

Economic Insights on U.S. Farm Income Projections

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Rural and Farm Finance Policy Analysis Center (RaFF)

- 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.

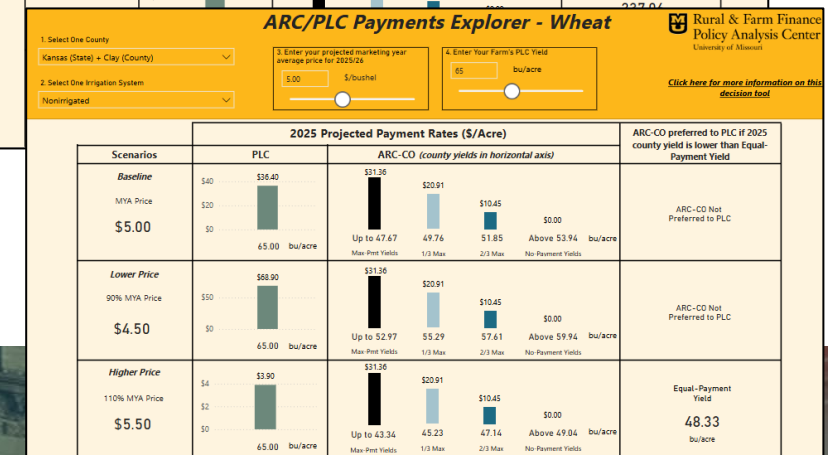
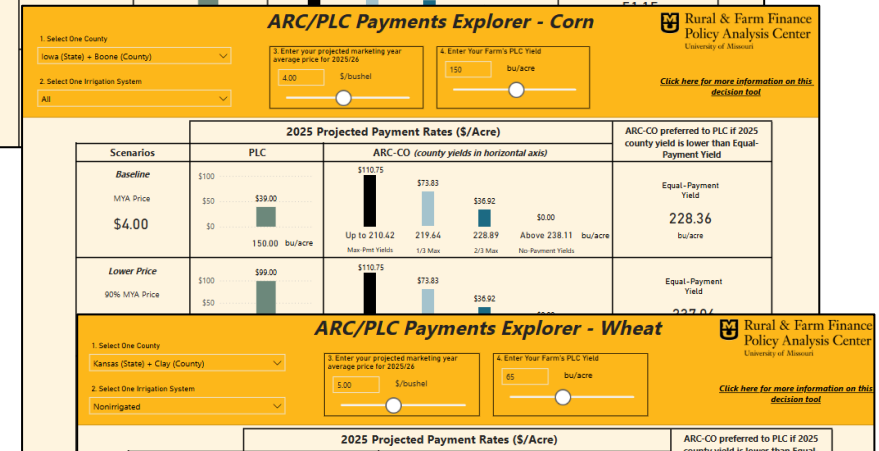
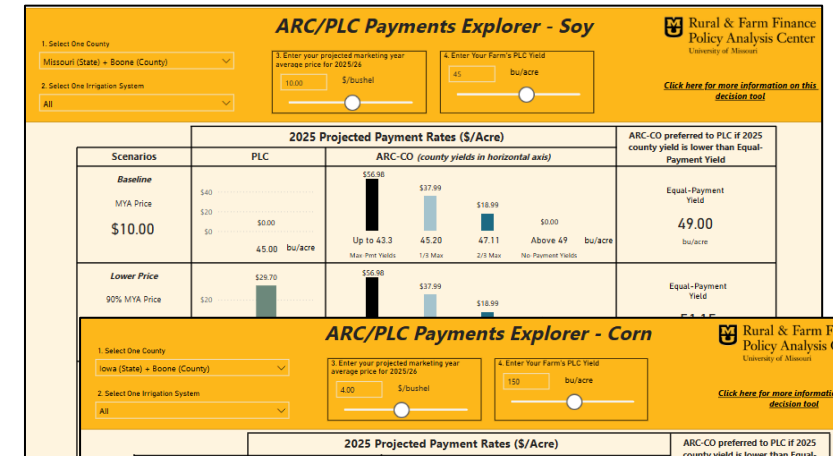
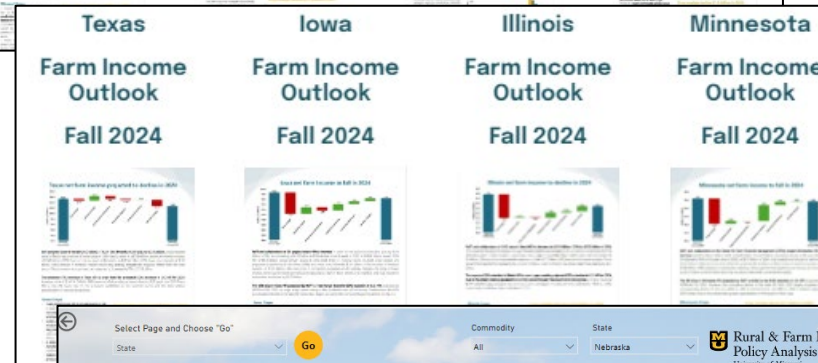
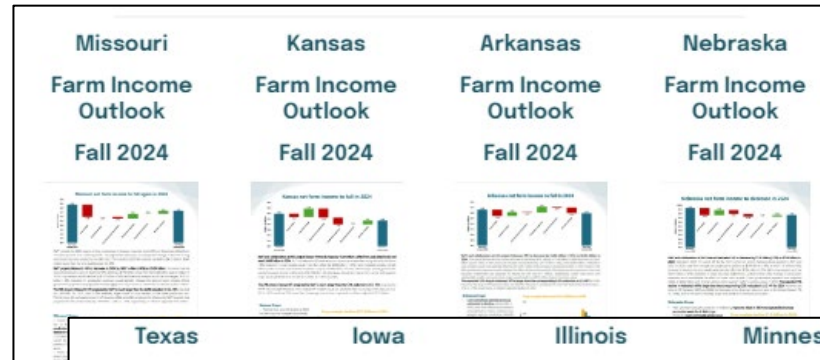
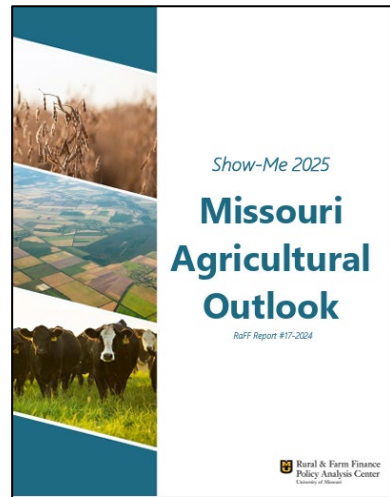




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Policy Briefs

Changes in Adoption Patterns of Beginning and Long-term No-Till Adopters

March 27, 2025 - RaFF Policy Brief 2025-3(2)

Projected National ARC-CO & PLC Payments for Corn-Base Acres

March 25, 2025 - RaFF Policy Brief 2025-3(1)

Projected 2024 and 2025 ARC-CO and PLC Payments for Missouri Farmers

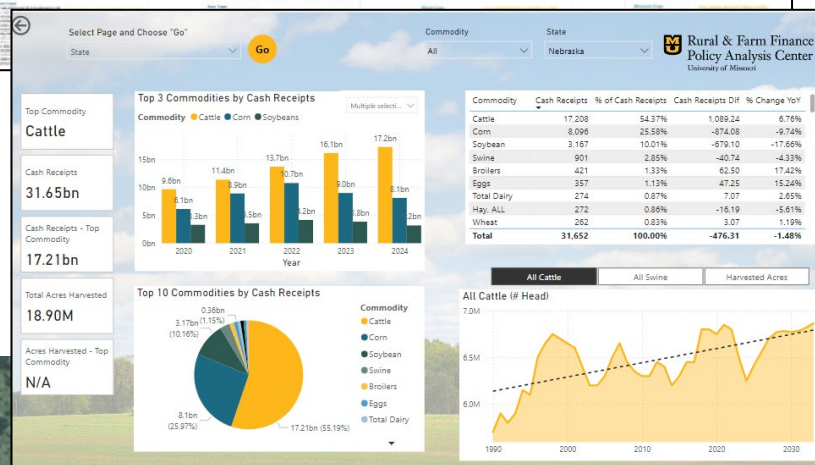
March 11, 2025 - RaFF Policy Brief 2025-2(9)

Debt Repayment Capacity Among U.S. Crop Farm Businesses

March 11, 2025 - RaFF Policy Brief 2025-2(8)



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The Bottomline

- ❑ Short & medium-term pain for field crops
 - ❑ Lower prices, some costs remain high
- ❑ Cattle sector in good shape
 - ❑ Limited supply, high prices, lower feed costs
- ❑ Sizable ad-hoc direct government payments in 2025
- ❑ Higher Net Farm Income in 2025
- ❑ Policy outlook very uncertain: tariffs and trade, Farm Bill, 2026?



U.S corn supply and use

	2022/23 USDA	2023/24 USDA	2024/25 USDA FAPRI	2025/26 FAPRI
Area planted (mil. acres)	88.2	94.6	90.6 90.6	93.5
Yield (bu./harvested acre)	173.4	177.3	179.3 179.3	182.0
Production (mil. bu.)	13,651	15,341	14,867 14,867	15,539
Feed use	5,486	5,805	5,750 5,776	5,924
Ethanol and other domestic use	6,558	6,868	6,890 6,913	6,937
Exports	1,662	2,292	2,550 2,425	2,541
Ending stocks	1,360	1,763	1,465 1,541	1,704
Marketing year avg. price (\$/bu.)	6.54	4.55	4.35 4.31	4.23



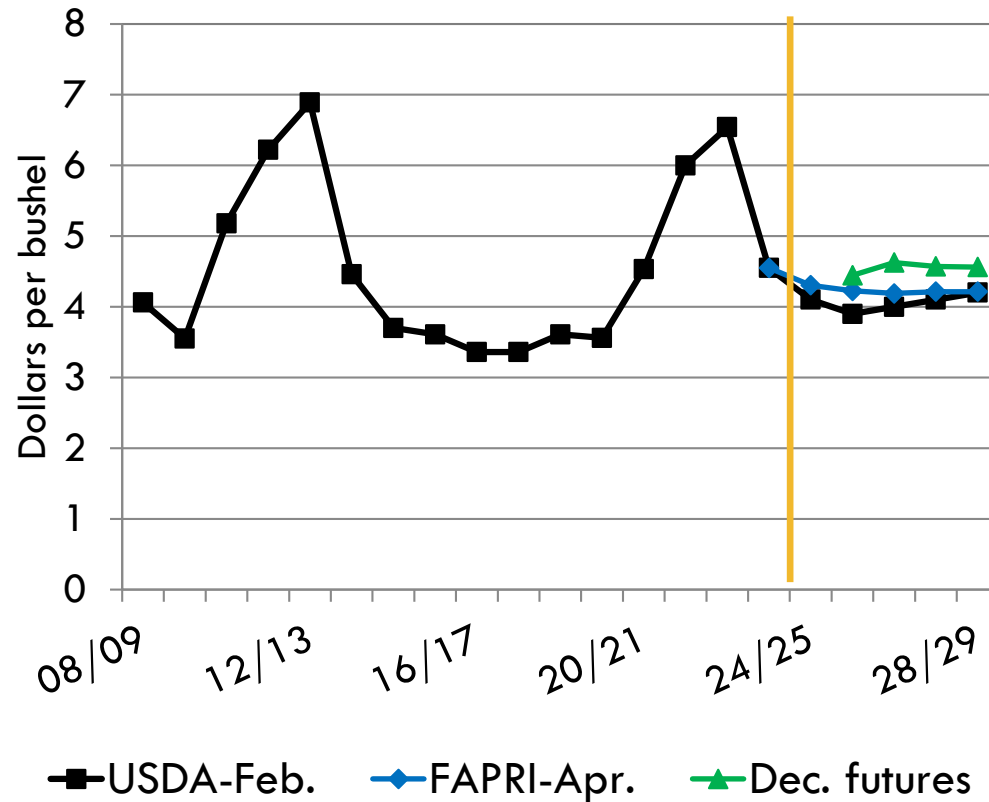
U.S wheat supply and use

	2022/23 USDA	2023/24 USDA	2024/25 USDA FAPRI	2025/26 FAPRI
Area planted (mil. acres)	45.8	49.6	46.1 46.1	46.4
Yield (bu./harvested acre)	46.5	48.7	51.2 51.2	49.9
Production (mil. bu.)	1,650	1,804	1,971 1,971	1,876
Feed and residual use	74	85	120 121	112
Food and seed use	1,114	1,108	1,152 1,030	1,034
Exports	762	707	820 842	818
Ending stocks	570	696	846 799	836
Marketing year avg. price (\$/bu.)	8.83	6.96	5.50 5.54	5.50

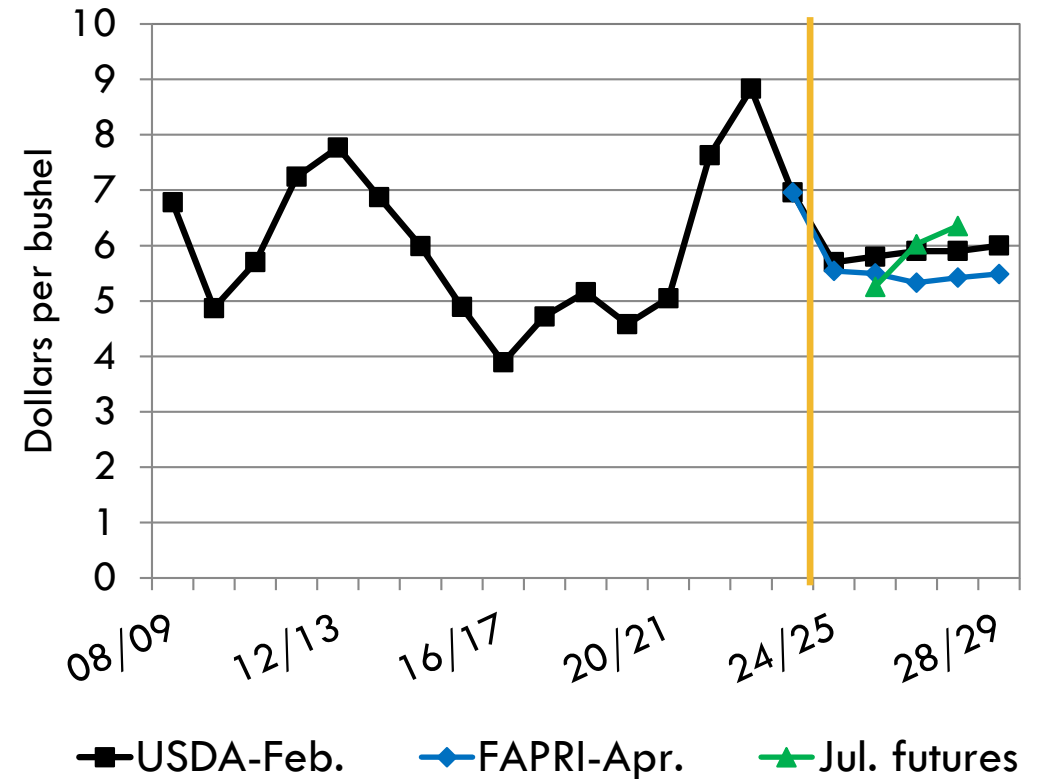


U.S. corn and wheat prices

U.S. corn prices



U.S. wheat prices



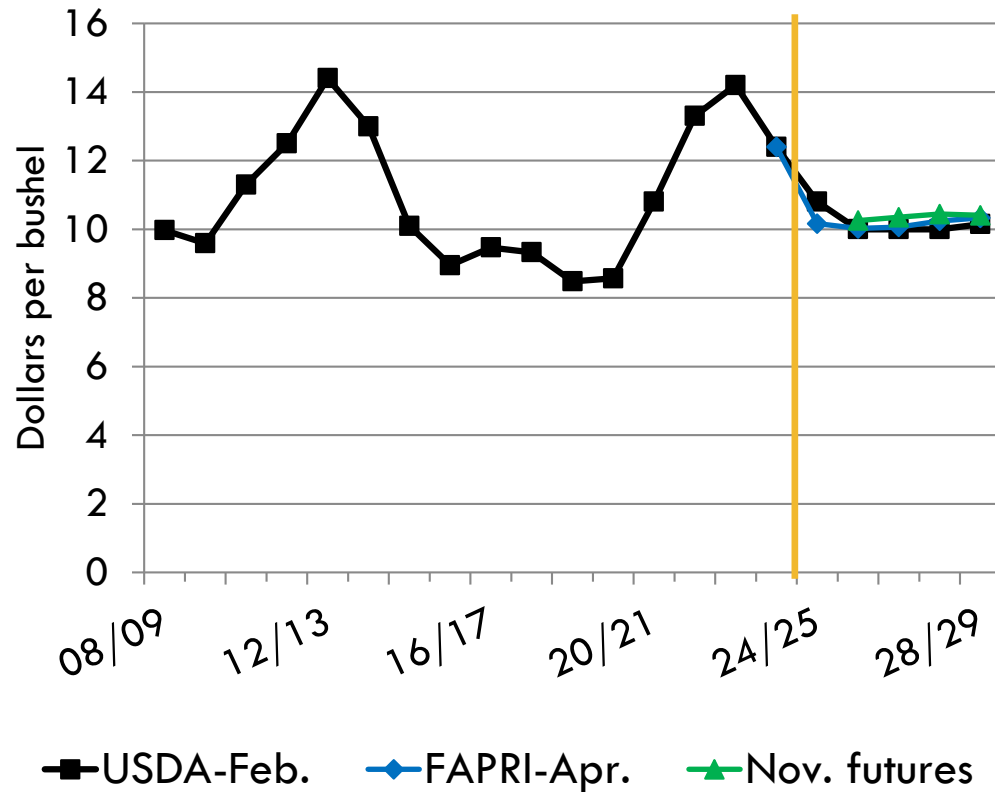
U.S soybean supply and use

	2022/23 USDA	2023/24 USDA	2024/25 USDA FAPRI	2025/26 FAPRI
Area planted (mil. acres)	87.5	83.6	87.1 87.1	85.0
Yield (bu./harvested acre)	49.6	50.6	50.7 50.7	52.6
Production (mil. bu.)	4,270	4,162	4,366 4,366	4,422
Crush	2,212	2,285	2,420 2,415	2,438
Seed and residual use	113	124	114 115	119
Exports	1,980	1,695	1,825 1,828	1,848
Ending stocks	264	342	375 381	418
Marketing year avg. price (\$/bu.)	14.20	12.40	9.95 10.16	10.02

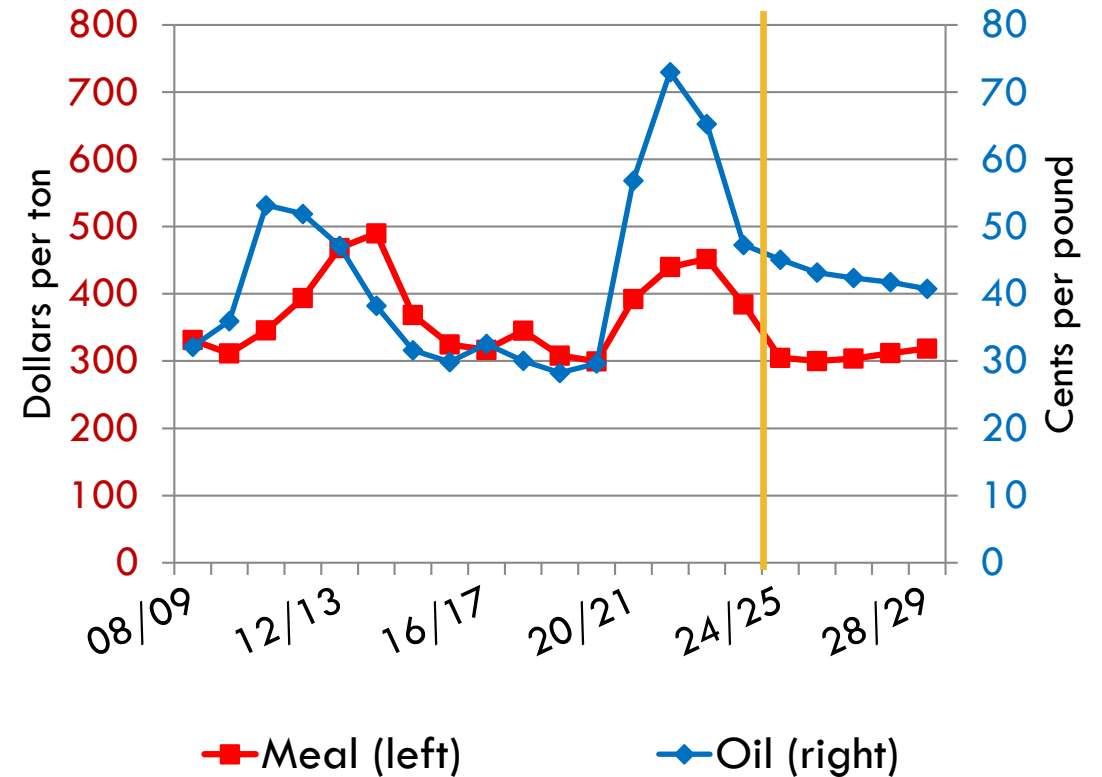


U.S. soybean & soybean product prices

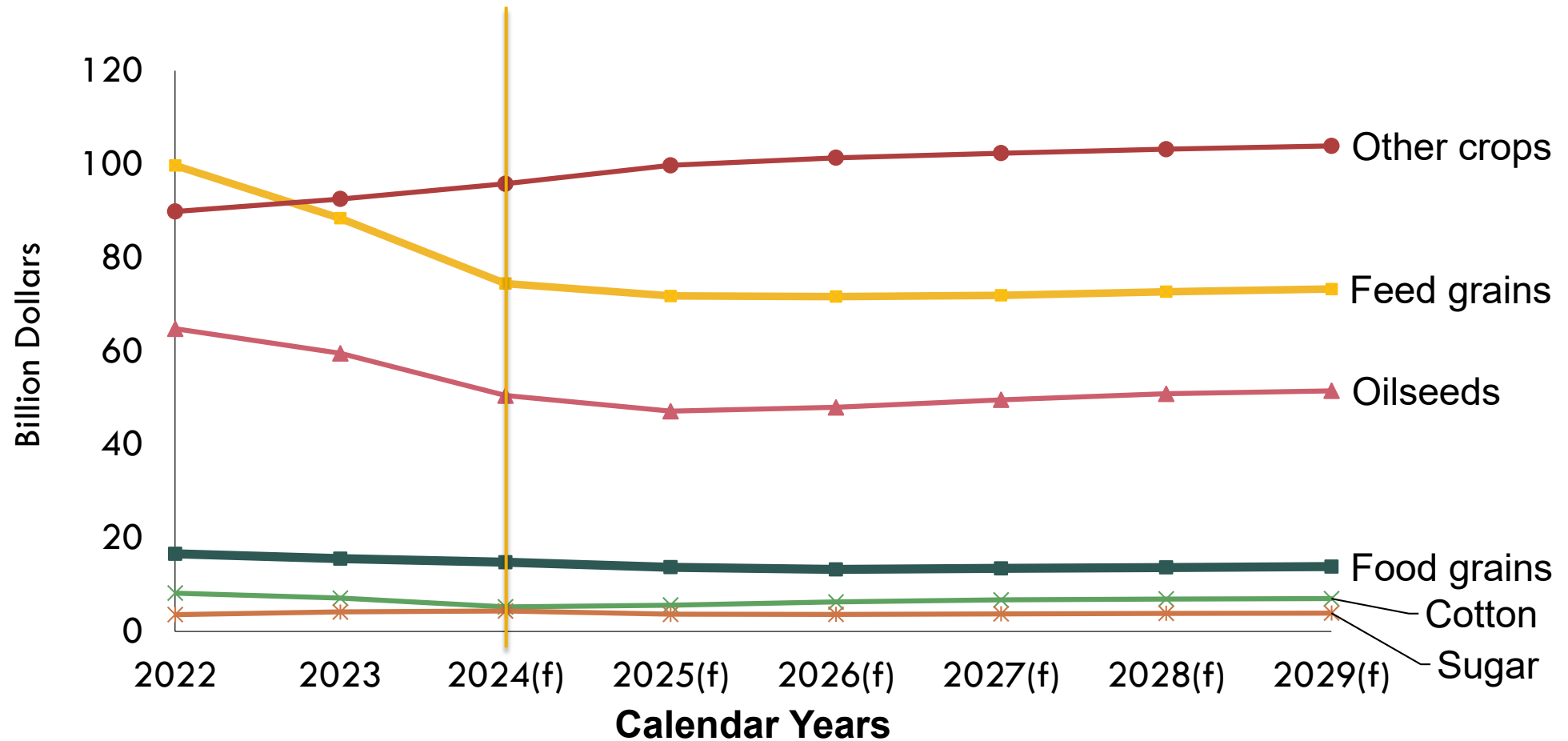
U.S. soybean prices



U.S. soybean product prices (FAPRI-Apr)

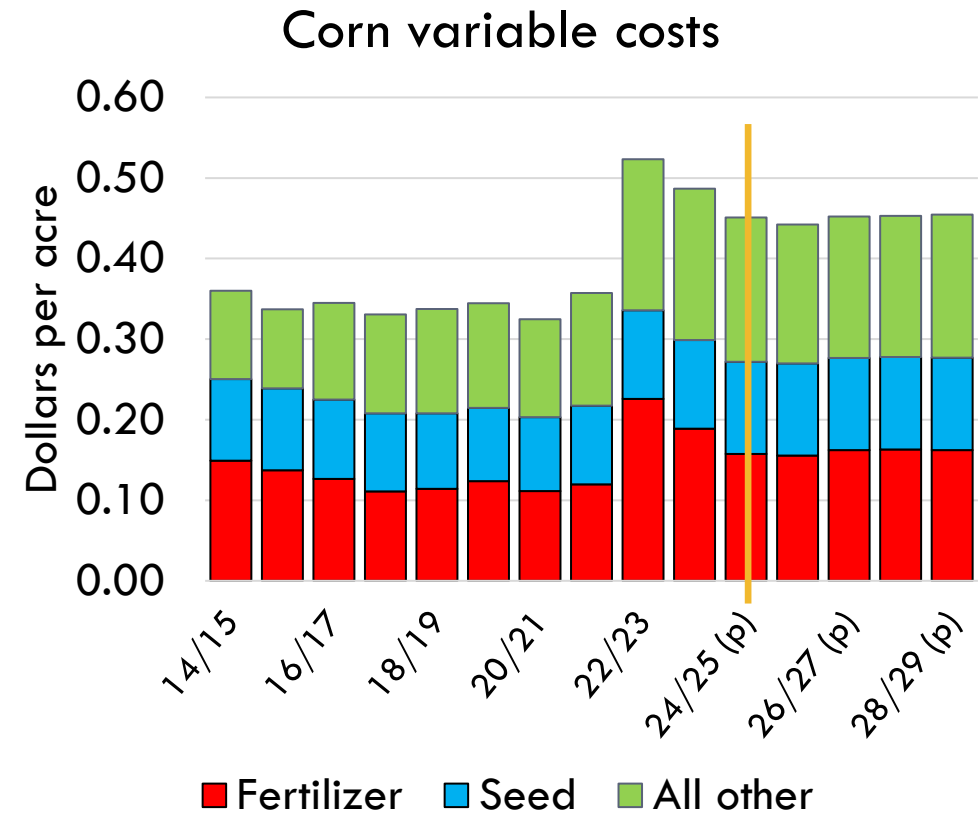


U.S. Cash Receipts from Crops (FAPRI)

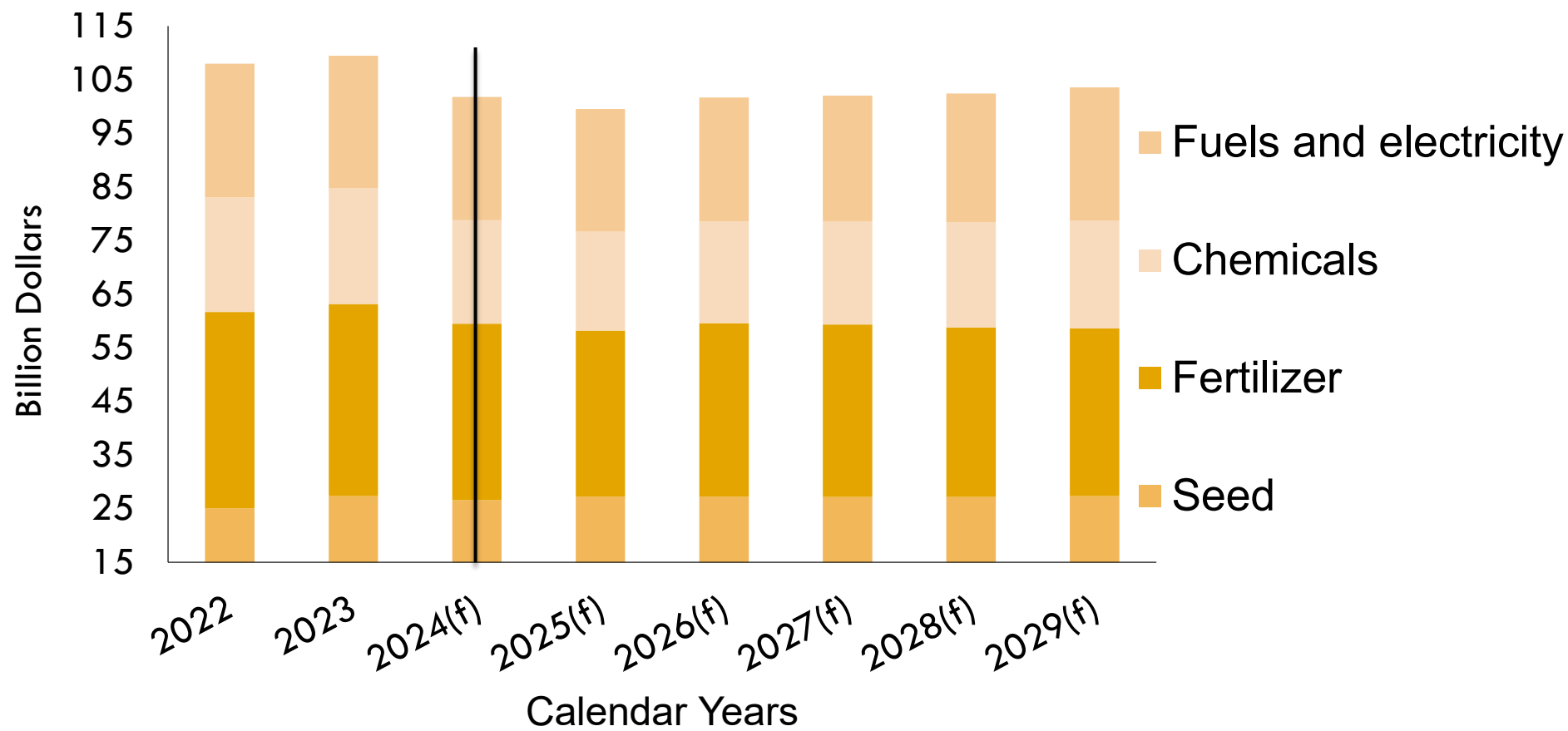


U.S. Corn Production Costs

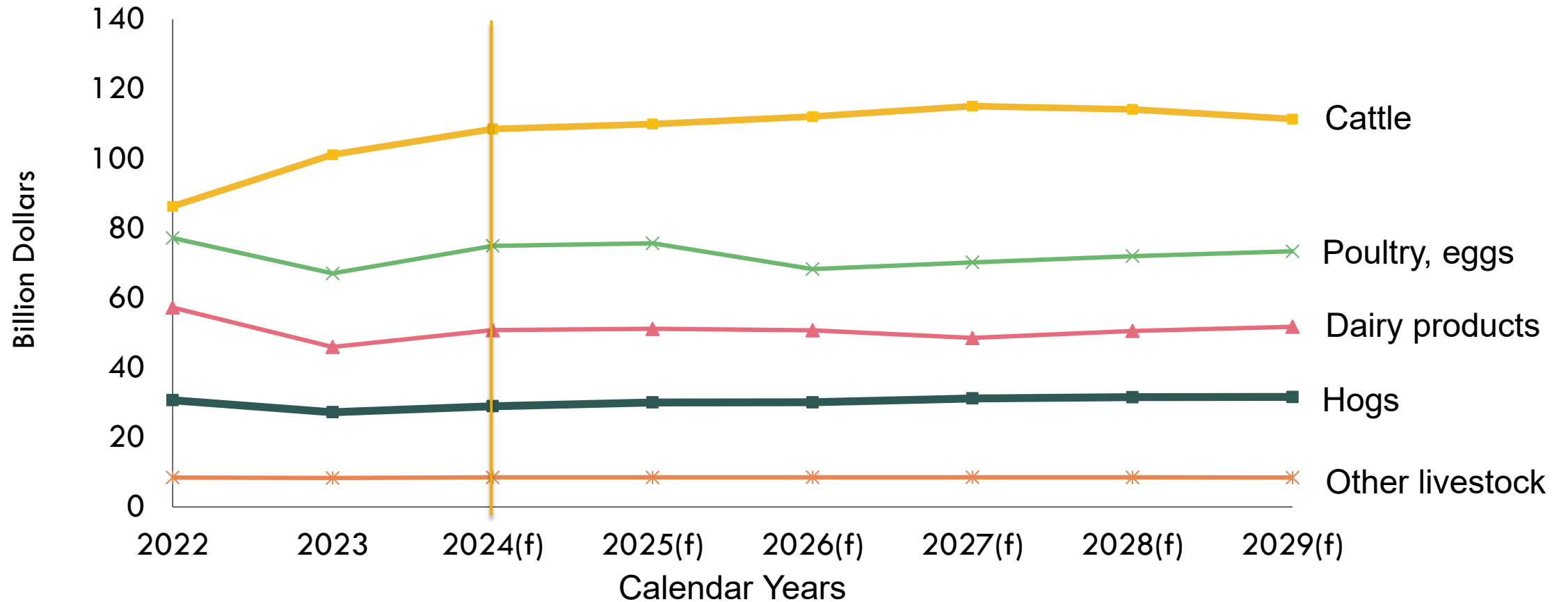
- Variable costs increased sharply in 2022/23
 - ▣ Fertilizer costs a major factor
 - ▣ Also, higher costs for chemicals, fuel and other inputs
- Some costs have dropped
 - ▣ But costs remain well above 2021/22
 - ▣ And have not dropped nearly as much as corn prices
- **Similar pattern for other crops**



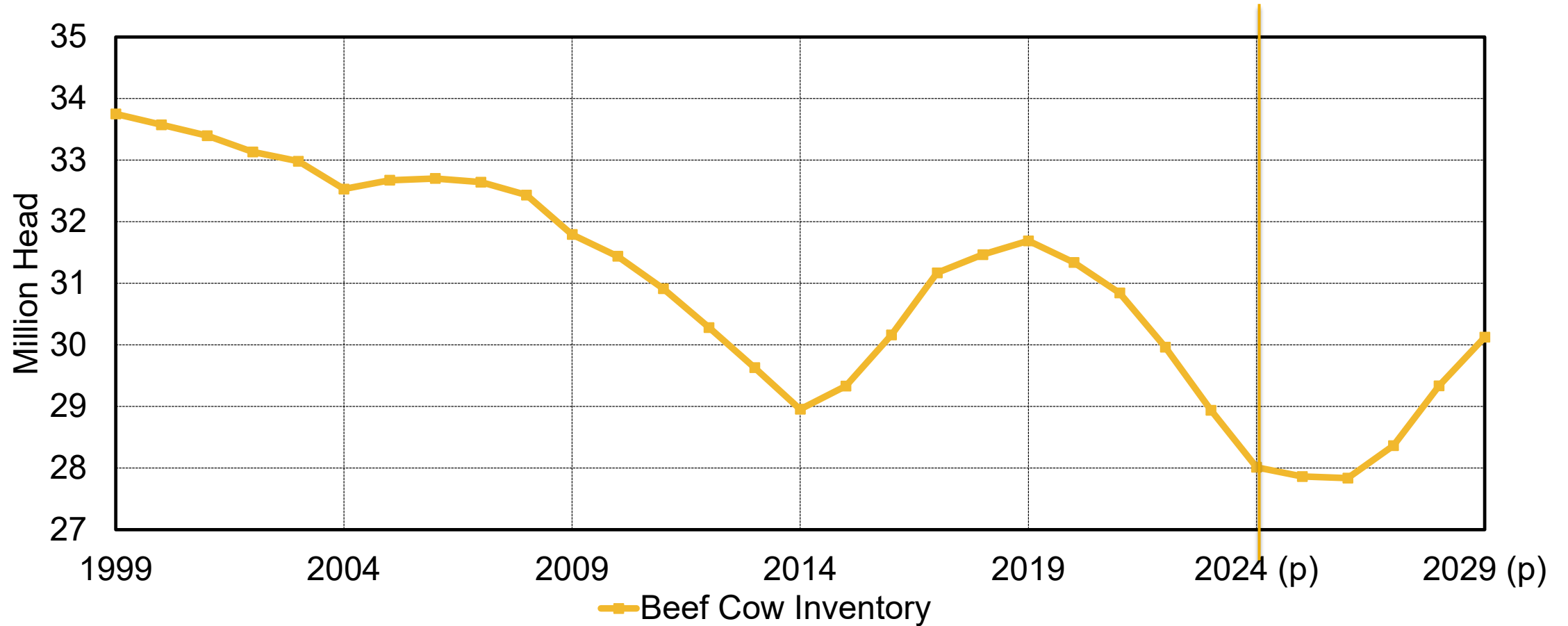
Variable Costs of Crop Production Down



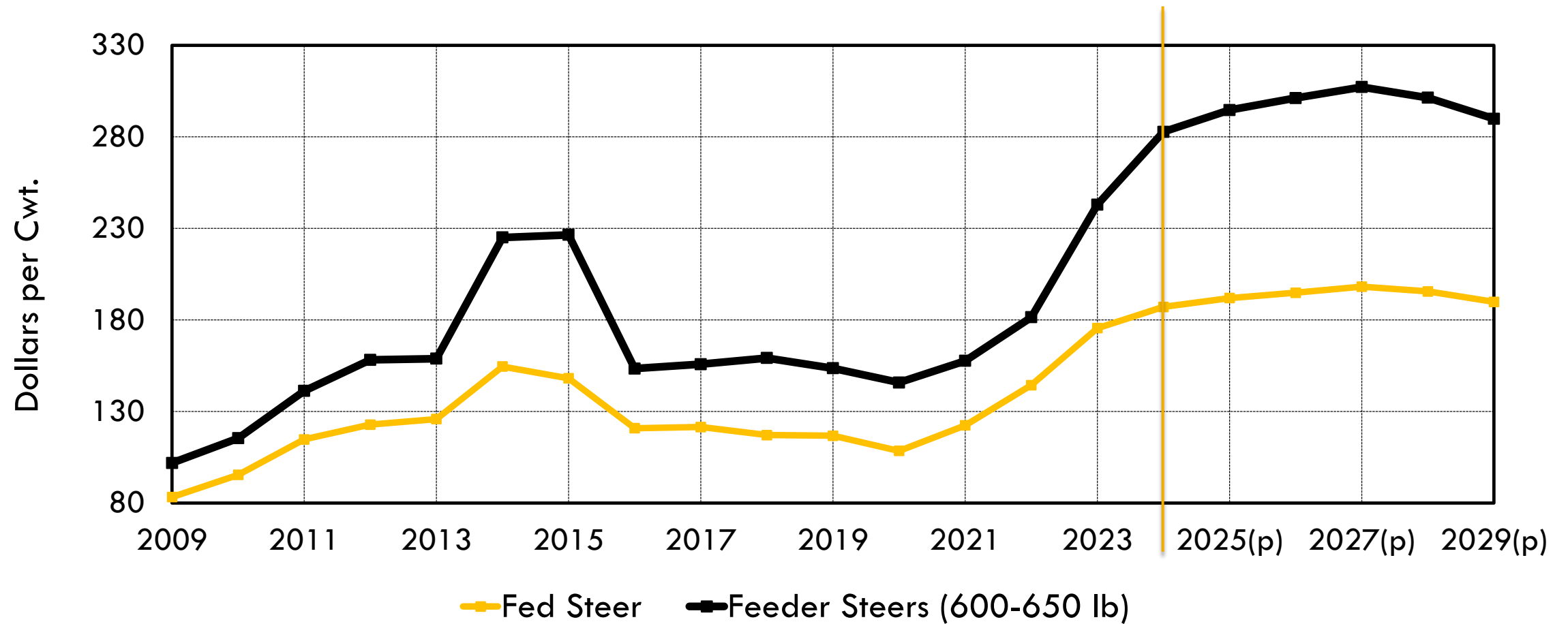
U.S. Cash Receipts from Livestock



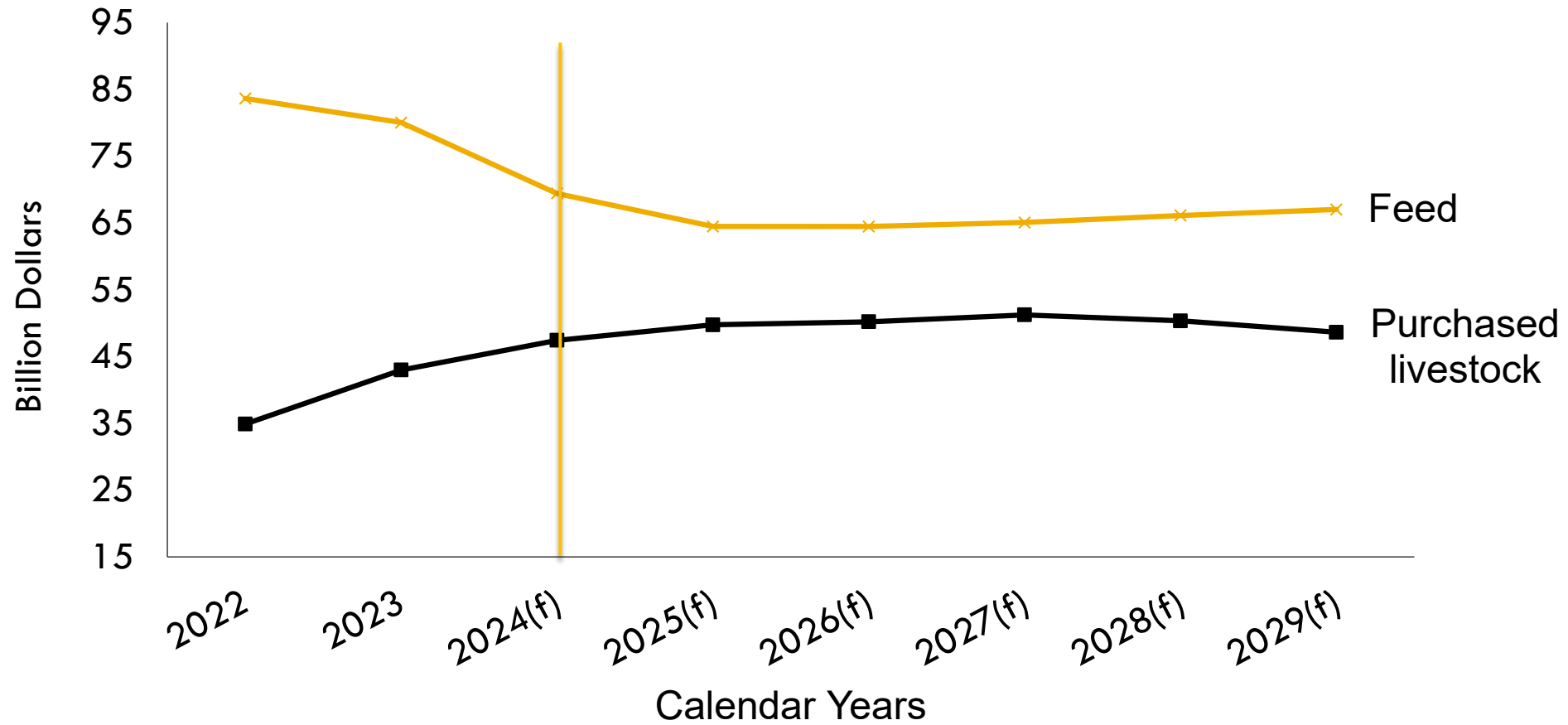
U.S. Beef Cow Herd Falls until 2026



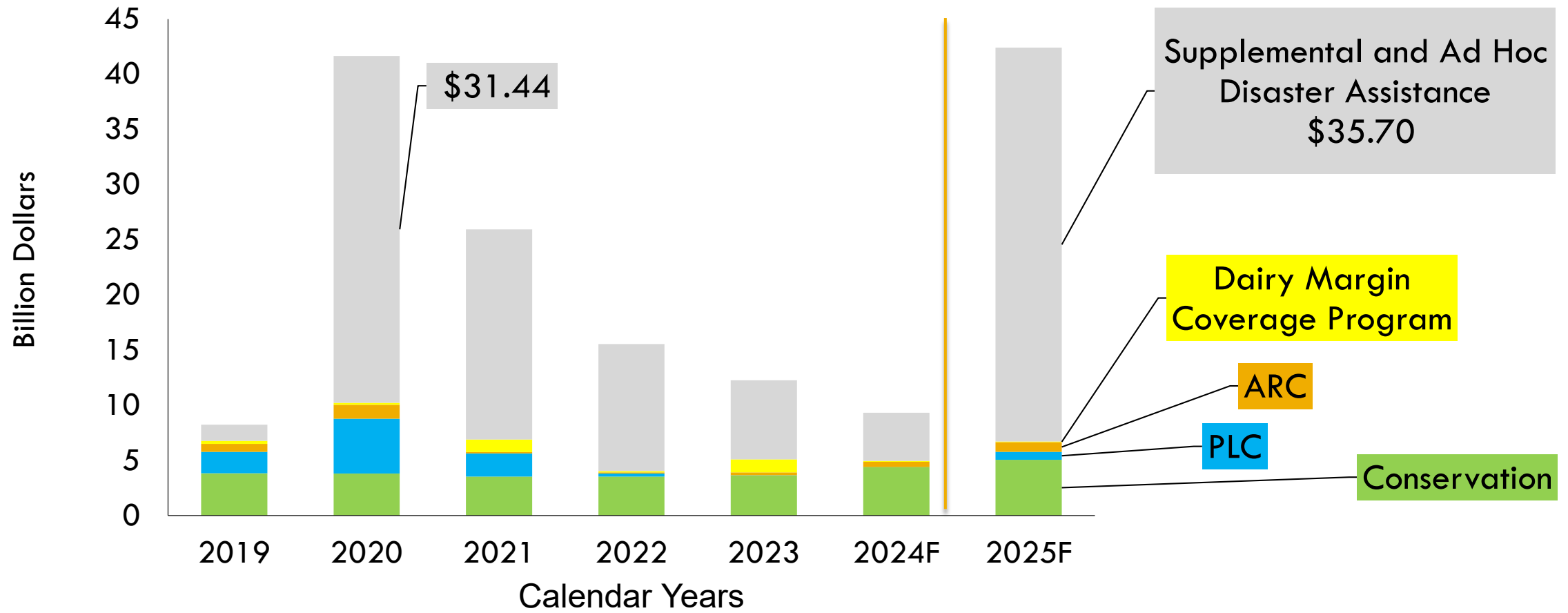
U.S. Cattle Prices



Costs of Purchased Livestock Increase, Feed Costs Decline



U.S. Direct Government Payments (USDA)



Emergency Commodity Assistance Program (ECAP)

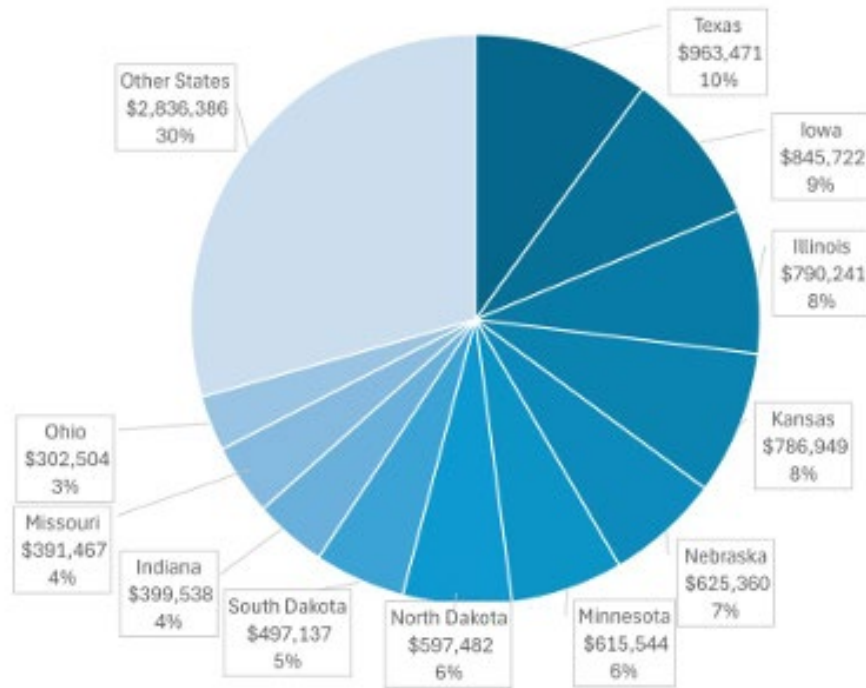


Figure 1. Total Economic Assistance by State, in thousand dollars.

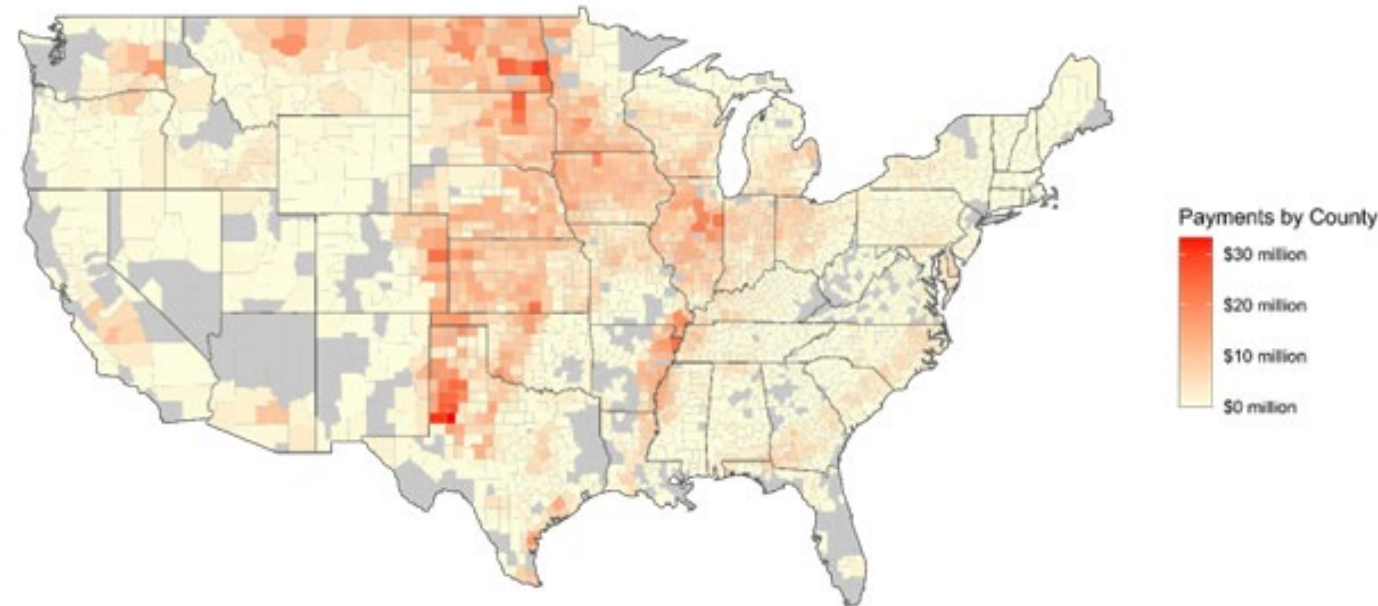


Figure 11. Total Projected Economic Assistance to Selected Crop Producers by County.
(Selected crops: barley, corn, cotton, oats, peanuts, grain sorghum, soybeans, wheat and rice).

Recommended citation format: Plastina, A., and M. Rosenbohm. "American Relief Act, 2025: Economic Assistance for Crop Producers." *RaFF Policy Brief 2024-12(2)*, Division of Applied Social Sciences, University of Missouri-Columbia, December 21, 2024. Available at www.RaFF.missouri.edu

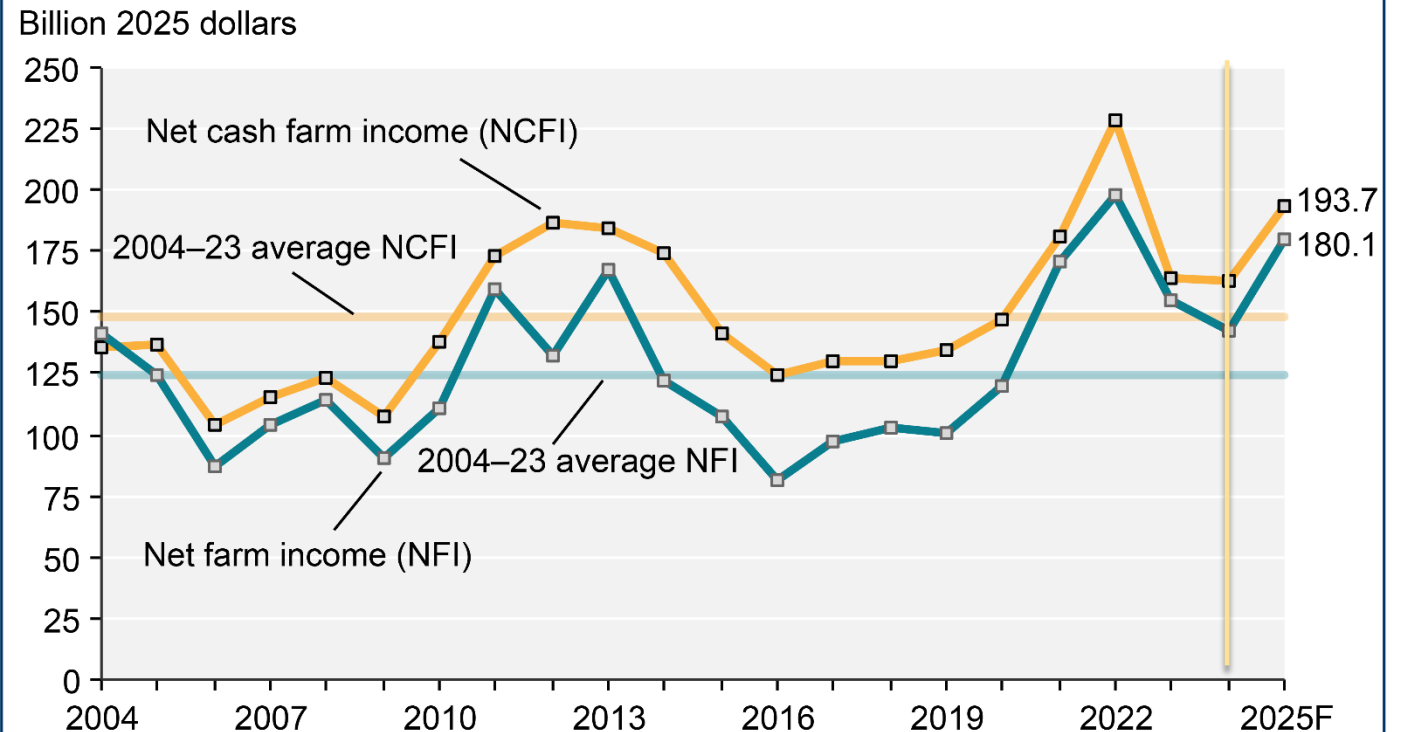


U.S. Farm Income Projection by USDA/ERS

2025F:

- NFI +\$41.0 billion (+29.5%)
- NCFI +34.5 billion (+21.7%)

U.S. net farm income and net cash farm income, inflation adjusted, 2004–25F

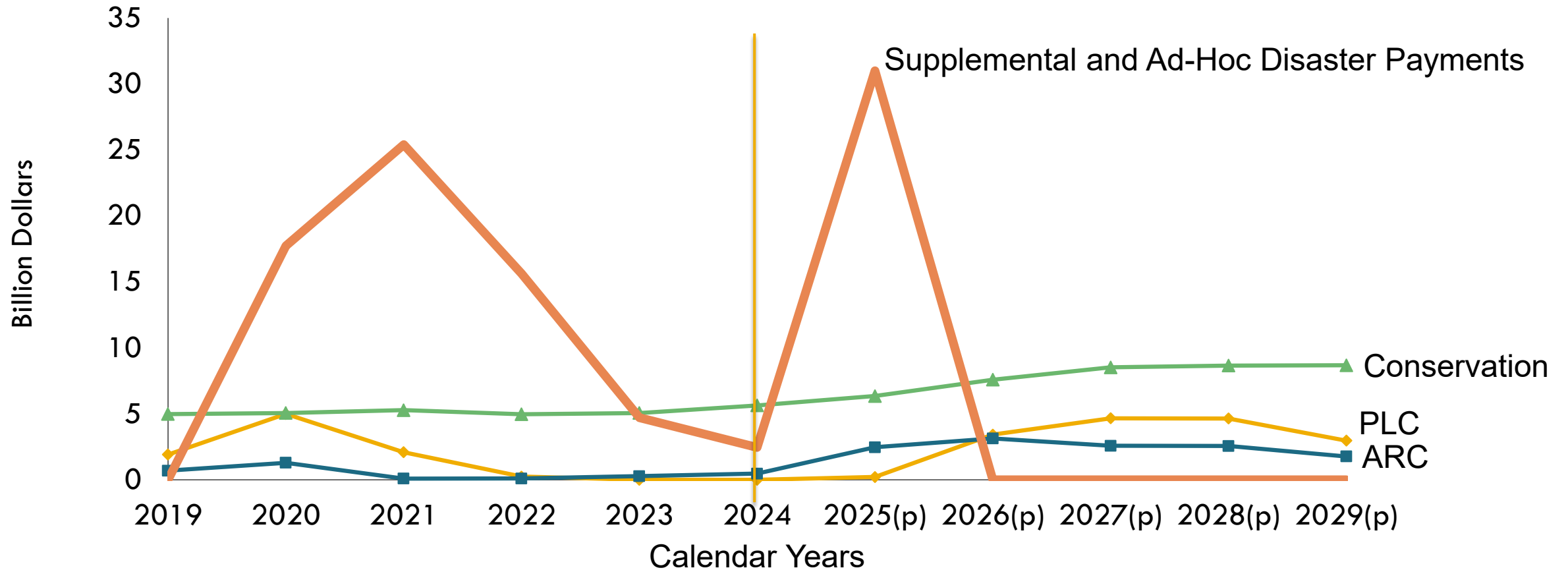


Note: F = forecast; data for 2024 and 2025 are forecasts. Values are adjusted for inflation using the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2025 by USDA, Economic Research Service.

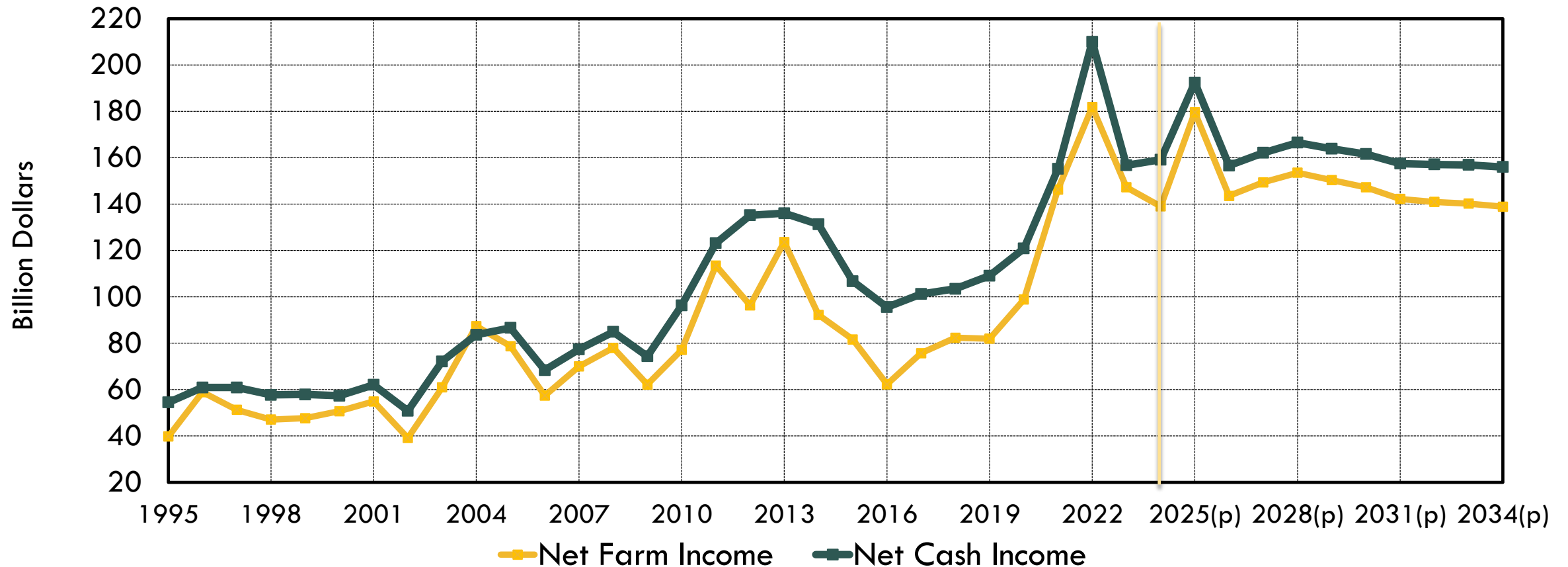
Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.
Data as of February 6, 2025.



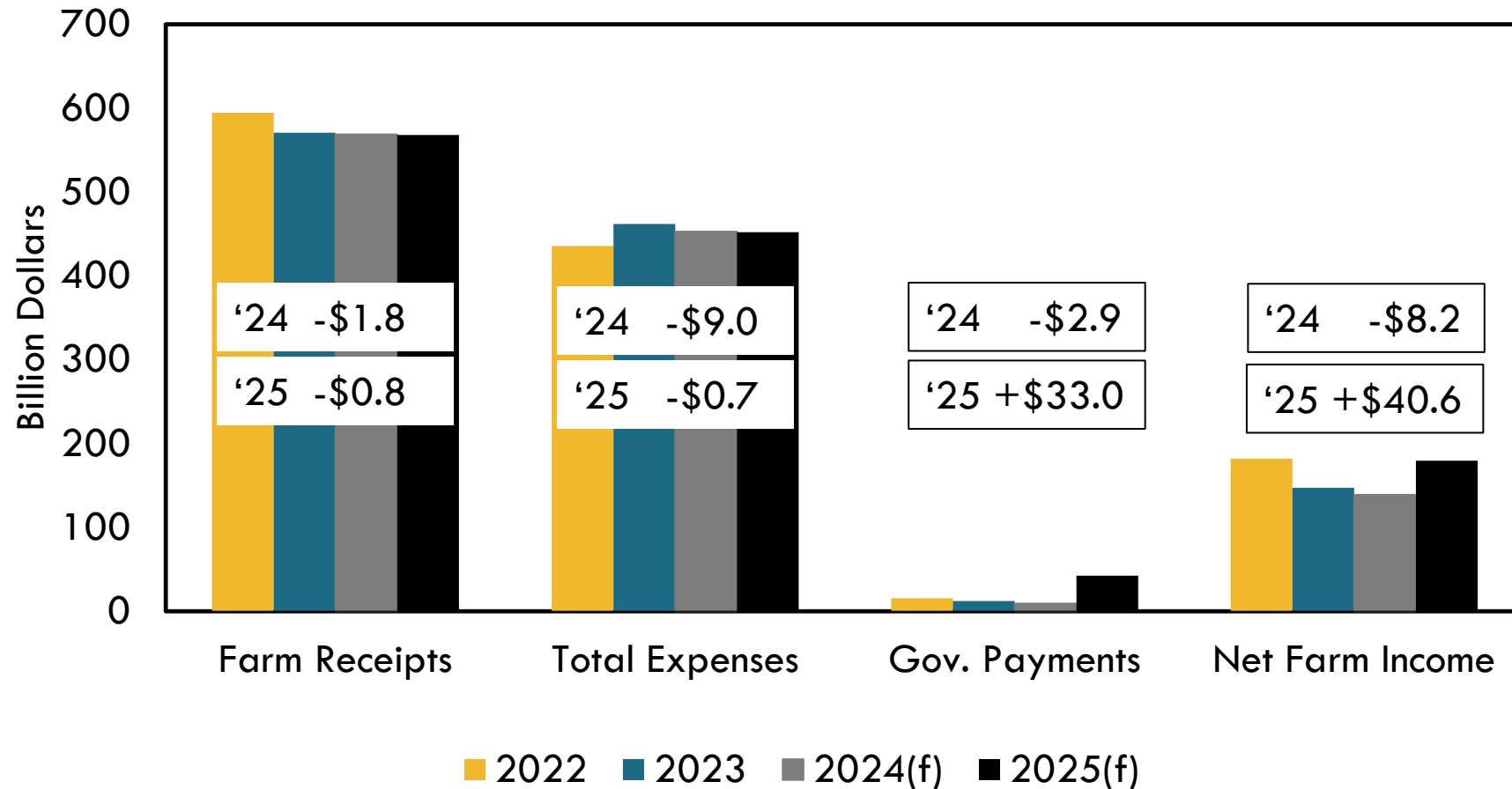
Direct Government Payments (FAPRI)



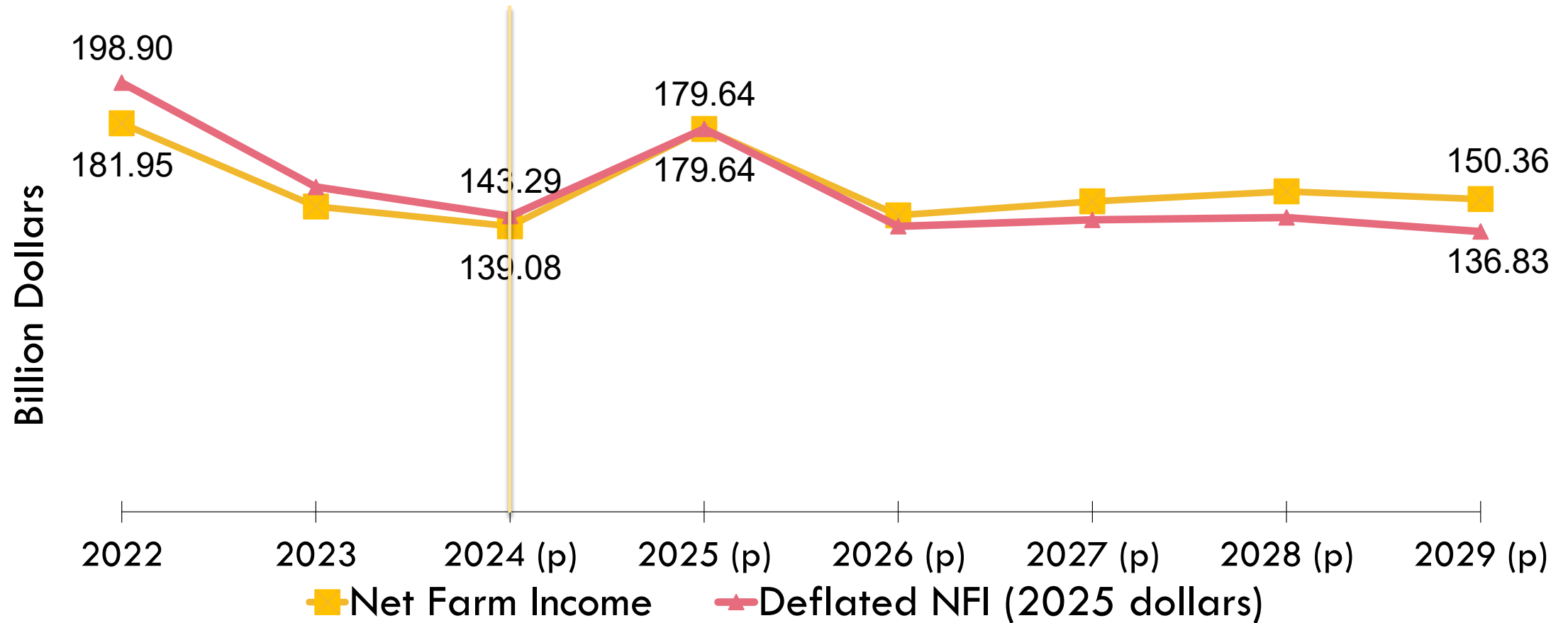
U.S. Farm Income Measures (FAPRI)



Farm Income Changes by Component (FAPRI)



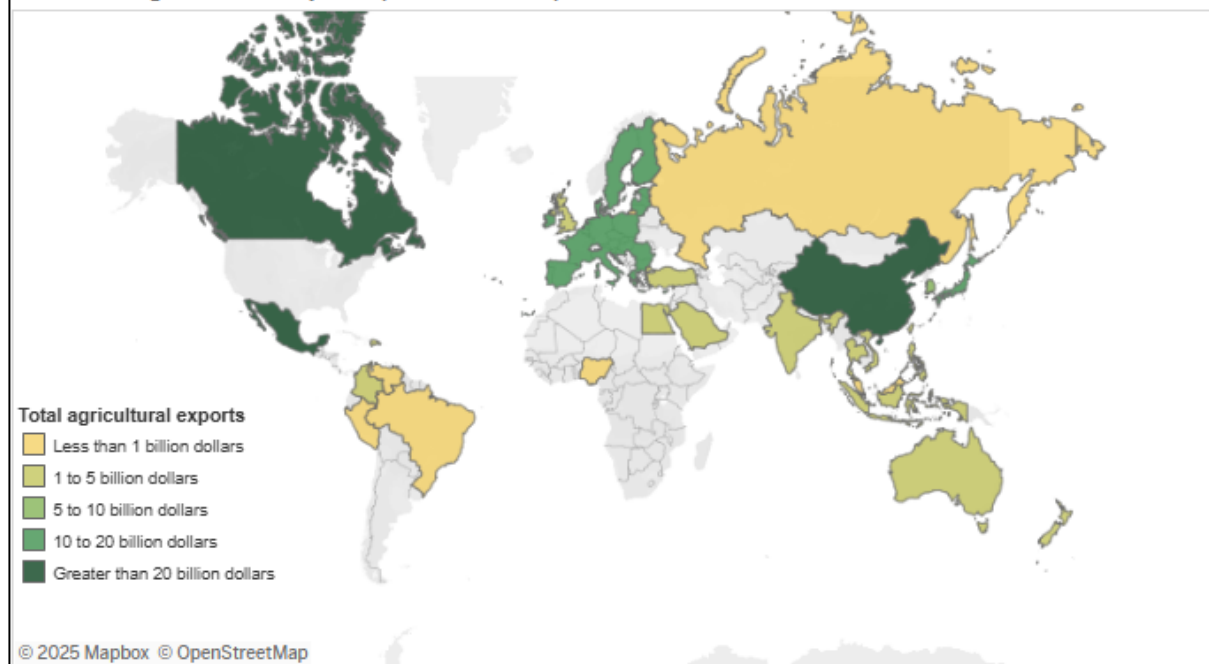
Long-term U.S. Net Farm Income Projections



Uncertainty from Trade Effects: Ag Exports

□ Trade War? Re-play of 2019-20?

Total U.S. agricultural exports (billion dollars)

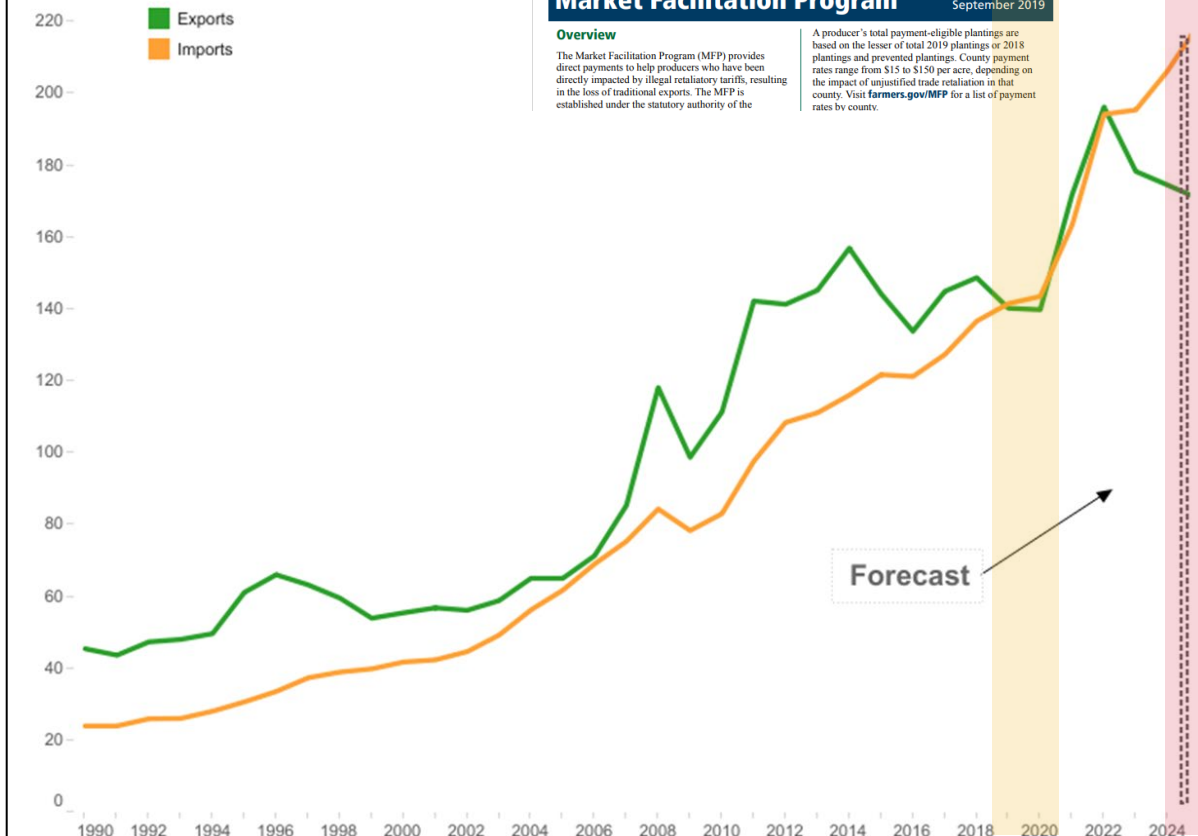


Note: Trade forecasts for the fiscal year (FY) are released quarterly. The previous FY 2025 forecast was released in November 2024, the FY 2025 current forecast was released in February 2025. Australia and New Zealand are combined into Oceania in this dataset.

Source: USDA, Economic Research Service and USDA, Foreign Agricultural Service analysis and forecasts using data from U.S. Department of Commerce, Bureau of the Census.

U.S. agricultural trade

Value, billion dollars

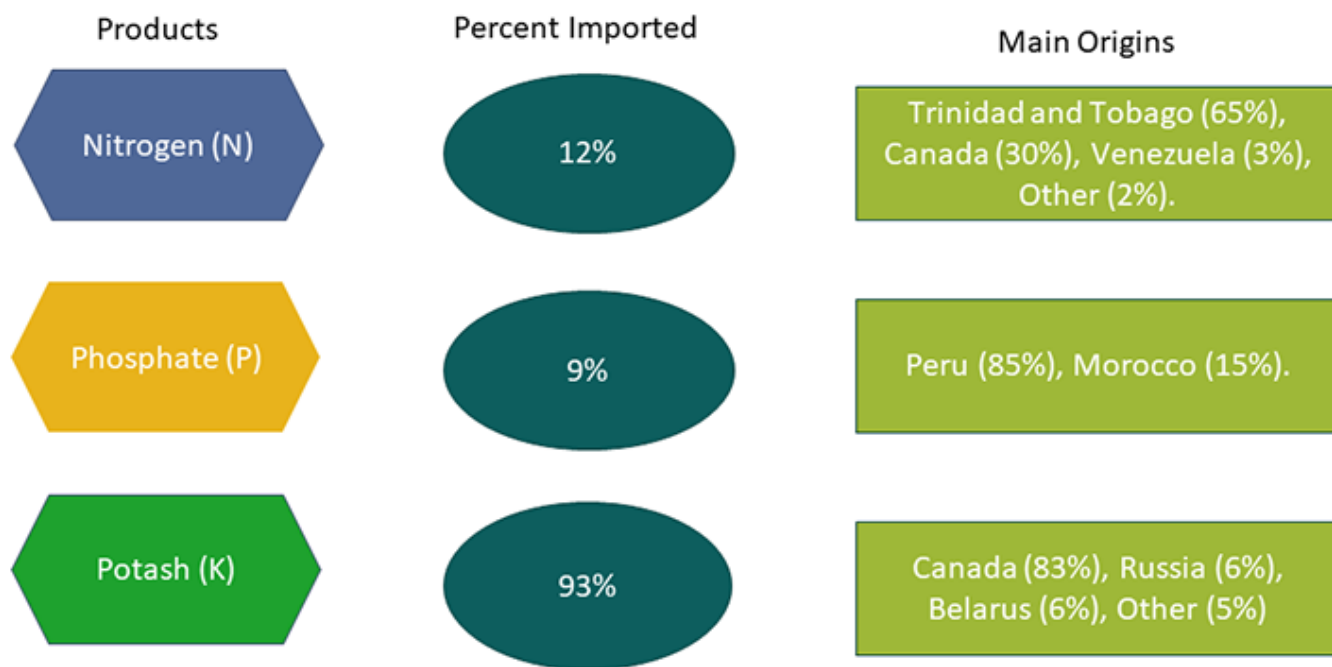


Source: USDA, Economic Research Service and USDA, Foreign Agricultural Service analysis and forecasts using data from U.S. Department of Commerce, Bureau of the Census.



Uncertainty from Trade Effects: Ag Input Imports

Figure 2. Dependence on Imported Fertilizers – United States



Source: U.S. Geological Survey, 2021, Mineral commodity summaries 2021: U.S. Geological Survey, 204 p.

farmdocDAILY

Tariffs as of April 30, 2025:

- Canada and Mexico (USMCA excluded): 25%
[Potash & energy: 10%]
 - China 145%
 - Peru and Morocco 10%
- Might increase by July 2025



Other Sources of Uncertainty

- ❑ Interest rates?
- ❑ Other input costs?
- ❑ New Farm Bill? Changes to ARC/PLC?
- ❑ Biofuels?



Thank you for your attention. What questions do you have?

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Nebraska Farm Income Situation and Outlook

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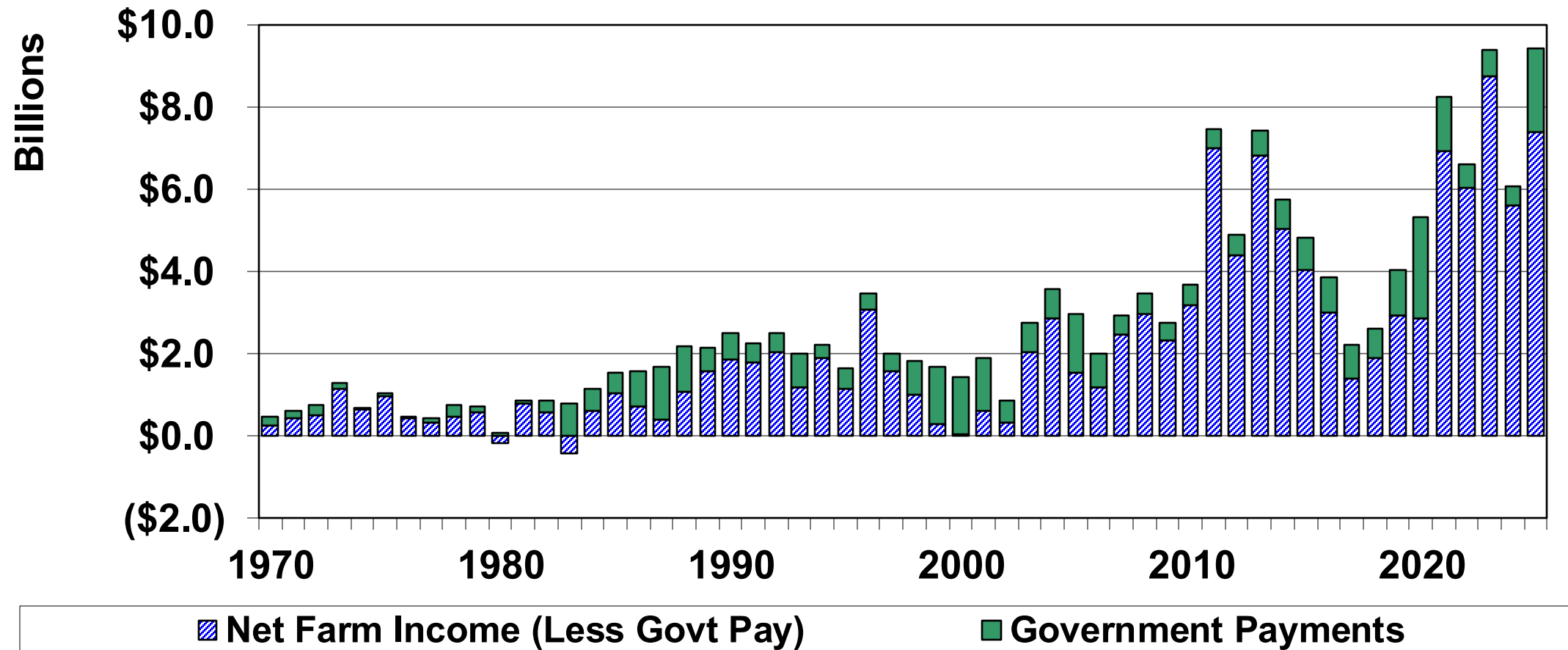
Farm Income Outlook and Management Issues for 2024 and 2025

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





Nebraska Net Farm Income



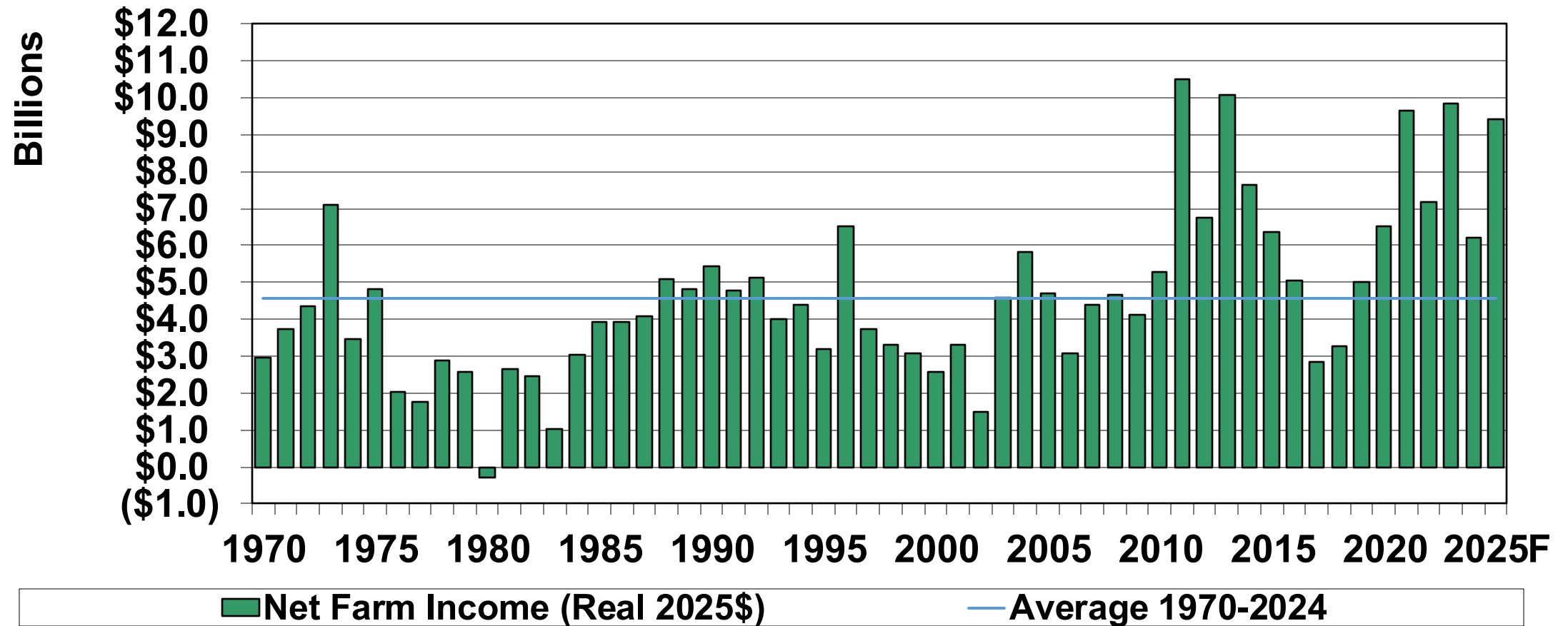
Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2025



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Nebraska Net Farm Income



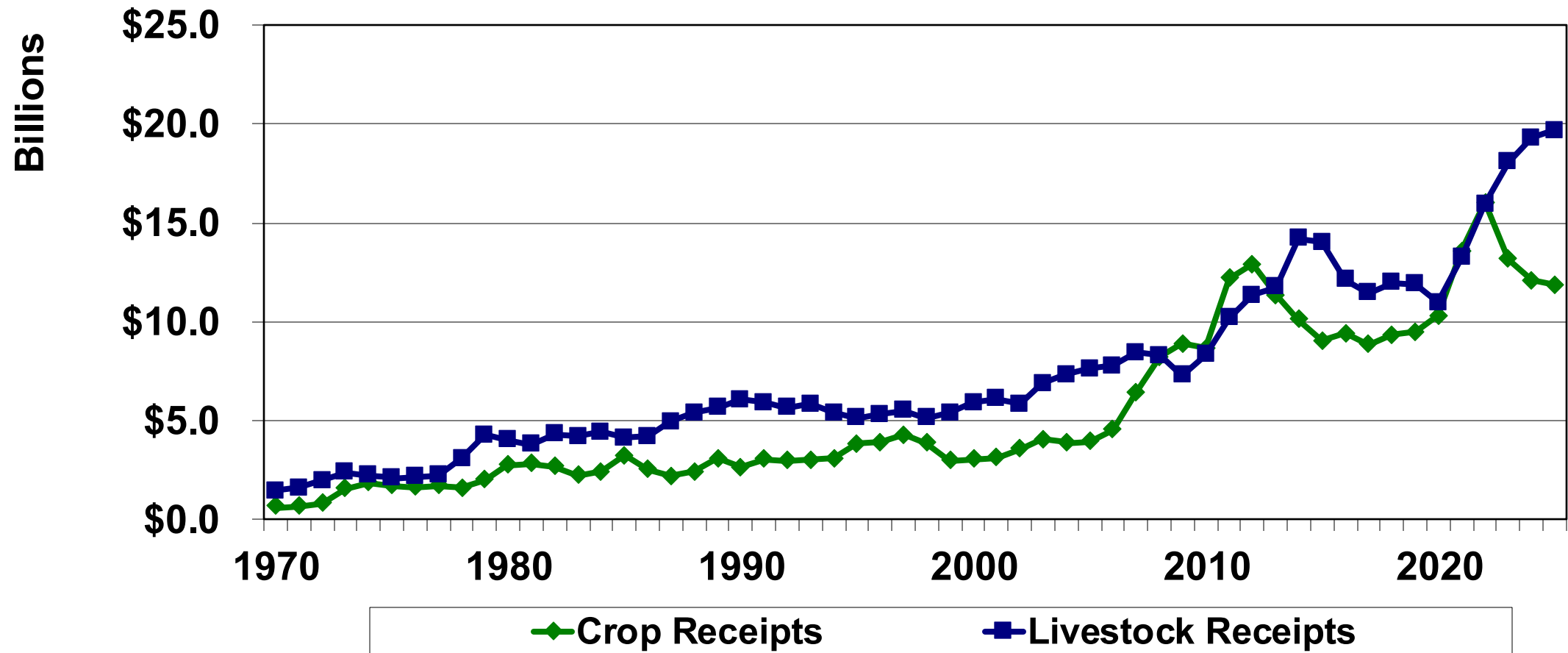
Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2025



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Nebraska Farm Receipts



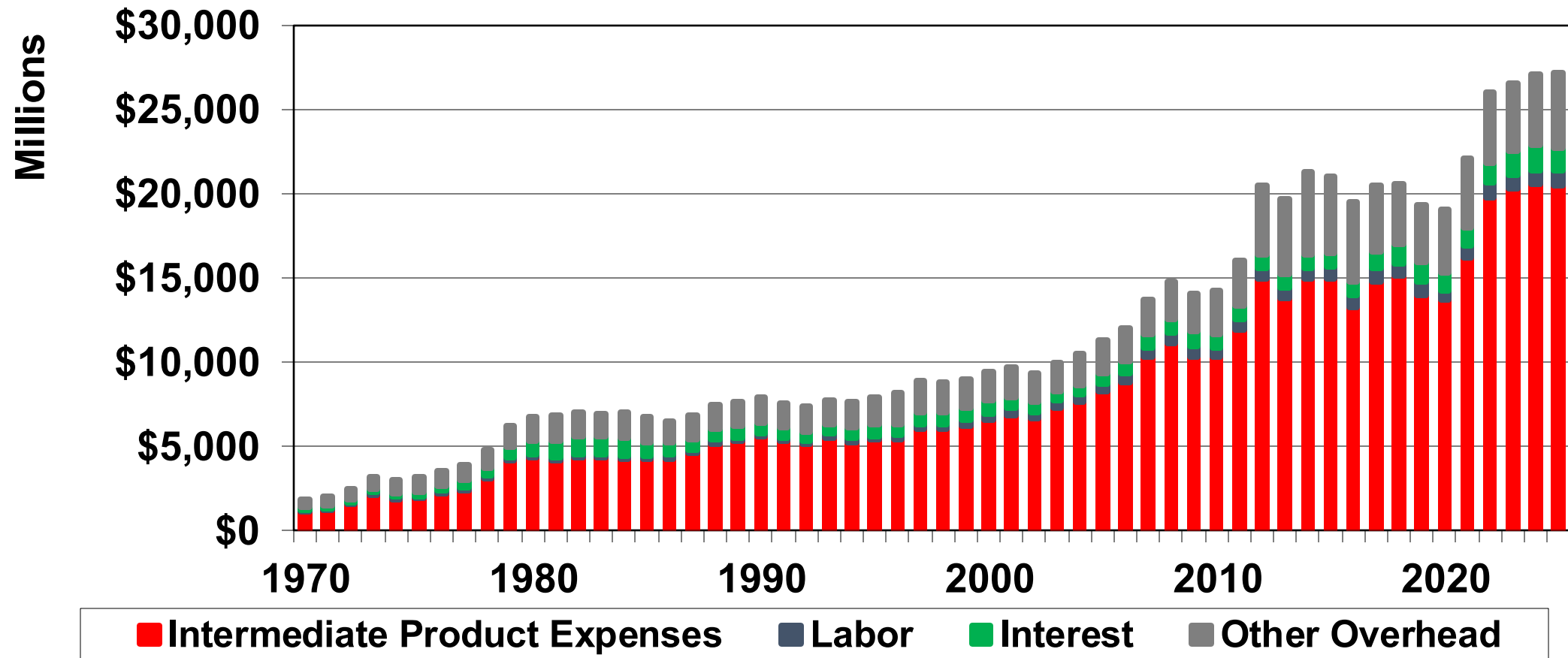
Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2025



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Nebraska Farm Expenses



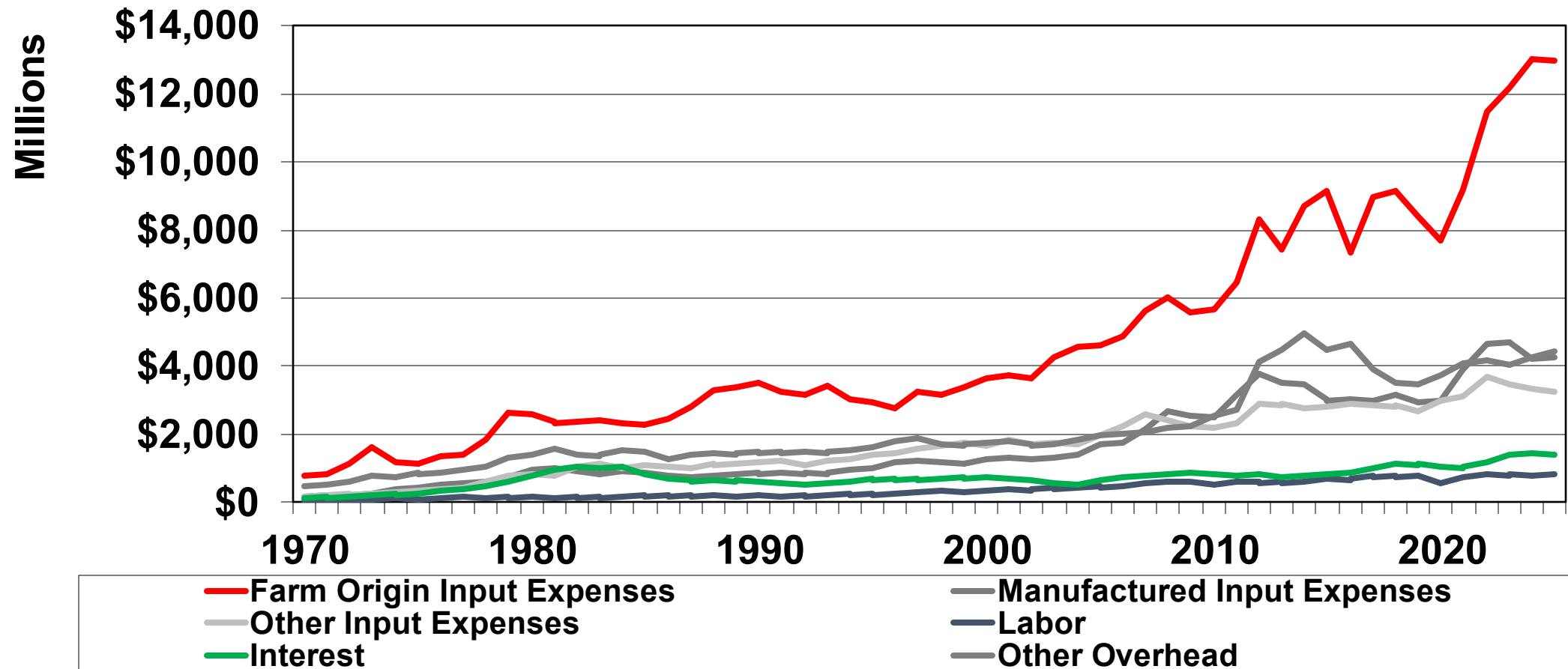
Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2025



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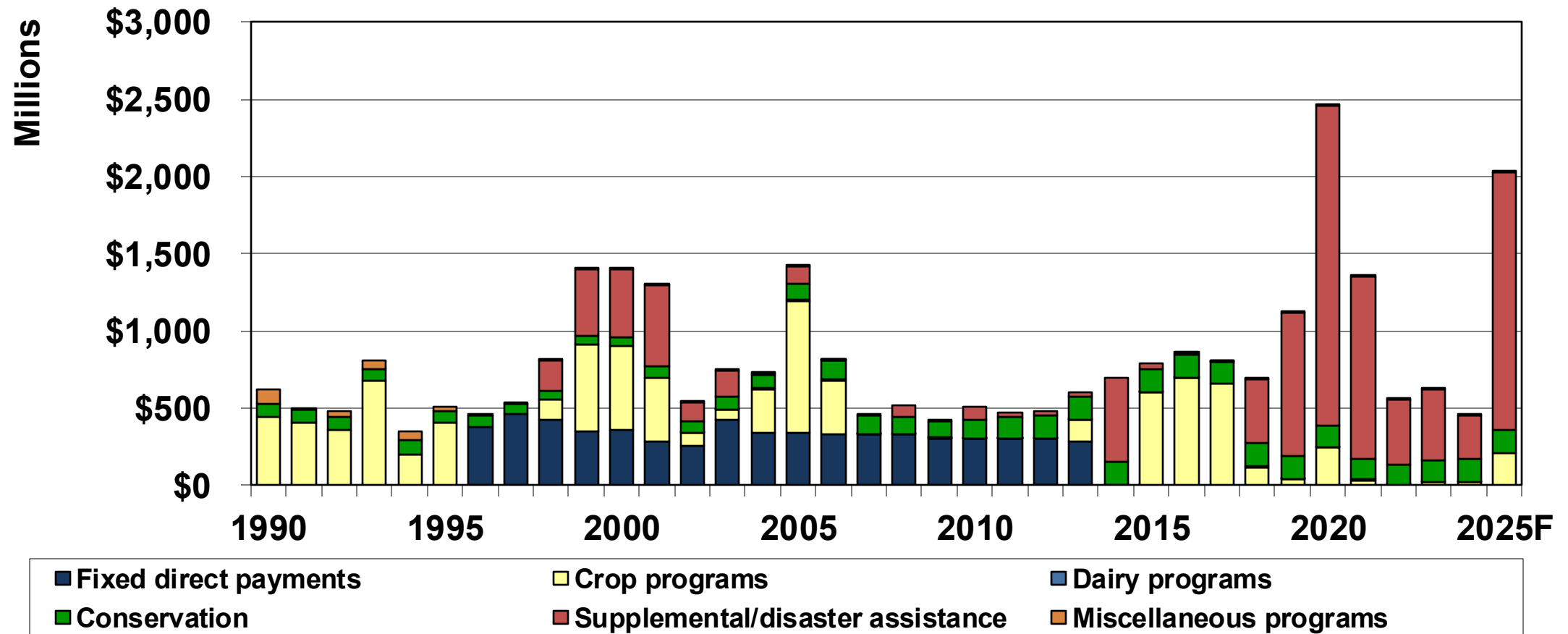
Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2025



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Nebraska Government Payments



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

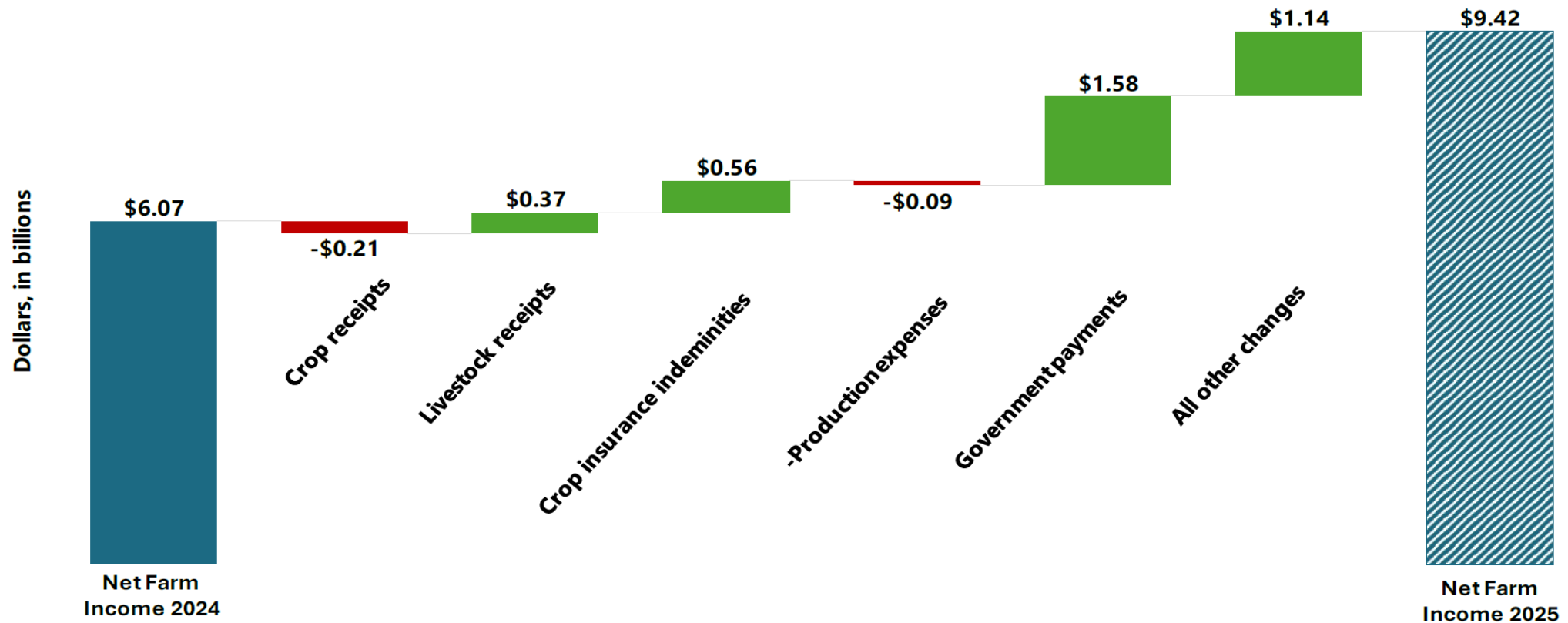


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Nebraska Net Farm Income

Sharp Increase Projected for 2025



Source: RaFF, April 2025

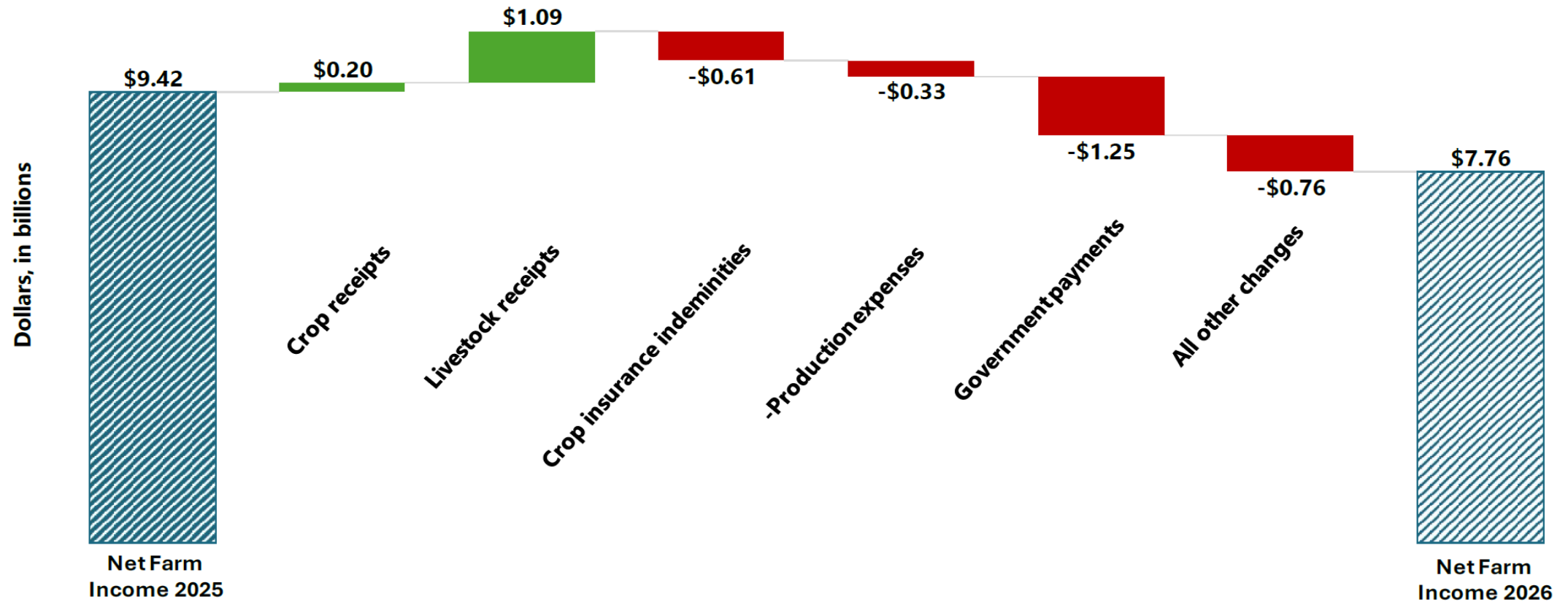


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Nebraska Net Farm Income

Substantial Decline Projected into 2026



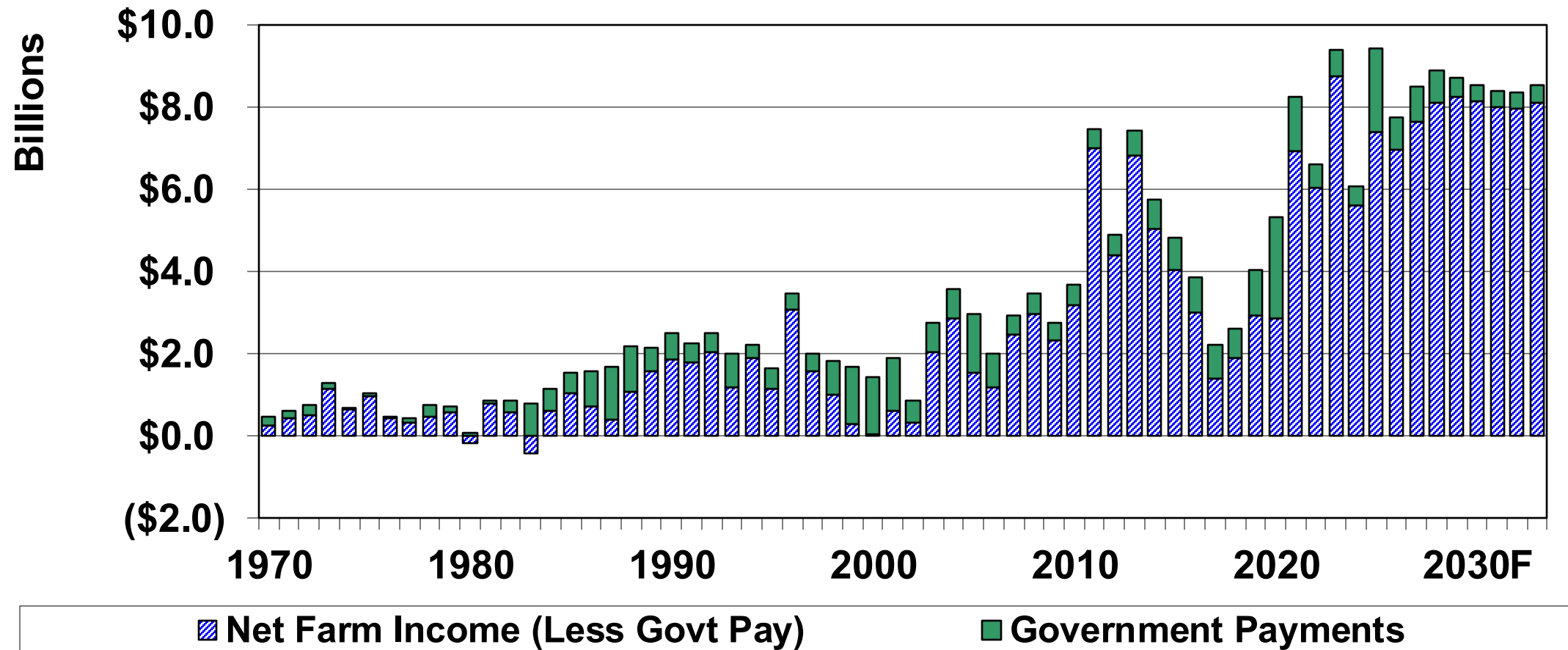
Source: RaFF, April 2025



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Nebraska Net Farm Income



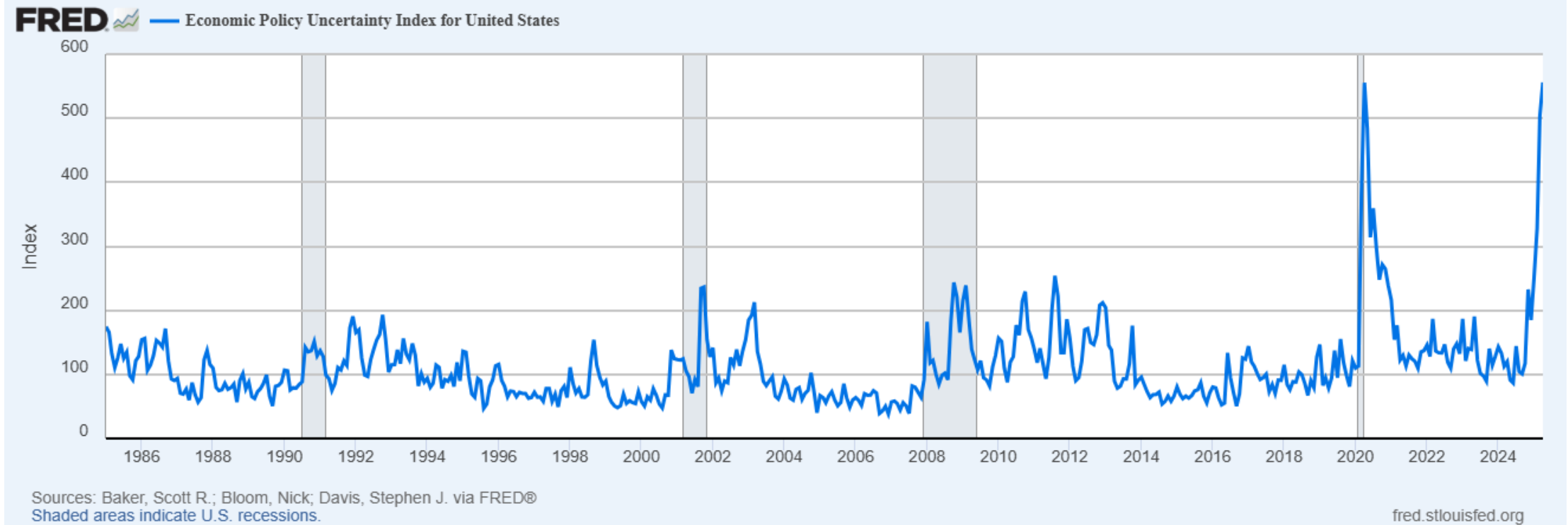
Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2025



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Economic Policy Uncertainty



* Monthly average index, based on newspaper, tax code, and economic forecast uncertainty, as of April 29, 2025.



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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**





Nebraska Farm Income Situation and Outlook

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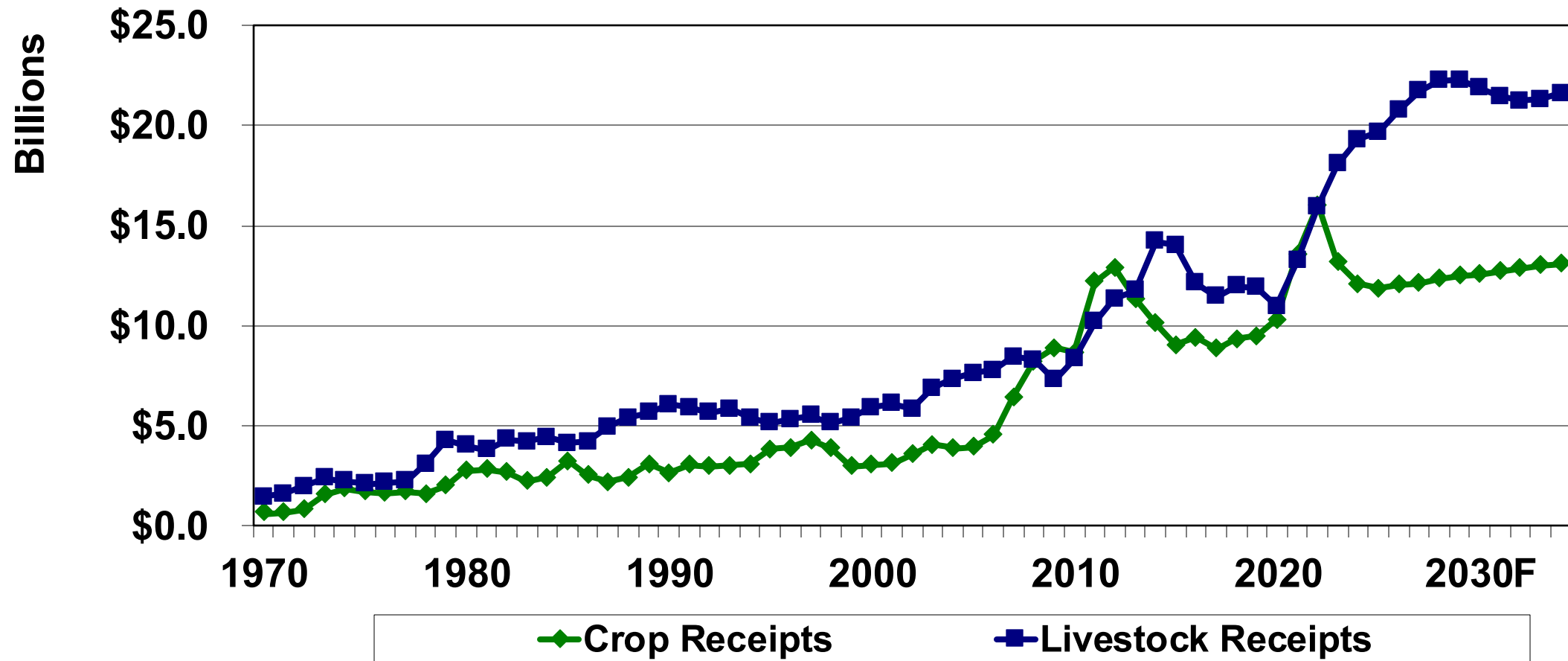
Additional Slides for Reference

- **Nebraska baseline projections through 2034**
 - **Crop and livestock receipts**
 - **Farm expenses**
 - **Government payments**





Nebraska Farm Receipts



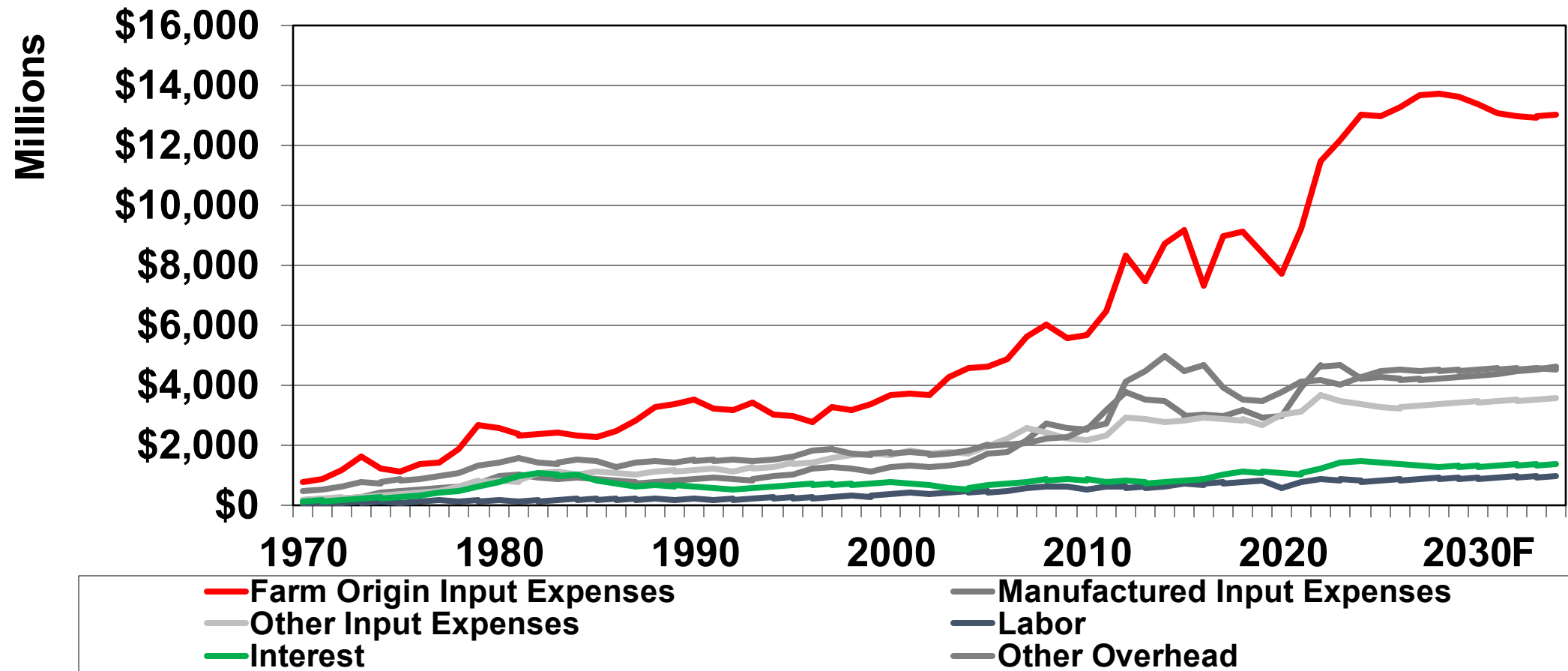
Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2025



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Nebraska Farm Expenses



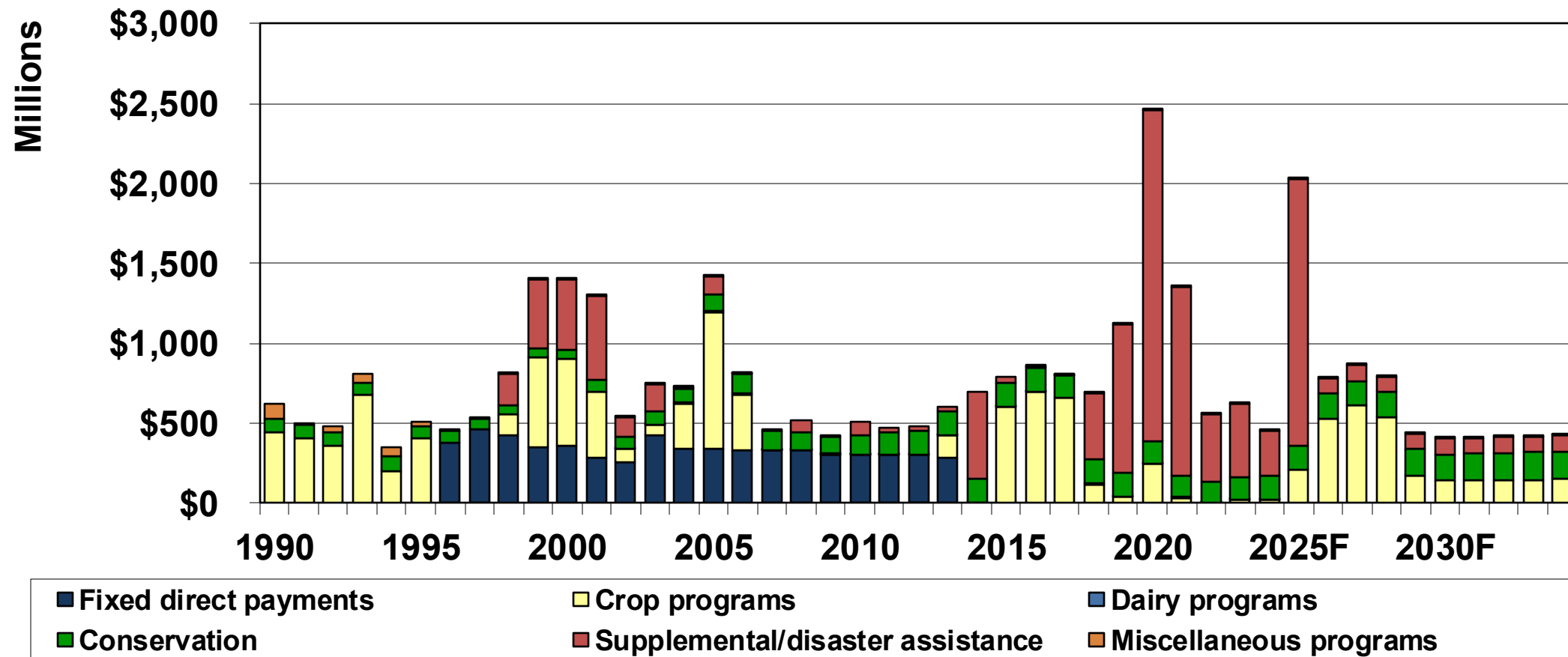
Source: USDA –ERS, FAPRI, RaFF and author calculations, April 2025



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Nebraska Government Payments



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



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