

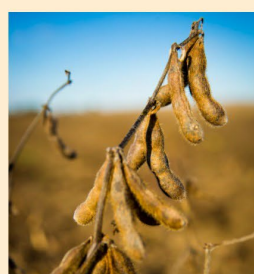
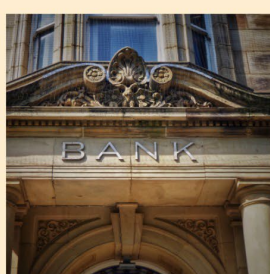
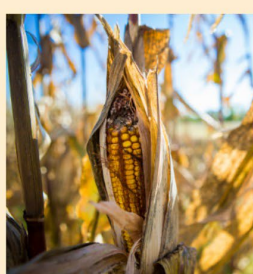


Rural & Farm Finance
Policy Analysis Center
University of Missouri

FALL 2025 FARM INCOME OUTLOOK FOR INDIANA

October 2025
RaFF Report 2025-17

Produced in collaboration with



The Goal of this Report

In September 2025, the U.S. Department of Agriculture (USDA)'s Economic Research Service (ERS) released state-level farm income estimates through calendar year 2024 and national farm income projections for calendar year 2025. The present report published by the Rural and Farm Finance Policy Analysis Center (RaFF) provides an updated outlook for Indiana farm income in calendar years 2025 and 2026. It intends to inform policymakers, industry analysts, and agricultural practitioners about the state agricultural sector's expected profitability and its main drivers.

Methods Used to Develop the Outlook

The RaFF Farm Income Model consists of a collection of equations calibrated using historical data from the USDA's ERS, Risk Management Agency, and Farm Service Agency. RaFF's state-level forecasts are obtained by feeding national and regional projections from the Food and Agricultural Policy Research Institute at the University of Missouri (FAPRI-MU 2025) to the RaFF model. Published results incorporate adjustments based on expert insights from agricultural economists at Purdue University (PU).

How Farm Income is Measured

Following the ERS methodology (USDA/ERS 2025a), net cash farm income is calculated based on cash receipts, government payments, and insurance indemnities minus cash expenses in the calendar year when the cash flow occurs. Net cash farm income is adjusted by non-cash income and expenses and changes in inventory values to obtain a net farm income (NFI) measure.

Disaster Relief Payments in 2025 and 2026

As of October 22, 2025, the federal government shutdown has extended for three weeks and there is no clarity on how fast the Farm Service Agency (FSA) will be able to disburse payments to farmers and ranchers from Title I programs or the American Relief Act (ARA) of 2025. As of October 10, 2025, the FSA reported having disbursed \$16.06 billion through three major ARA programs: the Emergency Commodity Assistance Program (ECAP), the Emergency Livestock Relief Program (ELRP), and the Supplemental Disaster Relief Program (SDRP).

RaFF's projections assume that all payments from Title I programs will be disbursed in calendar year 2025, as well as an additional \$7.72 billion from the ARA programs, reaching a cumulative total of \$23.78 billion disbursed of the \$30.78 billion (77%) by the end of the year. The remaining \$7.00 billion in ARA programs are assumed to be disbursed in calendar year 2026. The distribution

of payments across states is assumed proportional to the state shares from ECAP, ELRP, and SDRP in 2025.

National Farm Income Trends

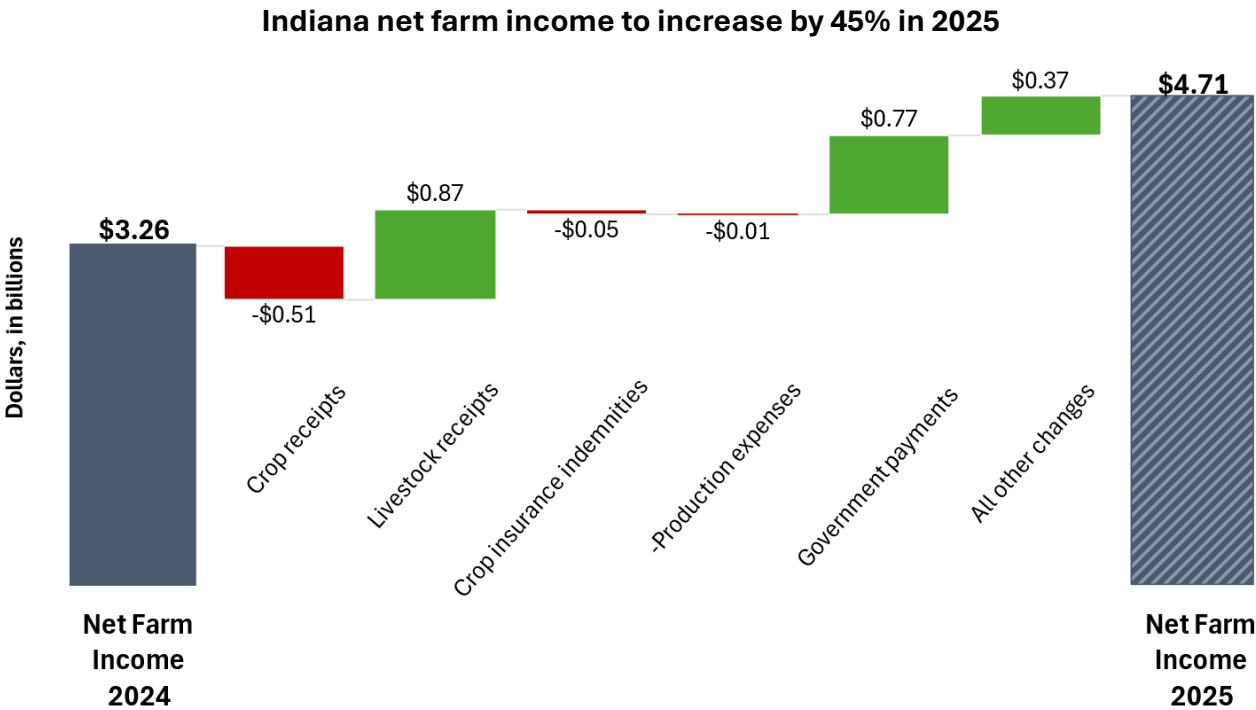
In September 2025, the ERS projected that U.S. NFI would increase by 41% in nominal terms from \$127.83 billion in 2024 to \$179.85 billion in 2025 (USDA/ERS 2025b). A \$30.42 billion increase in direct government payments is the major driver of this projected improvement in NFI, followed by a projected \$20.24 billion increase in cash receipts from meat animals, and a \$10.15 billion increase in cash receipts from poultry and eggs. Cash receipts from crops are expected to drop by \$6.07 billion, while an \$8.06 billion increase in crop inventory values would push the total value of crop production up by \$1.99 billion in 2025. Livestock and poultry purchases are the main driver of the \$11.12 billion projected increase in total agricultural expenses.

Also in September 2025, FAPRI projected that U.S. NFI would increase by 34% in inflation-adjusted terms from \$131.59 billion in 2024 to \$176.72 billion in 2025 (FAPRI-MU 2025). In agreement with ERS projections, the main driver of NFI according to FAPRI projections will be government payments, totaling \$40.48 billion in 2025 which is \$29.92 billion higher than in 2024. Similarly, FAPRI projections for 2025 are indicative of higher cash receipts from cattle (\$17.71 billion more than 2024) and hogs (+\$2.24 billion), and poultry and eggs (+\$10.31 billion), lower crop receipts (-\$6.47 billion), and higher expenses on purchased livestock (+\$10.58 billion)

The present Indiana Farm Income Outlook by RaFF incorporates information from USDA/ERS (2025b) and FAPRI-MU (2025).

Indiana Farm Income in 2025

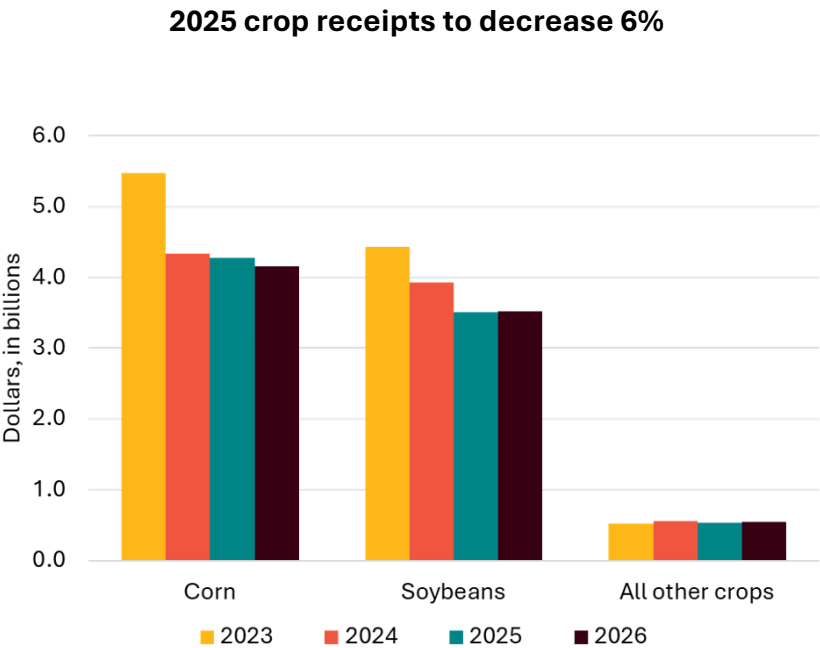
RaFF and collaborators at Purdue University project Indiana's net farm income (NFI) to reach \$4.71 billion in 2025, up \$1.45 billion (45%) from 2024. The expansion of 2025 NFI is mainly due to increased livestock receipts and direct government payments. Direct government payments are projected to total \$891.01 million. This is \$773.39 million higher than in 2024, mostly attributed to financial assistance to mitigate the effects of economic- and disaster-related losses in recent years, including 2024. The 2025 crop receipts are projected to decline by \$512.08 million (-6%), driven by lower soybeans production and lower corn prices. Livestock receipts are projected to increase by \$873.59 million (14%) in 2025, mainly due to higher receipts from eggs, hogs and pigs, and turkeys. The projected 45% increase in Indiana's NFI is relatively larger than the 41% increase in U.S. NFI.



Indiana Crops

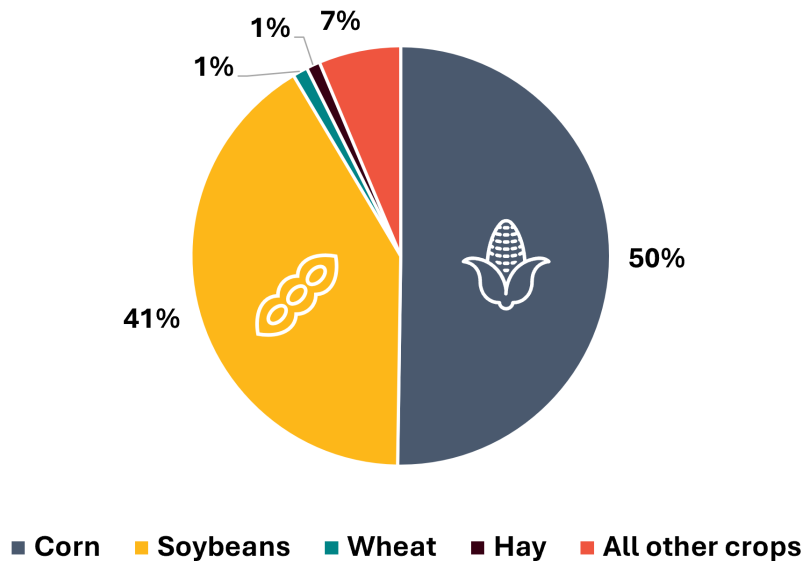
Total crop receipts in Indiana are projected to decrease \$512.08 million (-6%) in 2025, with lower revenues expected for both corn and soybeans, the state's major cash crops. Total crop area is forecast at 11.56 million acres, a decrease of 1% over 2024. Crop receipts are expected to continue declining in 2026, mainly due to lower corn receipts as corn production would be 8% smaller with lower planted area than in 2025.

Corn receipts, which account for about half of the crop receipts, are projected to decline \$56.20 million (-1%) to \$4.28 billion in 2025. Planted area for corn is estimated at 5.40 million acres, or 200,000 acres above its 2024 levels. The decrease in corn receipts is mainly driven by the projected 9% drop in average annual corn prices that offset higher



production volumes with higher yields. Corn receipts are expected to continue to decrease \$137.90 million (-3%) in 2026 due to lower production.

2025 Share of Crop Receipts



Soybean receipts are projected to drop by \$416.74 million (-11%) to \$3.51 billion in 2025, due to a 350,000 acres (-6%) reduction in planted area and a 9.79 million bushel (-3%) drop in soybean production. Soybean cash receipts are expected to remain steady in 2026.

Wheat receipts are projected to continue decreasing by \$27.58 million (-22%) to \$98.17 million in 2025. A 16% lower wheat price and 4% lower production in 2025 are the main drivers of the drop in

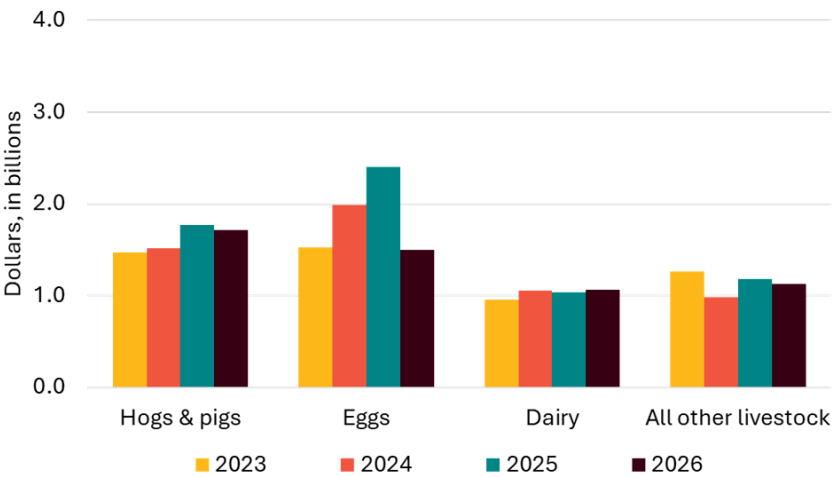
cash receipts. A recovery to near-2024 levels for wheat receipts would be spurred by 13% higher prices and 19% higher production in 2026.

Indiana Livestock

Total livestock receipts in Indiana are expected to increase by \$873.59 million (14%) in 2025, driven by higher cash receipts for eggs, hogs and pigs, and turkeys. However, livestock cash receipts are projected to decline in 2026, reverting to levels comparable to those in 2024, as egg receipts would decrease by 38% in 2026.

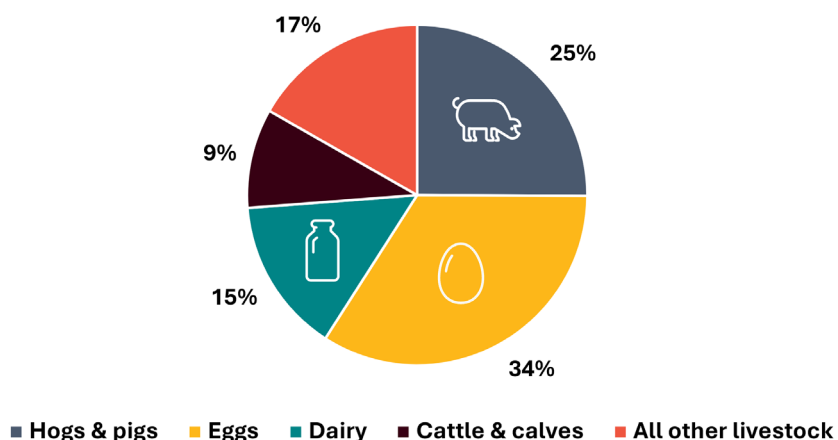
Eggs receipts, which account for slightly more than one-third of Indiana livestock receipts, are expected to increase \$421.53 million (21%) in 2025, driven by increases in prices and production. Annual average egg prices are projected to continue rising by 16% in 2025, accumulating a 49% increase

2025 livestock receipts to increase 14%



from their 2023 levels. However, egg prices are expected to decrease by 43% in 2026, offsetting the effect of an 8% increase in production on cash receipts.

2025 Share of Livestock Receipts



Hog receipts are projected to increase by \$256.69 million (17%) to \$1.77 billion in 2025, reaching a historical peak. This increase primarily reflects the continued upward trend of hog prices and marketings. However, hog receipts are expected to decrease by 3% in 2026 because of lower prices and a smaller pig crop.

Dairy receipts are expected to decline by 2% to \$1.04 billion in

2025, mainly due to 3% lower milk prices. Milk production is expected to remain stable at 4.56 billion pounds. In 2026, dairy receipts are expected to increase by 2% as the combined effect of slightly higher milk prices and production.

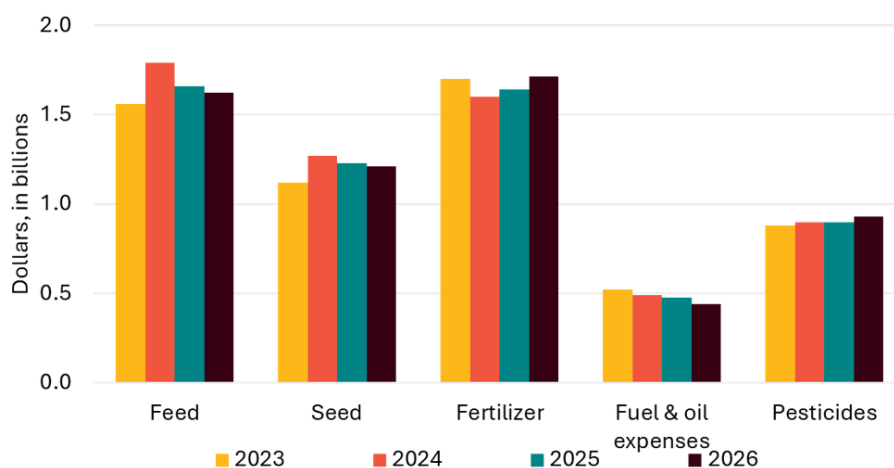
Cash receipts for cattle and calves are expected to increase \$6.35 million (1%) to \$667.86 million in 2025, mainly driven by higher prices. Turkey receipts are expected to increase \$167.18 million (35%) as prices in 2025 climb back up 41% from 2024 levels, the lowest average prices since 2018, and despite an expected 4% reduction in production.

Indiana Expenses

Total production expenses are projected to remain stable at \$13.10 billion in 2025 and to decrease by 1% to \$13.02 billion in 2026.

Feed expenses are expected to decrease \$132.40 million (-7%) to \$1.66 billion in 2025, following the decrease in crop prices. However, an

2025 production expenses to remain steady



increase of \$101.86 million (19%) in purchased livestock expenses to \$650.37 million would partially offset the reduction in feed expenses for livestock producers.

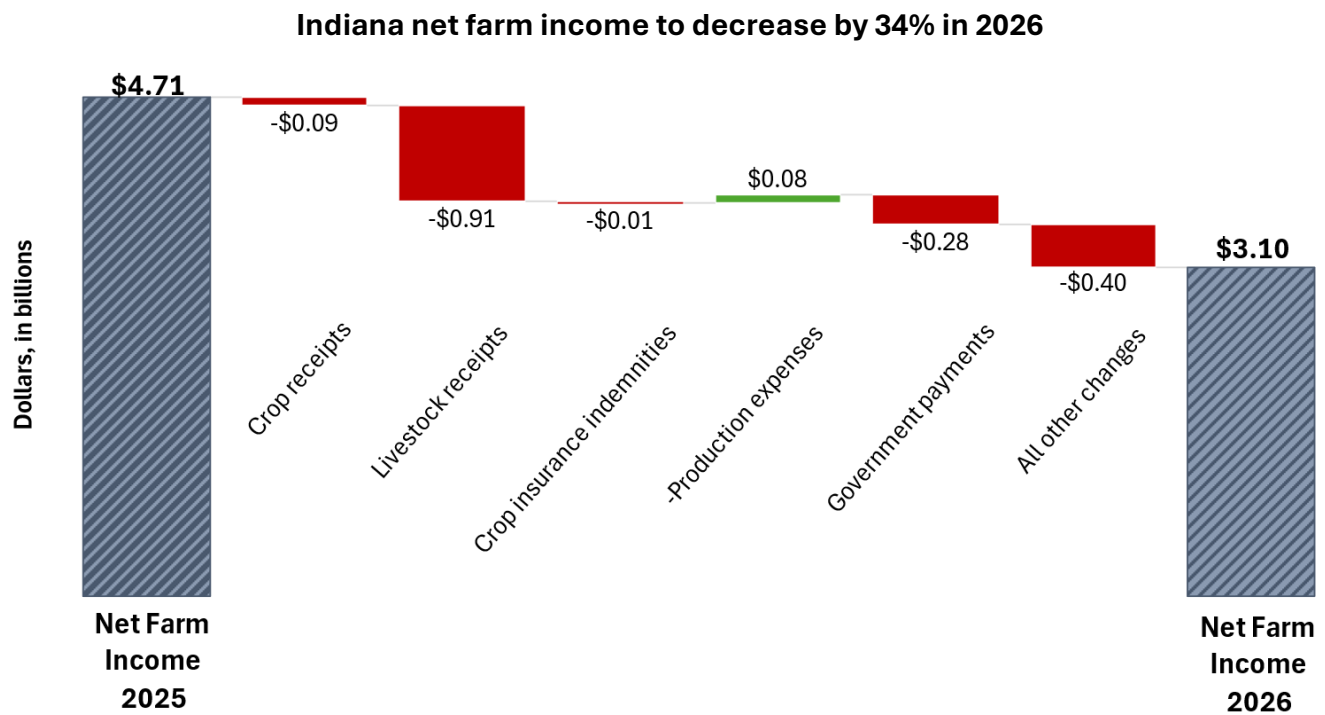
Seed expenses are projected to decrease \$40.66 million (-3%) to \$1.23 billion in 2025, while fertilizer expenses would increase \$41.90 million (3%) to \$1.64 billion. Expenses on pesticides are expected to remain relatively stable at \$896.94 million. Similarly, fuel and oils expenses are expected to decrease by \$14.65 million (-3%) to \$478.19 million.

Interest expenses, combining nonreal estate and real estate interest, are expected to decline by \$30.61 million (-3%) in 2025 after peaking in 2024 at \$1.06 billion. This downward trend is expected to continue into 2026.

Net rents to landlords are projected to increase 8% in 2025 and 7% in 2026 to \$1.21 billion.

Indiana Farm Income in 2026

Indiana net farm income is projected to drop by 34% to \$3.10 billion in 2026, as government payments decline by \$280.60 million (-31%) and livestock cash receipts decline by \$906.21 million (-13%) due to much lower egg prices. Net farm income is estimated to average \$3.49 billion across the 10-year baseline projection (2025-2034).



Disclaimer

The results presented in this report do not consider market uncertainty. Small proportional changes in cash receipts or production expenses can dramatically change the outlook for net farm income.

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Additional Resources

University of Missouri Extension and the Purdue University Center for Commercial Agriculture offer valuable support through resources and workshops to inform decision-making. For more information, visit muext.us/AgBusiness and ag.purdue.edu/commercialag/home/.

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