TUESDAY TAILGATE TALKS
JUNE 16, 2020
Featuring: Brady Brewer & David Widmar
Tuesday Tailgate Talks

Trends in Purchasing Behavior
June 30, 2020 | 4:30p.m. EDT
Dr. Brady Brewer & Dr. Dave Downey

Agriculture and Agribusiness in Brazil
July 14, 2020 | 4:30p.m. EDT
Dr. Allan Gray, Dr. Luciano Castro & Dr. Lourival Carmo Monaco Neto

Micro-Courses: Live, 2-hour sessions!

Scenario Planning: Creating Resilience in Uncertain Times
June 30, 2020 | 1:00p.m. EDT
Dr. Allan Gray

Organizational and Personal Resilience
July 15, 2020 | 1:00p.m. EDT
Dr. Pete Hammett

Financial Implications for Your Business
August 5, 2020 | 11:00a.m. EDT
Dr. Brady Brewer

*All summer open enrollment programs will be distance-delivered.

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Supporting Materials from Brady Brewer and David Widmar
China Phase 1: Sales Pace Needed to Reach $13 Billion

Actual Sales to China, Implied Export Value Based on Historical Pace, and Sales Needed to Meet USDA Forecast

Sales Need to Accelerate by 57%

Source: USDA, FAS GATS, Farm Bureau Compilations
FAPRI Net Cash Income Projections Show Challenges Ahead for U.S. Agriculture

U.S. Farm Sector Net Cash Income From USDA and FAPRI

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Cash Income (Minus Federal Support)</th>
<th>Federal Support</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$71.5 billion</td>
<td></td>
<td>$143.0 billion</td>
</tr>
<tr>
<td>2009</td>
<td>$67.5 billion</td>
<td></td>
<td>$135.0 billion</td>
</tr>
<tr>
<td>2010</td>
<td>$82.2 billion</td>
<td></td>
<td>$164.2 billion</td>
</tr>
<tr>
<td>2011</td>
<td>$108.0 billion</td>
<td></td>
<td>$216.0 billion</td>
</tr>
<tr>
<td>2012</td>
<td>$114.9 billion</td>
<td></td>
<td>$229.9 billion</td>
</tr>
<tr>
<td>2013</td>
<td>$114.9 billion</td>
<td></td>
<td>$229.9 billion</td>
</tr>
<tr>
<td>2014</td>
<td>$116.2 billion</td>
<td></td>
<td>$232.2 billion</td>
</tr>
<tr>
<td>2015</td>
<td>$141.4 billion</td>
<td></td>
<td>$282.4 billion</td>
</tr>
<tr>
<td>2016</td>
<td>$81.7 billion</td>
<td></td>
<td>$163.7 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$88.4 billion</td>
<td></td>
<td>$176.4 billion</td>
</tr>
<tr>
<td>2018</td>
<td>$88.1 billion</td>
<td></td>
<td>$176.1 billion</td>
</tr>
<tr>
<td>2019</td>
<td>$90.4 billion</td>
<td></td>
<td>$180.4 billion</td>
</tr>
<tr>
<td>2020</td>
<td>$89.9 billion</td>
<td></td>
<td>$179.9 billion</td>
</tr>
<tr>
<td>2020P</td>
<td>$69.4 billion</td>
<td></td>
<td>$138.4 billion</td>
</tr>
<tr>
<td>2021</td>
<td>$78.5 billion</td>
<td></td>
<td>$158.5 billion</td>
</tr>
</tbody>
</table>

Government Payments in 2020 (USDA pre-CFAP) - $19.7B
Government Payments in 2020 (FAPRI) - $32.8B
Government Payments in 2021 (FAPRI) (No MFP or CFAP) - $16.6B
Farm-Related Net Cash Income from Crop and Livestock Sales Minus Gov't Support - $69.4B

Source: USDA ERS, FAPRI, Farm Bureau Calculations
3.9 Million Corn Acres in Poor or Very-Poor Condition

Thousand Acres, As Of June 7, 2020

Source: USDA NASS, Farm Bureau Commissions
BRAZIL
Soybean Monthly Exports

BRAZIL
Soybean Exports By Calendar Year

SECEX/AGRURAL  Million metric tons. Official data only, as reported by the Ministry of Economy; vessel line-up data not considered.
Net farm income and net cash farm income, 2000–20F

$ billion (2020)

Net cash farm income (NCFI)

2000-18 average NCFI

$109.6

$96.7

Net farm income (NFI)

2000-18 average NFI

Note: F = forecast. Values are adjusted for inflation using the chain-type GDP deflator, 2020=100.
Data as of February 5, 2020.
Chart 4: Average Interest Rates on Farm Loans and Bank Prime Lending Rate

Note: Survey was conducted February 3-7. Q1 Bank Prime Loan Rate is daily average through February 7.
Sources: Federal Reserve Board of Governors and Agricultural Finance Databook, Table A.5.
Chart 6: Delinquency Rates on Loans at Commercial Banks

Note: Includes the share of all past due, nonaccruing and net charge-off loans.
Source: Board of Governors.
Chart 8: Repayment Rates on Farm Loans, Fourth Quarter

Diffusion Index*

*Diffusion Index is calculated by subtracting the percentage of respondents who indicated “lower” from the percentage of respondents who indicated “higher” and adding 100.
Source: Agricultural Finance Databook, Table C.1.
Early estimates of 2020 net farm income.

Erosion of the balance sheet: working capital and debt.

Government payments in 2020.

Farm loan delinquencies and off-farm income

Trade progress with China

What’s supporting farmland- here and here