

# 2019 Montana Agricultural Year in Review

George W. Haynes

Professor/Extension Specialist

Department of Agricultural Economics & Economics

MSU Extension

Kate Binzen Fuller

Assistant Professor/Extension Specialist

# **1. In 2019, ag sentiment declines:**

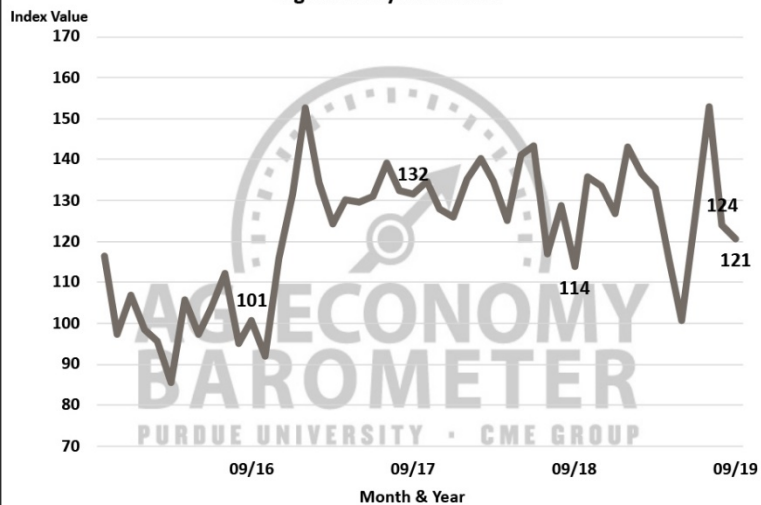
**“Between the weather and the prices, a guy just can’t catch a break.”**

# AG ECONOMY BAROMETER

PURDUE UNIVERSITY · CME GROUP



Ag Economy Barometer



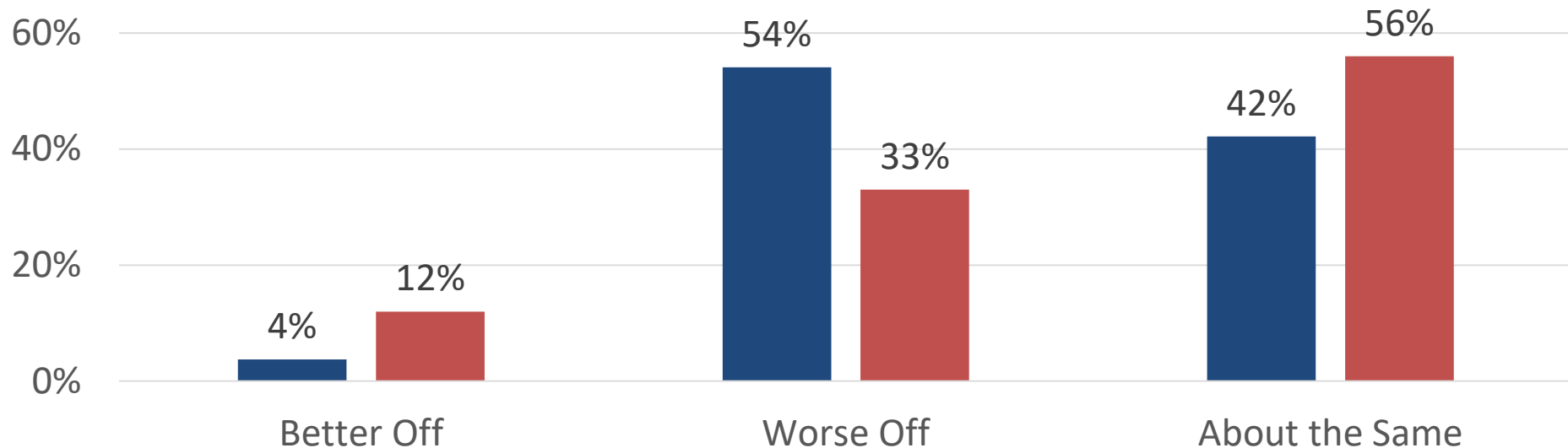
Source: Purdue University Center for Commercial Agriculture, Producer Survey, September 2019

VS

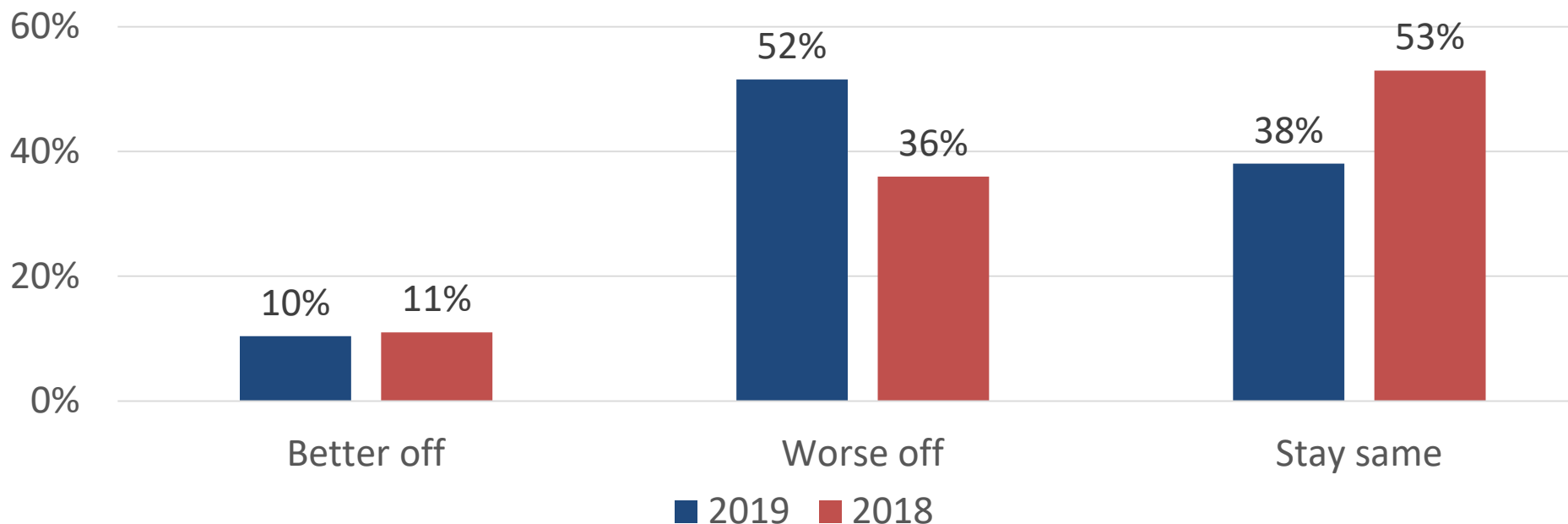
# MONTANA



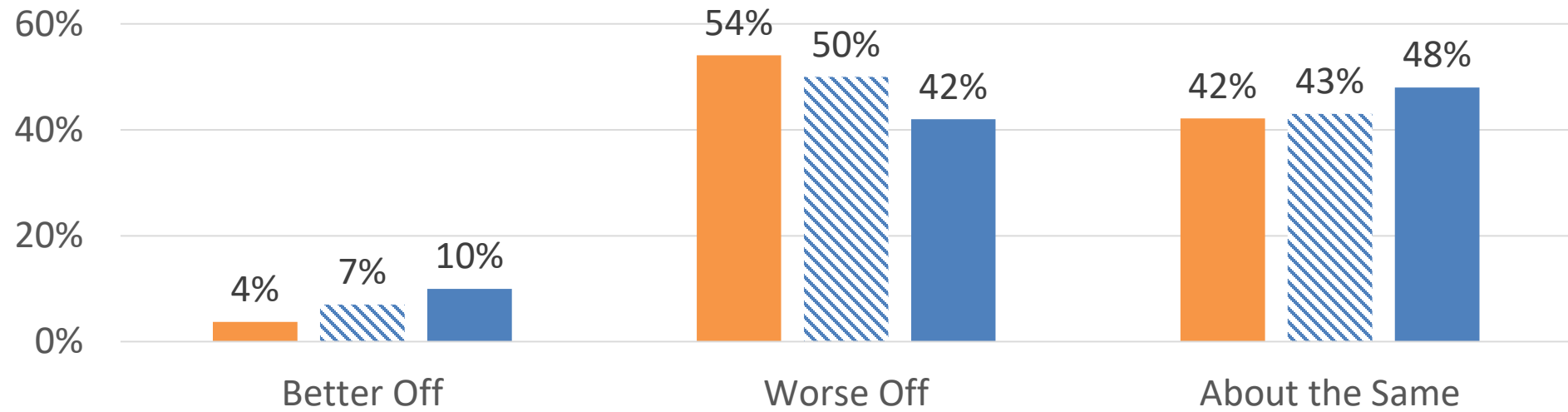
## Compared to a year ago, Montana farmers' operations are...



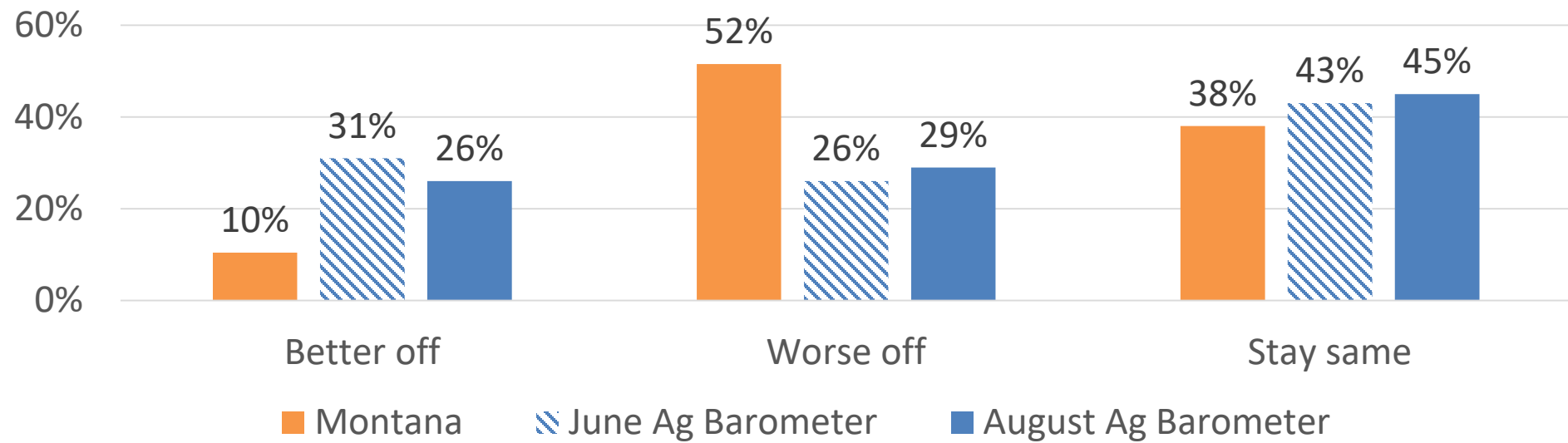
## In the next 12 months, Montana farmers financially will be...



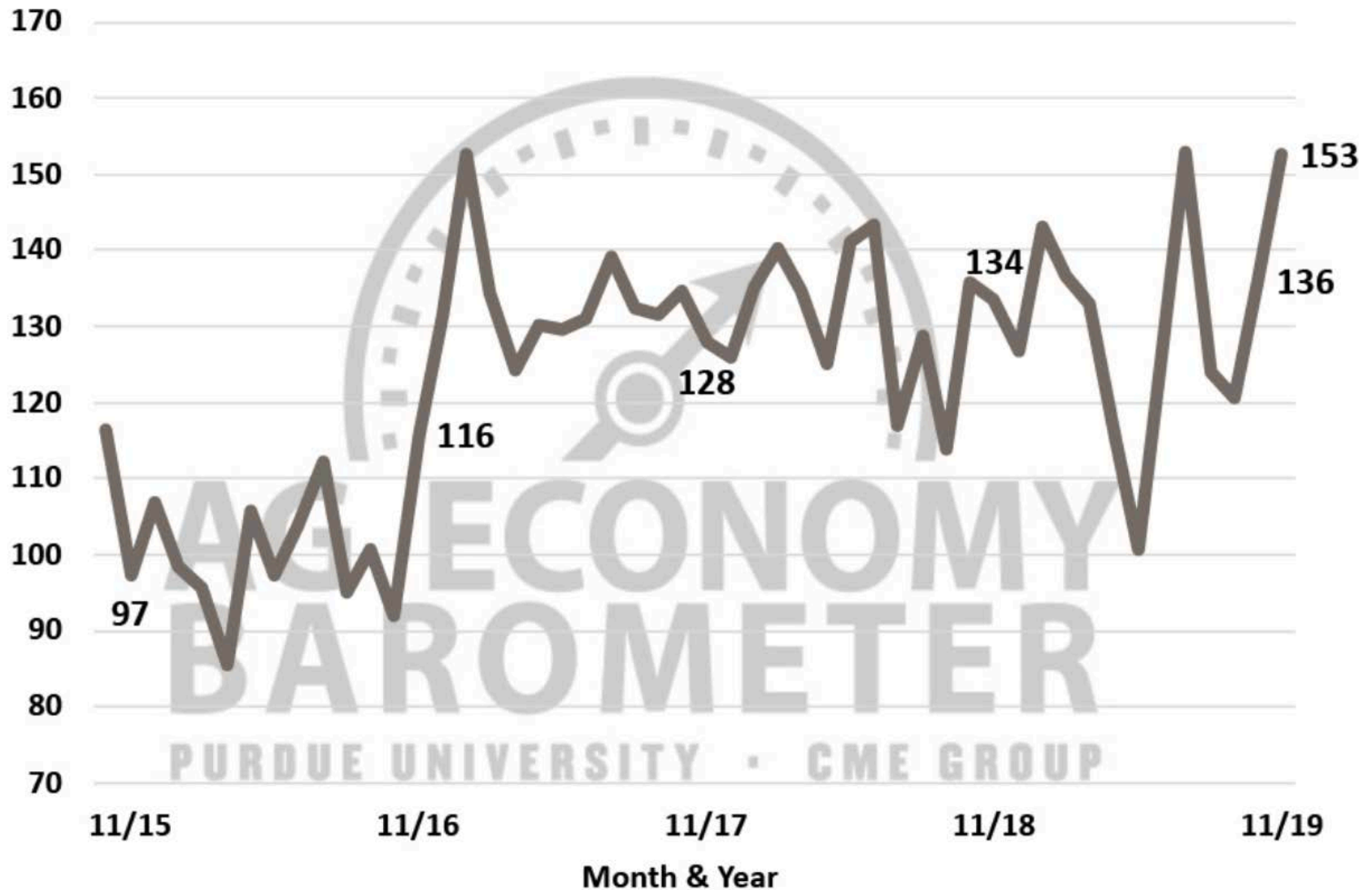
Would you say that your farm operation today is better off, worse off or about the same compared to a year ago?



Do you think that a year from now your farm operation will be better off financially, worse off, or about the same as now?



# November Ag Economy Barometer



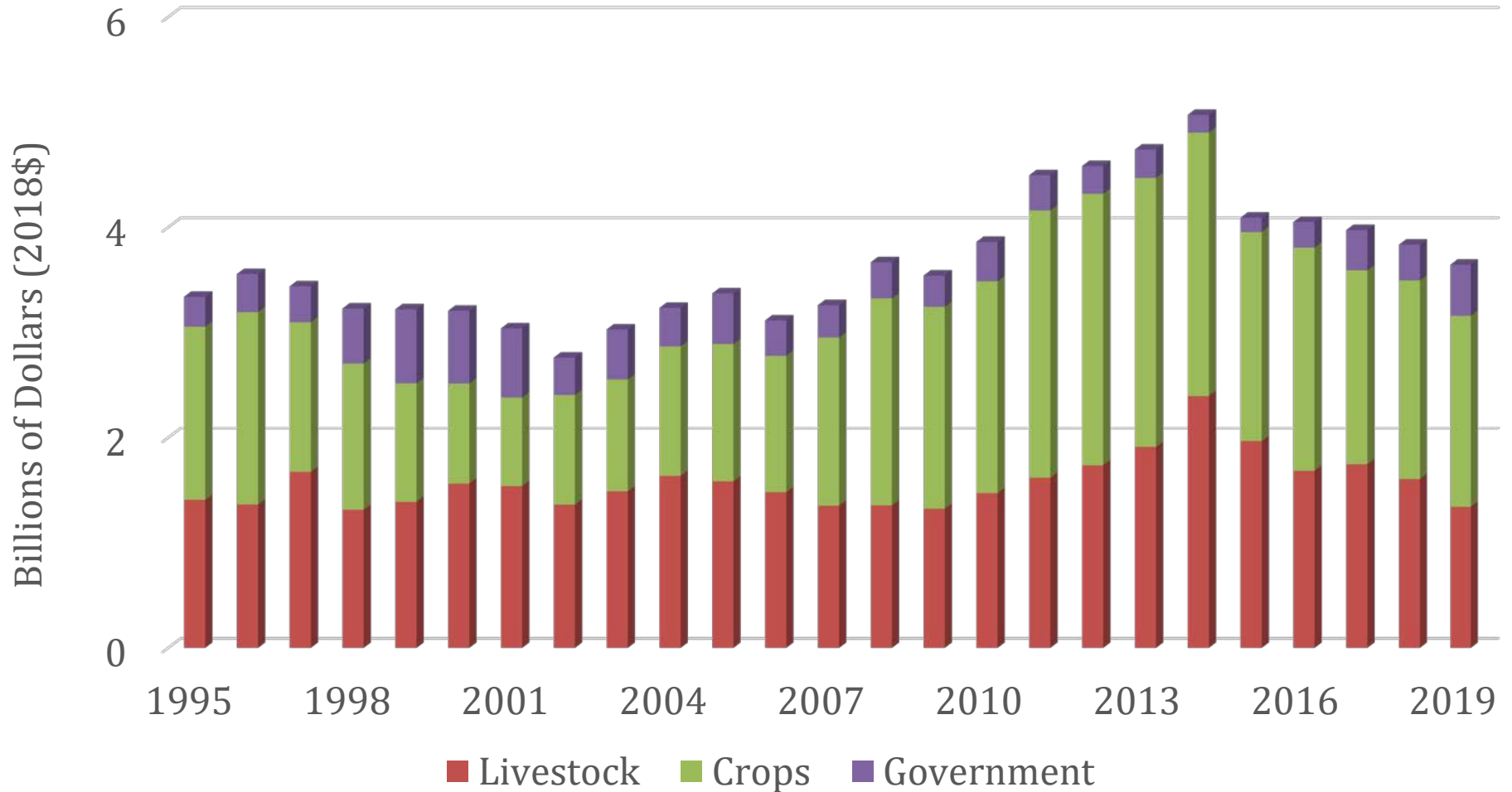
Source: Purdue University Center for Commercial Agriculture, Producer Survey, November 2019

## 2. Where we are is relative:

“It’s not *that* terrible.”

“But it’s also not good.”

# Montana Cash Receipts (1995 – 2019F)

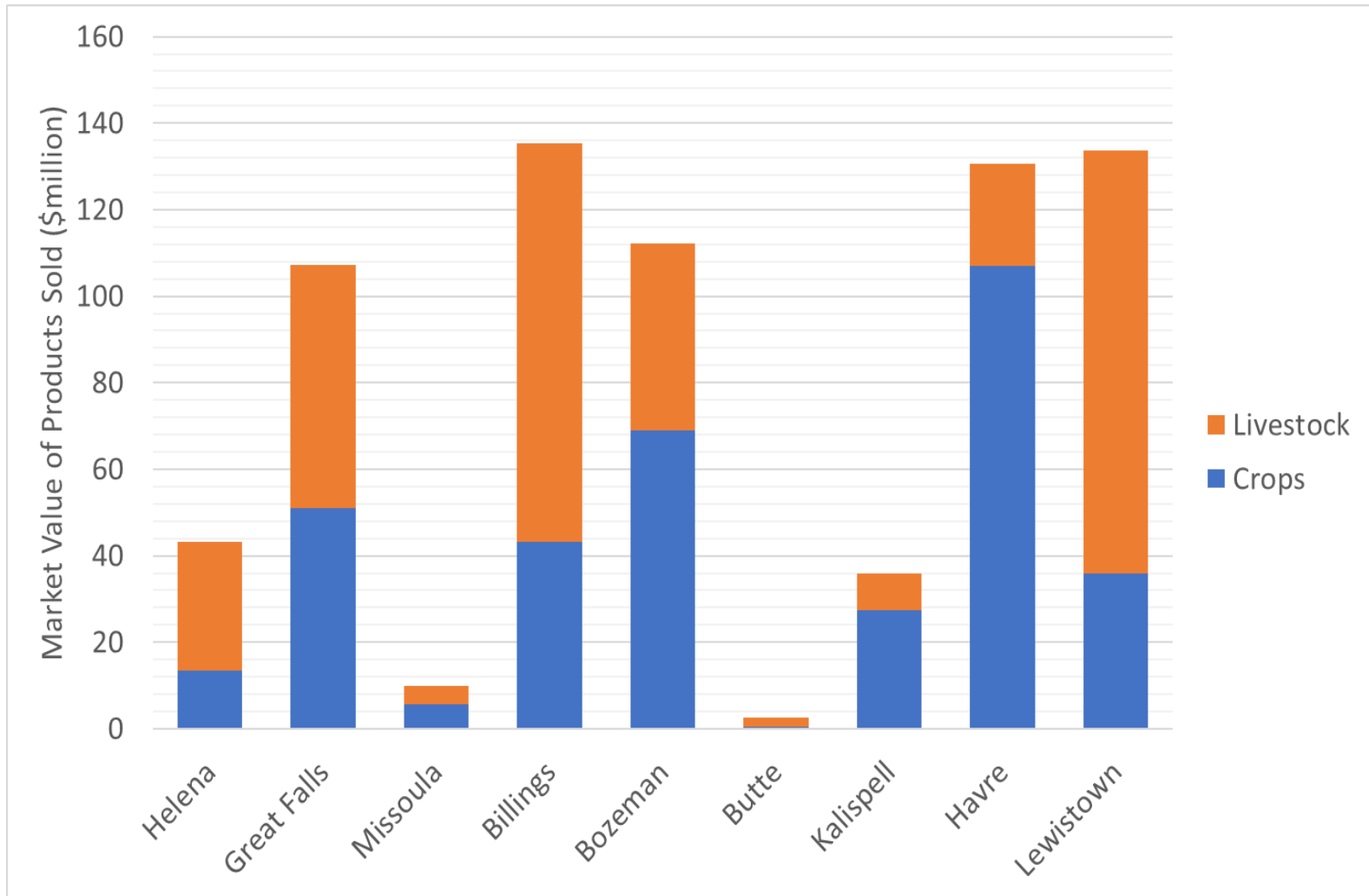


■ Livestock ■ Crops ■ Government

Source: USDA ERS Farm Income and Wealth Statistics

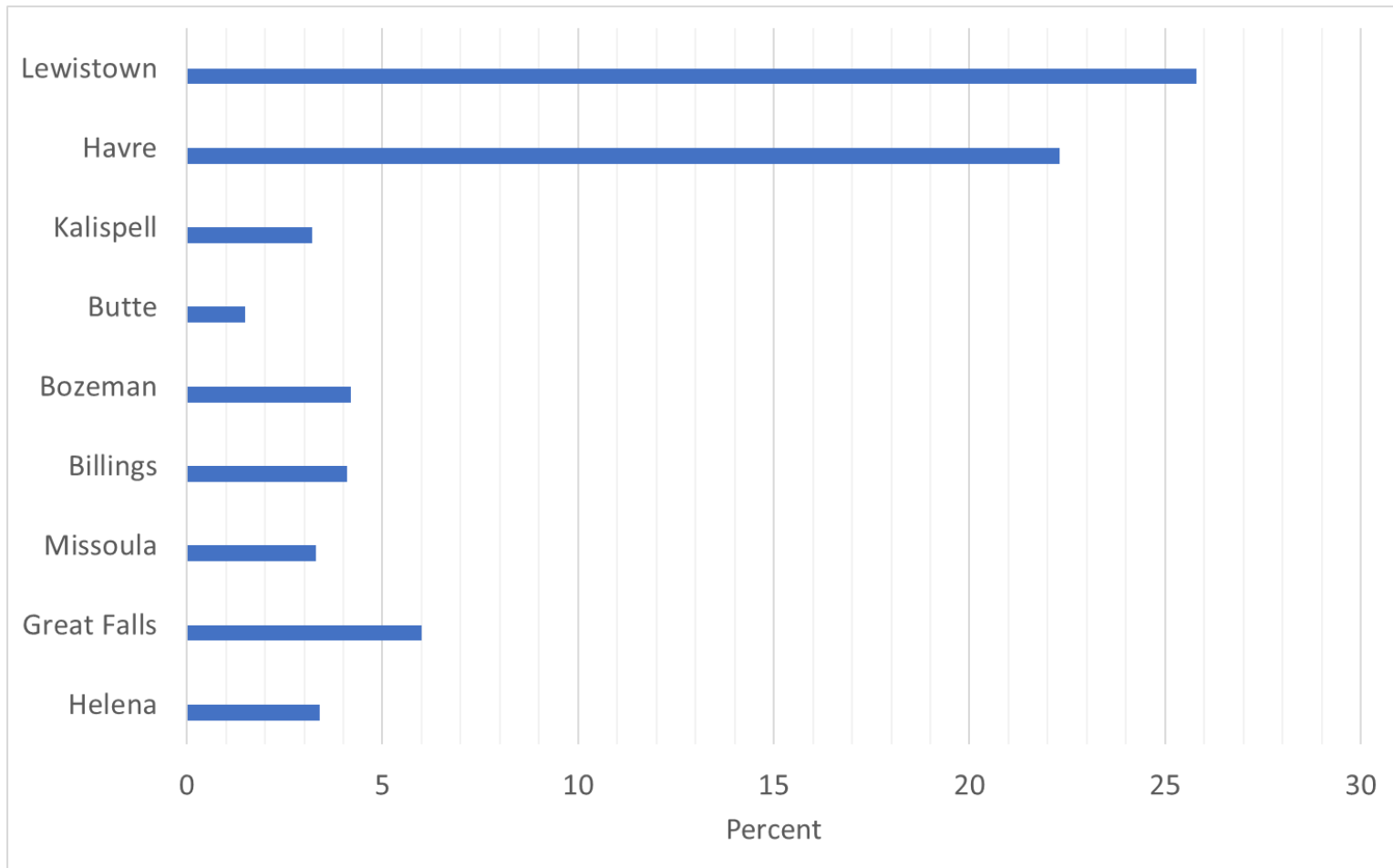


# Market Value of Livestock and Crops Sold



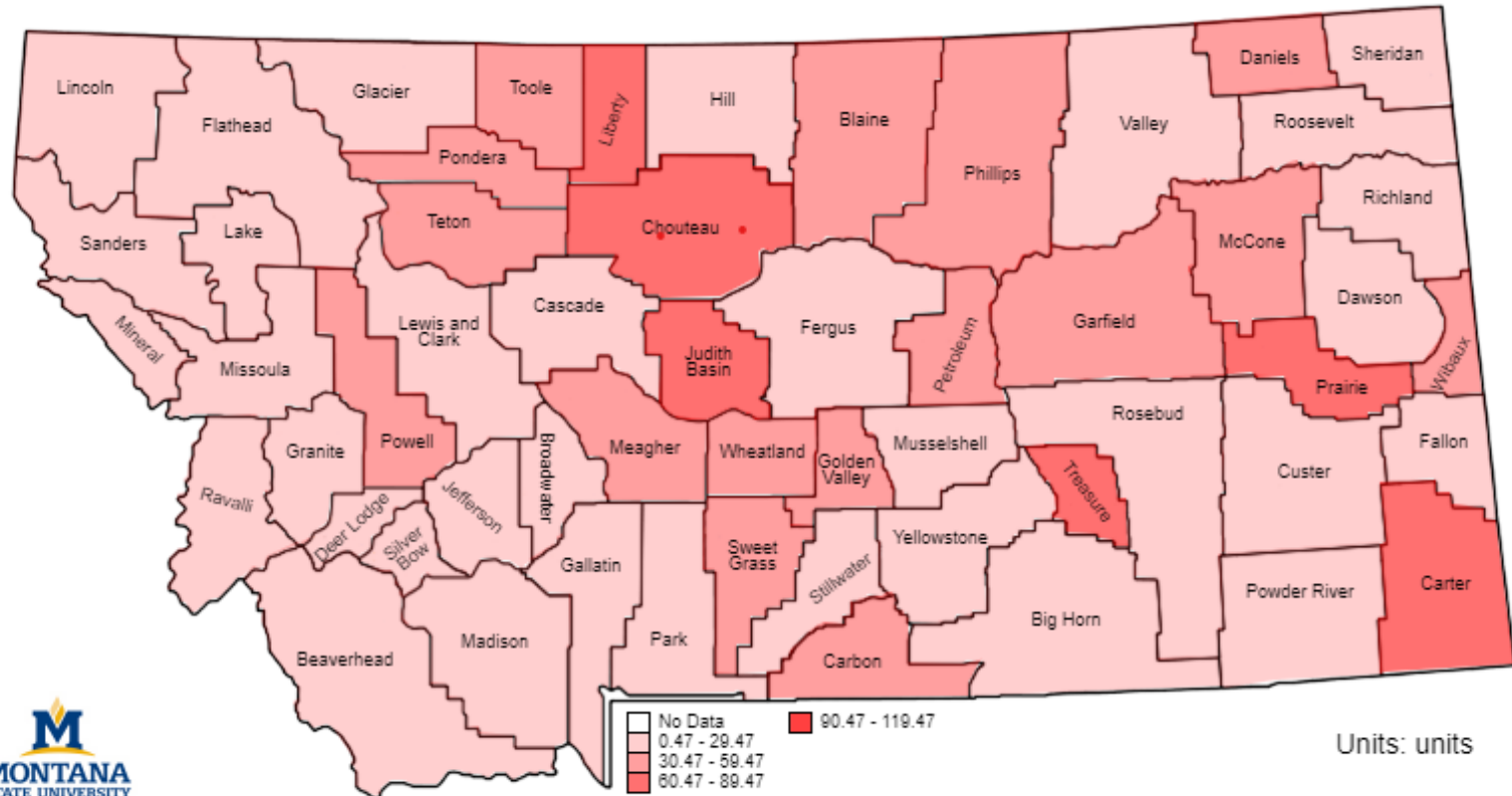
Source: 2017 Census of Agriculture

# Contribution (Share) of Production Agriculture to the County Labor Force



2017 Census of Agriculture and IMPLAN Estimates

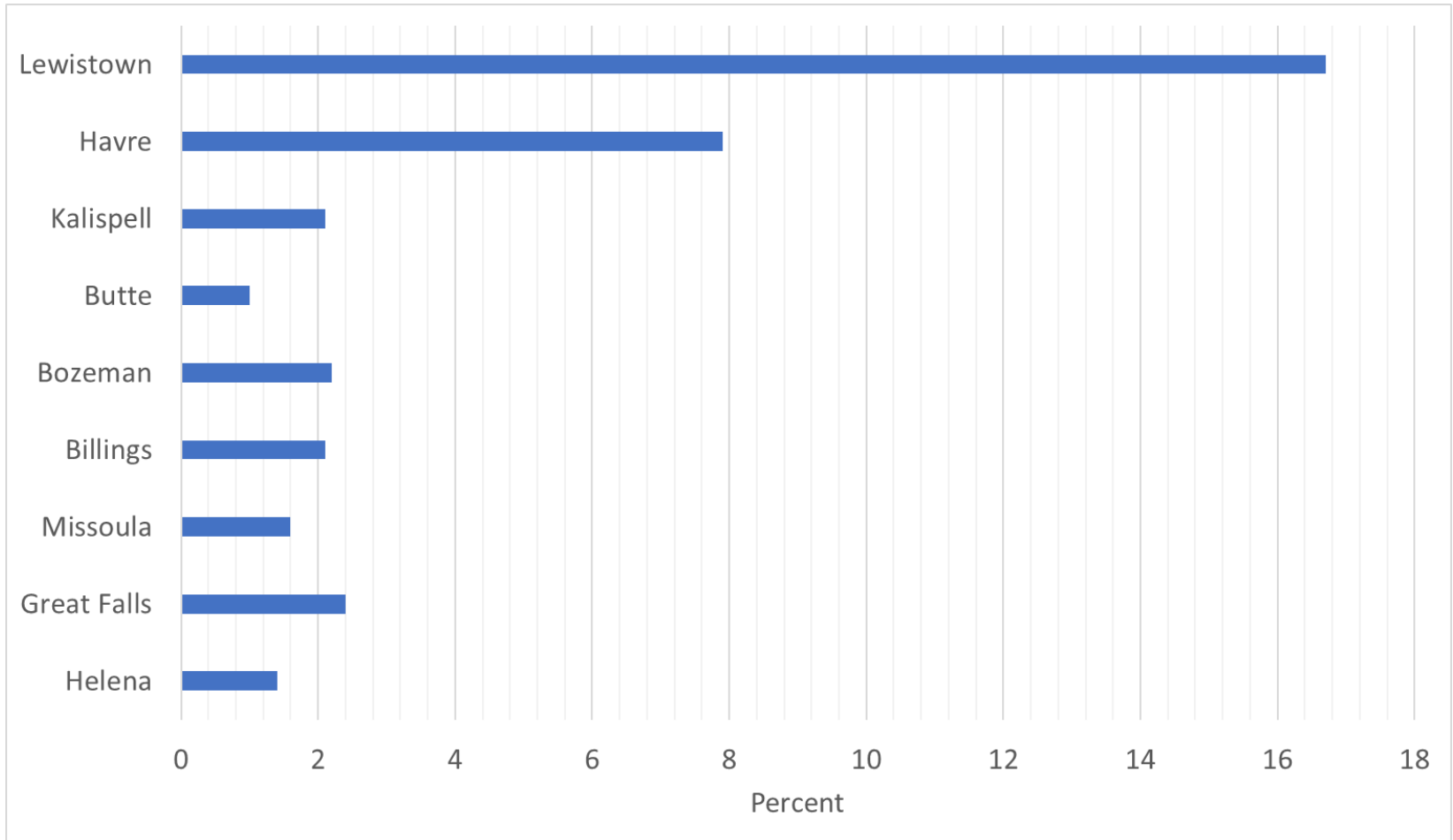
# Contribution (Share) of Production Agriculture to the County Labor Force



The Montana State University Extension Service is an ADA/EO/AA/Veteran's Preference Employer and Provider of Educational Outreach

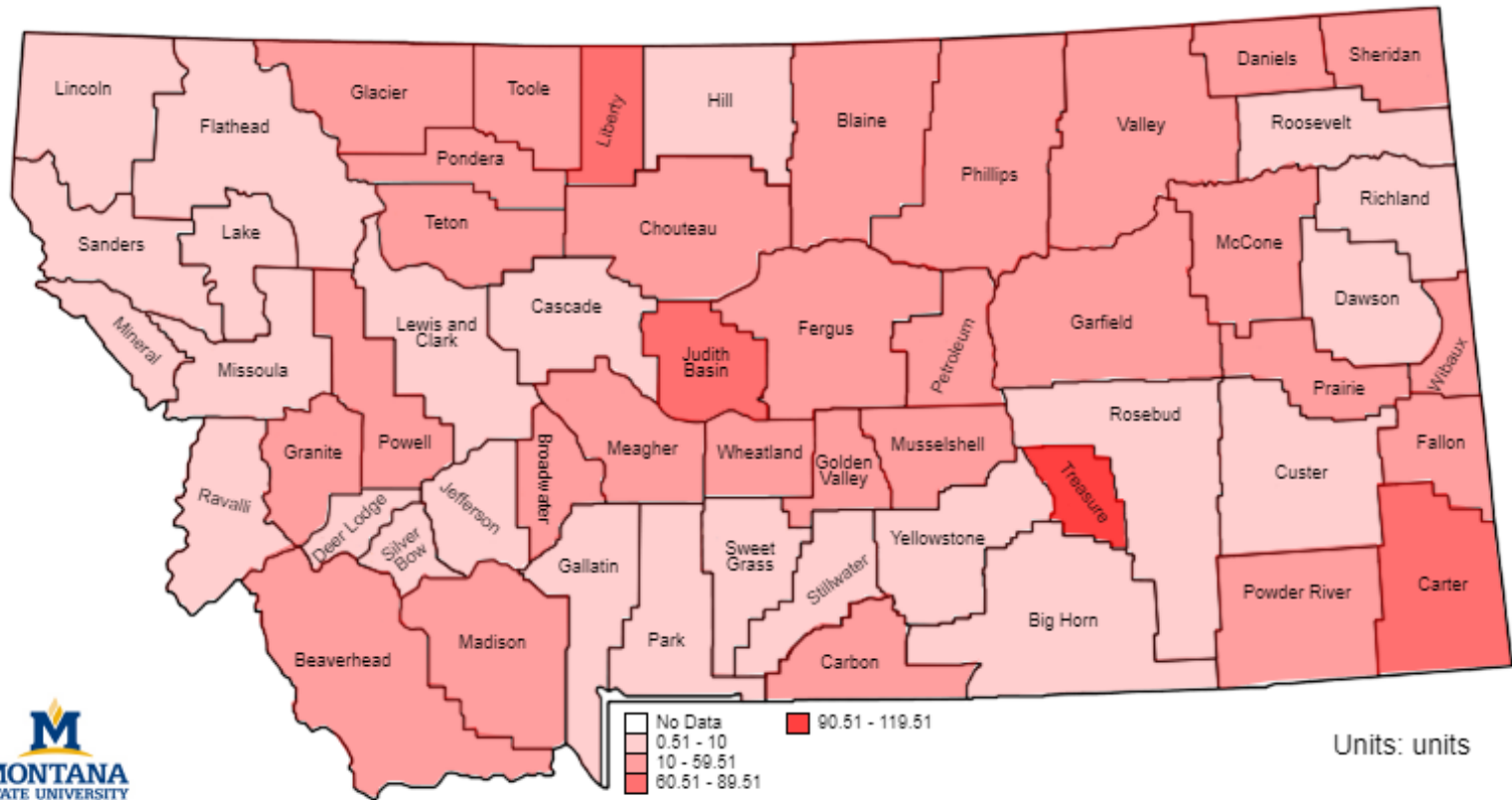
Units: units

# Contribution (Share) of Production Agriculture to County Gross Domestic Product



2017 Census of Agriculture and IMPLAN Estimates

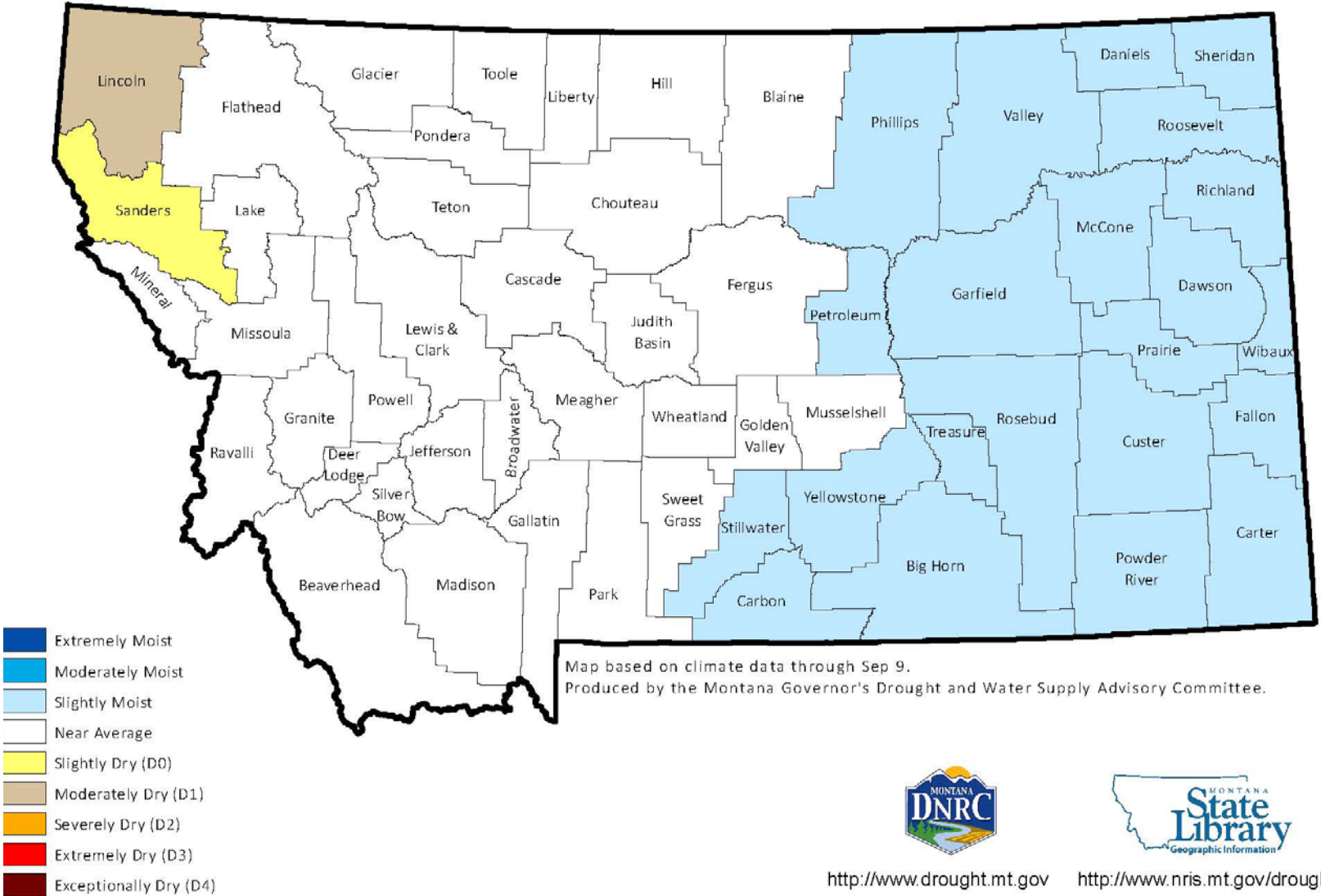
# Contribution (Share) of Production Agriculture to County Gross Domestic Product



The Montana State University Extension Service is an ADA/EO/AA/Veteran's Preference Employer and Provider of Educational Outreach

Value-added in agriculture / county GDP

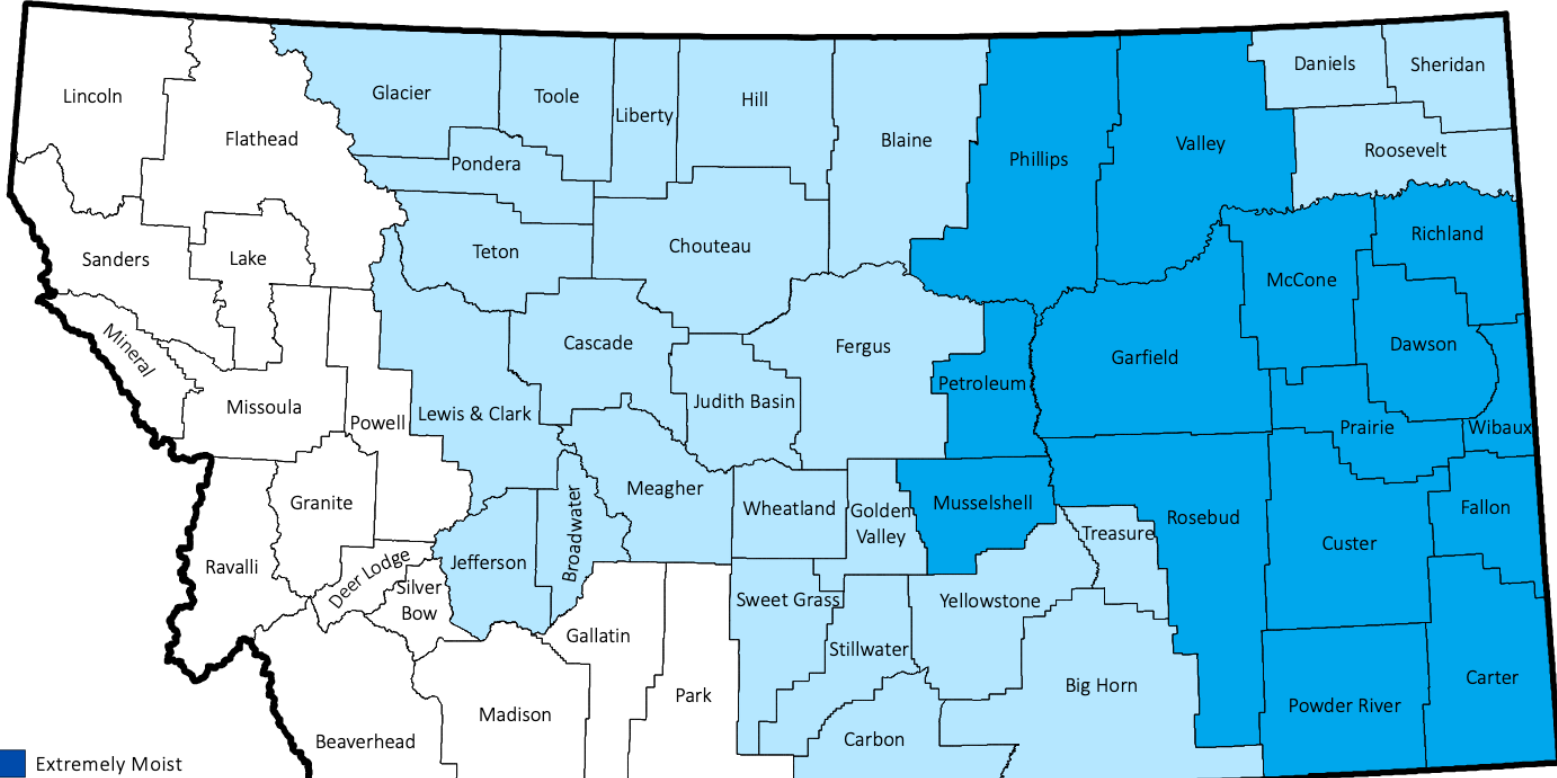
# Sept. 2019 Drought Map



<http://www.drought.mt.gov>

<http://www.nris.mt.gov/drought>

# November 2019 Drought Map



- Extremely Moist
- Moderately Moist
- Slightly Moist
- Near Average
- Slightly Dry (D0)
- Moderately Dry (D1)
- Severely Dry (D2)
- Extremely Dry (D3)
- Exceptionally Dry (D4)

Map based on climate data through Nov 9.  
 Produced by the Montana Governor's Drought and Water Supply Advisory Committee.



<http://www.drought.mt.gov>    <http://www.nris.mt.gov/drought>

# Prices: Slight Harvest Rally

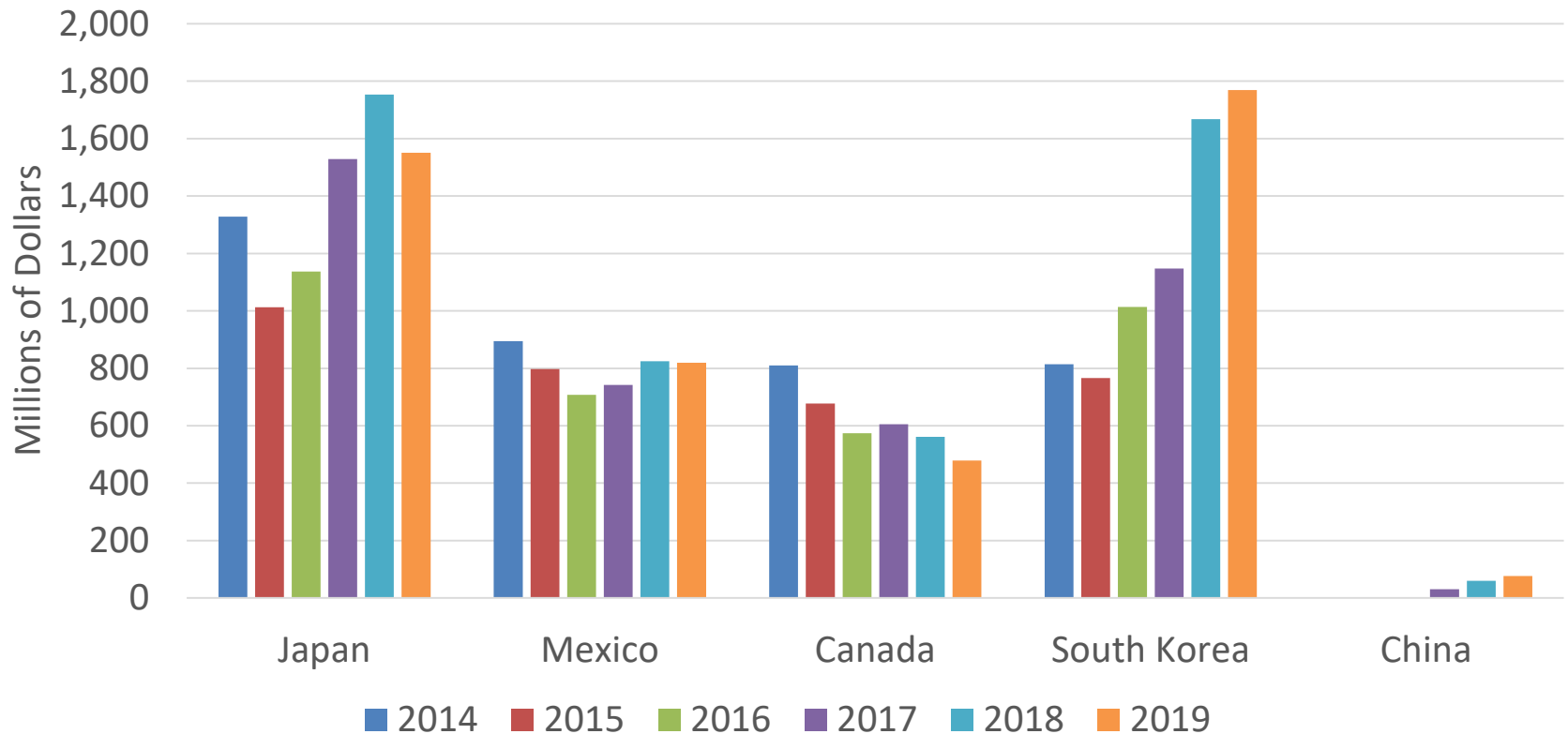


Source: NASS Quickstats



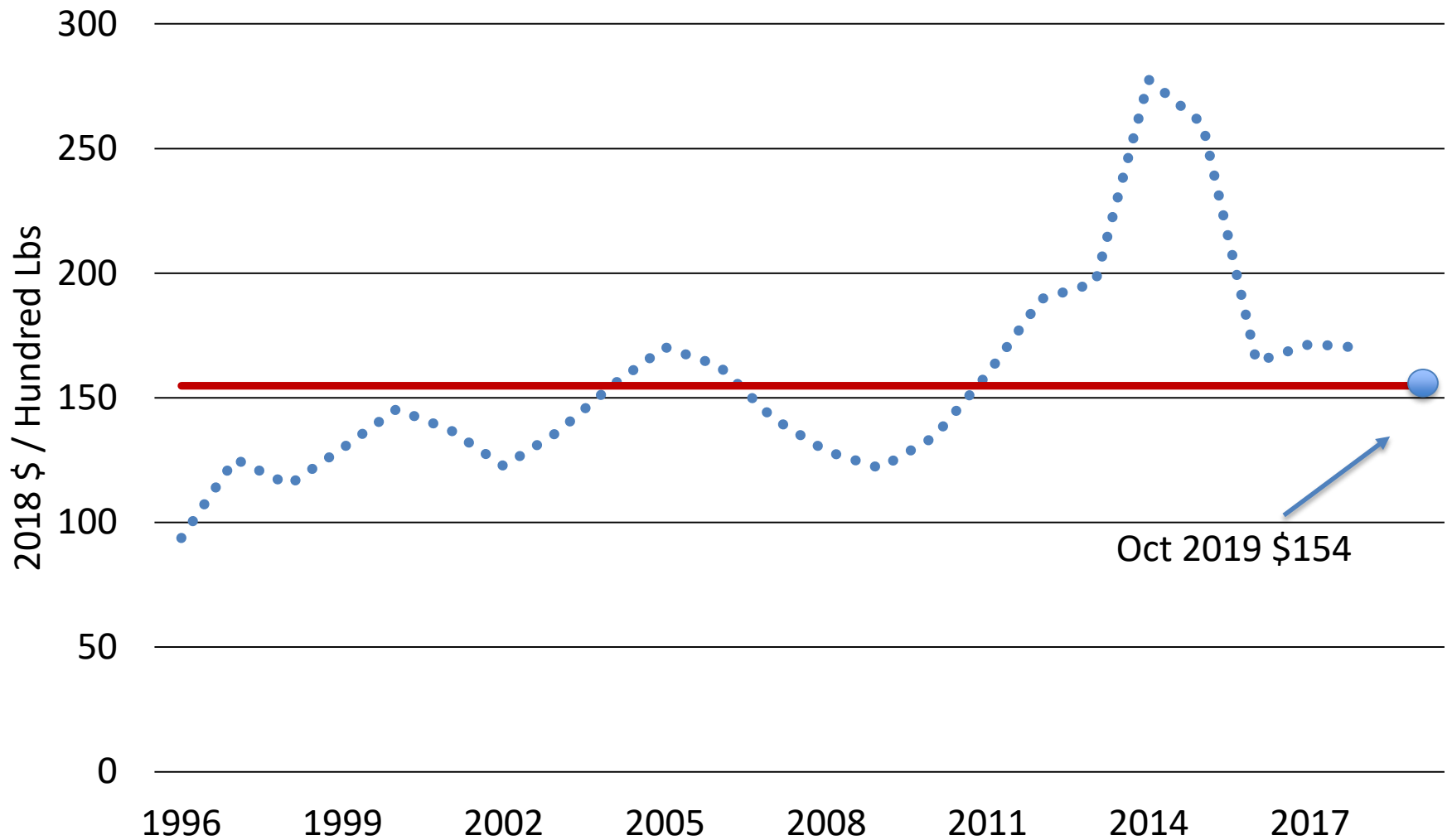
# CATTLE

# Beef Exports, Value



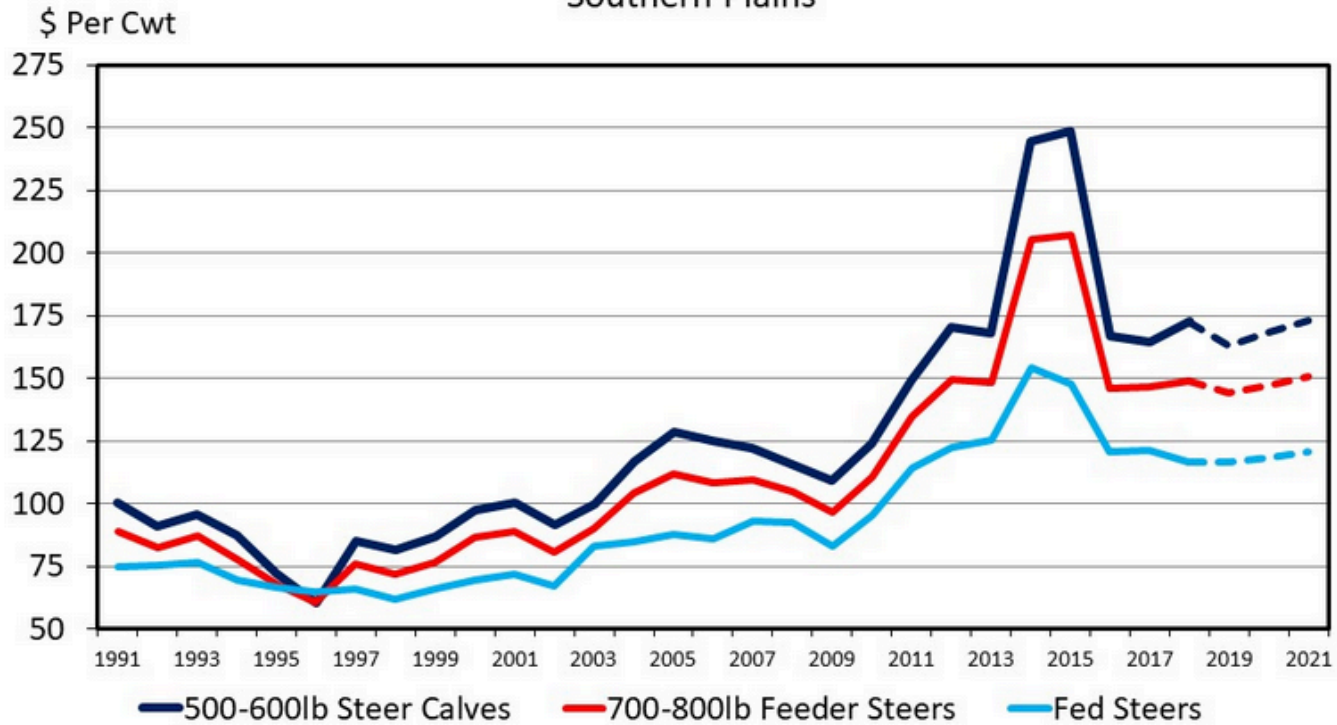
Source: USDA, Foreign Agricultural Service, 2020

# U.S. Average Calf Prices (2019\$)



Source: NASS Quickstats

## AVERAGE ANNUAL CATTLE PRICES Southern Plains

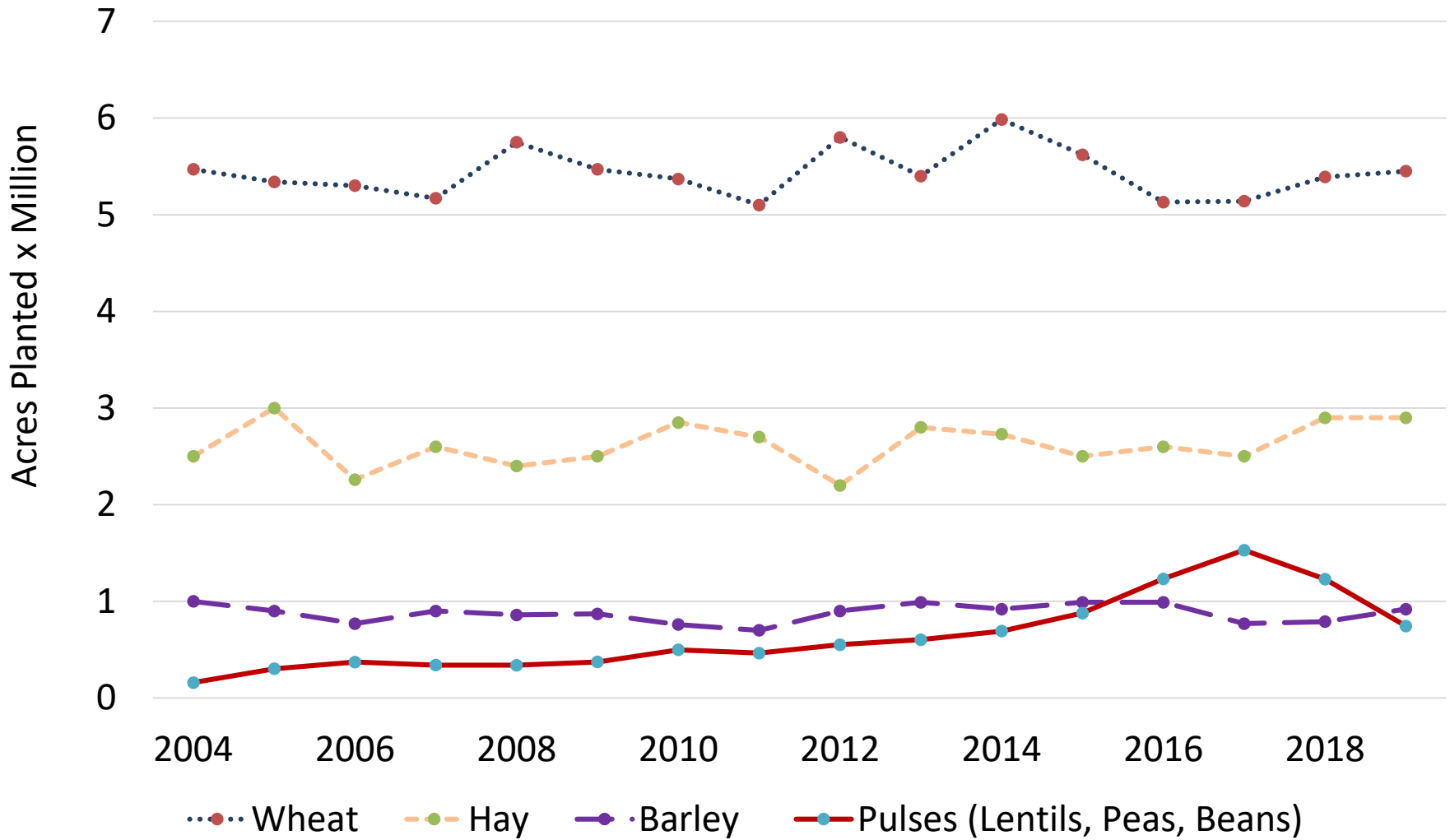


Data Source: USDA-AMS, Compiled and Forecasts by LMIC  
 Livestock Marketing Information Center

C-P-06  
 11/17/19

# CROPS

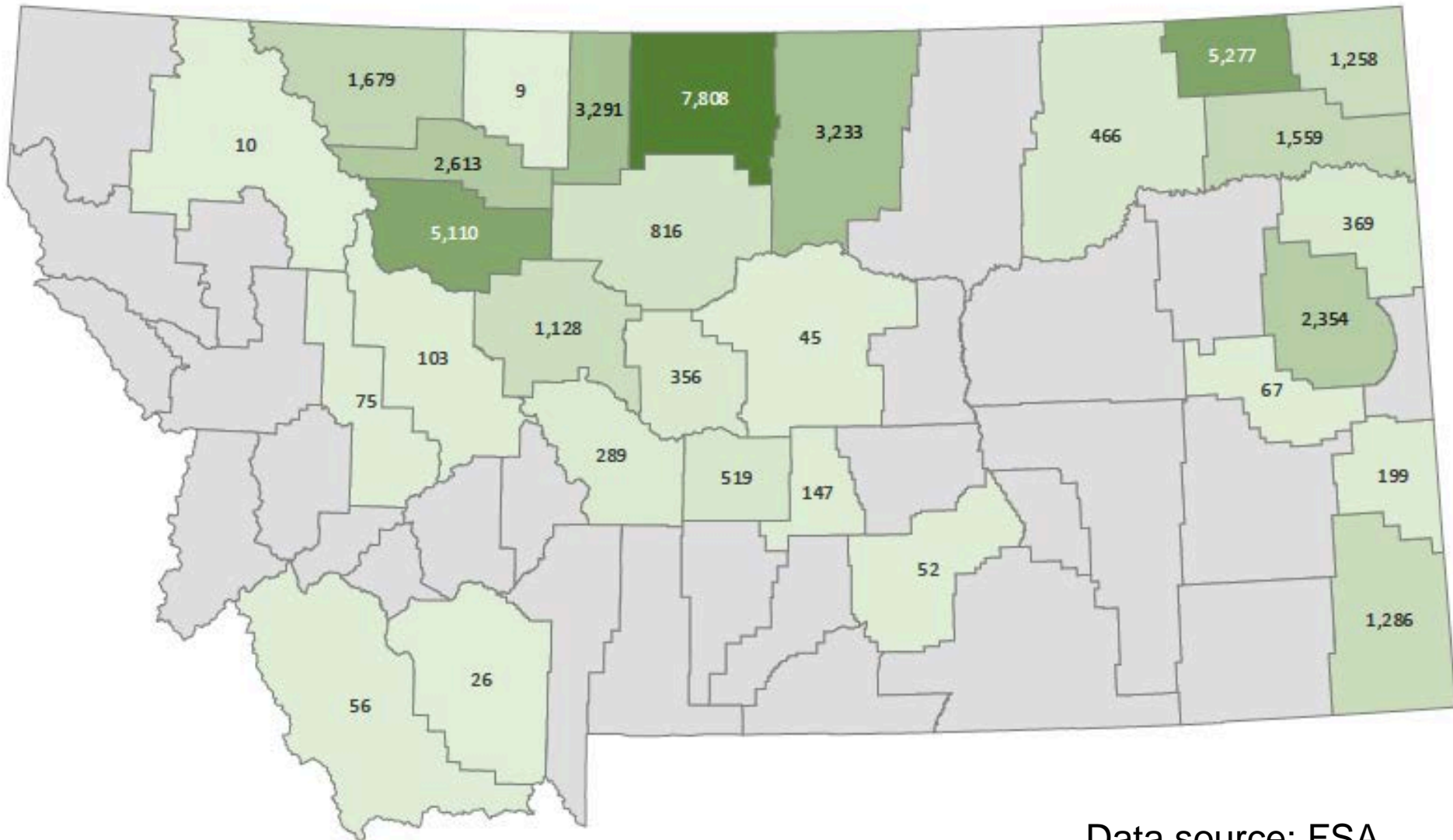
# Montana Major Crop Acreage



Source: NASS Quickstats, Mercaris, MDA

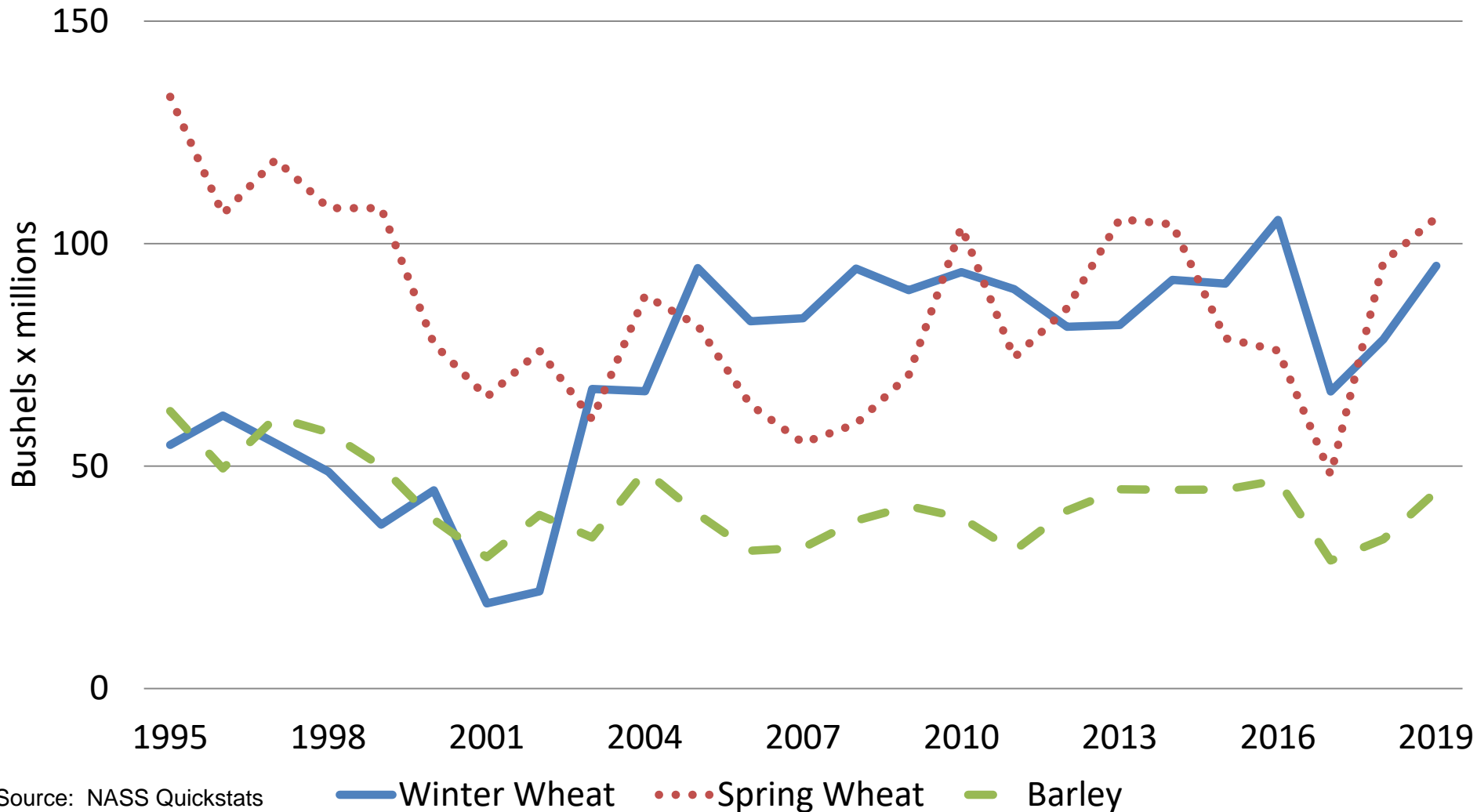
351K organic acres  
~40K hemp acres

# 2019 Montana Hemp Acres



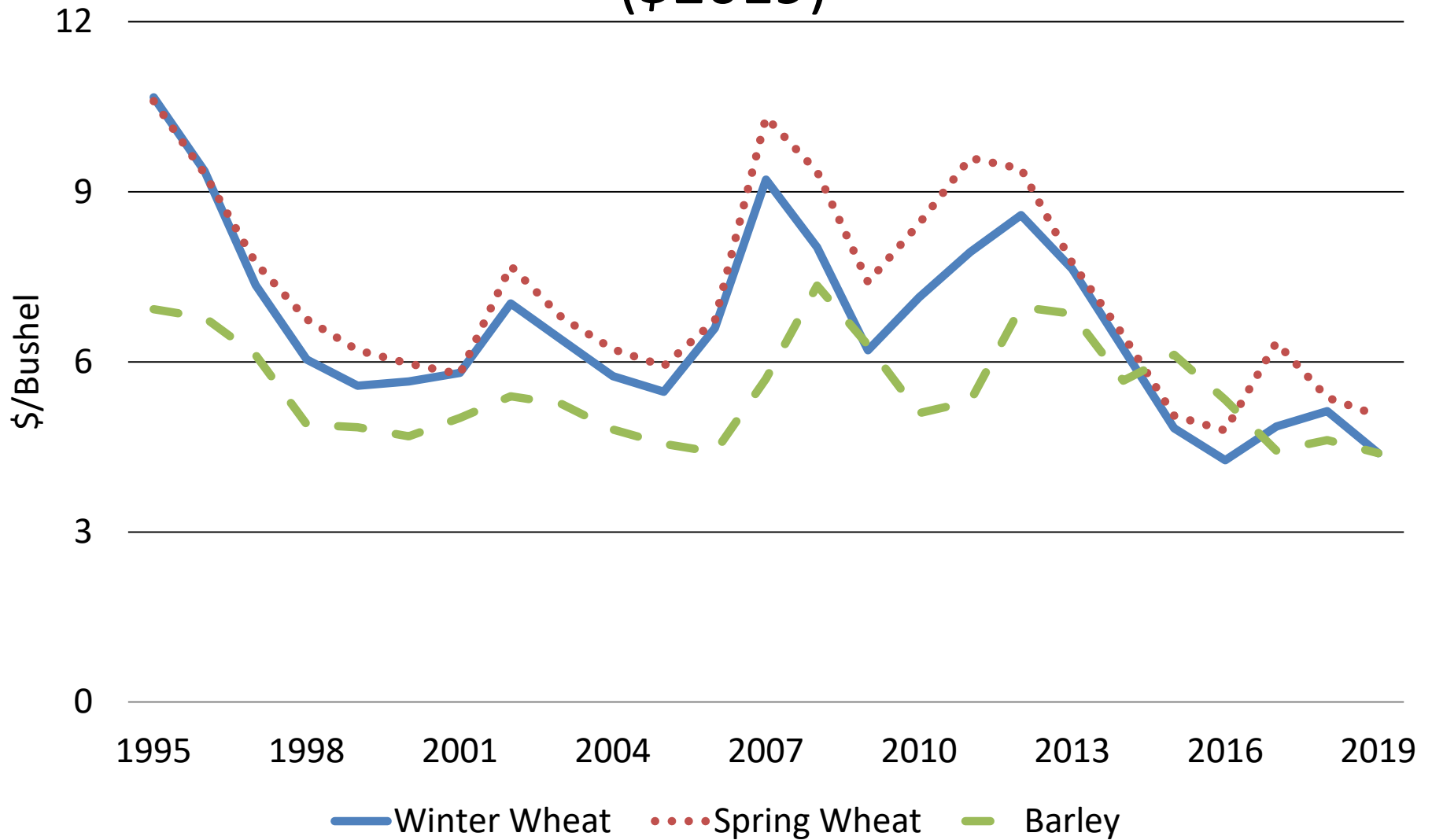
Data source: FSA

# Montana Grain Production



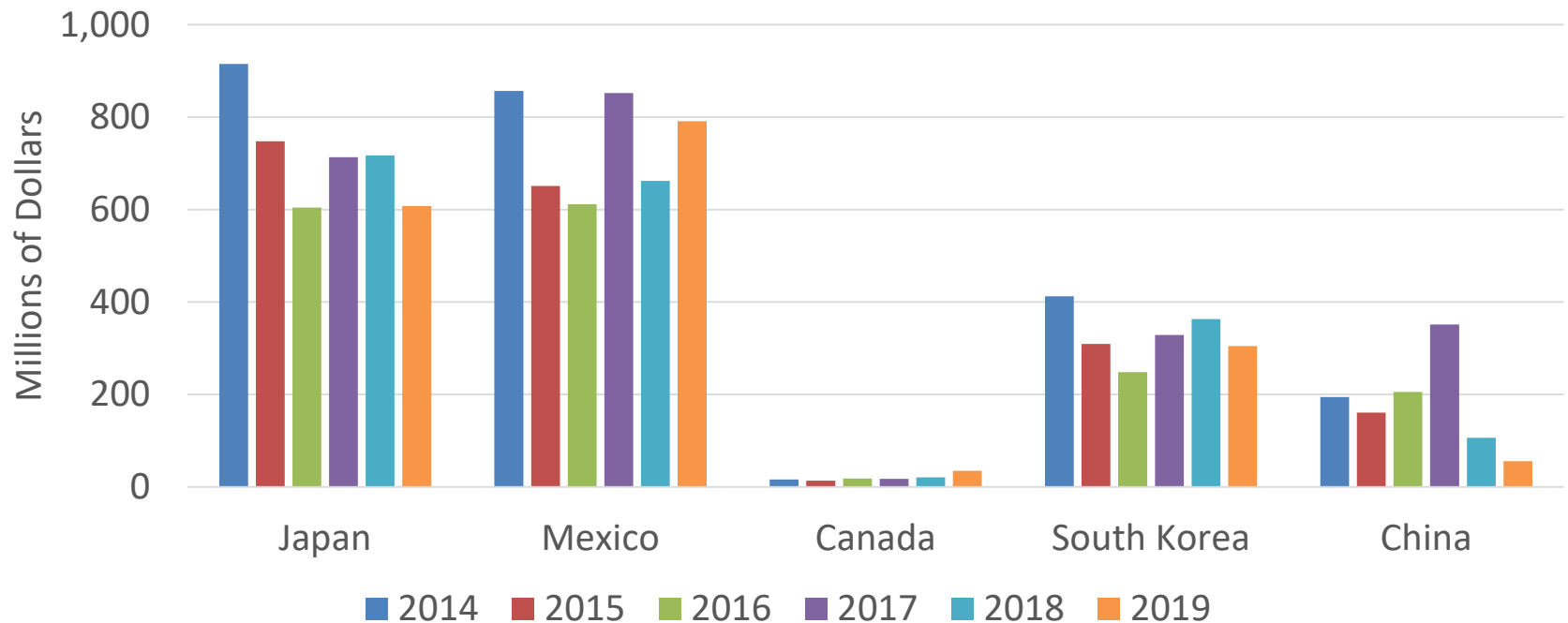


# Montana Grain Prices (\$2019)

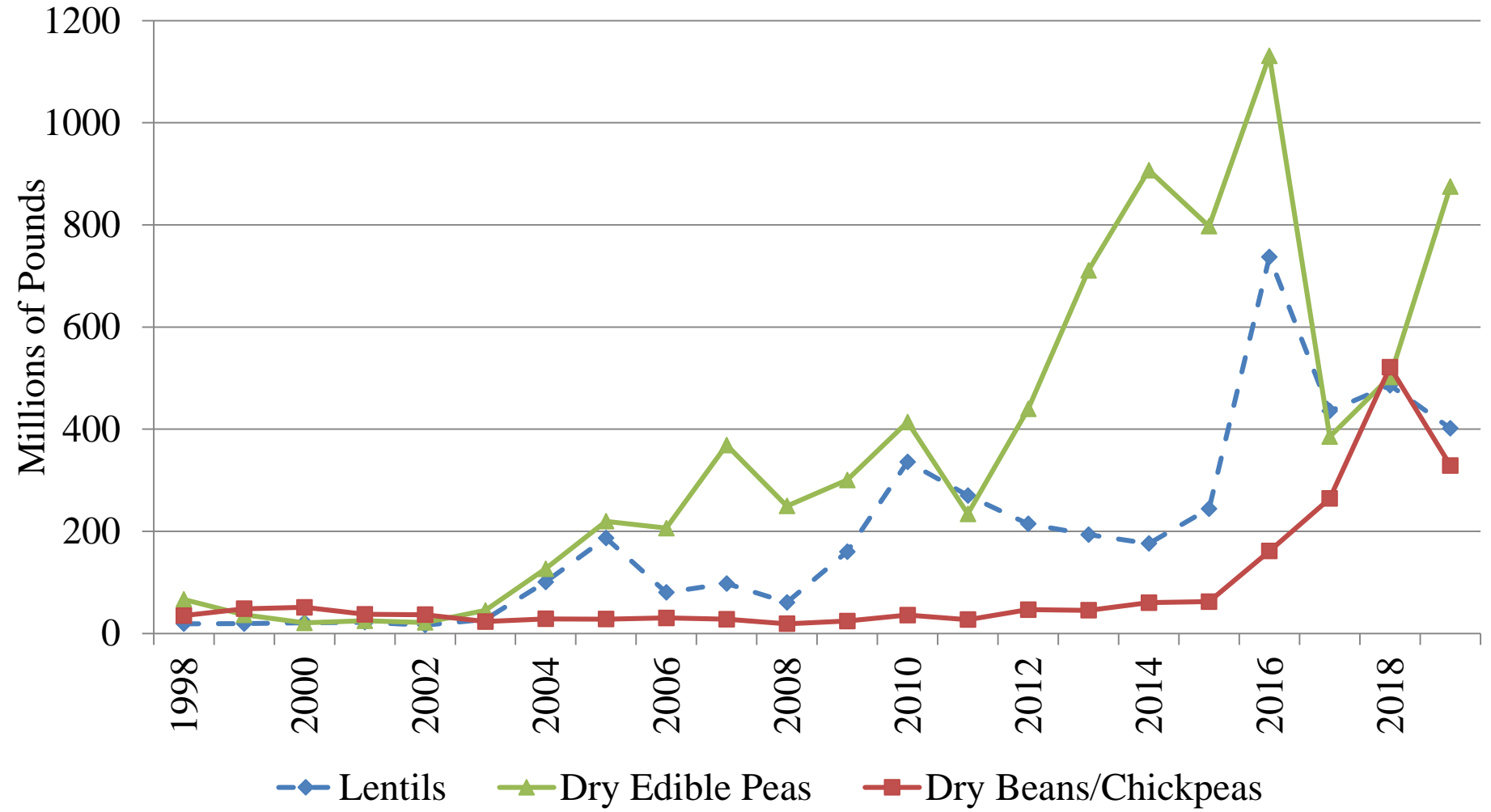


Source: NASS Quickstats

# U.S. Wheat Exports, Value

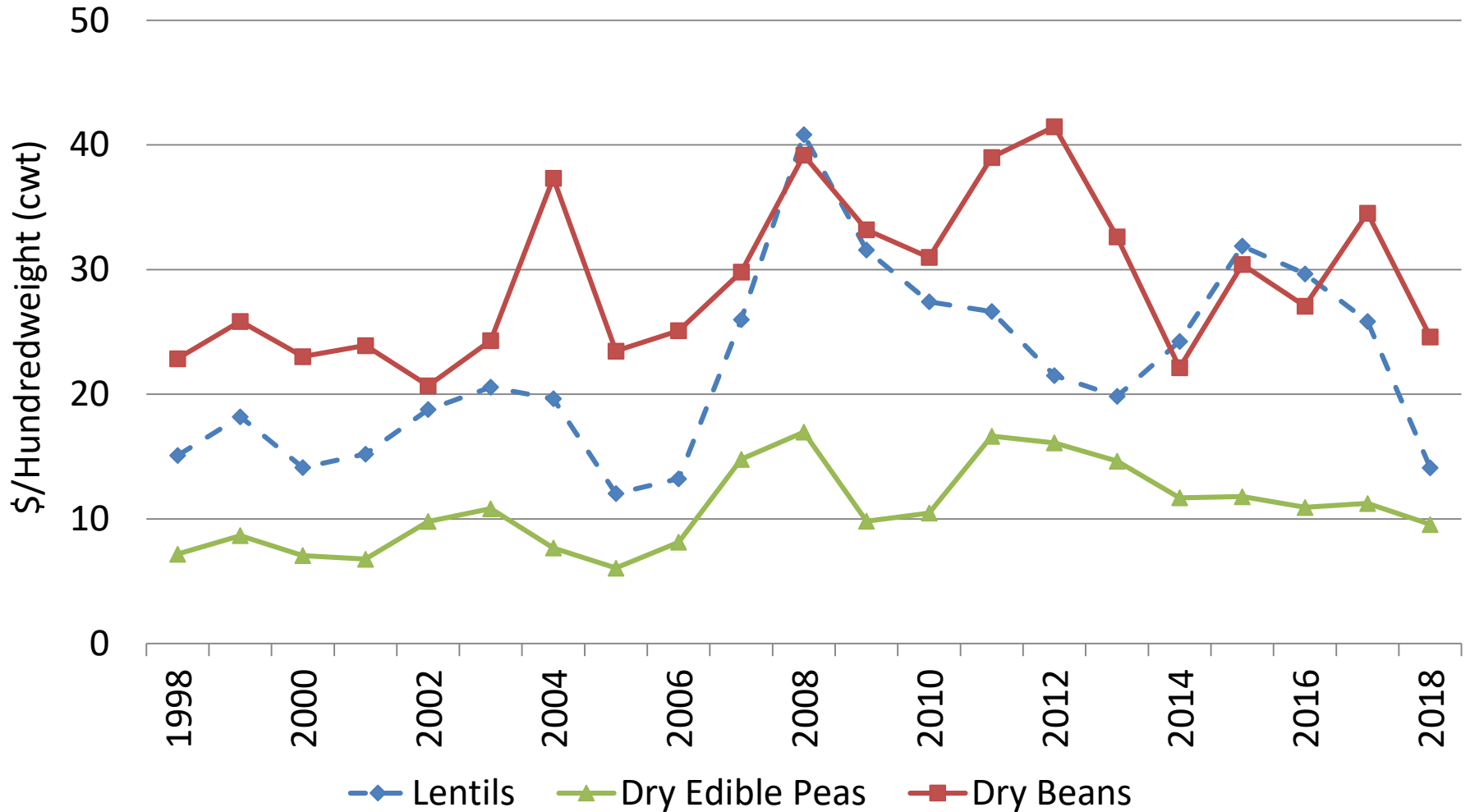


# Montana Pulse Production



Source: NASS Quickstats

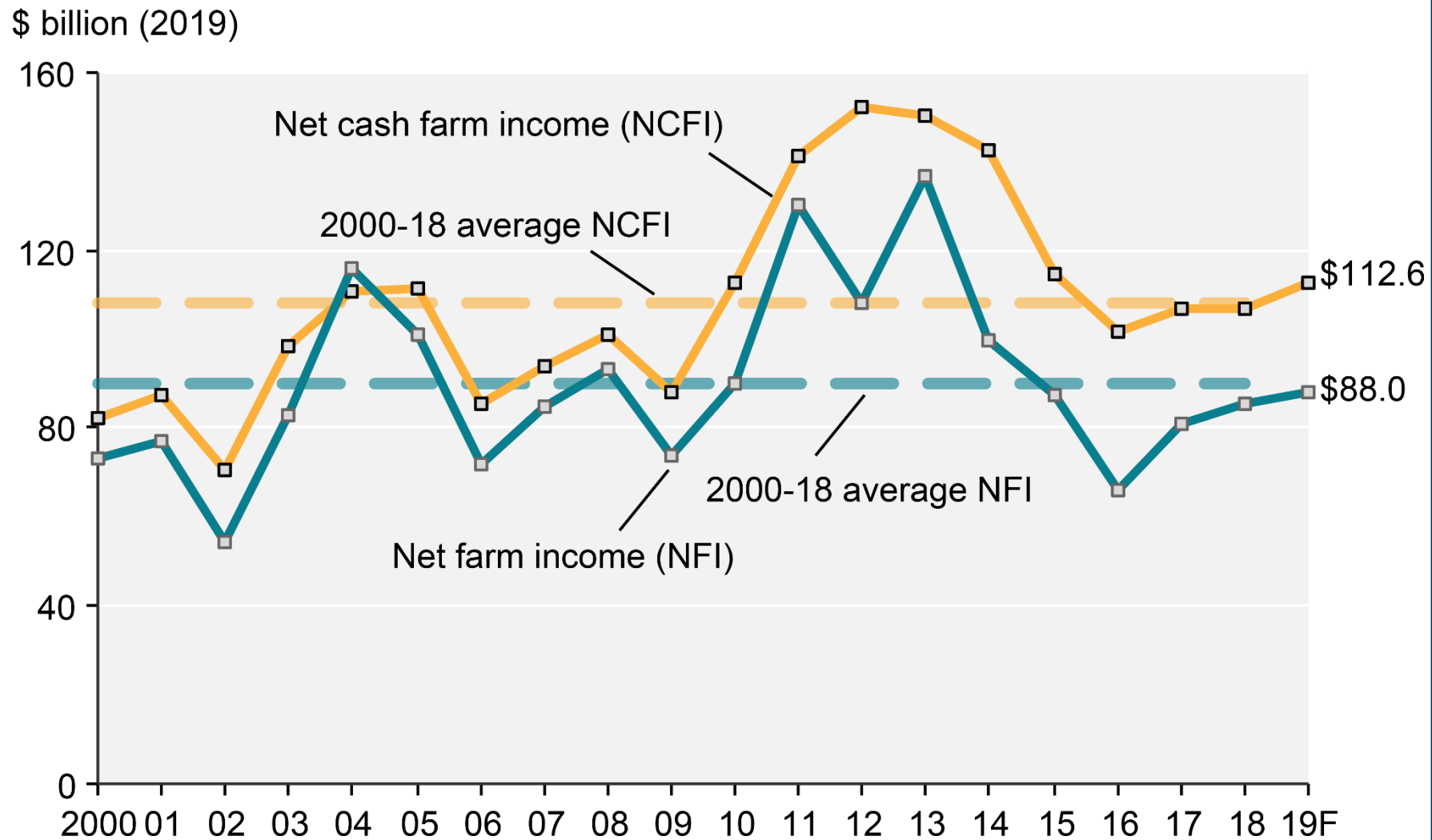
# Montana Pulse Prices (\$2018)



Source: NASS Quickstats

# TRENDS IN THE GREATER AG ECONOMY

# Net farm income and net cash farm income, 2000-19F

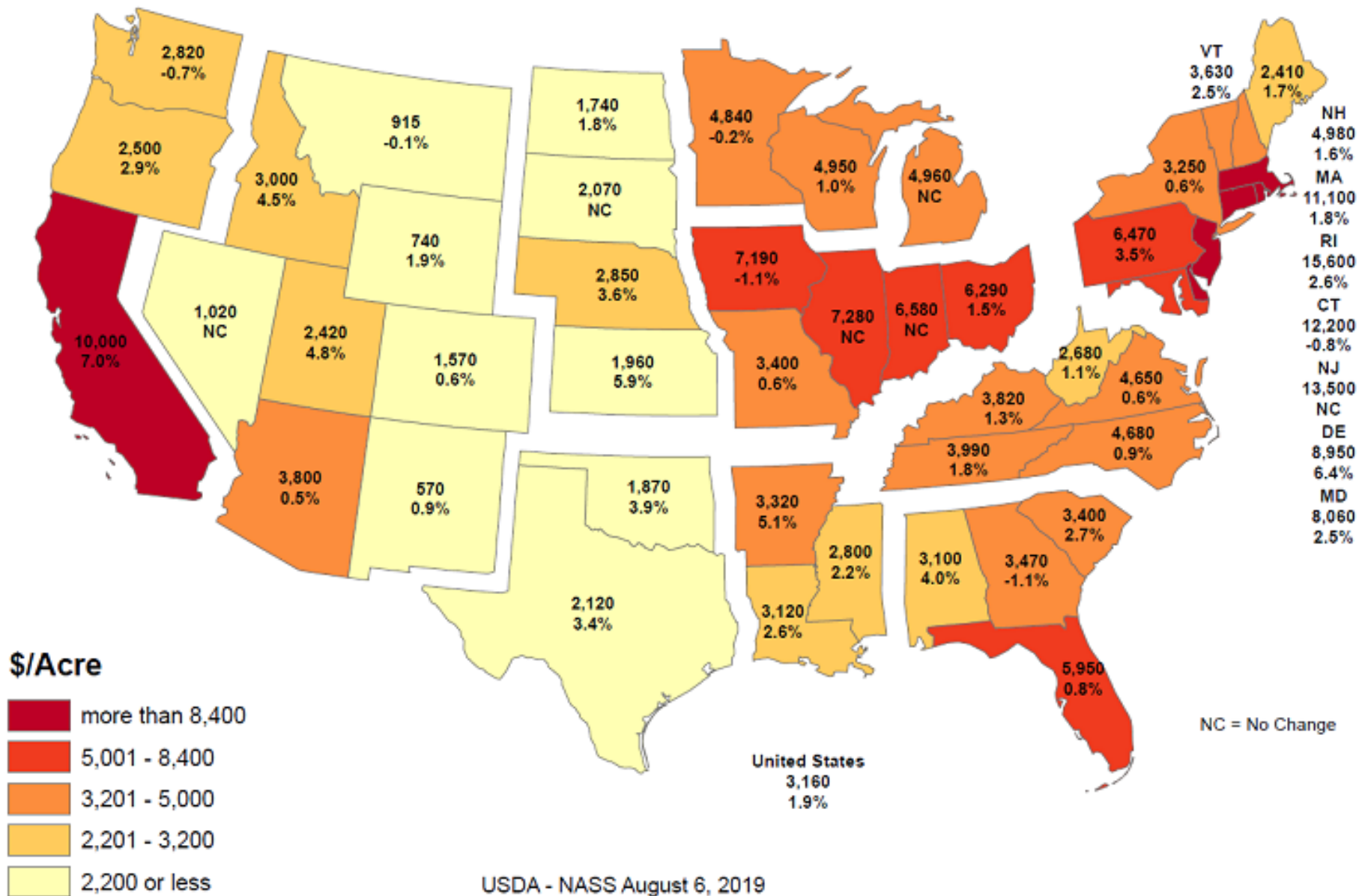


Note: F = forecast. Values are adjusted for inflation using the chain-type GDP deflator, 2019=100.

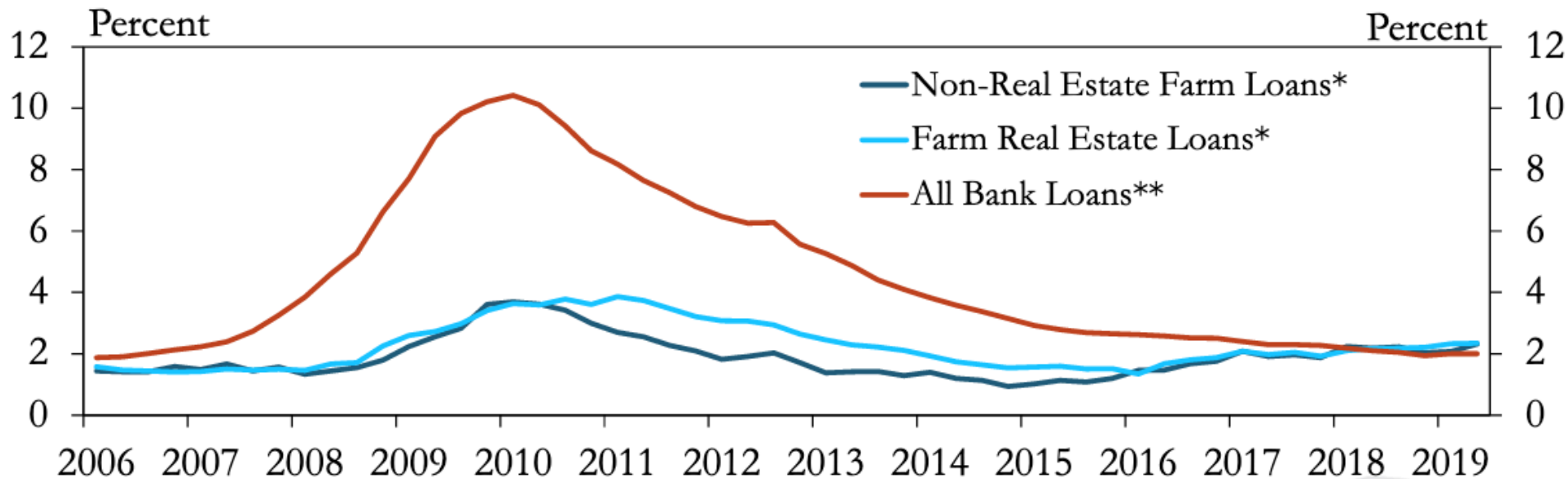
Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of August 30, 2019.

# 2019 Farm Real Estate Value by State

Dollars per Acre and Percent Change from 2018



# Delinquency Rates at Commercial Banks



\* Includes the share of all past due, nonaccruing and net charge-off loans

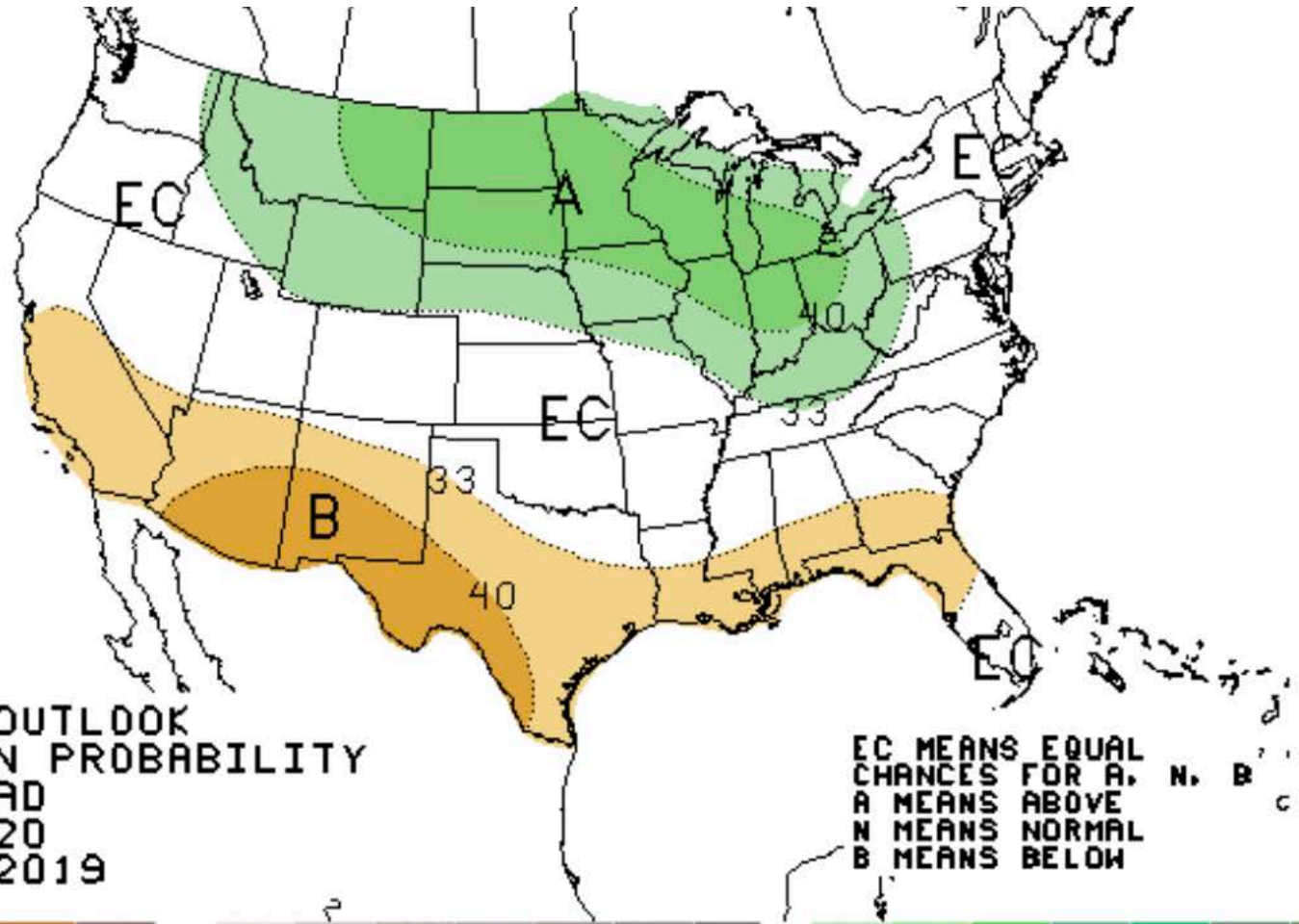
\*\* All bank loans include all loans made at commercial banks. Q2 not yet available/reported as Q1 figure.

Source: Kansas City Federal Reserve U.S. Agricultural Outlook, Aug 2019



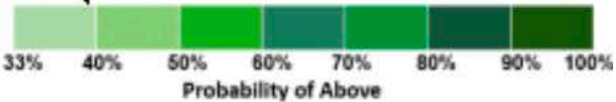
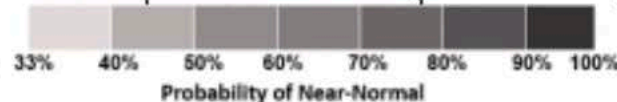
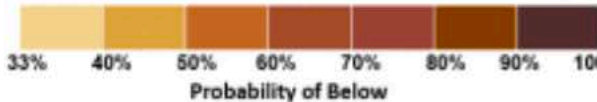


# Domestic Production Conditions: Winter (JFM) Precip. Forecast

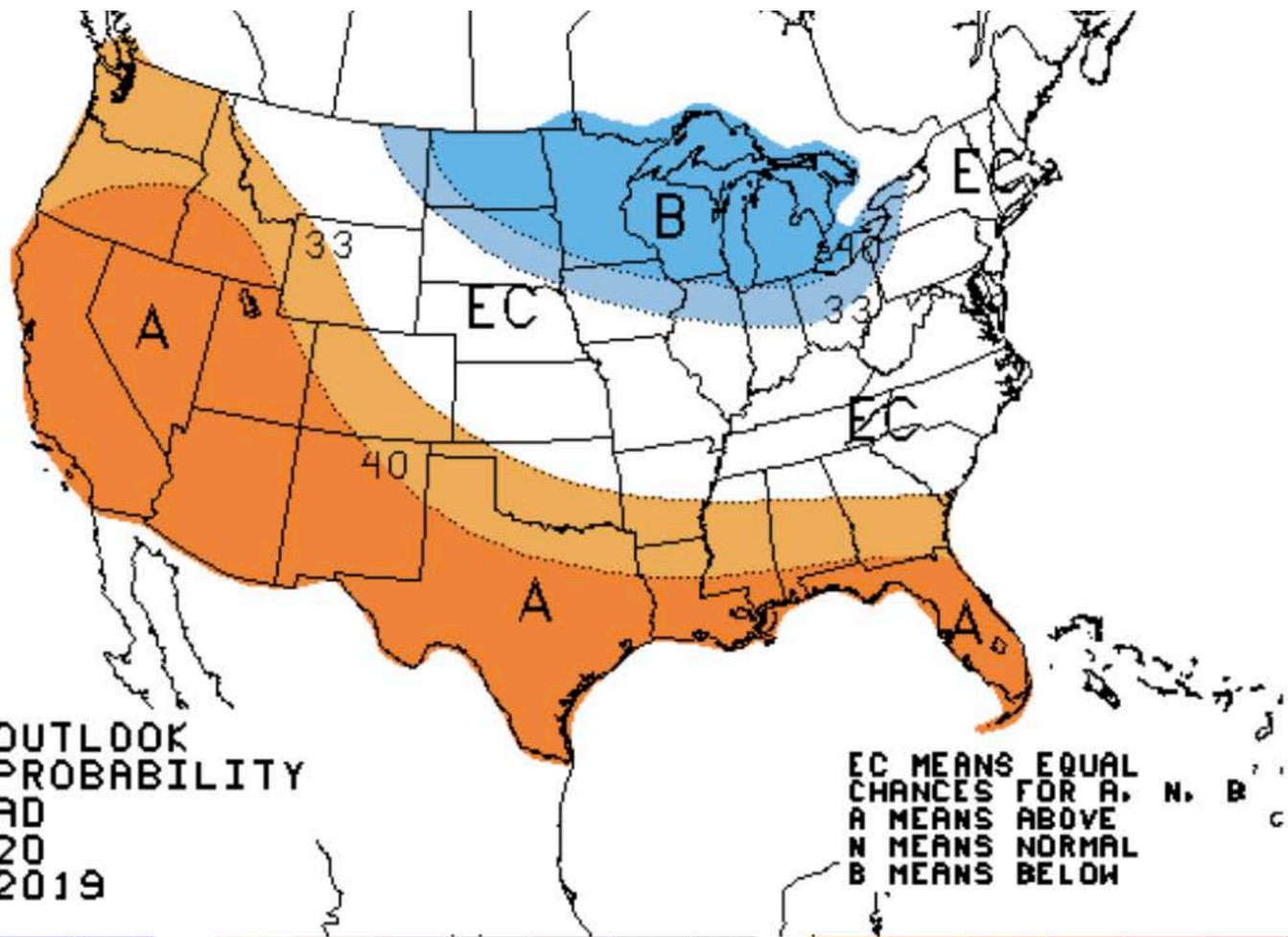


THREE-MONTH OUTLOOK  
PRECIPITATION PROBABILITY  
1.5 MONTH LEAD  
VALID JFM 2020  
MADE 21 NOV 2019

EC MEANS EQUAL  
CHANCES FOR A, N, B  
A MEANS ABOVE  
N MEANS NORMAL  
B MEANS BELOW

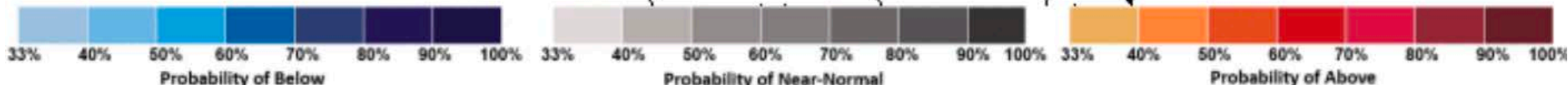


# Domestic Production Conditions: Winter (JFM) Temp. Forecast



THREE-MONTH OUTLOOK  
TEMPERATURE PROBABILITY  
1.5 MONTH LEAD  
VALID JFM 2020  
MADE 21 NOV 2019

EC MEANS EQUAL  
CHANCES FOR A, N, B  
A MEANS ABOVE  
N MEANS NORMAL  
B MEANS BELOW



# Questions

haynes@montana.edu