FARMER MAC

American Bankers Association.

2025 AG LENDER SURVEY REPORT

TIGHT CREDIT, STEADY CONFIDENCE

Credit quality remains the top concern for lenders. A third expect to tighten farmland underwriting and half will do so for production loans.

But lenders see loan approvals reaching **88%**, signaling optimism that borrowers will meet higher standards.

DIGITIZING LENDING

Lenders continue to invest in technology to streamline and strengthen operations. More than half report digital upgrades in underwriting and loan applications (**57%** each), followed by servicing (**45%**) and closing (**35%**)—a clear shift toward faster, more efficient credit delivery.

DECLINING FARM PROFITABILITY

Lenders expect 52% of farm borrowers to remain profitable. That share is projected to fall below **50%** in 2026—the lowest since 2020.

Livestock strength and government payments are helping offset losses in crop sectors.

SECONDARY MARKET FOSTERS RESILIENCE

Farmer Mac's secondary-market programs remain a vital source of liquidity and risk management—especially when market conditions tighten. **Three out of four lenders surveyed use Farmer Mac for agricultural real-estate or USDA-guaranteed loans** (up from two-thirds in 2024) to help lenders manage credit and interest-rate risk while supporting the producers who keep rural America strong.

COMPETITIVE AND COST PRESSURES

Lenders face rising competition and costs. 92% cite the Farm Credit System and **73%** cite community banks as top rivals.

SECTOR CONCERNS DIVERGE SHARPLY

Performance across the farm economy diverged in 2025:

- Nearly **70%** of lenders are very concerned about grains
- **33%** cite elevated concern about fruit and nuts
- Concern about dairy and swine fell to **15%** or less
- Beef and poultry remain strong

RELIANCE ON SUPPORT GROWS

Government payments now underpin many farm balance sheets.

More than **30%** of lenders say these payments make up over **25%** of producers' net income, and **34%** factor them into underwriting.

USDA projects 2025 payments at the second-highest level on record.

FARMLAND FLATLINING

After four straight years of gains that strengthened producers' balance sheets despite business pressures, **lenders see the upward trend stalling.**

Two-thirds expect farmland values to hold steady over the next year, with the rest evenly divided between modest increases and declines.

Read the full report: FarmerMac.com/agsurvey2025

Accelerating Rural Opportunities