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Farm Income Declining in Region, Loan Demand Growing

OMAHA, Neb. (AP) - The Federal Reserve says farm income continued to decline during the fourth quarter in Midwestern and Western states, so farmers are borrowing more.

But the Federal Reserve Bank of Kansas City, Missouri said Thursday that bankers report few problems with farmers failing to make loan payments.

Farm income is down because prices have declined for cattle, soybeans, wheat and corn.

The value of farmland continues to decline. The value of non-irrigated land declined 4 percent in the fourth quarter, and irrigated land values slipped 2 percent from the previous year.

The value of ranchland was flat in the quarter after declining an average of 8 percent in the first nine months of 2015.

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

Associated Press