

2024 Global Agriculture Outlook

Iowa Bankers Association

1



2

A little bit about me...



3

Today's Overview

1. Factors that led us to 2024
2. Few major global players – economic impact
3. Long-term shift in tastes & preferences
4. Impact on commodities in 2024

4

What is the most pressing question heading into 2024?

5

Some possibilities...

- Israel/Hamas conflict
- Russia/Ukraine conflict
- Interest rates
- Higher input costs, lower commodity prices (farmer liquidity)
- Alternative food sources: Plant based protein, "milk" etc.
- What's going to happen with the Farm Bill?
- Where are markets headed in 2024?

6

Set the stage for 2024...

7

	Inflation	Disinflation	Deflation
Definition	Inflation is the rate at which the general level of prices for goods and services is rising, leading to a decrease in the purchasing power of money.	Disinflation refers to a slowdown in the inflation rate. It's a period when the inflation rate is positive but declining over time.	Deflation is the opposite of inflation. It's a decrease in the general price level of goods and services, leading to an increase in the purchasing power of money.
Example	If the price of corn is \$4 per bushel and there's a 5% inflation rate, the price might increase to \$4.20 the following year, assuming other factors remain constant.	If inflation drops from 5% to 3%, prices are still increasing, but less rapidly. A commodity that increased in price by 5% one year might only increase by 3% the next year.	Deflation often leads to falling commodity prices. As the value of money increases, fewer units of currency are needed to purchase the same amount of a commodity. Deflation is generally seen in periods of economic downturn and can lead to decreased demand for commodities.
Implications for Commodity Prices	Higher inflation often leads to higher prices for commodities. This is because commodities are tangible assets, and their prices tend to rise with the overall increase in prices. In an inflationary environment, traders might view	Disinflation can be a signal of a slowing economy. For commodities, this might mean a decrease in demand, leading to lower prices. However, as inflation is still present, the overall price level continues to rise, just at a slower pace.	If the price of oil is \$60 per barrel and there's a deflation rate of 2%, the price might decrease to \$58.80 the following year, holding all else equal.

8



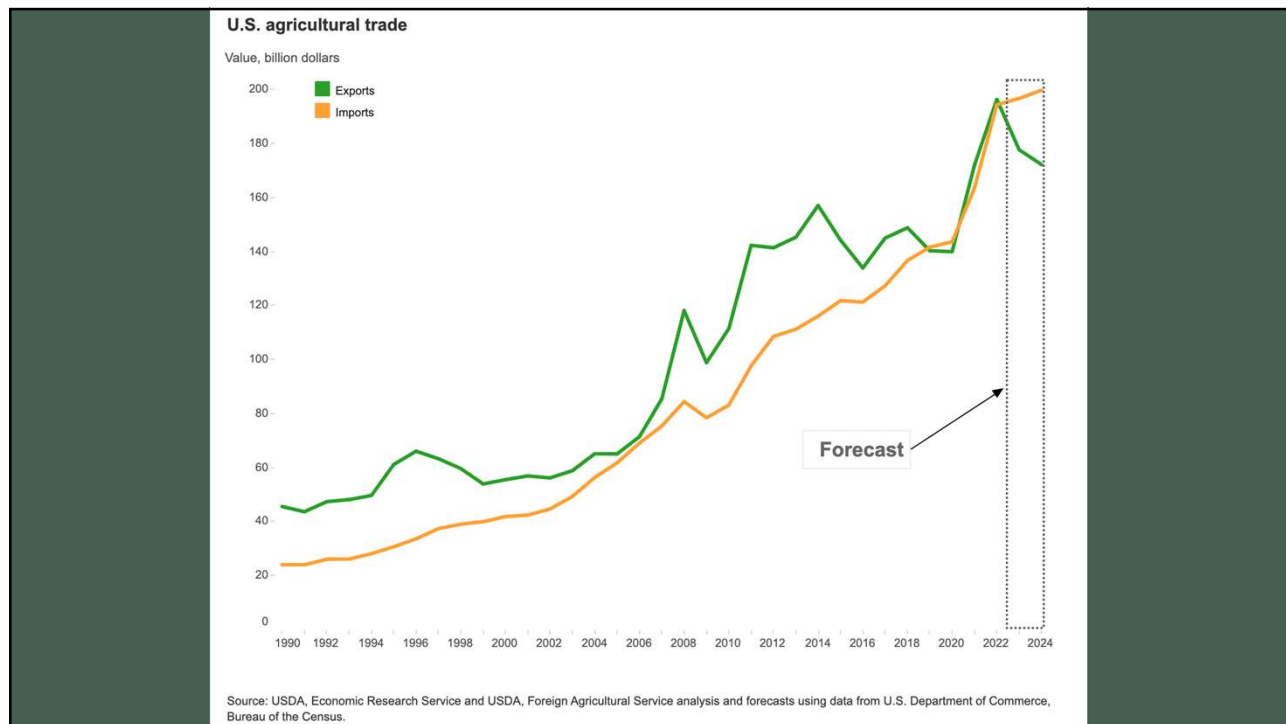
9

What are some potential challenges faced from higher interest rates, disinflation, and a strong US Dollar?

- Consumer prices at the grocery store
- Operating notes
- Cost of inputs (likely to come back down just slightly in 2024)
- Value of US farmland
- Exports/global demand
- Massive rounds of layoffs



10

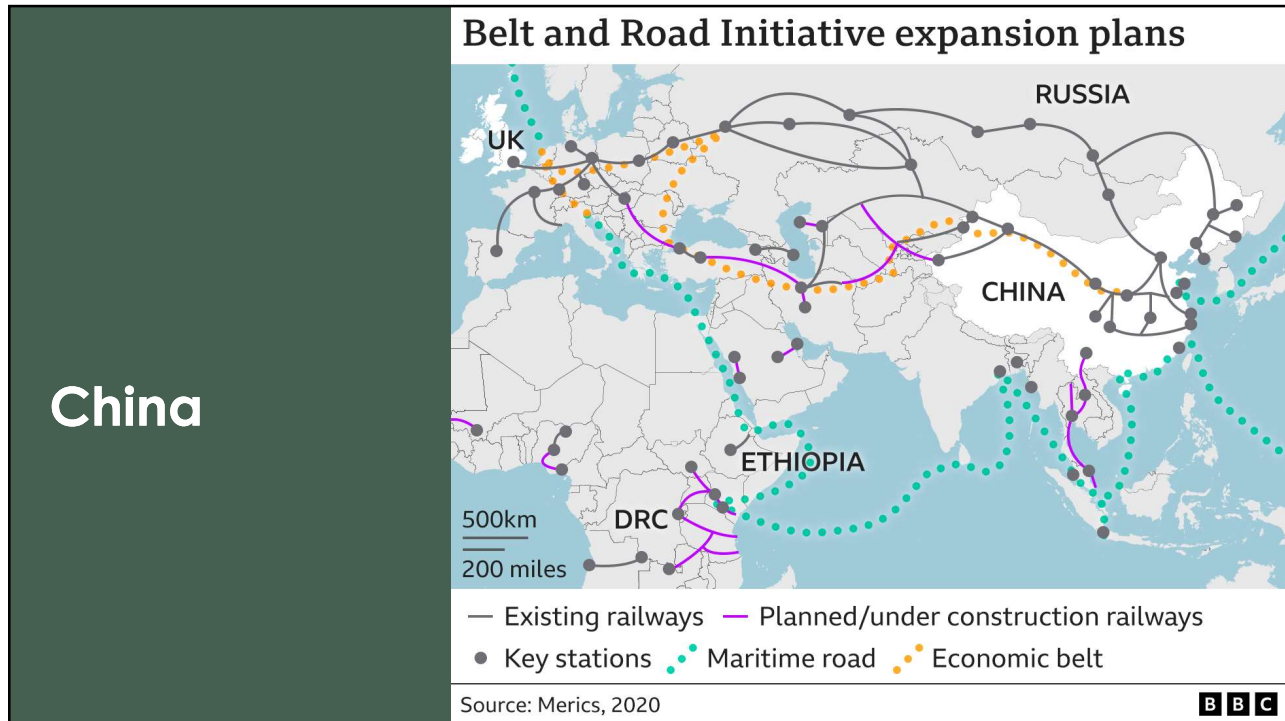


11

Few major global players...

China, Russia, Ukraine, Brazil, Argentina

12



13

Chinese Economy: 2024 and beyond

- Pulling back on foreign investment as economy weakens
- Yuan is weakening + the Chinese economy

CHINA'S PORT-FOLIO IN LATIN AMERICA

CHINA'S STRATEGIC INFRASTRUCTURE
THROUGH PRIVATELY OWNED OR CHINA-CONTROLLED COMPANIES

- CHINA PORT CONSTRUCTION PROJECTS
- ✂ CHINA SATELLITE GROUND STATION

The data does not depict all of China's port projects or satellite stations but shows a number of some of the major potential dual-use infrastructure in Latin America that could have military applications.

Advancing freedom and security worldwide

Source: Observatorio Económico Latinoamericano and Center for Strategic International Studies "Eyes on the Skies" Report

14

Brazil's run-off election

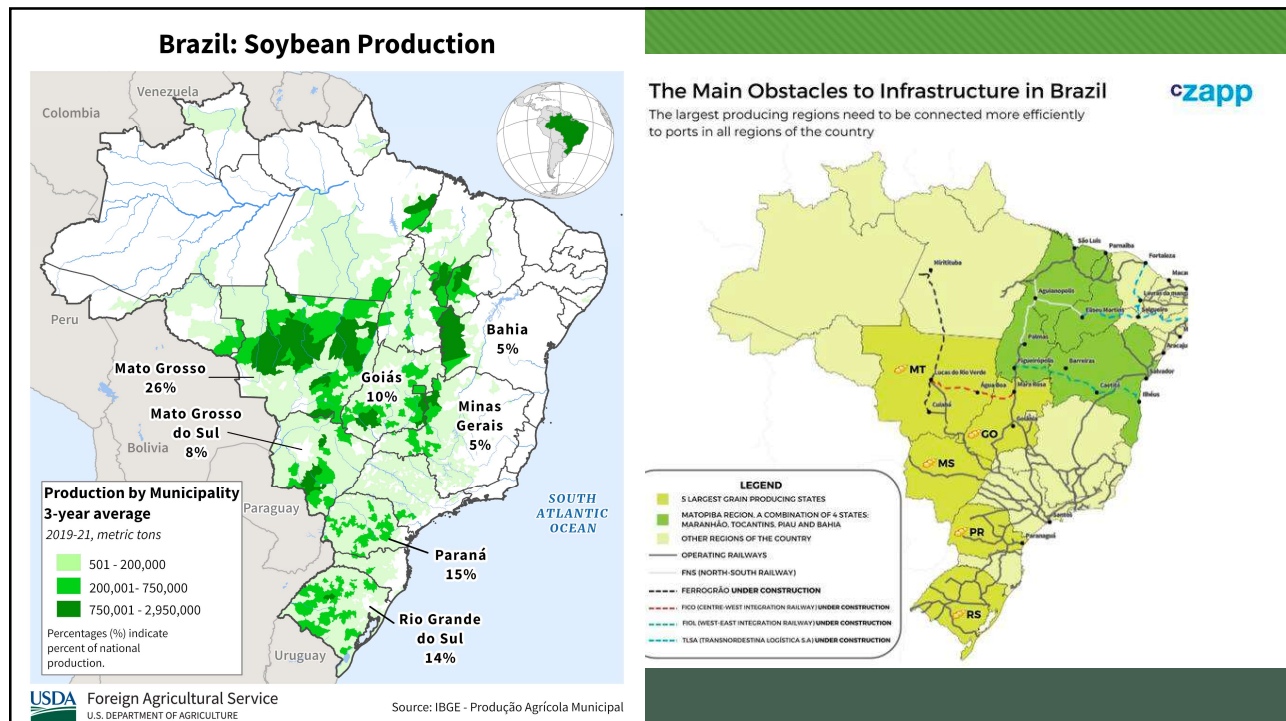


- Lula: Former Criminal; cozy with China (would go to them to be a strong ally)
- "Left Winged"
- Anti deforestation – dropped by 34% during first 6 months in office

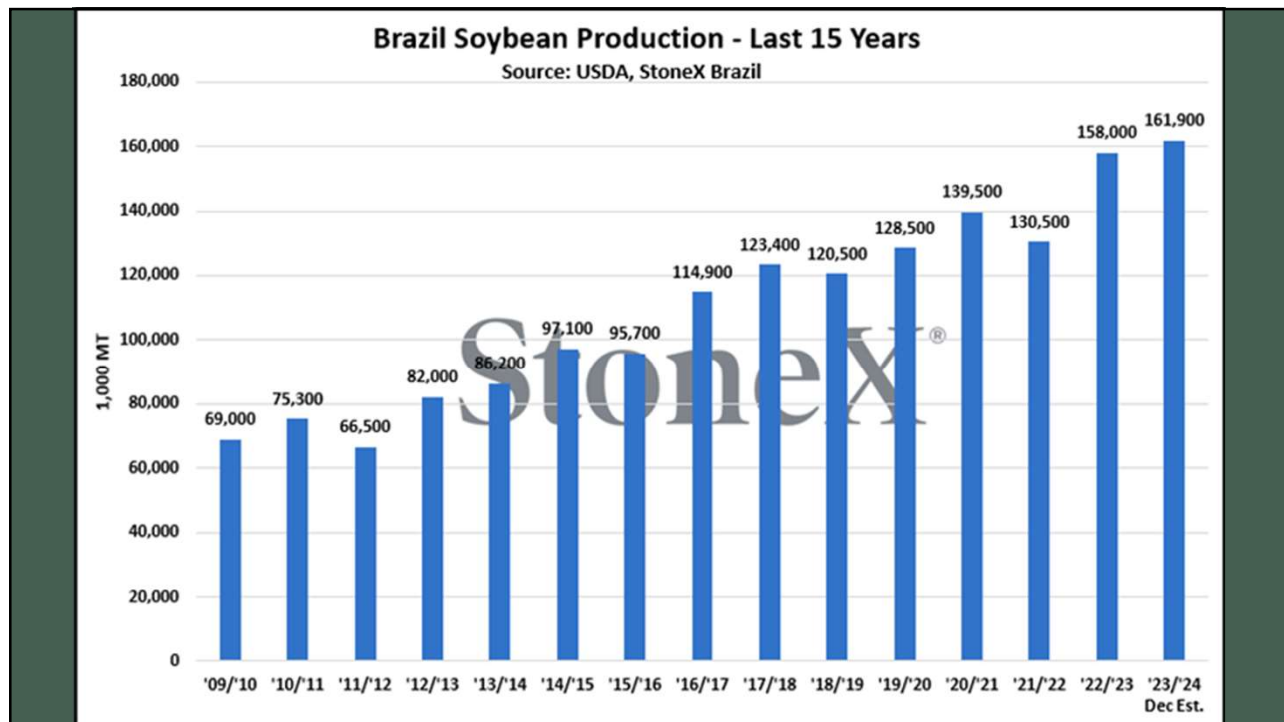


- Bolsonaro: "Trump of the Tropics" – closely aligned with Russia, Iran, and others during his time in office
- Lax on environmental and climate policies (removed barriers to allow more development of farmland, forestry, etc.)

15



16

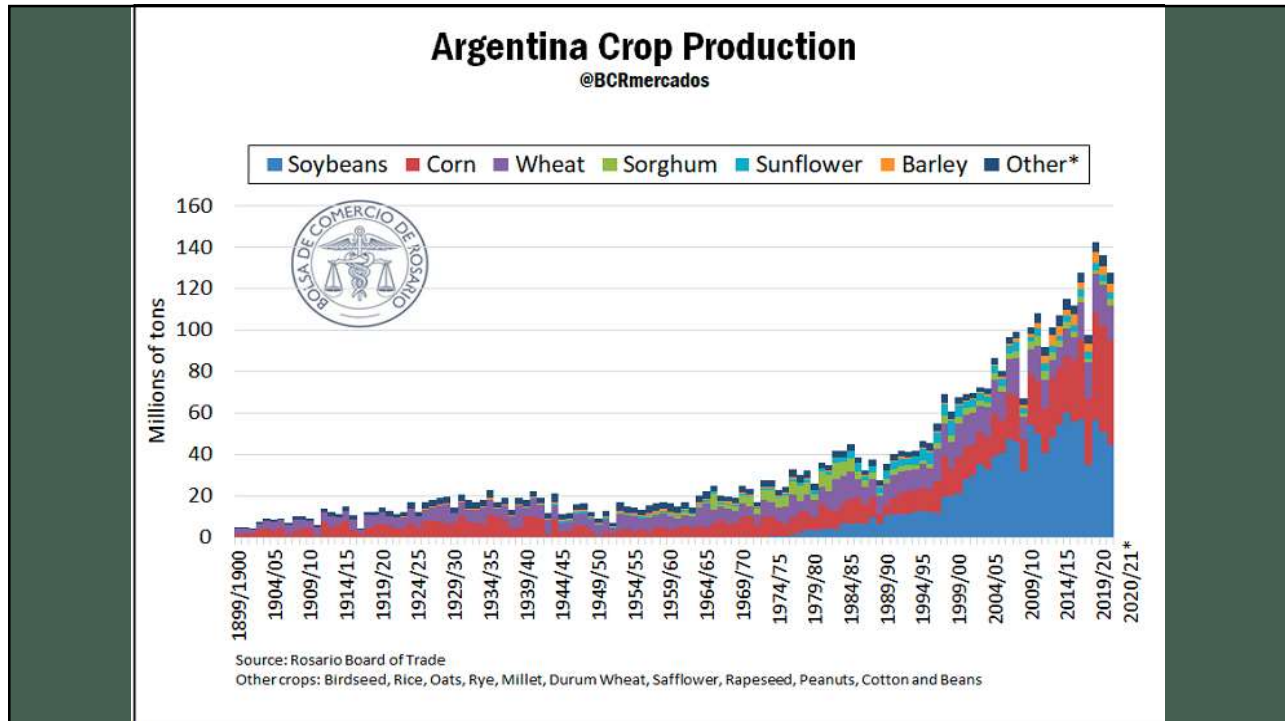


17

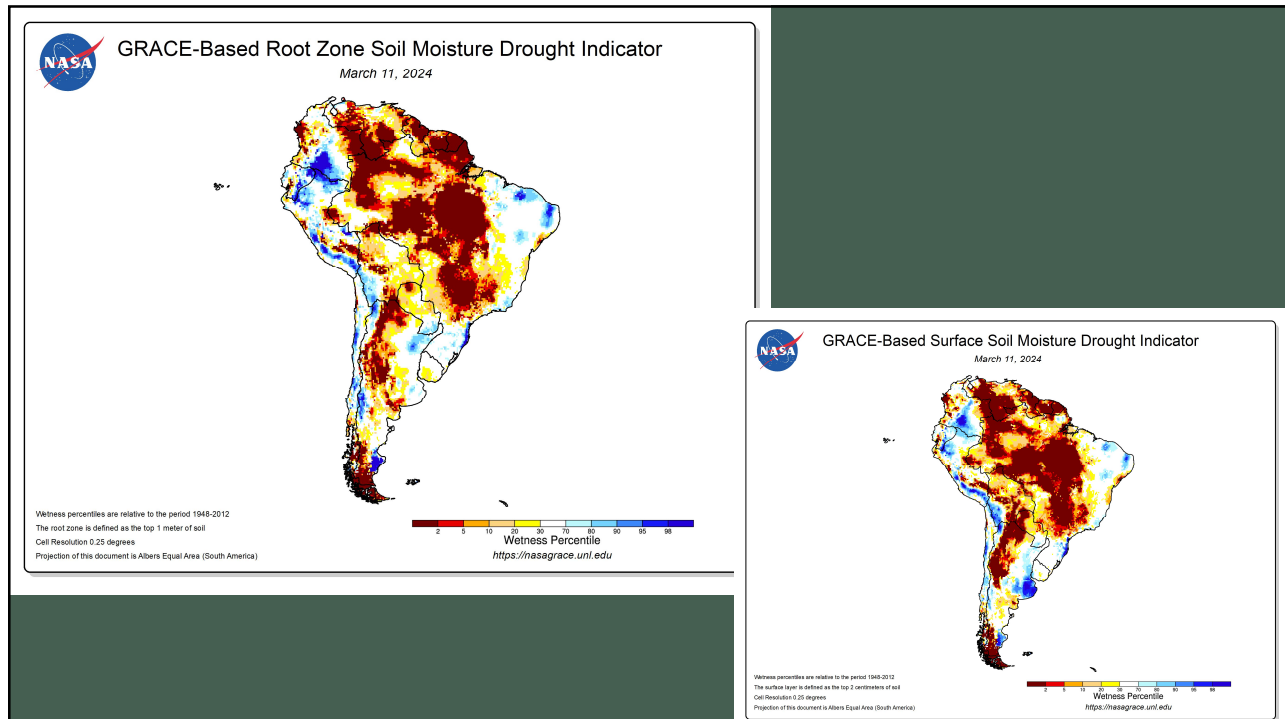
Argentina's run-off election

- Political instability
- Shady actors
- Argentina is dealing with EXTREME Inflation (120%+)
- Deforestation
- Investment \$ from China

18



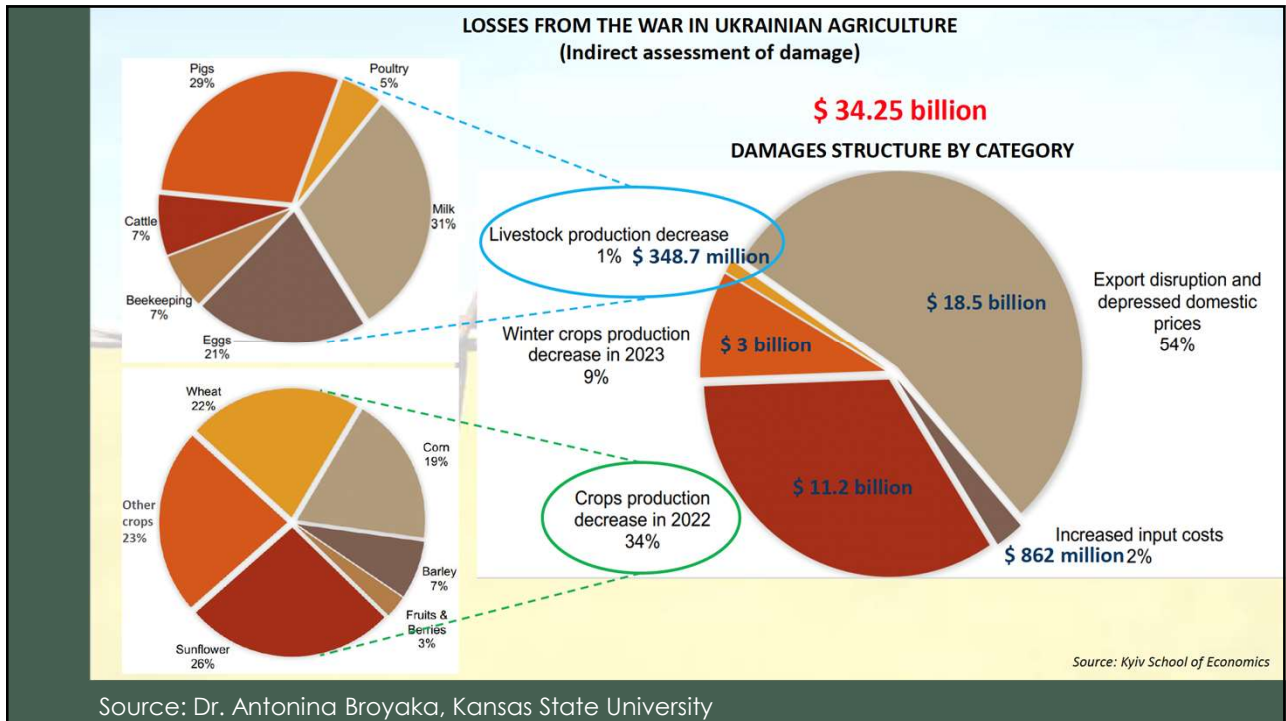
19



20



21



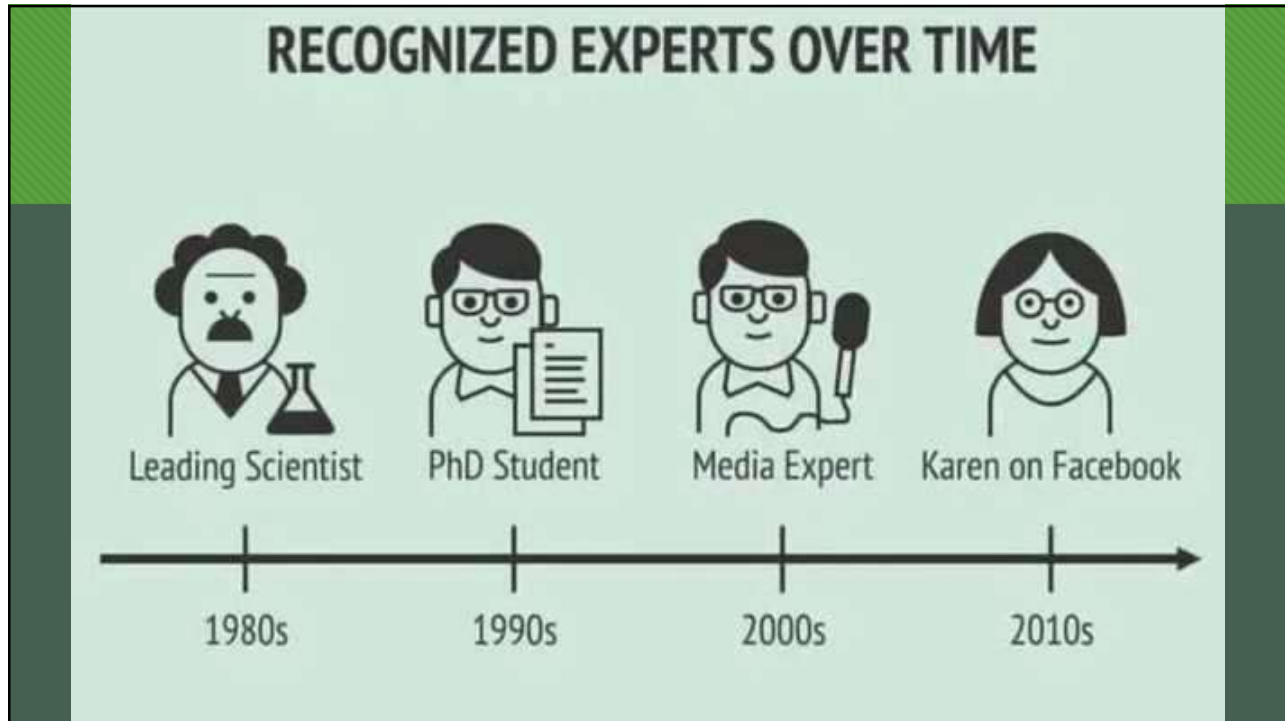
22



23



24



25

Era of the consumer: Pre-COVID

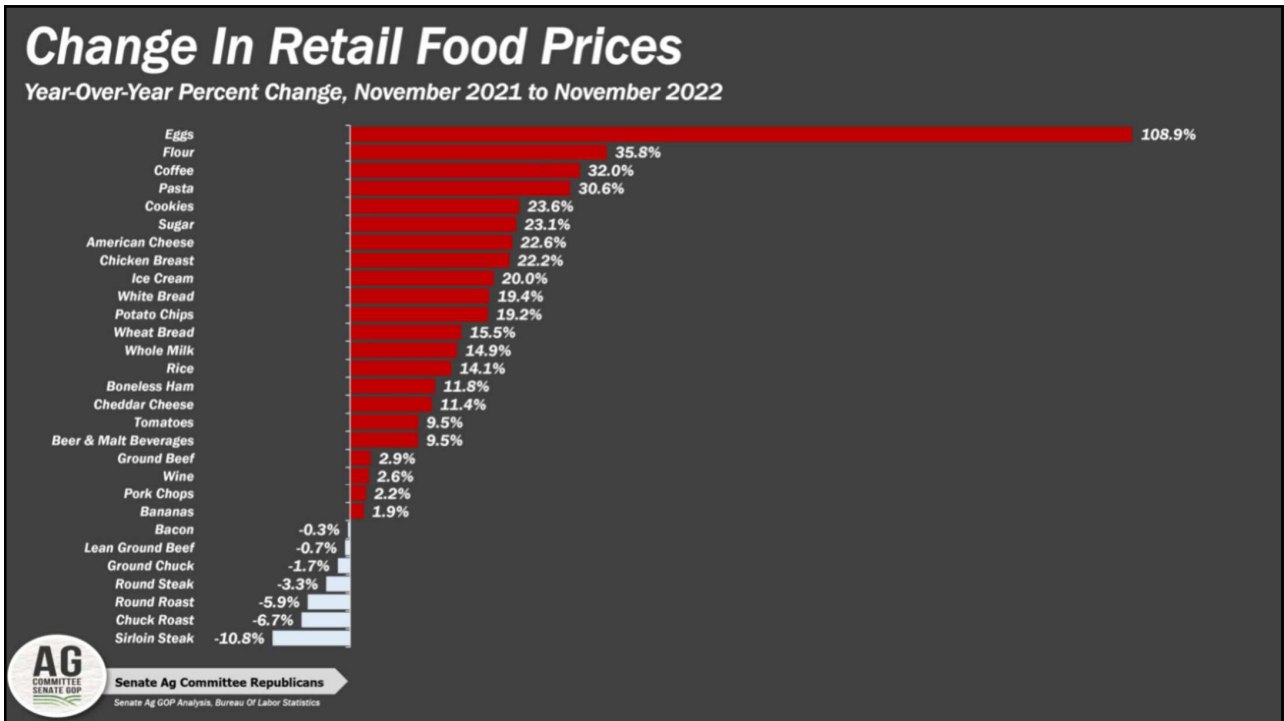


\$140B by 2030

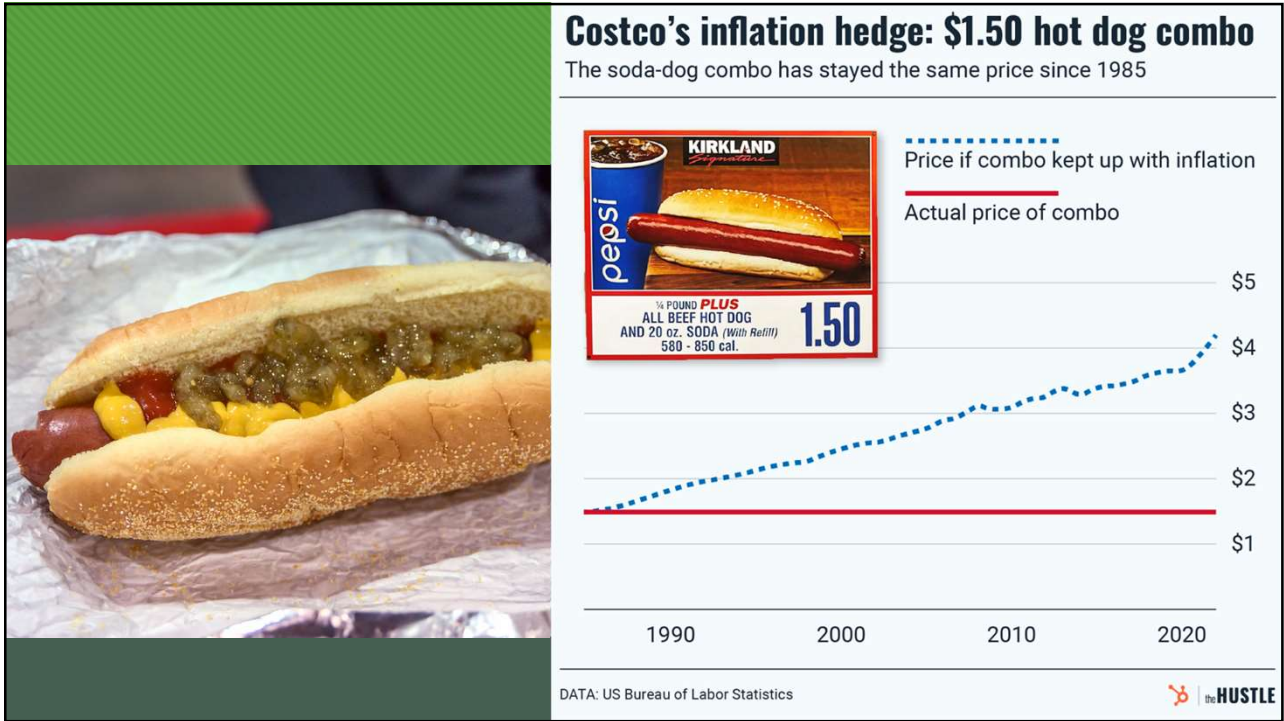
26



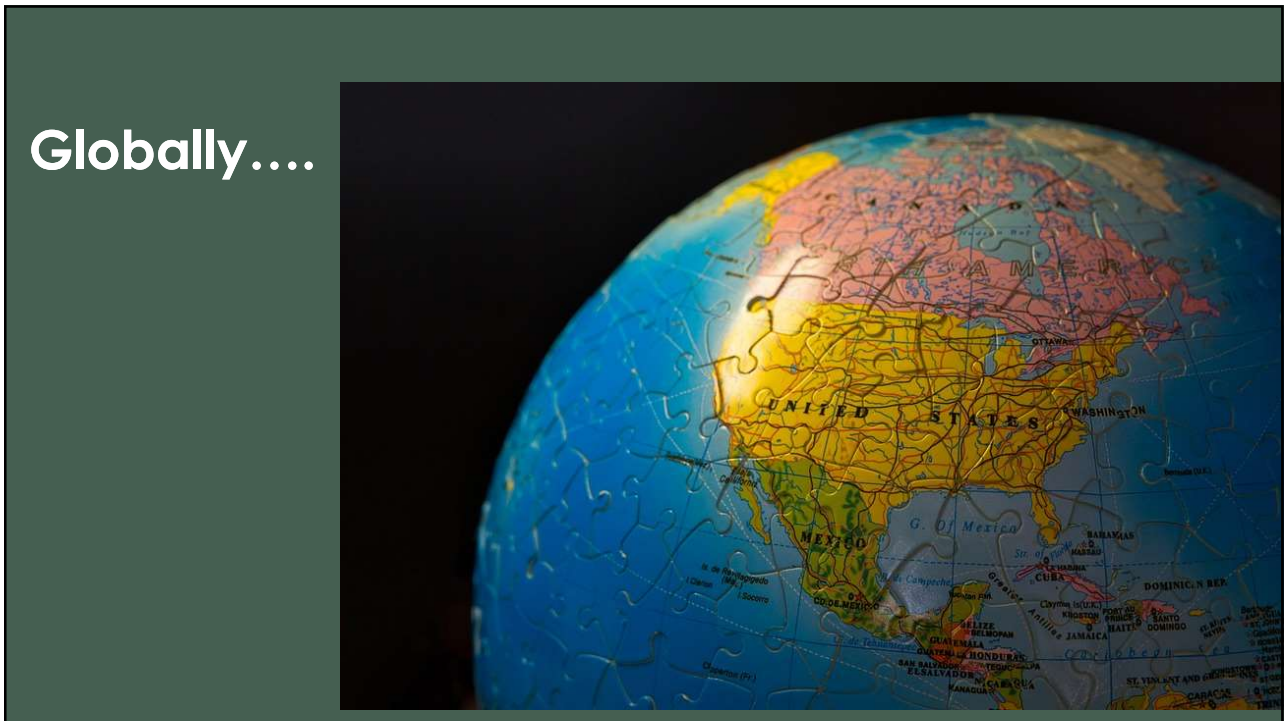
27



28



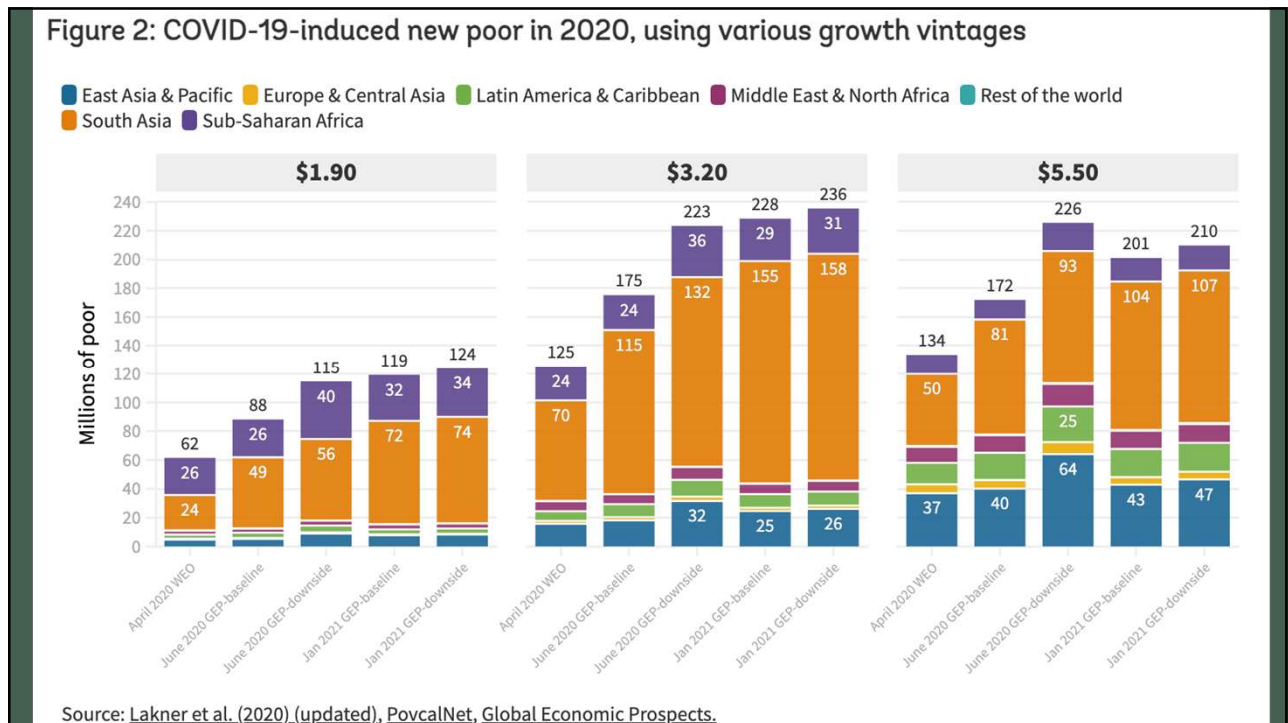
29



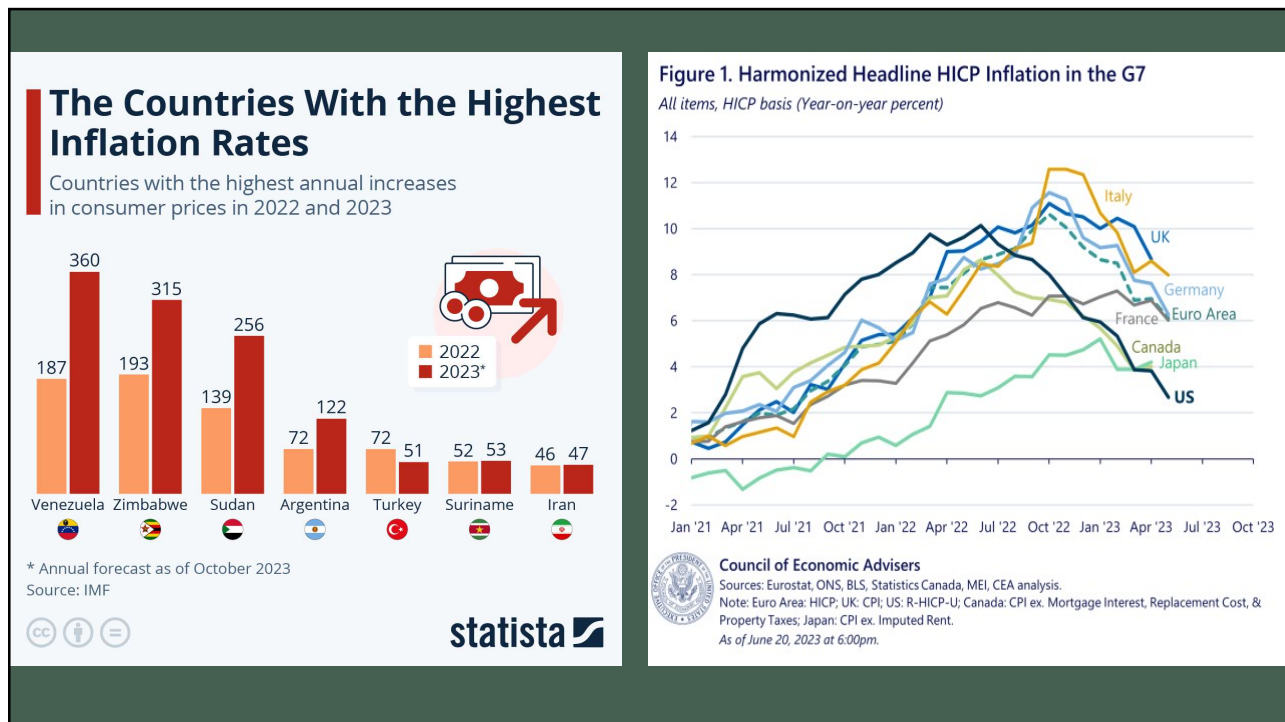
30



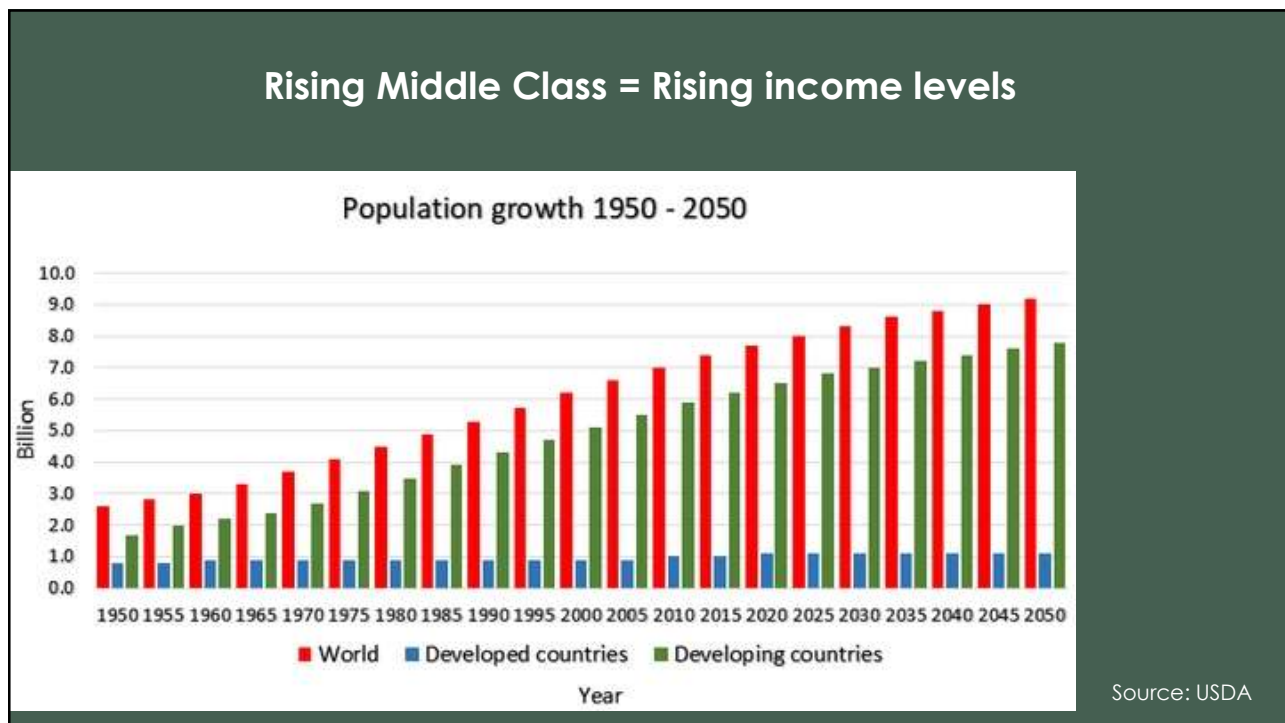
31



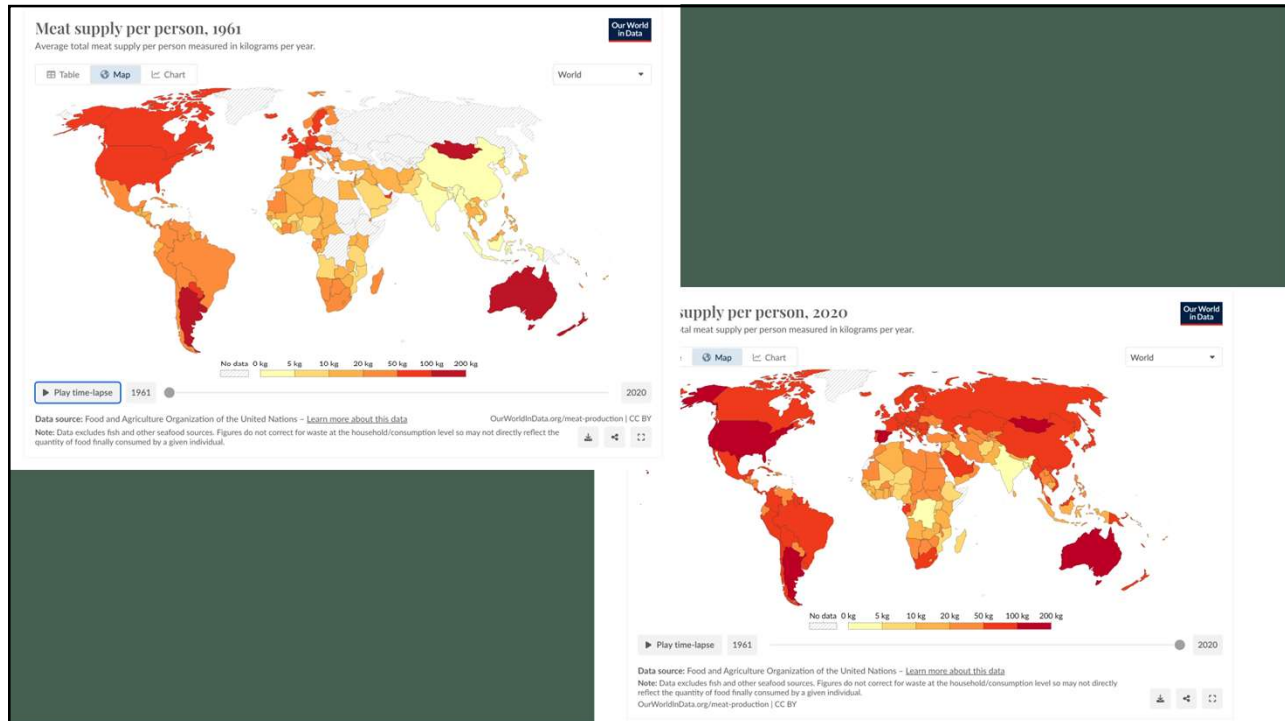
32



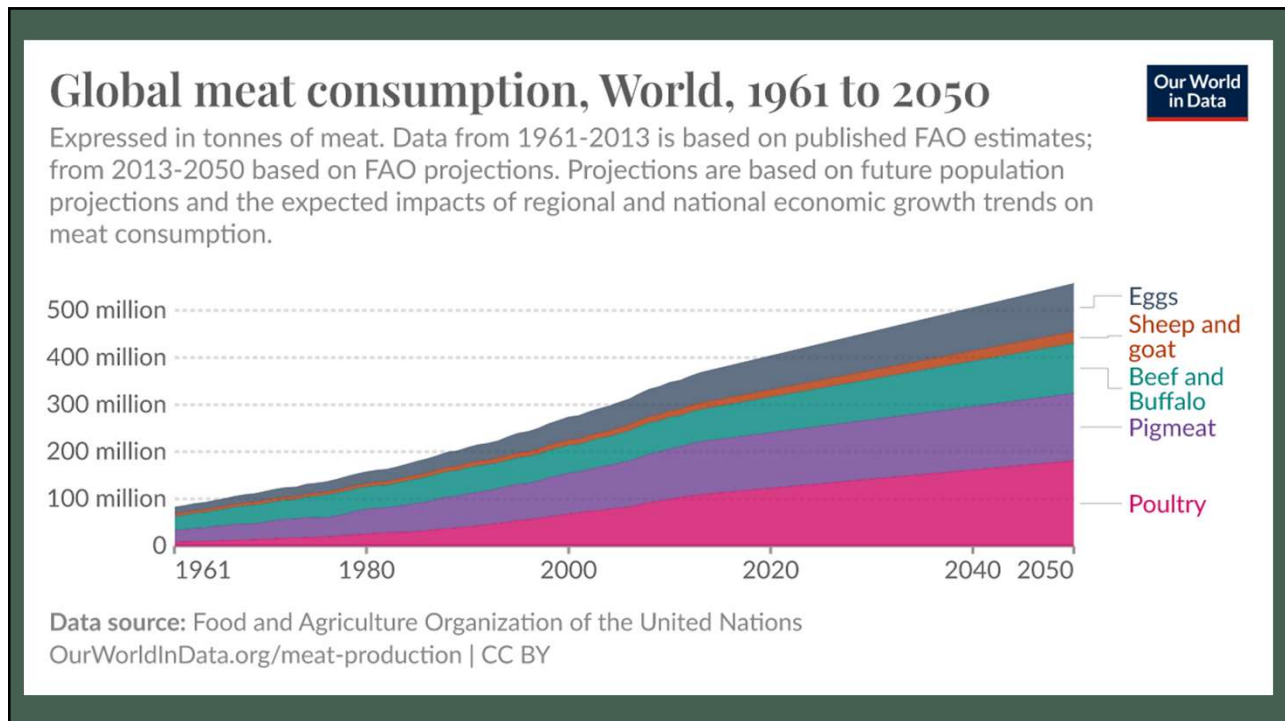
33



34



35

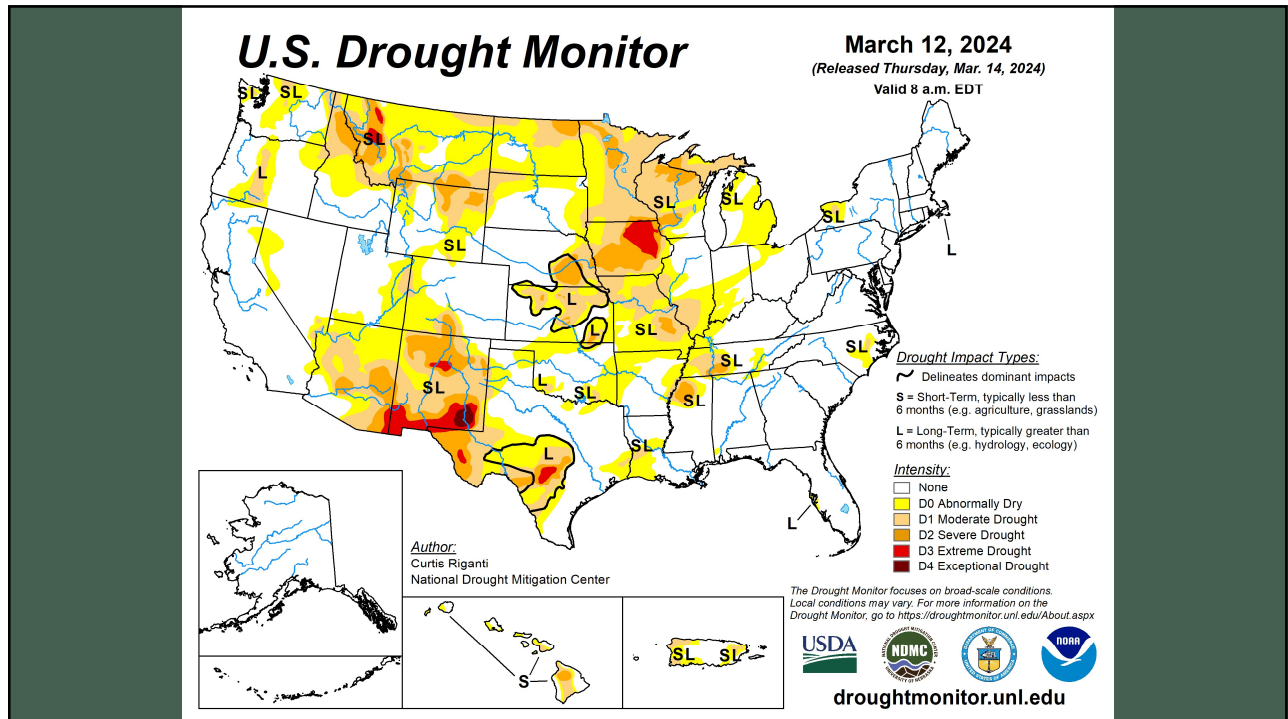


36

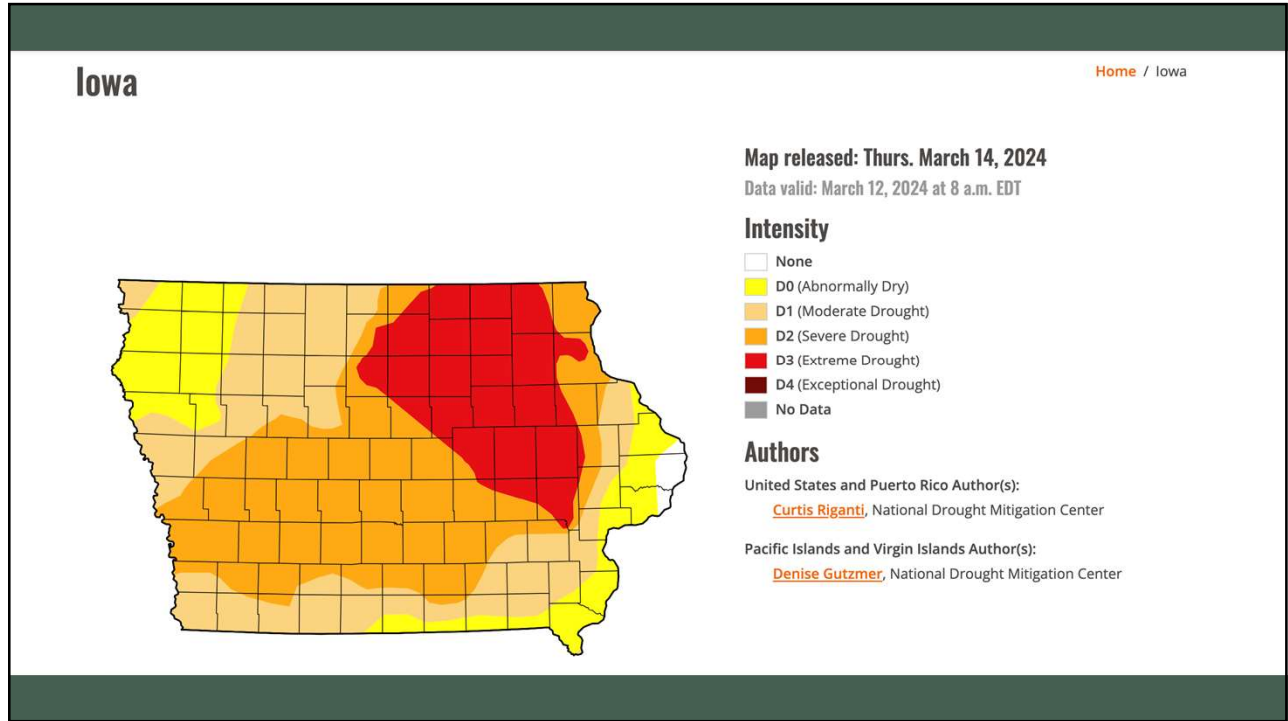
Impact on Commodity Markets

Corn, Soybeans, Cattle

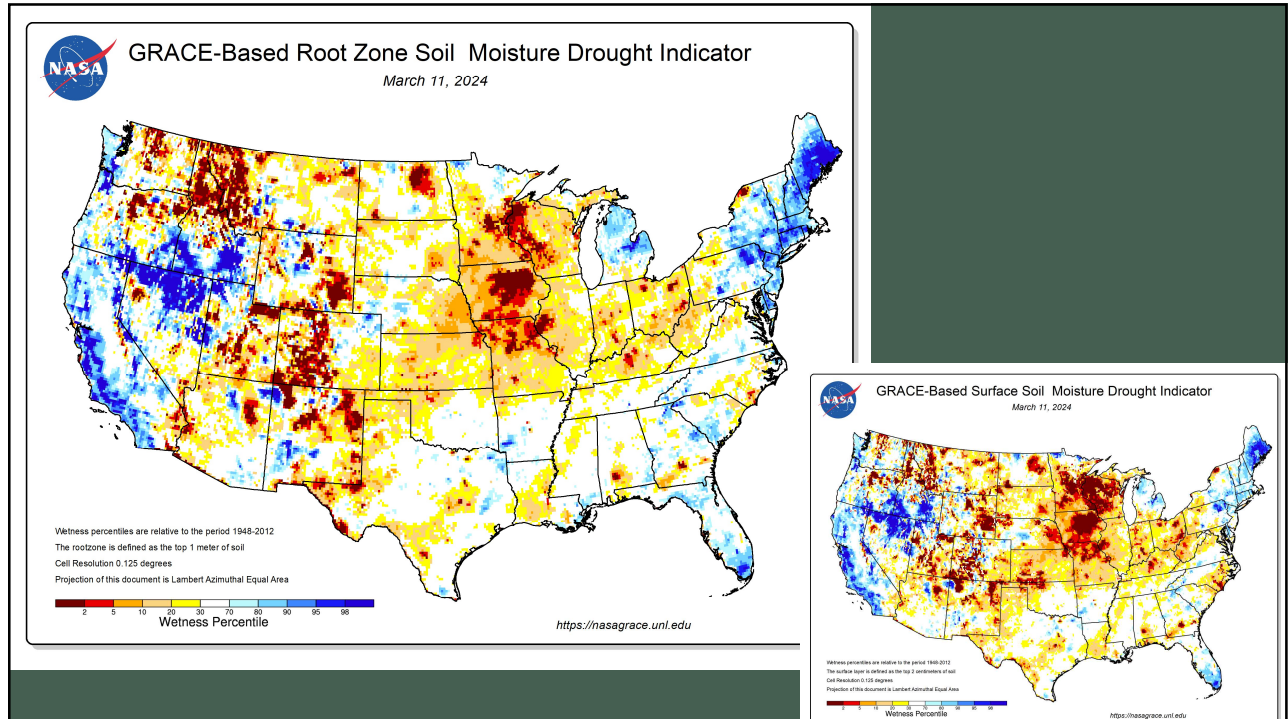
37



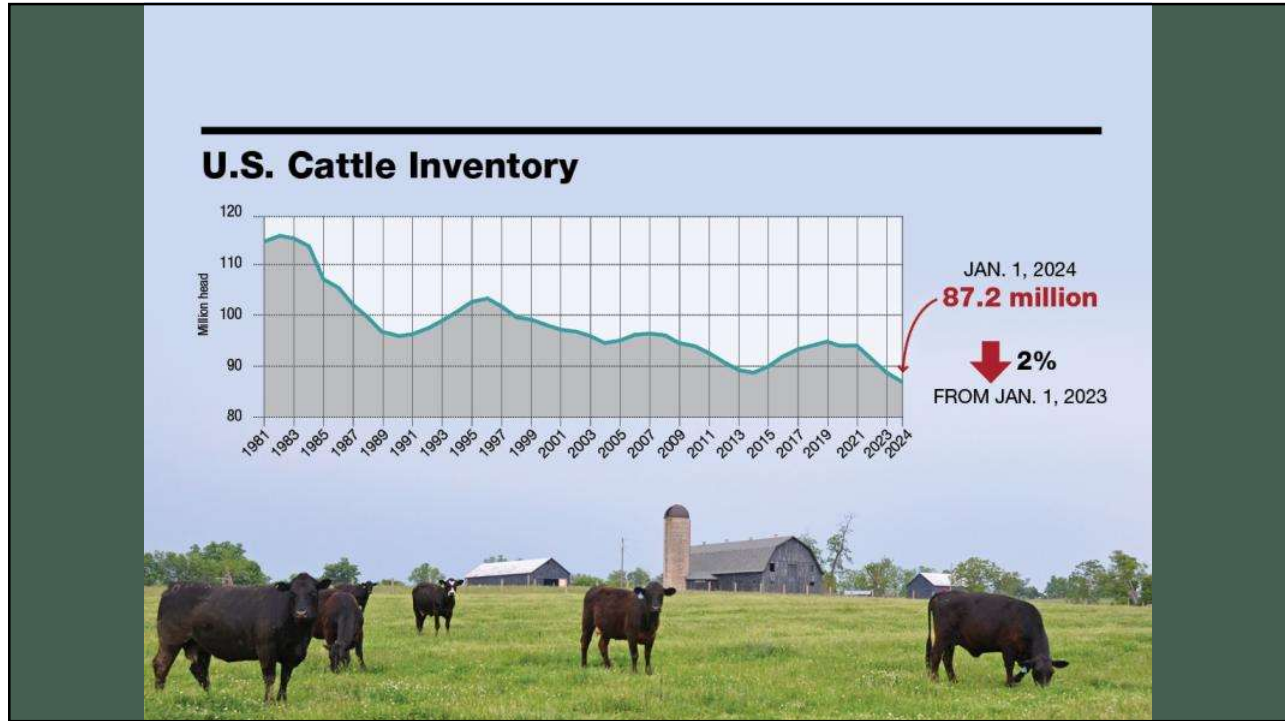
38



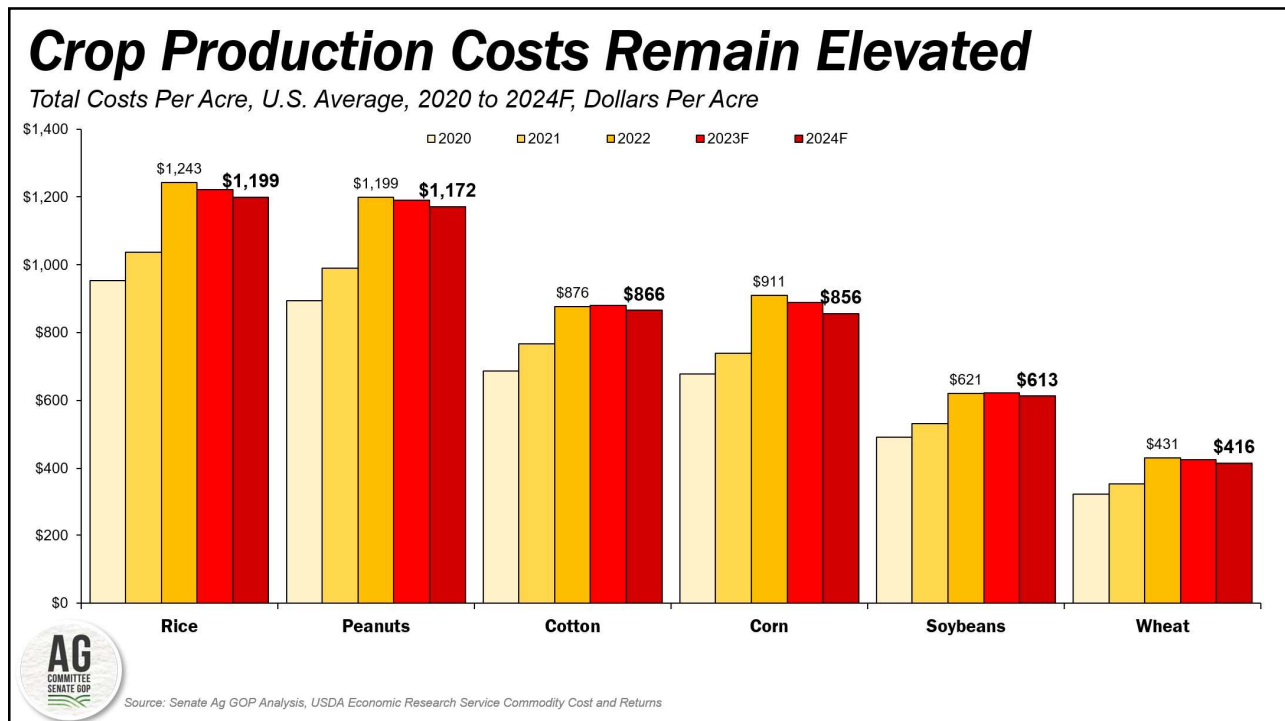
39



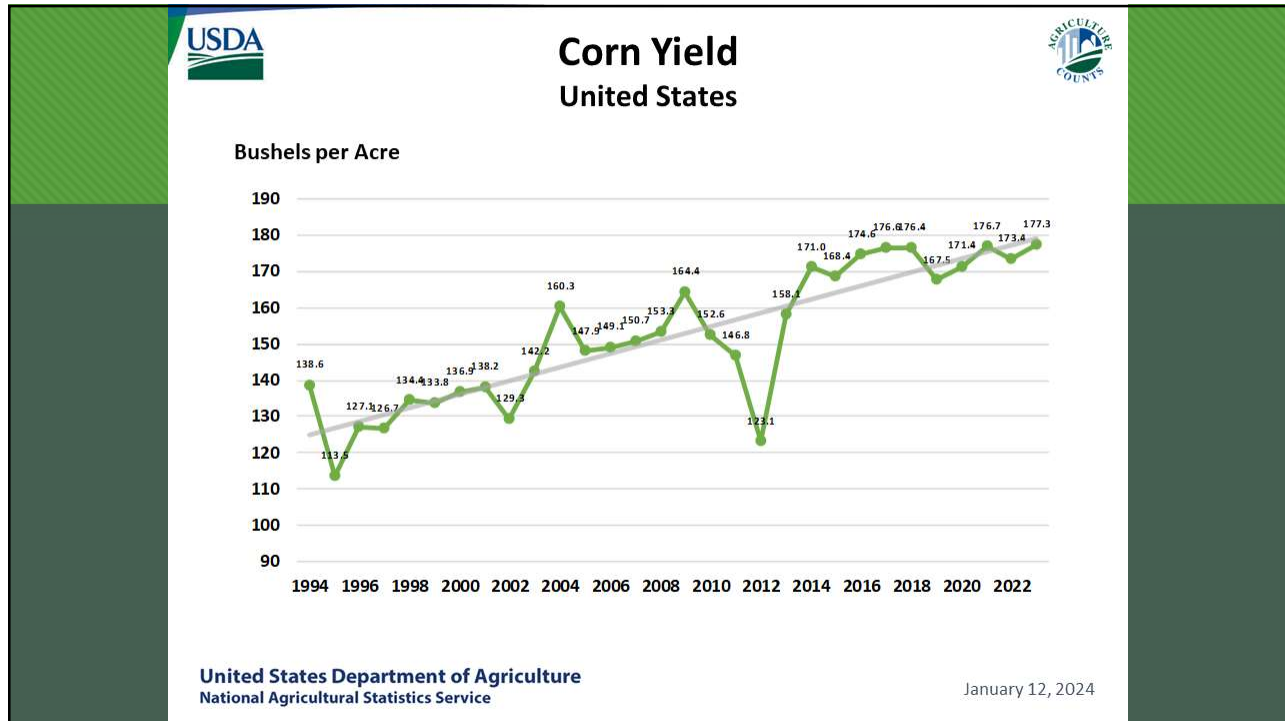
40



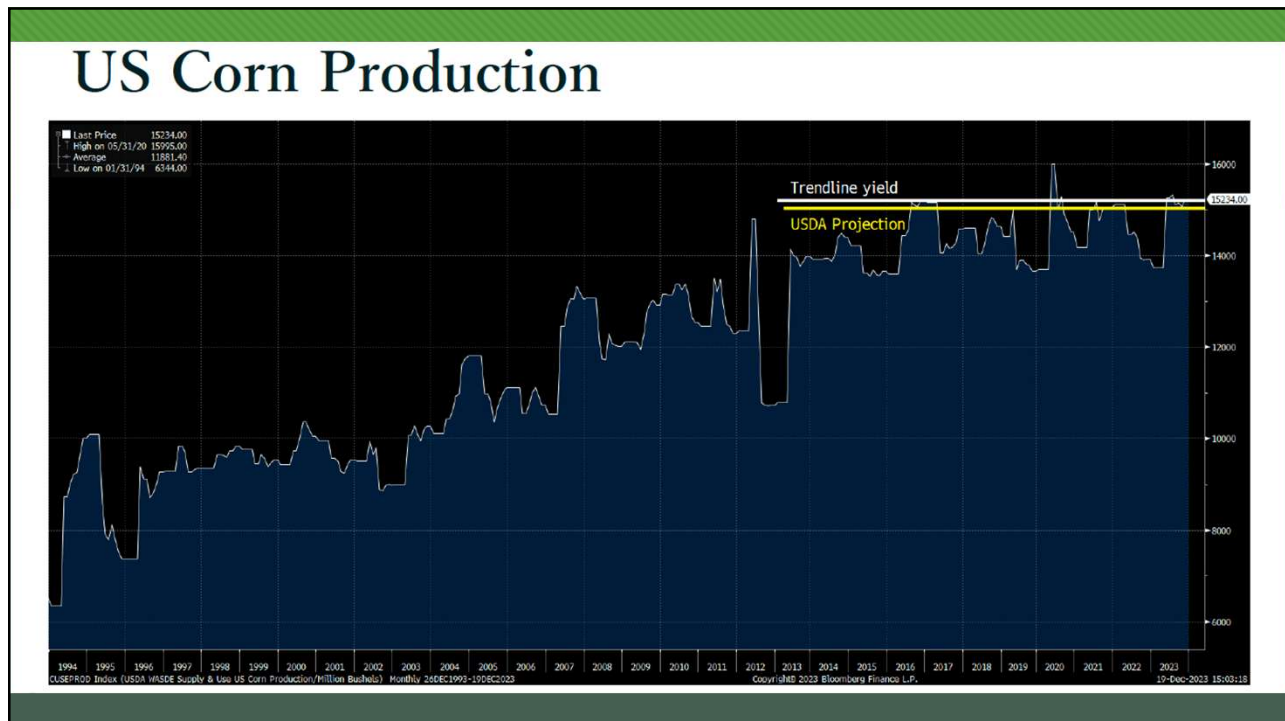
41



42



43

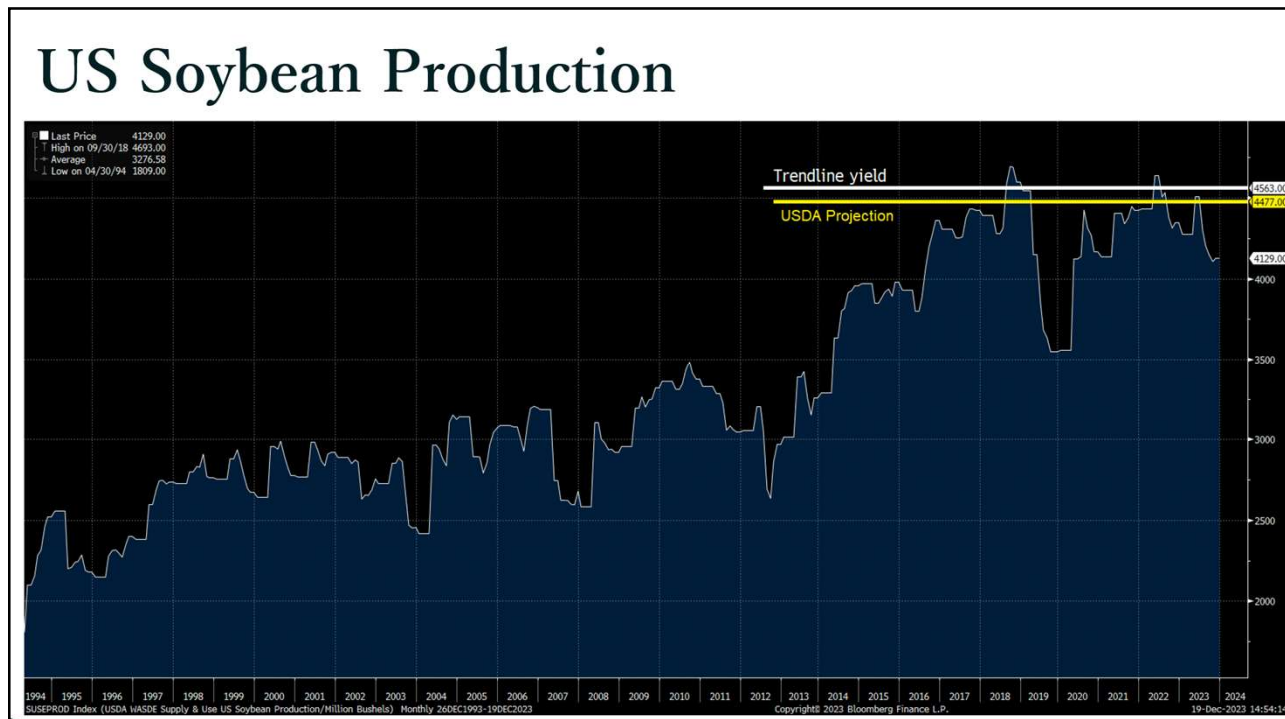


44

US Corn Production

Yield	Area Planted (Harvested)								
	89 81.3	89.5 81.7	90 82.2	90.5 82.6	91 83.1	91.5 83.6	92 84.0	92.5 84.5	93 84.9
178	14,467	14,548	14,629	14,711	14,792	14,873	14,954	15,036	15,117
179	14,548	14,630	14,711	14,793	14,875	14,957	15,038	15,120	15,202
180	14,629	14,711	14,794	14,876	14,958	15,040	15,122	15,205	15,287
181	14,711	14,793	14,876	14,958	15,041	15,124	15,206	15,289	15,372
182	14,792	14,875	14,958	15,041	15,124	15,207	15,290	15,373	15,457
183	14,873	14,957	15,040	15,124	15,207	15,291	15,374	15,458	15,542
184	14,954	15,038	15,122	15,206	15,290	15,374	15,458	15,542	15,626
185	15,036	15,120	15,205	15,289	15,373	15,458	15,542	15,627	15,711
186	15,117	15,202	15,287	15,372	15,457	15,542	15,626	15,711	15,796
187	15,198	15,284	15,369	15,454	15,540	15,625	15,710	15,796	15,881
188	15,279	15,365	15,451	15,537	15,623	15,709	15,794	15,880	15,966

45

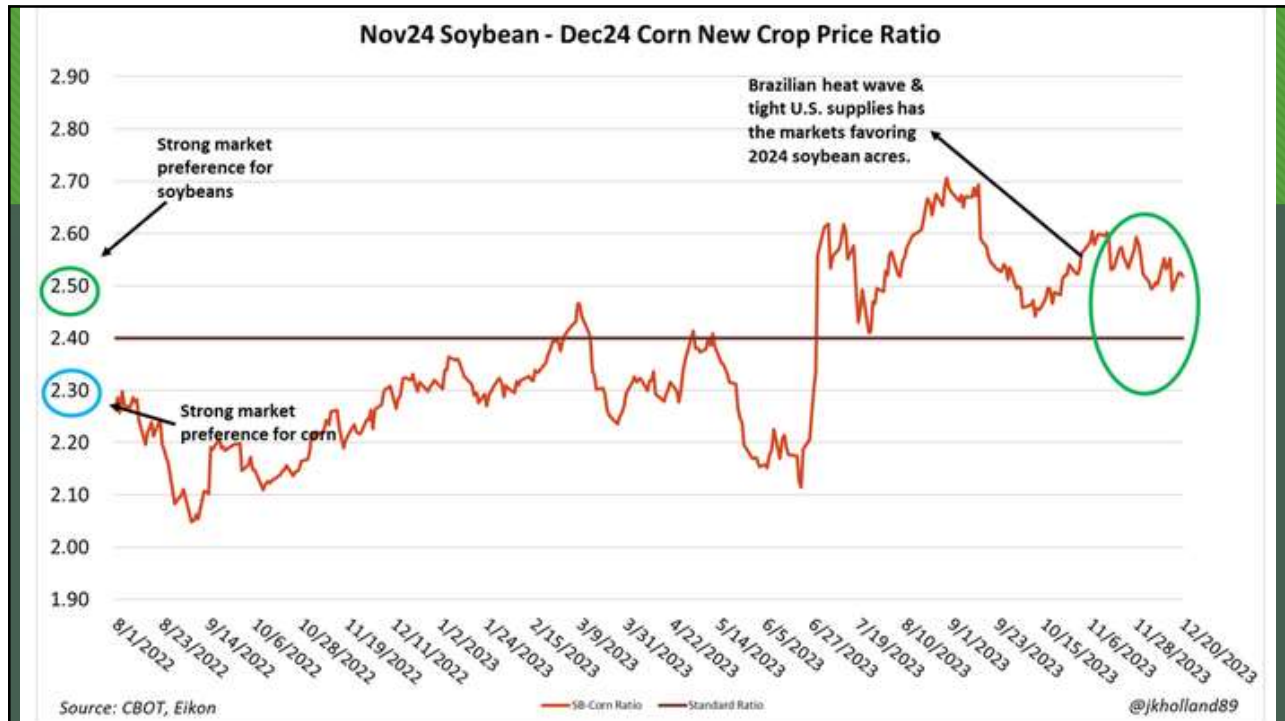


46

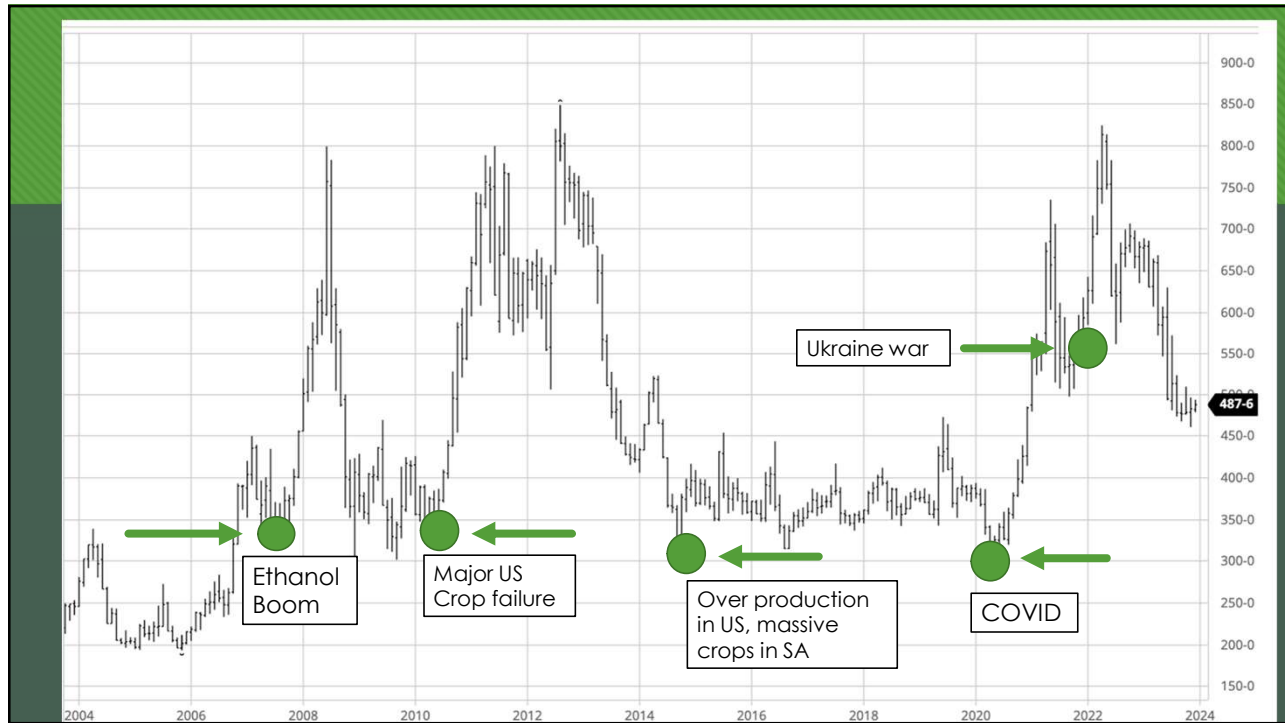
US Soybean Production

Yield	Area Planted (Harvested)								
	85 84.1	85.5 84.6	86 85.1	86.5 85.6	87 86.1	87.5 86.6	88 87.1	88.5 87.6	89 88.1
48	4,038	4,062	4,085	4,109	4,133	4,157	4,180	4,204	4,228
49	4,122	4,146	4,170	4,195	4,219	4,243	4,267	4,292	4,316
50	4,206	4,231	4,256	4,280	4,305	4,330	4,354	4,379	4,404
51	4,290	4,315	4,341	4,366	4,391	4,416	4,442	4,467	4,492
52	4,374	4,400	4,426	4,451	4,477	4,503	4,529	4,554	4,580
53	4,458	4,485	4,511	4,537	4,563	4,590	4,616	4,642	4,668
54	4,543	4,569	4,596	4,623	4,649	4,676	4,703	4,730	4,756
55	4,627	4,654	4,681	4,708	4,735	4,763	4,790	4,817	4,844
56	4,711	4,738	4,766	4,794	4,822	4,849	4,877	4,905	4,932
57	4,795	4,823	4,851	4,879	4,908	4,936	4,964	4,992	5,021
58	4,879	4,908	4,936	4,965	4,994	5,022	5,051	5,080	5,109

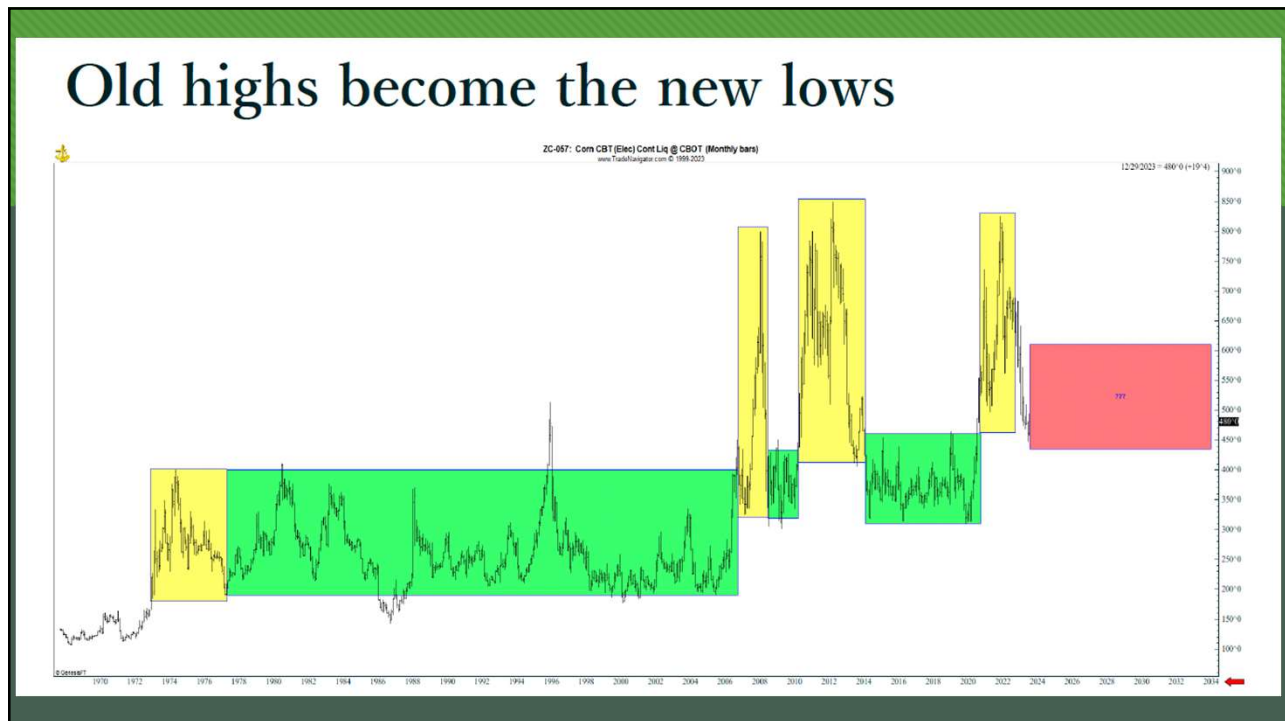
47



48



49



50

Summary

- US agriculture is far more advanced than many other countries
- Global markets breed uncertainty
- HUGE growth potential as more middle class populations develop → New markets + demand
- 2024 is a year to buckle down, but long-term is still rosy

51

THANK YOU!

Reach me by email:
delaney@agnewsdaily.com

-OR-

Connect with me on social media
[@delaneyhowell07/@agnewsdaily](#)

52