

SPECIAL UPDATE: IMPACT OF COVID-19 ON AGRICULTURE

FARM ECONOMIC UPDATE

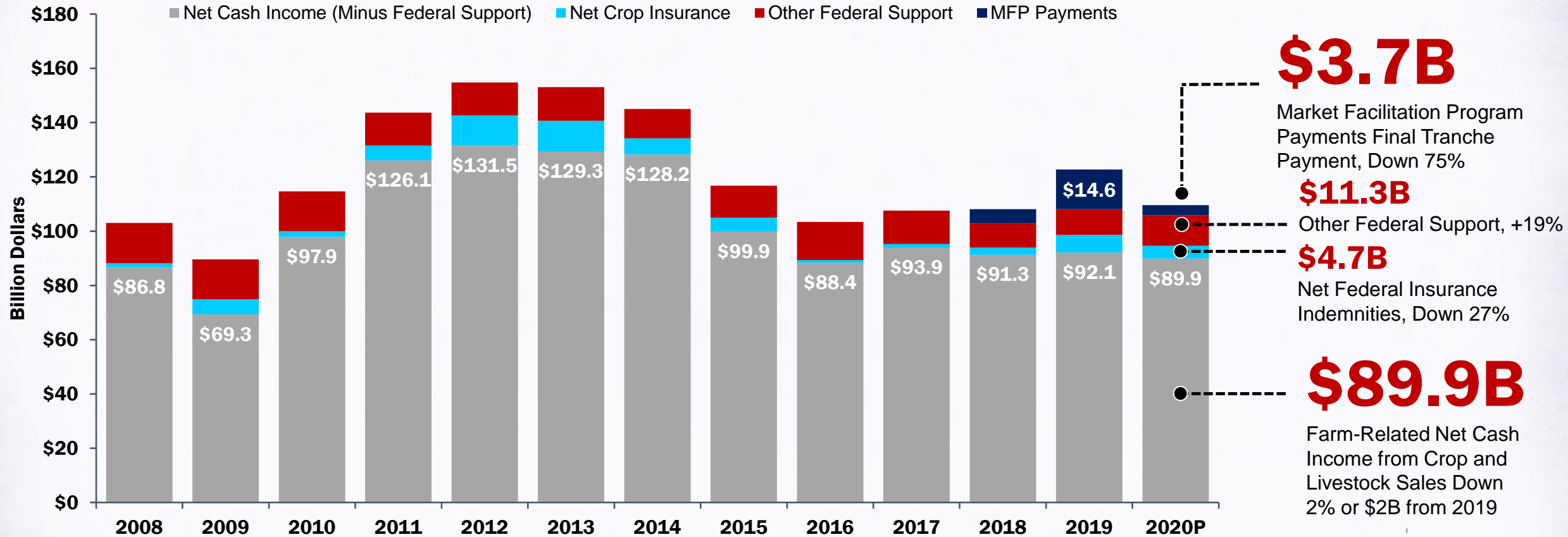
2020



DR. JOHN NEWTON, @NEW10_AgECON JNEWTON@FB.ORG
CHIEF ECONOMIST, AMERICAN FARM BUREAU FEDERATION

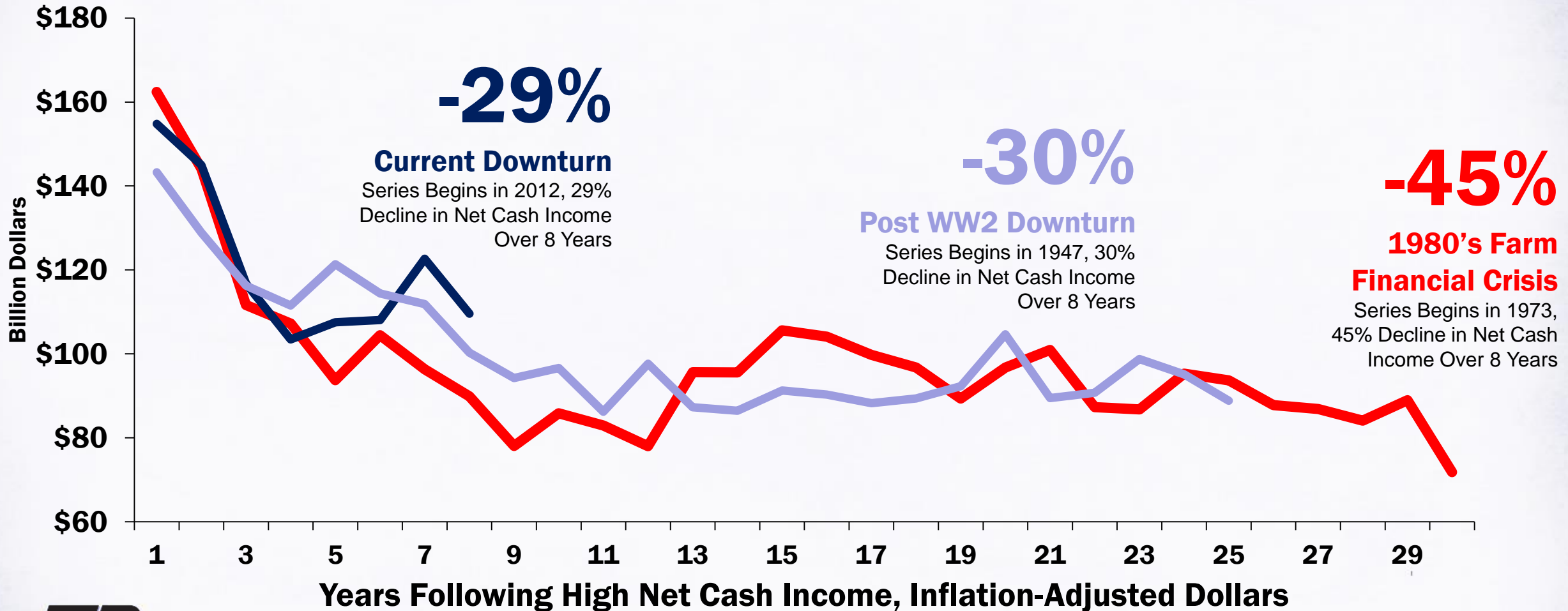
Farm Income Has Fallen Sharply From the “Golden Age” of Farm Income (2011 to 2014)

U.S. Farm Sector Net Cash Income, 2020 inflation-Adjusted Dollars



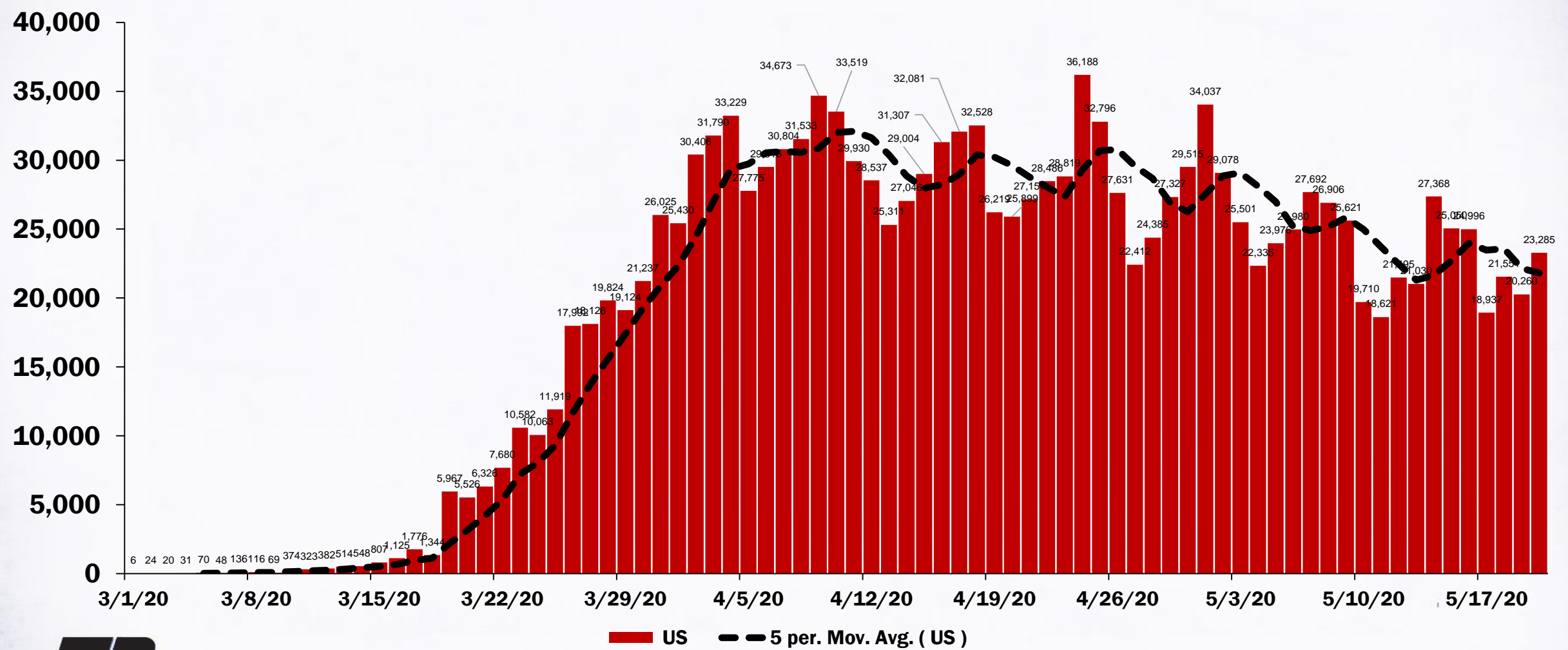
We Were Already In The 8th Year of a Down Farm Economy

Duration Of Farm Economic Troughs



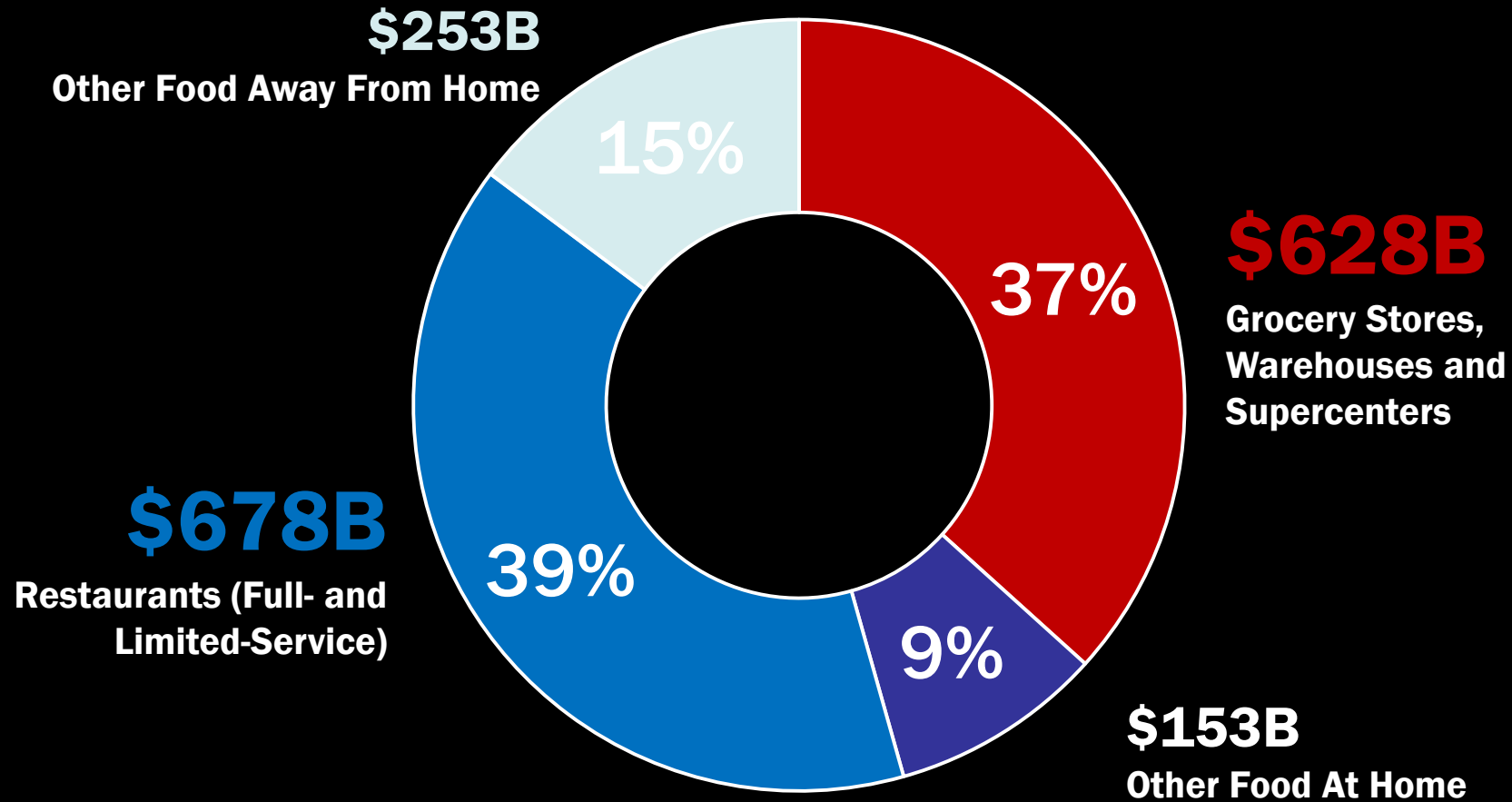
Where Are We on the COVID-19 Curve?

Daily Change In Infected COVID-19 Cases



Americans Spent \$1.7 Trillion in 2018 on Food

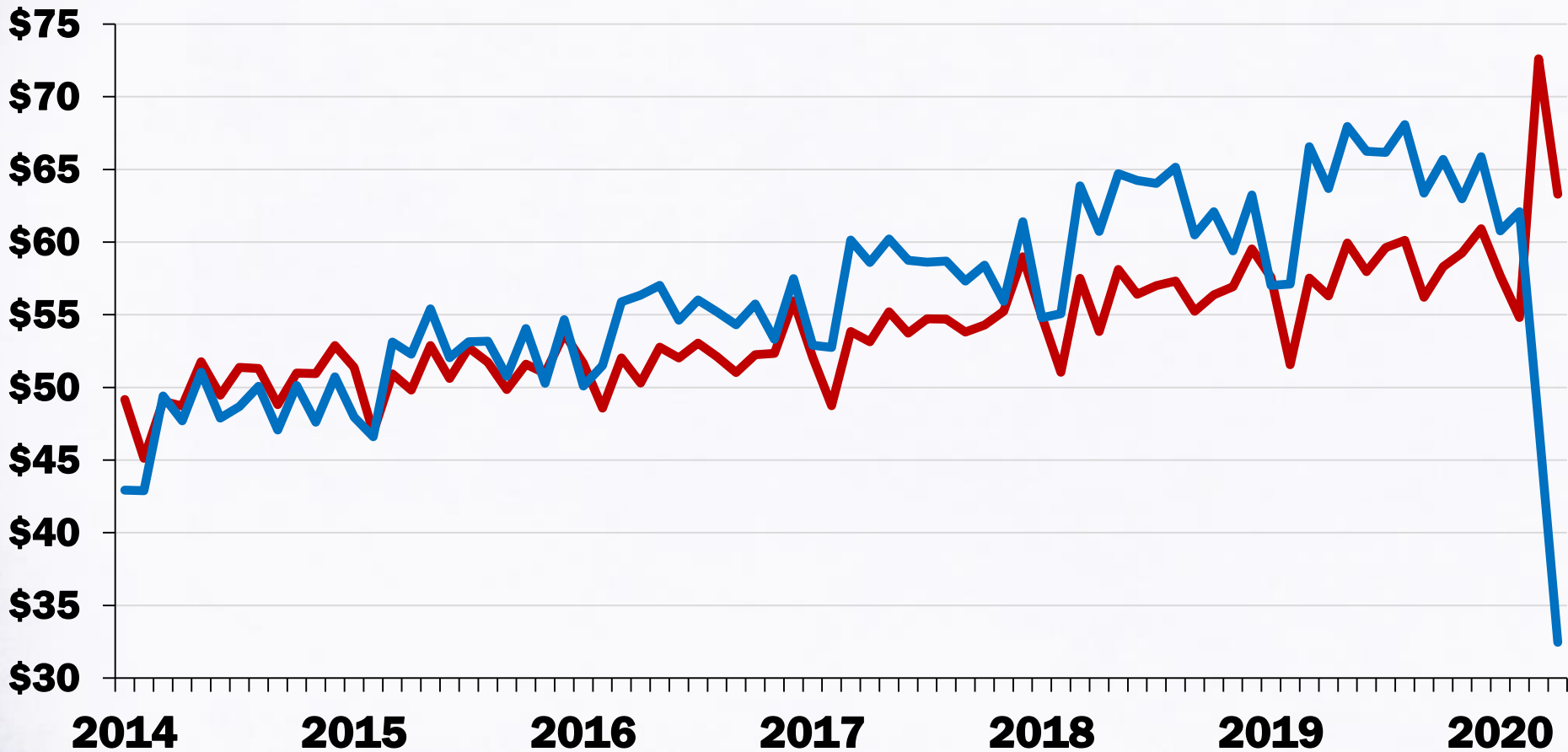
54% of Food Expenditures in 2018 Occurred Away From Home



Source: USDA ERS, Farm Bureau Calculations

COVID-Related Changes in Expenditures in Grocery Stores and Food Service Disrupts Food Supply Chains

Billion Dollars



\$63B

Grocery Stores,
+15% April 2020 Compared to
February 2020

\$32B

**Food Service and
Drinking,**
-47% April 2020 Compared
to February 2020

In-Store Clothing Sales Have Plummeted

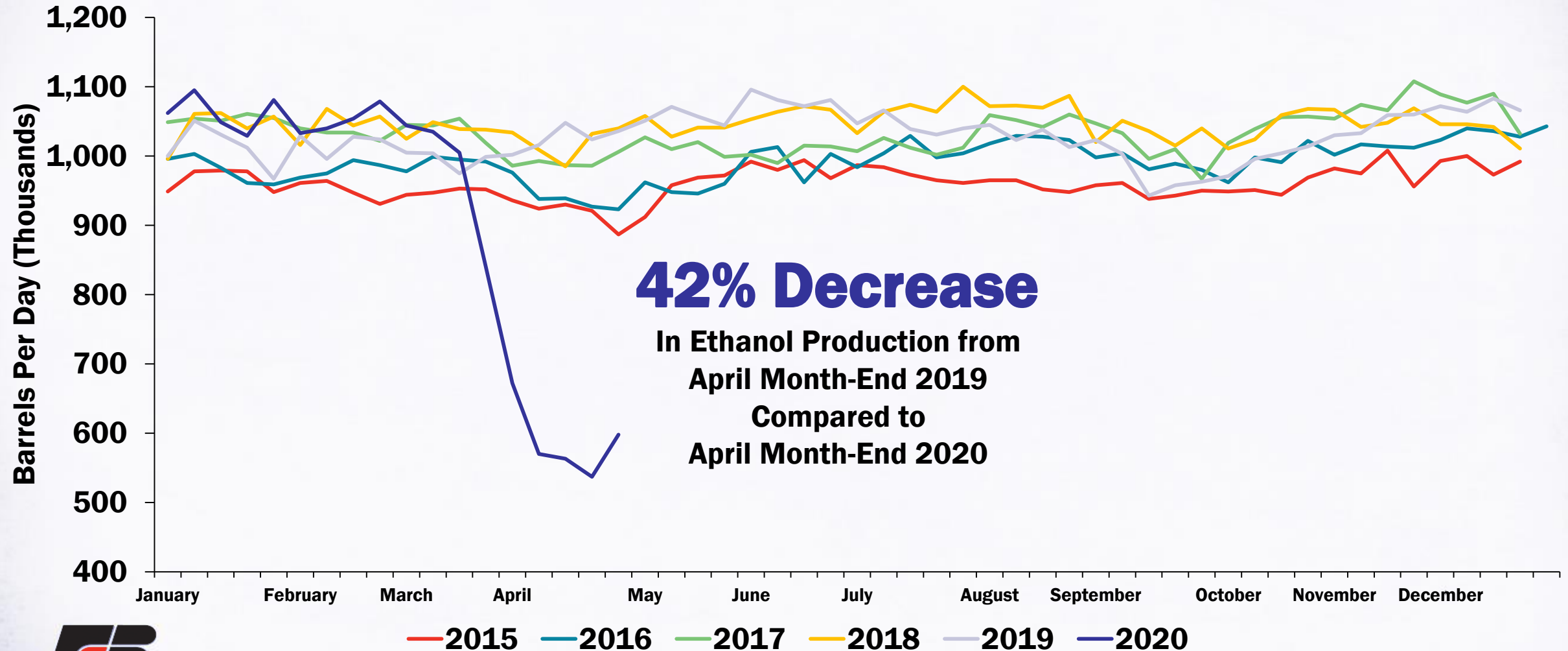
Billion Dollars



\$2.3B

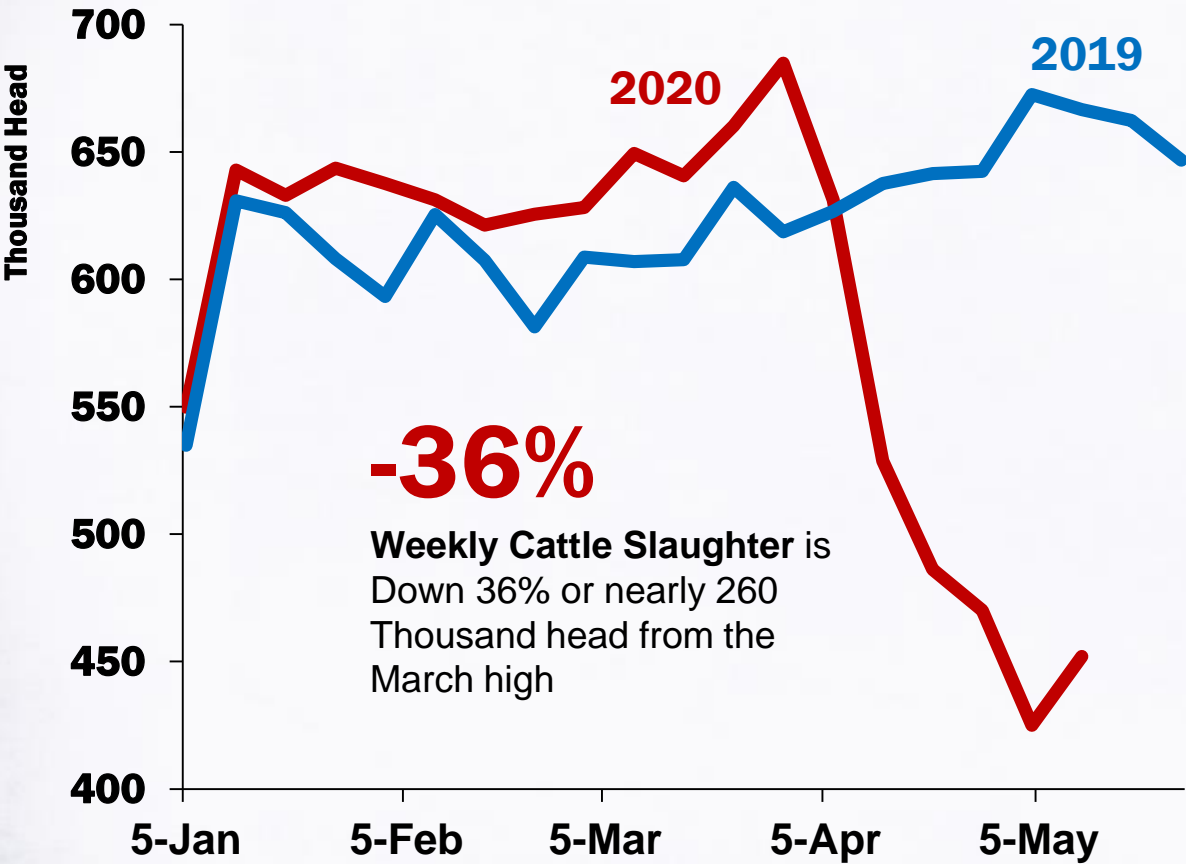
In-Store Clothing Sales,
-88% April 2020 Compared to
February 2020

Drop In Gasoline Demand Hit Ethanol Hard As Plants Lowered Capacity, Lowered Demand for Corn

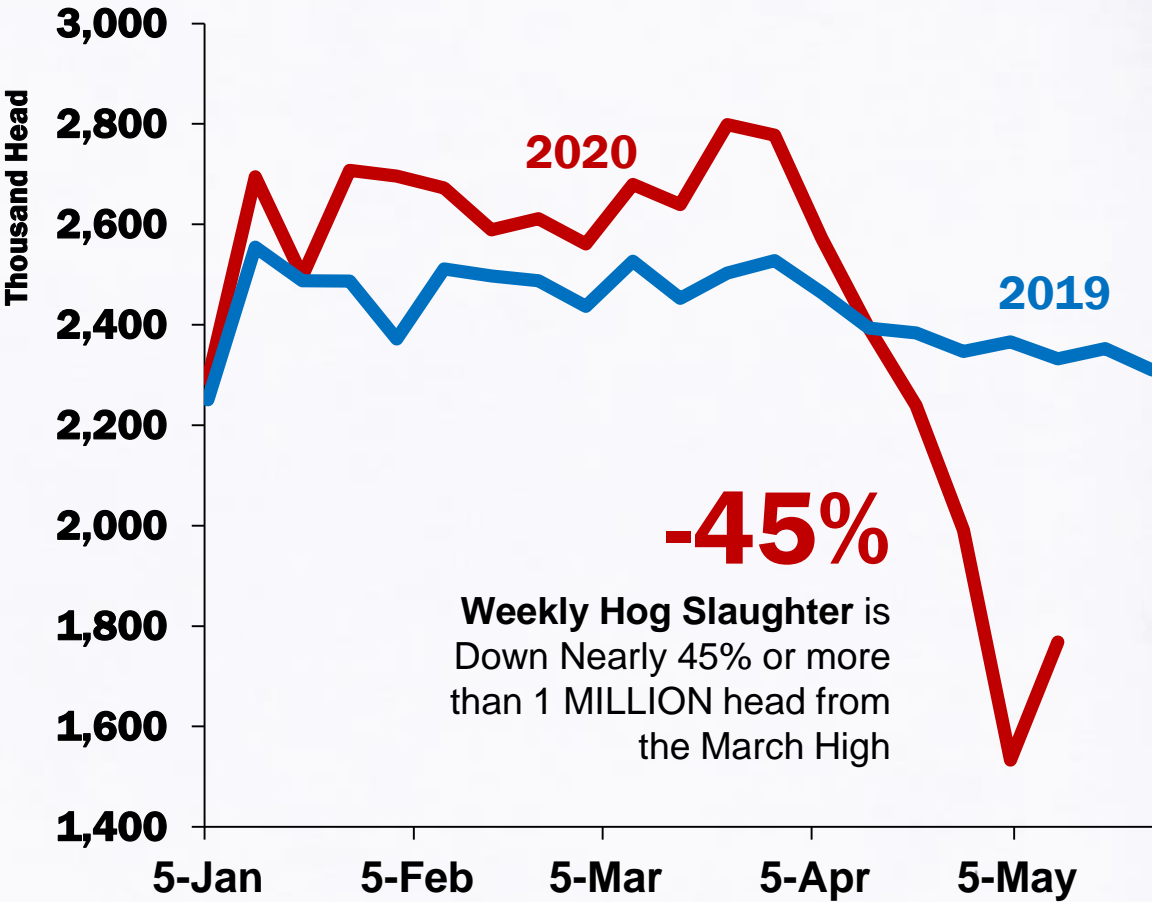


Cattle and Hog Processing Declined Sharply Due to COVID-19-Related Plant Closures, Starting to Recover

Weekly Cattle Slaughter

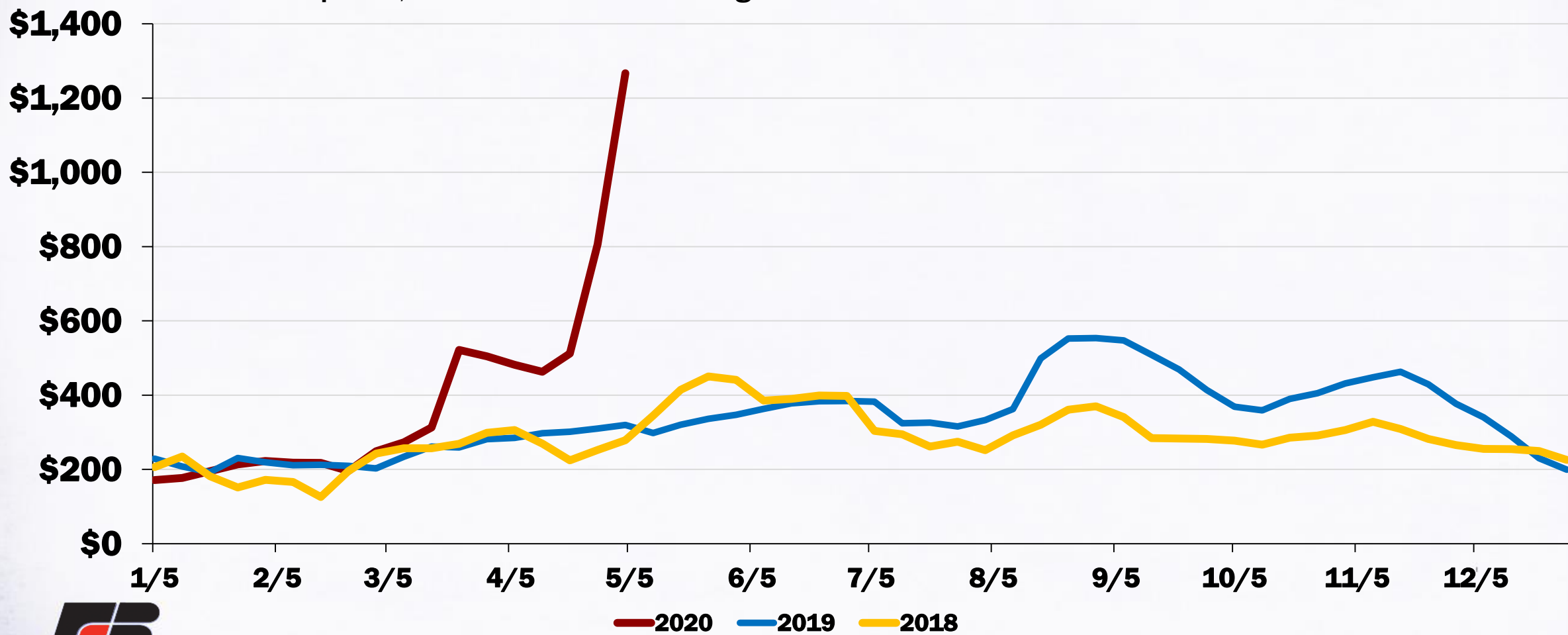


Weekly Hog Slaughter



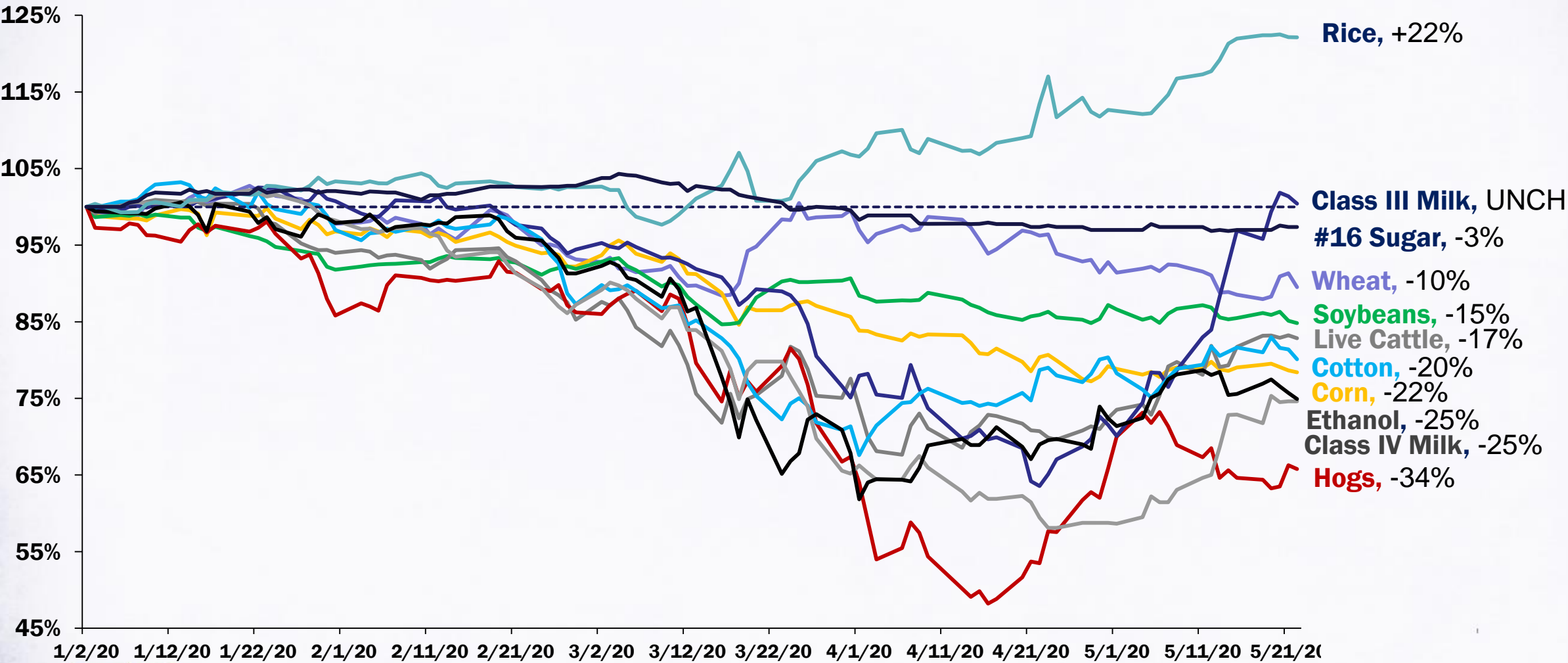
“Packer Margin” Reached Record-High...But Add’l Packer Costs Include PPE and Lower Capacity

Cattle Live-to-Cutout Spread, Dollars Per Hundredweight

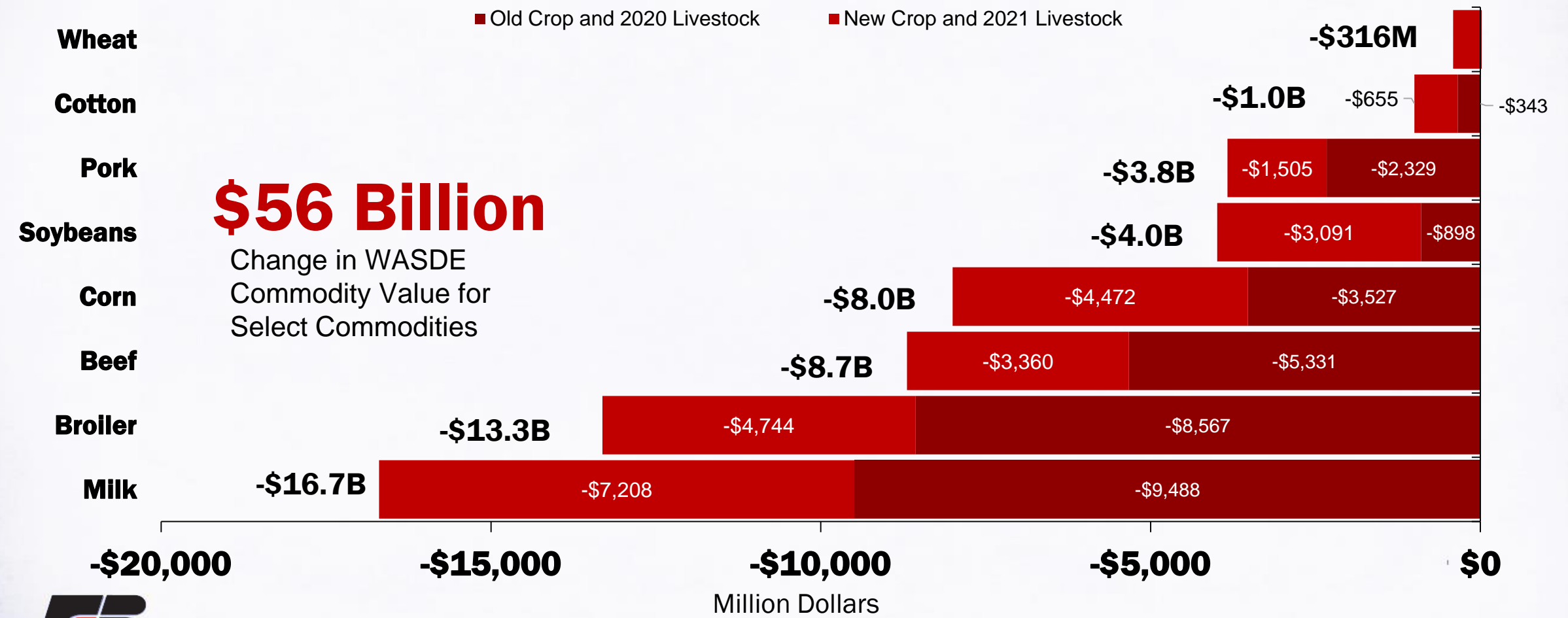


Impact of COVID-19 on U.S. Commodity Futures Prices

Cumulative Percent Change in Price Since January

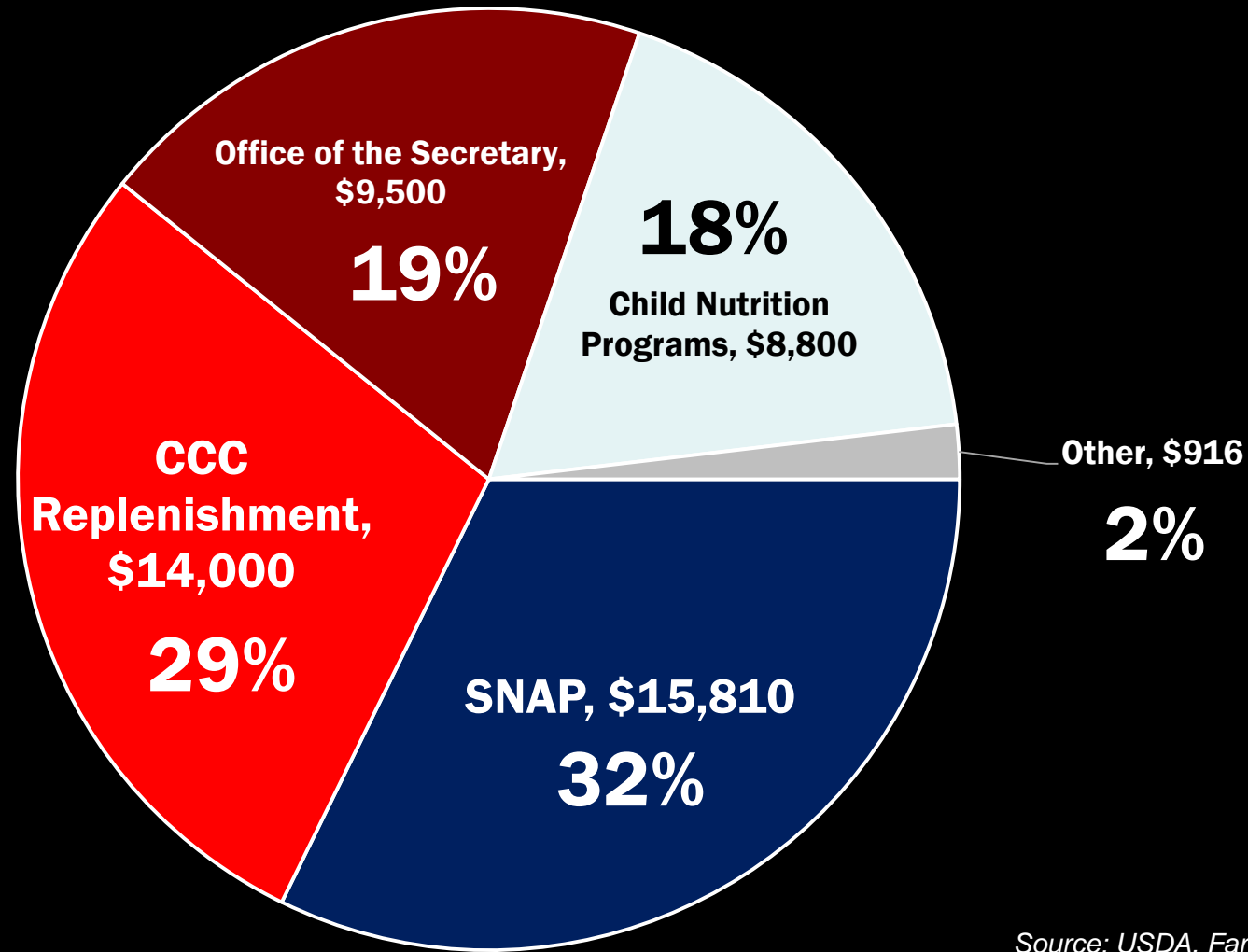


USDA WASDE's Commodity Value Change, Before and After COVID-19



Food and Agriculture Provisions of the CARES Rescue Package

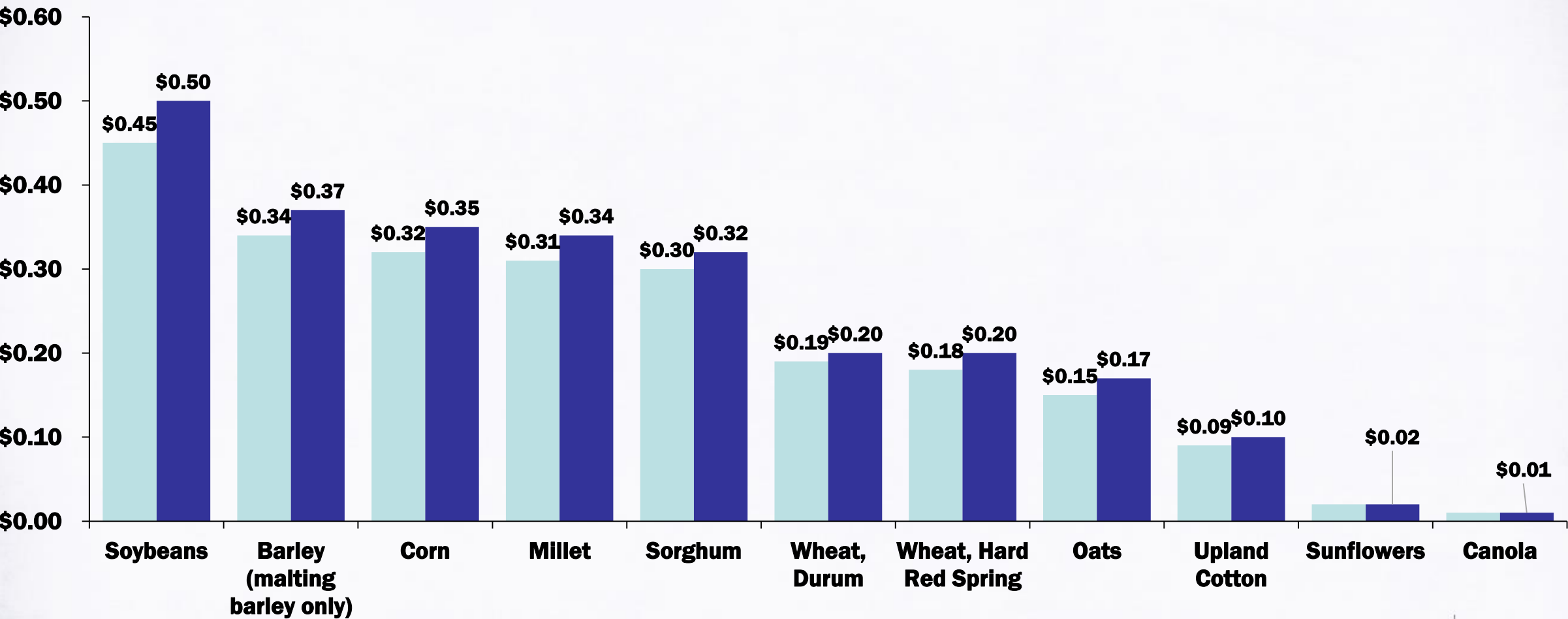
Million Dollars



Source: USDA, Farm Bureau Calculations

CFAP Direct Payments for Non-Specialty Crops

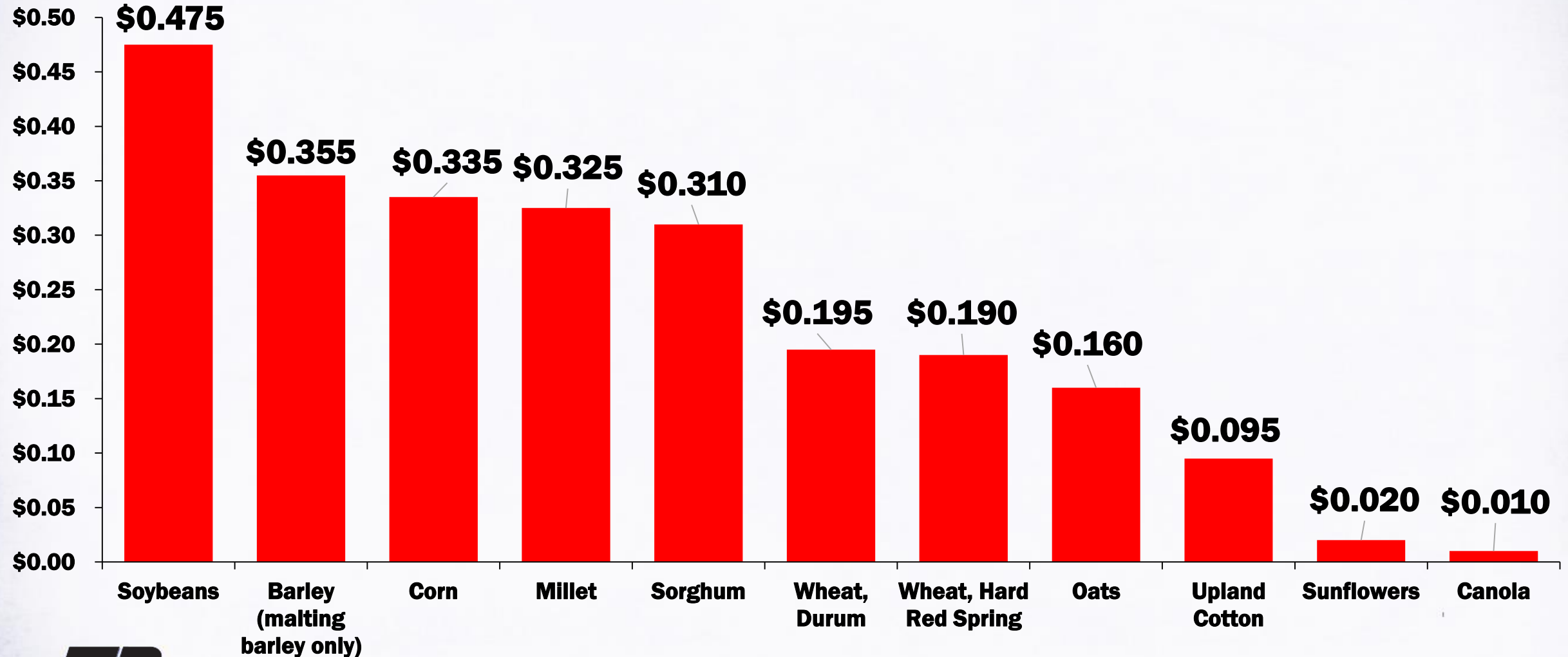
Dollars Per Bushel (all except Cotton, Canola and Sunflowers)



CARES Act Payment Rate CCC Payment Rate

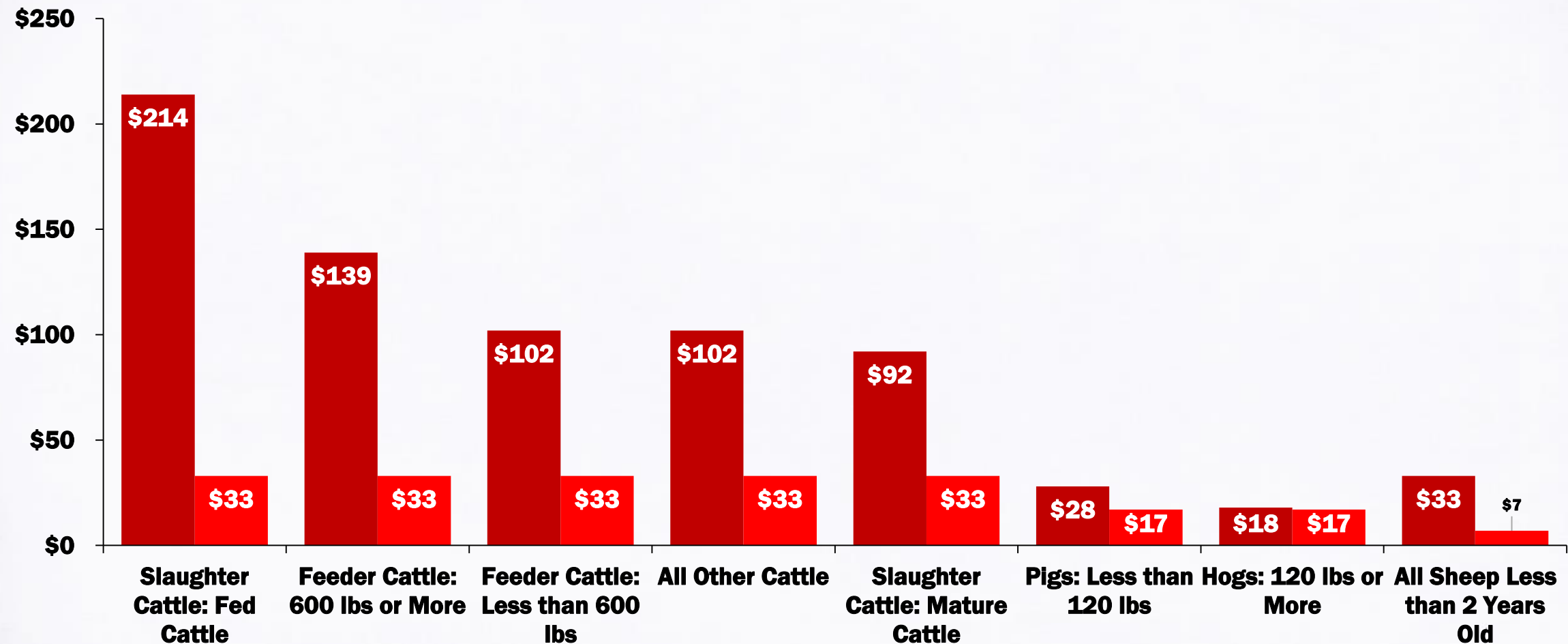
“Blended” CFAP Direct Payments for Non-Specialty Crops

Dollars Per Bushel (all except Cotton, Canola and Sunflowers in Dollars per Pound)



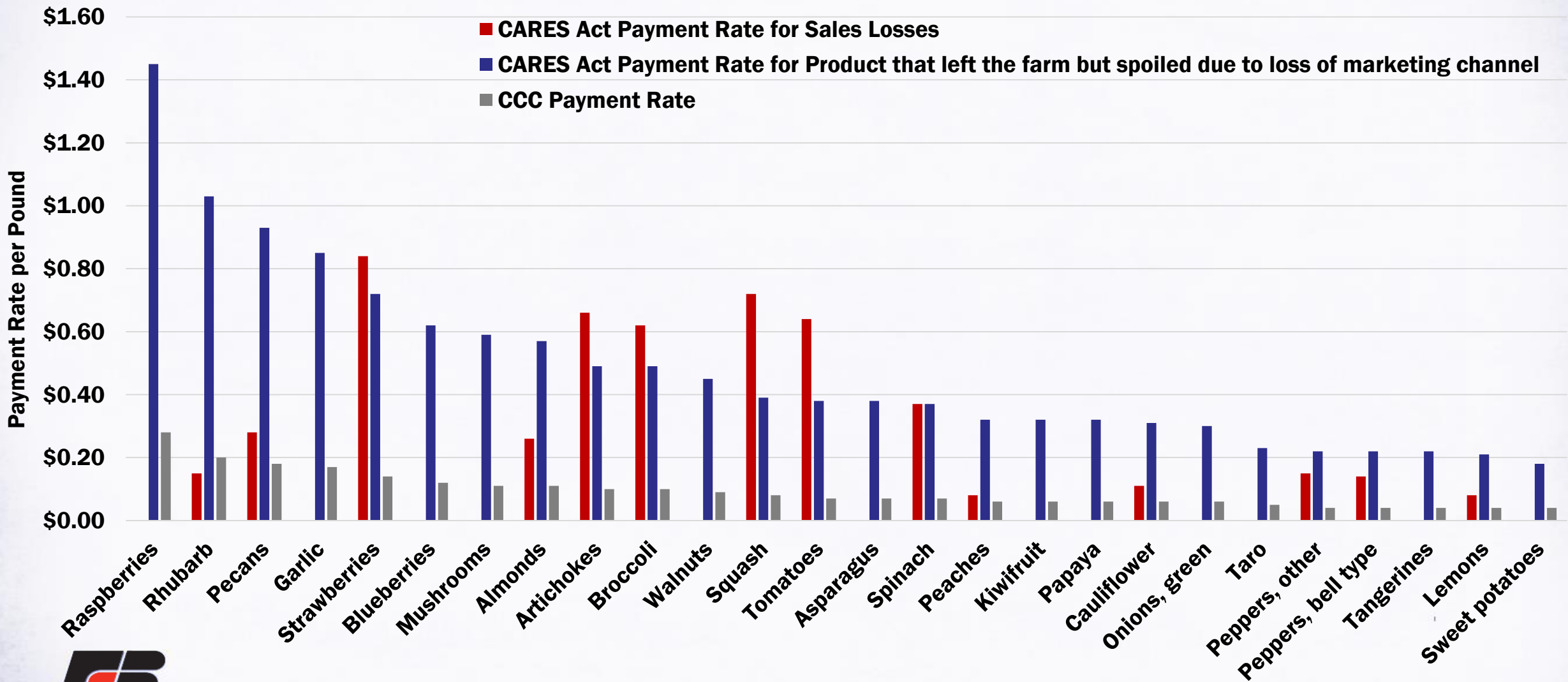
CFAP Direct Payments for Specialty and Non-Specialty Livestock

Dollars Per Head



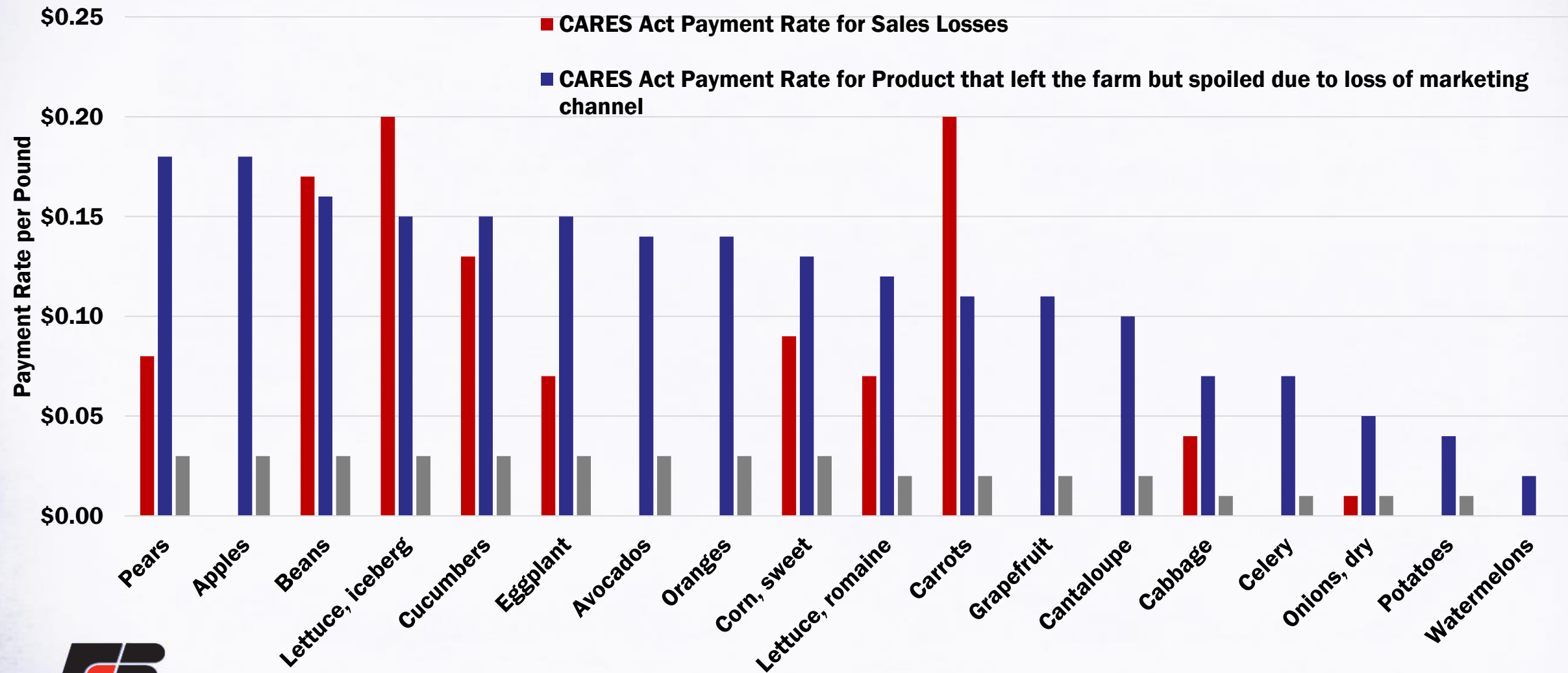
CFAP Specialty Crop Payment Rate Based on Funding Source

Specialty crop CFAP payments listed by CARES Act Payment Rate for Product that left the farm but spoiled due to loss of marketing channel

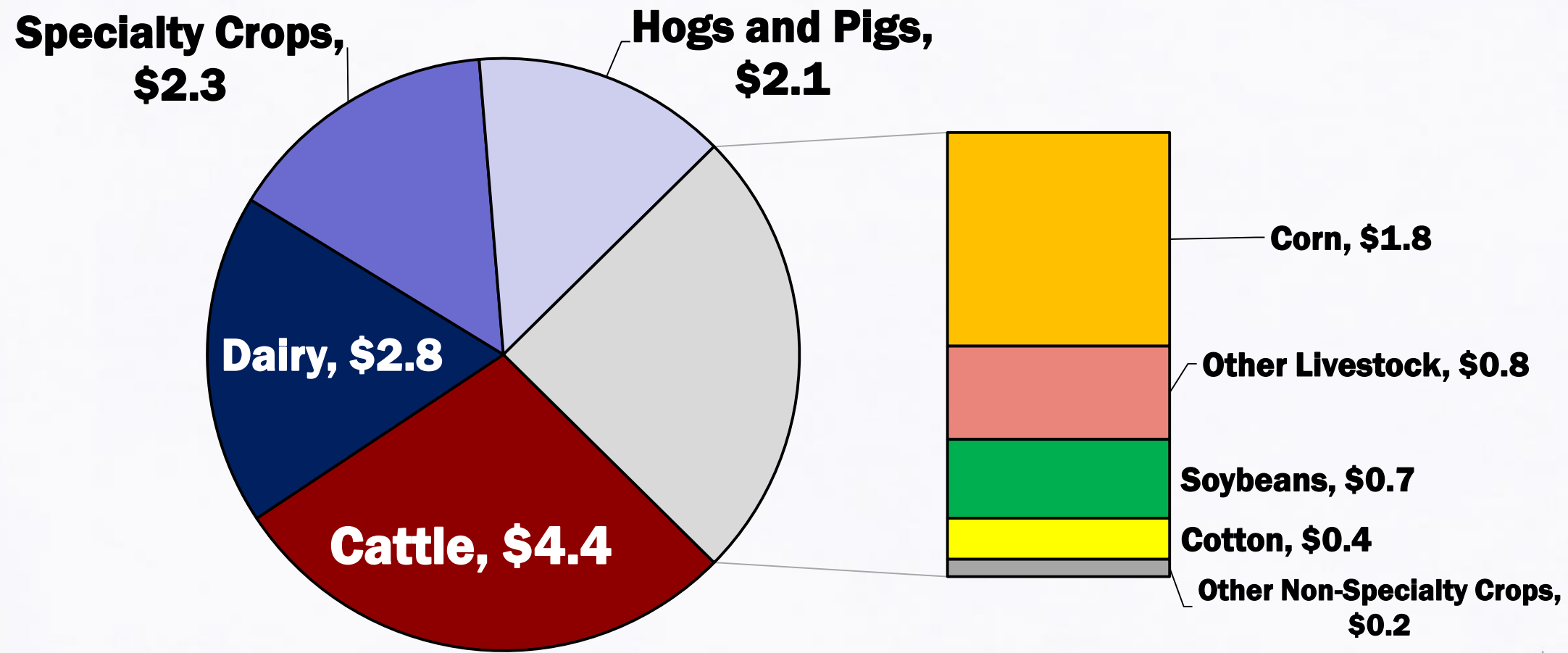


CFAP Specialty Crop Payment Rate Based on Funding Source

Continued specialty crop CFAP payments listed by CARES Act Payment Rate for Product that left the farm but spoiled due to loss of marketing channel

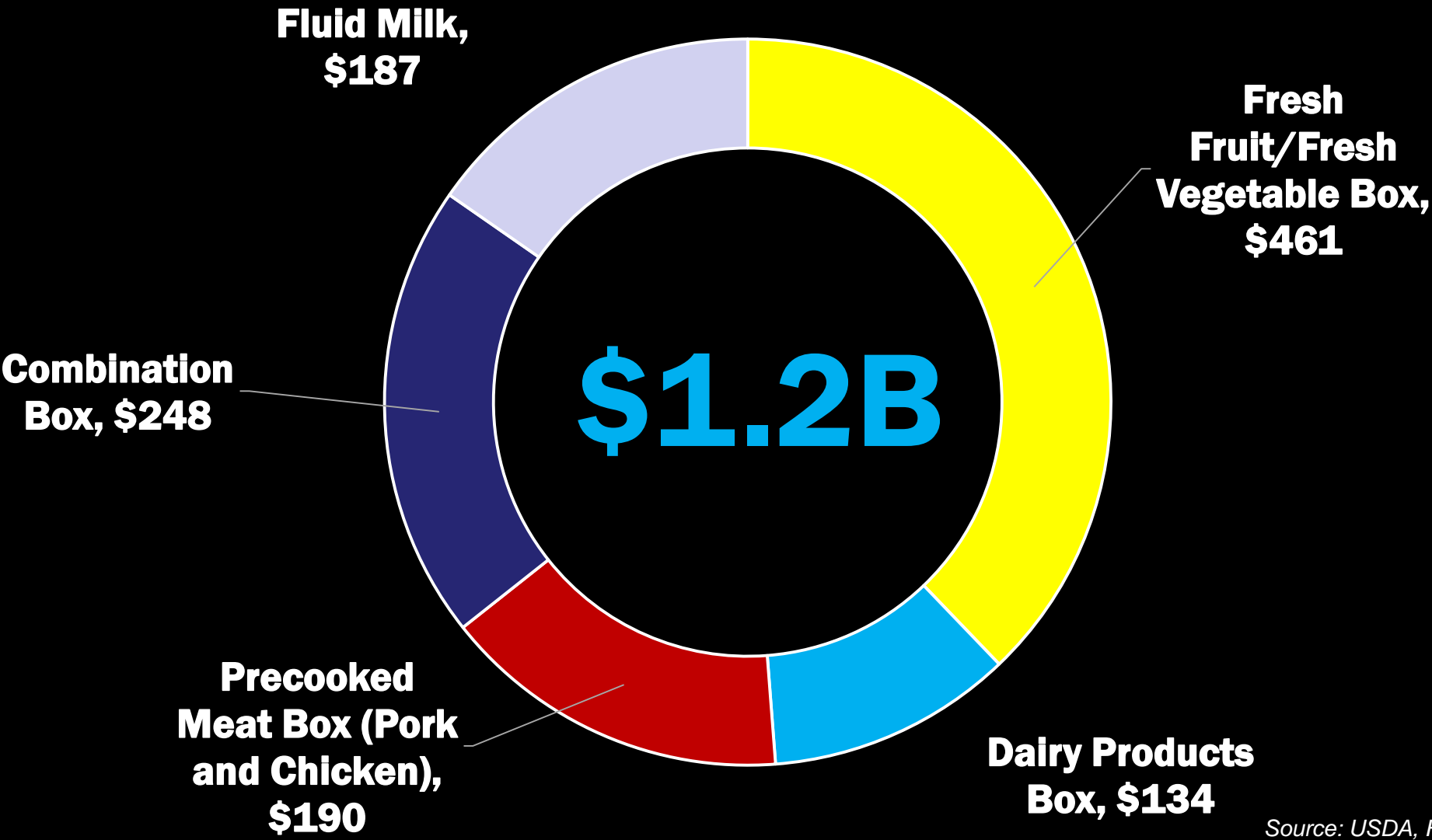


CFAP Estimated Ceiling for Initial Tranche, 80% of Estimated Gross Payments (in billion \$)



FARMERS TO FAMILIES FOOD BOX PROGRAM

Million Dollars



Source: USDA, Farm Bureau Calculations

Chapter 12 Farm Bankruptcies By Region, 627 Filings, U.S. +23%

12-Month Period Ending in March 2020

Northwest, 46 Filings

+109%

Midwest, 316 Filings

+42%

Northeast, 19 Filings

-24%

Mid-Atlantic, 54 Filings

-4%

West, 26 Filings

+44%

Southwest, 37 Filings

-16%

Southeast, 117 Filings

+15%

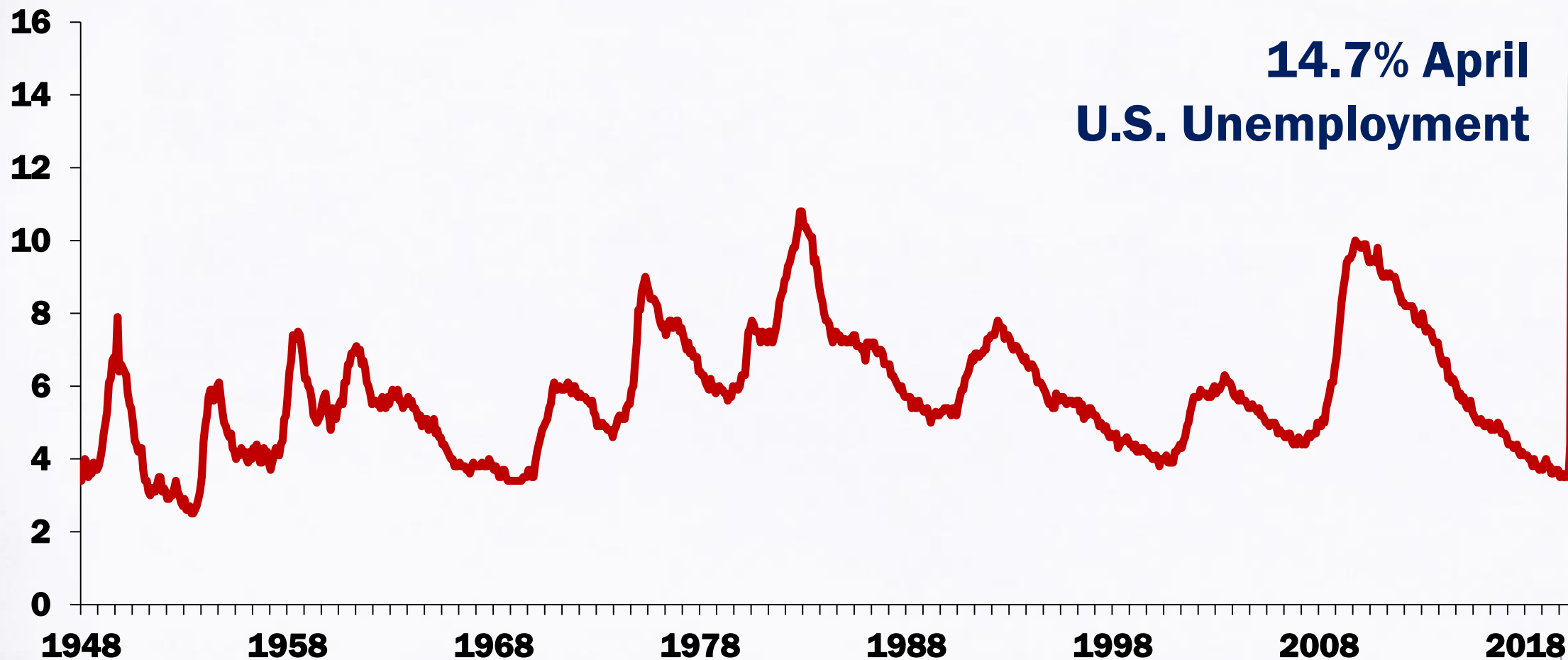
Puerto Rico 11 Filings

-42%

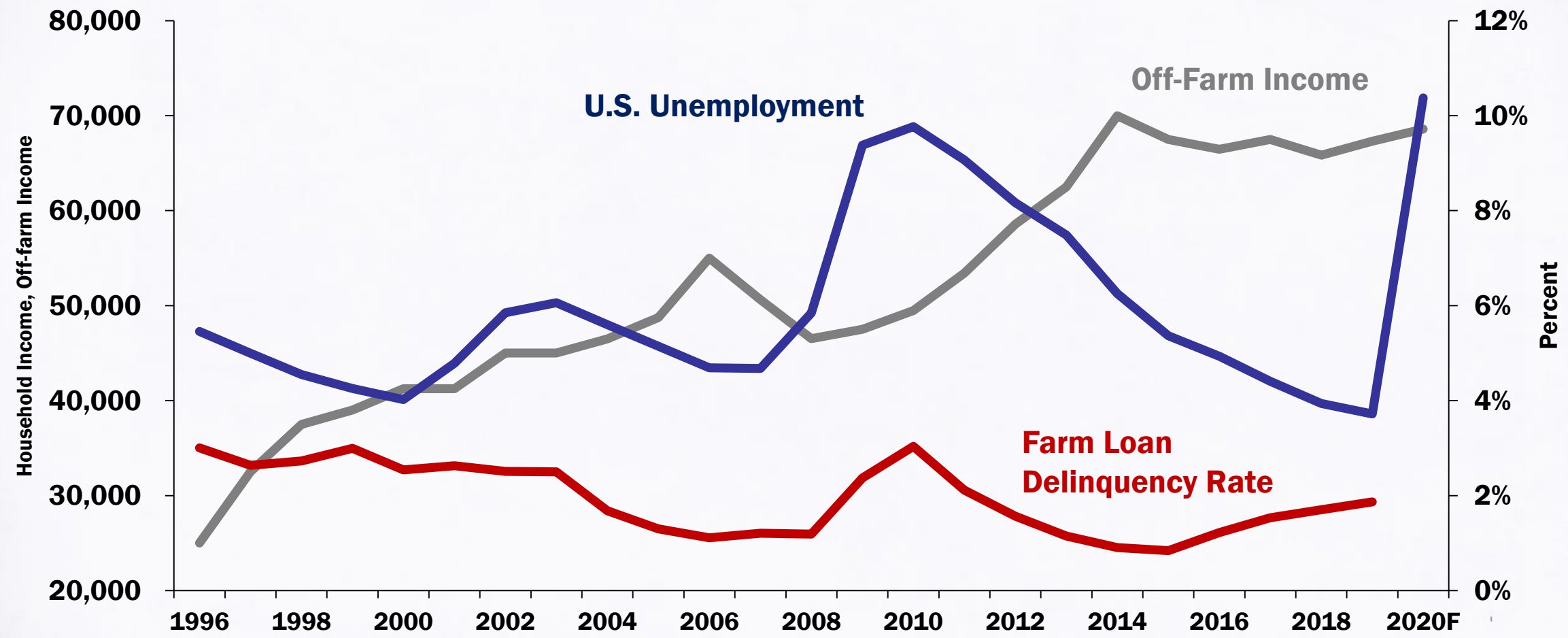


Source: U.S. Courts, Farm Bureau Calculations

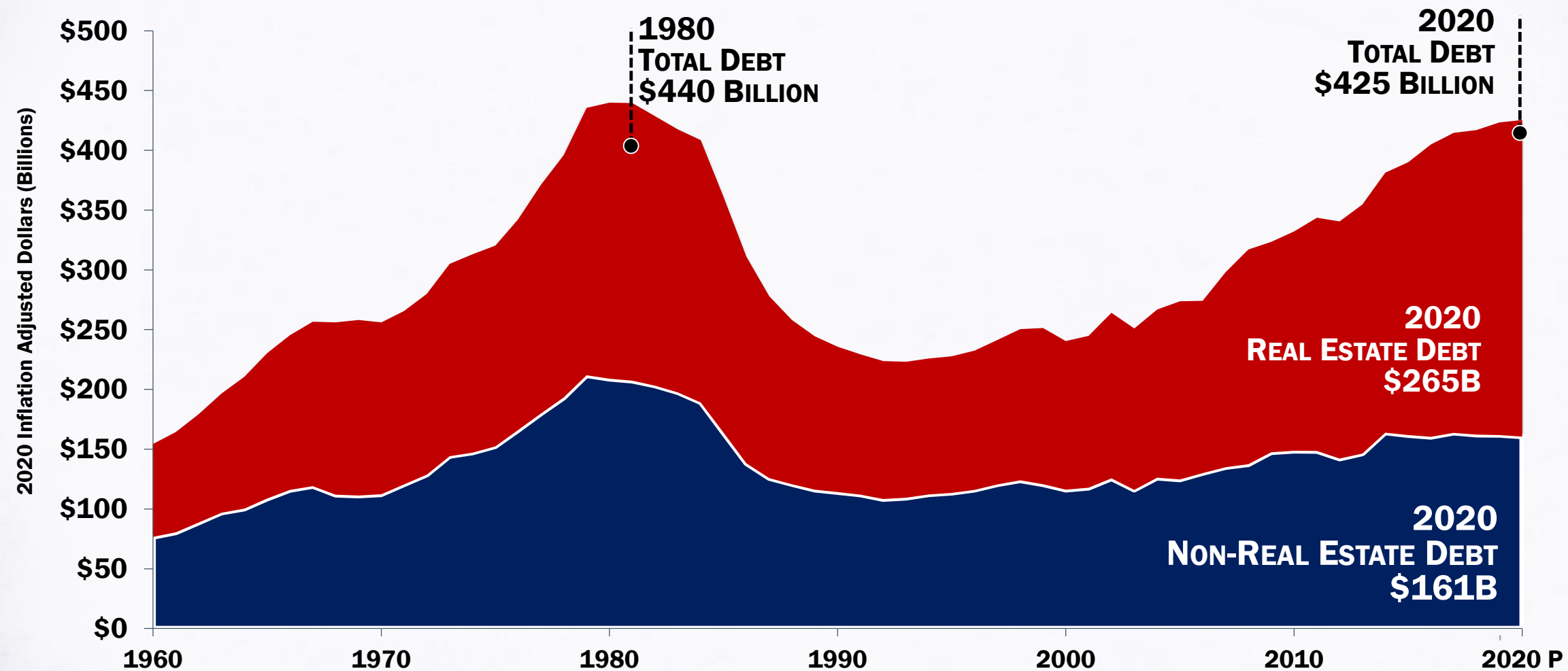
U.S. Unemployment Now At Depression-Era Levels



U.S. Unemployment, Off-Farm Income and Loan Delinquency



Total Farm Debt at \$425B & Real Estate Debt Rose to A Record-High \$265B, +\$3B, in Inflation-Adjusted Dollars



Ag Sales Pace Needed to Reach \$36.5 Billion Phase 1*

Actual Sales to China, Implied Export Value Based on Historical Pace, and Sales Needed to Meet USDA Forecast and Phase 1 Commitment



Source: USDA, FAS GATS, Farm Bureau Compilations
*Assumes 15% for insurance and freight, fiscal year 2020 adjusted to include aquaculture.



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