

FARM INCOME SITUATION AND OUTLOOK

Paul D. Mitchell



 AGRICULTURAL & APPLIED ECONOMICS
College of Agricultural & Life Sciences

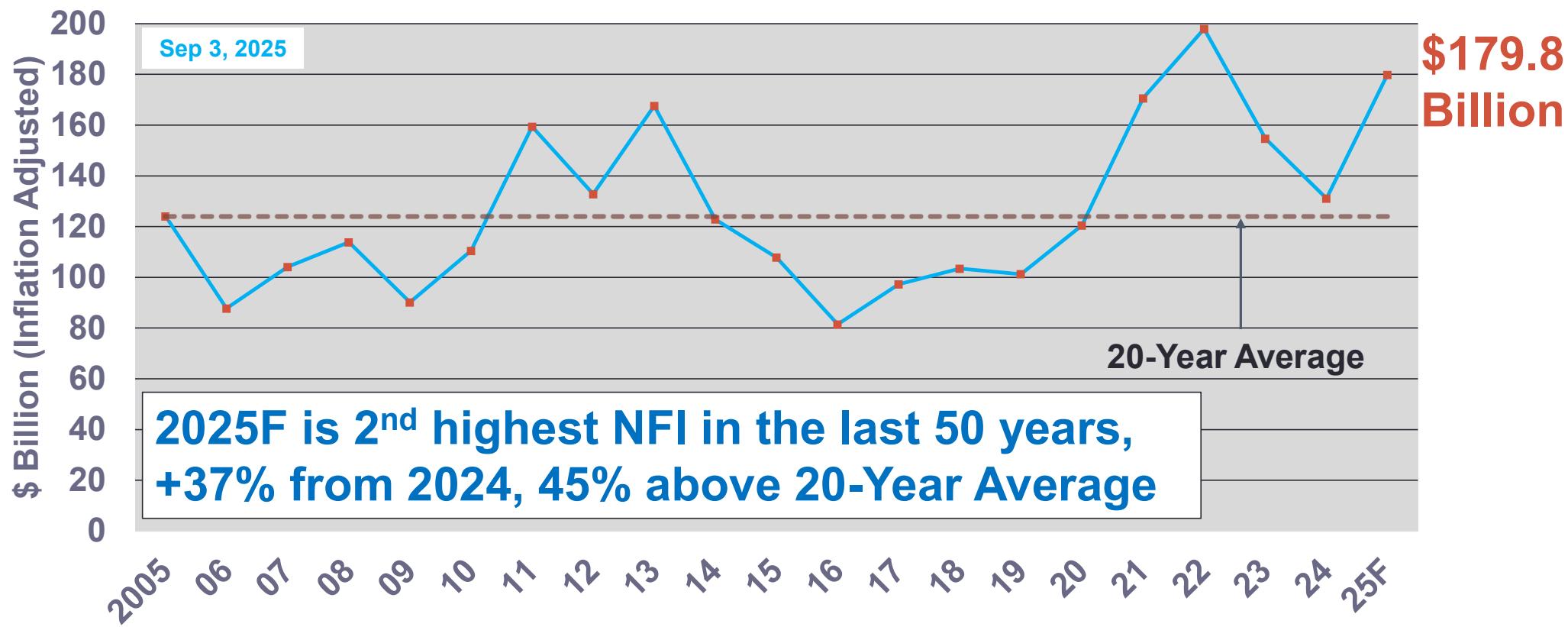
Professor and Chair Agricultural and Applied Economics
Extension-Funded Faculty in Cropping Systems Management
Co-Director Wisconsin Rural Partnerships Institute



2026 Wisconsin Agricultural Outlook Forum

January 27, 2026 Madison WI
608-265-6514, pdmitchell@wisc.edu

US Net Farm Income 2005-2025F (Inflation Adjusted)

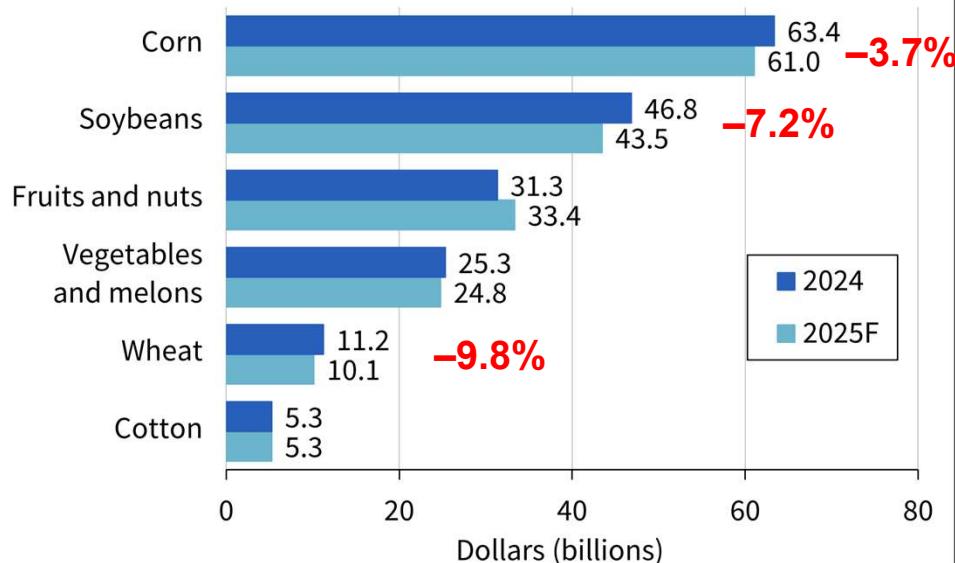


Data Source: <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-farm-income-forecast>

Cash Receipts 2024 & 2025F by Commodity

CROPS: -2.5%

U.S. cash receipts for selected crops, 2024–25F



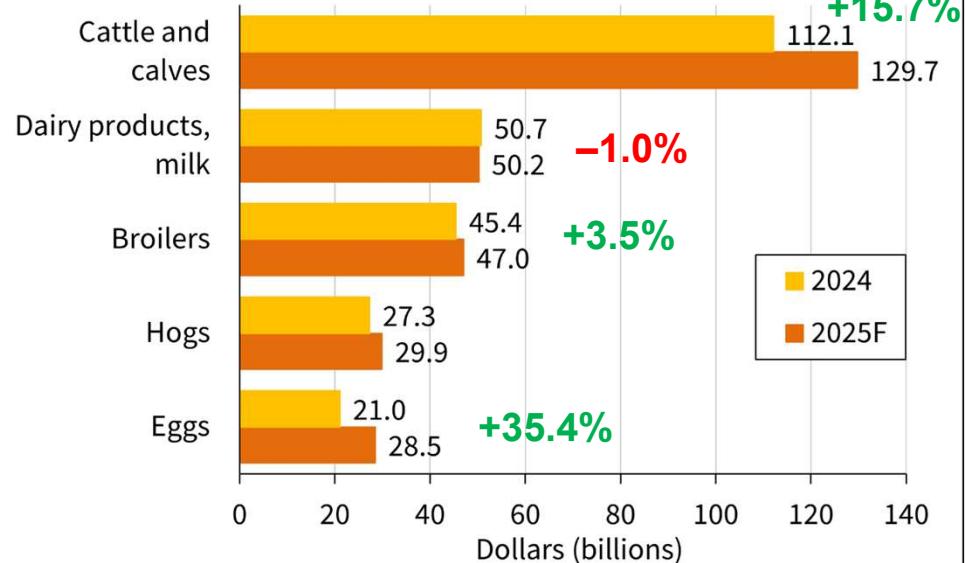
Note: F = forecast.

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

Source: <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-farm-income-forecast>

LIVESTOCK: +11.2%

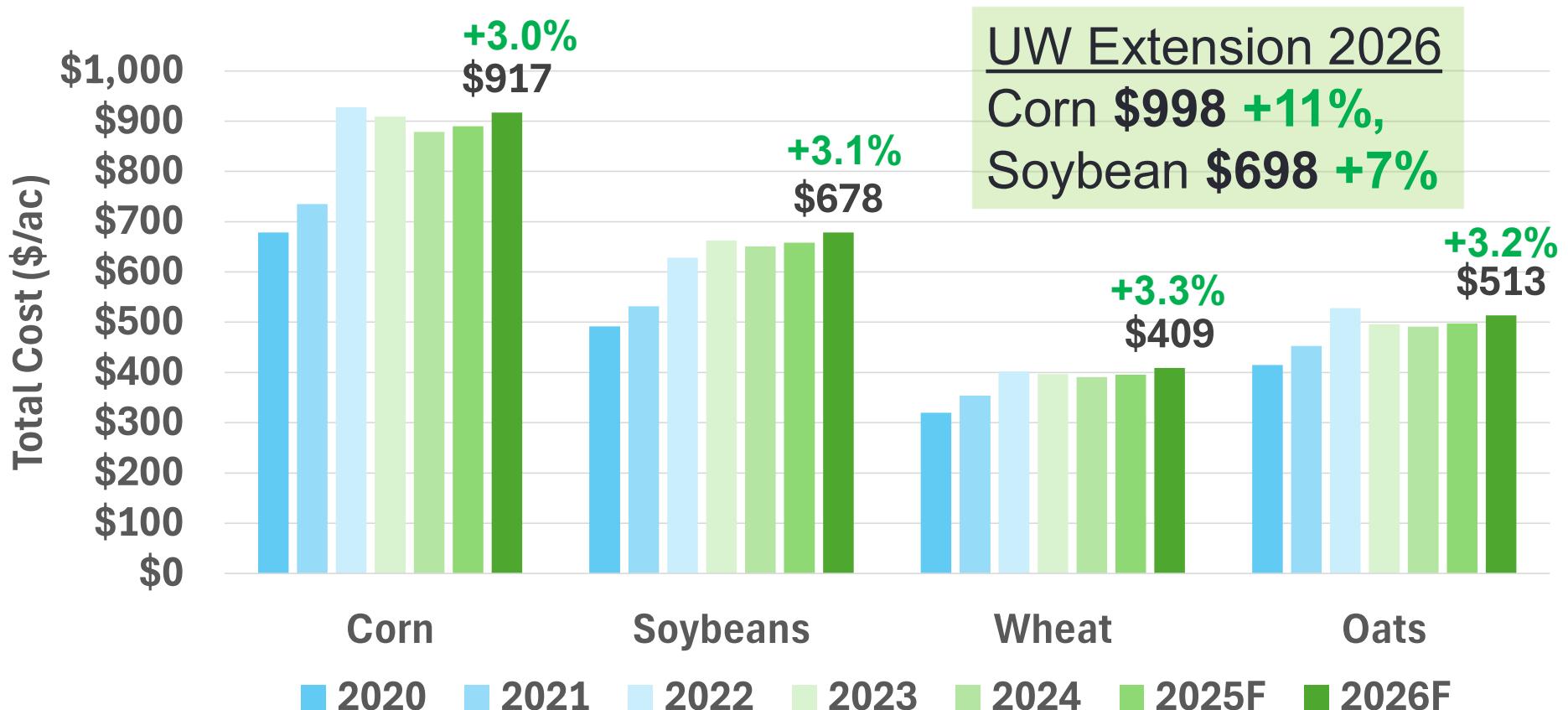
U.S. cash receipts for selected animals/products, 2024–25F



Note: F = forecast.

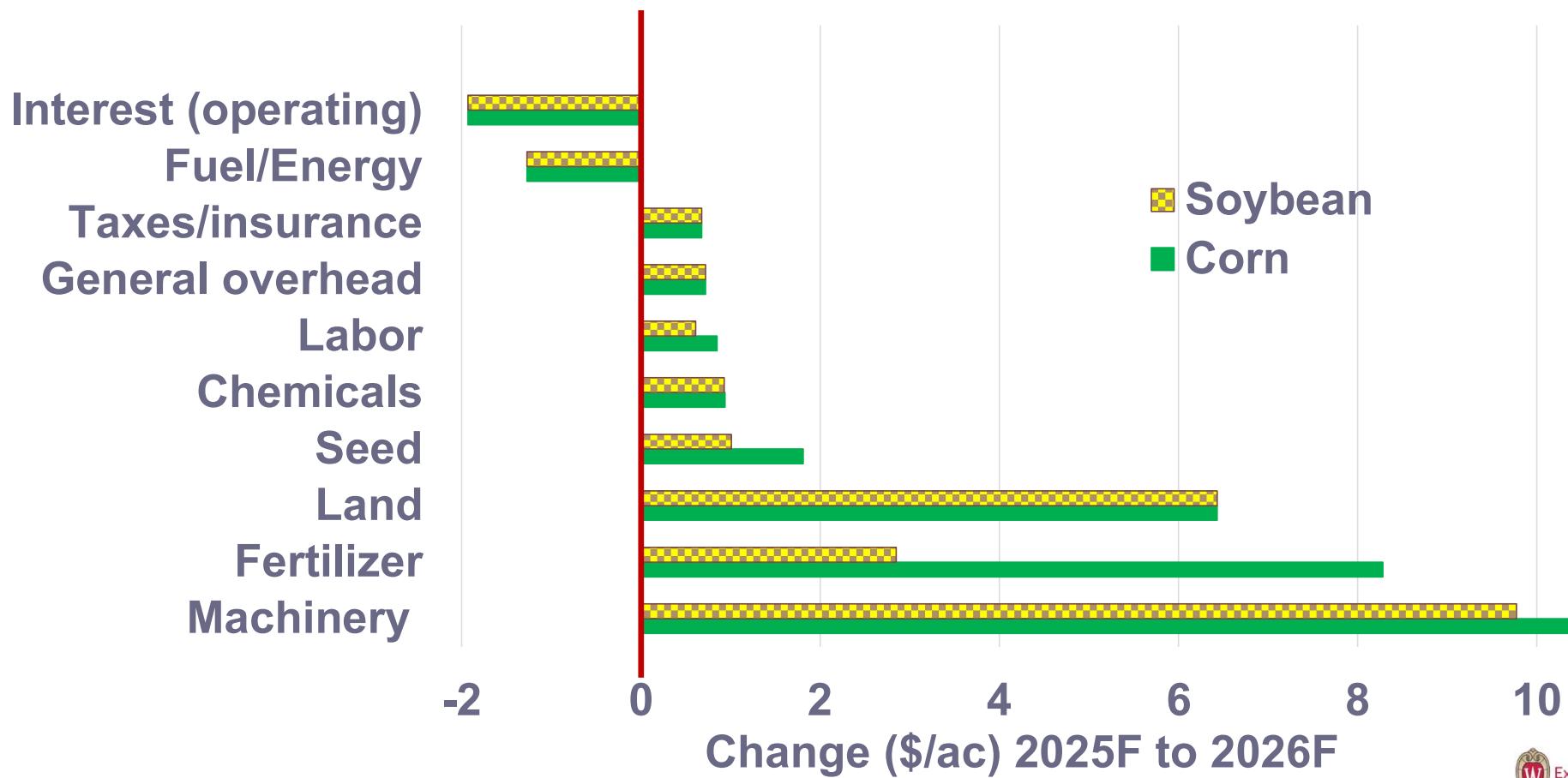
Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of September 3, 2025.

USDA ERS Total Cost of Production 2020-2026F



Source: <https://www.ers.usda.gov/data-products/commodity-costs-and-returns>

USDA Change in Cost (\$/ac) 2025F to 2026F



Source: <https://www.ers.usda.gov/data-products/commodity-costs-and-returns>

Land Rents Continue to Increase

WI Average Cropland Rent Trend



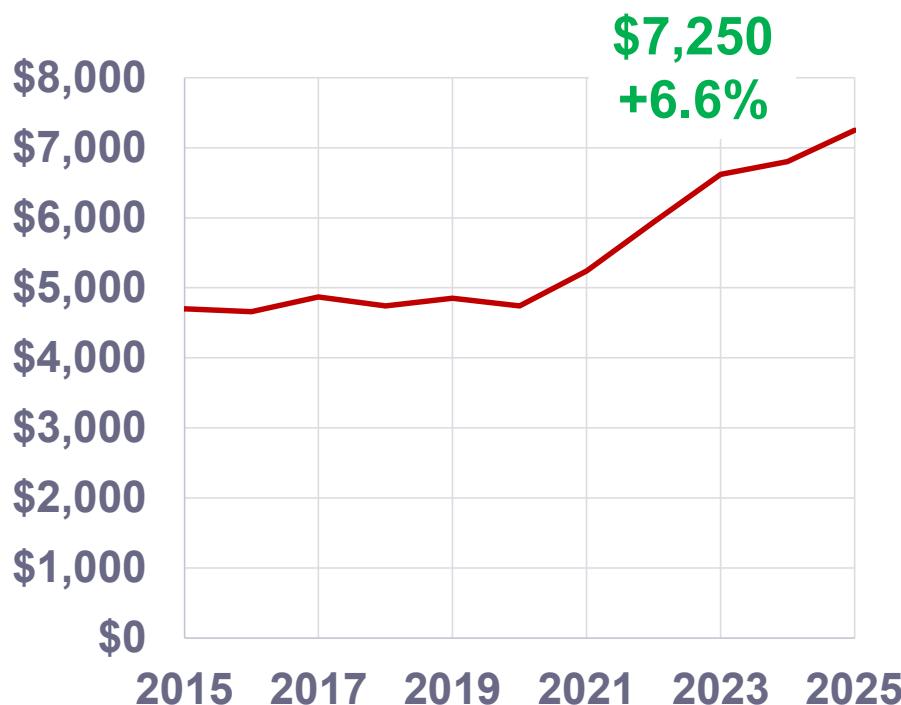
Top 10 Counties in 2025

County	Rent	Change
Lafayette	\$260	-0.4%
Grant	\$243	-0.4%
Dane	\$233	5.4%
Rock	\$210	7.1%
Walworth	\$210	--
Dodge	\$209	--
Brown	\$208	--
Kewaunee	\$207	-1.4%
Green	\$205	4.1%
Manitowoc	\$205	5.7%

Source: https://www.nass.usda.gov/Surveys/Guide_to_NASS_Surveys/Cash_Rents_by_County/

Cropland Values Continue to Increase

WI Average Cropland Value Trend



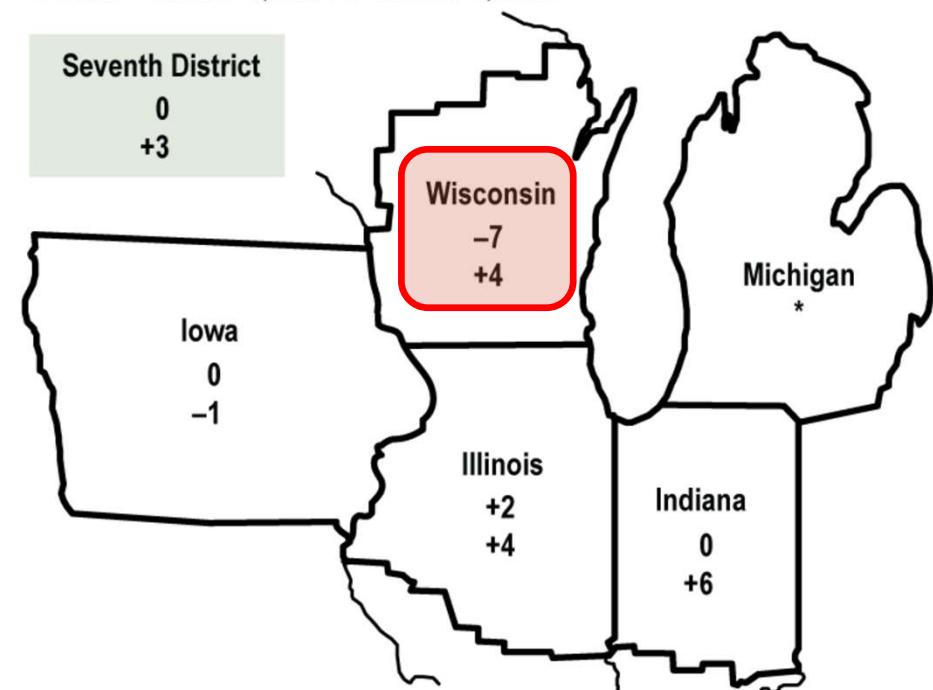
Source: <https://esmis.nal.usda.gov/publication/agricultural-land-values>

Value of “Good Farmland”

Top: July 1, 2025 to October 1, 2025
Bottom: October 1, 2024 to October 1, 2025



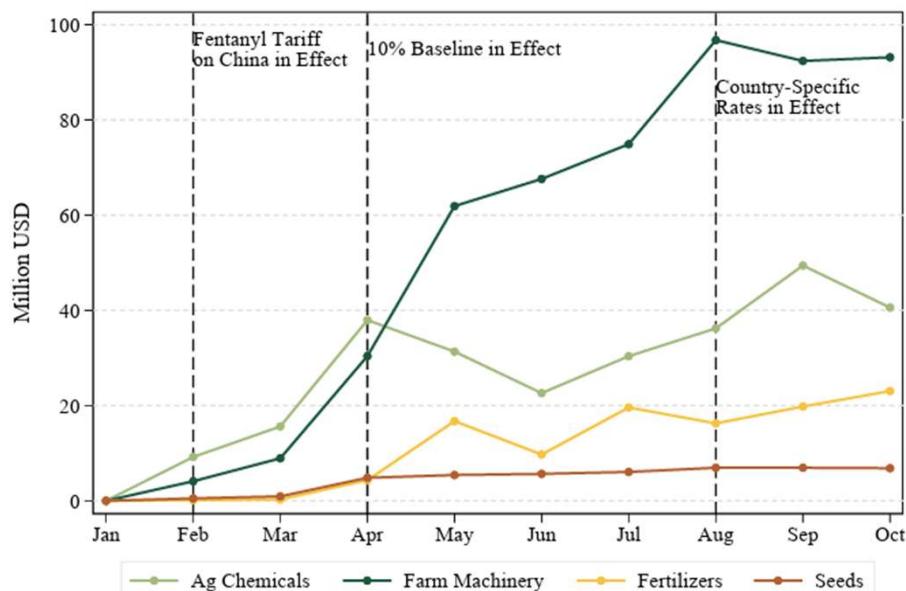
FEDERAL RESERVE BANK of CHICAGO



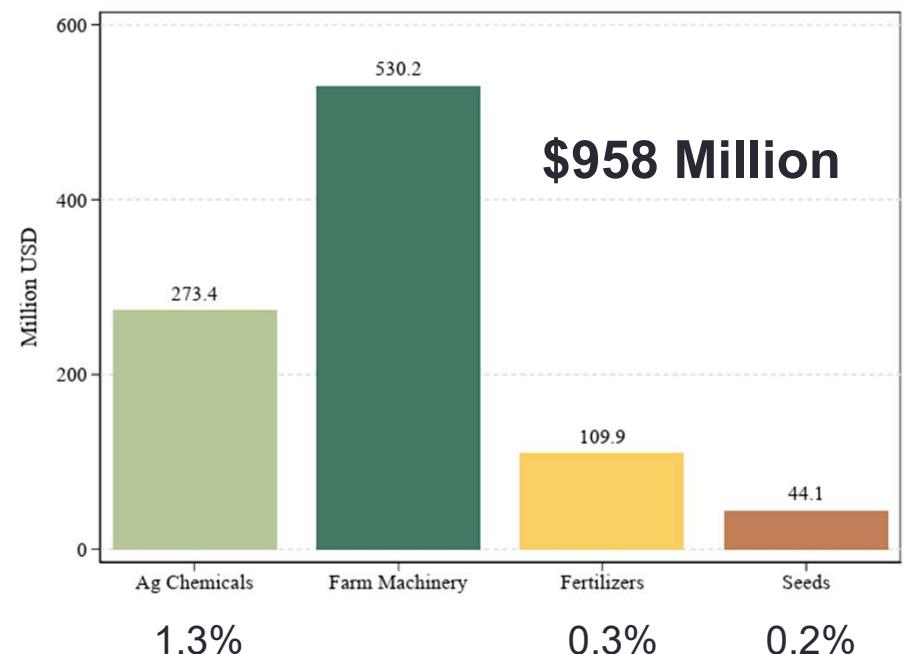
Source: <https://www.chicagofed.org/publications/agletter/2025-2029/november-2025>

Ag paid almost \$1 Billion in new tariffs Feb-Oct 2025

Monthly Tariffs Paid on Ag Imports



Tariffs Paid on Ag Imports Feb-Oct 2025



Does not include tariffs collected on other inputs in the agricultural supply chain, including steel, aluminum, and parts used in machinery and equipment ...

Source: NDSU <https://farmpolicynews.illinois.edu/2026/01/tariff-revenue-from-ag-input-imports-was-nearly-1-billion-in-2025/>

Break Even Prices for 2025 & 2026

Budget	Crop	2025	2026
Northern IL	Corn after Corn	\$4.90	\$4.90
	Corn after Soybeans	\$4.62	\$4.62
	Soybeans	\$11.30	\$10.99
Iowa State U	Corn after Corn	\$4.83	\$4.97
	Corn after Soybeans	\$4.22	\$4.32
	Soybeans	\$11.15	\$11.13
UW Extension	Corn	\$5.19	\$5.61
	Soybean	\$12.69	\$13.69

University of Illinois

- Jan 2026
- <https://farmdoc.illinois.edu/handbook/2026-budgets-for-all-regions>

Iowa State University

- Jan 2026
- <https://www.extension.iastate.edu/agdm/crops/html/a1-20.html>

UW Extension

- Preliminary, not public
- <https://cropsandsoils.extension.wisc.edu/article-topic/economics-budgets-financial/>

Break Even Prices for 2025 & 2026

Budget	Crop	2025	2026	USDA Projected Farm Prices	
		2025	2026		
Northern IL	Corn after Corn	\$4.90	\$4.90	\$4.10	\$4.10
	Corn after Soybeans	\$4.62	\$4.62		
	Soybeans	\$11.30	\$10.93	\$10.20	\$10.30
Iowa State U	Corn after Corn	\$4.83	\$4.97	\$4.10	\$4.10
	Corn after Soybeans	\$4.22	\$4.32		
	Soybeans	\$11.15	\$11.13	\$10.20	\$10.30
UW Extension	Corn	\$5.19	\$5.61	\$4.10	\$4.10
	Soybean	\$12.69	\$13.69	\$10.20	\$10.30

2025 prices: Jan 2026 WASDE. 2026 prices: USDA Baseline Dec 2025

Break Even Prices for 2025 & 2026

USDA Projected Farm Prices

Budget	Crop	2025	2026	2025	2026

- The average Wisconsin farmer in 2025 is expecting a negative margin of about \$1.00/bu for corn and \$2.50/bu for soybeans
- In 2026, the current guess is a negative margin of about \$1.50/bu for corn and \$3.40/bu for soybeans
- Note: these are the **FULL** costs of production

UW Extension	Corn	\$5.19	\$5.61	\$4.10	\$4.10
	Soybean	\$12.69	\$13.69	\$10.20	\$10.30

2025 prices: Jan 2026 WASDE. 2026 prices: USDA Baseline Dec 2025

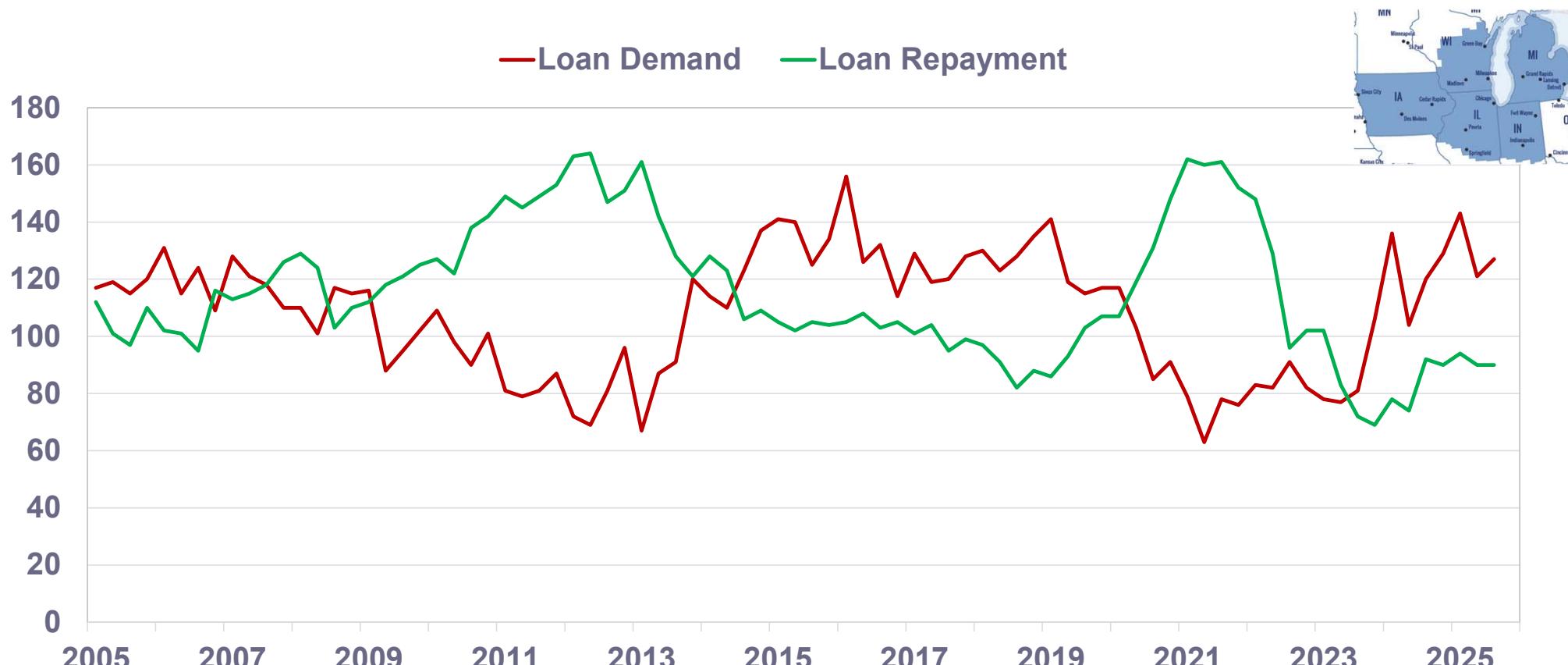
Break Even Prices for 2025 & 2026

Budget	Crop			USDA Projected Farm Prices	
		2025	2026	2025	2026

- The average Wisconsin farmer in 2025 is expecting a negative margin of about \$1.00/bu for corn and \$2.50/bu for soybeans
- In 2026, the current guess is a negative margin of about \$1.50/bu for corn and \$3.40/bu for soybeans
- Note: these are the **FULL** costs of production

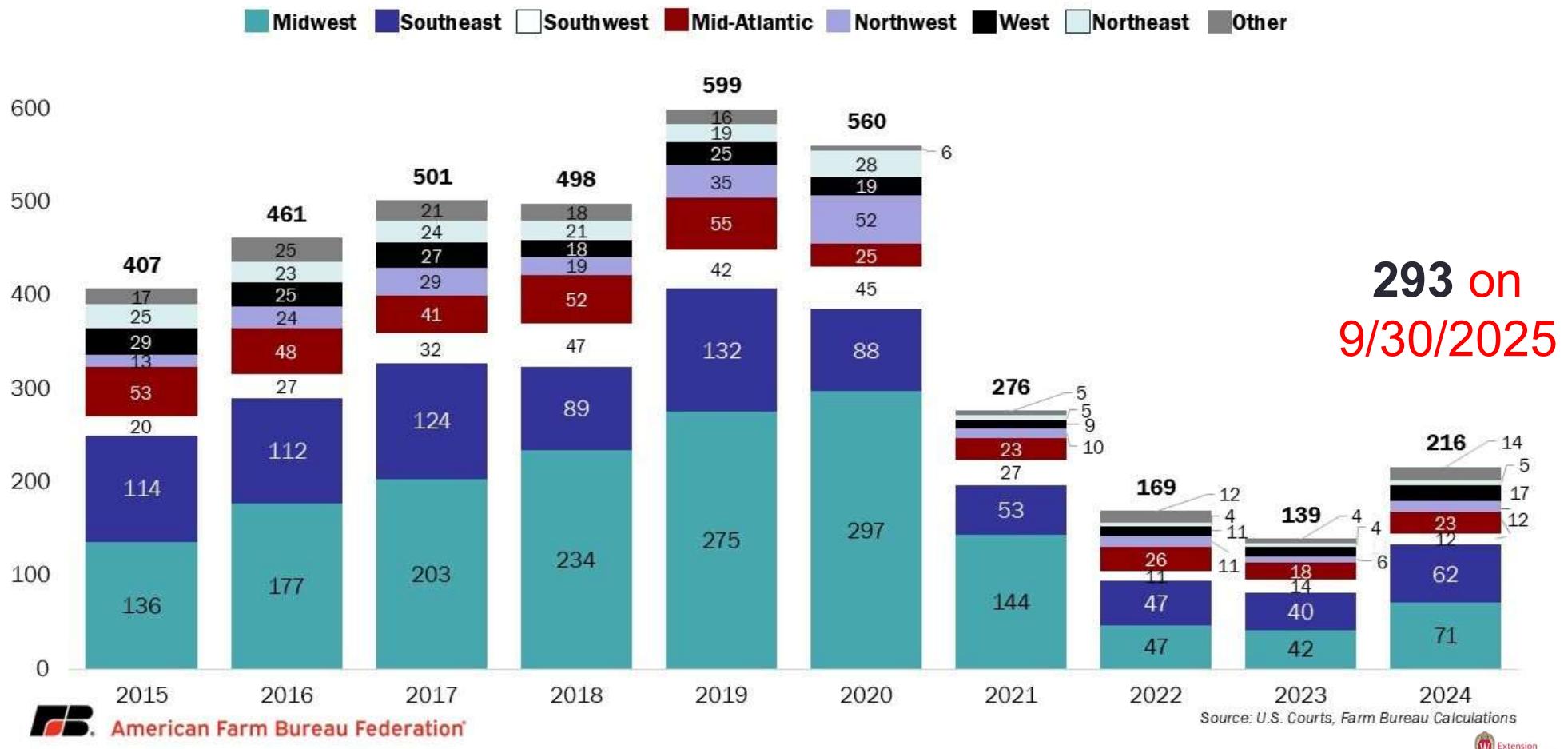
Cash Flow has become a serious issue for many Wisconsin farms

Indexes of Farm Financial Conditions in the 7th District

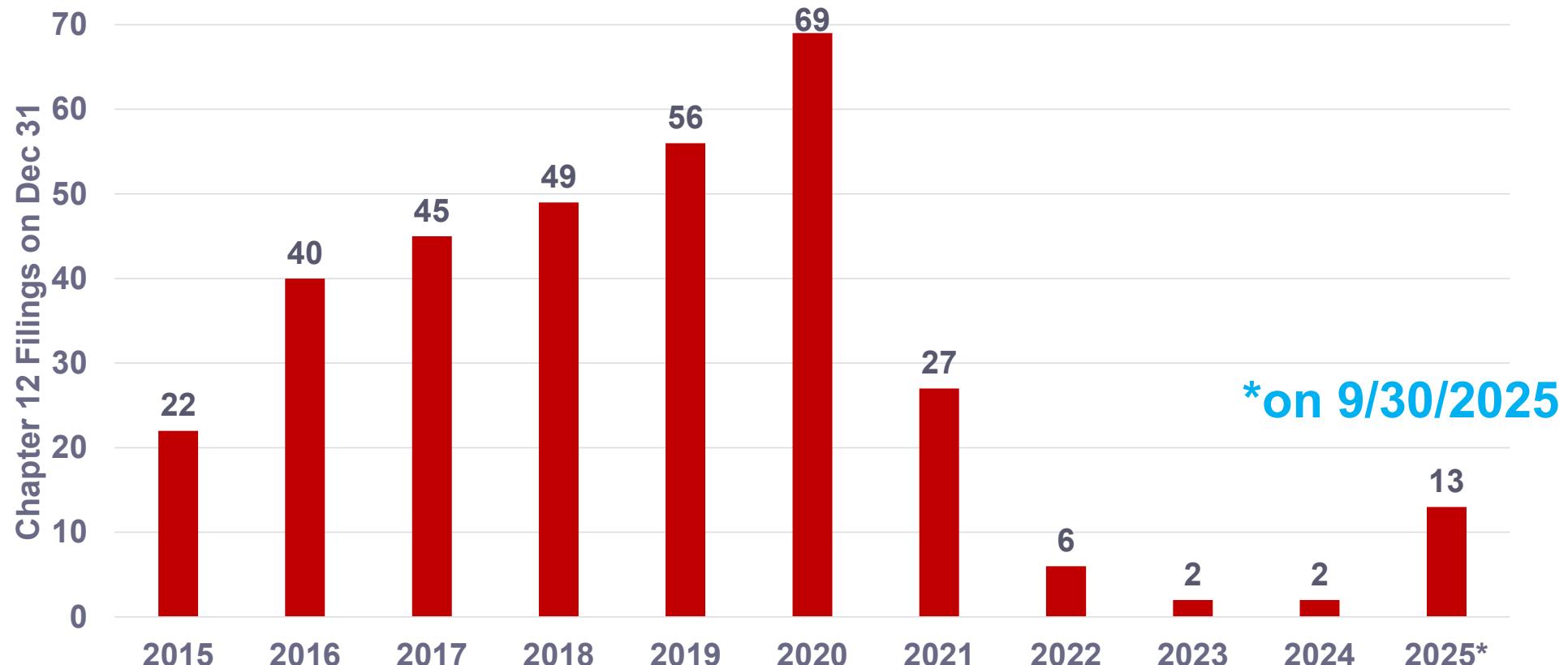


Nov 13, 2025 <https://www.chicagofed.org/research/content-areas/agriculture/index>

Calendar Year Chapter 12 Farm Bankruptcies By Region



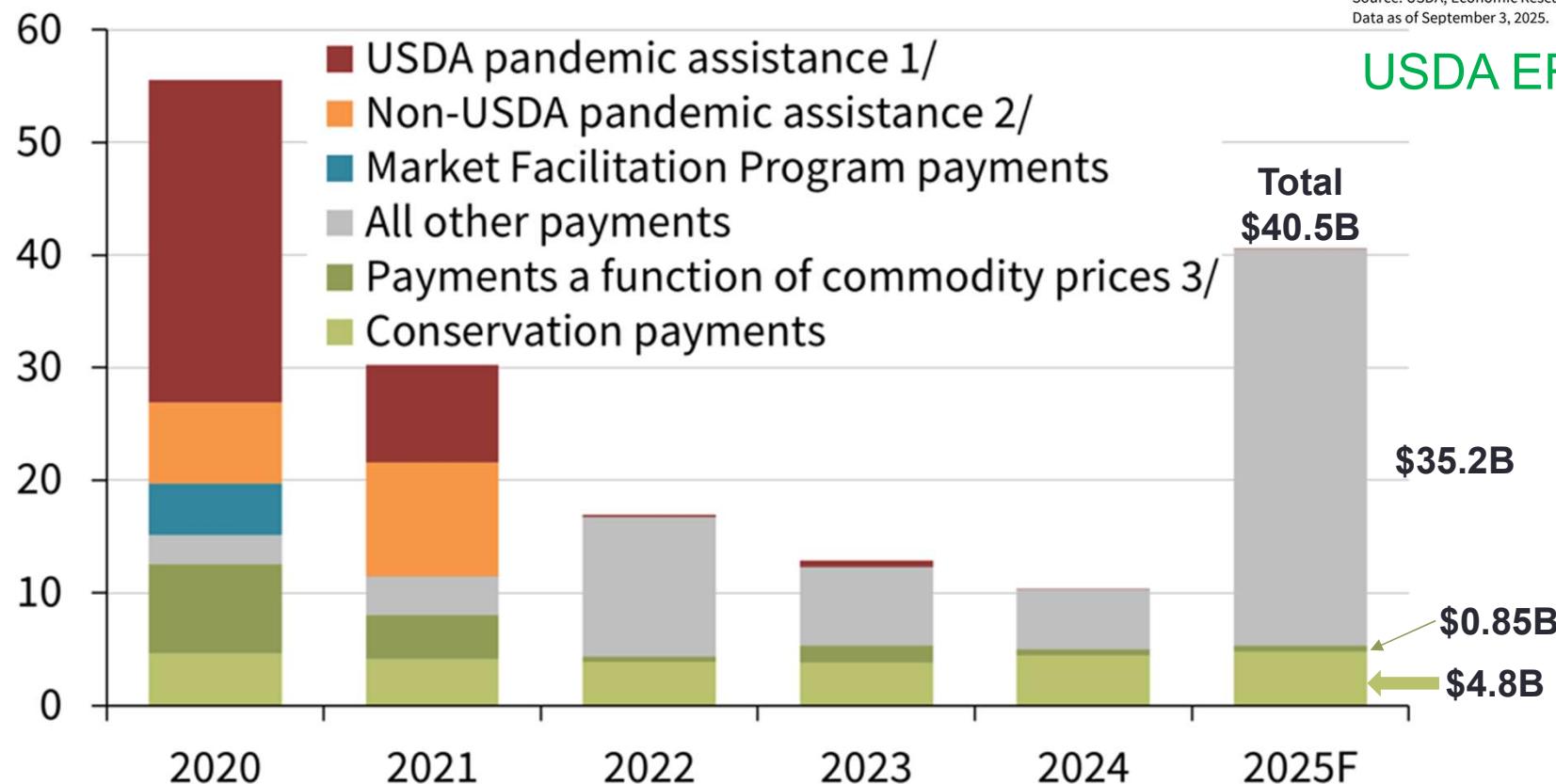
Chapter 12 Filings on Dec 31 in Wisconsin in by Year



Source: <https://www.uscourts.gov/data-table-report-names/bankruptcy-filings>

Direct Government payments to U.S. farm producers, 2020–25F

2025 dollars (billions)



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.

1/ Includes payments from the Coronavirus Food Assistance Program and other USDA pandemic assistance programs for producers.

2/ Includes forgiven loans from the Paycheck Protection Program.

3/ Includes Price Loss Coverage, Agriculture Risk Coverage, loan deficiency payments (excluding grazeout payments), marketing loan gains, and dairy payments.

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

USDA ERS Sep 3, 2025

<https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/farm-sector-income-forecast>

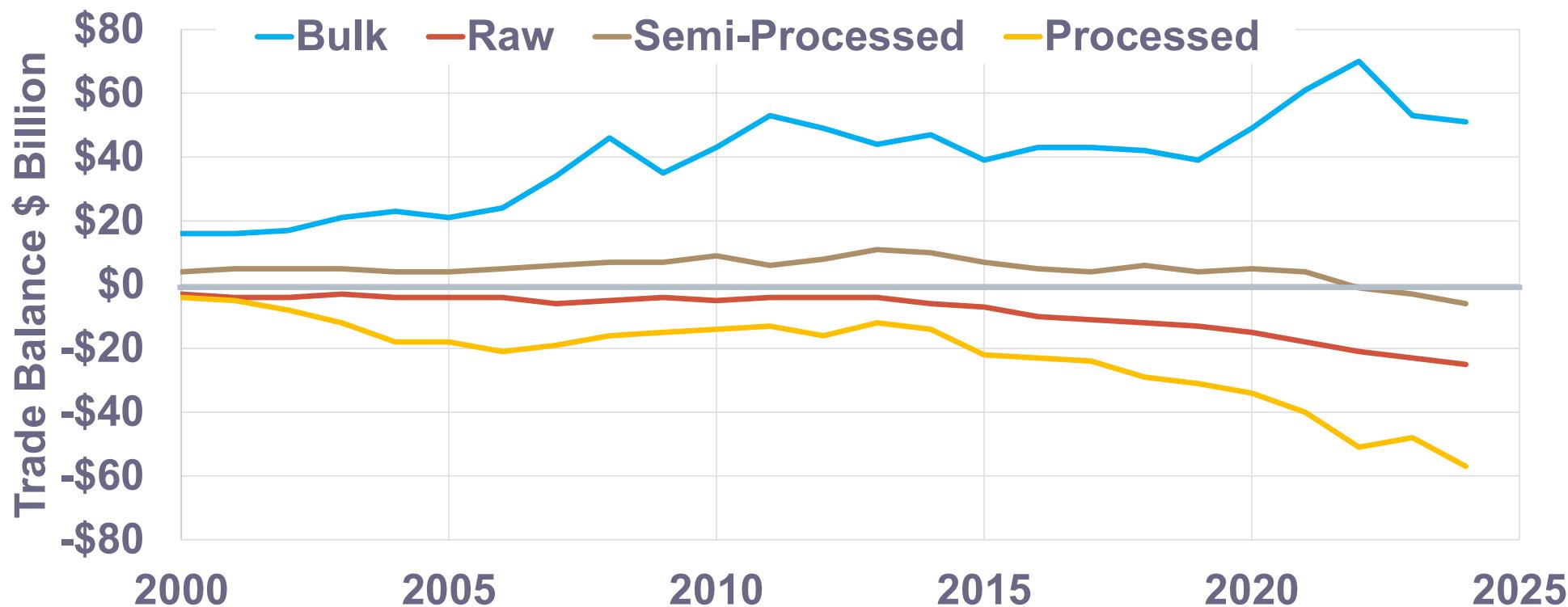
Government Support is helping with Cash Flow

- **Emergency Commodity Assistance Program (ECAP)**: \$10B in payments
 - Started Mar 19, 2025: \$9.3B US, **\$235M WI**
- **Supplemental Disaster Relief Program (SDRP)**: \$21B in payments
 - Stage 1 started July 10, 2025: \$5.9B US, **\$135M WI**
- **2024 ARC Payments** in Nov 2025: \$2.6B US, **\$117M WI**
- **Farmer Bridge Assistance (FBA)**: \$12B in payments
 - To start Feb 28, 2026: **max \$266M WI**
- **2025 ARC/PLC Payments** Sep/Oct 2026, **Projected** \$13.5B US, **\$241M WI**
- Ad Hoc Programs have become the norm: From Mar 2025 to Mar 2026, \$30 B in payments from programs that did not exist the year before
- WI received ~\$750M (84% ad hoc)

Summary: Farm Income Situation and Outlook

- Negative crop margins in 2025 and 2026, livestock is weakening
- Working capital is gone, cash flow is a serious issue for many WI farmers
 - **Most vulnerable: highly leveraged, lots of rented land, older & no heir**
- Government payments help but do not solve the high-cost/low-price problem
 - Short-term fix that reduces incentives to innovate to remain competitive
 - Agriculture is a global competition that the US has traditionally dominated, but the rest of the world has been catching up
- Policies to improve margins by Reducing Costs & Increasing Yields include reducing **Tariffs** and on-farm research and research funding for **Innovation**
- Policies to increase Demand: Biofuels mandates, Food programs, **Exports**
- Policies to decrease Supply: Expand CRP, Payment-in-Kind

US Ag Trade Balance 2000-2024 by Level of Processing



Bulk: grains, oilseeds, cotton, tobacco
Raw: Live animals, fresh fruit/veg, nuts

Semi-Processed: feed, fiber, flour, meal, oils/fats, sugar
Processed: meat, dairy, grain products, processed fruits/veg

QUESTIONS? COMMENTS?

Paul D. Mitchell

Professor and Chair Agricultural and Applied Economics

Extension-Funded Faculty in Cropping Systems Management

Co-Director Wisconsin Rural Partnerships Institute



AGRICULTURAL & APPLIED ECONOMICS
College of Agricultural & Life Sciences



Extension

UNIVERSITY OF WISCONSIN-MADISON

2026 Wisconsin Agricultural Outlook Forum

January 27, 2026 Madison WI

608-265-6514, pdmitchell@wisc.edu