

AGRICULTURAL CONDITIONS IN THE NINTH DISTRICT

May 18, 2026

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FEDERAL RESERVE BANK
OF MINNEAPOLIS

DISCLAIMER

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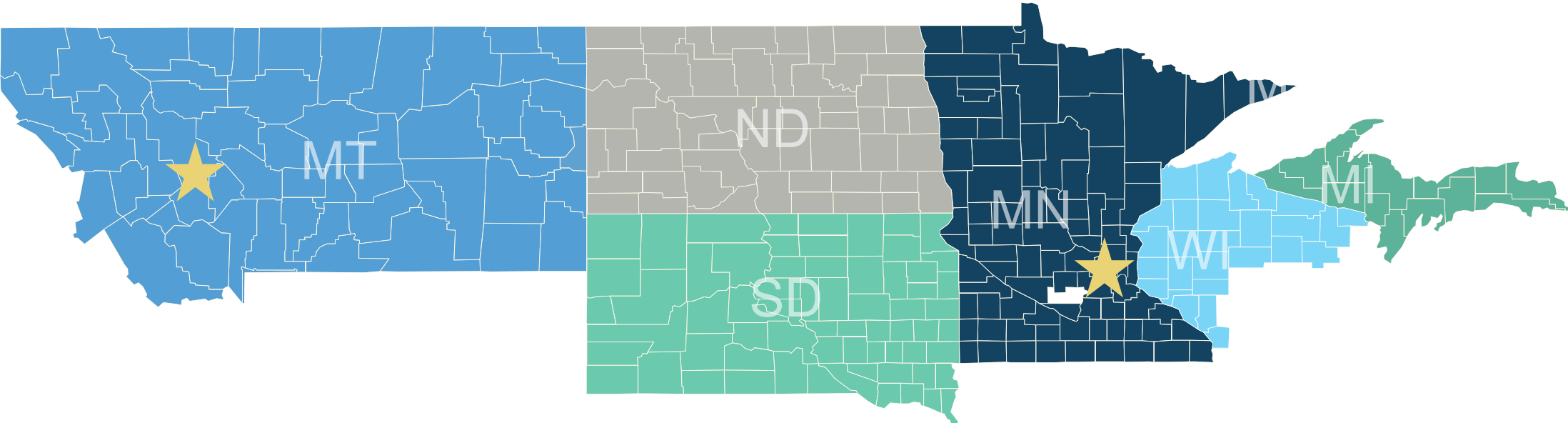
TODAY'S PRESENTATION

- Agriculture in the Ninth District
- Ag Credit survey, Q1 2026
 - Farm incomes fell
 - Credit quality weakened
 - Outlook pessimistic
- Farmland values



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THE FED'S NINTH DISTRICT



UPCOMING EVENT: JUNE 5

Regional Economic Conditions: Construction

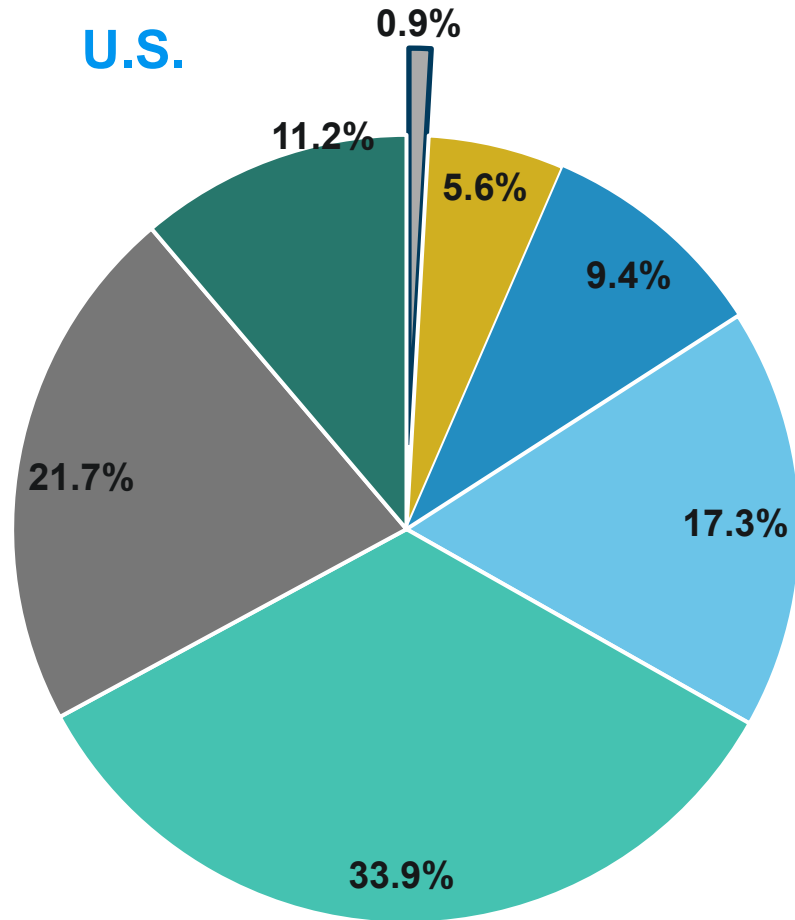
June 5, 2026 | 9:00–9:30 a.m. CT

Virtual video event

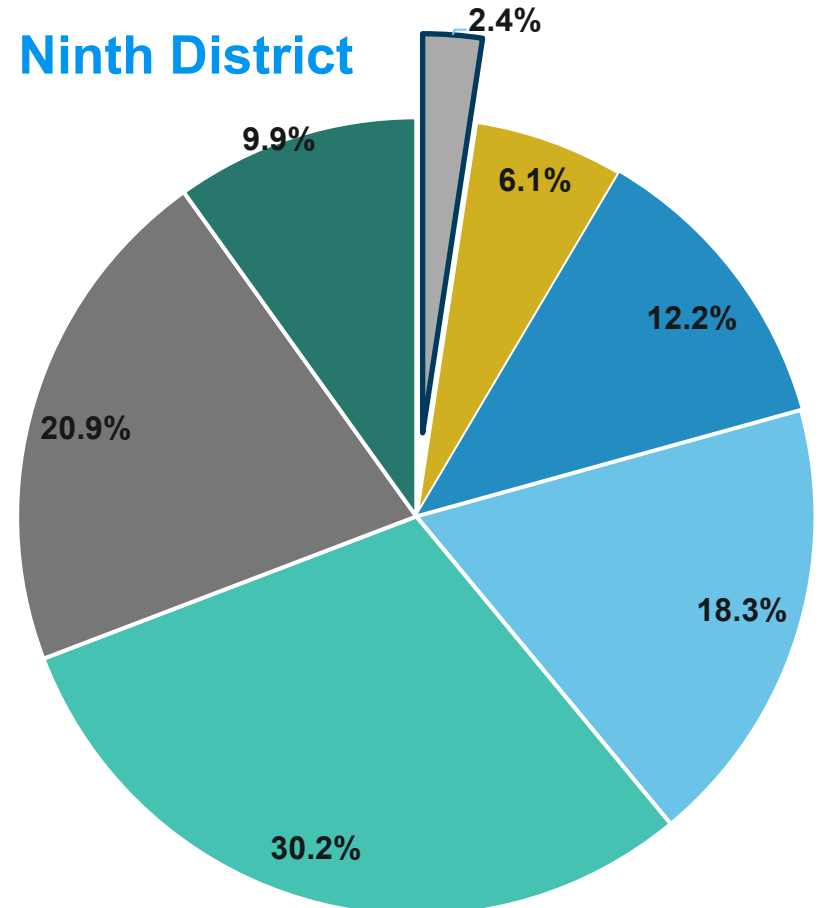


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OUTPUT BY INDUSTRY, 2025, U.S. & NINTH DISTRICT



- Agriculture, forestry, fishing, and hunting
- Manufacturing
- Services
- Government



- Construction and Mining
- Trade, Transportation & Utilities
- Finance, Insurance & Real Estate

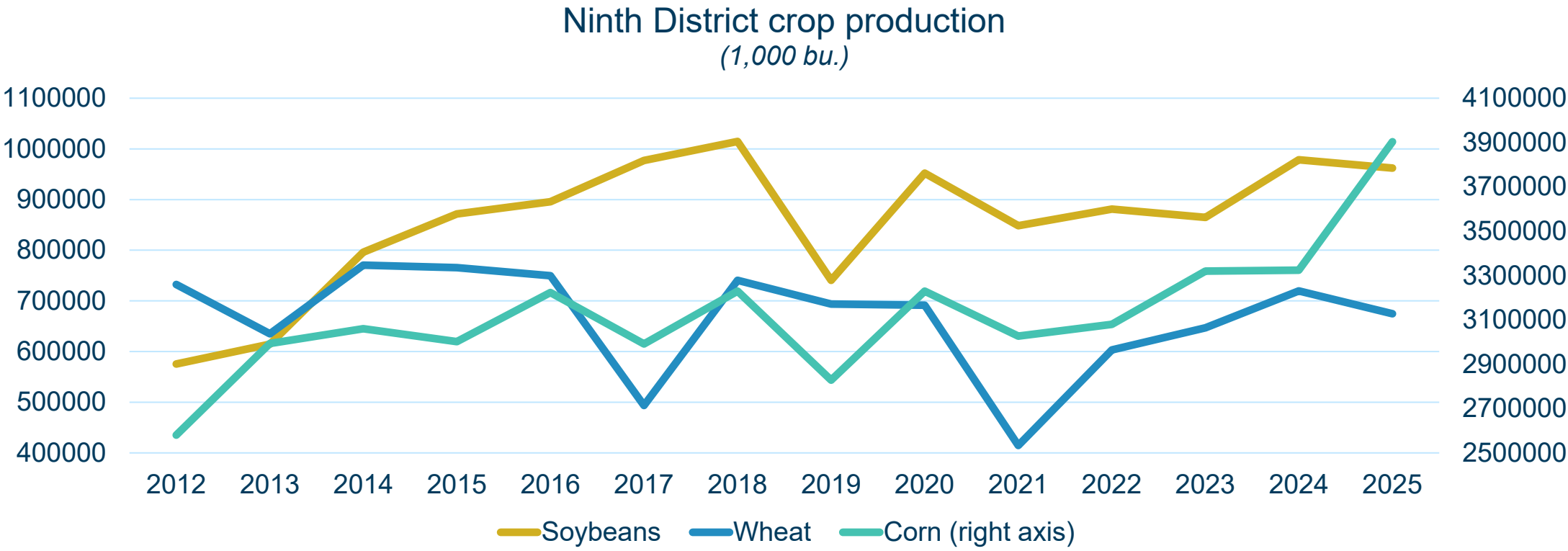
Source: Bureau of Economic Analysis



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DISTRICT FARMING CONDITIONS

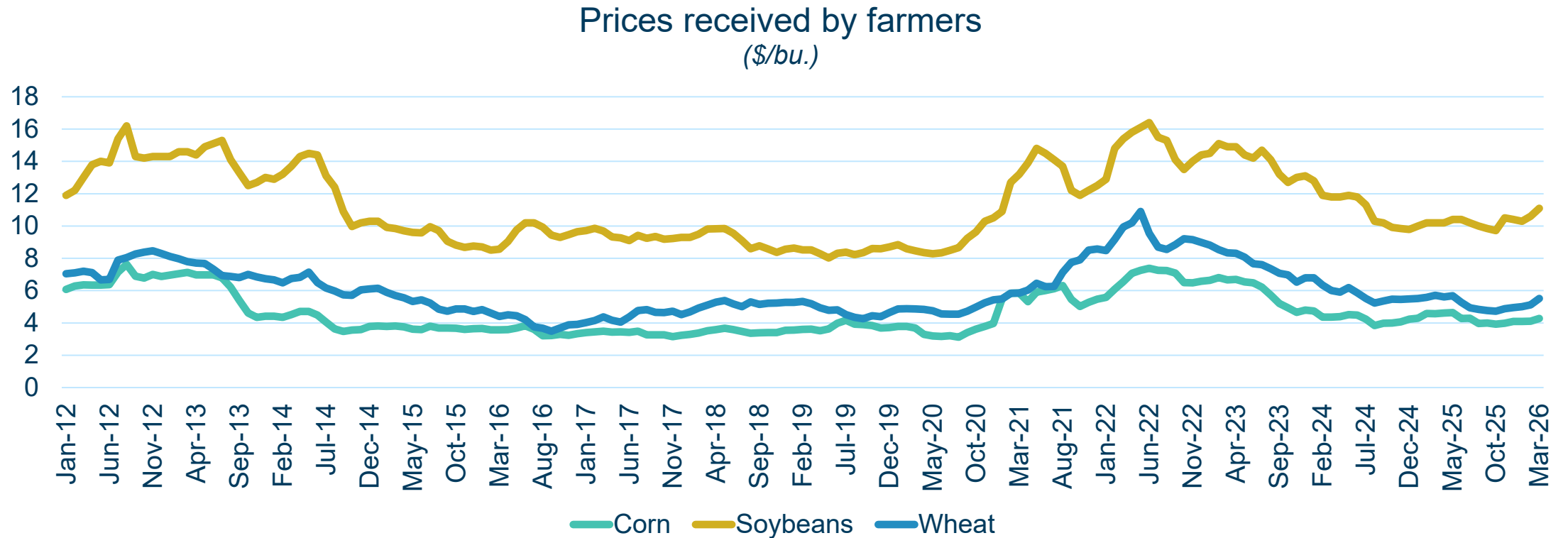
VERY STRONG CROP PRODUCTION IN 2025



Source: USDA

DISTRICT FARMING CONDITIONS

CROP PRICES IN A PROLONGED SLUMP...



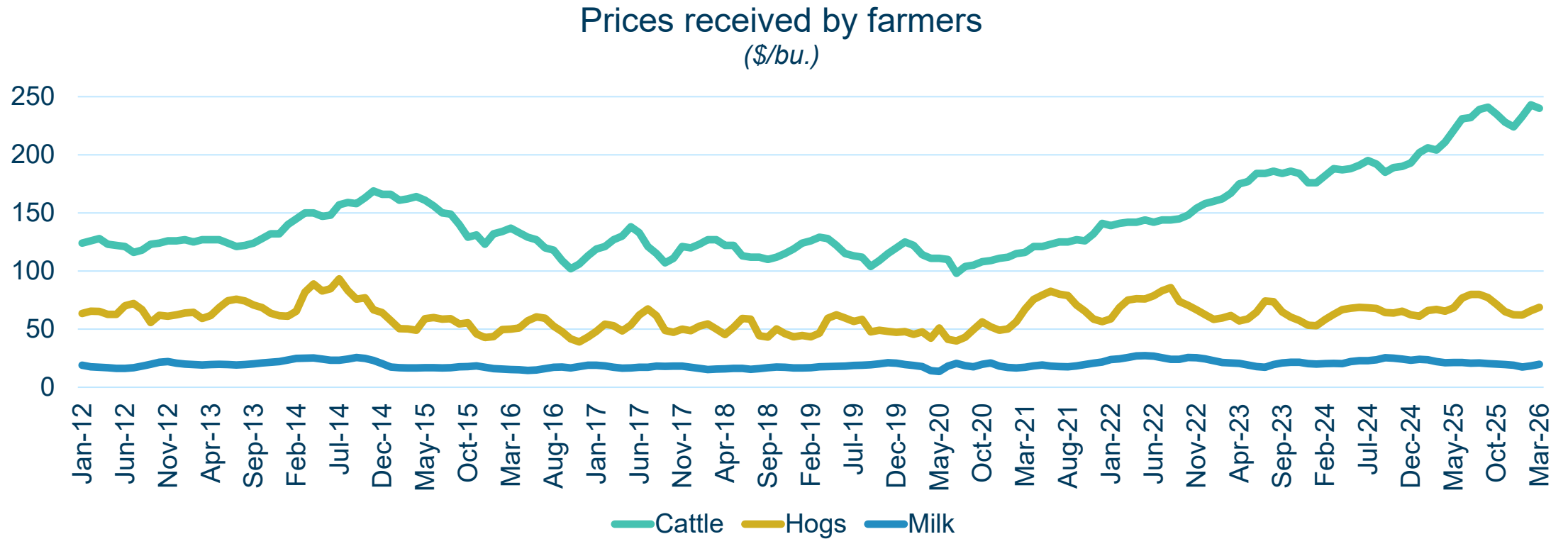
Source: USDA



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DISTRICT FARMING CONDITIONS

...BUT CATTLE PRICES ARE VERY STRONG



Source: USDA



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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**
 - **April survey: 46 bankers**



FINANCIAL CONDITIONS IN AGRICULTURE CONTINUE WEAKENING

- **Incomes decreased from a year ago**
- **CapEx also down, Household spending flat**
- **Interest rates stalled, loan demand increased, repayment rates ticked down,**
- **Land values down from a year ago, cash rents fell more**
- **Outlook for Q2 2026 pessimistic**



FARM INCOME

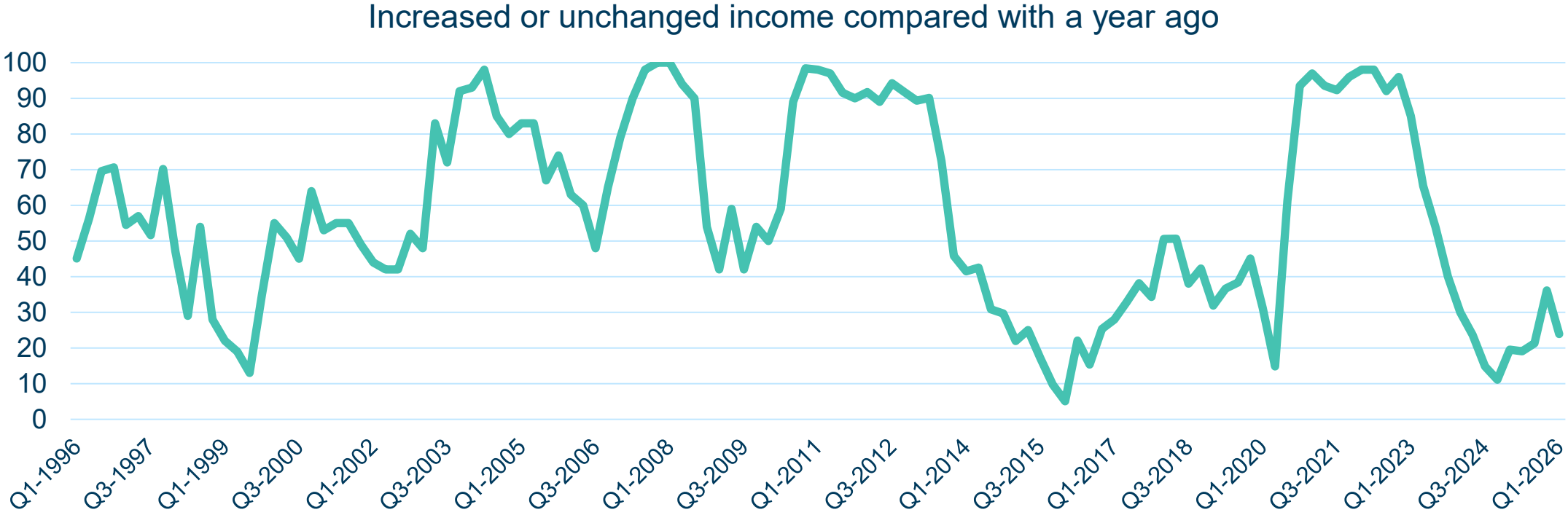
FARM INCOME AND SPENDING DOWN

	Increased	Unchanged	Decreased
Farm Income	9%	15%	76%
Household spending	17%	65%	17%
Capital spending	4%	30%	65%



FARM INCOME

INCOME DOWN OVER PAST TWO YEARS



CREDIT CONDITIONS

LOAN DEMAND AND RENEWALS UP, REPAYMENT RATES DOWN

	Increase	No changed	Decrease
Loan demand	46%	41%	13
Repayment rates	15%	37%	48%
Renewals	48%	48%	4%



LENDERS EXPECT INCOME, SPENDING DROP IN Q2 2026

	Increase	No changed	Decrease
Farm Income	7%	44%	49%
Household Spending	20%	57%	24%
Capital Spending	7%	33%	61%



OUTLOOK

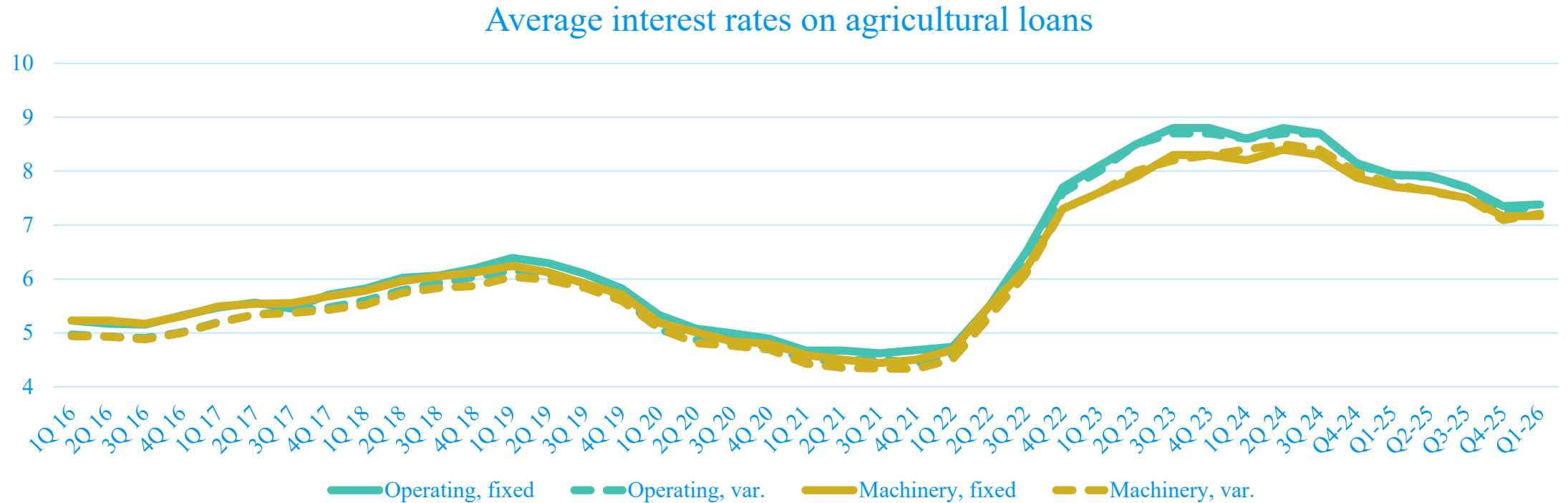
OUTLOOK FOR INCREASED LOAN DEMAND IN Q2 2026

	Increase	No changed	Decrease
Loan demand	54%	33%	13%
Repayment rates	9%	35%	57%
Renewals	61%	37%	2%



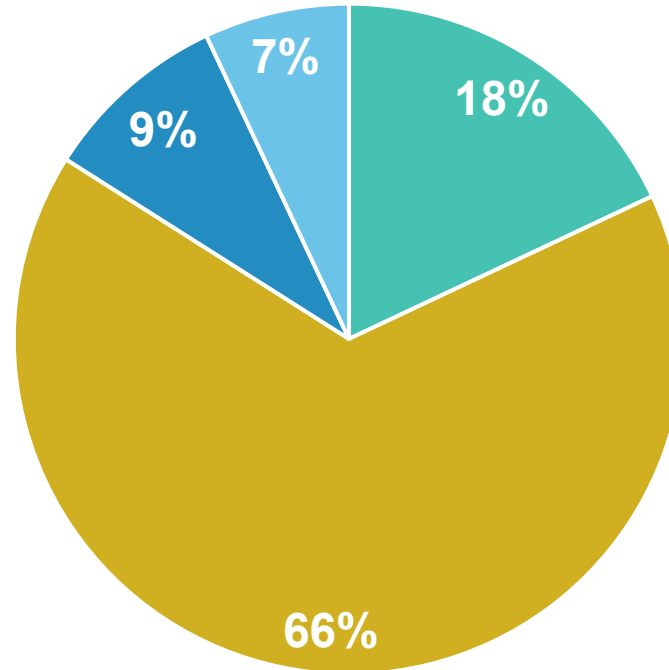
INTEREST RATES

AG INTEREST RATE EASING STALLED



FARM SUPPORT

WHAT LEVEL OF SUPPORT DO YOU EXPECT FINANCIAL AID FROM THE FARMER BRIDGE ASSISTANCE (FBA) PROGRAM TO PROVIDE FOR FARM INCOME AND CREDIT CONDITIONS IN YOUR LENDING AREA?



■ Significant support ■ Modest support ■ No support ■ Unsure/not applicable



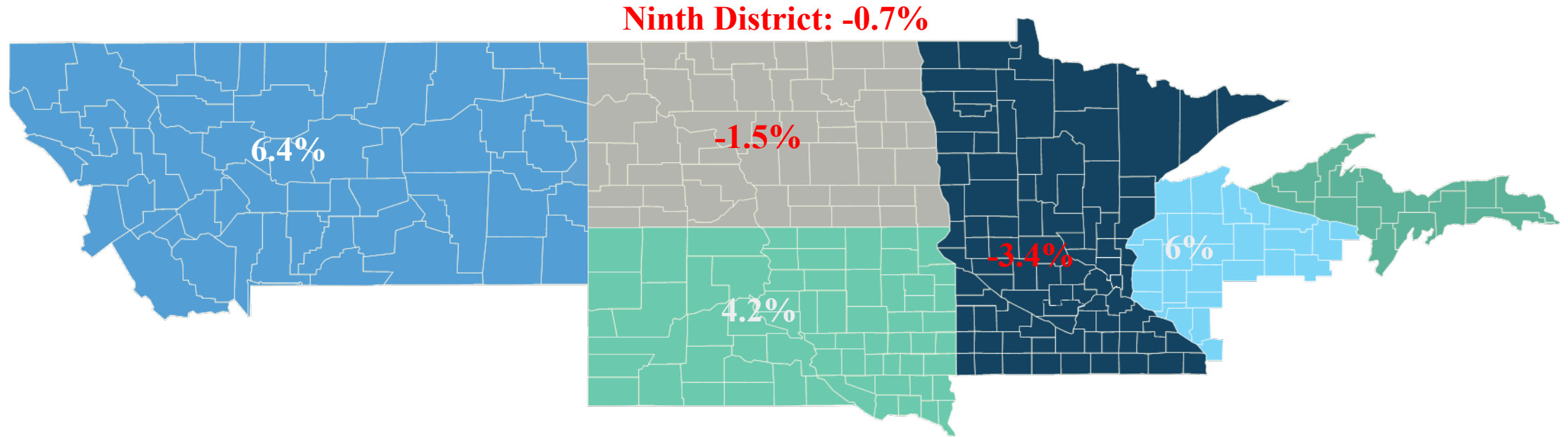
A large haystack in the foreground, partially covered in snow, dominates the left side of the frame. In the background, a flat field is dotted with several smaller, round hay bales. The sky is filled with soft, white clouds. The entire image is overlaid with a semi-transparent teal color. The text "LAND VALUES" is centered in the middle of the image in a white, bold, sans-serif font.

LAND VALUES

LAND VALUES

LAND VALUES MIXED, DOWN SLIGHTLY OVERALL

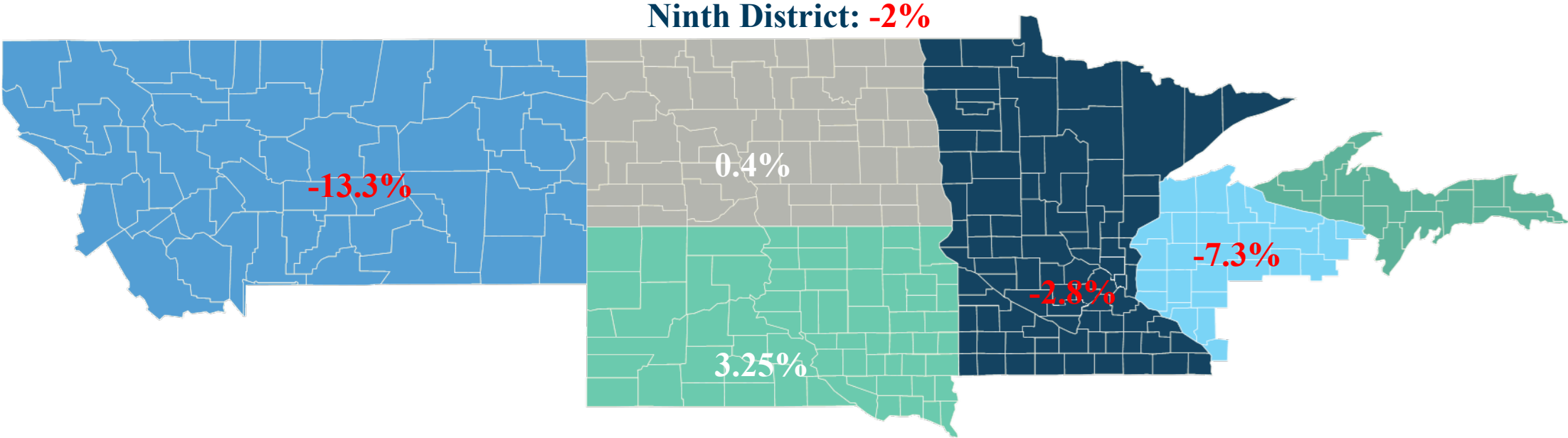
AVERAGE CHANGE IN PRICE OF NONIRRIGATED FARMLAND, 2025Q1-2026Q1



CASH RENTS

CASH RENTS DECREASED

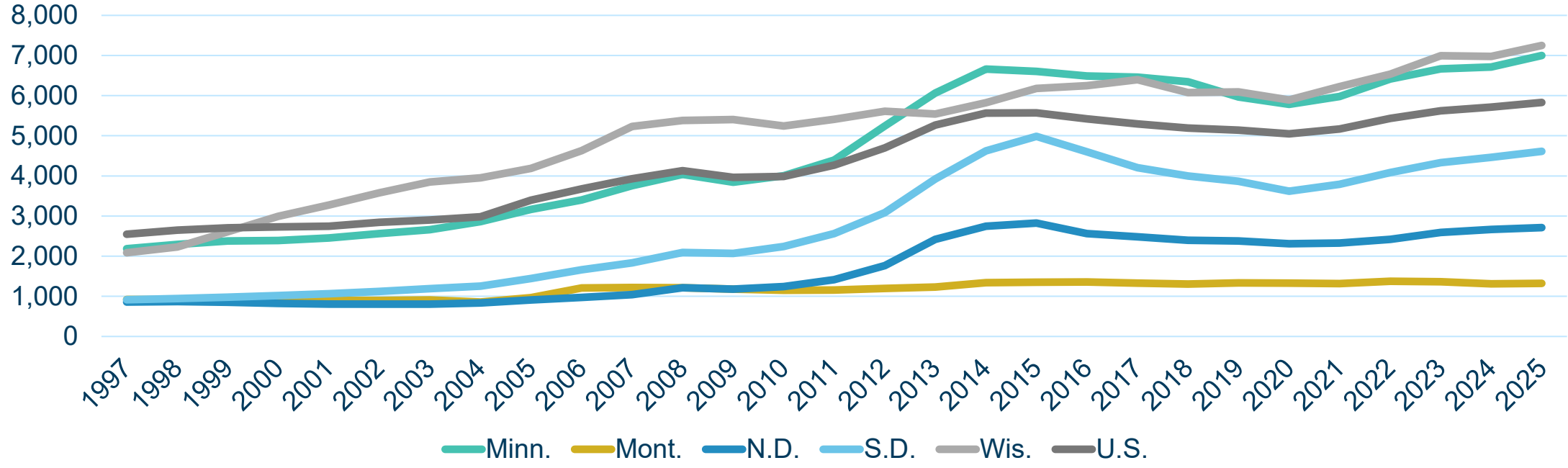
AVERAGE CHANGE IN CASH RENTS FOR NONIRRIGATED FARMLAND, 2025Q1-2026Q1



DISTRICT LAND VALUES

LAND VALUES HISTORICALLY HIGH

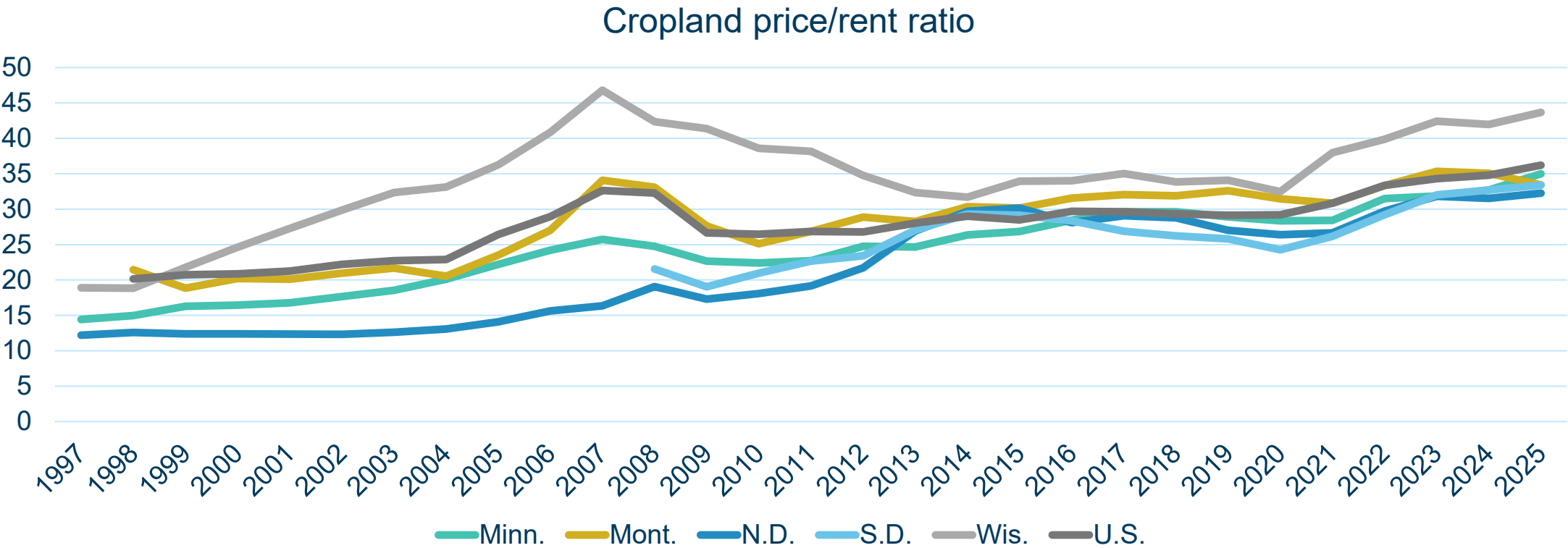
Real cropland values
(2025 \$/acre)



Source: USDA

DISTRICT LAND VALUES

VALUES ELEVATED RELATIVE TO RENTS



Source: USDA



THANK YOU!
QUESTIONS?