

USDA Farm Income Forecast

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> Agricultural Outlook Forum February 15, 2024



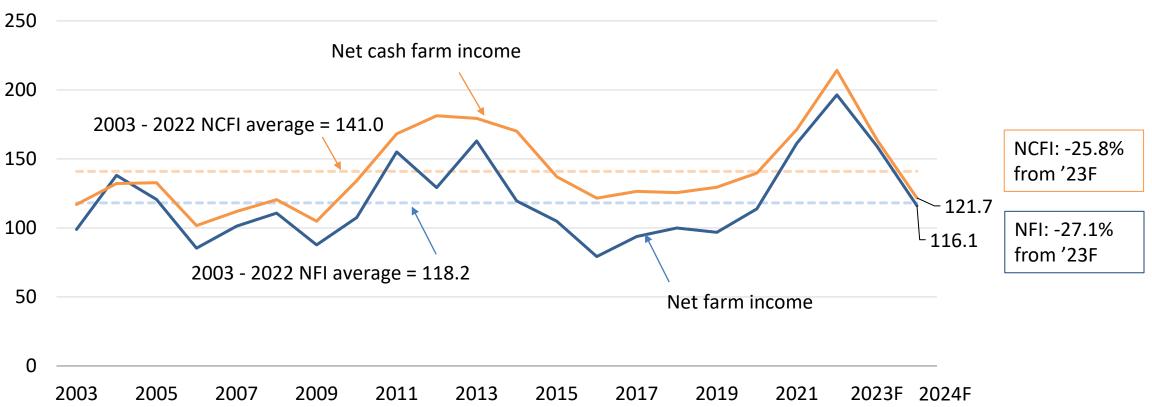
- 1. Net cash farm income for calendar year 2024 is forecast at \$121.7 billion (down \$38.7 billion or 24.1 percent relative to 2023, in nominal dollars). Net farm income is forecast at \$116.1 billion (down \$39.8 billion or 25.5 percent).
- 2. Cash receipts from crop and animal/animal product sales are expected to decrease \$21.2 billion (4.2 percent) from \$506.8 billion in 2023 to \$485.5 billion in 2024.
- 3. Direct government payments are forecast to decrease \$1.9 billion (15.9 percent) from 2023 to 2024.
- 4. Total production expenses are forecast to increase \$16.7 billion (3.8 percent) in 2024.
- 5. Farm sector assets, debt, and equity are forecast to increase (4.7, 5.2, and 4.7 percent, respectively).
- 6. Average net cash farm income for farm businesses is forecast to decrease 27.2 percent to \$72,000 in 2024.
- 7. Median total farm household income is forecast to decrease 0.1 percent to \$99,445 in 2024.

*All values here are in nominal dollars. Inflation is forecast at 2.2 percent in 2024.



Farm sector profits forecast to decline further in 2024

2024 dollars (billions)



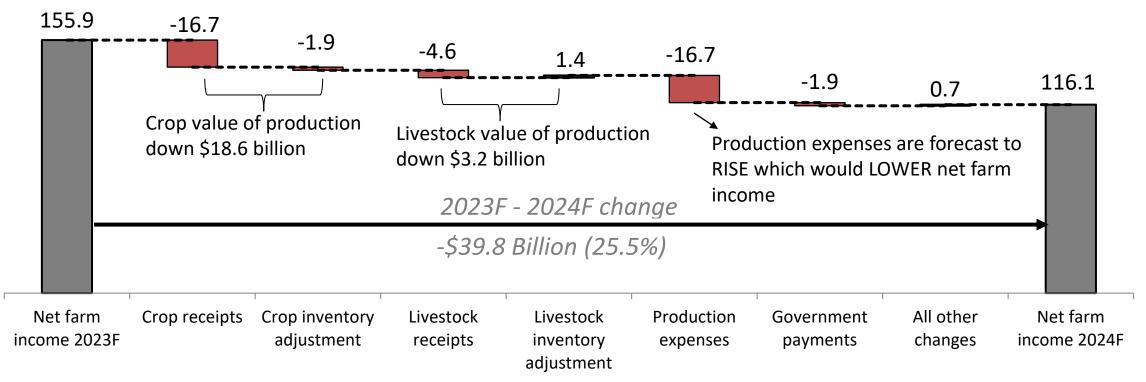
F= forecast. Values are adjusted for inflation using the U.S. Bureau of Economic Analysis Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2024 by USDA, Economic Research Service.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of February 7, 2024.



Lower receipts and higher expenses forecast to lower net farm income 2024

Dollars (billions)



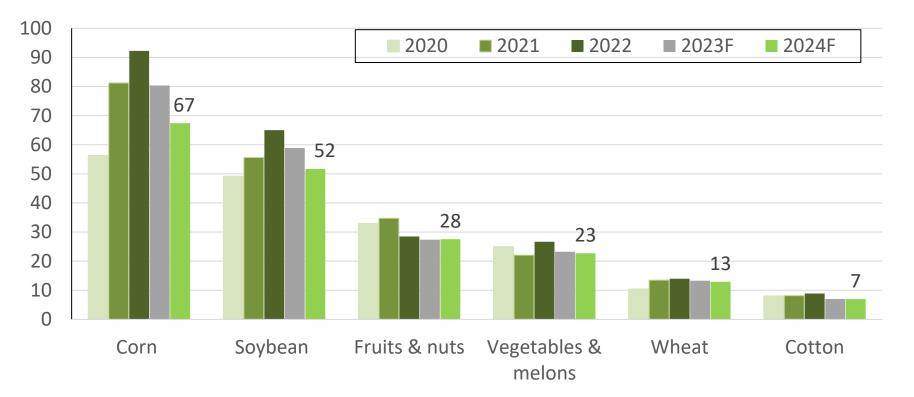
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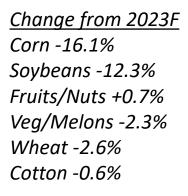


Corn and soybeans driving the forecast decline in crop cash receipts in 2024

2024 dollars (billions)



Receipts for **corn** and **soybeans** are expected to decline due to lower prices.



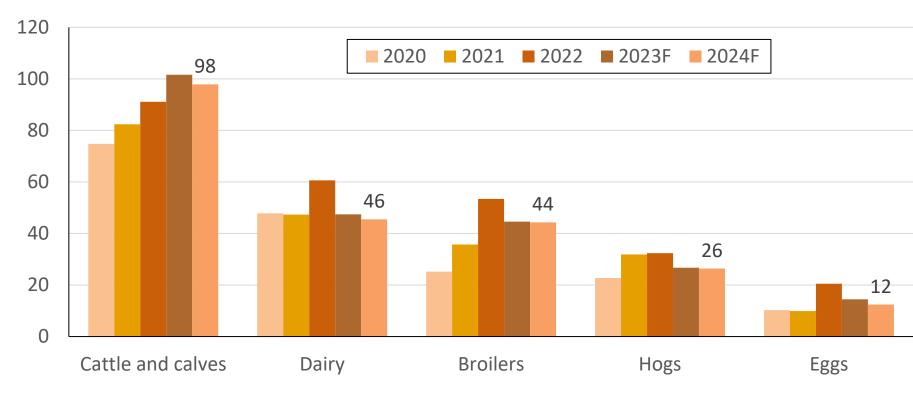
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Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of February 7, 2024.



Cash receipts for all animal/animal products groupings forecast to decrease in 2024

2024 dollars (billions)



Receipts for **cattle** are expected to fall due to lower quantities sold while lower prices are expected to pull down receipts for **eggs**.

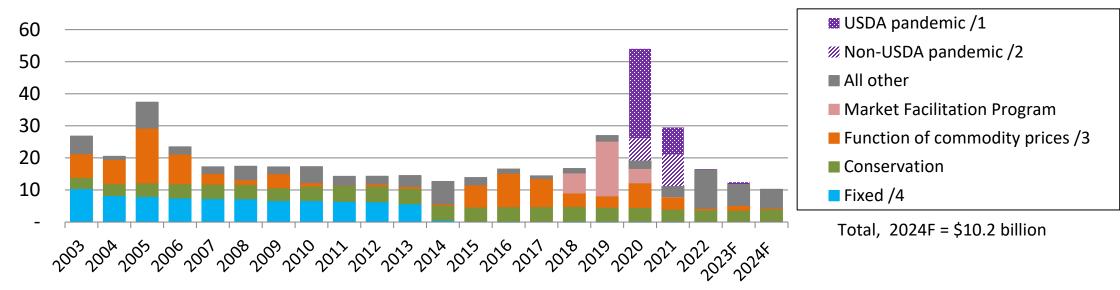
<u>Change from 2023F</u> Cow/calf -3.7% Dairy -4.1% Broilers -0.6% Hogs -1.1% Eggs -13.9%

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Total direct Government payments expected to continue to decline in 2024

2024 dollars (billions)



1/ Includes payments from the Coronavirus Food Assistance Program and other USDA pandemic assistance for producers.

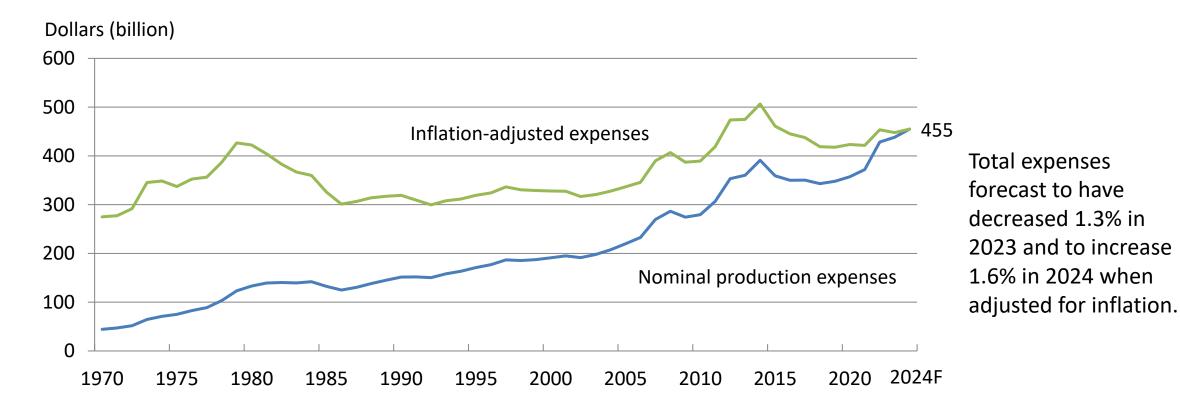
2/ Includes loans from the Small Business Adminstration's Paycheck Protection Program.

3/ Includes counter-cyclical payments, average crop revenue election (ACRE) payments, loan deficiency payments, marketing loan gains, certificate exchange gains, Price Loss Coverage(PLC), Agriculture Risk Coverage (ARC), and dairy payments in which commodity payment rates vary with market prices. 4/ Fixed payments are through 2013 and cotton transition payments in 2014 whereby payment rates are fixed by legislation.

F= forecast. Values are adjusted for inflation using the U.S. Bureau of Economic Analysis Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2024 by USDA, Economic Research Service. Source: USDA, Economic Research Service, Farm Income and Wealth Statistics (using data from FSA, NRCS, CCC, SBA). Data as of February 7. 2024.



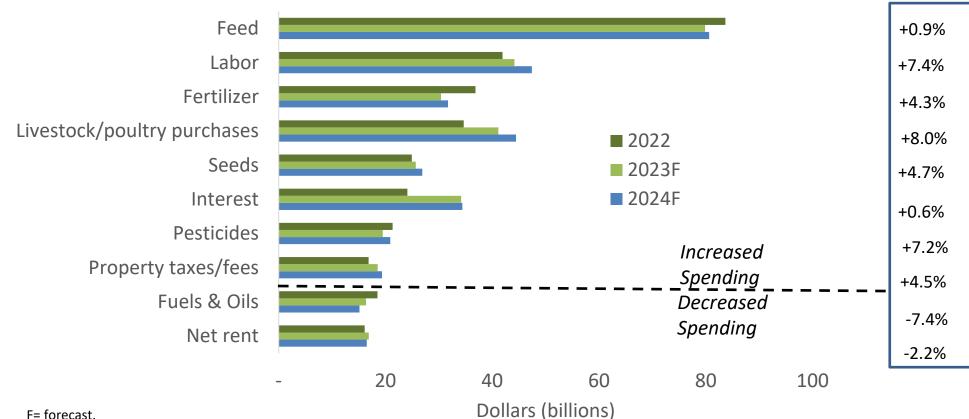
Total production expenses forecast to increase in 2024



F= forecast; data for 2023 and 2024 are forecasts. Values are adjusted for inflation using the U.S. Bureau of Economic Analysis Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2024 by USDA, Economic Research Service. Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of February 7, 2024.



Spending for most categories of expenses expected to increase in 2024 2023F-24F %



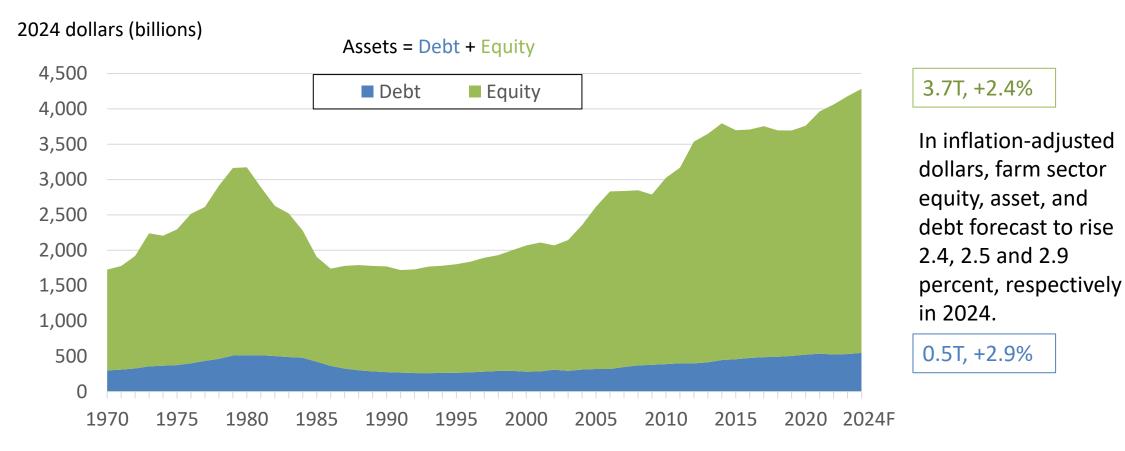
Livestock/poultry purchases and labor expenses are expected to see the largest dollar increases in 2024.

Net rent and fuels and oils expenses are expected to decline.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics Data as of February 7, 2024



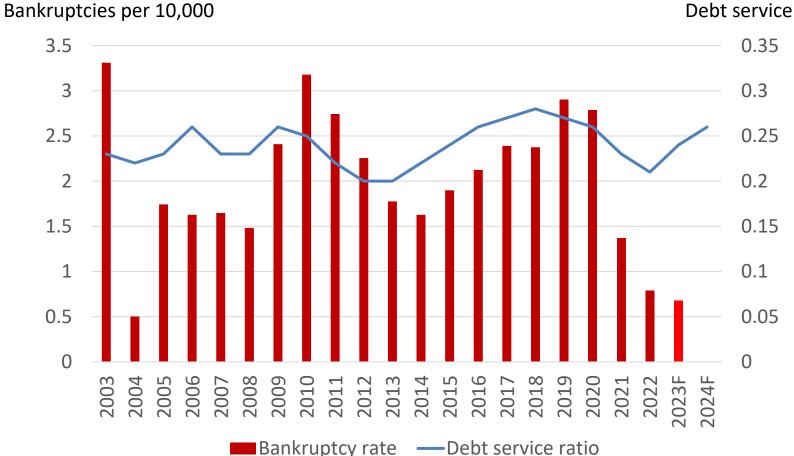
On balance sheet, equity forecast to grow in 2024



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Debt service ratio is expected to rise in 2024



Bankruptcy rate is expected to be at lowest level in 2023 since 2004.

Debt service ratio describes the share of production used for debt payments.

F = forecast.

Sources: Debt Service Ratio from the USDA, ERS Farm Income and Wealth Statistics; Bankruptcy data from U.S. Courts Statistical Tables. Data as of February 7, 2024.



"Farm businesses" include operations with most production, assets, and debt



Farm businesses include intermediate and commercial farms and account for about half of the 2 million farm operations in the U.S.

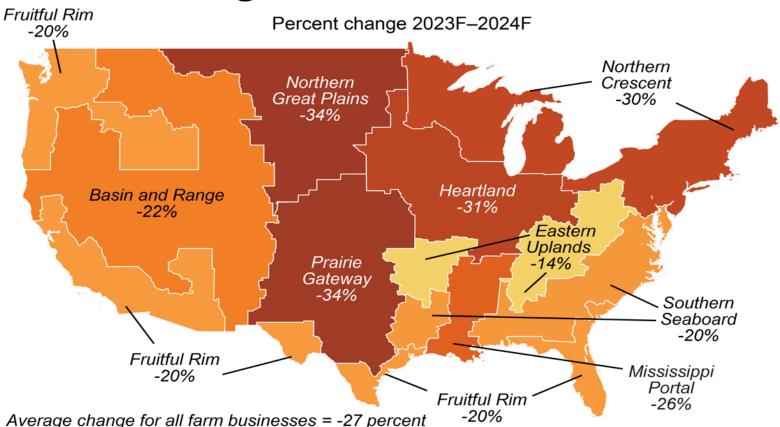
ERS uses ARMS to classify the sector into a typology of farms that are **residence** (retired or non-farm primary occupation, GCFI less than \$350K), **intermediate** (primary occupation is farming, GCFI less than \$350K), and **commercial** farms (GCFI of \$350K or more, plus nonfamily farms)

GCFI = gross cash farm income (before expenses)

Source: USDA, Agricultural Resource Management Survey (ARMS), 2022.



Farm businesses in all regions expected to see lower average net cash income in 2024

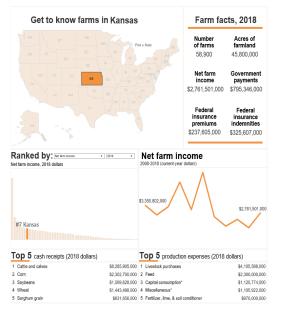


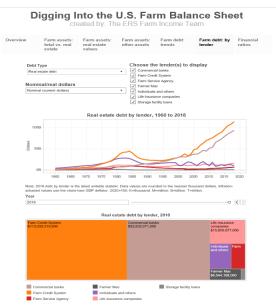
Farm businesses are defined as operations with gross cash farm income of over \$350,000 or smaller operations where farming is reported as the operator's primary occupation. The partial budget forecast model is based on data from the 2022 Agricultural Resource Management Survey (ARMS) using parameters from the sector forecasts. The model is static and does not account for changes in crop rotation, weather, and other location-based production impacts that occurred after the base year. Data as February 7, 2024. Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.

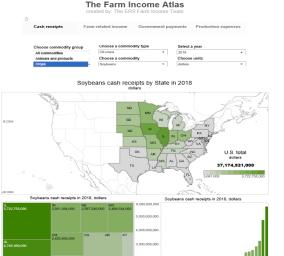


Many Ways to Explore the Data

https://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics/ Visualizations let you dive into the financials of the farm sector







Tailored financial reports

		 Nominal real dollars 		Nominal (current dollars)							
4 1 of 5:	Find Next 🙀										
curnent Map	Value added to the U.S. economy by the agricultural se	ctor, 2010-2019F									
WA State US	 Nominal (current dollars) 										
United States		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019E
Alabama	United States										
Alaska		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Arizona	Value of crop production	168 122 783	199.336.795	212.907.390	233,764,522	205.311.831	184,329,250	189.302.127	187 926 642	188,783,376	183 200 85
Arkansas	Crop cash receipts	180.355.874	201 043 624	231,614,279	220 948 387	211,680,565	187 915 547	195 751 229	194 867 686	195,486,640	197,398.00
California	Cotton	7.454.640	7.303.972	8,230,448	6.515.834	7.111.320	4,756,100	5.496.889	7.573.587	8.041.888	7.357.65
Colorada	Feed crops	55 142 761	71733544	82 136 536	70 845 938	65 888 944	56,930,107	55 443 315	53 920 441	56,568,520	59.088.78
Connecticut	Food grains	14 314 379	16 527 335	19,292,117	17 236 764	16 058 149	12 295 220	11,288,344	11 201 209	12,149,091	11 269 73
	Enuits and nuts	21.612.927	24,166,285	28.107.818	30,214,108	32 248 510	28.447.492	29.698.085	30 588 949	29.030.320	29.412.43
Delaware	Of crops	36.644.312	35.324.368	46.925.602	47,270,761	42,624,290	35.518.959	44,042,747	41,094,011	39.611.066	37,570,90
Florida	Tobacco	1.335.561	1.139.738	1.347.847	1.564.990	1.728.991	1.606.619	1.337.542	1.378.695	1,246,889	987.32
Georgia	Vegetables and melons	17.404.837	17.616.247	17.412.740	19 490 674	18,951,858	20 358 992	19.542.550	20 494 457	18.547.443	20 404 51
Hawaii	All other crops	26.546.456	27,232,113	28.161.171	27.009.317	27.068.502	28.001.057	28.901.756	28.616.339	30,291,434	31,305.66
Idaho	Home consumption	85 828	75.072	105.138	160.092	239.501	258.505	197.827	153,115	148.198	143.81
Illinois	Inventory adjustment	-12.328.918	-1,781,901	-18.813.027	12,656,043	-6.608.235	-3.844.803	-6.646.929	-7.094,159	-6.851.462	-14.341.04
Indiana											
Iowa	Value of animals and products production	140 244 903	163,753,970	169 113 930	181,112,157	214.340.115	194,143,948	165,429,696	176 896 045	177,529,194	177,621,16
Kansas	Animals and products cash receipts	140.870.957	164,858,428	169.818.778	183,137,335	212 290 239	189.515.589	162,730,663	175.559.718	176.529.725	176,790,66
Kentucky	Dairy products. Milk	31,372,346	39,531,306	37.064.731	40,282,881	49.351.199	35,716,849	34,546,316	37 940 662	35,244,314	39,882,83
Louisiana	Meat animals	69,144,199	83,953,111	88,182,234	91,555,897	107,566,114	98.805.765	82,729,079	87,974,760	88,203,255	89,951.3
Maine	Miscellaneous livestock	5,664,235	5,961,598	6,283,566	6,862,426	6,900,663	6,701,302	6,655,861	6,856,416	6,825,169	6,969,38
Maryland	Positry and eggs	34,690,177	35,412,413	38,288,247	44,436,132	48,472,262	48,291,673	38,799,407	42,787,880	46,256,987	39,987,14
Massachusetts	Home consumption	299,792	293,231	278.213	329.261	348.641	363.951	300.422	280.015	288.259	292.44

Current and archived comprehensive datasets

Year	State	artificialKey	VariableDescriptionTotal	VariableDescriptionPart1	VariableDescriptionPart2	Amount	unit_desc	PublicationDate	ChainType_GDP_Deflator
2016	US	CRAUSACVAP	Cash receipts value, all con-	All Commodities	All	352971127	\$1,000	Data as of November 30, 2016	111.266
2016	US	CRAUSADCOVAP	Cash receipts value, other	All other crops	All other crops	27561596		Data as of November 30, 2016	111.366
2016	US	CRAUSBRVAP	Cash receipts value, broilet	Broilers	AI	26476130	\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSBYVAP	Cash receipts value, barles	Barley	All	924341	\$1,000	Data as of November 30, 2016	111.266
2016		CRAUSCHEAVAP	Cash receipts value, farm (I		All		\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSCLVAP	Cash receipts value, cattle	Cattle and calves	AI	66629206	\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSCINLSVAP	Cash receipts value, cottor	Cotton lint	Long staple	297928	\$1,000	Data as of November 30, 2016	111.266
2016		CRAUSCINUPVAP	Cash receipts value, cottor		Upland	4529822		Data as of November 30, 2016	111.366
2016	US	CRAUSCNVAP	Cash receipts value, cottor	Cotton lint	AI	4817250	\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSCOV/AP	Cash receipts value, crops	Crops	All	186492013	\$1,000	Data as of November 30, 2016	111.266
2016	US	CRAUSCRVAP	Cash receipts value, corn ,	Com	All	46191912	\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSCSVAP	Cash receipts value, cottor	Cottonseed	AI	955923	\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSCTVAP	Cash receipts value, cottor	Cotton	All	5773173	\$1,000	Data as of November 30, 2016	111.266
2016		CRAUSCWVAP	Cash receipts value, cane f		All	1048840		Data as of November 30, 2016	111.366
2016	US	CRAUSC2VAP	Cash receipts value, canol	Canola	AI	458133	\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSDBVAP	Cash receipts value, dry bel	Dry beans	All	939439	\$1,000	Data as of November 30, 2016	111.266
2016	US	CRAUSDYVAP	Cash receipts value, dairy I		All	33944278		Data as of November 30, 2016	111.366
2016	US	CRAUSEGVAP	Cash receipts value, chicke	Chicken eggs	AI	6399899	\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSEEVAP	Cash receipts value, feed (I	Feed crops	All	55804943	\$1,000	Data as of November 30, 2016	111.266
2016		CRAUSFLVAP	Cash receipts value, flaxse		All		\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSENVAP	Cash receipts value, fruits, I	Fruits/Nuts	AI	25106394	\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSEOVAP	Cash receipts value, food (I	Food grains	All	10979176	\$1,000	Data as of November 30, 2016	111.266
2016	US	CRAUSEPVAP	Cash receipts value, forest	Forest products	All	737114		Data as of November 30, 2016	111.366
2016	US	CRAUSHGVAP	Cash receipts value, hogs, I	Hogs	AI	19582722	\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSHYVAP	Cash receipts value, hay, if	Нау	All	6975079	\$1,000	Data as of November 30, 2016	111.266
2016	US	CRAUSEVMIVAP	Cash receipts value, livest	Animals and products	Miscellaneous animals an			Data as of November 80, 2016	111.366
2016	US	CRAUSEVVAP	Cash receipts value, livest	Animals and products	AI	166379114	\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSMAWAP	Cash receipts value, meat I	Meat animals	All	86211927	\$1,000	Data as of November 30, 2016	111.266
2016	US	CRAUSMLVAP	Cash receipts value, millet	Proso millet	All		\$1,000	Data as of November 80, 2016	111.366
2016	US	CRAUSMISSDVAP	Cash receipts value, must it	Mustardseed	AI	9292	\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSOCMIVAP	Cash receipts value, oil crc	Oil crops	Miscellaneous	470595	\$1,000	Data as of November 30, 2016	111.266
2016		CRAUSOCVAP	Cash receipts value, oil crc		All	40860859		Data as of November 30, 2016	111.366
2016		CRAUSOTVAP	Cash receipts value, oats ,		All		\$1,000	Data as of November 30, 2016	111.366
2016		CRAUSPGVAP	Cash receipts value, poultil		All	39291615		Data as of November 30, 2016	111.266
2016	US	CRAUSPINVAP	Cash receipts value, peand		All	1164022	\$1,000	Data as of November 30, 2016	111.366
2016	US	CRAUSPOVAP	Cash receipts value, potate	Potatoes	AI	3766751	\$1,000	Data as of November 30, 2016	111.366



Economic Research Service *www.ers.usda.gov*

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Questions?

Farm Sector Income and Finances: <u>https://www.ers.usda.gov/topics/farm-economy/farm-</u> <u>sector-income-finances/</u>

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