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PURDUE AGRICULTURAL ECONOMICS REPORT

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Outlook 2026 Issue

Contents:

Editorial Introduction – Outlook 2026

Roman Keeney, Associate Professor

Welcome to the 2026 PAER Outlook issue! This year's issue is our biggest in years, showcasing the broad range of engagement in Purdue's Agricultural Economics department. The first part of this issue offers articles that focus on the different aspects of the economy and policy, including the overall economy, trade and regional economic indicators.

The second part of the issue features our traditional agricultural outlook topics with articles focused on the outlook for agricultural commodities and markets, including agricultural land and credit markets. Finally, we close the issue with two articles that make use of new measures to examine Indiana's economic performance from a community perspective.

This outlook issue offers a snapshot of the analysis and engagement activities of our department's faculty and staff. Interested readers are encouraged to follow Purdue Agricultural Economics on the web or via social media, as well as the various centers in the department that present their findings via newsletters, social media, the web, podcasts and, of course, published reports throughout the year.

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PURDUE AGRICULTURAL ECONOMICS REPORT

From Assets to Well-being: A Conceptual Framework for Community Vitality

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Summary: *This article presents a conceptual framework integrating the Community Capitals Framework (CCF) and the Policy, Systems, and Environment (PSE) approach to understand community vitality and well-being. Community vitality links community assets to well-being outcomes through a dynamic process in which communities pursue shared aspirations of well-being. The framework positions Cooperative Extension and community partners to align asset-based, community-focused programming with well-being-aligned initiatives.*

Introduction

At the advent of the new year, many Americans decide to make positive changes in their lives, focusing on individual or family-related factors. Similarly, active community members take stock of their quality of life and the changes they face due to internal and external influences, some of which lie beyond local control.

Both contexts require a baseline from which to measure progress or success. For the individual, this may come in the form of a starting weight or bank account level, for example. Communities, however, are far more complex, and building consensus on the appropriate baseline is more challenging. To assist in this effort, the North Central Regional Center for Rural Development, hosted by Purdue Agriculture and the Department of Agricultural Economics, has developed NCR-Stat, a survey-based effort to collect representative data from across the North Central Region to assist decision-makers and professionals from land-grant institutions with pursuing burgeoning opportunities and addressing pressing challenges throughout the region (Bednarik, et al., 2025). But, before a meaningful baseline can be created, there must be a robust conceptual framework to undergird and guide the effort.

Purdue Extension provides the perfect conduit. For over a century, Purdue Extension has been enriching Indiana communities through comprehensive programs in Agriculture and Natural Resources, promoting sustainable practices; Health and Human Sciences, enhancing well-being; Community Development, fostering economic growth; and 4-H and Youth Development, empowering the next generation.

By delivering practical, research-based information that enhances lives and livelihoods, Purdue Extension catalyzes positive change and promotes what researchers and practitioners alike have coined ‘community vitality’ and ‘community well-being.’ In fact, the Department of Agricultural Economics and Purdue Extension’s Community Development and Health and Human Sciences programs have been working in these spaces for decades. Now, these important (but historically parallel) efforts are converging in exciting initiatives that have and will impact the entire state.

Conceptual Framework

First, we introduce the key concepts that generally frame community vitality and well-being extension work (and our baseline analysis of Indiana's community vitality and well-being in Wilcox et al., 2026).

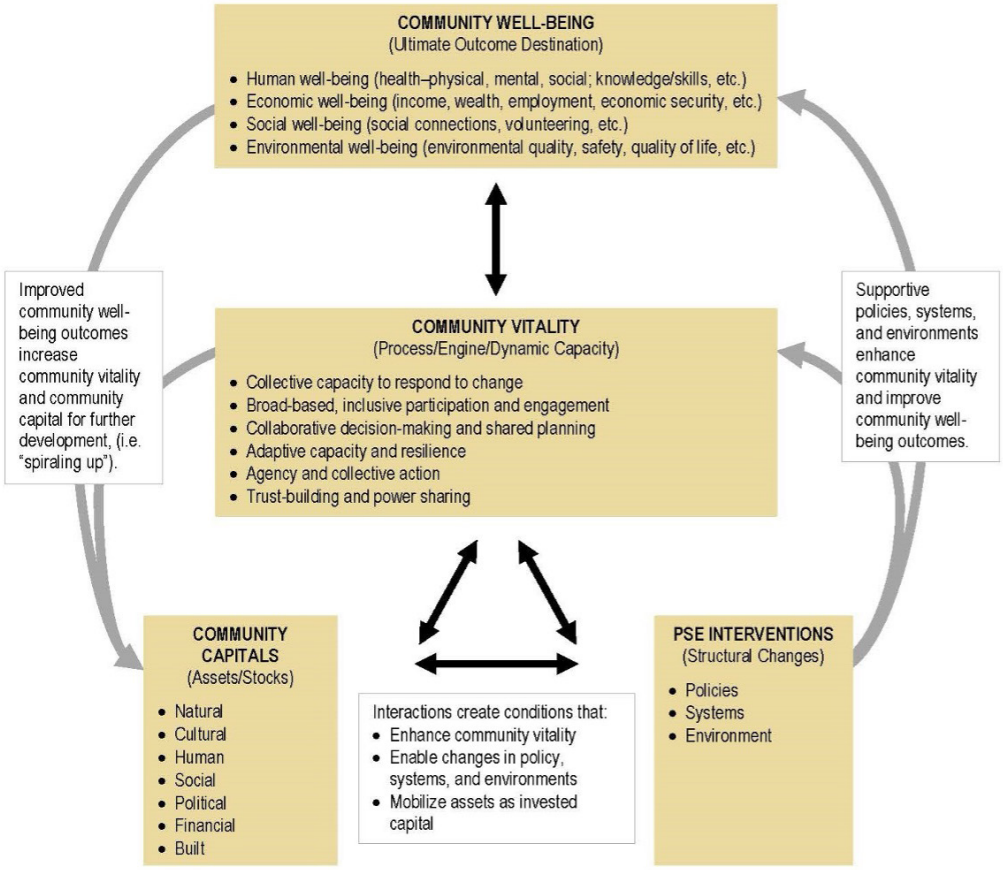
Among many approaches to fostering community vitality and well-being, an asset-based approach remains essential for helping communities achieve their goals (Kretzmann & McKnight, 1993). Purdue Extension Community Development has long promoted asset-based approaches to strengthen the capacity of local leaders, residents, businesses, and organizations to build resilient, vibrant, and sustainable communities through research-based resources and processes. The Community Capitals Framework (CCF) undergirds asset-based community development (Beaulieu, 2014). Introduced by Flora et al. (2004), CCF brought together prominent 'capital' concepts (e.g., human, social, etc.) into a conceptual framework that provides researchers and practitioners with an intuitive and robust way to assist communities in achieving their goals. CCF identifies seven interconnected forms of community assets (natural, cultural, human, social, political, financial, and built capital) that, when strategically invested, interact to create sustainable community development across economic, environmental, and social dimensions (commonly known as the 'triple bottom line').

Concurrently, Purdue Extension Health and Human Sciences has based its approach to educating people, families, and communities on strengthening relationships, eating smart, improving health, and achieving financial well-being within a CCF-adjacent framework. The guiding force is the Socio-Ecological Model of public health (SEM), which suggests that health behaviors arise from interactions across multiple levels: individual (knowledge, skills), interpersonal (family, peers), organizational (schools, workplaces), community (local networks, norms), and public policy (laws, regulations) (McLeroy et al., 1988). To operationalize SEM and promote positive public health, Purdue Extension has embraced the Policy, Systems, and Environment (PSE) framework. PSE is an approach that focuses on changes involving policy (laws/regulations), systems (networks/infrastructure/organizations), and the environment (physical/economic/social aspects of the community) (Centers for Disease Control and Prevention & American Cancer Society, 2025; Washburn et al., 2021).

In practice, CCF and PSE have traditionally worked side by side, but not always synergistically. Purdue Extension is moving toward a synchronized model in which CCF assets and PSE shifts reinforce one another to enable/enhance community vitality (see Figure 1).

Figure 1

From Assets to Well-being: A Conceptual Framework



Note. Figure 1 is collectively based on the following: Beaulieu (2014); Centers for Disease Control and Prevention & American Cancer Society (2025); Emery & Flora (2006); Etuk & Acock (2017); Flora et al. (2004); Grigsby (2001); Kretzmann & McKnight (1993); McLeroy et al. (1988); NIFA (2026.); OECD (2020); Rong et al. (2023); Scott (2010); Sung & Phillips (2016); University of Wisconsin–Madison Extension (n.d.); Washburn et al. (2021).

Community Vitality

Community vitality represents the dynamic process through which communities pursue shared aspirations. The UW Extension Community Vitality & Placemaking framework defines community vitality as "community's collective capacity to respond to change with an enhanced level of participation (process or pursuit of) with aspirations for a healthy and productive community (an outcome or shared vision of success)" (University of Wisconsin–Madison Division of Extension, n.d.) and summarizes it as "people's pursuit of a shared vision of place." Scott (2010) describes vital communities as those with "strong, active and inclusive relationships between residents, private sector, public sector and civil society organizations that work to foster individual and collective well-being." Etuk & Acock (2017) consider community vitality a dynamic process built on collaboration, adaptability, and active participation. And, Rong et al. (2023) find that trust, inclusive participation, and shared power enable community vitality. Ultimately, community vitality is rooted in asset-based community development, involving the buy-in and active engagement of residents, organizations, and institutions as they plan, make decisions, and act together, building the agency necessary to adapt and thrive in changing circumstances (Grigsby, 2001; NIFA, 2026). Therefore, community vitality can be thought of as the process, engine, and dynamic capacity needed to produce community well-being (see Figure 1).

Community Well-being

In this model, our goal is community well-being. As the 'ultimate outcome', community well-being is useful if it can be measured and positively impacted through the capitalization of assets (CCF), structural changes (PSE), and community vitality initiatives. That community well-being refers to the overall quality of life within a community is reasonably intuitive. From an academic perspective, Sung and Phillips (2016) frame this concept along four dimensions, while the OECD (2020) adds practical insight by identifying measurable outcomes. Taken together, community well-being combines human well-being (health: physical, mental, and social; knowledge/skills), with economic well-being (income, wealth, employment, economic security), alongside social well-being (social connections, volunteering, etc.) and environmental well-being (environmental quality, safety, quality of life) (see Figure 1).

The Interconnected Model

All of the model elements are interconnected. As described above and highlighted in Figure 1, the Community Capitals interact with the PSE framework to enhance community vitality. In turn, the PSE framework leverages community vitality enhancements to improve community well-being outcomes. And, in a process called 'spiraling up,' improved community well-being can have a positive effect on community vitality and strengthen the community capital foundation, which positions a community for further community well-being gains (Emery & Flora, 2006). As such, 'spiraling up' is a key driver of the dynamic nature of community vitality.

A Way Forward

While this may all seem intuitive in theory, the utility derived from such a construct can only be attained if it is put into practice in a useful way. In a companion article, "How is Indiana Doing? Community Vitality and Well-being in the North Central Region" (Wilcox et al., 2026), we apply this framework using data from the 2024 NCR-Stat: Baseline Survey to create a baseline for Indiana. For the purposes of this article, we apply the conceptual framework to a thought experiment focused on what a '21st Century' Cooperative Extension could look like within the context of thematic areas and Extension programming (Table 1).

A little history first.

Since celebrating its centennial in 2014, the Cooperative Extension System has been taking stock of its history and exploring ways to sustain its relevance and excellence (Atiles & Eubanks, 2014; Beaulieu & Cordes, 2014; Borden et al., 2014; Gould et al., 2014). In these 'Commentaries', the authors identify common themes, including diversifying Extension's reach, embracing new technologies and delivery methods, strengthening measurement and evaluation, addressing workforce development needs, and respecting tradition while continuing to evolve as a proactive institution.

Given the program area focus, it is not surprising that cross-programmatic (interdisciplinary) efforts were not emphasized. However, in a capstone piece by Henning et al. (2014), the authors argue that Extension must be integral to community vitality and "seen as a constant resource in a changing landscape of NGOs, non-profits, for-profits, etc. Extension continues to be a national, dynamic network able to mobilize people, resources, and ideas driven by the local needs, while supported by state, regional, and national frameworks. All of the mission areas of Extension must contribute to the economic and social well-being of their local communities." And while this message was relayed over a decade ago, USDA-NIFA continues to emphasize the importance of community vitality, recognizing the need to focus on the "socio-economic potential of rural/urban interdependence and…the critical needs of people and places, while also highlighting the critical role that the Regional Rural Development Centers serve as the "primary vehicle to organize multi-disciplinary teams" around community vitality (NIFA, 2026). And, directly related to well-being, Martinez (2024) emphasizes the need for all program areas in Extension to recognize their integral role in health extension through application of the PSE framework.

Given this context, we can start with the end in mind. In this thought experiment, community vitality and all four dimensions of well-being are supported by the six thematic areas (Table 1). While arguments can be made for alternate groupings, these represent the most significant and explicit relationships. Accordingly, each thematic area is supported by combinations of community capitals and examples that fit in the policy, systems, and environment

framework. Perhaps surprising to some, there are numerous examples of Extension programs that build capacity, offer technical assistance, and/or blend process and knowledge to help individuals and communities achieve their goals across all thematic areas.

An archetype is Purdue Extension's Enhancing the Value of Public Spaces: Creating Healthy Communities, which explicitly relies on CCF and PSE-based strategies to promote community vitality and well-being (Salazar et al., 2019). This program draws on knowledge from all four Cooperative Extension program area disciplines and integrates that research-based information into a strategy matrix that directly accounts for the intersection between CCF and PSE (explicitly leveraging available community capitals as the building blocks of structural change) while building community capacity through community vitality initiatives and measuring positive impact through measures of well-being.

Table 1

Cooperative Extension and the Community Vitality/Well-being Framework

Thematic Area[1]	Extension Programs (Examples)[2]	CCF Connection	PSE Connection (Examples)	Well-Being Outcome
Leadership and Organizational Development	Leadership development, civic engagement, grant writing, board management, volunteer development, community coaching	Social, Political, Human Capital	Policy (governance), Systems (networks, organizations), Environment (collaborative spaces)	Community Vitality, Social Well-being
Economic Resilience and Financial Well-Being	Local government/public finance, housing, personal finance, succession planning, workforce development, community economics	Financial, Human, Built Capital	Policy (public finance, regulations), Systems (workforce infrastructure) Environment (water infrastructure)	Economic Well-being
Health and Wellness	Individual health, community health, workplace wellness, mental health, substance use prevention/recovery	Human, Social Capital	Policy (workplace policies), Systems (healthcare networks), Environment (community health conditions)	Human Well-being
Human Development and Family Well-Being	Childcare, parenting, aging, family dynamics, youth development	Human, Social, Cultural Capital	Policy (childcare regulations), Systems (family support networks), Environment (safe spaces)	Human Well-being, Social Well-being
Community Planning and Natural Resource Management	Regional planning, conservation, disaster preparedness, renewable energy, public spaces, aquatic/ wildlife/forest management	Natural, Built, Political Capital	Policy (zoning, conservation), Systems (regional planning), Environment (physical spaces, infrastructure)	Environmental Well-being
Food & Agricultural Systems	Field crops, horticulture, livestock, food access, food safety, diversified farming systems, farm management	Natural, Financial, Built, Cultural Capital	Policy (food safety, farm policy), Systems (food distribution networks), Environment (food access, land use)	Economic Well-being, Environmental Well-being

[1] These thematic areas are a product of many discussions with Cooperative Extension professionals and Cooperative Extension leaders and are based on the thematic areas adopted by the Purdue Extension Community Vitality program funded by the Downing Family Charitable Trust; see: https://extension.purdue.edu/vitality/index.html

[2] The Extension program examples are derived from an inventory of Purdue Extension programs assembled from https://extension.purdue.edu/

Conclusion

The conceptual model presented in this paper connects community assets, policies, systems, and environments to the dynamic process of community vitality and to the community well-being outcomes linked to quality of life. This model offers a framework for Cooperative Extension and its partners to consider as they seek to achieve community goals.

Intentionally integrating the Community Capitals and the Policy, Systems, and Environment frameworks affords Extension professionals not only the opportunity to consider interdisciplinary approaches, but it also provides a tangible pathway where all program areas and community partners can see themselves as part of the process and solution, and where social, economic, environmental, and human well-being outcomes are mutually achieved.

Lastly, this paper proposes a new approach to aligning Extension programming with community assets and needs, in which cross-program collaboration is expected, a shared language for community vitality and well-being is adopted, and robust metrics of success are developed, measured, and shared.

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PURDUE AGRICULTURAL ECONOMICS REPORT

The Outlook for the U.S. Economy in 2026

Larry DeBoer, Professor Emeritus and Purdue Extension Specialist

Summary: *The U.S. economy in 2026 is expected to grow slowly, primarily due to slower consumer spending growth. Unemployment should remain around 4.6%, as the growth in job openings matches the growth in job searchers. Inflation is likely to hold steady near 2.5%, due to lower oil prices and slower growth in housing costs. Tariffs will add to goods inflation. The Federal Reserve may make further modest reductions in the federal funds rate, leading to somewhat lower interest rates. Barring unexpected shocks, the outlook is for another year of slow expansion rather than recession.*

The economy grew more slowly in 2024-25 than it had in any year since the pandemic recession. Gross domestic product adjusted for inflation—real GDP—rose 2.3% from the third quarter of 2024 to the third quarter of 2025. The average increase for 2022-24 was 2.8%. The unemployment rate rose from 4% in January to 4.4% in December. Payroll employment increased just 0.4% over the past year. The consumer price index inflation rate dipped to a 12-month rate of 2.3% in April, but by November it was 2.7%. The Federal Reserve cut its policy interest rate twice, by a total of half a point. Treasury security yields fell.

We spent much of the Fall in a data fog. The Federal government shut down for six weeks, and that included the agencies that measure the economy. The GDP, unemployment and inflation reports were delayed, and the October unemployment and inflation numbers will never be calculated.

Perhaps the most important policy event of 2025 was the imposition of higher tariffs on imports from most of our trading partners. The tariffs added to the data fog. In the first quarter of 2026, businesses increased imports to front-load them before tariffs were hiked in April. Imports rose by $313 billion, which was a 38% annual rate (the growth rate if the first-quarter increase had continued for a year). Imports then dropped back to previous levels in the second quarter, a 29% decrease.

Imports are subtracted from gross domestic product. GDP is a measure of goods and services produced within the borders of the United States. Imports are produced elsewhere, so they should be excluded. They are subtracted, rather than just ignored, because imported goods are included in consumption and investment spending. The measure of consumption does not differentiate between consumer purchases of cars (for example) built in the U.S. versus those built in Japan or Korea. Imports are subtracted to eliminate their influence on the rest of the accounts.

In the first quarter, a very large import number was subtracted from GDP. As a result, real GDP decreased at an annual rate of 0.6%. The next quarter, when imports dropped back to previous levels, real GDP increased by 3.8%. For the two quarters together, the increase was 1.6%. The unexpectedly large 4.3% increase in the third quarter was driven by investment in equipment and “intellectual property products”—most likely investment in data centers and AI software--plus a rise in national defense spending and a drop in imports.

Gross Domestic Product

Let’s try to forecast real GDP growth for 2026 based on leading indicators of the components of GDP, consumption, investment, government purchases, imports and exports.

Consumption Spending

Consumers increased spending on goods and services by 2.6% over the past year. This was less than the 3.2% increase the year before. A leading indicator of consumer spending is business orders for consumer goods from domestic producers, in anticipation of future sales. Over the past three months, overall consumer goods orders have fallen 0.1%. Consumer durable goods orders have risen 1.7%, however. This may be an effect of the higher tariffs on imported goods. If imported durables are unavailable or more expensive, buyers may turn to domestic producers.

Consumer sentiment is another leading indicator of consumption spending. The University of Michigan survey of consumers for November gave the second-lowest reading in the past 25 years. It's as low as it was during the pandemic, and lower than during the Great Recession of 2007-09. This may be an indicator of consumer pessimism about their future finances. Or it might reflect a general anger at the course of events that erupts when a survey taker calls to ask questions.

Still, low goods orders and consumer pessimism point to slower growth of consumer spending in 2026.

Investment Spending

Fixed investment is up 2.6% over the past year, since quarter three of 2024. That includes a 6.3% drop in investment in business structures, a 7.4% increase in equipment investment, and a 1.8% decline in housing construction. Intellectual property investment rose 6.4%.

Non-residential construction spending is down 0.8% in the three months to August. That's a leading indicator of business structure investment. Capital goods orders—a leading indicator of equipment investment—are up 2.7% over the past three months through October. Building permits for housing are down 4.6% through August. That's a leading indicator of housing construction.

Inventory investment jumped in the first quarter by $172 billion, one of the biggest quarterly increases in history. This was another effect of front-loading imports in the first quarter. About half of these imports went into inventories before being used in production or sold to consumers. Inventories count as investment, so overall investment growth was inflated in the first quarter and reduced for the rest of the year.

All the leading indicators of investment continue to point in the same direction as changes this past year. Intellectual property investment seems likely to continue to grow with AI expansion. Inventories are likely to be reduced further. All this implies that investment growth in 2026 should be similar to growth in 2025.

Government Purchases

Federal government purchases fell by 1% in 2024-25, while state and local government purchases rose 2.4%. The Congressional Budget Office (CBO) projects Federal discretionary spending to rise 2.7% in 2026. The Federal deficit is likely to drop by a small amount, according to the CBO. The National Association of State Budget Officers (NASBO) surveyed state budgets for 2026 and projects spending to increase 1.3%. Much of this will be Medicaid outlays, so purchases, which are outlays aside from entitlements, are unlikely to rise.

Exports and Imports

Exports rose by 1.5% in 2024-25. Despite the surge in the first quarter, imports fell by 1.8% over the past four quarters. Net exports, which is the GDP accounts version of the trade balance, became less negative by 10%.

Tariffs have seen an extraordinary increase. Customs duties—tariff revenue of the Federal government—rose from an annual rate of $97 billion in the first quarter of 2025 to $331 billion in the third quarter, more than a threefold increase. Still, recent research shows that the implemented tariff rates are only half the legal rates, due to exemptions, avoidance and shipping lags (goods already at sea when the tariffs were imposed).

Tariffs make imported goods more expensive, which causes consumers and businesses to buy less. That's reflected by the drop in imports in the GDP accounts. Further declines in imports are likely in 2026 as people continue to adjust to higher tariffs.

Export growth in 2024 was 3.3%, so growth in 2025 is half that so far. As other nations realign their trade away from the U.S., export growth is likely to be slower still in 2026. A further decline in imports and slower growth in exports should cause the trade deficit to shrink again in 2026.

Summing up these expectations yields real GDP growth of 2.1% for 2026, slightly less than the growth rate over the past year.

Unemployment

The six-week Federal shutdown delayed reports of the unemployment rate and canceled the October report altogether. The December rate was 4.4%. This is up a point from the post-pandemic low of 3.4% in April 2023, and up from 4% in January. Payroll employment rose by 0.4% during the year, and is up by less than 100,000 since April.

The slowdown in the labor market is partly the result of Federal Reserve policy. The Fed increased its policy interest rate starting in early 2022. At the time, the Bureau of Labor Statistics reported 6 million more job openings than there were unemployed people searching for work. This was the biggest labor shortage in the 21st century. The shortage began shrinking as soon as the Fed rate increases started, and by July of this year, the number of openings and job searchers was nearly equal, and remained so in September. Data since then has been murky due to the shutdown.

When job openings and searchers were nearly equal in February 2018, the unemployment rate was 4.1%. An unemployment rate in the low-to-mid 4% range could be called the economy's "sweet spot."

Over the past quarter-century, real GDP growth of about 2.4% has been needed to hold the unemployment rate stable. Such growth causes businesses to expand output and employment enough to provide jobs for the increasing labor force. Growth of 2.1% is less than that, but not so much less as to raise the unemployment rate much. Expect the unemployment rate to remain in the neighborhood of 4.5%.

Inflation

The inflation rate in the consumer price index over the past 12 months through November was 2.7%, the same rate as in 2024. Inflation is way down from its post-pandemic peak of 9% in mid-2022, but is up from its low point of 2.3% this past April.

The inflation rate of durable goods was 1.5% over the past year. Non-durable goods inflation was 2%, and services inflation was 3.2%.

The tariffs are contributing to inflation. The Bureau of Labor Statistics' index of overall import prices is almost unchanged over the past year. This index does not include the effects of tariffs, but is the price received by exporters to the U.S. before tariffs are applied. Exporters are not absorbing the cost of tariffs by accepting lower prices, which implies that most of the cost of tariffs is being passed forward to U.S. businesses and consumers. Recent research finds that the consumer price index is 0.7 percentage points higher than it would have been without the tariffs. This means that the November 2.7% inflation rate would have been 2% without the tariff rise, equal to the Federal Reserve's target inflation rate.

Businesses will continue to pass the costs of tariffs to buyers, but the expected fall of oil prices, the continued fall of housing inflation, and generally slower output growth should lessen this effect. Expect the inflation rate to be near 2.5% by this time next year.

Interest Rates

The Federal Reserve's policy interest rate—the federal funds rate--was 4.3% through much of 2026. The Fed was balancing the threats of slower growth and rising inflation. In the fall, the Fed decided that slower growth was the greater threat. They reduced the federal funds rate by a quarter point in September and December. As of the beginning of 2026, the rate is in the 3.5% to 3.75% range.

Combined with a quarter-point cut in December 2024, this put downward pressure on interest rates generally. Shorter-term Treasury security yields fell by about three-quarters of a point. The three-month rate averaged 3.6% in December. The ten-year Treasury bond yield fell a quarter point through 2025, to 4.1% in December.

The Fed's policy-making body projects just one quarter-point cut in 2026, which would mean smaller reductions in longer-term rates. The forecast here, for slower growth and stable unemployment and inflation rates, would probably allow two quarter-point cuts. Let's put the three-month Treasury bill yield at 3.1% by December 2026, and the ten-year Treasury bond rate at 3.8%.

Will there be a recession in 2026?

Recessions are caused by shocks, which are (of course) shocking—unexpected and hard to predict. With the economy weaker than it's been, it is more vulnerable to shocks. A sudden loss of confidence in the AI boom or trouble in the banking sector, a sudden increase in oil prices, a war or natural disaster, a new pandemic—all could send the economy into recession. Barring shocks, though, it looks here like we'll have another year of slow expansion.

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PURDUE AGRICULTURAL ECONOMICS REPORT

Learning International Economics the Hard Way

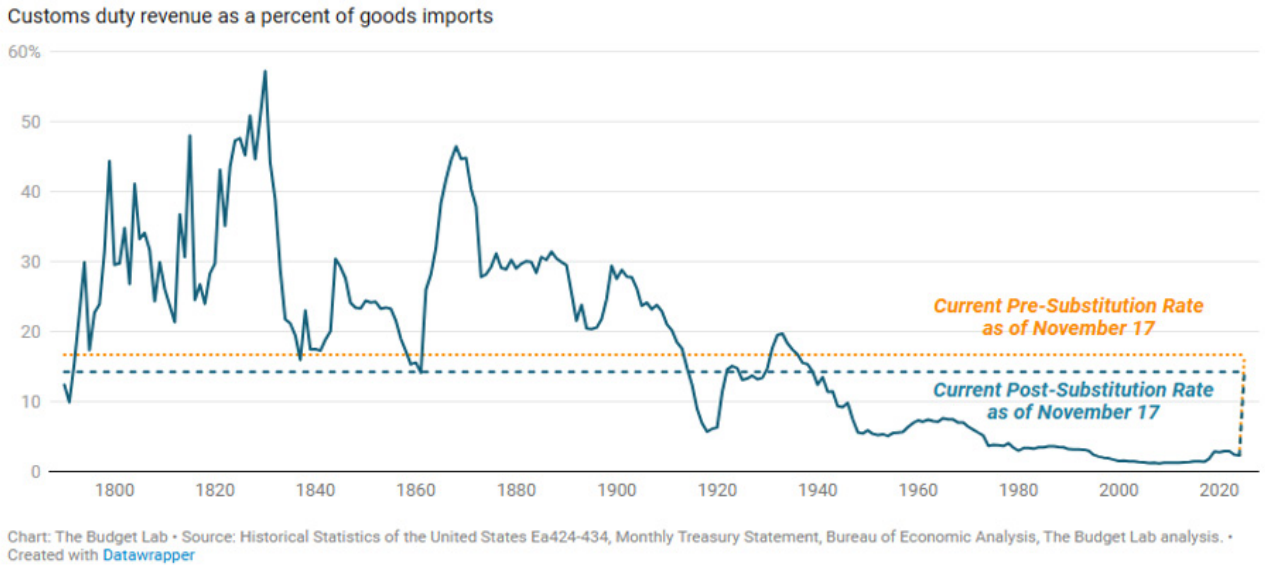
Russell Hillberry, Professor of Agricultural Economics

Summary: *U.S. trade policy is being made without even a textbook understanding of International Economics. The policies of 2025 will largely continue in 2026, hurting export-oriented agriculture and eroding U.S. standing in the world.*

For several years running, the price of bananas at my supermarket in West Lafayette, IN, had been remarkably constant at $0.49/lb. On April 2 of last year, having convinced himself that "foreign countries pay U.S. tariffs," President Trump raised tariffs on U.S. imports to levels not seen since the Great Depression (see Figure 1). My supermarket's banana price quickly rose to $0.55/lb. In November, facing criticism for higher prices at the grocery store, the President exempted bananas and other tropical products from the tariffs (Phillips Erb, 2025). The price of bananas in my supermarket promptly returned to $0.49/lb. The lesson - that a tariff on imports is paid (in large part, or even in full) by the importing countries' consumers - could have been learned much more easily if someone with access to the President had simply opened an undergraduate textbook on International Economics. Instead, we have had to learn these lessons the hard way.

Figure 1

U.S. Average Effective Tariff Rate Since 1790



Source: Yale University Budget Lab

While it is annoying to pay unnecessarily high prices, the total burden of the President's tariffs on consumers is, in most cases, manageable. Most household expenditures are on services rather than goods, and only imported goods are subject to tariffs. Providers of services have marginally higher costs when using imported goods as inputs, but since these inputs are typically not large shares of most service providers' costs, it is unlikely that this channel puts substantial upward pressure on prices faced by households. Housing, for example, is a large component of total household spending, but tariffs on imported lumber and steel only affect the cost of new housing. Impacts on the price of the existing housing stock are negligible. In addition to their relatively low exposure to goods affected by tariffs, consumers also have some flexibility, potentially avoiding tariffs by shifting their consumption away from products subject to tariffs (like not buying bananas in the example above). Inflation, as it affects U.S. households, has also been kept in check by reduced oil prices since the President took office.

Instead, it is certain kinds of businesses that bear a disproportionate share of the tariff burden. As the textbooks would tell us, the primary economic effects of tariffs (beyond raising revenue for the government) are that they favor some domestic industries at the expense of other domestic industries. In the simplest models, tariffs cause the industries that are productive enough to export to shrink while growing the industries that are not productive enough to compete with imports. The shift of domestic resources from more internationally competitive to less competitive industries is a drag on the overall economy, but the main effects of trade restrictions are distributional: exporting firms lose while firms that compete with imports win.

Making things just a bit more complicated, the industries most negatively affected by tariffs are typically those that a) have imported or other tariff-sensitive goods as a large share of their input costs, b) compete in foreign markets against firms whose countries do not impose high tariffs on their inputs, and c) have difficulty moving their production abroad. Export-oriented agriculture clearly meets conditions (b) and (c). Condition (a) applies to agriculture via its purchases of steel-intensive capital goods such as farm machinery and structures, for example. U.S. tariffs raise the cost of steel in imported goods by 50%. The 2025 tariffs are a perfect storm for export-oriented agriculture.

In last year's trade outlook, Hillberry (2025) explained that a credible computational model of the effects of the expected Trump tariffs had estimated that the U.S. soybean-producing sector would pay sizable costs if the Trump Administration imposed tariffs on imports from China, and would suffer even more if China retaliated. As the 2025 version of this outlook argued was likely, the Trump Administration did in fact impose tariffs on China; China did retaliate against U.S. exports; and the soybean sector suffered. While the Trump administration has proposed a $12 billion bailout for U.S. agriculture, Ailworth et al. (2025) report that many farmers and analysts think that the bailout funding will be insufficient to compensate for the difficult environment generated by the tariffs. There is now a new "deal" with China, but it is not an agreement that we should expect to stick (Attempts to negotiate specific economic outcomes such as purchase or investment commitments in trade agreements almost always fail; international trade does not work like that). In broad terms, 2025 saw a replay of the trade war of 2018-2019, with a bailout package band-aid applied to open wounds generated by the negative and predictable consequences for export-oriented agriculture of U.S. tariff increases. Apparently, some lessons prove difficult to learn, even when they were experienced in the quite recent past.

Apologists for the Trump Administration's chaotic and unwise trade policies, including several elected representatives from Indiana, argue that the Trump administration's tariffs are simply being used to negotiate "better" agreements. They sometimes go further and claim that the tariffs are only temporary. One wonders if these representatives are arguing in bad faith, or whether they, like the President, lack even a basic understanding of International Economics.

With respect to the "better" agreements, Handley (2025) explains that a key attribute of successful trade agreements is that they are seen to be permanent; they reduce uncertainty about the future path of tariffs and other trade costs. The President's trade policies - including his "deals" - have generated enormous uncertainty for market participants. The deals have not been submitted to Congress for ratification; they are subject to the same Presidential whims as the agreements that were already in place when he entered office. The President's deals are almost always structured to avoid credible legal commitments. These agreements are worse, not better, than the formal trade agreements that were in place when the President took office.

Moreover, our representatives' claim that the tariffs are only temporary simply beggars belief. As discussed last year in Hillberry (2025), the President simply has too many policy objectives that require high tariffs to be in place. First,

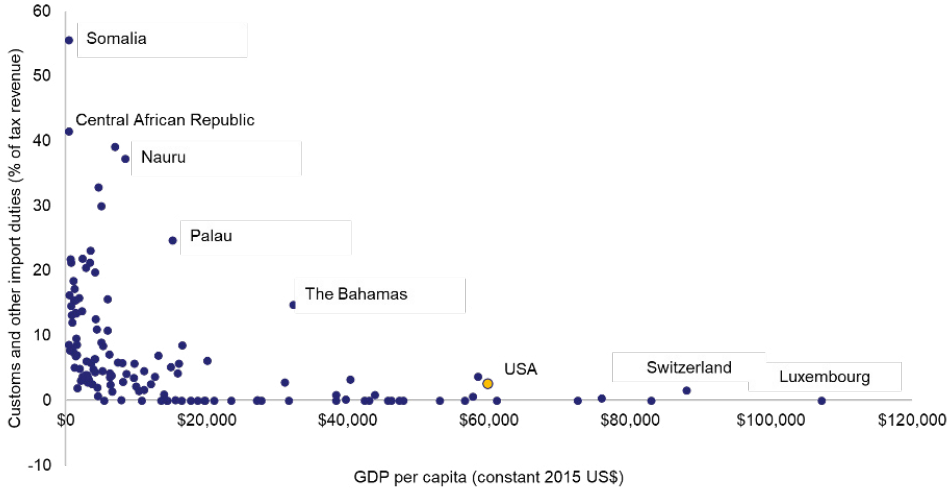
the tariffs generate revenue that partially offsets the income and corporate tax cuts passed in the "big beautiful bill." (Shifting the tax burden from one group of Americans to another would be a legitimate political choice if done by Congress, but textbook International Economics teaches that tariffs are an extremely inefficient way to raise tax revenue.) Second, the tariffs are part of the President's plan to rebuild the U.S. manufacturing sector, a plan that can only work if firms expect the tariffs to be in place long enough to justify long-run investments in domestic capacity. (U.S. manufacturing employment was down sharply in 2025, in part because tariffs on inputs such as steel raised the cost of producing downstream goods in the U.S.) Third, even the President's "deals" leave U.S. tariff rates at high levels (the US-EU "deal," for example, leaves U.S. tariffs on EU goods at 15%, and the tariffs on steel remain at 50%). Finally, the President likes to use tariffs as a domestic political tool, exchanging tariff exemptions for political contributions. The information technology sector, for example, has received exemptions for most of its inputs in 2025, in part because its leaders have groveled publicly in the President's presence, giving the President lavish gifts, and donating to finance the construction of the White House ballroom. Fotak et al. (2025) offer formal statistical evidence that the President's exemption process favors well-connected Republican donors. The President cannot profit from this tariff exemption process - either politically or personally – without a high average tariff from which to make exemptions.

More broadly, we can see that the President has generally sought to maximize his personal role in determining U.S. economic outcomes. He has sought to involve himself directly in government decisions about mergers and acquisitions (see Dlouhy and Nylen, 2025), decisions that should follow legal precedent rather than the President's whims. He claims the authority to direct foreign investments (see Ma, 2025), investments that would be more valuable if guided by market opportunities. The tariffs are a small but important part of this same overall story. The President has effectively nullified trade agreements ratified by Congress and signed by earlier Presidents. He has taken the tariff exemption process away from Congress and brought it inside the White House, where exemption decisions are not subject to open debate or appeal. International Economics research has shown how corrupt Presidents in other countries use high tariffs to enrich themselves at the cost of their citizens. For example, Rijkers et al. (2015) show that firms associated with President Ben Ali of Tunisia paid lower tariffs than did otherwise equivalent Tunisian firms.

There is a long list of other International Economics lessons that apparently need re-learning (The Constitution gives Congress the power to set tariffs, not the President! It is not governments who trade, it is firms! Trade deficits are a macro-economic phenomenon, not a result of unfair trade policy!). But let us conclude this section of the review with one more lesson: Trade barriers slow the economic growth of countries that impose them. Because the world is messy, this particular claim is difficult to prove; it is nonetheless widely believed among Economists who study these matters. Figure 2 demonstrates that high-tariff countries have low incomes, but this is correlation, not causation. Persuasive statistical studies more rigorously link higher tariffs to slower growth, but these studies, too, are subject to professional caveats.

Figure 2

Tariffs as a share of government revenue and per capita income, 2018

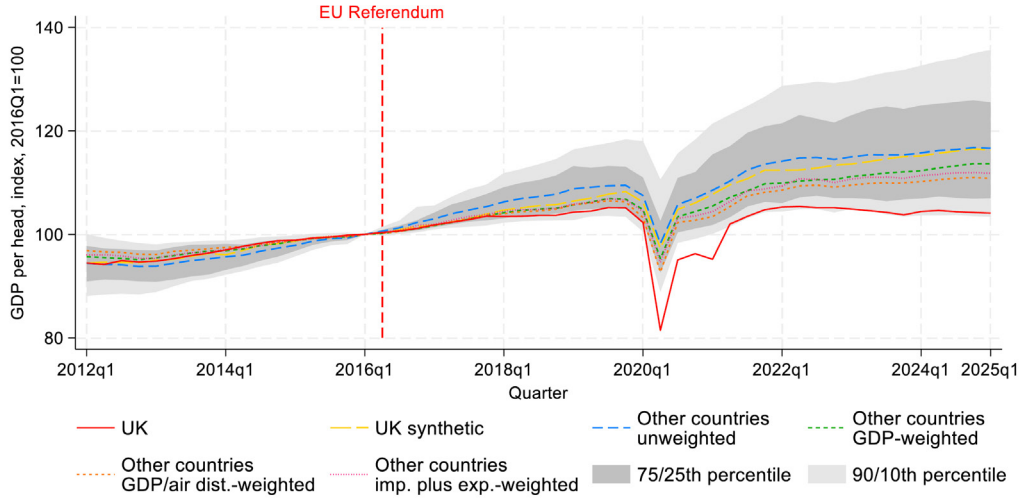


Note. Author calculations using 2018 data from the World Develoment Indicators

For the purposes of this review, perhaps the best evidence that trade barriers reduce economic growth is the now-visible consequences of Brexit, the populist-fueled exit of the United Kingdom from the European Union in 2016. While Brexit did not materially change British tariffs, it made trade with the European Union much more difficult and generated substantial uncertainty about the future path of British trade policy. We now have quite persuasive evidence that Brexit reduced the growth of the British economy. For example, Bloom et al. (2025) conducted a comprehensive study of the effects of Brexit on economic outcomes in the United Kingdom. Figures 3 and 4 below show comparisons of per capita income and business investment in high-income countries. Since the Brexit referendum, the British economy (red line) has lagged behind comparison economies significantly on both measures. Other statistical tests in the paper formalize these and other related insights in different ways. The broad lesson is that Brexit has slowed economic growth in the United Kingdom, relative to other high-income countries.

Figure 3

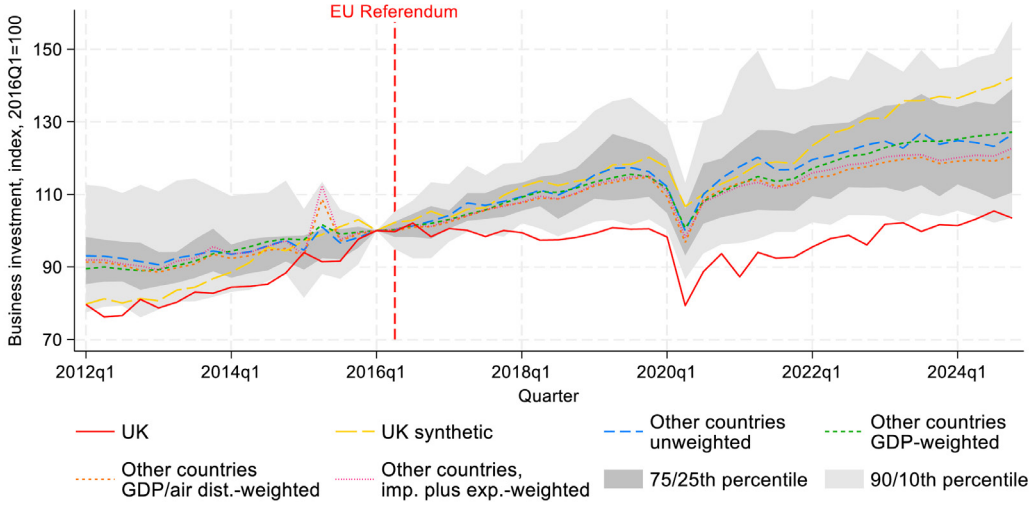
Brexit and per capita income growth in the United Kingdom



Source: Bloom, N., Bunn, P., Mizen, P., Smietanka, P. and Thwaites, G., 2025. The Economic Impact of Brexit. *National Bureau of Economic Research,* No. w34459.

Figure 4

Brexit and business investment in the United Kingdom



Source: Bloom, N., Bunn, P., Mizen, P., Smietanka, P. and Thwaites, G., 2025. The Economic Impact of Brexit. *National Bureau of Economic Research,* No. w34459.

Trade Policy Outlook for 2026

Given the trade policy chaos in 2025, constructing a trade policy forecast for 2026 is not a straightforward exercise. Nonetheless, broadly it seems reasonable to expect the following four outcomes.

1) Continued volatility in U.S. tariffs.
In imposing his "Liberation Day" tariffs, the President invoked the International Emergency Economic Powers Act (IEEPA), a law that does not even mention the word "tariffs," and requires the existence of an emergency that was not the least bit apparent when he invoked the law. Several courts have determined that the President's tariffs were illegal, and we simply await a decision from the U.S. Supreme Court to validate or overturn these lower court rulings. It is difficult to predict the Supreme Court ruling: On the one hand, the Conservative-leaning court has become quite partisan in its rulings on matters related to the President; On the other hand, a Conservative-leaning court would otherwise be unlikely to endorse an arbitrary and illegal tax increase like the President's tariffs. If the Court overturns the IEEPA tariffs, the President has threatened to impose new tariffs using different authorities, thus generating even more whipsaw tariff action in 2026. If the Court allows the tariffs to stay in place, prices will rise; many firms have been holding off on price increases while the case makes its way through the courts. Rising import prices will trigger even more domestic pain, which may cause the President to walk back some of the tariffs he has already imposed. One way or another, expect more tariff changes in 2026.

2) Foreign countries will continue to reduce their exposure to trade with the United States.
The U.S. is now seen as an unreliable trading partner. Traditional U.S. trading partners have responded by seeking to deepen their relationships with other partners. Canada, in particular, has been active in this regard, seeking new free trade agreements with Europe and in Asia. The U.S. is too large to be entirely isolated, but foreign governments have learned not to overinvest in deep trade relations with the U.S. We should expect this trend to continue in 2026 and for the foreseeable future.

China's response to the President's 2018 trade war was to reduce its dependence on imports of U.S. soybeans. One strategy has been to cultivate other suppliers like Brazil and Argentina, but China is also pushing for self-sufficiency. Zuo (2025) summarizes a report by Goldman Sachs analysts who expect that the share of imported soybeans in Chinese consumption will fall from 90 percent to 30 percent within the next decade. The introduction of genetically modified seeds and changes in the feed mix are allowing China to reduce its dependence on imports.

3) The average U.S. tariff will be lower at the end of 2026, but remain very high by post-World War II standards.
The President has shown that he responds to the economic pain caused by tariffs. These responses are usually too slow and too small, but they do happen. Much of the pain generated by his 2025 tariffs has been deferred, as firms wait on the Supreme Court's decision before following through with higher prices. If the Supreme Court allows the IEEPA tariffs to remain, prices will rise, and the increasing pain of rising prices will lead to some political pressure to reduce them. If the Supreme Court decides to overturn the tariffs, the President will have a difficult time fully replacing the IEEPA tariffs with tariffs justified by other authorities. Either path leads to lower, but still high, average tariffs in 2026. Moreover, the President seems to be open to giving tariff exemptions to large importing firms whose leaders bring a combination of gifts/flattery to the White House. Tariff exemptions like these will continue to be made, and will cause the average tariff to drift slowly downward, while remaining at very high levels by historical standards.

One might also hope for Congressional action to reduce tariffs. We shall see. The President has shifted the domestic political narrative, such that members of Congress who should know better have abandoned their principles along with their sworn duty to protect and defend the Constitution (Article I, Section 8 of the Constitution says that Congress sets tariff rates, not the President). We are not in the emergency that the President has claimed. Congress should have acted on this fact already and rejected the IEEPA tariffs. Indiana's delegation has been part of the problem. Our two senators have both voted repeatedly to keep the tariffs in place. In the House of Representatives, most Indiana members have voted to avoid taking any vote at all on the tariffs, effectively acting to leave them in place. Only the two Democratic representatives and Victoria Spartz voted to have the House take up its legal duty to determine whether or not the President's claimed emergency justifies the tariff increases. It is to be hoped that Congress will do better in 2026, but it seems unlikely.

4) Renegotiation of the USMCA will be a prominent trade policy issue for 2026.
As was discussed in last year's outlook, Mexico is an important market for U.S. agriculture. It buys a large share of the United States' corn, pork, and poultry exports. So far, most goods that qualify under the U.S., Mexico, and Canada Free Trade Agreement (USMCA) still enter the U.S. tariff-free, leaving little cause for Mexico to retaliate. But the President sees the 2026 USMCA renewal process as another opportunity to "negotiate," which means threats of higher U.S. tariffs and more uncertainty on both sides of the border. The Mexican economy is highly dependent on sales in the U.S. market, but they, like Canada, should probably begin looking elsewhere. The ways in which the President approaches USMCA renegotiation in 2026 will likely have longer-term consequences for U.S. agricultural exports to Mexico.

Summary

U.S. trade policy in 2026 will not be as damaging as it was in 2025. But the remaining high tariffs mean that 2026 will likely be the second-most damaging year in the last ninety, trailing only 2025. We will not soon return to the 2016 situation, nor even that of 2024. The U.S. has badly damaged its reputation as a reliable trading partner, and this damage will not soon be undone. Canadian Premier Mark Carney has said, "The system of global trade anchored on the United States … is over. The 80-year period when the United States embraced the mantle of global economic leadership … is over. While this is a tragedy, it is also the new reality." Unfortunately, he is almost certainly right about this.

The U.S. economy is a large one, and so not, in aggregate, overly dependent on international trade. Tariffs are not a large enough drag on the entire economy to generate a quick reversion to better trade policy. But the President's tariff chaos will continue to hurt export-oriented agriculture more than most sectors of the economy. The traditional path to expanding U.S. agriculture exports - durable and credible free trade agreements - will not be available in the near term. The focus must be on helping Washington to learn the lessons of International Economics as quickly and as painlessly as possible. It will not be easy. Both the President and a majority in Congress seem committed to learning these lessons the hard way, and possibly not at all.

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PURDUE AGRICULTURAL ECONOMICS REPORT

Is There a Future for the U.S. Farm Bill?

Roman Keeney, Agricultural Economics Associate Professor, Extension & Outreach Coordinator

Summary: *The U.S. Farm Bill, as we typically think of it, remains in limbo. Changes to major spending programs on commodities and SNAP were incorporated into the 2025 budget reconciliation act, while remaining programs were left to end-of-year extensions. The uncertainty about returning to a normal farm bill process, coupled with rapidly adjusting trade policies, makes government action a significant source of uncertainty for U.S. agriculture.*

Is there a future for the Farm Bill?

Thirty years ago, the "Freedom to Farm Act" (P.L. 104-127, formally identified as the Federal Agriculture Improvement and Reform Act, 1996) became law in the United States, marking a dramatic reform to "decouple" farm income supports from current prices and production. The "freedom" referenced in the bill's popular name was an allusion to the new flexibility afforded to farmers to plant as they saw fit in response to market signals rather than having to adjust production plans to stay within restrictive federal program parameters, specifically base acres. The bill's passage was touted as a first step to a smaller role for taxpayers in farm income support.

The modification to provide farm support payments on a fixed basis using only historical information that could not be affected by current decisions or conditions was a key element in making U.S. farm program spending compatible with the WTO's Uruguay Round Agreement on Agriculture. The 1990s push to expand freer trade and restrict WTO member countries from protectionism in agriculture promised a sustained expansion for U.S. agriculture, with export markets leading the way. The ensuing 30 years of farm policy have strayed far from that era's vision, with U.S. agriculture prospering in a global environment with minimal transfers from taxpayers.

Protectionism Plus Farm Policy Gridlock

We have discussed a number of interceding political drivers of farm policy in the past 30 years of the Farm Policy Outlook (e.g., deficit reduction, the ethanol boom, climate agreements, etc.), but none has been as dramatic as the U.S. political shift toward protectionism of the past decade. Following years of export expansion for U.S. commodity crops, the exposure of U.S. farm incomes to other countries' retaliations is significant. The newly expanded tariffs since 2017 have led to reduced, and in some cases lost, market share for the U.S. Some of the largest transfers from taxpayers to farm producers have occurred during this era, packaged as emergency trade assistance (Emergency Commodity Assistance Program | Farm Service Agency, n.d.). The necessity of these most recent emergency payments (Outlaw et al., 2026) to agriculture is a direct result of inattention to agriculture in the setting of trade policy. The size of agriculture in the overall economy means that it is both a) easy to ignore in debate over the economy and b) relatively cheap to pay off in the event of adverse outcomes.

The primary setting for agriculture's voice to be heard in federal policy has historically been the farm bill. In many ways, farm bills have been a tool to try to improve the "fit" for agriculture in broader economic policy. However, farm bills this century have been very difficult to pass (Keeney et al., 2025) in a timely manner, falling prey to proxy wars over the size of government, deficit spending, and the social safety net. The most recent farm bill proper was passed in 2018 and expired in 2023. Extensions for fiscal 2024 and 2025 kept programs in place under 2018 rules that were seen as sorely out of date, given the intervening global shocks (e.g., global pandemic, war in Ukraine, global supply chain issues) that have reset cost expectations in agriculture.

Ultimately, 2025 came and went without a new farm bill (Bohl, 2026) like the two preceding years. Unlike those two years, a number of farm bill spending and revenue programs, notably farm payments and SNAP benefits, were folded into a budget reconciliation bill (P.L. 119-121), aimed at extending 2017's tax cut package. The 2025 reconciliation act (referred to as the Big Beautiful Bill, or BBB) effectively updated program rules and extended authorization for commodity payments and low-income food assistance, with reductions in food assistance outlays effectively funding the expected increase in farm support payments.

The "reconciliation" process in Congress is a more limited process that requires only a simple majority in the Senate. Because of reconciliation rules, the process was not available for passing all farm bill provisions, leaving some programs orphaned and ultimately extended by end-of-year legislation to keep the government open. The need to use reconciliation rules to update farm programs in 2025 is the most obvious signal that agriculture and its key programs of the farm bill no longer enjoy immunity from the difficulties of unworkable partisanship (Bohl, 2026) that made it stand out from so many other areas of economic policy.

Outlook for Farm Policy in 2026

The failure to pass a farm bill under ordinary legislative procedures in the past three years is the clearest signal we have that we have a new normal for farm policy (Clayton, 2025). Some thirteen years ago, the Republican-led U.S. House of Representatives attempted to split nutrition and low-income assistance from farm programs (Greenstein, 2013), eliminating the bridge that had led to broad bipartisan support for farm bills. Even though that attempt to sever farm programs and food assistance was rebuffed, the size of nutrition spending in the total of the farm bill has loomed as a constant threat to the passage of farm bills.

The 2025 reconciliation bill shifted federal taxpayer dollars from nutrition to farm programs (Villa & Scott, 2025), a goal for SNAP critics that dated back to that 2013 rift in the farm bill process. Additional farm program funds were drawn from expanded farm conservation dollars that were enacted as part of 2021's Democrat reconciliation bill. That particular shifting of funds identifies the tenuousness of resorting to the reconciliation process to set economic policy and ultimately increases the policy uncertainty in the farm economy. Thus, despite the update to farm programs in 2025, there is little reason to believe that these changes could withstand the relatively marginal political shift that would change the balance of power in Washington, D.C.

Coupled with the policy uncertainty of frequent tariff actions and threats that are routinely adjusted without consideration for the impacts on agriculture, it is hard to imagine a historical era with greater policy uncertainty for U.S. agriculture. Passing a new farm bill in 2026's report does not appear to be a high priority (Heller, 2026), and the reconciliation action of 2025 will certainly limit the urgency to action (Dorenkamp, 2025). Moreover, the longer the farm bill process remains stalled and reliant on end-of-year extensions and the partisan reconciliation process, the less likely we are to have any coherent economic policy process that places the food and farm economy front and center (Neubert & Merrigan, 2026).

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PURDUE AGRICULTURAL ECONOMICS REPORT

The Economic Situation of the North Central Region and a Zoom in on Indiana: An Analysis Using the NCR-Stat Baseline Survey

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Summary: *Quantitatively understanding the socio-economic characteristics of an area conveys important information on its capacity for financial self-sufficiency, resistance to economic shocks, and overall quality of living. In this report, we provide key socio-economic information on the states of the North Central region of the United States, with a more careful look at Indiana.*

Main Takeaways

- Hoosiers are as likely as the rest of the North Central region to receive government financial assistance, but are more likely to receive living assistance. In contrast with these groups, workers in farming, fishing and forestry have 20% higher financial assistance participation, particularly participating in tax assistance.
- Although Indiana has a slightly lower percentage of residents on federal food assistance programs, it follows a very similar trend when compared to the rest of the North Central region. Up to two-thirds of individuals receive no food assistance, while the majority of food assistance programs have a participation of less than 2%.
- While the largest group of Indiana insured residents is occupied by those on Medicaid or government assistance, workers in farming, fishing and forestry are insured through their current employer at a much higher percentage than the rest of the region.

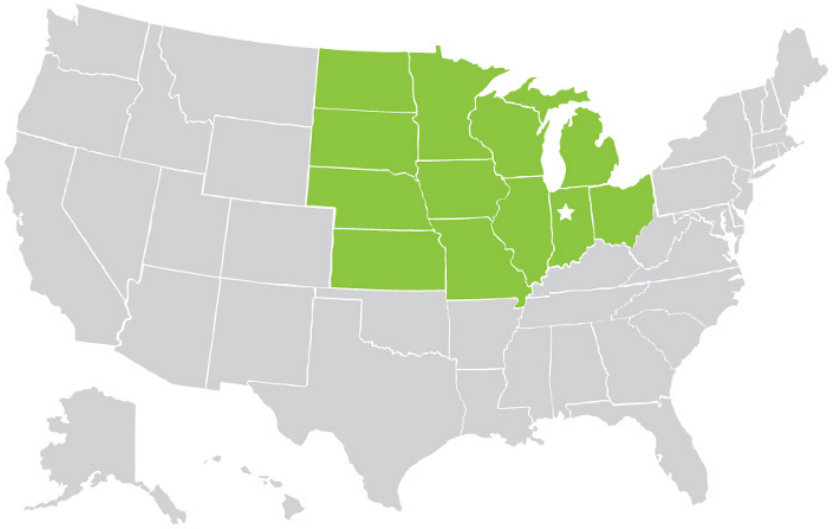
Quantitatively understanding the socio-economic characteristics of an area conveys important information on its capacity for financial self-sufficiency, resistance to economic shocks and overall quality of living. The level of dependence on public support and the measure of economic distress of different geographical areas may provide useful insights to policymakers about how to target programs to different subgroups and how families cope with economic scarcity or uncertainty.

In this report, we provide key socio-economic information on the states of the North Central region of the United States (which we colored in Figure 1), with a more careful look at Indiana. We use data from the baseline survey developed by the North Central Regional Center for Rural Development (NCRCRD), one of four Regional Rural Development Centers in the United States. It covers 12 states in the North Central region of the United States.[1] As part of their main contributions to researchers and the broader community, they developed NCR-Stat, an open-access database with, among others, two baseline questionnaires distributed in 2022 and 2024.

[1] *Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.*

Figure 1

The North Central Region



Note: Credit to the Regional Rural Development Centers (https://ag.purdue.edu/rrdc/north-central-regional-center.html)

From the baseline questionnaire, we pull information on socio-demographics, financial public assistance programs and health insurance in the North Central region overall and in Indiana in particular. We summarize the descriptive statistics on the basic demographic composition of the sample, its coverage, access and the distribution of public programs and health insurance plans, and compare changes over time between 2022 and 2024. We aim to provide a quantitative picture of the economic resiliency of these areas, on the financial security of the households and how Indiana compares to other states in the North Central region.

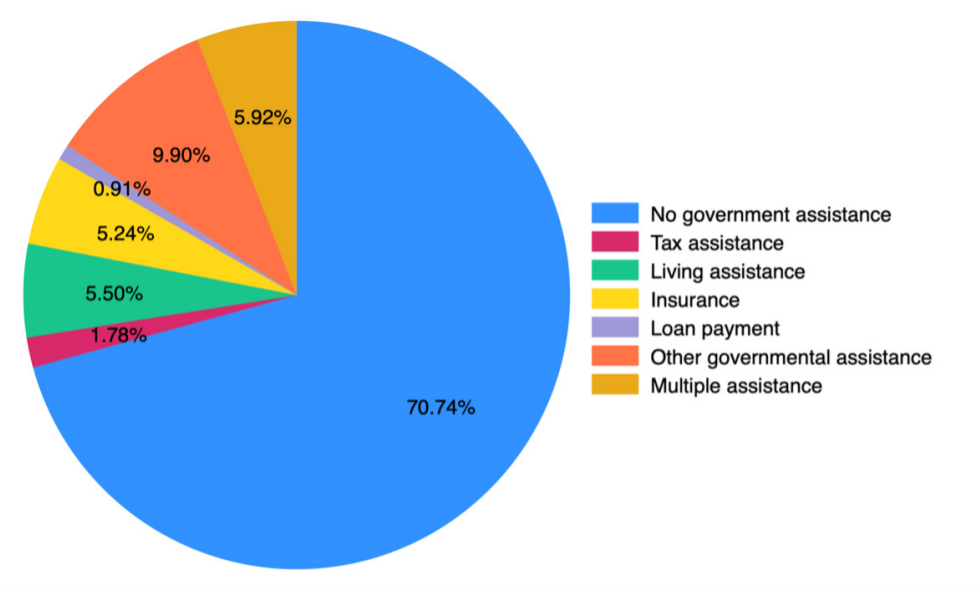
The region's economic landscape exhibited that 22% of the respondents made less than $25,000 in 2022, 31.7% made between $25,000 and $49,999, 19.3% made between $50,000 and $74,999, and 12.4% made between $75,000 and $99,999. The remaining 13% made more than $100,000. Based on income data from the American Community Survey,[2] the respondents of the NCR-Stat are disproportionately of lower income.[3] Moreover, in our overall sample, 31.4% of the respondents were male in 2022, a percentage that increased to 43.7% in 2024, indicating an increase in the sex-representativeness of the respondents, with about 50% of the individuals being males and the other half being females. With the mean age of the respondents around 51 years old, the sample is about 10 years older than the US mean; however, this is in large part explained by the fact that the NCR-Stat respondents are at least 18 years old. The majority of the sample is located in suburban areas, followed by urban areas and then by rural areas. In 2022, 43% lived in suburban areas, 31.28% in urban areas and almost 26% in rural areas. Two years later, the share in suburban areas decreased to about 37%, for urban areas it increased to almost 36% and in rural areas it increased to almost 29%. Due to the difference in our sample composition that emerges in the economic and demographic variables summarized above, our results should be interpreted with those key differences in mind.

NCR-Stat includes a question about whether the respondent has received financial assistance from the government, and, if so, of what type. Figure 2 shows the answers for the entire sample in the North Central region, amounting to 4,272 respondents. The pie chart shows that around 70% of the population stated having received no financial assistance from the government in the past 12 months. This number is slightly higher than the national average. The remaining share is largely comprised of those receiving other non-listed governmental assistance (9.9%), those on multiple assistance programs (5.9%), and the living and insurance assistance categories (5.5% and 5.24%, respectively). The least common financial assistance category was that of loan payment, with only 0.91% of the total.

[2] *According to the data from the US Census Bureau, 34% of Hoosier households made less than $50,000, about 32% made between $50,000 and $99,999, and about 34% made over $100,000.*
[3] *Similar considerations apply to the NCR-Stat data in 2024.*

Figure 2

Governmental Financial Assistance by Type in the North Central Region (2024)



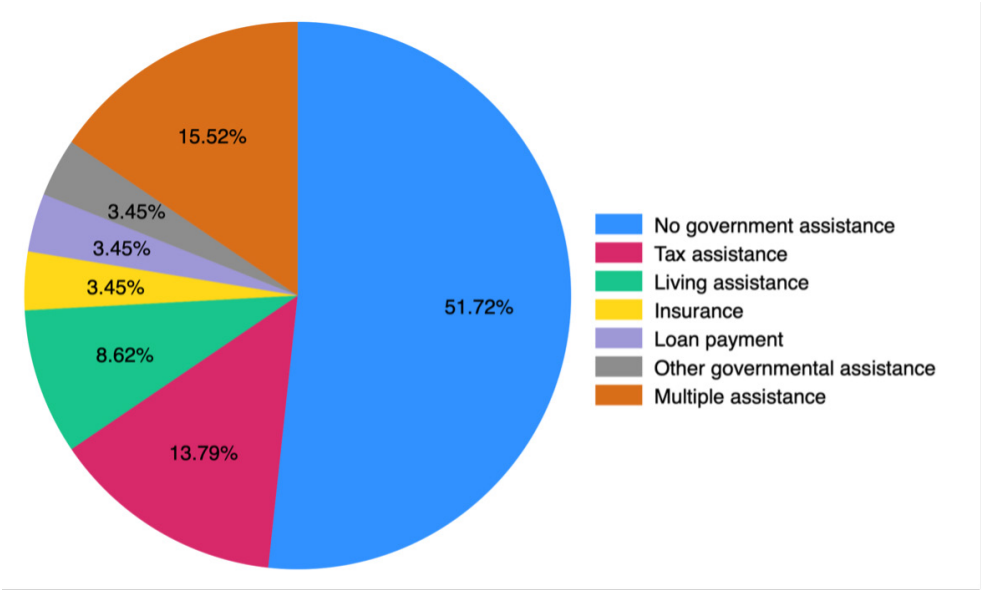
Note: The survey question asks whether the respondent has received any governmental financial assistance in the last 12 months, with N= 4,272. The color-coded categories indicate different types of assistance. The categories, which we number from top to bottom in the legend, include (2) e.g., Education and training, disaster relief and recovery, life events, military, childcare and support, (3) Temporary Assistance for Needy Families, the Housing Choice Voucher program, Transition from Homelessness, (4) e.g., unemployment insurance, crop insurance, health and medical assistance, housing loans, Veterans' Group Life Insurance, National Flood Insurance Program, (5) e.g. educational loan repayment, and (7) Captures all respondents that stated having received more than one of the listed forms of assistance.

Indiana is closely aligned with the rest of the North Central region regarding the share of individuals who are not receiving any government assistance (around 70.6%). However, for those who are, there are some differences. A smaller share of Hoosiers, relative to the rest of the region, receives tax assistance, insurance from the government and is on "other" government assistance. Instead, a much larger percentage of Hoosiers receive living assistance. Though with a smaller difference relative to the rest of the region, Indiana residents are also more likely to benefit from multiple forms of assistance.

We also consider the distribution of governmental financial assistance after selecting workers in farming, fishing and forestry in the North Central region (N=58). The responses are summarized in Figure 3. Compared to the overall sample, there are substantial differences. First, almost 20 percentage points fewer individuals in farming, fishing and forestry do not use any government financial assistance, making this subpopulation more dependent on public financial programs, at least in the North-Central region. Second, almost 14% of this subpopulation uses tax assistance from the government, while that category is less than 2% of the entire sample. Third, although with slimmer differences, the workers in farming, fishing and forestry use more living assistance, loan payment programs and multiple assistance programs. Instead, the overall population tends more to rely on insurance and other non-listed government assistance programs.

Figure 3

Governmental Financial Assistance by Type for Workers in Farming, Fishing, and Forestry in the North Central Region (2024)



Note: The survey question asks whether the respondent employed in Farming, Fishing, and Forestry has, in the last 12 months, received any governmental financial assistance, with N= 58. The color-coded categories indicate different types of assistance. The categories, which we number from top to bottom in the legend, include (2) e.g., Education and training, disaster relief and recovery, life events, military, childcare and support, (3) Temporary Assistance for Needy Families, the Housing Choice Voucher program, Transition from Homelessness, (4) e.g., unemployment insurance, crop insurance, health and medical assistance, housing loans, Veterans' Group Life Insurance, National Flood Insurance Program, (5) e.g. educational loan repayment, and (7) Captures all respondents that stated having received more than one of the listed forms of assistance.

Using other questions from the 2024 survey, we show that about 67% of the households in the North Central region did not receive state-specific Supplemental Nutrition Assistance Program (SNAP) or Food Stamp Benefits in the past 12 months, with the remaining 33% of the households receiving SNAP benefits. Among Hoosiers, the percentage of non-recipients was 68.8%, about 2 percentage points higher than the North Central average. Instead, for workers in farming, fishing and forestry in the North Central region, the percentage of recipients is substantially higher, at 45.6%.

We also consider a more detailed breakdown of the type of federal food assistance programs individuals participated in. In 2024, among all recipients of federal food assistance, we see the vast majority are on food stamps, followed by the second-largest share being on multiple programs. Just about 1% is on the Women, Infants, and Children nutrition program (WIC), while other programs like the National School Lunch Program, Meals on Wheels, the School Breakfast Program and the Summer Food Service each cover less than 1% of respondents. Relative to 2022, there has been a slight increase in food stamp recipients, a decrease in individuals enrolled in multiple programs and a 1-percentage-point decrease in WIC recipients.

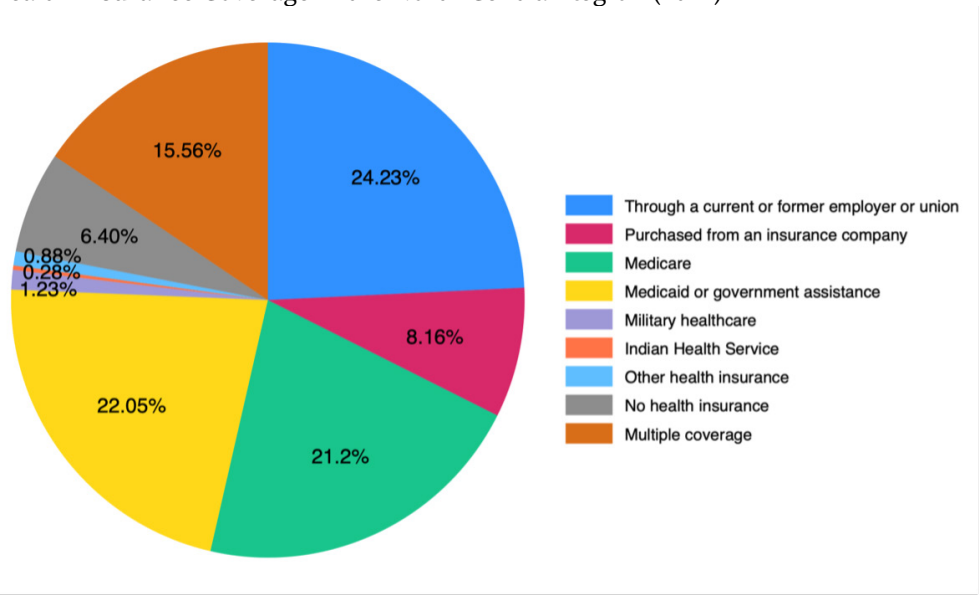
One area that has been highly debated and policy-relevant at both the federal and state levels is health insurance coverage. NCR-Stat collects information on the types of health insurance and their coverage for the North Central

region, and we report the respondents' answers in Figure 4. The data suggest that the largest share of health insurance coverage is provided by a current or former employer or union (24%), closely followed by Medicaid or government assistance (22%), and Medicare (21%). Instead, 15.5% have multiple coverage plans, 8% purchased it from a private company, and 6.4% are uninsured. Given that the share of individuals without insurance nationally was 8.2% in 2024, the North Central region is characterized by a broader rate of health insurance coverage.

Relative to 2022, somewhat considerable changes occurred. First, the share of individuals insured through a current or former employer (or union) decreased by over 2.5 percentage points between 2022 and 2024. Instead, the share of people on Medicaid or government assistance increased by over 3 percentage points, the share on Medicare increased by over 1.5 percentage points, and the share purchasing private insurance increased by about 1 percentage point. Instead, the share of people who have multiple coverage decreases by almost 4 percentage points. Finally, the share of people without health insurance coverage remained largely unchanged.

Figure 4

Types of Health Insurance Coverage in the North Central Region (2024)

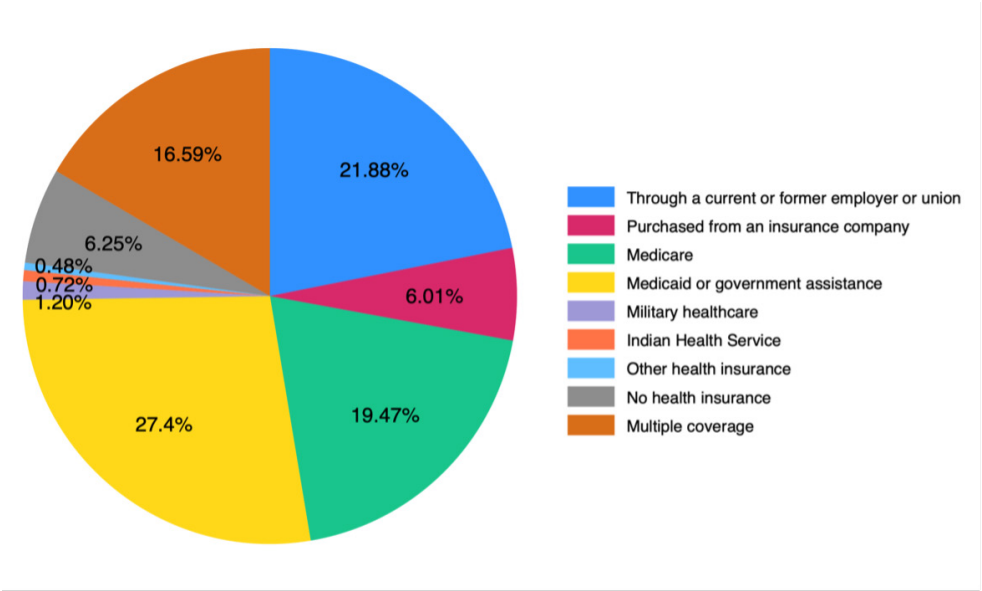


Note: The survey question asks whether the respondent is currently covered by any of the possible categories of health insurance or is not currently enrolled in health insurance coverage, with an N= 4,312. The categories, which we number from top to bottom in the legend, include: (1) and (2) Through yourself or another family member, (5) TRICARE, Veteran Affairs, Champ, and (9) Captures all respondents that stated they are currently covered by two or more of the coverage options.

Figure 5 exhibits the information plotted in Figure 4, but this time selecting only Indiana residents (N=416). Hoosiers are 2.5 percentage points less likely to get coverage through their job, about 2 percent less likely to purchase private insurance, over 5 percentage points more likely to be covered by Medicaid or government assistance and 2 percentage points less likely to be on Medicare. The rates of uninsured individuals and of those on multiple coverage plans in Indiana are roughly in line with the North Central region.

Figure 5

Types of Health Insurance Coverage in Indiana (2024)

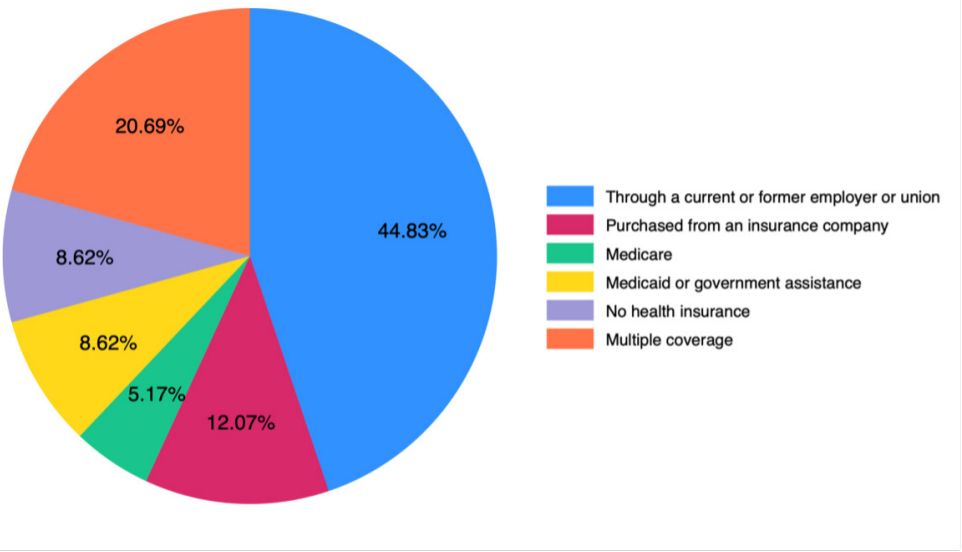


Note: The survey question asks whether the respondent, an Indiana resident, is currently covered by any of the possible categories of health insurance, or is not currently enrolled in health insurance coverage, with an N= 416. The categories, which we number from top to bottom in the legend, include: (1) and (2) Through yourself or another family member, (5) TRICARE, Veteran Affairs, Champ, and (9) Captures all respondents that stated they are currently covered by two or more of the coverage options.

Next, we select the subsample of full-time or part-time employees of the agriculture, forestry and hunting industry in 2024. In Figure 6, we plot their health insurance coverage share in the North Central region. In this subsample of employed individuals, the share of those with coverage through their job is about 45%, and those who purchased it through an insurance company is 12%. In this sample, 5% are on Medicare, about 8.5% are on Medicaid and over 21% are on multiple coverage plans. Finally, about 8.5% are without health insurance coverage.

Figure 6

Types of Health Insurance Coverage for Workers in Farming, Fishing, and Forestry in the North Central Region (2024)



Note: The survey question asks whether the respondent, employed in Farming, Fishing, and Forestry, is currently covered by any of the possible categories of health insurance or is not currently enrolled in health insurance coverage, with an N= 416. The categories, which we number from top to bottom in the legend, include: (1) and (2) Through yourself or another family member, and (9) Captures all respondents that stated they are currently covered by two or more of the coverage options.

The descriptive analysis in this report summarizes trends in the receipt of public financial assistance by the residents of the North Central region, in general, and of Indiana specifically. Moreover, we report information on how these residents obtain health insurance coverage and the share of those who do not have access to such coverage. Within our sample, the share of individuals receiving no government assistance (i.e., about 70%) is similar between Indiana and the broader North Central region, which is also approximately in line with the national share. However, Indiana residents, differently from the North Central region, use more living assistance. Further, workers in farming, fishing and forestry are 20 percentage points less likely to use public financial assistance, at least in part, possibly explained by their having income from employment. When we focused on the share of individuals receiving food-related public assistance, we showed that about 33% of residents in the North Central region and in Indiana received SNAP or Food Stamps, while the percentage increases to 45.6% among workers in farming, fishing, and forestry. Finally, we report information on health insurance coverage, and we find that in the North Central region, the shares of surveyed individuals receiving insurance from an employer, Medicare or Medicaid are very similar. In Indiana, 27% of the respondents receive insurance through Medicaid, and about 20% receive it through an employer, with a similar percentage getting it through Medicare.

The summarized information we collected from NCR-Stat provides a useful picture of the most utilized forms of public financial assistance, their geographic distribution, and the types of subpopulations that are most targeted by each. This picture of public program utilization and health insurance coverage provides both policymakers, extension communities, and local constituencies with key information for decision-making.

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PURDUE AGRICULTURAL ECONOMICS REPORT

Employment and Wage Trends in the U.S., the Midwest and Indiana: Overall and in Agriculture

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Summary: *Measuring employment fluctuations reveals essential information about the economy, particularly when compared with the responses of different areas in the same time frame. For an essential industry like agriculture, observing trends in wages and employment shares conveys important information on the labor market in the short, medium, and long term. In this brief, we analyze key labor market data using data from the Occupational Employment and Wage Statistics (OEWS) from the U.S. Bureau of Labor Statistics.*

Main Takeaways

- Indiana has had the highest wage growth among agricultural occupations and the highest average wage for agricultural workers in 2024.
- Agricultural workers in the U.S., the Midwest and Indiana earn significantly less than workers in all other occupations.
- Agricultural workers in the U.S. have decreased significantly since 2019: around 35,000 agricultural jobs have been lost in the U.S. between 2019 and 2024.
- The Midwest has the highest median hourly wages when adjusted for the cost of living. Starting in 2021, Indiana shows a steep increase in real wages, surpassing that of the U.S.

Measuring employment fluctuations reveals essential information about the economy, particularly when compared with the responses of different areas in the same time frame. For an essential industry like agriculture, observing trends in wages and employment shares conveys important information on the labor market in the short, medium and long term. Quantifying labor market features contributes, among other things, to our understanding of how the U.S. economy reacts to deep shocks, like the COVID-19 pandemic.

In this brief, we analyze key labor market data using data from the Occupational Employment and Wage Statistics (OEWS) from the U.S. Bureau of Labor Statistics. The OEWS publishes employment and wage data for occupations based on a survey of business establishments.[1] The dataset includes cross-industry occupational employment and wage estimates for the nation, states and local areas. In this report, we focus on three geographical levels, the U.S., the Midwest[2] and Indiana, and two broad sets of occupations: all occupations and agricultural occupations. To define agricultural occupations, we selected two specific SOC codes within the Farming, Fishing, and Industry Occupations: *Farmworkers and Laborers, Crop, Nursery, and Greenhouse,*[3] *and Farmworkers, Farm, Ranch, and Aquacultural Animals*.[4] It is important to keep in mind that these are only two of the available agricultural

[1] *It excludes: Any employees not on the payroll or unpaid and workers not covered by unemployment insurance.*
[2] *Midwest includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.*
[3] *Code 45-2092*
[4] *Code 45-2093*

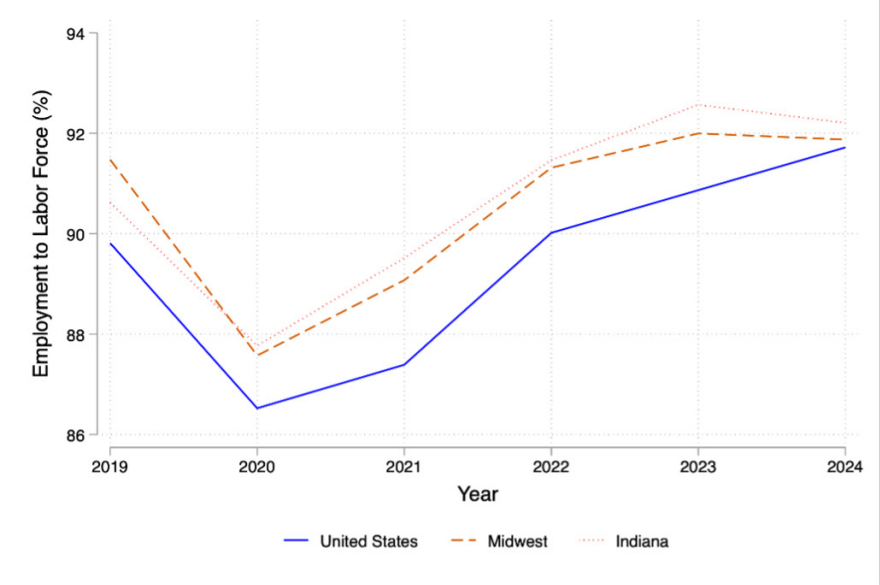
occupations, but we chose to focus on these as they are closest to farmworkers and largest in the dataset, hence we avoid missing values at the state level.

Figure 1 displays the employment-to-labor-force rate between 2019 and 2024 for our three areas of interest: the U.S., the Midwest, and Indiana. We consider employment as a share of the labor force rate, rather than of the civilian population, because of some advantages of this measure. First, it isolates labor-market participants and excludes people who are not engaged in the labor market, such as students, children or retirees. Second, it varies more with labor demand factors than with changes in the demographic structure.

Note that before 2020, the highest employment-to-labor-force percentage was in the Midwest, with close to 92% of its labor force employed, followed by Indiana and the United States. During 2020, we observe the drop in overall employment due to the COVID-19 economic shock, with Indiana being the least affected. The employment-to-labor force share we show also dropped, because although the denominator of the share (i.e., labor force participation) likely decreased, the numerator (i.e., employment) fell by much more. Starting in 2020, we begin to see a recovery in the employment-to-labor-force share, and we note that Indiana had the highest employment-to-labor-force rate, closely followed by the Midwest. Interestingly, the United States has a lower rate for most of the entire period and appears to catch up with the rest of the areas in 2024, when the three geographical areas closely concentrate around the 92%.

Figure 1

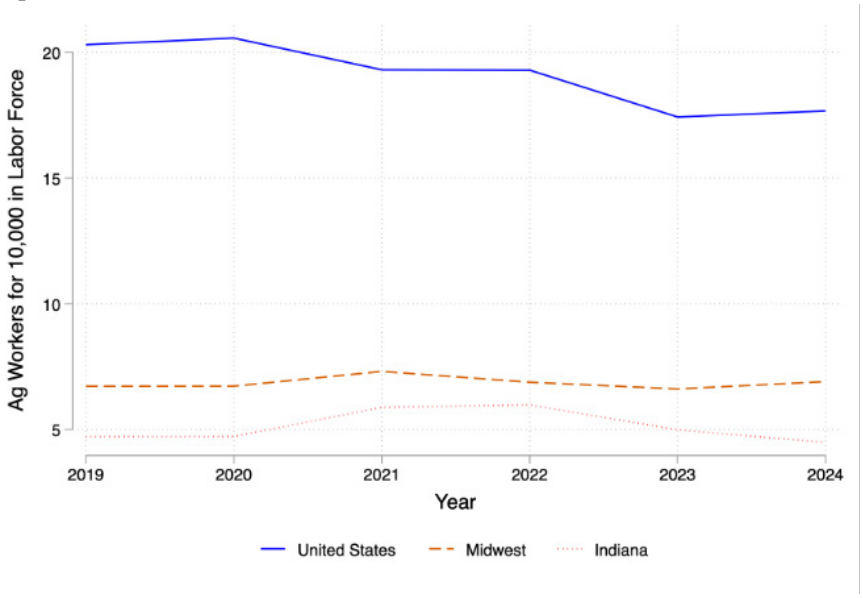
Employment to Labor Force Rate 2019-2024: U.S., Midwest, and Indiana



In Figure 2, we show the number of agricultural workers per 10,000 in the area, known as a location quotient. These measurements allow us to observe the concentration of specific occupations in an area separately for the United States, the Midwest, and Indiana. In the Midwest, there are around 7 agricultural workers per 10,000 in the area, a trend that remains consistent through 2024. On the other hand, Indiana shows a noticeable increase from below 5 in 2020 to around 6 through 2022, after which the number of agricultural workers declines to less than 5, as at the beginning of our analysis. The U.S. shows a much larger location quotient for agricultural workers, at over 20 in 2019, which decreased after 2020 to about 17 in 2023 and 2024. The higher quotient of agricultural workers in the U.S. with respect to the Midwest and Indiana likely implies cross-state variation in crops and agricultural produce, which require largely different numbers of farm and other agricultural workers.

Figure 2

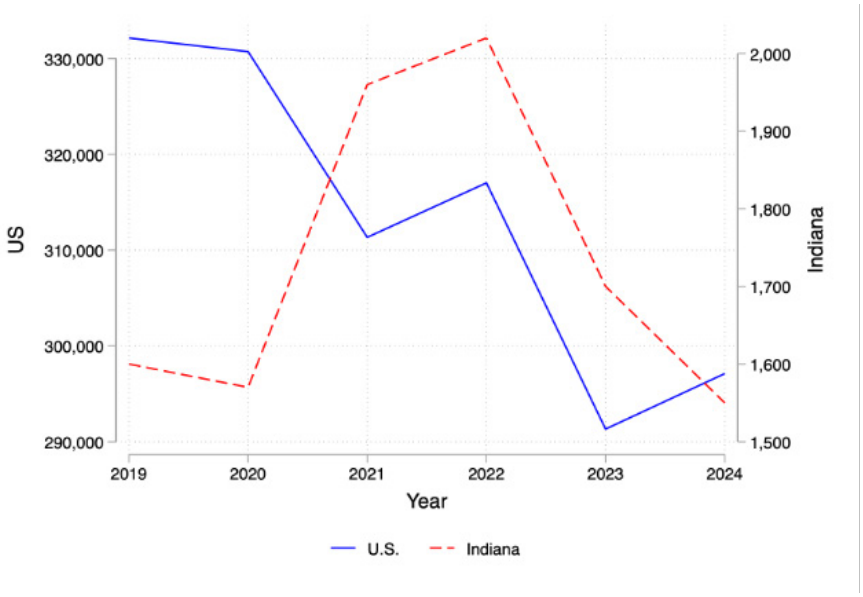
Agricultural Jobs per 10,000 in the Area 2019-2024: U.S., Midwest, and Indiana



Focusing further on agricultural employment, Figure 3 displays the total number of agricultural workers in the U.S. and Indiana, allowing us to see in detail how the numbers fluctuated over time. Matching these data with those in Figure 2, we observe a decline in the number of agricultural workers in the U.S. beginning in 2020, despite an uptick between 2023 and 2024. Overall, however, the number of jobs in agriculture decreased by almost 35,000 jobs in the past 6 years. For Indiana, we note a slight decrease between 2019 and 2020, and a steep increase in agricultural workers in 2021 and 2022, after which it experiences a very steep decline and ends at a similar number of workers as at the beginning of the observed period.

Figure 3

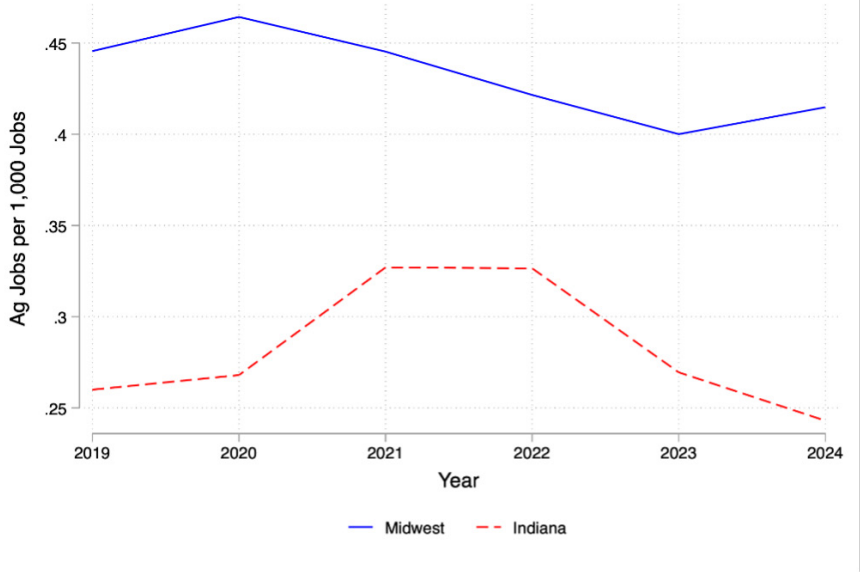
Total Agricultural Workers 2019-2024: U.S. and Indiana



In Figure 4, we analyze the number of agricultural jobs per 1,000 in the area for the Midwest and Indiana. The Midwest shows a slight increase in 2020 and a steady decrease through 2023, reaching its minimum of 0.4 jobs per 1,000. In Indiana, a similar increase can be observed between 2019 and 2021, but, unlike the Midwest, in 2021, the number of agricultural jobs per 1000 rises and remains around 0.33 before declining again in 2023 and 2024.

Figure 4

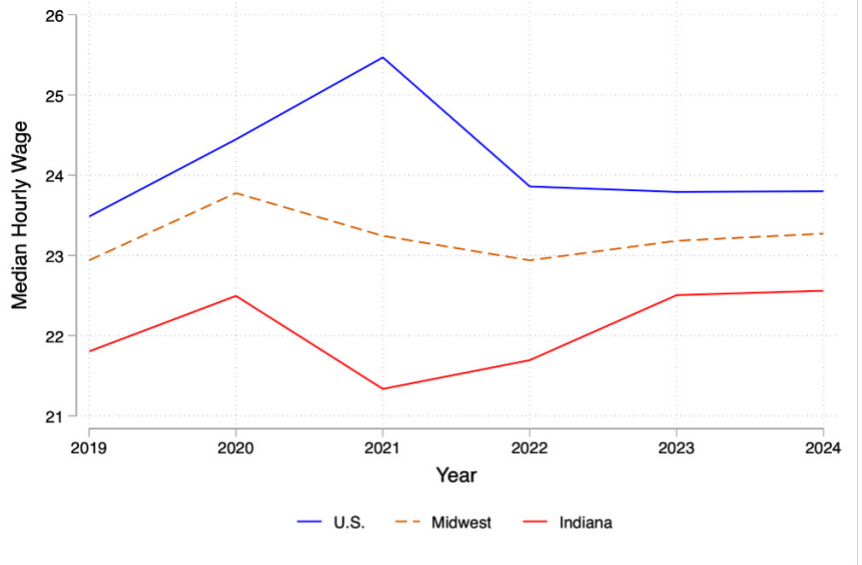
Agricultural Jobs per 1,000 in the Area 2019-2024: Midwest and Indiana



In addition to employment, another fundamental piece of information for understanding the labor market is wages. Figure 5 shows median hourly wages for all occupations in the U.S., the Midwest and Indiana. We observe that the U.S. has the highest wages throughout, with a minimum of around $23.5 in 2019, a steep increase that peaks in 2021 at $25.5, and then lowers again to about $24 U.S. at the end of the period. The second-highest wages are in the Midwest, but unlike the U.S. overall, they have remained somewhat steady through the years, ranging between a minimum of $23 and a maximum of about $23.8. Indiana, instead, shows a different trend, with a wage lower than $22 in 2019, increasing to about $22.5 in 2020, and falling to around $21.5 in 2022. Over the last couple of years, the median wage in Indiana has stayed close to $22.6.

Figure 5

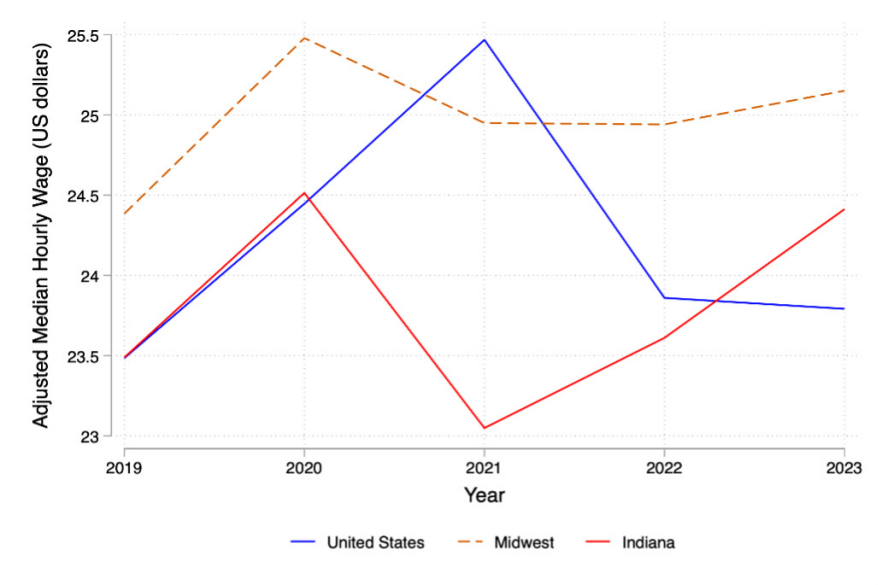
Median Hourly Wages 2019-2024: U.S., Midwest, Indiana



To measure real purchasing power and allow for a fair comparison across areas, we adjust median hourly wages to the cost of living. Due to data availability, we shortened our time frame to 2023. After adjusting for cost of living, wages present very different patterns over time and across the three areas. Now, the Midwest presents higher median hourly wages than the U.S. and Indiana for all years except 2021, and pays the highest adjusted amount in 2020, $25.5. This amount is much higher than the unadjusted $23.8 for the same year, which we observe in Figure 8. Indiana closely follows the U.S. between 2019 and 2020, then it follows a drop in the adjusted wage between 2020 and 2021, in stark contrast with the U.S. increase. Following 2021, the adjusted median wage in Indiana increases and passes that in the U.S. between 2022 and 2023, reaching a median of almost $24.5 (compared to $22.5 in Figure 8 for the same year) in 2023. This provides evidence of a very visible increase in real wages for Hoosiers during the last few years.

Figure 6

Adjusted Median Hourly Wages 2019-2023: U.S., Midwest, Indiana

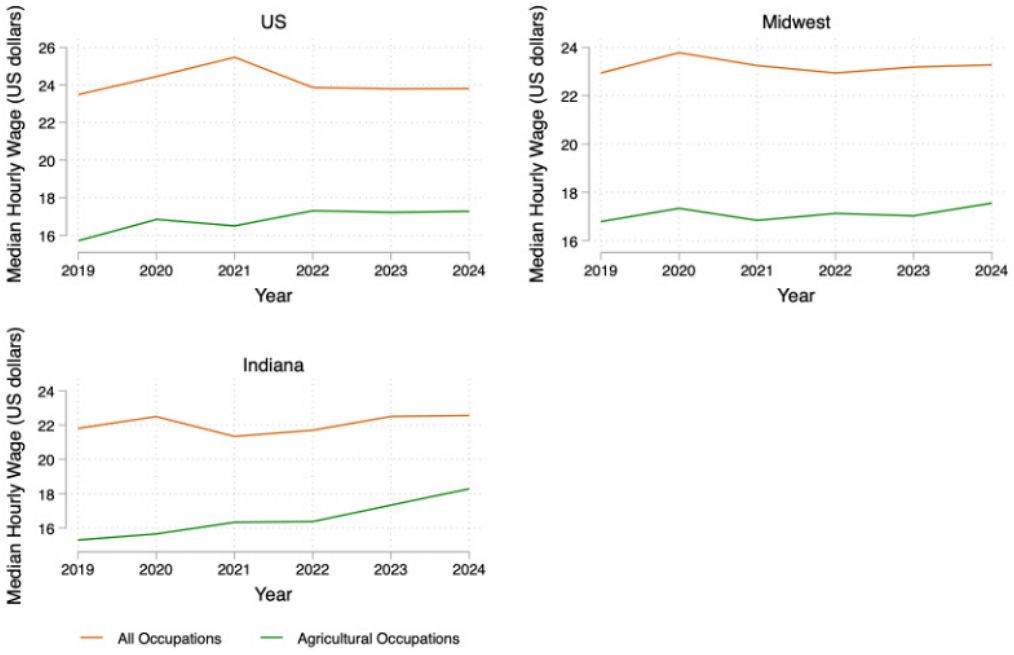


Since wages can affect labor supply, to further understand the agricultural employment trends observed at the start of this analysis, we analyze median hourly wages for agricultural occupations compared to all other occupations. Figure 7 displays such a comparison for the U.S., the Midwest, and Indiana. Note how throughout our period of interest, median wages for agricultural occupations, whose trends are plotted in green, are disproportionately lower than for all other occupations, whose trends are plotted in orange.

Overall, Indiana has the smallest gap between wages, and, following the over-time shrinking of the gap, it has the highest wages for agricultural workers as of 2024. Note that all other occupations earn around $22 throughout, while agricultural occupations earned less than $16 in 2019 but have a consistent increase in wages over time, until reaching just above $18 by 2024. The Midwest has a higher wage for all other occupations (around $23 or above) and a higher agricultural wage than Indiana at the beginning of the period, but this trend disappears over time, as agricultural wages stay below $18 in 2024. As expected, likely due at least in part to differences in cost of living, the U.S. has the highest wages for all occupations over time, peaking in 2021 at above $25 before decreasing and remaining consistent through 2022, 2023, and 2024 at around $24. In the U.S., agricultural wages grew between 2019 and 2022, reaching just above $17, and then stagnated at that amount till 2024.

Figure 7

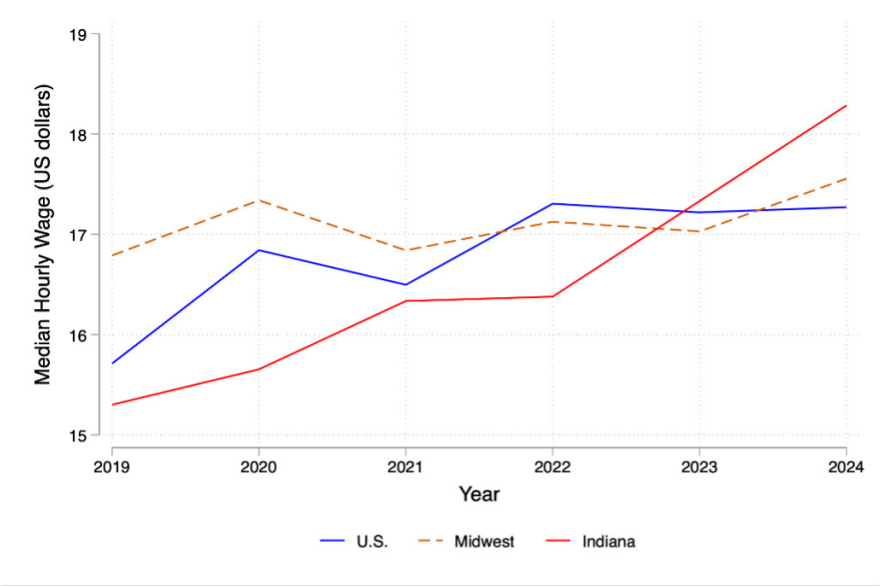
All vs. Agricultural Occupations Median Hourly Wages



Finally, to compare agricultural wages across all areas, we display the U.S., the Midwest, and Indiana in Figure 8. For the first few years, 2019-2021, the Midwest had the highest wages for agricultural occupations, followed by the U.S., and finally, with a gap of around $2, Indiana. In 2022, the U.S. showed the highest wage, just above $17, closely followed by the Midwest. Finally, Indiana wages take the lead starting in 2023, peaking in 2024 at around $18.2, followed by the Midwest at around $17.5, and, for the first time in the period, the U.S. shows the lowest wages across all areas at about $17.2. Overall, the highest and most steady increase was that of Indiana, which had no noticeable reductions in wages and continued a growing trend. On the other hand, the Midwest displayed a fluctuating increase until 2022, when the growth stagnated.

Figure 8

All Agricultural Median Hourly Wages 2019-2024: U.S., Midwest, Indiana



In summary, our analysis of employment and wage patterns, both overall and in agriculture, reveals both persistent challenges and promising developments heading into 2026. Across the U.S., the Midwest, and Indiana, agricultural workers continue to earn substantially less than their peers in other sectors—a reality that underscores ongoing labor market pressures in a vital industry. At the same time, Indiana's comparatively strong wage growth, especially when adjusted for cost of living, highlights how regional labor markets may respond differently to broader economic forces and context, with Indiana outperforming national and regional counterparts in agricultural wage gains. This nuanced picture of employment and wage variations across regions and occupations enriches our understanding of the structural dynamics shaping agricultural labor markets.

As stakeholders in agriculture plan for the year ahead, these findings point to important considerations for workforce strategies, policy decisions, and economic resilience. The contraction in agricultural employment nationwide suggests the need for targeted interventions to support labor supply and competitiveness, while the upward trend in real wages in Indiana may offer insights into how local conditions and market adjustments influence agricultural livelihoods. Continued monitoring of these trends will be essential for farmers, agribusiness leaders, and policymakers alike as they navigate the evolving landscape of labor, compensation, and economic opportunity in 2026.

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PAER-2026-07

January 2026

PURDUE AGRICULTURAL ECONOMICS REPORT

Farm Income Outlook for Indiana

Michael Langemeier, Professor of Agricultural Economics

Summary: *Net farm income is projected to increase from $3.26 million in 2024 to $4.71 million in 2025. Lower crop receipts were offset by higher livestock receipts and government payments.*

A recent report written in collaboration with the Rural and Farm Finance Policy Analysis Center at the University of Missouri (Jo et al., 2025) discusses trends in Indiana farm income, focusing on crop and livestock receipts, expenses and net farm income in 2024, 2025 and 2026. This article summarizes income statement information discussed in the report.

Table 1 presents information pertaining to receipts, expenses and net farm income for Indiana for 2024, 2025 and 2026. Cash farm receipts increased $232 million from 2024 to 2025 but are expected to decline by $1,033 million in 2026. The large drop in crop receipts in 2025 was offset by a large increase in livestock receipts and government payments. The large decline in projected cash farm receipts in 2026 is primarily due to large decreases in livestock receipts and government payments. After declining in 2025, crop receipts are expected to decline further in 2026.

Table 1

Farm Income Projections for Indiana

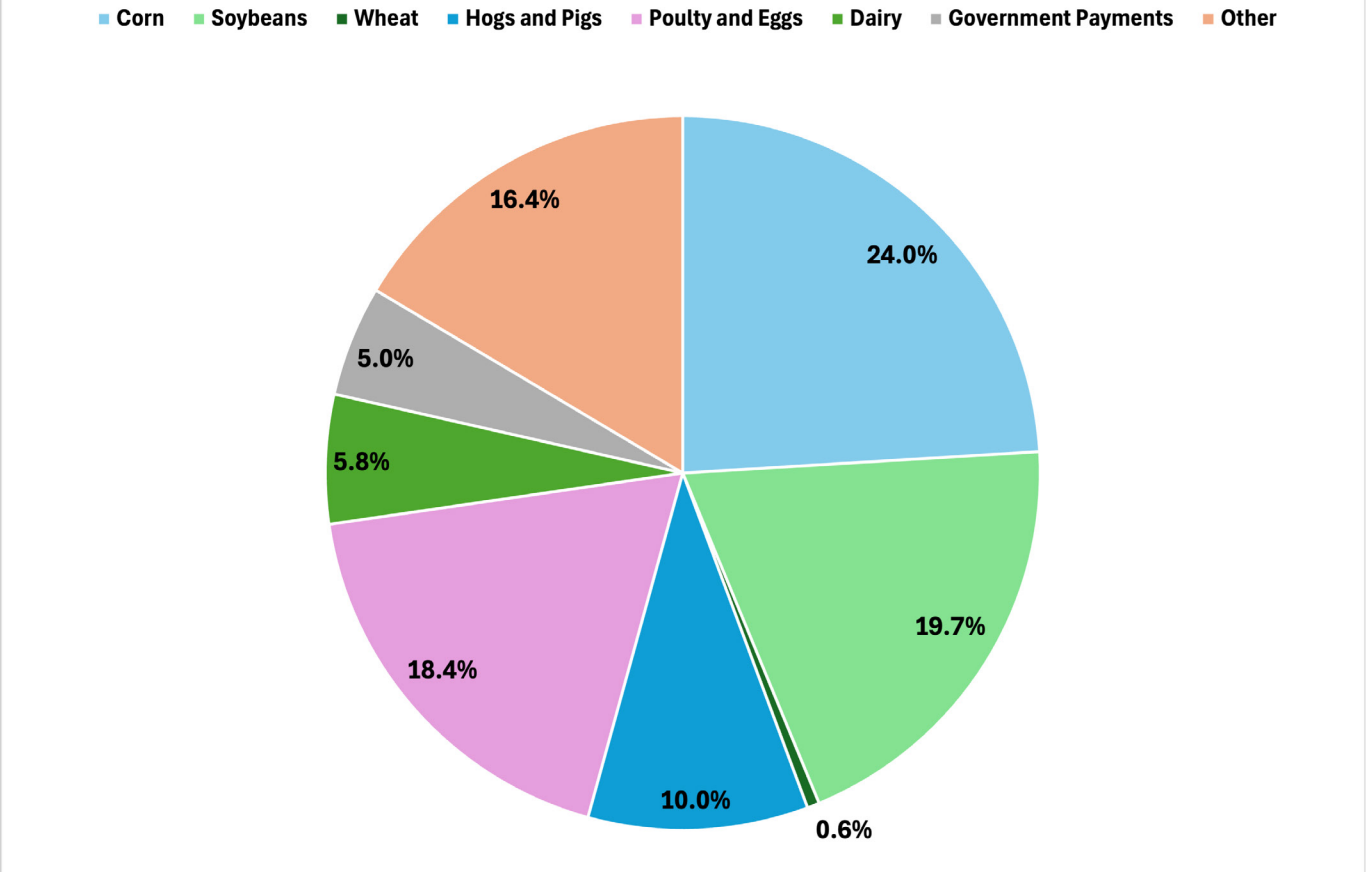
				Change (million $)	
	2024 million $	2025 million $	2026 million $	24/25	25/26
Cash Farm Receipts	16,141	16,373	15,340	232	-1,033
Crop Receipts	9,035	8,523	8,436	-512	-87
Corn	4,338	4,282	4,151	-56	-131
Soybeans	3,930	3,513	3,526	-417	13
Wheat	126	98	124	-28	26
Livestock Receipts	6,198	7,071	6,165	873	-906
Hogs and Pigs	1,516	1,773	1,712	257	-61
Poultry and Eggs	2,686	3,282	2,373	596	-909
Dairy	1,058	1,041	1,061	-17	20
Other Cash Receipts	909	779	739	-130	-40
Government Programs	118	891	610	773	-281
Gross Cash Income	16,260	17,264	15,950	1,004	-1,314
Accrual Adjustments	89	545	170	456	-375
Gross Farm Income	16,349	17,809	16,120	1,460	-1,689
Total Expenses	13,089	13,095	13,016	6	-79
Net Farm Income	3,260	4,714	3,104	1,454	-1,610

Source: Fall 2025 Farm Income Outlook for Indiana, October 2025, RaFF Report 2025-17

Cash receipts for corn, soybeans and wheat are illustrated in Table 1. These three crops represent the largest sources of crop revenue. Likewise, hogs and pigs, poultry and eggs and dairy represent the three largest sources of livestock revenue. There are other sources of crop and livestock revenue, so the revenue for the three crop and three livestock items does not sum to the totals for crop and livestock receipts. The relative importance of different sources of receipts to farm revenue in Indiana in 2025 is depicted in Figure 1. Corn, soybeans and wheat are projected to account for approximately 45% of total revenue. Hogs and pigs, poultry and eggs, and dairy are expected to account for another 34% of total revenue. Though expected to be much higher in 2025 than they were in 2024, government payments still accounted for only 5% of total revenue in 2025.

Figure 1

Sources of Farm Revenue in Indiana, 2025



After a very small increase in 2025, total expenses are expected to decline by $79 million in 2026 (i.e., less than 1%). Unfortunately, information that would allow us to assign expenses to individual enterprises or crop versus livestock production is not available.

In addition to showing net farm income for each year, the last line in Table 1 illustrates the change in Indiana net farm income from 2024 to 2025 as well as the change from 2025 to 2026. Approximately 53% of the increase in net farm income from 2024 to 2025 can be attributed to an increase in government payments. The large increase in government payments in 2025 can primarily be attributed to financial assistance to mitigate the effects of economic losses and disaster-related losses. The projected change in government payments for 2026 does not include the recently announced “bridge payments.” These payments will increase expected government payment receipts and projected net farm income for 2026.

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PAER-2026-08

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PURDUE AGRICULTURAL ECONOMICS REPORT

2026 Purdue Crop Cost and Return Guide

Michael Langemeier, Professor of Agricultural Economics

Summary: *Production costs and breakeven prices in 2026 are expected to be similar to those experienced in 2025. However, production costs are still considerably higher than they were prior to the advent of COVID-19.*

The *2026 Purdue Crop Cost and Return Guide*, available for free download from the Center for Commercial Agriculture website, provides estimated costs for planting, growing, and harvesting a variety of crops, along with estimated contribution margins and earnings. The guide is updated frequently as grain futures prices change and the costs of inputs, such as seed, fertilizer, pesticides and fuel, fluctuate. This paper discusses estimates made in early January.

The guide presents cost and return information for low-, average-, and high-productivity soils. Table 1 presents crop budget information for low-productivity soil. Tables 2 and 3 present crop budget information for average- and high-productivity soils, respectively. The discussion in this paper will focus on the estimates for average productivity soils. Double-crop soybeans are typically planted after wheat, so it is common to combine the contribution margins for these two crops when comparing them to continuous corn, rotation corn, and rotation soybeans. The yield estimates reflect trend yields for Indiana for each crop. The contribution margin for average productivity soil, obtained by subtracting total variable cost from market revenue, was $116 per acre for continuous corn and $216 per acre for wheat/double-crop soybeans. The contribution margins for rotation corn and rotation soybeans on average productivity soil are $202 and $263 per acre, respectively. The contribution margin is used to cover overhead costs, such as machinery ownership costs, family and hired labor, and cash rent.

From 2007 to 2013, the contribution margin for rotation corn on average-productivity soil was higher than the contribution margin for rotation soybeans. The average difference in the contribution margin was $38 per acre during the 2007 to 2013 period. The situation was considerably different from 2014 to 2025. The average difference in the contribution margin during this period was an advantage for soybeans of $65 per acre. The projected difference in contribution margins on average productivity soil between corn and soybeans for 2026 is $61 per acre in favor of rotation soybeans. The projected difference in contribution margins between soybeans and corn is larger on low-productivity soil and smaller on high-productivity soil.

Projected cost of production and breakeven prices for corn and soybeans in 2026 are very similar to those experienced in 2025. Breakeven price per bushel on average-productivity soil is expected to be $5.34 for corn and $12.47 for soybeans. Breakeven prices remain elevated compared to those experienced prior to COVID-19. Projected breakeven prices for corn and soybeans are 20% and 15% higher than the corn and soybean breakeven prices in 2021.

Corn breakeven prices for 2026 for low- and high-productivity soils are expected to be $5.68 and $4.94 per bushel, respectively. For soybeans, 2026 breakeven prices on low- and high-productivity soils are projected at $13.31 and $11.73 per bushel, respectively.

Expected corn and soybean prices, estimated using futures prices and the long-run average basis, are substantially below breakeven prices, even for high-productivity soils. As a result, projected 2026 earnings are well below zero.

In the long run, earnings are approximately zero. When earnings are positive, owned assets such as machinery, buildings, and land, as well as unpaid operator labor, garner net returns above their opportunity cost (i.e., the value of the next best alternative). Negative earnings, on the other hand, indicate that owned assets and unpaid labor are receiving a net return that is below their opportunity cost.

What are the potential implications or consequences of the projected negative earnings in 2026? First, we would expect machinery and building purchases to be lower than they would be in a year with higher earnings (e.g., 2021 and 2022). In other words, depreciation is likely to be larger than machinery and building purchases in 2026. Second, we expect cash rents to be stable or experience downward pressure. Downward pressure is particularly likely, given the fact that earnings were also relatively low in 2024 and 2025.

In summary, margins are expected to be relatively tight again in 2026. Net returns for rotation soybeans are expected to be slightly higher than net returns for rotation corn. Thus, we would not expect continuous corn to be very prevalent in Indiana this year. The relatively high-cost structure, along with tight margins, increases the importance of carefully scrutinizing input and crop decisions, particularly those related to cash rent negotiations. Producers are encouraged to create crop budgets and, in general, improve their record-keeping.

Table 1

2026 Purdue Crop Budget for Low-Productivity Soil

	Continuous Corn	Rotation Corn	Rotation Soybeans	Wheat	Double-Crop Soybeans
Expected Yield per Acre	158	168	51	72	36
Harvest Price	4.35	4.35	10.20	4.95	10.20
Market Revenue	$687	$731	$520	$356	$367
Less Variable Costs					
Fertilizer	227	207	81	120	56
Seed	102	102	74	44	86
Pesticides	115	110	70	45	63
Dryer Fuel	45	36	0	0	5
Machinery Fuel	20	20	12	12	9
Machinery Repairs	45	45	40	40	40
Hauling	17	18	5	8	4
Interest	25	24	14	13	12
Insurance and Miscellaneous	50	50	40	30	10
Total Variable Costs	$646	$612	$336	$312	$285
Contribution Margin	$41	$119	$184	$44	$82
Government Payments	$50	$50	$50	$50	$0
Overhead Costs (Land, Labor, and Machinery Ownership)	$353	$343	$343	$343	$0
Earnings	-$262	-$174	-$109	-$249	$82
Breakeven Price	$6.32	$5.68	$13.31	$9.10	$7.92

Source: ID-166-W, 2026 Purdue Crop Cost and Return Guide, January 2026 estimates

Table 2

2026 Purdue Crop Budget for Average-Productivity Soil

	Continuous Corn	Rotation Corn	Rotation Soybeans	Wheat	Double-Crop Soybeans
Expected Yield per Acre	186	198	60	85	42
Harvest Price	4.35	4.35	10.20	4.95	10.20
Market Revenue	$809	$861	$612	$421	$428
Less Variable Costs					
Fertilizer	240	221	93	146	64
Seed	124	124	74	44	86
Pesticides	115	110	70	45	63
Dryer Fuel	52	42	0	0	5
Machinery Fuel	20	20	12	12	9
Machinery Repairs	45	45	40	40	40
Hauling	20	21	6	9	4
Interest	27	26	14	14	12
Insurance and Miscellaneous	50	50	40	30	10
Total Variable Costs	$693	$659	$349	$340	$293
Contribution Margin	$116	$202	$263	$81	$135
Government Payments	$50	$50	$50	$50	$0
Overhead Costs (Land, Labor, and Machinery Ownership)	$409	$399	$399	$399	$0
Earnings	-$243	-$147	-$86	-$268	$135
Breakeven Price	$5.92	$5.34	$12.47	$8.69	$6.98

Source: ID-166-W, 2026 Purdue Crop Cost and Return Guide, January 2026 estimates

Table 3

2026 Purdue Crop Budget for High-Productivity Soil

	Continuous Corn	Rotation Corn	Rotation Soybeans	Wheat	Double-Crop Soybeans
Expected Yield per Acre	217	231	70	99	49
Harvest Price	4.35	4.35	10.20	4.95	10.20
Market Revenue	$944	$1,005	$714	$490	$500
Less Variable Costs					
Fertilizer	254	236	106	175	73
Seed	124	124	74	44	86
Pesticides	115	110	70	45	63
Dryer Fuel	61	49	0	0	6
Machinery Fuel	20	20	12	12	9
Machinery Repairs	45	45	40	40	40
Hauling	23	24	7	10	5
Interest	28	27	15	16	13
Insurance and Miscellaneous	50	50	40	30	10
Total Variable Costs	$720	$685	$364	$372	$305
Contribution Margin	$224	$320	$350	$118	$195
Government Payments	$50	$50	$50	$50	$0
Overhead Costs (Land, Labor, and Machinery Ownership)	$467	$457	$457	$457	$0
Earnings	-$193	-$87	-$57	-$289	$195
Breakeven Price	$5.47	$4.94	$11.73	$8.37	$6.22

Source: ID-166-W, 2026 Purdue Crop Cost and Return Guide, January 2026 estimates

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PURDUE AGRICULTURAL ECONOMICS REPORT

Corn and Soybean Outlook

Mindy Mallory, Associate Professor, Clearing Corp Endowed Chair in Food & Agricultural Marketing

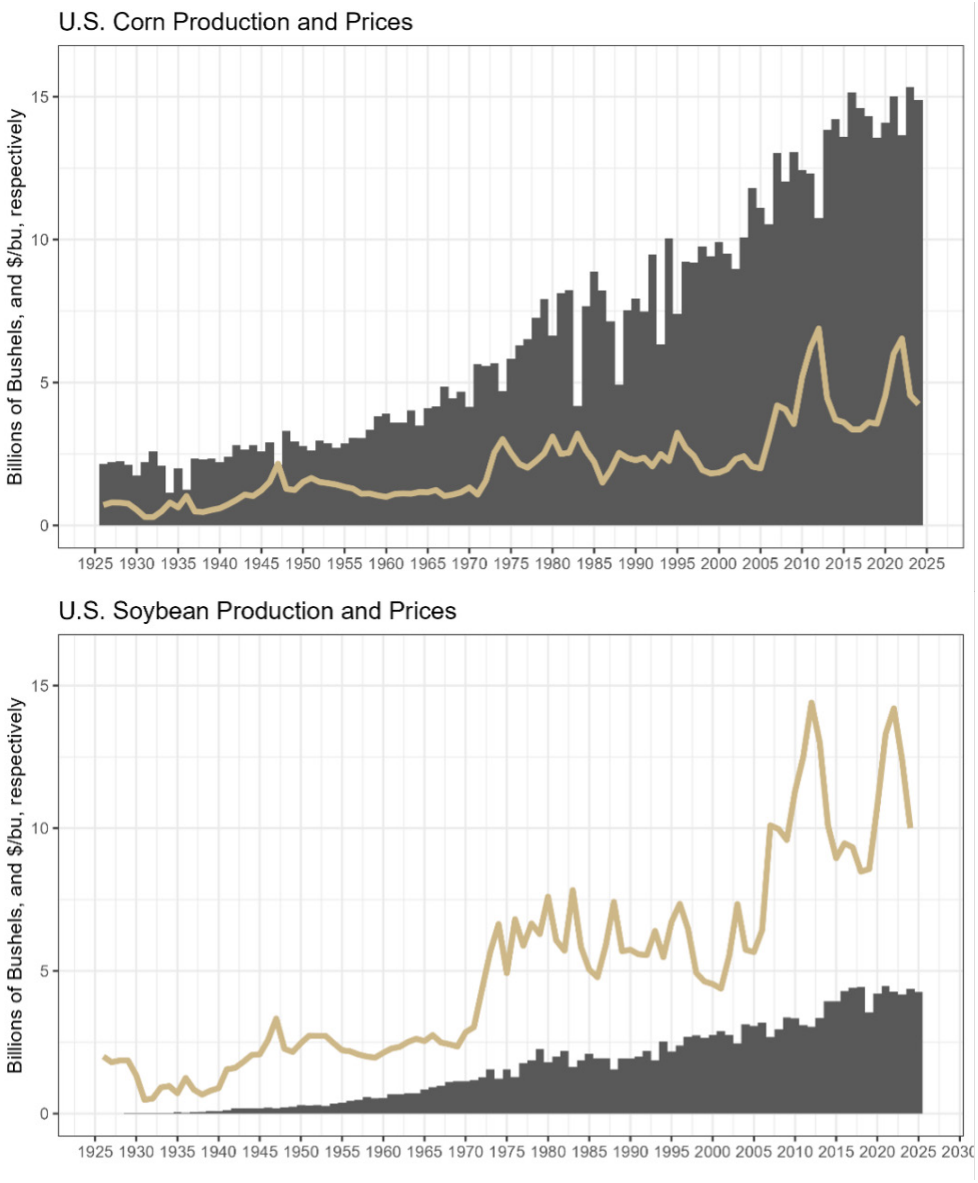
Summary: *This article examines the corn and soybean near-term outlook, taking into consideration the stocks, global competition, and current profitability of both crops.*

Price Situation

Corn and soybean prices have been trending lower since recent highs seen in the 2023 marketing year (MY). Figure 1 shows that production has been near all-time highs the last couple of years, with solid harvested acres and good yields providing bumper crops in the U.S. Corn and soybeans both need a reason to rally – either a strong demand push or a supply crunch coming from the U.S. or Brazil. Without one or the other, prices look to remain frustratingly low for producers.

Figure 1

Corn and Soybean Marketing Year Average Prices and Production 2020-2025



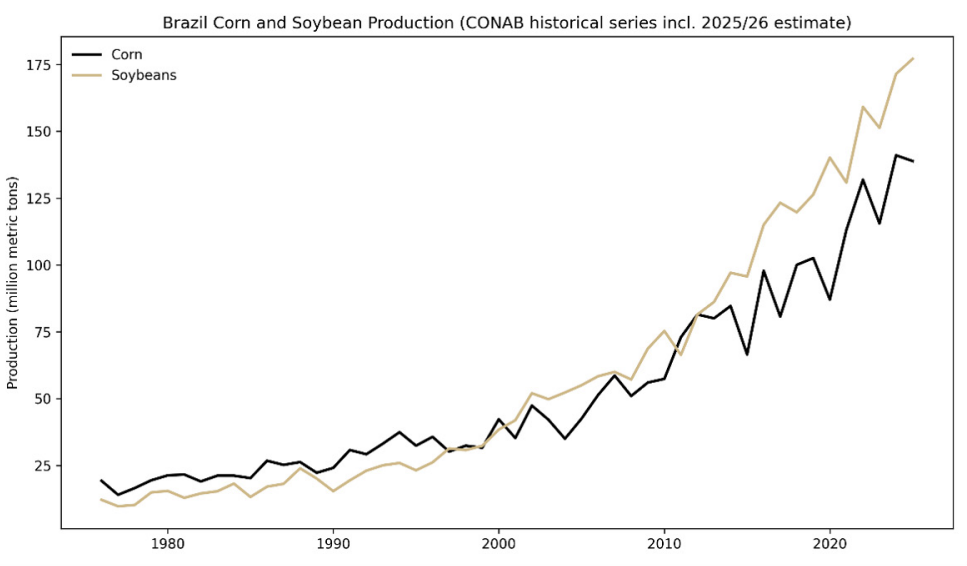
Note: Prices represented by the gold line and production represented by the grey bars.

Big Expected Production in Brazil

It doesn't look like U.S. producers can count on production problems in Brazil to help boost winter 2025 prices. Brazil is on track to harvest a record soybean crop in 2026, and the corn crop is just shy of the record set last year. Clearly, the trendline is up for Brazilian production, and I expect increasingly large crops out of Brazil to weigh on global prices for the near future.

Figure 2

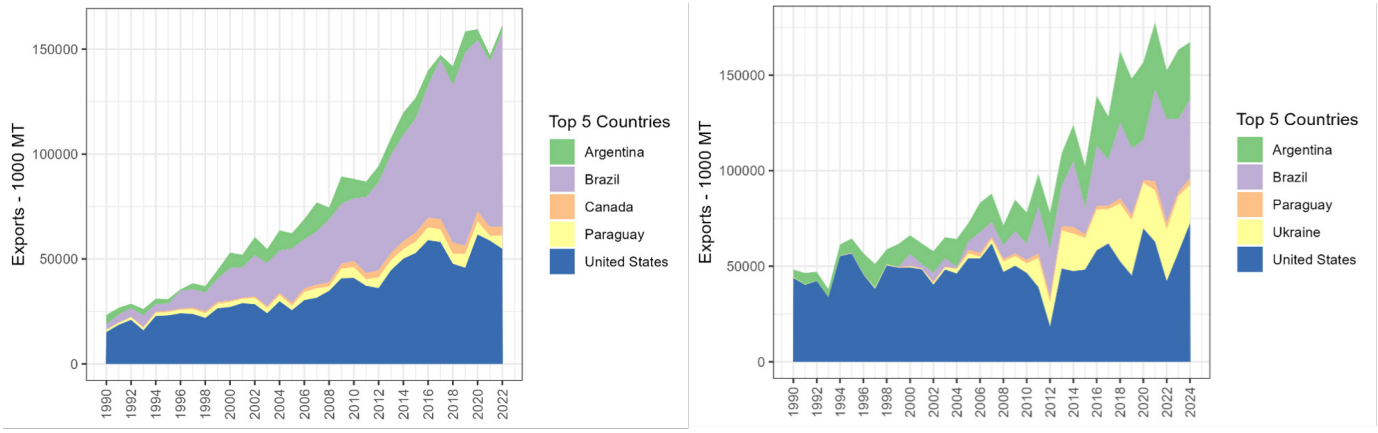
Brazilian Production of Soybeans and Corn, 1976-2025 (million metric tons)



In Figure 3, we can see in stark contrast just how explosive the growth of Brazilian exports has been. While a lot has been written about the impacts the trade war with China has had on U.S. corn and soybean prices, the fact is that China has a ready alternative supplier of soybeans and corn in Brazil.

Figure 3

Top World Exporters of Corn and Soybeans, 1990-2025



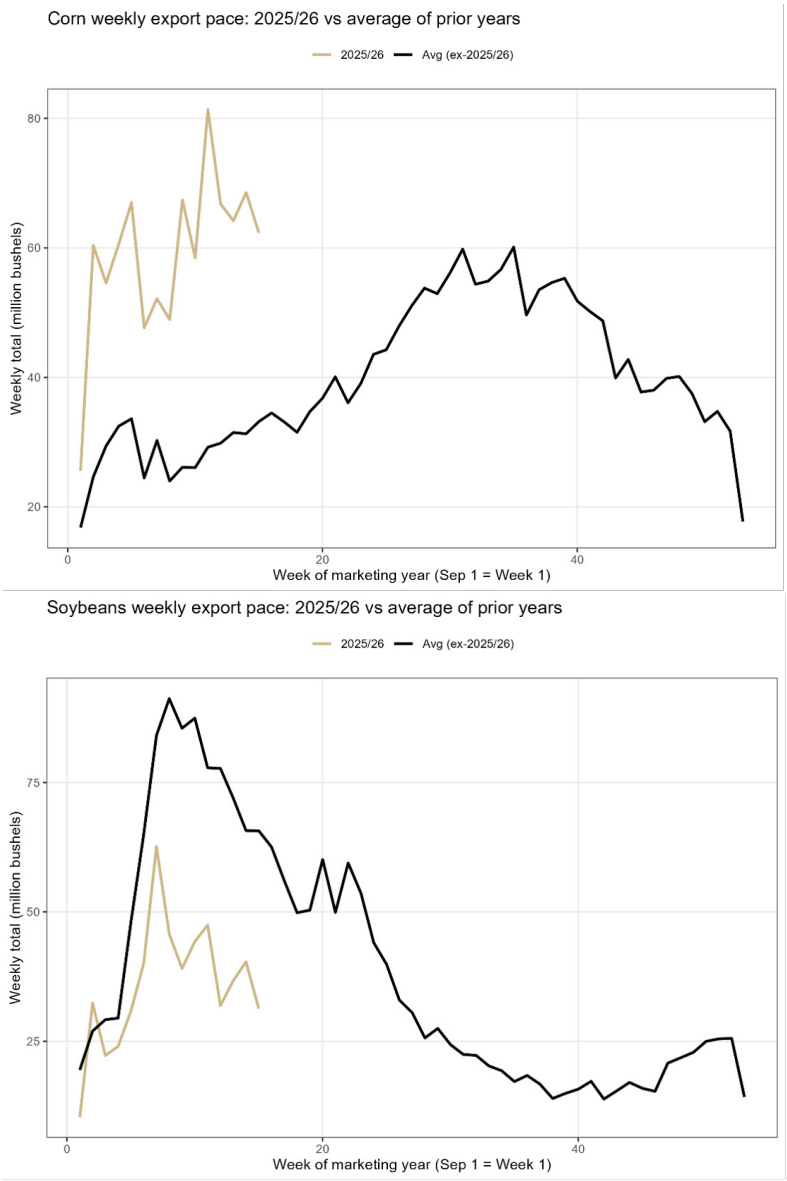
Export Prospects

Given that backdrop, consider the pace of exports we have seen for the 2025/2026 marketing year. Corn exports started off exceptionally strong, with a pace much stronger and faster than the average over the last five years. World stocks of corn are at their lowest level since 2017 as a percentage of total use, driving strong demand for U.S. corn exports.

The export pace for soybeans is not nearly as strong. We are off to an extremely slow start. We have only seen a pace this low in recent history during the previous U.S.-China trade war. Talks between the U.S. and China have been progressing, with the Chinese agreeing to purchase 12 mmt of soybeans by early 2026. As of the time of writing (late December 2025), China has fulfilled over half of that agreement.

Figure 4

Corn and Soybean Export Pace of Use, 2025 and Average of Previous Years



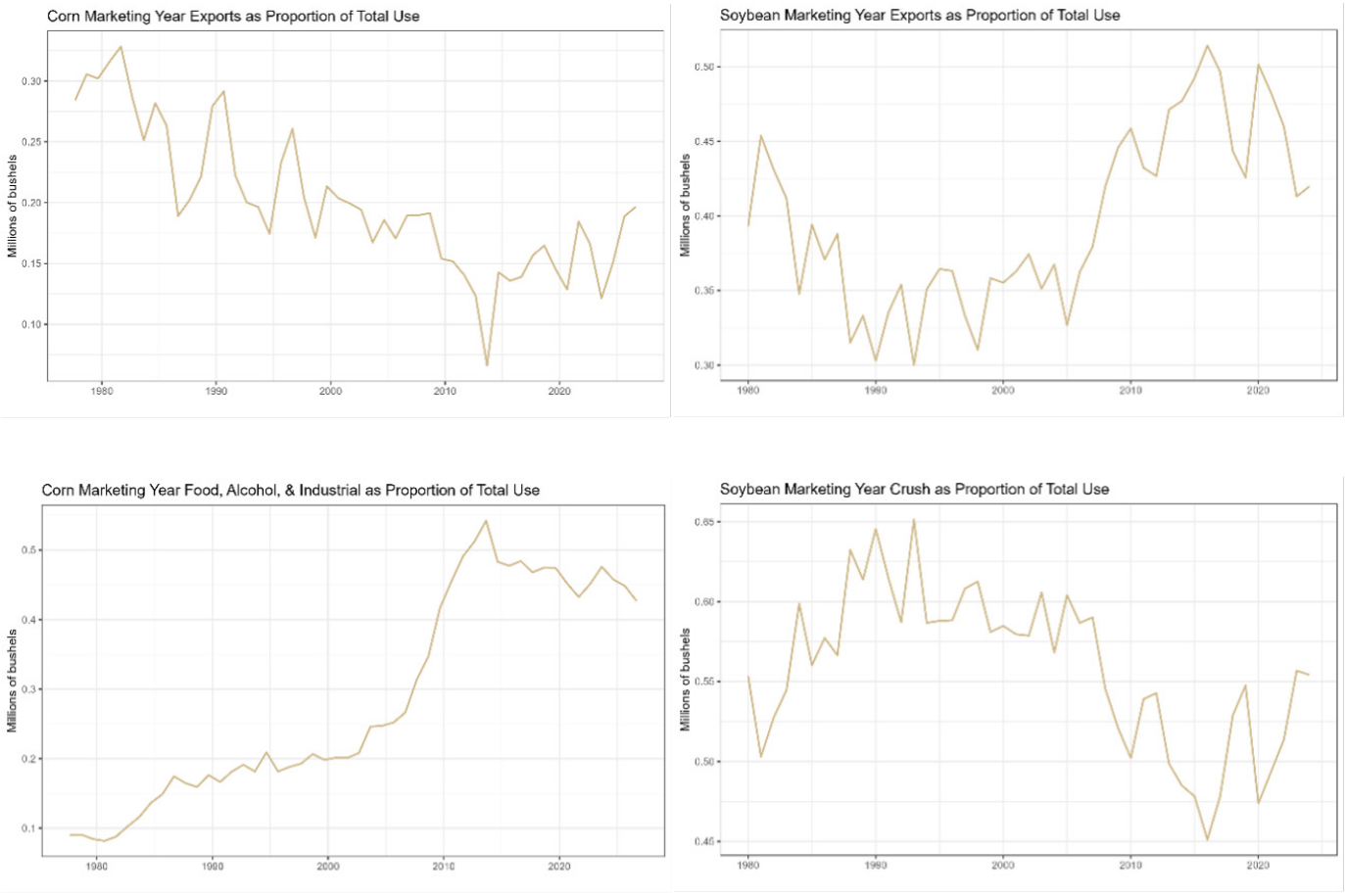
Note: The black line is the average weekly export inspections from the 2016/2017-2023/2024 MYs. The gold line is the current progress of the 2025/2026 MY export sales.

Figure 5 shows the proportion of exports as a percent of total use compared to the main domestic use category for each. For corn, that is the category containing ethanol production (Food, Alcohol, and Industrial), and for soybeans, it is the Crush category. Figure 5 shows that corn and soybeans have experienced a see-saw relationship with reliance on exports. For corn, during the ethanol boom, the export category took a back seat as domestic demand for ethanol priced out many international buyers. Since it has been about 10 years since we hit the 'blend wall' (the point at which it became difficult to push more ethanol into the retail fuel supply), the importance of exports has been increasing. This shows up in the exports line in the upper left, rebounding from its low in the 2012 MY, and the Ethanol category turning lower in the same year.

For soybeans on the right side of Figure 5, we see the opposite pattern: increased demand from China has driven the trend toward more export dependence since about 2005. However, we see a clear impact of the first and second trade wars with China, with sharp dips in the Export category proportion in the 2018/2019 and 2019/2020 MYs, as well as an expected large dip in the 2025/2026 MY. During both of those episodes, domestic crush took up the slack left by reduced exports, driven by increasing renewable diesel demand.

Figure 5

Corn and Soybean Marketing Year Exports and Food, Alcohol, and Industrial (Ethanol) Categories as a Proportion of Total Use, 1976-2025

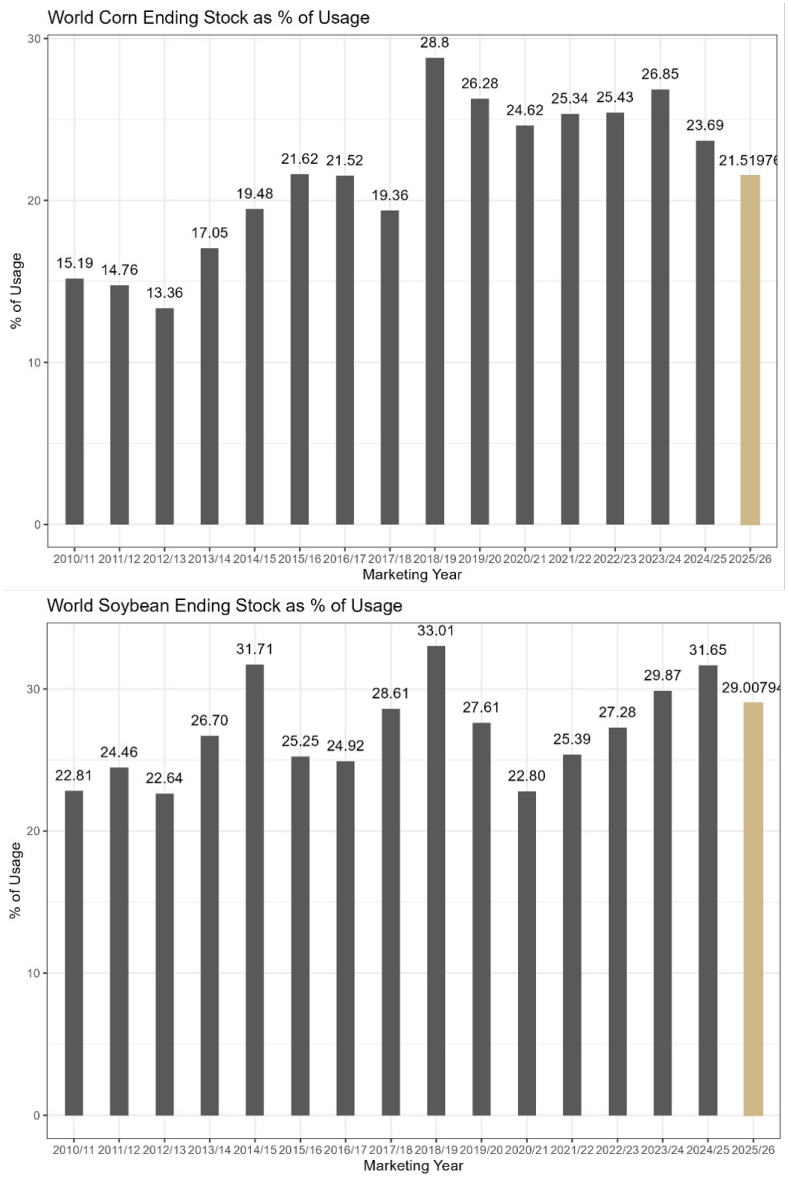


Stocks Situation

Figure 6 shows the MY ending stocks as a percent of total use, with the projected ending stocks for the 2025/2026 marketing year shown in gold. The stock situation does not seem to be an extreme one way or another. Both corn and soybean stocks are well above their recent lows and well above their recent highs. Corn stocks are a bit tighter than soybean stocks, both on an absolute level (21 vs 29) and in relation to their own recent levels. Corn stocks are tighter than in 9 of the past years since 2010, and soybean stocks are tighter than in only 4 of the last years since 2010.

Figure 6

World Ending Stocks as a Percentage of Use, 2010/2011-2025/2026

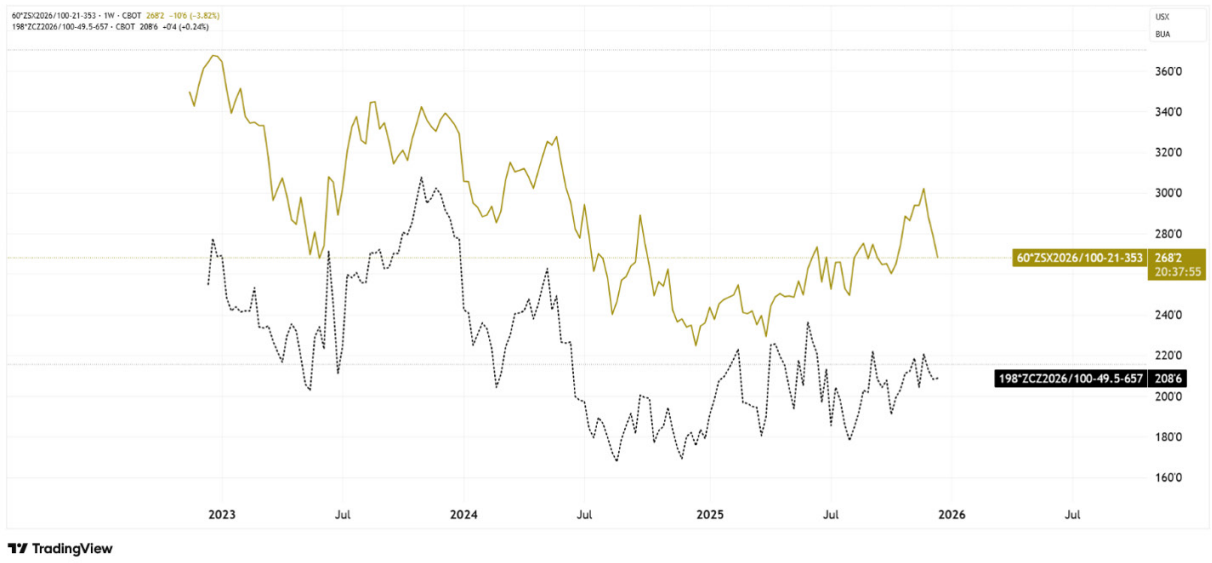


Planting: Soybeans with Higher Contribution Margin than Corn for 2026

At the time of writing, the expected contribution margin (revenue – variable costs) is higher for soybeans than for corn. Figure 7 shows how the expected contribution margin has evolved with new crop futures prices. Soybeans are shown in gold, and corn is shown in black. Soybeans have an expected contribution margin of $262 per acre, while corn has an expected contribution margin of $208 per acre.

Figure 7

Corn and Soybean Expected Contribution Margin for 2026 Harvest



Note: Contribution margin is calculated by using expected yield per acre, expected basis, and expected variable costs per acre for 2026 from the Crop Cost and Return Guide published by the Purdue Center for Commercial Agriculture. Contribution Margin = expected yield * New Crop Futures Price – expected yield*expected basis – expected variable costs.

The Bottom Line

Given corn's export strength, the stock situation, and reduced 2026 acreage profitability, I expect more potential upside in corn than in soybeans until we get some indication about planting intentions for 2026. Soybean stocks are plentiful, export pace is abysmal, and yet soybeans look to be more profitable to plant this coming year than corn. However, the situation could change rapidly if there are developments in trade negotiations or if there is a surprise with Brazilian production.

PURDUE AGRICULTURAL ECONOMICS REPORT

"What to Watch" in Dairy Markets in 2026

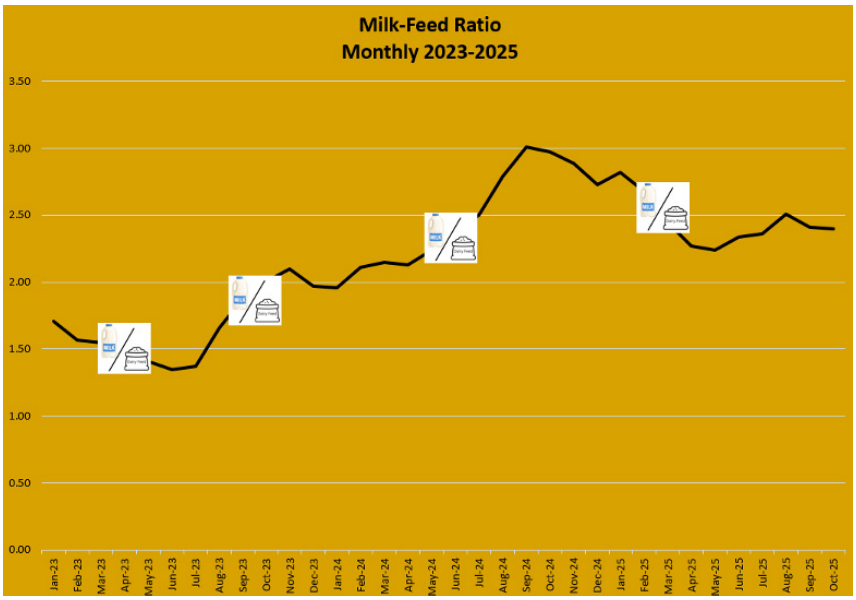
Nicole Olynk Widmar, Department Head and Professor of Agricultural Economics; Joscelyn Pilcher, Undergraduate Research Assistant

Summary: *Dairy markets are facing changes in domestic consumer demand across products. Dairy farmers in 2026 will navigate a challenging environment in which cheaper feed inputs initially look good, but margins remain squeezed with softening milk prices.*

Total milk production for 2025 was forecasted (per December 2025 ERS-USDA Outlook Report) at 231.4 billion pounds, which was unchanged from the previous projection. Upward movement in dairy cattle numbers and milk per cow fueled this increase. Expectations for 2026 are for a slight reduction in the national herd to 9.555 million head, but with milk yield per cow to increase by 10 pounds, this brings the 2026 forecast to 234.1 billion pounds.

The national dairy herd peaked at 9.575 million head in the fourth quarter of 2025, according to the ERS-USDA December Outlook Report, and has gradually increased since October 2024. Even without growth (and a slight decline) in total head, improvements in production efficiency are expected to support an increase in milk production, as herd size decreases.

Looking back over 2023 through today, the milk-feed price ratio peaked at 3.00 in September and October of 2024 and has since been on a slow decrease through 2025, flattening off heading into Q4 of 2025. Lower feed costs have bolstered more favorable milk-feed ratios. However, as milk prices continue to fall in 2026, and can be expected to lower to $18.75 - $20.40/cwt (from ~$21.35 in 2025) per the ERS-USDA December Outlook Report, margins are likely to be squeezed further, even with sustained cheaper feed inputs.



While it seems that discussions about Highly Pathogenic Avian Influenza (HPAI) detections have slowed down to some degree, there is still risk, especially in migratory seasons. While production loss in infected dairy herds remains a concern, the more imminent threat in 2026 is regulatory and trade partner reactions to herd infections. There isn't any new guidance at this time, but the 2024 federal order can be accessed here. The USDA has five steps of Testing, Biosecurity, Collaboration, and Prevention that are available here. As the USDA is progressing further, there should be a watch for new testing requirements as well as new interstate movement restrictions that could disrupt markets.

Domestic use for dairy products for January through August of 2025, compared to the same period in 2024, saw an increase for butter, skim milk products, lactose, and whey protein, while there was a decline for cheese and dry whey. Demand remains strong, but supplies are also abundant, so buyers aren't feeling pressure. As milk production remains strong, we have a lot of milk domestically and in global supplies, and while demand is strong, that strength is in consistent demand more so than major growth. And, growth in demand varies across products.

A variety of factors from adjacent markets, including feed and beef markets, will fuel conversations this year. Strength in beef prices might play into culling decisions, and we know that calf and heifer prices will respond, but attempting to foresee beef markets far enough out to make meaningful on-farm decisions remains a challenge in the current environment and in the context of rapidly evolving regulatory and trade relationships. Policy changes, both domestically focused and trade-focused abroad, remain top of mind for many heading into 2026. Changing dietary recommendations by the U.S. government and associated agencies largely favor consumption of more protein from meat and dairy, but how recommendations are implemented and how fast the public does or does not adapt is yet to be seen.

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PURDUE AGRICULTURAL ECONOMICS REPORT

2026 Agricultural Credit Outlook

Joshua Strine, Ph.D. Student, Agricultural Economics; Morgan Mastrianni, Ph.D. Student, Agricultural Economics

Summary: *For the second year in a row, agricultural credit market conditions have deteriorated in the St. Louis and Chicago Districts. While crop prices have decreased, input costs have increased. Decreasing farm profits over the past three years have contributed to an increased demand for agricultural loans and lower agricultural loan repayment rates.*

This article examines trends in three key areas of the agricultural credit markets: interest rates, loan supply and demand, and non-performing loans. We examine data obtained from the Federal Reserve Banks of Chicago and St. Louis. As shown in Figure 1, 68 counties in northern and central Indiana are part of the Federal Reserve Bank of Chicago District, and 24 counties in southern Indiana are part of the Federal Reserve Bank of St. Louis. Both Federal Reserve banks conduct quarterly surveys of agricultural bankers in their District. The surveys address fundamental issues in farmland and agricultural credit markets. It is important to note that both Federal Reserve Districts cover large areas with diverse agricultural sectors. Thus, local conditions may deviate from District-level trends. At the time of writing, data for the St. Louis District and Chicago District were available through the third quarter of 2025 through the Federal Reserve Bank of Kansas City's Agricultural Finance Updates.

Figure 1

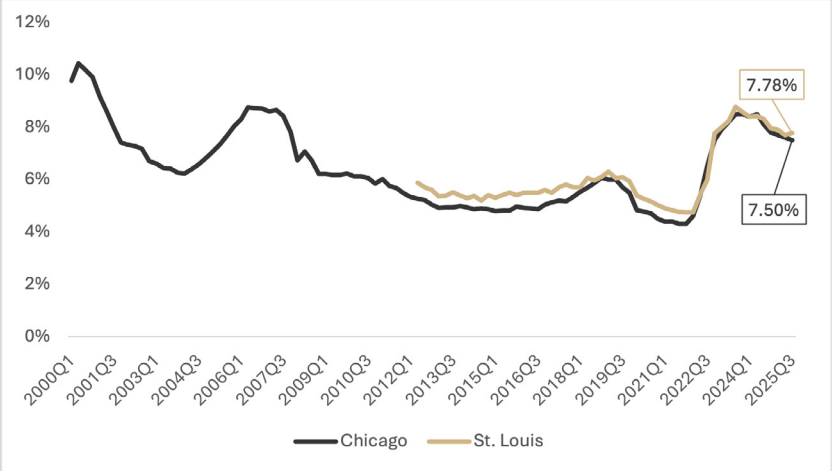
Chicago and St. Louis Federal Reserve Districts

For the second year in a row, agricultural credit market conditions have deteriorated in the St. Louis and Chicago Districts. While crop prices have decreased, input costs have increased. Decreasing farm profits over the past three years have contributed to an increased demand for agricultural loans and lower agricultural loan repayment rates. However, land prices have remained stable or increased, and interest rates have decreased (Kreitman, 2025; Oppedahl and Kepner, 2025).

Average interest rates on farm operating loans, used primarily to finance crop production and livestock expenses, have decreased over the past five consecutive quarters (Figure 2). Since the end of last year, interest rates have fallen by 0.3 percentage points in the Chicago District and 0.17 percentage points in the St. Louis District. However, interest rates remain at levels unseen since 2007. As of the third quarter of 2025, operating loan interest rates for the Chicago District were 7.50%, while operating loan interest rates for the St. Louis District were 7.78%.

Figure 2

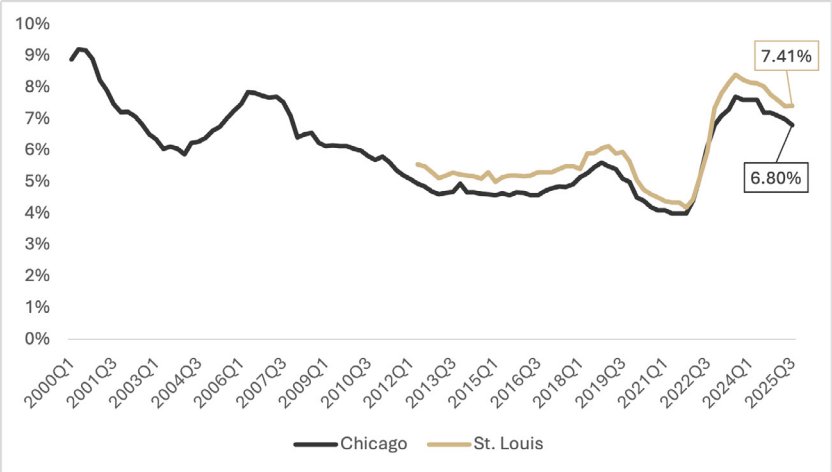
Average Fixed Interest Rate on Operating Loans, 2000 Q1-2025 Q3



Average fixed interest rates on long-term farm real estate loans have decreased over the past eight quarters (Figure 3). The decrease in interest rates for farm real estate loans closely follows the decrease in interest rates for farm operating loans in both Federal Reserve Districts. Interest rates are down 0.4 percentage points in the Chicago District and 0.36 percentage points in the St. Louis District from the fourth quarter of 2024. Despite consistent, moderate decreases in interest rates for farm real estate loans over the past two years, these interest rates remain at their highest levels since 2007. The most recent survey results suggest an average farm mortgage rate of 6.80% in the Chicago District and 7.41% in the St. Louis District.

Figure 3

Average Fixed Interest Rate on Long-Term Farm Real Estate Loans, 2000Q1-2025Q3

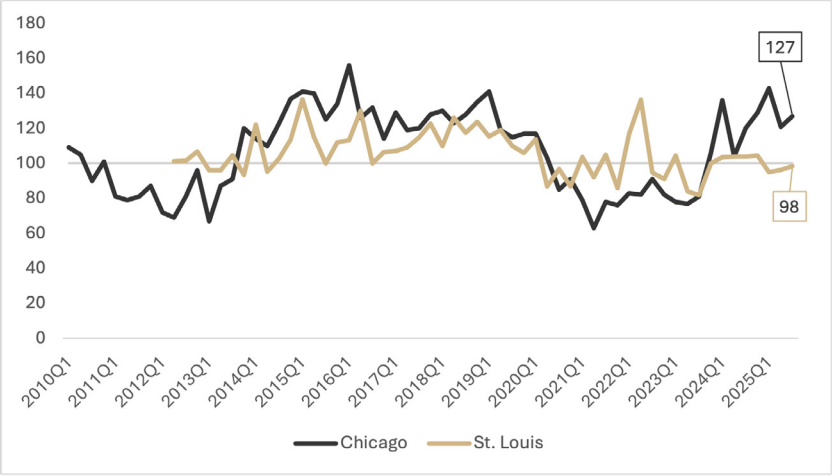


One key predictor of where interest rates will go is the federal funds rate.[1] For example, the Federal Open Market Committee (FOMC) lowered the target range for the federal funds rate by 0.75 percentage points during 2025, which led to a decrease in interest rates on agricultural loans this past year. At every other FOMC meeting, the Committee releases the "Summary of Economic Projections", which reflects the FOMC's views on specific economic indicators. A median target range for 2026 of 3.25-3.50% for the federal funds rate, 0.25 percentage points below the current target rate, was published in the most recent Summary. However, there is substantial variance among individual members' assessments of the target rate for next year. Further decreases in the federal funds rate will depend on whether the US economy continues to show declining inflation and stable unemployment. The December "Summary of Economic Conditions" projects stability in the unemployment rate and a decrease in inflation for 2026.

The Federal Reserve Bank Ag Credit Surveys ask agricultural bankers to report whether the demand for loans is "higher," "lower," or the "same" relative to a year earlier. These responses are summarized by a loan demand index, calculated as the share of lenders reporting "higher" minus the share reporting "lower," plus 100. Thus, when the loan demand index is below 100, demand for agricultural loans is decreasing. Among all indices measured by the Ag Credit Surveys, demand for loans shows the greatest gap between the two Districts (Figure 4). It is important to note that these indices also represent areas outside of Indiana. Therefore, it is possible that the difference in loan demand in northern and southern Indiana does not diverge as much as the data suggests. In the Chicago District, the demand for agricultural loans has increased over the past two years. This may be attributed to the continued downturn in farm income, which reduces farmers' liquidity and increases their need for capital. Additionally, decreased interest rates for agricultural loans may be driving the quantity of loan demand. In the St. Louis District, demand for agricultural loans has remained stable since the fourth quarter of 2023, with the index remaining within five points of the baseline during that time.

Figure 4

Demand for Agricultural Loans, 2010Q1-2025Q3



Bankers report a decrease in the availability of funds during the third quarter of 2025. Figure 5 shows the index for the availability of funds at agricultural banks. When the index is below 100, the amount of available funds has decreased relative to the prior year. A trend that began in 2022 was that bankers reported having fewer funds available to loan than in previous years. This trend has continued through 2024 and 2025, as agricultural bankers in the Chicago and St. Louis Fed Districts continue to report lower funds available for loaning.

[1] *The federal funds rate is the interest rate at which deposit-granting institutions (i.e., banks) trade federal funds with each other.*

Figure 5

Availability of Funds at Agricultural Banks, 2010Q1-2025Q3

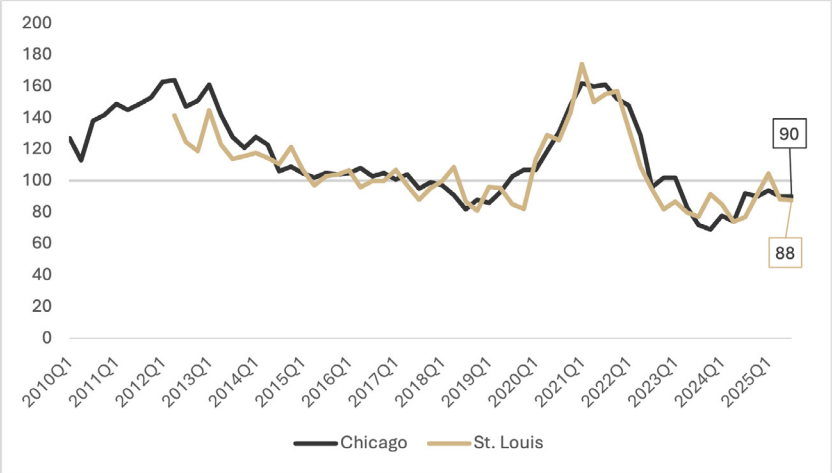
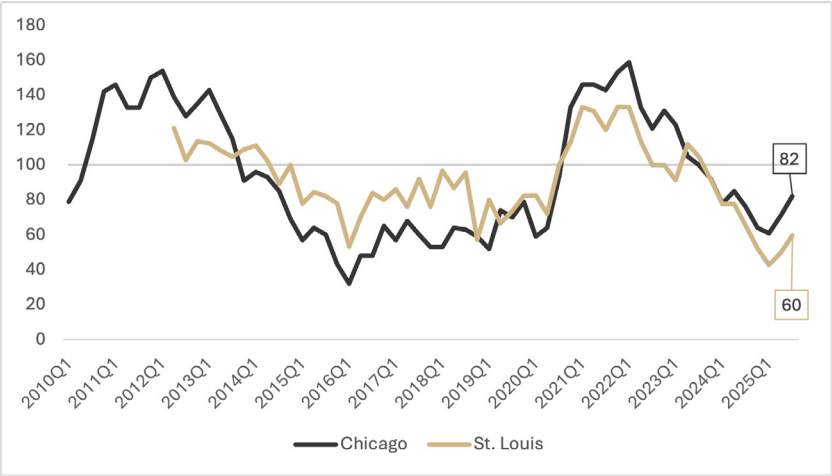


Figure 6 shows the loan repayment index for the Chicago and St. Louis Districts from the first quarter of 2010 through the third quarter of 2025. There have been eight consecutive quarters in which repayment rates have been lower than one year prior, according to agricultural bankers in the Chicago and St. Louis Districts (Figure 6). This is a sharp contrast with 2021 through 2023, when farmers' repayment rates increased year over year. The recent downturn in the index suggests farmers are struggling more to pay off their debts.

Figure 6

Loan Repayment Index, 2010Q1-2025Q3



The data from 2025 suggests a pessimistic outlook for the agricultural credit market, similar to last year's outlook. Farm incomes in the St. Louis District have fallen for two straight years as liquidity issues have continued to grow in both districts (Kreitman, 2025; Oppedahl and Kepner, 2025). The impacts can already be observed in the lender-reported increase in demand for agricultural loans and decrease in loan repayment rates. Further tightening the market is the reduced availability of funds at agricultural banks. However, the decline in interest rates offers a slightly positive outlook for agricultural credit markets. The FOMC projects that it will lower the target range for the federal funds rate again in 2026, but only by 0.25 percentage points (FOMC, 2025). Due to the high variability in FOMC individual projections and the minimal projected lowering, decreases in agricultural loan interest rates may be more moderate. Overall, the agricultural credit market followed the trend that started last year and is in worse condition than in recent years. Unless there is a turnaround in farm profitability, decreasing interest rates may be the sole positive as we look ahead to next year.

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PURDUE AGRICULTURAL ECONOMICS REPORT

2026 Farmland and Cash Rent Outlook

Binayak Kunwar, Ph.D. Student, Agricultural Economics; Todd Kuethe, Professor of Agricultural Economics, Schrader Chair in Farmland Economics

Summary: *Indiana farmland values are expected to remain stable to slightly higher in 2026, while cash rents may soften as producers face tighter margins. Overall, the market appears headed for a steady 2026, without sharp movement in either direction.*

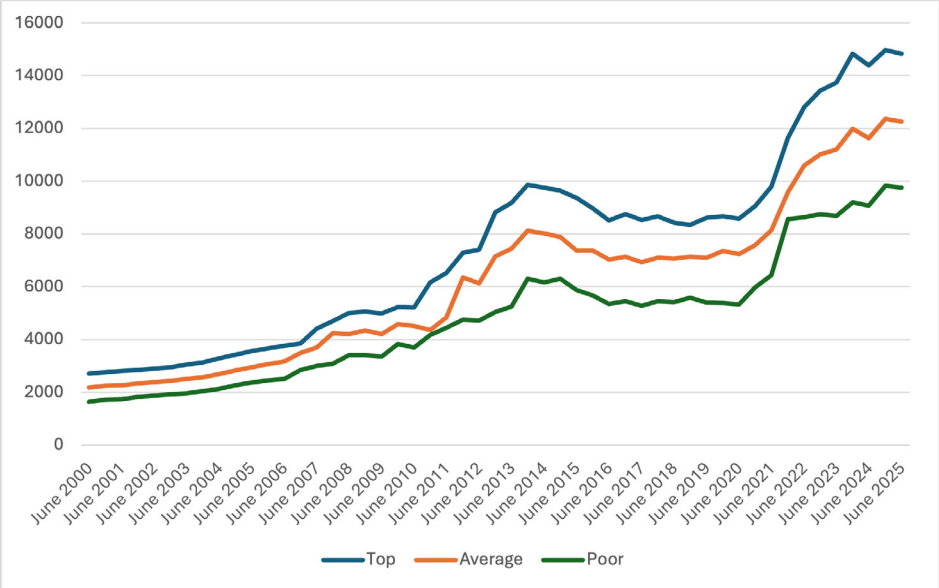
Farmland Values

The 2025 Purdue Farmland Value and Cash Rent Survey suggests that Indiana farmland values remain historically strong, though there are some signs of market softening. According to the recent survey, statewide farmland values continued to hold near record levels in 2025 across top-, average-, and poor-quality land. Top-quality farmland averaged $14,826 per acre, a 3.0% increase from June 2024. Average-quality land rose to $12,254 per acre, up 5.4%, while poor-quality farmland increased 7.6% to $9,761 per acre. Although statewide values set new nominal records, the survey also indicates more mixed regional patterns than in recent years. Farmland prices increased in the Northern regions but declined in the Southwest and Southeast, where earlier rapid appreciation appears to have corrected downward.

To provide context for recent changes in farmland values, the long-run trend in Indiana farmland values is shown in Figure 1 below.

Figure 1

Indiana Farmland Price Trend (2000-2025)



Market participants reported that farmland values softened in late 2024 but rebounded modestly during early 2025. A key factor supporting higher values was development pressure, particularly related to solar projects, commercial and industrial expansion, and emerging data-center activity. Respondents emphasized that these effects could spill across county lines through 1031 exchanges and broader regional competition for land. Recreational land values were also notably strong, increasing 18% from 2024 to 2025.

Despite these upward influences from developmental and land conversion pressure, traditional agricultural fundamentals exerted measurable downward pressure. Net farm income remained weak, commodity prices softened compared to prior years, and interest rates, though stabilizing, continued to limit buyers' purchasing power. Respondents in the survey consistently rated current farm income, crop prices and interest rates as the most significant negative forces affecting the farmland market.

A brief external check comes from the Federal Reserve of Chicago, which reported that Indiana farmland values increased by 6% year-over-year in 2025. However, the Fed also noted that the prices were mostly flat from quarter to quarter, suggesting that the market might be entering a period of stabilization after several years of rapid gains.

Outlook for 2026

Looking ahead, the most likely scenario for land values in 2026 is sideways to slightly positive movement, with little indication of a major downturn unless interest rates rise sharply or commodity prices weaken further. A rapid decline is unlikely given ongoing margin pressure across crop farms. Instead, the farmland prices are expected to be stable, or slightly higher, with selective appreciation in regions influenced by developmental pressure. Top-quality farmland may experience slower gains due to its sensitivity to commodity prices, while average- and poor-quality land could see firmer demand from local buyers and diversified investors.

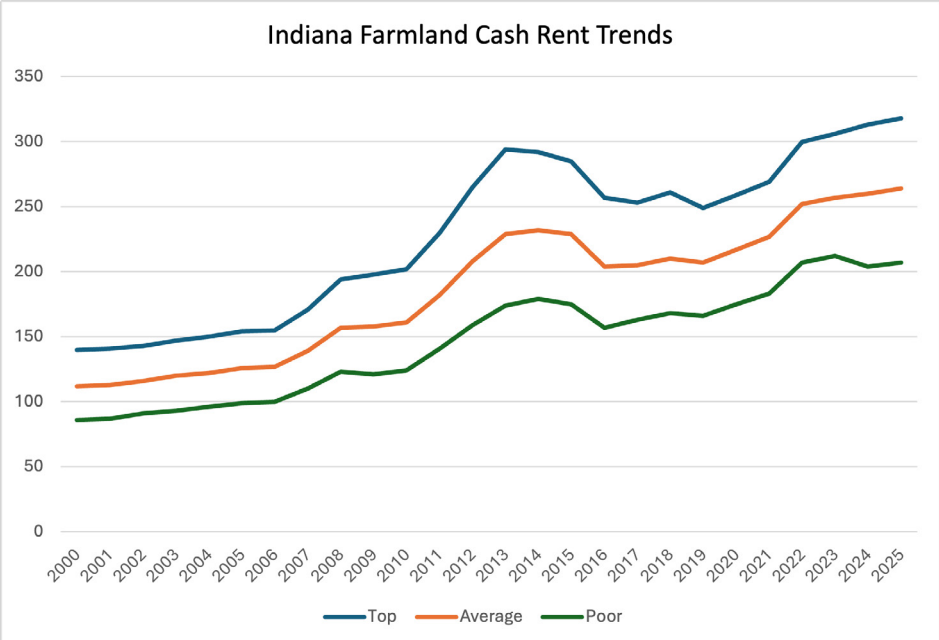
Cash Rental Rates

The Cash Rental Survey indicates that statewide cash rental rates increased modestly from 2024 to 2025. Cash rent in Indiana increased 1.7% from $313 to $318 per acre for top-quality farmland. Similarly, average-quality rents increased 1.6% to $264 per acre, and poor-quality rents increased 1.53% to $207 per acre. Similar to land values, the survey suggests that rental rates declined in the Southwest and Southeast but increased across northern and central Indiana, reflecting differences in local profitability and land demand. Rent-to-land-value ratios remained stable, and rental rates per bushel of corn changed very little, indicating cautious adjustments by both landlords and tenants.

To better understand how rental markets have evolved over time, Figure 2 displays the long-term trend in Indiana cash rents.

Figure 2

Indiana Farmland Cash Rent Trend (2000-2025)



2026 Crop Cost & Return projections suggest that producers may continue to face tight margins, with lower expected corn and soybean prices, tight operating margins and persistently high input costs contributing to continued pressure on farm profitability. These conditions align with survey respondents' views that current and expected income levels remain among the most significant negative forces in the land market.

Outlook for 2026:

Based on survey responses and margin expectations, cash rental rates in 2026 are expected to be stable to slightly lower. With tighter margins and uncertain commodity prices, tenants have limited ability to bid higher rents, suggesting rents will likely be stable or decline slightly, except in areas supported by development activity or other non-agricultural land uses.

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PURDUE AGRICULTURAL ECONOMICS REPORT

Caring Stress Index: What is Happening in Indiana and the Midwest?

Laura Montenovo, Agricultural Economics Assistant Professor, State and Local Finance; Roberto Gallardo, Agricultural Economics Associate Professor, Vice President for Engagement; Maria Marshall, James and Lois Ackerman Professor of Agricultural Economics

Summary: *In this report, we show details on Indiana's caring stress index (CSI) at the county level in both 2013 and 2023, and a map of its county-level changes between these two years.*

Report by Laura Montenovo – based on research with Roberto Gallardo and Maria Marshall

Demographic, economic, and institutional patterns across the United States have been dramatically changing the supply and demand of caregiving, both for children and for the elderly. These changes shape caregiving stress in local areas across the counties of the United States and impact the difficulty of households to care for infants and elderly dependents.

The caregiving stress affects both the labor and psychological outcomes of households, especially for individuals who face the expectations of caregiving within their family units. Such stress is exacerbated by two forces: the demand side, consisting of the need, both in terms of the presence and intensity of caregiving, and the supply side, consisting of the infrastructure providing formal care to children and the elderly. Based on the intensity of these forces, the socioeconomic dynamics within households may be more or less disrupted, affecting their economic and health outcomes.

My co-authors, Roberto Gallardo and Maria Marshall, and I have used several variables to build a county-level index across the United States, quantifying the stress in each county from on-demand and supply variables affecting caregiving needs. This index provides key information regarding where such stress is perceived the most, offering valuable data to communities and policymakers regarding where the largest gaps are present, and appropriate policies and targeted investments are most needed.

To build the index, we use data from the 5-Year American Community Survey (ACS), County Business Patterns, and County Health Ranking. From these datasets, we pull 14 variables that shape either the demand or supply of caregiving needs. For example, we use variables on demographic composition (e.g., age and disability of the population or household composition) or income to determine the demand for care. On the other hand, we use variables on residents' place of birth, labor market outcomes (e.g., remote work), or establishment numbers to determine the supply of care.

Both caring stress demand and supply variables were transformed into z-scores, and by subtracting the supply z-score from the demand z-score, we obtained the caring stress z-score.

In this report, we show details on Indiana's caring stress index (CSI) at the county level in both 2013 and 2023, and a map of its county-level changes between these two years. Then, we zoom out and show the North-Central region, with state-level caring stress indices in 2013 and 2023, and a map showing the size of the state-level changes between these two years. The exhibits below reveal important temporal and geographic variation regarding the direction of change of the caring stress index.

Figure 1 shows county-level maps of Indiana for 2013 and 2023. In these maps, counties are shaded according to their CSI, ranging from low stress (0–0.25) to high stress (0.751–1). The average CSI in 2013 was 0.478 in Indiana and increased to 0.525 in 2023, with 5 more counties with CSIs above 0.75 in 2023 than there were in 2013. The largest increases were in the Central region, the Northeast region, and the Southern region of Indiana. The contrast between the two maps is summarized in Figure 2, which plots the change in CSI between 2013 and 2023. Figure 2 highlights where caring stress levels have increased or decreased over the decade. The figure reveals a somewhat weak statewide trend toward rising caregiving stress, though the intensity and direction of change are not uniform nor particularly steep. This approach allows policymakers and community development organizations to identify counties that may require additional resources or targeted interventions.

Figure 1

County-Level Caring Stress Index in Indiana

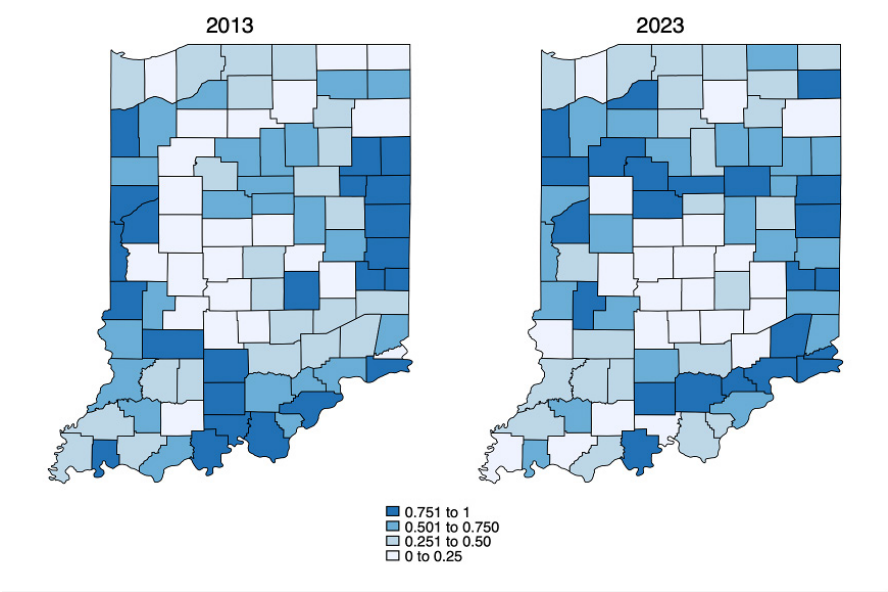
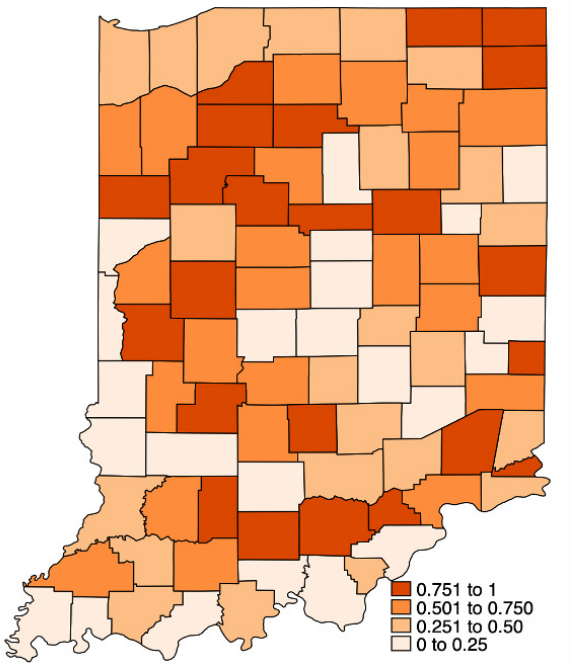


Figure 2

Changes in the Caring Stress Index between 2013 and 2023 in Indiana



The county-level changes in Indiana may reflect potential deep shifts in demographic or socioeconomic factors that affect caregiving demands. However, to better grasp the extent of these increases in CSI, we can compare shifts in CSI between a set of overall comparable states. With that goal, we use state-level data on CSI for the North-Central region of the United States, which includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

For this comparison, we provide a zoomed-in perspective of the North-Central region of Indiana. We use state-level CSI in 2013 and 2023 in Figure 3, and the magnitude of state-level changes between 2013 and 2023 in Figure 4. By including states such as Illinois, Ohio and Michigan in the comparison, the figure illustrates whether Indiana's observed increase aligns with broader regional trends or stands out as an outlier. For instance, if Ohio and Michigan saw moderate increases while Indiana remained relatively stable, this may signal differences in caregiver support policies, demographic shifts, or healthcare accessibility across states.

Figure 3 shows that the following North-Central states increased CSI between 2013 and 2023: North Dakota, Nebraska, Iowa, and Illinois. Instead, Minnesota, Wisconsin, Indiana, Michigan and Ohio experienced a drop in CSI. Finally, Kansas and Missouri remained in the same (high) CSI interval. Within this context, Indiana did show a release in the amount of caring stress, but remains among the North-Central states with medium to high caring stress. Figure 4 clearly summarizes these changes over the decade by showing the states with the largest increases in CSI in a darker orange.

Overall, the North-Central region shows some state-level variation in terms of CSI changes and patterns, unveiling localized patterns that call for targeted interventions that account for the local context, both demographic, economic, and social.

Taken together, the four figures reveal both localized caregiving pressures within Indiana and regional patterns across the North-Central states. While increases in CSI appear more common than decreases, the variation underscores that caregiving stress is not uniform. Counties and states with the largest increases may require enhanced caregiver supports, respite services, or targeted community interventions. The regional comparisons also encourage shared strategies and collaboration among neighboring states to address rising caregiving demands in areas where they are highest, especially relative to supply. A coordinated and effective response to rising caring stress, and the ability to track changes in CSI promptly and accurately, are paramount to supporting community development in Indiana, the Midwest and beyond.

Figure 3

State-Level Caring Stress Index in the North-Central Region

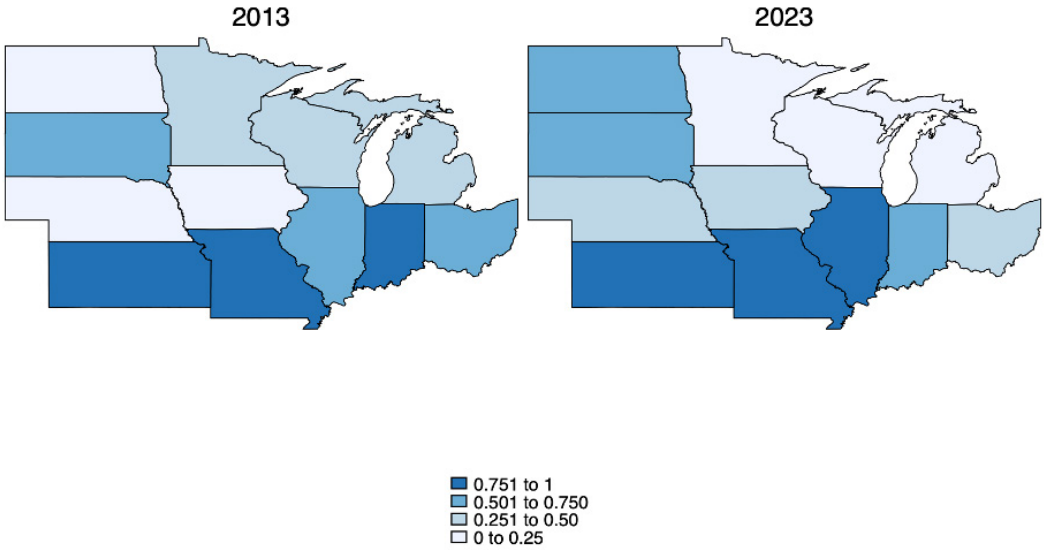
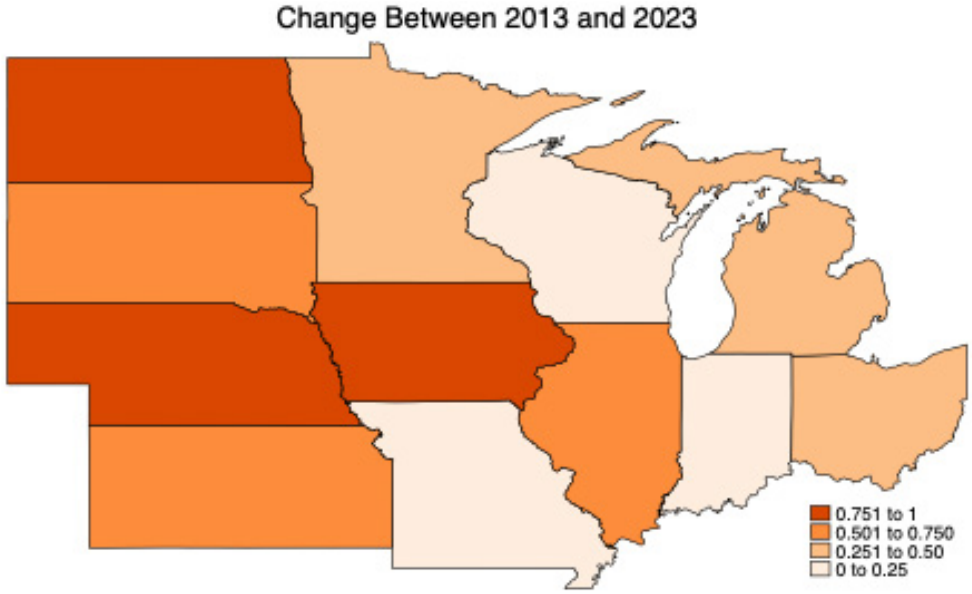


Figure 4

Changes in the Caring Stress Index between 2013 and 2023 in the North-Central Region



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PURDUE AGRICULTURAL ECONOMICS REPORT

How is Indiana Doing? Community Vitality and Well-being in the North-Central Region

Michael Wilcox, Community and Regional Economics Specialist, Assistant Director Community Development; DeAndre Malone, Graduate Research Assistant; Zuzana Bednarik, Research and Extension Specialist; Jeffrey Walker, Community Vitality Specialist

Summary: *Using data from the 2024 NCR-Stat Baseline Survey, this article compares Indiana's community vitality and well-being to the North Central Region across 14 indices. Indiana trails the NCR on most measures, with institutional trust showing the largest gap (3.16 vs. 3.29). Rural-urban differences are most pronounced in community satisfaction, where rural Indiana (3.44) scores well below urban Indiana (3.64), the largest within-state gap across all indices.*

Introduction

In this article, we will explore recent findings from the 2024 NCR-Stat: Baseline Survey to create a community vitality and well-being baseline for Indiana. Given the comprehensive survey's examination of a wide variety of important variables, we needed to distill this information into a conceptual and quantitative framework to make it more accessible and user-friendly. This requires a reasonably intuitive conceptual framework and analytical approach. To accomplish this task, we draw on the research literature and our on-the-ground experience to develop a set of indices that enable us to gauge how Indiana is 'doing' relative to the North Central Region.

This paper applies the conceptual framework presented in the companion PAER article, "From Assets to Well-being: A Conceptual Framework for Community Vitality" (Wilcox et al., 2026), which integrates the Community Capitals Framework (CCF) and the Policy, Systems, and Environment (PSE) approach to understand community vitality and well-being.

Methodology

Data Selection

The NCR-Stat: Baseline Survey 2024 provides an opportunity to examine household data from respondents who reside in Indiana and throughout the NCR across a wide range of topics, including household demographics, income, workforce participation, entrepreneurship, caregiving, housing, broadband access, migration and staying behavior, civic engagement, community belonging, health, food security, well-being, and environmental concerns.

We used insights from 419 households in Indiana and 4,383 in the NCR. Reflecting the NCRCRD's mission, the Indiana sample includes 27% households from rural areas and 63% households from urban areas. The entire NCR sample has a similar proportion of rural and urban respondents (35% and 65%, respectively). Respondents in Indiana were, on average, 50.4 years old (50.9 years old in the NCR), with balanced gender representation. Urban respondents were slightly older than their rural counterparts in Indiana (51.6 and 48.9 years, respectively) and were closer in age in the NCR (51.1 and 50.9 years, respectively). Economic disparities emerged: Indiana rural households reported a mean income of $52,980 ($51,480 in NCR), compared to $64,486 ($65,320 in NCR) for urban households, and 43.8% of rural respondents in Indiana (50.5% in NCR) had education beyond high school, compared to 59.1% of urban respondents in Indiana (66.5% in NCR).

Construction of Indices

To operationalize the conceptual framework presented in Wilcox et al. (2026), we created indices that synthesize multiple survey questions into meaningful indicators. We selected survey questions based on their conceptual relevance to the underlying dimensions of community vitality and well-being. Additionally, we incorporated a spatial dimension by constructing indices based on respondents' rural or urban residential location (Tables 1 & 2).[1] We calculated indices by averaging responses from selected questions, with higher scores generally indicating more positive outcomes (except where noted). It should be mentioned that each index has its own focus, scale, and interpretation. And, each index is aligned with community vitality or community well-being.

[1] *Part of the analysis and write-up that follows was conducted on behalf of the North Central Cooperative Extension Association and released through the North Central Regional Center for Rural Development as written reports for state-level program planning purposes. Here, the indices are examined through a community vitality and community well-being lens, versus the original, which employed the NCRCRD Thematic Areas.*

Table 1

Community Vitality Indices

Category	Index	Range	Interpretation
Community Vitality *(Process/Engine/Dynamic Capacity)*	**Civic Engagement Index** Measures community participation through five activities: collaborative problem-solving, voluntary service, group membership, fundraising, and religious involvement.	1-3	Low (1) = Maximal engagement | High (3) = Minimum engagement
	Community Equity Index Measures equal access across six areas: safety, employment, housing, education, healthcare, and civic participation for all backgrounds.	1-5	Low (1) = Minimal equity | High (5) = Maximum equity
	Community Trust Index Measures interpersonal trust across six community contexts: neighbors, coworkers, religious communities, local businesses, educators, and healthcare providers.	1-5	Low (1) = Minimal trust | High (5) = Maximum trust
	Institutional Trust Index Evaluates trust in three key local institutions: government, news media, and police services.	1-5	Low (1) = Minimal trust | High (5) = Maximum trust
	Recovery-Friendly Index Assesses workplace support for substance misuse prevention, treatment, and recovery through employer policies on awareness programs, confidential treatment access, and recovery support.	0-1	(1) = Support provided | (0) = Support not provided
	Welcoming Community Index Assesses community inclusivity through six dimensions: welcoming residents, supporting integration, valuing diversity, cultural respect, fair treatment, and acceptance.	1-5	Low (1) = Minimal welcoming | High (5) = Maximum welcoming

Table 2

Community Well-being Indices

Category	Index	Range	Interpretation
Community Well-being *(Ultimate Outcome/Destination)*	***Overarching Well-being Measure*** **Community Satisfaction Index** Measures resident satisfaction across fifteen community dimensions, including healthcare, education, housing, employment, recreation, and environmental quality.	1-5	Low (1) = Minimal satisfaction | High (5) = Maximum satisfaction
	Human Well-being *(health–physical, mental, social; knowledge/skills, etc.)* **Mental Health Index** Measures three common psychological symptoms: lack of interest in activities, depression, and anxiety over a three-month period.	1-4	Low (1) = Maximal symptoms | High (4) = Minimum symptoms
	Economic Well-being *(income, wealth, employment, economic security, etc.)* **Financial Stress Index** Measures how financial difficulties impact emotional, physical, and social well-being through nine survey questions covering symptoms from sadness and worry to job performance interference.	1-5	Low (1) = Minimal financial stress | High (5) = Maximum financial stress
	Food Security Index Uses USDA methodology to measure household food access from worry about food supplies to severe hunger and food deprivation experiences.	0-1	Low (0) = Maximum food security | High (1) = Maximum food insecurity
	Social Well-being *(social connections, volunteering, etc.)* **Loneliness Index** Assesses social isolation through three dimensions: lack of companionship, feeling excluded, and feeling isolated from others.	1-3	Low (1) = Maximal loneliness | High (3) = Minimum loneliness
	Social Balance Index Measures personal discrimination experiences across eight identity dimensions: age, gender, race, religion, politics, ability, and sexual orientation.	1-5	Low (1) = Maximal discrimination | High (5) = Minimum discrimination
	Environmental Well-being *(environmental quality, safety, quality of life, etc.)* **Extreme Weather Events Index** Measures concern about five climate hazards: soil erosion, extreme temperatures, drought, and flooding conditions.	1-4	Low (1) = Minimal concern | High (4) = Maximum concern
	Pollution Index Measures personal concern about four pollution types: air quality, water body contamination, drinking water safety, and litter/waste issues.	1-4	Low (1) = Minimal concern | High (4) = Maximum concern

Results

To gain insight into the current status of Indiana's community vitality and community well-being, comparisons between Indiana, the North Central Region, and their rural/urban counterparts are made by individual index using data from Table 3. For each index, components that significantly contribute to or detract from each index are highlighted for Indiana. Please refer to Tables 1 & 2 for index definitions, ranges, and interpretations, and Table 4 for the calculated differences.

Table 3

Community Vitality and Community Well-being Index Data: An Indiana and North Central Region Comparison

Category	Index	NCR	NCR Rural	NCR Urban	Indiana	IN Rural	IN Urban
Community Vitality	Civic Engagement Index	2.33	2.32	2.33	2.30	2.32	2.29
	Community Equity Index	3.65	3.61	3.67	3.59	3.55	3.62
	Community Trust Index	3.74	3.71	3.77	3.70	3.71	3.71
	Institutional Trust Index	3.29	3.23	3.32	3.16	3.15	3.18
	Recovery-Friendly Index	0.69	0.65	0.71	0.68	0.67	0.67
	Welcoming Community Index	3.49	3.39	3.54	3.45	3.40	3.50
Community Well-being	***Overarching:*** Community Satisfaction Index	3.63	3.48	3.71	3.56	3.44	3.64
	Human Well-being: Mental Health Index	3.07	3.01	3.09	3.01	2.98	3.03
	Economic Well-being: Financial Stress Index	2.75	2.82	2.72	2.81	2.82	2.81
	Food Security Index	0.37	0.39	0.35	0.40	0.41	0.39
	Social Well-being: Loneliness Index	2.33	2.29	2.35	2.33	2.27	2.37
	Social Balance Index	4.31	4.35	4.29	4.27	4.30	4.28
	Environmental Well-being: Extreme Weather Events Index	2.36	2.30	2.39	2.32	2.23	2.37
	Pollution Index	2.42	2.30	2.48	2.46	2.37	2.50

Source: NCR-Stat: Baseline Survey 2024 (Bednarik et al., 2025). Authors' calculations.

Note: Civic Engagement, Financial Stress, and Food Security are inverted measures (higher scores indicate relatively worse outcomes)

Community Vitality Indices

Civic Engagement Index

Driven by differences between urban areas, Indiana's engagement was slightly higher than the regional average (2.30 versus 2.33, with a lower score representing higher levels of civic engagement), and urban Indiana (2.29) was slightly more civically engaged than rural Indiana (2.32). In Indiana, civic participation was strongest in religious/spiritual groups and voluntary service, and lowest in fundraising and collaborative problem-solving.

Community Equity Index
Indiana community equity, which measures equal access across six areas, scored above the midpoint (3.59 versus 3.0) but well below the North Central Region (3.65). Both rural Indiana (3.55) and urban Indiana (3.62) trail their NCR counterparts (rural NCR:3.61; urban NCR: 3.67). Overall, access in rural areas lagged behind that in urban areas. Indiana respondents agree most with statements that their communities provide equal access to education and least with the statement that their communities provide equal employment opportunities.

Community Trust Index
Indiana's overall community trust (3.70) was slightly below the NCR average (3.74), with virtually identical rural and urban scores. The highest community trust score was in urban NCR (3.77). In Indiana, respondents reported the highest community trust for people at places of worship and healthcare providers, and the lowest for neighbors, retail workers, and coworkers.

Institutional Trust Index
Institutional trust was lower in Indiana (3.16) than in the NCR region (3.29). Both rural Indiana (3.15) and urban Indiana (3.18) fell below rural NCR (3.23) and well below urban NCR (3.32). Indiana respondents trusted local police most and local government and news media least.

Recovery-Friendly Index
Workplace support for substance misuse prevention was higher than the midpoint in Indiana and the NCR (0.68 and 0.69, respectively, and versus 0.5), but much lower than in Minnesota (0.73), Missouri (0.72), North Dakota (0.78), and Wisconsin (0.76). Rural Indiana (0.67) was slightly ahead of rural NCR (0.65), while urban Indiana (0.67) trailed urban NCR (0.71). More Indiana respondents reported that their employer supports treatment for and recovery from substance use disorders, while fewer reported that their employer tells employees that they can seek treatment confidentially without jeopardizing their jobs.

Welcoming Community Index
Indiana's welcoming community index score (3.45) was slightly under the regional average (NCR 3.49). Rural Indiana was less welcoming than urban Indiana, but rural Indiana (3.40) was nearly identical to rural NCR (3.39), while urban Indiana (3.50) fell short of urban NCR (3.54). Indiana respondents felt communities "make all residents feel welcome" more often than they help newcomers connect and integrate.

Table 4

Community Vitality and Well-being Index Differences: Indiana vs. North Central Region and Indiana Rural vs. Indiana Urban

Category	Index	Indiana	IN Rural	IN Urban	IN Rural-Urban
Community Vitality	Civic Engagement Index	-0.03	0.00	-0.04	0.03
	Community Equity Index	-0.06	-0.06	-0.05	-0.07
	Community Trust Index	-0.04	0.00	-0.06	0.00
	Institutional Trust Index	-0.13	-0.08	-0.14	-0.03
	Recovery-Friendly Index	-0.01	0.02	-0.04	0.00
	Welcoming Community Index	-0.04	0.01	-0.04	-0.10
Community Well-being	Community Satisfaction Index	-0.07	-0.04	-0.07	-0.20
	Mental Health Index	-0.06	-0.03	-0.06	-0.05
	Financial Stress Index	0.06	0.00	0.09	0.01
	Food Security Index	0.03	0.02	0.04	0.02
	Loneliness Index	0.00	-0.02	0.02	-0.10
	Social Balance Index	-0.04	-0.05	-0.01	0.02
	Extreme Weather Events Index	-0.04	-0.07	-0.02	-0.14
	Pollution Index	0.04	0.07	0.02	-0.13

	North Central Regional Leader (large difference, less than -0.05 or greater than 0.05)
	North Central Regional Leader (small difference, between -0.05 and 0.05)
	Area of Concern (small difference, between -0.05 and 0.05)
	Area of Concern (large difference, less than -0.05 or greater than 0.05)
	No difference

Source: NCR-Stat: Baseline Survey 2024 (Bednarik et al., 2025). Authors' calculations.

Note: Civic Engagement, Financial Stress, and Food Security are inverted measures (higher scores indicate relatively worse outcomes)

Community Well-being Indices

Community Satisfaction Index (Overarching)
Indiana's community satisfaction level (3.56) was lower than the NCR (3.63). Rural Indiana (3.44) scored much lower than urban Indiana (3.64) – the largest difference between rural and urban Indiana across all indices, and both were below their NCR counterparts (rural NCR (3.48) and urban NCR (3.71)). Internet and cellphone coverage and access to medical care were high points (though there were large discrepancies between rural and urban Indiana); housing affordability and availability, job opportunities, and arts and cultural options were not.

Mental Health Index (Human Well-being)
Indiana scored below the NCR (Indiana: 3.01 vs. NCR: 3.07), and Rural Indiana (2.98) scored below urban Indiana (3.03). Rural and urban Indiana both scored lower than their regional counterparts (rural NCR: 3.01 and urban NCR: 3.09). Indiana respondents reported anxiety and nervousness more frequently than depression or loss of interest.

Financial Stress Index (Economic Well-being)
Financial stress in Indiana (2.81) was slightly higher than in the NCR (2.75). Rural Indiana (2.82) and urban Indiana (2.81) were nearly identical, showing little difference by place. Compared with its regional counterparts, rural Indiana matched rural NCR (2.82), while urban Indiana reported more financial stress than its urban NCR counterpart (2.72). Indiana respondents most often reported feeling frustrated or worrying a lot about their finances, whereas symptoms such as noise sensitivity or avoiding family events due to financial strain were much less common.

Food Security Index (Economic Well-being)
The Food Security Index, where a higher score corresponds to lower food security (higher food insecurity), indicated more food insecurity in Indiana (0.40) than in the NCR (0.37). Rural Indiana (0.41) reported slightly more food insecurity than urban Indiana (0.39), and both exceeded their regional counterparts (rural NCR: 0.39; urban NCR: 0.35). In Indiana, households frequently reported eating less than they felt they should or cutting or skipping meals because there was not enough money available for food.

Loneliness Index (Social Well-being)
Indiana's loneliness score (2.33), where a low score (1) corresponds to maximum loneliness, matched the NCR average (2.33). Urban Indiana (2.37) reported considerably less social isolation than rural Indiana (2.27), and rural Indiana showed slightly higher loneliness than rural NCR (2.29), while urban Indiana was close to urban NCR (2.35). Indiana respondents most often described loneliness as a lack of companionship rather than feeling excluded or left out.

Social Balance Index (Social Well-being)
The Social Balance Index measures personal experiences of discrimination across eight identity dimensions, with maximum discrimination scoring a one. Indiana's social balance score (4.27) was slightly below the NCR (4.31). Within the state, rural Indiana (4.30) scored slightly higher than urban Indiana (4.28), though the score for religion and ability was lower in rural Indiana (relatively more discrimination), and the score was lower for age, race/ethnicity and sexual orientation/gender identity in urban Indiana. Compared with the region, both rural Indiana (4.30 vs. rural NCR: 4.35) and urban Indiana (4.28 vs. urban NCR: 4.29) showed slightly more reported discrimination. Overall in Indiana, respondents least often reported discrimination based on national origin (both), sexual orientation/gender identity (rural) and religion (urban), while discrimination related to race/ethnicity and political affiliation was mentioned more frequently. It should be noted that scores for all eight elements in the index were above a four across Indiana and the NCR, well above the midpoint (3).

Extreme Weather Events Index (Environmental Well-being)
Indiana expressed slightly less concern about extreme weather (2.32) than the NCR (2.36). Within the state, rural Indiana (2.23) expressed lower concern than urban Indiana (2.37). Both rural Indiana (2.23 vs. rural NCR: 2.30) and urban Indiana (2.37 vs. urban NCR: 2.39) showed slightly lower concern than their regional counterparts. Respondents in Indiana were most concerned about extremely high temperatures, while soil loss and erosion drew considerably less attention.

Pollution Index (Environmental Well-being)
Pollution concerns were somewhat higher in Indiana (2.46) than in the NCR (2.42). Urban Indiana (2.50) reported more concern than rural Indiana (2.37), and both exceeded their regional counterparts (urban NCR: 2.48; rural NCR: 2.30). Indiana respondents were most concerned about litter and waste dumping, while air pollution was mentioned least often.

Conclusions

This paper presents an analysis of 14 indices related to community vitality and well-being, comparing Indiana with the North Central Region and rural Indiana with urban Indiana. The results for Indiana are mixed. In terms of community vitality, Indiana is a regional leader in civic engagement; rural Indiana is slightly more recovery-friendly and welcoming than its rural peers in the region, and urban Indiana is more engaged than its urban peers in the region. However, five of the six community vitality indices are areas of concern for Indiana and urban Indiana, compared to the region. Of particular concern are community equity and institutional trust, including rural Indiana. In terms of differences in community vitality between rural and urban Indiana, rural Indiana has challenges with community equity and being welcoming relative to urban Indiana.

Findings related to community well-being are concerning. Indiana as a whole, and in both rural and urban areas, trails the region in all eight indices, especially in community satisfaction, mental health, and financial stress. Compared to the region, Indiana households are less concerned about extreme weather events, and rural Indiana households are less concerned about pollution than their urban Indiana counterparts. However, rural Indiana households are much less satisfied with their communities relative to their urban neighbors (the -0.2 difference is the largest observed in the data) and experience more loneliness.

As baseline measures, these indices should be considered a starting point. The North Central Regional Center for Rural Development will conduct another NCR-Stat: Baseline survey later this year, with results available in 2027. This ongoing effort will provide an opportunity to determine whether Indiana is making progress toward improved community vitality and well-being. In the meantime, Extension professionals, policymakers, and community leaders can put these findings to work as they develop and deploy programs and policies to address these challenges, leveraging assets and the community vitality process.

References

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