



For Immediate Release

NR 26-04 (4-09-26)

Contact: Ben Mosely or Philip Shelly

Phone: 703-883-4056

Email: info-line@fca.gov

FCA board receives quarterly report on conditions in agriculture and the Farm Credit System

McLEAN, Va., APRIL 9, 2026 — At its monthly meeting today, the Farm Credit Administration (FCA) board received a [quarterly report \(PDF\)](#) on economic conditions affecting agriculture and an update on the financial condition and performance of the Farm Credit System (System) as of Dec. 31, 2025.

Economic conditions affecting agriculture

Macroeconomic indicators show challenges ahead for the U.S. economy. Inflation has been relatively stable during the last year, but recent volatility in energy markets is expected to put upward pressure on general price levels. Job growth has been mixed in 2026, and the share of Americans working or looking for work continues to slip. Although economic growth slowed in the fourth quarter of 2025, large gains in the third quarter resulted in real GDP growth of 2.1% for the year.

Farm income in 2026 is expected to increase slightly. A large increase in direct government payments will offset a decline in cash receipts. Crop profitability for 2026 favors soybeans, and USDA's annual Prospective Plantings report shows that farmers plan to plant more soybeans and less corn than last year. Producers who locked in fertilizer and other input prices early will avoid recent steep cost increases linked to the conflict in the Middle East. In the western United States, drought and water availability issues have emerged following sharply lower winter snowpack.

Livestock profitability remains a bright spot for the farm sector. Cattle prices are high amid low inventories and strong beef demand. The effect of low cattle inventory is becoming more apparent as fewer cattle move through feedlots. Chicken prices are lower than last year, but processors continue to see positive margins. Cases of highly pathogenic avian influenza are down compared to 2025, with most new cases occurring in turkeys, which has driven turkey prices to increase sharply.

Weak conditions in the crop sector have pushed farmer sentiment in the agricultural economy below last year's level. However, payments authorized under the Commodity Credit Corporation Act for the Farmer Bridge Assistance Program are expected to help producers pay down debt and support working capital this year.

Condition and performance of the Farm Credit System

The System reported solid financial results for the period ending December 2025. Overall loan portfolio quality remained sound, although nonaccrual loans and allowance provisions continued to trend higher. Challenging operating conditions affected borrowers in a number of production and agribusiness sectors. Nonperforming assets rose to 1.03% of total loans and property owned, up from 0.81% the previous year.

Full-year earnings were \$7.98 billion, a 2.3% increase from \$7.80 billion in 2024. Total capital reached \$85.0 billion, a 7.8% increase from the previous year, indicating that stable earnings continued to support capital growth. Overall, the System remained financially sound and is well positioned to meet the funding and liquidity needs of U.S. farmers and ranchers.

Notational votes

Since the March 12 FCA board meeting, the board has taken two notational votes. Notational votes are actions the board takes between board meetings.

On March 16, the board voted to authorize the chief financial officer to reallocate funds to the Office of Agency Services for operational support projects.

Also on March 16, the board approved the updated Policy Statement on Equal Employment Opportunity.

###

The Farm Credit Administration is the regulator of the Farm Credit System. The System is the nation's oldest government-sponsored enterprise. It consists of a nationwide network of cooperative banks and associations, which was established in 1916, and a secondary market entity known as the Federal Agricultural Mortgage Corporation (Farmer Mac), which was established in 1988. The System's borrower-owned banks and associations provide credit to farmers, ranchers, residents of rural communities, agricultural and rural utility cooperatives, and other eligible and creditworthy borrowers. Farmer Mac provides a secondary market for agricultural real estate loans, rural housing mortgage loans, and certain rural utility loans. FCA news releases are available on the web at www.fca.gov.