Brazil and Argentina – Recession, Reform & Renewal

Opportunities & Challenges for US Agriculture

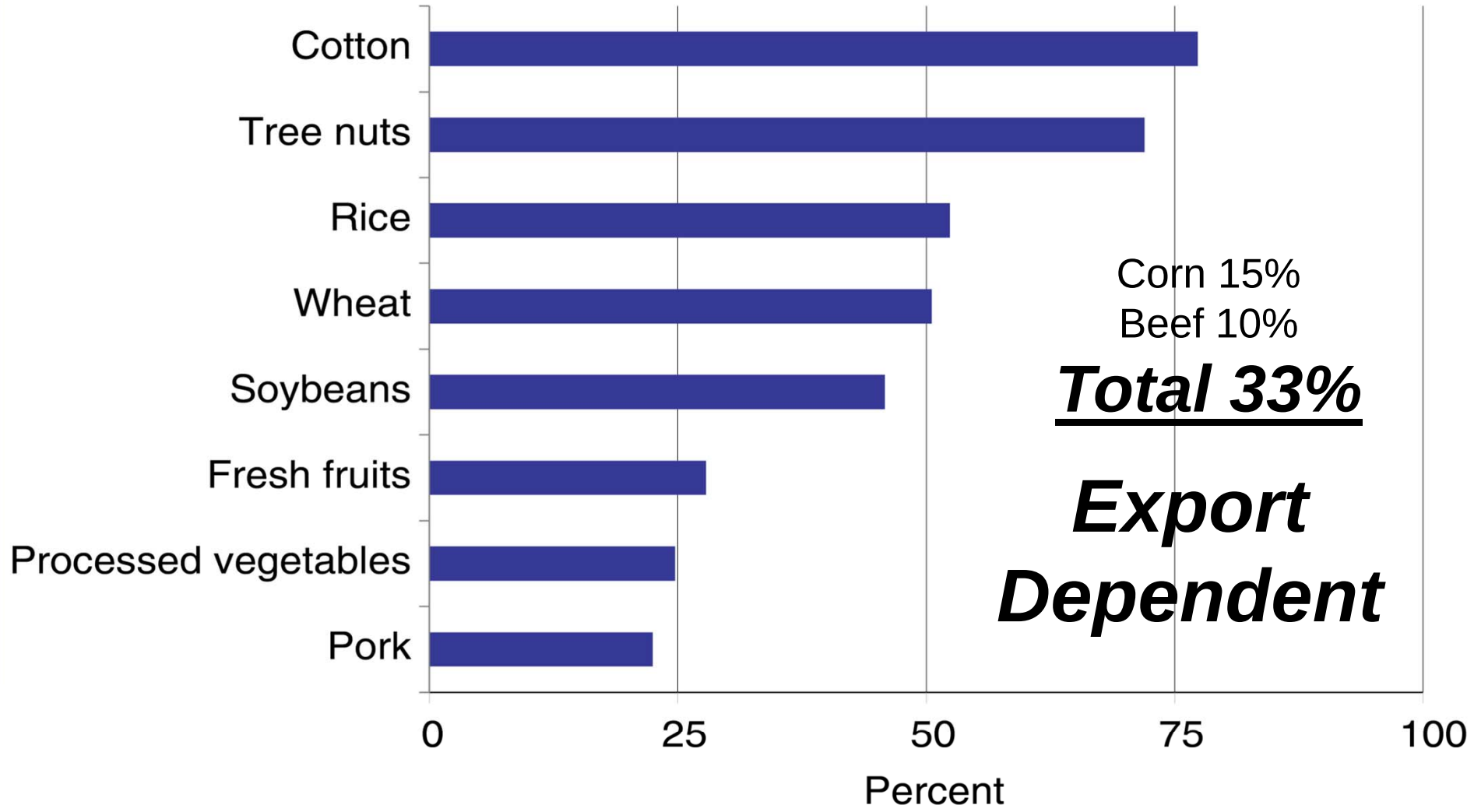
Agricultural Outlook Forum
Crystal Gateway Marriott
February 23, 2017

Parr Rosson, Professor & Head
Department of Agricultural Economics

Overview

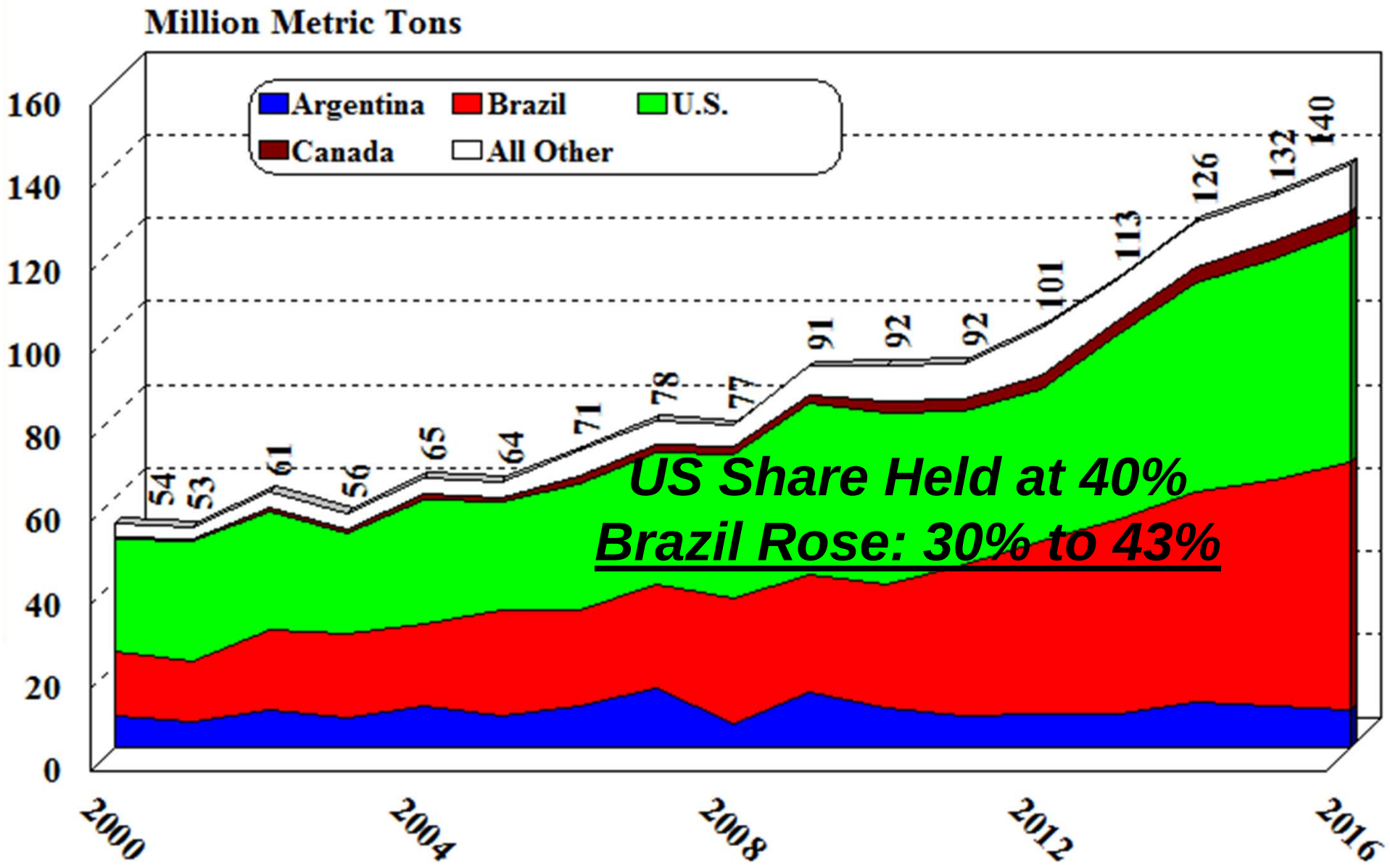
- Background & Situation
- What Might the Future Look Like?
- Final Thoughts

Export share of U.S. farm production, 2011-13



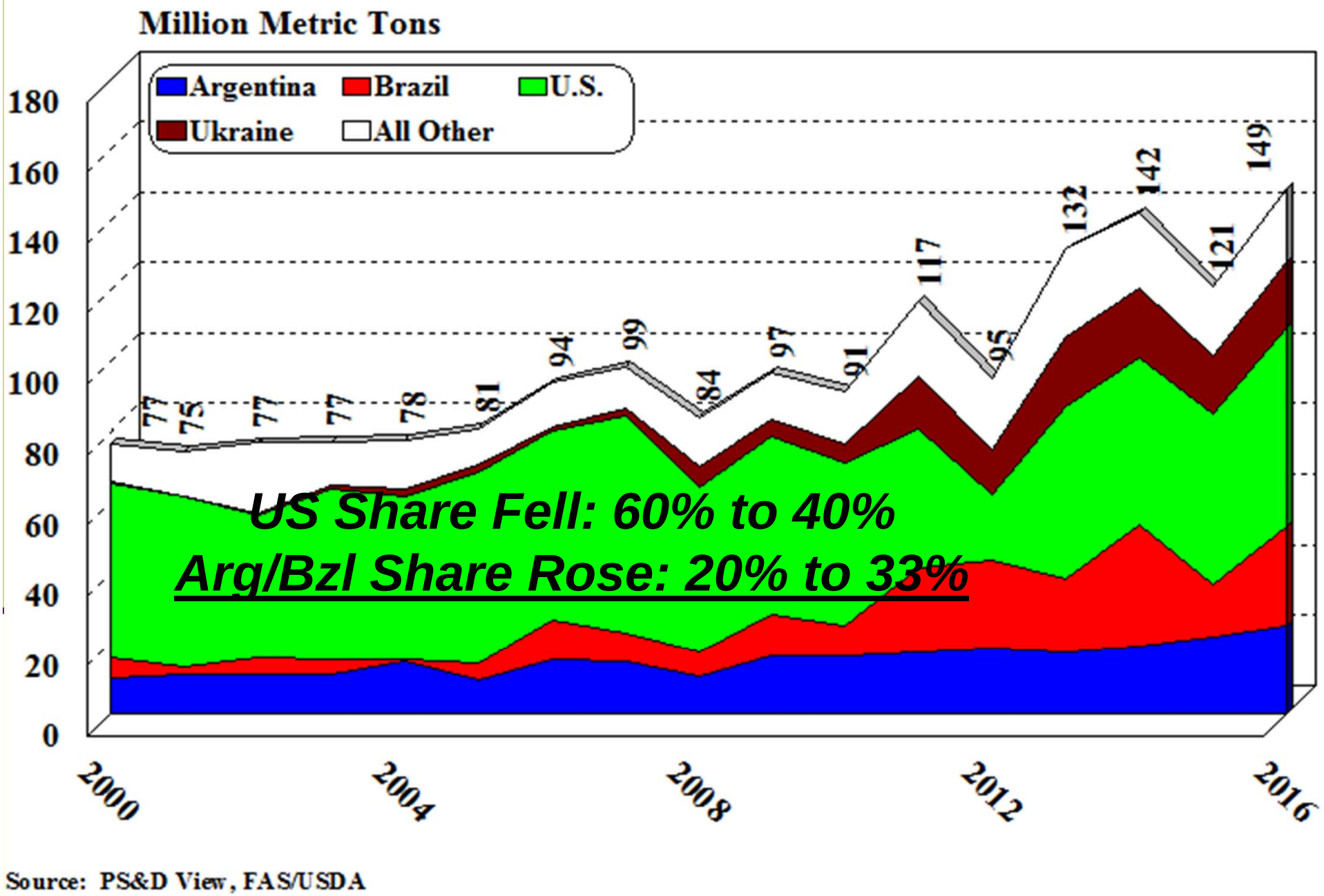
Source: USDA, Economic Research Service calculations based on data from U.S. Department of Commerce, U.S. Census Bureau, Foreign Trade Database; and USDA, National Agricultural Statistics Service, various reports.

World Soybean Exports



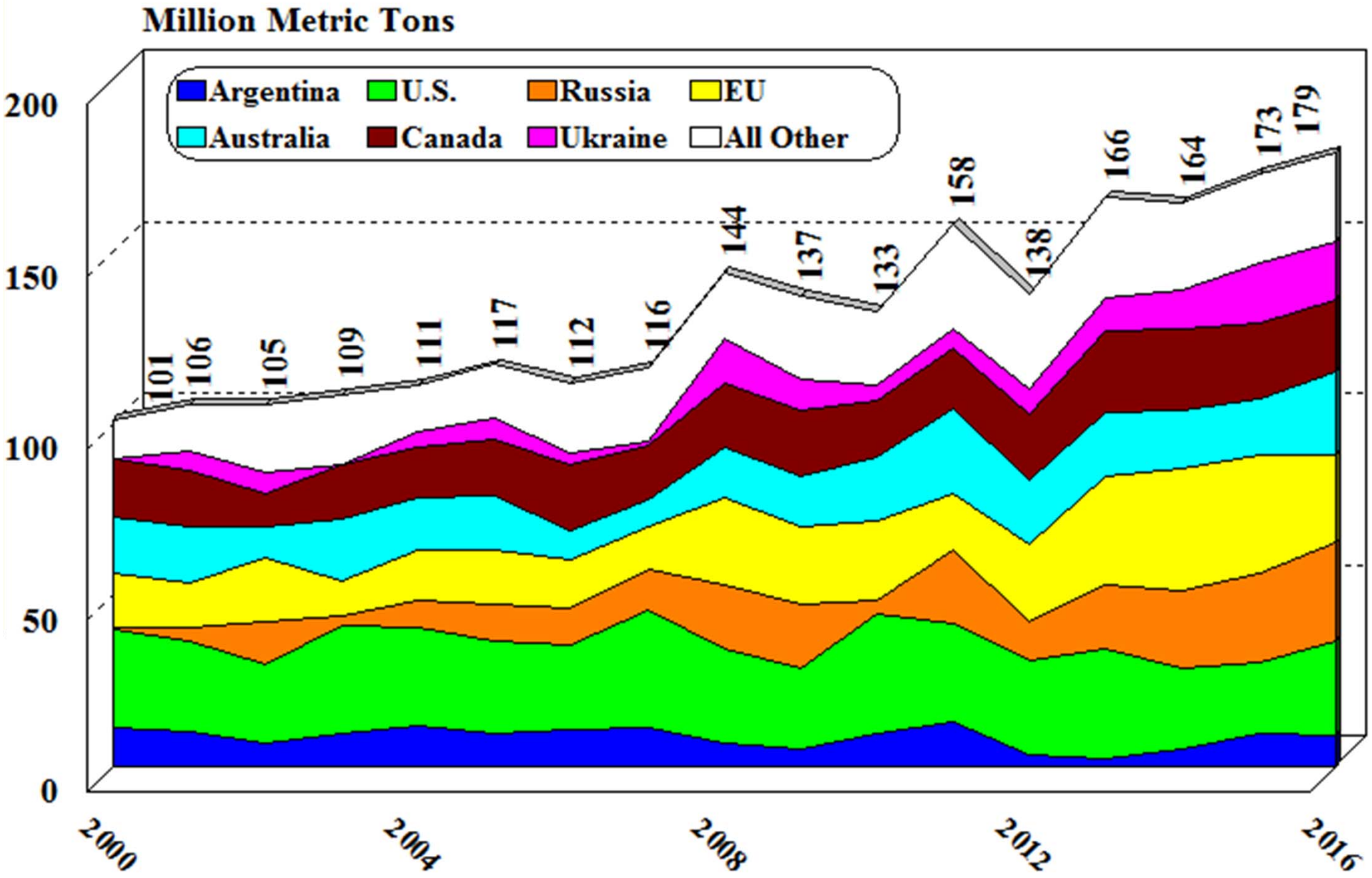
Source: PS&D View, FAS/USDA

World Corn Exports



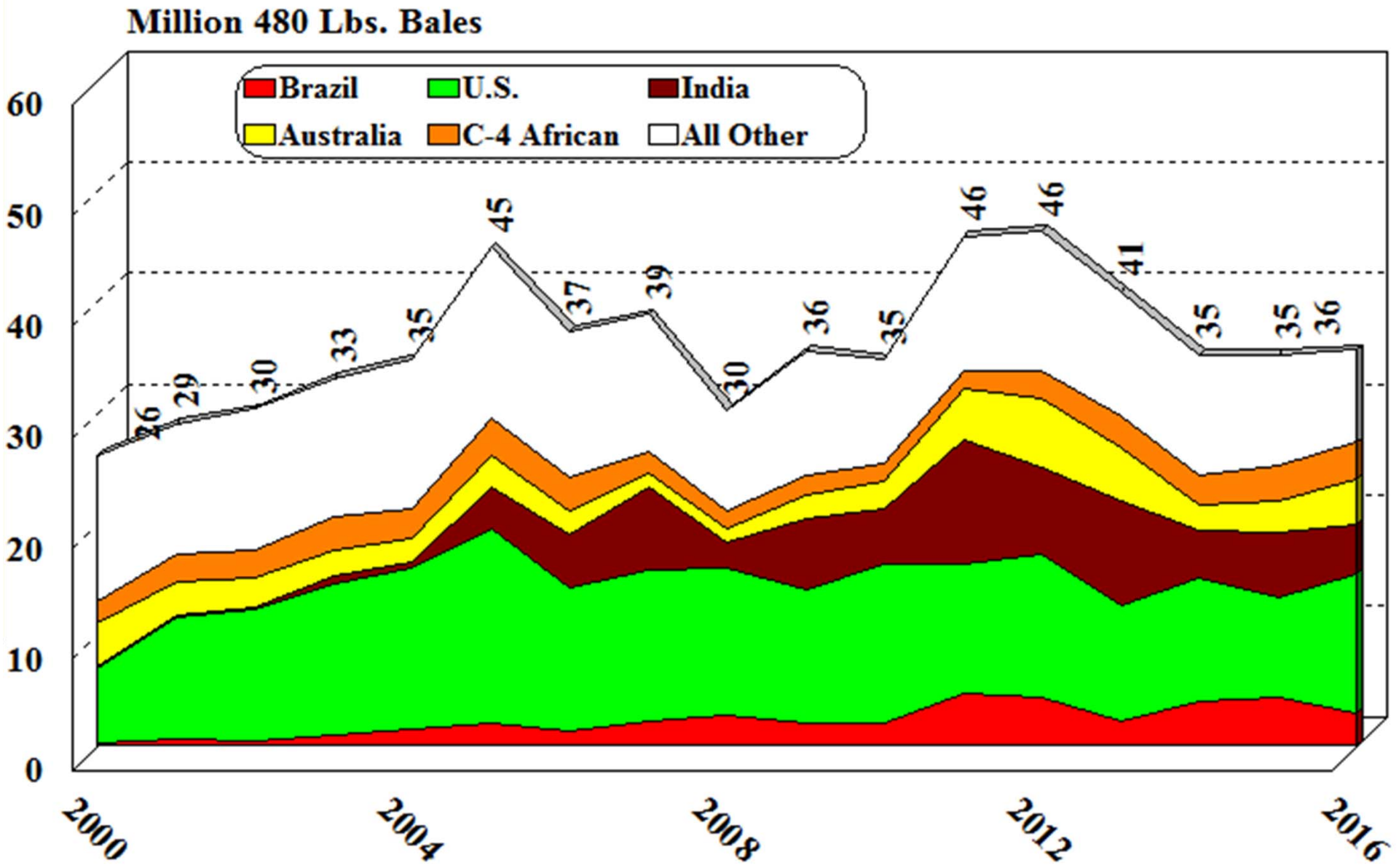
Source: PS&D View, FAS/USDA

World Wheat Exports



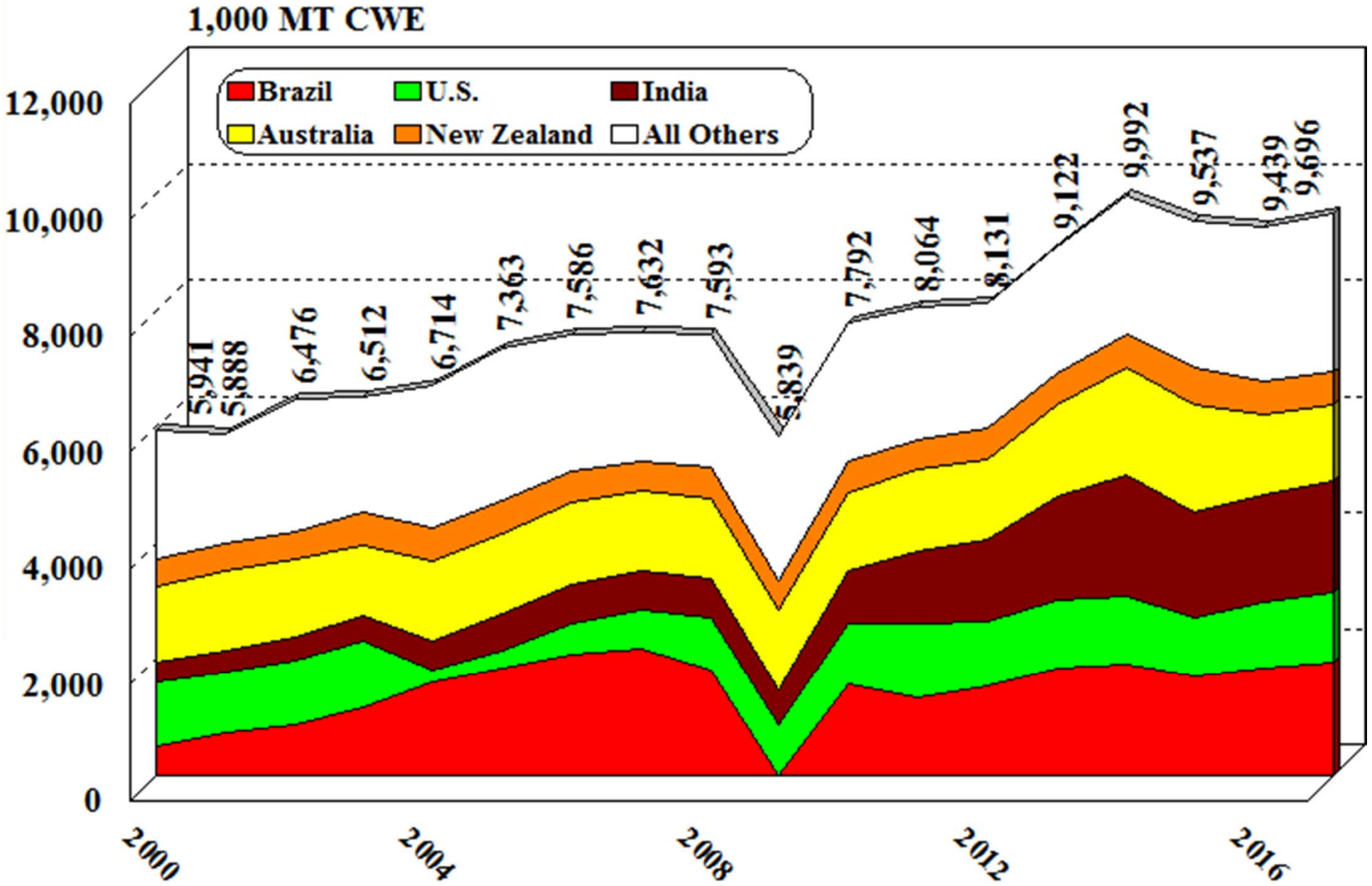
Source: PS&D View, FAS/USDA

World Cotton Exports



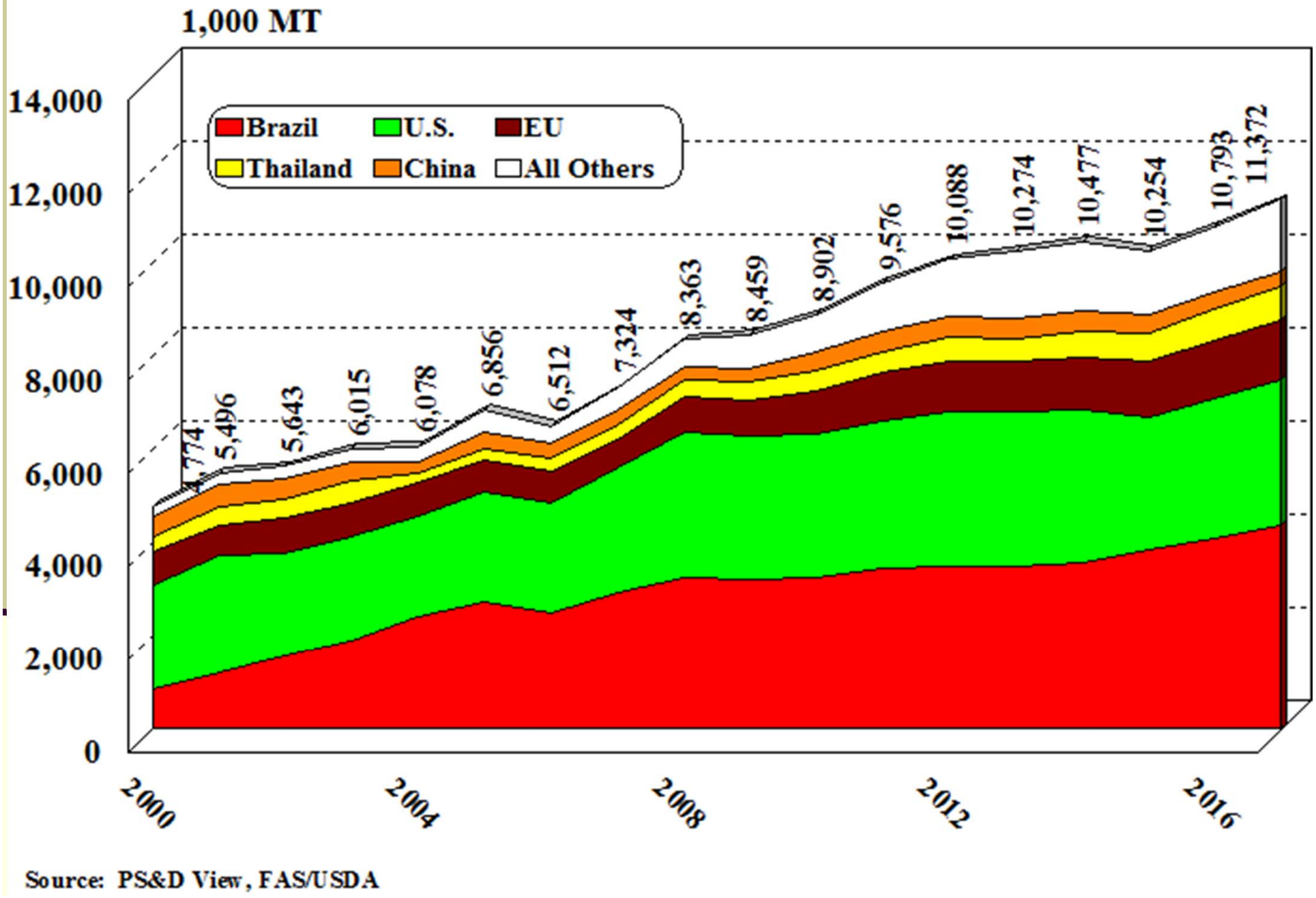
Source: PS&D View, FAS/USDA

World Beef Exports

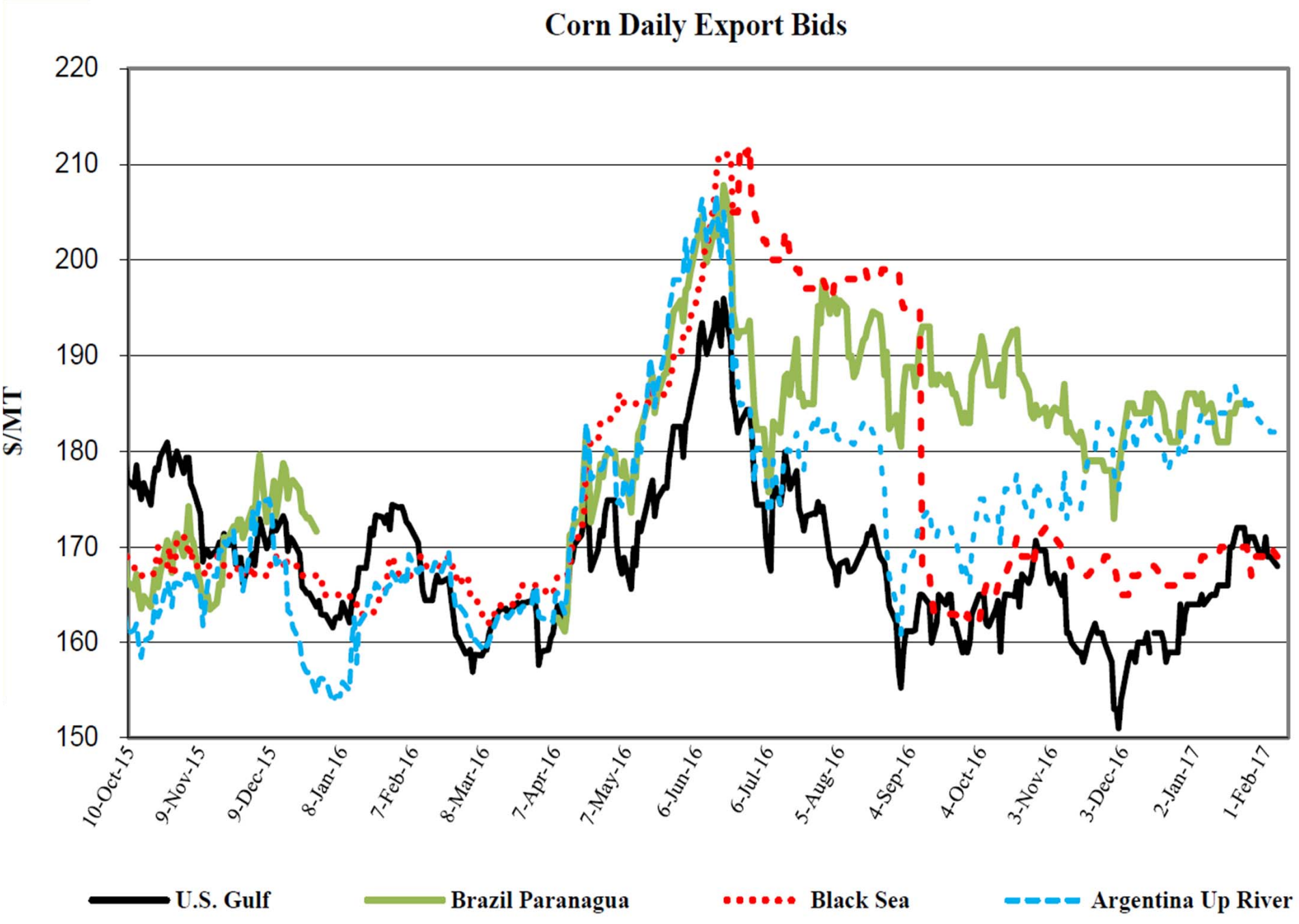


Source: PS&D View, FAS/USDA

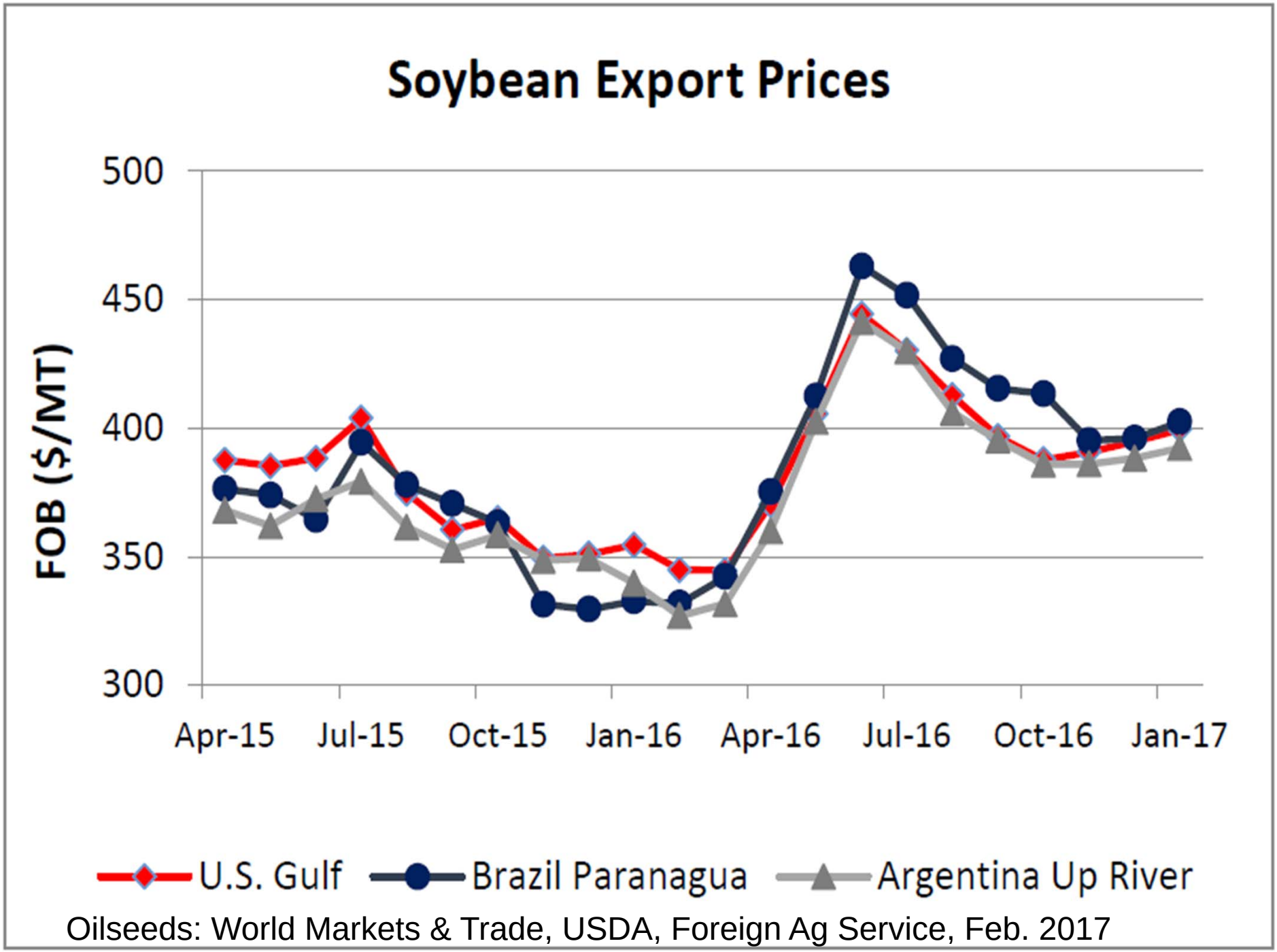
World Broiler Exports



Source: PS&D View, FAS/USDA



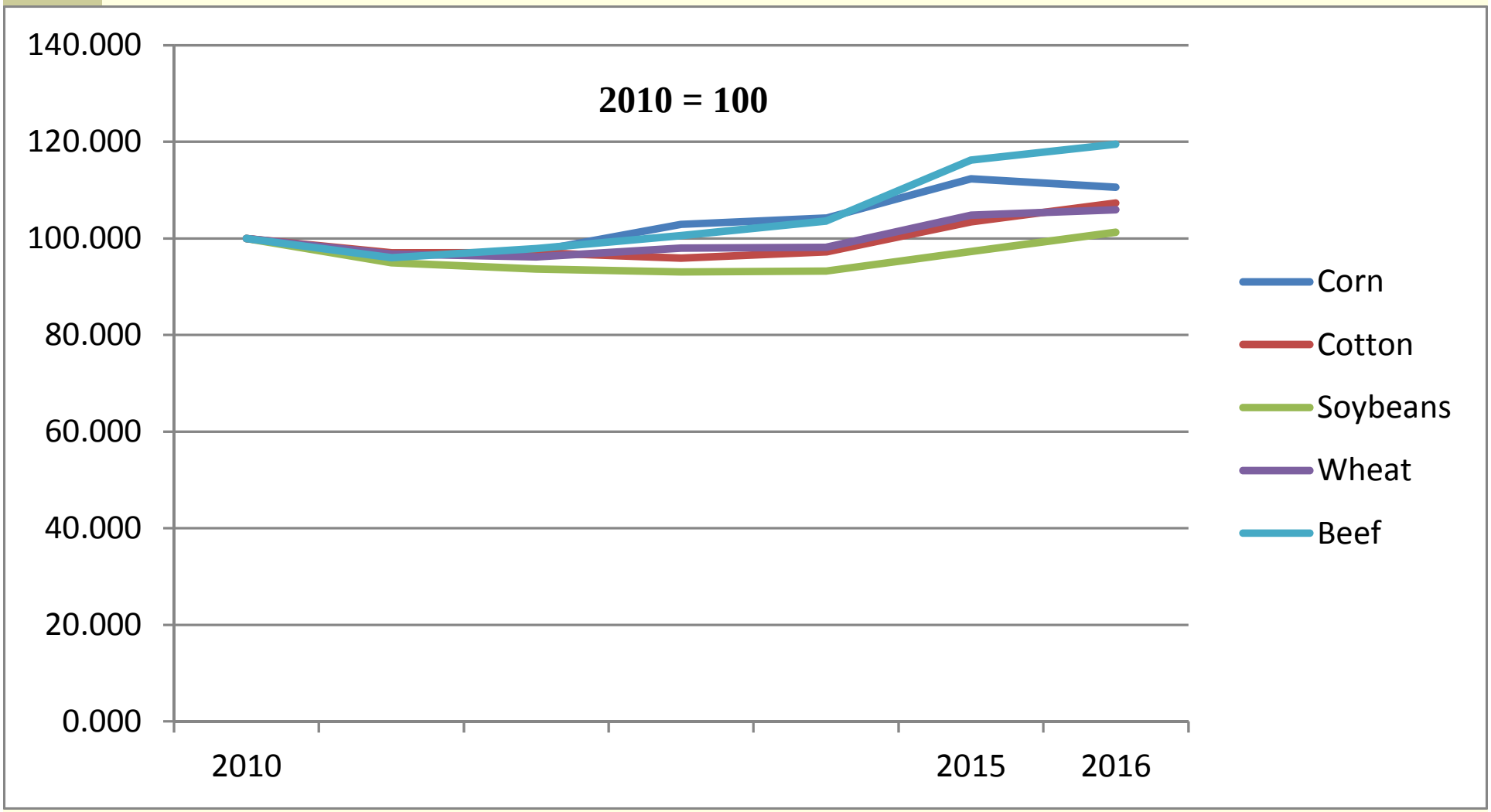
Grain: World Markets & Trade, USDA, Foreign Ag. Service, Feb 2017



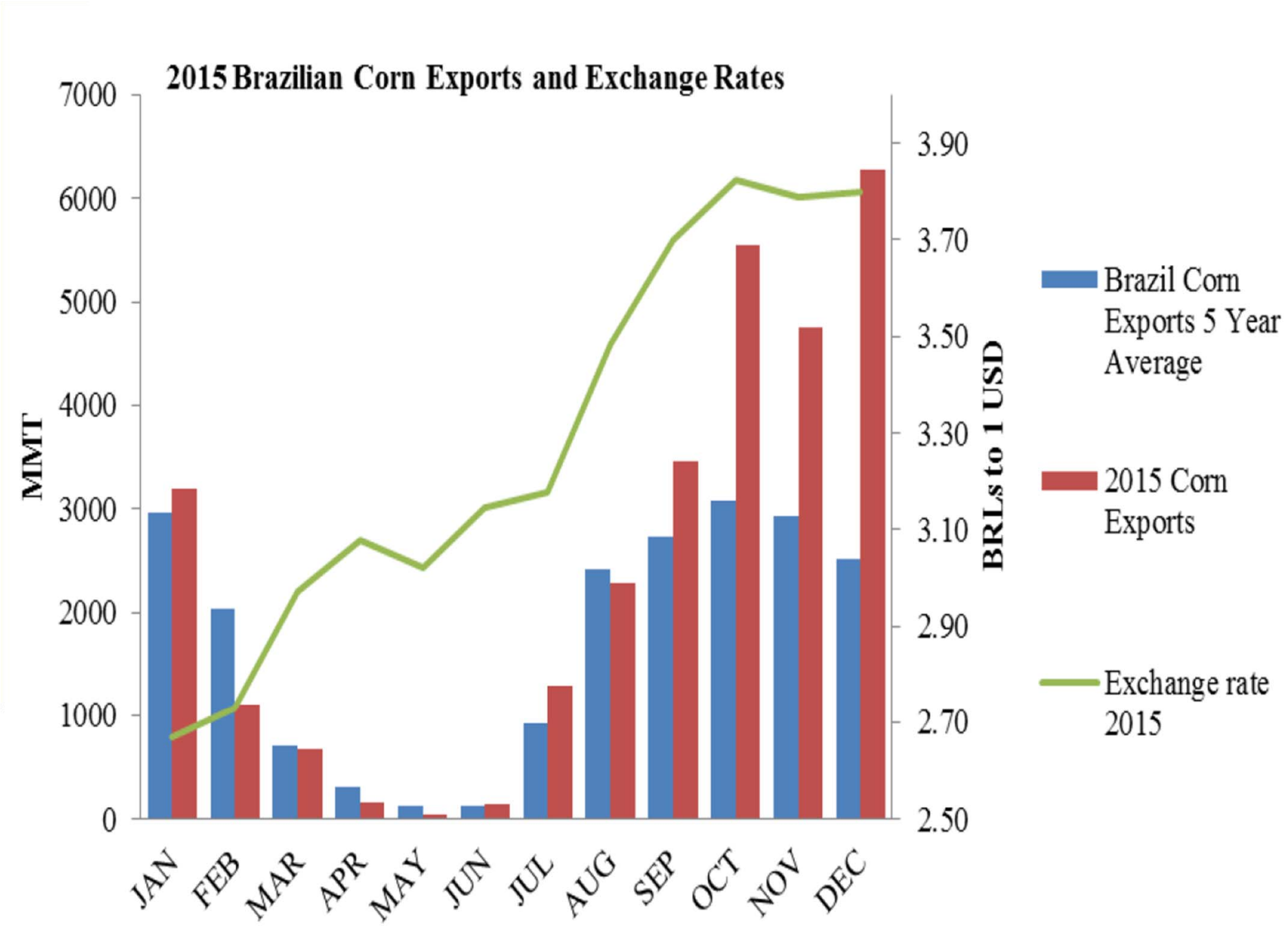
Oilseeds: World Markets & Trade, USDA, Foreign Ag Service, Feb. 2017

Some Projections

US Dollar Commodity Exchange Rate Indices, Projection 2016

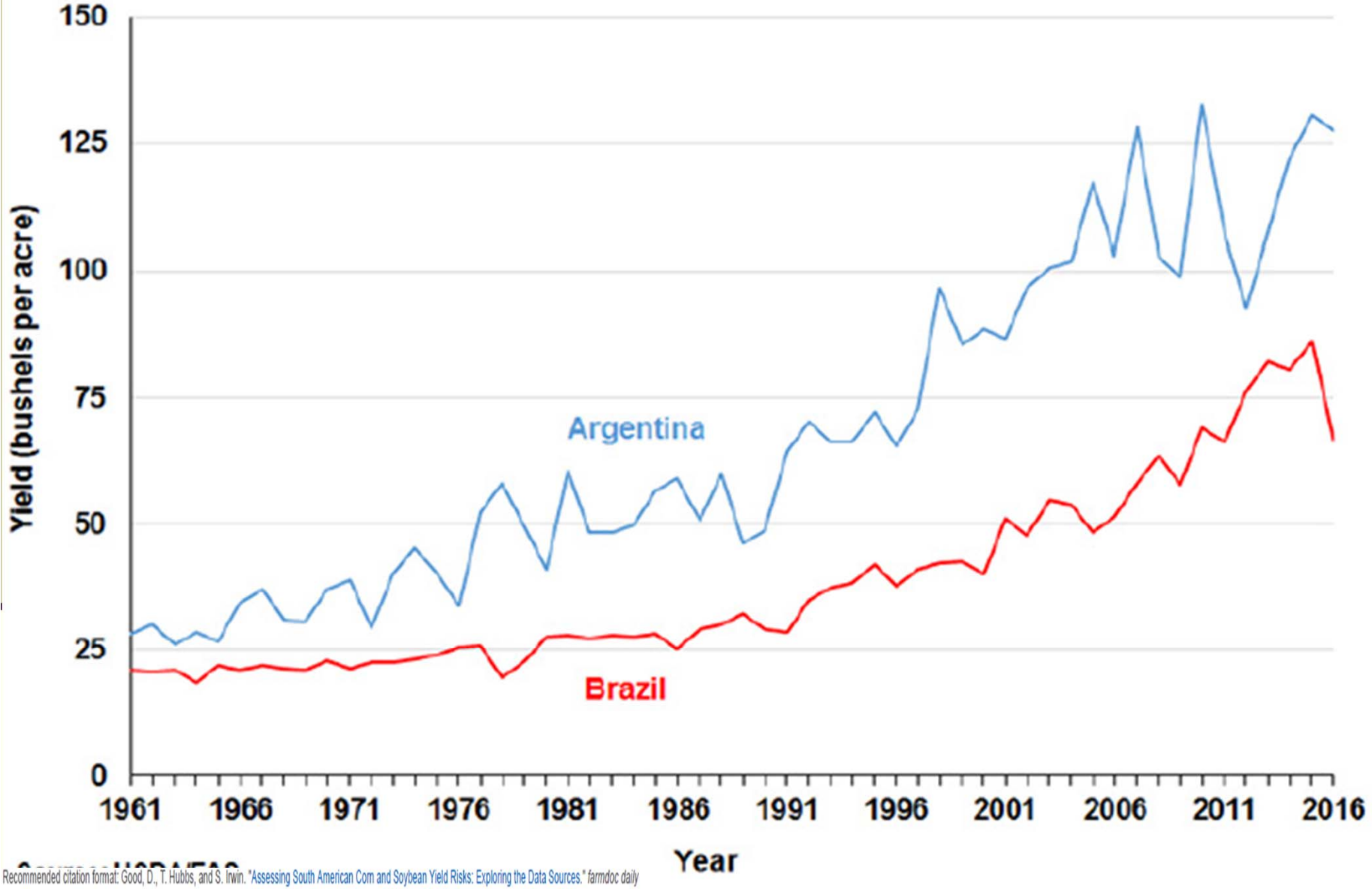


Source: USDA, Economic Research Service, Online Data Base



Source: USDA, FAS, Brazil Grain and Feed Annual GAIN Report BR1602 3/30/2106

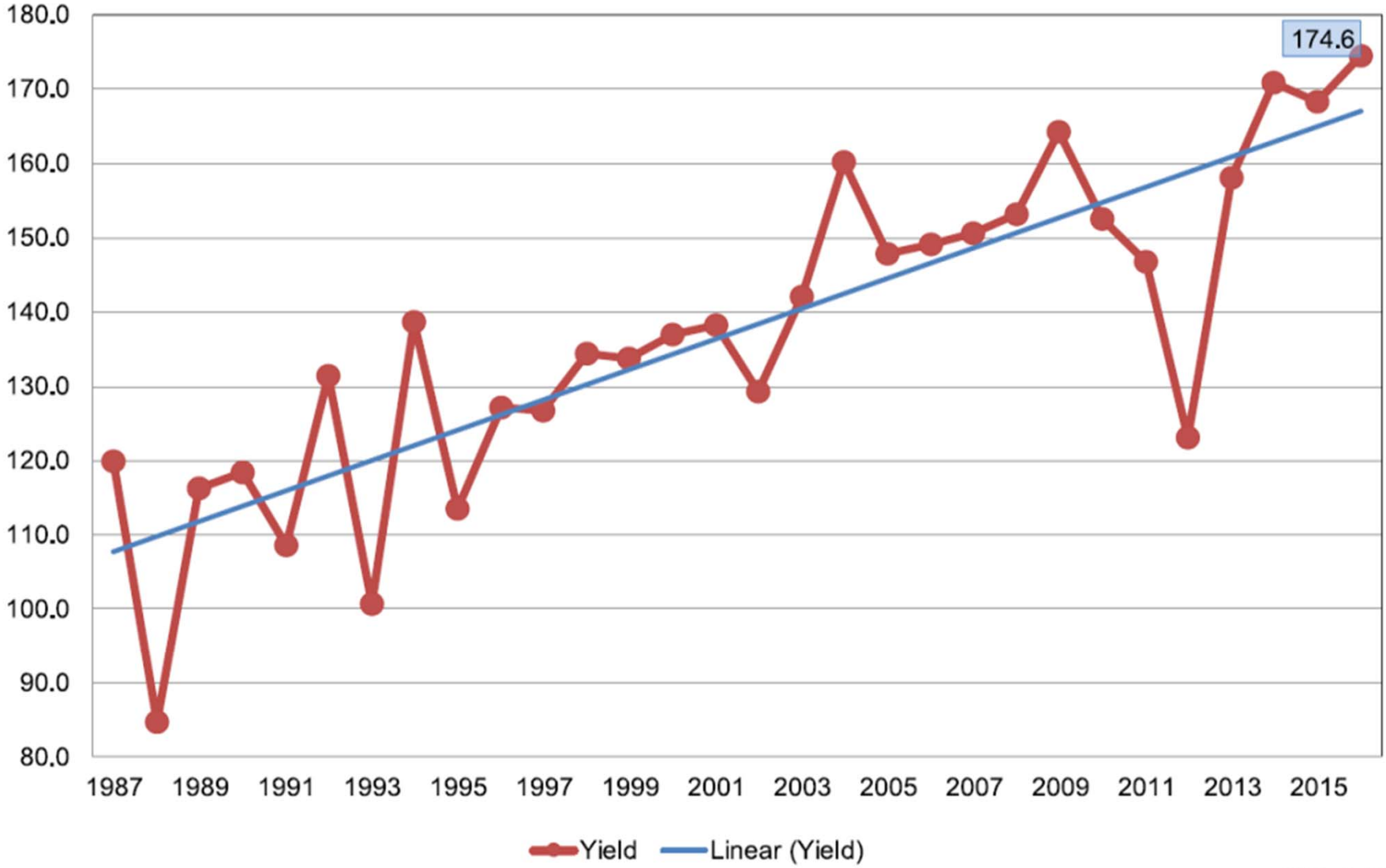
Figure 1. National Average Corn Yield for Argentina and Brazil, 1961-2016



Recommended citation format: Good, D., T. Hubbs, and S. Irwin. "Assessing South American Corn and Soybean Yield Risks: Exploring the Data Sources." *farmdoc daily* (6):207, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, November 2, 2016.

Corn for Grain Yield

United States



USDA-NASS
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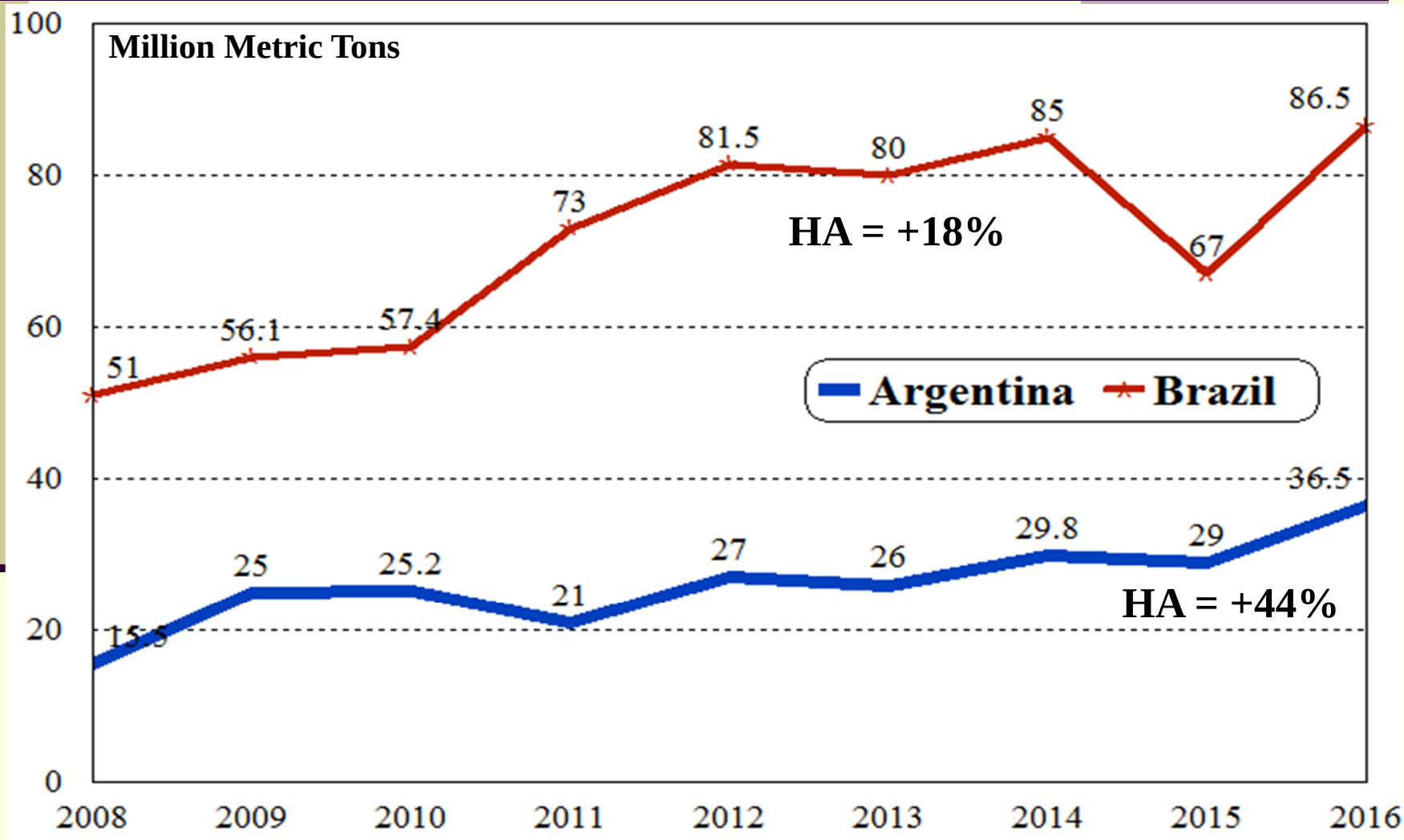
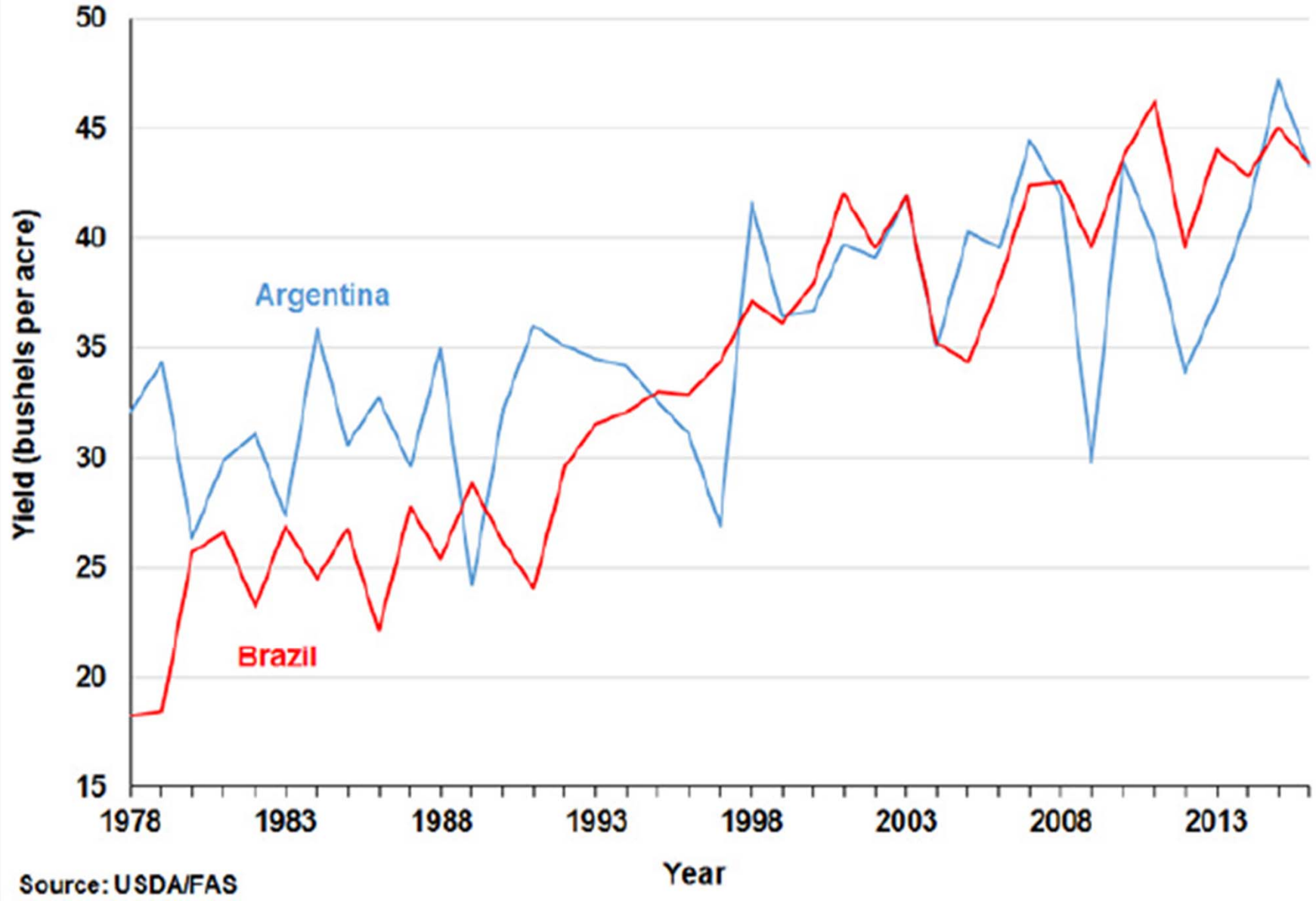
Corn Production

Marketing Years 2008-2016



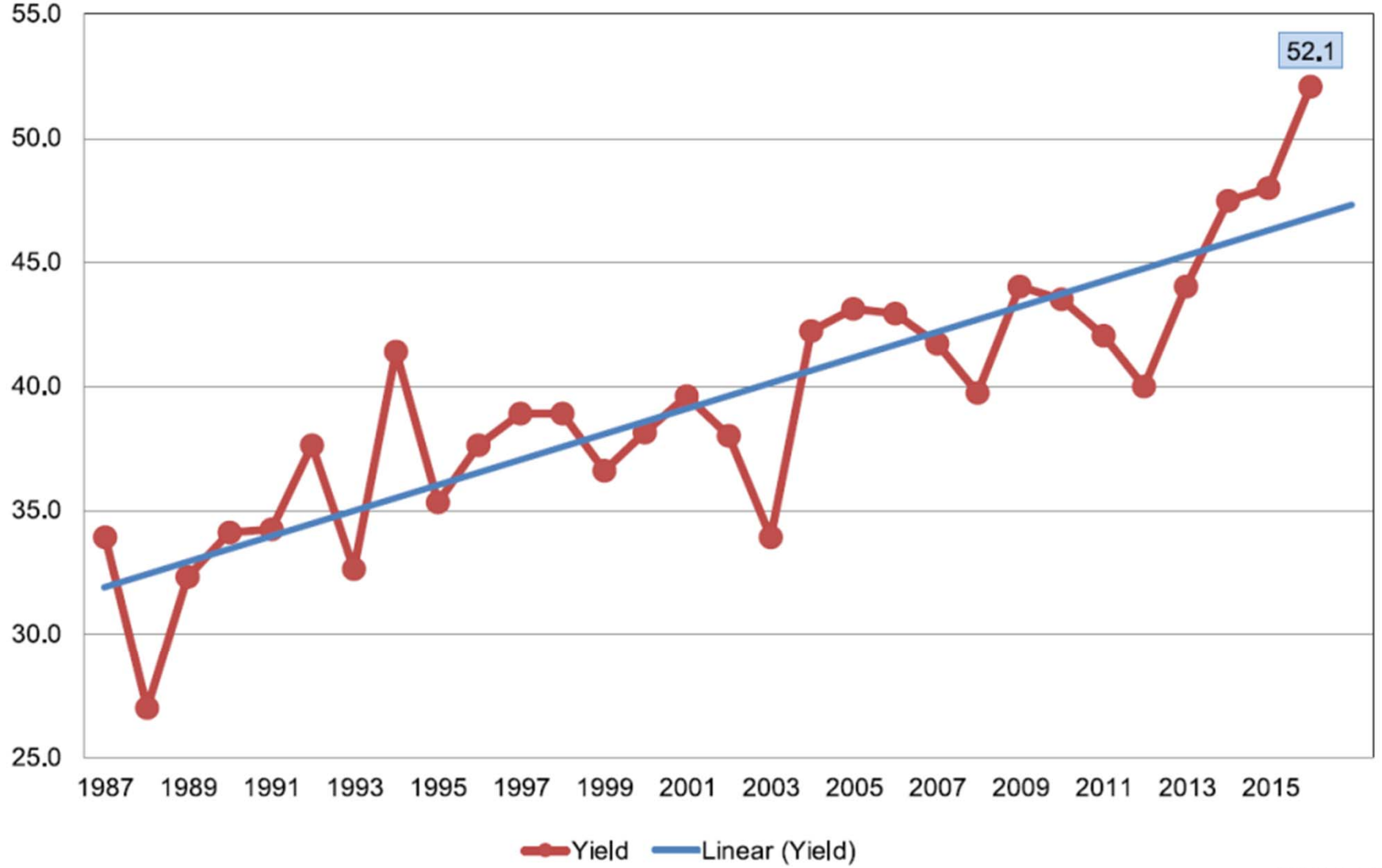
Source: USDA, Foreign Agricultural Service, Grains World Markets and Trade, February 2017 and other selected issues.

Figure 2. National Average Soybean Yield for Argentina and Brazil, 1978-2016



Source: USDA/FAS

Soybean Yield
United States



USDA-NASS
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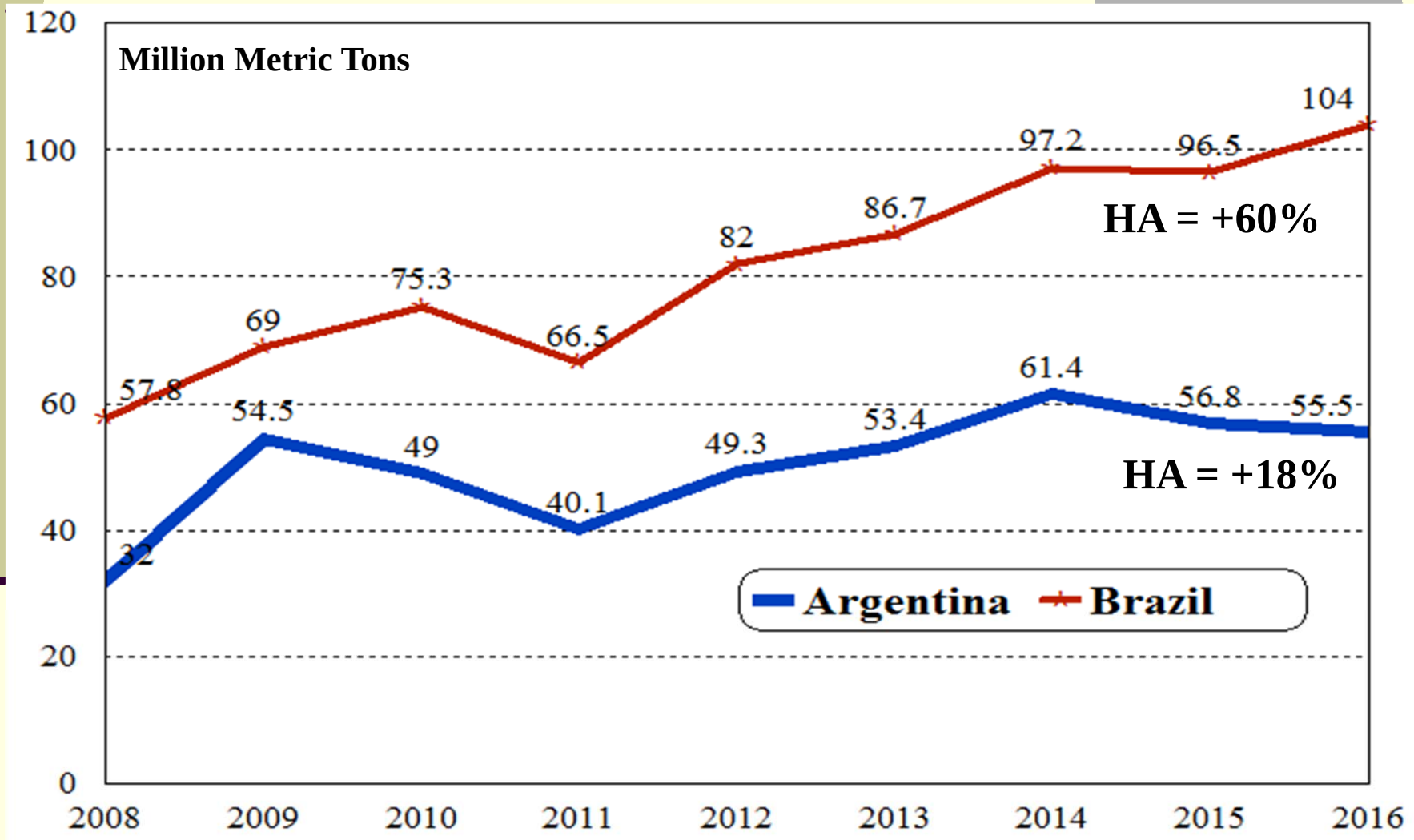
Soybean Production

Marketing Years 2008-2016



Source: USDA, Foreign Agricultural Service, Oilseeds World Markets and Trade, February 2017 and other selected issues.

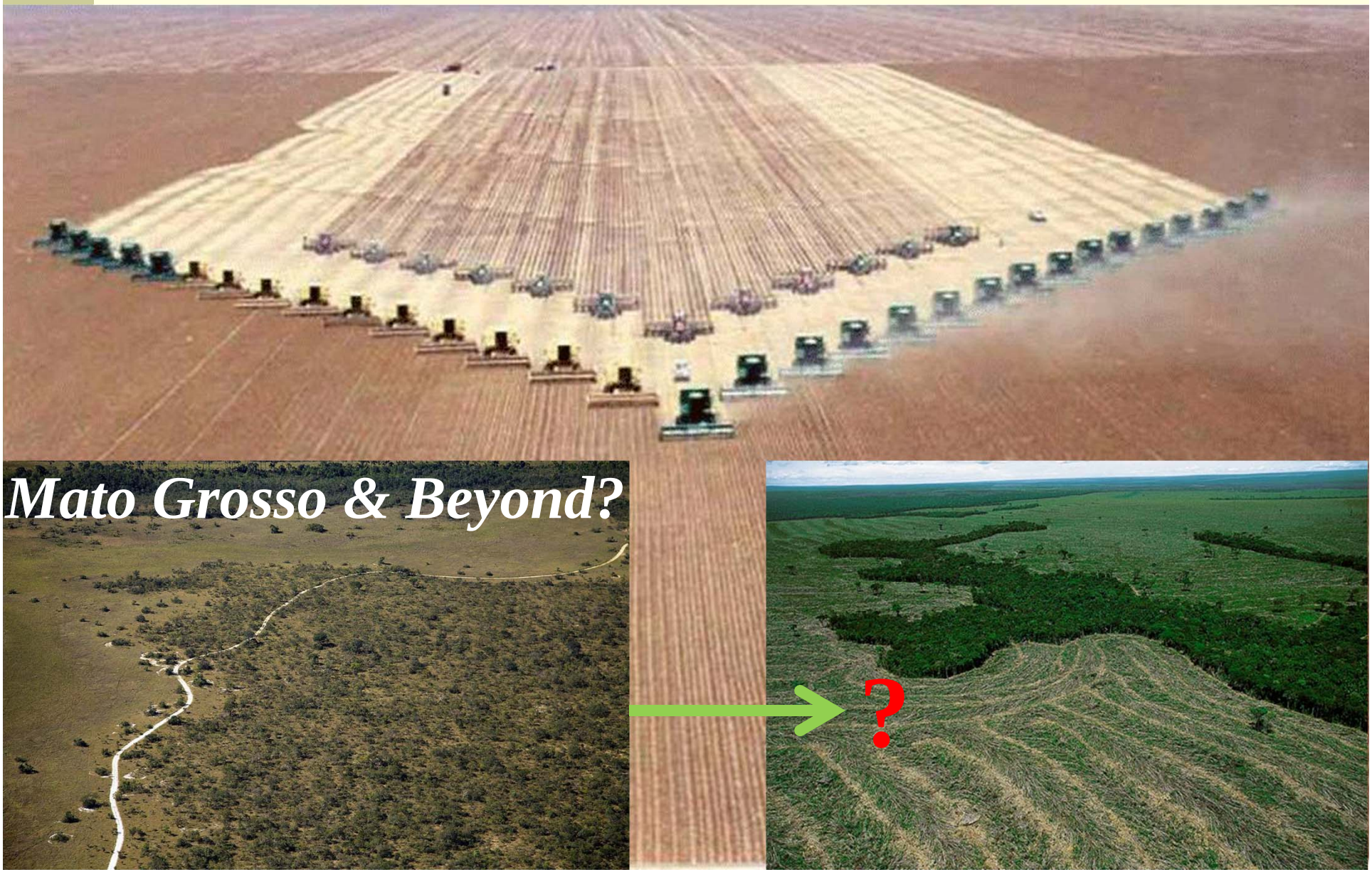
The Future?

- ✓ US Ag Remains Export Dependent
- ✓ Weather & Climate Remain Key Factors
- ✓ US Market Share in Jeopardy
- ✓ US Farm Financial Situation Precarious

Final Thoughts

- Infrastructure Improvements?
- Switch from Grazing, Adding Cultivation?
- US Trade Policy & Responses by Other Countries?

Is More Expansion Possible?



Thanks for Your Attention!

Questions?

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