



# Ag Economists Monthly Monitor – Survey Results

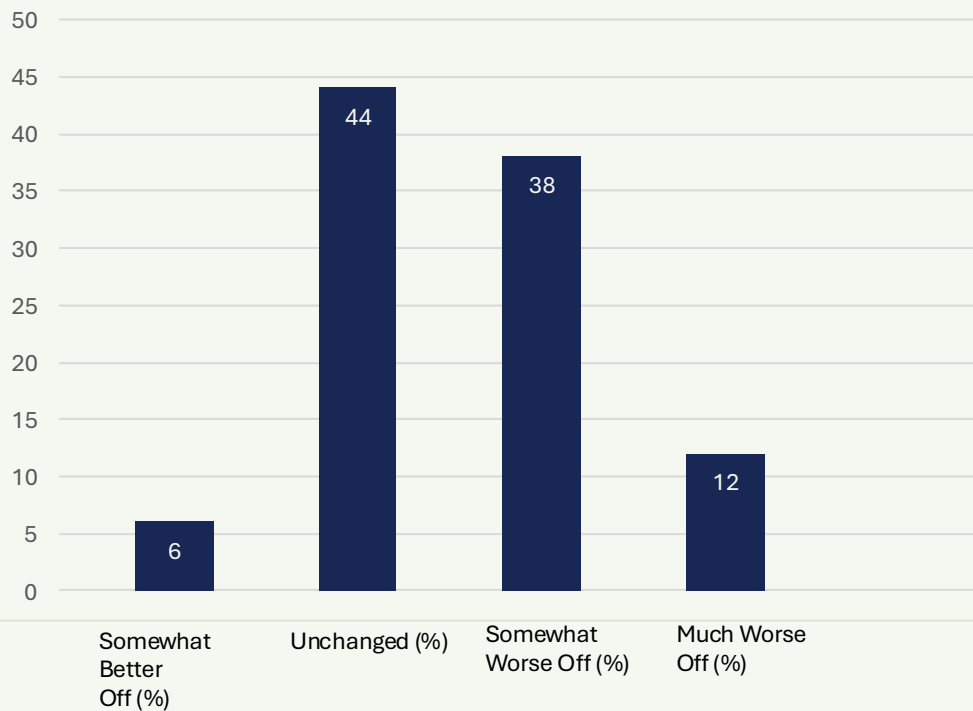
April 2026



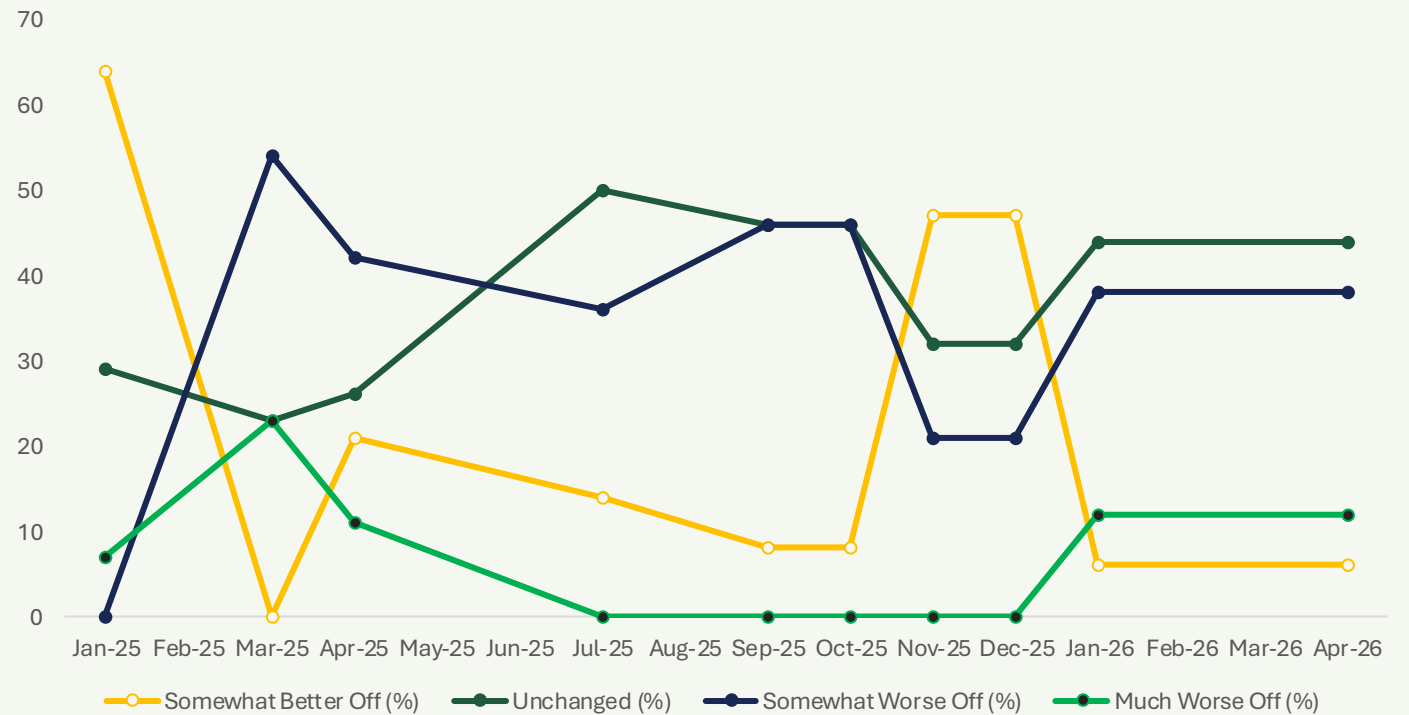
Consider the current state of the U.S. agricultural economy.  
Please indicate how it compares to one month ago.

### April 2026

Percent



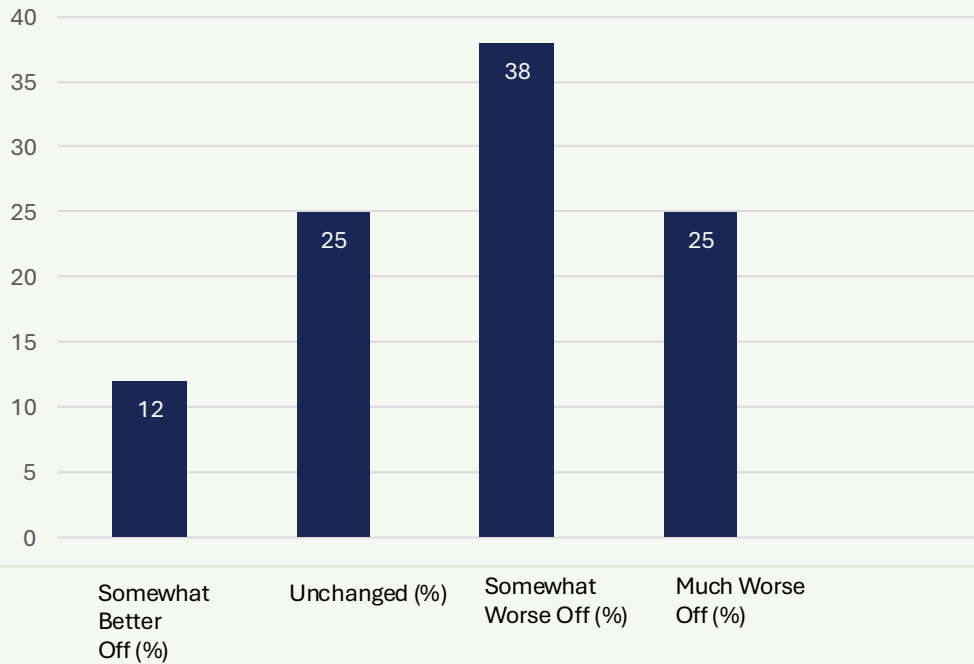
### January 2025 to present



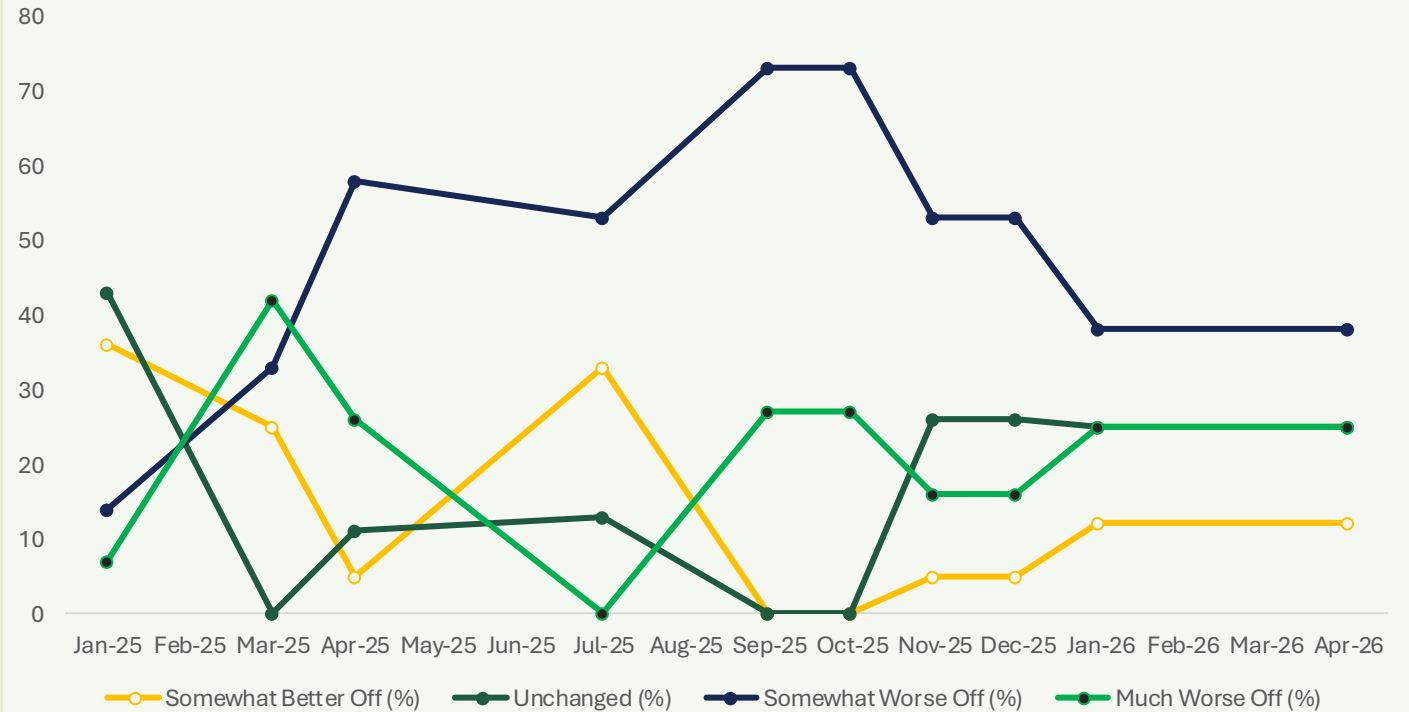
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### April 2026

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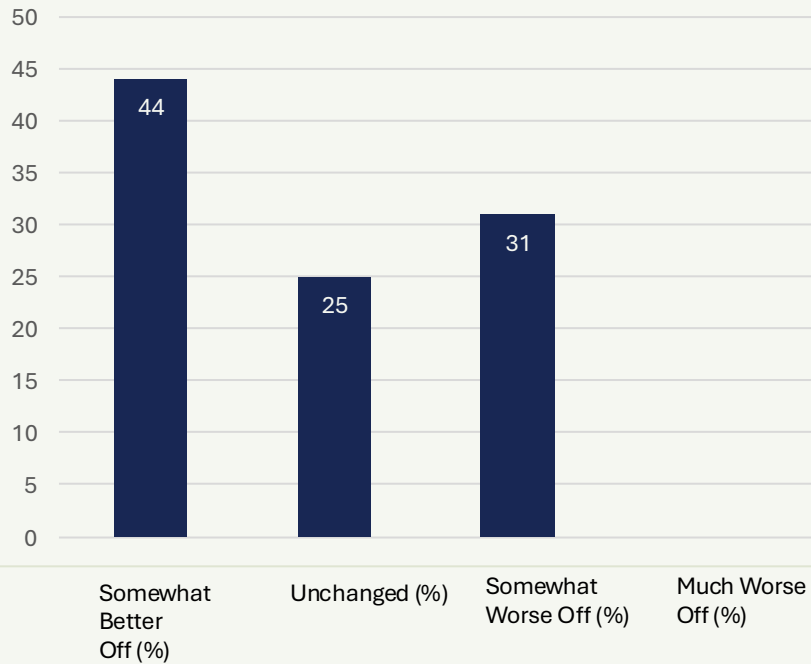
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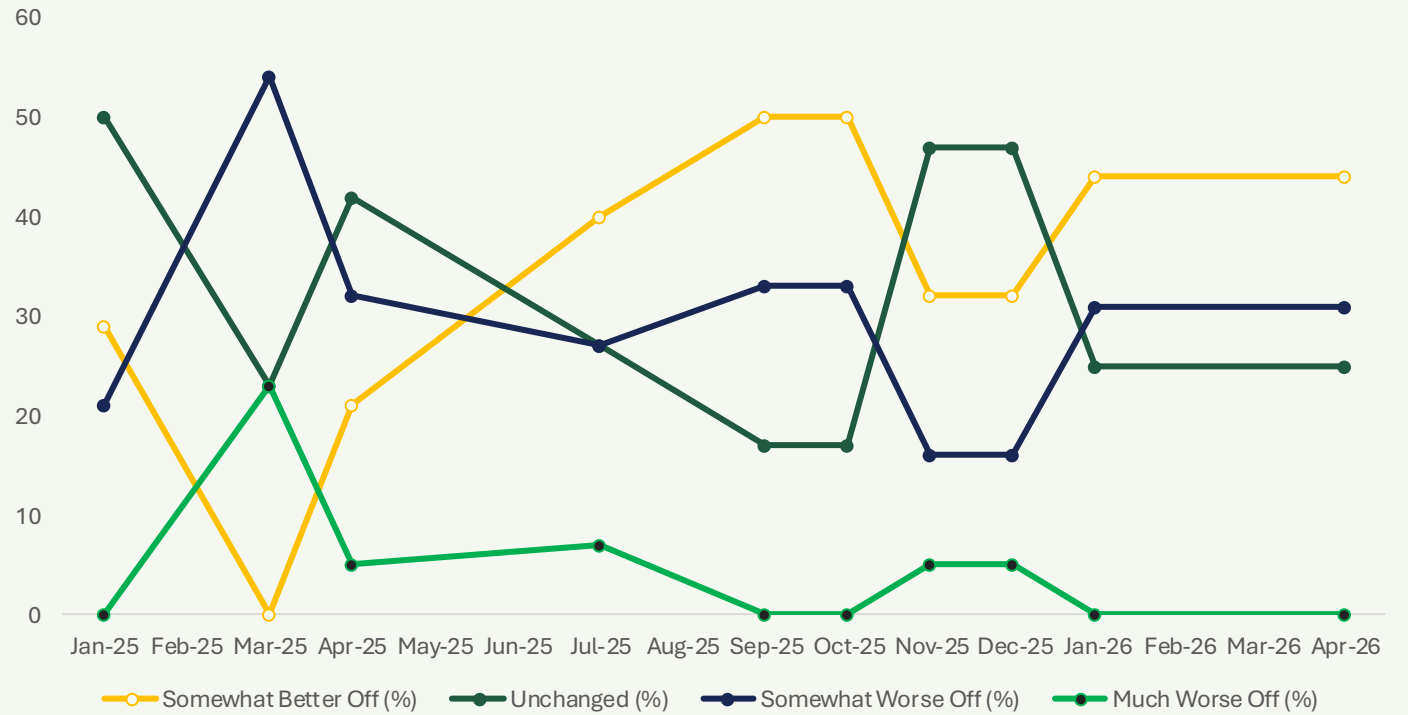
Based on your projected state of the U.S. agricultural economy in 12 months, how does that outlook compare to current conditions?

### April 2026

Percent



### January 2025 to present



# What are the two most important factors driving agriculture's economic health over the next 12 months?

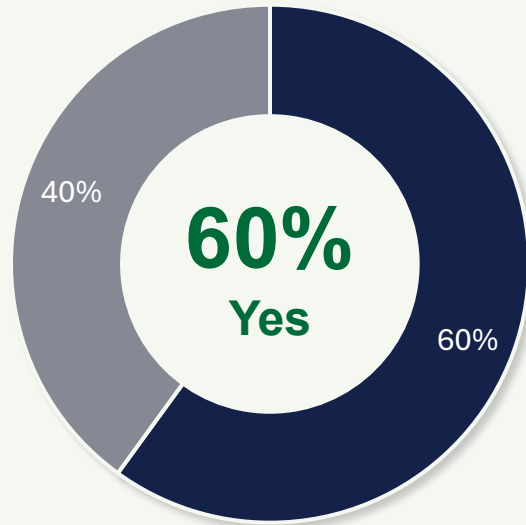
## 1 Geopolitical Volatility and Input Cost Pressures

- *"Impact of Iran conflict on energy and fertilizer prices."*
- *"Evolution of input prices in the wake of the war in Iran."*
- *"At the moment fertilizer prices are at the top of everyone's attention... It is the pinching of margins with high input costs."*
- *"Ending the war with Iran and a downside correction in energy/fert markets."*
- *"Breakeven costs above market prices... Heightened uncertainty in global markets in terms of both ag exports and on inputs side (particularly for fuel and fertilizer)."*
- *"Uncertainty around availability and cost of certain crop inputs."*

## 2 Market Dynamics and Revenue Stability

- *"Loss of market share in China for soybeans."*
- *"Continued strength in the livestock sector due to relatively high prices and financial returns for cow/calf producers."*
- *"Influx of government payments—through Title 1 payments... along with disaster payments, higher crop insurance premium subsidizes."*
- *"Price of corn and soybeans recovering driven by higher cost basis."*
- *"International trade policy and weather."*
- *"Decisions regarding further government assistance."*
- *"Global market access."*

# Is U.S. agriculture experiencing a structural shift versus a cyclical phase? And why?



## Why?

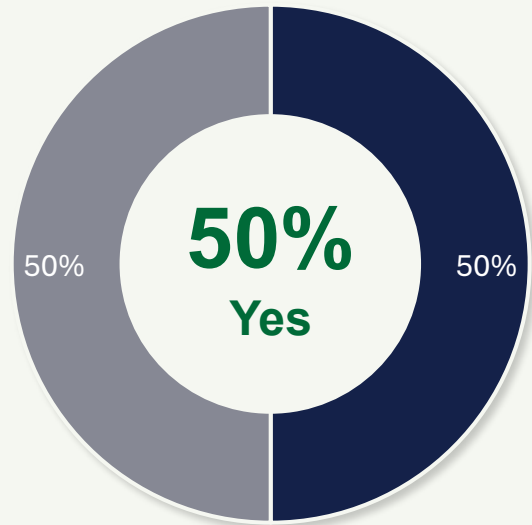
- **Structural Changes in Trade and Global Competition**
  - The consensus is that trade is no longer following "normal" patterns due to shifting alliances and aggressive competition.
- **Technological Transformation (AI and Robotics)**
  - Technology is viewed as a "necessary" evolution that is reshaping how farms operate from the field to the front office.
- **Government Policy and Risk Management**
  - There is a growing concern that the industry is moving toward a permanent reliance on federal support, which may stifle market efficiency.

## Why not?

- **The Cyclical Nature of Agriculture**
  - The primary argument is that agriculture is defined by boom-and-bust cycles, and the current "slump" is simply the latest iteration of this pattern.
- **Short-Term Volatility vs. Permanent Change**
  - Current geopolitical and trade issues are viewed as temporary disruptions rather than a permanent reshaping of the industry.

# Do you think farmers will cut back on fertilizer and crop protection to the point it will impact yields in 2026?

## Why?



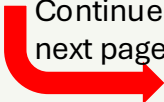
- **Impact of Price Increase**

- **Economic Pressure and Budgetary Constraints:** Elevated prices are forcing producers—often at the direction of lenders—to maintain fixed budgets, resulting in lower application rates per acre to offset high costs and tight cash flows.
- *"I've heard from some producers that their lenders are telling them to make the budget work. Without increasing budgets for fertilizer, these producers (at today's elevated prices) will just have less fertilizer and will apply slightly lesser amounts per acre."*

- **Threat to Physical Supplies**

- **Availability Risks and Market Tightness:** Limited physical supply of fertilizer is expected to restrict usage and may lead to a reduction in other inputs, such as fungicides, as producers struggle to secure necessary products.
- *"Fertilizer use will decline because of both price and availability concerns. This will have an impact on yields, but the impacts in the U.S. are likely to be modest, at least in 2026."*

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# Do you think farmers will cut back on fertilizer and crop protection to the point it will impact yields in 2026?

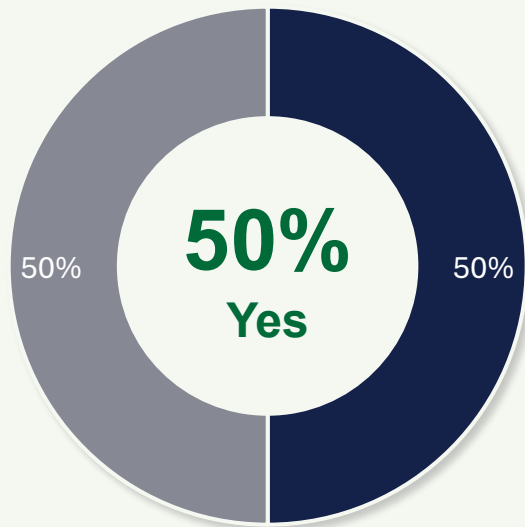
## Why not?

- **Impact of Price Increase**

- **Yield Protection and Inelastic Demand:** Producers prioritize yield stability over cost savings, viewing under-application as a greater financial risk than high input prices. Instead of deep cuts, they focus on strategic "trimming" through precision technology or reducing total acreage to ensure the remaining acres are fully supported.
- "Fertilizer demand is very inelastic because the short-term and long-term marginal costs of significantly cutting fertilizer and crop protection chemistry are too great... most will trim around the edges with better soil testing, variable-rate and product choices, but avoid deep cuts."

- **Threat to Physical Supplies**

- **Procurement and Large-Scale Mitigation:** While supply disruptions (such as geopolitical closures) pose a threat, larger operations mitigate this risk by securing physical inventory and locking in pricing well in advance of the planting season.
- *"Larger farms drive yield impacts. These operations are much more likely to have pre-booked input pricing and procured physical inputs ahead of the Strait of Hormuz closure."*

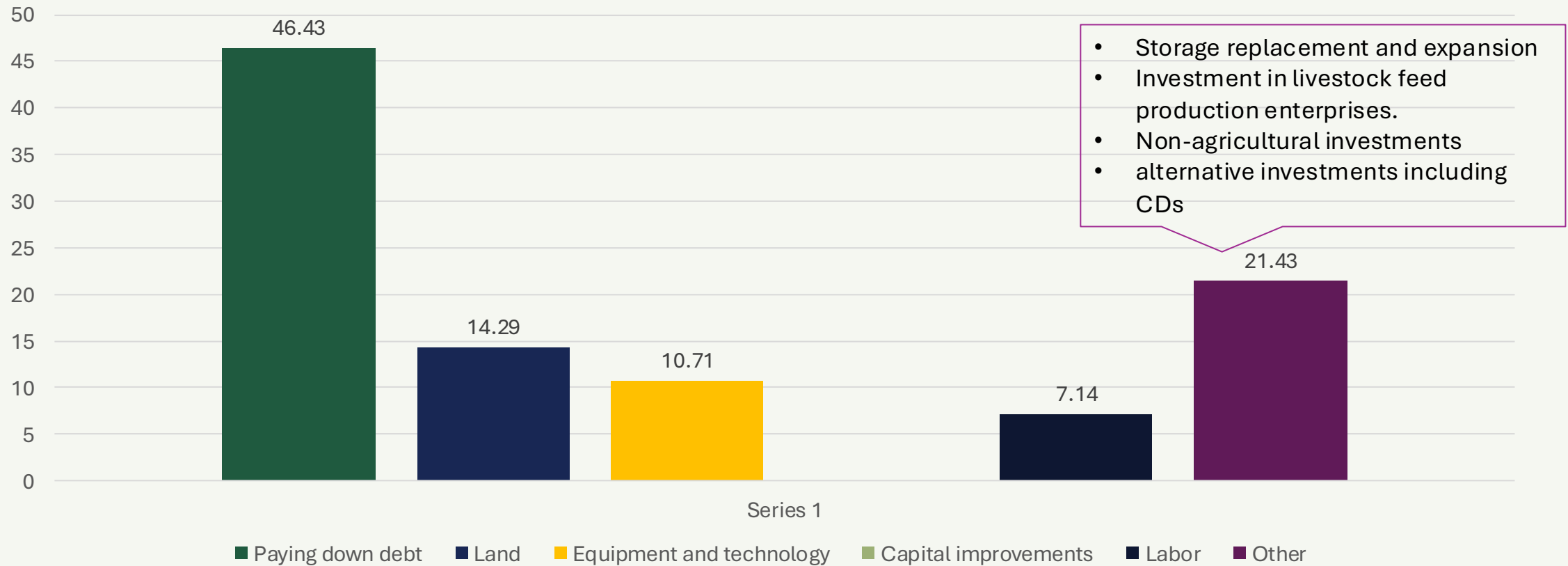


# Outside of fertilizer and crop protection, which line items in the farm budget are most likely to be reduced or deferred in 2026?

- 1. Machinery and Equipment Deferral:** This is the most frequently cited area for cost-cutting. Producers are choosing to delay new equipment purchases, focusing instead on repairs or the used machinery market to maintain their current fleet while avoiding large capital outlays.
- 2. Capital Expenditures and Infrastructure:** Long-term investments in farm infrastructure—such as new buildings and grain storage—are being paused. These "CapEx" items are viewed as non-essential in a low-profitability scenario compared to immediate operating needs.
- 3. Land, Rent, and Fixed Costs:** Producers are shifting their focus toward lowering fixed costs per bushel. This includes pushing back against cash rent growth and seeking innovative ways to reduce land and labor expenses to protect their "return to management."

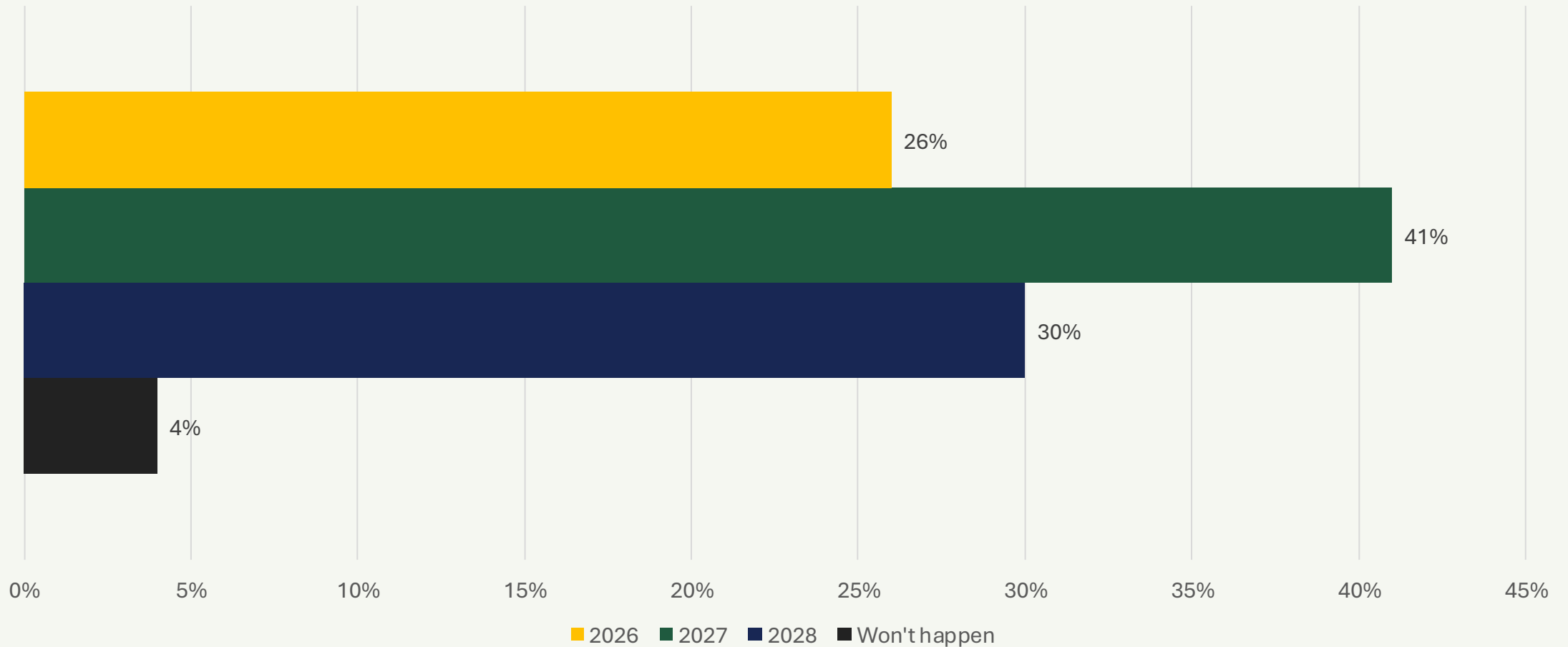
- 1. "Equipment -- this is one item producers have some control over and we'll definitely see larger equipment purchases deferred."*
- 2. "Farm machinery replacement capital expenditures are likely to be delayed if possible in a low profitability scenario year."*
- 3. "Our farm continues to prioritize the fixed costs per bushel/ per acre not the variable costs listed. We continue to look for ways to lower our land, machinery, and labor costs through innovative solutions."*

# What investment opportunities have the most potential for crop farmers in the next 12 months? Select two. - Selected Choice



# Given the increase in biomass-based diesel blending mandates, will soybeans attract more planted acres in...

Select all that apply.



# Do you expect Congress to offer crop producers another support payment in 2026?

## Why?

### Election Year Dynamics:

- *"It's an election year."*
- *"Close midterm congressional elections coming up in Fall 2026."*
- *"The unintended consequences of the Iran conflict should be reason enough but we'll see Congressional action because it's an election year."*
- *"1) It's an election year. 2) They are irrationally influenced by negative messaging from AFBF"*

### Geopolitical and Economic Triggers

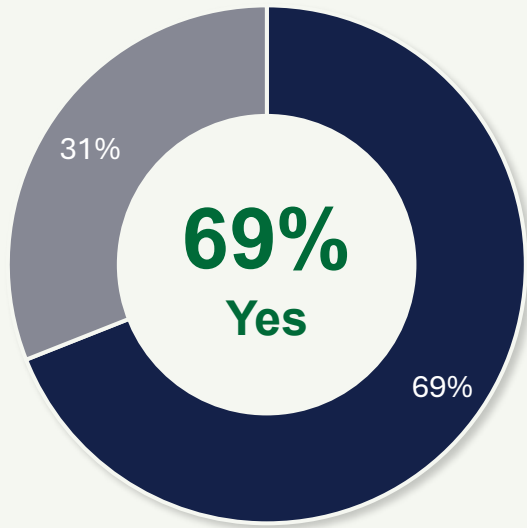
- *"The unintended consequences of the Iran conflict should be reason enough..."*
- *"If there is a larger supplemental bill for the U.S. economy as it relates to higher energy prices, I would be surprised if there is not a portion dedicated to provide direct payments to agricultural producers."*

### Legislative Feasibility and Roadblocks

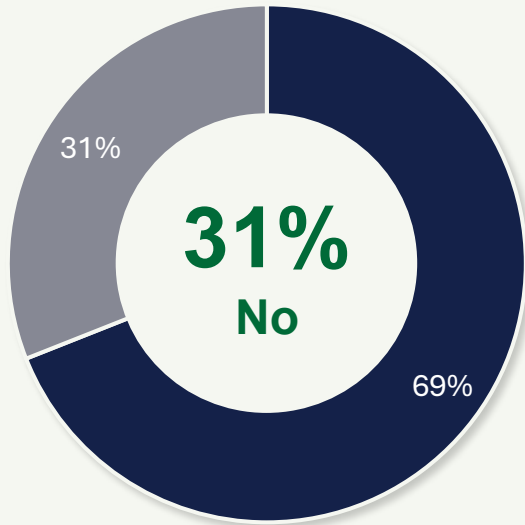
- *"They have been discussing another payment in Congress"*
- *"There is widespread support for such assistance, including from key members of Congress in an election year. However, there are also many roadblocks—this is a 55-45 proposition, not a 90-10."*

### Policy Critique and Alternative Solutions

- *"I responded 'Yes' because I think another support payment is likely from a political standpoint. Personally, I think instead of a support payment Congress should spend the funds to clear demand hurdles and invest in infrastructure that would facilitate demand opportunities for ag products."*



# Do you expect Congress to offer crop producers another support payment in 2026?



## Why Not?

### Budgetary Constraints and Competing Priorities

- "There are too many other legislative and political issues that will drown out farm financial support. One of these issues will be additional funding for the military and social programs."
- "I don't see an obvious pot of money that could be used."

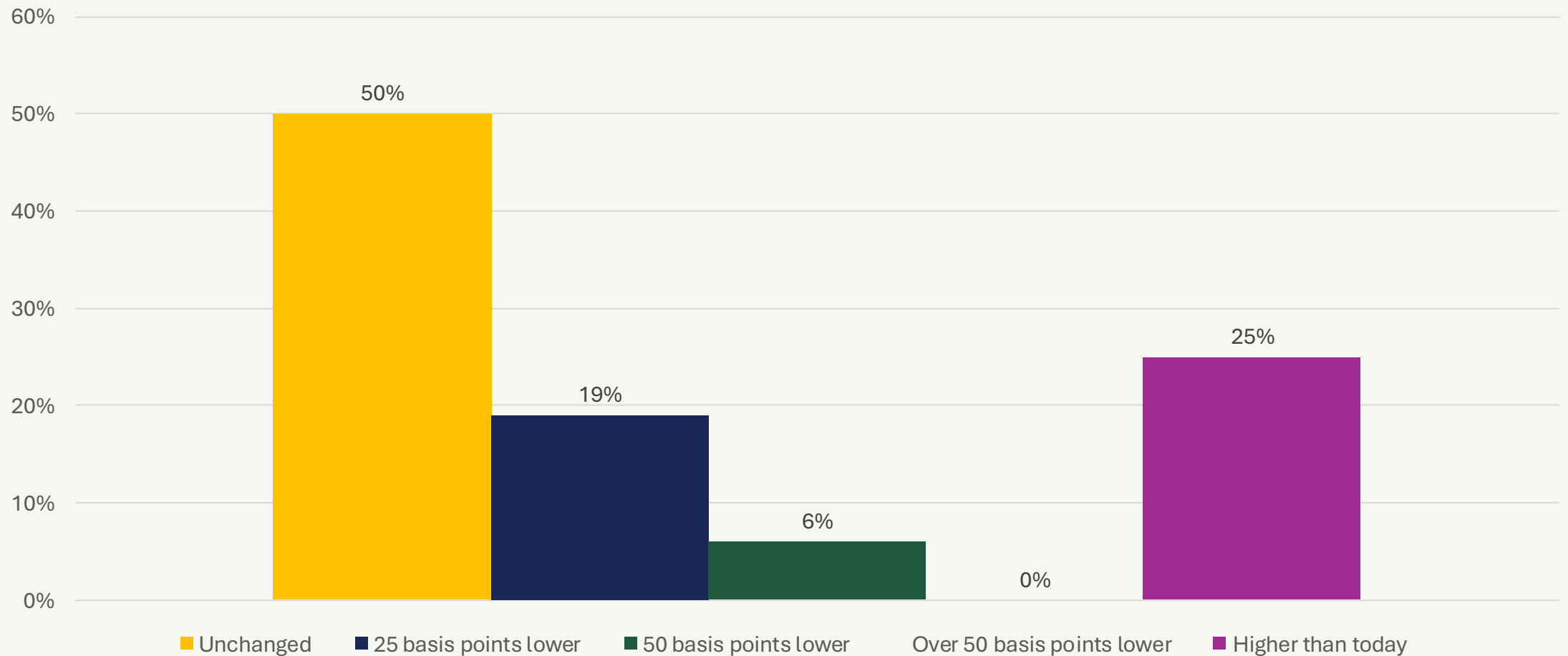
### Existing Support and Market Strength

- "Strength in prices and upcoming large payments from 2026 commodity programs and area crop insurance"
- "My view is it will come down to budget priorities and that U.S. agriculture has already received assistance."

### Political Infeasibility and Partisan Pushback

- "We also see a lot of push back from the opposite side of the aisle."
- "Politically infeasible"

By the end of 2026, do you expect the federal funds rate to be:



# What's the one factor impacting the ag economy that's not being talked about or covered by the media right now?



## Direct Quotes

- *While management of the Colorado River continues to be in the news, the situation is getting more real. For example, snow water equivalent for the 8 river basins originating in Colorado is only about 20% of historic norms. Lake Powell and Lake Mead are already low and we're getting closer to dead pool where electricity generation becomes a concern to add on top of the fact that there's just less water for everyone in both Upper and Lower Basin states. We're headed toward some hard conversations about the extent to which water is used for agriculture or continued development in the SW. A conversation about can we continue to grow food in certain parts of our country.*
- *World economic impact of Persian Gulf. Too much focus on US impacts.*
- *I believe the agricultural press is doing a good job of covering the key short-term issues.*
- *The intricacy of biofuel policy. Removing some barriers to E-15 use can have very different implications depending on how RVO's and other provisions are (or are not) adjusted. A gain for ethanol use could be a loss for biomass-based diesel if RVO's are not adjusted.*

## Direct Quotes

- *Where do alternative financing (including at the retailer-level) options fit into the broad ag balance sheet? How are they regulated and what are their reporting and capital requirements? As farmers take on higher costs, more transparency from these lenders would be helpful to adequately measure risk and repayment capacity across the Heartland.*
- *Corn growers specifically are growing more frustrated with "programmed" or "regular" increases in seed costs. Many expect "more help" from deals on seed.*
- *Potential changes in U.S. congressional leadership this fall and the changes in U.S. farm and energy policy that would result from this change.*
- *University research/ ideas on innovative farm management practices.*
- *The divergence in farmer outcomes. There are farmers still making money - the ones not are the smallest and least efficient, heavily indebted, and/ or aggressive farmers that didn't time the cycle well.*
- *Rents/land prices*