



Webinar: Economic Update & Interest Rate Outlook

October 30, 2025

8 a.m. (PT) / 9 a.m. (MT)
10 a.m. (CT) / 11 a.m. (ET)

Confidentiality and Company Acknowledgements

This presentation is being furnished solely to webinar attendees (the “Company”) and is not intended for distribution outside the Company. By acceptance of this presentation, the Company acknowledges and agrees that (i) all of the information contained in this presentation (the “Information”) is of a confidential nature and is proprietary to CoBank,. ACB (“CoBank”)., (ii) the Information may only be used in connection with the Company’s analysis of potential interest rate management options and may only be disclosed to those affiliates, employees, agents and advisors of the Company who need to know the Information for such purpose, and (iii) except as set forth above, the Information may not be disclosed to any party without CoBank’s prior written consent.

The Company further acknowledges and agrees that the Information contained herein does not constitute a commitment to lend or to enter into any financial instrument or arrangement. The Information is intended for discussion purposes only and is not intended to be, nor shall it be construed as, (i) projections, predictions or guarantees of future interest rates, or (ii) legal, tax, accounting or trading advice or a recommended course of action in any given situation.

Keynote Speakers



Kiran Kini
Senior Vice President,
Treasurer

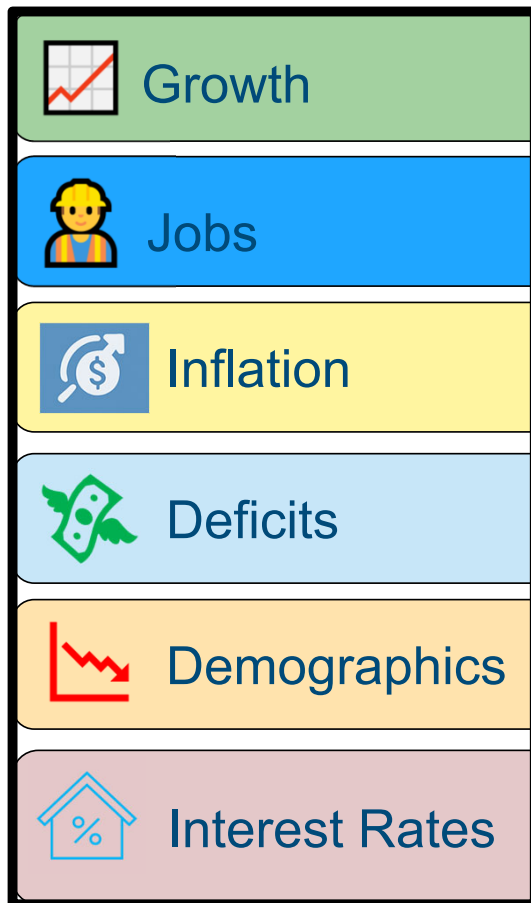


Tanner Ehmke
Lead Economist,
Grains & Oilseeds



Tamra Reynolds
Managing Director,
Electric Distribution

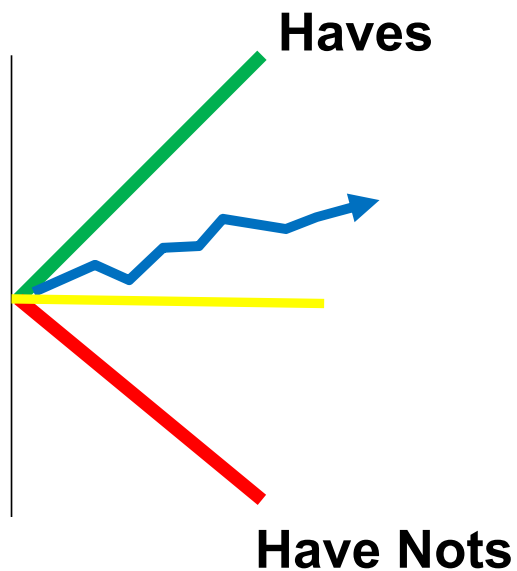
Macroeconomic Situation





Economic Outlook

The K-shaped Economy



Share of US GDP %

34.6%

Expansion

33.6%

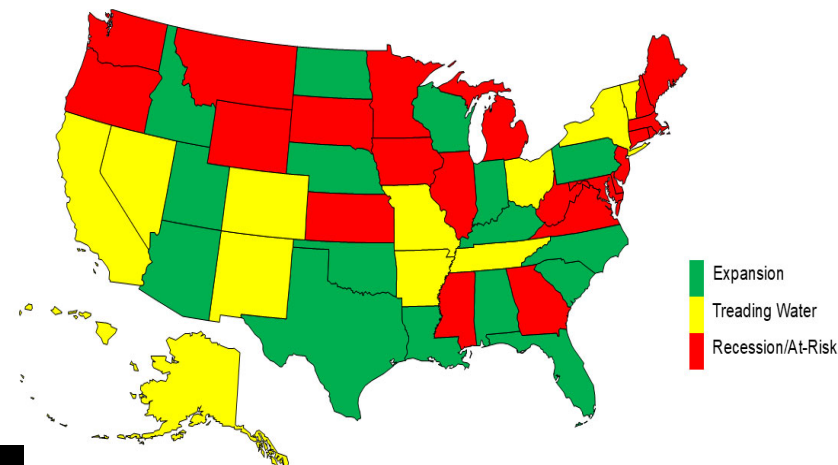
Treading Water

31.8%

Recession/At-Risk

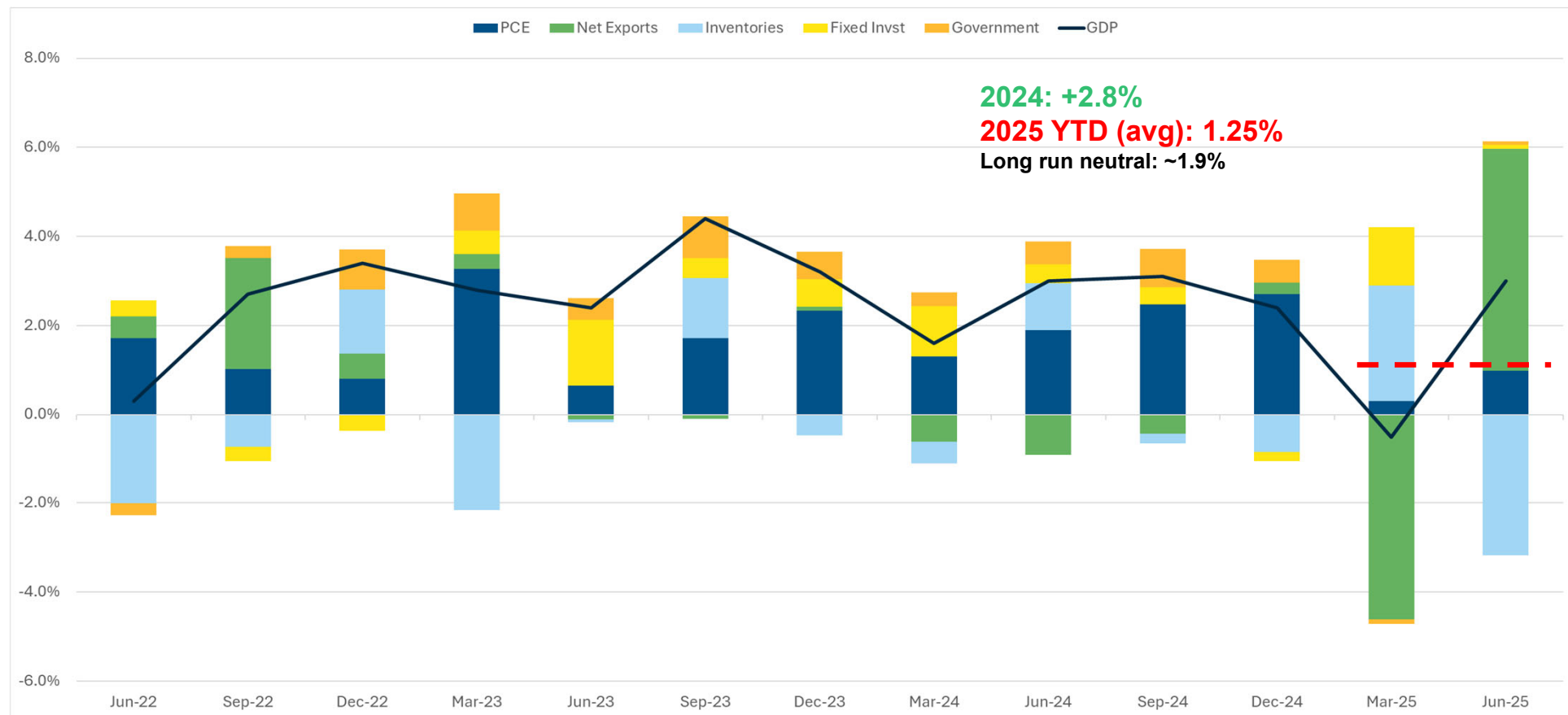
Many States In or Near Recession, Signaling National Recession Risk

Business cycle status, October 2025

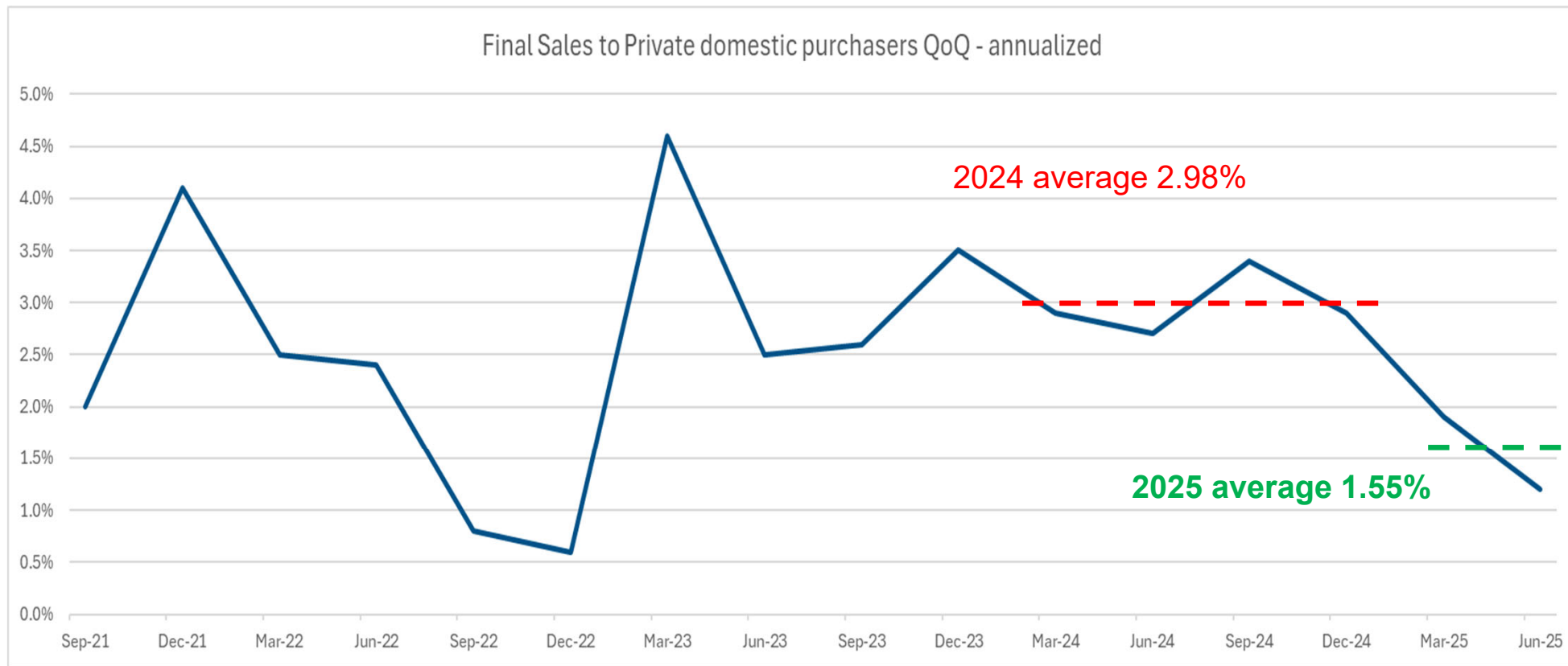


Source: Mark Zandi – Moody's

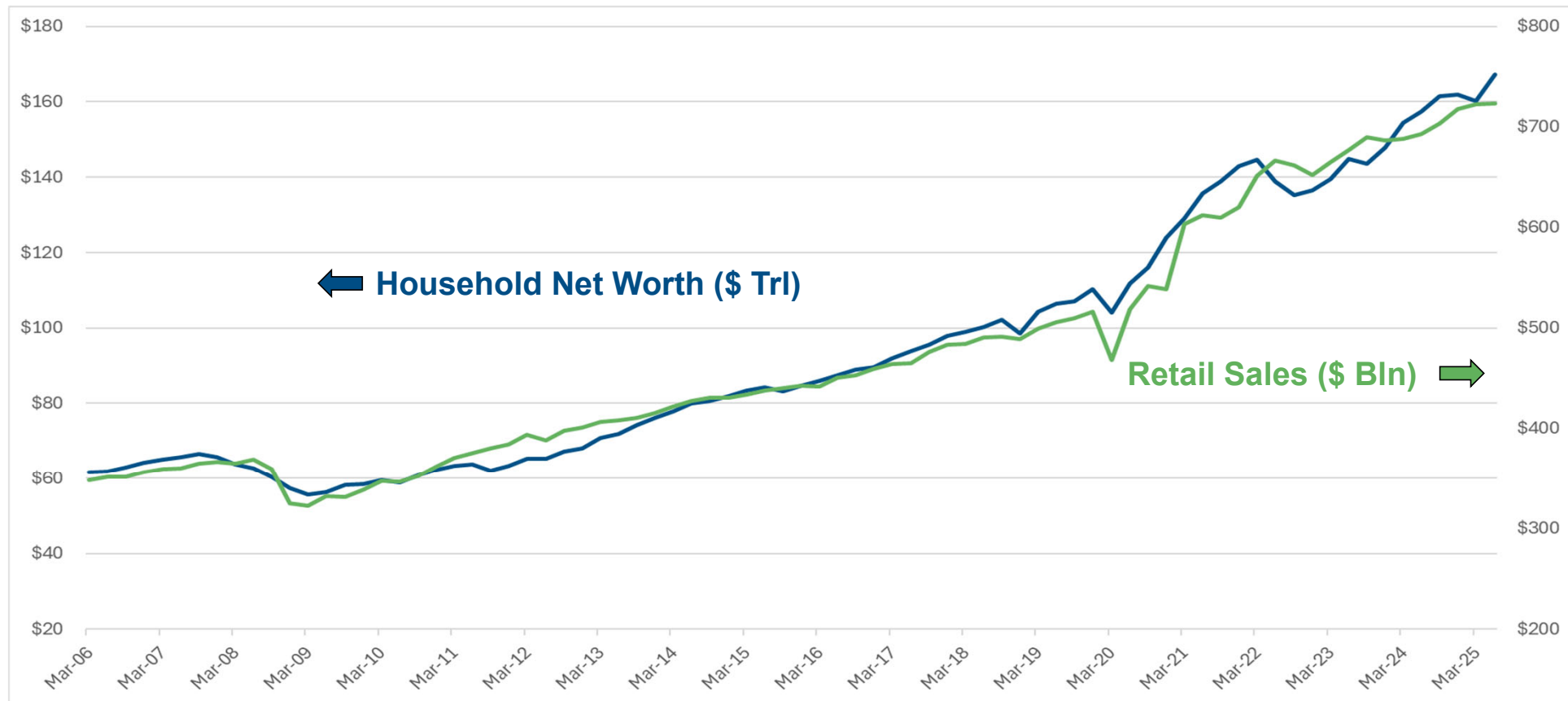
GDP



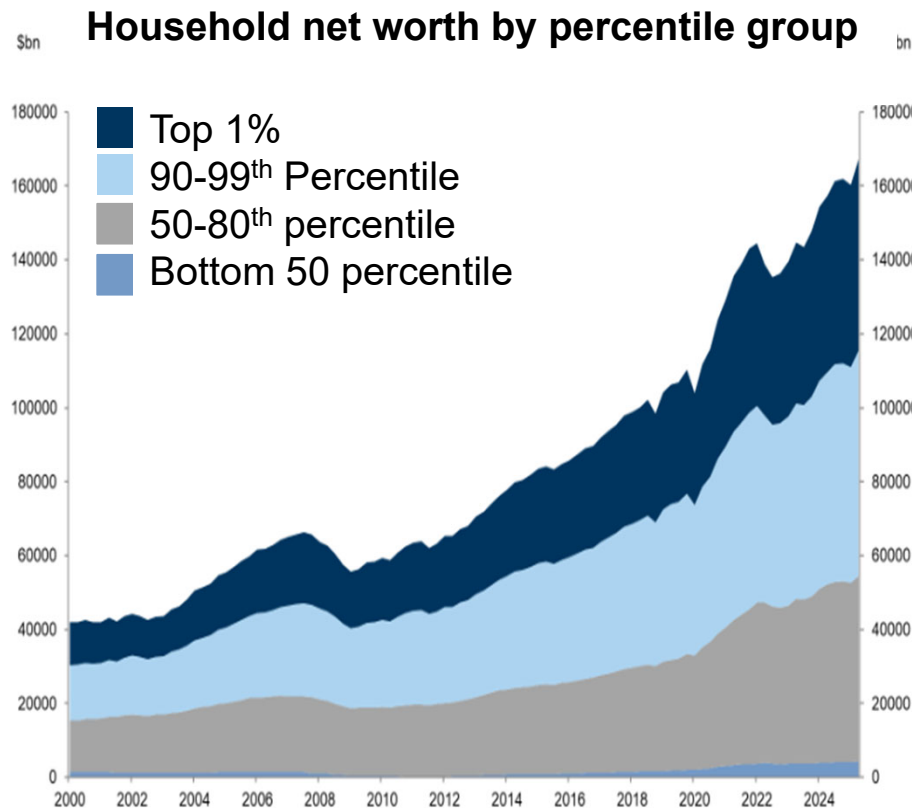
GDP – Final Sales to Private Domestic Purchasers



Retail Sales Holding Up

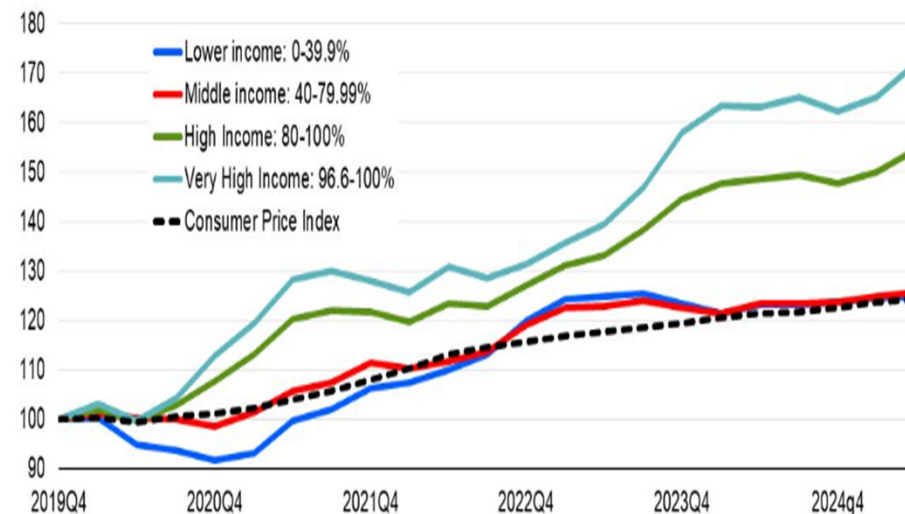


Haves' vs Have Nots – Things Ok on Average but...



The Well-To-Do Power Consumer Spending

Personal outlays by income group, 1999q4 = 100

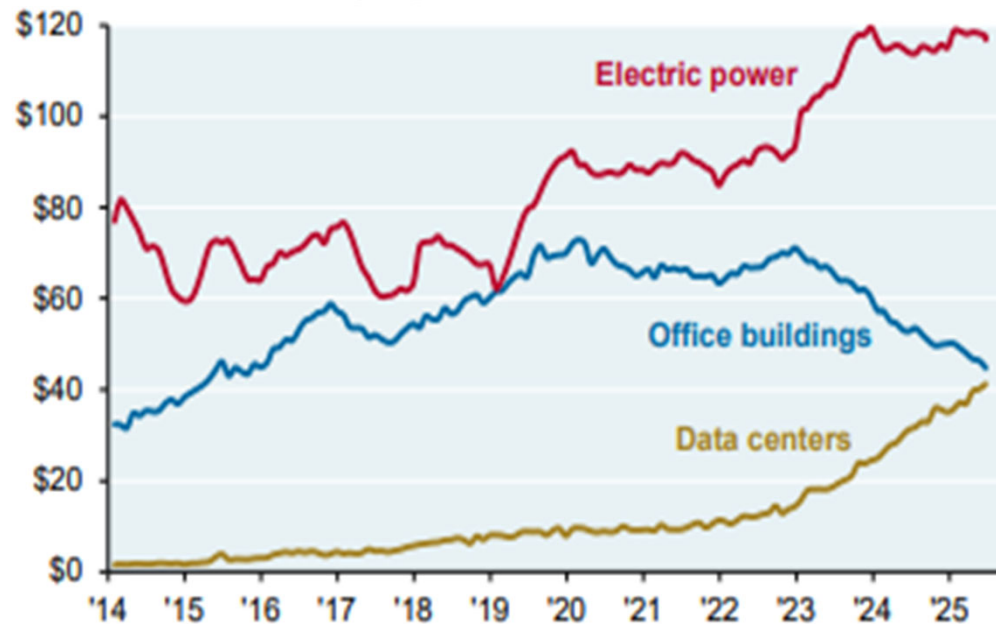


Sources: BLS, Moody's Analytics

Not your Typical Economic Cycle

US construction spending

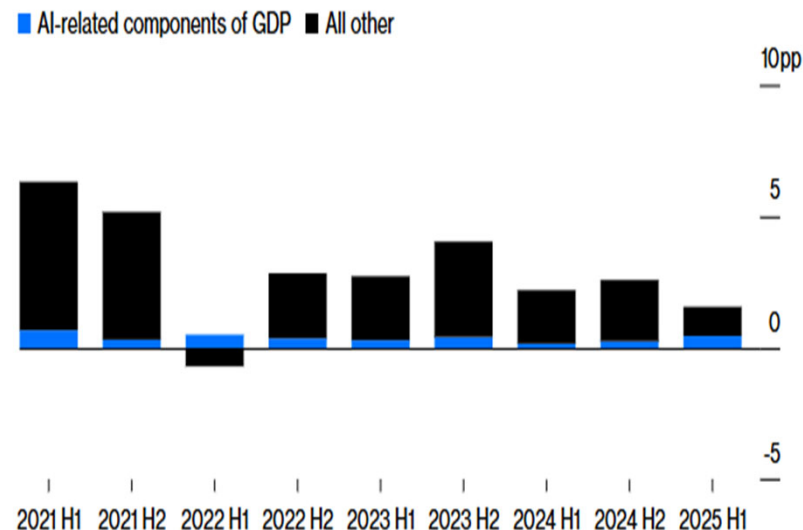
US\$, billions, seasonally adjusted annual rate



Source: Census Bureau, JPMAM, July 2025

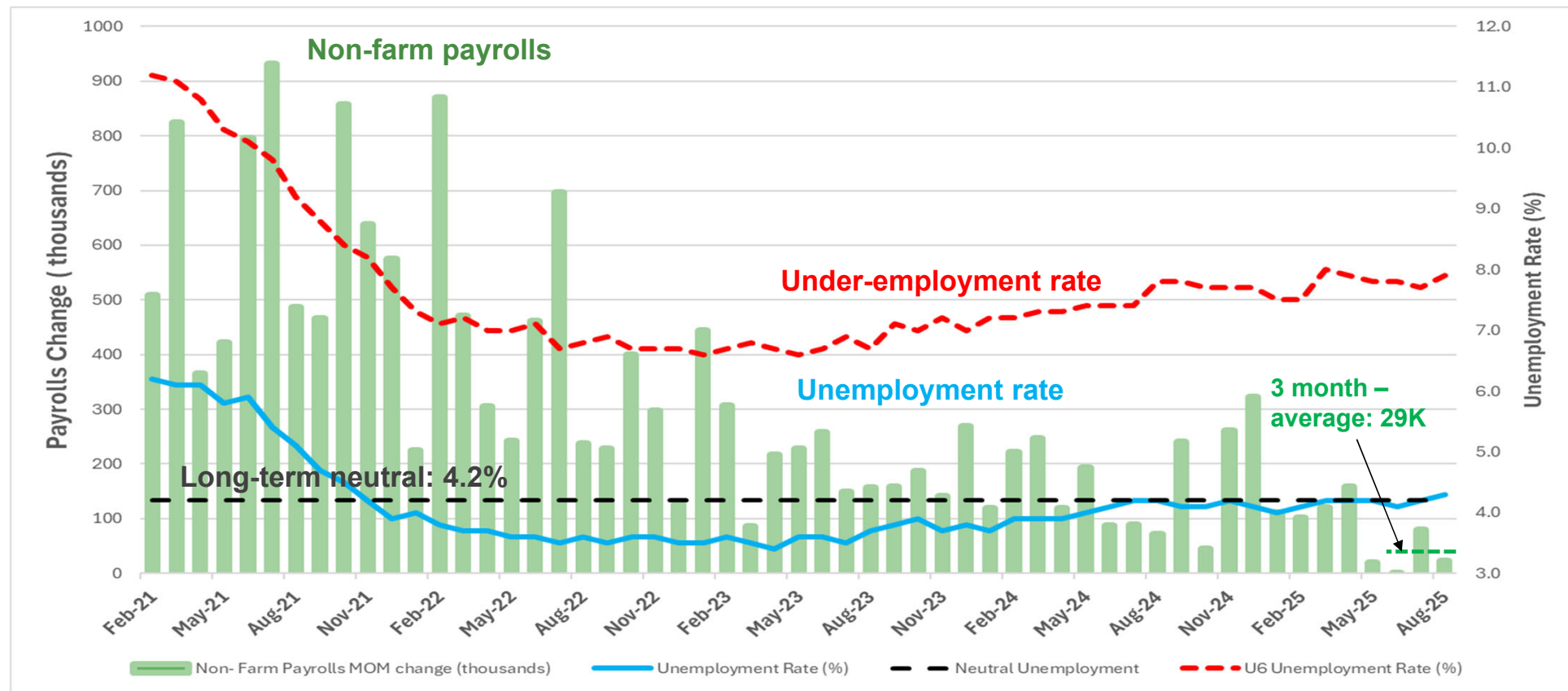
AI Is Still a Big Deal, But Maybe Not for GDP

Investment in artificial intelligence has grown substantially, but a lot of it comes from abroad, which isn't measured as part of US GDP

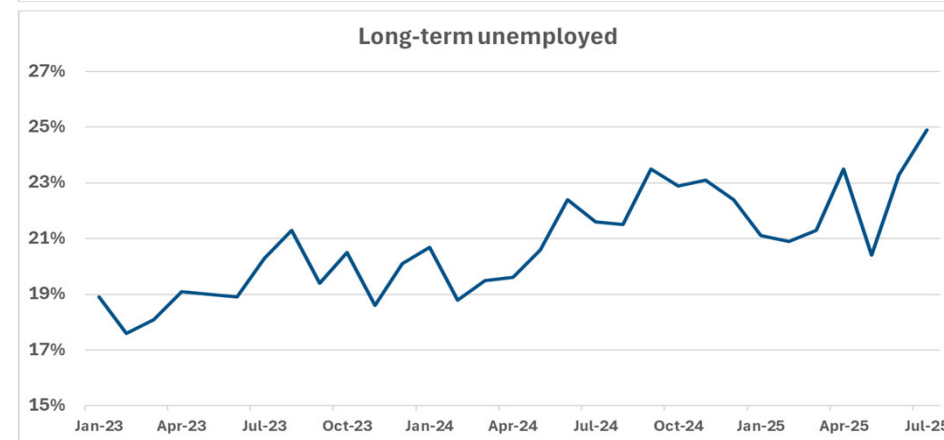
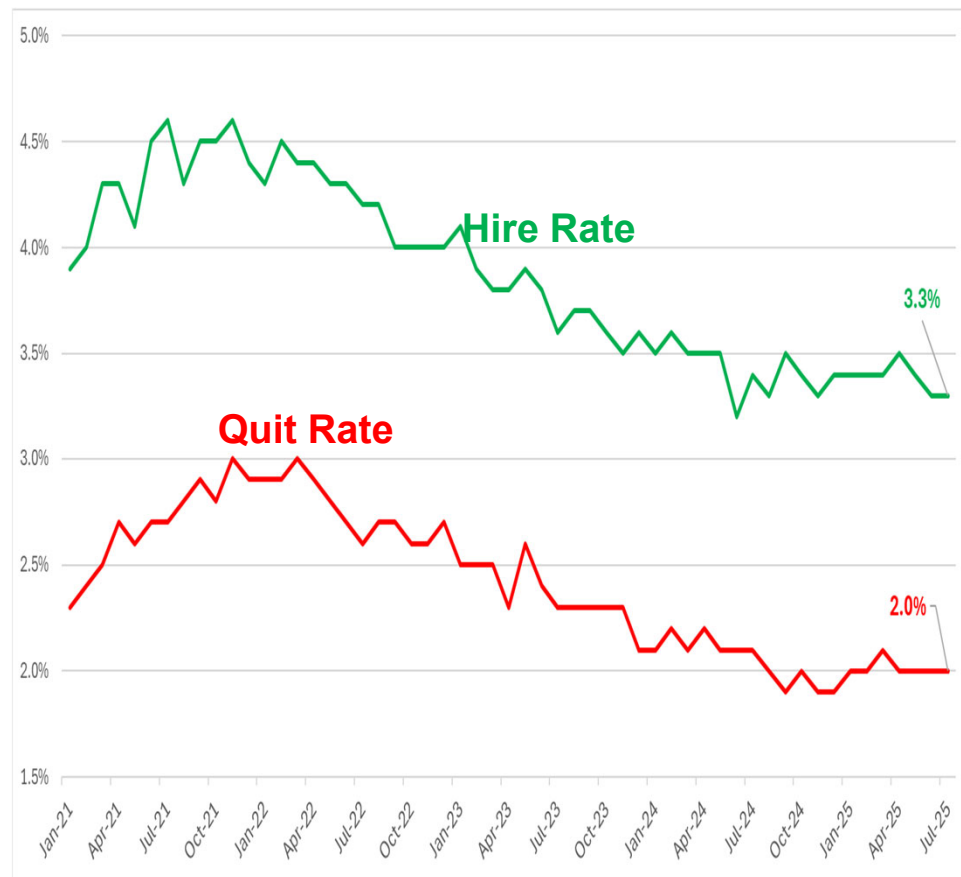


Source: Bureau of Economic Analysis, author's analysis

Non-farm payrolls and unemployment rate

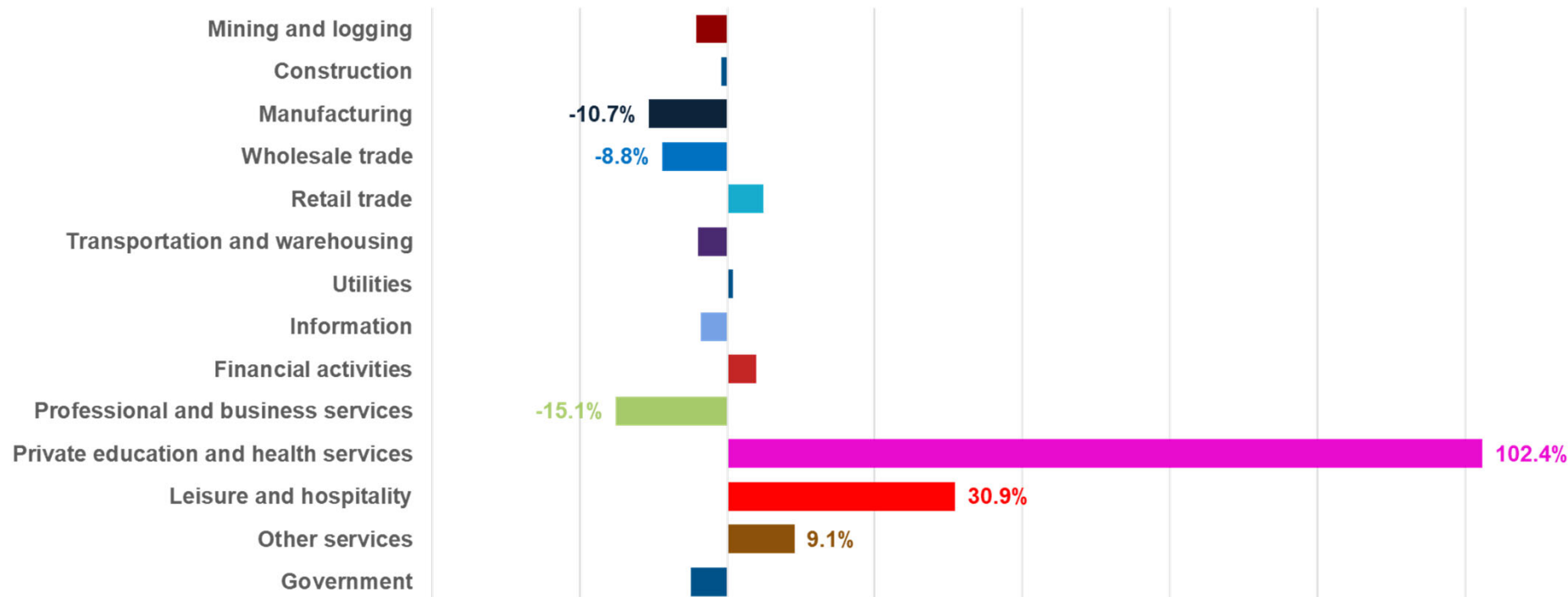


Labor Market in an Unsteady Equilibrium

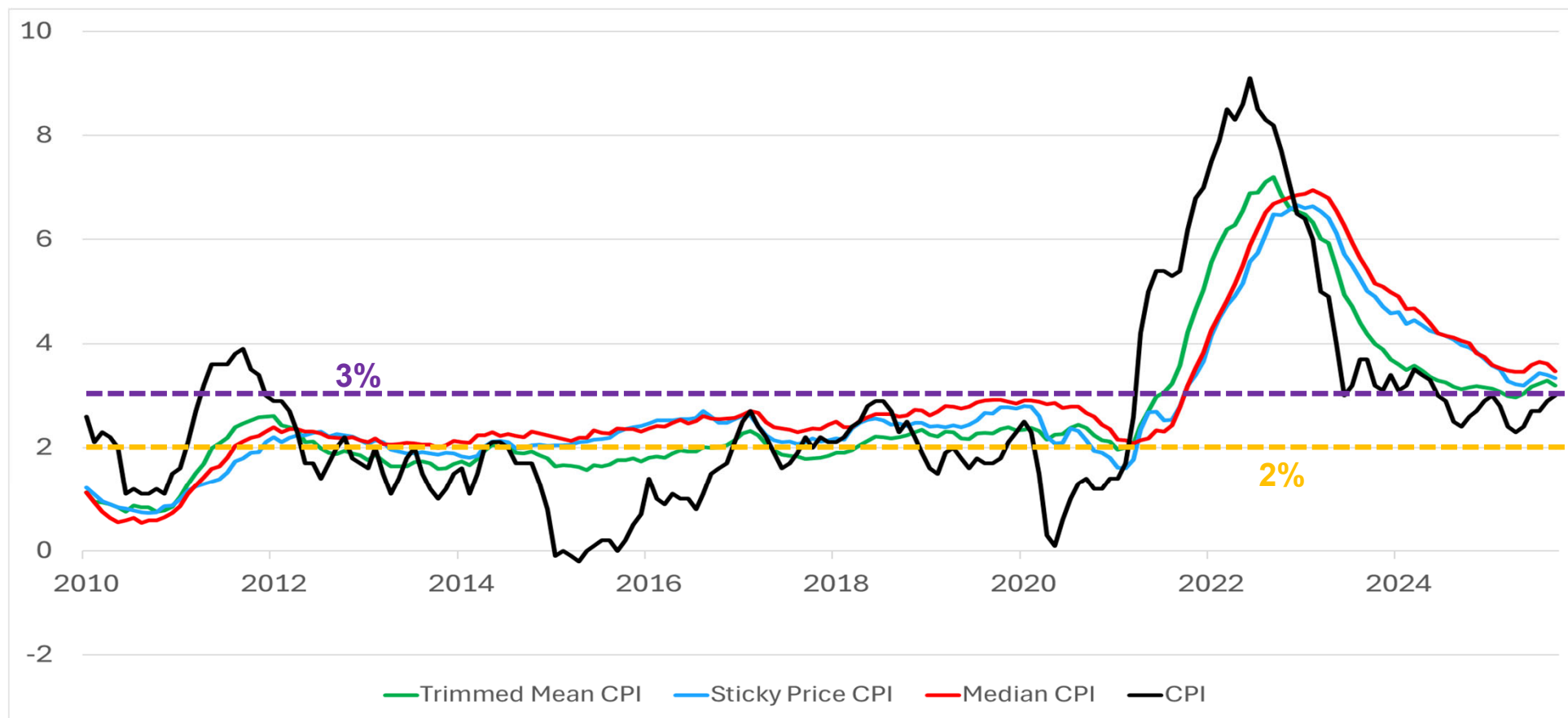


Labor Market – Industry Breakdown

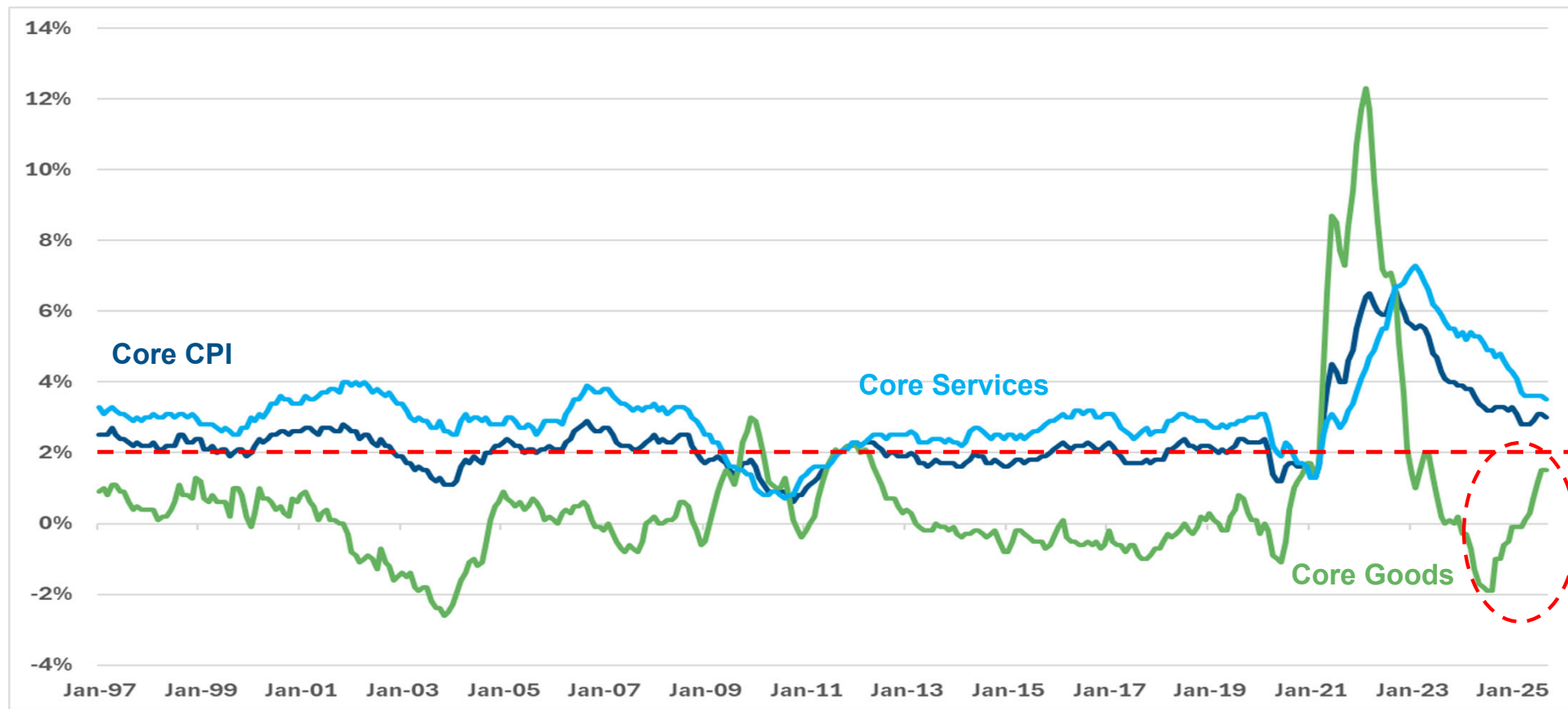
6-month change - % of net jobs (August 2025)



Persistent inflation?



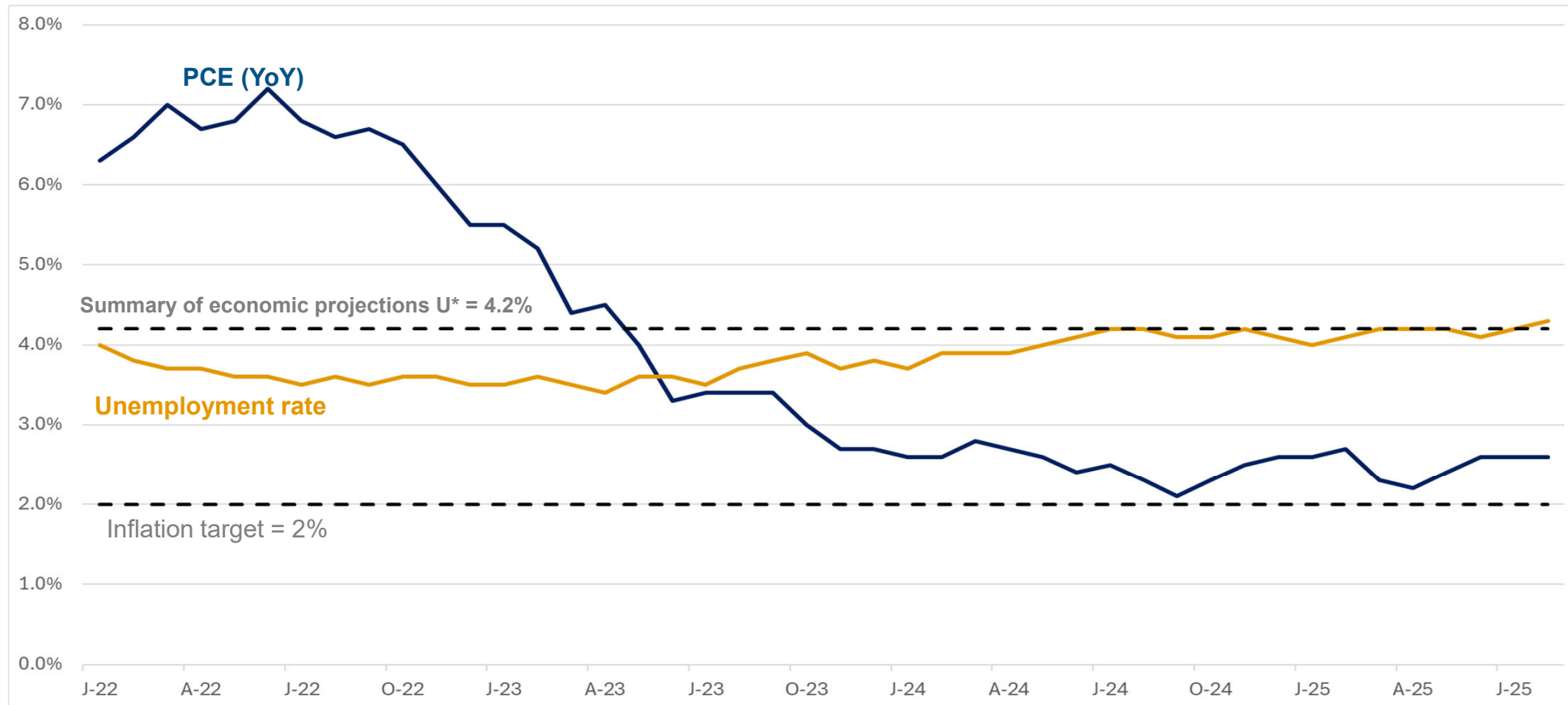
Core Consumer Price Index (CPI) – YOY%



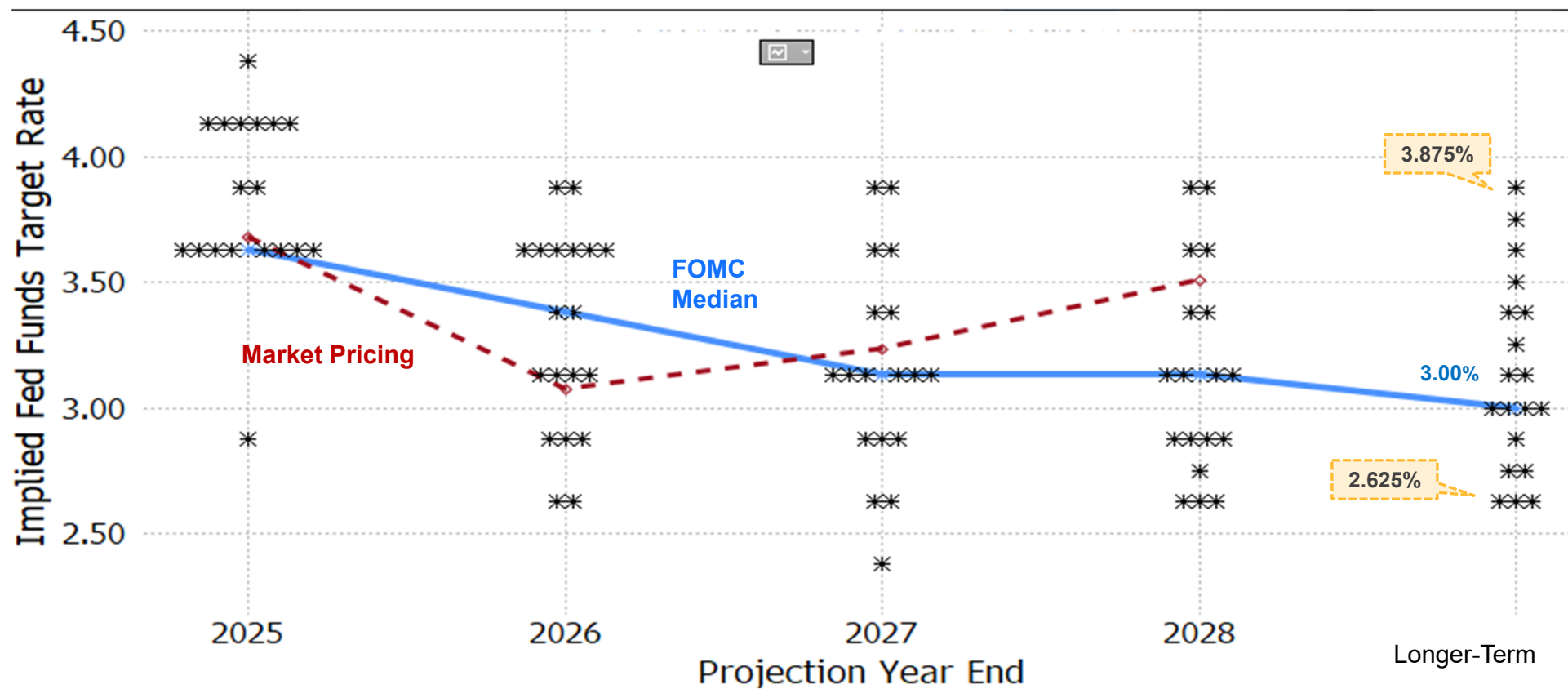
What Does The Fed Say?



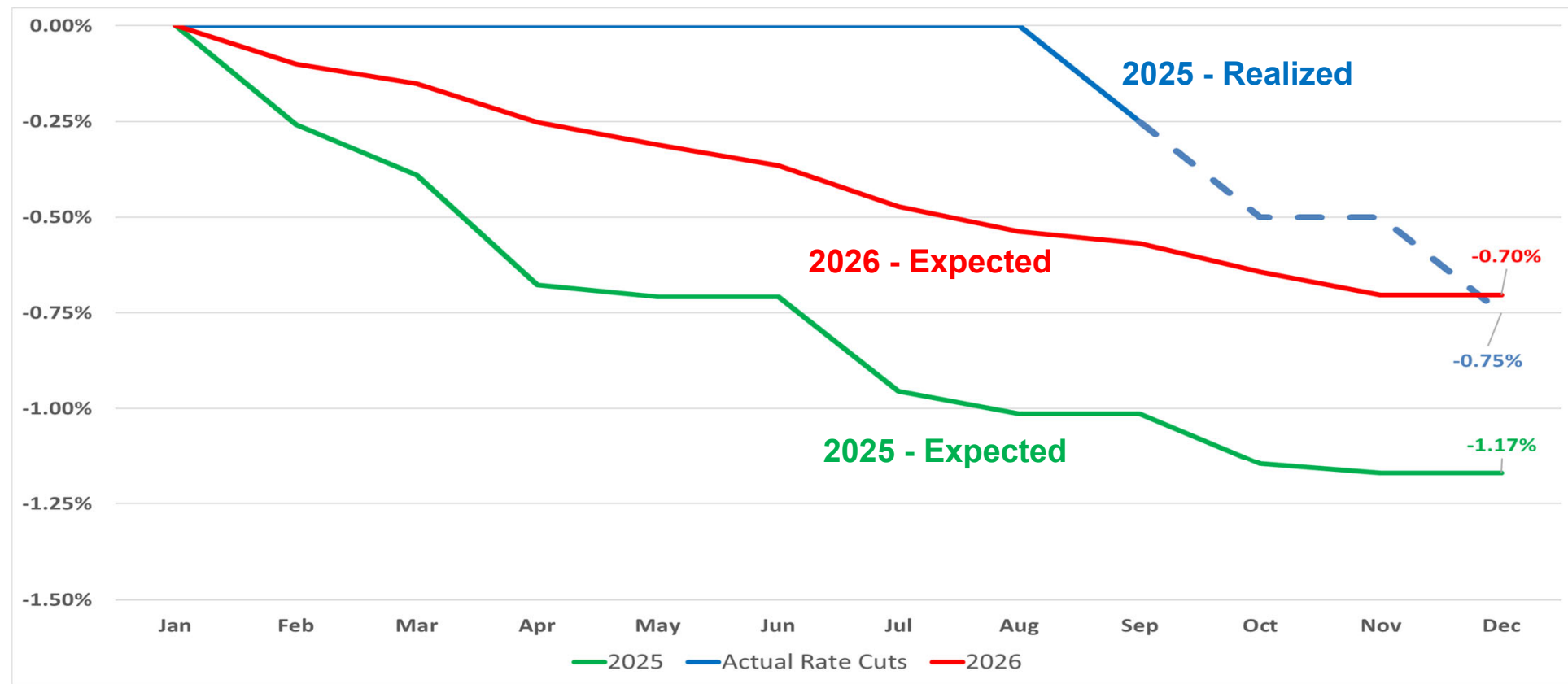
Federal reserve – dual mandate



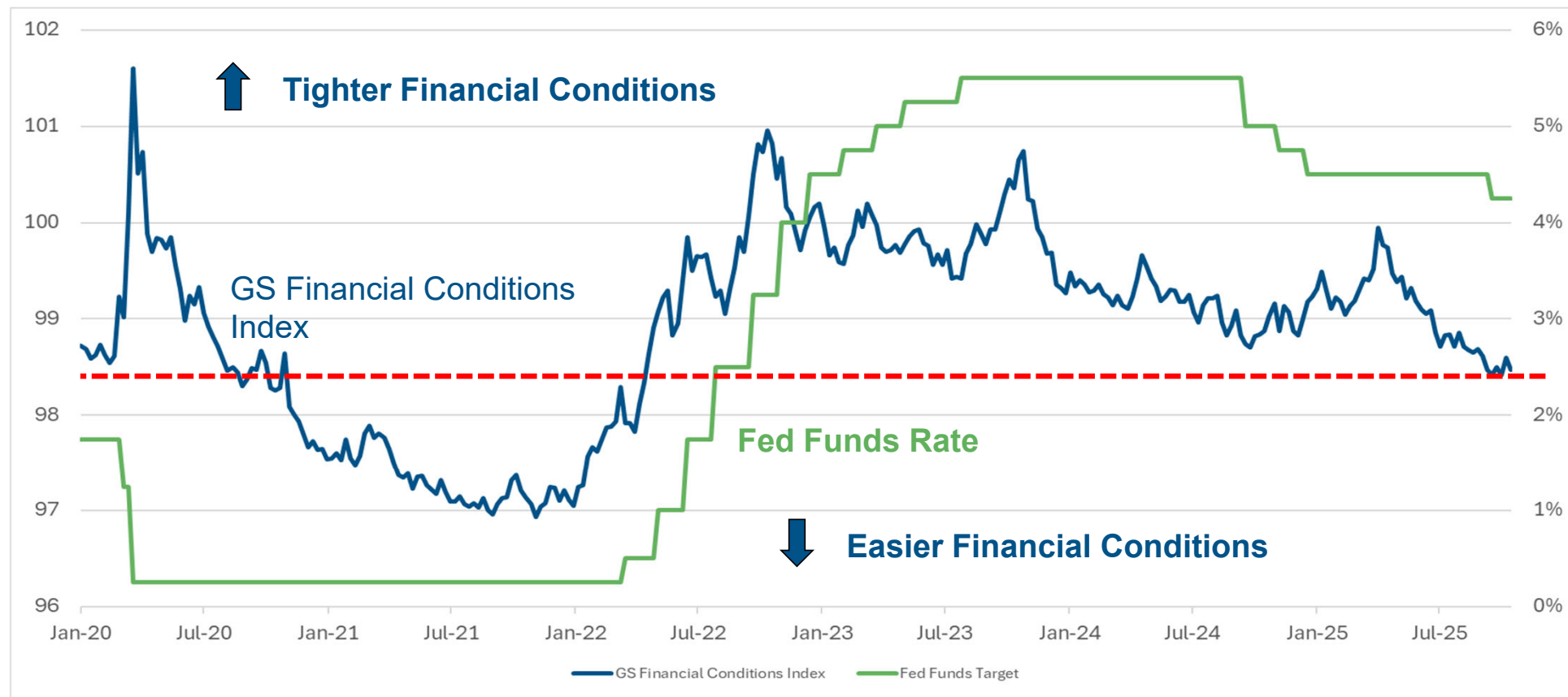
FOMC Dot Plot



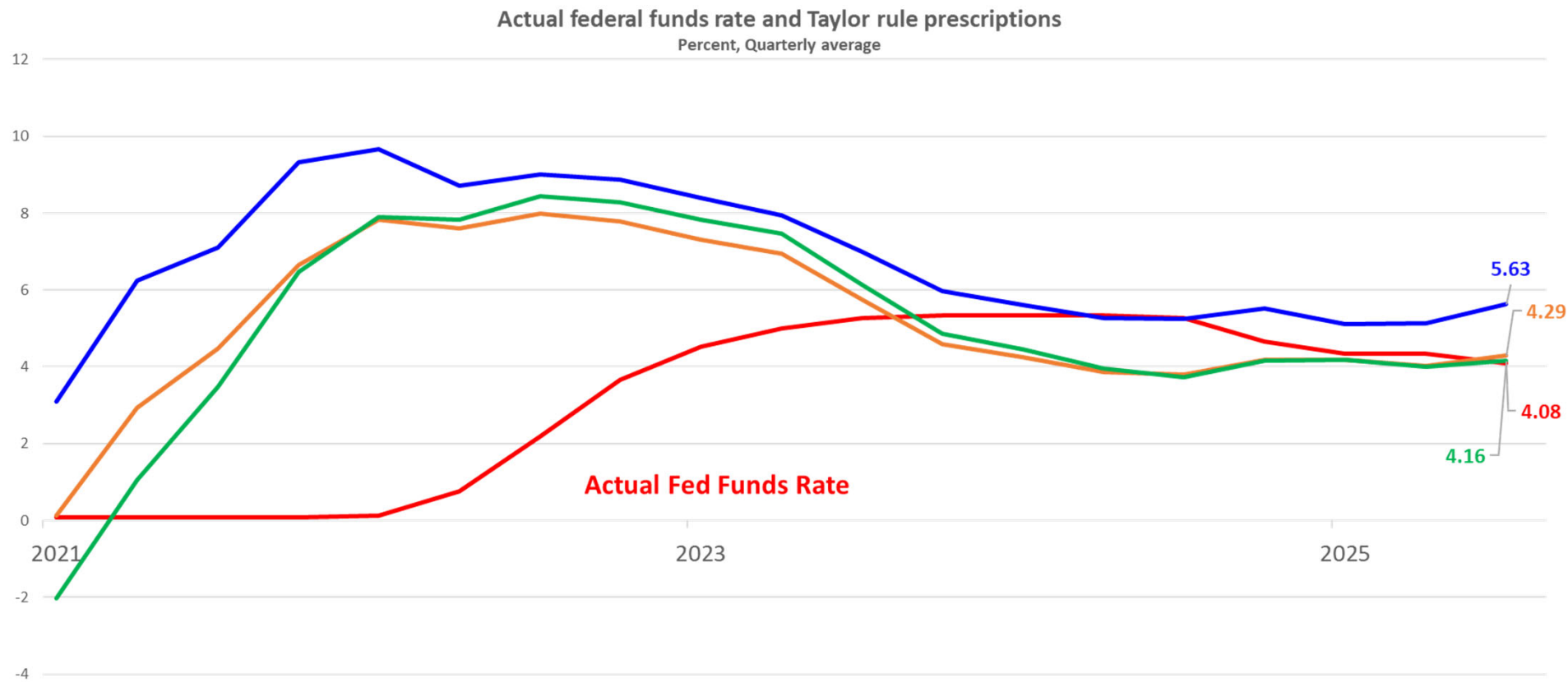
Rate Cuts - Expectations vs Realized



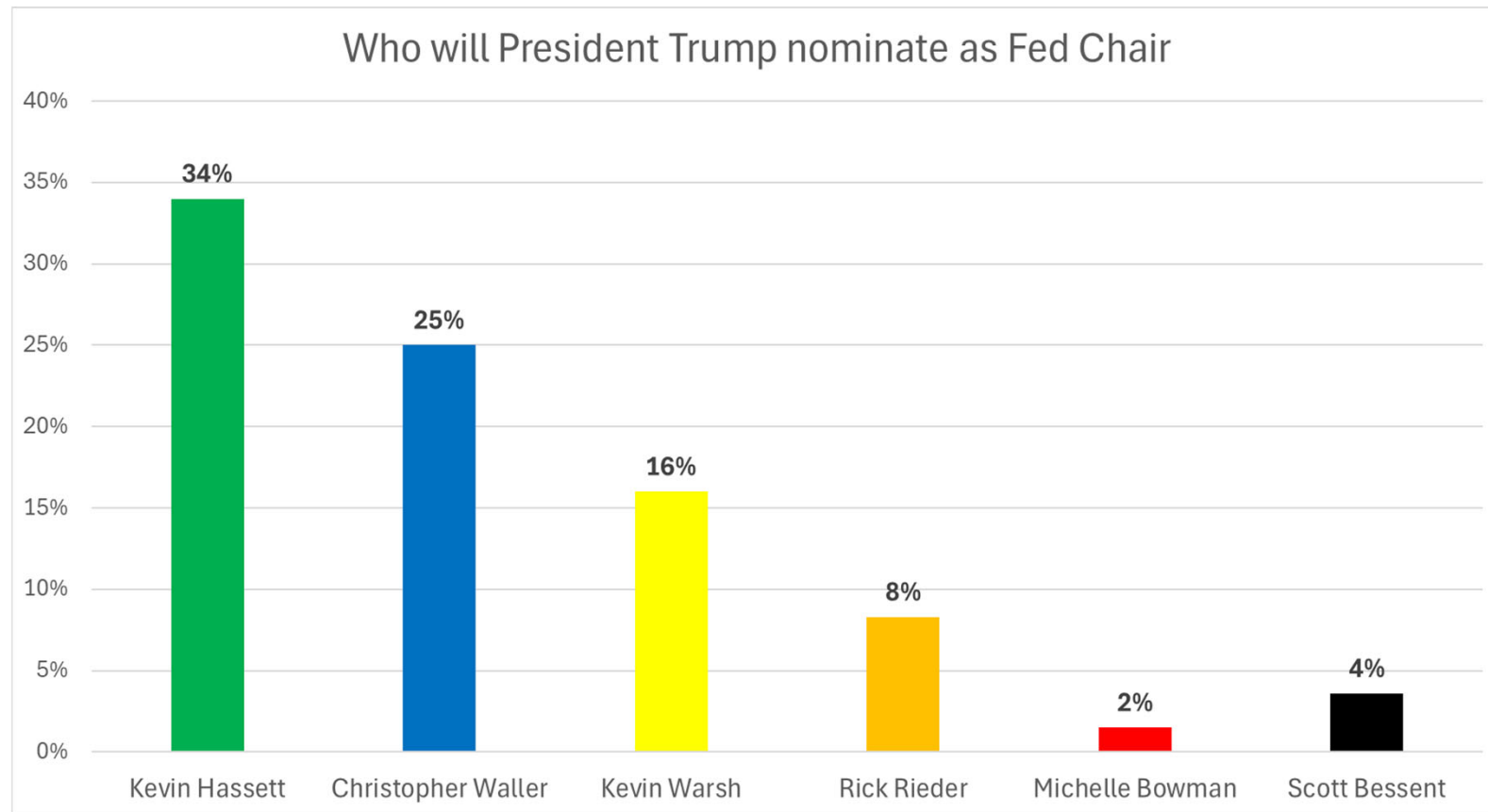
Financial Conditions



Taylor Rule



Polymarket –President Trump Fed Chair Nominee

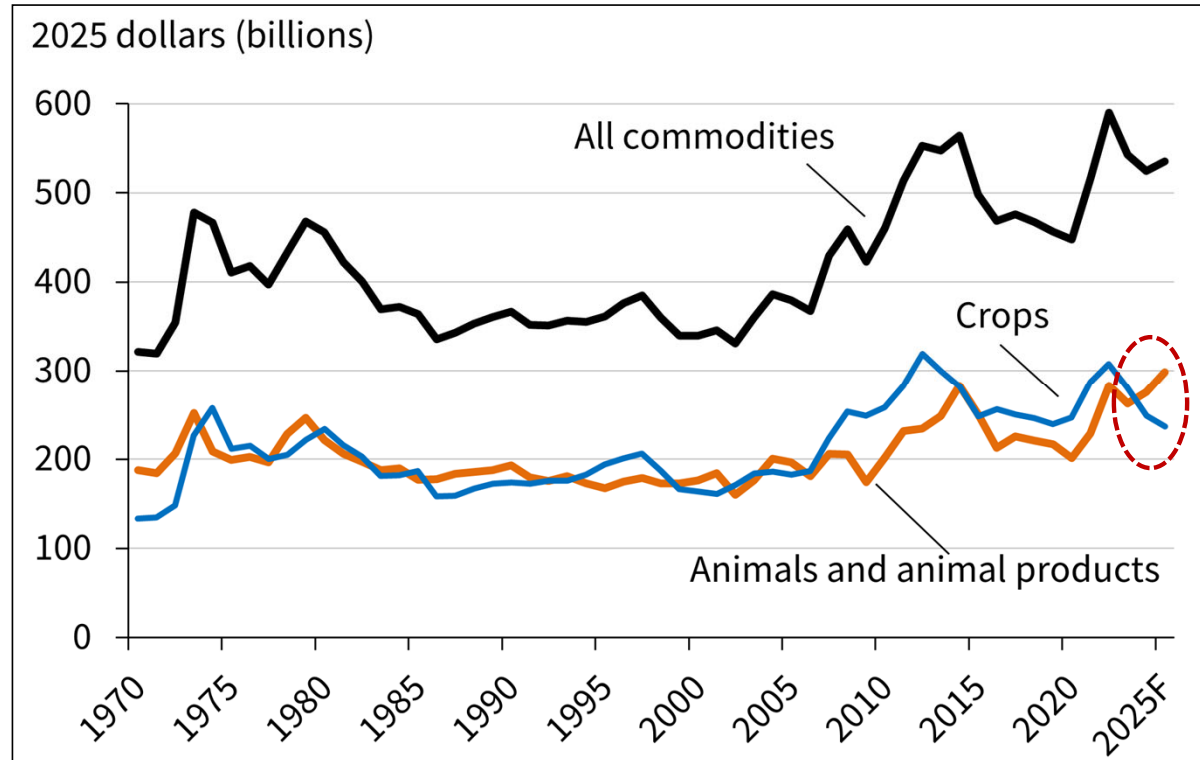




The Ag Economy

Ag Economy Bifurcated Between Crops and Livestock

U.S. Farm Sector Cash Receipts



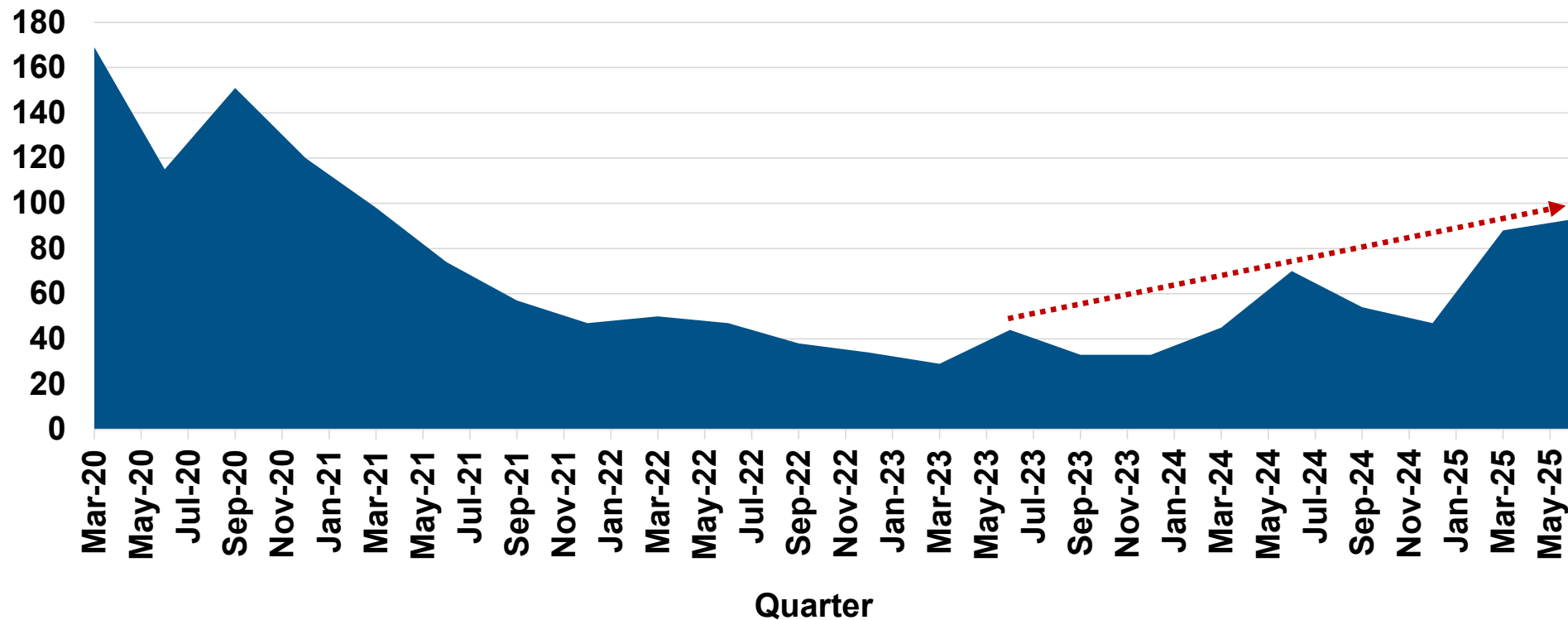
Farm Loan Repayment Rates are Slipping

Farm Loan Repayment Rates



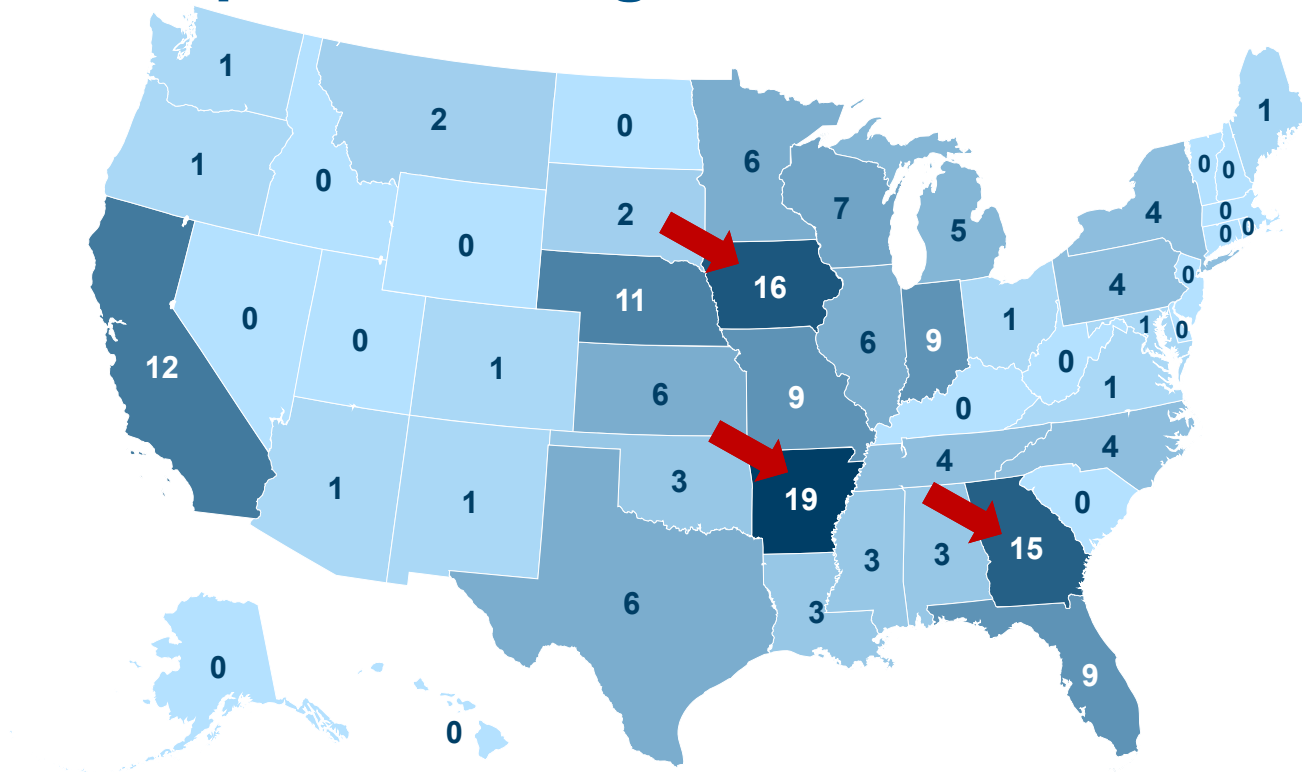
Farm Bankruptcies in 2025 up 57% YoY

Ch. 12 Bankruptcy Filings



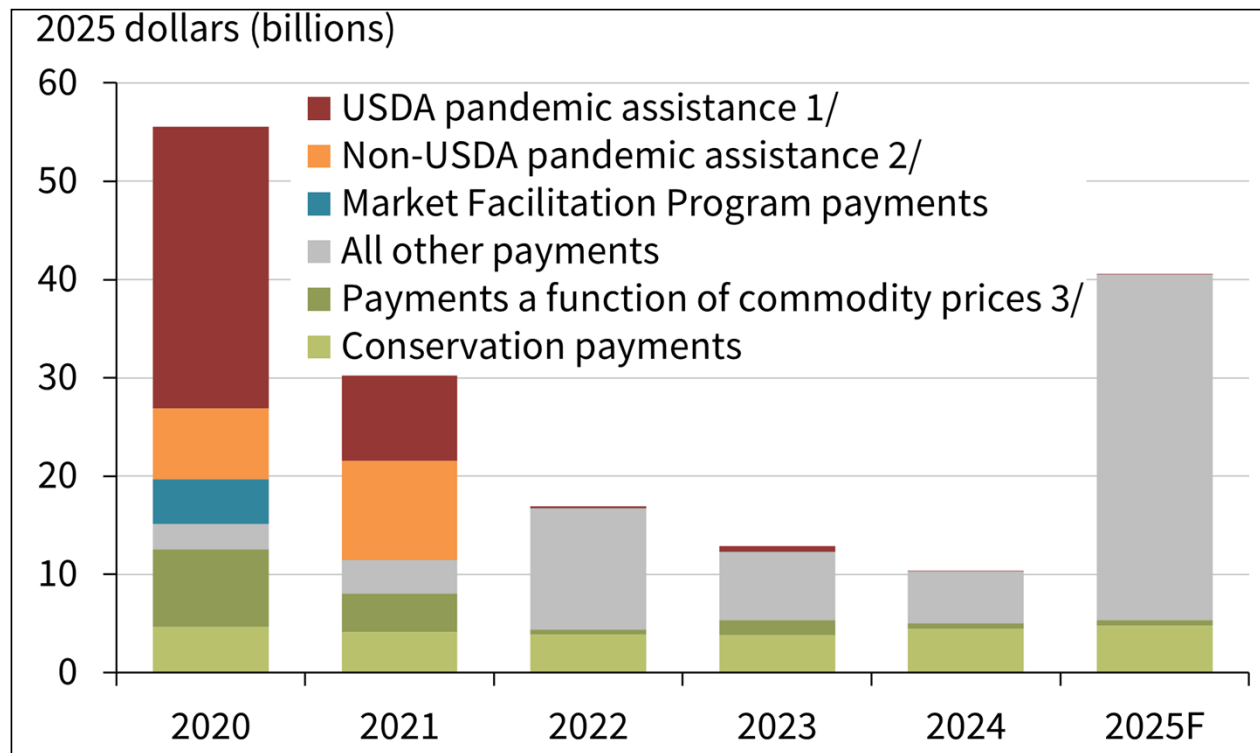
AR, IA and GA Account for 25% of Farm Bankruptcies

Chapter 12 Filings in First Half of 2025



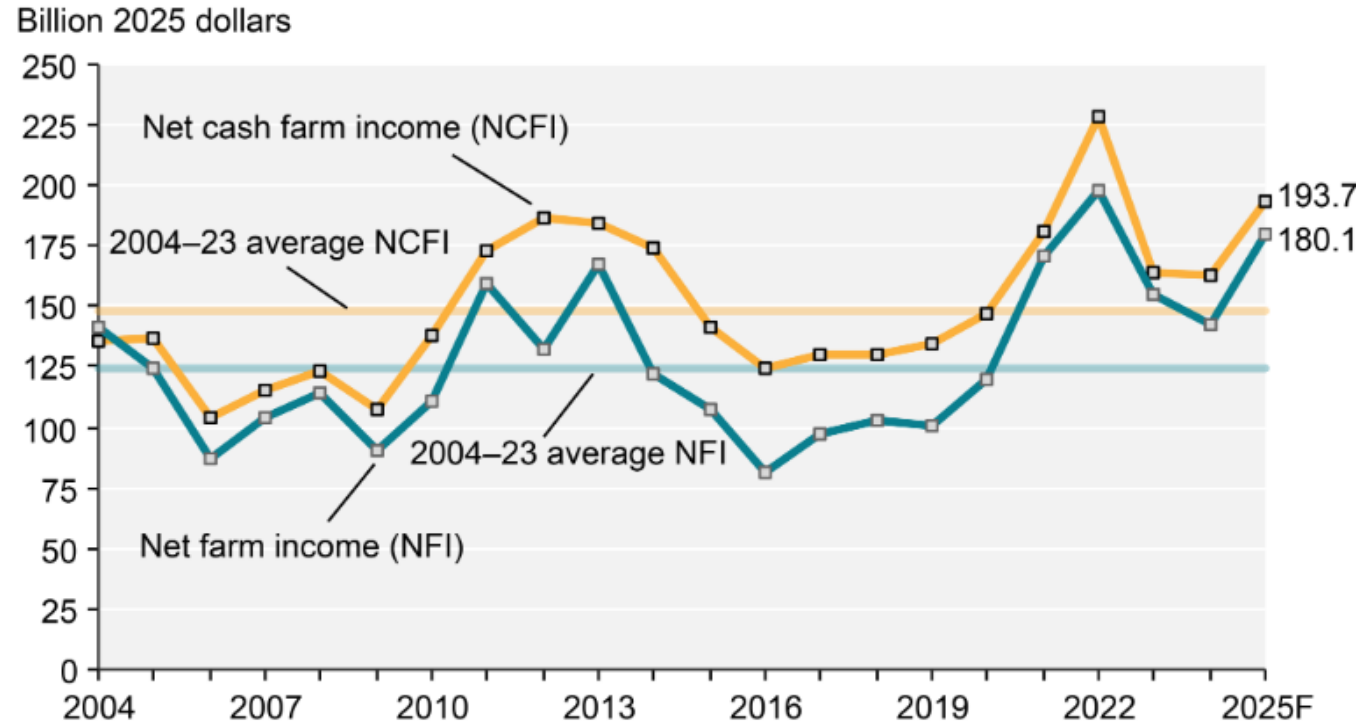
How Big of a Role will the Government Play?

Direct Government Payments to U.S. Producers



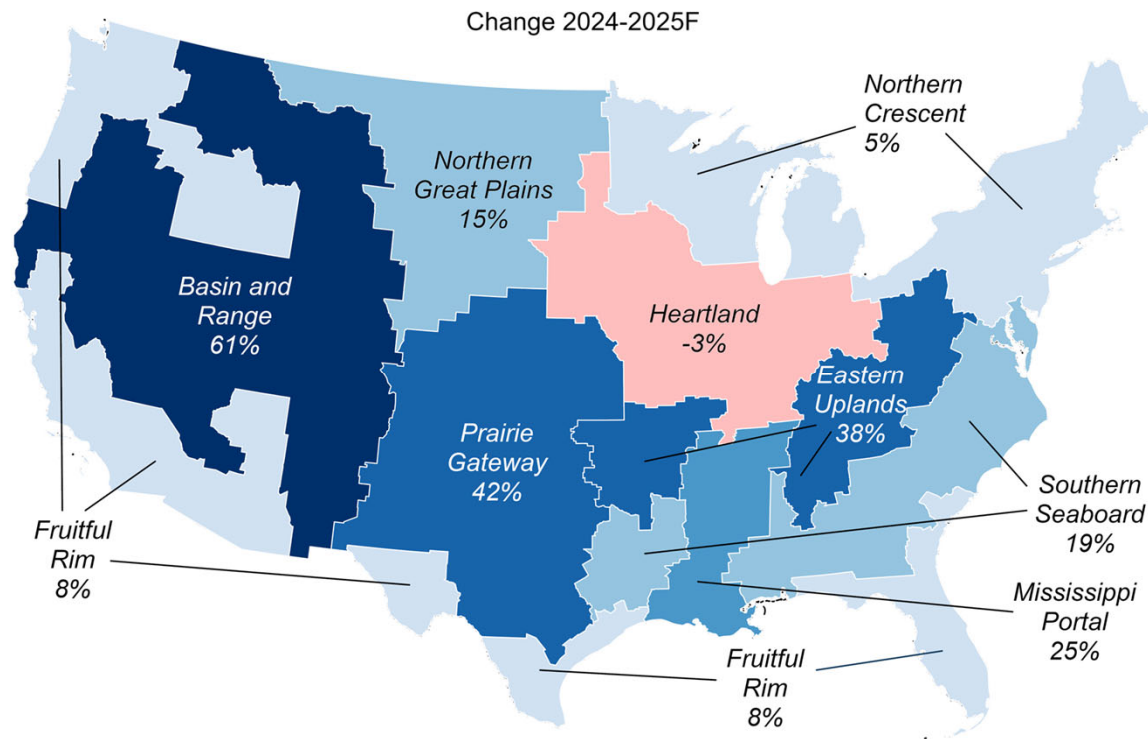
Net Farm Income Expected to Rise on Gov't Assistance

U.S. Net Farm Income and Net Cash Farm Income



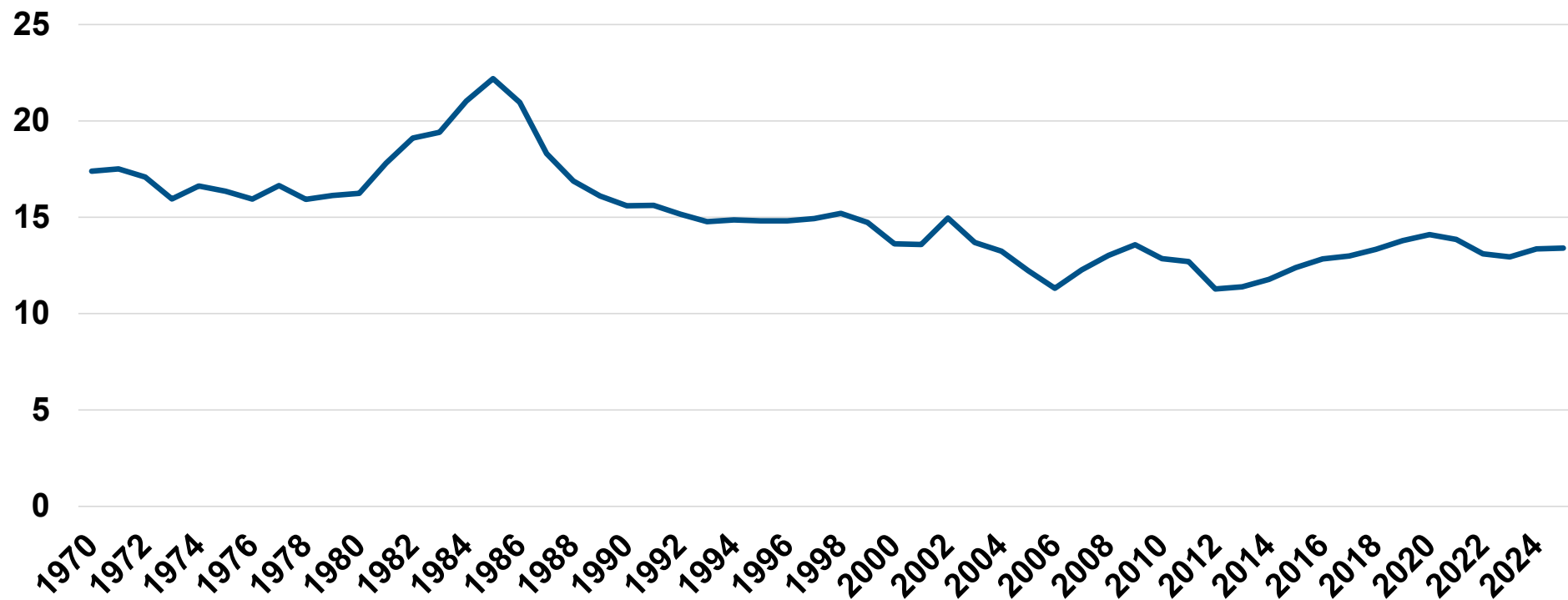
Most Regions Expected to See Improved Farm Income

U.S. Farm Average Net Cash Farm Income, Change YoY



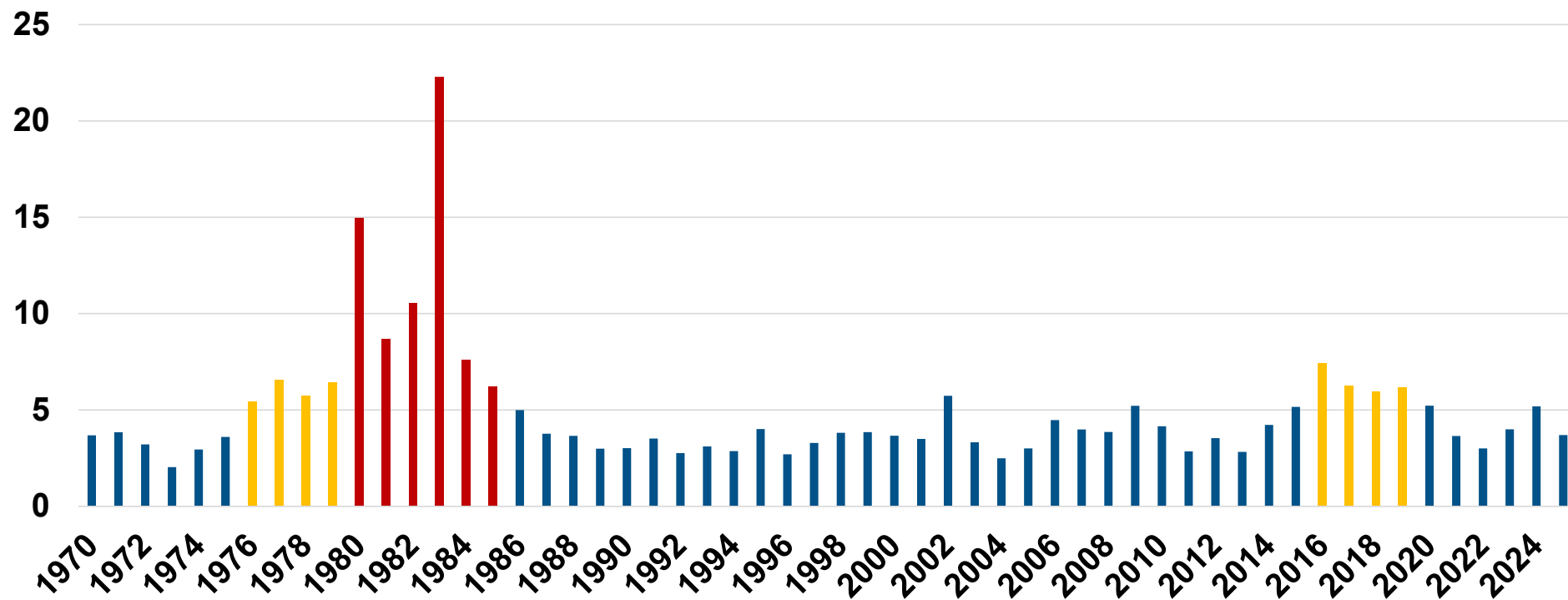
Debt-to-Asset Ratio is Stable on Strong Land Values

U.S. Farm Debt-to-Asset Ratio



Debt-to-Income Ratio Does Not Signal Significant Stress

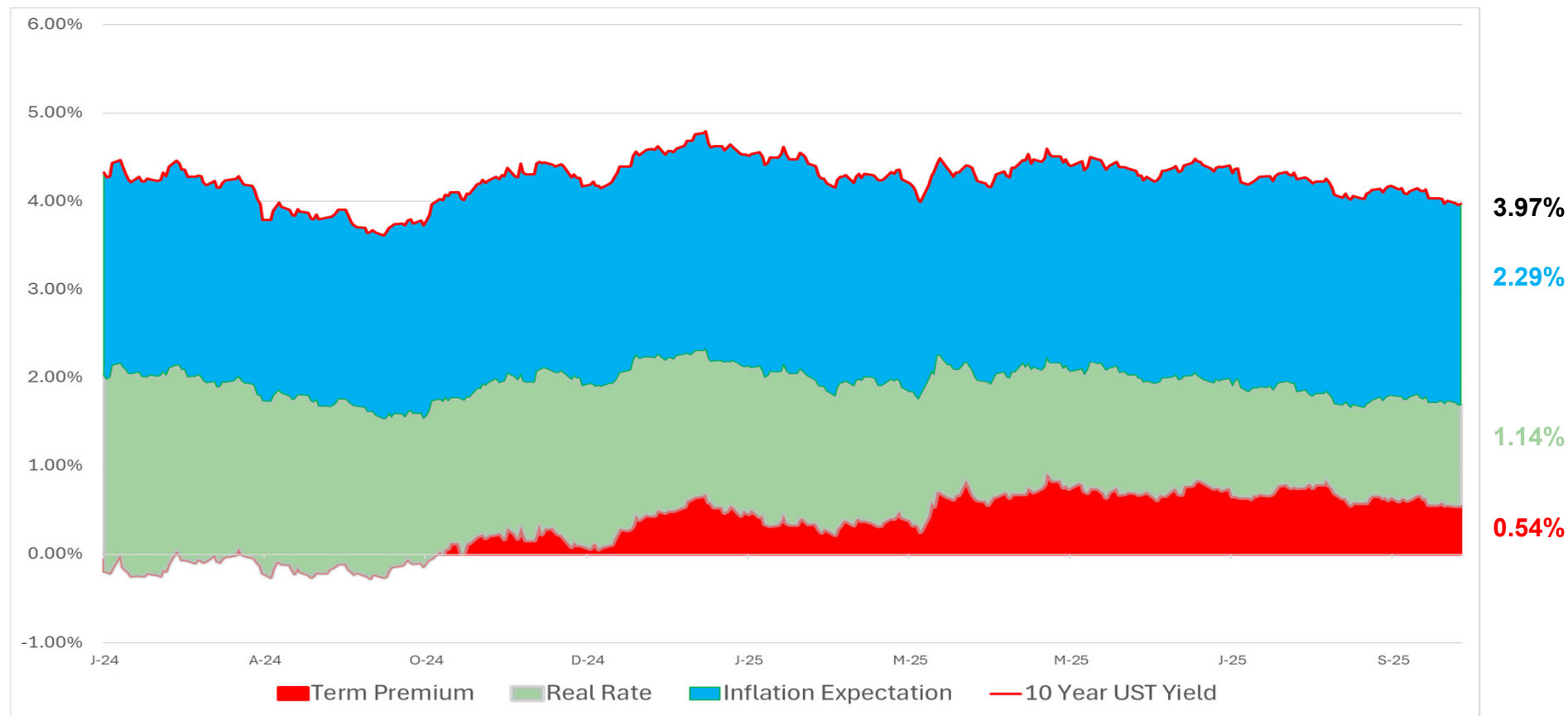
U.S. Farm Debt-to-Income Ratio



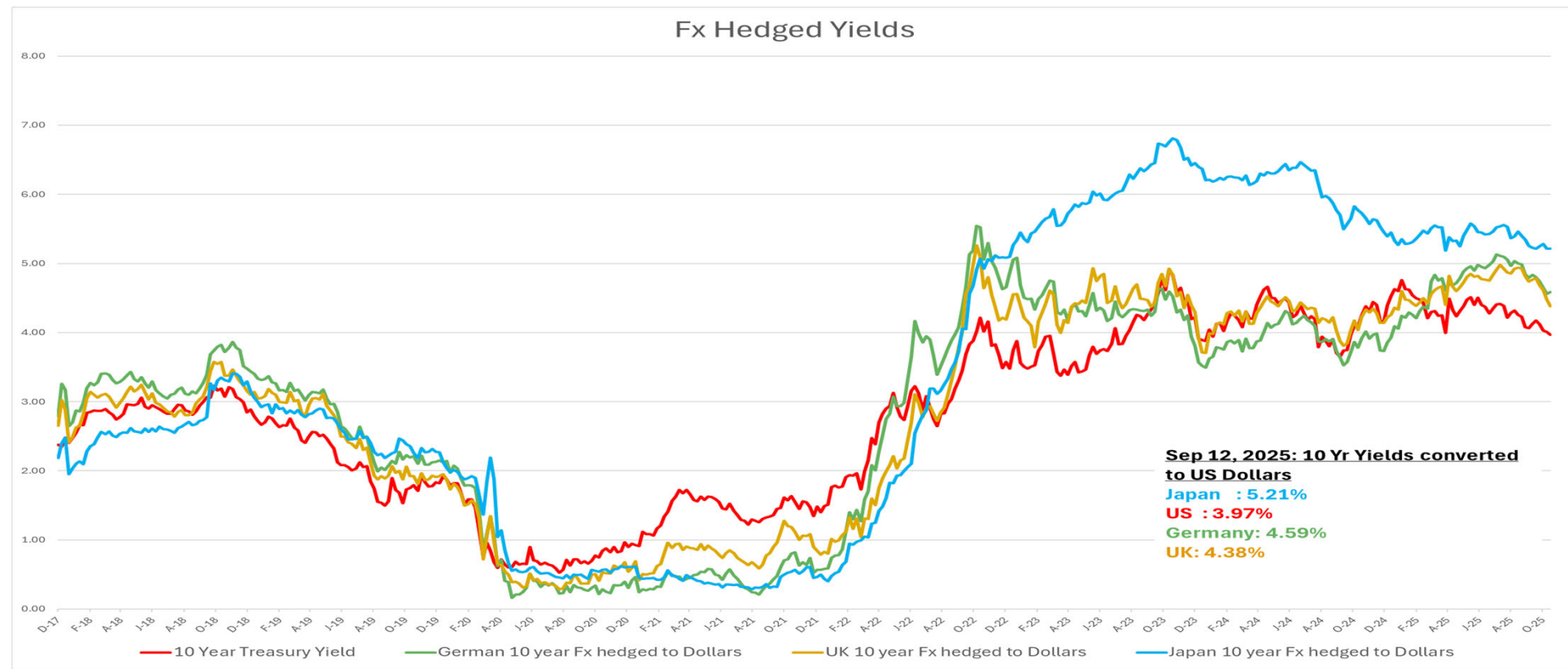


Interest rates

10 Year Treasury Yield - Components



Global Yields – There are Alternatives



10 Year Treasury Yield

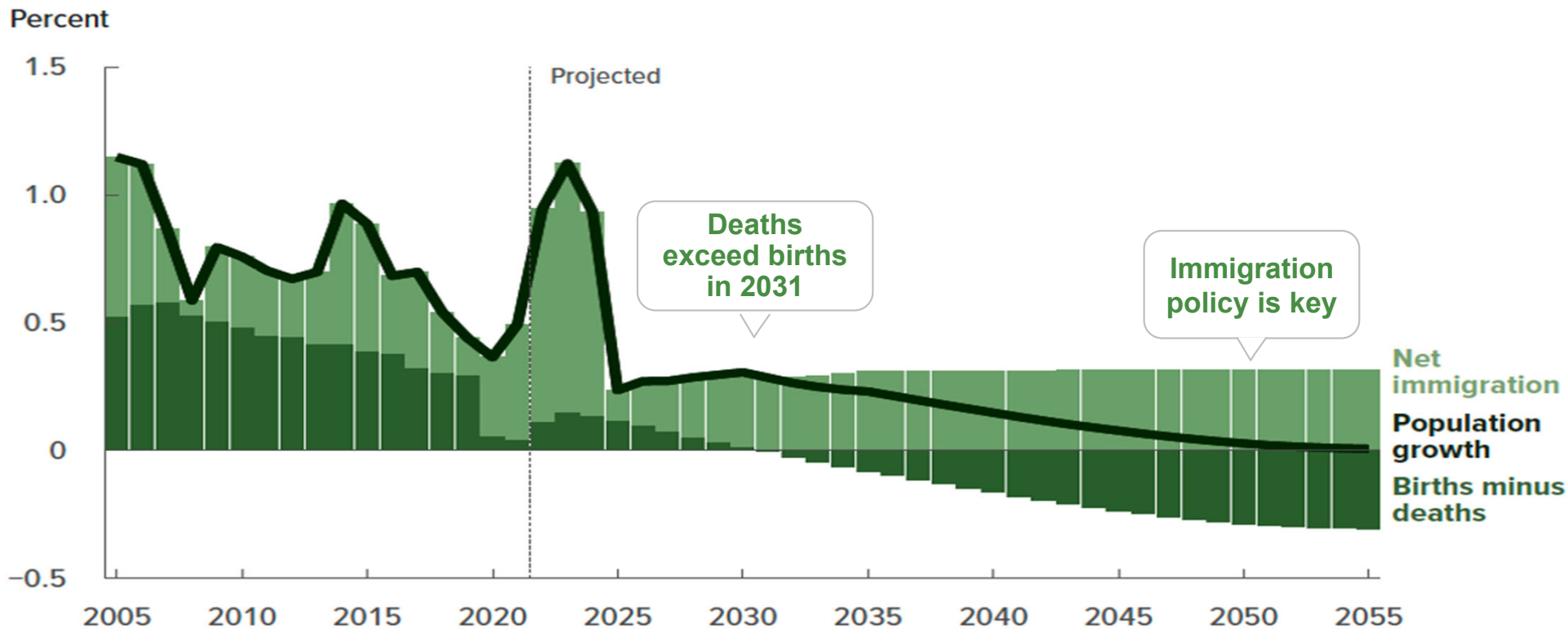




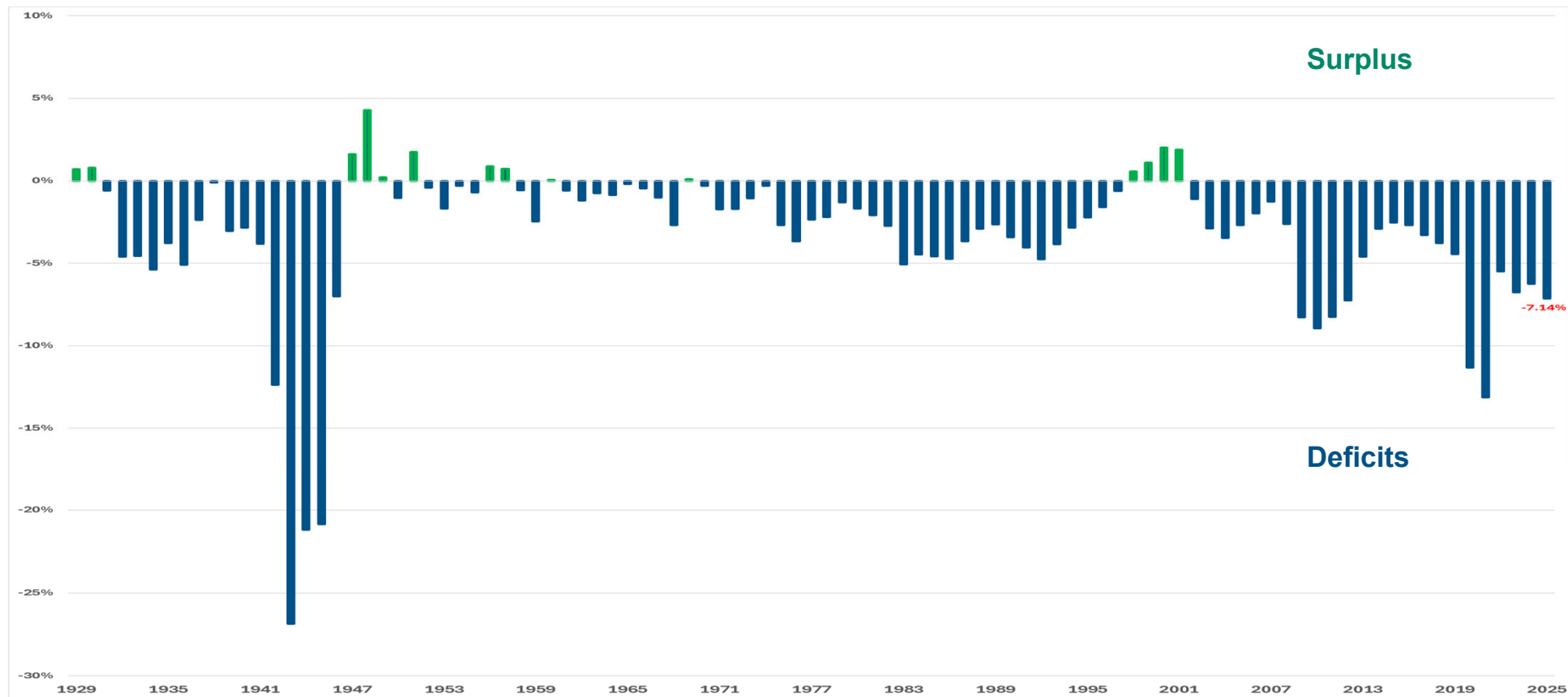
Structural challenges

Demographics – United States

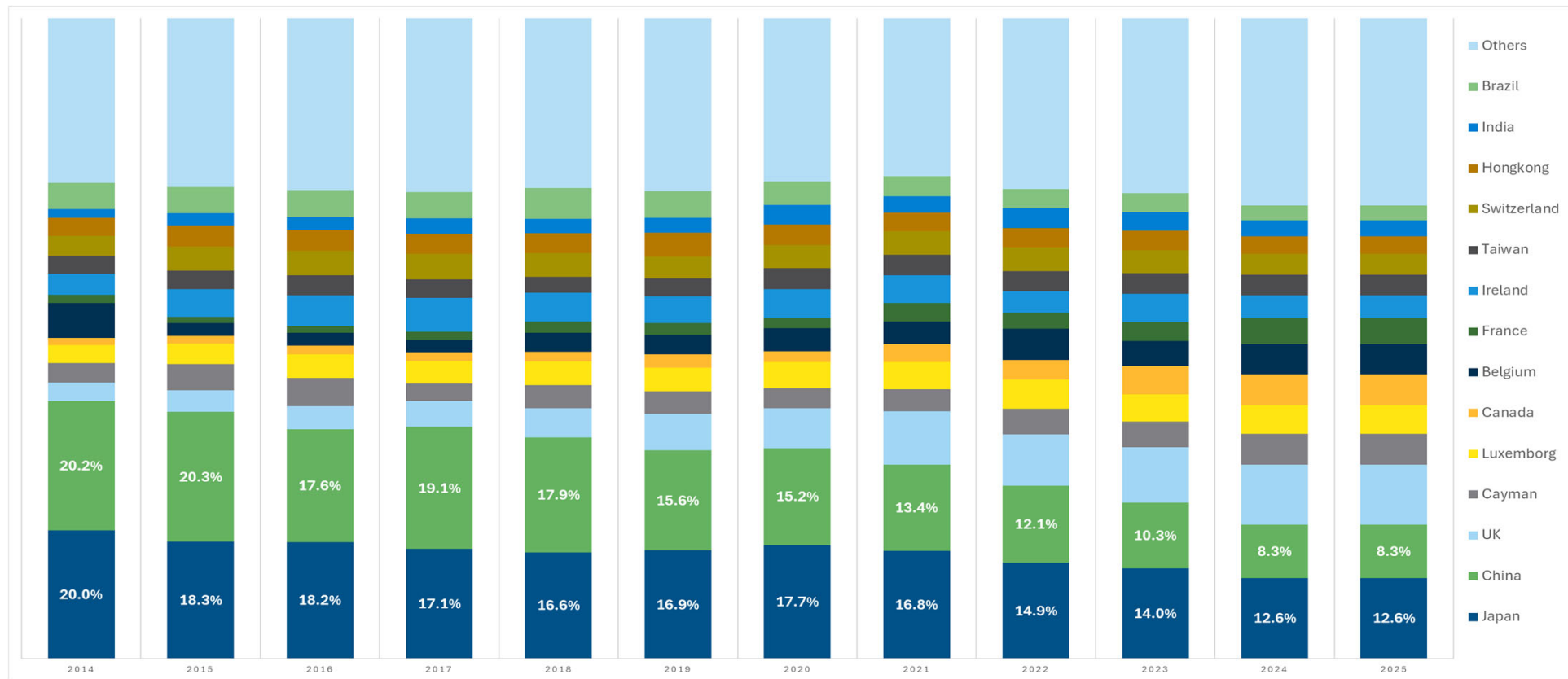
Population Growth and Contributing Factors



Federal deficits – percent of GDP



Foreign Holders of US Treasuries



Summary



Growth:

GDP growth has slowed to +1.25% in the 1H of 2025 from +2.8% in 2024 as consumer starts to pull back and business investments slow due to policy uncertainty.



Jobs:

Unemployment rate steady at 4.2%, as lower participation offsets slowing payroll growth; Labor market in an unsteady equilibrium. Cracks are emerging and bear watching.



Inflation:

Inflation moderating as services inflation begins to come down. Upside risks from immigration policy and tariffs has the Federal Reserve concerned.



Deficits:

Fiscal situation deteriorating with federal debt as a percentage of GDP projected to increase to 180% by 2054. Surging global debt supports higher long-end rates.



Demographics:

Demographic situation worsening through a combination of tighter immigration policy and low birth rates with implications for long term growth.



Interest Rates:

Federal Reserve cut rates in September by 25 bps as labor market slows and guided towards 2 additional rate cuts by year end. 10 Year Treasuries to remain volatile in a wide trading range (3.70% - 4.70%) Near Term (3.80% - 4.30%)



Questions ?
