



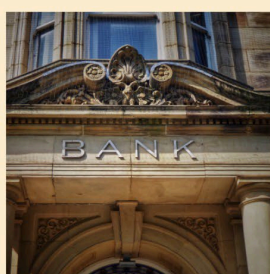
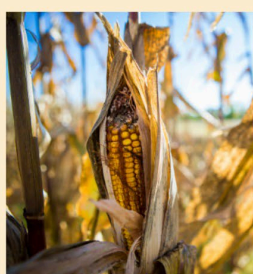
Rural & Farm Finance
Policy Analysis Center
University of Missouri

SPRING 2026 FARM INCOME OUTLOOK FOR NORTH DAKOTA

April 2026
RaFF Report 2026-07

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AGRICULTURAL POLICY
AND TRADE STUDIES



The Goal of this Report

In February 2026, the U.S. Department of Agriculture (USDA)'s Economic Research Service (ERS) updated state-level farm income estimates through calendar year 2024 and released national farm income projections for calendar years 2025 and 2026. In March 2026, the Food and Agricultural Policy Research Institute at the University of Missouri (FAPRI-MU) also released national farm income projections for calendar years 2025 through 2035 (FAPRI-MU 2026). The present report published by the Rural and Farm Finance Policy Analysis Center (RaFF) provides an updated outlook for North Dakota farm income in calendar years 2025 and 2026, as well as preliminary projections for 2027. 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 FAPRI-MU (2026) to the RaFF model. Published results incorporate adjustments based on expert insights from agricultural economists at the Center for Agricultural Policy and Trade Studies (CAPTS) at North Dakota State University.

How Farm Income is Measured

Following the ERS methodology (USDA/ERS 2026a), 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 flows occur. Net cash farm income is adjusted by non-cash income, non-cash expenses, and changes in inventory values to obtain the net farm income (NFI) measure.

National Farm Income Trends

In February 2026, USDA-ERS projected that U.S. net farm income (NFI) would decline 0.7% in nominal terms from 2025 levels to \$153.38 billion, while remaining above long-term averages (USDA/ERS 2026). The overall stability in NFI masks shifts in its composition. A \$13.80 billion increase in direct government payments—rising to \$44.34 billion—is the primary factor preventing a larger decline in income. These payments, including higher Price Loss Coverage (PLC) support and continued supplemental and disaster assistance, account for roughly 29% of projected NFI in 2026.

Market receipts provide a more mixed contribution. Total cash receipts are projected to decline by \$14.24 billion relative to 2025, driven by a \$17.02 billion reduction in receipts from animals and animal products, and partially offset by a \$2.77 billion increase in crop receipts. Within crops, higher corn receipts—supported by increased marketings—contrast with relatively flat soybean receipts and lower wheat receipts. For livestock, declining receipts are concentrated in the dairy and poultry sectors, with milk receipts projected to fall by over \$6 billion and egg receipts declining more than \$17 billion as prices return to historic levels. In contrast, cattle and calf receipts are expected to increase, supported by tight inventories and historically high prices, but not enough to offset broader livestock sector declines.

On the cost side, total production expenses are projected to increase by approximately \$4.56 billion in 2026. Higher livestock and poultry purchase costs are a key driver of this increase, while feed costs are expected to decline modestly. At the same time, structural cost pressures persist. Labor expenses, net rent to landlords, and interest costs continue to rise, contributing to a cost environment that remains historically elevated even as some input prices stabilize. These cost increases partially offset the support provided by government payments and contribute to tighter operating margins across much of the sector.

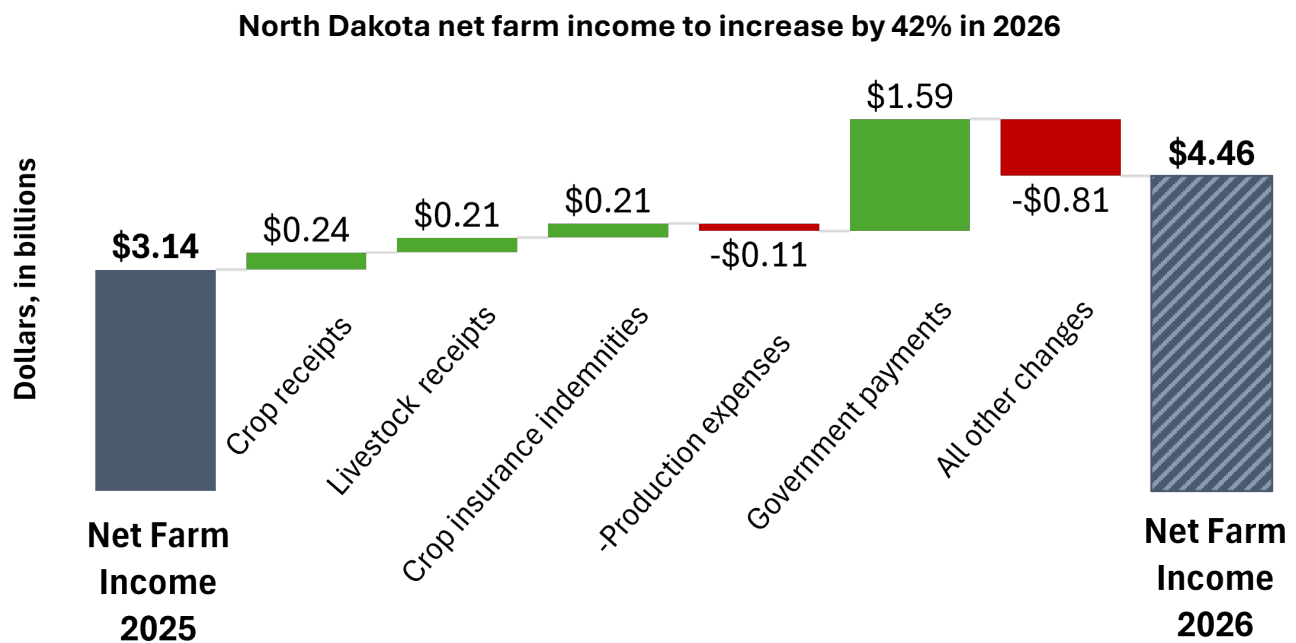
Overall, the 2026 farm income outlook reflects a shift away from broad-based market-driven gains toward increased reliance on policy support. While crop receipts show limited improvement and aggregate livestock receipts weaken, rising production costs continue to constrain profitability. In this context, direct government payments emerge as the central stabilizing force, offsetting declines in market income and sustaining NFI at levels that would otherwise be significantly lower. The implication is that, although aggregate farm income remains relatively strong in historical perspective, producers are likely to experience tighter margins and greater financial stress in 2026 than average income figures alone would suggest.

The FAPRI-MU (2026) projections, published in March but finalized in January 2026, are similar to those of the USDA/ERS (2026b), although the national NFI is forecast to decline 1.5% to \$152.29 billion in 2026 before declining again by 14% to \$130.71 billion in 2027. A 42% reduction in direct government payments and a 2% increase in costs are the main factors behind the projected deterioration of NFI in 2027.

The present Farm Income Outlook for North Dakota by RaFF incorporates information from USDA/ERS (2026b) and FAPRI-MU (2026). As a consequence of the ongoing conflict between the U.S. and Iran, the present report assumes that fertilizer costs will be 5% higher in 2026 than originally projected using FAPRI-MU baseline data (assuming, in turn, that 80% of the fertilizer needs for the 2026 crops has already been purchased by farmers) and that they will be 10% above baseline levels in 2027, before returning to baseline levels from 2028 forward. Additionally, this report assumes that fuel and oil costs will be 35% and 15% higher than the FAPRI-MU baseline in 2026 and 2027, respectively, before returning to baseline levels from 2028 onwards.

North Dakota Farm Income in 2026

RaFF and CAPTS project North Dakota’s net farm income at \$4.46 billion in 2026, \$1.32 billion (42%) higher than in 2025, and the second highest on record after 2022. The main driver of the NFI expansion is a \$1.59 billion (109%) increase in government payments to \$3.05 billion, the highest on record, mainly from supplemental and ad hoc disaster assistance and Title I program payments. Crop and livestock receipts are projected to increase by \$237 million (3%) and \$211 million (11%), respectively. NFI would also be supported by higher crop insurance indemnities. These gains would be partially offset by slightly higher production expenses and a substantial decrease in the value of inventories (as a part of ‘All other changes’ in the following graph), as a large share of the crop sales would come from sales of previous year’s crops. North Dakota’s projected 42% increase in net farm income is in stark contrast to the projected 1.5% decline in U.S. net farm income for 2026 by FAPRI-MU.

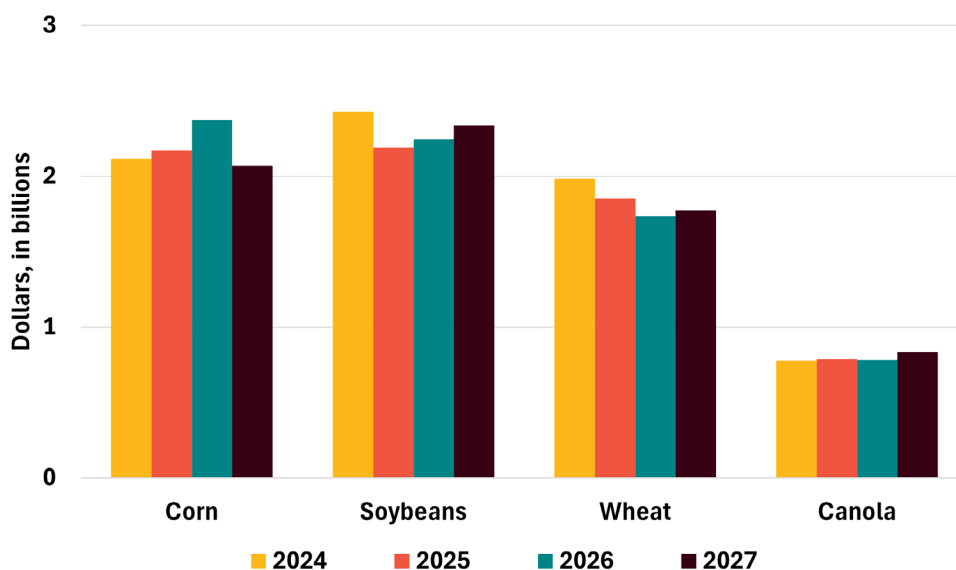


North Dakota Crops

Total crop receipts are projected to increase by \$237 million (3%) to \$9.05 billion in 2026, driven primarily by higher receipts for corn, soybeans, and vegetables.

Cash receipts from corn are expected to increase by \$202 million (9%) to \$2.37 billion in 2026, as higher prices and large sales of the bumper crop from 2025 more than offset lower sales from the 21% smaller new crop. Corn receipts are expected to decline in 2027, primarily due to a decline in sales of old crops.

Crop receipts increase 3% in 2026

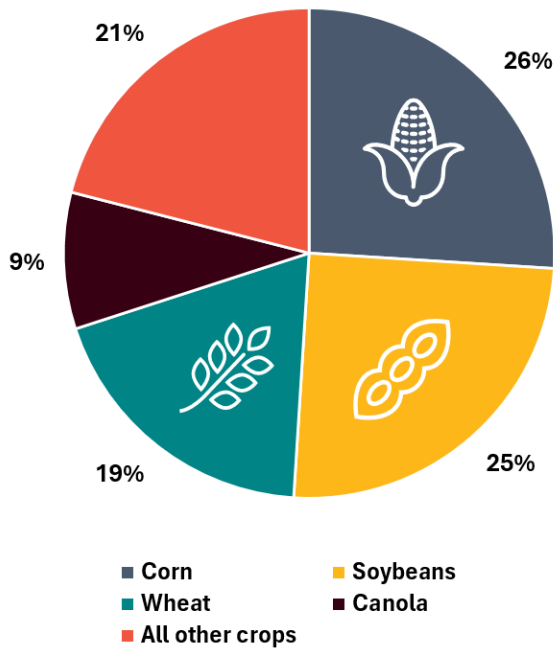


Soybeans production is projected to increase by 15.32 million (7%) bushels in 2026, driven by higher yields. Combined with slightly higher prices, soybeans receipts are expected to increase by \$56 million (3%) to \$2.25 billion in 2026. Cash receipts are projected to continue to increase by 4% in 2027, driven by higher soybean production and prices, although they would remain 12% below their peak in 2022.

All wheat receipts in 2026 are projected to decline 6% to \$1.73 billion, bringing the cumulative decline to 29% from their peak in 2023. An 8% reduction in all-wheat production combined with smaller old-crop sales are expected to offset a 14% increase in price. Cash receipts are expected to increase in 2027 due to slightly higher prices and stable production.

Canola planted area is projected to increase 65,000 acres (4%) in 2026. However, a 7% decrease in yields would reduce production by 5% to 3.64 billion pounds. Despite a 3% increase in price, cash receipts would fall by \$5.27 million (-1%) to \$781 million.

2026 Share of Crop Receipts



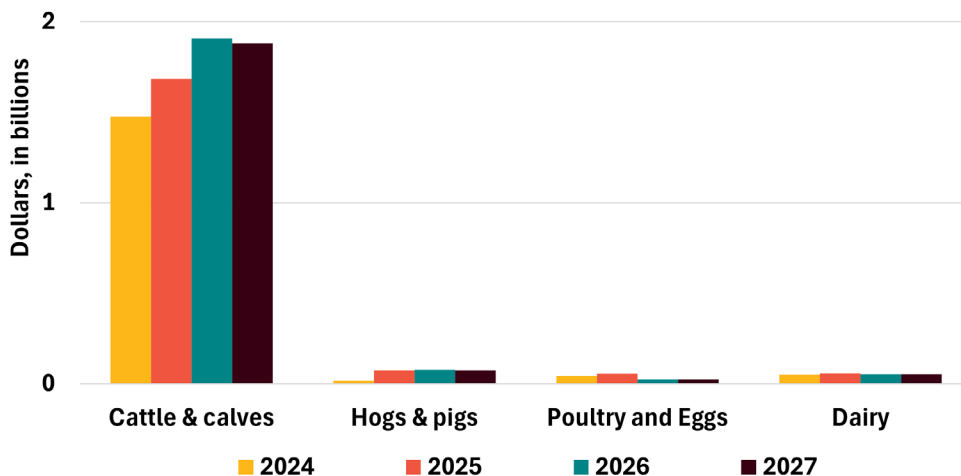
Cash receipts from vegetables are projected to increase by \$156 million (21%) to \$914 million in 2026, as receipts for dry beans and potatoes are expected to increase 14% and 30%, respectively. The potato crop is expected to be the second largest of the past decade.

In 2027, total crop receipts are expected to decline slightly to \$8.89 billion, primarily driven by lower sales of corn inventories in 2027 compared to 2026.

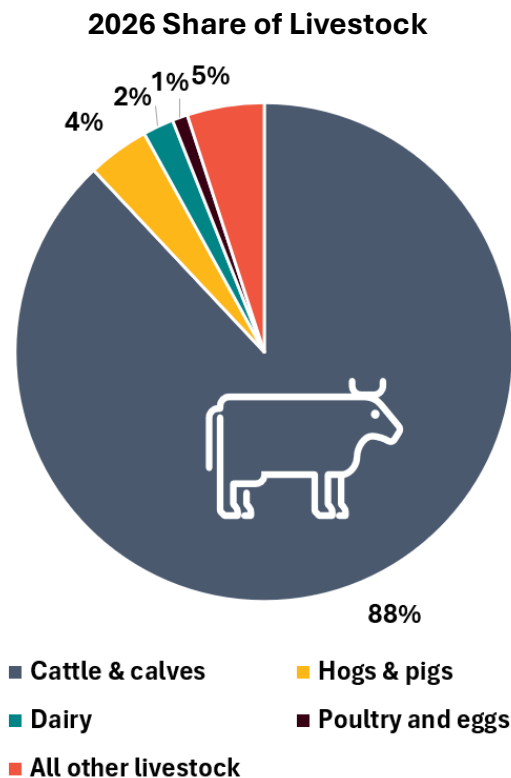
North Dakota Livestock

Livestock cash receipts are projected to reach \$2.18 billion in 2026, up \$211 million (11%) from 2025, driven by higher cattle receipts.

Livestock receipts to rise 11% in 2026



The beginning inventory of cattle and calves in 2026 was at 1.73 million head, 50,000 head higher (3%) than a year before. Marketings for cattle are projected to increase by 9%, while fed steer prices would continue to reach new records and average \$234.84 per hundredweight (5% higher than in 2025). As a result, cash receipts for cattle and calves, which account for 88% of North Dakota’s livestock receipts, are projected to increase by \$225 million (13%) to \$1.91 billion.



Hog and pig receipts are projected to increase by \$1.66 million (2%), and to account for 4% of North Dakota’s livestock receipts in 2026. This increase is driven by relatively stable prices and increased marketings.

Dairy cash receipts are projected to decrease by \$4.34 million (-8%) to \$53.22 million in 2026. More milk cows on farms contribute to a 3% increase in total production, which is outweighed by a 10% drop in milk prices.

Cash receipts for eggs are projected to decrease \$32.12 million (-61%) to \$20.19 million in 2026, as the impacts of recent Highly Pathogenic Avian Influenza (HPAI) outbreaks dissipate.

North Dakota livestock receipts are projected to remain stable in 2027, as small increases in cattle and hog marketings would be offset by lower prices.

North Dakota Expenses

In 2026, total production expenses are projected to increase by \$106 million (1%) to a record \$11.34 billion.

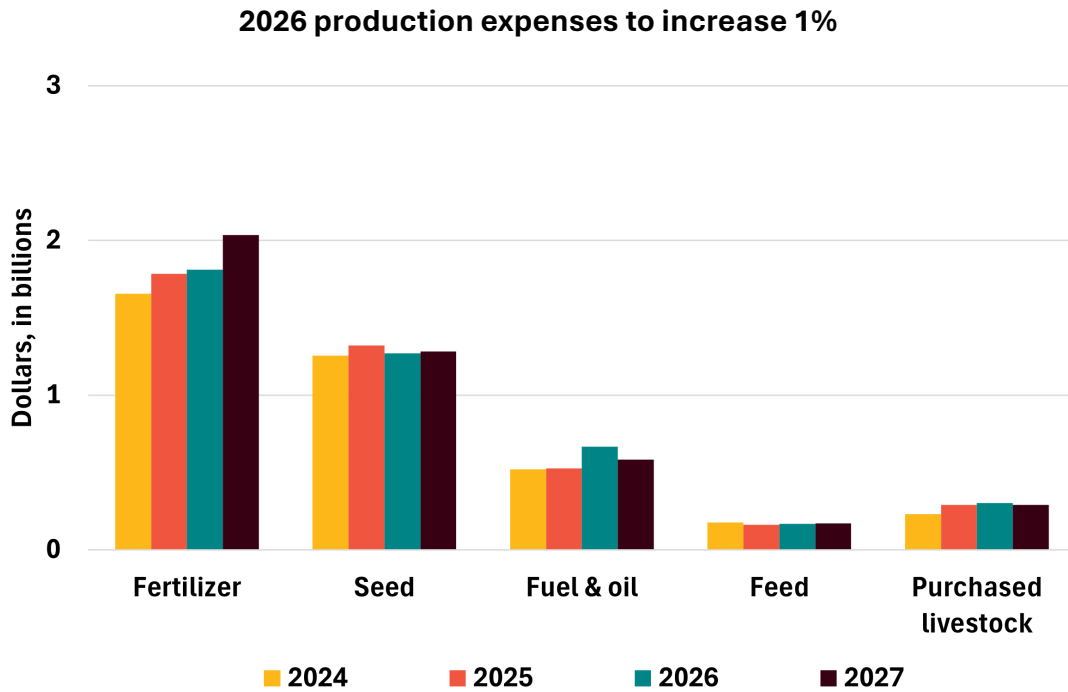
Purchased livestock expenses are projected to increase by \$13.49 million (5%) to a record \$304 million in 2026 before declining to near 2025 levels as feeder cattle prices soften in 2027.

Feed expenses are expected to rise by 3% annually to \$168 million in 2026 and to \$172 million in 2027, as livestock production continues to expand in North Dakota.

Amid ongoing geopolitical tensions related to the Iran conflict, fuel and oil expenses are expected to increase by 26% in 2026 before declining by 13% to \$583 million in 2027. Assuming that most fertilizer purchases for the 2026 crops have been completed before the conflict, expenses on fertilizers are projected to rise by 1% in 2026, and 12% in 2027, to reach a record level of \$2.04 billion in 2027.

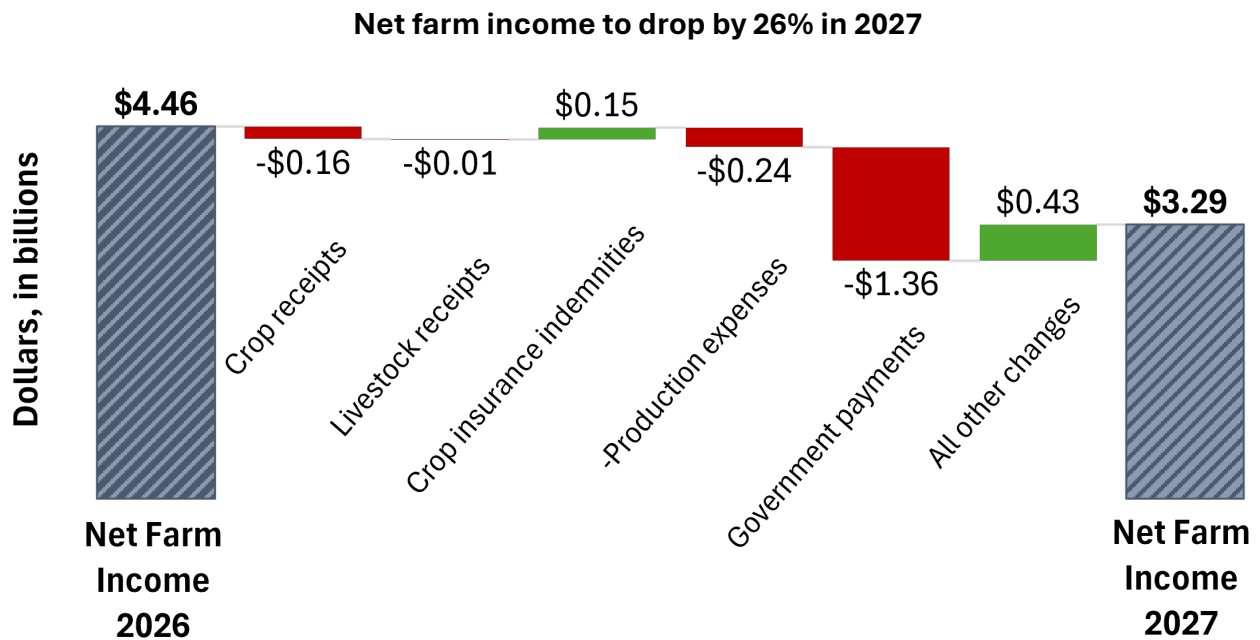
A projected 4% decline in seed expenses, to \$1.27 billion in 2026, would provide some relief against other rising production costs.

In 2027, total production expenses are projected to increase by 2%, driven by higher fertilizer, feed, and seed costs.



North Dakota Farm Income in 2027

Net farm income is projected to decrease by \$1.18 billion (-26%) to \$3.29 billion in 2027, as direct government payments drop by \$1.36 billion (-45%) in the absence of new supplemental and ad hoc programs. In addition, farm receipts are projected slightly lower and production expenses slightly higher in 2027. A deceleration in the rate of decline for the value of inventories (shown as a part of ‘All other changes’ in the following graph), helps to mitigate the reduction in net farm income. Net cash income (defined as cash receipts minus cash expenses only, and excluding the value of inventories and depreciation expenses) is projected to decline by 31%—from \$5.49 billion in 2026 to \$3.81 billion in 2027 (not shown in the graph). Net farm income averages \$3.32 billion across the 10-year baseline projection (2026-2035).



Disclaimer

The results presented in this report do not consider market uncertainty. Small proportional changes in cash receipts, production expenses or unannounced government assistance 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 ndsuet.edu/agriculture/capts and muext.us/AgBusiness.

Supporting tables are available for download at raff.missouri.edu/data-tables/. Permission is granted to reproduce this information with appropriate attribution to the authors and RaFF.

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