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# A Review of Recent Farm Income Outlook Reports: Fall 2025

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***The goals of this policy brief are to (1) provide a summary of the ten state-level farm income projections for 2025 and 2026 by RaFF and collaborators, and (2) explore the linkages between direct government payments and cash receipts.***

## Net Farm Income

The Rural and Farm Finance Policy Analysis Center (RaFF) at the University of Missouri, in collaboration with experts from multiple land-grant universities, has recently released revised net farm income projections for 10 states: Arkansas, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and Texas. The reports with the accompanying tables are available at <https://raff.missouri.edu/farm-income/>. They are intended to supplement national projections developed by the U.S. Department of Agriculture Economic Research Service (USDA-ERS) and the Food and Agriculture Policy Research Institute at the University of Missouri (FAPRI-MU) that inform policymakers, agricultural stakeholders, and the general public about the evolution of the farm economy.

### National Trends in Net Farm Income

Table 1 shows that 2025 U.S. net farm income is projected to increase by 41% and 38%, compared to a year earlier, to reach \$179.85 billion and \$176.72 billion, according to USDA-ERS (2025a) and

FAPRI-MU (2025). However, 2025 projections are a tale of two very different sectors at the national level: while cash receipts in the animal and animal products sector are expected to grow for a second consecutive year, the crop sector would see cash receipts declining for the third consecutive year.

## National Trends in Crop Receipts

The 2025-26 crop year is a difficult year for crop farmers, especially for corn and soybean producers. On average, corn and soybeans accounted for 46% of total U.S. crop receipts over 2015–2024 (USDA-ERS, 2025b). The USDA-ERS (2025a) projected on September 3, that U.S. crop receipts in calendar year 2025 will be \$236.60 billion—3% lower than in 2024, and 14% lower than a peak of \$236.60 billion in 2022. Similarly, on September 10, FAPRI-MU (2025) projected that the country’s crop receipts would decline by 3% to \$236.19 billion in 2025 and would remain stable in 2026.

In 2025-26, corn prices are expected to drop to an average of \$3.90 per bushel (USDA-OCE, 2025). This is down from \$4.30 a year earlier, largely due to a record-large supply from both domestic and global production. For soybeans, although average season prices are expected to remain relatively stable at \$10.10 per bushel (USDA-OCE, 2025), the anticipated trade dispute with China at the beginning of the year resulted in 7% lower planted area in 2025 than in 2024 (USDA-FSA, 2025a). On November 1, the White House (2025) announced an agreement between President Trump and China’s President Xi according to which China will increase the purchase of U.S. soybeans by 12 million metric tons (MMT) during the last two months of 2025 plus an additional 25 MMT per year through 2028. The expected result of the trade deal is to tame the recent downward pressure on soybean prices resulting from the lack of import demand from China.

## National Trends in Livestock Receipts

Declining crop prices translate into lower feed costs for livestock production that support resilient profit margins for the animals and animal products sector. Cattle producers face increasing feeder cattle prices from tight inventories during the rebuilding phase of the cattle cycle, which partially offset the cost savings from lower feed costs. However, sustained consumer demand for beef is helping cattle producers lock in positive profit margins. In other livestock enterprises, egg prices skyrocketed from late 2024 to early 2025 due to the highly pathogenic avian influenza (HPAI) outbreak, offsetting lower production volumes and resulting in higher cash receipts and positive profit margins for owners of unaffected flocks of layers. Hog and dairy producers are also supported by strong demand and profitable margins. The outlook for 2026 livestock receipts shows mixed trends. While steer prices are expected to continue to rise next year, egg prices would return to their pre-HPAI averages under the assumption of declining infections, and hog prices would soften slightly.

U.S. livestock receipts are projected to be around \$298 billion in 2025, an increase of 11% (USDA-ERS, 2025a; FAPRI-MU, 2025). This is 81% higher than a recorded low in 2020, and 48% higher than the 2015-2024 average (USDA-ERS, 2025b). FAPRI-MU (2025) projected a slight decrease in livestock receipts (-1%) in 2026.

## Government Aid to the Rescue

Producers in both the crop and the livestock sectors have been affected by multiple adversities in recent years: increased costs of manufactured inputs, high price volatility, and localized disasters and emergencies stemming from drought, floods, and wildfires. To partially compensate producers for those adversities, the American Relief Act (ARA) of 2025, signed in December 2024, authorized \$30.78 billion in emergency and disaster relief payments to affected agricultural producers. As of October 10, 2025, the Farm Service Agency (FSA) reported having disbursed \$16.06 billion through three major ARA programs (USDA-FSA, 2025b):

- \$9.31 billion out of the \$10.00 billion in the Emergency Commodity Assistance Program (ECAP), which provides economic assistance for eligible crop farmers to alleviate the impacts of increased input costs and declining commodity prices for the 2024 crop year;
- \$1.04 billion of the \$2.00 billion in the Emergency Livestock Relief Program (ELRP), which aids livestock producers affected by drought, floods, and wildfires in 2023 and 2024; and
- \$5.70 billion of the \$18.78 billion in Supplemental Disaster Relief Program (SDRP), which provides relief payments for economic losses of crops, trees, bushes, or vines resulting from disaster events in 2023–2024.

The USDA-ERS projected total U.S. direct government payments at \$40.51 billion in 2025, 301% higher than in 2024. This increase in government payments accounts for 58% of the \$52.02 billion projected increase in net farm income for the U.S. farm sector (USDA-ERS, 2025a). Meanwhile, FAPRI-MU also projected direct government payments to total \$40.48 billion nationally in 2025, a \$30.38 billion increase (301%) from the year prior, accounting for 62% of the increase in net farm income (FAPRI-MU, 2025).

## State-level trends

At the regional level, RaFF's projections show a consistent trend with the national level: direct government payments and livestock receipts are major drivers of net farm income in 2025, as shown in [Figure 1a](#). However, spatial variations in the projected changes to net farm income are observed among the 10 states, ranging from -8% (Arkansas) to 147% (Minnesota), as shown in [Table 2](#).

All 10 states are expected to receive higher direct government payments in 2025 than in 2024, with increases ranging from \$0.42 billion (Arkansas) to \$2.49 billion (Minnesota). Direct government payments account for 17% (Texas) to 50% (North Dakota) of the 2025 net farm incomes by state.

Nonetheless, most of the incremental government payments stem from one-time programs; thus, a substantial portion would not recur unless new economic assistance program payments are approved by U.S. Congress. As a result, direct government payments in 2026 are projected to fall in nine out of 10 states, ranging from -45% (Minnesota) to -30% (Illinois) ([Figure 1b](#) and [Table 2](#)).<sup>1</sup>

In addition, bullish livestock markets in 2025—led by rising prices of steers, hogs, and eggs—would result in higher livestock receipts in all 10 states. Arkansas is expected to see the lowest increase in livestock receipts (+\$0.43 billion or 5%), as the state specializes in broiler production. At the same time, as the state with the largest cattle inventories, Texas’s total livestock receipts would increase the most, by \$4.68 billion (20%).

RaFF’s projections for 2026 indicate a more pessimistic outlook overall compared to 2025: the annual change in net farm income would vary across states from -34% (Indiana) to 1% (Texas), mainly driven by declines in direct government payments and crop receipts ([Table 2](#)).

## Crop Receipts Losses and Disaster Assistance

Between 2022 and 2024, U.S. crop farmers saw their cash receipts decline by \$40.00 billion (-15%), while livestock producers saw their receipts climb by \$8.80 billion (4%) (USDA-ERS, 2025b).

Similarly, all 10 states covered by RaFF suffered accumulated losses in cash receipts for crops between 2022 and 2024, ranging from \$0.35 billion (North Dakota) to \$5.98 billion (Illinois) ([Figure 2](#)).

The ARA of 2025 has issued billions in supplemental and ad hoc disaster relief to alleviate the financial losses from recent years. Although some of these payments are directed at livestock producers, a larger portion is directed at crop producers. At the state level, RaFF has projected a total of \$16.59 billion in supplemental and ad hoc disaster relief in 2025 among the 10 covered states (81% of total direct government payments), which range from \$0.54 billion (Arkansas) to \$2.68 billion (Texas). In comparison, supplemental and ad hoc disaster assistance nationwide is projected to reach \$35.17 billion (87% of the total direct government payments) in 2025, \$3.73 billion higher than the assistance during the COVID-19 pandemic (USDA-ERS, 2025b).

RaFF projects that a total of \$5.74 billion in supplemental and ad hoc disaster assistance from the ARA of 2025 will be disbursed to the 10 states in 2026. RaFF projections are based on the expectation that higher 2025–2026 disaster relief payments will go to states with higher

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<sup>1</sup> By the end of October 2025, there were rumors in the news media that the federal government would inject \$12 billion to the farm economy through a new ad-hoc program to aid farmers affected by the retaliatory tariffs of 2025, but no official announcements were made as of the publication of this policy brief.

accumulated losses in crop receipts over the last two years, as illustrated by the positive trend in [Figure 2](#).

## Concluding Comments

Economic assistance from the federal government will likely become the key source of net farm income for states with relatively large crop sectors in 2025, as profitability in crop production faces several challenges. However, the extended government shutdown in 2025 and other factors could defer some direct payments until next year. Unless demand for U.S. crops increases substantially or new supplemental and ad hoc assistance programs are implemented in 2026, net farm income is projected to drop substantially next year in most states covered by RaFF.

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## Tables & Figures

**Table 1. U.S. Net Farm Income and its Components, 2024-2026 (billion dollars)**

|                             | USDA   |        |            | FAPRI-MU |        |        |            |            |
|-----------------------------|--------|--------|------------|----------|--------|--------|------------|------------|
|                             | 2024   | 2025   | %chg 24-25 | 2024     | 2025   | 2026   | %chg 24-25 | %chg 25-26 |
| <b>Crop Receipts</b>        | 242.66 | 236.60 | -3         | 242.66   | 236.19 | 237.32 | -3         | 0          |
| <b>Livestock Receipts</b>   | 268.62 | 298.64 | 11         | 268.62   | 298.54 | 295.47 | 11         | -1         |
| <b>Direct Govt Payments</b> | 10.09  | 40.51  | 301        | 10.09    | 40.48  | 18.90  | 301        | -53        |
| <b>Total Expenses</b>       | 455.49 | 467.45 | 3          | 455.49   | 469.75 | 473.67 | 3          | 1          |
| <b>Net Farm Income</b>      | 127.83 | 179.85 | 41         | 127.83   | 176.72 | 145.90 | 38         | -17        |

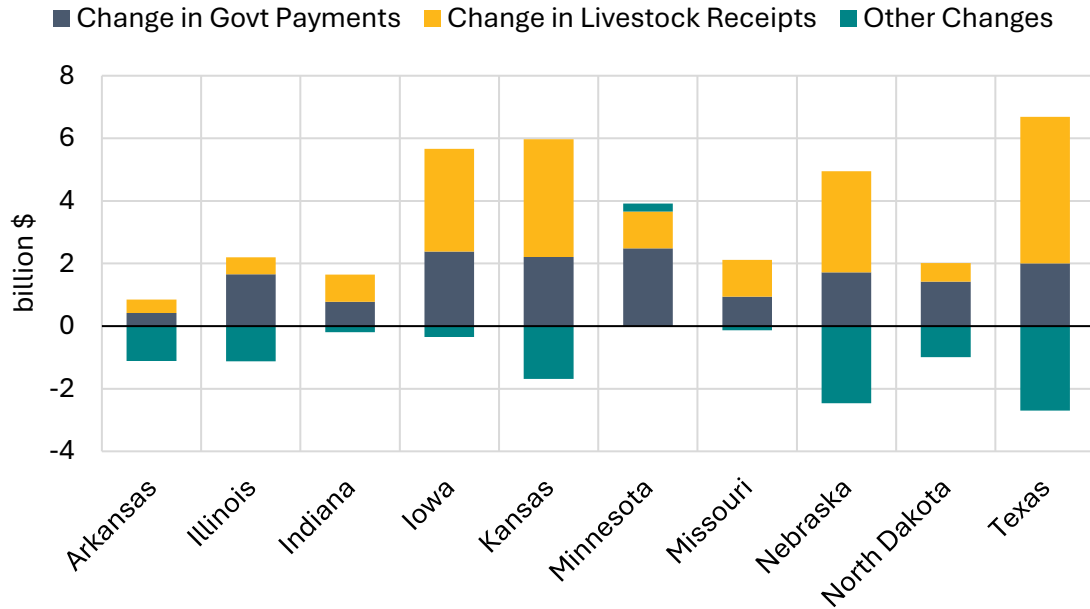
Sources: USDA-ERS (2025b): Projections are not available for 2026; FAPRI-MU (2025).

**Table 2. 2024–2026 Net Farm Income and its Components for 10 States (billion dollars)**

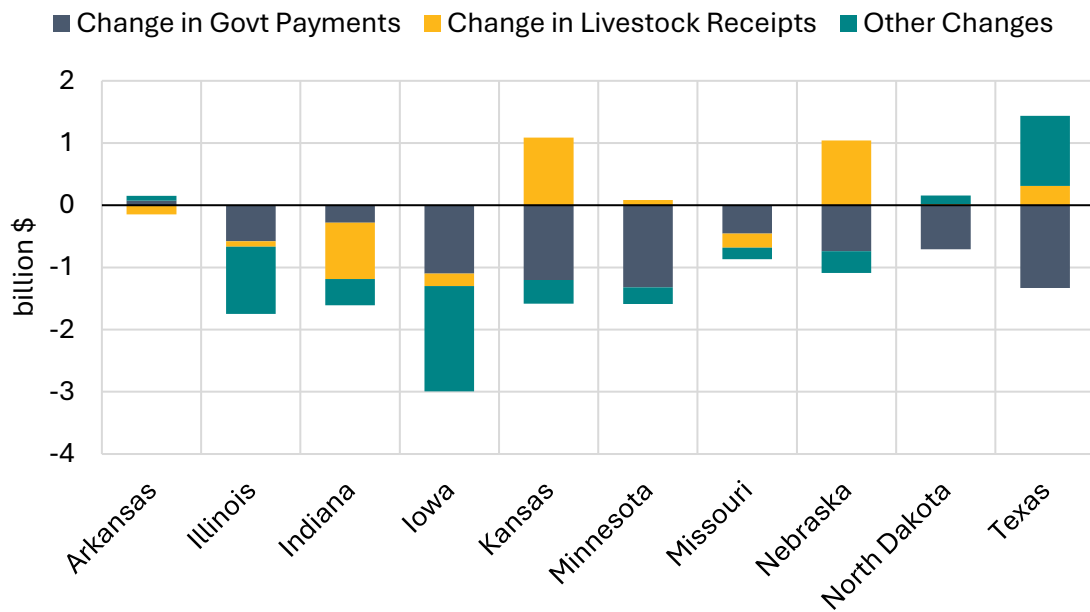
|                             | Arkansas     |       |       |            |            | Illinois  |       |       |            |            |
|-----------------------------|--------------|-------|-------|------------|------------|-----------|-------|-------|------------|------------|
|                             | 2024         | 2025  | 2026  | %chg 24-25 | %chg 25-26 | 2024      | 2025  | 2026  | %chg 24-25 | %chg 25-26 |
| <b>Crop Receipts</b>        | 4.80         | 4.18  | 4.06  | -13        | -3         | 18.49     | 17.66 | 17.28 | -4         | -2         |
| <b>Livestock Receipts</b>   | 7.90         | 8.33  | 8.18  | 5          | -2         | 3.96      | 4.50  | 4.42  | 14         | -2         |
| <b>Direct Govt Payments</b> | 0.26         | 0.68  | 0.76  | 166        | 11         | 0.27      | 1.93  | 1.35  | 606        | -30        |
| <b>Total Expenses</b>       | 10.63        | 10.73 | 10.72 | 1          | 0          | 19.49     | 19.27 | 19.34 | -1         | 0          |
| <b>Net Farm Income</b>      | 3.17         | 2.91  | 2.91  | -8         | 0          | 5.18      | 6.25  | 4.50  | 21         | -28        |
|                             | Indiana      |       |       |            |            | Iowa      |       |       |            |            |
|                             | 2024         | 2025  | 2026  | %chg 24-25 | %chg 25-26 | 2024      | 2025  | 2026  | %chg 24-25 | %chg 25-26 |
| <b>Crop Receipts</b>        | 9.04         | 8.52  | 8.44  | -6         | -1         | 18.13     | 17.46 | 17.54 | -4         | 0          |
| <b>Livestock Receipts</b>   | 6.20         | 7.07  | 6.16  | 14         | -13        | 19.46     | 22.74 | 22.55 | 17         | -1         |
| <b>Direct Govt Payments</b> | 0.12         | 0.89  | 0.61  | 658        | -31        | 0.69      | 3.07  | 1.97  | 345        | -36        |
| <b>Total Expenses</b>       | 13.09        | 13.10 | 13.02 | 0          | -1         | 34.25     | 34.47 | 34.82 | 1          | 1          |
| <b>Net Farm Income</b>      | 3.26         | 4.71  | 3.10  | 45         | -34        | 7.00      | 12.32 | 9.33  | 76         | -24        |
|                             | Kansas       |       |       |            |            | Minnesota |       |       |            |            |
|                             | 2024         | 2025  | 2026  | %chg 24-25 | %chg 25-26 | 2024      | 2025  | 2026  | %chg 24-25 | %chg 25-26 |
| <b>Crop Receipts</b>        | 7.27         | 7.83  | 8.27  | 8          | 6          | 12.18     | 11.49 | 12.30 | -6         | 7          |
| <b>Livestock Receipts</b>   | 16.60        | 20.35 | 21.44 | 23         | 5          | 10.02     | 11.20 | 11.28 | 12         | 1          |
| <b>Direct Govt Payments</b> | 0.58         | 2.80  | 1.59  | 378        | -43        | 0.42      | 2.91  | 1.58  | 594        | -45        |
| <b>Total Expenses</b>       | 22.03        | 24.30 | 24.69 | 10         | 2          | 21.90     | 21.83 | 21.60 | 0          | -1         |
| <b>Net Farm Income</b>      | 4.89         | 9.17  | 8.67  | 88         | -5         | 2.67      | 6.59  | 5.09  | 147        | -23        |
|                             | Missouri     |       |       |            |            | Nebraska  |       |       |            |            |
|                             | 2024         | 2025  | 2026  | %chg 24-25 | %chg 25-26 | 2024      | 2025  | 2026  | %chg 24-25 | %chg 25-26 |
| <b>Crop Receipts</b>        | 6.78         | 6.74  | 6.69  | -1         | -1         | 11.93     | 11.35 | 11.61 | -5         | 2          |
| <b>Livestock Receipts</b>   | 6.86         | 8.03  | 7.81  | 17         | -3         | 20.04     | 23.26 | 24.31 | 16         | 4          |
| <b>Direct Govt Payments</b> | 0.33         | 1.28  | 0.82  | 283        | -36        | 0.50      | 2.22  | 1.48  | 344        | -33        |
| <b>Total Expenses</b>       | 12.30        | 12.23 | 12.08 | -1         | -1         | 28.68     | 30.39 | 30.56 | 6          | 1          |
| <b>Net Farm Income</b>      | 3.40         | 5.39  | 4.52  | 58         | -16        | 5.94      | 8.42  | 8.37  | 42         | -1         |
|                             | North Dakota |       |       |            |            | Texas     |       |       |            |            |
|                             | 2024         | 2025  | 2026  | %chg 24-25 | %chg 25-26 | 2024      | 2025  | 2026  | %chg 24-25 | %chg 25-26 |
| <b>Crop Receipts</b>        | 9.43         | 9.01  | 9.11  | -4         | 1          | 6.92      | 6.77  | 7.45  | -2         | 10         |
| <b>Livestock Receipts</b>   | 1.69         | 2.28  | 2.30  | 35         | 1          | 23.37     | 28.05 | 28.36 | 20         | 1          |
| <b>Direct Govt Payments</b> | 0.29         | 1.72  | 1.01  | 484        | -41        | 0.99      | 2.99  | 1.66  | 203        | -44        |
| <b>Total Expenses</b>       | 10.85        | 11.22 | 11.08 | 3          | -1         | 24.54     | 25.32 | 25.35 | 3          | 0          |
| <b>Net Farm Income</b>      | 2.45         | 3.46  | 2.91  | 42         | -16        | 14.01     | 17.99 | 18.10 | 28         | 1          |

Source: <https://raff.missouri.edu/farm-income/>

**Figure 1. Projected Changes in Components of Net Farm Income**



**(a) 2025 net farm income**



**(b) 2026 net farm income**

**Figure 2. Relationship between Accumulated Losses in Crop Receipts from 2023-2024 and RaFF's Projected Supplemental and Ad Hoc Disaster Assistance in 2025-2026**

