

AGRICULTURAL CONDITIONS IN THE NINTH DISTRICT

November 14, 2025

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FEDERAL RESERVE BANK
OF MINNEAPOLIS



DISCLAIMER

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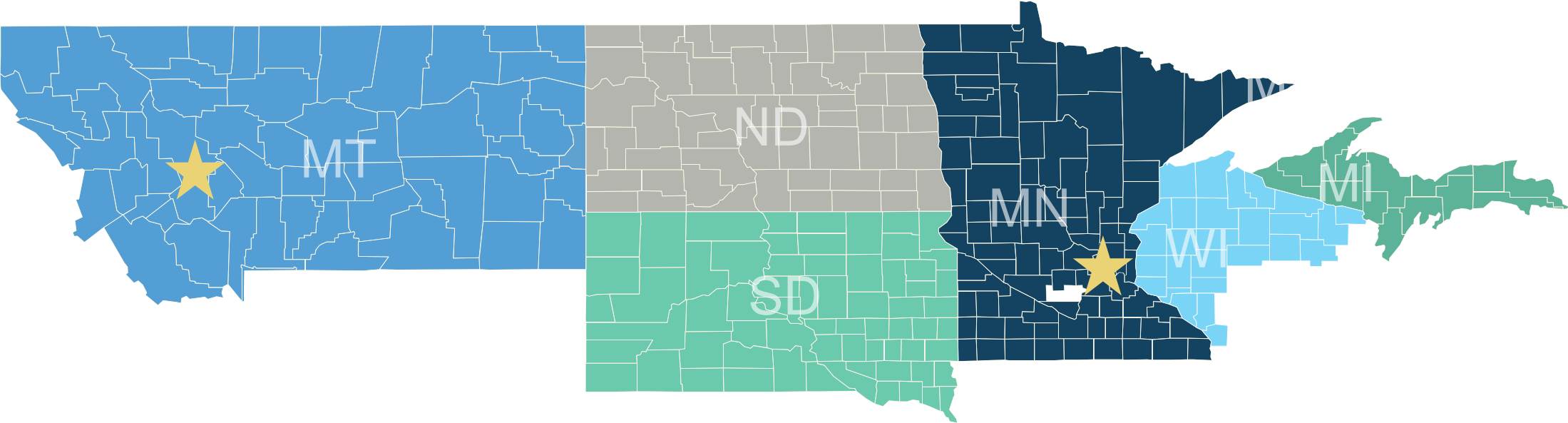
TODAY'S PRESENTATION

- Agriculture in the Ninth District
- Ag Credit survey, Q3 2025
 - Farm incomes fell, credit quality weakened
 - Land values up, cash rents down
 - Outlook pessimistic
- Farm Labor



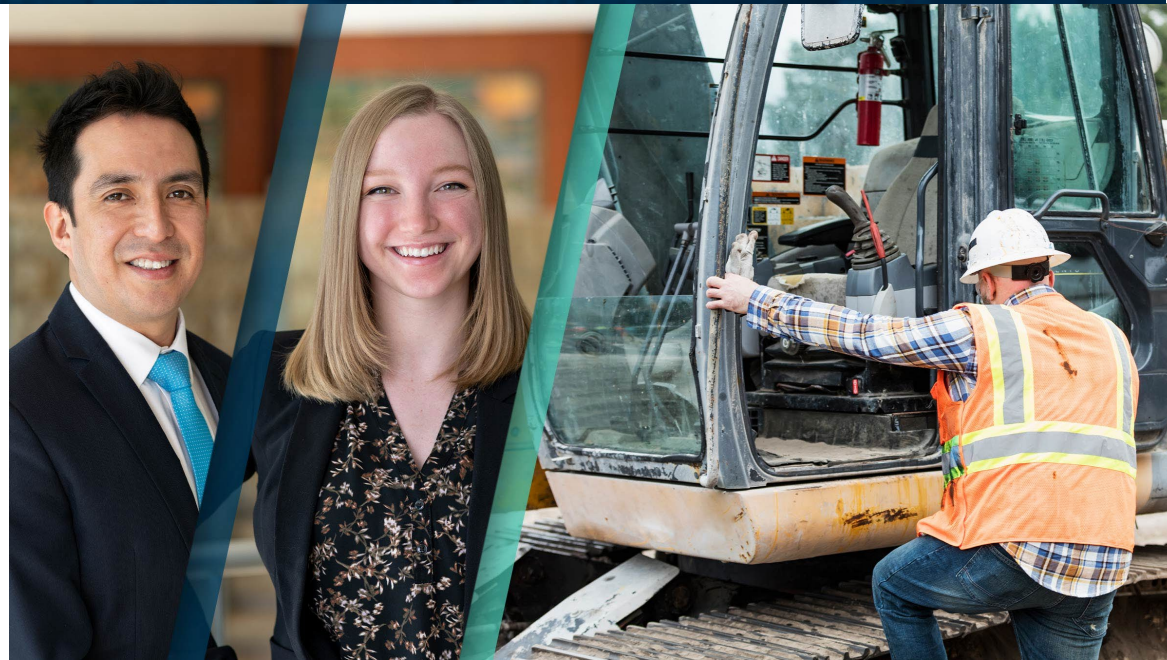
FEDERAL RESERVE BANK OF MINNEAPOLIS

THE FED'S NINTH DISTRICT



UPCOMING EVENT: DECEMBER 12

Regional Economic Conditions: Construction



FEDERAL RESERVE BANK OF MINNEAPOLIS

MINNEAPOLIS FED BUSINESS PULSE SURVEY

- Monthly business conditions survey, three years running
- Tracks a variety of business indicators and prices, looking one month back and forward
- Results published on minneapolisfed.org

The screenshot shows the top navigation bar of the Federal Reserve Bank of Minneapolis website. The header includes the bank's logo and name, and a navigation menu with links: FROM THE PRESIDENT, BANK NEWS & EVENTS, CAREERS, and CONNECT WITH US. Below this is a secondary menu with links: ABOUT US, REGION & COMMUNITY, RESEARCH, BANKING, and POLICY, along with a search icon. The main content area features a dark blue background with the title 'Regional Economic Indicators' and a brief description: 'We monitor a variety of indicators that speak to the economic health of the Ninth District. We collect and share this data to assess current economic conditions.'

JUMP TO:

INFLATION

EMPLOYMENT

LABOR MARKETS

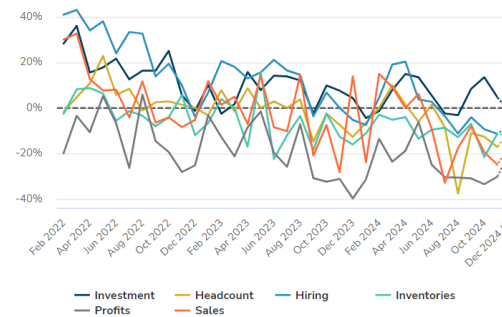
BUSINESS CONDITIONS

BUSINESS CONDITIONS

These data are drawn from a monthly survey conducted by the Federal Reserve Bank of Minneapolis. Responses come from a list of business owners and/or managers in a variety of industry sectors from across the Ninth District, who have volunteered to share information with the Minneapolis Fed via electronic survey. Contacts are asked to report on a consistent set of business metrics each month, indicating whether they have increased, decreased, or remained unchanged relative to the previous month, and to report about their expectations for the month ahead. Results are summarized here as the net share of those reporting whether an indicator increased.

How business performance is changing

Net share of business contacts who report indicators are increasing



Source: Minneapolis Fed Ninth District Business Conditions Survey

How prices are changing for businesses

Net share of business contacts who report prices are increasing



Source: Minneapolis Fed Ninth District Business Conditions Survey



FEDERAL RESERVE BANK OF MINNEAPOLIS

MINNEAPOLIS FED BUSINESS PULSE SURVEY

Scan to become a source:

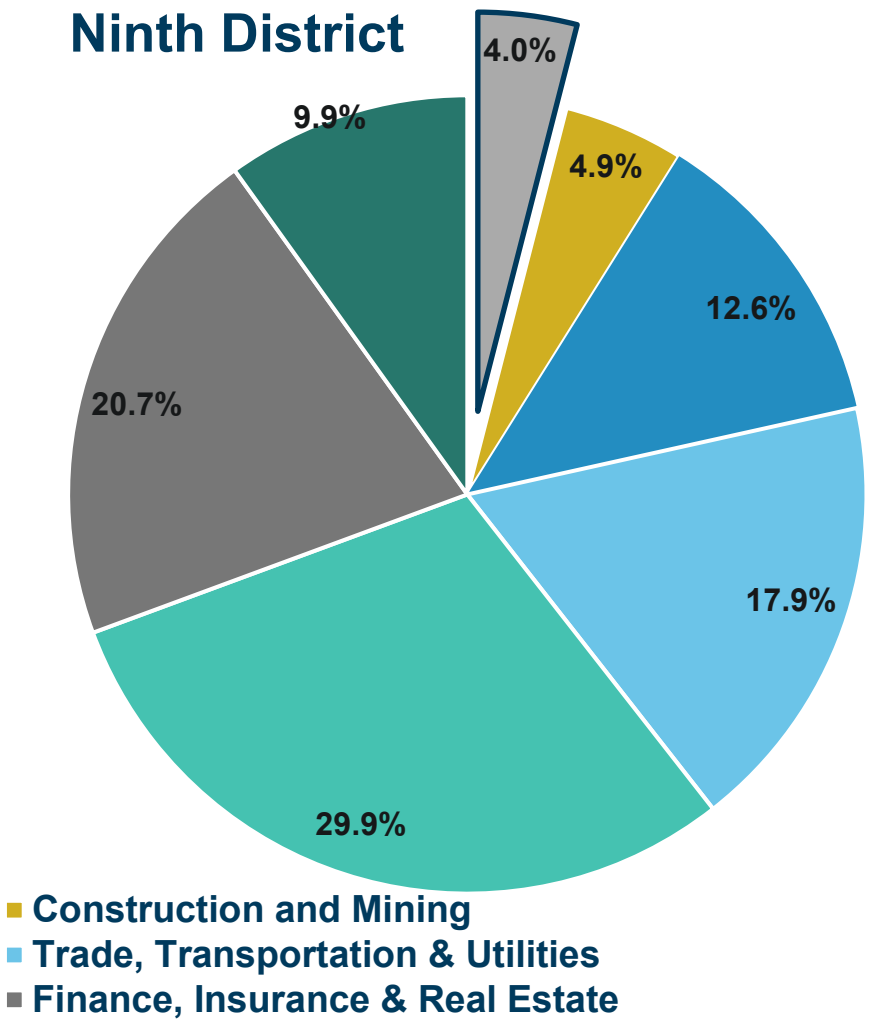
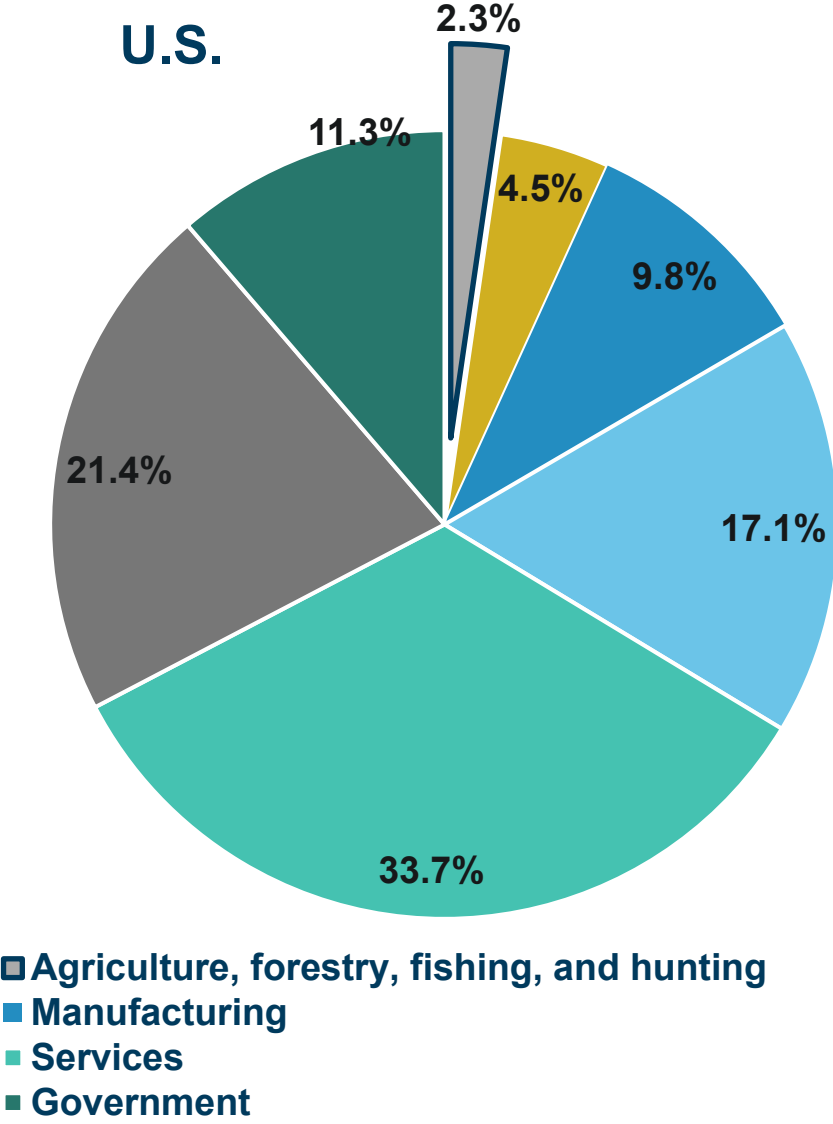


- Highly-engaged business contacts representing all industries, firm sizes, and District states.
- Panelists opt-in, recruited via multiple channels (in-person events, partner orgs, subscribers, etc.)
- << Sign-up to participate!



FEDERAL RESERVE BANK OF MINNEAPOLIS

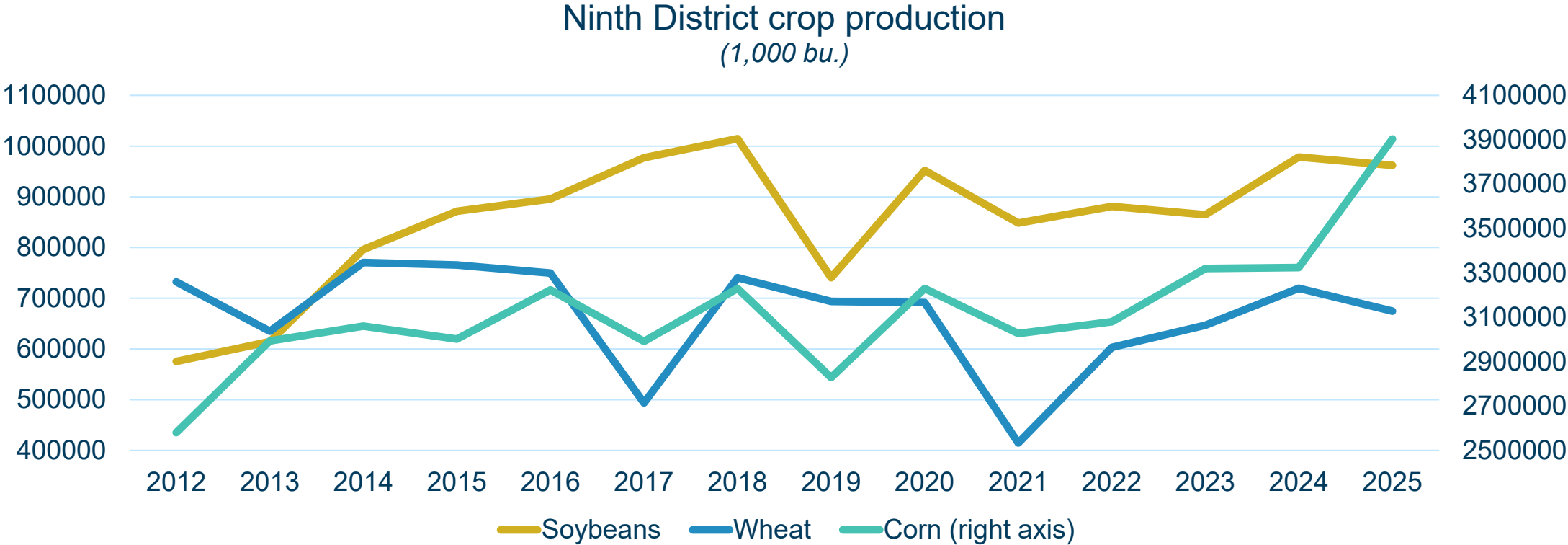
OUTPUT BY INDUSTRY, 2024, U.S. & NINTH DISTRICT



Source: Bureau of Economic Analysis

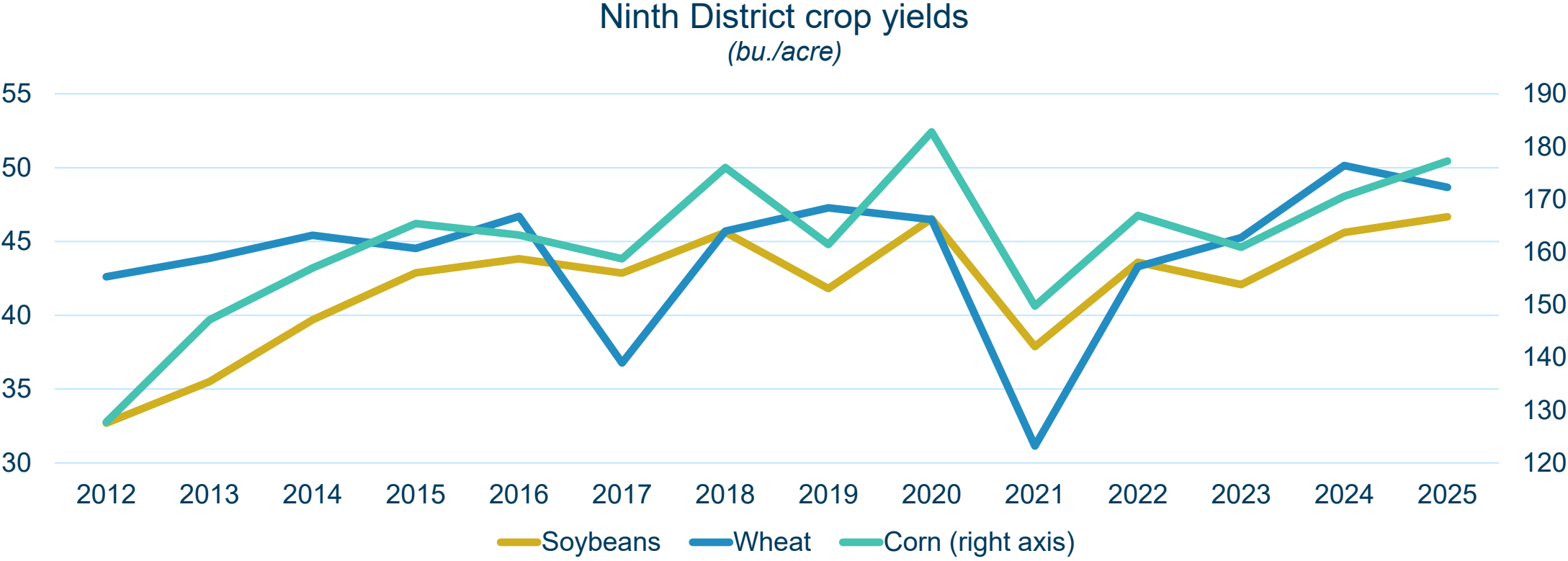
DISTRICT FARMING CONDITIONS

VERY STRONG CROP PRODUCTION IN 2025



Source: USDA

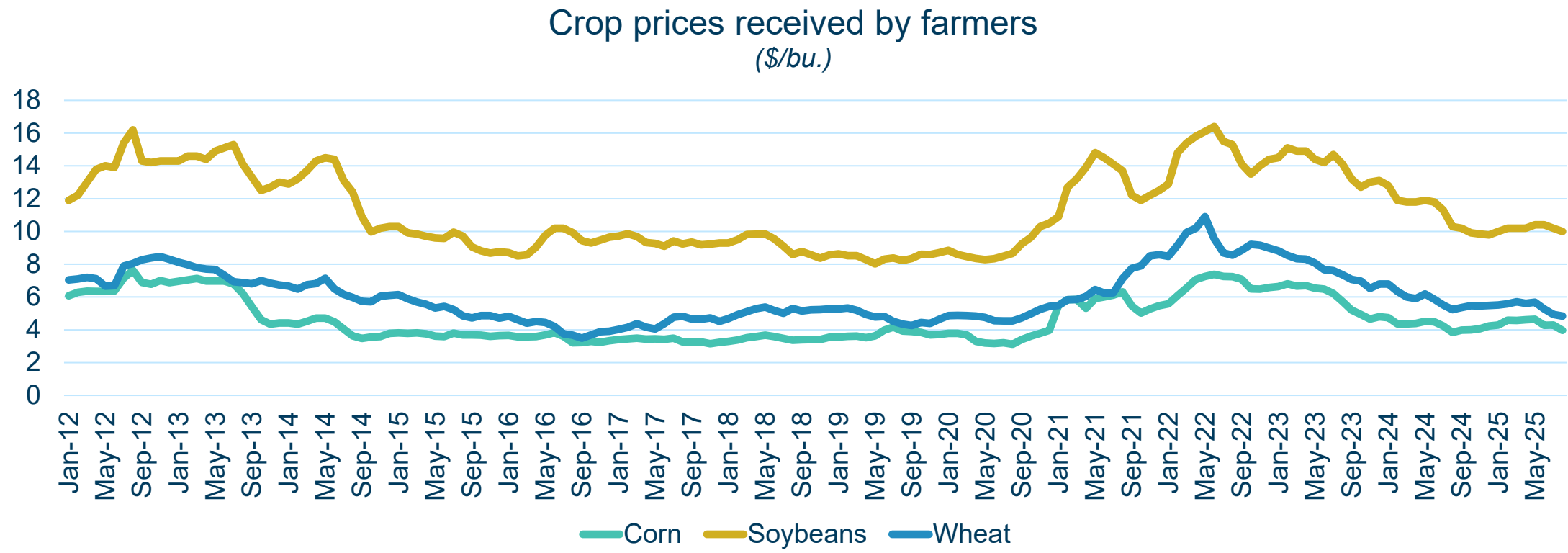
CROP YIELDS AT OR NEAR RECORDS



Source: USDA

DISTRICT FARMING CONDITIONS

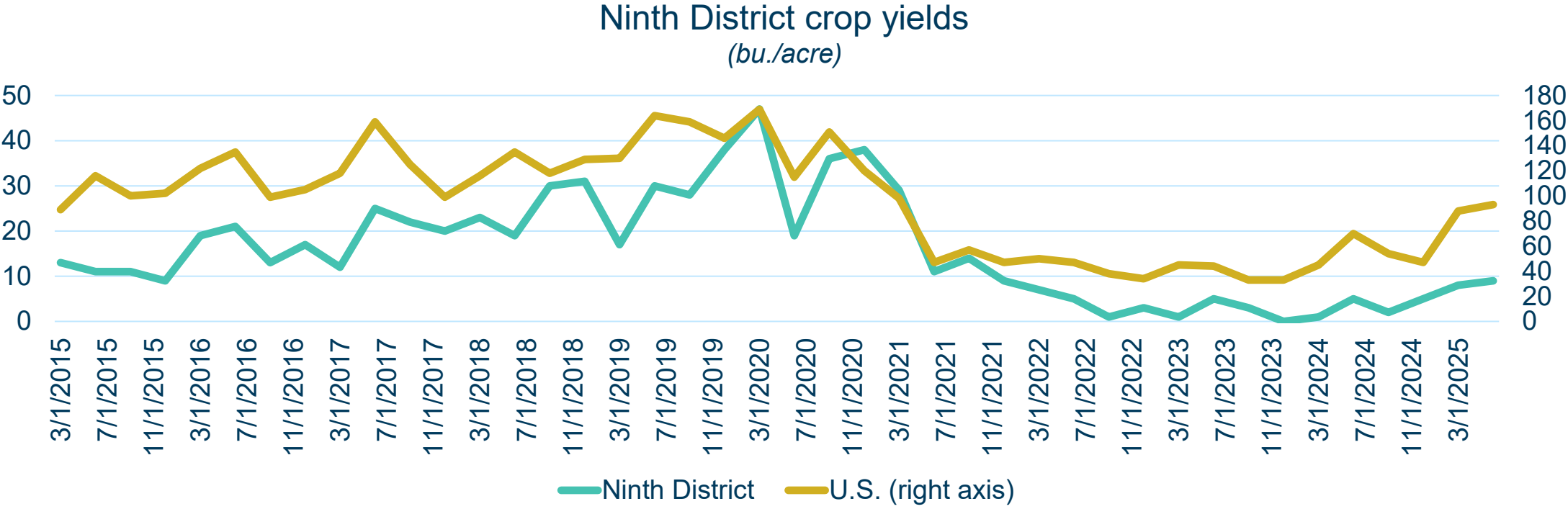
BUT CROP PRICES IN A PROLONGED SLUMP...



Source: USDA

DISTRICT FARMING CONDITIONS

...AND BANKRUPTCY FILINGS ARE TICKING UP



Source: U.S. Courts



SURVEY RESULTS

OBSERVING AG, VIA BANKERS

- **Ninth District survey**
 - **Conducted quarterly (Jan., Apr., Jul., Oct.) looking backward and forward one quarter**
 - **Poll of member banks concentrated in ag**
 - **Not a random sample, but a panel of experts**
 - **October survey: 47 bankers**



FARM FINANCIAL CONDITIONS WORSENING AMID FALLING INCOMES

- Incomes overwhelmingly decreased from a year ago
- Capital spending also down, Household spending flat
- Interest rates declined slightly
- Loan demand up and repayment rates down
- Land values up, rents down from a year ago
- Outlook for Q4 2025 negative

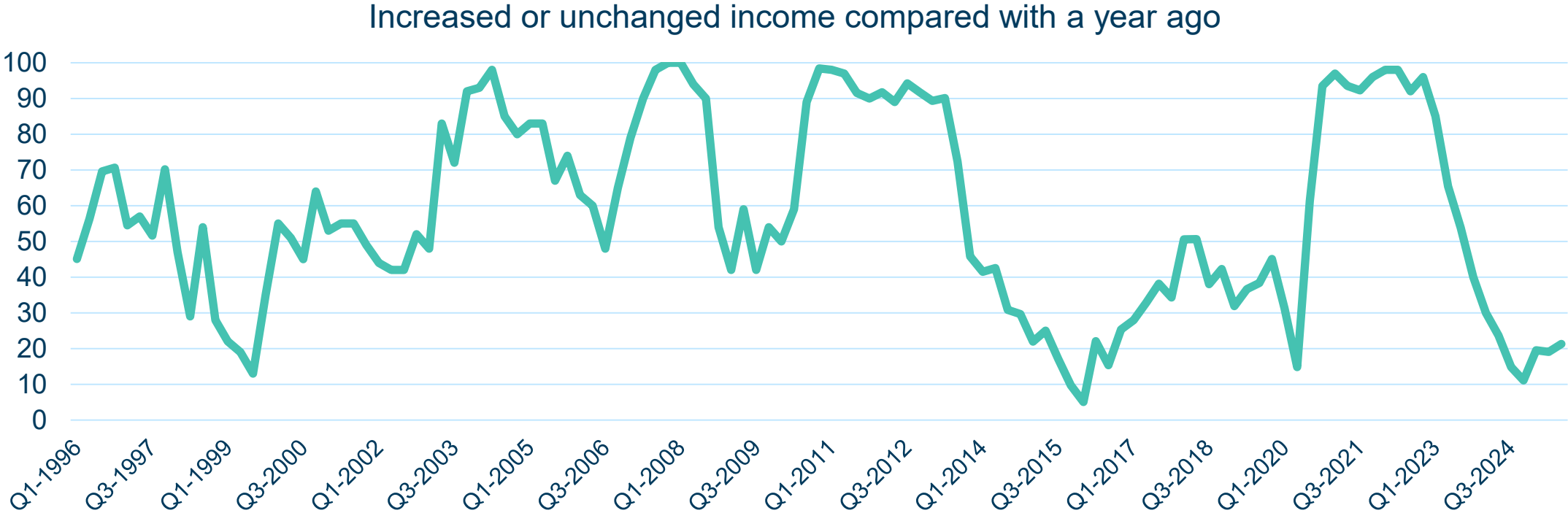


FARM INCOME DOWN, SPENDING MIXED

	Increased	Unchanged	Decreased
Farm Income	9%	13%	79%
Household spending	23%	51%	26%
Capital spending	6%	23%	70%



INCOME DOWN OVER PAST TWO YEARS



CREDIT CONDITIONS

LOAN DEMAND AND RENEWALS UP, REPAYMENT RATES STEADY

	Increase	No changed	Decrease
Loan demand	43%	40%	17%
Repayment rates	2%	49%	49%
Renewals	47%	51%	2%



LENDERS SEE FALLING INCOME, SPENDING IN Q4 2025

	Increase	No changed	Decrease
Farm Income	11%	6%	83%
Household Spending	23%	38%	38%
Capital Spending	11%	15%	74%

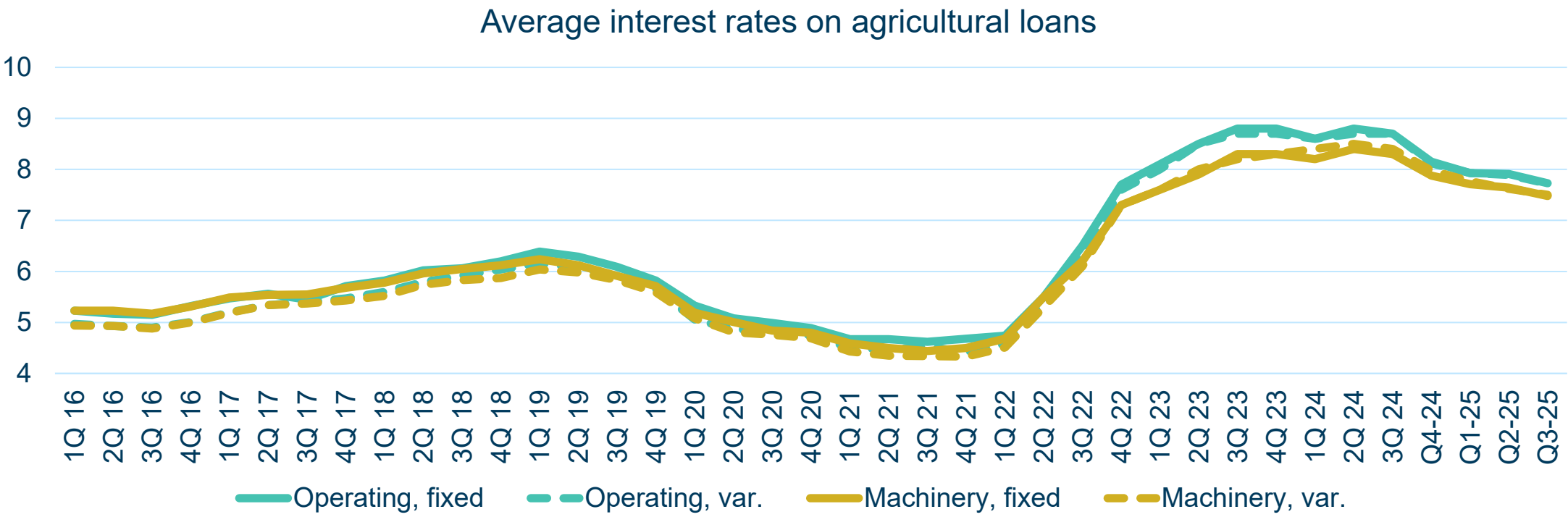


OUTLOOK FOR INCREASED LOAN DEMAND AND RENEWALS, DECREASED REPAYMENT RATES IN Q4 2025

	Increase	No changed	Decrease
Loan demand	57%	30%	13%
Repayment rates	4%	34%	62%
Renewals	59%	39%	2%



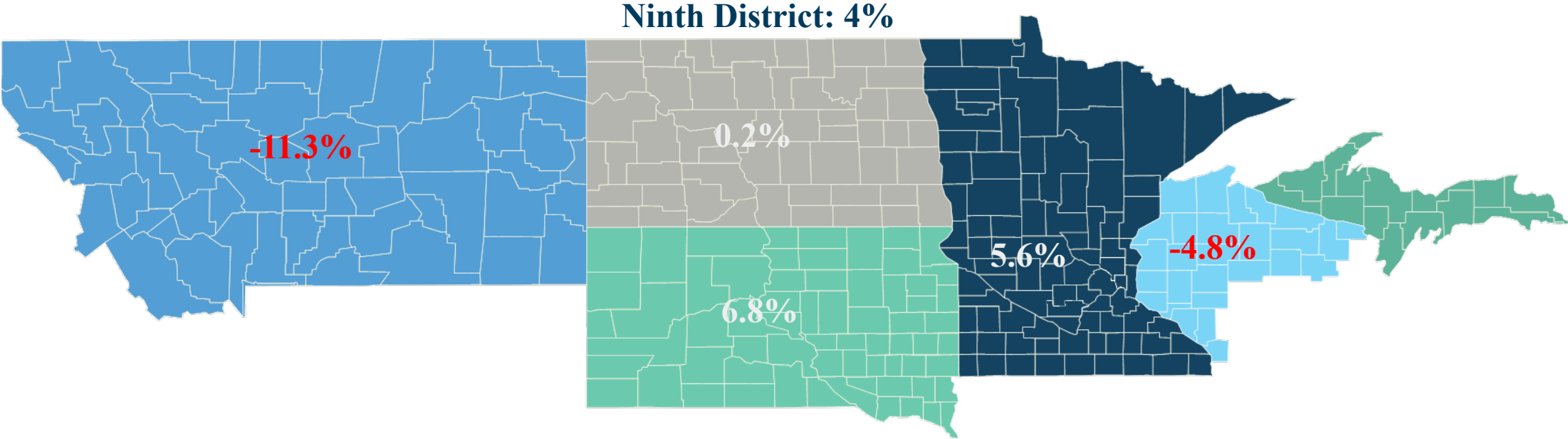
AG INTEREST RATES TREND DOWN BUT ELEVATED



LAND VALUES

LAND VALUES UP FROM LAST YEAR

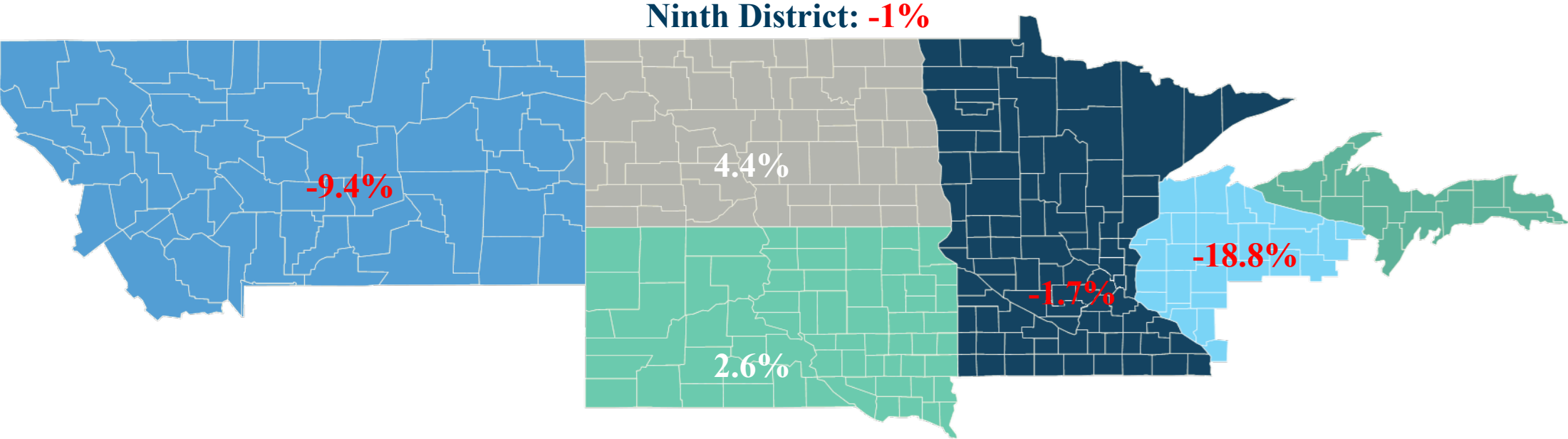
AVERAGE CHANGE IN PRICE OF NONIRRIGATED FARMLAND, 2024Q3-2025Q3



CASH RENTS

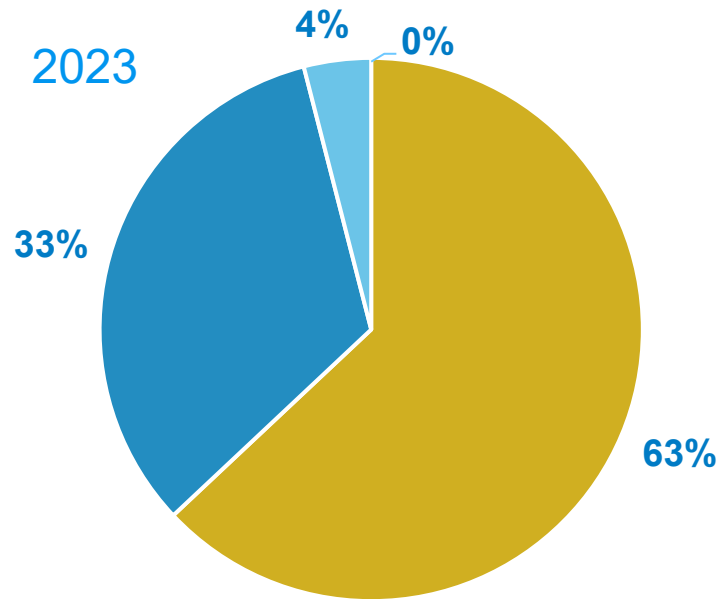
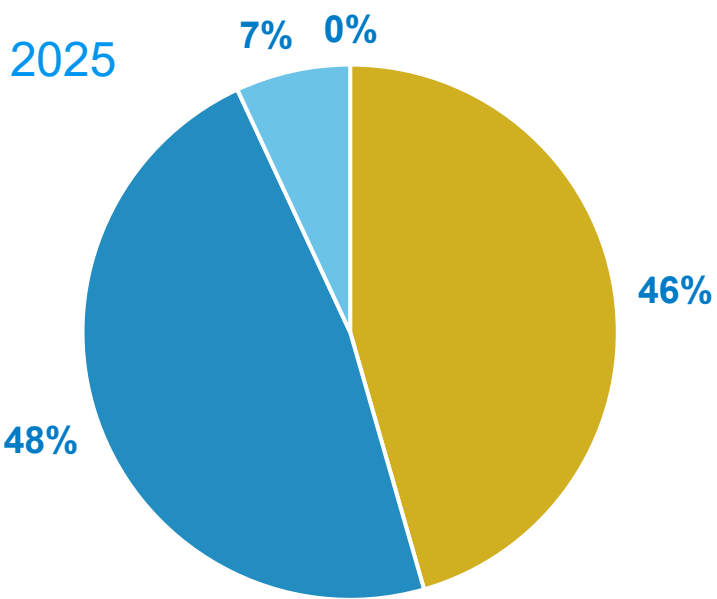
BUT CASH RENTS DECREASED

AVERAGE CHANGE IN CASH RENTS FOR NONIRRIGATED FARMLAND, 2024Q3-2025Q3



LABOR AVAILABILITY A SERIOUS CHALLENGE

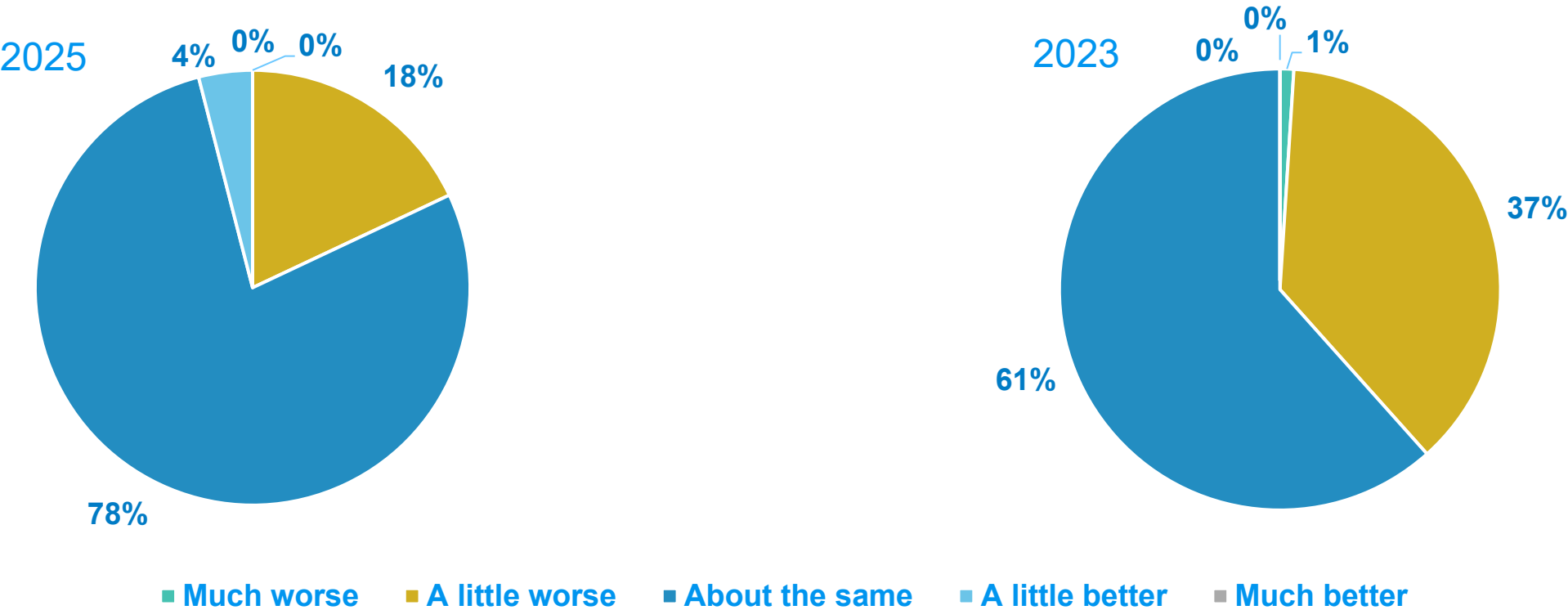
AMONG AGRICULTURAL PRODUCERS IN YOUR LENDING AREA, HOW SEVERE IS THE CHALLENGE OF SECURING ADEQUATE FARM LABOR ?



- The most important challenge facing producers
- A serious challenge, but not the most important
- A minor challenge
- Not a challenge at all

LABOR AVAILABILITY

HOW WOULD YOU COMPARE THE AVAILABILITY OF FARM LABOR IN YOUR LENDING AREA THIS YEAR VS. LAST YEAR?



THANK YOU!
QUESTIONS?

SCAN TO BECOME A SOURCE:

