

# Montana Ag Situation and Outlook

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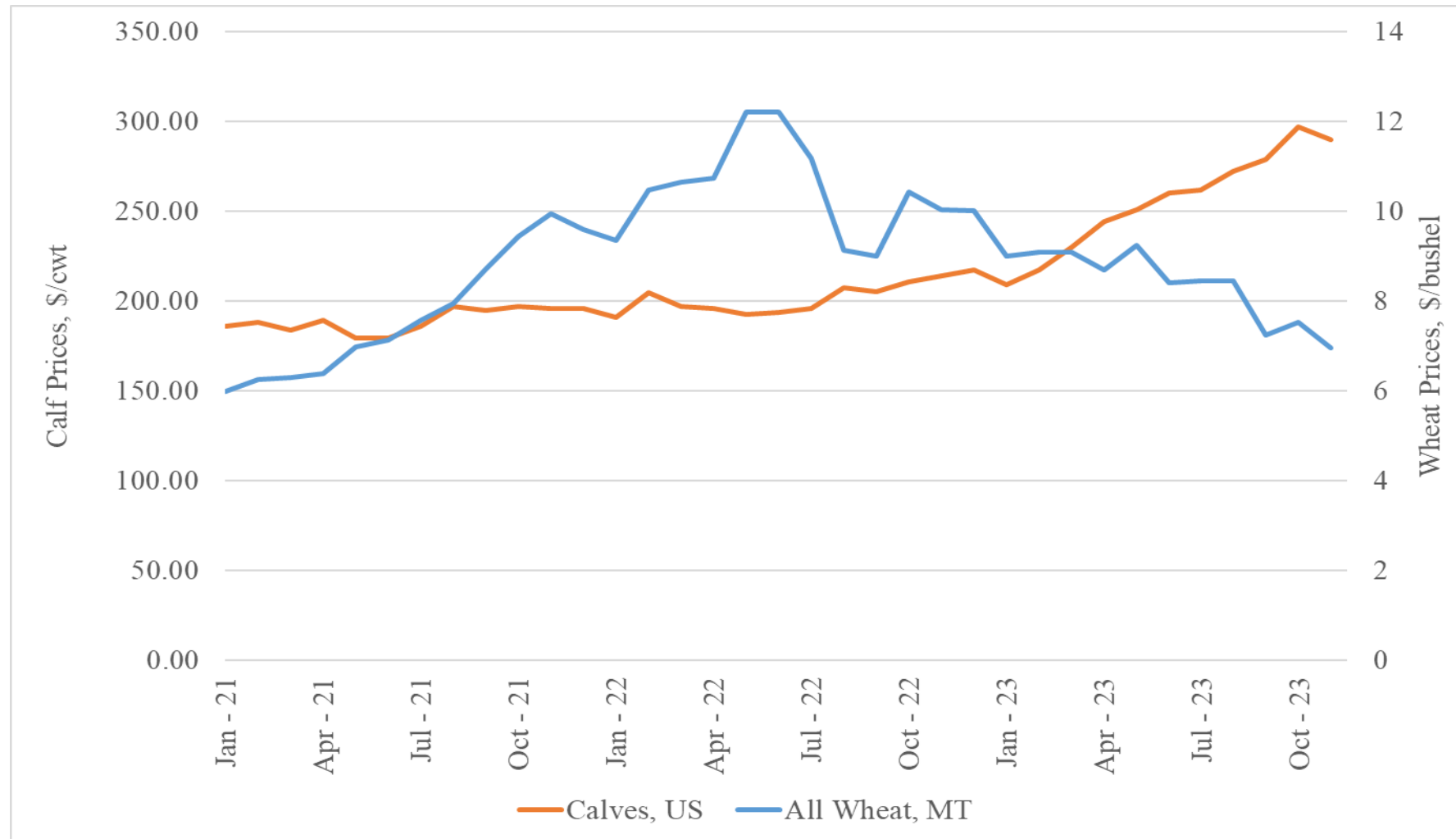
**Workshops**

**January – March, 2024**

# Today's Presentation

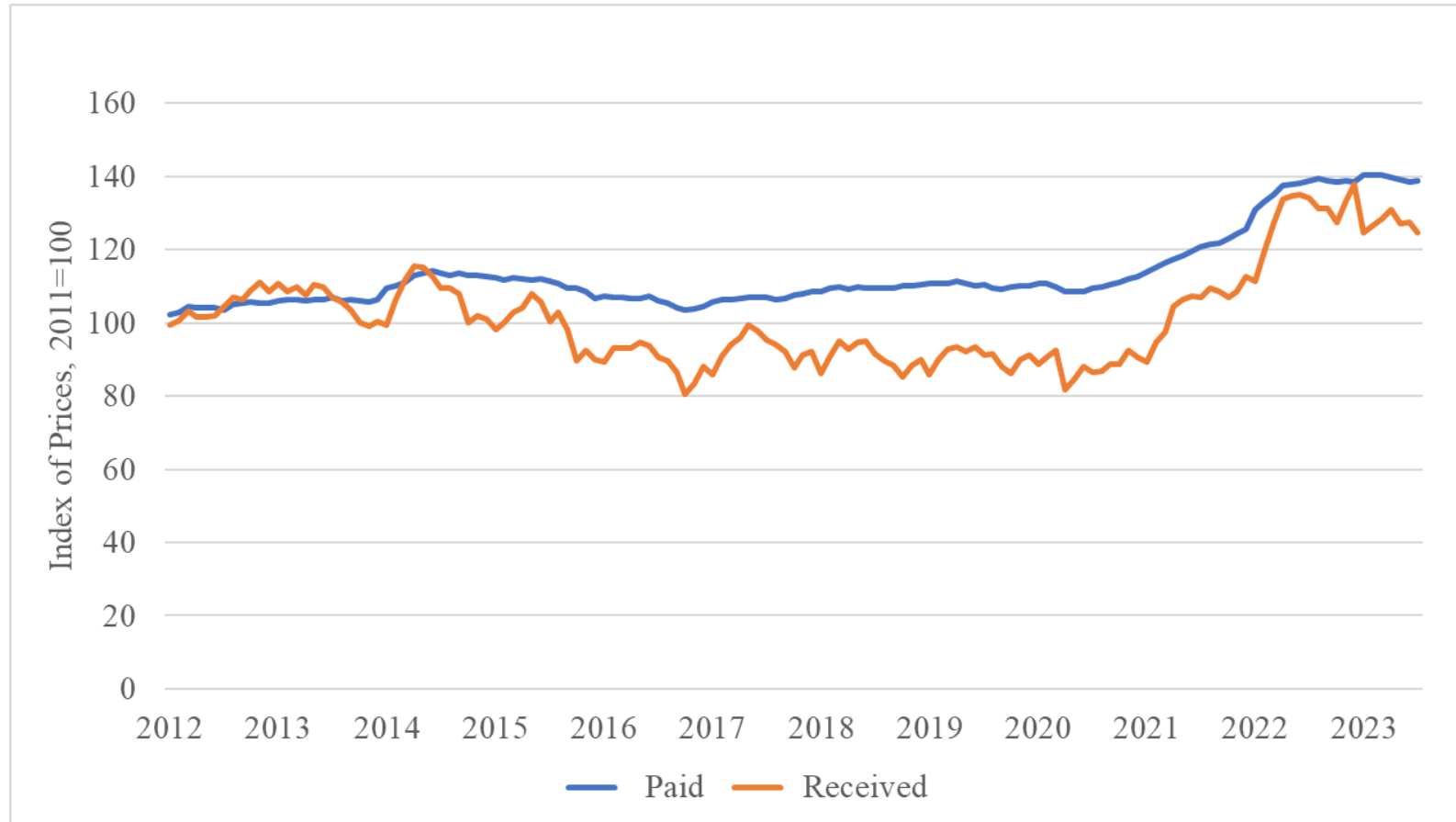
- Commodity Prices and Production
- Financial Health and Trends
- Agricultural Policy (Farm Bill)

# Strong and Moderating Commodity Prices



Source: USDA QuickStats (inflation adjusted)

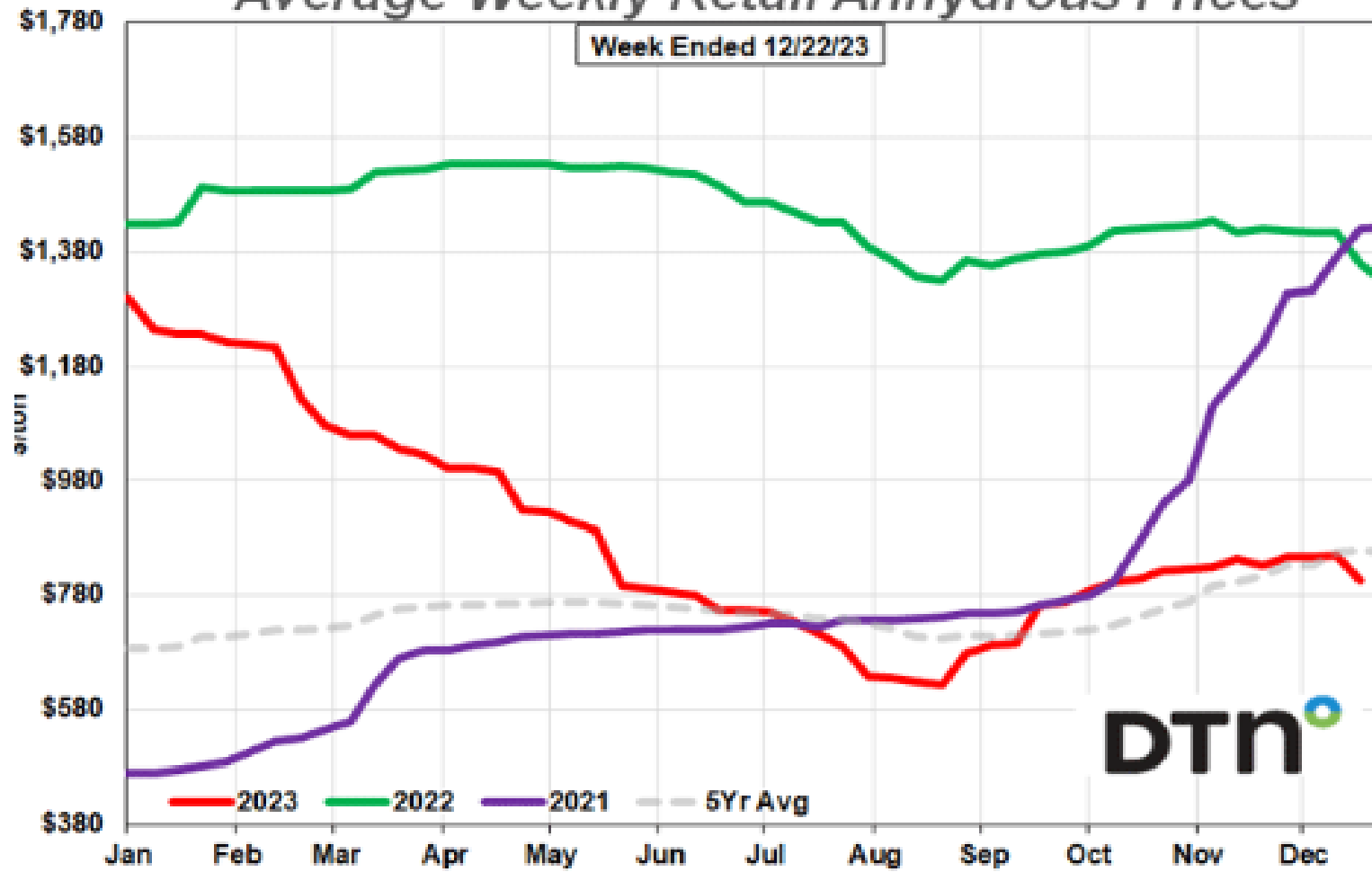
# Higher Prices Received and Paid



Source: USDA NASS – 09/20/23

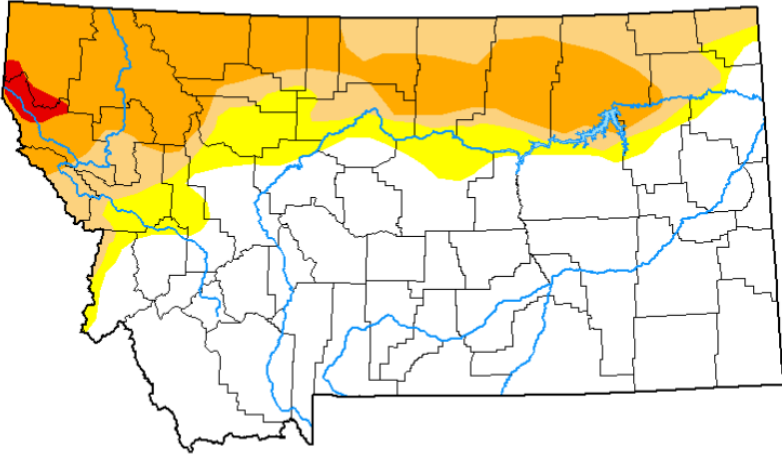
# Example: Input Prices (Fertilizer)

## Average Weekly Retail Anhydrous Prices

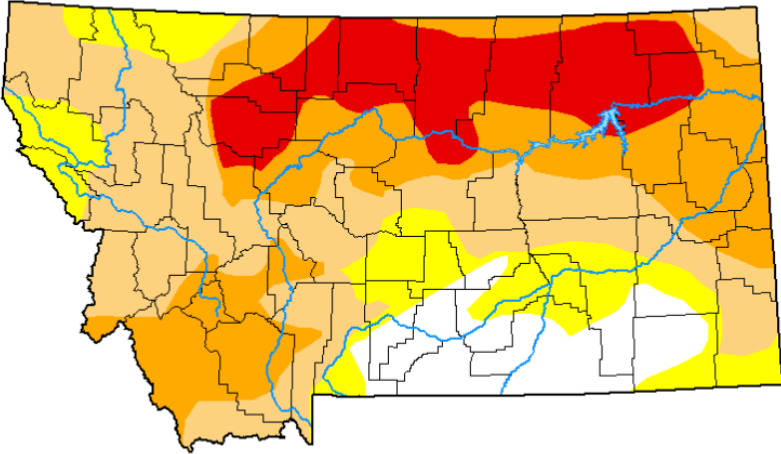


Source: <https://www.dtnpf.com/agriculture/web/ag/crops/article/2023/12/27/urea-moves-6-lower-prices-mixed>

# Drought Conditions Improve



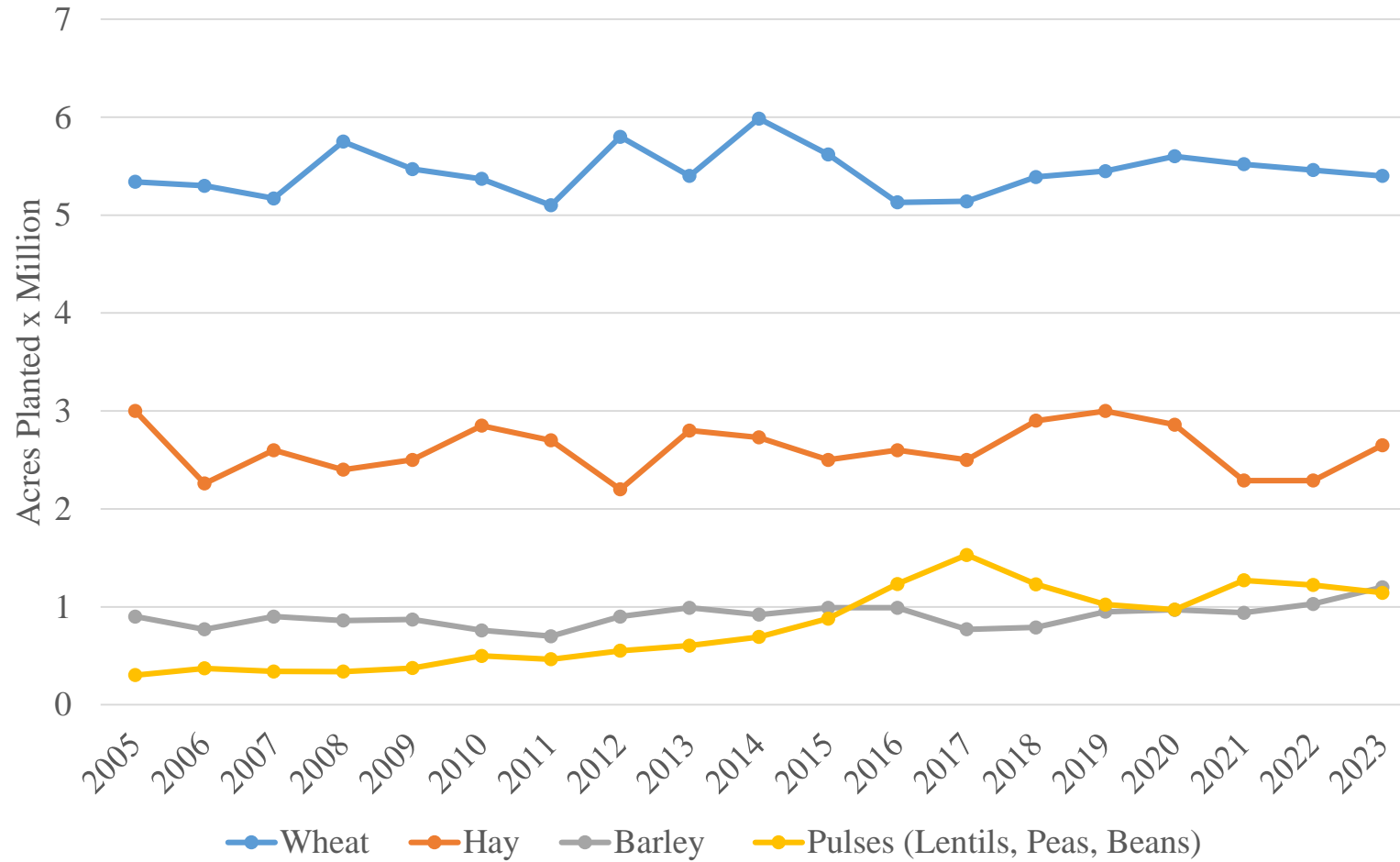
October 2023



October 2022

# CROPS

# Crop Acreage 2005 - 2023

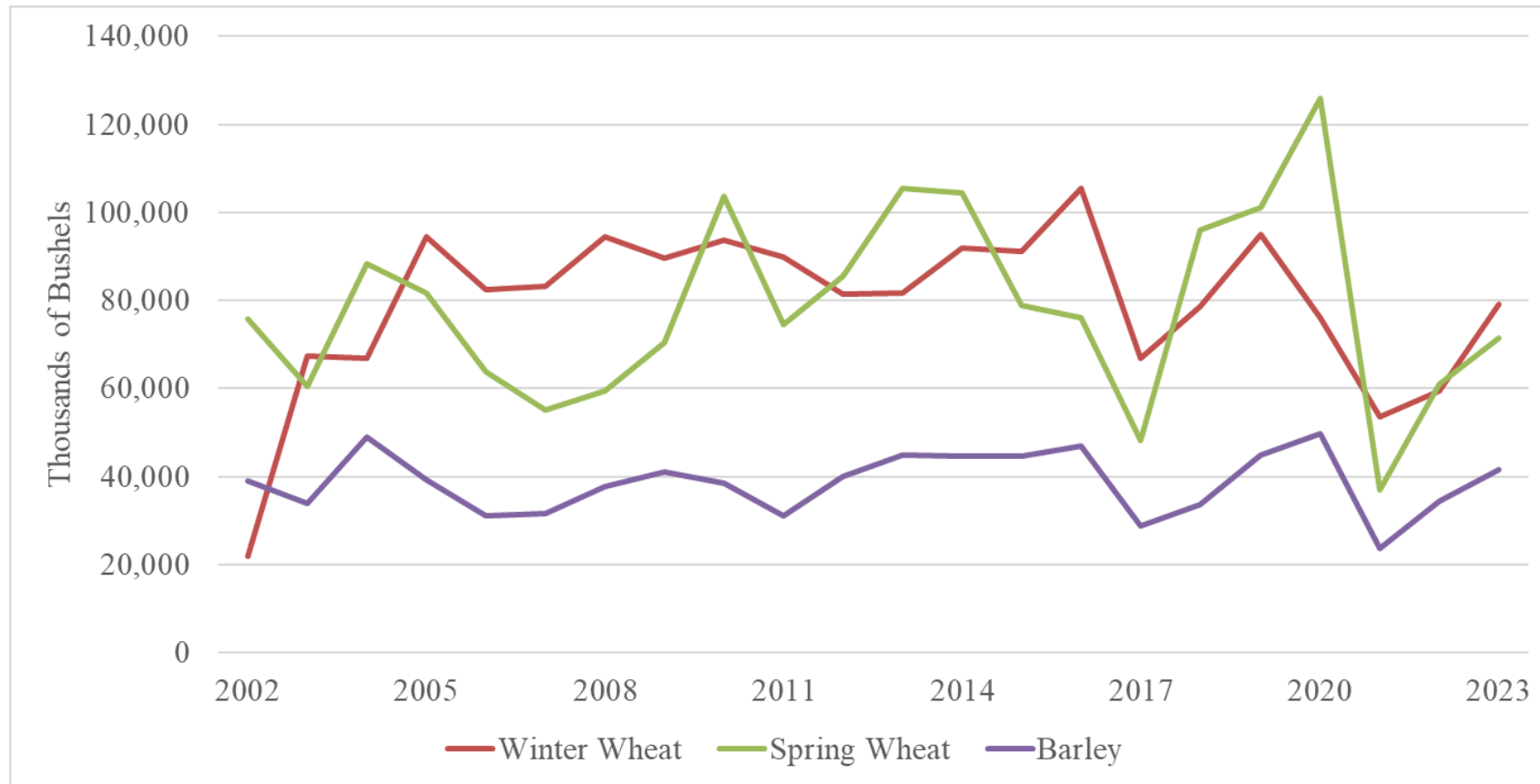


Source: USDA Quick Stats

*Sugarbeet, hemp, and canola acreage decline*

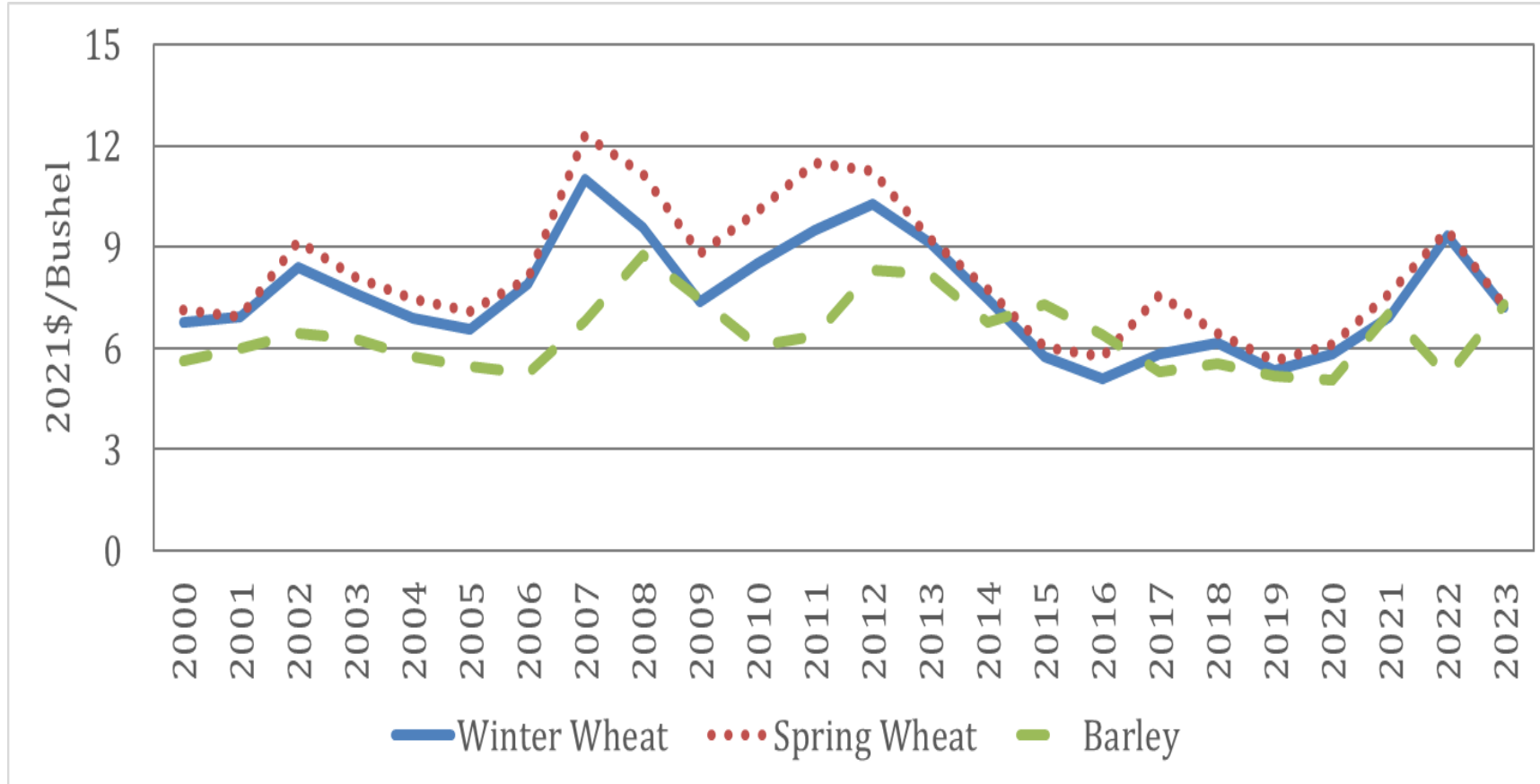


# Better Production Year in 2023, than 2022



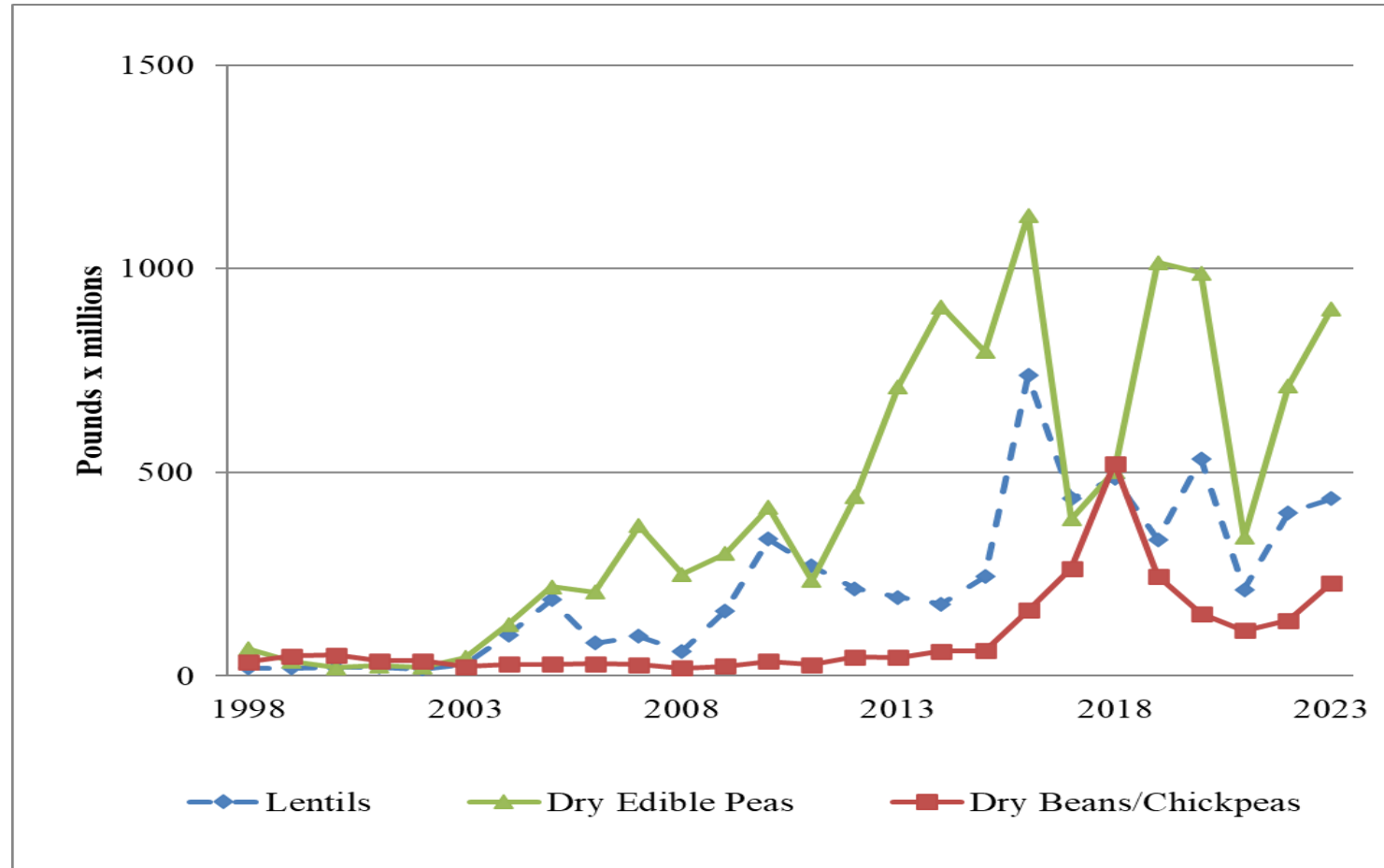
Source: USDA QuickStats

# Wheat and Barley Prices, 2000 – 2023



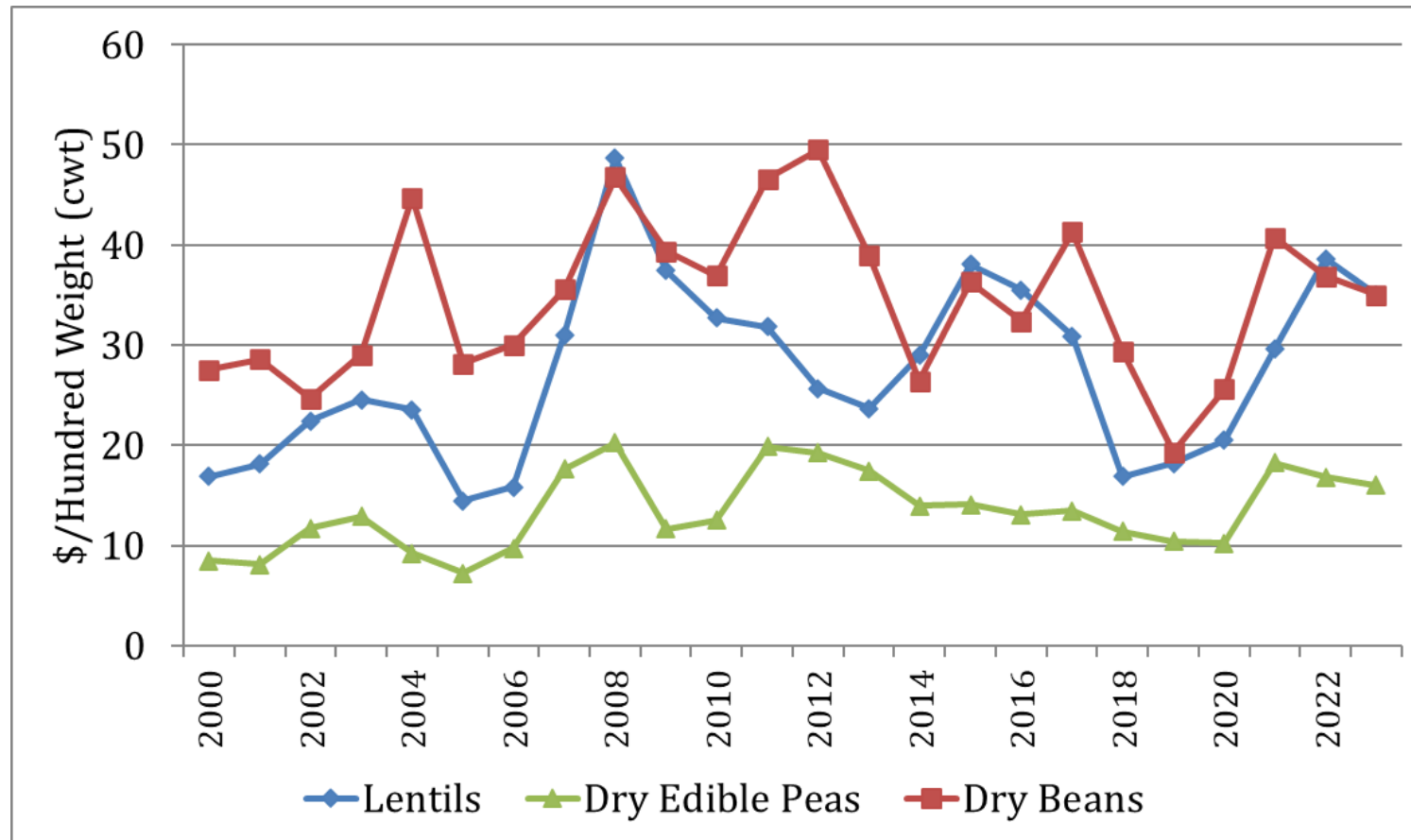
Source: USDA Quickstats and AMS, 11/2023

# Pulse production, 1998- 2023



Lentils +9%; dry peas +27%; chickpeas +68%

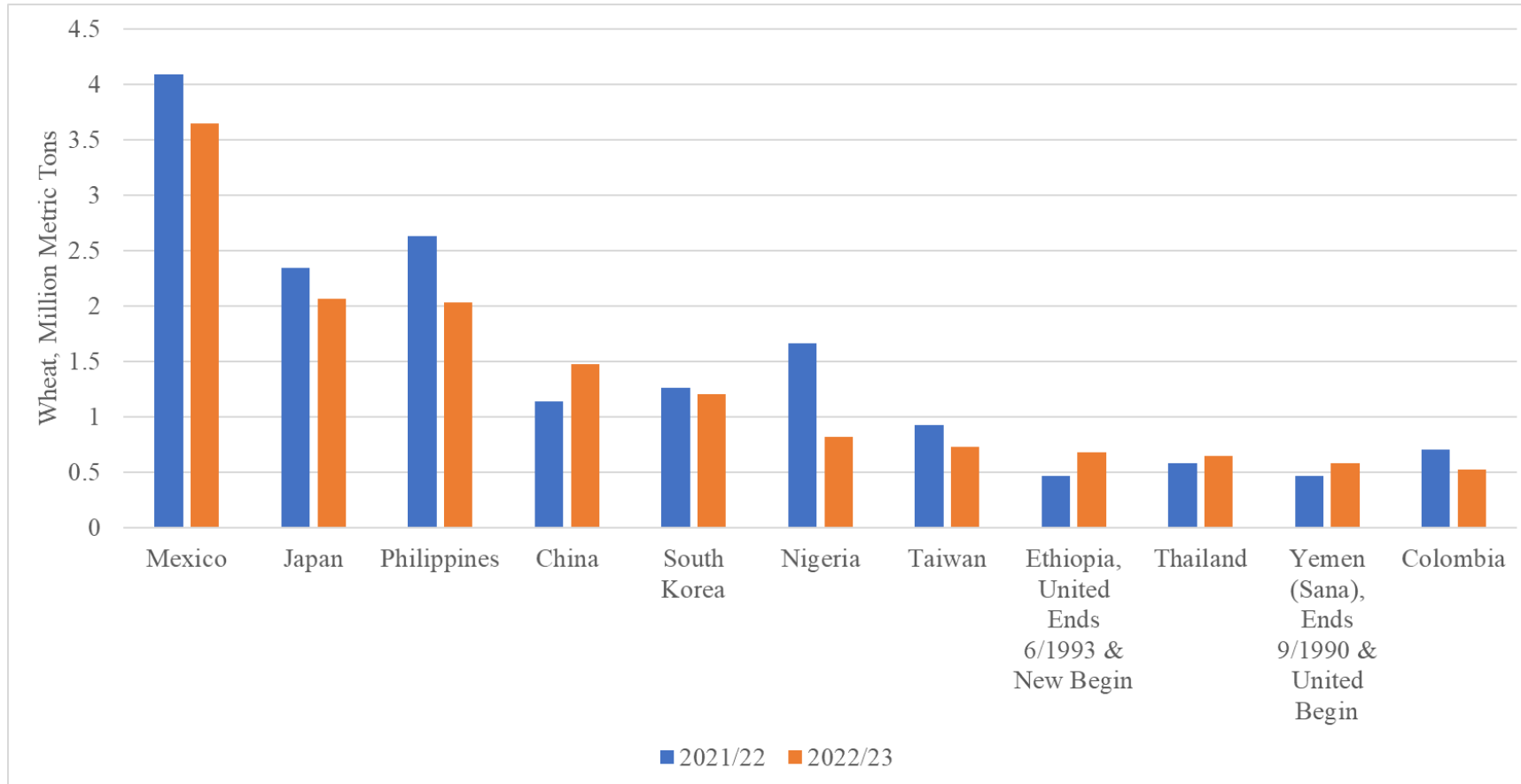
# Pulse (Lentils, Peas, Beans) Prices



Source: USDA Quickstats and AMS, 11/2023

# US Wheat Exports (2022/2023)

## Millions of Bushels



Source: <https://www.ers.usda.gov/data-products/wheat-data/>

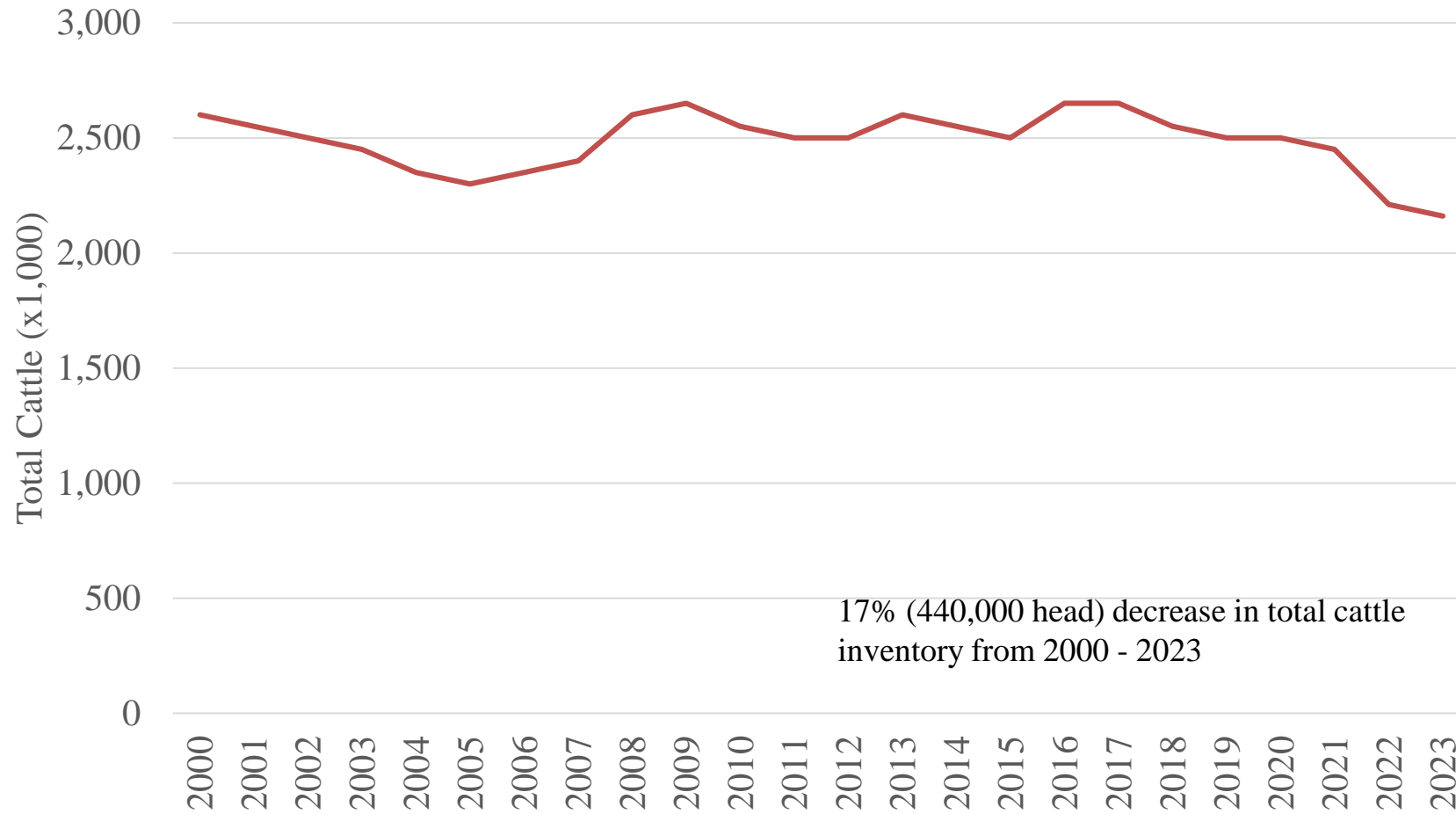
# 2024 Futures Prices

(\$/bu, no basis adjustment – 12/30/23)

Location	Mar	July	Sept	Dec
Minneapolis Grain Exchange				
Hard Red Spring Wheat	6.29	6.46	6.46	6.68
Kansas City Board of Trade				
Hard Red Winter Wheat	6.44	6.47	6.57	6.71
Chicago Board of Trade				
Corn	4.71	4.94	4.97	5.03

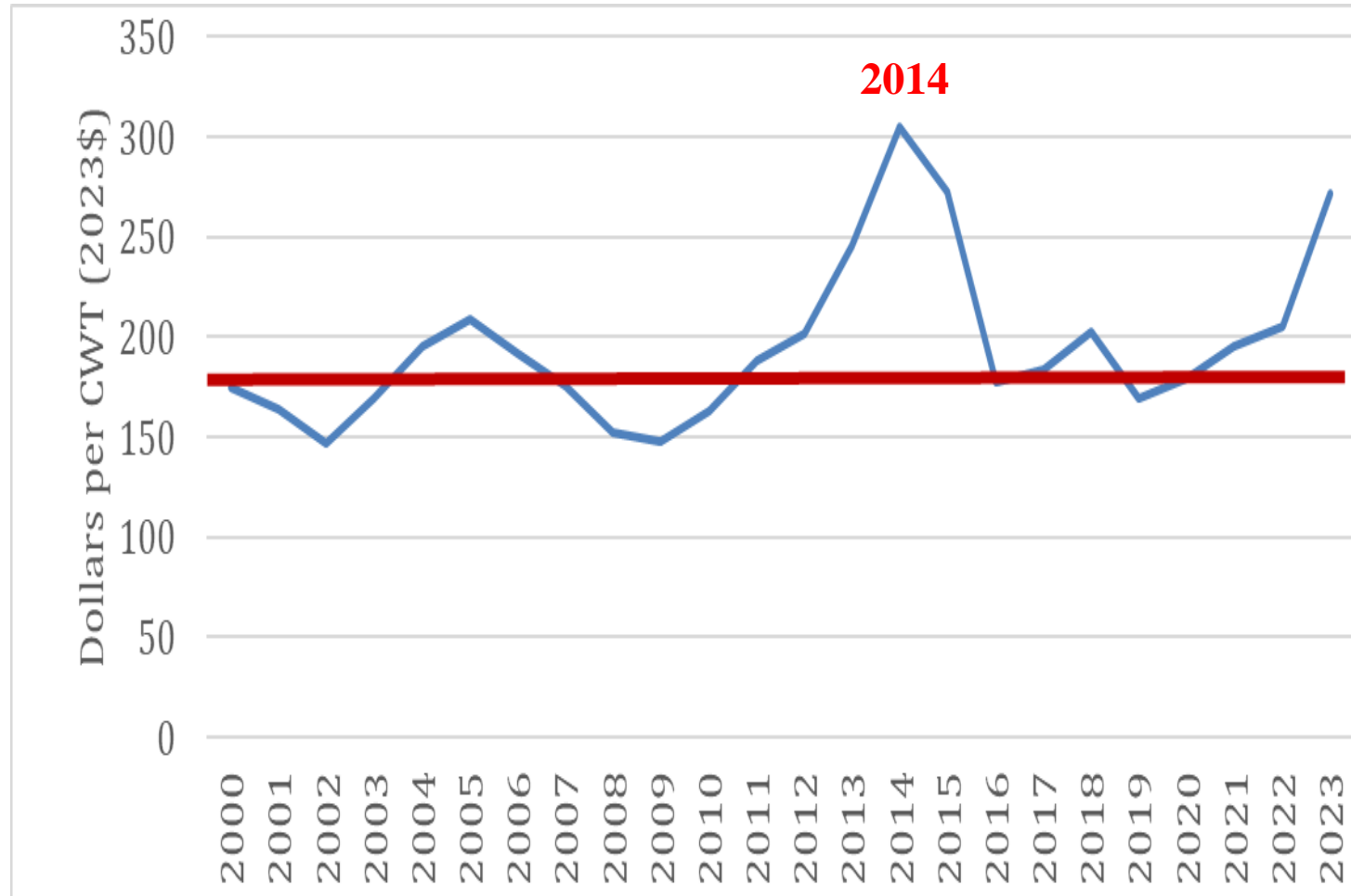
**LIVESTOCK**

# Total Cattle Inventory, Montana 2000 - 2023





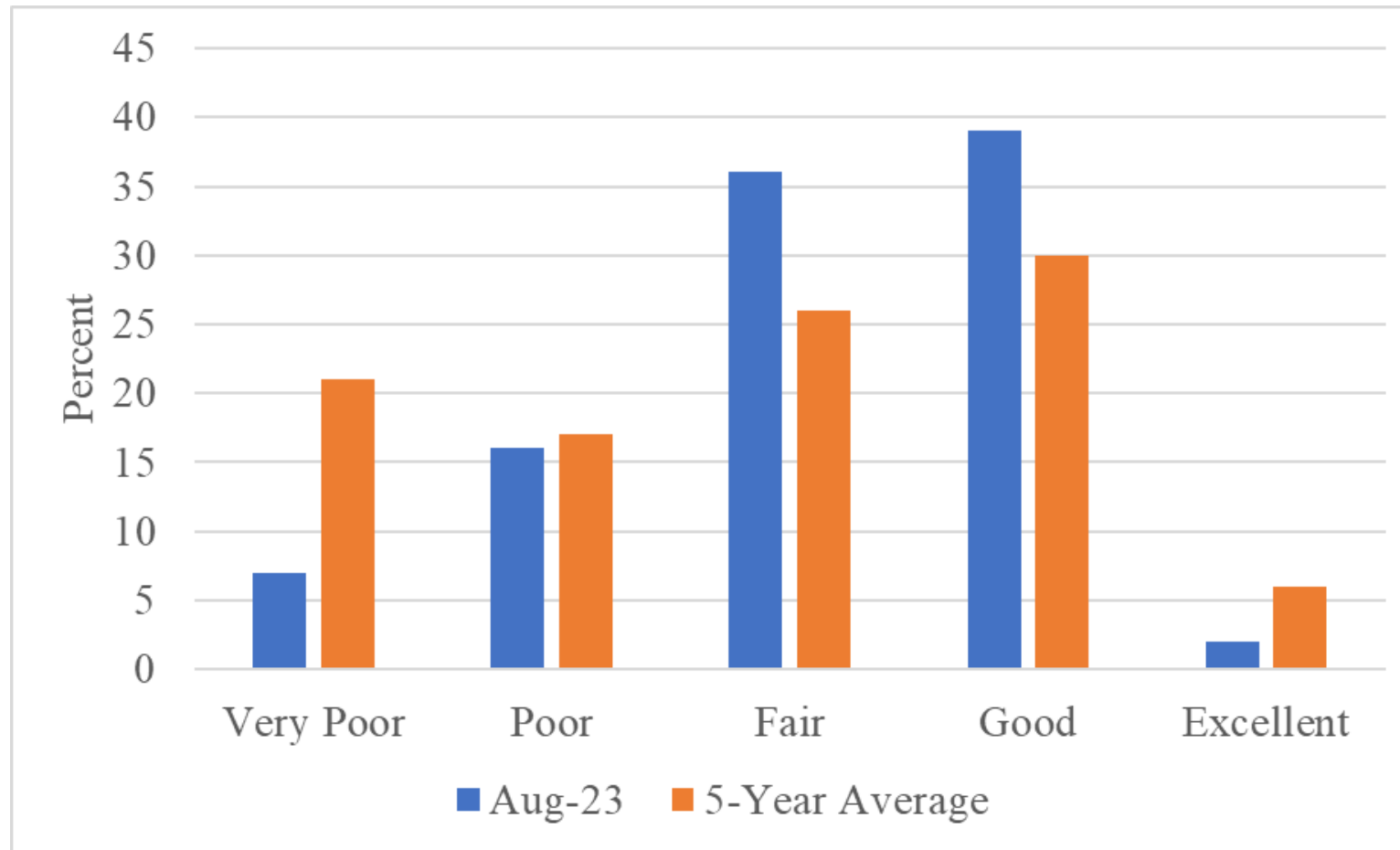
# Calf Prices, 2000 - 2023



Source: USDA Quickstats and AMS

30% increase 1/2023 to 9/2023

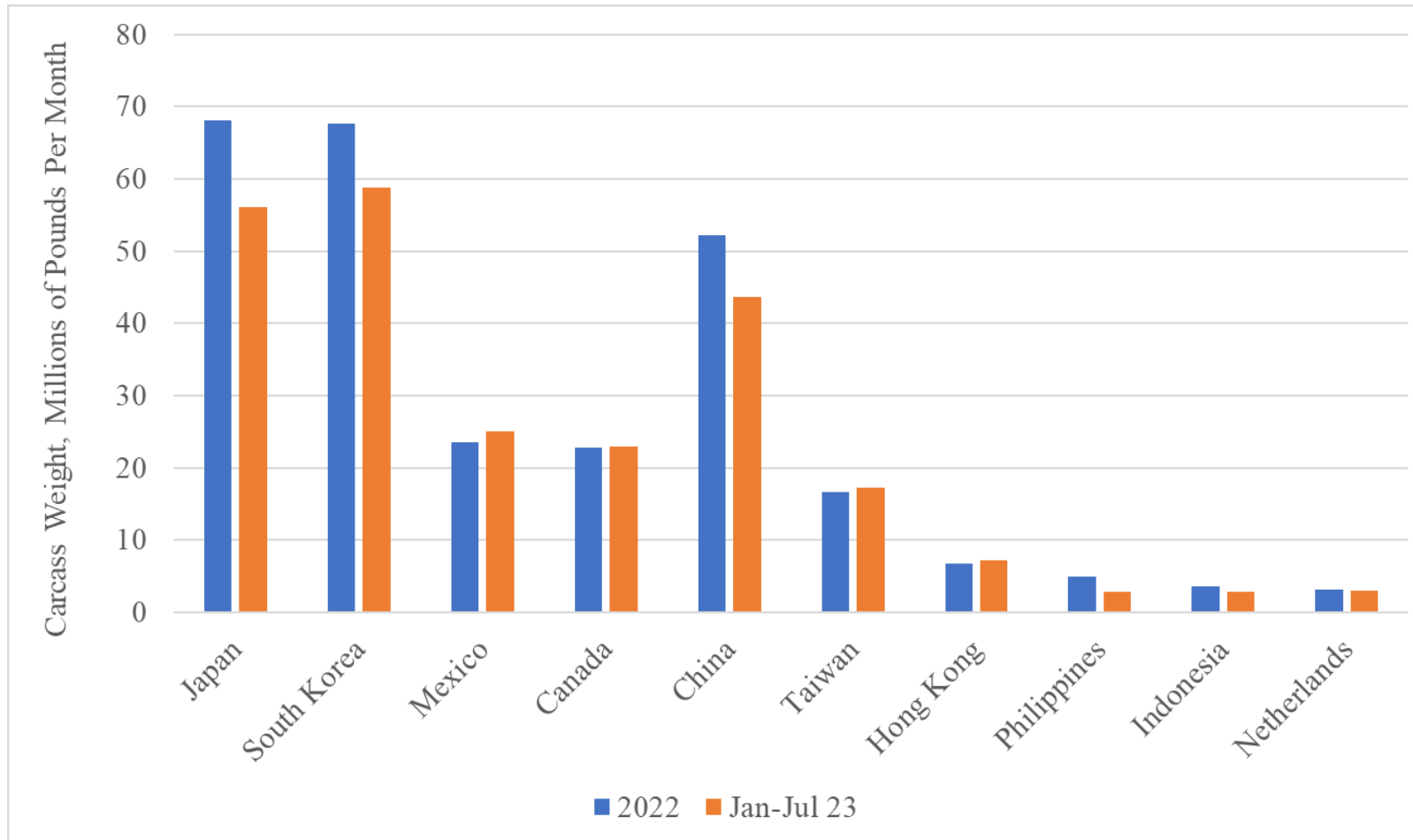
# Above Average Pasture Conditions



Source: NASS, Montana Office

# Beef Exports (2022/2023)

## *Carcass Weight, Millions of Pounds/Month*



Source: <https://www.ers.usda.gov/data-products/livestock-and-meat-international-trade-data>

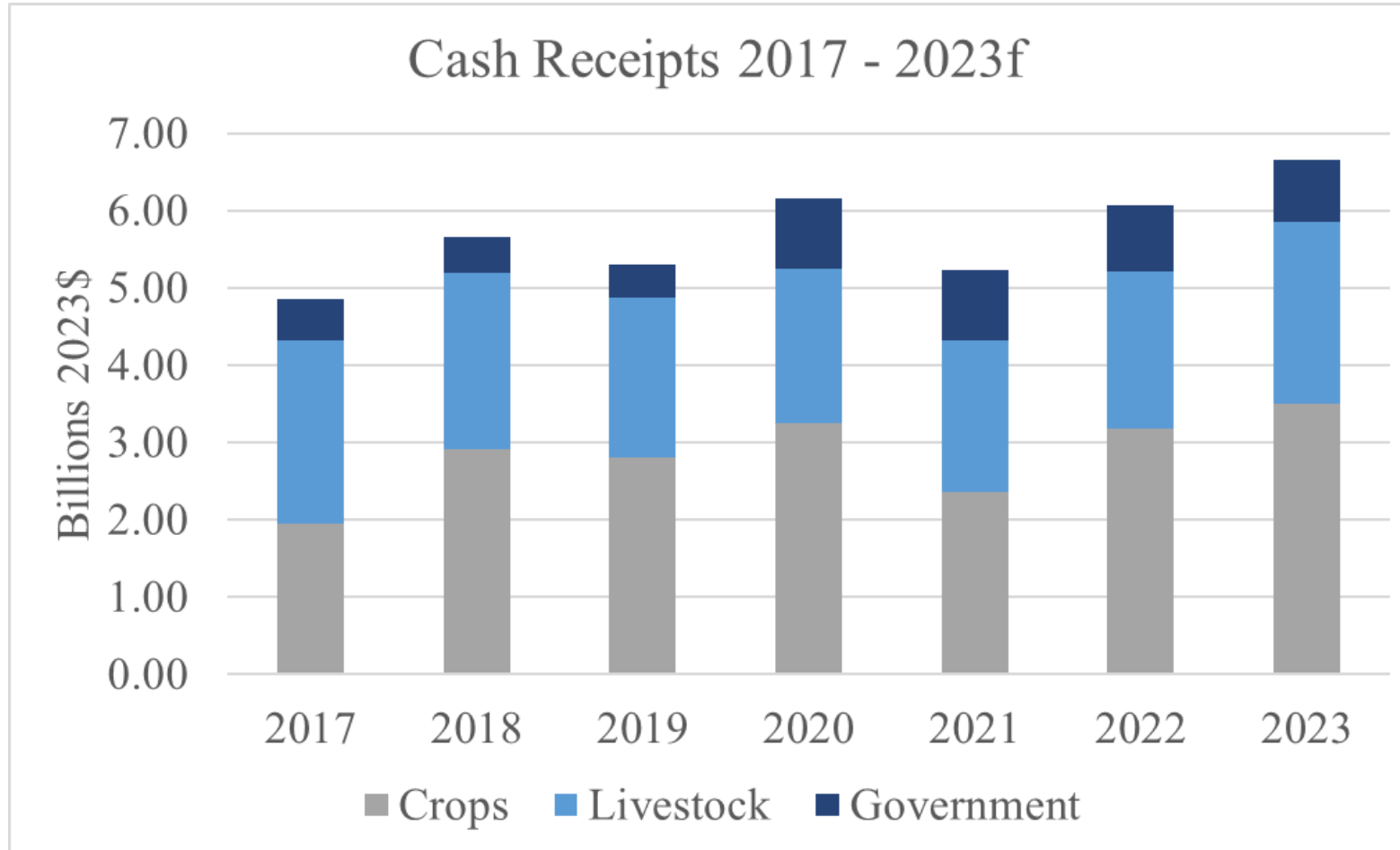
# 2024 Futures Prices

(\$/lb., no basis adjustment – 12/30/23)

Location	2024			
	March	May	August	October
Chicago Mercantile Exchange				
<b>Feeder Cattle</b>	<b>2.25</b>	<b>2.36</b>	<b>2.50</b>	<b>2.54</b>
Live Cattle	1.68	1.72	1.71	1.76

# FINANCIAL HEALTH AND TRENDS

# Cash Receipts (Adjusted for Inflation)



Source: 2017 Agricultural Census and USDA Quick Stats (2023)

# **AGRICULTURAL POLICY (FARM BILL)**

# Farm Bill: What do the farm groups want?

- Higher “**references prices**” and thus increased subsidies from the ARC/PLC program
- Expanded crop insurance products and subsidies, including policies that explicit protect farmers against **higher input prices**
- Highly supportive of the IRA increased spending on **conservation** (EQIP and CSP) programs
- Increased use of ad hoc (**disaster**) aid programs
- Some mention of increased funding for public **research and development** programs



# Farm Bill Challenges

## \$50 Billion Question

### Trade-offs (*source of funds*)

- Conservation
- Supplemental Nutrition Program
- Rural Development

### Trade-offs (*use of funds*)

- Statutory/Effective *Reference Price*
  - for Price Loss Coverage (PLC) Trigger*

# Farm Bill Challenges

## – Other Impacts (trade-offs)

- Farmer against farmer – conservation for disaster programs
- Farmers against rural communities and low-income households

## – *Timing*

- “strong financial years (2020 – 2023) for US agriculture”

# Summary

- Commodity Prices and Production
- Financial Health
- Agricultural Policy (Farm Bill)

# Questions

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