AGRICULTURAL CONDITIONS IN THE NINTH DISTRICT

November 13, 2026

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Regional Outreach Director

FEDERAL RESERVE BANK OF MINNEAPOLIS

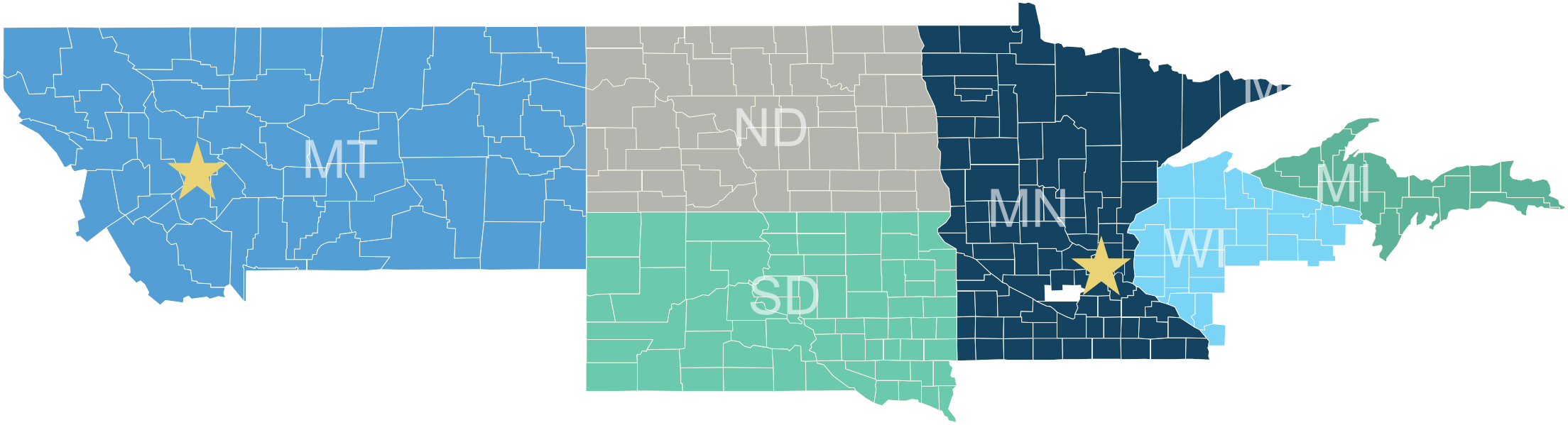
DISCLAIMER

The views expressed here are the presenter's and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.

TODAY'S PRESENTATION

- Agriculture in the Ninth District
- Ag Credit survey, Q3 2026
  - Farm incomes down
  - Loan demand, interest rates up
  - Land values mostly up
- Broader rural impact

THE FED'S NINTH DISTRICT



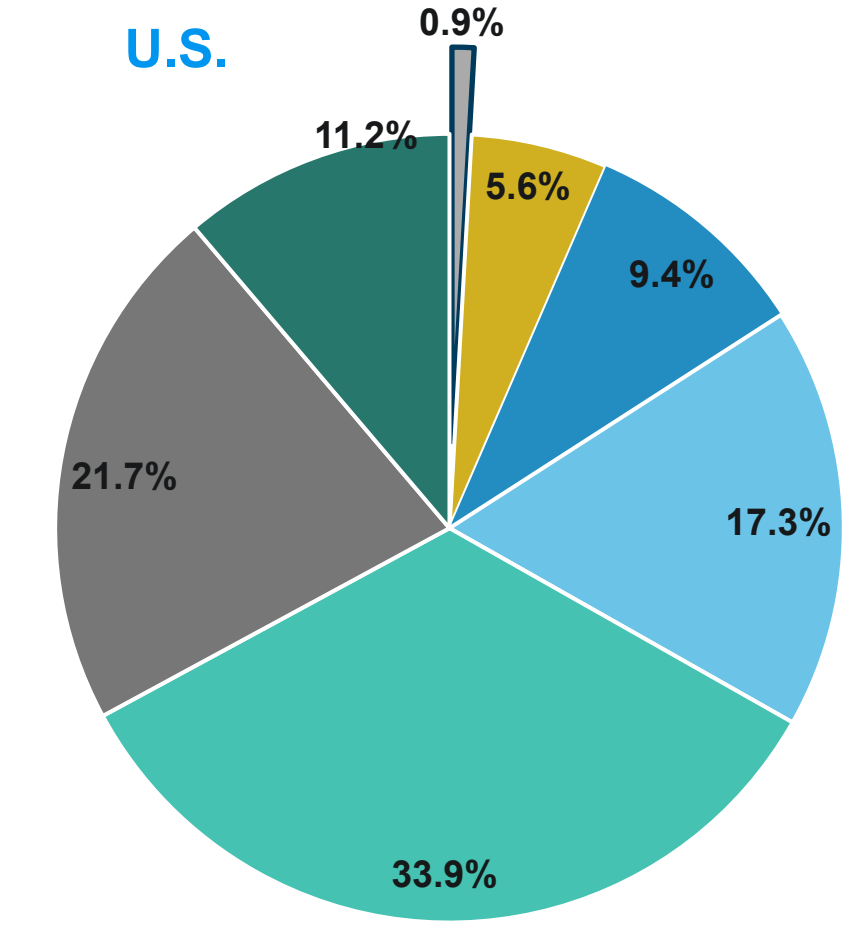
UPCOMING EVENT: JANUARY 13 2027

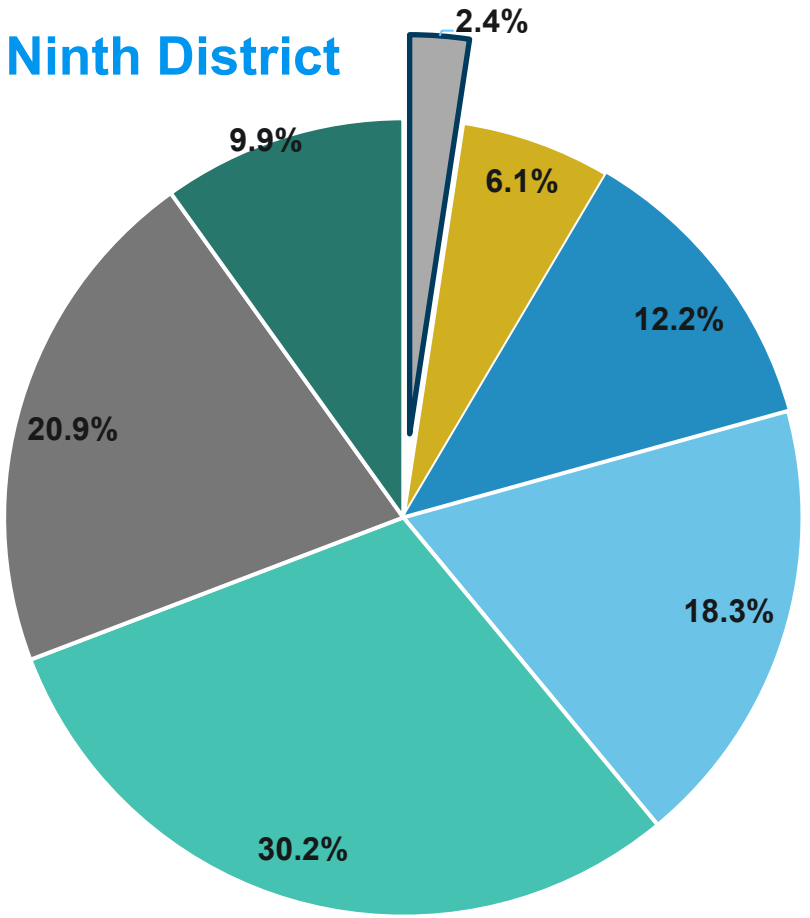
2027 Regional Economic Conditions Conference



FEDERAL RESERVE BANK OF MINNEAPOLIS

OUTPUT BY INDUSTRY, 2025, U.S. & NINTH DISTRICT

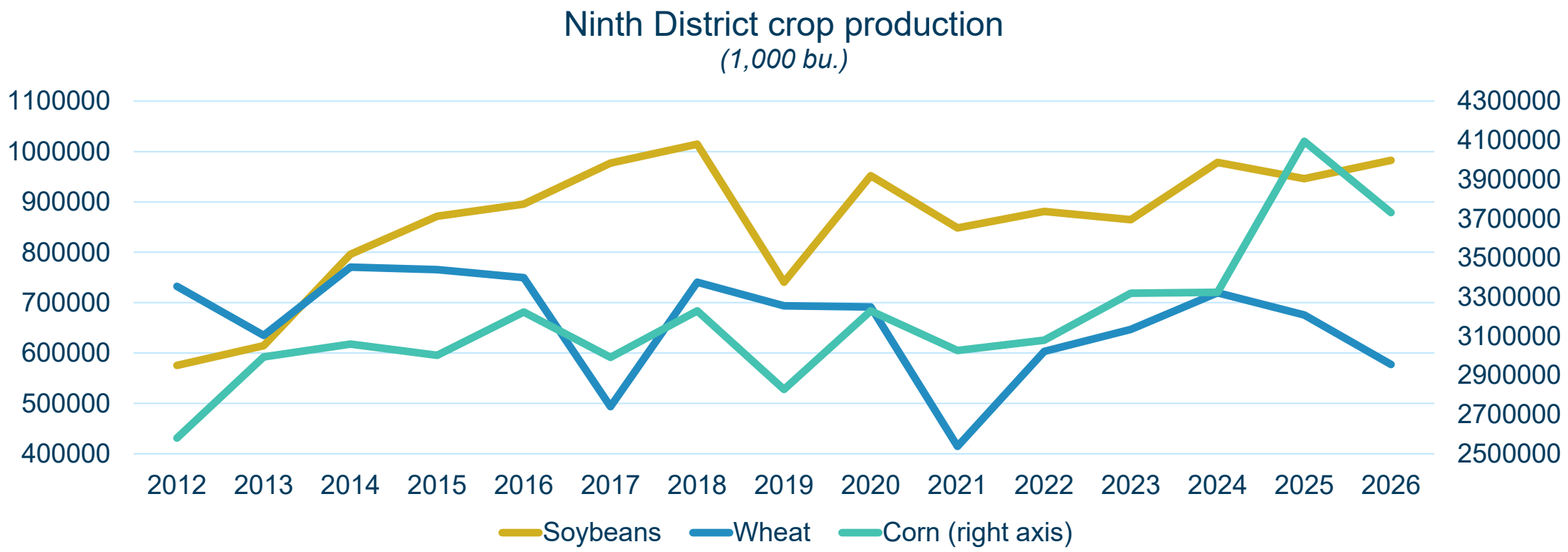




- Agriculture, forestry, fishing, and hunting
- Manufacturing
- Services
- Government
- Construction and Mining
- Trade, Transportation & Utilities
- Finance, Insurance & Real Estate

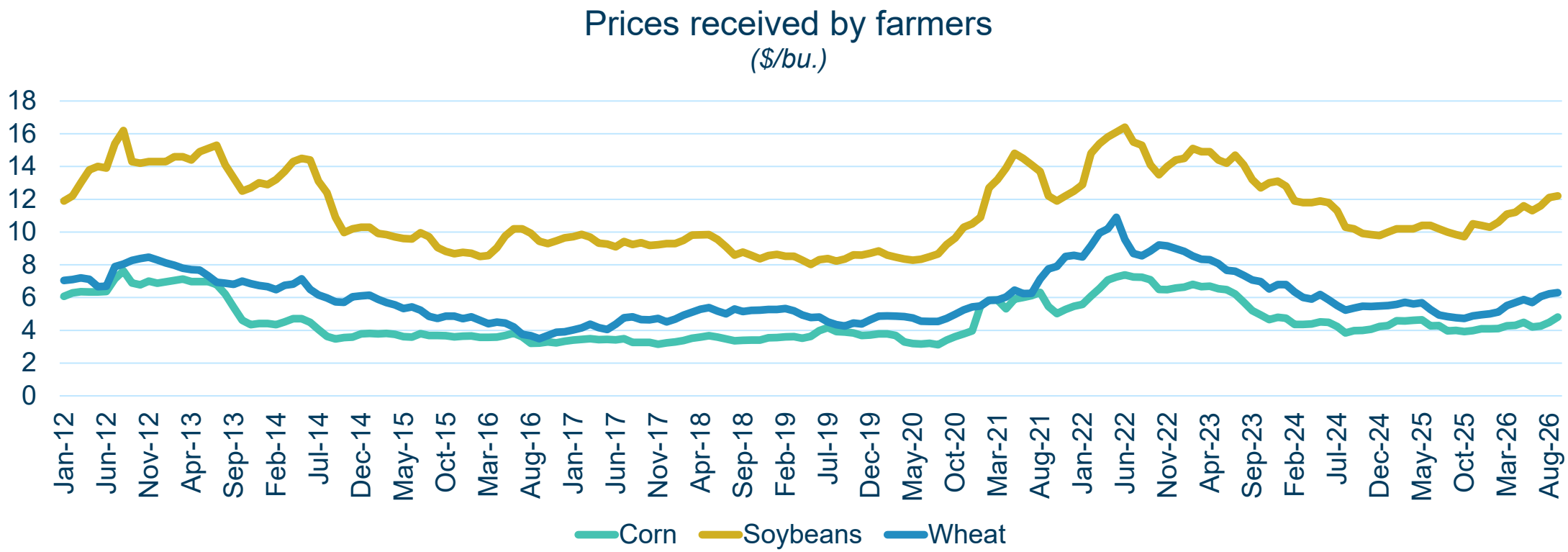
Source: Bureau of Economic Analysis

CROP PRODUCTION SOLID IN 2026, BUT DOWN



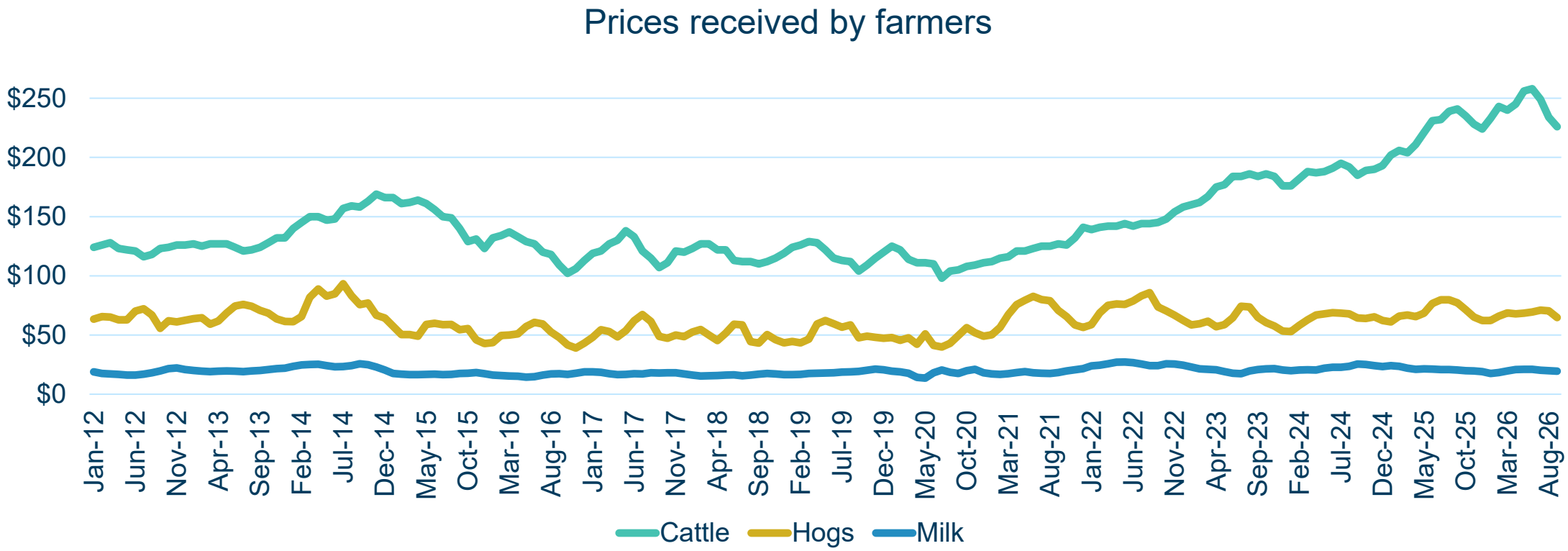
Source: USDA

CROP PRICES ON A SLIGHT RALLY



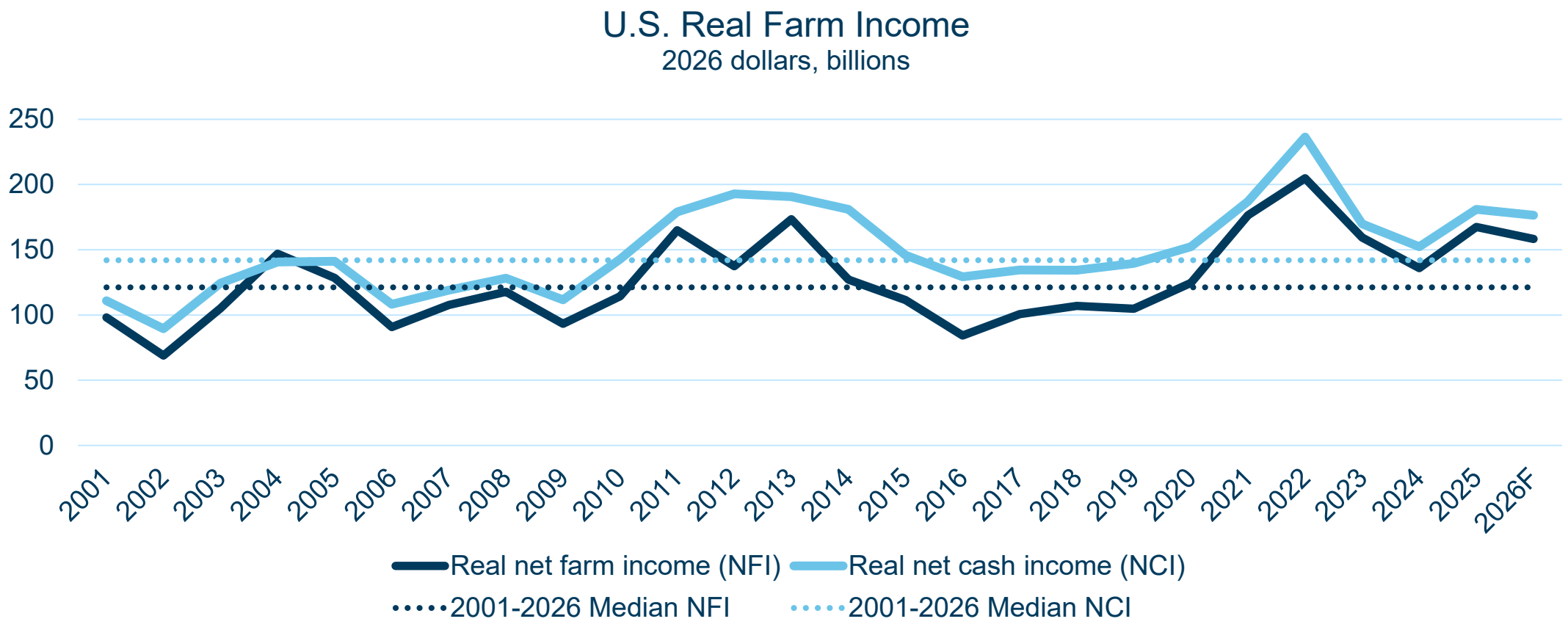
Source: USDA

LIVESTOCK PRICES STILL STRONG



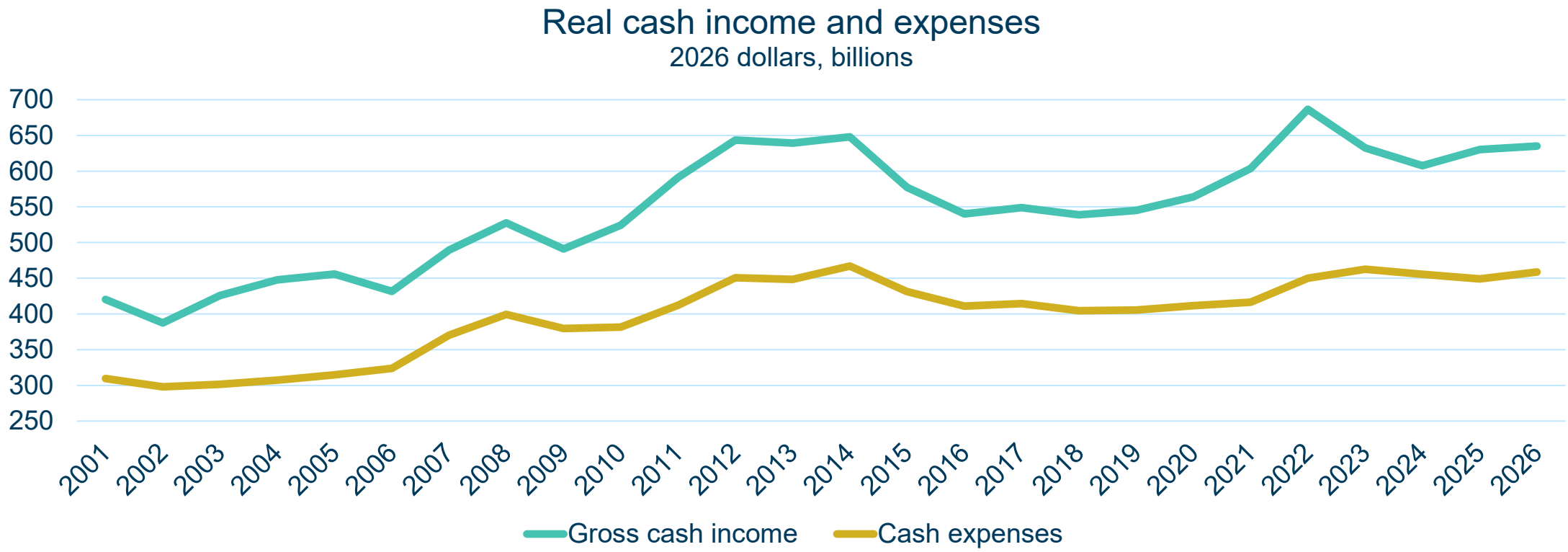
Source: USDA

REAL INCOMES ABOVE AVERAGE



Source: USDA

EXPENSES STILL ELEVATED



Source: USDA



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

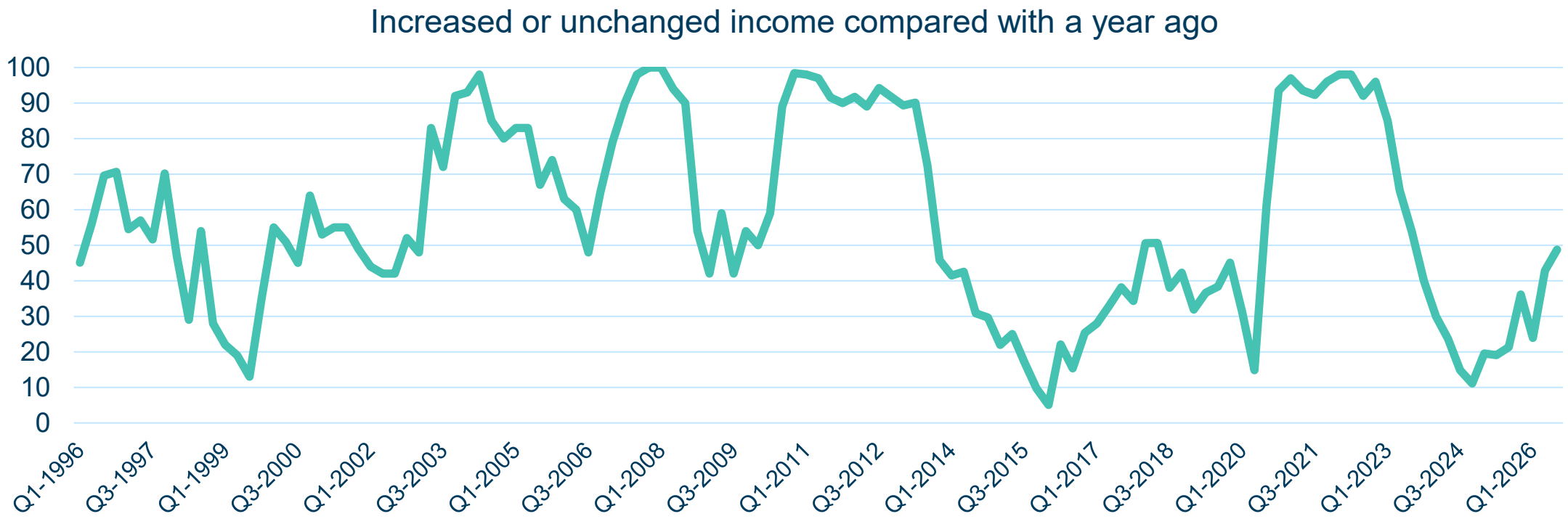
AGRICULTURAL FINANCES WEAK BUT STEADY

- Incomes decreased from a year ago
- CapEx also down, Household spending up
- Interest rates ticked up, loan demand increased, repayment rates down,
- Land values and cash rents up from a year ago
- Outlook for Q4 2026 slightly optimistic

FARM INCOME AND SPENDING DOWN

	Increased	Unchanged	Decreased
Farm Income	20%	29%	51%
Household spending	39%	46%	15%
Capital spending	7%	39%	54%

INCOME WEAK BUT TRENDING BETTER



LOAN DEMAND AND RENEWALS UP, REPAYMENT RATES DOWN

	Increase	No changed	Decrease
Loan demand	29%	61%	10%
Repayment rates	2%	63%	34%
Renewals	34%	61%	5%

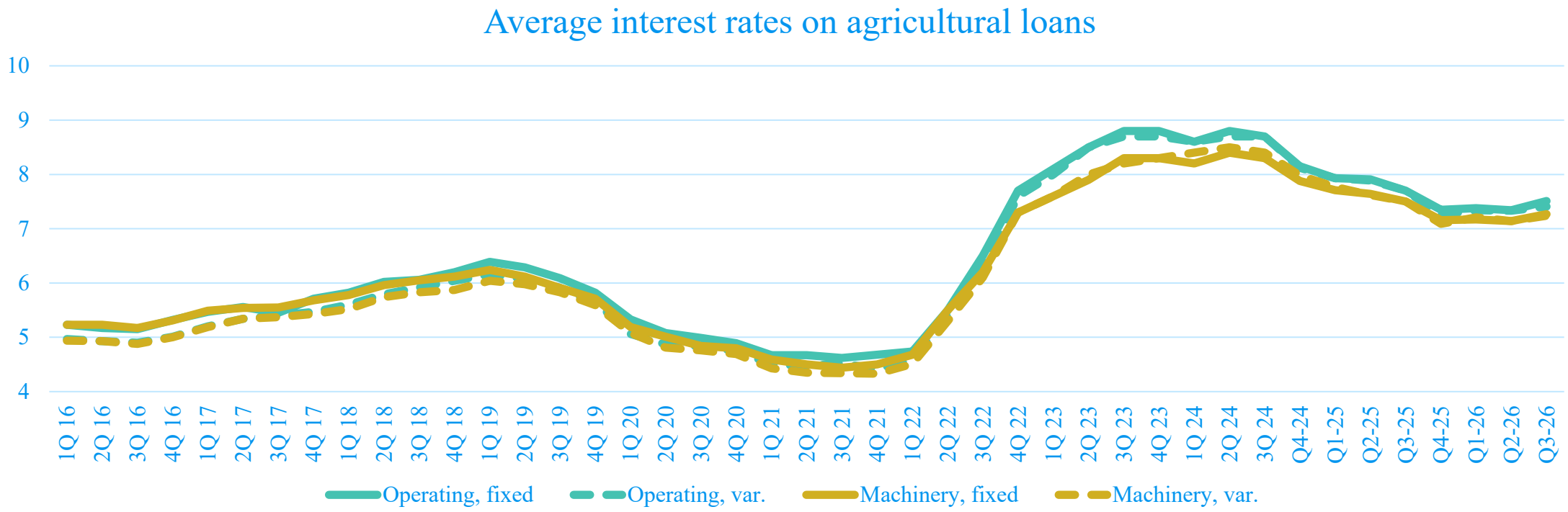
MORE LENDERS EXPECT INCOME GROWTH IN Q4 2026

	Increase	No changed	Decrease
Farm Income	39%	29%	32%
Household Spending	48%	43%	10%
Capital Spending	12%	49%	39%

EXPECTATIONS FOR GREATER LOAN DEMAND IN Q4 2026

	Increase	No changed	Decrease
Loan demand	49%	46%	5%
Repayment rates	12%	63%	24%
Renewals	37%	61%	2%

AG INTEREST RATES TICKED BACK UP



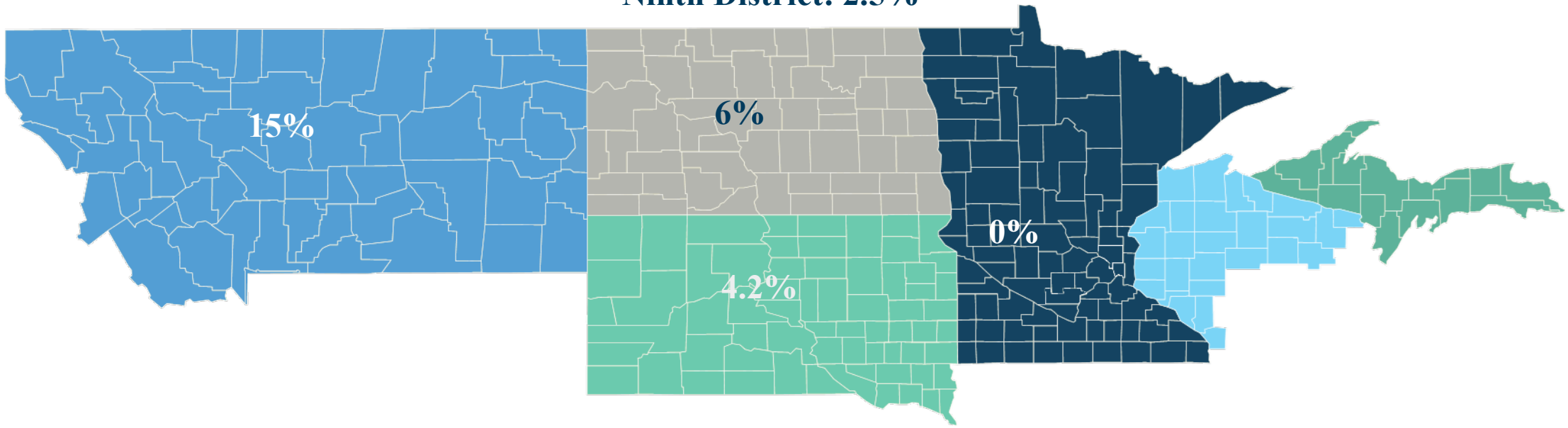


LAND VALUES

LAND VALUES UP

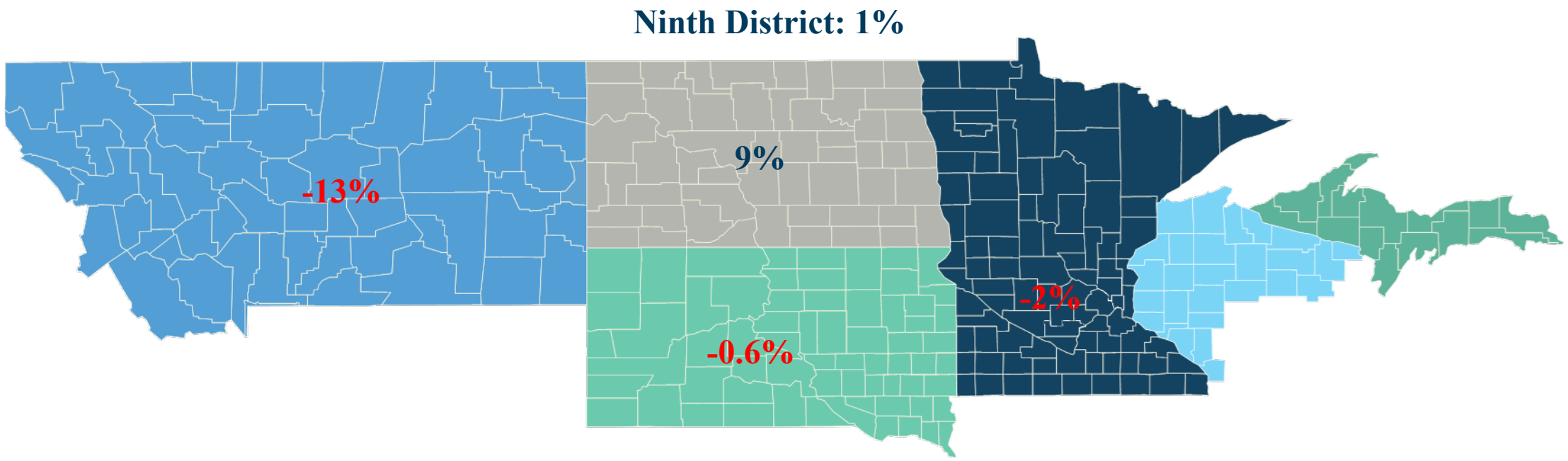
AVERAGE CHANGE IN PRICE OF NONIRRIGATED FARMLAND, 2025Q3-2026Q3

Ninth District: 2.5%



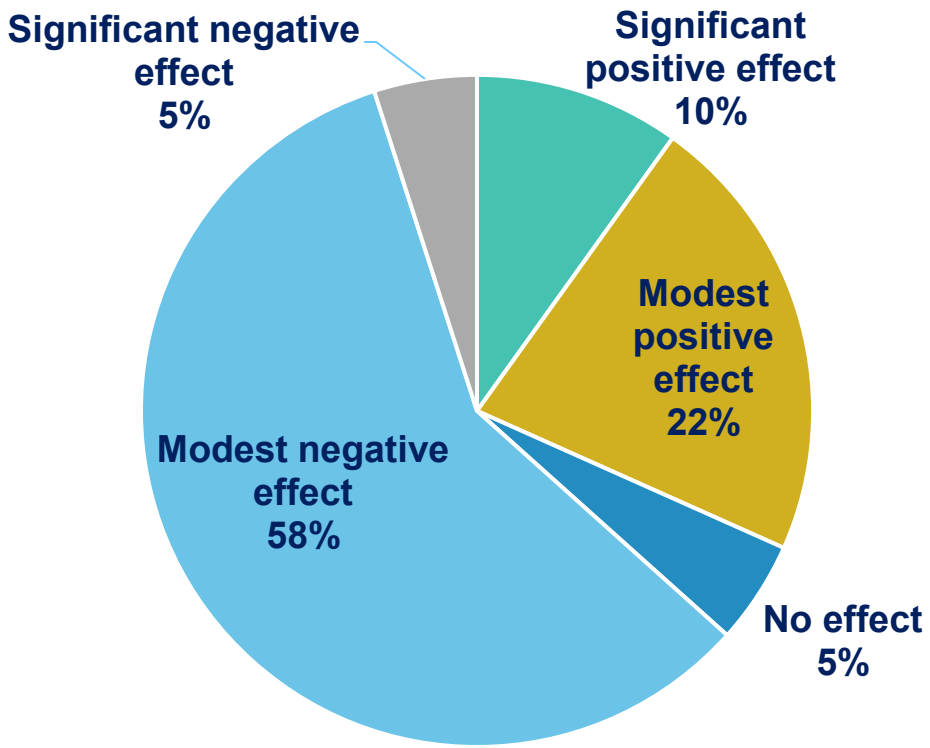
CASH RENTS DECREASED

AVERAGE CHANGE IN CASH RENTS FOR NONIRRIGATED FARMLAND, 2025Q3-2026Q3



BROADER RURAL IMPACT

HOW HAVE RECENT AGRICULTURAL ECONOMIC CONDITIONS AFFECTED BROADER ECONOMIC CONDITIONS AND BUSINESS ACTIVITY IN YOUR LENDING AREA?



THANK YOU!
QUESTIONS?