

Kansas Farm Income Outlook

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Outline

National farm
income trends

Kansas farm
income outlook

KFMA farm
income analysis

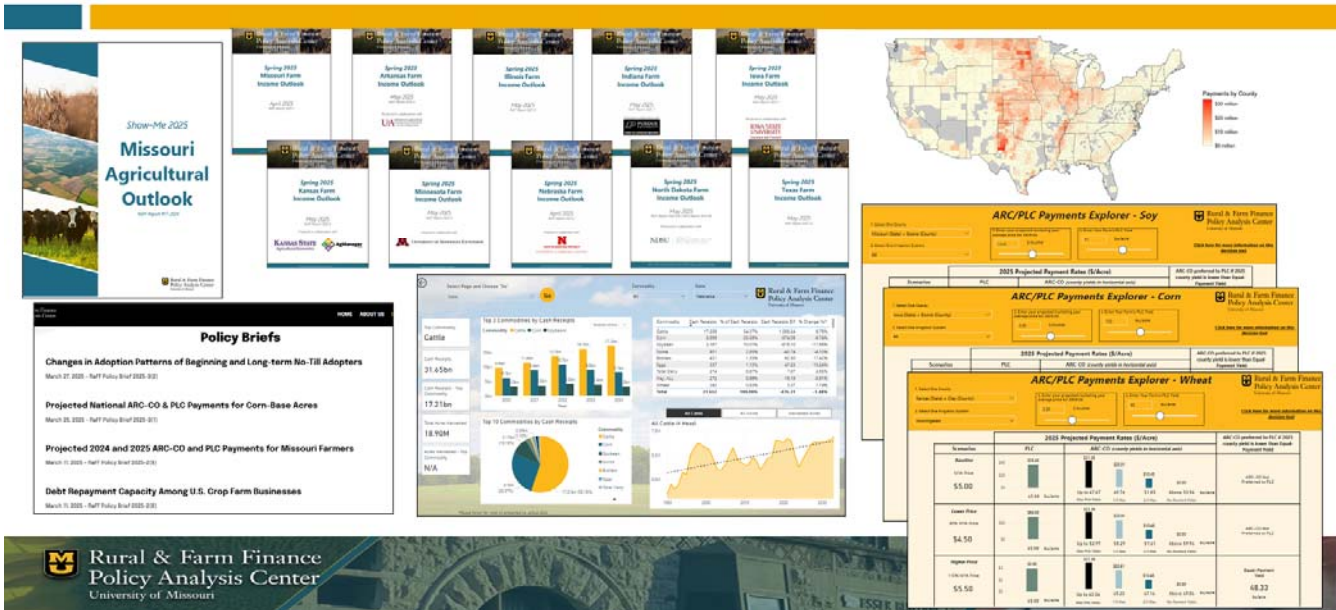


National Farm Income Trends

Rural and Farm Finance Policy Analysis Center (RaFF)

- ❑ RaFF is a Policy Analysis Center in the Division of Applied Social Sciences (DASS) at the University of Missouri-Columbia, funded by U.S. Congress.
- ❑ RaFF provides unbiased analyses to policymakers to help them understand how policies impact states and regions differently.
- ❑ RaFF's research-based insights help stakeholders support agricultural and rural economies throughout the United States.
- ❑ RaFF's focal areas are coordinated with the USDA Office of the Chief Economist.

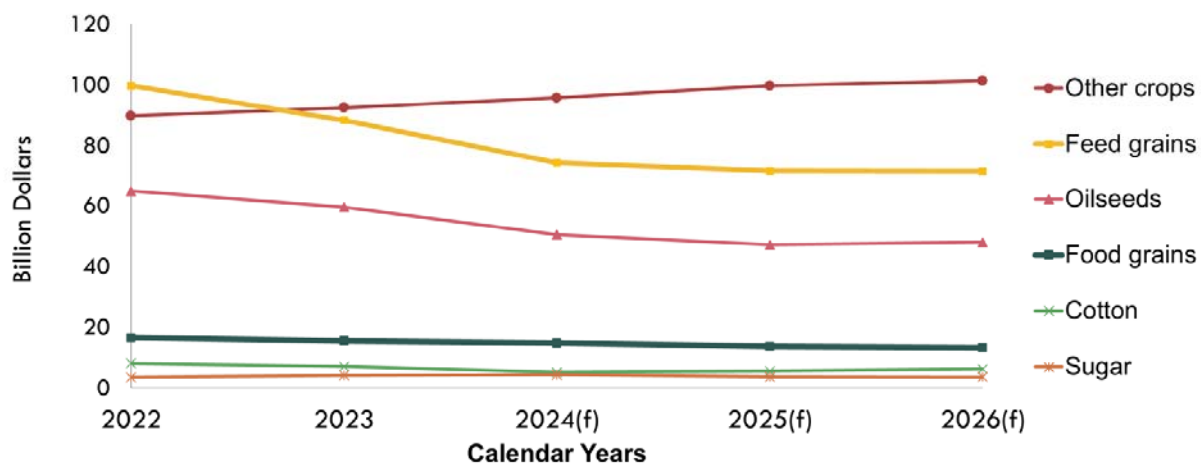




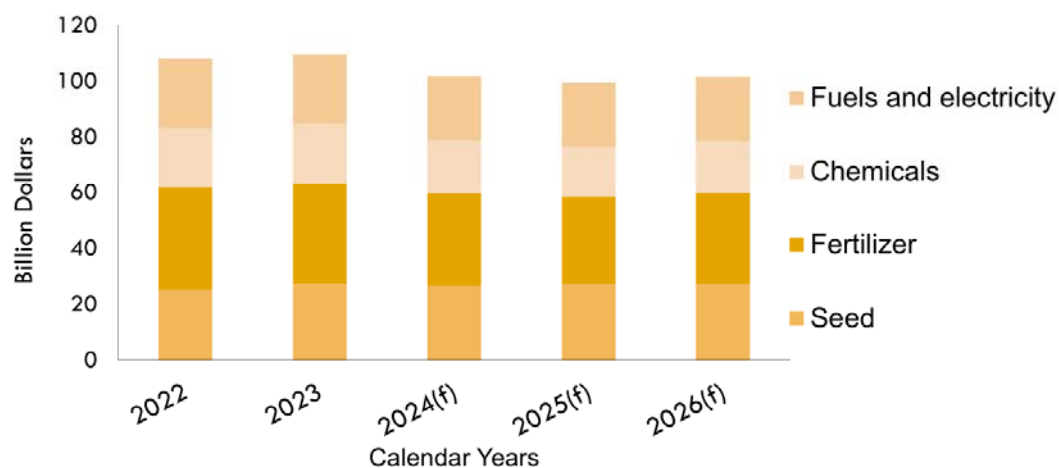
The Bottom-Line

- ❑ Short & medium-term pain for field crops
 - Lower prices, some costs remain high
- ❑ Cattle sector in good shape
 - Limited supply, high prices, lower feed costs
- ❑ Sizable ad-hoc direct government payments in 2025
- ❑ Higher Net Farm Income in 2025
- ❑ Policy outlook very uncertain: tariffs and trade, Farm Bill, 2026?

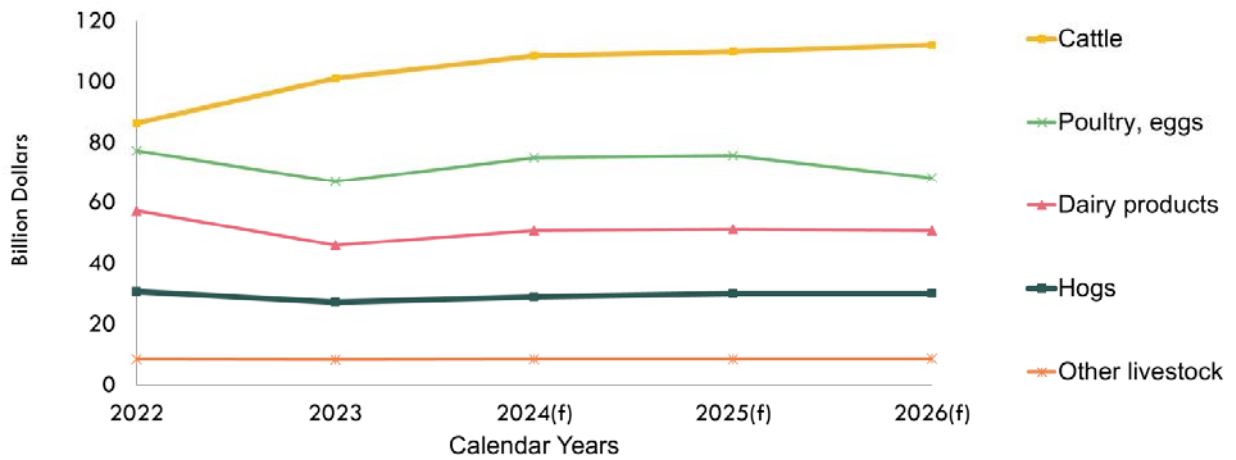
U.S. Cash Receipts from Crops (FAPRI)



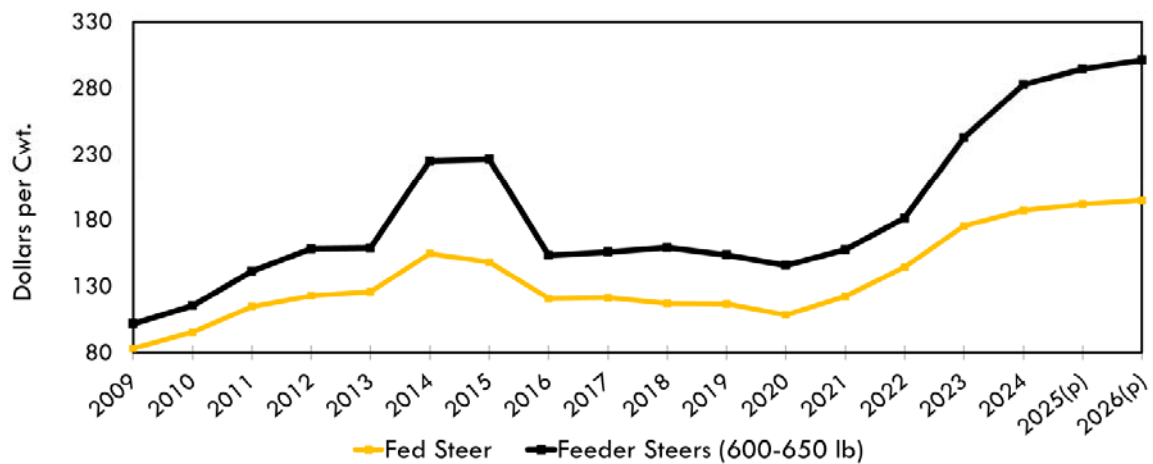
Variable Costs of Crop Production Down



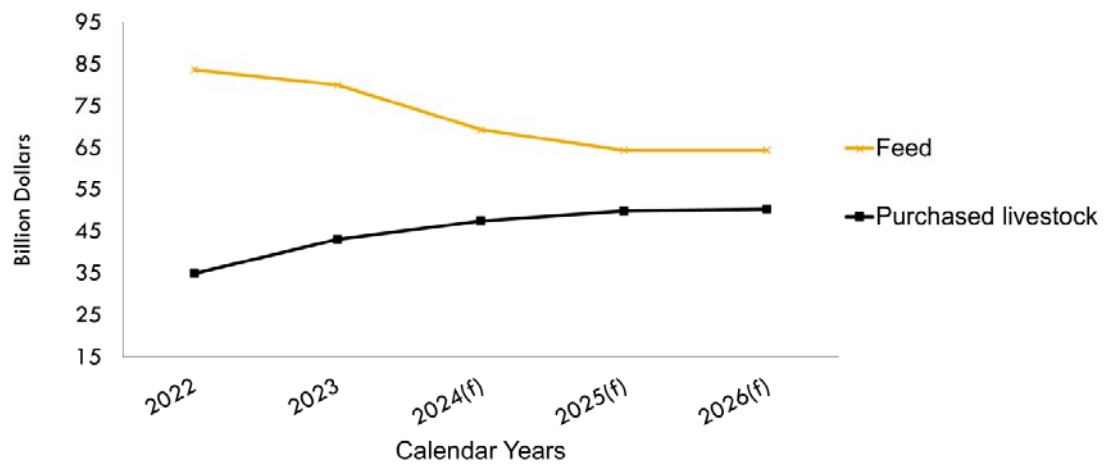
U.S. Cash Receipts from Livestock



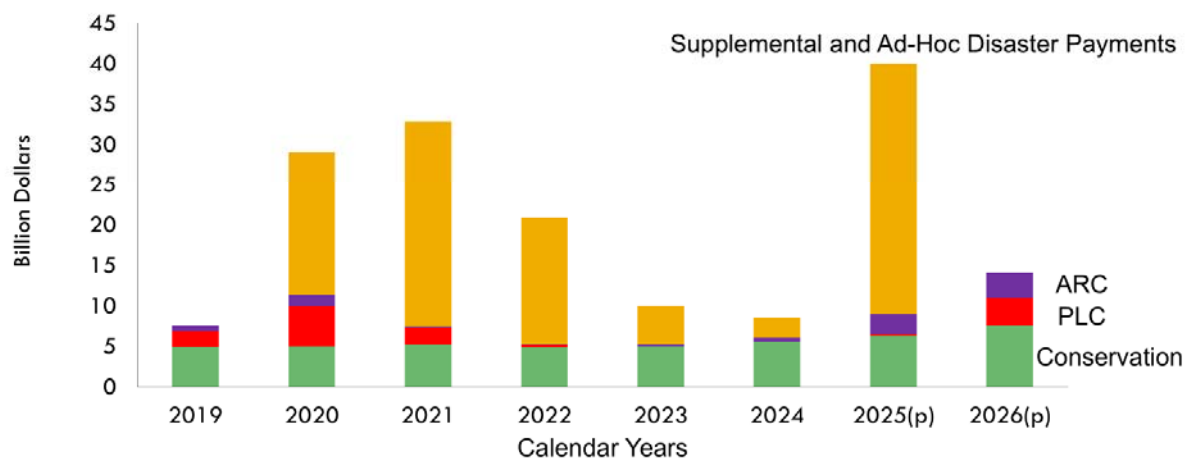
U.S. Cattle Prices



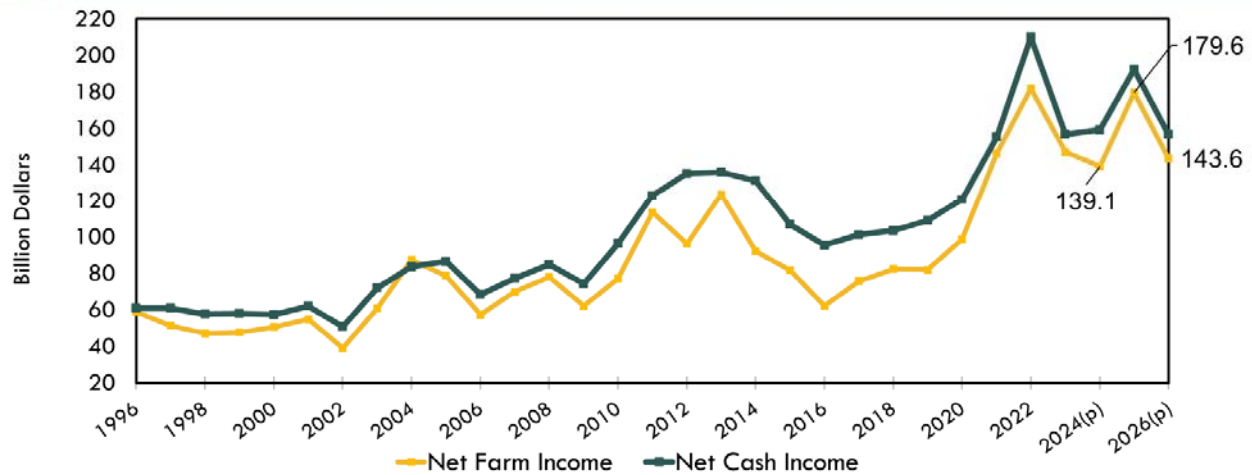
Costs of Purchased Livestock Increase, Feed Costs Decline



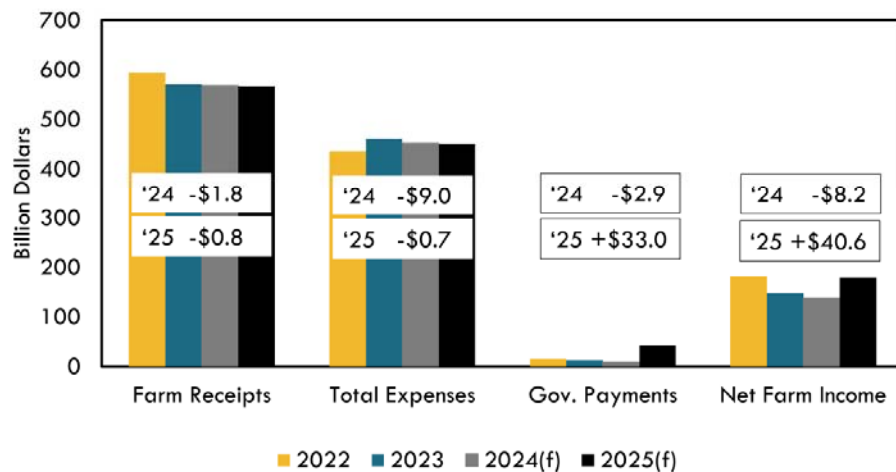
Direct Government Payments (FAPRI)



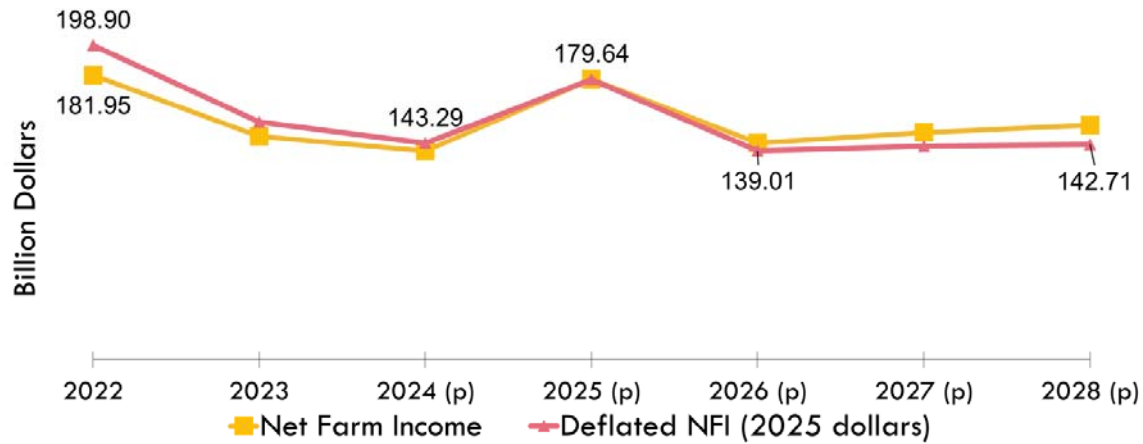
U.S. Net Farm Income: +30% in 2025, -20% in 2026



Farm Income Changes by Component (FAPRI)



Long-term U.S. Net Farm Income Projections (FAPRI)



Rural & Farm Finance
Policy Analysis Center
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Food & Agricultural
Policy Research Institute
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Thank you for your attention. What questions do you have?

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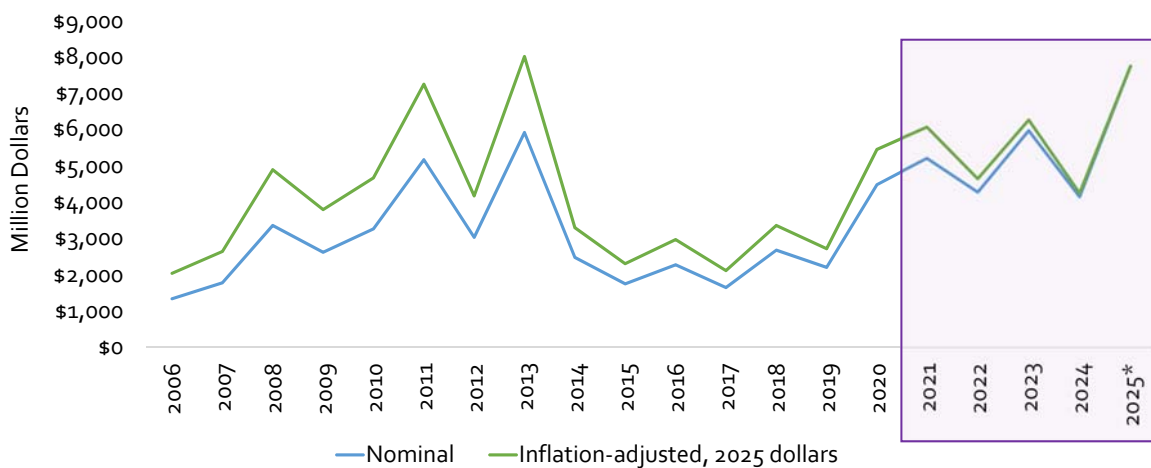
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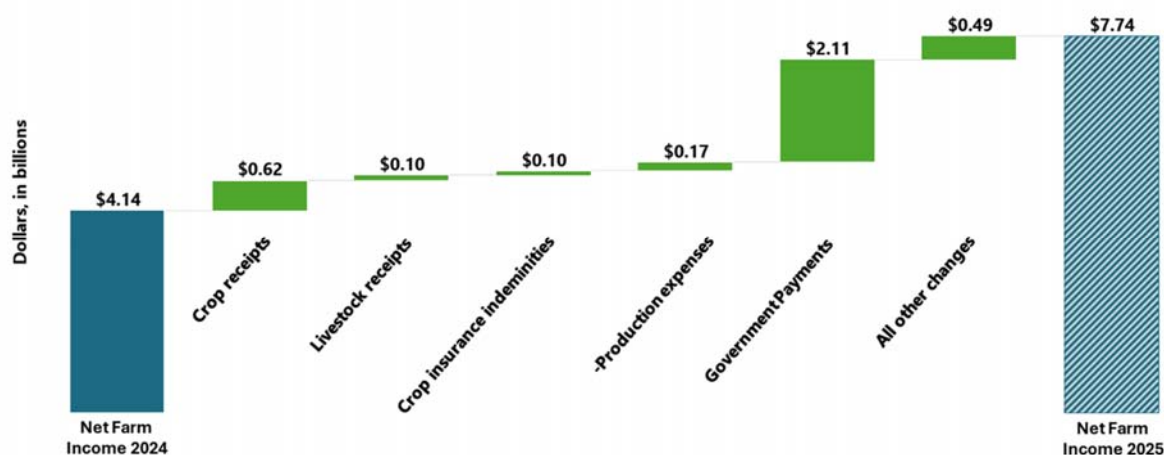
Kansas Farm Income Outlook

Farm income projected to rebound in 2025.

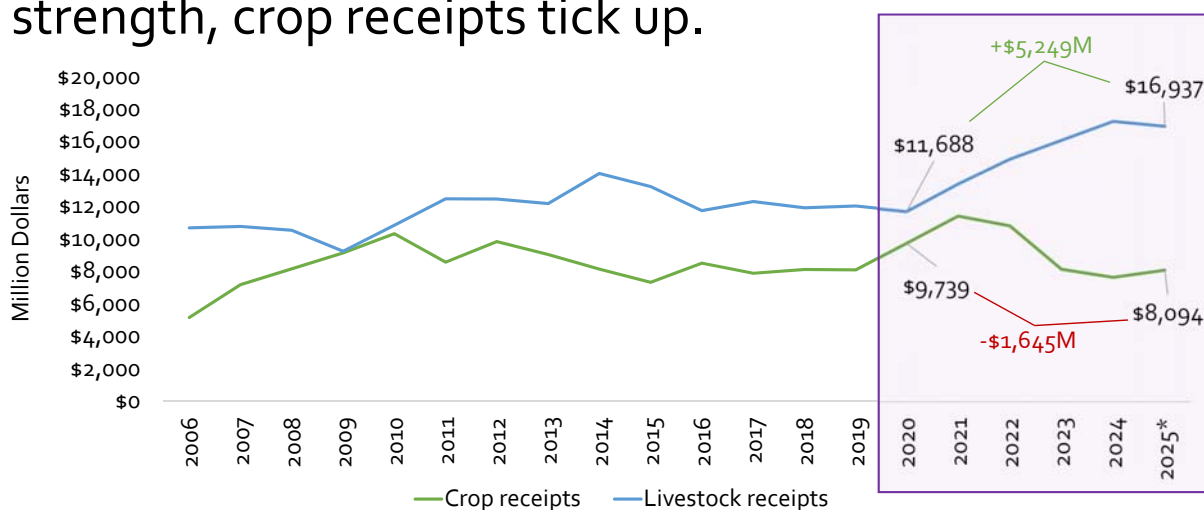


* 2025 farm income is projected, and inflation adjustment uses ERS deflator.

Government payments drive 2024-25 increase.

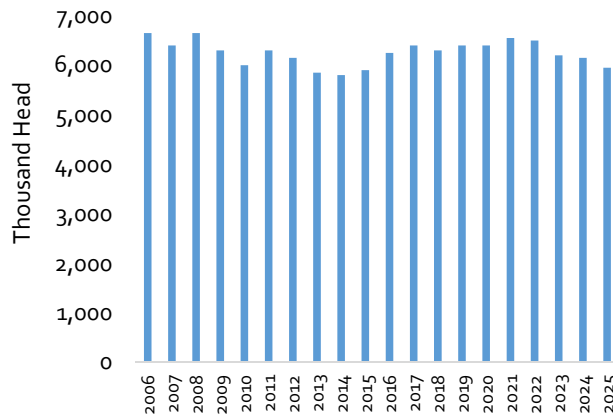


Inflation-adjusted livestock receipts maintain strength, crop receipts tick up.

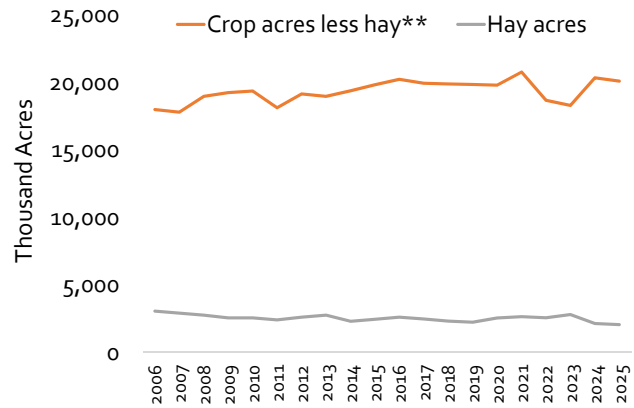


* 2025 farm income is projected. Data reported in 2025 dollars.

Cattle inventories^ low, crop acres* slip a bit.



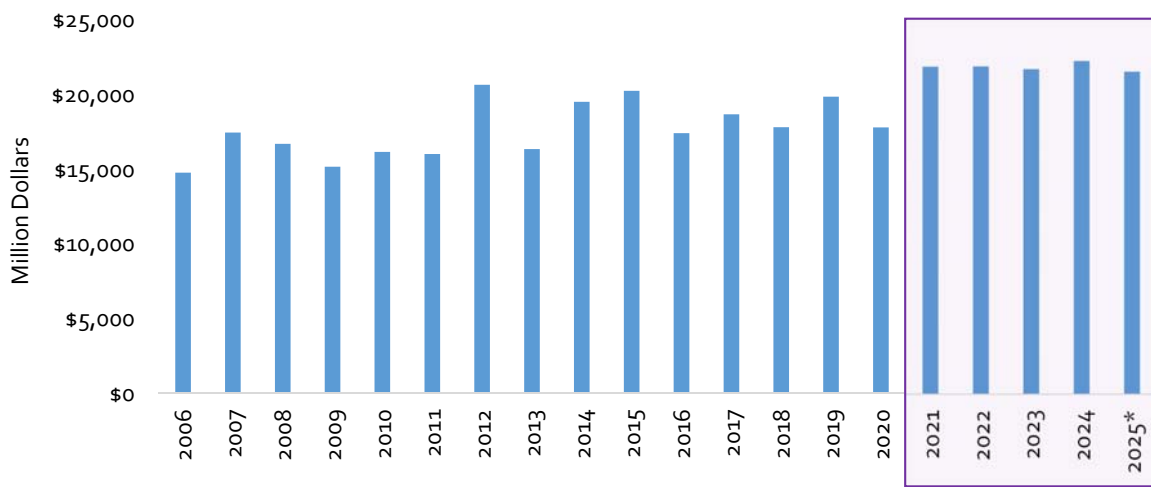
^ All cattle and calves inventory, including milk cows



* Crops represented are barley, canola, corn, cotton, oats, sorghum, soybeans, sunflowers and wheat.

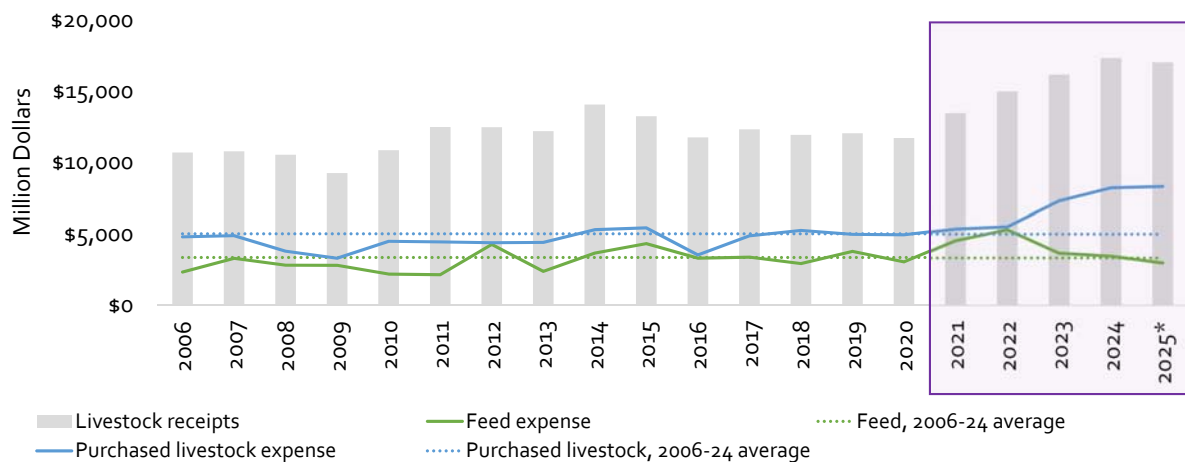
** All harvested acreage, except planted acreage for canola.

Cash production expenses recede slightly in '25.



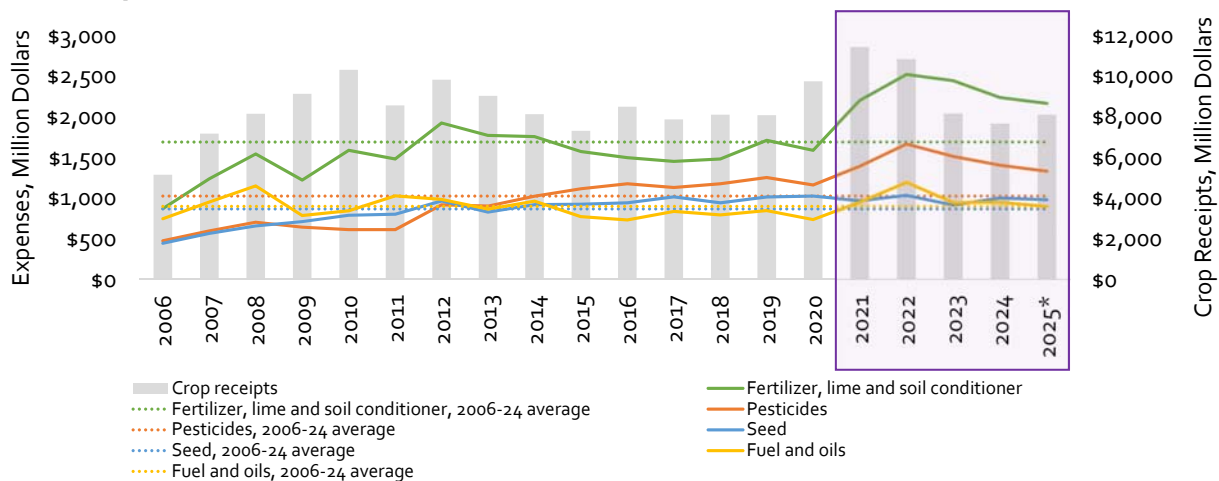
* 2025 farm income is projected. Data reported in 2025 dollars.

Livestock producers see feed cost drop as purchased livestock costs follow receipts trend.



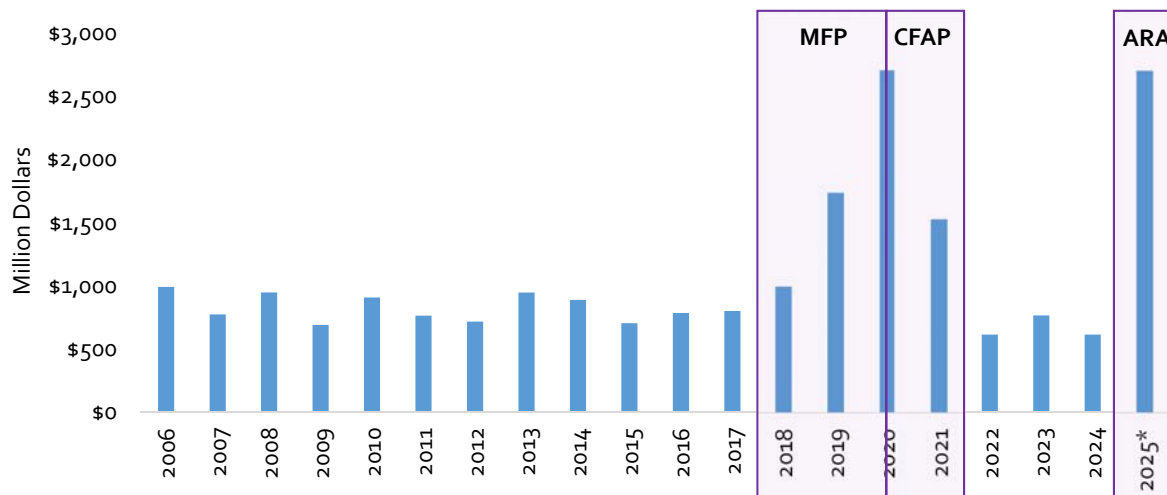
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Crop farms feel some input expense relief as receipts stall.



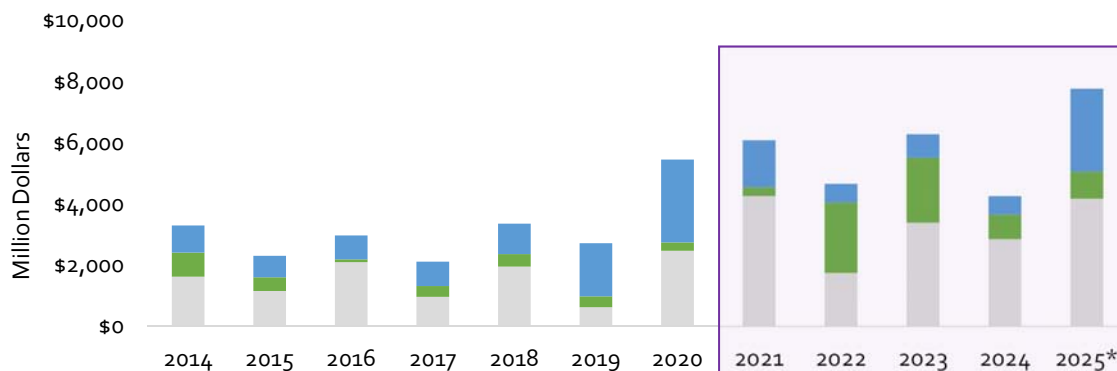
* 2025 farm income is projected. Data reported in 2025 dollars.

2025 direct government payments top recent years'.



* 2025 farm income is projected. Data reported in 2025 dollars.

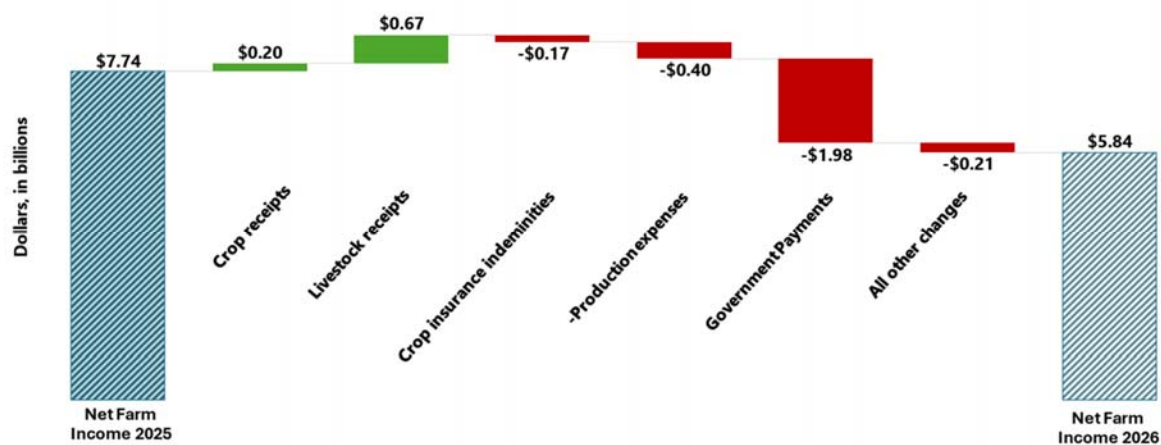
Insurance, direct government payments contribute notably to net farm income.



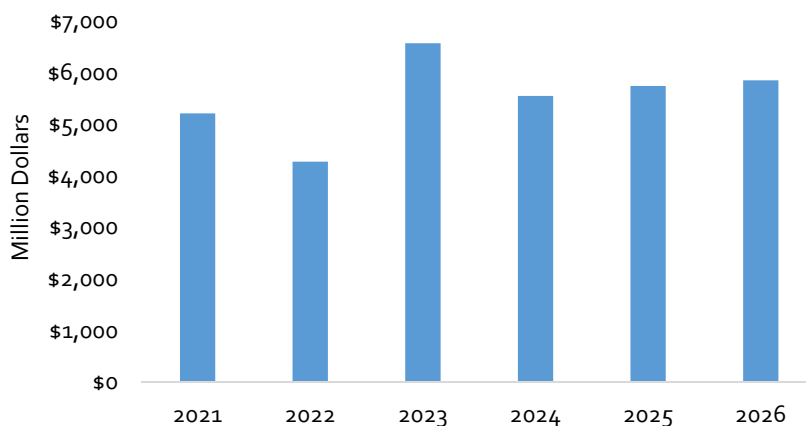
■ Direct government payments, 2025 dollars
 ■ Insurance indemnities, 2025 dollars
 ■ Net farm income less government, insurance payments, 2025 dollars

* 2025 farm income is projected. Data are in 2025 dollars.

Outlook suggests drop in 2026 farm income as government payments normalize.



Demonstration: Allocating American Relief Act funds to year stress occurred rebalances net farm income.



Assumptions

- ECAP funding earned in 2024 rather than 2025.
- Other ad hoc/supplemental direct government payments in 2025 total \$350 million.
- Split remaining ad hoc/supplemental funds from 2025 in half to represent disaster aid in 2023 and 2024.

Chart produced for demonstration purposes only. Data not adjusted for inflation.

The bottom line

2024, 2025, and 2026 farm income outlooks are comparable after an “accrual adjustment” to ARA-authorized payments

Livestock receipts in 2025 are well above historic levels due to high prices

- Feed expenses are at the 20-year average

Crop receipts are below the 20-year average

- Evidence of a continued margin squeeze despite recent declines in crop input prices

Questions?
Comments?
Thank you!

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Appendix

ARA Economic Assistance and Natural Disaster Payments

In progress

- Emergency Commodity Assistance Program
 - Payments have been made (\$8 billion to date)
 - Sign up ends August 15
- Emergency Livestock Relief Program

Supplemental Disaster Relief Program

- Indemnified losses: July 7 target deadline for sign-up
- Shallow losses: Sept 15 target deadline for sign-up

Agricultural Disaster Aid (~\$21 billion)

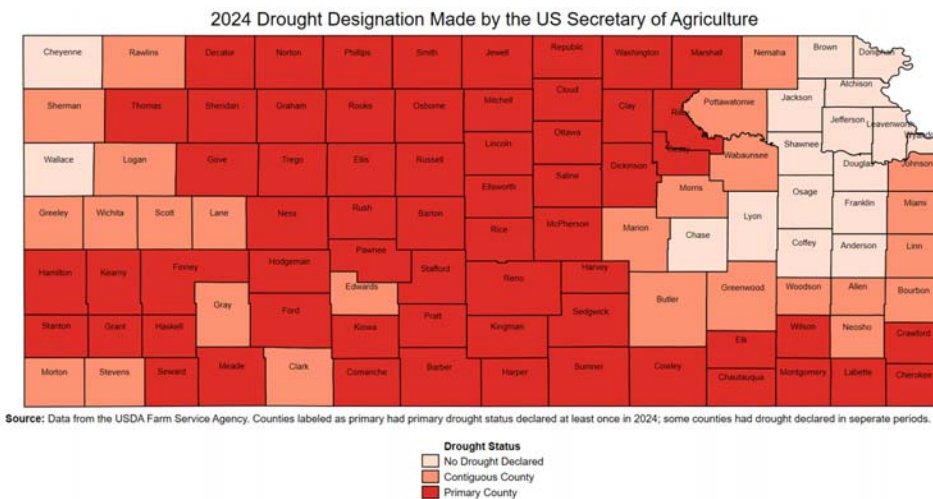
- Covers necessary expenses related to the losses of revenue, quality or production of:
 - Crops
 - Trees, Bushes, Vines

Due to:

- **Drought**
- Excessive heat
- Wildfire
- Hurricane
- Flood
- Derecho
- Tornado
- Winter storm, freeze
- Smoke exposure
- Excessive moisture

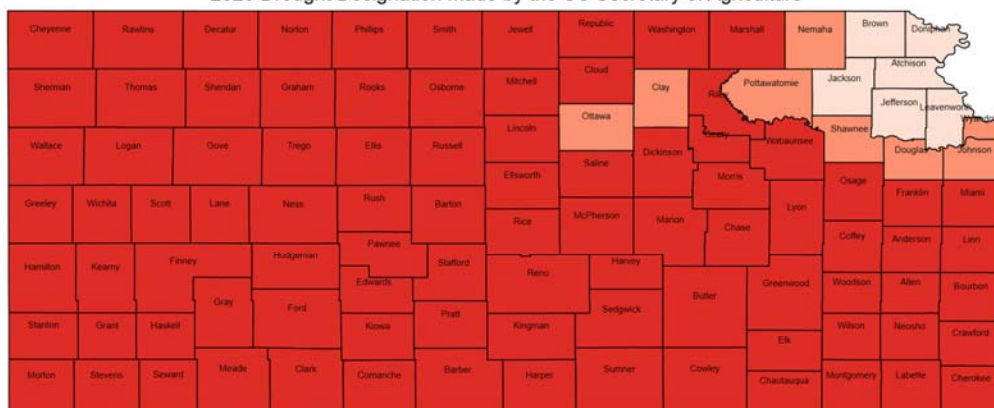
Details

- Maximum of 90% losses covered for producers with Crop Insurance or NAP, 70% otherwise
- \$2 billion must be used for livestock
- If uninsured losses are only a “de minimis” percentage of producer’s overall revenue losses, the USDA may allow payments up to 90% of total loss
- USDA may provide the disaster aid through block grants, allowing compensation for timber, citrus, pecan, poultry (incl. infrastructure) and losses due to the failure of Mexico to deliver water to the U.S. in accordance with the 1944 water treaty
- \$220 million in block grants for 8 small states; \$3 million for molasses testing at points of entry



Disclaimer: These maps are designed to show the extent of natural disaster (drought) in Kansas and its likely impact on crop yields and income. We do not yet know the rules and timeline for natural disaster aid authorized under the American Relief Act, 2025.

2023 Drought Designation Made by the US Secretary of Agriculture



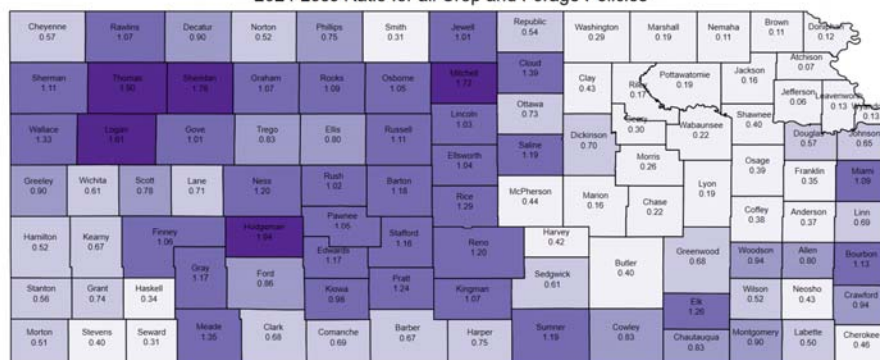
Source: Data from the USDA Farm Service Agency. Counties labeled as primary had primary drought status declared at least once in 2023; some counties had drought declared in separate periods.

Drought Status
 No Drought Declared
 Contiguous County
 Primary County

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High 2024 yield declines in NW, Central Kansas

2024 Loss Ratio for all Crop and Forage Policies



Source: The data used in this map was downloaded on June 17, 2025 from the USDA Risk Management Agency Summary of Business. All non-livestock policies are included.

Share
 [0, 0.5]
 (0.5, 0.75]
 (0.75, 0.95]
 (0.95, 1.15]
 (1.15, 2]

2023 – Large yield declines statewide

