



IFES 2019: Illinois Farm Income: 2019 Projections and Outlook for 2020

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This is a presentation summary from the 2019 Illinois Farm Economics Summit (IFES) which occurred December 16-20, 2019. A complete collection of presentations including PowerPoint Slides (PPT) and printable summaries (PDF) are available [here](#).

The 2019 production season has been a challenge for Illinois farmers. A wet spring resulted in a very late planting season that has resulted in a late harvest.

Weather, as usual, will be one of the main drivers of farm incomes for 2019. Government policies also will be a main driver of incomes with continued tariffs reducing U.S. exports, especially soybeans to China, resulting in lower corn and soybean prices. The Market Facilitation Program (MFP) has helped support farm incomes with another round of payments being made in 2019. These payments range from \$53 to \$87 per planted acre, depending on the county the land is located in. To date, 75 percent of the payment has been made.

Even with the additional government assistance, farm incomes are expected to continue at the lower levels than have occurred since 2013. Lower yields due to less than ideal growing conditions along with corn prices below \$4.00 and soybean prices at or below the \$9.00 level have offset government assistance, keeping incomes at modest levels. Higher drying costs for corn due to the late-planted crop have also cut into farmer profits.

Current projections estimate the Illinois average corn yield at 179 bushels per acre and the average soybean yield at 51 bushels per acre, both slightly below trend yields. The current national average 2019-20 marketing year price for corn is estimated at \$3.85 per bushel and for soybeans at \$9.00 per bushel.

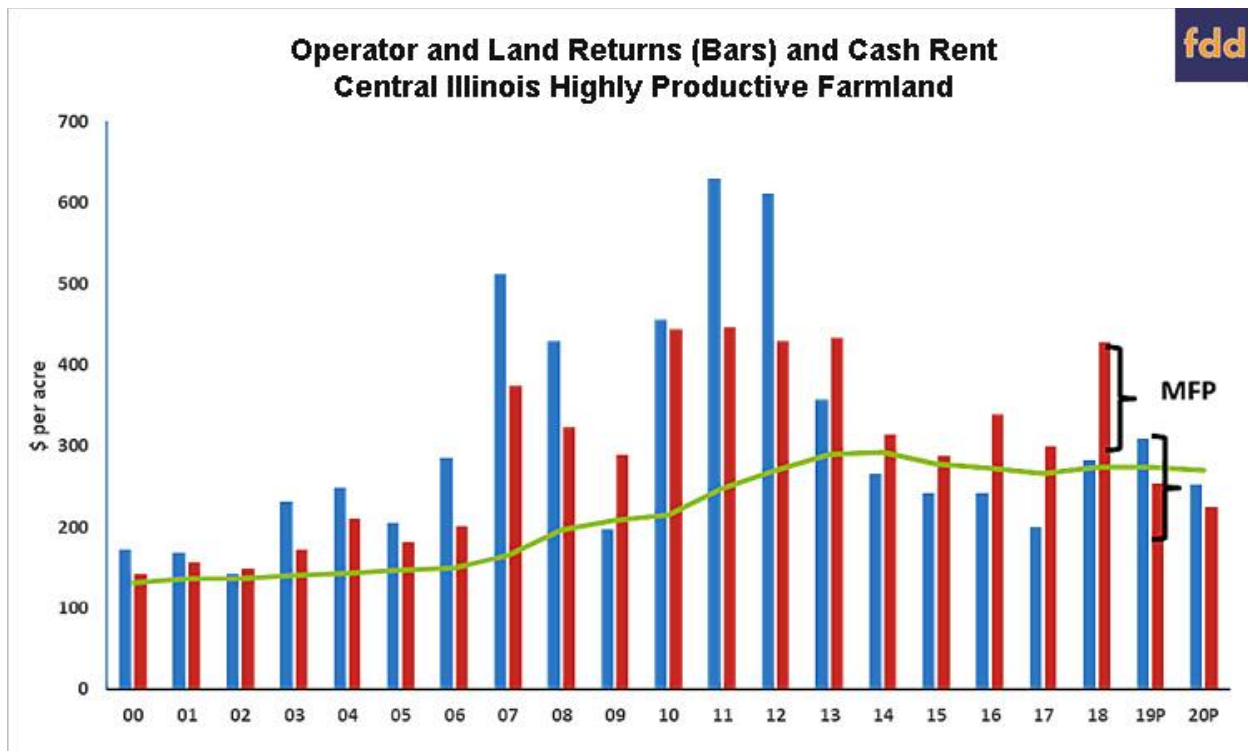
Current projections for returns to corn on highly productive central Illinois soils would indicate a slightly positive farmer return of \$36 per acre after an average land rent charge of \$274 per acre and a negative \$37 per acre to soybeans. This returns includes an average MFP payment of \$82 per acre for both corn and soybeans.

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Projections for 2020 using trend yields, a corn price of \$3.90 per bushel and a soybean price of \$9.00 per bushel and no ARC/PLC would result in a negative \$17 per acre farmer return for corn and a negative \$58 per acre farmer return for soybeans.

Average cash rents have decreased slightly from their peak after the higher income years of 2006 – 2013. Indications are that rents might be slightly lower again in 2020 compared to 2019. Overall though, cash rents have stabilized.

Generally, the same can be said for land values. Land values peaked in Illinois in 2013 and have dropped about 15 percent from their peak for excellent land and 13 to 14 percent for good and average land. Like cash rents, land values have generally been stable to slightly lower the last few years.



Additional Resources

The slides for this presentation can be found at:
<https://farmdoc.illinois.edu/ifes/2019-archive>

For current farm management information:
<http://www.farmdoc.illinois.edu/manage/index.asp>

Schnitkey, G., K. Swanson and D. Lattz. "Projected Net Incomes on Illinois Grain Farms in 2019 and 2020." *farmdoc daily* (9):218, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, November 19, 2019.

Bubela, H. and G. Schnitkey. "Adverse Corn and Soybean Price Scenarios for 2020 and 2021." *farmdoc daily* (9):149, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, August 13, 2019.

Schnitkey, G. and K. Swanson. "Release of 2020 Crop Budgets, Revised 2019 Budgets, and Up-dated Revenues and Costs." *farmdoc daily* (9):130, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, July 16, 2019.