

Growing Stress in Agriculture

American farmers and ranchers have faced a 50 percent decline in net farm income since 2013. National Farmers Union (NFU) has heard many stories of growing hardship and stress impacting our members' communities over the past two years. Data compiled by the U.S. Department of Agriculture (USDA), Federal Reserve Banks, and academic institutions provide evidence of the hard times farmers and ranchers are facing.

- Net farm income is forecast to decline by 8.7 percent to \$62.3 billion in 2017, the fourth consecutive year of declines.¹
- The 2017 debt-to-asset ratio is the highest the agriculture industry has seen in three decades.²
- A recent Kansas City Federal Reserve report shows that farm lending has dropped by 40 percent from a year ago, the largest decline in 20 years.³
- Agricultural lenders are increasing interest and collateral requirements to loan terms due to the heightened risk.⁴
- Nearly 90 percent of agricultural lenders have seen an overall decline in farm profitability in the last 12 months.⁵ Farm debt is forecast to increase by 5.2 percent, while farm asset values are forecast to decline by 1.1 percent in 2017.⁶
- Financial liquidity measures, including working capital, are forecast to weaken in 2017, as are solvency measures such as the debt-to-asset ratio.⁷
- Delinquency rates for farm real estate and non-real estate loans are increasing.⁸
- Farm lending at commercial banks continued to decline in early 2017. The volume of non-real estate farm loans originated in the first quarter declined 16 percent from 2016, according to the Federal Reserve Bank of Kansas City.⁹

¹ <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-farm-income-forecast/>

² <https://www.farmaid.org/blog/fact-sheet/looming-crisis-american-farms/>

³ <https://www.kansascityfed.org/research/indicatorsdata/agfinancedatabook/articles/2017/04-21-2017/ag-finance-dbk-04-21-2017>

⁴ <https://www.kansascityfed.org/research/indicatorsdata/agfinancedatabook/articles/2017/04-21-2017/ag-finance-dbk-04-21-2017>

⁵ http://www.aba.com/Tools/Function/Ag/Documents/2016_2017AGLendingSurveyReport.pdf

⁶ <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/assets-debt-and-wealth/>

⁷ <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-farm-income-forecast/>

⁸ https://agriculture.house.gov/uploadedfiles/tonsanger_testimony.pdf

⁹ <https://www.kansascityfed.org/research/indicatorsdata/agfinancedatabook/articles/2017/04-21-2017/ag-finance-dbk-04-21-2017>

NFU has spent the last two years highlighting the impact the declining farm economy has on family farmers and ranchers. Our organization continues to serve as a strong advocate for programs that aid farmers and ranchers. We have provided written and personal congressional testimony, made annual requests for appropriations, led hundreds of meetings, and requested emergency assistance on numerous occasions.

We encourage you to visit our website ([Hyperlink](#)) to view the work NFU is carrying out on behalf of its America's family farmers and ranchers. To help us better inform decision makers about the need for assistance, we encourage you to share the challenges you're facing on our website and encourage your neighbors to do so. NFU will continue to make our voices heard and ensure more groups and offices in Washington recognize the problem.

Visit www.nfu.org/HYPERLINK for more information. #FarmCrisis



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