



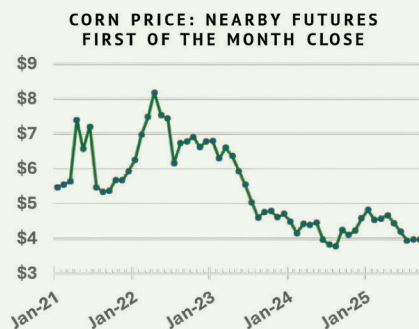
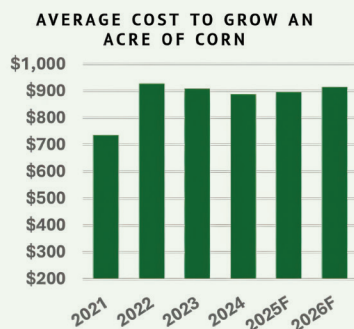
NCGA Economic Insights

FARM FINANCIAL STRESS FROM HIGH PRODUCTION COSTS AND LOW PRICES

SEPTEMBER 2025

The National Corn Growers Association is concerned about the tough financial reality facing many farmers today that ripples through the rural economy. NCGA maintains a persistent focus on driving additional sources of demand for U.S. corn to support market price and seeks collaboration to identify and advance solutions that will improve the troubling economic situation for farmers and rural America.

Cost to Grow Corn Extremely High Relative to Price

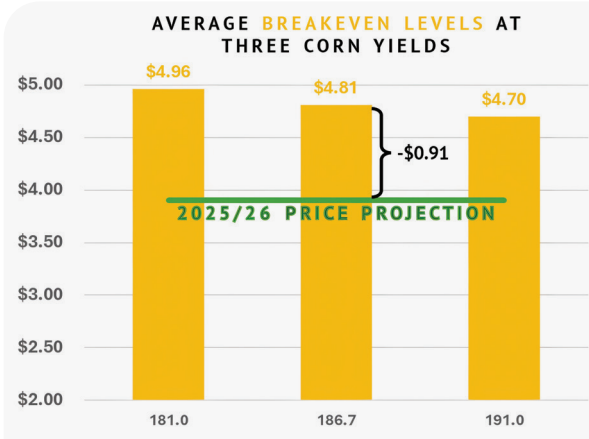


Corn price has dropped more than 50% from the 2022 high. In the same period, the average cost to grow corn declined 3%. Forecasts costs for 2026 are higher, only 1% lower than 2022.

Productivity gains reduce per bushel costs. But expected record-breaking corn yields aren't enough for the average cost farmer to avoid notable negative profit margins at current prices.

The average cost of production is \$0.91 per bushel more than the expected average price.

In other words: on a 1,000 acre corn farm, a grower invests nearly \$900,000 in total costs and a year's work to end with a net loss of nearly \$170,000.



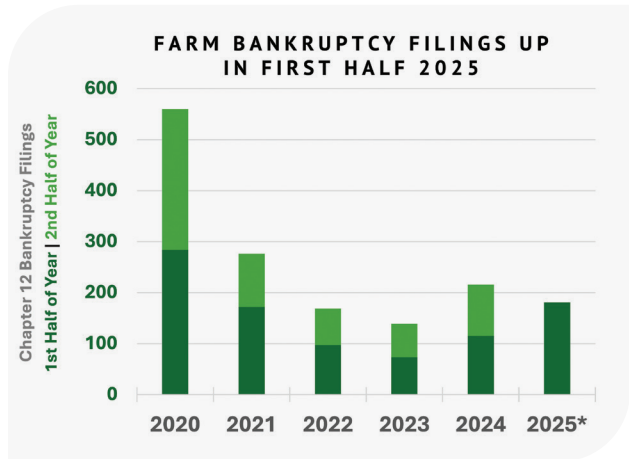
Inflation Impacts Cost of Production

Over long periods of time, production costs are significantly correlated with general inflation, but the market price for corn is not. This is a challenge for farmers who can't charge more for their corn to offset higher costs.

In other industries – including some input suppliers – producers of a product can raise their prices to stay profitable as costs increase.

Financial Stress Evident in the Farm Sector

Farm bankruptcies filings have trended upward from a low point in 2023 breaking what had been a downward trend since 2019. In 2024, there were 216 Chapter 12 Bankruptcy filings. In the first half of 2025 there were 181 Chapter 12 Bankruptcy filings, well ahead of 115 at the same point in 2024, signaling growing farm financial pressures. Reports from agriculture lenders indicate weakening liquidity, declining repayment rates, and greater loan demand.



Range of Components Driving High Costs

The total cost to grow corn, including both operating costs and overhead costs, has roughly doubled since 2007.

But the \$3.90 per bushel average farm price expected for 2025 is lower than the \$4.20 per bushel average farmers received in 2007.

- **The costs of fertilizer, interest, and general farm overhead increased more than 70%**
- **Seed, chemicals, hired labor, taxes and insurance, machinery/equipment, and land more than doubled**
- **Custom services and repairs more than tripled**

Record High Fertilizer Price in Currency of Corn

Maintaining soil fertility is critical for corn productivity. The combination of rising fertilizer price and declining corn price means farmers are selling many more bushels of corn to buy the same one ton of fertilizer. For some fertilizer products the ratio of fertilizer-to-corn-price is at a record high.

CORN BUSHELS TO BUY 1 TON OF FERTILIZER

FERTILIZER PRODUCT	1/3/25	8/15/25
MAP	179	233
DAP	164	215
UAN 28%	72	110
UAN 32%	81	127
UREA	108	167

Why It Matters: 2025 is year three of negative profit margins for U.S. corn and numerous other crops. 2026 looks even worse, with even higher costs and lower prices. Evidence of financial stress could expand to full farm financial crisis if action isn't taken to support our nation's farmers. Critical solutions are needed now: trade deals, market access, and expanded domestic ethanol generate demand and drive the market price for corn.



Read the Full Report



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