Economic Insights on U.S. Farm Income Projections

Dr. Alejandro Plastina

Rural and Farm Finance Policy Analysis Center (RaFF)

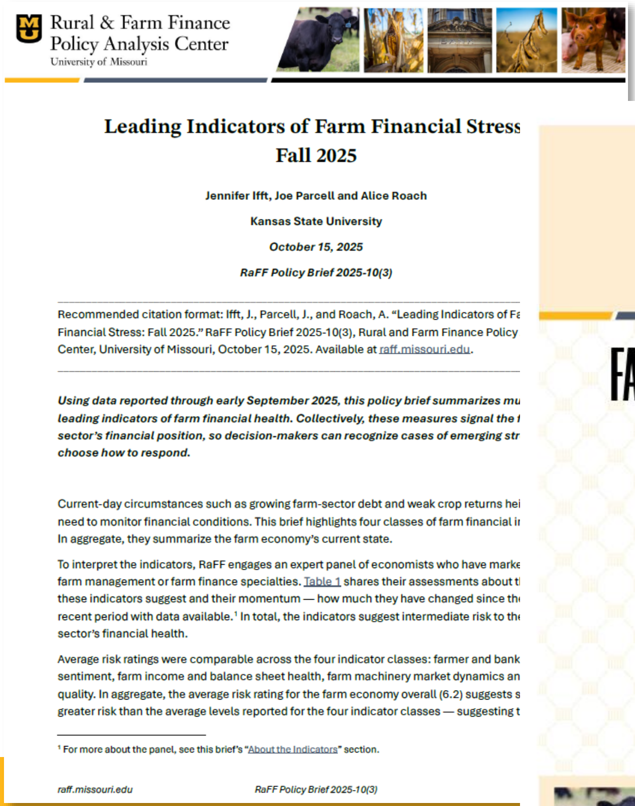
Rural & Farm Finance Policy Analysis Center

- RaFF is a Policy Analysis Center in the Division of Applied Social Sciences (DASS) at the University of Missouri-Columbia, funded by U.S. Congress.
- RaFF provides unbiased analyses to policymakers to help them understand how policies impact states and regions differently.
- RaFF's research-based insights help stakeholders support agricultural and rural economies throughout the United States.
- RaFF's focal areas are coordinated with the USDA Office of the Chief Economist.

FINANCIAL STRESS

Leading Indicators Policy Briefs

Published quarterly



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Leading Indicators of Farm Financial Stress
Fall 2025

Jennifer Ifft, Joe Parcell and Alice Roach

Kansas State University

October 15, 2025

RaFF Policy Brief 2025-10(3)

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Financial Stress: Fall 2025." RaFF Policy Brief 2025-10(3), Rural and Farm Finance Policy
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Using data reported through early September 2025, this policy brief summarizes mu
leading indicators of farm financial health. Collectively, these measures signal the f
sector's financial position, so decision-makers can recognize cases of emerging str
choose how to respond.

Current-day circumstances such as growing farm-sector debt and weak crop returns hei
need to monitor financial conditions. This brief highlights four classes of farm financial i
In aggregate, they summarize the farm economy's current state.

To interpret the indicators, RaFF engages an expert panel of economists who have marke
farm management or farm finance specialties. Table 1 shares their assessments about t
these indicators suggest and their momentum — how much they have changed since th
recent period with data available.[1] In total, the indicators suggest intermediate risk to th
sector's financial health.

Average risk ratings were comparable across the four indicator classes: farmer and bank
sentiment, farm income and balance sheet health, farm machinery market dynamics an
quality. In aggregate, the average risk rating for the farm economy overall (6.2) suggests s
greater risk than the average levels reported for the four indicator classes — suggesting t

[1] For more about the panel, see this brief's "About the Indicators" section.

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FARM INCOME

Farm Income Outlook for Missouri, Nebraska, and 8 Other States

Published in spring & fall

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FALL 2025 FARM INCOME OUTLOOK FOR NEBRASKA

October 2025

RaFF Report 2025-12

Produced in collaboration with

CENTER FOR AGRICULTURAL PROFITABILITY
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EXPLORE
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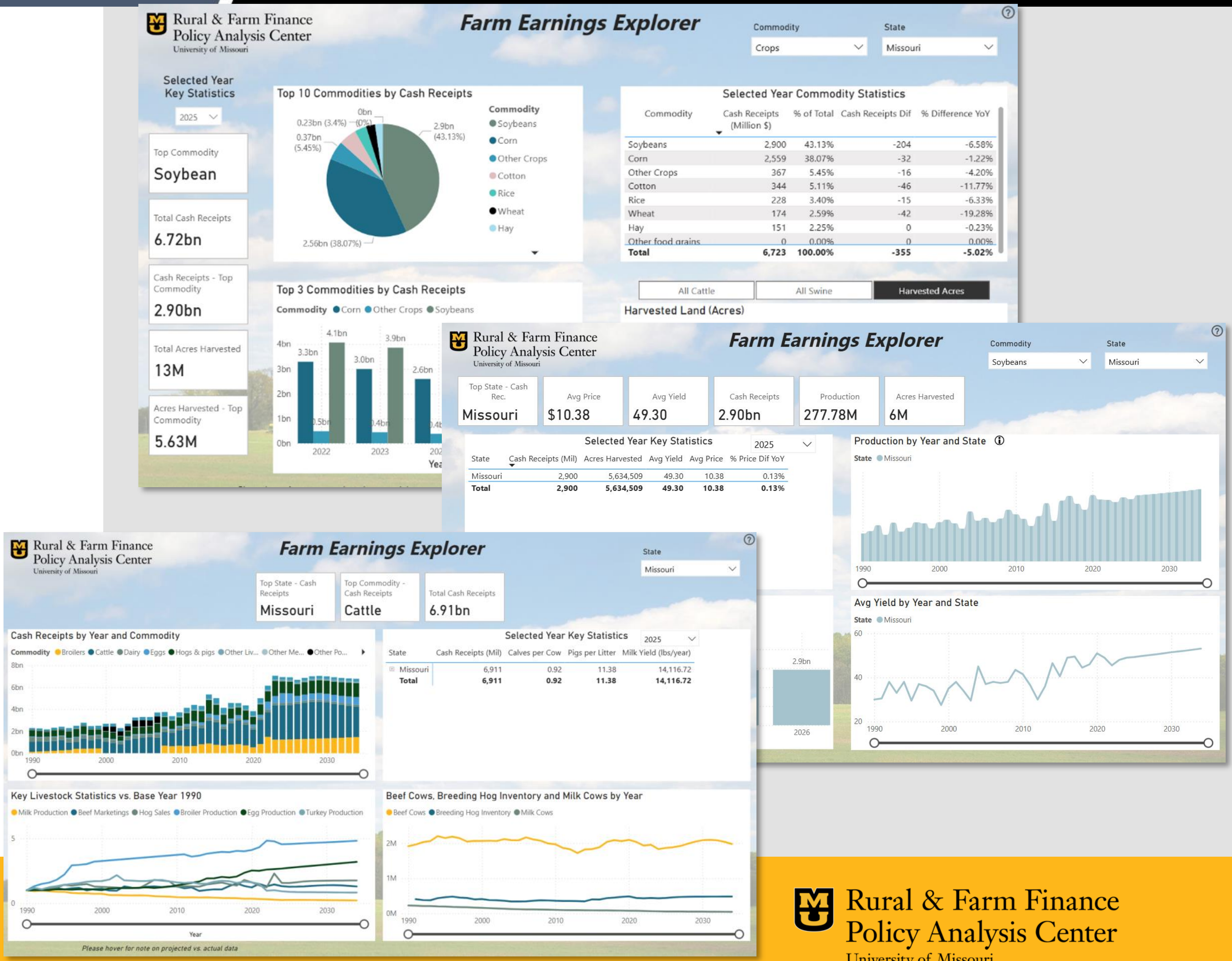
- See charts and graphs to visualize trends and totals.
- Select individual commodities or see data by commodity category.
- Review current numbers and projections for cash expenses, farm income, government payments and production expenses.



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The Bottom-Line

- Third year of declining cash receipts for field crops
- Second year of increasing cash receipts for Livestock
    - Cattle: Limited supply, high feeder cattle prices, lower feed costs
- Sizable ad-hoc direct government payments in 2025
- Net Farm Income higher in 2025, lower in 2026
- Policy outlook very uncertain: trade and tariffs, new ad-hoc aid, economic growth?

U.S corn supply and use

	2023/24 USDA	2024/25 USDA	2025/26 USDA	2025/26 FAPRI	2026/27 FAPRI
Area planted (mil. acres)	94.6	90.6	98.7	97.3	92.8
Yield (bu./harvested acre)	177.3	179.3	186.7	188.8	183.0
Production (mil. bu.)	15,341	14,867	16,814	16,742	15,478
Feed use	5,832	5,675	6,100	6,101	5,939
Ethanol and other domestic use	6,879	6,820	6,980	6,976	6,979
Exports	2,255	2,830	2,975	2,878	2,852
Ending stocks	1,763	1,325	2,110	2,117	1,850
Marketing year avg. price ($/bu.)	4.55	4.30	3.90	4.05	4.20

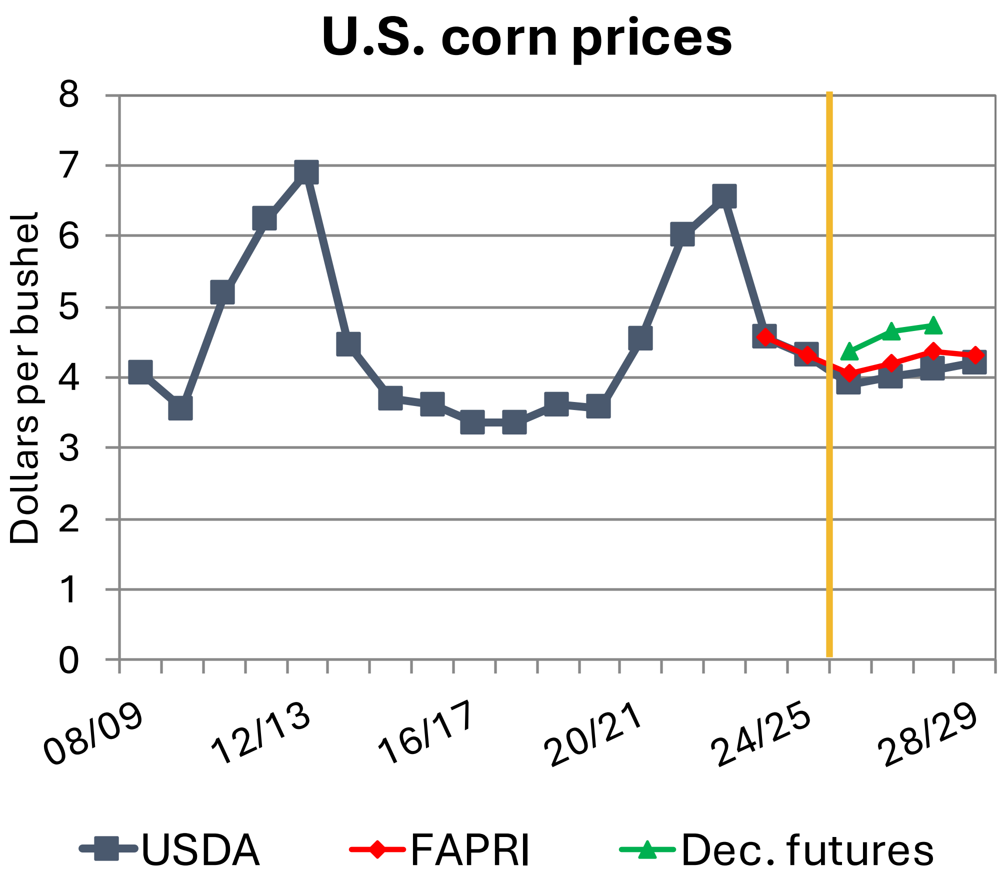
Sources: USDA WASDE, September 2025; FAPRI baseline, September 2025.

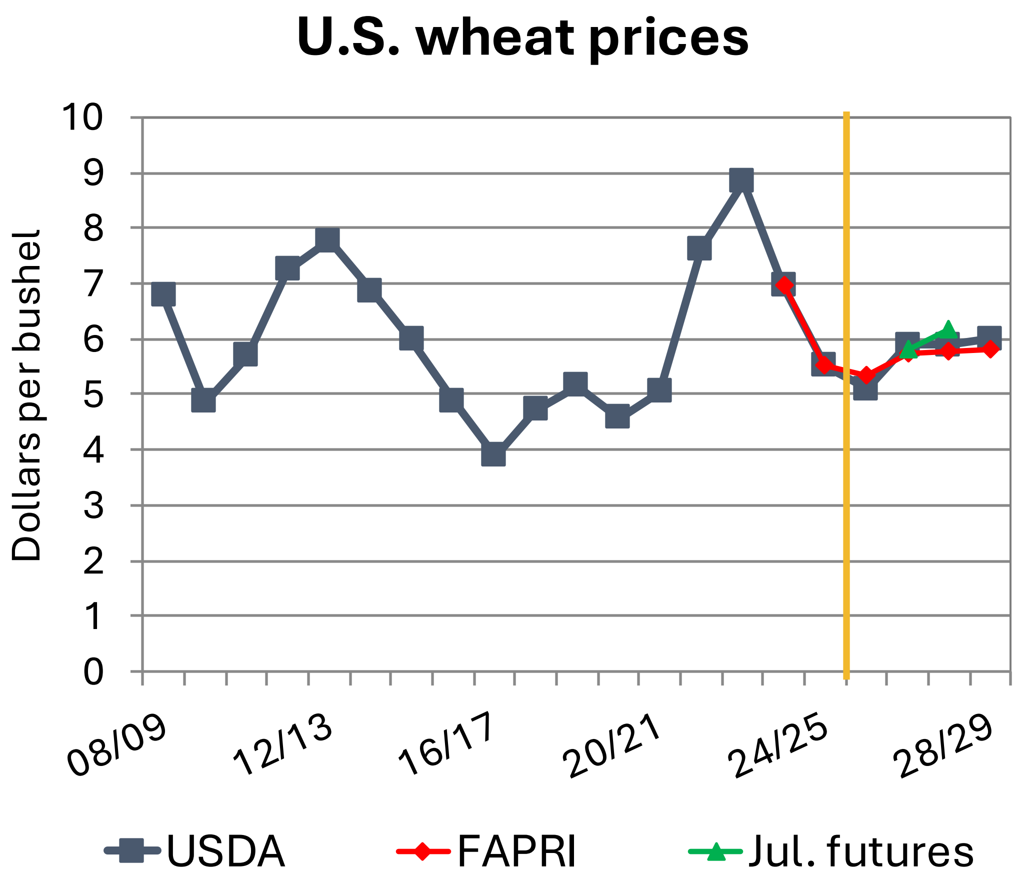
U.S wheat supply and use

	2023/24 USDA	2024/25 USDA	2025/26 USDA	2025/26 FAPRI	2026/27 FAPRI
Area planted (mil. acres)	49.6	46.1	45.4	45.4	45.6
Yield (bu./harvested acre)	48.7	51.2	52.7	52.7	50.1
Production (mil. bu.)	1,804	1,971	1,927	1,927	1,850
Feed and residual use	86	109	120	120	104
Food and seed use	1,023	1,031	1,034	1,032	1,030
Exports	706	826	900	842	818
Ending stocks	696	851	844	877	912
Marketing year avg. price ($/bu.)	6.96	5.52	5.10	5.35	5.76

Sources: USDA WASDE, September 2025; FAPRI baseline, September 2025.

U.S. corn and wheat prices





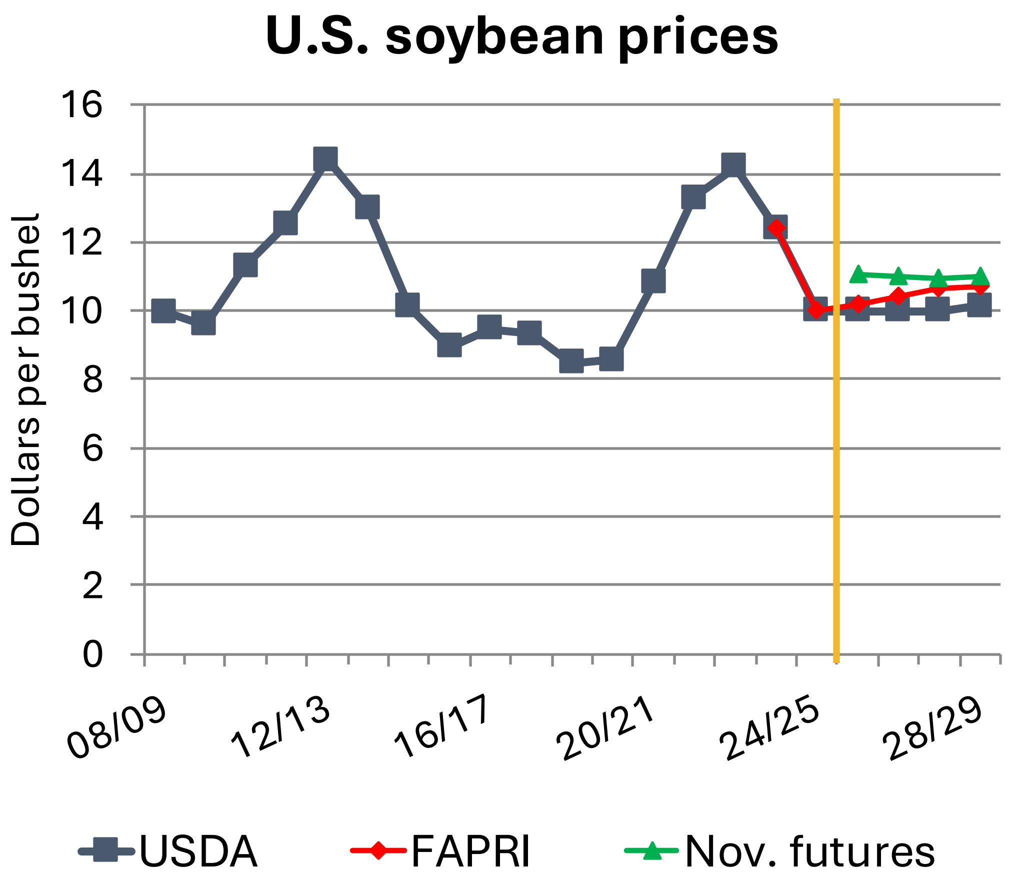
Sources: FAPRI baseline, Sep. 2025; USDA baseline projections, February 2025 and WASDE Sep. 2025; CME futures, Nov. 4, 2025

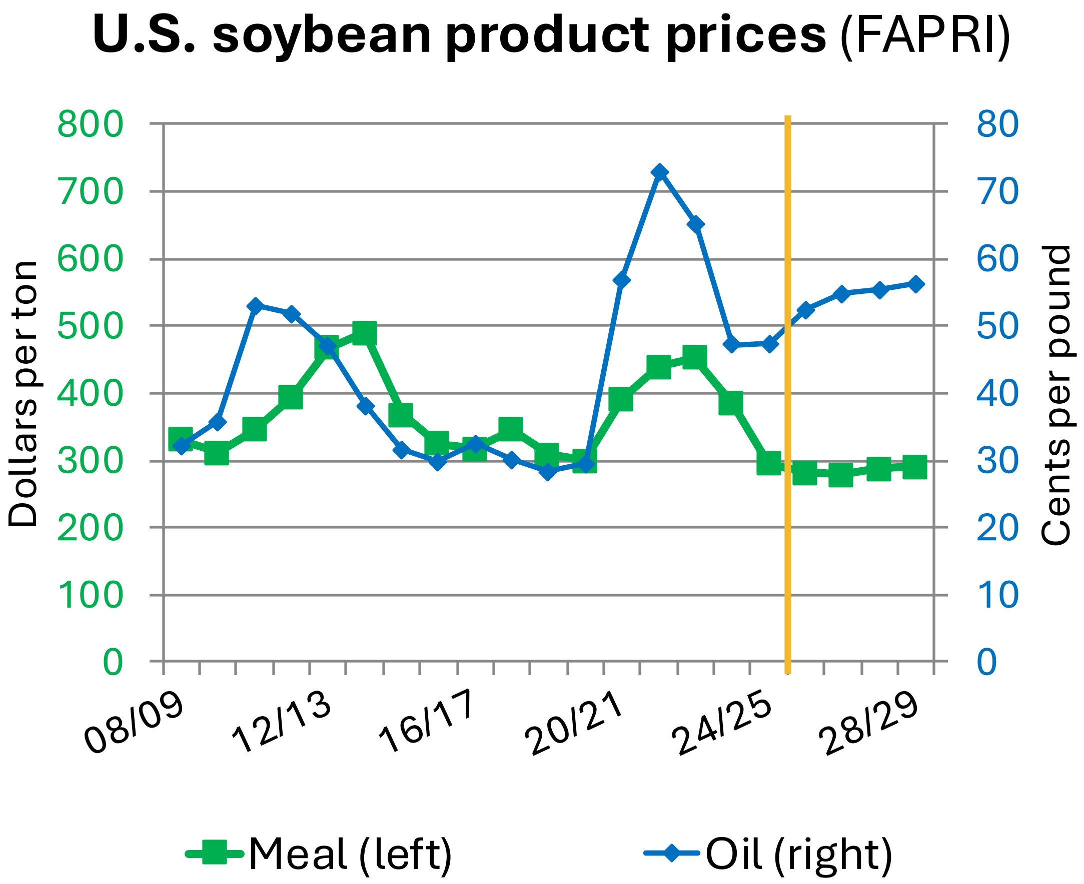
U.S soybean supply and use

	2023/24 USDA	2024/25 USDA	2025/26 USDA	2025/26 FAPRI	2026/27 FAPRI
Area planted (mil. acres)	83.6	87.1	81.1	80.9	82.6
Yield (bu./harvested acre)	50.6	50.7	53.5	53.6	53.3
Production (mil. bu.)	4,162	4,366	4,301	4,292	4,348
Crush	2,285	2,430	2,555	2,566	2,588
Seed and residual use	119	101	110	110	111
Exports	1,700	1,875	1,685	1,695	1,716
Ending stocks	342	330	300	282	242
Marketing year avg. price ($/bu.)	12.40	10.00	10.00	10.16	10.43

Sources: USDA WASDE, September 2025; FAPRI baseline, September 2025.

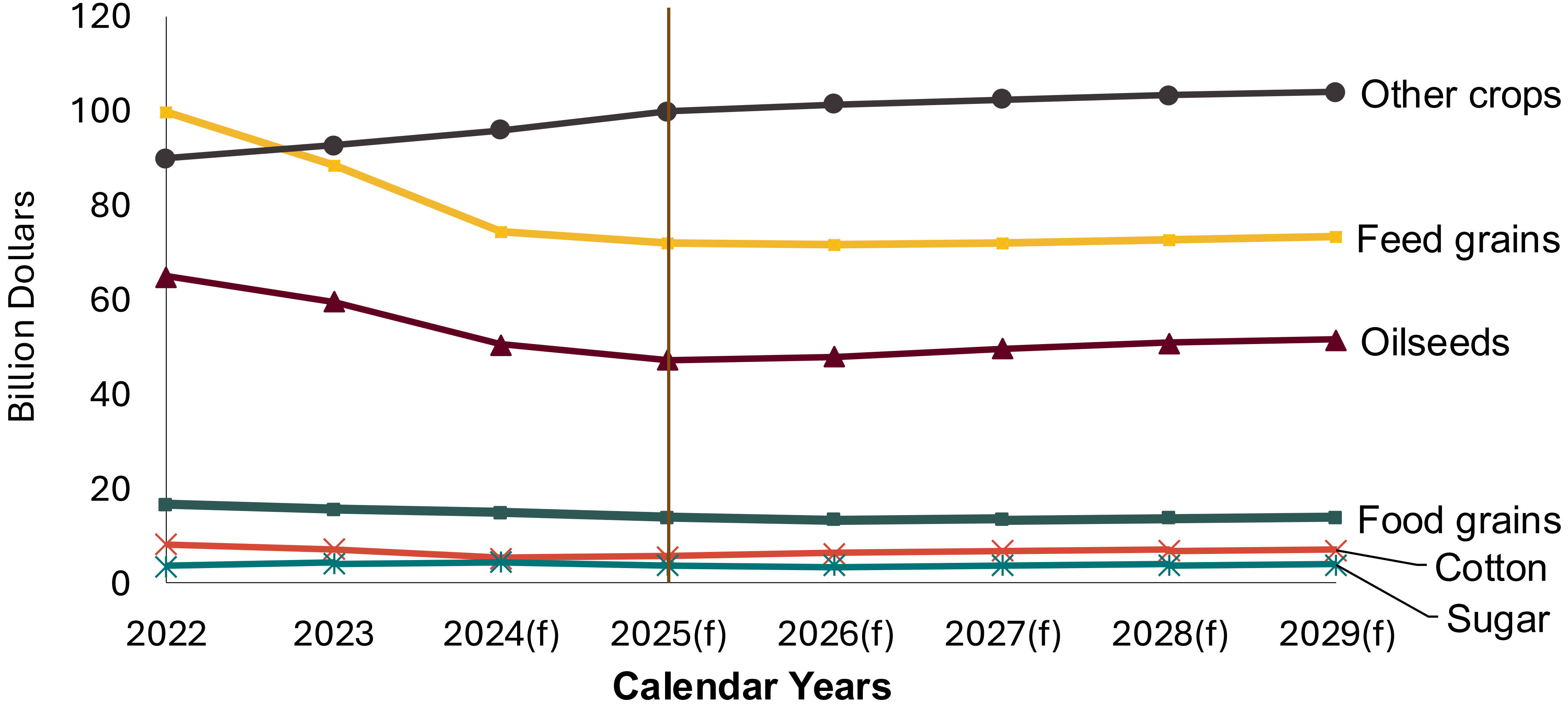
U.S. soybean & soybean product prices





Sources: FAPRI baseline, Sep. 2025; USDA baseline projections, February 2025 and WASDE Sep. 2025; CME futures, Nov. 4, 2025

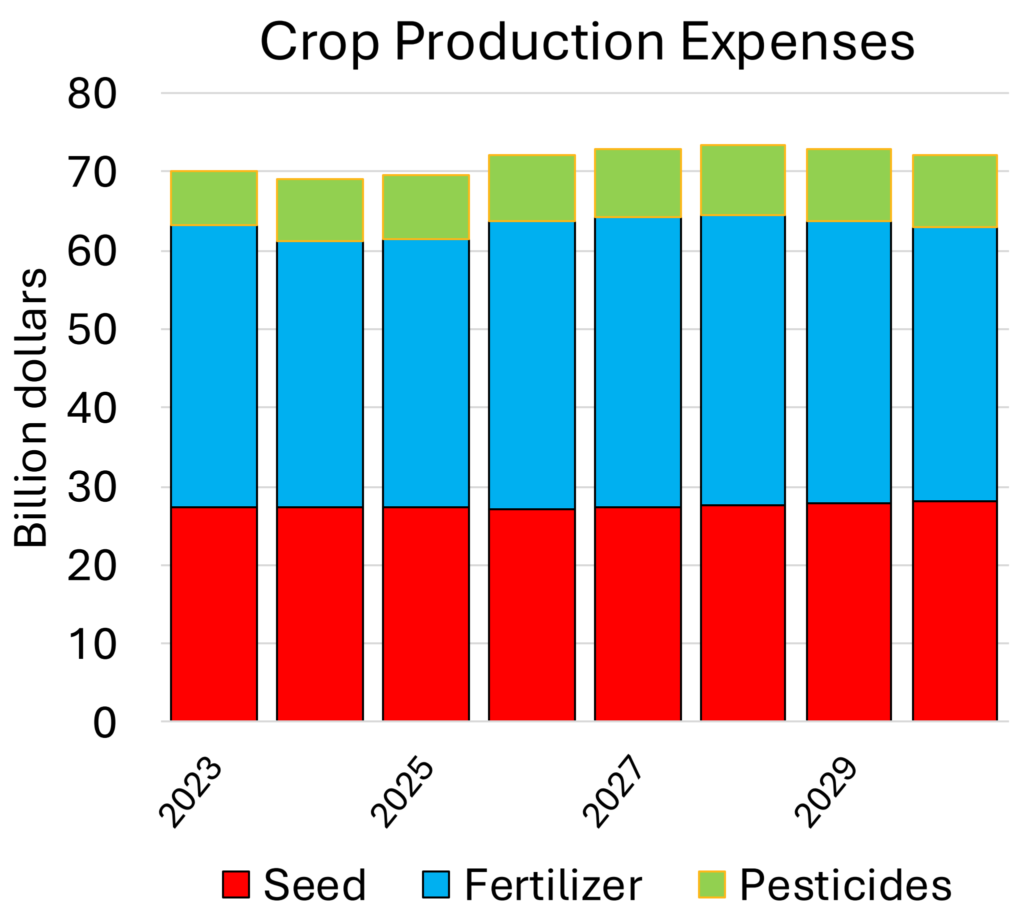
U.S. Cash Receipts from Crops (FAPRI)



Source: FAPRI baseline, Sep. 2025

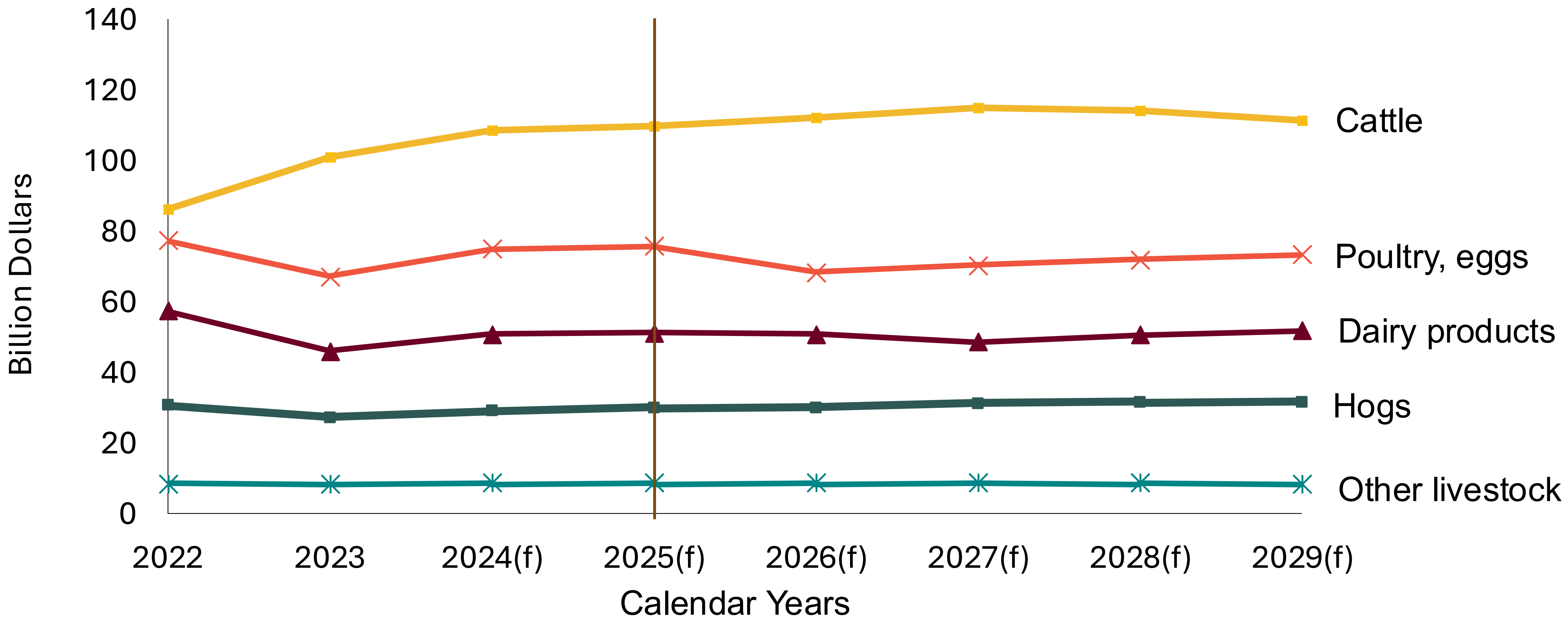
Crop Production Costs

- Variable costs increased sharply in 2022/23
  - Fertilizer costs a major factor
  - Also, higher costs for chemicals, fuel and other inputs
- Some costs have declined
- But costs remain well above 2021/22
- And have not dropped nearly as much as crop prices



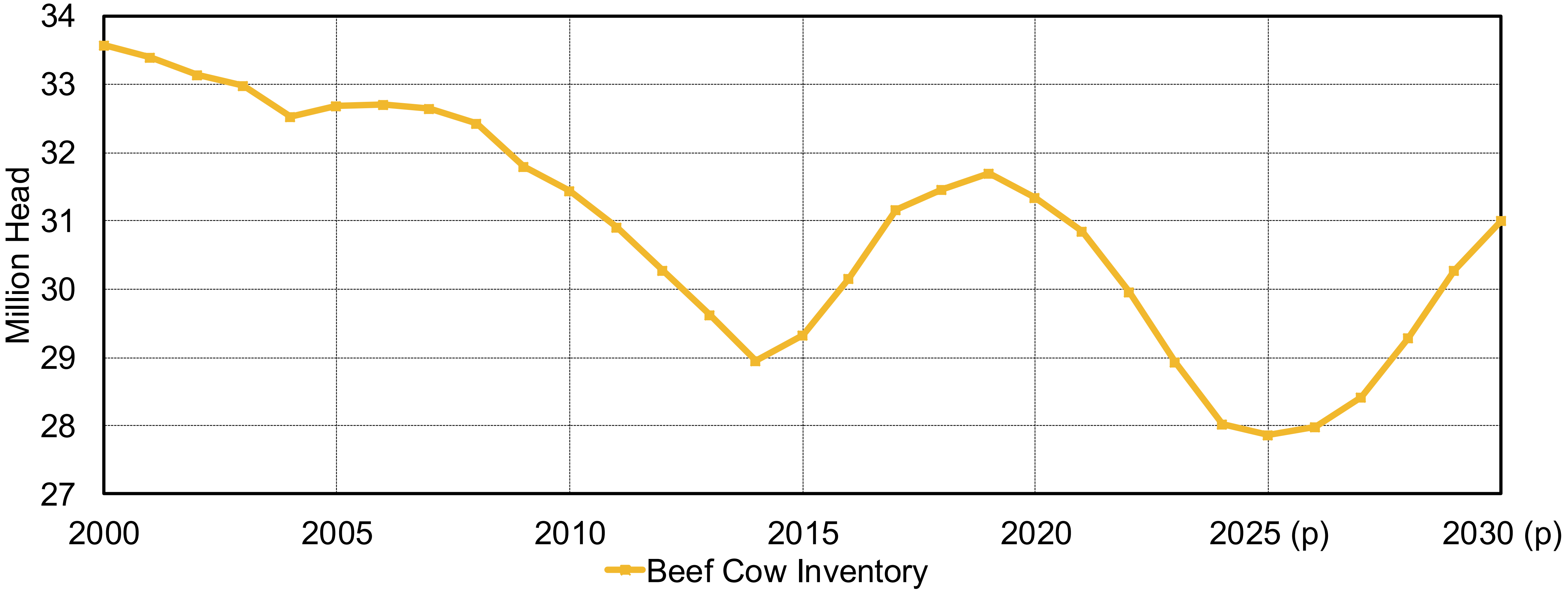
Sources: FAPRI baseline, Sep. 2025

U.S. Cash Receipts from Livestock



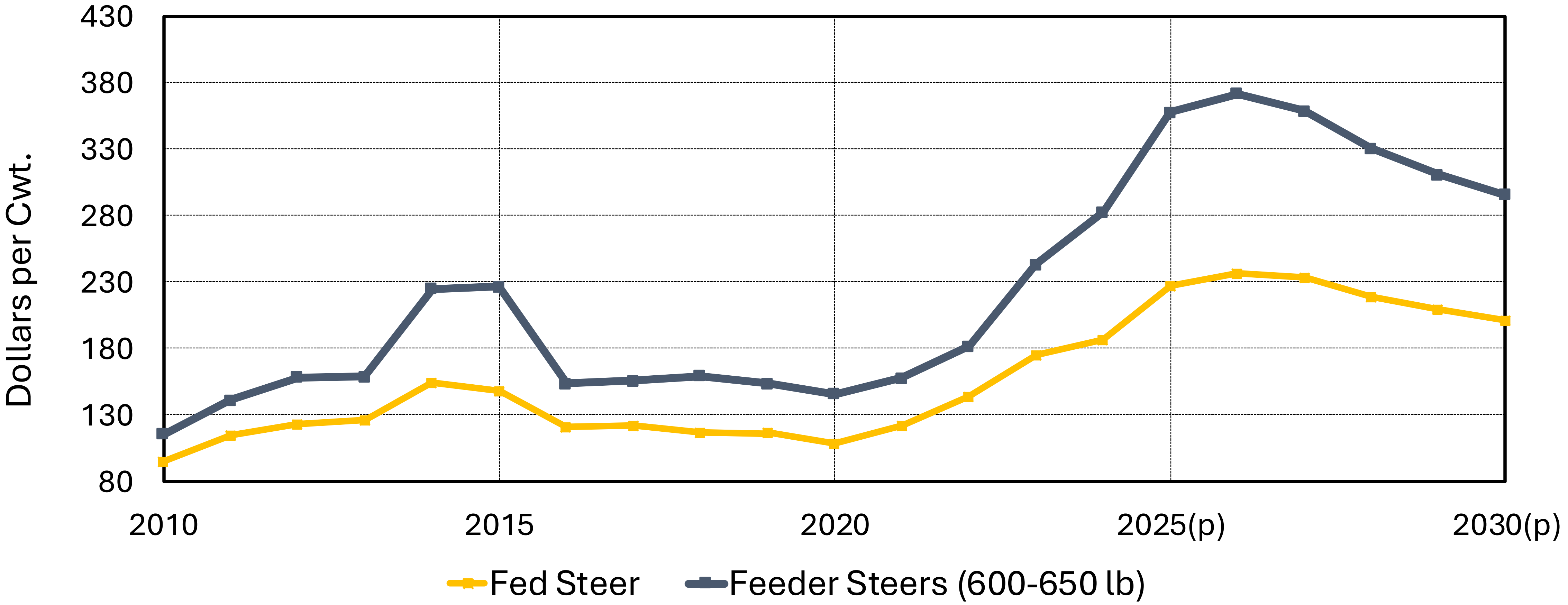
Source: FAPRI baseline, Sep. 2025

U.S. Beef Cow Herd Starts to Rebuild in 2026



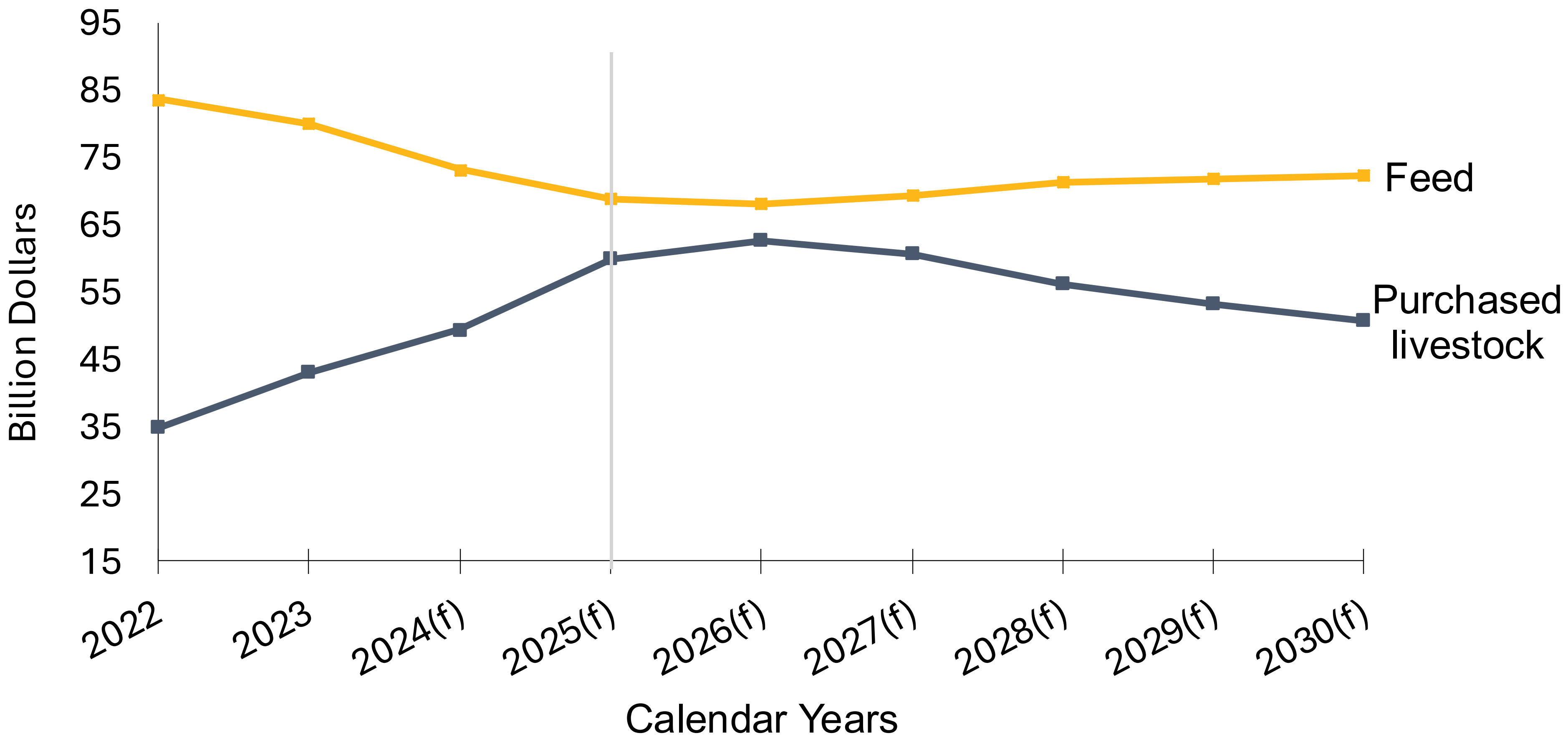
Source: FAPRI baseline, Sep. 2025

U.S. Cattle Prices



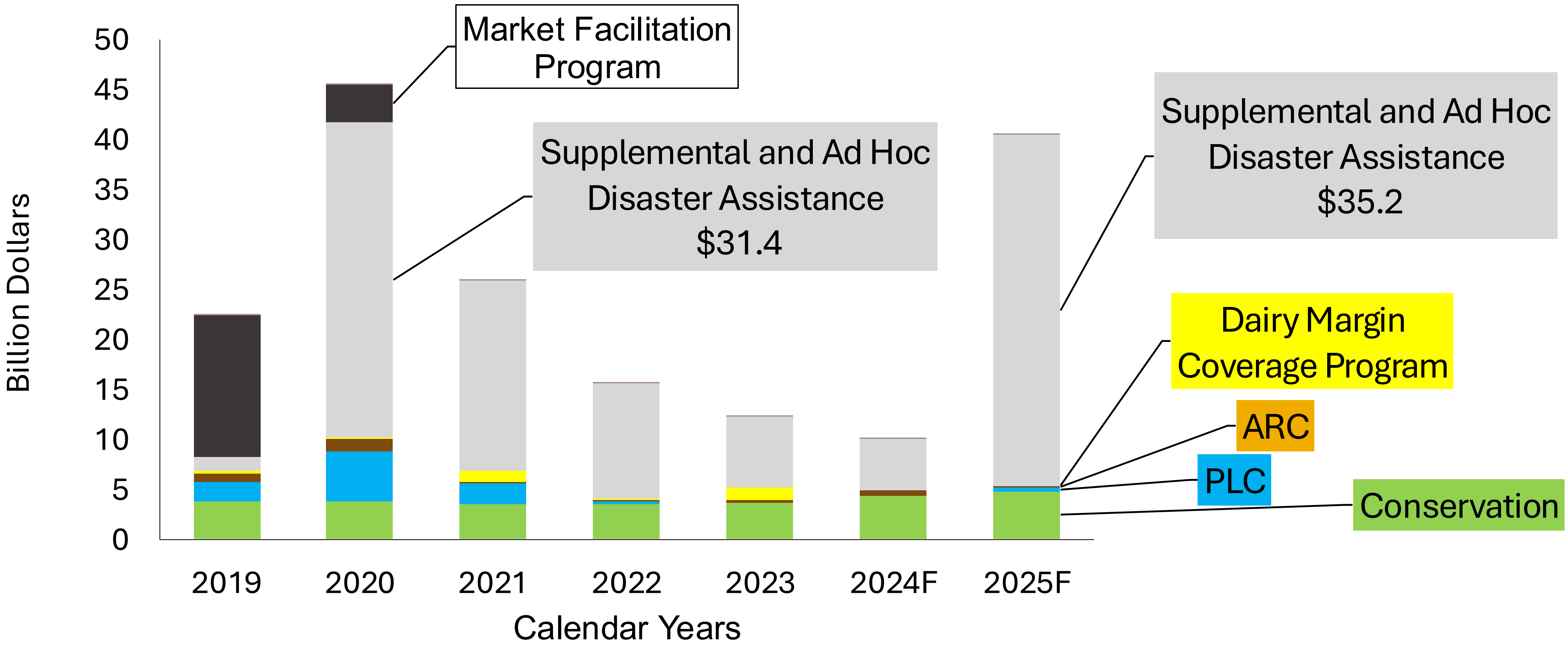
Source: FAPRI baseline, Sep. 2025

Costs of Purchased Livestock Continue to Increase, Feed Costs Decline



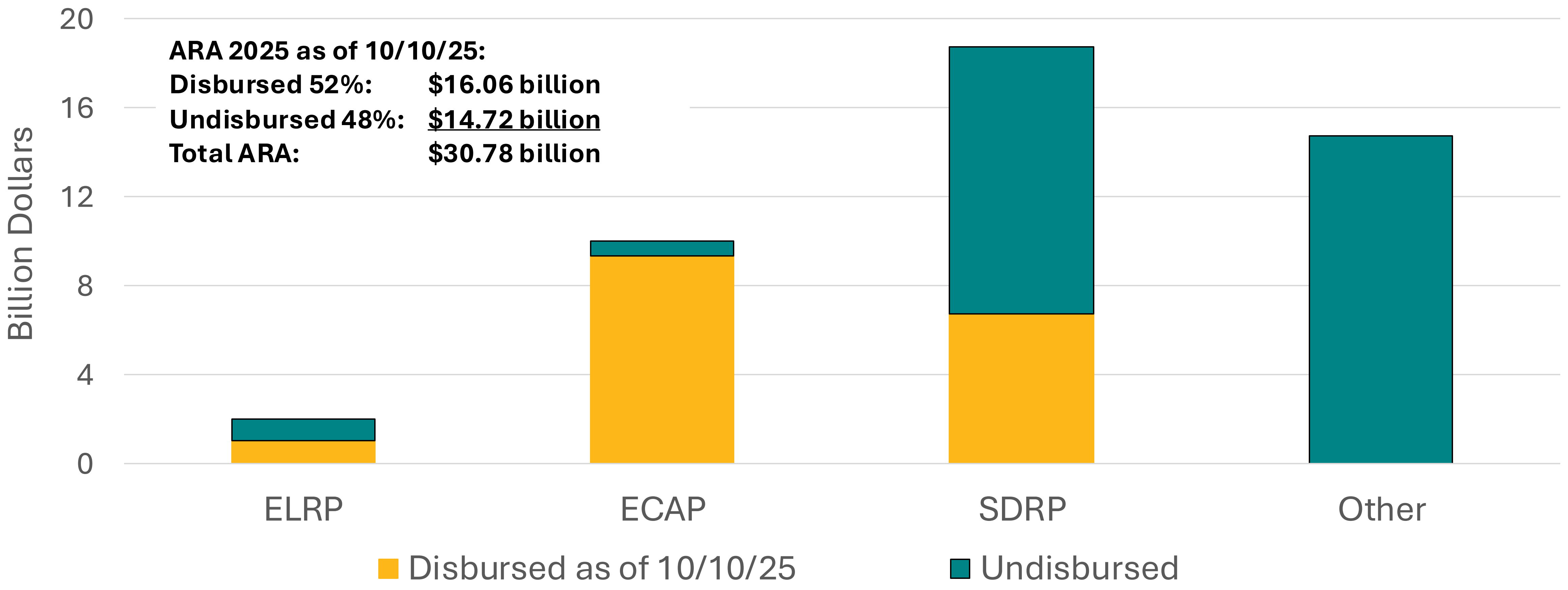
Source: FAPRI baseline, Sep. 2025

U.S. Direct Government Payments (USDA)



Source: USDA baseline, Sep. 2025

Supplemental and Ad-Hoc Disaster Assistance Payments via Am. Relief Act 2025



ELRP: Emergency Livestock Relief Program
ECAP: Emergency Commodity Assistance Program
SDRP: Supplemental Disaster Relief Program

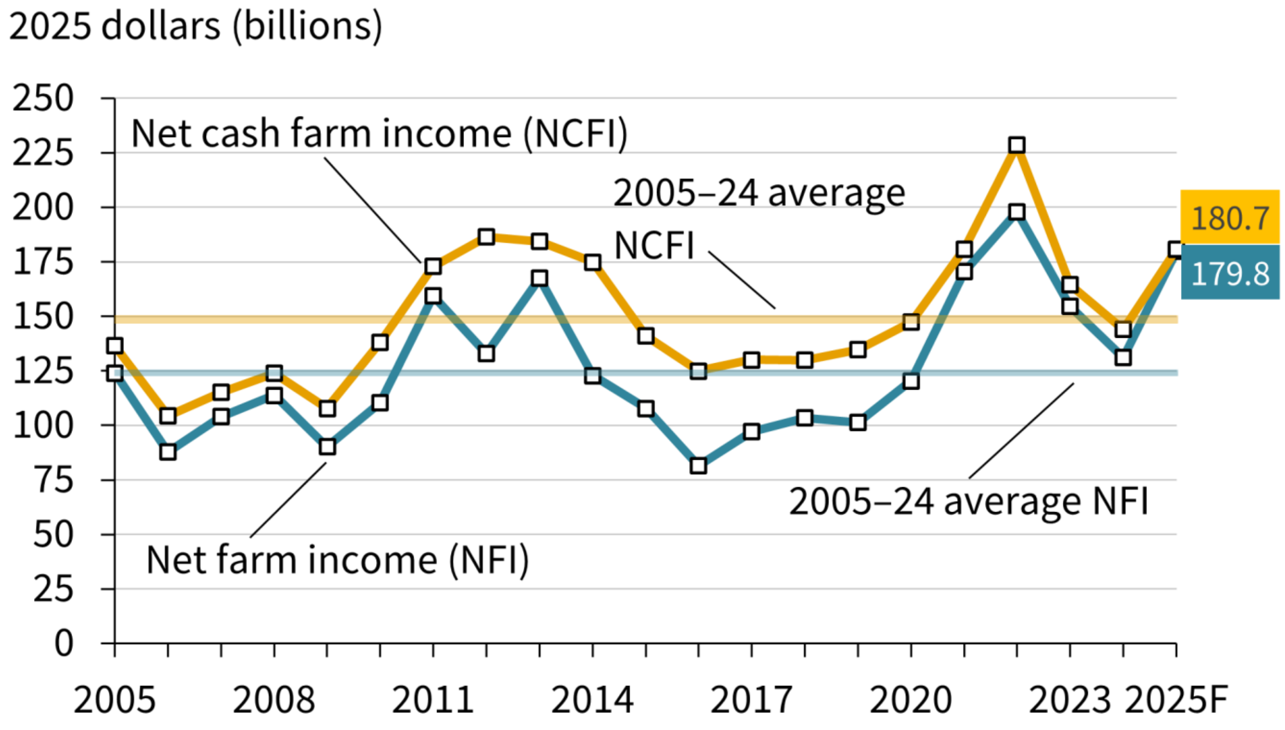
Source: Farm Service Agency

U.S. Farm Income Projection by USDA/ERS

2025F:

- □ NFI +$52.0 billion (+41%)
- □ NCFI +40.1 billion (+29%)

U.S. net farm income and net cash farm income, inflation adjusted, 2005–25F

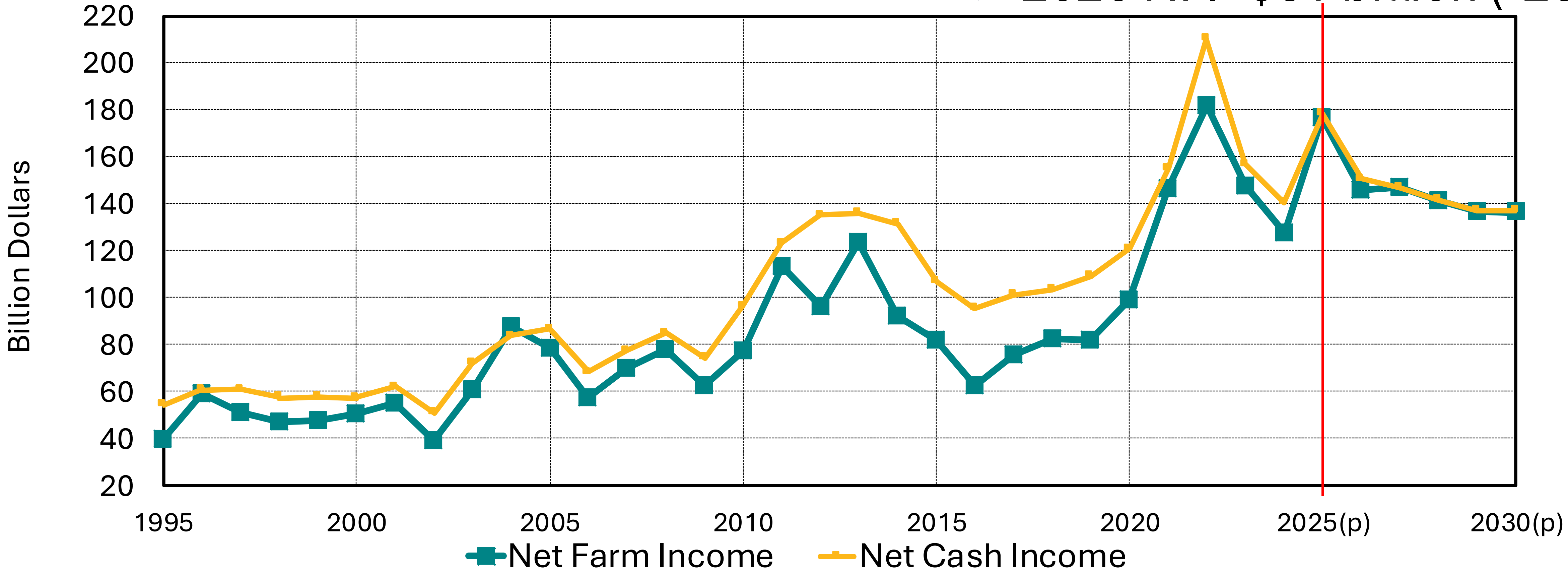


Note: F = forecast. Values are adjusted for inflation using the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2025 by USDA, Economic Research Service.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of September 3, 2025.

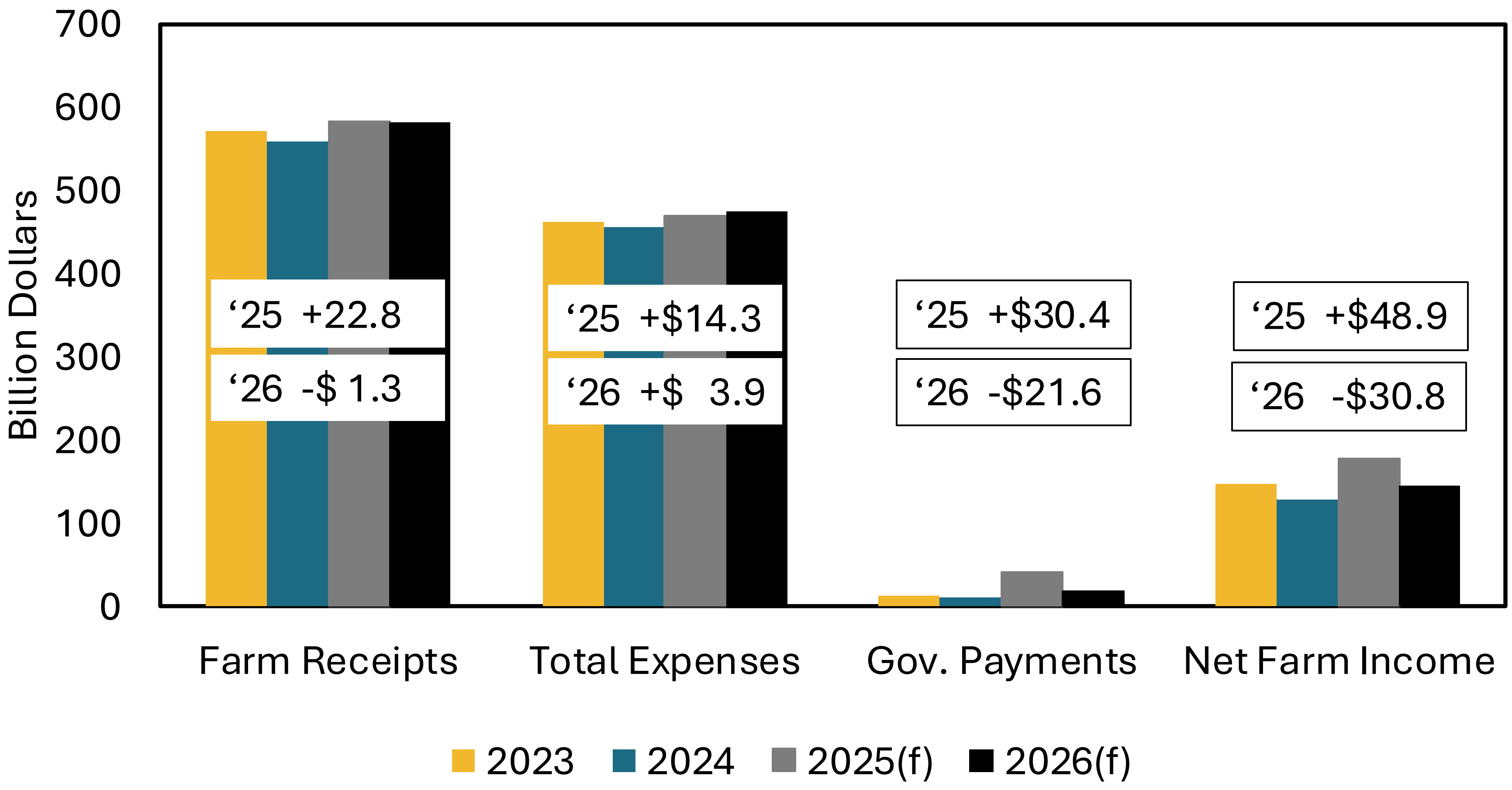
U.S. Farm Income Projection by FAPRI-MU

- 2025 NFI +$50 billion (+34%)
- 2026 NFI -$31 billion (-20%)



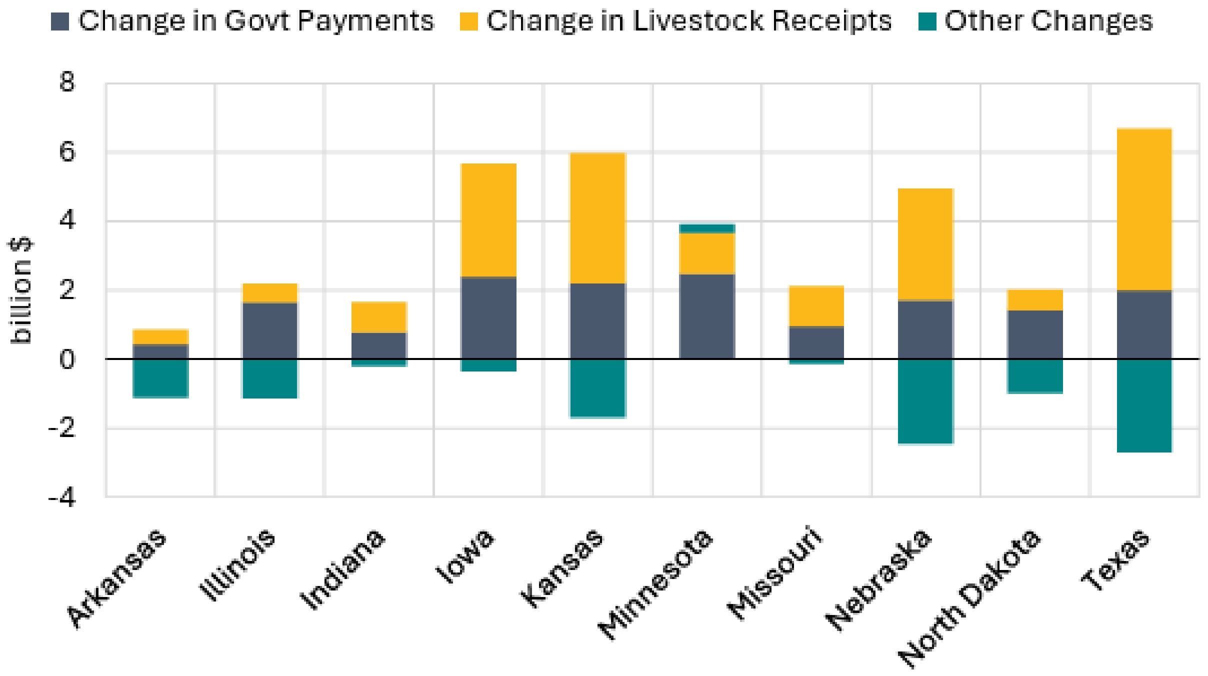
Source: FAPRI baseline, Sep. 2025

Farm Income Changes by Component (FAPRI)

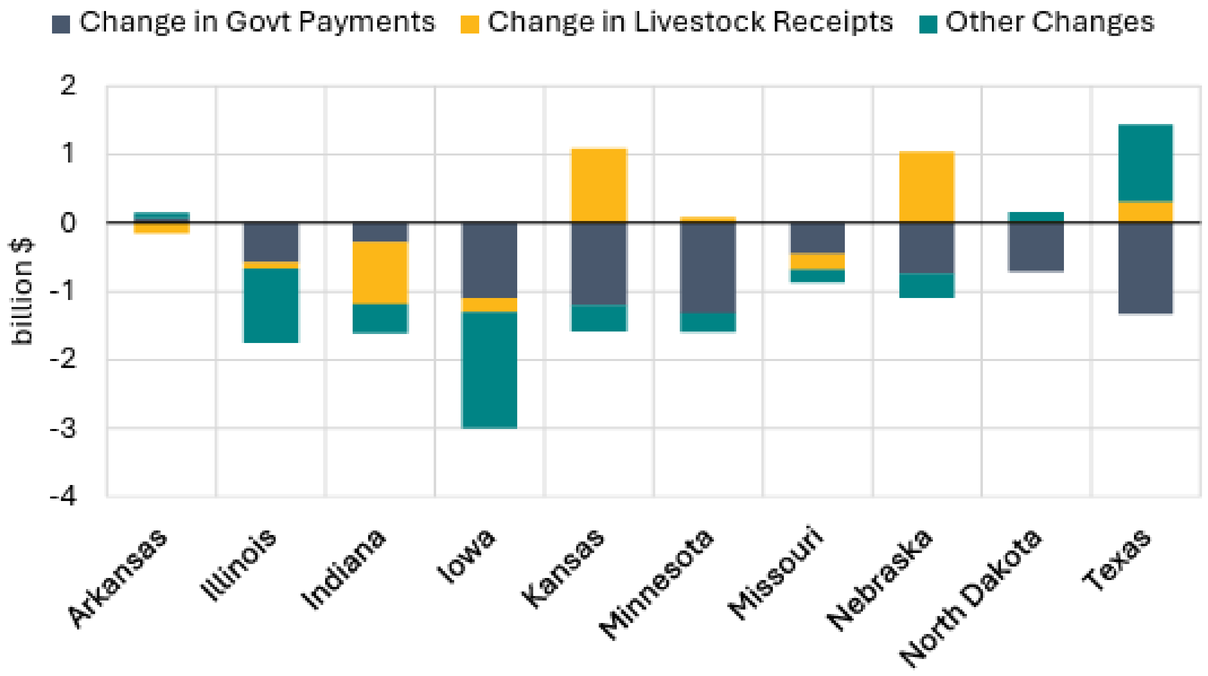


Source: FAPRI baseline, Sep. 2025

Projected Changes in Component of NFI (RaFF)



(a) 2025 net farm income



(b) 2026 net farm income

Source: Wongpiyabovorn, O., and Plastina, A. "A Review of Recent Farm Income Outlook Reports: Fall 2025." RaFF Policy Brief 2025-11(1), Rural and Farm Finance Policy Analysis Center, University of Missouri, Columbia, November 5, 2025. https://raff.missouri.edu/raff-policy-briefs/

Other Sources of Uncertainty

- Trade deals?
- Tariffs?
- Interest rates?
- Manufactured input costs?
- New Supplemental and Ad-Hoc Assistance Payments?
- Biofuels?
- Economic growth?

Questions/Comments?
Thank you for your attention!

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Nebraska Farm Income Situation and Outlook

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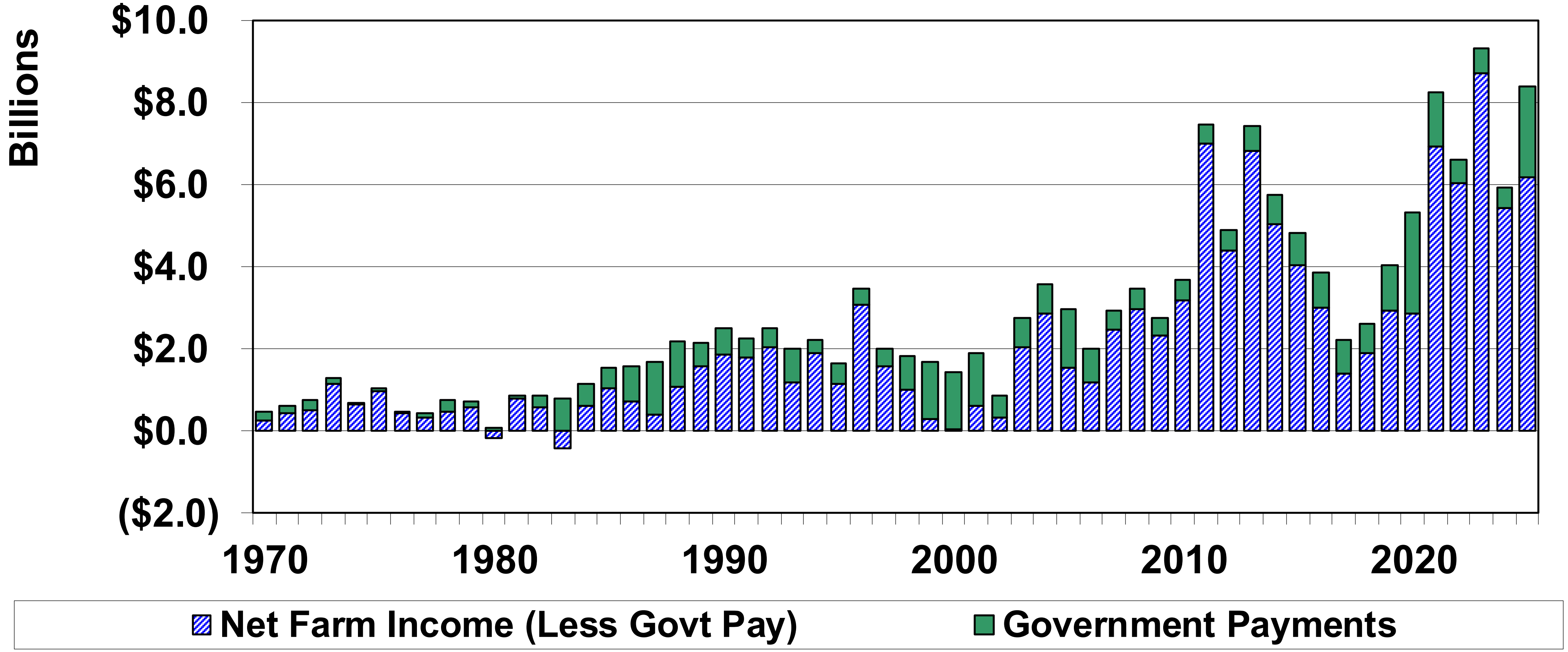
Farm Income Outlook and Management Issues for 2025 and 2026

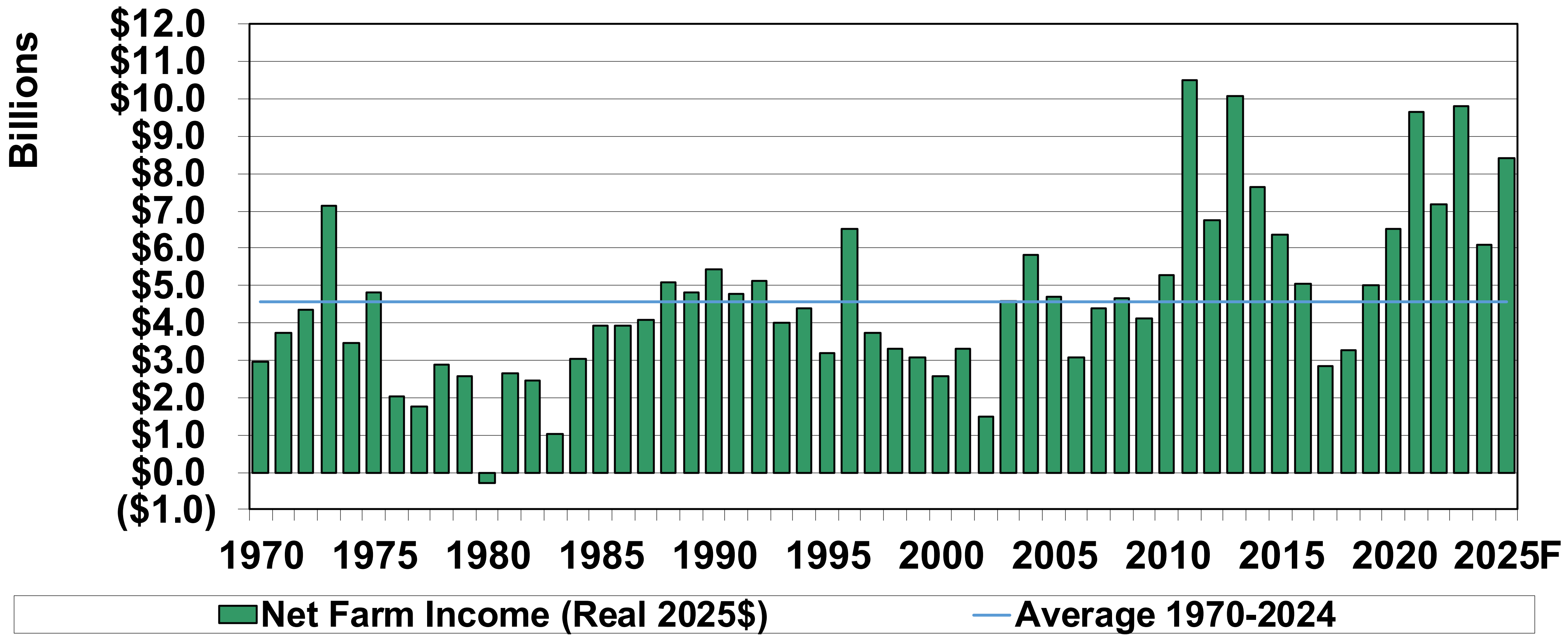
- **Key Issues**
  - **Crop and livestock prices**
  - **Production costs**
  - **Farm income safety net**
  - **Management**

Nebraska Net Farm Income



Source: USDA –ERS, FAPRI, RaFF and author calculations, October 2025

Nebraska Net Farm Income



Source: USDA –ERS, FAPRI, RaFF and author calculations, October 2025

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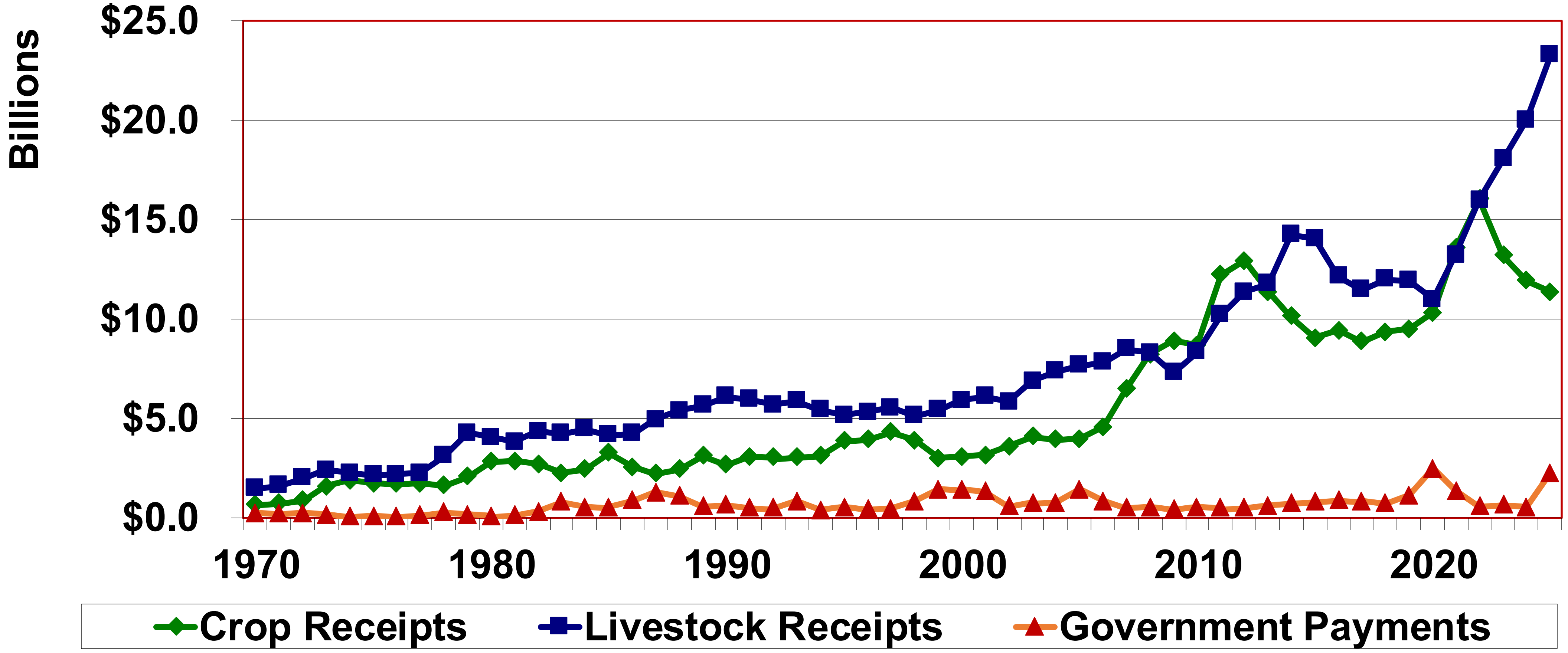
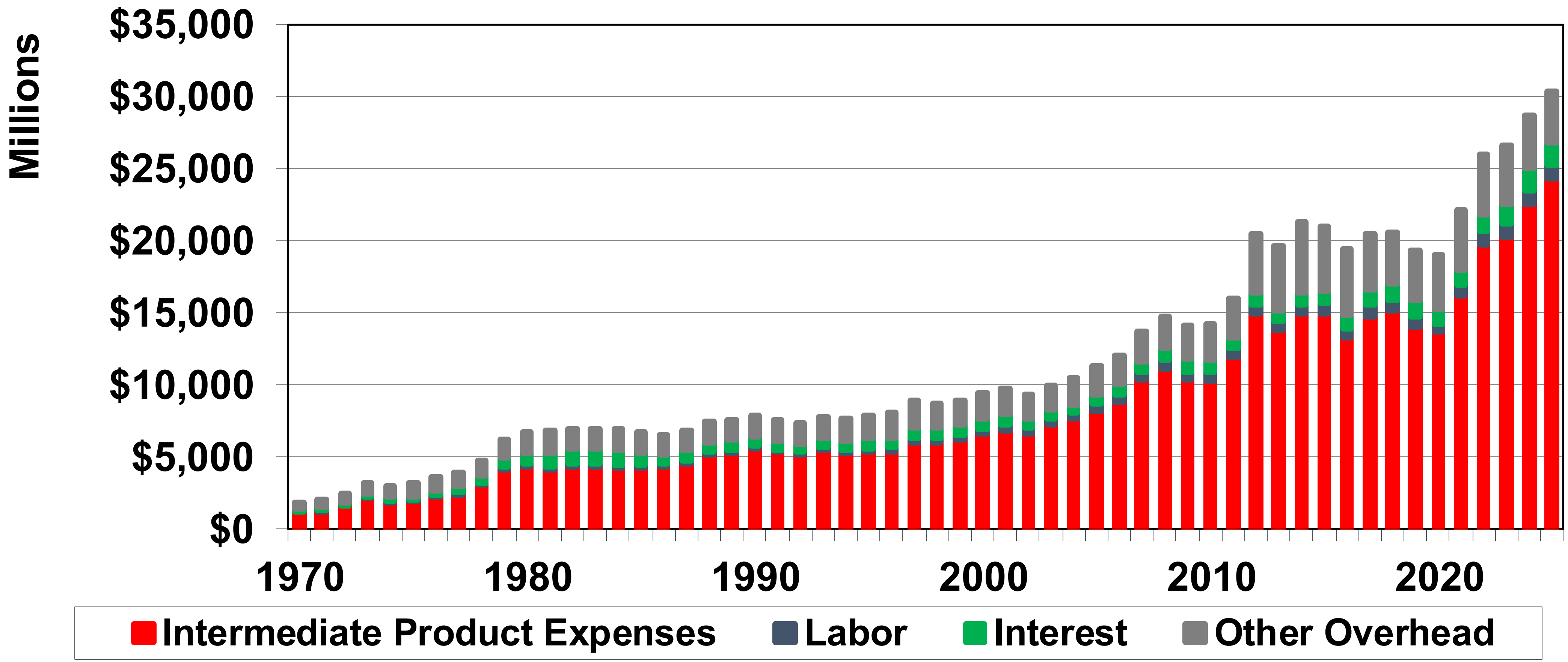
Nebraska Farm Receipts



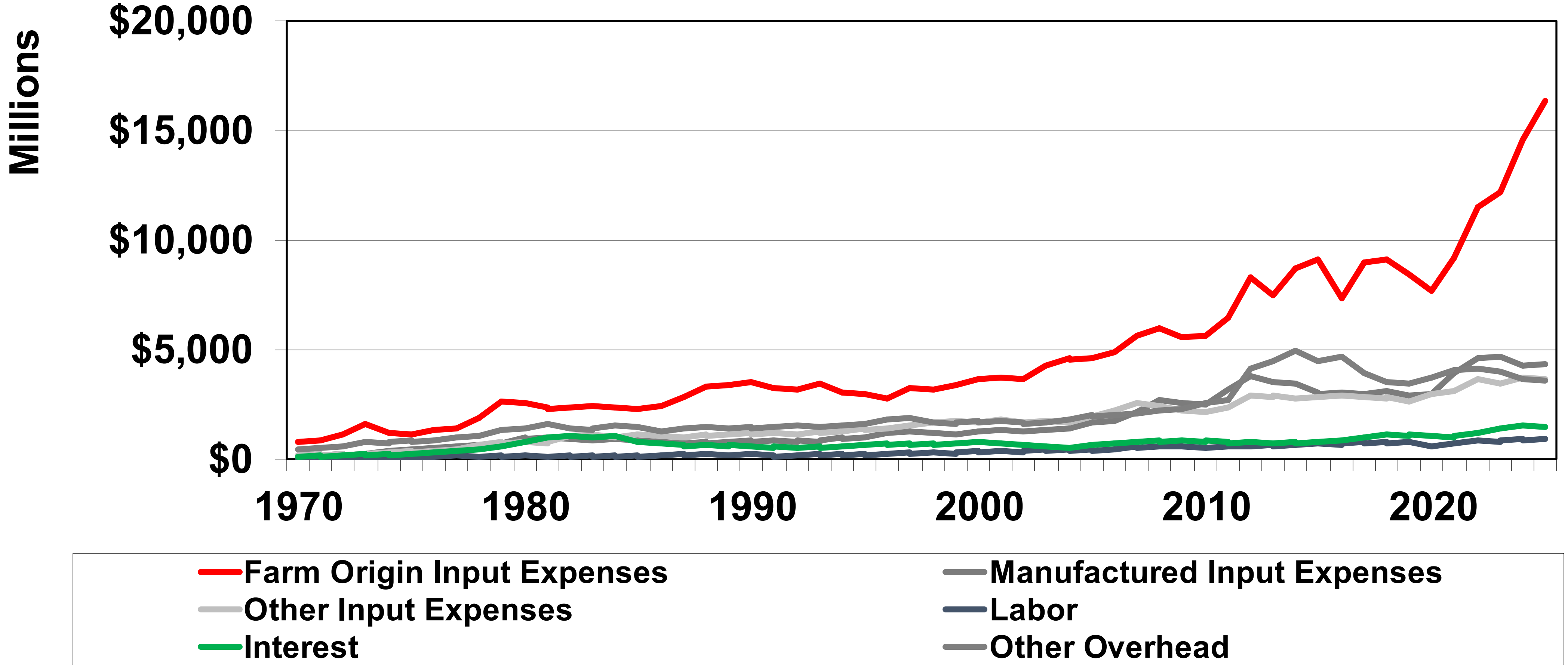
Source: USDA –ERS, FAPRI, RaFF and author calculations, October 2025

Nebraska Farm Expenses



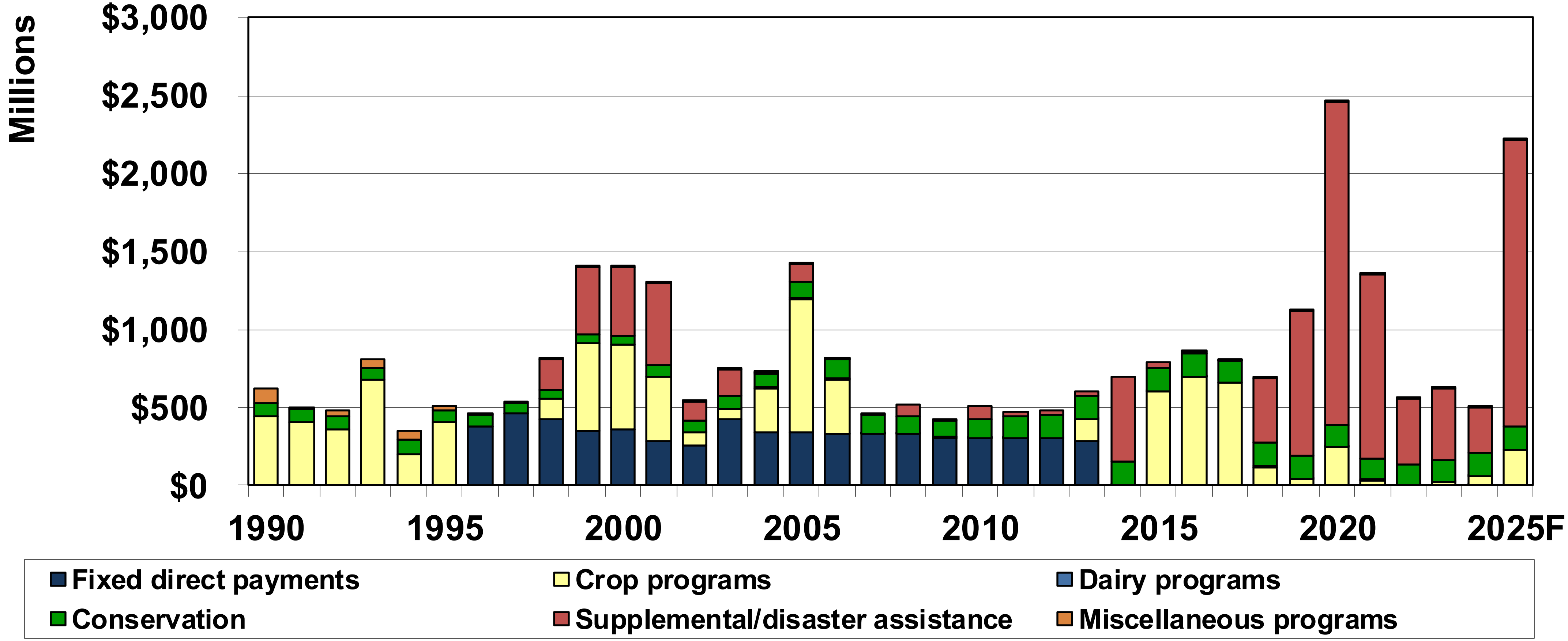
Source: USDA –ERS, FAPRI, RaFF and author calculations, October 2025

Nebraska Farm Expenses



Source: USDA –ERS, FAPRI, RaFF and author calculations, October 2025

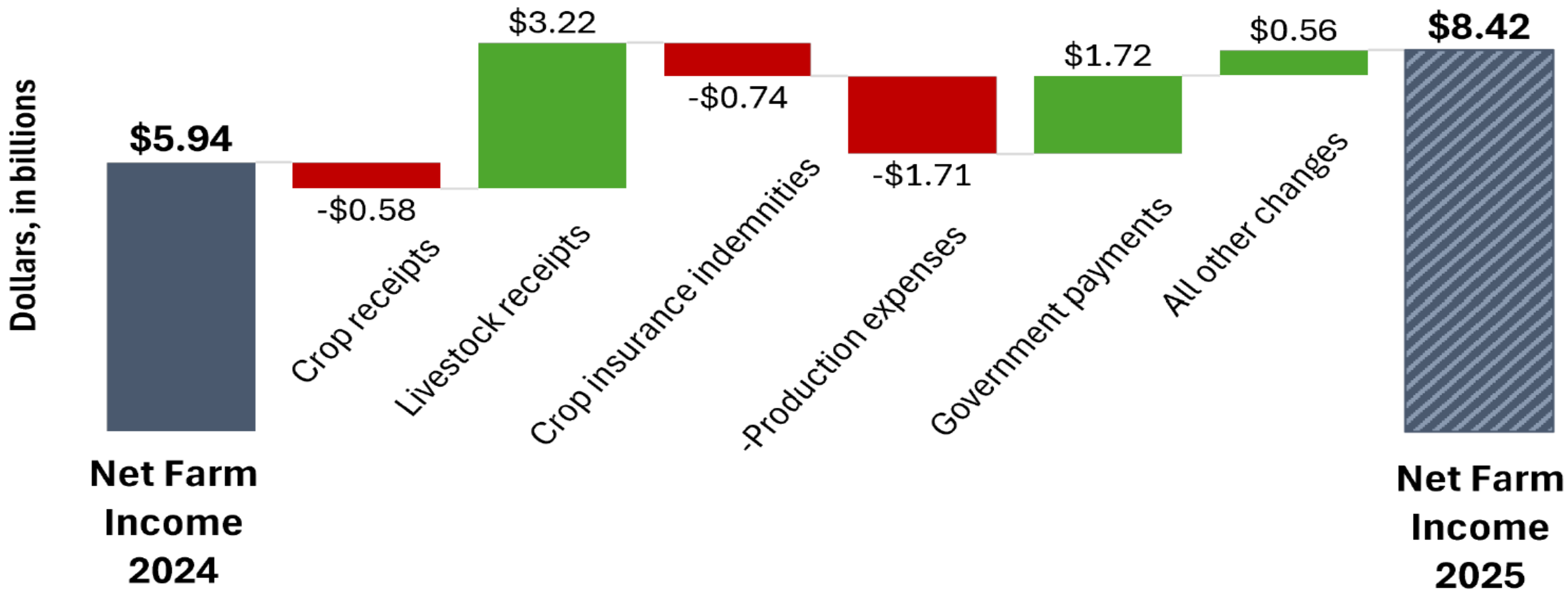
Nebraska Government Payments



Source: USDA –ERS, FAPRI, RaFF and author calculations, October 2025

Nebraska Net Farm Income

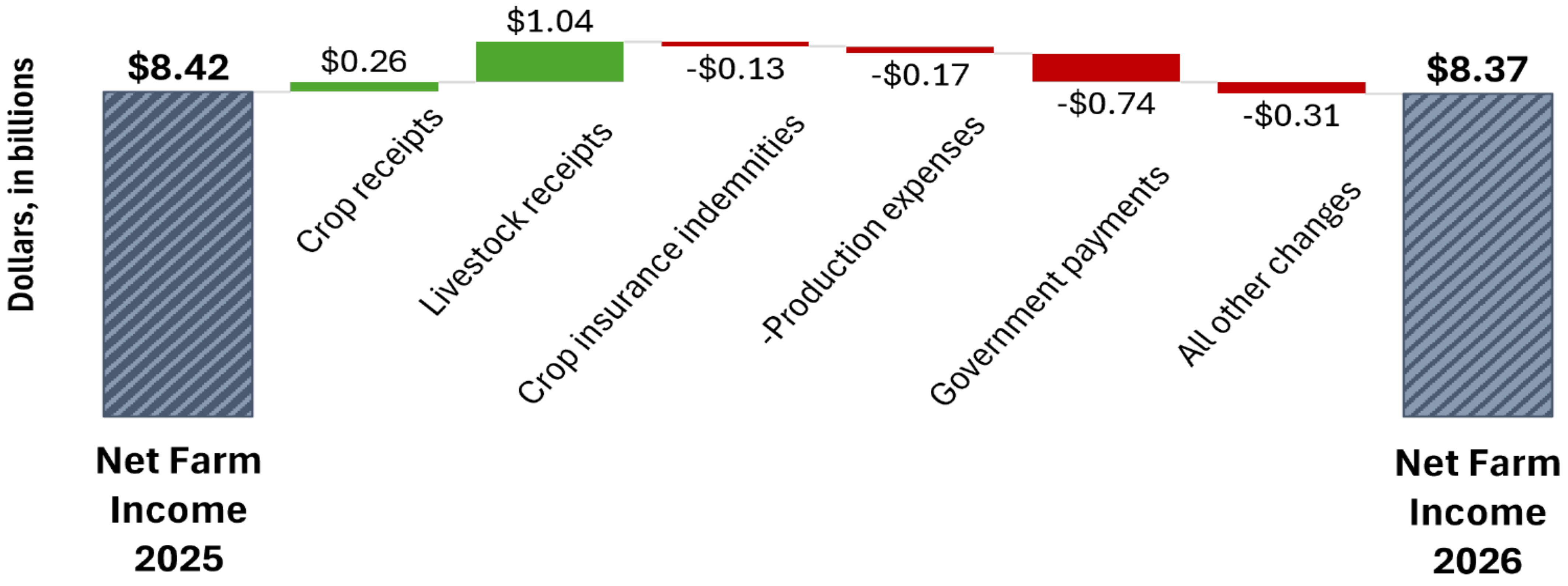
Nebraska net farm income to increase by 42% in 2025



Source: RaFF, April 2025

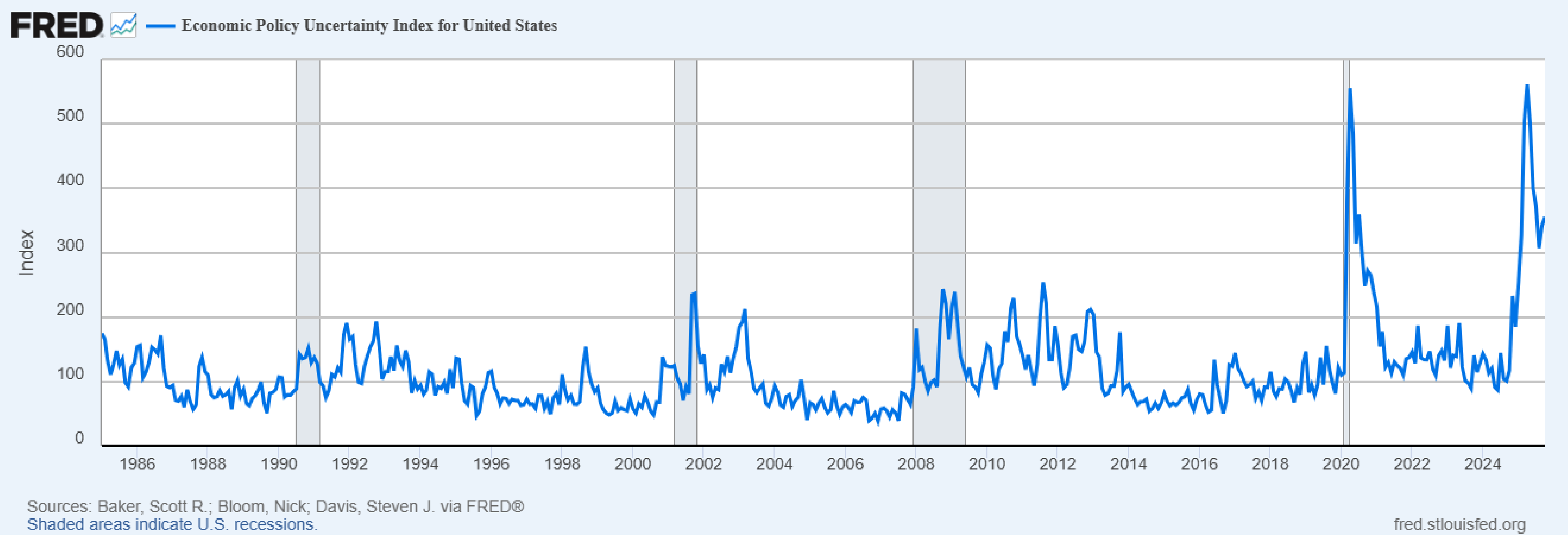
Nebraska Net Farm Income

Nebraska net farm income to drop by 1% in 2026



Source: RaFF, October 2025

Economic Policy Uncertainty



* Monthly average index, based on newspaper, tax code, and economic forecast uncertainty, as of November 5, 2025.

Farm Income Outlook and Management Issues for 2025

- Key Issues
  - Crop and livestock production
    - Lower crop prices will reduce receipts and cash flow
    - Livestock receipts stay strong as long as cattle prices stay strong
      - Cattle herd expansion and drop in market prices should eventually hit livestock receipts
  - Farm income safety net
    - Commodity program support is becoming more important as prices decline
    - Crop and livestock insurance are a key part of the safety net not included the government payment statistics
    - Ad hoc assistance will provide substantial support in 2025 on top of standing disaster assistance programs, but future ad hoc assistance uncertain
  - Management
    - Production expenses remain sticky at record levels
    - Focus on margin may be more important than yield, price, or revenue looking forward
    - Managing through economic and policy uncertainty will be critical

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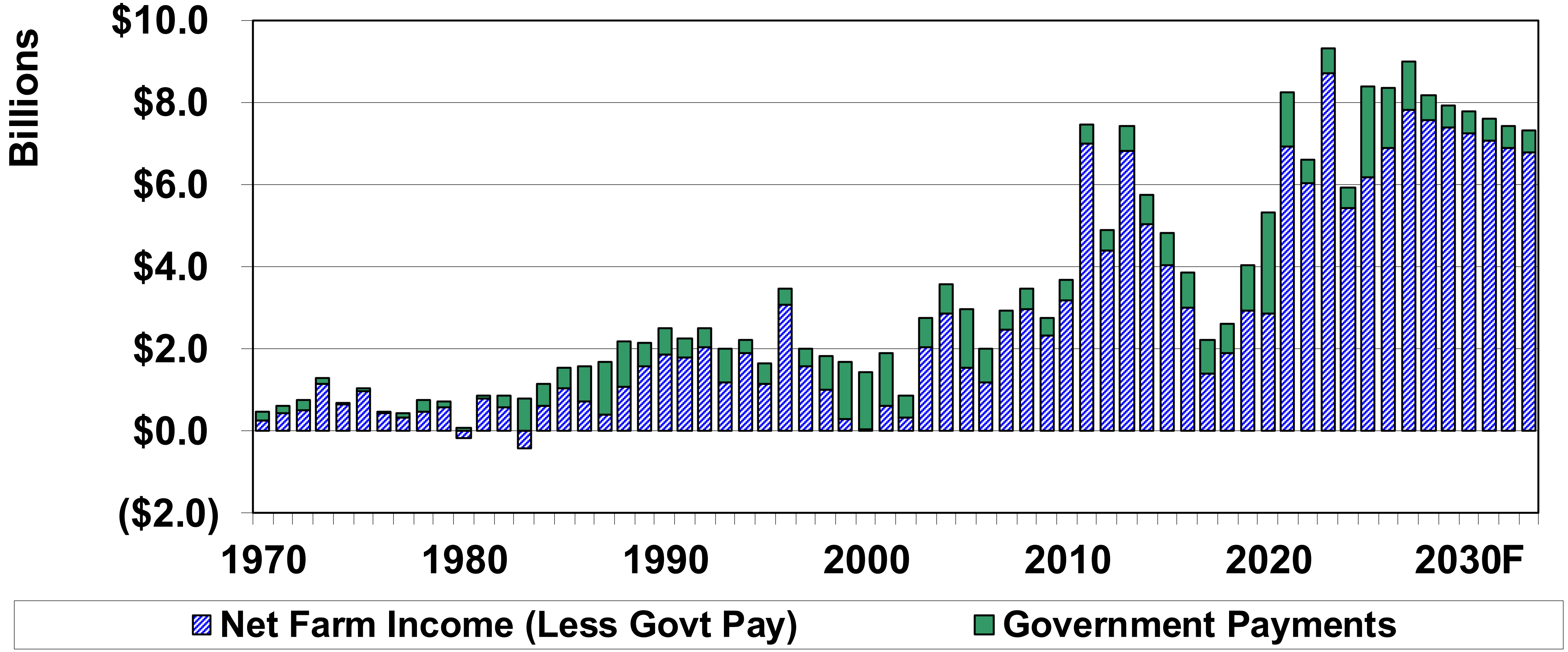
Additional Slides for Reference

- Nebraska baseline projections through 2034
  - Net farm income
  - Crop and livestock receipts
  - Farm expenses
  - Government payments

Nebraska Net Farm Income



Source: USDA –ERS, FAPRI, RaFF and author calculations, October 2025

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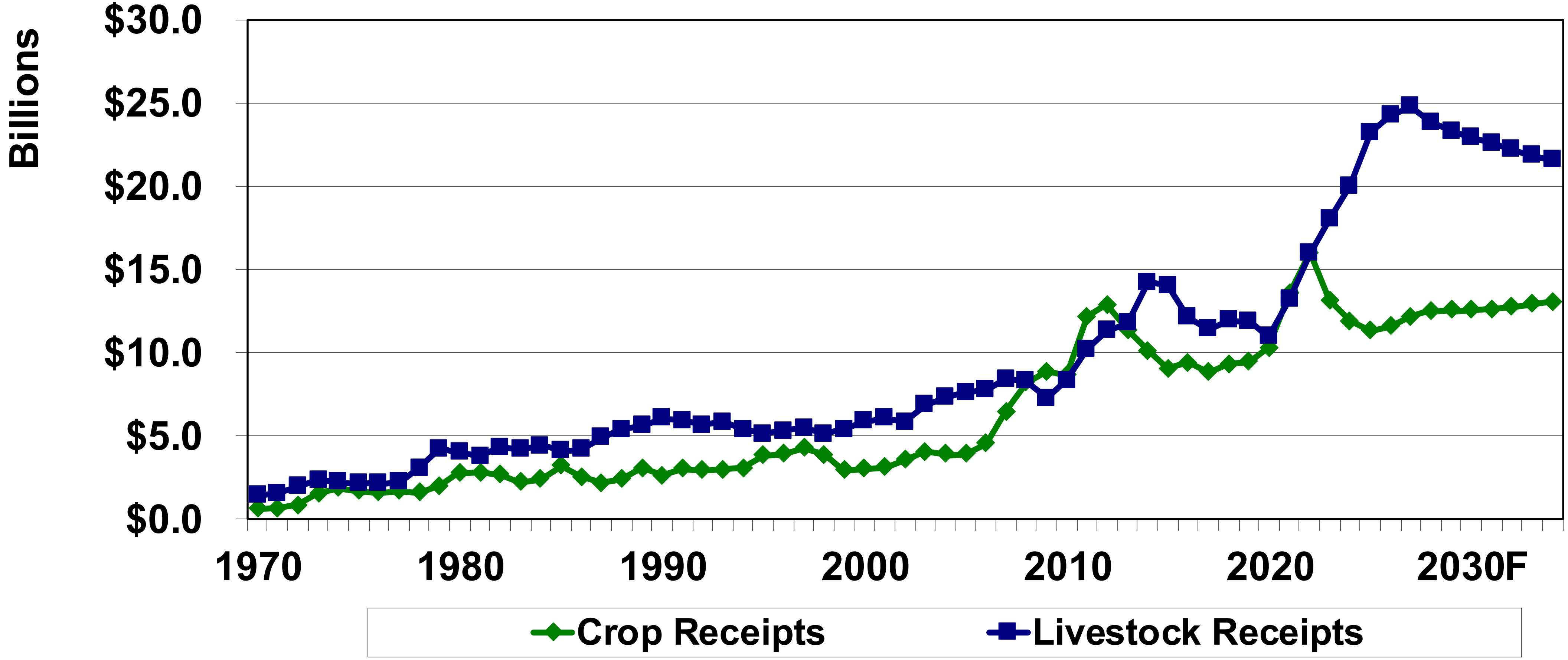
Nebraska Farm Receipts



Source: USDA –ERS, FAPRI, RaFF and author calculations, October 2025

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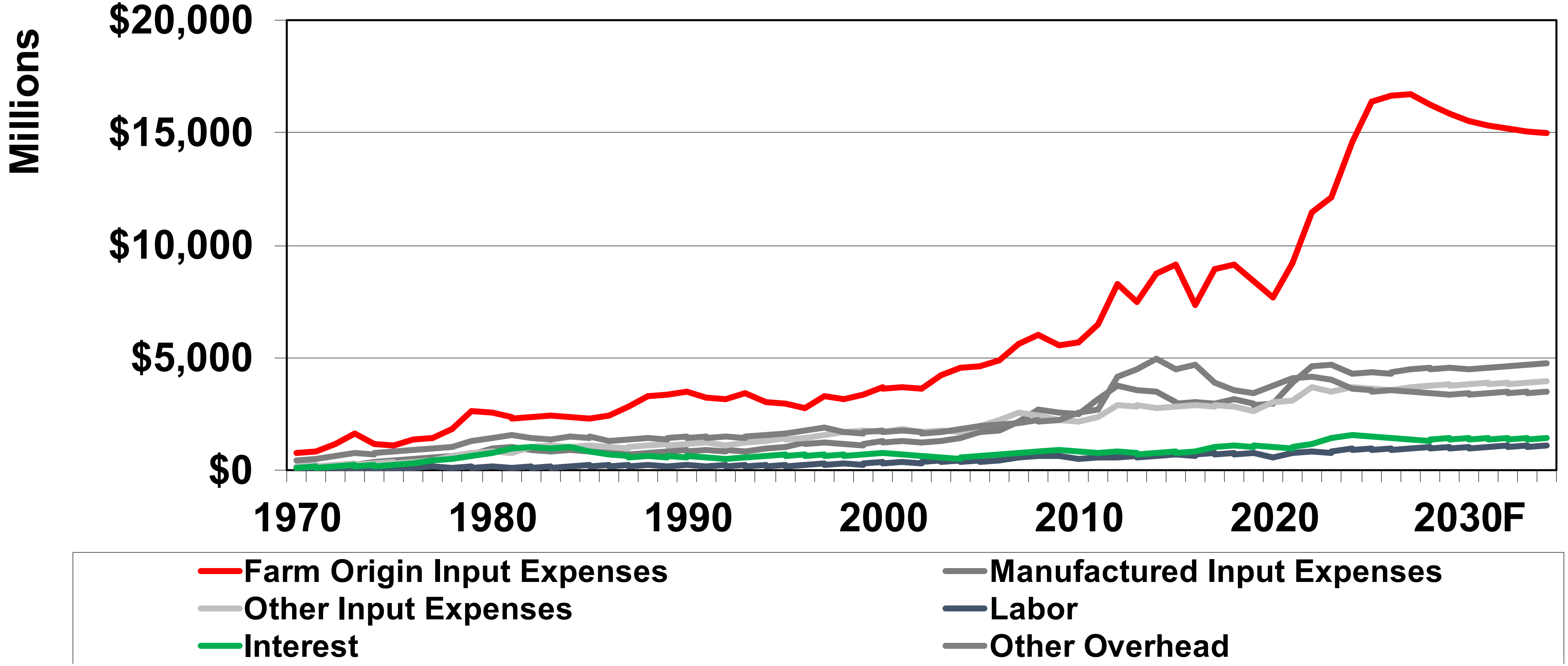
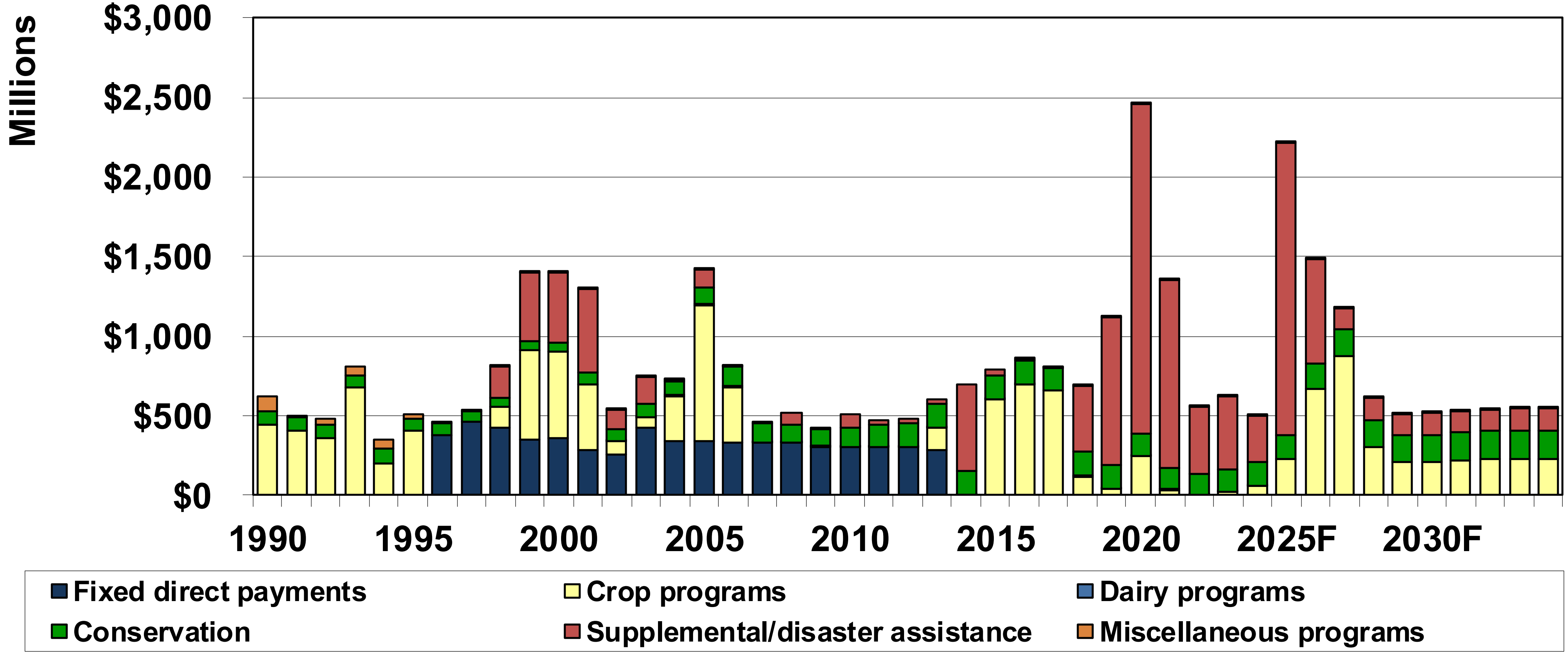
Nebraska Farm Expenses



Source: USDA –ERS, FAPRI, RaFF and author calculations, October 2025

Nebraska Government Payments



Source: USDA –ERS, FAPRI, RaFF and author calculations, October 2025