



FARM MANAGEMENT

Ag Finance Topic Updates

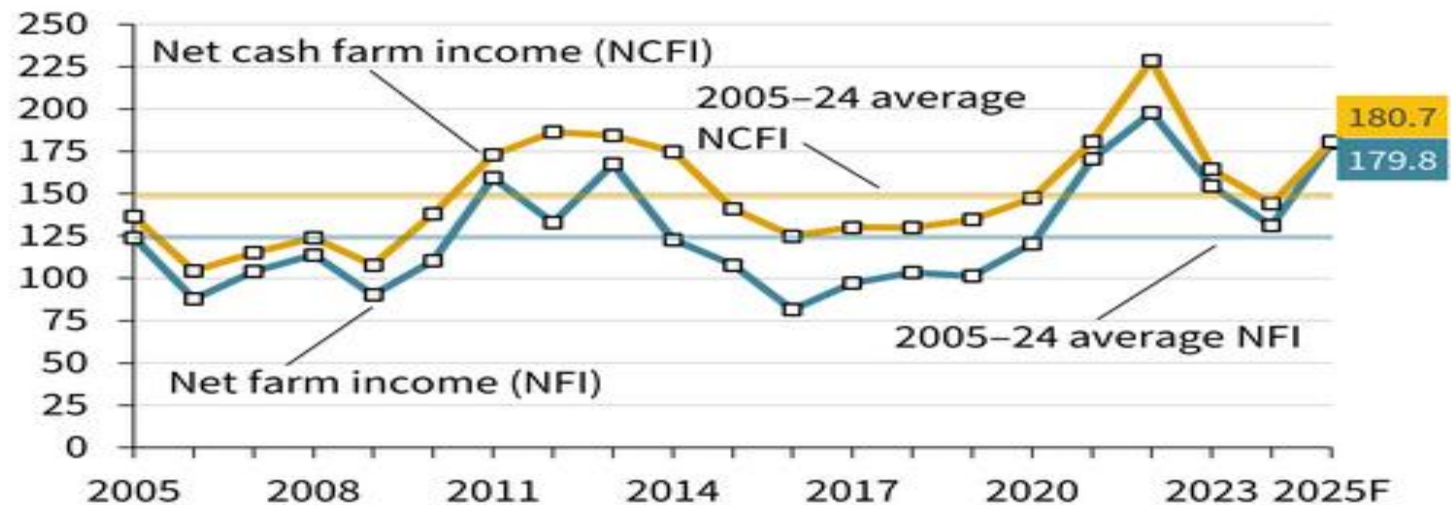
Rodney Jones, Ph.D. Oklahoma Farm Credit Agricultural
Finance Chair, OSU Dept. of Agricultural Economics

The Overall Farm Financial Picture

Net Farm Income Falling

U.S. net farm income and net cash farm income, inflation adjusted, 2005-25F

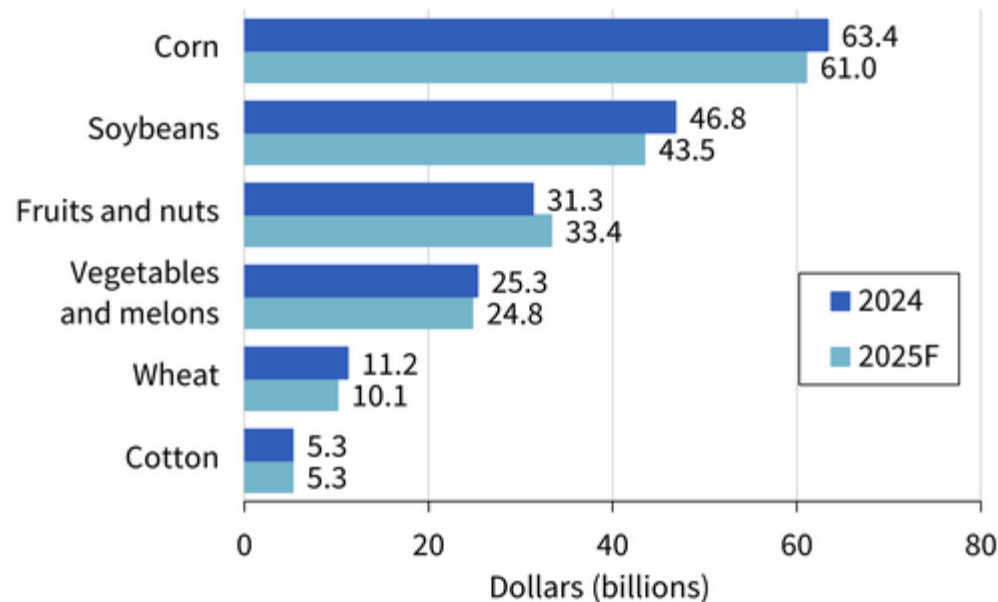
2025 dollars (billions)



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.

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

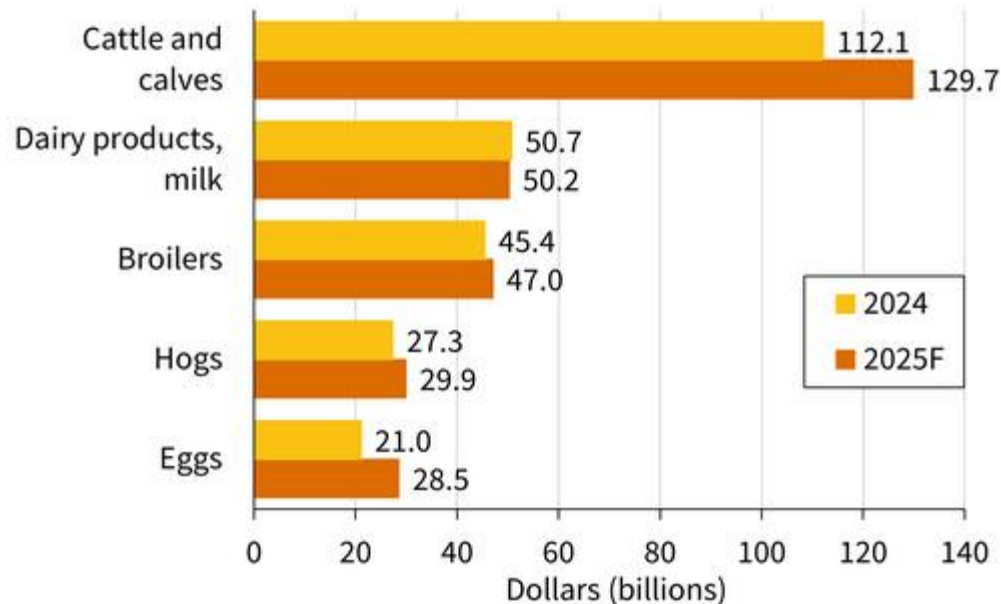
U.S. cash receipts for selected crops, 2024–25F



Note: F = forecast.

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

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

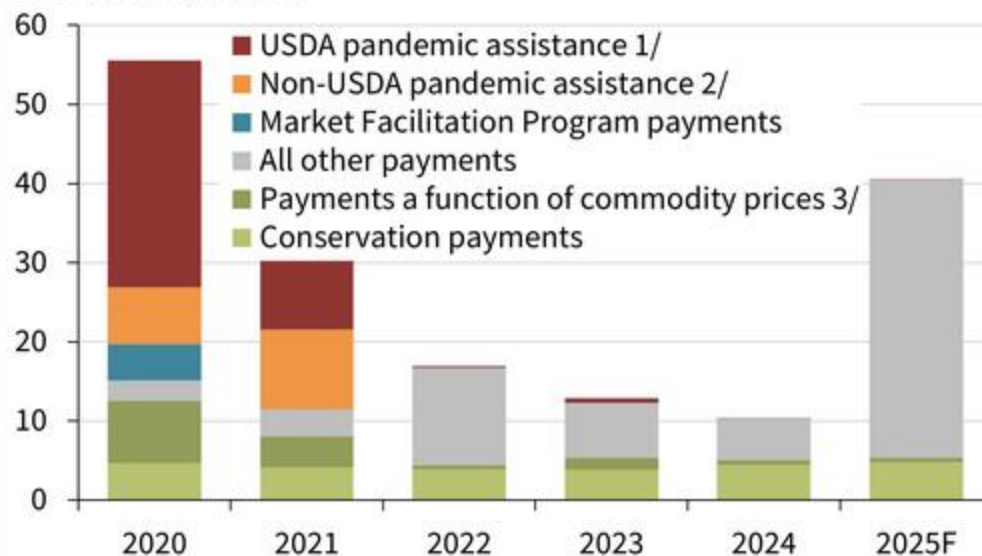


Note: F = forecast.

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

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.

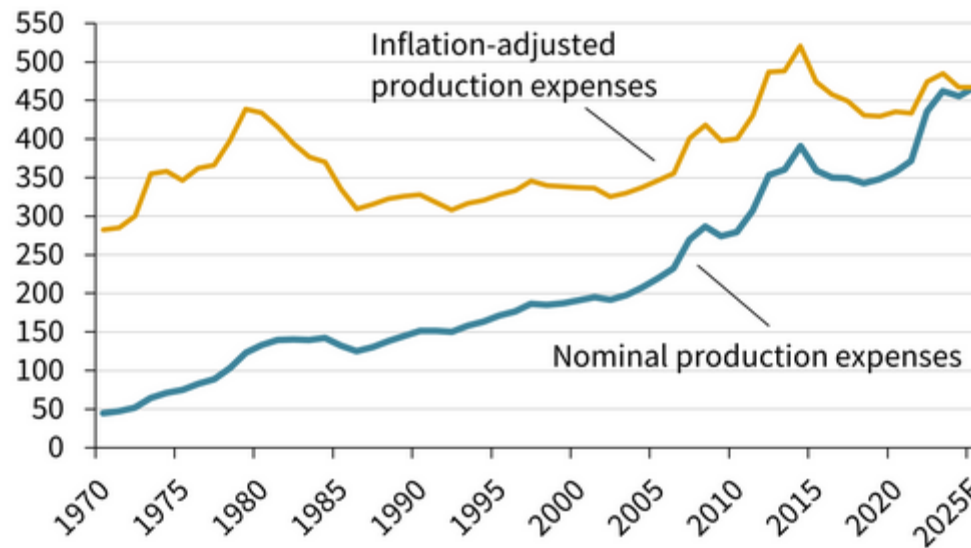
2/ Includes forgiven loans from the Paycheck Protection Program.

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.

Nominal and inflation-adjusted U.S. farm production expenses, 1970–25F

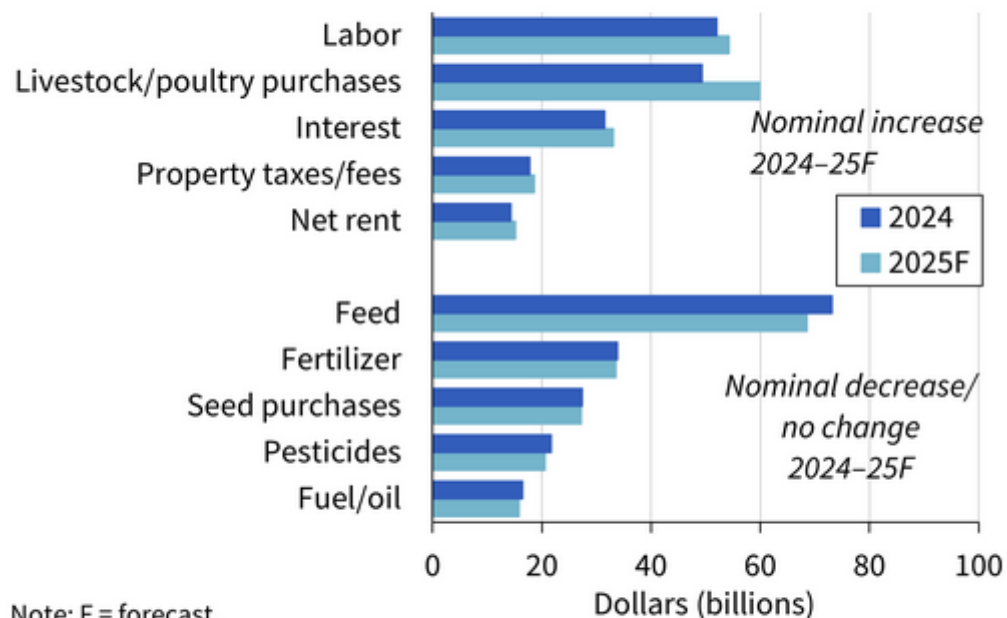
Dollars (billions)



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.

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

Selected U.S. farm production expenses, 2024-25F



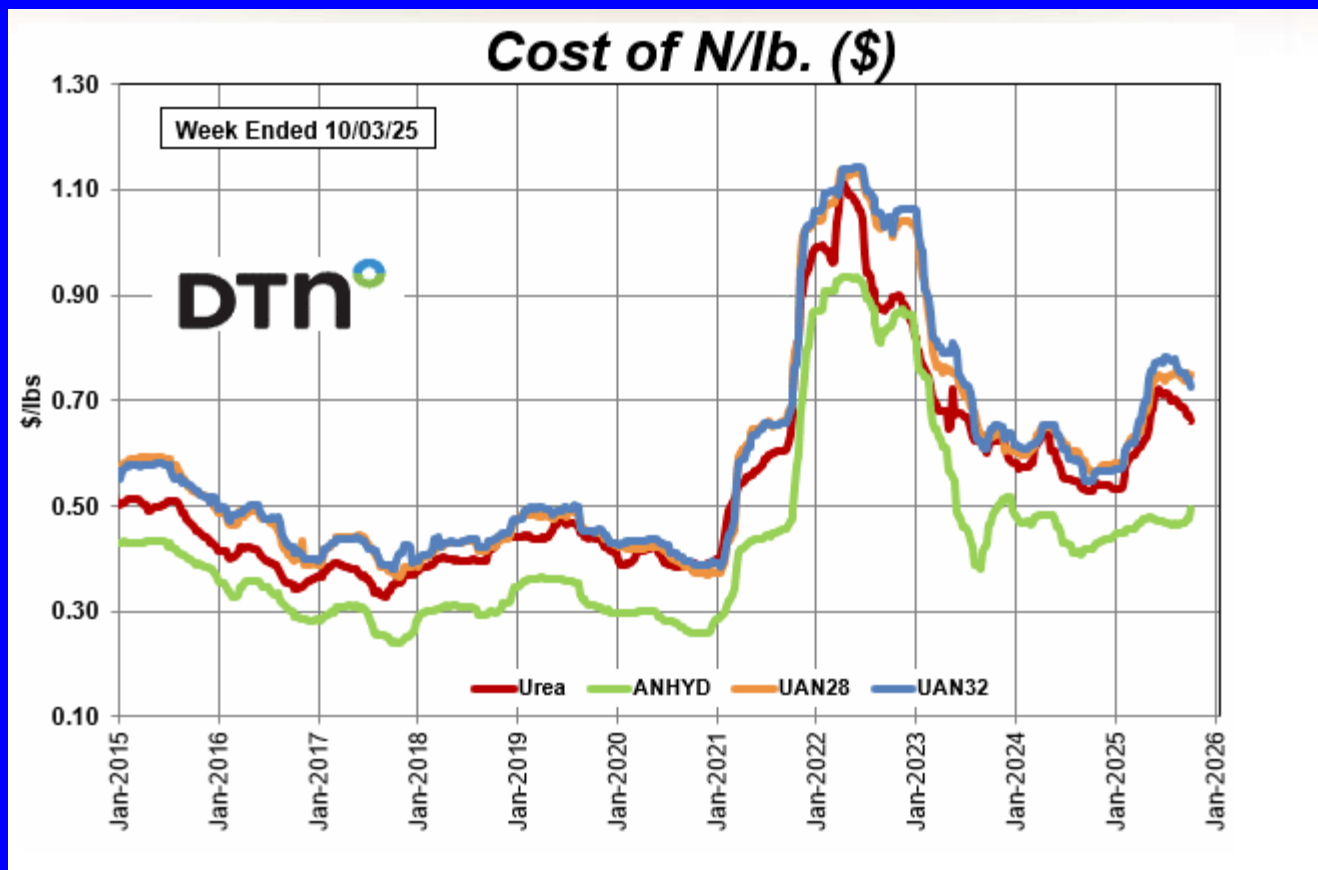
Note: F = forecast.

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

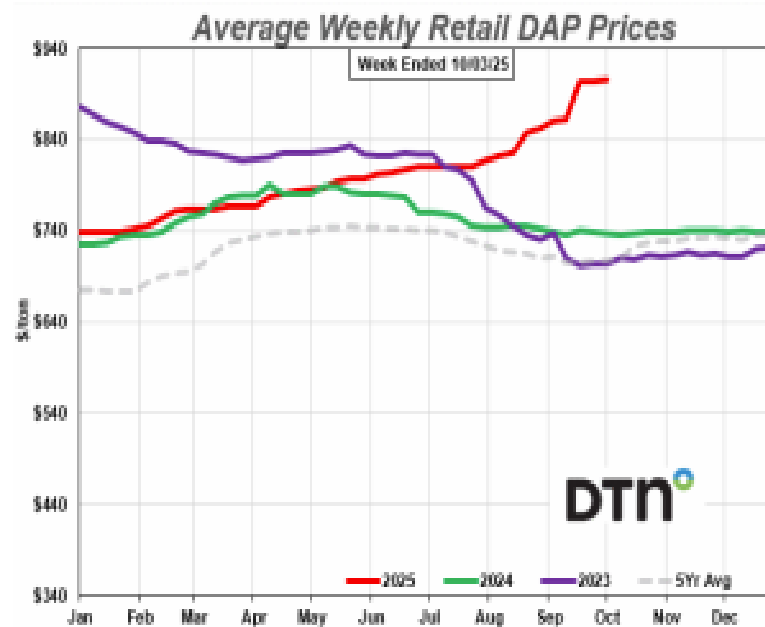
What's Up (or down) with Farm Income?

- 2024 was a lower Net income year (U.S.)
Mixed bag in Oklahoma)
- Net Cash income and actual accrual Net Farm income are tracking together (no broad indication of inventory changes)
- 2025 crop receipts significantly lower.
Livestock receipts and Govt. pmts higher.
Persistently high cash expenses all around

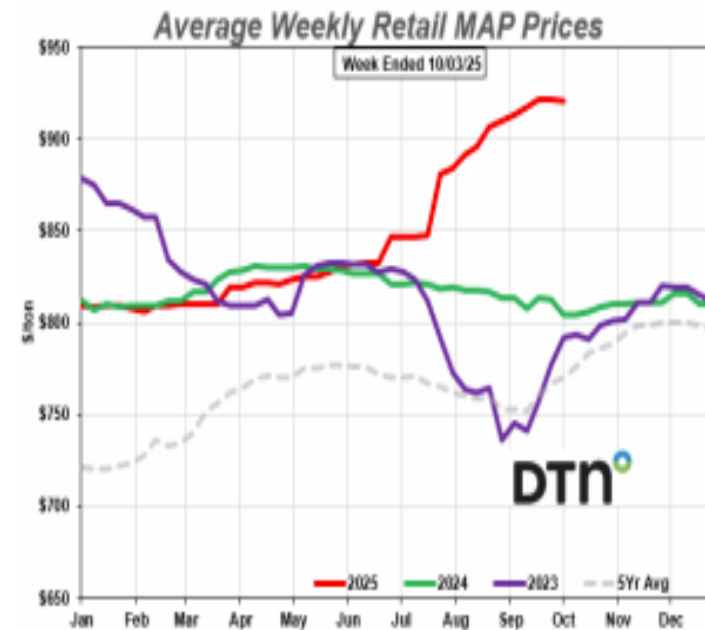
Fertilizer Prices Spiked Up Again



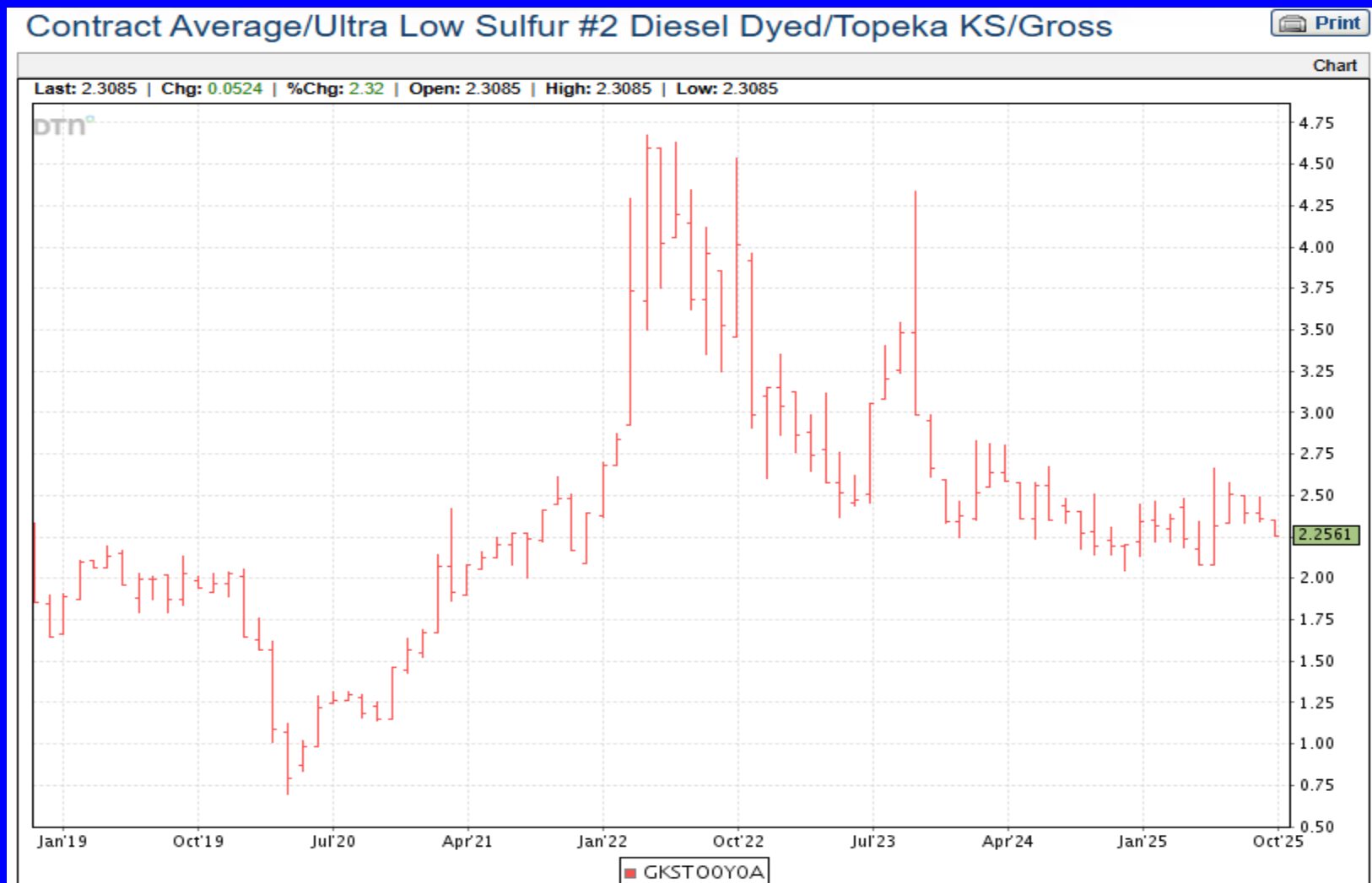
Weekly DAP Chart



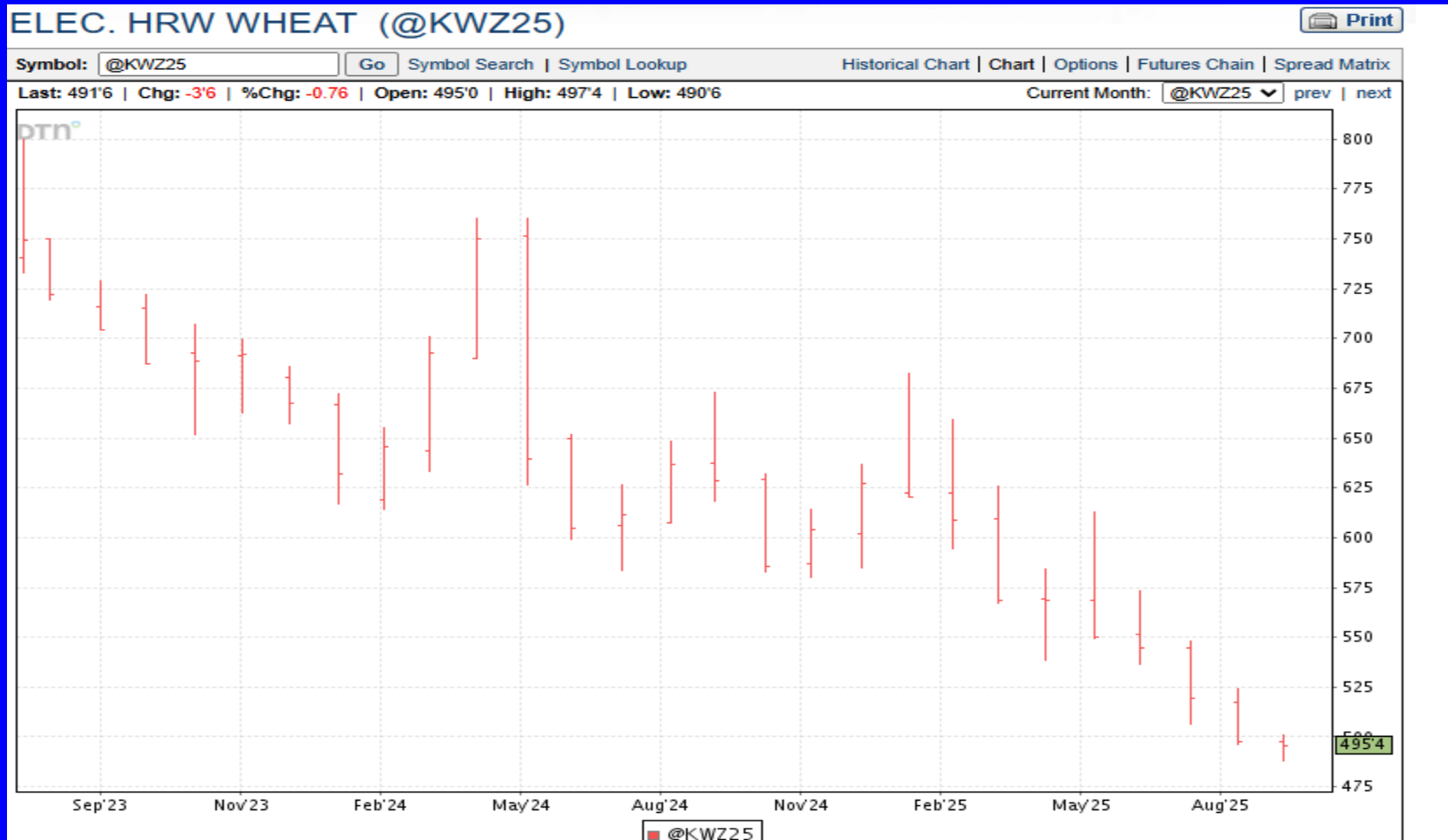
Weekly MAP Chart



Fuel Prices Relatively Stable



Wheat Price Has Really Crashed



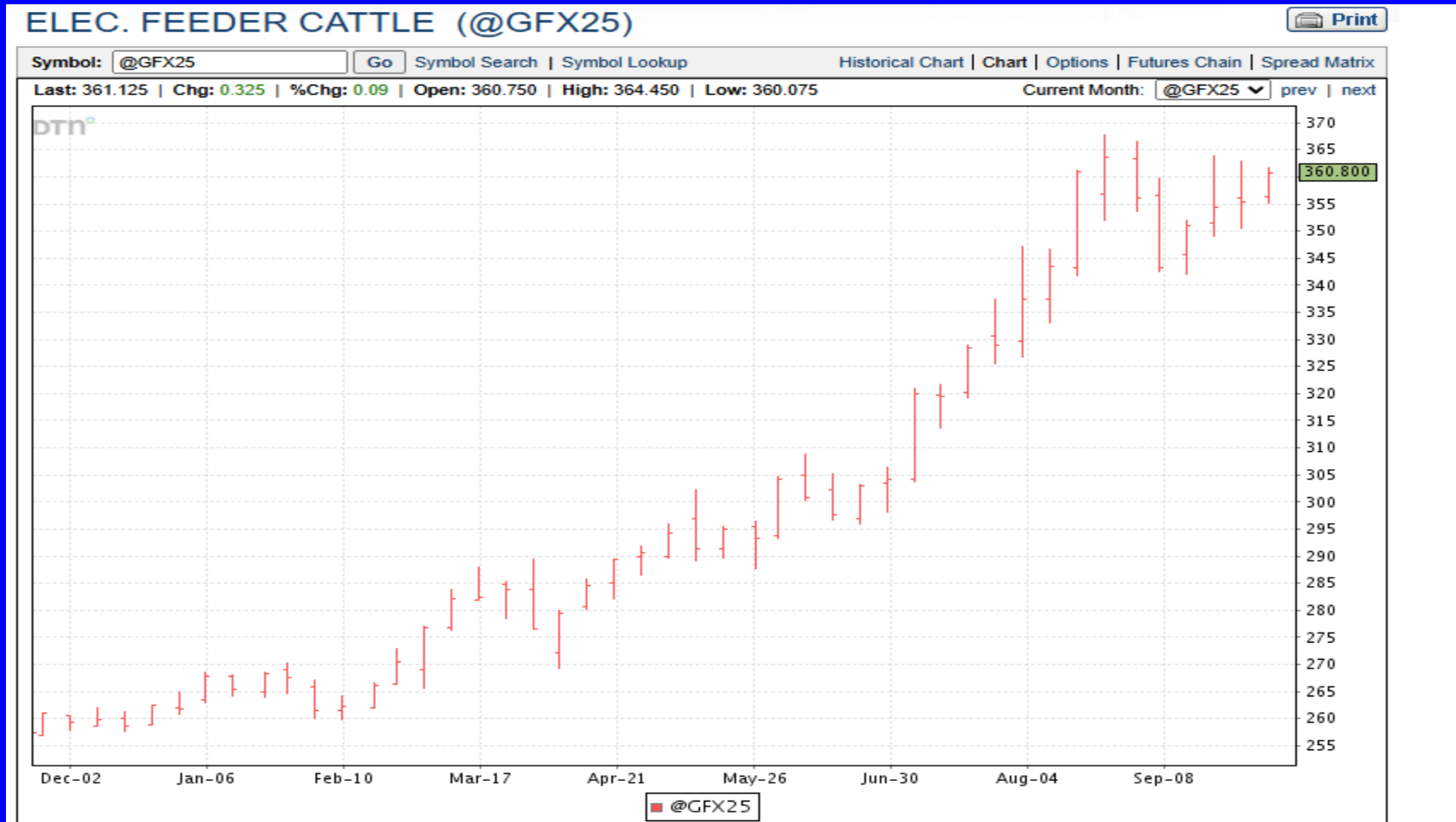
Corn Price Down as Well



Beans More Steady Over Last Year



Cattle and Calf Prices Very Strong



Interest Rates Coming Down Slowly

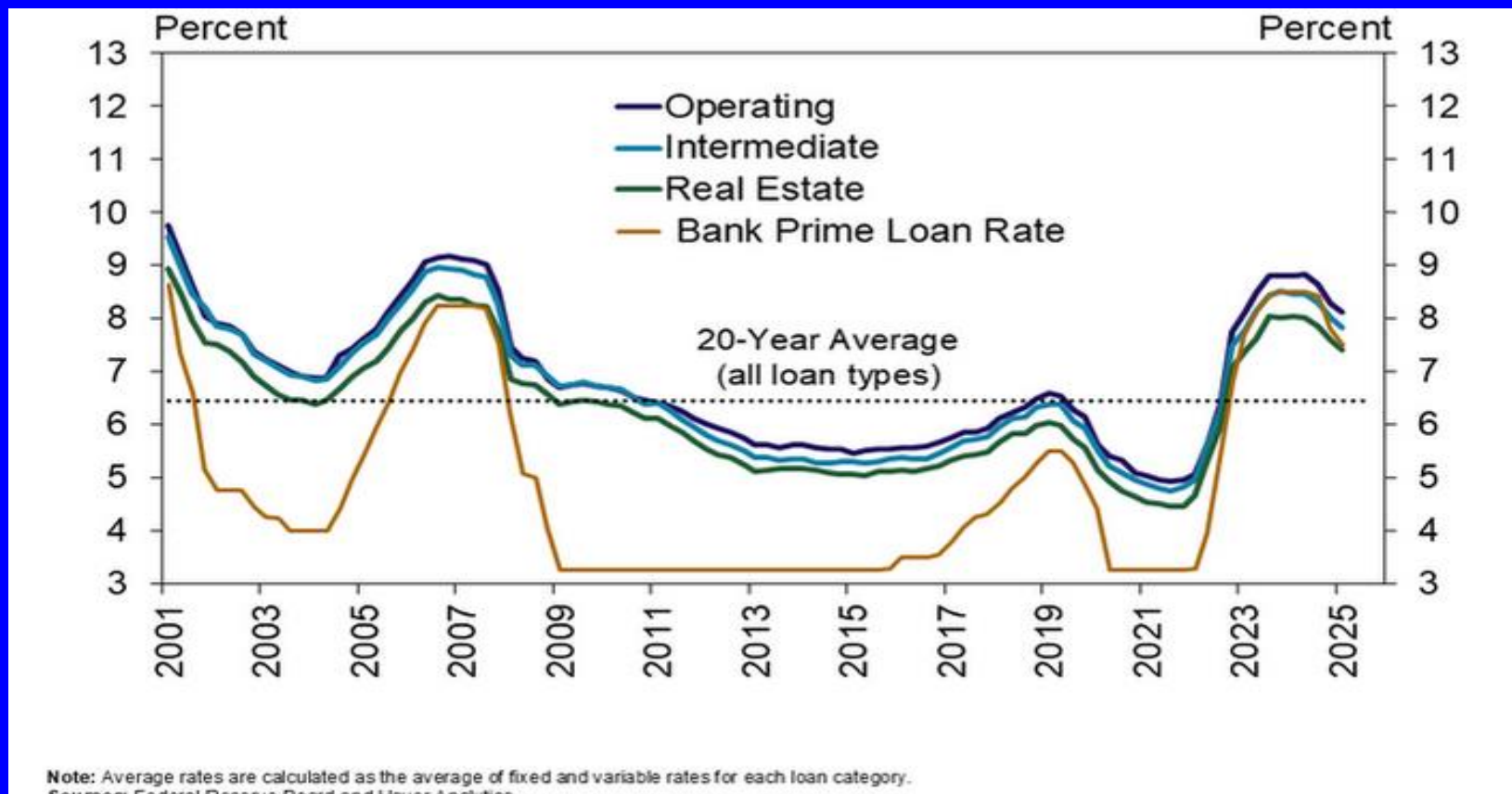


Chart 2: Farm Borrower Income by State

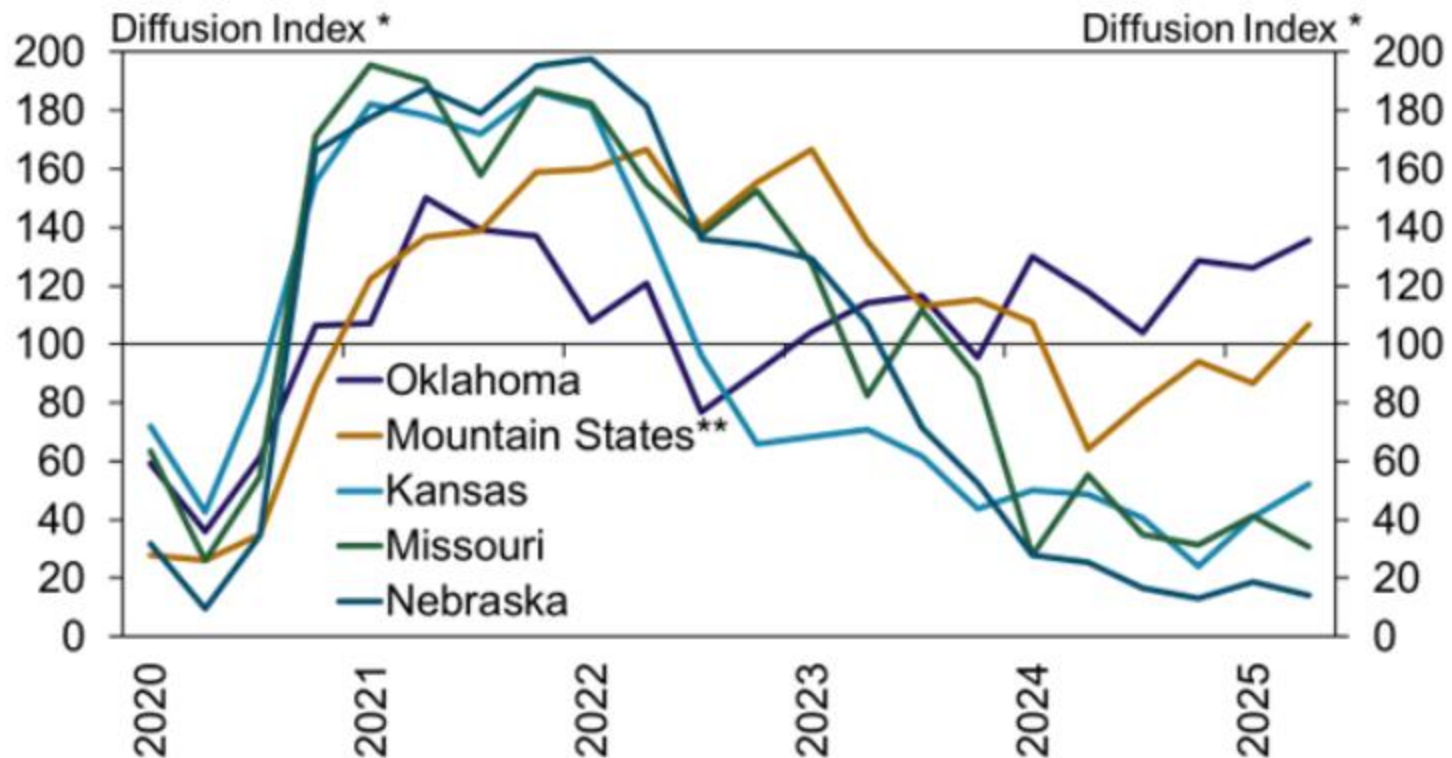
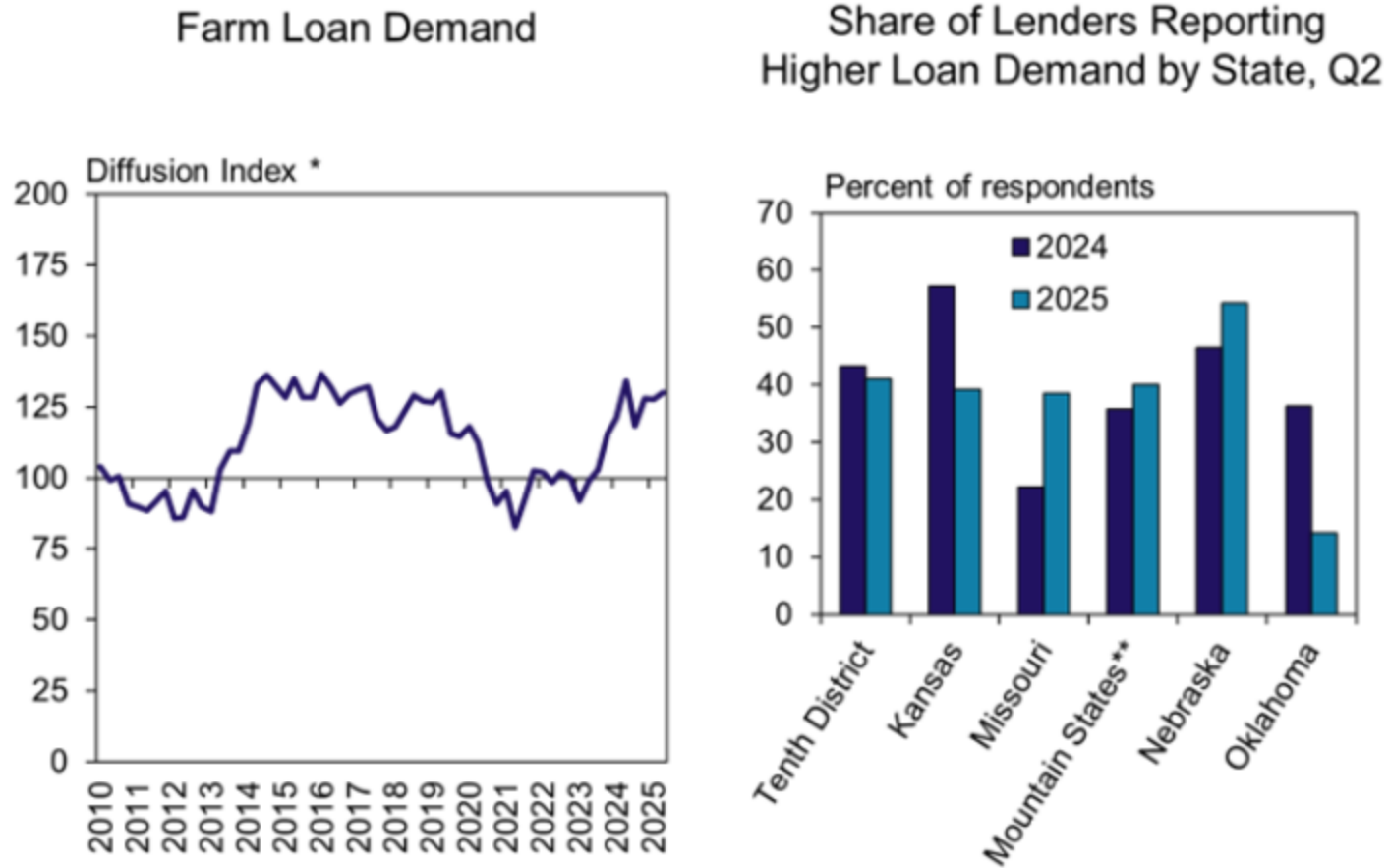


Chart 4: Tenth District Farm Loan Demand



*The index numbers are computed by subtracting the percentage of respondents who responded "lower" from the

Chart 6: Tenth District Farm Loan Repayment Rates

Farm Loan Repayment Rates



Share of Lenders Reporting Lower Repayment Rates by State, Q2

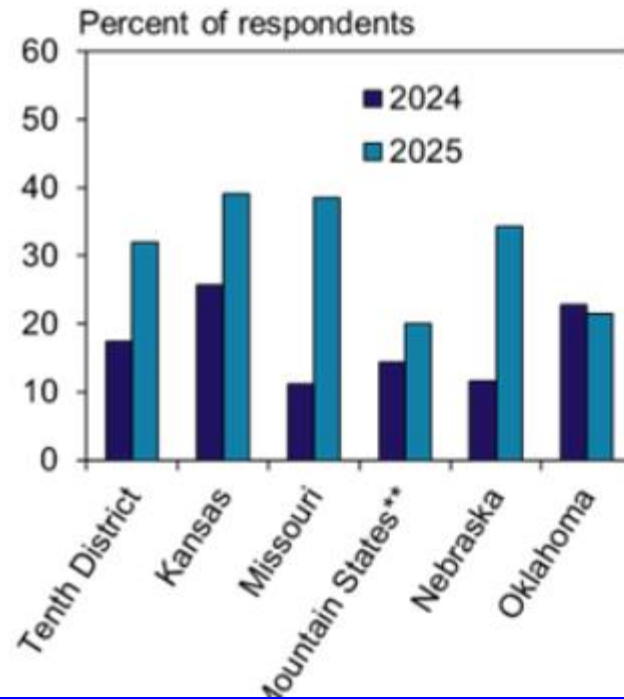
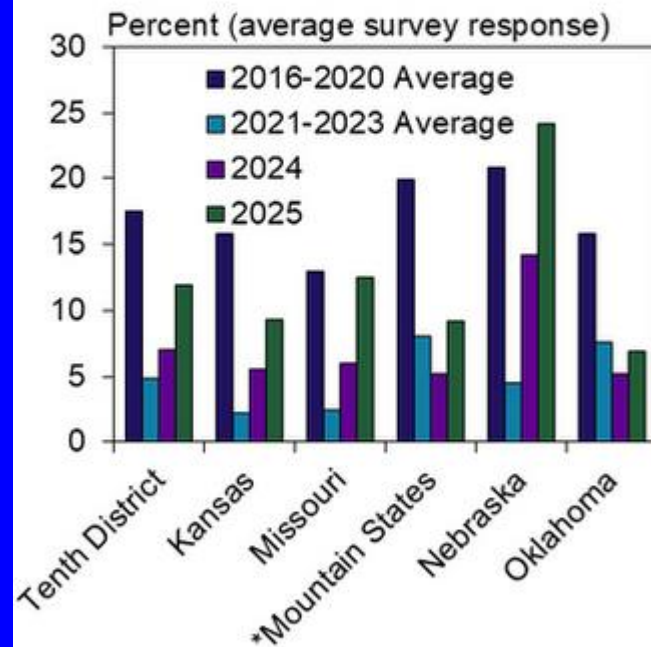
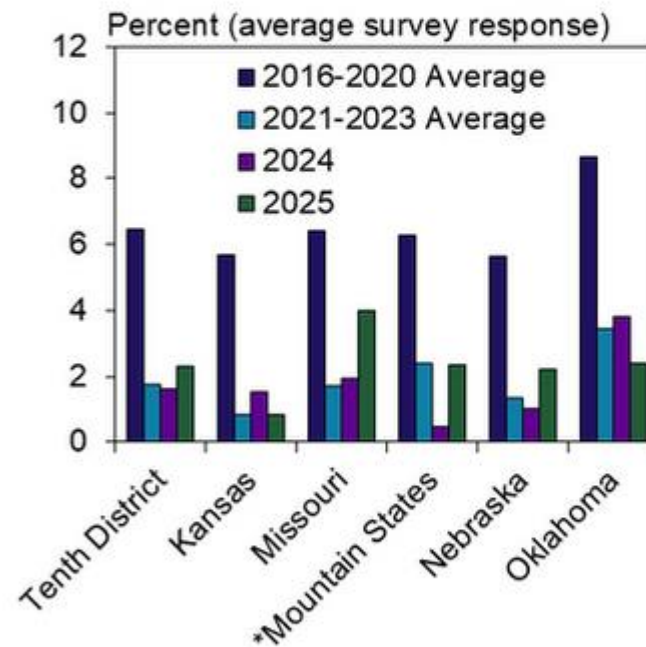


Chart 9: Loan Restructuring and Denials, Q1

New Loans Involving Restructuring to Meet Liquidity Needs



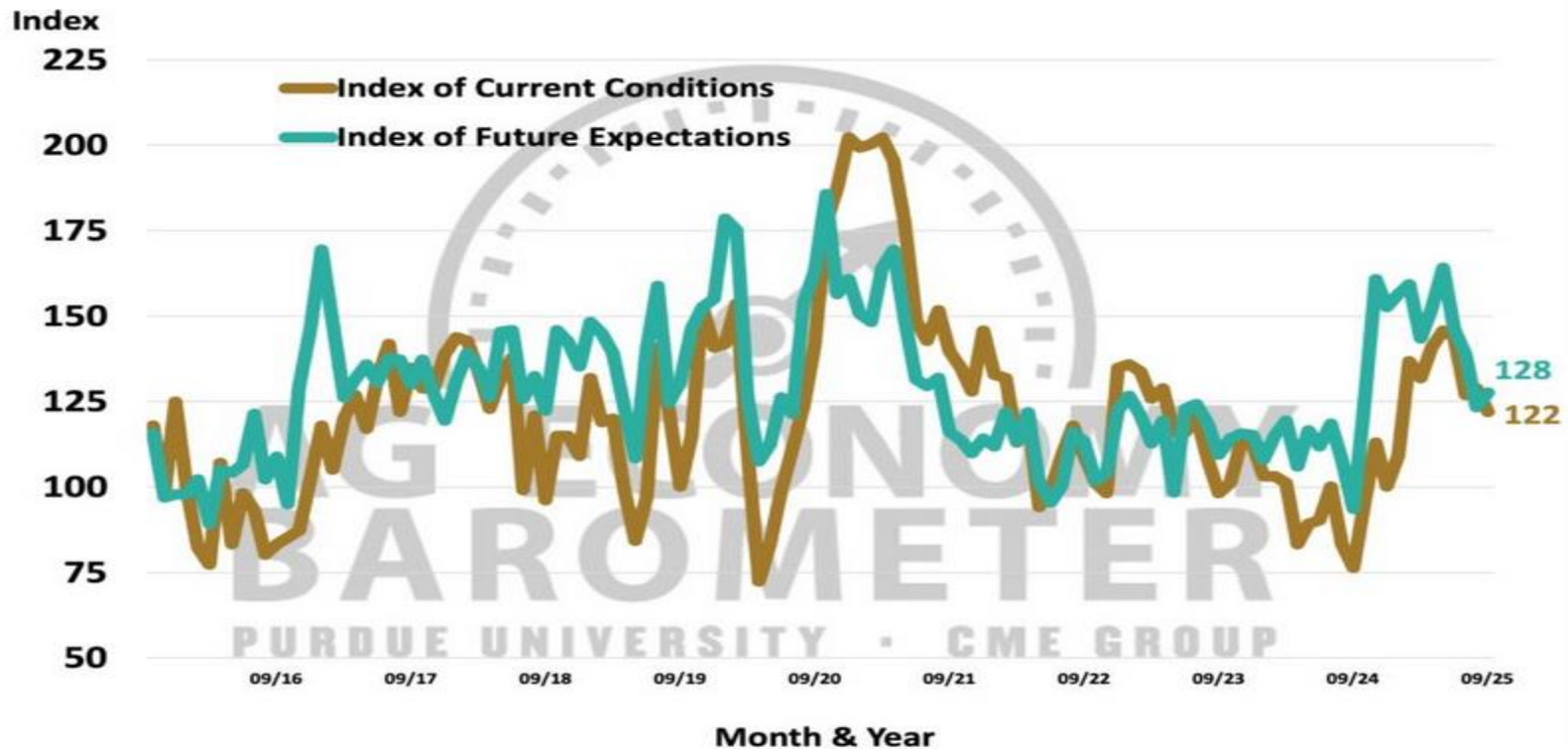
Share of Loan Requests Denied Due to Cash Flow or Collateral Shortages



*Mountain States include Colorado, northern New Mexico and Wyoming, which are grouped because of limited survey responses from each state.

Note: Respondents answered the following questions: In the last three months, what percent of agricultural loans originated or renewed have involved restructuring debt to meet short term liquidity needs? In the last three months, what percent of total farm loan requests were denied due to customer cash flow shortages or collateral shortfalls?

Indices of Current Conditions and Future Expectations



Source: Purdue University Center for Commercial Agriculture, Producer Survey, October 2015 - September 2025

Figure 2. Indices of Current Conditions and Future Expectations, October 2015- September 2025.

Mood of Ag Economy Barometer survey respondents spiked up late in 2024 and early in 2025, but is starting to show some concerns

Farmer Respondents Are Optimistic About The Future of the Country

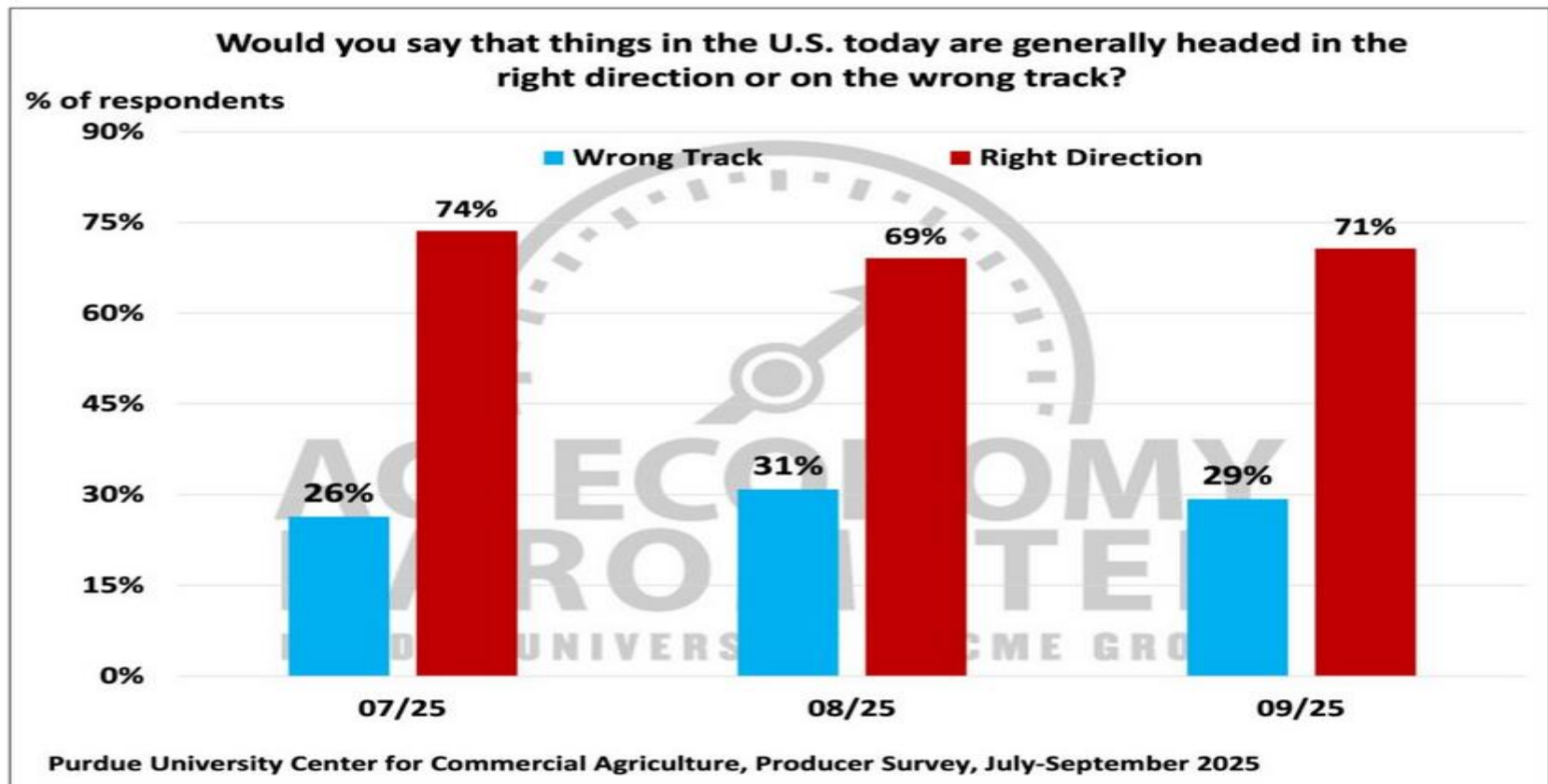


Figure 6. Are Things in the U.S. Today Headed in the Right Direction or on the Wrong Track?, July-September 2025.

With That Said, Support for The Long Term Tariff Strategy is Starting to Weaken

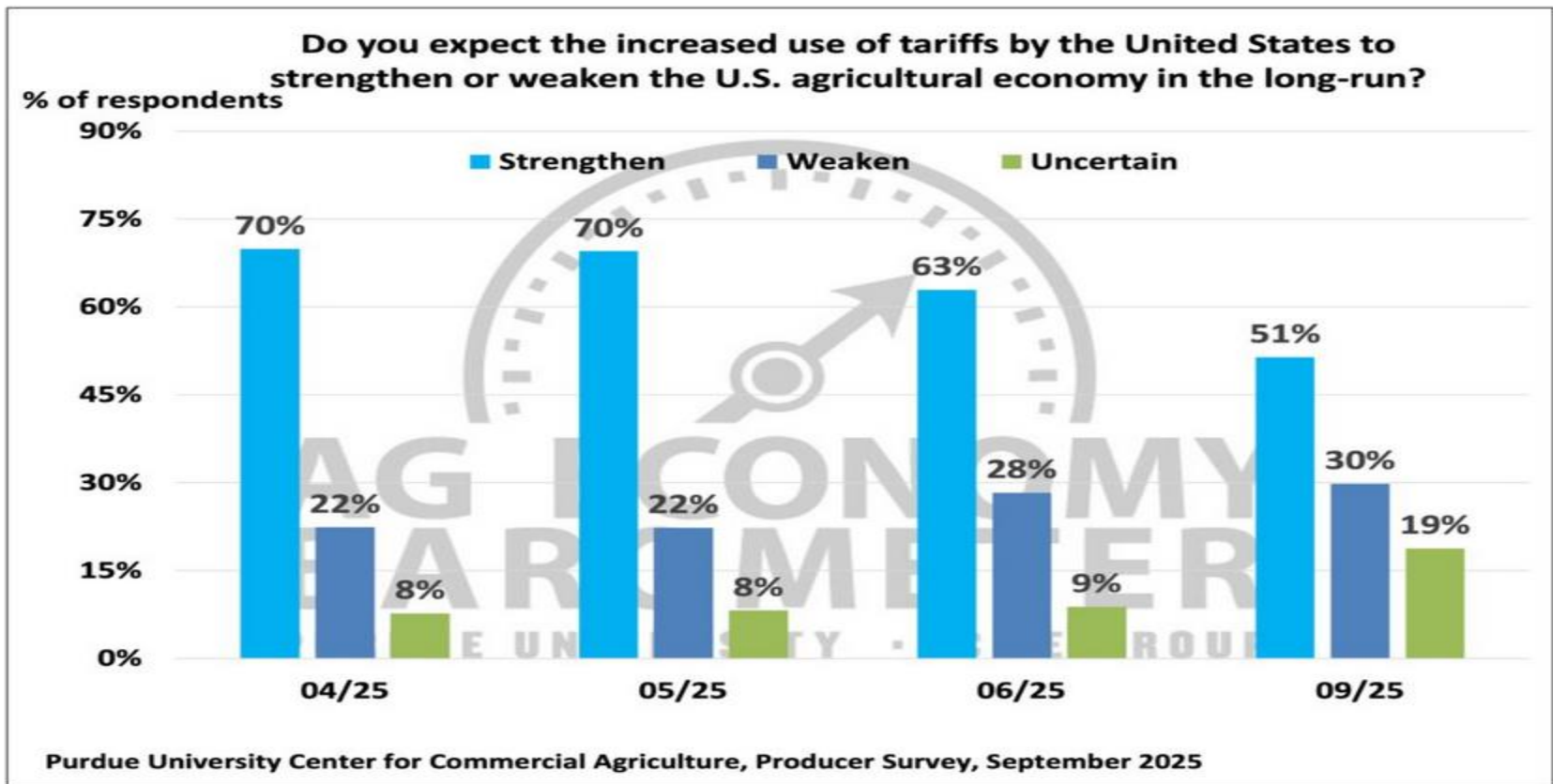


Figure 7. Will Increased Use of Tariffs by the U.S. Strengthen or Weaken the U.S. Agricultural Economy in the Long Run?

Strong Expectation for Support to Make Up For Trade War Impacts

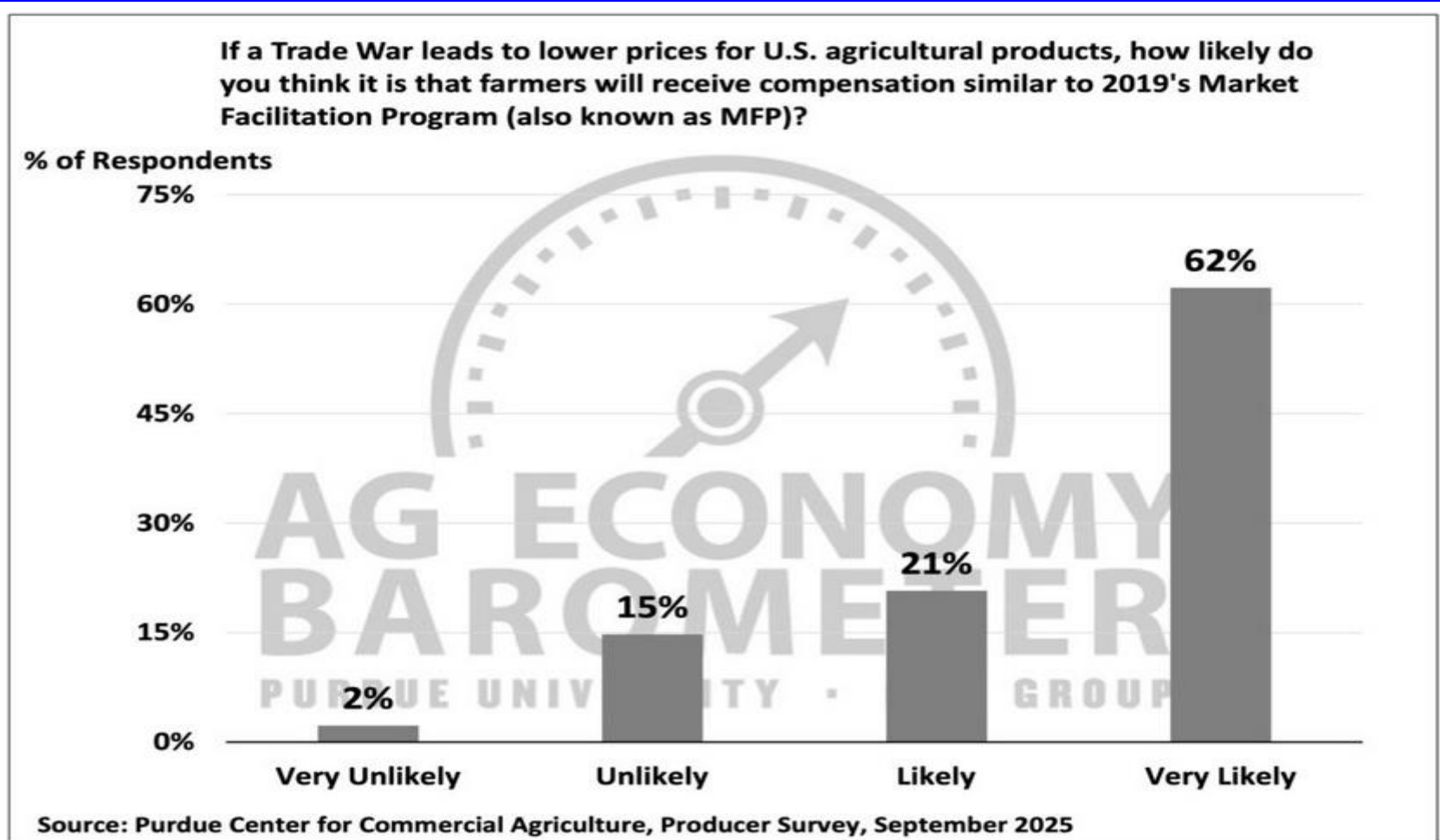


Figure 8. Likelihood of U.S. Farmers Receiving Compensation Similar to 2019's Market Facilitation Program (MFP)?

Facts and Observations Nation Wide

- Most recent data from ERS suggests overall Liquidity positions have not changed much.
- Overall Equity positions remain strong.
- Loan volume has increased at a rapid pace, with increases in carryover debt, and some increases in collateral requirements to renew loans.
- Repayment concerns are increasing, farm bankruptcy rates are up....but....

More Specifically, Lets Talk About Closer to Home

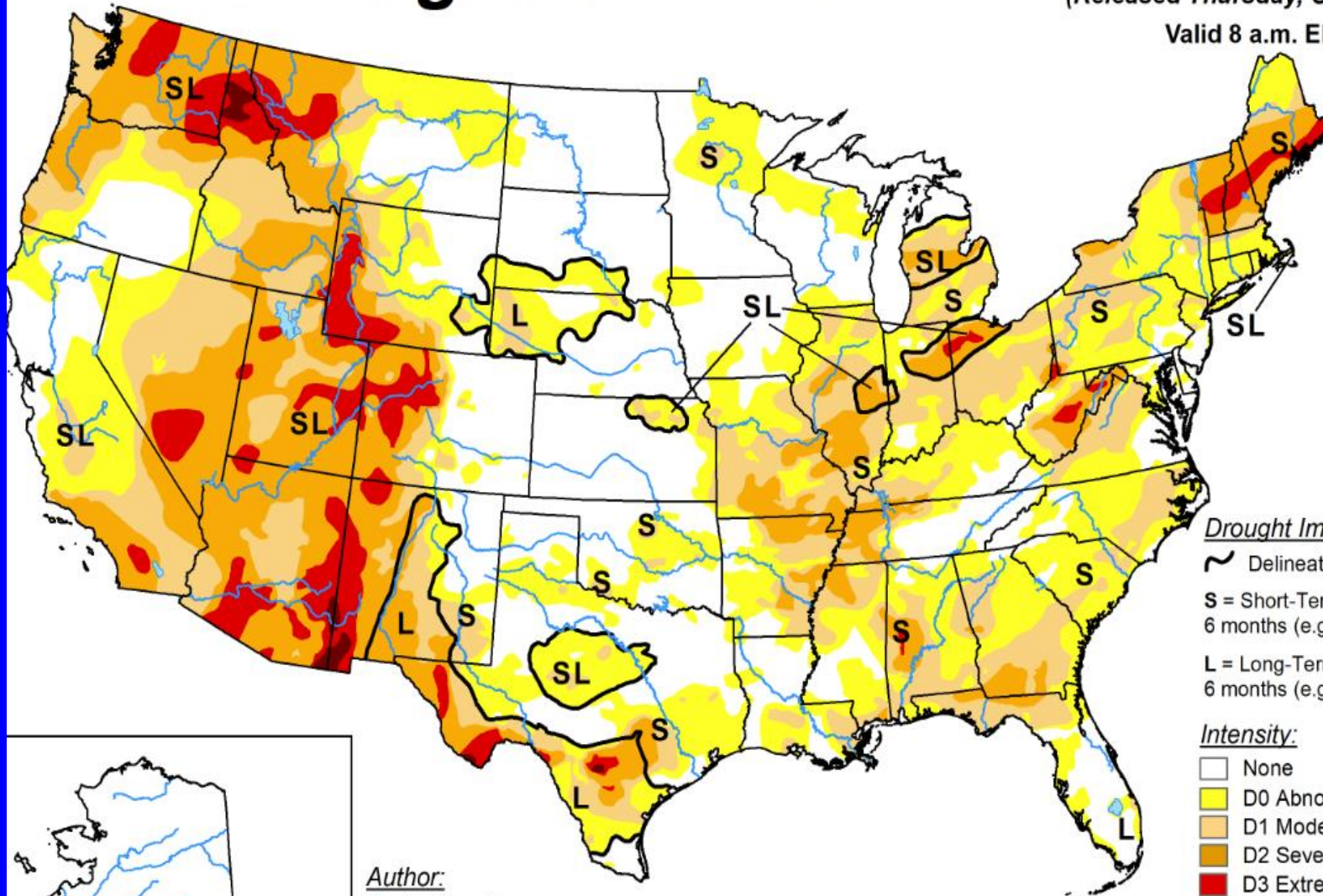
- KFMA average Net Farm Income
 - 2024 \$98,583
 - 2023 \$ 100,618
 - 2022 \$177,696
 - 2021 \$319,180
 - 2020 \$173,972
 - 2019 \$108,960
 - 2018 \$101,274
 - 2017 \$ 66,564

U.S. Drought Monitor

September 30, 2025

(Released Thursday, Oct. 2, 2025)

Valid 8 a.m. EDT



Drought Impact Types:

~ Delineates dominant impacts

S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)

L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

None

D0 Abnormally Dry

D1 Moderate Drought

D2 Severe Drought

D3 Extreme Drought

D4 Exceptional Drought

Author:

Curtis Riganti

National Drought Mitigation Center

U.S. Drought Monitor Oklahoma

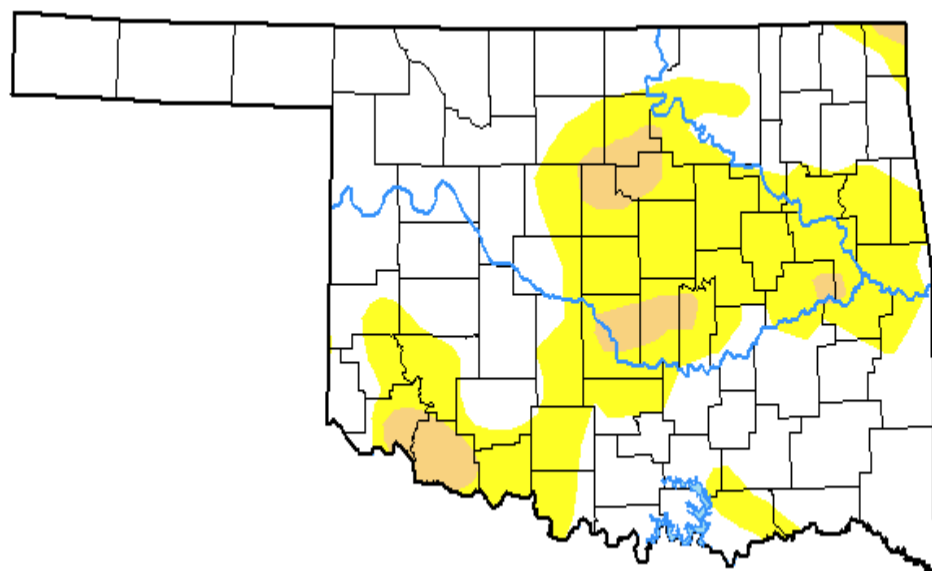
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Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	64.08	35.92	4.86	0.00	0.00	0.00
Last Week 09-23-2025	72.12	27.88	3.23	0.00	0.00	0.00
3 Months Ago 07-01-2025	100.00	0.00	0.00	0.00	0.00	0.00
Start of Calendar Year 01-07-2025	70.28	29.72	5.52	0.33	0.00	0.00
Start of Water Year 10-01-2024	22.82	77.18	61.31	37.39	11.50	0.00
One Year Ago 10-01-2024	22.82	77.18	61.31	37.39	11.50	0.00



Intensity:

None	D2 Severe Drought
D0 Abnormally Dry	D3 Extreme Drought
D1 Moderate Drought	D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Oklahoma Observations

- Crop producers
 - 2025 has presented financial challenges for many Oklahoma crop producers.
 - Nearly impossible to lock in positive economic profits on 2026 crops. Can we at least cover variable costs?
- Cow Calf Producers
 - Strong profits appear likely again going into 2026.

Summary

- Main Concerns
 - Insurance coverage level challenges for 2026
 - Production costs, and cash flow concerns
 - Those with large debt payment commitments (either due to an overall heavy debt load, or due to the term structure of their specific debt portfolio) may struggle to make payments
 - Will interest rates continue to come down, and how fast
 - Government policy, and Government payment uncertainty

Questions???

- If you would like to be added to the list for our Ag Finance electronic newsletter, send me an email at rodney.jones@okstate.edu
- Join us on Facebook at **OSUFarmManagment**

