

FOOD PRICE OUTLOOK

2021



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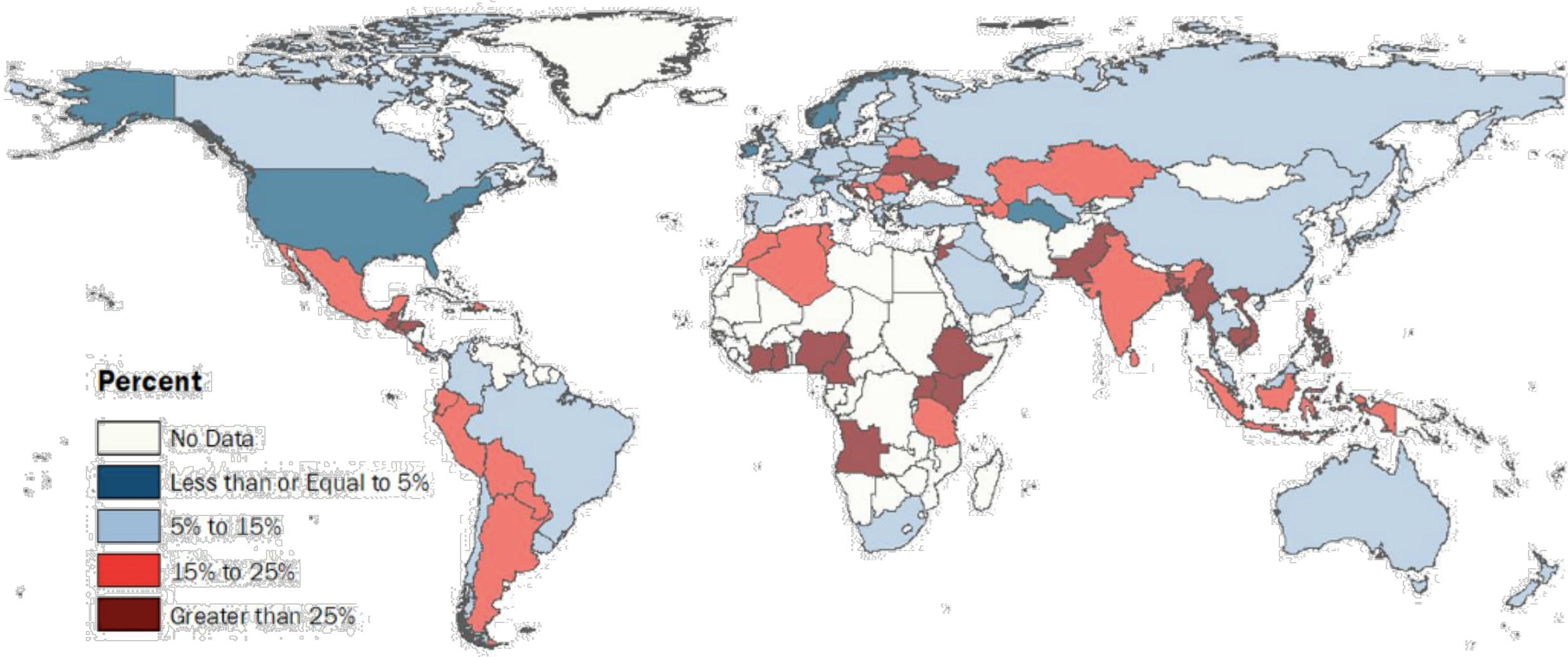
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PER-COVID, U.S. FOOD PRICES RELATIVELY LOW

Percent of Per Capita GDP Spent on Food At Home



Source: USDA-ERS, World Bank, Farm Bureau Compilations



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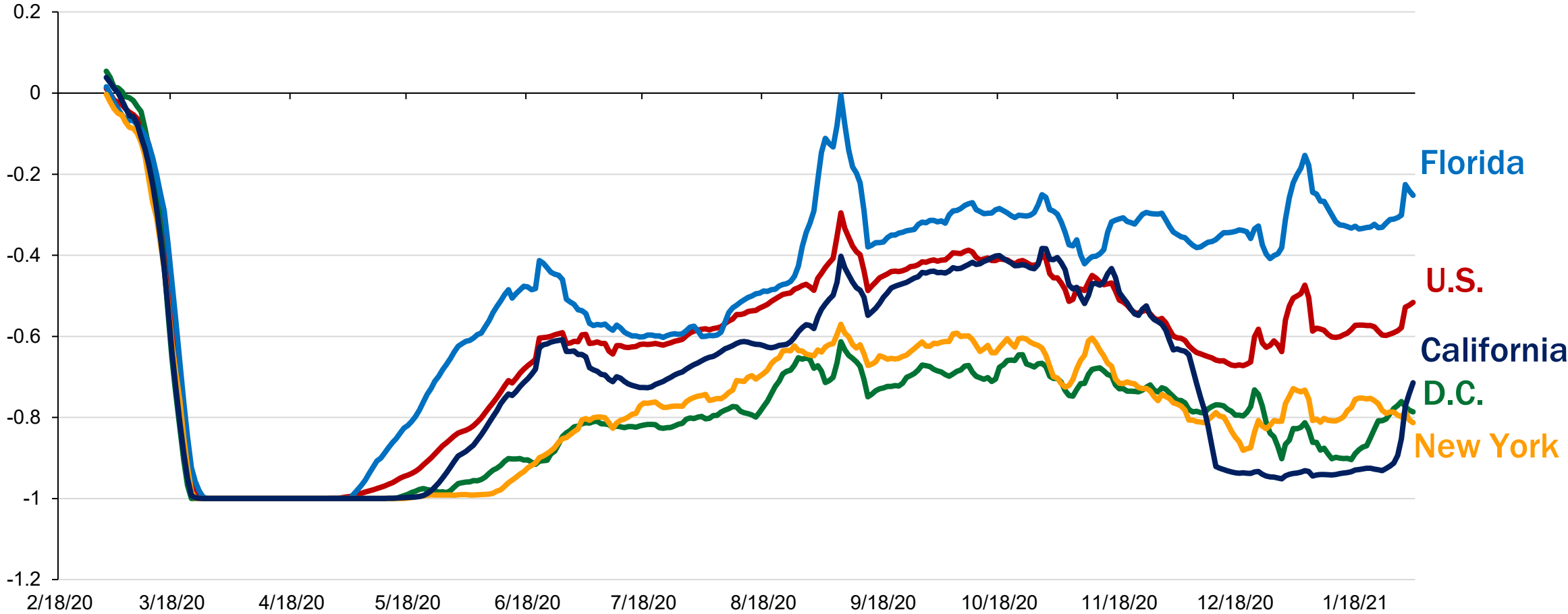


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IMPACT OF COVID ON SEATED DINER RESERVATIONS

OpenTable Reservations (YOY % Change, 7-Day MA)



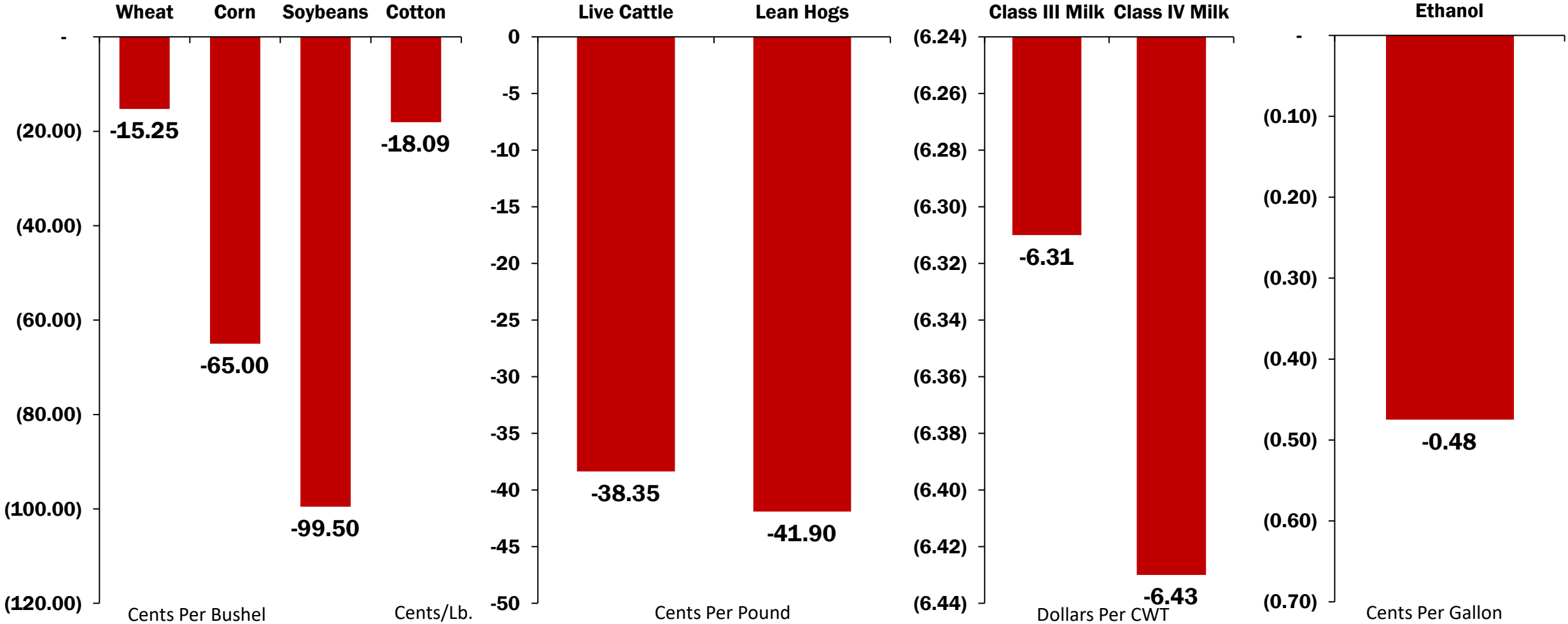
Source: OpenTable, Farm Bureau Calculations



IMMEDIATE IMPACT ON COMMODITY PRICES

DISRUPTIVE TO MANY SECTORS OF AGRICULTURE

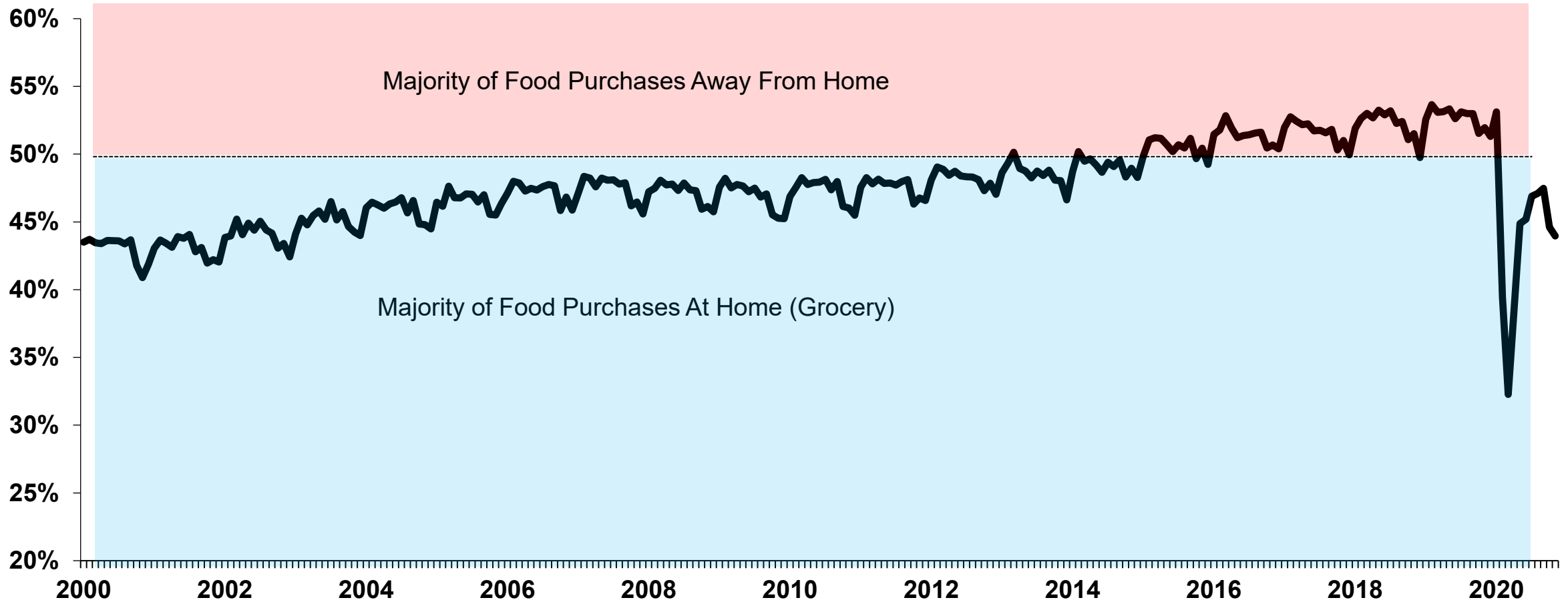
Change in Price In Months Following COVID Pandemic



COVID FORCED SHIFT IN CONSUMPTION PATTERNS

Shelter In Place Orders Shifted Food Consumption to Grocery Channel

Share of Food Expenditures at Food Service and Drinking Places



Source: Census Bureau, Farm Bureau Compilations



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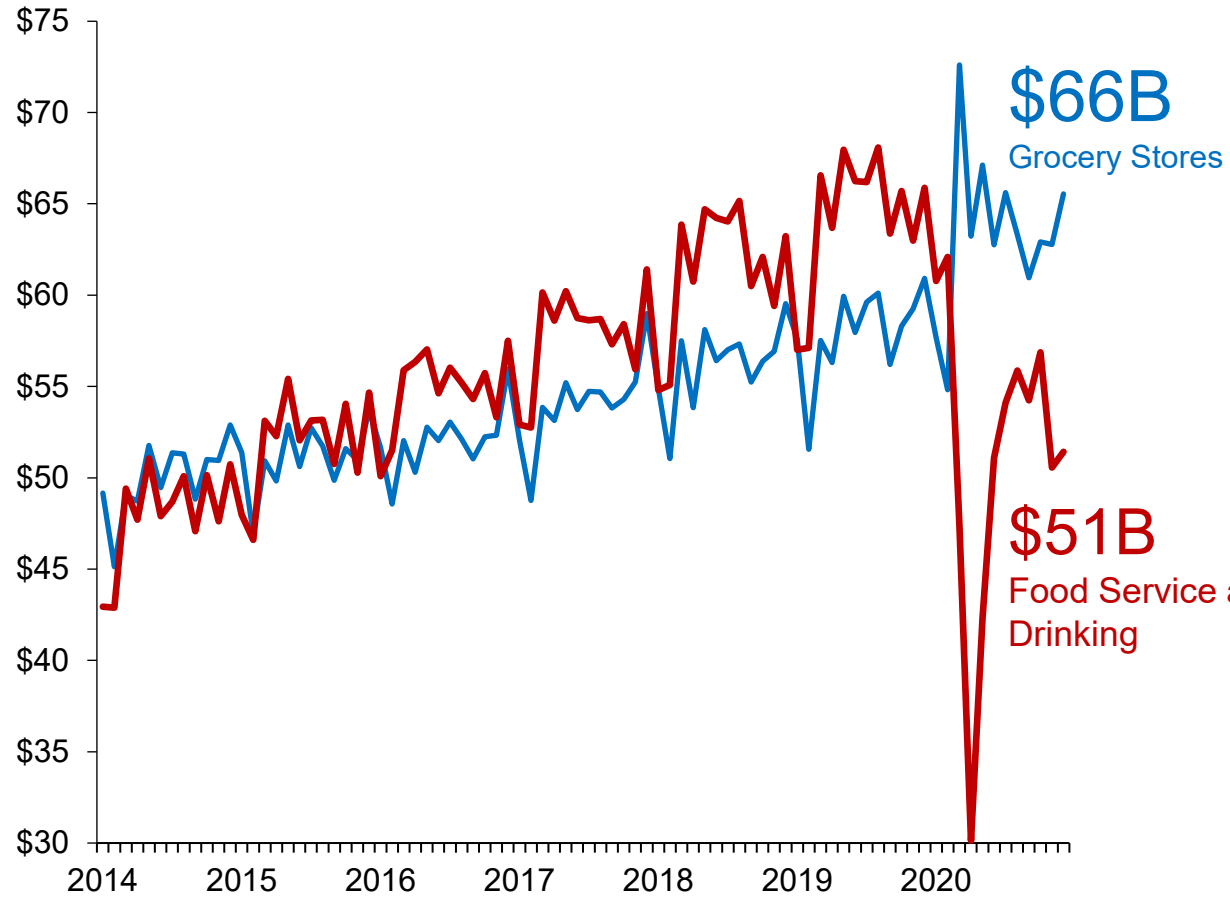
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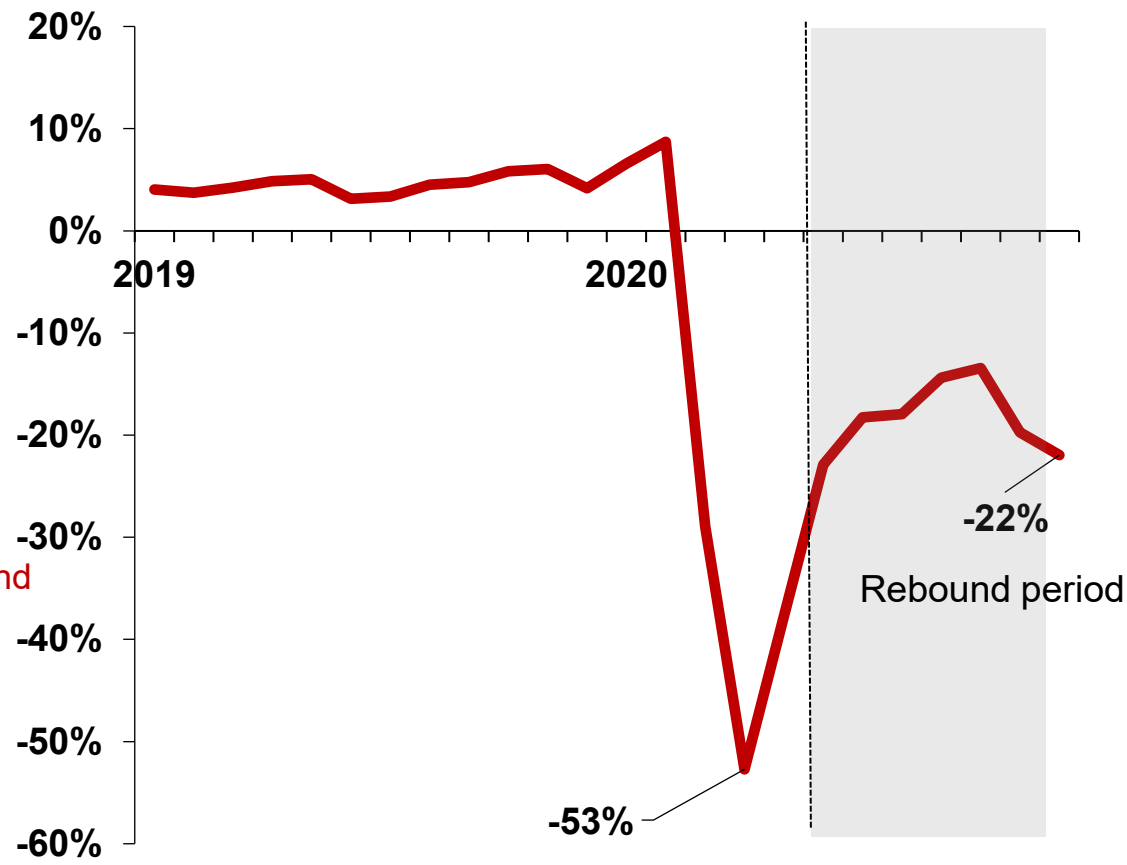
STALLED RECOVERY IN RESTURANTS

BIDEN PLAN CALLS FOR USING USDA TO DISTRIBUTE FOOD THROUGH RESTURANTS

Billion Dollars



Year-Over-Year % Change in Food Service Sales

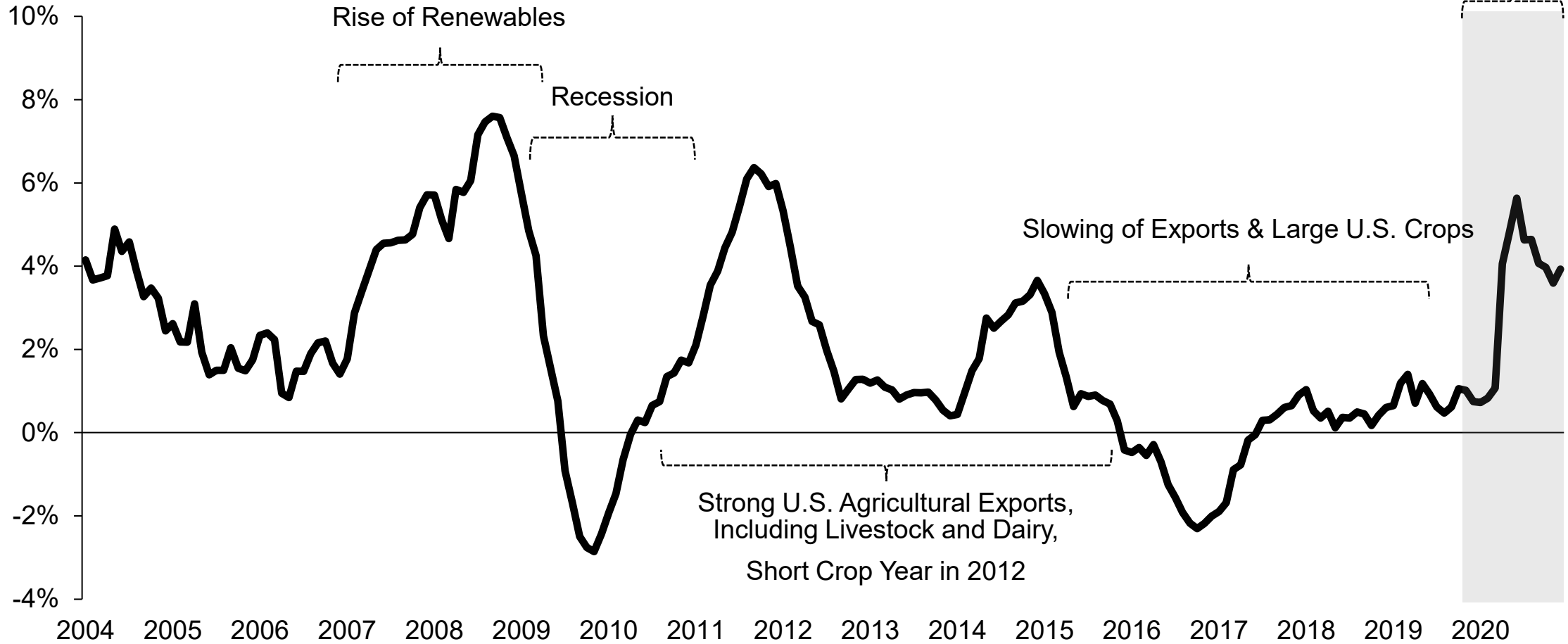


Source: U.S. Census Bureau, Farm Bureau Calculations

COVID CONTRIBUTED TO FOOD AT HOME INFLATION

Year-Over-Year Percentage Change in Food-At-Home Price Index

Short Crop Years in 2019, 2020,
COVID-19, Phase 1



Source: Bureau of Labor Statistics, Farm Bureau Calculations



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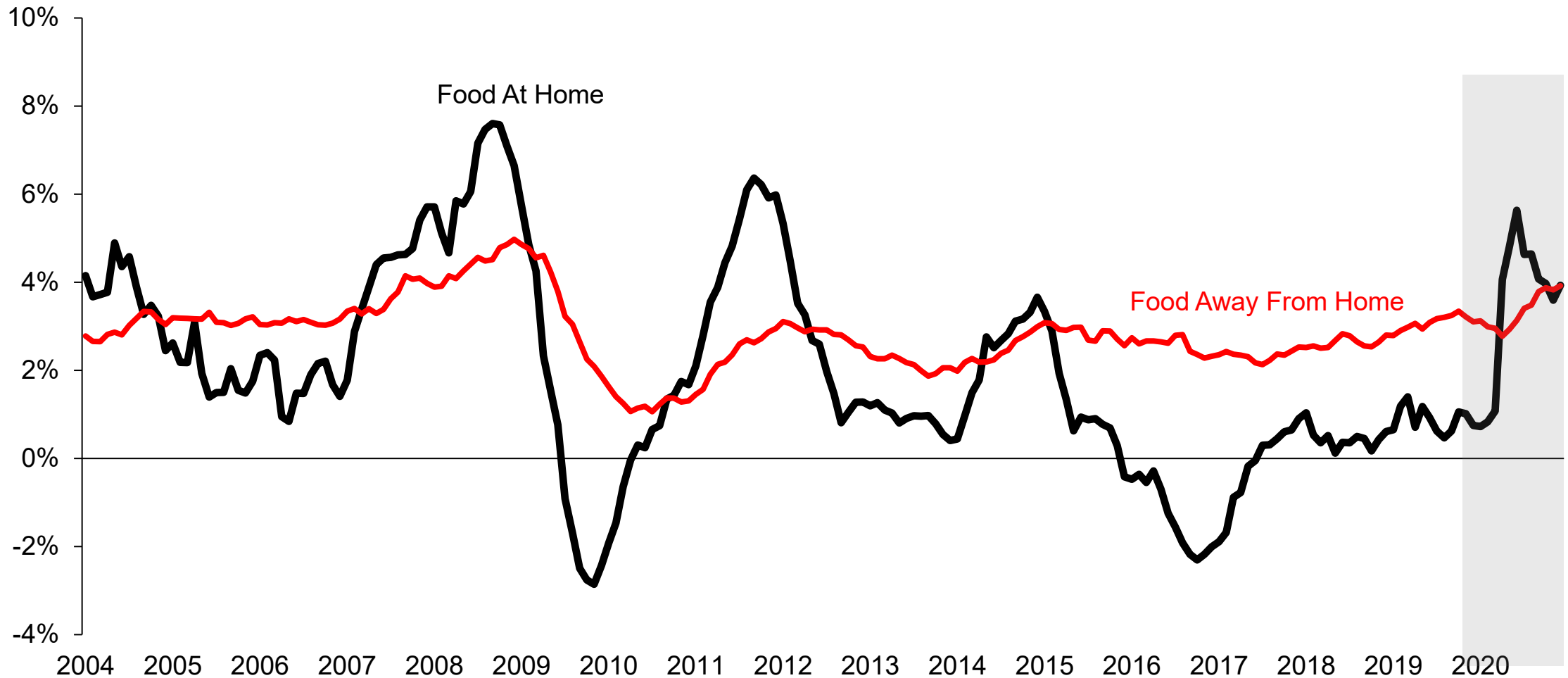


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FOOD AWAY FROM HOME PRICES REMAINED STABLE

Year-Over-Year Percentage Change in Food At Home and Food Away From Home Price Indices



Source: Bureau of Labor Statistics, Farm Bureau Calculations



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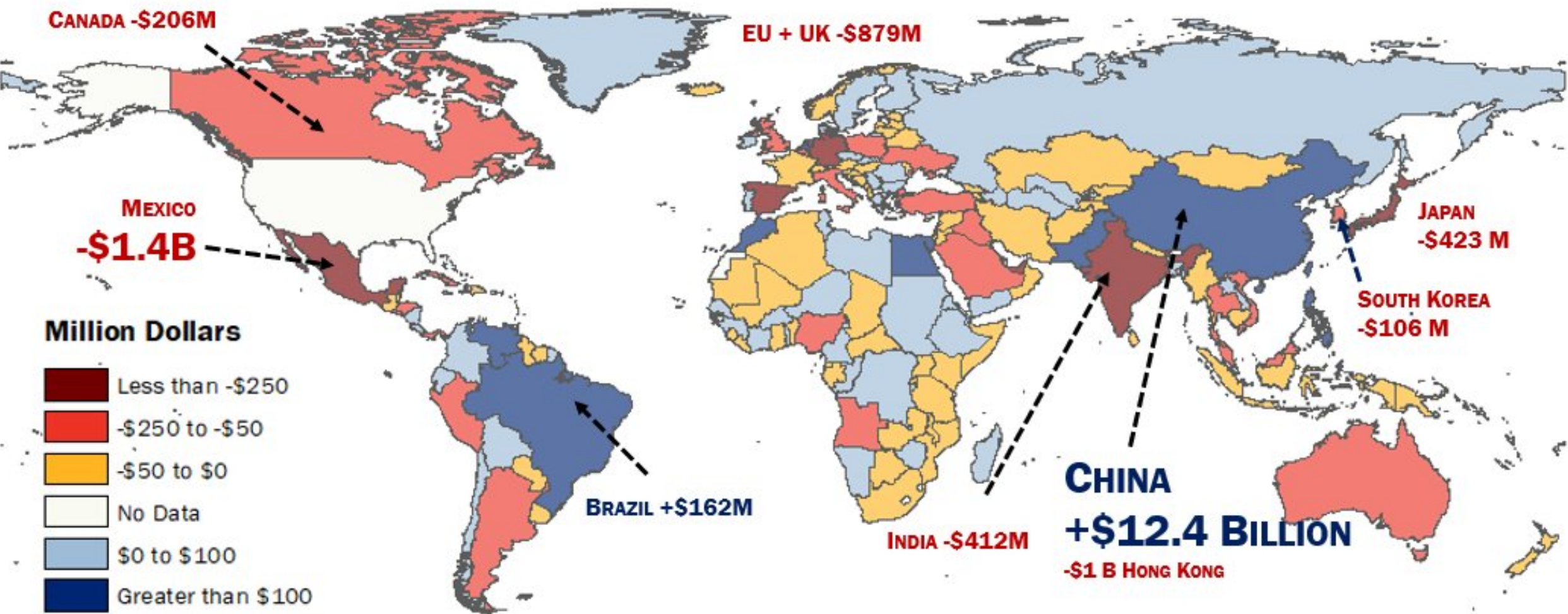


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U.S. 2020 AGRICULTURAL EXPORTS \$161B, UP 4%

SALES TO CHINA LEADING U.S. EXPORT GROWTH IN 2020, CHINA UP 75%

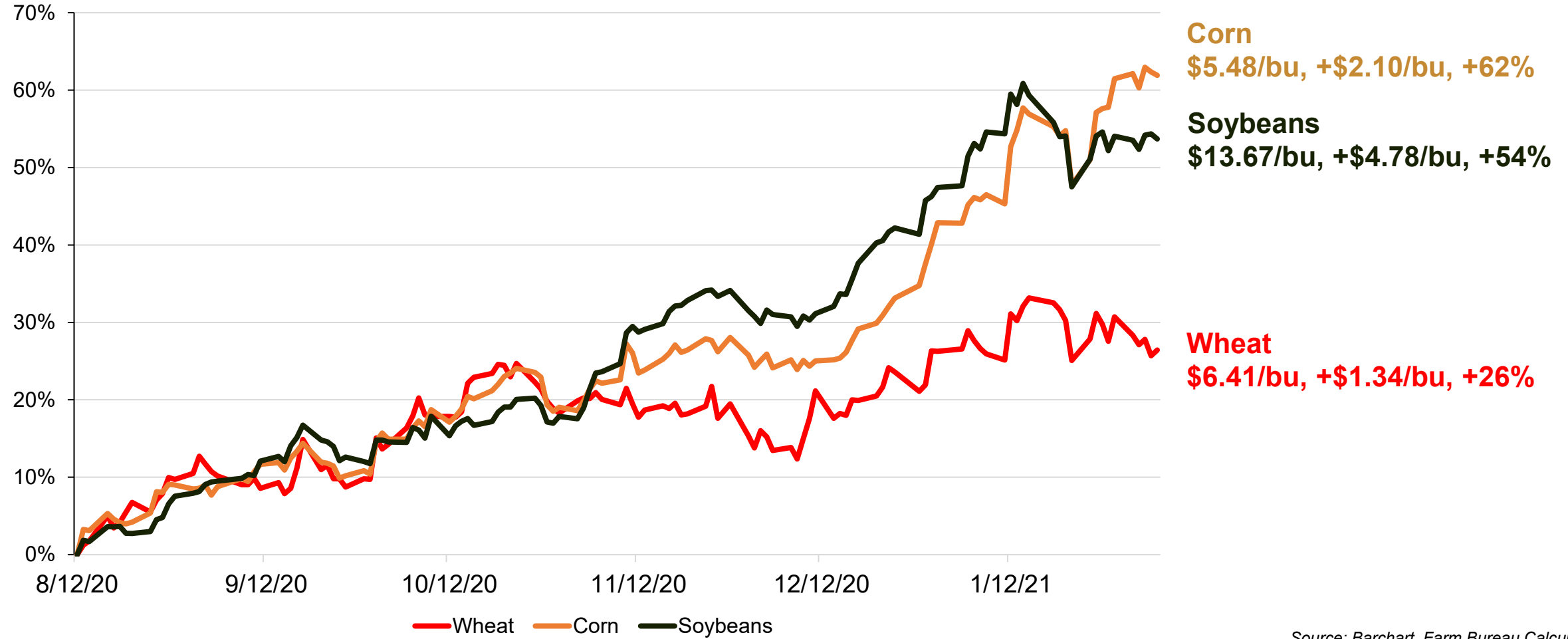


Source: USDA FAS, Farm Bureau Calculations, Agriculture and Related Products

ARE WE ENTERING A COMMODITY PRICE CYCLE?

AUGUST '20 TO FEBRUARY '21, MARCH FUTURES CONTRACT

Cumulative % Change in Corn, Soybeans and Wheat



Source: Barchart, Farm Bureau Calculations



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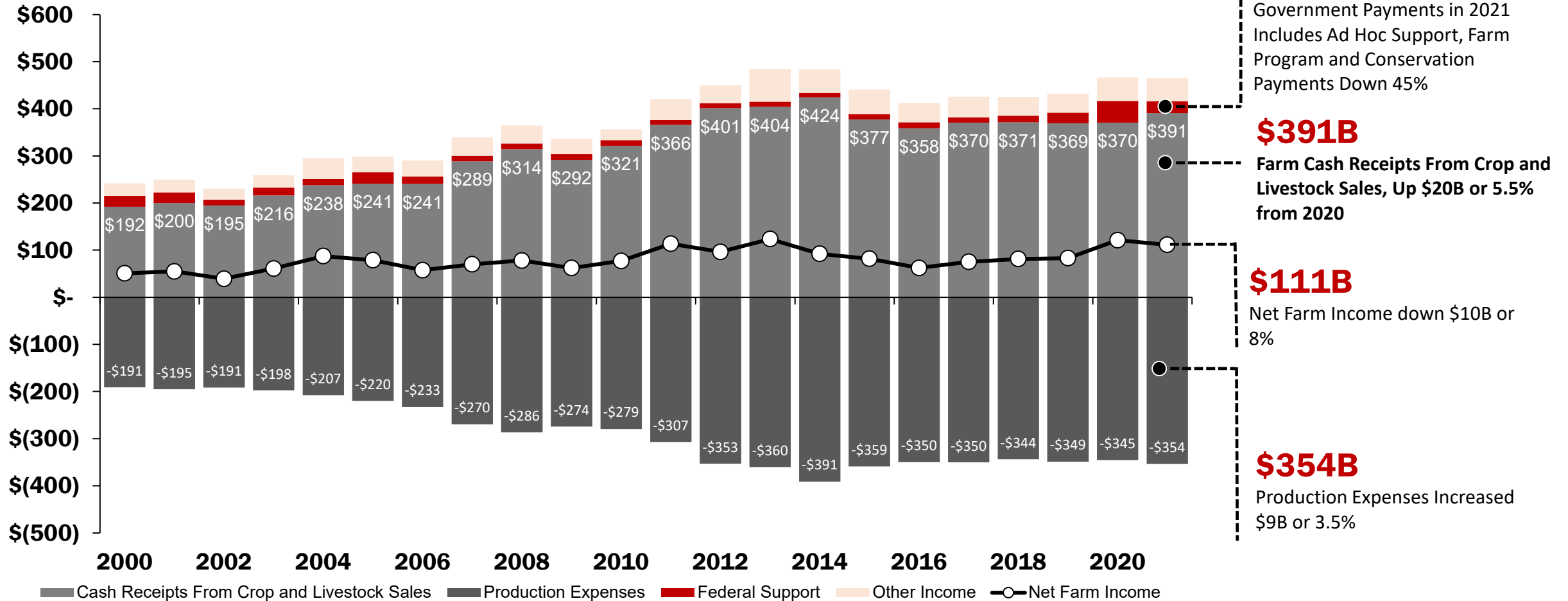


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U.S. Farm Income and Expenses

U.S. Farm Sector Farm Income, Expenses and Net Farm Income, Billion Dollars



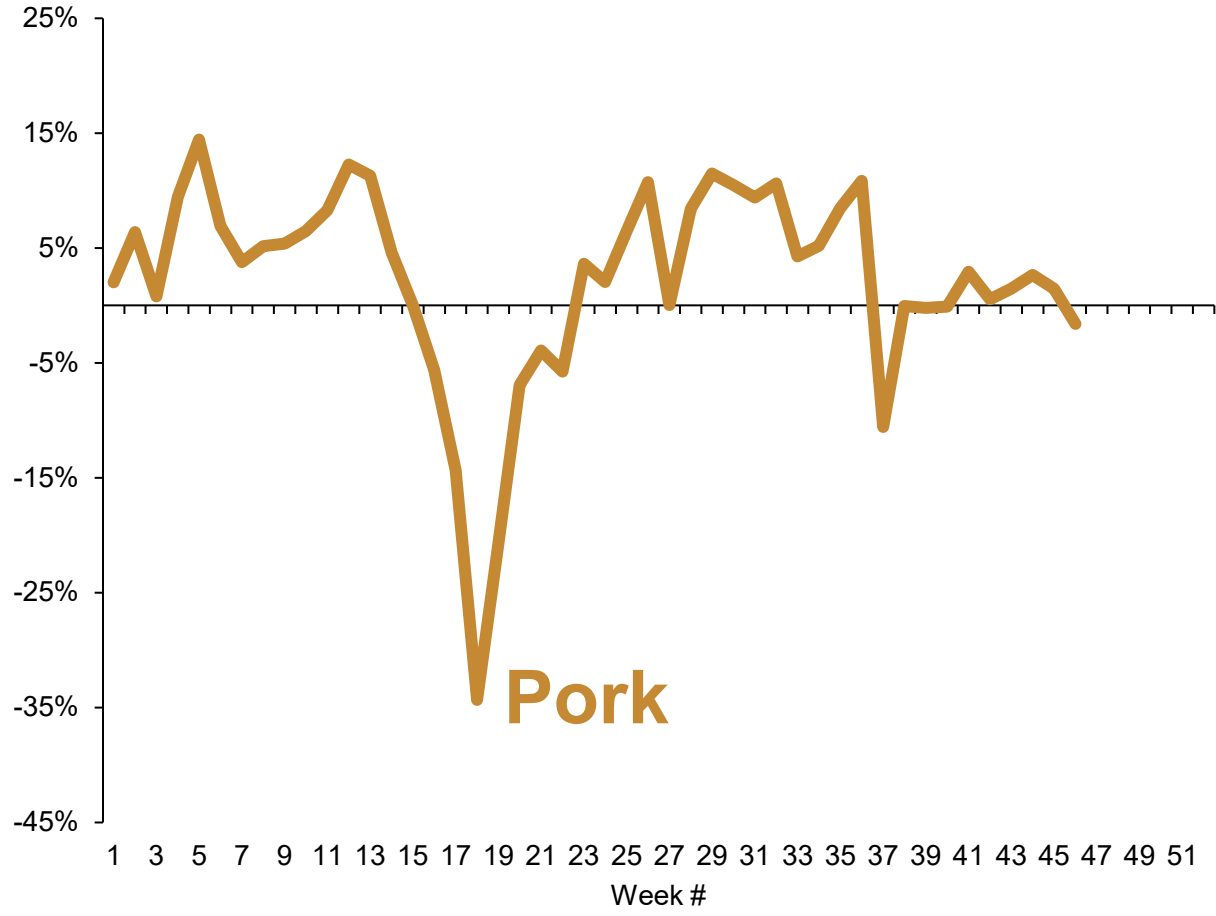
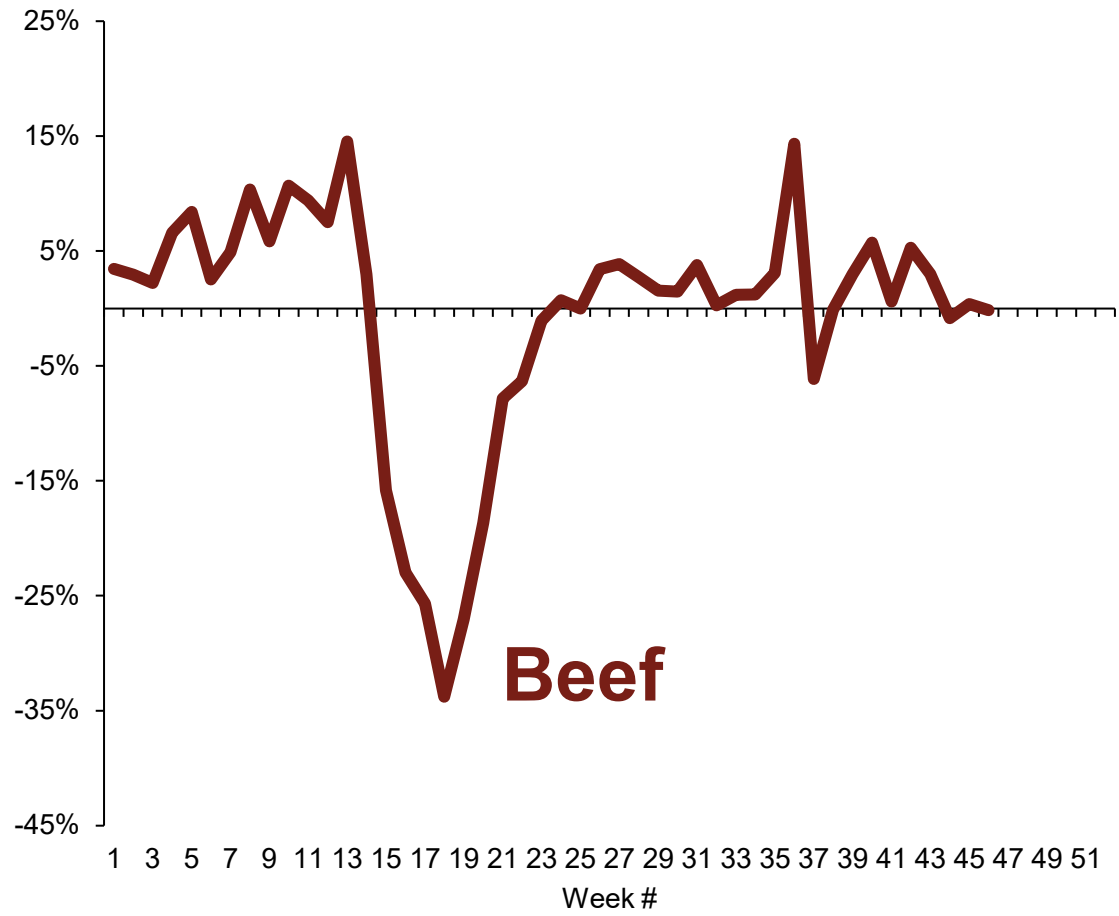
Source: USDA ERS, Farm Bureau Calculations



SHOULD SUPPLY CHAINS BE MORE NIMBLE?

JUST-IN-TIME NEEDS HIGHLY EFFICIENT SUPPLY CHAIN, NO IDLE CAPACITY

Meat Plants Shut Down (YOY % Change in Beef and Pork Production)

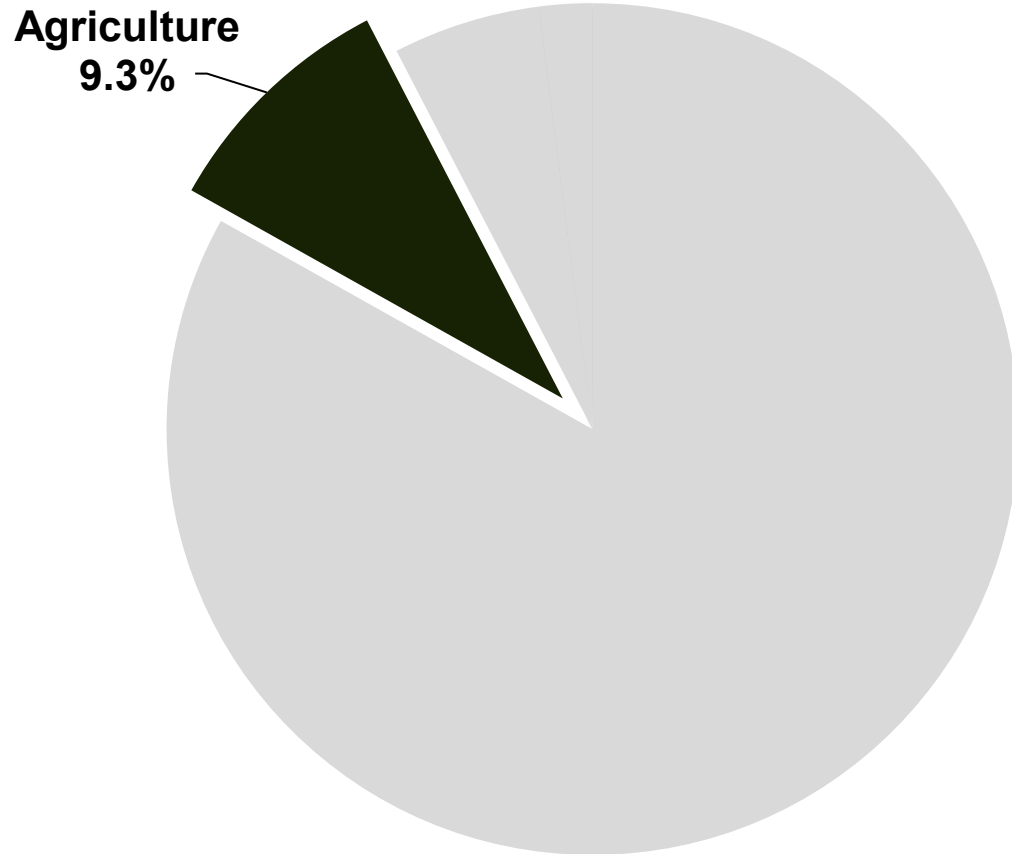


Source: U.S. Census Bureau, EIA, LMIC, Barchart, Farm Bureau Calculations

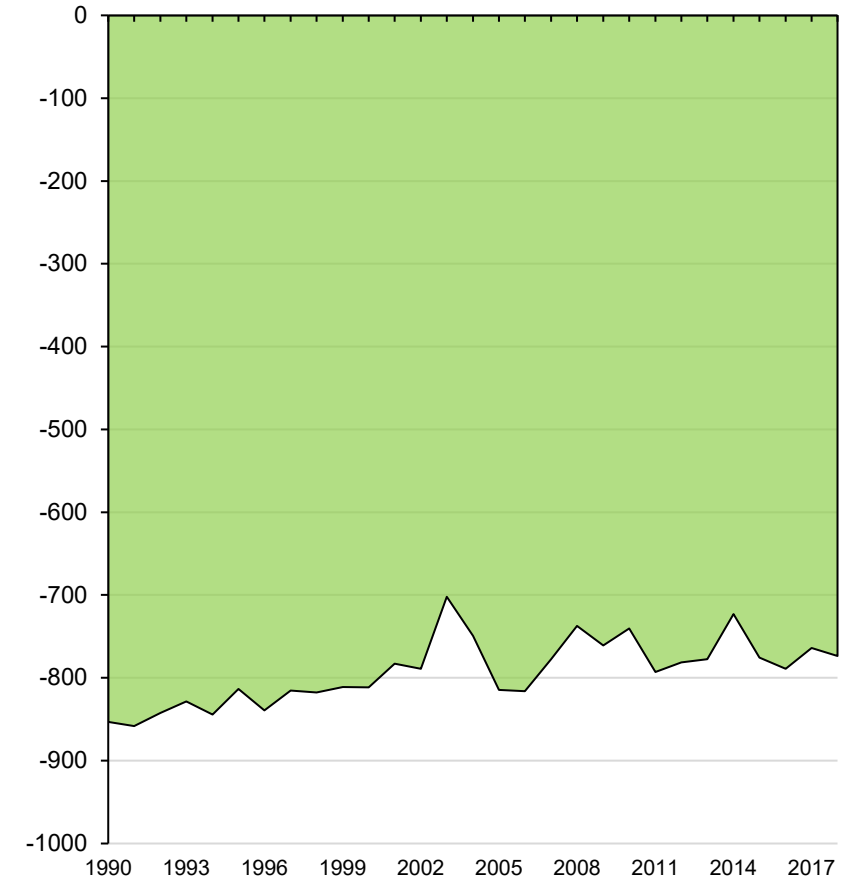
WILL CLIMATE BE A PUBLIC GOOD?

ROLE OF GOVERNMENT IN INCENTIVISING CLIMATE-SMART FARMING

Agriculture's Contribution to GHG Emissions
2018



Carbon Sinks: Land Use, Land-Use Change and Forestry
(MMT in CO2 Equivalents)

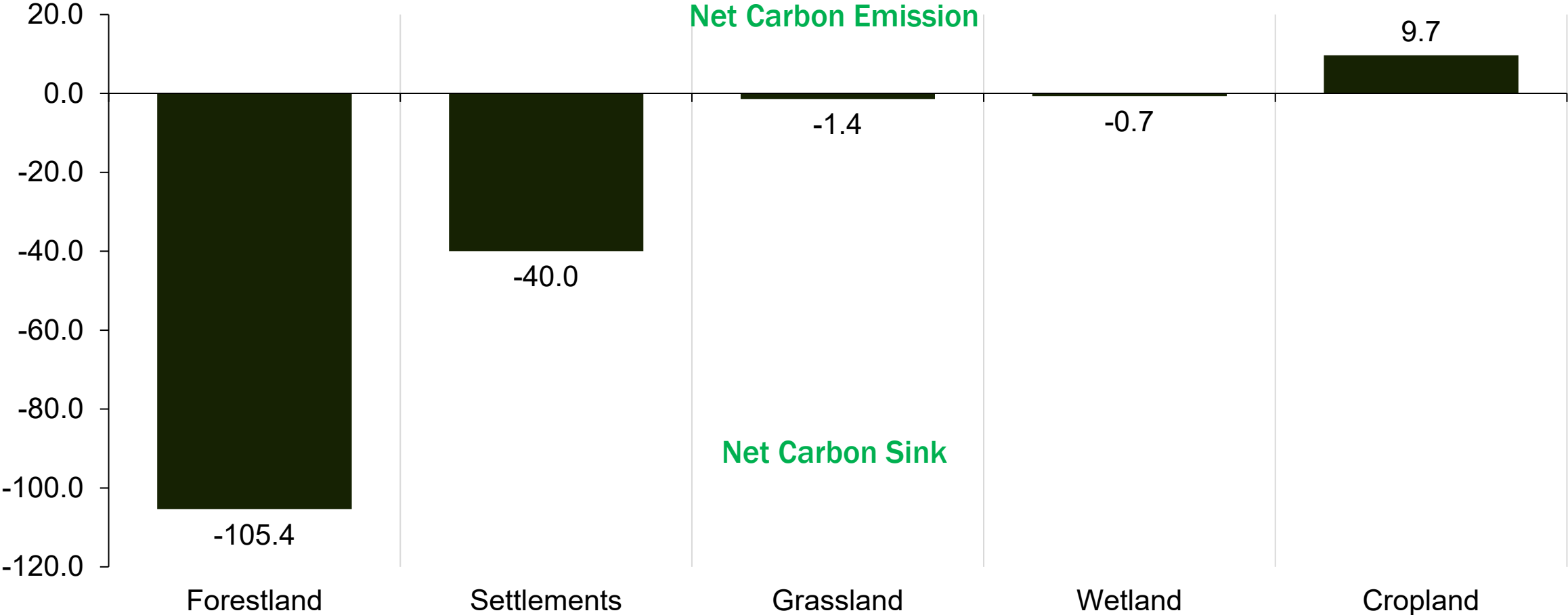


Source: EPA, Farm Bureau Calculations



LULUCF* FLUXES PER HUNDRED ACRES

Metric Tons CO2 Equivalent Per 100 Acres, 2018



Net Carbon Emission

Net Carbon Sink

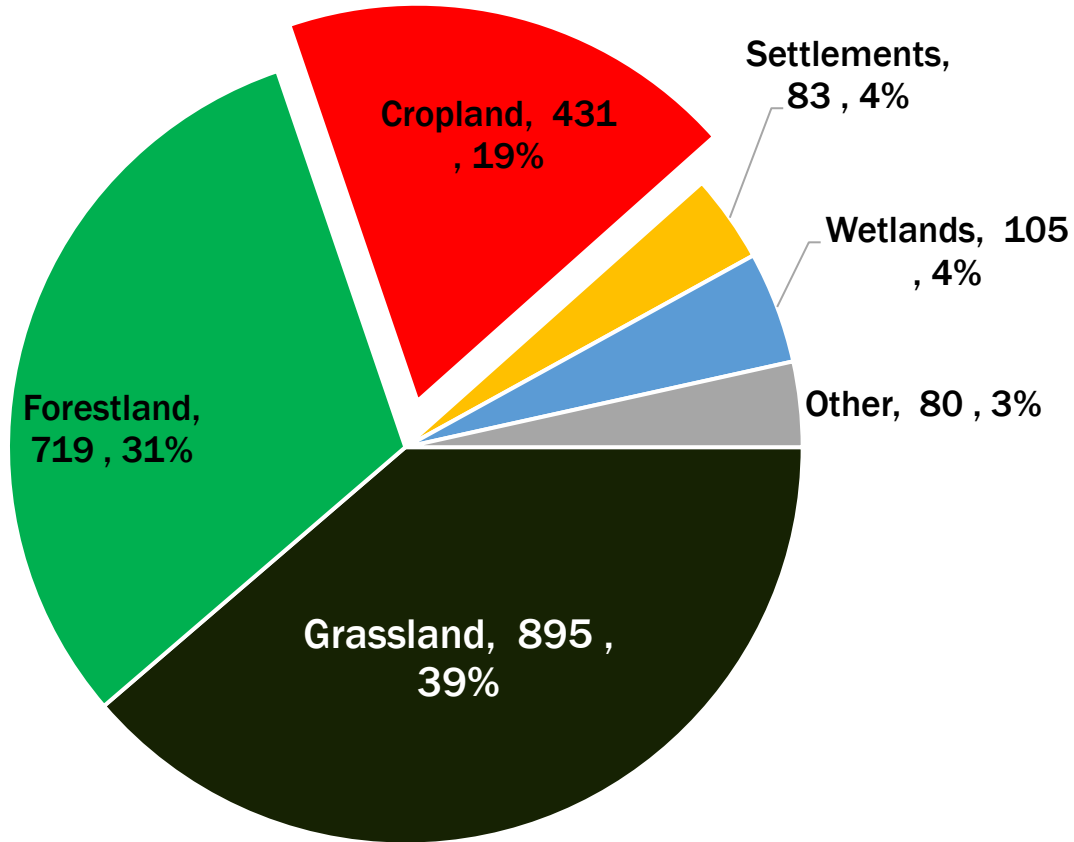
Source: EPA, Farm Bureau Calculations
*Land Use, Land-Use Change and Forestry



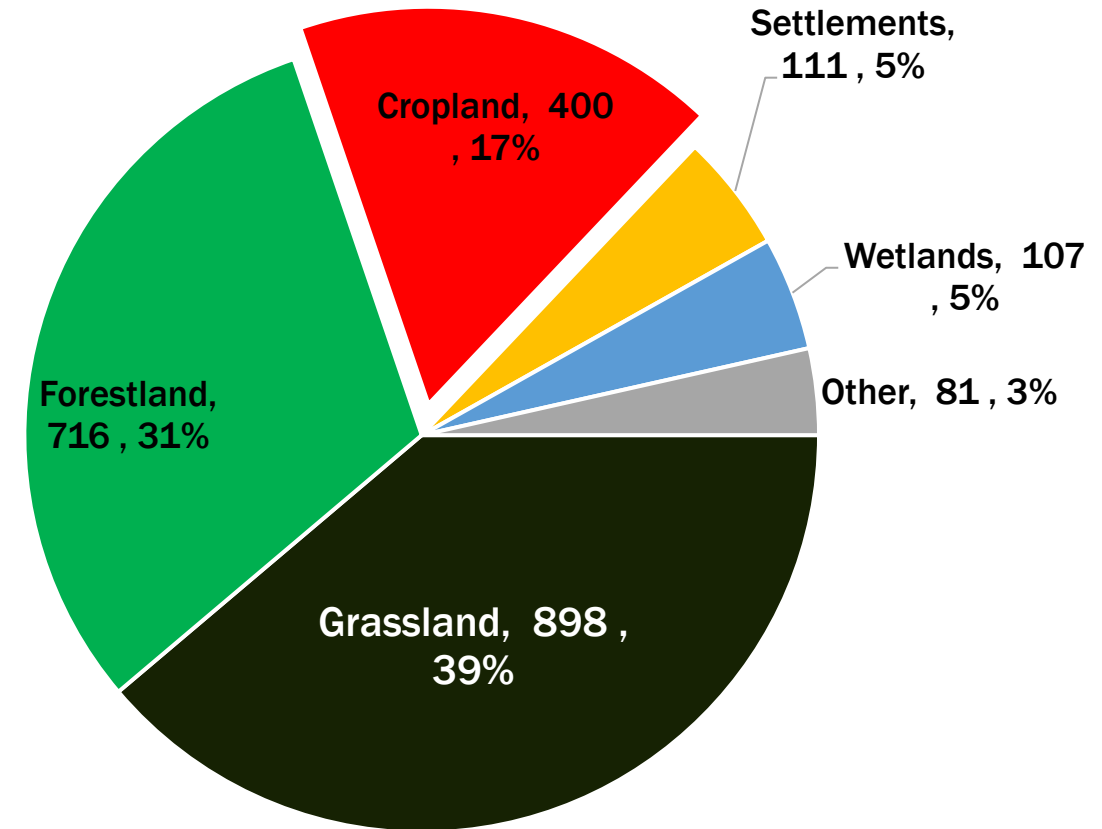
ALREADY LOSING ONE MILLION ACRES PER YEAR

Land Use in the U.S., 1990 and 2018

Million Acres and % U.S. Land Area, 1990



Million Acres and % U.S. Land Area, 2018



Source: EPA, Farm Bureau Calculations



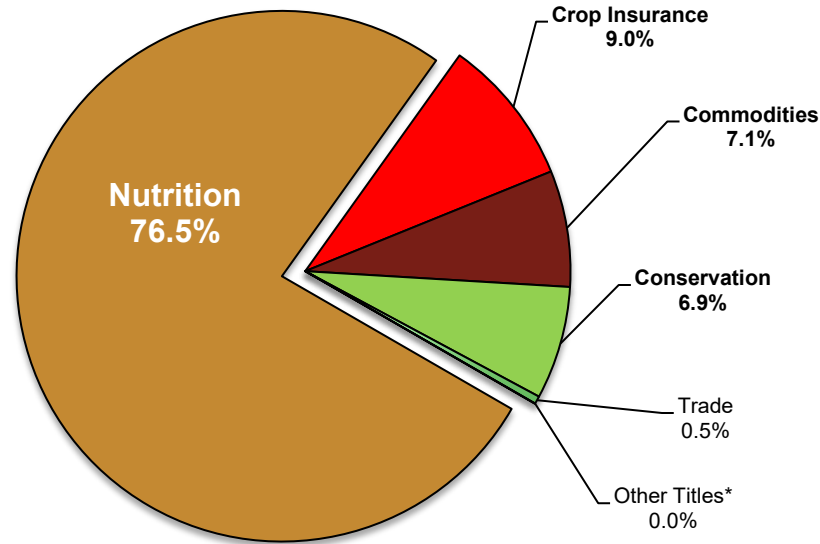
STRENGTHEN THE FARM BILL

NEW LEADERSHIP IN HOUSE AND SENATE AG, VILSACK RETURNS TO USDA



\$867 Billion

2018 Farm Bill Baseline (% of Total)
Agriculture Programs 23%



Source: CBO, Farm Bureau Calculations



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