

WI Agriculture Economy: *Challenged again in 2020!*

3-31-2020

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During the past two weeks, everyone's lives have been impacted by COVID-19 in WI. We have heard the words cancelled, postponed and moved on-line for every aspect of our life. The way we live, work and play today while practicing social distancing is hard to imagine compared to just a month ago. Our occupation of choice is being classified essential or non-essential, leaving some without work and others with even more responsibility than before. The future requirement for the production of food, fuel and fiber will continue to remain essential. Agriculture in WI is being challenged with a unique challenge again during this spring planting season!

The 2020 Ag market outlook has changed in the last 30 days. Extension Ag economists are beginning to classify the COVID-19 situation as a black swan event on the markets. This means the Ag market's response is unpredictable with potentially severe consequences. The market's response to weather events, processing disruptions or even trade negotiations affect segments of the industry. The industry wide pressure of the COVID-19 situation is being classified as a much different market stressor. The Ag markets are volatile and not functioning on normal future supply and demand indicators. Extension Ag economists are offering consistent but grim guidance!

Dr. Chad Hart, ISU, shared this common goal for the Ag industry in 2020 during a recent Ag outlook meeting, "Plan for a bad year but also make plans for this to not be the last year!" Dr. David Kohl, VT, shared the following message in a recent article he wrote, "As we move forward, there are three F's that are critical for businesses and households. Stay focused on your plan, budget and cost of production with strategic adjustments. Follow sound fundamentals of business and economics, and follow through, execute and monitor your performance." Dr. Derrell Peel, OSU, stated in a recent article, "The current market situation creates significant disparities between the current supply and demand situation and expectations for coming supply and demand conditions."

Agriculture has proven its ability to be resilient and weather many storms! Successful farmers are innovators, continually implementing, modifying and evaluating. Ag will remain an essential business which supplies daily necessities. Many resources are available to assist farmers with decision making. Remain connected with your farm support system for assistance accessing these tools. Finally, consider asking a neighbor for help when needed, because in order to experience the satisfaction of helping others an ask for help is required to begin the process! Take care!!