Practical Farm Economic Insights for 2026

Certified Crop Advisor Conference, December 9, 2025

Ben Brown- University of Missouri

Extension
University of Missouri

2025 Closing Remarks- Last Years Thoughts

Here are my final thoughts for 2025

- **Markets:** Commodity prices largely remain below cost of production for 2025.
  - International demand for US commodities continues to relatively decline on increased global production- however, remains the largest opportunity for higher prices in 2025.
  - Renewable fuels continues to build out. Look for whipsaw in 2025.

- **Finance:** The price cost squeeze intensifies in 2025.
  - Prices and Margins all decline in 2025 with expected prices and average yields.
  - I expect consolidation up and down the ag sector over the next few years as operations exit.
  - Demand for operating loans is expected to increase.

- **Policy:** Always uncertain, but maybe more so now.
  - Trade policy
  - Another 1-year extension of the 2018 Farm Bill is likely; FARM ACT Program payments could be sizable
  - Treasury Department Decisions around IRA Tax Credits have big implications for markets in 2025.

2026 Outlook: Mark Twain Said it Best

"History doesn't repeat itself, but it often Rhymes"

- **Large U.S. Production Estimates-** I expect to shrink some after December stocks reprot due to late season dryness.
- **Increasing Global Competition-** Primarily from South America.
- **Surprisingly, Resilient Consumer Spending-** driving meat and fuel consumption.
- **Trade Policy Uncertainty-** Changing Tariff Rates, Higher Shipping Rates, and purchase commitments.
- **Increasing Input Costs**- Very little softness seen in cash rental rates and increases in seed, fertilizer and chemical costs.
- **Tight to Negative Margins for Every Crop-** however, little change in total planted acreage.
- **More Government Assistance-** More outlays from OB3 and ad hoc programs.

2026 Crop Market Outlook: Flickers of Light Ahead

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Price Outlook: Prices in 2025 & 2026

Marketing Year	2018-2022 average	2020	2021	2022	2023	2024	2025	Percent Change	2026	Percent Change
Soybeans ($/bu.)	11.07	10.80	13.30	14.20	12.40	10.00	**$10.50**	+5%	**10.66**	+2%
Corn ($/Bu.)	4.85	4.53	6.00	6.54	4.55	4.30	**$4.00**	-7%	**4.22**	+5%
Long Grain Rice ($ cwt)	13.14	12.60	13.60	16.70	15.90	14.00	**11.50**	-18%	**11.55**	+0%
Sorghum ($/bu.)	4.70	5.04	5.94	6.38	4.93	4.10	**3.80**	-7%	**3.91**	+3%
Upland Cotton ($/lb)	0.74	0.66	0.91	0.85	0.76	0.63	**0.62**	-2%	**0.65**	+5%
Wheat ($/bu.)	6.25	5.05	7.63	8.83	6.96	5.41	**5.00**	-8%	**5.48**	+10%
Cattle ($/cwt)	122	109	122	144	176	187	**226**	+21%	**242**	+7%
Pork 51-52% lean ($/cwt)	55.11	43	67	71	59	63	**69**	+10%	**66**	-4%

Bold Numbers- Estimates

Source: USDA WASDE for 2020-2025 and FAPRI-MU, Nov. Baseline for 2026

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University of Missouri

US Ag Outlook: Global Supply- Favorable

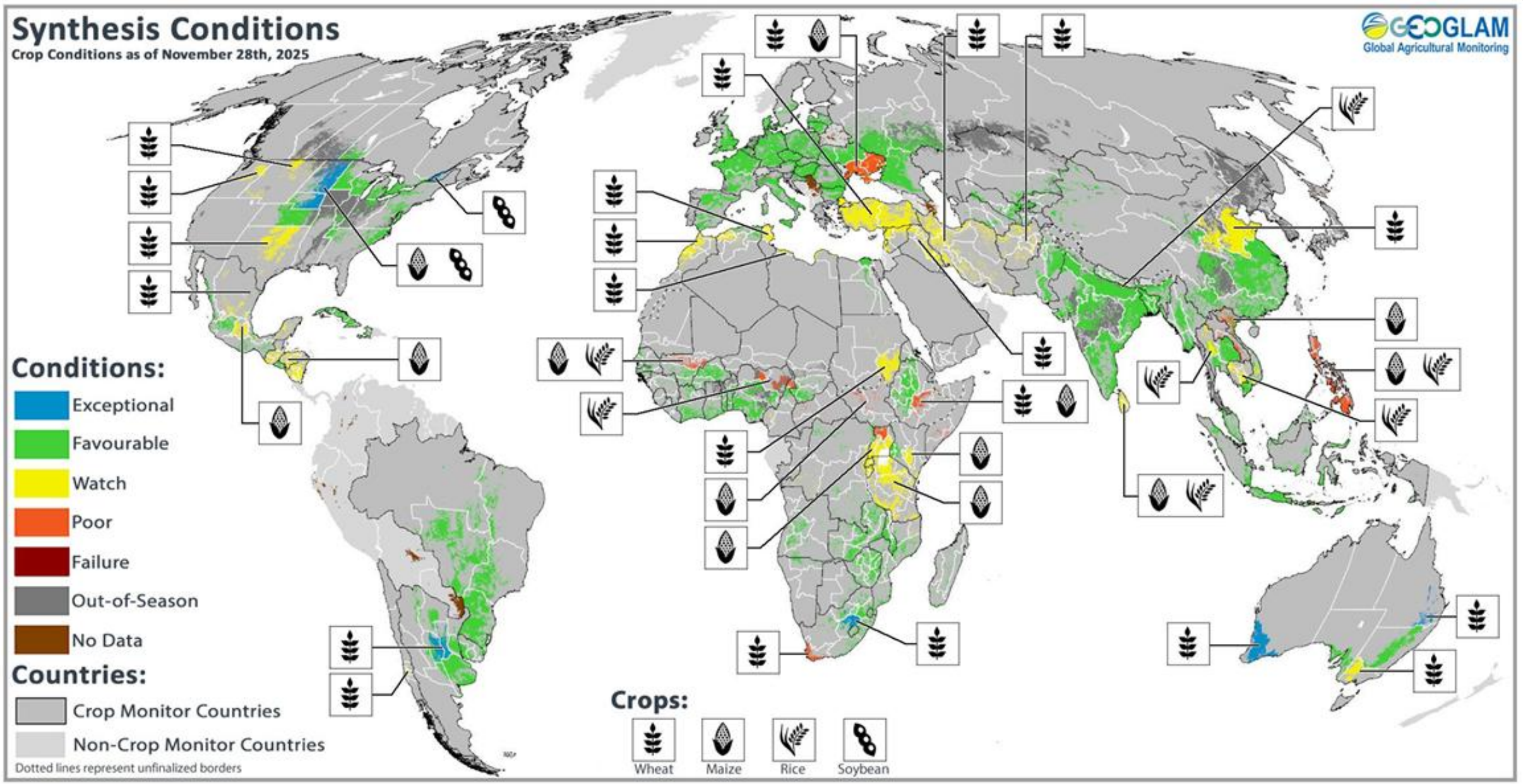

Photo Credit: Kenzie Johnson

2026 Corn Outlook

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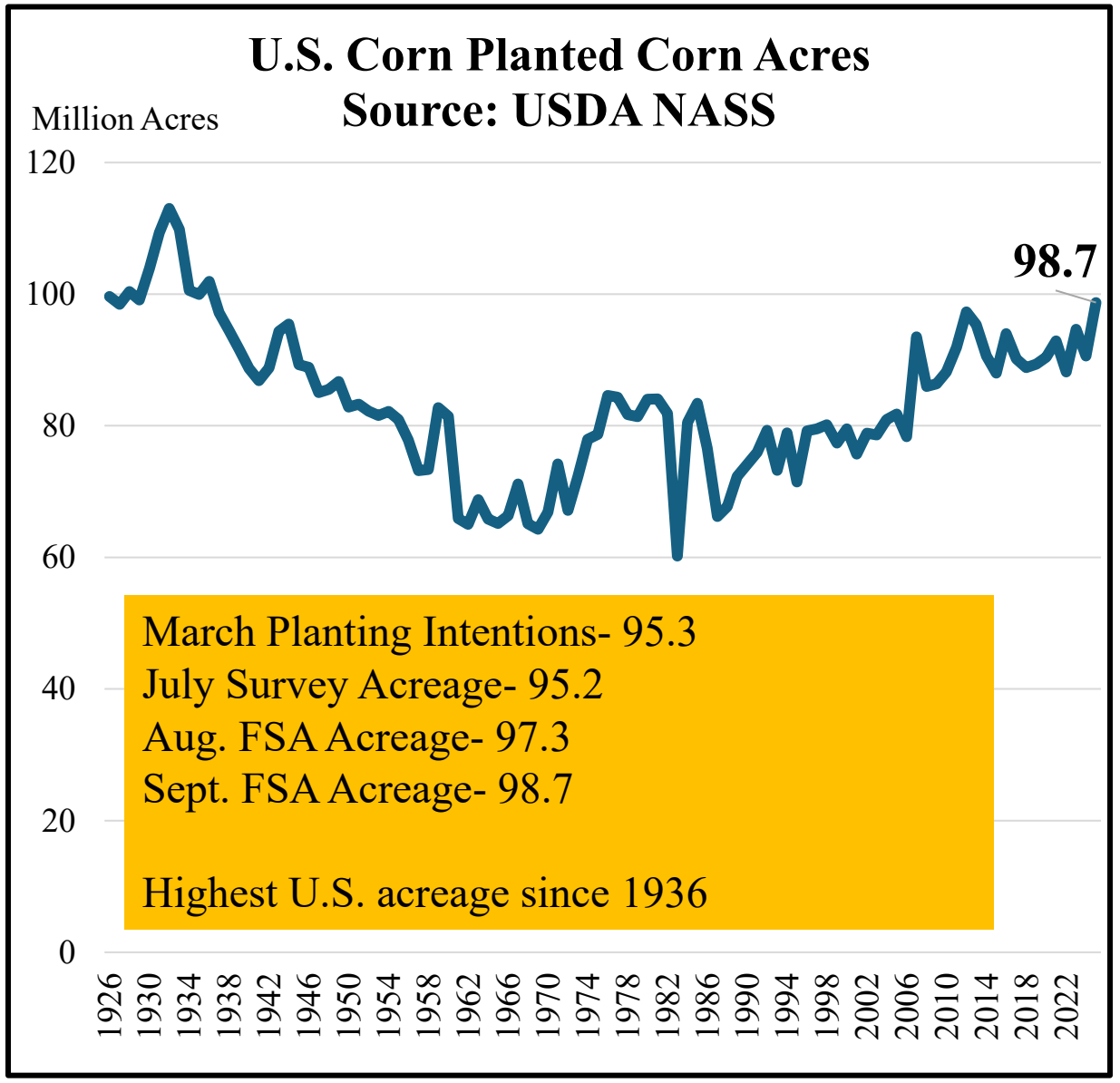
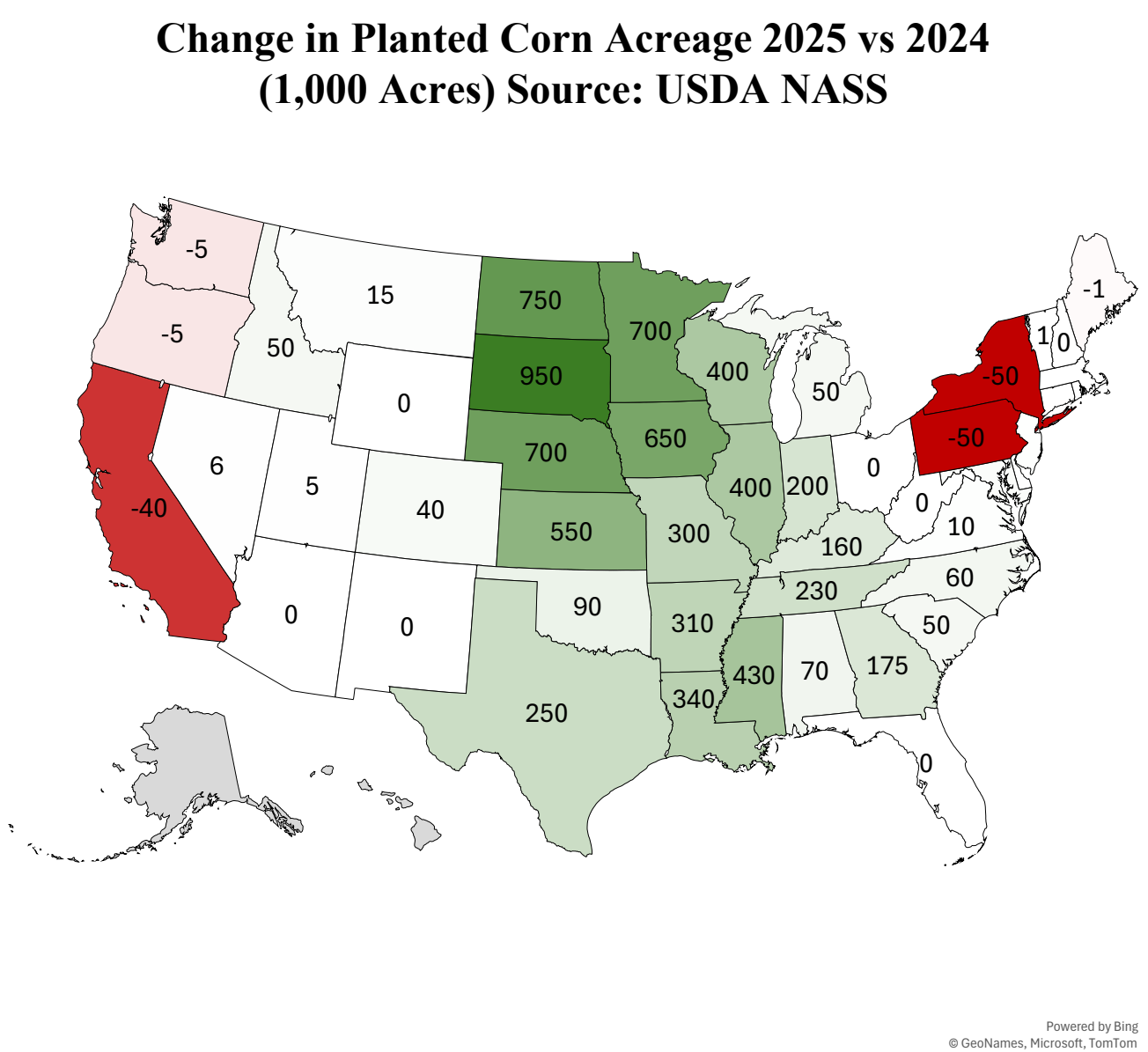
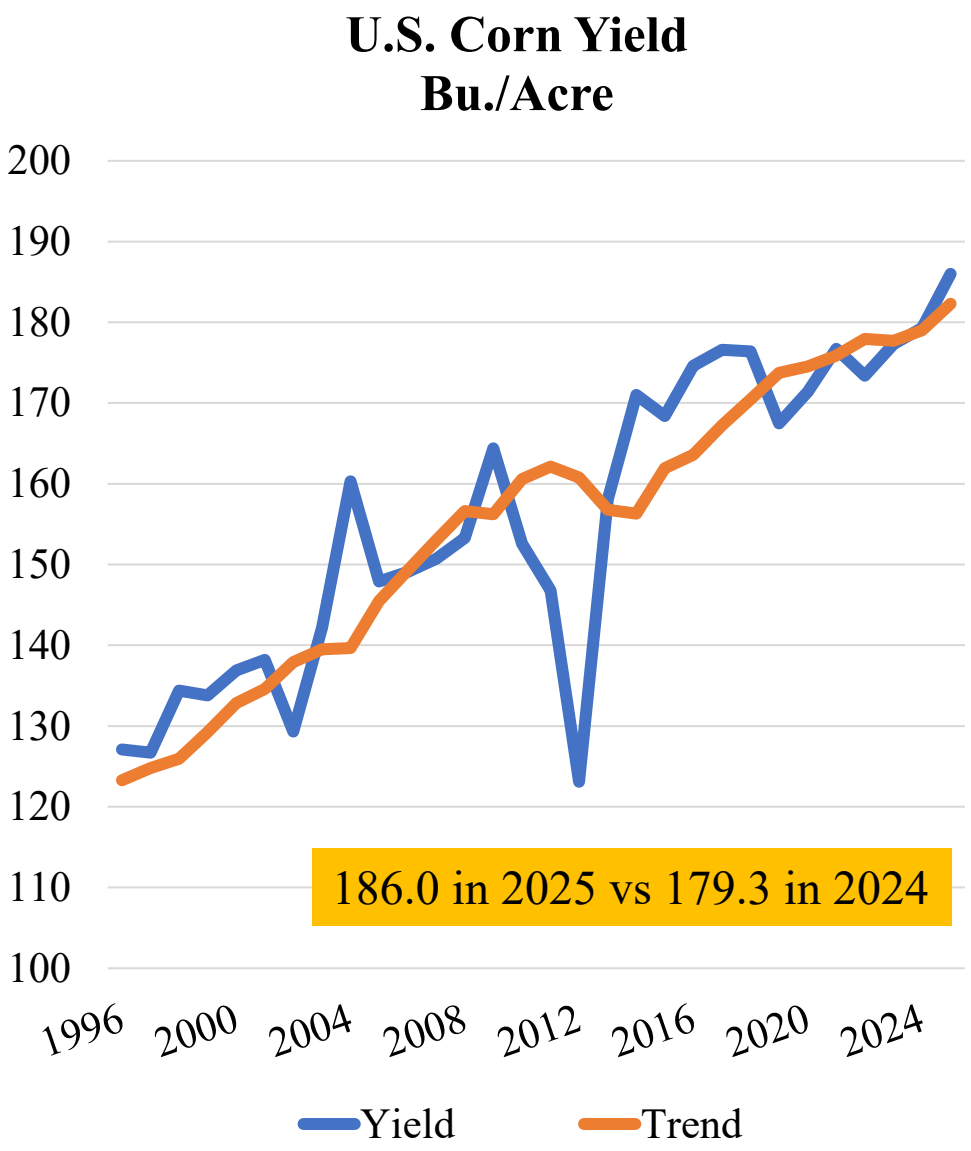
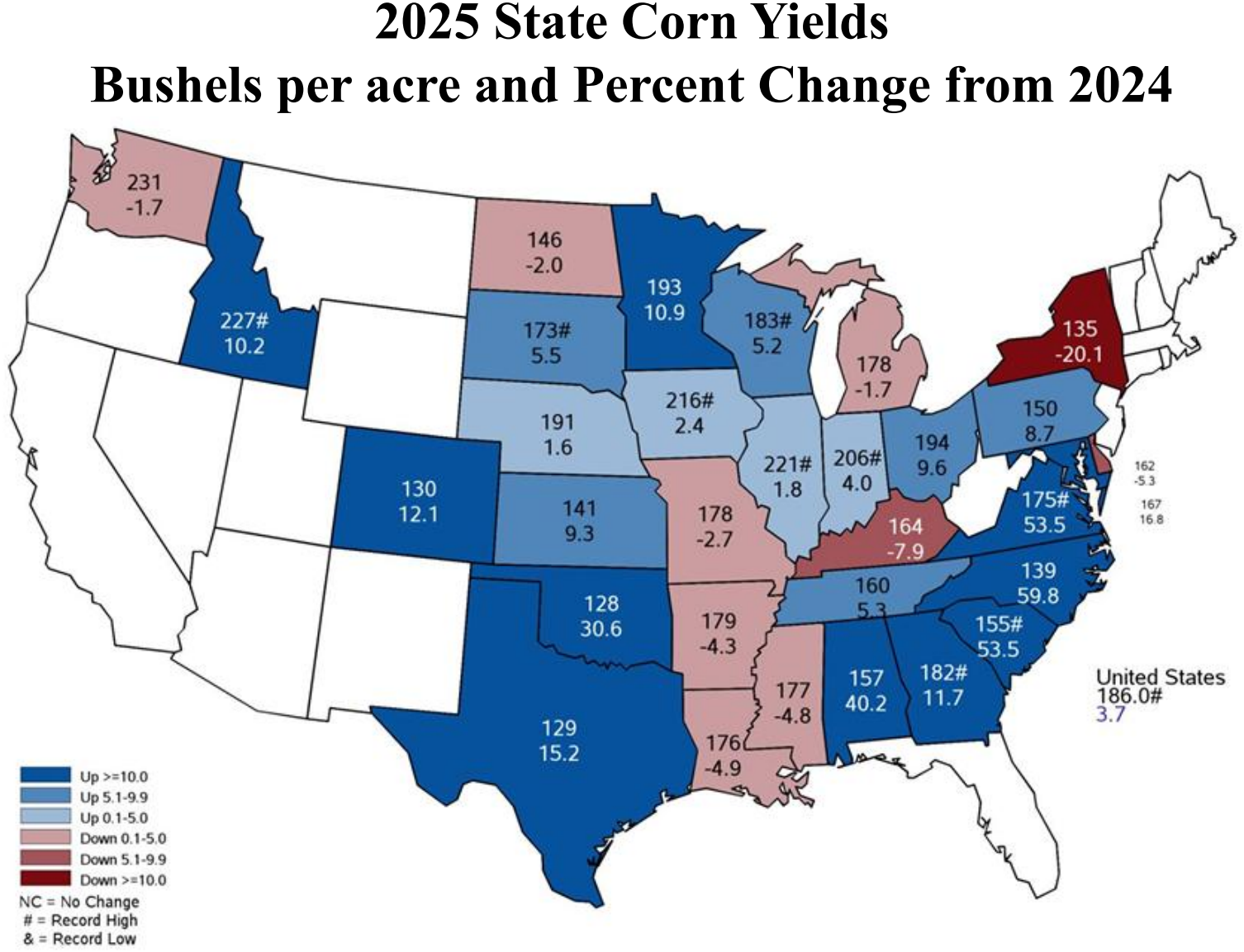
US Corn Outlook: Surprise Change In Acreage





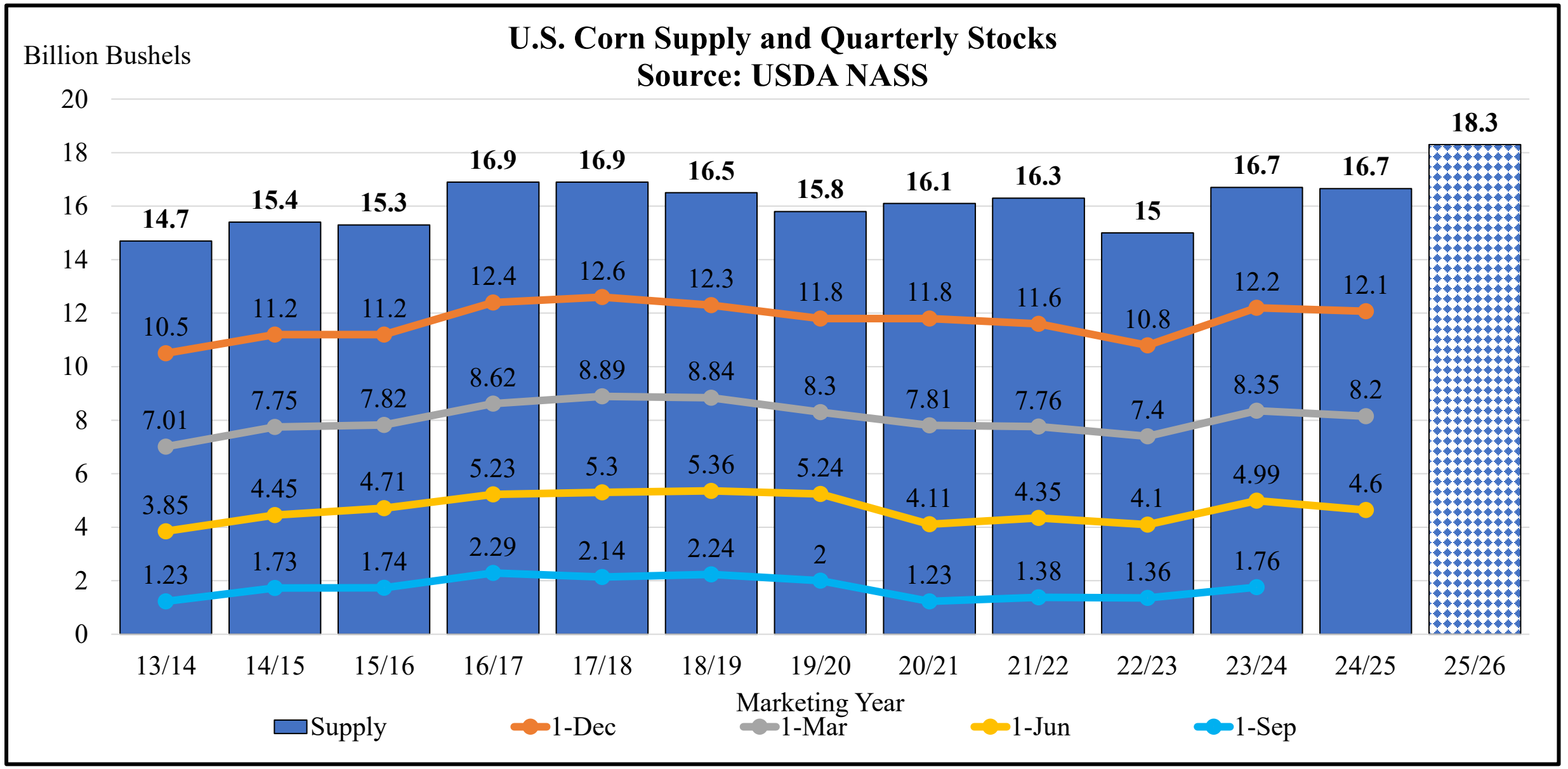
US Corn Outlook: Record National Yield





Source: USDA NASS, November Crop Production Report

US Corn Outlook: Record Supply



US Corn Outlook: The Three-Legged Stool

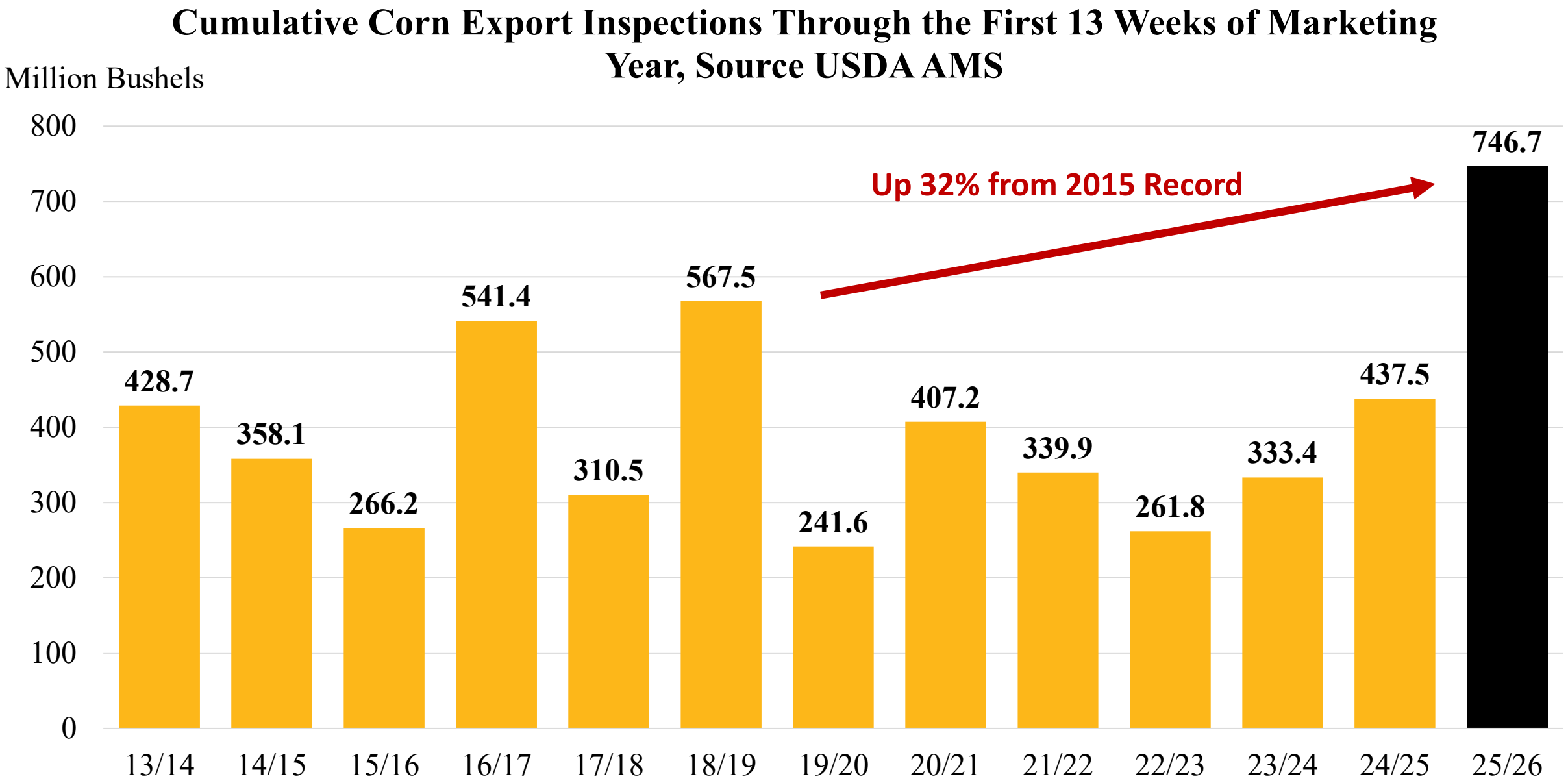
Update on the Three-Legged Stool

1. **Feed and Residual Demand**
   - Large 2025 corn crop leads to relatively large residual loss
   - Lower feeder cattle numbers- and finding a ceiling on pounds. More poultry
   - Cheap wheat and grain sorghum prices.

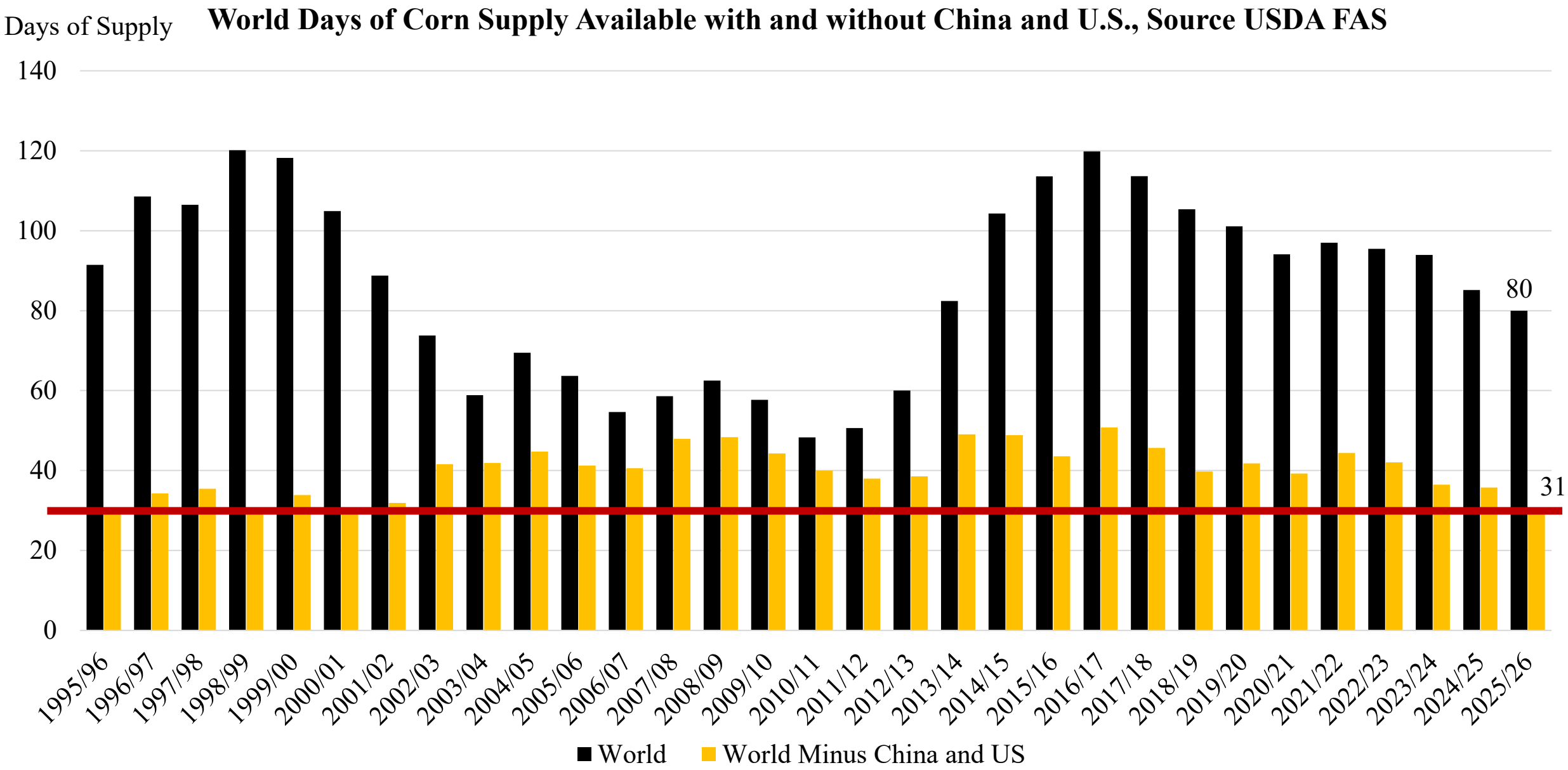
2. **Corn Used for Ethanol**
   - Largest single week of U.S. production volume- **November 28, 2025**
   - Opportunities to expand biofuel use.

3. **Exports**
   - Strong sales to Mexico in both old and new crop marketing years.
   - Large 2025 Brazilian corn crop with expanded domestic use.

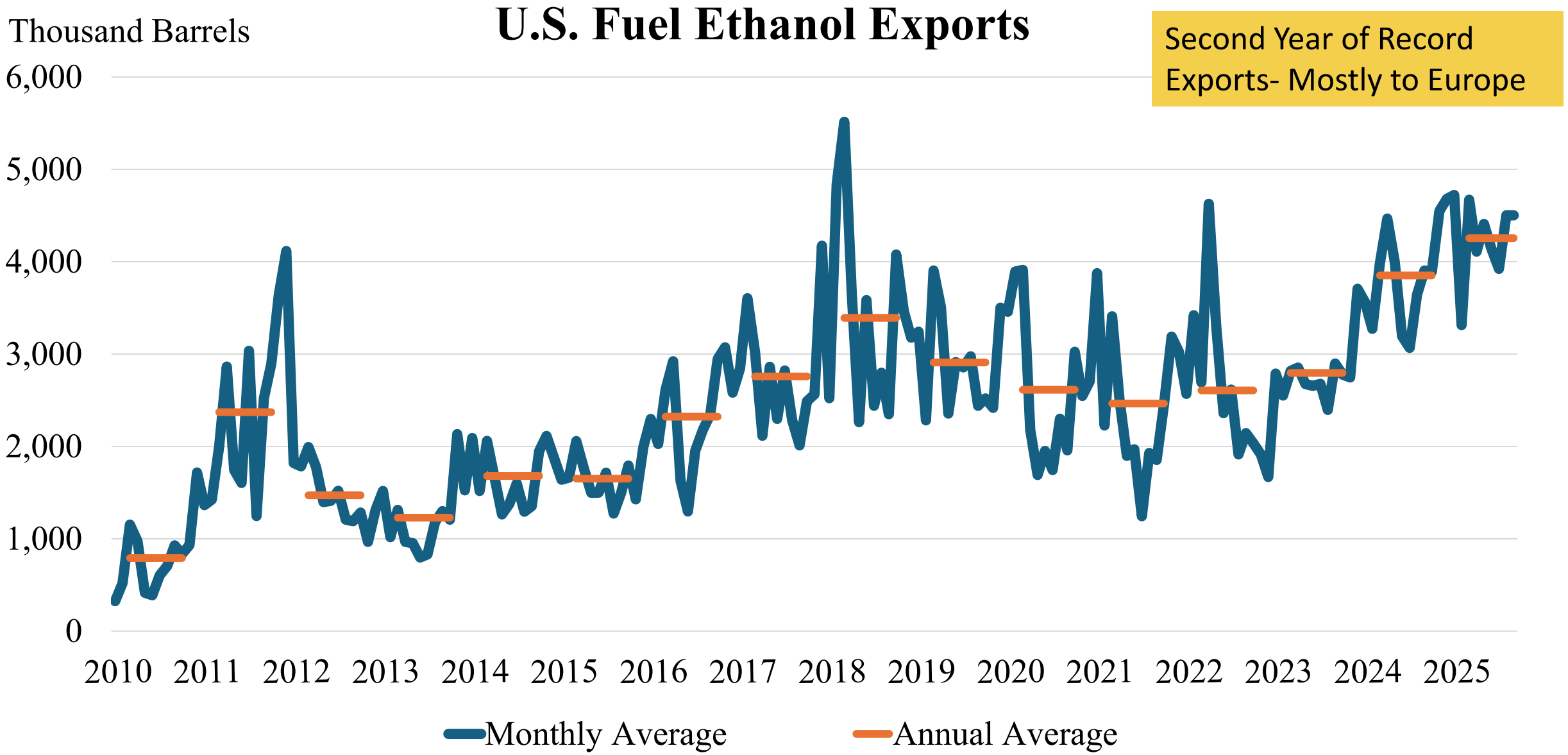
Price Outlook: Corn Exports Very Strong



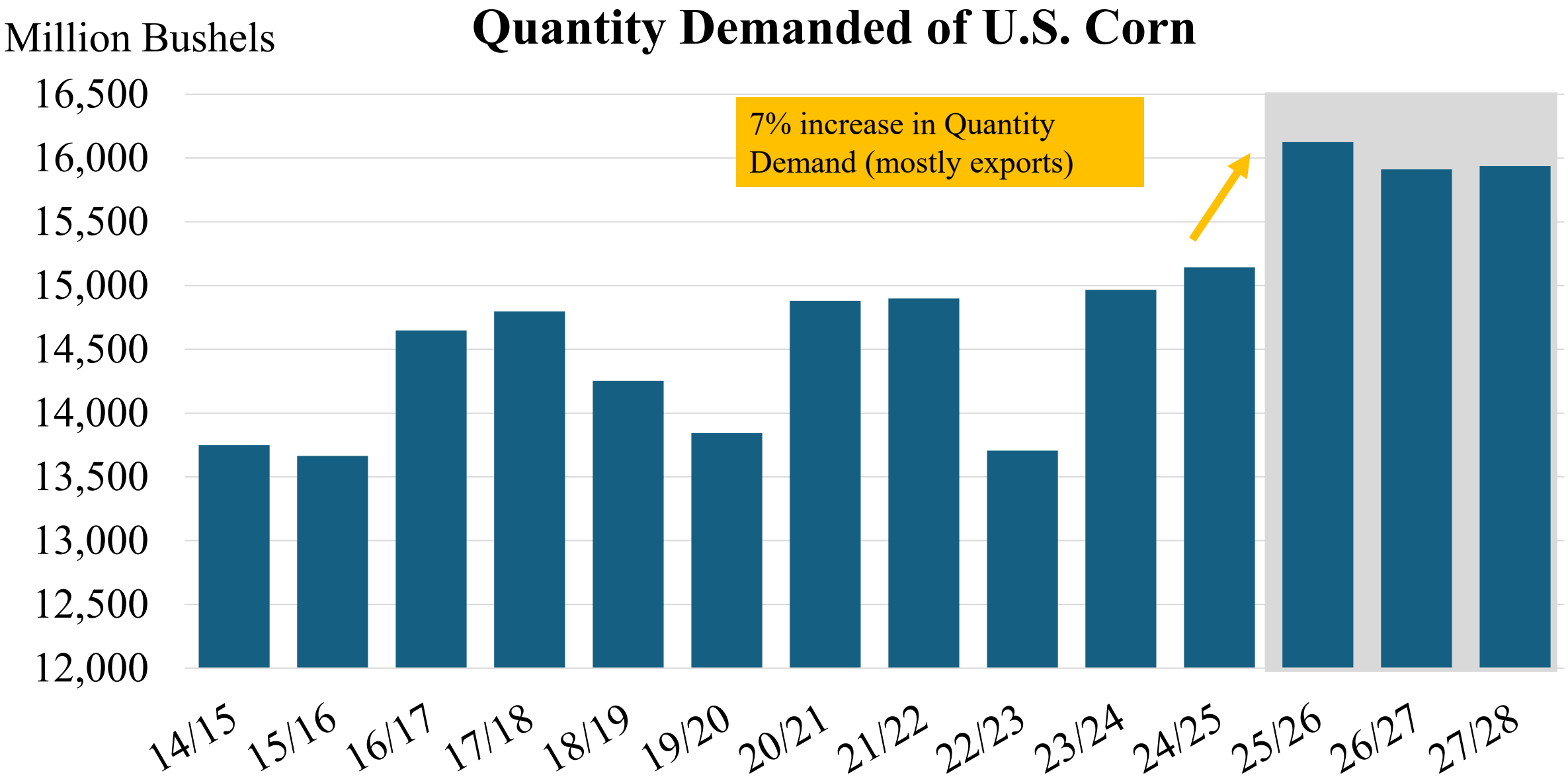
Price Outlook: Tight Global Corn Market



Corn Outlook: Ethanol Exports

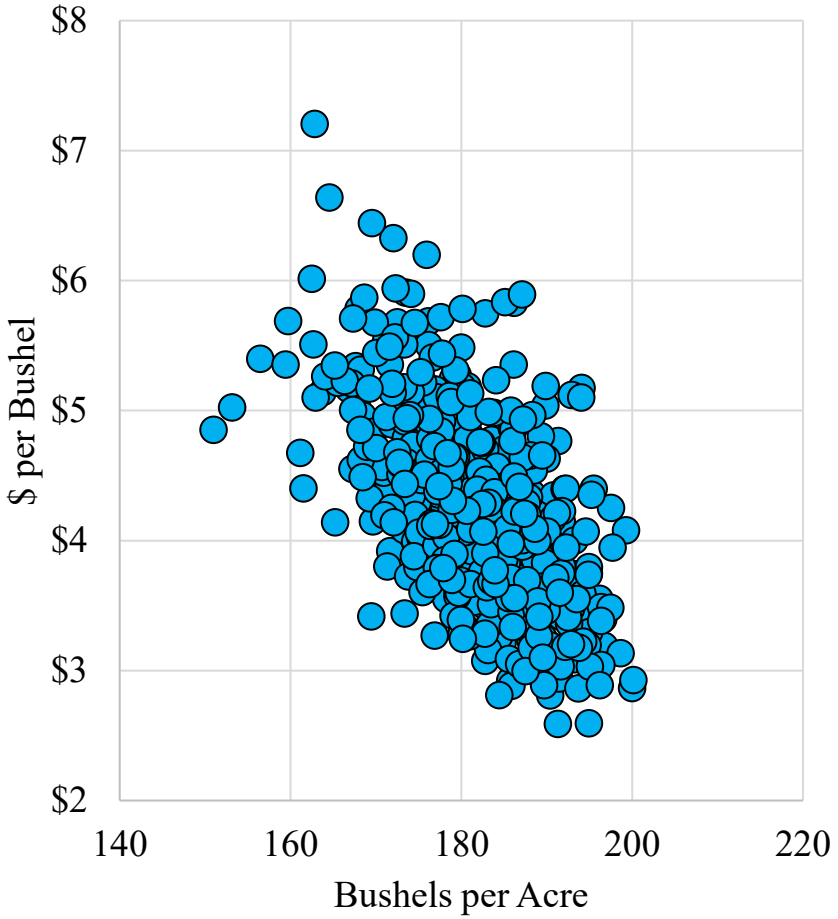


Corn Outlook: Finding Uses for 18.3 Bil. Bu.



Price Outlook: Distribution of Corn Prices

2025 Corn Price Outcomes

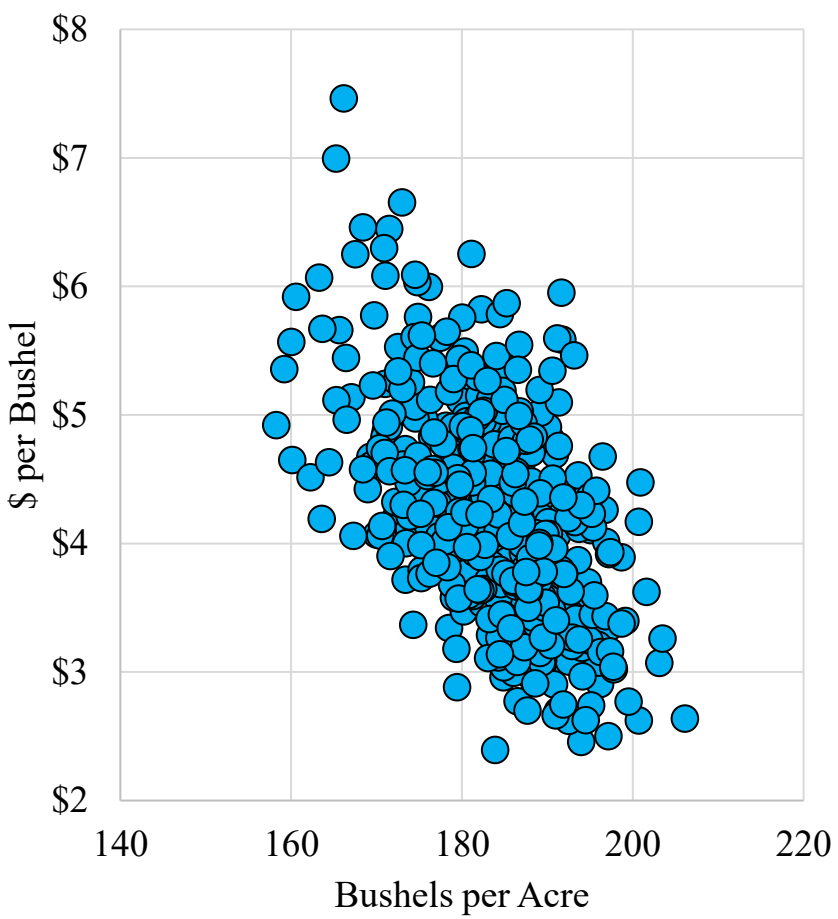


Median: $4.10*

25%: $3.66

75%: $4.71

2026 Corn Price Outcomes

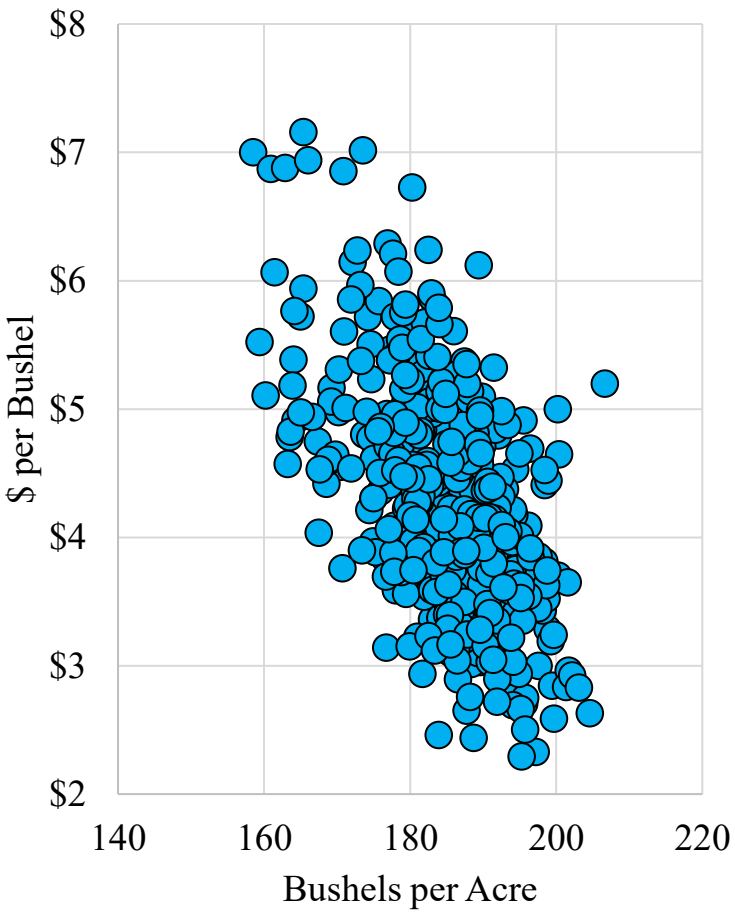


Median: $4.22

25%: $3.61

75%: $4.69

2027 Corn Price Outcomes



Median: $4.27

25%: $3.58

75%: $4.75

2026 Soybean Outlook

Food & Agricultural
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Trade Outlook: $1.30 /bu. Rally!

Source: ProphetX, December 5, 2025

Soybean Outlook: Four Big Questions

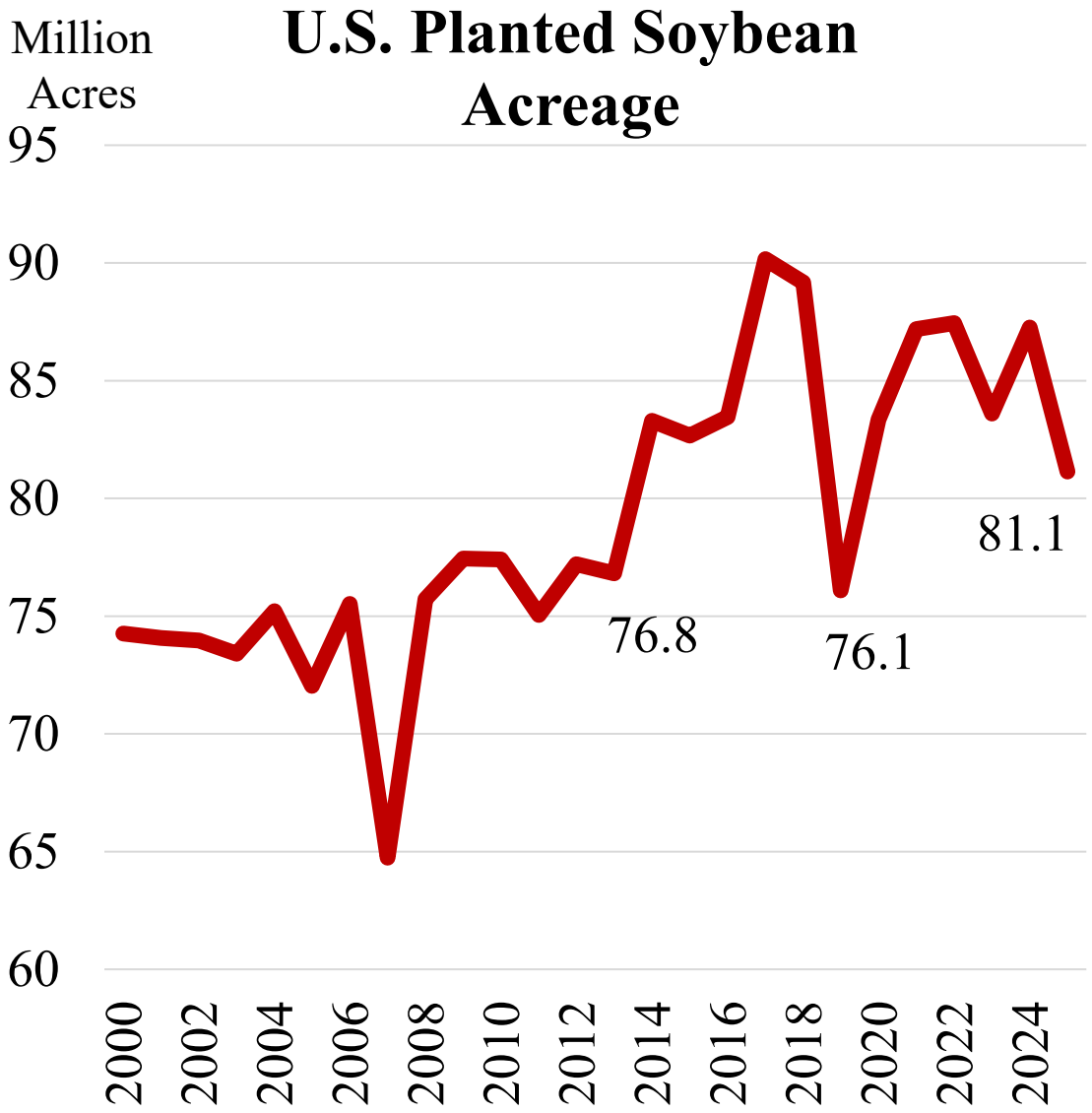
1. **Supply-** What did the dry August do?- Record Yield??

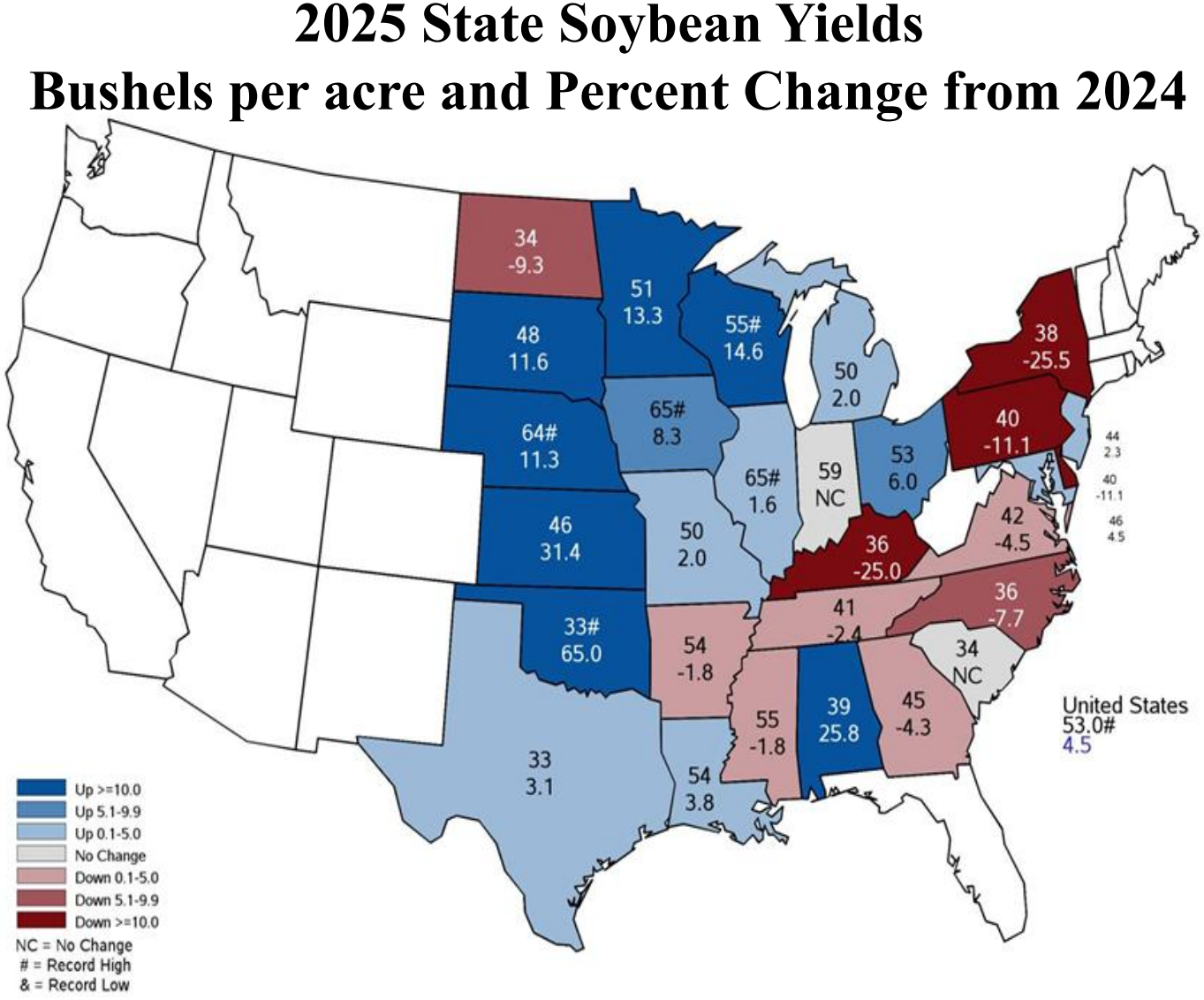
2. **Trade-** How many soybeans will be export and to where?

3. **Biofuels-** Will U.S. EPA implement the proposed volumes?

4. **Fertilizer-** Do U.S. producers shift from corn to beans in 2026?

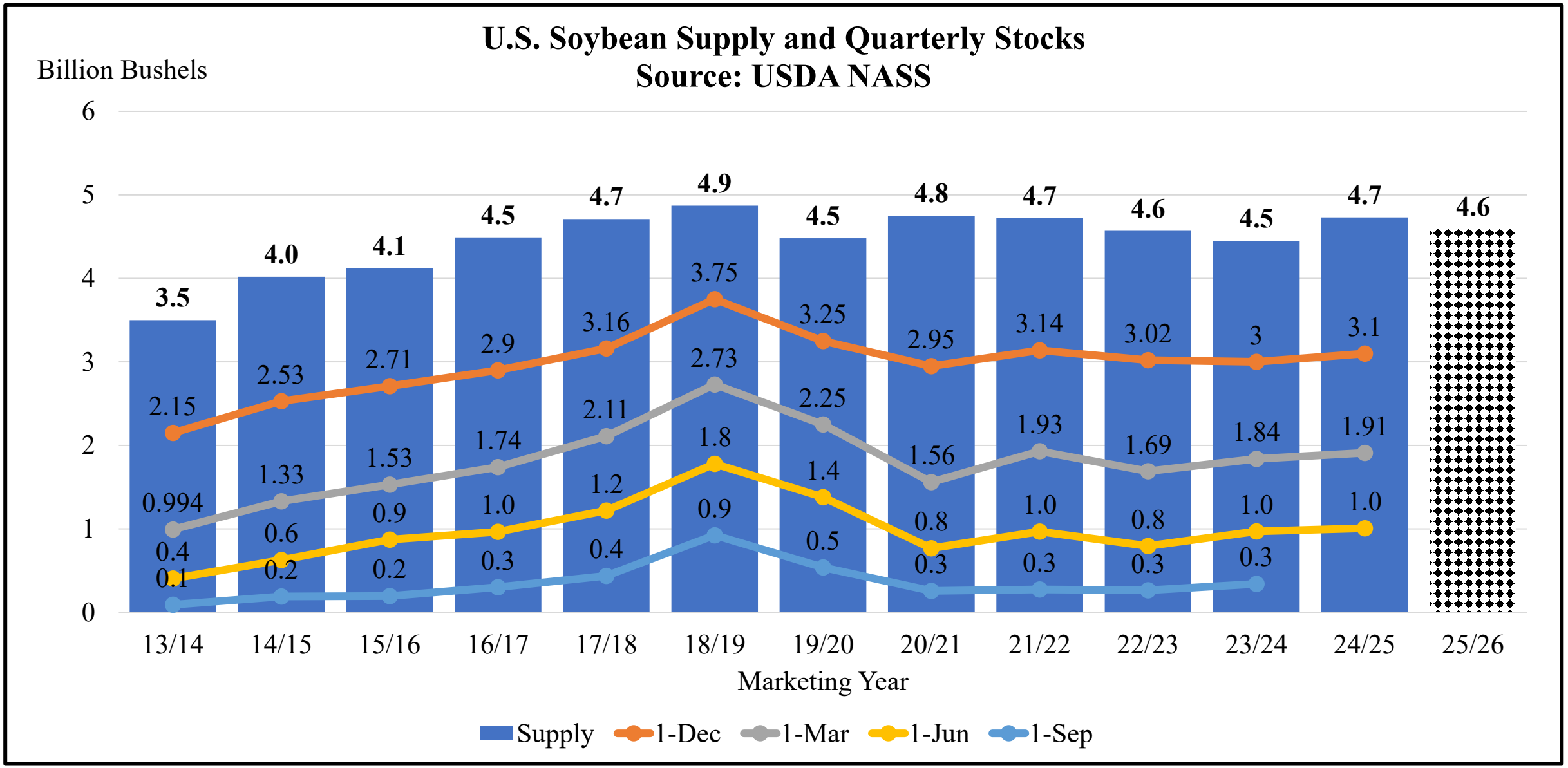
US Soybean Outlook: Lower Supply





Source: USDA NASS, November Crop Production Report

US Soybean Outlook: Lower Supply



Trade Outlook: Market Moving Tweets Return

Source: X, August 10, 9:21 pm central

Trade Outlook: Some Possible Objectives

First, it is difficult to quantify the trade impacts of tariffs to the U.S. agricultural sector quickly. There are two fundamental theories in economics:

1. Marginal Change
2. Ceteris Paribus- All Else Equal

Second, constantly moving objectives seem to be part of the negotiating strategy.

1. Flow of fentanyl from Canada- August 1, 2025
2. Criminal trial of Brazilian President Jair Bolsonaro- August 6, 2025
3. Purchases of Russian Oil by India- August 27, 2025

Third, there does seem to be some consistencies.

1. Revenue- 10% tariff across the board
2. Negotiating leverage- reciprocal tariffs (10%-41%) and investment and purchasing commitments.
3. National security- tariffs on steel, aluminum and cooper. Ship fees.
4. Containing China

Trade Outlook: Where we end up?

Trade Spectrum

Worst Case Scenario

- Global Trade War
- Global Recession- Lower Global Demand for Commodities

Best Case Scenario

- Negotiated Lower Tariffs- Near Zero
- Global Economic Expansion- Increased Demand for High Value Meats and Commodities

"Things are rarely as bad as the worst-case scenario but are also rarely as good as the best-case scenario."

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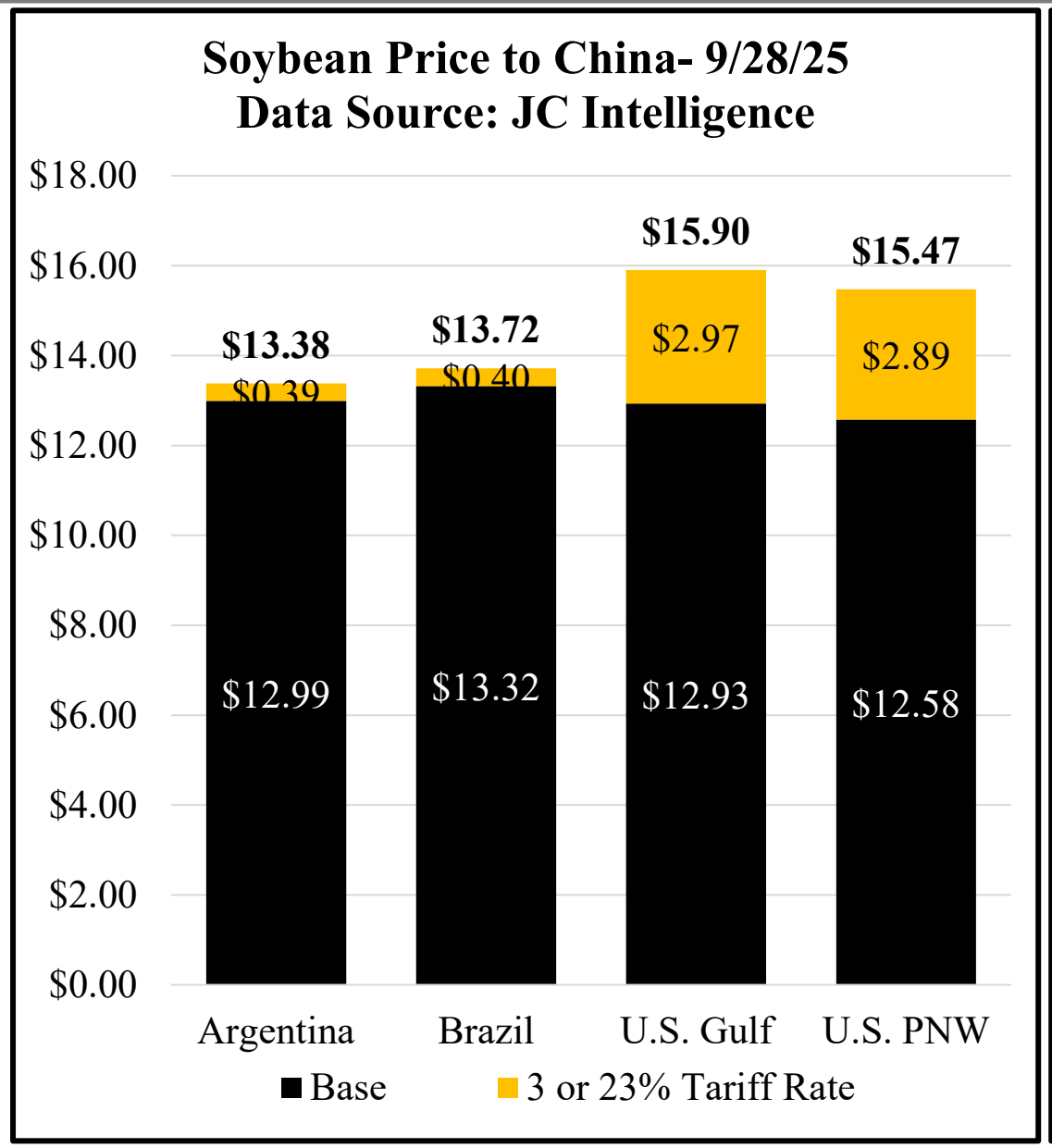
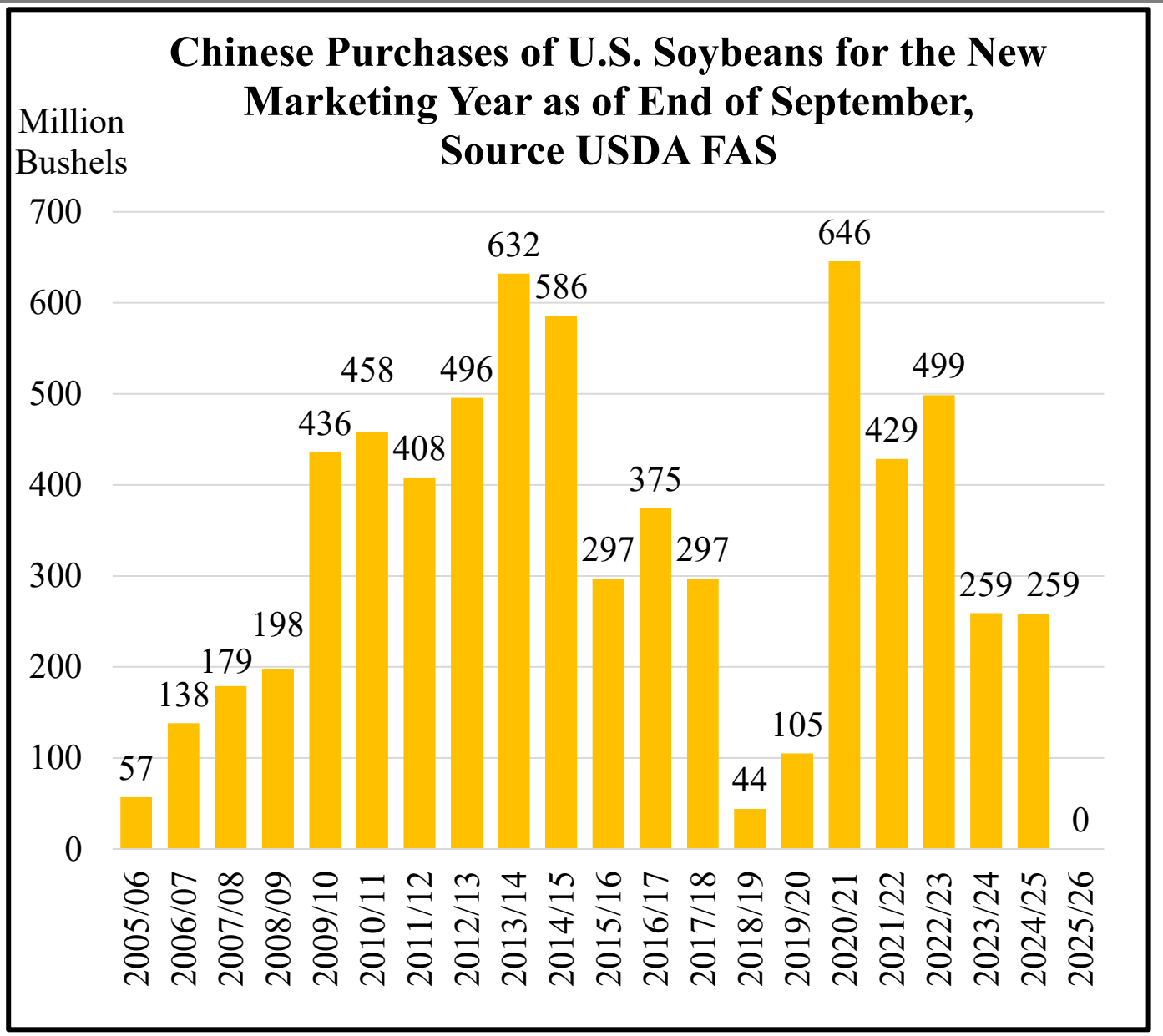
Trade Outlook: Soybean Export Impact





Trade Outlook: Soybean Export Impact

PRESIDENT DONALD J. TRUMP — The WHITE HOUSE

FACT SHEETS

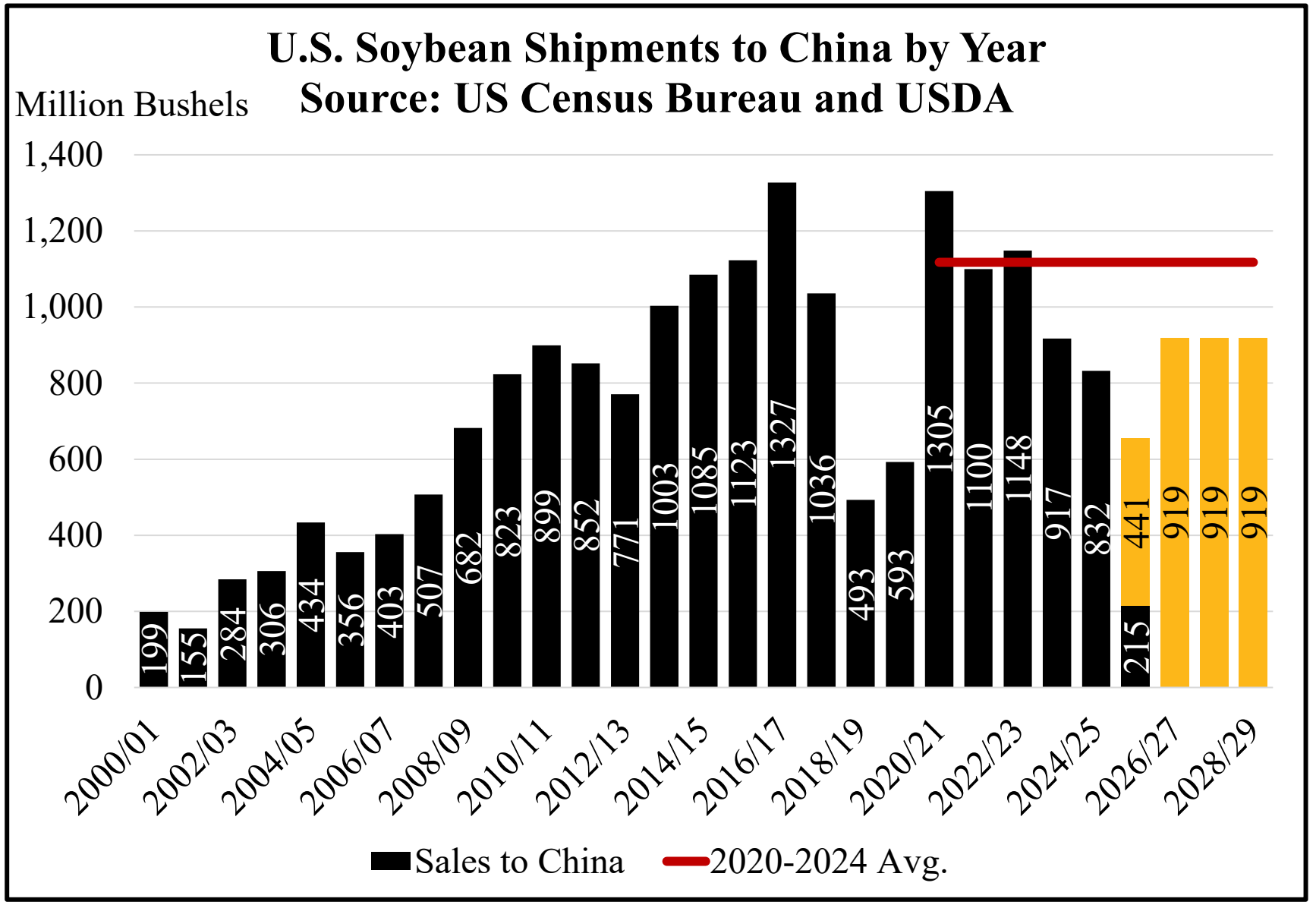
Fact Sheet: President Donald J. Trump Strikes Deal on Economic and Trade Relations with China

The White House | November 1, 2025

REBALANCING TRADE WITH CHINA: This week in the Republic of Korea, President Donald J. Trump reached a trade and economic deal with President Xi Jinping of China—a massive victory that safeguards U.S. economic strength and national security while putting American workers, farmers, and families first.

CHINESE ACTIONS:

- China will suspend the global implementation of the expansive new export controls on rare earths and related measures that it announced on October 9, 2025.
- China will issue general licenses valid for exports of rare earths, gallium, germanium, antimony, and graphite for the benefit of U.S. end users and their suppliers around the world. The general license means the de facto removal of controls China imposed since 2023.
- China will take significant measures to end the flow of fentanyl to the United States. Specifically, China will stop the shipment of certain designated chemicals to North America and strictly control exports of certain other chemicals to all destinations in the world.
- China will suspend all of the retaliatory tariffs that it has announced since March 4, 2025. This includes tariffs on a vast swath of U.S. agricultural products: chicken, wheat, corn, cotton, sorghum, soybeans, pork, beef, aquatic products, fruits, vegetables, and dairy products.
- China will suspend or remove all of the retaliatory non-tariff countermeasures taken against the United States since March 4, 2025, including China's listing of certain American companies on its end user and unreliable entity lists.
- China will purchase at least 12 million metric tons (MMT) of U.S. soybeans during the last two months of 2025 and also purchase at least 25 MMT of U.S. soybeans in each of 2026, 2027, and 2028. Additionally, China will resume purchases of U.S. sorghum and hardwood and softwood logs.



Trade Outlook: Real-time impact

Timeline of Tariff Charge on U.S. Ag Imports						
Commodity	Base Tariff	March 4th	April 4th	April 9th	May 14th	Nov. 5th
Soybeans	3%	13%	47%	97%	23%	13%
Corn (In Quota)	1%	16%	50%	100%	26%	1%
Corn (Out of Quota)	65%	80%	114%	164%	90%	65%
Wheat (In Quota)	1%	16%	50%	100%	26%	1%
What (Out of Quota)	65%	80%	114%	164%	90%	65%
Sorghum	3%	13%	47%	97%	23%	3%
Pork	12%	22%	56%	106%	32%	12%
Beef	12%	22%	56%	106%	32%	12%
Cotton	1%	16%	50%	100%	26%	1%

Trade Outlook: Real-time impact

Reuters

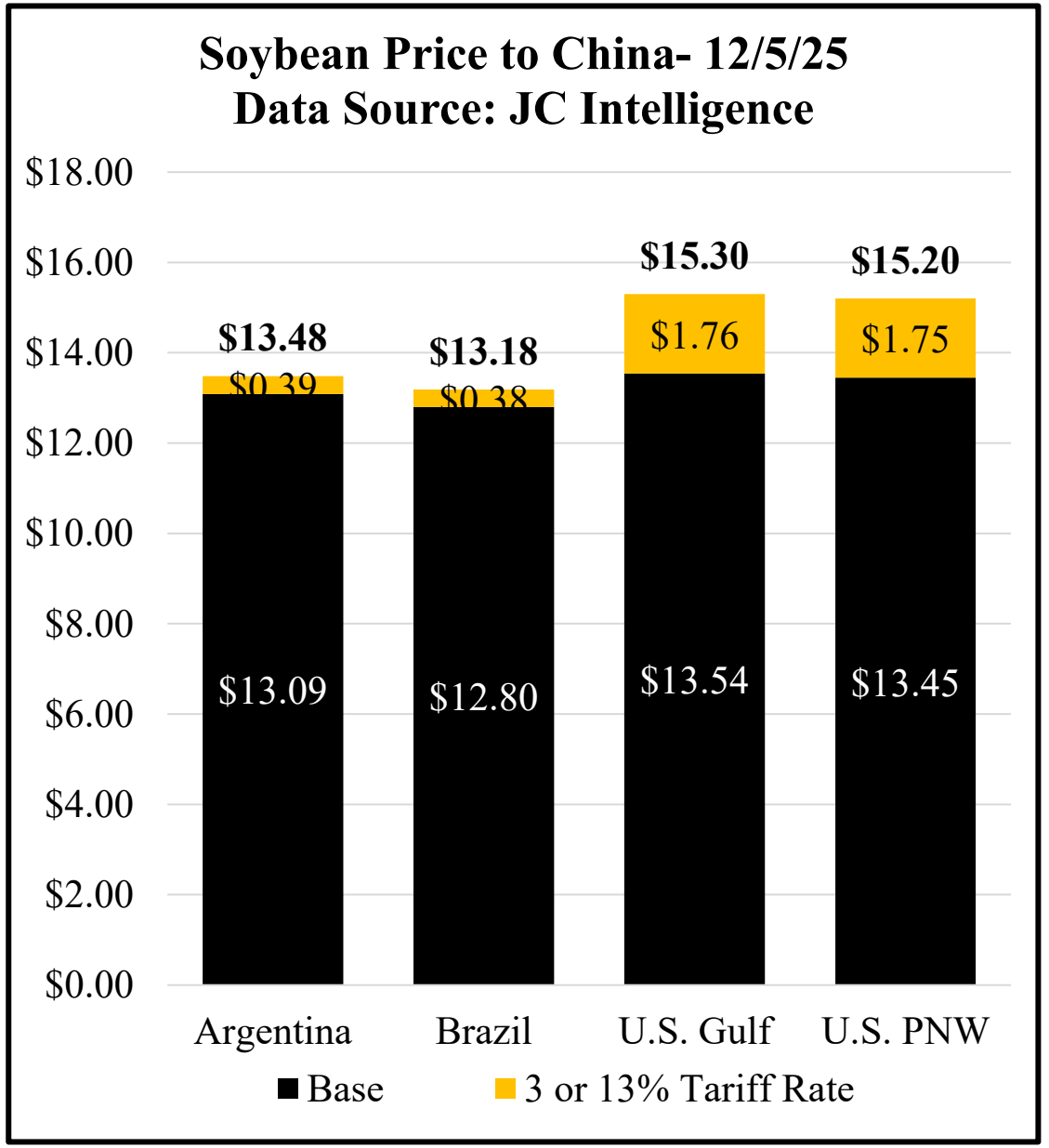
Exclusive: China buys US soybean cargoes ahead of Trump-Xi meet, sources say

BEIJING/SINGAPORE, Oct 29 (Reuters) - China's state-owned COFCO bought three U.S. soybean cargoes, two trade sources said, the country's first purchases...

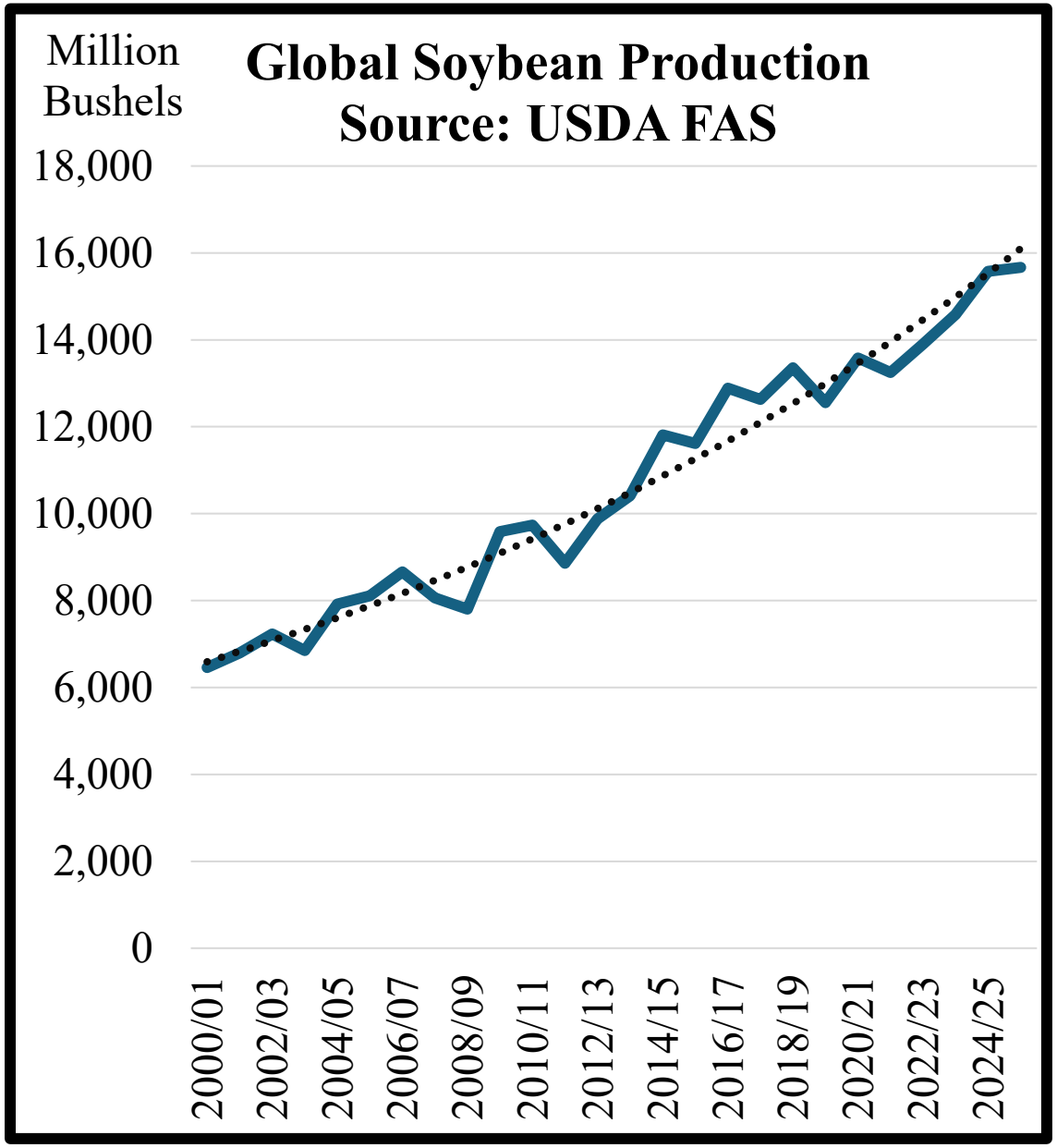
gCaptain

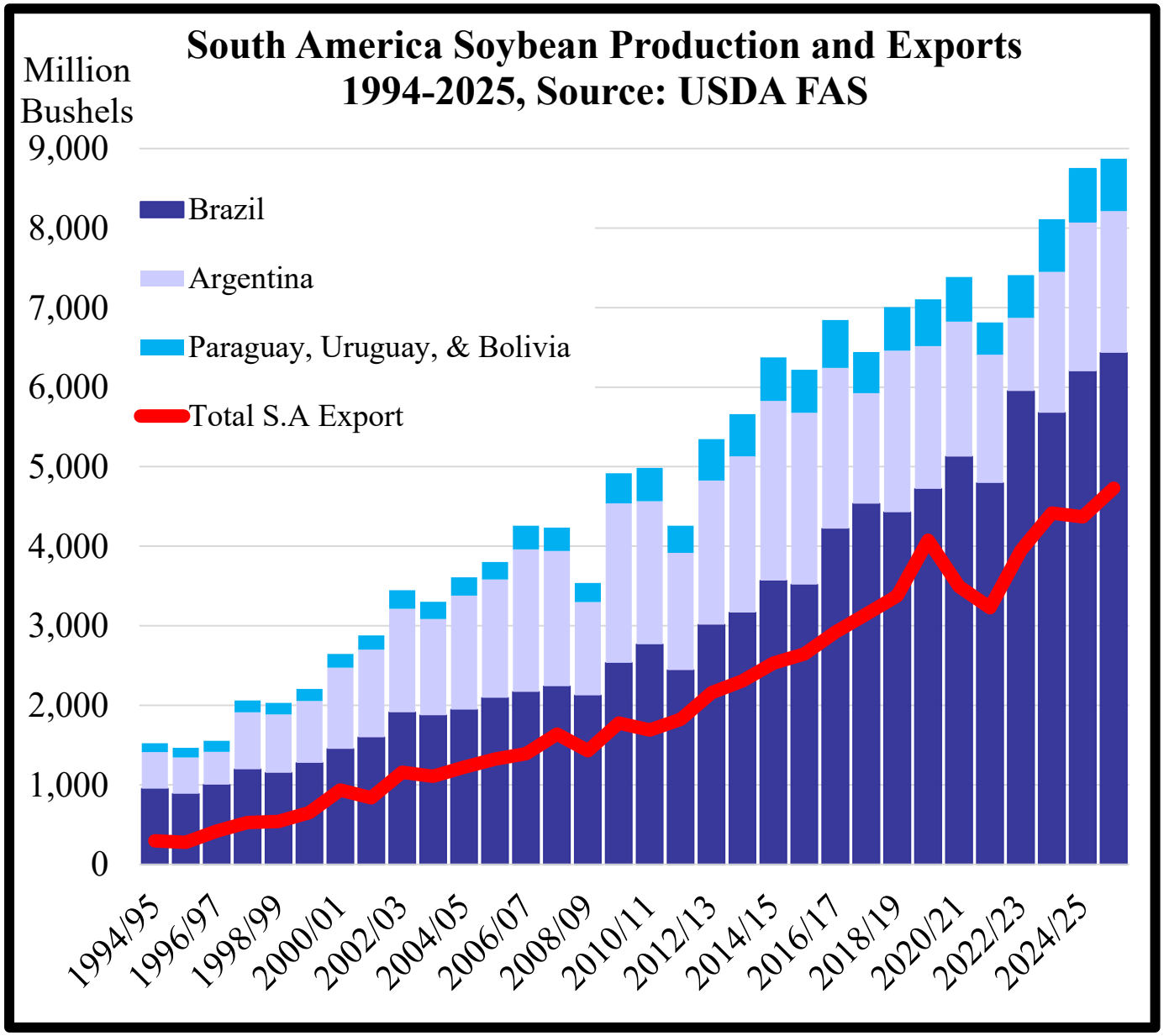
Chinese Buyers Purchase Brazilian Soybeans as Prices Ease Over US-China Trade Thaw

SINGAPORE/BEIJING, Nov 3 (Reuters) – Chinese soybean importers have stepped up purchases of Brazilian cargoes in recent days as South American prices eased...

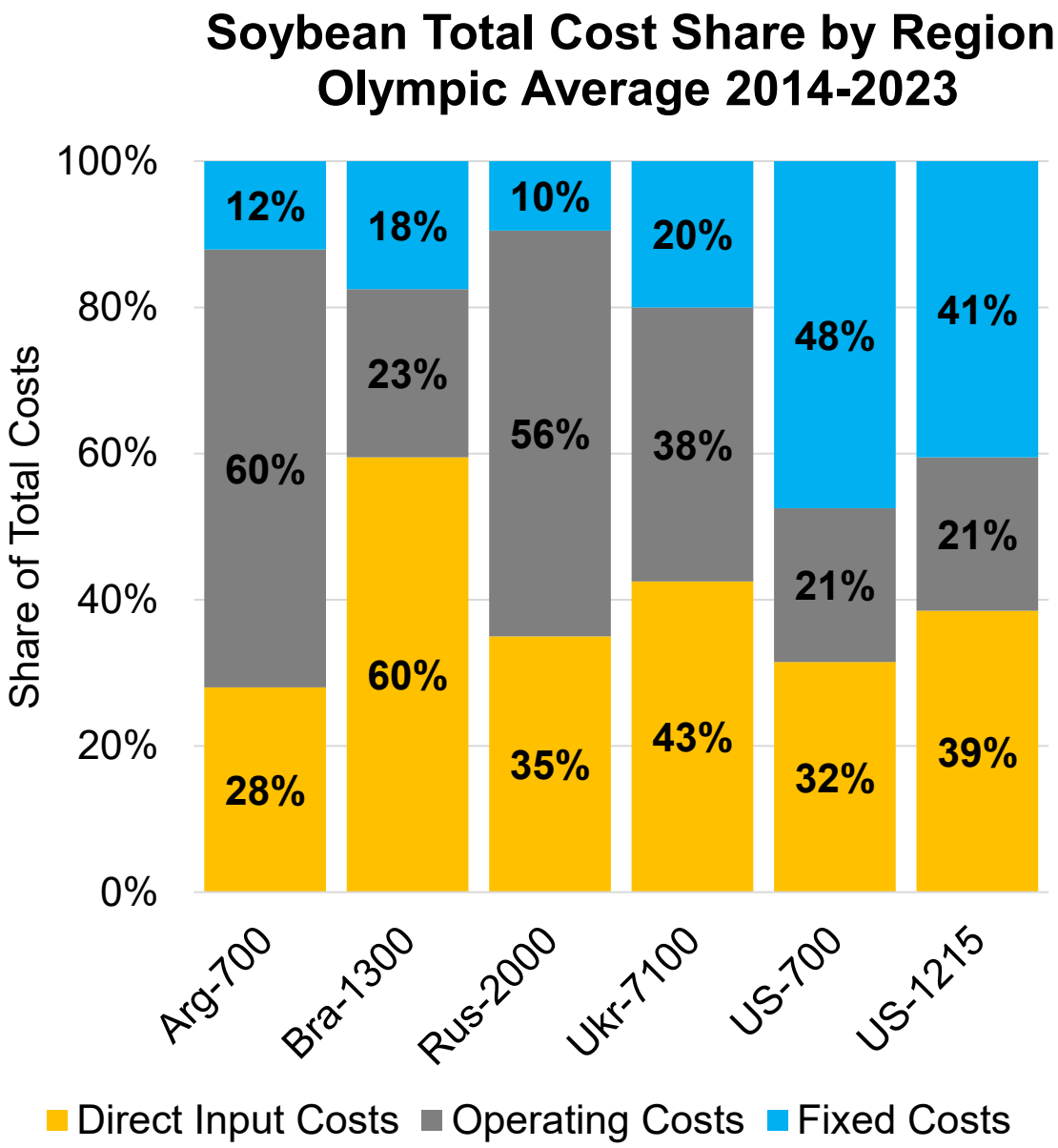


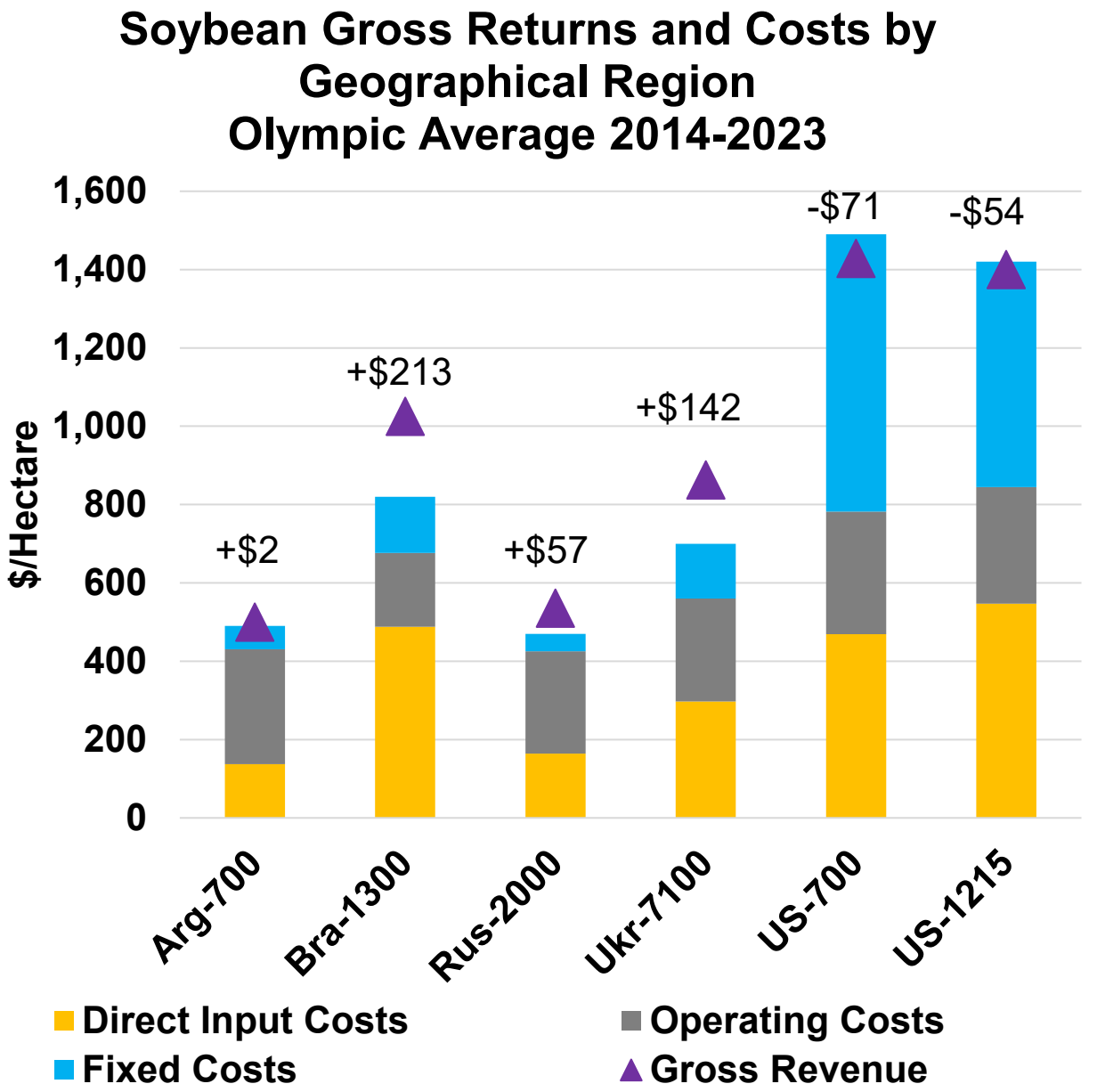
Soybean Outlook: 2025/26 Global Supply



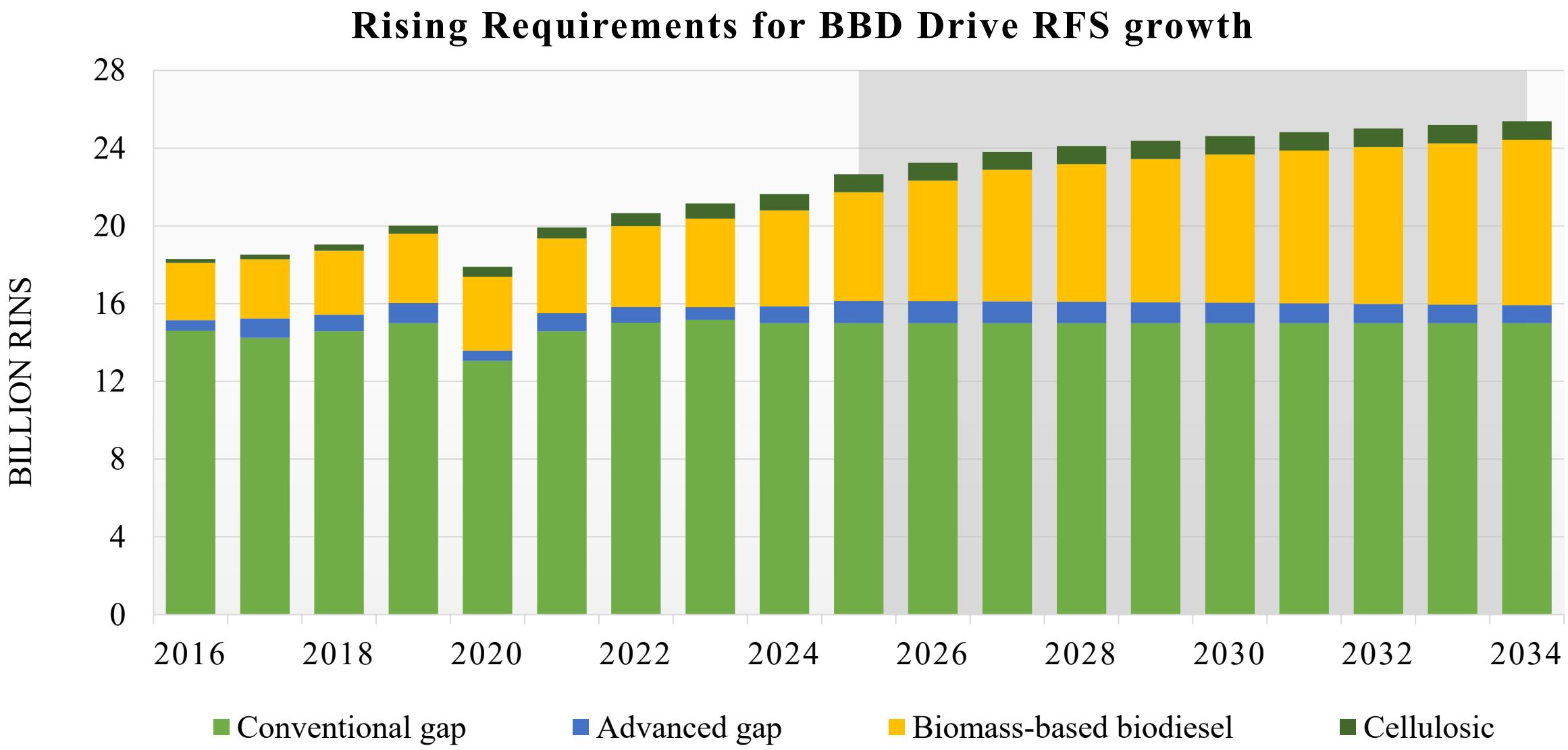


Comparative Advantage: The Cheap Produce More





Biofuels Outlook: Strong Domestic Crush



Biofuels Outlook: Large Expansion of RVOs

Proposed Volume Requirements- U.S. Environmental Protection Agency, June 13, 2025

Billion RINs	Volume Requirement			Proposed Requirements		% Change 2026 vs 2025
	2023	2024	2025	2026	2027	
Cellulosic	0.84	1.09	1.38	1.30	1.36	-6%
Biomass-based diesel	4.51	4.86	5.36	7.12	7.50	+33%
Advanced biofuel	5.94	6.54	7.33	9.02	9.46	+23%
Total renewable fuel	20.94	21.54	22.33	24.02	24.46	+8%
Conventional ethanol	15.00	15.00	15.00	15.00	15.00	0%

YEAR 1

Corn: 190 bu/A

YEAR 2

Soybeans: 60 bu/A

YEAR 1

Corn: 190 bu/A

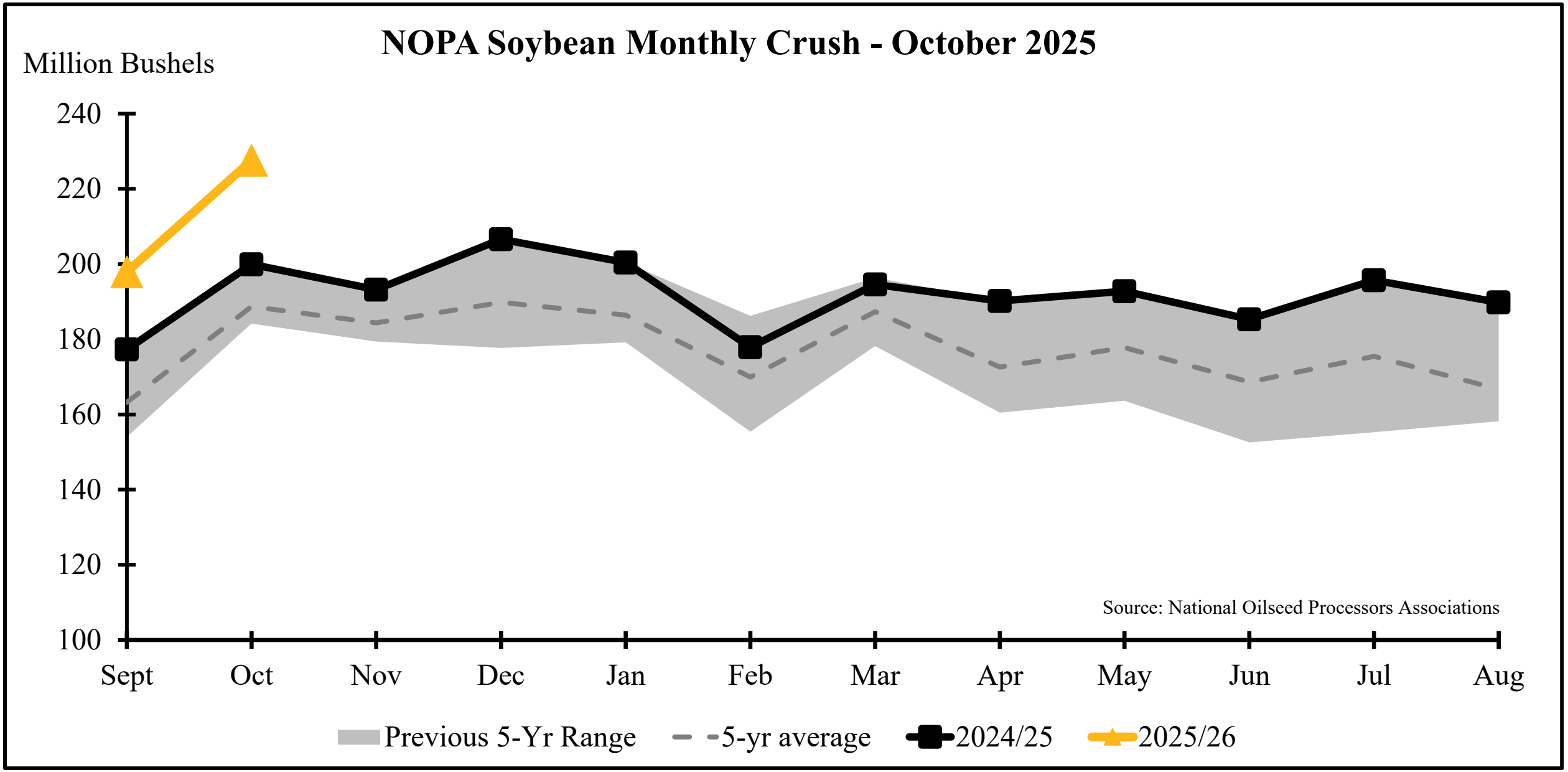
Canola: 50 bu/A

YEAR 2

Soybeans: 40 bu/A

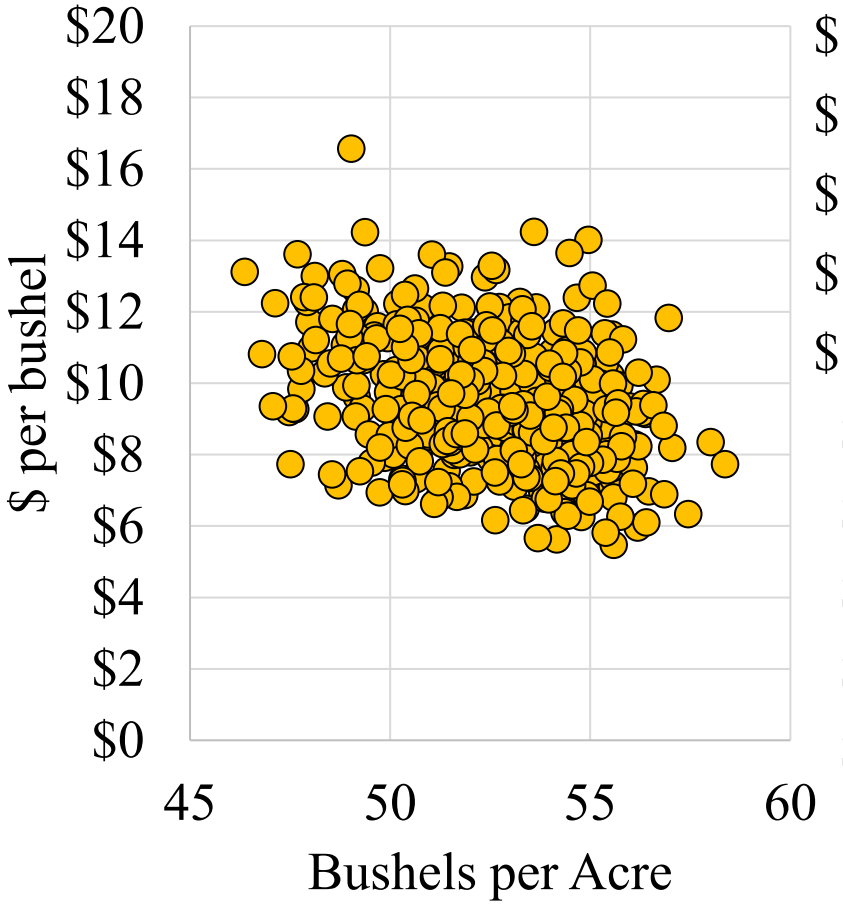
Yield Source: Corteva

Biofuels Outlook: Strong Domestic Crush



Price Outlook: Distribution of Soybean Prices

2025 Soybean Price Outcomes

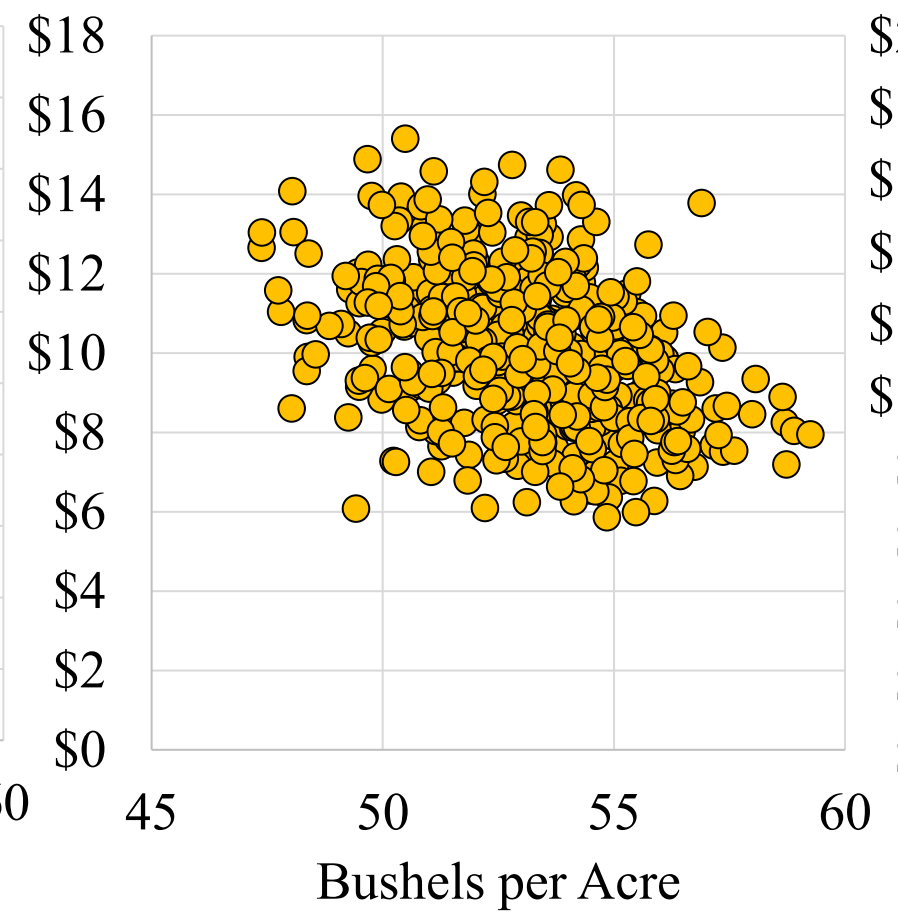


Median: $10.60*

25%: $8.78

75%: $11.85

2026 Soybean Price Outcomes

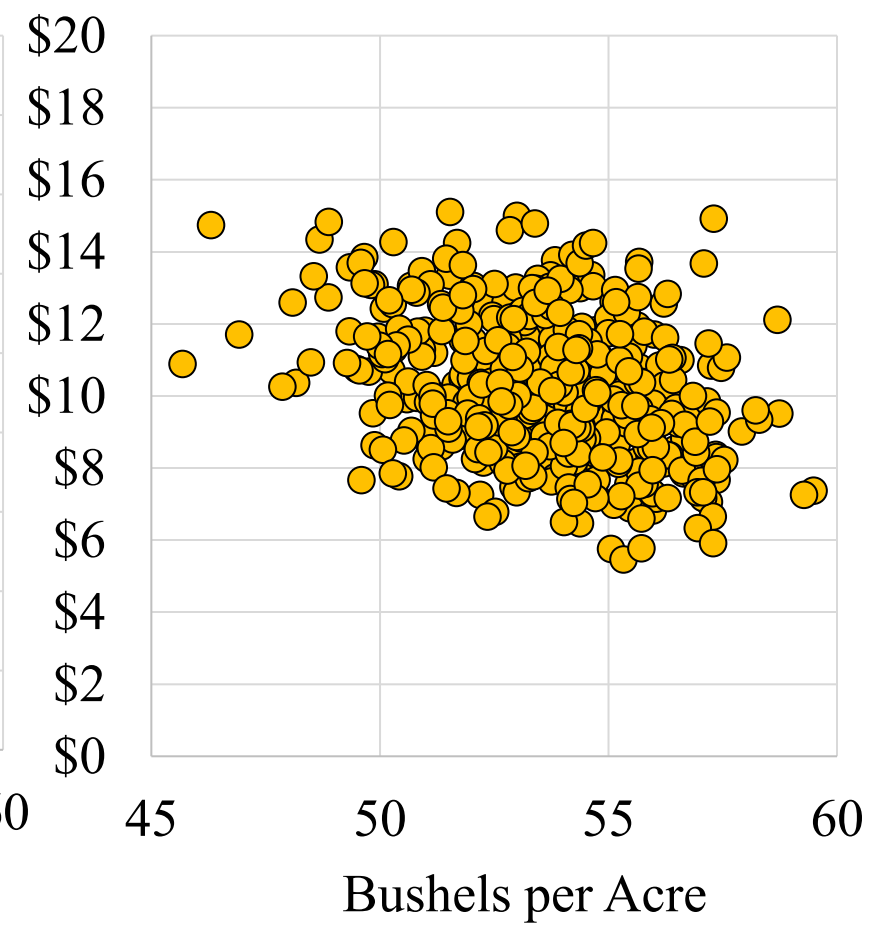


Median: $10.66

25%: $8.58

75%: $12.20

2027 Soybean Price Outcomes



Median: $10.64

25%: $8.82

75%: $12.45

Farm Financial Outlook

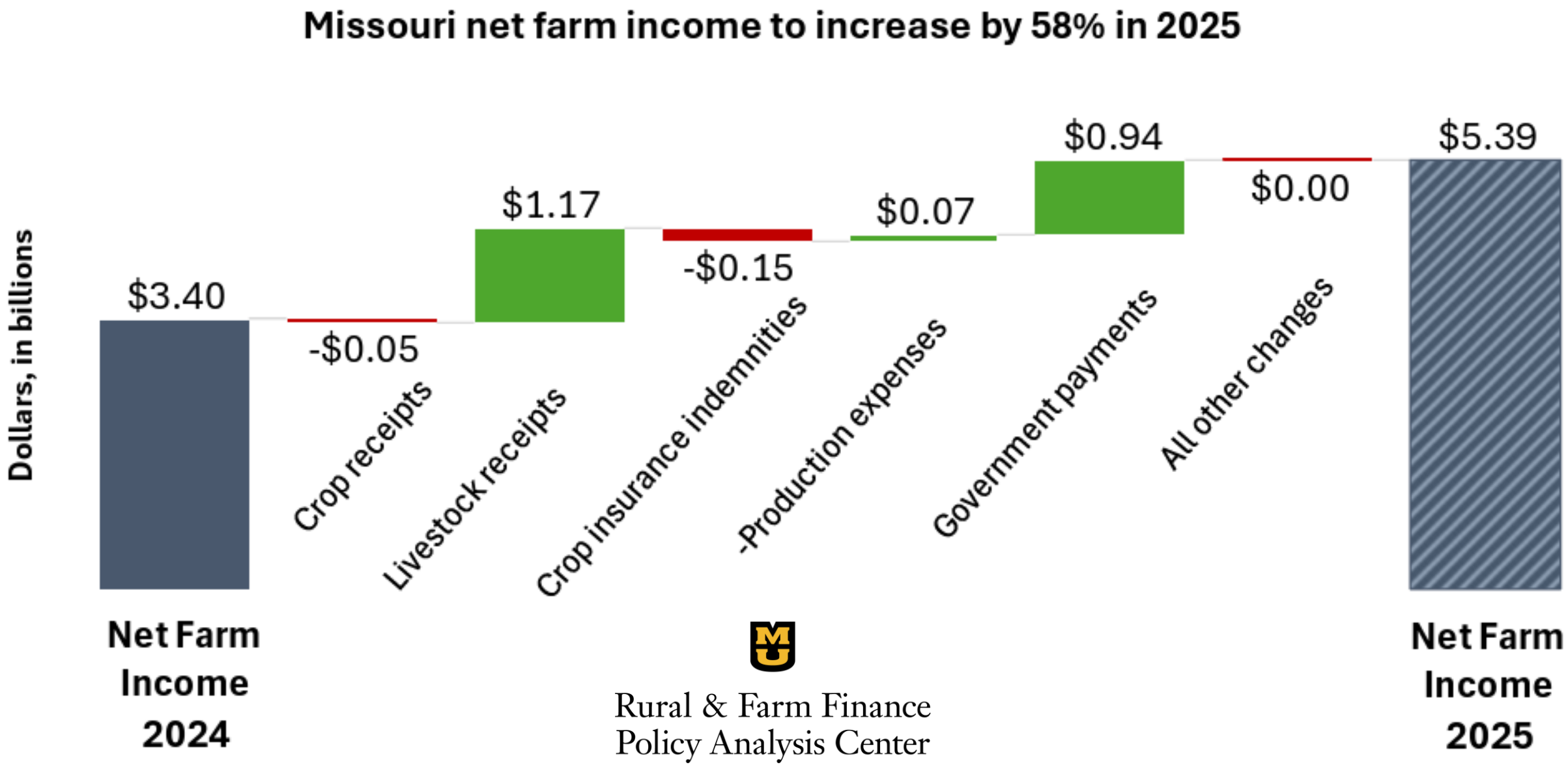
Ag Policy: Farm Act (Slide from Last Year)

Farm Act Payment: 60% of Economic Loss (Returns minus cost of production) * Planted 2024 Acreage

	ERS (Jun. 2024)		WASDE (Oct.)		NASS (via. USCR)		Calc.	Calc.	FSA Acres (Oct.)		Calc.	
	Total Cost of Production		Price	price units	Yield	yield units	Expected Revenue	Economic Loss	Plant+Fail	Prevent	Cost	
	$/ac		latest available'		10 yr avg.			$/ac	acres	acres	$ millions	
Corn	$	877.53	$ 4.10	$/bu	173.35	bu/ac	$ 710.74	$ 166.79	39,210,124	2,688,767	$ 9,151.60	
Soybean	$	620.03	$ 10.80	$/bu	49.77	bu/ac	$ 537.48	$ 82.55	36,145,922	774,782	$ 4,299.01	
Wheat	$	413.20	$ 5.70	$/bu	47.47	bu/ac	$ 270.55	$ 142.65	49,717,485	390,680	$ 4,283.04	
Cotton, Upland	$	902.14	$ 0.66	$/lb	851.10	lbs/ac	$ 561.73	$ 340.41	10,790,001	314,789	$ 2,257.42	
1.71 CA; 1. Cotton, ELS	$	1,804.28	$ 1.32	$/lb	1,361	lbs/ac	$ 1,796.47	$ 7.81	195,670	35,135	$ 1.05	
Rice	$	1,309.79	$ 0.156	$/lb	7,532	lbs/ac	$ 1,175.04	$ 134.75	2,903,727	417,430	below	$ 262.89
Sorghum	$	435.83	$ 4.10	$/bu	67.37	bu/ac	$ 276.20	$ 159.63	5,847,473	90,828	$ 567.29	
Barley	$	470.77	$ 6.50	$/bu	72.97	bu/ac	$ 474.31	$ -	2,257,191	23,742	$ -	
Oats	$	523.41	$ 3.50	$/bu	65.55	bu/ac	$ 229.42	$ 293.99	1,883,213	7,605	$ 333.30	
											$ 20,892.72	

Corn= $100/acre
Soybeans= $50/acre
Wheat= $86/acre

Rental Rates: Missouri Farm Income



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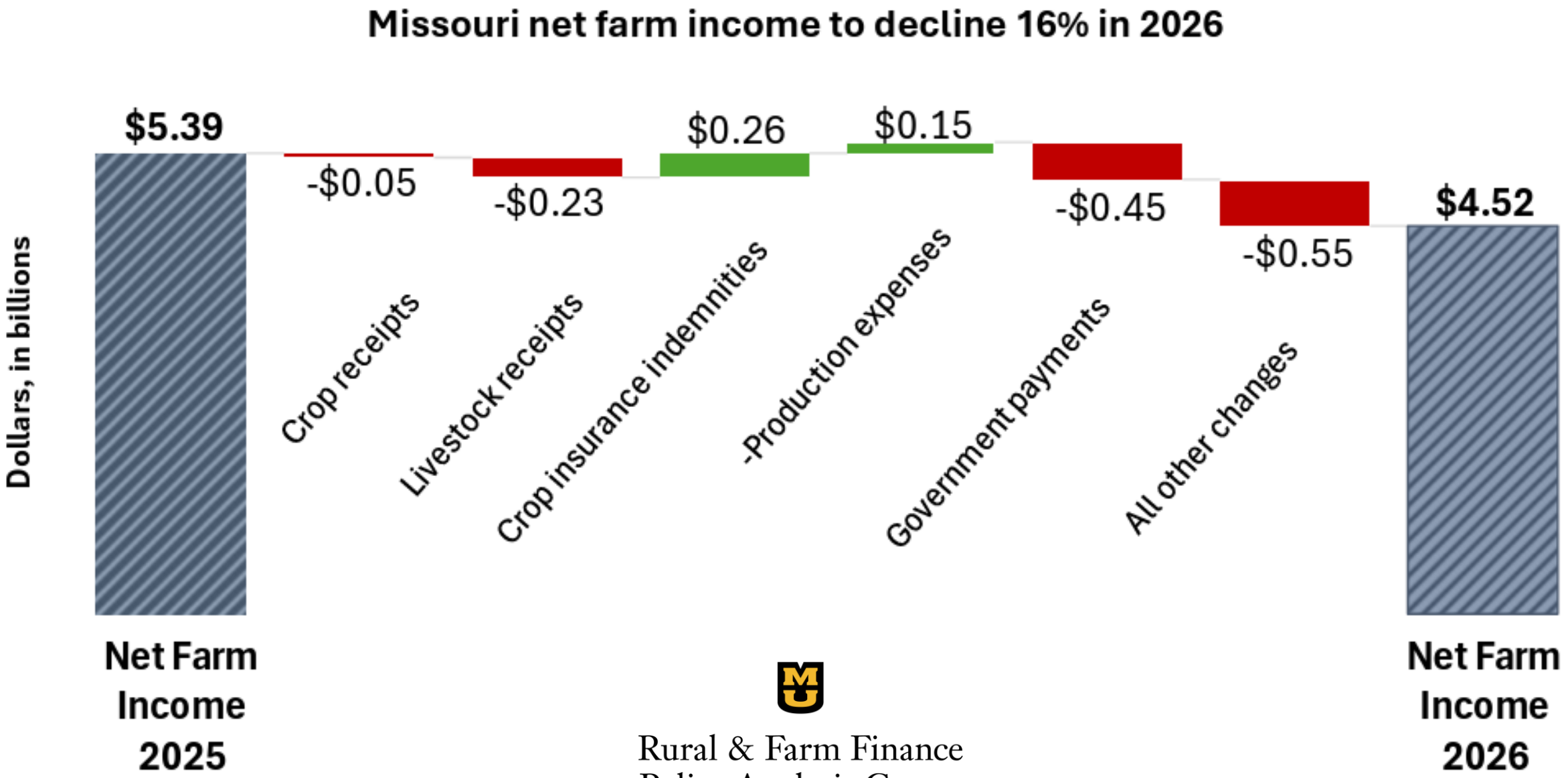
Rental Rates: Missouri Farm Income



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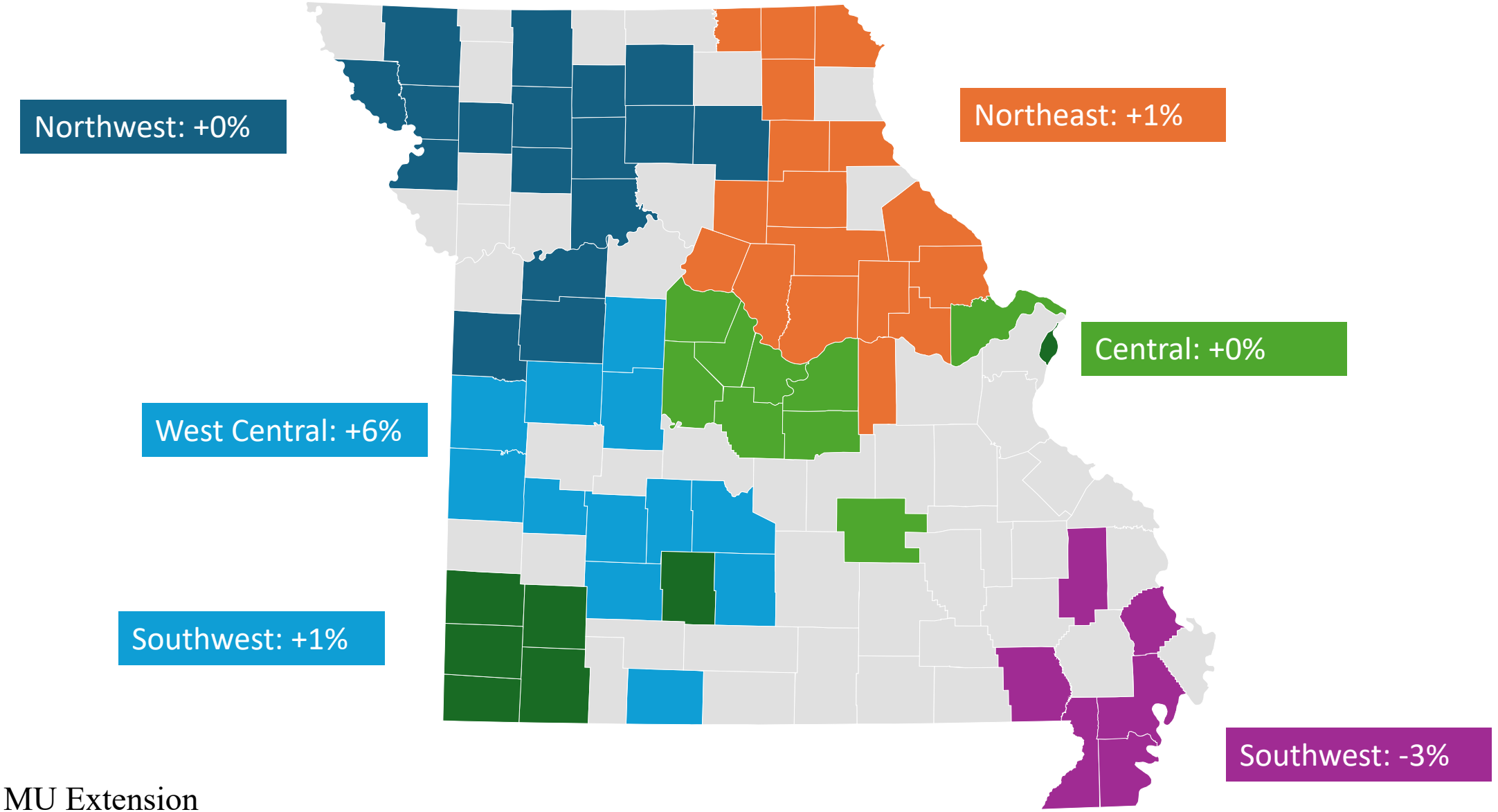
Missouri Land Values: 2025 Survey Results

Expectations for 2026 Land Values

	Average cropland value	Average pastureland value	Non-crop/non-pastureland value
State Average	3.0%	3.5%	2.8%
Northwest	3.7%	4.0%	3.7%
North Central	1.6%	3.9%	0.5%
Northeast	0.9%	1.5%	0.4%
West	1.9%	2.9%	2.7%
Central	4.6%	3.2%	4.5%
East	3.6%	3.9%	2.9%
Southwest	1.8%	2.6%	2.1%
South Central	4.9%	6.1%	4.3%
Southeast	0.8%	0.5%	0.0%
Urban Area	7.0%	7.3%	7.0%

Rental Rates: Still Increasing, Just Slower



Source: MU Extension

Rental Rates: Fundamentals

Supportive Fundamentals

- ✓ Still strong demand by farmers to rent land
- ✓ Resilient cash rent auctions- growth relative to the "sealed bid"
- ✓ Rental rates have not increased as much as land values
- ✓ Additional government support and crop insurance premium support
- ✓ Endowment Factors (I don't want to lose the land)

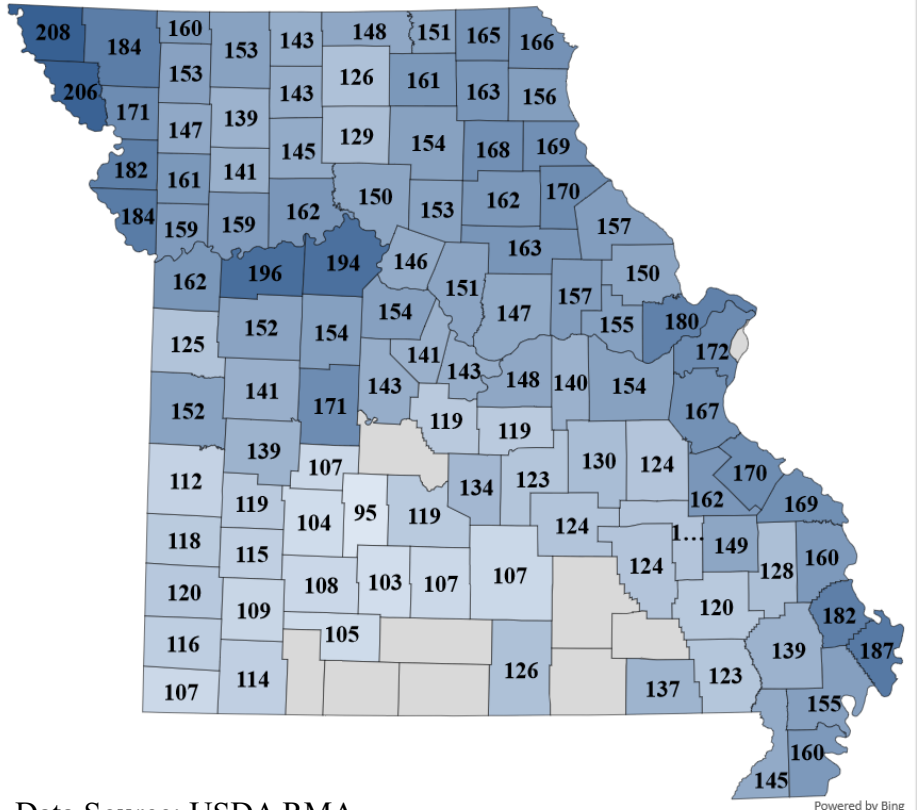
Non-Supportive Fundamentals

- ✓ Volatility in commodity price outlook.
- ✓ Tight profit margins for 3 straight year.
- ✓ Increased attention on farm loans.
- ✓ Increased interest in variable leases that adjust with commodity markets.
- ✓ Increased "No Sales" at Auctions

Rental Rates: New This Year- Regions

	Expected Corn Yield (bushel per acre)		Expected Soybean Yield (bushel per acre)	
2024 Rental Rate ($Acre)	**Average**	**Range**	**Average**	**Range**
Less than 100	157	125-200	48	35-60
101 to 125	157	120-175	49	40-60
126 to 150	172	125-225	53	40-70
151 to 175	175	150-200	57	45-60
176 to 200	194	175-230	58	45-70
Greater than 200	203	165-285	58	50-75
$ per Bushel by Region				
Gently Rolling Plains	$1.06	$0.83-$1.40	$2.40	$1.43-$3.47
Isolated Fields	$0.79	$0.60-$1.20	$3.24	$0.56-$4.90
Northern	$0.96	$0.46-$1.20	$2.90	$1.43-$3.75
River	$0.98	$0.46-$1.05	$3.97	$1.00-$4.40
Southeast *Irrigated	$1.04	$0.97-$1.13	$2.88	$2.40-$3.47
Urban	$0.80	$0.62-$0.93	$3.35	$3.08-$3.70

Missouri Trend Adjusted Corn Yields by County
Five Year Olympic Average 2019-2023



Data Source: USDA RMA

Rental Rates: MU Extension Rental Resources

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Cash Rental Rates in Missouri

Crop-Share Leases in Missouri

Flexible Cash Leases in Missouri

Landowners' Guide to Lease Hunting in Missouri

Basics of Farm Lease Agreements

Conservation Provisions in Leases

Leasing Land for Solar Energy Development

Introduction to Wind Energy Leases

Land use agreements for wind energy can include language for a land lease, an easement, or a combination of leases and easements. These agreements are often called "wind leases" or "wind agreements," the term used in this publication. Using research-based information, this publication provides considerations for landowners contemplating utility-scale wind energy agreements, or wind agreements.

Each lease situation is unique, and this publication does not constitute professional or legal advice. You should seek the advice of experienced and qualified professionals (e.g., attorneys, accountants) to understand how the terms and conditions of wind lease proposals could affect your farmland, farm, family and community.

Figure 1. Wind energy leases may place wind turbines on sites where agriculture can continue around the turbines.

Growth of wind energy

Wind energy is a form of clean, renewable energy. In the past few decades, the wind power industry has been growing in the U.S. and Missouri. Missouri's first wind farm was established in 2007. In 2024, the state's wind generation capacity was 2,435 megawatts (MW), or about 11% of Missouri's electricity generation capacity, according to the U.S. Energy Information Administration.

Site suitability

When assessing potential wind farm sites, energy developers consider several factors, in particular, land requirements and wind speed.

Land requirements for wind turbines vary according to the site and equipment specifications (Figure 1). The spacing of the turbines factors in the size of the turbine, wind direction and other site considerations. Ameren's High Prairie Renewable Energy Center in Adair and Schuyler counties has 175 turbines with a combined capacity of 400 MW across 50,000 acres.

According to the U.S. Department of Energy, in 2022 a new wind turbine was typically rated at 3.2 MW capacity with an average height of 98.1 meters. Smaller turbines tend to be older wind towers. Turbine capacity, rotor diameter and hub heights are increasing the size of wind turbines over time. Taller wind turbine towers and other wind technology advances can make wind farms feasible in locations not previously considered.

Wind speed is a key determinant of the amount of electricity a turbine can generate. Figure 2 shows Missouri average wind speeds at a 100-meter height. This figure indicates desirable locations for future wind energy development.

Economic considerations

Landowners may find wind agreements to be attractive income sources. Row crops and other agricultural production can usually continue around wind turbines, and lease payments often far exceed cash rental rates for farmland. However, signing a wind agreement has potential implications for business planning, farm financial management, and land use.

Revised by
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Introduction to Beef Cow Leases

Leasing cows can be an effective financial strategy for beginning or expanding cow-calf producers. Lack of capital is often a barrier for new producers and producers looking to expand. By alleviating the capital barriers of high input and start-up costs, leasing provides a less-capital-intensive and lower-risk option compared to purchasing cows, making it especially attractive to new producers or those with limited resources. Working with an established cow producer can also provide beginning producers valuable management insight and experience. For producers wanting to reduce herd size, cow leases offer an alternative to selling animals that allows them to decrease labor requirements, defer tax burdens, maintain revenue generation, preserve animal genetics and retain some control over the herd.

In a cow lease arrangement, one party owns the animals (the owner) and one party manages the herd (the operator). Owners who might consider leasing out their cows include:

- Those interested in reducing stocking rates while retaining ownership, genetics and income.
- Aging producers wanting to retain ownership and income streams while reducing hands-on responsibility.
- Investors lacking production knowledge or wanting to be hands-off with production.
- Those who are looking to transfer ownership over time to reduce tax burdens or transition their production to the next generation.

Operators who might consider leasing beef cows include:

- Individuals wishing to enter the cow-calf industry or expand operations with a lower initial capital investment.
- Producers seeking an expansion opportunity with reduced capital requirements.
- Producers wanting to experiment with increased stocking rates or use excess forage without committing to purchasing animals.
- Producers interested in gaining improved genetics without purchasing animals.
- Individuals looking to receive ownership of a herd gradually.

Lease structures

Livestock leases can be structured as cash, share or flexible cash leases. In any of these lease structures, cows are typically rented on a per-head per-year basis. When negotiating a lease, the parties should discuss and agree on key factors such as:

- Who owns the animals retained for replacements, and who is responsible for the cost to develop replacements?
- Who makes breeding decisions?
- What are acceptable breeding and calving rates?
- How will culling decisions be made, and who receives cull cow income?
- What is the expected body condition score of cows and calves, and who determines the score?
- What is an acceptable death loss, and how will losses be handled financially?
- Who provides bulls?
- Where will the animals be held?
- Who provides transportation?
- Who will make marketing decisions?
- Is this a single- or multiyear lease?

Although any aspect of a lease is negotiable, different lease structures have common attributes. Generally, in standard cash and flexible cash leases, the operator will be responsible for all operating expenses, such as feed, labor and veterinary expenses. Cash leases normally grant operators ownership of all calves and the greatest amount of control over herd management decisions. Owners are typically only responsible for ownership expenses such as depreciation, interest and insurance. Table 1 shows examples of ownership and operating costs from the MU Extension Missouri Beef Cow-Calf Planning Budget.

In share leases, expenses can be shared in any manner agreed on by the owner and operator. Conventionally, owners are responsible for providing breeding stock and related expenses, giving them a greater degree of control over breeding decisions. In any leasing structure, open or cull cow sales are typically retained by the owner unless otherwise specified in the agreement. An exception

Written by
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Verbal Farm Rental Agreements Under Missouri Law

Verbal farm leases have been used in Missouri agriculture for many decades. When two parties — a landowner and a tenant — discuss a rental farm and the method of sharing expenses and income, and then shake hands, they have made a verbal, or oral, rental agreement. About half of all farm leases are verbal agreements. Unfortunately, it is hard for an informal verbal lease to cover all issues and possible conflicts that could arise. Before entering into a lease, it is important for landowners and prospective tenants to know the laws that control verbal and written agreements.

A dispute arises when a disagreement over contract terms cannot be settled. Memories fade, circumstances change or the parties involved can change — all of which can raise questions over the terms of the lease and possibly lead to a costly lawsuit and a loss of valuable farming time. Making a written agreement will not prevent a lawsuit in all situations, but the terms of written agreements are more clear and well defined than the terms of a verbal agreement. A quality written lease will include more details than a verbal agreement. A written lease that is recorded with the county recorder provides the best protection for both parties.

This publication deals with problems of lease duration; notice of termination; invalid verbal agreements; subleases and assignments; death of a landlord or tenant; life estates; security for rent; holdover remedies; sharecropper agreements; and the rights, duties and liabilities each party. With regard to the landlord-tenant relationship, some parts of the law are unclear. Also, landlord-tenant cases are often settled out of court because of the cost and expense involved in a court case. Therefore, there are not answers to every question that might arise. Some answers, given by courts, were expressed many years ago when farming practices were much different. Courts today might give a different answer.

This publication merely shares guidelines to aid in understanding problems and risks created with verbal agricultural leases. It is for informational purposes only and does not constitute a substitute for competent legal advice. Check with an attorney for legal advice regarding specific situations.

Figure 1. Written farm leases are crucial for clearly defining the duties, obligations and liabilities of the landowners and tenants in the agreement.

Lease duration

A verbal agricultural lease for less than one year is the same as *tenancy at will* (Section 441.060, No. 1, Revised Statutes of Missouri [RSMo]). It would be specifically enforceable, or valid, for the stated time period and is not invalidated by the statute of frauds, which generally requires certain agreements to be in writing to be enforceable.

A *periodic tenancy, year-to-year*, is created when the agricultural tenant holds over (i.e., keeps possession of the land) for another year. Common law is applicable to convert a tenancy at will into a periodic tenancy, year-to-year. A periodic tenancy is continuous and of indefinite duration. At each anniversary of the verbal agreement, the lease continues unless notice of termination is given. A verbal lease for longer than one year is generally invalid under the Missouri statute of frauds. Under an invalid verbal lease, farmland is in a year-to-year tenancy.

Revised by
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Amie Breshears, Field Specialist in Agricultural Business

MISSOURI ENTERPRISE BUDGETS

LIVESTOCK AND CROPS

Budgets tailored for beef cattle, soybeans, and corn operations—practical tools for planning ahead.

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Fixed Costs: Machinery

MU's Process for Equipment Costs

Dryland Corn

Implement used	Power Used	Passes or hours	Fuel	Labor	Operating Costs	Ownership Costs	Total cost
		per acre operated	*gallon/acre covered*	*urs/acre covered*	*$/acre covered*	*$/acre covered*	*$/acre operated*
Tandem disk, 32 Ft Folding, per acre	350 HP 4WD	1.00	0.78	0.05	5.95	12.47	18.41
Field cultivator, 42 Ft Folding, per acre	350 HP 4WD	1.00	0.51	0.03	4.04	7.36	11.40
Anhydrous applicator, 36 Ft Folding, per	280 HP MFWD	1.00	0.73	0.06	7.40	8.88	16.28
Row crop planter, 40 Ft Folding, per acre	280 HP MFWD	1.00	0.66	0.05	9.03	16.60	25.63
Boom sprayer - pull-type, 90 Ft Folding,	130 HP MFWD	2.00	0.20	0.04	2.76	3.93	6.69
Combine corn hd, 20 Ft, per acre	275 HP Combine	1.00	1.20	0.11	22.69	20.97	43.67
Grain cart, 1000 Bu, per hour	280 HP MFWD	0.05	0.62	0.06	6.05	8.08	14.13
Grain trailer, 1000 Bushel HB, per hour	475 HP Road tractor	0.11	0.78	0.12	8.12	3.45	11.57
	325 HP Tandem grain truck	0.11	0.54	0.11	4.94	3.64	8.59
Grain auger, 13 In, per hour	130 HP MFWD	0.05	0.29	0.06	4.21	2.85	7.06
	1 Ton 4x4 Pickup	0.20	0.60	0.20	7.68	3.44	11.12
	Total		**6.90**	**0.89**	**82.87**	**91.66**	**174.54**

Custom Rates: Machinery

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Custom Rates for Farm Services in Missouri

The rates reported in this guide summarize a statewide survey conducted online and by solicitations of University of Missouri Extension specialists in the spring of 2023. We asked farmers, agribusiness firms and land improvement contractors to provide the rates they were charging or paying in 2022 for custom services, excluding the cost of materials being applied. Thank you to those who provided information — even if it was just for one activity.

Fewer people respond to this survey every time it is taken – every three years. There may be fewer farmers using custom operators or fewer businesses conducting custom activities. But it is still a very popular Extension guide.

The number of responses to many questions asked was too low to have statistical confidence in the results. However, the results presented here have been compared to custom rates guides in Iowa to see if our rates are in line with their rates. These results have also been compared to previous custom rates surveys to see if the direction and magnitude of changes seems reasonable.

There is no assurance that the average rates reported in this guide will cover your costs for performing the service or that you will be able to hire a custom operator in your area for the rates shown.

Calculate your own costs carefully before deciding the rate to charge or pay. Before entering into an agreement, discuss with the other party all the details of the specific job to be performed.

Custom rates cover the cost of machinery, fuel, labor and, occasionally, a product such as lime or bale wrap. The USDA reports that machinery values and labor costs have increased by about 23 percent and 18 percent, respectively, since our last custom rate survey in 2019. Diesel prices have increased by 38 percent in the last three years. This increase in the costs of inputs into custom activities suggest that custom rates should have increased over the past several years.

Explanation of the rates in this guide

Rates in this guide reflect each respondent's judgment of a "normal" job. Operators may add charges if they consider a job abnormal, such as distance from the operator's base location, the amount of product or labor involved, the difficulty of the terrain, or special requirements of the customer or location.

The "Number reporting" and "Range of responses" columns are important. They indicate the number of responses for that activity and the variation in those responses. A small number of responses combined with a large range of responses means that there is less confidence in those results. The "Average rate" column indicates the average charge for all of the rates in that row. The "Median rate" had an equal number of responses higher and lower.

As in past years, this guide reports the average rate, and the low, mid and high rates reported by those providing responses. When few responses are averaged, a single response can move the average a lot. In this situation, the extremes may have unduly influenced the average reported. The range of responses also give the user an idea of how variable the rates charged for field activities might be.

Possible explanations of the wide ranges are the type or size of equipment used, the mix of labor and equipment used, or different business objectives of full-time custom operators compared to local farmers supplementing their income.

Revised by
Drew Kientzy, Research Analyst, Agricultural Business and Policy Extension
Ray Massey, Professor, Agricultural Business and Policy Extension

Please consider helping us with our 2026 Custom Rates for Farm Services Survey

Do you provide or use custom farming activities?

Take the Missouri Custom Rates Survey at

https://muext.us/customagrates

Enterprise Budgets- Corn

Missouri corn planning budgets, 2026

Category	Irrigated per acre	Dryland per acre
Yield	219	176
Income		
Grain sales	948	$762
Costs		
Seed	$106	$99
Fertilizer	$228	$187
Other operating costs	$456	$320
Ownership costs	$333	$301
Total costs	$1,123	$907
Income over total costs	-$150	-$121
Breakeven price/bushel	**$5.13**	**$5.15**

$4.33 corn market price assumed in 2026 budgets

Remember these are returns to all costs- producers often look at things from a cash cost basis

- ❑ Their own labor
- ❑ Rental Rate on Owned Land (even if mortgaged)
- ❑ Older Equipment (riding on depreciation)

Return Measures	2026 Estimate
Income Over Operating Costs	$180
Return to Land and Management	$104
Return to Land and Machinery	$156

Authors: Ben Brown, Drew Kientzy, Andre Froes de Borgja Reis, Mandy Bish, Kevin Bradley, and Kelly Nelson

Enterprise Budgets- Soybeans

Missouri soybean planning budget, 2026

Category	Soybeans per acre
Yield	57
Income	
Grain sales	$595
Costs	
Seed	$75
Fertilizer	$94
Other operating costs	$224
Ownership costs	$254
Total costs	$645
Income over total costs	**-$28**
Breakeven price/bushel	**$11.36**

$10.43 soybean market price assumed in 2026 budget

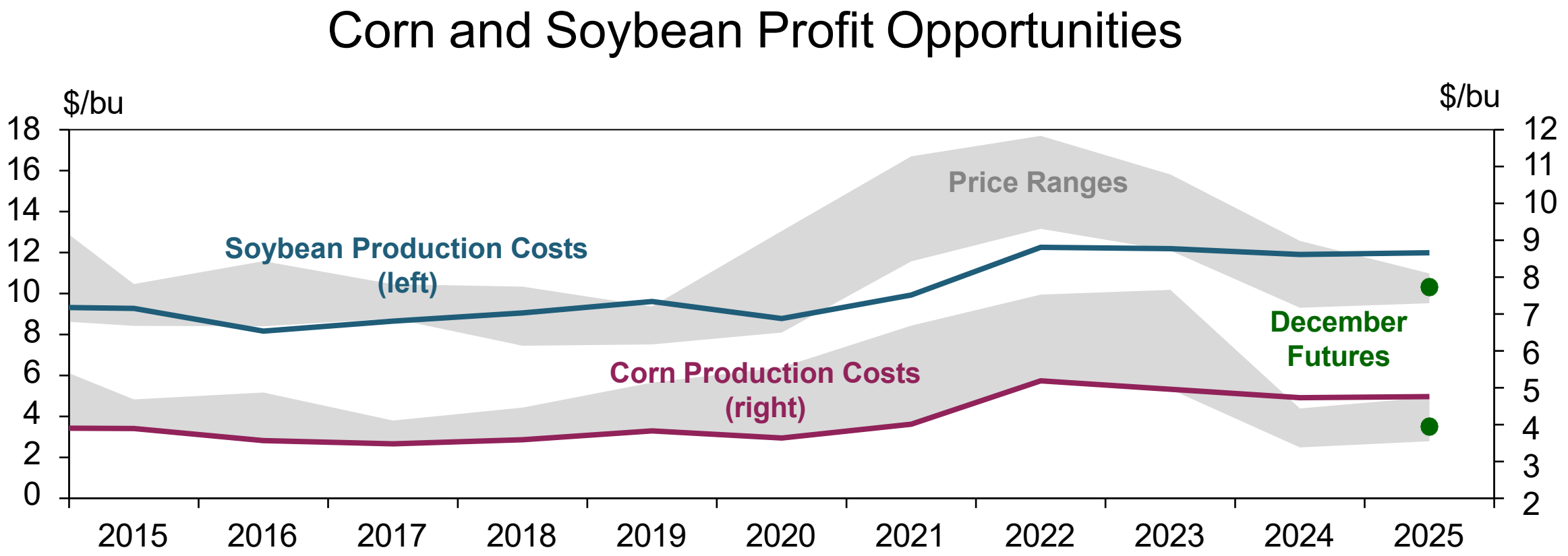
Remember these are returns to all costs- producers often look at things from a cash cost basis

- ❑ Their own labor
- ❑ Rental Rate on Owned Land (even if mortgaged)
- ❑ Older Equipment (riding on depreciation)

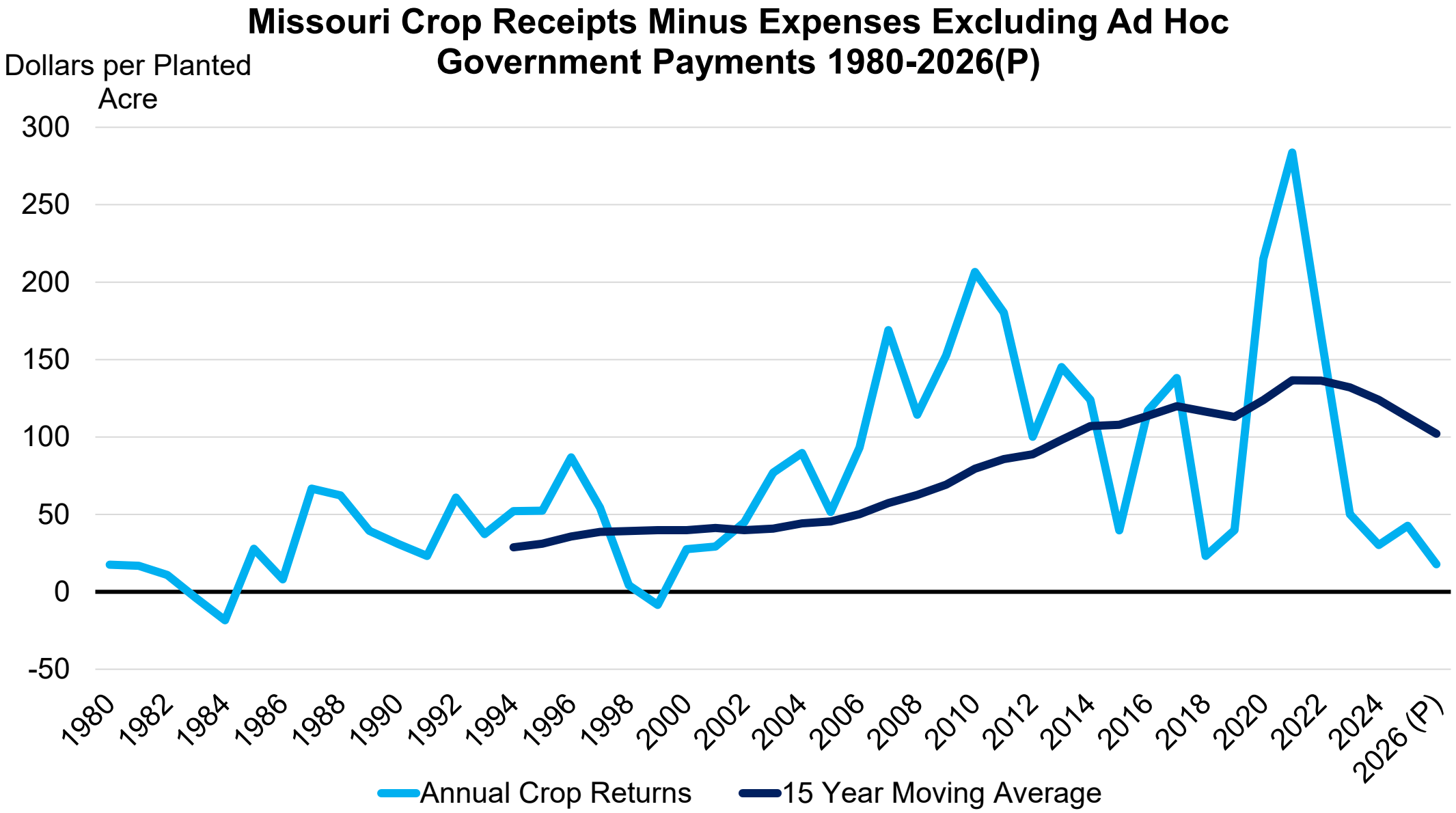
Return Measures	2026 Estimate
Income Over Operating Costs	$226
Return to Land and Management	$176
Return to Land and Machinery	$208

Authors: Ben Brown, Drew Kientzy, Andre Froes de Borgja Reis, Mandy Bish, Kevin Bradley, and Kelly Nelson

Crop Outlook: Not Many Chances to Sell at Profit



Missouri Crop Finances: Returns to Land



The 15-year moving average dropped 9% in 2025

2025 saw a 41% increase from 2024 on strong yields.

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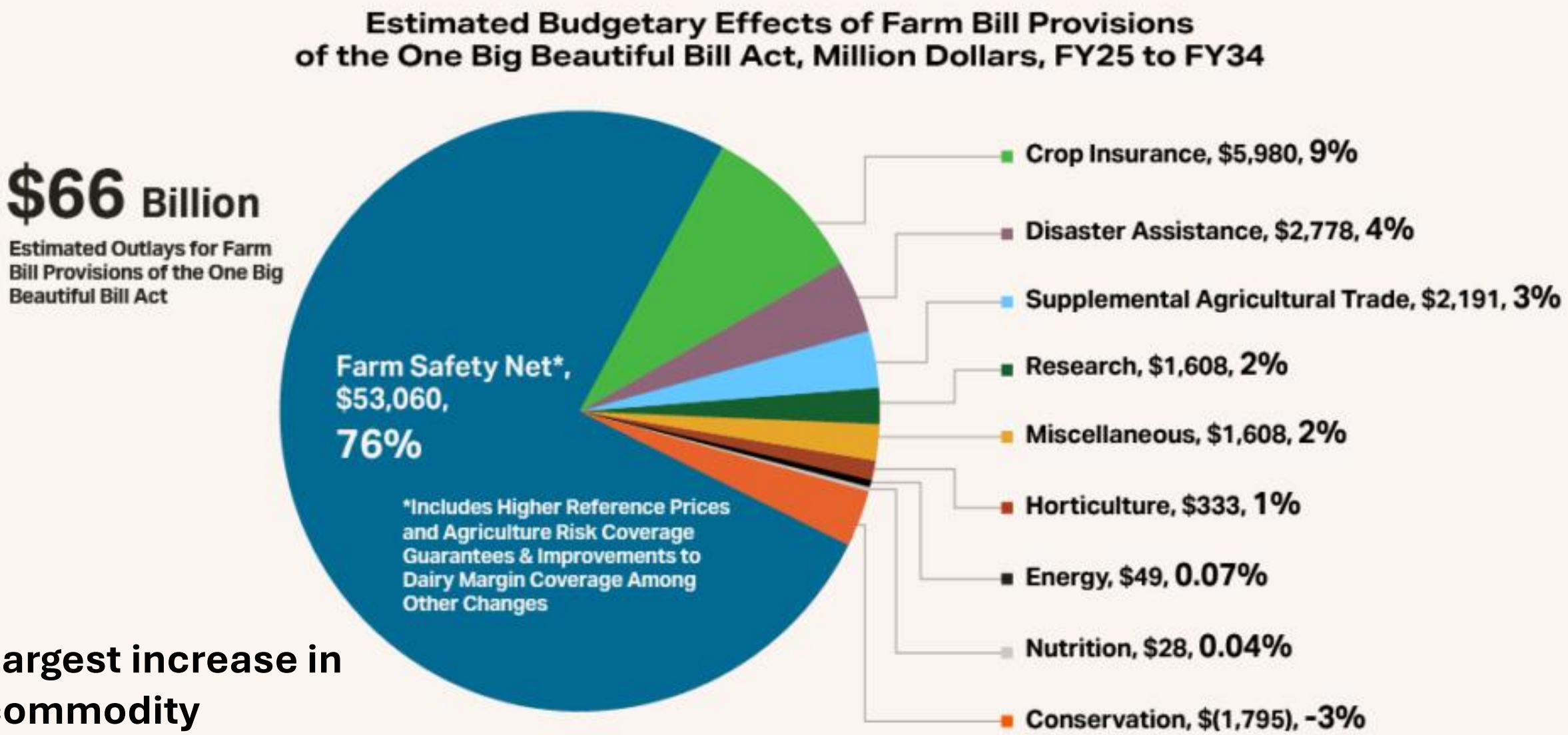
Policy Changes in OB3

Ben Brown and Mary Sobba

Farm Policy: Government Support



Largest increase in commodity support since 2002

Farm Finance: Government Support

Increased Statutory and Effective* PLC Reference Prices

2025 Crop Year		Old Statutory Price	Old Statutory Price	Price Change	Percent Chance
Corn	Bushels	$3.70	$4.10	+$0.40	+11%
Soybean	Bushels	$8.40	$10.00	+$1.60	+19%
Wheat	Bushels	$5.50	$6.35	+$0.85	+15%
Grain Sorghum	Bushels	$3.95	$4.40	+$0.45	+11%
Seed Cotton	Pounds	$0.367	$0.420	+$0.05	+14%
Long Grain Rice	Pounds	$0.140	0.169	+$0.03	+21%
Peanuts	Pounds	$0.2675	$0.3150	+$0.05	+18%

Effective price set at 88% (was 85%) of five- Olympic average- up to 115%

Farm Finance: Government Support

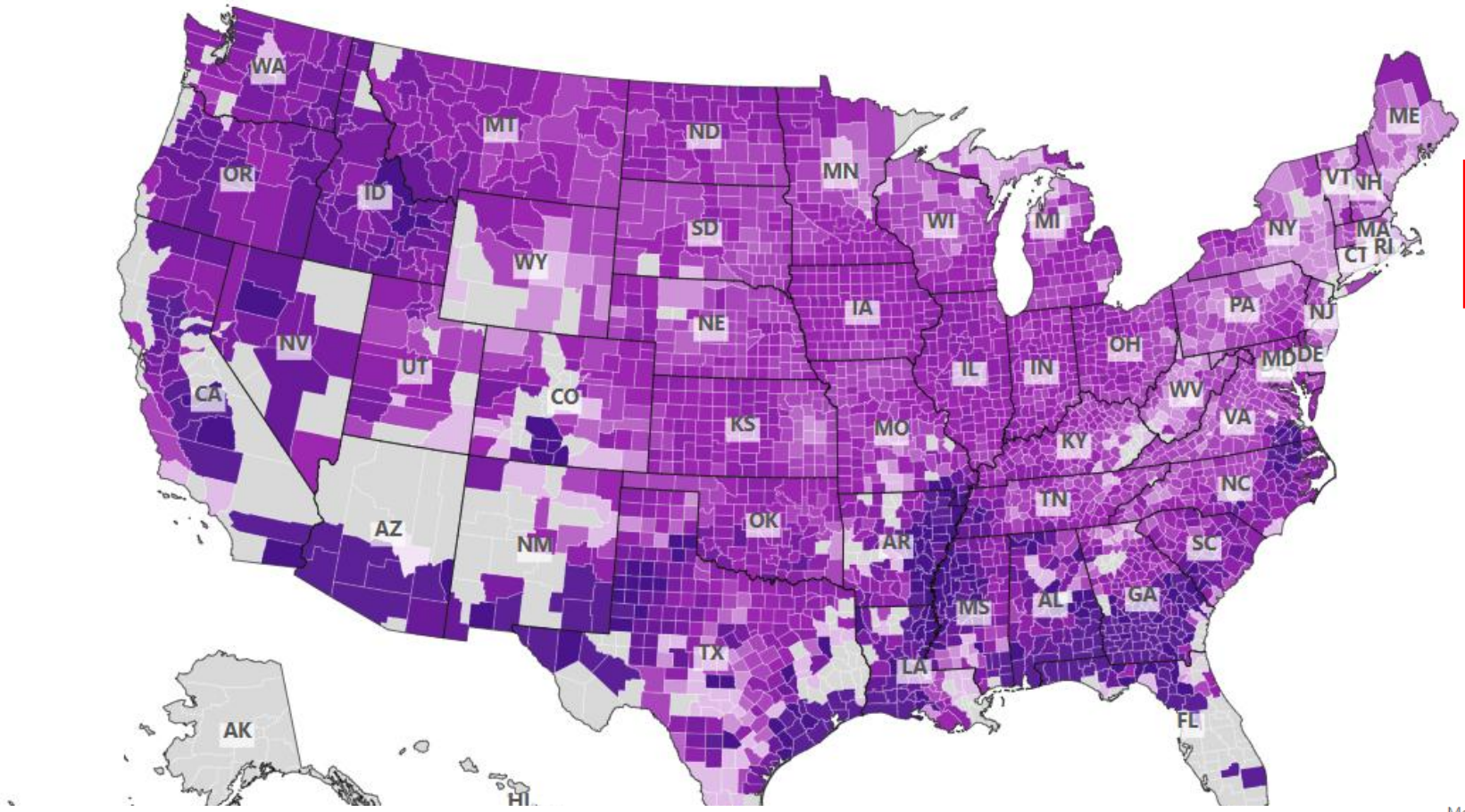
Changes to ARC-CO Programs

	Old	New
Guarantee	86% of county benchmark revenue	90% of county benchmark revenue
Maximum Payment Rate	10% of benchmark	12% of benchmark
Payment Range	76%-86%	78%-90%

- New PLC effective reference prices will carry through and impact historical ARC-CO benchmark prices.
- Continues to use trend-adjusted yields in ARC benchmark yields- same a prior
- SCO is now allowable on both ARC-CO and PLC enrolled acres (previously just PLC)

Farm Finance: Government Support

Change in Per Acre Payment Rates (2026-2034)



Mean Rate Differences Between Current and Proposed Policy (2025-2034) - Aggregated

$1.14 $8.49 $9.31 $9.83 $11.89 $13.83 $20.02 $27.97 $38.59 $137.89

Gray states indicate no available data or a value of 0

Barton, Missouri	
Avg Base Acres:	163K
Total Payment Change:	$21M (88.7%)
Payment Rate Change:	+12.97/acre
Current Total:	$24M
Current Payment Rate:	$14.62/acre (weighted avg)
Proposed Total:	$45M
Proposed Payment Rate:	$27.60/acre (weighted avg)

Program Breakdown

ARC-CO	
Payment Rate Diff:	+8.63/acre (weighted avg)
Current Avg Base Acres:	77K
Proposed Avg Base Acres:	77K
Current Value:	$11M
Proposed Value:	$18M

PLC	
Payment Rate Diff:	+16.87/acre (weighted avg)
Current Avg Base Acres:	86K
Proposed Avg Base Acres:	86K
Current Value:	$13M
Proposed Value:	$27M

Source: Policy Design Lab, University of Illinois

Farm Finance: Government Support

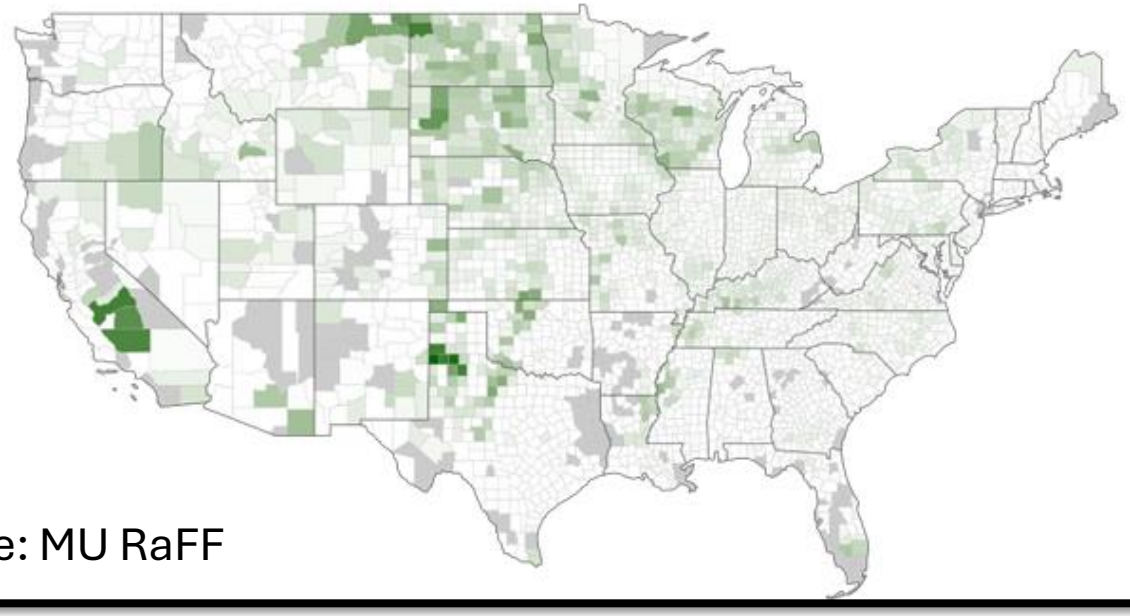
Additional Changes to ARC & PLC

- For 2025 crop year only- producers will receive the higher of ARC-CO or PLC
  - Annual election returns for 2026-2031

- Payment limit increased from $125,000 to $155,000 per entity. (Separate $155,000 payment limit for Peanuts)

- Addition of 30 million more base acres (rules have not been announced)

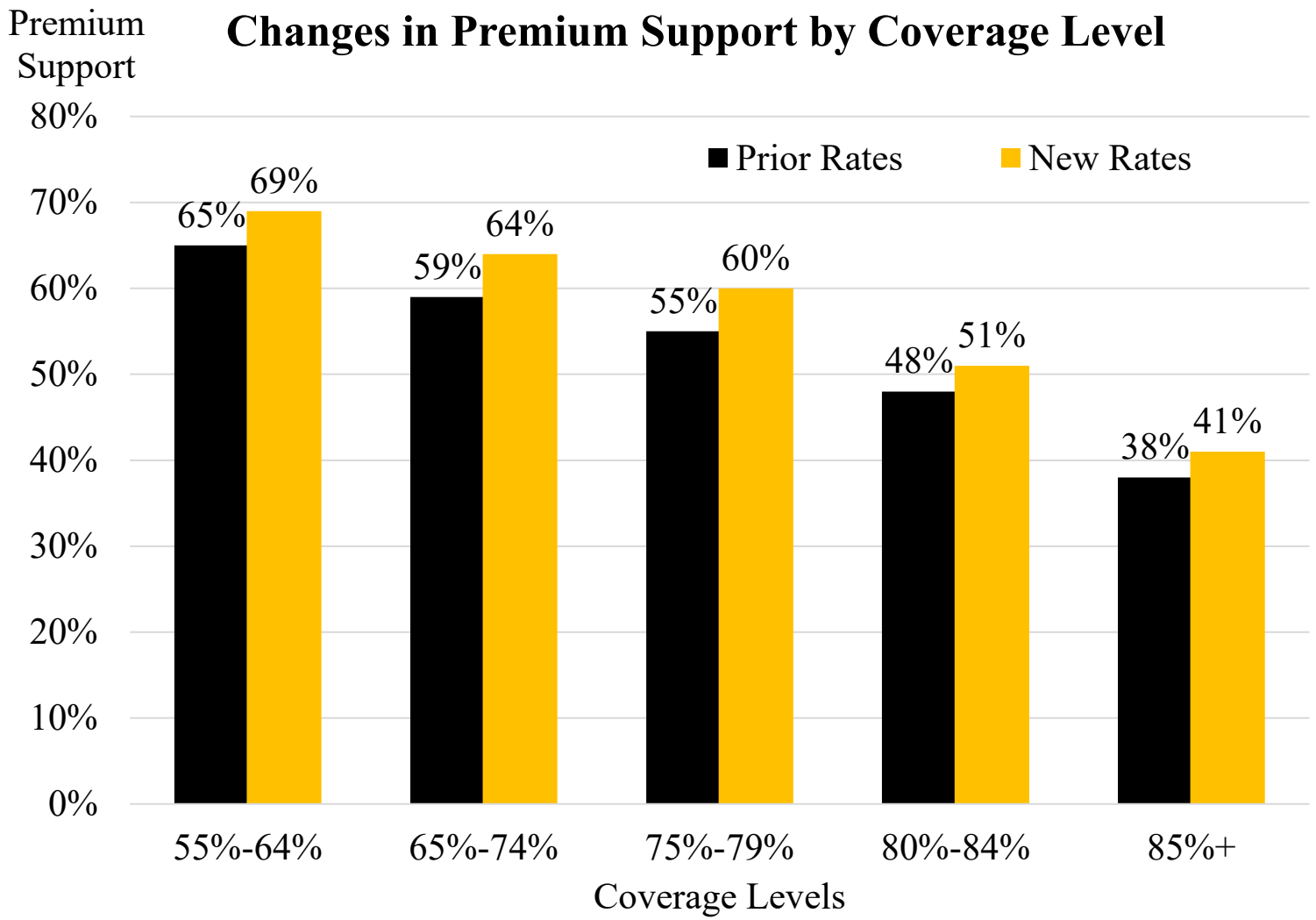
Figure 1. Additional Base Acres Allocated to All Covered Commodities by County, Scenario 1 ("C+P")



Source: MU RaFF

Farm Finance: Government Support

Higher Crop Insurance Premium Subsidies



Changes to Area Based Plans (SCO)

- ❑ SCO premium subsidy increase from 65% to 80%
- ❑ Increases coverage level from 86% to 90%
- ❑ **This could be something attractive for Missouri Producers.**

2026 Closing Remarks- Come Back Next Year

Here are my final thoughts for 2026

- **Markets:** Three major factors impacting outlook for grains and oilseeds (both policy related).
  1. **International demand-** I believe non-Chinese business will continue (they need our products), does China fulfill their purchase agreements or exceed them? My gut says only partially like in 2019.

  2. **EPA Biofuel Regulations-** The proposals were favorable to ag markets. I think the final rule will match the proposals and the industry can meet the higher use requirements.

  3. **Weather** will get the final say on the size of the 2026 crop, but I do not see U.S. producer cutting back on acres nor shooting for record yields.

- **Finances:** The price cost squeeze continues in 2026.
  - Margins won't be as bad in 2026 as they were in 2025, but still not good.

  - I anticipate another round of ECAP like payments in 2026- the "bridge payments" before higher farm program payments kick in next fall .

Thank you! Are there any questions?

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