

FARM INCOME SITUATION AND OUTLOOK

Paul D. Mitchell



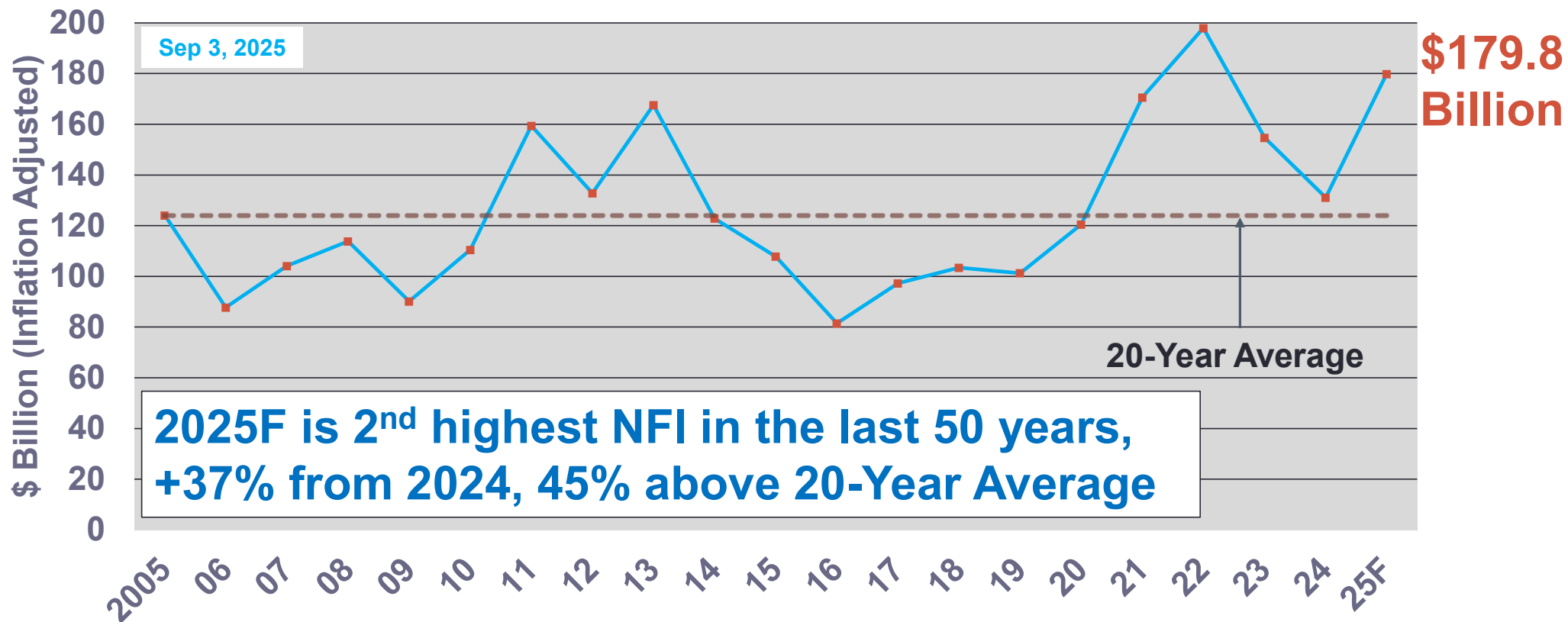
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2026 Wisconsin Agricultural Outlook Forum

January 27, 2026 Madison WI
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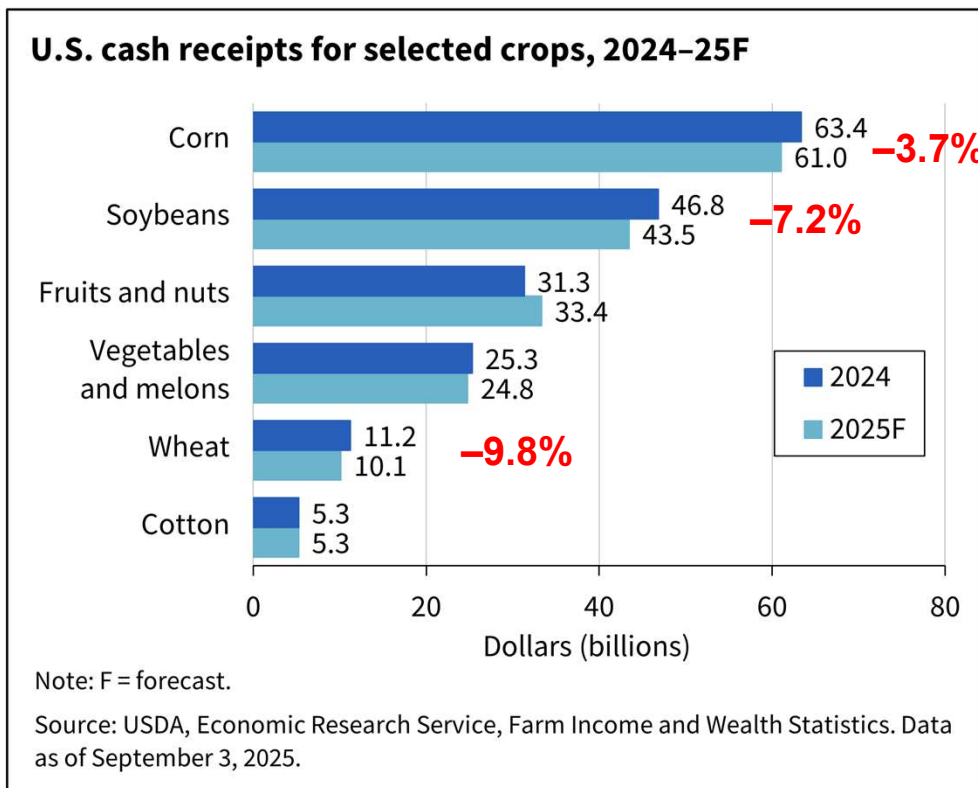
US Net Farm Income 2005-2025F (Inflation Adjusted)



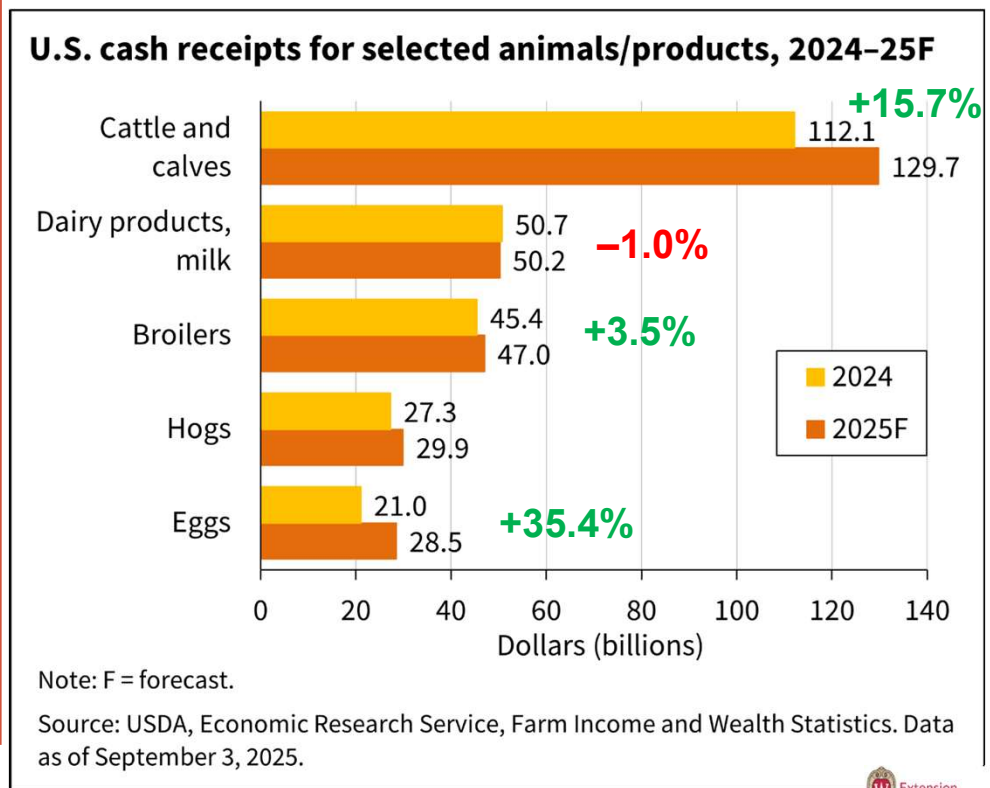
Data Source: <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-farm-income-forecast>

Cash Receipts 2024 & 2025F by Commodity

CROPS: -2.5%

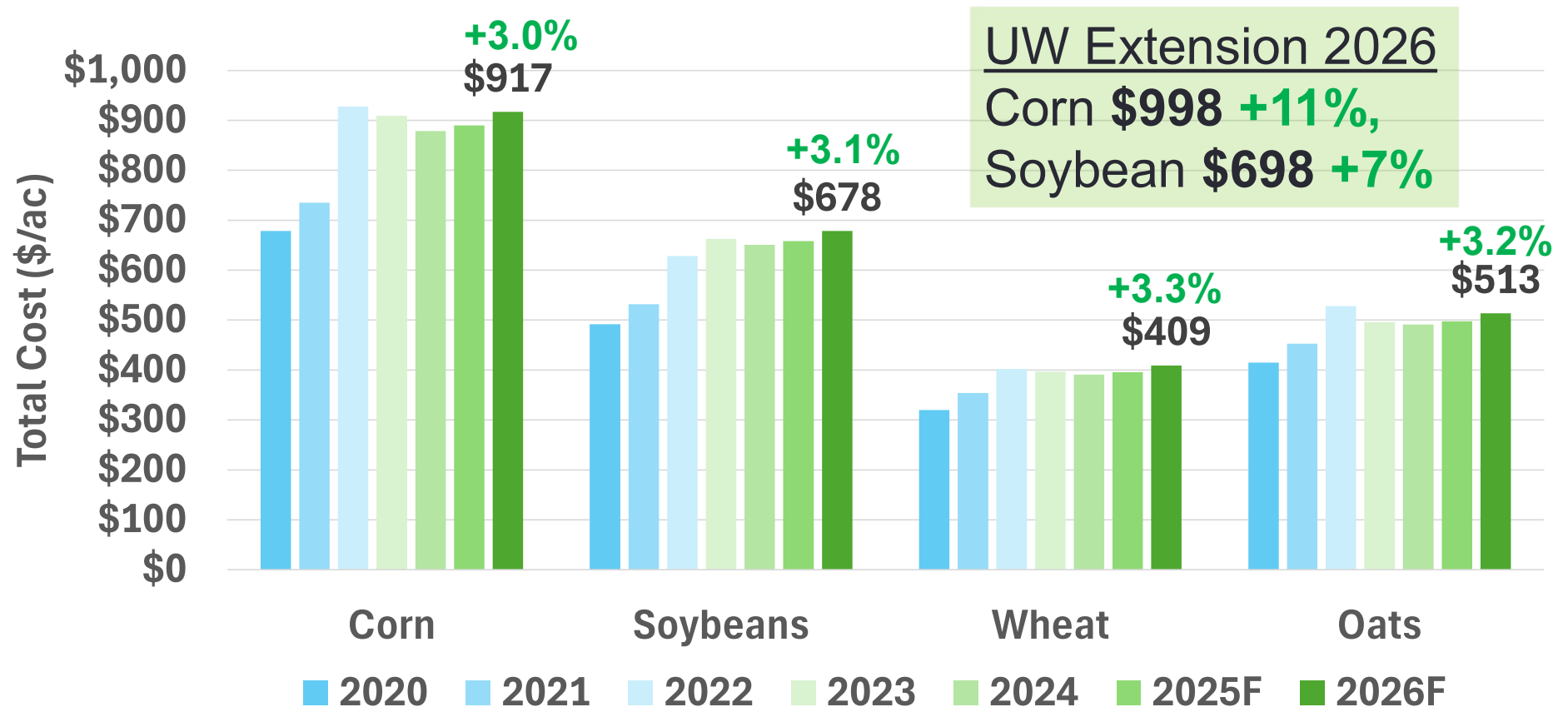


LIVESTOCK: +11.2%



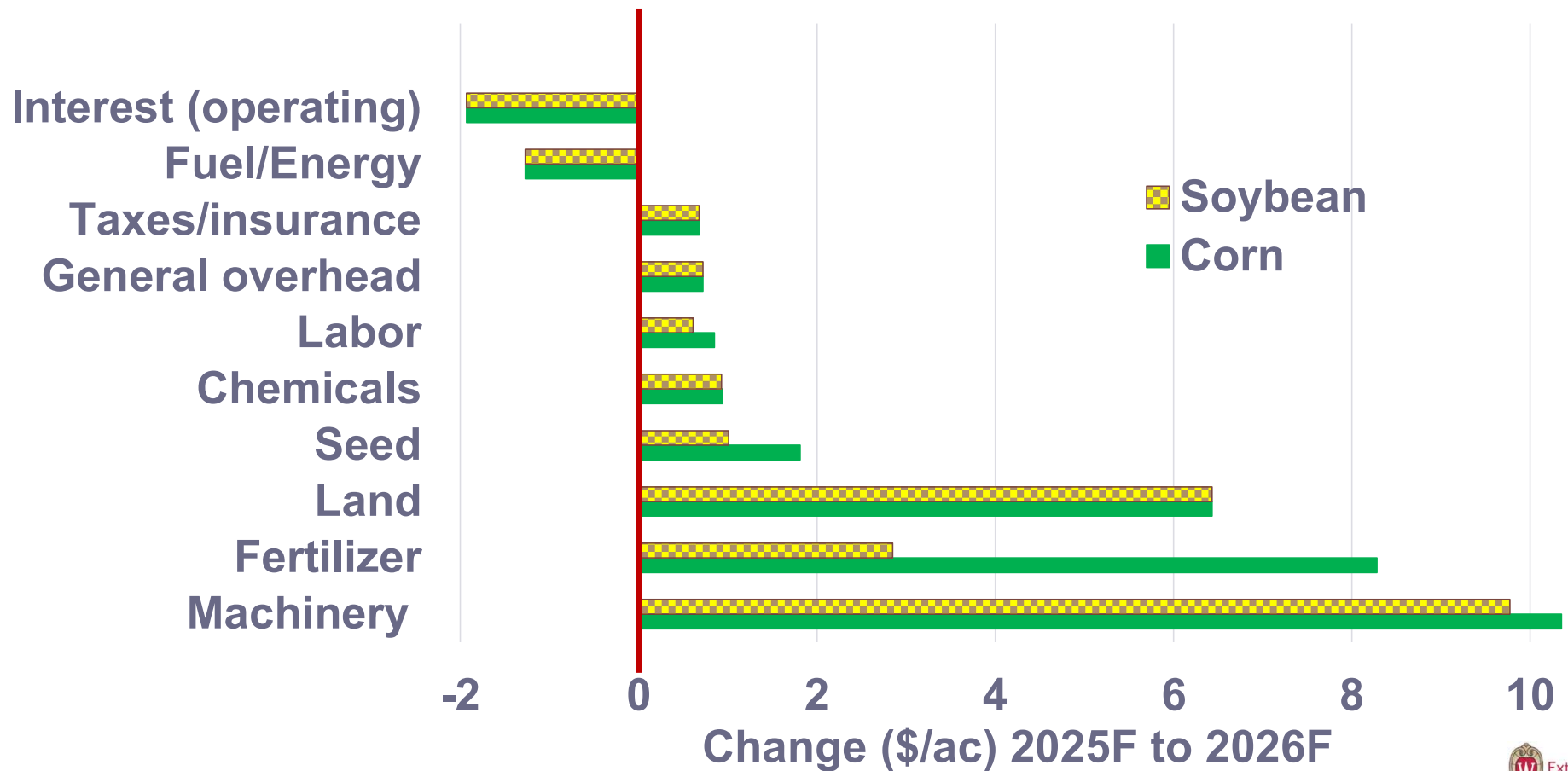
Source: <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-farm-income-forecast>

USDA ERS Total Cost of Production 2020-2026F



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

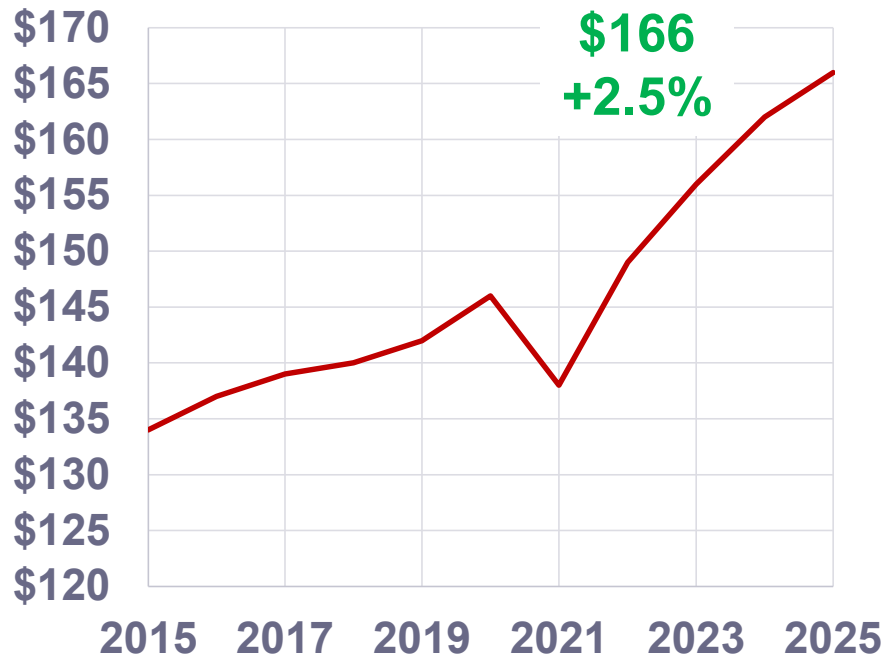
USDA Change in Cost (\$/ac) 2025F to 2026F



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

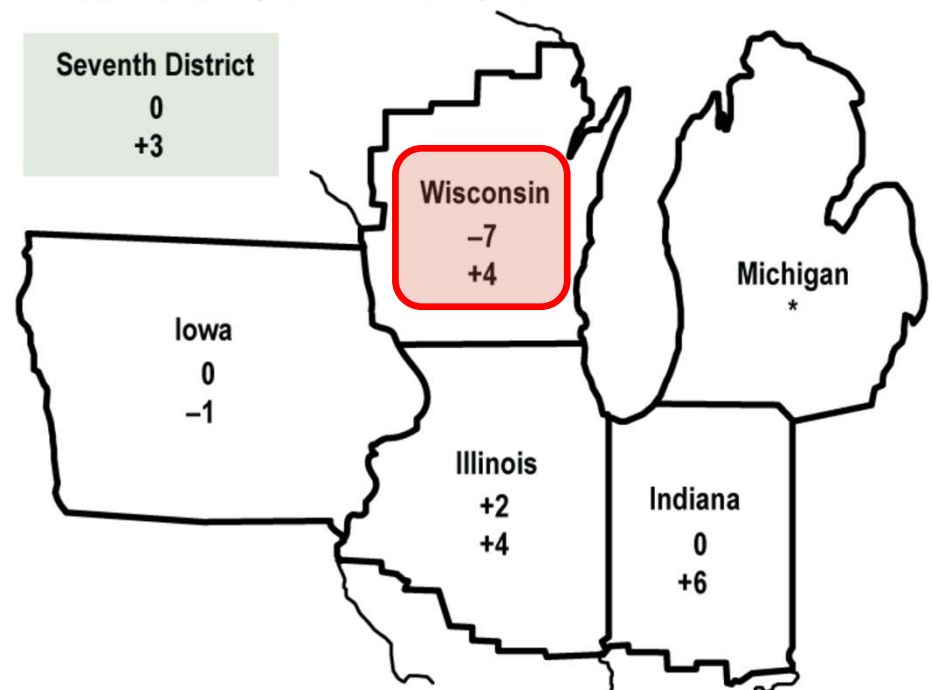


Value of “Good Farmland”

Top: July 1, 2025 to October 1, 2025

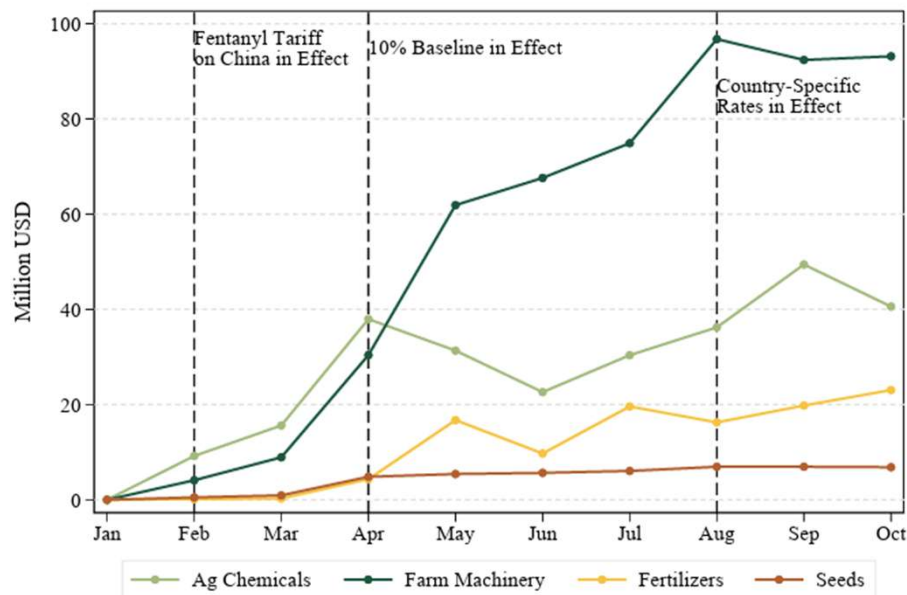
Bottom: October 1, 2024 to October 1, 2025

FEDERAL RESERVE BANK of CHICAGO



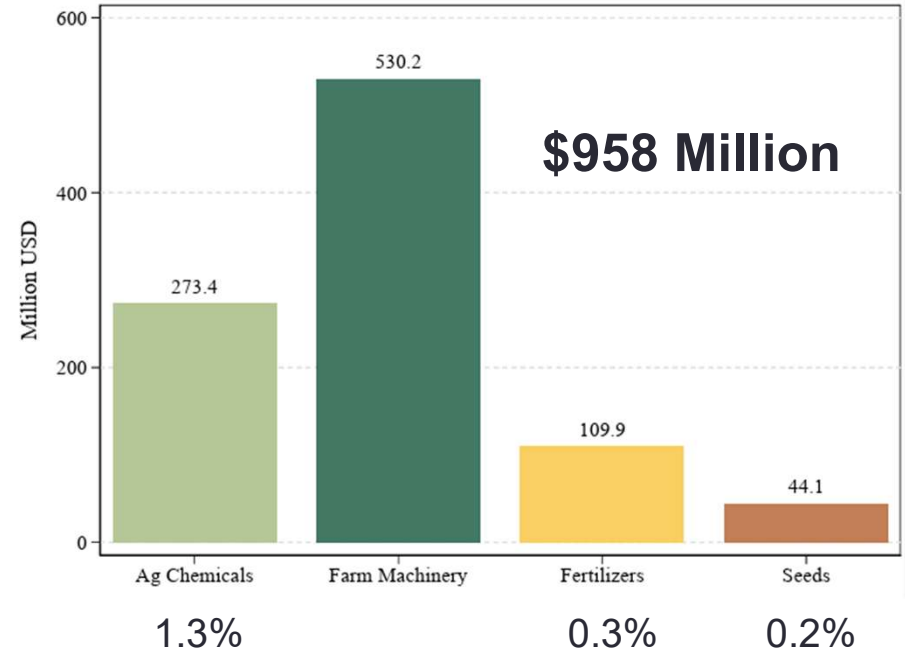
Ag paid almost \$1 Billion in new tariffs Feb-Oct 2025

Monthly Tariffs Paid on Ag Imports



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

Tariffs Paid on Ag Imports Feb-Oct 2025



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

USDA Projected Farm Prices

Budget	Crop	2025	2026	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
<ul style="list-style-type: none"> 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

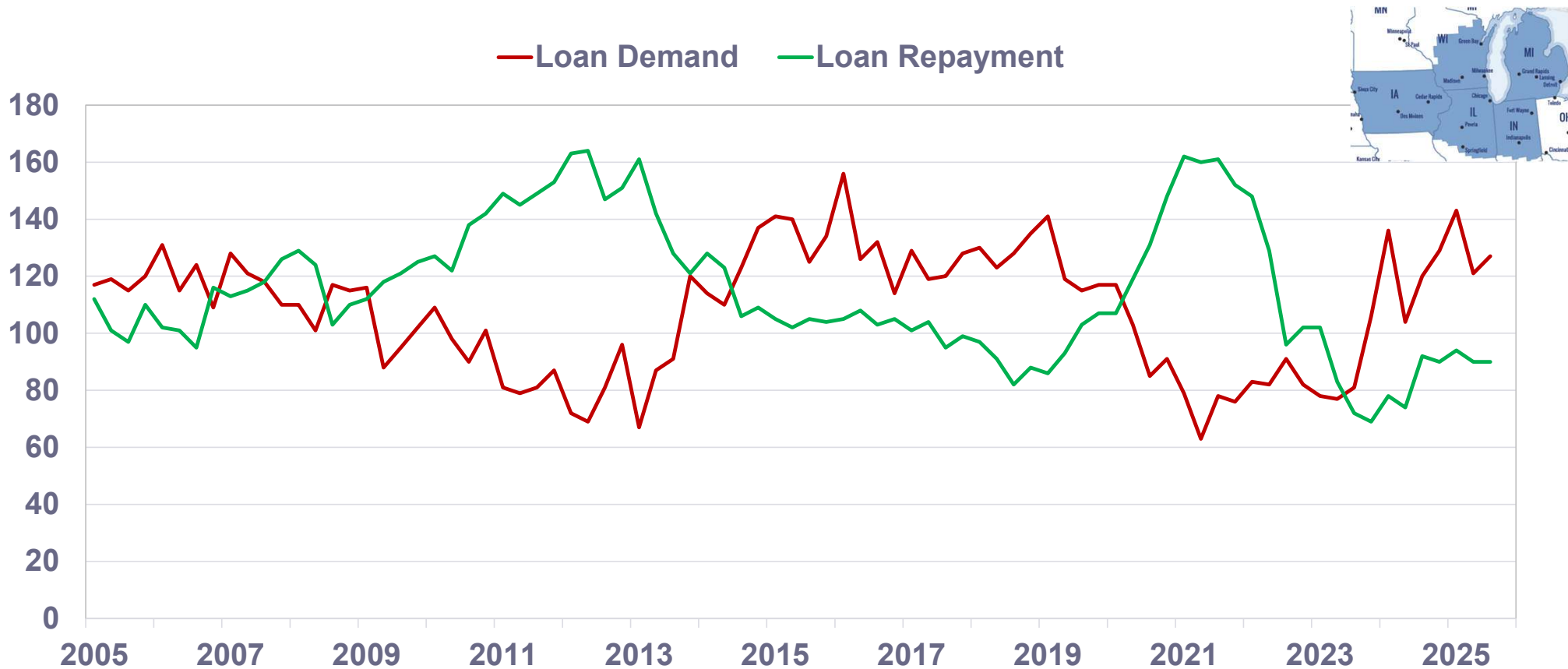
USDA Projected Farm Prices

Budget	Crop	2025	2026	2025	2026
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- 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

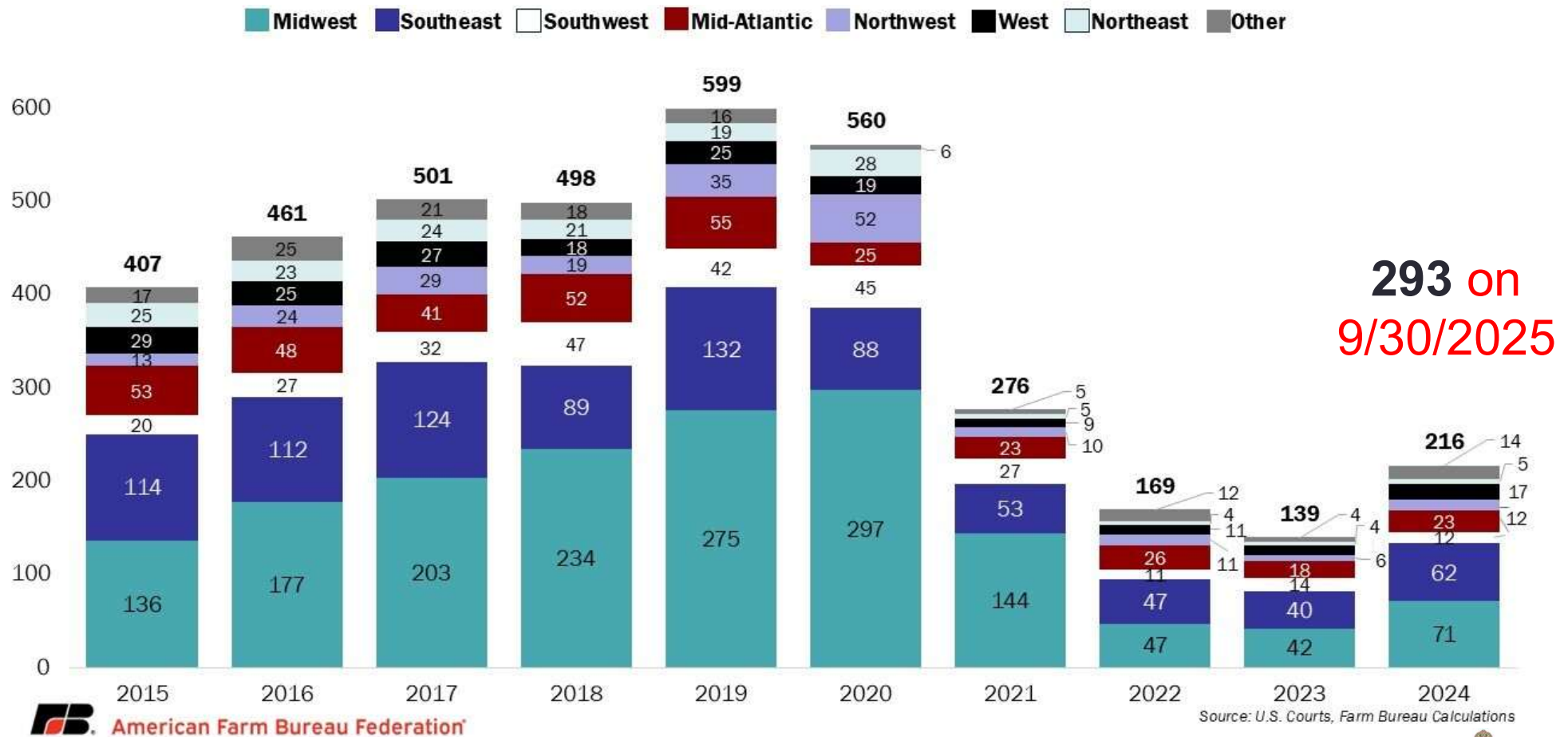
Cash Flow has become a serious issue for many Wisconsin farms

Indexes of Farm Financial Conditions in the 7th District

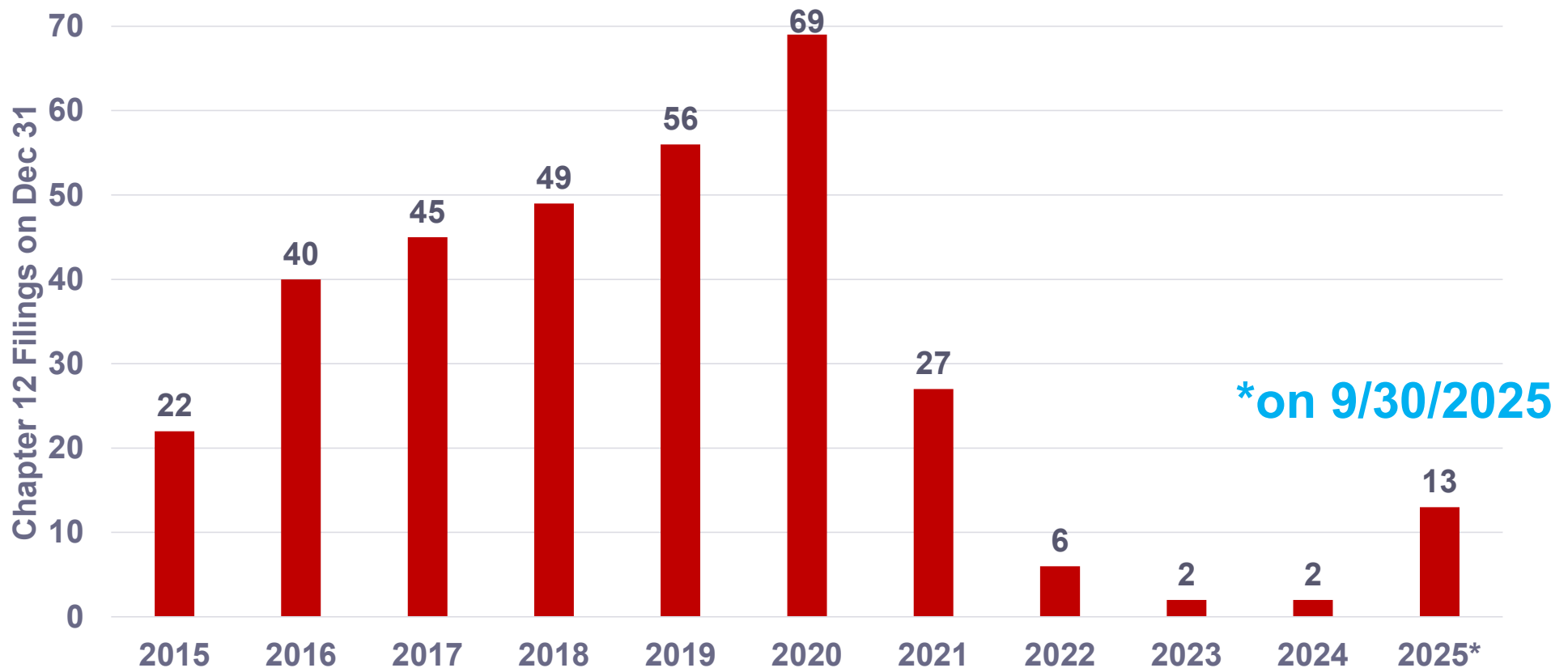


Nov 13, 2025 <https://www.chicagofed.org/research/content-areas/agriculture/index>

Calendar Year Chapter 12 Farm Bankruptcies By Region



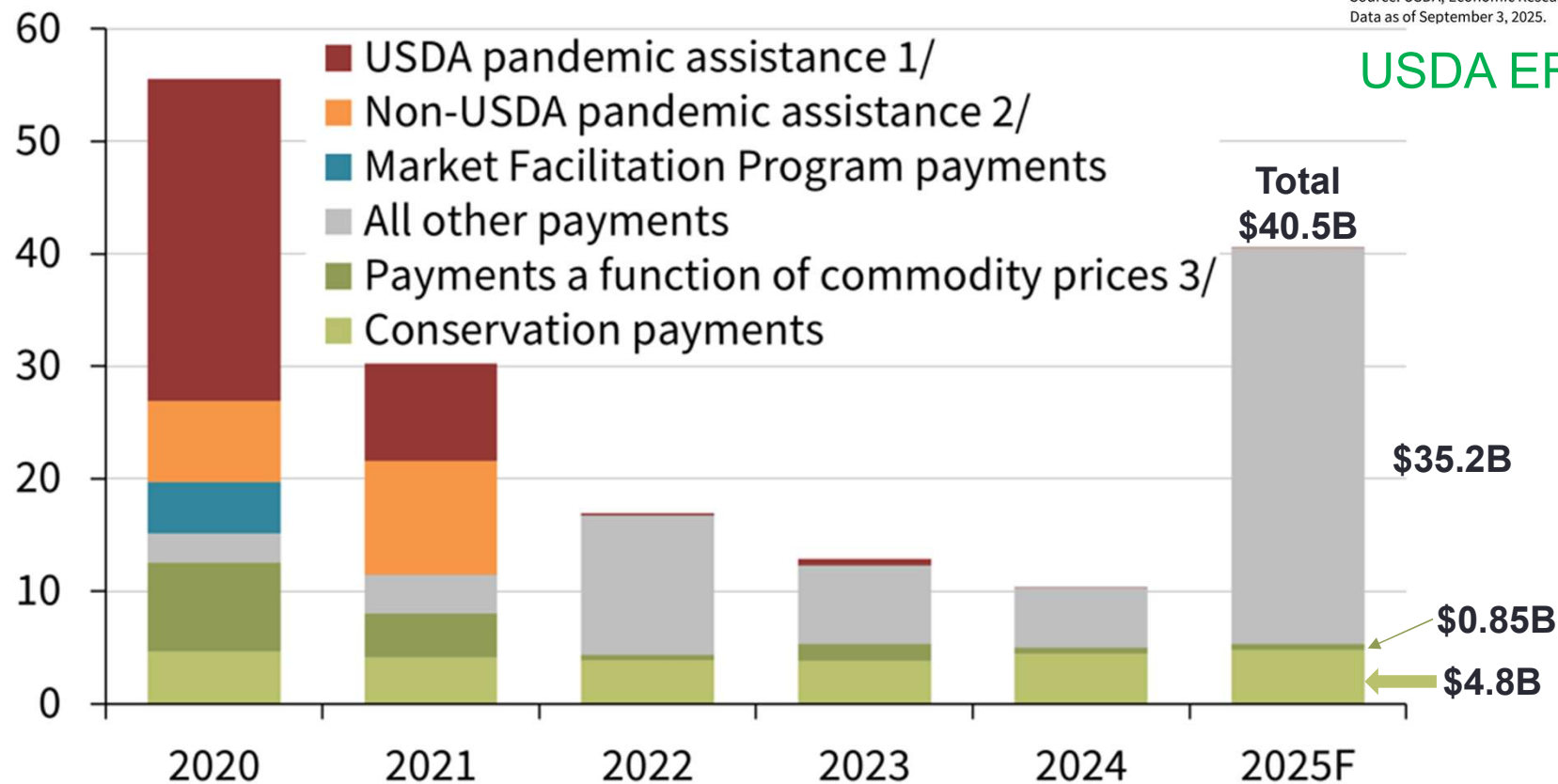
Chapter 12 Filings on Dec 31 in Wisconsin in by Year



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>

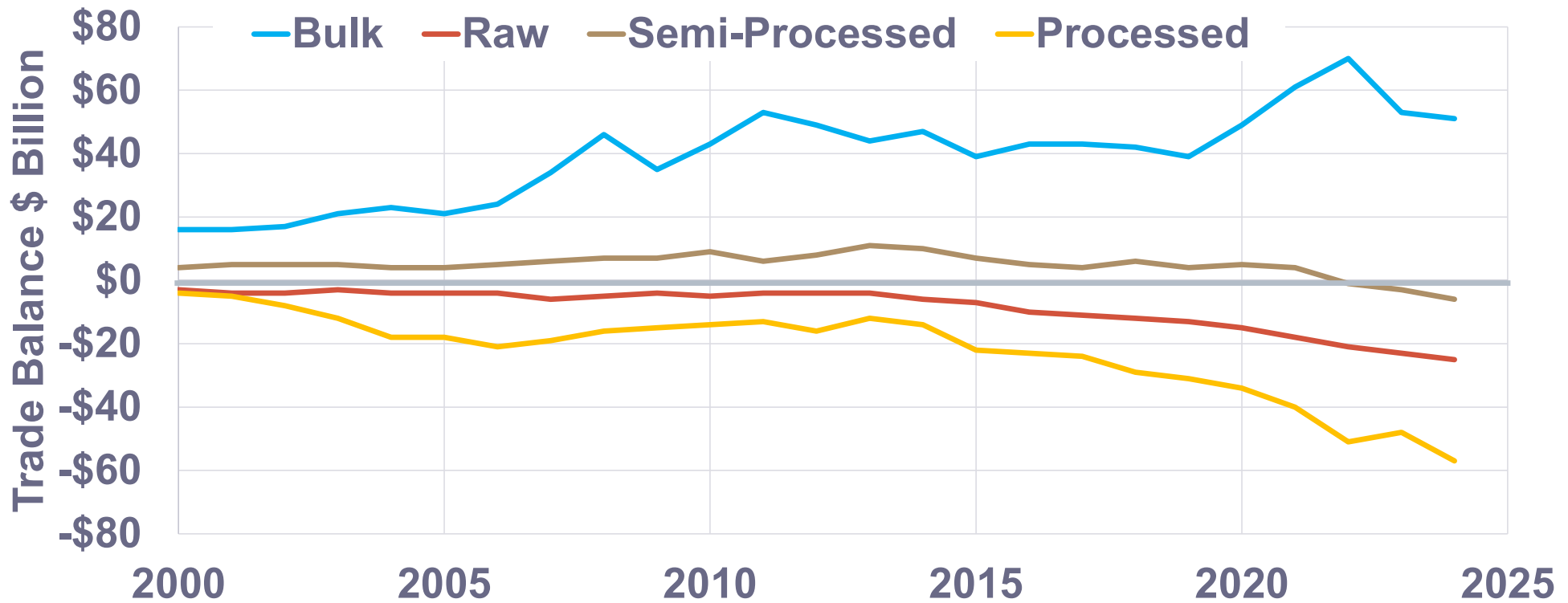
Government Support is helping with Cash Flow

- **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 issues 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?

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AGRICULTURAL & APPLIED ECONOMICS
College of Agricultural & Life Sciences



Extension
UNIVERSITY OF WISCONSIN-MADISON

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