



## 2020 Agricultural Policy and Outlook Conference

Sponsored and Hosted by The Department of Agricultural, Environmental and Development Economics  
Session Descriptions

**Monday, November 9, 2020:**

**Agricultural Finance Conditions and Outlook 12:00- 2:00 P.M. EST**

Day one of the 2020 Agricultural Policy and Outlook Conference covers the cumulative result of all other session topics: impacts of trade, policy, and markets on farm financial health. The financial health and outlook of farm businesses manifests to agribusinesses through sales as well as the financial strength of the farmland markets and the agricultural lending sector. After reaching a peak in 2012 of \$153 billion, adjusted for 2020 dollars, U.S. net cash farm income fell to \$102 billion in 2016. Forecasted to be nearly \$115 billion in 2020, net cash farm income is expected to improve for the fourth consecutive year amidst relatively stable crop and animal cash receipts and increasing debt to asset and debt to equity ratios. At the backdrop, nearly \$40 billion in direct government assistance are forecasted for 2020.

Ani Katchova, Associate Professor and Farm Income Enhancement Chair in the Department of Agricultural, Environmental, and Development Economics (AEDE) will kick off the 2020 conference with an outlook on farm income as the calendar turns to 2021. Joining her is Todd Kuethe, Associate Professor and Schrader Endowed Chair in Farmland Economics at Purdue University and Cortney Cowley, Economist at the Federal Reserve Bank of Kansas City.

Agricultural land represents roughly 83% of farm sector assets and is a critical component of a producer's net worth and ability to secure loans. Supply and demand of land, cash receipts, and interest rates are a few of the items influencing land values that will be covered through session presentations.

The short presentations will be followed by a panel discussion moderated by OSU Associate Professor of Extension Bruce Clevenger entitled "Today's Agricultural Finance as an Economic Driver". Panelists include Aza Bittinger, Ohio Community Bankers Association, Greg Lyons, Farmer Mac, and Gary Matteson, Farm Credit Council. The panel will cover how banks fit into their communities, the regulatory environment, programs offered to improve the financial health of their agricultural clientele, and other banking related topics.

The 2020 Agricultural Policy and Outlook Conference will be offered virtually, free of charge. Information about all sessions and registration can be found at: [go.osu.edu/aedeoutlook](https://go.osu.edu/aedeoutlook)



**Tuesday, November 10, 2020:**

**Agricultural and Environmental Policy 12:00- 2:00 P.M. EST**

Day two of the 2020 Agricultural Policy and Outlook Conference evaluates the state of US policy as it relates to agriculture and the environment one week following the November 3<sup>rd</sup> US election. Campaigns in 2020 have offered platforms and plans covering taxes, healthcare, biofuels, climate change, immigration, and other important topics, but what do these plans mean for agriculture and the environment? Experts from The Ohio State University and other land-grant universities will cover three important topics for agricultural producers and consumers: institutional carbon markets, access to a stable and healthy labor force, and the future of biofuels.

Brent Sohngen, Professor of Environmental and Resource Economics in AEDE will examine the rush of companies to announce carbon emission reductions and even carbon neutrality goals, including the likes of food sector giants like Cargill, ADM, Nestle, Coca-Cola and McDonalds. Even energy companies long associated with fossil fuels consumption, like American Electric Power and BP, are getting into the act and driving the economy towards carbon neutrality. Given that the agricultural sector has one of the world's largest carbon footprints, it is useful to ask why are these companies joining the battle against climate change, and how far up the supply chain will their ambitious goals reach?

Margaret Jodlowski, Assistant Professor in AEDE and new to OSU, will discuss the enduring impact of COVID-19 travel restrictions and border closures, as well as the continued immigration policy uncertainty, on farms' access to a stable and healthy labor force. COVID-19 caused significant disruption to the non-farm economy; the loss of off-farm jobs or a reduction in opportunities to earn income off-farm can have significant impacts on finances for both the farm business and the farm household.

Joining the program from the University of California at Davis is Aaron Smith, DeLoach Professor of Agricultural Economics, to cover the outlook of the U.S. biofuels sector. Great attention has been placed on biofuels including ethanol and biodiesel during 2020. Renewable Volume Obligations setting refiner blending compliance will closely be watched in the coming weeks as the Short-Term Energy Outlook for gasoline demand remains volatile, along with a reset of Congressionally set targets for biofuel by the Environmental Protection Agency potentially coming in the near future.

The session will conclude with a panel discussion titled "Evaluating the Viability, Sustainability and Effectiveness of the Federal Safety Net". Panelists include Amalie Lipstreu, Policy Director, Ohio Ecological Food and Farm Association, Jonathan McCracken, Senior Advisor to Senate Committee on Agriculture, Nutrition and Forestry member Sherrod Brown, and Wayne Stoskopf, Director of Public Policy for Risk Management, National Corn Growers Association. Traditional farm, food, and conservation programs outlays under the authorized 2018 Farm Bill have been dwarfed by ad hoc spending the last couple years. The current Farm Bill does not sunset until 2023, but many in Congress are questioning the effectiveness of the current farm safety net.



**Thursday, November 12, 2020:**

**Trade and Macroeconomy Outlooks 12:00- 2:00 P.M. EST**

Day three of the 2020 Agricultural Policy and Outlook Conference will focus on trade during a global pandemic, transformations in China and the implications for global trade, and the influence that the US election may have on the global economy. Few topics have been studied and debated as much as international trade in recent memory. More specifically, there has been rapid growth of the Chinese economy and its influence on global trade, along with a slide by the US, China, and other countries towards more protectionist trade policies. What is the outlook for the U.S. in an era where there has been a shift from multilateral to bilateral management of both trade and trade disputes? Add in a global pandemic that has shocked markets, slowed economic growth, and decreased consumer confidence - how does the U.S. economy adapt to these impacts? With the shift to bilateralism, the U.S. and China agreed to a Phase 1 deal in January 2020, putting specific targets on Chinese purchases of U.S. commodities, energy, manufactured goods, and services. The legal status of this deal and managing trade, remains an issue, but will it matter?

Ian Sheldon, Professor in AEDE and Andersons Chair of Agricultural Marketing, Trade, and Policy, will kick off session three discussing the impact of the pandemic on global and U.S. trade as well as commenting on the direction of U.S. trade policy post-election. Included in Dr. Sheldon's presentation is an assessment of how agricultural trade has fared after three years of a trade war with China and the pandemic.

Wendong Zhang, Assistant Professor and Extension Economist from Iowa State University, will cover agricultural transformations in China and how they could impact global trade. China had been the United States third largest trading partner for food and agricultural products behind Canada and Mexico prior to the increase in tariffs in 2018.

Mark Partridge, Professor in AEDE and Swank Chair in Rural-Urban Policy will round out the presentations with an outlook on the U.S. economy post-election. Large increases in federal stimulus through interest rate cuts, federal infusions of cash, and increases to the Federal Reserve Bank's balance sheet have stabilized the economy in the short-run, but what does this mean as the U.S. economy recovers?

The session concludes with a panel discussion titled "Impacts and Importance of Global Trade on our Businesses, Communities and Livelihoods" moderated by OSU Extension Educator Mike Estadt. Panelists include Blake Haudan- Senior Trade Manager at The Andersons Inc., Kirk Merritt- Executive Director of the Ohio Soybean Association and Ohio Soybean Council, and Allison Nepveux- Manager of Trade Policy with the U.S. Grains Council. The panel will cover how trade impacts agriculture, how sustainability fits within trade, and the ways trade is adapting to changing international policies.

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**Friday, November 13, 2020:**

**Consumer Demand and Commodity Outlooks 12:00- 2:00 P.M. EST**

The final day of the 2020 Agricultural Policy and Outlook Conference will cover consumer demand for food products, supply and demand fundamentals for row crops, and the current health of the U.S. livestock sector. Consumer confidence has continued to increase, reaching a six-month high in September, according to the consumer confidence sentiment survey. This is the highest level for the index since the pandemic disrupted consumer behavior in March, but there is still significant uncertainty about if and when consumer behavior will return to pre-COVID patterns. Increases in COVID-19 cases in parts of the United States have delayed plans to reopen the economy, shuttered food service institutions, and reduced gas consumption. COVID-19 has had differing impacts on producers depending on type of product produced, end market, and product distribution.

Zoë Plakias, Assistant Professor of Agricultural, Environmental and Development Economics, will kick off session four with an outlook on consumer demand heading into 2021. Her presentation will look at changes in domestic consumer purchasing patterns due to the pandemic, the consumer-level outlook for 2021, and implications for Ohio food system stakeholders and producers.

Ben Brown, Assistant Professor of Professional Practice in Agriculture Risk Management, will provide an outlook of row crops and price expectations for producers for the remainder of the marketing year, which ends in August as well as a short term outlook for soybean crush, corn used for ethanol, and exports.

The final presentation will be William (Bill) Hahn, Agricultural Economics with the United States Department of Agriculture's Economic Research Service, on the forecast for meat supply and demand over the next several quarters. After COVID-19 outbreaks among workers and precautionary closings of plants reduced livestock packing capacity in the United States between 33-41 percent in May, the industry has returned to normal processing capacity. However, macroeconomic impacts on demand coupled with relatively large supplies continue to suppress producer prices.

The session concludes with a panel discussion titled "Adapting and Preparing for Continued Volatility in Commodity Markets" moderated by Associate Professor of Extension David Marrison. Panelists include Aaron Appel- Regional Trader with Consolidated Grain and Barge Enterprises Inc., Bailey Elchinger- Regional Director with Stone X, and Erin FitzPatrick- Senior Analyst of Grains and Oilseeds with Rabobank. The panel will continue the conversation about the commodity complex during the global pandemic but discuss risk management strategies producers might consider as 2021 approaches.

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