Rural & Farm Finance
Policy Analysis Center
University of Missouri

FALL 2025 FARM INCOME OUTLOOK FOR NEBRASKA

October 2025

RaFF Report 2025-12

Produced in collaboration with

CENTER FOR AGRICULTURAL PROFITABILITY
Institute of Agriculture and Natural Resources
UNIVERSITY *of* NEBRASKA–LINCOLN




The Goal of this Report

In September 2025, the U.S. Department of Agriculture (USDA)'s Economic Research Service (ERS) released state-level farm income estimates through calendar year 2024 and national farm income projections for calendar year 2025. The present report published by the Rural and Farm Finance Policy Analysis Center (RaFF) provides an updated outlook for Nebraska farm income in calendar years 2025 and 2026. It intends to inform policymakers, industry analysts, and agricultural practitioners about the state agricultural sector's expected profitability and its main drivers.

Methods Used to Develop the Outlook

The RaFF Farm Income Model consists of a collection of equations calibrated using historical data from the USDA's ERS, Risk Management Agency, and Farm Service Agency. RaFF's state-level forecasts are obtained by feeding national and regional projections from the Food and Agricultural Policy Research Institute at the University of Missouri (FAPRI-MU 2025) to the RaFF model. Published results incorporate adjustments based on expert insights from agricultural economists at the Center for Agriculture Profitability (CAP) at the University of Nebraska-Lincoln (UNL).

How Farm Income is Measured

Following the ERS methodology (USDA/ERS 2025a), net cash farm income is calculated based on cash receipts, government payments, and insurance indemnities minus cash expenses in the calendar year when the cash flow occurs. Net cash farm income is adjusted by non-cash income and expenses and changes in inventory values to obtain a net farm income (NFI) measure.

Disaster Relief Payments in 2025 and 2026

As of October 22, 2025, the federal government shutdown has extended for three weeks and there is no clarity on how fast the Farm Service Agency (FSA) will be able to disburse payments to farmers and ranchers from Title I programs or the American Relief Act (ARA) of 2025. As of October 10, 2025, the FSA reported having disbursed $16.06 billion through three major ARA programs: the Emergency Commodity Assistance Program (ECAP), the Emergency Livestock Relief Program (ELRP), and the Supplemental Disaster Relief Program (SDRP).

RaFF's projections assume that all payments from Title I programs will be disbursed in calendar year 2025, as well as an additional $7.72 billion from the ARA programs, reaching a cumulative total of $23.78 billion disbursed of the $30.78 billion (77%) by the end of the year. The remaining $7.00 billion in ARA programs are assumed to be disbursed in calendar year 2026. The distribution

of payments across states is assumed proportional to the state shares from ECAP, ELRP, and SDRP in 2025.

National Farm Income Trends

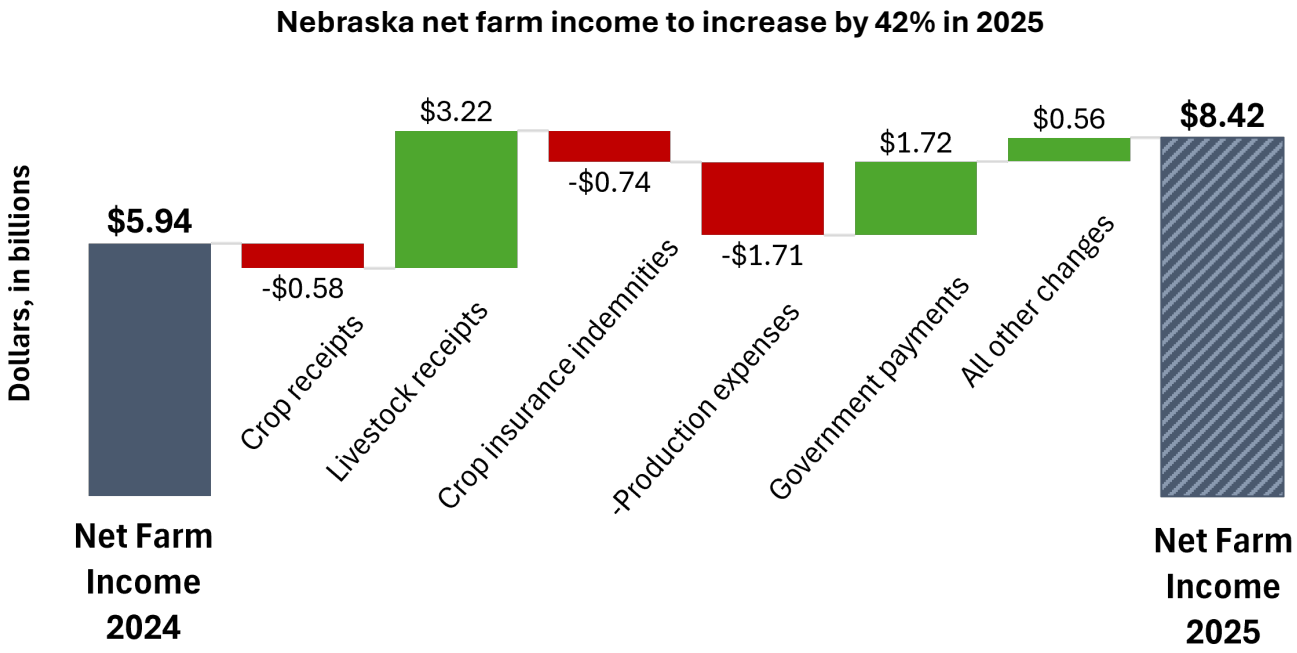
In September 2025, the ERS projected that U.S. NFI would increase by 41% in nominal terms from $127.83 billion in 2024 to $179.85 billion in 2025 (USDA/ERS 2025b). A $30.42 billion increase in direct government payments is the major driver of this projected improvement in NFI, followed by a projected $20.24 billion increase in cash receipts from meat animals, and a $10.15 billion increase in cash receipts from poultry and eggs. Cash receipts from crops are expected to drop by $6.07 billion, while an $8.06 billion increase in crop inventory values would push the total value of crop production up by $1.99 billion in 2025. Livestock and poultry purchases are the main driver of the $11.12 billion projected increase in total agricultural expenses.

Also in September 2025, FAPRI projected that U.S. NFI would increase by 34% in inflation-adjusted terms from $131.59 billion in 2024 to $176.72 billion in 2025 (FAPRI-MU 2025). In agreement with ERS projections, the main driver of NFI according to FAPRI projections will be government payments, totaling $40.48 billion in 2025 which is $29.92 billion higher than in 2024. Similarly, FAPRI projections for 2025 are indicative of higher cash receipts from cattle ($17.71 billion more than 2024) and hogs (+$2.24 billion), and poultry and eggs (+$10.31 billion), lower crop receipts (-$6.47 billion), and higher expenses on purchased livestock (+$10.58 billion)

The present Nebraska Farm Income Outlook by RaFF incorporates information from USDA/ERS (2025b) and FAPRI-MU (2025).

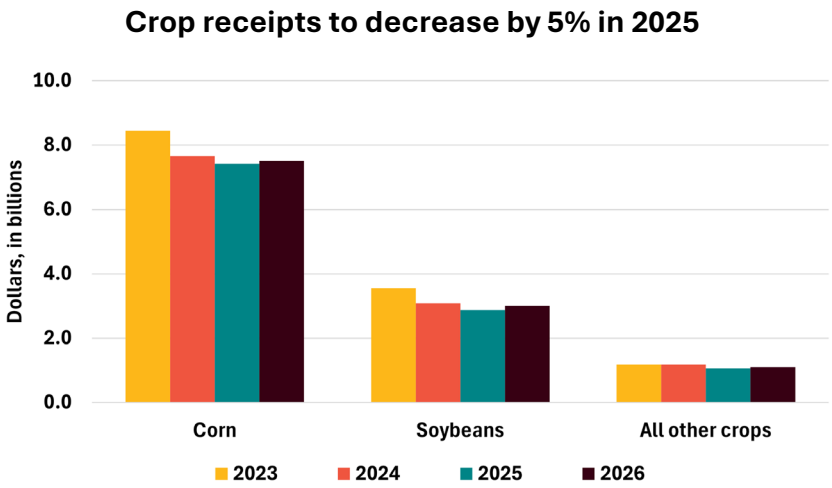
Nebraska Farm Income in 2025

RaFF and collaborators at UNL forecast Nebraska's NFI to increase by $2.48 billion (42%) to $8.42 billion in 2025, driven by much higher livestock receipts and direct government payments. In 2025, total farm receipts are projected to increase by $1.85 billion (5%), as the $3.22 billion (16%) increase in livestock receipts would offset the $576.65 million (-5%) fall in crop receipts. Crop insurance indemnities are expected to decrease by $737.82 million (-56%). Production expenses would increase by $1.71 billion (6%), driven by purchased livestock expenses. Direct government payments are projected at $2.22 billion, or $1.72 billion (344%) higher than in 2024. The expected 42% increase in Nebraska's NFI is in line with the 41% increase in U.S. NFI for 2025.

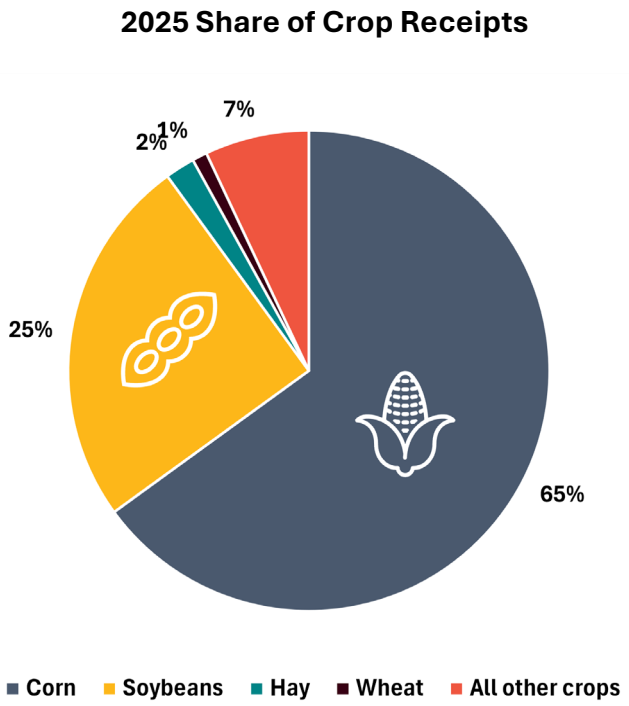


Nebraska Crops

In 2025, crop receipts in Nebraska are projected to fall by 5% to $11.35 billion, extending the cumulative decline from their 2022 peak at $16.04 billion. This decrease is mainly driven by lower corn prices and a decline in soybean and wheat production. A 2% increase in crop receipts is projected for 2026.



Corn planted area is projected 700,000 acres (7%) higher in 2025 than in 2024, at 10.75 million acres. This, combined with higher yields, would result in a 10% increase in production. Corn receipts are projected $236.12 million (-3%) lower in 2025, due to a 9% drop in average prices.



Soybean receipts are projected to decrease by $219.78 million (-7%) in 2025, due to a 450,000 acre (-8%) decrease in area planted and 8.50 million less bushels (-3%) in production. In 2026, higher production levels and prices are projected to support higher soybean receipts.

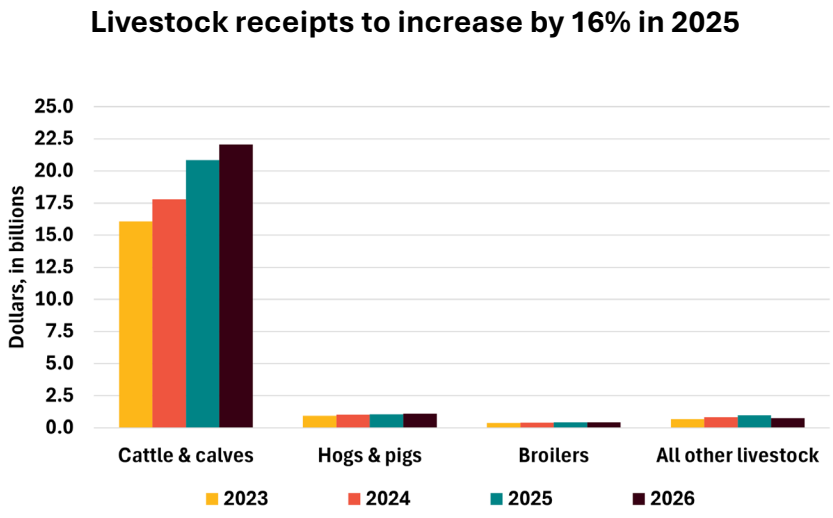
A 5% decline in hay area harvested is projected for 2025. However, a 1% increase in hay prices and 6% increase in yields would result in a $4.84 million (2%) increase in hay receipts in 2025. Lower prices would result in an 8% decline in hay receipts for 2026.

An expected 32% decrease in wheat production with a 3% decline in prices results in 32% lower wheat receipts in 2025, totaling $168.31 million. Wheat prices and receipts are projected to increase 9% and 23% in 2026, respectively.

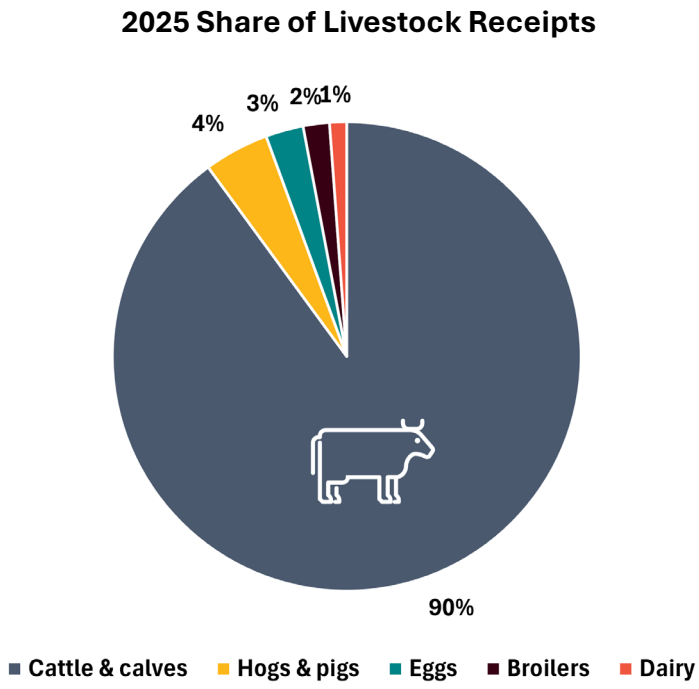
Nebraska Livestock

Nebraska's cattle inventory continues its long-term decline from the 2021 peak at 6.85 million head. In January 2025, the inventory of all cattle and calves was estimated at 6.05 million head, 200,000 head (-3%) lower than in January 2024.

Supported by higher prices, cattle receipts are expected to increase $3.05 billion (17%) to $20.85 billion in 2025, before climbing further to $22.05 billion in 2026.



Total hog inventories were 250,000 head lower in December 2024 than a year earlier, and the number of market hogs declined 8%. However, a 10% increase in prices would translate into $22.22 million (2%) additional hog and pig receipts in 2025.



Broiler receipts are projected to increase by an additional $23.05 million (6%) in 2025.

Egg receipts are projected to be 28% higher in 2025, totaling to $603.68 million, as egg prices continue to increase by 35% and despite a 5% decrease in production.

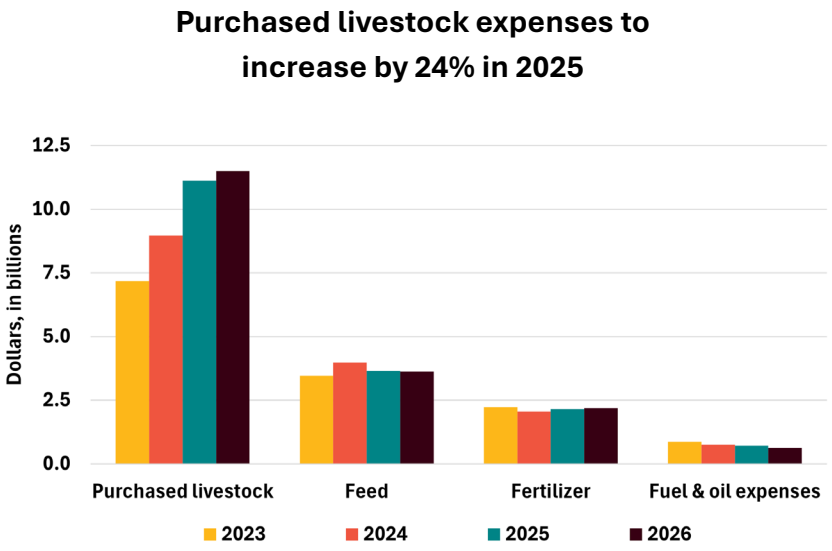
Dairy receipts are expected to decline by 5% in 2025 and recover in 2026. Total livestock receipts are projected to increase 16% in 2025 and an additional 4% in 2026.

Nebraska Expenses

Purchased livestock expenses are projected to reach record high levels of $11.12 billion in 2025, a 24% increase from 2024, and $11.50 billion in 2026, more than doubling in nominal terms since 2020, largely due to the increase in feeder cattle prices.

Feed expenses are projected to decline $327.98 million (-8%) in 2025 and remain stable in 2026.

Expenses in fertilizer and soil amendments would increase by



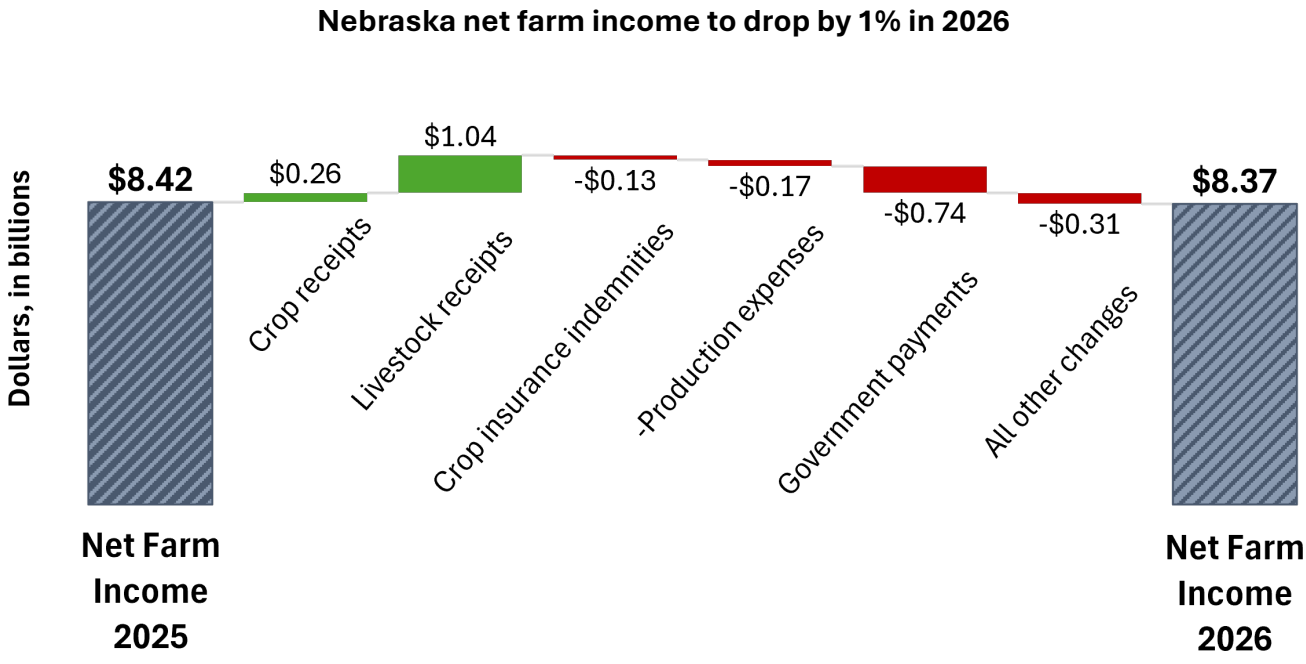
$105.60 million (5%) to $2.16 billion in 2025 and increase by $34.00 million (2%) to $2.19 billion in 2026.

Fuel and oil expenses are projected to decline by $40.14 million (-5%) in 2025 and $72.48 million (-10%) in 2026, to reach $633.68 million in 2026. Net rent to landlords is projected to decrease $28.78 million (-3%) in 2025 and remain stable in 2026. Interest expenses are projected to decline by 2% in 2025 and 5% in 2026.

All in all, total production expenses for the agricultural sector are projected to increase by 6% in 2025, to a record $30.39 billion, and grow 1% higher in 2026, to $30.56 billion.

Nebraska Farm Income in 2026

Despite increases in both crops and livestock receipts, mixed with stable production expenses in 2026, net farm income is projected to decrease by 1% to $8.37 billion in 2026. This is driven primarily by direct government payments returning to average levels observed between 2019 and 2024. Net farm income averages $7.93 billion across the 10-year baseline projection (2025-2034).



Disclaimer

The results presented in this report do not consider market uncertainty. Small proportional changes in cash receipts or production expenses can dramatically change the outlook for net farm income.

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Additional Resources

UNL and Mizzou offer valuable support to farmers and ranchers through a variety of resources, including practical tools to organize farm finances, evaluate farm leasing options and capital investments, and develop effective risk management strategies. For more information and to explore resources, visit cap.unl.edu and muext.us/AgBusiness..

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