

FINANCING AMID RATE RIPPLES, AN AG CREDIT UPDATE

INFLATION, INTEREST RATES & FARM INPUT COSTS

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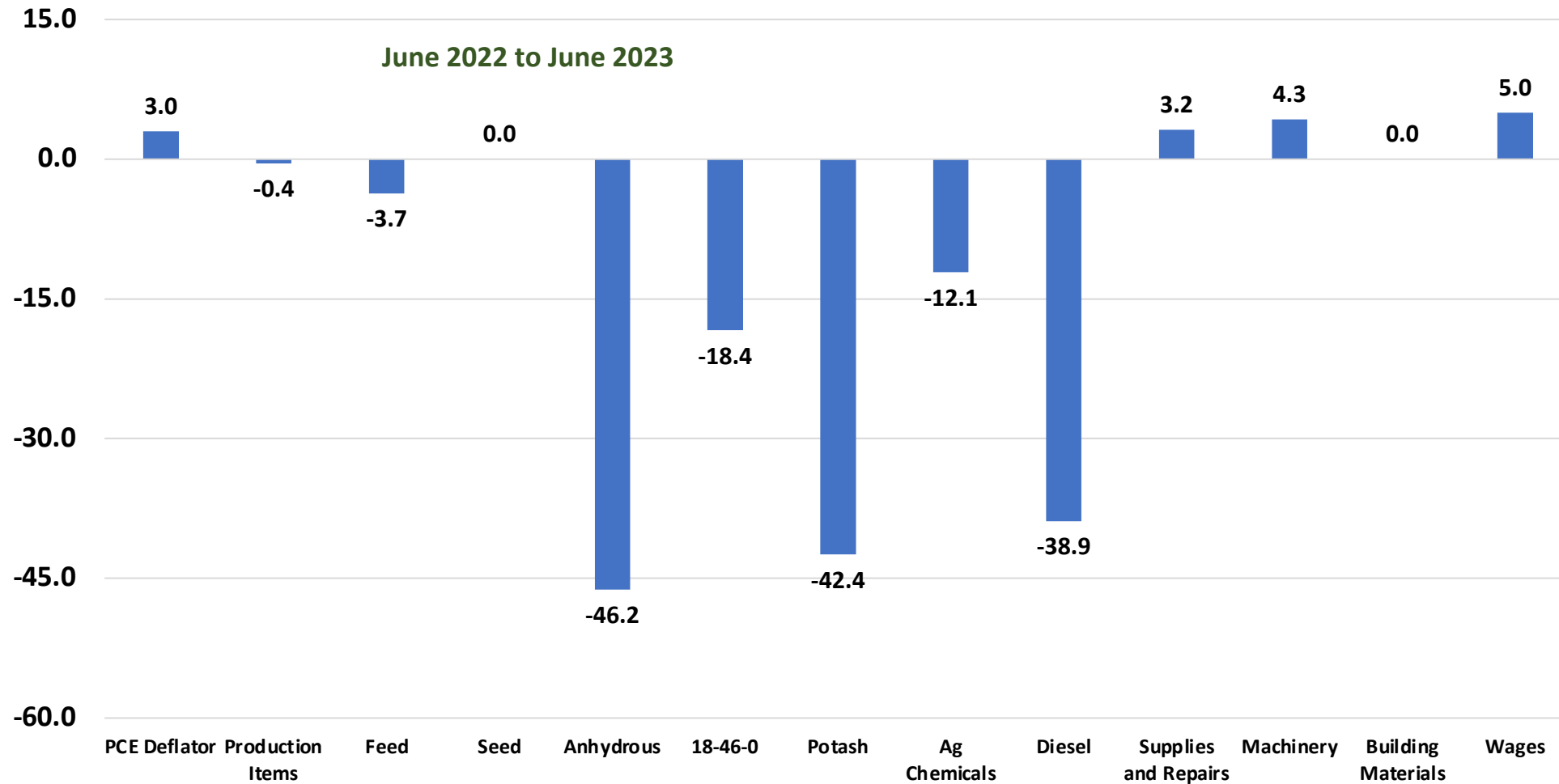
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Historical Changes in Input Prices (% per Year)

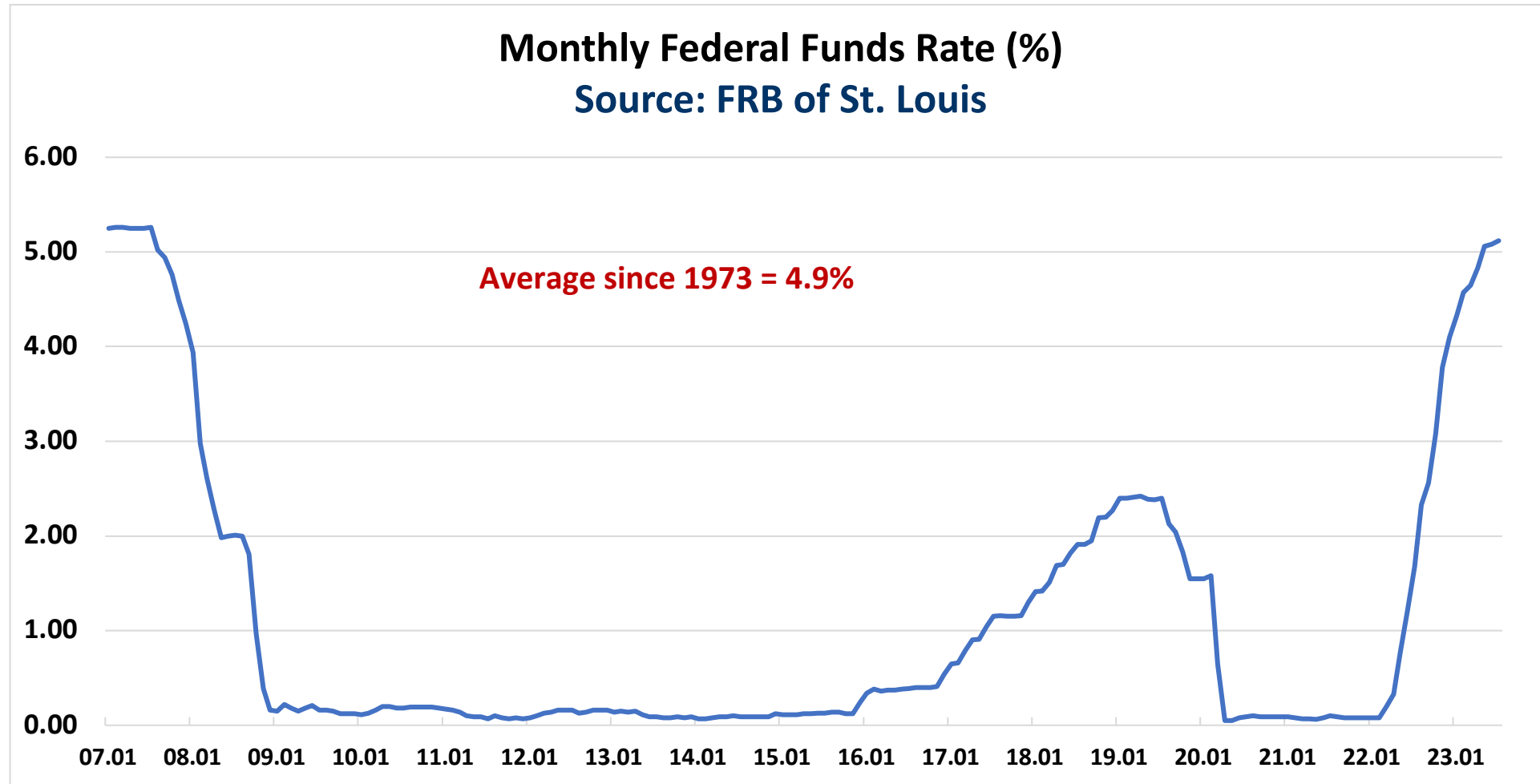
Source: USDA-NASS

Item	2022	2013 to 2022
PCE	6.3%	2.1%
Agricultural Production Items	17.0%	2.8%
Feed	13.3%	2.1%
Seed	12.3%	2.4%
Anhydrous Ammonia	78.8%	9.9%
Phosphorus	36.1%	6.4%
Potash	53.7%	6.2%
Diesel	63.0%	5.9%
Wages	7.4%	4.3%

Percentage Change in Inflation and Farm Input Prices in the Last 12 Months



Average Fed Funds Rate since 2007 = 1.1%



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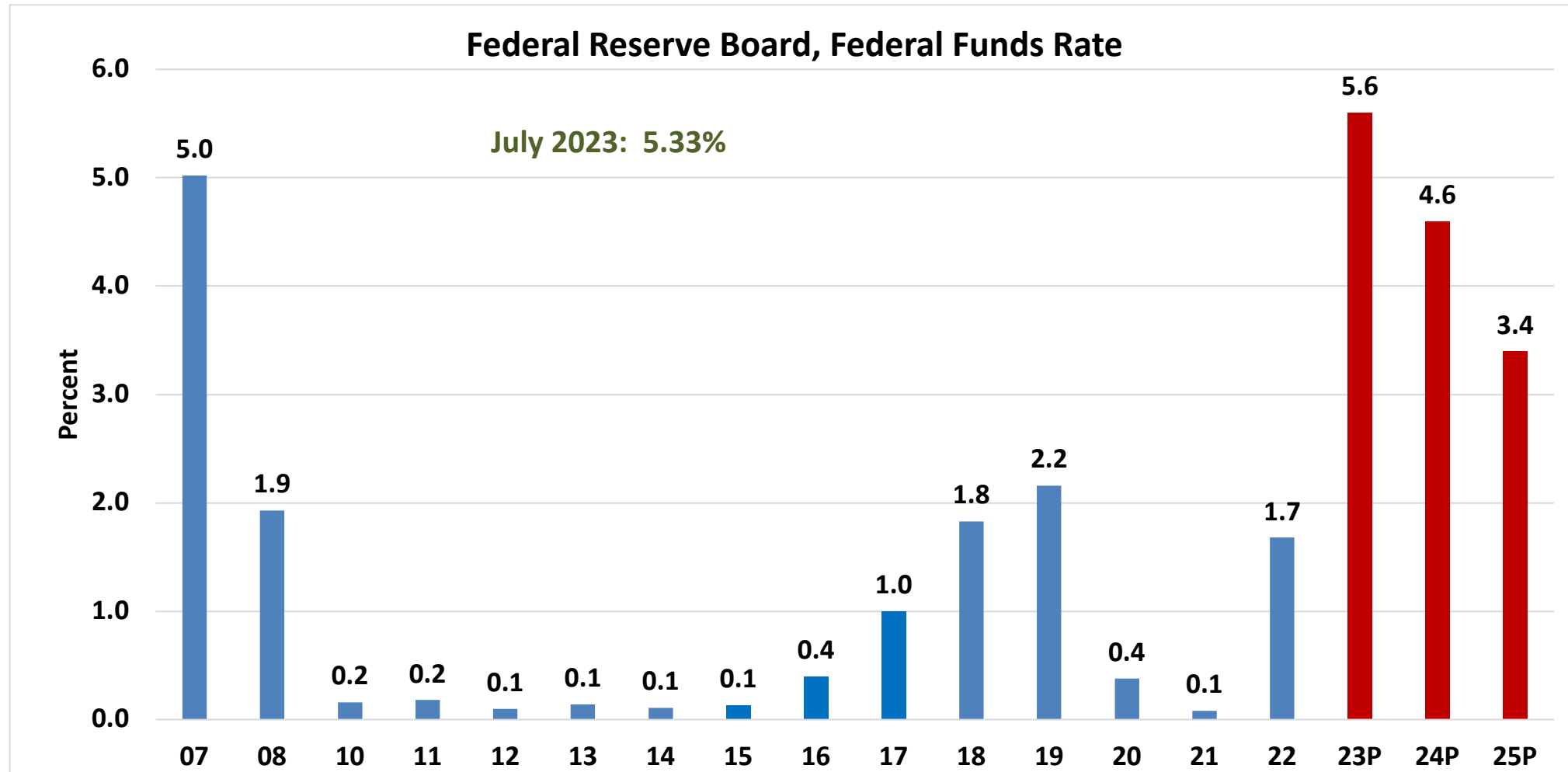
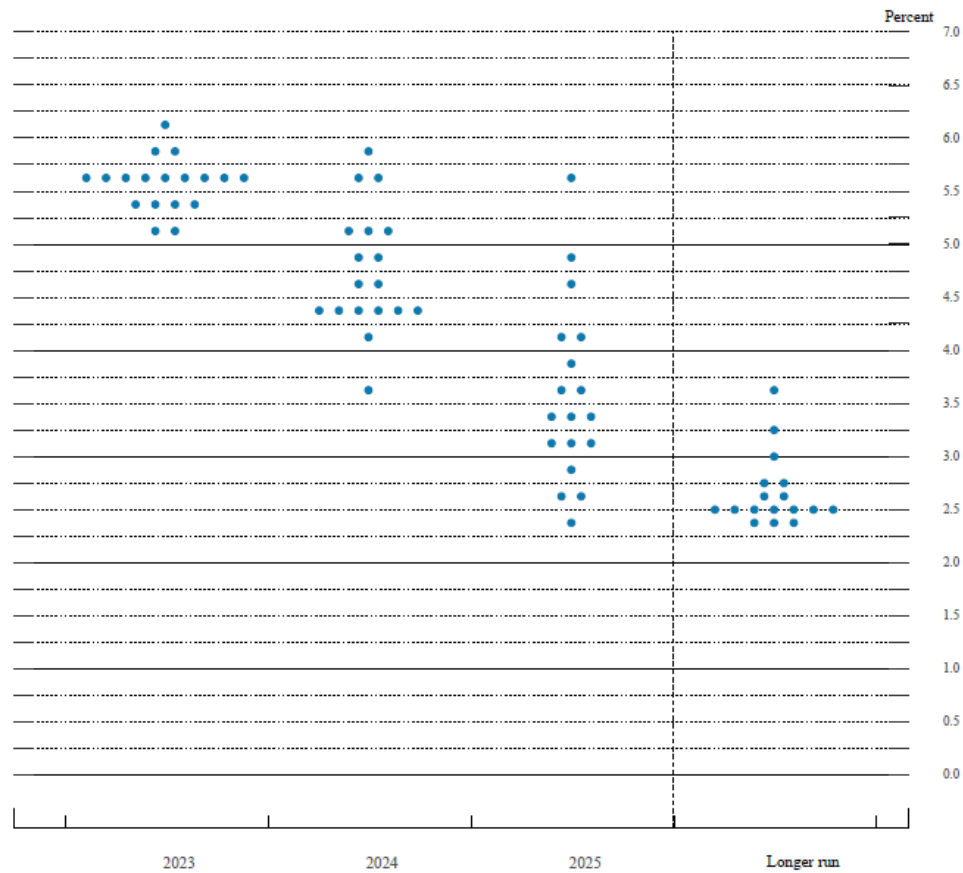
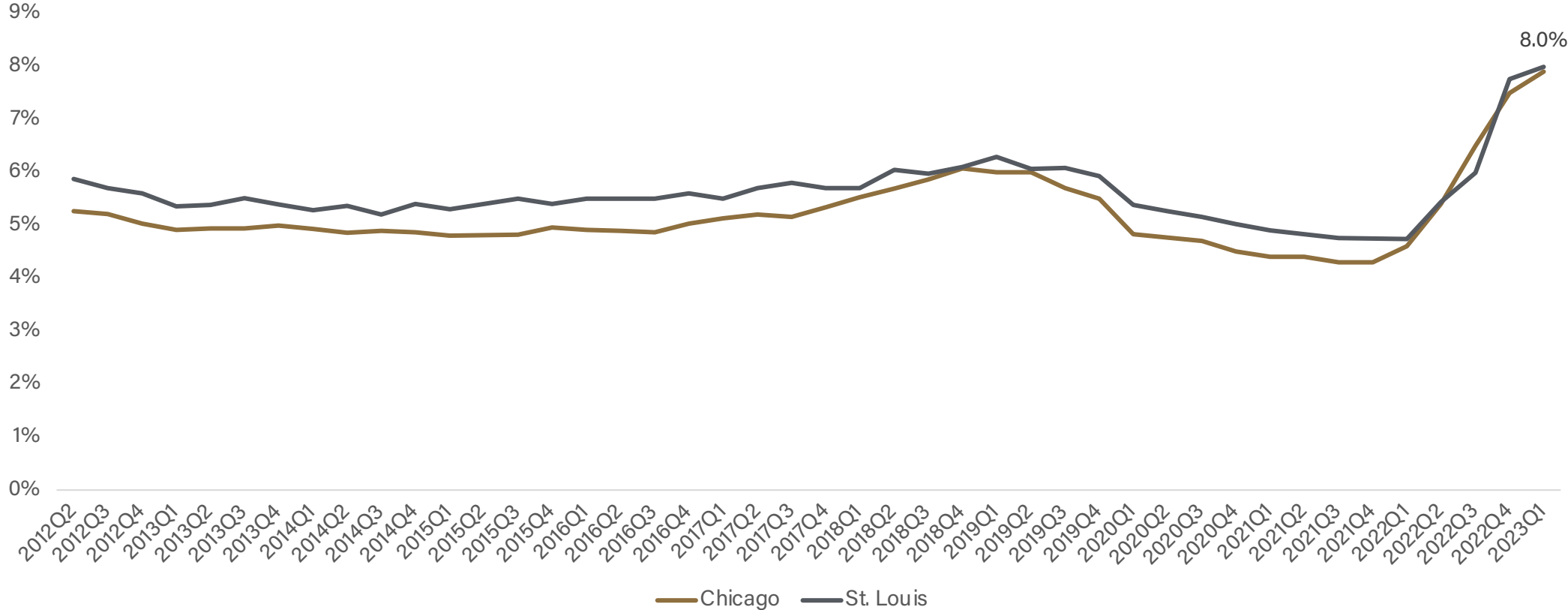


Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate

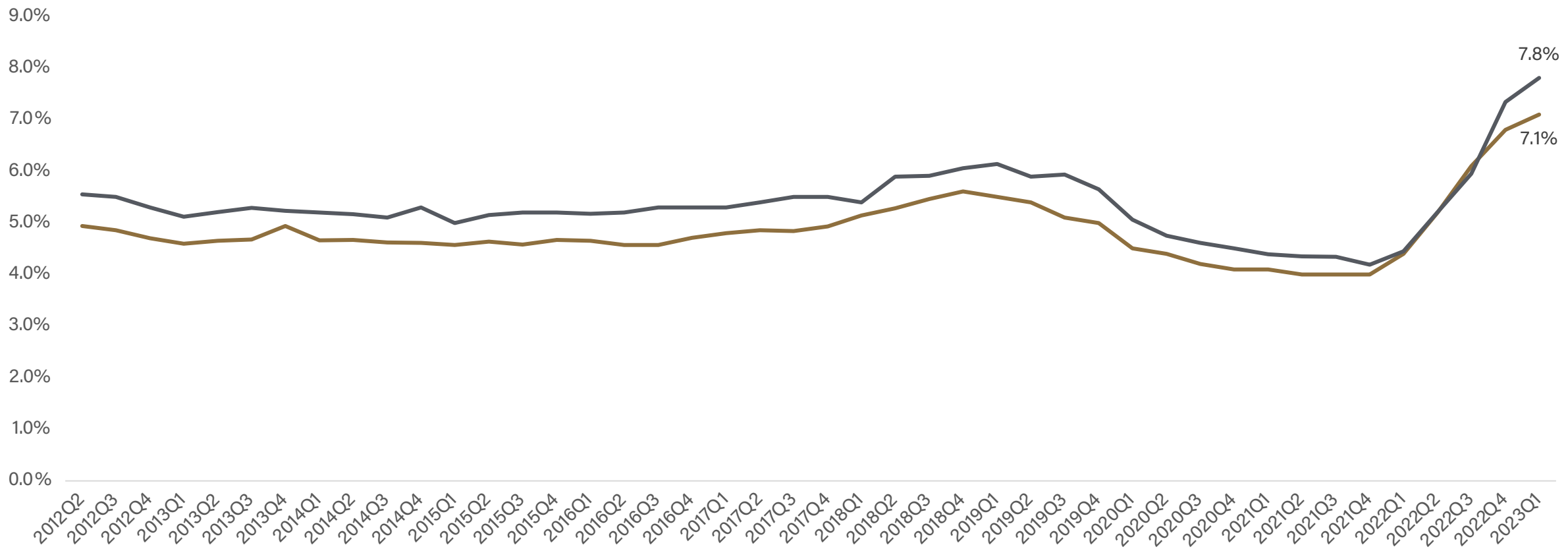


Average Fixed Short Term Operating Note Interest Rate



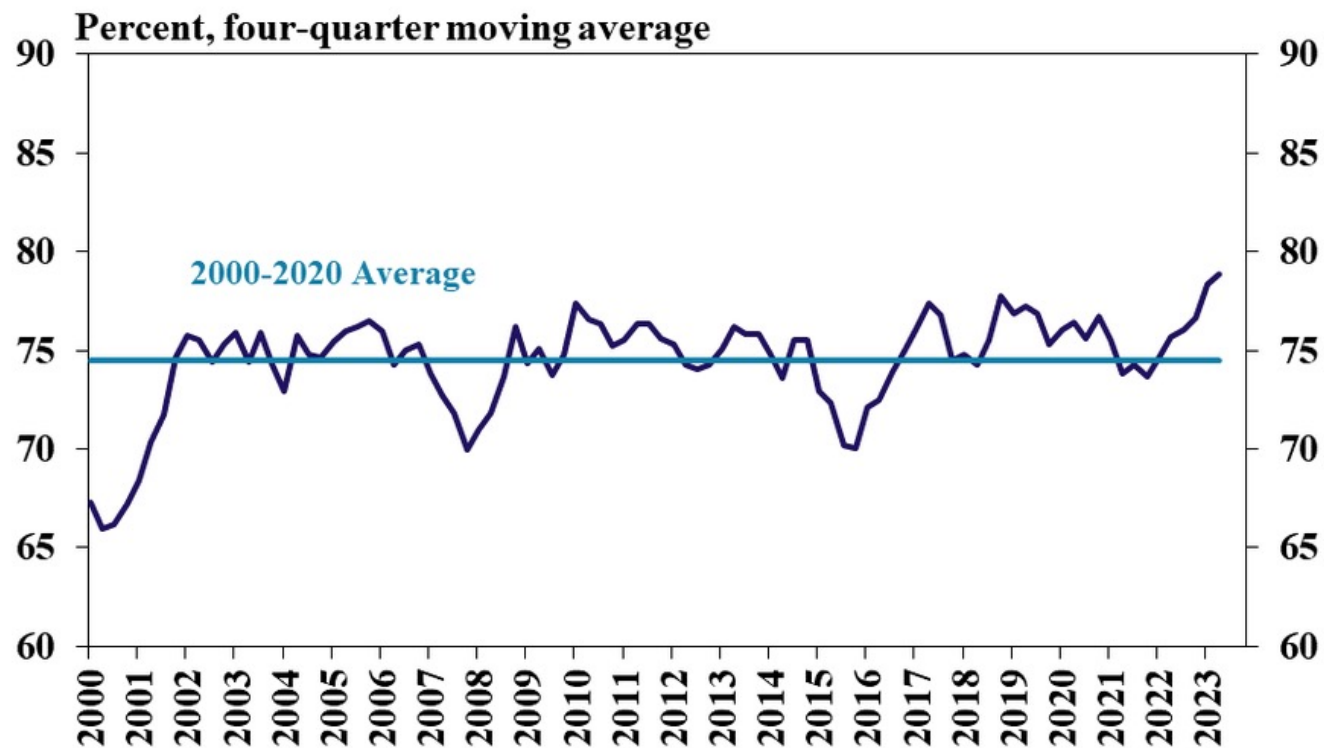
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Average Fixed Interest Rate Farm Real Estate Loans



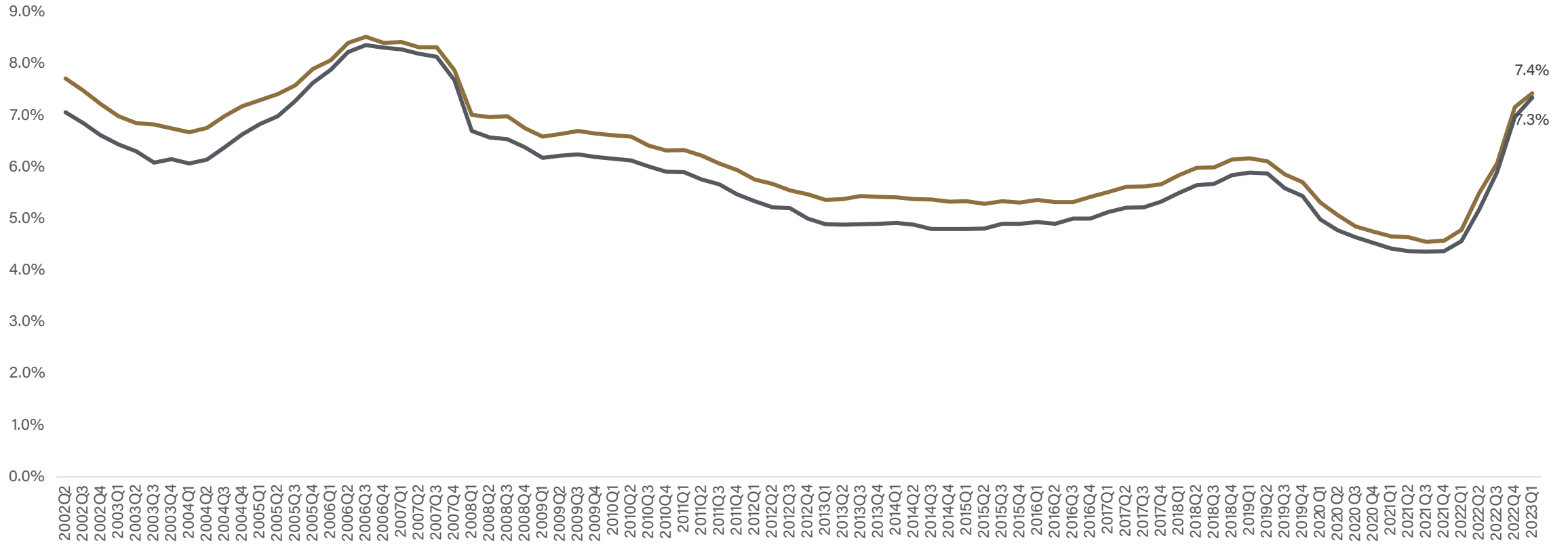
Center for Commercial Agriculture Chicago St. Louis

Chart 5: Share of Non-Real Estate Loans with a Variable Interest Rate



Sources: Survey of Terms of Lending to Farmers and Federal Reserve Bank of Kansas City

Variable vs Fixed Interest Rate Kansas City Farm Real Estate Loans



— Fixed Interest Rate
 — Variable Interest Rate



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Variable vs Fixed Interest Rate Kansas City Farm Operating Loans

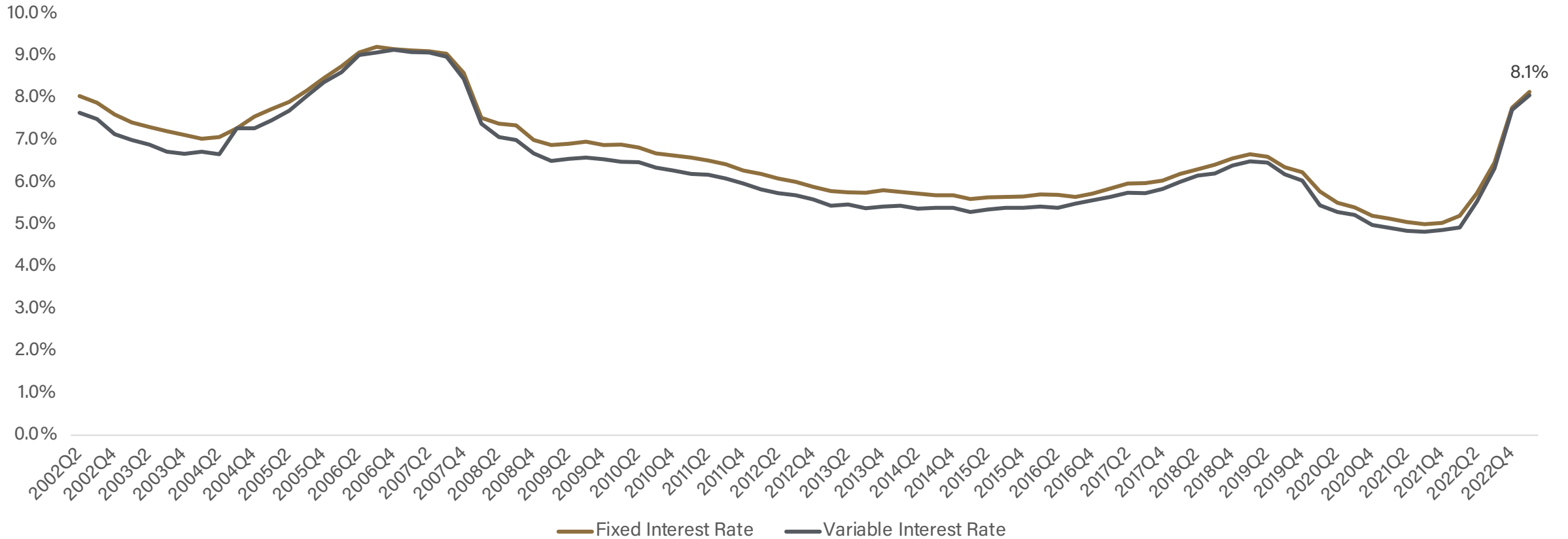
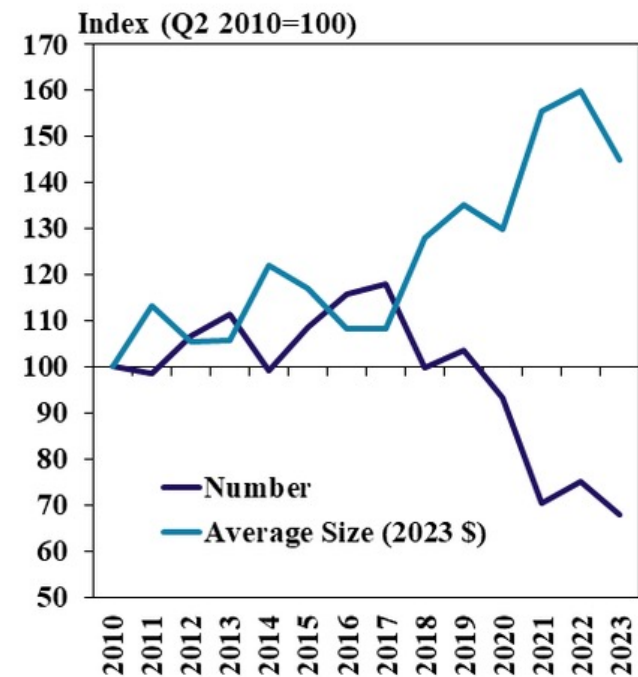


Chart 1: Non-Real Estate Farm Loans

Loan Volume

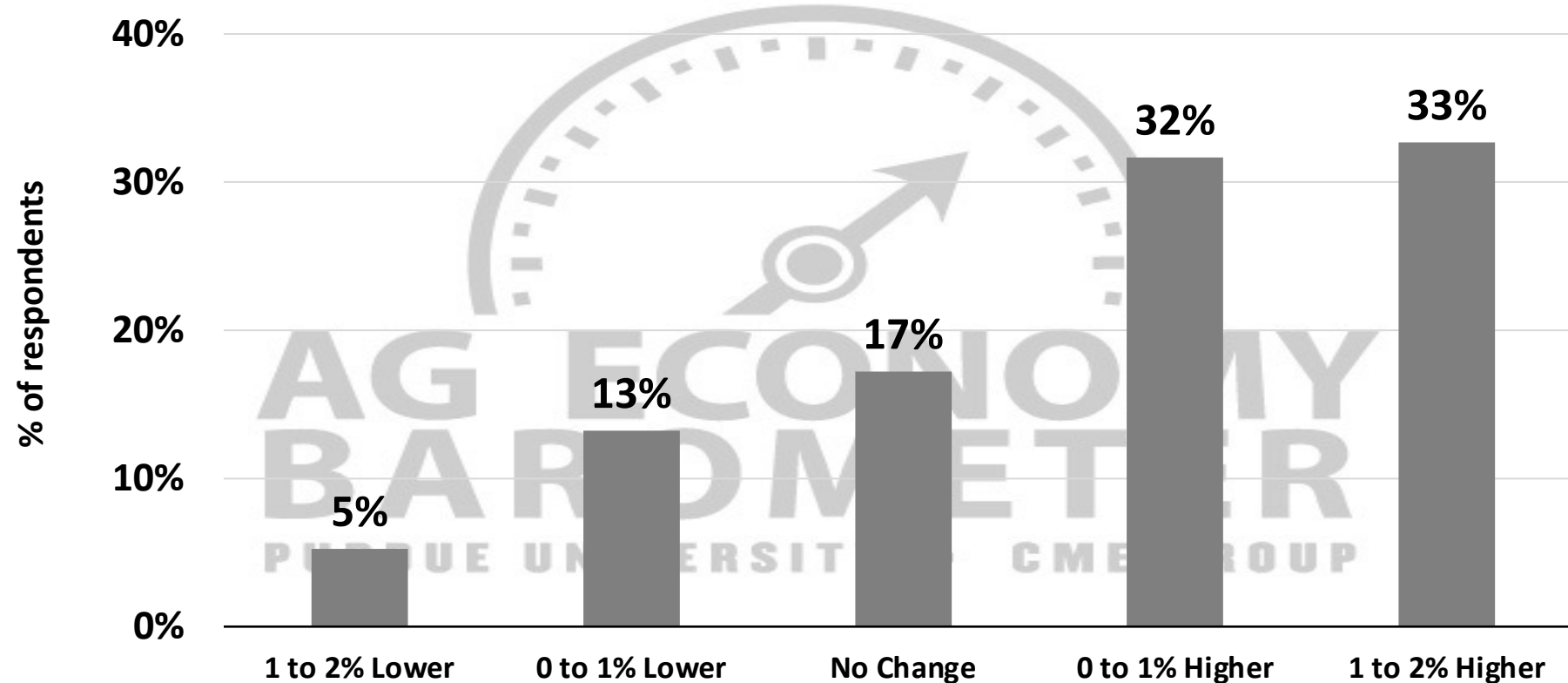


Number and Average Loan Size, Q2



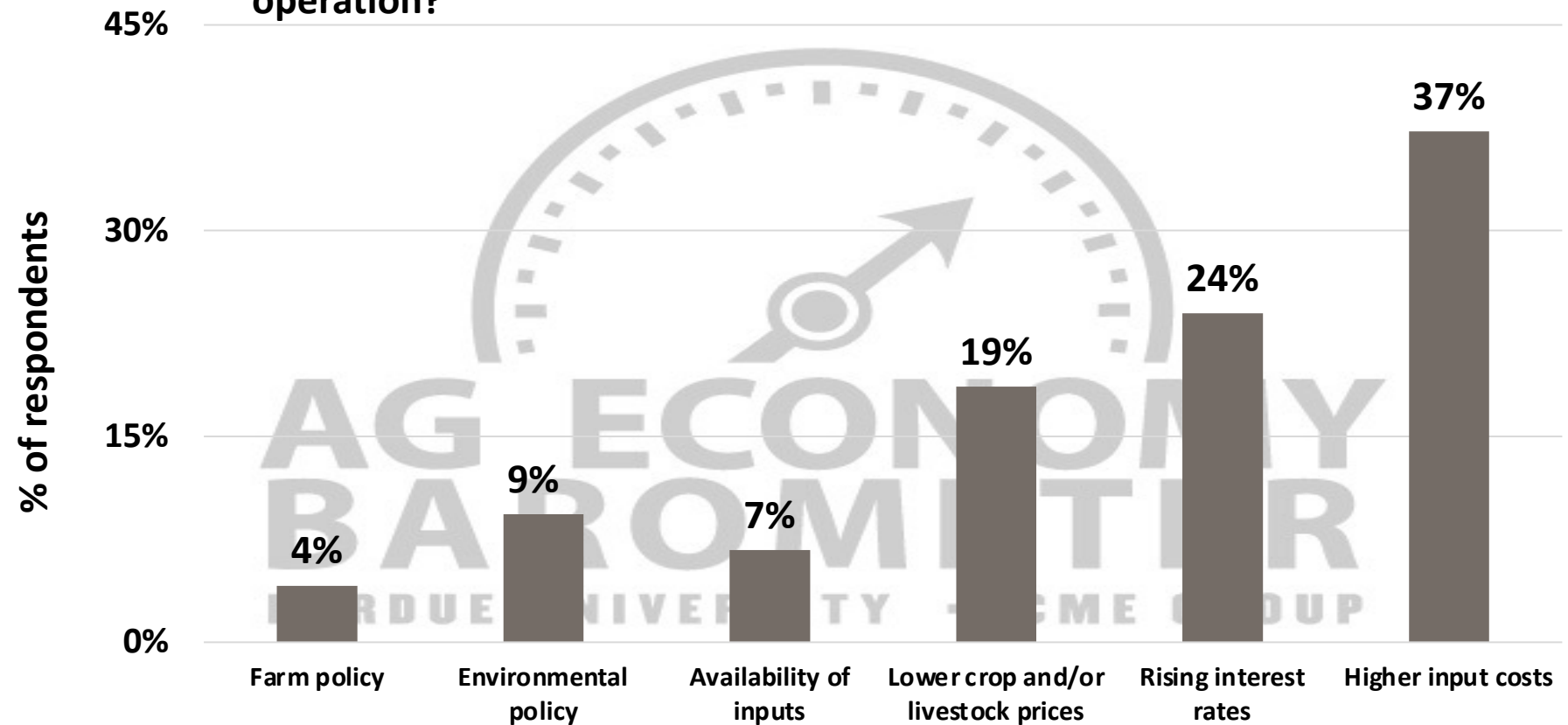
Sources: Survey of Terms of Lending to Farmers and Federal Reserve Bank of Kansas City

The U.S. prime interest rate is currently 8.25%. What do you expect the U.S. Prime interest rate to be one year from now?



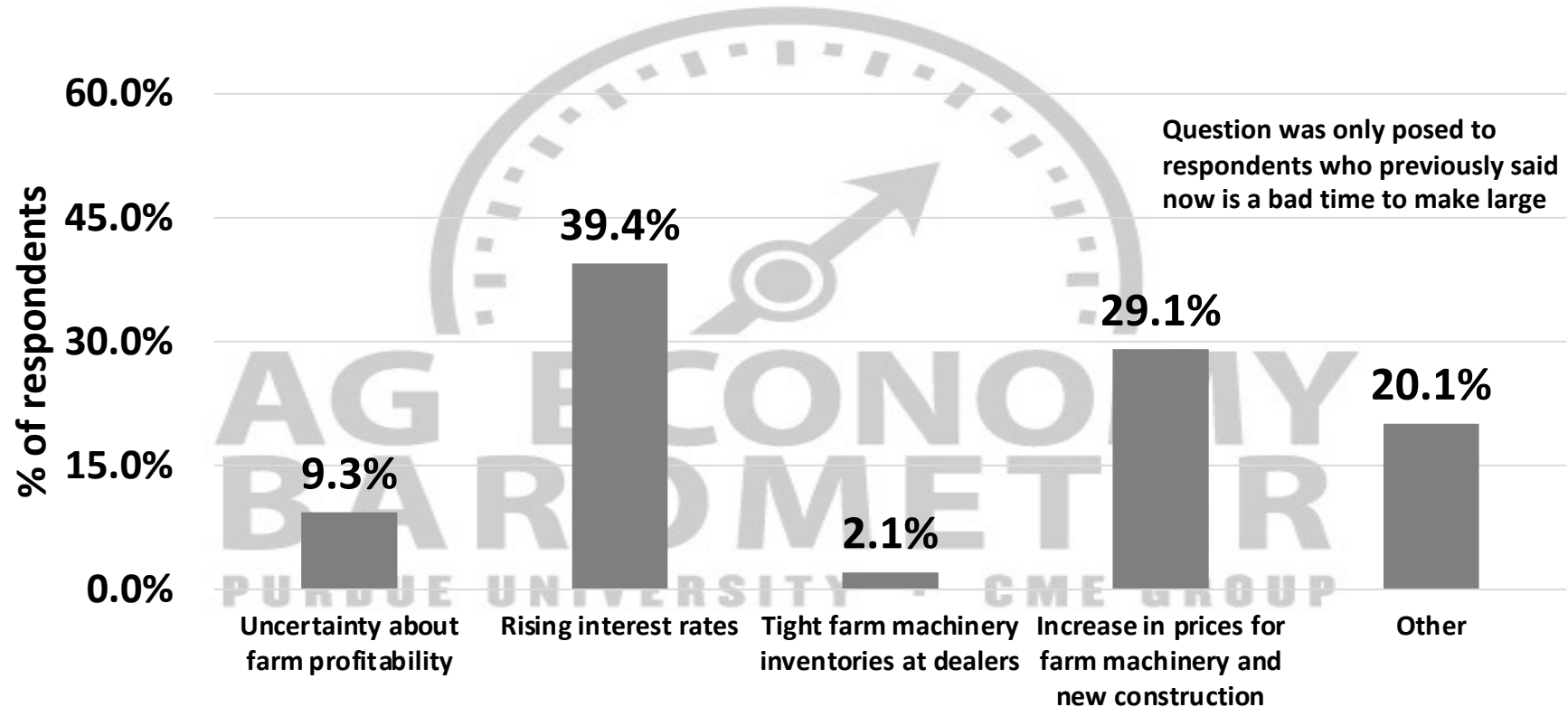
Source: Purdue Center for Commercial Agriculture, Producer Survey, July 2023

Looking ahead to next year what are your biggest concerns for your farming operation?



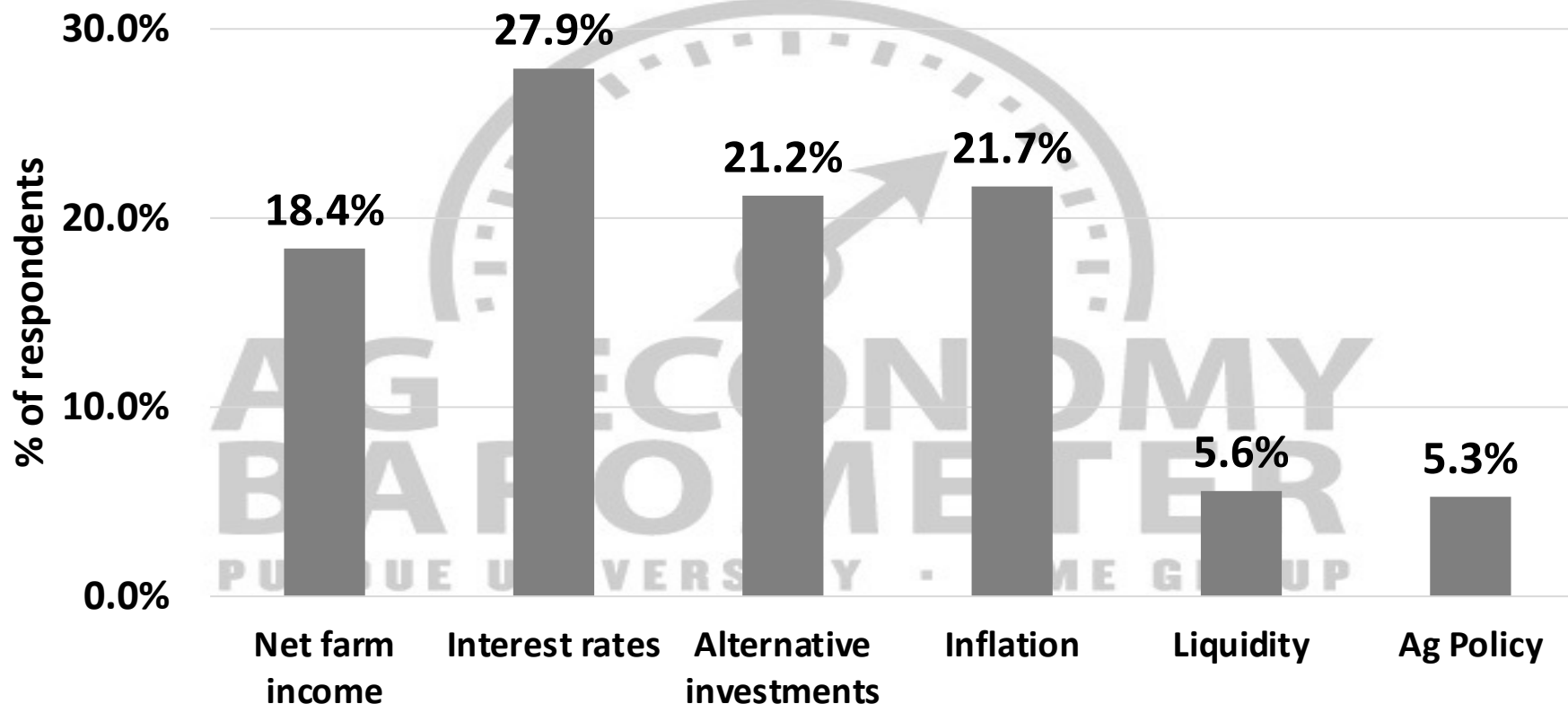
Source: Purdue Center for Commercial Agriculture, Producer Survey, July 2023

What is the primary reason you think now is a bad time to make large investments in things like buildings and machinery?



Source: Purdue Center for Commercial Agriculture, Producer Survey, July 2023

Which of the following factors is having the most influence on farmland values in your area (check up to two items)?



Source: Purdue Center for Commercial Agriculture, Producer Survey, July 2023

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