

U.S. Agricultural Market Outlook

April 18, 2024

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Agricultural Markets and Policy

Division of Applied Social Sciences

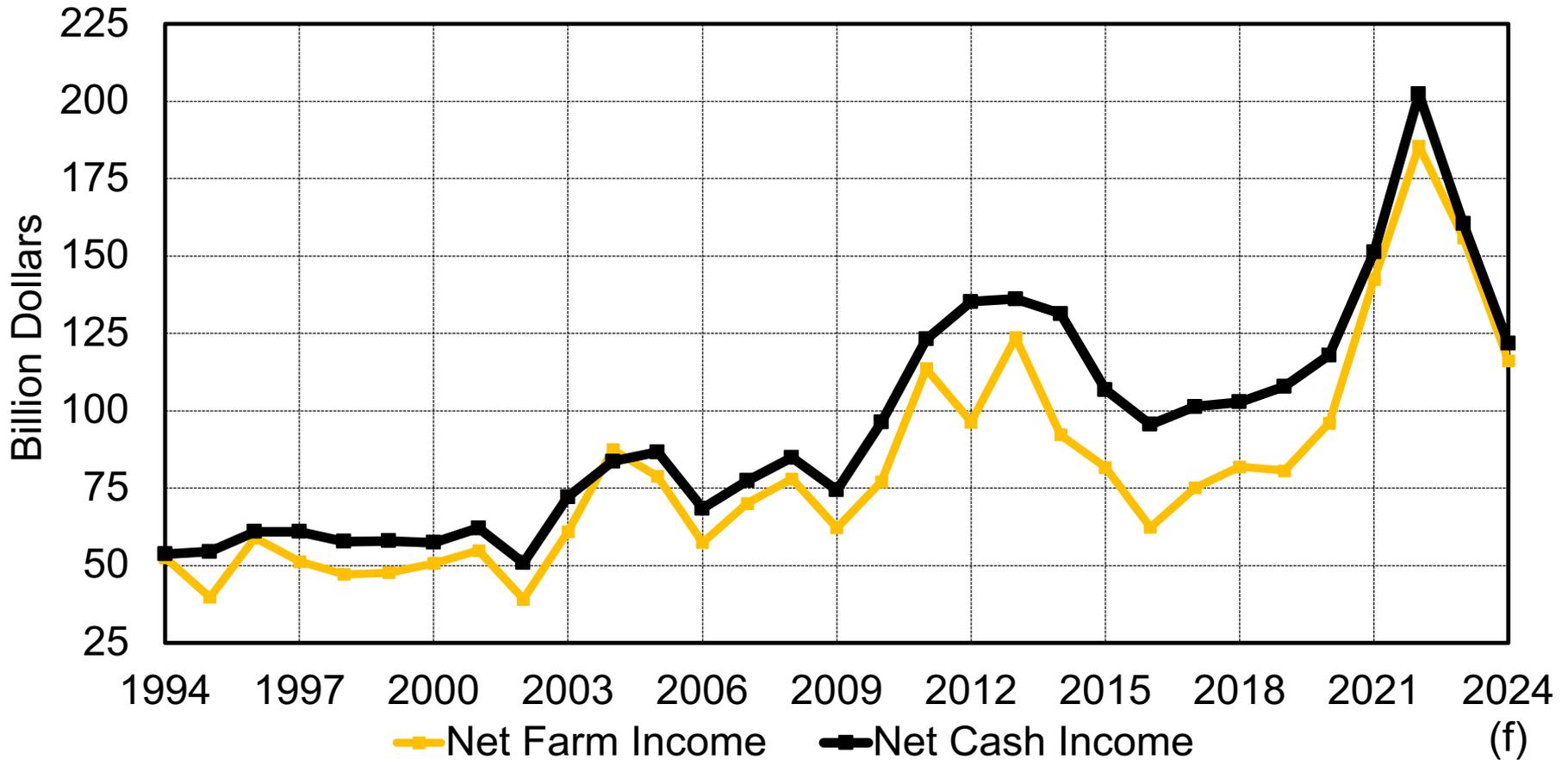
browns@missouri.edu

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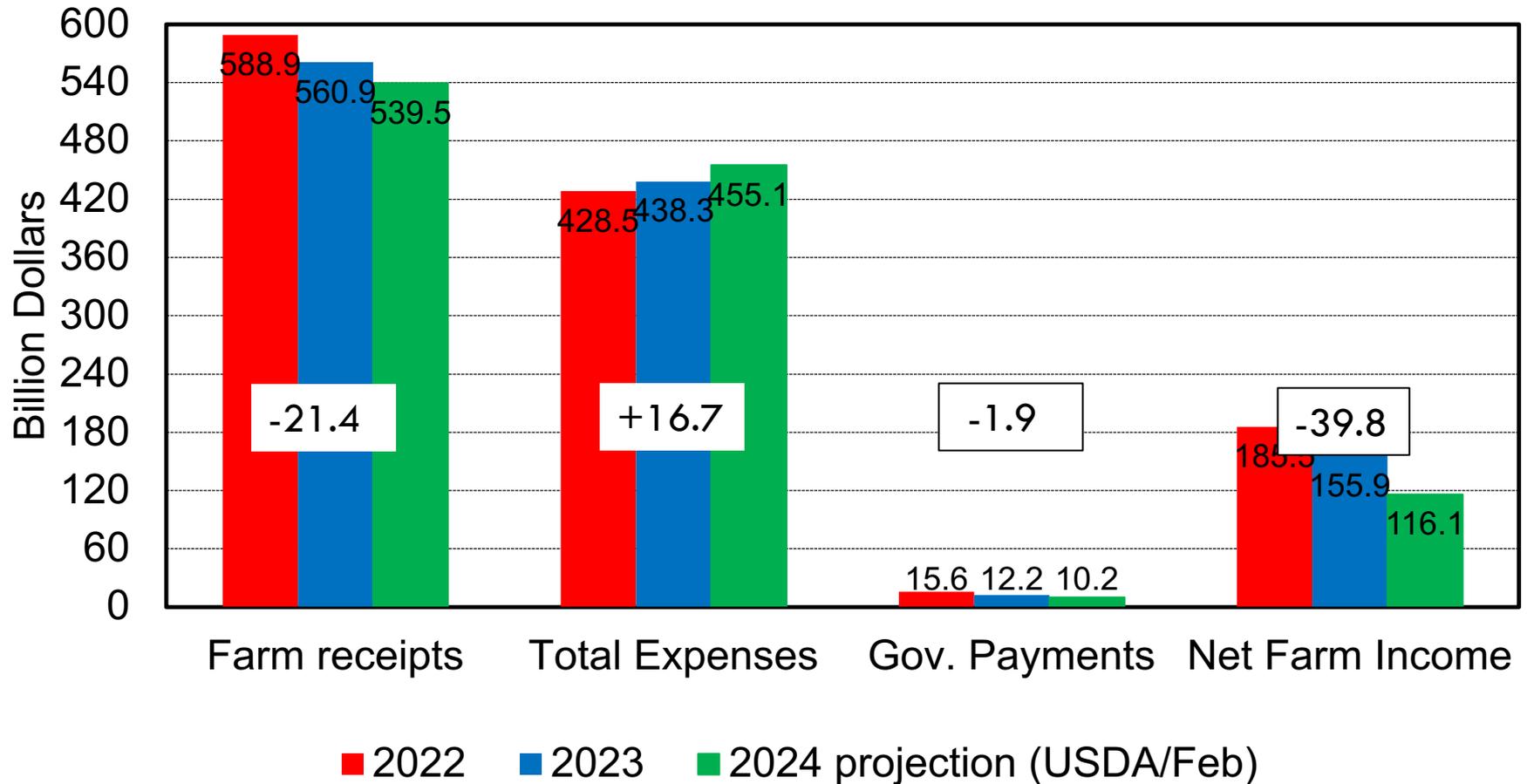
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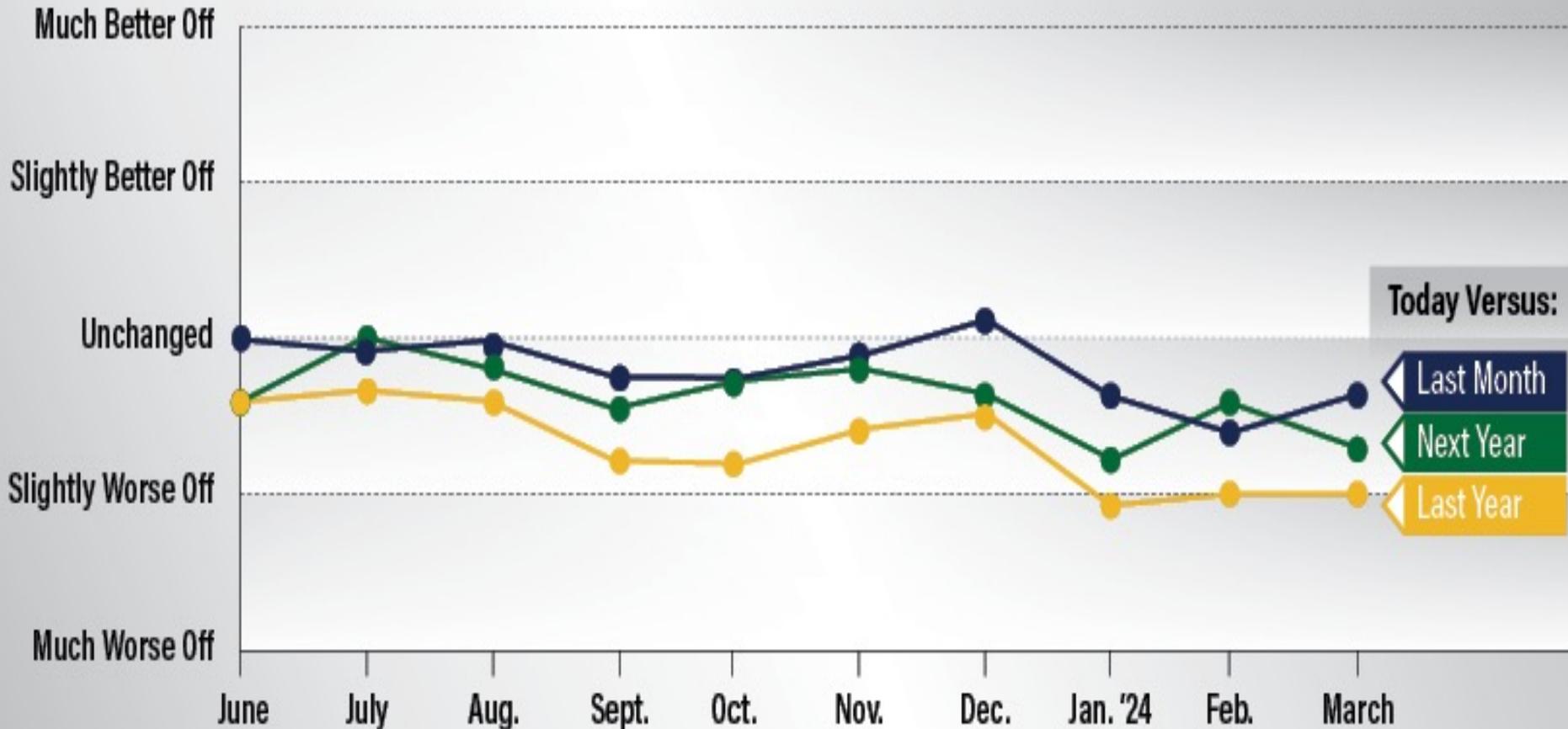
U.S. Farm Income Measures



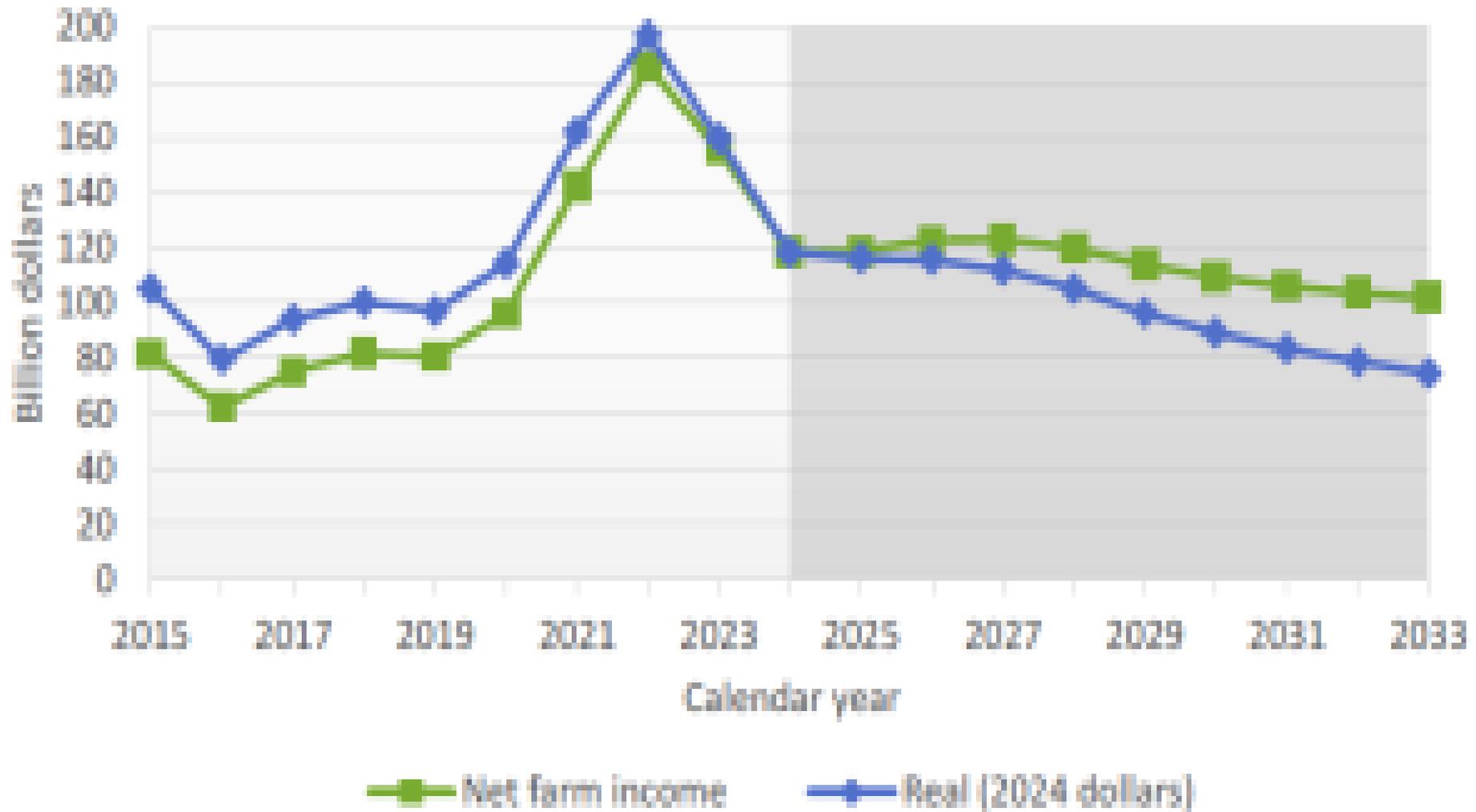
2024 Farm Income Changes by Component



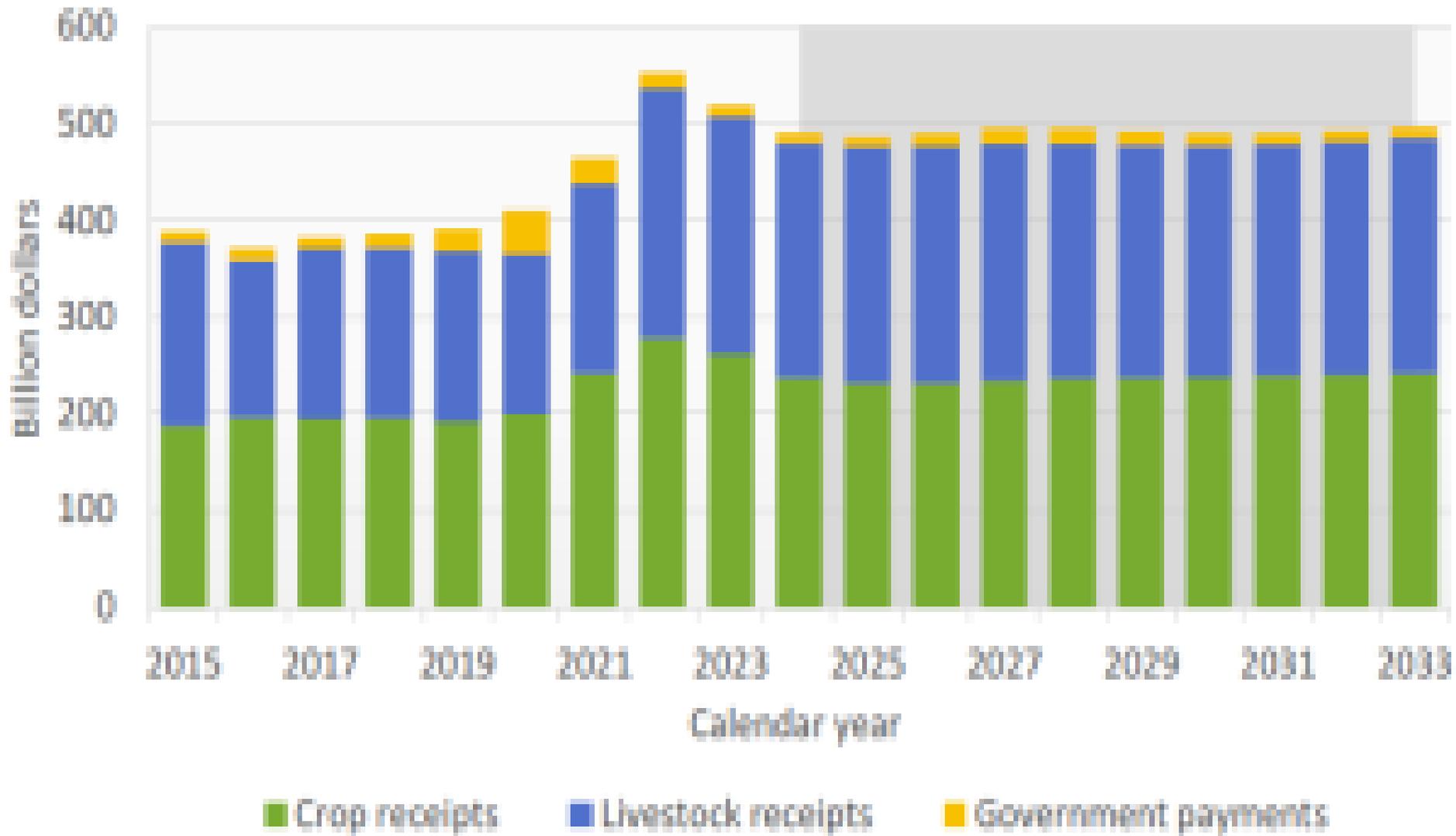
Ag Economy Outlook



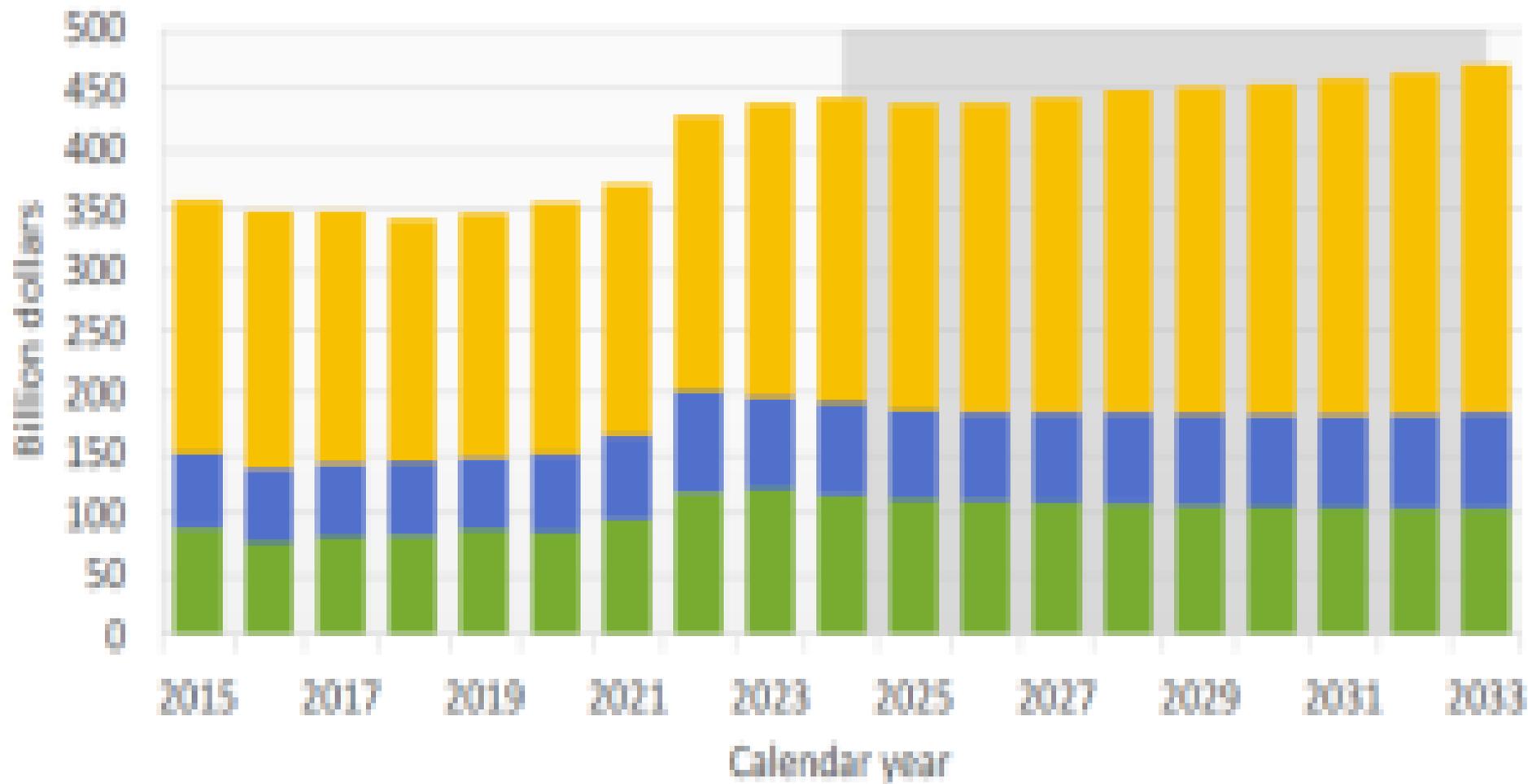
Net farm income declines again in 2024



2024 receipts and payments are down



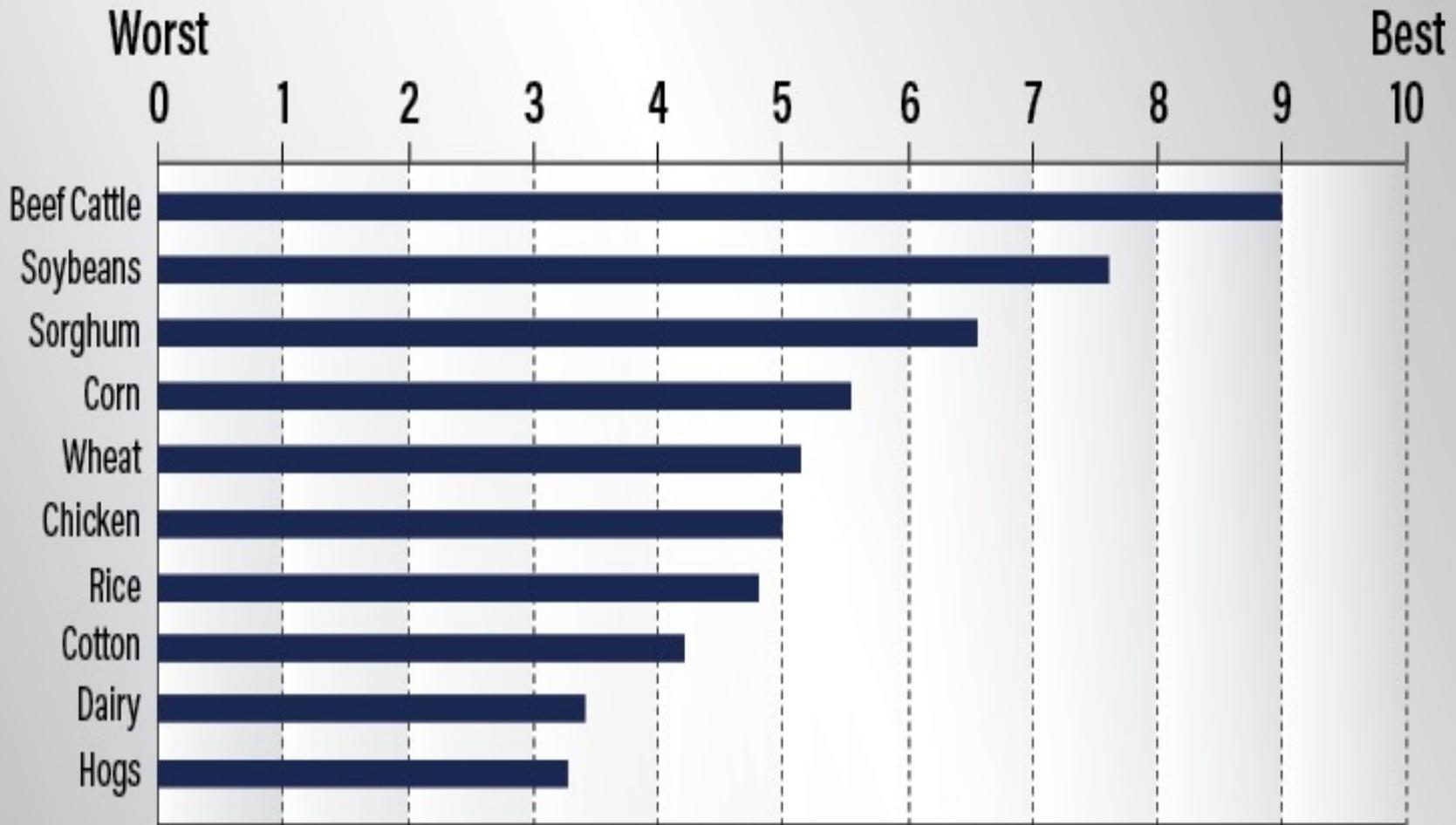
Production costs increase \$5 billion in 2024



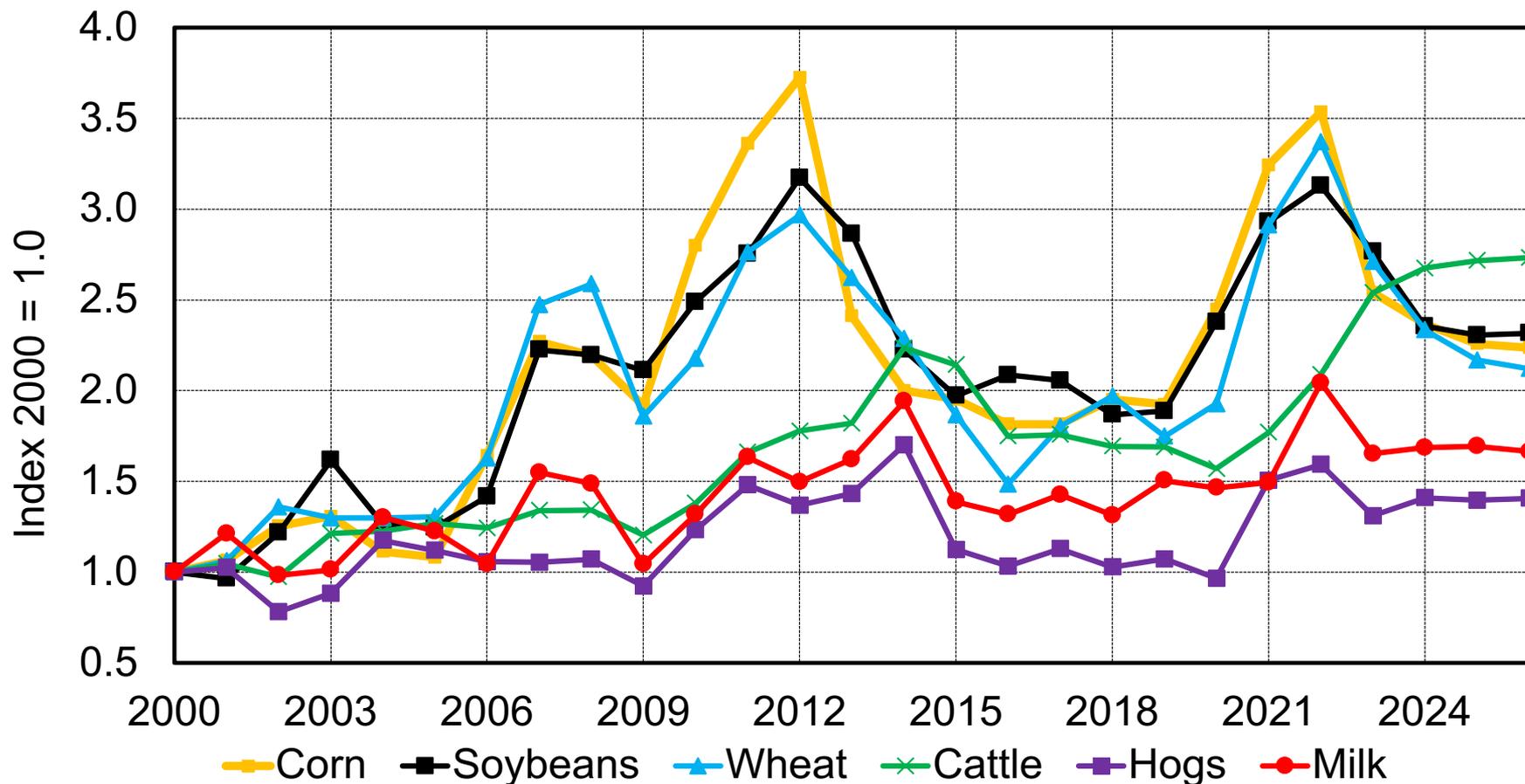
■ Feed and purchased livestock ■ Seed, fertilizer and chemicals ■ All other expenses



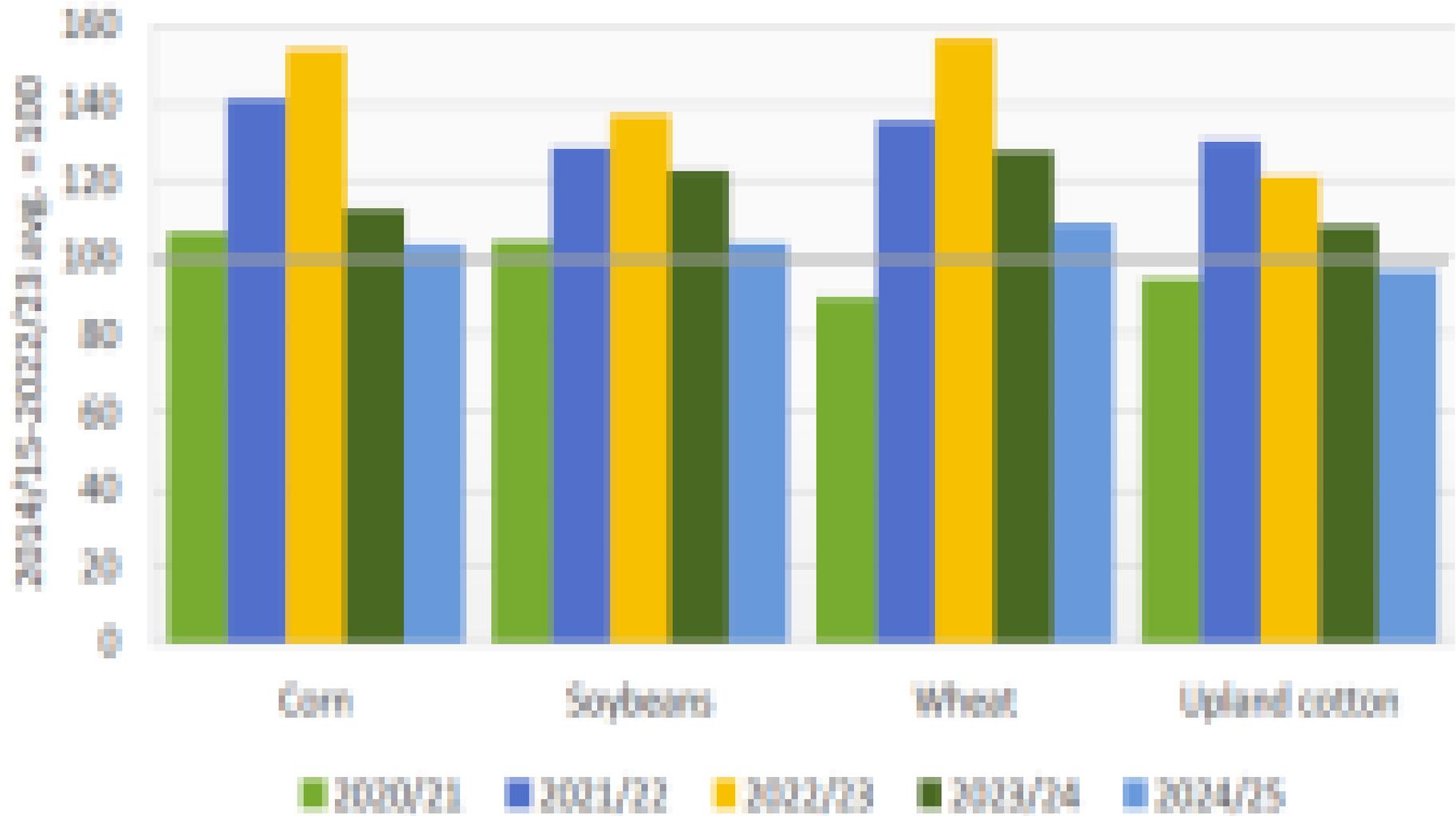
Financial Ranking of Sectors



Agricultural Prices



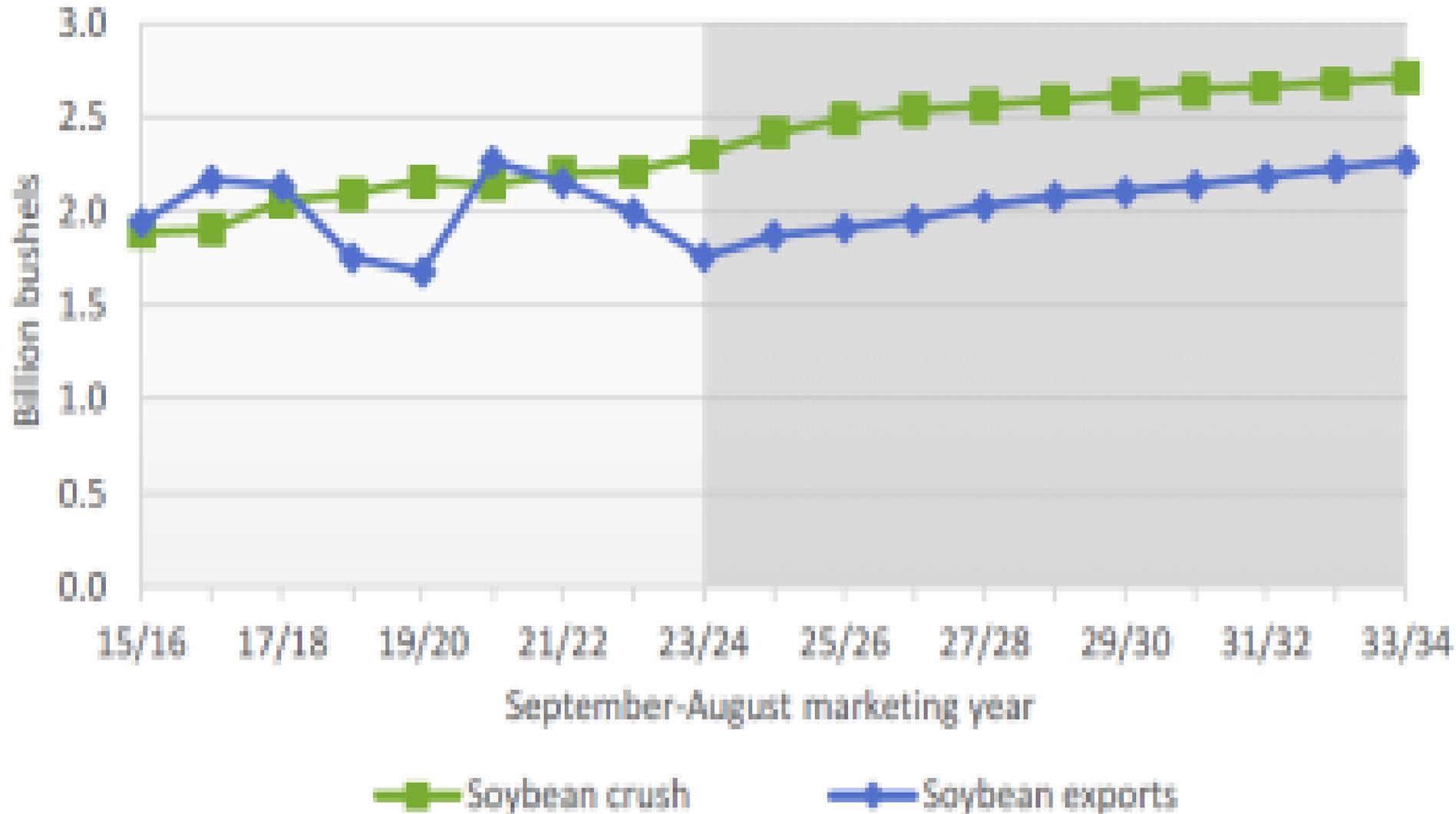
Crop prices decline sharply from recent peaks



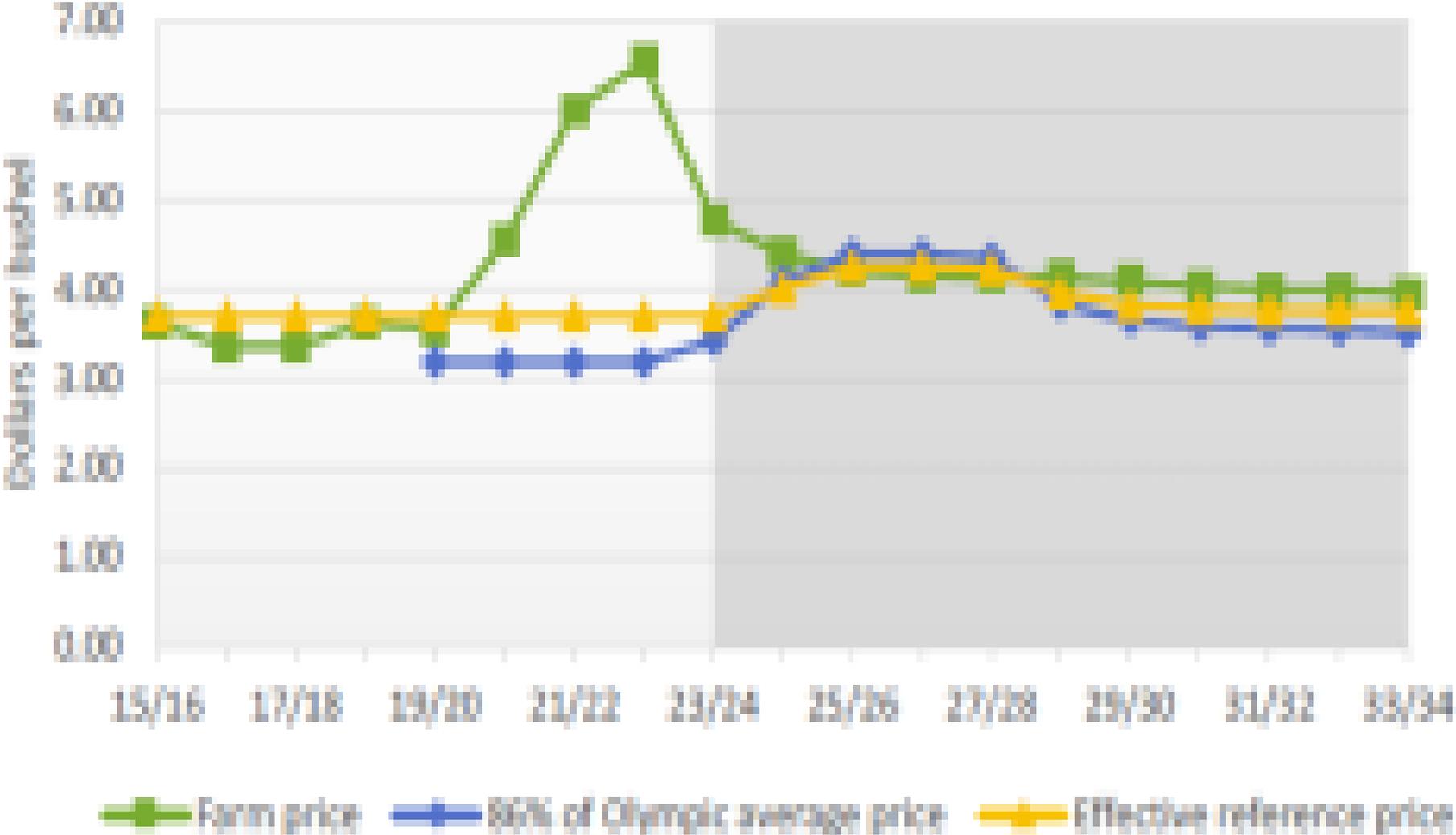
Corn returns drop more than soybeans in 2023/24



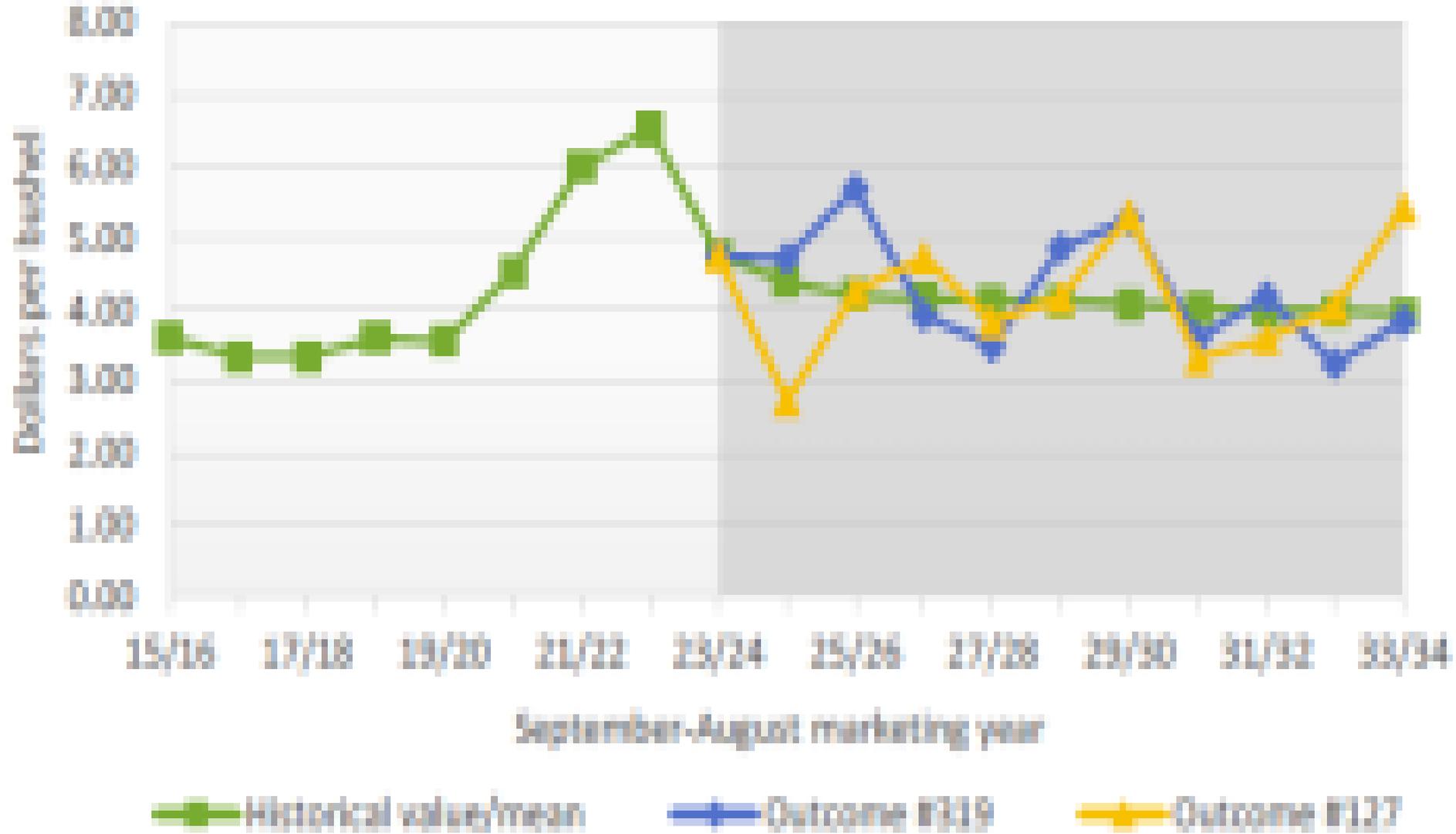
Soybean crush drives demand growth



Projected corn prices dip near payment triggers

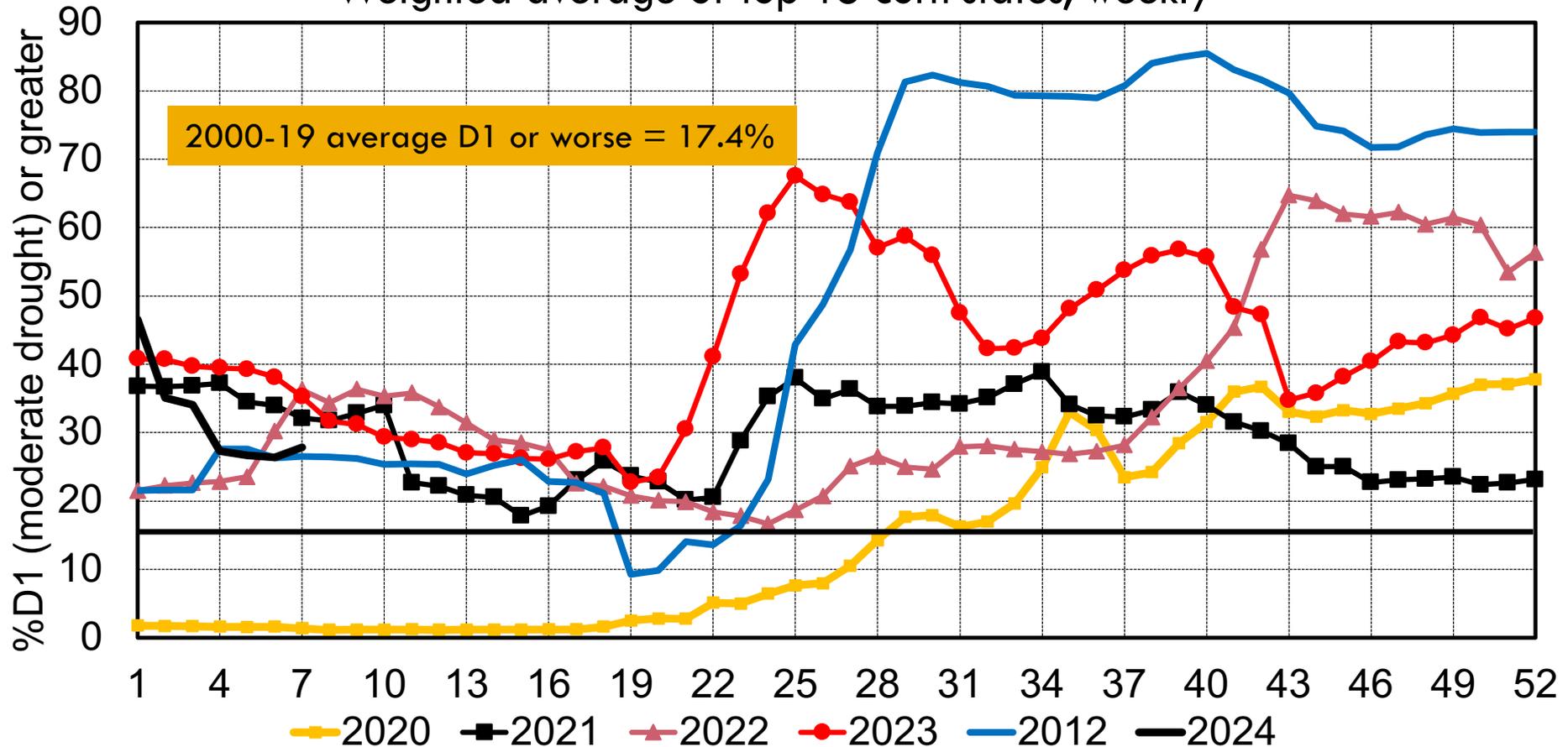


Corn prices will vary more than the reported averages

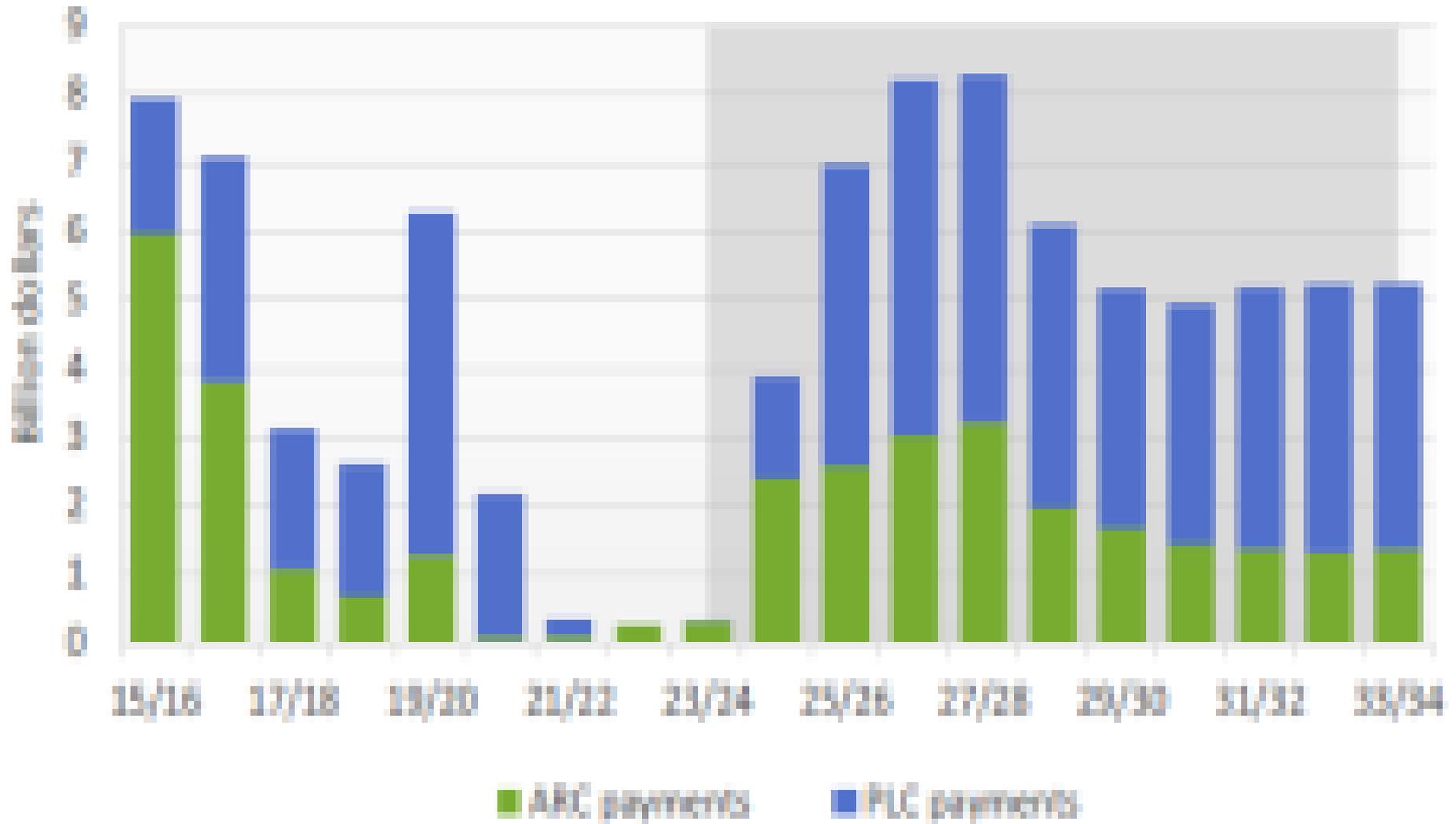


Weather critical to the outlook

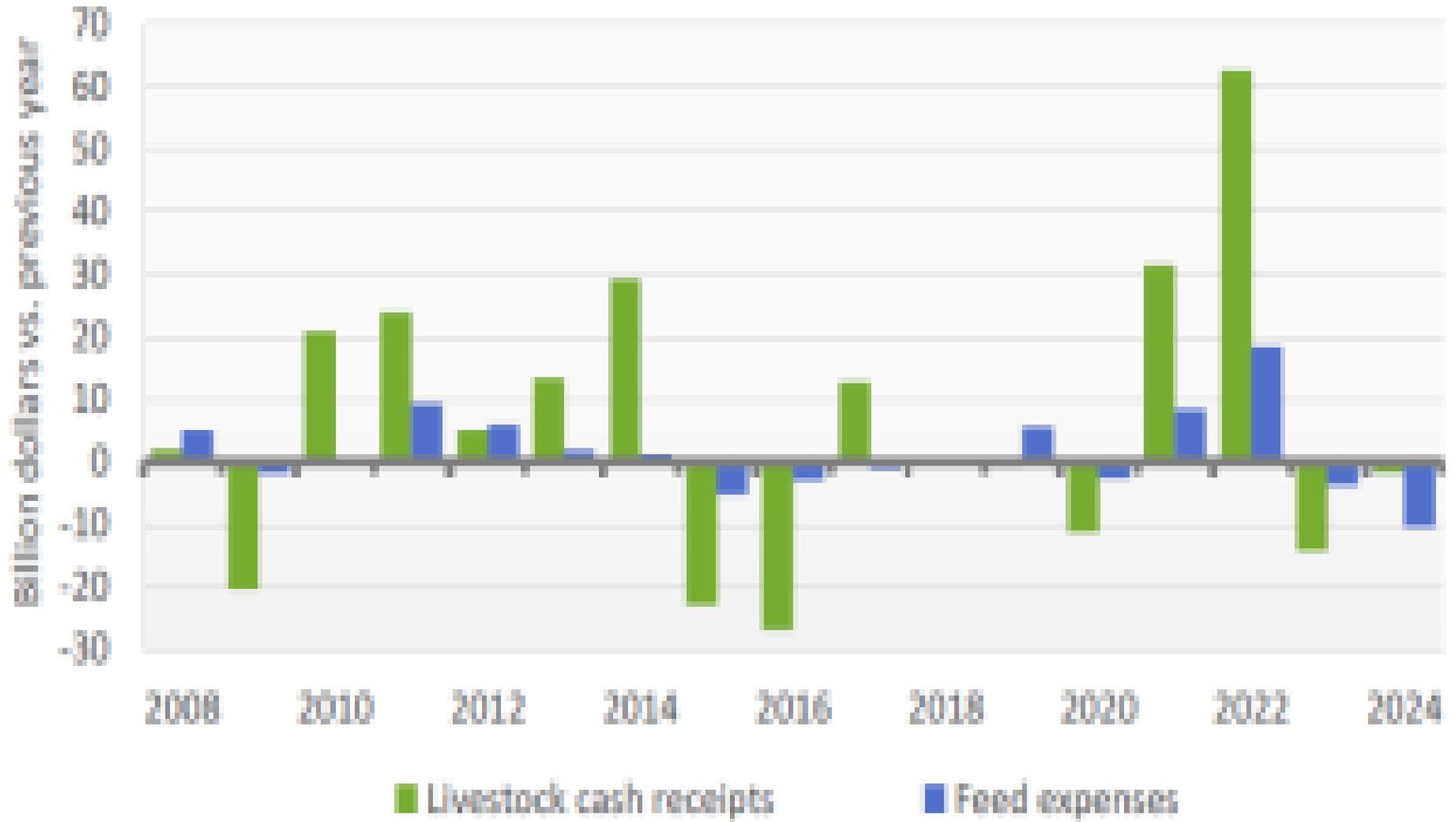
Weighted average of top 15 corn states, weekly



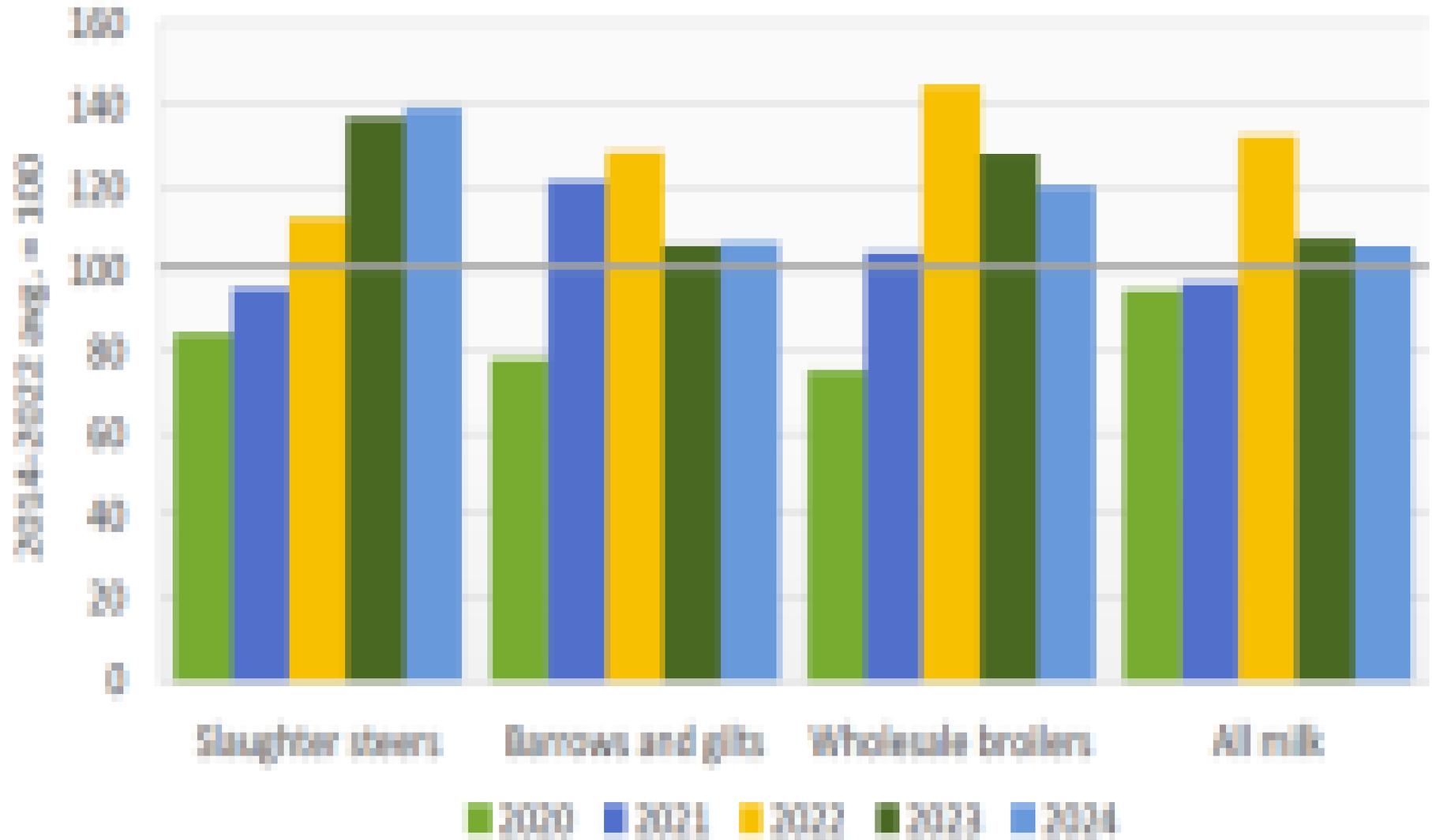
ARC and PLC payments rebound from recent lows



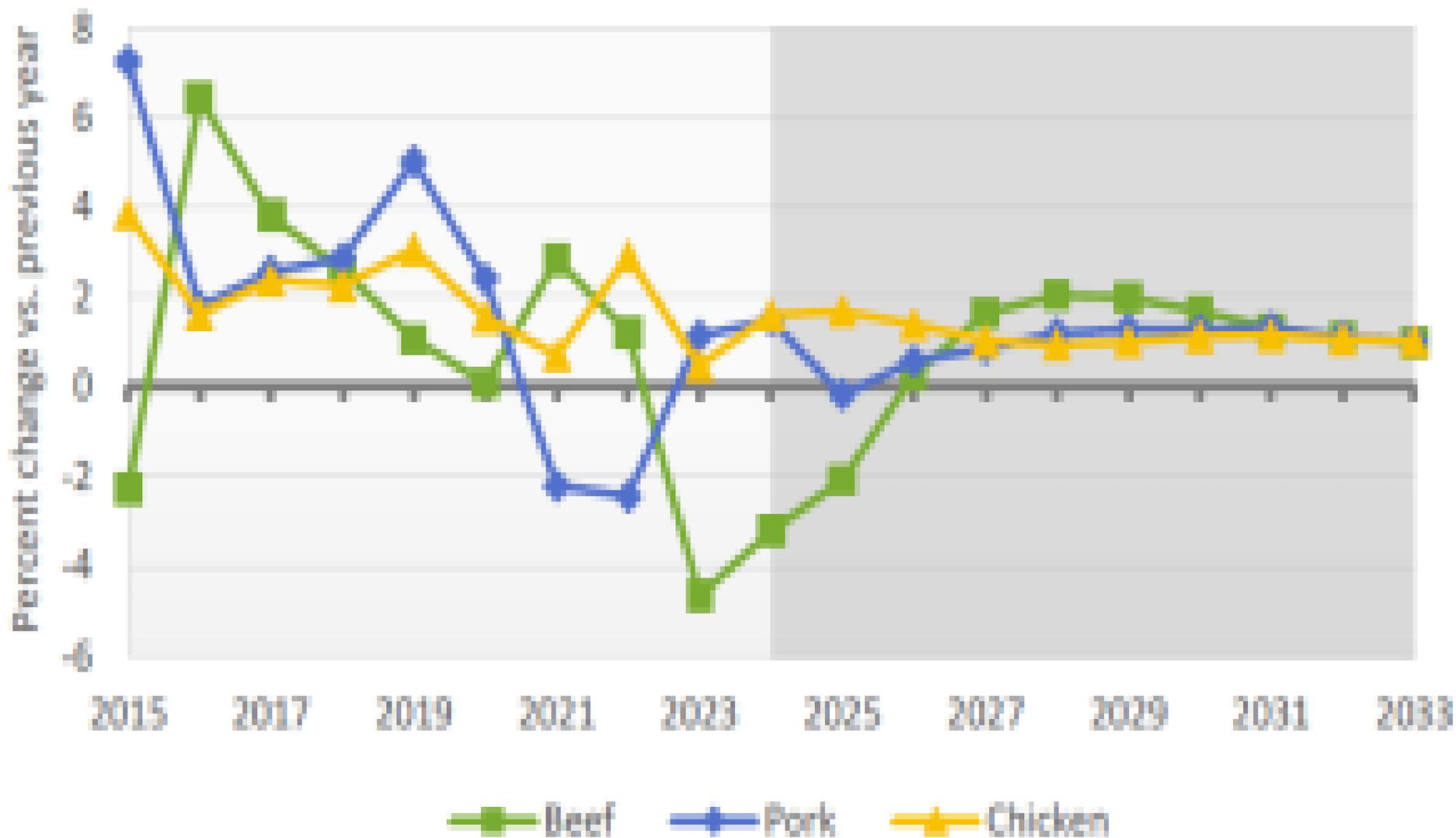
Lower feed expenses will improve profitability



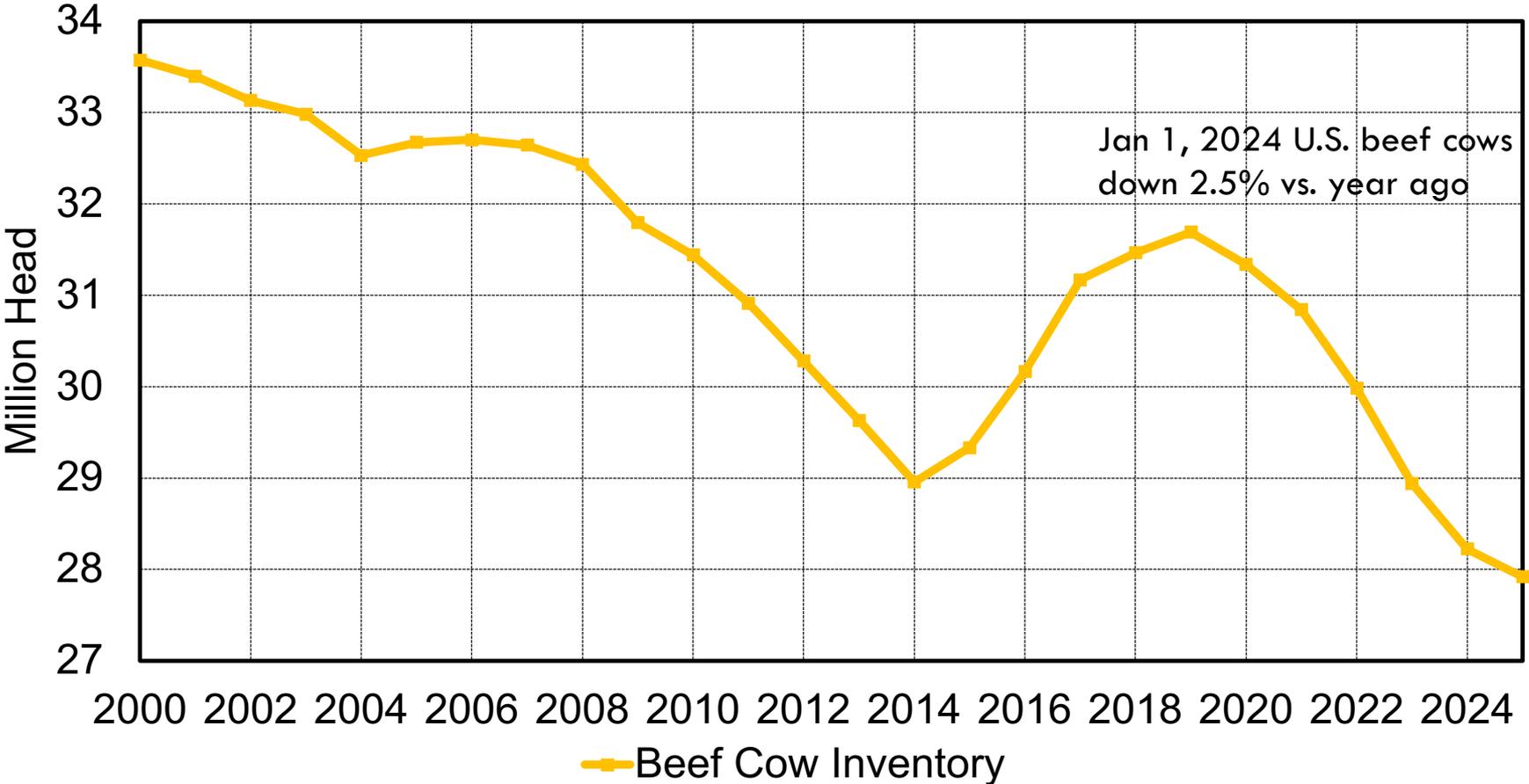
Livestock prices decline except for cattle



Beef production declines continue

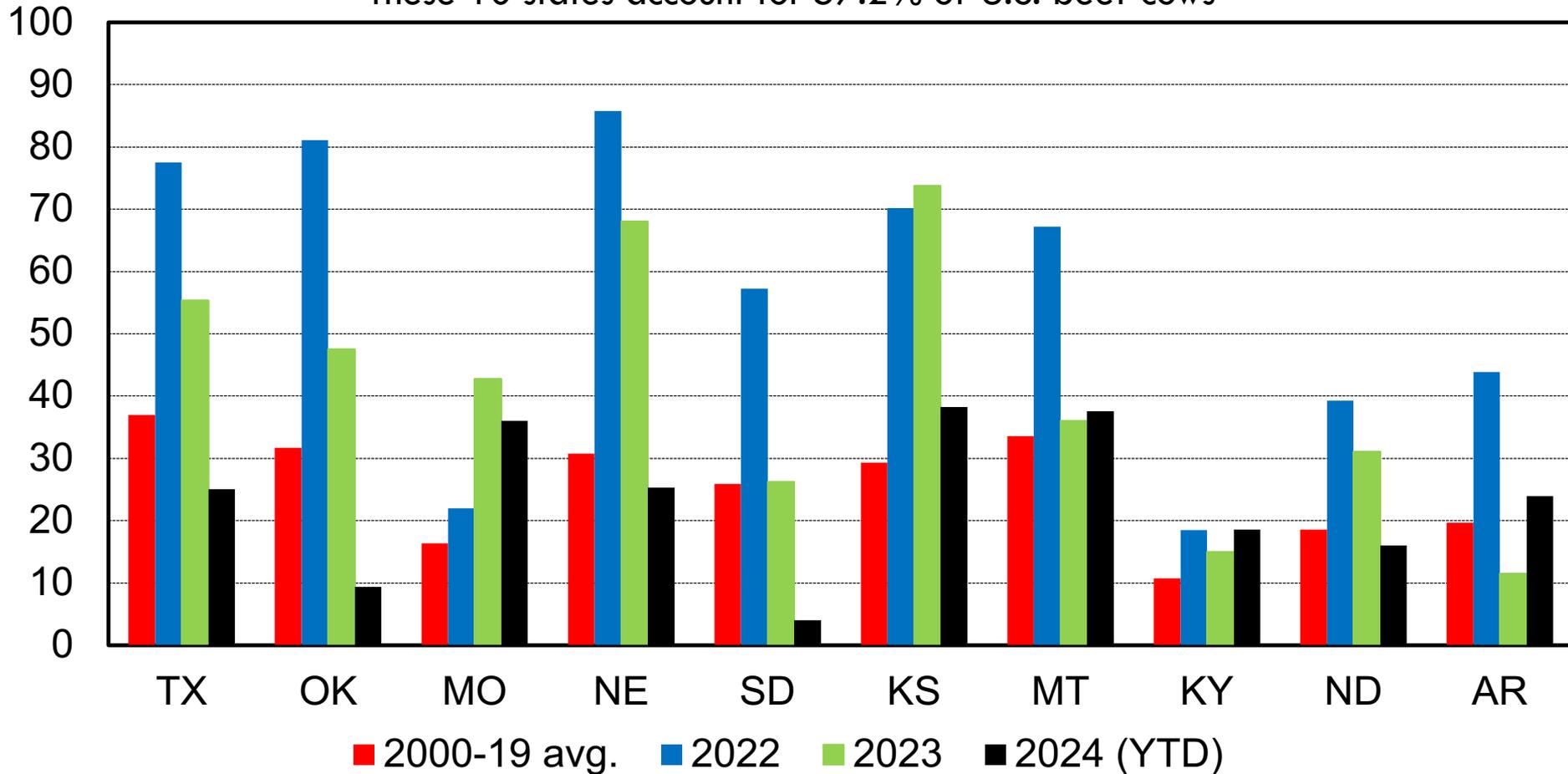


Beef Cow Herd Continues to Decline

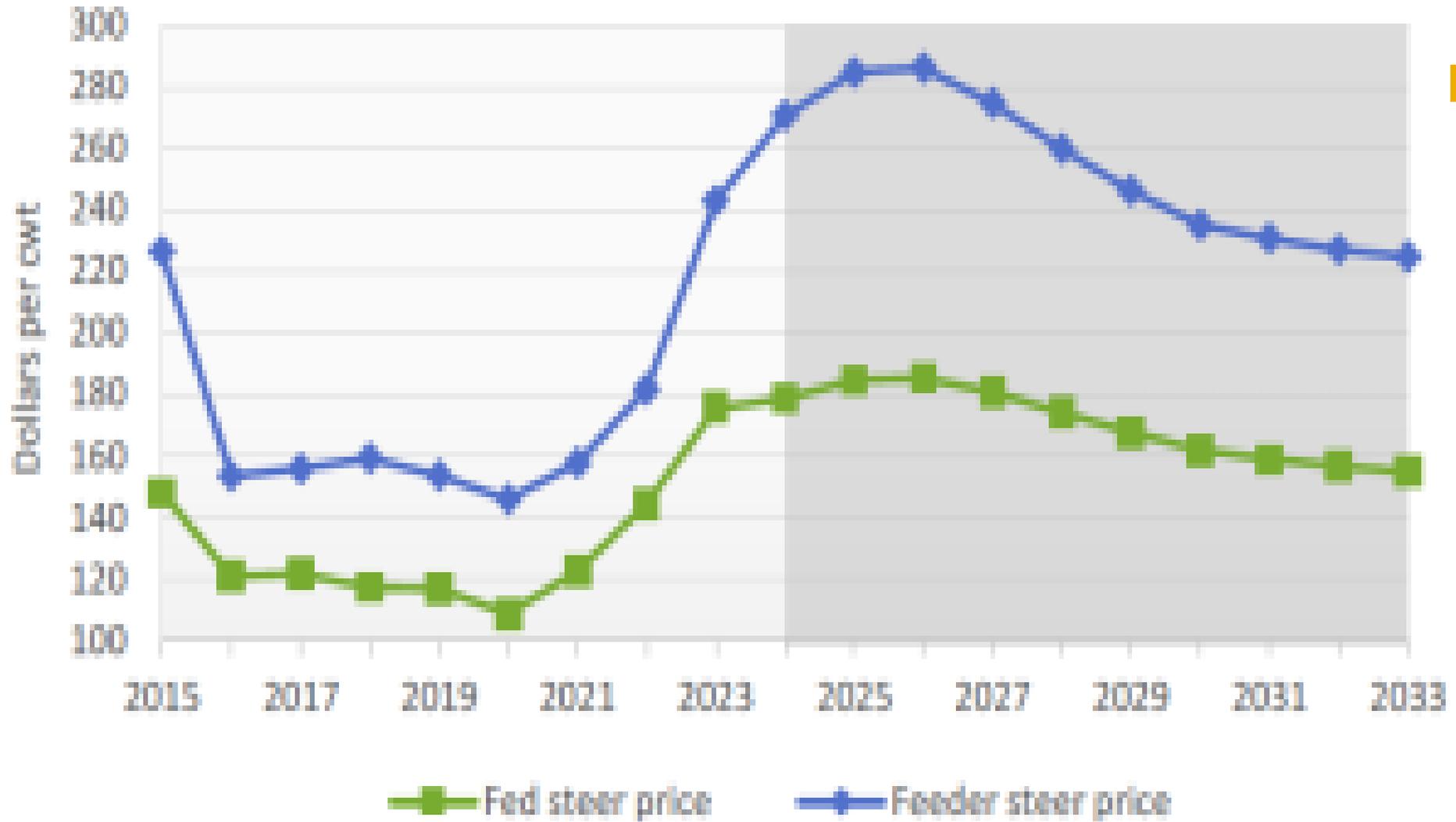


% of D1 or worse by top 10 beef cow states

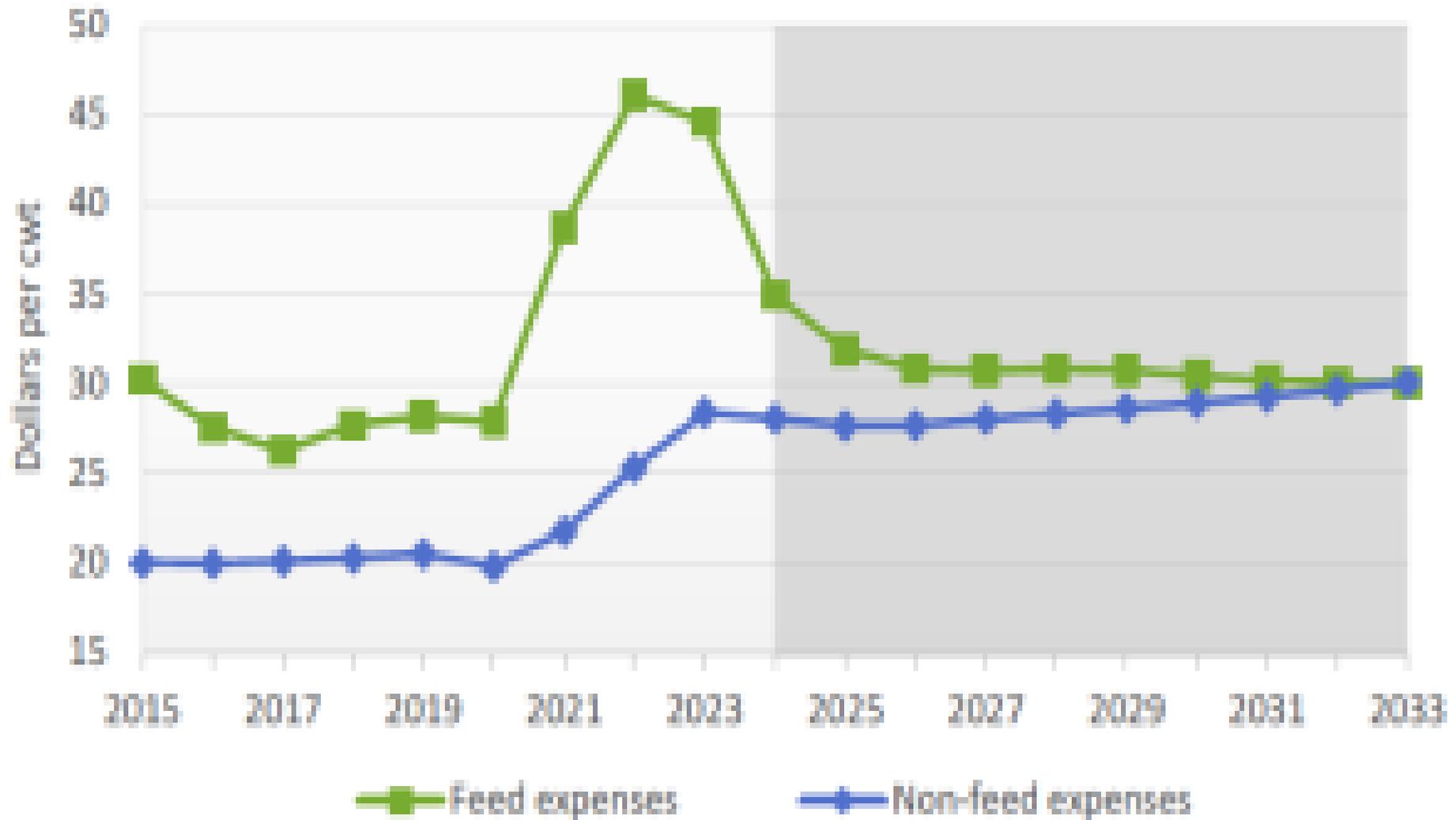
These 10 states account for 57.2% of U.S. beef cows



Cattle prices continue to climb



Feed cost relief for farrow-finish producers



Thanks!

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Nebraska Farm Income Situation and Outlook

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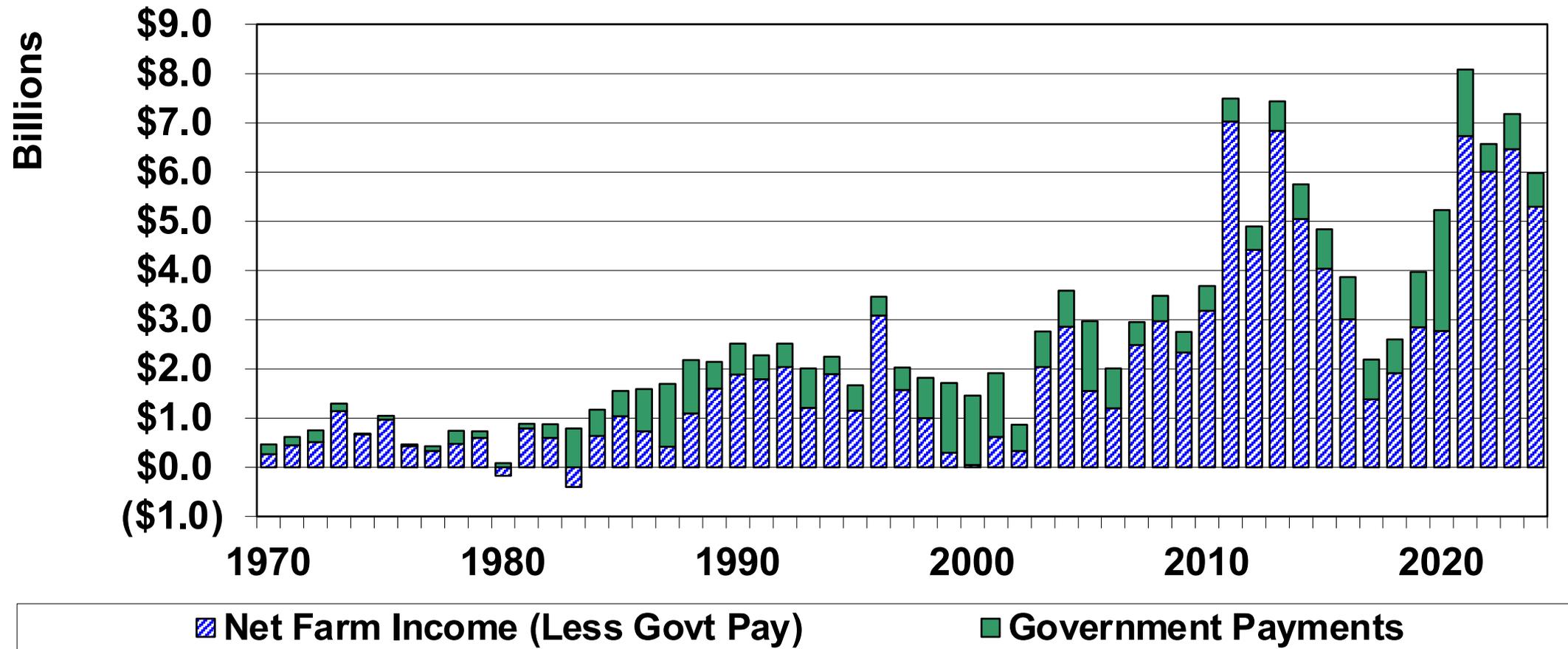
Farm Income Outlook and Management Issues for 2024

- **Key Issues**
 - **Crop and livestock prices**
 - **Farm income safety net**
 - **Management**





Nebraska Net Farm Income

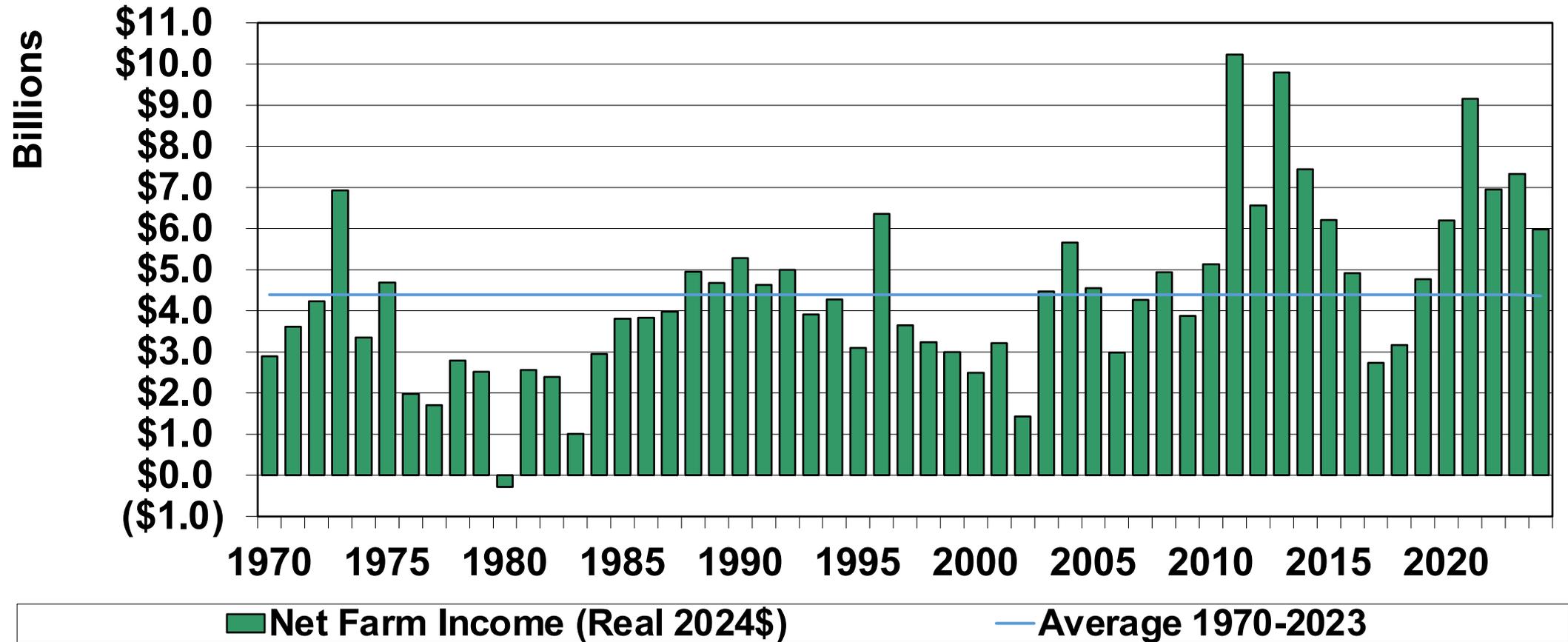


Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2024





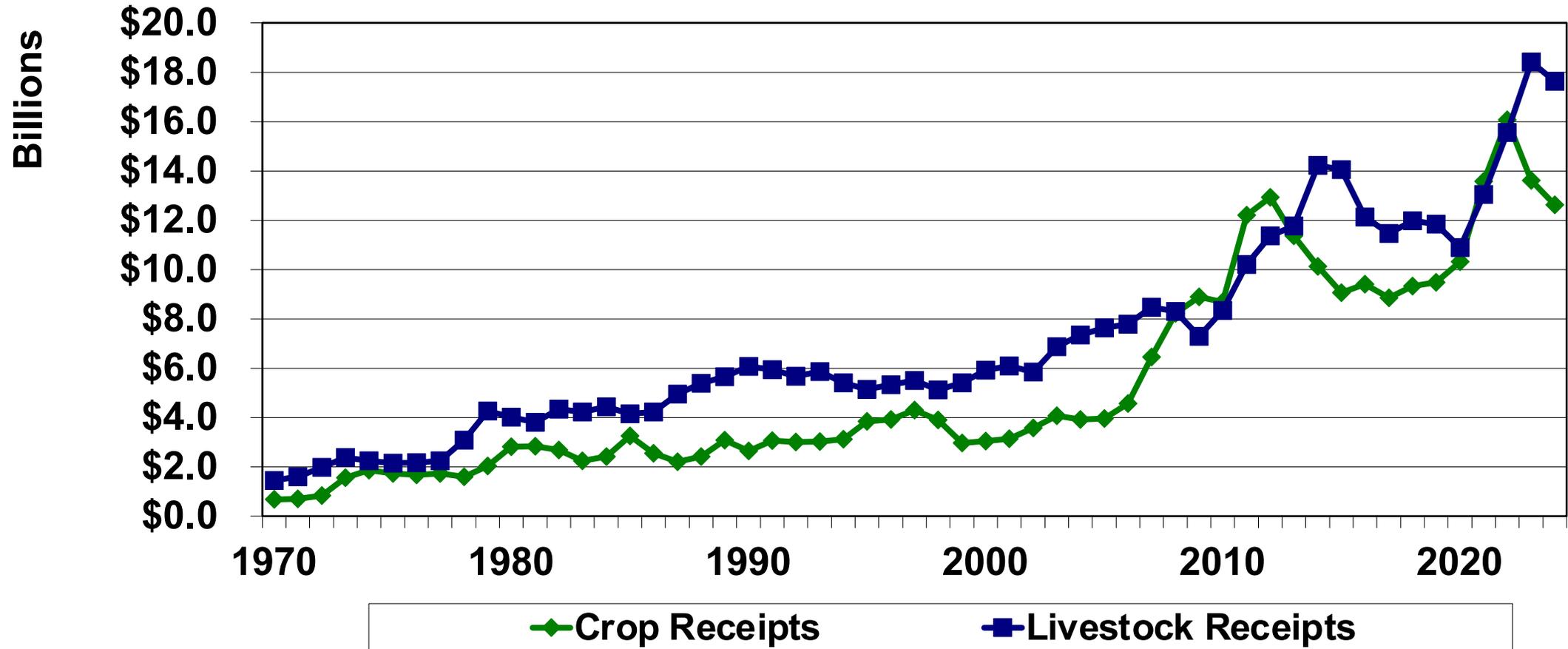
Nebraska Net Farm Income



Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2024



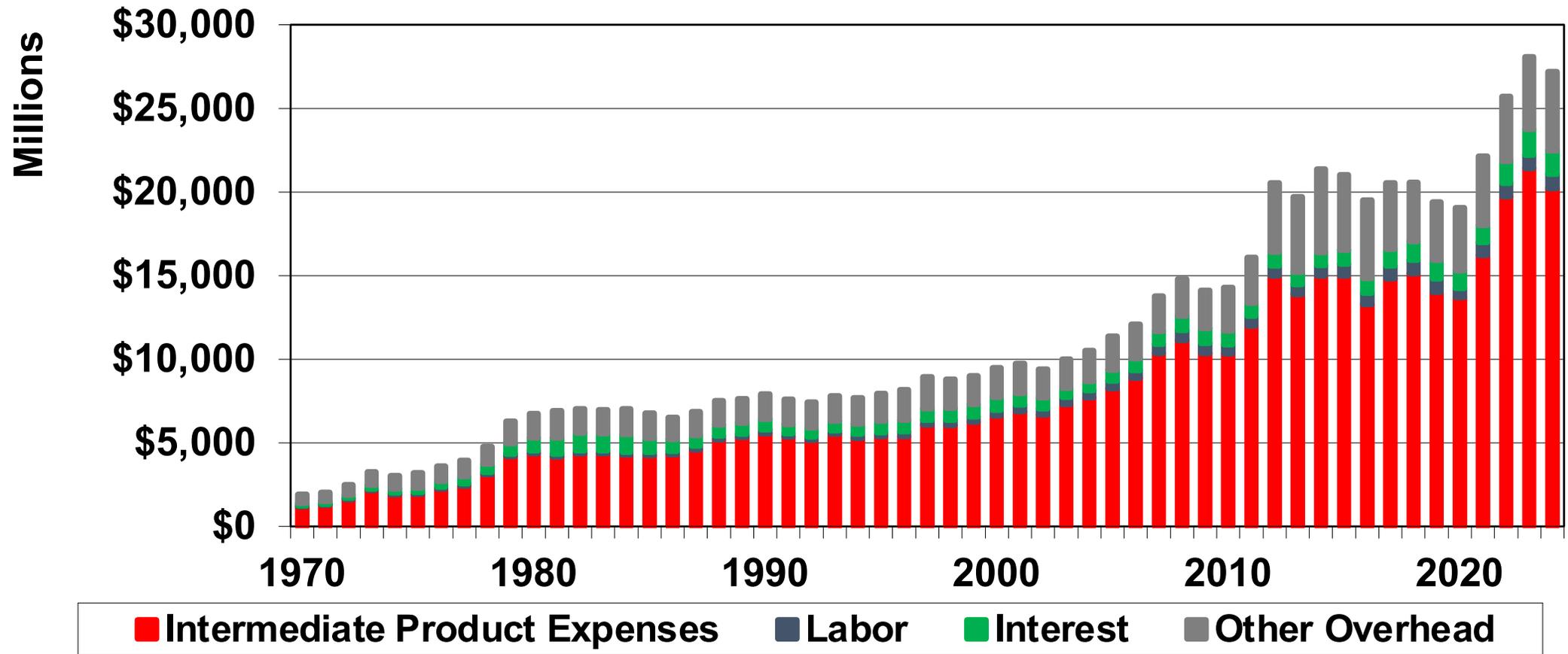
Nebraska Farm Receipts



Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2024



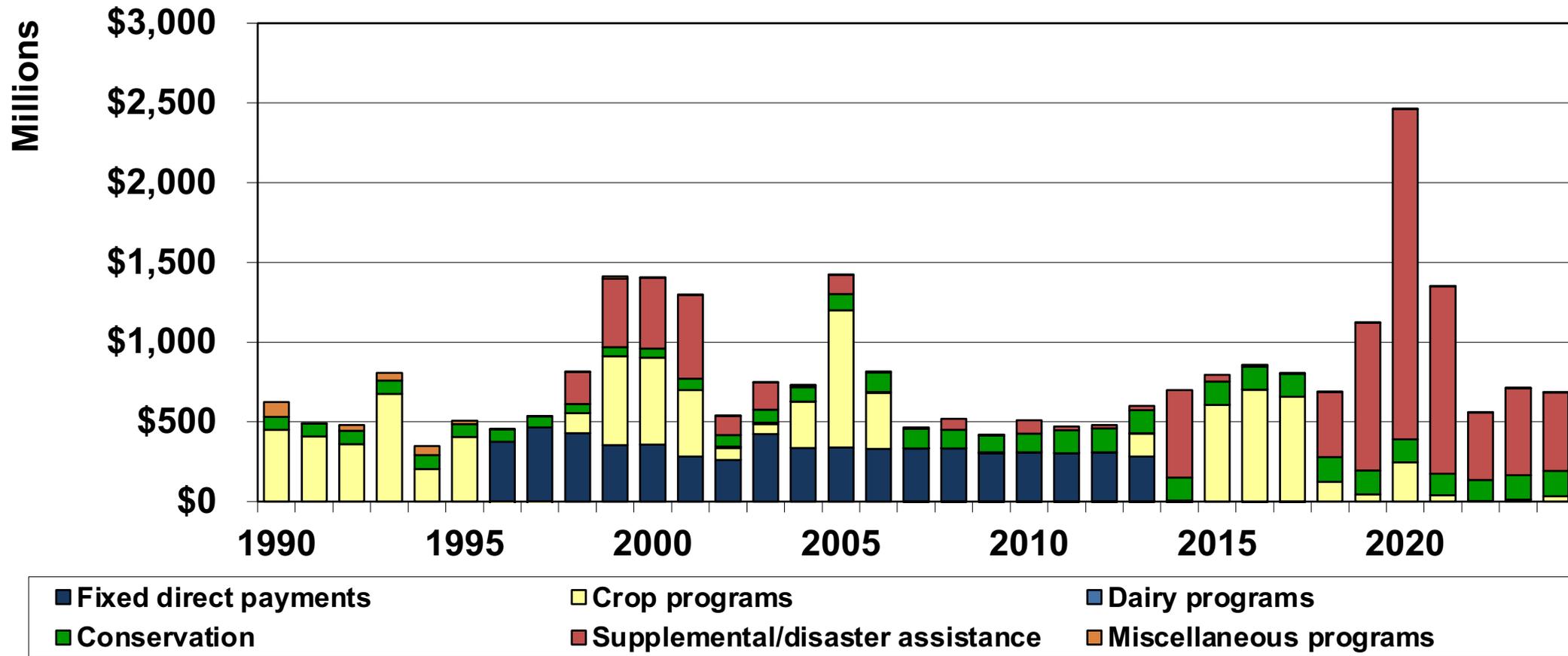
Nebraska Farm Expenses



Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2024



Nebraska Government Payments



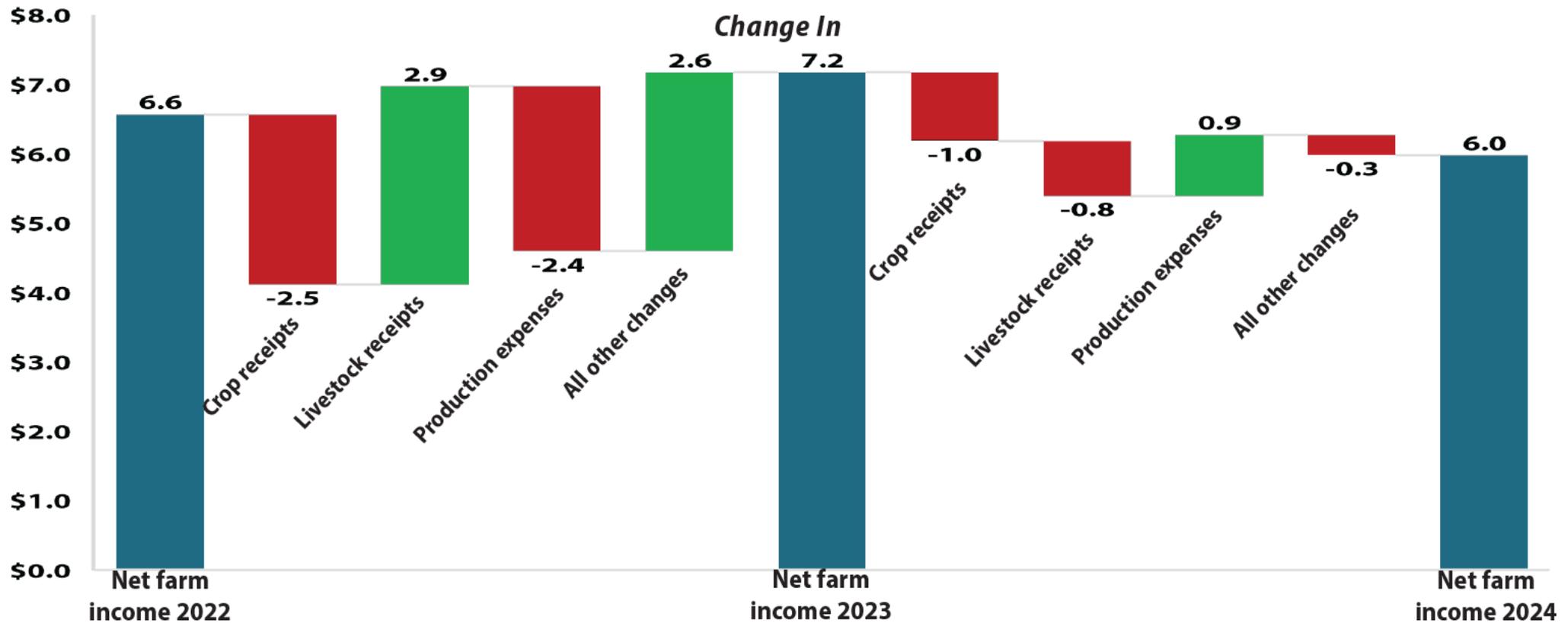
Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2024





Nebraska Net Farm Income

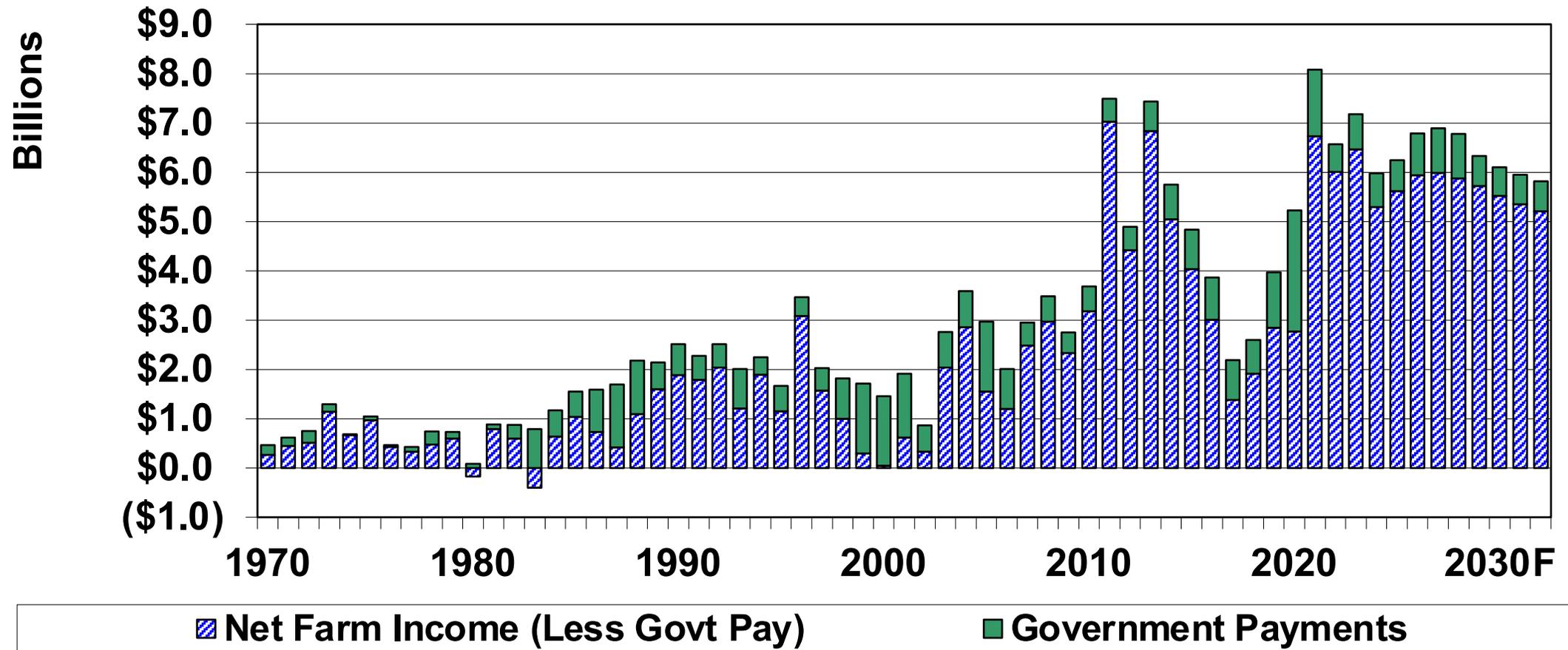
Nebraska net farm income projected to decline in 2024 after bump in 2023



Source: RaFF, April 2024



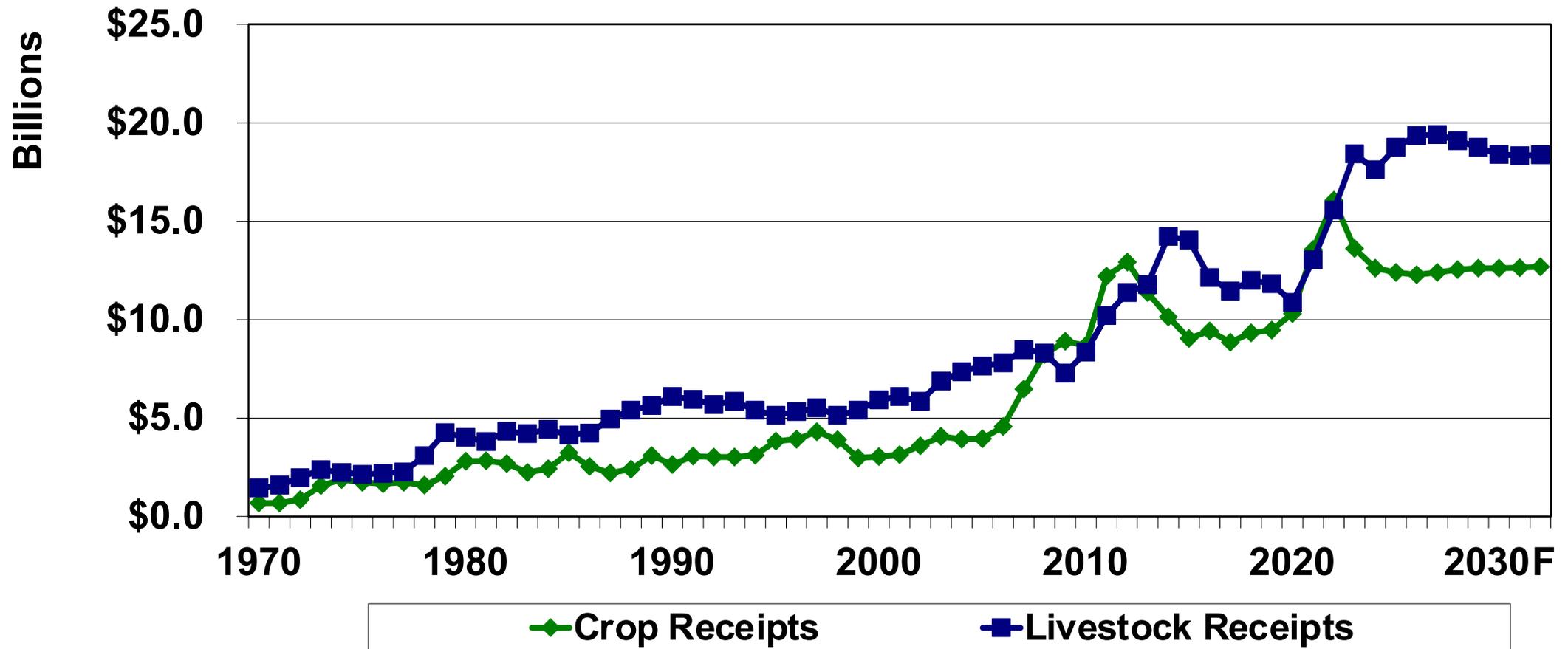
Nebraska Net Farm Income



Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2024



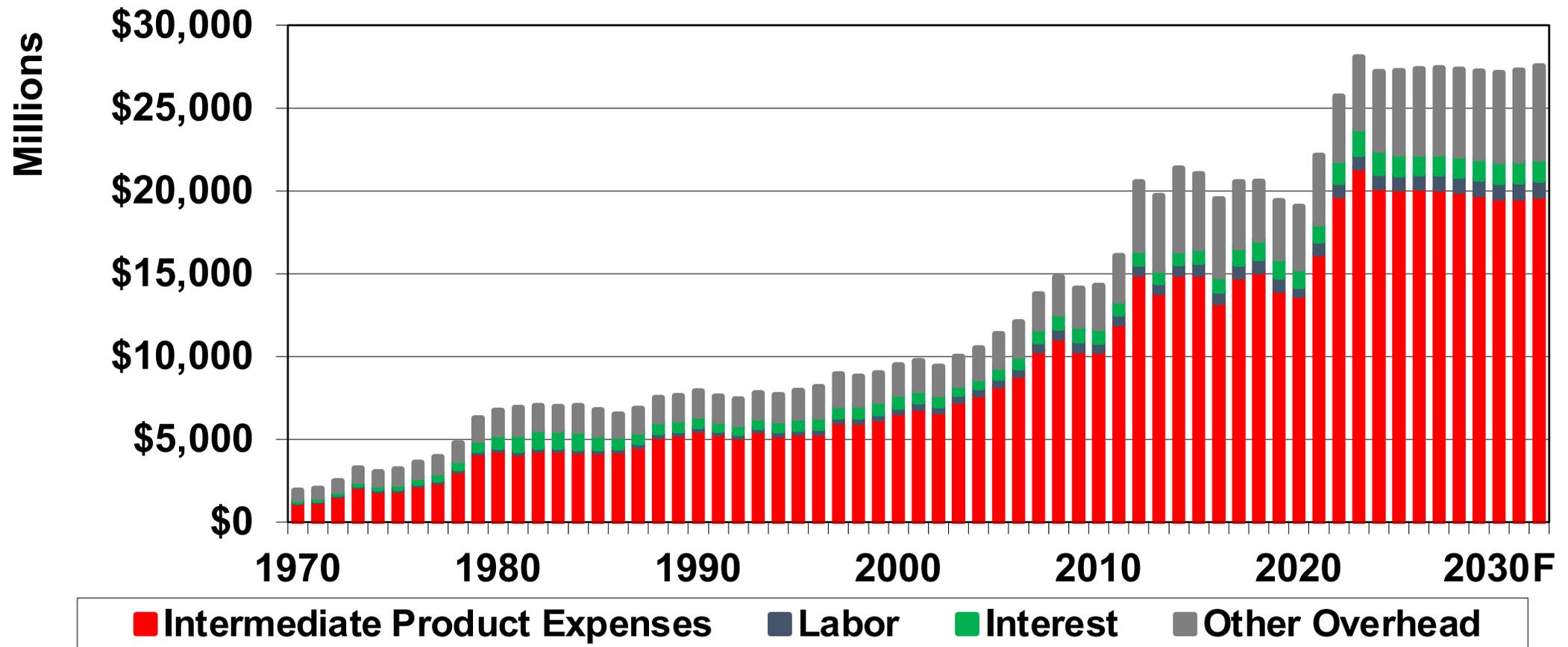
Nebraska Farm Receipts



Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2024



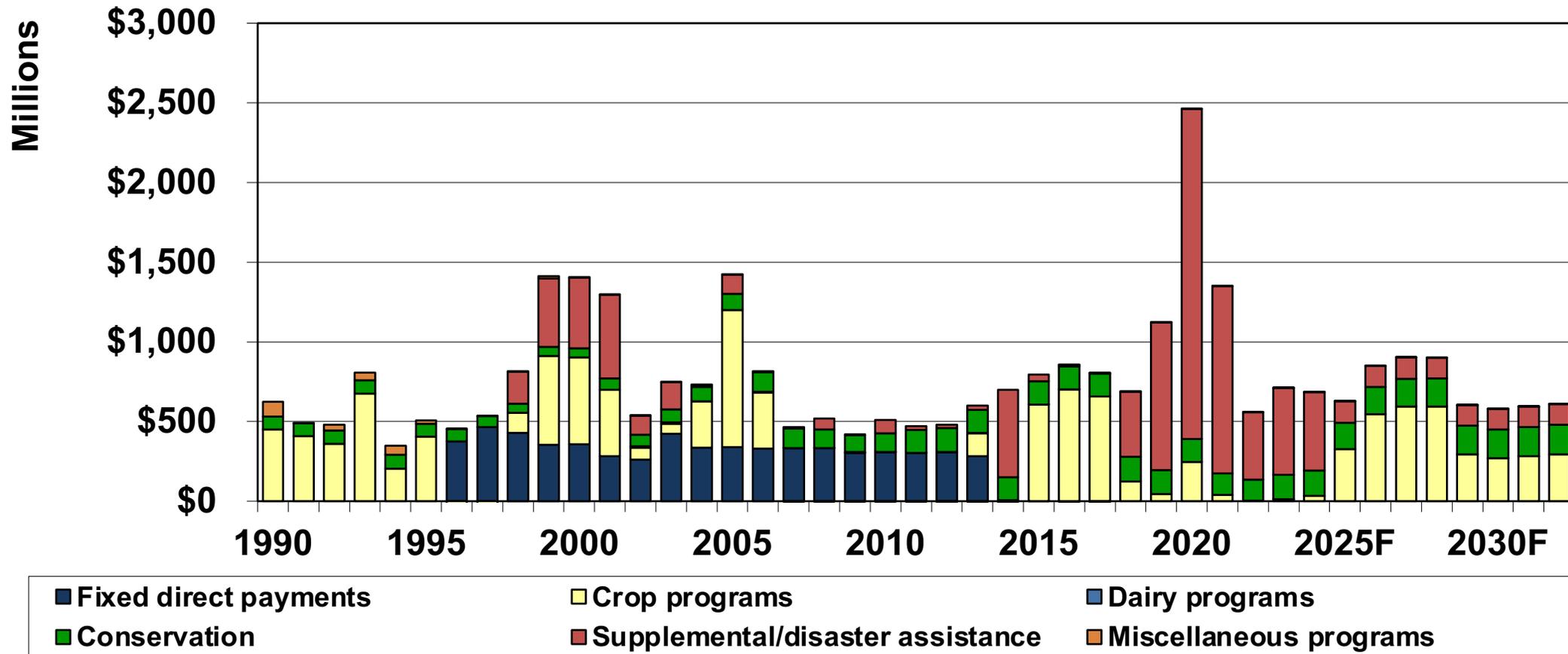
Nebraska Farm Expenses



Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2024



Nebraska Government Payments



Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2024



Farm Income Outlook and Management Issues for 2024

- **Key Issues**

- **Crop and livestock production**

- **Lower crop prices in 2024 will reduce receipts and cash flow**
- **Livestock receipts pull back in 2024**
 - **Cattle receipts drop as marketings bottom out with some herd regrowth and relatively stable prices**

- **Farm income safety net**

- **Commodity program support is expected to be minimal**
- **Crop and livestock insurance are a key part of the safety net not included the government payment statistics**
- **Standing disaster assistance can provide further assistance along with some lingering ad hoc assistance payments in 2024**

- **Management**

- **Production expenses pull back from record levels but remain relatively**
- **Margin may be more important than yield, price, or revenue for 2024**

