USDA Farm Income Forecast

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Summary*

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


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

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

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

Change from 2023F
Corn -16.1%
Soybeans -12.3%
Fruits/Nuts +0.7%
Veg/Melons -2.3%
Wheat -2.6%
Cotton -0.6%

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

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

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


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 Administration’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.

Data as of February 7, 2024.
Total production expenses forecast to increase in 2024

Total expenses forecast to have decreased 1.3% in 2023 and to increase 1.6% in 2024 when adjusted for inflation.

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.

Spending for most categories of expenses expected to increase in 2024

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.

Increased Spending

Decreased Spending

Feed
Labor
Fertilizer
Livestock/poultry purchases
Seeds
Interest
Pesticides
Property taxes/fees
Fuels & Oils
Net rent

2023F-24F % change
+0.9%
+7.4%
+4.3%
+8.0%
+4.7%
+0.6%
+7.2%
+4.5%
-7.4%
-2.2%

Dollars (billions)
2022
2023F
2024F

F= forecast.
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

2024 dollars (billions)

Assets = Debt + Equity

In inflation-adjusted dollars, farm sector equity, asset, and debt forecast to rise 2.4, 2.5 and 2.9 percent, respectively 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.

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 non-family farms)

GCFI = gross cash farm income (before expenses)

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


Visualizations let you dive into the financials of the farm sector

- Tailored financial reports
- Current and archived comprehensive datasets
Questions?

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

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