

2020 Year in Review

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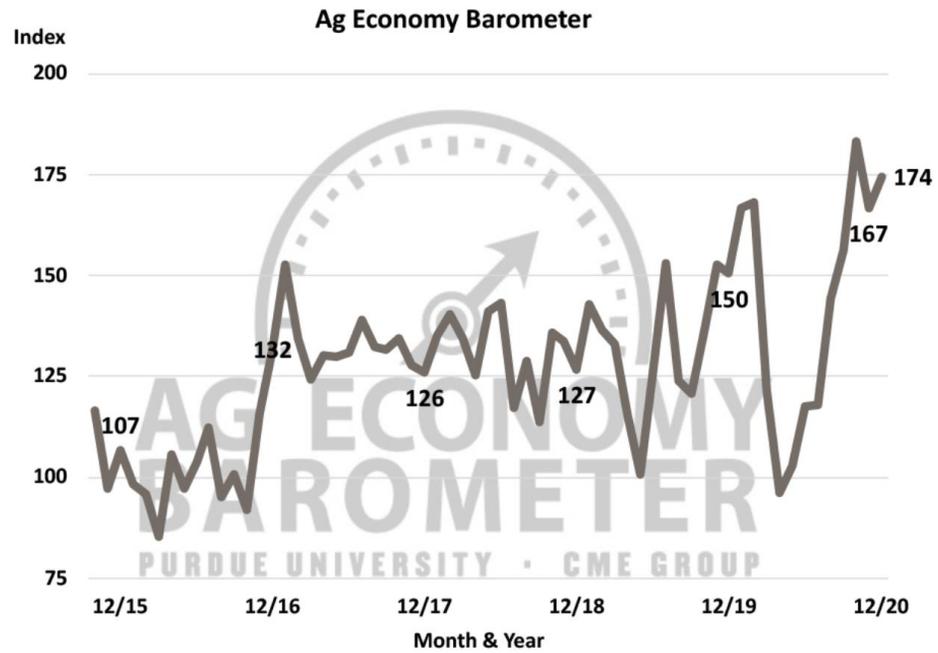
George Haynes

Department of Agricultural Economics & Economics

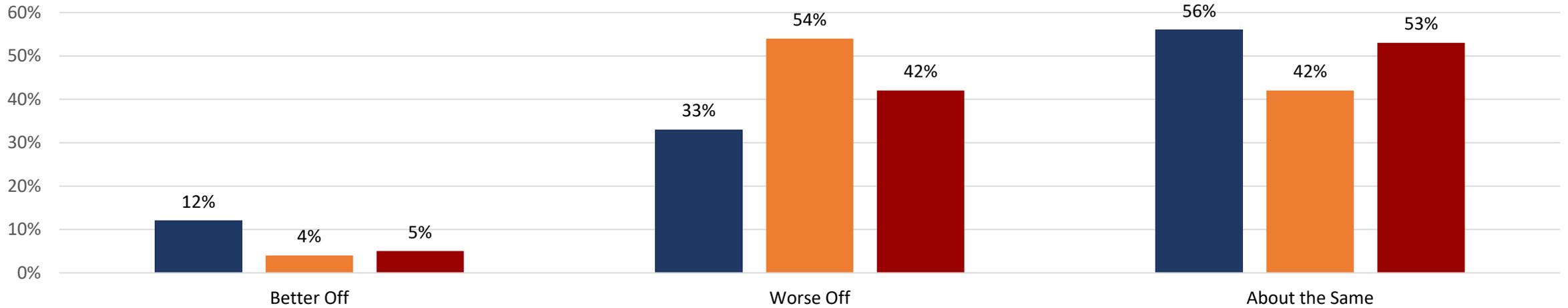
MSU Extension



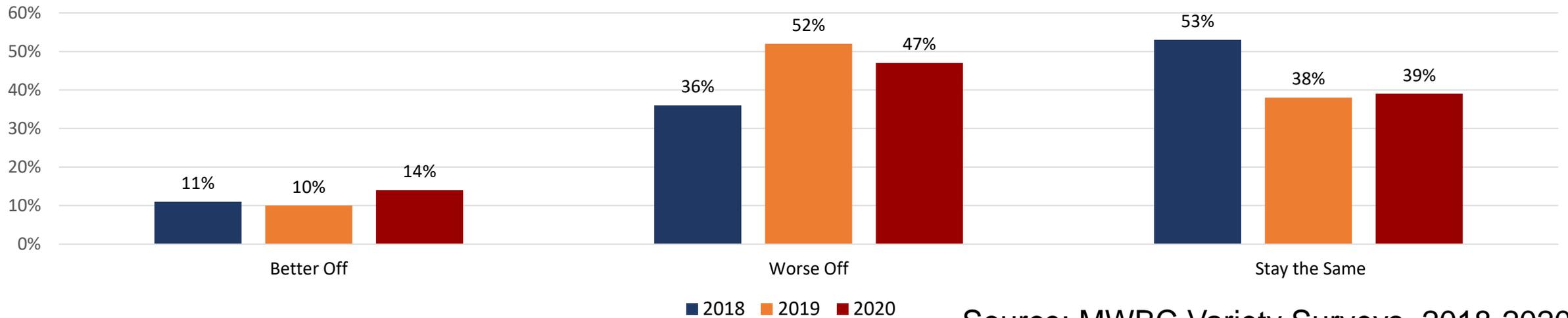
VS



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

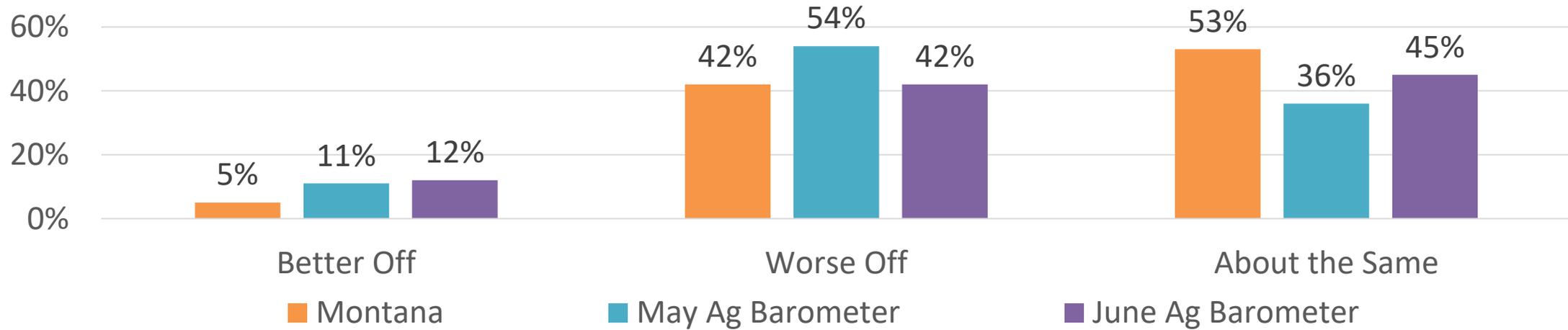


Do you think that a year from now your farm operation will be better off financially, worse off, or will stay the same as now?

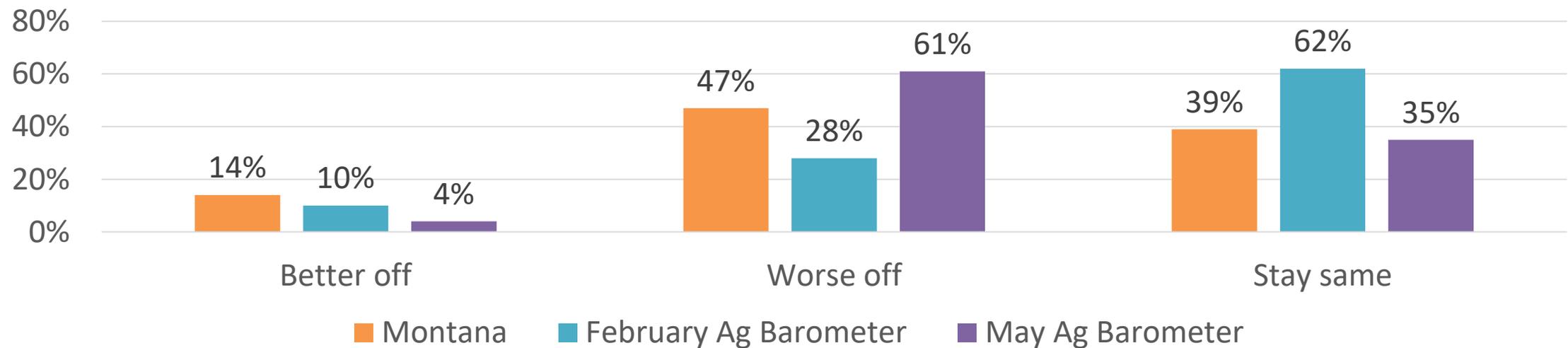


Source: MWBC Variety Surveys, 2018-2020

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

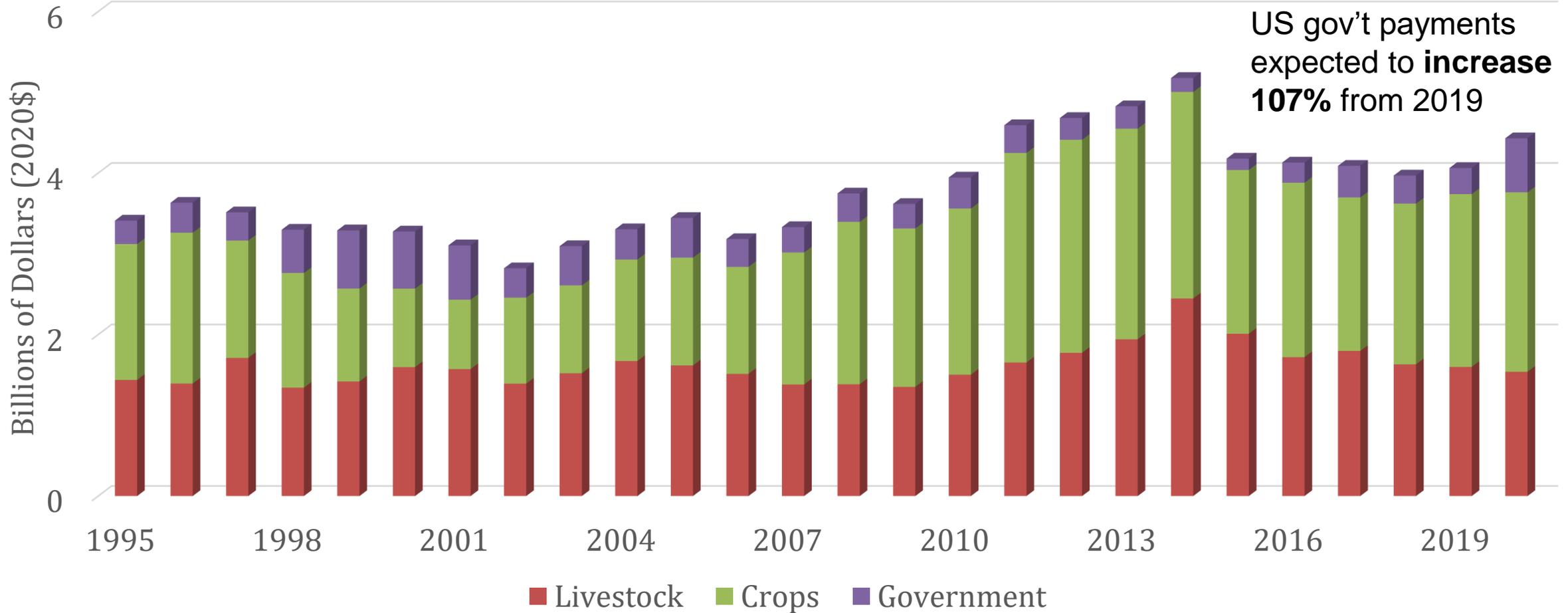


Do you think that a year from now your farm operation will be better off financially, worse off, or about the same as now?



Montana Cash Receipts (1995 – 2020F)

CFAP1 ~\$175 million
CFAP2 ~\$262 million



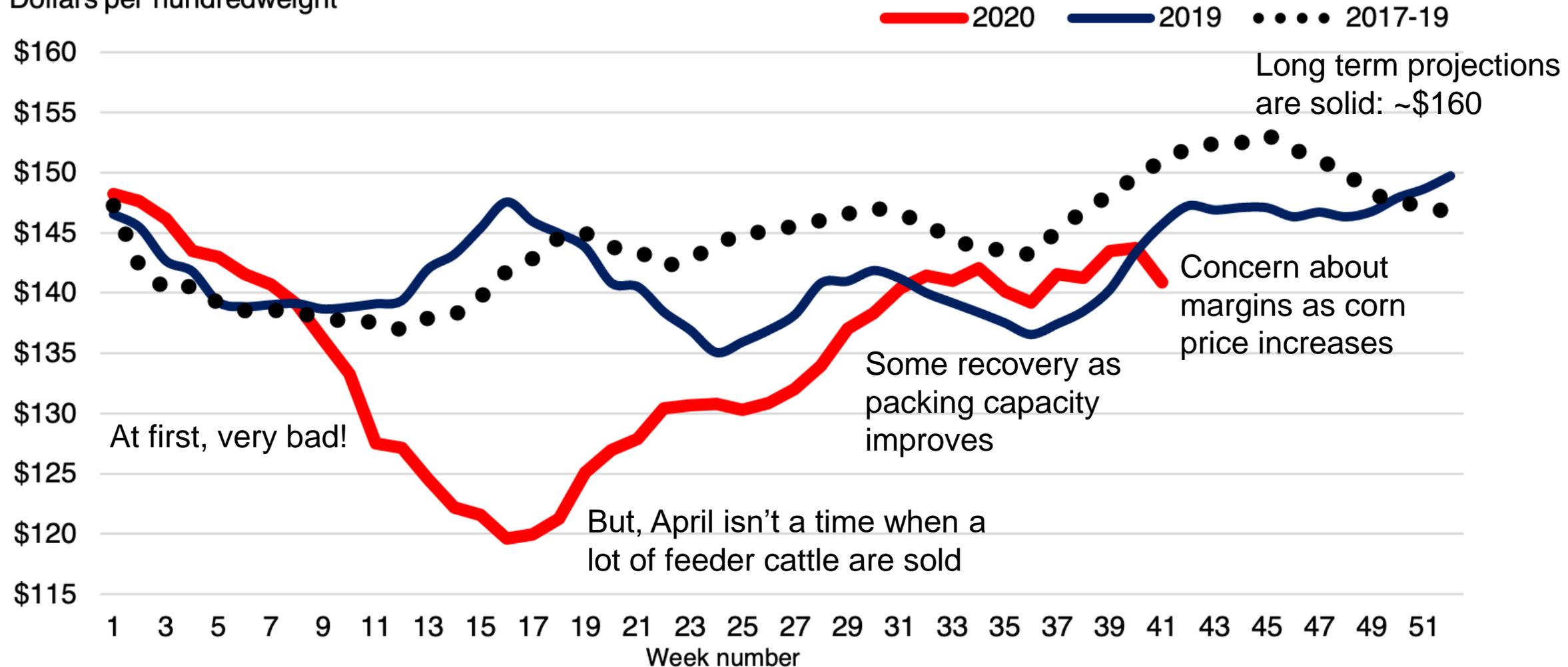
Source: USDA ERS Farm Income and Wealth Statistics; 2020 government payments based on US trend and farmers.gov/cfap/data

CATTLE

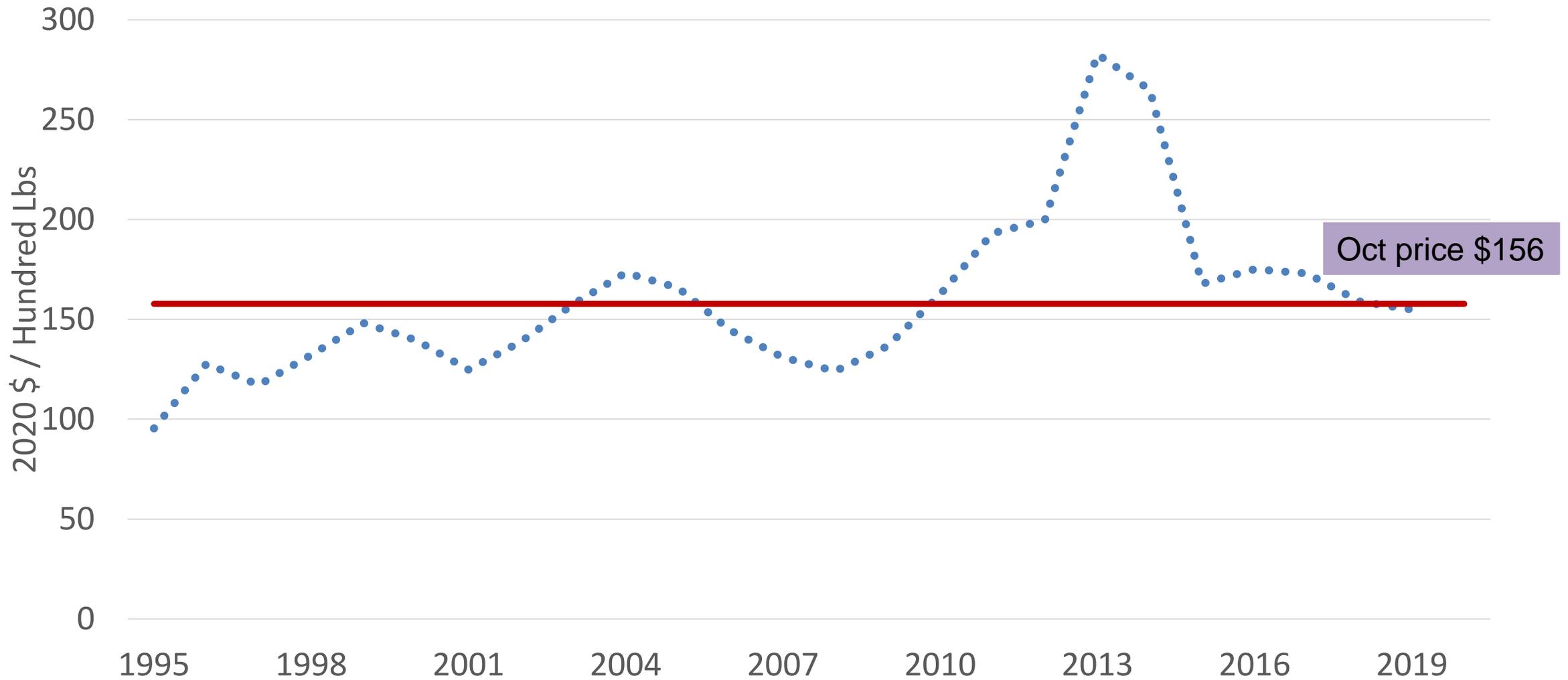
Covid Effects on Cattle Markets

Weekly feeder steer prices on a 4-week moving average

Dollars per hundredweight



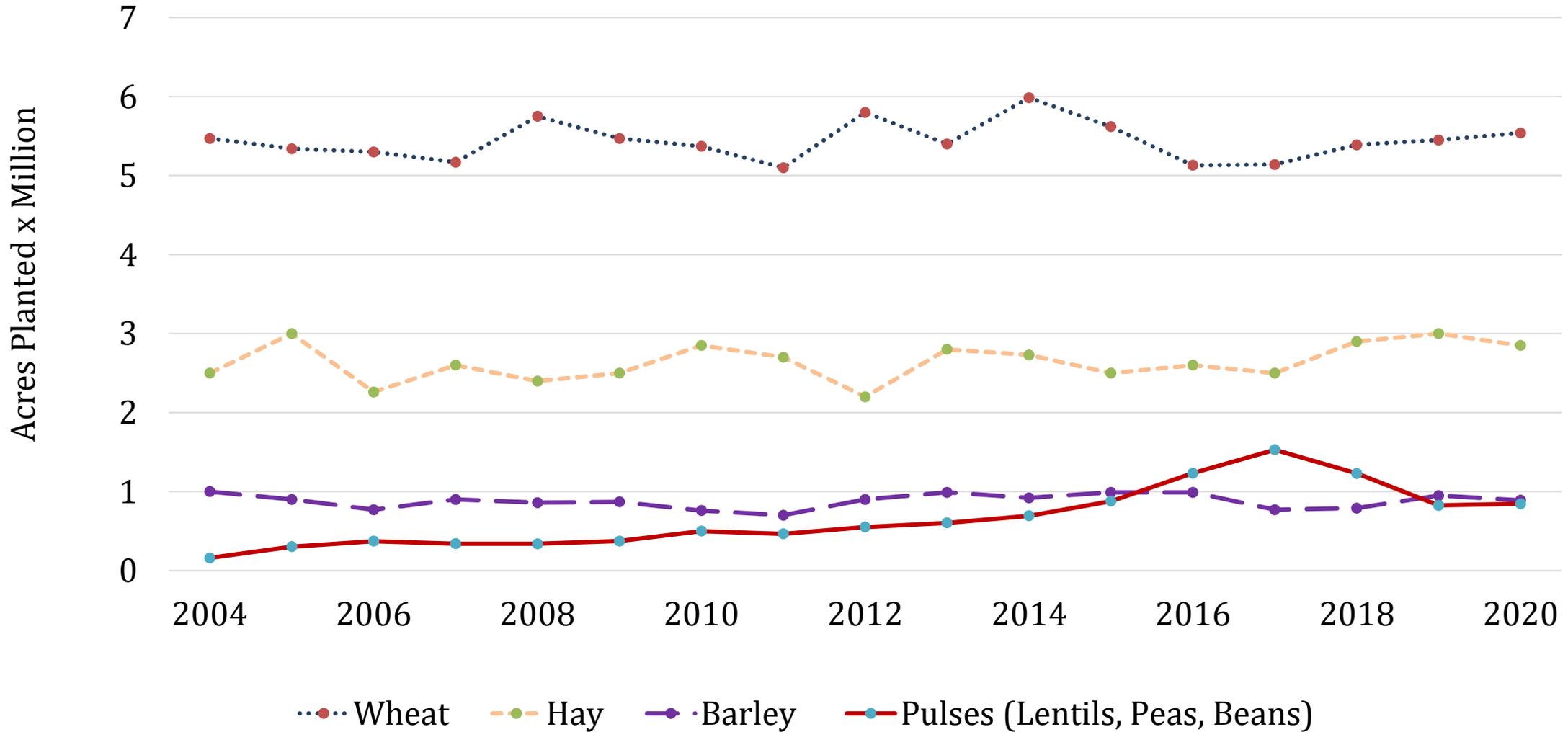
U.S. Average Calf Prices (2020\$)



Source: NASS Quickstats

CROPS

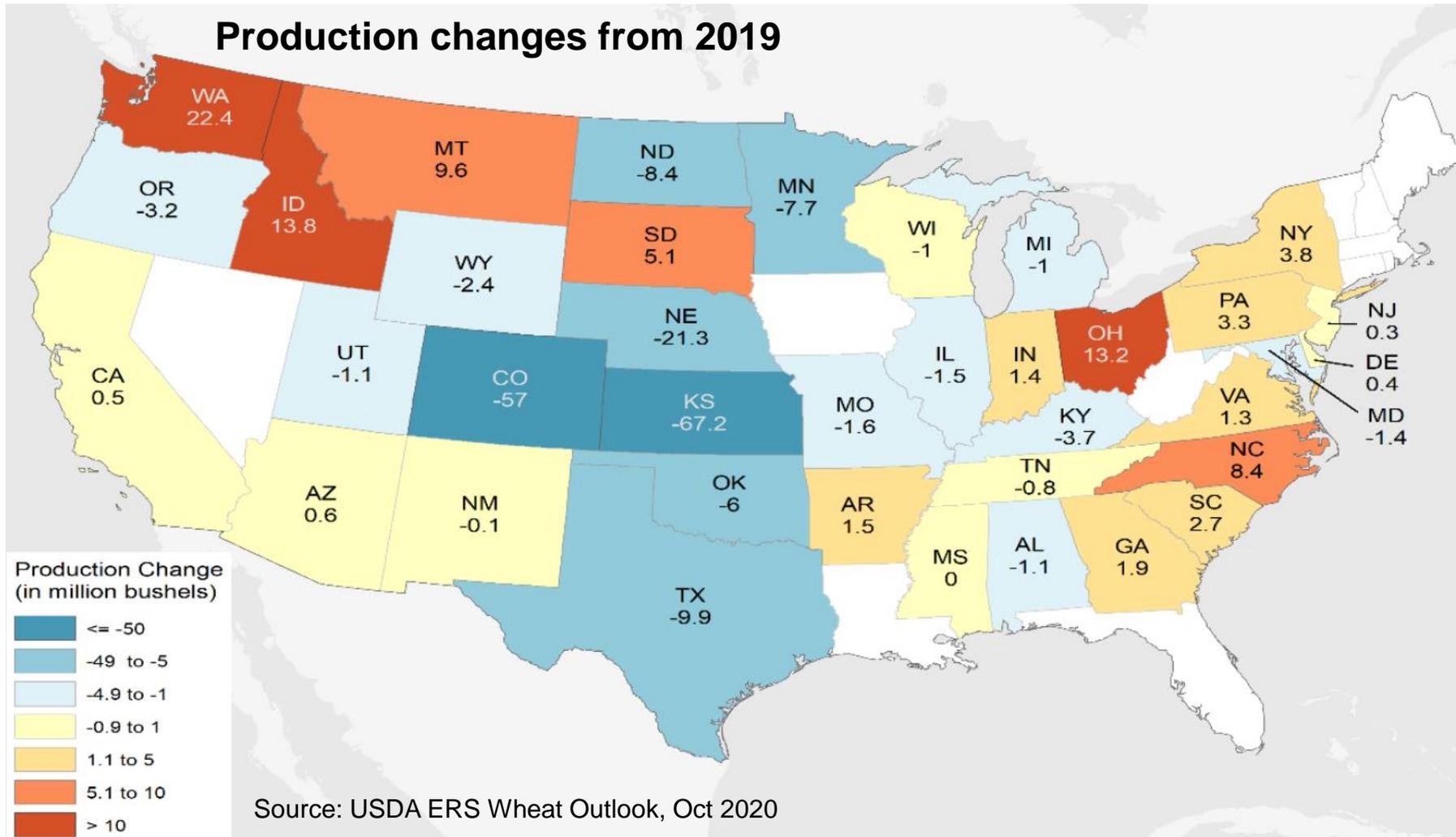
Montana Major Crop Acreage



356K organic acres, ~30K in transition
 ~11K hemp acres

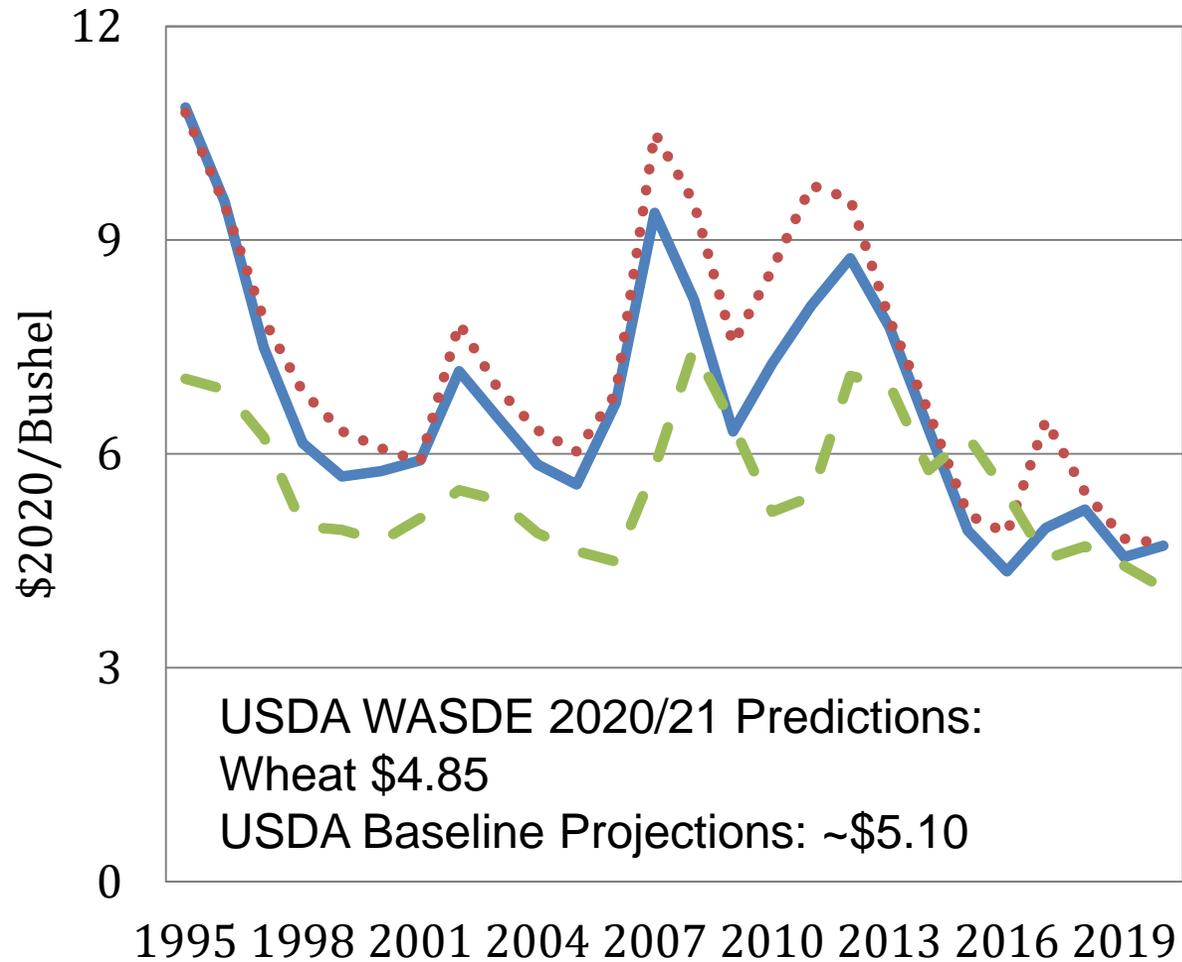
Source: NASS Quickstats, Mercaris, MDA

The market for wheat is global...but heavily influenced by domestic happenings



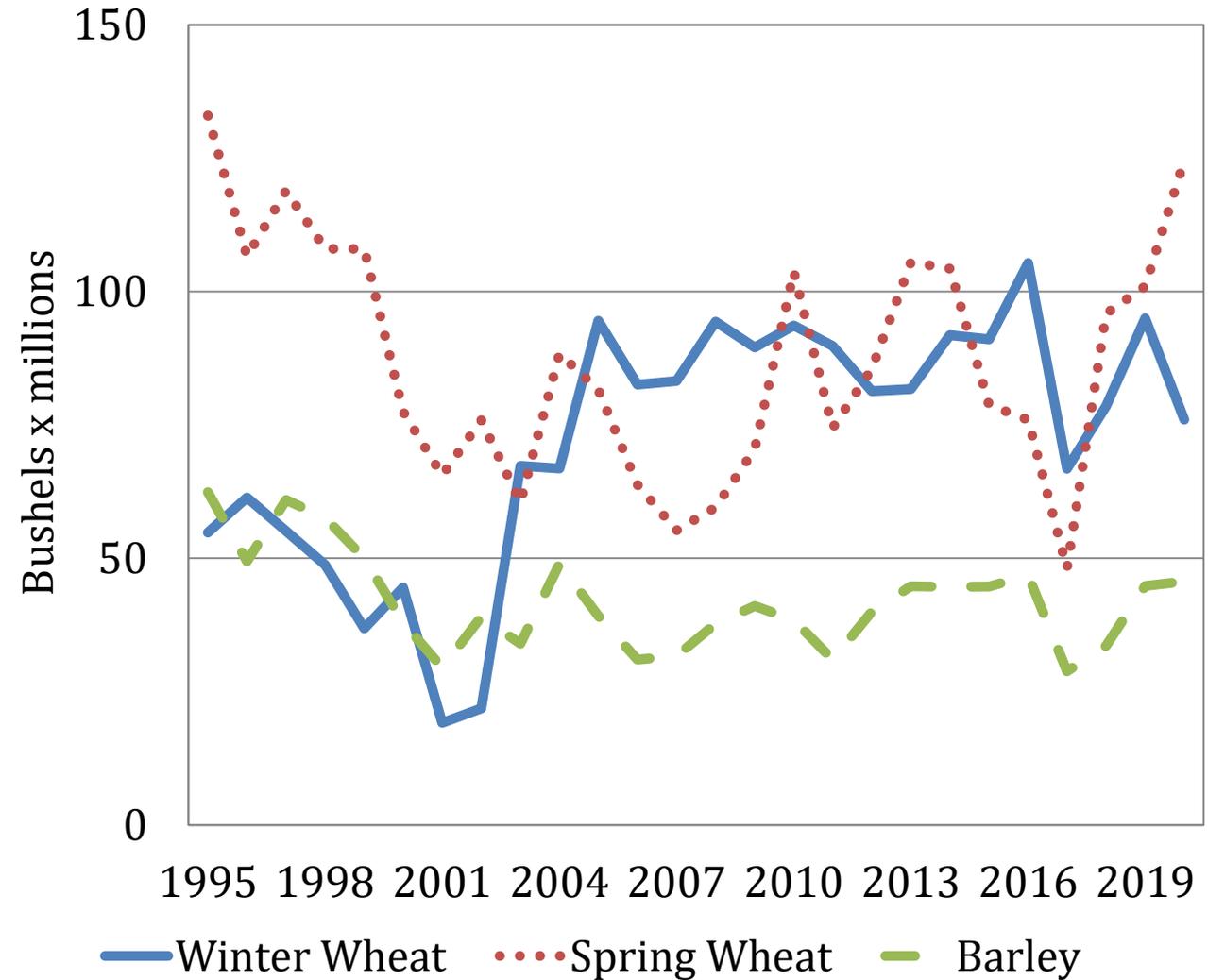
- Global production is up, esp. Russia
- Corn and soybean prices improved dramatically in Fall
- Domestic wheat production overall is down
- Montana increases in SW, durum
- Product differentiation and quality are important!
- Covid effects much more muted in grain markets

Montana Grain Prices

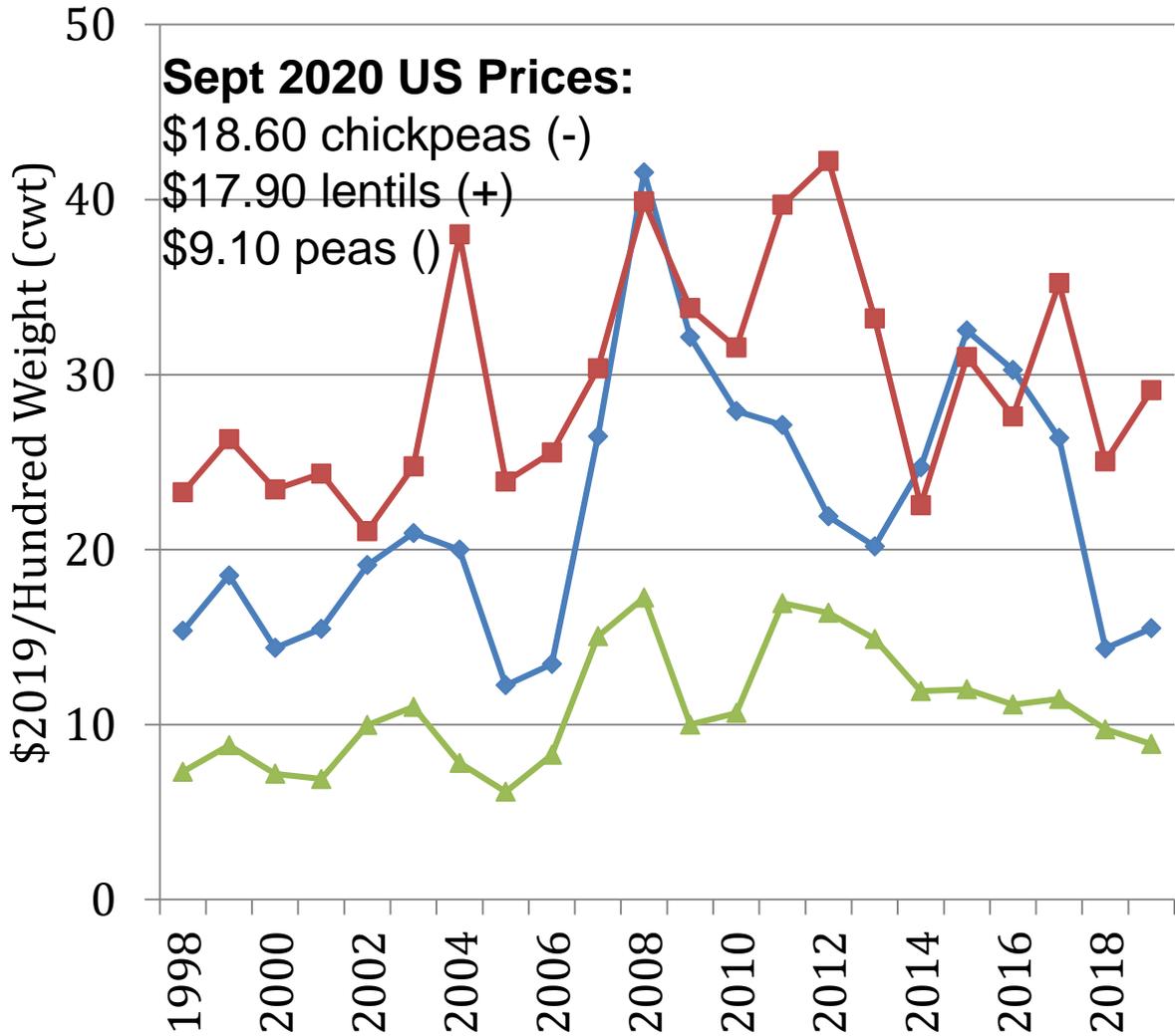


Source: NASS Quickstats

Montana Grain Production

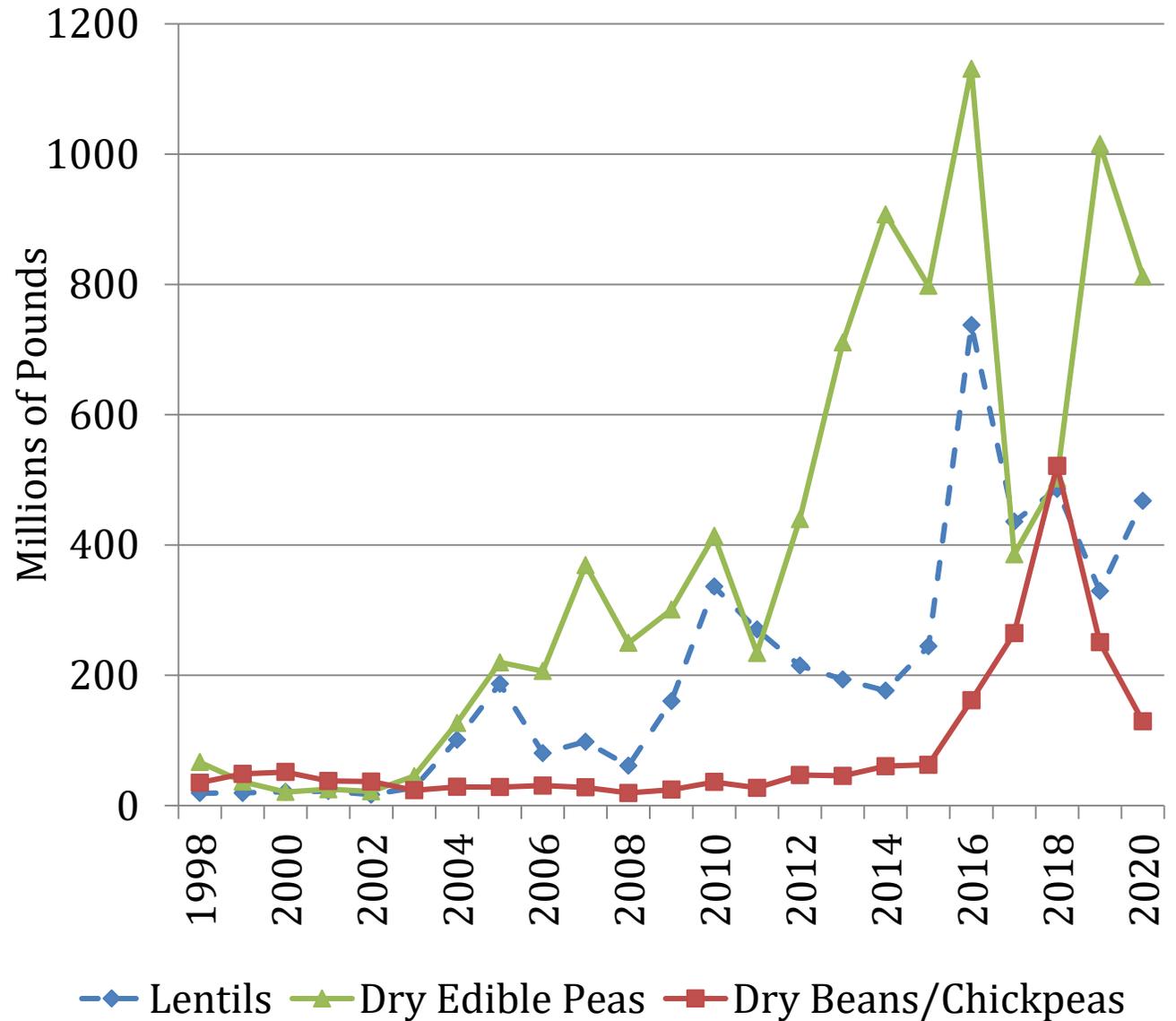


Montana Pulse Prices



Source: NASS Quickstats

Montana Pulse Production

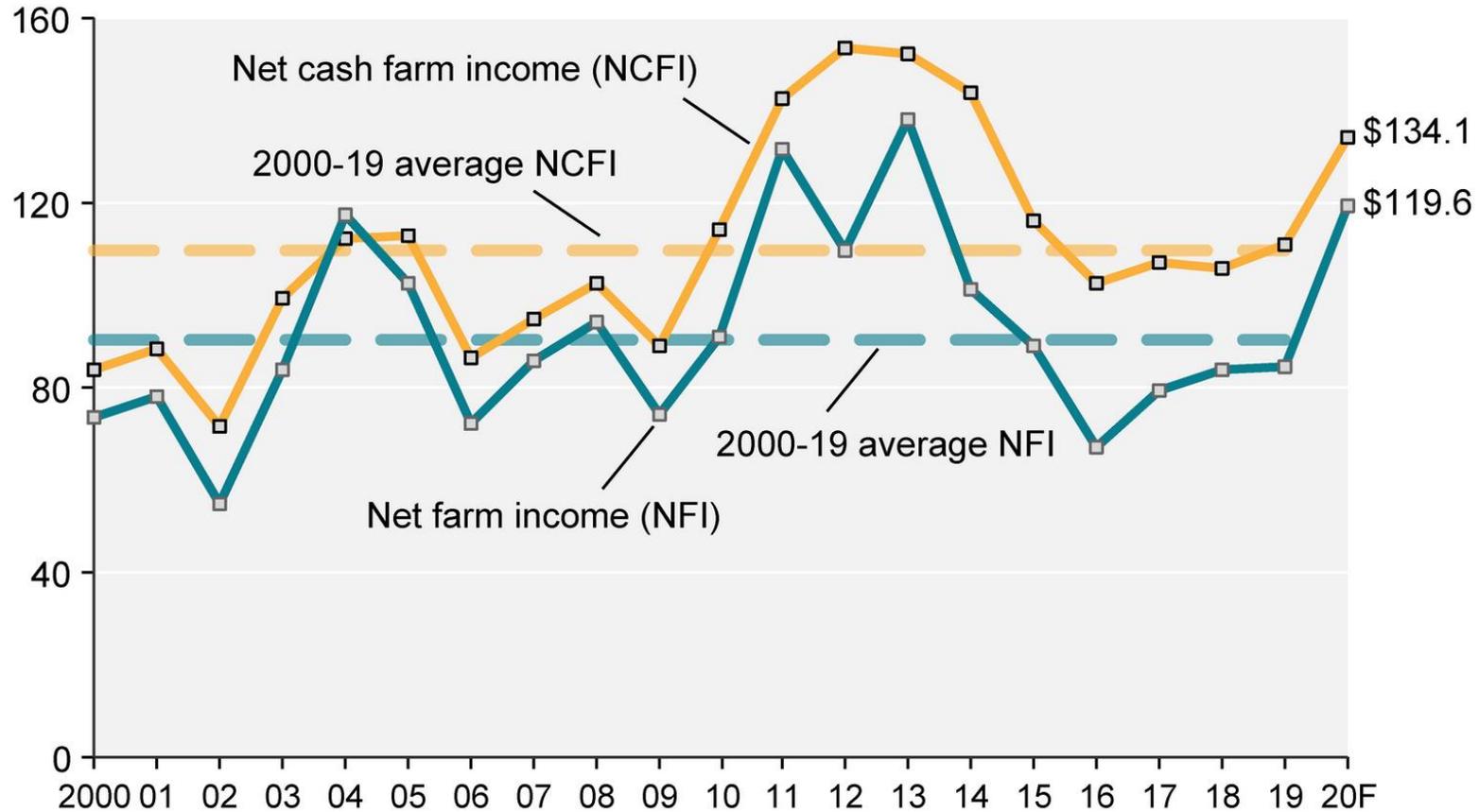


Legend: ◆ Lentils ▲ Dry Edible Peas ■ Dry Beans/Chickpeas

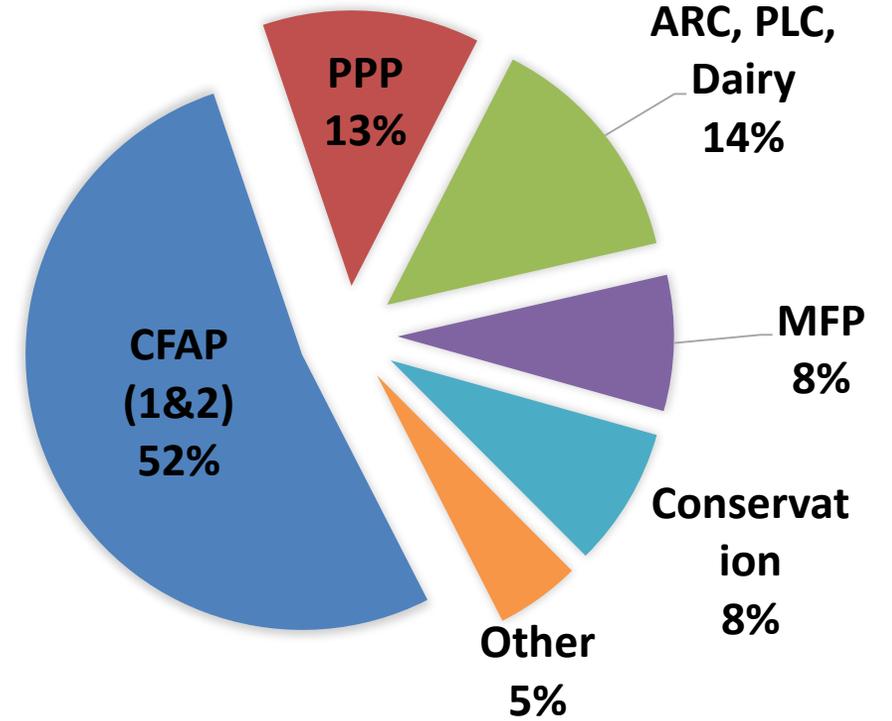
TRENDS IN THE GREATER AG ECONOMY

2020: Government Payments = 40% US Net Farm Income

\$ billion (2020)



US Government Payments: \$46.5 bn



2021 Aid

- \$13bn ag stimulus
- \$11.2bn to direct financial assistance programs (like CFAP)

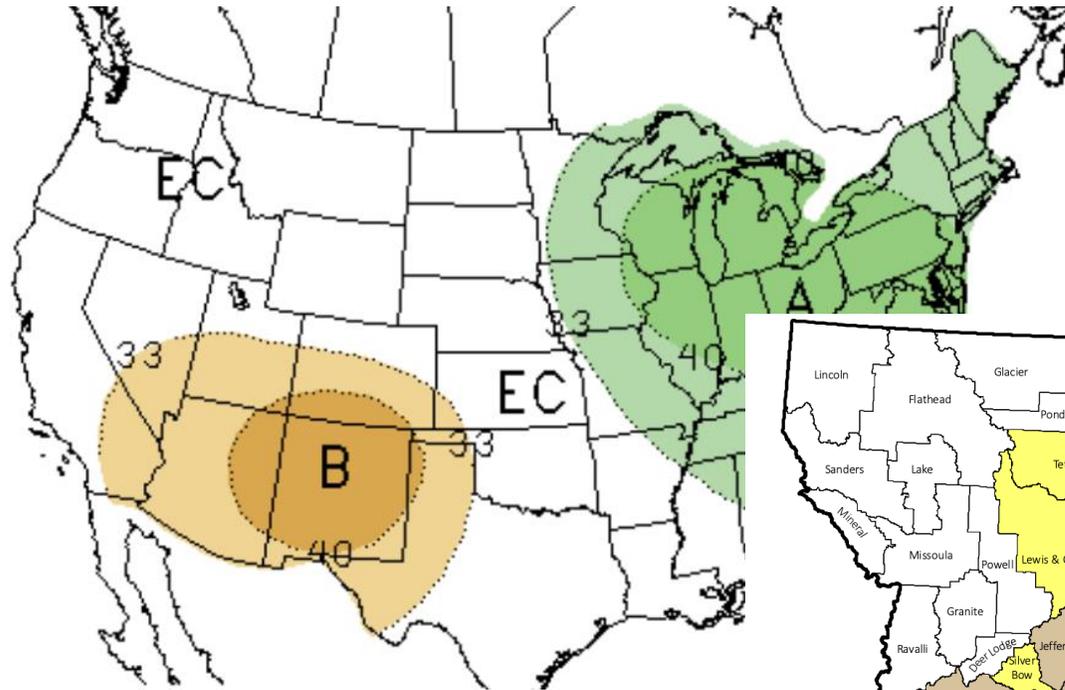
Note: F = forecast. Values are adjusted for inflation using the Gross Domestic Product chain-type price index, 2020=100.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of December 2, 2020.

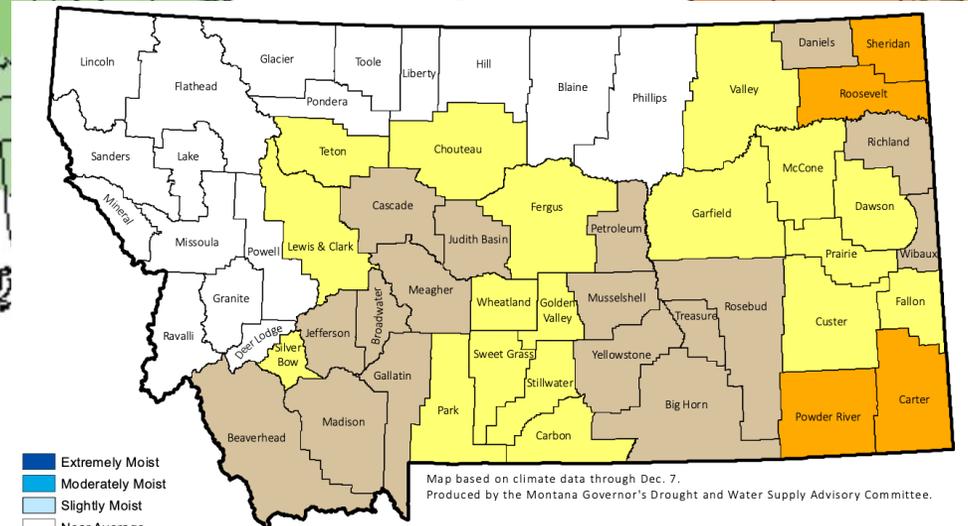
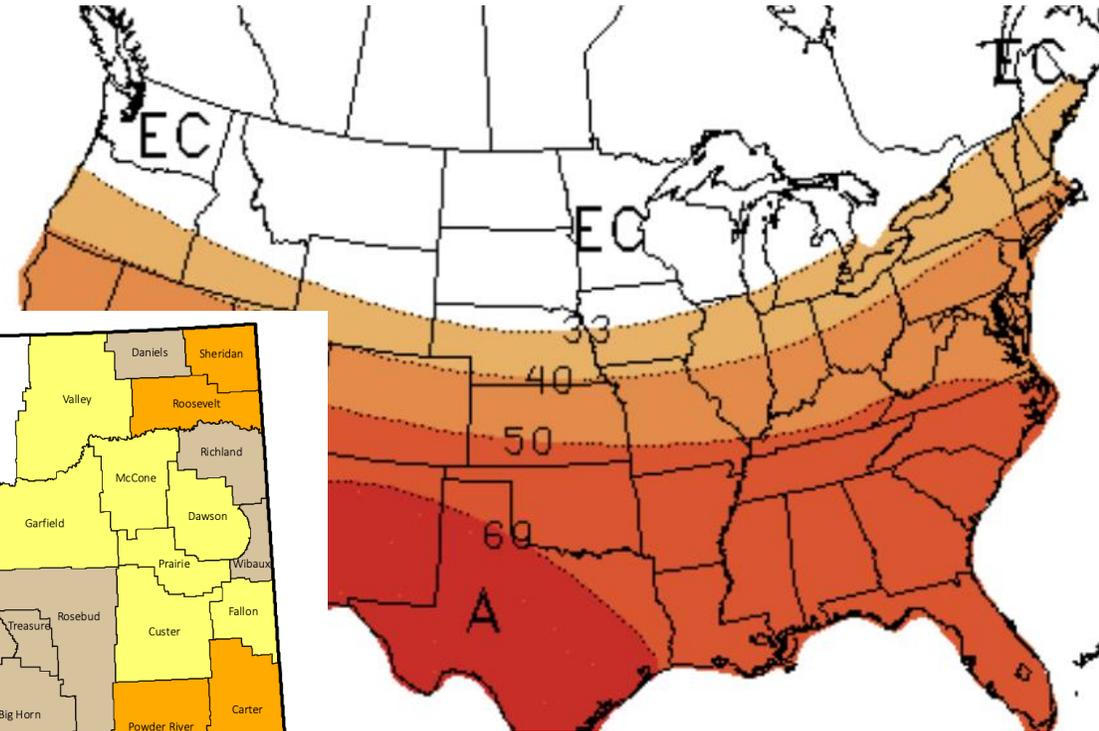
Production Conditions: Spring (AMJ)

Precip. Forecast

Temp. Forecast



Dec 10 MT 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 Dec. 7.
Produced by the Montana Governor's Drought and Water Supply Advisory Committee.



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

Predictions from 1/12/21 Source: NOAA: www.cpc.ncep.noaa.gov/products/predictions/long_range/

Questions

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