

Economic Insights on Missouri Farm Income

Dr. Alejandro Plastina

Director, Rural and Farm Finance Policy Analysis Center

Division of Applied Social Sciences

University of Missouri-Columbia

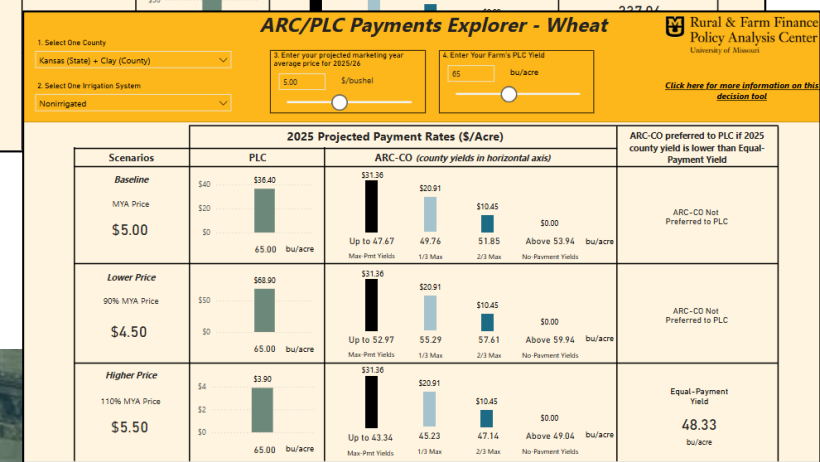
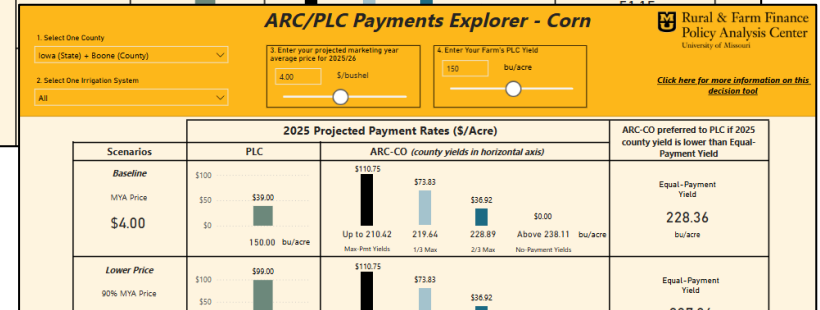
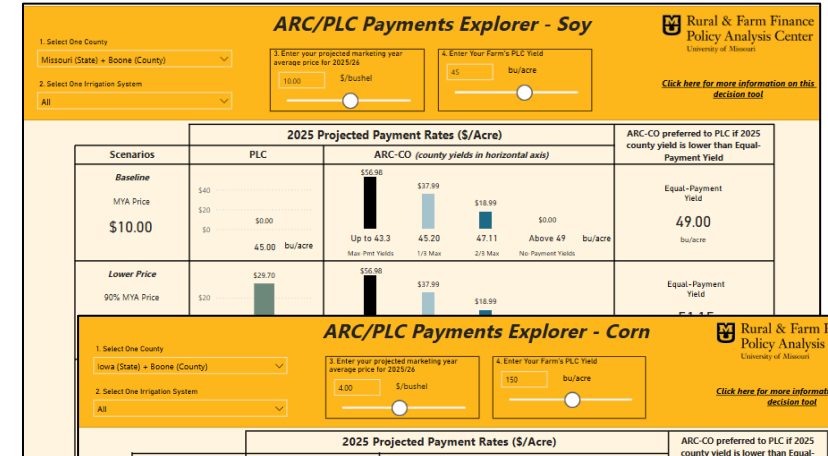
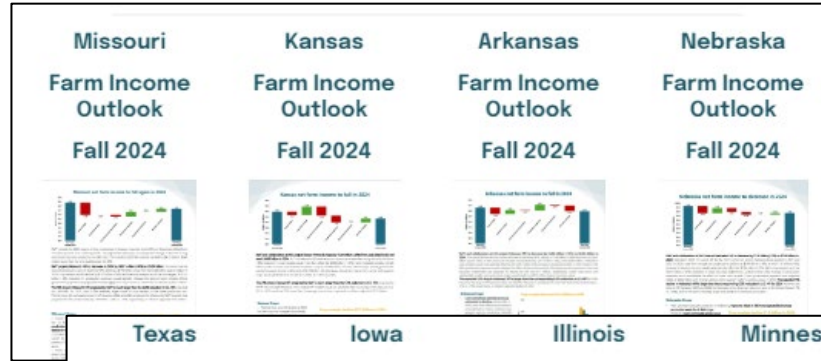
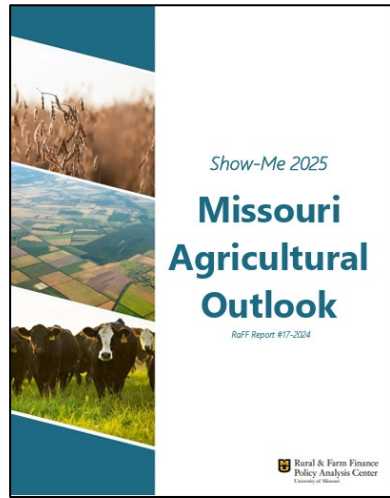
aplastina@missouri.edu

www.raff.missouri.edu

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, launched in 2022.
- RaFF provides unbiased analysis 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, funded by U.S. Congress.





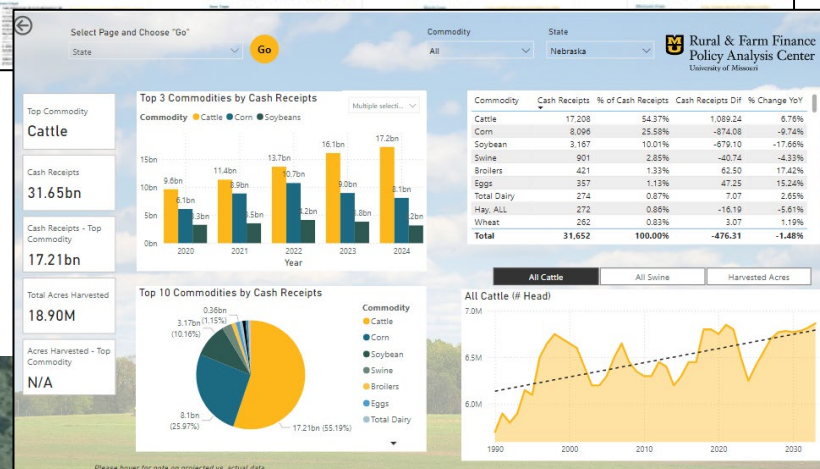
Policy Briefs

Changes in Adoption Patterns of Beginning and Long-term No-Till Adopters
 March 27, 2025 - RaFF Policy Brief 2025-3(2)

Projected National ARC-CO & PLC Payments for Corn-Base Acres
 March 25, 2025 - RaFF Policy Brief 2025-3(1)

Projected 2024 and 2025 ARC-CO and PLC Payments for Missouri Farmers
 March 11, 2025 - RaFF Policy Brief 2025-2(9)

Debt Repayment Capacity Among U.S. Crop Farm Businesses
 March 11, 2025 - RaFF Policy Brief 2025-2(8)



The Bottomline

- 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 corn supply and use

	2022/23 USDA	2023/24 USDA	2024/25 (USDA) FAPRI	2025/26 FAPRI
Area planted (mil. acres)	88.2	94.6	(90.6) 90.6	93.5
Yield (bu./harvested acre)	173.4	177.3	(179.3) 179.3	182.0
Production (mil. bu.)	13,651	15,341	(14,867) 14,867	15,539
Feed use	5,486	5,805	(5,775) 5,776	5,924
Ethanol and other domestic use	6,558	6,868	(6,890) 6,912	6,937
Exports	1,662	2,292	(2,450) 2,425	2,541
Ending stocks	1,360	1,763	(1,540) 1,541	1,704
Marketing year avg. price (\$/bu.)	6.54	4.55	(4.35) 4.31	4.23



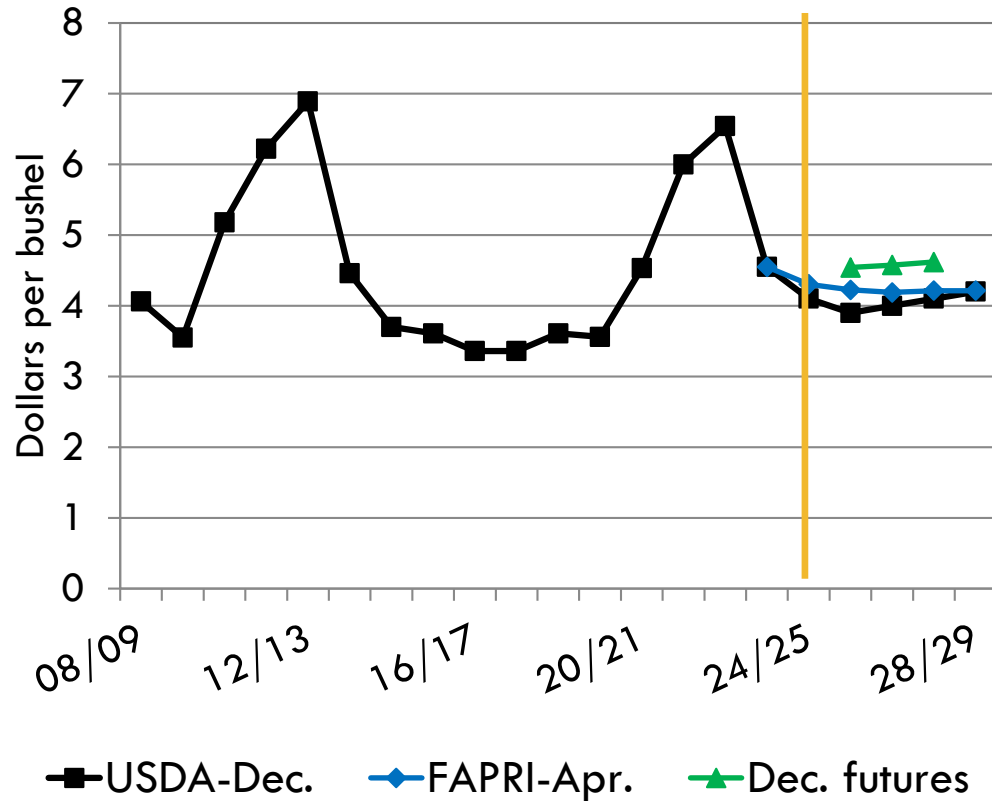
U.S wheat supply and use

	2022/23 USDA	2023/24 USDA	2024/25 (USDA) FAPRI	2025/26 FAPRI
Area planted (mil. acres)	45.8	49.6	(46.1) 46.1	46.4
Yield (bu./harvested acre)	46.5	48.7	(51.2) 51.2	49.9
Production (mil. bu.)	1,650	1,804	(1,971) 1,971	1,876
Feed and residual use	74	85	(120) 121	112
Food and seed use	1,040	1,023	(1,034) 1,030	1,034
Exports	762	707	(835) 842	818
Ending stocks	570	696	(819) 799	836
Marketing year avg. price (\$/bu.)	8.83	6.96	(5.50) 5.54	5.50

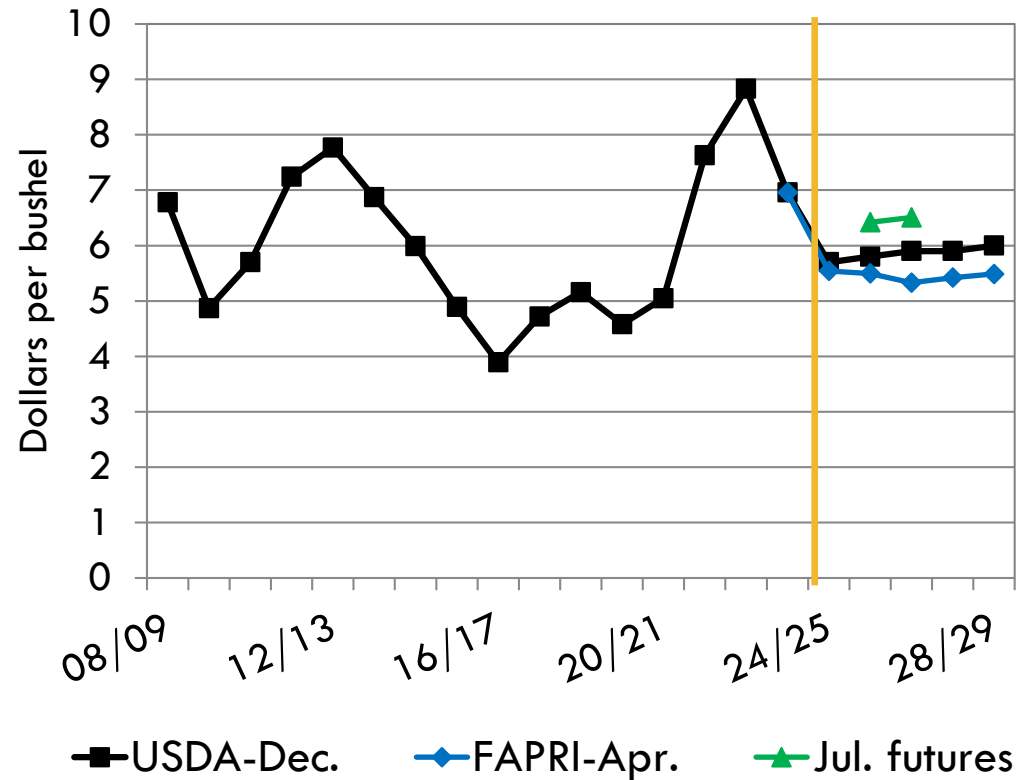


U.S. corn and wheat prices

U.S. corn prices



U.S. wheat prices



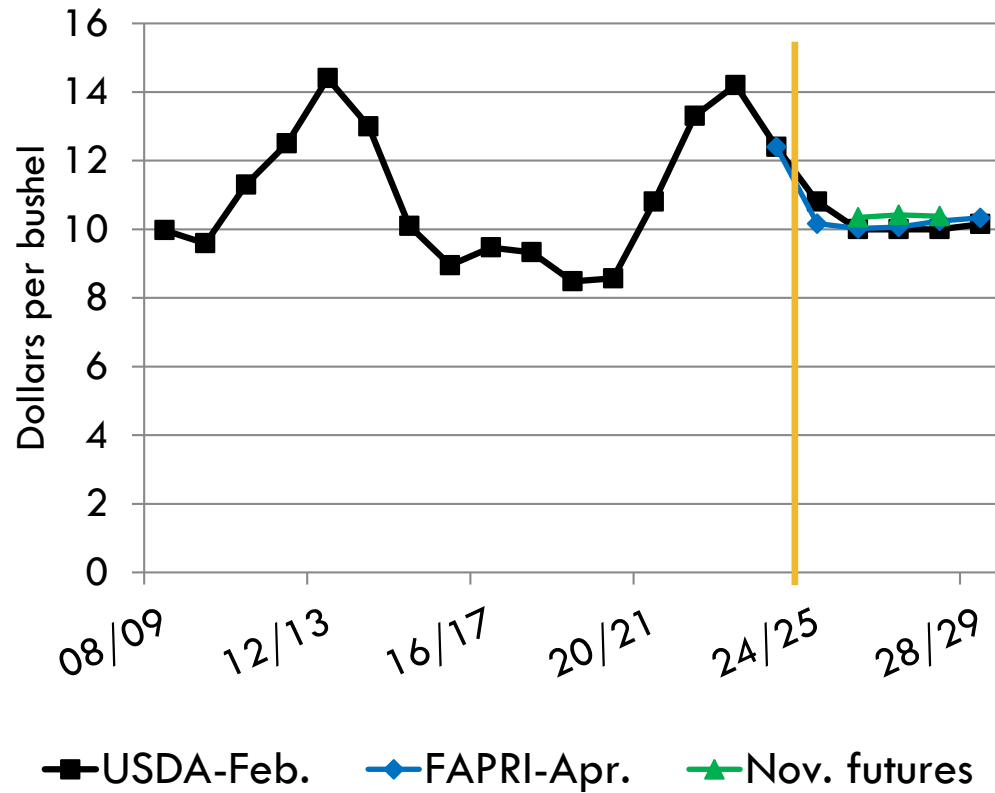
U.S soybean supply and use

	2022/23 USDA	2023/24 USDA	2024/25 (USDA) FAPRI	2025/26 FAPRI
Area planted (mil. acres)	87.5	83.6	(87.1) 87.1	85.0
Yield (bu./harvested acre)	49.6	50.6	(50.7) 50.7	52.6
Production (mil. bu.)	4,270	4,162	(4,366) 4,366	4,422
Crush	2,212	2,285	(2,410) 2,415	2,438
Seed and residual use	114	125	(114) 115	119
Exports	1,980	1,695	(1,825) 1,828	1,848
Ending stocks	264	342	(380) 381	418
Marketing year avg. price (\$/bu.)	14.20	12.40	(9.95) 10.16	10.02

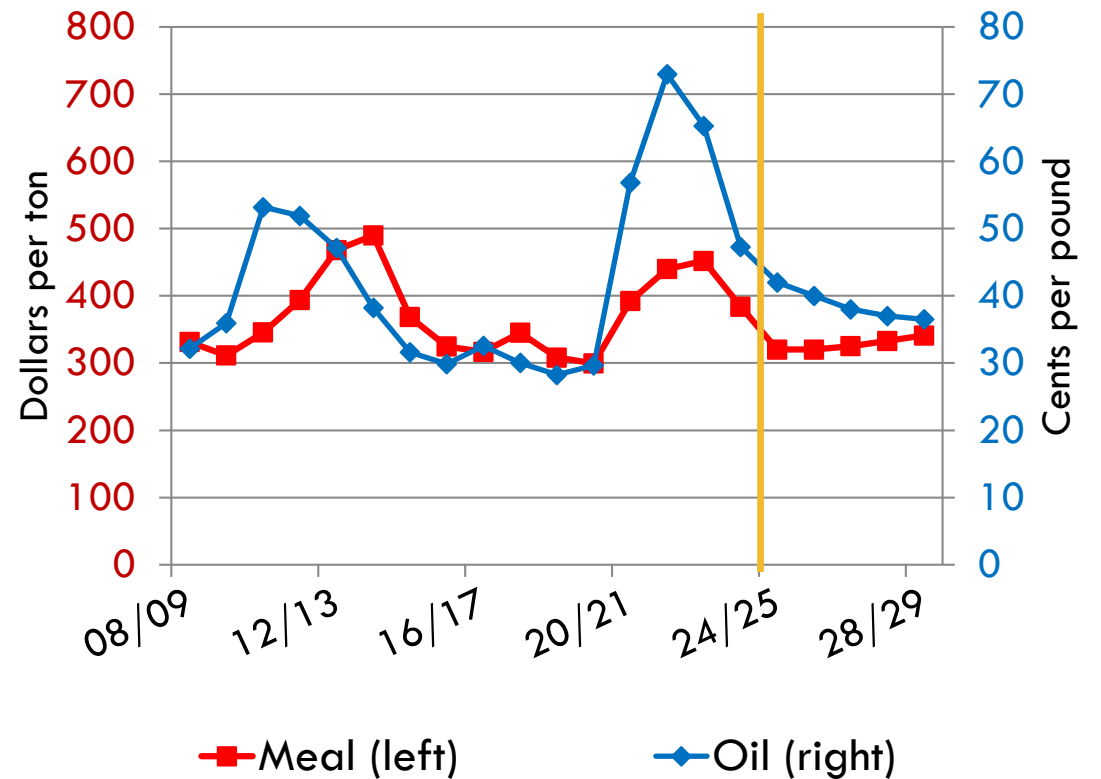


U.S. soybean & soybean product prices

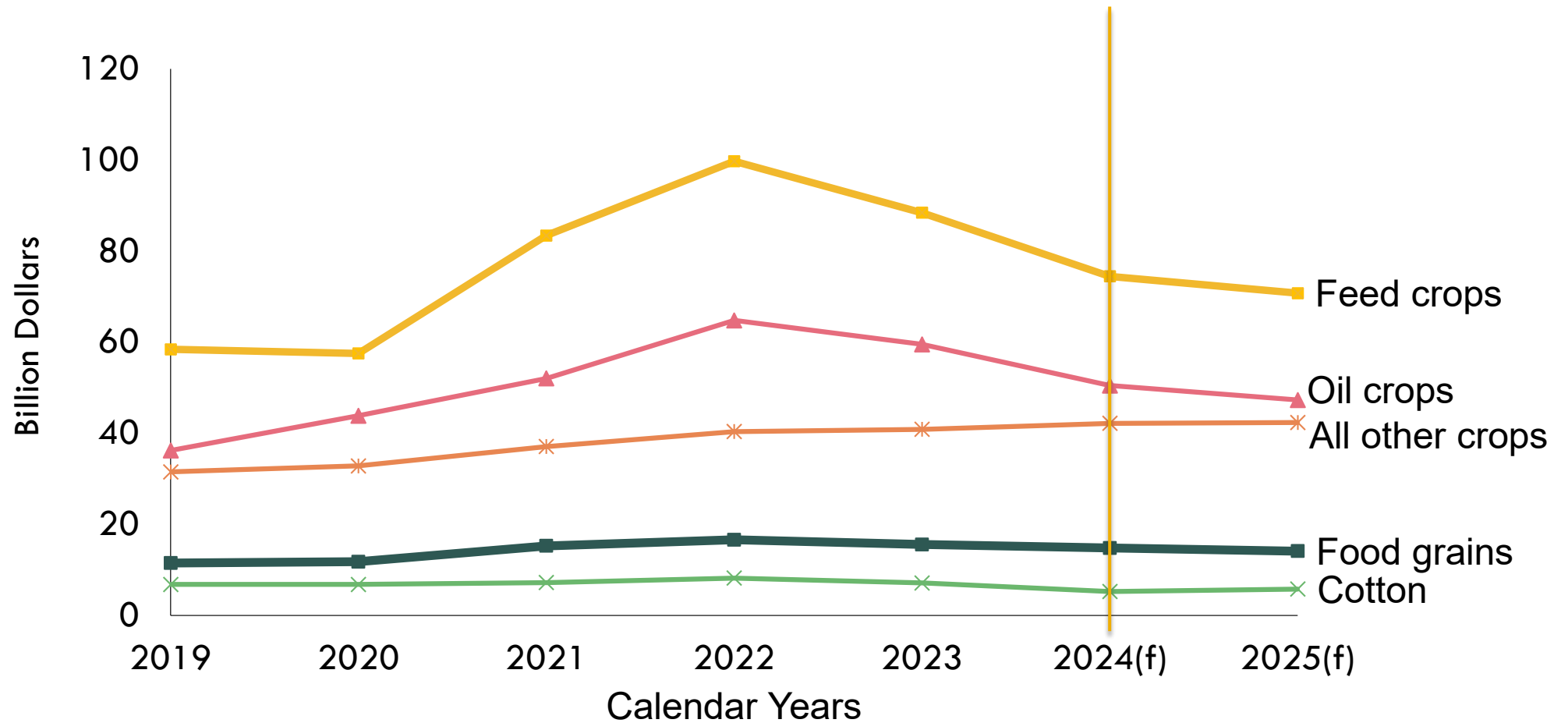
U.S. soybean prices



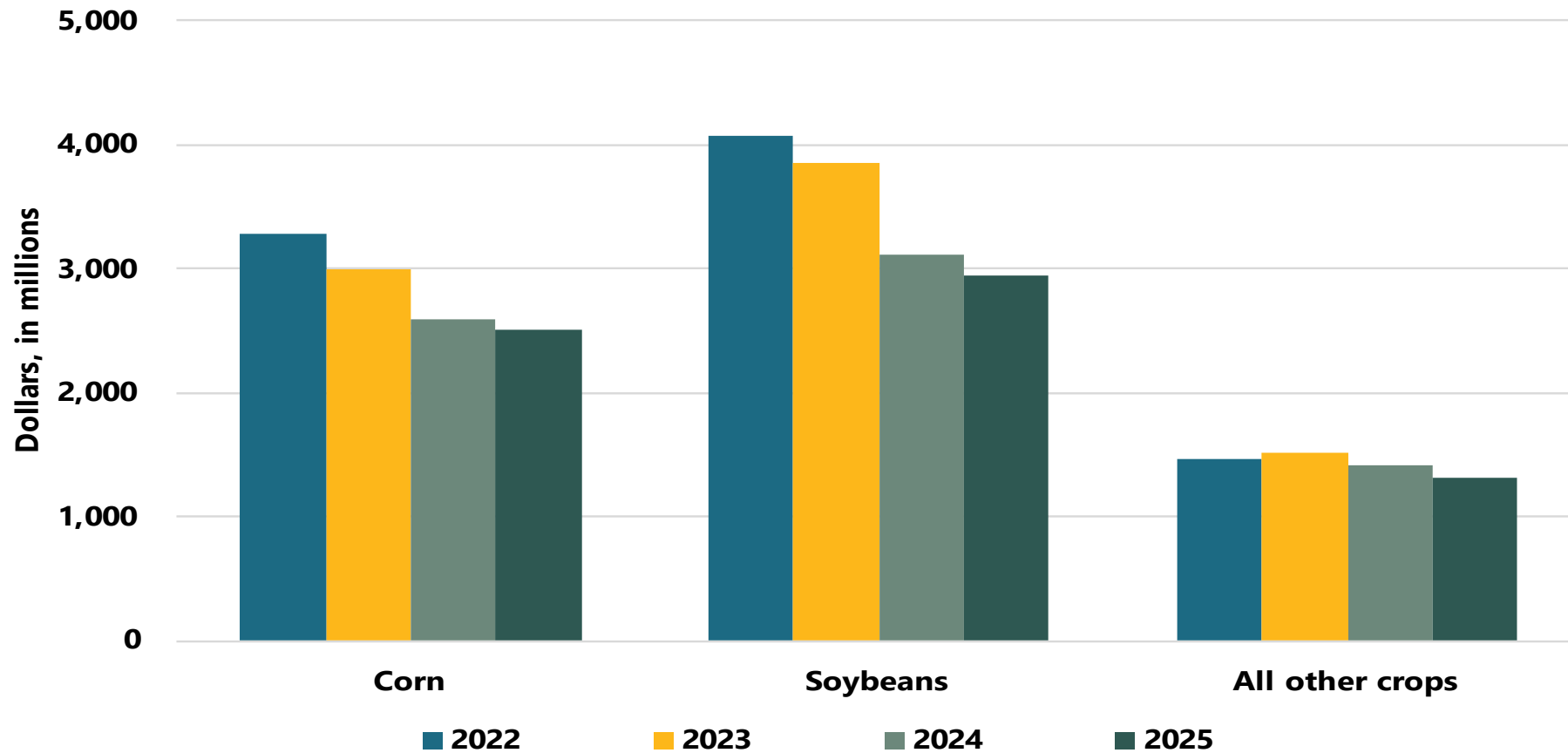
U.S. soybean product prices (USDA-Feb)



U.S. Cash Receipts from Crops (USDA)

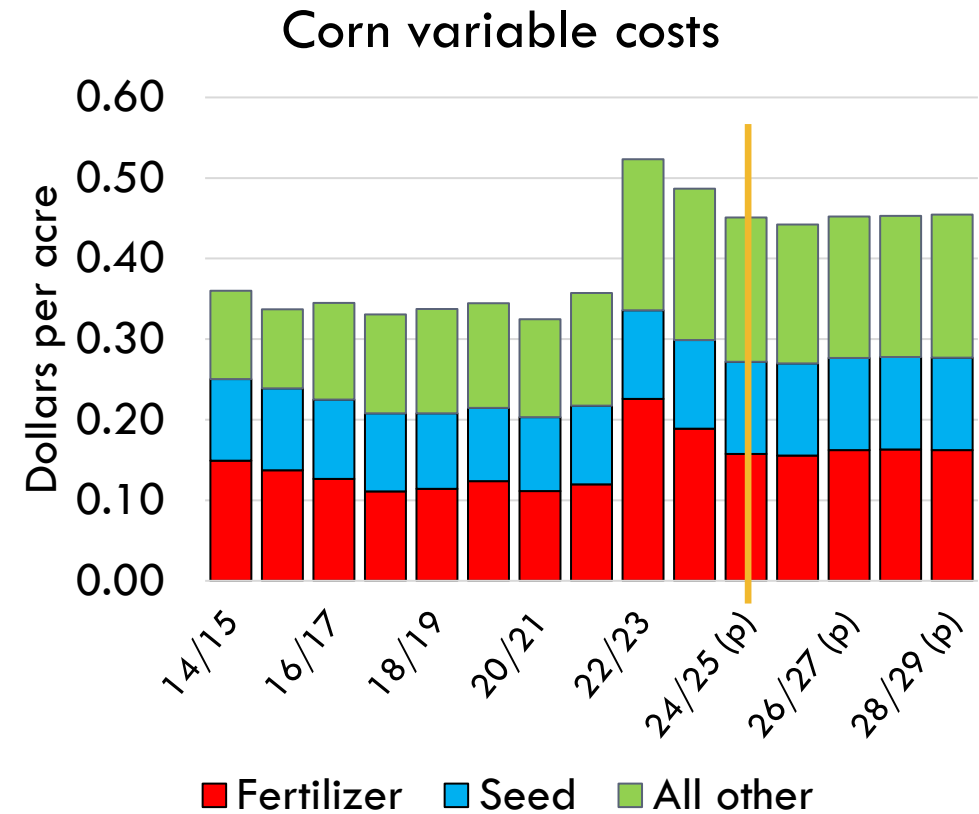


MO Crop Receipts to decline \$347 million in 2025

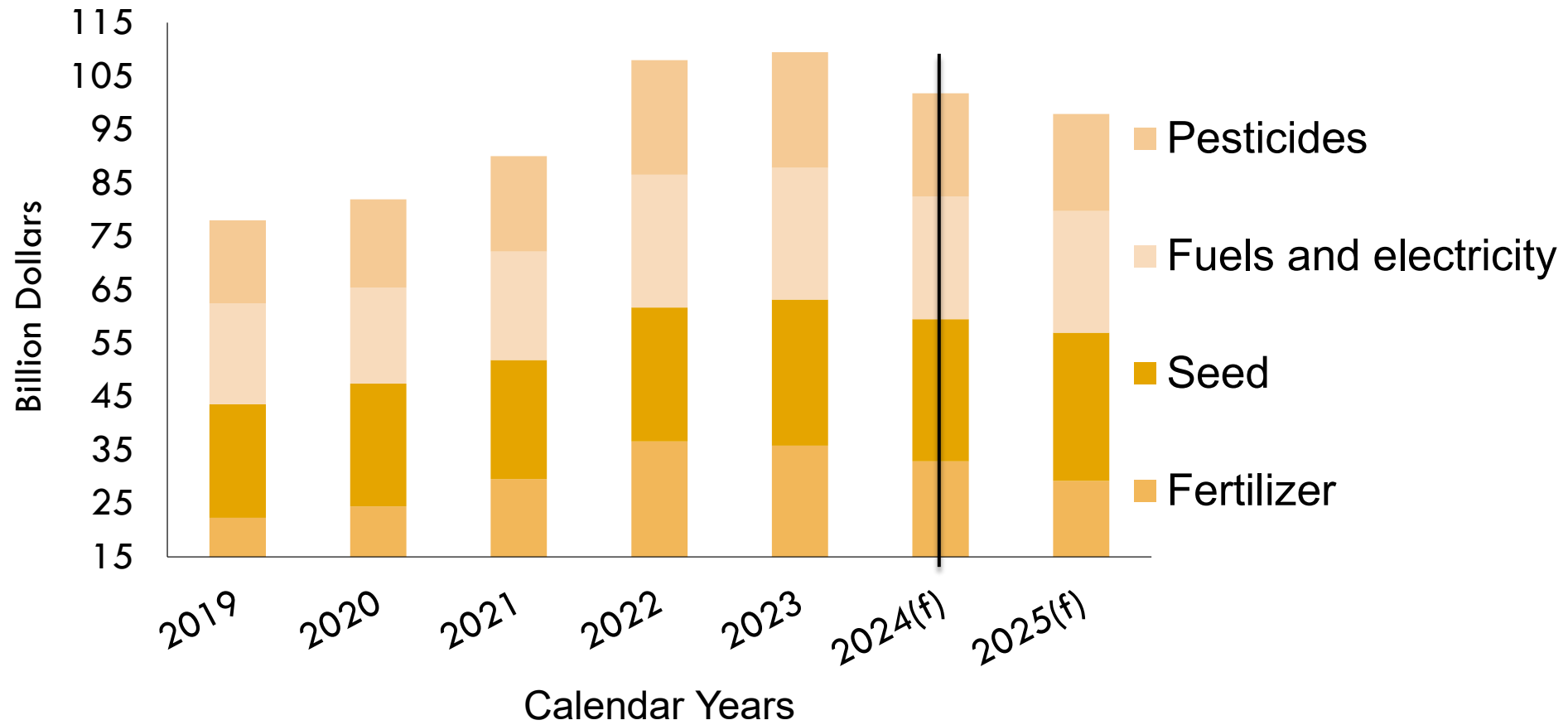


U.S. Corn Production Costs

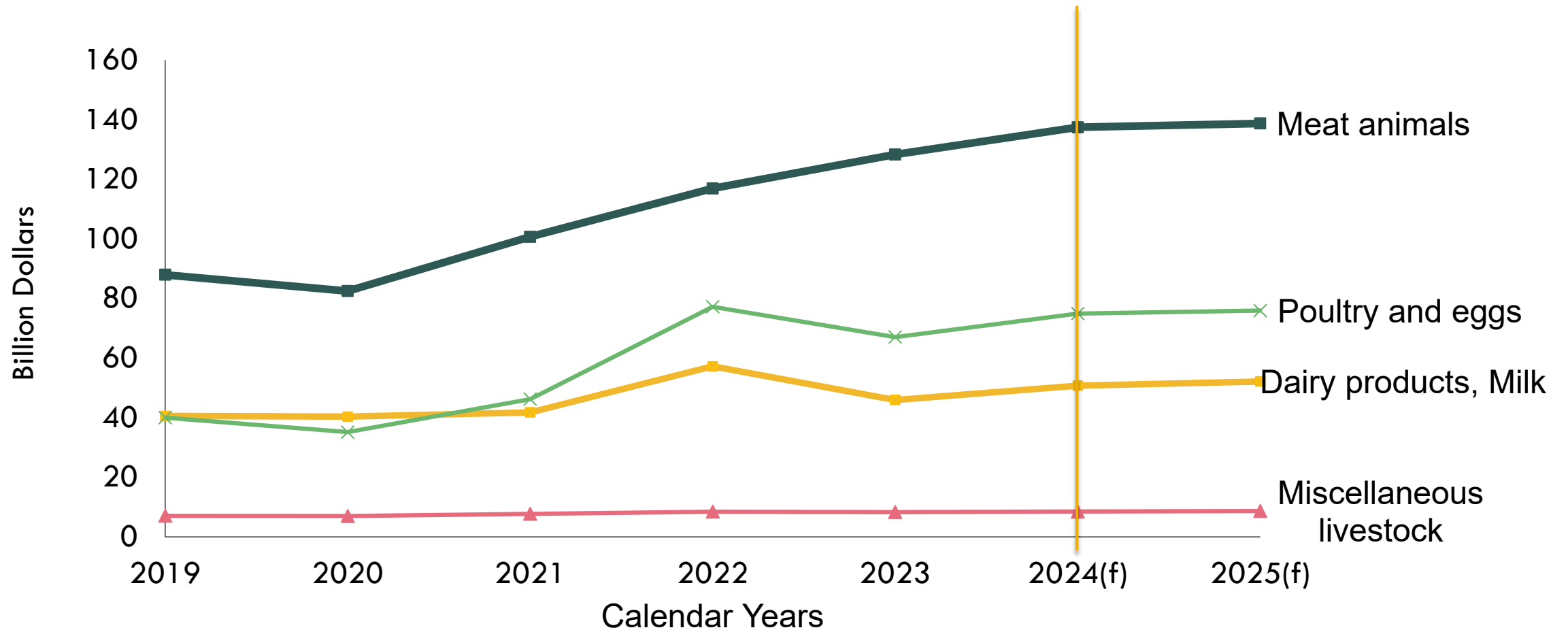
- Variable costs increased sharply in 2022/23
 - ▣ Fertilizer costs a major factor
 - ▣ Also, higher costs for chemicals, fuel and other inputs
- Some costs have dropped
 - ▣ But costs remain well above 2021/22
 - ▣ And have not dropped nearly as much as corn prices
- **Similar pattern for other crops**



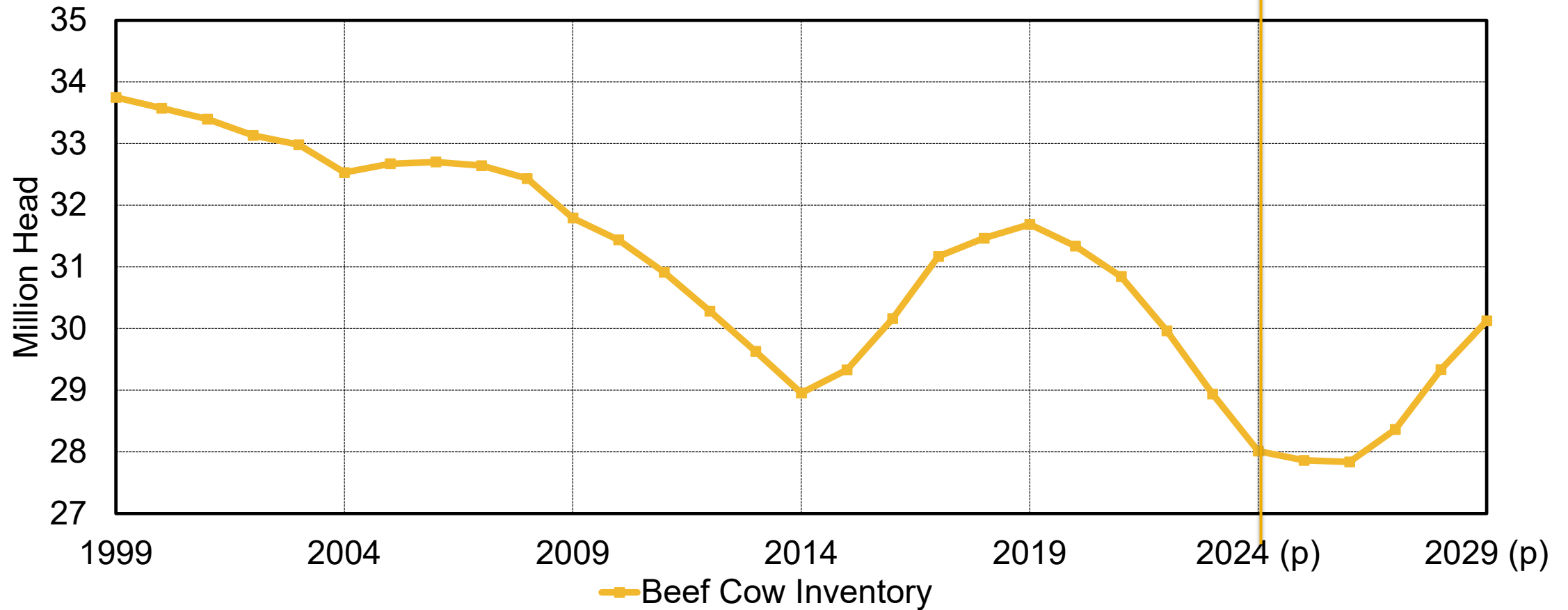
U.S. Variable Costs of Crop Production Down



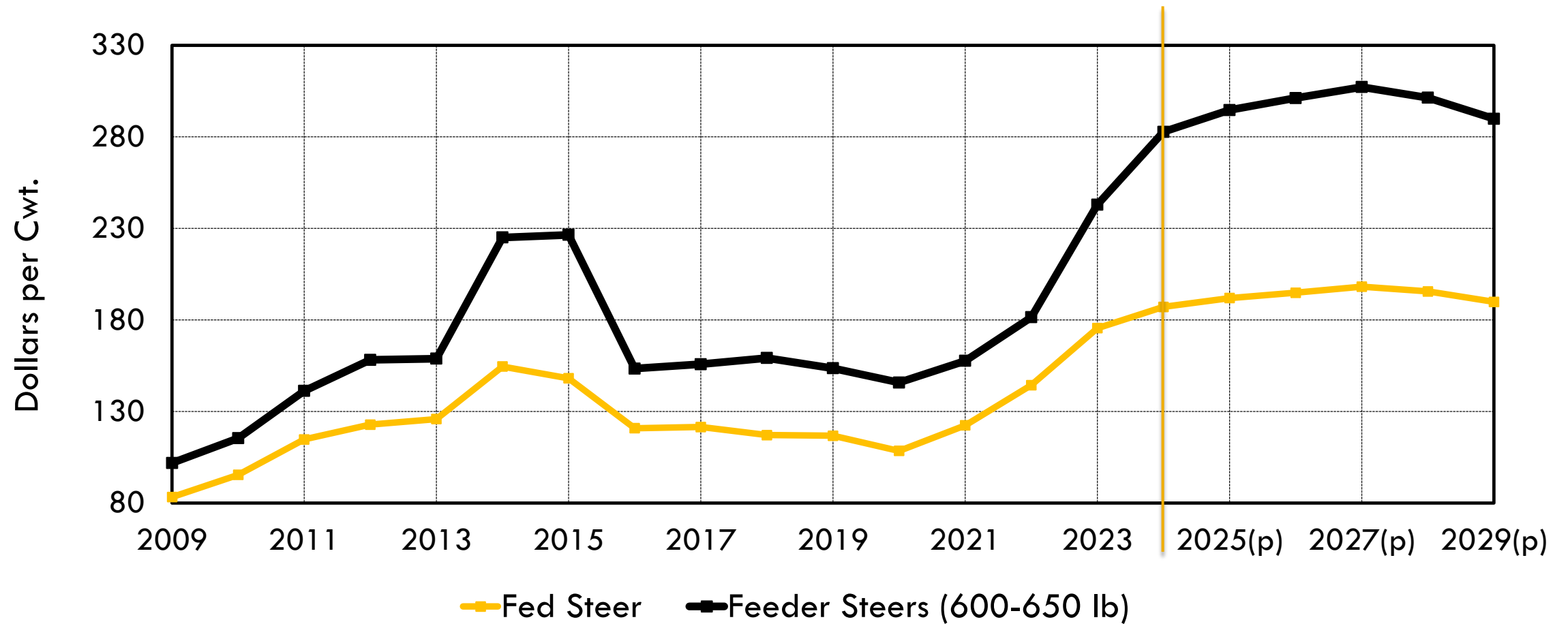
U.S. Cash Receipts from Livestock (USDA)



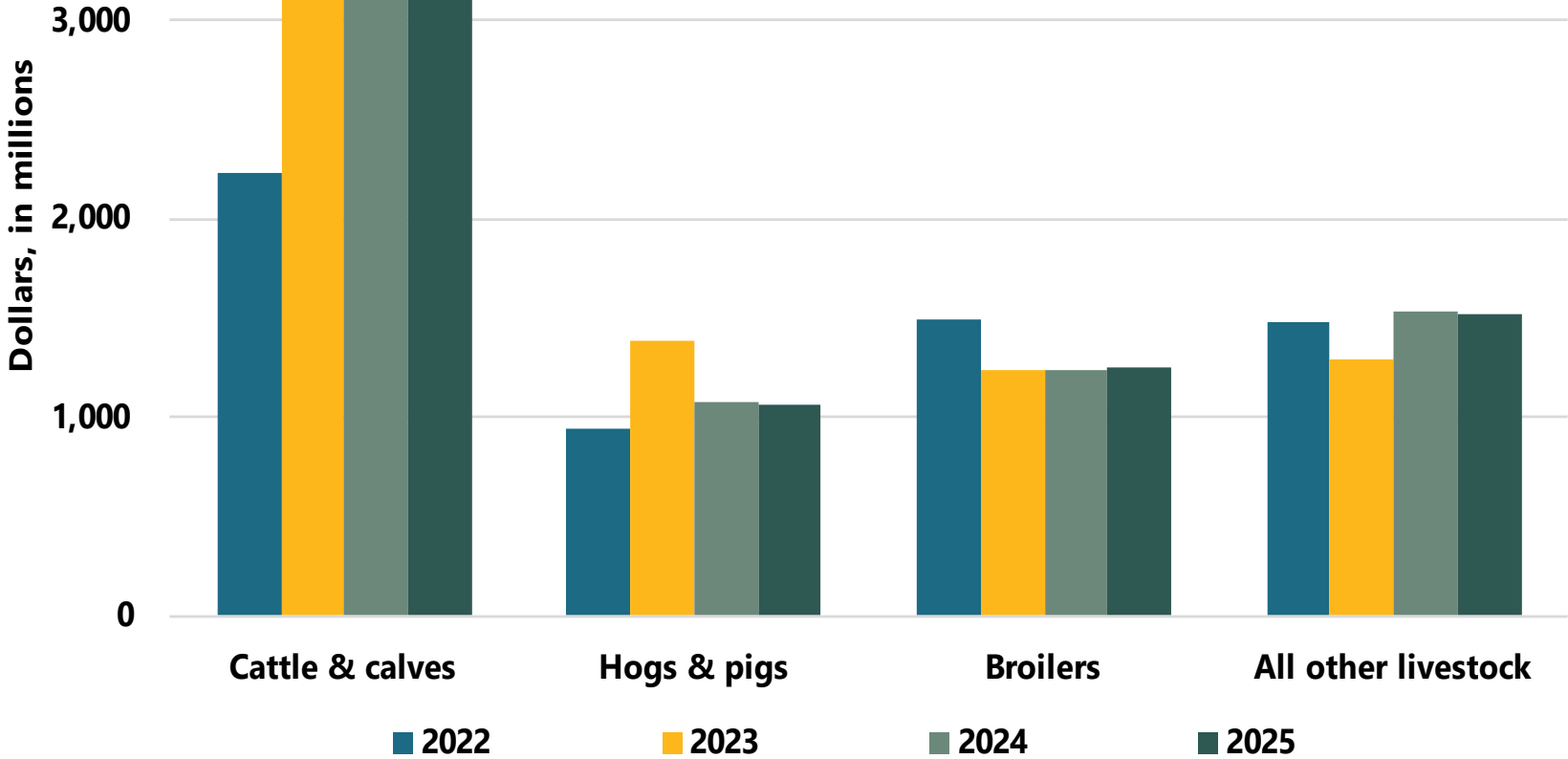
U.S. Beef Cow Herd Falls until 2026



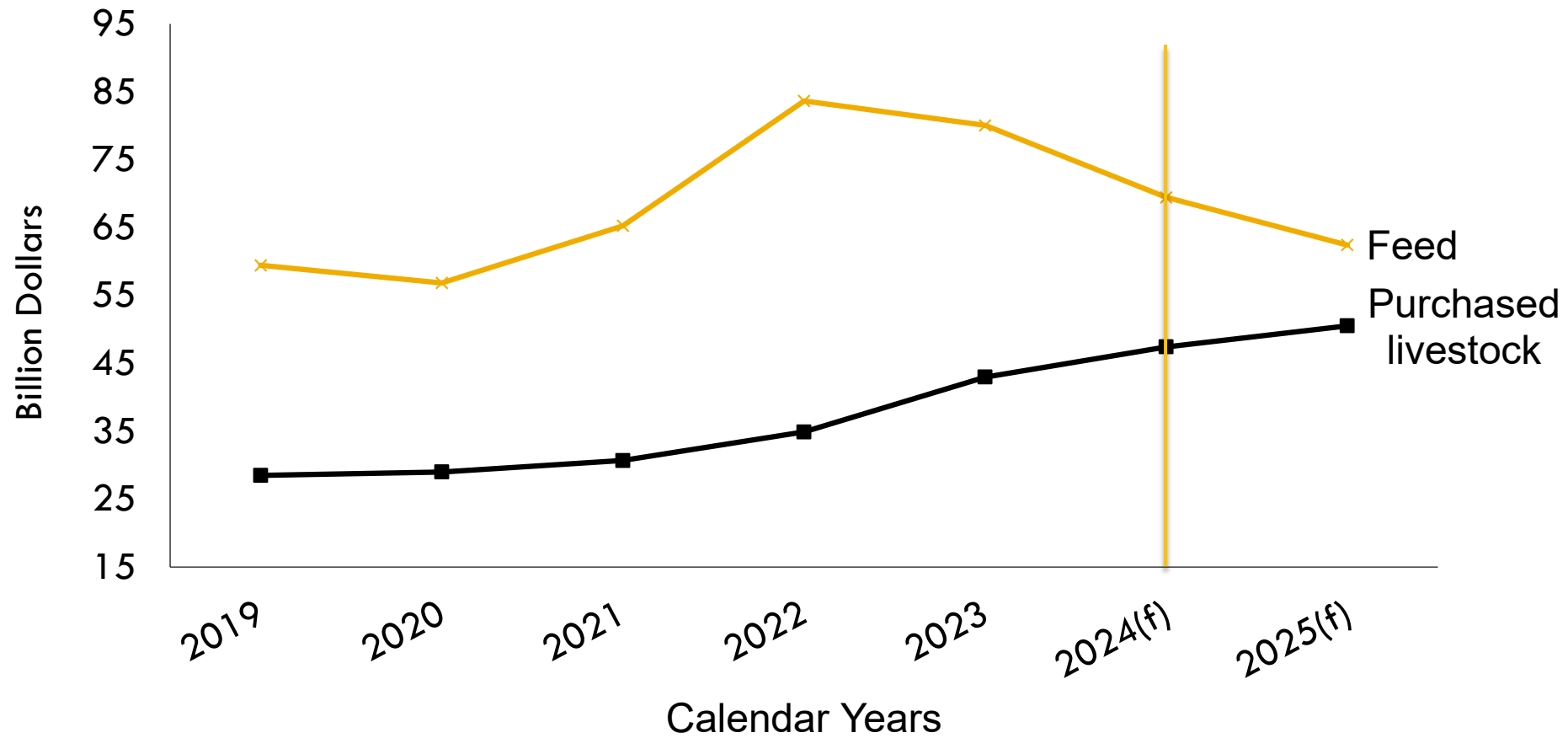
U.S. Cattle Prices



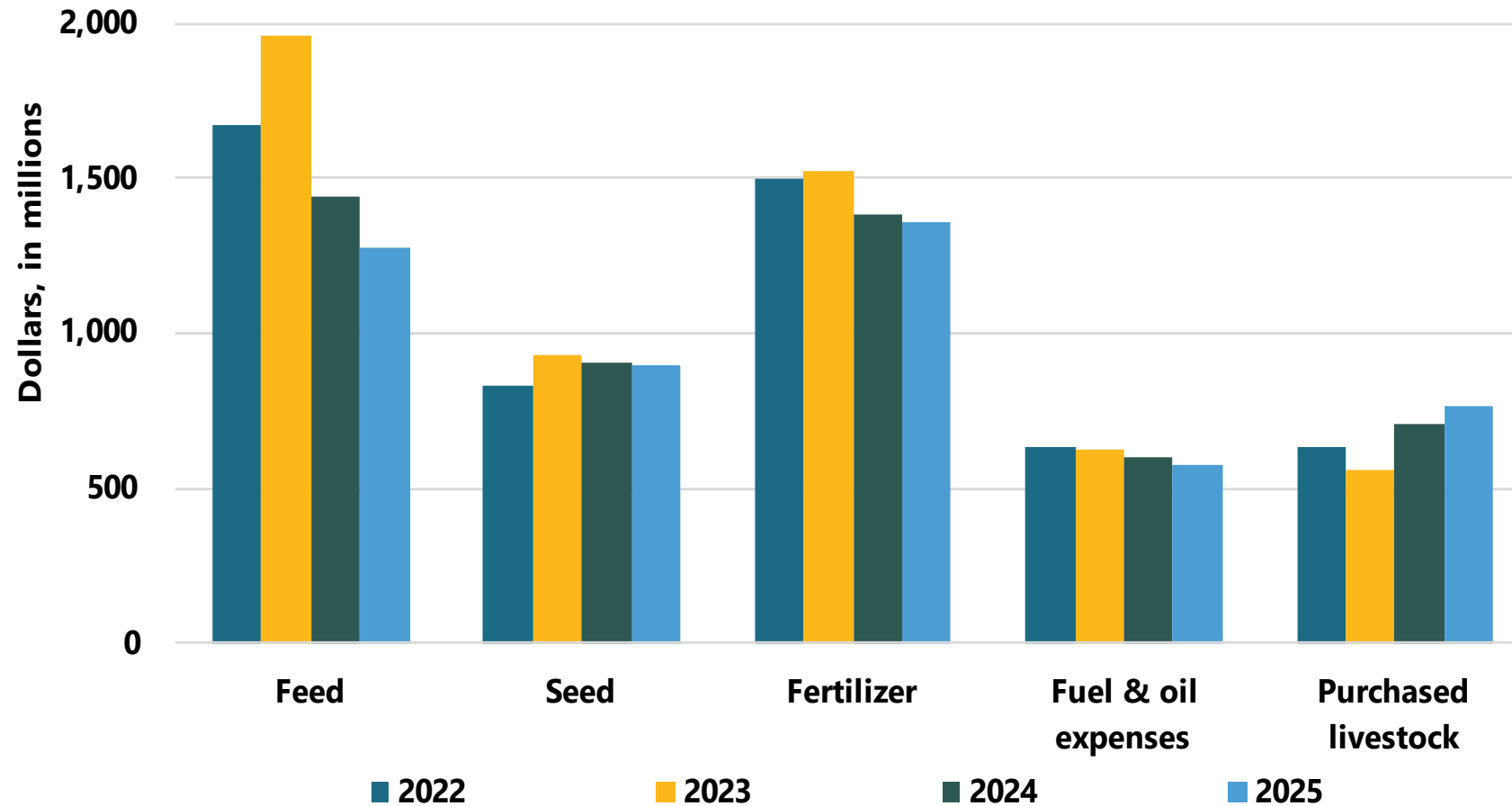
MO Livestock Receipts Stagnant in 2025



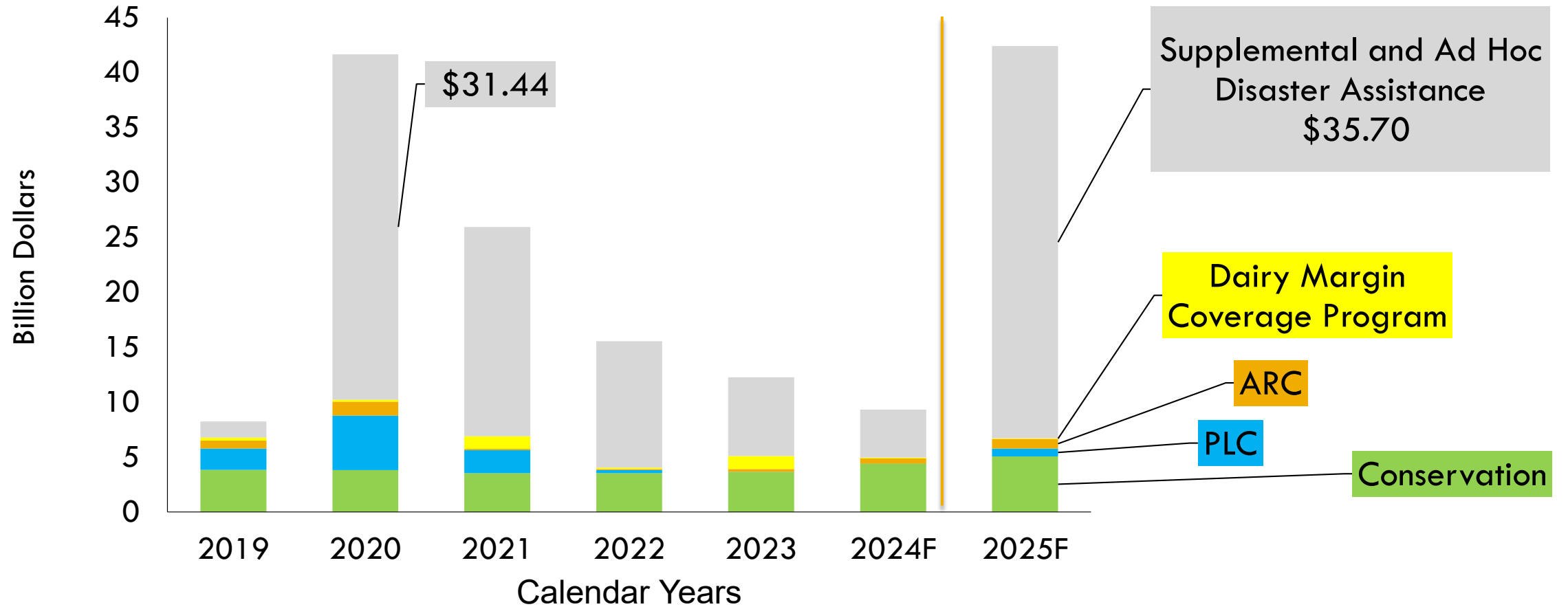
U.S. Costs of Purchased Livestock Increase, Feed Costs Decline (USDA)



Slightly Lower Crop Input Costs in Missouri



U.S. Direct Government Payments (USDA)



Emergency Commodity Assistance Program (ECAP)

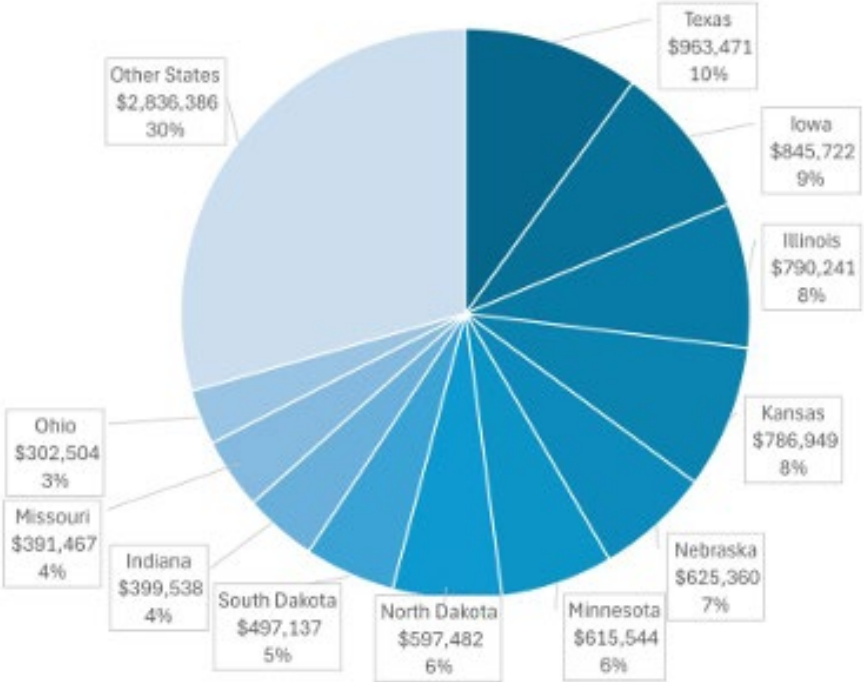


Figure 1. Total Economic Assistance by State, in thousand dollars.

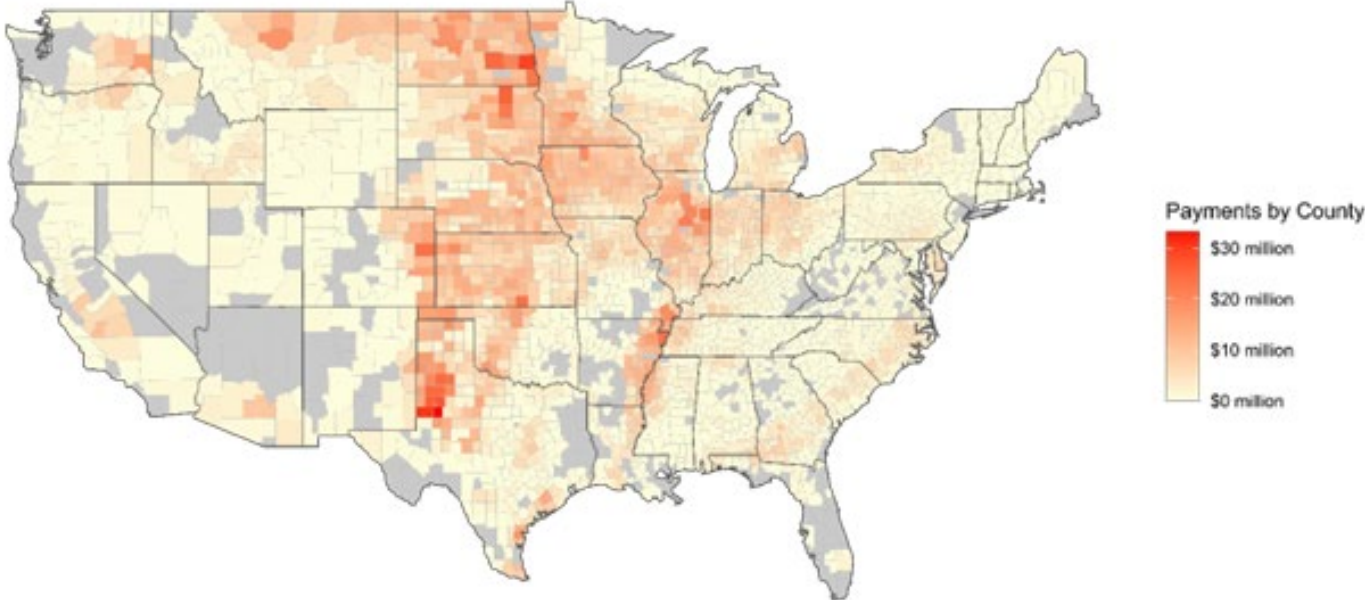


Figure 11. Total Projected Economic Assistance to Selected Crop Producers by County.
(Selected crops: barley, corn, cotton, oats, peanuts, grain sorghum, soybeans, wheat and rice).

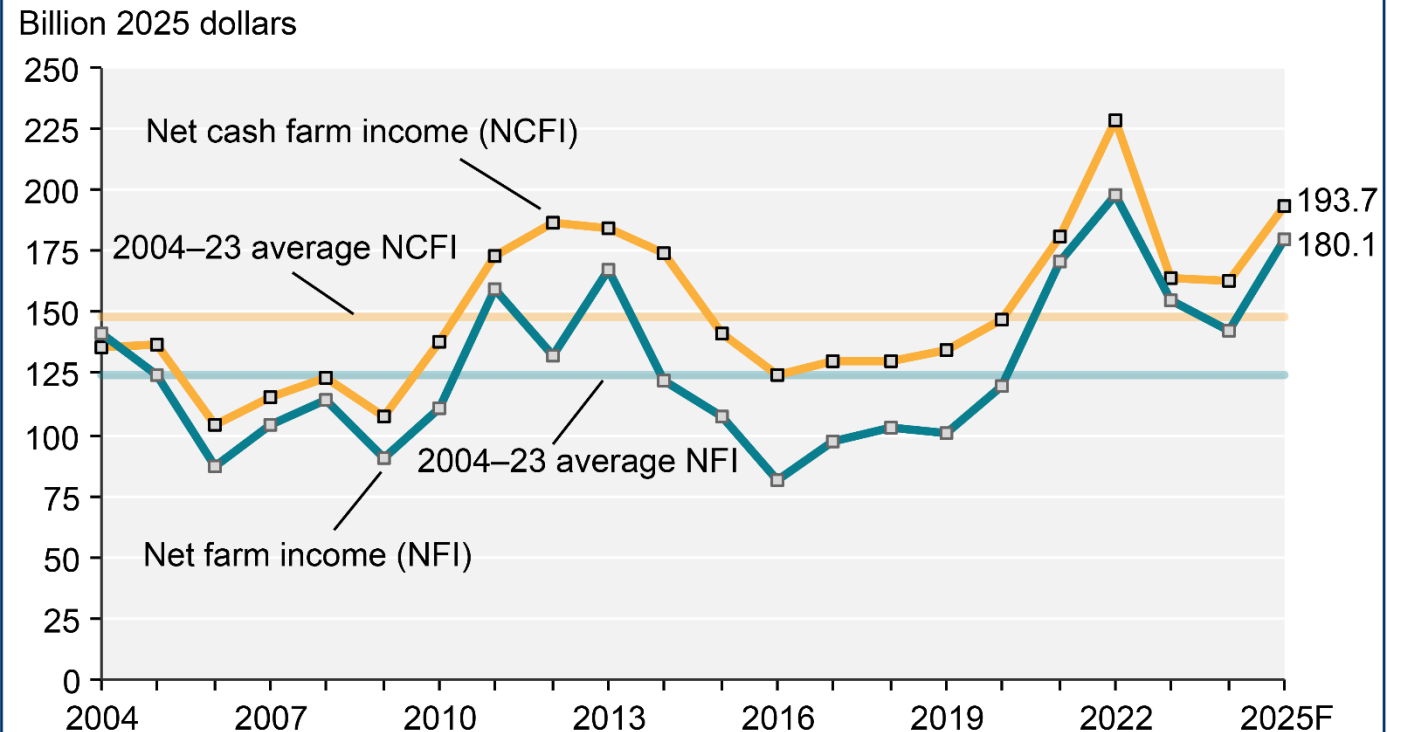
Recommended citation format: Plastina, A., and M. Rosenbohm. "American Relief Act, 2025: Economic Assistance for Crop Producers." *RaFF Policy Brief 2024-12(2)*, Division of Applied Social Sciences, University of Missouri-Columbia, December 21, 2024. Available at www.RaFF.missouri.edu

U.S. Farm Income Projection by USDA/ERS

2025F:

- NFI +\$41.0 billion (+29.5%)
- NCFI +34.5 billion (+21.7%)

U.S. net farm income and net cash farm income, inflation adjusted, 2004–25F

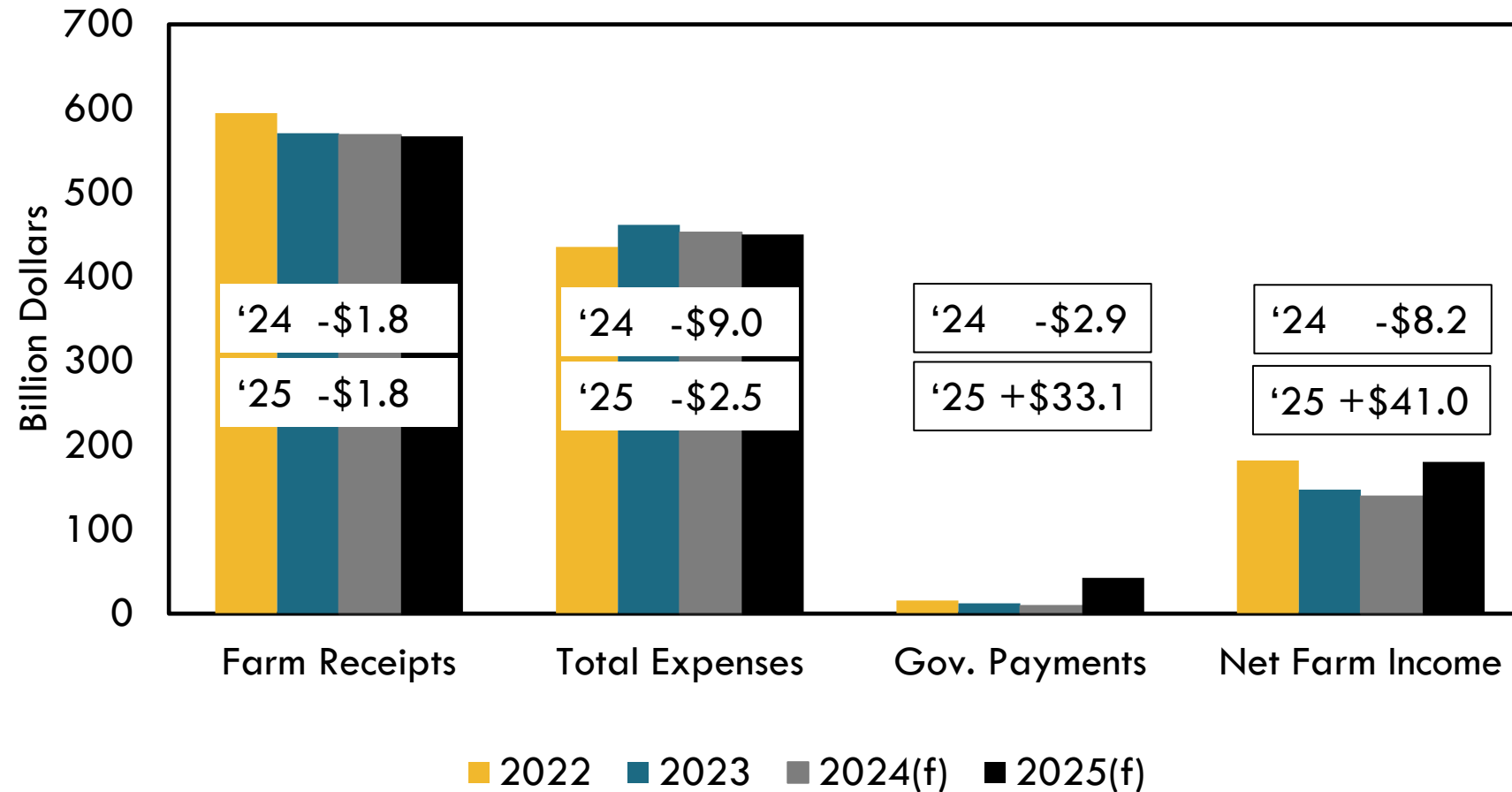


Note: F = forecast; data for 2024 and 2025 are forecasts. Values are adjusted for inflation using the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2025 by USDA, Economic Research Service.

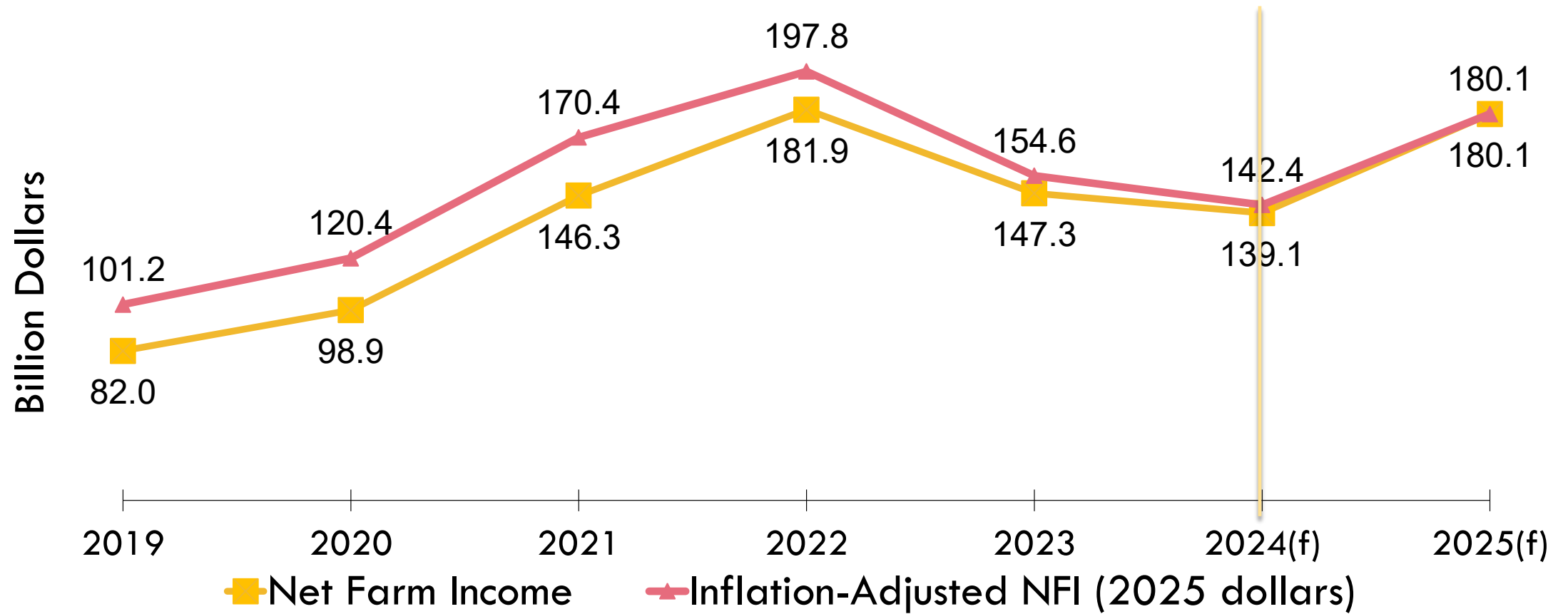
Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of February 6, 2025.



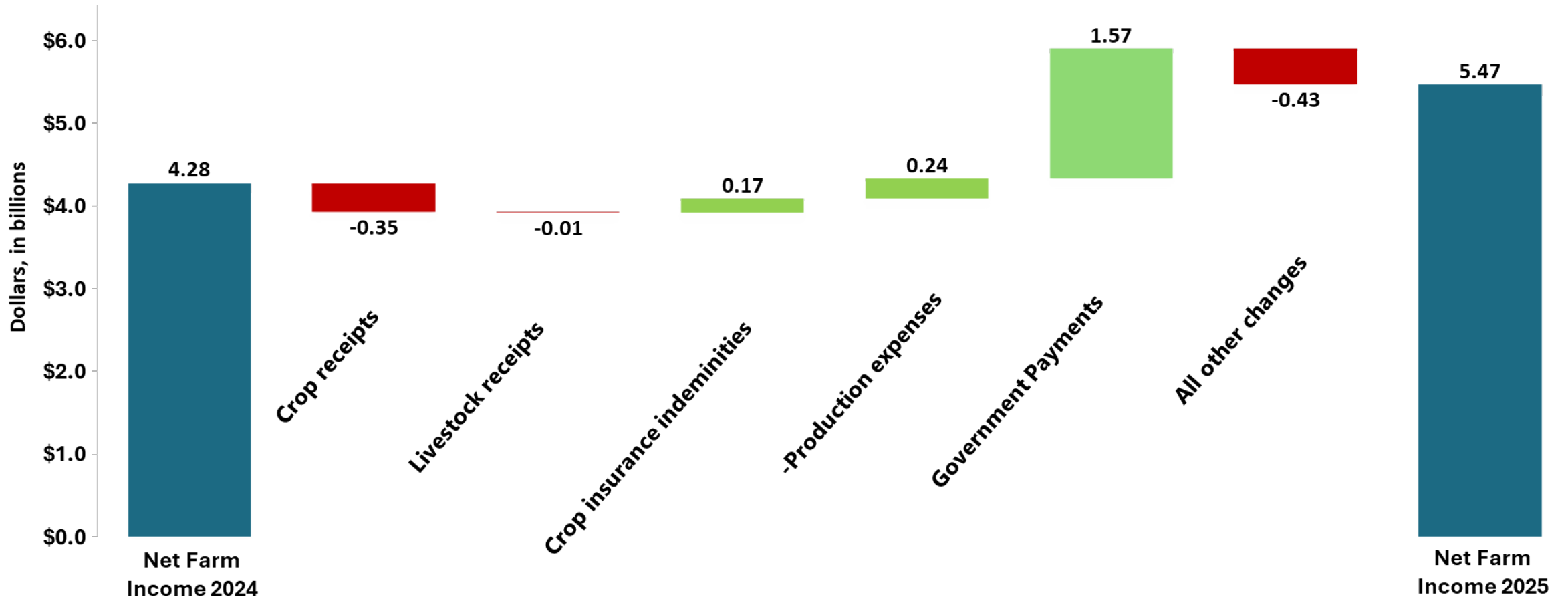
U.S. Farm Income Changes by Component (USDA)



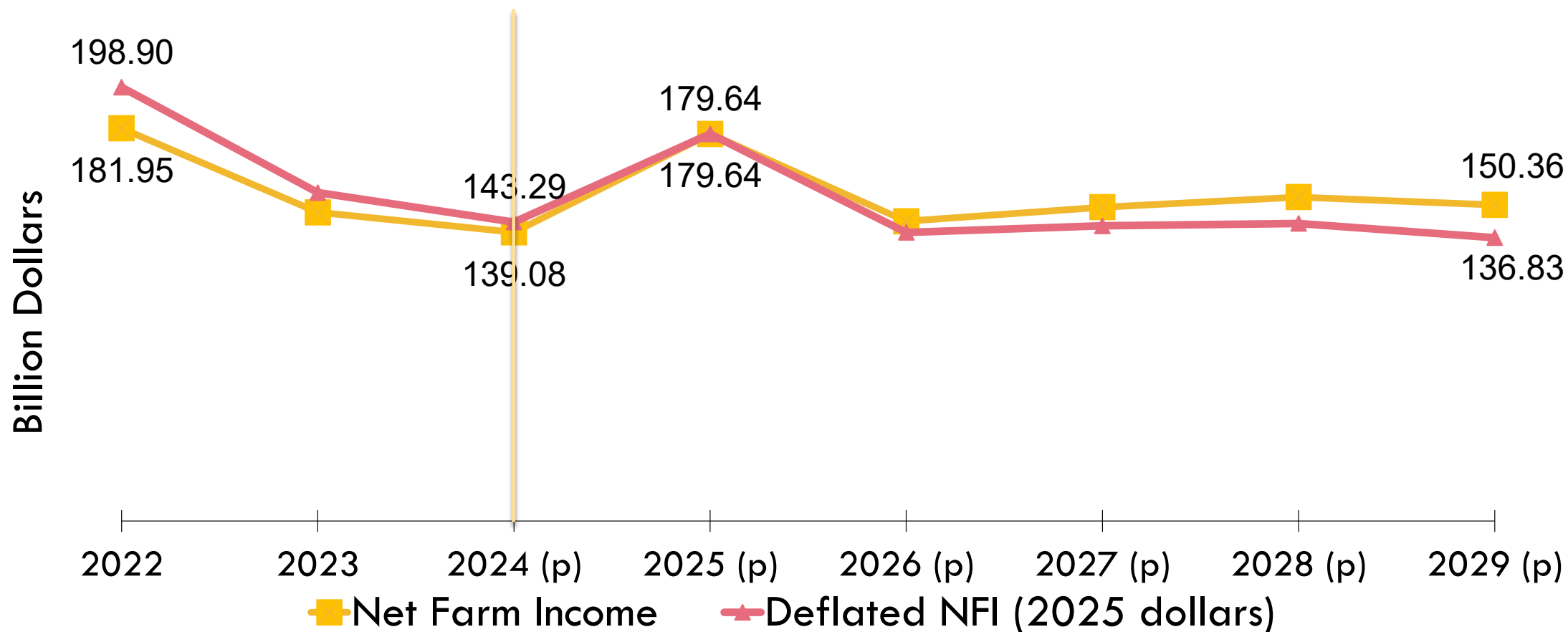
Inflation-Adjusted U.S. Net Farm Income (USDA)



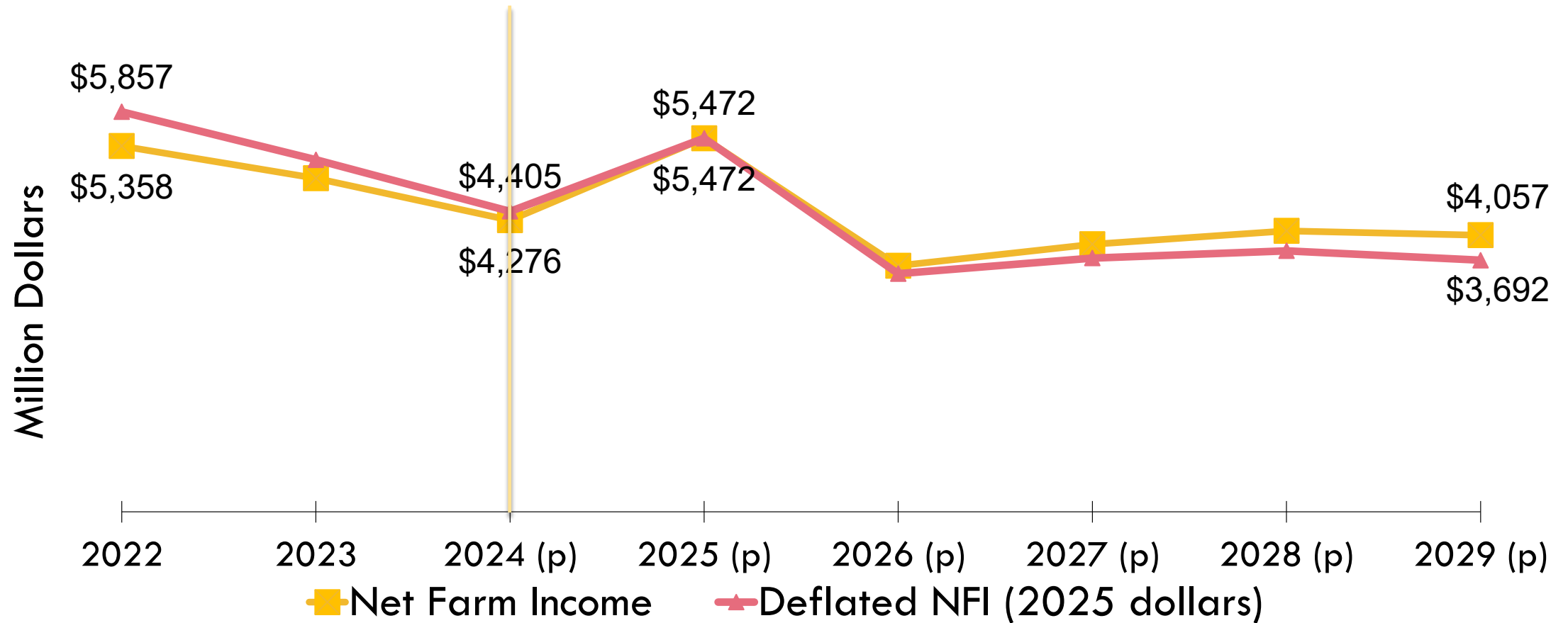
MO Net Farm Income Up by 28% in 2025 (RaFF)



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

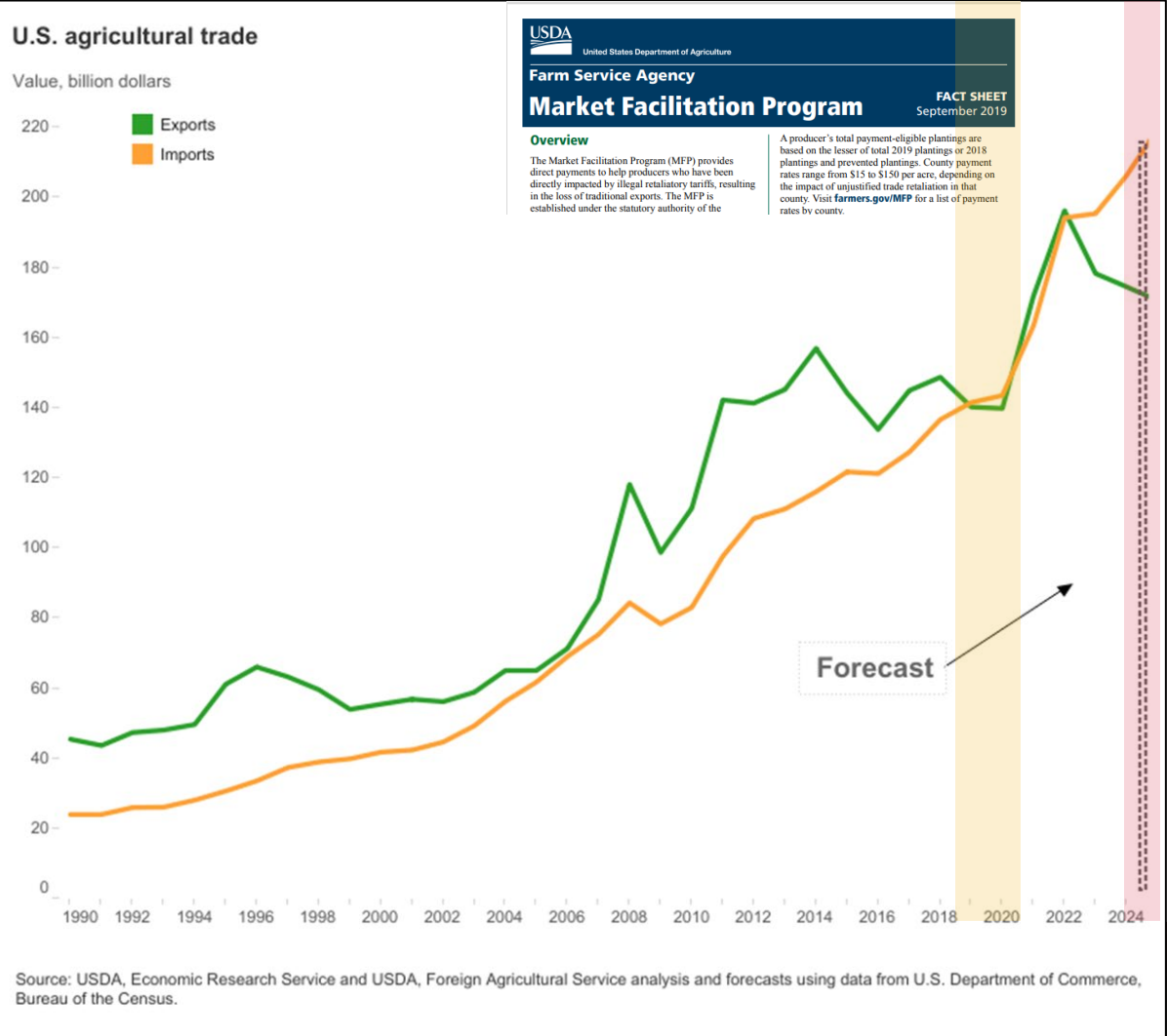
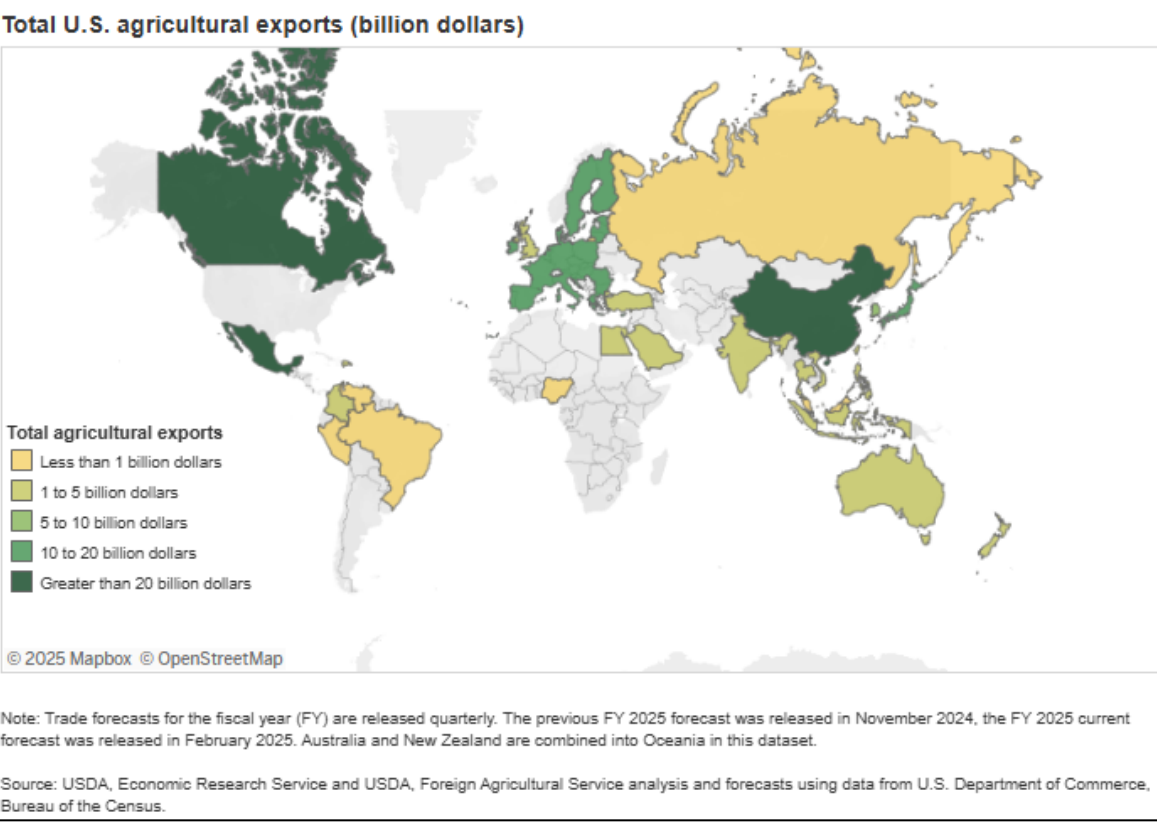


Long-term MO Net Farm Income Projections (RaFF)



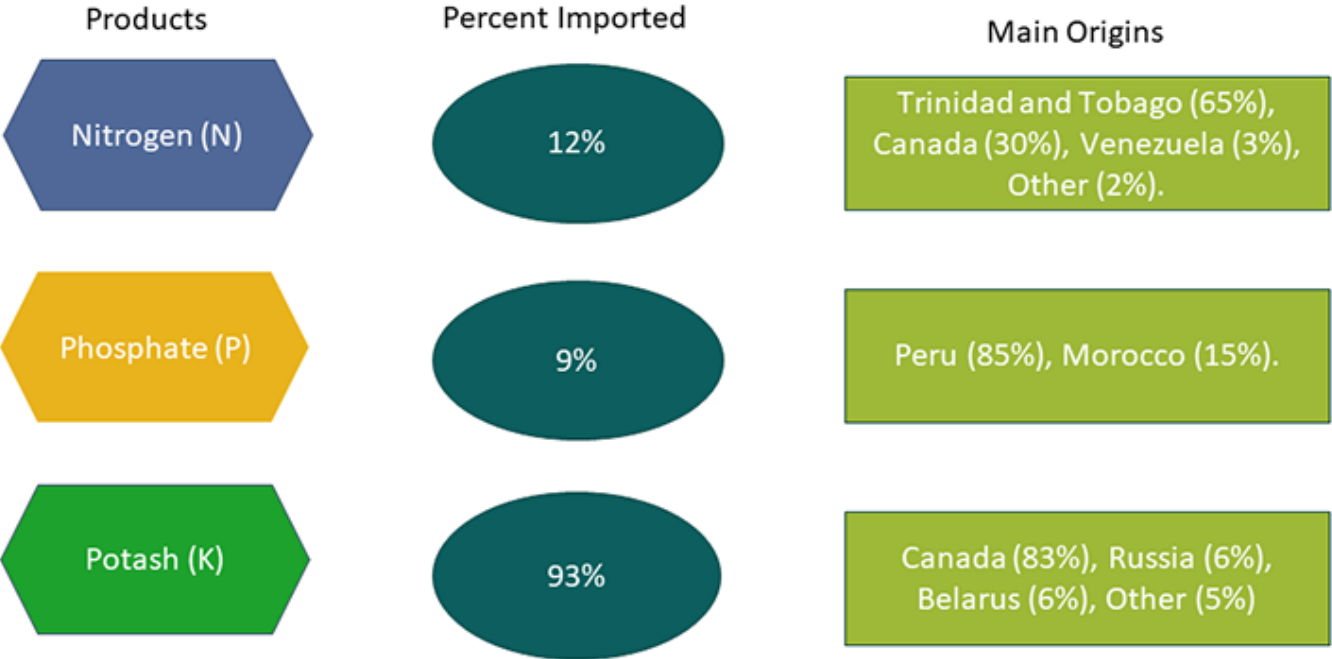
Uncertainty from Trade Effects: Ag Exports

Trade War? Re-play of 2019-20?



Uncertainty from Trade Effects: Ag Input Imports

Figure 2. Dependence on Imported Fertilizers – United States



Source: U.S. Geological Survey, 2021, Mineral commodity summaries 2021: U.S. Geological Survey, 204 p.

farmdocDAILY

- Tariffs as of March 4, 2025:
- Canada and Mexico: 25%
 - China 20%
 - Peru and Morocco 10%

Other Sources of Uncertainty

- Interest rates?
- Other input costs?
- New Farm Bill?
- Changes to ARC/PLC?
- Biofuels?



How can Missouri producers prepare for 2026?

- **Major concern: cash flow / liquidity**
- **Solvency** hit, but still strong:
 - ▣ Stable to Declining land values
 - ▣ Declining machinery values
- Medium term problem → strategy for 2-3 years



1. Protect working capital

- Are all assets productive? Can some be shed?
- Breaking even on rented land? Is that sustainable?
- Revise scale of operation and fixed costs over next 2-3 years.
- Tax management: visit with Tax Advisor (Carry back Operating Losses to obtain tax refunds?)



2. Avoid cash shortages

- Project cash flow needs in 2025 and 2026
- Use various yield-price combinations to evaluate lowest, highest, average cash need
- Secure operating loan/emergency loan terms
- Be very careful with new capital expenditures



3. Diversify income sources

- Can non-farm income be added or maintained?
- Consider alternative sources of revenue with same assets: custom work, snow removal, truck driving in fall & winter, ???



4. Revise production costs

- Revise production plans, especially on rented land (renegotiate rent?)
- Can changes be made to generate savings that offset reductions in revenue?
 - Lower fertilizer rates?
 - Seeds with fewer traits but higher crop management requirements?
 - Seek volume discounts in seeds, chemicals, etc.
- Visit with Agronomist: update production skills, evaluate where to cut cost

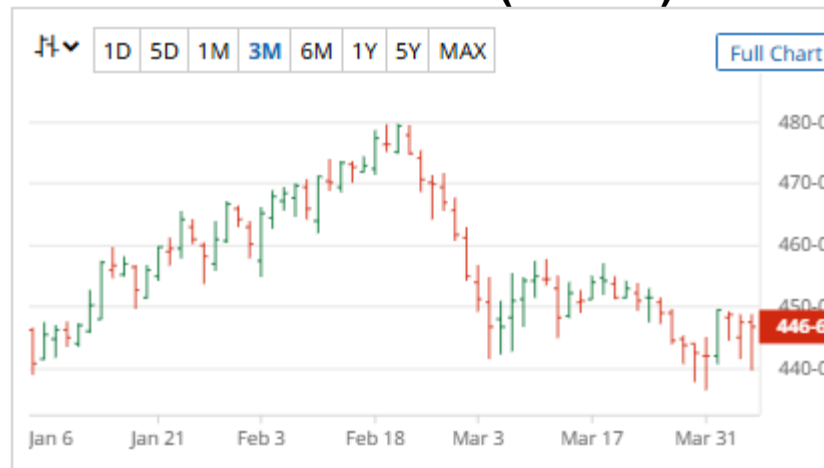


5. Actively manage risks

- **Know your break-even prices**
- Design a marketing plan with price and date targets and stick to it
- Lock-in margins whenever possible
- Revise Crop Insurance (no harvest price option, lower coverage level?)
- Revise use of forward contract + crop insurance to finance inputs

www.barchart.com

Corn Dec '25 (ZCZ25)



Soybean Nov '25 (ZSX25)



6. Revise family living expenses

- Revise family living expenditures:
 - Vacation plans
 - House remodeling plans
 - Truck purchase
 - Can you afford the RV or vacation home?



7. Secure repayment capacity

- Work a plan with lender(s) for 2-3 years
- If interest rates decline:
 - ▣ Short repayment schedules reduce cash flow vs. long repayment schedules
 - ▣ Try to extend repayment schedules on equipment & real estate loans



8. Revise growth strategy

Depending on operation's growth stage:

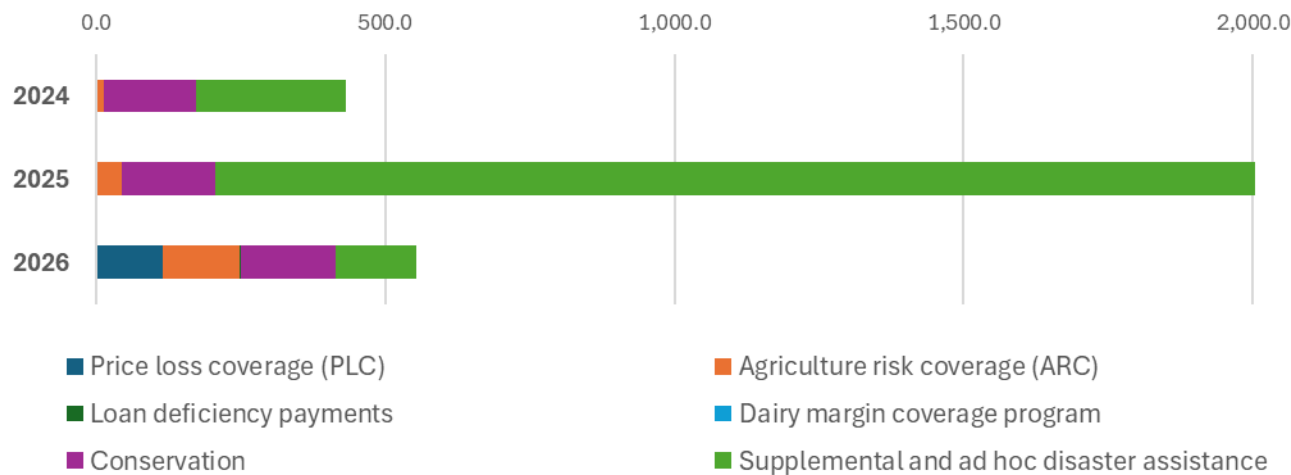
- Offload unproductive assets
- Downsize (rented acres?)
- Slow down growth (do you need new paint, more acres?)
- Beginning farmers: do you need to own land?
- Align short term needs with long term growth goals



9. Sign-up for government programs by April 15

- Emergency Commodity Assistance Program (ECAP)
- Enroll in ARC/PLC

MO Direct Gvt. Pmts.



BARLEY	\$21.67	RICE	\$76.94 (LONG AND MEDIUM)
CHICK-PEAS	\$31.45 (SMALL) \$24.02 (LARGE)	SOY-HUM	\$42.52
CORN	\$42.91	SOY-BEANS	\$29.76
COTTON	\$84.74 (UPLAND & EXTRA-LONG STAPLE COTTON)	WHEAT	\$30.69
LENTILS	\$19.30	OIL SEEDS	
OATS	\$77.66	CANOLA	\$31.83
PEANUTS	\$75.51	CRAMBE	\$19.08
PEAS	\$16.02	FLAX	\$20.97
		MUSTARD	\$11.36
		RAPESEED	\$23.63
		SAFFLOWER	\$26.32
		SESAME	\$16.83
		SUNFLOWER	\$27.23

Thank you for your attention. What questions do you have?

Dr. Alejandro Plastina

Rural and Farm Finance Policy Analysis Center (RaFF)

University of Missouri

130 Mumford Hall

Columbia, MO 65211

(573) 882 – 3861

Follow RaFF on X **@RaFFfinance**

Follow Alejandro on X **@a_plastina**

Follow RaFF on LinkedIn:

<https://www.linkedin.com/ruralfarmfinancecenter>

Find policy briefs and data releases from RaFF

<https://ruralandfarmfinance.com/publications/>



Receive the latest
RaFF updates in
your inbox

