

FUTURE OF FARM SAFETY NETS

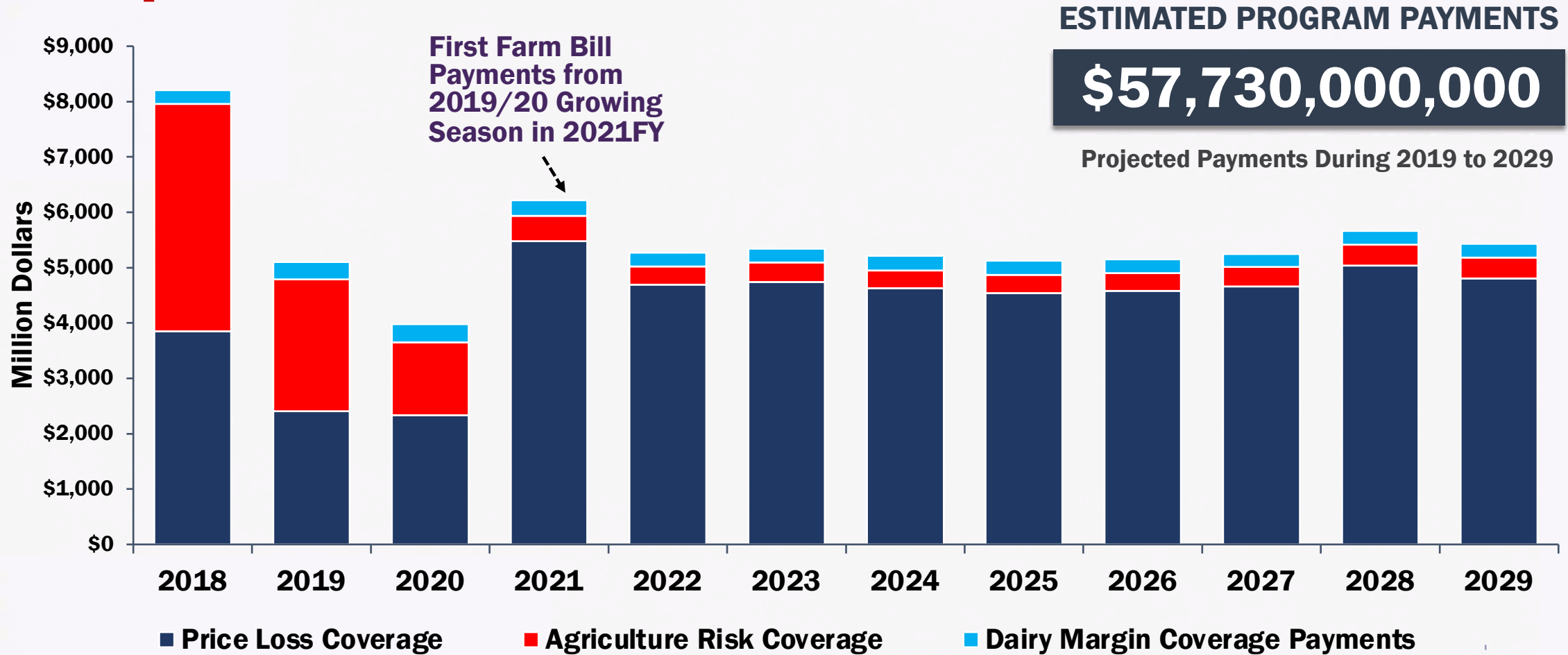


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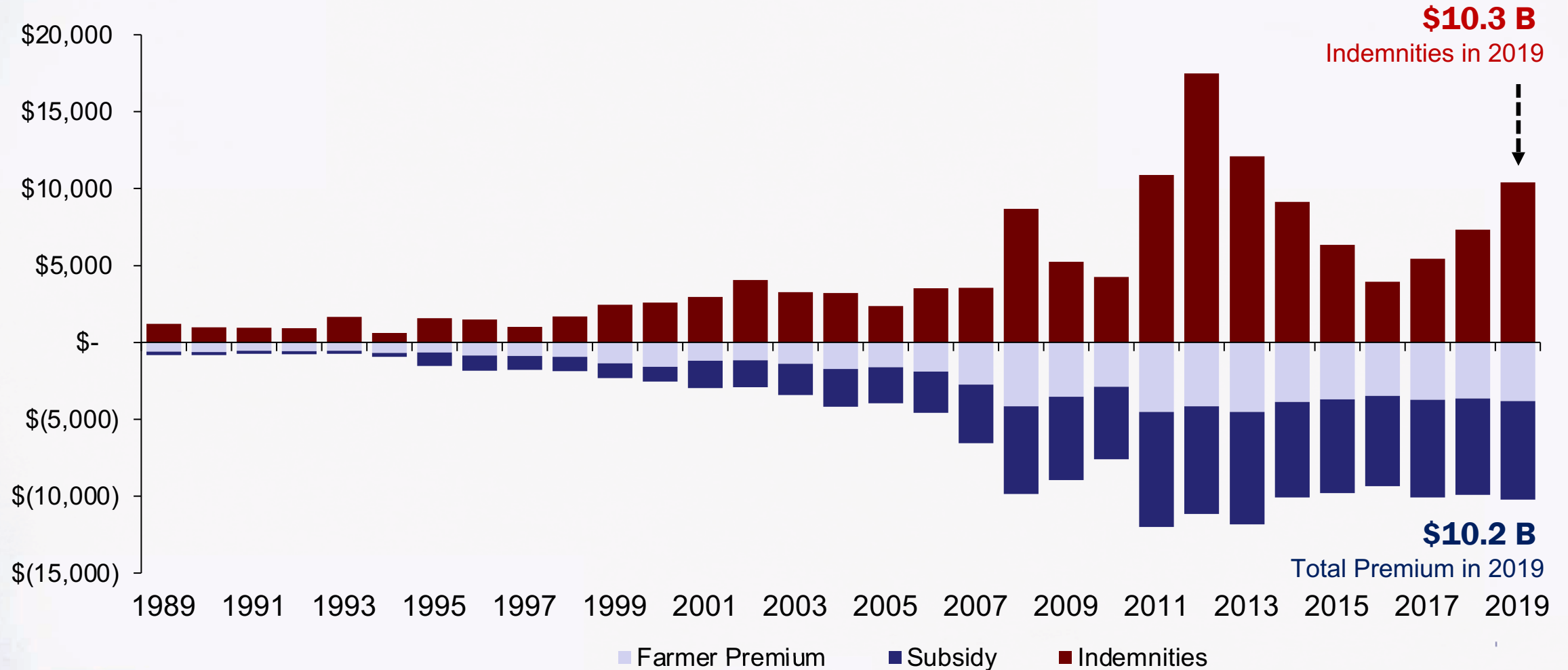
@New10_AgEcon

2014: Move Toward Payments That Are a Function of Crop Prices in ARC-CO and PLC



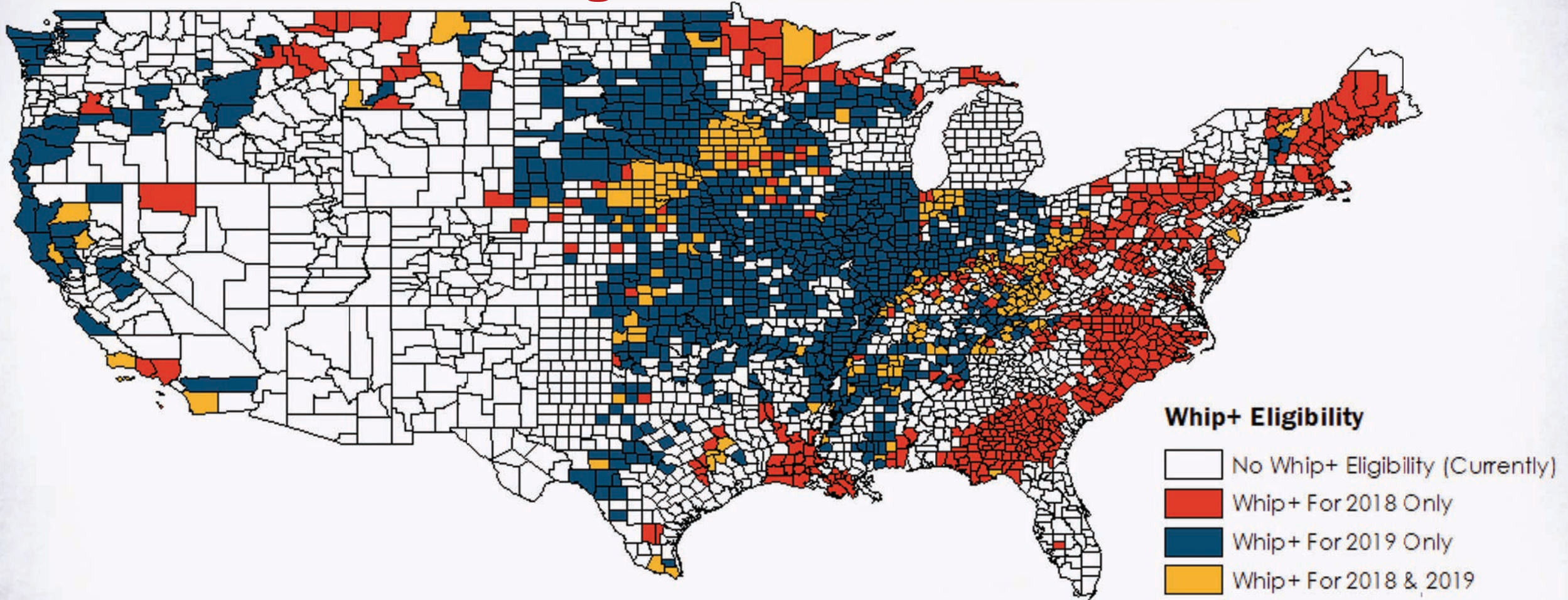
The Old Safety Nets Worked...Right?

Farmer Premiums, Federal Premium Subsidies and Indemnities, Million Dollars

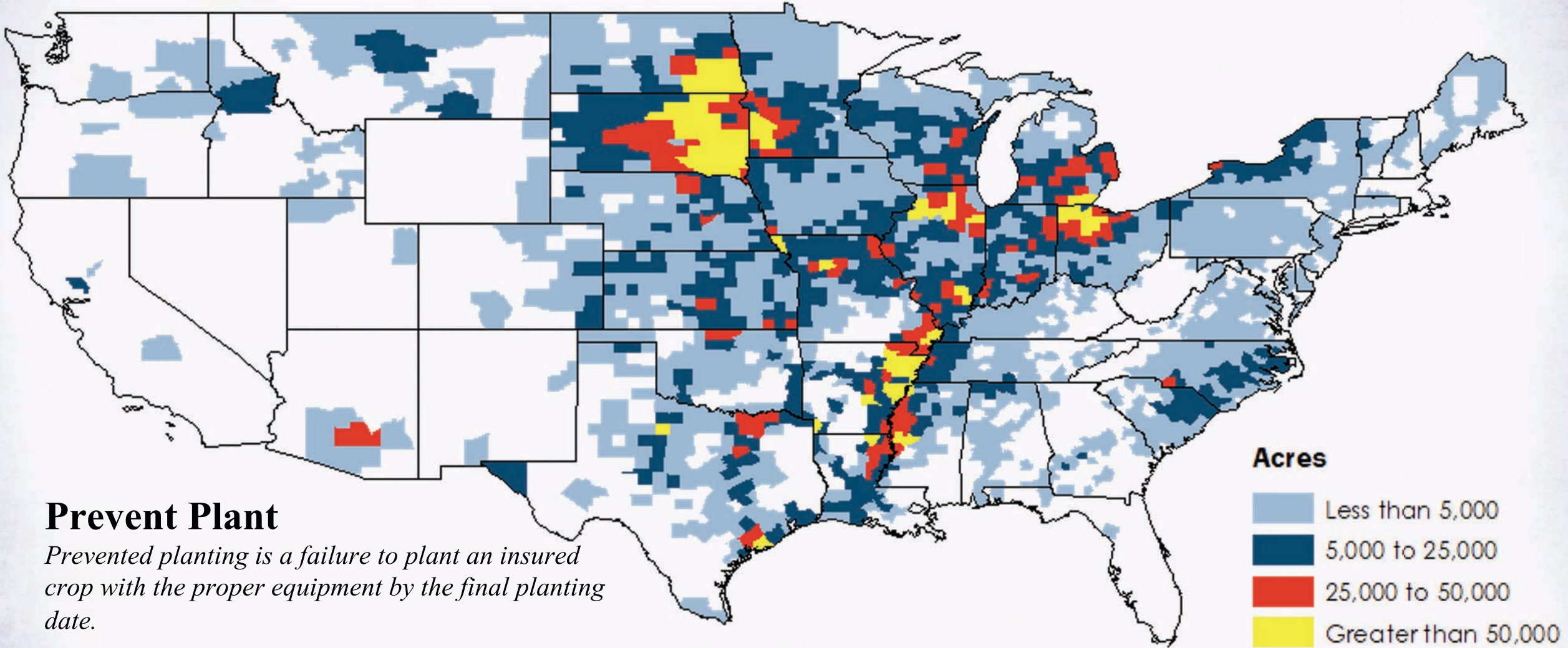


Until It “Maybe” Didn’t Example One: Climate Volatility

WHIP & WHIP+ Disaster Eligible Counties in 2018 and 2019



20,000,000 Acres Unplanted in 2019 Due To Flooding



Prevent Plant

Prevented planting is a failure to plant an insured crop with the proper equipment by the final planting date.



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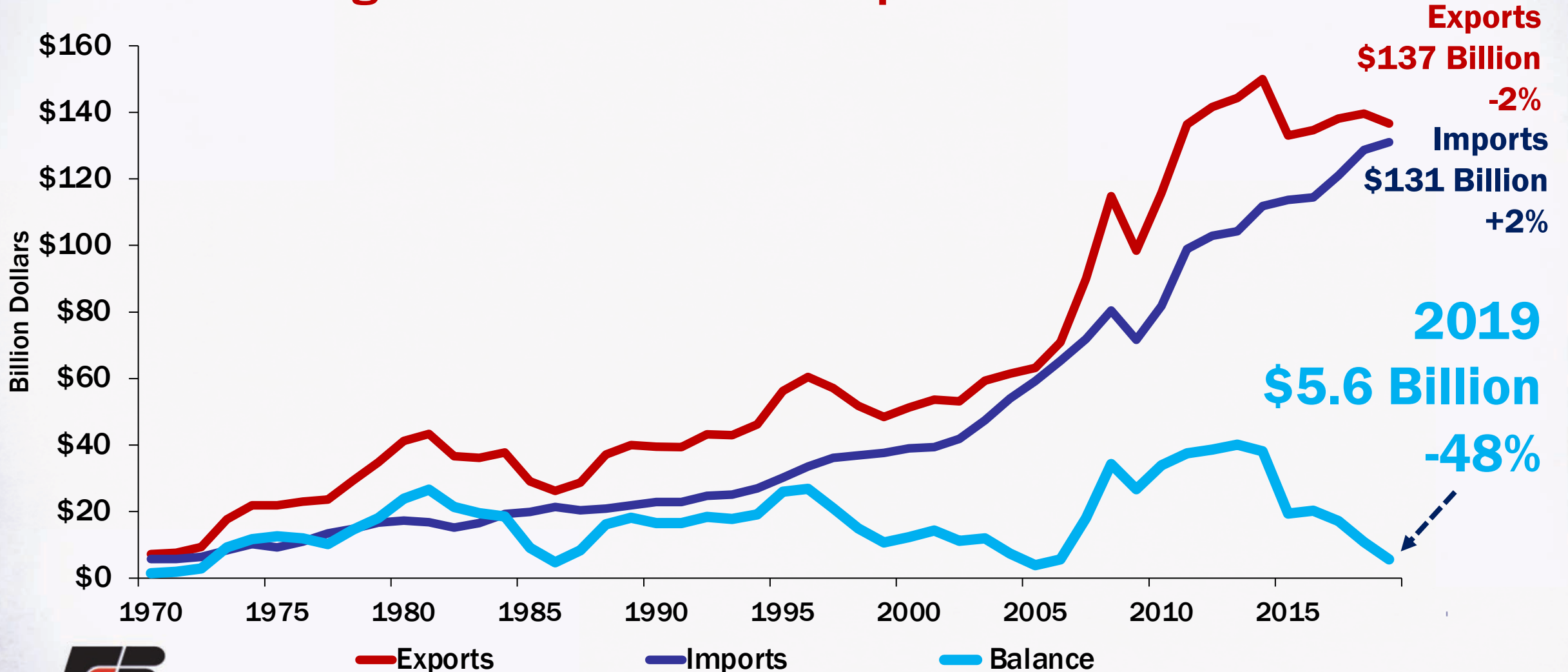


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Source: USDA FSA, Farm Bureau Calculations

Until It “Maybe” Didn’t Example Two: Trade War

Tariffs on U.S. Agricultural Trade Slow Exports

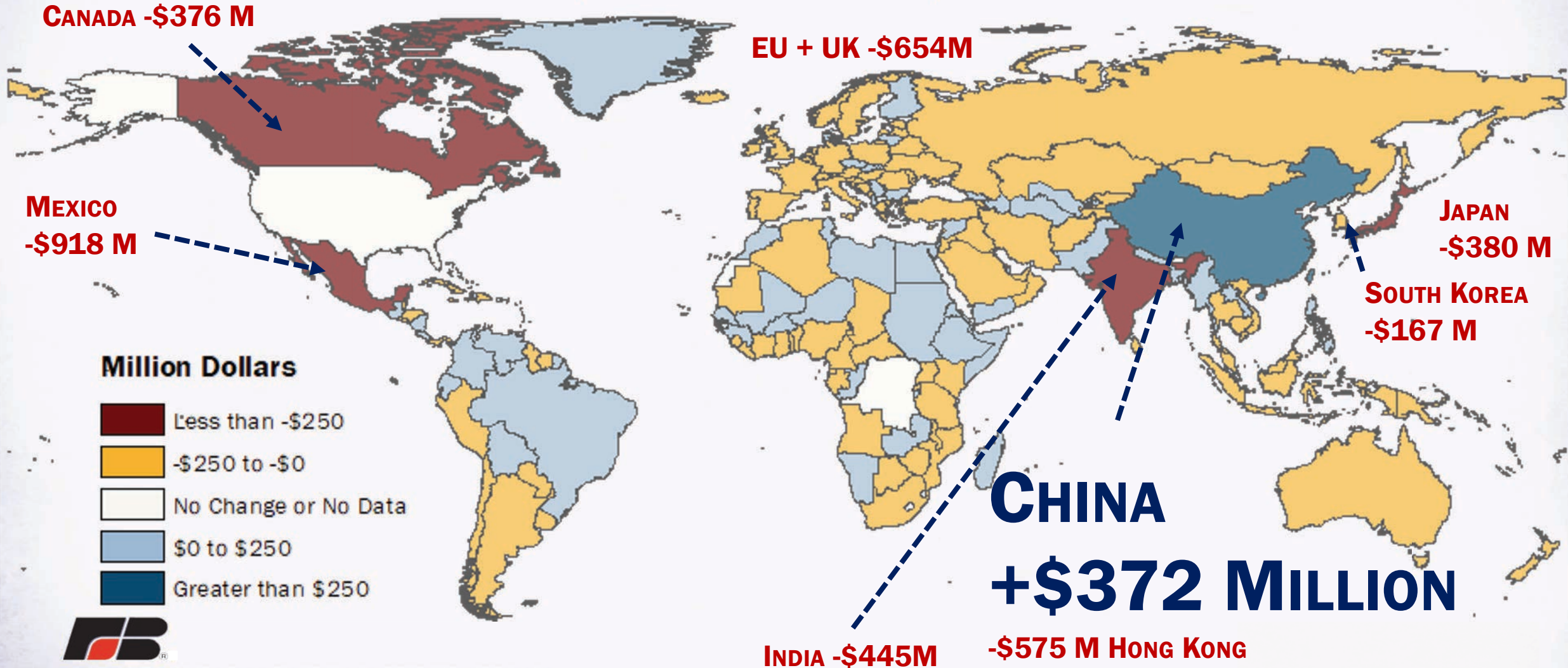


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Source: USDA FAS GATS, Farm Bureau Calculations
*Does not include related products, i.e., forestry and fishery.

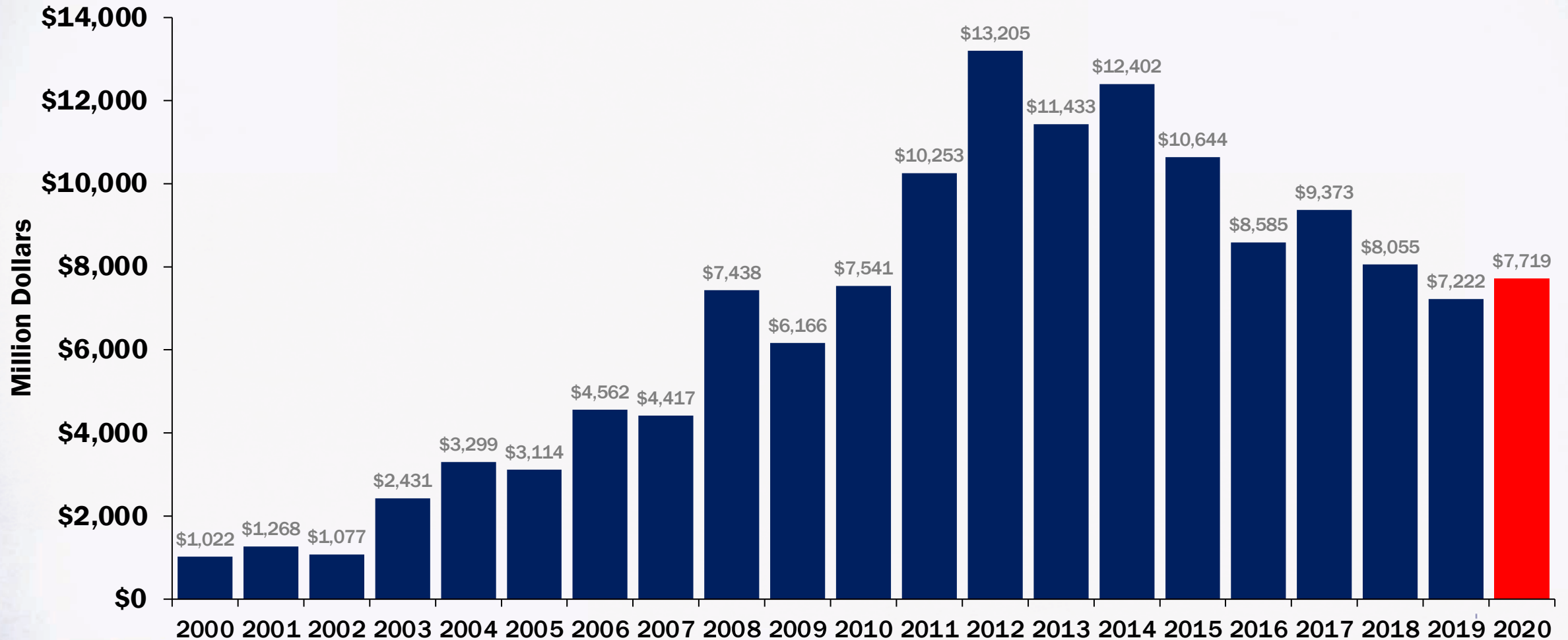
YTD U.S. Ag Exports* Down 5%, or \$4.1B, to \$84.7B

YTD Change in Agriculture Exports, Jan to July 2020 Compared to Jan to July 2019



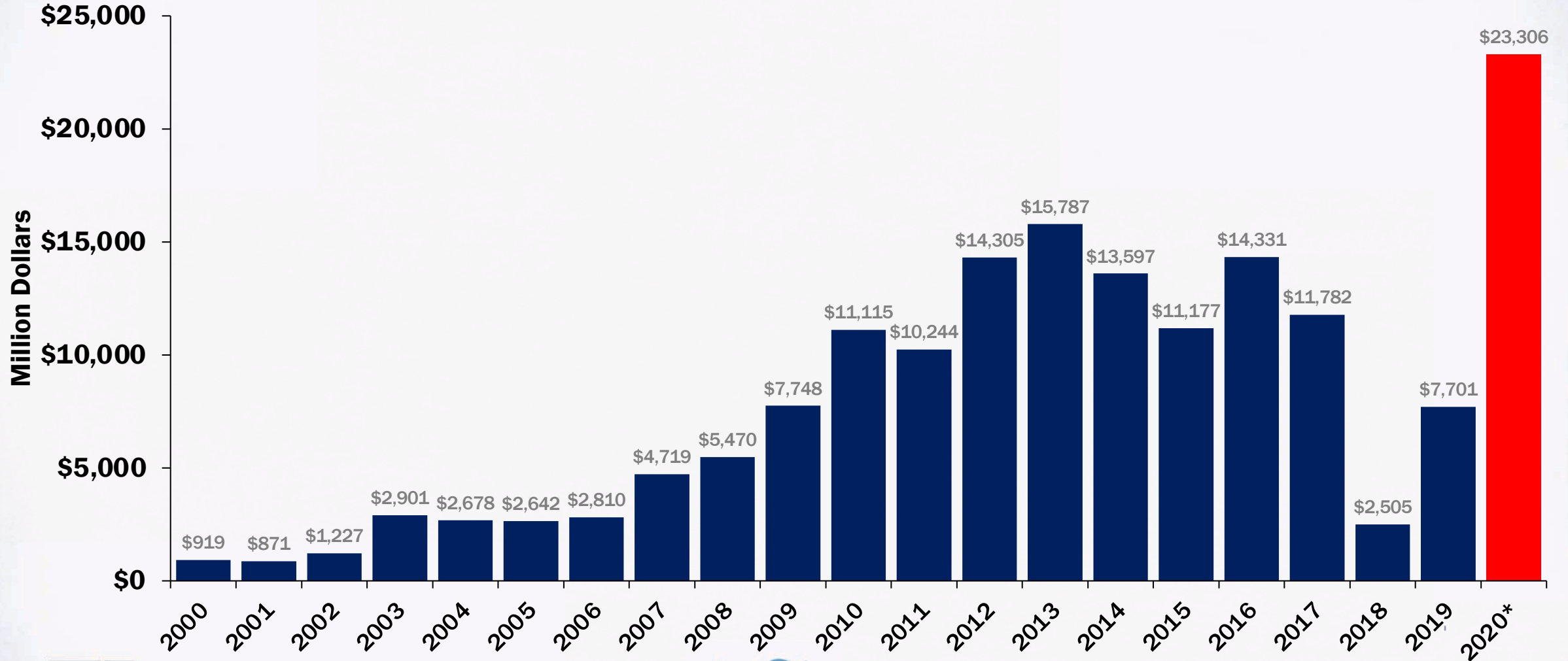
Phase 1 is Happening Slowly, YTD up 7%

FAS Total Exports to China Less Forestry for January to July



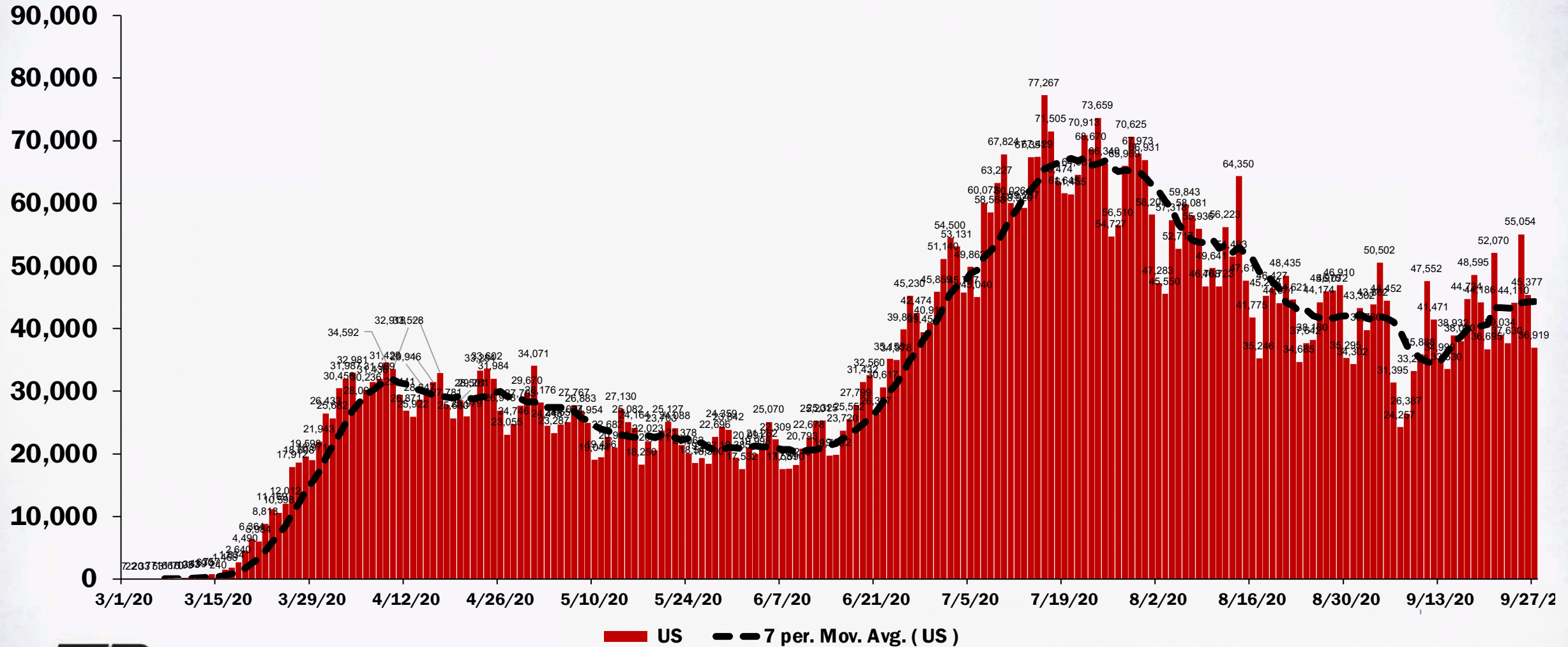
Herculean Lift 💪 to Meet Phase 1 Goals

FAS Total Exports to China Less Forestry for August to December, Actual and Needed for Phase 1



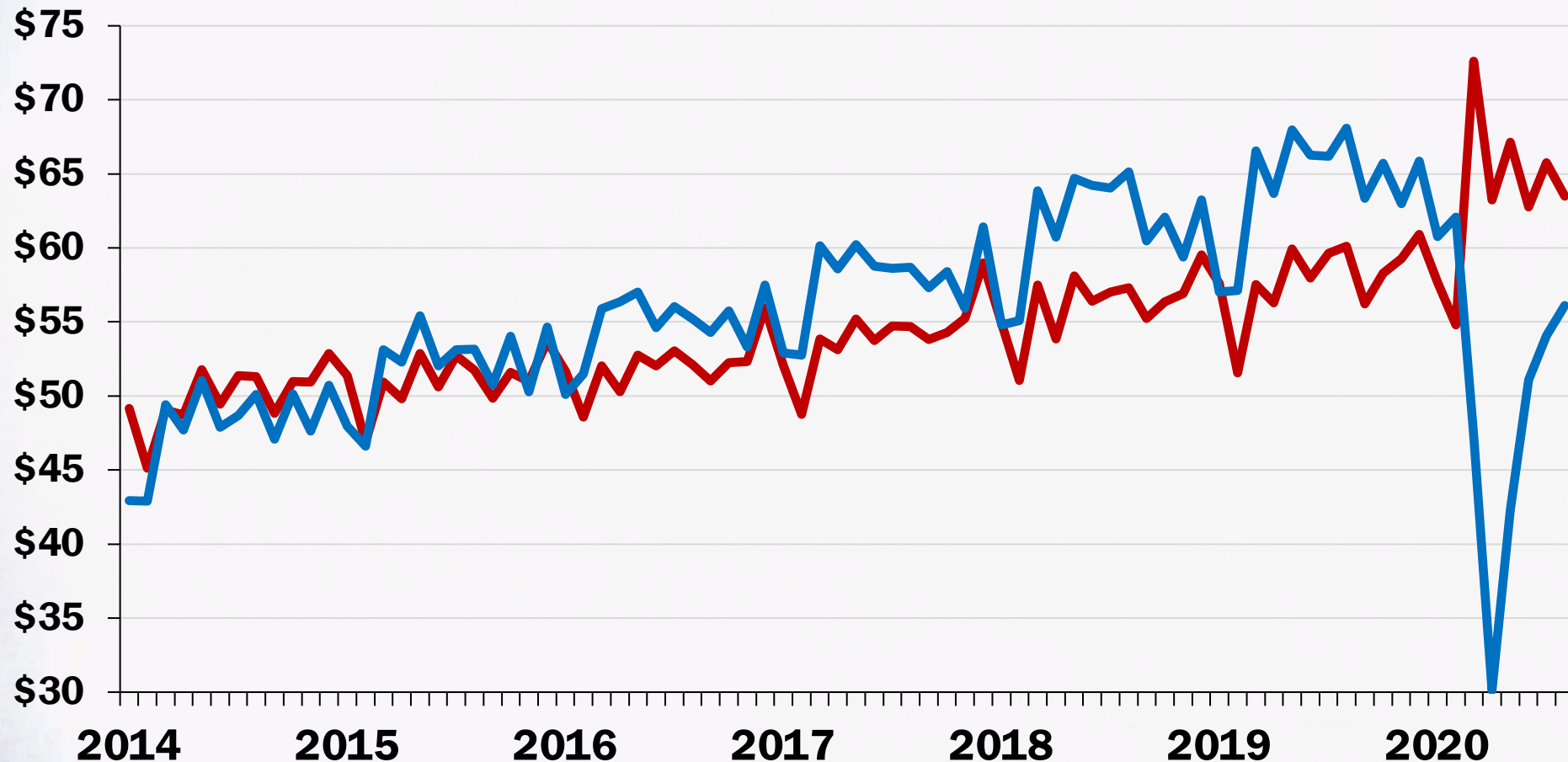
Until It “Maybe” Didn’t Example Three: Global Pandemic

U.S. Daily Change In Infected COVID-19 Cases



Food-Away-From-Home Sales Dropped Nearly 90% In First Month After COVID-19 Stay-At-Home Orders

Billion Dollars



\$64B

Grocery Stores,
Remains Above Pre-COVID
Levels

\$56B

**Food Service and
Drinking,**
10% Below Pre-COVID Levels



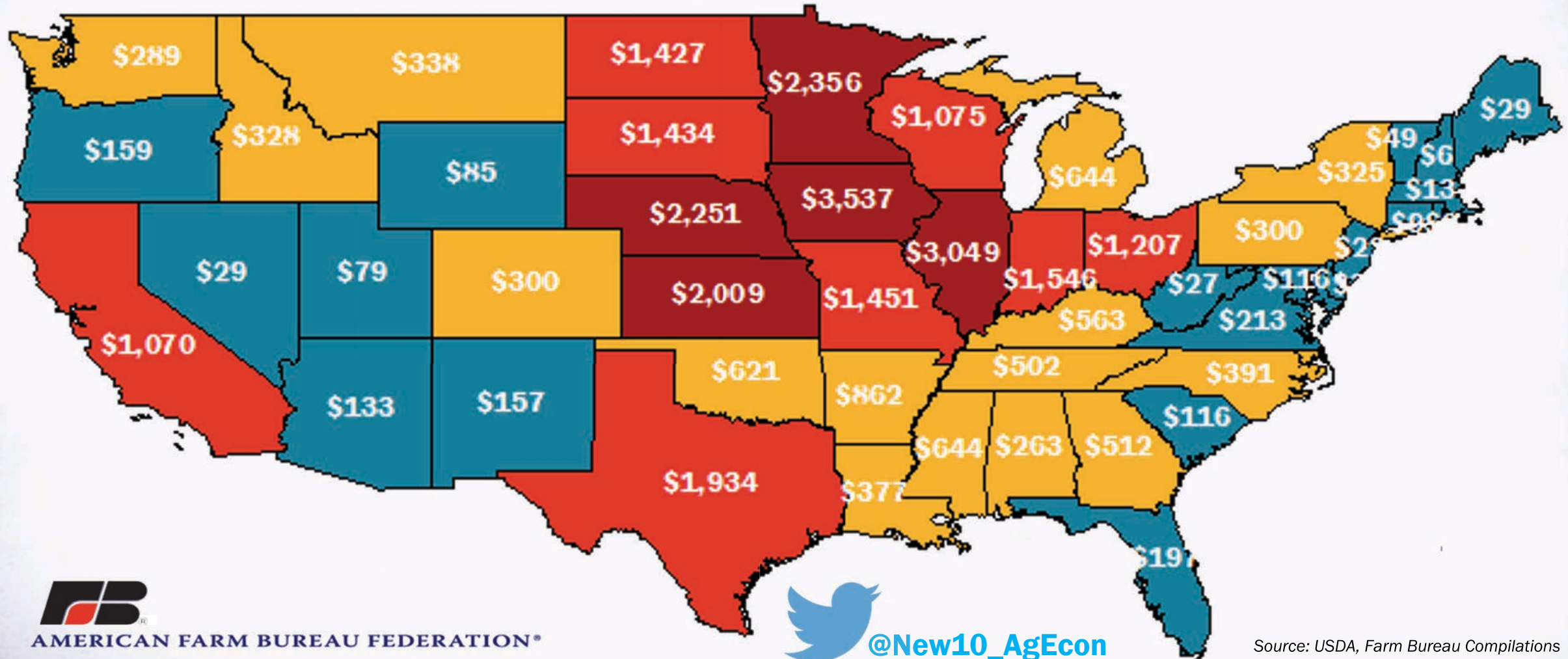
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Source: U.S. Census Bureau, Farm Bureau Compilations

\$33 Billion in Ad Hoc Support Since 2018

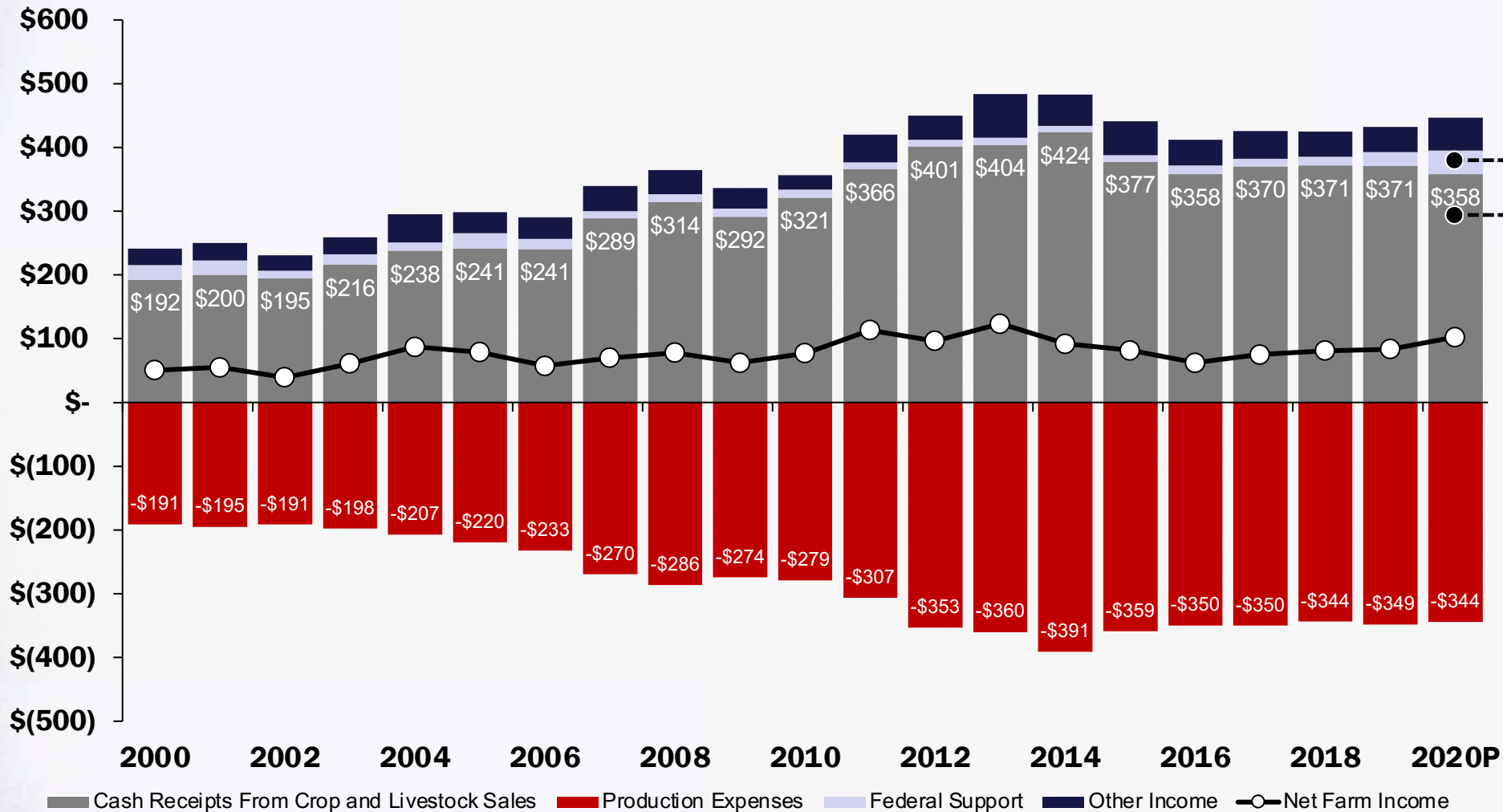
Not Including CFAP 2, PPP, WHIP or WHIP+

As of September 24, 2020, Million Dollars



U.S. Farm Income and Expenses

U.S. Farm Sector Farm Income, Expenses and Net Farm Income, Billion Dollars



\$37B

Government Payments in 2020
Includes Ad Hoc Support, Farm
Program and Conservation
Payments

\$358B

**Farm Cash
Receipts From
Crop and
Livestock Sales,
Down \$12B and
lowest since 2010**

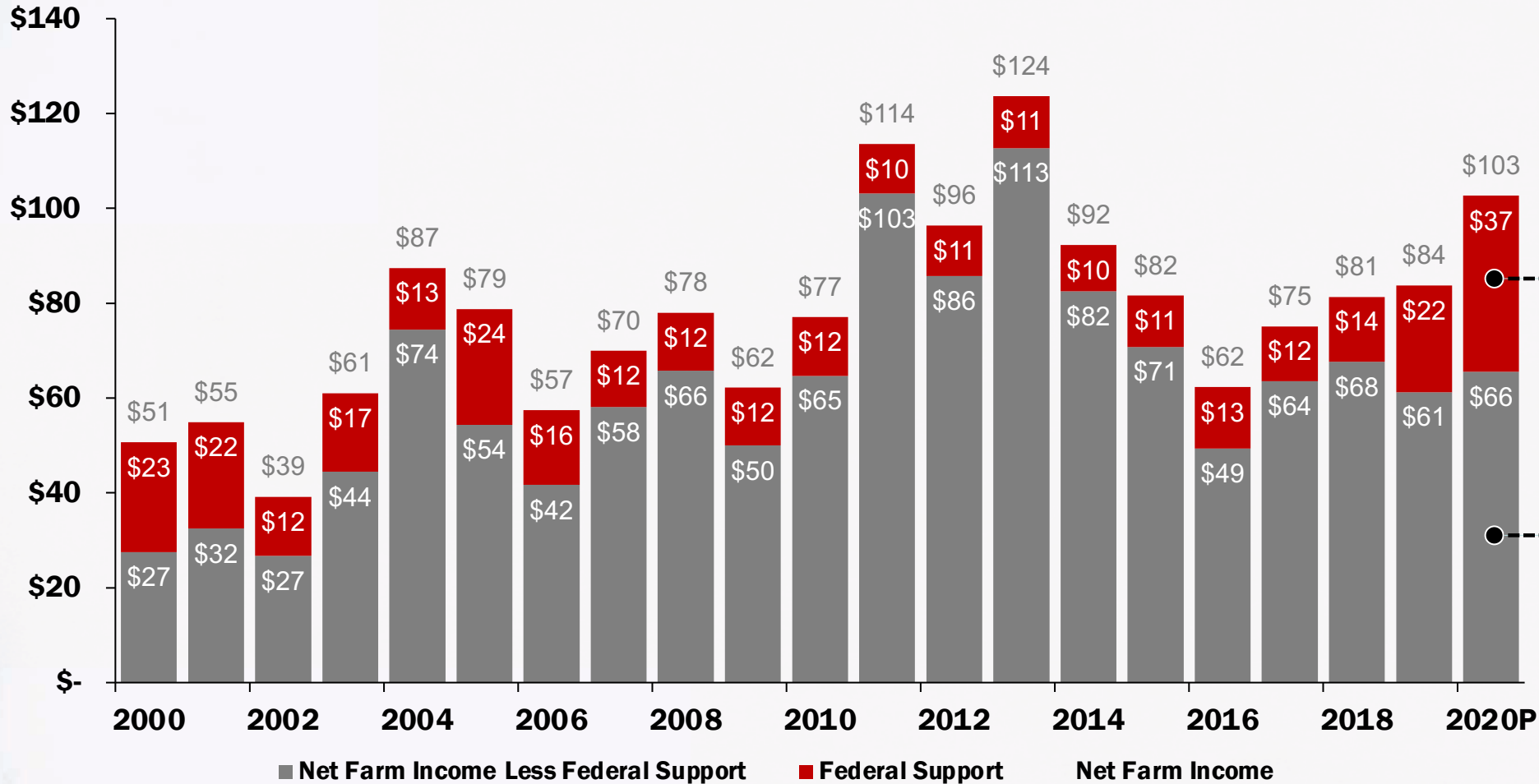


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Source: USDA ERS, Farm Bureau Calculations

Net Farm Income w/ and w/o Federal Support

U.S. Farm Sector Net Farm Income, Billion Dollars



36%

**Federal Support
Share of NFI**

\$37B

Government Payments in 2020
Includes Ad Hoc Support, Farm
Program and Conservation
Payments

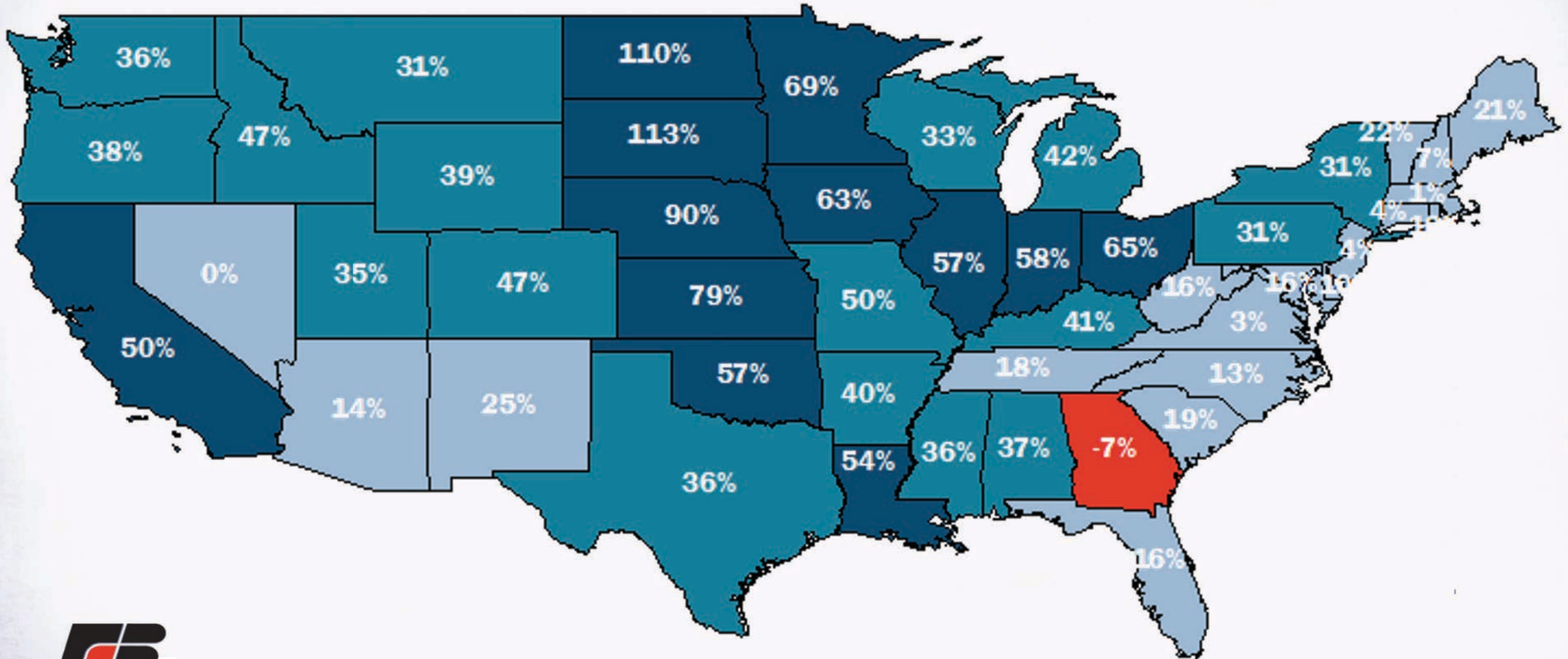
\$65.5B

Farm-Related Net Farm
Income from Crop and
Livestock Sales Minus
Federal Support

**Remains
Depressed**

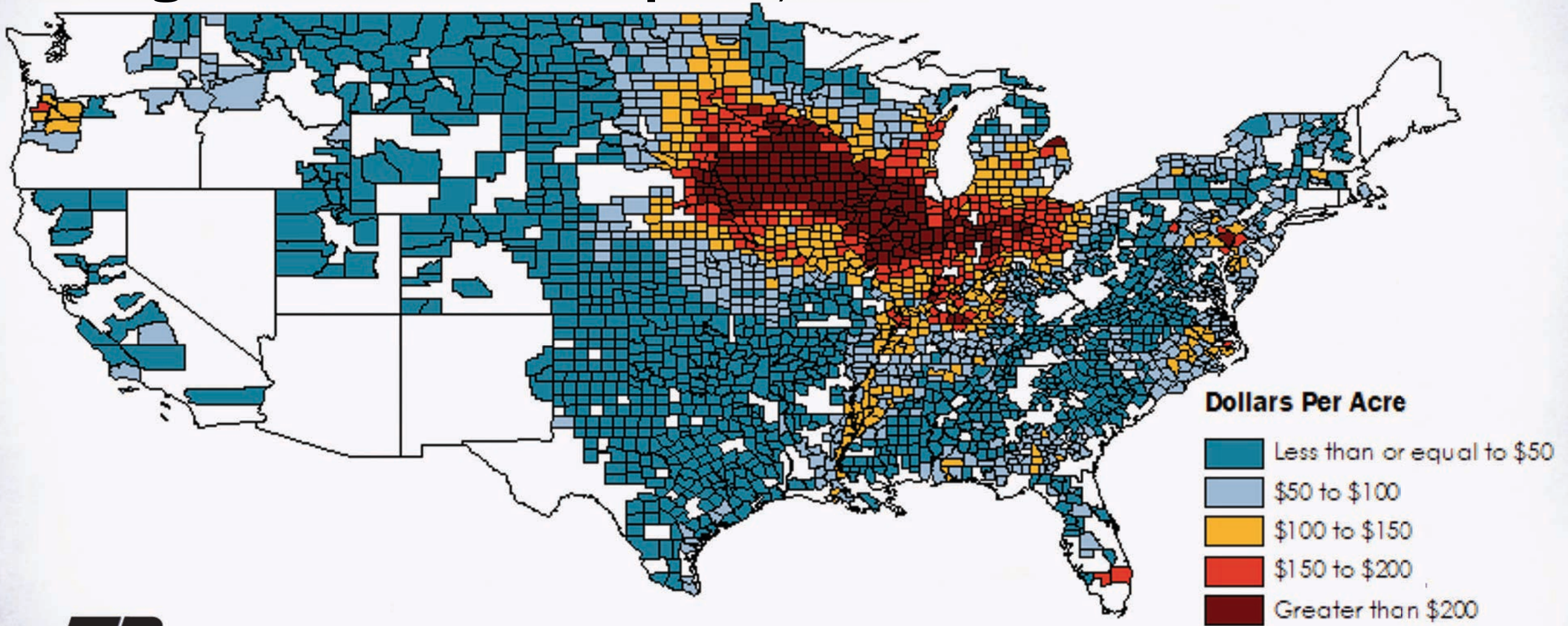
Land Values Have Been Bulletproof

Asset Value Including Buildings, Percentage Change Over Last Decade



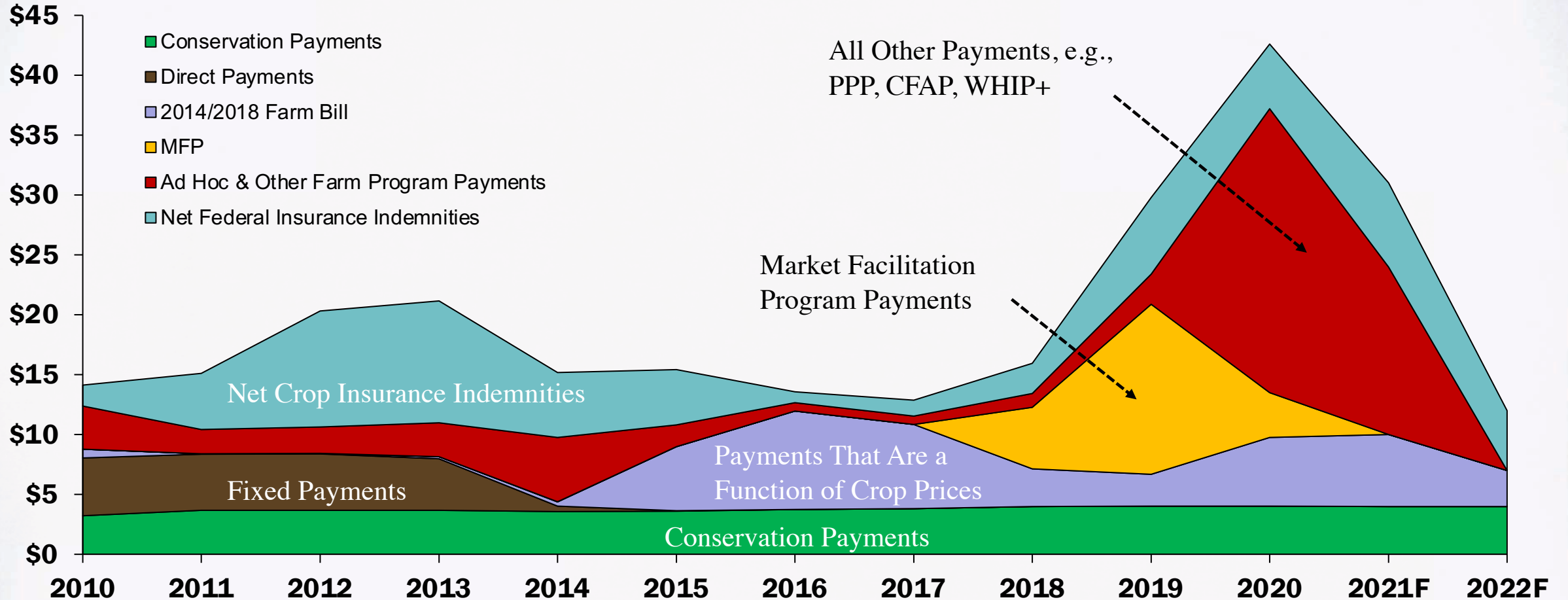
Cash Rents Bulletproof Too

Average Cash Rent for Cropland, 2020



The Ad Hoc Support Bubble, What's Next?

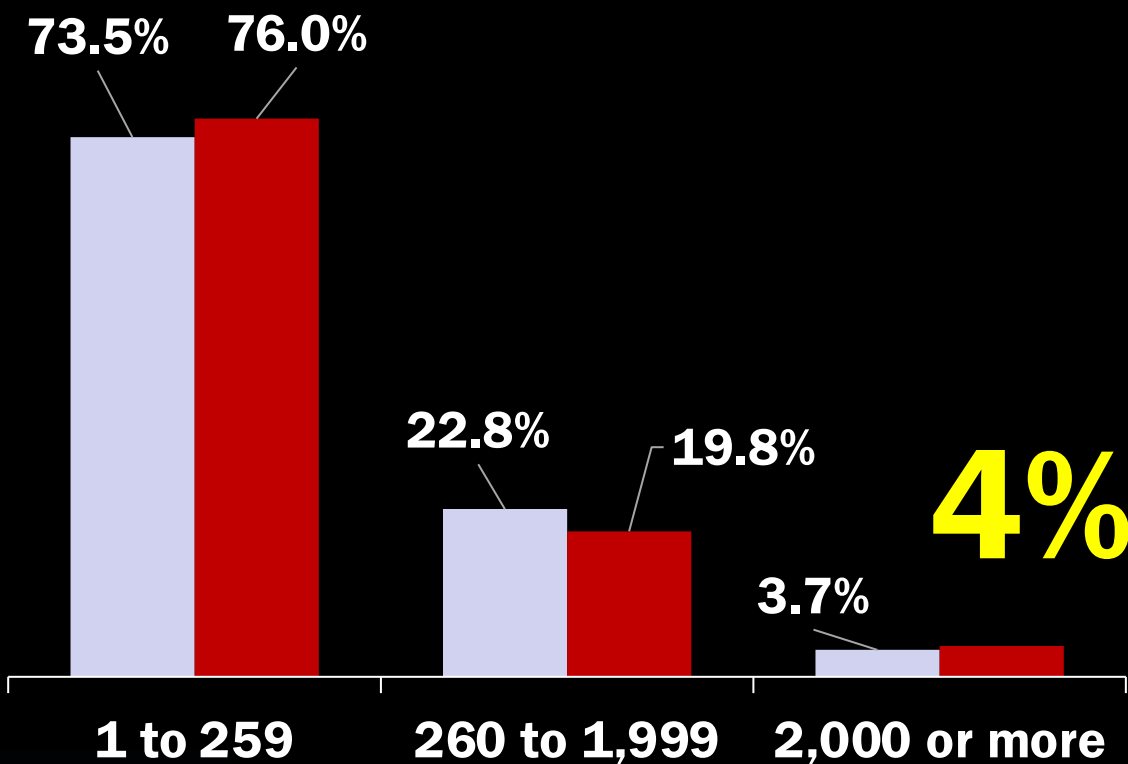
Billion Dollars



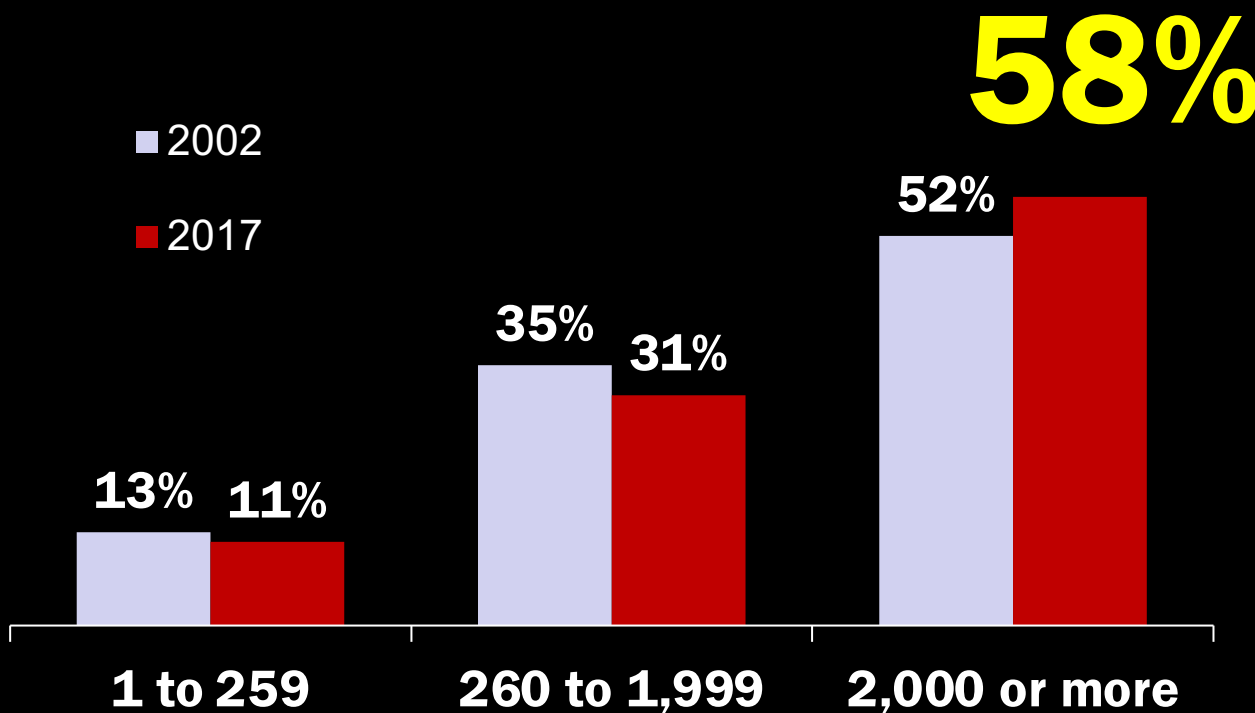
Will We Get Smaller or More Concentrated?

Implications on Farm Bill Bifurcation and Payment Limitations

Percent of Farm Operations



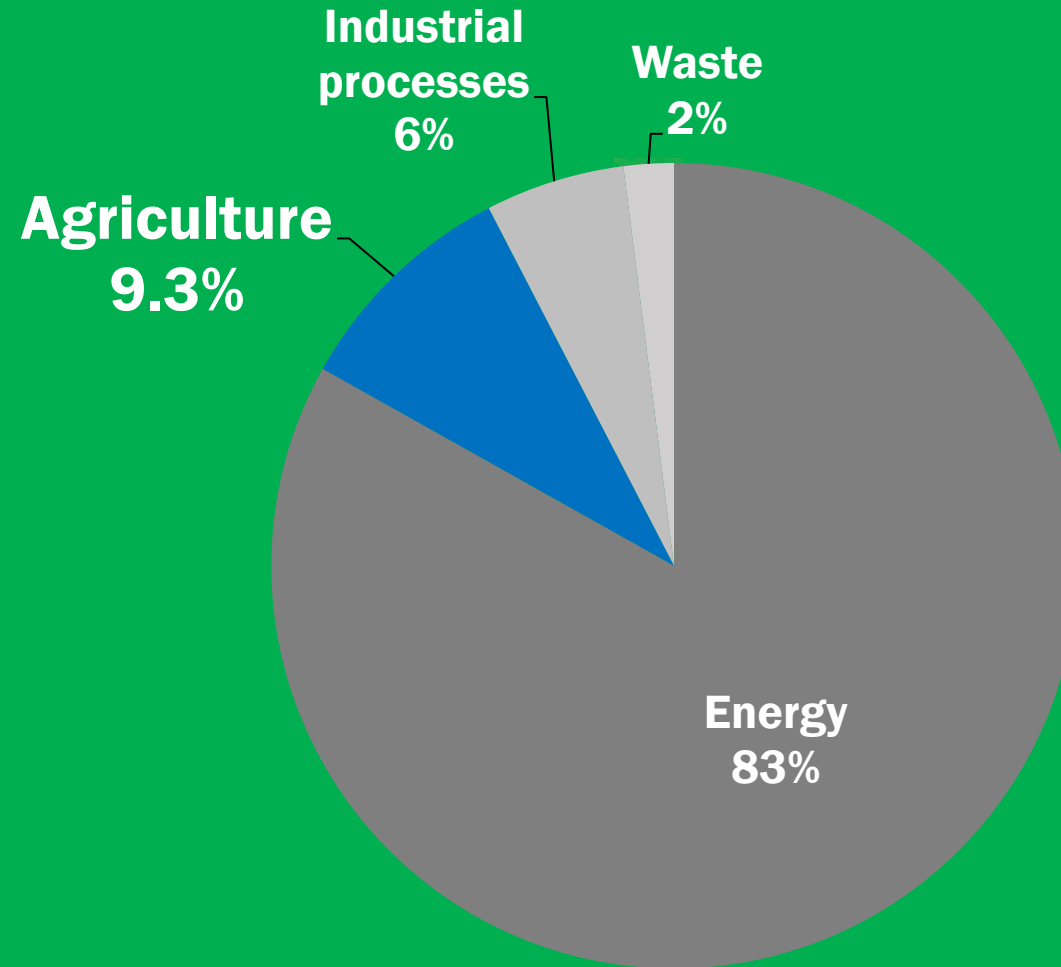
Percent of Acreage Operated



Source: USDA NASS, Farm Bureau Calculations

Share of U.S. Greenhouse Gas Emissions by IPCC Sector

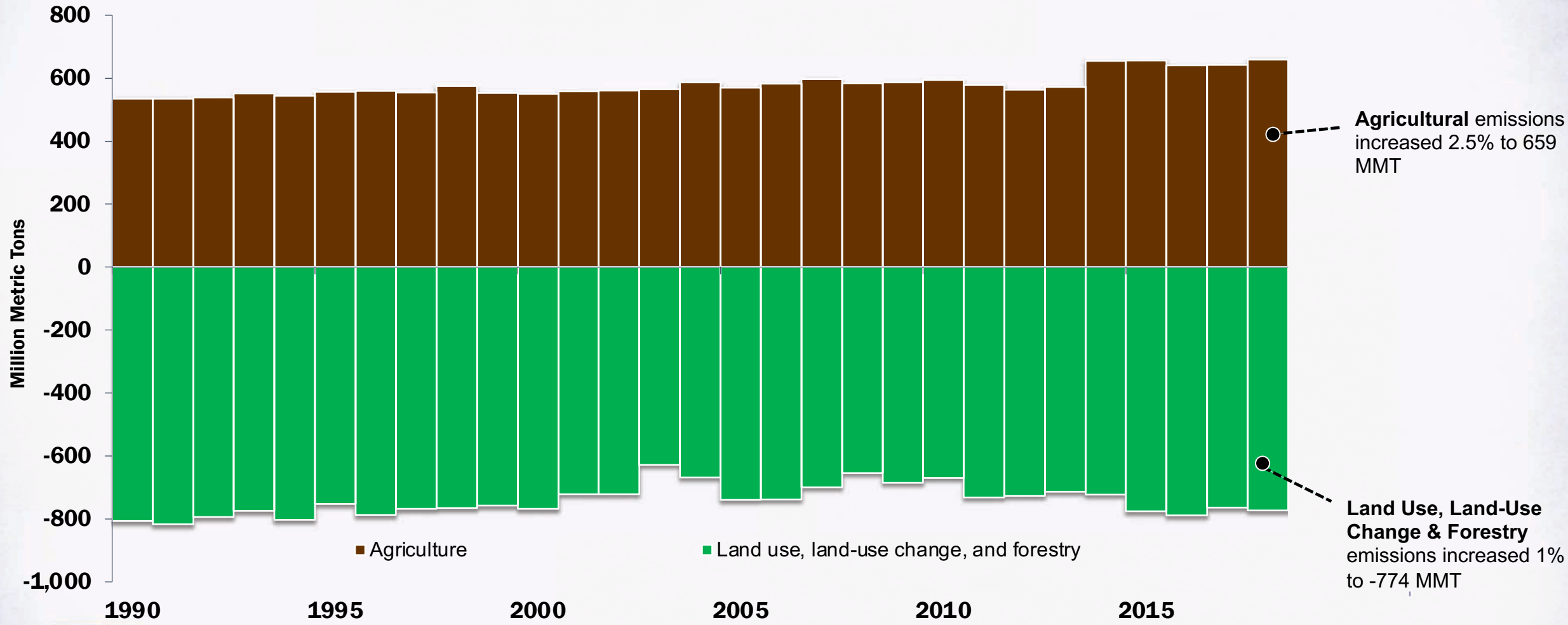
U.S. Inventory of Greenhouse Gas Emissions and Sinks, 2018



Source: Environmental Protection Agency, Farm Bureau Calculations

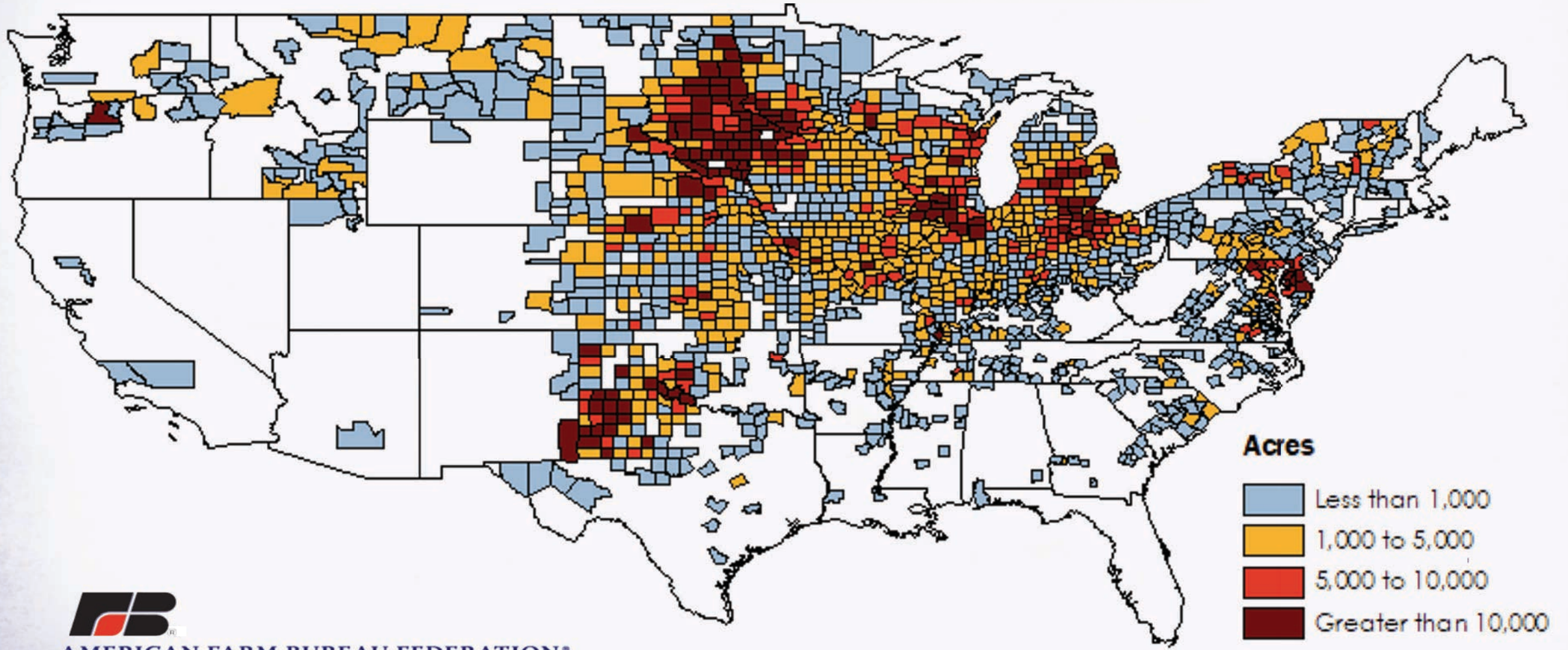
Can “Greening” Payments Make U.S. Agriculture Part of the Solution?

U.S. Greenhouse Gas Emissions by Economic Sector, 1990 to 2018 in CO2 Equivalents

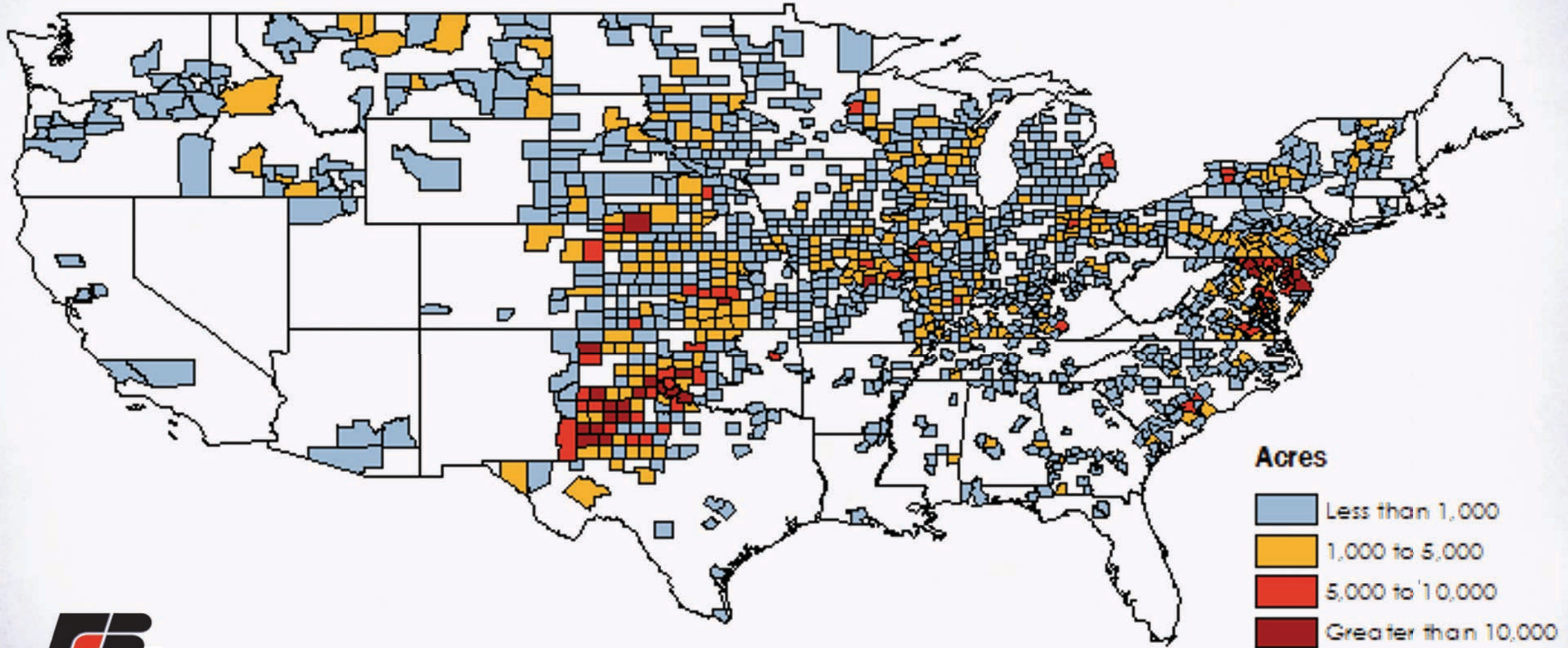


Carbon Markets, Incentive Payments, Enhanced Title I Support, or Crop Insurance Modifications for Cover Crop Adoption and Support

Cover Crop Acres Planted in 2019 After Cover Crops Announced As Eligible for MFP

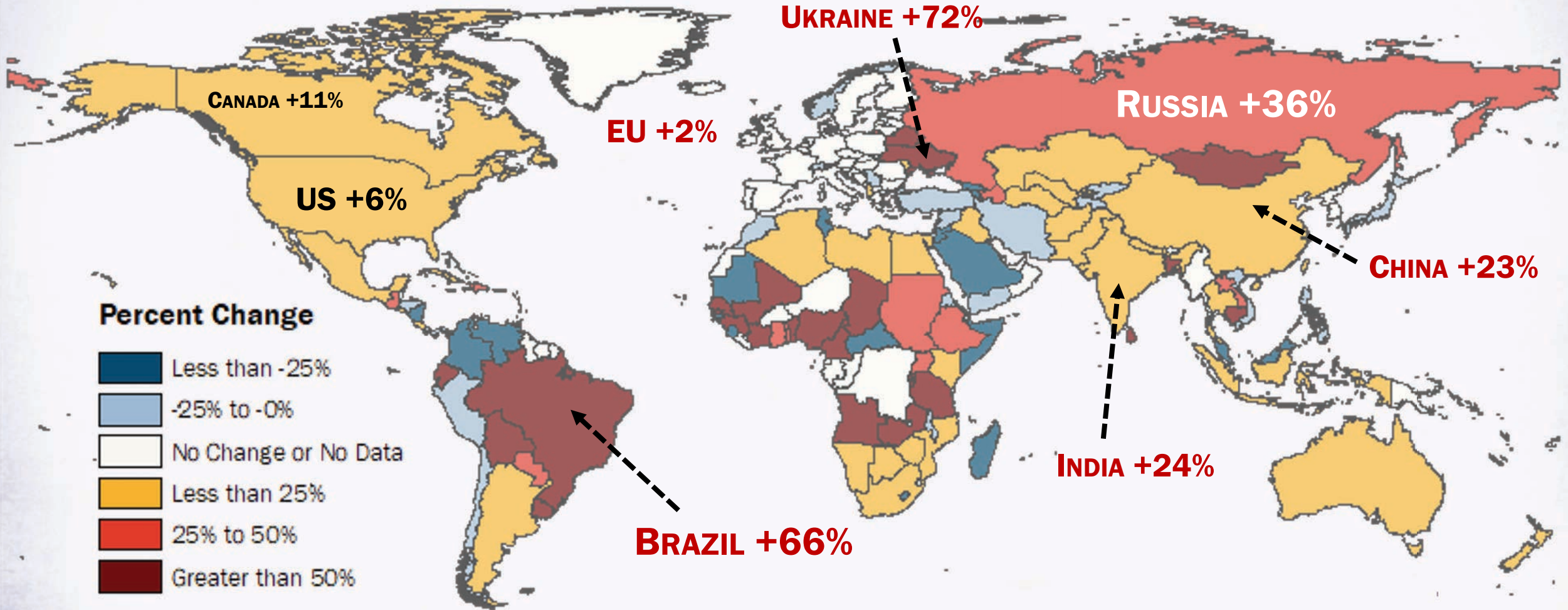


Without Incentives: Cover Crop Acres Planted in 2020 Dropped by Half YTD (2.3 Million Acres)



What Won't Work Long-Term: Set Aside Programs

Percent Change in Harvested Corn, Soybean and Wheat Acres, 2006 to 2020





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