

08 March, 2017 – Laramie, WY

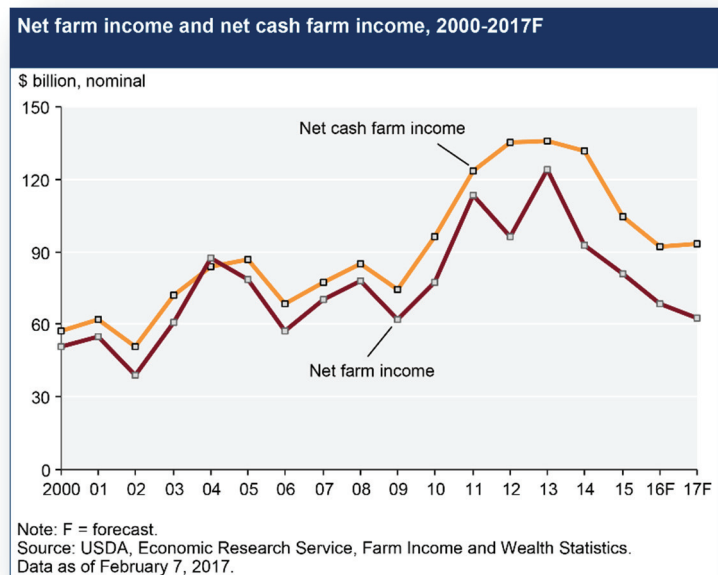
## 2017 Farm Sector Income Forecast

**F**arm sector profitability measures forecast for 2017 range from nearly flat to declining. Net cash farm income, one measure of profitability, is forecast at \$93.5 billion (\$82.2 billion after adjusting for inflation) for 2017, up 1.8 percent compared to the 2016 forecast. Net farm income, a broader measure of profitability because it includes noncash values such as inventory flows and economic depreciation, is forecast at \$62.3 billion (\$54.8 billion after adjusting for inflation) for 2017, down 8.7 percent compared to 2016.

### Other Highlights

Overall, cash receipts are forecast to remain largely unchanged, with a decline of almost \$1 billion (0.3 percent) in 2017. Little change is expected from 2016 in both crop and animal/animal product receipts.

- Nonetheless, some large changes are expected in 2017 in particular commodities. Cattle/calf receipts are forecast down \$4.5 billion (6.7 percent), and milk is forecast up \$4.7 billion (13.7 percent).
- The largest expected changes for individual crops in 2017 is a \$1.4-billion decline (16.6 percent) in wheat receipts and a \$1.3-billion gain (21.5 percent) in cotton receipts.



Direct government farm program payments are forecast to decline in 2017 by \$0.5 billion, or 4 percent. Indemnity payments are expected to rise relative to 2016.

Total production expenses are forecast to remain flat in 2017. While feed and livestock/poultry purchases are forecast lower for the fourth consecutive year, down \$2.7 billion (2.6 percent) compared to 2016, increased spending is expected for fuels and oils, up by \$1.5 billion (13.2 percent), as well as for interest expenses, forecast up \$2.4 billion (14.9 percent).

The value of farm sector assets is expected to decline \$31.8 billion (1.1 percent), with declines forecast in all 4 major asset value categories. Real estate, the largest component in the asset portfolio, is forecast to change little, down by \$7.2 billion (0.3 percent) from 2016.

For more information about the Economic Research Service 2017 Farm Sector Forecast, see: <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/farm-sector-income-forecast/>.