

# farmdocDAILY LIVE | Coronavirus and Ag Global Transportation and Cash Flow Considerations



Gary  
Schnitkey



Ryan  
LeGrand

# What do you think of the lengthening of the stay in place guidelines to April 30th

- April 30<sup>th</sup> seems appropriate
- April 30<sup>th</sup> is too far in the future
- April 30<sup>th</sup> will be extended
- Do not know/no opinion

# Audio

## Poor Audio

- Normal function of your internet connection
- **Solution:** Call in by following instructions in email

## No Audio on computer

- Ensure computer audio is selected and check output device
- Check that speakers are not muted or very low volume
- If all else fails call in by following instructions in email



### 2. Choose one of the following audio options:

#### TO USE YOUR COMPUTER'S AUDIO:

When the webinar begins, you will be connected to audio using your computer's microphone and speakers (VoIP). A headset is recommended.

--OR--

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United States: +1 (415) 655-0052

Access Code: 934-330-662

Audio PIN: Shown after joining the webinar

# Housekeeping

- Handout available via GoToWebinar control panel
- Webinar will be archived and available on farmdoc
- Submit questions during the webinar and we will answer them at the end of the webinar



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# Update



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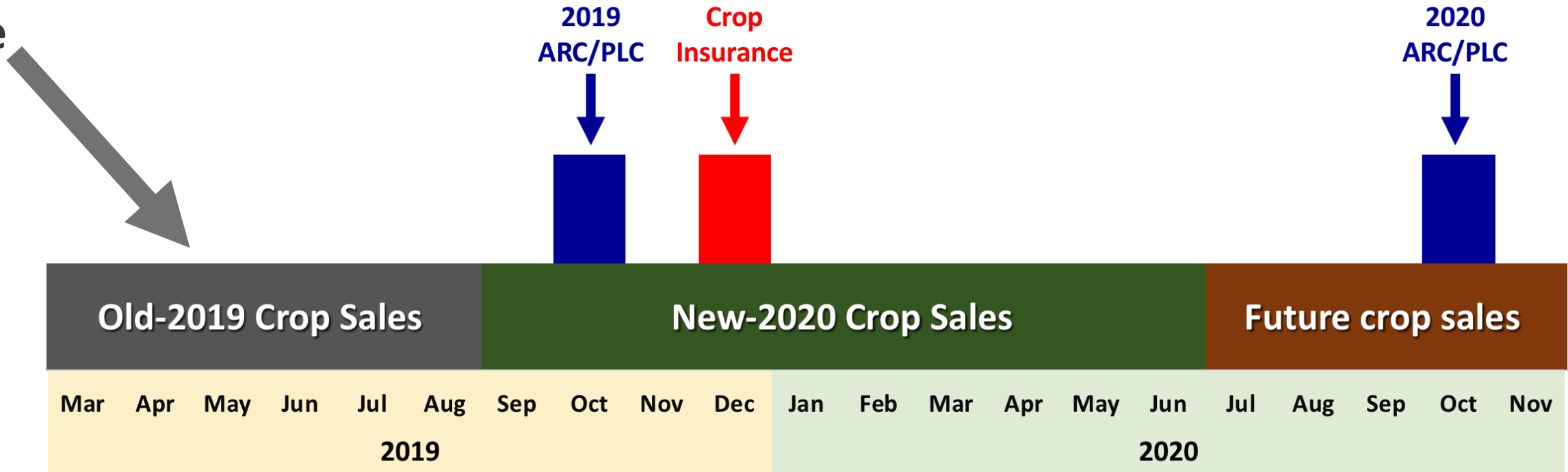
**Gary Schnitkey**

**Soybean Industry Chair in Agricultural Strategy**

# Grain Farm Cash Flows Impacted by COVID-19

## Timeline of Revenues for Crop Farms that COVID-19 Will Impact

Focus  
Here



# Old-2019 Crop

Prices – Before and After COVID-19		
	Corn	Soybeans
Before COVID-19	\$3.90	\$8.90
After COVID-19	\$3.30	\$8.40

## Impacts on Old-crop Cash Flow

60 Bushels per acre corn  
18 Bushels per acres soybean } 30% of crop

\$20 per acre less in cash flow – 50-50 corn-soybeans

## Options to Consider

- Make sure have enough operating line of credit
- Consider moving from soybeans to corn
- Reduce inputs

See farmdoc daily, March 31, 2020

# Projected 2020 Grain Farm Income

1,500 acre farm, 20% owned, 40% cash rented, 40% share rented  
214 bushel per acre corn, 63 bushel per acre soybean yield

## Pre COVID-19

**\$3.90 corn price** **\$9.00 soybean price**

**\$2,000 net income**

**\$76,000 net income**

Above-trend yields:

225 corn yield, 70 soybean yield

**\$86,000 net income**

**\$60 per acre MFP-like program**

## Post COVID-19

**\$3.30 corn price** **\$8.40 soybean price**

**significant 2020 ARC/PLC payments**

**-\$57,000 net income**

**\$9,000 net income**

Above-trend yields:

225 corn yield, 70 soybean yield

**\$26,000 net income**

**\$60 per acre MFP-like program**



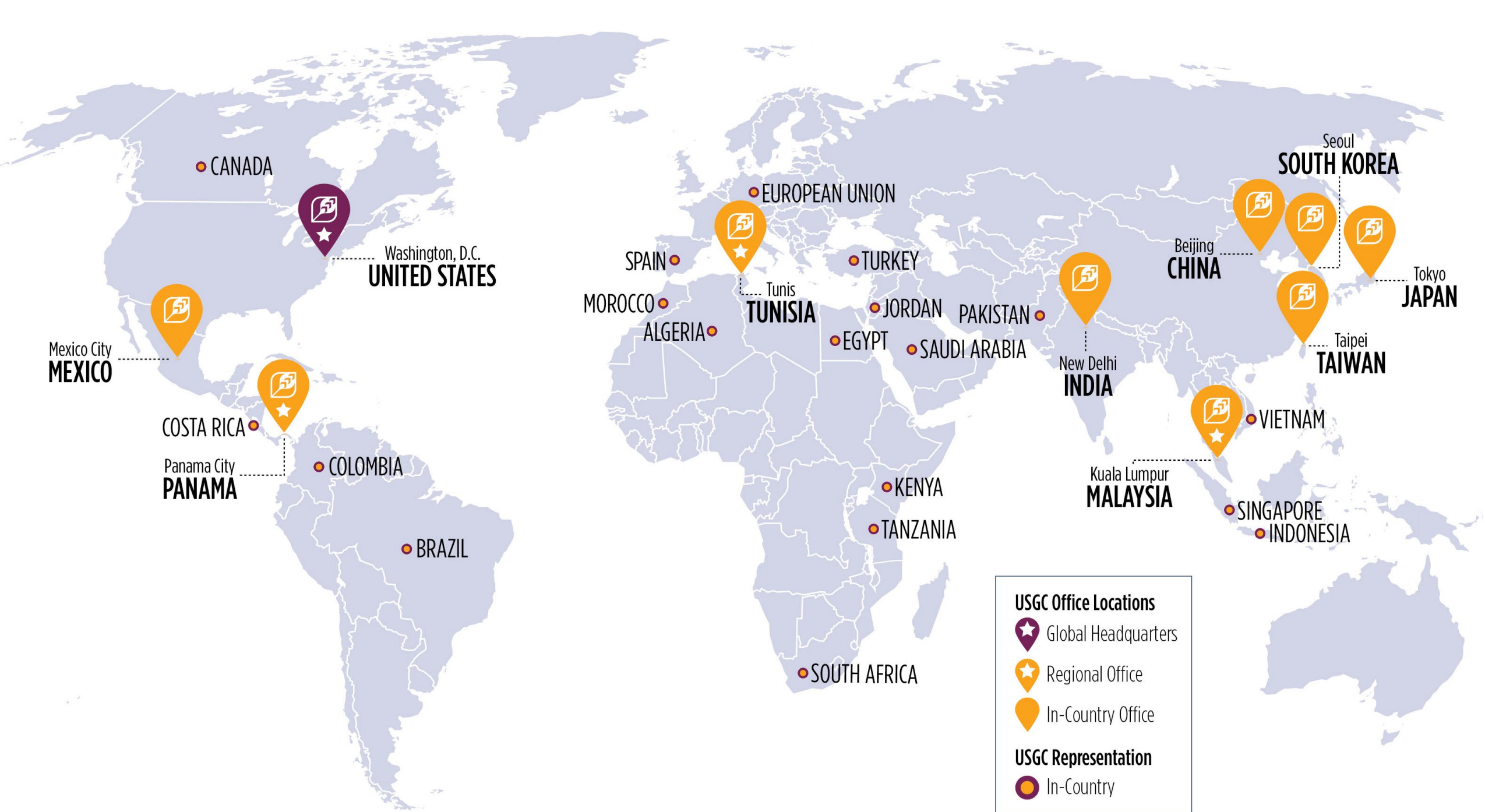
# Are you concerned about grain exports because of COVID-19

- Very concerned
- Somewhat concerned
- Not Concerned
- Do not know

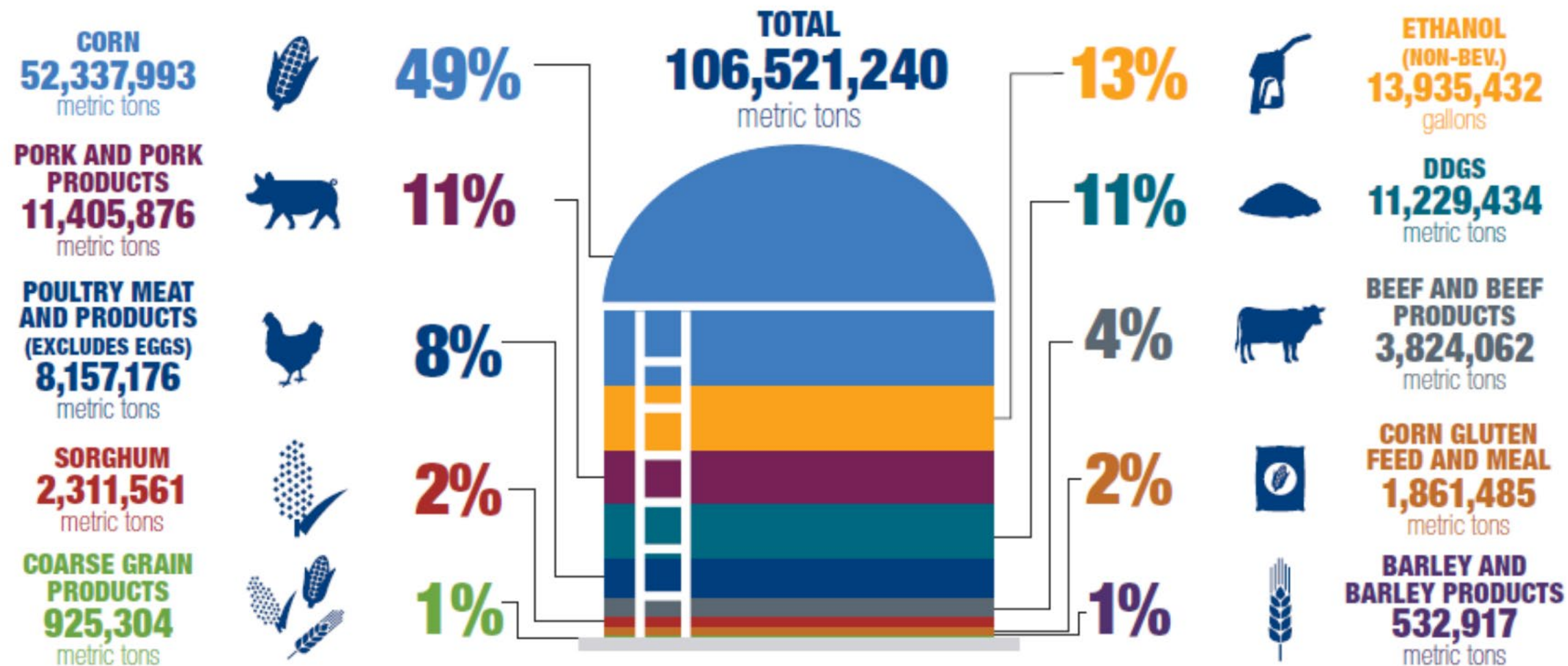
Ryan LeGrand  
President & CEO



**U.S. GRAINS**  
COUNCIL



# How U.S. Grain Was Exported In 2018/2019



**THE U.S. GRAIN COUNCIL'S FEED GRAINS IN ALL FORMS** calculation offers a holistic view of feed grain sold to overseas customers in both unprocessed and value-added forms. This calculation includes corn-equivalent exports of U.S. corn, sorghum, barley, distiller's dried grains with solubles (DDGS), ethanol, corn gluten meal (CGM), meat and poultry.

# GRAIN EXPORTS ADD BILLIONS TO THE U.S. ECONOMY

RESULTS FROM U.S. GRAINS COUNCIL/NATIONAL CORN GROWERS ASSOCIATION VALUE OF TRADE STUDY

GRAIN EXPORTS ACCOUNT FOR

**\$55** **B I L L I O N**  
IN ECONOMIC IMPACT.

**274,000** **JOBS**  
ARE LINKED TO GRAIN EXPORTS.



**EVERY JOB** created  
by grain exports supports an  
additional **3.9** U.S. jobs.



**\$19.1 billion**

in U.S. feed grains  
and grain products  
were exported.



**U.S. GRAINS SUPPORTED NEARLY**

**\$38 billion**

in business sales in the  
U.S. economy during  
2016 beyond the value of  
the products themselves.



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# Are you concerned about grain exports because of COVID-19

- Very concerned
- Somewhat concerned
- Not Concerned
- Do not know

# Upcoming Webinars

## Updated Supply and Demand for Corn and Soybeans

2:00pm, Tuesday March 31<sup>st</sup>

Presented by Scott Irwin and Todd Hubbs. Register at <http://go.illinois.edu/FD>

## farmdocDAILY LIVE | Coronavirus and Ag Outlook and Farm Policy Moving Forward

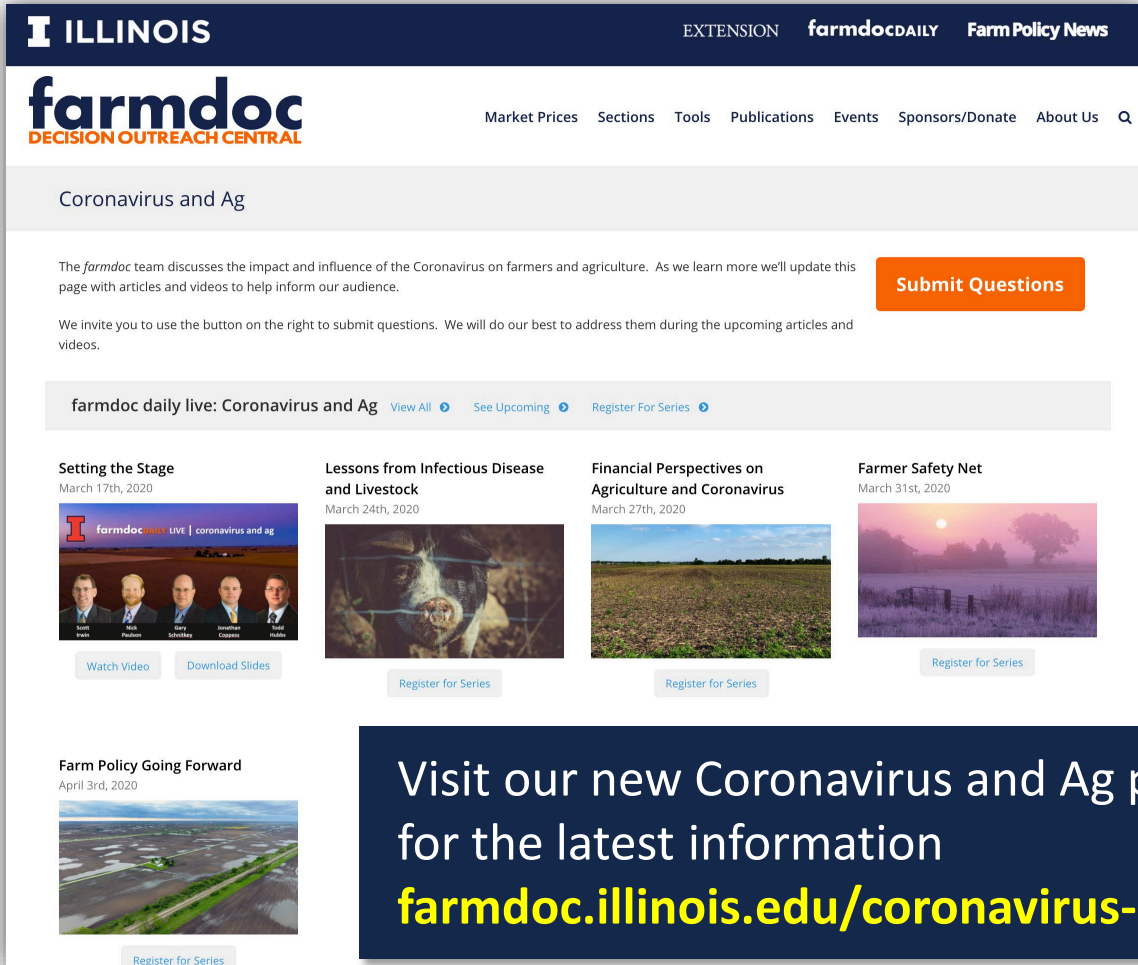
11:00am, Friday April 3<sup>rd</sup>

Rob Johansson, Chief Economist of the U.S. Department of Agriculture, will provide perspectives on COVID-19s on the agricultural sector and work continuing within the USDA. Jonathan Coppess, farmdoc team member, will provide an updates that may be occurring at that point, with an emphasis on policy updates.



# Thank You for joining us!

## Please submit your questions



Visit our new Coronavirus and Ag page for the latest information  
[farmdoc.illinois.edu/coronavirus-and-ag](https://farmdoc.illinois.edu/coronavirus-and-ag)

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