



*The Feed –
Winter 2019/2020*

FARMER  AC

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February 27, 2020

Agenda

Highlights from
the analysis

Why they are
important for
producers and
lenders alike

Other news and
factoids

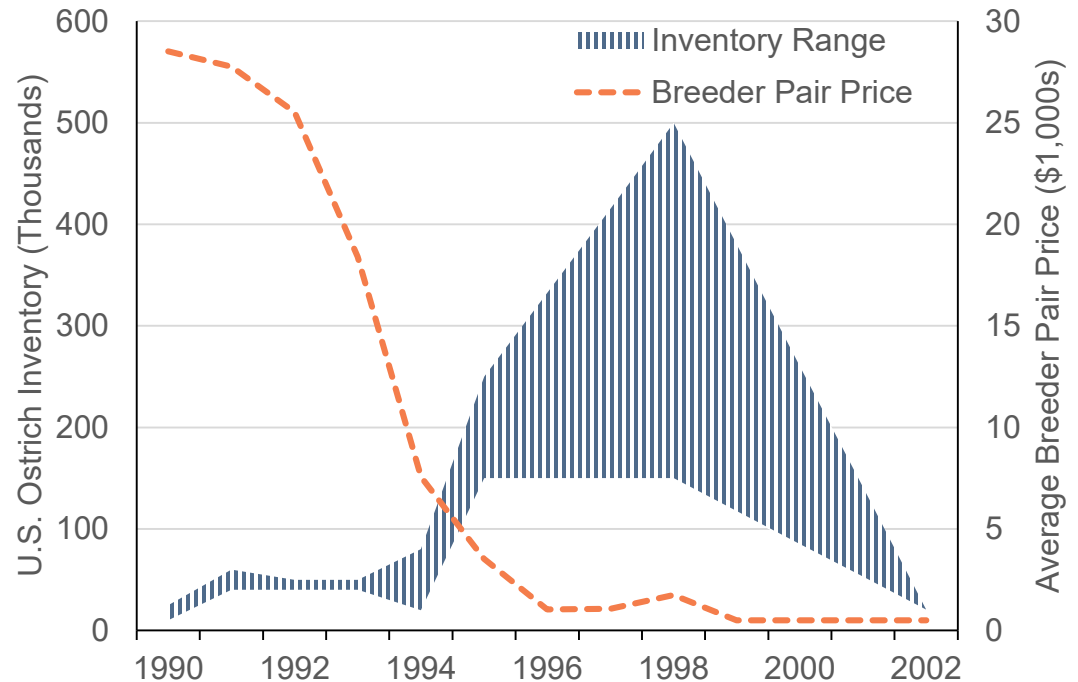
How you can
access this and
future editions

Q&A



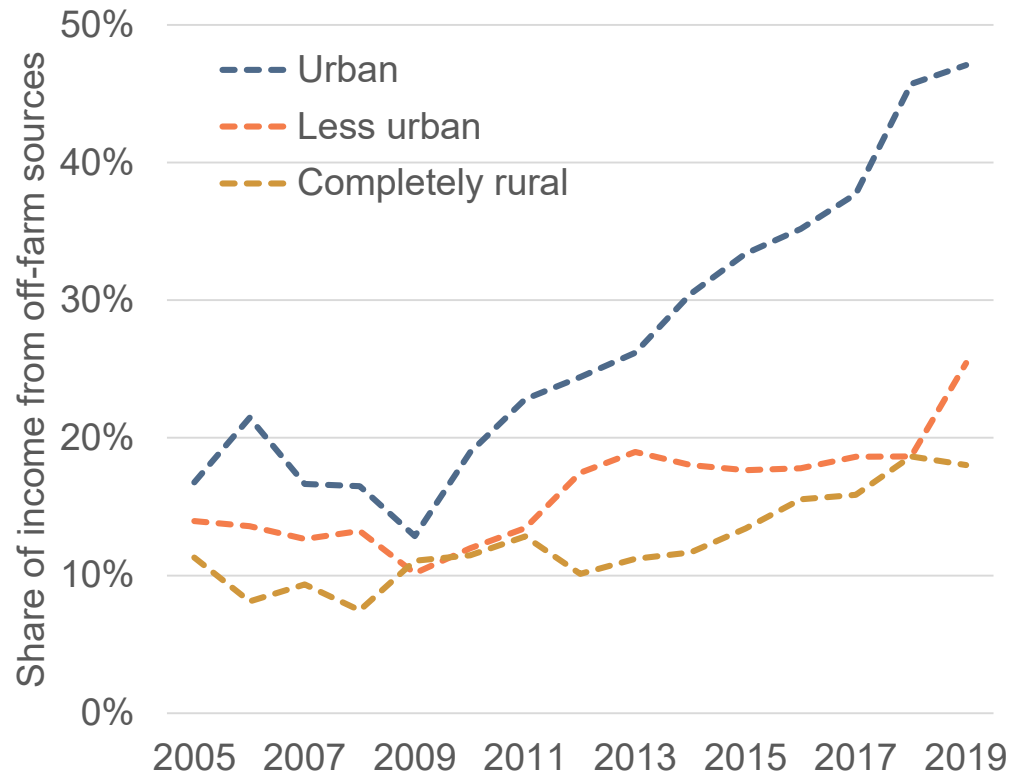
Highlight 1: Specialized Commodities During Income Plateaus

- The United States has seen specialized commodity trends in the past, with mixed outcomes
- Production costs and consumer demand growth were key struggles for certain prior specialized commodities
- Hemp production differs significantly from these commodities but may face some of the same challenges



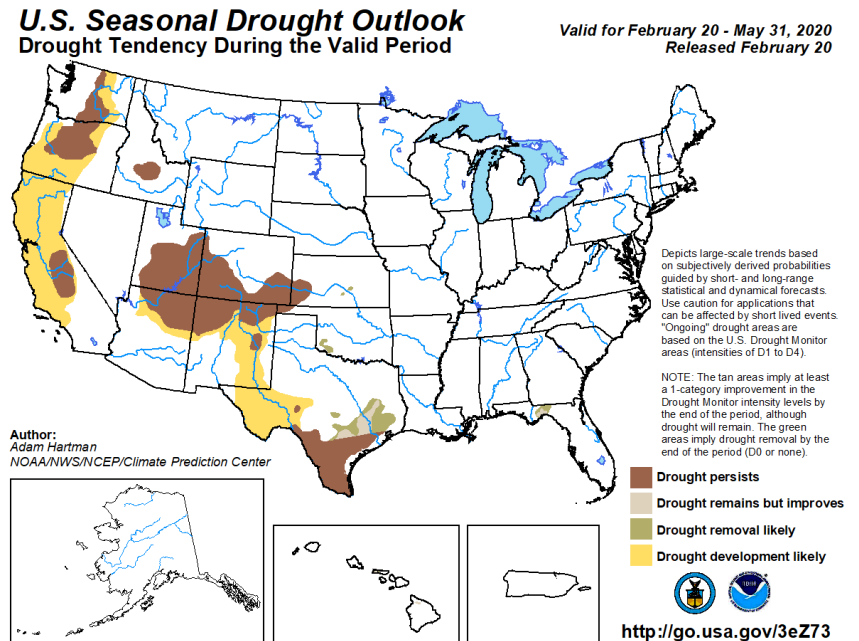
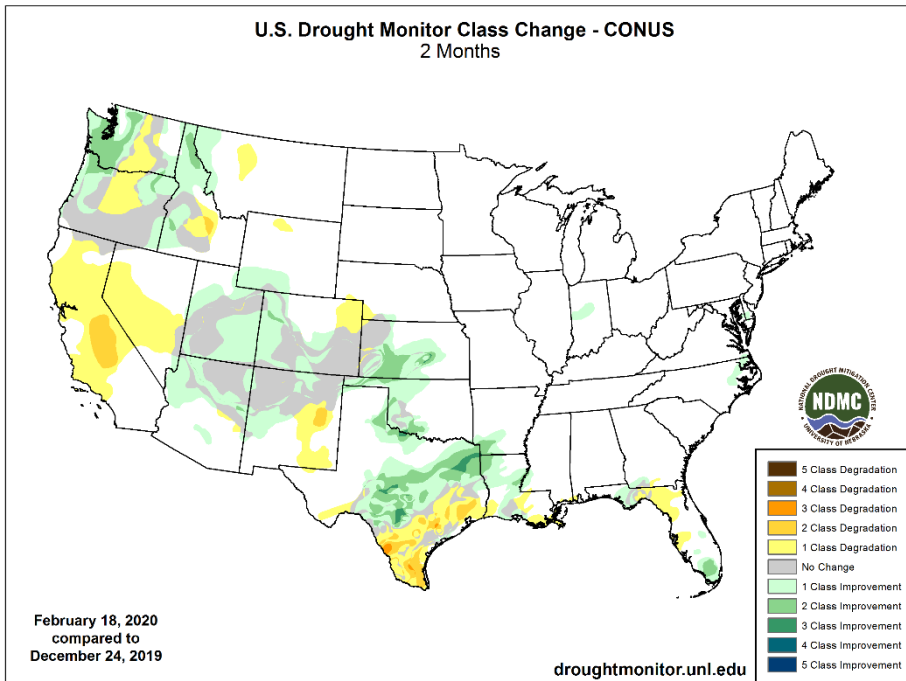
Highlight 2: Off-Farm Income and the Urban Rural Divide

- Off-farm income remains an important component of total household income for farms, even among the largest producers.
- Completely rural counties have seen the slowest recovery in employment and incomes following the Great Recession.
- Farms in urban areas have seen more growth in their off-farm incomes since 2010 than producers in completely rural counties have.



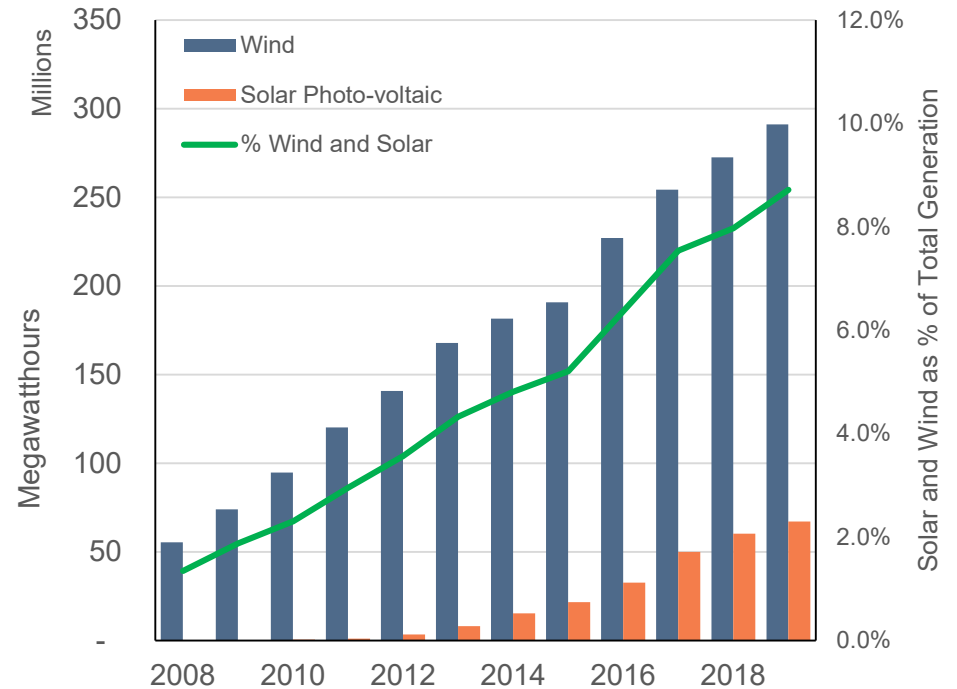
Highlight 3: Weather

- Weather in the Northern Plains is likely to remain cold and snowy for the remainder of winter
- Average precipitation is expected along the West Coast

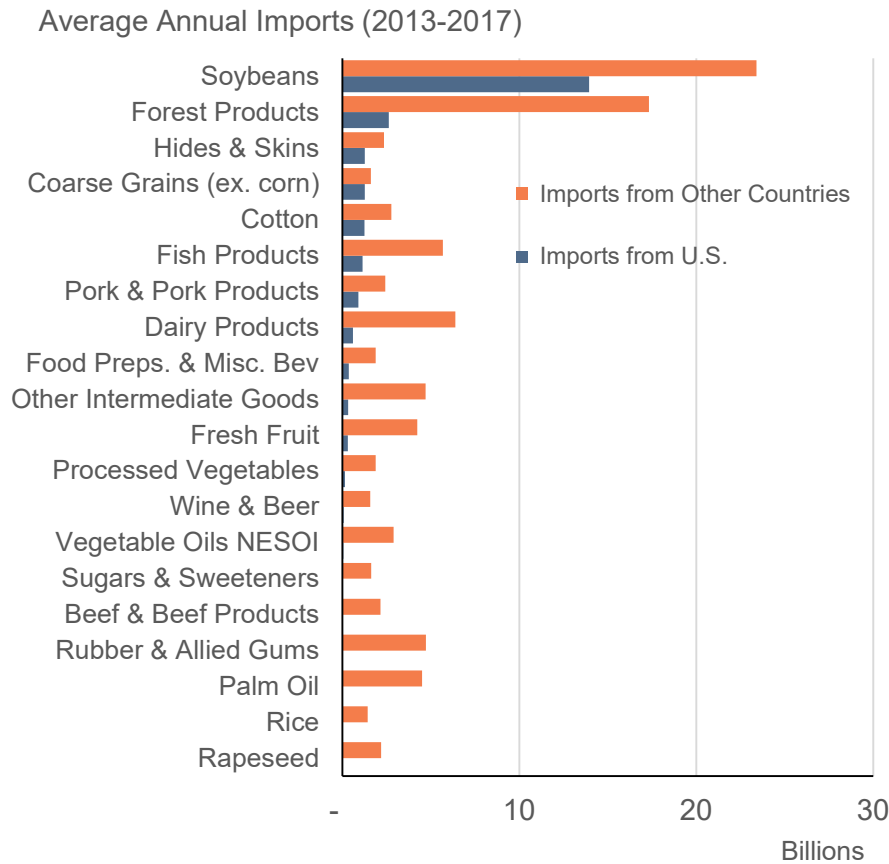


Highlight 4: Renewable Energy Growth in Rural America

- Renewable energy generation will increase rapidly in the coming years
- Rural areas are a natural fit for renewable energy projects, given the space required for utility-scale power generation
- Solar and wind projects can provide substantial economic benefits



Highlight 5: U.S.-China Trade Potential



- China has reportedly committed to buying \$40 to \$50 billion in annual agricultural goods for the next two calendar years.
- No two single trading partners have ever exceeded \$31 billion in annual agricultural imports/exports.
- To make \$40 billion a reality, China will likely have to adopt a three-pronged approach: more of existing commodities, new types of commodities, and technical trade rerouting.

Other news

Innovation
continues to
push American
production

U.S. farm
income picture
is mixed

African swine
fever update

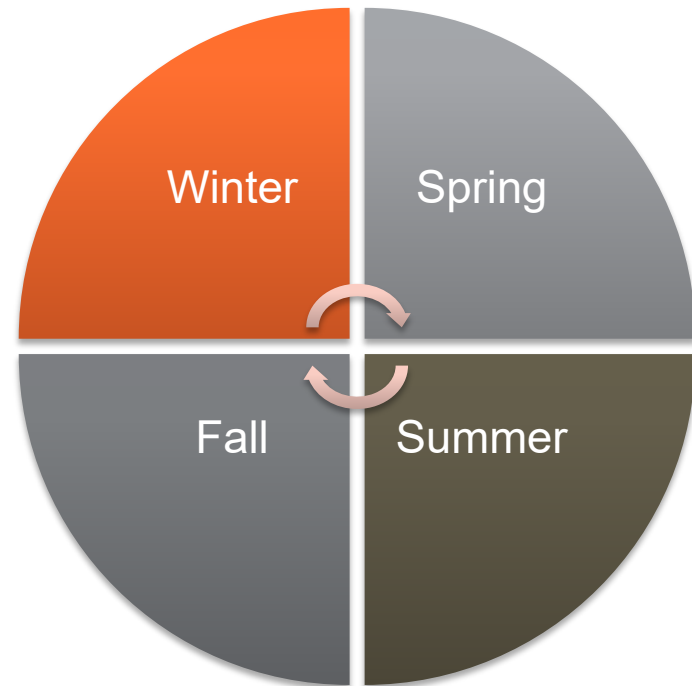
Current and
future trade
agreements



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**
(<https://www.farmermac.com/thefeed/>)
- **Subscribers automatically receive it via email**
- **Send comments and requests to thefeed@farmermac.com**

Publication Schedule





Questions?

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at a fresh, new
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HATCHING: SPRING 2020





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Thank You!