



# “Farm Economics and Geopolitical Update”

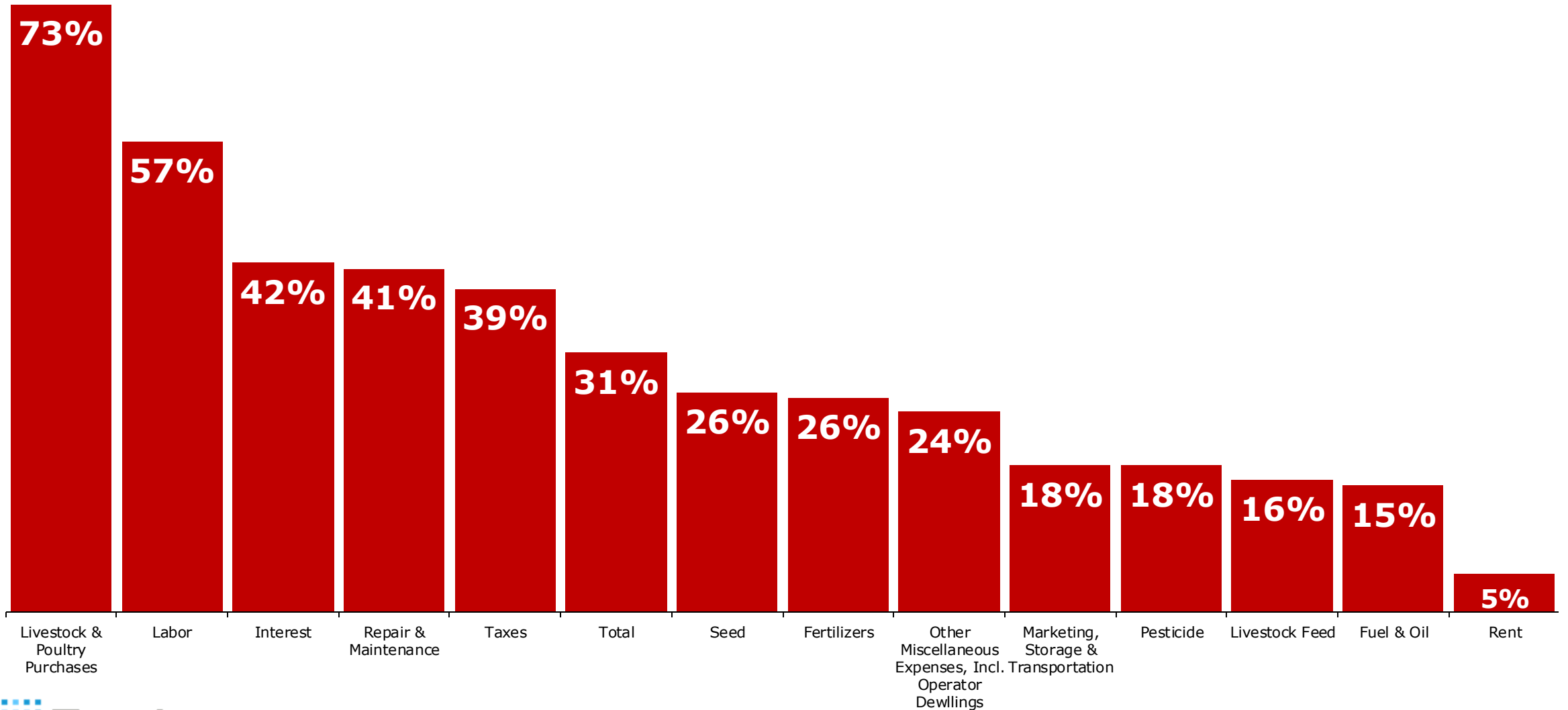
John Newton, Ph.D.

March 2025



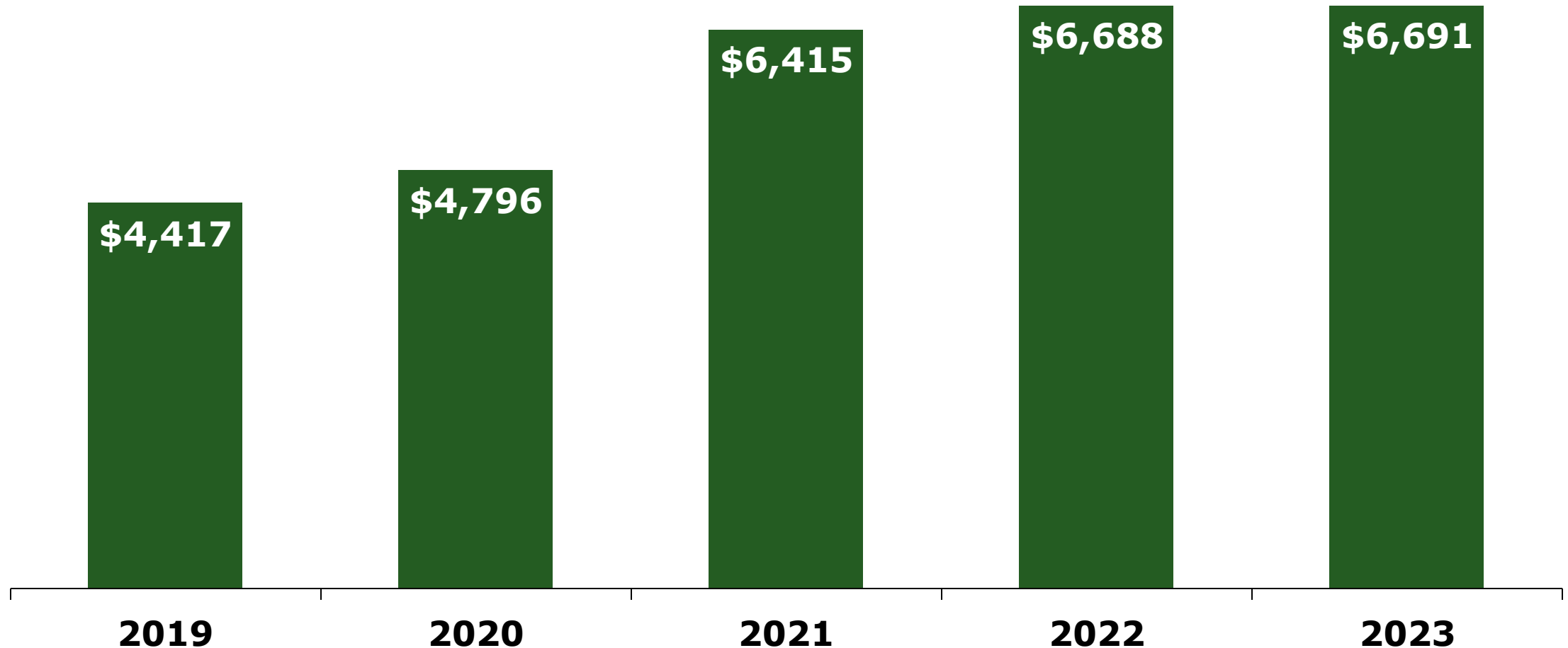
# Input Costs Have Increased \$107 Billion

Percentage Change In Input Costs Since 2018



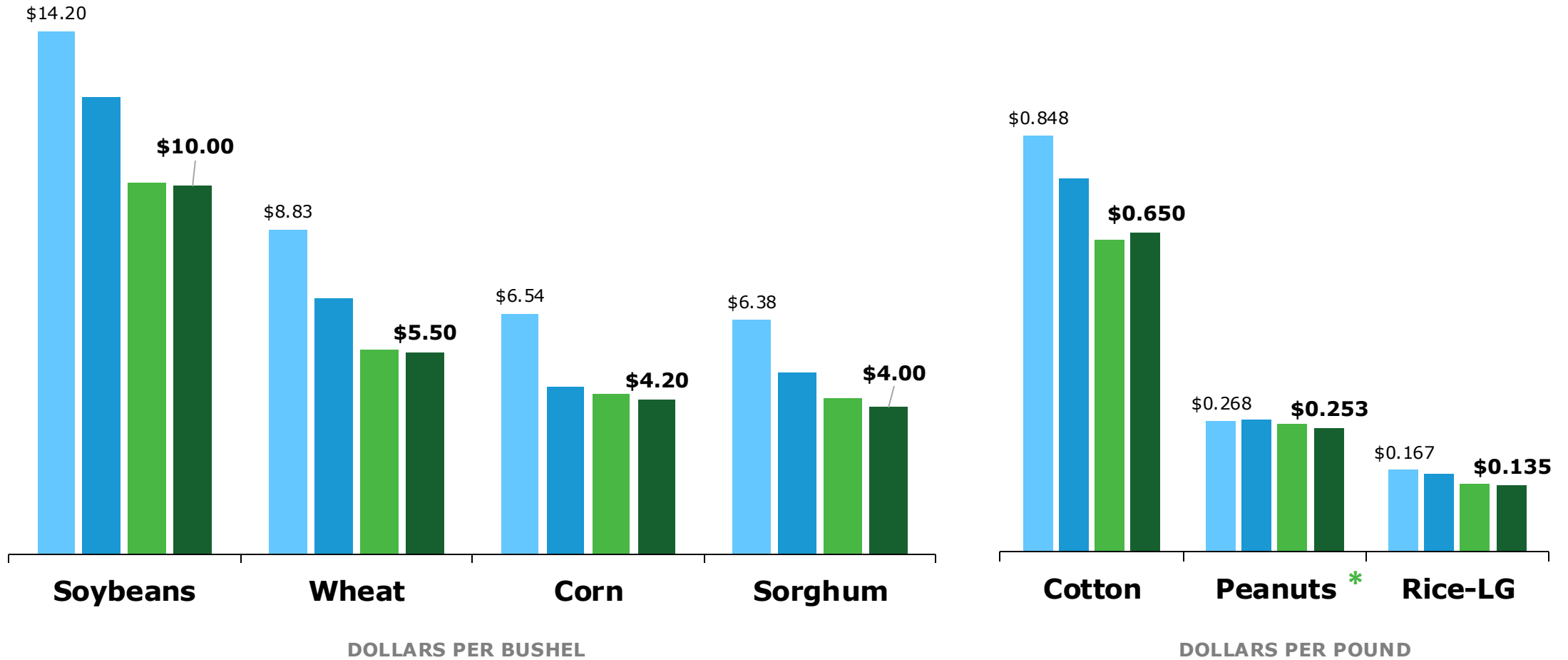
# Floriculture Sales Have Held Steady...But

Floriculture Sales, Million Dollars



# Crop Prices Have Declined Sharply

2022/23 | 2023/24 | 2024/25 | 2025/26



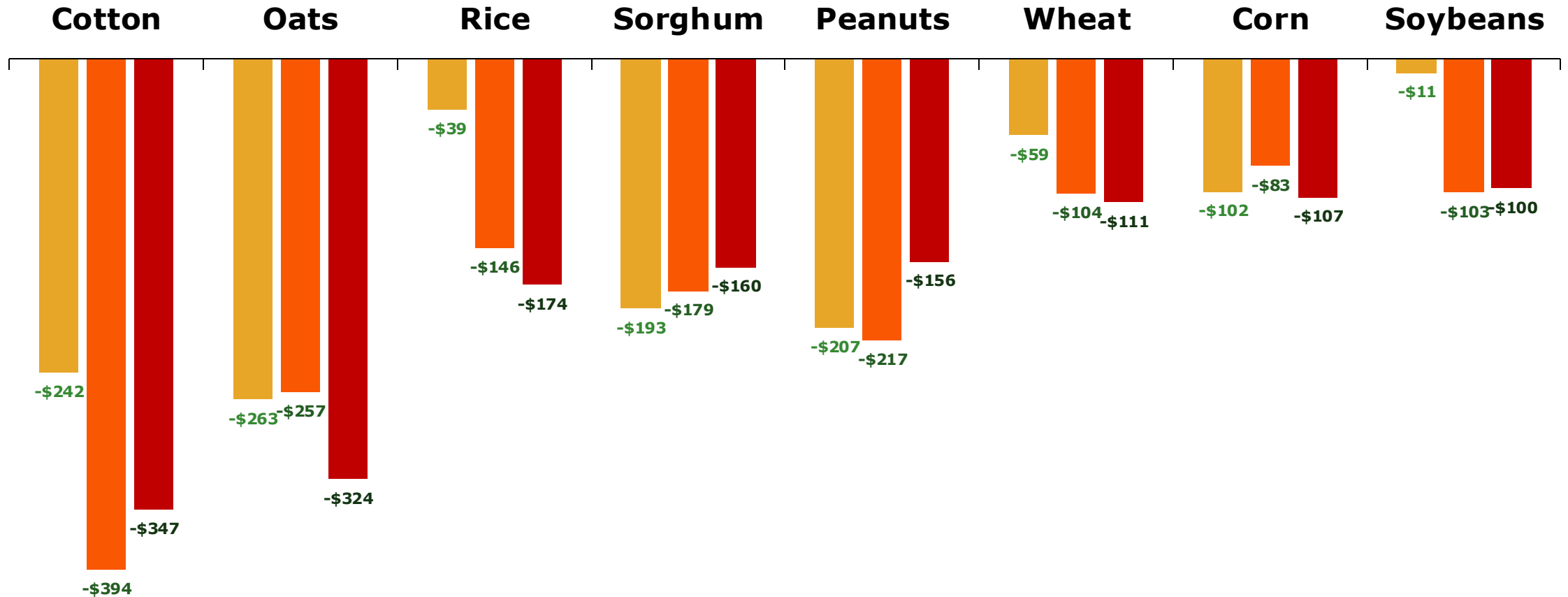
DOLLARS PER BUSHEL

DOLLARS PER POUND

\*2025/26 Price Forecast From FAPRI's August 2024 Baseline

# Margins Expected to Remain Tight in 2025

National Average Estimates, Dollars per Acre, 2023/24 to 2025/26 Projected



# Farming Is The Backbone Of Rural America

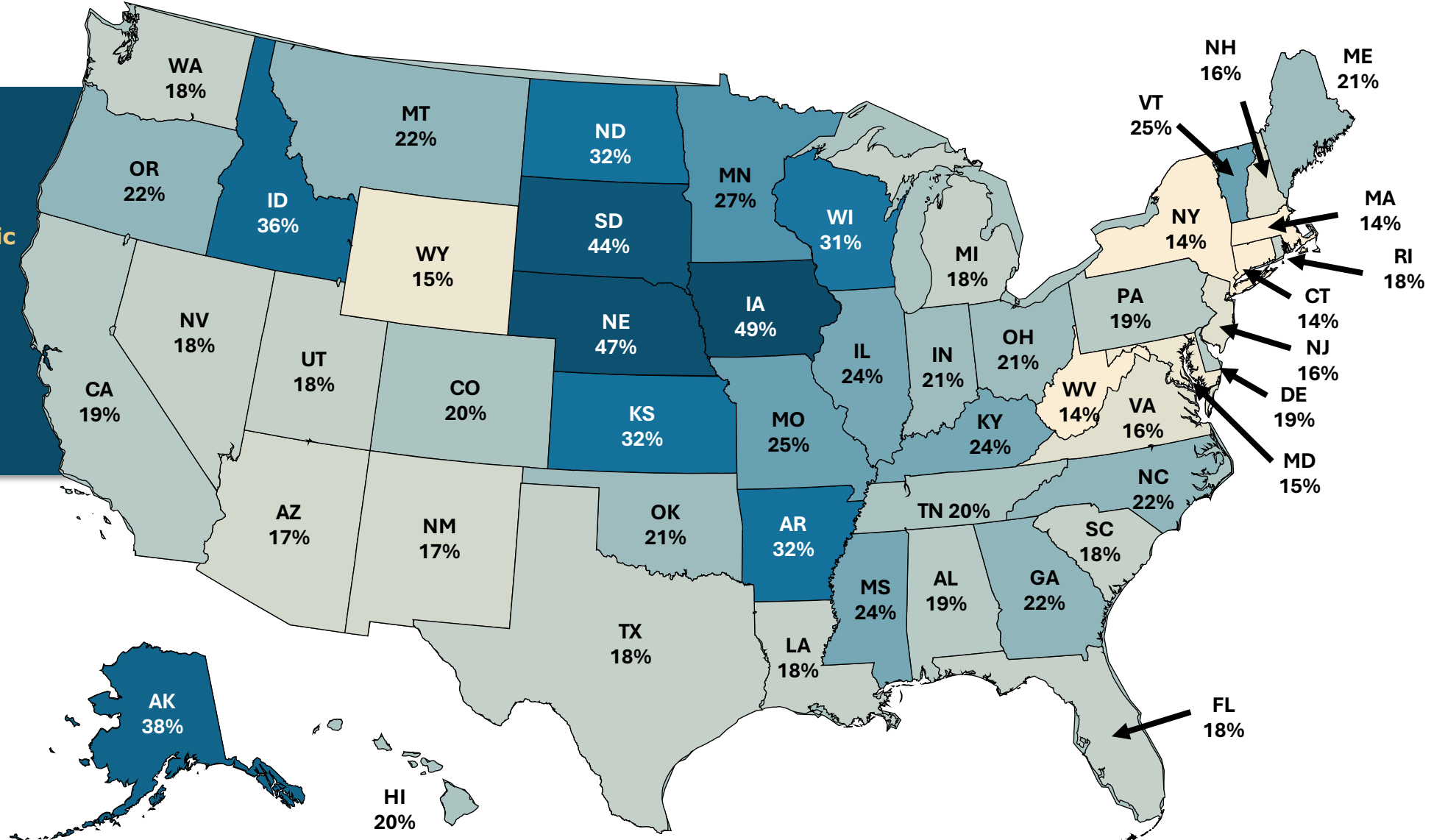
Contribution of Food and Agriculture to the State's Total Economic Output in 2023

**20%**

Contribution to U.S. Economic Output in 2023

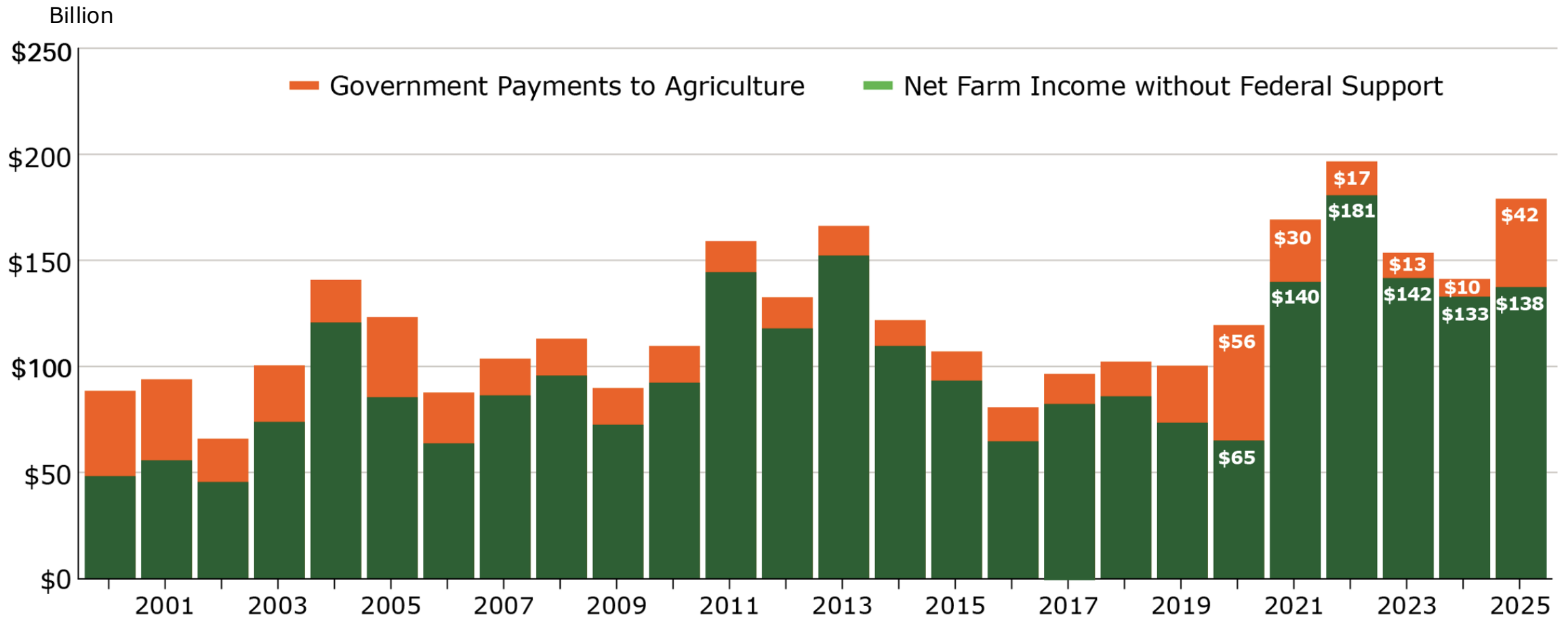
**\$9.6 Trillion**

**15% Of Employment**



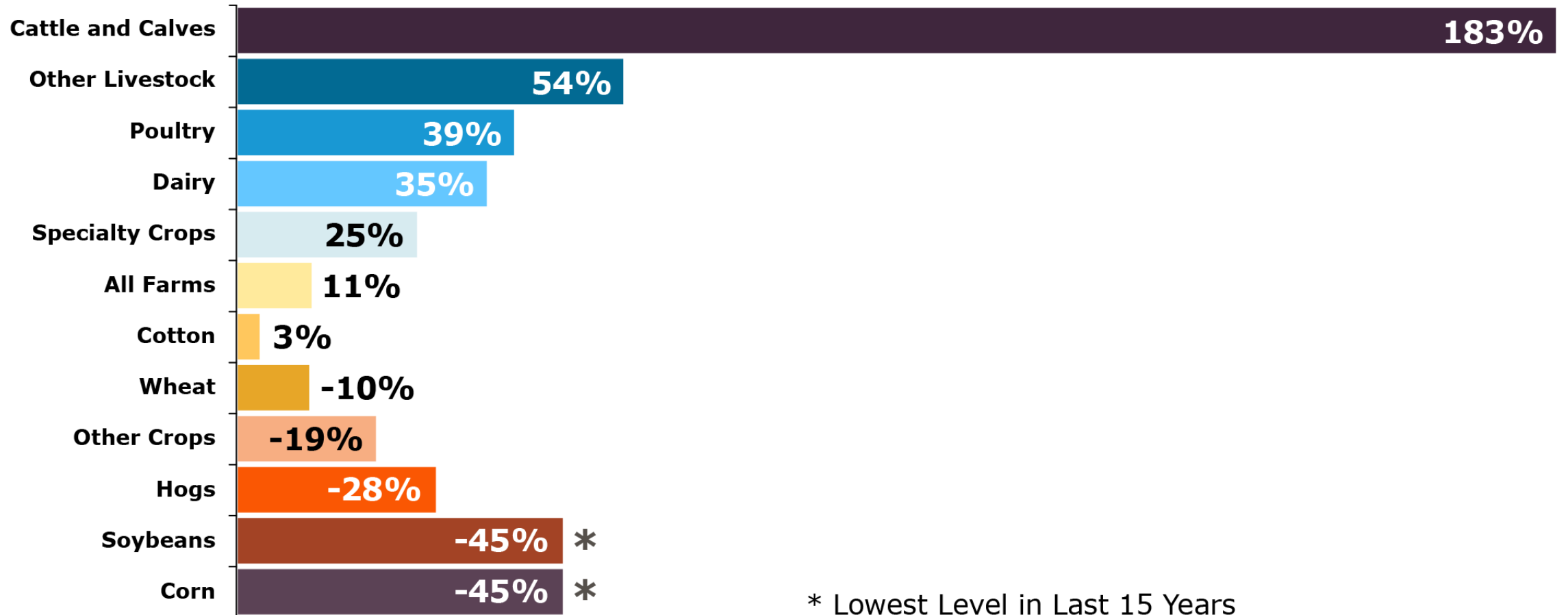
# Congress Stepped In To Prop Up Farm Economy

Inflation-Adjusted U.S. Net Farm Income (With and Without Federal Support),  
2000 to 2025 Forecast



# A Tale of Two Farm Economies

Change in Inflation-Adjusted Net Cash Farm Income, 2022 to 2025



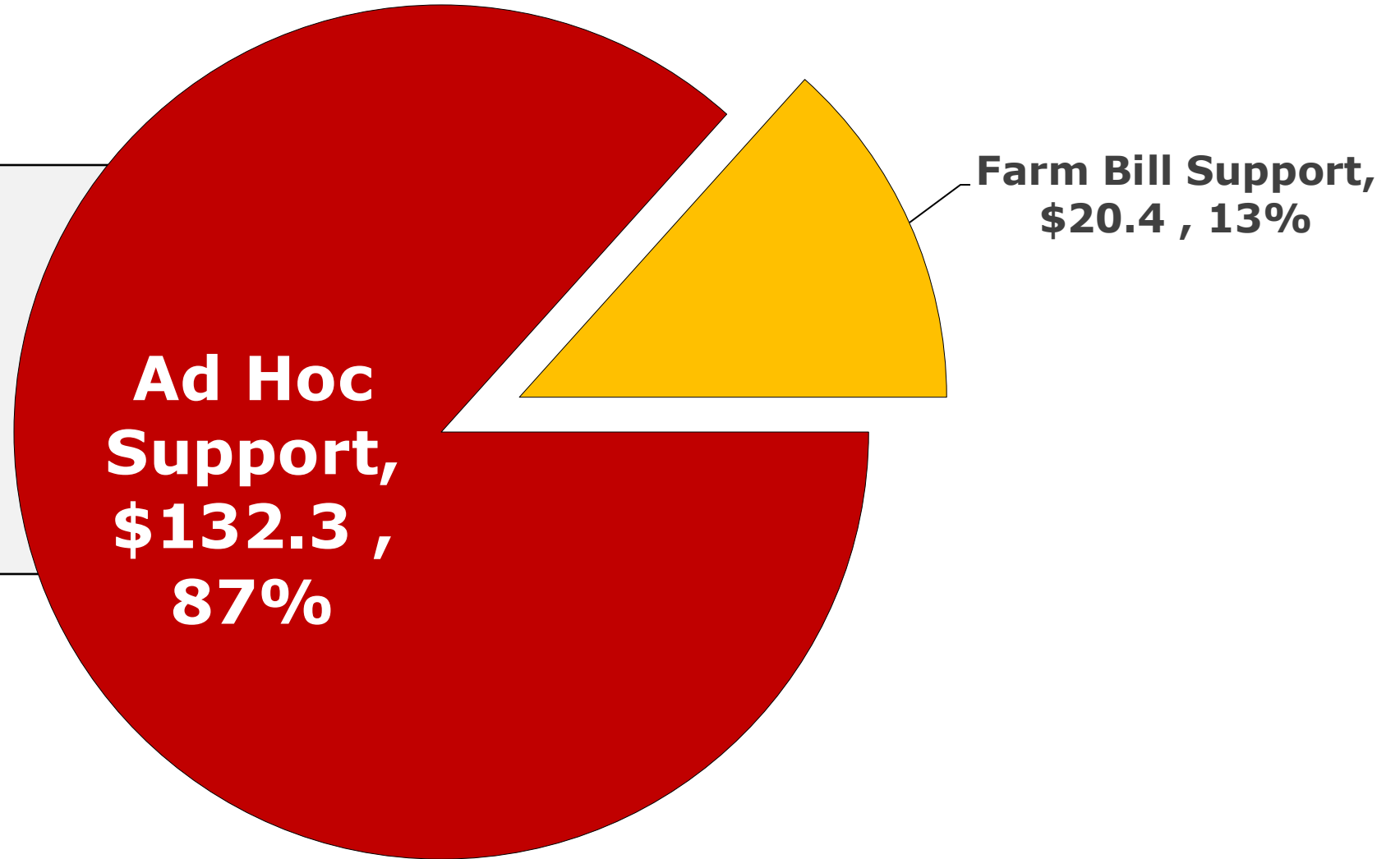
\* Lowest Level in Last 15 Years



# Ad Hoc Support Is Unpredictable

Federal Government Direct Farm Payments, Fiscal Years 2018 to 2025, Billion Dollars

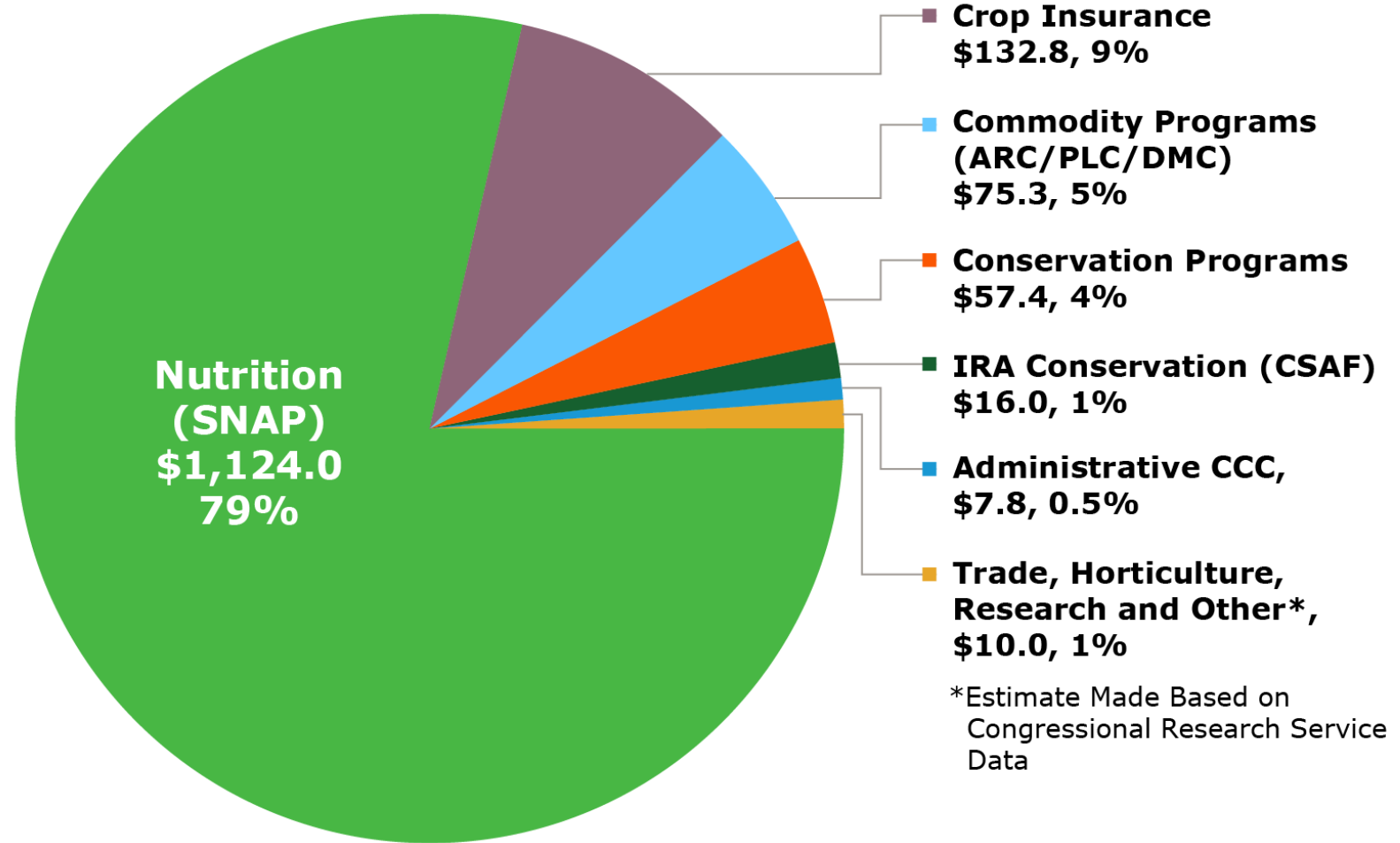
**Unpredictable Nature  
Creates Challenges,  
e.g., Loan Renewals,  
Working Capital,  
Probability of Default**



# The First Trillion Dollar Farm Bill

January 2025 Baseline for Farm Bill Programs, FY2026 to FY2035, Billions

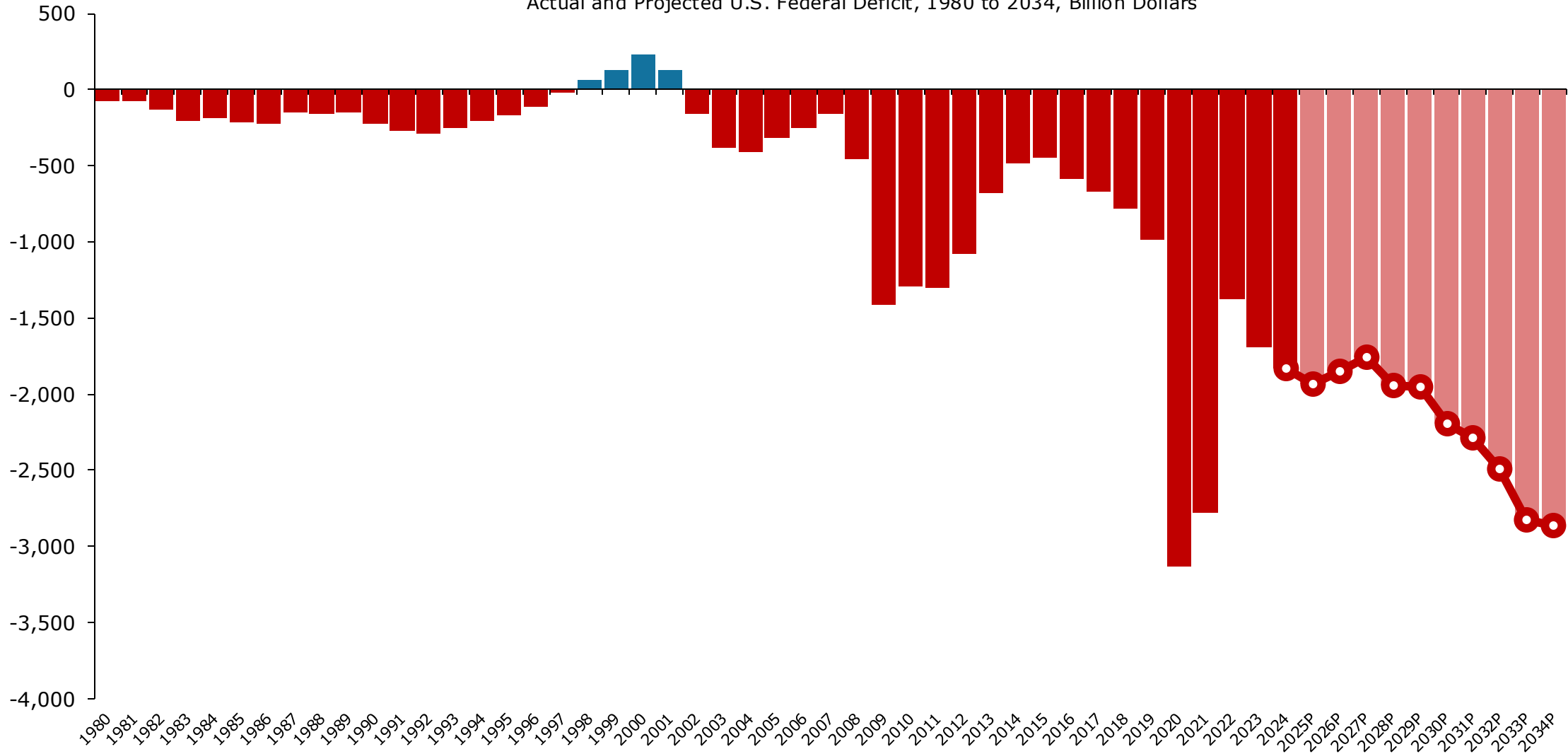
**\$1.4 Trillion**  
Estimated Cost of USDA  
Mandatory Farm, Conservation,  
and Nutrition Programs



\*Estimate Made Based on  
Congressional Research Service  
Data

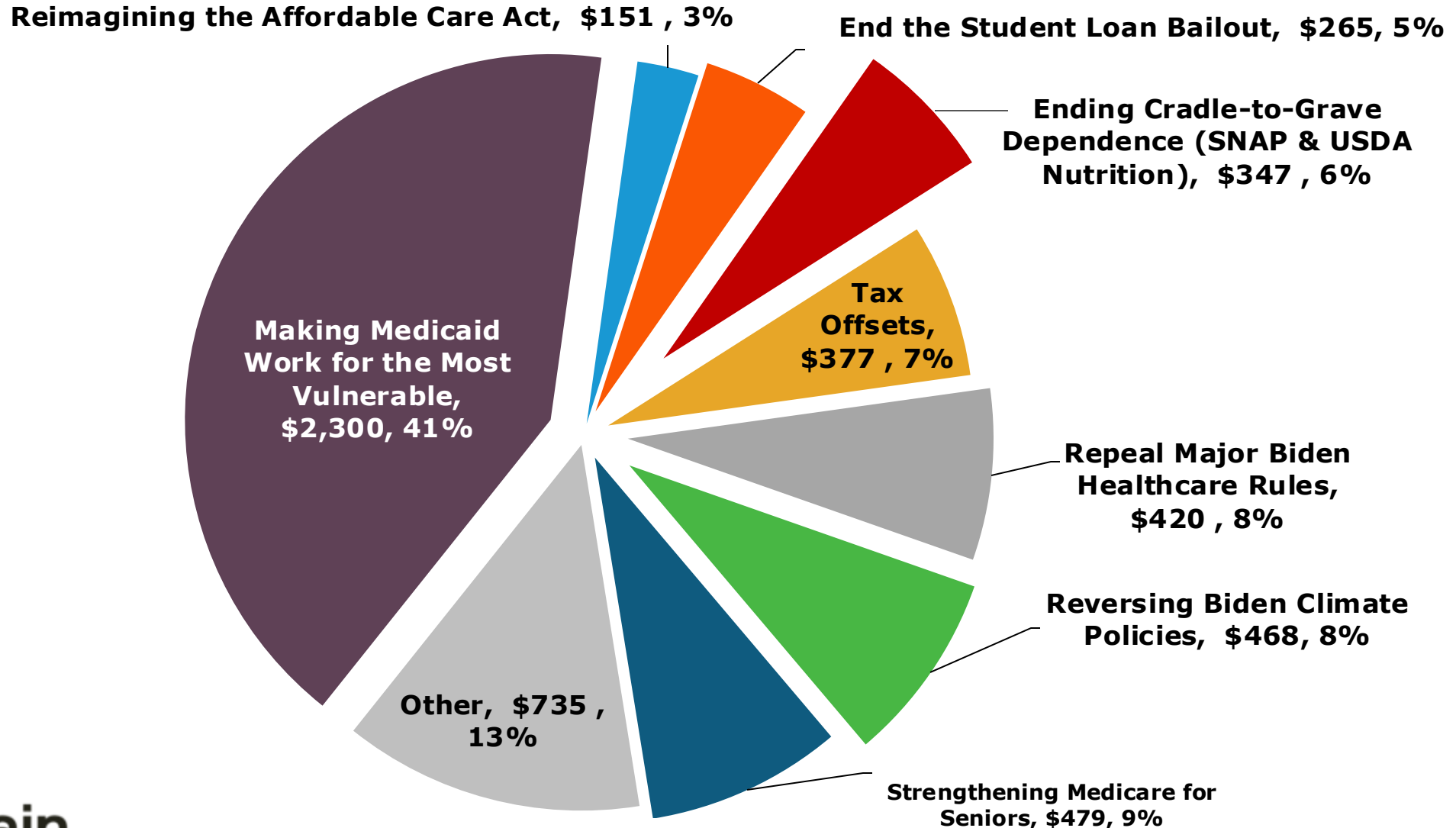
# Taxes, Reconciliation, & The Federal Deficit

Actual and Projected U.S. Federal Deficit, 1980 to 2034, Billion Dollars



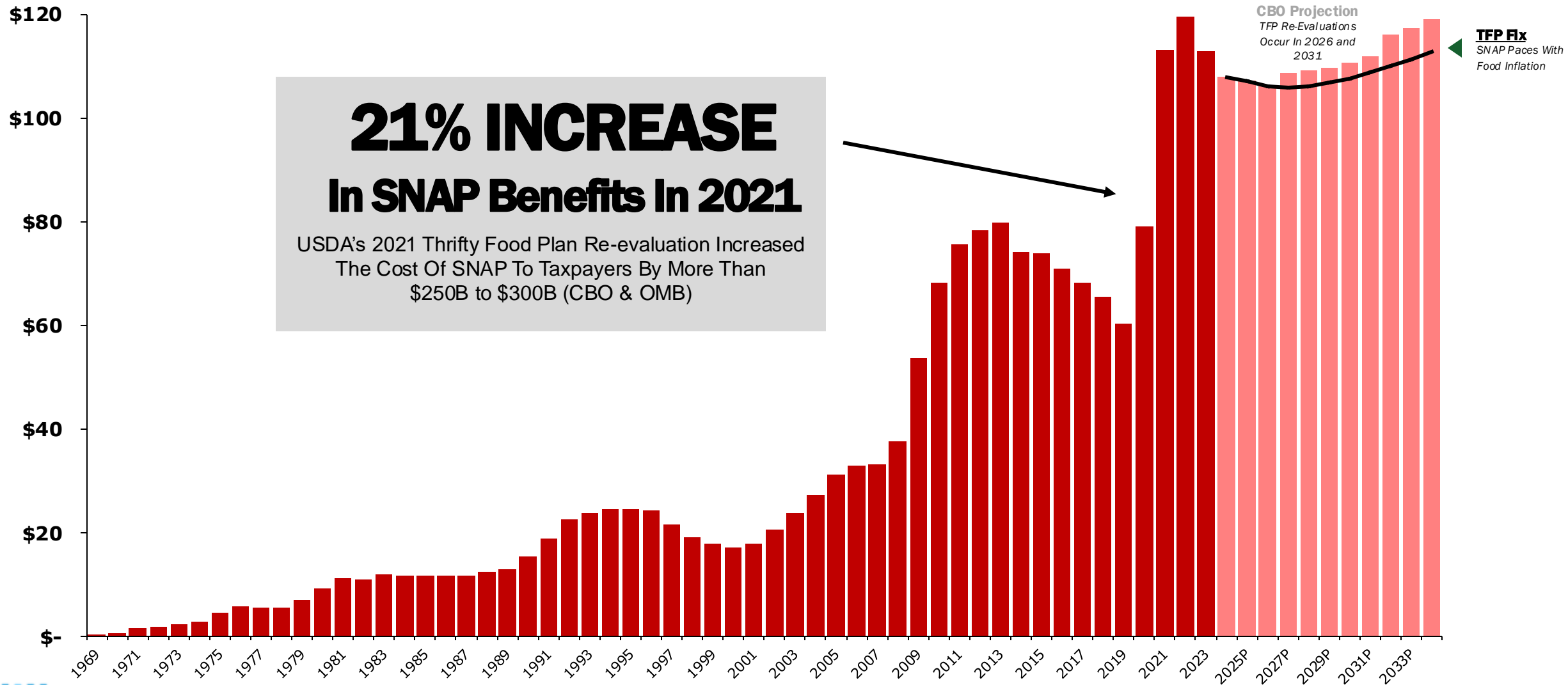
# What's in the 'Big, Beautiful Bill?'

\$5.3 Trillion to \$5.7 Trillion in Spending Reform Options, Million Dollars



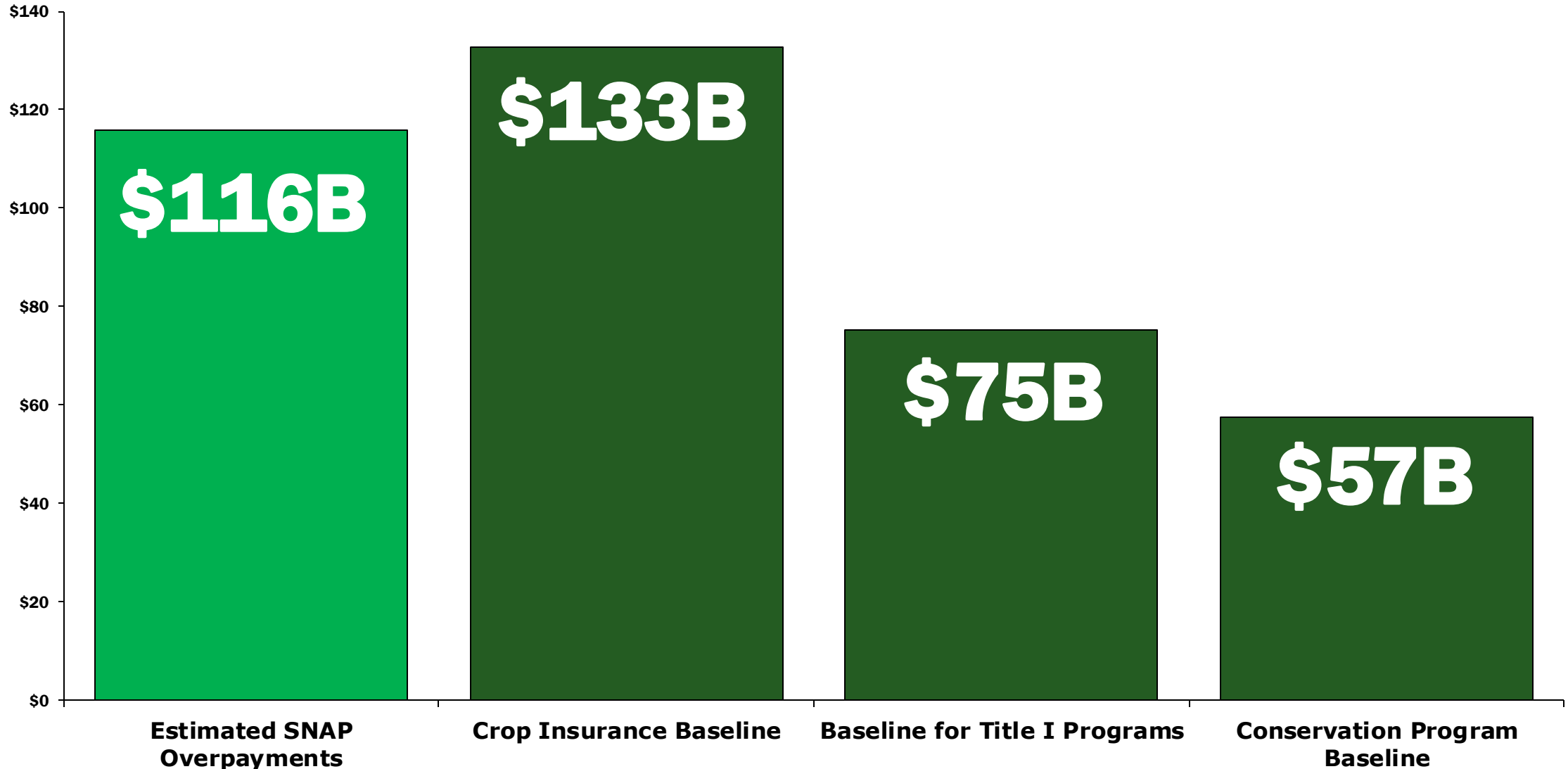
# Nutrition Program Reform On The Table

Actual and Projected Total Cost Of USDA's Supplemental Nutrition Assistance Program Under Alternative TFP Scenarios, FY1969 to FY2034, Billion Dollars



# Example Of Potential Nutrition Reform

Comparison Of Estimated 10-year Score Of SNAP Overpayments To CBO Baseline Projections For Farm Bill Programs, Billion Dollars, FY26 To FY35

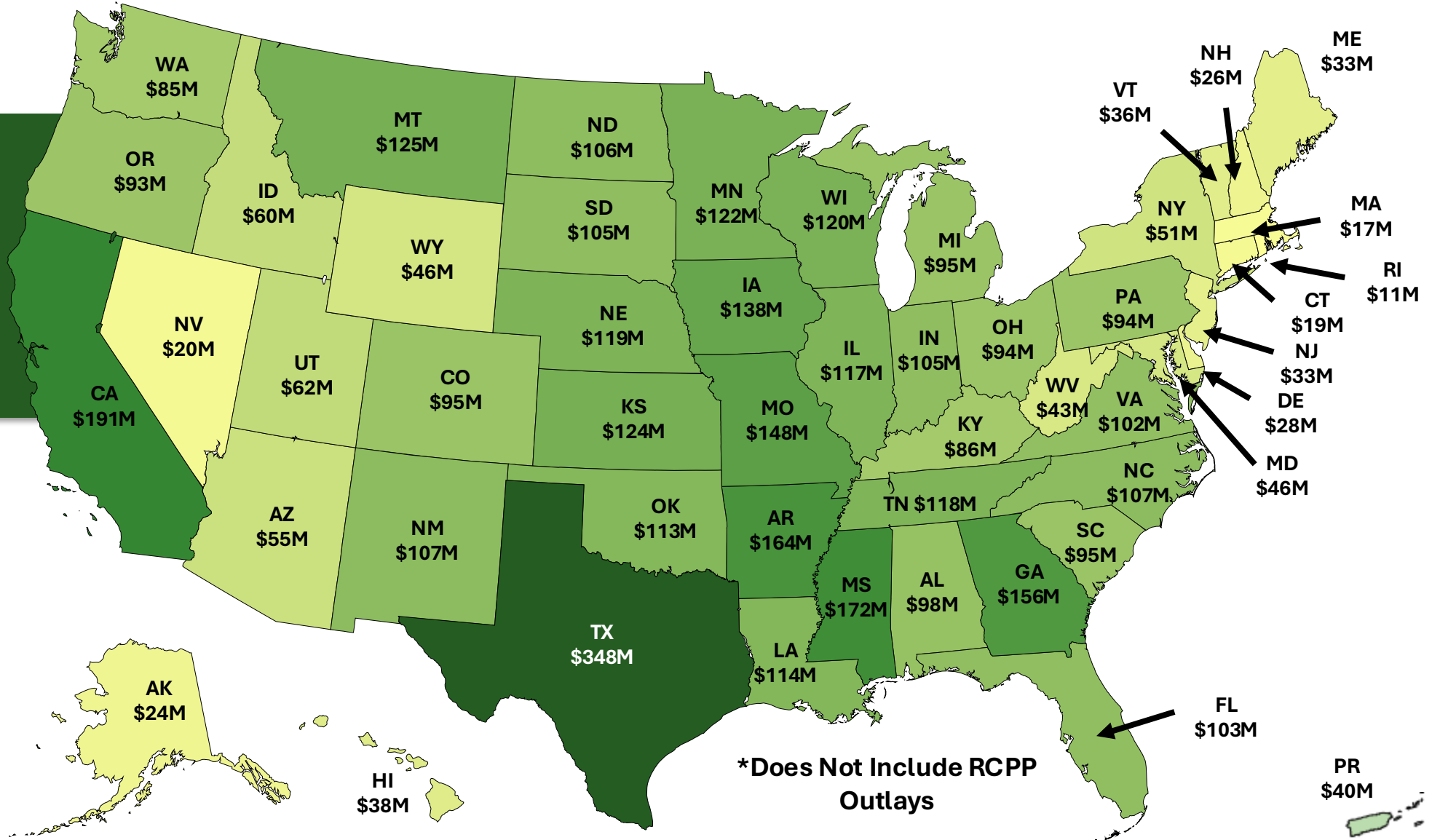


# Status of IRA Conservation Dollars

IRA Conservation Program Outlays and Allocations, Fiscal Years 2023 to 2025 (As Of October 11, 2024), Dollars\*

**\$14B**

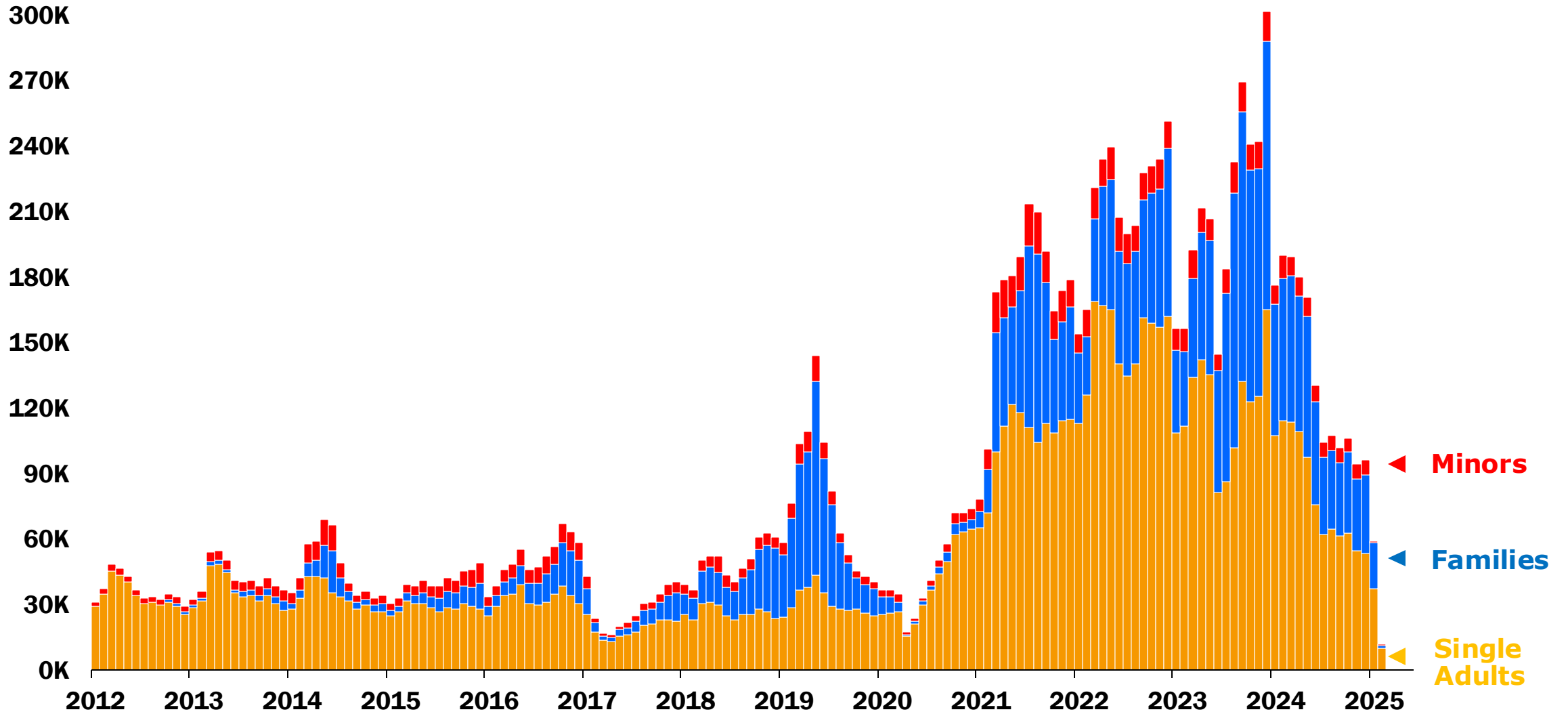
Outstanding IRA Conservation Dollars That Have Not Been Obligated



\*Does Not Include RCPP Outlays

# Increased Focus On Border Security

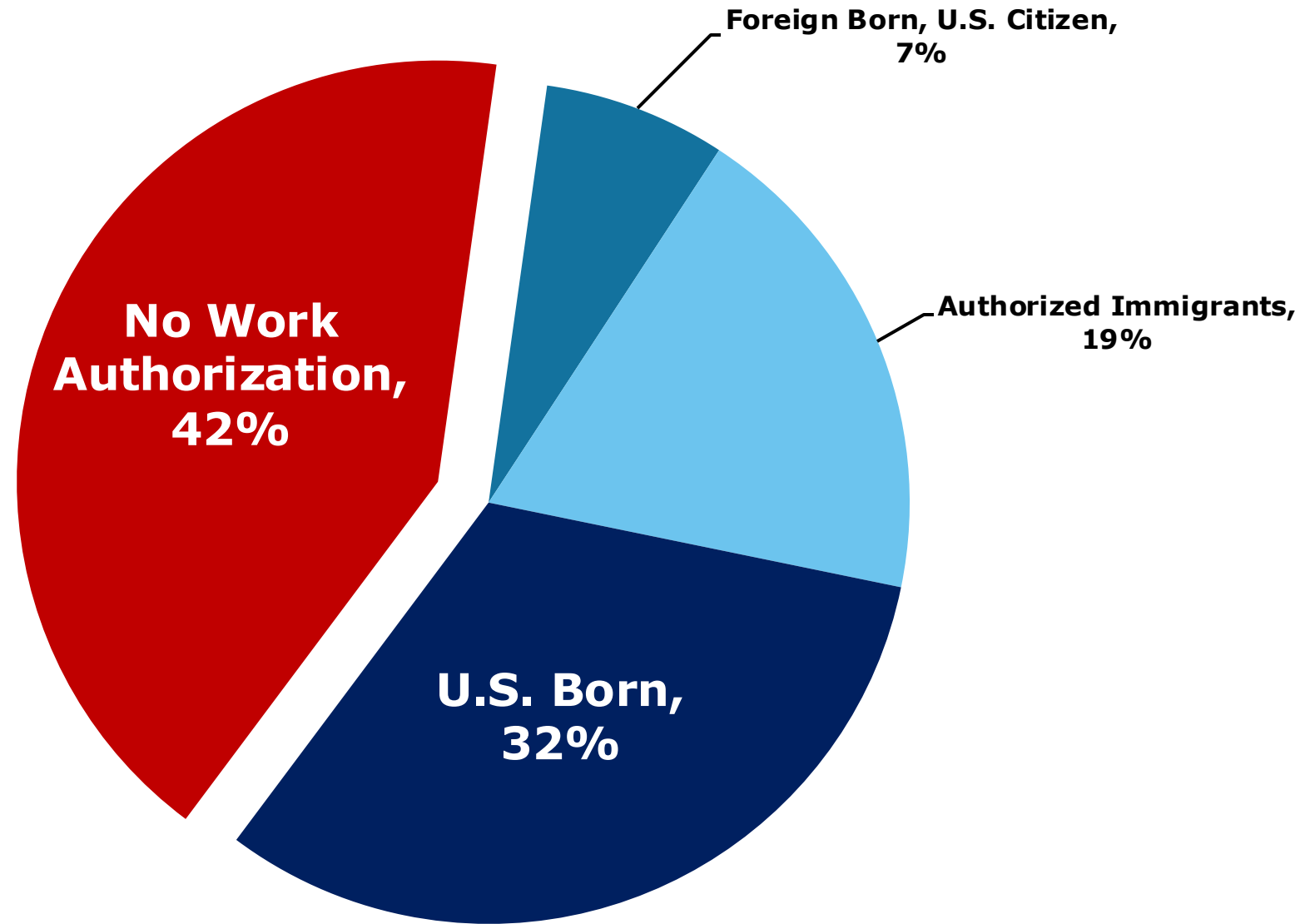
Southwest Land Border Encounters





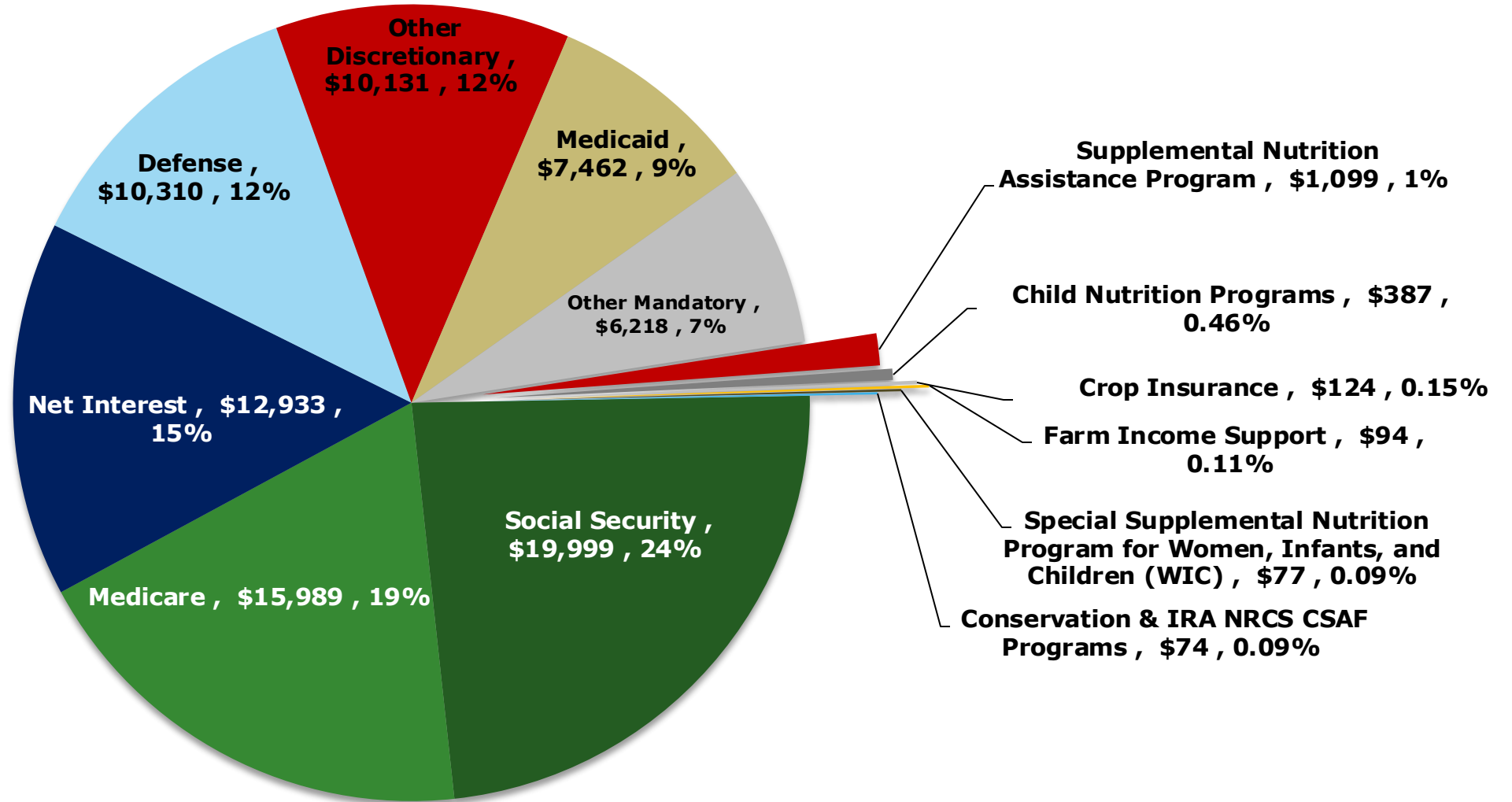
# Immigration Status and Farm Labor

Immigration Status Of Hired Crop Farm Workers, 2020 to 2022 Average



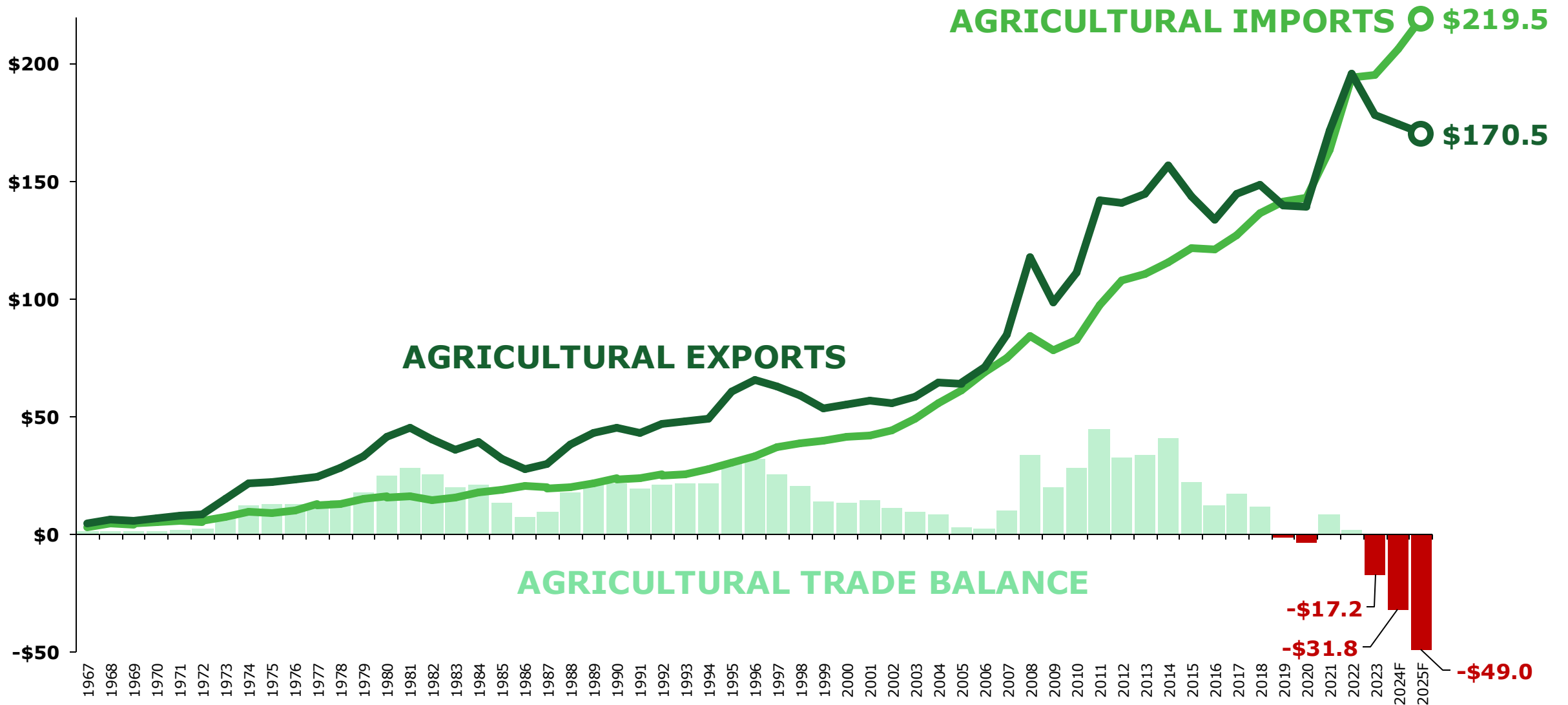
# We Can't Balance The Budget On The Back Of Ag

U.S. Budgetary Outlays By Major Spending Category, 2025 to 2034, Billion Dollars



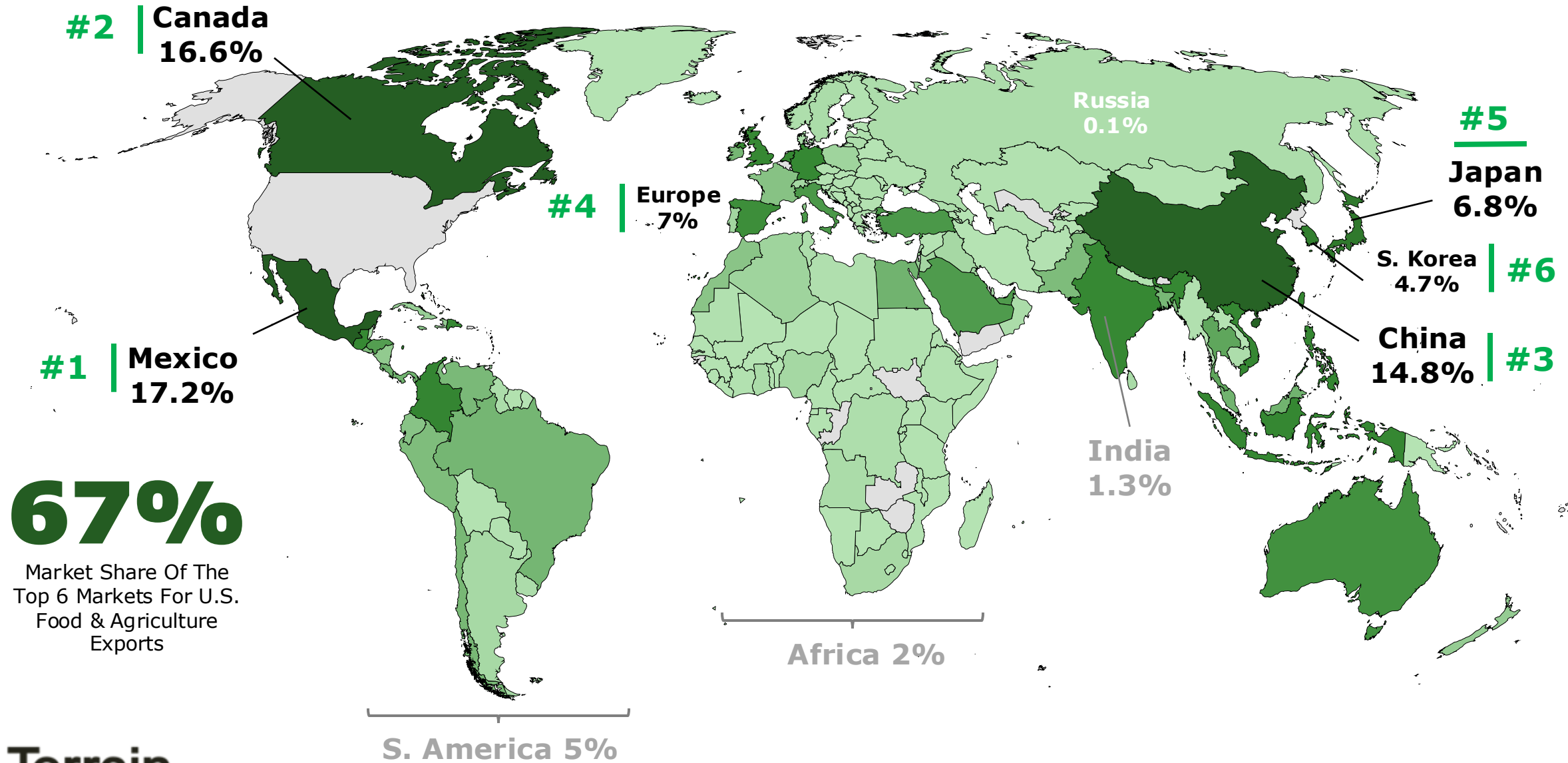
# U.S. Agricultural Trade and Trade Balance

U.S. Agricultural Exports, Imports, And Trade Balance, Actual and Projected, Billion Dollars, Fiscal Year



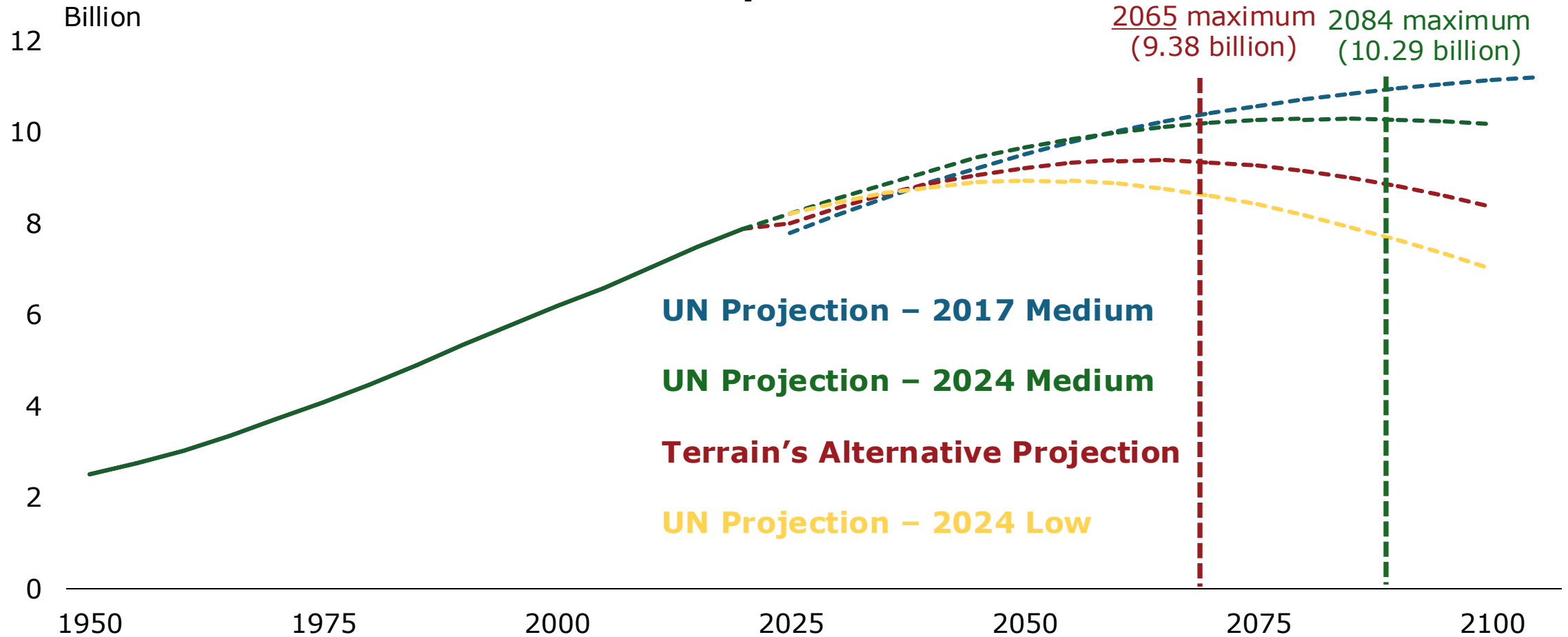
# Where U.S. Agriculture Does Business

Share Of U.S. Agricultural Exports by Country/Region, Fiscal Year 2024



# “Feed the World” Paradigm Plays Out

## Global Population Estimates



# How Far Away Could Peak Population Be?

Estimated Year of Peak Population, Low Variant Prediction Interval

