

Farm Financial Situation and Trade

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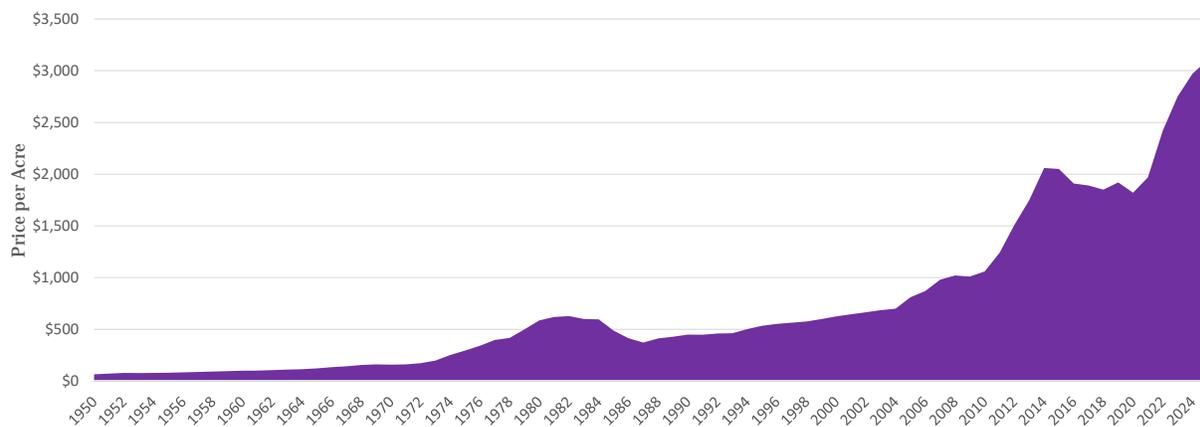
Introduction

- ❖ A declining 2024 and 2025 farm economy with stabilization in 2026?
- ❖ Net farm income (501 farms over the last 4 years)
- ❖ Financial Situation
 - ❖ Probability of Default
 - ❖ Debt to Asset Ratio
 - ❖ Working Capital Position
 - ❖ Capital Debt Repayment Capacity
- ❖ Situation without the ECAP and other Federal payments
- ❖ Trade



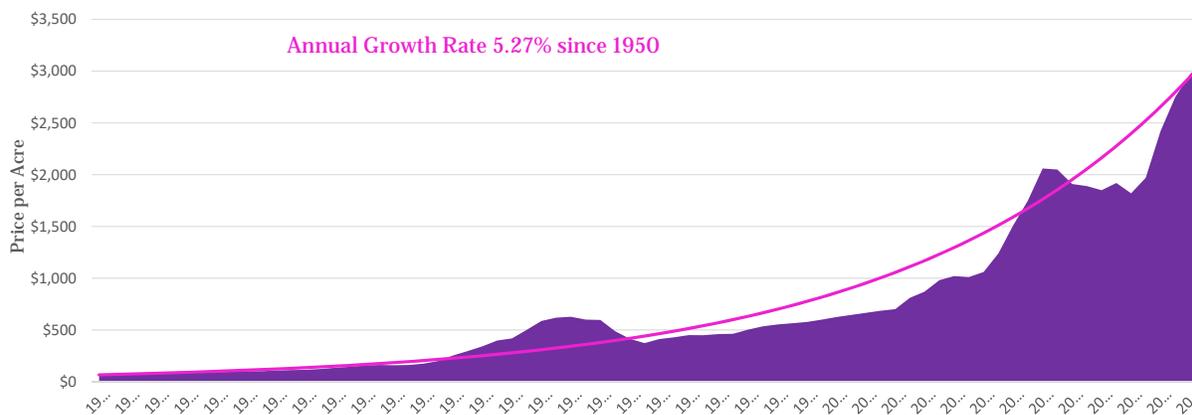
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Kansas Land Values from 1950



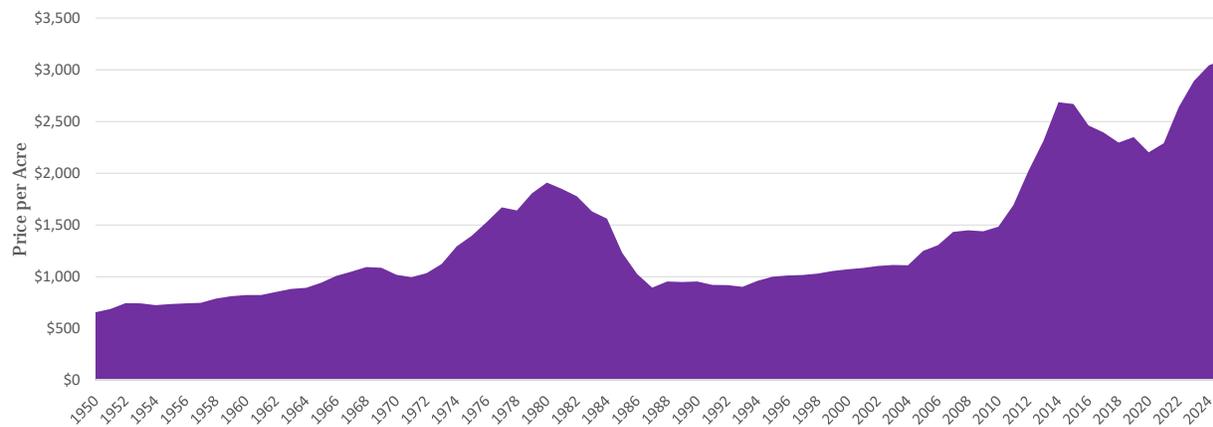
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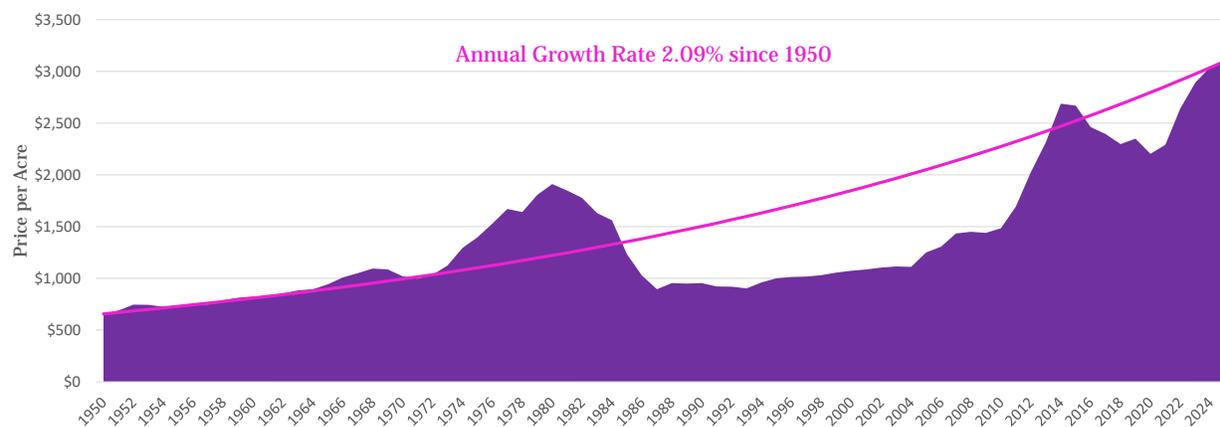
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Inflation-Adjusted Kansas Land Values



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Inflation-Adjusted Kansas Land Values



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Land Value Summary

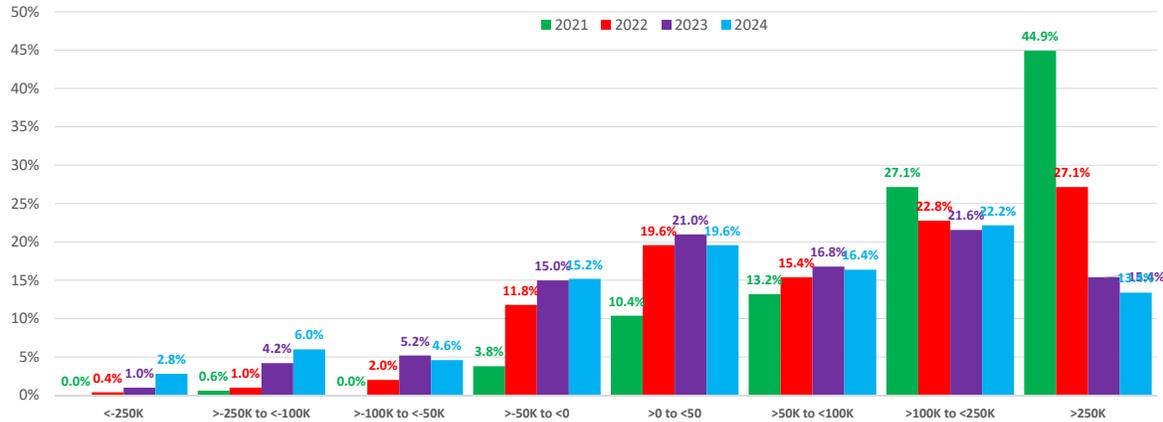
- ❖ Kansas Agricultural Land Values increased by 22.8% in 2022 and 13.6% in 2023
- ❖ Kansas Agricultural Land Values increased by 8.0% in 2024 and 4.3% in 2025
 - ❖ Increased from \$1,970 per acre in 2021 to \$3,100 in 2025, a 57.4% increase
 - ❖ Long-term average increase is 5.27%
 - ❖ Kansas nominal land values decrease 18.7% of the years since 1950
- ❖ Kansas Inflation adjusted Agricultural Land Values increased by 15.3% in 2022 and 9.5% in 2023
- ❖ Kansas inflation adjusted Agricultural Land Values increased by 5.2% in 2024 and 1.9% in 2025
 - ❖ Increased from \$2,291 per acre in 2021 to \$3,100 in 2025, a 35.1% increase
 - ❖ Long-term average increase is 2.09%
 - ❖ Kansas inflation adjusted land values decrease 33.3% of the years since 1950



Net Farm Income – Kansas Farm Management and Aggregate U.S.



Distribution of 2021, 2022, 2023, and 2024 Net Farm Income



Net Farm Income

Income Level	2021	2022	2023	2024
Negative NFI	4.4%	15.2%	25.3%	28.5%
NFI < \$50,000	14.8%	34.7%	46.3%	48.1%

Only 6 farms had negative NFI for all 4 years (1.2%)

253 farms had positive NFI for all 4 years (50.5%)



KFMA Average Net Farm Income and Government Payments

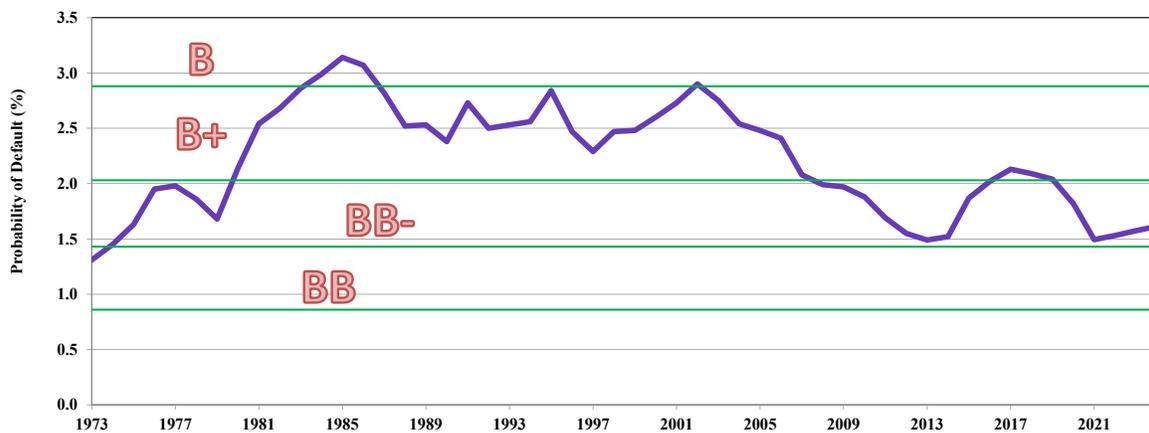
	2021	2022	2023	2024
Net Farm Income	\$339,970	\$201,937	\$106,931	\$99,087
Government Payments	\$58,238	\$23,128	\$22,077	\$65,014
Government Payments as a Percent of Income	17.1%	11.5%	20.6%	65.6%
Net Crop Insurance	-\$9,015	\$106,880	\$78,392	\$21,884

Sample size is 501 farms with 2021 to 2024 continuous data

Government Payments are important as a percentage of income for farms



Default Risk for KFMA farms 1973 through 2024

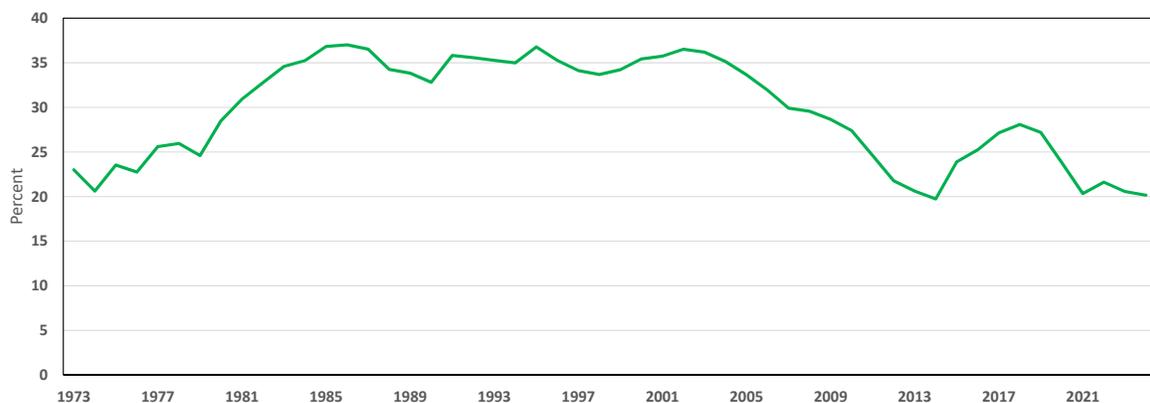


Default Risk and Debt at Risk

Income Level	2021	2022	2023	2024
Default Probability	1.47%	1.50%	1.53%	1.57%
Debt at Risk (per farm)	\$13,492	\$13,681	\$15,420	\$17,434



KFMA Farms Debt to Asset Ratio

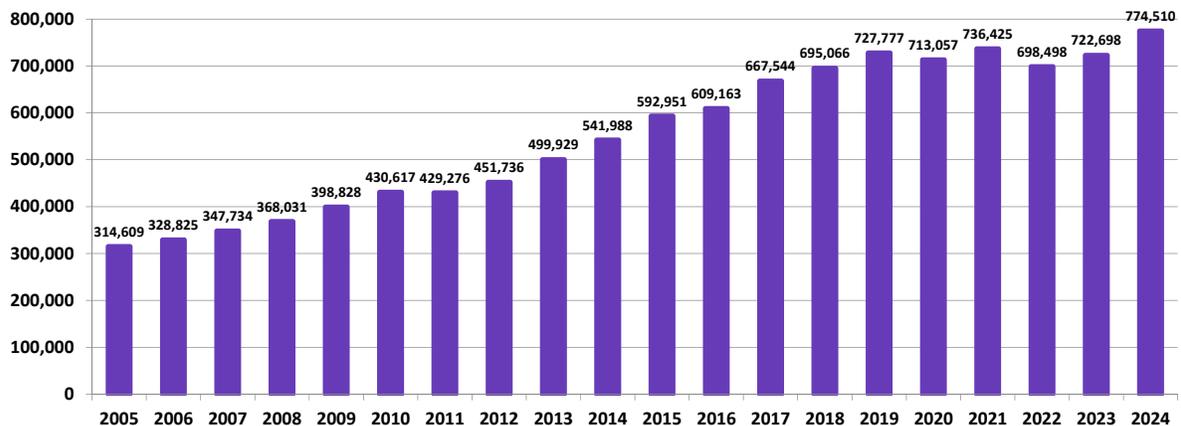


Leverage (D/A) Situation

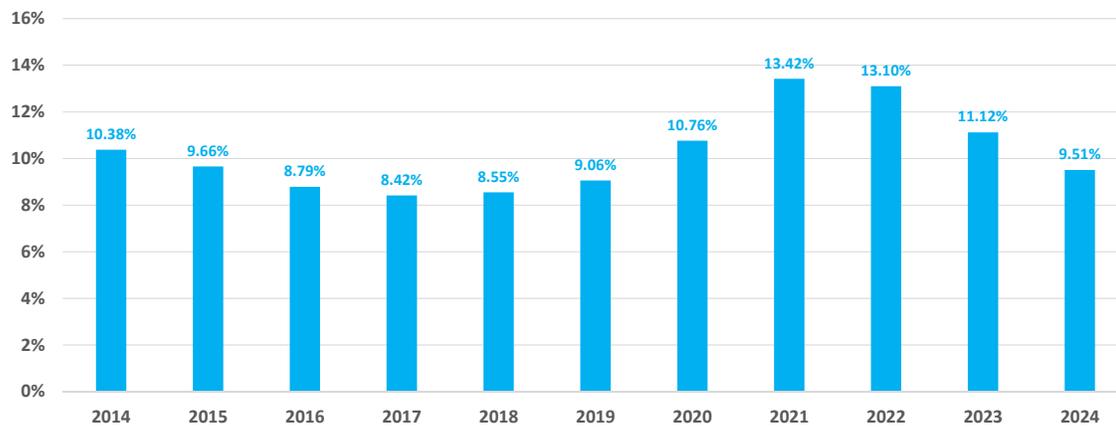
Income Level	2021	2022	2023	2024
Average	23.5%	21.1%	19.8%	19.4%
> 40%	21.6%	12.0%	15.4%	14.0%
> 70%	3.8%	3.0%	3.4%	3.0%



KFMA Debt Level per Farm



KFMA Farms Working Capital to Asset Ratio

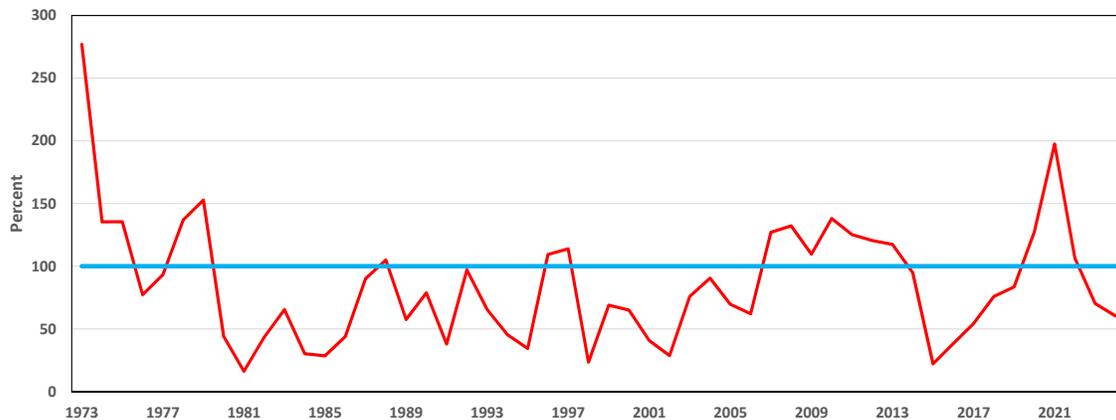


Liquidity (WC/A) Situation

Income Level	2021	2022	2023	2024
Average	14.1%	13.3%	11.0%	9.6%
< 0%	15.0%	14.6%	17.4%	19.8%
> 20%	27.3%	24.8%	23.0%	19.8%

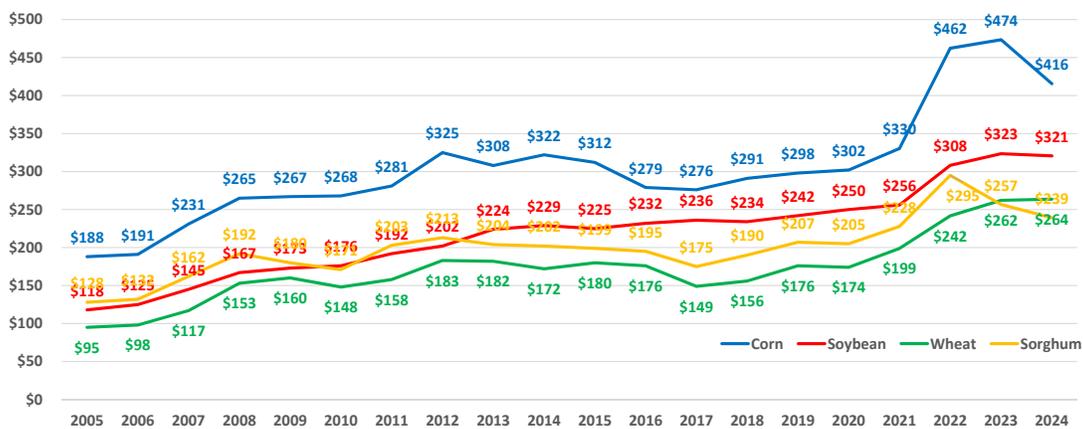


KFMA Farms Repayment Capacity



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KFMA Enterprise Non-Irrigated Variable Cost of Production per Acre



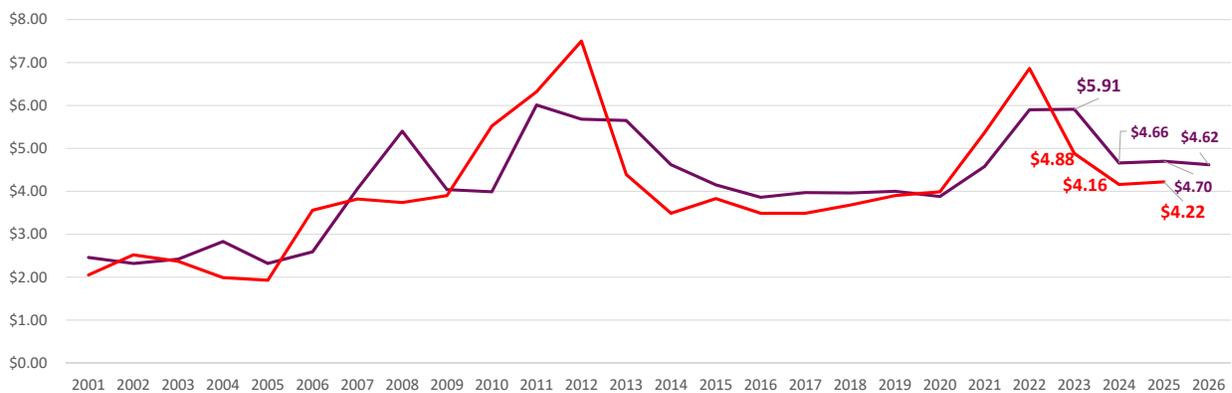
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Input Cost Changes (2024 vs 5-year Average)

Category	Corn	Sorghum	Soybean	Wheat
Seed	18.2%	8.4%	10.2%	27.3%
Crop Insurance	8.5%	13.7%	16.7%	26.9%
Fertilizer	26.7%	-22.9%	58.8%	36.5%
Machine Hire	-19.7%	-20.8%	-0.4%	-9.1%
Miscellaneous	-39.8%	141.9%	0.0%	102.2%
Cash Rent	13.3%	53.2%	29.4%	22.8%
Pesticide	11.2%	11.0%	16.7%	34.3%
Total Variable	18.0%	3.6%	17.6%	27.3%



Crop Insurance – Corn Contract Price

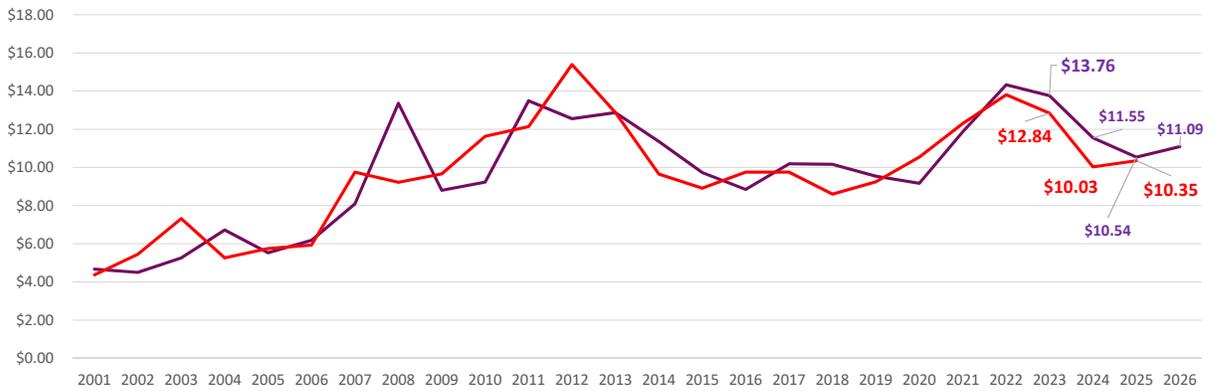


<https://www.ag360insurance.com/crop-insurance-pricing/>

— Base Price — Harvest Price



Crop Insurance – Soybean Contract Price



<https://www.ag360insurance.com/crop-insurance-pricing/>

— Base Price — Harvest Price



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Crop Insurance – Wheat Contract Price



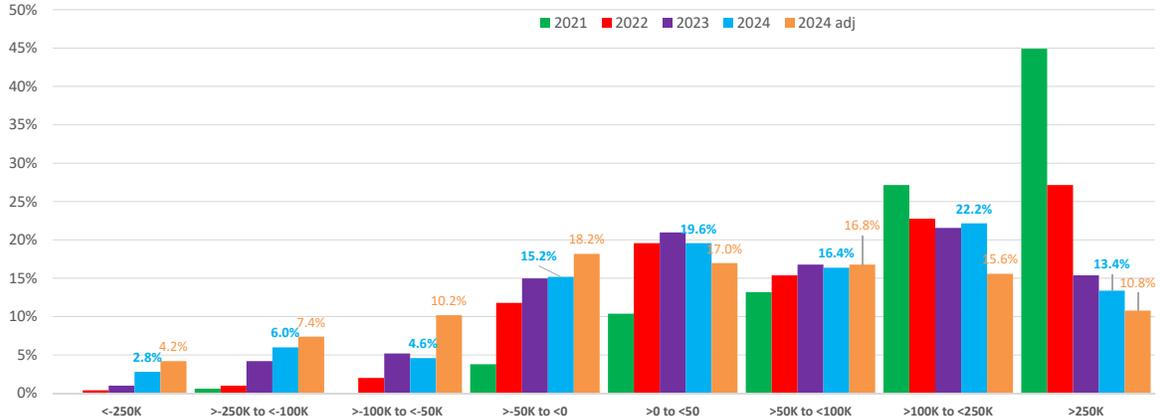
<https://www.ag360insurance.com/crop-insurance-pricing/>

— Base Price — Harvest Price



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Distribution of 2021, 2022, 2023, and 2024 Net Farm Income without ECAP Payment



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Net Farm Income without ECAP Payment

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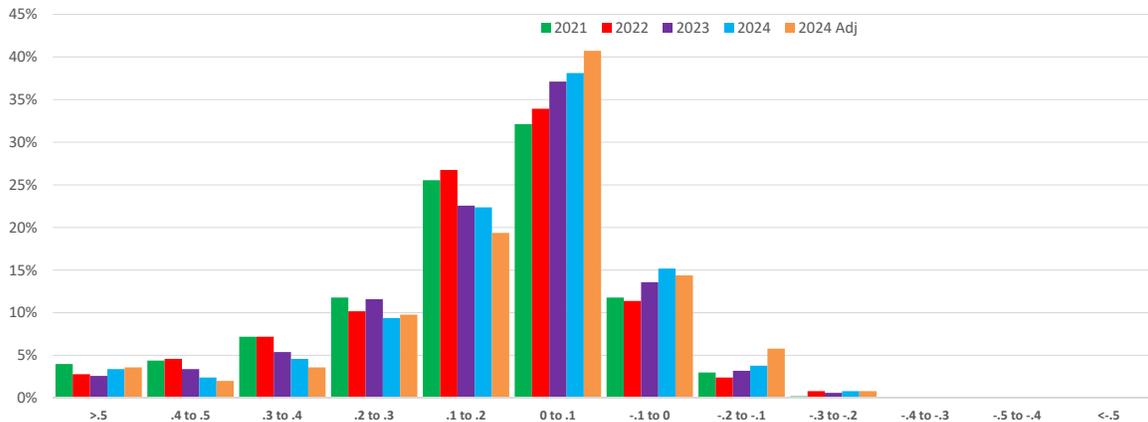
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KFMA Average Net Farm Income and Government Payments without ECAP Payments

	2021	2022	2023	2024	2024 Adj
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Distribution of 2021, 2022, 2023, and 2024 Working Capital



Liquidity (WC/A) Situation

Income Level	2021	2022	2023	2024	2024 Adj
Average	14.1%	13.3%	11.0%	9.6%	8.2%
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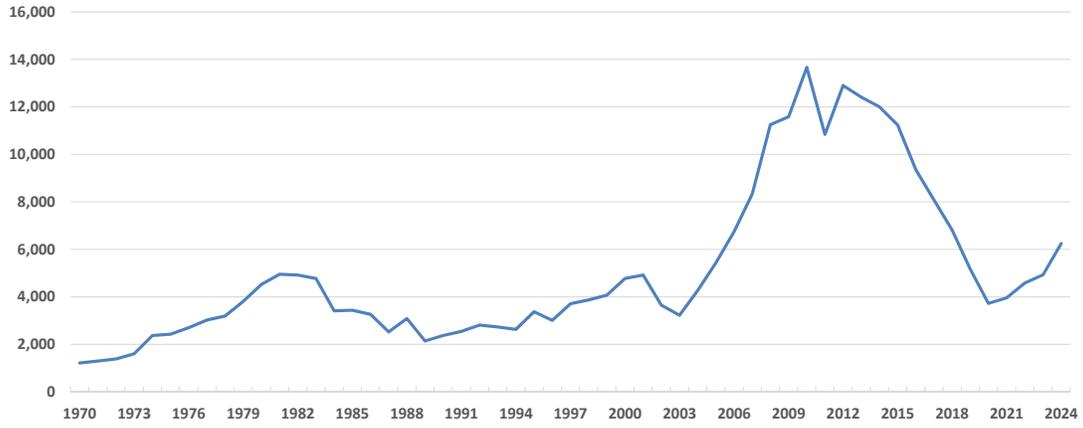


Concluding thoughts

- The financial stability of the sector declined in 2024 and 2025
- Perhaps increasing a bit in 2026?
- ECAP was important in shoring up the accrual financial statements in 2024
- Situation will be similar in 2025 with additional Bridge payments
- The key to financial health will rest on agricultural land values
- The lower tail of financial situations will be key
- Other buyers of farmer assets are farmers

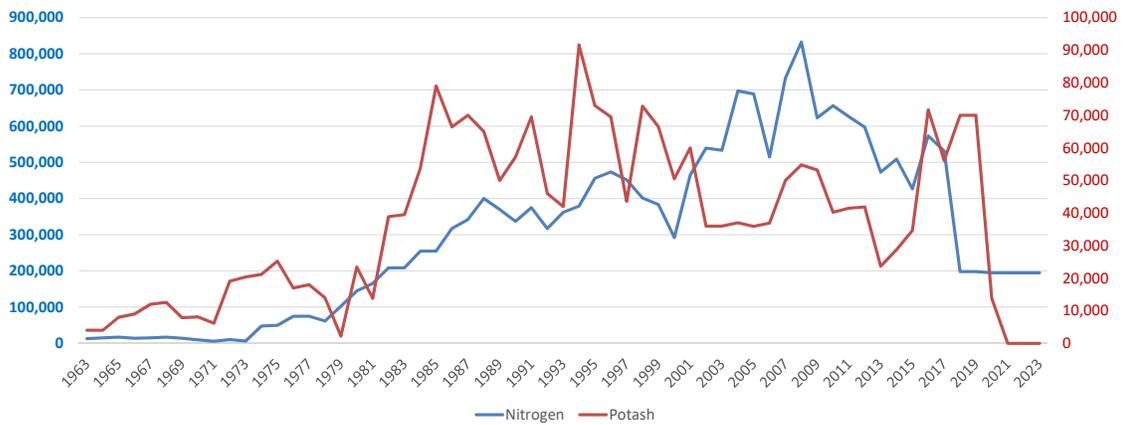


Per Capita GDP Venezuela



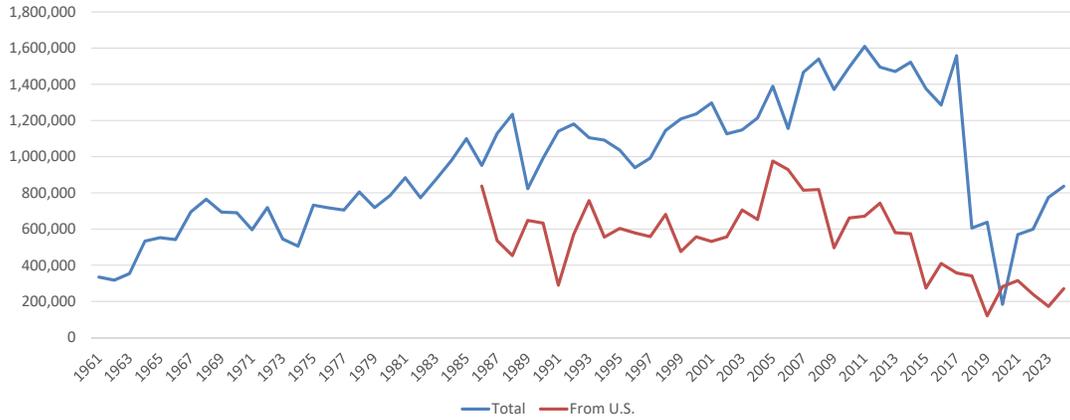
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Fertilizer Production Venezuela (Tonnes)

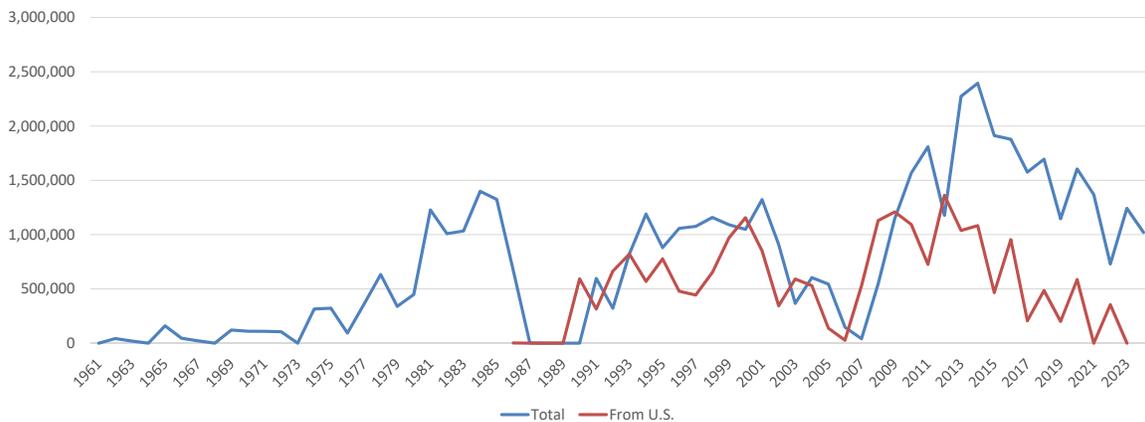


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Wheat Imports Venezuela (Tonnes)



Corn Imports Venezuela (Tonnes)



What is the #1 U.S. Export to China?



12,000,000



~~12,000,000~~

20,000,000



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25,000,000



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5,000,000



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6,286,832



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