



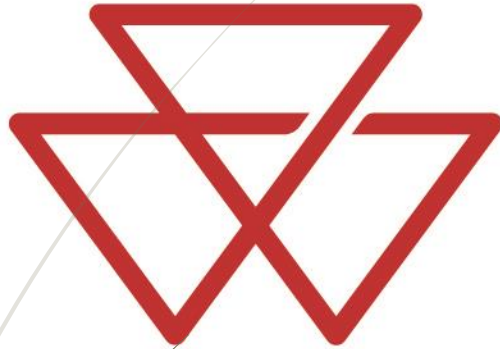
2025 Georgia AG FORECAST

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Georgia Ag Economy Outlook

Gopinath Munisamy

Distinguished Professor of Agricultural Marketing
University of Georgia

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Georgia Ag Forecast, UGA-Tifton, GA



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Georgia Agriculture

- UGA estimates
 - #1 Industry in the state (\$18.3 billion in direct economic contribution)
 - \$83.6 billion economic footprint just from production, processing and wholesale segments of the food and fiber industries
 - Supports 323.300 jobs in the state



U.S. Economy

► Consensus on the 2025 U.S. economic outlook

- Slight slowdown in GDP growth and price inflation
- Stable labor markets
- Widening fiscal deficit (debt servicing)
- Net exports likely to trend downward (strong \$)

► Risks

- Policy uncertainty – tariffs and retaliation, tax policies, immigration controls, energy strategies and inflation-targeted monetary policies
- Geopolitical risks encompassing major economies of the world – Europe, China, Middle-East, and others



U.S. Agricultural Economy

➤ 2025 USDA's Outlook Forum – Advance Estimates

- Positive outlook on crop and livestock production volumes.
- Mixed outlook for prices, down for crop and significantly up for animal products (except beef and hog)
- Lower net returns for crops but stabilizing over the next decade (production increases coupled with price declines against stable input costs)
- Upward trend on export volumes for crops and animal products



U.S. Agricultural Economy



➤ 2023 USDA Farm Income and forecast for 2024

- Net farm income, a broad measure of profits, is forecast at \$140.7 billion in calendar year 2024, a decrease of \$6.0 billion (4.1 percent) relative to 2023 in nominal (not adjusted for inflation) dollars.
 - Adjusted for inflation, the decline is \$9.5 billion (6.3 percent).
 - It was \$151.1 billion in 2022.
- Key reasons:
 - Falling cash receipts from crops nearly offset by increasing revenue from animal products (netting a 1 percent decline or \$4 billion),
 - Declining government payments (13.6 percent or \$1.7 billion).
 - Farm sector solvency expected to be stronger, but liquidity to be weaker in 2024 relative to 2023

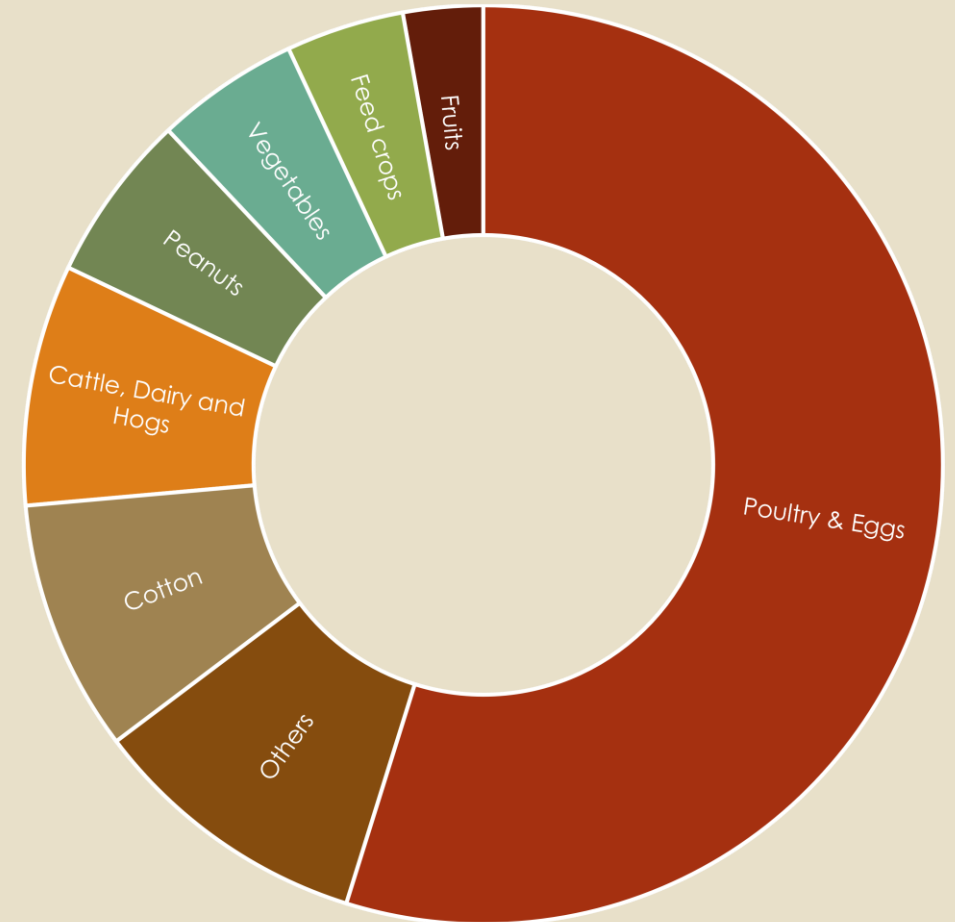


Georgia Ag Economy

2023 Cash Receipts

- 17th in the nation
- Poultry & eggs, cotton and peanut: 70%
- Heavy reliance on few commodities has been a key source of variation in cash receipts over the past decade

Figure 1: 2023 GA Cash Receipts (\$12.5 billion)

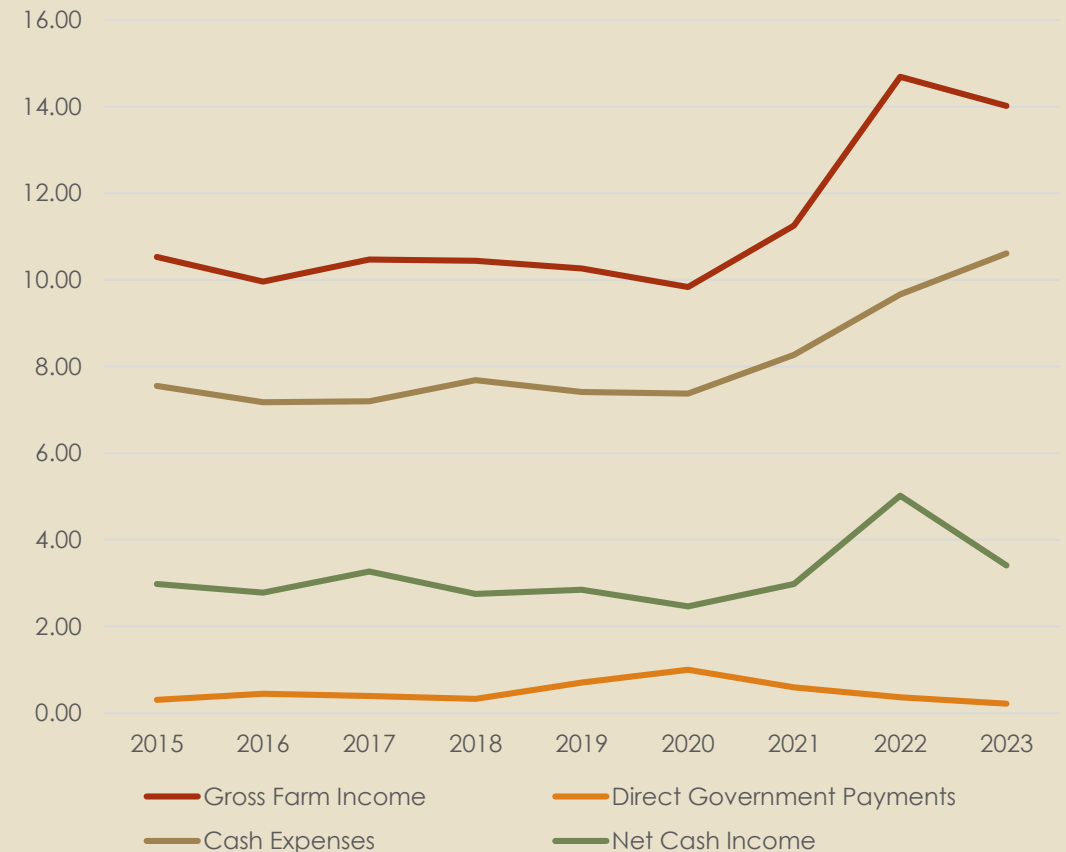


Georgia Farm Income

2023 Net Farm Income

- Georgia's net cash income is \$3.4 billion in 2023, a \$1.6 billion decrease from that of 2022.
- Among states, Georgia ranks 19th in net cash income.
- The trend shows a constant gap between income and expenses, but a sharp decline in income (and narrowing gap with expenses) in 2023.

Figure 2: GA Farm Income, 2015-2023 (Billion \$)



Georgia Ag Exports

2022 Ag Exports

- ▶ Georgia exported \$3.86 billion worth of agricultural commodities
- ▶ Rank 18th in the nation
- ▶ Major export commodities are cotton, poultry and eggs, peanuts, fruits and vegetables, and tree nuts.

2022 GA Exports (\$3.86 billion)



Outlook for Georgia Ag Economy

- ▶ The broader U.S. economy will likely experience a slowdown along with lower price inflation.
 - ▶ Food and commodity price inflation is also expected to moderate to pre-pandemic levels, except food away from home.
- ▶ The most recent USDA farm income forecast shows a decline of 4.1% and 6.3% in nominal and inflation-adjusted net farm income, respectively.
- ▶ However, these projections are not applicable to Georgia due to several factors, most notably the significant damage caused by Hurricanes Helene and Debby to agriculture and related industries in the southeast.
 - ▶ Damage estimates from Helene alone are placed at \$5.6 billion, including nearly \$0.9 billion in production infrastructure losses (\$4.7 billion crop/animal product revenue receipts ~ 38% of 2023 cash receipts) .
 - ▶ Georgia's net farm income in 2024 is likely to fall more than that of the U.S. agricultural economy (guessing a 38% + 4% = total 42% decline relative to 2023).



Outlook for Georgia Ag Economy

- ▶ Policy and economic uncertainty
 - ▶ Tariffs and Retaliation
 - ▶ Immigration Controls
 - ▶ Tax Policies
 - ▶ Energy Strategies
 - ▶ Inflation and Monetary Policies
 - ▶ some proposed policies may counteract each other, further increasing uncertainty around economic outcomes.
 - ▶ Geopolitical risks - Europe and the Middle East
- ▶ Let me close with a bit more certainty
 - ▶ Artificial Intelligence (AI) is likely to continue its broad impact on all that is agriculture – production, management, and marketing.
 - ▶ Consumer demand, particularly for animal protein, remains robust, supported by a resilient U.S. economy.
 - ▶ Market assistance for specialty crops (\$2.2 billion) and disaster and economic assistance (\$31 billion) are arriving soon!

