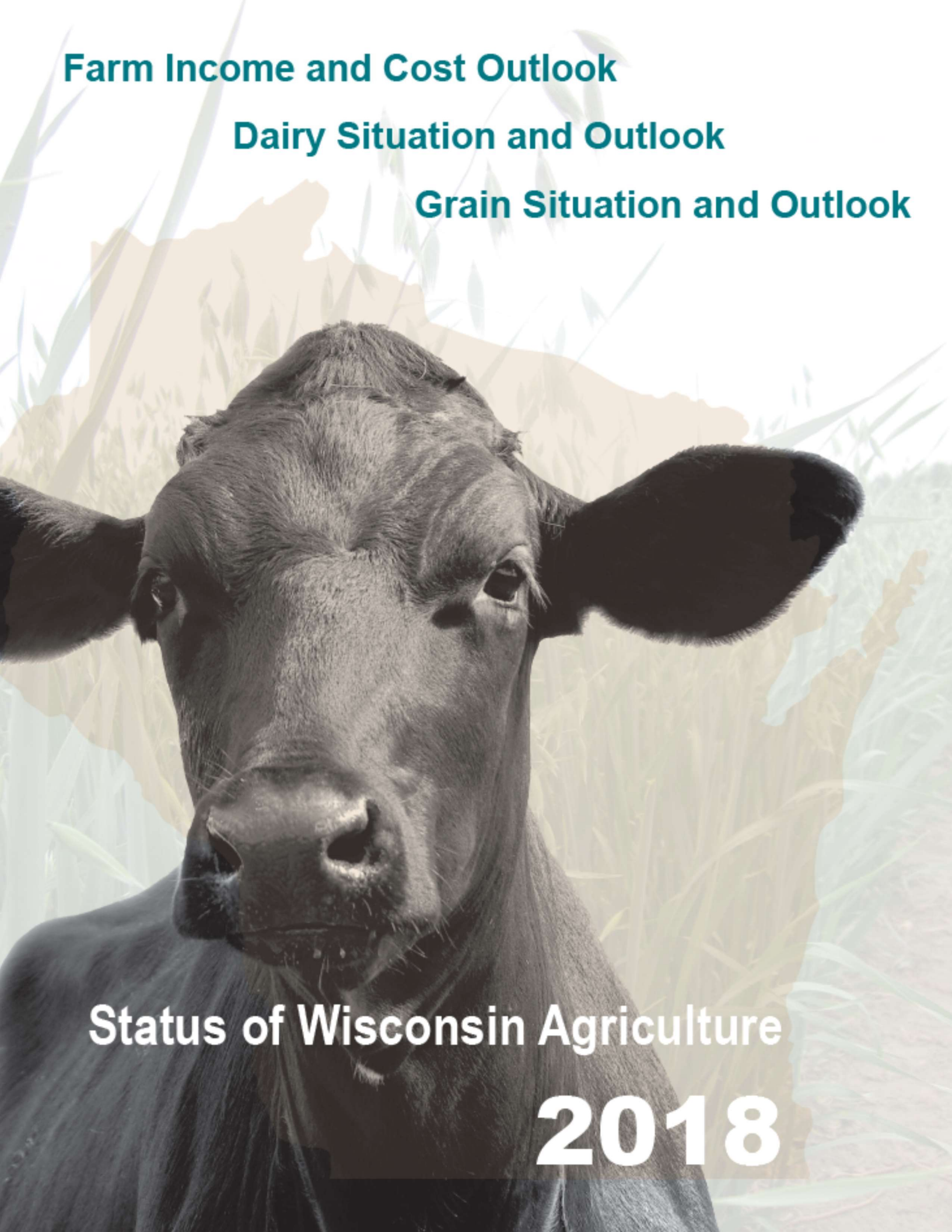
Farm Income and Cost Outlook

Dairy Situation and Outlook

Grain Situation and Outlook



Status of Wisconsin Agriculture

2018

The version of this report was completed on January 23, 2018. For the latest copy of this report, please visit:

https://renk.aae.wisc.edu/status-of-wisconsin-agriculture/

Introduction

Status of Wisconsin Agriculture, the longstanding agricultural situation and outlook report produced by the University of Wisconsin-Madison College of Agricultural and Life Sciences and UW-Extension/Cooperative Extension is back in its second year, after a previous 28 year run ended in 2014. Now the primary publication produced by the Renk Agribusiness Institute, the Status of Wisconsin Agriculture report is meant to expand on the presentations given at the annual Wisconsin Agricultural Outlook Forum. The 2018 Forum, held on January 25th on the UW-Madison campus, included the traditional situation and outlook for dairy, grains, and livestock as well as farm income, specialty crops, and the Wisconsin economy. The afternoon presentations were devoted to the theme of this year's Forum, "Navigating the Rural-Urban Divide in Wisconsin," and the keynote presentation was given by Katherine Cramer, author of the book *The Politics of Resentment*. This document expands further on all of these presentations as the *Status of Wisconsin Agriculture 2018*.

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2018 Wisconsin Agricultural Outlook Forum

"Navigating the Rural-Urban Divide in Wisconsin"

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10:10-10:25	Farm Income and Cost Outlook (Paul Mitchell, UW AAE)
10:25-10:50	Dairy Situation and Outlook (Mark Stephenson, UW CDP)
10:50-11:15	Grain and Livestock Situation and Outlook (Brenda Boetel, UW RF)
11:15-11:30	Questions and Panel Discussion
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11:45-12:00	Specialty Crop Situation and Outlook (Paul Mitchell, UW AAE)
12:00-12:20	Wisconsin Economy Situation and Outlook (Steve Deller, UW AAE)
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2:45-4:00	**Wisconsin Agribusiness and the Rural-Urban Divide**
2:45-3:05	Myths and Realities of the Rural Urban Divide (Tessa Conroy, UW AAE/UWEX)
3:05-3:10	Questions and Discussion
3:10-4:00	**Wisconsin Agribusinesses Panel**
3:10-3:20	Larry Alsum, Alsum Farms and Produce, Friesland
3:20-3:30	Mark Crave, Crave Brothers Farmstead Cheese, Waterloo
3:30-3:40	Mark O'Connell, Wisconsin Counties Association, Madison
3:40-4:00	Panel Discussion and Questions

Renk Agribusiness Institute
UNIVERSITY OF WISCONSIN–MADISON

2017 Farm Income and 2018 Cost Outlook

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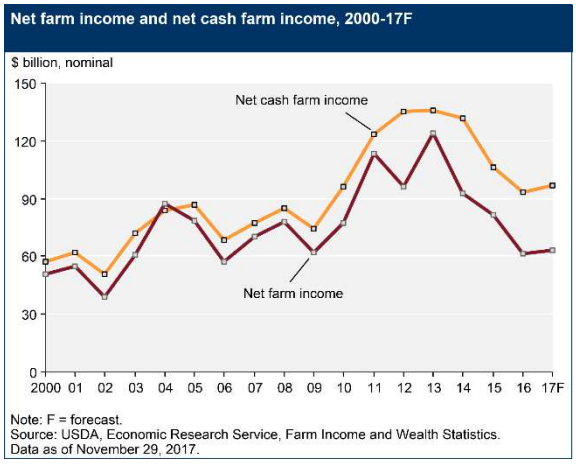
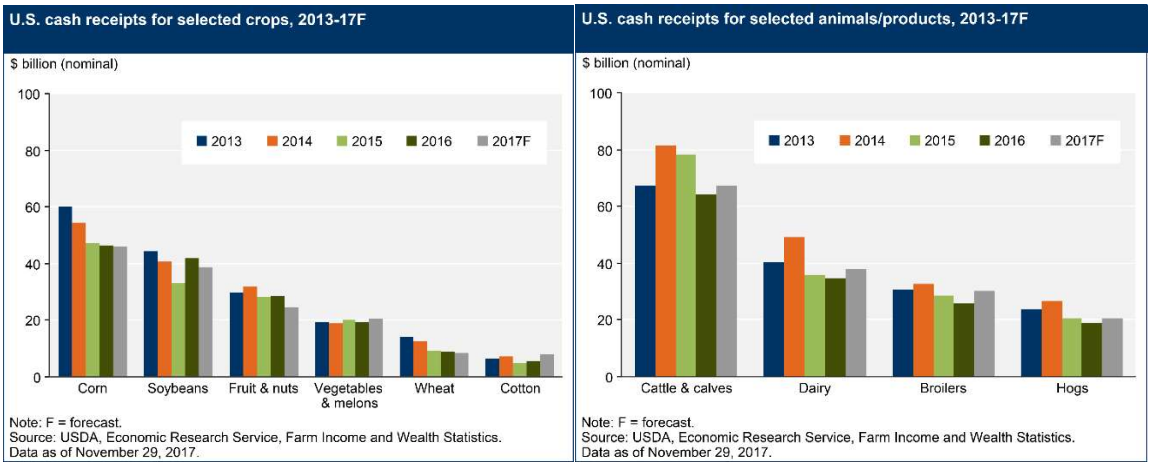
The 2017 crop year was generally a good year for crop production, but with continued low prices for major state commodities, farm income in Wisconsin remains relatively low in 2017. The good news is that the multi-year decline in farm income that has occurred both nationally and in Wisconsin seems to have stabilized, with projections for a slight increase in 2017 compared to last year. Projected costs for 2018 remain high, with negative expected margins for many Wisconsin farmers, though margins for dairy and soybeans look better. The data suggest that most Wisconsin farmers are still stressed financially by continued low prices and high costs, but so far have been able to manage the problem, though these tight margins will continue into 2018.

2017 Farm Income

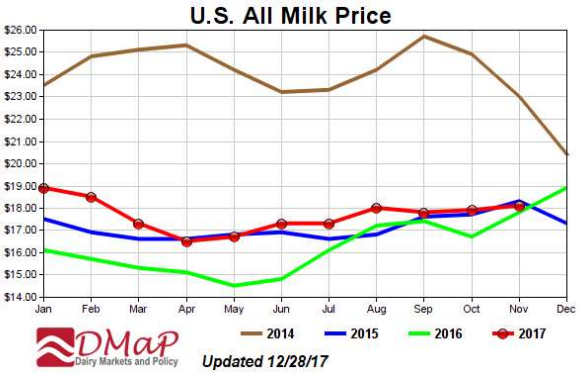
The USDA Economic Research Service (ERS) report[1] from Nov 29, 2017 projected net farm income in 2017 of $63.2 billion, an increase of 2.7% from 2016. This is the first increase in three years, providing some indication that the multi-year declines we have seen may be stabilizing. The same USDA-ERS report also gives farmer cash receipts from the sale of crops and livestock, as well as input cost data. Corn receipts are down for the fifth straight year; soybean receipts are down from last year, but still greater than two years ago. Fruit (and nut) receipts continued to decline nationally for farms, while vegetable receipts were up slightly. Nationally, livestock receipts were up for beef, dairy, broilers and hogs after two years of decline. Overall, total production expenditures increased 1.5% in 2017, but not enough to offset the increase in cash receipts, and so US net farm income rose.



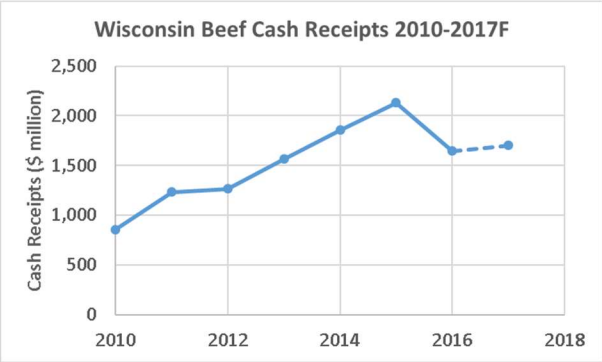


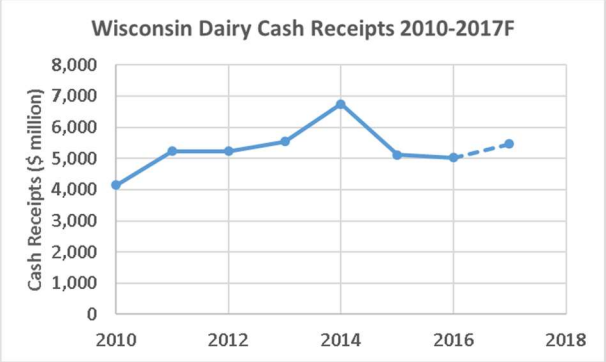
Source: https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/farm-sector-income-forecast/

[1] https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/farm-sector-income-forecast/



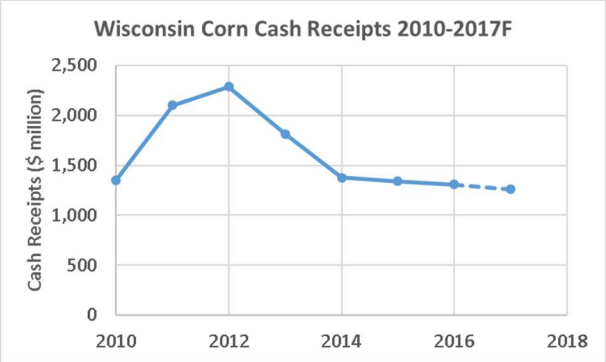
Specific USDA-ERS farm income data for Wisconsin for 2017 are not yet available, and so projections were made based on the historical relationships. Projected dairy cash receipts will increase in Wisconsin for 2017 after remaining largely flat from 2015 to 2016. Higher milk prices in 2017 relative to 2016 have contributed to this increase, as well as continued increases in production. Cash receipts from sales of cattle and calves are projected to increase as well, after declining greatly in 2016 after several years of annual increases.

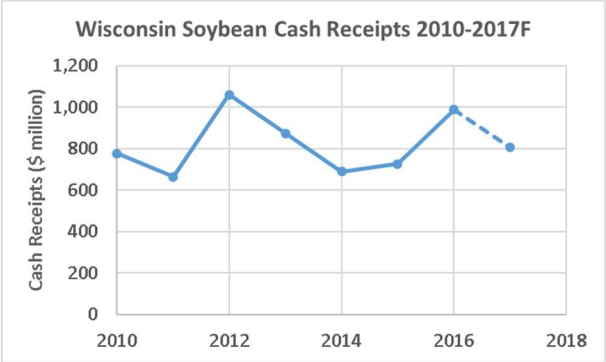




Source: https://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics/data-files-us-and-state-level-farm-income-and-wealth-statistics/

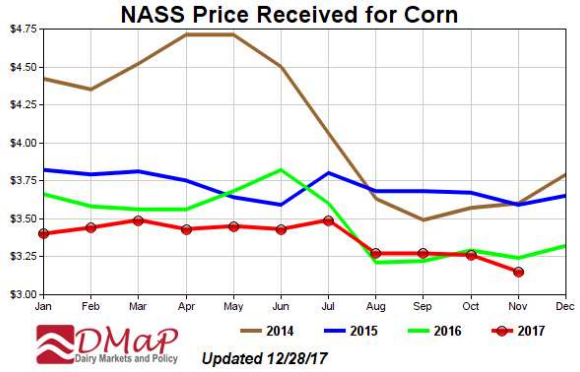
Projected receipts from corn sales in Wisconsin were down slightly for 2017, the fifth straight year of decline, with projected soybean cash receipts also down after two years of increases. The state Wisconsin state average corn yield was 174 bu/A in 2017 after the record setting 178 bu/A in 2016, while the state average soybean yield was 47 bu/A in 2016, down 8 bu/A after the record yield of 55 bu/A in 2016. [2] These are, respectively, a 2% and 15% decrease in yield from 2016 levels and contributed to the declines in cash receipts. Low corn and soybean prices also contributed to declines in cash receipts. Average monthly farm-level prices for corn in 2017 were generally at or below where they were in 2016. For soybeans, average monthly prices in 2017 exceeded those in 2016 early in the year, but since May 2017, soybean prices have been below those in 2016.

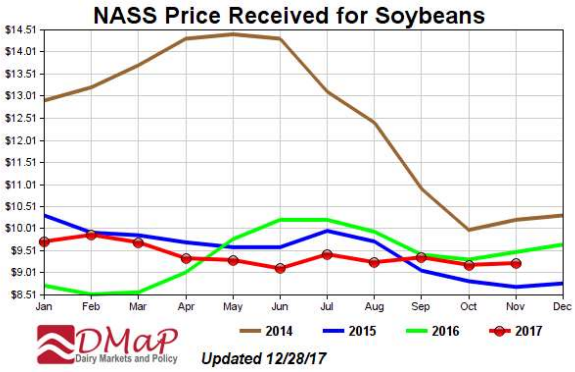




Source: https://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics/data-files-us-and-state-level-farm-income-and-wealth-statistics/

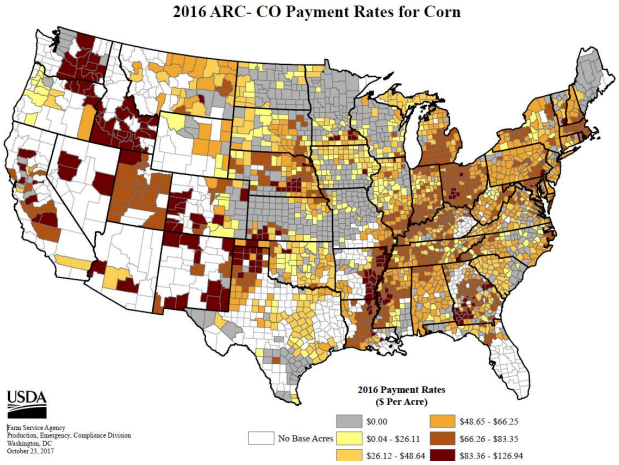
[2] https://www.nass.usda.gov/Statistics_by_State/Wisconsin/Publications/Crops/2018/WI_Crop_Production_Annual_01_18.pdf

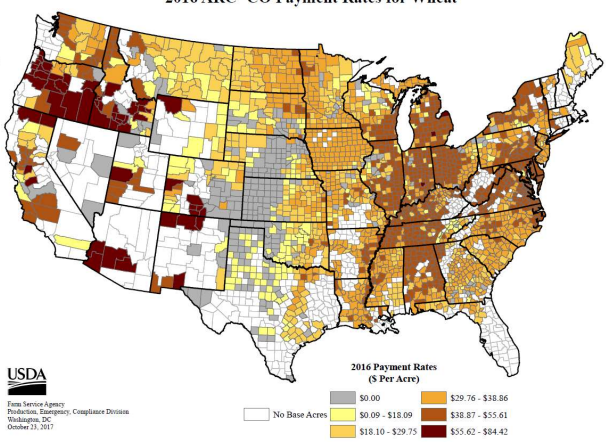




Source: https://dairymarkets.org/Tools/Inputs.html

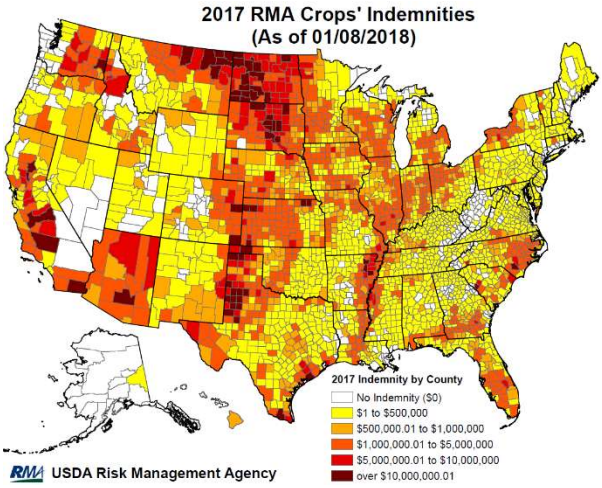
Like most Midwestern grain farmers, Wisconsin farmers enrolled in the county ARC program, the new commodity support program created by the 2014 Farm Bill. After two years of making large payments to farmers in Wisconsin and other Midwestern states, county ARC made much smaller payments in 2017 (for the 2016 crop year), despite the relatively low prices for corn and soybeans. Nationally, USDA commodity support payments for corn were $3.0 billion in 2017 (for the 2016 crop year), down 27% from the $4.1 billion paid in 2016, and mostly went to in Eastern Corn Belt states. For soybeans, payments totaled $200,000, down 82% from the $1.1 billion paid in 2016. Percentage decreases in USDA commodity support payments for corn and soybean were even greater in Wisconsin. In 2016, USDA commodity support payments to Wisconsin farmers totaled $202 million, almost all for those operating corn or soybean base acres. In 2017, payments to Wisconsin farmers were only $59 million – $51 million for corn, essentially none for soybeans, and $5.2 million for wheat. Relatively large payments exceeding $65 per corn base acre were paid in a few Wisconsin counties and payments exceeding $40 per wheat base acre in many Wisconsin counties. As farm income fell in 2015 and 2016, these payments were especially helpful for many Wisconsin farmers, but due to the formulas ARC uses, low payments are also expected for corn and soybeans in 2018 for the 2017 crop year.





Source: https://www.fsa.usda.gov/programs-and-services/arcplc_program/index

Crop insurance indemnity payments for the 2017 crop year are not yet complete, but they show a generally low level of activity compared to problematic years. As of Jan 22, 2018, more than $81 million was paid as indemnities in Wisconsin, with additional payments likely yet to be made. For comparison, the total was $31 million paid for crop losses in 2016 and $57 million in 2015, but $457 million paid for crop losses in 2012 (see table below). These results suggest that 2017 was not a bad year in terms of crop losses for corn and soybeans. Overall, the weather data show a wet and cool summer for most of Wisconsin, punctuated by a few warm periods with above-normal temperatures in late May and early June and again in late September. Major rainfall events occurred in late July in southwestern and south central Wisconsin, with flash floods and general flooding causing property damage and crop loss. The governor declared a state of emergency for 17 counties in a rough triangle from Pepin County down to Grant County along the Mississippi River and east to Green and Dane Counties.[3]



Historical Wisconsin crop insurance indemnity information

Crop Year	Indemnities ($ million)			Share of All Indemnities	
	All Crops	Corn	Soybean	Corn	Soybean
2012	$457	$398	$37	87%	8%
2013	$462	$358	$71	78%	15%
2014	$284	$219	$43	77%	15%
2015	$56	$24	$10	43%	17%
2016	$31	$12	$4	37%	11%
2017	$81	$43	$16	60%	22%

Source: http://www.rma.usda.gov/data/sob.html

In terms of the total insured value, corn and soybeans accounted for more than 83% of the Wisconsin total in 2017 and about 82% total indemnities paid as of Jan 22, 2017. On a per policy basis, the crop policies most frequently paying losses were small grains, apples, and processing vegetables (green beans, green peas, sweet corn, cabbage). The cool wet summer increased losses for these crops, especially the excessive rains in late July. Wisconsin has the second largest processing vegetable industry in the US,[4] and these crops were hit hard, especially green beans. As of January 22, 2018, 17%-27% of green bean, sweet corn and green pea policies in the state paid indemnities, with average payments in the range of $11,000 to $33,000 per policy and total payments of more than $2.4 million. The wet summer also caused forage production losses, with average payments for policies making claims of almost $20,000 and total indemnities of almost $4.6 million. Forage losses across the state due to wet weather were likely larger, since only about 20%-25% of forage production is insured, and farmers usually pay large deductibles in the range of 25%% of the average crop value.[5] Apple growers in the state suffered losses, with more than a third of the policies paying indemnities and an average payment of more than $50,000 per policy. Only 11% of potato and cranberry policies pad indemnities, but losses per policy were large, averaging almost $134,000 for potato and $95,000 for cranberry. Total indemnities paid for both crops totaled $3.7 million as of January 22, 2018.

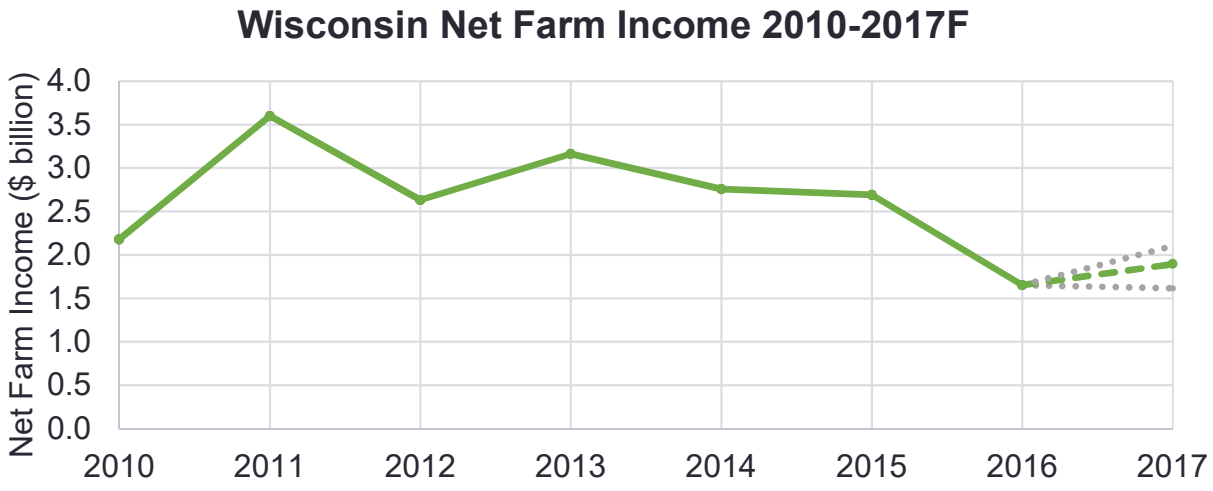
[3] https://www.jsonline.com/story/weather/2017/07/22/gov-walker-declares-state-emergency-17-counties-after-floods-hit-southwestern-wisconsin/502038001/
[4] http://www.aae.wisc.edu/pdmitchell/Crop_impacts_low_res.pdf
[5] https://www.rma.usda.gov/pubs/state-profiles.html

Wisconsin crop insurance indemnity information for the 2017 crop year (as of 1/22/2018)

Crop	% of Policies Paying Indemnities	Average Indemnity per Policy when Paid ($/A)	Total Indemnities Paid ($1,000)
Corn	23%	$14,381	$48,968
Soybeans	20%	$8,173	$18,455
Forage	17%	$19,550	$4,594
Wheat	26%	$3,827	$1,592
Barley	50%	$6,344	$241
Oats	30%	$1,476	$146
Seed Corn	18%	$17,171	$120
Cranberry	11%	$94,460	$2,361
Green Beans	23%	$33,487	$1,875
Potatoes	11%	$133,777	$1,338
Apples	33%	$51,105	$460
Green Peas	27%	$11,570	$324
Sweet Corn	17%	$11,025	$209
Cabbage	33%	$18,970	$76

Source: http://www.rma.usda.gov/data/sob.html

Overall, increasing cash receipts for dairy and beef offset decreasing receipts for corn and soybean, combined with flat to decreasing expenditures led to a projected increase in net farm income for Wisconsin in 2017. Based on historical relationships with US data, the projection is for $1.9 billion in net farm income in 2017, a 15% increase from the 2016 level. However, this estimate is uncertain, with a range from $1.6 billion to $2.1 billion. From discussions with agricultural professionals in the state, many Wisconsin farmers are still financially stressed by these conditions, but this projected increase if realized will increase optimism that the worst of the multi-year declines we have seen are past.

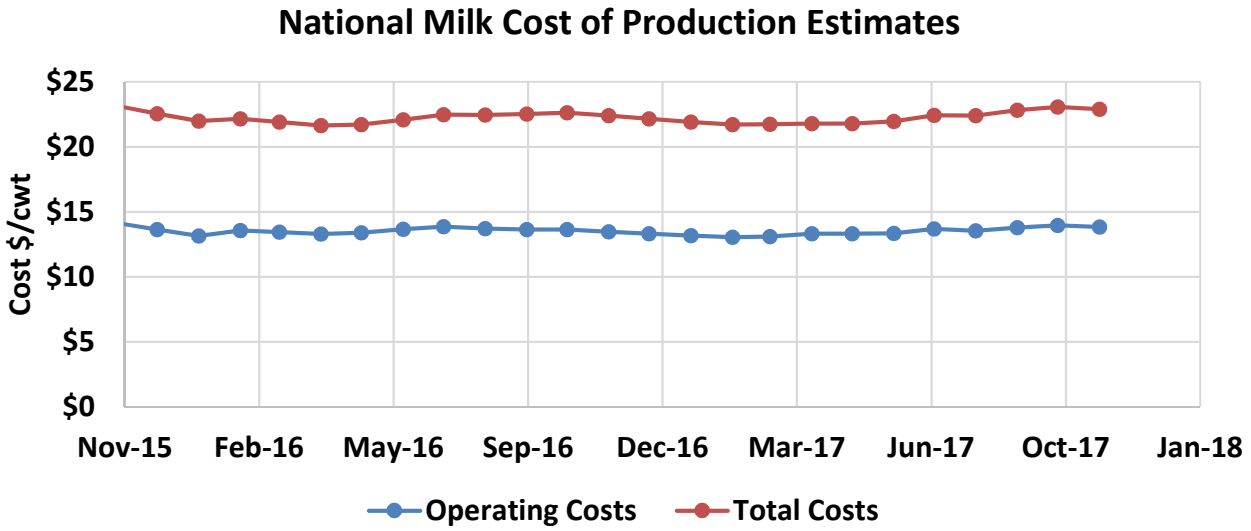


Source: https://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics/data-files-us-and-state-level-farm-income-and-wealth-statistics/

2018 Cost Outlook

Dairy

Based on national USDA estimates, the average milk cost of production over the last year has shown no trend and ranged roughly between $21.70 and $23.00/cwt and averaged $22.22/cwt.[6] Note that this cost estimate includes unpaid labor, opportunity costs, capital recovery costs, and general farm overhead costs. This national estimate is likely similar to the Wisconsin estimated average cost as well, as the average cost in the state has converged to the US average in recent years, likely due to the increasing average herd size in the state. Into 2018, this cost will likely not vary much from this range with continued favorable feed costs projected. Hence, for 2018, the projected Wisconsin milk cost likely ranges between $21-$24/cwt for most farmers, with higher costs for those with smaller herds and even lower costs for those with larger herds.

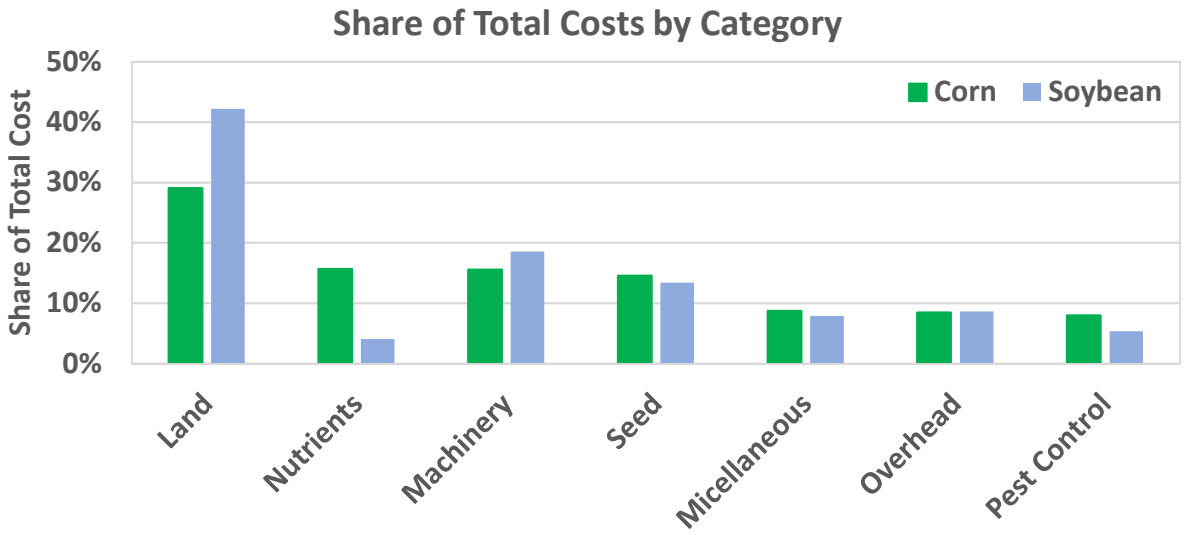


Source: https://www.ers.usda.gov/data-products/milk-cost-of-production-estimates/

Corn and Soybeans

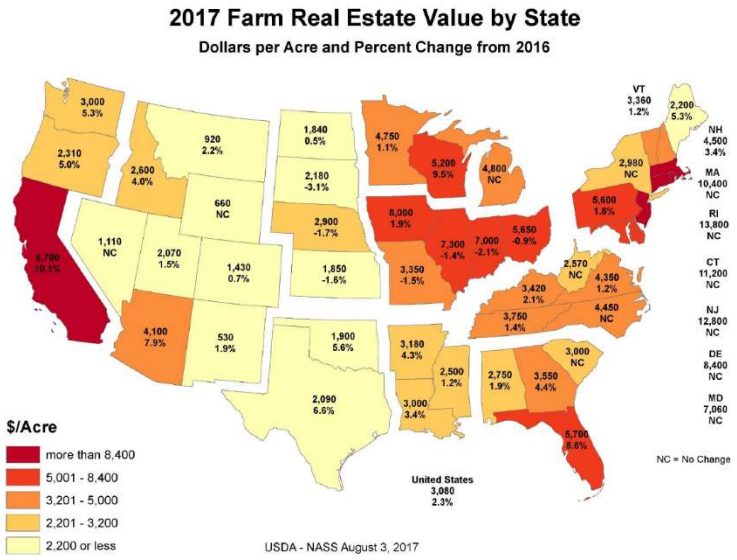
For corn and soybeans, the analysis modifies cost and break-even price estimates for Northern Illinois based on the FarmDOC program at the University of Illinois, which works with data from members of the Illinois Farm Business Farm Management Association.[7] A key advantage is that the budget process has remained consistent over the years, allowing an accurate comparison of cost trends for corn and soybeans in Northern Illinois. First, to focus the discussion, the shares of total costs for major categories are illustrated, showing that land cost (rent or opportunity cost) is the largest single cost component for both corn and soybeans, at 29% for corn and 42% for soybeans. The projected total cost is $791/A for corn and $545/A for soybeans, with land rent at $230/A for high quality farmland. For corn, machinery, nutrient and seed costs each have about a 15% share, with pest control at about an 8% share. For soybeans, machinery has a 19% share, while seed has a 13% share, then nutrients and pest control with a 4% and 5% share, respectively. To better understand trends in these costs, data for Wisconsin and Northern Illinois are examined for each cost category.

[6] https://www.ers.usda.gov/data-products/milk-cost-of-production-estimates/
[7] http://www.farmdoc.illinois.edu/manage/2017_crop_budgets.pdf



Source: http://www.farmdoc.illinois.edu/manage/2018_crop_budgets.pdf

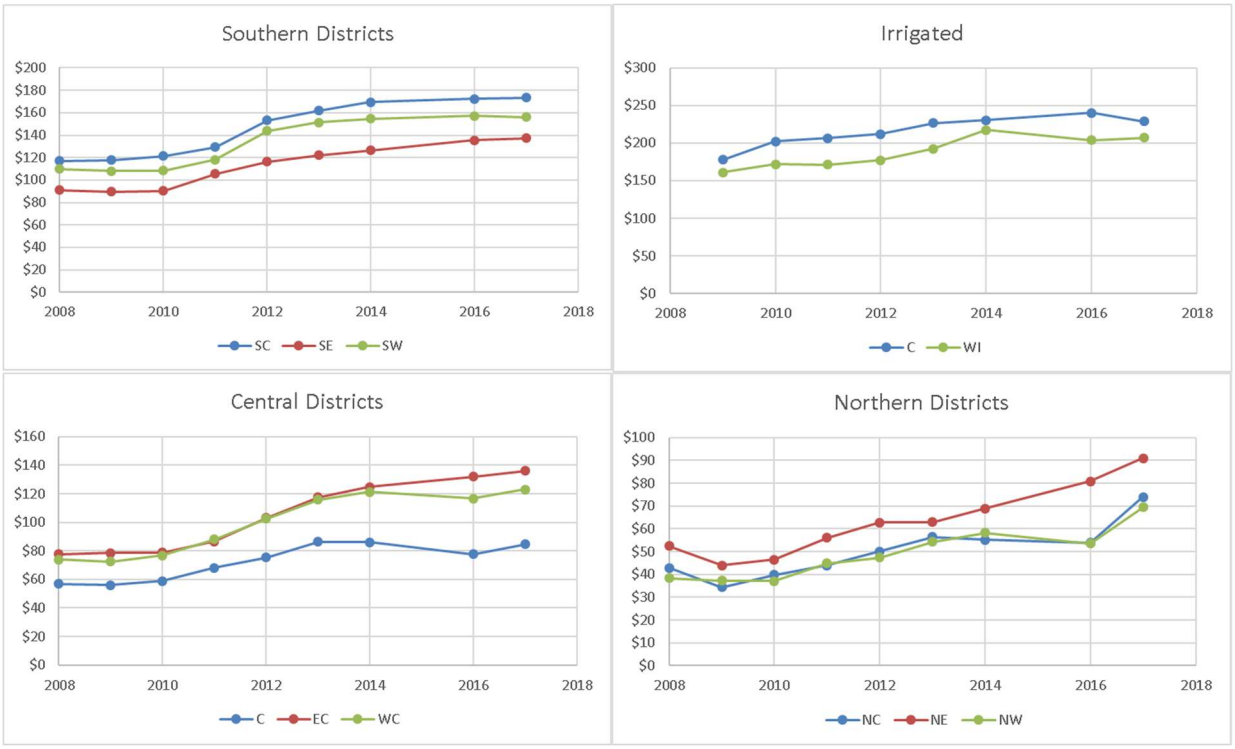
The most recent land value data from USDA-NASS shows that farm real estate values in Wisconsin rose $300/A or 9.5% in 2017 compared to 2016. This increase is the largest percentage increase nationally except for California. Wisconsin is an outlier among Midwestern states, with a large increase. Only Minnesota and Iowa showed increases in 2017, but much smaller, with other states showing no change or decreases in farm real estate value. The continued strength of the dairy industry in the long-term has put upward pressure on cropland prices in the state. Also, agricultural land values did not increase as rapidly in Wisconsin as in some other states during the commodity price boom and so do not have as much downward pressure on them now. What 2018 holds for land values is unclear. The continued tight margins for crops and dairy will put downward pressure on land prices. However, areas with strong growth in dairy herds will see land values hold steady or increase, while areas without these pressures will not, generating mixed results around the state.



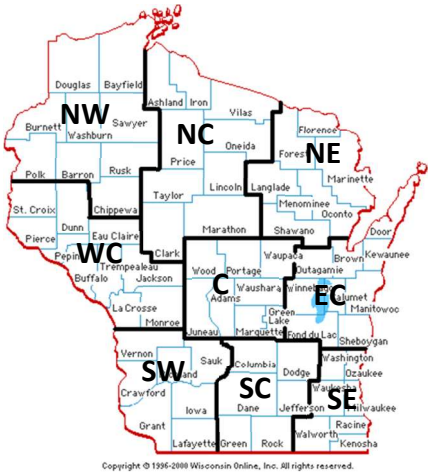
Source: https://www.nass.usda.gov/Charts_and_Maps/Land_Values/

The four plots on the next page show average cropland rental rates in the state by crop reporting district between 2008 and 2017 based on USDA-NASS cropland rent data[8] and the map shows the boundaries for each crop reporting district. Note that these are average rental rates, with more productive land receiving higher-than-average rents and less productive land receiving lower-than-average rents. The plots show that the upward pressure on land rents in Wisconsin has slowed over the last three years in the south and for irrigated land. In the southern districts, land rents remained relatively flat, increasing only slightly, likely due to the continued tight margins for crops. However, in the central and northern districts, areas where dairy is relatively more important, average rents increased in 2017 after decreasing between 2014 and 2016. Furthermore, in the east central and north east districts, areas with higher concentrations of dairies, land rents have shown sustained increases for several years.

[8] https://www.nass.usda.gov/Surveys/Guide_to_NASS_Surveys/Cash_Rents_by_County/



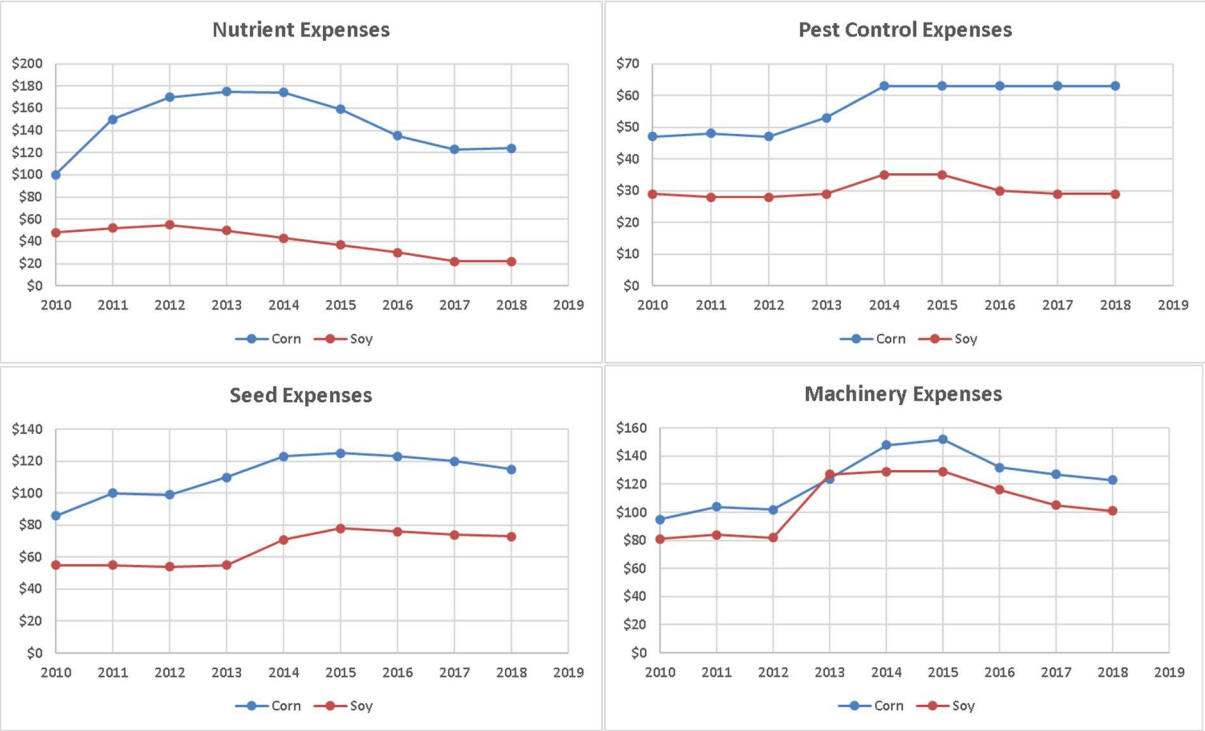
Source:https://www.nass.usda.gov/Surveys/Guide_to_NASS_Surveys/Cash_Rents_by_County/



The four plots on the next page show the trends in projected farm expenses for machinery, seed, nutrients and pest control in Northern Illinois over the last decade based on the FarmDOC program at the University of Illinois.[9] Note that these are projected expenditures, with changes occurring not only due to input price changes, but also due to changing the amount of each input used. Compared to 2017, projected machinery expenses in 2018 declined for the third year in a row, by 3% for corn and 4% for soybeans. This decline is not only due to farmers reducing machinery spending and the average number of machinery operations per acre, but also due to lower depreciation costs. Many farmers invested in new machinery during the commodity price boom and as this machinery ages, depreciation rates decrease. Projected seed expenditures for 2018 also declined for the third consecutive year, about 4% for corn and only slightly for soybeans compared to 2017. In general, farmers will not able to reduce seed costs substantially in 2018, as seed companies continue to be under tremendous fiscal pressure. Furthermore, most farmers want to continue to use the best genetics. Projected nutrient expenses remained essentially unchanged after sustained drops over several years, mostly due to continued low fertilizer prices and more efficient farmer use.[10] Pest control expenses have also remained largely unchanged over the last few years. Chemical prices have not declined due to fiscal pressure on chemical companies.

[9] http://www.farmdoc.illinois.edu/manage/2018_crop_budgets.pdf

[10] http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1002



Based on expected yields and these costs, the projected break even prices as $/bu can be calculated by dividing the total cost ($/A) by the projected yield (bu/A). Using an average rent of $230/A (the average NASS rent for the Northern Illinois crop reporting districts in 2017), the total cost is $791/A for corn and $545/A for soybeans. Expected yields are 196 bu/A for corn and 64 bu/A for soybeans, giving break even prices of $4.04/bu for corn and $8.52/bu for soybeans. Note that these are the expected break even prices in the late fall of 2017 using these projected yields, not the actual farm yields. Wisconsin break-even costs will be about the same or slightly higher – expected yields are lower, but rents are as well. Machinery costs tend to be higher in Wisconsin compared to Illinois because equipment is smaller on average due to smaller average field sizes. However, fertilizer spending tends to be lower as well, due to the availability of dairy manure for many farmers, plus costs for drying, hauling and storing grain will be lower due to lower yields. Reducing the rent by $60/A to $170/A and using a projected corn yield of 176 bu/A and a projected soybean yield of 51 bu/A to reflect Wisconsin conditions for high quality land gives a break-even price of $4.15 for corn and $9.51/bu for soybeans.

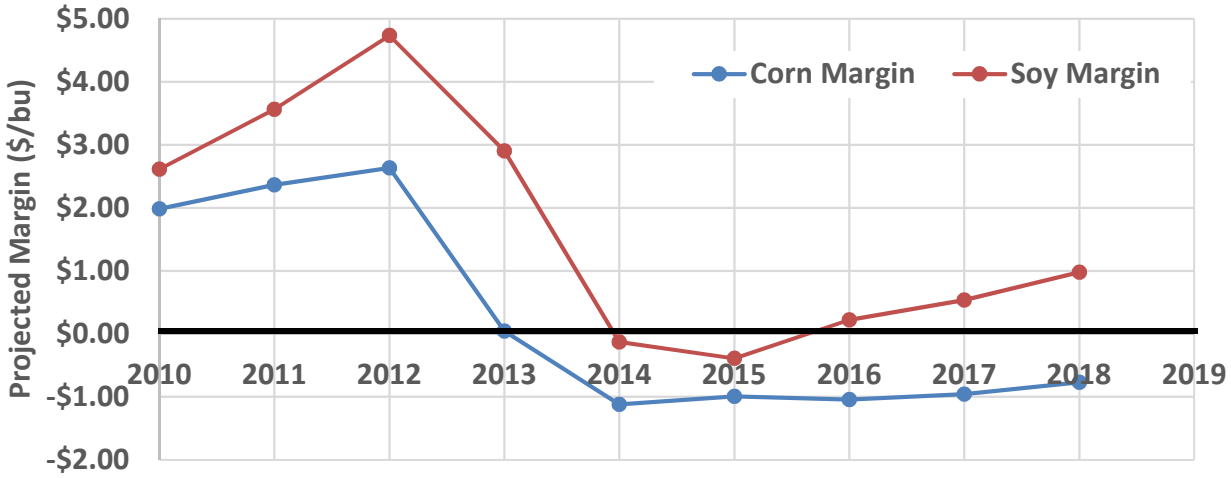
Based on this analysis, the break-even cost for corn is only slightly greater for Wisconsin than in northern Illinois, but the soybean break-even price is about $1/bu greater. The substantially higher soybean break-even price is due to using a relatively lower soybean yield. Using an average soybean yield of 56 bu/A gives a break-even price of $8.66/bu.

Data show that costs vary greatly among farmers and the break-even price is sensitive to changes in rental rates and projected yields. In 2018, break-even prices for most Wisconsin farmers are likely in the range of $3.90 to $4.40 per bushel for corn and $8.50 to $10.00 per bushel for soybeans. Those farmers paying relatively high rents will have higher break-even prices and those with higher average yields, especially for soybeans, and lower-cost management systems will have lower break-even prices. However, tremendous variation exists in farmer costs and so farmers are strongly encouraged to estimate their own costs of production and their own break-even prices,[11] as these estimates here are broad averages, not intended for individual farmer decision-making.

[11] http://fyi.uwex.edu/fieldcroppathology/files/2017/01/TeamGrainsFactSheet_FINAL.pdf

The figure below shows the projected margins for Northern Illinois farmers over the last decade. Note that these are projected margins in the late fall before planting the crop the following spring, using expected farm-level prices and projected costs and yields, not actual farm prices and actual farm yields. The projected margins for corn is negative, –$0.77/bu, using a selling price of $3.26/bu based on the USDA estimated marketing year average farm price. This is only slightly less negative than the previous year, which is an improvement, but still implies a loss. However, the expected margin for soybeans is +$0.98/bu using a farm level price of $9.49/bu based on the USDA estimated marketing year average farm price.

Note that these break-even cost estimates are the "full" cost of production, including opportunity costs for land and unpaid labor and management, as well as depreciation and general farm overhead costs. Given current soybean futures prices on the Chicago Mercantile Exchange, it is possible that some farmers could earn a small positive margin by forward contracting some of their crop at local futures prices, but for corn, this possibility is unlikely unless markets change. Because these negative margins are based on the "full" cost of production, the implication for those farmers earning negative margins is that they will earn a below average return on their labor, management, and assets and may need to use some equity to maintain an adequate household income.



2017-2018 Dairy Situation & Outlook

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By mid-2017, milk prices felt as though they were on the way to recovery. We were about three years into price declines from the highs of 2014 and prices had clearly hit their bottom in May of 2016. But prices never really showed enthusiasm and as we finished 2017, it is clear that market sentiment is negative once again and farm milk prices will be declining as we begin 2018.

World Markets

Impacts on farm milk prices have come from local, regional and international effects, and for Wisconsin producers, none of those have been positive, but the international effects have probably been the most impactful. Figure 1 shows the percent change in milk production from year earlier levels for the United States and for the top five milk exporting countries. The top five exporters include the largest as the European Union (EU) and only slightly smaller New Zealand. The U.S. is the third largest exporter followed by Australia and Argentina.

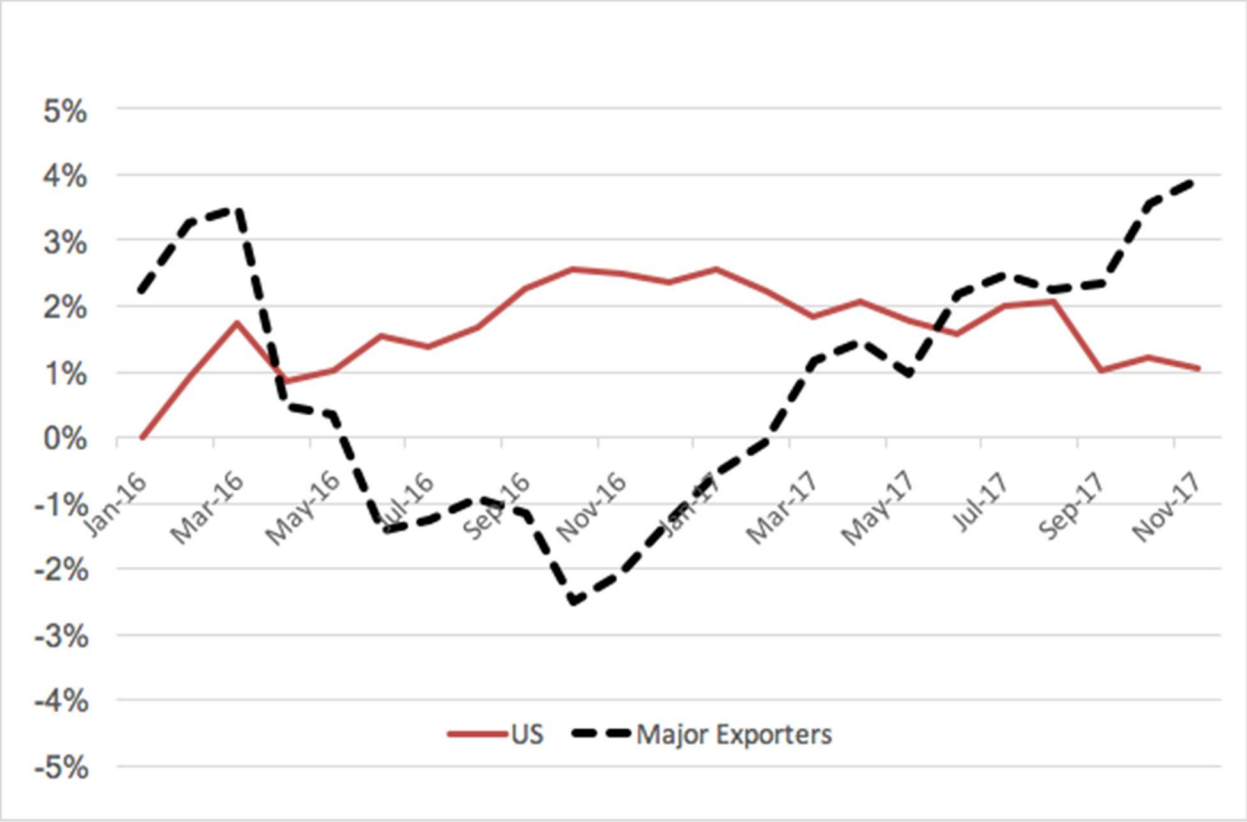

Figure 1. Percent Change in Milk Production from Year Earlier Levels.

You can see from figure 1 that the U.S. milk production has been quite increasing quite modestly between one and two percent. However, the top five exporters (which include the U.S.) have fluctuated a great deal from about four percent increases to nearly three percent declines. It was in fact the production declines in the second half of 2016 which provided price relief the following year. And, that price relief has again stimulated a production rebound through 2017 to the present time.

The U.S. really began its role in world export markets sometime around 2005 as exported product increased from 3-4 percent of milk production to 14-16 percent today. Simply put, the U.S. dairy industry is now dependent on exports in a way that we were not a little more than a decade ago.

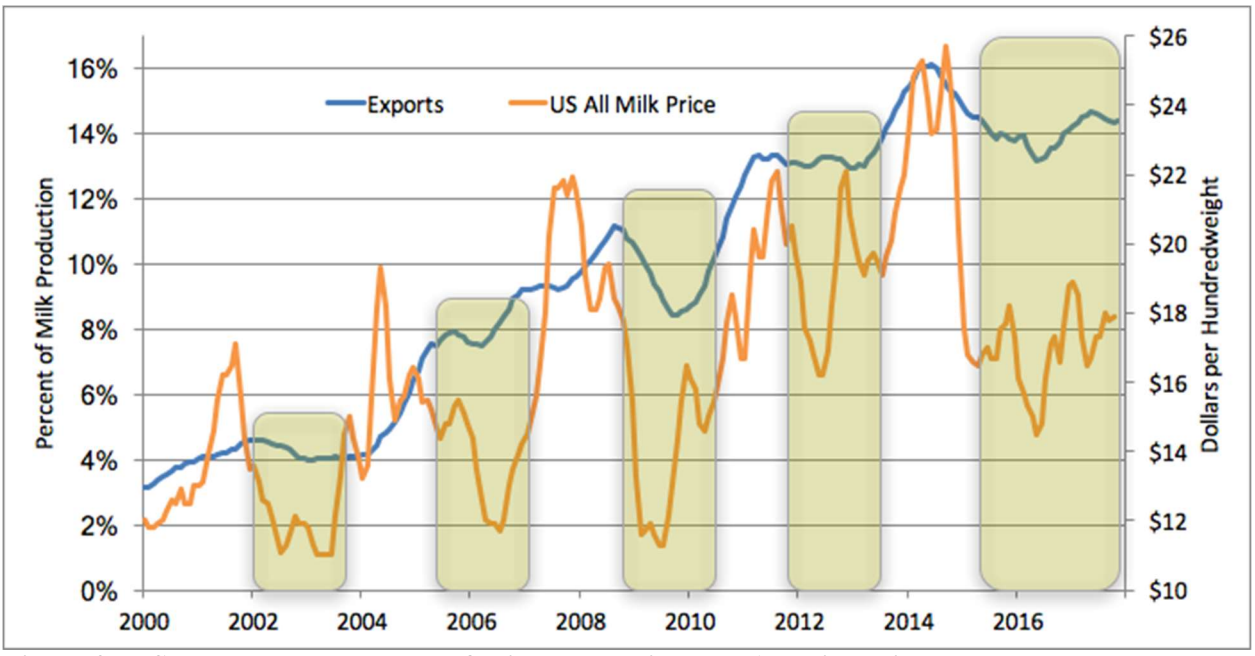

Figure 2. U.S. Exports as a Percent of Milk Production and All Milk Price.

Exports have supported a level of milk production growth that we simply couldn't have had with increases in domestic consumption alone. However, participation in export markets does have consequences. Figure 2 shows exports as a percent of U.S. milk production and the U.S. All Milk Price over the same time period. Every major decline in milk prices is temporally correlated with a time when exports have either plateaued or declined. These products that we expected to export have stayed in our domestic markets and are usually first seen as increases in stocks of storable products like cheese or nonfat dry milk powder. Then, as those stocks build, there is downward pressure on product prices and then on farm milk prices.

Commercial stocks of nonfat dry milk powder have increased in the U.S. but dairy policy in the EU has had a larger impact on world stocks of skim milk powder. The EU intervened in dairy markets through 2016 to help increase farm milk prices by purchasing and holding stocks. These stocks have built to a very large level and the market is aware that they will be coming back out of storage to compete with contemporary production in the near future. This has retarded any strong market price recovery.

Domestic Markets

The U.S. economy has been strong and domestic dairy sales have been good but there have been regional shifts occurring in milk markets. The southeastern states have been in decline for many years, and as the population of that region continues to grow, there is a significant deficit of milk and dairy products there. California and other states of the west are very surplus in milk production, but as a result of drought, low profit margins and other problems, milk production has declined in many states over the last three years. The northeastern quadrant of the U.S., which includes the Upper Midwest, has been on a major growth surge. Michigan has doubled their milk production over the last 15 years and continues to increase. New York has had significant growth in milk production and no state has increased milk production more than Wisconsin in the last few years. Collectively, these three states have increased milk production about 15 million pounds of milk per day over the last three years, which is equivalent to the capacity of three large dairy processing plants.

Michigan has not had sufficient capacity to process all of their own milk and much of the extra has found a processing home in nearby states from New York and Pennsylvania to Wisconsin. Plants throughout the region have all the milk and more than they have really wanted and it is expensive to transport raw milk long distances. This has put downward pressure on over-order premiums throughout the region. Michigan has experienced milk prices below federal order minimums as farmers absorb the costs of transportation and the sale of milk at distressed prices.

Into these already distressed markets, Canadian provinces responded to sales of milk protein isolate into their country from plants in Wisconsin and New York. Changes in their milk pricing program has effectively halted these sales and left an additional one million pounds of milk per day in both Wisconsin and New York. This milk also had to be absorbed into already saturated markets.

Price Cycles

Over the last decade we have talked about the existence of price cycles in U.S. markets. These cycles exist in part because of an uncoordinated supply chain. In other words, individual producers are not necessarily market aware and do not perceive that their individual production decisions have a collective impact on the market price. So response to price signals which increase milk production, such as those we had in 2014, are often met with the delayed responses of 40,000 dairy farms (and many more overseas) with more milk than should have been produced to meet demand. The resulting collapse in milk prices is then the opposite signal being sent by the market to reduce production.

Price cycles have been seen to be about three years in length but they vary around that average. The by the time that we experience new price highs, our current price cycle is likely to be the longest one that we have observed. We are now going into the fourth year of low prices and my forecast would not show a high milk price yet in 2018.

When price troughs are deep like the bottom of 2009, the pain is bad enough to stimulate changes in production quite rapidly. In comparison, this price cycle has had a fairly shallow but long-lasting bottom. The milk price received has been more than enough to cover variable costs of production (but not total costs) on most farms and thus not bad enough to cause changes in production decisions. However, as time and low prices persist, we are seeing the evidence of the impact with open accounts at input suppliers growing and capital purchases being delayed.

Price Forecast

It is difficult to be optimistic about milk prices in the short-run. I am forecasting that farm milk prices will continue to decline through the first quarter of 2018 and probably hit bottom in April or May. At that point, prices should begin to increase on through the rest of the year. My forecast is that milk prices will look a lot like 2016 prices and will give back the gains of 2017.

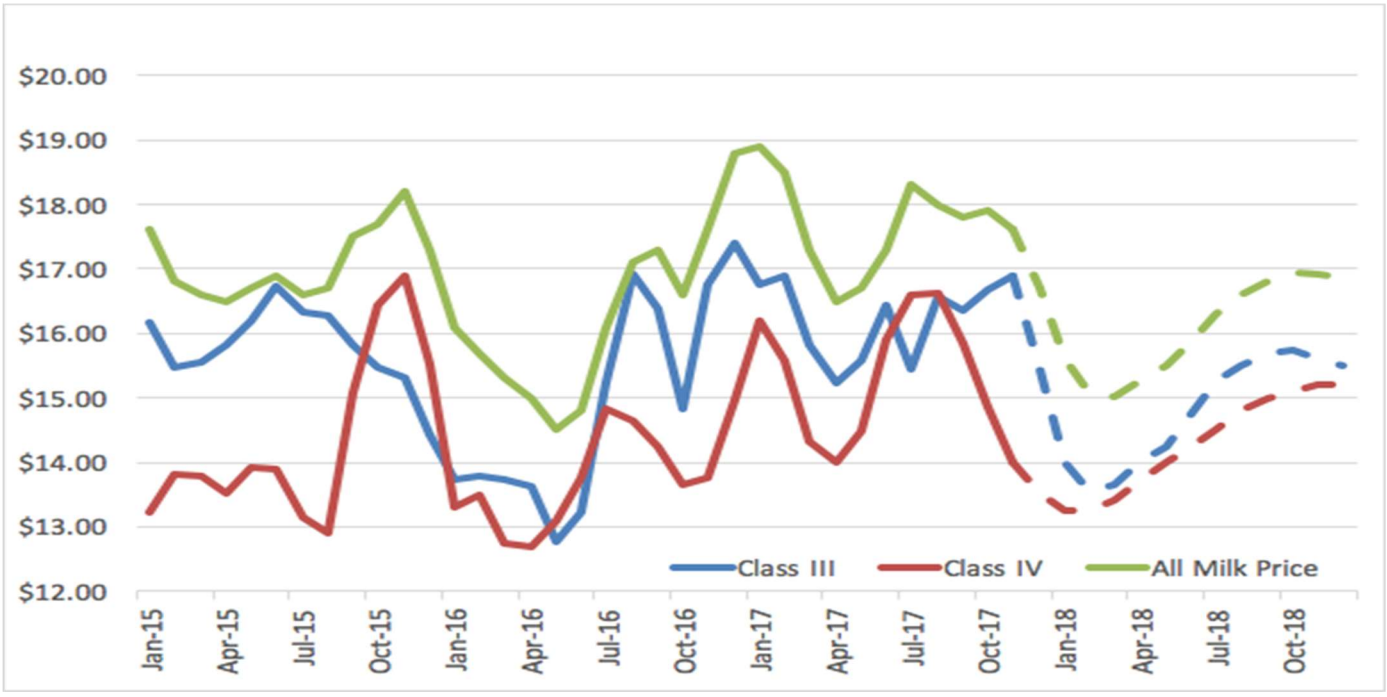

Figure 3. Actual and Forecast Milk Prices.

2017-2018 Corn and Soybean Situation & Outlook

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Corn and soybean prices showed very little change from this time last year. Large world production and carryover is weighing on the markets and will continue to do so in 2018. Continued price weakness should be expected without a production shortfall in one of the world's major producers.

Corn

Corn prices are depressed due to large stocks generated from five consecutive big crops in the U.S. USDA projections in the World Agriculture Supply and Demand Estimates indicate 2017 U.S. corn production decreased 3.6% from 2016. National yield was up to 176.6 bushels per acre and the Wisconsin yield was 174 bushels per acre. The production decrease was due to a 4% decrease in corn acres planted in 2017. Combining this production with a carryover that is 32% higher than the 2016/17 carryover means overall supply for the 2017/18 marketing year is basically stable with the previous year. World supplies are down slightly for 2017/18, primarily due to a decreased production in Brazil and Argentina. USDA world corn production projections may decrease further in the next month if South American production levels continue to decrease.

U.S. demand is remaining strong, although it is down 1% from last year. Although the number of cattle on feed has increased, feed and residual use has remained the same as last year. The potential to see slightly increased feed and residual usage is high. Ethanol production started this marketing year with a bang, and the first quarter saw an increase of almost 3% year over year. December 2017 saw a drop in ethanol production though and the market is currently producing at levels below last year. Margins have been good for ethanol production, but stocks are building to concerning levels due to decreased exports on account of increased tariffs in Brazil and China. Corn exports for the current marketing year are down significantly from last year. As of mid-December, export inspections were down 38% from the previous year, and exports had only met 18.5% of the USDA projections, even though 35% of the marketing year was complete. Unless export pace increases in the next weeks, the USDA will likely reduce export projects for the 2017/18 marketing year.

Given that supply growth has outpaced demand, U.S. projected ending stocks continue to grow. The projected ending stocks of 2.293 billion bushels for the 2017/18 marketing year are the highest since 1987/88. The current projected stocks-to-use ratio for the 2017/18 marketing is 17.11%, a level we haven't seen since 2005/06, and a considerable increase over the 2012/13 marketing year stocks-to-use ratio of 7.4%.

Corn acreage in 2018 will be stable to slightly lower than 2017. The soybean to corn price ratio has been hovering just slightly above 2.5, slightly favoring soybean production, and indicating there will be only a small amount of switching of acres between those two crops. Although the market isn't rosy for corn prices, most of the bearish news has already been absorbed and the market will likely continue to trade sideways until early March when we have more concrete news regarding planting expectations. Higher prices will require a production shortfall in marketing year 2018/19. Baring that production shortfall, 2018 harvest prices should be similar to $0.10 lower than 2017 harvest prices. Basis will be variable throughout calendar year 2018 and even though futures prices have limited potential to increase, the spotty basis changes can provide some short-lived cash price strength.

Soybeans

Soybean price is currently trading at prices higher than the projected ending stocks would suggest. Similar to corn, soybeans have had high production for the last five years; and U.S. production has increased every harvest since 2013. 2017 saw an increase in production, even with a decrease in yield of 3 bushels per acre, due to the additional 6.8 million acres of soybeans planted in 2017.

World production of soybeans is also high, although lower from last year due to the reduced production in the U.S. and Argentina. Argentine production is projected to be lower on account of the lower area planted to date. The USDA has not yet raised their projections for Brazilian production this year, however Brazilian crop consultants are now saying that the current Brazilian harvest will be larger than expected. Any increase in Brazilian production will increase world production and weigh heavily on the markets this year.

U.S. soybean crush has been strong and the USDA raised its forecast for the current marketing year to 1.95 million bushels, a 3% increase over last year. Soybean meal production forecast has not been raised from the previous month because of the lower extraction rate. Soybean meal production is up 3% year-over-year.

Soybean exports are lagging this marketing year enough that the USDA reduced their export projections in the January World Agriculture Supply and Demand Estimate report on January 12, 2018 by 65 million bushels, to 2.160 billion. This was a 3% reduction in their forecast and would equate to a 0.6% reduction in soybean exports from last year. Exports continue to reflect lagging sales commitments and increased competition with higher Brazilian soybean production. Unless export commitments increase in the next few weeks, expect the USDA to make further reductions in their projections for the current marketing year's export levels.

Given the increase in supply, U.S. ending stocks are projected to jump to 470 million bushels, up from 301 million bushels last year. This increase means the projected stocks-to-use ratio is at 11%, compared to 7% last year and 2.6% in the 2013/14 marketing year.

Planted acreage for 2018 will likely be slightly higher, given the current pricing structure when compared to corn. 2018 may see more acres of soybeans than corn planted for the first time since 1983.

Soybean prices are overpriced when considering the supply and demand situation and projections, and the downside price risk potential is significant. Marketing opportunities will exist in the first quarter of 2018, but barring a weather catastrophe, these opportunities will become even more limited after May.

2018 Trade Negotiations

Although 2018 is a farm bill year, the first half of the year will likely see markets reacting to any news on vital trade negotiations. The North American Free Trade Agreement (NAFTA) negotiations will be front and center in market news reports. Considering that roughly 20% of U.S. agricultural goods are exported, with 16% of poultry production, 20% of pork production, 11% of beef production, 49% of soybean production and 13% of corn production being exported, the U.S. agricultural sector has become increasingly dependent on foreign market for demand growth. This trend will continue due to increased production in all these industries.

There has been lots of speculation regarding different countries walking away from trade negotiations, yet to date this hasn't happened. Actions that are concerning though include Mexico and Canada having already signed free trade agreements with the EU. Should NAFTA talks disintegrate Mexico will likely quickly pursue agreements with other U.S. competitors.

A second trade agreement of concern is the resurrection of the Trans-Pacific Partnership (TPP), in which both Canada and Mexico are in discussions with nine other members. Should TPP be resurrected, both Canada and Mexico will have access to Asian markets.

Other 2018 trade negotiations to watch include the bilateral agreement between the U.S and South Korea that is being reconsidered and any changes to trade negotiations or trade actions with China. U.S. agricultural markets, especially the protein, grain and oilseed markets have significant interest in how all of these negotiations unfold in 2018.

2017-2018 Livestock Situation & Outlook

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2017 was a good year for poultry, pork and beef producers. Demand has been strong, both domestically and through exports. Per capita pork, poultry and beef production increased in 2017 and will continue to increase in 2018. Per capita production levels in pork and poultry will likely hit record levels for the fourth year in a row due to the expansion driven primarily from weak grain prices. Pork and poultry markets added processing capacity in 2017. This added capacity will increase production growth and assist production by providing greater bargaining power to producers.

Calendar year 2017 provided a return to profitability for the cattle industry, and supported continued growth in cattle herd. Beef production in 2018 is expected to grow at a faster rate than either pork or poultry. Per capita beef consumption was up 2.4% in 2017 and will increase another 2.4% in 2018.

Beef demand was lower in 2017, due primarily to price pressure from abundant pork and poultry supplies. 2018 will likely see increased beef features at the retail level. The restaurant sector is extremely important for beef demand, especially the higher-valued middle meats. Casual dining restaurants will likely see some contraction in 2018, after several years of expansion.

Cattle supplies have been growing since 2014, and will continue to grow in 2018. The January 2018 beef cattle herd will be up a projected 650,000 head from 2017, and retention and culling rates remain at expansion levels. The large supply will bring cattle price pressure in 2018. Retailers and processors will have the greatest bargaining power, given ample supplies, indicating that cattle prices will decrease prior to wholesale or retail beef prices.

The cow-calf sector in 2018 will move from expansion to a stabilization phase of the cycle. La Nina may bring warmer and drier weather in some areas. If this happens, lower forage supplies may increase cattle on feed at a faster rate than otherwise would be experienced.

Increased cattle on feed and slaughter in 2018 will bring large production that continues to increase through 2020. 27.4 billion pounds of beef production in 2018 will increase our reliance on exports to absorb additional supplies. Any decreases in current protein export levels will bring lower prices. In 2017, poultry, pork and beef exports as a percentage of production totaled 16.1%, 20.3% and 10.8%, respectively. 2018 will likely see beef exports as a percentage of production increase to 11.3%. Given the importance of exports to the protein markets, trade negotiations on NAFTA and other bi-lateral agreements will be vital to livestock prices. Any changes in NAFTA could have significant impacts on prices.

Increased slaughter will give processors greater bargaining power and fat cattle prices will decrease. Expect a yearly decrease of around 4%. Yearlings and calves will see decreases averaging 3%, year-over-year.

The Wisconsin Economy:
What Does the Future Hold with a Focus on Agriculture

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There are two characteristics of the post-Great Recession recovery that describes the U.S. economy: the period of continued month-over-month employment growth has been the longest since before the start of WWII (87 months and continuing) but the rate of that growth has been very low. The Wisconsin economy could be described in much the same way: long sustained, but very slow, growth. From 1969 the average annual employment growth rate for Wisconsin is 1.38%, but since the end of the Great Recession it has been 1.18%. When compared to the U.S. Wisconsin's rate of employment growth in the post-Great Recession period has been modest at best: 1.84% for the U.S. and 1.18% for Wisconsin.

One reason for this more modest rate of employment growth in Wisconsin is the relatively slower rate of growth in the number of proprietorships, a simple measure of entrepreneurship. For the U.S. the average annual growth rate in proprietorships between 1969 and 2016 is 2.74%, which is higher than the employment growth rate, but only 1.75% for Wisconsin. Since the end of the Great Recession the respective growth rates are 2.58% and 1.26%. Research has shown that net job growth comes from business start-ups, or entrepreneurship and Wisconsin, unfortunately, has one of the lowest new business formation rates, adjusted for the population size of the state, in the nation. If new business formation is vital to economic growth and Wisconsin has a very low rate of business start-ups we can expect modest rates of employment growth.

When we look at Wisconsin agriculture, however, a slightly different picture becomes apparent. In terms of farm proprietorships and farm employment, there remains a steady downward trend. But this rate of decline has slowed significantly, particularly at the national level. One potential reason that might help explain the stabilization in the number of farm proprietorships is the growth in the local foods movement. In Wisconsin, particularly in the Driftless region, the geography is not necessarily conducive to large scale commodity agriculture but it suitable for smaller scale agriculture targeting local food and specialty product markets. At the same time, the rise of larger farms, particularly larger dairy operations, has caused the demand for hired labor to increase. Thus the rise of smaller farms focused on alternative agriculture can help explain the stabilization in the number of farm proprietorships and the growth of larger dairy operations can help explain the stabilization of farm employment.

But when one considers the value of agricultural production, measured by Gross Domestic Product, farming in Wisconsin has been growing. While there is evidence of swings in agricultural prices in the GDP data, much of the growth can be attributed to expanding export markets for Wisconsin's agricultural goods. Between 2000 and 2016 dairy product exports has increased by 433% and soybean exports by almost 500%. While there is some evidence of a plateauing since 2012, the growing importance of the export market to Wisconsin agriculture is undeniable. Unfortunately, uncertainty over U.S. trade policy, particularly as it relates to the North American Free Trade Agreement (NAFTA), is a source of concern.

If we look at agricultural processing, the growth in employment was negative from 2000 to 2006 both nationally and for Wisconsin. Part of this modest decline can be attributed to growth rates of automation and the resulting lower need for labor. But over the last ten years there has been a modest rate of employment increase. While there is some upward movement in food processing employment, current employment in Wisconsin is only about seven percent higher than it was in 1998. Much like farming, food processing measured by Gross Domestic Product, after adjusting for inflation, has seen reasonable growth rates. The growth in GDP for both farming and food processing with little changes in employment points to increases in productivity.

That increase in productivity should, according to economic theory, be reflected in growth in wages and salaries, or more broadly income. Looking at per capita income for Wisconsin, there is noticeable growth going from about $27,000 (adjusted to 2009 dollars to remove the effects of inflation) to just over $46,500 in 2016. Despite this apparently reasonable rate of growth, Wisconsin's per capita income, lags behind the national average. If we look beyond simple per capita income, a slightly more complicated story about growth in income becomes apparent. Over the past 40 or so years, the distribution of income around that per capita income average has been becoming wider. This has been described as the widening income distribution, or income gap, or the hollowing out of the middle class.

This widening gap is coming from two sources: the economy is generating a significant number of lower paying jobs relative to middle income jobs, and the growth in the income levels of the "1%ers" or the "super rich". If we consider the Wisconsin Department of Workforce Development's occupational projection for 2024 the top eight growth occupations require no formal education or just a high school degree. Some of the top growth occupations include retail salespersons, cashiers and wait staff with average annual salaries/wages of less than $20,000. While economists disagree on the long-term impacts that growing income inequality has on economic growth, it is clear that the disproportionate growth in low paying jobs will place a significant strain on the Wisconsin economy.

The question is if these short-term economic trends are likely to continue into the near future. Research assessing the performance of economic forecasts, either short-term (less than a year) or medium-term (a couple of years), suggests that an individual economic forecast is likely to be wrong. But if one takes an average of several forecasts, that average is likely to be fairly accurate. To help facilitate this, the Wall Street Journal conducts a monthly survey of about 75 different economic forecasters. These range from forecasts offered by banks, universities, insurance companies, and private consultants. For the January survey, 67 different forecasts were provided.

The average forecasts suggests that the growth rate in Gross Domestic Product should tick up in the first half of 2018, then tick down in the latter half with an average growth rate of about 2.7%. This compares to a historical growth rate of 3.2% since 1947. Again, the economy is forecasted to grow, but at slow rates from an historical perspective. A major reason for the predicted slowdown in the growth rate is rising interest rates. The Federal Reserve Bank has begun to inch up the "federal fund rate" (this is the rate that banks use to loan money to each other and is set by the Federal Reserve). This slow increase will result in business and consumer loan interest rates to move upward. This uptick in interest rates will slow the overall growth rate in the economy. Unemployment rates are expected to stabilize at around 3.7% (compared to a historical monthly average of 5.8% from 1947 to today), then begin to tick upward in 2020, again reflecting the slowdown in an already slow growth rate. Rates of inflation are expected to remain modest at about 2.25% for the foreseeable future. When asked the odds of a recession in 2018, the average response was a very modest 13% likelihood. Thus, the overall economic outlook for the national economy is continued modest growth, slowly rising interest rates, which in turn will slow the rate of growth.

The Wisconsin economy, historically tracks closely to the national economy, although generally lagging slightly behind. While there are some indications of a tightening labor market, particularly low rates of unemployment, we are not seeing significant upward pressure in wages. If there is a true labor shortage, businesses should be raising wages to attract and retain employees and we are seeing little evidence of that occurring. Greater long-term concerns for the Wisconsin economy include low rates of entrepreneurship and the large growth in low-paying occupations. The future of the Wisconsin agricultural economy will hinge on growth in alternative agricultural markets such as local foods and specialty products, but more importantly, international trade policy.

The Politics of Resentment

Rural Consciousness in Wisconsin and the Rise of Scott Walker

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Since the election of Scott Walker, Wisconsin has been seen as ground zero for debates about the appropriate role of government in the wake of the Great Recession. In a time of rising inequality, Walker not only survived a bitterly contested recall that brought thousands of protesters to Capitol Square, he was subsequently reelected. How could this happen? How is it that the very people who stand to benefit from strong government services not only vote against the candidates who support those services but are vehemently against the very idea of big government?

With *The Politics of Resentment,* Katherine J. Cramer uncovers an oft-overlooked piece of the puzzle: rural political consciousness and the resentment of the "liberal elite." Rural voters are distrustful that politicians will respect the distinct values of their communities and allocate a fair share of resources. What can look like disagreements about basic political principles are therefore actually rooted in something even more fundamental: who we are as people and how closely a candidate's social identity matches our own. Using Scott Walker and Wisconsin's prominent and protracted debate about the appropriate role of government, Cramer illuminates the contours of rural consciousness, showing how place-based identities profoundly influence how people understand politics, regardless of whether urban politicians and their supporters really do shortchange or look down on those living in the country.

The Politics of Resentment shows that rural resentment—no less than partisanship, race, or class—plays a major role in dividing America against itself.

Cramer, K. J. (2016). *The politics of resentment: Rural consciousness in Wisconsin and the rise of Scott Walker*.

The Rural-Urban Divide in Wisconsin:
Informing Economic Development

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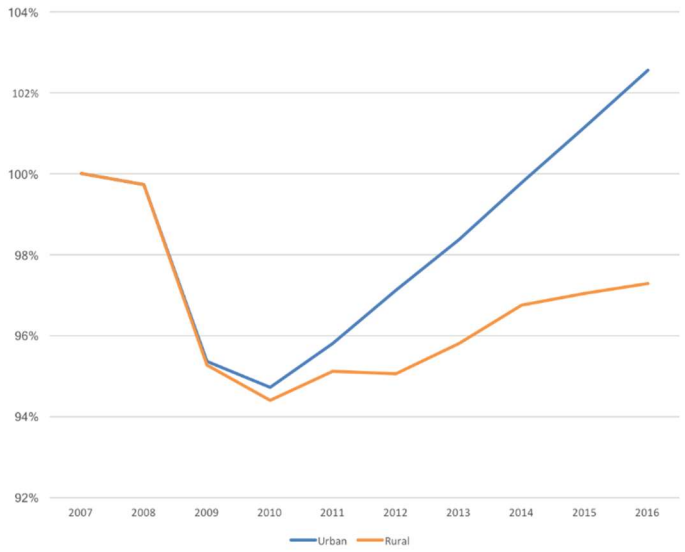
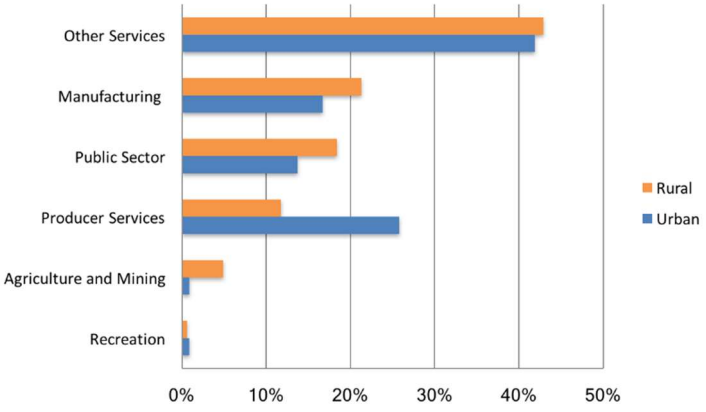
Figure 1:
Job Growth Index
Wisconsin, 2016



Recent focus on the rural-urban divide has highlighted real and important differences between metropolitan areas and the less populated surrounding communities. While much of the analysis has been at the national level, the rural-urban divide varies regionally across the U.S. Rural areas in historically mining-dependent West Virginia are different from the wind-swept, isolated prairies of Texas, and different still from the agriculture- and tourism-intensive rural counties of Wisconsin. Similarly, the federal government driven city of Washington, D.C. is different from trade-, oil-, and immigrant-dependent Houston, TX, as well as from Madison which relies on the University of Wisconsin and capitol as key employers.

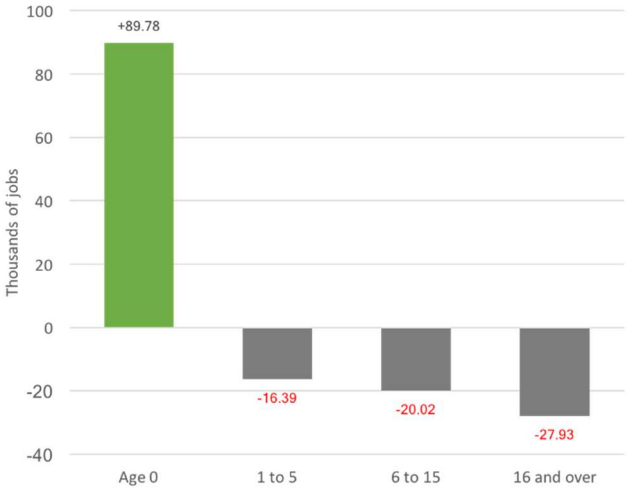
Figure 2:
Sources of Earnings
Wisconsin, 2016



Given the regional variation, focusing on the rural-urban divide in Wisconsin is important for understanding local factors that characterize the divide. In particular, understanding the economic differences can lead to development strategies in rural areas where economic performance has been lagging compared to urban counties. Job growth in urban[12] compared to rural counties has been slow since the depth of the recession in 2009 (Figure 1).

[12] Urban counties in this context refers to metro counties based on the 2013 rural-urban continuum code from the Office of Management and Budget. Similarly "rural" counties refer to non-metro counties.

Figure 3:
Average Net Annual Job Creation by Establishment Age
Wisconsin, 1994-2014

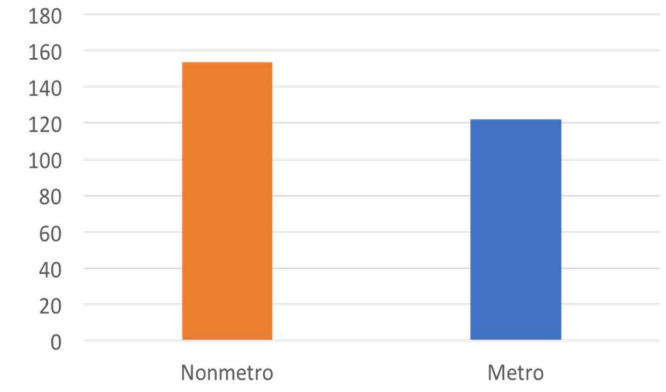


It may seem that focusing on historically dominant sectors, such as manufacturing and agriculture, is the most promising strategy for job growth in rural areas (Figure 2). In many ways, these sectors have been incredibly successful, as measured by productivity and output, but this growth is largely due to advances that have reduced the need for labor. Consequently, these sectors have not been large sources of job growth. While these sectors are still an important component of the rural economy, agriculture and manufacturing alone are not likely the solution to balanced economic growth.

Regions across the country are diversifying beyond their historical industrial legacy to spur economic growth. A key driver of both diversification and economic growth is new businesses. Entrepreneurs, through their new businesses, have generated the large majority of net job growth in recent decades (Figure 3). Entrepreneurship seems an especially promising strategy for development in rural communities which are surprisingly entrepreneurial. Rural counties have both more proprietors (Figure 4) and higher business survival rates compared to urban areas.

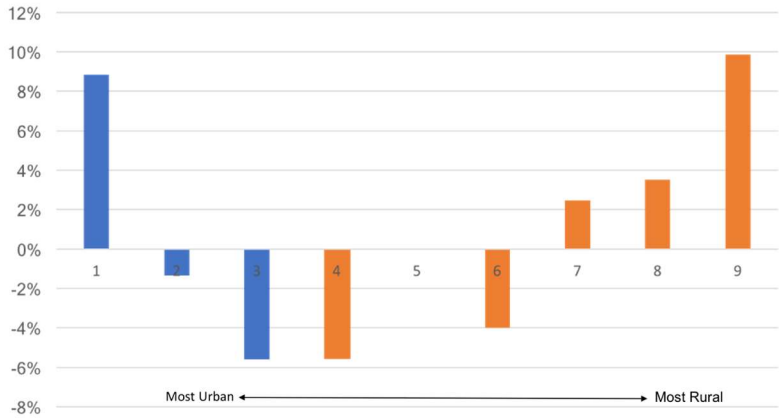
Some rural places may also have populations that are especially well-suited for entrepreneurship. College-educated adults are among the most entrepreneurially inclined. Parts of rural Wisconsin, with their abundant natural amenities, attract these talented, footloose populations. In fact, some populations are educated beyond the needs of the industries and occupational offerings in their county. These people, for whom their education exceeds local job requirements, may end up underemployed in a wage-and salary position. An attractive alternative may be to create jobs for themselves as entrepreneurs and thus boost local startup activity.

Figure 4:
Proprietorship Per 1000 Residents,
Wisconsin, 2016



In addition to the underemployed, older populations, with years of work experience and accumulated financial capital, can be a source of entrepreneurial activity—both as consumers who are seeking local services, such as restaurants, and as entrepreneurs themselves. Some retirees, having left their professional lives, would still like to be productive and may choose part-time consulting, as an example, or become otherwise self-employed. In Wisconsin, the most urban and most rural counties have relatively large shares of populations born out of state (Figure 5). While in urban areas, this is likely a reflection of young, educated in-migration into job centers, in rural areas this is likely driven by retirees moving to high amenity locations. These new residents with their abundant human and financial capital could drive entrepreneurship in even the most rural corners of Wisconsin.

Figure 5:
Share of County Population Born Out of State
by Rural-Urban Continuum Code,
as a Difference from State Average
Wisconsin 2015



1 Metro - Counties in metro areas of 1 million population or more

2 Metro - Counties in metro areas of 250,000 to 1 million population

3 Metro - Counties in metro areas of fewer than 250,000 population

4 Nonmetro - Urban population of 20,000 or more, adjacent to a metro area

5 Nonmetro - Urban population of 20,000 or more, not adjacent to a metro area

6 Nonmetro - Urban population of 2,500 to 19,999, adjacent to a metro area

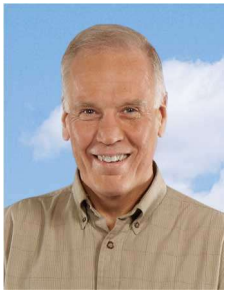
7 Nonmetro - Urban population of 2,500 to 19,999, not adjacent to a metro area

8 Nonmetro - Completely rural or less than 2,500 urban population, adjacent to a metro area

9 Nonmetro - Completely rural or less than 2,500 urban population, not adjacent to a metro area

The uniqueness of rural areas points to opportunities for economic development. Given their entrepreneurialism and potential to attract skilled populations with natural amenities, there is an opportunity to create jobs by starting and growing new and young businesses. Enhancing local entrepreneurship is thus a sustainable strategy for rural economic development that focuses on investing in local assets.

WI Agribusinesses Panel:
2018 WI Agricultural Outlook Forum



Larry Alsum

General Manager & Owner, Alsum Farms & Produce, Friesland, WI

With over 345,000 square feet of production and warehouse facilities, 2,200 acres, and an average of 125 full-time employees, Alsum Farms & Produce is a national distributor of Wisconsin potatoes and onions, and Great Lakes region year-round distributor of over 300 kinds of fresh fruits and vegetables, many of which are locally grown in season.

Mark Crave

General Manager, Crave Brothers Farmstead Cheese, Waterloo, WI

The Crave Brothers purchased their Waterloo dairy farm in 1980 with the goal of building a successful agribusiness. Today, their family is proud to produce and promote high quality milk and cheese. Through their dairy farm and cheese factory, they enjoy telling the story of dairy farming that emphasizes cow comfort, quality milk and working in harmony with the land to produce quality milk and award winning cheeses.

Mark O'Connell

Executive Director, Wisconsin Counties Association, Madison, WI

Mark O'Connell has served county government since 1989. Prior to the counties association, Mr. O'Connell served the State of Wisconsin in the Department of Administration State Budget Office, Department of Natural Resources, and Legislative Audit Bureau. Currently, Mr. O'Connell is also President of WCA Services, Inc. an executive officer of the Wisconsin Education Business Roundtable, and Vice President of Competitive Wisconsin Inc.

Each panelist provided a short presentation centered around the following three questions:

1. Who are you and what is your organization/business?
2. How does the rural-urban divide impact your organization/business?
3. What things would you like to see UW/the public sector do to help?

Video footage of the WI Agribusiness Panel can be found here: https://renk.aae.wisc.edu/ag-outlook-forum/

Renk Agribusiness Institute

The Renk Agribusiness Institute was established during the 1996-97 academic year with an endowment from the Walter and Martha Renk and Richard and Sharon Renk families of Sun Prairie, WI. The purpose of the Renk Agribusiness Institute is to manage and coordinate agribusiness teaching, research, and extension/outreach at the College of Agricultural and Life Sciences, the School of Business and UW Extension, and to serve as a focal point for scholarly activity relating to agribusiness on the UW-Madison campus. The Institute is currently housed in the Department of Agricultural and Applied Economics, in the College of Agricultural and Life Sciences, at the University of Wisconsin Madison.

Each year the Renk Agribusiness Institute selects outstanding undergraduate students who demonstrate excellence in academics and leadership with a desire to pursue agricultural and business coursework at UW and work in agribusiness. Financial assistance is provided to students in order to encourage future agribusiness leaders.

2017-2018 Renk Scholarship Recipients

Eliza Arndt earndt3@wisc.edu
Hometown: Janesville, WI
Major and Expected Graduation: Double Degree in Food Science and Agriculture Business Management, May 2018
Internship Interests: Research and Development
Professional Goals: Research and Development, Quality, Agriculture Advocacy

Ciera Ballmer cballmer@wisc.edu
Hometown: Janesville, WI
Major and Expected Graduation: Dairy Science, CALS Business Management Certificate, May 2019
Internship Interests: Agriculture business management

Kevin Boyle krboyle@wisc.edu
Hometown: Grayslake, IL
Major and Expected Graduation: Agriculture and Applied Economics with a certificate in Sustainability and Business Management, May 2018
Internship Interests: Renewable Energy, Sustainability, Management
Professional Goals: Management Position, Growth within a company

Allie Breunig abreunig4@wisc.edu
Hometown: Sauk City, WI
Major and Expected Graduation: Life Sciences Communication with a certificate in Agricultural Business Management, May 2020
Internship Interests: Marketing, Sales, Communications
Professional Goals: Marketing within the Dairy Industry

Amber Dammen adammen@wisc.edu
Hometown: Argyle, WI
Major and Expected Graduation: Dairy Science and Life Sciences Communication with an Agriculture Business Management Certificate; May 2019
Internship Interests: Sustainability, Member Relations, Sales, Marketing
Professional Goals: Member Relations, Sales, Marketing

Christina Grunow cgrunow@wisc.edu
Hometown: Wausau, WI
Major and Expected Graduation: Animal Science, Certificate in Agricultural Business Management, May 2018
Internship Interests: Agricultural Marketing, Sales, and Communications
Professional Goals: Agricultural Marketing, Sales, and Communications

Logan Gutenberg lgutenberger@wisc.edu
Hometown: Westby, WI
Major and Expected Graduation: Agricultural Business Management, May 2018
Internship Interests: Business-related field: credit and finance internships
Professional Goals: Ag Lender

Molly Hendrickson mhendrickso3@wisc.edu
Hometown: Hollandale, WI
Major and Expected Graduation: Life Sciences Communication with a certificate in Agricultural Business Management, May 2019
Internship Interests: Marketing, Advertising, and Communications
Professional Goals: Marketing, Advertising, and a Master's degree in Communications or Marketing

Muneera Khambaty khambaty@wisc.edu
Hometown: Mankato, MN
Major and Expected Graduation: ABM and Developmental Economics, May 2018
Internship Interests: Commodity Trading, Investment banking
Professional Goals: Algorithmic based trading

Megan Lauber mrlauber@wisc.edu

Hometown: Union Grove, WI
Major and Expected Graduation: Dairy Science with Certificate in Agricultural Business Management, May 2018
Internship Interests: Sales and Marketing
Professional Goals: Dairy Nutrition Consultant

Jacob Mann jmann5@wisc.edu

Hometown: Hartland, WI
Major and Expected Graduation: Agriculture Business Management with a certificate in Entrepreneurship, May 2019
Internship Interests: Sales, Marketing, Rural Appraisal, Agricultural Economics
Professional Goals: Agricultural Sales or Marketing, Rural Appraisals

Mariah Martin mkmartin5@wisc.edu

Hometown: Brooklyn, WI
Major and Expected Graduation: Life Sciences Communication, Certificates: Agricultural Business Management and Leadership, May 2018
Internship Interests: Marketing, communications and sales
Professional Goals: Corporate marketing and communications, agency marketing

Anthony Schmitz asdchmitz@wisc.edu

Hometown: Fond du Lac, WI
Major and Expected Graduation: Dairy Science with a certificate in Ag Business Management, May 2018
Internship Interests: Dairy, Meat Manufacturing and Food Supply Systems
Professional Goals: Finish with Bachelor's in Dairy Science, work in the diary, meat or food supply industry for 5-10 years following graduation, and potentially one day return to grow and expand my family's Holstein dairy operation.

Tom Walker twalker4@wisc.edu

Hometown: Princeton, NJ
Major and Expected Graduation: ABM/Economics, Certificate: Development Economics, May 2018
Internship Interests: Ag policy, data management, investing
Professional Goals: Agriculture and Economic Policy, investment banking

Alison Wedig aiwedig@wisc.edu

Hometown: Darlington, WI
Major and Expected Graduation: Life Science Communication Major, ABM Certificate, May 2018
Internship Interests: Public Relations
Professional Goals: Communications Specialist, Education Development

Caleb Wendhausen wendhausen@wisc.edu

Hometown: Dodgeville, WI
Major and Expected Graduation: Agricultural Business Management, May 2018
Internship Interest: Agronomy Sales
Professional Goals: Continuing Family Farm

Jessica Wendt jwendt3@wisc.edu

Hometown: Stoughton, WI
Major and Expected Graduation: Agriculture Business Management with a certificate in Entrepreneurship, May 2019
Internship Interests: Sustainability, Member Relations, Sales, Marketing
Professional Goals: Member Relations, Sales, Marketing with the intent to get my Master's Degree

Taylre Wilke tjwilke@wisc.edu

Hometown: Loyal, WI
Major and Expected Graduation: Agricultural Business Management, May 2018
Internship Interests: Sales, Credit, Lending
Professional Goals: While I am still figuring out my ideal job, I have solidified that I love working one on one with people, helping them achieve their goals and solve their problems. Currently, I am very interested in agricultural lending.

Deanna Zernicke dzernicke@wisc.edu

Hometown: Bonduel, WI
Major and Expected Graduation: Economics and Agriculture Business Management, May 2019
Internship Interests: Member Relations, Credit & Finance, and Supply Chain
Professional Goals: Business Management, Finance

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Wisconsin Farm Bureau FEDERATION

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