

# The *normal* normal

## Demand and supply drivers over the next decade

Kansas City Federal Reserve Bank

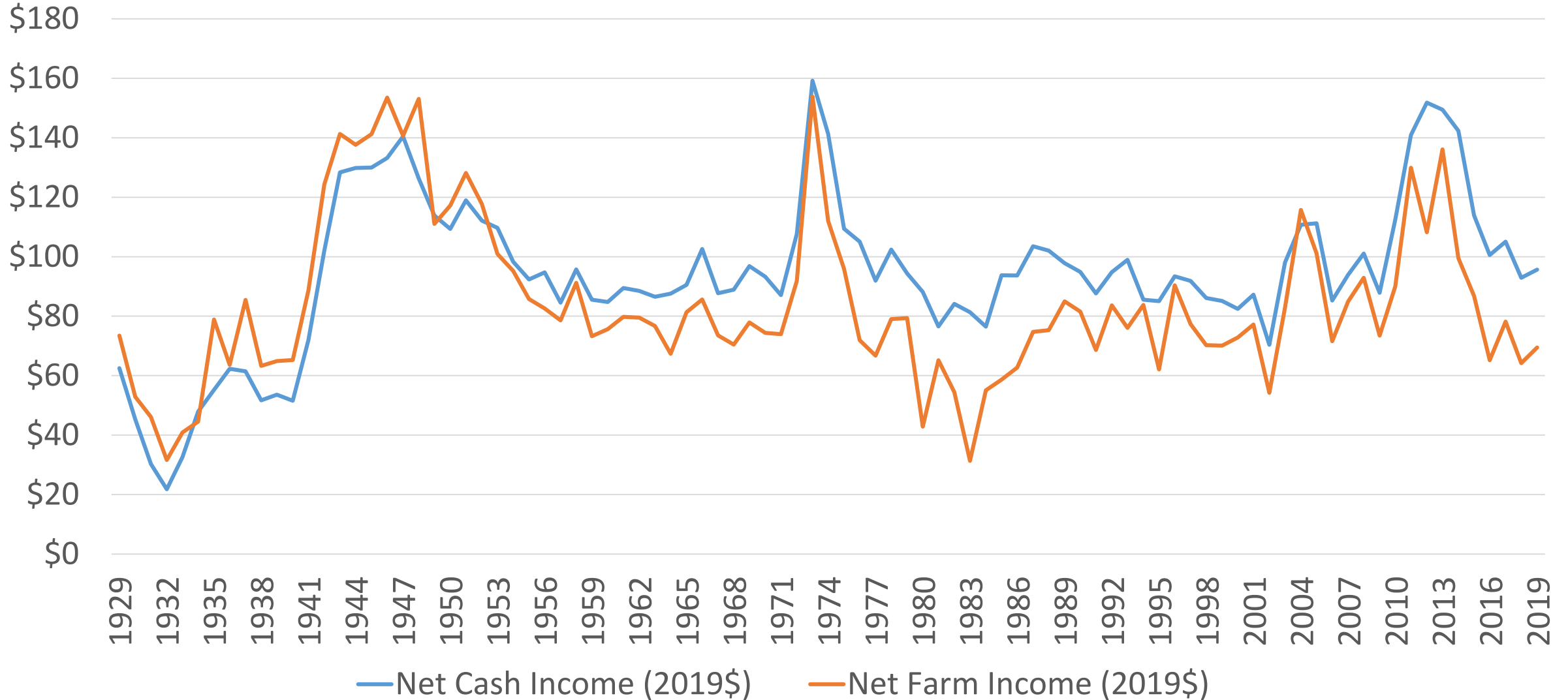
Seth Meyer PhD

Former Chairman of the World Agricultural Outlook Board

Future Research Professor at the University of Missouri

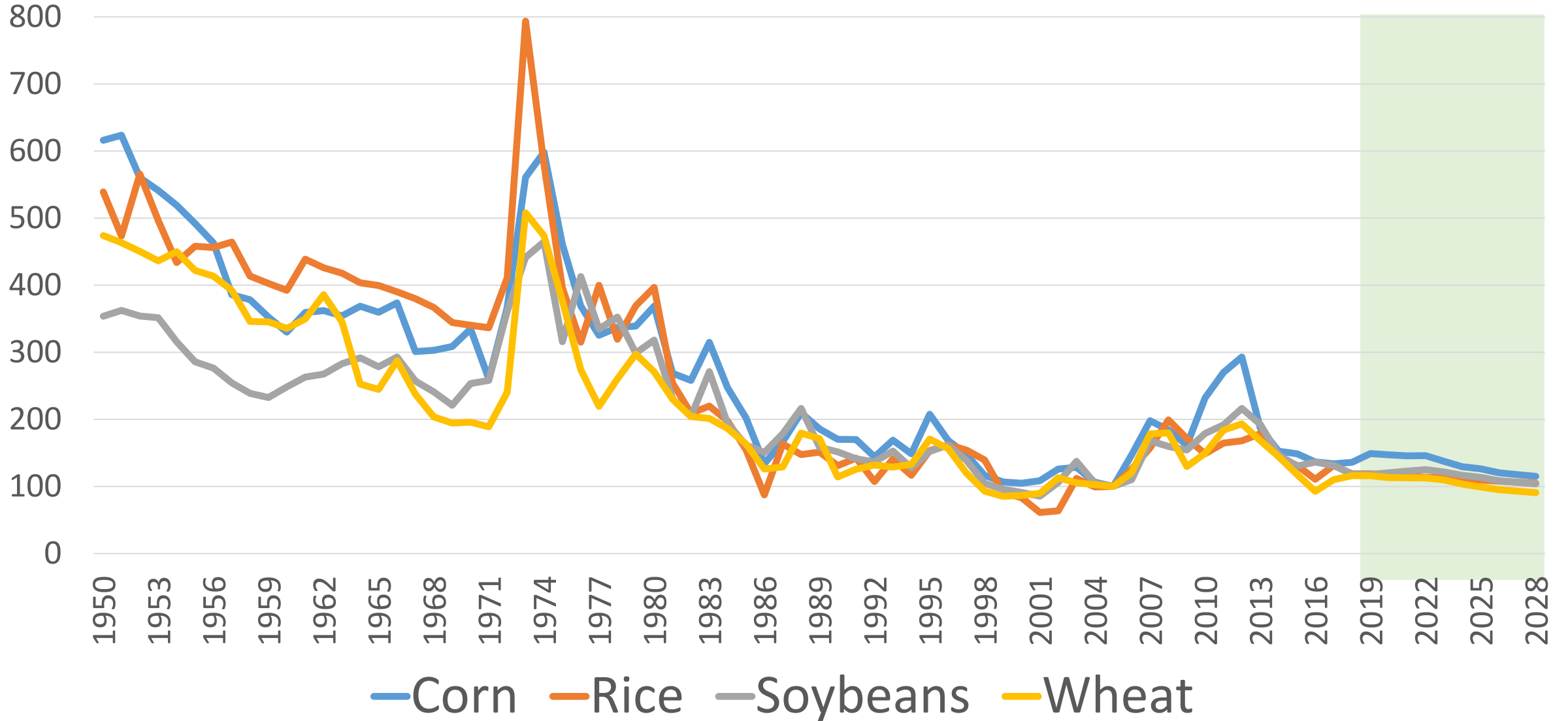
# Real Net Farm and Net Cash Income

billion 2019 USD

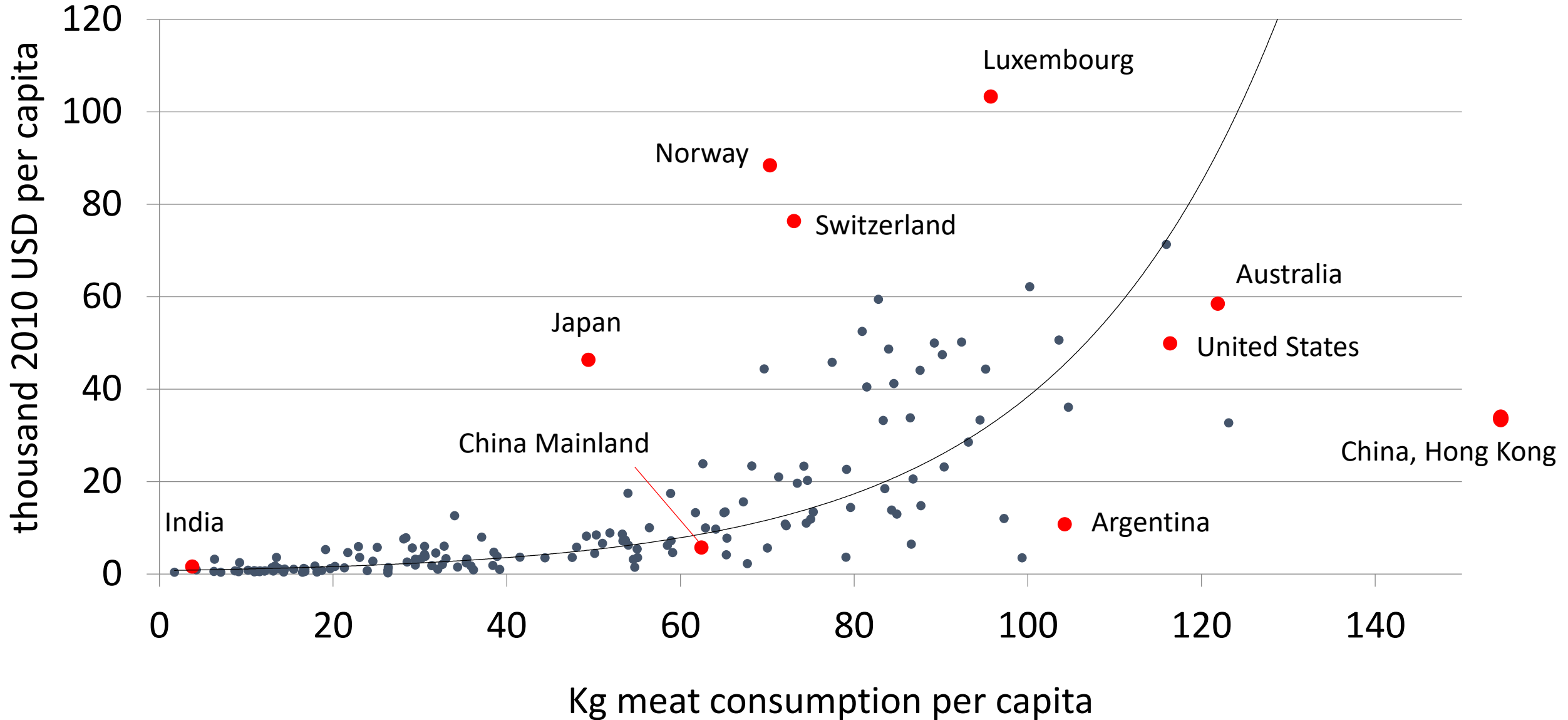


# Falling real prices

*Index = 100 in 2005*

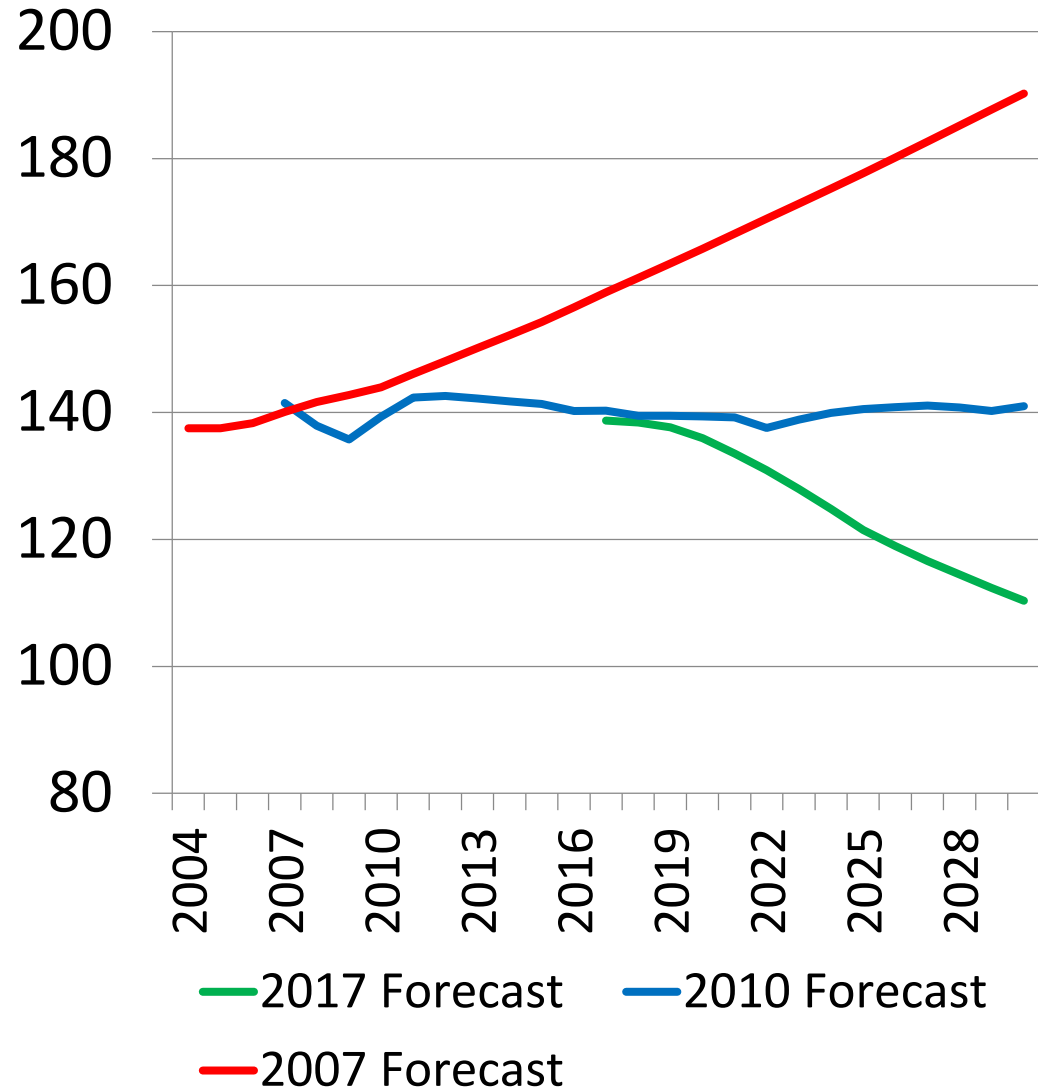


# 2013 meat consumption per capita and GDP per capita



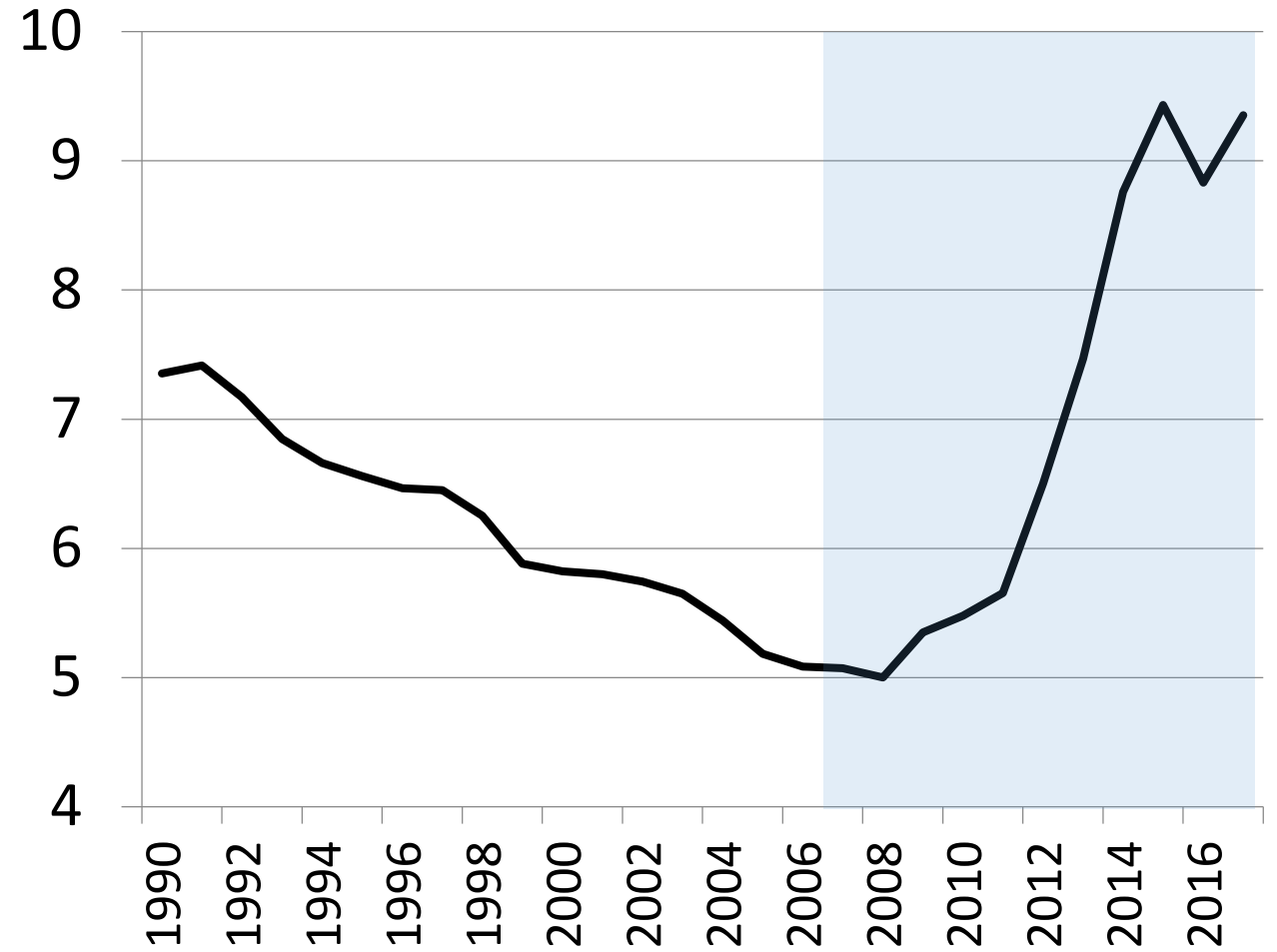
# U.S. motor-gasoline transportation consumption forecasts

(billion gallons)



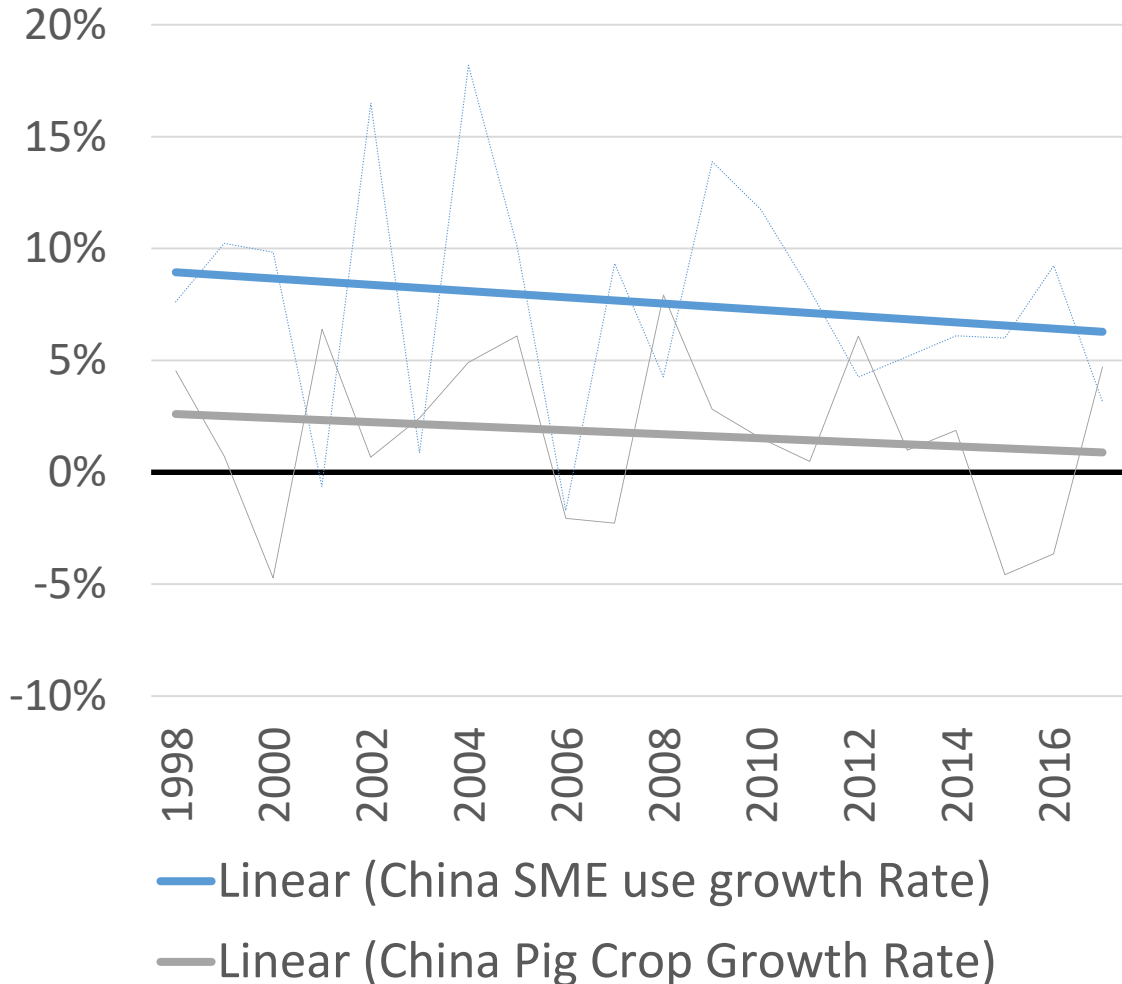
# U.S. field production of crude oil

(million barrels per day)

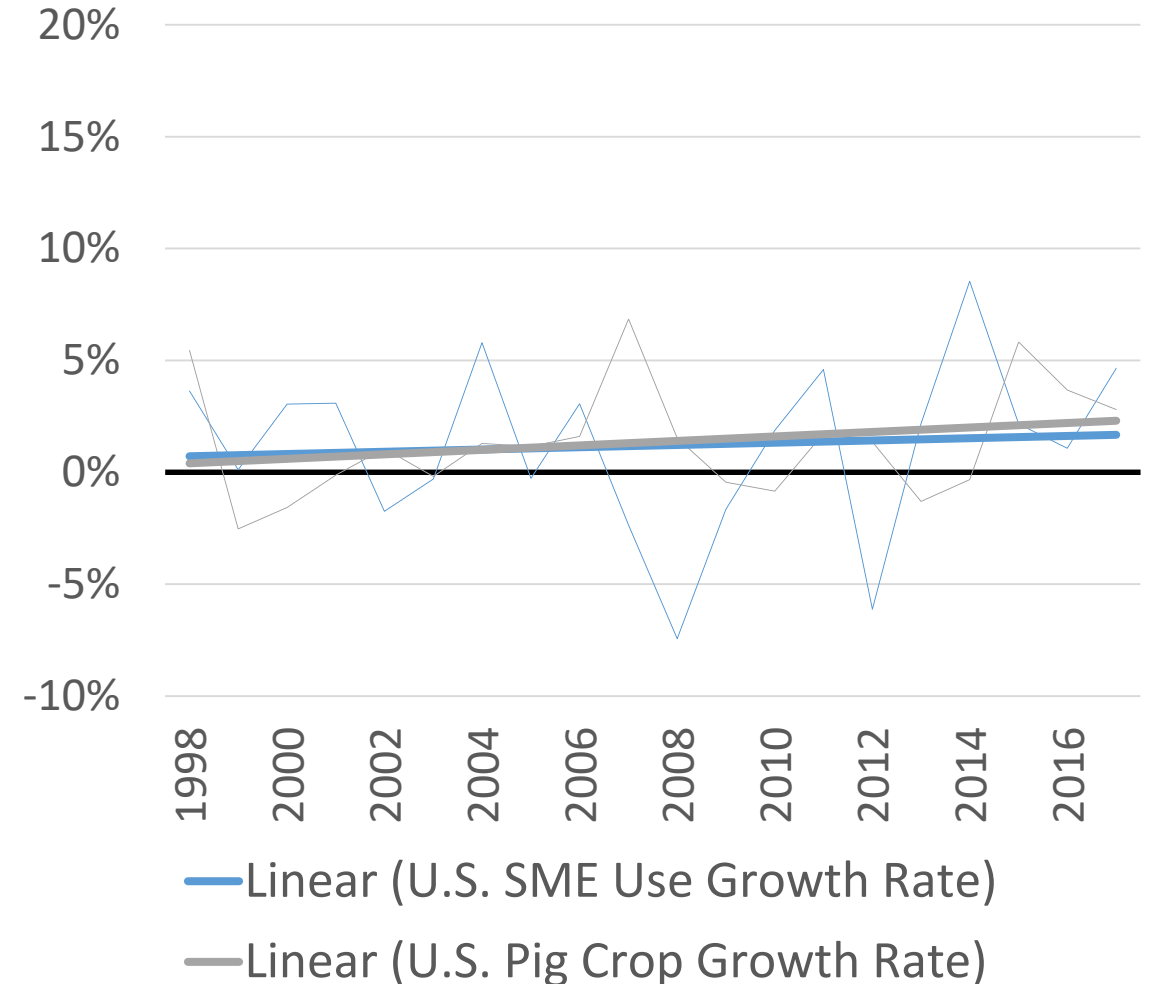


# Annual Pig Crop Growth rate vs Soybean Meal Equivalent Use

## China growth rates

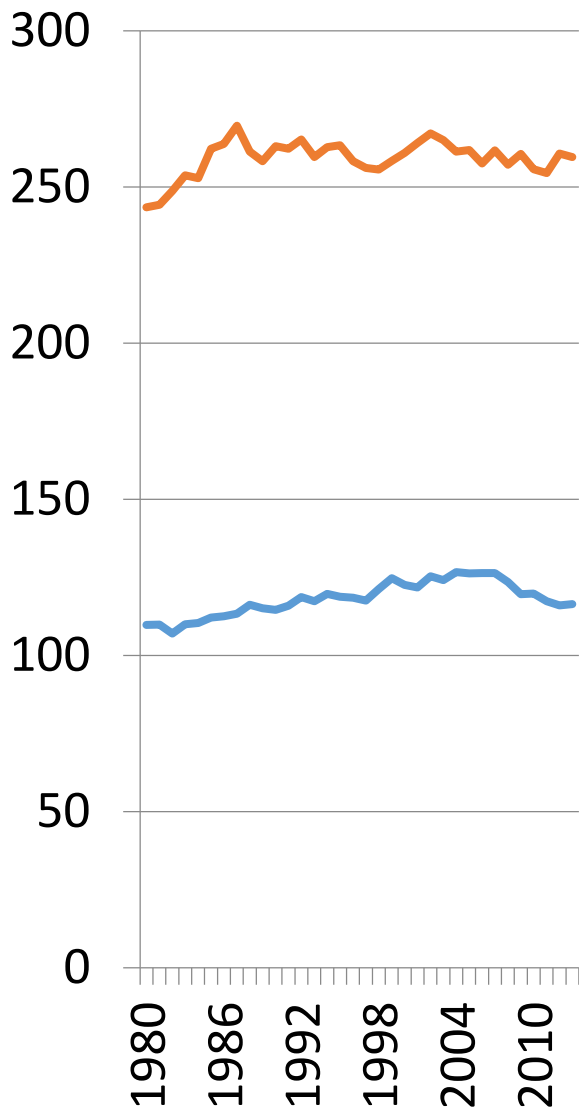


## U.S. growth rates

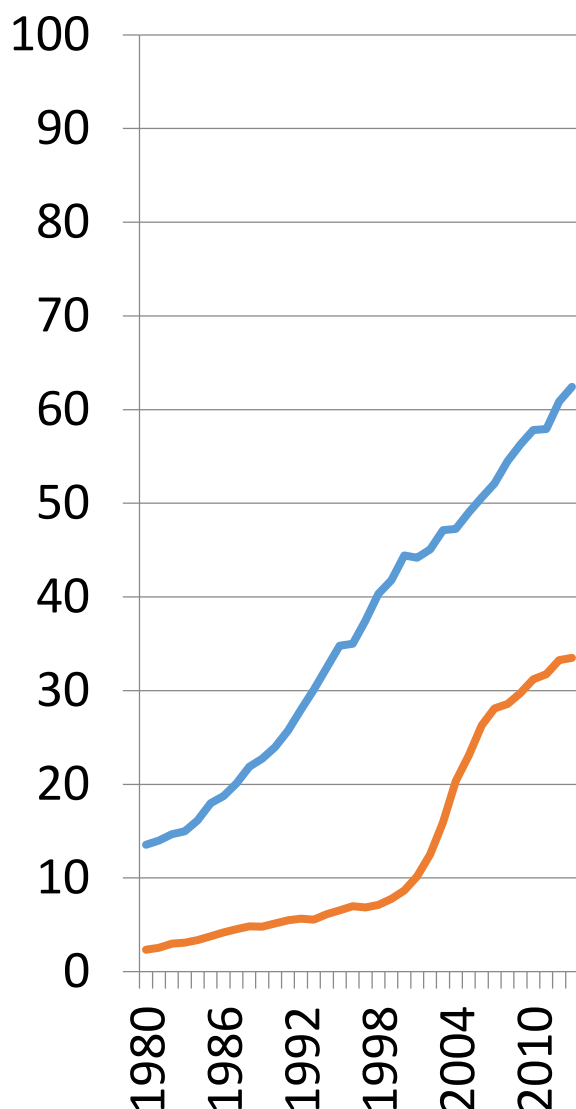


# Growth in meat and dairy consumption, kg per capita

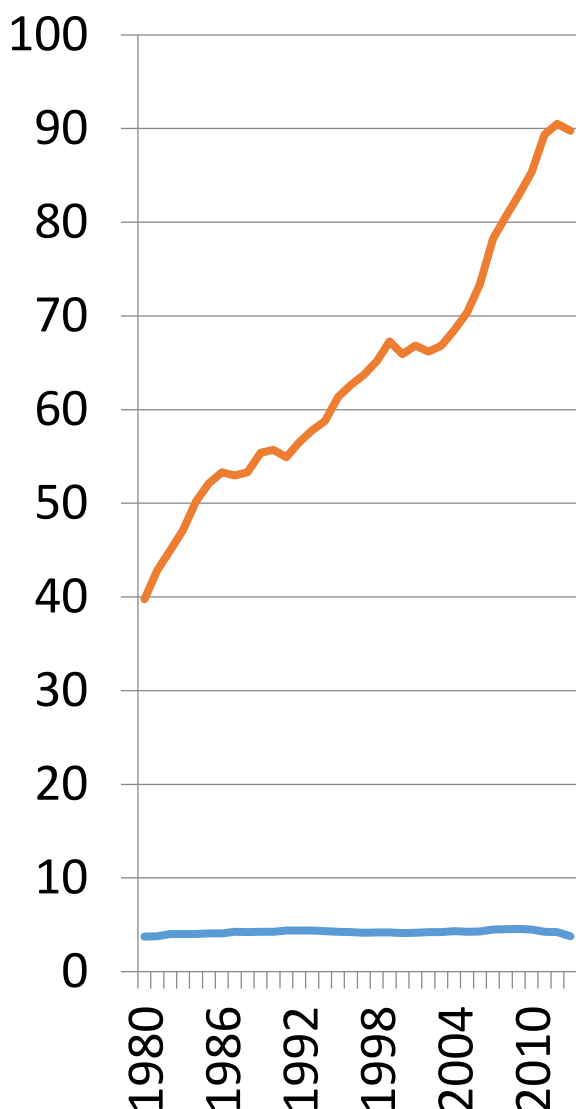
United States



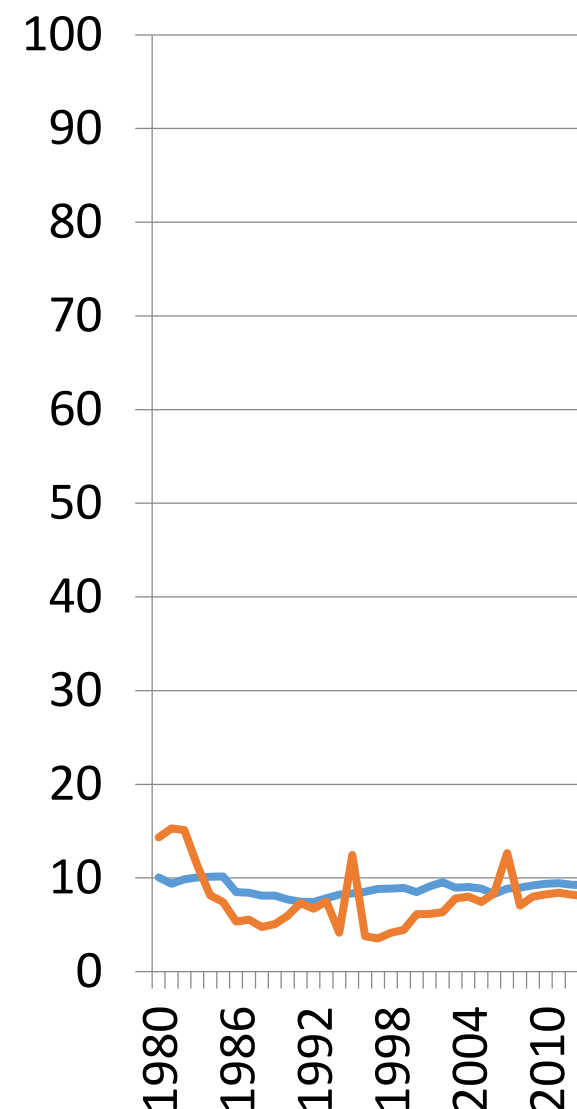
China, Mainland



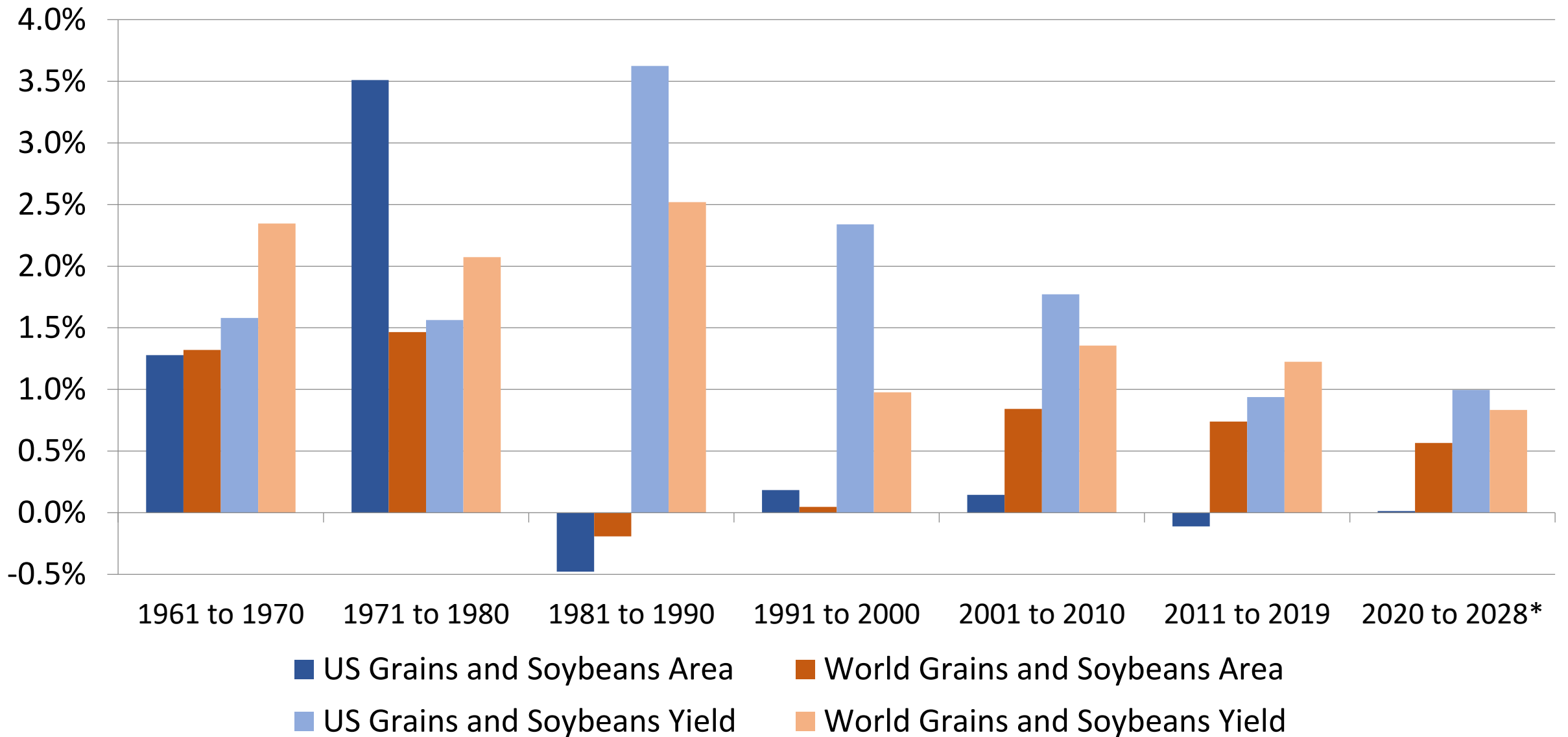
India



Nigeria

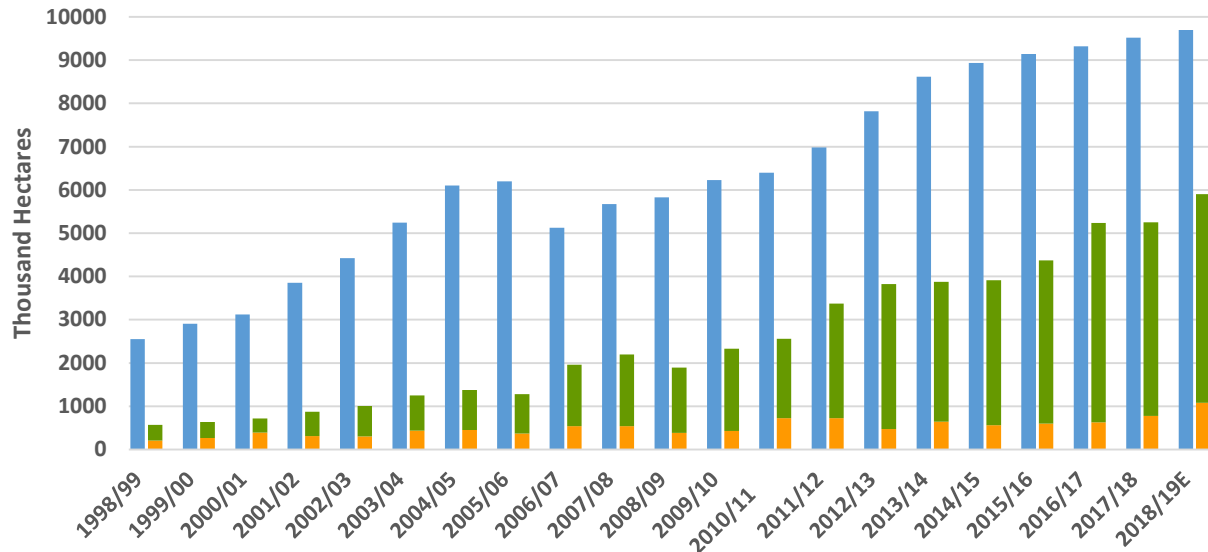


# World and U.S. Grains and Soybean Area and Yield Growth





### Mato Grosso Area: Soybeans, 2nd-crop Corn, Cotton

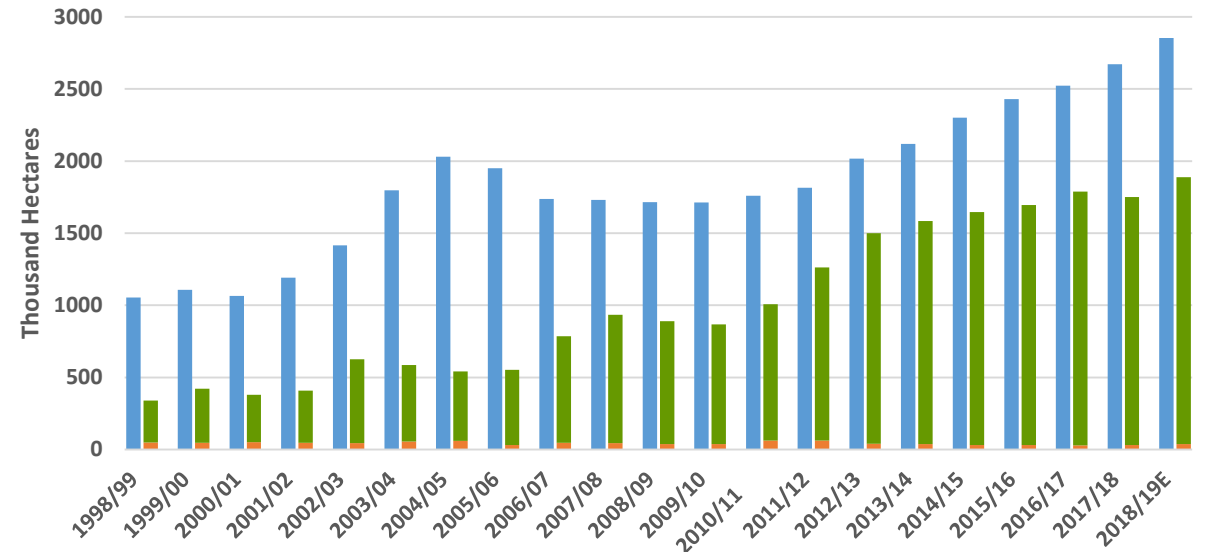


USDA Foreign Agricultural Service  
Office of Global Analysis  
International Production Assessment Division

Legend: Soybean (blue), Cotton (orange), 2nd-crop Corn (green)

Source: CONAB

### Mato Grosso do Sul Area: Soybeans, 2nd-crop Corn, Cotton

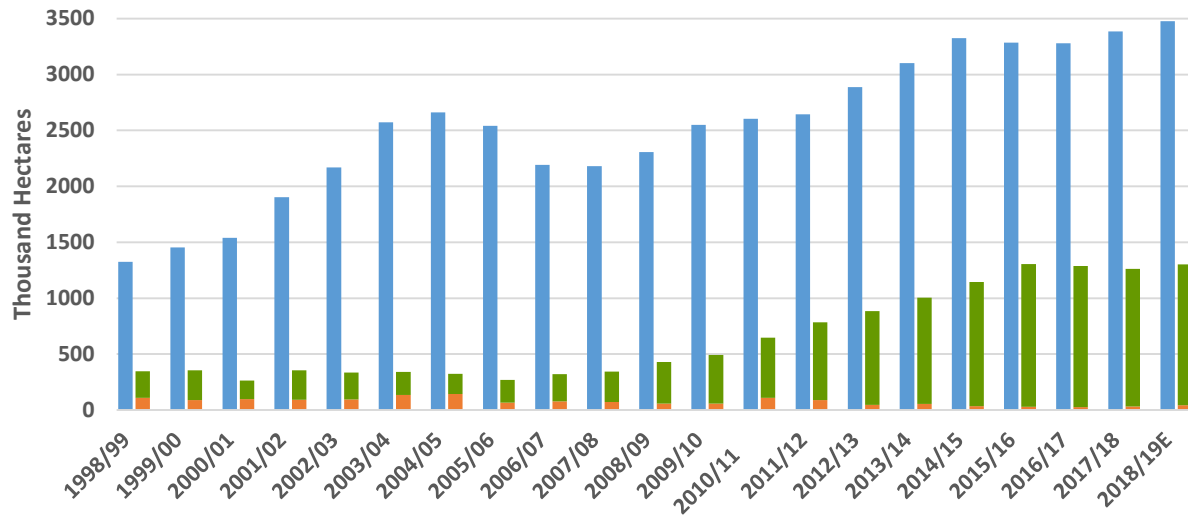


USDA Foreign Agricultural Service  
Office of Global Analysis  
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Legend: Soybean (blue), Cotton (orange), 2nd-crop Corn (green)

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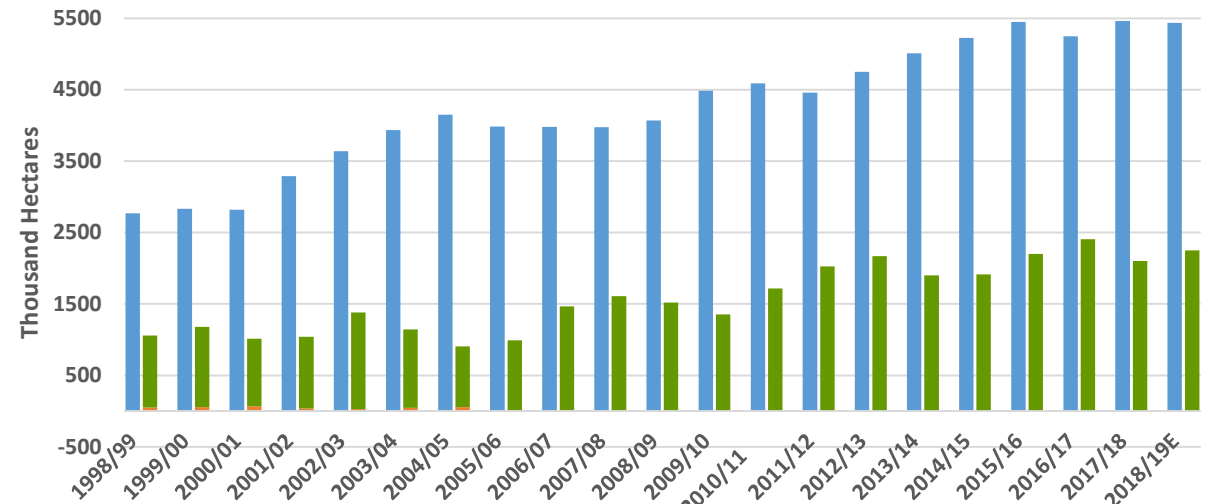


USDA Foreign Agricultural Service  
Office of Global Analysis  
International Production Assessment Division

Legend: Soybean (blue), Cotton (orange), 2nd-crop Corn (green)

Source: CONAB

### Paraná: Soybeans, 2nd-crop Corn, Cotton

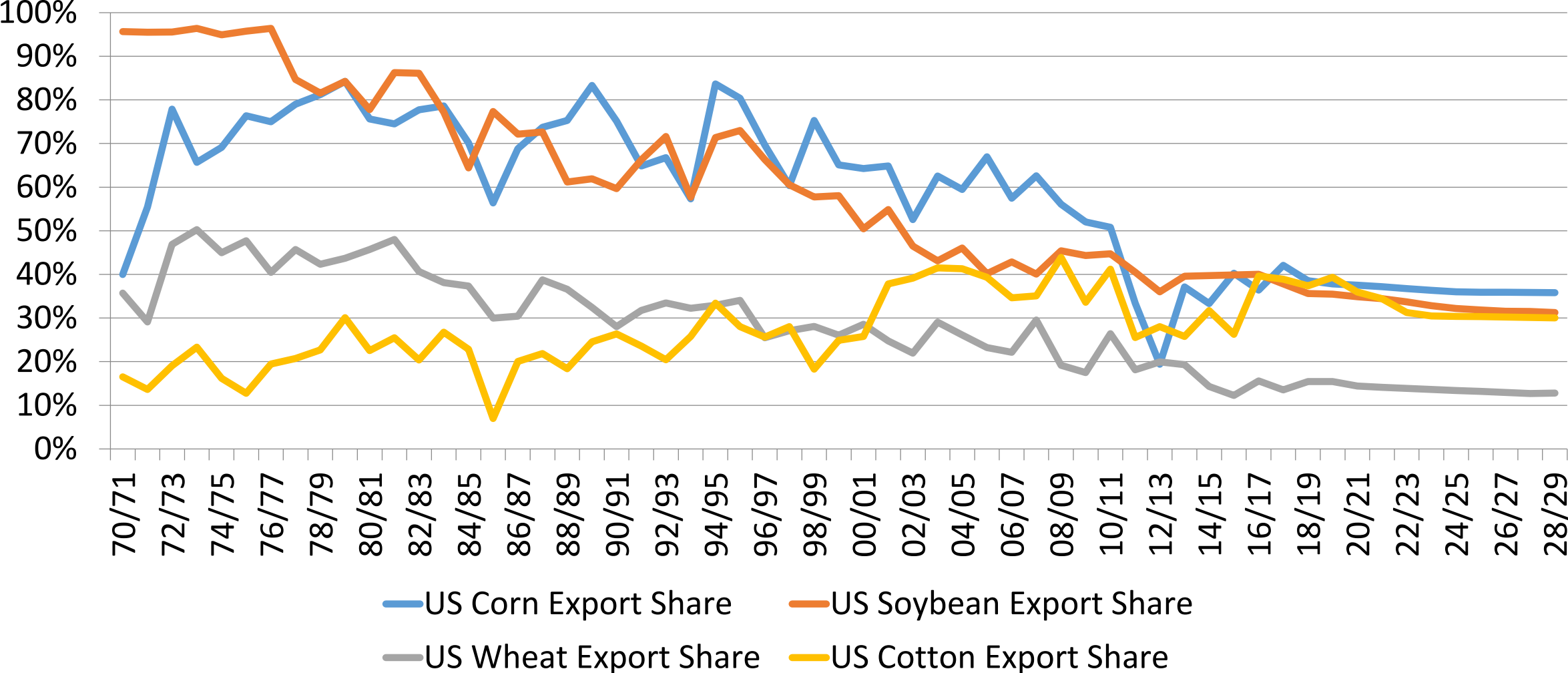


USDA Foreign Agricultural Service  
Office of Global Analysis  
International Production Assessment Division

Legend: Soybean (blue), Cotton (orange), 2nd-crop Corn (green)

Source: CONAB

# U.S. share of global exports





# U.S. and Brazilian Soybean Prices, FOB

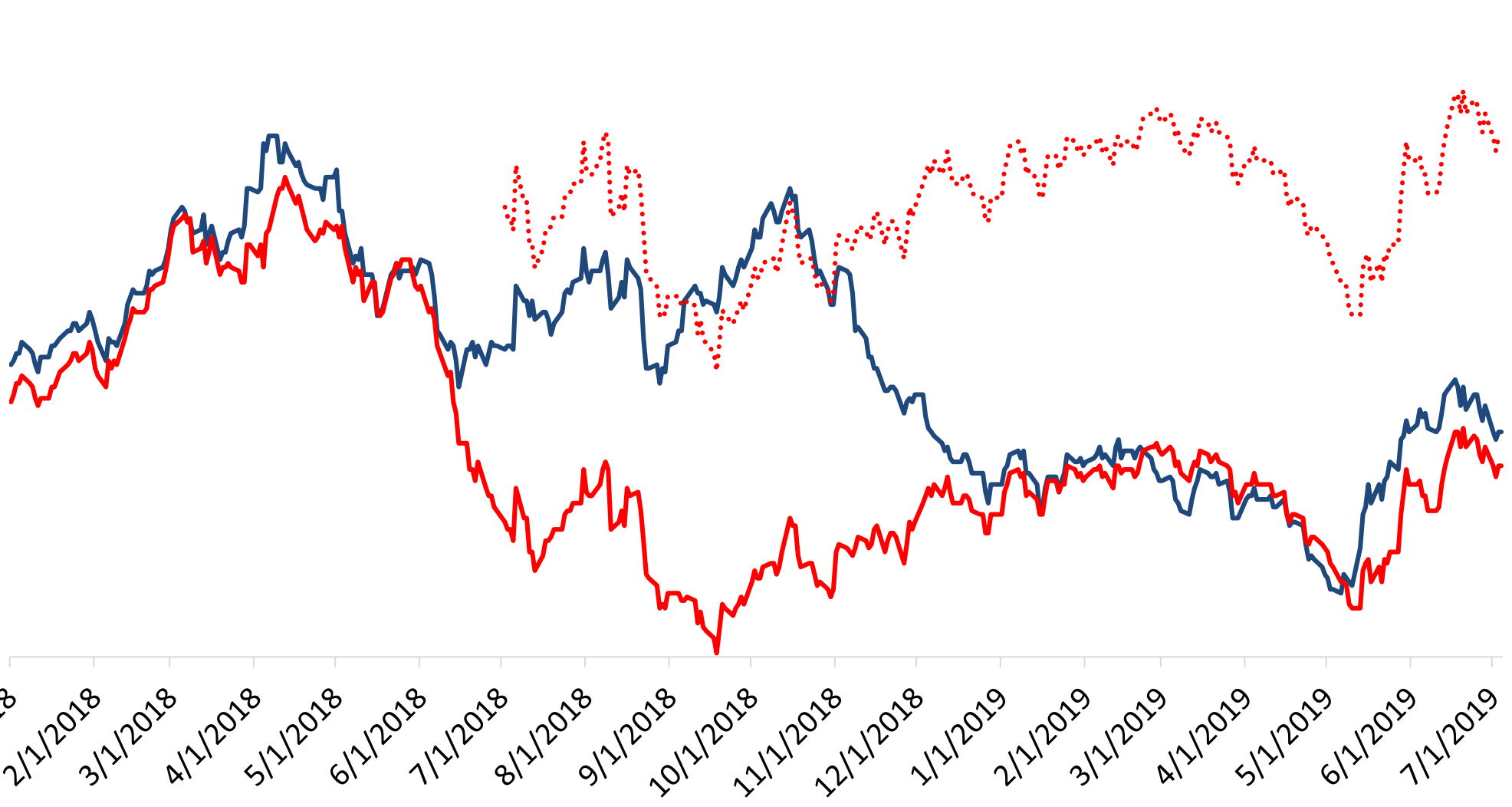
\$/MT

460  
440  
420  
400  
380  
360  
340  
320  
300

1/1/2018 2/1/2018 3/1/2018 4/1/2018 5/1/2018 6/1/2018 7/1/2018 8/1/2018 9/1/2018 10/1/2018 11/1/2018 12/1/2018 1/1/2019 2/1/2019 3/1/2019 4/1/2019 5/1/2019 6/1/2019 7/1/2019

— Paranagua — U.S. Gulf ..... U.S. Gulf + 25%

Source: IGC



# Actions to keep U.S. producers competitive

- Technology to maintain competitiveness
- Infrastructure to maintain competitiveness
- Support for science, GMO and gene editing, SPS
- Push back against artificial trade barriers such as Geographic indicators and other non-tariff barriers
- Continue to engage customers abroad in bilateral and multilateral trade to ensure market access based on these principles