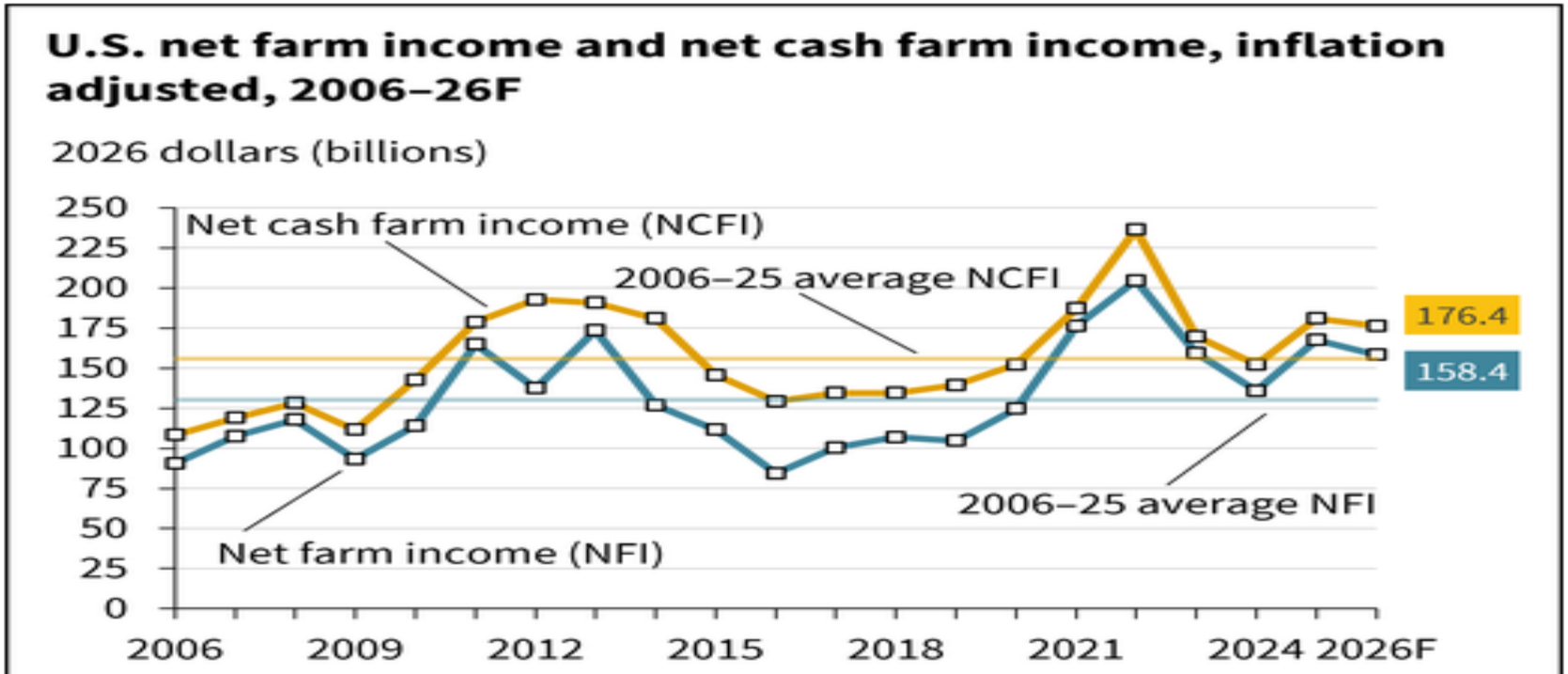
FARM MANAGEMENT

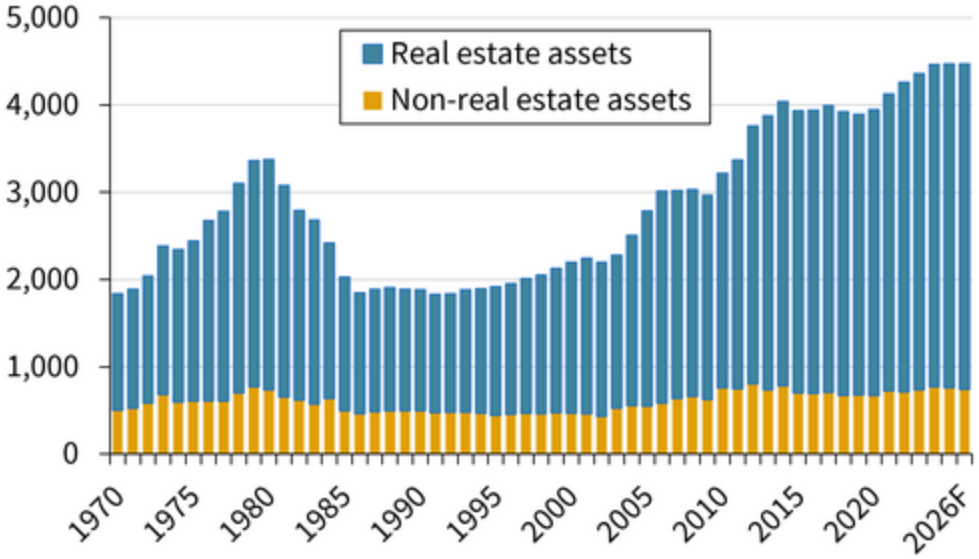
Ag Finance Topic Updates

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

The Overall Farm Financial Picture
Overall Net Farm Income Stable



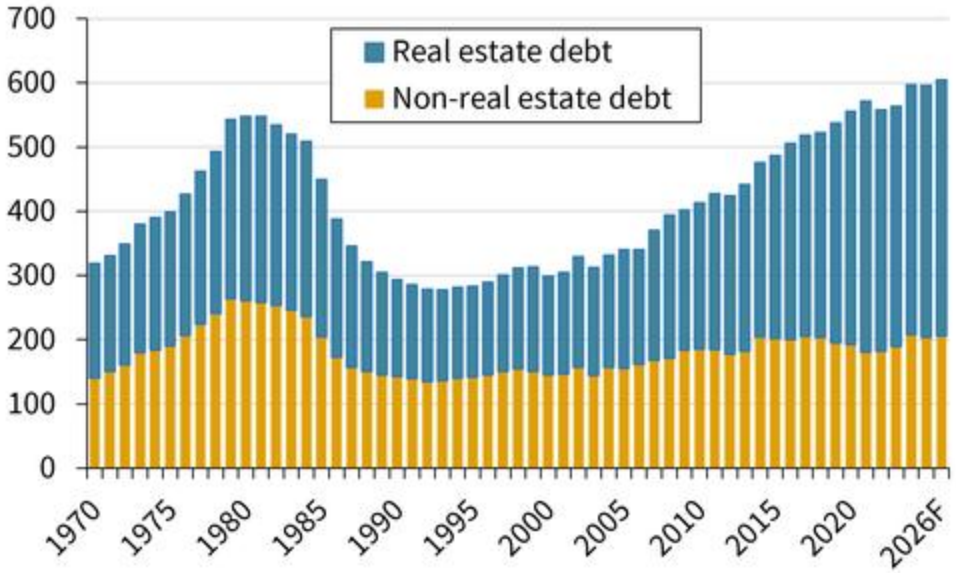
U.S. farm sector assets, inflation adjusted, 1970–2026F



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 2026 by USDA, Economic Research Service.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of September 3, 2026.

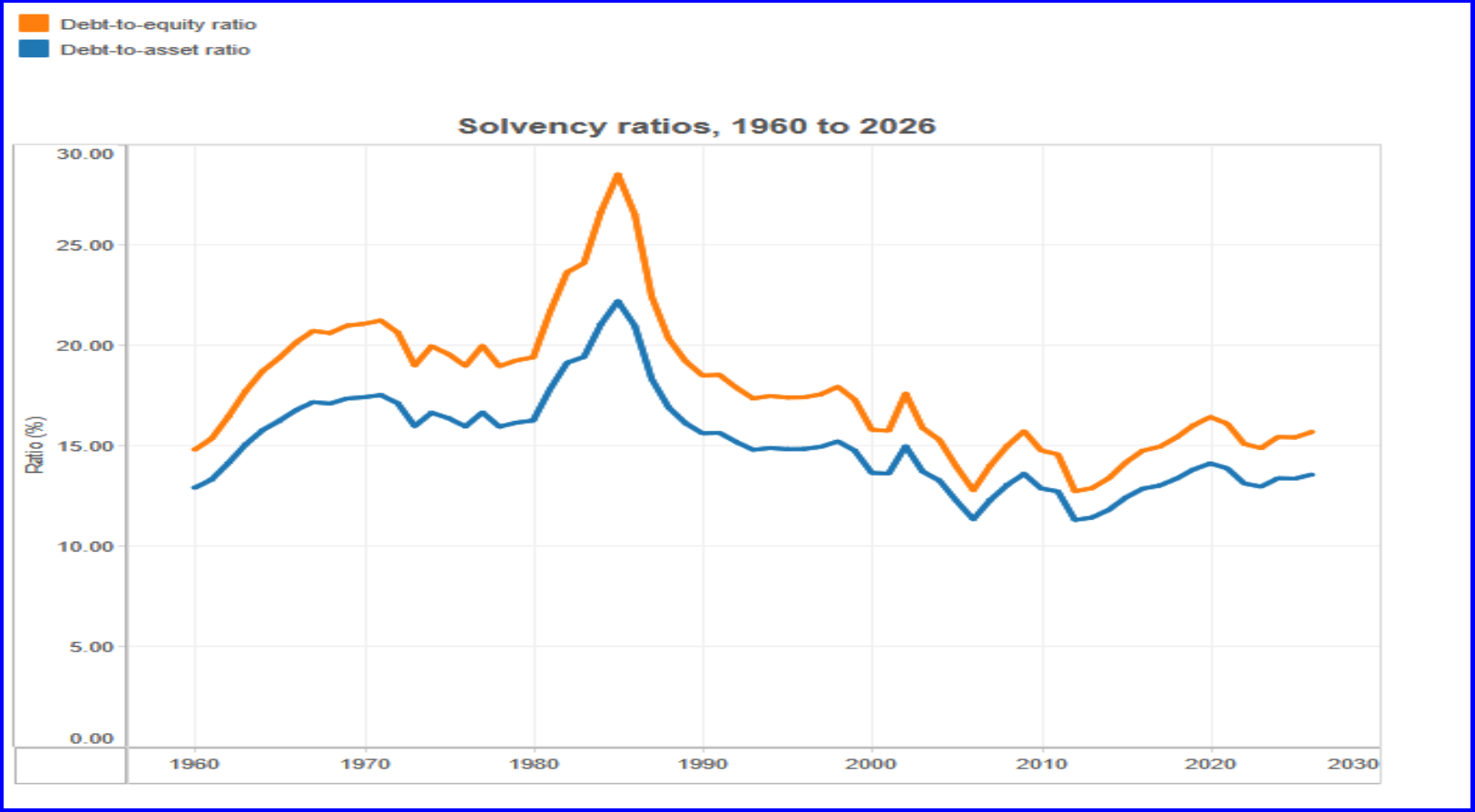
U.S. farm sector debt, inflation adjusted, 1970–2026F



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 2026 by USDA, Economic Research Service.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of September 3, 2026.

Solvency Expected to worsen slightly in 2026



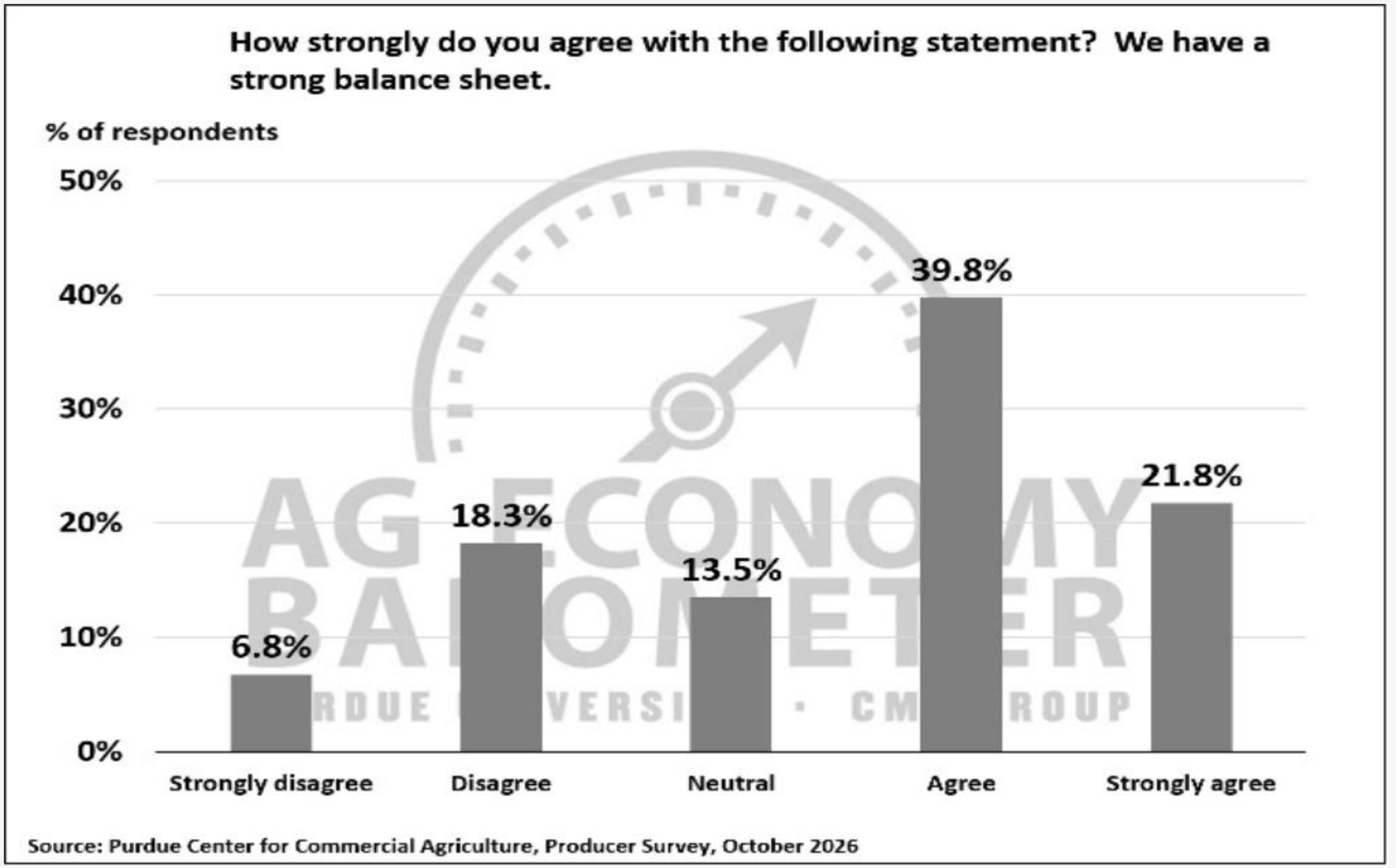
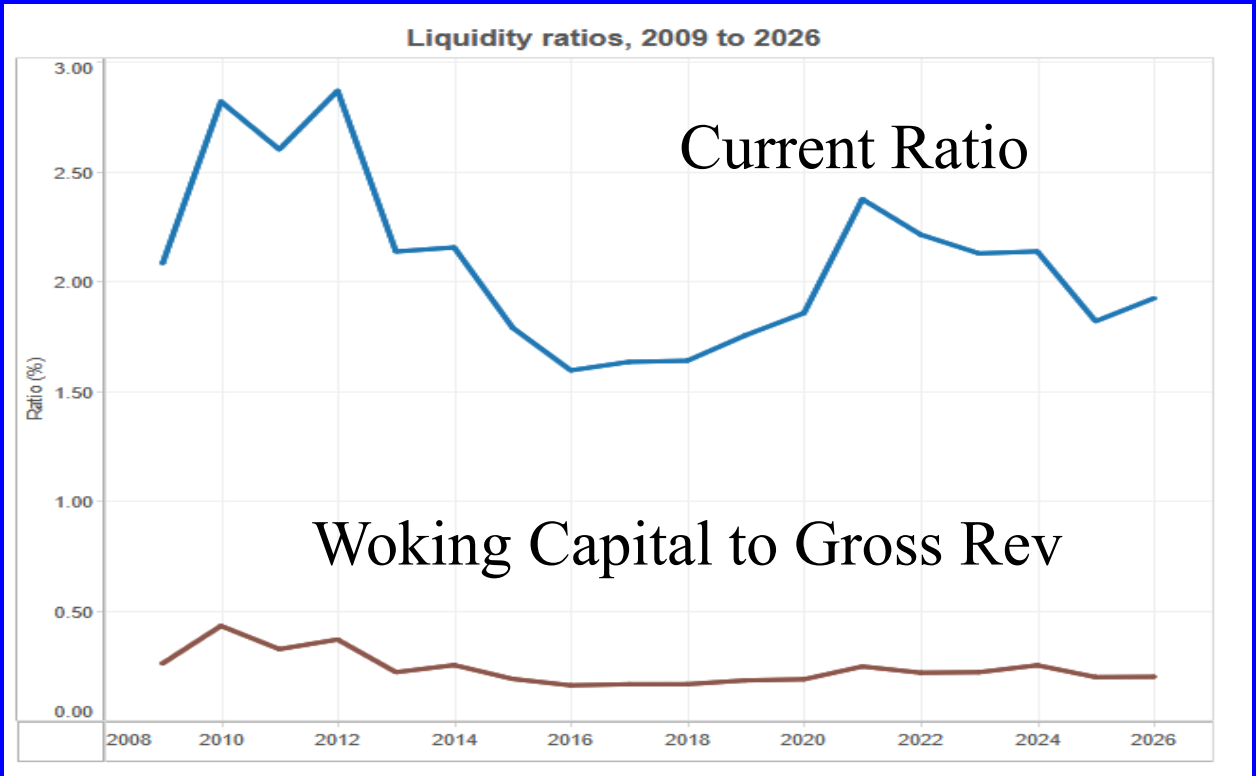


Figure 4. Relative Strength of Farm Balance Sheet, October 2026.

Liquidity not deteriorating as much as many analysts predicted



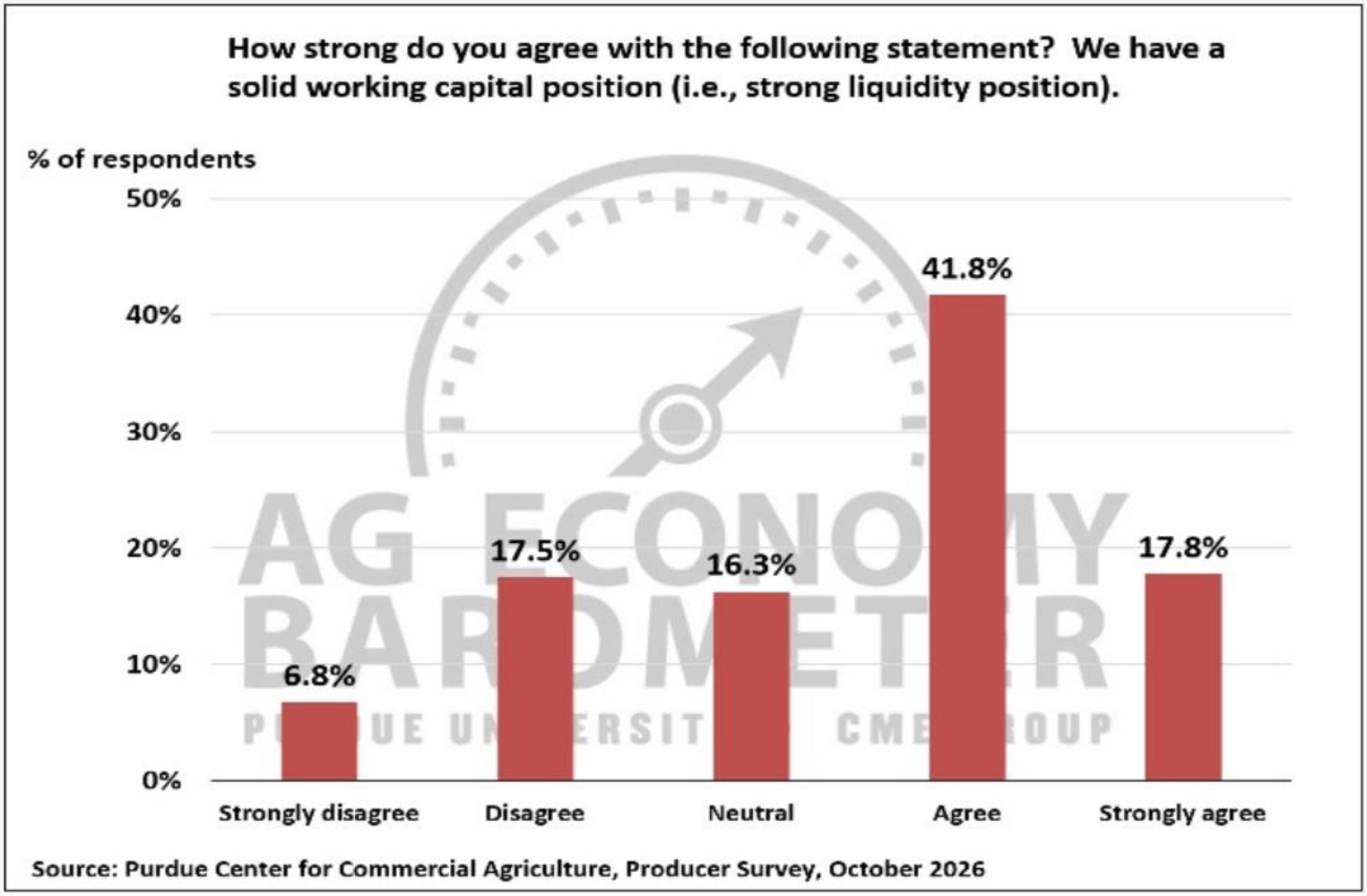
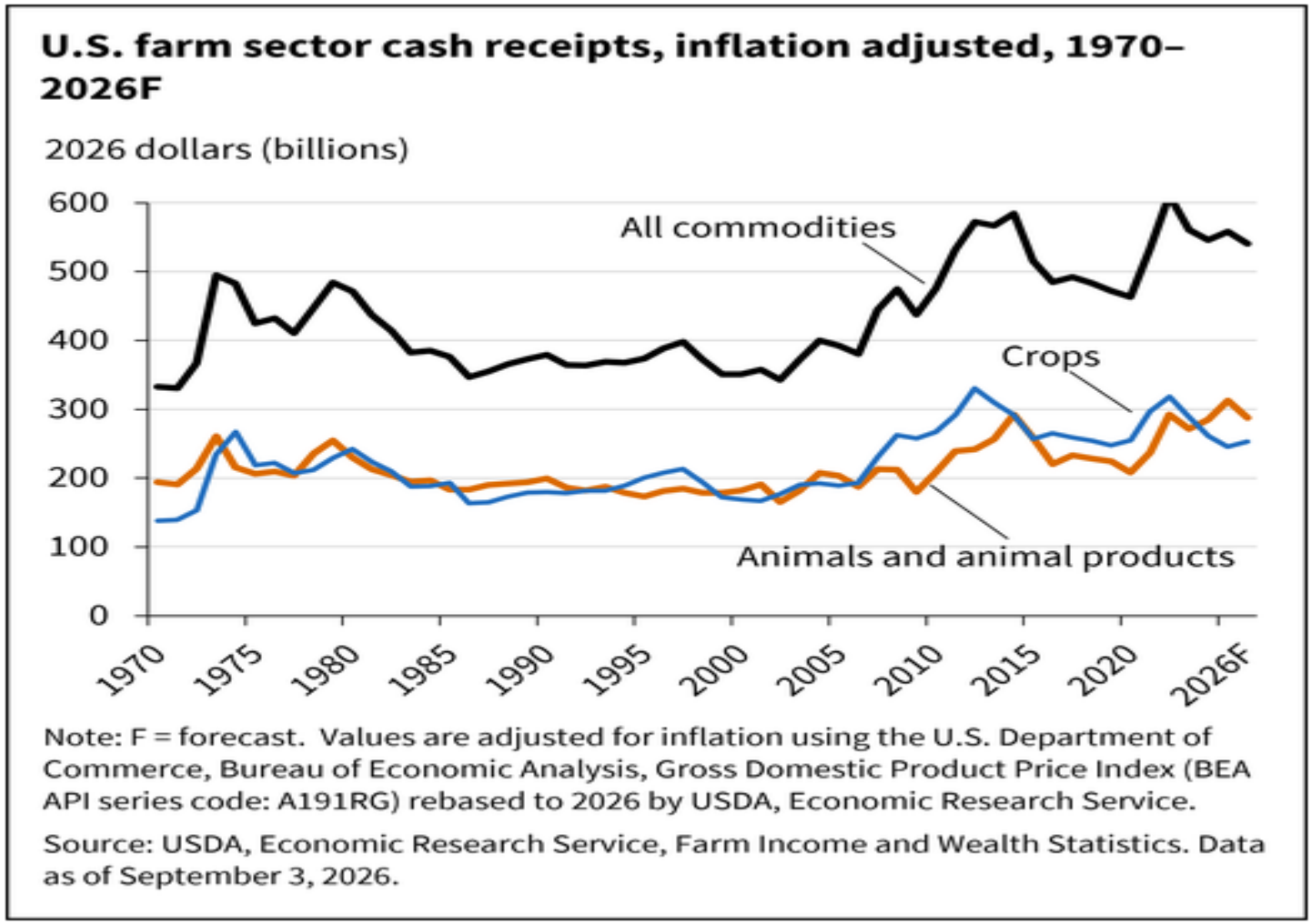


Figure 5. Relative Strength of Farm Working Capital Position, October 2026.

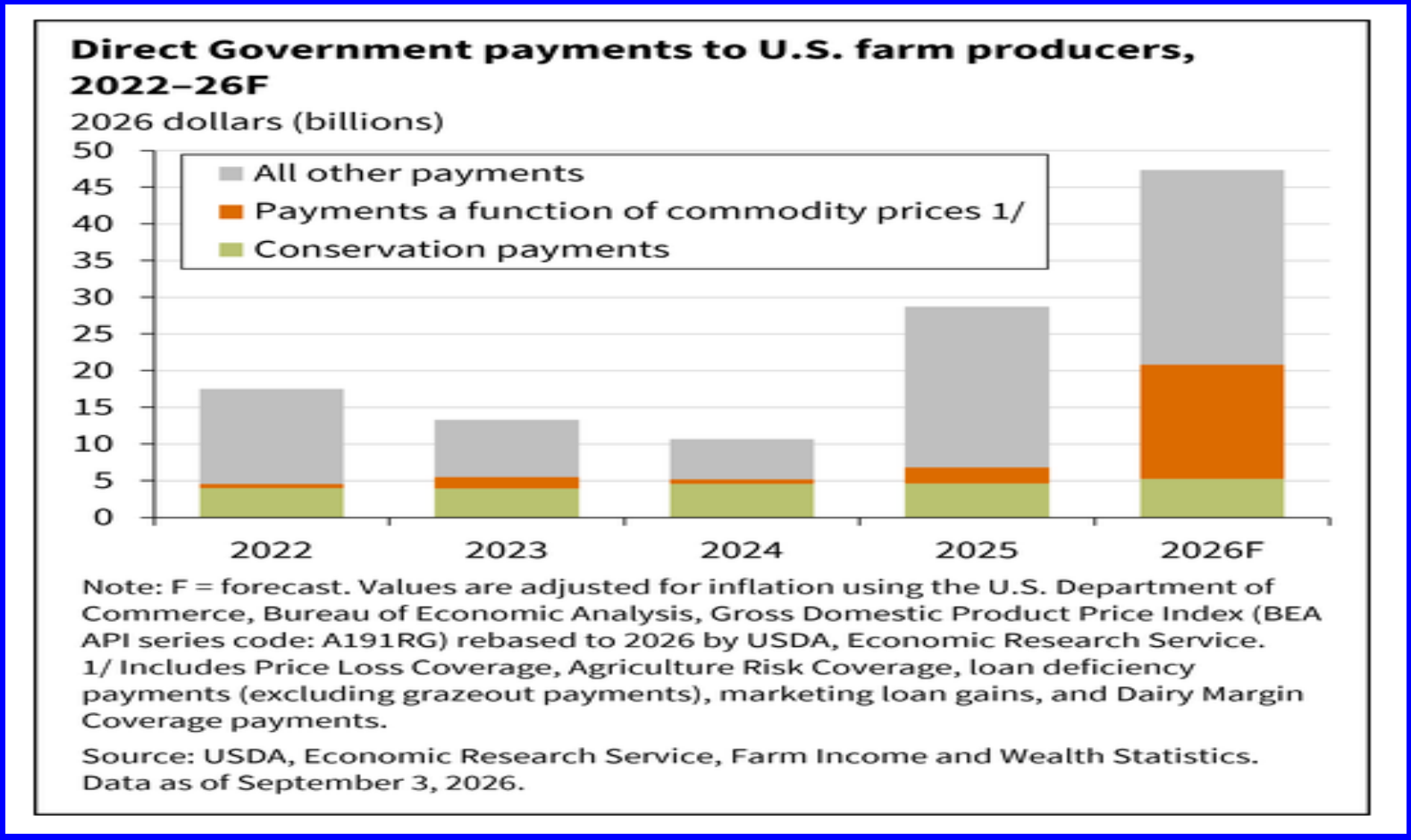
These ERS Measures Include Capital Gains



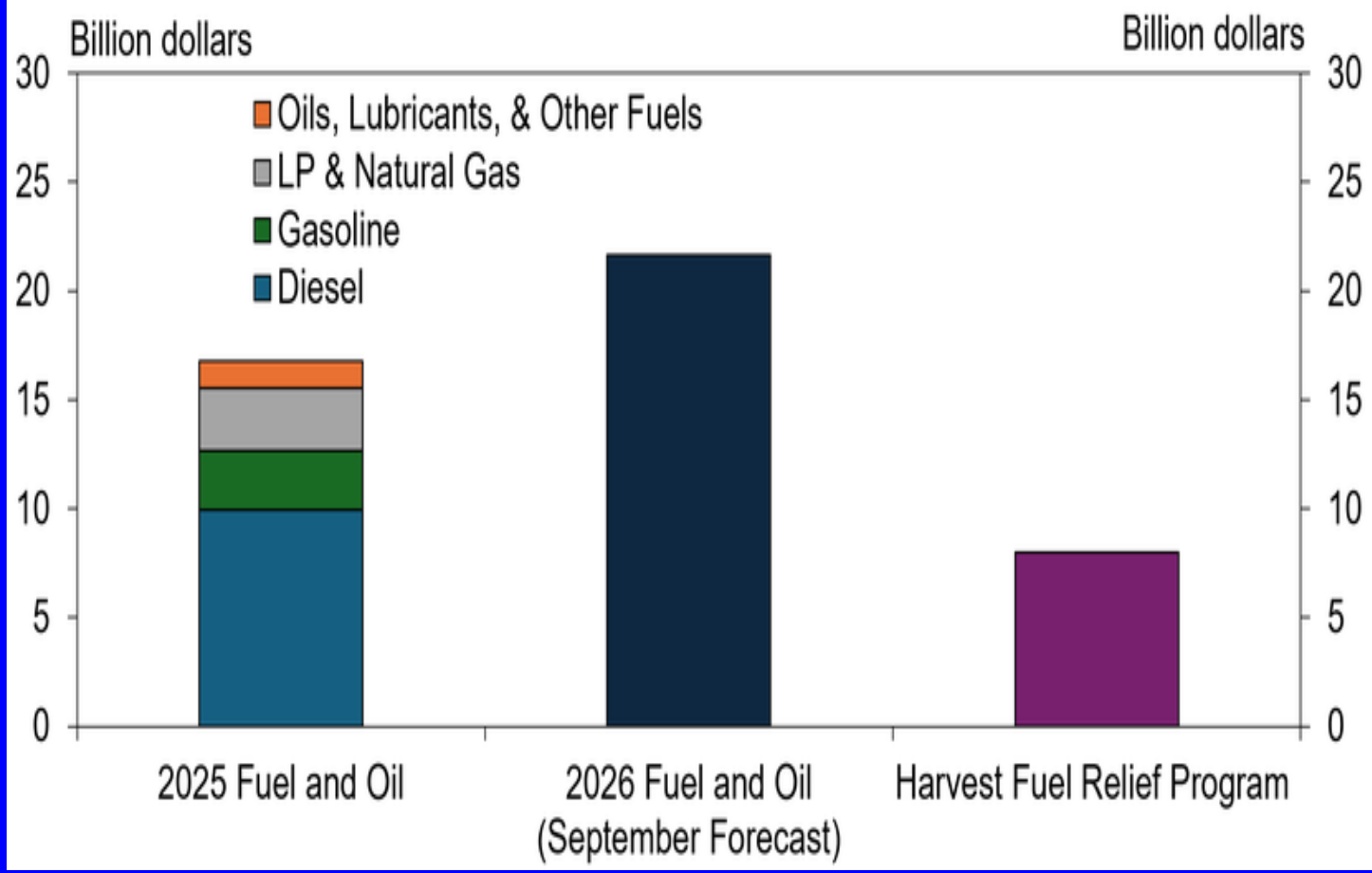
Inflation Adjusted Cash Receipts Trending Down



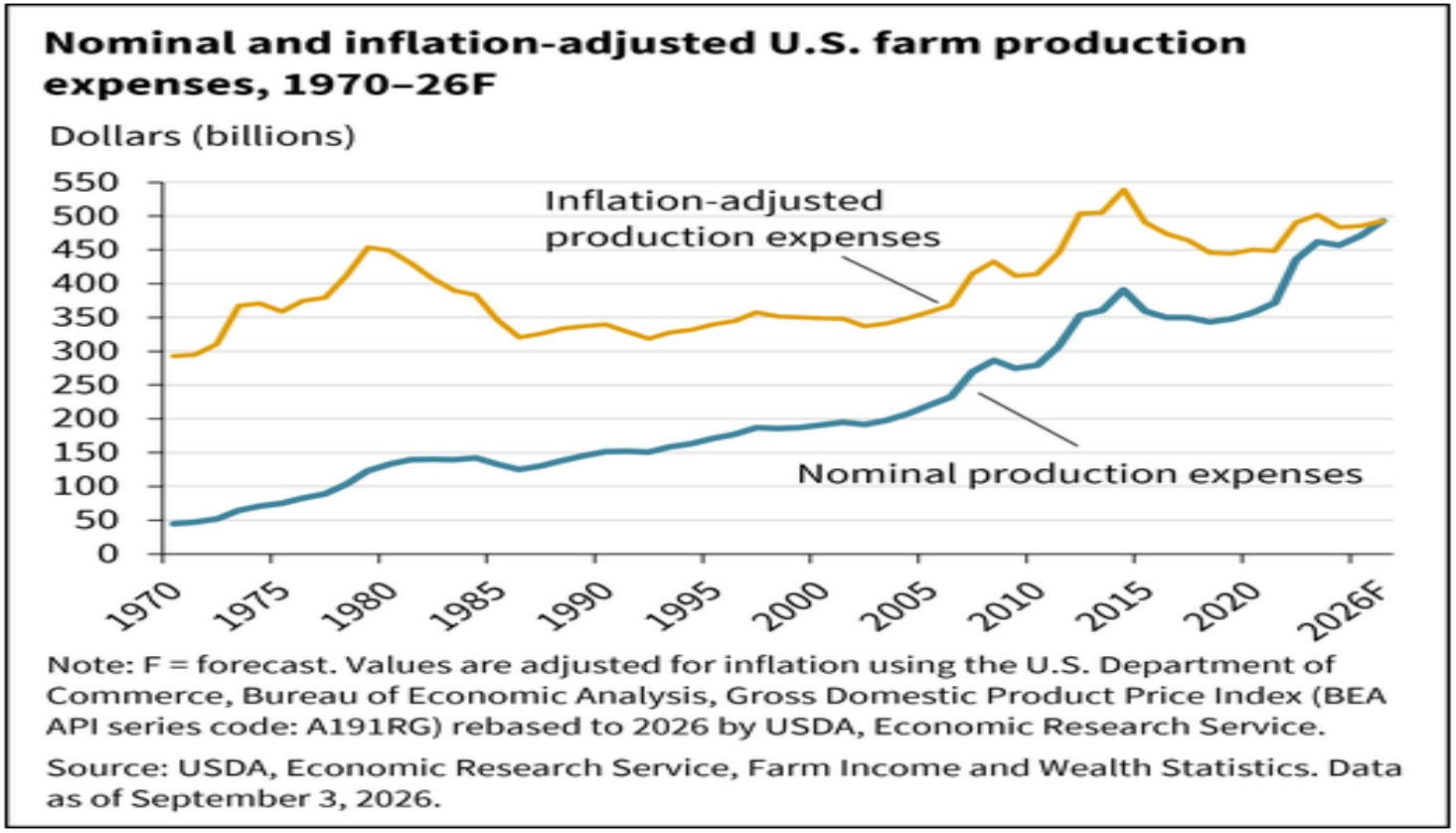
Program Payments a Big Factor in 2026 (early in year ad hoc payment, ARC-PLC, more ad hoc to come….



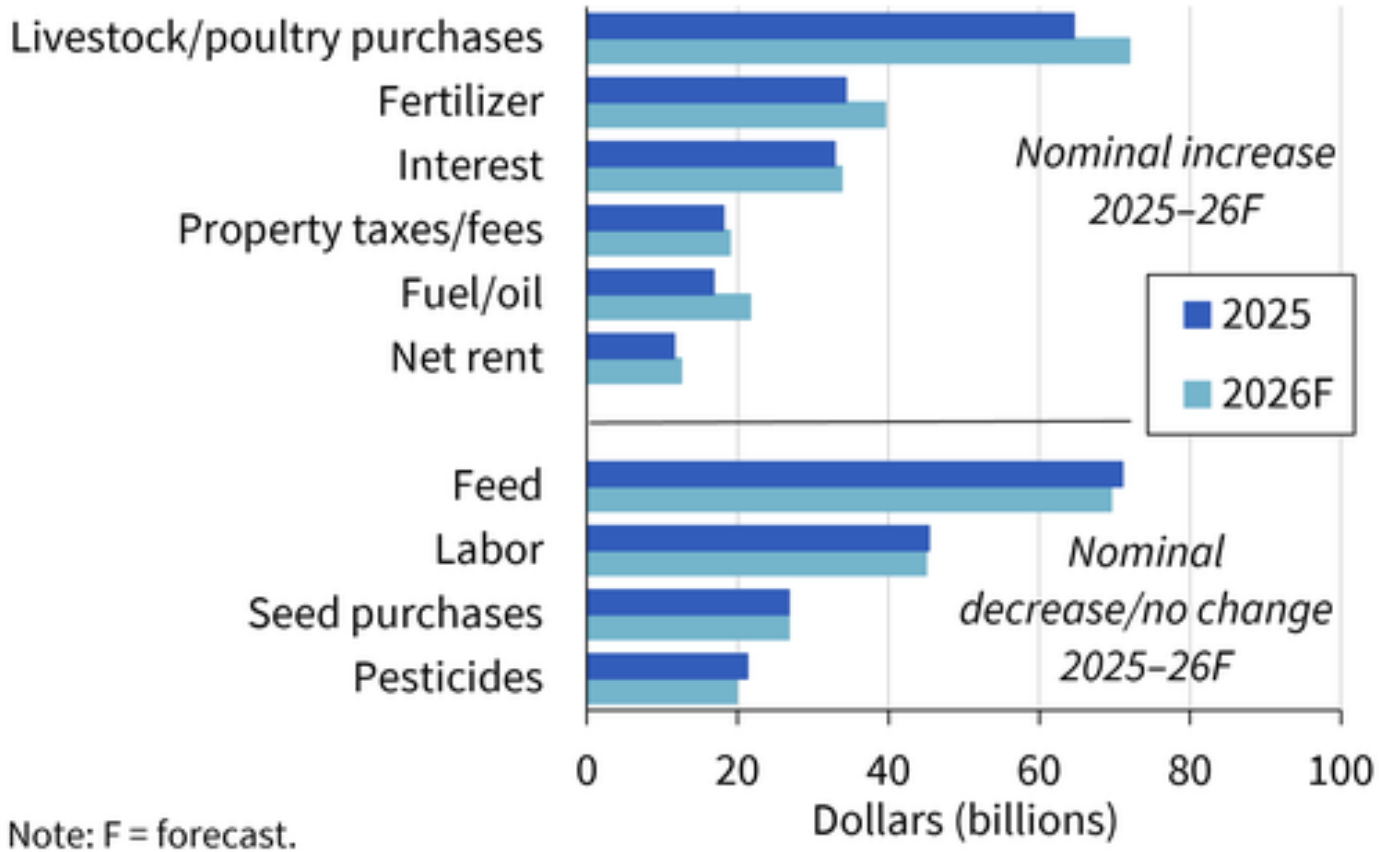
Harvest Fuel Relief Program vs. 2025 and Forecasted 2026 Fuel Costs



Costs Increasing Rapidly



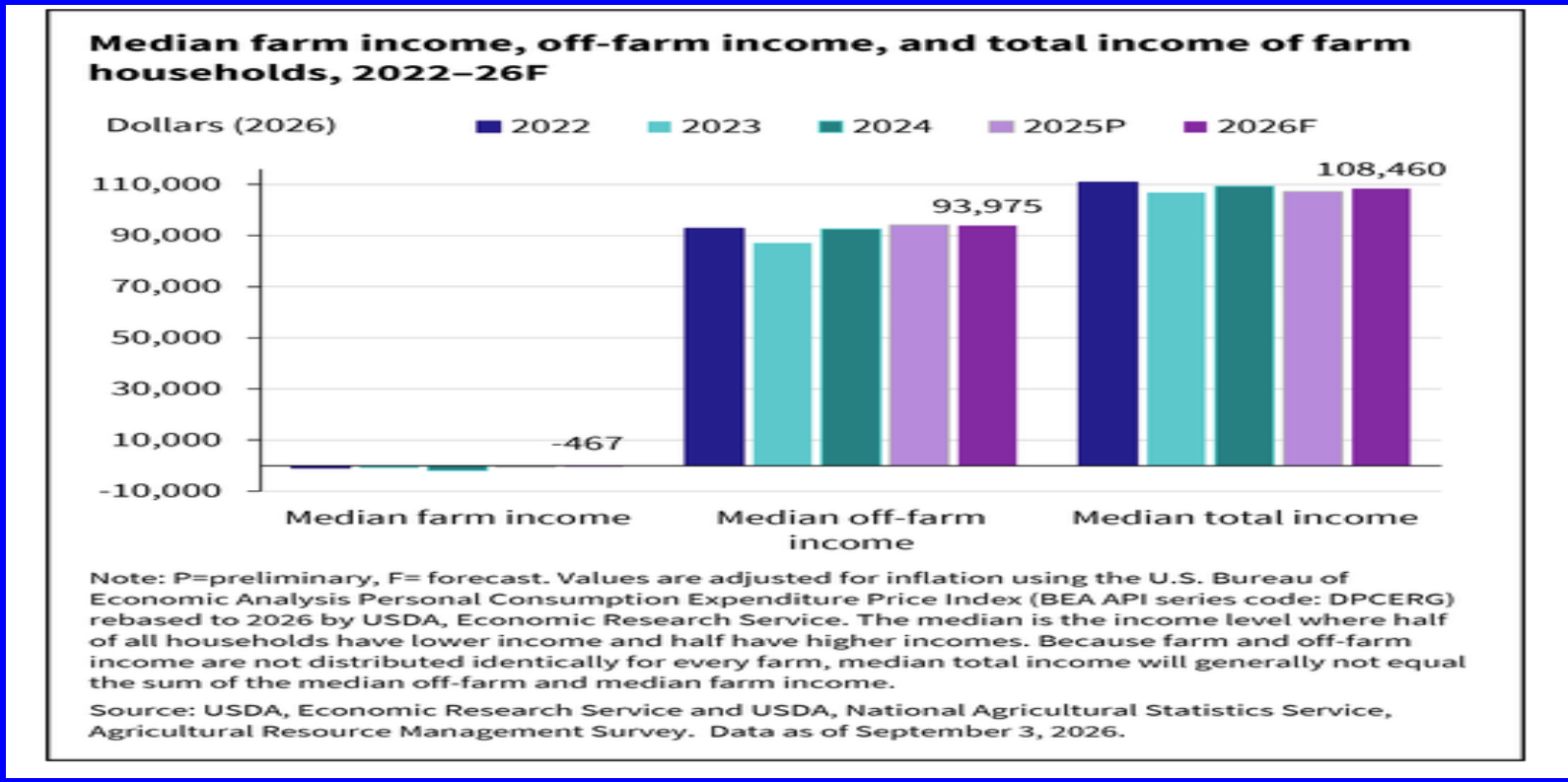
Selected U.S. farm production expenses, 2025–26F



Note: F = forecast.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of September 3, 2026.

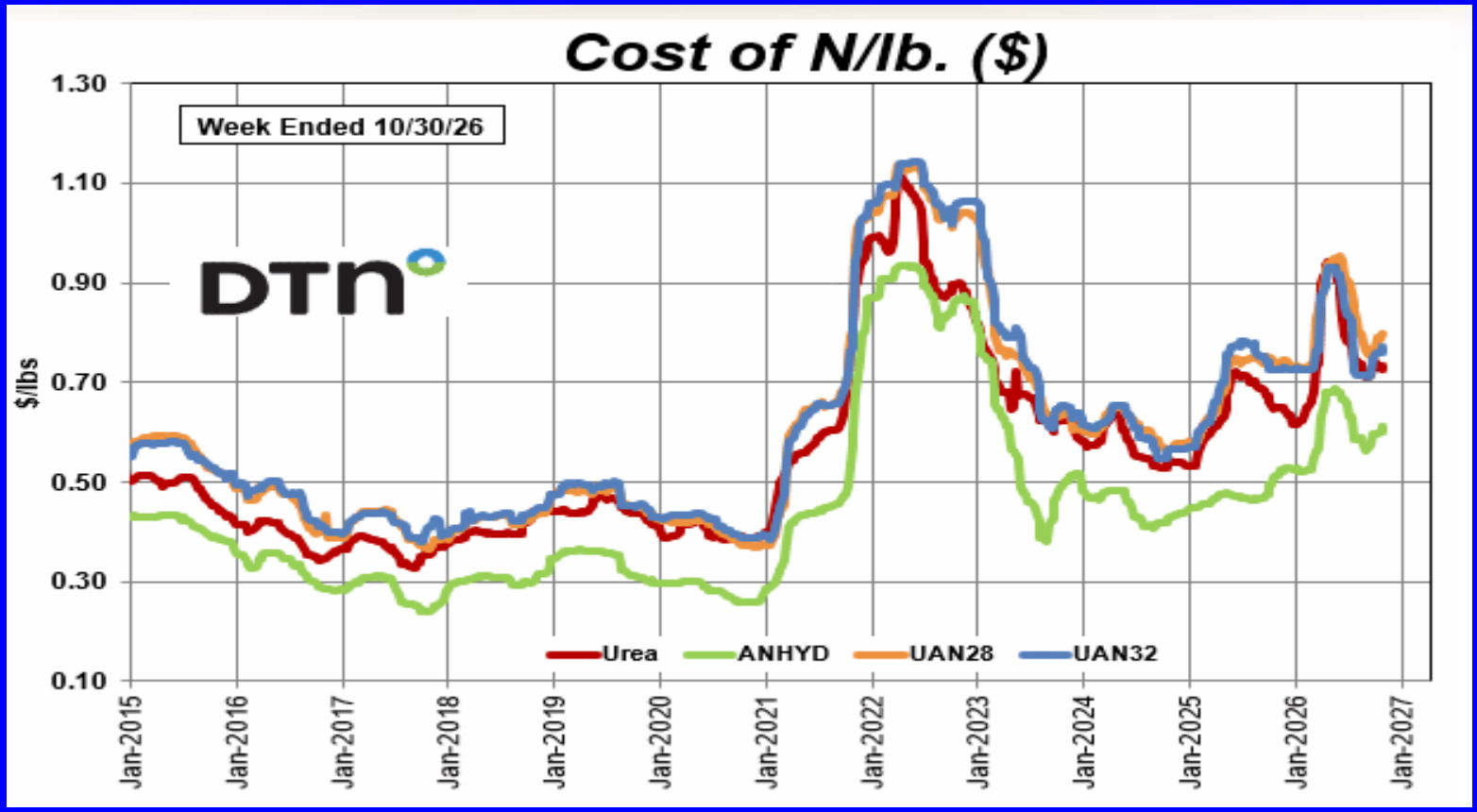
Reminder, Many Farm Households Rely On Off Farm Income



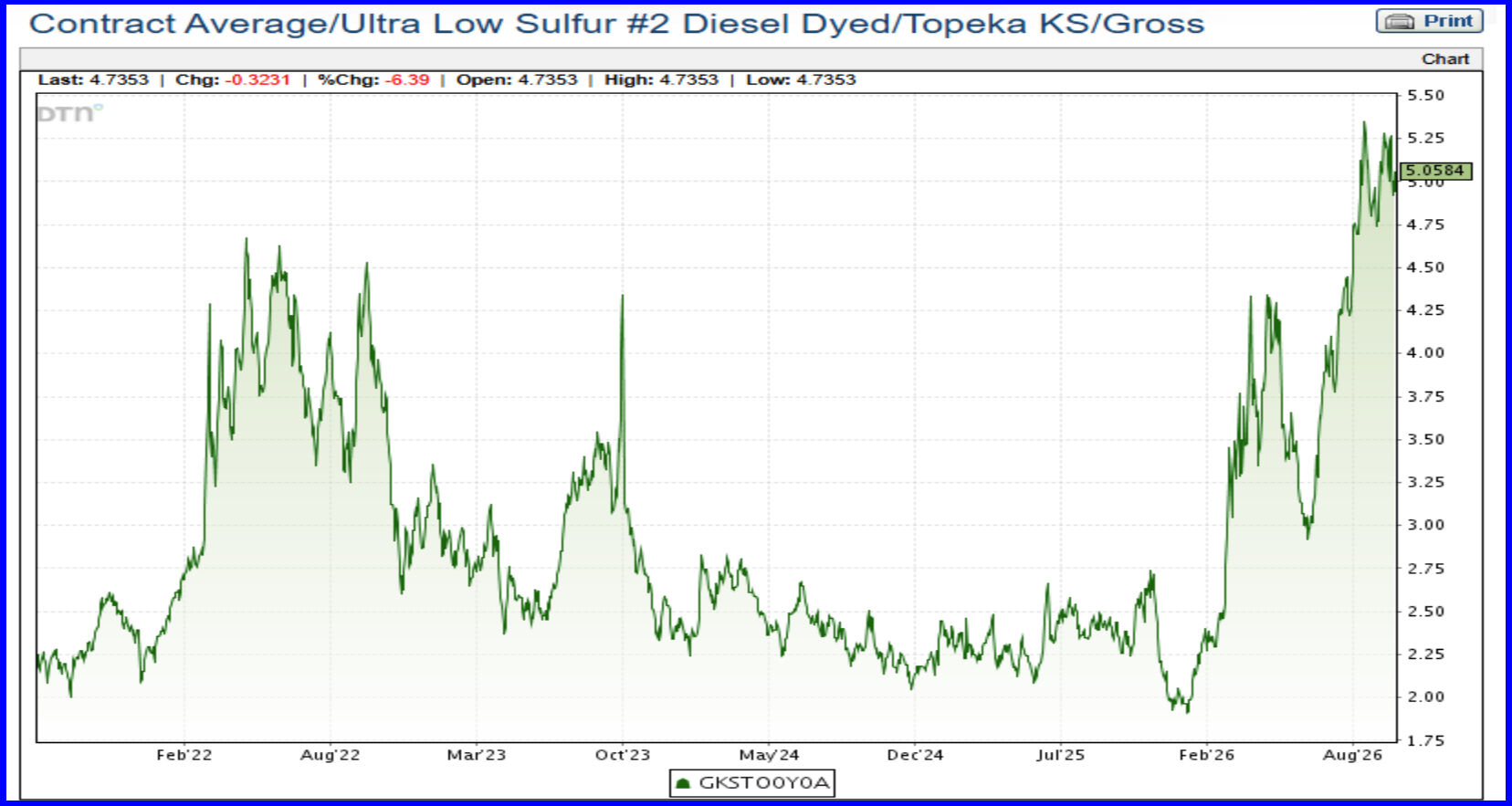
What's Up (or down) with Farm Income?

- Net incomes trending a bit lower (U.S.) (Mixed bag in Oklahoma)
- Net Cash income and actual accrual Net Farm income are tracking together (no broad indication of inventory changes)
- 2026 crop receipts significantly lower. Livestock receipts and Govt. pmts higher. Persistently high cash expenses all around

Fertilizer Prices – Global War Impacts



Fuel Prices – Global War Impacts, But Also Longer-Term Structural Issues (Refining Capacity)



Wheat Price Has Been Volatile



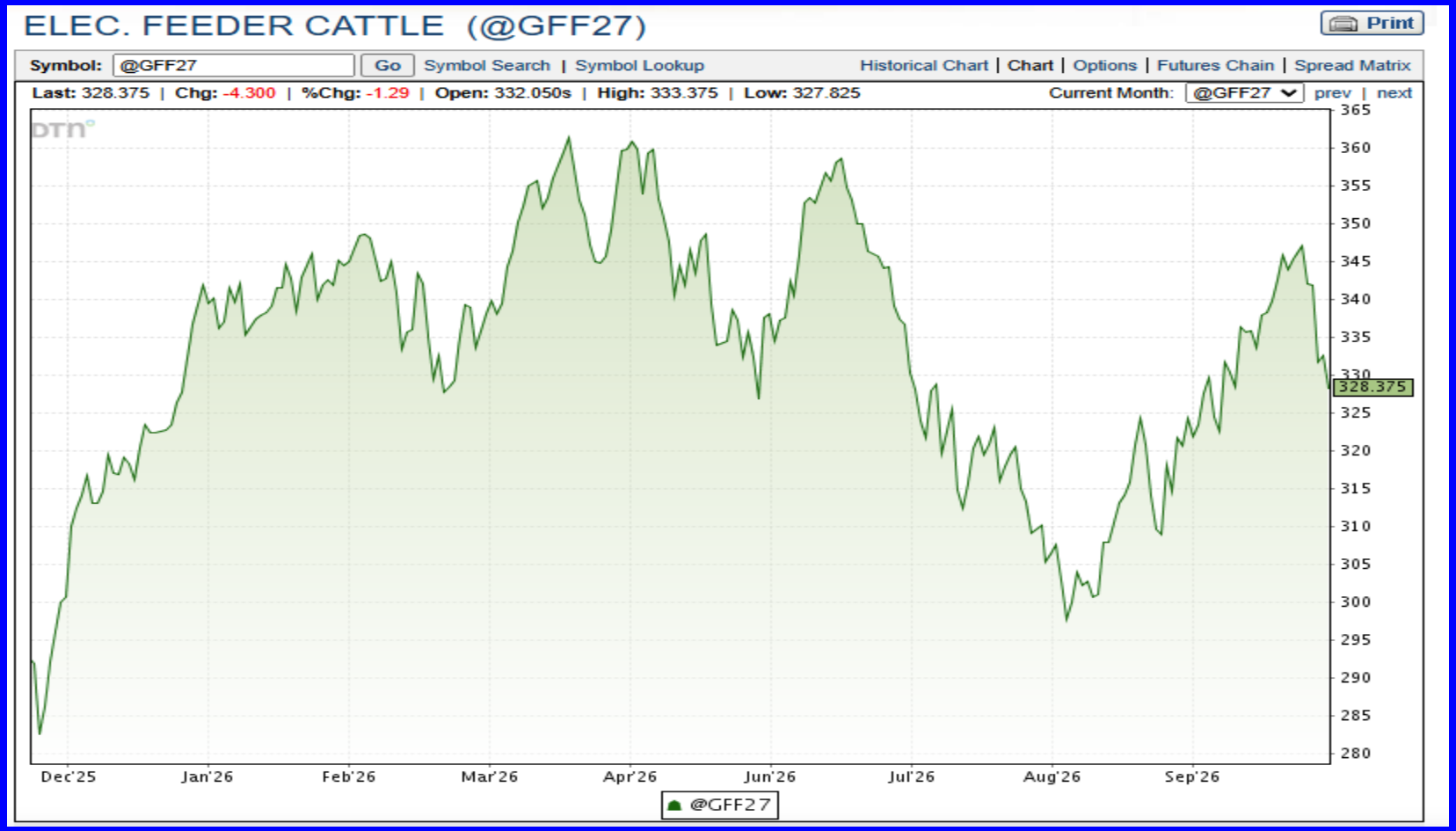
Corn Price Same Story



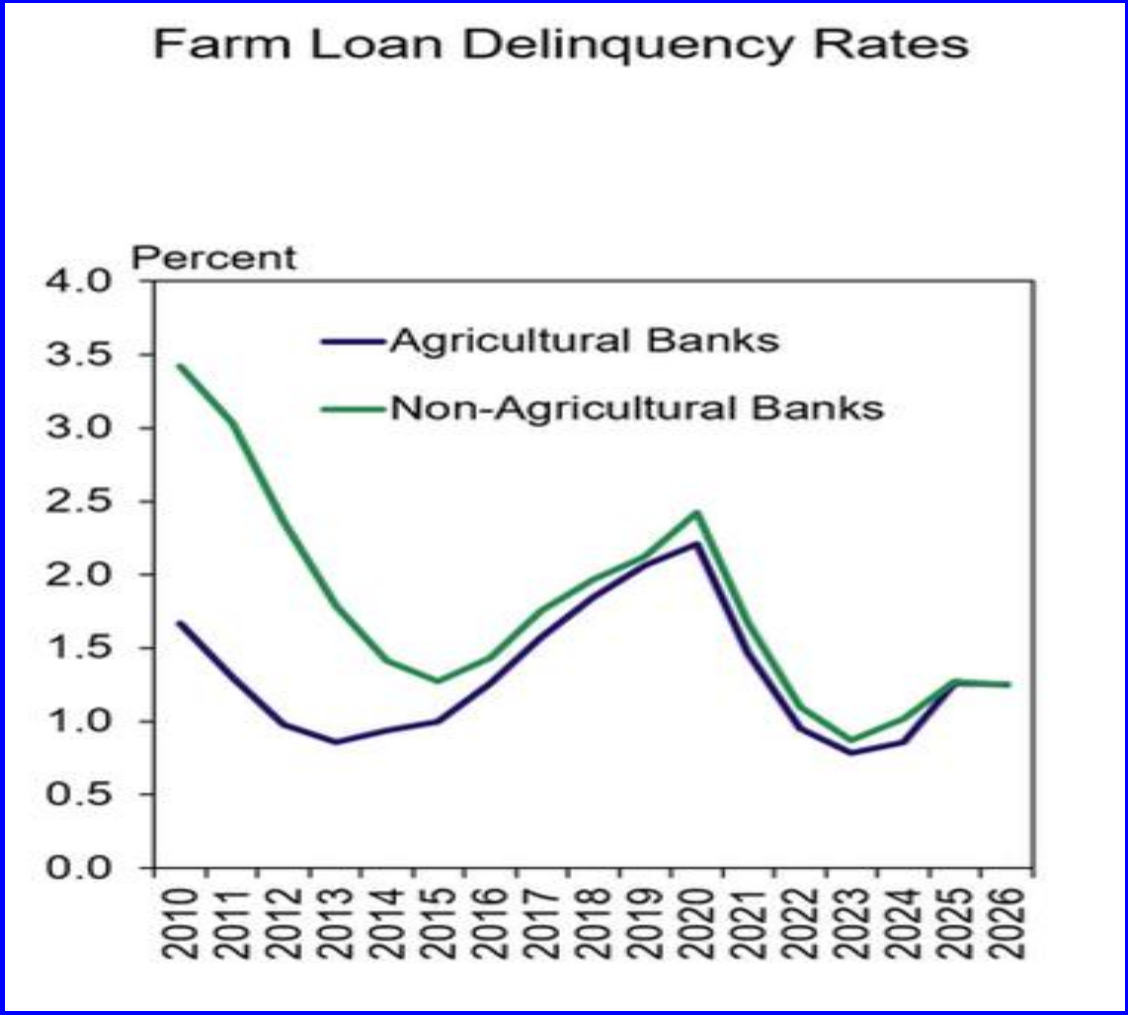
Beans Volatile, But Remaining at Recent High Prices



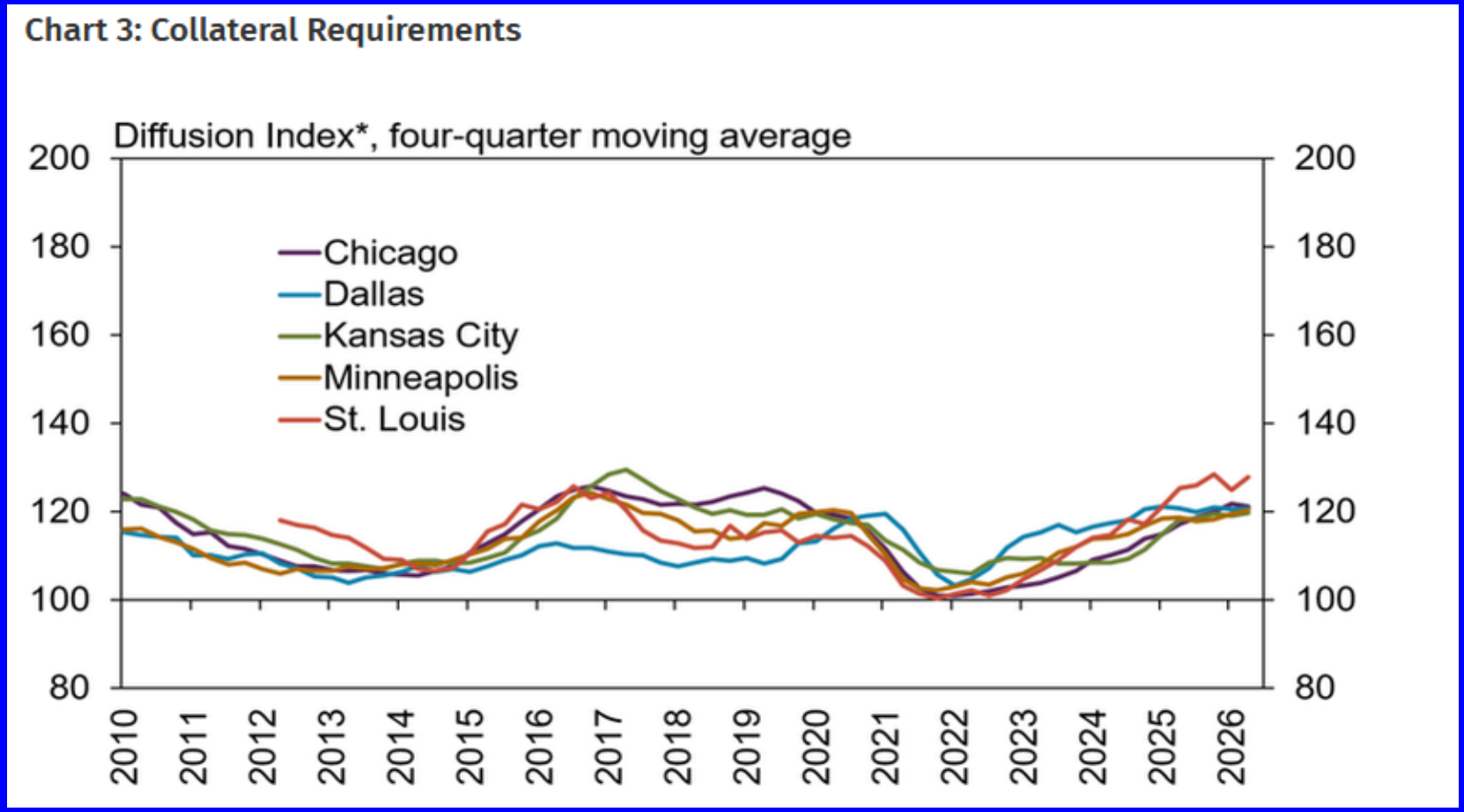
Cattle and Calf Prices Volatile But Strong



Overall Delinquency Rates Still Low



Lending Criteria Getting A Bit Stricter



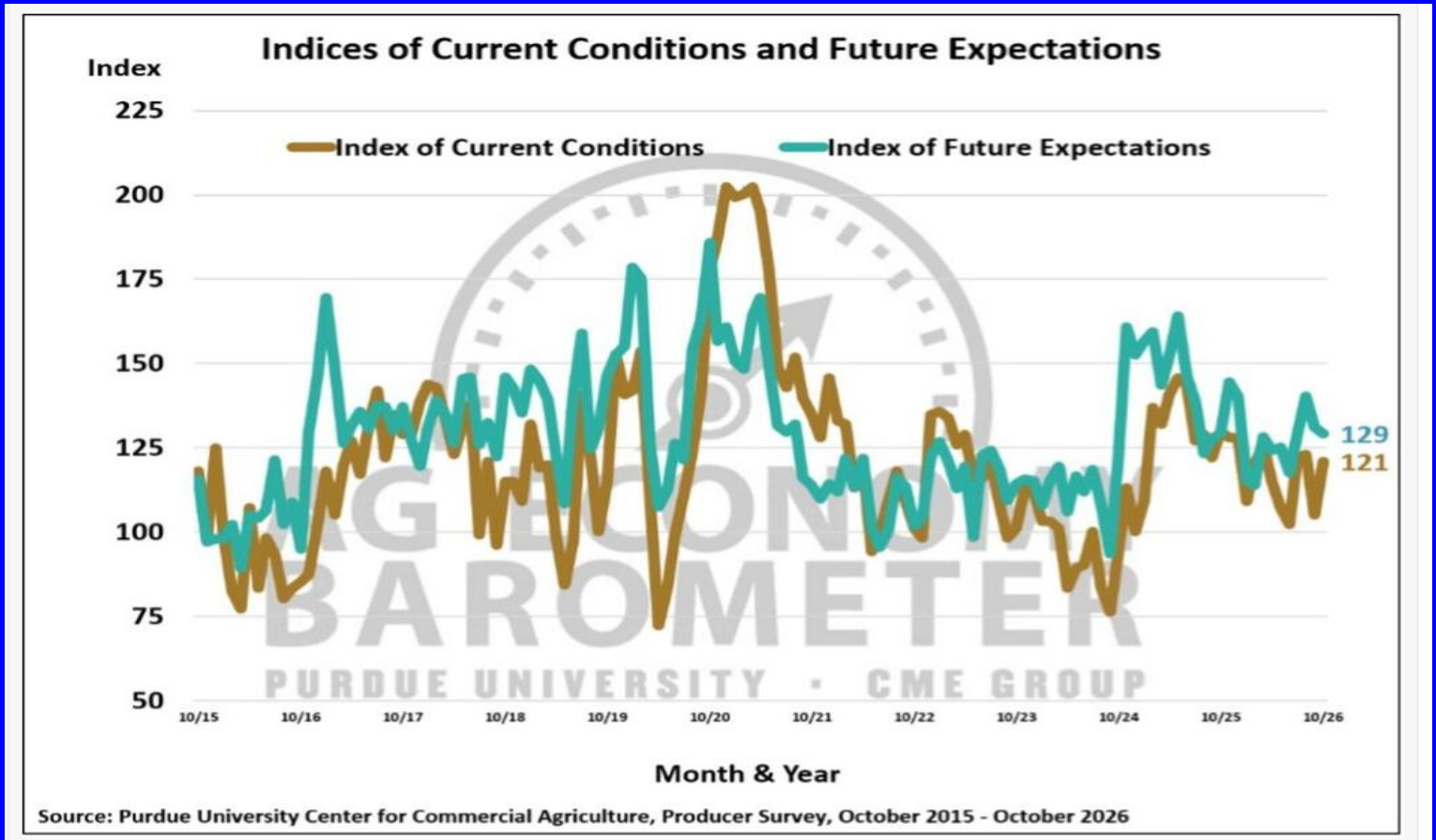


Figure 2. Indices of Current Conditions and Future Expectations, October 2015-October 2026.

Mood of Ag Economy Barometer survey respondents does not show a clear pattern

Farmer Respondents Became Less Optimistic About The Future of the Country

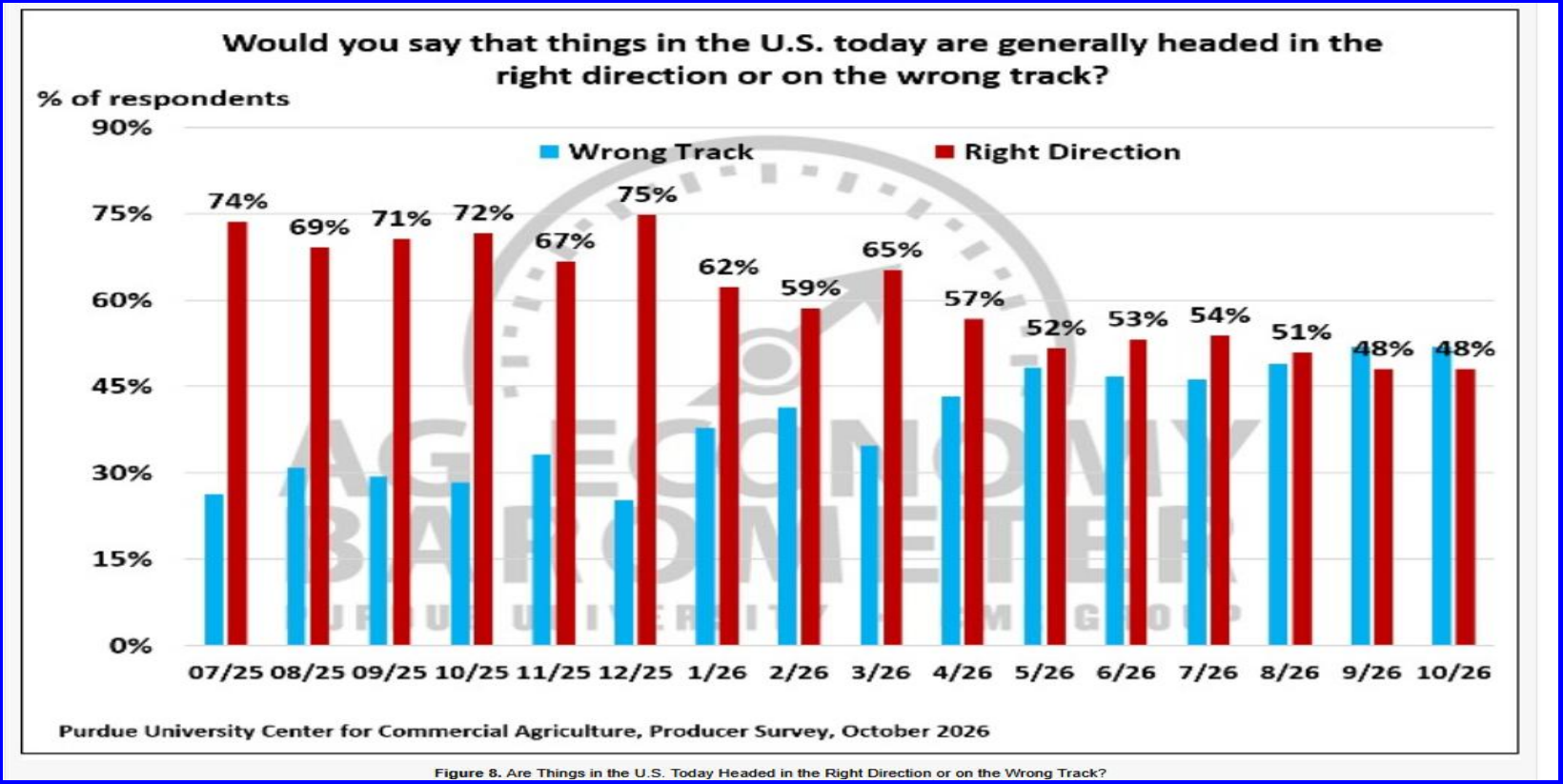


Figure 8. Are Things in the U.S. Today Headed in the Right Direction or on the Wrong Track?

Also, Support for The Long Term Tariff Strategy Has Weakened Significantly

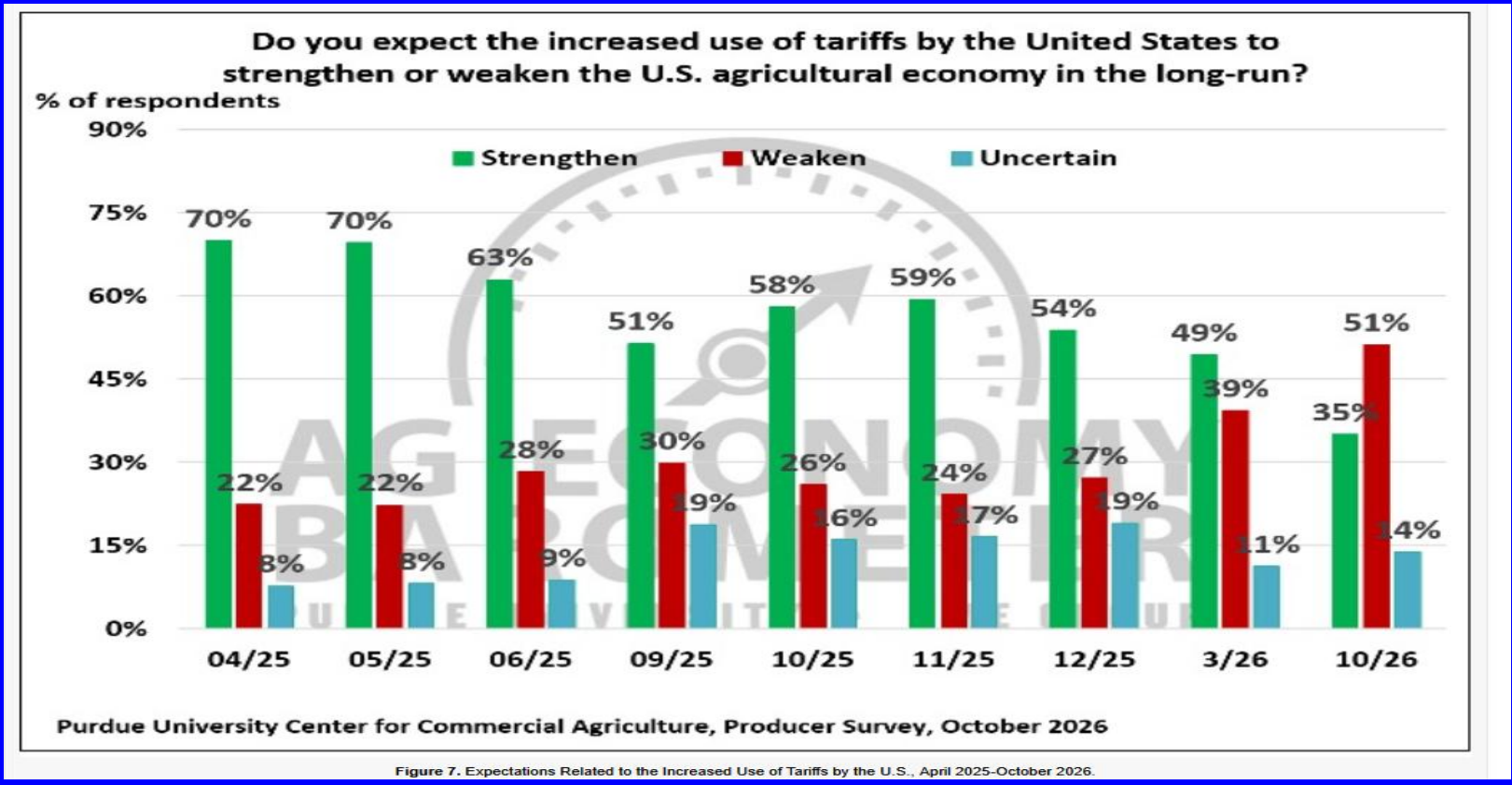
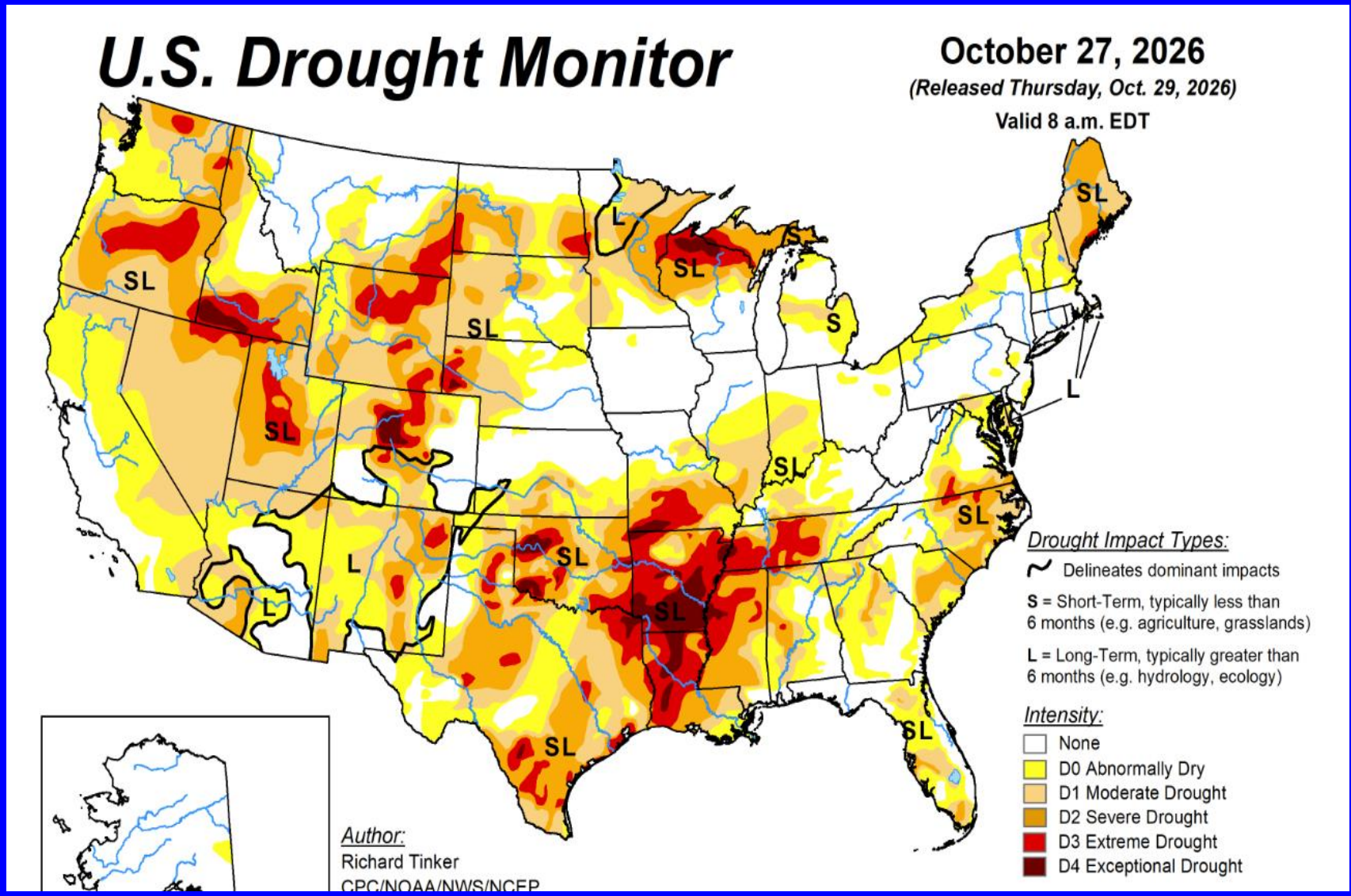


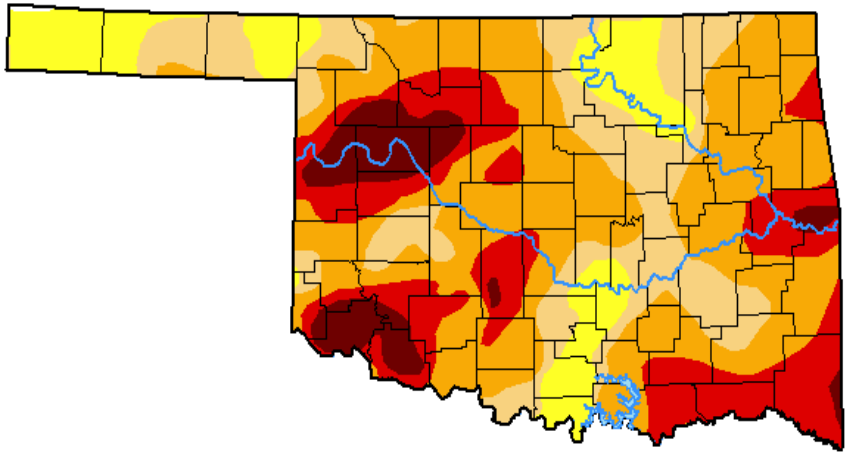
Figure 7. Expectations Related to the Increased Use of Tariffs by the U.S., April 2025-October 2026.


U.S. Drought Monitor
October 27, 2026
(Released Thursday, Oct. 29, 2026)
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:
Richard Tinker
CPC/NOAA/NWS/NCEP

U.S. Drought Monitor - Oklahoma

U.S. Drought Monitor

Oklahoma



October 27, 2026

(Released Thursday, Oct. 29, 2026)

Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	0.11	99.89	87.31	66.59	26.16	7.10
Last Week *10-20-2026*	0.00	100.00	89.19	70.87	29.12	7.16
3 Months Ago *07-28-2026*	34.60	65.40	43.84	35.01	15.68	2.10
Start of Calendar Year *01-06-2026*	19.15	80.85	72.77	19.38	6.92	0.00
Start of Water Year *09-29-2026*	0.00	100.00	99.82	92.40	55.43	24.39
One Year Ago *10-28-2025*	43.62	56.38	19.04	3.48	0.00	0.00

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme 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

Author:

Richard Tinker
CPC/NOAA/NWS/NCEP

7-day Rainfall Accumulation

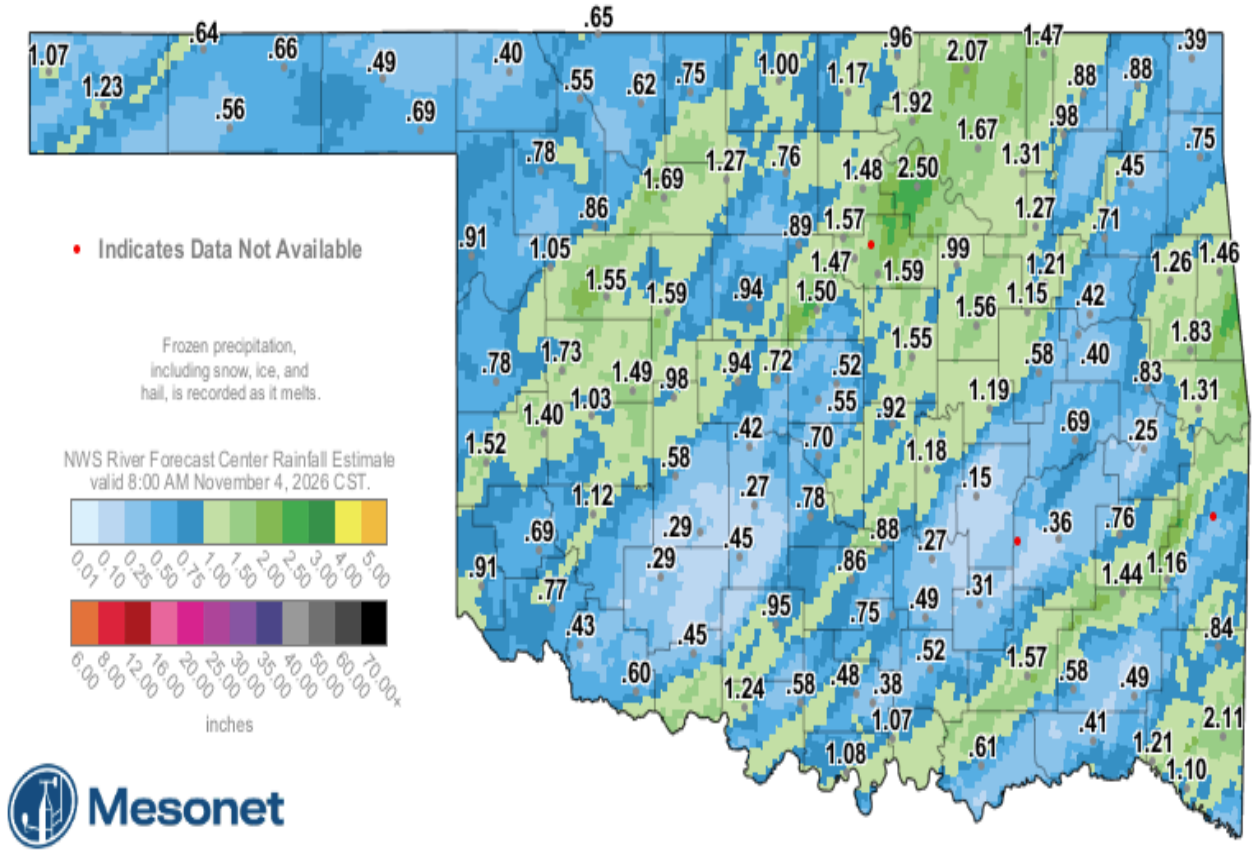
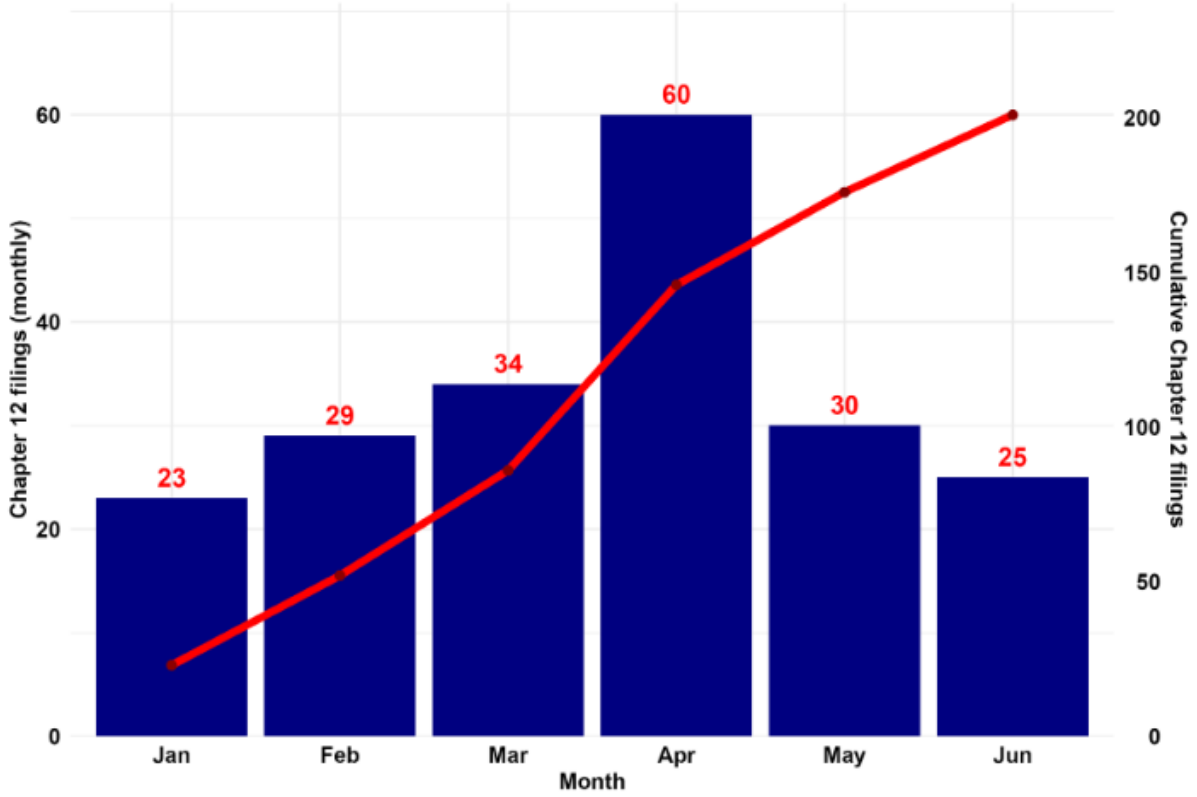


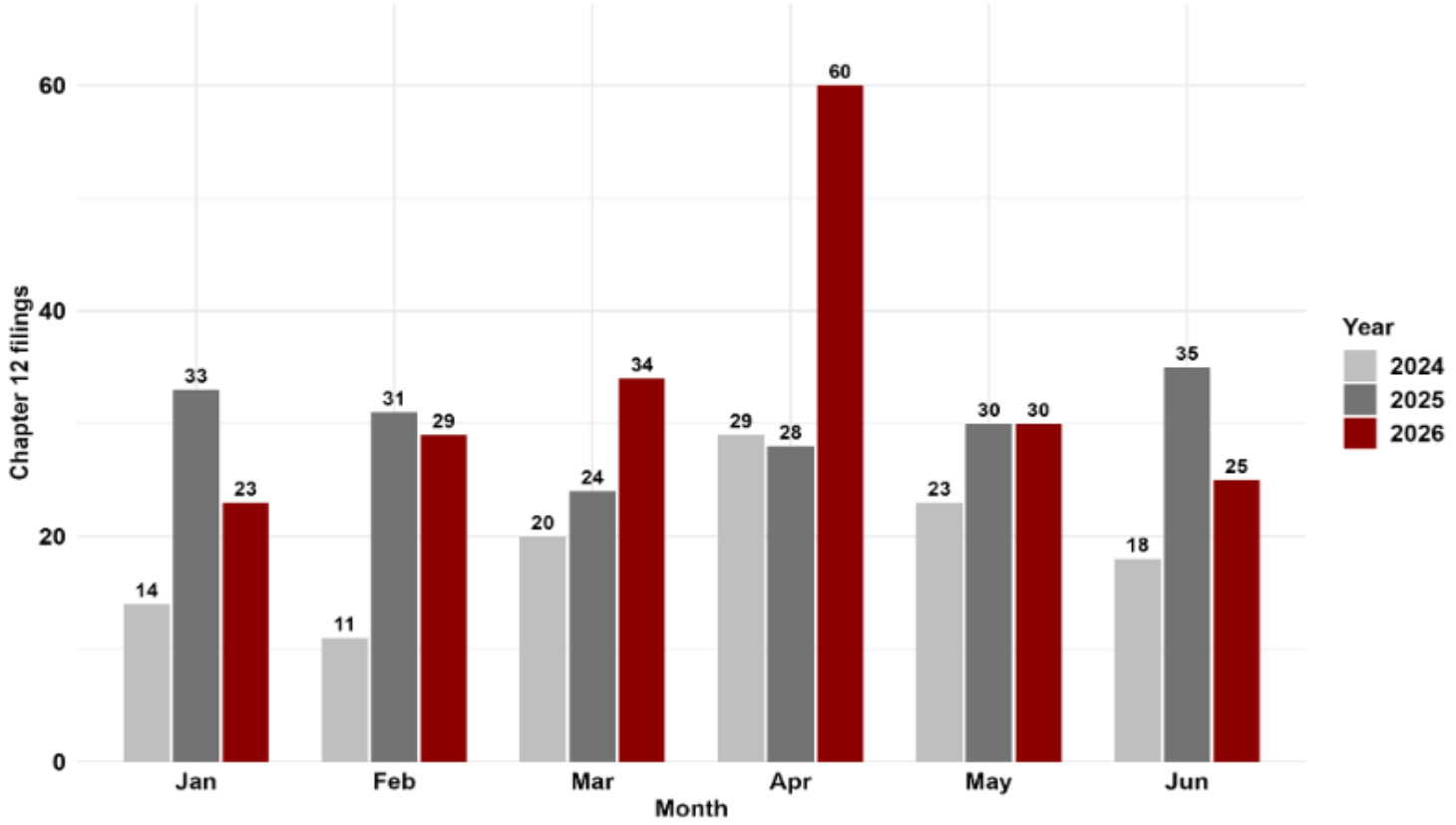
Figure 1. Total Chapter 12 filings by month in first semester of 2026 in the United States.



Note: Navy bars show monthly Chapter 12 filings (left axis); the red line tracks the cumulative total (right axis).

Source: Administrative Office of the U.S. Courts, Bankruptcy Filings Statistics: Quarterly Filings Data Tables (accessed July 2026). Authors' visualization.

Figure 2. Monthly U.S. Chapter 12 bankruptcy filings (January–June, 2024–2026).



Source: Administrative Office of the U.S. Courts, Bankruptcy Filings Statistics: Quarterly Filings Data Tables (accessed July 2026). Authors' visualization.

Oklahoma Observations

- Crop producers
  - 2026 has presented weather and financial challenges for many Oklahoma crop producers.
  - Difficult to lock in positive economic profits on 2027 crops. Producers are cutting variable costs to see if we can at least cover those.
- Cow Calf Producers
  - Strong profits appear likely again going into 2027.

Summary

- Main Concerns
  - 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 come down, and when
  - Government policy, and Government payment uncertainty
  - Level of financial stress will increase in general, the question is to what degree

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**

FARM MANAGEMENT