

After Elections: Knowns & Unknowns

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The presidency takes a toll...

A look at how presidents age from the beginning of their terms to the end.



Election Summary

- **President:** Presumed... Biden. Official count Dec. 14.
- **Arizona, Georgia, and Wisconsin:** Biden only won by combined 47,000 votes.
Flip these states to Trump, and there is a 269-269 tie
- **Trump disputes several states.** Recounts, irregularities/software, etc.

- **House:** Pollsters wrong. GOP up net double-digit seats. DEM 224-222 GOP 211-213
- **House:** Democrats underperformed Biden in down-ballot races
- **House:** Pelosi to remain House speaker, but...

- **Senate:** 50 GOP to 48 DEM | 2 Georgia seat runoffs Jan. 5
- **Senate:** 50/50 would be DEM control as VP breaks ties

- **Governors:** GOP picks up Montana... GOP 27 governors vs 23 DEM
- **State Legislatures:** GOP won 3 more... 2 New Hampshire & 1 Alaska

States Expected to Lose or Gain House Seats

Beginning 2022 mid-term elections

Losing Seats (1 each)

Alabama

California

Illinois

Michigan

Minnesota

New York

Ohio

Pennsylvania

Rhode Island

West Virginia

Gaining Seats

Texas (3)

Florida (2)

Arizona (1)

Colorado (1)

Montana (1)

North Carolina (1)

Oregon (1)

Source: Election Data Services

Election Perspective

- **Around 156 mil. voted 2020...** largest number in U.S. presidential election
- **Biden:** 81.3 million votes, largest in history
Trump: 74.2 million votes, second largest
Obama: 69.5 million in 2008, third largest
- **Biden won 306 electoral votes**, matching Trump's 2016 tally over Clinton.
- **Biden flipped five states Trump won in 2016.** Trump did not flip any states.
- **Rural vote was key** for Trump and some House, Senate seats for GOP

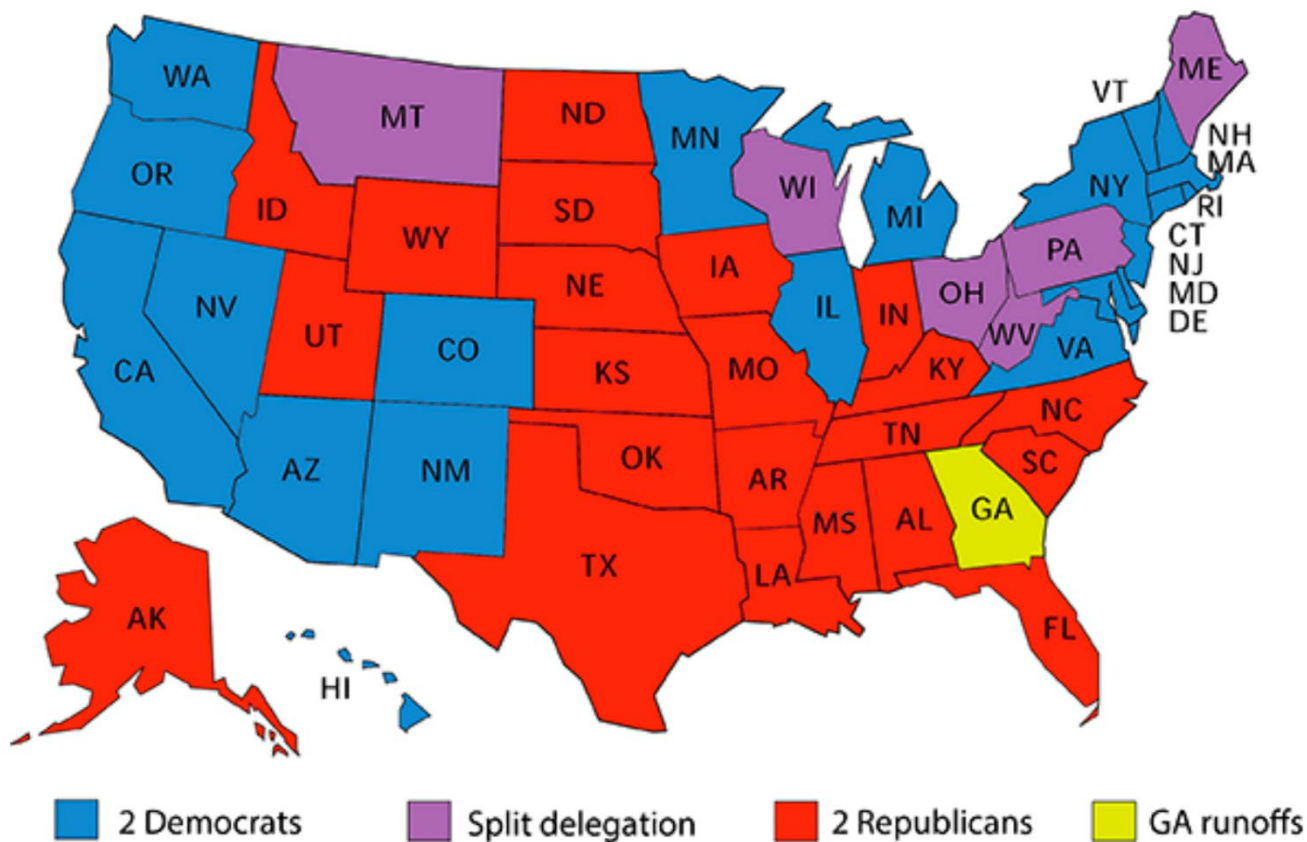
Trifecta Needed for Big Changes, But...

- **White House | House | Senate...**
 - ... **How Obama got Affordable Care Act**
 - ... **How Trump got tax cuts**
- **If not, not much from Congress, but changes via regs & executive orders**

Biden White House

- **Cabinet:** Treasury | State | USDA | USTR | EPA
- **Exec orders:** Will abolish most of Trump's executive orders
- **More regs:** Re-regulation
- **Issues:** Covid-19 | Infrastructure | Climate change | Health care | Immigration
- **Other policy issues:** Farm | Food | Trade | Energy

Map 1: 2021 party control of senators by state



Senate Agenda: Georgia is Key

- **If GOP wins:**
 - Boozman (Ark.) chairman of Senate Ag Committee
 - Grassley timed off Finance panel... Crapo (Idaho) likely new chair
- **If Dems win:**
 - Stabenow (Mich.) chair of Ag panel
 - Do away with 60-vote rule? Pack Supreme Court? DC, PR new states?
 - Sen. Joe Manchin (D-W.Va.) says no to ending filibuster, packing SCOTUS
 - Focus on: Climate change, Transportation, Health care

FIRST NEWLY-ELECTED DEMOCRAT WITHOUT A D-LED SENATE SINCE 1884



YEAR	1ST TERM DEMOCRATIC PRESIDENTS	SENATE MAJORITY PARTY	HOUSE MAJORITY PARTY
2020	Biden	GOP*	DEM
2008	Obama	DEM	DEM
1992	Clinton	DEM	DEM
1976	Carter	DEM	DEM
1964	Johnson	DEM	DEM
1960	Kennedy	DEM	DEM
1948	Truman	DEM	DEM
1932	FDR	DEM	DEM
1912	Wilson	DEM	DEM
1884	Cleveland	GOP	DEM
1856	Buchanan	DEM	DEM
1852	Pierce	DEM	DEM

House

- **Dems:** Peterson lost race in Minnesota vs Michelle Fischbach
Next House Ag panel chair: David Scott (Ga.)
- **End of ban on earmarks in House?** Yes... not in Senate if GOP controls

World & U.S. Economy

- **Biggest factor:** Covid-19... timing & distribution huge market factors
- **China...** economy is improving... but tensions with U.S., Australia, others
- **Covid aid and stimulus** ... this year & 2021
- **Trade could increase** after vaccine distribution, ease in policy fights

U.S. Economy

- **Fed:** No change in interest rates through 2023, **BUT...**
- **Fed:** GDP plunge of 3.7% in 2020
- **Fed:** GDP bouncing back to 4% gain in 2021, **BUT...**
- **Fed:** Unemployment rate under 7% at year's end
- **Fed:** Committed to providing more support to economy

- **Dollar** recently at lowest level in 2 ½ years
- **More stimulus** ahead... when and how much?
- **Business, schools, sports:** Open, shut or end-arounds?

U.S. Economy

- **GDP:** Still 2.8% smaller than cyclical peak in last quarter 2019
- **Housing demand** remains strong, but commercial real estate?
- **Many households in healthy financial condition**, not small business
- **Savings rate** ended summer quarter at 14.3%, below 33% rate April
- **Savings could be unleashed** if conditions return to 'normal'
- **Bottom line next 2 years:** Low growth, slim fiscal support, accommodative monetary policy, and low corporate taxes. Watch bankruptcies, real estate.

U.S. Ag Economy

- **Working capital:** Decline stemmed with recent runup in prices
 - * Soybean outlook
 - * Corn
 - * Battle for acres in 2021
 - * Wheat
 - * Cattle | Hogs
- **Gov't payments:** Big share of farm income ...
- **Meat processing plants** getting back to capacity, but...
- **Food service industries** will take longer to return
- **U.S. farmland:** Focus on net farm/cash income, gov't payments, Covid-19

Soy/Vegoil Sector Outlook

- **USDA soybean yield est.** usually declines in Jan. when Nov. declines from Oct.
- **USDA 2020-21 U.S. soybean ending stocks** still too high; export forecast too low
- **With Brazil nearly out of soybeans**, China has to turn to U.S. next few months
- **Livestock feeders, other buyers short** on soy/product needs... will buy breaks
- **Prices need to rally to temper demand**
- **Rally in veg oil** | stocks at low s/u ratio
- **Corn, soybean acreage battle 2021...** corn up 2 mil., soy up 7 million ac.???

Issues: Farm & Food

- **Biden admin.:** Look at advisory panels and USDA appointments
- **Ag panels:** Bipartisan?
- **Next farm bill:** Debate begins in new Congress
- **Crop Insurance:** Bipartisan support
- **CCC Charter Act:** USDA's ATM machine
- **Food policy:** Food stamps | Labeling | Antitrust review

Issues: Trade

- **Not initial focus of Biden:** Will call for study of Trump trade policy
- **USTR:** Appointment will signal direction ahead
- **China:** Reports say China wants to ‘renegotiate’; Biden/allies; RCEP
- **WTO:** Trump threatened to leave; Biden wants to reform
- **TPP:** Trump left; Biden wants to rejoin... will take time.
- **New trade agreements:** Trump favors bilaterals, Biden more flexible
TPA expires July 2021 | Cuba trade policy | House Dems watching USMCA

Issues: Energy & Climate Change

- **RFS waivers:** Biden pledged to be ag friendly
 - * **RVOs:** 2021 (corn) and 2022 (biodiesel) volume obligations
 - * **Future of RFS:** Debate starts in new Congress
- **Personnel:** John Kerrey | Domestic coordinator | EPA | Energy | Others
- **Green New Deal:** Not if GOP controls Senate
- **Climate change:** Executive action | Ag carbon bank
- **Biden's push for electric vehicles:** Charging stations
- **Executive orders, regulations:** Back to past for some issues

Future Elections

- **2022 Elections:**
 - Party that controls White House usually loses some congressional seats
 - * Obama lost 63 House seats and 6 Senate seats in 2010
 - * Bill Clinton lost 8 Senate seats and 54 House seats in 1994
 - GOP gains in House set up opportunity to control chamber after 2022
 - * Dems have slimmest House majority since 1945
 - Senate 2022 races again have way more GOP seats up than DEM
 - * Dems will focus on GOP seats in Pa., Wis. and N.C.
- **2024:** Will Donald Trump run again?

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