



# Kansas State-Level Farm Income Forecasts for 2026 and 2027

Warm-Weather Wednesday Webinar  
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# Background

- Collaborate with Rural & Farm Finance Policy Center (RaFF) at the University of Missouri.
- Develop state-level models of historical farm income; connect with the Food & Agricultural Policy Research Institute (FAPRI) national models; project out 10 years of state-level income.
- **Important:** We assume average weather, trendline yields & prices, policy as current law. This creates a projection model instead of a forecast model (e.g., we don't speculate on KS wheat yield/production, future *ad hoc* payments, or change in tariff status).

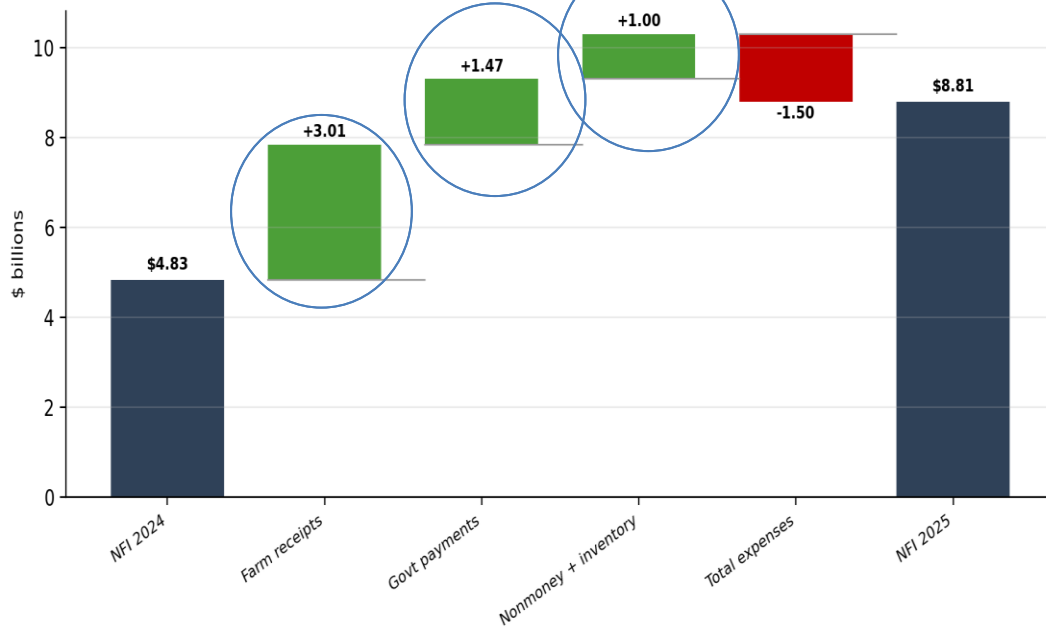


Rural & Farm Finance  
Policy Analysis Center  
University of Missouri

[raff.missouri.edu](http://raff.missouri.edu)

# 2024 to 2025: Net farm income nearly doubled

2024 to 2025: Kansas net farm income rebounded



NFI 2024

**\$4.83**

NFI 2025

**\$8.81**

Change

**+3.98**

+82%

| Driver         | 2024 (billions) | 2025 (billions) | Change (billions) |
|----------------|-----------------|-----------------|-------------------|
| Farm receipts  | \$26.12         | \$29.13         | +\$3.01           |
| Govt payments  | \$0.58          | \$2.05          | +\$1.47           |
| Total expenses | \$22.04         | \$23.55         | (+) \$1.50        |

The income rebound was broad-based, but receipts and policy support were the largest positives.

Higher expenses partially offset the improvement.

*Ad hoc* government programs: ARA & SDRP

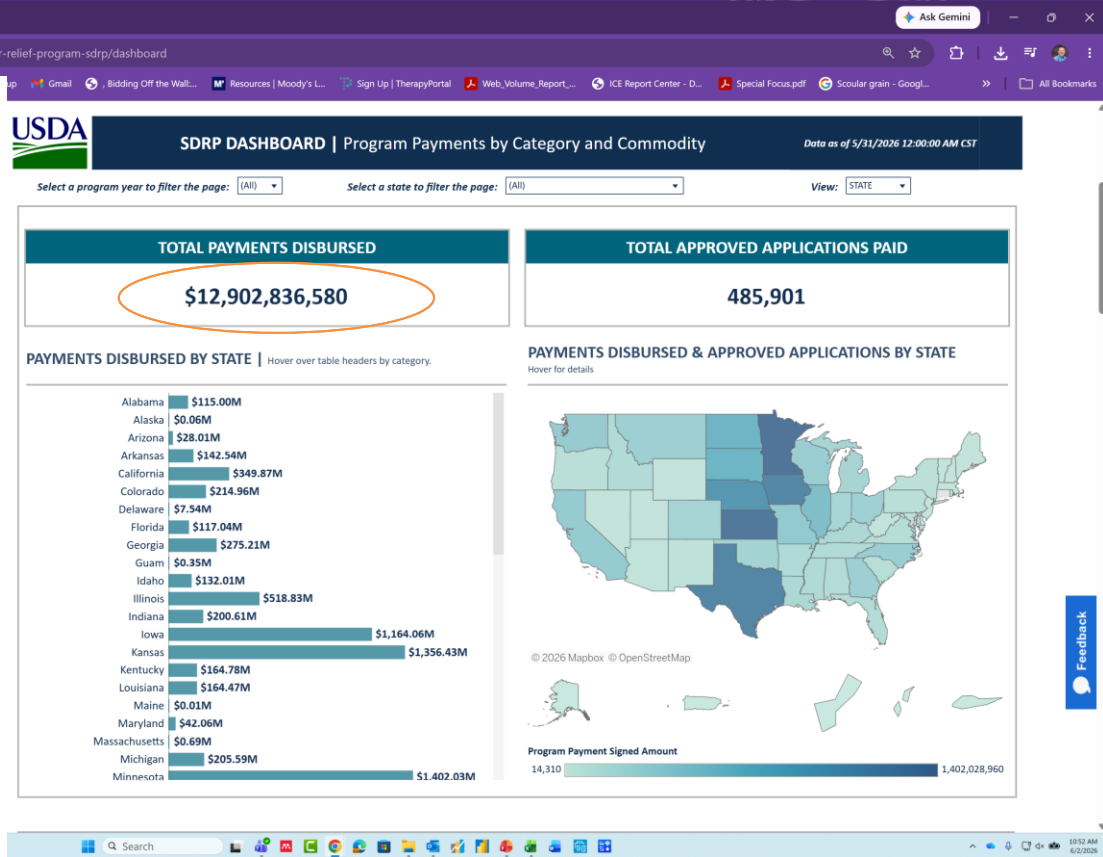
## Phase 1

Crop, tree, and vine losses must be due to wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions occurring in calendar years 2023 and/or 2024.

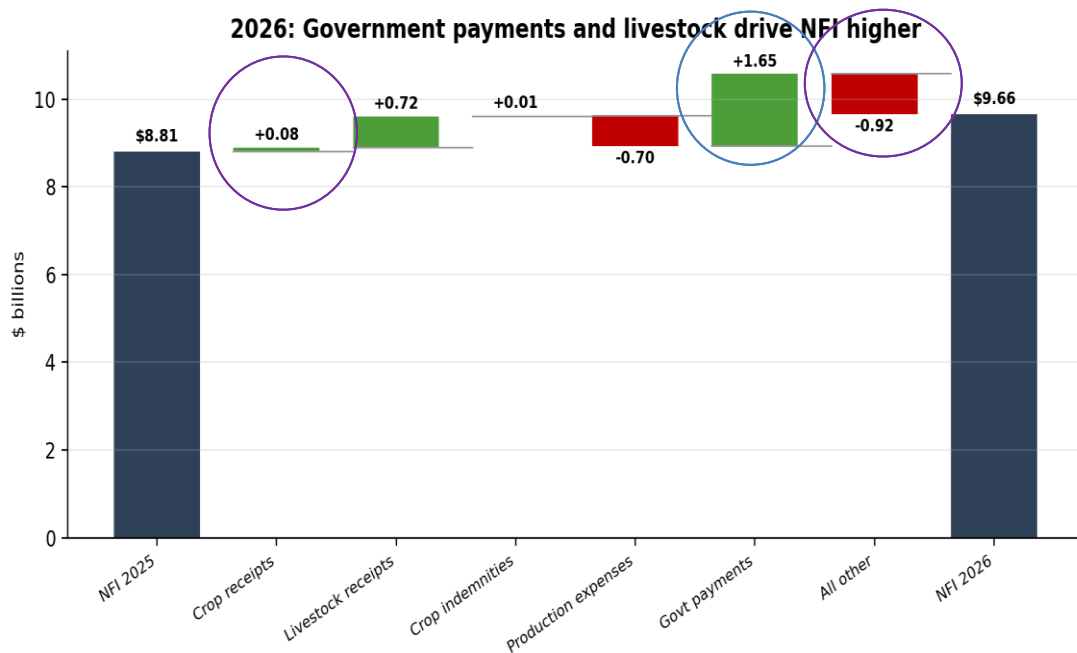
Drought losses must have occurred in a county rated by the [U.S. Drought Monitor](#) as having a D2 (severe drought) for eight consecutive weeks, D3 (extreme drought) or greater intensity level during the applicable calendar year. A list of counties that are eligible for SDRP due to drought for 2023 and 2024 is available [here](#).

## Phase 2

Non-indemnified  
Uncovered (uninsured) losses  
Quality losses



# 2026 outlook: NFI rises 10% despite higher costs



NFI 2025  
**\$8.81**

NFI 2026  
**\$9.66**

Change  
**+\$0.85**  
+9.66%

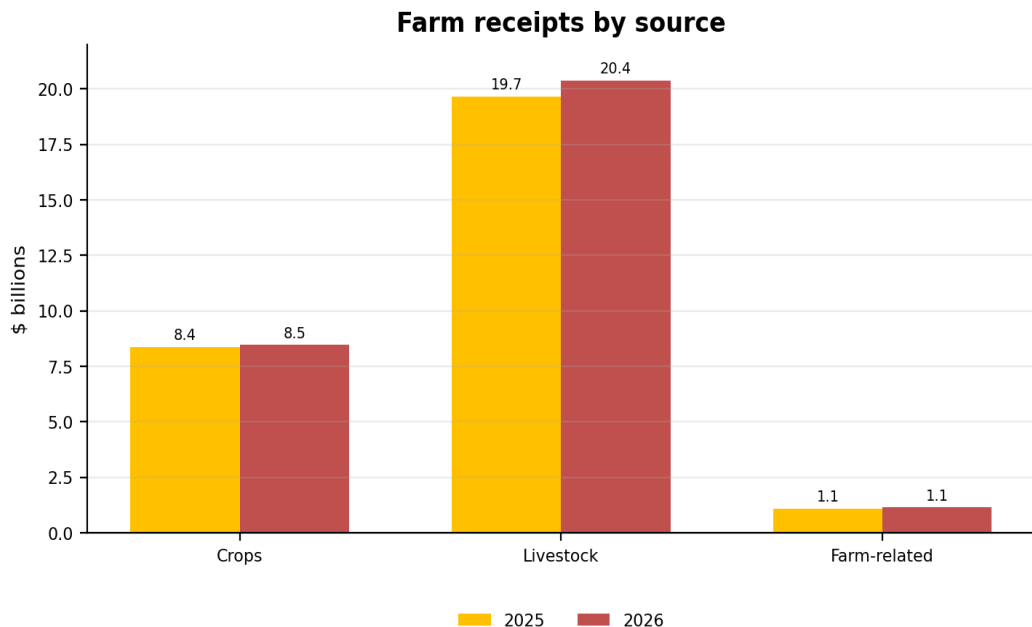
Govt payments: Bridge & SDRP

**\$3.70**

**Livestock markets strength and government payments** more than offset higher production expenses in 2026 projections.

Crop receipts are projected to remain essentially stable.

# 2025 to 2026: Receipts gains are livestock-led

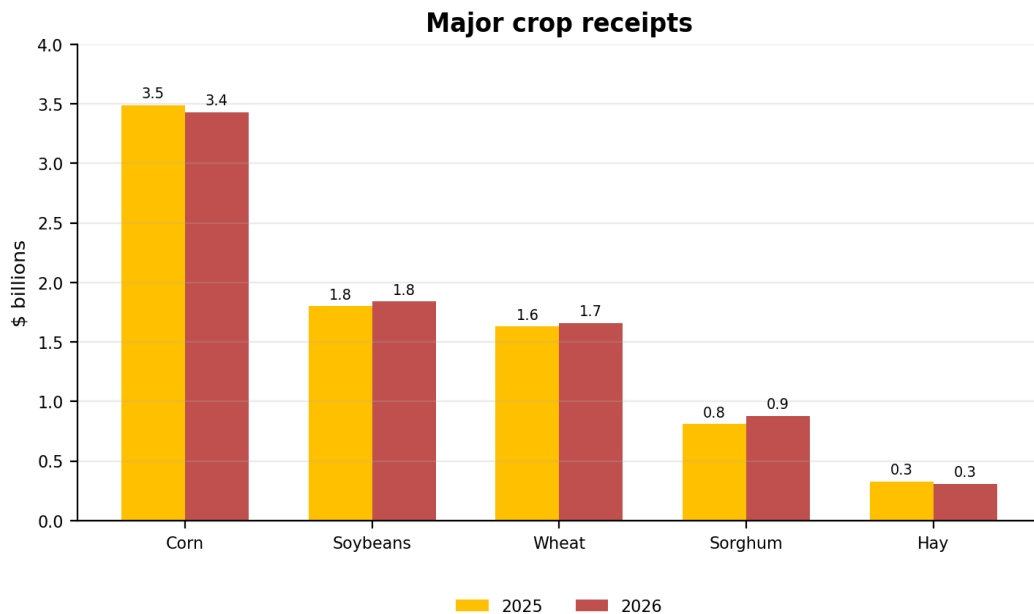


| Receipts category   | 2025 (billions) | 2026 (billions) | Change (billions) | %   |
|---------------------|-----------------|-----------------|-------------------|-----|
| Crops               | \$8.38          | \$8.46          | +\$0.08           | +1% |
| Livestock           | \$19.67         | \$20.39         | +\$0.72           | +4% |
| Farm-related        | \$1.08          | \$1.15          | +\$0.07           | +6% |
| Farm receipts total | \$29.13         | \$30.00         | +\$0.87           | +3% |

**Livestock receipts:** +\$0.72B, about 83% of the total farm-receipts gain.

**Crop receipts** remain essentially stable (+\$0.08B).

# 2025 to 2026: Crop receipts are roughly stable

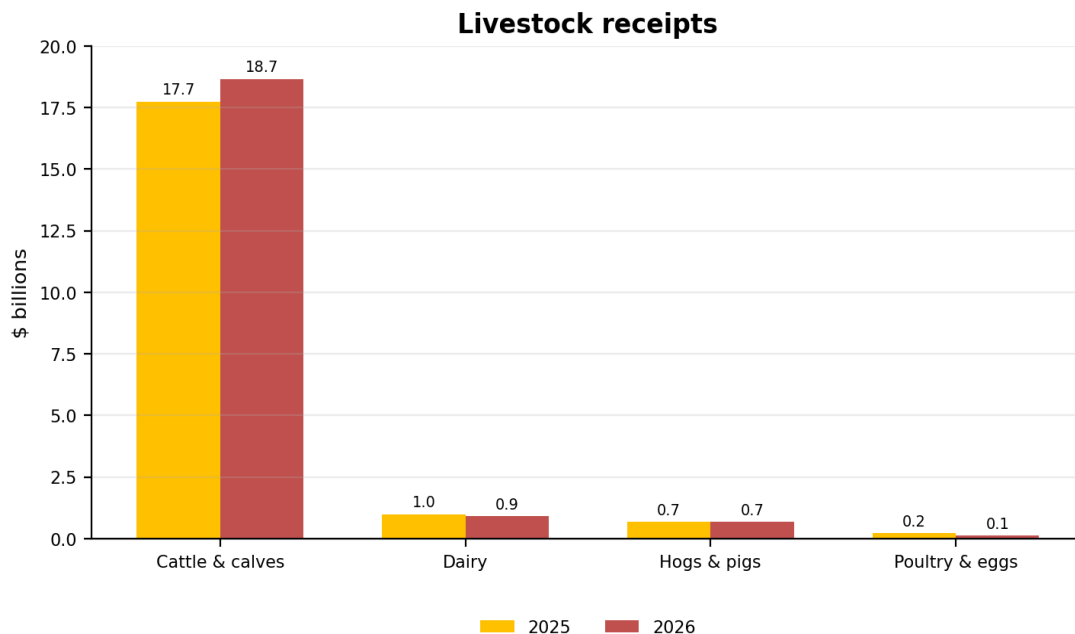


| Crop     | 2025 (billions) | 2026 (billions) | Change (billions) | %   |
|----------|-----------------|-----------------|-------------------|-----|
| Corn     | \$3.49          | \$3.43          | -\$0.06           | -2% |
| Soybeans | \$1.80          | \$1.84          | +\$0.04           | +2% |
| Wheat    | \$1.63          | \$1.66          | +\$0.03           | +2% |
| Sorghum  | \$0.81          | \$0.88          | +\$0.07           | +9% |
| Hay      | \$0.33          | \$0.31          | -\$0.02           | -6% |

**Crop receipts** are nearly flat overall – wheat???

**Lower production is partly offset by price gains and old-crop sales.**

# 2025 to 2026: Cattle gains dominate livestock receipts

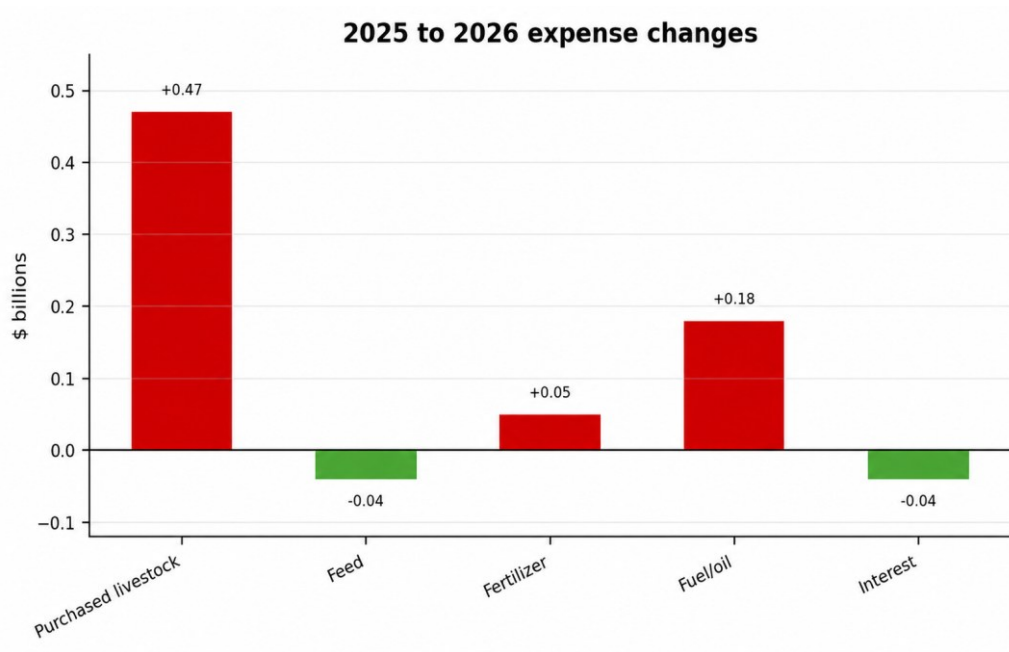


| Livestock       | 2025 (billions) | 2026 (billions) | Change (billions) | %    |
|-----------------|-----------------|-----------------|-------------------|------|
| Cattle & calves | \$17.74         | \$18.66         | +\$0.92           | +5%  |
| Dairy           | \$0.99          | \$0.91          | -\$0.08           | -8%  |
| Hogs & pigs     | \$0.68          | \$0.67          | -\$0.01           | -1%  |
| Poultry & eggs  | \$0.21          | \$0.11          | -\$0.10           | -49% |

**Cattle share of 2026 livestock receipts: 91%**

**Dairy growing in KS and diversifying revenue streams: milk, biogas, dairy x beef calves.**

## 2025 to 2026: Higher costs are led by livestock purchases and fuel



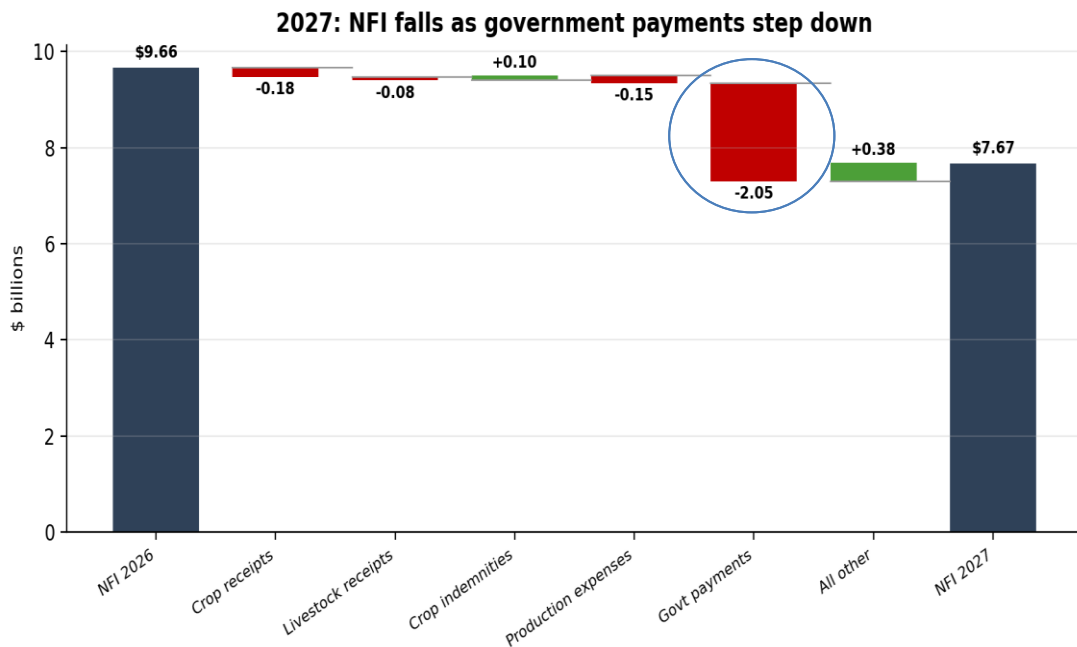
| Cost / policy item  | 2025 (billions) | 2026 (billions) | Change (billions) |
|---------------------|-----------------|-----------------|-------------------|
| Production expenses | \$23.55         | \$24.25         | +\$0.70           |
| Purchased livestock | \$9.26          | \$9.72          | +\$0.47           |
| Feed                | \$2.61          | \$2.57          | -\$0.04           |
| Fertilizer          | \$1.55          | \$1.60          | +\$0.05           |
| Fuel and oils       | \$0.68          | \$0.86          | +\$0.18           |
| Interest            | \$1.08          | \$1.04          | -\$0.04           |

**Production expenses rise +\$0.70B (+3%).**

**Purchased livestock (+\$0.47B) and fuel/oils (+\$0.18B) drive most of the increase.**

**Feed and interest move lower.**

# 2027 outlook: NFI drops but above long-term baseline



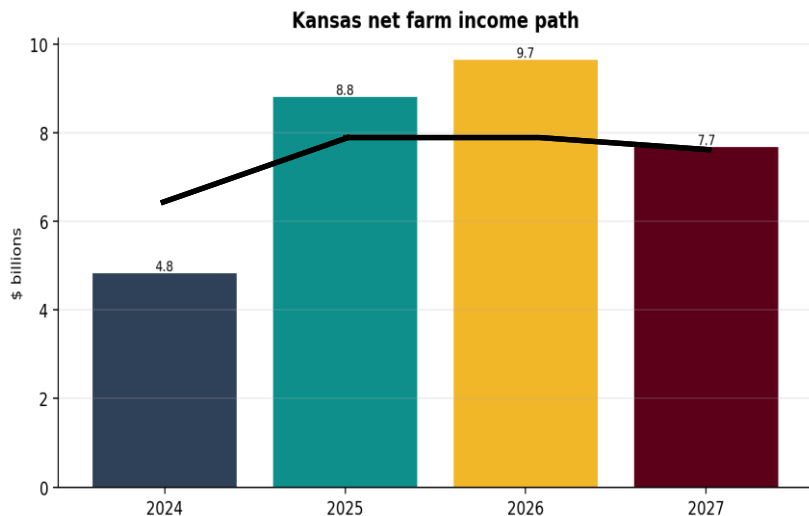
|               |               |                |
|---------------|---------------|----------------|
| NFI 2026      | NFI 2027      | Change         |
| <b>\$9.66</b> | <b>\$7.67</b> | <b>-\$1.99</b> |
|               |               | - 20.7%        |

| 2027 driver         | Change (billions) |
|---------------------|-------------------|
| Crop receipts       | -\$0.18           |
| Livestock receipts  | -\$0.08           |
| Production expenses | (+) \$0.15        |
| Government payments | -\$2.05           |

**Livestock receipts are expected to remain broadly stable.**

**Will we there be more *ad hoc* government payments?** Recall, we hold policy fixed as if it's baseline federal policy.

## Summary: Above average 2025-2027 incomes



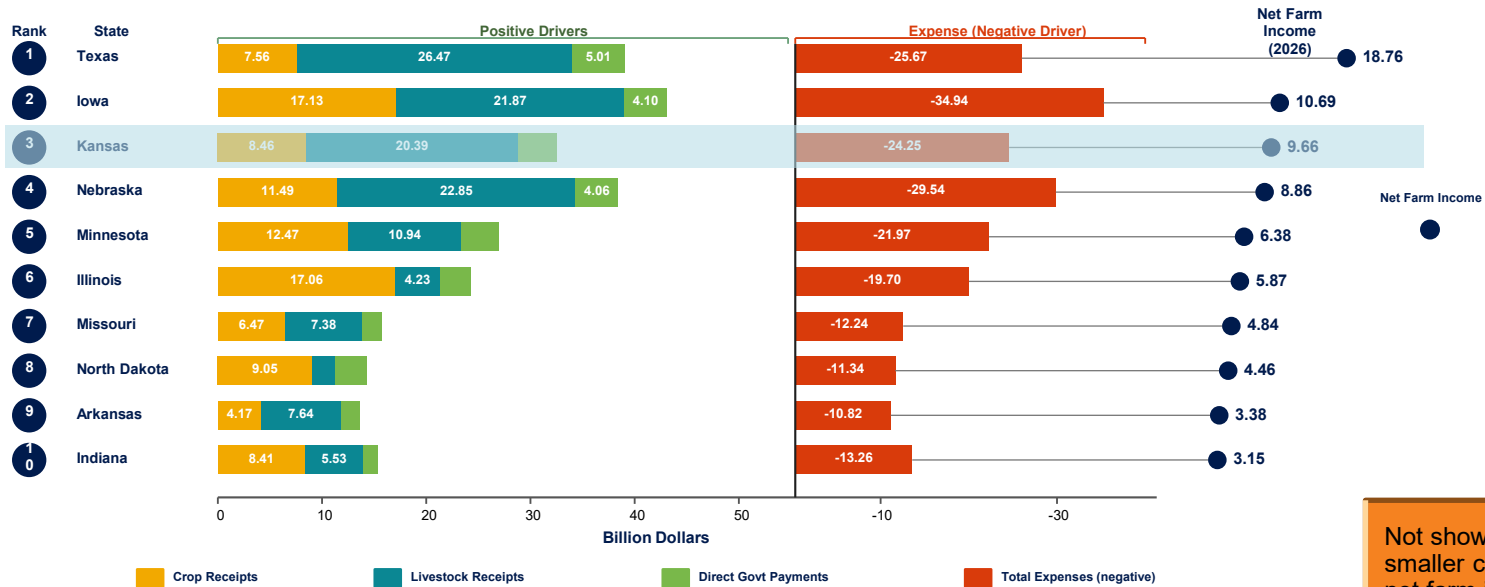
| Metric               | 2024 (billions) | 2025 (billions) | 2026 (billions) | 2027 (billions) |
|----------------------|-----------------|-----------------|-----------------|-----------------|
| Net farm income      | \$4.83          | \$8.81          | \$9.66          | \$7.67          |
| Farm receipts        | \$26.12         | \$29.13         | \$30.00         | \$29.79         |
| Direct govt payments | \$0.58          | \$2.05          | \$3.70          | \$1.65          |
| Total expenses       | \$22.04         | \$23.55         | \$24.25         | \$24.40         |

- **2025:** NFI rebound driven by higher farm receipts (livestock), government payments and swing in inventory values.
- **2026:** Projected NFI continues higher on government payments and livestock receipts, despite cost pressure.
- **2027:** Baseline NFI falls as supplemental/ad hoc payment assistance declines; receipts are relatively stable, but **costs remain elevated**.

# What Drives Net Farm Income in 2026?

10-state comparison using 2026 values only (billion dollars)

This chart decomposes 2026 net farm income into its components: Crop Receipts + Livestock Receipts + Direct Govt Payments + Other contributors – Total Expenses = Net Farm Income.

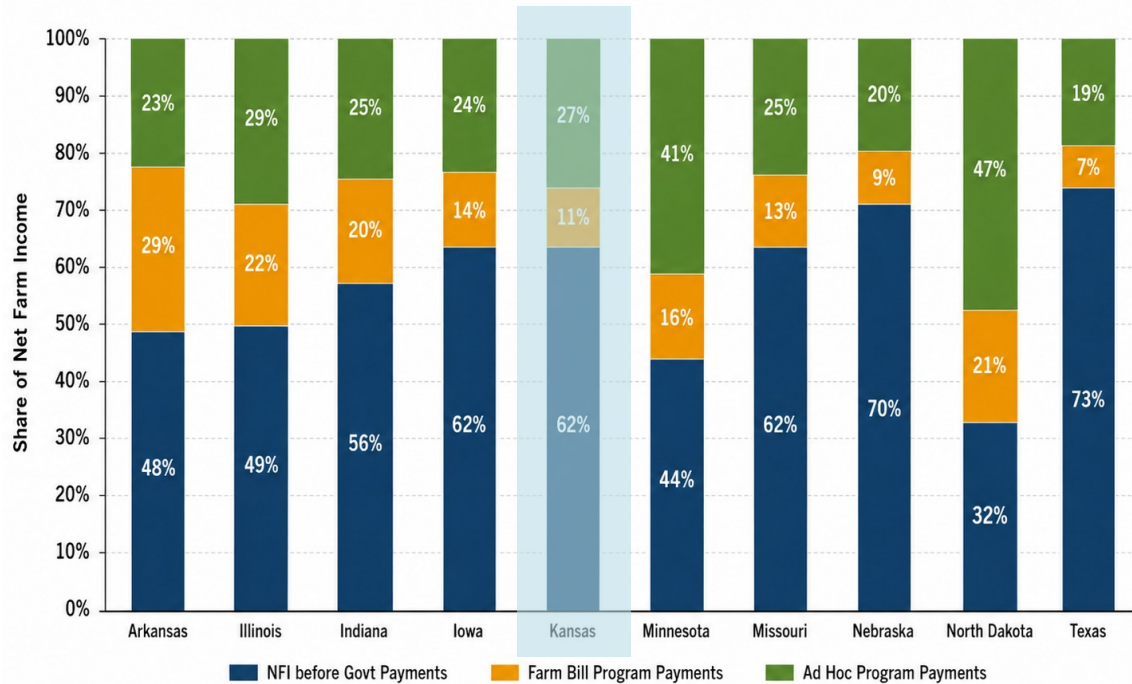


Note: Values shown are in billion dollars. Clear positive-driver space represents smaller contributors included in net farm income but not shown individually.

Source: Adapted from Table 2, RaFF Policy Brief 2026-5(1), Rural and Farm Finance Policy Analysis Center, University of Missouri.

Not shown here are smaller contributors to net farm income such as insurance indemnities and on-farm consumption.

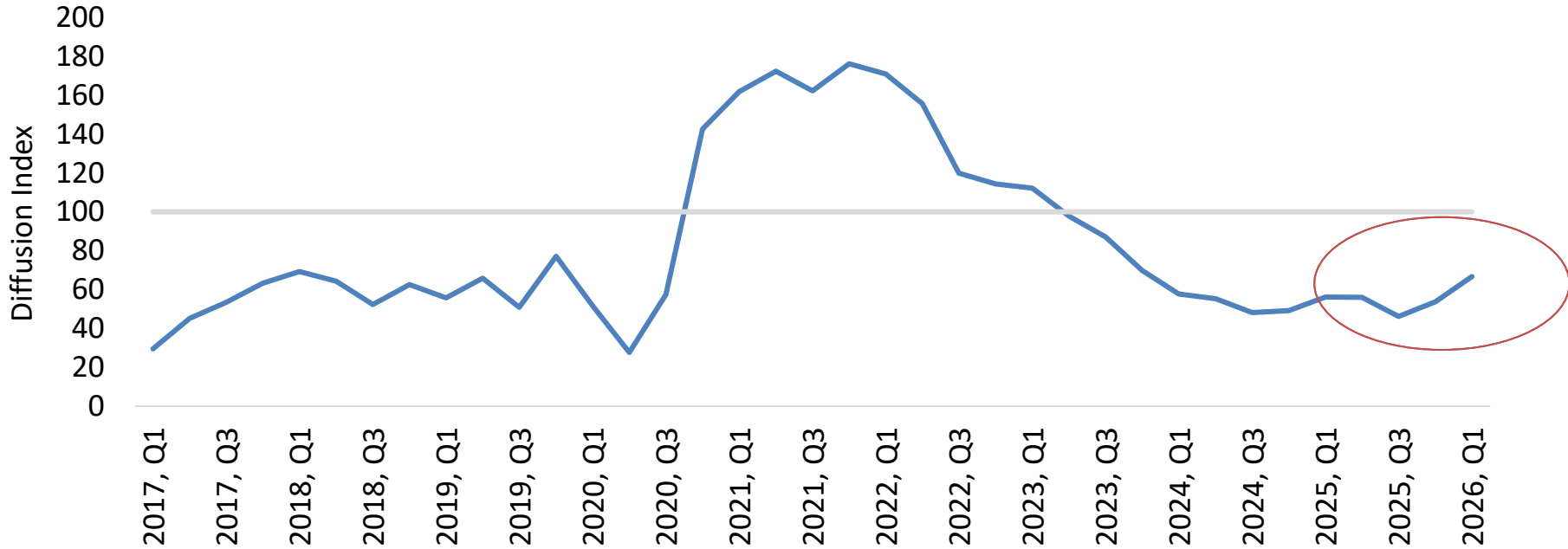
## 2026 Government Payments as a Percentage of Net Farm Income, by Payment Type



Source: Adapted from RaFF Policy Brief 2026-5(1), University of Missouri.

Note: Percentages may not sum to 100 due to rounding.

# 10th District bankers report farm incomes declining less, but still concerning by historical standards

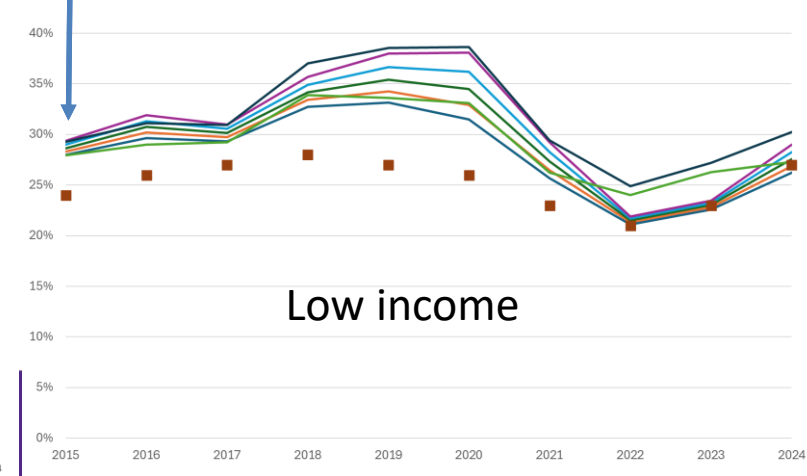
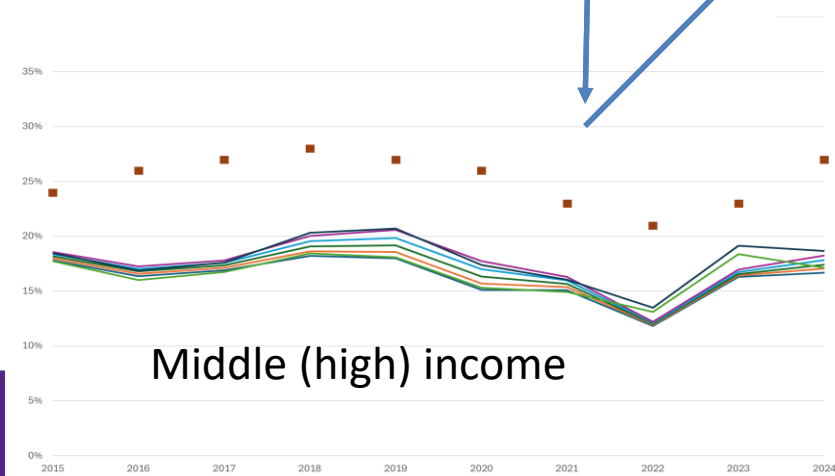
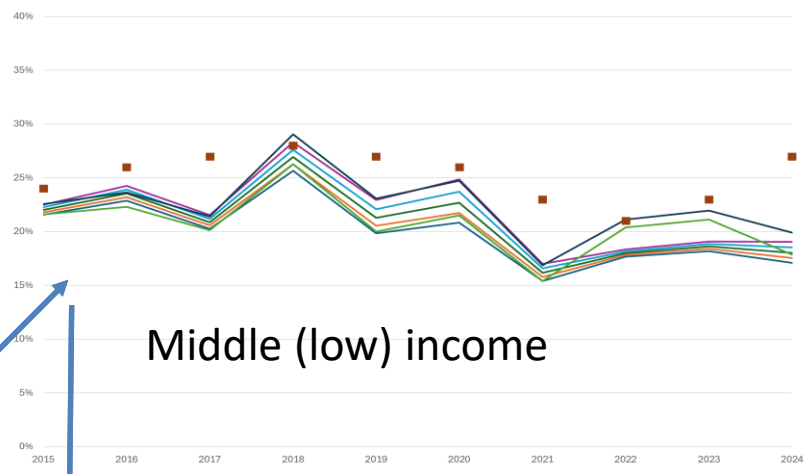
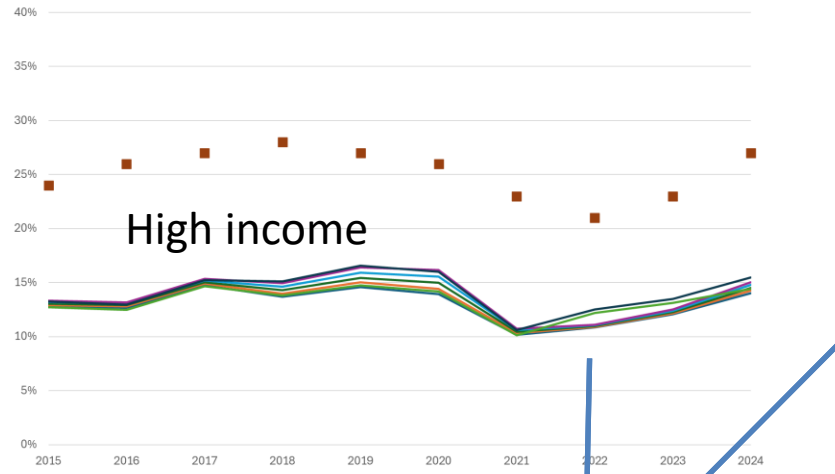


**Note:** The index numbers are computed by subtracting the percentage of lenders who responded “lower” from the percentage who responded “higher” and adding 100.

**Source:** Federal Reserve Bank of Kansas City agricultural credit conditions survey

# What we don't have – distributions:

## Example is debt service ratio by income class, KFMA



**Debt service ratio varies across KFMA farm income quartile and government payment support**

- 0% Reduction in Gov Payments
- 25% Reduction in Gov Payments
- 50% Reduction in Gov Payments
- 75% Reduction in Gov Payments
- 100% Reduction in Gov Payments
- No Crop Insurance
- 100% Reduction in Gov Payments & 100% Reduction in Crop Insurance
- USDA ERS National Average