



COVID-19: IMPACT ON AGRICULTURE



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Nebraska Farm Bureau Federation

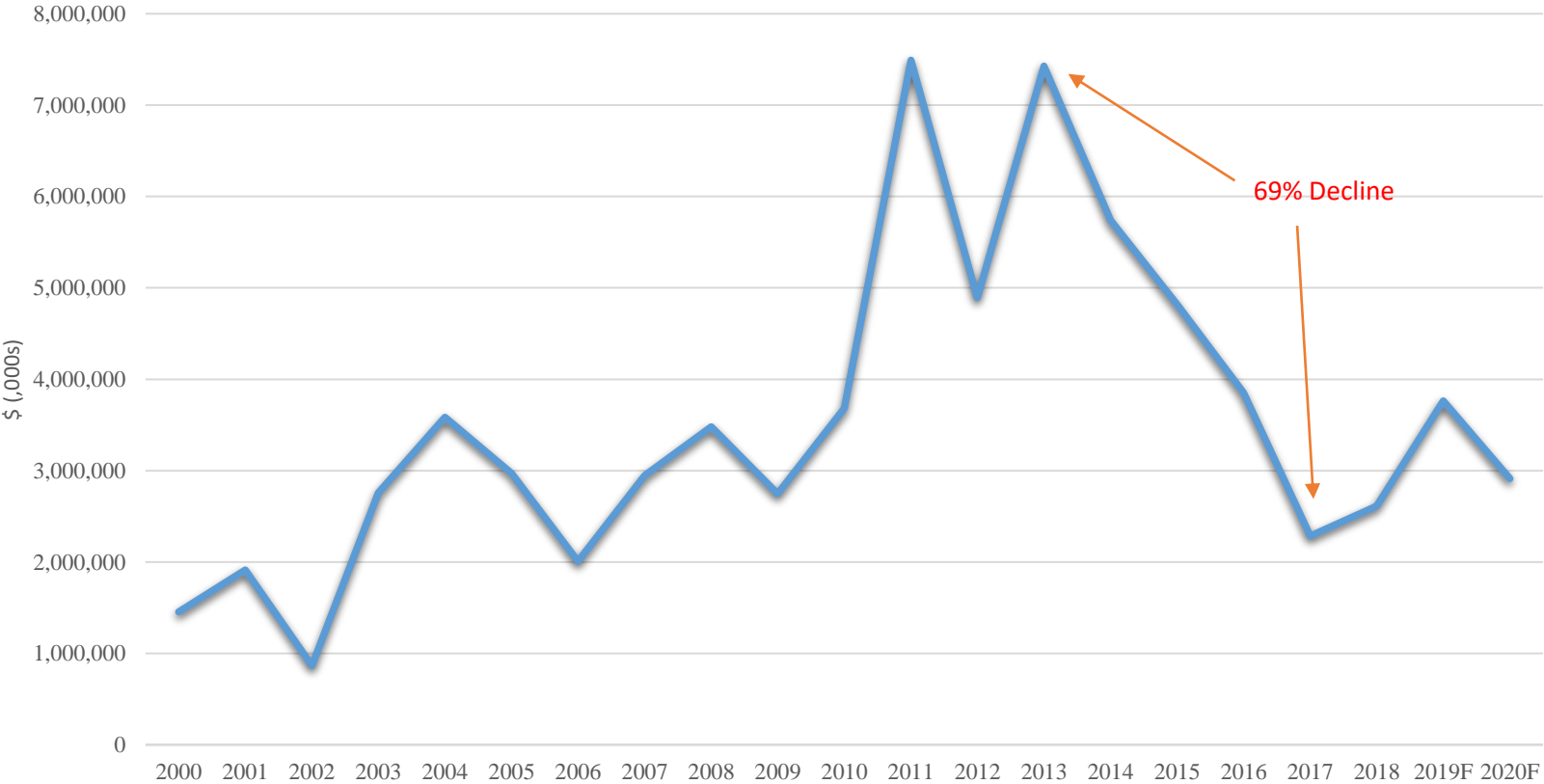
Senior Economist

Nebraska Production Agriculture

- Total Ag Receipts (2018) \$23 Billion
 - Cattle/Calves \$10.6 Billion
 - Corn \$5.63 Billion
 - Soybeans \$2.59 Billion
- Crop Acres in Production 19 Million
- Livestock
 - Cattle 6.8 Million Head
 - Hogs 3.0 Million Head



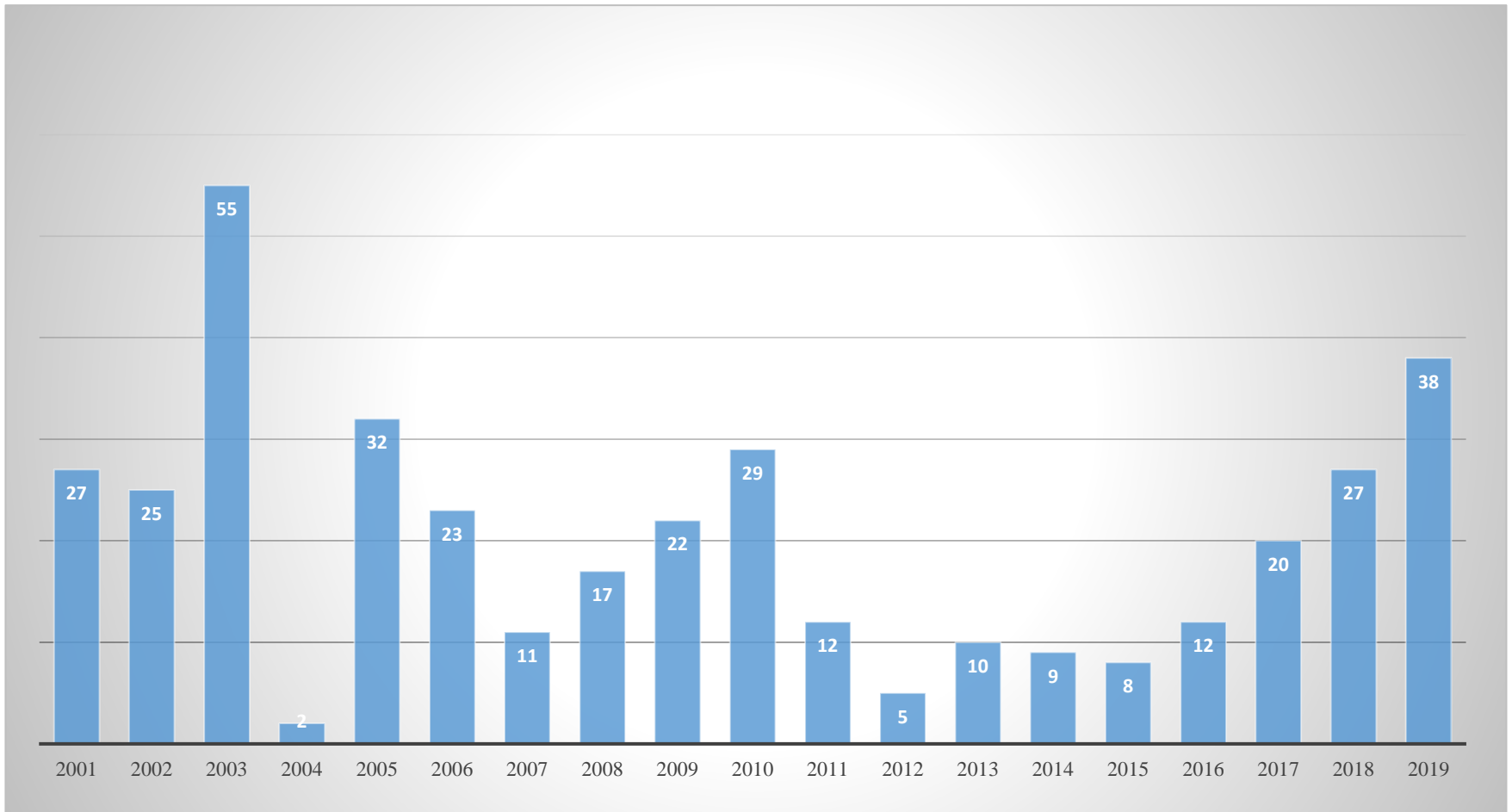
Nebraska Net Farm Income



Source: USDA, Economic Research Service, 2000-18
UNL Bureau of Business Research, 2019-20



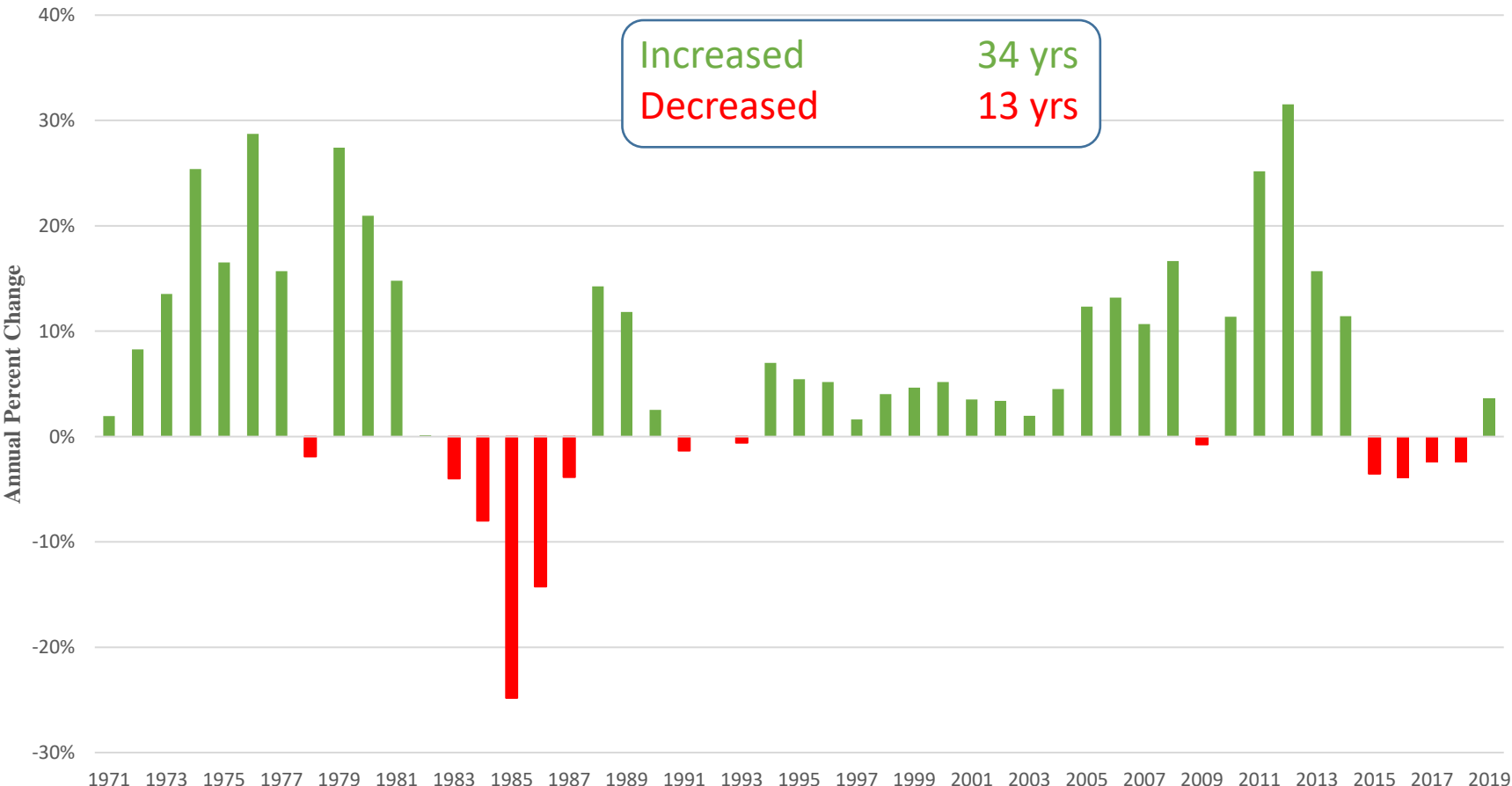
Nebraska Farm Bankruptcies



Source: US Bankruptcy Court



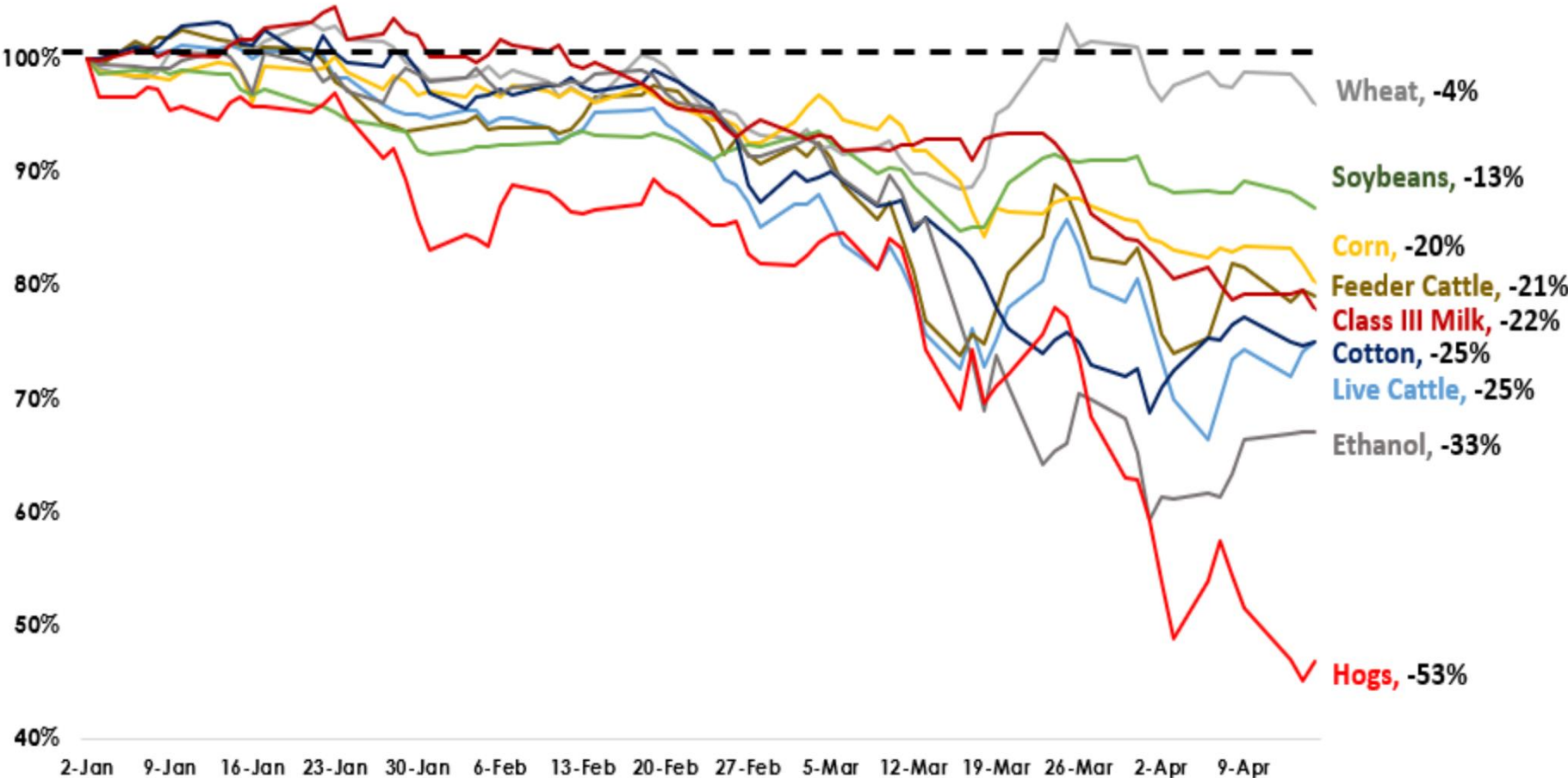
Nebraska Land Values (% Changes)



Source: USDA, Economic Research Service



COVID--Futures Price Declines



Nebraska Producer Losses

• Beef Cattle (NCBA)	-\$823 Million
• Pork (NPPA)	-\$124 Million
• Corn/Soybeans	-\$1.2 Billion
• Wheat	<u>+\$4.1 Million</u>
 Total	 -\$2.14 Billion

10% of Total Ag Receipts



Related Industries

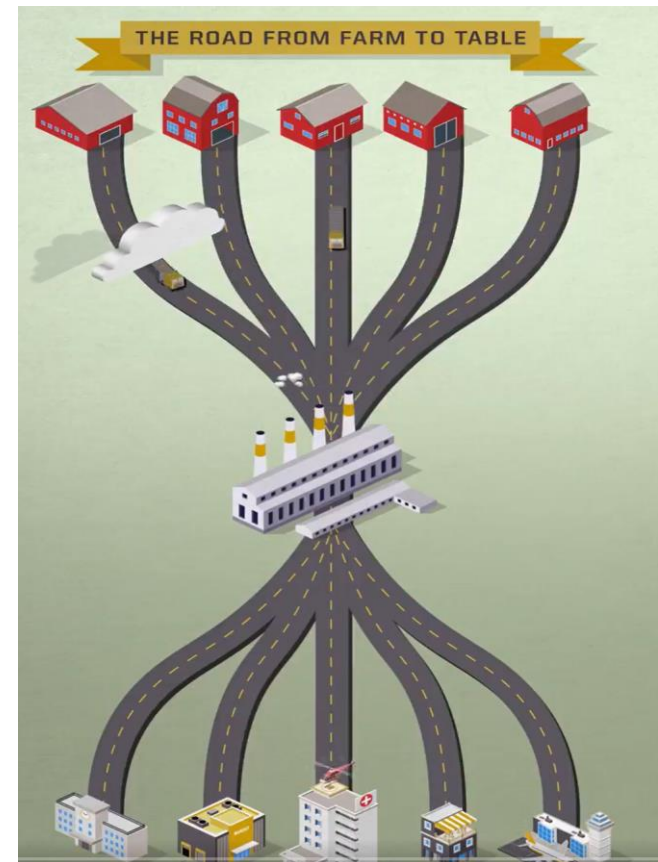
- **Ethanol Facilities**
 - 11 plants shuttered; 2 reduced capacity
 - Overall operating at 41% capacity
 - \$2.9 billion loss in ethanol/ddg sales?

- **Animal Processing**
 - Labor/workforce health
 - Shutdowns/reduced capacity
 - 60-70% compared to last year



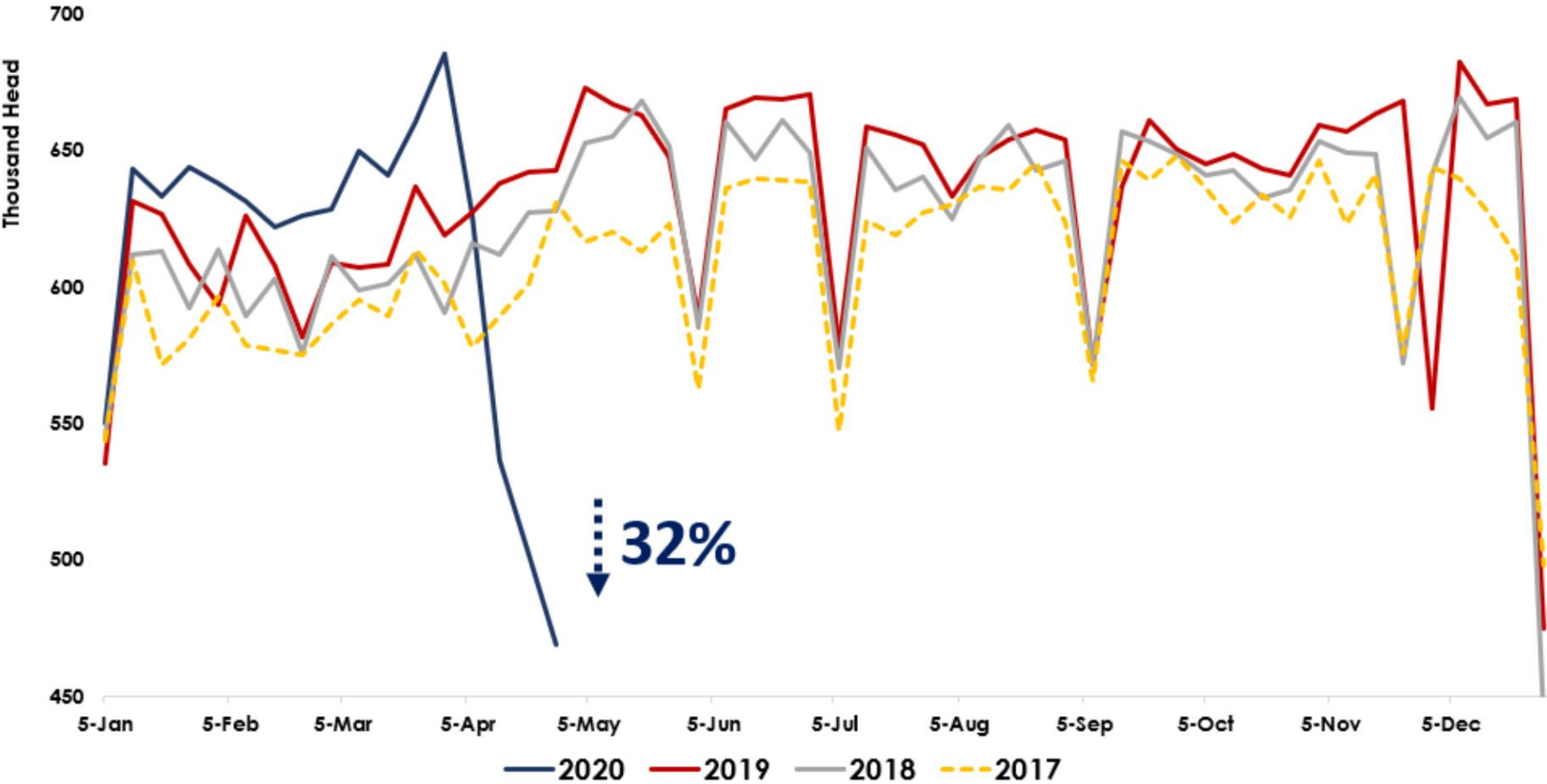
Animal Processing

- Large cattle/hog numbers entering year
- Just-in-time system
 - Plants operating above capacity pre-COVID
- Shocks to both supply/demand
 - Shutdown of restaurant/hospitality sectors
 - Grocery/retail sales double
 - Different Supply Chains
- Disruption of slaughter creates bottleneck



Source: Purdue University

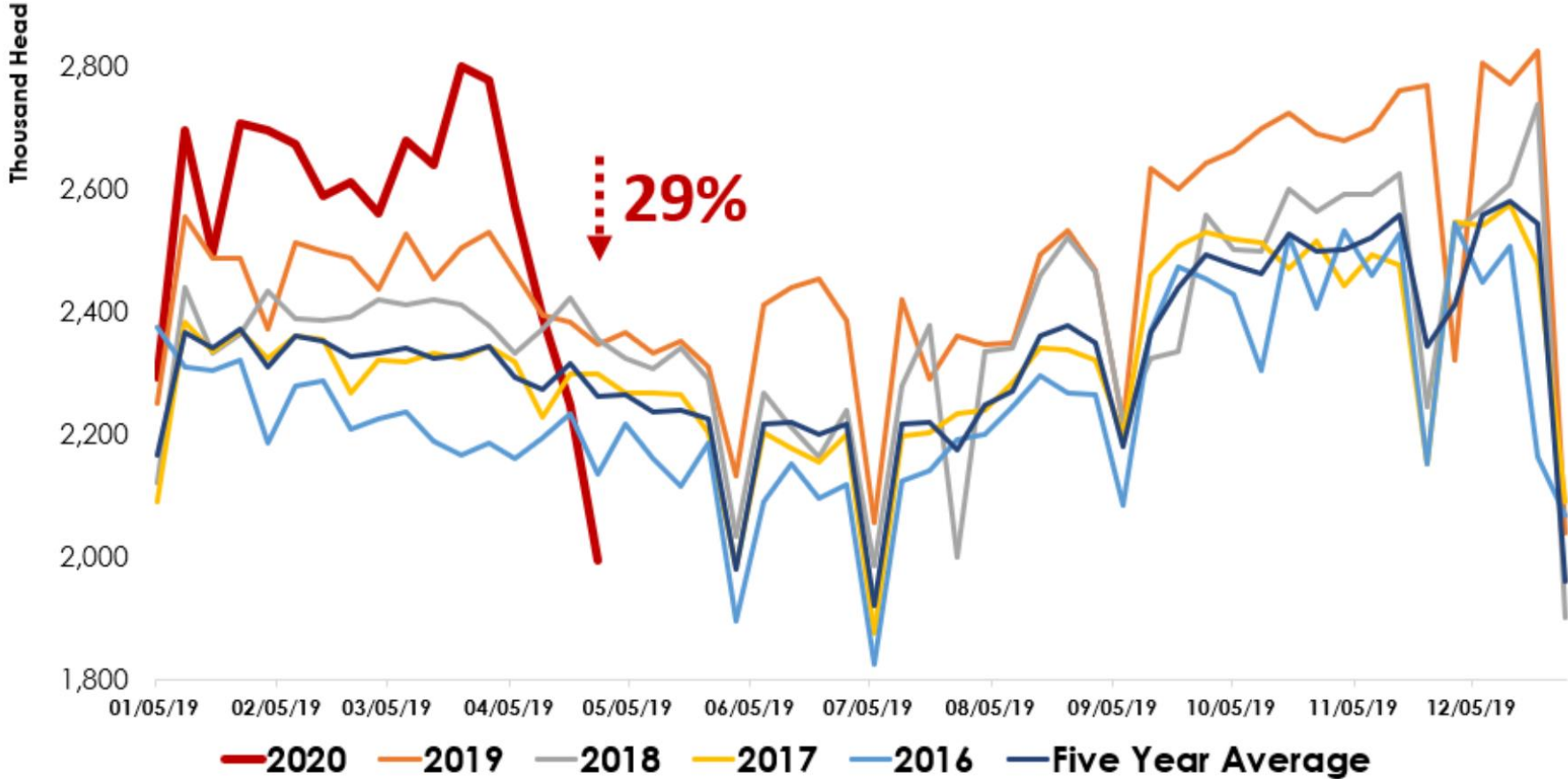
Cattle Slaughter Rates



Source: AFBF, USDA AMS, LMIC



Hog Slaughter Rates



Source: AFBF, USDA AMS, LMIC



Remainder of 2020?

- COVID disruptions?
- US Economy
 - Restaurant/Hospitality sector
- International Trade
 - Phase 1-China (soybeans; pork)
 - Asia-Protein Demand (beef; pork)
- Financial Assistance
 - CARES & Farm Programs





QUESTIONS?