



Iowa Farm Bureau's Margin Management Webinar Series presents:

Working Together: Farmer and Lender

Wednesday, March 8, 2017

1:00 pm

Sponsored by:



Speakers:

Ed Kordick,

IFBF Commodity Services Manager

Kim Greenland,

Senior Vice President, City State Bank & Mount Ayr Branch Manager

Robert Hartwig,

Legal Counsel & Ag Committee Staff Liaison, Iowa Bankers Association

Farmers facing challenging times

Forecast Has Farm Income Down Again

POSTED 3:46 AM, FEBRUARY 10, 2017, BY STAFF WRITER, UPDATED AT 04:14AM, FEBRUARY 10, 2017

US farm income seen falling for fourth straight year

Outlook ominous for farm economy

THE NEXT FARM
BUST IS COMING

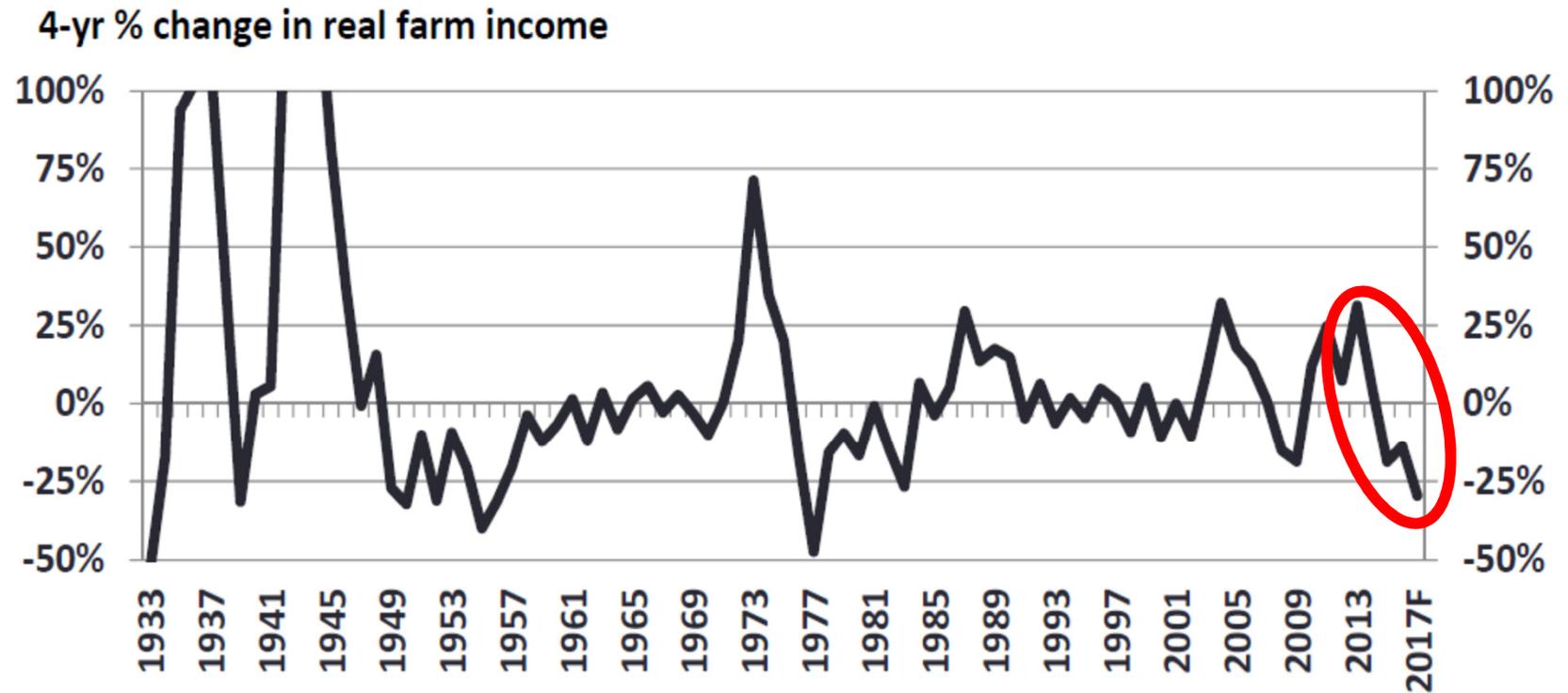
International competition, strong dollar drives
Americans out of business; overflowing bunkers

USDA Ag Outlook Forum:

“Farm income has fallen dramatically since 2013, falling almost 30 percent in real terms. That is the largest 4-year drop in farm income in 40 years, when real farm income fell more than 45 percent between 1973 and 1977.

Farm income falling

Real farm income down almost 30% since 2013

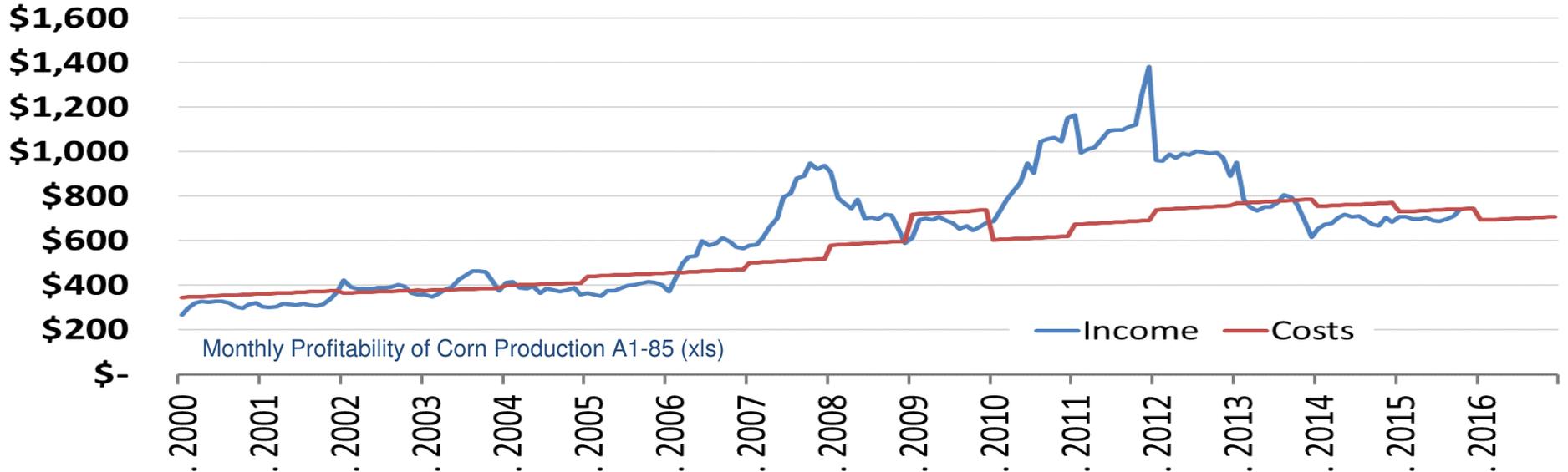


Data: USDA-ERS.

Crop Margins: Déjà vu of the early 2000s?

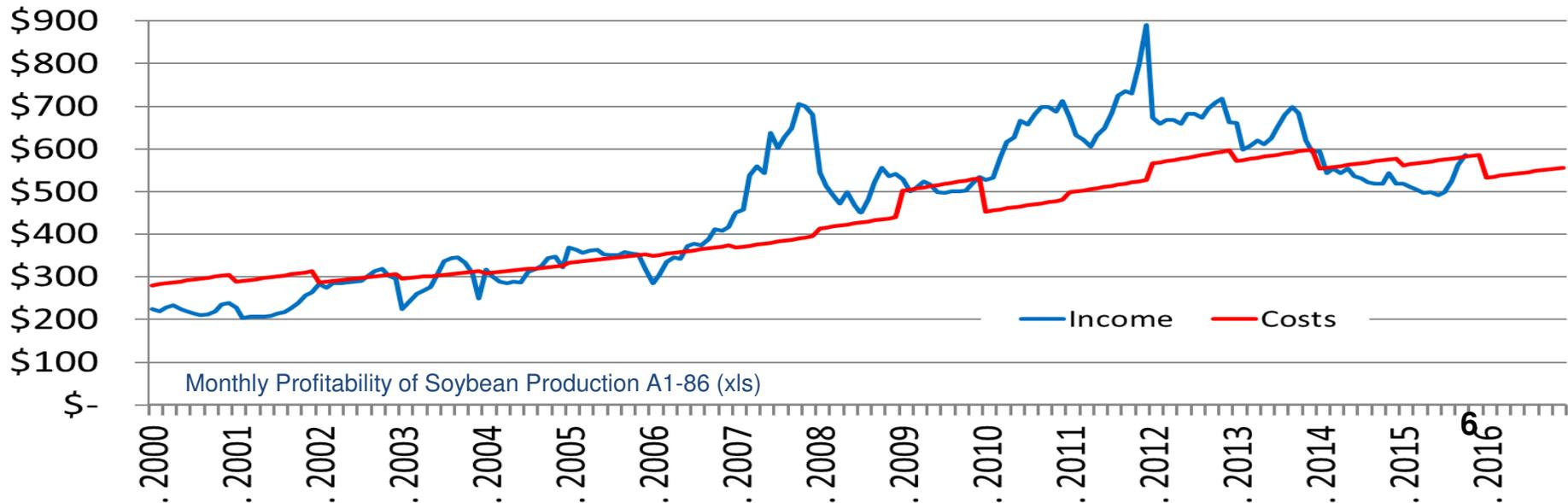
Corn Income and Costs per Acre, Iowa

Cash Rent



Soybean Income and Costs per Acre, Iowa

Cash Rent



The need for communication & planning !

Prices expected to edge up into 2017/18

Crop	2012	2013	2014	2015	2016	2017F	%Δ
Wheat (\$/bu)	7.77	6.87	5.99	4.89	3.85	4.30	11.7
Corn (\$/bu)	6.89	4.46	3.70	3.61	3.40	3.50	2.9
Soybeans (\$/bu)	14.40	13.00	10.10	8.95	9.50	9.60	1.1

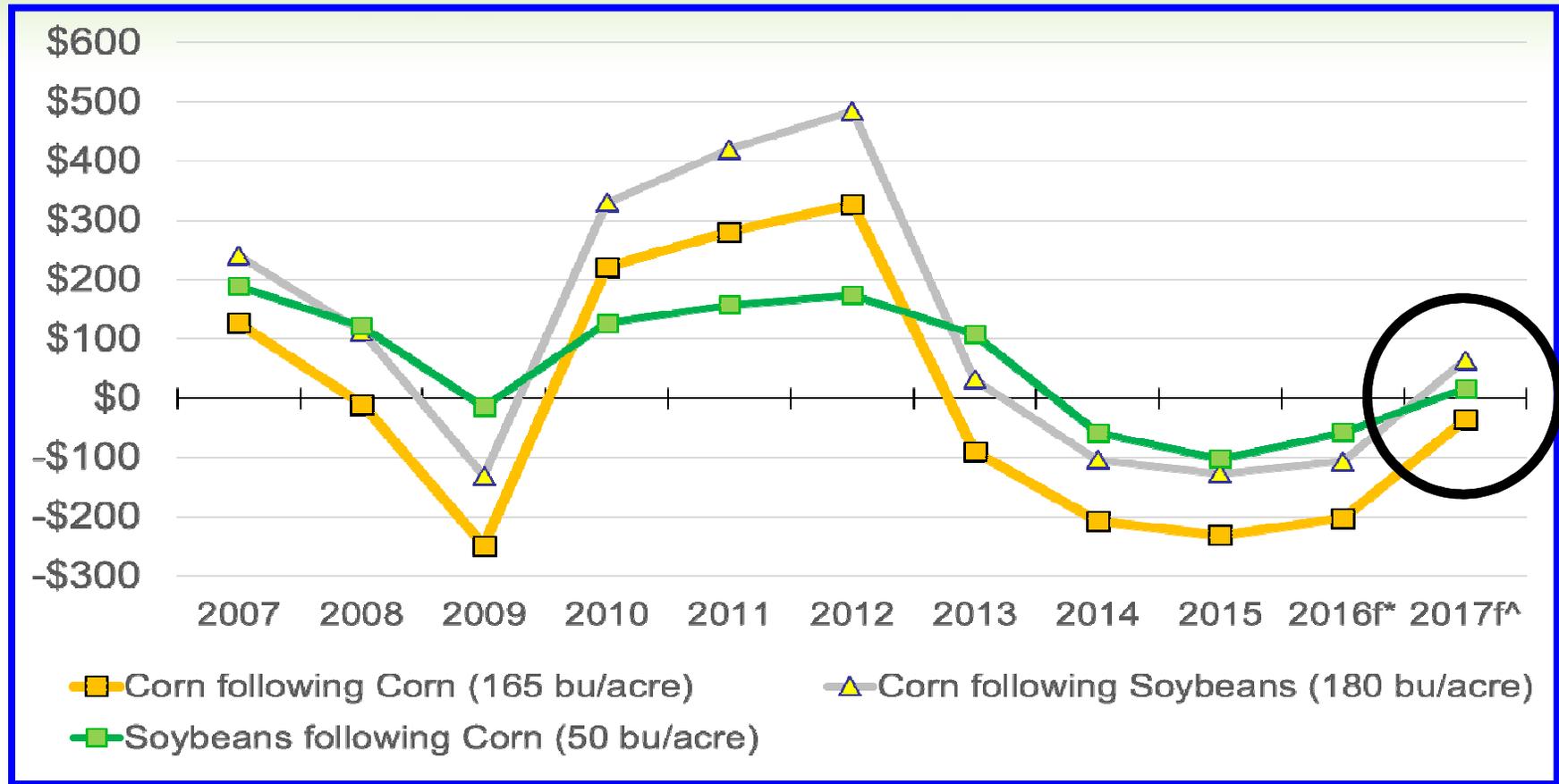
Cattle and hog prices to come down in 2016 and 2017, but broilers and dairy turn up in 2017

Item	2012	2013	2014	2015	2016	2017F	%Δ
	Dollars per cwt						
Steers	122.86	125.89	154.56	148.12	120.86	112.00	-7.3
Hogs	60.88	64.05	76.03	50.23	46.16	43.50	-5.8
Broilers	86.6	99.7	104.9	90.5	84.3	84.8	0.5
Milk	18.52	20.05	23.97	17.12	16.24	18.05	11.1

Prices in red denote record levels.

Source: USDA-OCE.

Iowa Gross Crop Margins per Acre (Price - Cost)



*USDA/WASDE Forecast (mid-point national cash price). Jan 12, 2017.

^Calculation by Dr. Chad Hart based on Futures Prices (CME Group) on Jan 12, 2017.

Source: AgDM File A1-20 & CME Group, Plastina & Hart, January 12, 2017

