



# Navigating Macroeconomic and Agricultural Trends

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Knowledge Exchange



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Bloomington, Minnesota, February 14, 2025

Proud Member of the Farm Credit System 

# The year of voting in 2024

## 70 countries



2 billion  
eligible voters

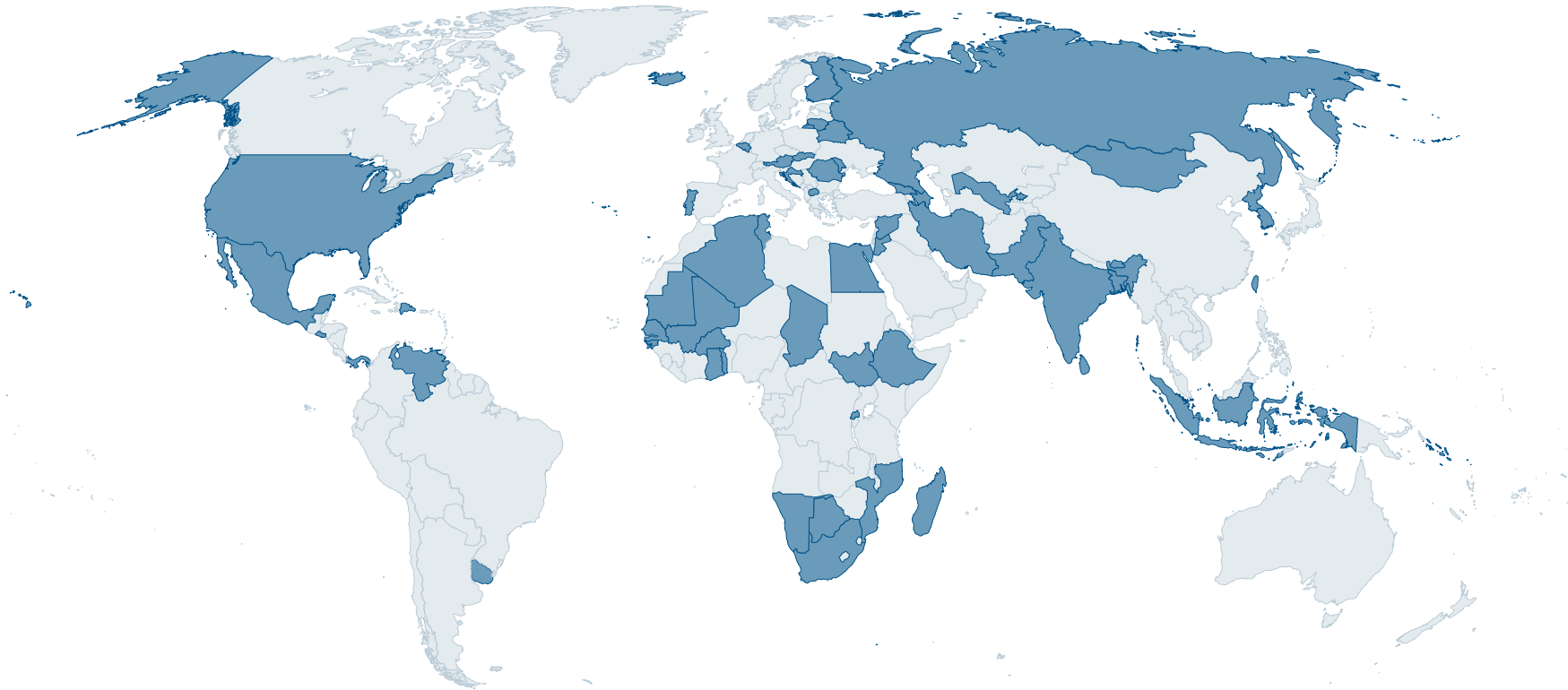


Largest election  
year in history



7 of 10 world's most  
populous countries  
held elections

# 2024: the super election year

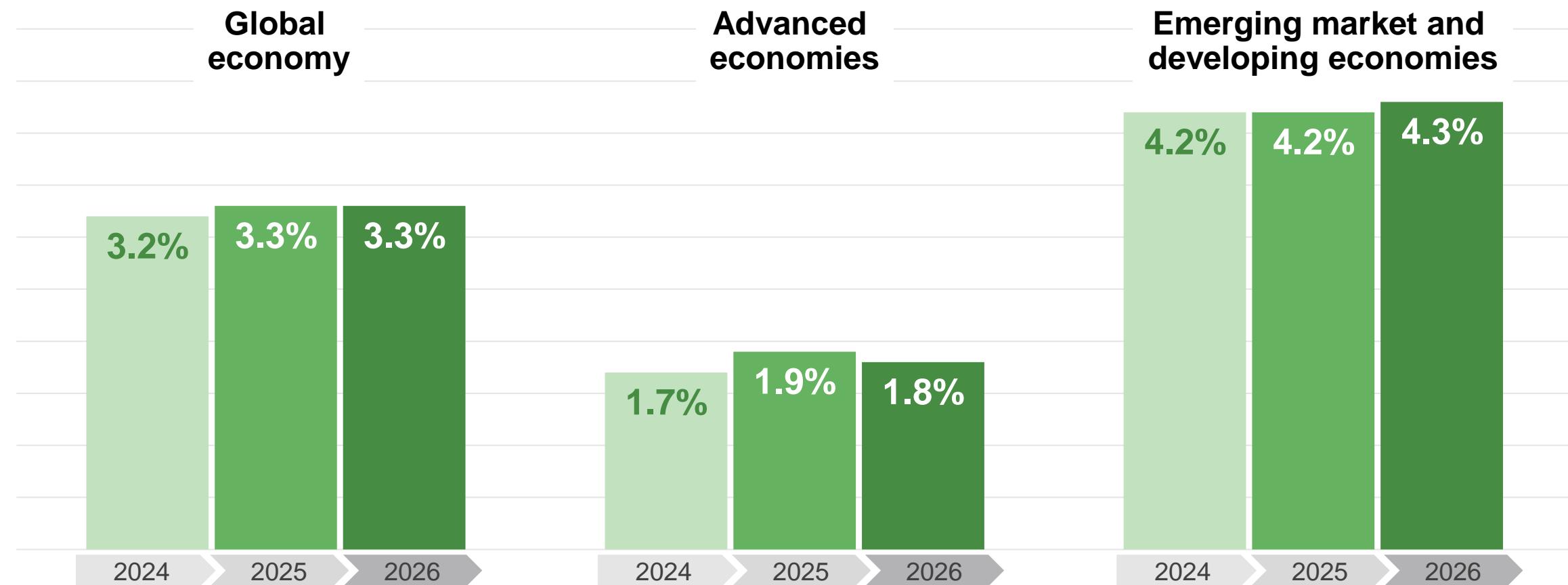


## Notable elections:

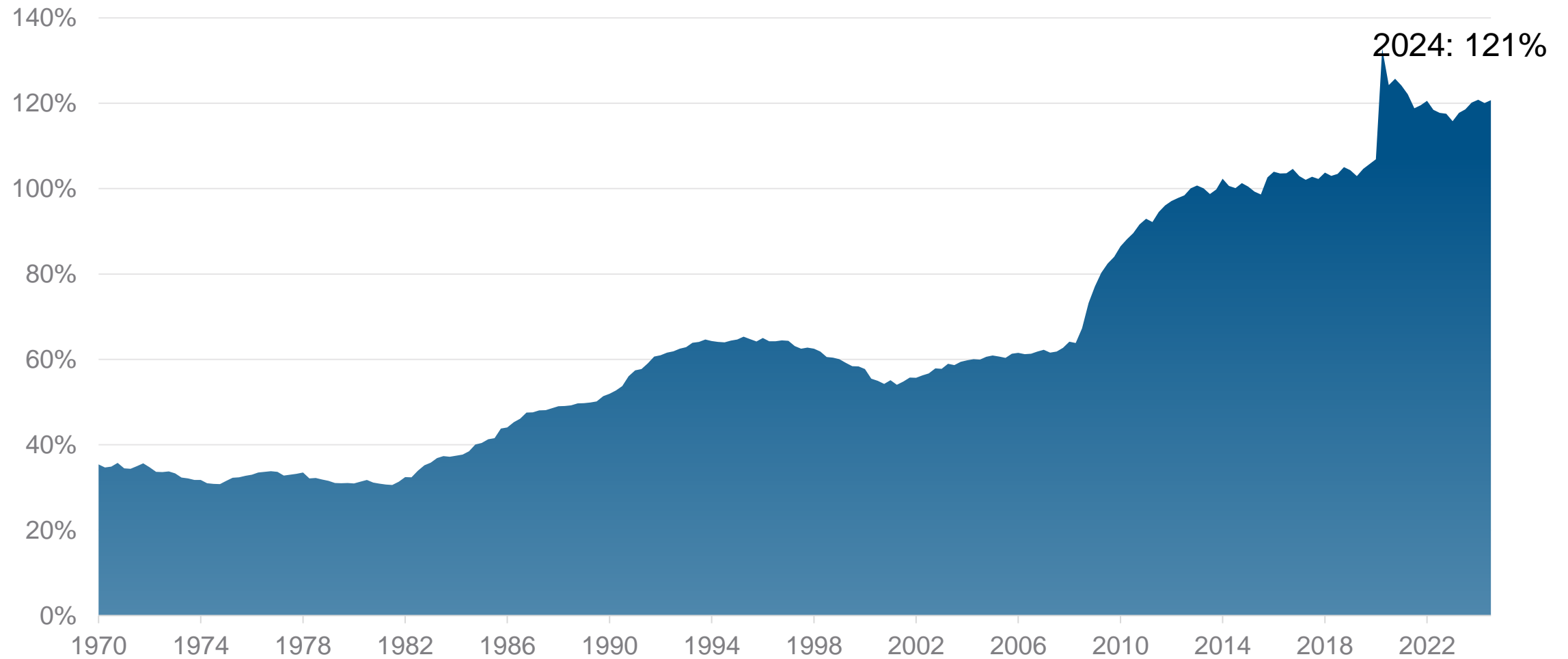
- United States
- Mexico
- European Parliament
- India
- Taiwan
- Bangladesh
- Pakistan
- Iran
- Indonesia
- South Korea
- Japan
- UK
- Africa
- South America

# Growth projections

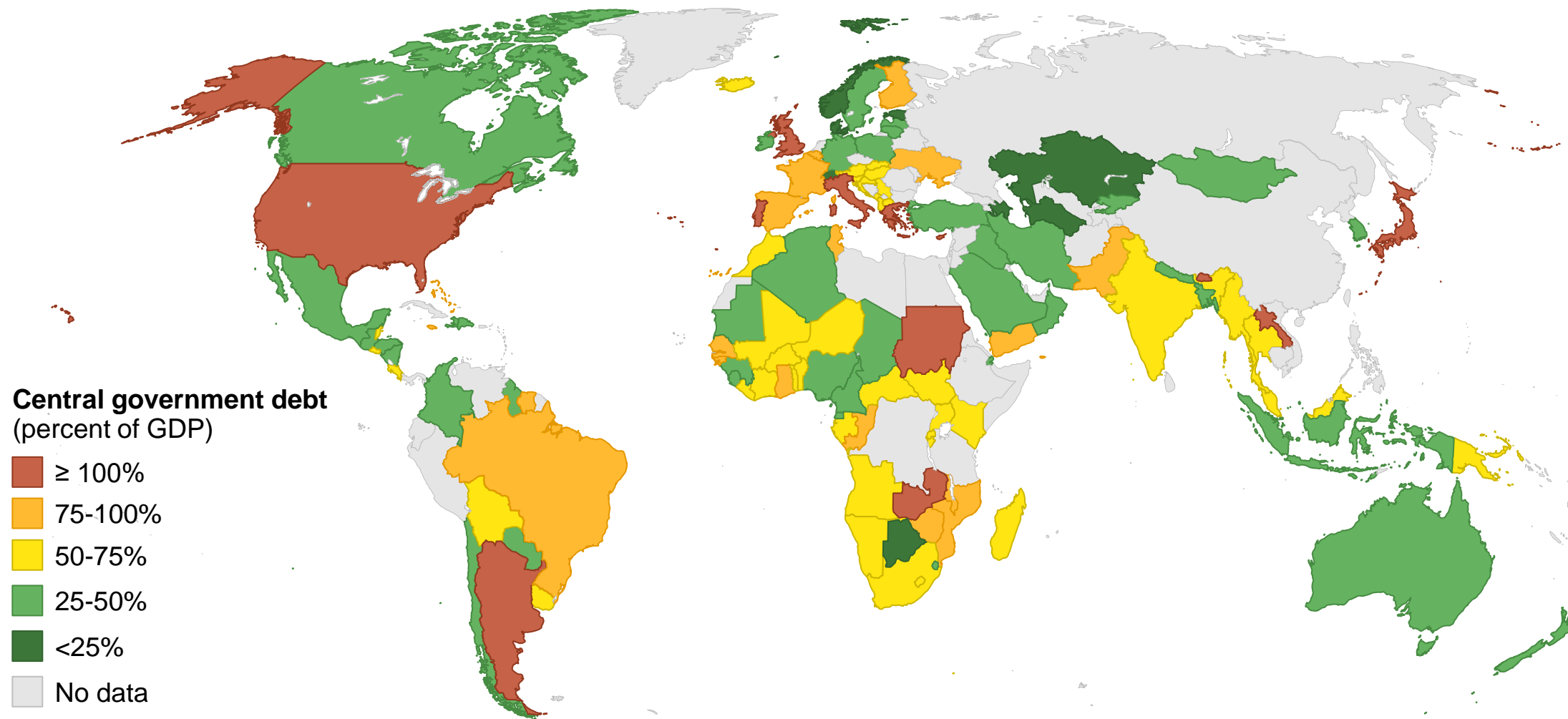
Real GDP growth, percent change



# U.S. debt to GDP ratio



# Global debt (2023)



# The U.S. economy is dynamic and growing

**\$29.7  
trillion**



Exponential  
growth since  
the late 1940s

**World's largest GDP**

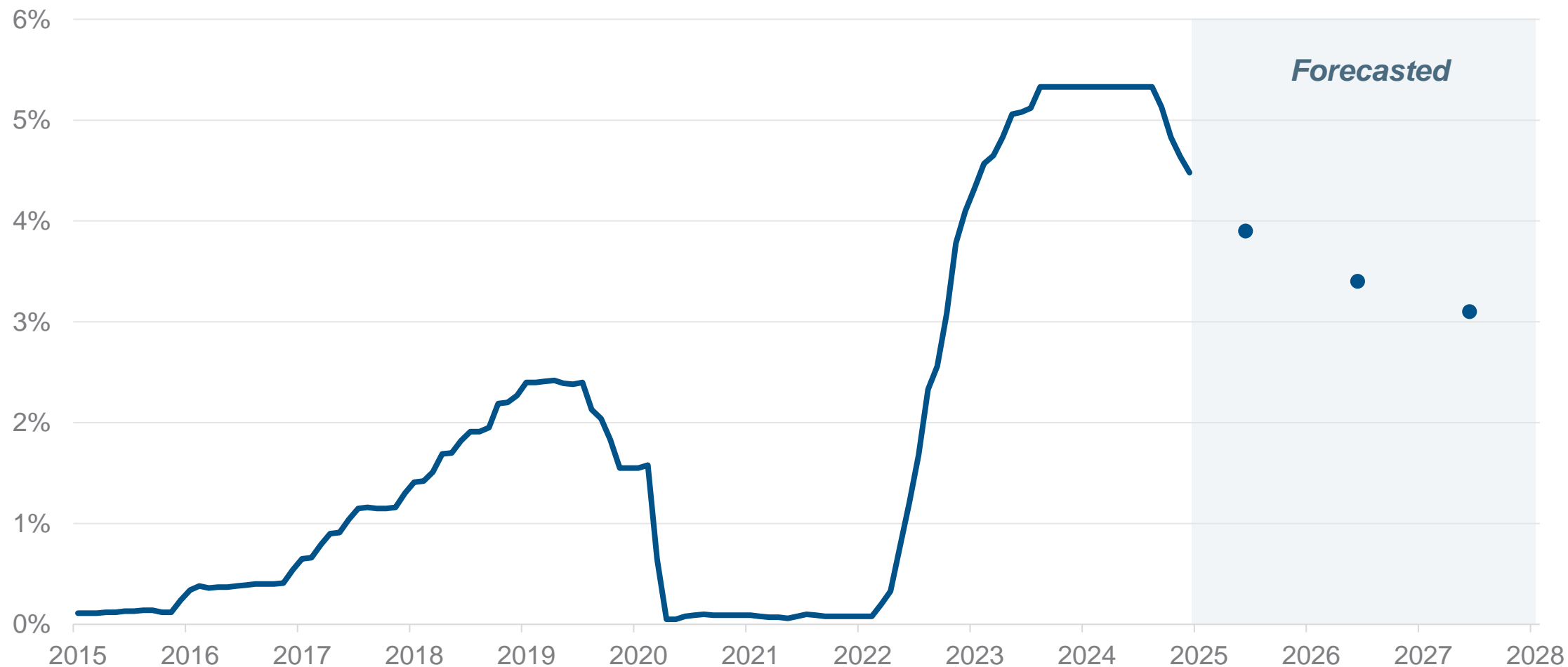
**\$17.8  
trillion**



**Second largest GDP**



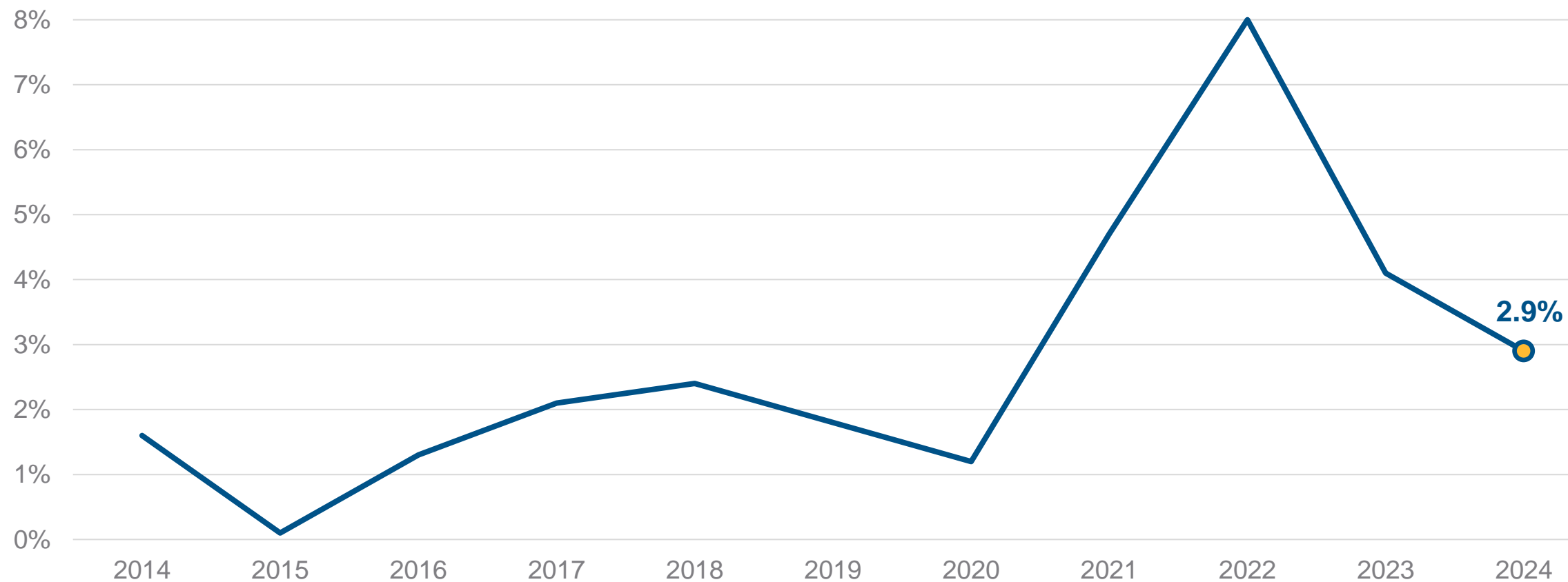
# Federal funds rate





# Consumer price index (inflation)

## Year-over-year change in inflation



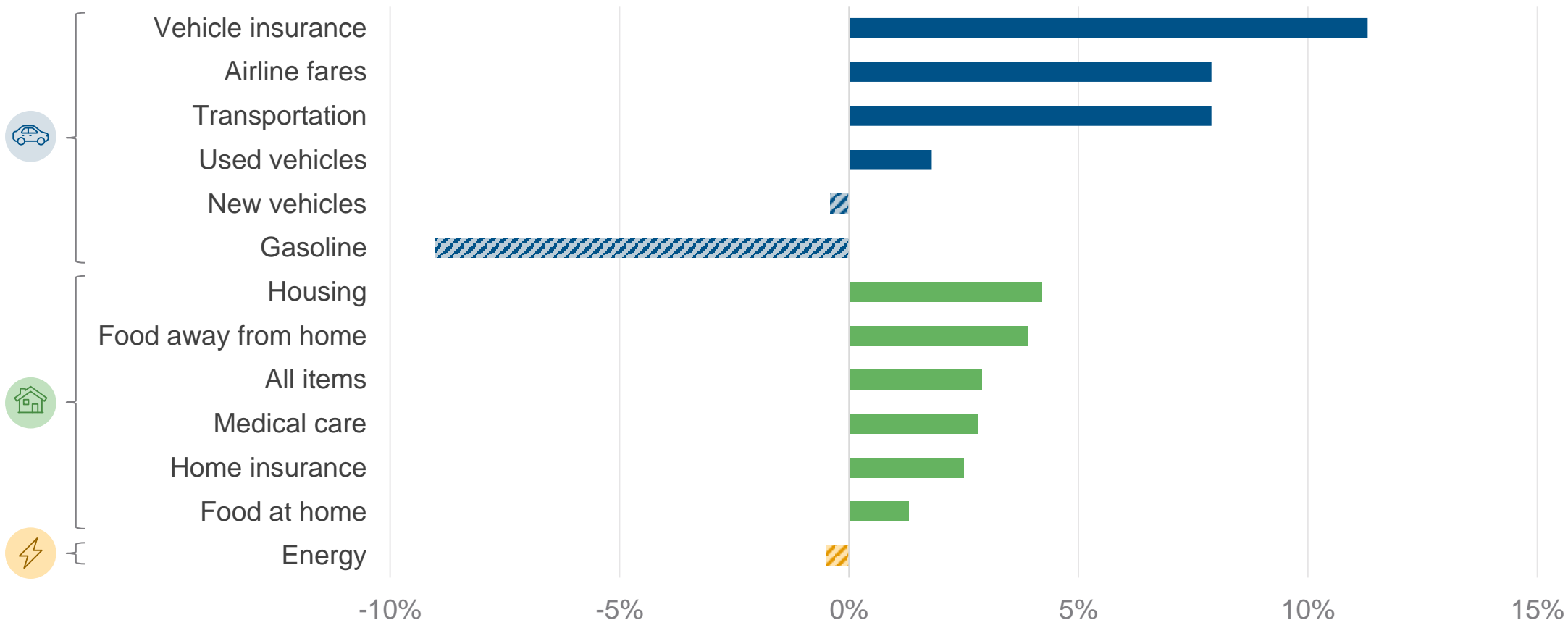
Source: U.S. Bureau of Labor Statistics, not seasonally adjusted. Presentation by Abbi Prins, CoBank.

# Consumer buying power is changing



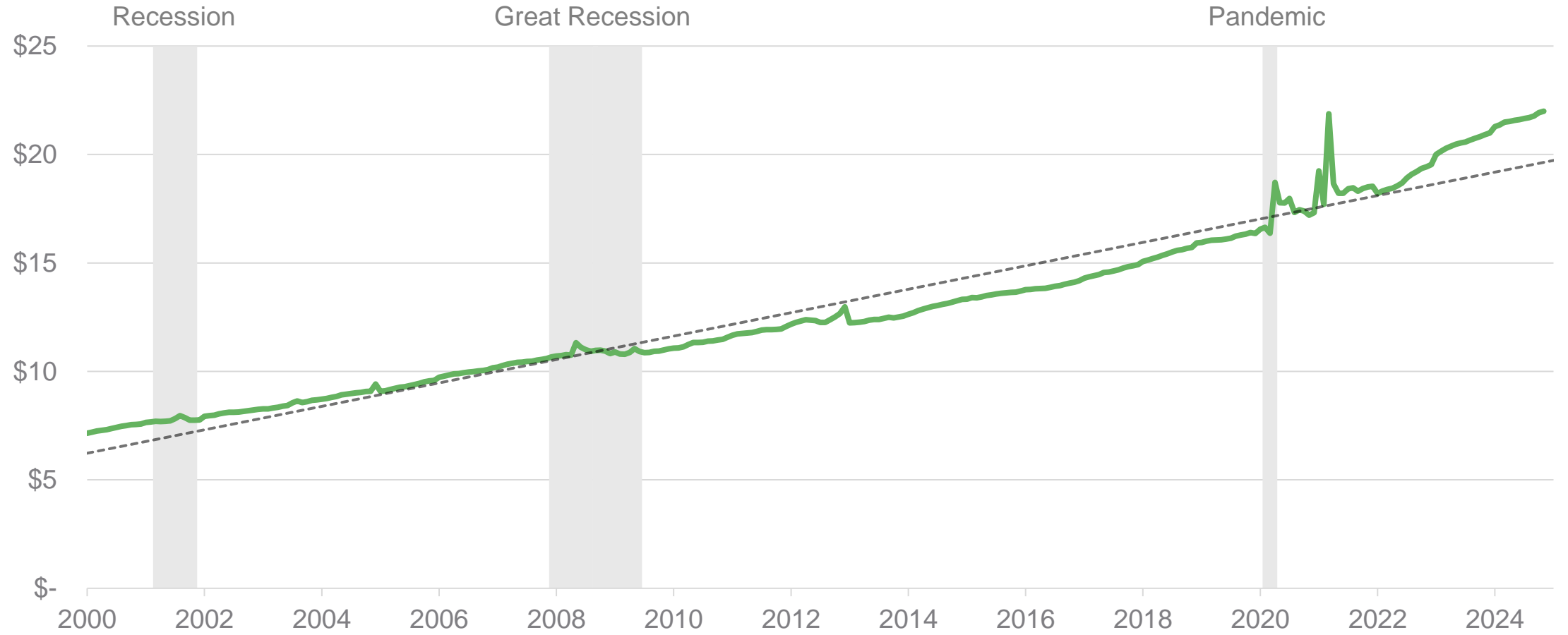
# Vehicles, rent, medical, and food are still rising in price

Percent change year-over-year in Dec 2024

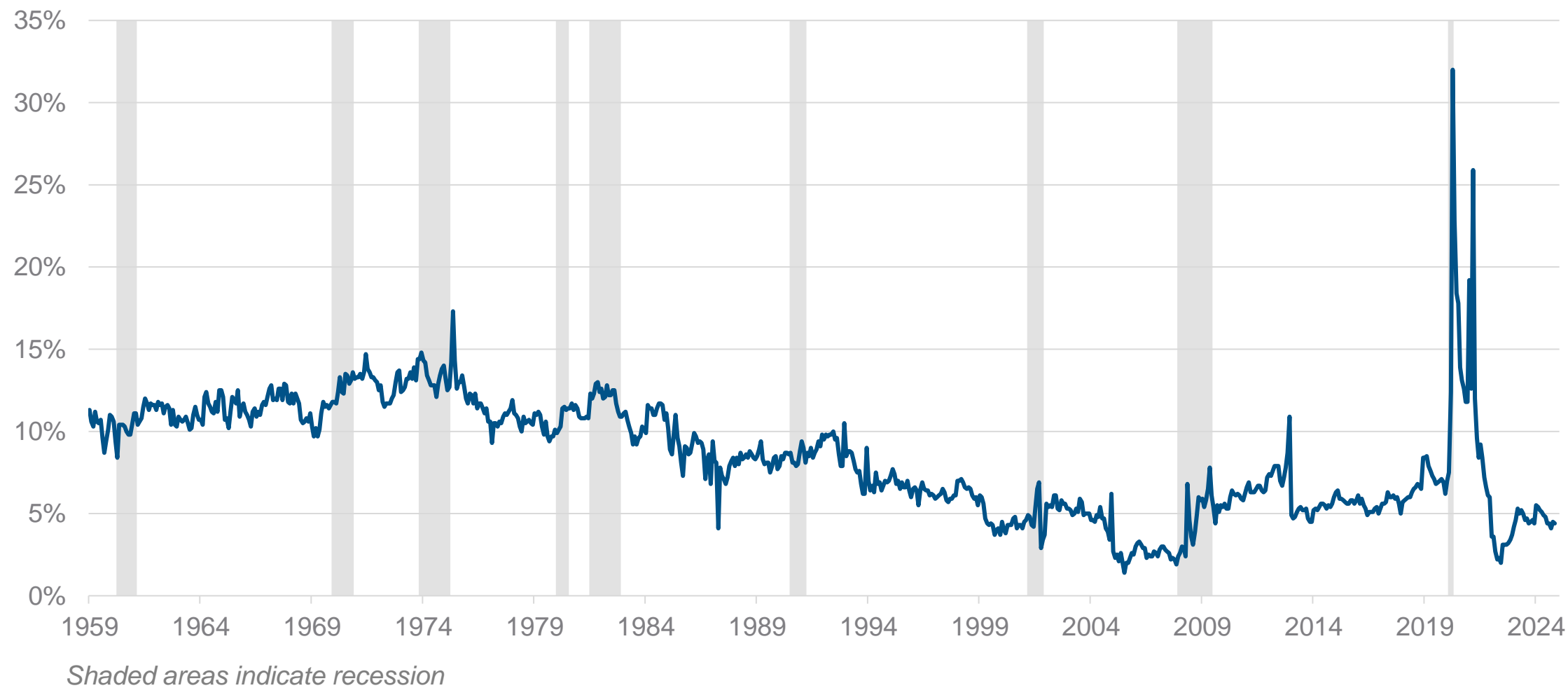


# Personal income

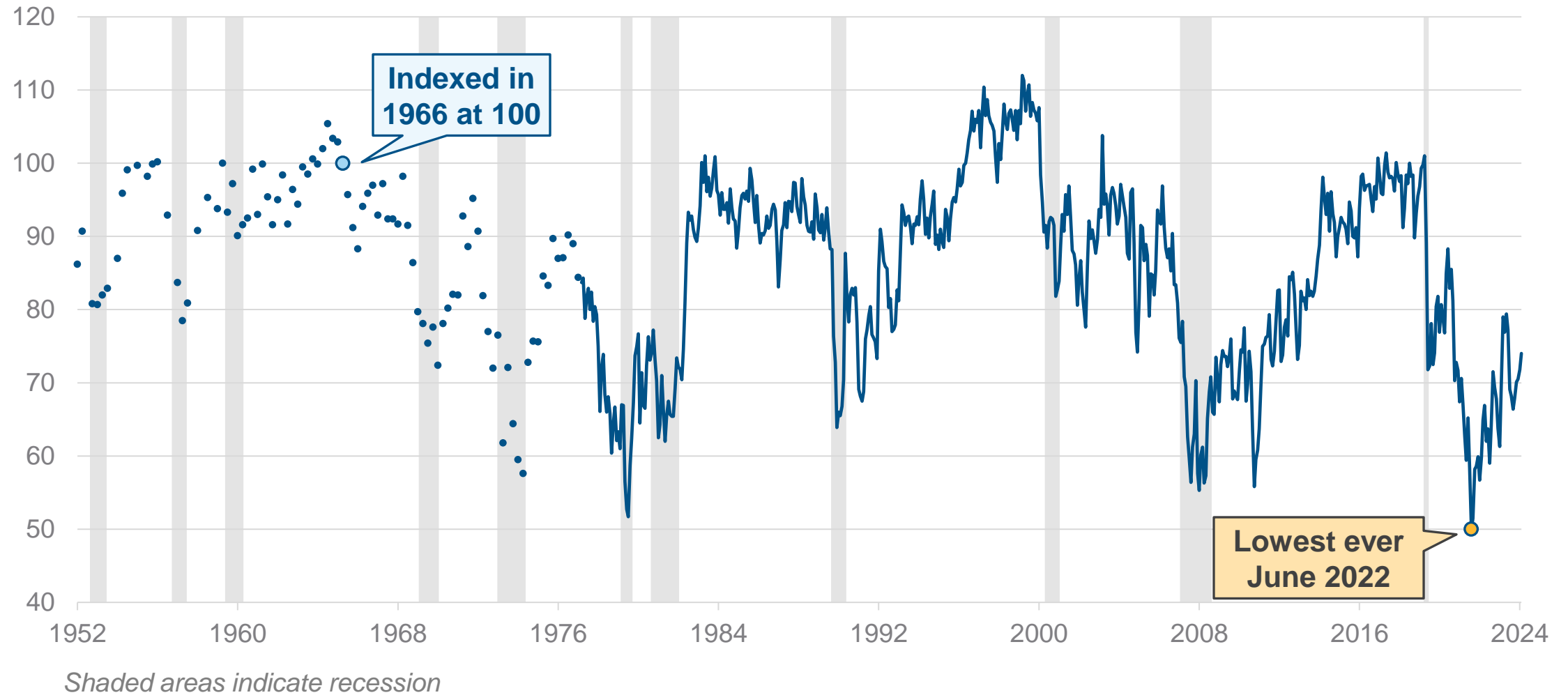
Trillions of dollars



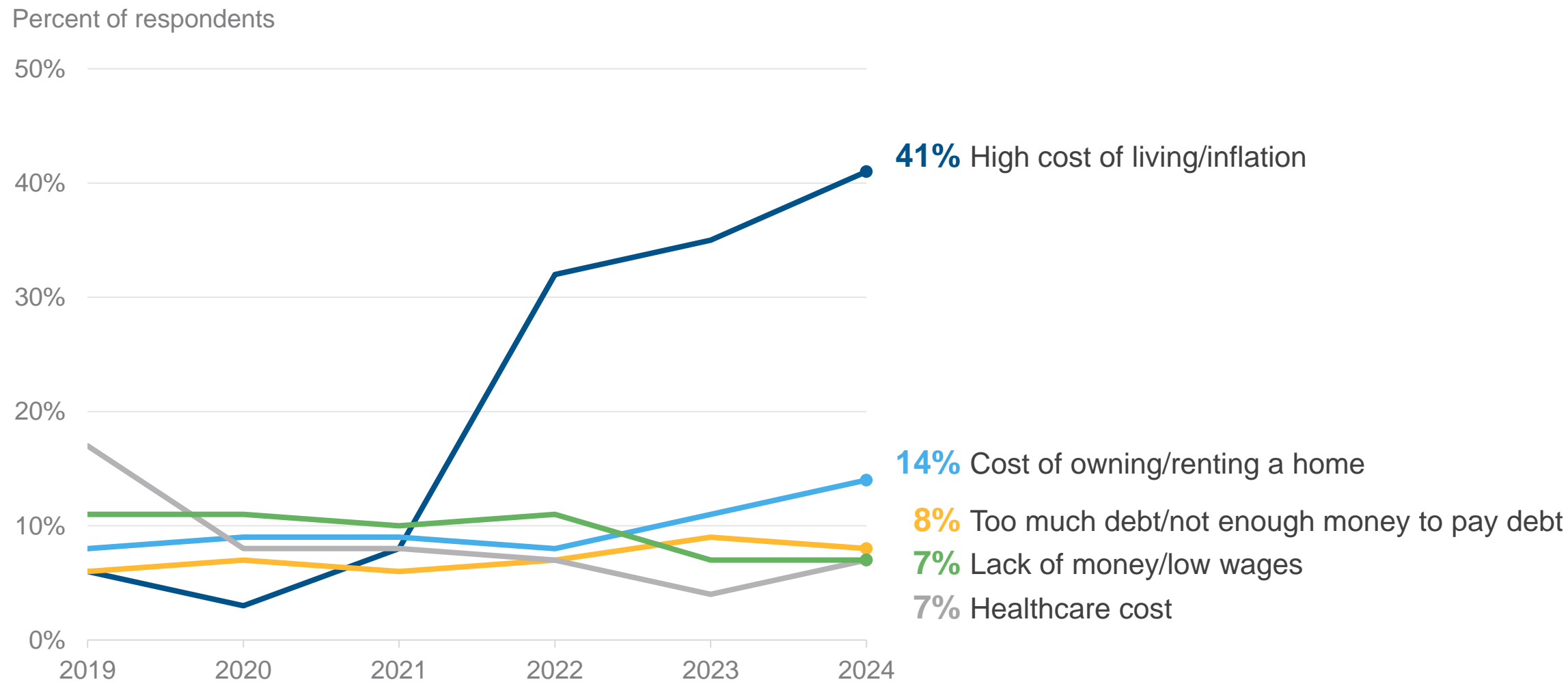
# Personal savings as a percent of personal income



# Consumer sentiment



# Consumers say high cost of living is number one problem





# The U.S. population will reach its peak in 10 years

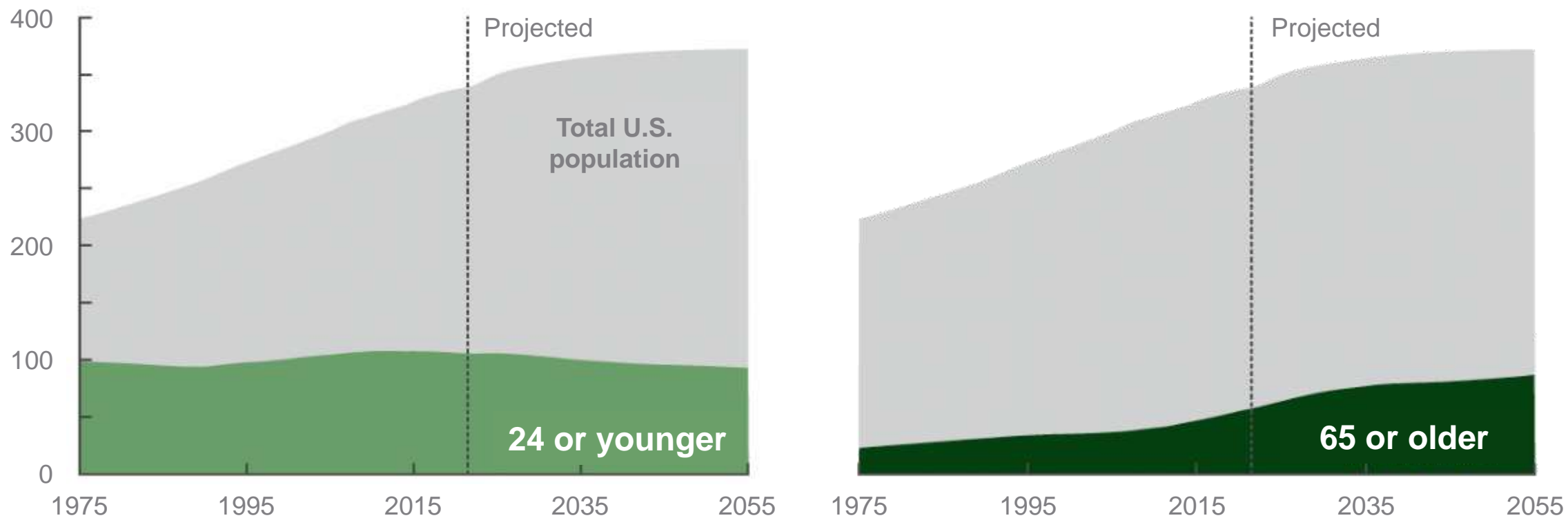
# 350 million people

*Current U.S. population: 341 million people*

- ▶ Overall population is getting older
- ▶ Not getting replaced because of falling fertility rates

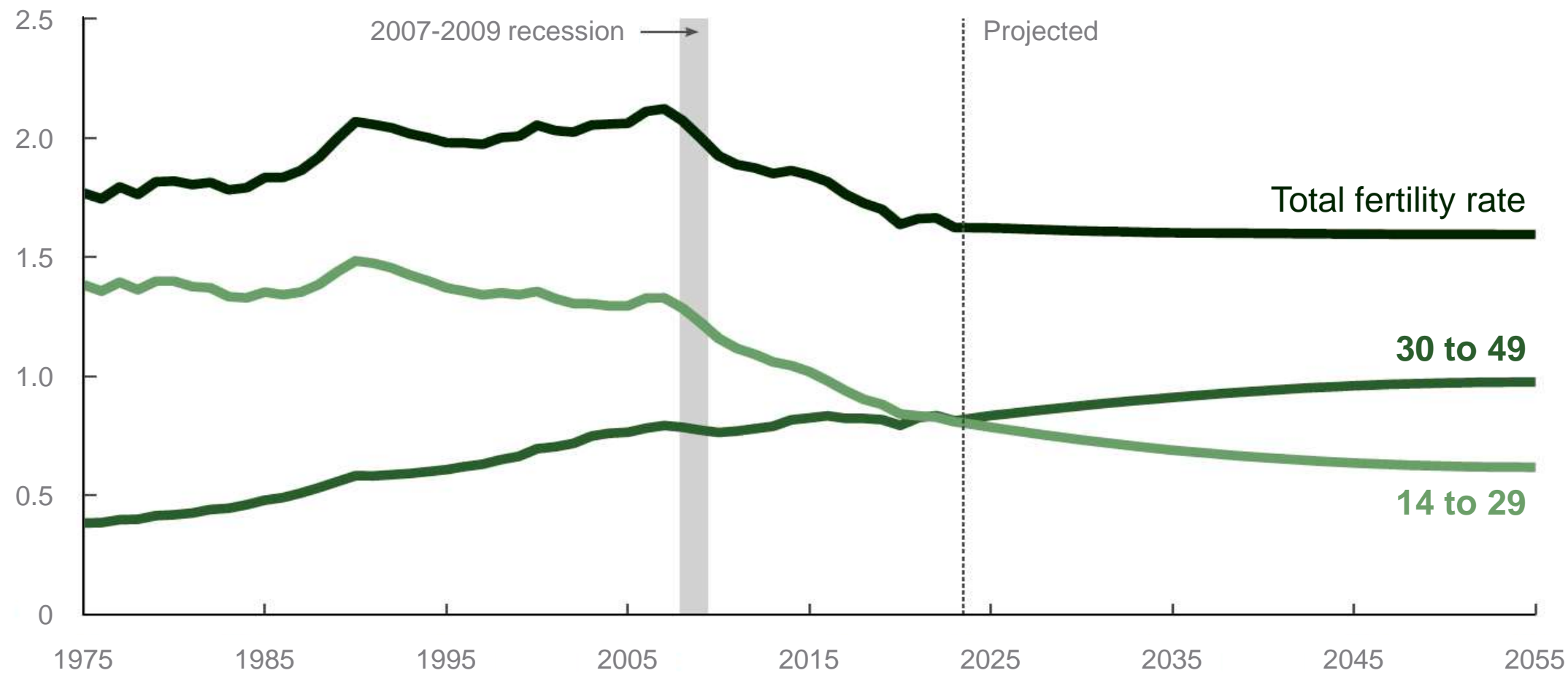
# U.S. population is progressively getting older

Population size by age group (millions of people)

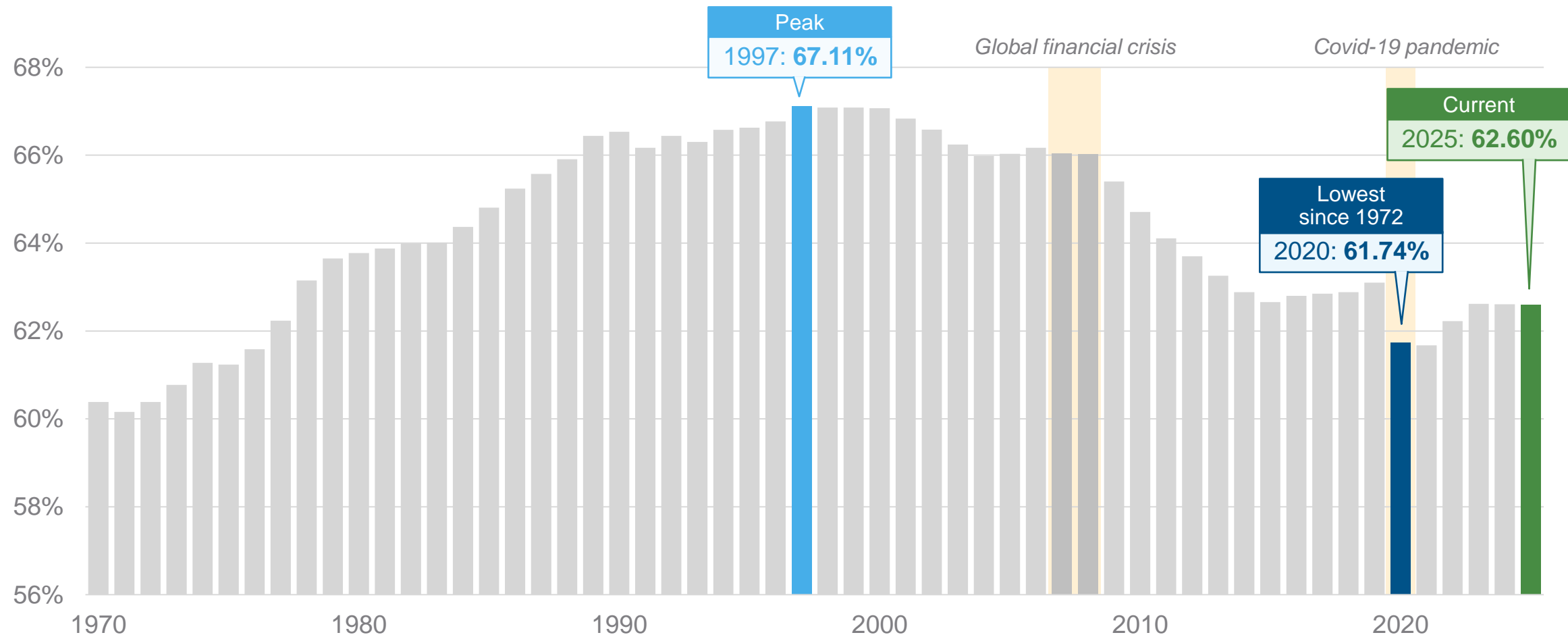


# Births by age

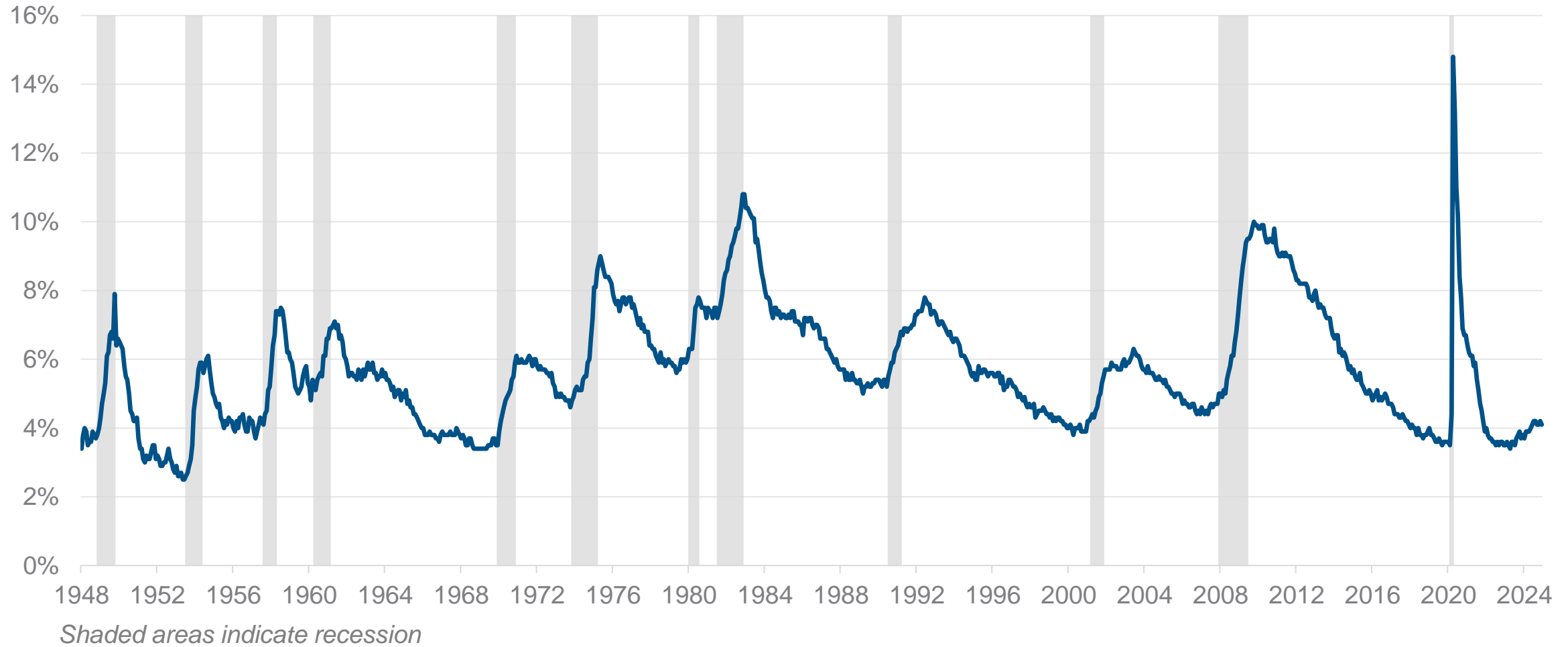
## Births per woman



# Labor force participation rate



# Unemployment



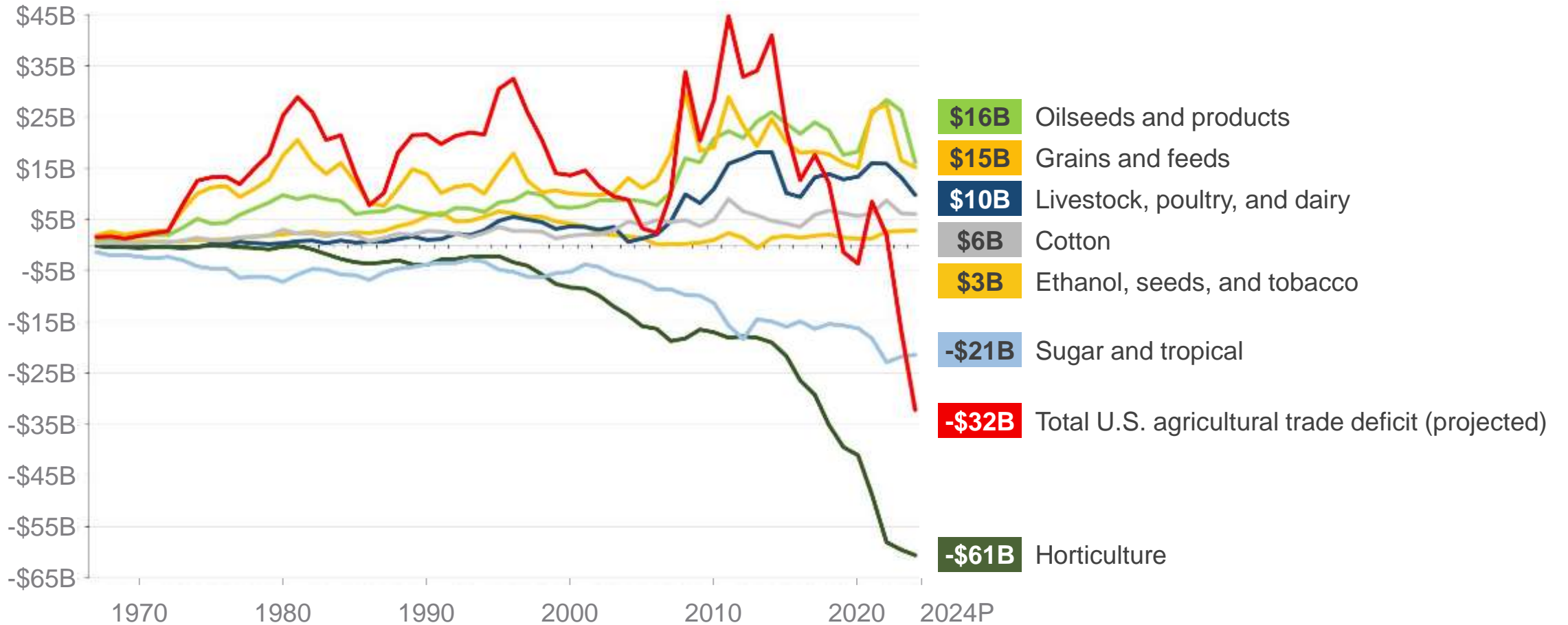
## U.S. ag trade deficit continues to grow

**-\$45.5 billion**  
*projected in 2025*

- ▶ Most recent trade surplus in 2021
- ▶ Major losses in horticulture, and crop and livestock trade value falling

# U.S. agriculture trade balance projection for 2024

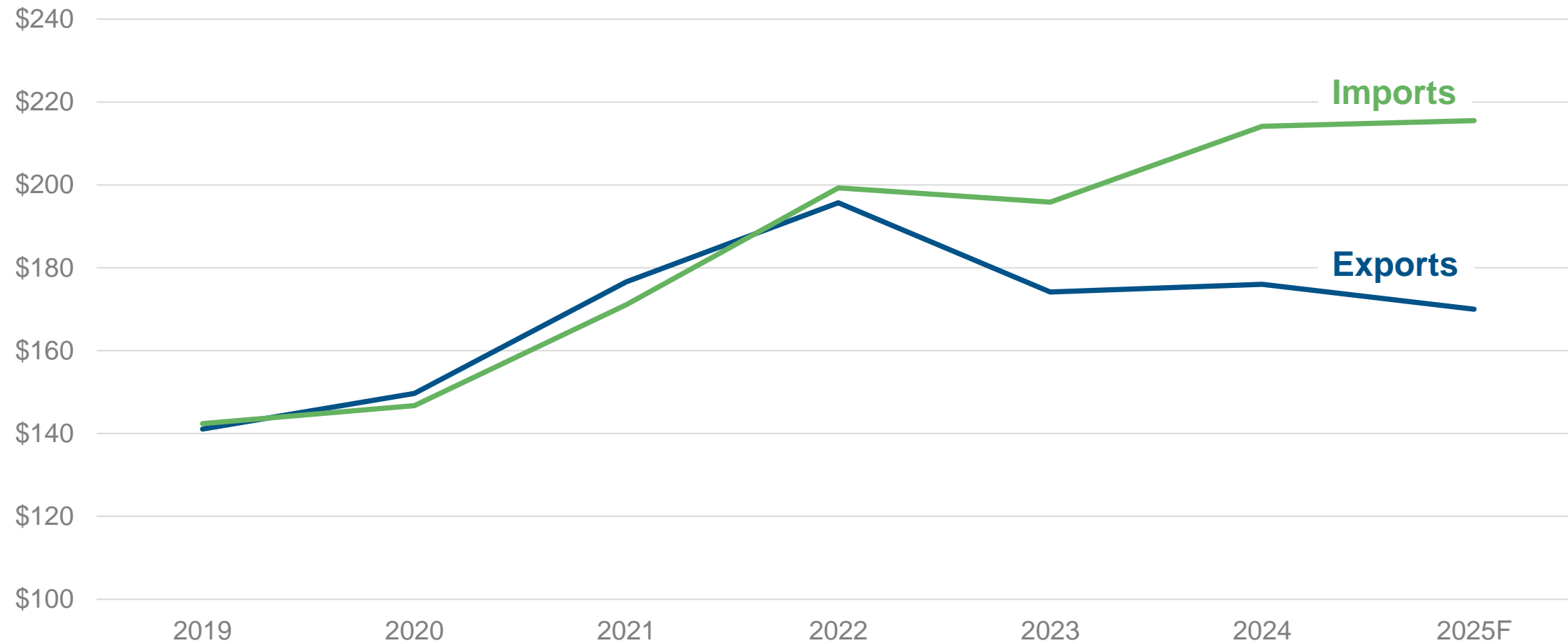
Trade balance by product category and fiscal year



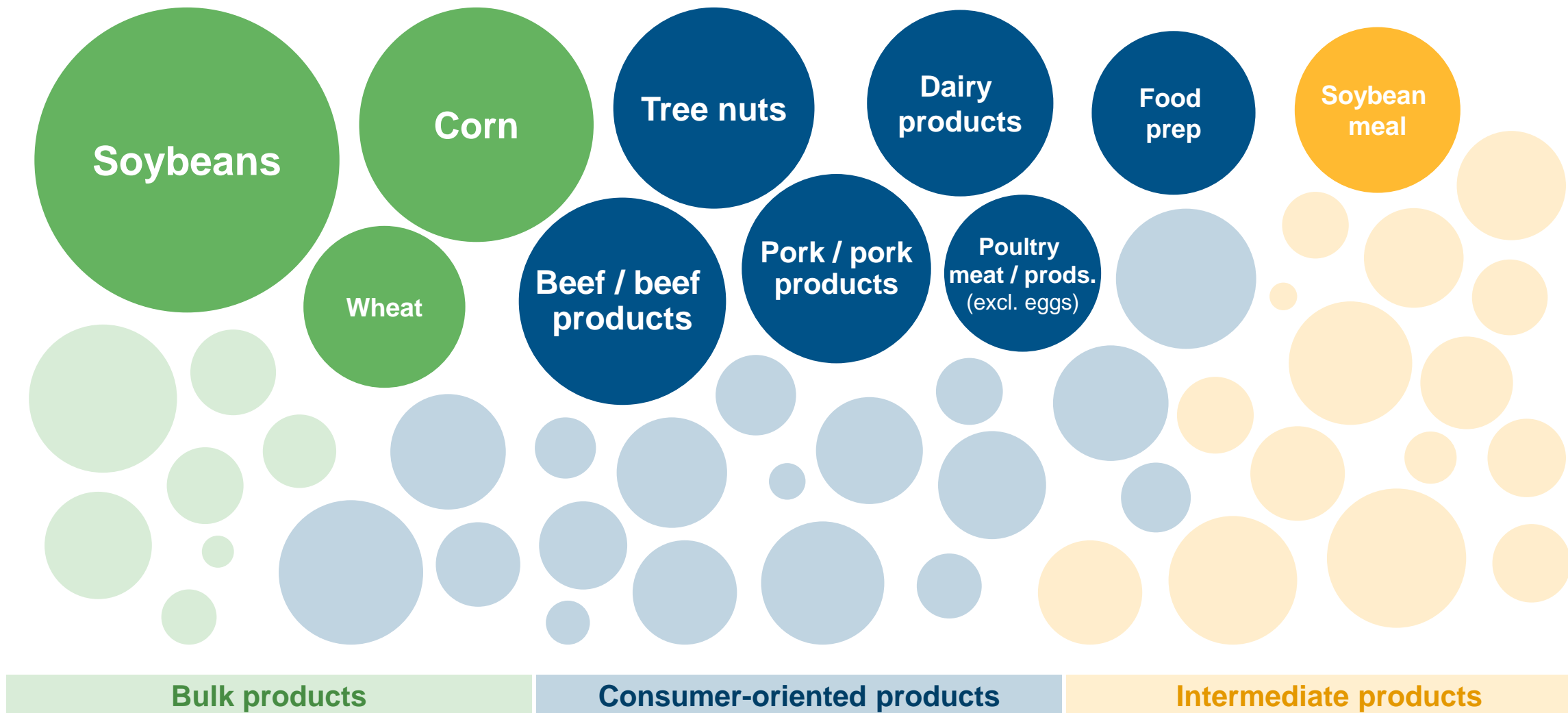


# U.S. ag trade deficit is widening

Value (billions of dollars)



# U.S. ag commodity top exports

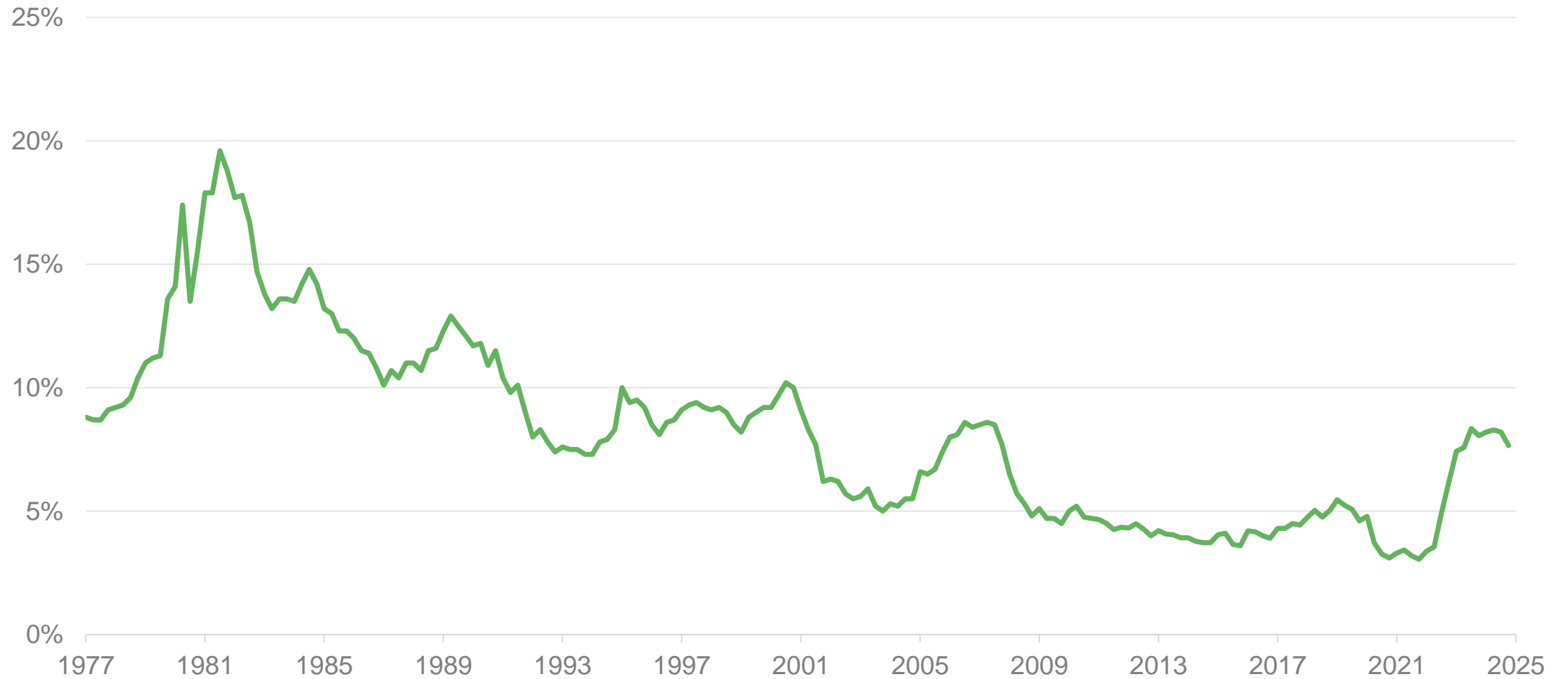


# Top U.S. trade partners

2023			
	Market	% of total U.S. exports	Total export value (USD)
1	 China	16.6%	\$28.84 B
2	 Canada	16.3%	\$28.38 B
3	 Mexico	16.3%	\$28.38 B
4	 European Union	7.2%	\$12.62 B
5	 Japan	6.8%	\$11.89 B

2024			
	Market	% of total U.S. exports	Total export value (USD)
1	 Mexico	17.2%	\$30.32 B
2	 Canada	16.1%	\$28.38 B
3	 China	14.0%	\$24.65 B
4	 European Union	7.3%	\$12.8 B
5	 Japan	6.8%	\$11.98 B

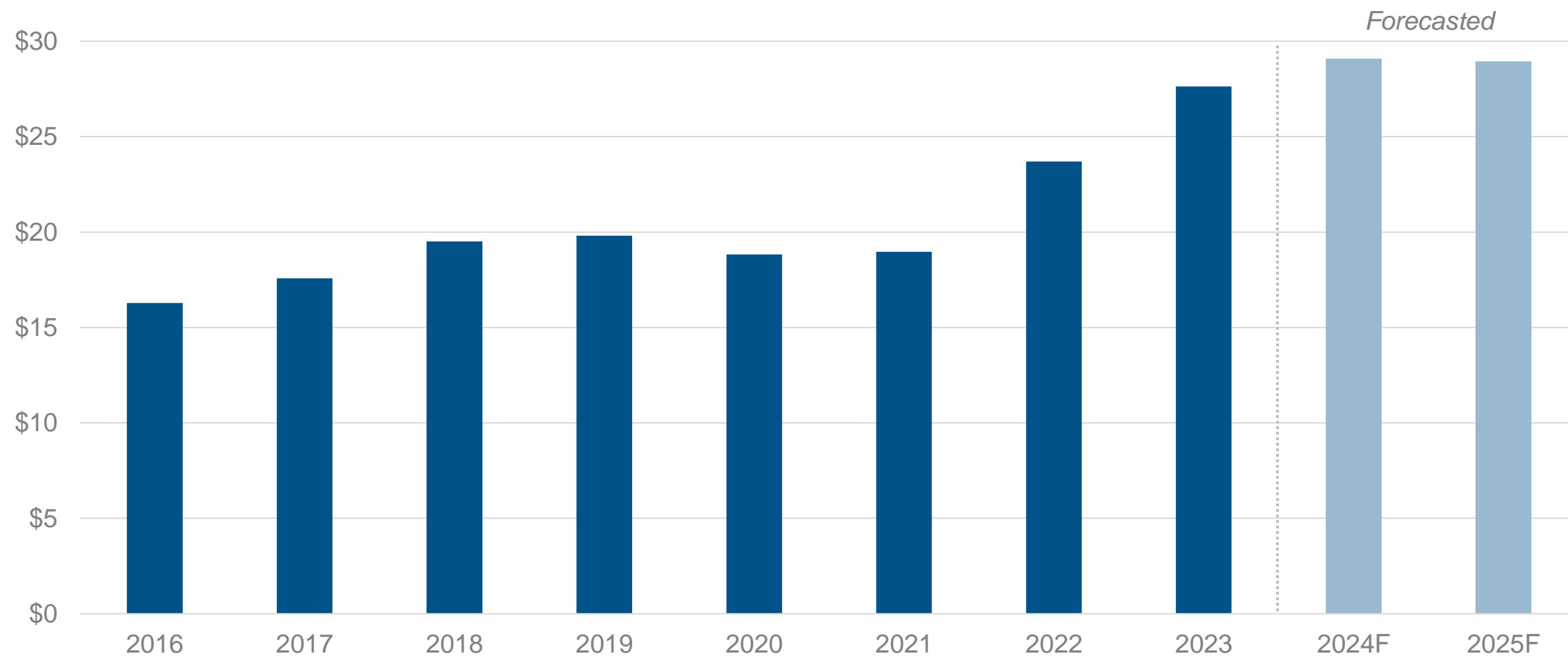
# Ag interest rates



Source: Kansas City Federal Bank. Presentation by Abbi Prins, CoBank.

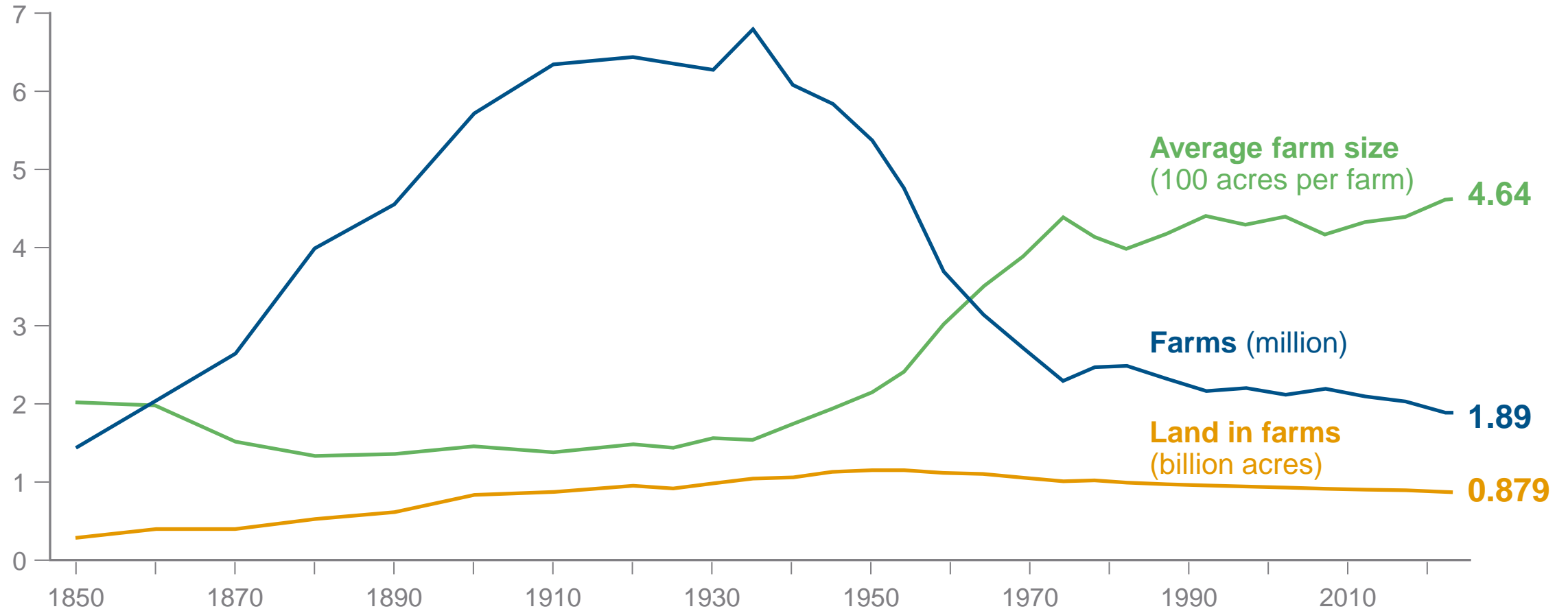
# Cost of interest 2015-2024

Millions of dollars



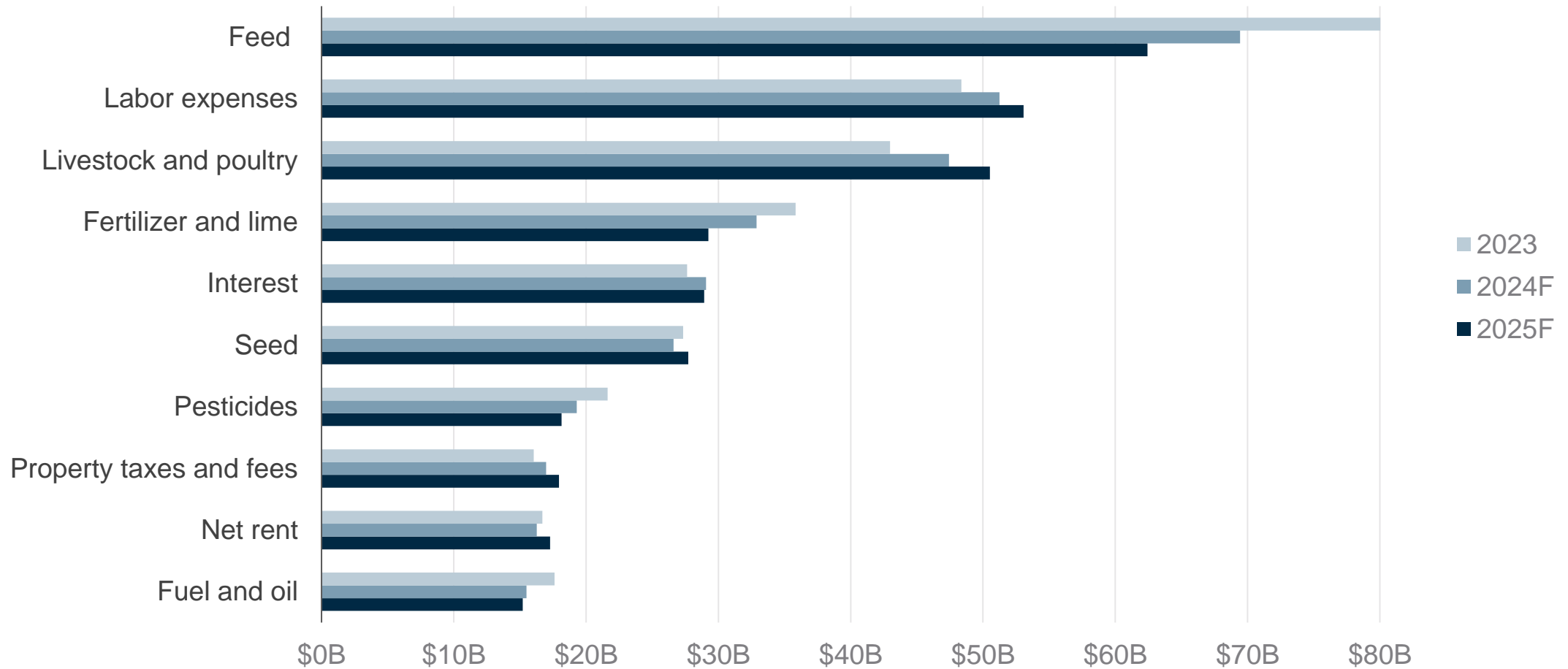
# The number of U.S. farms continues slow decline

Number of farms, land in farms, and average acres per farm (1850-2023)



# Farm expenses by category

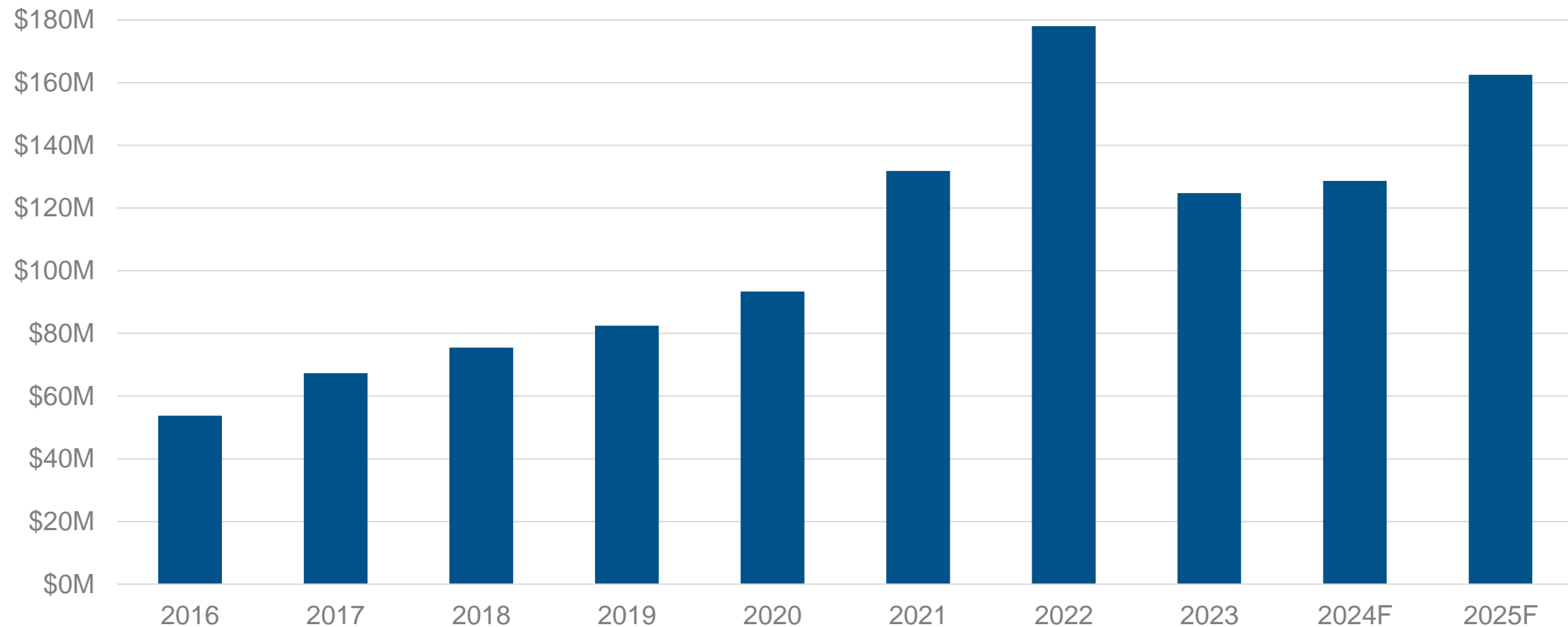
## U.S. farm production expenses (billions of dollars)





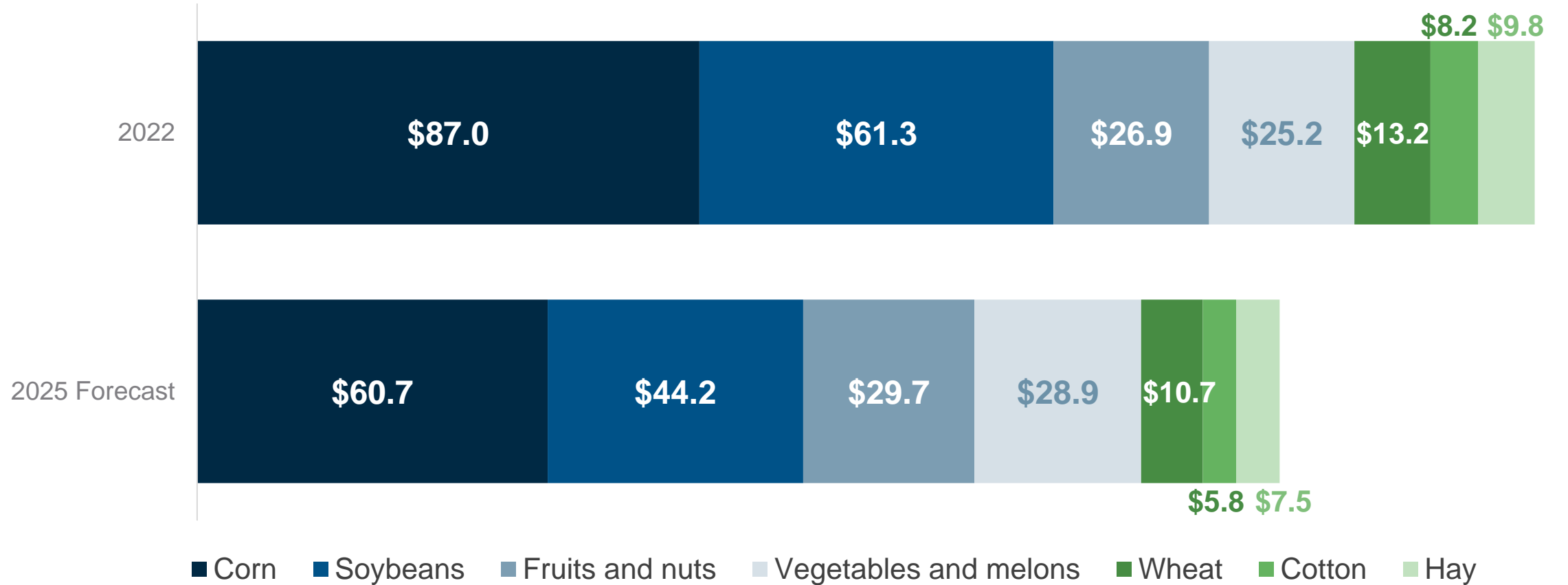
# Farm balance sheet

## Net farm income



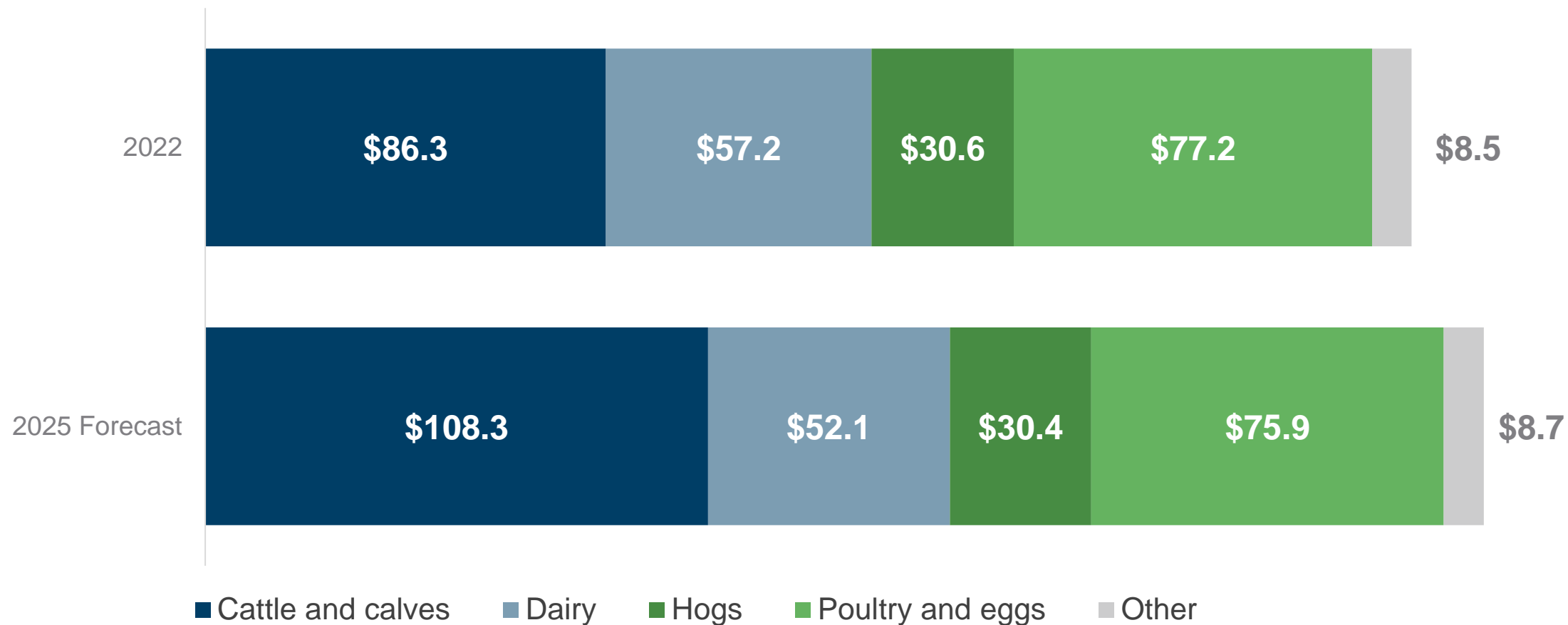
# Farm balance sheet – crops

U.S. crop receipts (billions of dollars)



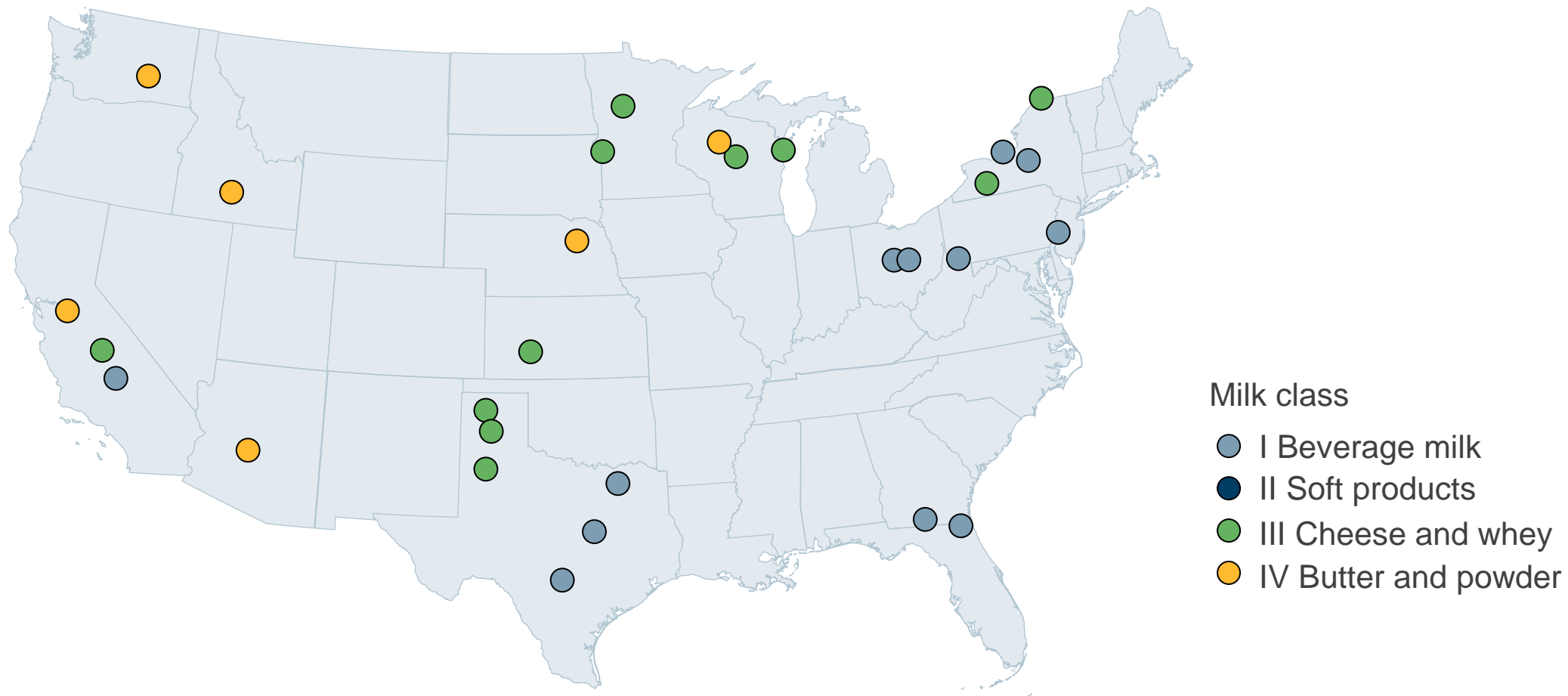
# Farm balance sheet – animal protein

U.S. animal / animal product receipts (billions of dollars)



# Energy demand is growing for U.S. dairy processors

\$8 billion in dairy plant expansions through 2027



# Opportunity for energy growth in cold storage



# Key themes



U.S. economy is strong but volatile.



Agriculture economy is mixed and remains cyclical.



Consumers drive the economy, both macro and agriculture.

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