

<http://www.MSCNews.net/news/index.cfm?nk=53390>

Farm Income Dips in Third Quarter

OMAHA, Neb. (AP) - The Federal Reserve says farm income fell sharply during the third quarter in Midwestern and Western states, so farmers cut back on major purchases.

The U.S. Agriculture Department predicts farm income will fall 36 percent this year.

The Federal Reserve Bank of Kansas City, Mo., said Thursday agriculture bankers across the region are reviewing their loans to make sure farmers can make payments.

But at most banks fewer than 5 percent of loans had been placed on watch lists at the end of September.

About 65 percent of the bankers surveyed reported declining capital spending on farms. But only about 35 percent said farm capital spending was lower than last year.

The 10th Federal Reserve District covers Kansas, Nebraska, Oklahoma, Wyoming, Colorado, northern New Mexico and western Missouri.

Associated Press