

kcFED Ag BULLETIN

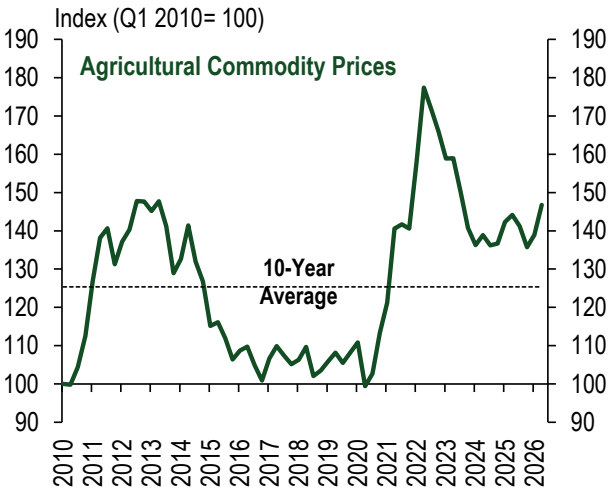
Summary

Conditions in the U.S. agricultural economy remained subdued in the second quarter of 2026, but higher commodity prices provided modest relief. On average, agricultural prices increased moderately during the second quarter of 2026 and reached the highest level in three years. Crop prices increased through mid-year alongside strong domestic demand and an increase in export activity. A quick recovery in egg production over the past year continued to weigh on egg prices and revenues in the broader livestock sector; but steady demand for meat and dairy supported prices for other protein commodities. Despite signs of gradual tightening in farm financial conditions, delinquency rates remained low and growth in leverage has been modest with support from strong farm real estate values. Volatility in commodity and energy markets remained elevated and raised concerns about spikes in fuel and fertilizer costs, but higher crop prices have likely mitigated additional margin compression and helped keep financial stress moderate.

Average U.S. ag prices during the second quarter of 2026 increased 6% from the previous quarter and were 2% higher than the same time a year ago.

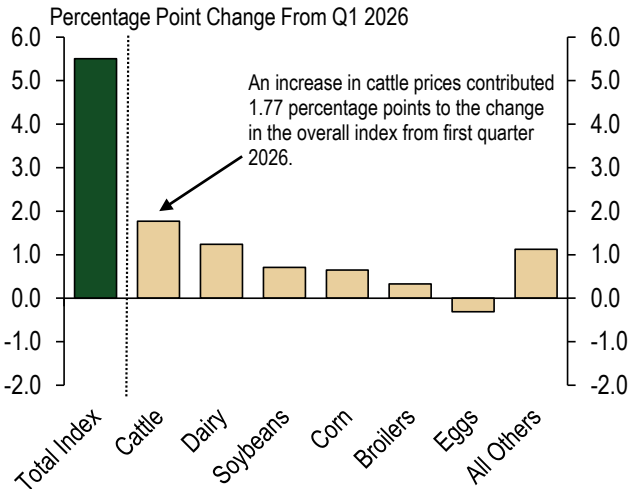
Higher prices for nearly all major commodities except eggs contributed to an increase in the overall index during the second quarter.

U.S. Agricultural Price Index¹



Sources: USDA and Federal Reserve Bank of Kansas City staff calculations

Contribution to Price Index Change²



Sources: USDA and Federal Reserve Bank of Kansas City staff calculations

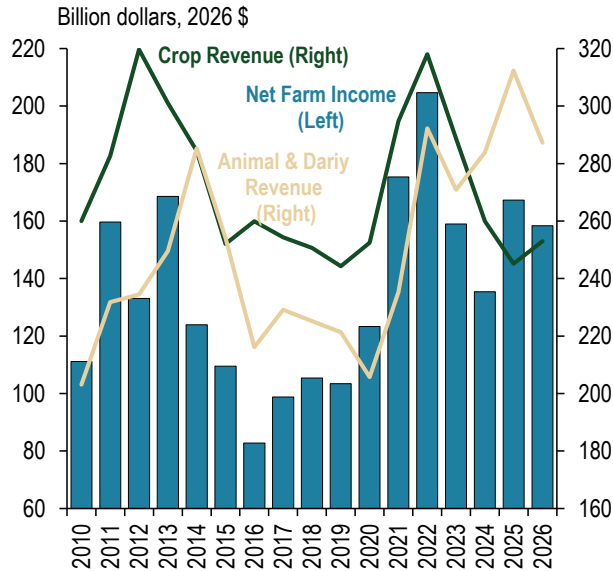
Notes

1. Weighted based on share of total annual agricultural cash receipts attributed to each individual commodity. Individual commodities allocated account for 90% of total 2025 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 70% of total 2025 cash receipts [cattle (20%), dairy (10%), soybeans (10%), corn (15%), broilers (10%), eggs (5%)].

Higher crop revenues and government payments are expected to keep net income in 2026 similar to last year, even as significantly lower egg prices have weighed on livestock sector revenues.

U.S. Farm Income and Revenue³

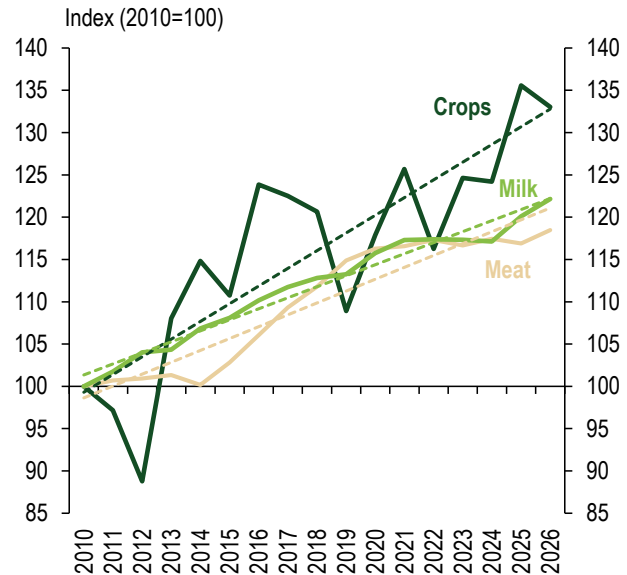


Sources: USDA and Federal Reserve Bank of Kansas City staff calculations

Domestic demand for grain remained strong while meat and milk consumption was steady and exports increased slightly.

The outlook for milk production remained strong and meat production was expected to increase, but estimates of crop production pointed to a slight decline.

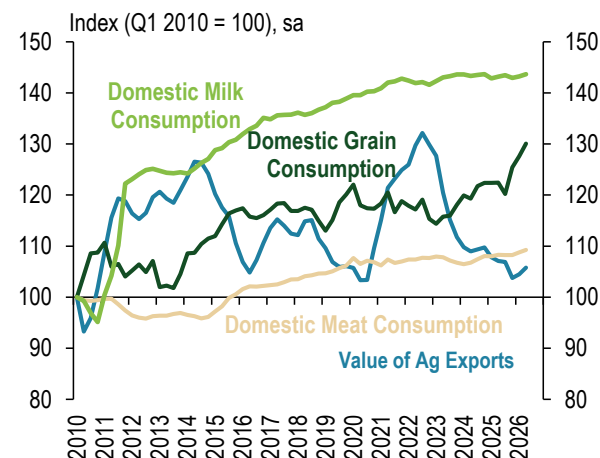
U.S. Agricultural Production⁴



Sources: USDA and Federal Reserve Bank of Kansas City staff calculations

Agricultural credit conditions showed signs of gradual tightening in the second quarter but farm loan delinquency rates remained low.

Demand for U.S. Agricultural Products⁵



Sources: USDA and Federal Reserve Bank of Kansas City

U.S. Agricultural Credit Conditions

[Latest Quarter Denoted For Each]

	Latest	1- Year Prior
Farm Loan Delinquency Rate (%) [Q2 2026]	1.3	1.3
Chapter 12 Bankruptcy Filings in 12-month period ending [Q2 2026]	336	282
Ag Bank Loan-to-Deposit Ratio (%) [Q2 2026]	79.8	78.7
Interest Rates on Non-Real Estate Farm Loans [Q2 2026]	7.3	6.8
Farm Debt-to-Assets (%) [Annual - 2026]*	13.5	13.3
Farm Debt-to-Income Ratio [Annual- 2026]*	3.8	3.6

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

Notes

3. Crop and Livestock Revenues are reported as cash receipts and accounted for 90% of total gross farm cash income in 2025. 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 September 3, 2026.