

Farm Financial Update

2025 Illinois Farm Economics Summit



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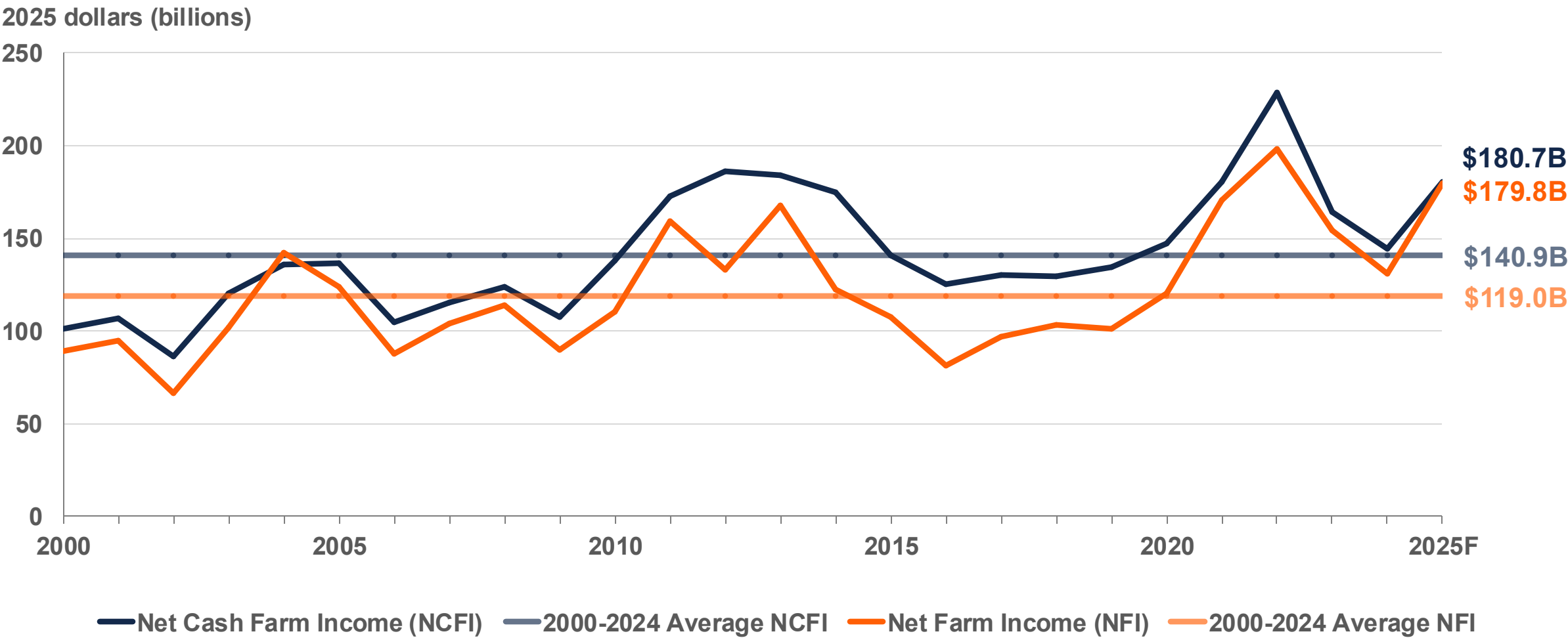


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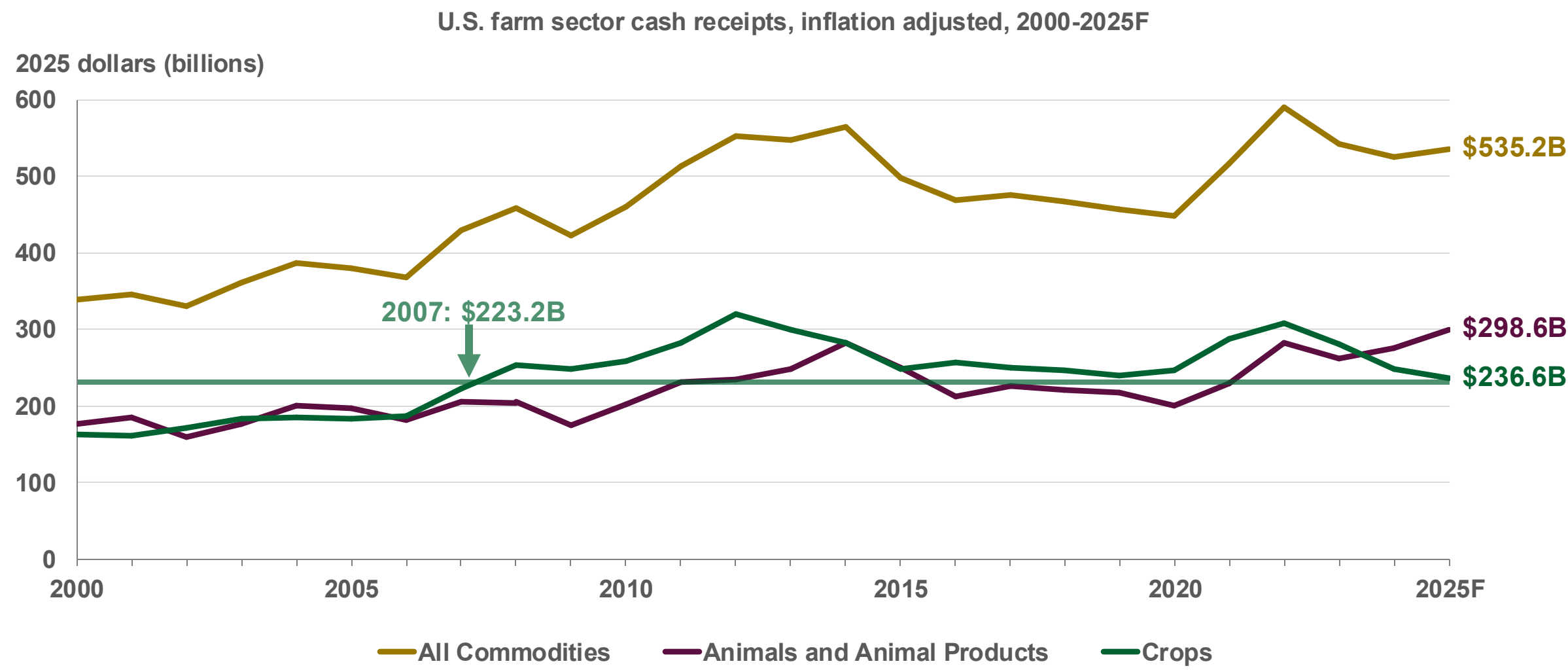
Net farm incomes are projected to increase in 2025

U.S. net farm income and net cash farm income, inflation adjusted, 2000-2025F



Source: U.S. Department of Agriculture, Economic Research Service. (2025, September 3). *Farm sector income & finances: Farm sector income forecast.*

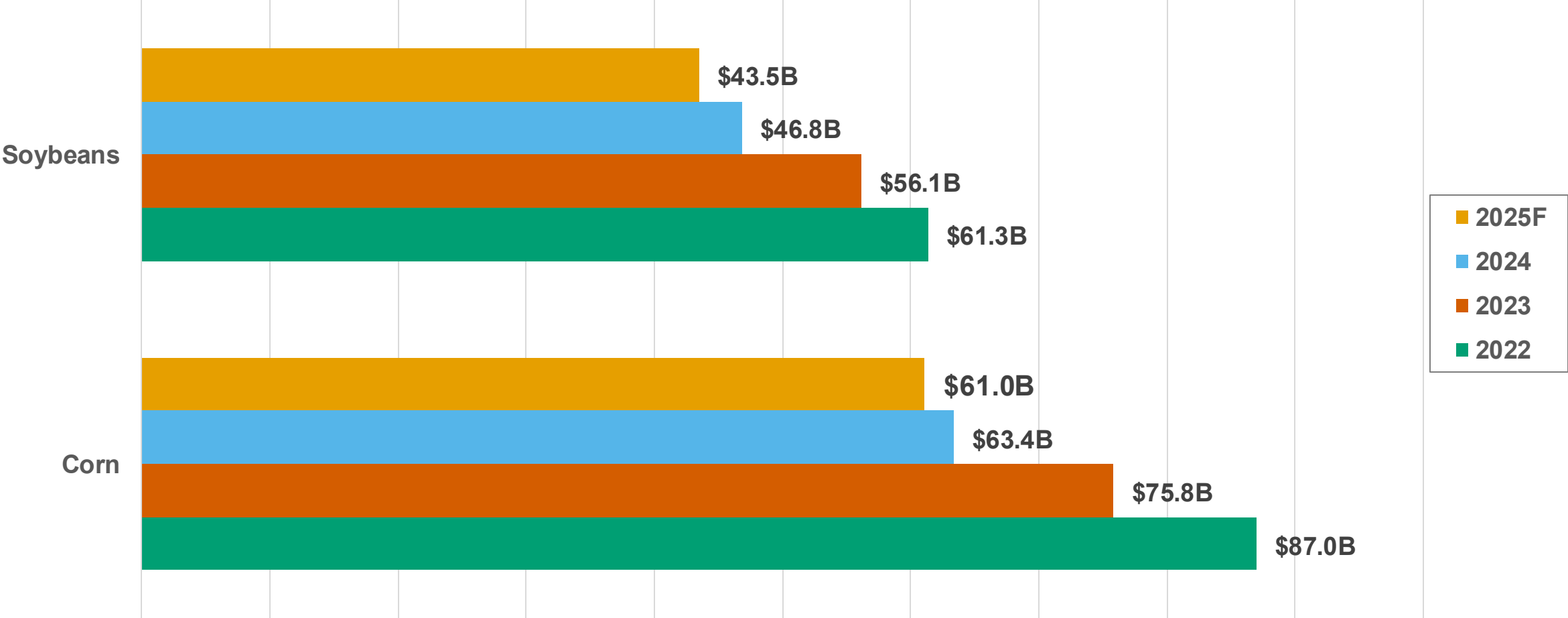
U.S. farm sector cash receipts forecasted to increase in 2025



Source: U.S. Department of Agriculture, Economic Research Service. (2025, September 3). *Farm sector income & finances: Farm sector income forecast.*

Soybean cash receipts projected to fall by \$3.4B in 2025, while corn cash receipts projected to fall by \$2.3B

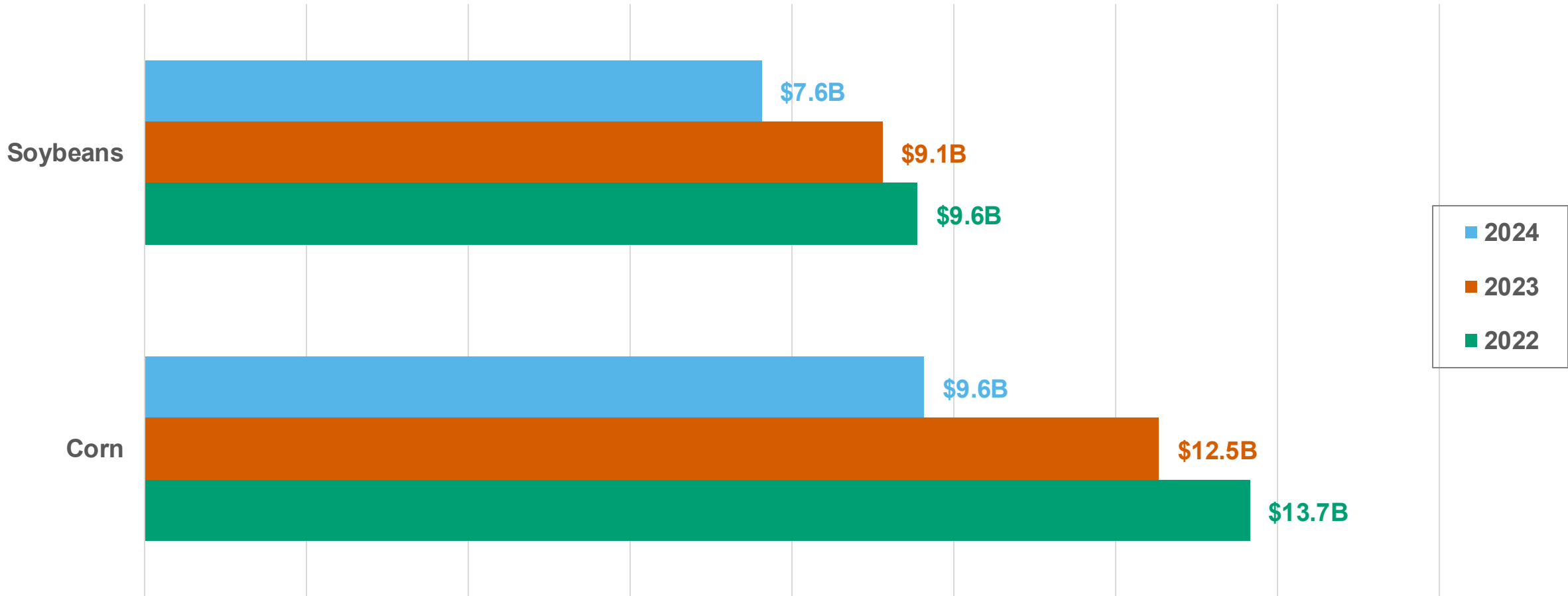
U.S. farm sector cash receipts for corn and soybeans, 2022-2025F



Source: U.S. Department of Agriculture, Economic Research Service. (2025, September 3). *Farm sector income & finances: Farm sector income forecast.*

Soybean cash receipts in IL fell by \$1.5B in 2024, while corn cash receipts fell by \$2.9B

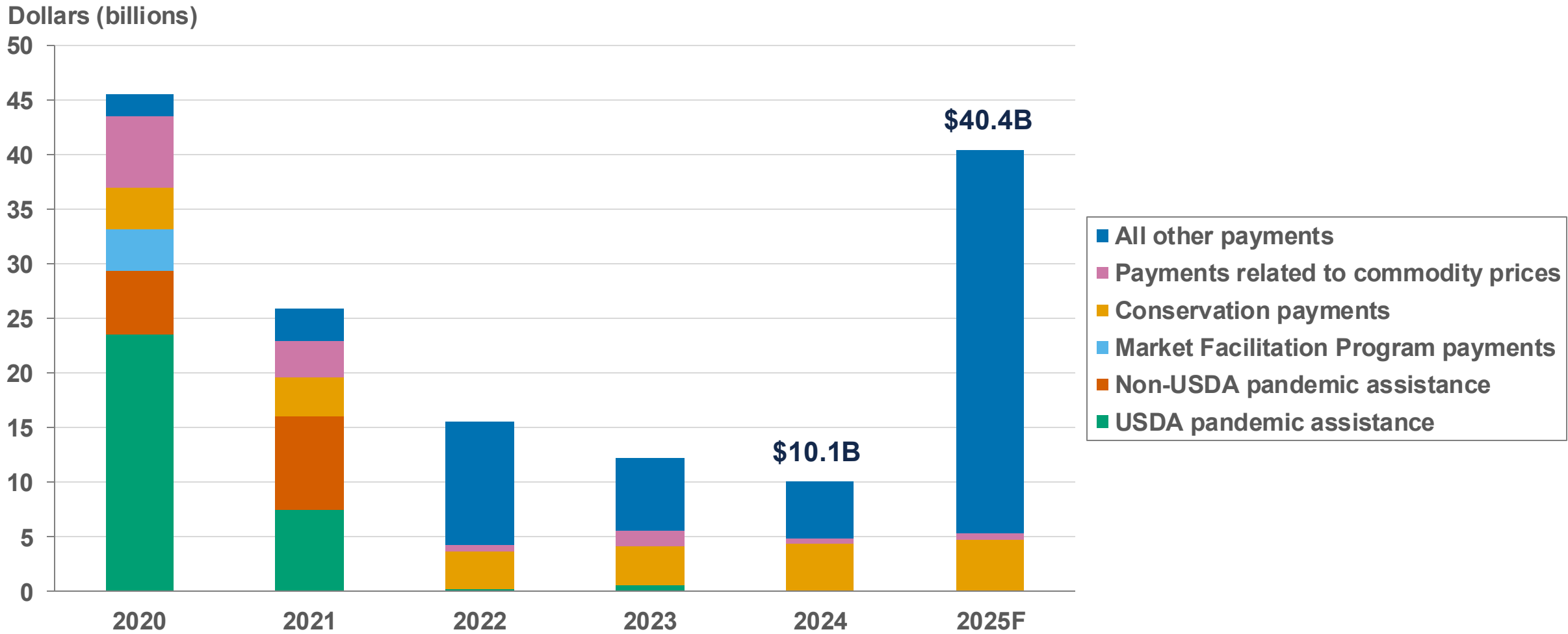
IL cash receipts for corn and soybeans, 2022-2024



Source: U.S. Department of Agriculture, Economic Research Service. (2025, September 3). *Farm sector income & finances: Farm sector income forecast.*

\$40.5B in direct government farm program payments projected in 2025

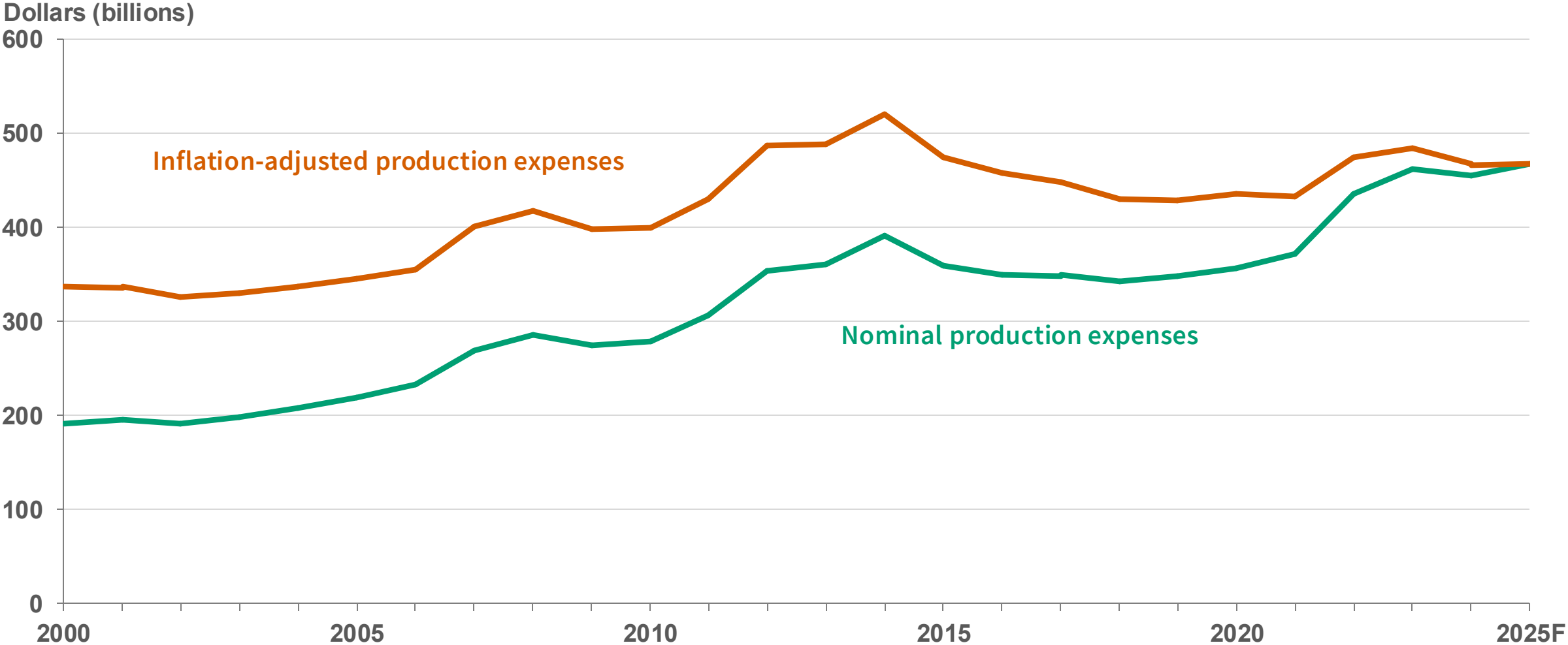
Direct government payments to U.S. farm producers, 2020-2025F



Source: U.S. Department of Agriculture, Economic Research Service. (2025, September 3). *Farm sector income & finances: Farm sector income forecast.*

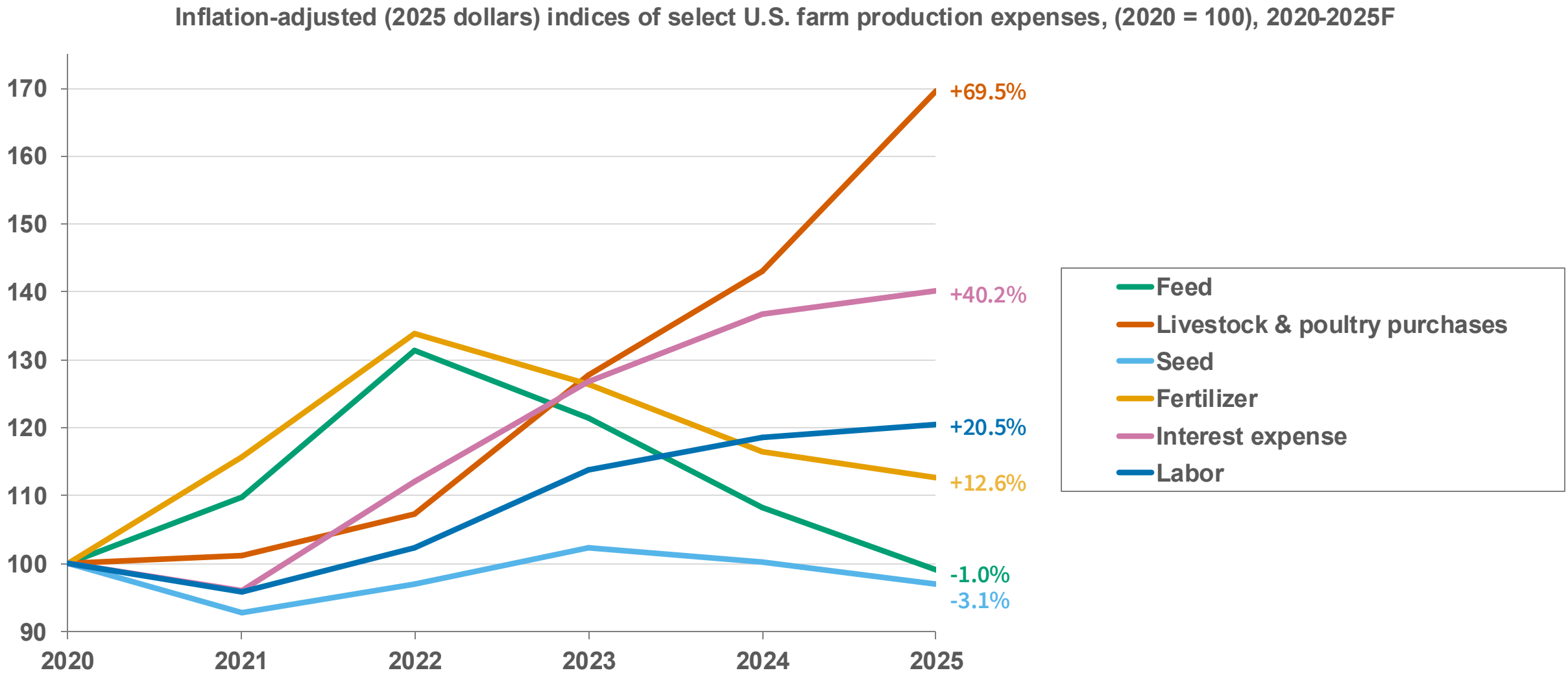
\$467.4B in farm sector production expenses projected in 2025

Nominal and inflation adjusted U.S. farm production expenses, 2000-2025F



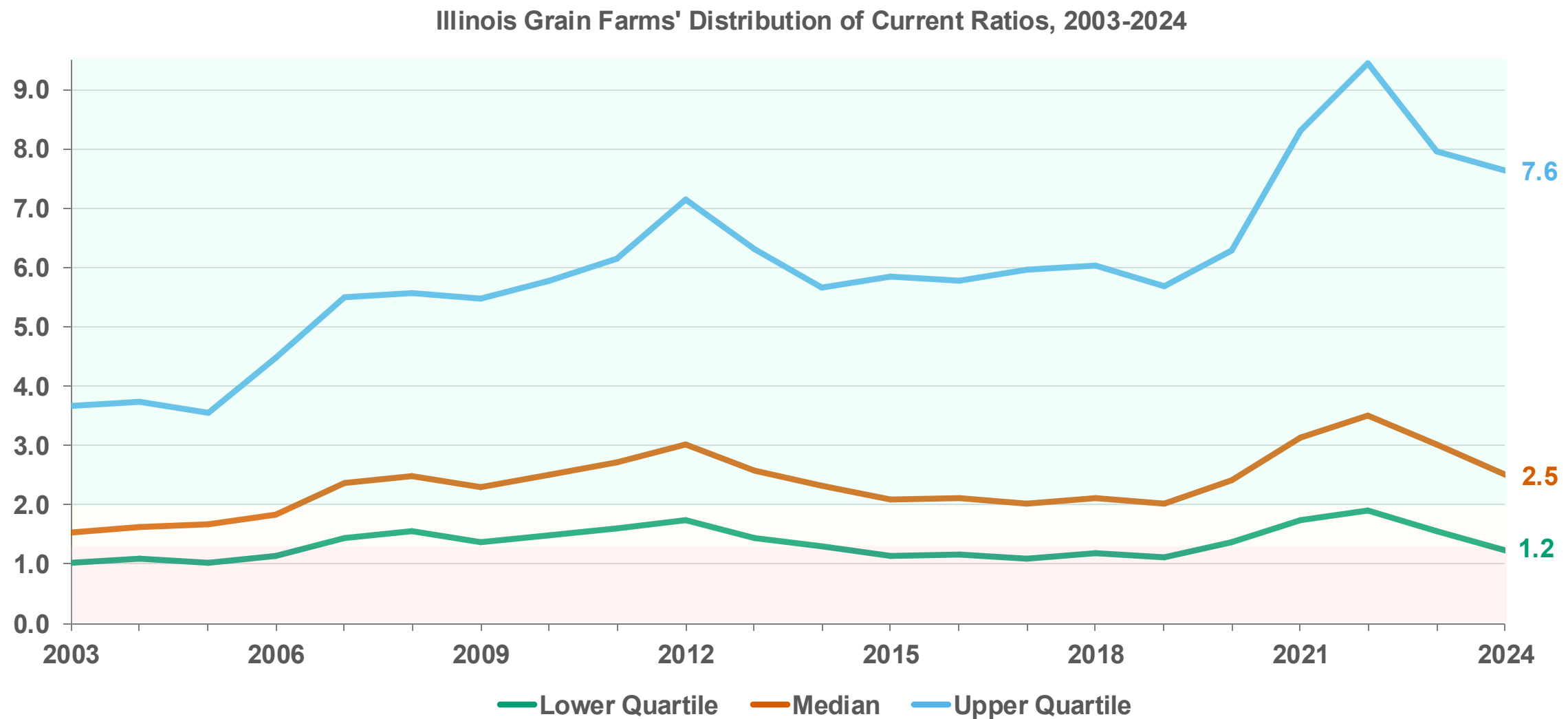
Source: U.S. Department of Agriculture, Economic Research Service. (2025, September 3). *Farm sector income & finances: Farm sector income forecast.*

Livestock & poultry purchases have increased by 69.5% since 2020 in real terms



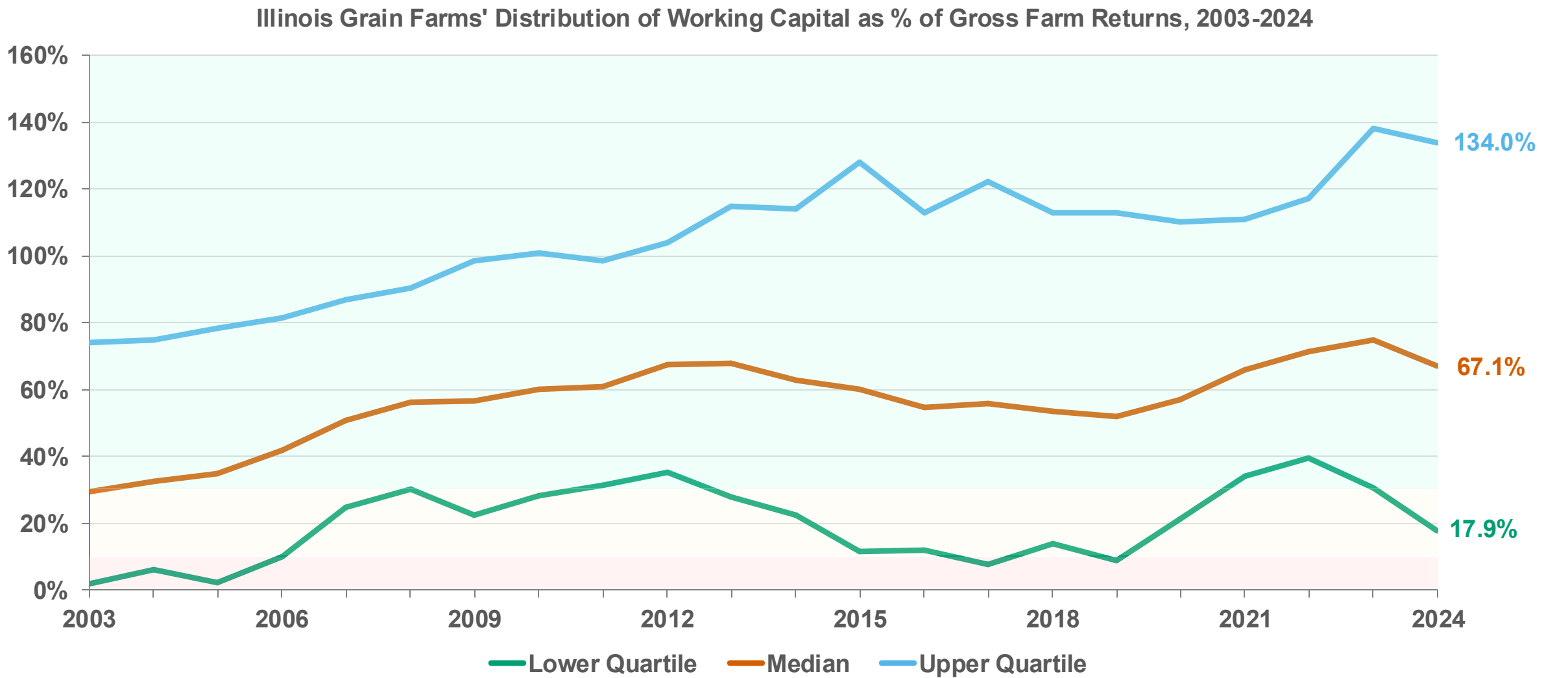
Source: U.S. Department of Agriculture, Economic Research Service. (2025, September 3). *Farm sector income & finances: Farm sector income forecast.*

The liquidity of IL grain farms declined in 2024: Current Ratio



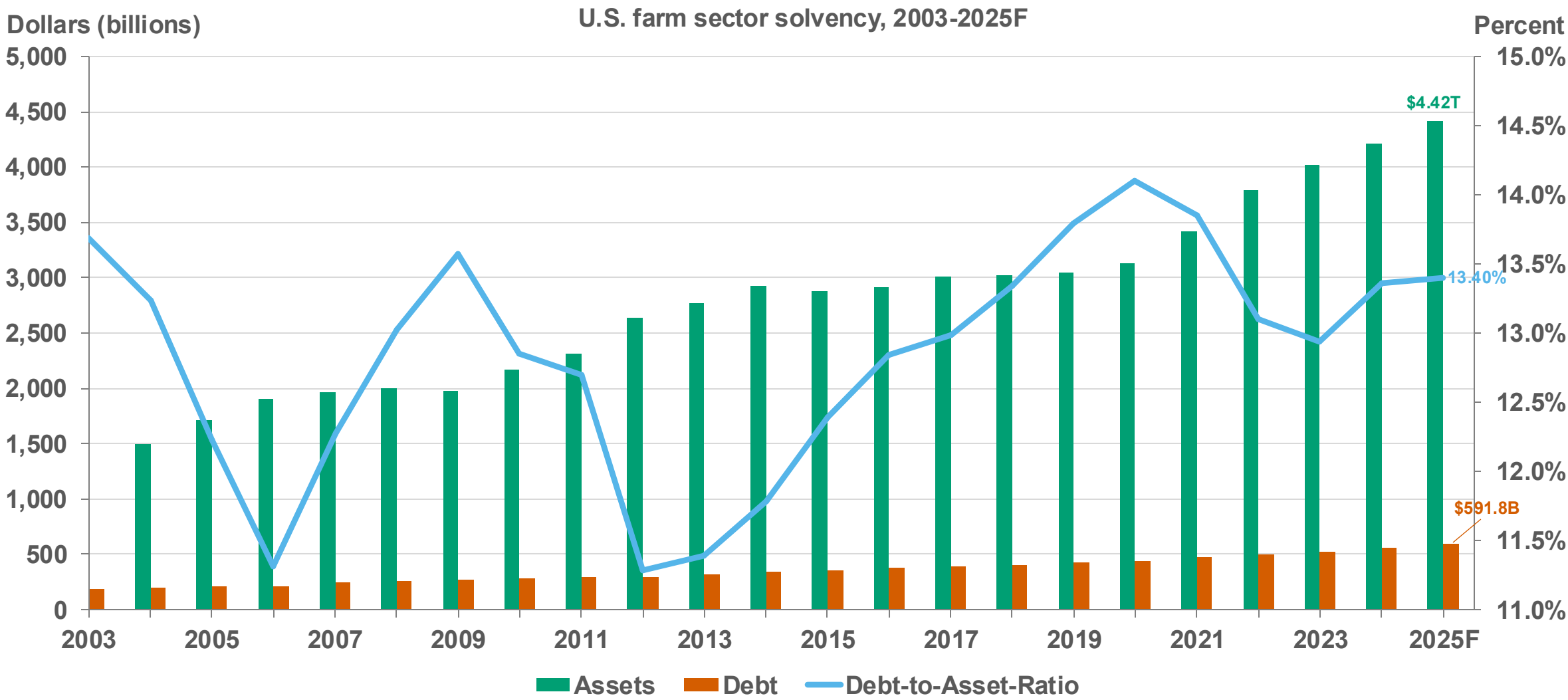
Source: Farm Business Farm Management (FBFM).

The liquidity of IL grain farms declined in 2024: Working Capital as % of Gross Farm Returns



Source: Farm Business Farm Management (FBFM).

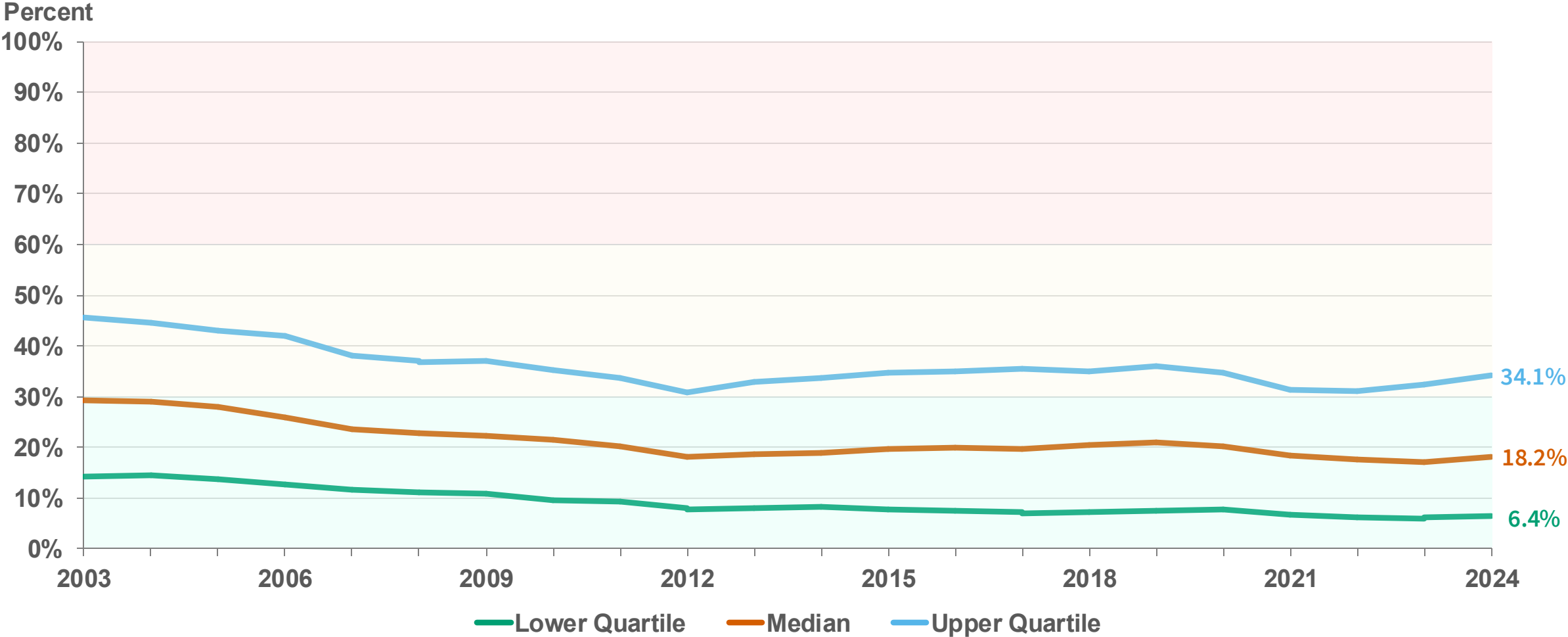
U.S. farm sector debt projected to increase to \$591.8B in 2025



Source: U.S. Department of Agriculture, Economic Research Service. (2025, September 3). *Farm sector income & finances: Farm sector income forecast.*

The majority of IL grain farms had strong debt-to-asset ratios in 2024

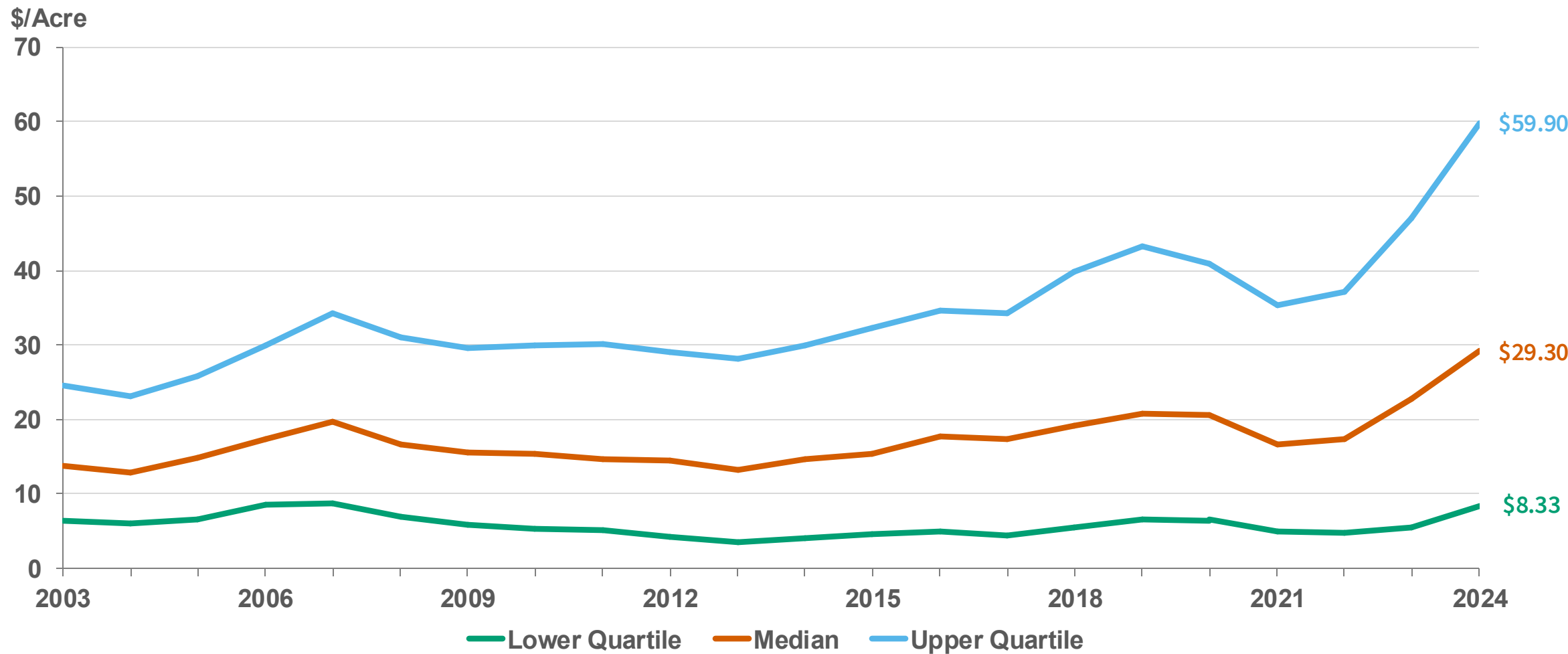
Illinois Grain Farms' Distribution of Debt-to-Asset-Ratios, 2003-2024



Source: Farm Business Farm Management (FBFM).

Debt servicing costs on a per acre basis have risen sharply since 2022

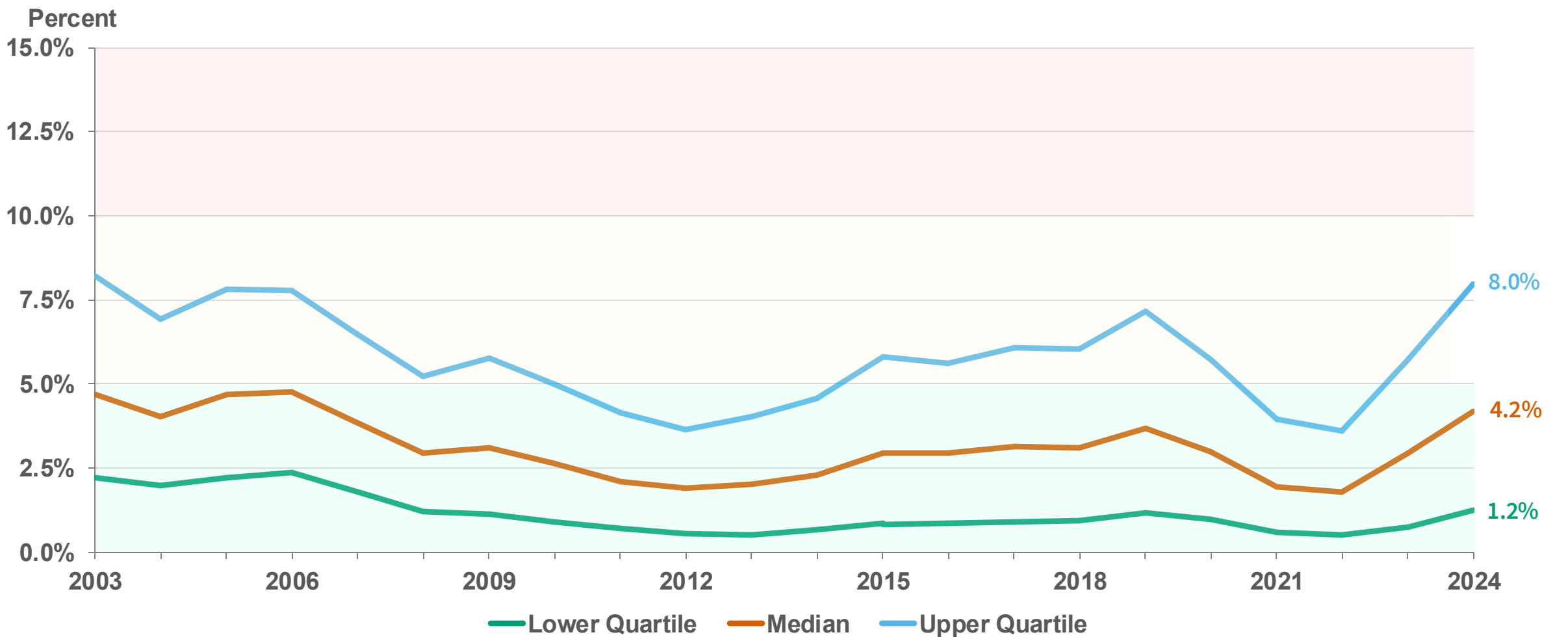
Illinois Grain Farms' Distribution of Interest per Tillable Acre (\$/Acre), 2003-2024



Source: Farm Business Farm Management (FBFM).

Financial efficiency has been deteriorating since 2022: Interest Expense Ratio

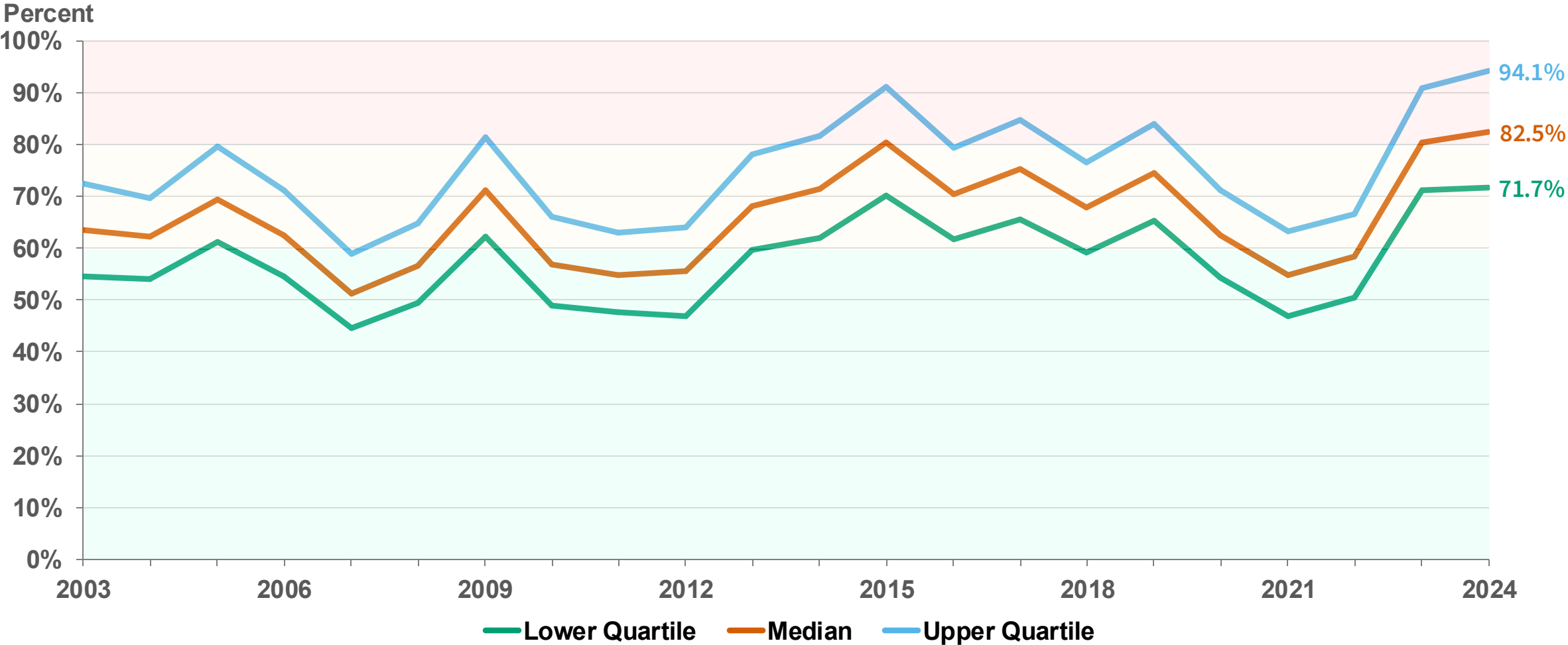
Illinois Grain Farms' Distribution of Interest Expense Ratios, 2003-2024



Source: Farm Business Farm Management (FBFM).

Financial efficiency has been deteriorating since 2022: Operating Expense Ratio

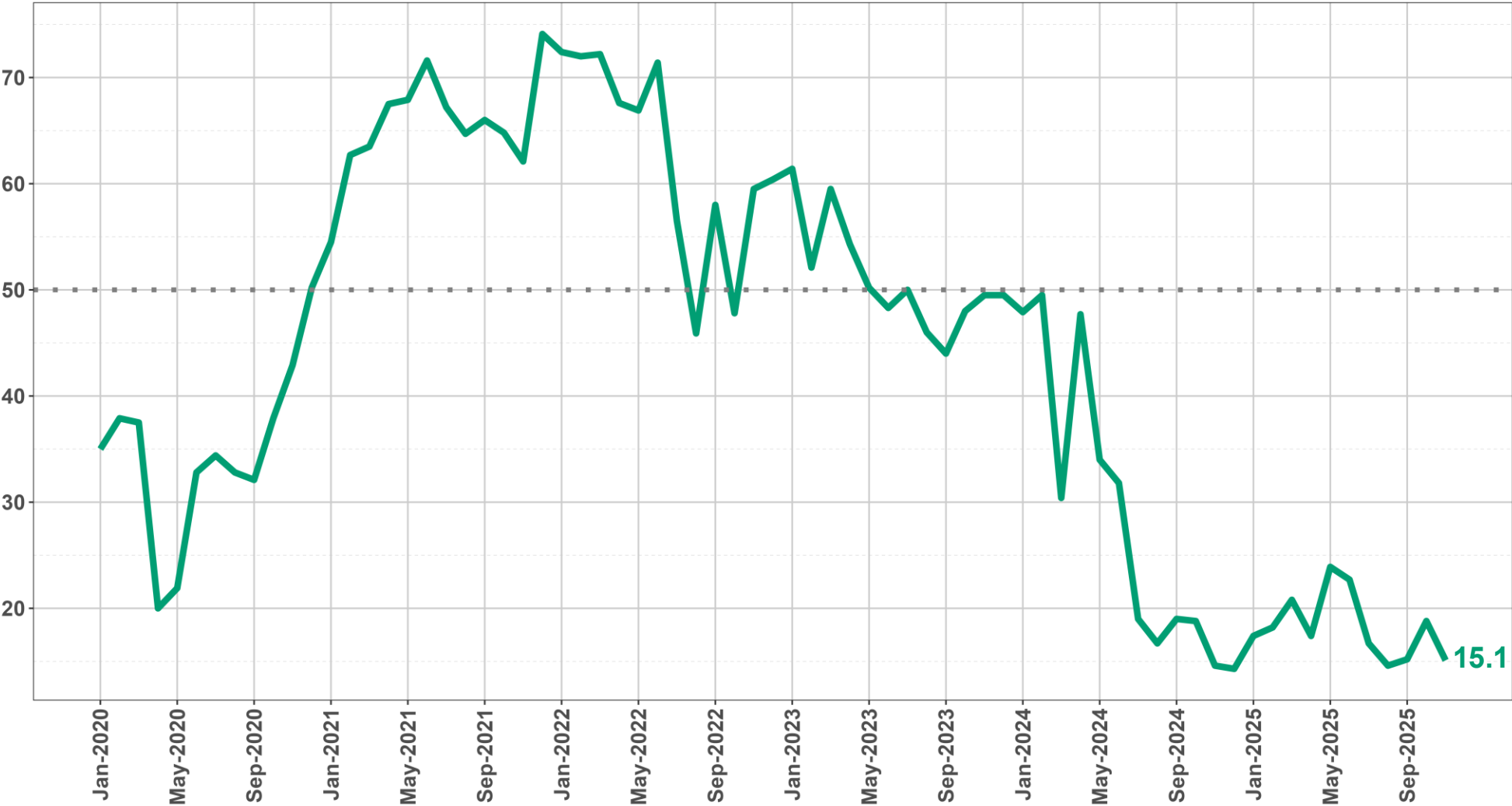
Illinois Grain Farms' Distribution of Operating Expense Ratios, 2003-2024



Source: Farm Business Farm Management (FBFM).

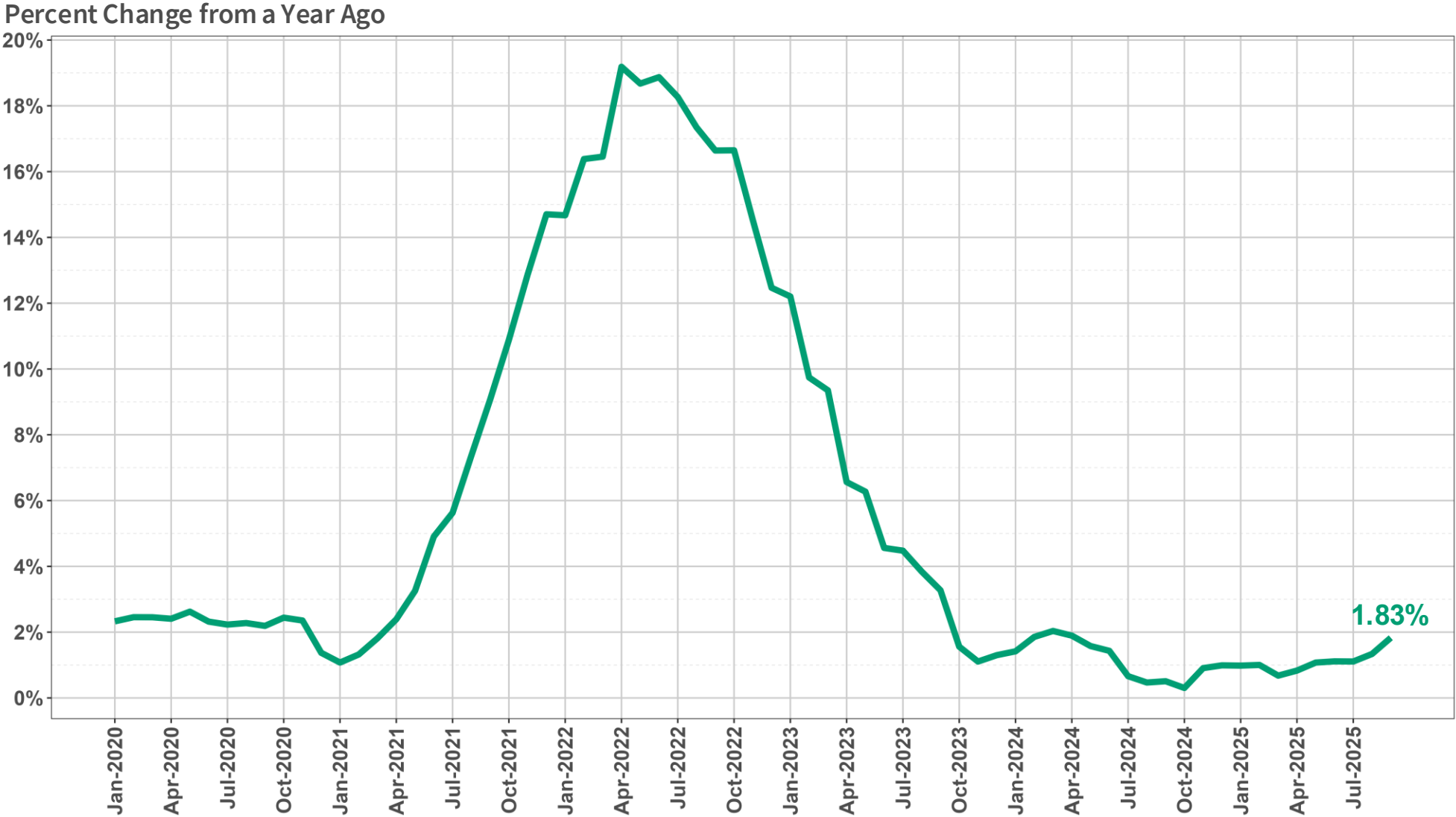
The Farm Machinery & Equipment Market: Rural Mainstreet Index-Monthly Farm Equipment Sales

Farm Equipment Sales Index (50 = Growth Neutral)



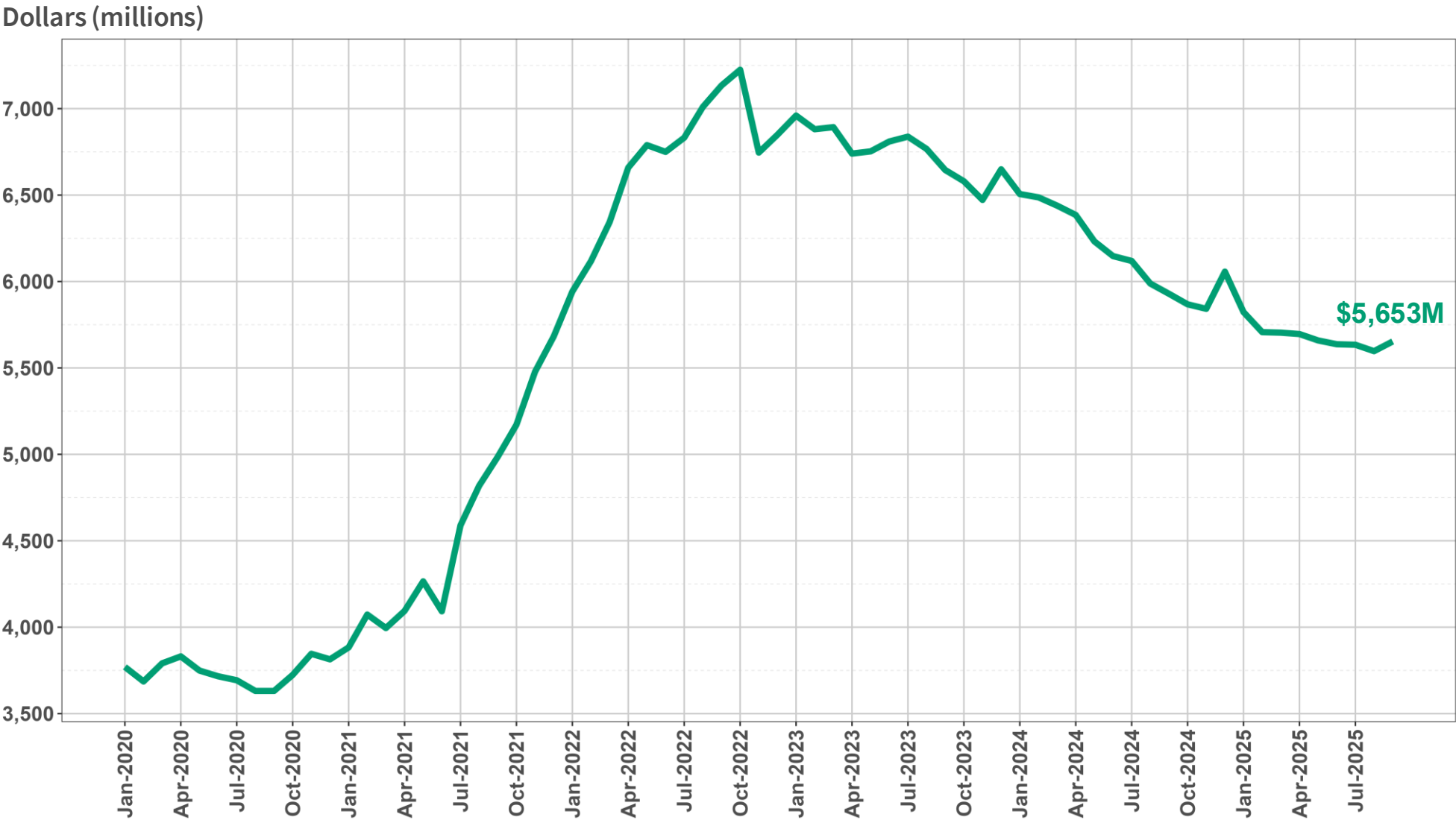
Source: Creighton University, Rural Mainstreet Index (<https://www.creighton.edu/economicoutlook/mainstreeteconomy>).
Note: The index is on a 0–100 scale; 50.0 represents growth-neutral conditions, above 50 indicates expansion, below 50 signals contraction.

The Farm Machinery & Equipment Market: Producer Price Index for Agricultural Machinery and Equipment



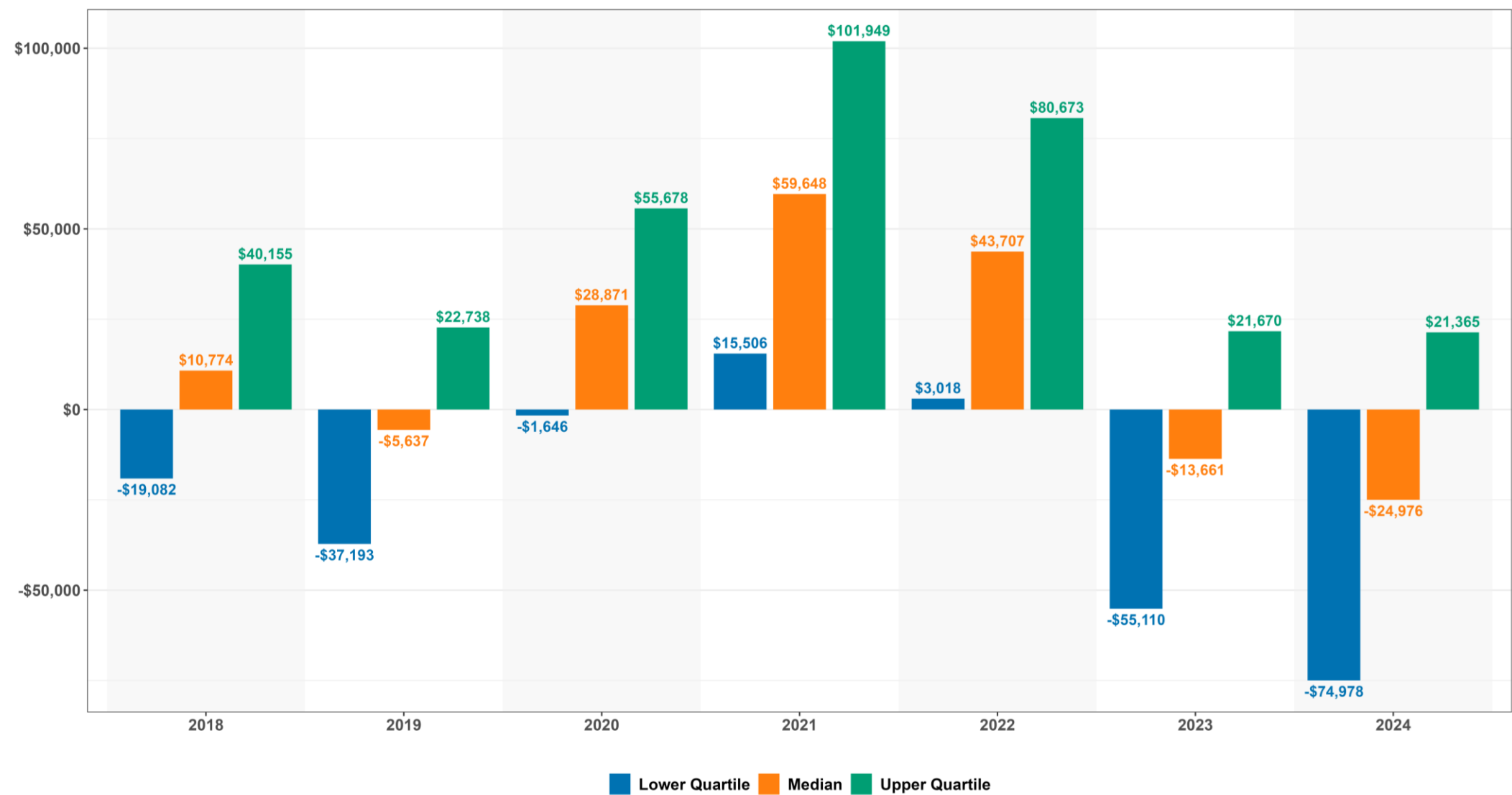
Source: U.S. Bureau of Labor Statistics via FRED (<https://fred.stlouisfed.org/series/WPU111>)
Note: Monthly, not seasonally adjusted.

The Farm Machinery & Equipment Market: Manufacturers' Total Inventories



Source: U.S. Census Bureau via FRED (<https://fred.stlouisfed.org/series/A33ATI>)
Note: Monthly end-of-period inventories, seasonally adjusted.

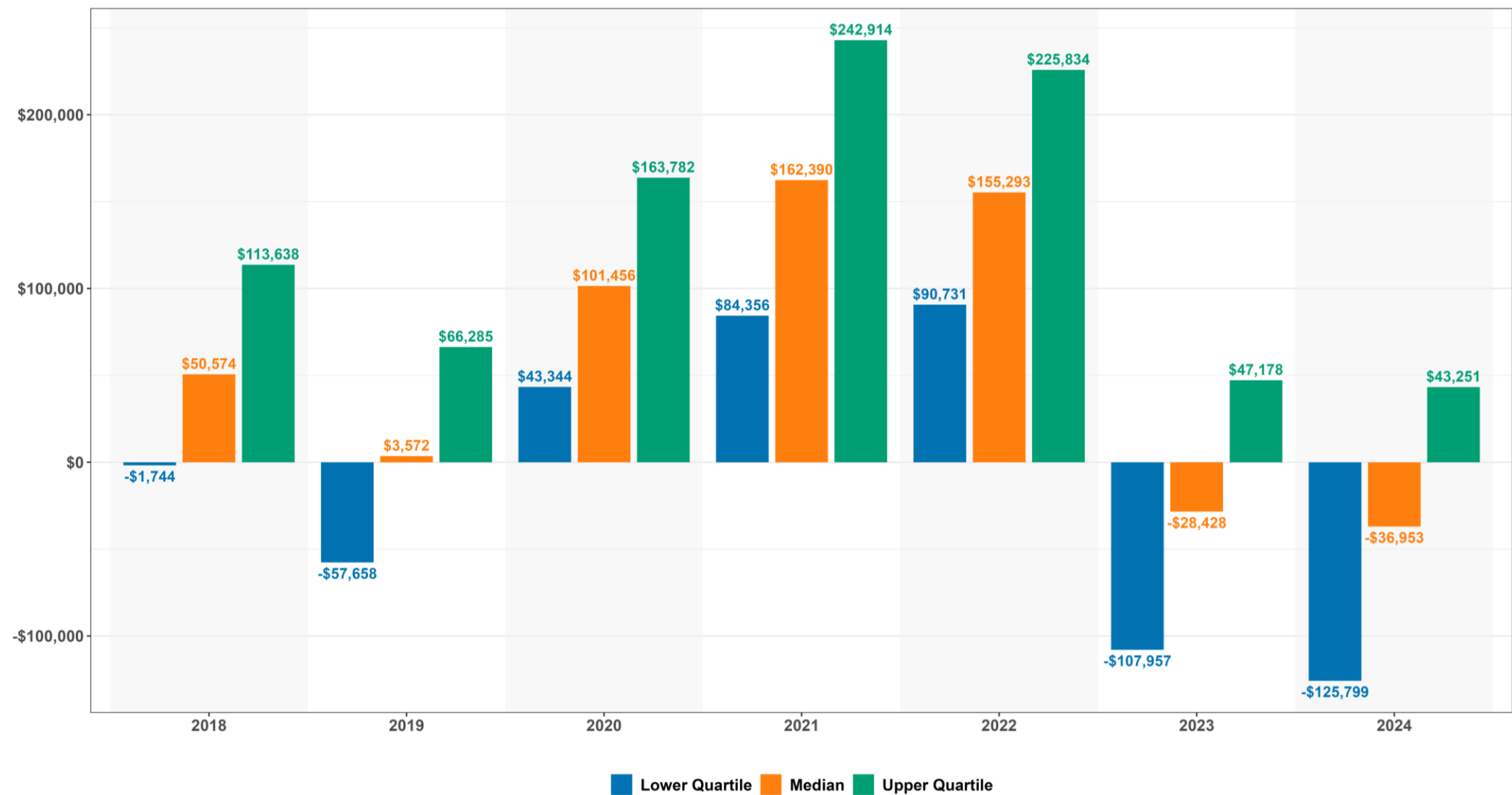
Capital Replacement and Term Debt Repayment Margins for Small Grain Farms in Illinois



Note. Small farms are defined as those with gross farm returns of less than \$350,000.

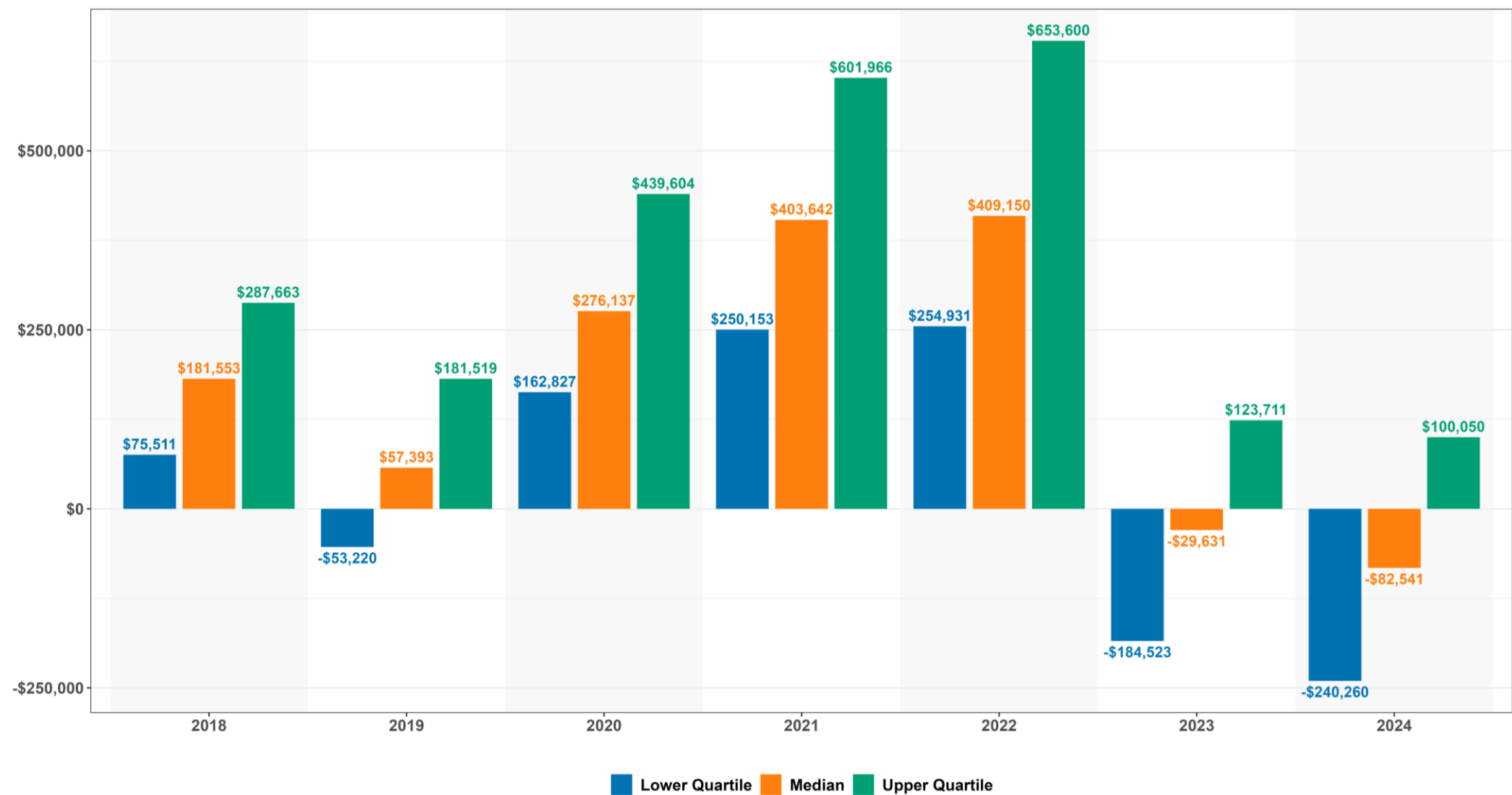
Source: Farm Business Farm Management (FBFM).

Capital Replacement and Term Debt Repayment Margins for Medium-sized Grain Farms in Illinois



Note. Medium-sized grain farms are defined as those with gross farm returns between \$350,000 and \$999,999. Source: Farm Business Farm Management (FBFM).

Capital Replacement and Term Debt Repayment Margins for Large Grain Farms in Illinois



Note. Large grain farms are defined as those with gross farm returns greater than \$999,999. Source: Farm Business Farm Management (FBFM).

Thank you!

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Appendix

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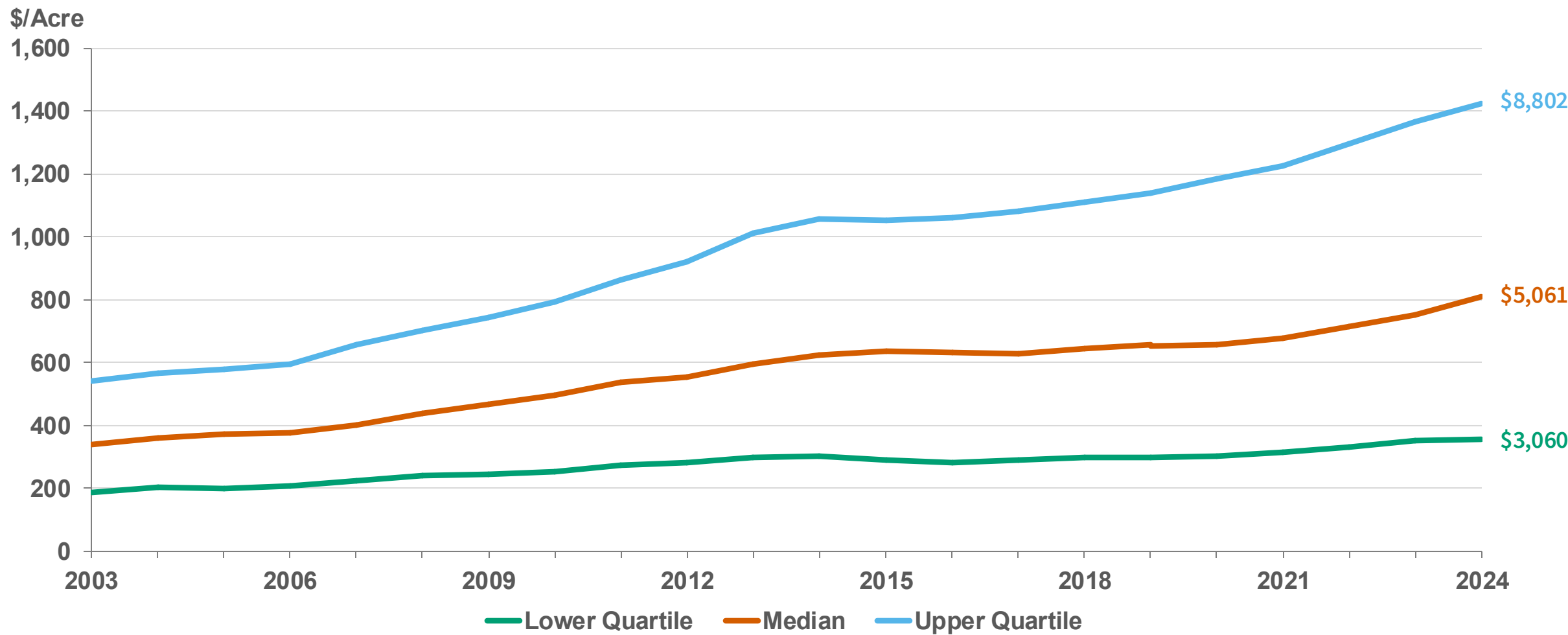


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The median and upper quartile of IL grain farms' debt per tillable acre increased in 2024

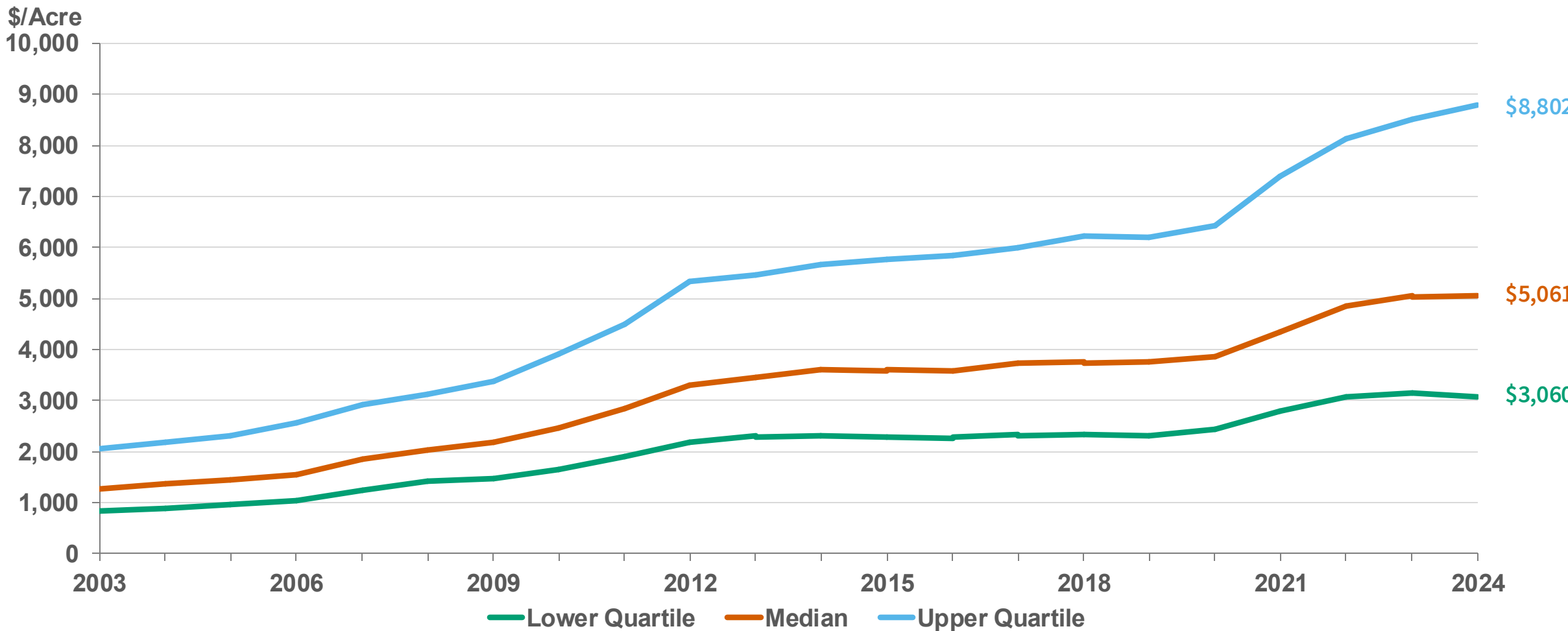
Distribution of Illinois Grain Farms' Debt per Tillable Acre (\$/Acre), 2003-2024



Source: Farm Business Farm Management (FBFM).

The upper quartile of IL grain farms' assets per tillable acre increased in 2024

Distribution of Illinois Grain Farms' Assets per Tillable Acre (\$/Acre), 2003-2024

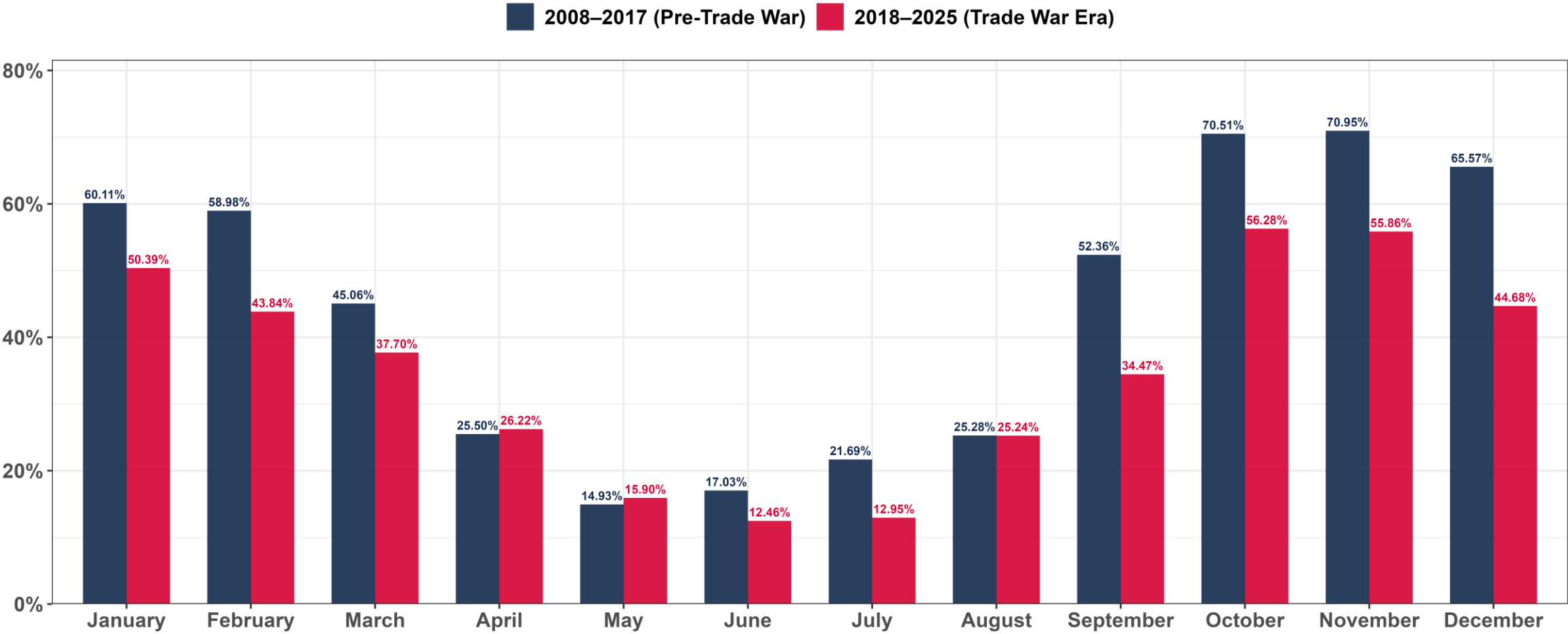


Source: Farm Business Farm Management (FBFM).

The monthly share of soybean exports to China has declined since the 2018 Trade War

Impact of Trade War on U.S. Soybean Exports to China

Average Monthly Share of Total U.S. Soybean Exports



Source: U.S. Census Bureau Trade Data; USDA Foreign Agricultural Service; Global Agricultural Trade System; FATUS.

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