

What's the Future?

Attempting an Outlook of the Policy Landscape

Coronavirus and Agriculture: Looking Ahead to 2021



Jonathan Coppess



Nick Paulson

Dates, deadlines and other Matters

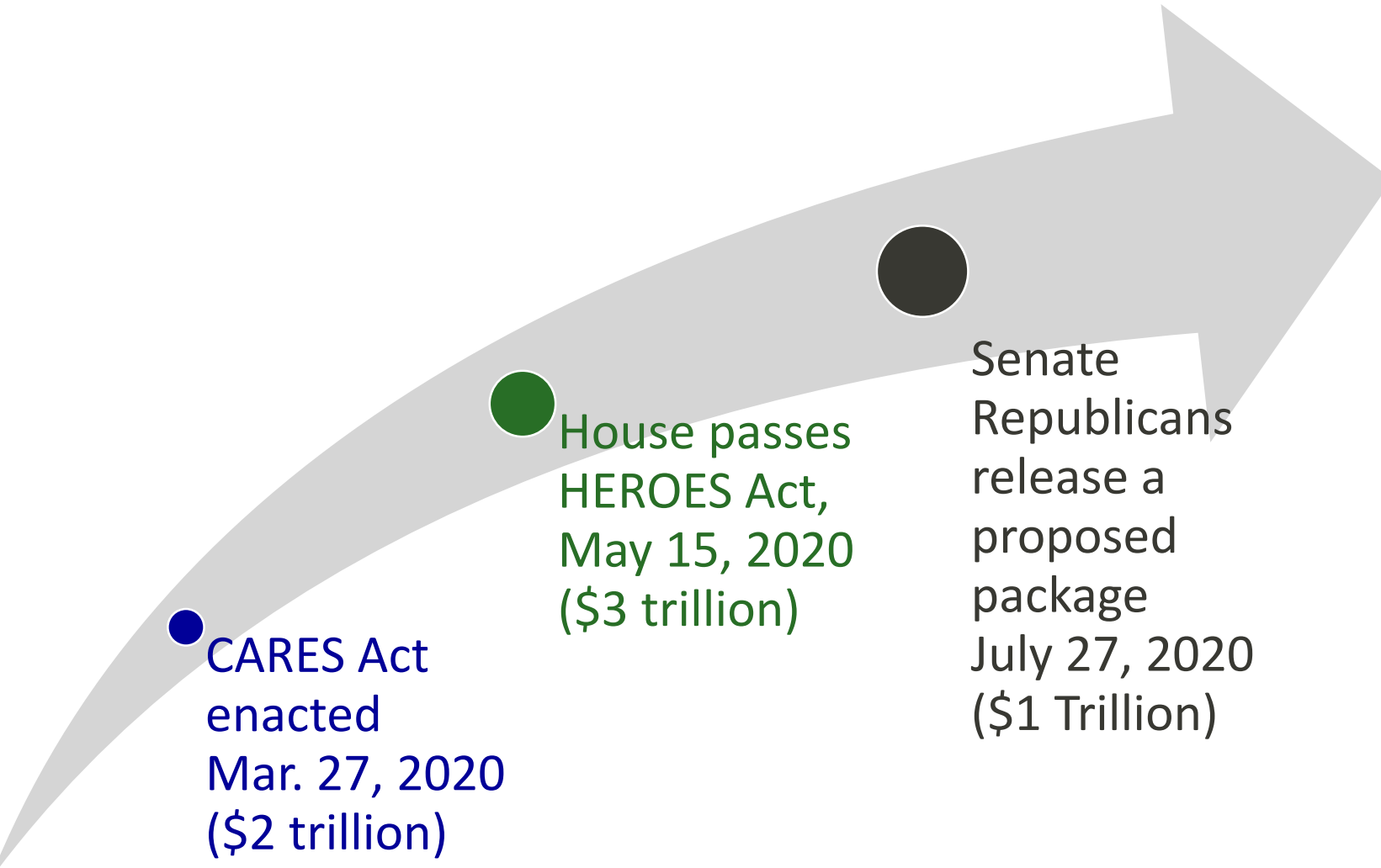
CFAP deadline coming up: September 11, 2020
(was Aug. 28)

WHIP-plus signup

ARC/PLC

- Prices: 2019 MY ends Aug 31st
- Waiting on FSA Yields
- Payments after Oct 1 for 2019 crop year

Where We Are



**Negotiations
have broken down**

**Senate is in recess;
House returns this
week (U.S. Postal
Service)**

Current State: Sticking Points for a Deal in Congress

Republicans (Senate & Administration)

- ✓ \$1 Trillion
- ✓ \$200 in supplemental unemployment insurance
- ✓ Liability shields for employers
- ✓ School funding tied to re-opening

Democrats (House)

- ✓ \$3 Trillion
- ✓ \$600 in supplemental unemployment insurance
- ✓ \$1 Trillion in assistance to States and local governments
- ✓ Funding U.S. Postal Service and election issues
- ✓ Increased SNAP

Reviewing Coronavirus Food Assistance Program (CFAP)



CFAP DASHBOARD | Program Payments By Category and Commodity

Filter by State

(All)

Filter by Category

(not applicable to approved applicat...)

(All)

Data as Of 8/17/2020

\$9,021,735,561

Payment Amount*

541,073

Approved Applications

APPROVED APPLICATIONS AND PAYMENTS BY MAP AND LIST

Use the map tools (available upon hover) to search or zoom in. Hover over table headers and click on sorting icon to sort.

PAYMENTS BY CATEGORY

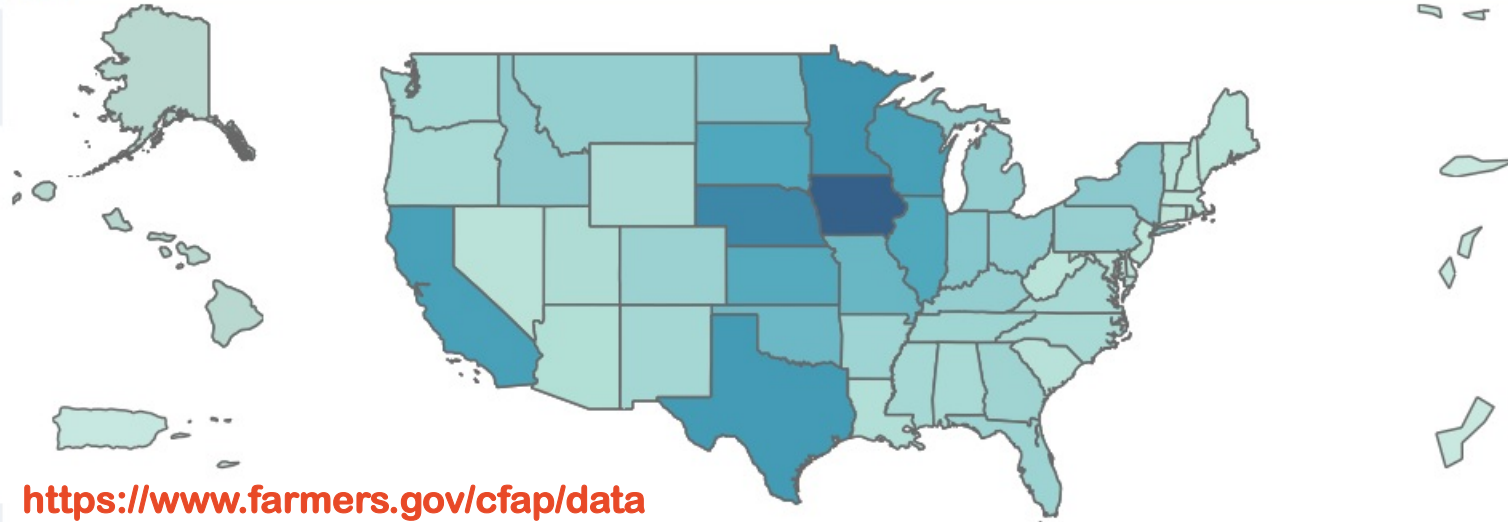
Hover for details.



Category Legend

Click below to show labels.

- Livestock
- Non-Specialty
- Dairy
- Specialty



<https://www.farmers.gov/cfap/data>

PAYMENTS BY COMMODITY

Summarized at National Level. Hover over each bar for details.

Cattle	\$3,927,489,695.40
Milk	\$1,685,458,044.80
Corn	\$1,603,985,364.89
Hogs	\$563,890,310.11
Soybeans	\$457,039,814.67
Cotton-Upland	\$233,074,454.02
Almonds	\$82,143,527.85
Potatoes-Russets-Fresh-RUS	\$46,768,506.85
Sheep	\$42,039,391.96



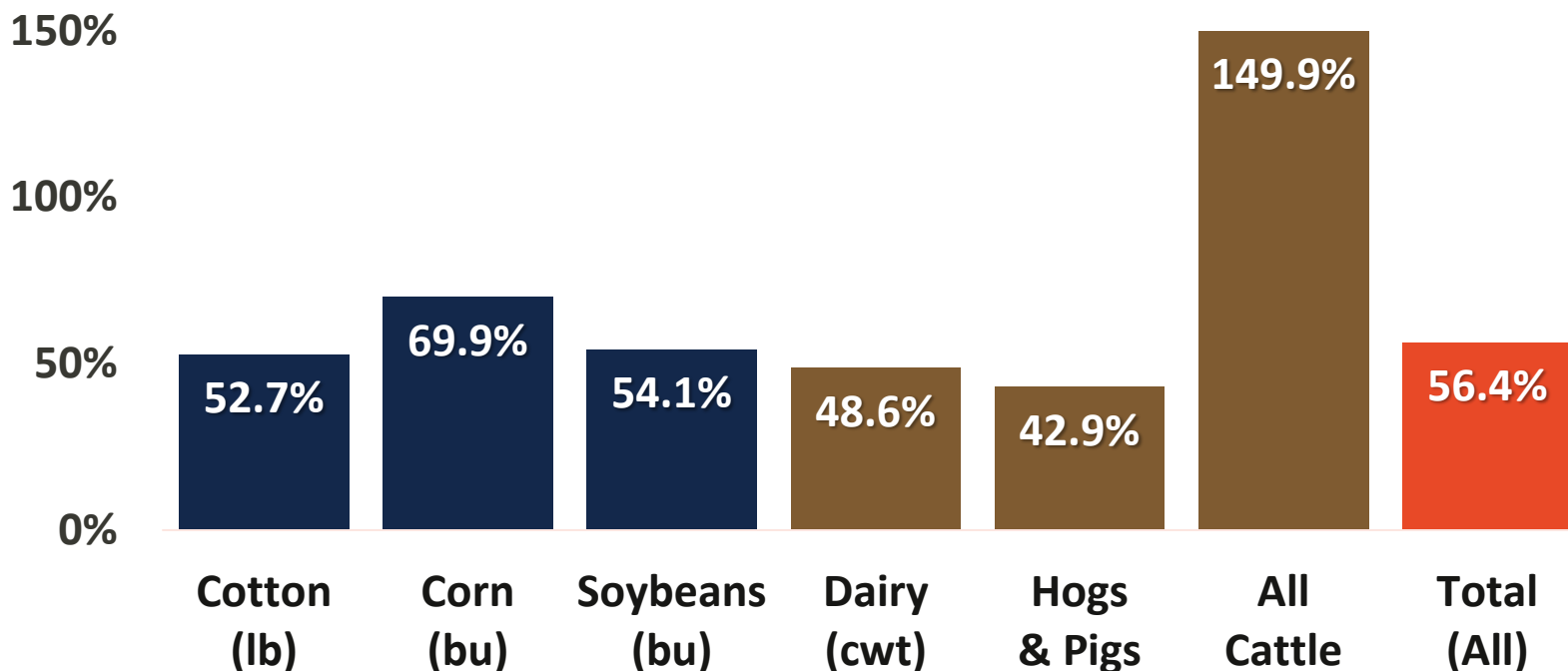
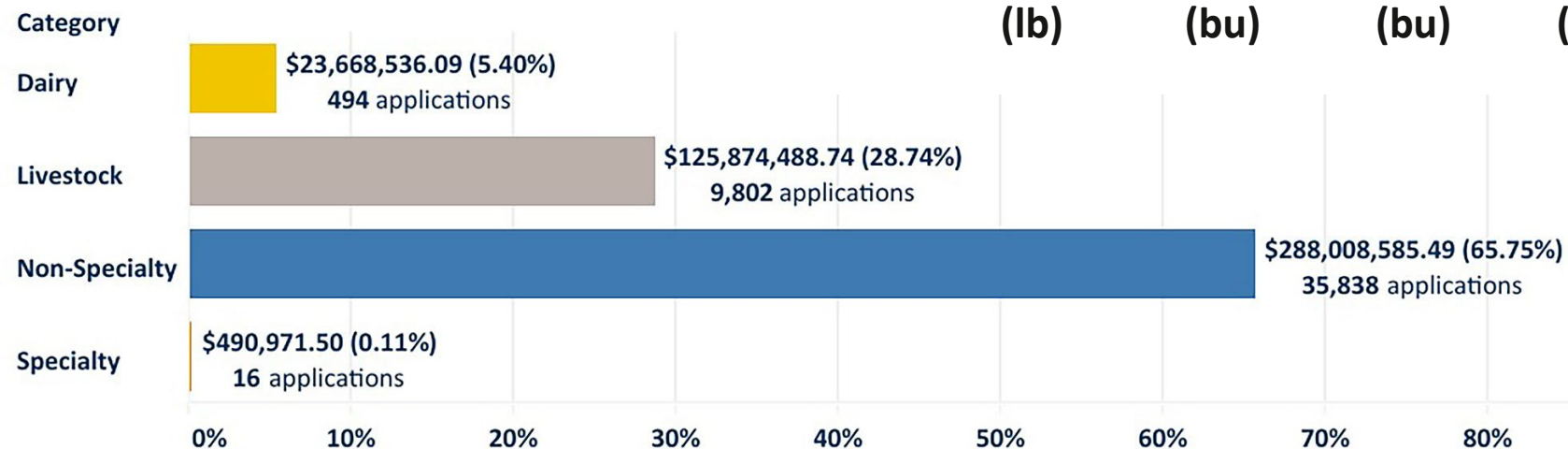
State Name	Approved Application Count	Payment Amount
Illinois	39,019	\$438,042,581.82
Indiana	17,308	\$226,994,011.60
Iowa	47,313	\$908,769,064.94
Kansas	27,929	\$425,508,380.35
Kentucky	22,501	\$168,848,960.67
Louisiana	5,679	\$44,903,530.56
Maine	469	\$19,704,833.08

Reviewing Coronavirus Food Assistance Program (CFAP)

Details for Illinois

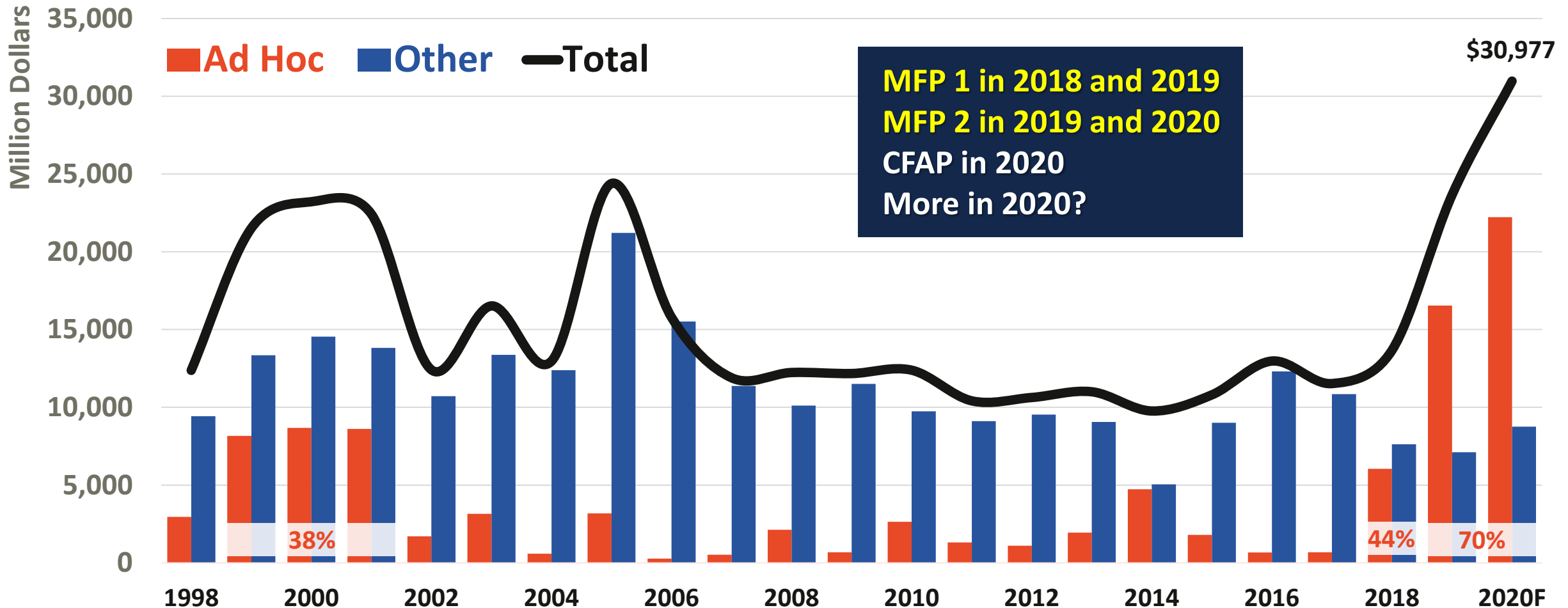
Approved Application Count: **39,019** (distinct, state-wide)

Payment Amount: **\$438,042,581.82**



Where We've Been

U.S. Federal Government Direct Farm Program Payments



Source: ERS-USDA

Note: \$16 billion in CFAP payments added to 2020F

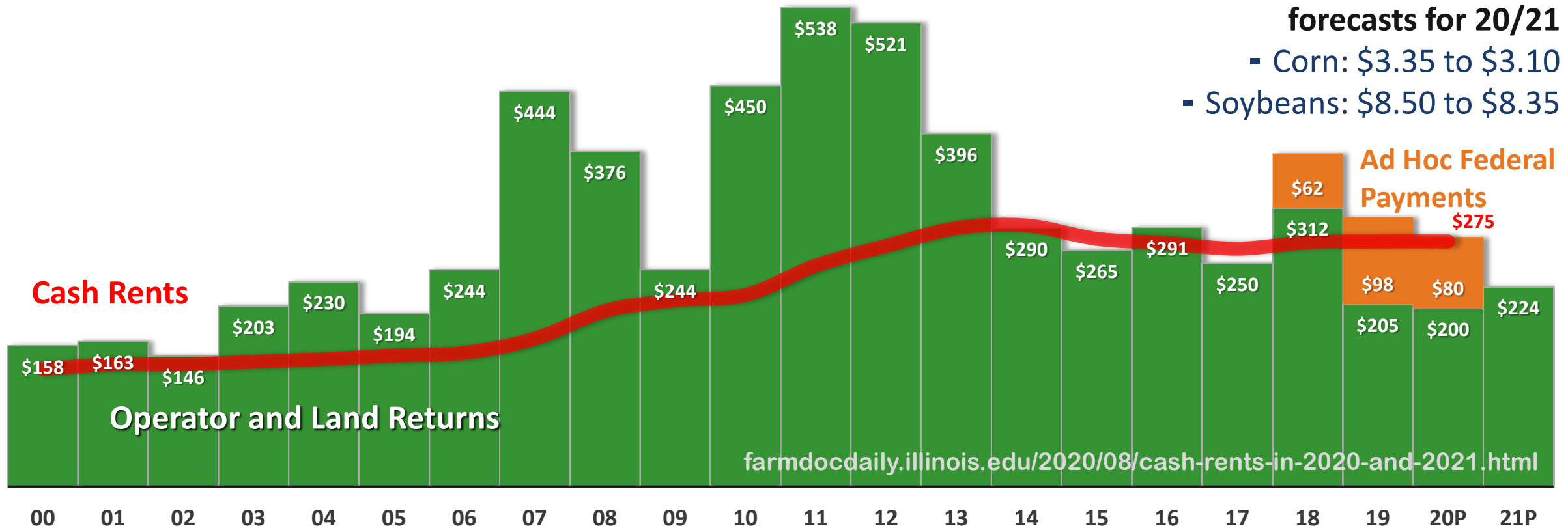
Operator and Land Returns and Cash Rents, High-Productivity Farmland in Central Illinois, 2000 to 2021P.

Ad hoc payments helped to achieve break-even returns in 2019 and 2020***

Flat rents and other costs

July vs. August USDA MYA price forecasts for 20/21

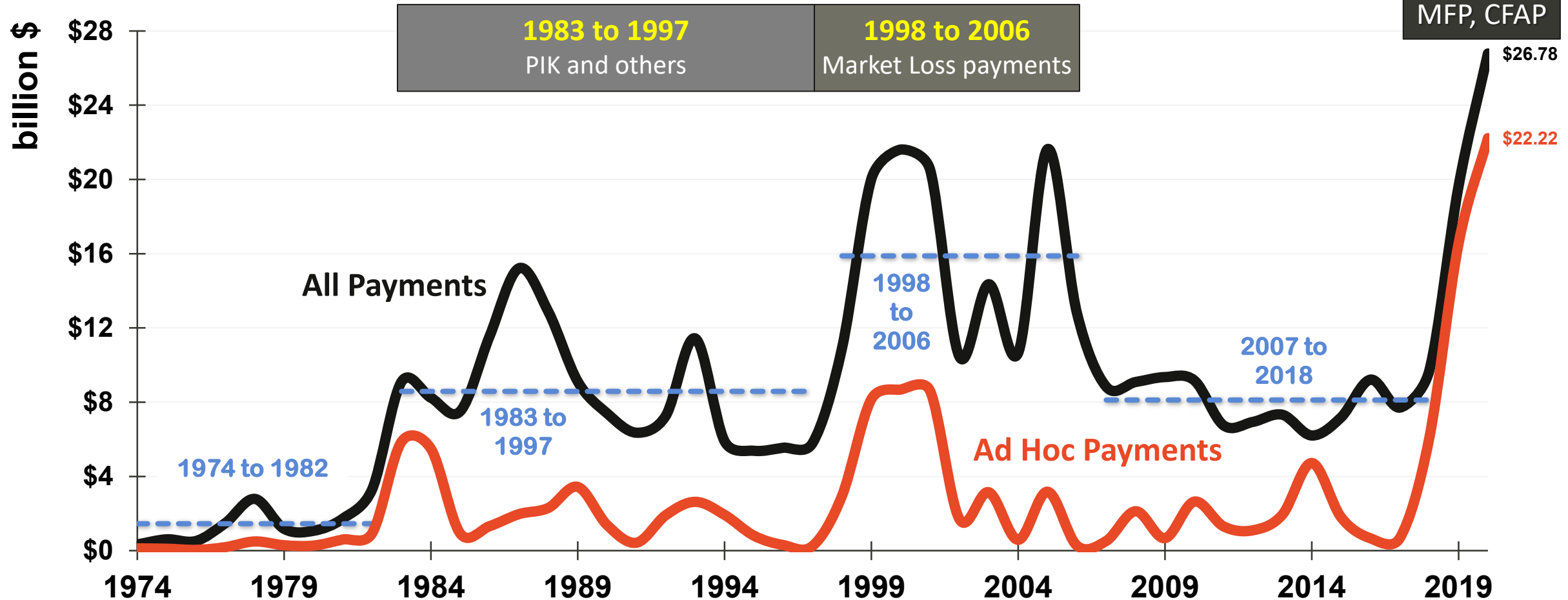
- Corn: \$3.35 to \$3.10
- Soybeans: \$8.50 to \$8.35



farmdocdaily.illinois.edu/2020/08/cash-rents-in-2020-and-2021.html

Ad hoc Aid an Indicator for the Future?

Government farm payments to farms excluding conservation and energy payments, US, 1975-2020



Where We May Be Heading (but very unknown)

House HEROES Act:

- **\$16.5 billion for direct payments**
(85% Q2 losses)

Renewable fuel reimbursement

(\$0.45 gallon)

Livestock and dairy

SNAP

- **Emergency Soil Health and Income Protection Pilot**
5 million acres; annual rental (up to \$70/acre);
cover crops

- Senate is reported to increase CCC by \$20 billion (\$14 billion reimbursement from CARES Act)
- **An *early* Farm Bill?**
 - Adjustments to existing programs
 - Set-aside talk

Upcoming webinars

Friday August 21st

Budgeting and Farm Income for 2020 and 2021

by Gary Schnitkey and Dale Lattz

We will provide returns projections for corn, soybeans, and wheat production in 2021.

Farm income for Illinois grain farms will be projected for both 2020 and 2021. Possible farm incomes will be presented that include payments from the farm safety net.

Tuesday, August 25th

Outlook for Farmland Prices and Evaluation of Determinants of Farmland

by Nick Paulson, Bruce Sherrick , Gary Schnitkey and Dale Lattz

Farmland markets outlook will be given in both the short and long-run. The impacts of changes in farmland returns and interest rates will be evaluated. While returns to farmland have been stable, interest rates also have been low, leading to relatively high capitalized values.

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