

kcFED Ag BULLETIN

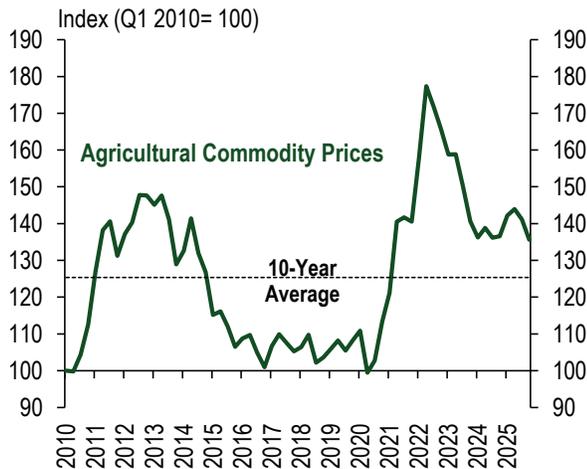
Summary

Conditions in the U.S. farm economy were uneven during 2025 with strong revenues in the livestock sector and continued weakness in the crop sector. On average, agricultural prices declined modestly in the final months of the year alongside lower prices for many key commodities. In the crop sector, prices for most products were subdued and revenues declined for the third consecutive year. Substantially higher cattle sales and modestly higher cash receipts for hogs, eggs and turkeys boosted livestock revenues during the year and supported an increase in net farm income relative to 2024. Domestic demand for agricultural products was solid through the end of 2025 and exports of many commodities increased from the previous year, but soybean exports were substantially lower. Agricultural credit conditions deteriorated gradually throughout the year, but direct government payments and resilient farmland values have eased some of the strain from weak profitability for crop producers. The outlook for crop profits remained subdued and could weigh further on credit conditions in the coming months, but leverage in the sector was steady in 2025, and aggregate farm financial stress was limited.

Average U.S. agricultural prices ended 2025 about 5% lower than the beginning of the year.

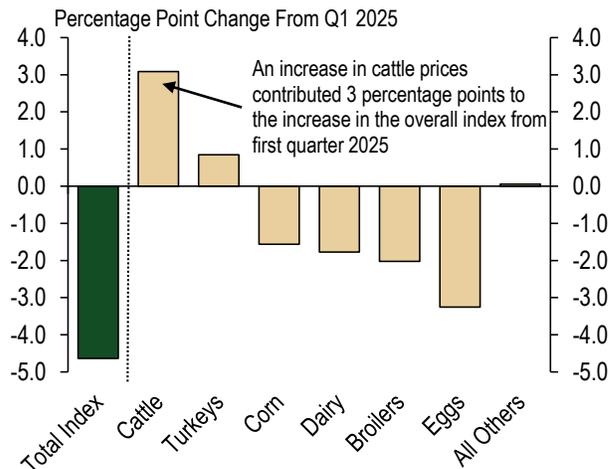
Despite continued strength in cattle prices, the overall index declined compared with early 2025 alongside lower prices for corn, milk, broilers and eggs.

U.S. Agricultural Price Index¹



Sources: USDA and staff calculations

Contribution to Price Index Change²



Sources: USDA and staff calculations

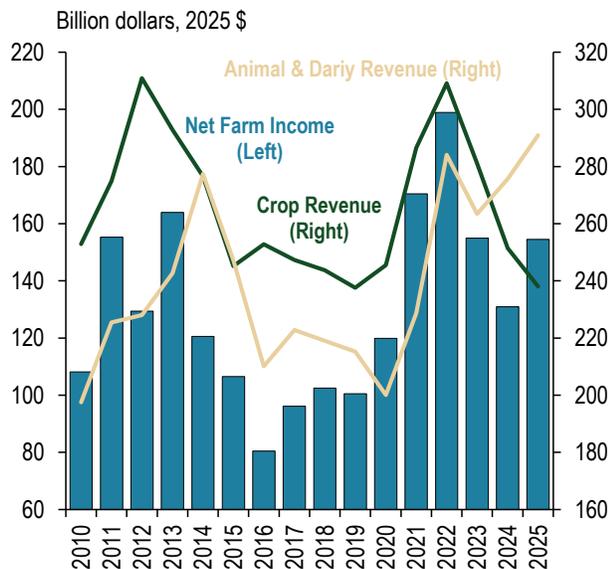
Notes

1. Weighted based on share of total annual agricultural cash receipts attributed to each individual commodity. Individual commodities allocated account for 90% of total 2024 cash receipts.
2. Based on changes in weighted indices of individual commodities and corresponding contribution to the change in the sum of those individually weighted indices from the previous period. Above commodities accounted for approximately 60% of total 2024 cash receipts [cattle (20%), turkeys (1%), corn (15%), dairy (10%), broilers (10%), eggs (4%)].

Farm income in 2025 increased nearly 20% compared with the previous year as higher cattle, hog, turkey and egg revenues offset weak crop revenues.

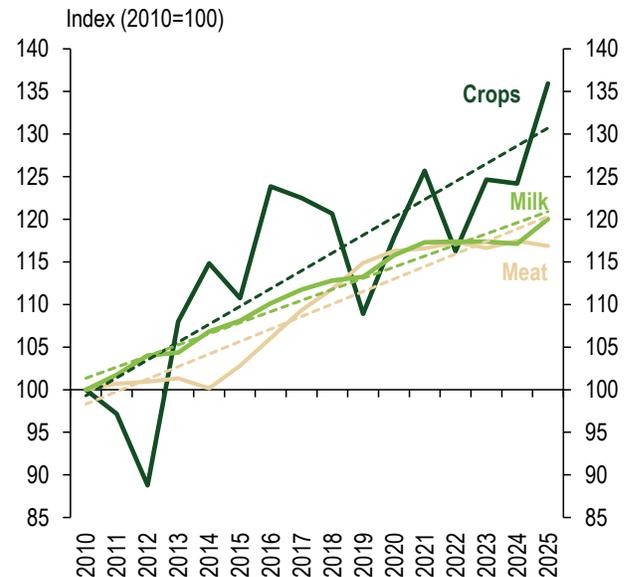
Crop and dairy prices were weighed down by strong production in 2025 while meat production declined slightly alongside lower beef and pork volumes.

U.S. Farm Income and Revenue³



Source: USDA

U.S. Agricultural Production⁴

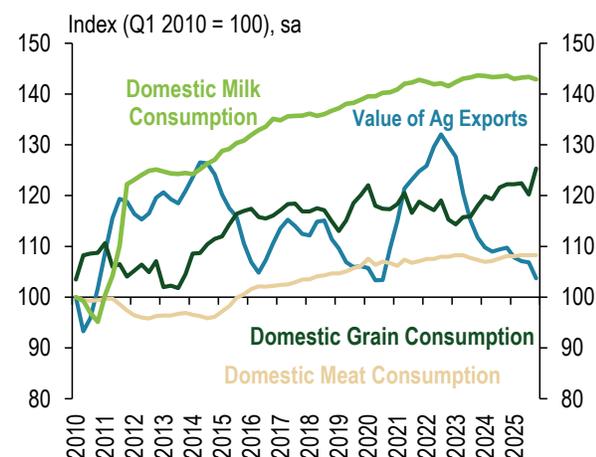


Sources: USDA and staff calculations

Agricultural exports declined from the previous year alongside sluggish soybean trade but domestic demand for many products was solid throughout 2025.

Farm financial conditions were relatively stable in 2025 as loan delinquencies and leverage remained similar to the previous year and farm loan interest rates declined.

Demand for U.S. Agricultural Products⁵



Sources: USDA and staff calculations

U.S. Agricultural Credit Conditions

[Latest Quarter Denoted For Each]

	Latest	1- Year Prior
Farm Loan Delinquency Rate (%) [Q4 2025]	1.1	1.1
Chapter 12 Bankruptcy Filings in 12-month period ending [Q4 2025]	315	216
Ag Bank Loan-to-Deposit Ratio (%) [Q4 2025]	79.3	78.4
Interest Rates on Non-Real Estate Farm Loans [Q4 2025]	6.7	7.7
Farm Debt-to-Assets (%) [Annual - 2025]*	13.5	13.4
Farm Debt-to-Income Ratio [Annual- 2025]*	3.8	4.4

Sources: USDA, U.S. Courts, and Federal Reserve Board of Governors

Notes

3. Crop and Livestock Revenues are reported as cash receipts and accounted for 90% of total gross farm cash income in 2024. Other amounts of gross cash income are attributed to government direct farm payments and other farm-related income.

4. Crop Index includes all grains, oilseeds, fruits and vegetables are weighted by share of total U.S. production measured in million metric tons. Meat Index includes the aggregate live weight of cattle, hogs, and poultry processed at U.S. federally-inspected plants weighted by share of total domestic production measured in pounds.

5. Domestic grain consumption includes food, feed, and industrial use of corn, sorghum, barley, oats, and wheat and soybean crush.

*Farm income and balance sheet figures published by the USDA as of February 5, 2026.