



# Agricultural Credit Outlook

International Sweetener Symposium

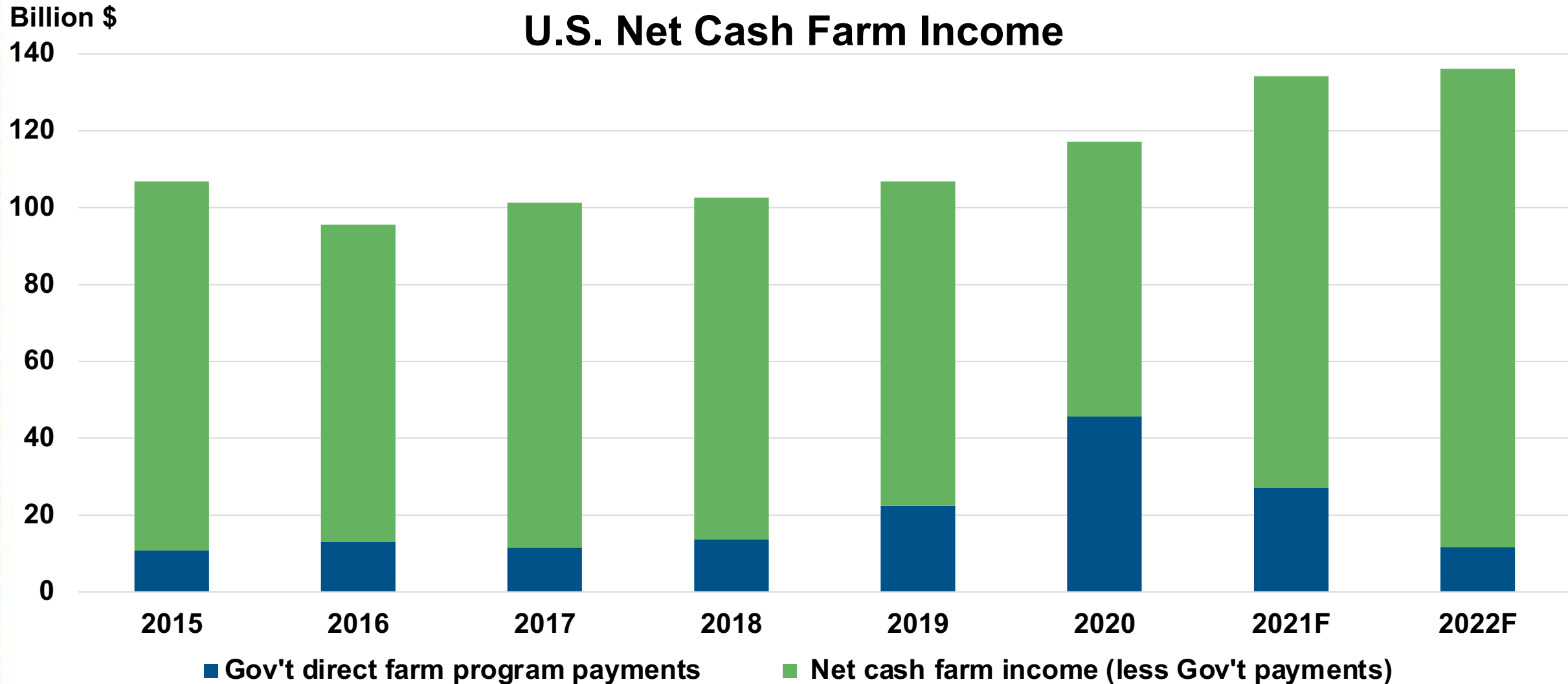
Vail, CO

Aug. 2, 2022



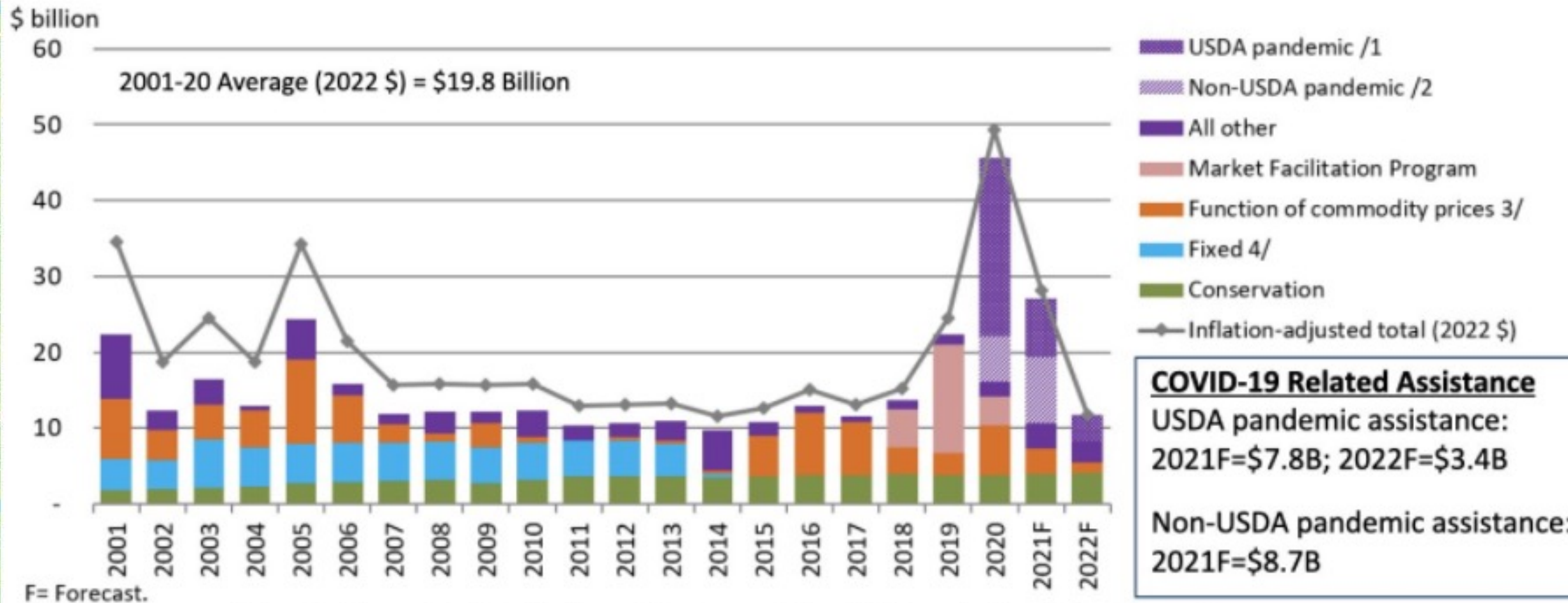
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# Net Farm Income Rose in Recent Years. Will Production Costs Lower it in 2022?

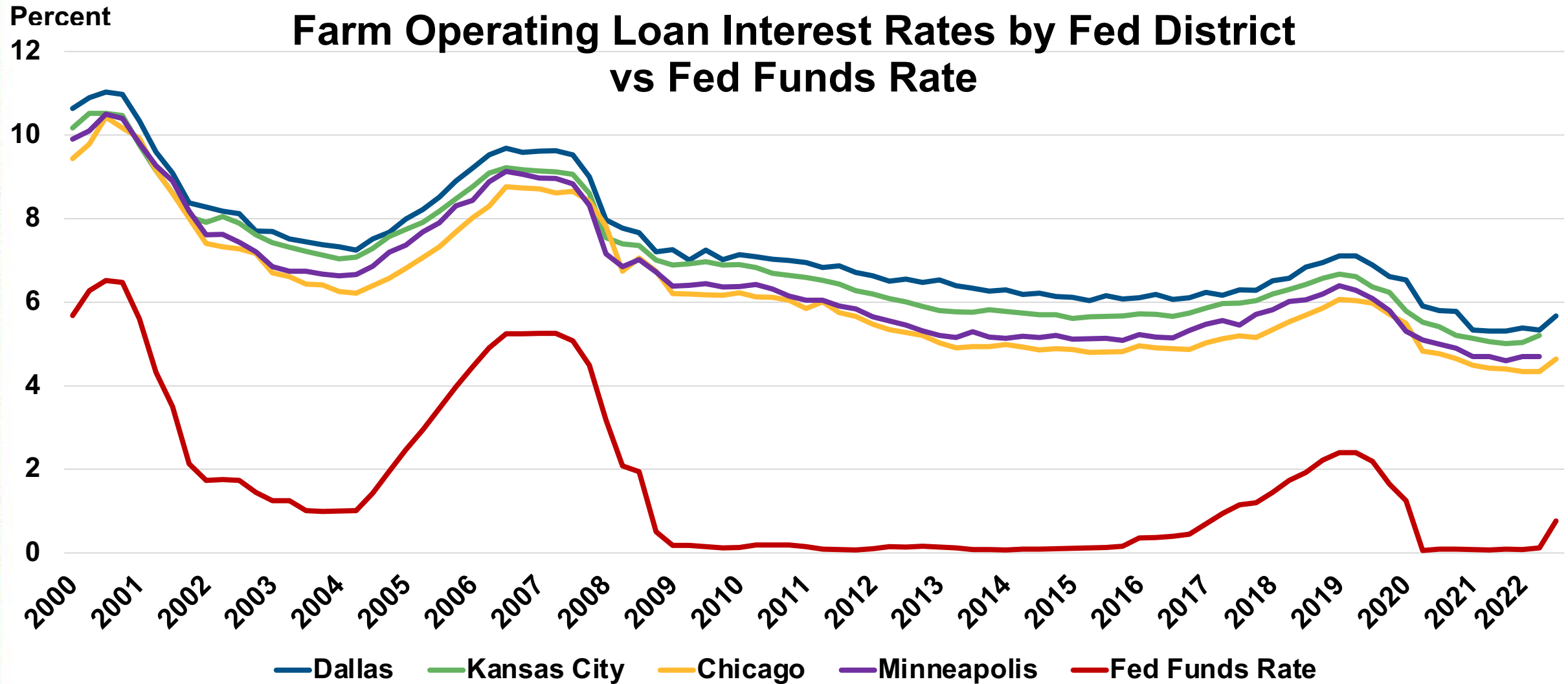


# Government Payments to Farmers Expected to Fall in 2022

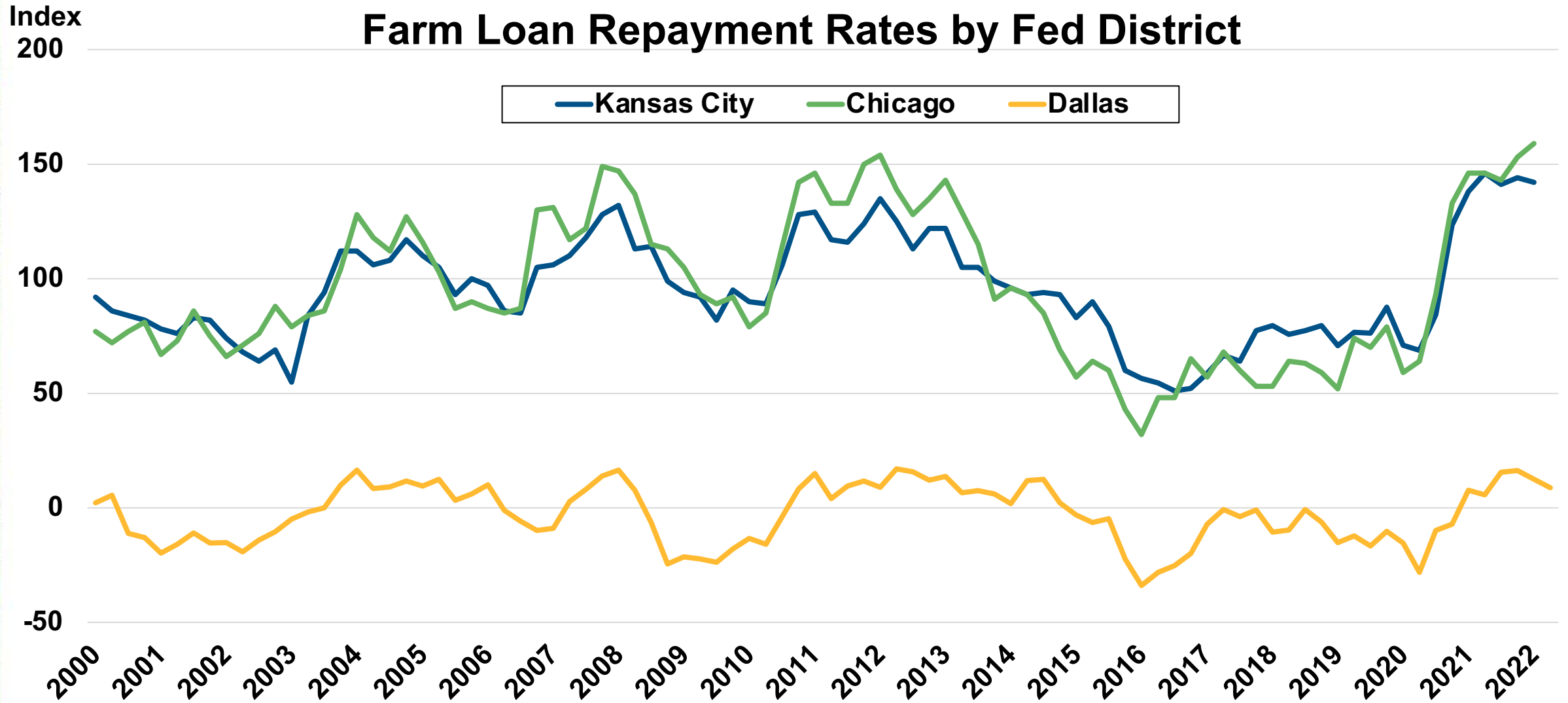
## U.S. Government Direct Payments to Farmers



# Farm Interest Expense will Increase as The Fed Raises Rates



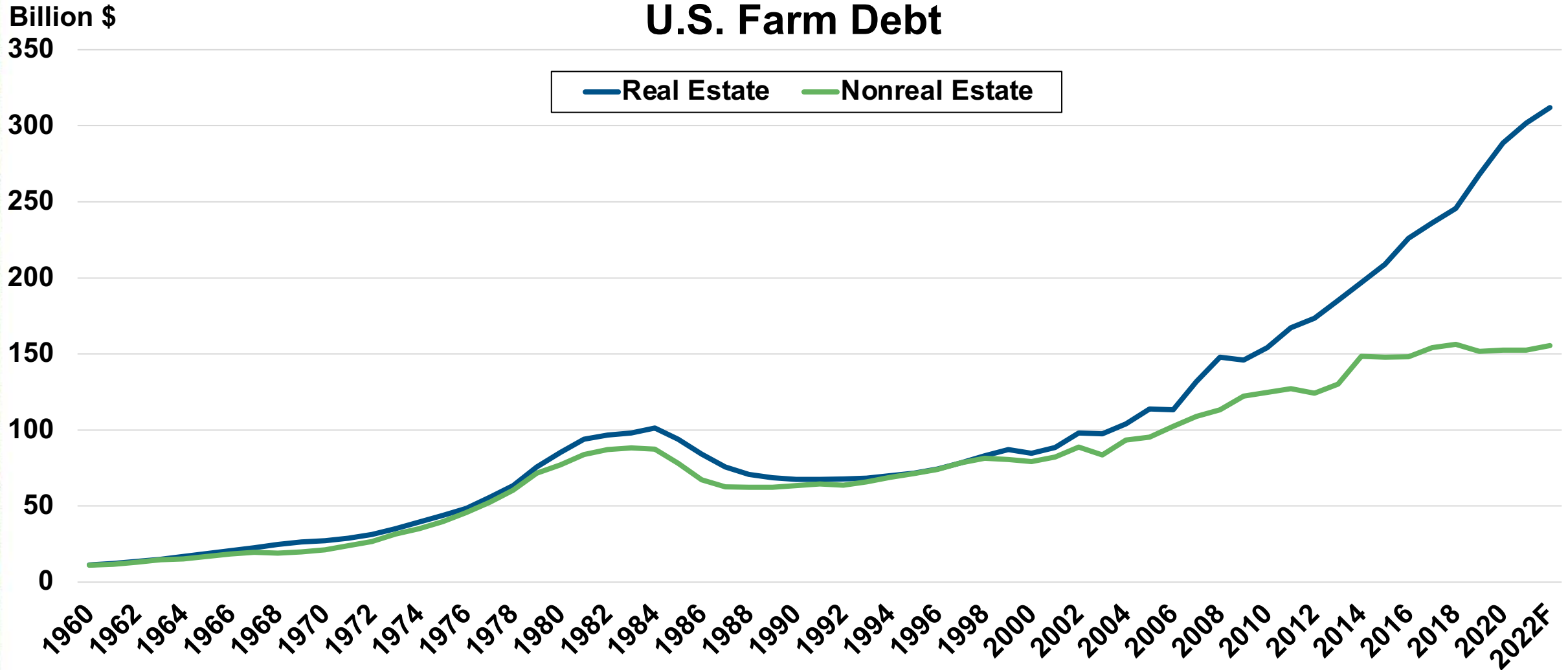
# High Commodity Prices have Improved Farm Financials, Raised Debt Repayment



Source: Federal Reserve Banks of Kansas City, Chicago, and Dallas

# Farm Debt Continues to Reach Record Highs, Driven by Real Estate Debt

## U.S. Farm Debt

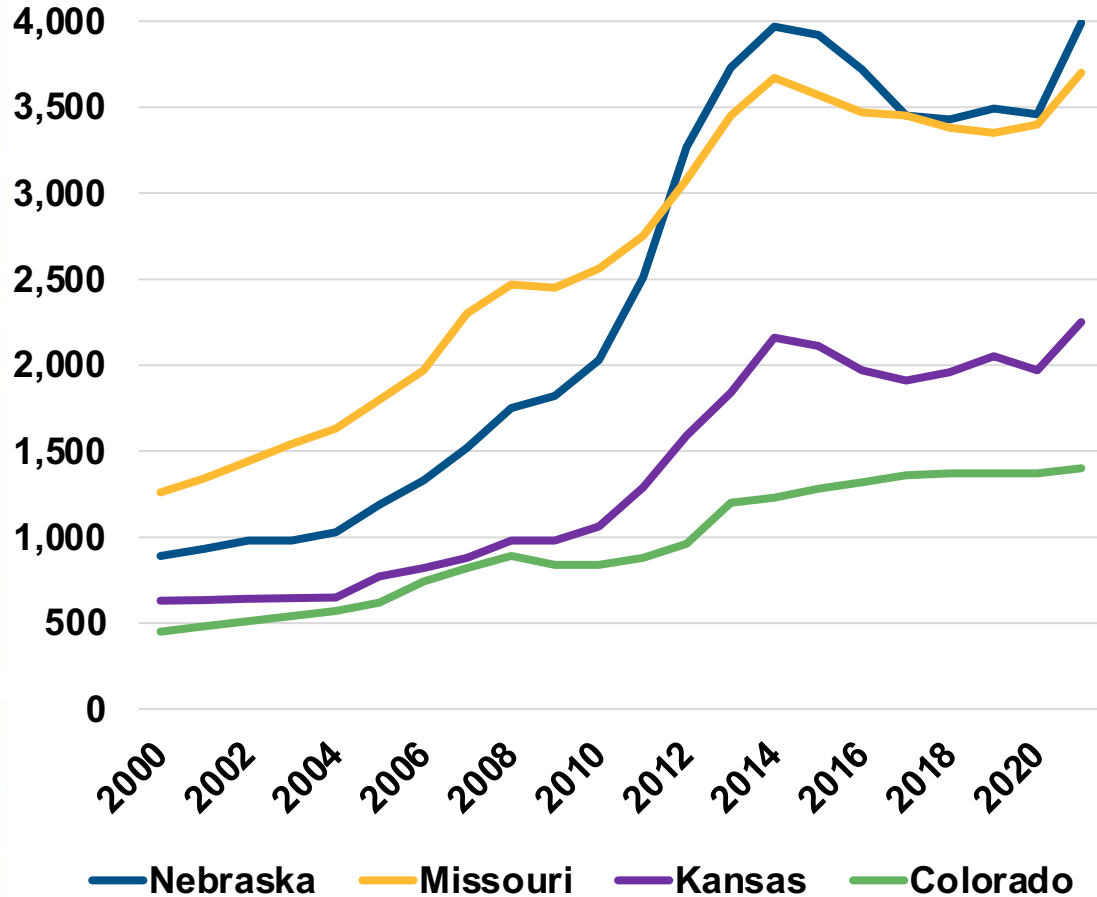


Source: USDA-ERS

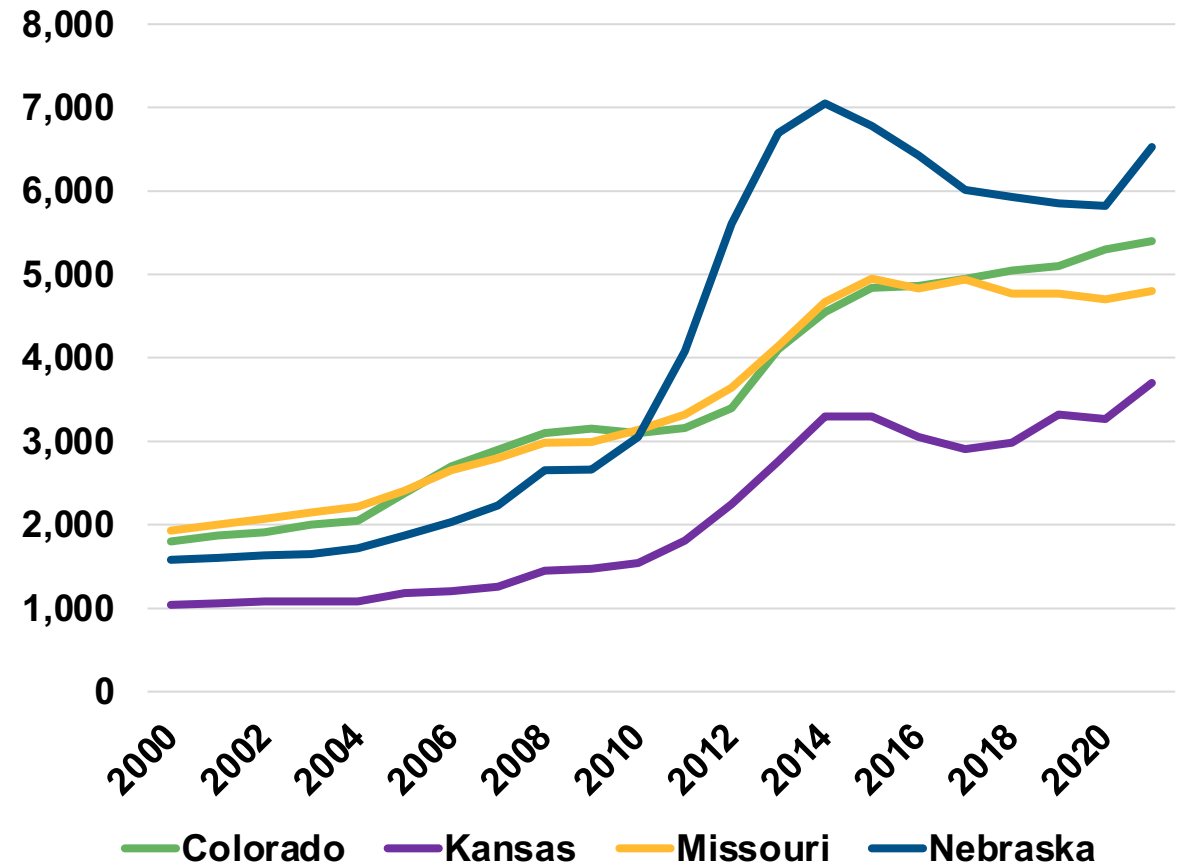


# Cropland Values Expected to Continue Climbing into 2023

## Non-Irrigated Cropland Values (\$/Acre)



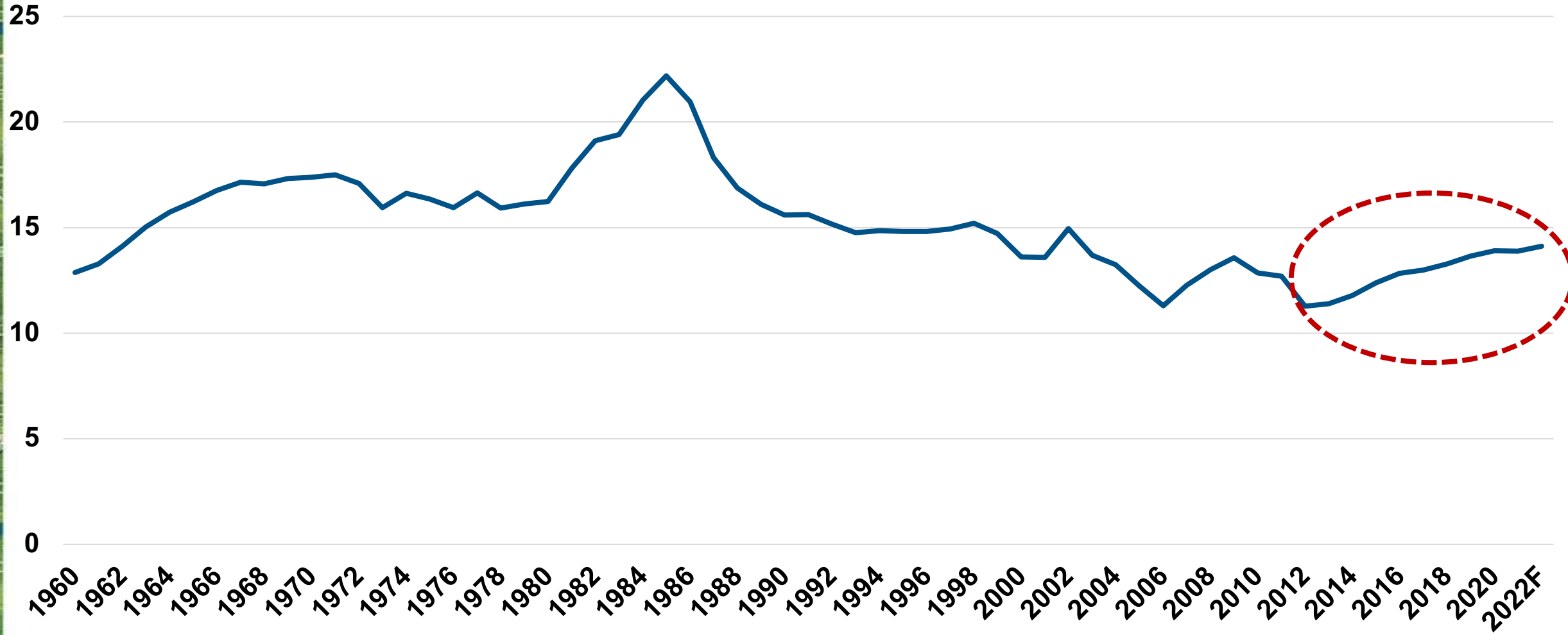
## Irrigated Cropland Values (\$/Acre)



Source: USDA-NASS

# Farm Debt Levels Continue to Climb Faster than Farm Asset Values

## U.S. Farm Debt/Asset Ratio

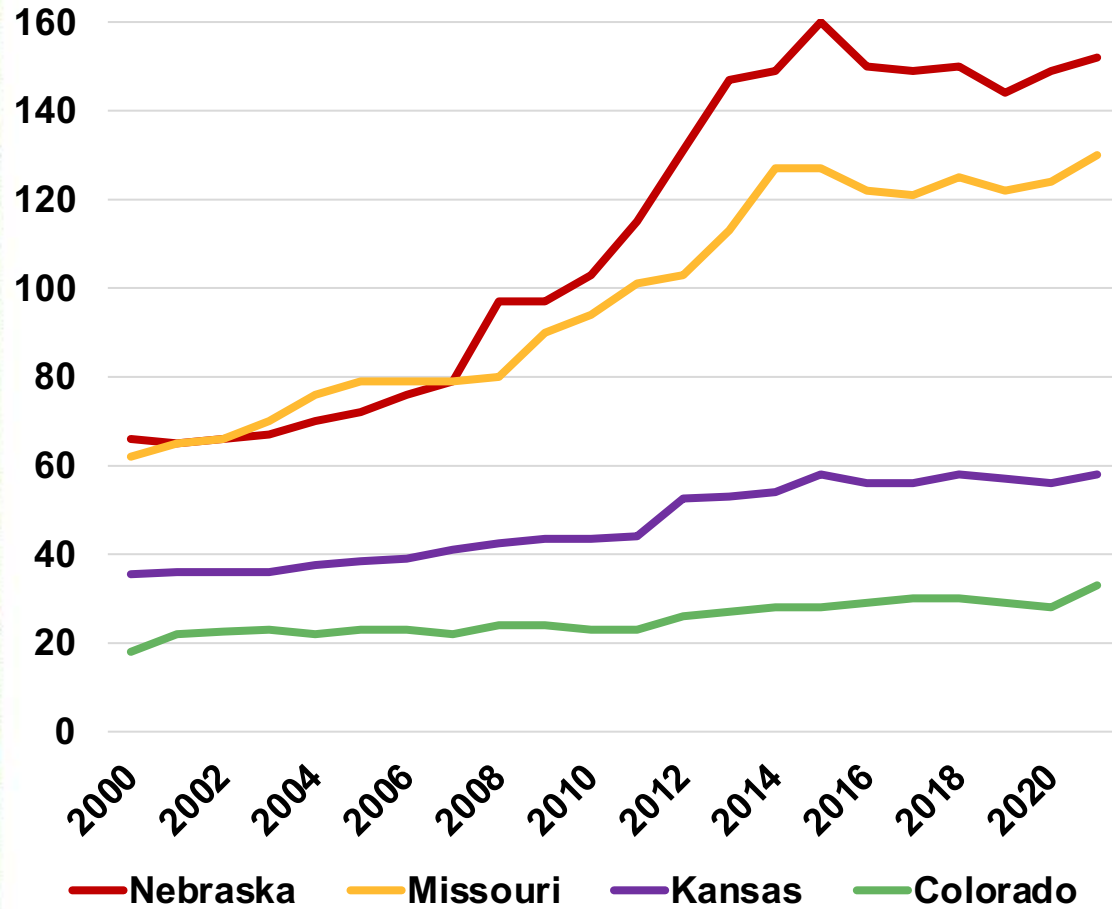


Source: USDA-ERS

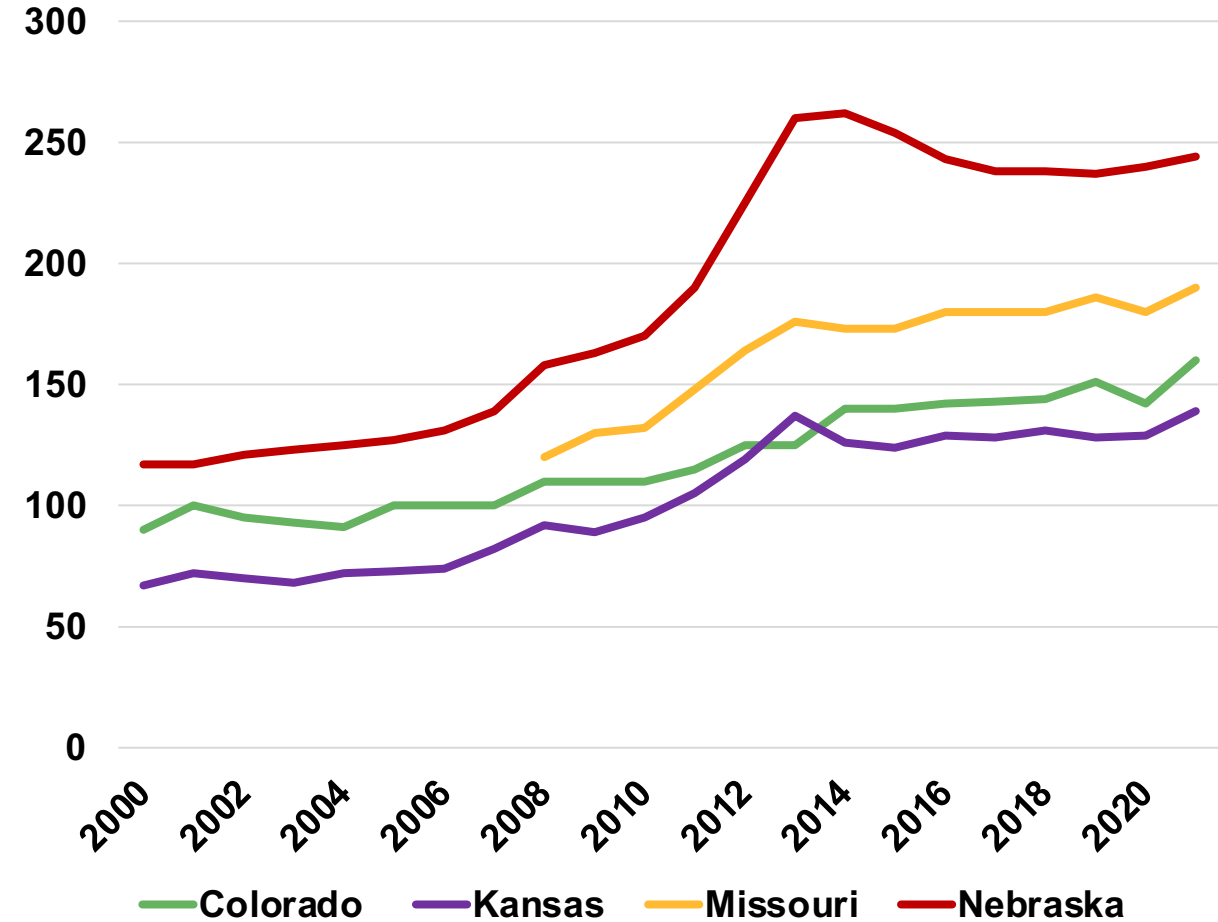


# Cash Rents Continue to Climb to New Highs

## Non-Irrigated Cash Rents (\$/Acre)



## Irrigated Cash Rents (\$/Acre)

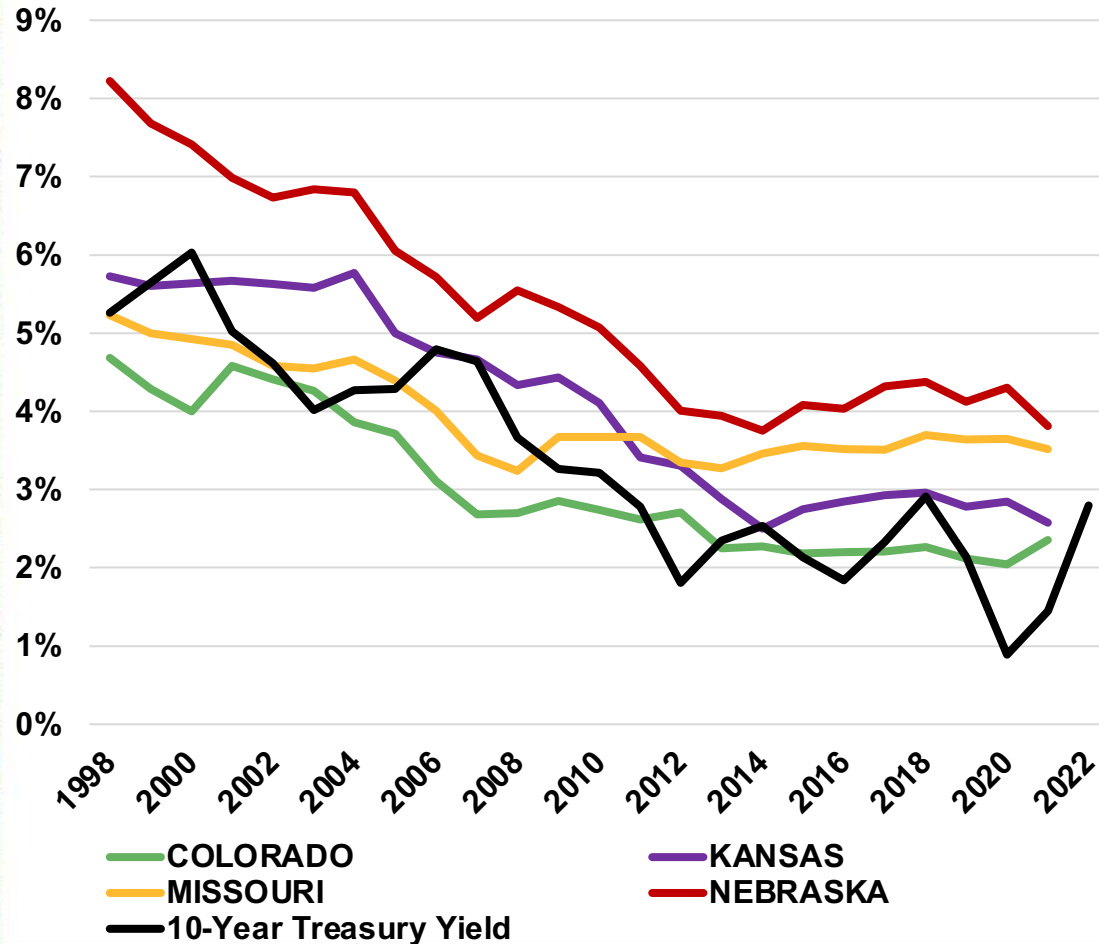


Source: USDA-NASS

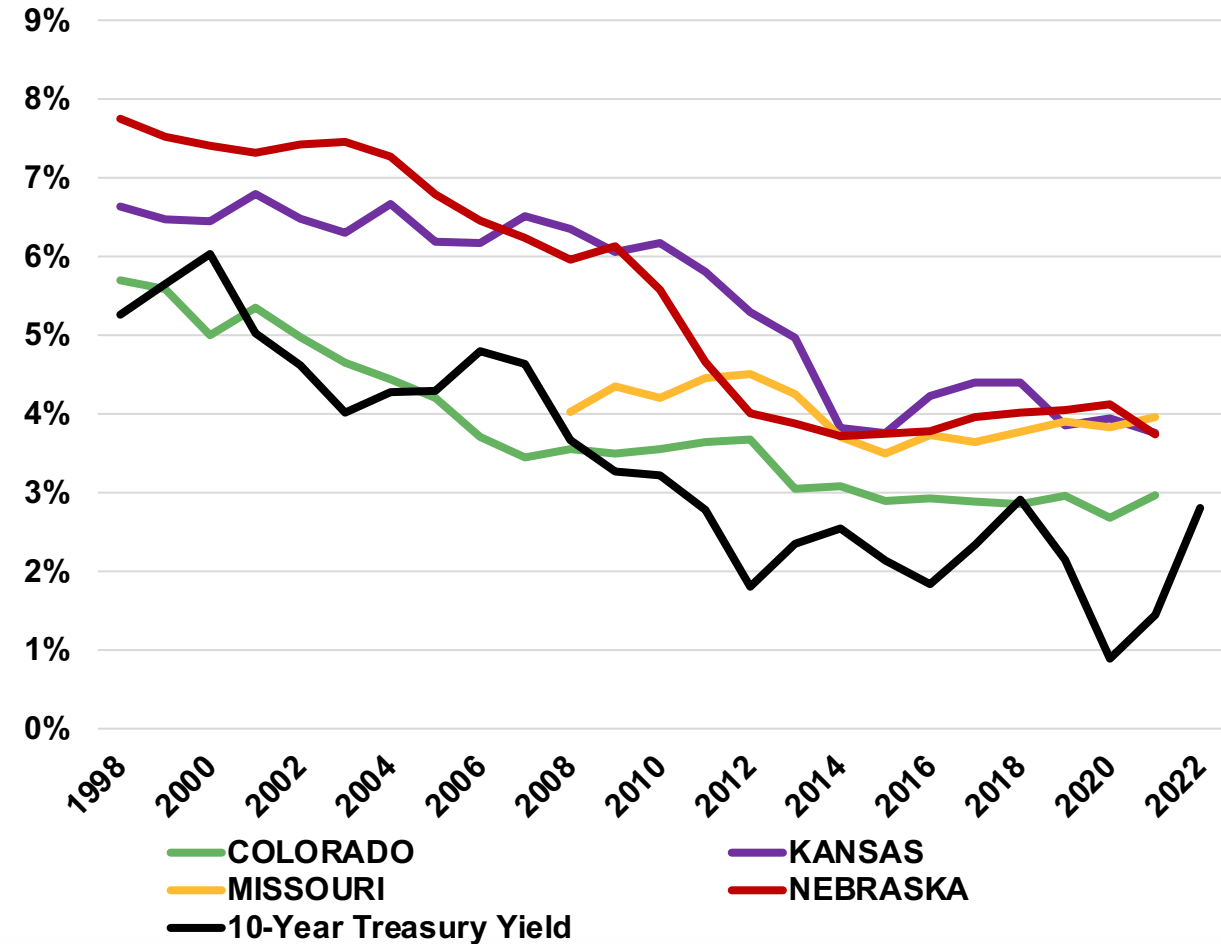
# Treasuries Compete with Farmland as a Safe Investment. Rising Treasury Yields will Pressure Farmland Values.

Capitalization Rate = Cash Rent / Farmland Value

## Non-Irrigated Farmland Capitalization Rates



## Irrigated Farmland Capitalization Rates

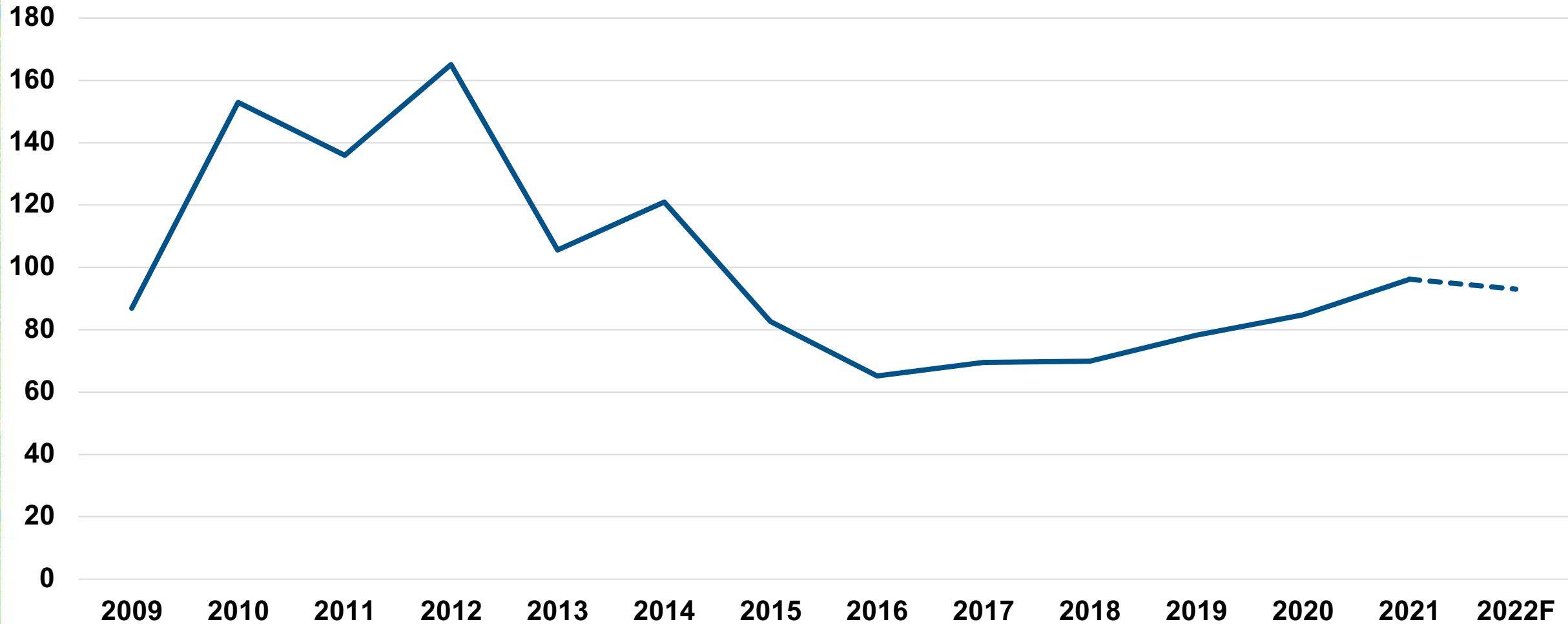


Source: USDA-NASS; FRED; CoBank ACB

# Farm Financial Cushion Expected to Drop Slightly in 2022

## U.S. Farm Working Capital

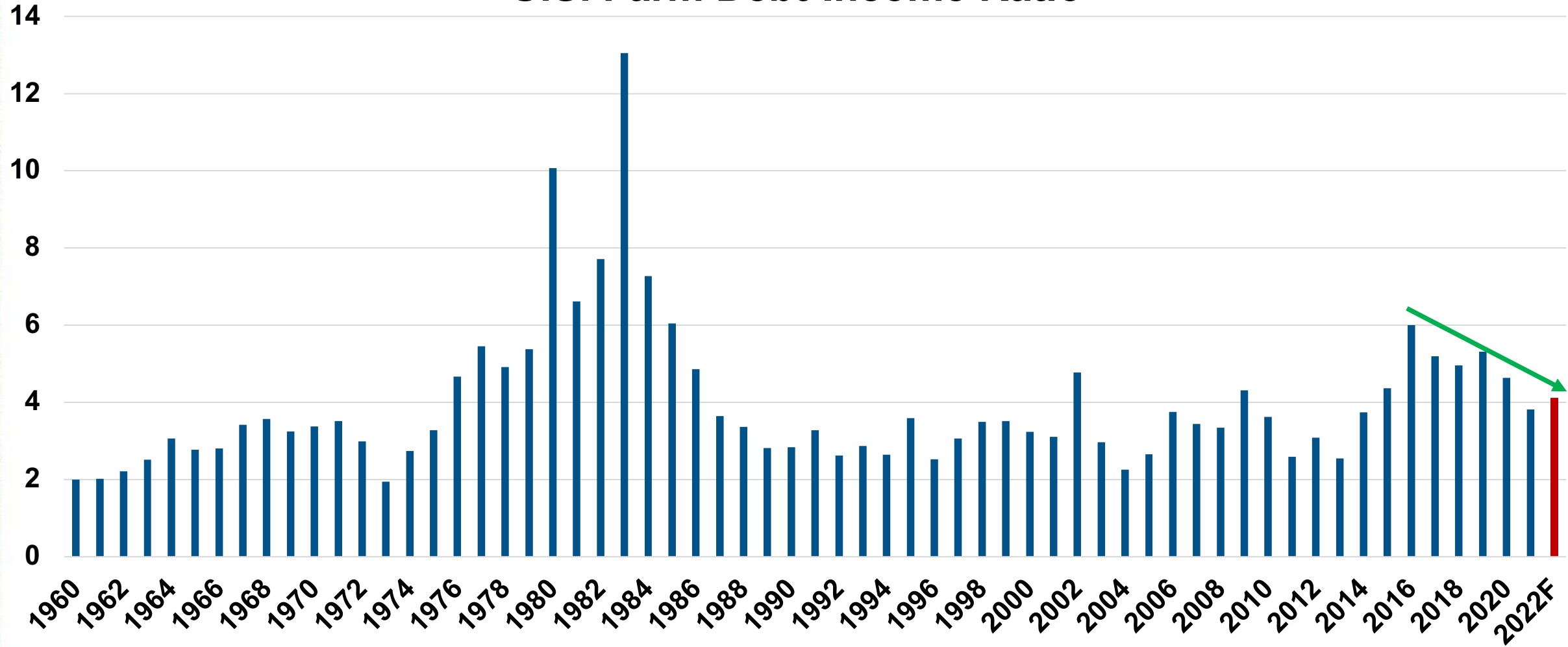
Billion \$



Source: USDA-ERS

# Farm Debt/Income Has Fallen, But Rising Costs Risk Ability to Repay Debt

## U.S. Farm Debt-Income Ratio



Source: USDA-ERS; CoBank ACB



## Questions



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## Contact Information



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