



FARM FOUNDATION® FORUM

STATE OF THE AGRICULTURE UNION

MARCH 18, 2025



FARM CREDIT

Today's webinar is made possible by a grant from Farm Credit

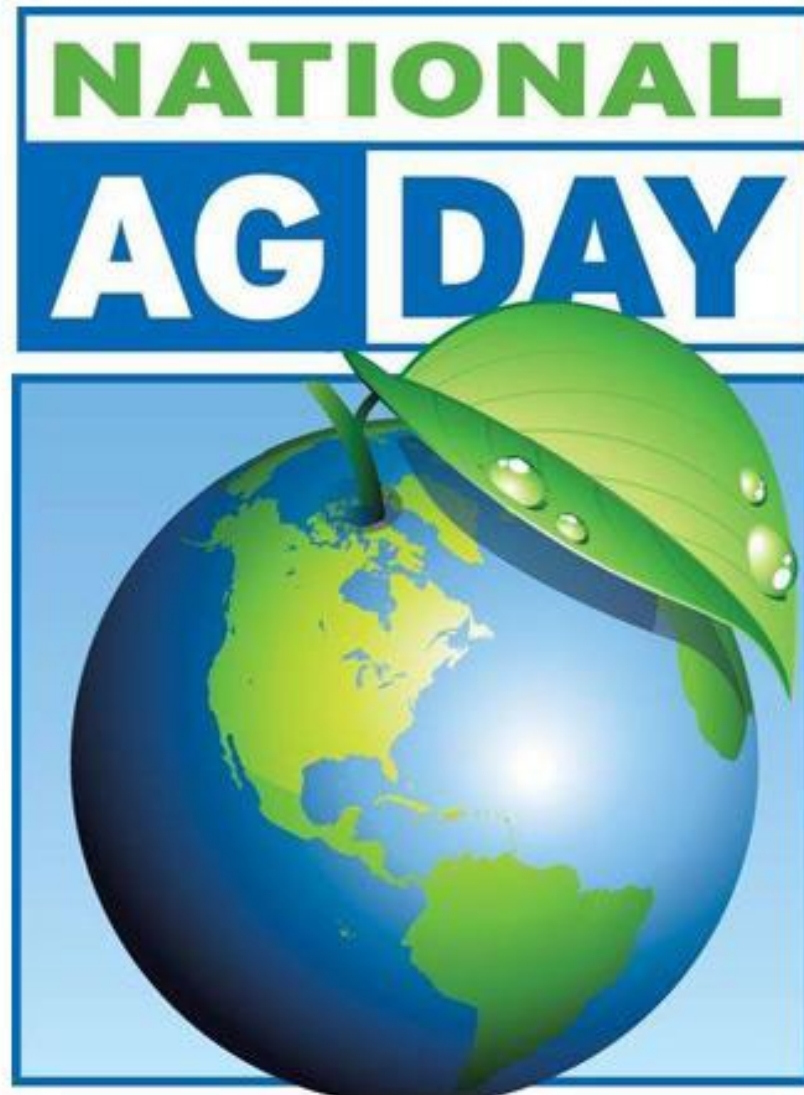
#FarmFoundationForum

**Farm
Foundation®**
Accelerating people & ideas



TIM BRENNAN

Vice President, Programs and Strategic Impact
Farm Foundation



MEET FARM FOUNDATION

A 501(C)(3) NON-PROFIT AT THE INTERSECTION OF AGRICULTURE AND SOCIETY

**Farm Foundation
is an ACCELERATOR
of practical solutions
for agriculture.**

**We accelerate PEOPLE
and IDEAS into ACTION**



OUR MISSION AND VISION GUIDE OUR WORK

Mission:

**To build trust and understanding
at the intersections of agriculture
and society.**

Vision:

**To build a future for farmers,
our communities and our world.**



BECOME A FRIEND OF FARM FOUNDATION

See link in chat function

- **Donate to Farm Foundation to support our mission**
- **Receive exclusive benefits and curated content**
- **Help us continue to provide valuable content like today's Forum**



CONNECT & COLLABORATE WITH US!



www.farmfoundation.org



[@farmfoundation](https://twitter.com/farmfoundation)



[@farm-foundation](https://www.linkedin.com/company/farm-foundation)



[@farmfoundationorg](https://www.instagram.com/farmfoundationorg)



[@thefarmfoundation](https://www.facebook.com/thefarmfoundation)



[@thefarmfoundation](https://www.youtube.com/thefarmfoundation)

[#FarmFoundationForum](https://twitter.com/FarmFoundationForum)

IMPORTANT NOTES

- Submit questions by clicking on the **Q&A Button** at the bottom of your screen.
- Please **include your name and company** so questions may be contextually understood.
- Due to **time limits**, we may not be able to ask all questions submitted.
- This Forum is being recorded and will be posted on our website at **farmfoundation.org** as well as the Farm Foundation **YouTube** channel.
- Please take the **short survey** at the conclusion of the Forum.



FARM FOUNDATION® FORUM

STATE OF THE AGRICULTURE UNION

MARCH 18, 2025



FARM CREDIT

Today's webinar is made possible by a grant from Farm Credit

#FarmFoundationForum





MODERATOR
SHARI ROGGE-FIDLER

President and CEO
Farm Foundation





AMANDA COUNTRYMAN

Professor Agricultural and Resource Economics Dept.
College of Agricultural Sciences
Colorado State University

The State of U.S. Agricultural Trade and Policy

Amanda Countryman

Professor

Department of Agricultural and Resource Economics



Colorado State University

Agricultural Trade and Policy Overview

- Why Trade Matters
- U.S. Agricultural Trade Snapshot
- U.S. Trade Policy Highlights
- Trade Challenges and Opportunities



Trade is driven by comparative advantage

- Trade fosters economic growth
- Consumers: benefit from lower prices and increased variety
- Producers: benefit from exports and lower input costs but face competition from imports
- Workers: job creation and job losses



U.S. Agricultural Trade

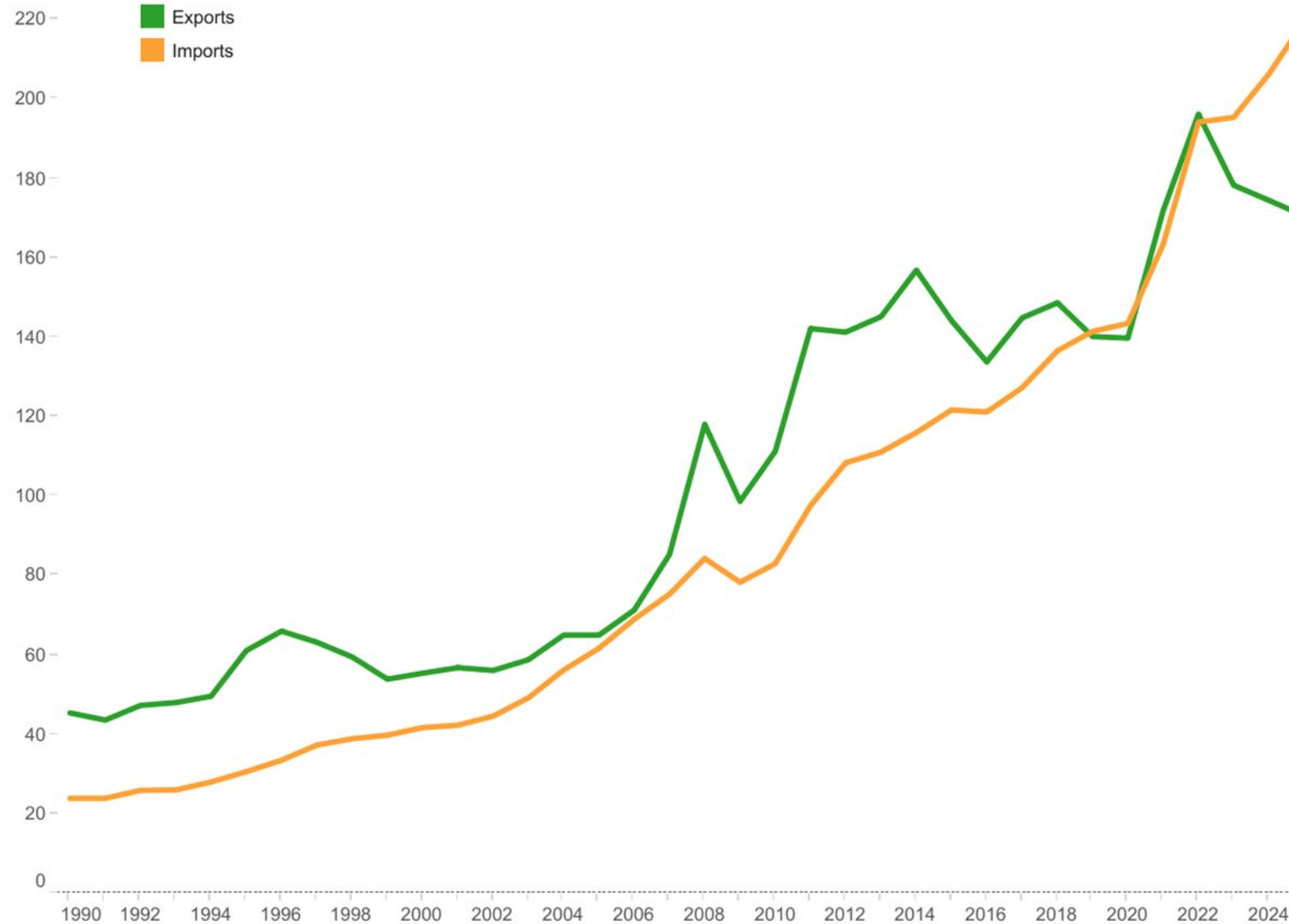
2025 Forecast

-Exports \$170 billion

-Imports \$215.5 billion

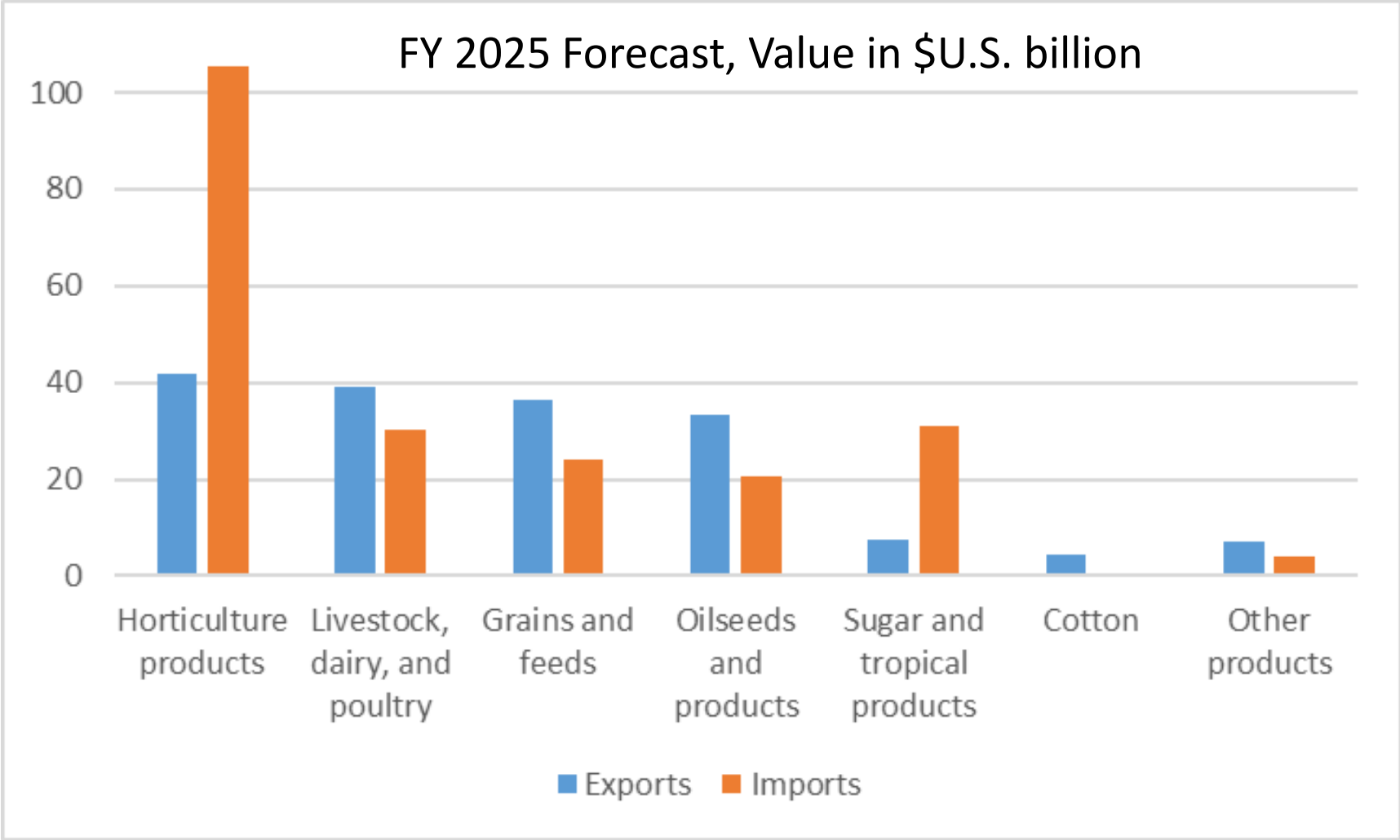
U.S. agricultural trade

Value, billion dollars



Source: USDA, Economic Research Service and USDA, Foreign Agricultural Service analysis and forecasts using data from U.S. Department of Commerce, Bureau of the Census.

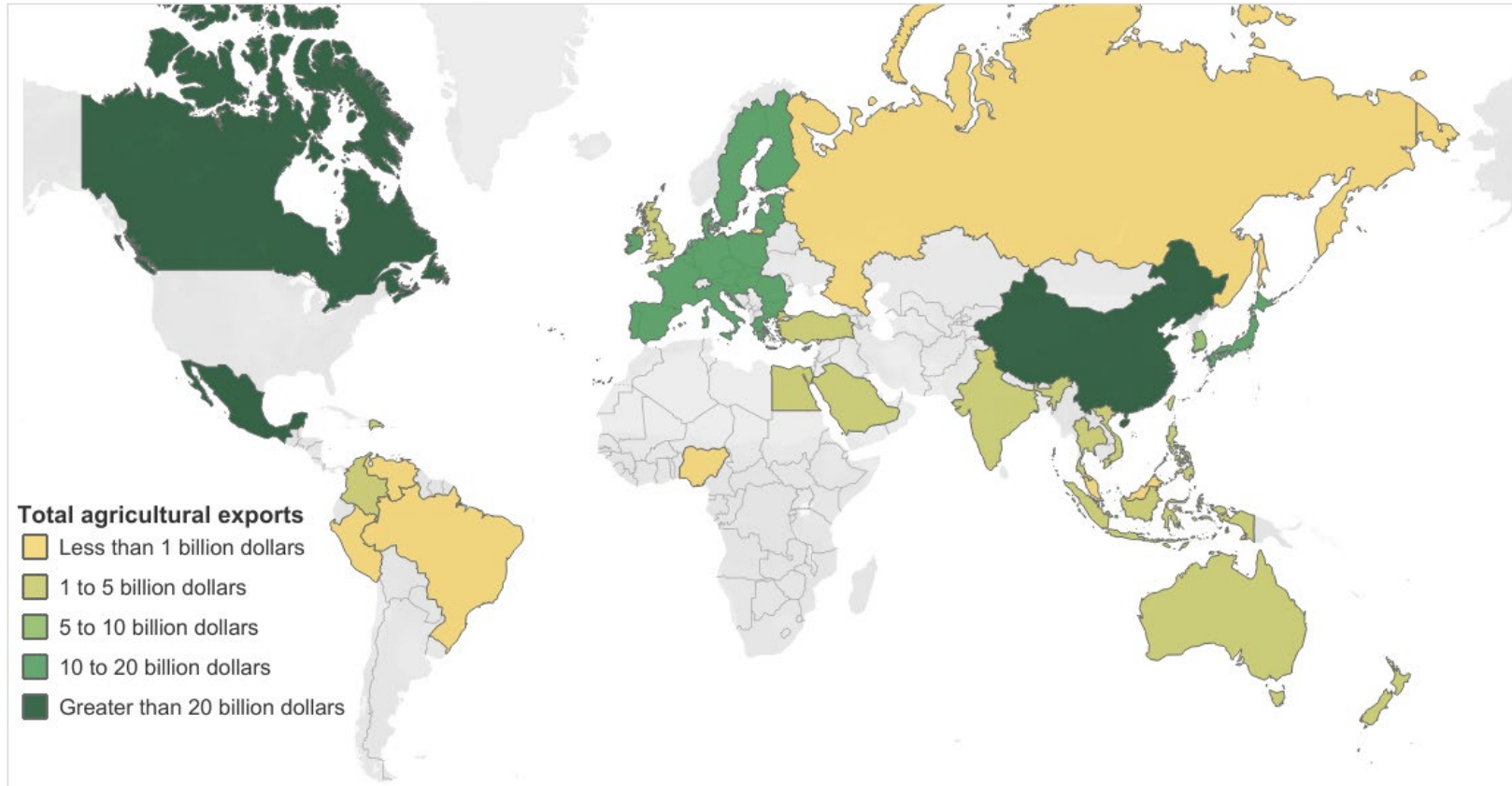
U.S. Agricultural Trade by Sector



Source: USDA, Economic Research Service calculations and projections based on data from U.S. Department of Commerce, Bureau of the Census.

U.S. Agricultural Export Partners

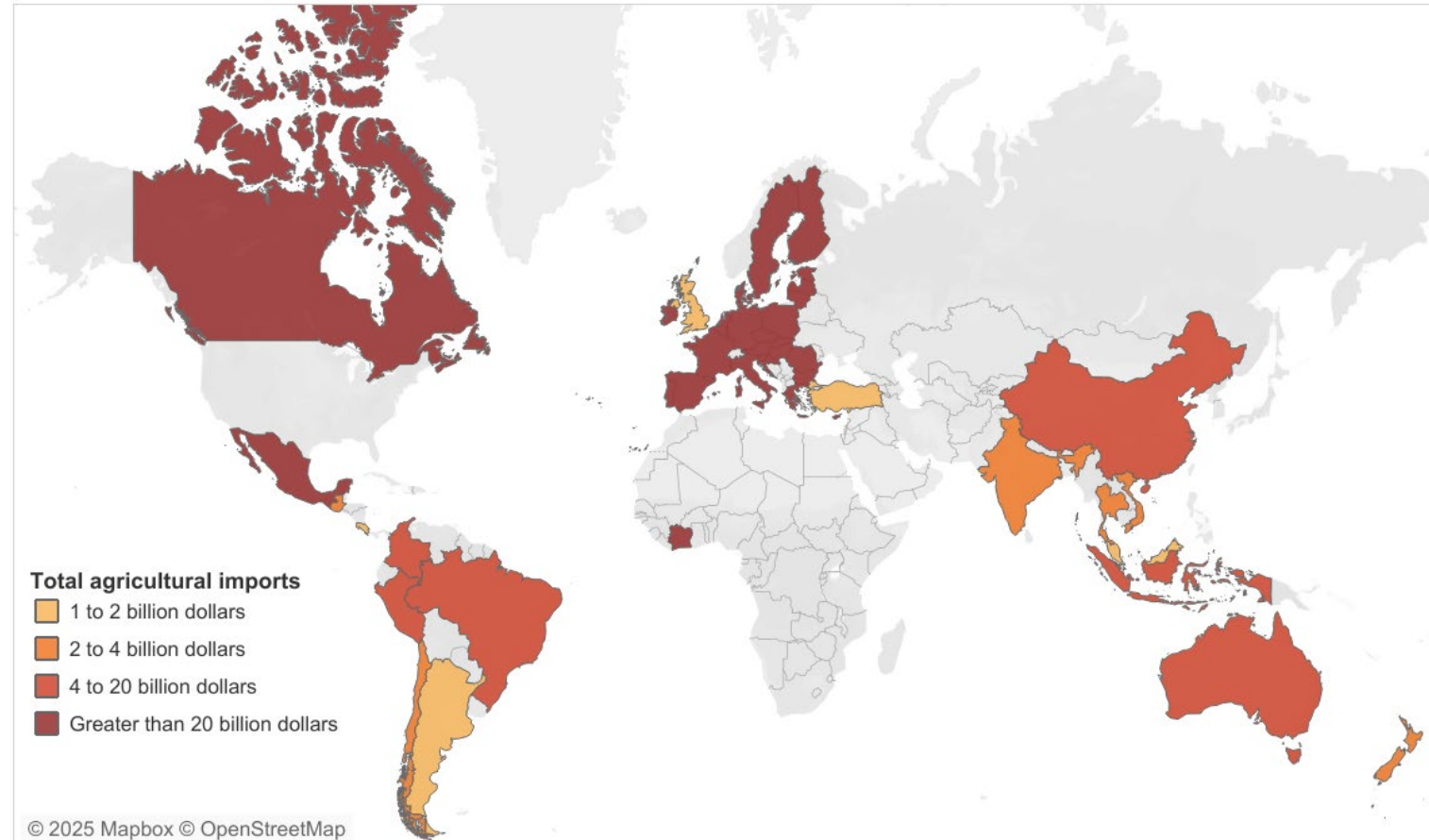
Total U.S. agricultural exports (billion dollars)



Source: USDA, Economic Research Service and USDA, Foreign Agricultural Service analysis and forecasts using data from U.S. Department of Commerce, Bureau of the Census.

U.S. Agricultural Import Partners

Total U.S. agricultural imports (billion dollars)



Source: USDA, Economic Research Service and USDA, Foreign Agricultural Service analysis and forecasts using data from U.S. Department of Commerce, Bureau of the Census.

America First Trade Policy

- Production Economy Focus with 3 goals:
 1. Increase manufacturing share of GDP
 2. Increase real median household income
 3. Decrease goods trade deficit
- Approach: Increase Import Tariffs
- Potential to benefit import-competitive industries at the detriment of consumers and exporters



Import Tariffs

Effects at Home

- Increased import prices, import less
 - Government collects tariff revenue, consumers lose, mixed worker and producer effects

Retaliation

- U.S. exports become less competitive, export less
- Past Trade-Related Domestic Support in 2018 and 2019
 - Market Facilitation Program (MFP) ≈\$23 billion in producer payments
 - Food Purchase and Distribution Program (FPDP) ≈\$2.6 billion
 - Agricultural Trade Promotion Program (ATP) ≈\$300 million
- Future Trade Aid Uncertain



Trade Challenges and Opportunities

- China trade concerns remain
- Geopolitical conflict
- Exchange rates and strong competition
- Depressed commodity prices and net farm income concerning
- Uncertainty for U.S. and global trade policy
 - Tariff barriers: protecting domestic industries from import competition comes at the cost of increased prices and decreased exports
 - Nontariff barriers: animal and plant health
 - Trade restrictions create challenges for globally integrated supply chains
- Opportunities for high value U.S. ag exports as shares rise



Thank you!

Amanda.Countryman@colostate.edu







MATT CLARK

Senior Rural Economy Analyst
Terrain / Farm Credit



Farm Economy As I See It & Farm Bill Implications

Matt Clark, Senior Rural Economic Analyst

Disclaimer: While the information contained in this presentation is accurate to the best of our knowledge, it is presented "as is," with no guarantee of completeness, accuracy, or timeliness, and without warranty of any kind, express or implied. None of the contents should be considered to constitute investment, legal, accounting, tax, or other advice of any kind. In no event will Terrain or its affiliated Associations and their respective agents and employees be liable to you or anyone else for any decision made or action taken in reliance on the information read or heard during this presentation.



**There are known knowns;
there are things we know that we know.**

**There are known unknowns; that is to say,
there are things that we now know we don't know.**

**But there are also unknown unknowns –
there are things we do not know we don't know.**

~ Donald Rumsfeld



What Are Risks/Opportunities in Agriculture?

Known Knowns

Farm Income in Decline

Rural Labor Force Shrinking

Water Scarcity & Rights

Tighter Liquidity / Balance Sheets

Unknown Knowns

Global Demographics

Rising Productivity / Yields

Priority of "Value Added"

On Farm Technology - AI

Known Unknowns

U.S. Trade Reset Outcome

Pace of Consolidation

How 'Old' is 'Too Old'

Fewer Acres Good or Bad

Unknown Unknowns

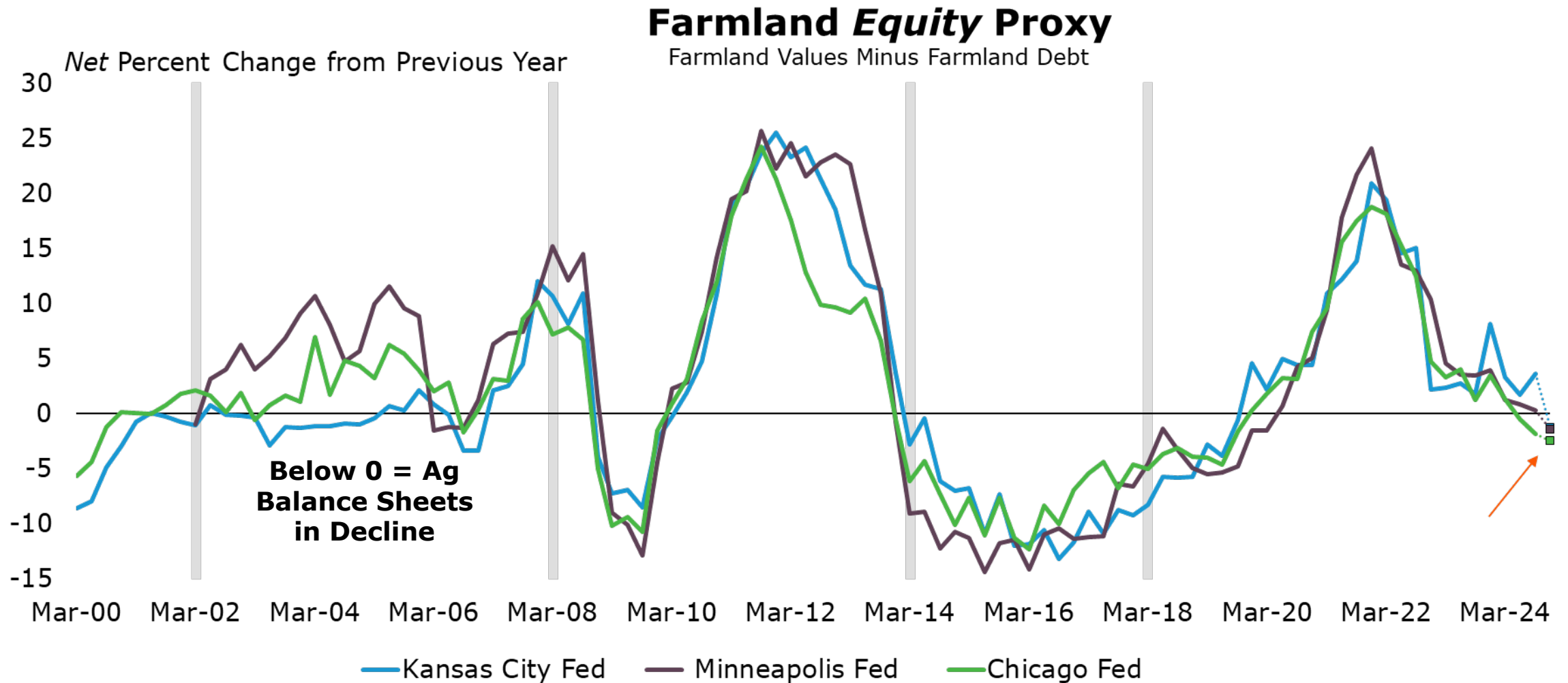
? Climate Change ?

? New Markets ?

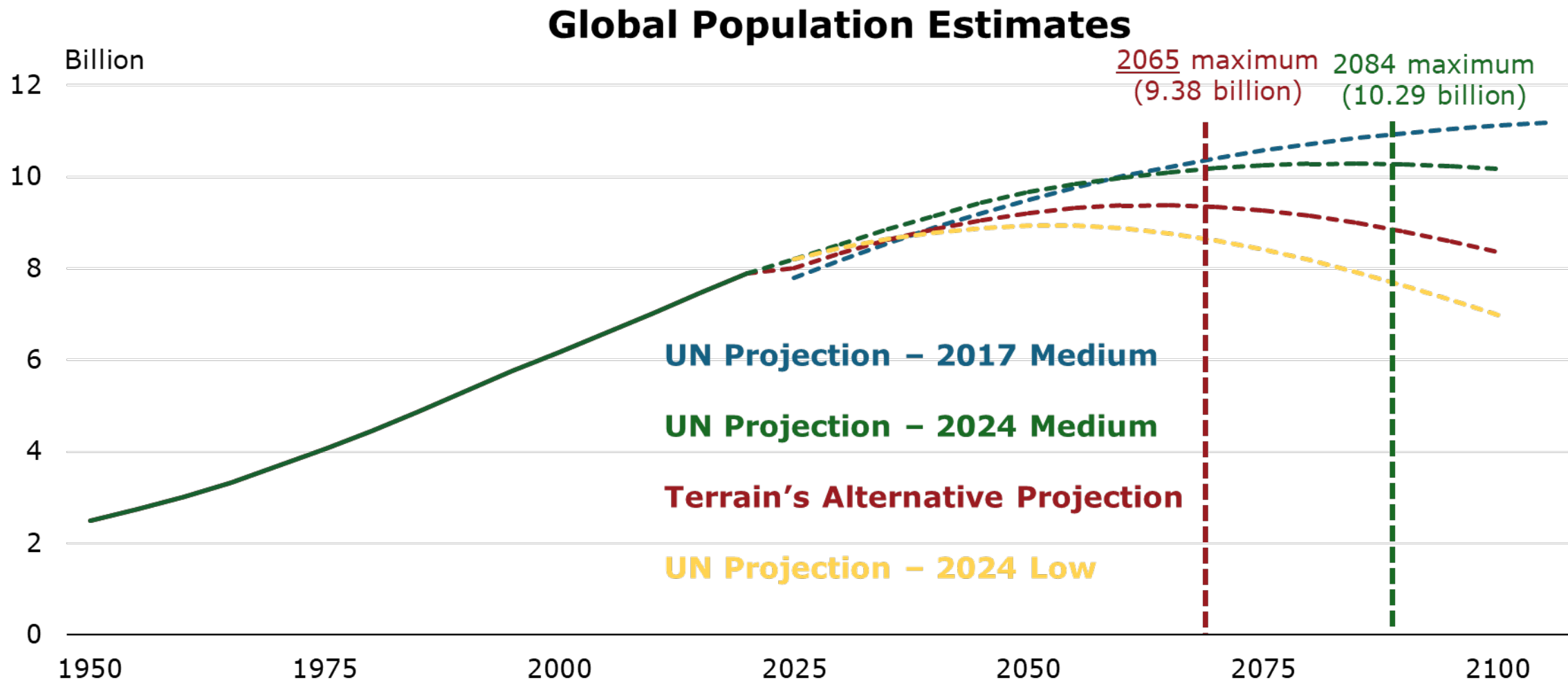
? Pandemics ?

? Geopolitics ?

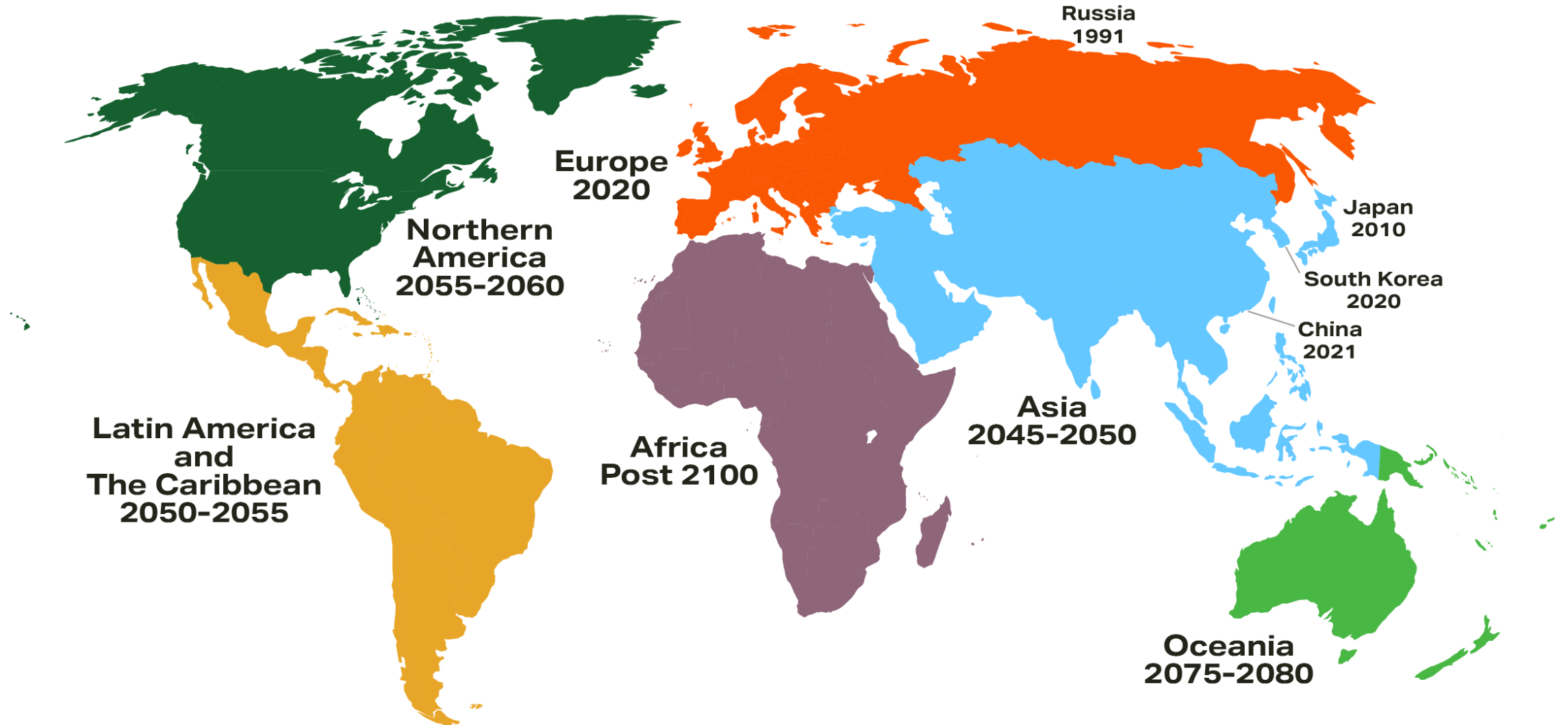
I Think Balance Sheets Will Tighten



“Feed the World” Paradigm Plays Out

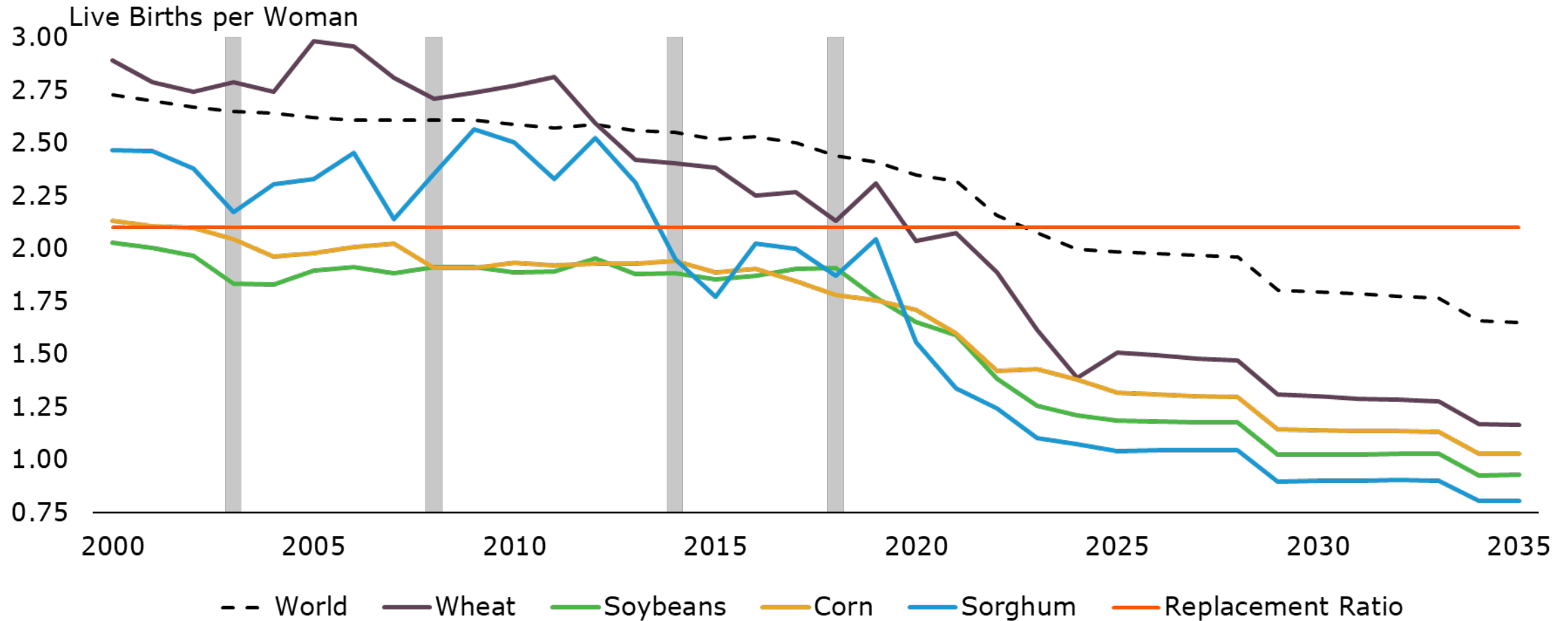


What Does Peak Population Mean for Ag



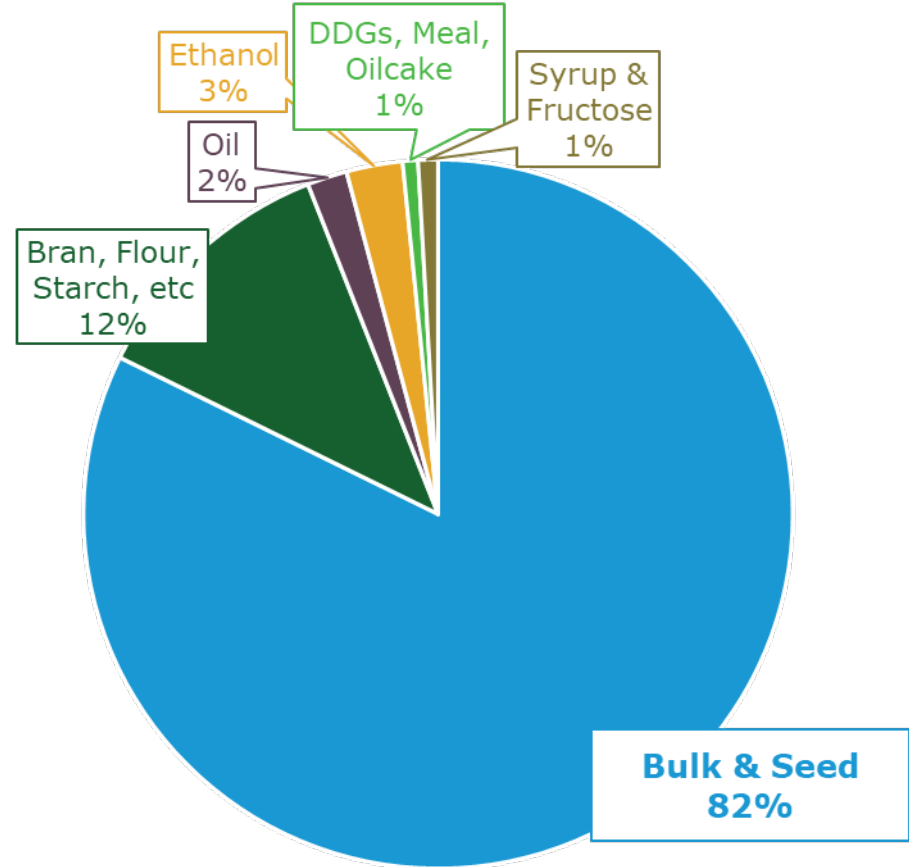
We'll Need New Export Partners & Markets

Fertility Rate by Commodity Export Partner

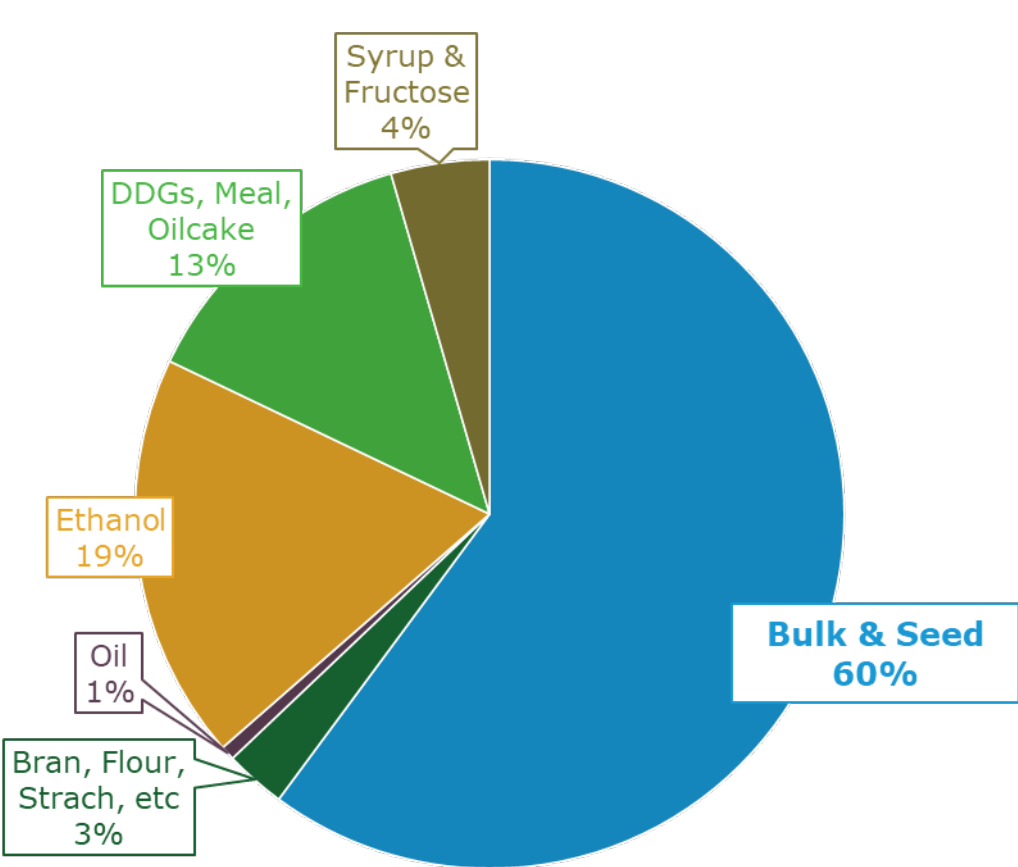


“Value Add” Applies to Exports Too!

Corn & Corn Product Exports
1990



Corn & Corn Product Exports
2024



Implications for the Farm Bill

- **Balance Sheet Tightening Is Likely**
 - Need long-term safety net for risk management
 - Support of FSA lending, FarmerMac, Farm Credit, etc.
- **“Feed the World” Paradigm Is Slowing**
 - We will need more / new trading partners (USDA’s FMD)
 - Current partners may have changing diets due to age & income
- **Products Will Be The Next Focus, Not Bulk**
 - Biofuels policy will be massive for corn and oilseeds
 - High value product development and value chain capture will have a great emphasis



Follow us
on LinkedIn

Thank You



Terrain offered by participating Farm Credit associations

terrainag.com





JIM LOWE

Associate Dean of Online Programs and Extension
Professor, Veterinary Clinical Medicine
University of Illinois Urbana-Champaign





JOANIE GRIMES

Agent
ICAP Crop Insurance





KANLAYA BARR

Director of Corporate Economics
John Deere

A perspective on agriculture

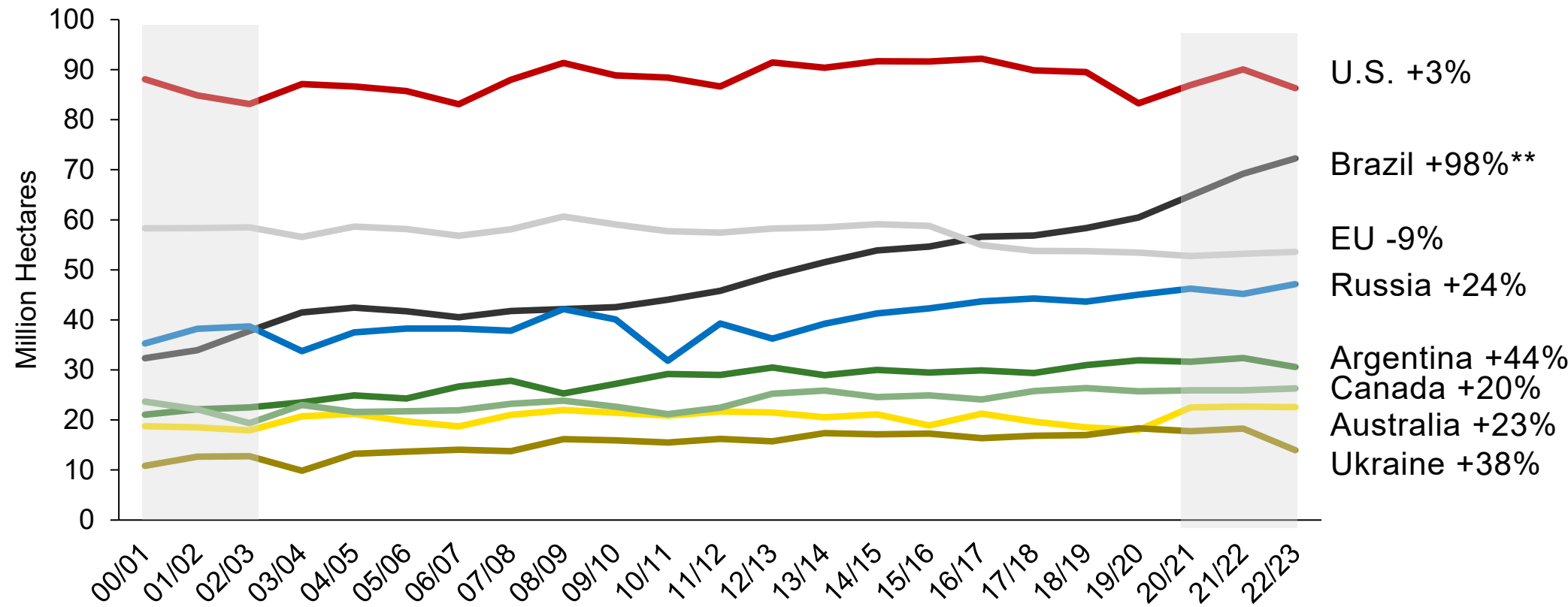
Kanlaya Barr

Director, Corporate
Economics



Agriculture is a global and competitive market

Principal Grains and Oilseed Area*

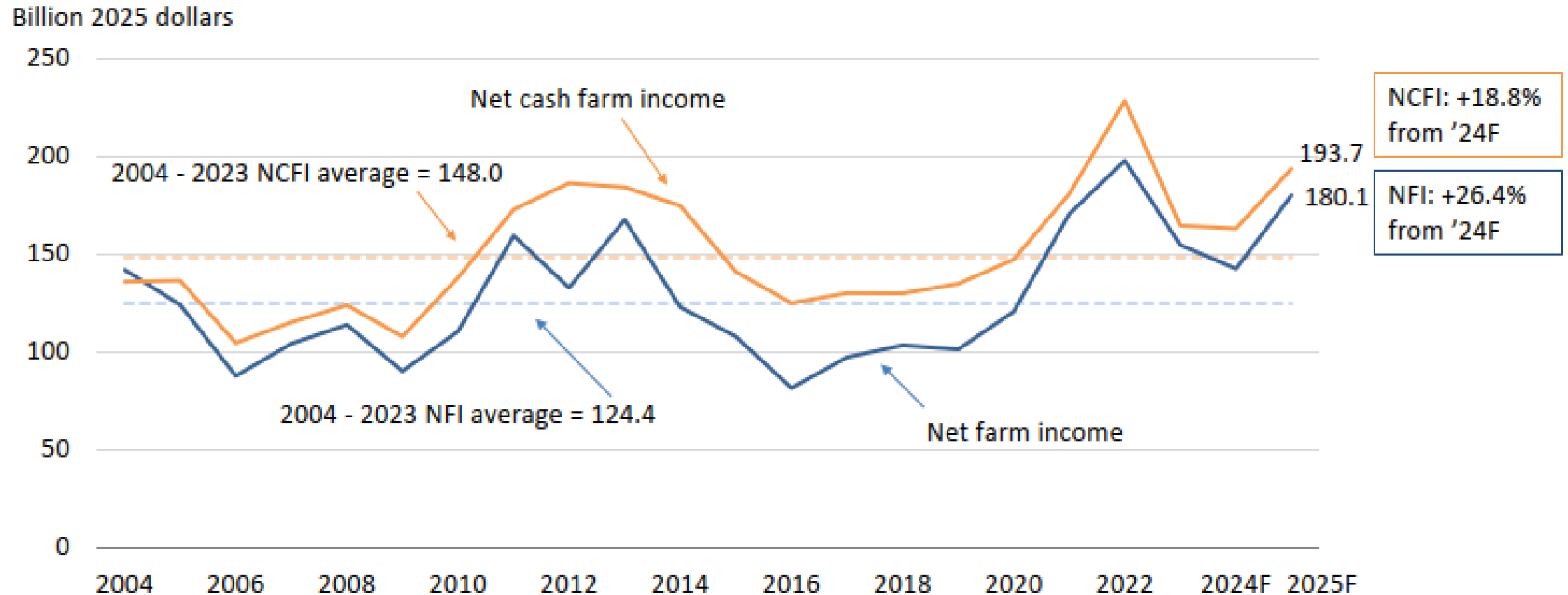


Source: USDA

* Includes corn, soybean, wheat, barley, oats, rice, rapeseed, sorghum

** Includes 2nd corn crop, avg ~3M between 00/01-02/03 and ~17M ha between 20/21-22/23 (Brazil grows ~ 68% without 2nd corn crop)

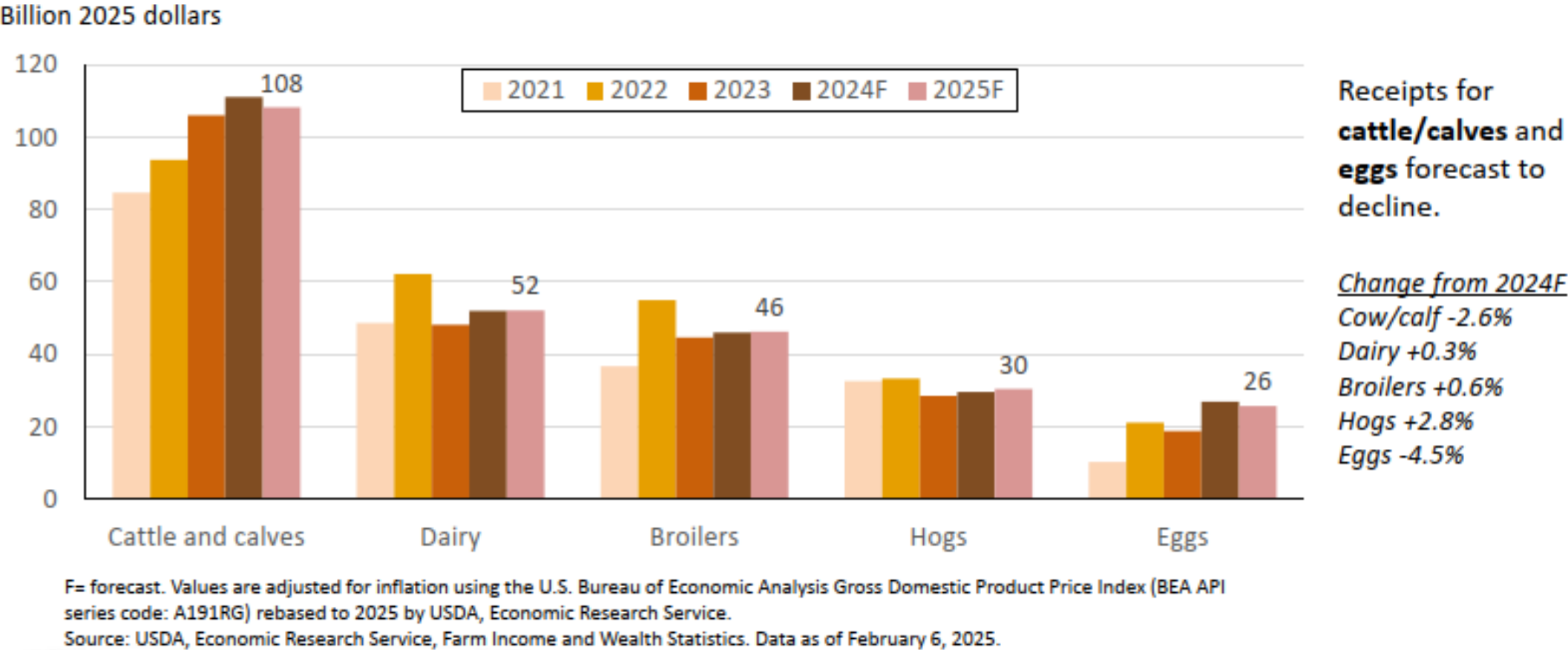
The U.S. farm sector profits are forecast to rise in 2025



F= forecast. Values are adjusted for inflation using the U.S. Bureau of Economic Analysis Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2025 by USDA, Economic Research Service. Source: USDA, Economic Research Service, Farm Income and Wealth Statistics Data as of February 6, 2025.

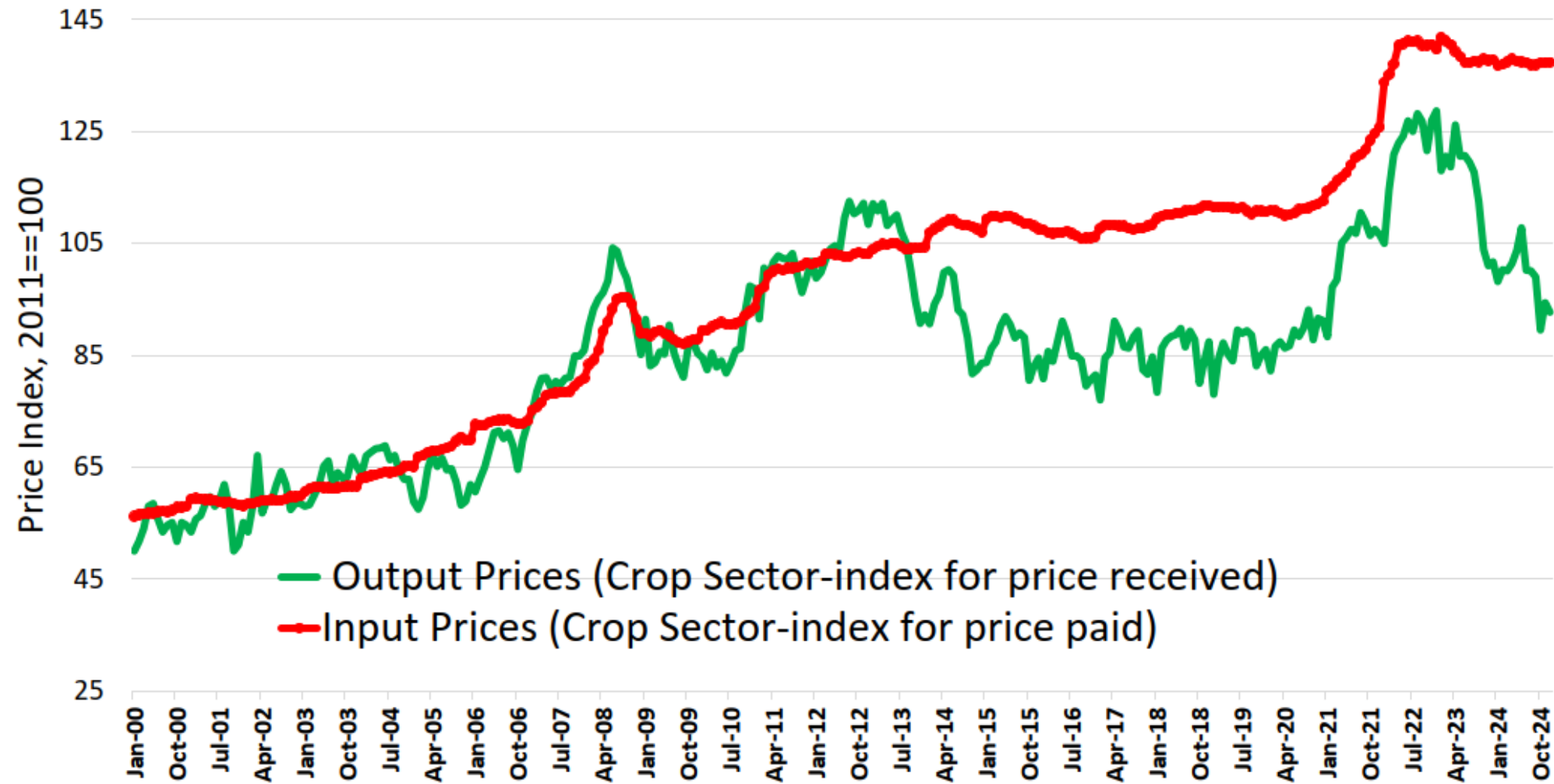
Source: USDA

Livestock receipts slightly decline but remain at a high level



Source: USDA

Crop prices decline sharply, while input prices remain sticky



Source: USDA

Crop prices for the 2025/26 crop year

Prices generally moving modestly lower

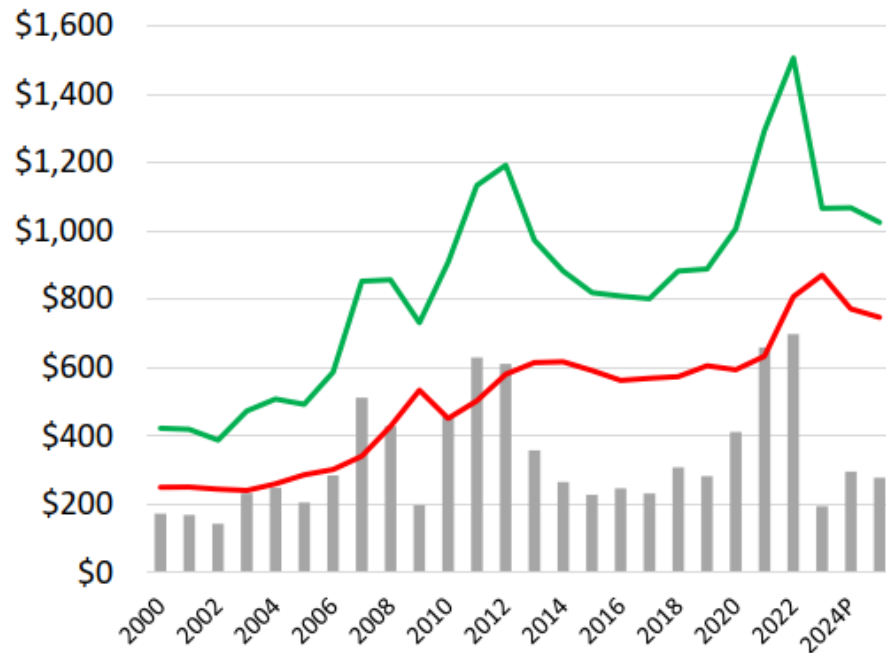
Crop	2010/11- 2013/14 avg	2014/15- 2019/20 avg	2020	2021	2022	2023	2024	2025	Change 2024 to 2025
Corn (\$/bu)	5.69	3.53	4.53	6.00	6.54	4.55	4.35	4.20	-0.15
Soybeans (\$/bu)	12.80	9.15	10.80	13.30	14.20	12.40	10.10	10.00	-0.10
Sorghum (\$/bu)	5.40	3.32	5.04	5.94	6.38	4.93	4.25	4.00	-0.25
Wheat (\$/bu)	6.90	4.87	5.05	7.63	8.83	6.96	5.55	5.50	-0.05
Upland Cotton (c/lb)	80.1	64.8	66.3	91.4	84.8	76.1	63.5	65.0	1.5
All Rice (\$/cwt)	14.65	12.52	14.40	16.10	19.80	17.30	15.40	14.80	-0.60

Source: USDA

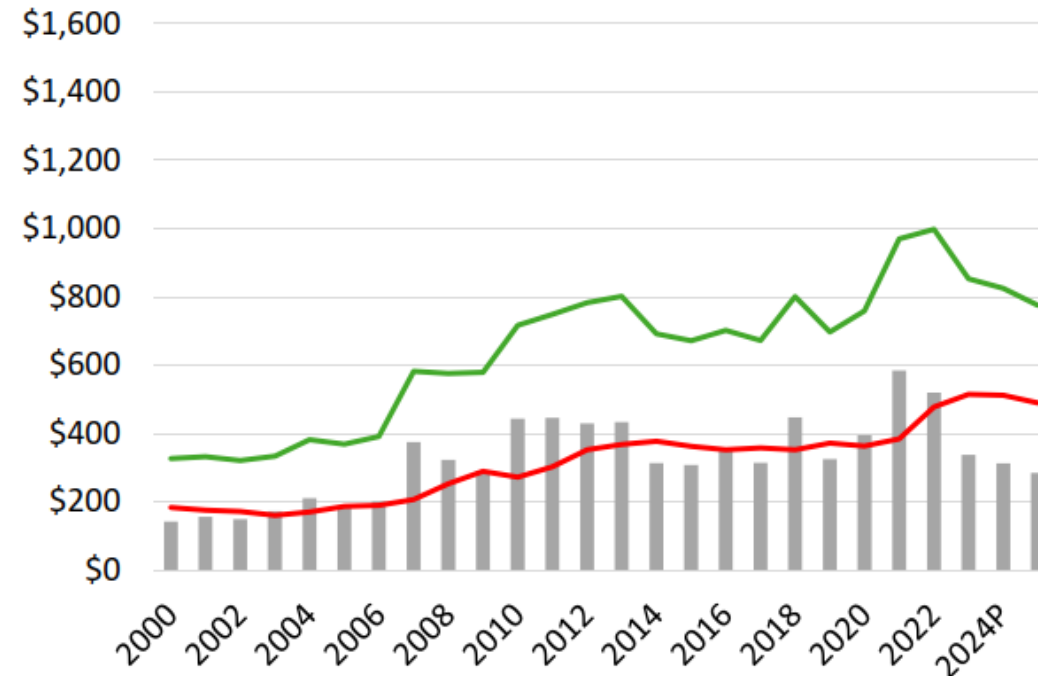
Farmers' margins are forecast to remain pressure under the trend yield assumption

Costs per Acre

Corn



Soybeans



Available for Land Cost and Producer Income

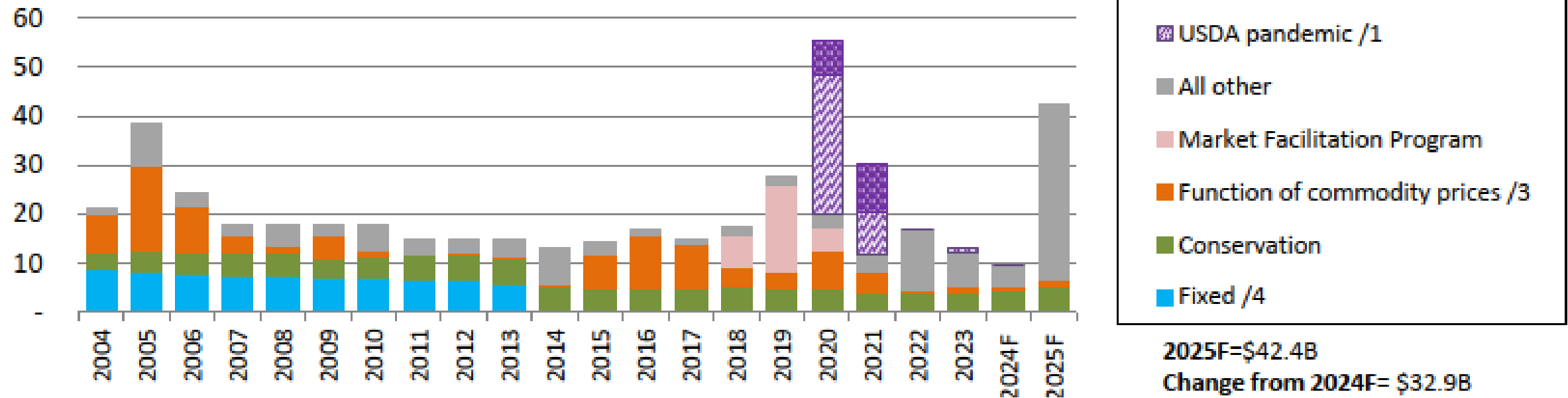
Gross revenue

Production Costs

Source: Nick Paulson and Gary Schnitkey @ UIUC-Farm Doc

The total direct government payments are forecast to increase in 2025

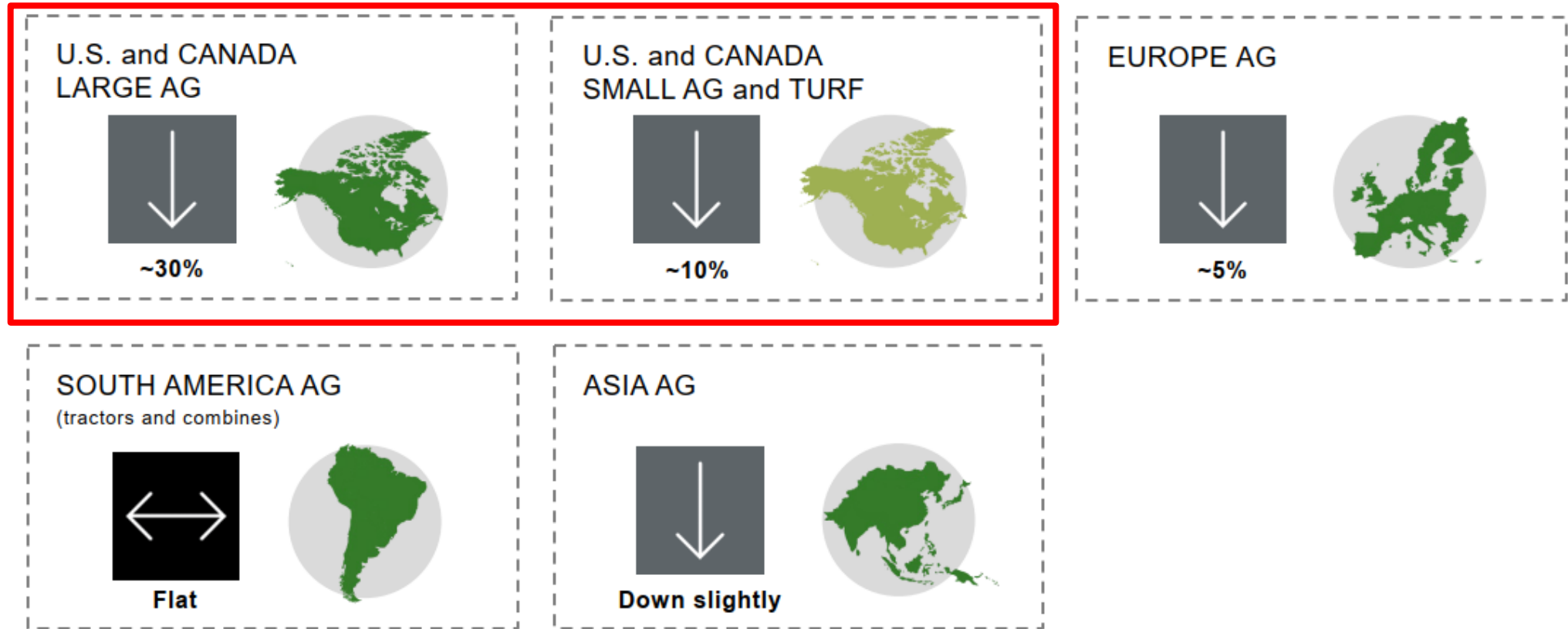
Billion 2025 dollars



Source: USDA

Ag and Turf

Industry Outlook (in units) – FY 2025



Source: Deere & Company forecast as of 13 February 2025

MORE TECH = MORE PROFITABILITY



1 Prepare

AutoTrac™ and AutoPath™

Section Control

TruSet™ Active

Nutrient Application

2 Plant

ExactShot™

ExactEmerge™

3 Apply

See & Spray Ultimate

ExactApply™

4 Harvest

Harvest settings automation

\$48 PER ACRE IN VALUE
ADD TO JOHN DEERE
CUSTOMERS¹

Herbicide Cost Savings: \$63,000

Fertilizer Cost Savings: \$178,500

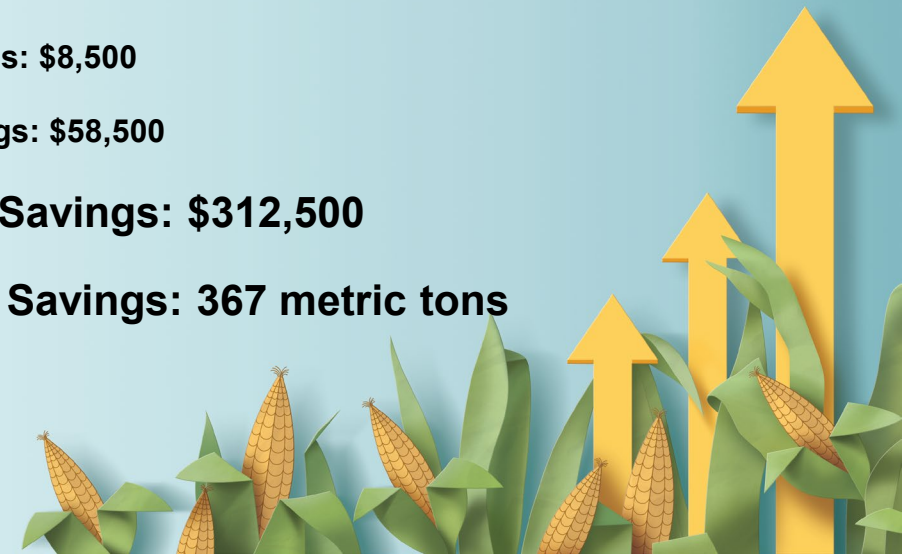
Time and Labor Savings: \$4,000

Fuel Cost Savings: \$8,500

Seed Cost Savings: \$58,500

TOTAL Cost Savings: \$312,500

TOTAL Co2e Savings: 367 metric tons



MORE TECH = MORE PROFITABILITY



1 Prepare

AutoTrac™ and AutoPath™

Section Control

TruSet™ Active

Nutrient Application

3 Apply

See & Spray Ultimate

ExactApply™

2 Plant

ExactShot™

ExactEmerge™

4 Harvest

Harvest settings automation

\$48

PER ACRE IN VALUE
ADD TO JOHN DEERE
CUSTOMERS¹

Herbicide Cost Savings: \$63,000

Fertilizer Cost Savings: \$178,500

Time and Labor Savings: \$4,000

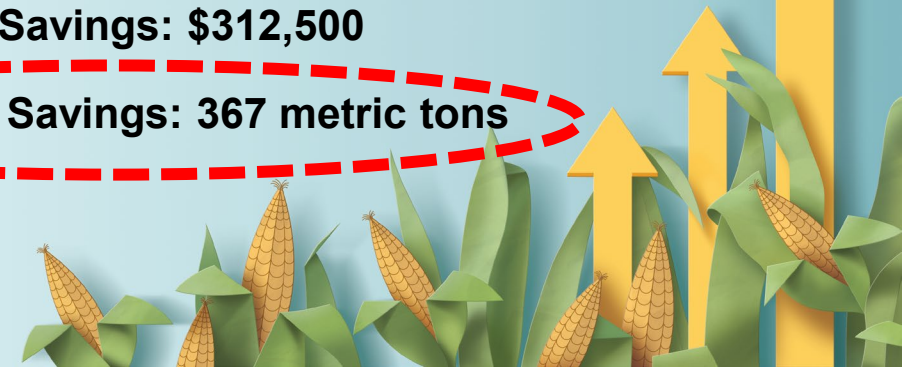
Fuel Cost Savings: \$8,500

Seed Cost Savings: \$58,500

TOTAL Cost Savings: \$312,500

TOTAL Co2e Savings: 367 metric tons

Time and Labor







THANK YOU

Support our Mission

**Become a Friend of Farm
Foundation today!**

farmfoundation.org/friends

#FarmFoundationForum

