



Rural & Farm Finance
Policy Analysis Center
University of Missouri

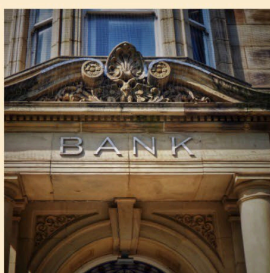
SPRING 2026 FARM INCOME OUTLOOK FOR NEBRASKA

April 2026
RaFF Report 2026-05

Produced in collaboration with



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



The Goal of this Report

In February 2026, the U.S. Department of Agriculture (USDA)'s Economic Research Service (ERS) updated state-level farm income estimates through calendar year 2024 and released national farm income projections for calendar years 2025 and 2026. In March 2026, the Food and Agricultural Policy Research Institute at the University of Missouri (FAPRI-MU) also released national farm income projections for calendar years 2025 through 2035 (FAPRI-MU 2026). 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, as well as preliminary projections for 2027. 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 FAPRI-MU (2026) to the RaFF model. Published results incorporate adjustments based on expert insights from agricultural economists at the Center for Agricultural Profitability (CAP) at the University of Nebraska-Lincoln (UNL).

How Farm Income is Measured

Following the ERS methodology (USDA/ERS 2026a), 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 flows occur. Net cash farm income is adjusted by non-cash income, non-cash expenses, and changes in inventory values to obtain the net farm income (NFI) measure.

National Farm Income Trends

In February 2026, USDA-ERS projected that U.S. net farm income (NFI) would decline 0.7% in nominal terms from 2025 levels to \$153.38 billion, while remaining above long-term averages (USDA/ERS 2026). The overall stability in NFI masks shifts in its composition. A \$13.80 billion increase in direct government payments—rising to \$44.34 billion—is the primary factor preventing a larger decline in income. These payments, including higher Price Loss Coverage (PLC) support and continued supplemental and disaster assistance, account for roughly 29% of projected NFI in 2026.

Market receipts provide a more mixed contribution. Total cash receipts are projected to decline by \$14.24 billion relative to 2025, driven by a \$17.02 billion reduction in receipts from animals and animal products, and partially offset by a \$2.77 billion increase in crop receipts. Within crops, higher corn receipts—supported by increased marketings—contrast with relatively flat soybean receipts and lower wheat receipts. For livestock, declining receipts are concentrated in the dairy and poultry sectors, with milk receipts projected to fall by over \$6 billion and egg receipts declining more than \$17 billion as prices return to historic levels. In contrast, cattle and calf receipts are expected to increase, supported by tight inventories and historically high prices, but not enough to offset broader livestock sector declines.

On the cost side, total production expenses are projected to increase by approximately \$4.56 billion in 2026. Higher livestock and poultry purchase costs are a key driver of this increase, while feed costs are expected to decline modestly. At the same time, structural cost pressures persist. Labor expenses, net rent to landlords, and interest costs continue to rise, contributing to a cost environment that remains historically elevated even as some input prices stabilize. These cost increases partially offset the support provided by government payments and contribute to tighter operating margins across much of the sector.

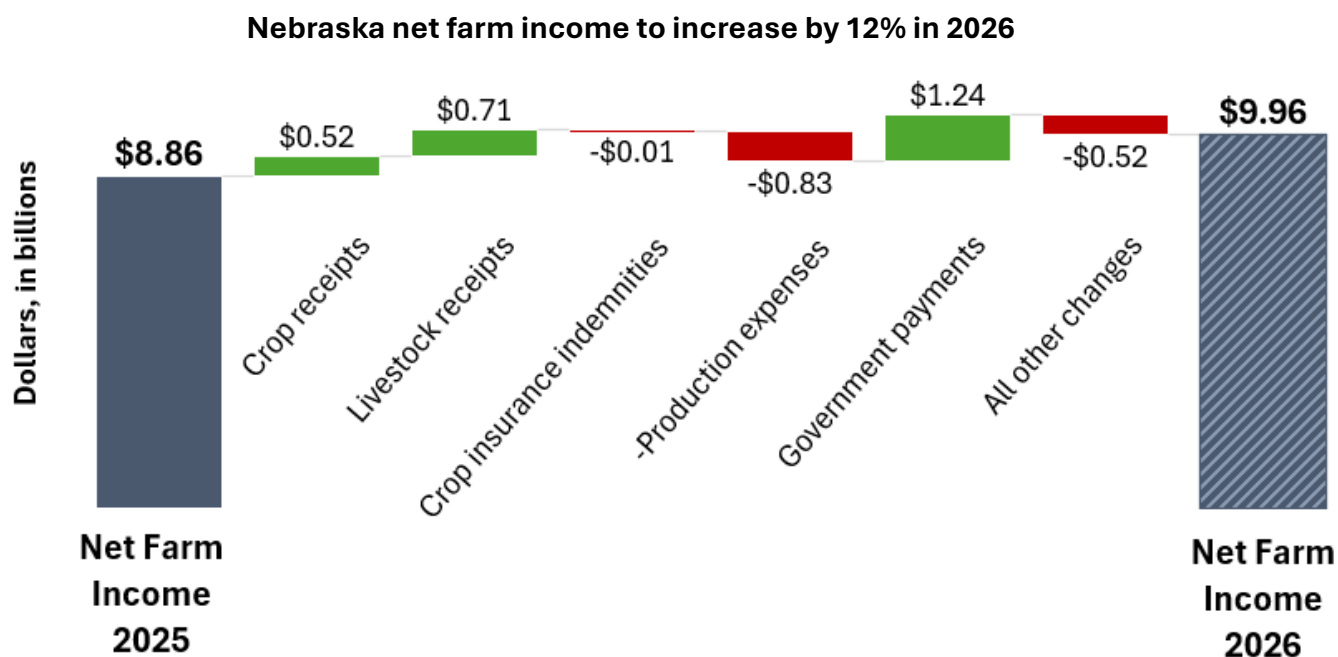
Overall, the 2026 farm income outlook reflects a shift away from broad-based market-driven gains toward increased reliance on policy support. While crop receipts show limited improvement and aggregate livestock receipts weaken, rising production costs continue to constrain profitability. In this context, direct government payments emerge as the central stabilizing force, offsetting declines in market income and sustaining NFI at levels that would otherwise be significantly lower. The implication is that, although aggregate farm income remains relatively strong in historical perspective, producers are likely to experience tighter margins and greater financial stress in 2026 than average income figures alone would suggest.

The FAPRI-MU (2026) projections, published in March but finalized in January 2026, are similar to those of the USDA/ERS (2026b), although the national NFI is forecast to decline 1.5% to \$152.29 billion in 2026 before declining again by 14% to \$130.71 billion in 2027. A 42% reduction in direct government payments and a 2% increase in costs are the main factors behind the projected deterioration of NFI in 2027.

The present Farm Income Outlook for Nebraska by RaFF incorporates information from USDA/ERS (2026b) and FAPRI-MU (2026). As a consequence of the ongoing conflict between the U.S. and Iran, the present report assumes that fertilizer costs will be 5% higher in 2026 than originally projected using FAPRI-MU baseline data (assuming, in turn, that 80% of the fertilizer needs for the 2026 crops has already been purchased by farmers) and that they will be 10% above baseline levels in 2027, before returning to baseline levels from 2028 forward. Additionally, this report assumes that fuel and oil costs will be 35% and 15% higher than the FAPRI-MU baseline in 2026 and 2027, respectively, before returning to baseline levels from 2028 onwards.

Nebraska Farm Income in 2026

RaFF and collaborators at UNL project Nebraska's NFI to increase by \$1.10 billion (12%) to a record high of \$9.96 billion in 2026. This growth is primarily supported by a \$1.24 billion surge (71%) in government payments, which are expected to reach \$2.97 billion due to increased Title I commodity program payments under the One Big Beautiful Bill Act and ad hoc assistance. Livestock receipts are projected to increase by \$0.71 billion (3%) to a record \$23.55 billion, while crop receipts would expand by \$0.52 billion (4%) to \$12.01 billion, marking the first annual increase since 2022. Partially offsetting these gains, production expenses are projected to rise \$0.83 billion (3%) to a record \$30.37 billion, driven by sharply higher fuel costs and rising purchased livestock expenses. Crop insurance indemnities remain relatively stable. Nebraska's projected 12% increase in NFI contrasts with the forecast of a 1.5% decline in U.S. NFI by FAPRI-MU, reflecting the state's livestock strength and the outsized impact of higher government payments.

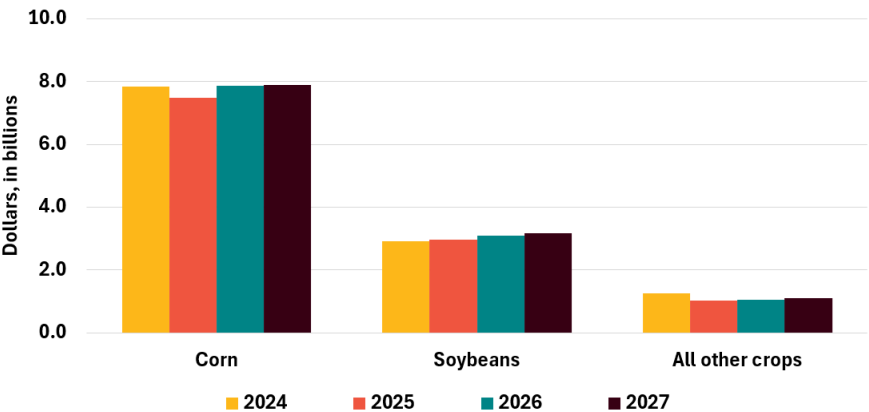


Nebraska Crops

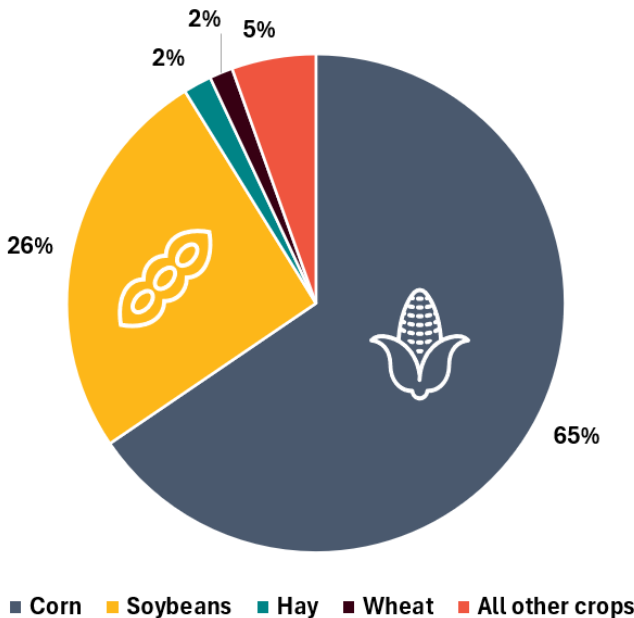
Crop receipts are projected to rebound by \$517 million (4%) to \$12.01 billion in 2026 after three consecutive years of decline. For 2027, crop receipts are projected to increase by a further 1% to \$12.17 billion.

Corn receipts, which represent 65% of all Nebraska crop receipts, are projected to increase \$374 million (5%) to \$7.86 billion in 2026, supported by a 3% increase in corn prices and inventory sales from a record crop in 2025. This gain occurs despite a 3% decline in planted area to 10.43 million acres in 2026.

Crop receipts to increase by 4% in 2026



2026 Share of Crop Receipts



For 2027, corn receipts are projected to remain relatively stable, as modest gains in yields are offset by a second year of declining planted area and prices remain steady.

Soybean receipts are projected to increase by \$116 million (4%) to \$3.08 billion in 2026, supported by large inventory sales and a slight increase in prices. While planted area is expected to increase by 6% to 5.16 million acres, lower (more normal) yields would result in stable production at 315.22 million bushels in 2026.

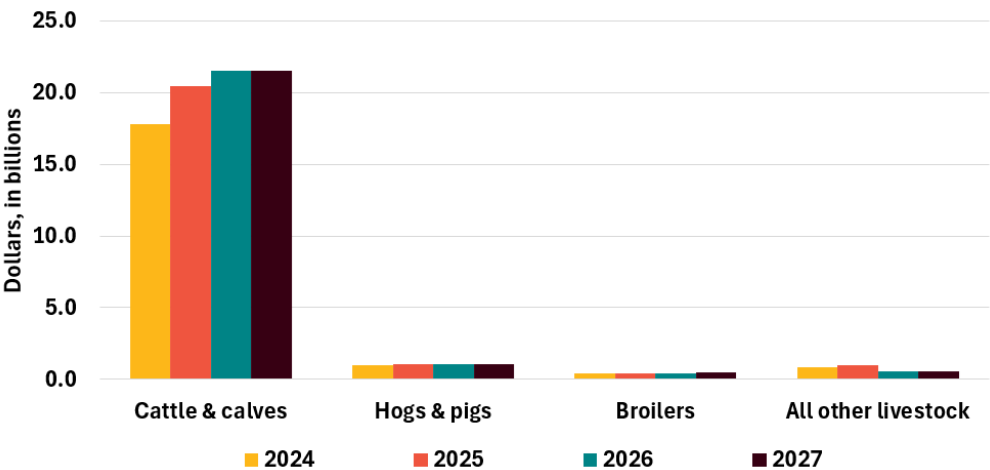
Soybean receipts are projected to increase by \$79 million (3%) to \$3.16 billion in 2027, supported by higher prices and a modest expansion in planted acreage.

Nebraska Livestock

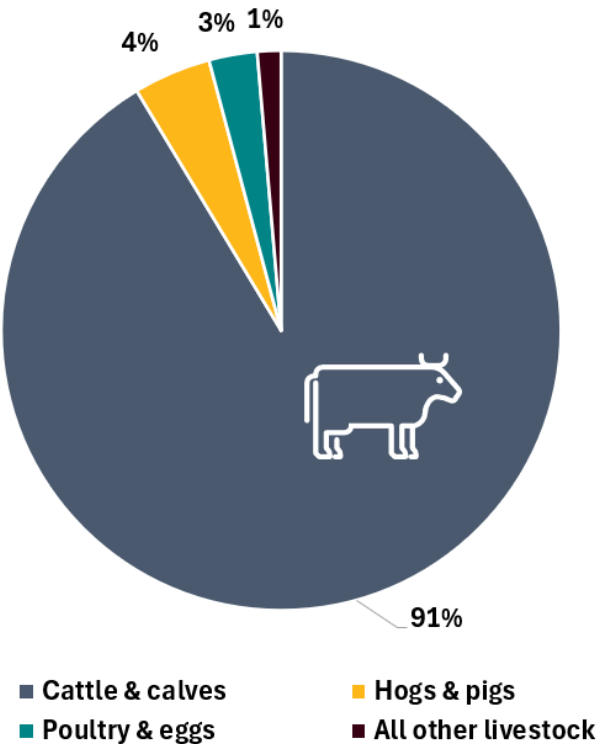
Total livestock receipts are projected to increase \$708 million (3%) to \$23.55 billion in 2026 and are projected to remain stable at \$23.57 billion in 2027.

Cattle receipts, which account for 91% of Nebraska livestock receipts, are projected to increase by \$1.09 billion (5%) to \$21.52 billion in 2026, driven by continued high cattle prices due to tightening supply and stable marketings of heavier cattle. For 2027, cattle receipts are projected to remain steady, as an anticipated softening in cattle prices is offset by a slight increase in marketings.

Livestock receipts to increase by 3% in 2026



2026 Share of Livestock Receipts



Hog receipts are projected to remain stable at \$1.05 billion in 2026, as slightly higher marketings by weight would be offset by declining prices.

Poultry and egg receipts are projected to decline sharply by \$356 million (-35%) to \$657 million in 2026, driven primarily by a dramatic drop in egg receipts from \$601 million to \$224 million (-63%) as the market normalizes following the HPAI disruptions that pushed egg prices to record highs in 2025. For 2027, these receipts are projected to recover modestly to \$685 million (4%), due to improvements in both broiler and egg receipts.

Nebraska Expenses

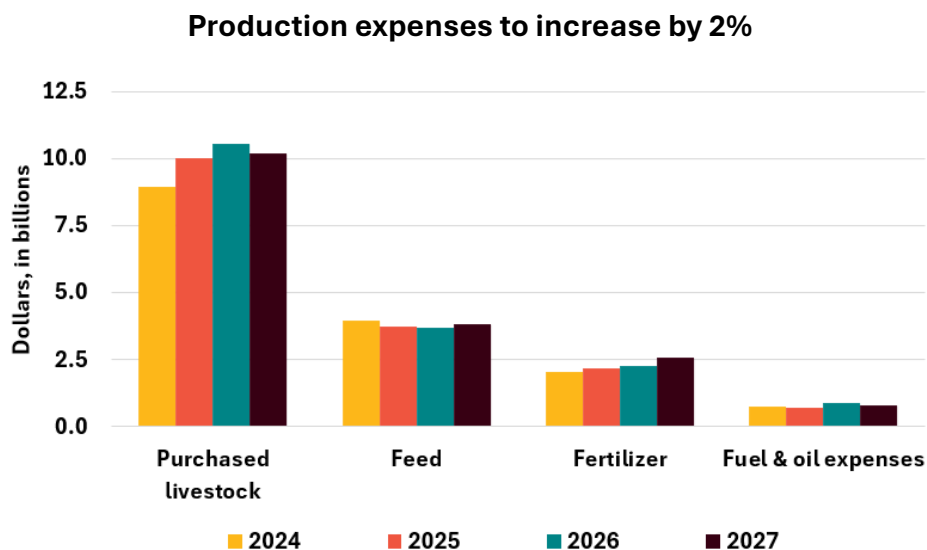
Total production expenses are projected to increase \$829 million (3%) to a record \$30.37 billion in 2026, driven by ongoing tight cattle supply and higher fuel and fertilizer costs. Expenses are projected to increase a further \$187 million (1%) to \$30.55 billion in 2027.

Purchased livestock expenses are projected at \$10.55 billion in 2026, or 5% higher than in 2025 due to rising cattle prices. For 2027, purchased livestock expenses are expected to decline by 3%, as feeder steer prices, the primary input cost for Nebraska's feedlot operations, are projected to soften.

Feed expenses are projected to remain stable at \$3.70 billion in 2026, as lower hay prices are offset by higher grain prices.

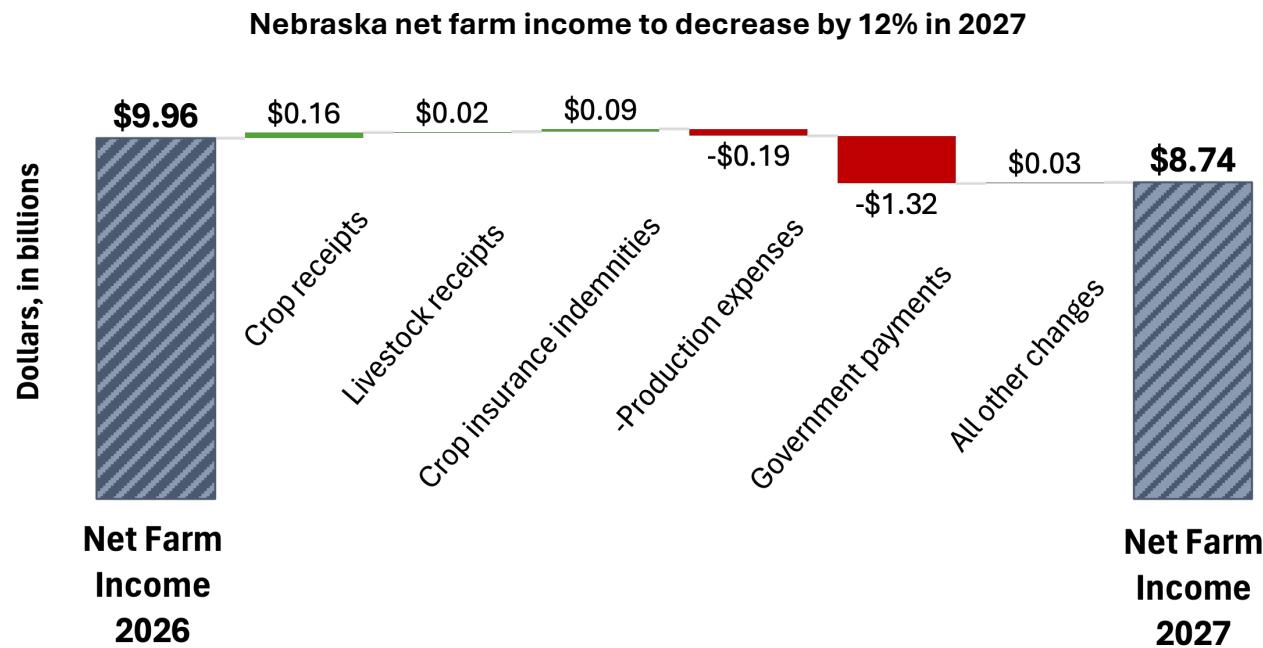
Fertilizer expenses are projected to increase to \$2.25 billion (4%) in 2026, as global fertilizer markets tighten amid supply disruptions. In 2027, fertilizer expenses are expected to surge a further 14% to \$2.56 billion.

Fuel and oils expenses are projected to surge to \$903 million (26%) in 2026, and to recede to \$796 million in 2027 as energy prices settle.



Nebraska Farm Income in 2027

Looking ahead, Nebraska NFI is projected to decrease by \$1.22 billion (-12%) to \$8.74 billion in 2027. The decline is primarily driven by a \$1.32 billion (-45%) reduction in government payments to \$1.65 billion, under the assumption of a substantial drop in supplemental and ad hoc program payments. Partially offsetting these pressures, crop receipts are projected to increase \$160 million (1%) and crop insurance indemnities to rise \$87.69 million (25%). Net farm income averages \$7.80 billion across the 10-year baseline projection (2026-2035).



Disclaimer

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

Contact Information

Hanifi Otgun, RaFF: hanifi@missouri.edu

Oranuch Wongpiyabovorn, RaFF: owongpiyabovorn@missouri.edu

Alejandro Plastina, RaFF: aplastina@missouri.edu

Bradley D. Lubben, UNL: brad.lubben@unl.edu

Elliott J. Dennis, UNL: elliott.dennis@unl.edu

Glennis McClure, UNL: gmcclure3@unl.edu

Jay Parsons, UNL: jparsons4@unl.edu

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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.

Supporting tables are available for download at raff.missouri.edu/data-tables/. Permission is granted to reproduce this information with appropriate attribution to the authors and RaFF.

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