



Rural & Farm Finance  
Policy Analysis Center  
University of Missouri

# **Spring 2024 *Illinois Farm Income Outlook***

*April 2024*  
*RaFF Report #06-2024*

# Global and National Factors

Many of the factors that pushed prices of agricultural commodities to record or near-record levels in 2022 have reversed, or at least moderated, in 2023. World grain production is up this year, central banks have tightened monetary policy and some input costs have receded. With the exception of cattle, prices for most U.S. farm products have declined in 2023.

Key considerations:

- USDA estimates show a rebound in corn production, along with a slight decline in soybean production, and projected prices for both commodities fall in 2023/24. Wheat prices have fallen after an upward spike in 2022, while cotton prices are supported by a second consecutive year of reduced U.S. cotton production. Corn, wheat, soybean and cotton prices could all decline again in 2024/25 if growing conditions allow yields to recover to trendline levels.
- Prices for fertilizer increased dramatically in 2022 but have since declined. Estimated per-acre variable costs for many crops decline in 2023, but the result is sensitive to when producers made input purchase decisions. Given projected prices for fertilizer and other inputs, costs for corn and other crops decline further in 2024 and 2025.
- Drought has reduced cattle numbers, pushing up prices for fed and feeder cattle and reaching a peak in 2025. Projected U.S. pork production remains in a narrow range between 2022 and 2025, and rising poultry production and domestic use moderates the decline in overall U.S. meat and poultry consumption in 2023.
- Increased biofuel use of vegetable oil supports the price of soybean oil and soybeans. U.S. crush increases, pushing down the price of soybean meal relative to soybeans and soybean oil. Projected domestic use of ethanol is about the same in 2028 as it was in 2022, while the use of biomass-based diesel increases by more than a billion gallons over the same period.

## Acknowledgments

**Reader note: Illinois historical agricultural data were sourced from USDA's February 2024 report and includes any 2022 census data and final estimates released before the end of February 2024. State-level historical farm income data were sourced from the Feb. 7, 2024, USDA-ERS data release and includes data through 2022.**

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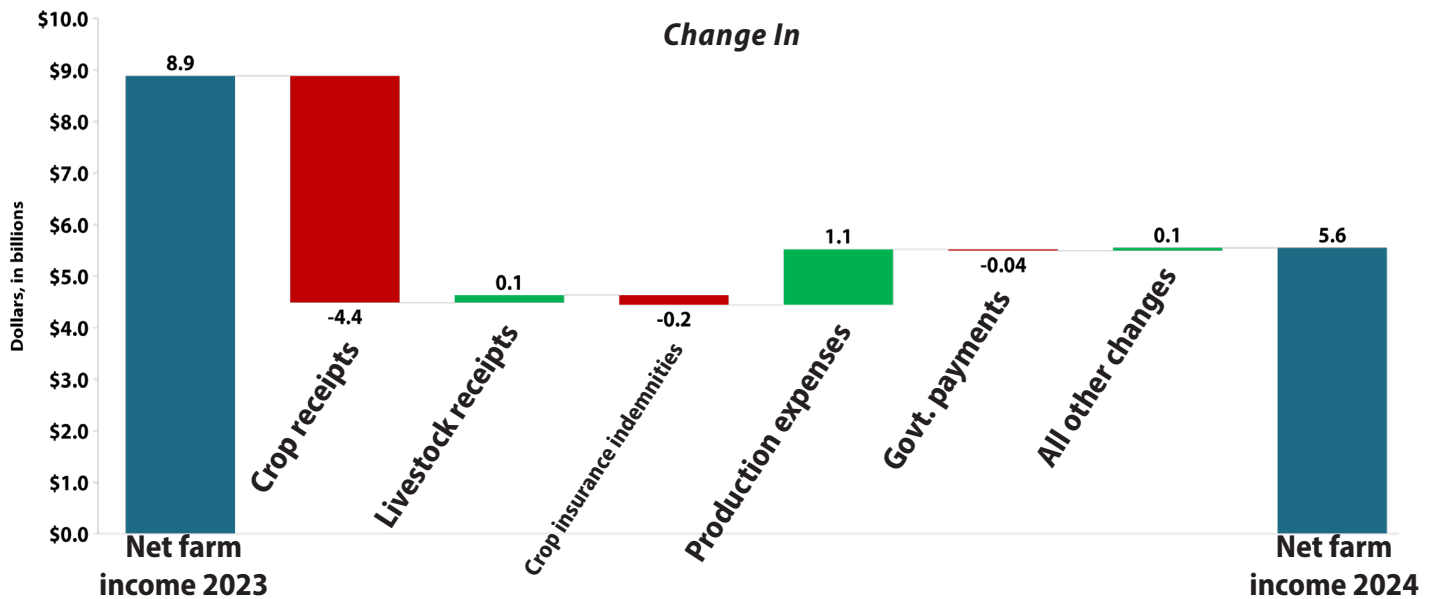
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# Illinois net farm income projected to continue backslide in 2024



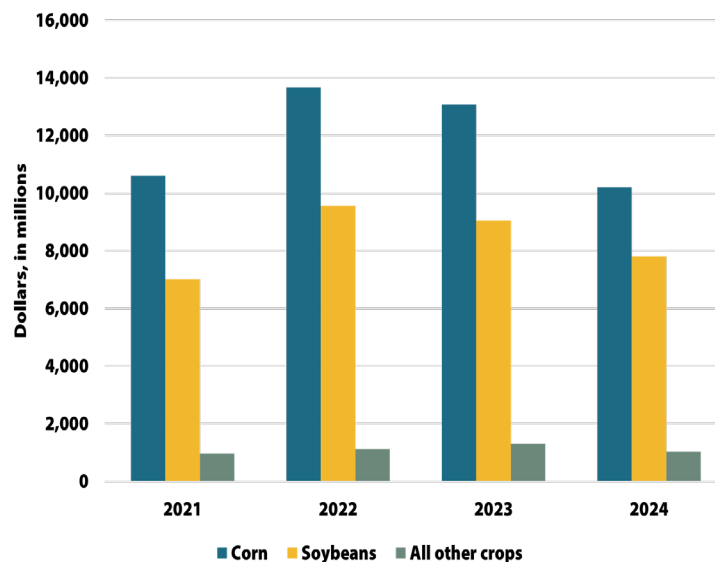
Net farm income is projected to backslide \$3.3 billion in Illinois in 2024 relative to 2023. From 2023 to 2024, crop receipts are expected to decrease by \$4.4 billion while livestock receipts see a \$0.1 billion increase. Production expenses, driven by lower costs for feed, fuel and fertilizer, are projected to shrink by \$1.1 billion. Federal crop insurance indemnities decrease by \$0.2 billion, and direct government payments see a small decrease. **Illinois' projected 38% decrease in 2024 net farm income is significantly larger than the projected 25.5% decrease in U.S. net farm income as Illinois is driven in large part by crop enterprises.**



## Illinois Crops

- Total Illinois crop planted area plus hay is expected to decrease slightly in 2024. **Illinois crop receipts are projected to decline by 19% in 2024.**
- Corn planted area is forecast to see a 500,000 acre decrease from 2023 to 2024 as acreage mix changes across the state. **Decreased production and price reduce corn receipts nearly \$2.9 billion in 2024.**
- Soybeans lead the state in terms of planted acres, and this area is expected to increase 531,000 acres in 2024. Despite increased acreage and production, **soybean receipts decrease by almost \$1.3 billion in 2024.**
- In 2024, wheat planted area is projected to increase 23,000 acres after a significant bump in acreage between 2022 and 2023. **Wheat receipts see a slight decrease in 2024.**
- Oat planted area and hay harvested area are estimated to a combined 15,000 acres in 2024. In 2024, **hay receipts see a small decrease, while oats see a nearly equal small increase in receipts.**

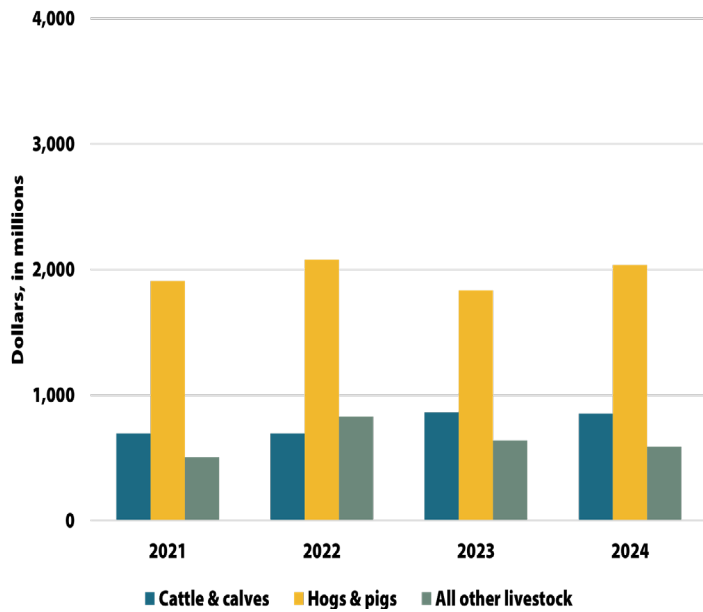
## Crop receipts decrease \$4.4 billion in 2024



## 2018-2022 average share of crop receipts (listed in order of receipt value)



## Livestock receipts increase \$0.1 billion in 2024



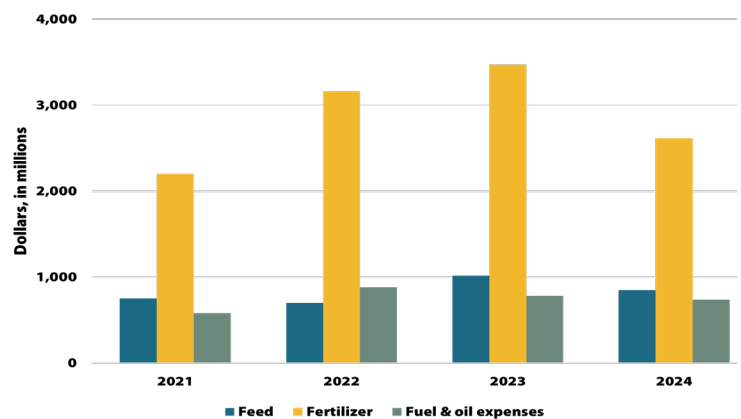
### 2018-2022 average share of livestock receipts (listed in order of receipt value)



## Illinois Expenses

- After record-setting expenses in 2023, **fertilizer expenses are expected to decrease by nearly \$0.9 billion in 2024.**
- **Feed expenses are forecast to decline by \$163 million in 2024,** and fuel and oil expenses are projected to decrease \$47 million in 2024.
- **Total production expenses are anticipated to decrease by 5% in 2024.** Despite declining fertilizer, feed and fuel expenses, purchased livestock, seed, labor, taxes and capital consumption continue to climb.

## Fertilizer expenses decrease \$0.9 billion in 2024



## Tying it all Together

**Illinois 2024 net farm income is projected to decrease by \$3.3 billion in 2024, and continues to decline for the record level experienced in 2022.** Crop and livestock receipts are projected to decline by a combined \$4.3 billion, and are partially offset by a \$1.1 billion decrease in production expenses. Total federal crop insurance indemnities are estimated to decrease by \$0.2 billion and direct government payments see a small decline. The result is an expected 38% decline in 2024 net farm income. **Moving forward, Illinois net farm income is projected to decrease in 2025 before experiencing an increase in 2026; net farm income averages \$5.4 billion across the 10-year baseline.**

All data for this report can be found at <https://ruralandfarmfinance.com/publications/#state-farm-income-estimates>



## Illinois Livestock

- Illinois cattle and calves inventory remained nearly flat between 2023 and 2024. Cattle and calves receipts are projected to remain unchanged in 2024. **Projected higher prices coupled with increased marketings cause cattle cash receipts to increase in 2025 and 2026.**
- Illinois' total hog inventory stood at 5.5 million head in December 2023, remaining unchanged from the previous year. **Increased marketings and hog prices support an estimated \$203 million increase in hogs and pigs receipts for 2024.** Projected strong prices offset slight declines in inventory and marketings to drive hogs and pigs receipts higher in 2025.
- **Receipts for dairy, poultry and eggs are forecast to decline a combined \$46 million in 2024.** Dairy receipts decline as milk production declines, while poultry and egg receipts drop by \$34 million despite a slight bump in egg production.