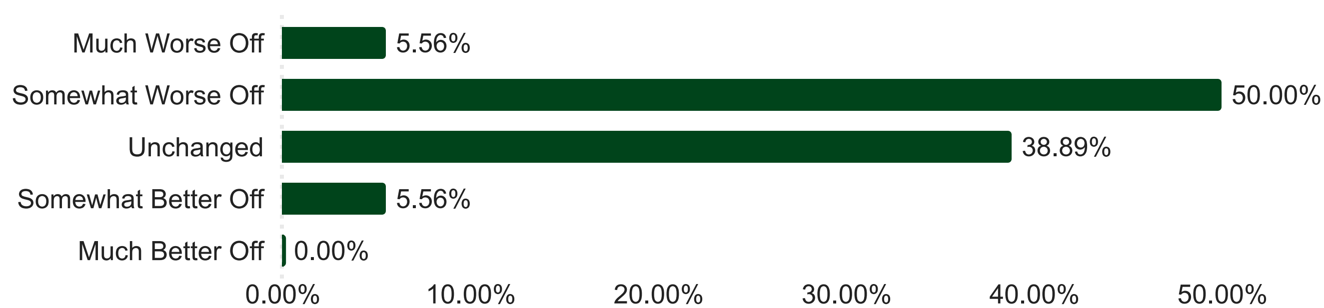
October 2025

Q166 - I would be interested in interview opportunities with Farm Journal to discuss highlights from the Monthly Monitor survey: Select one.

2. Consider the current state of the U.S. agricultural economy. Please indicate how it compares to one month ago. Select one.



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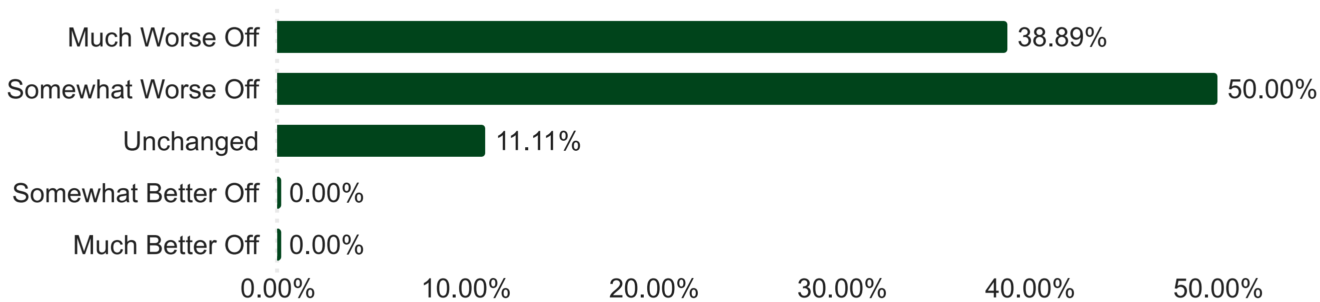
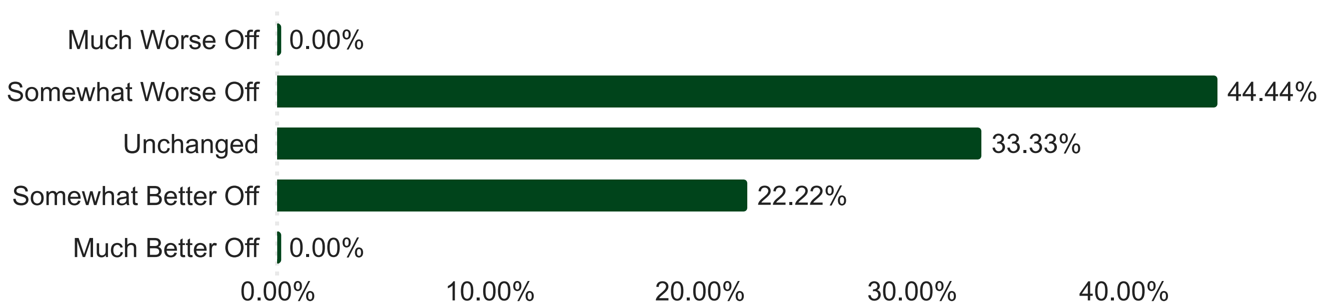


4. Consider your expected state of the U.S. agricultural economy in 12 months. Please indicate how it compares to today. Select one.



5. What are the two most important factors driving agriculture's economic health today as well as in 12 months?

What are the two most important factors driving agriculture's economic health today?
High input costs and the inability of domestic soybean crush growth to offset lost Chinese demand.
As we start to enter into 2026 decision season- producers will be reminded of the tight to negative margins they experienced in 2025 at the same time rumors of government assistance are being circulated. As such, I expect producers to move forward with what they did in the previous year until more information is known.
The lack of trade opportunities. High input costs.
Trade policy and shifts in consumer demand
1.Planted acres. The U.S. raised a record corn crop in 2024, then turned around and planted nearly 99 million acres of corn. China's communist government preventing U.S. soybean purchases certain impacts the soybean market, but corn prices have been suboptimal for more than a year, and we followed that up with nearly 17 billion bushels of corn production. 2. Livestock. Cattle and hog returns have been better than nearly anyone expected at the beginning of the year.

6. In last month’s survey, over 90% of economists indicated that the current economic situation would accelerate consolidation in agriculture. What potential impacts do you foresee if consolidation increases in agriculture?

In last month’s survey, over 90% of economists indicated that the current economic situation would accelerate consolidation in agriculture.

What potential impacts do you foresee if consolidation increases in agriculture?
Fewer larger farms, and fewer larger crop service centers who provide farmers with the supplies.
Lower rural populations trying to sustain community economics.
Fewer farmers and larger farms. Higher barriers to entry for young/beginning farmers. Dwindling political support for agriculture and agricultural programs.
Consolidation is associated with markups in downstream markets and markdowns in upstream markets. However, it will likely accelerate R&D spending, possibly offsetting some government cutbacks in the near term.

An important question is, what does consolidation mean? Does that mean some farms buy assets (e.g., farmland) from other farms? Or does it mean that some farmers call it quits and rent out their assets to other, likely larger, farmers? If it's the latter, it needs to be said that it's actually the farms with the most acres cash rented that are hurting the worst right now, because many signed contracts for cash rents that were never going to cash flow, even without the trade disruptions. Will those folks line up more acres for next year?

An increasing pace of farm consolidation leads to bigger commercial farmers and fewer individual family operated farms and puts added pressure on the individual family farmers remaining.

I think that we see large farms get bigger. I find it hard to believe that we say acreage come out of production without alternative forms of payment. One possibility would be a revamp of the CRP program as CRP payments start to look better and better in this type of environment. A yearly sign up instead of multiple years might be a great option.

Less political clout.
Less diversification, more specialization on production.

Larger operations will get larger and also we'll lose some of the diversity that smaller/older producers bring to the industry. With more consolidation, we'll see fewer of those operations that have both crops and cattle.

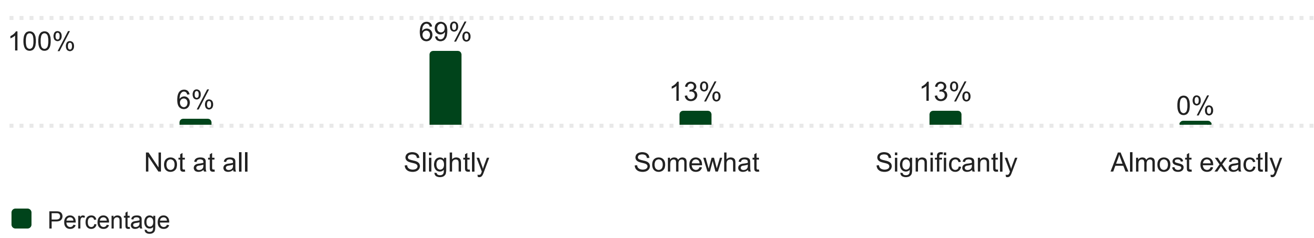
Greater efficiency and opportunity to sell into foreign markets, and more rural America socio-economic challenges

Reduced economic diversity and opportunities in rural communities. Fewer growth opportunities for young farmers.

A demographically smaller farm sector that is less able to attract public support
The continuation or acceleration of trends toward fewer prosperous rural communities

Improve technical and cost efficiency of farms and ranches

7. To what extent do you believe current conditions reflect those of the 1980s farm crisis? Select one.



8. Please explain your reasoning:

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There are far more safety nets that exist today than the 1980s- revenue insurance, guaranteed FSA loans, countercyclical farm payments... The big downturn of the 1980s was when land values fell sharply. It is hard to see land values falling sharply unless the broader economy starts facing much more serious declines. While farm bankruptcies may increase it is likely not going to reach levels experienced in the 1980s. While things are rough now- let's not understate how bad things were in 1980 for agriculture producers.

While there are still many key differences and the ag sector is broadly healthier now, the lack of profitability for the row crop sector and the exit or pending exit of farmers is consistent with the 80s. I just hope we don't focus too much on this comparison to gauge whether things are "bad" now. Things are bad, even if it is not the exact same type of bad as the 80s.

The crisis in the 1980s came at the end of heavy-handed agricultural policies that had distorted and delinked agricultural markets both domestically and internationally. It was fundamentally an issue of overproduction in absolute terms. The current crisis is driven by trade policy and relative overproduction and underproduction. There are domestic substitutes and technological innovations for alternative product uses and international markets for importing relatively underproduced products such as beef today. Farms today also have benefits to scale that did not exist in the 1980s. There is a labor shortage, generally speaking, in rural areas today, whereas there was a surplus in the 1980s. The situations are similar only in the likelihood of consolidation and overproduction.

Will some row crop folks go out of business? Likely, and that is unfortunate. However, if low prices are going to cure low prices, we need fewer row crop acres next year, and that likely will be accompanied by farmers exiting. That said, the prevalence of long-term, fixed rate mortgages at rates locked during an ultra-low interest rate environment will do a lot to keep things from spiraling out of control like they did during the 1980s when fixed rate mortgages and were the norm.

I marked somewhat the same. There are similarities in terms of high costs and low prices and an extended period of negative returns. But there are differences such as interest rate environment and the fact that land values seem to be holding close to steady.

I think everything looks very similar. The interest rates don't look as high on paper, but when we look at the higher monetary value of inputs, the impacts are likely the same. The one good thing is I do not believe we will see asset prices fall out which does add equity at the farm gate and opportunity for debt restructuring.

It is not a rural bank crisis. When banks start to panic, they'll force liquidation of some farms. Until that lender panic hits, this is not the 1980's.

Today's rates of inflation and interest rates are much lower than was the situation in the 80's. Also, then it was more about over-production, today it's more about loss of markets (i.e., China) resulting from a self-inflicted trade war.

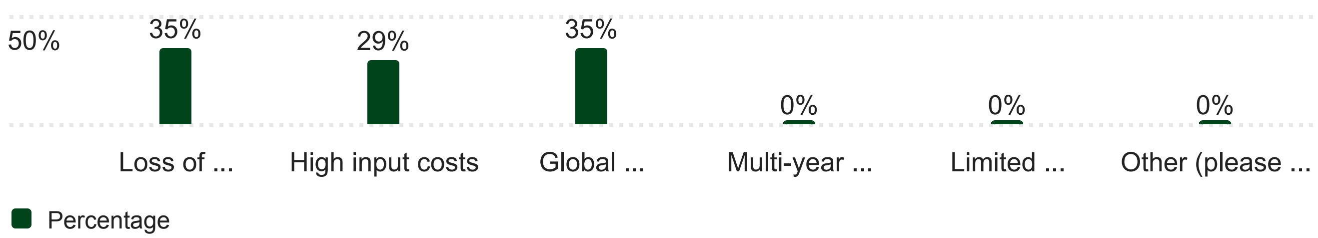
Incomes under pressure, but near-unlimited federal support and a lack of financial over-leveraging preventing a crisis

Debt levels and interest rates are lower now than in the '80s. Bankers have also been more proactive about limiting credit access before farmers can get too over-leveraged. There is greater disparity in contribution margins between farmers who own crop ground vs. farmers who rent ground that could make the farmers who rely heavily on renting more susceptible to economic turmoil.

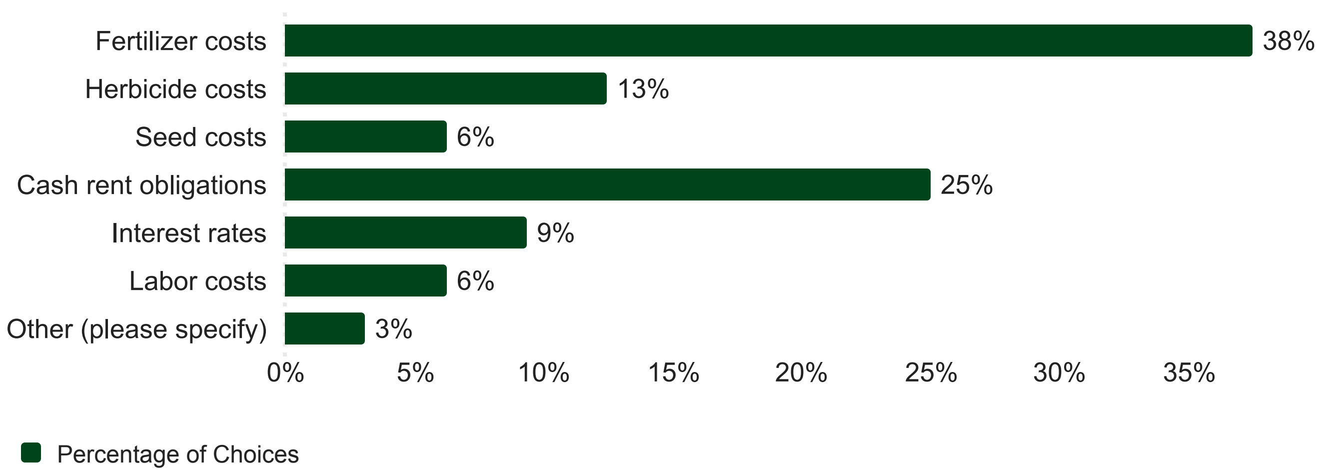
Like the 1980s, many crop producers are seeing negative returns relative to total costs. However, interest rates are much lower and asset values have not yet seen broad-based declines.

Net income is really low. However, our debt loads in relation to asset values are much lower today.

9. What is the primary factor contributing to negative margins for farmers today? Select one. - Selected Choice



10. Beyond commodity prices, which of the following do you think will most impact row crop farm profitability in 2026? Select all that apply. - Selected Choice



10a.Other (please specify) - Text

Other (please specify) - Text

Biofuel Program

11. Do you believe China will purchase U.S. agricultural products at volumes similar to 2022 levels again in the future? Select one.

12. Please explain your reasoning

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China has been working at deleveraging from the United States for the past couple of decades. We need to let go and focus on new demand alternatives.

Not unless there are significant concessions by the U.S. that result in China responding to commit to such volumes.

Too toxic.

Same as prior question: China has new trade partners, built up domestic capacity, and may not be a viable trade partner due to political aims.

I marked no, although would say it’s possible to return to the 2012-17 levels. I lean no given the global environment is a lot different than that era. Global production has expended, particularly in Brazil, and China has strengthened their relationship with Brazil since then. And China’s population is declining.

See last answer.

China is simply buying more from Brazil because Brazil has more product available and is willing to build a friendly relationship with Chinese importers.

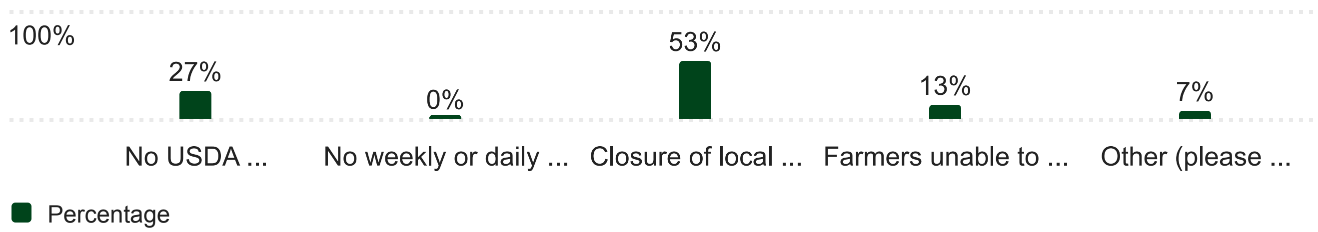
see previous response

Tariffs are causing U.S. prices to be too high for China to buy and South American production remains a lucrative option for Chinese soybean buyers.

Again, this is certainly possible but would probably not be a natural market outcome--it would likely need to be part of a broader trade deal.

We are not getting this market share back any time soon.

14. With the current government shutdown, what is the biggest impact on agriculture? Select one. - Selected Choice



14. Other (please specify) - Text

Other (please specify) - Text

In general, everything about this is not good at the farm level. I think all of these are important pieces that are effecting the farm economy.

15. USDA says there will be no October Crop Production or WASDEE report. What’s the most valuable piece of data or insights we would have gathered from that report?

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Production estimates, especially for corn.

This time of year- the U.S. crop production data for corn, soybeans, cotton and rice.

stocks and use

Projections tend to converge to the final number in the October report. This has an impact for hedging and the decision when to bring grain to market.

An updated look at crop production (yields/harvested acres).

Yield numbers. Downward movement would be bullish at this point after the hefty yields estimated this summer.

Corn yield (ear weights) and soybean exports

A lot of people will be flying blind with respect to how this year's corn and soybean crop is shaping up.

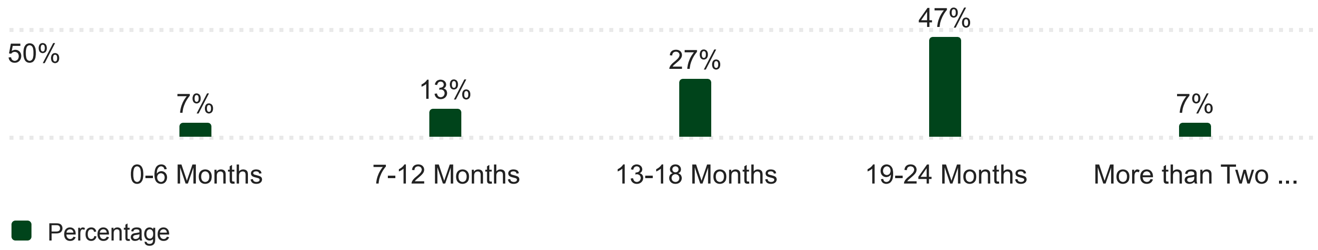
Corn/SB yields

South American soybean flows

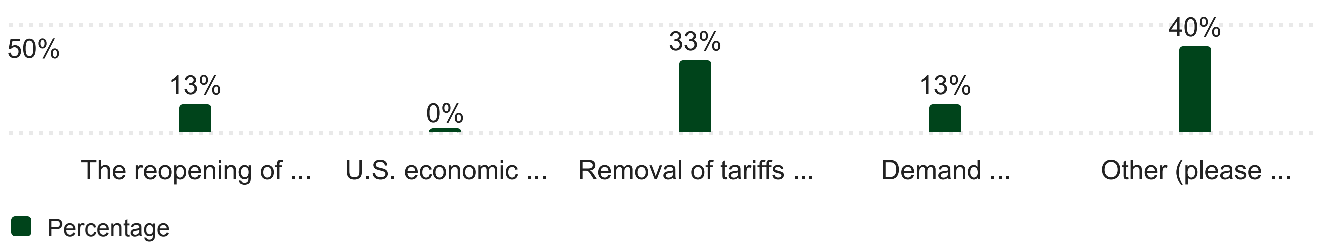
Crop production estimates are always important, of course, but it would have been good to see if/how the current trade frictions with China might have affected projected levels of trade and prices, especially for soybeans.

The acreage and yield data for corn and soybeans would have been very helpful.

16 - Cattle prices continue to hit all-time highs. How much longer do you expect cattle prices to continue this historic run?



Q17 - What will be the catalyst that could create a top in the cattle market? Select one. - Selected Choice



17a. Other (please specify) - Text

Other (please specify) - Text

Producers beginning to hold back replacement heifers

Reduction in beef slaugther capacity

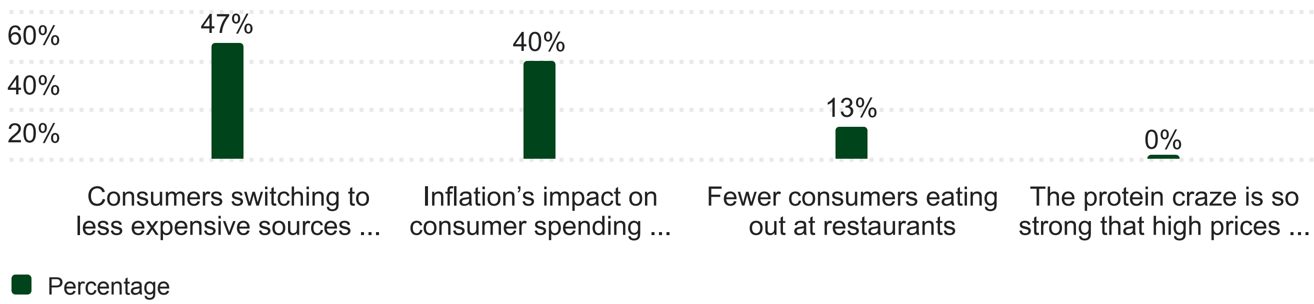
I have no idea what creates the top, but at current prices we will see no/little herd expansion.

A slowing US economy

All of the above are relevant, but clear signals that domestic beef production is increasing may be more important.

eventual herd rebuilding

18. In the September Ag Economists' Monthly Monitor, 67% of economists said beef demand is proving to be inelastic. Even with beef demand continuing to be strong, what is the biggest risk to U.S. beef demand? Select one.



19. What's the one factor impacting the ag economy that's not being talked about or covered by the media enough right now?

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Differentiated demand from consumers. Higher earning consumers are driving demand throughout the economy. Their preferences are filtering upstream to production decisions, but that is likely unsustainable.

Ad hoc payments provide some relief to farmer cash flow crunches in a challenging farm economy but have lasting negative impacts on normal marketing timing and decisions and deter input markets from adjusting for longer.

NA

Dollar depreciation

The promise of "trade aid" is influencing producers to store more of the corn and soybean crops than warranted by market conditions.

My sense is that we've gutted the soft diplomacy efforts that helped position the US as a key trade partner with many developing economies — and if we're going to lose China, we're going to need these other markets.

Labor - dairy farms, fruit/vegetable farms, etc.

The influence of high rental rates on profit margins

How important it is to reduce cash rents.