

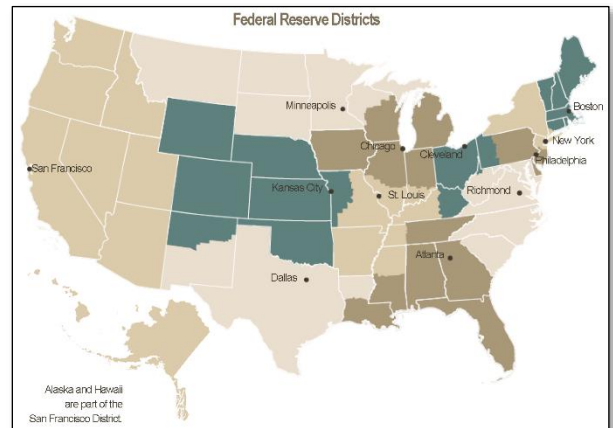
30 April, 2019 – Laramie, WY

Federal Reserve Beige Book Summary on the Ag Sector in Western States

The Beige Book is a Federal Reserve System publication covering current economic conditions across the 12 Federal Reserve Districts. It characterizes regional economic conditions and prospects based on a variety of mostly qualitative information, gathered directly from District sources. Because this information is collected from a wide range of business and community contacts through a variety of formal and informal methods, the Beige Book complements other forms of regional information gathering.

Minneapolis District

District agricultural conditions remained weak. Heavy snows and resultant early spring flooding were likely to delay planting in many areas. In South Dakota and southern Minnesota, where flooding was most severe, the impact could be considerable.



Kansas City District

The farm economy in the Tenth District weakened slightly from the prior reporting period, and severe weather conditions could weigh on the outlook moving forward. Across the region, corn and wheat inventories were slightly higher than a year ago, and prices for corn and wheat were slightly lower. Soybean inventories in the District were significantly higher than a year ago, with prices moderately lower. In the livestock sector, a slight increase in cattle prices and a sharp increase in hog prices provided some support for revenues. However, recent severe flooding and blizzards throughout the District resulted in losses of cattle and stored crops as well as damage to roads, fields, and other infrastructure. Although the total impacts of the floods remained unknown as recovery ensues, conditions could put additional stress on some farm operations in the coming months.

Dallas District

Soil moisture was mostly adequate, and there was a surplus in some areas, particularly the eastern part of the state. Some row crop plantings were delayed as a result of wet fields, but overall production prospects remained quite bullish. The wheat crop was in far better condition than last year thanks to favorable weather, but prices remained low leading some producers to consider harvesting the wheat for hay or silage, or grazing cattle on it. A large U.S. cotton crop was expected, which could depress prices, and there is still much uncertainty regarding tariffs.

San Francisco District

Conditions in the agriculture sector deteriorated somewhat. Many contacts continued to report that trade policy tensions and a stronger dollar constrained sales to export markets. A contact in Idaho noted that crop inventories rose to record levels as farmers waited for a resolution to trade negotiations and a recovery in various market prices. In addition, domestic demand for agricultural goods was mixed, increasing only slightly on balance. Oversupply in dairy markets persisted, hurting profitability and forcing some producers in the Mountain West to sell below break-even prices. Contacts reported that higher-than-expected rainfall since the beginning of the year positively affected agricultural production, but raised concerns that continued heavy rainfall could depress output ahead.

The Beige Book summary was prepared at the Federal Reserve Bank of St. Louis based on information collected on or before April 8, 2019. The document summarizes comments received from contacts outside the Federal Reserve System and is not a commentary on the views of Federal Reserve officials.

For information about the Agricultural Sector in other Federal Reserve Districts or to access the complete Federal Reserve Beige Book summary, see: https://www.federalreserve.gov/monetarypolicy/files/BeigeBook_20190417.pdf.