ECONOMIC INSIGHTS ON MISSOURI FARM INCOME IN 2027



DR. ALEJANDRO PLASTINA

Associate Professor of Agricultural Finance
RaFF Director, University of Missouri Extension

WEDNESDAY OCT 21
FROM 9:00-10:00 A.M

Extension
University of Missouri
an equal opportunity/ADA institution

Questions??

- Feel free to submit questions at any time using the Q/A chat feature at the bottom of your screen.

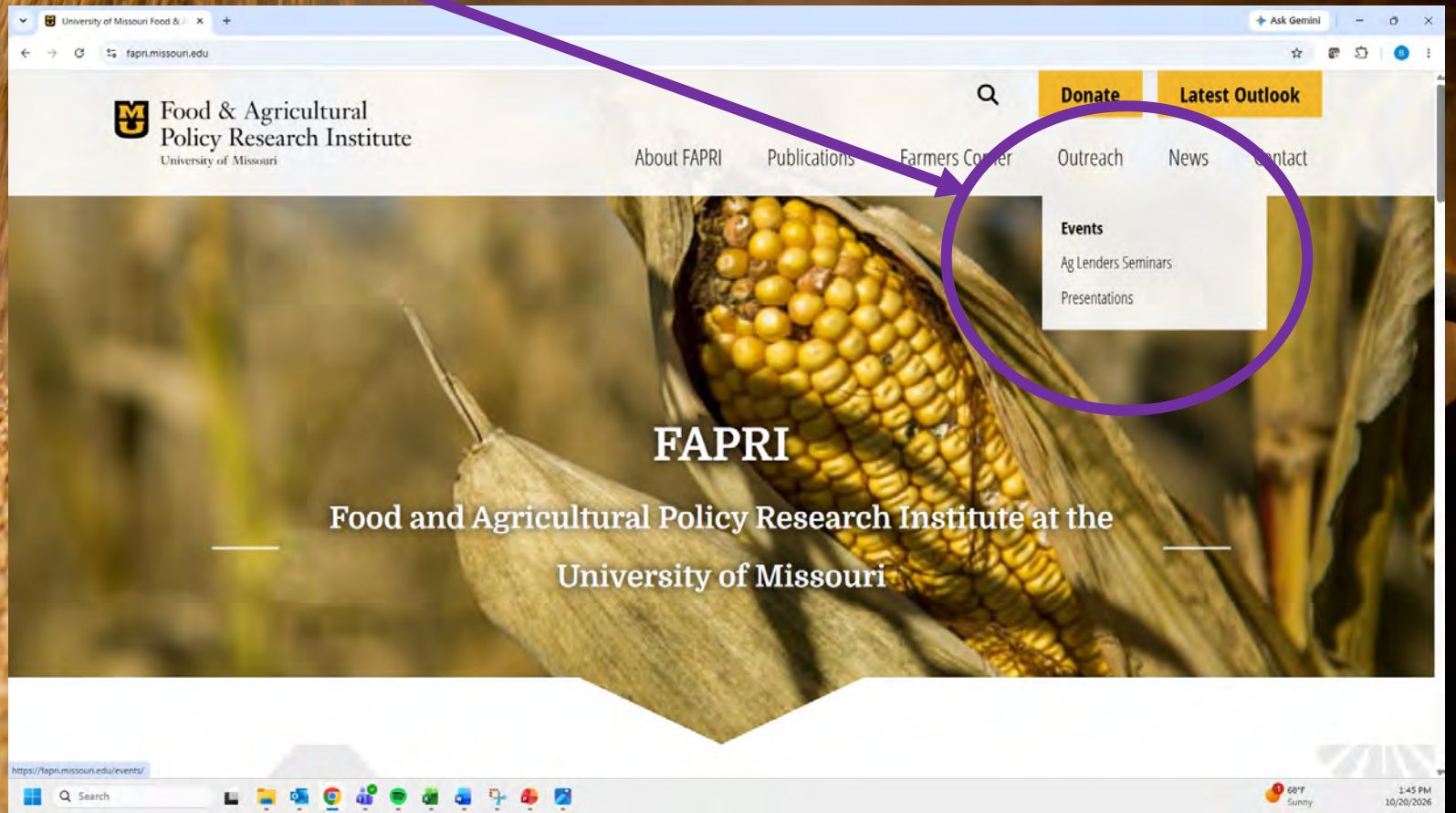


- You can also email questions me at bpbrown@missouri.edu

- We will try to answer as many questions as we can at the end. A full list of questions with responses will be available at fapri.missouri.edu under “events”.

Recording for today's webinar can be found at:

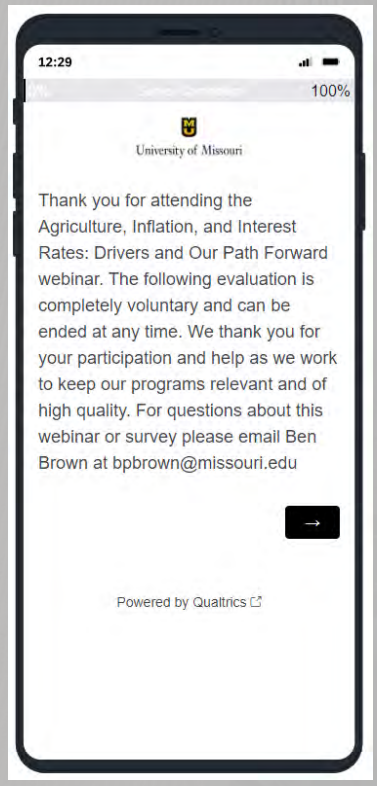
FAPRI.missouri.edu -> Outreach -> Event Series: 2027 Ag Lender



Evaluations

Please help us continue to offer high-quality programs by completing our evaluation upon competition of the webinar.

- The internet-based evaluation will start when you exit the zoom.
- Takes roughly 3 minutes
- Responses will be completely private



The evaluation is designed to capture how effective our program was at meeting key objectives.

1. Understand economic drives to aggregate Missouri Farm Income,
2. Review cash receipts and expenditures for Missouri Farm Income in 2026 and look ahead to 2027, and
3. Provide resources for producers and lenders to analyze ARC and PLC decisions for program year 2026.





Gain insights to serve your clients in the year ahead

Practical Economic Insights for Agricultural Lenders in 2027

Agricultural lenders are invited to join MU Extension and partners at upcoming seminars. Topics include:

- Market outlooks for Missouri crops, livestock
- Updated agricultural enterprise budgets
- Agricultural policy and government programs
- Land values and cash rental rates
- Regional agricultural topics

Dates and Locations

November 3	Jefferson City
November 18	Chillicothe
November 20	Jackson
November 24	Mexico
December 2	Bolivar

Register: muext.us/aglendersseminar26

Questions? Contact Ben Brown at bpbrown@missouri.edu or 573-882-6527

Extension
University of Missouri
an equal opportunity/ADA institution

Poll Question #1: Which commodity sectors face the greatest earnings uncertainty heading into 2027:

A. Cattle
B. Cotton
C. Corn
D. Dairy
E. Hogs
F. Poultry
G. Rice
H. Soybeans
I. Unsure

Extension
University of Missouri

Poll Question #2: Which statement best reflects your view of ad hoc government economic assistance payments?

A. Always helpful to the Missouri agricultural economy by keeping farms and ag businesses operational.

B. Hinder the Missouri Agricultural economy from adjusting and responsible for increasing costs.

C. Neither helps nor hurts

D. Unsure

MU Extension
University of Missouri

Poll Question #3: What is the biggest financial concern for Missouri farm borrowers in 2027?

A. Commodity price fluctuation
B. Interest rates & expense
C. Input costs (minus interest)
D. Cash rent and land costs
E. No government program payments
F. Unsure

Extension
University of Missouri

ECONOMIC INSIGHTS ON MISSOURI FARM INCOME IN 2027



DR. ALEJANDRO PLASTINA

Associate Professor of Agricultural Finance
RaFF Director, University of Missouri Extension

WEDNESDAY OCT 21
FROM 9:00-10:00 A.M

Extension
University of Missouri
an equal opportunity/ADA institution

Rural & Farm Finance Policy Analysis Center

- Ag Policy Analysis Center in the Division of Applied Social Sciences at the University of Missouri-Columbia
- Supports U.S. agricultural and rural economies with research-based insights
- Partners with Land Grant Universities to evaluate how policies affect states and regions differently
- Coordinates research priorities with USDA's Office of the Chief Economist
- Funded via Cooperative Agreements with USDA-OCE

Rural & Farm Finance Policy Analysis Center



A center of applied, sub-national policy modeling



A bridge between local financial realities and national policy design

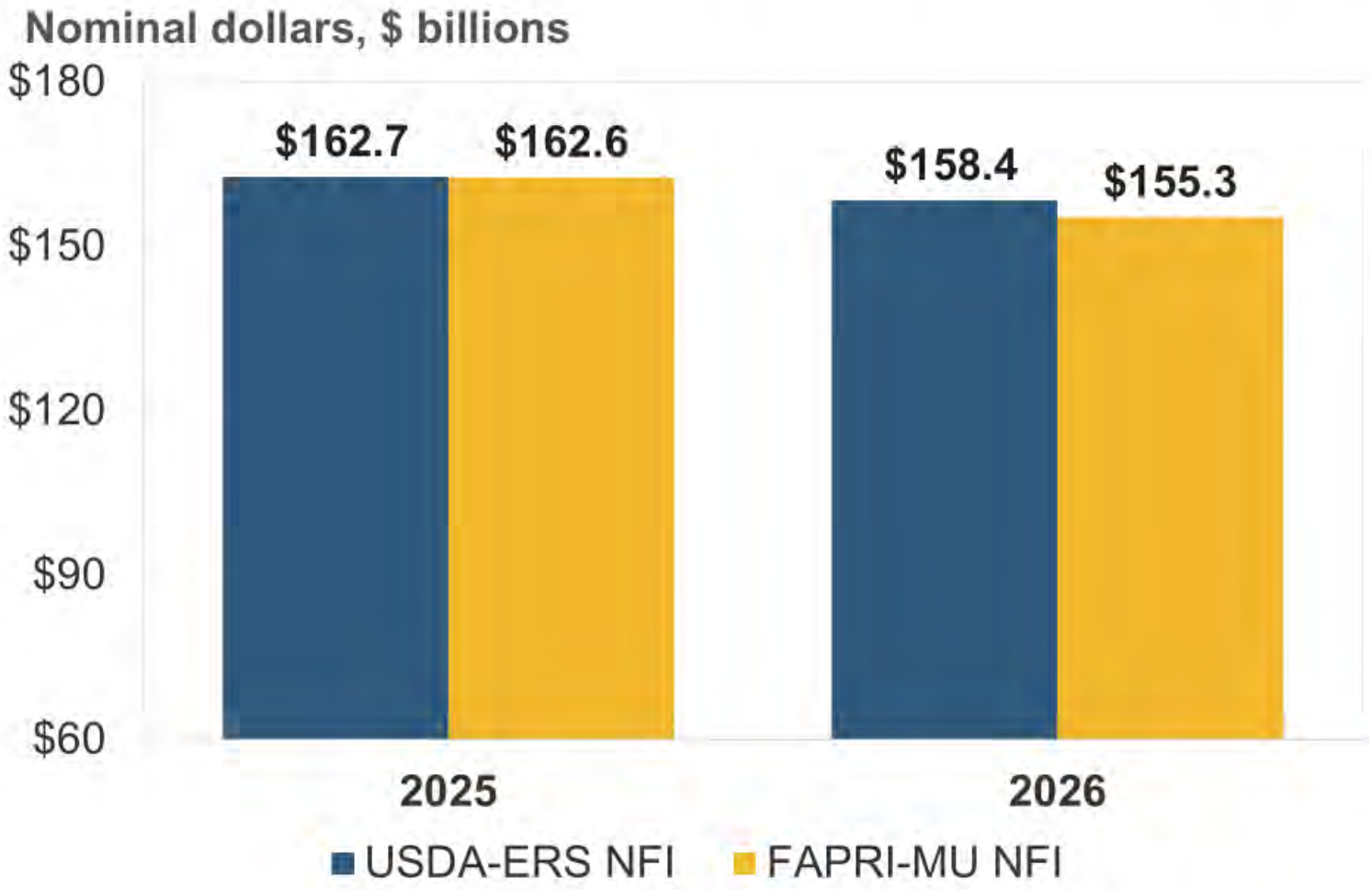


A forum where research, extension, and policy meet

The Bottom-Line

Income is declining	USDA-ERS and FAPRI-MU both project lower net farm income in 2026.
Payments cushion 2026	Government payments explain much of the difference between the headline and market-based income.
2027 remains difficult	FAPRI-MU projects government payments falling by nearly half in 2027.
Conditions differ sharply	Some crop margins are projected to improve, while several livestock sectors are projected to weaken in 2027
Liquidity is the pressure point	Land values support solvency, while debt and working-capital pressure continue to build.

Forecasts tell a consistent 2026 story



2026 Net Farm Income

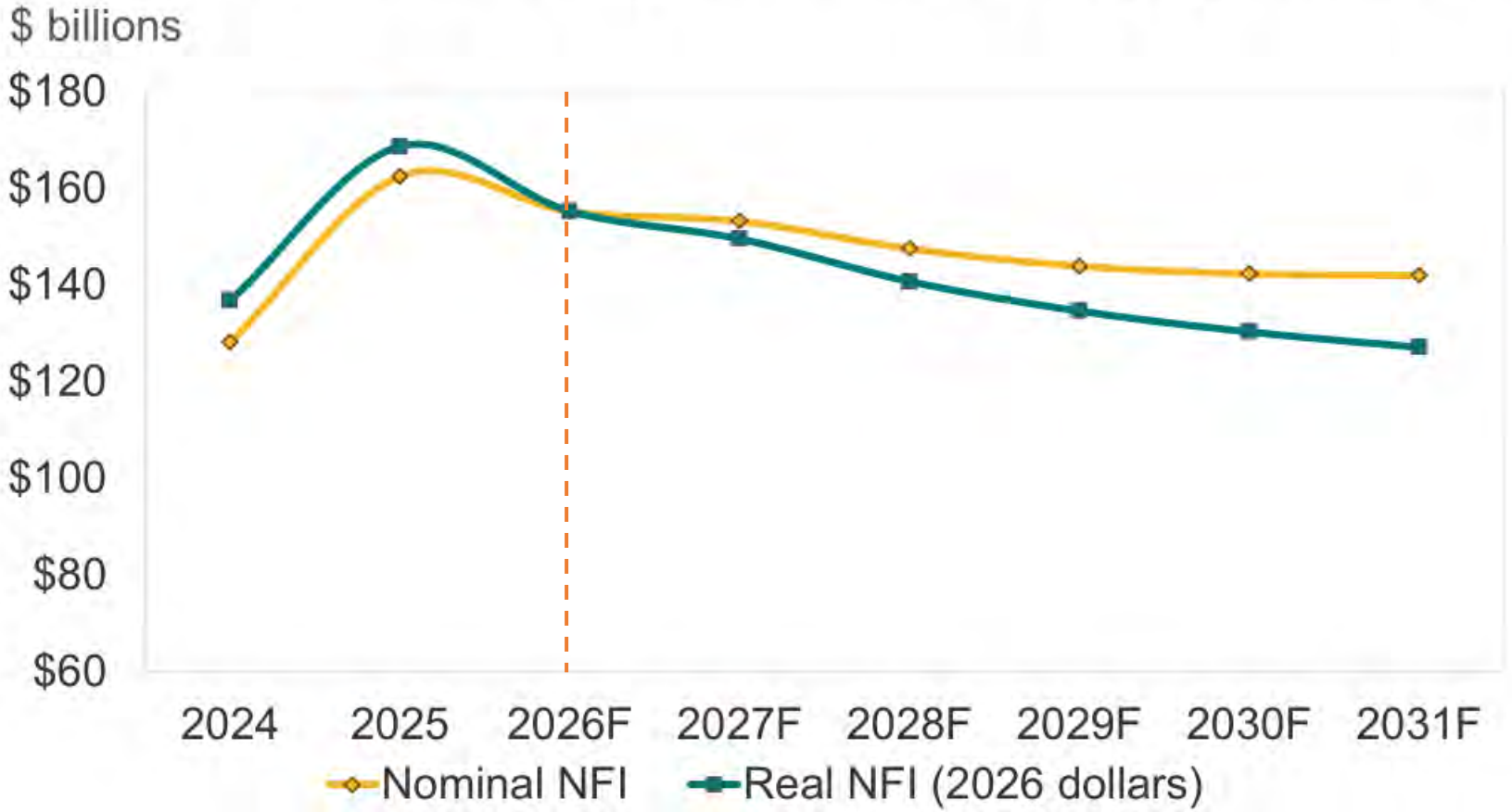
USDA-ERS: $158.4B
FAPRI-MU: $155.3B

Decline from 2025

USDA-ERS: -$4.3B
FAPRI-MU: -$7.3B

Sources: USDA-ERS (Sept. 3, 2026); FAPRI-MU (Sept. 2026)

Inflation results in a larger decline in farm-sector purchasing power



2022 to 2026

Real NFI falls $51B (-25%).

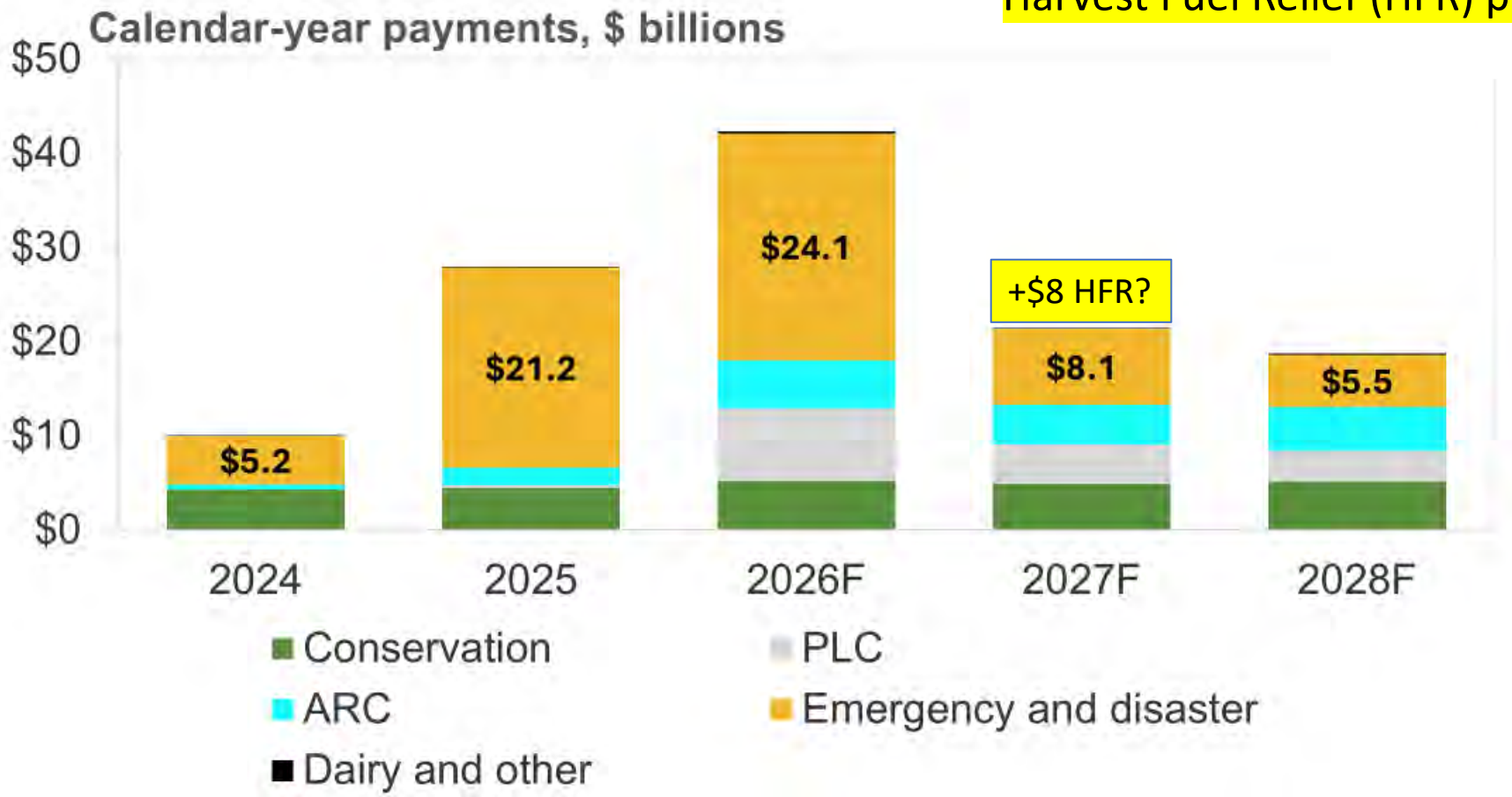
2027 outlook

Real NFI falls $5.7B (-4%).

Source: FAPRI-MU, September 2026

Government payments peak in 2026, then fall sharply

Harvest Fuel Relief (HFR) program, announced 10/19/26



2026

$42.3B in direct payments

2027

$21.5B
-49%

$29.5 B (with HFR)
-32%

Source: FAPRI-MU, September 2026

The standing safety net shrinks at the same time as planned temporary assistance

ARC and PLC

$12.7B in 2026
$ 8.3B in 2027

Emergency and disaster

$24.1B in 2026
$ 8.1B in 2027

$16.1 with HFR?

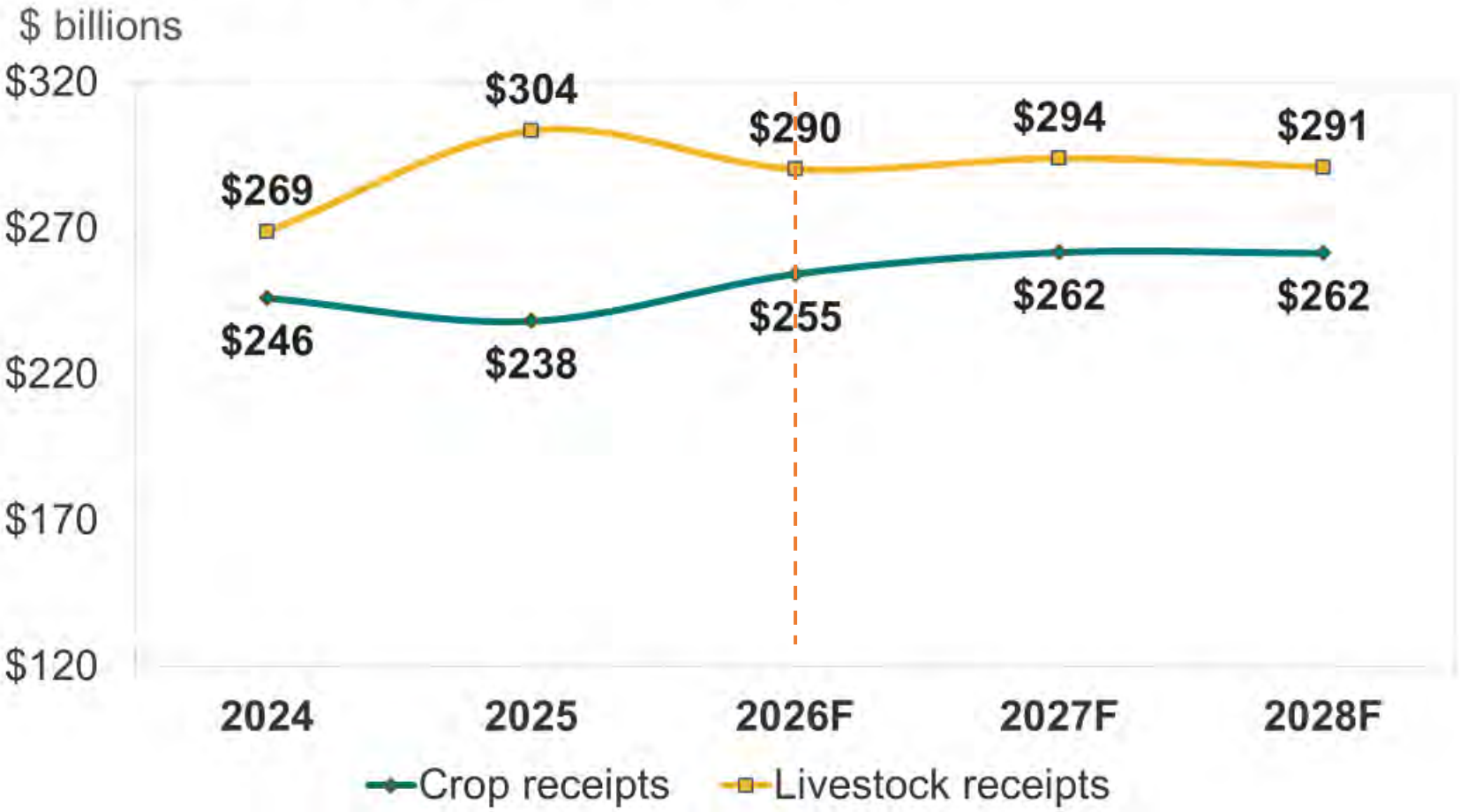
Conservation and other

$5.5B in 2026
$5.1B in 2027

→ State outcomes differ because exposure to commodity programs and temporary assistance differs.

Source: FAPRI-MU, September 2026

Crop and livestock receipts projected to increase in 2027



Livestock receipts

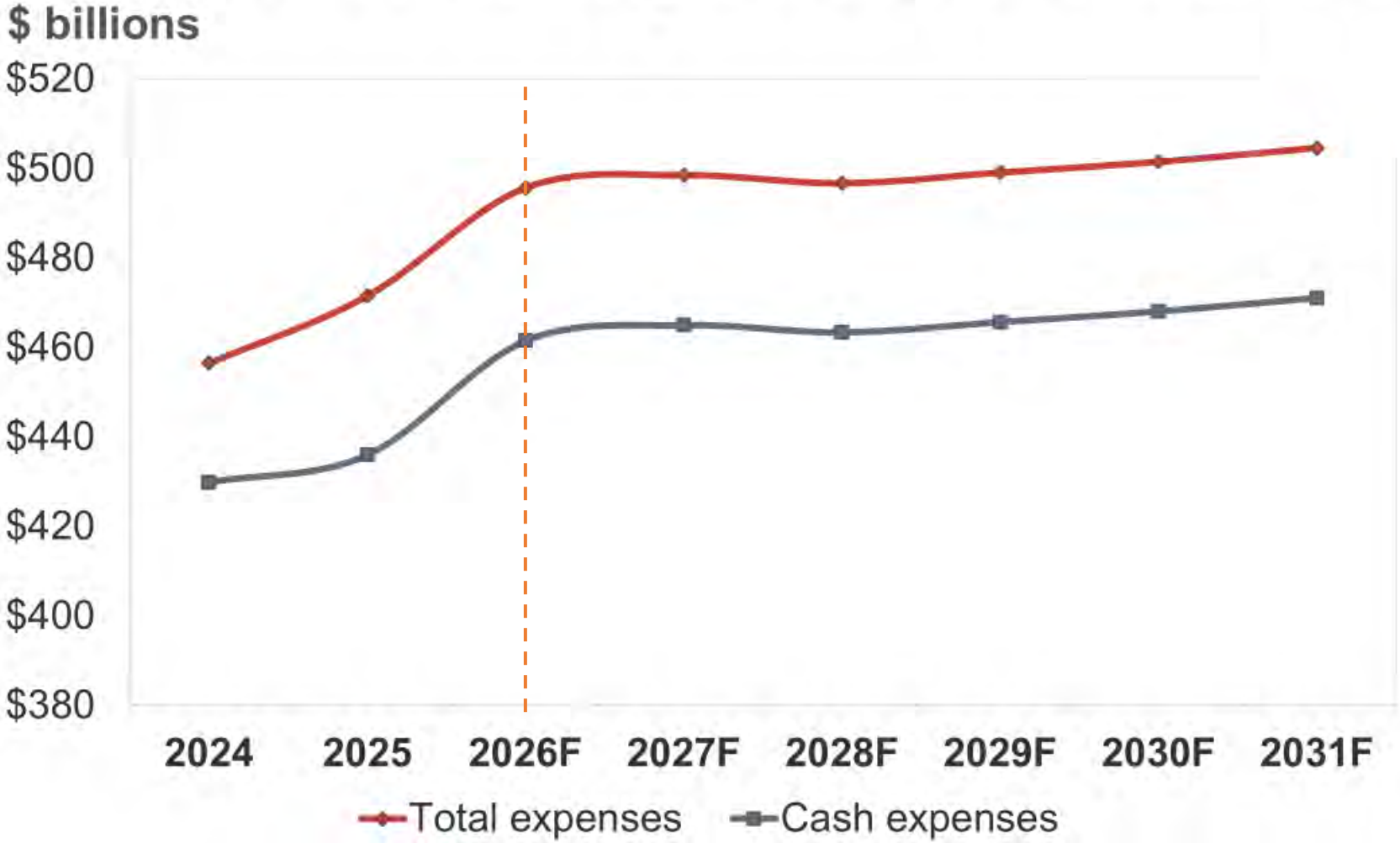
Up $4B in 2027

Crop receipts

Up $7B in 2027

Source: FAPRI-MU, September 2026

Production expenses remain near $500 B



2026 increase

Up $24.1B from 2025

Margin pressure

Input costs keep crop margins tight.

Source: FAPRI-MU, September 2026

National averages conceal the sources of state-level change

1 Commodity mix

Crop and livestock shares differ.

2 Prices and production

State acreage, yields, and inventories differ.

3 Government payments

Program exposure differs geographically.

4 Production expenses

Input use and costs differ.

The same national outlook can produce very different state income paths.

How RaFF develops state farm-income projections

1

Baseline

USDA-ERS history, FAPRI-MU outlook

2

State data

Production, receipts, expenses, payments

3

State models

Translate national changes into state accounts

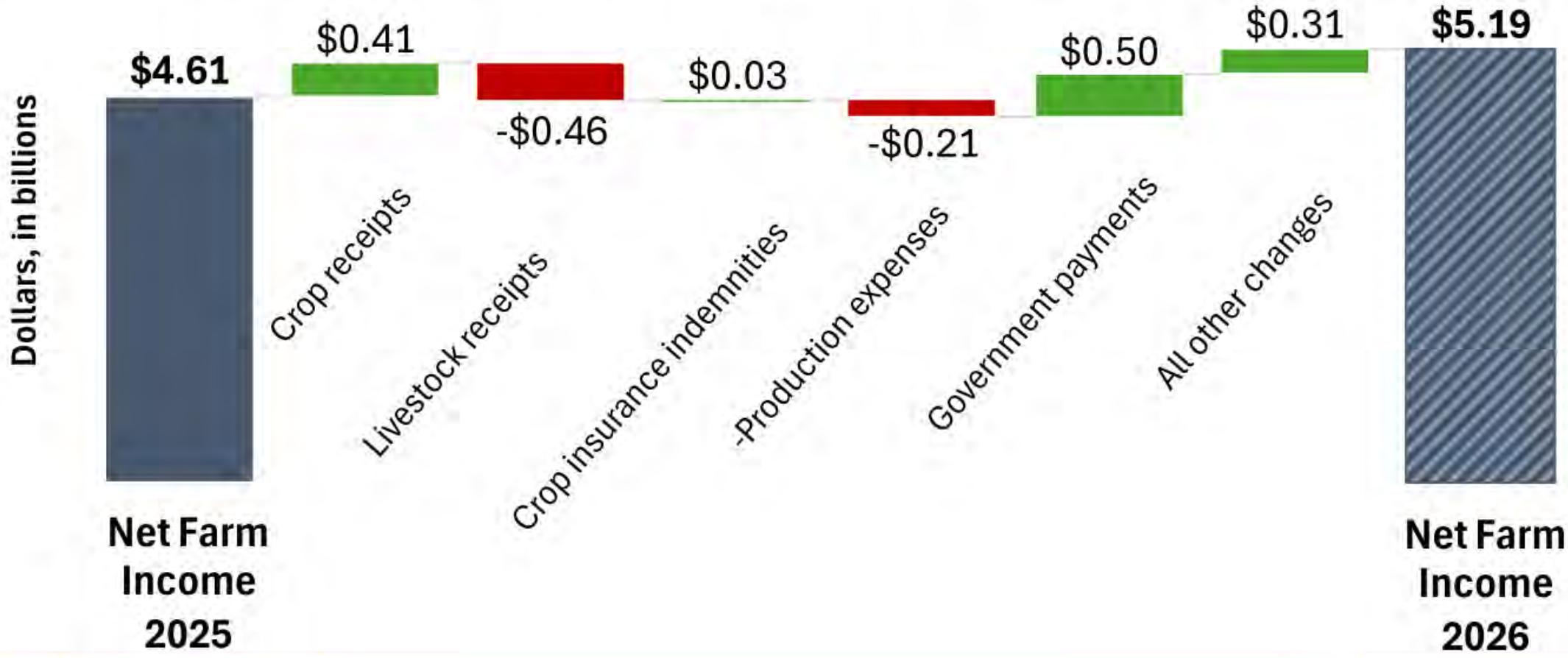
4

Review

Check results with state partners

Fall 2026 state projections are in development…coming soon!

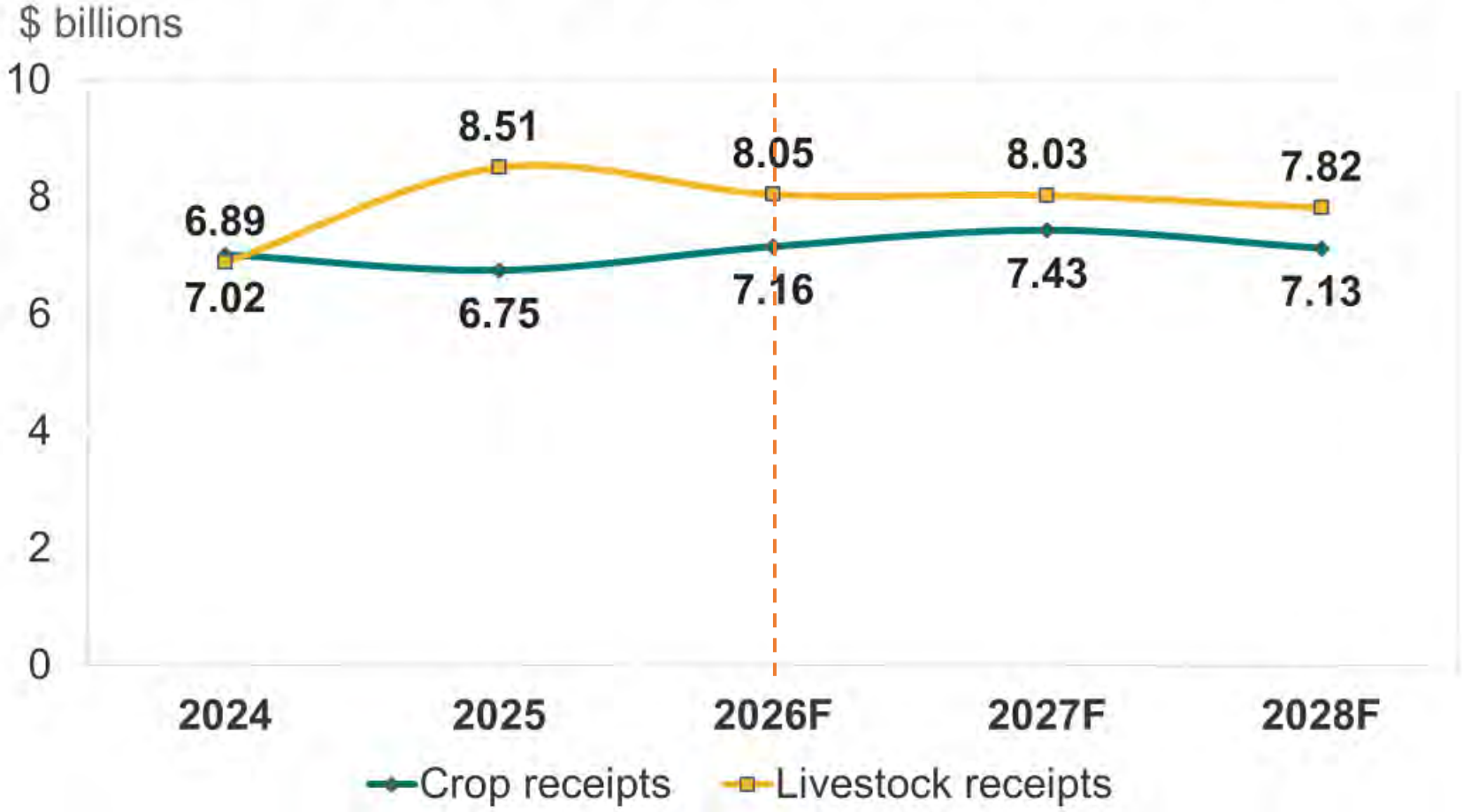
Missouri NFI to Increase 12% in 2026 (preliminary Fall 2026 projection)



Missouri NFI to Decrease 5% in 2027 (preliminary Fall 2026 projection)



MO crop receipts projected to increase, livestock receipts projected stable in 2027



Livestock receipts

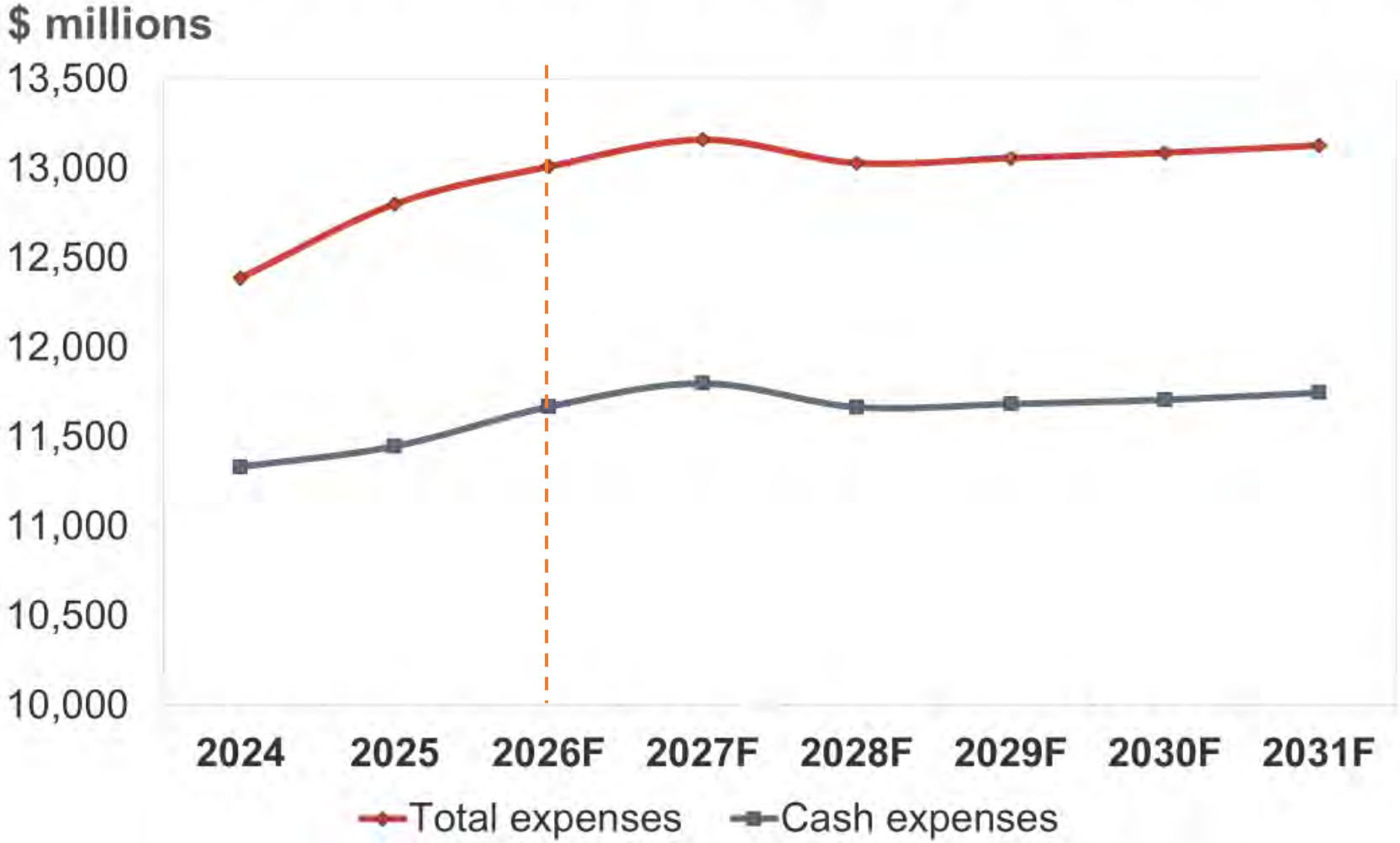
Stable in 2027

Crop receipts

Slightly higher in 2027

Source: RAFF (preliminary), Oct 2026

MO Production expenses to increase in 2027



2026 Total Expenses

Up 1.6% from 2025

(+26% Fuel & Oils)

2027 Total Expenses

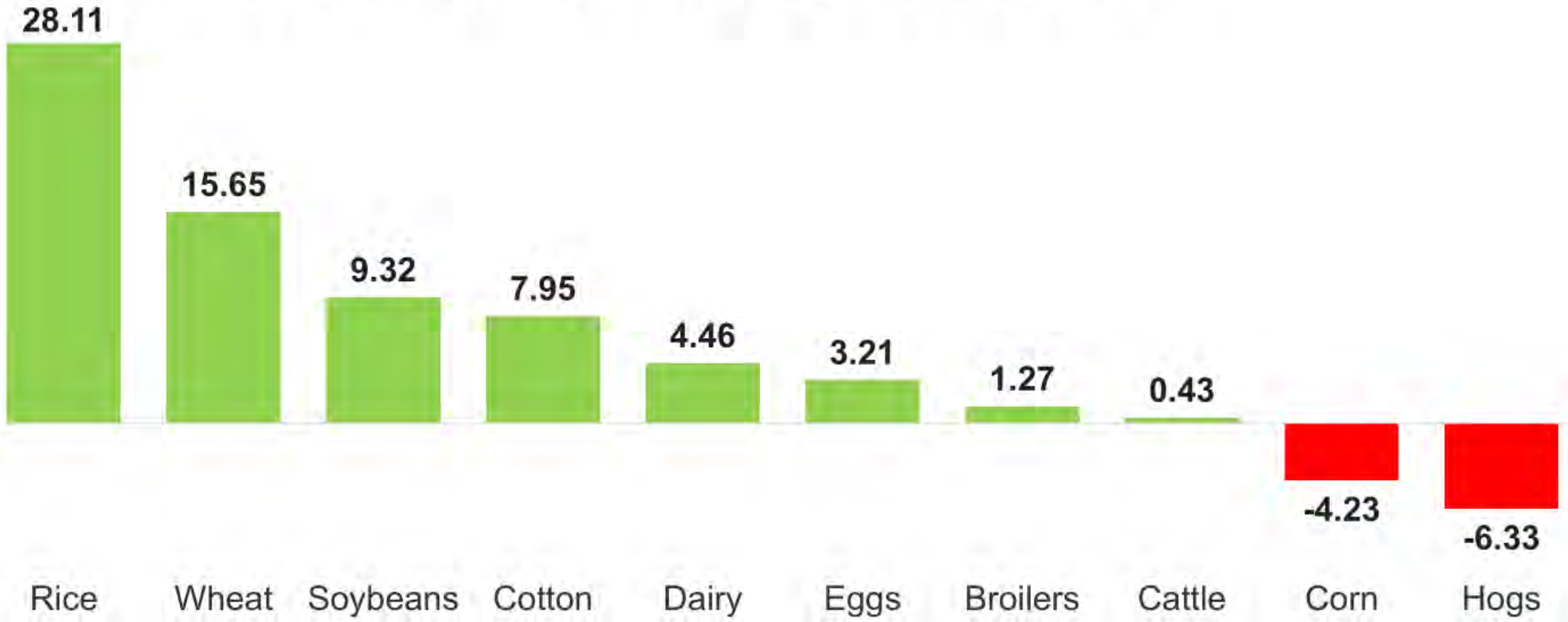
Up 1.2% from 2026

(+4% Fertilizer, Pesticides)

Source: RaFF (preliminary), Oct 2026

Mixed commodity signals for MO in 2027

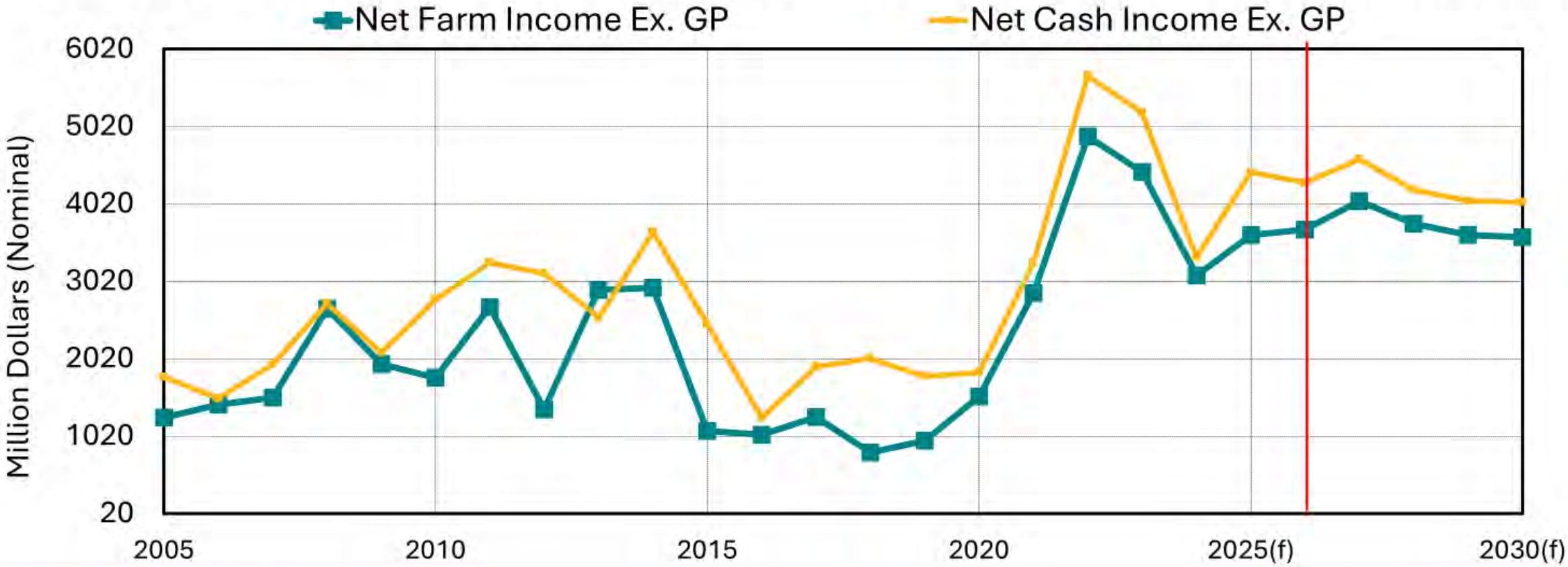
Projected % change in MO cash receipts, 2026 to 2027



Source: RAFF (preliminary), Oct 2026

MO Farm Income excluding Govt. Payments

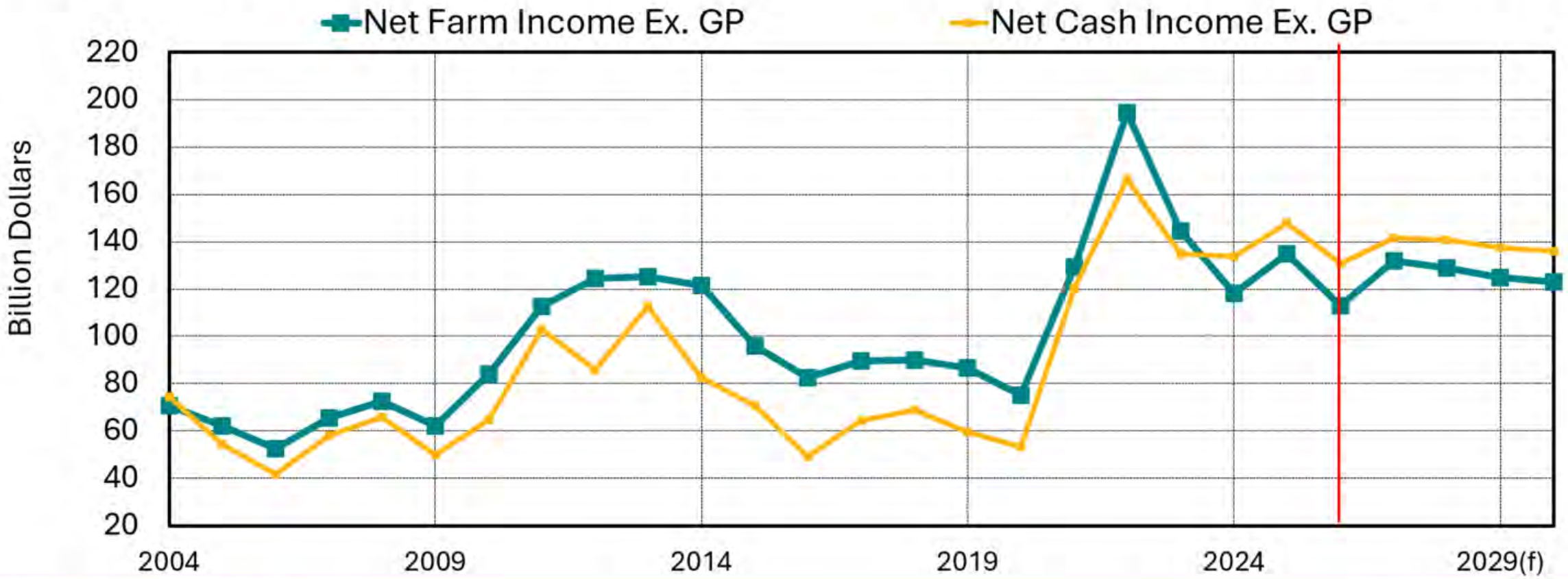
- 2026 NFI EXGP +$74 million (+2%)
- 2026 NCI EXGP -$130 million (-3%)
- 2027 NFI EXGP +$364 million (+10%)
- 2027 NCI EXGP +$302 million (+7%)



Source: RaFF (preliminary), Oct 2026

U.S. Farm Income excluding Govt. Payments

- 2026 NFI EXGP -$21.8 billion (-16%)
- 2026 NCI EXGP -$17.2 billion (-12%)
- 2027 NFI EXGP +$18.9 billion (+17%)
- 2027 NCI EXGP +$11.0 billion (+8%)



Source: FAPRI-MU, September 2026

ARC/PLC Payments Explorer

Rural & Farm Finance Policy Analysis Center
University of Missouri

1. Select One County: Missouri (State) + Boone (County)
2. Select One Crop: Soybeans
3. Select One Irrigation System: Non-Irrigated

Click to reset all filters

4. Enter your projected marketing year average price for 2026: 11.64 $/unit
5. Enter Your Farm's PLC Yield: 40.00 units/acre

Click here for more information on this decision tool

Selected state: Missouri | **County:** Boone | **Crop:** Soybeans | **Irrigation:** Non-Irrigated

2026 Projected Payment Rates *($/Acre, To Be Paid in 2027)*

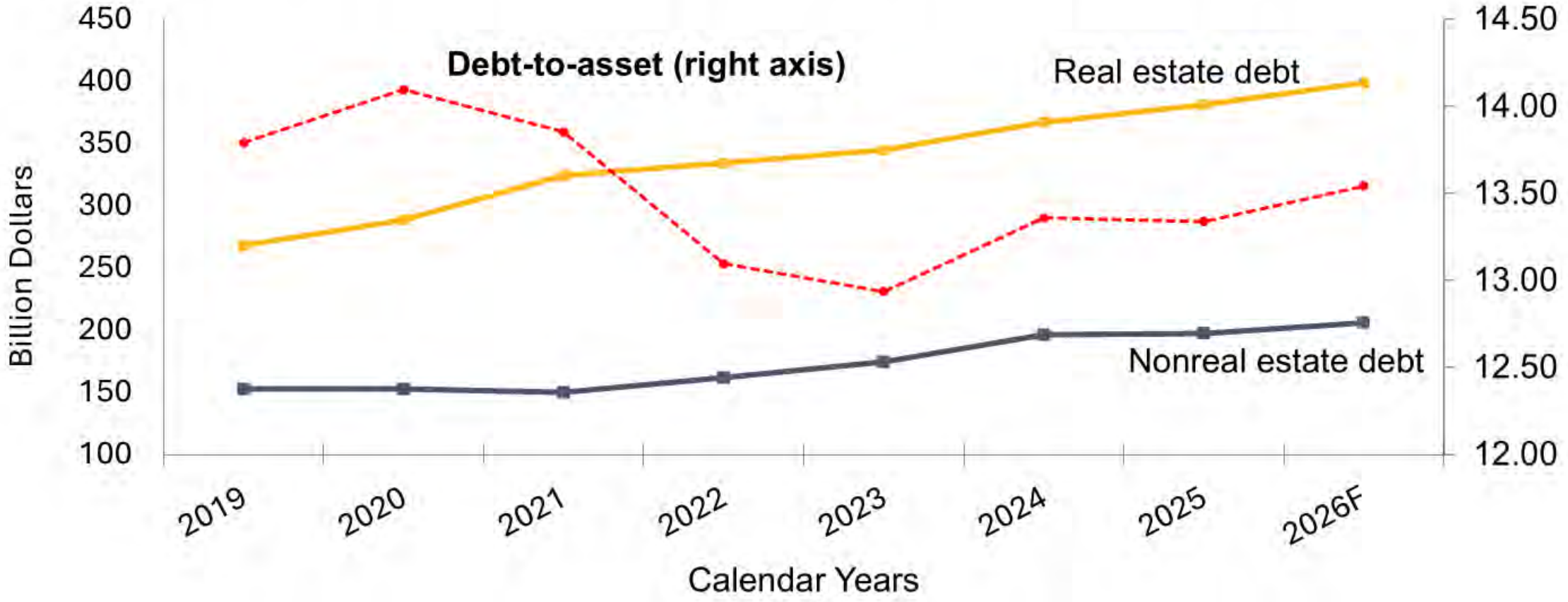
Scenarios	PLC	ARC-CO	ARC-CO preferred to PLC if 2026 county yield is lower than Equal Payment Yield (EPY) *% times county yields were lower than EPY over last...*
Baseline MYA Price $11.64	$50 / $0 $0.00 40.00 units/acre	$67.22 Up to 37.54 Max-Pmt Yields $44.81 39.46 1/3 Max $22.41 41.39 2/3 Max $0.00 Above 43.31 units/acre Yield - $0 Payment	Equal Payment Yield 43.31 40% (0%–100%) 5 years 20% (0%–100%) 10 years
Lower Price 90% MYA Price $10.48	$10 / $5 / $0 $9.36 40.00 units/acre	$67.22 Up to 41.71 Max-Pmt Yields $44.81 43.85 1/3 Max $22.41 45.99 2/3 Max $0.00 Above 48.13 units/acre Yield - $0 Payment	Equal Payment Yield 47.23 80% (0%–100%) 5 years 50% (0%–100%) 10 years
Higher Price 110% MYA Price $12.80	$1.0 / $0.5 / $0.0 $0.00 40.00 units/acre	$67.22 Up to 34.13 Max-Pmt Yields $44.81 35.88 1/3 Max $22.41 37.63 2/3 Max $0.00 Above 39.38 units/acre Yield - $0 Payment	Equal Payment Yield 39.38 20% (0%–100%) 5 years 10% (0%–100%) 10 years

For Educational Purposes Only; No Guarantee or Warranty Implied or Stated

ARC-CO or PLC?

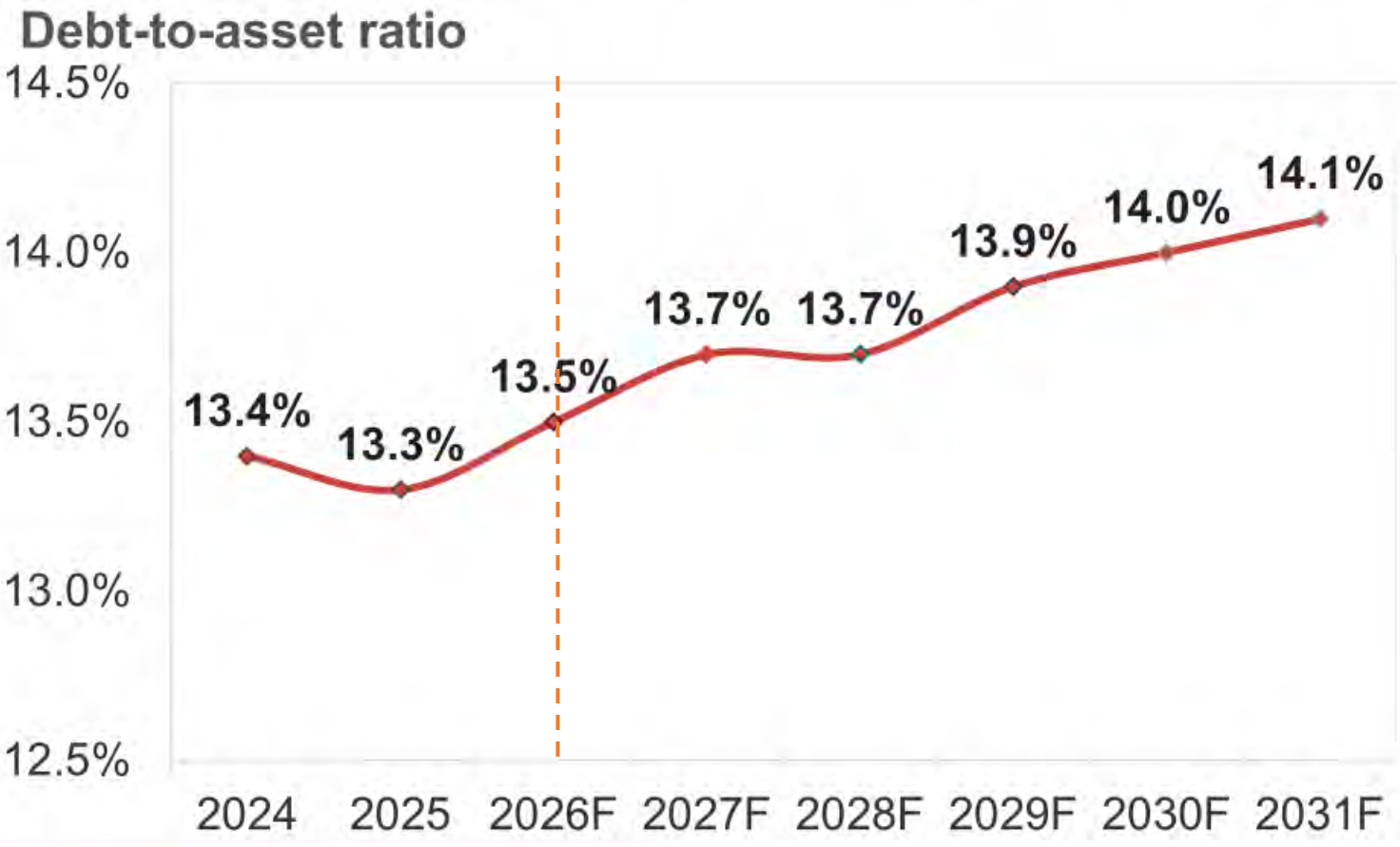
- All counties
- All covered commodities
- Irrigated/Non-irr.
- 3 Price Scenarios
  - Equal Pmt. Yields
  - Historical probabilities
- 4 County Yield Scenarios

Aggregate farm debt continues to increase but average US farm solvency remains strong



Source: USDA-ERS, Sep. 2026

Sector solvency remains strong, but leverage continues to rise



Farm assets

$4.48 trillion in 2026
$4.53 trillion in 2027

Farm debt

$605 billion in 2026
$619 billion in 2027

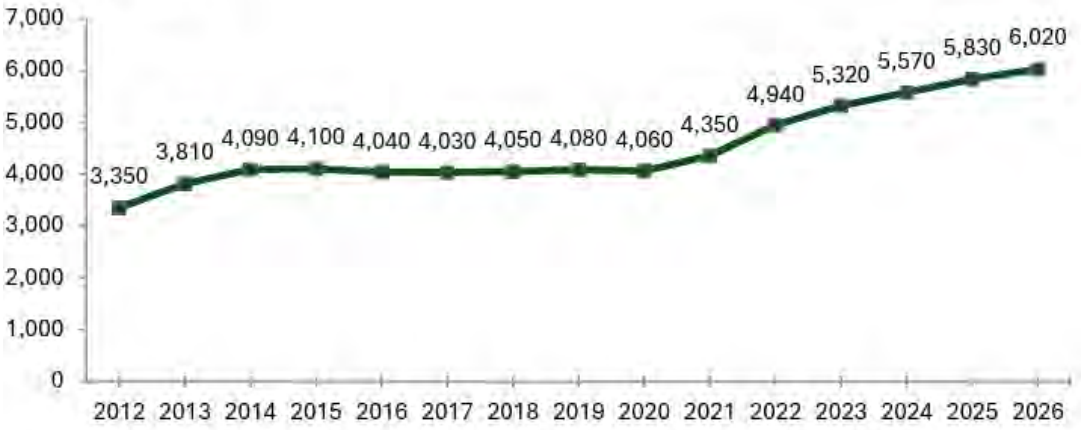
Strong aggregate solvency can coexist with farm-level liquidity stress.

Source: FAPRI-MU, September 2026

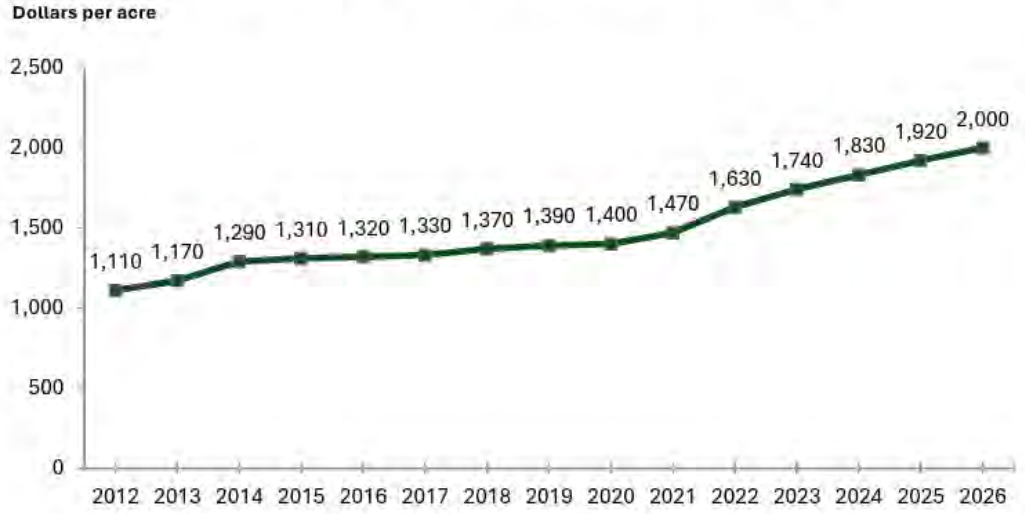
Land Values 2026 Summary (July 2026)

USDA, National Agricultural Statistics Service

Average Cropland Value – United States: 2012-2026

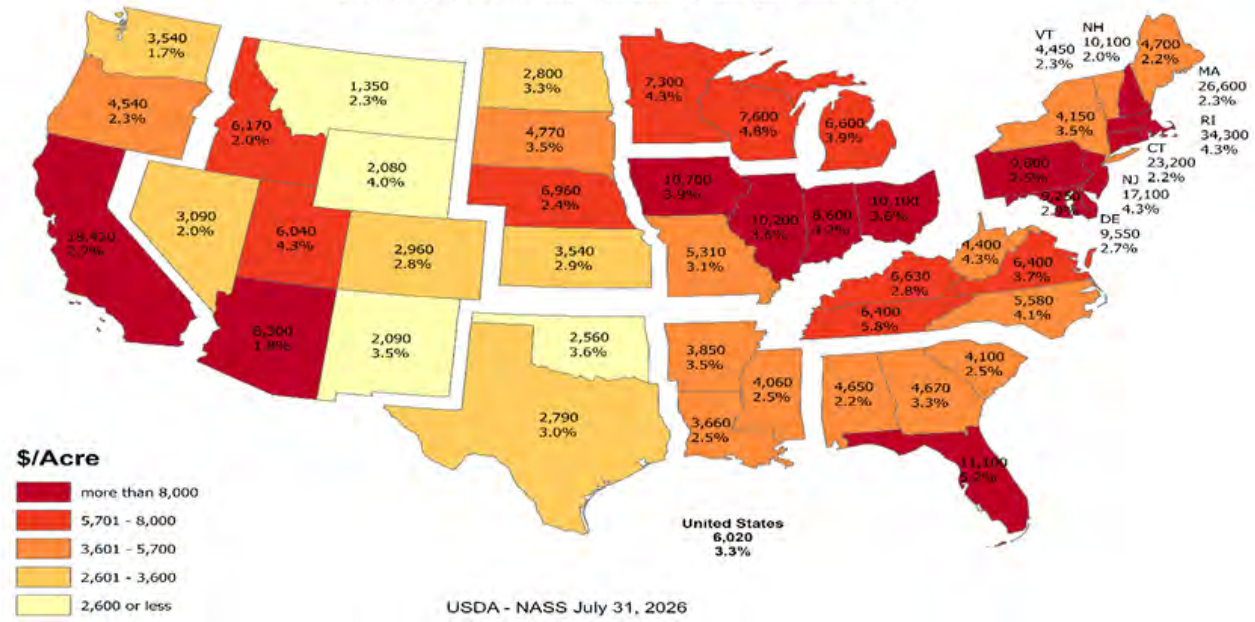


Average Pasture Value – United States: 2012-2026



2026 Cropland Value by State

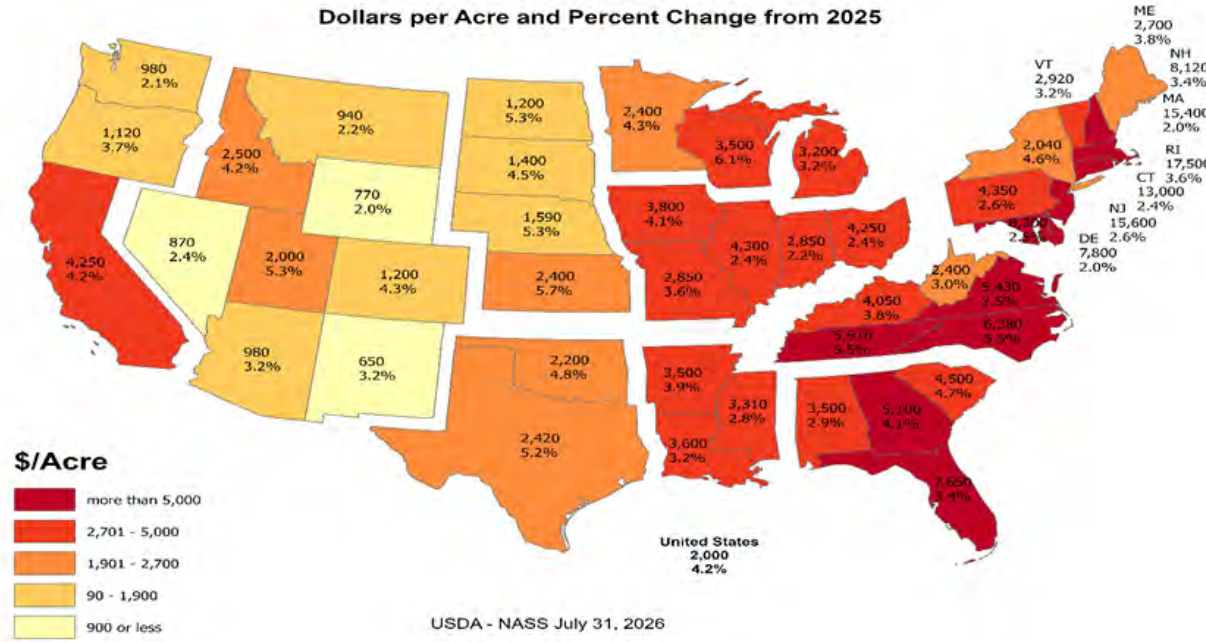
Dollars per Acre and Percent Change from 2025



USDA - NASS July 31, 2026

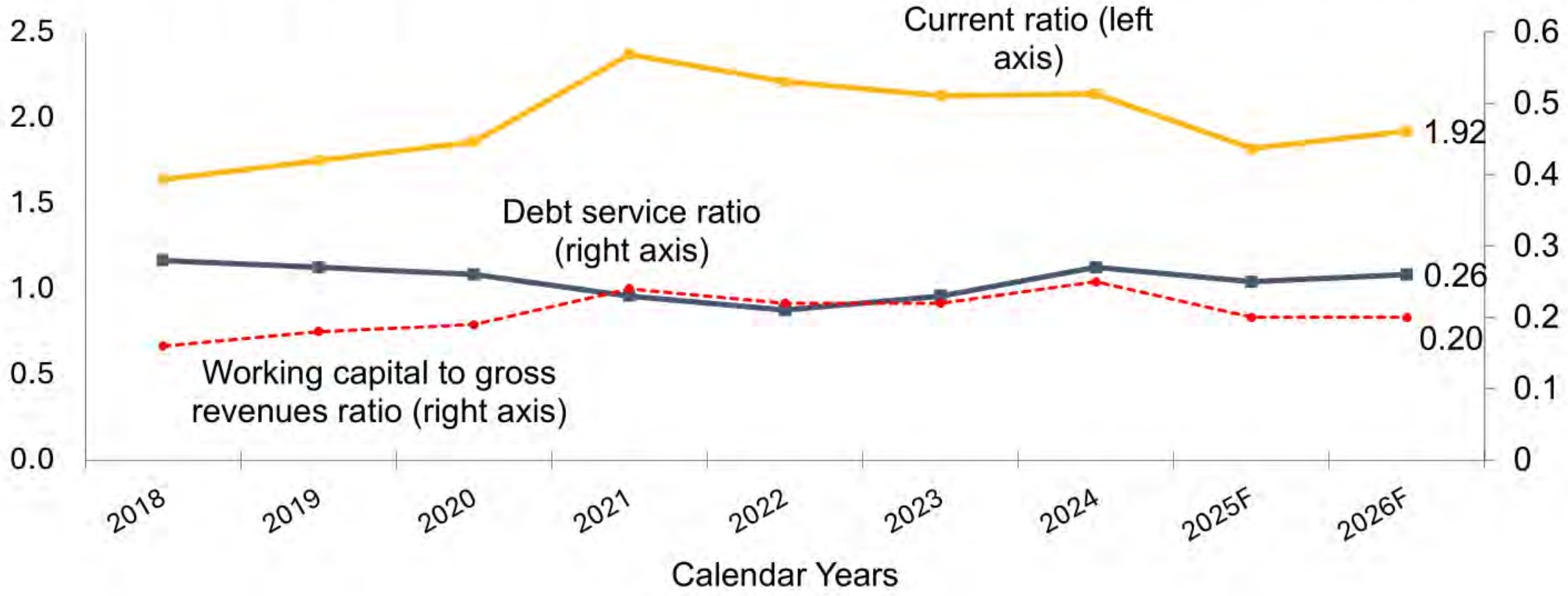
2026 Pasture Value by State

Dollars per Acre and Percent Change from 2025



USDA - NASS July 31, 2026

Average US farm liquidity declines and a larger share of gross income is needed to service debt



Source: USDA-ERS, Sep. 2026

Current ratio = Current assets/current debt
WCTGRT =Working cap./(value of production + Govt. pmts.)
DSR = (Interest + principal pmts)/(value of prod. + Govt. pmts.)

The practical concern is liquidity and repayment capacity

Liquidity

Can current assets cover current obligations?

Watch working capital and cash flow.

Repayment capacity

Can earnings service principal and interest?

Watch debt-service capacity.

Solvency

Do assets exceed liabilities?

Land values support sector solvency.

Evaluate income projections together with balance-sheet and credit indicators.

Implications for Ag Lenders

1	**Source of income**	Separate market returns from government payments.
2	**Plan for 2027**	Build cash-flow plans around lower assistance.
3	**Farm exposure**	Focus on commodity mix, leverage, and working capital.
4	**Early conversations**	Suggest contacting lenders before repayment problems emerge.

Financial pressure is concentrated and uneven.

RaFF's EARLY WARNING SYSTEM of Farm Financial Stress

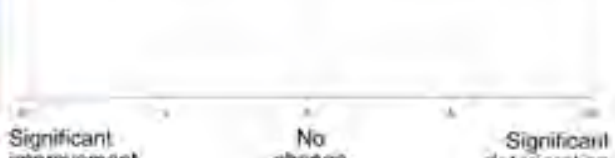
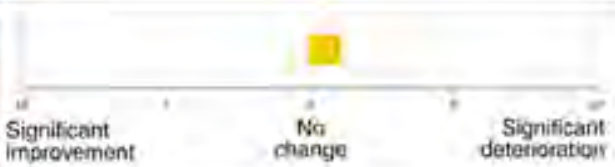
RaFF's Leading Indicators of Farm Financial Stress: Fall 2026

Kansas State Agricultural Economics

AgManager.info

Rural & Farm Finance Policy Analysis Center
University of Missouri

Table 1. Fall 2026 Leading Indicators Summary*^

Indicators by Class	Risk	Momentum
Farmer and Banker Sentiment Credit Conditions (Kansas City Federal Reserve Bank) Ag Economy Barometer (Purdue-CME Group)		
Farm Income and Balance Sheet Health Net Farm Income (Food and Agricultural Policy Research Institute) Net Cash Farm Business Income (USDA Economic Research Service) Representative Farm Financial Conditions (Ag and Food Policy Center) Liquidity and Solvency Ratios (USDA Economic Research Service) Farmland Prices (Rural Mainstreet Index, Creighton University) Farmland Value Index (Acres)		
Farm Machinery Market Dynamics Equipment Sales (Association of Equipment Manufacturers) Farm Equipment Sales (Rural Mainstreet Index, Creighton University) Ag and Turf Loan Performance (John Deere Capital) Receivables Performance (CNH Industrial Capital)		
Credit Quality Bank Loan Delinquencies (Federal Reserve Board of Governors) Nonperforming Assets (Farm Credit Administration) Ag Mortgage Credit Quality (MetLife)		
Farm Economy Overall		

Rural & Farm Finance
Policy Analysis Center
University of Missouri








Questions? Submit them via the Q/A chat feature at the bottom of your screen

Follow us on social media:

@RaFFfinance on **X**

Rural and Farm Finance Policy Analysis Center (RaFF) on **LinkedIn**

Sign up for emails:

raff.missouri.edu

Questions??

- Feel free to submit questions at any time using the Q/A chat feature at the bottom of your screen.



- You can also email questions to Ben Brown at bpbrown@missouri.edu

- We will try to answer as many questions as we can at the end of each presentation and at the end of all presentations. A full list of questions with responses will be available at fapri.missouri.edu under “events”.







Coming this fall

2027 ENTERPRISE BUDGETS

Manage costs and project revenue for the coming year with free budgets, customized to reflect Missouri growing conditions and economics

Missouri Farmland Values Opinion Survey

Help MU Extension capture the value of farm and recreational land in Missouri for one of Extension's most widely used resources.

Your response helps farmers, lenders, policymakers and researchers understand land market trends.



Extension
University of Missouri

Missouri Farmland Values Opinion Survey

In Missouri, land sale prices are not required to be reported to any government or public agency. In turn, it is challenging to understand current values and forward-looking projections for the state's farmland market. This report summarizes results from a web-based survey conducted by the University of Missouri Extension Agricultural Business and Policy group, which aims to lend insight into perceived changes in farmland values across Missouri. This information supplements state-level estimates published by the U.S. Department of Agriculture (USDA) National Agricultural Statistics Service (NASS).

The most recent survey was conducted between March 2025 and May 2025 and collected 417 responses. Landowners accounted for 37% of responses, lenders 13%, farm managers 9%, government employees 6%, appraisers 3% and individuals with other occupations 32%. Based on their knowledge of land transactions in the past year, each respondent could report land values for up to three counties; land types include cropland, pasture/hay, rice/hay and hunting/recreation land. In total, the survey captured 2,072 land-value observations.

Figure 1. Survey regions (white) and counties with insufficient data (gray).

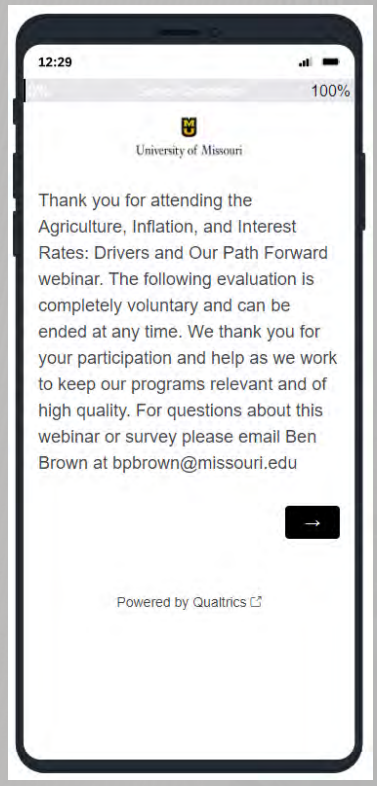
Written by
Jun-Hun Tsay, Assistant Extension Professor, Agricultural Business and Policy
TaylorAnn Washburn, Program Director, Division of Applied Social Sciences
Ben Brown, Extension Specialist, Agricultural Business and Policy

Survey opens November 2026

Evaluations

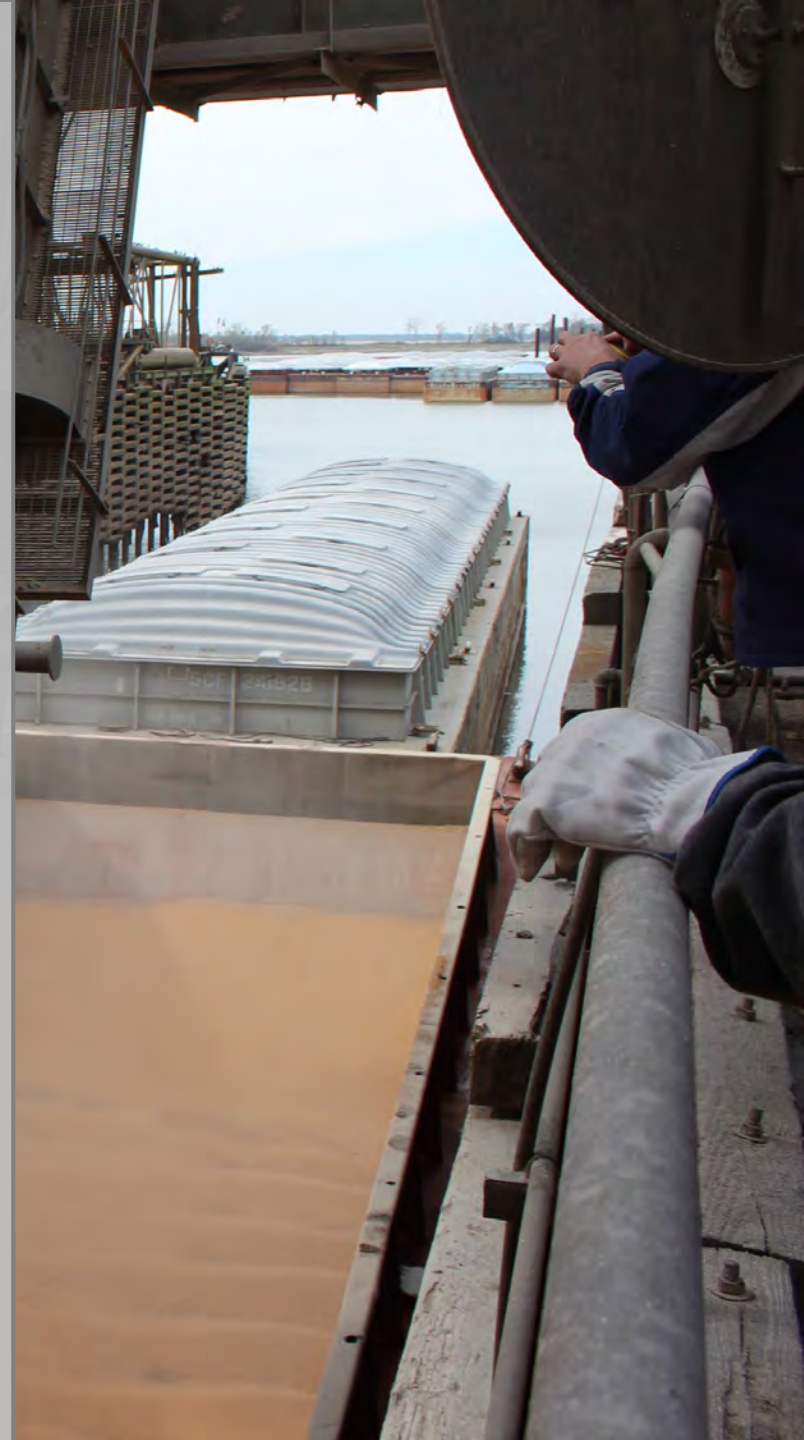
Please help us continue to offer high-quality programs by completing our evaluation upon competition of the webinar.

- The internet-based evaluation will start when you exit the zoom.
- Takes roughly 3 minutes
- Responses will be completely private



The evaluation is designed to capture how effective our program was at meeting key objectives.

1. Understand economic drives to aggregate Missouri Farm Income,
2. Review cash receipts and expenditures for Missouri Farm Income in 2026 and look ahead to 2027, and
3. Provide resources for producers and lenders to analyze ARC and PLC decisions for program year 2026.



Thank you!



University of Missouri

This program is possible due to the work of the presenters, the Food and Agricultural Policy Research Institute, the Rural and Farm Finance Policy Analysis Center, and MU Extension.

All materials and presentations will be available at fapri.missouri.edu for any comments about the webinar please email Ben Brown at bpbrown@missouri.edu.