



Farm Credit MidAmerica<>AEI
Premium

August Monthly Update

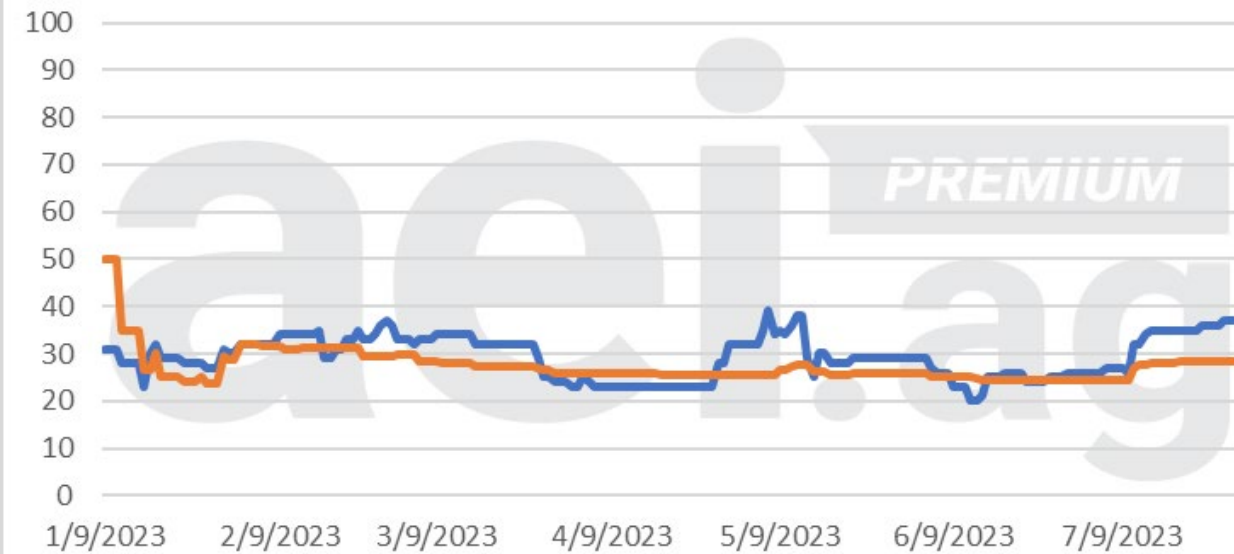
Last Month's Questions

- Probability of Indiana Farmland Values increasing more than 15%
 - AFN Consensus: 37%
 - FCMA Consensus: 28%
- Probability of Indiana Cash Rents increasing more than 15%
 - AFN Consensus: 35%
 - FCMA Consensus: 36%

FCMA Forecasts- Farmland Values

AFN: Prob of IN Farmland Values >15%

— AFN — FCMA



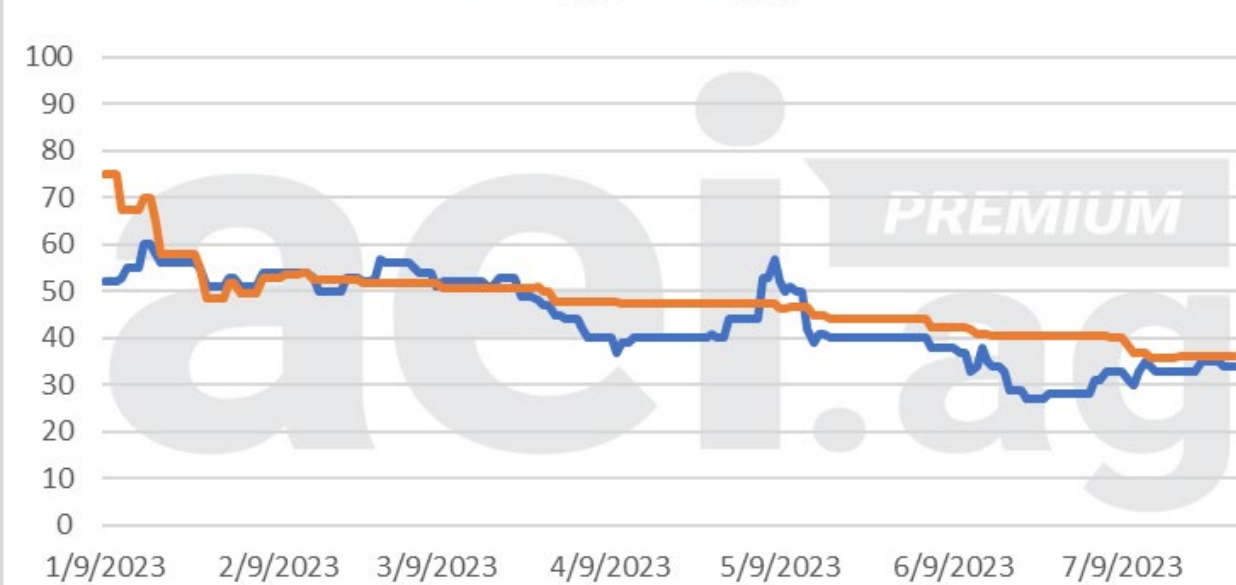
FCMA: Probability of IN Farmland Values >15%
(As of 7/28/2023)



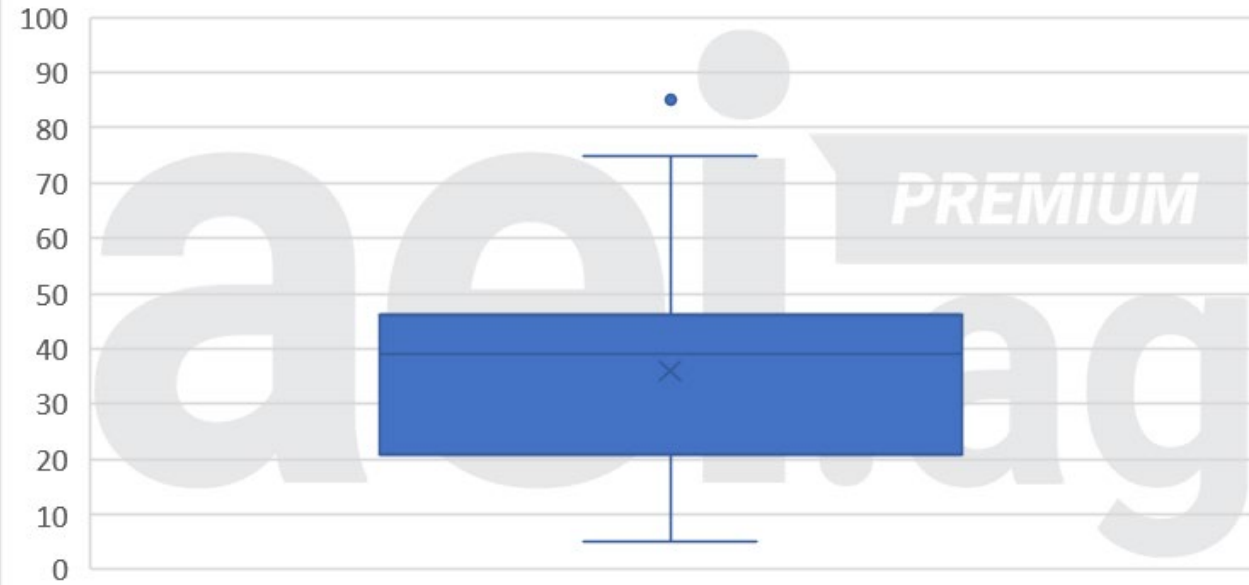
FCMA Forecasts- Cash Rents

AFN: Prob. of IN Cash Rents >15%

— AFN — FCMA

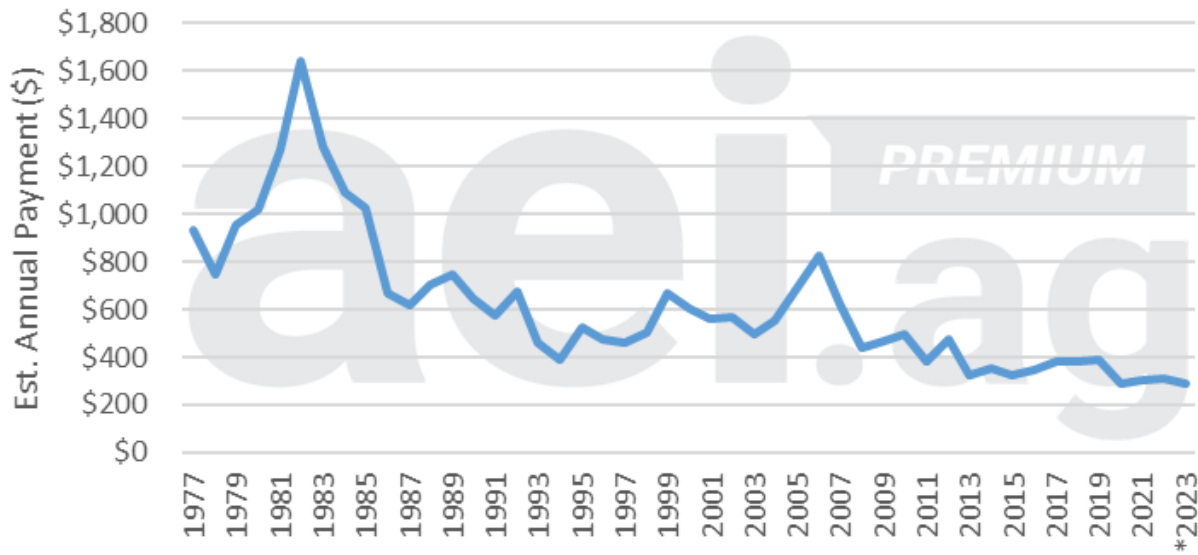


FCMA: Prob of IN Cash Rents >15%
(As of 7/28/2023)

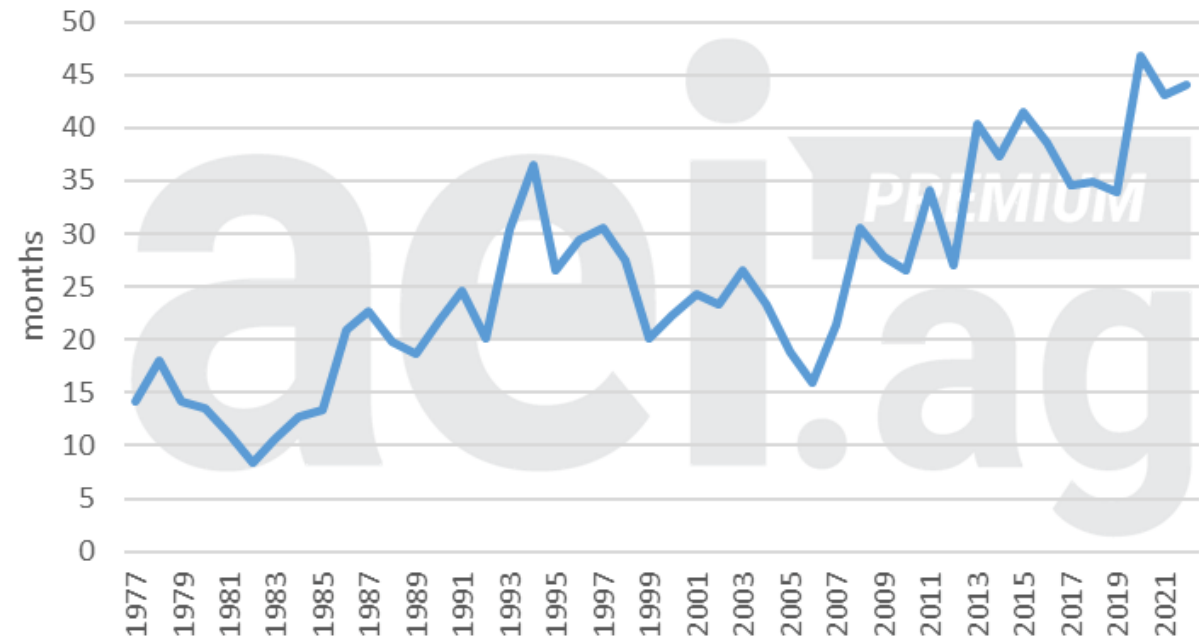


Higher Rates, but Longer Repayment

Farm Machinery Debt Service Index
(Annual Payment to Service \$1,000 of Debt)

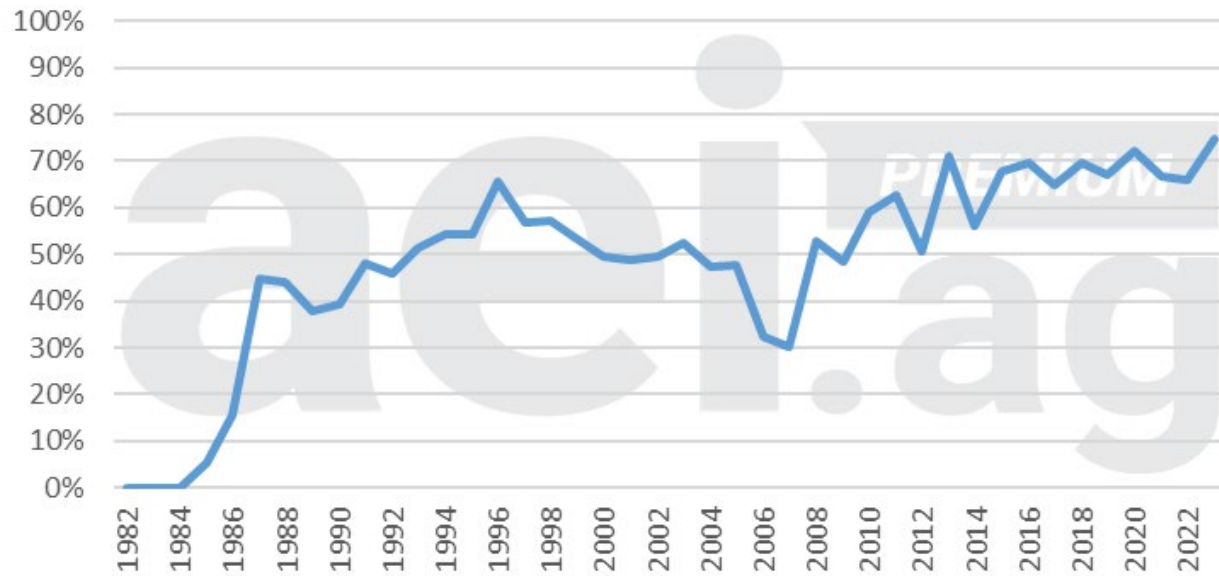


Avg. Maturity of Farm Mach. & Equip. Loans

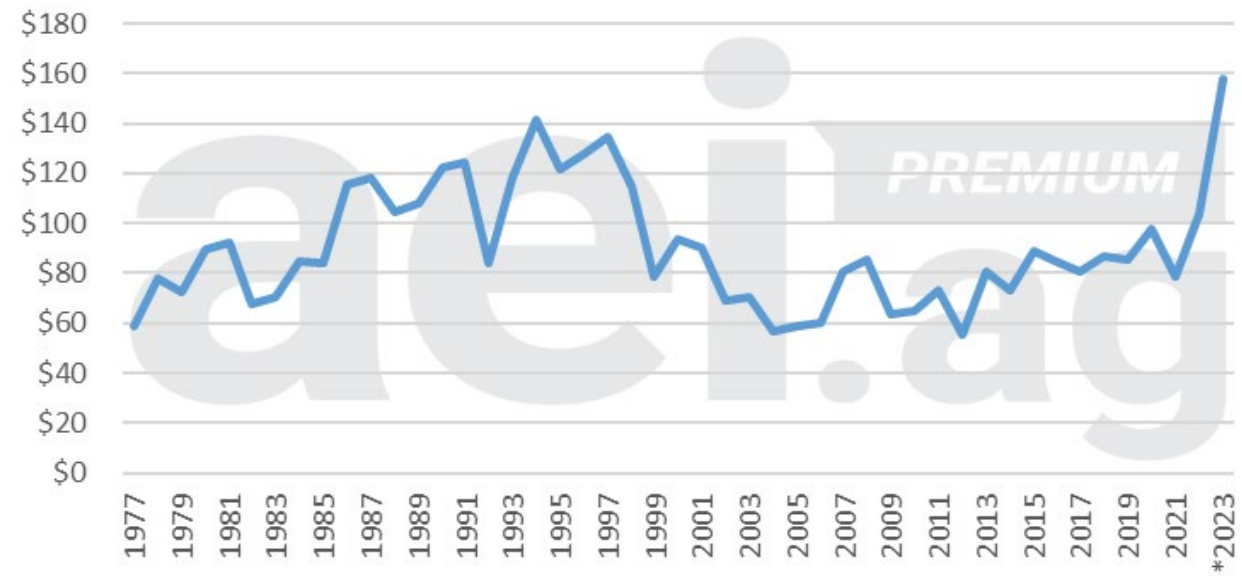


More Payments, Higher Int. Exp

Farm Machinery: Share of Cumulative Payments
From Earlier Year

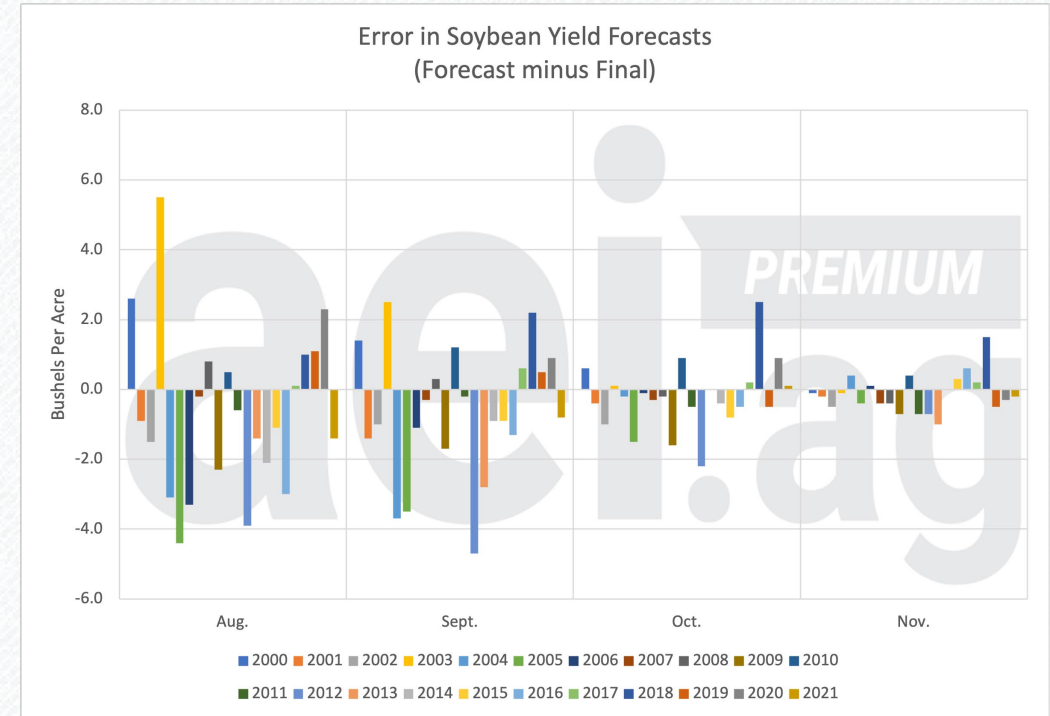
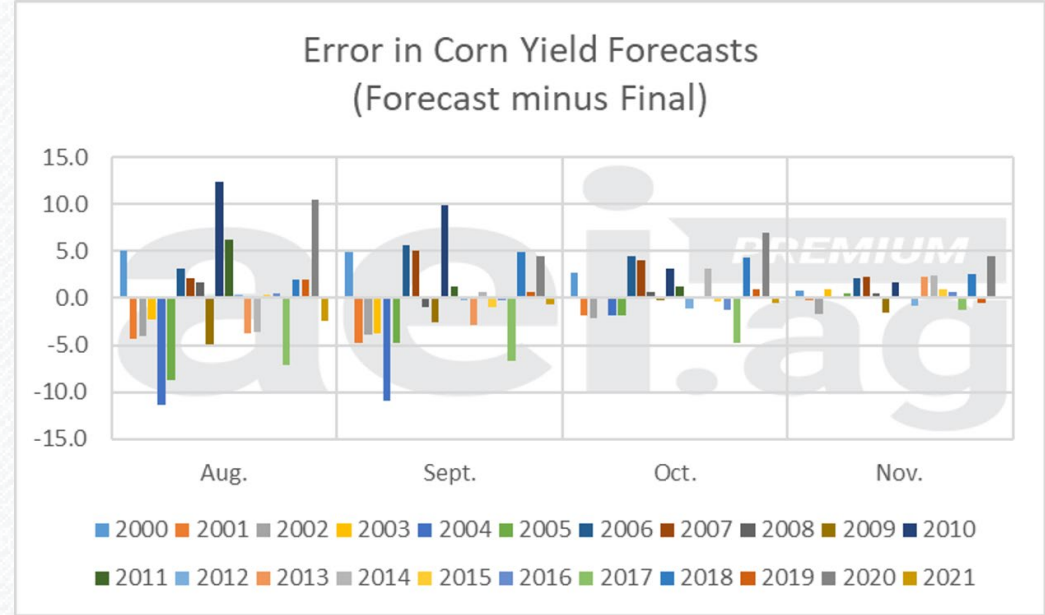


Farm Machinery Interest Expense Index
(Total Interest Expense for \$1,000 of Debt)



Looking Ahead

- Yield Forecast Challenge
 - Aug. 11th WASDE
 - What to watch:
 - NASS Yield Est.



Update Forecasts:

Table 1. Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents, under their individual assumptions of projected appropriate monetary policy, June 2023

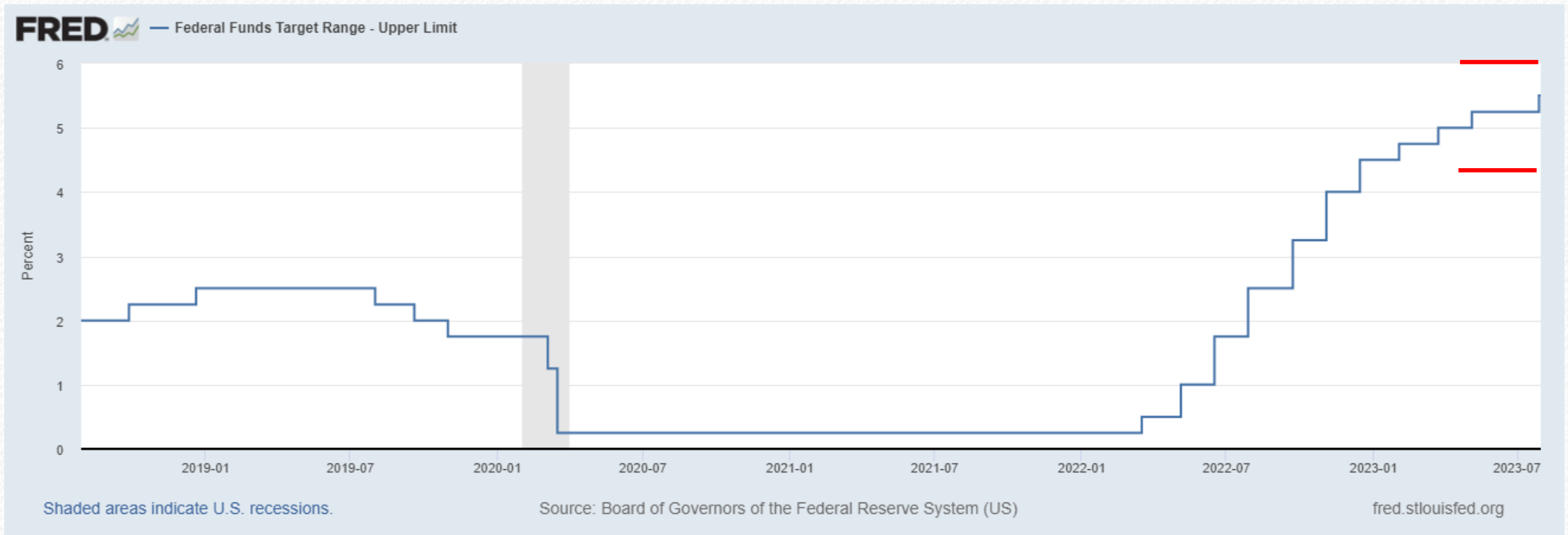
Percent

Variable	Median ¹				Central Tendency ²				Range ³			
	2023	2024	2025	Longer run	2023	2024	2025	Longer run	2023	2024	2025	Longer run
Change in real GDP	1.0	1.1	1.8	1.8	0.7-1.2	0.9-1.5	1.6-2.0	1.7-2.0	0.5-2.0	0.5-2.2	1.5-2.2	1.6-2.5
March projection	0.4	1.2	1.9	1.8	0.0-0.8	1.0-1.5	1.7-2.1	1.7-2.0	-0.2-1.3	0.3-2.0	1.5-2.2	1.6-2.5
Unemployment rate	4.1	4.5	4.5	4.0	4.0-4.3	4.3-4.6	4.3-4.6	3.8-4.3	3.9-4.5	4.0-5.0	3.8-4.9	3.5-4.4
March projection	4.5	4.6	4.6	4.0	4.0-4.7	4.3-4.9	4.3-4.8	3.8-4.3	3.9-4.8	4.0-5.2	3.8-4.9	3.5-4.7
PCE inflation	3.2	2.5	2.1	2.0	3.0-3.5	2.3-2.8	2.0-2.4	2.0	2.9-4.1	2.1-3.5	2.0-3.0	2.0
March projection	3.3	2.5	2.1	2.0	3.0-3.8	2.2-2.8	2.0-2.2	2.0	2.8-4.1	2.0-3.5	2.0-3.0	2.0
Core PCE inflation ⁴	3.9	2.6	2.2		3.7-4.2	2.5-3.1	2.0-2.4		3.6-4.5	2.2-3.6	2.0-3.0	
March projection	3.6	2.6	2.1		3.5-3.9	2.3-2.8	2.0-2.2		3.5-4.1	2.1-3.1	2.0-3.0	
Memorandum: Projected appropriate policy path												
Federal funds rate	5.6	4.6	3.4	2.5	5.4-5.6	4.4-5.1	2.9-4.1	2.5-2.8	5.1-6.1	3.6-5.9	2.4-5.6	2.4-3.6
March projection	5.1	4.3	3.1	2.5	5.1-5.6	3.9-5.1	2.9-3.9	2.4-2.6	4.9-5.9	3.4-5.6	2.4-5.6	2.3-3.6

10- Year Treasuries



Fed Funds Rate



Winner, Winner

- Jason Fultz
- Denis Rhodes
- Hallie Hiser



Questions?

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