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USDA Outlook for the 2010 U.S. Farm Economy

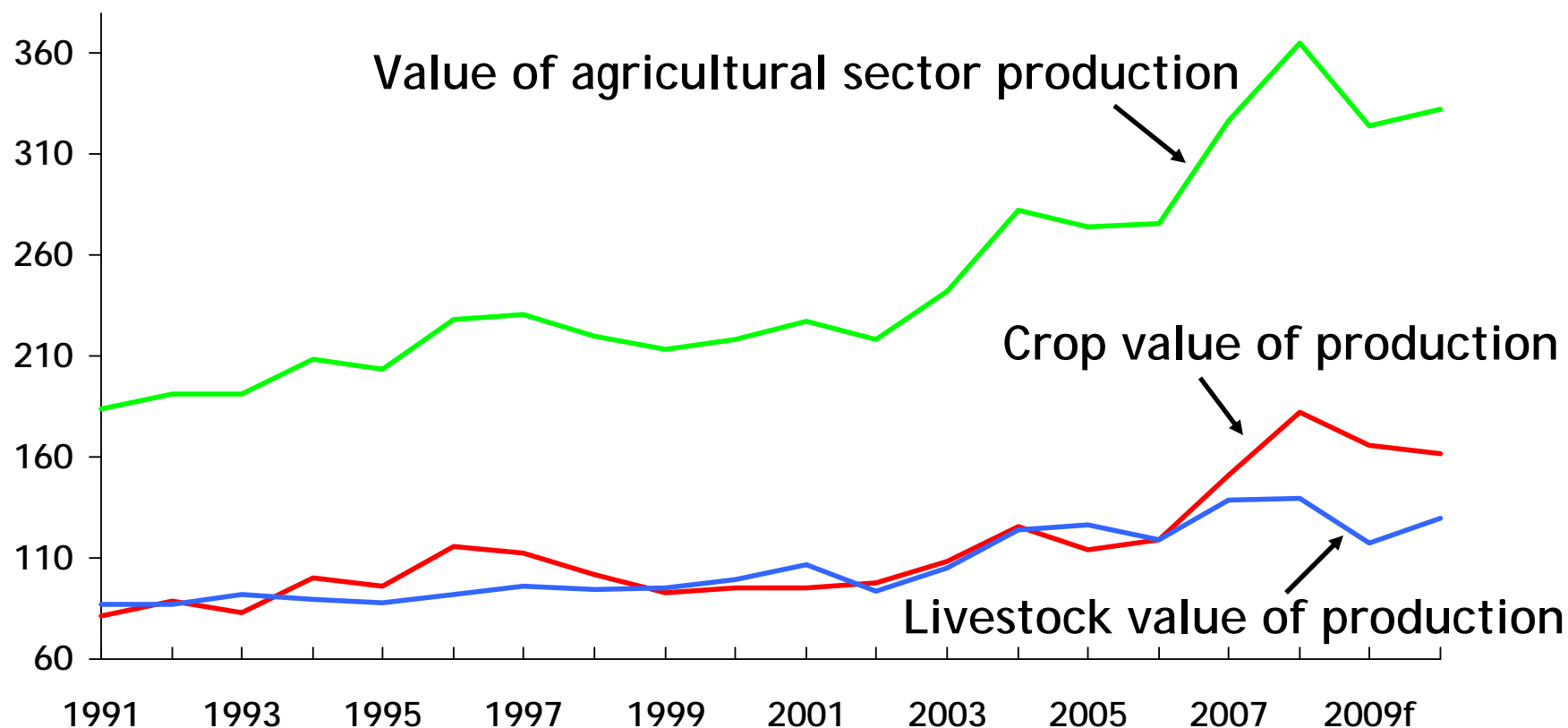
Ted Covey
Farm and Rural Business Branch
Resource and Rural Economics Division

2010 USDA Outlook Forum

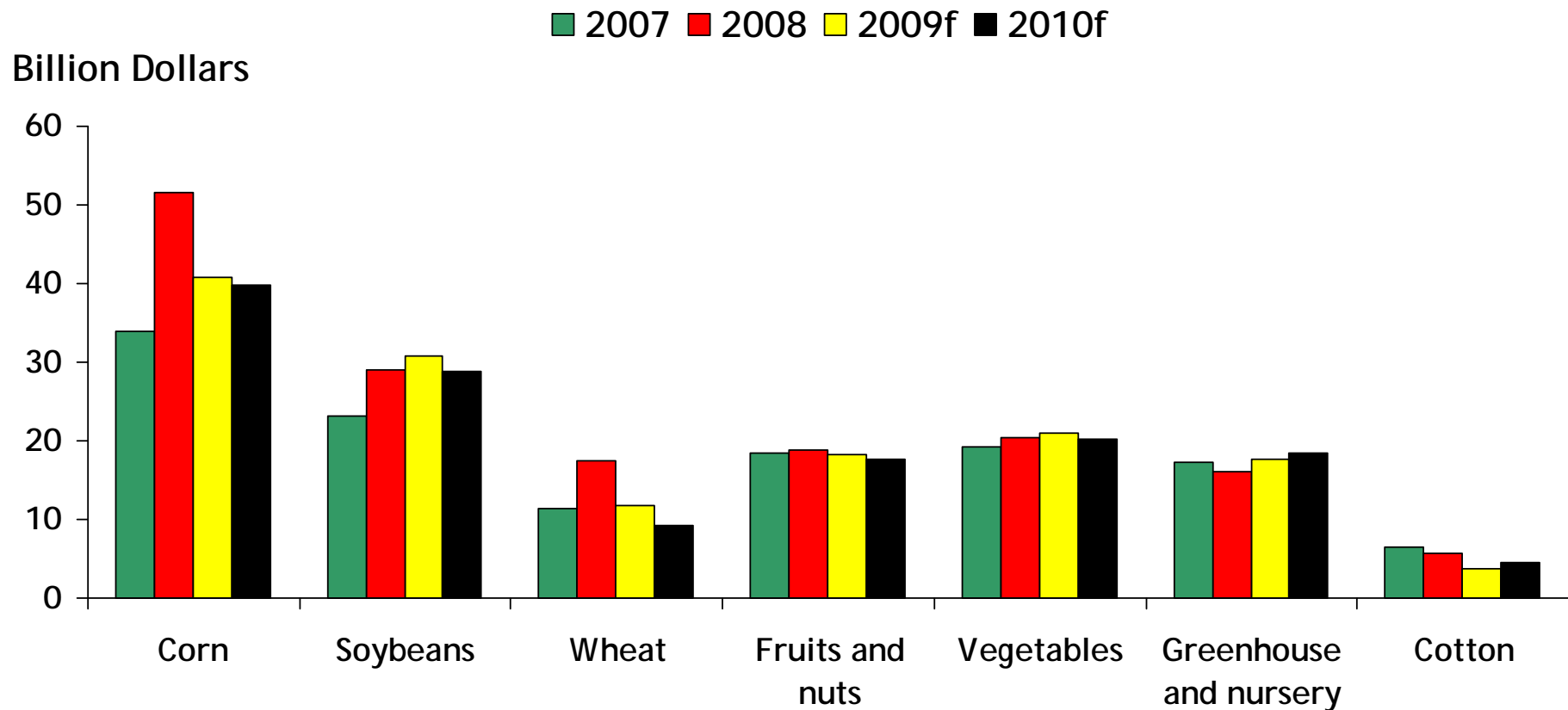


Value of agricultural sector production expected to increase \$7.9 billion in 2010

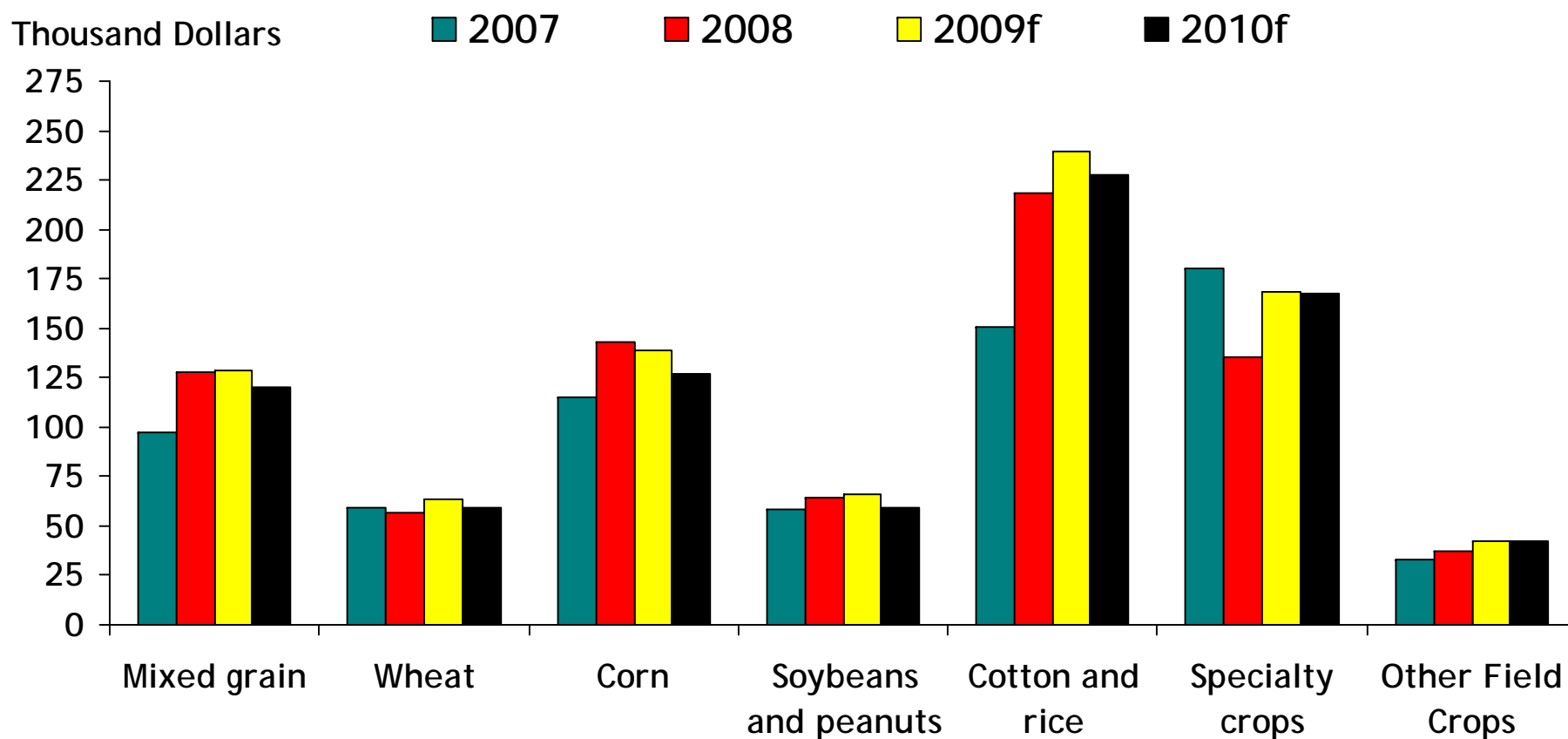
Billion Dollars



Crop cash receipts expected to decline \$6 billion in 2010



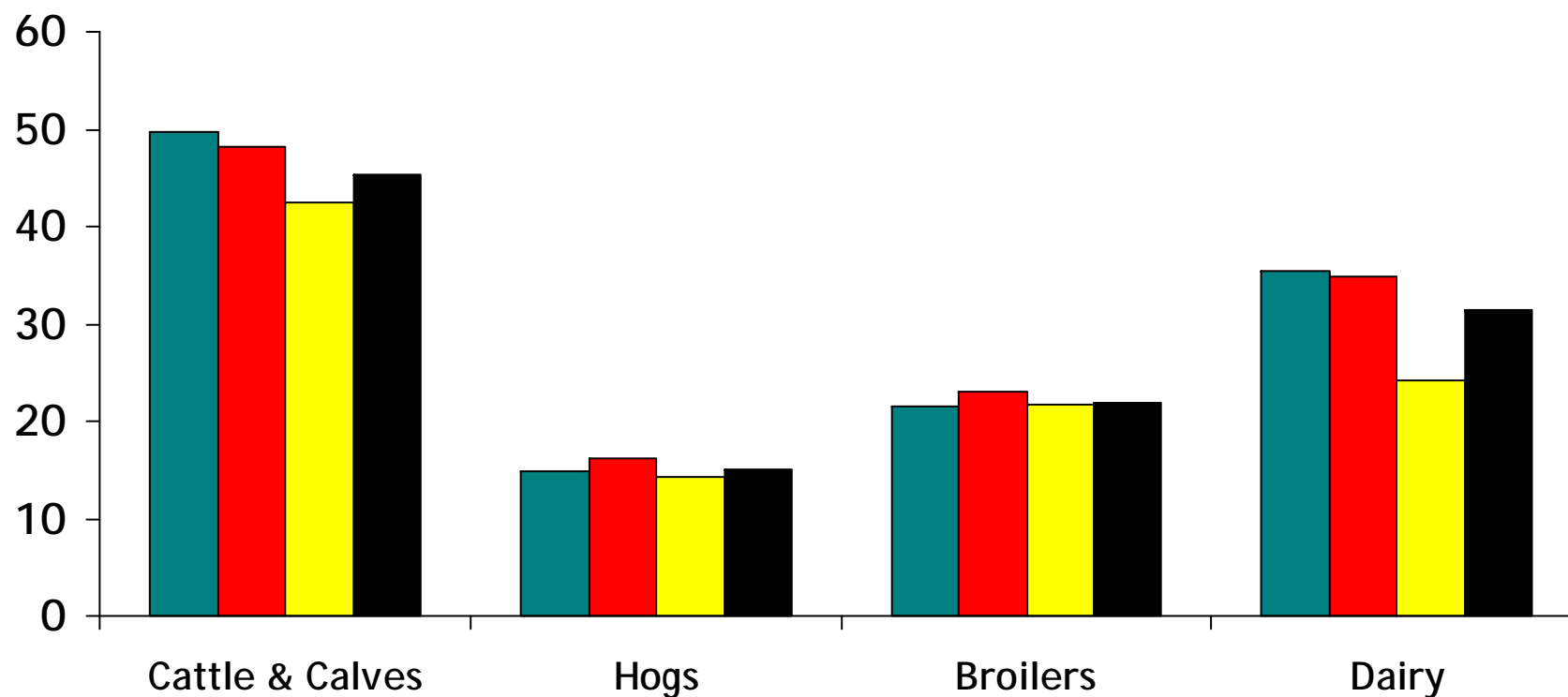
Lower average net cash incomes projected in 2010 for crop farm businesses



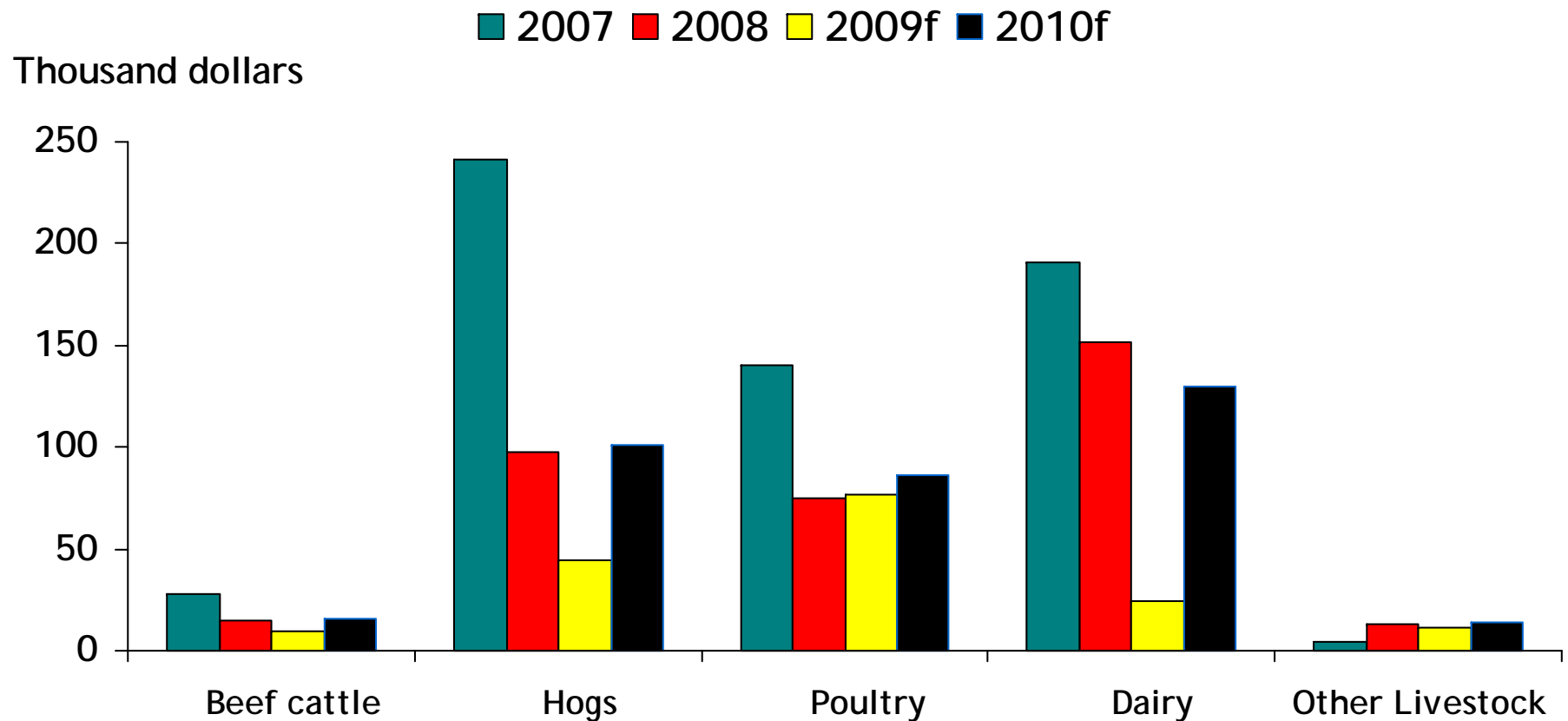
Livestock cash receipts expected to increase \$11.5 billion in 2010

Billion Dollars

■ 2007 ■ 2008 ■ 2009f ■ 2010f

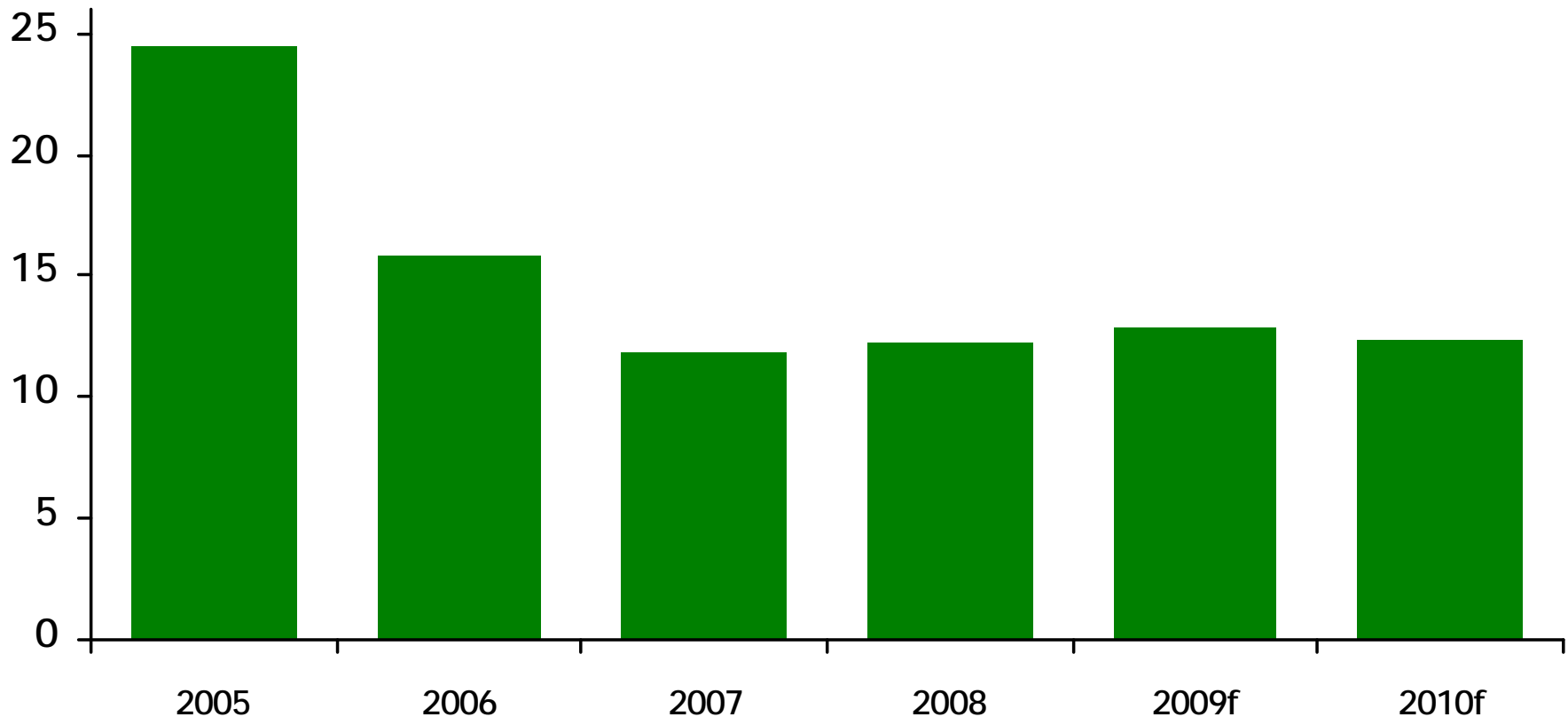


Average net cash income for livestock farm businesses expected to recover in 2010

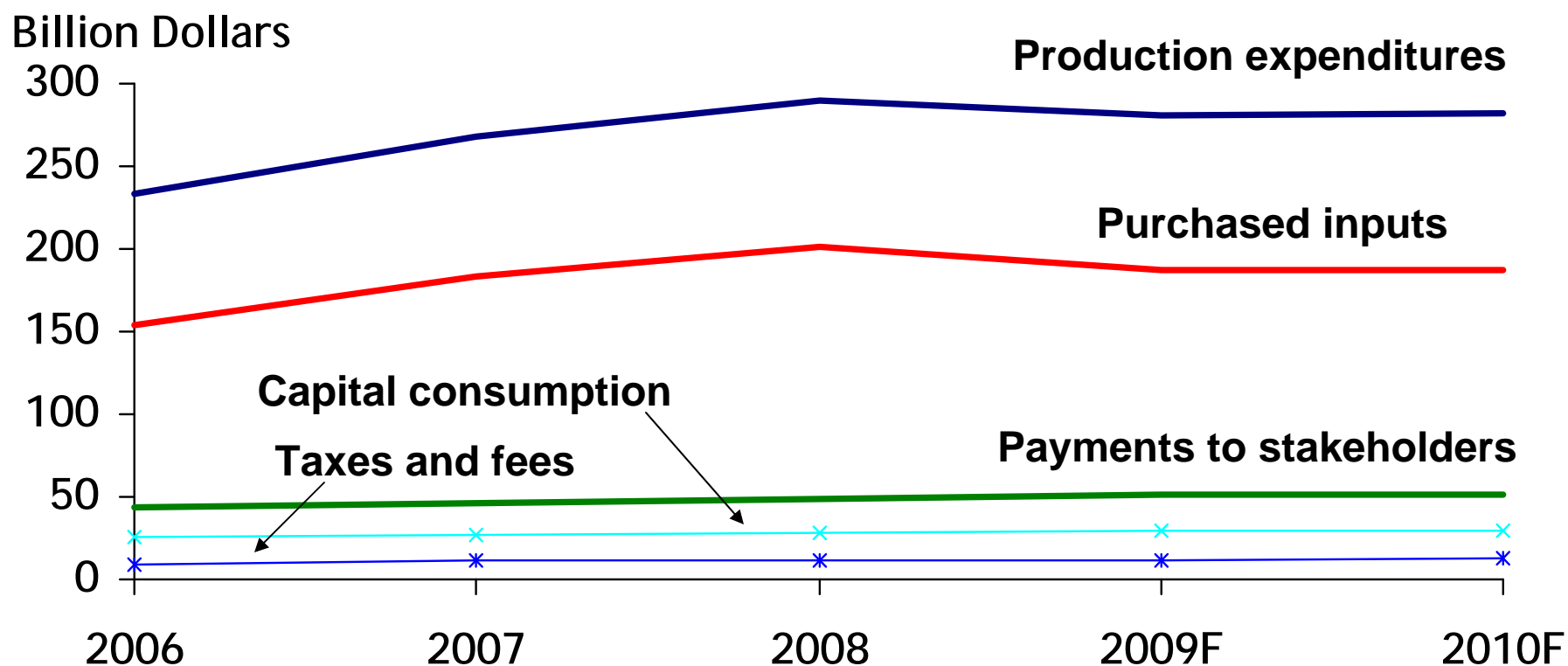


Government payments expected to decline \$0.5 billion in 2010

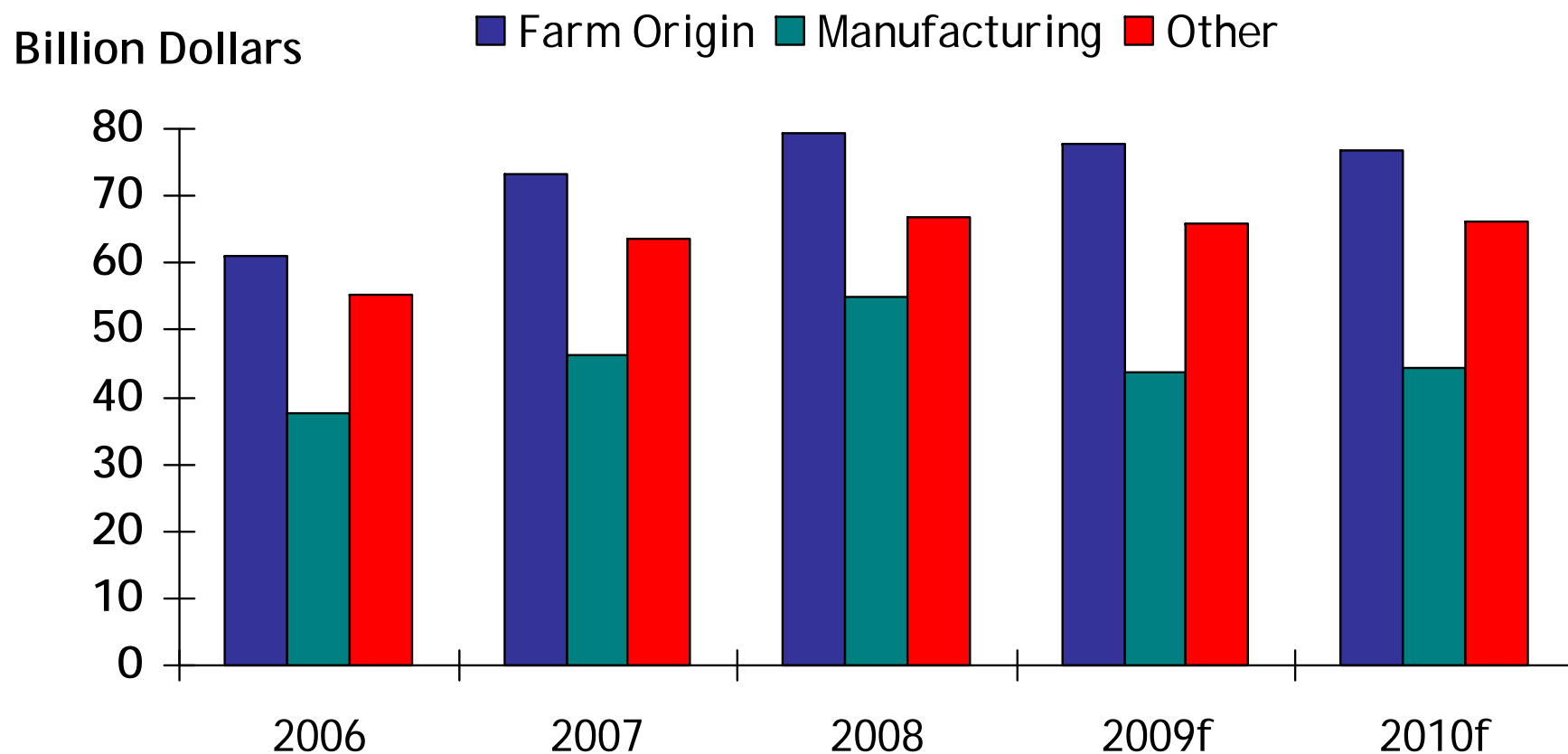
Billion Dollars



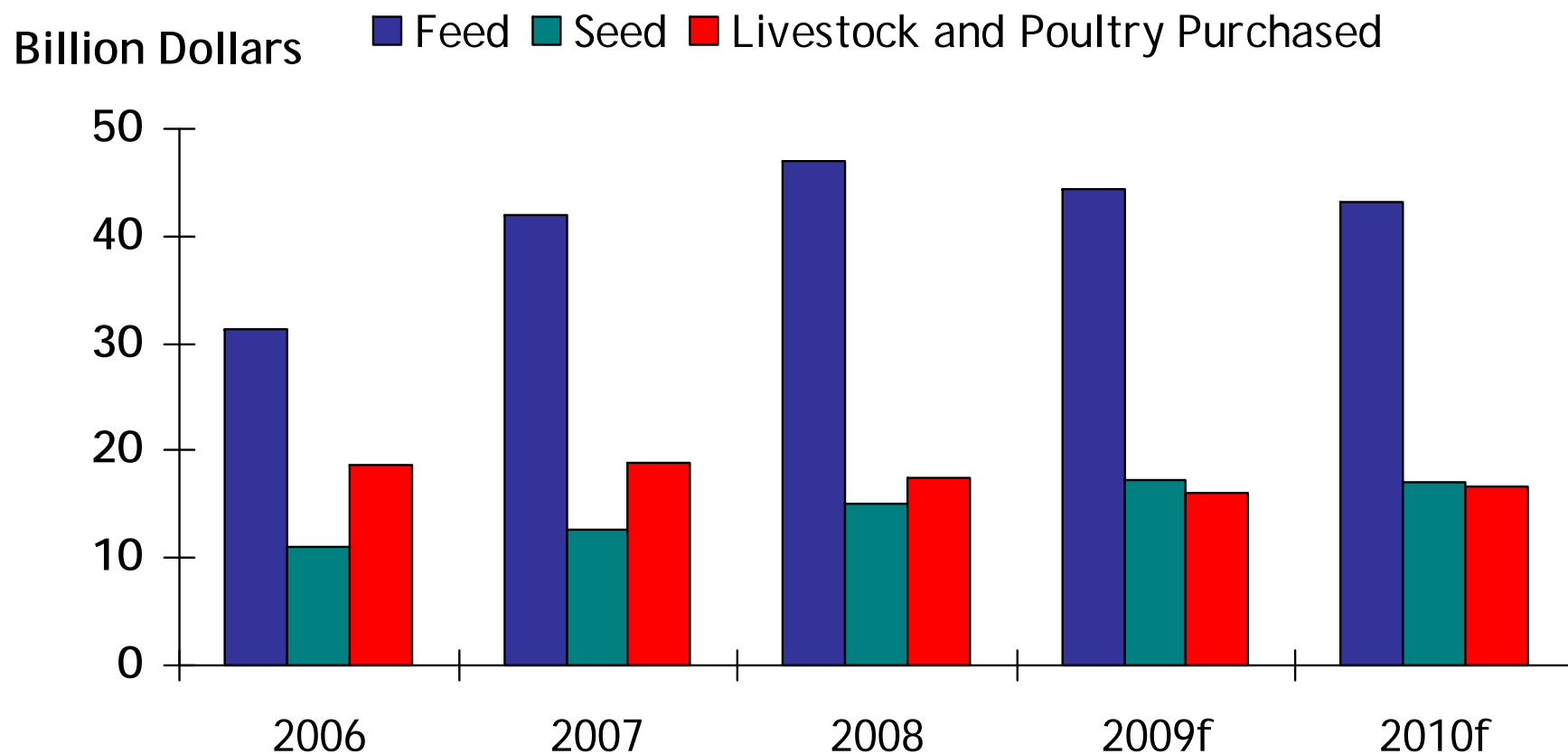
Farm production expenditures expected to remain steady in 2010



Purchase inputs expenditures expected to decline \$0.1 billion in 2010

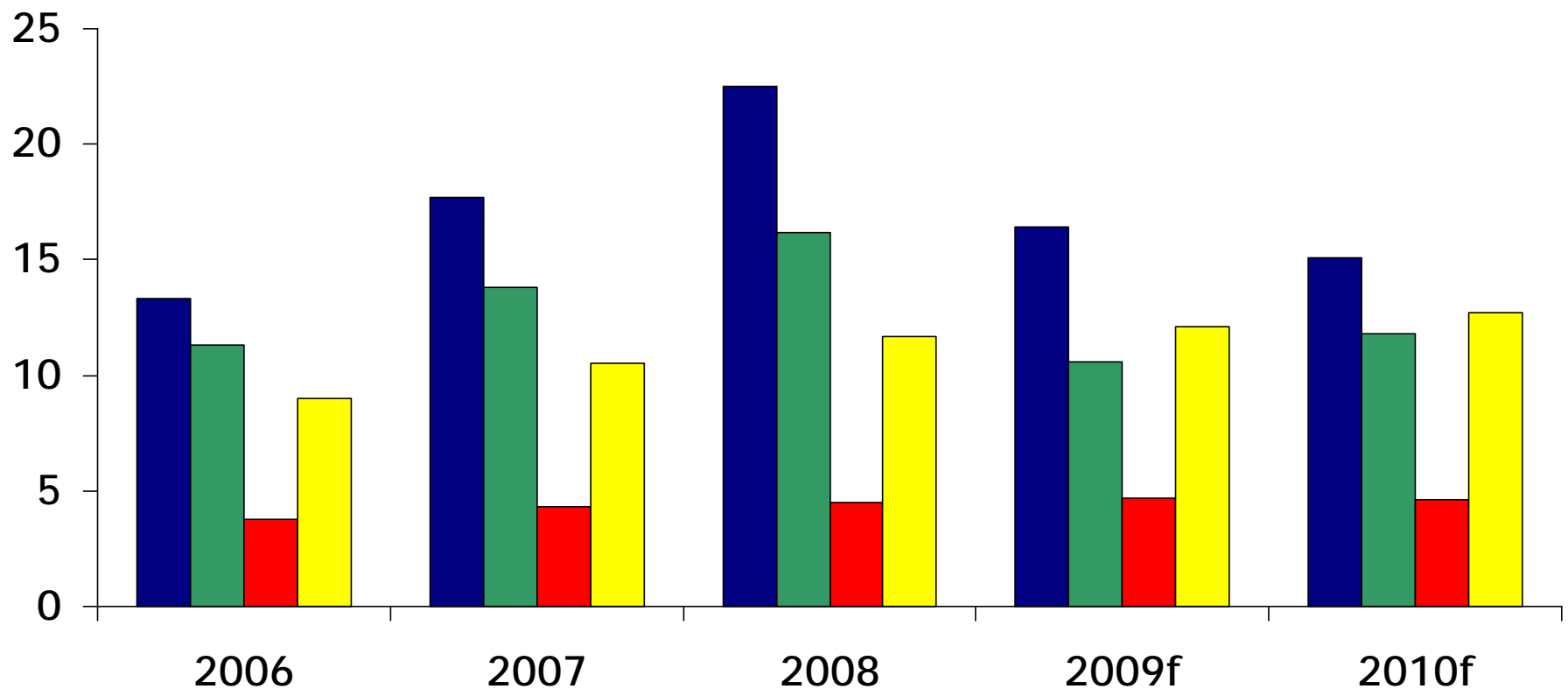


Farm origin expenses expected to decline \$0.7 billion in 2010



Manufacturing input expenses expected to rise \$0.5 billion in 2010

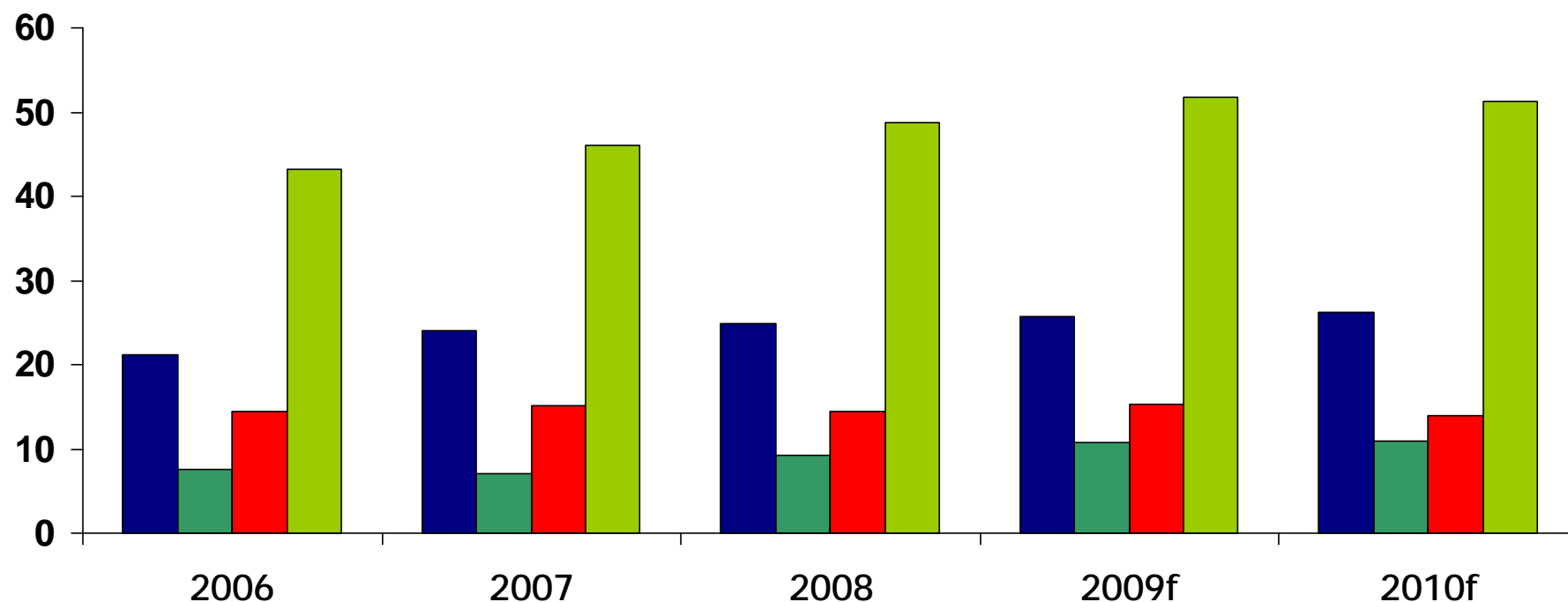
Billion Dollars ■ Fertilizer and lime ■ Fuels and oils ■ Electricity ■ Pesticides



Payments to stakeholders expected to fall \$0.5 billion in 2010

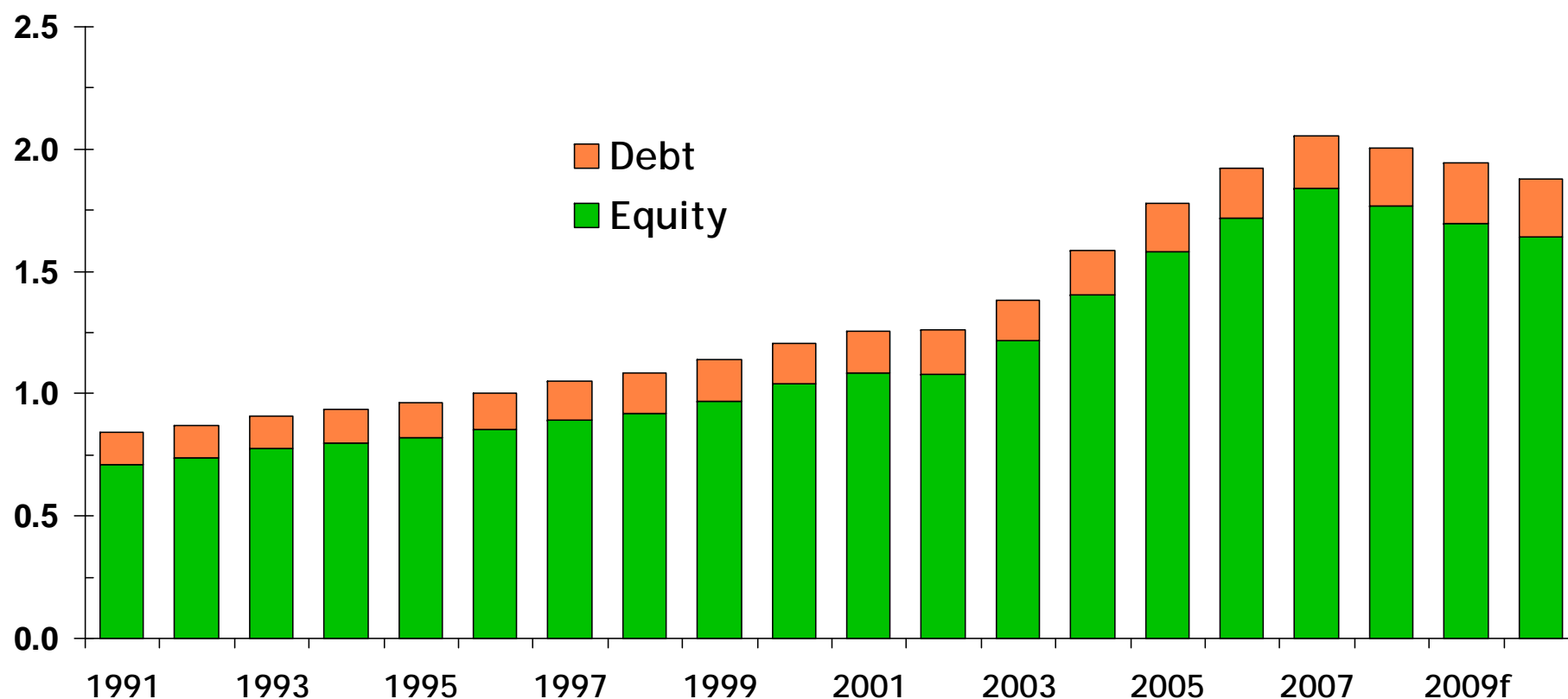
■ Hired Labor ■ Non-Operator Landlords ■ Lenders ■ Total Payments

Billion Dollars

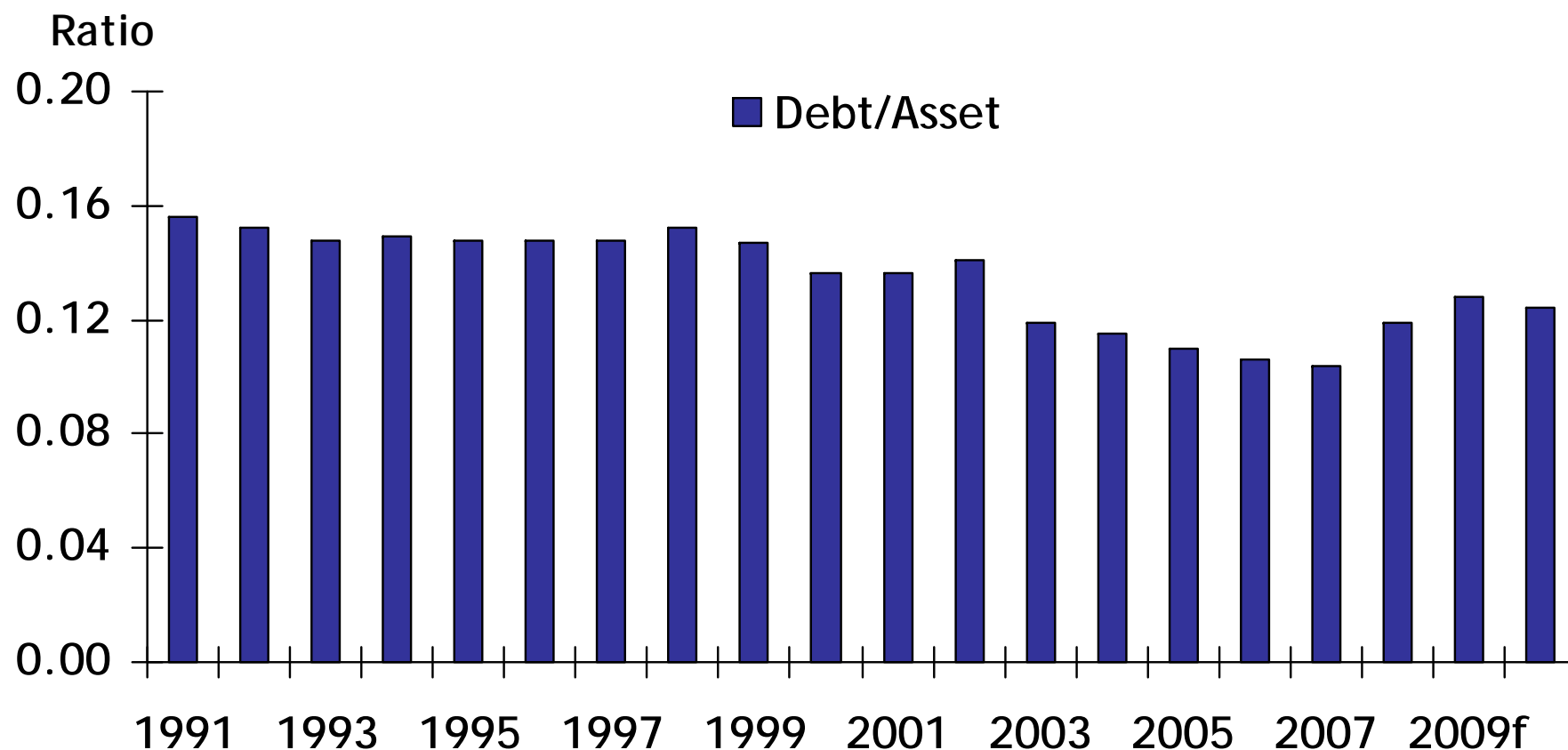


Farm sector assets, debt and equity expected to decline in 2010

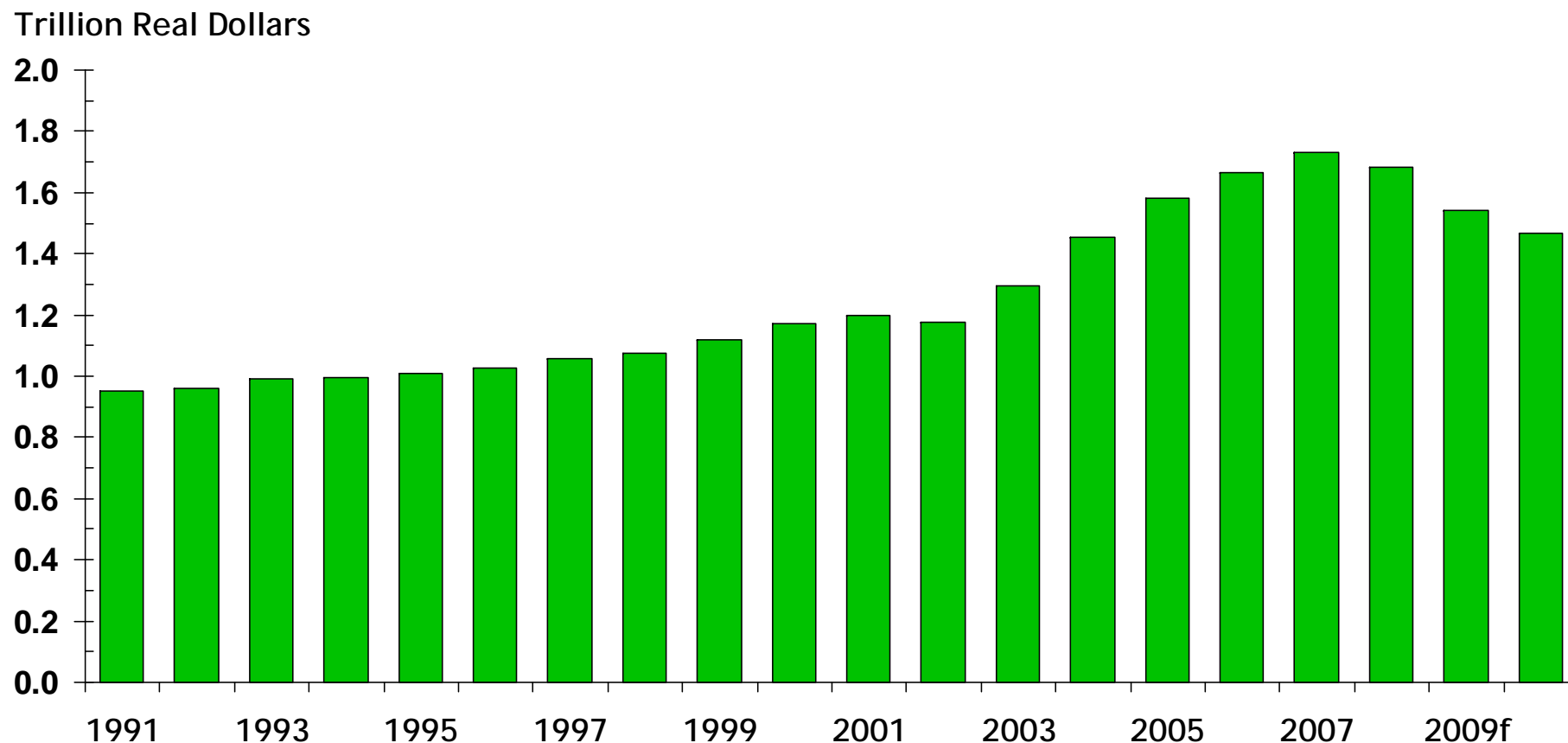
Trillion Dollars



Share of farm assets financed by debt expected to decline in 2010



Inflation-adjusted farm sector equity peaked in 2007



2010 USDA Outlook Forum



Base Year 2005
GDP Chain-weighted Deflator
Source: USDA, ERS
Note: 2009, 2010 forecasts

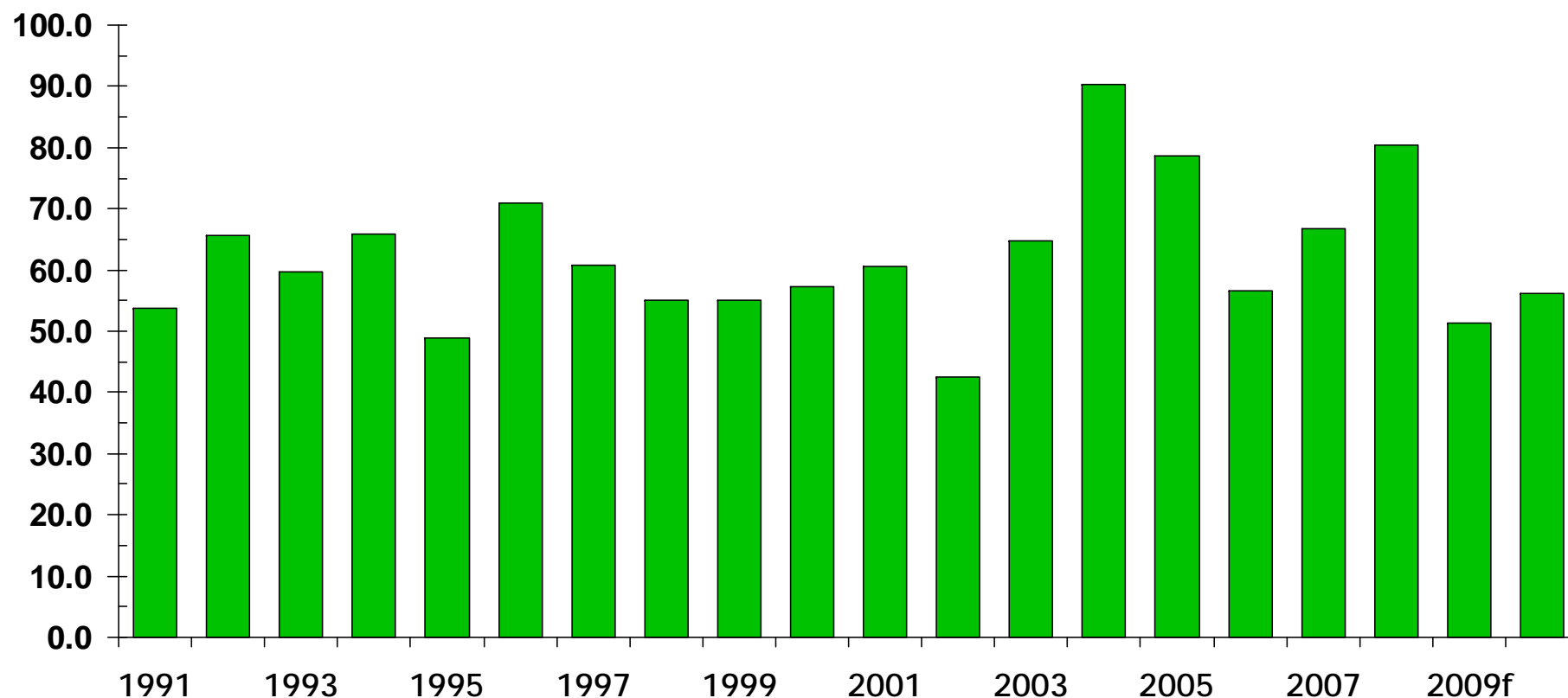
Net Farm Income expected to rise in 2010

		2010f	Change from 2009f
Value Agricultural Sector Production		\$332.1	\$7.9
Purchased Inputs	(-)	\$187.2	\$0
Net Government Transactions	(+)	(\$0.6)	(\$1.6)
Gross Value Added	=	\$144.3	\$6.4
Capital Consumption	(-)	\$30.1	\$0.2
Net Value Added	=	\$114.2	\$6.1
Payments to Stakeholders	(-)	\$51.2	(\$0.5)
Net Farm Income	=	\$63.0	\$6.7

Note: Billion dollars

Inflation-adjusted net farm income peaked in 2004

Billion Real Dollars



2010 USDA Outlook Forum



Base Year 2005
GDP Chain-weighted Deflator
Source: USDA, ERS
Note: 2009, 2010 forecasts