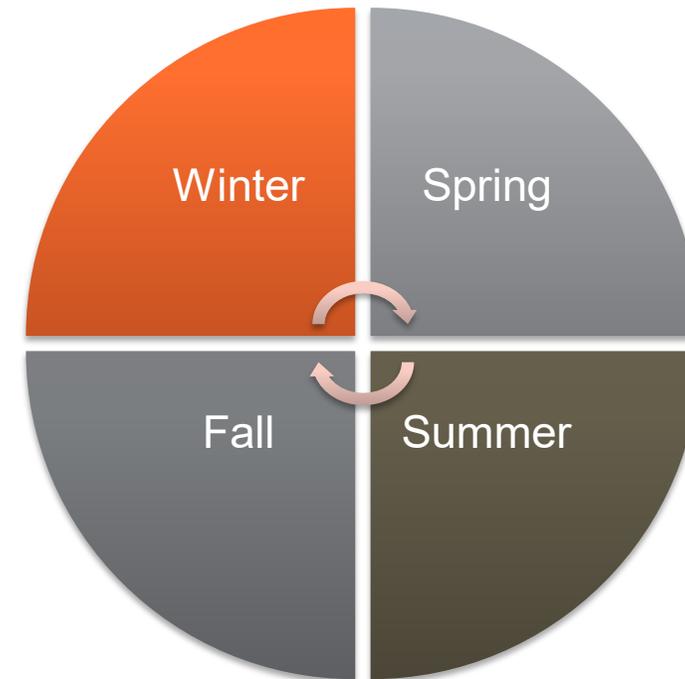
Urban flight and  
impacts on ag land



## 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 ([www.farmermac.com/thefeed](http://www.farmermac.com/thefeed))
- Subscribers automatically receive it via email
- Send comments and requests to [thefeed@farmermac.com](mailto:thefeed@farmermac.com)

Publication Schedule





# Questions



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*Thank You!*