

farmdocDAILY LIVE | Coronavirus and Ag
**An Update on Policy and Political Outlook
for Coronavirus Pandemic Relief**



Jonathan Coppess



Brooke Appleton

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Brooke Appleton

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Vice-President of Public Policy at the
National Corn Growers Association
Washington, DC



NATIONAL
CORN GROWERS
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NCGA Update

Brooke Appleton

Vice President, Public Policy



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NCGA Prepared

NCGA and its state affiliates have been long-time champions for building and protecting a safety net for uncontrollable circumstances.

- Agriculture Risk Coverage/Price Loss Coverage
- Crop Insurance
- Access to Capital
- Market development



IFAR Analysis

As of Mid-April, cash corn prices have declined by 16 percent on average, with several regions experiencing declines of over 20 percent.

Forecasting prices through the rest of the 2019 crop marketing year shows a \$50/acre revenue decline for corn.

PLC payments for corn at the same projected prices would be only \$17/acre, keeping in mind that those payments are only on base acres.

These impacts are estimates for the 2019 crop only. These losses could increase as we continue through the rest of the marketing year.

Additionally, these estimates do not capture any losses for the 2020 crop currently being planted.



Federal Resources for Corn Farmers

USDA Aid Package included \$16 billion in direct payments to farmers and ranchers:

- \$9.6 billion for the livestock industry
 - \$5.1 billion for cattle
 - \$2.9 billion for dairy
 - \$1.6 billion for hogs
- \$3.9 billion for row crop producers
- \$2.1 billion for specialty crops producers
- \$500 million for others crops



Federal Resources Continued

SBA provisions that farmers, ethanol producers and, in some cases, cooperatives can utilize.

- Paycheck Protection Program provides \$350 billion to support loans.
- Economic Injury Disaster Loans and Emergency Economic Injury Grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits.



Next Steps for Congress

Supplemental package passed this week provided:

- An additional \$321 billion appropriated for the Paycheck Protection Program.
- An additional \$60 billion for the Economic Injury Disaster Loan (EIDL) program and provides clarity that agricultural businesses with fewer than 500 employees are eligible for EIDL funds.
- \$75 billion for hospitals and healthcare providers.
- \$25 billion for COVID-19 testing purposes.



Congress Continued

House and Senate currently scheduled to be back in session on May 4th.

Deliberation on a 4th aid package continues.

How will more money be appropriated to USDA?





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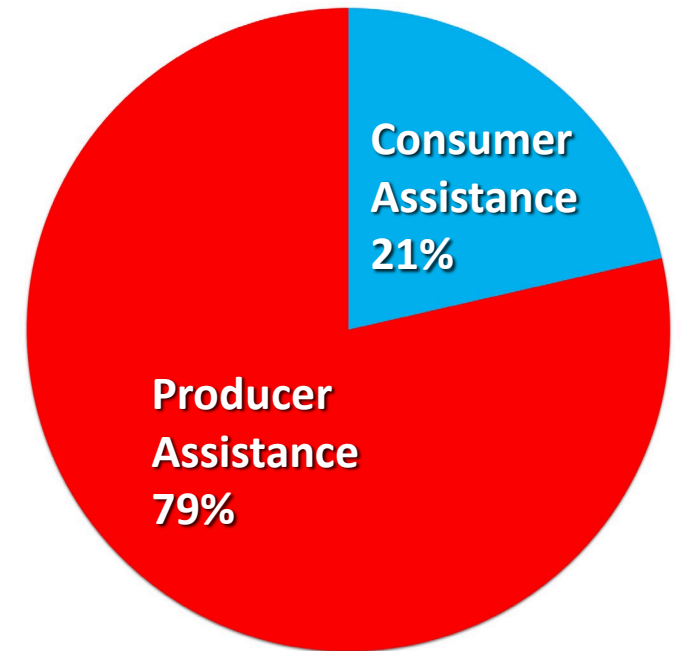
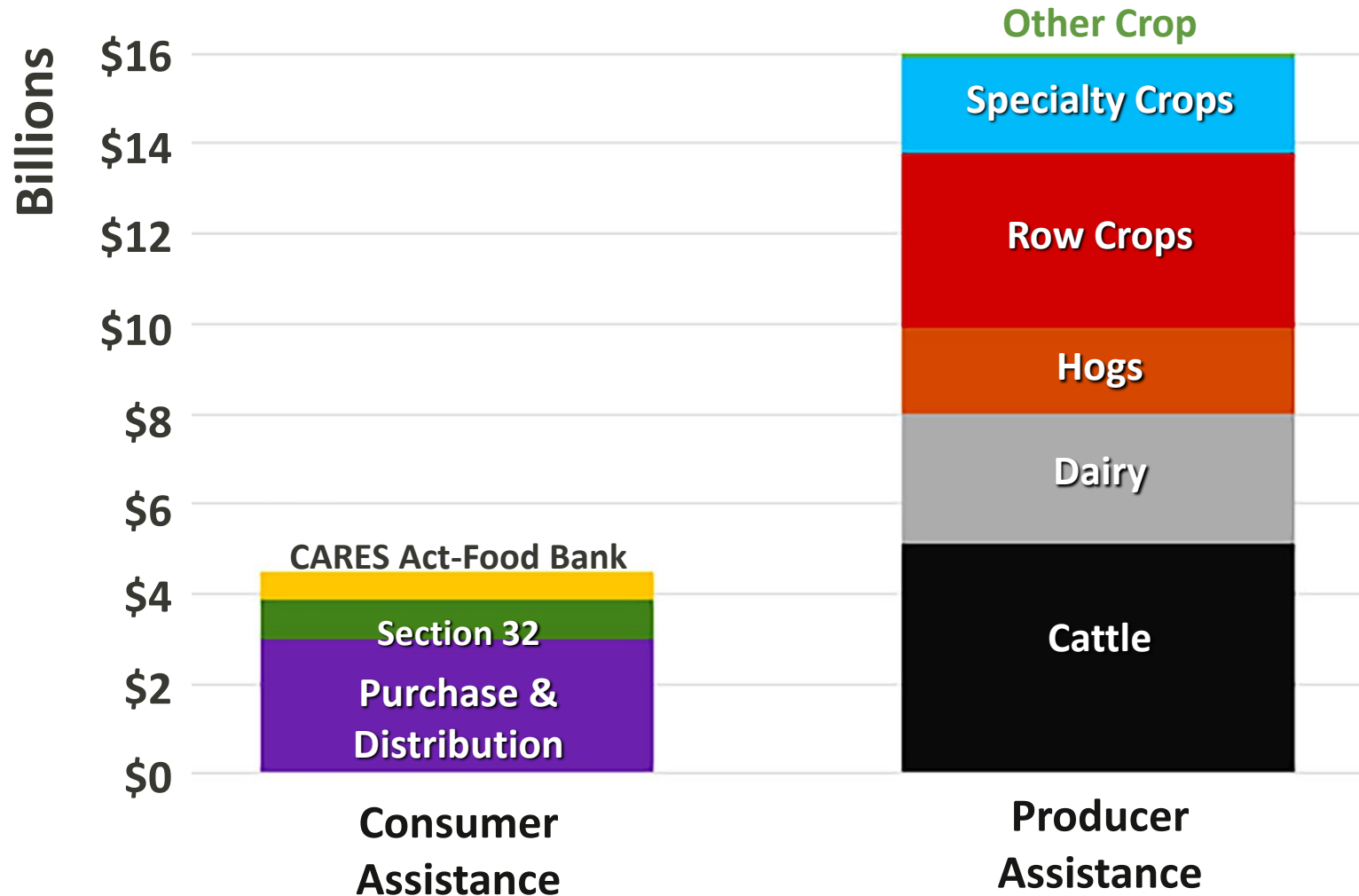
Director, Gardner Agriculture Policy Program

Director, Bock Ag Law/Policy Program

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USDA's Coronavirus Food Assistance Program

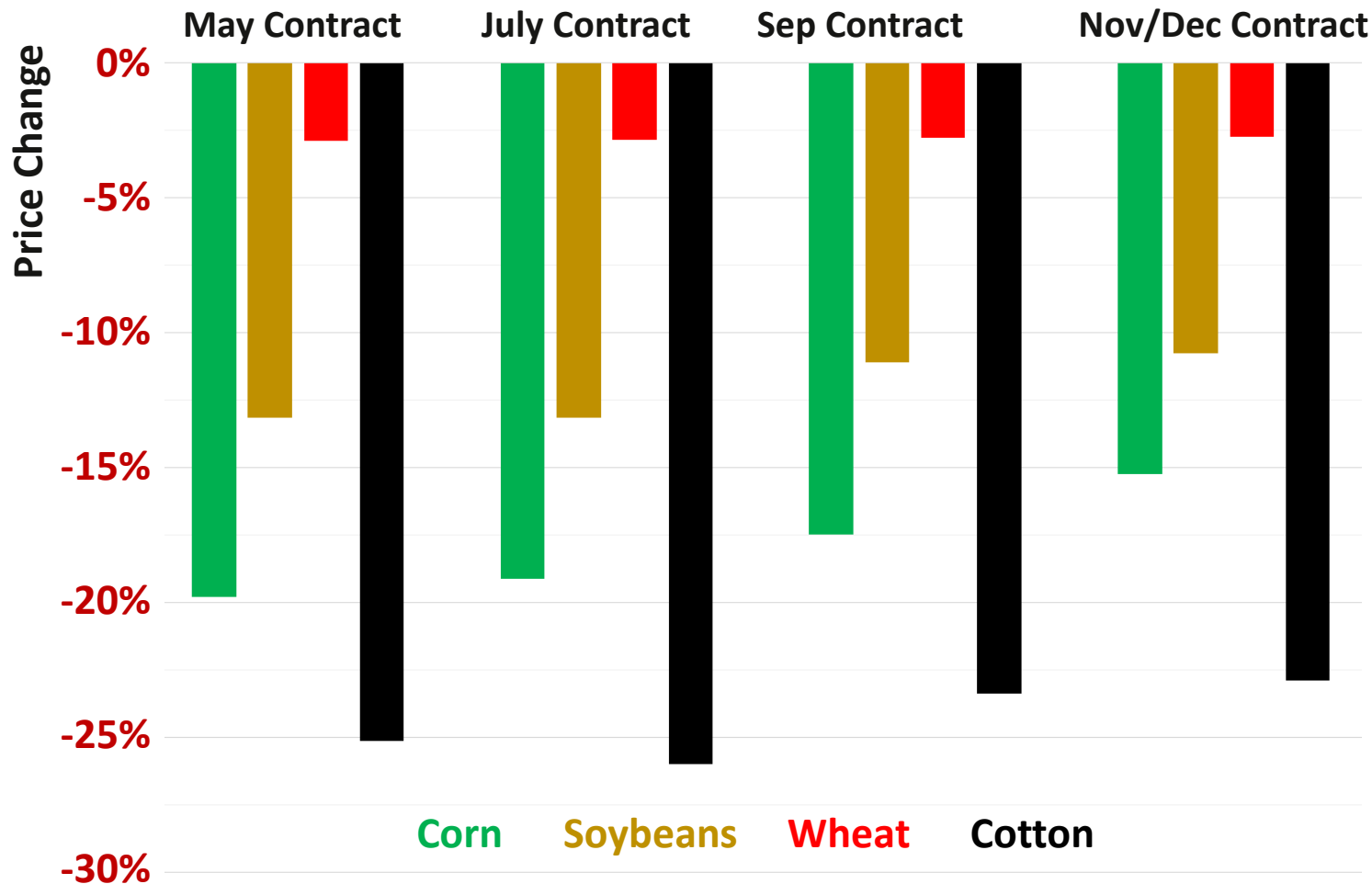
Reported and Announced Allocation for Assistance



USDA Overall Apportionment of Assistance

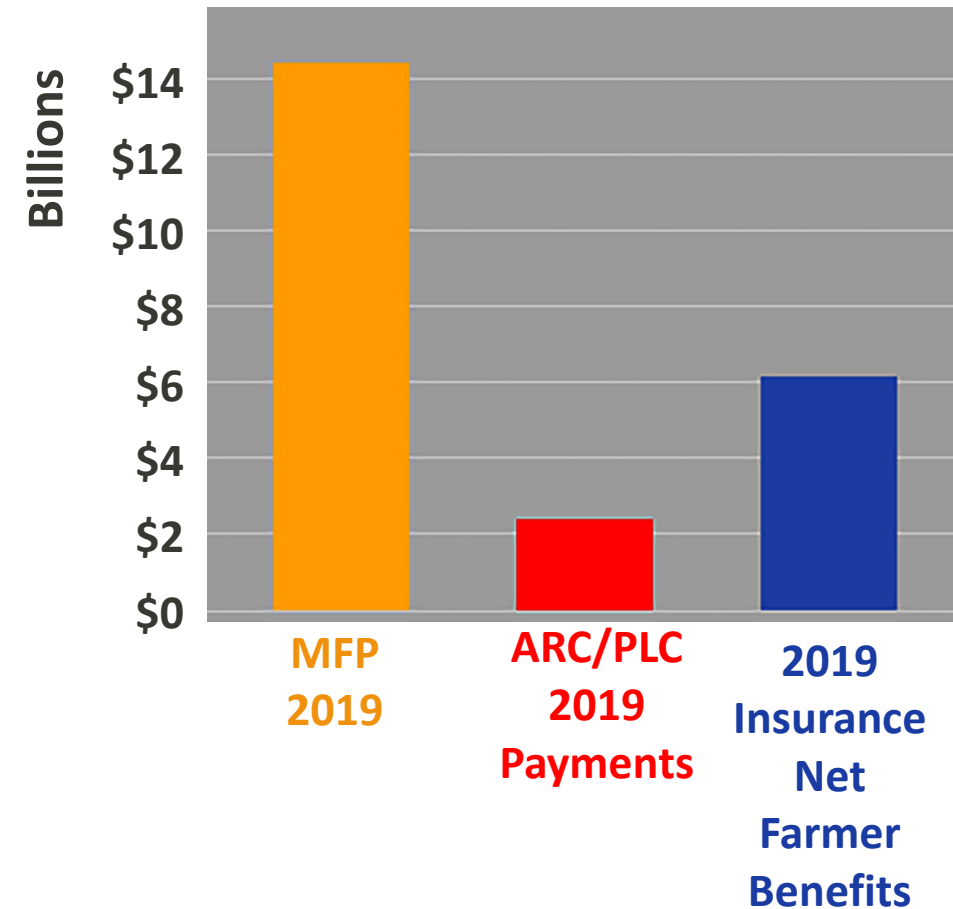
Reviewing Futures Price Changes & 2019 Assistance

Futures Price Changes, January 2 to April 15, 2020



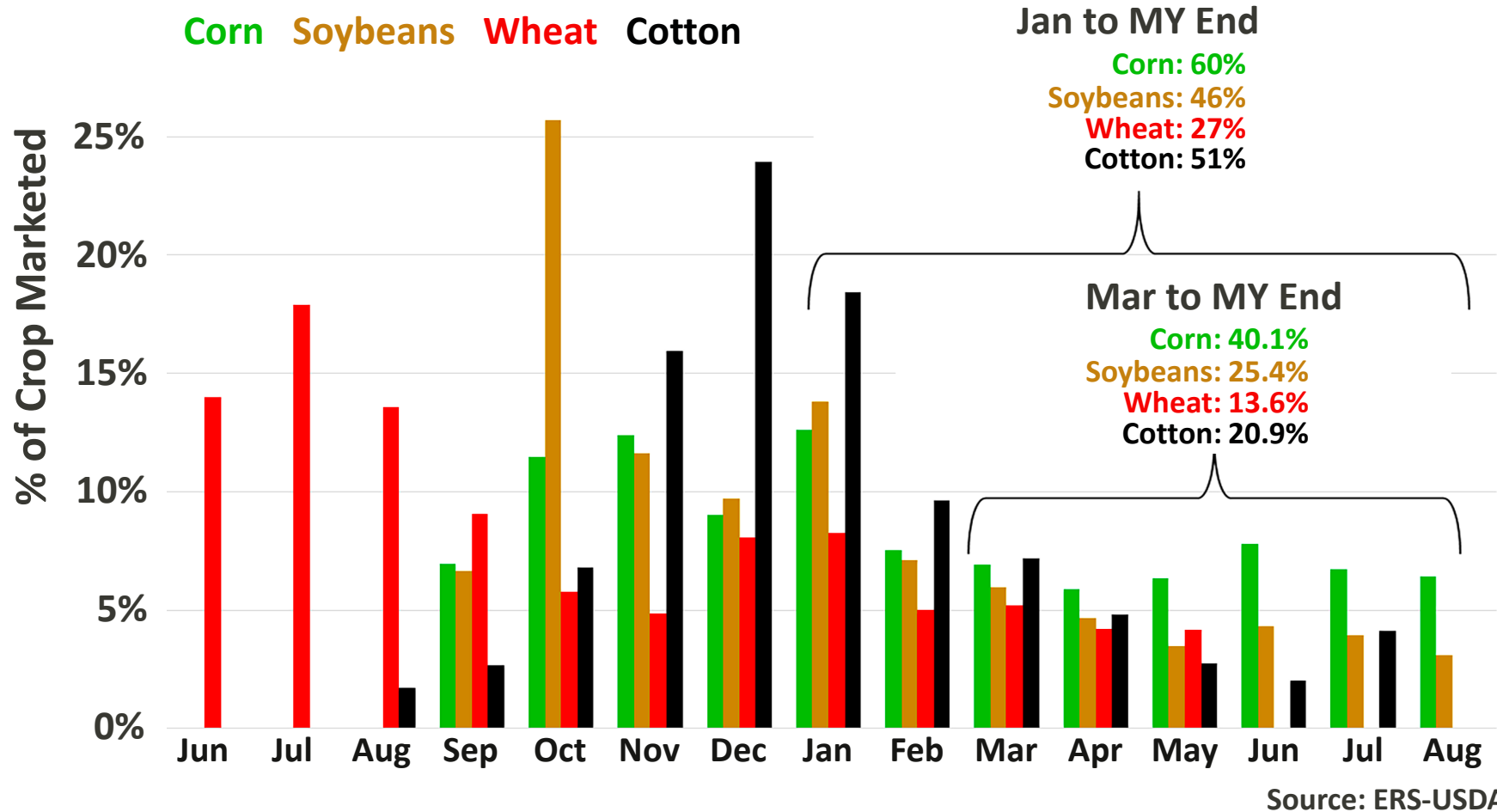
Source: CME Group

Assistance to Farmers in 2019



Speculation: Potential Row Crop Payments

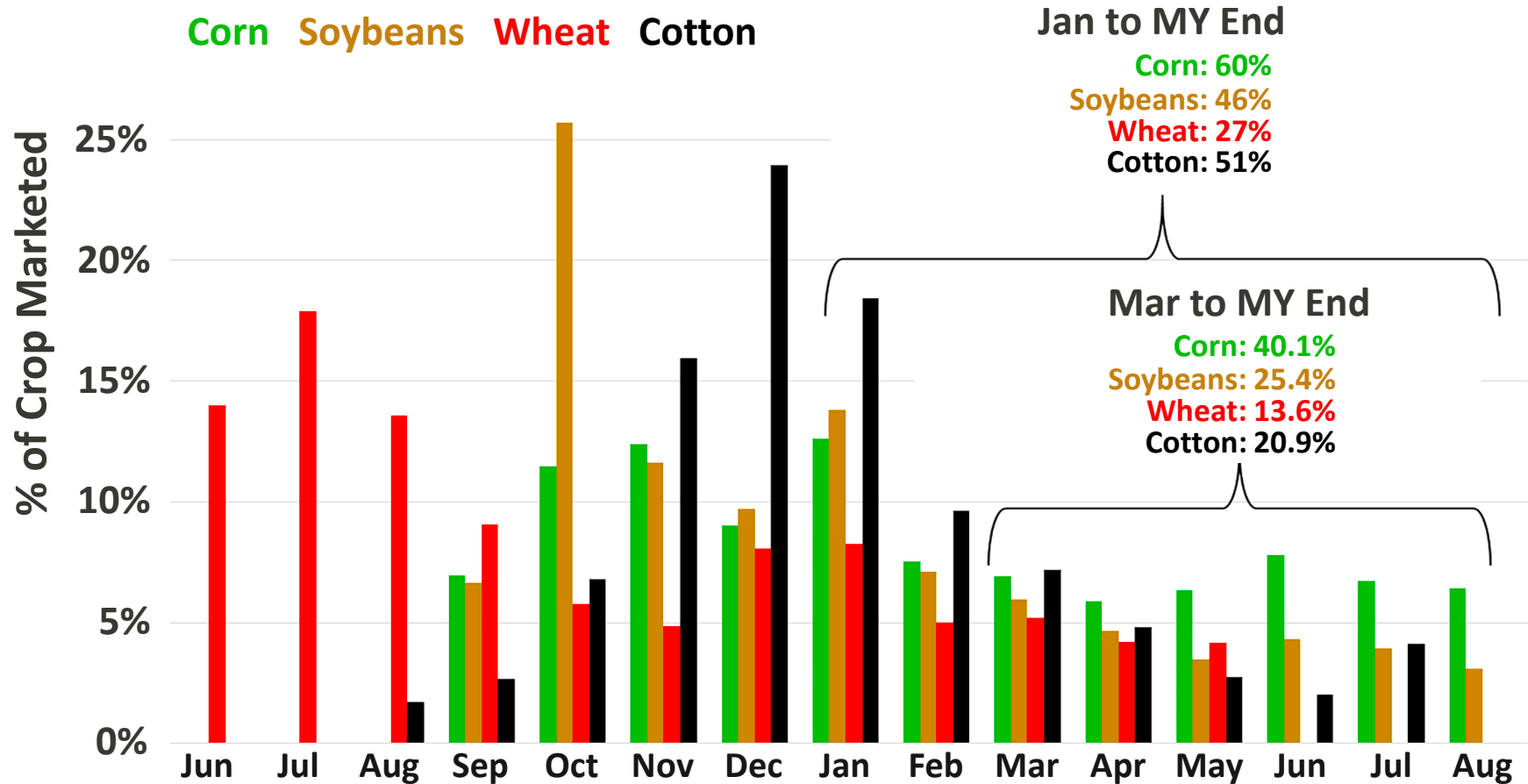
Rolling Average Monthly Marketing Weights



From futures:
 Implied losses might be
\$6 billion for corn,
 nearly
\$2 billion for soybeans
 and
\$750 million for cotton.

Speculation: Potential Row Crop Payments

Rolling Average Monthly Marketing Weights



Source: ERS-USDA

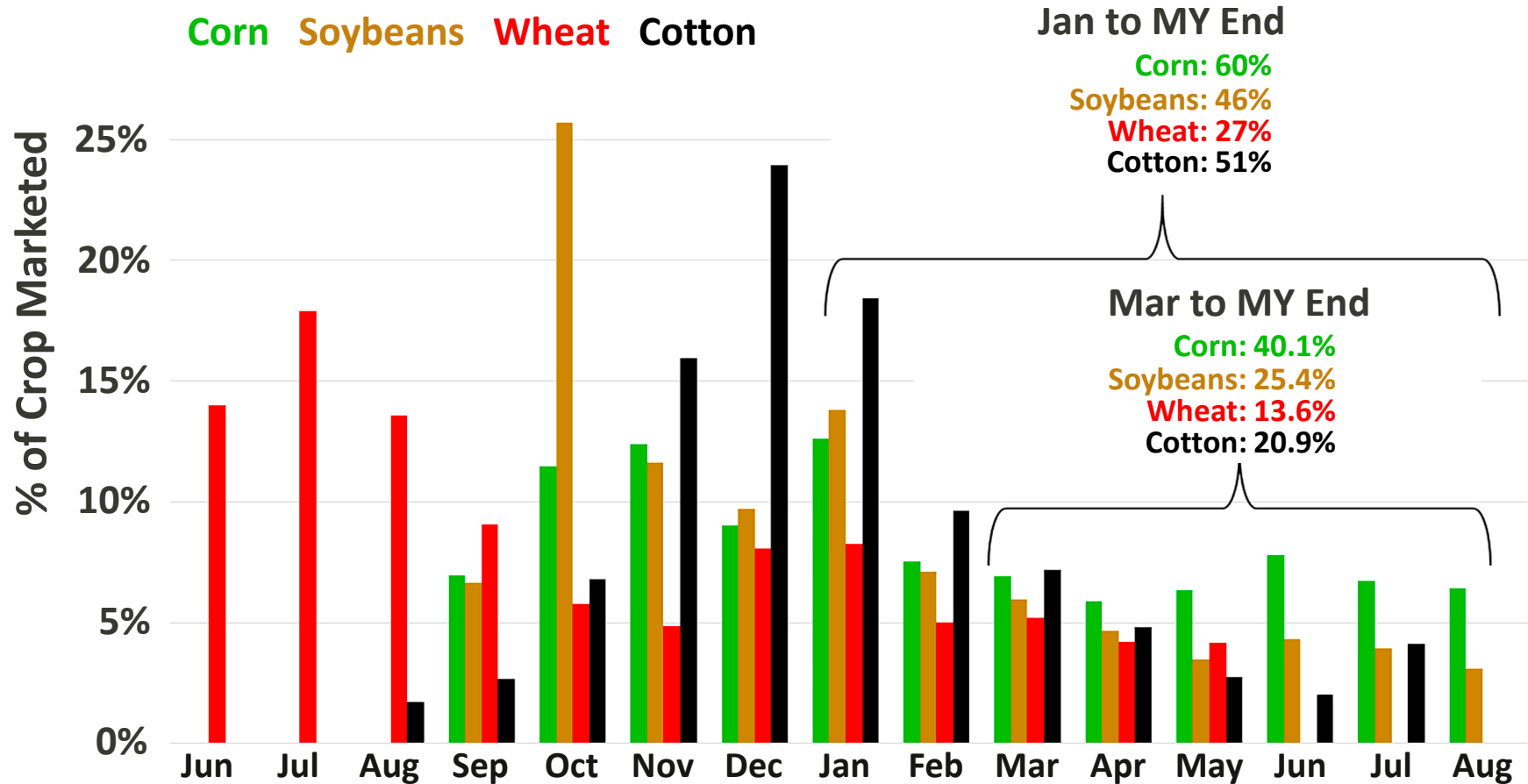
Scenario 1:

85% price loss of portion typically marketed Feb.-Apr.; 30% of price loss of portion typically marketed May-end of marketing year.

Payments of
\$2.6 billion for corn;
\$825 million for soybeans;
\$320 million for cotton;
 \$155 million for others.

Speculation: Potential Row Crop Payments

Rolling Average Monthly Marketing Weights



Source: ERS-USDA

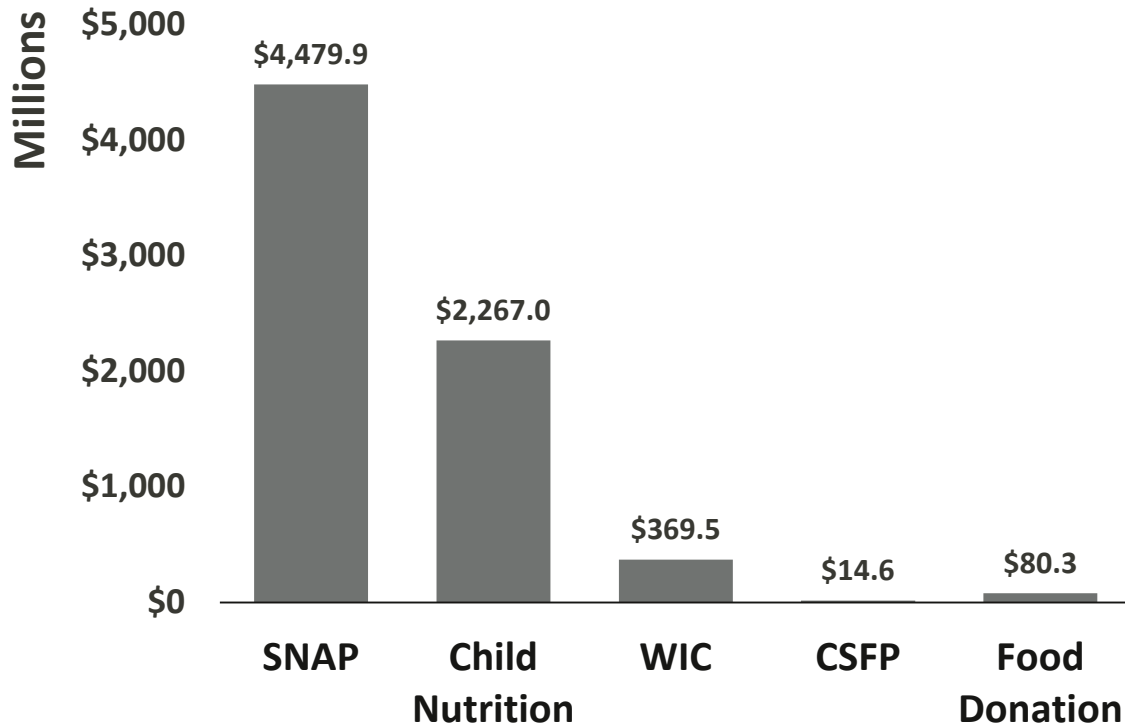
Scenario 2:

85% price loss marketed Mar.-Apr.; remainder of marketing year at 30% price loss.

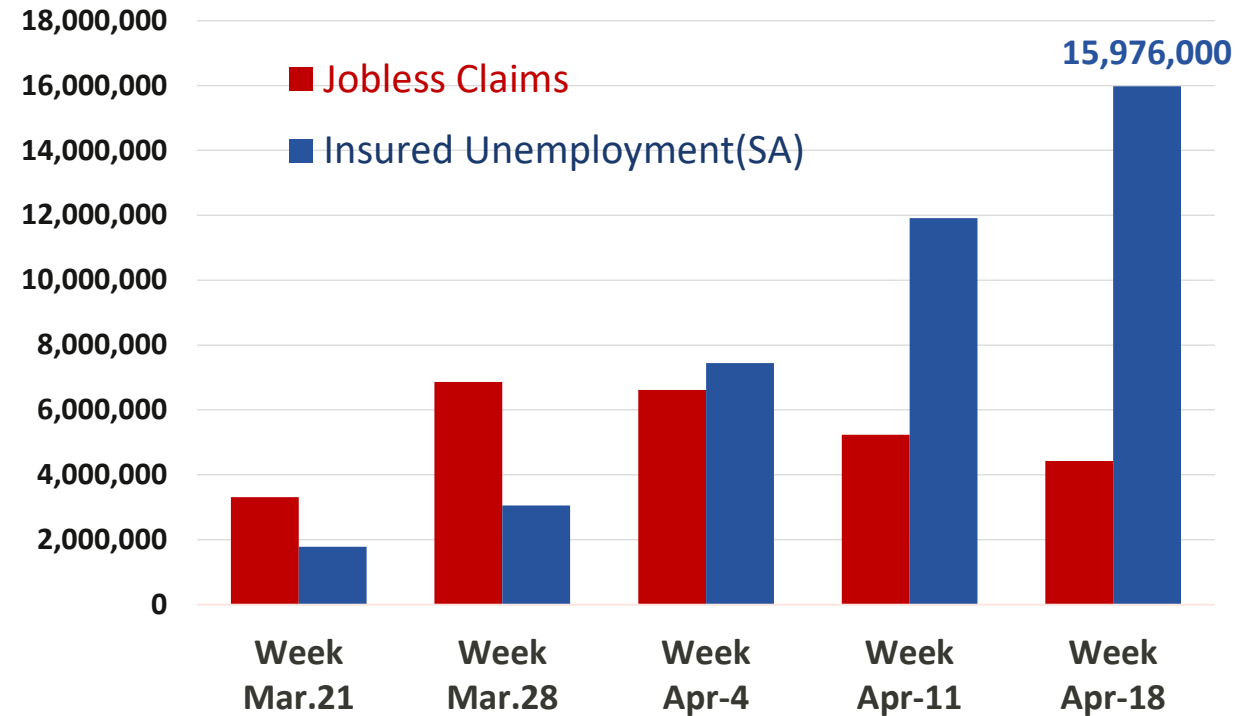
Payments might be reduced to **\$2.3 billion for corn**; **\$650 million for soybeans**; **\$220 million for cotton**; **\$700 million for others**.

A Question of Priorities

FNS Program Cost, January 2020



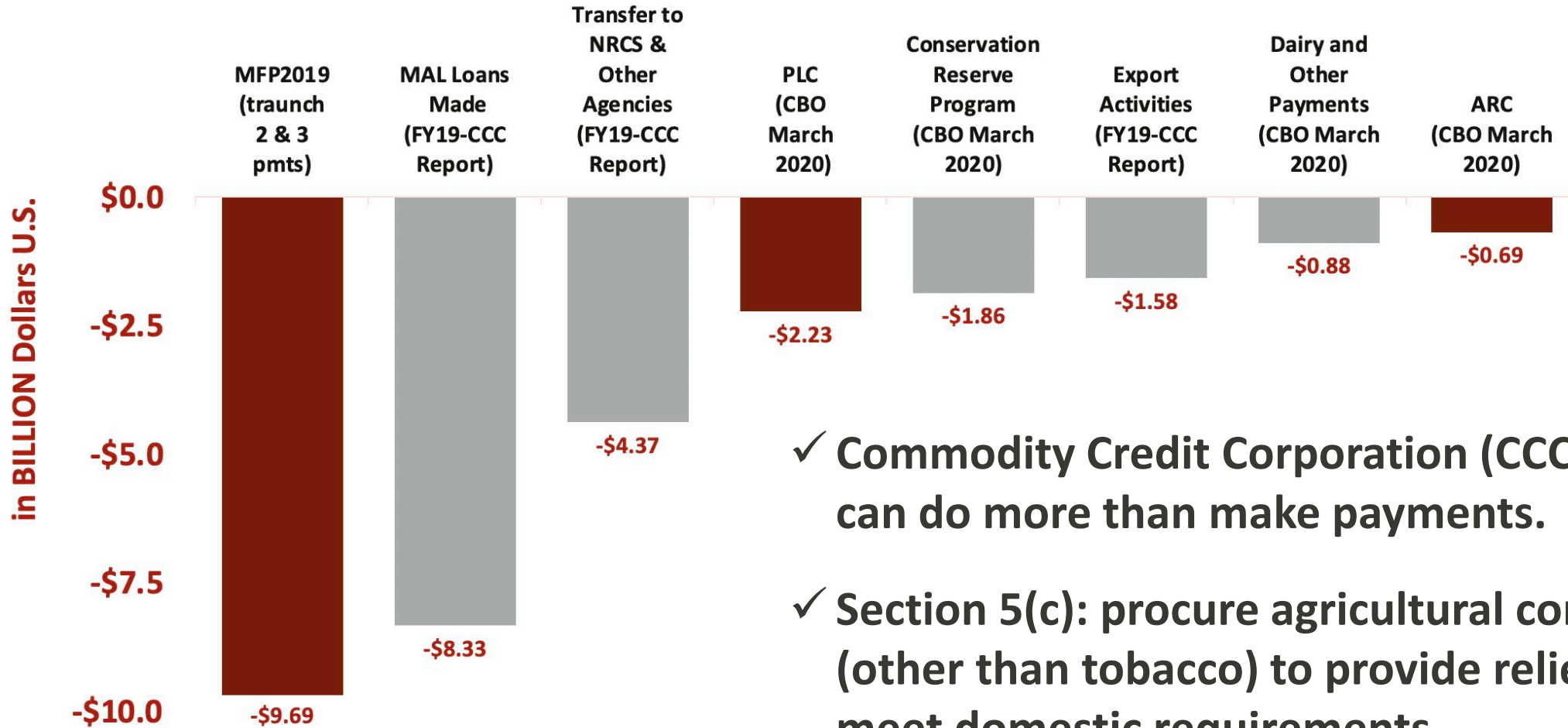
Jobless Claims and Insured Unemployed Seasonally-Adjusted (Dept. of Labor)



- ✓ 26 million Americans filed jobless claims in the last 5 weeks.
- ✓ Number on unemployment insurance approached 16 million by April 18th

A Time for Creative Efforts

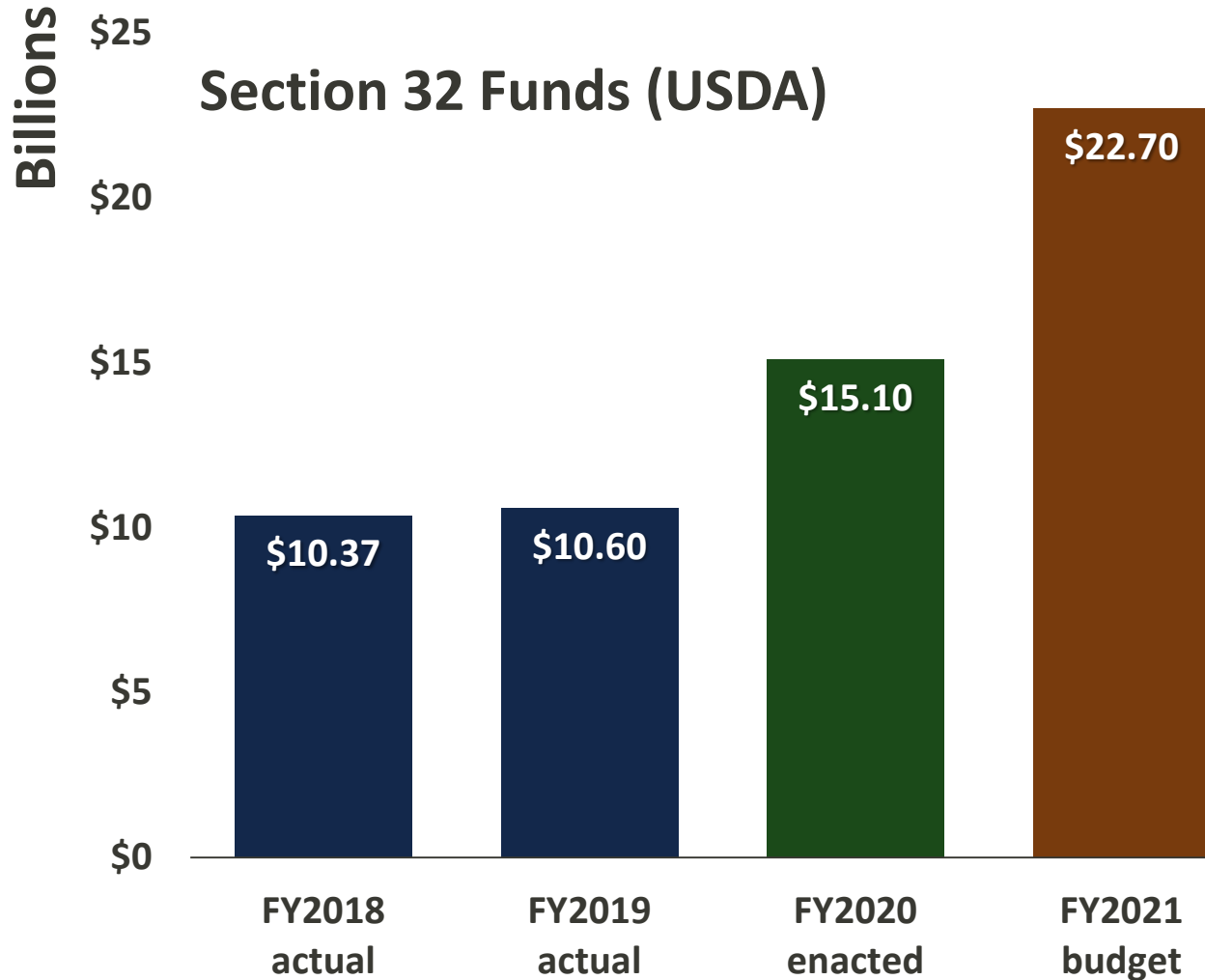
Estimated Expected CCC Expenditures FY2020 (CBO and CCC)



- ✓ Commodity Credit Corporation (CCC) can do more than make payments.
- ✓ Section 5(c): procure agricultural commodities (other than tobacco) to provide relief and meet domestic requirements.

A Time for Creative Efforts

Section 32 (1935): permanent appropriation; 30% of custom receipts; purchase & donate commodities



Consider:

- ✓ More than 13k public school districts in the U.S.; **100k schools**
- ✓ National School Lunch Program typically serves lunches to almost **30 million students each day.**

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Upcoming Webinars

Nick Paulson and Joe Glauber on Ag Trade

11:00 to 11:45am CT, Tuesday April 28th

U.S. agricultural trade policy, China's push to reconfigure international supply chain lines, the entrance of Brazil and Ukraine into the commodity export markets, and the coronavirus pandemic have all disrupted the once relatively stable U.S. corn and soybean export markets. University of Illinois Agricultural Economist Nick Paulson and IFPRI's Joe Glauber will explore the policies and fundamentals behind the changes and probe the future impact.

Impact of the Coronavirus Pandemic on Livestock Markets

11:00 to 11:45am CT, Friday May 1st

The impact of the coronavirus pandemic on livestock markets continues to unfold and place substantial stress on livestock producers. Lee Schulz of Iowa State University joins Todd Hubbs to discuss the impacts and outlook for markets.

Thank You for joining us!

Please submit your questions



The screenshot shows the farmdoc website interface. At the top, there's a navigation bar with 'ILLINOIS', 'EXTENSION', 'farmdocDAILY', and 'Farm Policy News'. Below that, the 'farmdoc DECISION OUTREACH CENTRAL' logo is on the left, and navigation links for 'Market Prices', 'Sections', 'Tools', 'Publications', 'Events', 'Sponsors/Donate', and 'About Us' are on the right. The main content area is titled 'Coronavirus and Ag'. It features a paragraph about the team's updates and a 'Submit Questions' button. Below this is a section for 'farmdoc daily live: Coronavirus and Ag' with a 'View All' link and a 'Register For Series' link. The page displays a grid of 12 webinar recordings, each with a title, date, and 'Watch Video'/'Download Slides' buttons. The recordings cover topics like 'Setting the Stage', 'Lessons from Infectious Disease and Livestock', 'Financial Perspectives on Agriculture and Coronavirus', 'Global Transportation and Cash Flow Considerations', 'Outlook and Farm Policy Moving Forward', 'Acreage Decisions 2020', 'Impacts of Covid-19 on Agricultural Assets and Lending Markets', 'Scott Irwin and Jeff Bunting on Crop Supply Logistics this Spring', 'Rural Economy Stimulus: CARES and PPP Funding', 'Getting the 2020 Crop Planted', 'The Impact of the Coronavirus Pandemic on Food Prices and Retail Food Sector', and 'An Update on Policy and Political Outlook for Coronavirus Pandemic Relief'.

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