



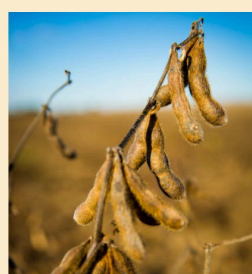
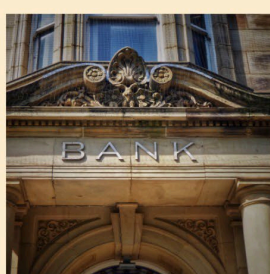
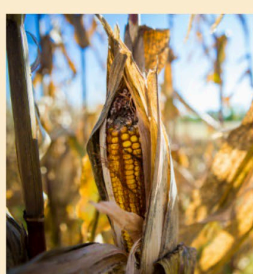
Rural & Farm Finance
Policy Analysis Center
University of Missouri

FALL 2025 FARM INCOME OUTLOOK FOR NORTH DAKOTA

October 2025
RaFF Report 2025-19

Produced in collaboration with

NDSU CENTER FOR
AGRICULTURAL POLICY
AND TRADE STUDIES



The Goal of this Report

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

Methods Used to Develop the Outlook

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

How Farm Income is Measured

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

Disaster Relief Payments in 2025 and 2026

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

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

\$7.00 billion in ARA programs are assumed to be disbursed in calendar year 2026. The distribution of payments across states is assumed proportional to the state shares from ECAP, ELRP, and SDRP in 2025.

National Farm Income Trends

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

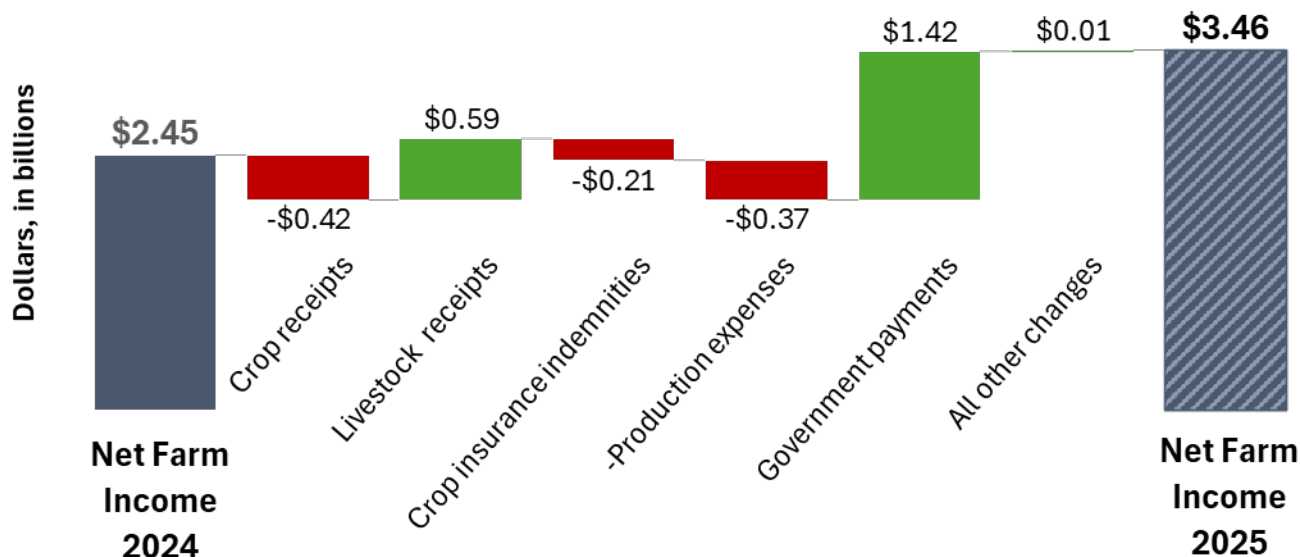
Also in September 2025, FAPRI projected that U.S. NFI would increase by 34% in inflation-adjusted terms from \$131.59 billion in 2024 to \$176.72 billion in 2025 (FAPRI-MU 2025). In agreement with ERS projections, the main driver of NFI according to FAPRI projections will be government payments, totaling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

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

North Dakota Farm Income in 2025

RaFF and CAPTS project North Dakota's net farm income to reach \$3.46 billion in 2025, a 42% increase (\$1.02 billion) over 2024. The main driver of the NFI expansion is a \$1.42 billion (484%) increase of government payments, mainly from ad-hoc financial supports to farmers authorized by the American Relief Act of 2025. Crop receipts are projected to decline by \$0.42 billion (-4%), whereas livestock receipts would increase by \$0.59 billion (35%). North Dakota farmers are also expected to face challenges from lower crop insurance indemnities and higher production costs. The projected 42% in North Dakota's projected 2025 net farm income is close to the national increase at 41%, estimated by USDA/ERS (2025b).

North Dakota net farm income to rise 42% in 2025



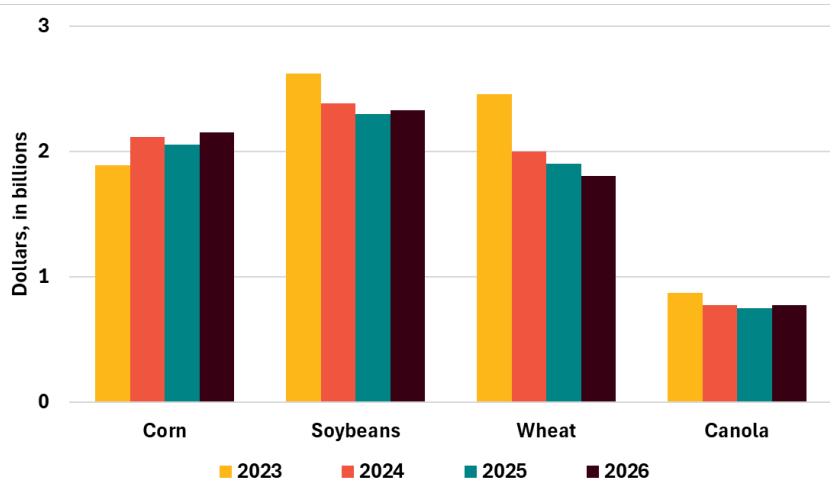
North Dakota Crops

Total crop receipts are projected to fall by \$0.42 billion (-4%) to a 3-year low of \$9.00 billion in 2025, driven by modest decreases across most crop types. In 2026, total crop receipts are expected to remain stable at \$9.11 billion.

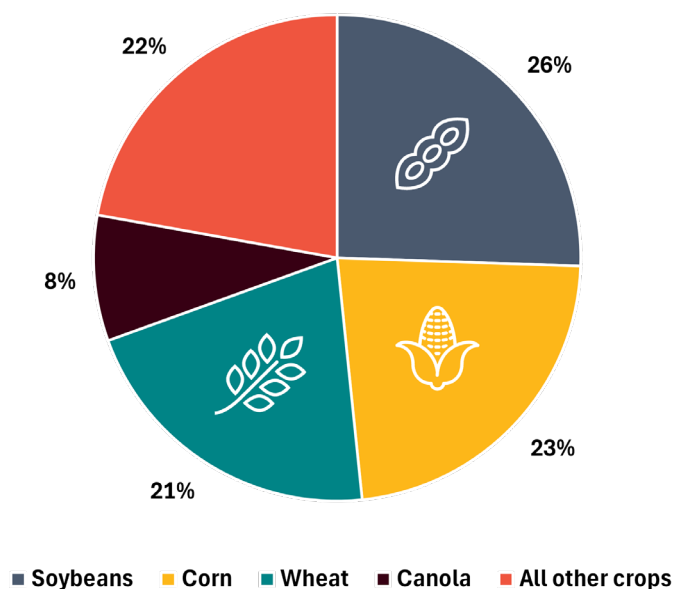
Soybeans receipts are expected to decline by \$87.77 million (-4%) to \$2.30 billion in 2025, due to lower acres planted and production. The projected 2026 cash receipts would slightly increase (1%), due to an increase in soybean prices.

The effects of a large corn crop on receipts would be outweighed by a 10% decrease in prices, resulting in a \$60.11 million decline (-3%) in corn receipts in 2025. In 2026, the average corn price is expected to return to its 2024 level, pushing cash receipts up 5% to \$2.15 billion.

2025 crop receipts to decline 4%



2025 Share of Crop Receipts



Wheat receipts in 2025 are projected to drop for a second consecutive year, reaching \$1.90 billion (-5%), caused by downward trends in acres planted and prices. The 2026 cash receipts are expected to continue to fall at the same rate due to lower wheat production.

Smaller-than-expected area planted to canola in 2025 would result in a \$21.04 million decrease (-3%) in cash receipts, totaling \$0.75 billion. However, a recovery in planted acreage is anticipated in 2026, leading to a projected 3% rebound in canola receipts.

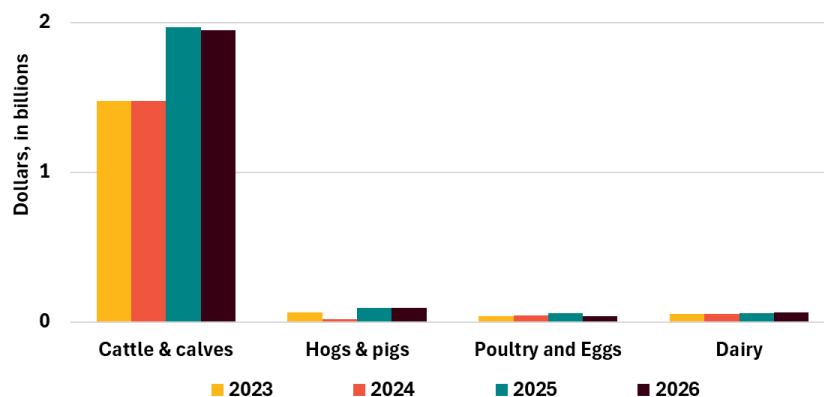
North Dakota Livestock

Livestock cash receipts are projected to jump to \$2.28 billion in 2025, up \$0.59 billion (35%) from 2024, as cattle prices are expected to set new records.

The cattle sector, which would account for 86% of the state's livestock receipts, saw a 20,000 head increase in cattle and calves inventory at the beginning of 2025. However, an expected 11% gain in marketings and a 21% increase in fed steer prices would expand 2025 cattle receipts by \$0.49 billion (33%), to \$1.97 billion.

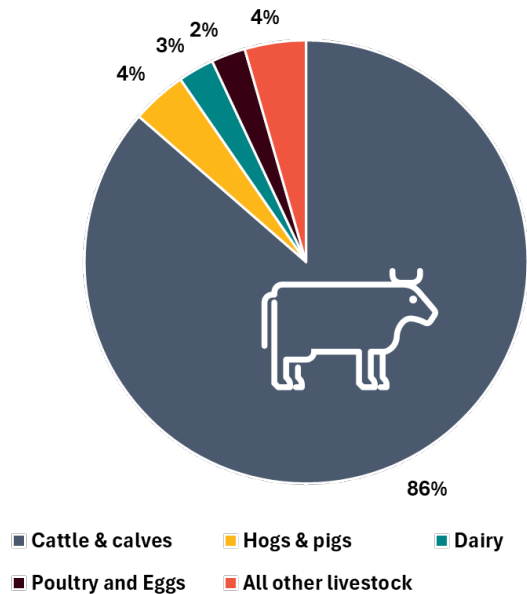
Similarly, hog marketings and prices are projected to rise 10% each in 2025. Therefore, hog receipts would reach \$91.47 million in 2025.¹

Livestock receipts to rise 35% in 2025



¹ As of September 3, 2025, USDA/ERS (2025b) reported the 2024 hog receipts in North Dakota at \$17.15 million, significantly lower than the previous 5-year average (\$57.40 million for 2019–2023). Although such decline reflects data collection issues rather than actual changes in the sector, RaFF's projections for 2025–2034 are based on USDA/ERS (2025b) data.

2025 Share of Livestock Receipts



Dairy receipts are expected to increase 15% in 2025 to \$59.99 million, due to an expansion of the milk cow herd. Meanwhile, egg receipts would grow 29% to \$54.56 million in 2025, driven by higher egg prices, before returning to 2022-2024 average levels in 2026.

Livestock receipts would remain relatively stable in 2026 at \$2.30 billion, supported by steady cattle and hog receipts.

North Dakota Expenses

Fertilizer costs are expected to rise 7% in 2025, reaching \$1.78 billion, followed by an additional 3% increase in 2026. These increases reflect rising crop area in 2025 and higher chemical costs in 2026.

Seed expenses would see a 5% rise in 2025, then a 3% decline to \$1.28 billion in 2026, in tandem with the expansion and reduction in acres planted.

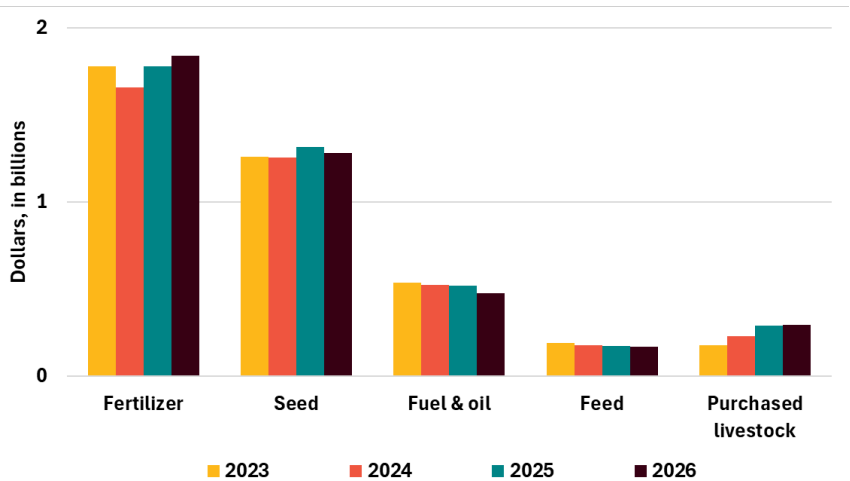
Fuel and oil expenses would continue to decrease by 1% in 2025 and 8% in 2026, while electricity costs are expected to rise 2% annually.

Expenses on purchased livestock are projected to rise by 26% to \$0.29 billion in 2025, proportional to the expected increase in feeder steer prices, then stabilize in 2026 as price growth slows.

Feed expenses are expected to partially offset the rise in purchased livestock costs with a 2% decrease in 2025, in tandem with lower crop prices.

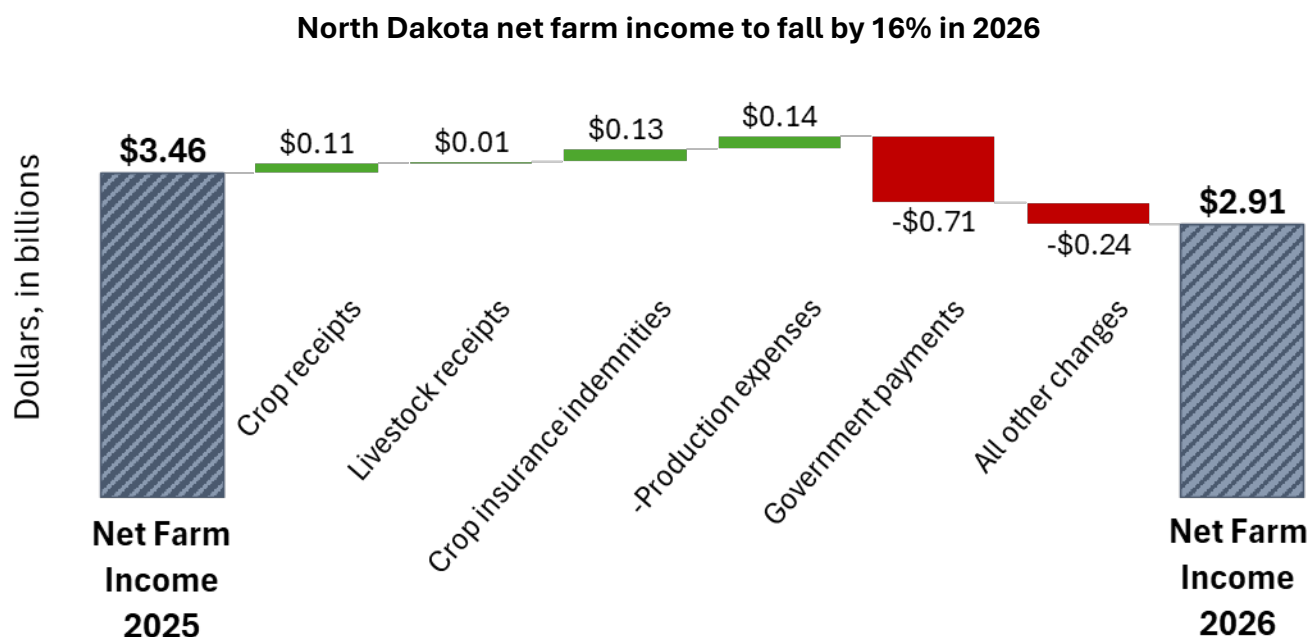
In addition, increases in machinery, labor, and rent expenses are expected in 2025, driving projected total farm expenses up by 3% to \$11.22 billion. The 2026 total production expenditure is expected to remain relatively steady at \$11.08 billion.

Farm input costs to rise 3% in 2025



North Dakota Farm Income in 2026

Net farm income is projected to fall by 16% to \$2.91 billion in 2026, primarily due to a 41% decline in direct government payments. Crop and livestock receipts are expected to slightly improve. Net farm income averages \$3.19 billion across the 10-year baseline projection (2025–2034).



Disclaimer

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

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Additional Resources

NDSU and Mizzou offer valuable support to farmers and ranchers through a variety of resources, including practical tools to organize farm finances, evaluate farm leasing options and capital

investments, and develop effective risk management strategies. For more information and to explore resources, visit ndsu.edu/agriculture/capts and muext.us/AgBusiness.

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This report and supporting tables are available for download at raff.missouri.edu/farm-income.

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