



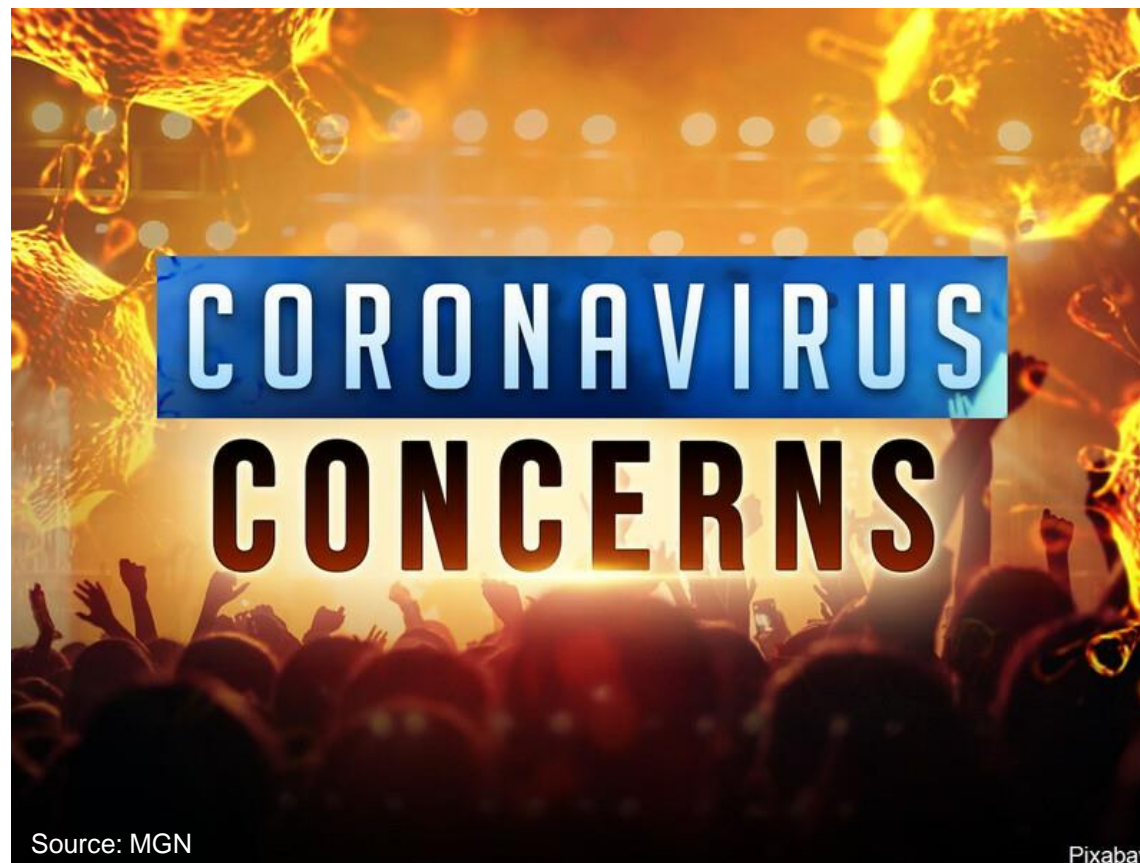
FARM COUNTRY UPDATE

Clinton Griffiths, Editor



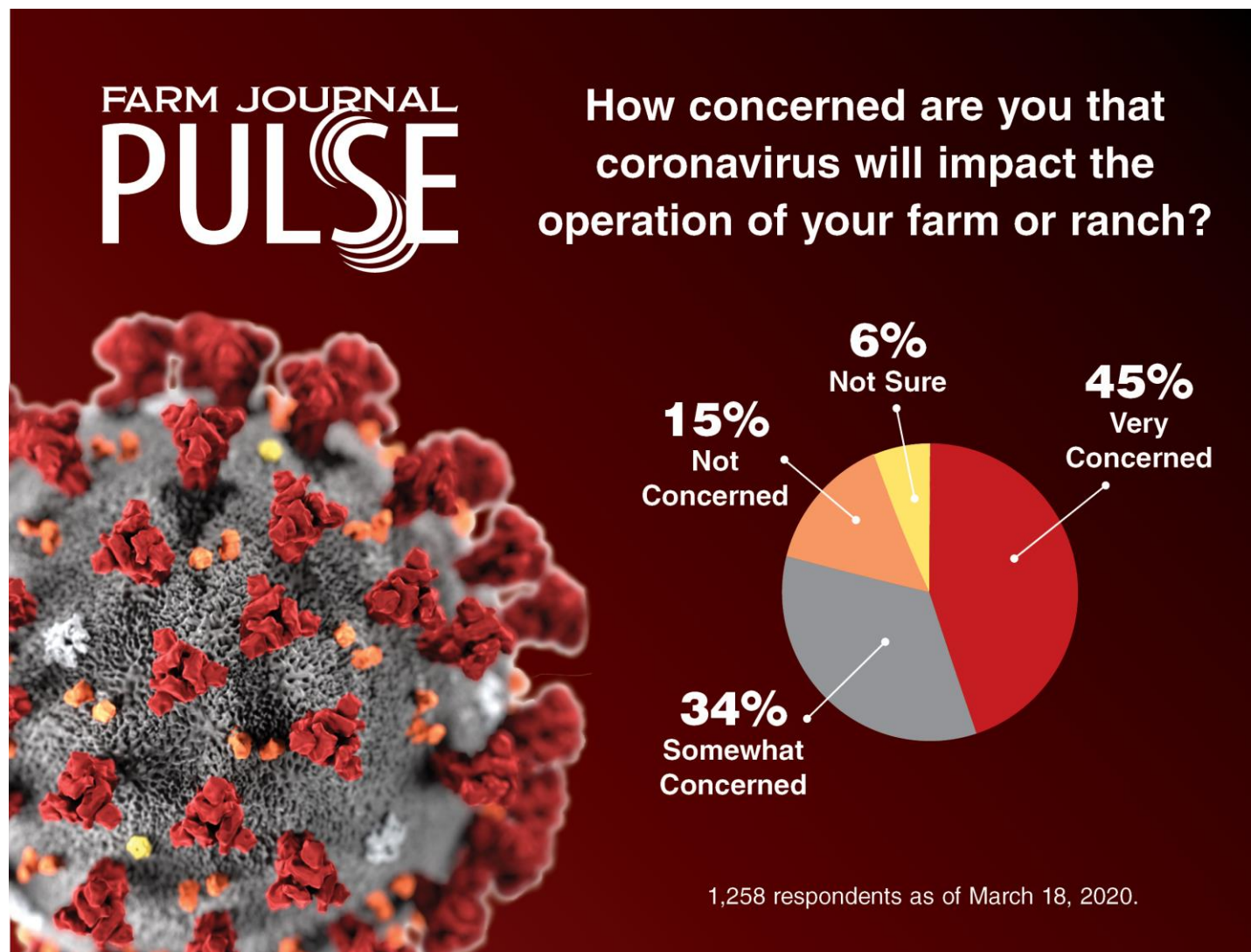
2020: HISTORY IN THE MAKING

- Coronavirus Uncertainty
- Phase One Agreement w/ China
- USMCA
- Recovery from Prevent Plant/Flooding
- Increasing Corn/Soybean Acres
- Zero Percent Interest Rates
- Land Values
- Machinery Prices
- MFP 3.0?
- Presidential Election



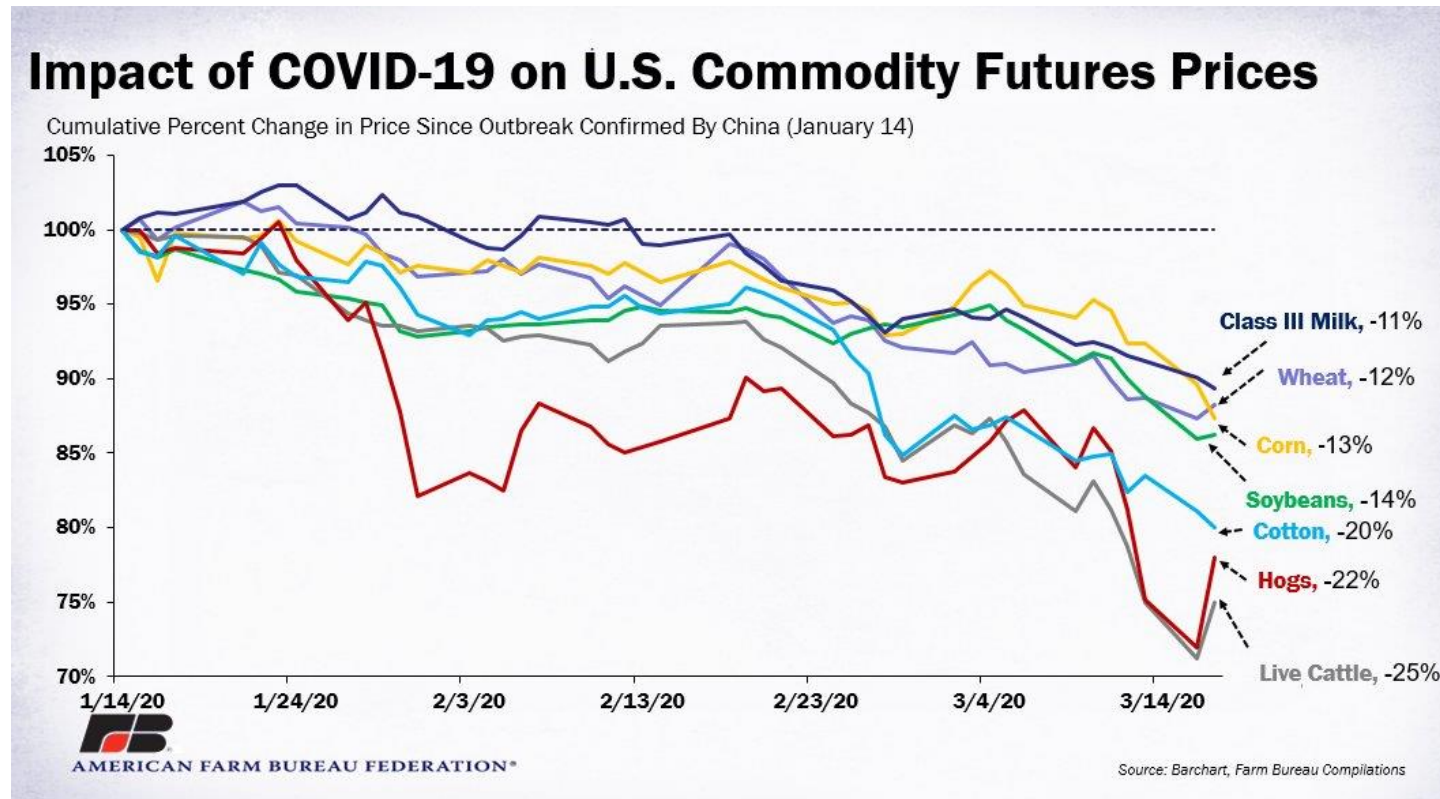
CORONAVIRUS UNCERTAINTY

- 79% Concerned
- 15% Not Concerned



CORONAVIRUS UNCERTAINTY

- Social Distancing
- Commodity Market Impacts
 - Grains
 - Livestock
 - Dairy
 - Produce
- Interest Rate Adjustments
- Rural Community Impacts
- Logistics, Product Deliveries
- Mental Health, Stress, Isolation
- Labor Issues



Source: AFBF



CORONAVIRUS: WHAT WE DO KNOW

- Vital Need for Information
 - Traffic on the Rise
- Trusted Voices, Service Journalism
- Agriculture Production **WILL** Continue
 - Livestock Still Being Fed
 - Dairies Still Milking
 - Spring Planting is Underway
- Food/Supply Chain Still Relevant
- No events, No visits, No meetings





#PLANT2020

- Recovering from 2019
 - 20 Million Acres of Prevent Plant
 - Flooding
- Acreage Expectations: (USDA)
 - Corn: 94 million
 - Soybeans: 85 million
 - Wheat: 45 million
 - Cotton vs Sorghum
- Maximize Yields
- Low Fuel Costs
- Input Challenges



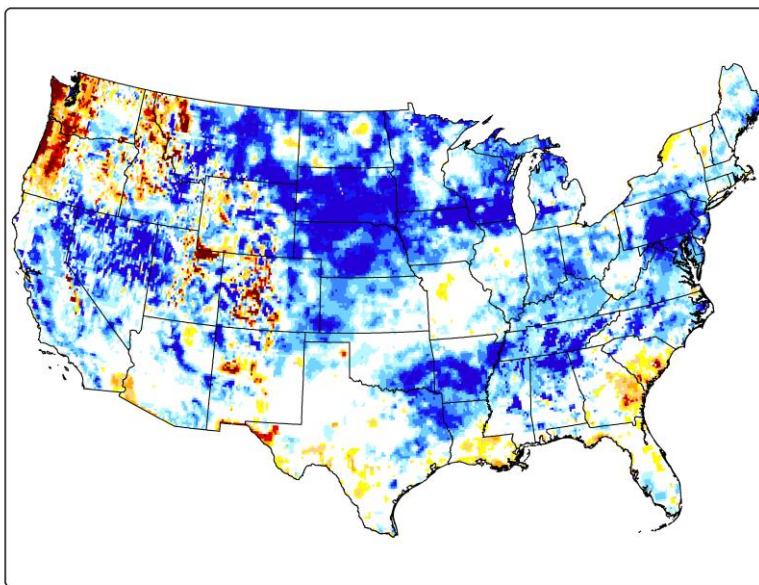


#PLANT2020 WEATHER

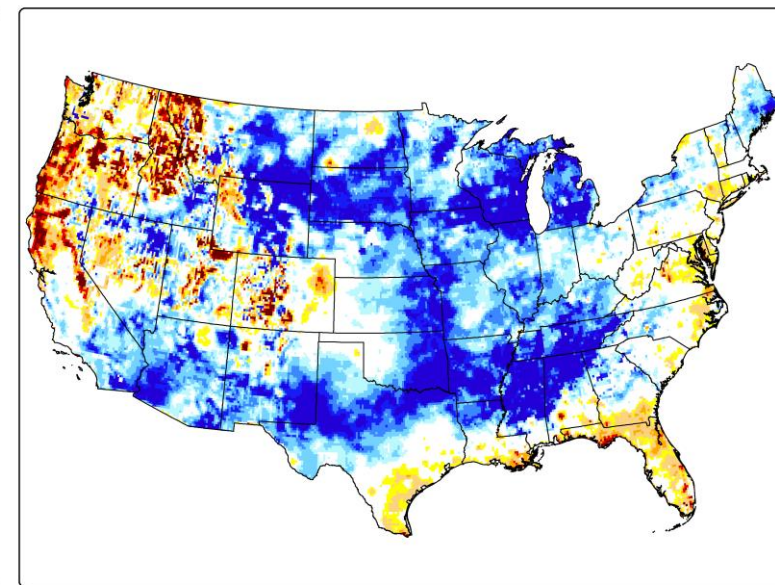
- Spring Outlook

- Less Cold
 - 2019 Historically Wet/Cold
 - Less Snowpack
- Early Warmth
 - Mild start: 1-3 weeks early
 - Melting Northern Plains
- Flooding Concerns
 - Areas wetter than 2019
 - Deep South/CA is drier
- Active Weather Pattern
 - SW to Great Lakes
 - SE Flooding?
 - Alaskan Cold Coming South

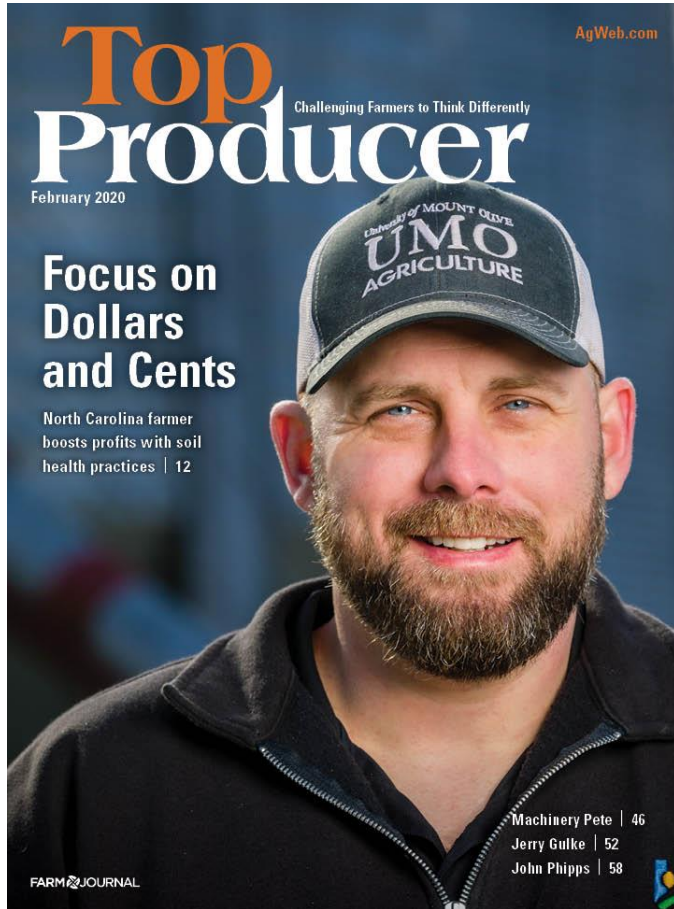
NASA GRACE: Soil Moisture Conditions



Root Zone Soil: March 25, 2019



Root Zone Soil: March 16, 2020

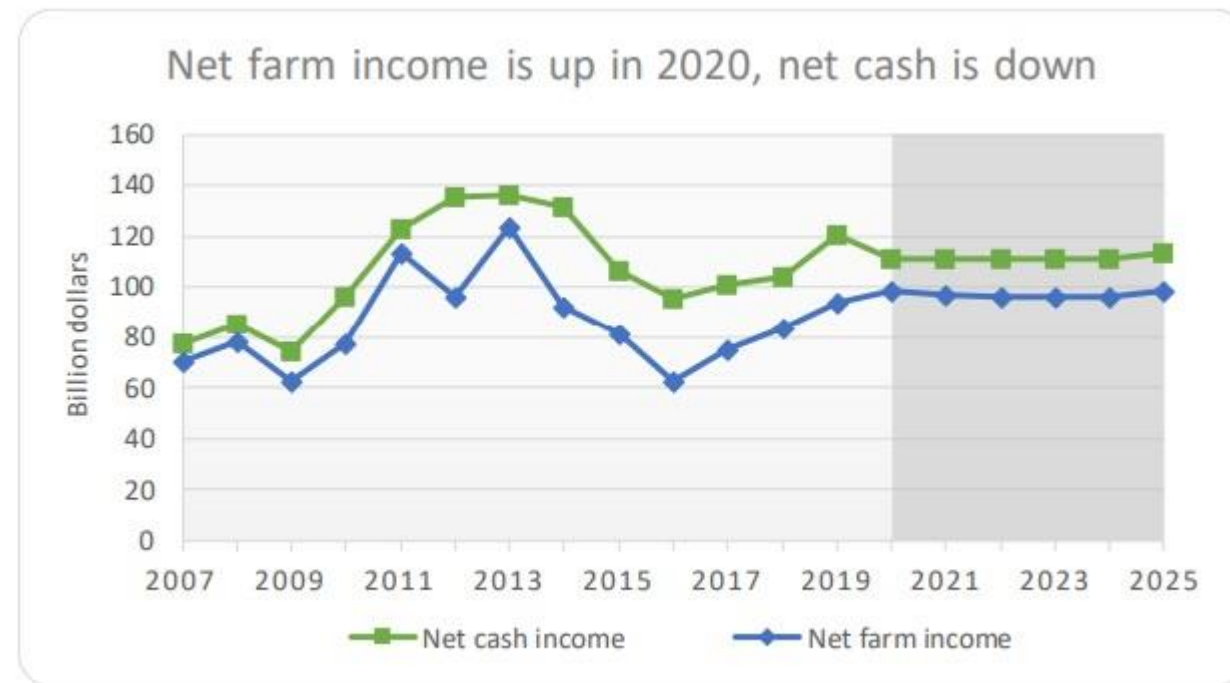


TOP PRODUCER

Sara Schafer, Editor

THE ECONOMIC OUTLOOK

- Net farm income is projected to increase for the fourth straight year in 2020, but an alternative measure, net cash income, declines in 2020.
- 50% of farms are not earning positive returns from farming activities (USDA).
- 1-in-12 crop businesses are in a highly leveraged situation, defined as debt-to-asset ratios of higher than 0.40 (USDA).
- The U.S. Federal Reserve cut interest rates to near zero on Sunday to help mitigate risk during the escalating global coronavirus pandemic.



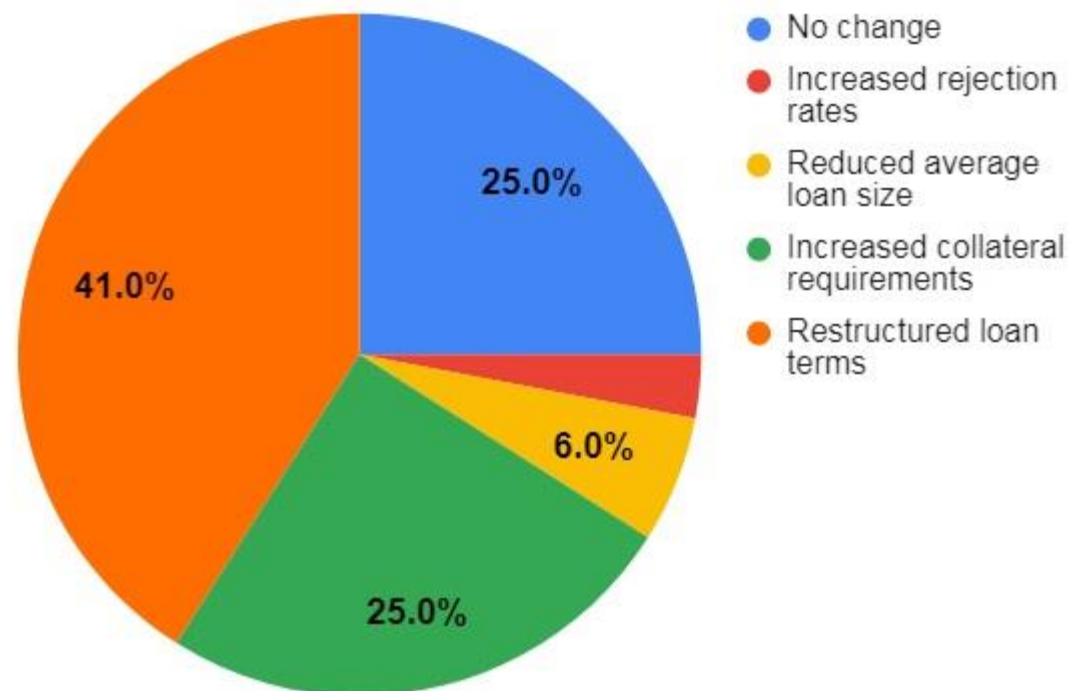
Source: FAPRI-MU



EFFECTS AT THE FARM BUSINESS LEVEL

- Farmers must continue to prove they are a good investment for their lenders.
- Interest rates between 0% to 0.25% offer a few key opportunities for farmers:
 - Refinance or restructure loans
 - Increased land values
- Above all, farmers must remain nimble and focused on the big picture. They need to prepare for best and worst outcomes.

Which of the following has been your bank's response to weak farm income?



Source: Rural Mainstreet Index, Feb. 2020



FROM THE FIELD: BIGGEST CONCERNS



“Inputs haven’t changed much since corn was \$6 and beans moved from \$15 to \$12. Cash rent, seed, fertilizer and chemicals are still very high. We’ve got to take advantage of what our land provides us, instead of throwing P and K out there. It’s important to avoid high input costs and focus on profitability.”

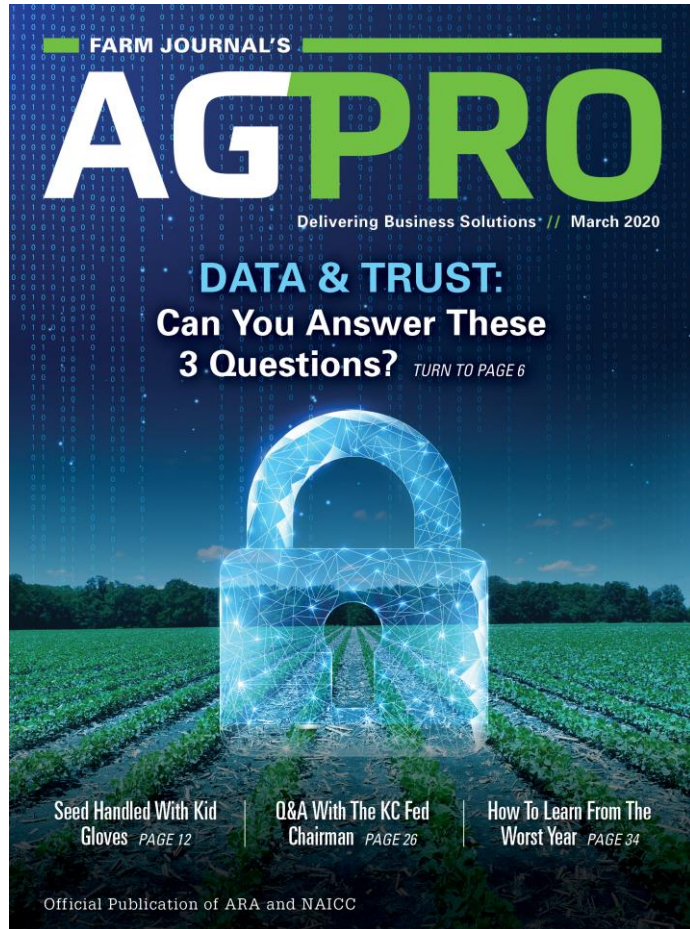
–Derek Martin, Mt. Pulaski, Ill.



“We’re spending so much to keep up with technology, both in machinery and inputs, and they do great things for us, but the gains aren’t enough for what we need for the next five years, much less the next decade. **We need an increase in commodity prices for economic sustainability.”** *–Will Hunger, Bell City, Mo.*



“Twenty years ago, a combine might have cost \$100,000, and now you might pay \$400,000. Production-wise, that new machine is nowhere near four times better than the old machine. The machinery companies have to deal with rising expenses and inflation also, **but the cost of machinery has gone up faster than the gains in efficiency.”** *–Jeff Rutledge, Newport, Ark.*



AGPRO

Margy Eckelkamp, Editor



COVID-19 AND AG RETAIL

- Events cancelled
 - Remaining winter meetings
 - Dicamba trainings
 - Pesticide applicator licenses extended
- Employee and customer health
 - Remote work encouraged
 - Business by phone/email
 - Some logistical concerns
 - Truck drivers stay in the cab to unload
 - No tours at facilities
- Ag machinery too.....
 - Dealerships are limiting employee/customer exposure
 - Equipment auctions are postponed, shifted to online bidding



Mark Huso
@husocrop

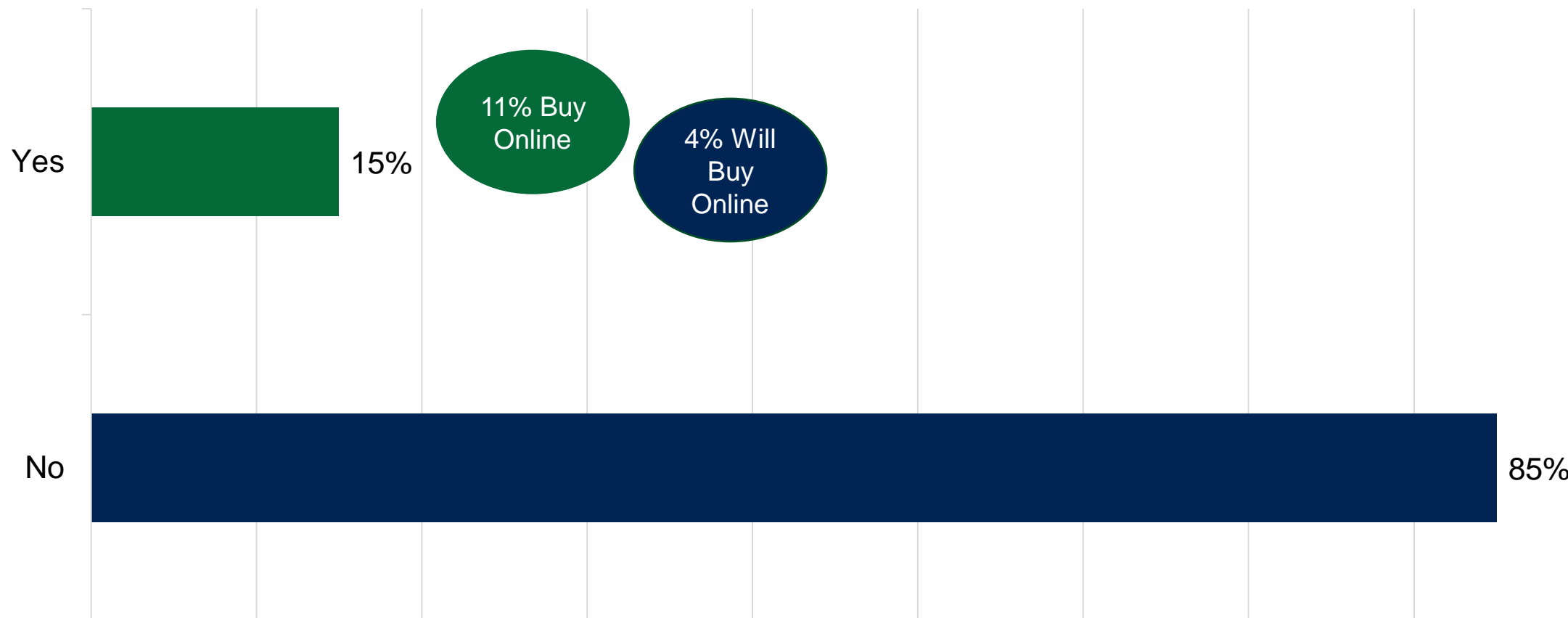
Had to cancel/postpone annual meeting w/ farmers to be held at Local bar/restaurant. I was 3rd to cancel event with them. Told him to send me bill regardless for his purchases. They made comment this virus is really going to hurt them. Hope our leaders can provide relief needed.

11:54 AM · Mar 16, 2020 · [Twitter for iPhone](#)



FARMERS: FOR THE 2020 CROP, DO YOU PLAN ON BUYING ANY INPUTS ONLINE?

- Current online purchasers + plan to purchase in 2020



SOURCE: Farm Journal Crop Input Purchasing Behavior Study; Statistics based on 375 respondents



WHAT'S ON RETAILERS' MINDS

Increased spotlight on data security

- We asked the AgPro online audience, “What phrase best describes your discussions with farmer customers about on-farm data sharing?”
 - Top answer: **I think I do a good job explaining things, but I know farmers have a lot of questions**
- Quote from an ag retailer: “60% of my customers will buy seed from another dealer. So I have to be able to help them make decisions with their data.”

HOW CONFIDENT ARE YOU IN THE SECURITY OF YOUR ON-FARM DATA?





QUESTIONS?

www.AgWeb.com/Coronavirus

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