

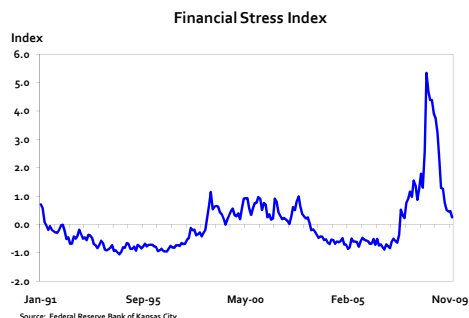
Jason Henderson  
 Vice President and Branch Executive  
 Federal Reserve Bank of Kansas City – Omaha Branch  
 www.kansascityfed.org/omaha  
 February 10, 2010

## Financial Markets and the Macroeconomy: Implications for Agriculture



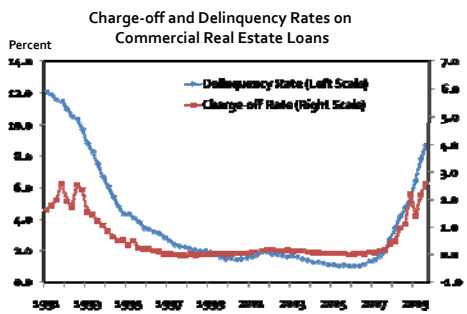
The views expressed are those of the author and do not necessarily reflect the opinions of the Federal Reserve Bank of Kansas City or the Federal Reserve System.

### The financial market crisis has eased, but markets remain fragile.



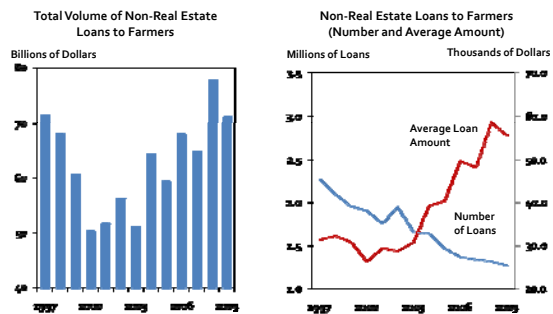
Source: Federal Reserve Bank of Kansas City  
 Federal Reserve Bank of Kansas City – Omaha Branch  
 Regional, Public and Community Affairs Division

### Delinquency rates rise on commercial real estate loans.



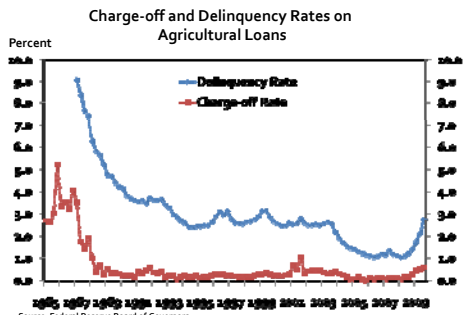
Source: Federal Reserve Board of Governors  
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### Credit is available for agriculture.



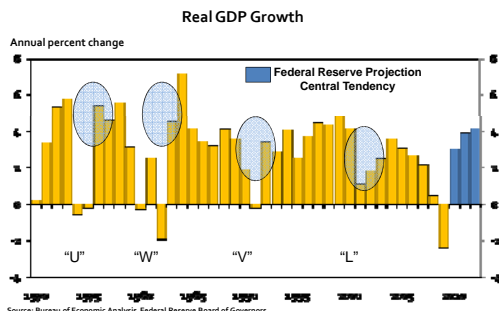
Source: Federal Reserve Agricultural Finance Databook  
 Federal Reserve Bank of Kansas City – Omaha Branch  
 Regional, Public and Community Affairs Division

### Credit standards are higher with increased risk.



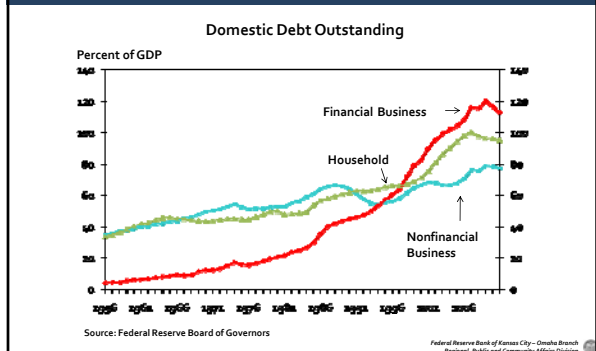
Source: Federal Reserve Board of Governors  
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### The U.S. economy is projected to rebound in 2010.

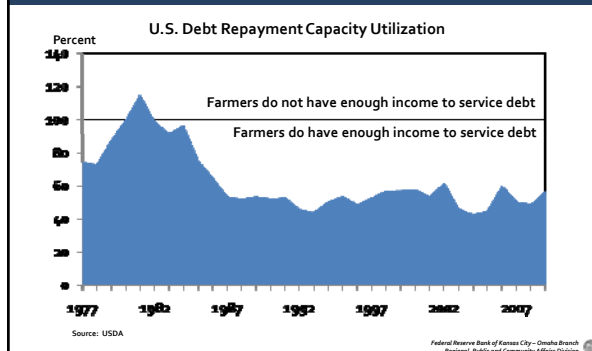


Source: Bureau of Economic Analysis Federal Reserve Board of Governors  
 Federal Reserve Bank of Kansas City – Omaha Branch  
 Regional, Public and Community Affairs Division

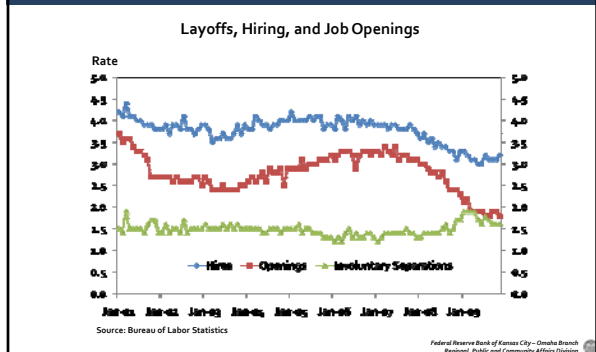
**Deleveraging could contribute to a sluggish recovery as consumers save more and spend less.**



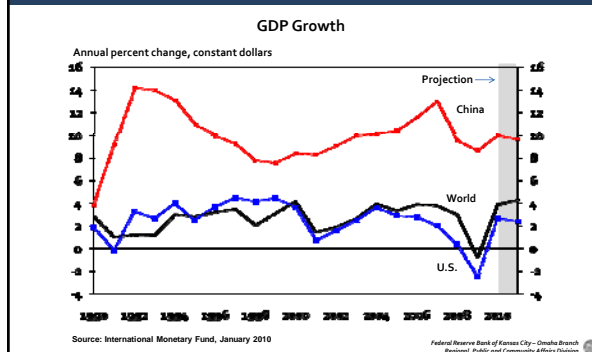
**Farmers learned the lessons of deleveraging in the 1980s.**



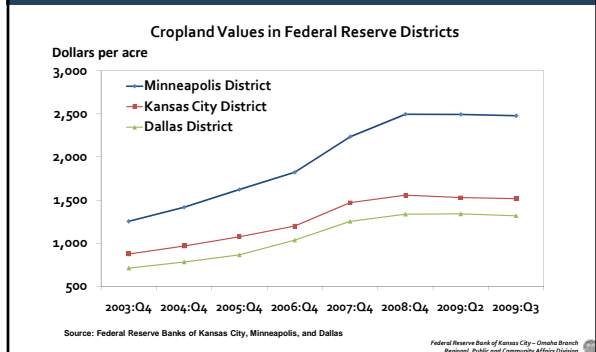
**U.S. food and energy consumption will depend on the employment trends.**



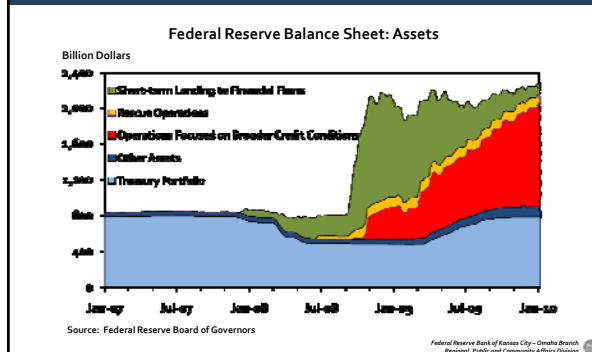
**Will emerging countries lead the recovery?**



**After topping in 2009, what direction will farmland values follow?**



**How and when will the Federal Reserve unwind its balance sheet?**



## Conclusions

- Economic and financial conditions have improved dramatically in the past year.
- Still, risks remain in a sluggish recovery.
- The U.S. economy is going through a deleveraging process, which takes time.
- U.S. agriculture will be driven by the global economic recovery.

Federal Reserve Bank of Kansas City - Omaha Branch  
Regional, Public and Community Affairs Section



The poster features a world map in the background. The title 'Farming, Finance, AND THE Global Marketplace' is written in a mix of serif and script fonts. Below the title, the dates 'JUNE 8-9, 2010' and the location 'Federal Reserve Bank of Kansas City, Kansas City, Missouri' are listed. The bottom of the poster shows a photograph of a field with rows of crops.

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