



IFES 2021: Farm Income Outlook for 2022

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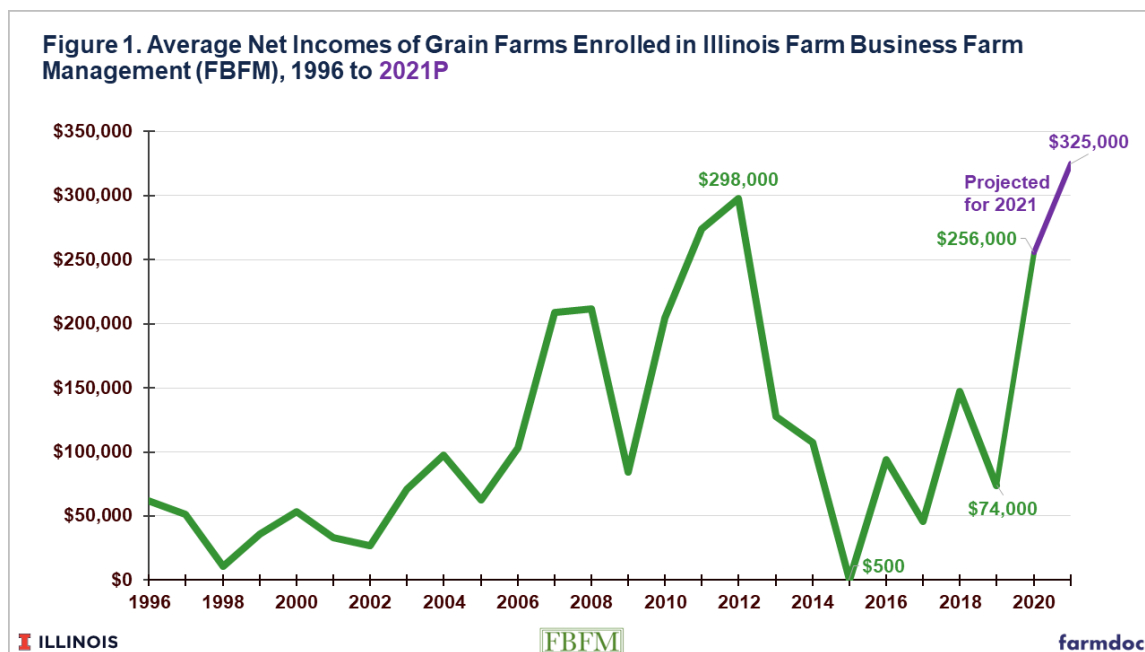
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This is a presentation summary from the 2021 virtual Illinois Farm Economics Summit (IFES). A video of the webinar and PowerPoint Slides (PDF) are available [here](#).

Net income on Illinois grain farms will be at record levels in 2021, likely near \$325,000 per farm. This \$325,000 represents an average for grain farms enrolled in Illinois Farm Business Farm Management (FBFM). Grain farms in FBFM range in size from less than 500 acres to over 10,000 acres, with an average of over 1,400 acres. These farms own an average of 20% of their acres and rent the remainder.

The \$325,000 per farm is higher than the last high of \$298,000 set in the drought year of 2012 (see Figure 1). Farm incomes averaged \$75,000 from 2013 to 2019. In 2019, net income averaged \$74,000. Income then rose to \$256,000 per farm in 2020. The last two years — 2020 and 2021 — have been above average income years.

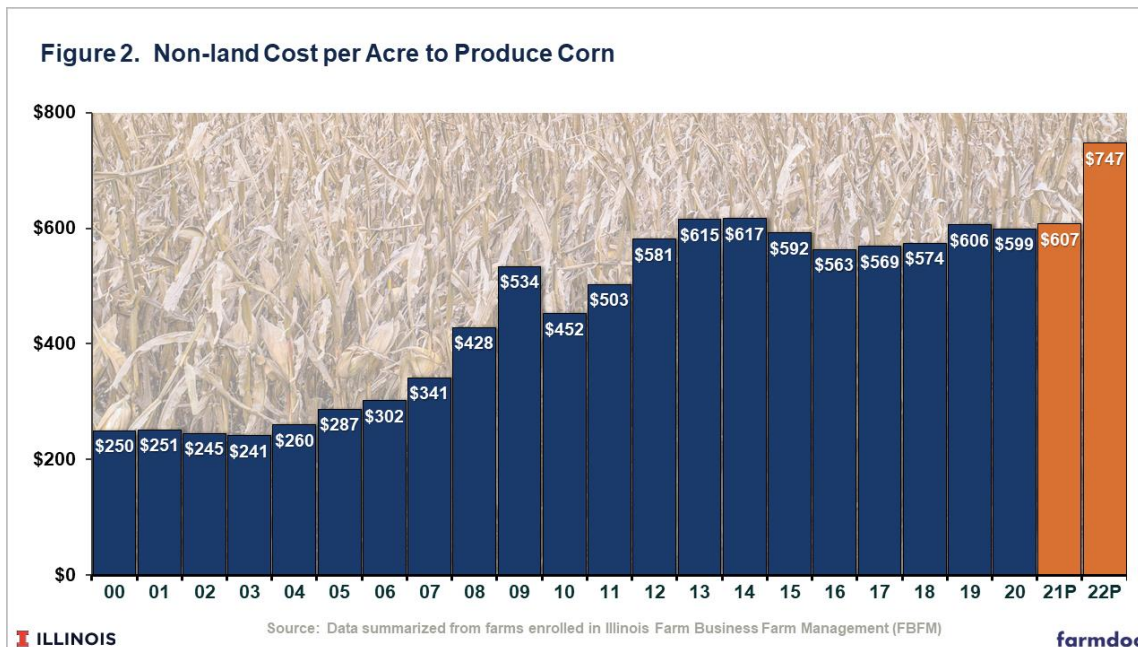


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High corn and soybean prices in 2021 caused high net incomes. For crops produced in 2021, cash prices are projected to average \$5.45 per bushel for corn and \$12.90 per bushel for soybeans. These prices are well above averages from 2006 to 2020: \$4.28 for corn and \$10.63 for soybeans. Combined with above-trends yields in 2021, these high prices lead to high gross revenue projections.

Incomes likely will be lower in 2022 but above the 2006-2012 average if current fall bids hold through 2022. Current fall bids place prices at \$5.00 per bushel for corn and \$12.00 per bushel. These above-average prices and trend yields lead to a net income projection of \$130,000, considerably below the average 2020 net income.

Much of the reason for lower incomes are higher projected costs. In 2021, non-land costs for corn averaged \$607 per acre (see Figure 2). Costs in 2022 are projected at \$747 per acre, increasing by \$140 per acre. All cost categories have increased, with fertilizer having significant price increases.



At trend yields, prices below \$5.00 for and \$12 for soybeans will result in much lower income. A return to 2006-2020 averages — \$4.28 for corn and \$10.38 for soybeans — would result in negative incomes without some form of ad hoc Federal assistance.

At this point, the farm income outlook for 2022 is promising, but significant risks exist.

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