

2021 Montana Ag Year in Review

Kate Binzen Fuller

Joel Schumacher

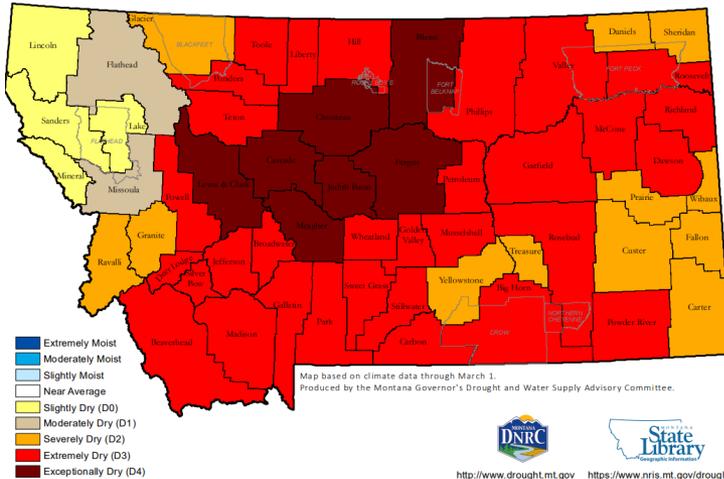
with George Haynes and Hannah Wing

Department of Agricultural Economics & Economics

MSU Extension

2021 in Montana Agriculture

Montana Drought Status by County - March 4, 2022



VS.

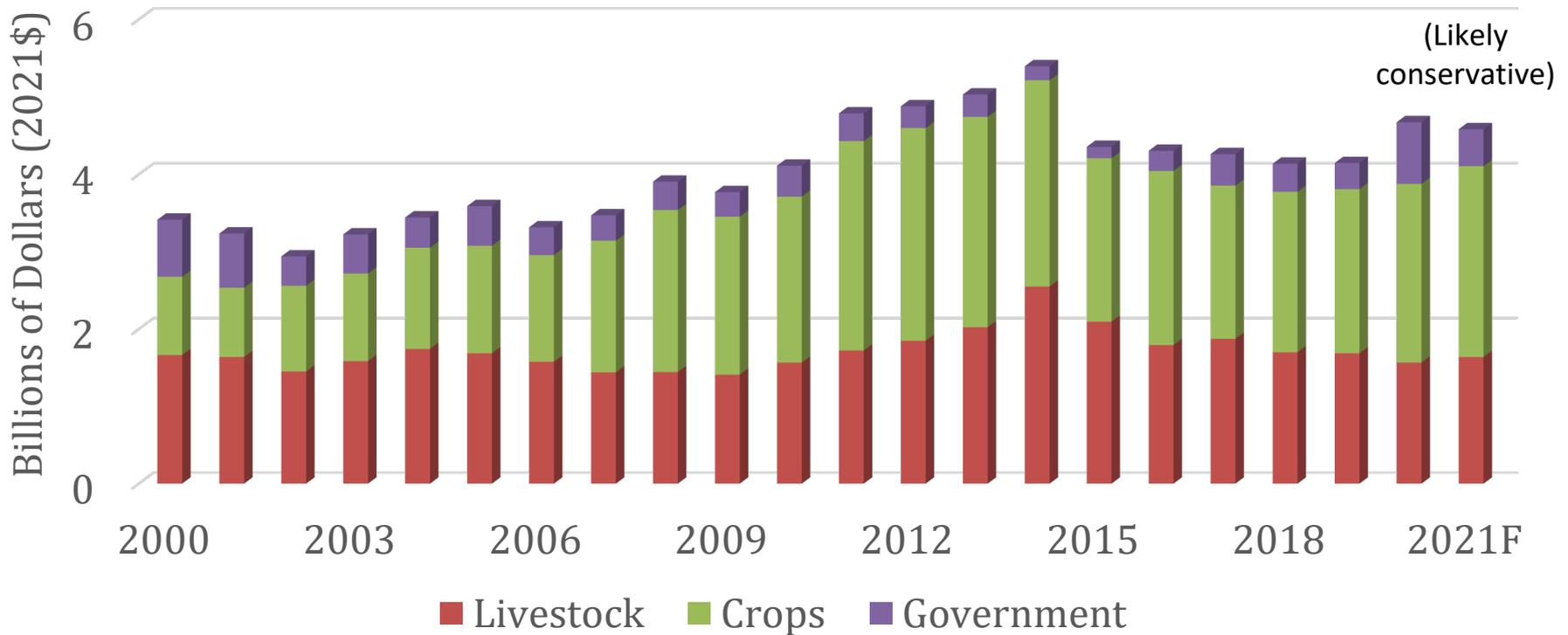


Wheat Zips Higher Futures above \$8/bushel for first time since Dec. 2012



RECEIPTS

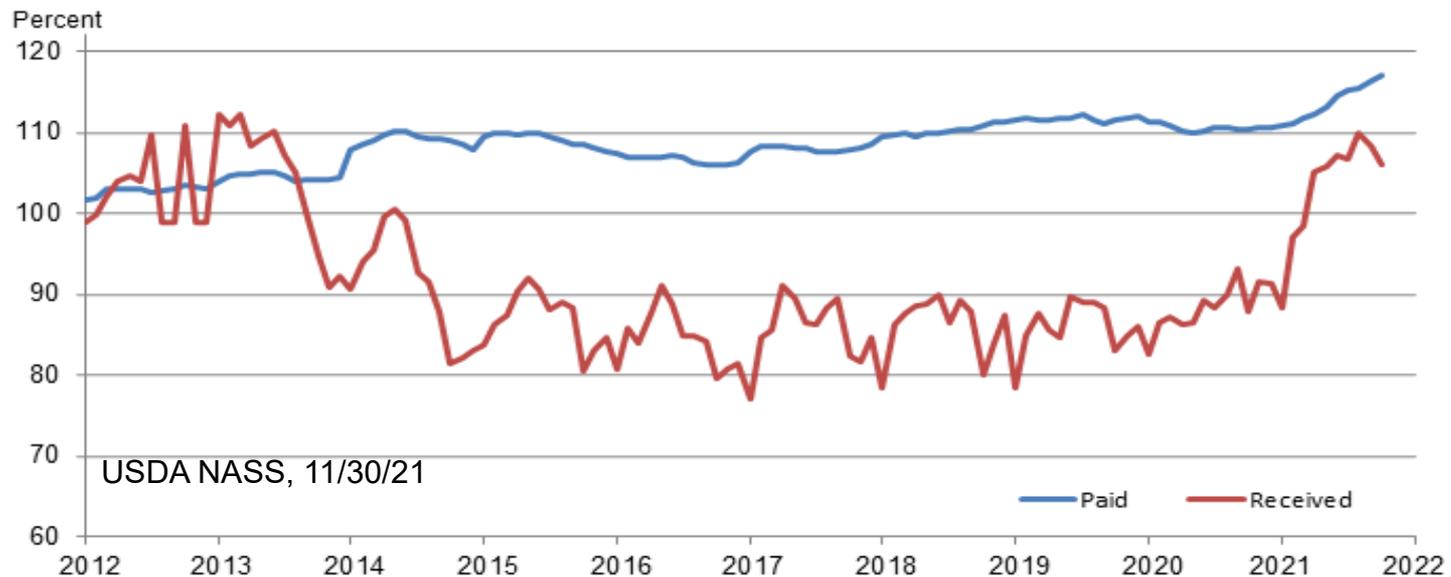
Montana Agricultural Cash Receipts 1995-2021F



Some caveats

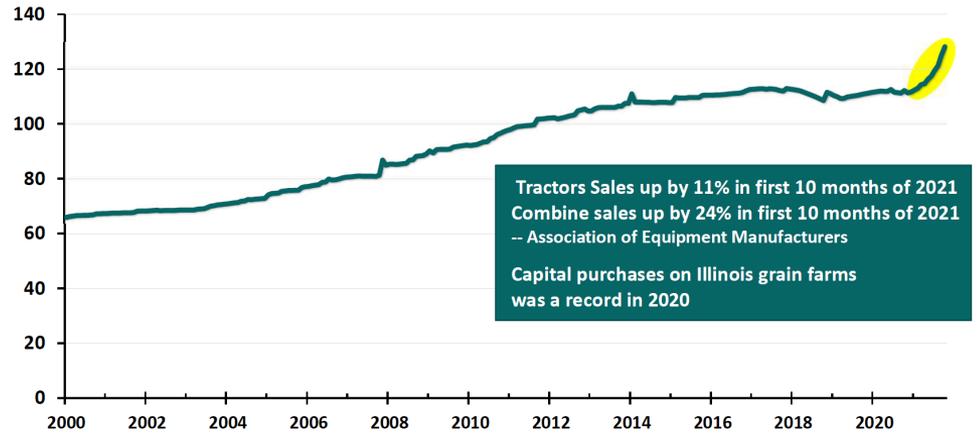
- Many numbers we use to forecast cash receipts are still uncertain
- Cash receipts do not measure input or other costs

**Crop Farm Received and Paid Indexes,
All Items by Month –
United States: 2011=100**



Costs have increased substantially

Index of Price Paid for Tractors



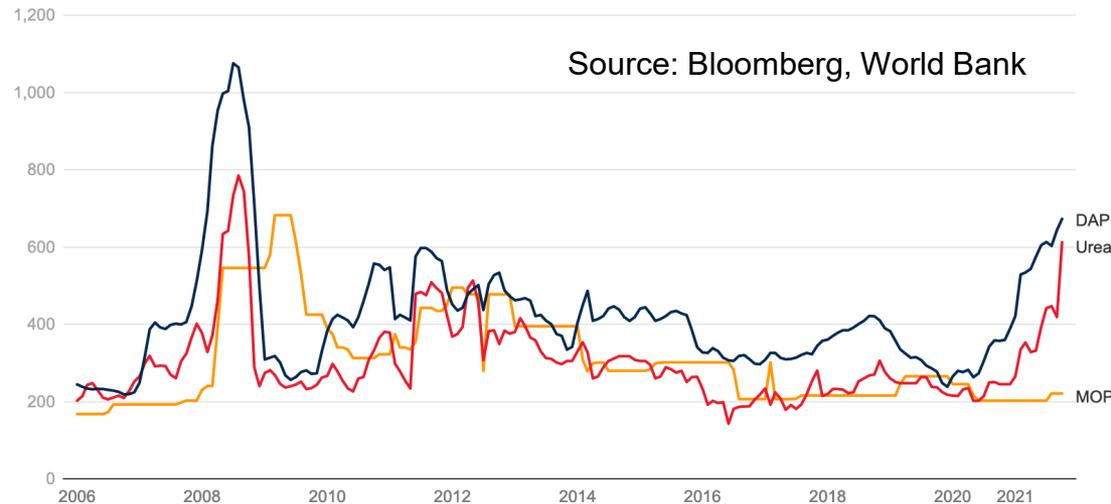
ILLINOIS

Source: National Agriculture Statistics Service, USDA

farmdoc

Fertilizer prices

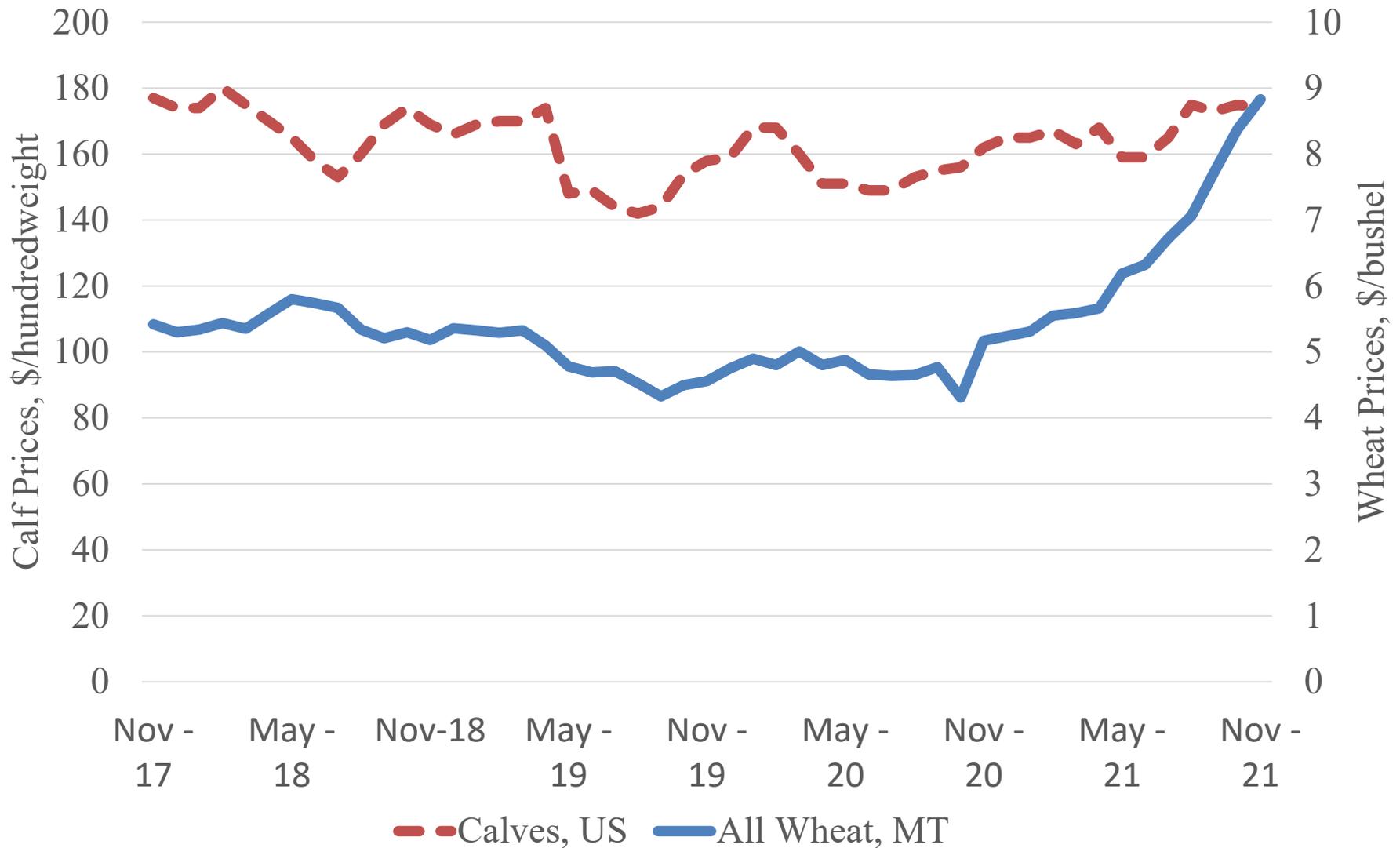
US\$/mt



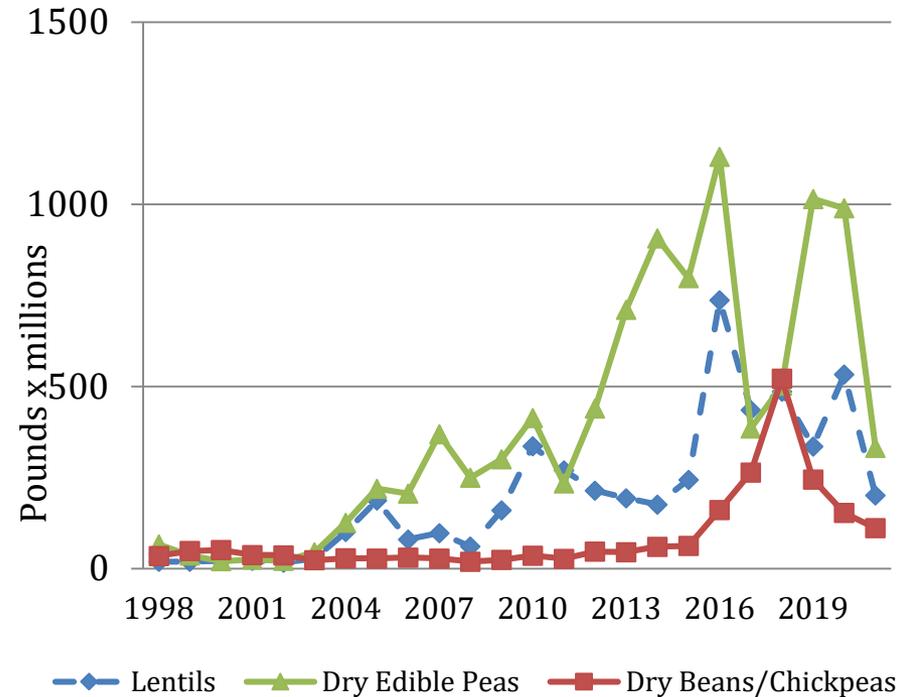
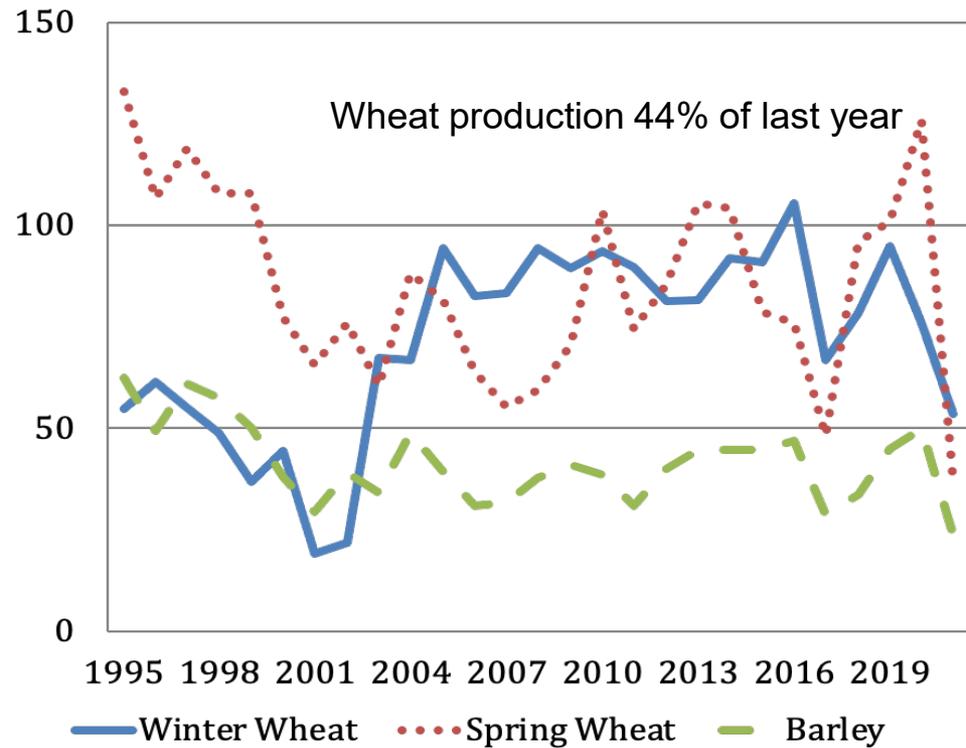
Also climbing:

- Pesticide prices
- Seed prices

Prices: upward trends

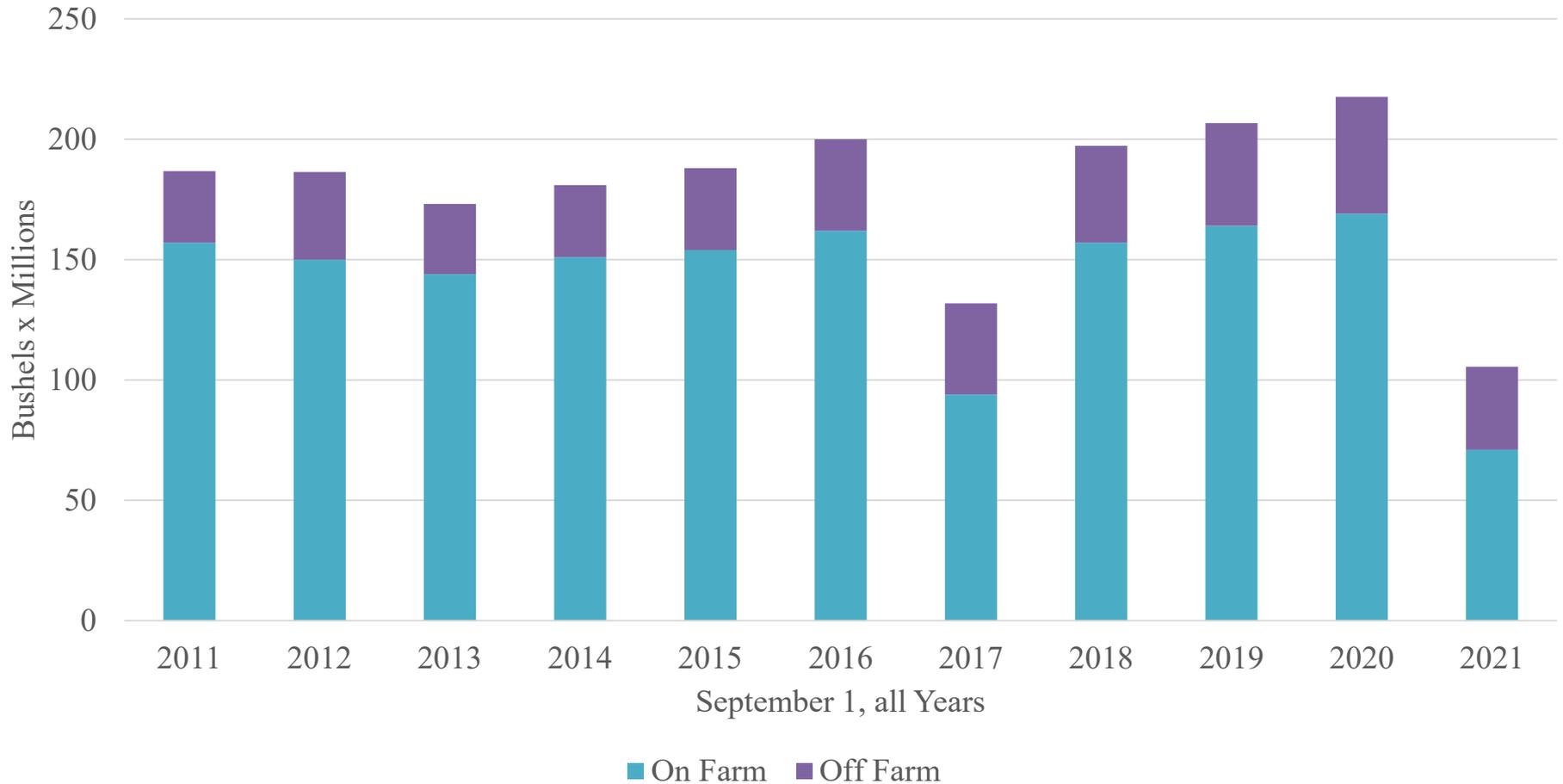


Crop Production

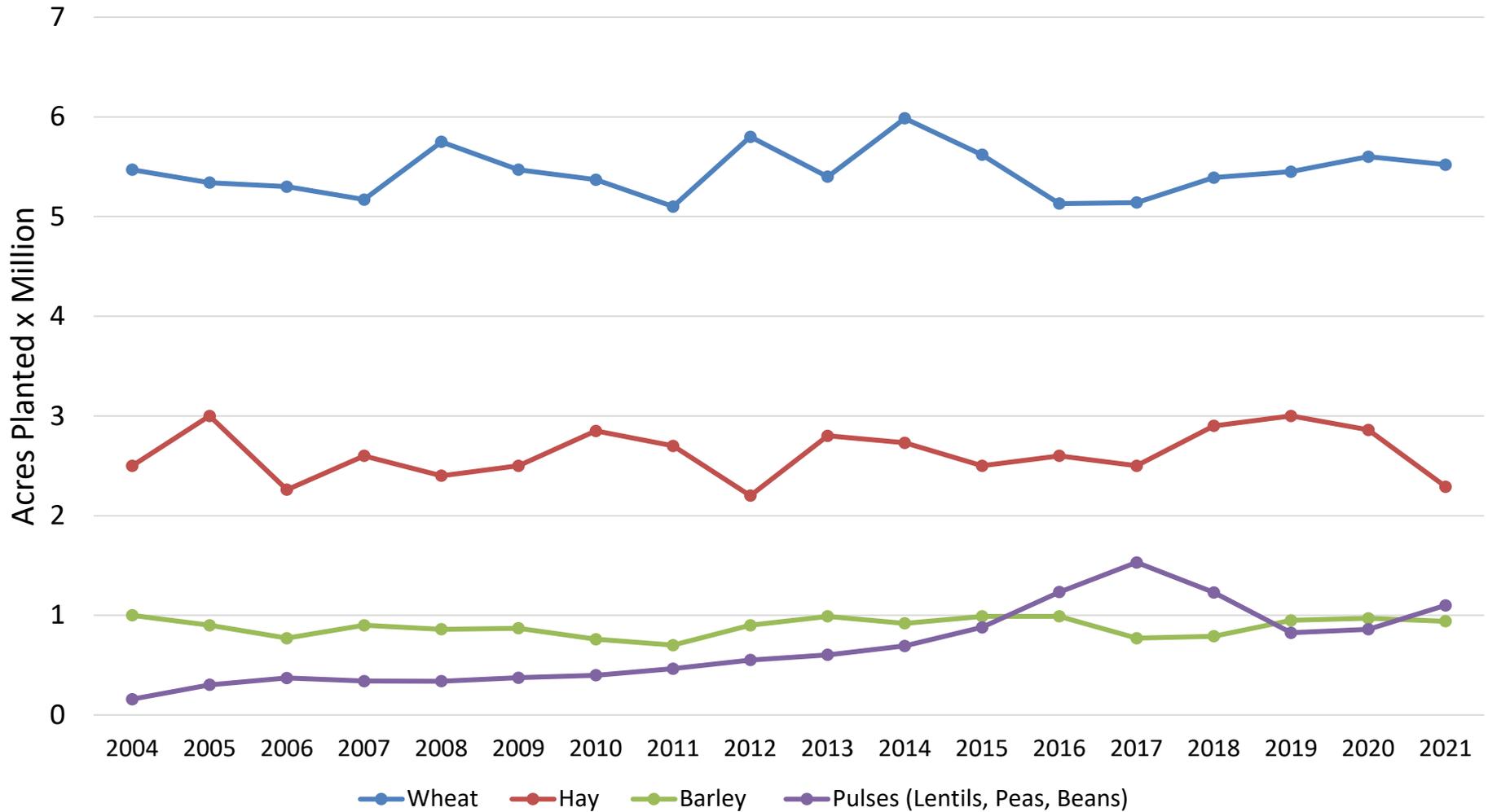


Source: NASS
Quickstats

Montana Stored Wheat



Montana Major Crop Acreage



Source: NASS Quickstats, MDA

~5K hemp (permitted) acres

Livestock

Northern Drought Hits Forages, Herds

Dry Conditions Across Northern Plains Cause Pastures to Wither, Producers to Cull Cows

6/16/2021 | 5:20 AM CDT



By [Russ Quinn](#), DTN Staff Reporter

Connect with Russ:

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Cow-calf producers in the Northern Plains have seen drought limit forage production, which has led them to reduce their herd size. Some producers have even had to haul water to pastures and rangeland. (DTN photo by Jim Patrico)

OMAHA (DTN) -- The worsening Northern Plains drought is having a devastating effect on cow-calf producers as very little forage is now available because of the parched conditions. In response, producers in parts of Montana and North Dakota have already begun culling cows.

Longer term, the drought could also have a negative effect on the supply of all feedstuffs for cattle producers in the region. If feedstuffs can be found, high prices could keep some from purchasing the needed feed.

WORSENING NORTHERN PLAINS DROUGHT

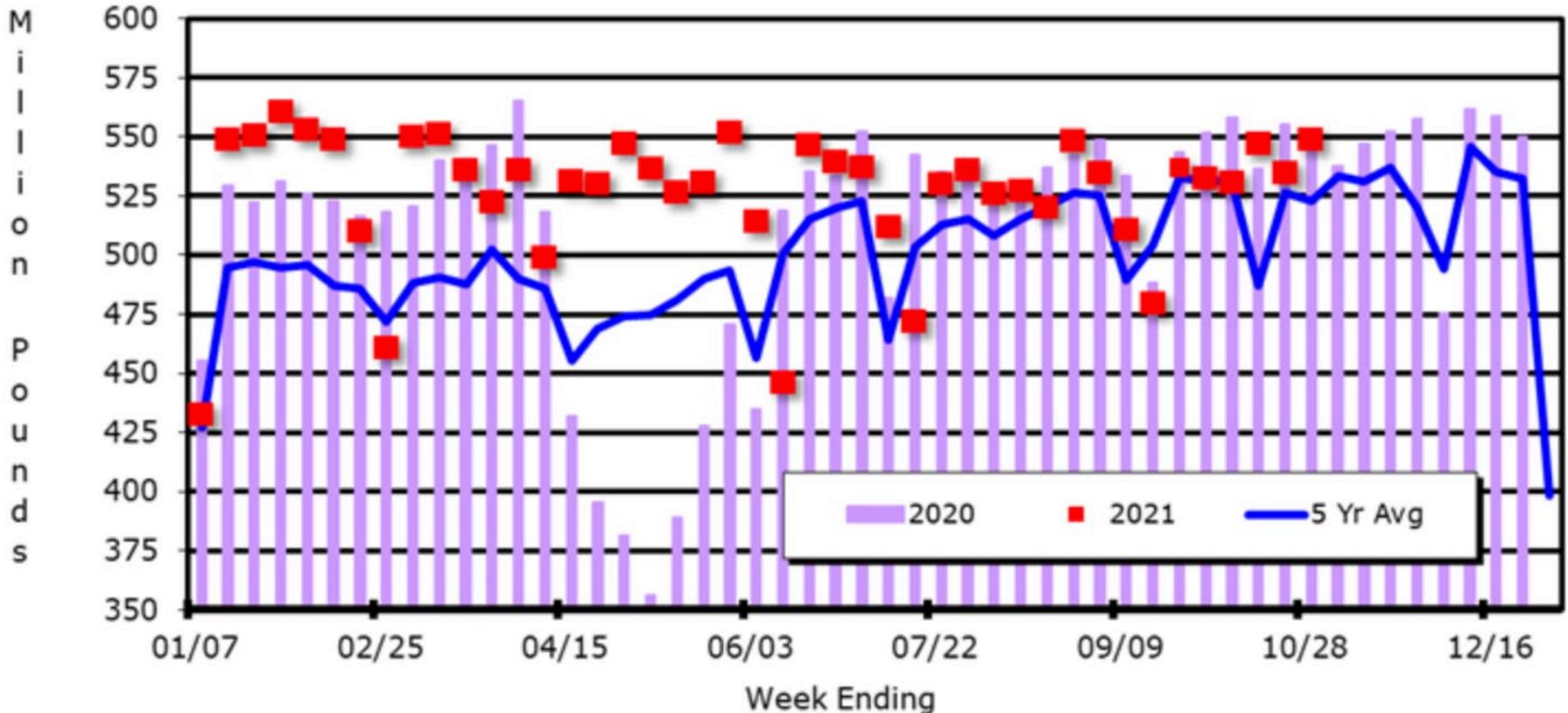
The severe drought gripping the Northern Plains has been significant across the region, said DTN Ag Meteorologist John Baranick. The drought has gradually worsened during the last three to four months with D4 or exceptional drought -- the highest category of drought -- developing over a large portion of North Dakota.

Rain last week was significant but only in isolated areas.

- Drought had many repercussions
 - Selling calves earlier, lighter weights, Midwest market not ready
 - Feed costs
 - Some herd liquidation/reduction
 - Effects will not all show up this year
- Supply chain issues
 - Transportation limits demand
 - Wide price spreads at auction

Beef processing, 2021

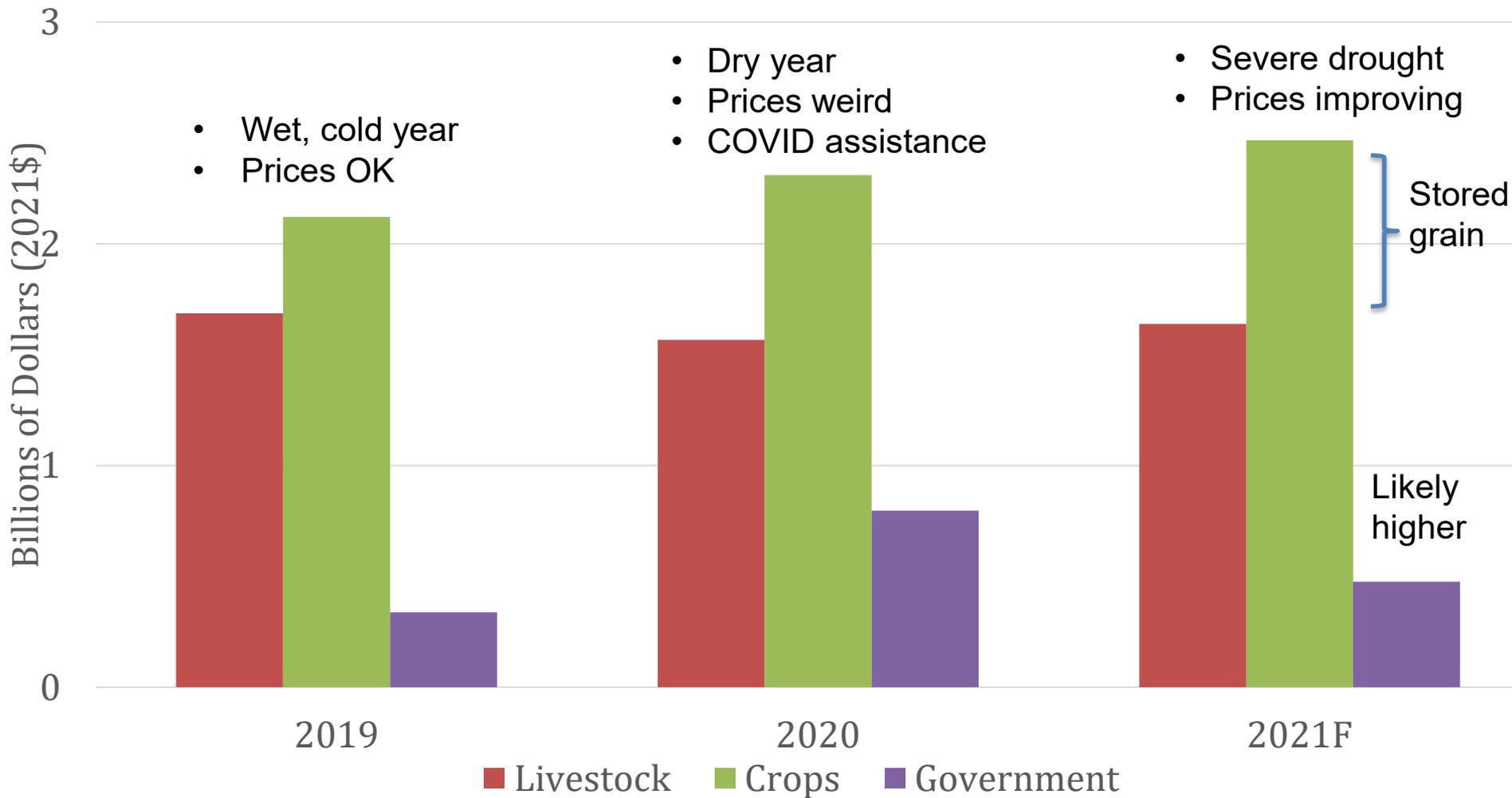
(U.S. total, federally inspected plants)



Source: USDA, Kansas State AgManager

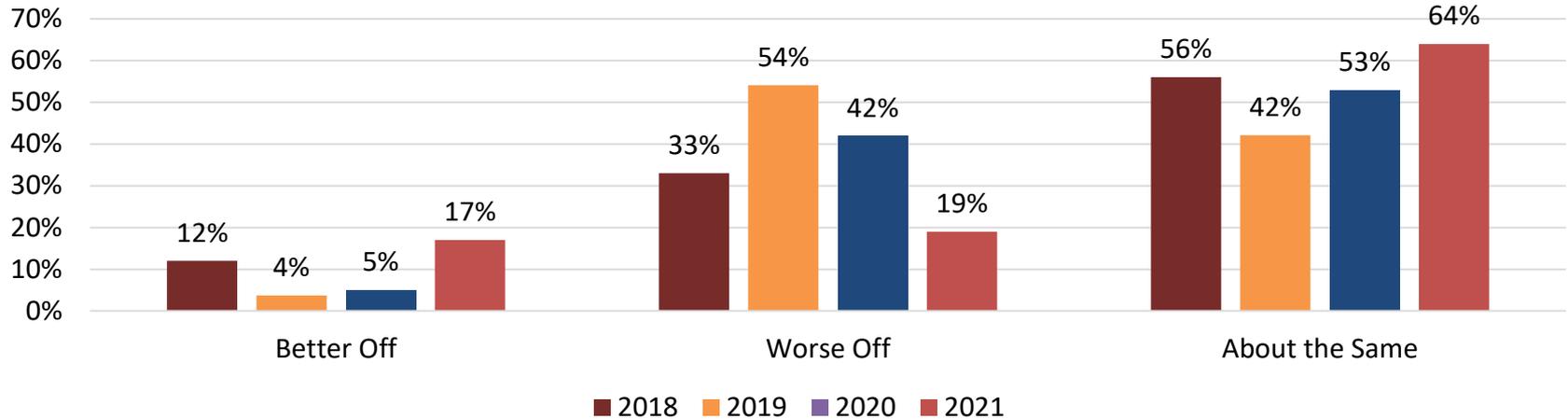
Did Montana have a good year?

Not really

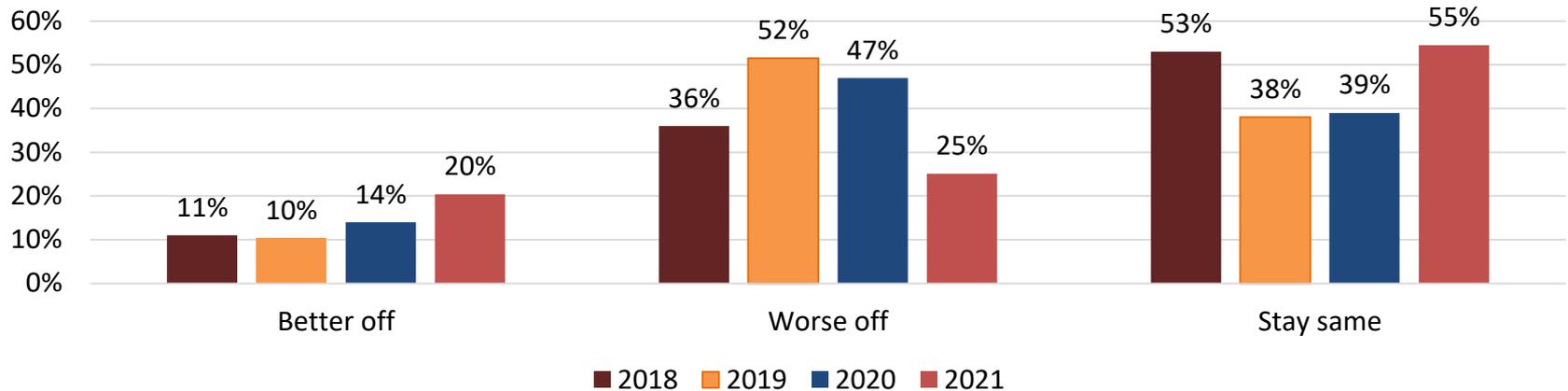


SENTIMENT

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

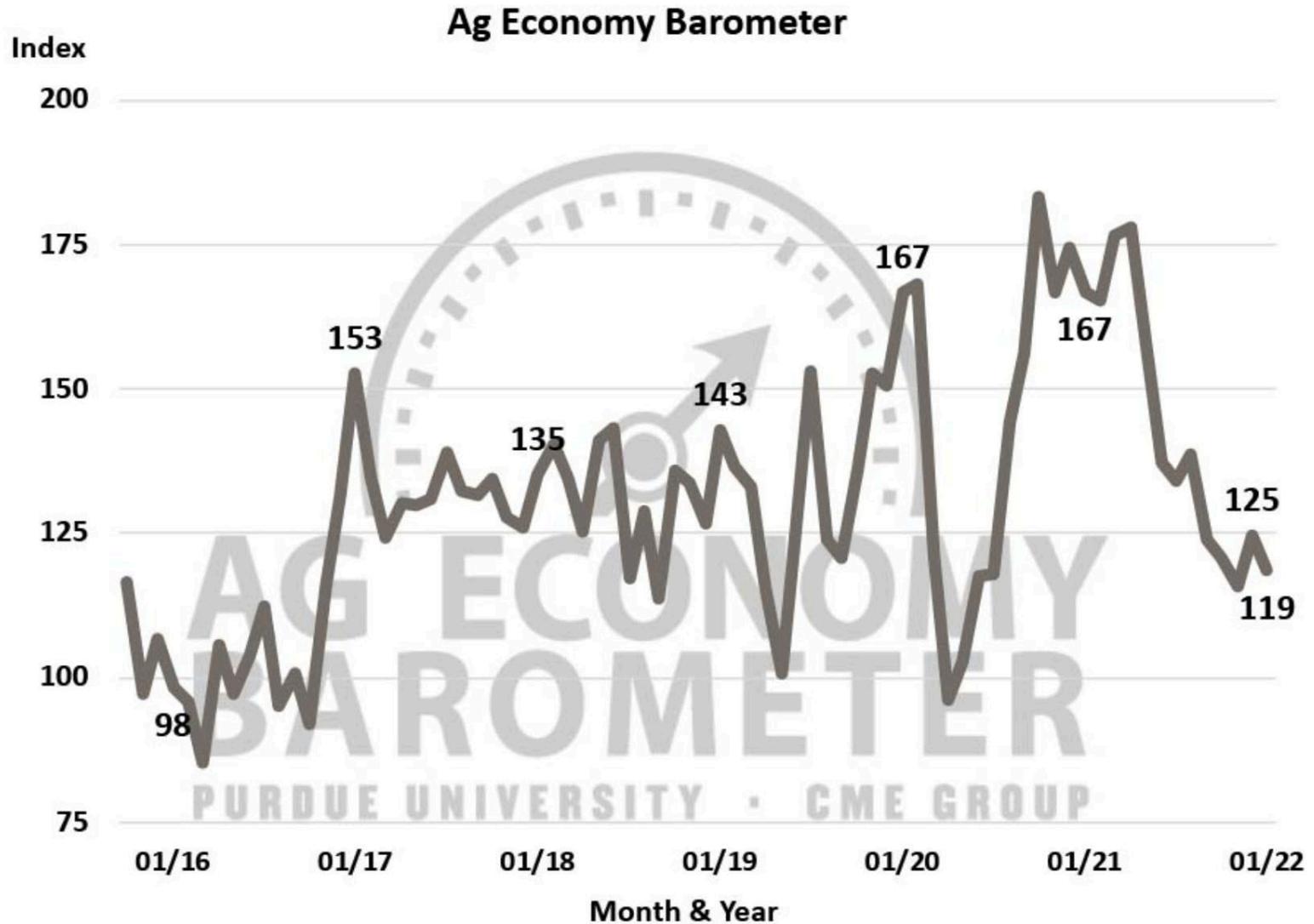


Do you think that a year from now your farm operation will be better off financially, worse off, or will stay the same as now?



*Source: 2018-2020 from MWBC Variety Surveys. 2021 from NASS.

January Ag Economy Barometer

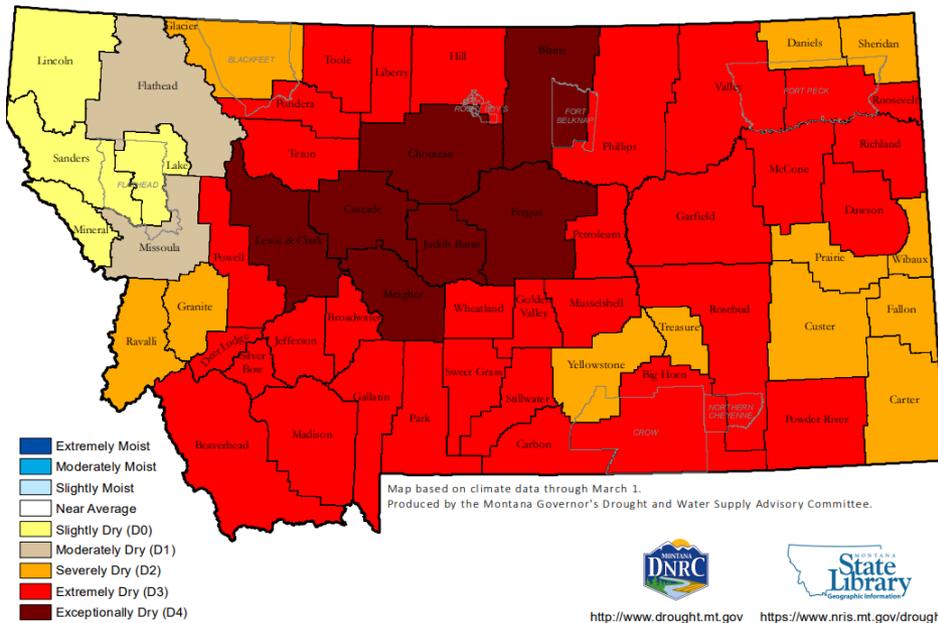


Source: Purdue University Center for Commercial Agriculture, Producer Survey, January 2022

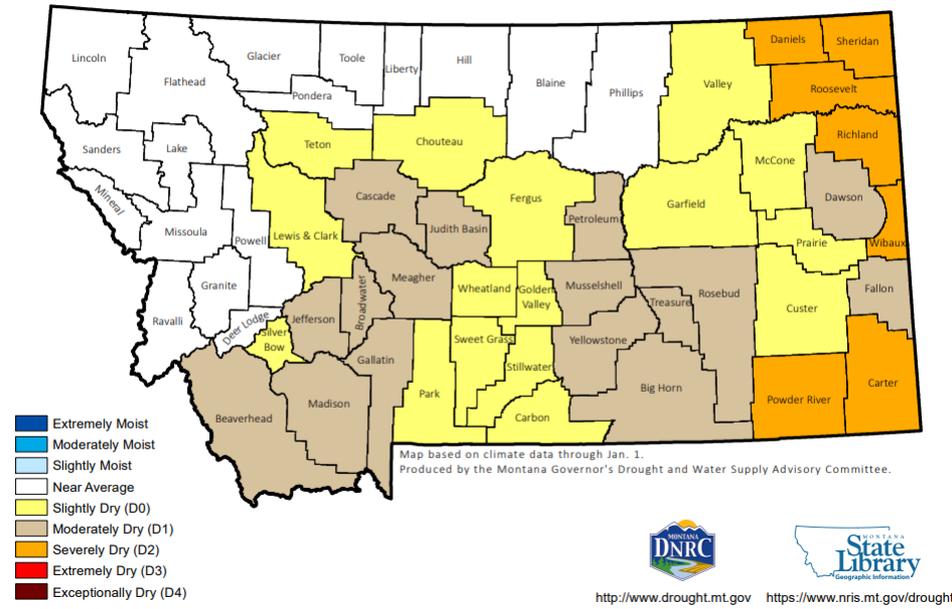
PRODUCTION CONDITIONS

Drought Maps

Montana Drought Status by County - March 4, 2022

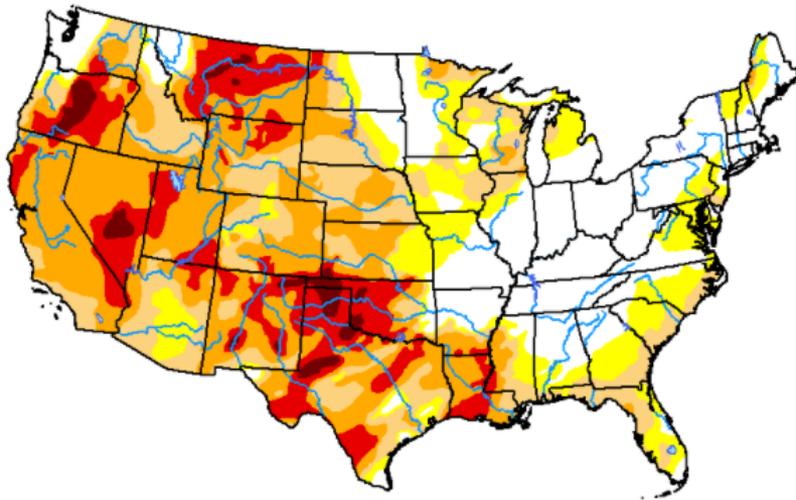


Montana Drought Status by County - January 5, 2021

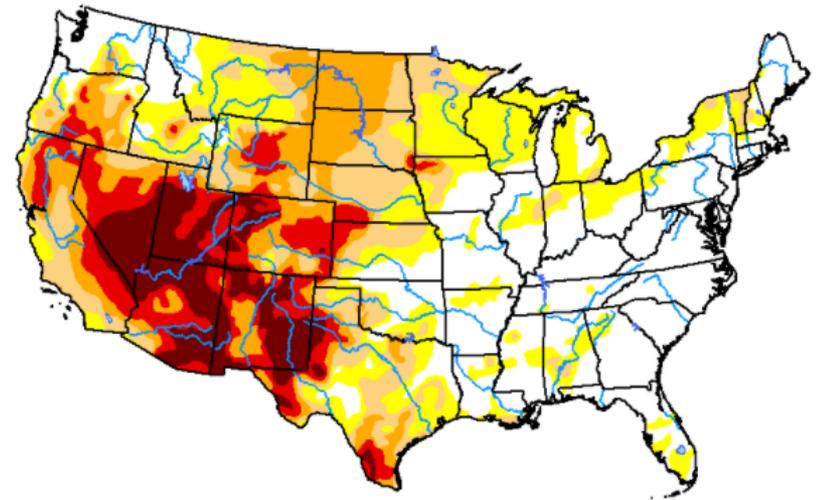


Nationally, drought regions have shifted

March 8, 2022

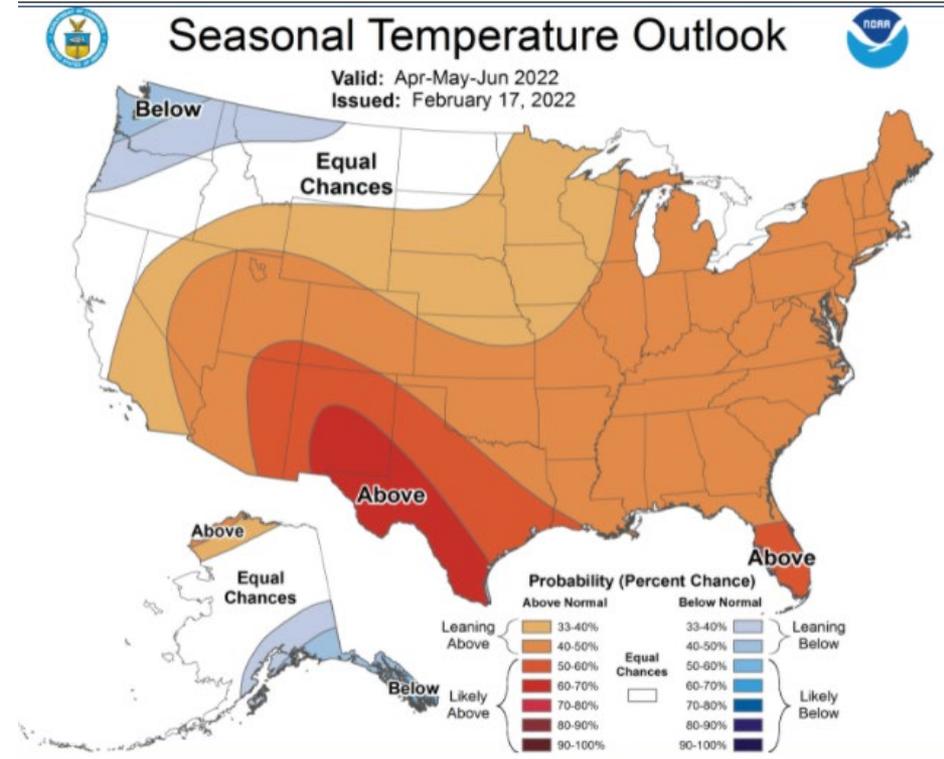
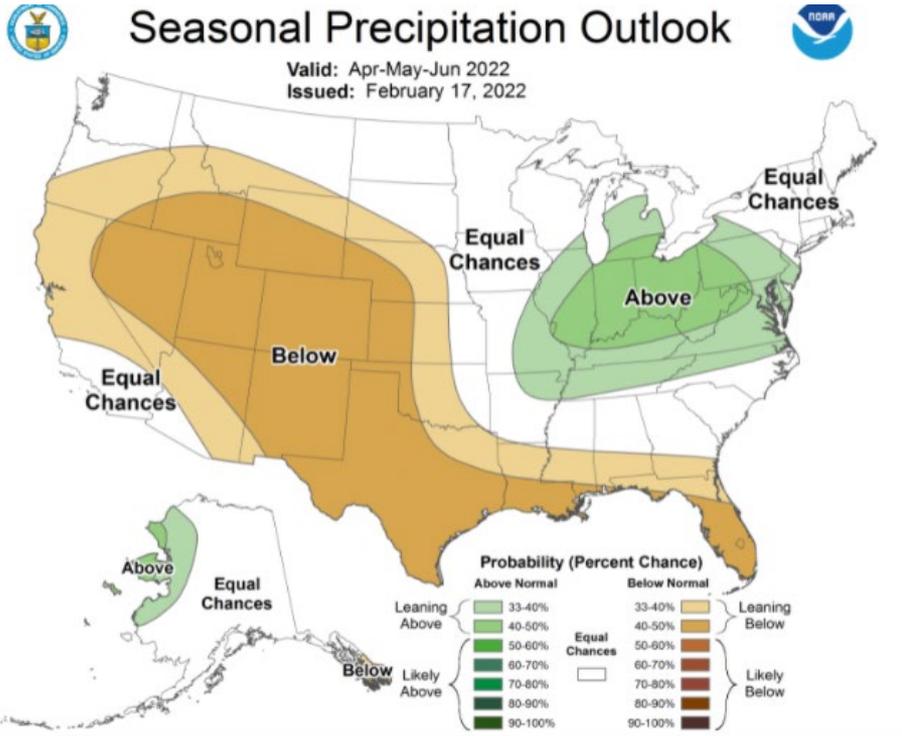


March 9, 2021



Source: US Drought Monitor

Domestic Production Forecast: Spring



Predictions from 2/17/21 Source: NOAA: www.cpc.ncep.noaa.gov/products/predictions/long_range/

Hot Topics for 2022

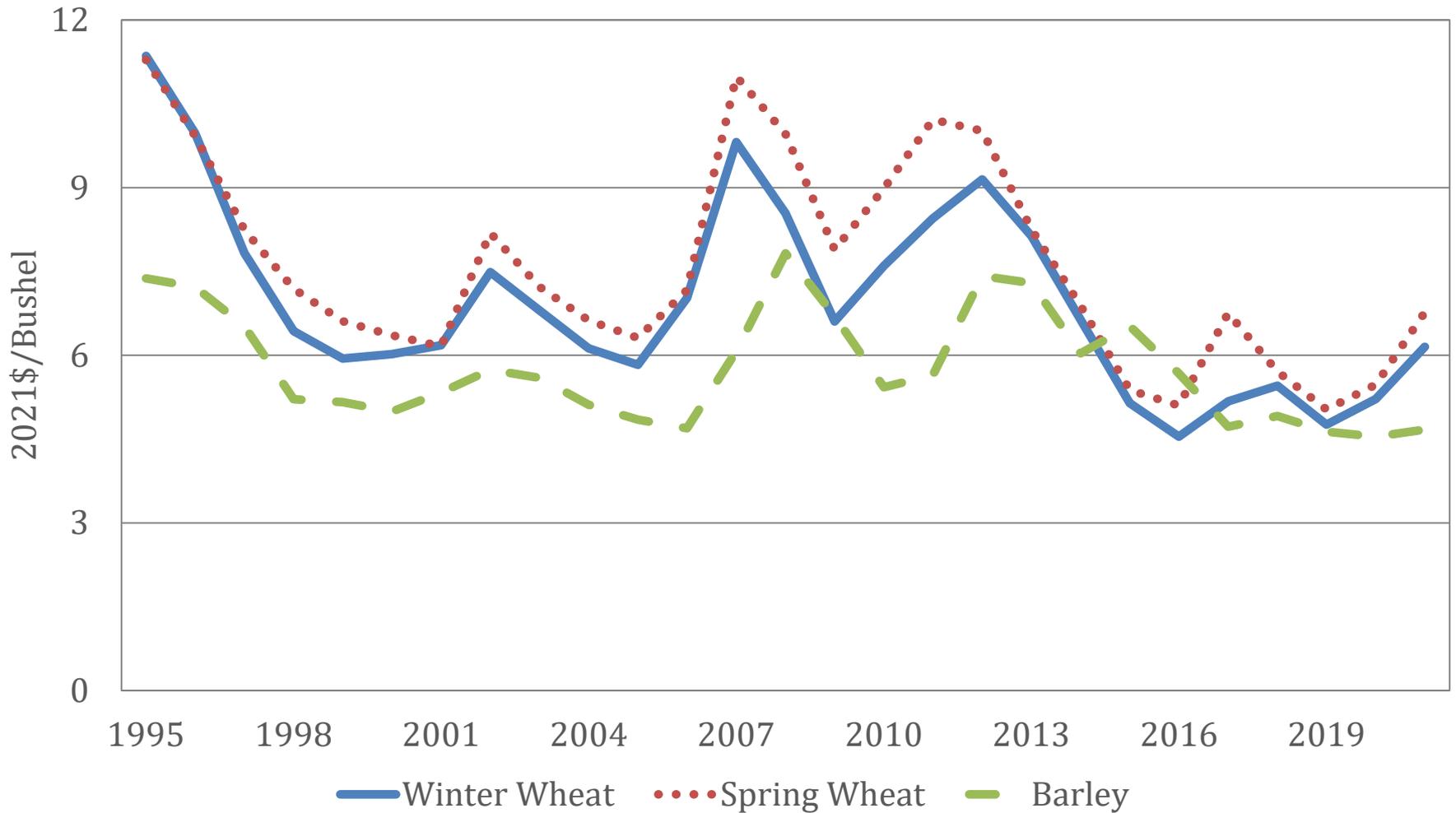
- Supply issues
 - “Just in time” -> “just in case”
 - Role of storage
- Changes in planting decisions
 - In response to drought, input cost increase
- Cattle market transparency legislation
 - Concern over market power in meat processing

Questions?

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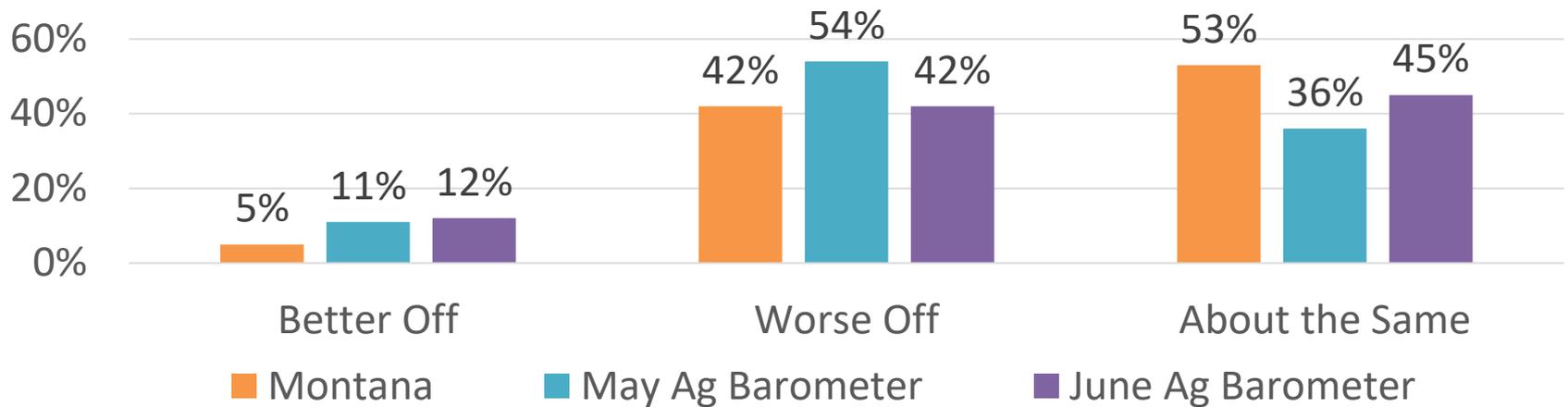
jschumacher@montana.edu

Montana Grain Prices



Source: NASS Quickstats

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?

