Agricultural Policy and Market Situation Newsletter

Volume VII, Issue 4

Ag Provisions Included in CR: Disaster Aid, Economic Assistance, and Farm Bill Extension

After a week of drama, the Senate finally voted 85 to 11 to pass a spending bill to avoid federal government shutdown. The House of Representatives earlier had voted overwhelmingly to approve a short-term funding bill for the government that included nearly $31 billion in aid for farmers faced with natural disasters and economic challenges. The bill (H.R. 10545) was signed by President Joe Biden on December 21st.

H.R. 10545 would fund the federal government to operate through mid-March. The legislation also includes more than $100 billion in disaster aid and $10 billion in economic aid to farmers, as well as extension of the farm bill through September 30, 2025. Overall, farmers have nearly $31 billion in aid spelled out in the package.

In the House, the bill was debated under a suspension rule, which required a two-thirds majority to pass. The bill passed 366-34 with 196 Democrats and 170 Republicans backing the bill and 34 Republicans opposing it. Twenty-nine lawmakers did not vote.

Agri-Pulse.

Continued page 3.

What's inside this Issue?

Farm Aid; Farm Bill Extension; Top Ag Stories of 2024; Fertilizer Outlook; AEWR; Projected Breakeven Prices and Yields for 2025; President-Elect Trump's Cabinet Nominations; Market Updates; and more!

Recapping the Top 10 Ag-related News Stories of 2024

Each year, the Editors at DTN Progressive Farmer summarize the major news stories of the year related to both agricultural and food policy. Here is a recap of the top 10 stories from the previous year.

#10: Labor unrest heats up in the United States and Canada, affecting agriculture and trade. There appeared to be the most labor unrest in decades on both sides of the United States/Canada border, at ports and on railways, leading to an impact on agriculture and trade. The first hint of labor issues this year was in late February when Teamsters Canada Rail Conference (TCRC) gave a notice of dispute when contract negotiations of 9,300 union members with the Canadian National Railway (CN) and Canadian Pacific Kansas City Railway (CPKC) broke down. This dispute filing opened the door to a possible strike in May. After a tumultuous week of rail worker stoppage between TCRC and CPKC and CN railways, CIRB on August 24th forced binding arbitration on all parties, forcing union workers to return to work.

International Longshoremen's Association (ILA) and the United States Maritime Alliance Ltd. (USMX) reported on September 15th that they would not reach an agreement on their current contract that expired at the end of the month, opening the door for a strike at East Coast and Gulf Coast ports. At 12:01 AM on October 1, the ILA went on strike. This strike affected soybeans, soybean meal and other agricultural products that are exported via container. Approximately 5-6% of total soybean exports would be affected by a strike on the East and Gulf coasts. It also would have a significant impact on chilled or frozen meat, eggs, etc. that are exported from the U.S.

On the evening of October 3rd, the strike came to an end when the ILA announced, "International Longshoremen's Association (ILA) and the United States Maritime Alliance, Ltd. (USMX) have reached a tentative agreement on wages and have agreed to extend the Master Contract until January 5, 2025, to return to the bargaining table to negotiate all other outstanding issues. Effective immediately, all current job actions will cease and all work covered by the Master Contract will resume."

#9: 'Over-the-Top' Dicamba Product Registrations Vacated. In early February, the U.S. District Court for the District of Arizona in Tucson vacated the 2020 registrations of XtendiMax, Engenia and Tavium, three "over-the-top" (OTT) dicamba products previously approved by the EPA. This marked the second time that a court action led to label cancellation for these products.

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2nd Annual

Louisiana Agricultural Outlook Forum

Tuesday Jan. 14, 2025

8:30 a.m. to 2 p.m.

State Evacuation Shelter

8124 U.S. Hwy 71

Alexandria, La 71303

KEYNOTE ADDRESSES:

- Farm Economy Conditions from U.S. Federal Reserves
- Farm Bill Updates from D.C.

2025 MARKET OUTLOOKS

- Corn
- Cattle
- Soybeans
- Cotton
- Sugar
- Timber

The Forum is free. Please register using the QR code to assist in meal planning.

For more information contact Dr. Mike Deliberto at mdeliberto@agcenter.lsu.edu or 225-578-7267 in the LSU Department of Agricultural Economics and Agribusiness

CR Ag Provisions; Farm Bill Extended (cont.)

WHAT DROPPED FROM BILL
Dropped from the bill was a provision that would have allowed year-round sales of E15.

Also cut was President-elect Donald Trump's demand that lawmakers remove the debt limit for his first few years in office. Trump's demands complicated the initial compromise bill that House GOP leaders released earlier in the week. On Thursday December 19, a funding bill that waived the debt limit until 2027 was defeated on the floor as 38 Republicans joined all but two Democrats in rejecting the bill.

DISASTER AID DETAILS
The bill provides $20.78 billion to help producers with disaster losses during the past two years.

The disaster funds would cover losses from an array of natural disasters in 2023 and 2024- droughts, wildfires, hurricanes, floods, derechos, excessive heat, tornados, winter storms, freeze events and excessive moisture. Among those funds, $2 billion is set aside for livestock producers impacted by losses in 2023-24 due to drought, wildfires and floods. Assistance could go to the states as block grants and direct compensation to producers.

The bill also increases payments and losses covered under the Noninsured Crop Disaster Assistance Program (NAP).

ECONOMIC AID DETAILS
The bill provides $10 billion in economic assistance through a formula laid out in the bill. The legislation creates one-time payments to producers based on 100% of planted acres and 50% of prevented-planting acres for the 2024 crop year. The bill requires USDA to issue those checks within 90 days after the bill becomes law.

The payment rates are **<u>not</u>** final and are subject to USDA discretion, but estimates from House and Senate Agriculture committee staff break down as follows for major crops.

	Estimated Payment ($/Acre)
Corn	43.80
Soybeans	30.61
Wheat	31.80
Cotton	84.70
Rice (L/M)*	71.37
Sorghum	41.85
Oats	78.42
Barley*	21.76
Peanuts*	76.30
Dry peas*	16.16
Lentils*	19.32
Chickpeas, large*	24.16
Chickpeas, small*	25.04
Sunflower*	23.38
Rapeseed*	23.23
Canola*	26.76
Safflower*	15.71
Flaxseed*	17.48
Mustard*	11.42
Crambe*	19.37
Sesame*	5.28

*Commodities estimated to receive minimum payment, either through formula with complete data or based on assumption due to lack of publicly available data, final payment rates may vary.

Farmer aid (House Ag Committee)

Those payments would be subject to $125,000 payment limits that could increase to $250,000 for producers who receive 75% or more of their gross income from farming.

ONE-YEAR FARM BILL EXTENSION
The bill provides an extension of the current farm bill through September 30, 2025. The House and Senate Agriculture committees will again be on the clock to try to pass a new farm bill- two years behind schedule.

The extension prevents permanent law from going into effect on Jan. 1, 2025. The "dairy cliff" is often mentioned as the biggest issue with permanent law. Under the law, USDA would be required to buy dairy products to help boost prices to the mandated levels of 117% higher than the current all-milk price. At current prices, around $20.38 per cwt, the mandated price for milk would jump to more than $44.22 per cwt. This would effectively drive private buyers of milk out of the market.

Among the key provisions cut from the larger bill, however, was the provision to allow year-round 15% ethanol blends. Ethanol groups had praised the inclusion in the earlier bill. It's unclear why it was dropped. Each percentage point of higher ethanol blend nationally equates to about 1.4 billion gallons.

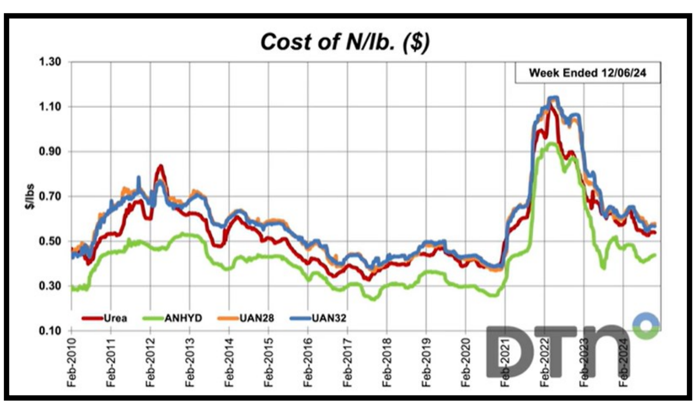
Currently, E15 has now been approved for eight Midwestern states that petitioned EPA for the waiver.

Global Fertilizer Outlook

While global fertilizer supply generally stabilized in 2024, there were some supply issues that pushed prices higher during the year. The world outlook in 2025 for nitrogen fertilizers appears to indicate a more stable supply, which could mean less price volatility.

Global ammonia output is estimated to have reached 185.6 mmt in 2023, up by 2% compared to 2022. Urea production is expected to have increased considerably to reach 195.5 mmt in 2023, up 6% compared to 2022. Mark Milam, senior editor for fertilizers for Independent Commodity Intelligence Services (ICIS), told DTN the outlook for nitrogen fertilizers globally in 2025 is positive in general. Nitrogen did have some supply issues in 2024, specifically higher natural gas prices in Europe curtailing some nitrogen fertilizer production there. Natural gas is the base ingredient for ammonia. There was also less ammonia supply out of Trinidad during the year, but Milam noted that by October and November, a better supply returned from Trinidad. "Nitrogen looks to be a well-balanced situation right now as we approach the end of the year," Milam said.

Nitrogen fertilizer appears to be a better situation going forward, Milam said. Good demand for nitrogen appears to be there, as many analysts predict anywhere from 92 million to 94 million acres of corn will be planted in the United States in the next growing season. Josh Linville, vice president of fertilizer for StoneX, told DTN he believes nitrogen supply issues could lessen some in 2025 compared to 2024. Another issue for nitrogen this year was that supply from Egypt went offline this summer because of natural gas price concerns. This production has returned to the global market, which will help supply, Linville said.



World nitrogen prices rose in 2024 because they were influenced by these various nitrogen supply issues internationally that limited tons from entering the market, Linville explained. "I think we will see some of these supply issues being ironed out in 2025," Linville said.

Justin Rackleff, Americas fertilizer markets lead for London-based CRU, pointed out that 51% of urea exports come from the Middle East, a region with much conflict. Isreal has been battling Hezbollah and potentially Iran as well. Much nitrogen supply also comes from the Black Sea region, where Russia and Ukraine continue their military conflict. Both countries export fertilizer into the global fertilizer market, with Russia the largest fertilizer exporter in the world. An escalation or expansion of these military conflicts would obviously have a direct effect both on nitrogen fertilizer supply and potentially higher prices, he said.

While generally a larger nitrogen fertilizer supply in the global market is good news for nitrogen fertilizer prices, there are many factors that will ultimately affect where nitrogen fertilizer prices will be in 2025. Milam is watching fall nitrogen fertilizer application in the U.S. Corn Belt as an important factor in where prices could be at the beginning of the 2025. If less is applied this fall, this could cause some supply to be carried over into the spring by retailers. Anhydrous could see some lower prices in 2025, but urea could see some price increases into the new year. UAN, meanwhile, looks to be stable in 2025. Fertilizer analysts say the affordability of phosphorus fertilizer is the least positive of the three major nutrients farmers use and this situation may not change into the New Year.

Phosphoric acid production was estimated to have increased 1%, to 85 mmt, in 2023 while total MAP-DAP production was estimated to have increased by 3% year-over-year to 64.3 mmt. Despite the partial recovery, global MAP-DAP production did not return to 2020 levels following three years of decline, according to the IFA report.

Samuel Taylor, Rabobank analyst for farm inputs, told DTN the smaller global supply of phosphorus fertilizer pushed nutrients prices higher in 2024. Combined with lower commodity prices, this pushed nutrients into the less affordable range, he said. Until these issues are solved, phosphorus fertilizer supplies are going to be limited. "We expect to see sustained tight supply global in 2025," Taylor told DTN. Josh Linville, vice-present of fertilizers for StoneX, said he has some major worries about the global phosphorus market. A combination of factors has brought these supply issues to the world market, he said. At the top of the list is China continuing to limit phosphorus nutrients out of its country, he said. China limited exports in recent years to ensure its Chinese farmers have enough domestic supply as prices begun to rise. This policy, however, has severely affected the global P market because China was a major exporter of P fertilizer. Linville said in 2020 the Chinese phosphorus fertilizer exports totaled around 9 mmt to 9.5 mmt. Through October 2024, this year's total was only about 5.4 mmt.

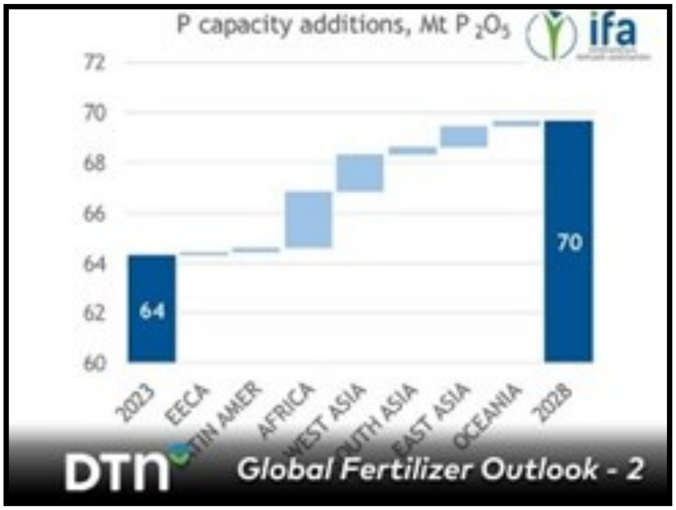
The other major supply issue which affects phosphorus fertilizer in the U.S. is countervailing duties on P imports from global producers. This multi-year row has pitted U.S.-based Mosaic against producers from Russia and Morocco, and so far, U.S. government agencies have upheld these duties, increasing the cost of imports into the U.S. While a final ruling has not been issued yet, it appears short of a complete policy reversal; these duties on phosphorus imports will not go away anytime soon. This then raises the price U.S. farmers must pay for this nutrient.

Linville said an interesting side effect of these countervailing duties is global phosphorus producing companies in Russia and Morocco have discovered they can sell more nutrients to other countries. For many years, these producers focused much of their attention on just the U.S. market, he said. Countries such as Brazil and India are seeing increased supply coming from these companies as less is shipped to the U.S. This is good news for Indian and Brazilian farmers -- but bad news for U.S. farmers, he said.

Continued next page.

Fertilizer Outlook (cont.)

Where phosphorus fertilizer prices will be in 2025 is a bit unknown. Fertilizer analysts believe prices could be mostly steady as the new year begins, but where they go after that is hazy. Taylor believes there could be some risk to the downside with phosphorus in 2025.



There could be some tightness of supply in the global market, and this could have prices flat in early 2025, he said. Milam said he thinks prices will begin the new year fairly steady. Then, as farmers progress into spring, there could be some higher.

Global potash fertilizer production was estimated to have risen by 13% to 69.3 mmt in 2023. The East Europe/Central Asia (EECA) region was the largest driver behind this recovery, thanks to higher output from Belarus and Russia. IFA said potash exports from Belarus recovered by 82% in 2023 to 8.2 mmt after falling in 2022 because of western sanctions. Another 1.3 mmt could be stored at Russia ports, the report said.

Josh Linville, vice-present of fertilizers for StoneX, said supply from both Belarus and Russia continues to flood the global K market despite the western sanctions. These financial penalties were in response to Russia's 2022 invasion of Ukraine and were applied to both Russia and Belarus. Russia's potash exports were close to 10 mmt in 2021 and then dropped to just 7.5 mmt in 2022, he said. However, 2023 export data shows Russia's potash exports increased to 11.2 mmt. The sanctions had a temporary effect on potash exports, but they were short-lived. Both nations were able to continue to ship the nutrients out of the Black Sea region, he said. "There was some talk that Belarus' president wanted to see a 10% reduction in (potash) supply, but we really don't think this will happen," Linville told DTN.

The potash market did avoid a major supply issue in mid-2024, according to Mark Milam, senior editor for fertilizers for Independent Commodity Intelligence Services (ICIS). The Canadian rail and port strike could have limited supply of Canadian potash to the world market, he said. Canada is the world's leading potash producer, exporting 23 mmt with reserves totaling 1.1 billion metric tons, according to the government of Canada. Milam said potash fertilizer affordability is the most positive of the three major nutrients, even with lower commodity prices, he said.

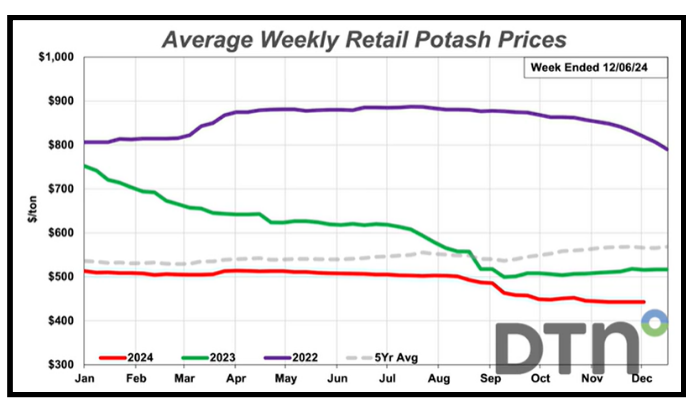
Justin Rackleff, Americas fertilizer markets lead for London-based CRU, said potash fertilizer manufacturers are making huge investments in their businesses and expanding their production around the world. Many companies are growing their portfolios, while also attempting to lower their carbon footprint, he said. As a result, even more potash supply could be coming to the global market, Rackleff said.

Global potash capacity is expected to grow by 19% to 76 mmt in 2028 compared to 2023, according to IFA data. Investments in Laos and Russia are expected to be the major contributors to growth until about 2026 while new mine investments in Canada, Russia and Belarus should come online in 2027.

"There appears to be no risk to the up supply in this market," Rackleff said. Because of this increasing supply to the potash market, it appears potash prices should remain stable in 2025, Rackleff said. Linville said he believes potash prices won't move much during the new year. While prices might not fall too much, they probably won't climb higher either, he said.

While the forecast appears to be stable, there is still some risk to the potash market, according to Samuel Taylor, Rabobank analyst for farm inputs. Taylor said roughly 35% of the global potash market is based in Belarus and Russia. As Russia continues its military conflict with Ukraine, any further escalation or even expansion of this war could have a negative effect to the global potash market. "These are things you really can't predict," Taylor stressed. Despite this geopolitical risk in the Black Sea region, he does believe potash prices will remain steady and are expected to remain "bland" for the first six months of 2025, Taylor said.

Some analysts believe that tariffs against Canadian products, specifically Canadian potash, would cause prices to increase. How much potash fertilizer gets applied in the fall application window could influence supply and prices in 2025, according to Milam.
After an extremely wet November, the U.S. Corn Belt did see and continues to see some nutrients applied. How much is applied matters -- logistic and supply concerns might emerge in the spring if some regions do not see some application at the end of 2024, he said. Potash prices could jump some this spring and then settle back down if limited amount of the nutrient is applied, Milam added.



Top News Stories of 2024 (cont.)

EPA did not appeal the ruling from the district court. Instead, the agency issued an existing stocks order for the 2024 growing season. This allowed the herbicides already distributed from the product registrants to be applied following cutoff dates on the products' previously approved labels. This meant that after June 30 in soybeans and July 30 in cotton, the use of these three OTT dicamba formulations ceased in any fashion.

Yet, even before those cutoff dates were reached, the registration process for OTT dicamba products in 2025 was reinitiated. Bayer announced that it submitted its application for XtendiMax, which it referred to KHNP0090, on March 11. On May 3, EPA published a notice of receipt of that application in the Federal Register and announced the start of a 30-day public comment period. The agency published similar notices and announced public comment periods for BASF's Engenia and Syngenta's Tavium on June 4 and July 23, respectively. While all three OTT dicamba product labels propose the same use patterns in dicamba-tolerant cotton, there are differences in soybean use patterns. As proposed, the labels for Engenia and Tavium would allow applications to dicamba-tolerant soybeans before, during and immediately after planting as well as over the top until the crop reaches the V2 growth stage -- when the second trifoliate leaf is fully unfolded -- or until June 12, whichever comes first. However, the proposed label for XtendiMax did not include any OTT application in soybeans, though it included the same June 12 cutoff date.

Despite these efforts by the registrants, regulatory realities make it highly unlikely that OTT dicamba will find its way back into farmers' herbicide toolboxes in 2025. The Pesticide Registration Improvement Act (PRIA 5), reauthorized by Congress in December 2022, specifies a statutory review time of 17 months from the date that an action gets in-processed. Such a timeline essentially eliminates these products from receiving labels for use in the new year, leaving growers to seek out other means of controlling troublesome weeds in their fields.

#8: Record-High Prices Rippled Through the Cattle Market in 2024. 2024 was again another wild ride for the cattle complex as cattlemen have endured yet another momentous year. Words like "unprecedented" and "historic" are commonly used in various market stories, and while we as people may have a tendency to unknowingly grow dull to the words themselves and the reality in which they affect the market, the cattle market's prices are the proof in the pudding.

Whether you looked at fed cash cattle prices, feeder cattle prices or even cull cow prices, new record highs were achieved at some point in time during the last calendar year. For the fed cash cattle market, we saw prices initially peak in late June/early July when Southern live cattle traded for $190 to $191, and Northern dressed cattle prices topped at $313. But near mid-December, the Southern Plains exceeded that threshold, as live cattle traded for $191 to $192, creating yet another new market high for the industry. Then, to shift gears and talk about the demand in the feeder cattle complex, it's nearly unfathomable to think that except for a short time in January, the CME feeder cattle index has bounced in a narrow trading range between $240 and $262. During the last cattle cycle's peak back in 2014, the CME feeder cattle index reached $240 but was able to maintain that level for only two months -- far shorter than a whole year like the market did in 2024.

And while these record-high anomalies played out, there were plenty of other unprecedented factors that affected the market through 2024 as well. It would be remiss that this past January, the Cattle Inventory report showed a record low of just 28.2 million beef cows. That was the lowest beef cow herd inventory recorded since the report began back in 1972– 52 years ago. But, at the same time, USDA's Cattle on Feed report continued to share near-record-high inventories -- which seem to be two factors that could hardly coexist. However, with the changes that our industry has seen during the last year, and some that even began to take shape decades ago, cattle today possess the genetics to grow bigger and spend more days on feed. That was highly incentivized by feedlots, as feed was cheap this past year, and the dollars required to replace the fed cattle with feeder cattle were exuberant. Before the news spread of the New World screwworm being detected in southern Mexico, which halted all cattle imports from Mexico into the United States until further notice, feeder cattle imports from Mexico totaled 1,229,957 head, which is 6% more than a year ago– and undoubtedly affected on-feed totals as well.

#7: EPA Advanced Plans in 2024 to Meet Endangered Species Obligations for Pesticides. What will be the added cost of protecting threatened and endangered species from agricultural pesticides in the future? The answer that farmers received from EPA this past year was "It depends." In 2024, the federal agency published the final versions of two plans and the draft of a third that are intended to guide actions to protect listed species and areas deemed as "critical habitat." The overall goal for EPA is to ensure that when it registers and re-registers pesticides under the Federal Insecticide, Fungicide and Rodenticide Act, it also meets its obligations under the Endangered Species Act– something the agency has admittedly overlooked for decades and has been sued over incessantly.

Chief among these plans is the long-awaited Final Herbicide Strategy, which was released in August, some 13 months after a draft strategy was made public. The strategy calls for identifying protections for species earlier in the pesticide review process, implementing spray drift buffers and "mitigation measures" intended to reduce herbicide exposure through runoff or soil erosion. Under the strategy, the level of mitigation required will be determined by the potential of a herbicide to negatively affect listed species at the population level. The higher the potential, the more mitigation required. The more mitigation required, the higher the cost to farmers to comply. EPA assigned point values to an entire menu of these measures, which include vegetative filter strips, grassed waterways, field borders, cover crops and more. Farmers will choose from the menu to accumulate the total number of points required to apply an individual herbicide. EPA has determined that products not likely to affect a listed species require zero mitigation points. Those herbicides with low, medium and high potential to affect listed species require three, six or nine points of mitigation, respectively.

Continued next page.

Top News Stories (cont.)

Those who farm in counties deemed to have low runoff vulnerability receive mitigation points just for farming in those regions; whereas those who farm in counties with high runoff vulnerability receive no points. EPA allots one mitigation point to farmers for simply "tracking" their mitigation efforts.

Roughly a month after releasing the Final Herbicide Strategy, EPA announced its Vulnerable Species Action Plan (VSAP) in late September, which is intended to protect 27 plant and animal species identified as imperiled or in danger of extinction from pesticides. The list included the Attwater's greater prairie chicken, native to the coasts of Texas and Louisiana; the Buena Vista Lake ornate shrew found in southern California; rusty patched bumblebees historically found in the eastern U.S. and upper Midwest; and five endangered plant species from Lake Wales Ridge in Florida.

Like the Final Herbicide Strategy, the VSAP includes mitigation measures to reduce common pesticide exposure routes, such spray drift and runoff, but it also addresses other routes, including on-field exposure and pesticide volatilization. While the VSAP initially included only 27 of the nearly 1,700 plants and animals listed as threatened or endangered, EPA stated that the agency expects to add more species through a formal consultation with the U.S. Fish and Wildlife Services. The agency plans to release maps identifying species and their habitats in the coming months.

Also expected in the first months of 2025 is the Final Insecticide Strategy. EPA released a draft of the strategy for public comment in July 2024, and the agency is required by a settlement agreement to produce the final document by March 2025. Like the Herbicide Strategy before it, the Insecticide Strategy proposes spray drift buffers and mitigation measures to reduce the potential for insecticide exposure to more than 850 insect species listed as threatened or endangered. It's unknown how this strategy may change from its draft to final versions or how a new administration will influence it and other strategies already in place.

#6: Active Weather Pattern's Massive Impact: Megafires to Flooded Fields, Flash Drought to Hurricane Fatalities. From December 2023 through March was a super El Nino, with limited precipitation in the dry Western Corn Belt at the start of the year. However, El Nino-related precipitation increased vegetation growth in the Southern Plains and provided fuel for a megafire that caught national attention. The record-breaking Smokehouse Creek Fire in the northeastern Texas Panhandle and western Oklahoma started in late February and burned more than 1 million acres- more than 1,500 square miles– and became the largest in Texas history and even one of the largest fires in U.S. history.

Spring saw some heavy rains, such as those in April that triggered floods in Missouri, Kansas, Illinois and as far south as eastern Texas and southwest Louisiana.

Many American farmers and ranchers may have noticed a lot more cases than usual of severe wind during the past year. The heart of the Corn Belt got hit with another derecho -- and also large hail in places -- in mid-July, from Iowa through northern Illinois, southern Wisconsin and northern Indiana -- just as crops were entering the critical stages of silking and setting pods.

2024 stands out for the hurricanes that hit the country. In July, Hurricane Beryl's remnants brought rain into the Mississippi Valley and the Eastern Corn Belt. It made landfall as a Category 1 hurricane near Matagorda, Texas. In August, Hurricane Debby landed as a Category 1 storm in the Big Bend area of Florida, then moved up through the Carolinas and East Coast with a massive amount of rain and flooding, including in southeast Georgia. September saw more hurricanes. Early in the month, Hurricane Francine made landfall in Louisiana as a Category 2 storm, bringing heavy rainfall to the Southern Delta just as the cotton harvest was around the corner and soybeans were dropping their leaves. Francine also temporarily affected Gulf of Mexico exports and the offshore oil and gas industry. Perhaps the one that stood out the most, however, was powerful Category 4 Hurricane Helene slamming into Florida's Big Bend region near the end of September. Helene hit hard the livestock industry and crops such as peanuts, cotton and soybeans. There was widespread damage across the Southeast, with even early estimated damage reports at $15 billion across the region. Unfortunately, Helene wouldn't be the last of the hurricanes in 2024. It was followed by Hurricane Isaac, Leslie and Milton in the weeks that followed.

#5: H5N1 Detected in Dairy Cattle for the First Time. Highly pathogenic avian influenza (HPAI) has been in the poultry industry for a few years, but in March, the virus jumped to dairy cows and spread across the country, causing a decrease in milk production and illness in affected cows. The dairy strain was identified as H5N1. Cows were tested for HPAI in March when a mysterious illness slowed their milk production and showed mastitis-like symptoms; veterinarians were baffled as to how a virus affecting poultry could jump to a mammal, but it did. Confirmation of the illness has led to extensive research of the virus.

With birds being the source of the virus to cows, animal health professionals originally suggested keeping birds away from where cows are located. Migratory birds continue to be the source of spreading avian influenza among poultry facilities across the country. While the exact way the virus spread hasn't completely been identified, it seems to have spread early by farms that were the source of dairy breeding stock to other farms.

Continued page 9.

Examining the Adverse Effect Wage Rates (AEWR) for 2025

Each year, the Department of Labor (DOL) uses the "field and livestock workers' combined" wage rate reported in the November Farm Labor report (based on the Farm Labor Survey or FLS) to establish most H-2A workers' minimum wage, known as the Adverse Effect Wage Rate (AEWR). This year, the combined field and livestock worker wage rate nationally is $18.12, up 3.2% from the 2023 release. Regional wages increased an average of 4.5%, but this reflects wide ranges of change across the country. The new wages become official when DOL publishes them in the Federal Register in December. But this wage increase isn't the only hurdle H-2A users will have to clear in 2025.

WHAT TO EXPECT IN 2025

The FLS collects data twice a year – every month in California – through voluntary farm surveys in every state expect Alaska. These surveys collect employment and wage data for 1 week each quarter – in January, April, July and October. The November FLS reports the annual average combined field and livestock wage for 15 regions and three states – California, Florida and Hawaii. The combined field and livestock wage in the FLS includes six Standard Occupation Classifications (SOCs) – graders and sorters; agricultural equipment operators; farmworkers: crop, nursery, and greenhouse; farmworkers: farm, ranch, and aquacultural animals; packers and packagers; and agricultural workers, all others. Over 96% of H-2A workers fall into these SOCs. The remaining employment contracts that include any job requirements outside of these SOCs, including five of the top 10 fiscal year 2024 H-2A occupations, and any Alaskan employers will update their AEWR when the respective state's May 2024 Occupational Employment and Wage Statistics is released in early April 2025.

The national average combined field and livestock worker wage released in this report had the lowest growth rate since 2018, but no employers pay the national wage, as they pay the regional wage for their state. On average, AEWRs will rise 4.5% from 2024, but where an employer is located will have big impacts on their wage change. Regional wages vary substantially, ranging from $14.83 in the Delta region – Mississippi, Louisiana and Arkansas – to $20.08 in Hawaii.

Eleven of the 15 regions will see an increase in wages larger than the national growth rate. The Southeast – South Carolina, Georgia and Alabama – and Florida can expect a 10% increase in 2025, over $1.40 more per hour. In comparison, nonfarm wages rose only 4% from October 2023 to 2024. Florida began raising its state minimum wage $1 per hour each year in 2020 until it reaches $15 per hour in 2026 which may be contributing to spikes in farm wages.

The timeline to implement the new 2025 AEWR will vary depending on where the employer is located. DOL finalized a new Farmworker Protection Rule in April 2024 that, in addition to many other provisions, removed the traditional 14-day implementation period for employers to begin paying the new AEWR. Seventeen states – Georgia, Kansas, South Carolina, Arkansas, Florida, Idaho, Indiana, Iowa, Louisiana, Missouri, Montana, Nebraska, North Dakota, Oklahoma, Tennessee, Texas and Virginia – sued DOL over the rulemaking, and as of August 26, the U.S. District Court for the Southern District of Georgia granted a temporary halt of the rule in the filing states. Rather than pausing implementation of the rules across the country, DOL now has different requirements for employers in just those 17 states. While 48% of H-2A workers are employed in the states who filed for an injunction, for most states, this is the first year that employers will be required to immediately begin paying the new AEWR upon certification in December. Navigating the divided DOL guidelines and having to immediately alter business operations to accommodate new wages has added to the administrative burdens of employing H-2A workers.

Top News Stories (cont.)

HPAI is considered lethal in birds, and the facilities are depopulated. The dairy cows affected by the later identified HPAI H5N1 clade 2.3.4.4b, genotype B3.13 show symptoms of a drop in milk production, loss of appetite and changes in manure consistency. Cows should be sorted into the sick pen to be treated with fluids and any other medicine prescribed by the herd veterinarian.

Producers report the decrease in milk production and say some cows will quit producing milk. According to the American Veterinary Medical Association, there has been a low mortality/culling rate of 2% or less, although California has seen a higher percentage than other states. Testing of lactating dairy cows going to expositions and fairs or being transported across state lines began midsummer to help prevent the spread of the virus by live animals. This testing and concern led to fewer dairy cows being exhibited at summer fairs.

The Center for Disease Control (CDC) has suggested farmworkers get the flu vaccine to reduce the risk of "co-infection" of seasonal flu viruses with the H5N1 virus. Livestock workers are at risk of infection from seasonal flu just like anyone else, but they are also at risk of exposure to H5N1 from infected livestock. Such dual infections are rare but could potentially lead to an exchange of genetic material between the two viruses. More recently, the cases among humans have been more severe and led to hospitalization.

As of December 24, H5N1 confirmed cases in dairy cows since the outbreak began total 880 cases in 16 states. In the past 30 days, there has been an increase in HPAI cases in poultry due to the seasonal migration of wild birds. Since November 23, 101 flocks have been tested and were confirmed to have HPAI, with 14.52 million birds affected. According to the CDC, since April, there have been a total of 61 reported human cases of bird flu in the U.S.

#4: Farmland Market's Resilience Shines in Face of Interest Rate, Farm Income Concerns. The U.S. farmland market's resilience was on full display in 2024. Farmland values climbed 5% on average, according to USDA, and even though no-sales made a return to the auction block, sales of large and iconic properties drew plenty of attention. Farmers took a notable step back from the buy side 2024, generally opting to preserve working capital unless it was the perfect piece of property. Overall, U.S. net farm income declined 4% from 2023, with strength in the livestock sector offsetting crippling pain on the grain side. Cash receipts for corn and soybeans are expected to fall 21% and 12% respectively from last year, accounting for nearly all of the decline in crop receipts. Investors, sensing bargains, stepped up.

Doug Hensley, president of real estate services at Hertz Farm Management, expects the farmland market to continue to become more localized, with pockets of over- and under-supply driving prices. Another trend of 2024 was big acreage deals: The largest contiguous ranch in Kansas changed hands in January. The 44,923-acre P5 Ranch sold to Don Horton, founder of the nation's largest homebuilder, the publicly traded D.R. Horton, Inc., for an undisclosed amount. The Mormon church's real estate investment company, Farmland Reserve Inc, purchased 44 farms in 8 states totaling 41,554 acres from Farmland Partners, Inc., a publicly traded real estate investment trust. The farms are located across Arkansas, Florida, Louisiana, Mississippi, Nebraska, Oklahoma and the Carolinas. The Church of Jesus Christ of Latter-day Saints paid $289 million in cash, an average $6,955 per acre, in October. During the summer, 26,206 contiguous acres west of the Missouri River in South Dakota sold for $31 million, or $1,183 per acre or $1350 per tillable acre. In addition to a full set of buildings, the property included a private grain elevator with rail-loading access and 1.5 million bushels of storage.

#3: Trump is Re-Elected in a Campaign Filled With Dramatic Moments. President-elect Donald Trump's presidential win was a historic reversal of fortune considering the turmoil before and after Trump left the White House in 2021. Throughout the year, drama and heavy news coverage followed Trump across the country. Even as the Republican frontrunner, Trump faced court appearances and charges in New York and Georgia. In May, Trump was convicted by a jury in New York of 34 felony counts tied to using hush money to pay off a porn actress before the 2016 election.

While the election initially involved the two oldest candidates in history, Biden's age, at 81, became a glaring risk for Democrats, especially after a poor debate against Trump in late June. By mid-July, the Democratic base had pressed Biden to step aside for Vice President Kamala Harris to run. Harris became the first Black woman nominated by a major party to run for president.

Another major event happened at a mid-July rally in Pennsylvania when Trump was slightly wounded in an assassination attempt that killed one spectator and wounded two others. Trump's supporters rallied around the video and photos of Trump, slightly bloodied, raising his fist in defiance. Just a day after the shooting, Trump announced on Truth Social he had picked Ohio Sen. J.D. Vance to be his running mate. Vance, 40, who had been elected to the Senate in 2022, will become the youngest vice president since Richard Nixon when he is sworn-in next month.

Harris' campaign injected needed enthusiasm for Democrats. Seeing a weakness in the party, Harris tapped Gov. Tim Walz in an attempt to chip away at Trump's support among Midwest and rural votes. Walz attended rallies wearing a flannel shirt and ballcap. The Harris-Walz campaign rolled out an agenda for rural America that included boosting credit to farmers and investing more in conservation practices. Radio ads featuring Walz ran across the battleground states. While there was an array of issues throughout the campaign, Trump would often mention farmers at rallies. In Pennsylvania, Trump said, "our farmers aren't being treated properly." He added, "The farmers in this country, we're going to get them straightened out."

Farmers throughout the campaign, especially near the end, raised concerns about Trump's plans for tariffs as well as how mass deportation plans could wreck a lot of labor-intensive farm operations. Still, farmers overwhelmingly back Trump.

Continued next page.

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PBS.

The DTN/Progressive Farmer Pulse of Rural America poll, conducted in late August-early September, showed Trump with just under 70% support among rural Americans while Harris carried just 19% at the time. The poll also showed frustration among farmers over the economy, inflation, regulations and interest rates. The Pulse of Rural America poll, however, didn't quite match up with national polls at the time showing the presidential race was close.

Looking at the numbers, the popular vote nationally was close. Trump defeated Harris 49.9% to 48.4%, or a 1.5% margin. But Trump swept the battleground states in the process- Arizona, Georgia, Michigan, North Carolina, Nevada, Pennsylvania and Wisconsin all went Trump's way. While people expected a long time to declare a winner, it was apparent in the pre-dawn hours of Nov. 6 that Trump had won re-election.

Trump quickly began naming Cabinet members. He has selected former advisor Brooke Rollins to serve as his agriculture secretary. An agent of chaos on social media throughout his first term, Trump and his team have already re-established that pattern. Trump has threatened tariffs on Canada and Mexico over border issues. Just last week as Congress was trying to close out the year and pass a funding bill and an extension of the farm bill, Trump weighed in repeatedly demanding Republicans make changes to the bill.

#2: Bumper Crops, Struggling Prices Weigh on Grain Farmers' Incomes. Shoot for the moon, and you'll land among the stars. That's exactly what corn and soybeans did in 2024, with corn production hitting its third highest total and soybeans just narrowly missing a record. Despite national average corn yields setting a record at 183.1 bushels per acre (bpa), total production declined 198 million bushels (mb) from last year as acreage shrank. Soybeans came within 0.2 bpa of a new record yield, and overall production is estimated to be about 3 mb smaller than 2021's record, according to the December World Agricultural Supply and Demand Estimates report. Late-season dryness may have stolen 2024's chances at soybean records, but it wasn't enough to change the trajectory of prices for farmers, which meant fewer opportunities for profitable grain sales. The resulting lower feed prices were good for livestock producers, and that's why USDA estimates net farm income will decline only 4% from 2023 to $140.7 billion.

The farm income forecast has changed dramatically during 2024. USDA's Economic Research Service issues its initial forecast in February, and provides updates in September and December, and finalizes its estimate the following February. Its initial forecast called for incomes to decline by 25% from the year before and 41% from the 2022 record. February's initial assessment thought livestock producers would struggle too, but once the agency began collecting actual data on production expenses including feed, seed, fertilizer and fuel instead of forecasted prices, the overall picture of the farm economy improved.

The divergent fortunes of crop and livestock producers can be seen in cash receipts. Crop receipts are forecast to decrease by $25 billion from 2023's levels, while animal/animal product receipts are projected to increase by $21 billion. Corn and soybean receipts saw the sharpest drop off, declining 21% and 12% respectively, as falling prices outweighed the increased volume of grain sold. Economists stress that the average net farm income remains above its 20-year historical average. A survey of bankers by the American Bankers Association and Farmer Mac found that lenders expect 58% of borrowers will remain profitable in 2024 compared to 78% last year. Excess liquidity from 2022 has helped farmers, especially row crop producers, manage the past two years of the down cycle. Nathan Kauffman, senior vice president of the Federal Reserve Bank of Kansas City, acknowledged that economic conditions were worsening at USDA's Agricultural Outlook Forum.

#1: With Farm Bill Shelved, Congress Pumps Economic Aid Into Farm Economy. Congress proved unable to find a bipartisan path to pass a farm bill in 2024, but the end result played out better for commodity farmers due to a needed injection of financial aid. Without five years of new policies, Congress on Dec. 20 passed a one-year extension of the farm bill that also included $10 billion of economic aid for commodity crops. Spurred largely by Hurricane Helene, the year-end bill also includes another $20.78 billion to help farmers recover from two years of natural disasters.

Under the latest efforts, Congress will have until Sept. 30, 2025, to try again to pass a farm bill after two years of failing to agree. Republicans who support farm programs vowed all year to "put more farm back into the farm bill," which became a mantra as they made their case. Still, there were other House Republicans not on the Agriculture Committee who opposed increasing reference prices and farm subsidies. The House farm bill passed the committee in May with four Democrats joining 29 Republicans to advance the bill and 21 Democrats rejecting it. The lack of House GOP consensus effectively shelved the legislation from getting a floor vote for the rest of the year.

The Senate never got that far. Sen. Debbie Stabenow, D-Mich., who retired from Congress rather than run for reelection in 2024, had argued it was too costly to raise reference prices. She wanted more investment in policies that improve crop insurance options for all farmers rather than raise prices only for farmers with commodity base acres.

"When you ask farmers the most important part of risk management for them, it's crop insurance," Stabenow told reporters last April. Sen. John Boozman, R-Ark., now the incoming chairman of the Senate Agriculture Committee, said he believed it would be better to get a farm bill done in 2024 rather than wait. "I would argue for farmers that we have as great a chance, an easier chance, of getting a farm bill done this year rather than next year," Boozman told reporters. Stabenow didn't offer an actual bill until after the presidential election. With Republicans taking over the Senate and the White House, there would be no negotiations on a five-year bill in a lame-duck session. Boozman led other Republicans to call for one year of economic aid to farmers instead. That eventually became the $10 billion in one-time economic aid to commodity growers.

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US wins Mexico GM corn dispute case as panel finds curbs not science-based

A trade-dispute panel recently ruled that Mexican restrictions on U.S. genetically modified corn exports violate the U.S.-Mexico-Canada Agreement, handing the Biden administration a major trade victory in its final weeks.

The U.S. Trade Representative's office said the USMCA dispute settlement panel ruled in favor of all seven U.S. legal claims in the long-running case. It said the panel found Mexico's restrictions are not based on science and violate the USMCA's chapters on sanitary and phytosanitary measures and on market access and national treatment.

The three-member panel's final report recommended that Mexico bring its corn-trade policies into compliance with the trade agreement. It has 45 days to do so under the 2020 trade deal's rules and failure to comply could result in punitive duties on some exports to the U.S. Mexico's economy and agriculture ministries said in a joint statement they disagreed with the ruling but would respect it, providing no details on what steps they would take.

"The Government of Mexico does not agree with the Panel's decision, as it considers that the measures in question are aligned with the principles of public health protection and the rights of Indigenous peoples," the agencies said.

Nonetheless, they said that dispute resolution was a key component of the USMCA trade deal, noting that Mexico and Canada prevailed over the U.S. in an automotive rules of origin dispute case last year.

The corn dispute began six months after USMCA came into force in July 2020 when then-President Andres Manuel Lopez Obrador decreed that GM corn be banned by the end of 2024- a move largely targeting U.S. corn exports. His successor, President Claudia Sheinbaum, has supported the policy. After years of little movement in consultations, USTR requested arbitration to settle the dispute, challenging Mexico's 2023 decree that immediately banned use of GM corn in tortillas and dough, and instructed government agencies to gradually eliminate its use in other foods and in animal feed.

Farm Futures.

The U.S. argued the Mexican government's claims that GM corn is harmful to human health were not based on science.

"The panel's ruling reaffirms the United States' longstanding concerns about Mexico's biotechnology policies and their detrimental impact on U.S. agricultural exports, U.S. Trade Representative Katherine Tai said in a statement. U.S. Agriculture Secretary Tom Vilsack said the decision ensured that U.S. farmers and exporters "will continue to have full and fair access to the Mexican market."

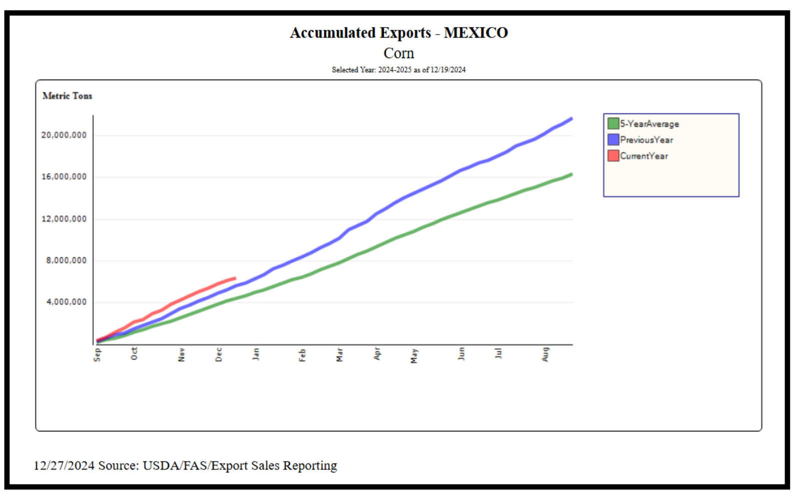
"It is also a victory for the countries around the world growing and using products of agricultural biotechnology to feed their growing populations and adapt to a changing planet," Vilsack added.

In February, Mexico's government softened its initial ban on GM corn, explicitly allowing its use for livestock feed and industrialized products for human consumption, but maintained the ban for use in tortillas. Mexican officials have defended restrictions on GM corn in tortillas and argued it is up to Washington to demonstrate its exports do not harm human health.

U.S. President-elect Donald Trump has threatened to impose a 25% blanket tariff on all imports from Canada and Mexico when he takes office on Jan. 20 unless they stem the flow of illegal migrants and fentanyl to the U.S. If implemented, those duties would appear to violate the USMCA's rules, possibly spawning another dispute case.

Mexico, birthplace of modern corn, prohibits planting of GM corn due to fears it would contaminate native strains of the grain. Yet the country is the top foreign buyer of U.S.-grown yellow corn, nearly all of which is genetically modified. Mexico's government expects local buyers will import a record 22.3 million metric tons during the 2023/24 agricultural season. In 2024 through October, the U.S. exported $4.8 billion worth of corn to Mexico, according to U.S. Census Bureau data. Mexico boasts over 60 native varieties of corn, known as landraces, many coming in a kaleidoscope of colors and featuring distinct flavor profiles.

This month, Deputy Economy Minister Luis Rosendo Gutierrez stressed that the government was doing everything it could to protect the free trade pact amid Trump's tariff threats. He added Mexico would comply with the panel's ruling. U.S. and international agriculture and biotechnology groups applauded the ruling. "This is the clearest of signals that upholding free-trade agreements delivers the stability needed for innovation to flourish and to anchor our food security," said Emily Rees, president of CropLife International, which represents the plant science industry.



A Look at President-Elect Trump's Cabinet Nominations

Brooke Rollins, President-elect Donald Trump's pick to lead USDA, has a thin record when it comes to agricultural policy, but farm groups will be counting on her to be their advocate in an administration that's likely to include some well-known critics of farm and food policy. Backers of Rollins say her close connection to Trump as a former White House adviser and head of the America First Policy Institute makes her a valuable ally because she will have the president's ear. Prior to joining the first Trump White House staff, Rollins ran the Texas Public Policy Foundation, an advocate for property rights and fossil fuels that worked to cut regulations and taxes.

Health and Human Services secretary: RFK Jr.
Kennedy dropped his presidential bid and began campaigning for Trump in August under the promise he and Trump would "Make America Healthy Again." During the campaign, Kennedy and MAHA allies said they would fire all nutrition scientists at the Food and Drug Administration. As secretary of the department, Kennedy would oversee FDA, the Centers for Disease Control and Prevention and National Institutes of Health, among other agencies. FDA regulates about 80% of the U.S. food supply as well as animal feed, animal drugs and animal biotechnology. Kennedy's most immediate impact may be on the Dietary Guidelines for Americans – a new version is due out next year – and he and Makary could revise FDA's upcoming "healthy" foods definition. HHS and USDA share oversight of the guidelines process, so Rollins would have input.

FDA commissioner: Martin Makary
Makary is a best-selling author and the Mark Ravitch Chair in Gastrointestinal Surgery at Johns Hopkins University School of Medicine. Makary was featured at a Washington Make American Healthy Again event in September where he referred to the U.S. food supply as "poisoned." FDA shares oversight of pesticides and biotechnology with USDA and EPA. EPA sets tolerances for pesticide residues in food, and FDA enforces those limits. USDA monitors for residues.

Interior secretary-energy czar: Doug Burgum
North Dakota Gov. Doug Burgum, who has championed biofuels and his state's oil and coal industries, will serve as both interior secretary and the administration's energy czar. The latter role could be critical to the balance between conventional fossil fuels, renewable energy and biofuels. The new Trump administration will invariably deal with conflicts between oil refiners and biofuel producers over the Renewable Fuel Standard. The administration also will face pressure from Congress to retain and extend the new 45Z tax credit for biofuels even as it tries to eliminate much of the climate-related tax incentives created by the Inflation Reduction Act. As interior secretary, his responsibilities will include enforcement of the Endangered Species Act as well as oversight of the Bureau of Land Management and Bureau of Reclamation.

EPA administrator: Lee Zeldin
Former New York Republican congressman and Renewable Fuel Standard critic Lee Zeldin is Trump's pick to head the Environmental Protection Agency, which among other things regulates the use of pesticides and enforces the Clean Water Act and Clean Air Act. Zeldin represented New York's 1st District on eastern Long Island from 2015 to 2023. In 2017, he cosponsored a pair of bills attacking the federal Renewable Fuel Standard. One bill would have repealed the RFS, and the other would have stripped corn ethanol from the RFS. Neither measure went anywhere. As energy czar, Burgum would likely have a say in what Zeldin does with regard to the RFS.

Commerce secretary-trade czar: Howard Lutnick
Wall Street veteran Howard Lutnick will take a lead role in the administration's trade policy. In addition to being commerce secretary, he "will lead our Tariff and Trade agenda, with additional direct responsibility for the Office of the United States Trade Representative," Trump's transition team said in a statement. Lutnick was an outspoken proponent of Trump's tariff plans in the campaign, calling them an "amazing tool" during a September CNBC interview. Lutnick will helm a department responsible for administering trade remedy investigations, which Trump used during his first term to levy tariffs on steel and aluminum.

U.S. trade representative: Jamieson Greer
Jamieson Greer, an international trade lawyer now at King and Spalding, was former-USTR Robert Lighthizer's chief of staff during Trump's first term. Greer had a hand in several of the administration's signature trade efforts – including retooling the free-trade agreement with South Korea, negotiating the phase one agreement with China and securing congressional approval for the U.S.-Mexico-Canada Agreement. It's unclear exactly what role Greer will have in implementing trade policy in Trump's next term, given that Lutnick is supposed to oversee USTR. There is speculation that Trump wants to reorganize the government's trade agencies.

Treasury secretary: Scott Bessent
Bessent, founder of Key Square Capital and an economic adviser to Trump's campaign, has defended the use of tariffs as a revenue-raising and foreign policy tool. But Bessent has also described Trump's threat to raise tariffs on Chinese exports to 60% a "maximalist negotiating position." Some critics say he lacks the tariff enthusiasm to implement Trump's agenda.

Labor secretary: Lori Chavez-DeRemer
She served on a bipartisan task force that issued recommendations earlier this year to deal with the agricultural labor shortage. The recommendations included a federal heat standard to protect farmworkers in summer. She is a co-sponsor of the Protecting the Right to Organize Act, which would strengthen the power of unions. The Teamsters union is backing her, and the AFL-CIO acknowledges that she is pro-labor. Some conservatives have criticized her selection for that reason.

Office of Management and Budget director: Russ Vought
A co-author of Project 2025, Russ Vought, will return to head the Office of Management and Budget, the position he held during the first Trump administration. He argues that the executive branch has authority to cut off spending without approval from Congress. He also has made the case for reclassifying federal workers so they can be fired more easily.

Top News Stories (cont.)

Early in 2024, Agriculture Secretary Tom Vilsack floated the idea of Congress using the Commodity Credit Corp. (CCC) to find a way to raise reference prices for the next farm bill, noting that increasing reference prices can get "pretty pricey." A 10% bump in reference prices is projected to cost about $2 billion a year. The CCC is a $30 billion fund used each year by the secretary specifically to help support commodity markets. CCC dollars already fund the Agricultural Risk Program and Price Loss Coverage (ARC and PLC) programs as well as the Conservation Reserve Program (CRP).

Republicans in Congress had another plan. After Vilsack used $3.1 billion to create the Partnership for Climate-Smart Commodities, GOP lawmakers started considering more plans to restrict the Agriculture secretary's control of the CCC, and then take the projected savings to fund their plan to increase reference prices. The fund was used aggressively during the first Trump administration, which included $23 billion in Market Facilitation Program payments in 2018-19 because China stopped buying U.S. commodities during the trade war.

House Agriculture Committee Chairman Glenn "GT" Thompson, R-Pa., included language to cut off USDA from using CCC dollars without congressional approval. Thompson's staff maintained the move provided $53 billion over 10 years that would go to boost commodity programs and crop insurance.

Stabenow won the battle to get $19.5 billion conservation funds in the Inflation Reduction Act (IRA), which Democrats passed in 2022 with zero Republican votes. To protect those remaining funds, Stabenow agreed with the idea of rolling those IRA dollars into the farm bill as long as the funds went toward practices that reduce greenhouse gas emissions or sequester carbon.

The House farm bill brought in the leftover funds from the IRA and kept those dollars strictly for conservation but also removed the climate-specific focus on those funds.

In the end, the unspent pot of money, about $14 billion or so, could be lost. Stabenow came up with a plan to roll those dollars into the farm-bill extension. The funds would increase the baseline for farm-bill conservation programs but also provide a one-time offset that allowed $10.7 billion to go to economic aid. House Speaker Mike Johnson, R-La., rejected that idea, saying his caucus would not support saving those IRA dollars. In an interview with DTN, Stabenow called the decision "political malpractice." The GOP is expected to take away those IRA dollars when they pass their own budget reconciliation bill next year.

A key budget move for the House version of the farm bill was to adjust or reverse engineer changes USDA made to the Thrifty Food Plan. USDA early in the Biden administration updated the cost estimate for determining a healthy diet for SNAP recipients. In the past, those USDA updates were always "budget neutral," but the Biden administration updates increased the future projected costs of SNAP by nearly $30 billion a year.

By forcing USDA to go back to a budget-neutral calculation, the House farm bill plan suddenly had money to move around. Thompson took an estimated $27 billion on the back end of cost projections and used it to help with his plan to boost farm programs, trade promotion and research funding. The change would restrict how future administrations make changes to SNAP. That includes potentially restricting a "hard right future administration" from "arbitrarily coming in and cutting benefits," Thompson explained.

Still, Democrats overall rejected the plan. Rep. David Scott, D-Ga., then the committee's ranking member, was among those who criticized Thompson plan, calling it a "poison pill" for Democrats.

A new Congress will return on Jan. 3, 2025. Just like last year, lawmakers will come back with a lot of unfinished business and will try to pass a budget for FY 2025, which began last October. Republicans will be looking to use the budget reconciliation mechanisms to pass their own immigration and energy bills, along with clawing back as much of the Inflation Reduction Act as politically possible.

Somewhere in the mix, the House and Senate Agriculture committees again will have to figure out how to pass a farm bill. Unless attitudes change, lawmakers will lose access to the IRA dollars for conservation. The incoming Trump administration also likely will not want Congress to handcuff the Agriculture secretary's access to the CCC funds. So, any increase in commodity programs will have to find budget offsets elsewhere.

Then there is Elon Musk and the Trump administration's drive to cut spending. The farm bill is a 10-year, $1.5 trillion spending bill. It's likely Musk and others will be weighing in to demand cuts.

Democrats will have new leaders on the Ag committees with a real "Land of 10,000 Lakes" vibe. Sen. Amy Klobuchar of Minnesota will take over as ranking member of the Senate Agriculture Committee. In the House, Rep. Angie Craig of Minnesota will be the ranking member for the Ag Committee as well.

Breakeven Analysis for 2025 Cost of Production

The following tables calculate the breakeven yields (presented in the first table) and breakeven prices (in the second table) needed to cover a range of direct production expenses per acre for the 2025 crop year for selected crops. *Continued over the next two pages.*

	Specified Production Cost per acre for ***corn***										
Price/bu	**$500**	**$525**	**$550**	**$575**	**$600**	**$625**	**$650**	**$675**	**$700**	**$725**	**$750**
$3.00	166.7	175.0	183.3	191.7	200.0	208.3	216.7	225.0	233.3	241.7	250.0
$3.15	158.7	175.0	183.3	191.7	200.0	208.3	216.7	225.0	233.3	241.7	250.0
$3.30	151.5	175.0	183.3	191.7	200.0	208.3	216.7	225.0	233.3	241.7	250.0
$3.45	144.9	175.0	183.3	191.7	200.0	208.3	216.7	225.0	233.3	241.7	250.0
$3.60	138.9	175.0	183.3	191.7	200.0	208.3	216.7	225.0	233.3	241.7	250.0
$3.75	133.3	140.0	146.7	153.3	160.0	166.7	173.3	180.0	186.7	193.3	200.0
$3.90	128.2	134.6	141.0	147.4	153.8	160.3	166.7	173.1	179.5	185.9	192.3
$4.05	123.5	129.6	135.8	142.0	148.1	154.3	160.5	166.7	172.8	179.0	185.2
$4.20	119.0	125.0	131.0	136.9	142.9	148.8	154.8	160.7	166.7	172.6	178.6
$4.35	114.9	120.7	126.4	132.2	137.9	143.7	149.4	155.2	160.9	166.7	172.4
$4.50	111.1	116.7	122.2	127.8	133.3	138.9	144.4	150.0	155.6	161.1	166.7
$4.65	107.5	112.9	118.3	123.7	129.0	134.4	139.8	145.2	150.5	155.9	161.3
$4.80	104.2	109.4	114.6	119.8	125.0	130.2	135.4	140.6	145.8	151.0	156.3

	Specified Production Cost per acre for ***corn***										
Bu/ac	**$500**	**$525**	**$550**	**$575**	**$600**	**$625**	**$650**	**$675**	**$700**	**$725**	**$750**
90	$5.56	$5.83	$6.11	$6.39	$6.67	$6.94	$7.22	$7.50	$7.78	$8.06	$8.33
100	$5.00	$5.25	$5.50	$5.75	$6.00	$6.25	$6.50	$6.75	$7.00	$7.25	$7.50
110	$4.55	$4.77	$5.00	$5.23	$5.45	$5.68	$5.91	$6.14	$6.36	$6.59	$6.82
120	$4.17	$4.38	$4.58	$4.79	$5.00	$5.21	$5.42	$5.63	$5.83	$6.04	$6.25
130	$3.85	$4.04	$4.23	$4.42	$4.62	$4.81	$5.00	$5.19	$5.38	$5.58	$5.77
140	$3.57	$3.75	$3.93	$4.11	$4.29	$4.46	$4.64	$4.82	$5.00	$5.18	$5.36
150	$3.33	$3.50	$3.67	$3.83	$4.00	$4.17	$4.33	$4.50	$4.67	$4.83	$5.00
160	$3.13	$3.28	$3.44	$3.59	$3.75	$3.91	$4.06	$4.22	$4.38	$4.53	$4.69
170	$2.94	$3.09	$3.24	$3.38	$3.53	$3.68	$3.82	$3.97	$4.12	$4.26	$4.41
180	$2.78	$2.92	$3.06	$3.19	$3.33	$3.47	$3.61	$3.75	$3.89	$4.03	$4.17
190	$2.63	$2.76	$2.89	$3.03	$3.16	$3.29	$3.42	$3.55	$3.68	$3.82	$3.95
200	$2.50	$2.63	$2.75	$2.88	$3.00	$3.13	$3.25	$3.38	$3.50	$3.63	$3.75
210	$2.38	$2.50	$2.62	$2.74	$2.86	$2.98	$3.10	$3.21	$3.33	$3.45	$3.57

	Specified Production Cost per acre for ***soybeans***										
Price/bu	**$350**	**$375**	**$400**	**$425**	**$450**	**$475**	**$500**	**$525**	**$550**	**$575**	**$600**
$9.00	38.9	41.7	44.4	47.2	50.0	52.8	55.6	58.3	61.1	63.9	66.7
$9.10	38.5	41.2	44.0	46.7	49.5	52.2	54.9	57.7	60.4	63.2	65.9
$9.20	38.0	40.8	43.5	46.2	48.9	51.6	54.3	57.1	59.8	62.5	65.2
$9.30	37.6	40.3	43.0	45.7	48.4	51.1	53.8	56.5	59.1	61.8	64.5
$9.40	37.2	39.9	42.6	45.2	47.9	50.5	53.2	55.9	58.5	61.2	63.8
$9.50	36.8	39.5	42.1	44.7	47.4	50.0	52.6	55.3	57.9	60.5	63.2
$9.60	36.5	39.1	41.7	44.3	46.9	49.5	52.1	54.7	57.3	59.9	62.5
$9.70	36.1	38.7	41.2	43.8	46.4	49.0	51.5	54.1	56.7	59.3	61.9
$9.80	35.7	38.3	40.8	43.4	45.9	48.5	51.0	53.6	56.1	58.7	61.2
$9.90	35.4	37.9	40.4	42.9	45.5	48.0	50.5	53.0	55.6	58.1	60.6
$10.00	35.0	37.5	40.0	42.5	45.0	47.5	50.0	52.5	55.0	57.5	60.0
$10.10	34.7	37.1	39.6	42.1	44.6	47.0	49.5	52.0	54.5	56.9	59.4
$10.20	34.3	36.8	39.2	41.7	44.1	46.6	49.0	51.5	53.9	56.4	58.8

Breakeven Analysis (cont.)

					Specified Production Cost per acre for ***soybeans***						
Bu/ac	**$350**	**$375**	**$400**	**$425**	**$450**	**$475**	**$500**	**$525**	**$550**	**$575**	**$600**
25	$14.00	$15.00	$16.00	$17.00	$18.00	$19.00	$20.00	$21.00	$22.00	$23.00	$24.00
30	$11.67	$12.50	$13.33	$14.17	$15.00	$15.83	$16.67	$17.50	$18.33	$19.17	$20.00
35	$10.00	$10.71	$11.43	$12.14	$12.86	$13.57	$14.29	$15.00	$15.71	$16.43	$17.14
40	$8.75	$9.38	$10.00	$10.63	$11.25	$11.88	$12.50	$13.13	$13.75	$14.38	$15.00
45	$7.78	$8.33	$8.89	$9.44	$10.00	$10.56	$11.11	$11.67	$12.22	$12.78	$13.33
50	$7.00	$7.50	$8.00	$8.50	$9.00	$9.50	$10.00	$10.50	$11.00	$11.50	$12.00
55	$6.36	$6.82	$7.27	$7.73	$8.18	$8.64	$9.09	$9.55	$10.00	$10.45	$10.91
60	$5.83	$6.25	$6.67	$7.08	$7.50	$7.92	$8.33	$8.75	$9.17	$9.58	$10.00
65	$5.38	$5.77	$6.15	$6.54	$6.92	$7.31	$7.69	$8.08	$8.46	$8.85	$9.23
70	$5.00	$5.36	$5.71	$6.07	$6.43	$6.79	$7.14	$7.50	$7.86	$8.21	$8.57
75	$4.67	$5.00	$5.33	$5.67	$6.00	$6.33	$6.67	$7.00	$7.33	$7.67	$8.00
80	$4.38	$4.69	$5.00	$5.31	$5.63	$5.94	$6.25	$6.56	$6.88	$7.19	$7.50
85	$4.12	$4.41	$4.71	$5.00	$5.29	$5.59	$5.88	$6.18	$6.47	$6.76	$7.06

					Specified Production Cost per acre for ***cotton***						
Price/lb	**$660**	**$685**	**$710**	**$735**	**$760**	**$785**	**$810**	**$835**	**$860**	**$885**	**$910**
$0.60	1100.0	1141.7	1183.3	1225.0	1266.7	1308.3	1350.0	1391.7	1433.3	1475.0	1516.7
$0.62	1064.5	1104.8	1145.2	1185.5	1225.8	1266.1	1306.5	1346.8	1387.1	1427.4	1467.7
$0.64	1031.3	1070.3	1109.4	1148.4	1187.5	1226.6	1265.6	1304.7	1343.8	1382.8	1421.9
$0.66	1000.0	1037.9	1075.8	1113.6	1151.5	1189.4	1227.3	1265.2	1303.0	1340.9	1378.8
$0.68	970.6	1007.4	1044.1	1080.9	1117.6	1154.4	1191.2	1227.9	1264.7	1301.5	1338.2
$0.70	942.9	978.6	1014.3	1050.0	1085.7	1121.4	1157.1	1192.9	1228.6	1264.3	1300.0
$0.72	916.7	951.4	986.1	1020.8	1055.6	1090.3	1125.0	1159.7	1194.4	1229.2	1263.9
$0.74	891.9	925.7	959.5	993.2	1027.0	1060.8	1094.6	1128.4	1162.2	1195.9	1229.7
$0.76	868.4	901.3	934.2	967.1	1000.0	1032.9	1065.8	1098.7	1131.6	1164.5	1197.4
$0.78	846.2	878.2	910.3	942.3	974.4	1006.4	1038.5	1070.5	1102.6	1134.6	1166.7
$0.80	825.0	856.3	887.5	918.8	950.0	981.3	1012.5	1043.8	1075.0	1106.3	1137.5
$0.82	804.9	835.4	865.9	896.3	926.8	957.3	987.8	1018.3	1048.8	1079.3	1109.8
$0.84	785.7	815.5	845.2	875.0	904.8	934.5	964.3	994.0	1023.8	1053.6	1083.3

					Specified Production Cost per acre for ***cotton***						
lbs/ac	**$625**	**$650**	**$675**	**$700**	**$725**	**$750**	**$775**	**$800**	**$825**	**$850**	**$875**
750	$0.83	$0.87	$0.90	$0.93	$0.97	$1.00	$1.03	$1.07	$1.10	$1.13	$1.17
800	$0.78	$0.81	$0.84	$0.88	$0.91	$0.94	$0.97	$1.00	$1.03	$1.06	$1.09
850	$0.74	$0.76	$0.79	$0.82	$0.85	$0.88	$0.91	$0.94	$0.97	$1.00	$1.03
900	$0.69	$0.72	$0.75	$0.78	$0.81	$0.83	$0.86	$0.89	$0.92	$0.94	$0.97
950	$0.66	$0.68	$0.71	$0.74	$0.76	$0.79	$0.82	$0.84	$0.87	$0.89	$0.92
1000	$0.63	$0.65	$0.68	$0.70	$0.73	$0.75	$0.78	$0.80	$0.83	$0.85	$0.88
1050	$0.60	$0.62	$0.64	$0.67	$0.69	$0.71	$0.74	$0.76	$0.79	$0.81	$0.83
1100	$0.57	$0.59	$0.61	$0.64	$0.66	$0.68	$0.70	$0.73	$0.75	$0.77	$0.80
1150	$0.54	$0.57	$0.59	$0.61	$0.63	$0.65	$0.67	$0.70	$0.72	$0.74	$0.76
1200	$0.52	$0.54	$0.56	$0.58	$0.60	$0.63	$0.65	$0.67	$0.69	$0.71	$0.73
1250	$0.50	$0.52	$0.54	$0.56	$0.58	$0.60	$0.62	$0.64	$0.66	$0.68	$0.70
1300	$0.48	$0.50	$0.52	$0.54	$0.56	$0.58	$0.60	$0.62	$0.63	$0.65	$0.67
1350	$0.46	$0.48	$0.50	$0.52	$0.54	$0.56	$0.57	$0.59	$0.61	$0.63	$0.65

Breakeven Analysis (cont.)

					Specified Production Cost per acre for ***rice***						
Price/cwt	**$550**	**$575**	**$600**	**$625**	**$650**	**$675**	**$700**	**$725**	**$750**	**$775**	**$800**
$13.00	42.3	44.2	46.2	48.1	50.0	51.9	53.8	55.8	57.7	59.6	61.5
$13.25	41.5	43.4	45.3	47.2	49.1	50.9	52.8	54.7	56.6	58.5	60.4
$13.50	40.7	42.6	44.4	46.3	48.1	50.0	51.9	53.7	55.6	57.4	59.3
$13.75	40.0	41.8	43.6	45.5	47.3	49.1	50.9	52.7	54.5	56.4	58.2
$14.00	39.3	41.1	42.9	44.6	46.4	48.2	50.0	51.8	53.6	55.4	57.1
$14.25	38.6	40.4	42.1	43.9	45.6	47.4	49.1	50.9	52.6	54.4	56.1
$14.50	37.9	39.7	41.4	43.1	44.8	46.6	48.3	50.0	51.7	53.4	55.2
$14.75	37.3	39.0	40.7	42.4	44.1	45.8	47.5	49.2	50.8	52.5	54.2
$15.00	36.7	38.3	40.0	41.7	43.3	45.0	46.7	48.3	50.0	51.7	53.3
$15.25	36.1	37.7	39.3	41.0	42.6	44.3	45.9	47.5	49.2	50.8	52.5
$15.50	35.5	37.1	38.7	40.3	41.9	43.5	45.2	46.8	48.4	50.0	51.6
$15.75	34.9	36.5	38.1	39.7	41.3	42.9	44.4	46.0	47.6	49.2	50.8
$16.00	34.4	35.9	37.5	39.1	40.6	42.2	43.8	45.3	46.9	48.4	50.0

					Specified Production Cost per acre for ***rice***						
cwt/ac	**$550**	**$575**	**$600**	**$625**	**$650**	**$675**	**$700**	**$725**	**$750**	**$775**	**$800**
40.0	$13.75	$14.38	$15.00	$15.63	$16.25	$16.88	$17.50	$18.13	$18.75	$19.38	$20.00
45.0	$12.22	$12.78	$13.33	$13.89	$14.44	$15.00	$15.56	$16.11	$16.67	$17.22	$17.78
50.0	$11.00	$11.50	$12.00	$12.50	$13.00	$13.50	$14.00	$14.50	$15.00	$15.50	$16.00
55.0	$10.00	$10.45	$10.91	$11.36	$11.82	$12.27	$12.73	$13.18	$13.64	$14.09	$14.55
60.0	$9.17	$9.58	$10.00	$10.42	$10.83	$11.25	$11.67	$12.08	$12.50	$12.92	$13.33
65.0	$8.46	$8.85	$9.23	$9.62	$10.00	$10.38	$10.77	$11.15	$11.54	$11.92	$12.31
70.0	$7.86	$8.21	$8.57	$8.93	$9.29	$9.64	$10.00	$10.36	$10.71	$11.07	$11.43
75.0	$7.33	$7.67	$8.00	$8.33	$8.67	$9.00	$9.33	$9.67	$10.00	$10.33	$10.67
80.0	$6.88	$7.19	$7.50	$7.81	$8.13	$8.44	$8.75	$9.06	$9.38	$9.69	$10.00
85.0	$6.47	$6.76	$7.06	$7.35	$7.65	$7.94	$8.24	$8.53	$8.82	$9.12	$9.41
90.0	$6.11	$6.39	$6.67	$6.94	$7.22	$7.50	$7.78	$8.06	$8.33	$8.61	$8.89
95.0	$5.79	$6.05	$6.32	$6.58	$6.84	$7.11	$7.37	$7.63	$7.89	$8.16	$8.42
100.0	$5.50	$5.75	$6.00	$6.25	$6.50	$6.75	$7.00	$7.25	$7.50	$7.75	$8.00

					Specified Production Cost per acre for ***grain sorghum***						
Price/bu	**$300**	**$325**	**$350**	**$375**	**$400**	**$425**	**$450**	**$475**	**$500**	**$525**	**$550**
$3.00	100.0	108.3	116.7	125.0	133.3	141.7	150.0	158.3	166.7	175.0	183.3
$3.15	95.2	103.2	111.1	119.0	127.0	134.9	142.9	150.8	158.7	166.7	174.6
$3.30	90.9	98.5	106.1	113.6	121.2	128.8	136.4	143.9	151.5	159.1	166.7
$3.45	87.0	94.2	101.4	108.7	115.9	123.2	130.4	137.7	144.9	152.2	159.4
$3.60	83.3	90.3	97.2	104.2	111.1	118.1	125.0	131.9	138.9	145.8	152.8
$3.75	80.0	86.7	93.3	100.0	106.7	113.3	120.0	126.7	133.3	140.0	146.7
$3.90	76.9	83.3	89.7	96.2	102.6	109.0	115.4	121.8	128.2	134.6	141.0
$4.05	74.1	80.2	86.4	92.6	98.8	104.9	111.1	117.3	123.5	129.6	135.8
$4.20	71.4	77.4	83.3	89.3	95.2	101.2	107.1	113.1	119.0	125.0	131.0
$4.35	69.0	74.7	80.5	86.2	92.0	97.7	103.4	109.2	114.9	120.7	126.4
$4.50	66.7	72.2	77.8	83.3	88.9	94.4	100.0	105.6	111.1	116.7	122.2
$4.65	64.5	69.9	75.3	80.6	86.0	91.4	96.8	102.2	107.5	112.9	118.3
$4.80	62.5	67.7	72.9	78.1	83.3	88.5	93.8	99.0	104.2	109.4	114.6

The Latest in BOI Reporting - Fifth Circuit Reinstates Injunction on Dec. 26th

Passed in 2021, the Corporate Transparency Act (CTA) requires business ownership interests to file a report with Treasury. The Beneficial Ownership Information (BOI) requirement applies to any small business that files documents to incorporate with their state business authority- such as their secretary of state office. This includes corporations, limited partnerships and limited liability companies. Registered businesses must register any beneficial owner of the company with the Treasury's Financial Crimes Enforcement Network (FinCEN).

Looking at 2022 Ag Census data, the American Farm Bureau Federation (AFBF) noted there are about 230,000 farm operations that reported operating as a partnership under state law, a family held corporation, or a non-family held corporation. These 230,000 or so farms make up about 13% of all farm operations, but they have about 33% of farm acres, AFBF stated.

What is the BOI requirement?

The BOI requirement applies to any small business that files documents to incorporate with their state business authority- such as their secretary of state office. This includes corporations, limited partnerships and limited liability companies. Registered businesses must register any beneficial owner of the company with FinCEN via https://www.fincen.gov/boi . Businesses already file registrations with state agencies to operate, leading many to believe their information is recorded with the correct agencies, but FinCEN does not receive ownership information from these agencies.

FinCEN has prepared the following Frequently Asked Questions (FAQs) in response to inquiries received relating to the Beneficial Ownership Information Reporting Rule and Beneficial Ownership Information Access and Safeguards Rule available at https://www.fincen.gov/boi-faqs .

Who is impacted?

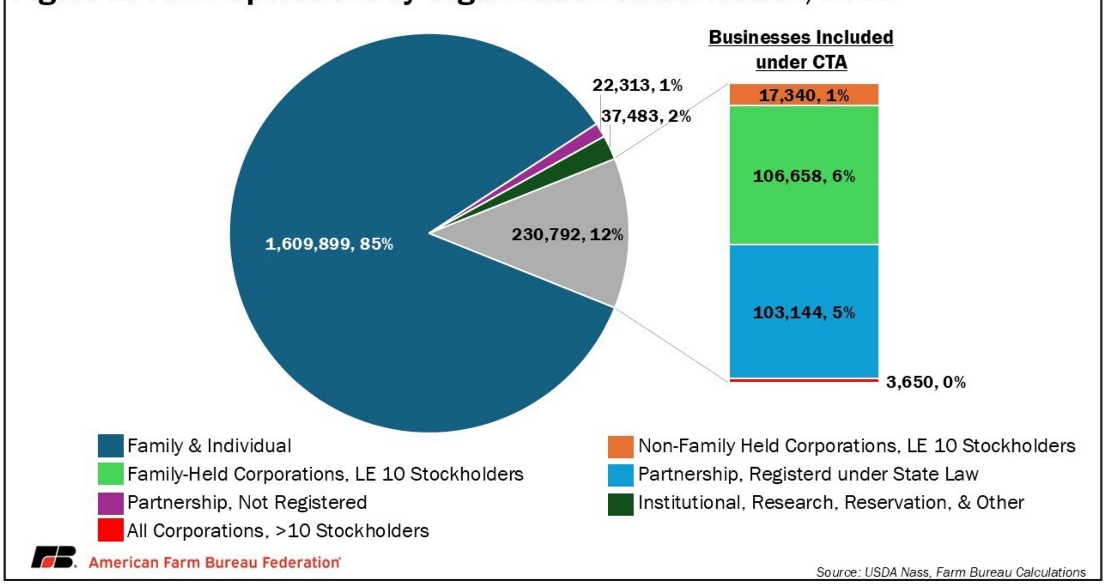
Limited partnerships, corporations and LLCs, whether single member or multiple member, are among the entities that must report ownership, which encompasses many farm entities.

General partnerships and sole proprietorships generally don't have to file beneficial ownership reports.

Beneficial owners include anyone with a significant stake in the company, whether or not they have direct legal ties to the business. This may include holding at least 25% of a company's shares, having a similar level of control over the company's equity or holding significant influence over the company's decisions and operations (i.e., the authority to exercise substantial managerial control over the reporting company). Should a business partake in illegal activities, each such stakeholder is accountable for the crimes of the business.

Filings must include all personal information like addresses, birthdays and identification numbers for each owner. While this report does not have to be renewed after the initial filing, changes of address, new driver's licenses or changes of name all require updated filings. Since having control over a business' operations qualifies as beneficial ownership, a restructuring of job duties, even if the person does not have a legal ownership stake in the company, could also trigger requirements to file updates, AFBF stated.

Figure 1. Farm Operations by Organization Classification, 2022



Companies created or registered before Jan. 1, 2024, have until Jan. 1, 2025, to report their BOI. Companies created in calendar-year 2024 have 90 days to file a BOI after creation or registration. Starting Jan. 1, 2025, companies will have 30 days to file.

The BOI is free to file.

BOI Reporting (cont.)

Federal Appeal Court Ruling (December 23, 2024)

With days left until enforcement begins, a federal appeals court on December 23, 2024, overturned a lower court's decision and reinstated rules requiring businesses, including farms, to file Beneficial Ownership Information (BOI) reports as required under the CTA.

A three-judge panel in the U.S. Fifth Circuit Court of Appeals rejected an injunction from early December by a federal judge in Texas that blocked rules for the Treasury rule. The panel, divided on parts of the ruling, also ordered an expedited hearing for oral arguments on the lawsuit.

The ruling reinstates Jan. 1, 2025, for enforcement of BOI requirements to begin. FinCEN, noting Monday's decision, stated that reporting companies "are once again required to file beneficial ownership information with FinCEN." With that, FinCEN delayed the reporting requirements for two weeks.

FinCEN Details

Reporting companies that were created or registered before Jan. 1, 2024, have until Jan. 13, 2025, to file their initial beneficial ownership information reports with FinCEN. These companies would otherwise have been required to report by Jan. 1, 2025.

Reporting companies created or registered in the United States on or after Sept. 4, 2024, have until Jan. 13, 2025, to file their initial beneficial ownership information reports with FinCEN.

Reporting companies created or registered in the United States on or after Dec. 3, 2024, and on or before Dec. 23, 2024, have an additional 21 days from their original filing deadline to file their initial beneficial ownership information reports with FinCEN.

Reporting companies that qualify for disaster relief may have extended deadlines that fall beyond Jan. 13, 2025, as well.

On December 26, 2024, The Fifth Circuit Court of Appeals reversed its own decision and reinstated a nationwide injunction that allows businesses to not file Beneficial Ownership Information with the Treasury Department's Financial Crimes Enforcement Network (FinCEN).

The Fifth Circuit on Thursday issued a new order to expedite a hearing on a case out of Texas tied to Beneficial Ownership Information (BOI), and in doing so, the Fifth Circuit vacated its own ruling from Monday.

Essentially, the court vacated the federal government's motion to stay a preliminary injunction against enforcing the Corporate Transparency Act. Under the latest reversal by the appeals court, a nationwide injunction out of a Texas federal court in early December will continue to block the Treasury Department from enforcing the act.

Farmers are encouraged to contact an accountant or attorney if they are unsure whether they are required to file their business's ownership information with FinCEN.

Timeline of Events

January 1, 2024: The Corporate Transparency Act (CTA) goes into effect. Under the CTA, certain business entities, including LLCs, are required to file beneficial ownership information (BOI) reports with FinCEN. For entities created before January 1, 2024, the deadline is January 1, 2025. For entities created after January 1, 2024, the entity has 30 days after its creation to file the BOI report. The BOI reporting requirement extends to dissolved entities under certain circumstances.

December 3, 2024: The District Court for the Eastern Division of Texas grants a nationwide preliminary injunction against FinCEN's enforcement of BOI reporting requirements. Texas Top Cop Shop, Inc., et al. v. Garland, et al., Case No 4:24-cv-478 (E.D. Tex.).

December 23, 2024: FinCEN's appeal to stay the preliminary injunction is granted by the Fifth Circuit Court of Appeals, thereby reinstating the BOI reporting requirements. FinCEN extends the filing deadline to January 13, 2025.

December 26, 2024: The Fifth Circuit Court of Appeals reinstates the nationwide injunction, thereby preventing enforcement of BOI reporting requirements across the nation. Tex. Top Cop Shop, Inc. v. Garland, 2024 U.S. App. LEXIS 32702 (5th Cir., Dec. 26, 2024).

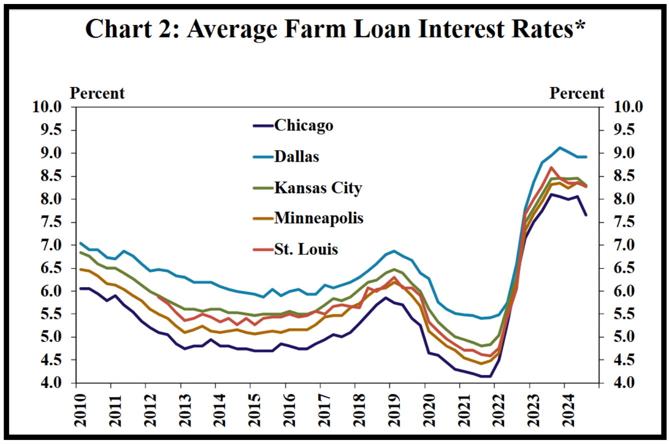
(Timeline and case listing courtesy of the North Carolina State Extension Service.)

BOI BENEFICIAL OWNERSHIP INFORMATION

U.S. Farm Economy Outlook (3Q of 2024) from the KC Federal Reserve

The outlook for the U.S. farm economy remained subdued through the third quarter alongside low crop prices. Agricultural prices were down slightly from the previous quarter but remained about 10% above the recent historical average. Strong prices in the cattle market and other animal industries have supported revenues in the sector, but prices for major row crops were considerably weaker. Domestic consumption of meat and dairy products was solid, and soybean crush increased from a year ago. However, a strong crop harvest and subdued export activity continued to put downward pressure on prices of major crops, keeping profit opportunities narrow. Farm financial stress remained limited, but conditions tightened in recent months alongside a slight increase in loan delinquency rates. Non-real estate loan demand has also increased as production expenses remained elevated and liquidity in the sector has declined. Despite gradual moderation in financial conditions throughout the year and interest rates at multi-decade highs, farm real estate values in most regions remained firm.

Agricultural credit conditions continued to decline amid a broader slowdown in the farm economy. Results from Federal Reserve System Agricultural Credit Surveys showed that farm income and loan repayment rates weakened further in the third quarter. Persistently high production expenses and lower prices for key commodity crops have weighed on farm incomes and made it more difficult for farm borrowers to repay loans. Growth in farm real estate values continued to moderate, but average interest rates on farm loans decreased.



Farm income and credit conditions weakened slightly in the third quarter. Both income and farm loan repayment rates declined at a faster pace in all reporting districts compared to a year ago. Alongside sharp declines in crop prices, financial conditions fell at the fastest pace in the Minneapolis and St. Louis regions. Declines were more muted in Chicago, Dallas, and Kansas City regions, which could be due to larger contributions from livestock production in those areas.

Farm loan interest rates declined slightly alongside recent reductions in benchmark rates. The Federal Open Market Committee lowered the target range for the federal funds rate by 50 basis points in mid-September and interest rates on farm loans across all Districts declined by about 14 basis points, on average during the survey period in the second half of the month. In the Chicago region, interest rates fell by 40 basis points, the largest decline since the first quarter of 2020.

Farm real estate values remained resilient despite headwinds from lower crop prices and higher interest rates, but growth continued to slow. Although annual growth in nonirrigated cropland values in the Kansas City region grew at a slightly faster pace compared with the previous quarter, values in other regions grew at a slower pace. Most notably, valuations in the Chicago region were unchanged from the previous year for the first time since 2019.

U.S. Seasonal Farm Price Outlook

The following table represents national seasonal average farm prices ($/unit), as per the USDA WASDE report.

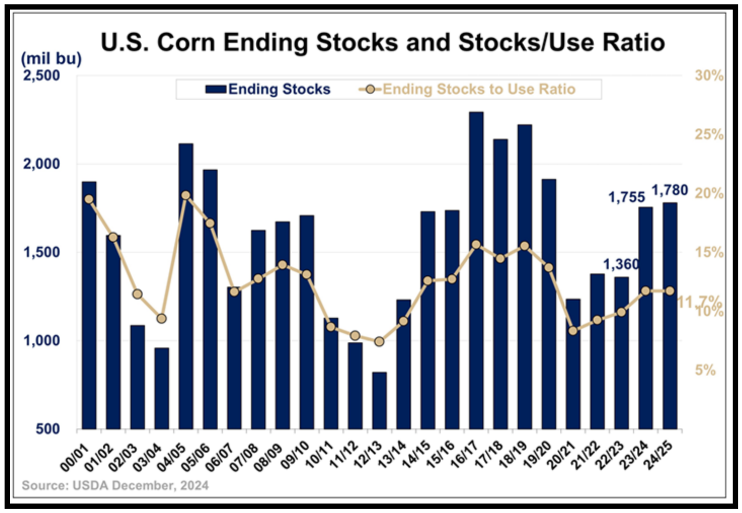
Crop	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	*2024/25* December*
Corn	**$4.53**	**$6.00**	**$6.54**	**$4.55**	*$4.10*
Cotton	**$0.663**	**$0.914**	**$0.848**	**$0.761**	*$0.660*
Rice (LG)	**$12.60**	**$13.60**	**$16.70**	**$15.90**	*$14.50*
Rice (Southern MG)	**$13.00**	**$13.90**	**$18.20**	**$17.50**	*$14.50*
Sorghum	**$5.04**	**$5.94**	**$6.38**	**$4.93**	*$4.10*
Soybeans	**$10.80**	**$13.30**	**$14.20**	**$12.40**	*$10.20*

Crop Market Situation for the 2024/25 Marketing Year

The information that is presented in this market update reflects current information as of December 26, 2024.

Corn

In the December WASDE report, USDA surprised traders with a much larger change in corn demand for the year. Corn used for ethanol and corn exports were increased by a combined 200 million bushels (mb). Corn export sales were raised 150 mb, to 2.475 billion bushels (bb), while corn used for ethanol rose by another 50 mb, to 5.5 bb, with both of those changes going right into the ending stocks number. USDA is now forecasting 2024-25 ending stocks will be slightly below a year earlier. The USDA did not change its marketing year price forecast, leaving it at $4.10, down from last year's avg. of $4.55, but that is likely due largely to sales that are already on the books at lower prices. USDA's now forecasts an ending stock/use ratio of 11.4%, down from last year's 11.8%.



The large increase of 150 mb in USDA's U.S. export forecast came without any cuts to production or export forecasts for major export competitors and was based on stronger-than-expected demand. USDA increased its forecast for total 2024-25 world corn demand by more than 7.0 million metric tons (mmt) and increased its forecast for world export trade by 3.2 mmt. This in turn should boost demand expectations for the 2025-26 marketing year. The stronger demand should ease concerns about prospects for an increase in U.S. corn plantings next spring. The new-crop corn/soybean price ratio as represented by November 2025 soybean futures/December 2025 corn futures now clearly favor corn, having fallen to 2.29.

Soybeans

In the December WASDE report, the USDA elected to leave both U.S. crush and exports unchanged, leading to an unchanged ending stocks level of 470 mb, and about as the trade had expected. Also as expected, the USDA raised U.S. soybean oil exports by 500 million pounds, to 1.1 billion pounds. The change made plenty of sense, since U.S. soybean oil is now the worlds cheapest veg oil, and the export pace with bean oil already exceeding the USDA November export estimate by close to 60%. The season average price on soybeans was dropped 60 cents to $10.20 per bushel, likely on the prospect of the record large South American crops. The season average on soymeal was lowered by $20 per short ton (st) to $300/st. The soybean oil season average price remained at 43 cents per pound.

This was the sixth time in seven years that USDA made no change to its U.S. soybean carryout forecast in December. However, the USDA did have bearish news for the soybean market as it slashed its forecast for the on-farm average price. As expected, USDA made no changes to its South American production forecasts, but if weather continues favorable, those estimates could still creep upward in coming months. USDA did raise its forecast for Brazil's exports. USDA continues to forecast a burdensome world soybean ending stocks/use ratio of 32.7%.

Since the last WASDE report, soybean prices dropped slightly on favorable weather conditions in South America as planting nears completion. Soybean meal prices followed the retreat in soybean prices with global supplies outpacing demand, increasing global meal stocks. Since mid-November, palm oil prices in both Indonesia and Malaysia increased, while soybean oil prices declined due to higher-than-expected Argentina crush and exports. Heavy rains and insufficient exportable supplies in Indonesia and Malaysia are contributing to high palm prices whereas soybean oil prices have come under pressure from large global soybean supplies, creating an unusual premium for palm oil prices relative to soy. As palm oil prices continue to climb, soybean oil exports are expected to offset some but not all the declining palm oil exports, as the global vegetable oil market continues to tighten.

Rice

In the December WASDE report, the USDA left its all-rice balance sheet unchanged but raised its long-grain carryout estimate by 2 million hundredweight (cwt), to 31.1 million. This was up from 19.3 million cwt last year. The December carryout increase was due to a 2 million cwt reduction in projected exports. The season average farm price for long-grain rice was left unchanged at $14.50.

Since the November WASDE, global export quotes, aside from Thailand, continued to decline. Indian quotes are down slightly, $2, to $448/ton. Vietnamese quotes decreased $9 to $508/ton as buyers wait for the new crop harvest. Thai quotes rose $16 to $514/ton with strong demand from Asia and Africa.

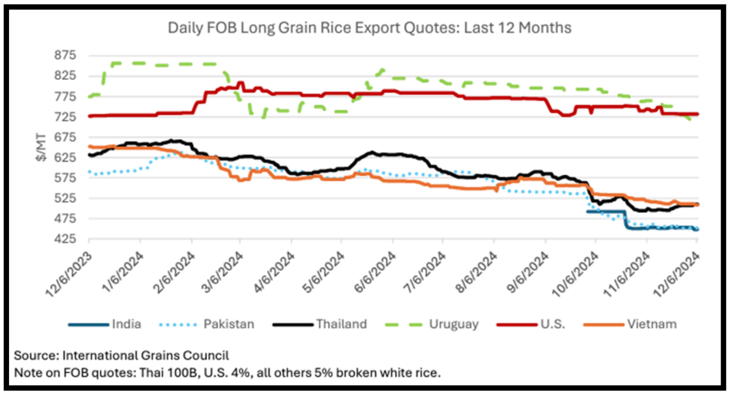
Continued next page.

In-depth Crop Market Update (Cont.)

The information that is presented in this market update reflects current information as of December 26, 2024.

Rice (cont.)

Pakistani quotes declined $10 to $452/ton, remaining the most competitive following India. U.S. prices dropped $12 to $732/ton and Uruguayan quotes fell $57 to $708/ton on weaker sales to Latin America.

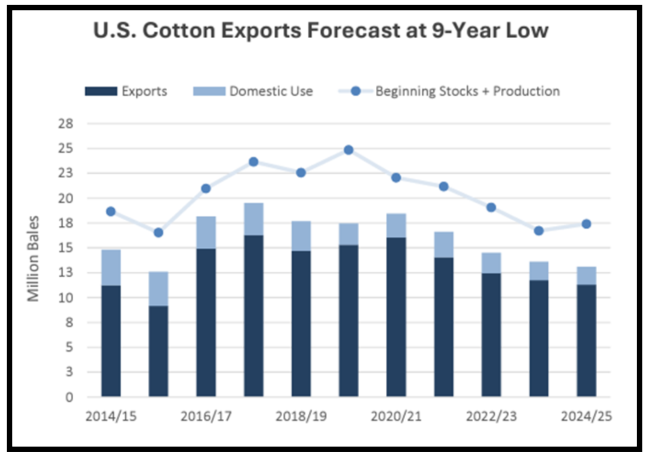


Cotton

Cotton futures favored the downside when the December WASDE report was released as the technicals continue to drive trade. USDA made a modest increase in 2024 production to 14.255 billion bales but made minimal changes to the demand side of the balance sheet, decreasing unaccounted use by 40,000 bales. USDA raised its U.S. crop estimate slightly, on higher yields in the southeastern U.S. and the Delta. That left carry-out at 4.4 million bales, above expectations of 4.23 million bales. It left its season average price projection unchanged from last month, at 66 cents.

The world balance sheet unexpectedly rose to 76.02 million bales, above expectation of 75.65 million, led by an increase in production in India. The wavering stock market and relatively flat crude oil market did little to support cotton futures. The bulk of the attention remains on exports. Reports of continued slowing of imports in China has traders concerned over how much cotton the country will take.

The 2024-25 U.S. export forecast is down over 400,000 bales from the previous year to 11.3 million despite higher supplies. Shipments are projected at a nine-year low, mostly due to Brazil's competitive prices and China's significant drop in demand. While U.S production has trended downward recently, Brazil's 2024-25 crop is estimated at 16.9 million bales, surpassing the previous year's record by 16%. The incredible growth in supply and a significantly depreciated currency has lowered relative Brazilian prices with recently quoted basis levels around 800 points, compared with U.S. origin at over 1,200 points. Compared to five years ago, the Brazilian real has lost nearly 40% of its value relative to the U.S. dollar, further supporting Brazil as the lowest cost origin among major exporters.



USDA.

Falling global demand is also a factor in lower projected U.S. shipments. 2024-25 world imports are forecast down more than 2.0 million bales from the previous year due to a significant drop in Chinese demand. China is still projected as the world's largest importer at 8.5 million bales, but volume is expected to fall more than 40% from the previous year, primarily due to less demand for government reserves. From August through November 2024, U.S. sales and shipments to China are less than one-quarter of last year's level at around 700,000 bales and the lowest level in nine years. The uncertain political environment has further stalled forward buying from Chinese buyers for U.S. cotton, giving Brazil a further edge in addition to its competitive prices.

Sugar

The fiscal year 2024/25 beet sugar production is reduced from last month by 50,000 STRV to 5.160 million STRV, following the reduction in processors' estimate of sugar from sugarbeet molasses to 350,000 STRV in the SMD. There were no changes to the other variables. The USDA, National Agricultural Statistics Service (NASS) usually does not provide sugarbeet updates in its December Crop Production report but will publish final numbers on acreage and sugarbeet yield in its Crop Production 2024 Summary to be released on January 10, 2025. Thus, the national sugarbeet yield estimate from last month (33.1 tons per acre), which is just behind the record yield of 33.2 tons per acre in 2021/22, is carried over.

The fiscal year 2023/24 U.S. cane sugar production of 4.066 million STRV is unchanged from last month. In the December Crop Production report, NASS slightly reduced its forecast of sugarcane yield for Florida (from 46.1 tons per acre to 45.9 tons) and Louisiana (from 32 tons per acre to 31.5 tons). However, the NASS forecasts are for the combined yield estimates for sugar and seed. NASS will provide a separate estimate of yield for sugar and yield for seed in the Crop Production 2024 Summary in time for the January WASDE.

With a 2-month lag, the SMD report shows actual sugar production only for October—99,000 STRV from Florida, the lowest in 5 years (figure 3) and 632,000 STRV from Louisiana, a new record (figure 4). Florida's production is likely reflecting the harvest delays in the aftermath of back-to-back hurricanes4. Louisiana was also hit by a hurricane5; however, the dry weather afterwards allowed the land to dry and the crop to stand back on its own in places where the stalks were not uprooted.

Continued next page.

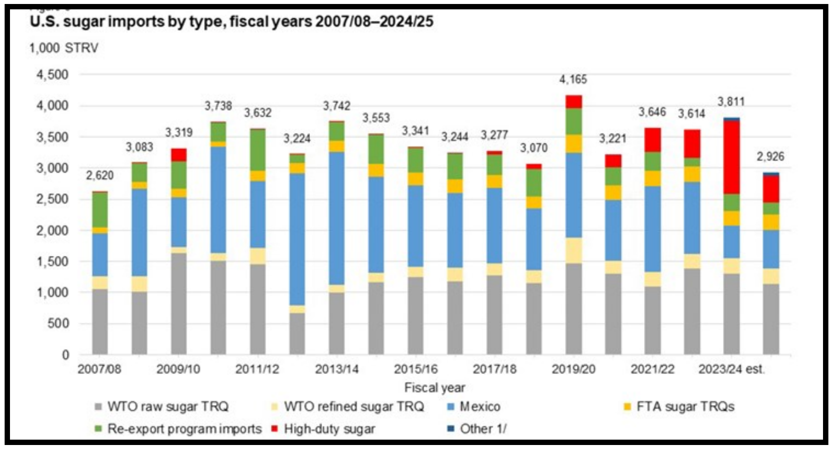
In-depth Crop Market Update (Cont.)

The information that is presented in this market update reflects current information as of December 26, 2024.

Sugar (con.t)

Of the 4.066 million STRV cane sugar output, about 51 percent is expected to be produced in Florida (2.053 million STRV) and the remainder in Louisiana (2.014 million STRV, about the same as last year).6 With Florida reflecting a 1-percent over-the-year reduction, and Louisiana mostly flat, the outlook for domestic cane sugar production reflects a 2-percent decrease after 2 consecutive years of growth (2021/22–2022/23 and 2022/23–2023/24).

Given the 119,000-STRV increase in high-tier raw sugar imports and the 226,000-STRV increase in imports from Mexico per the December U.S. Needs calculation, the U.S. 2024/25 imports are raised this month by 345,000 to 2.926 million. Despite the increase, 2024/25 imports are down 886,000 STRV or 23 percent from last year and would be the lowest since 2007/08.



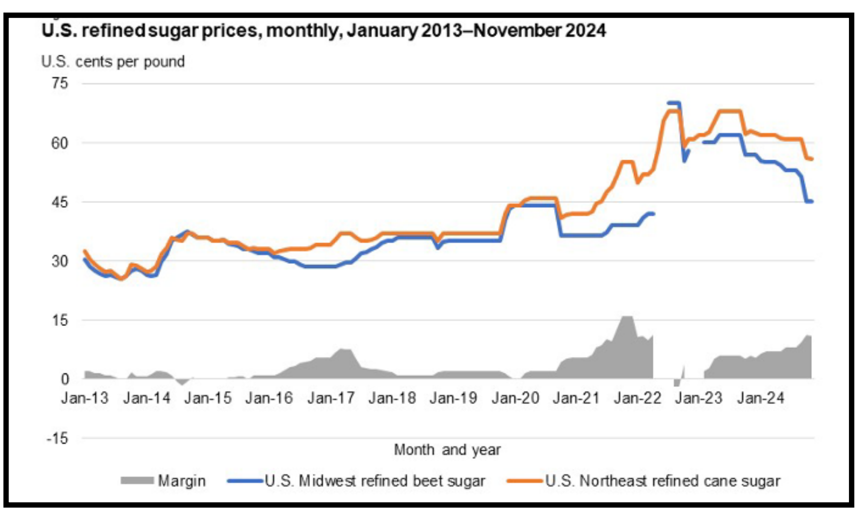
USDA.

The import outlook is specifically lower for these two sources: (1.) World Trade Organization raw sugar tariff-rate quota imports, which would remain at the minimum 1.137 million STRV—12 percent lower than last year—unless there is a shortfall reallocation and/or quota increases. (2.) High-tier duty imports (422,000 STRV)—which is 64 percent lower than last year—of which the estimate for the raw sugar component (161,000 STRV) would be increased only after actual entry (as opposed to being projected in 2023/24 based on pace due to the significantly-reduced Mexico crop). The refined sugar component, which is based on recent pace, is unchanged at 261,000 STRV or about 90 percent of 2023/24's 289,000 STRV. This 261,000-STRV forecast for high-tier refined imports implies a monthly average entry of around 22,000 STRV, about 40 percent lower than the actual monthly average (36,000 STRV) based on CBP data for October–November.

Since raw cane sugar represents a large portion from these sources in 2023/24, the reduction in 2024/25 may have implications for the throughput availability of import-based cane refiners particularly if refined beet sugar pricing becomes more competitive. Based on the 2023/24 SMD7, a total of 6.880 million STRV of raw sugar had been melted by cane refiners, and of their 7.575 million-STRV worth of supply8, 55 percent (4.132 million STRV) is sourced from domestic cane sugar production and 37 percent (2.833 million STRV) is imported.

The other major source of raw sugar imports is Mexico where the 2024/25 outlook implies a 19- percent recovery from 2023/24 and is grounded on assumption that their 2024/25 sugar production will be higher (see Mexico section). Last year's weather-affected Mexico crop hindered the adequate production of low polarity sugar for the U.S. market, and thus capped Mexico's total exports since the suspension agreements require that at least 70 percent of the country's exports to the United States should be filled by this type. Cumulative imports through November amount to 11,000 STRV, which are larger than last year over the same period (4,000 STRV) but lower than the 5-year average (28,000 STRV).

The forecast for 2024/25 sugar deliveries for human consumption is kept at 12.350 million, down 0.4 percent from 2023/24, given that there is only 1 month of available SMD data. In October 2024, sugar deliveries for human consumption totaled 977,000 STRV, the lowest since 2019/20. Refined beet sugar deliveries are 2-percent larger than October 2023, but this was offset by an 11-percent over-the-year drop in refined cane sugar deliveries. Non-reporter deliveries, which are derived from the two USDA reports (FSA and FAS), are negative. Given the relatively large outlook for beet sugar inventories and a stable beet sugar output, beet processors are likely motivated to offer competitive pricing to regain market share. While prices for refined beet and cane sugar have been declining, the former's rate has been faster and the spread between the two, which is historically at 2 cents per pound, continues to widen into 2024/25 and currently stands at 11 cents.



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Farm Management Planning Tools Available for 2025 Crop Year from the LSU AgCenter

The LSU AgCenter has released the 2025 enterprise budgets for corn, cotton, rice, sorghum, soybeans, sugarcane, and wheat. The purpose of these reports are to provide planning information regarding crop production costs and market returns for the 2025 crop year.

Crop enterprise budgets in this report are presented in two budget formats. The first budget format (table A) is a summary of costs and returns for the crop enterprise. The second budget format (table B) provides a table listing the sequence of production operations, indicating the equipment and implements used, month of operation, labor required, machine time required, and materials used. Labor costs, material costs, custom costs, and direct and fixed costs for tractors and equipment are also included for each operation. All costs are summed giving the total cost per operation or practice.

The budgets included in this report are categorized by per acre total direct expenses and per acre total fixed expenses for a production season. Projected crop enterprise budgets in this report include a calculation of expected market returns for the crop. Expected crop yields and market prices are selected at the beginning of the crop year. Projected crop yields are determined based on recent production history for expected yield given normal weather conditions. Projected market prices are specified as expected marketing year average prices for the commodity, based on harvest time futures price quotes as well as other market information at the beginning of the crop year. No estimate of income from farm program participation or crop insurance is included in this budgets due to the wide variety of farm program and crop insurance choices available to producers.

These projected cost and return documents, as well as other farm management decision tools can be accessed using the following direct links. Enterprise budget publication presents estimates of projected costs and returns for corn, cotton, rice, sorghum, soybean, sugarcane, and wheat production in Louisiana for the 2025 crop year. Enterprise budgets for the 2025 crop year are presented in MS Excel and PDF format.

The following budget links can be pasted into your web browser.

Corn: https://www.lsuagcenter.com/topics/crops/corn/budget

Cotton: https://www.lsuagcenter.com/topics/crops/cotton/budget

Grain Sorghum: https://www.lsuagcenter.com/topics/crops/grain%20sorghum/budget

Rice: https://www.lsuagcenter.com/topics/crops/rice/budget

Soybeans: https://www.lsuagcenter.com/topics/crops/soybeans/budgets

Sugarcane: https://www.lsuagcenter.com/topics/crops/sugarcane/economics

Wheat: https://www.lsuagcenter.com/sitecore/content/lsuagcenter/topics/crops/wheatoats/budget

Additionally, specific farm management decision tools (spreadsheets) are available. On the LSU AgCenter's webpage (www.lsuagcenter.com), click *crops* on the page ribbon. When all the crop icons appear, select the desired crop. Next, click on the *budget* icon to be directed to the webpage for farm management tool download. Available farm management tools are:

Corn, Cotton, Soybean, and Grain Sorghum Net Return Comparison Tool

Rice Farm Cash Flow Model

Rice Rental Evaluation Model

Furrow Irrigated Rice Budget

Provisia® Rice Budget

Sugarcane Farm Costs and Returns Model

Newsletter Information

A group of growers inquired about a quarterly newsletter being delivered to them containing relevant market news and agricultural policy events. As a result, this publication is delivered electronically per a quarterly release schedule. Please contact Dr. Mike Deliberto at mdeliberto@agcenter.lsu.edu to be added to the email distribution list. As always, subscription is free of charge.

QUARTER	Reporting Period	Release Date
1	January 1 through March 31	April 15
2	April 1 through June 30	July 15
3	July 1 through September 30	October 15
4	October 1 through December 31	January 15

Please direct questions and comments to Dr. Michael Deliberto, Department of Agricultural Economics and Agribusiness, LSU AgCenter. Mailing Address: 101 Martin D. Woodin Hall, LSU Campus, Baton Rouge, LA 70803. Office Phone: 225-578-7267. Email: mdeliberto@agcenter.lsu.edu *Staff Report 2025-07. January 2025.*