January/February 2026

American Farm Mortgage & Financial Services
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The Farmer's "Market"

What's Inside:

Message from the President

ALAN HOSKINS

A few years ago, someone posed what seemed to be a reasonably simple math problem. The question was: "Ten (10) birds are sitting on a wire, and three (3) decide to leave. How many birds remain?" It sounded straightforward. Having mastered elementary school math (or "grade school," as we called it), I confidently replied, "Seven." The individual responded, "That's not correct."

I disagreed—after all, ten minus three is seven. The person then explained that the correct answer was ten. Confused, I asked how that could be possible. The explanation was simple: while three of the birds had decided to leave, none had yet taken action. Since no action had occurred, all ten birds remained on the wire. While this story may be interesting—or even entertaining—what relevance does it have to agricultural producers? I believe the answer is: quite a lot.

As harvest concludes and producers begin evaluating the 2025 production year, many are facing significant challenges. These may include substantially higher input costs, commodity prices below the cost of production, and/or below-average yields—just to name a few. For some, these conditions represent the most severe downturn experienced in many years; for others, this may be their first encounter with a cycle of this magnitude. In either case, success will require more than simply deciding to change. Meaningful improvement demands action—supported by a clear implementation plan and a defined, measurable outcome. Saying "I am going to change" rarely leads to success without identifying specific steps to achieve that goal.

For example, a producer may choose to evaluate soil test results to determine fertilizer application rates for the upcoming year. If a decision is made to reduce fertilizer usage, what is the anticipated financial impact based on projected yields and estimated 2026 commodity prices? While I recognize that yield and price are variables that cannot be predicted with certainty, the pursuit of perfection should not become a barrier to progress.

Additionally, while decisions may ultimately rest with one individual or a small leadership group, the responsibility for strategy development should not fall on them alone. I strongly encourage producers to seek input from trusted advisors—crop consultants, insurance agents, accountants, and bankers—to gain additional perspectives and identify opportunities for improvement. Finally, be thoughtful about the number of significant changes implemented at one time. While today's challenges may feel overwhelming, focusing on a limited number of changes that deliver the greatest improvement in profitability or efficiency is often more effective. It has been said that prioritizing more than three major organizational changes at once can dilute focus and reduce overall success.

Navigating periods of uncertainty is never easy. However, drawing upon both your own experience and the insights of those around you can help illuminate the path forward. As you plan for the months ahead, I encourage you not only to decide to change—but to leave the wire and take action.

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Trump Administration Announces $12B Farmer Bridge Payments for American Farmers Impacted by Unfair Market Disruptions

By U.S Department of Agriculture

President Donald J. Trump alongside U.S. Secretary of Agriculture Brooke L. Rollins, U.S. Secretary of the Treasury Scott Bessent, Senate Agriculture Committee Chairman John Boozman (AR), Senator Deb Fischer (NE), Senator John Hoeven (ND), Representative Austin Scott (GA), and farmers from Arkansas, Iowa, Indiana, Kansas, Louisiana, Pennsylvania, Ohio, and Texas today announced the U.S. Department of Agriculture (USDA) will make $12 billion available in one time bridge payments to American farmers in response to temporary trade market disruptions and increased production costs that are still impacting farmers following four years of disastrous Biden Administration policies that resulted in record high input prices and zero new trade deals.

These bridge payments are intended in part to aid farmers until historic investments from the One Big Beautiful Bill Act (OBBBA), including reference prices which are set to increase between 10-21% for major covered commodities such as soybeans, corn, and wheat and will reach eligible farmers on October 1, 2026.

Of the $12 billion provided, up to $11 billion will be used for the Farmer Bridge Assistance (FBA) Program, which provides broad relief to United States row crop farmers who produce Barley, Chickpeas, Corn, Cotton, Lentils, Oats, Peanuts, Peas, Rice, Sorghum, Soybeans, Wheat, Canola, Crambe, Flax, Mustard, Rapeseed, Safflower, Sesame, and Sunflower. FBA will help address market disruptions, elevated input costs, persistent inflation, and market losses from foreign competitors engaging in unfair trade practices that impede exports.

The FBA Program applies simple, proportional support to producers using a uniform formula to cover a portion of modeled losses during the 2025 crop year. This national loss average is based on FSA reported planted acres, Economic Research Service cost of production estimates, World Agricultural Supply and Demand Estimates yields and prices and economic modeling.

Farmers who qualify for the FBA Program can expect payments to be released by February 28, 2026. Eligible farmers should ensure their 2025 acreage reporting is factual and accurate by 5pm on December 19, 2025. Commodity-specific payment rates will be released by the end of the month. Crop insurance linkage will not be required for the FBA Program; however, USDA strongly urges producers to take advantage of the new OBBBA risk management tools to best protect against price risk and volatility in the future.

The remaining $1 billion of the $12 billion in bridge payments will be reserved for commodities not covered in the FBA Program such as specialty crops and sugar, for example, though details including timelines for those payments are still under development and require additional understanding of market impacts an economic needs.

The $12 billion in farmer bridge payments, including those provided through the FBA Program, are authorized under the Commodity Credit Corporation (CCC) Charter Act and will be administered by the Farm Service Agency (FSA).

To submit questions, justification for USDA farmer bridge aid, or to request a meeting on farmer bridge aid, producers can reach out to farmerbridge@usda.gov.

Why It's Time to Change Your Equipment Purchasing Strategy

By Greg Peterson

Your farm's odds at sustaining into future generations depends on knowing, absorbing and acting on the realities of this new/changed farm equipment market.

I've been compiling auction price data since November 1989 and writing my Machinery Pete column since 1992. Yet in all that time, there's a timely topic I have yet to cover: how the equipment decisions you make, or don't make, will most definitely directly affect your farm's chances at sustainability.

Your Old Equipment Mindset is Dangerous. The farm equipment market has changed substantially. I don't think there's any going back. The realities of past ag downturns your father and grandfather dealt with always saw farm equipment dealers hung up with huge excess of late-model, used units. This took years to deal with and afforded farmers multiple drift out years of good deals and bargaining power on used iron.

That's not the case now. To increase your farm's odds at ongoing sustainability, you simply must absorb this new reality. You don't have to like it, most won't, but your eyes need to open on this front.

Equipment manufacturers act differently now in downturns. They quit making it. Plants close, workers get laid off and new price point protection mode is activated.

There are substantially fewer farm equipment dealer owner groups now. These larger dealers act more in consort with each other and work more directly with the manufacturers. Manufacturers provided never-before-seen levels of help and incentives back to their dealers in 2024-2025 to help them pare down late-model, used inventory.

The result has been a condensed and shorter period of tumbling used equipment values. The largest downturn in used equipment values I've seen was from spring 2013 through the end of 2015. This time, used values tanked in 2024. One year. By February 2025, auction pricing was stabilizing.

For example, consider the three 2021 John Deere 9570RX tractors ranging from 778 to 1,016 hours that sold at a dealer inventory reduction auction in Paris, Mo., on Nov. 6. The sale prices were $363,000, $358,000 and $349,000. The average auction price on 9570RXs is actually up 11% this year. The main driving force here is the 54.5% drop in the number of 9570RXs sold at auction this year compared to last year. Or take John Deere S790 combines, where the average auction price this year is $323,937 – only down 2.4% from last year. That's because there's been a 54.8% drop in the number of them sold at auction in 2025.

The farm equipment market is shifting toward a "you buy it, we'll build it" model. Remember 2021? It's like that. Your farm's odds at sustaining into future generations depends on knowing, absorbing and acting on the realities of this new/changed farm equipment market. Here's a Machinery Pete Official Suggestion: Be proactive versus reactive.

If you stand on the beach looking out, watching for the coming big wave (whenever corn/beans finally move/stay higher), your window of opportunity for better "deals" on the equipment front, new or used, will be closed by the time you see it.

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