WISCONSIN

FUTURES

A Wisconsin Farmers Union Foundation Initiative

FACT SHEET

In partnership with Wisconsin Farmers Union Foundation

WISCONSIN FARMS ARE UNDER THREAT

The Cost Squeeze Is Crushing Wisconsin Farms

Costs are going up while the prices farmers receive for their crops are going down. Across grain, soy, and dairy — Wisconsin's three pillars — farmers are spending more than they're earning. The result is a wave of debt and bankruptcy filings Wisconsin hasn't seen in a generation. This isn't a bad year. It's a breaking point.

> "We don't know what to do right now, whether it's markets, our inputs, our equipment."
>
> **— Wisconsin farmer**

⚠ Wisconsin farm bankruptcies rose **700%** in 2025 • Crop prices below break-even for the **fourth consecutive year** • Dairy herds at the **lowest point on record**

700%	4th Year	5,100
Rise in WI farm bankruptcies in 2025	Crop prices below break-even nationally	WI dairy herds left — lowest on record

Source: American Farm Bureau Federation, *Farm Bankruptcies Continued to Climb in 2025*

1 Wisconsin Farms Are Already at the Breaking Point

- Wisconsin dairy farmers could see a **25% dip in income** — a blow to the backbone of the state's agricultural economy. (Source: The Daily Cardinal, 2025)
- UW–Madison Extension found Wisconsin grain farmers faced break-even prices of **$4.65/bu for corn** and **$10.80/bu for soybeans** in 2025 — but USDA projected just $3.90 and $10.00. Farmers couldn't cover land rental costs, let alone pay themselves. In 2026, corn needs $5.00/bu to break even; USDA projects $4.20. Soybeans need $12.27; projected at $10.30. (Source: UW–Madison Extension; AFBF)
- Wisconsin recorded **16 Chapter 12 farm bankruptcy filings in 2025** — a 700% increase — among the steepest rises of any Midwestern state. Farm bankruptcies nationally climbed 46% in 2025, the third consecutive year of increases. (Source: American Farm Bureau Federation)
- Wisconsin dairy profit expectations have **collapsed from 74% to 46%** of producers expecting profitability — from 2025 to 2026. There were approximately **5,100 dairy herds** operating in Wisconsin at the start of 2026 — just over half the number from 10 years ago, and roughly a third of those licensed two decades ago. (Source: Wisconsin State Farmer)
- More than **80% of bank lenders** in the Federal Reserve's Midwest survey expected farm income to be lower than a year ago. "The profit margin is tighter than it has been in a long time," said Rene Johnson, senior VP of agricultural lending at Lake Ridge Bank, southern Wisconsin. (Source: Federal Reserve Bank surveys)

> "That shows up as a low or negative margin, where you're spending more than you're bringing in. You can only do that for so long."
>
> **— Paul Mitchell, UW–Madison agricultural economist**

2 Fuel & Fertilizer — A Crisis With No End in Sight

- Fertilizer prices were already near record highs before the Iran war began, after **China banned nitrogen exports**. The Strait of Hormuz closure then cut off three of the top 10 global urea and anhydrous exporters simultaneously — while also shutting down natural gas supplies used to produce nitrogen fertilizer. (Source: AgWeb / StoneX, May 2026)
- Nitrogen fertilizer prices have risen **more than 30%** since the conflict escalated. **Urea has nearly doubled** since early December 2025. Farm diesel is **up 46%** since February 2026 — the largest month-to-month percentage increases on record. (Source: American Farm Bureau Federation)
- Fuel prices rising 51% from prewar levels means farmers in planting season are spending **at least $350 more per day** for a full run of just one tractor with a 200-gallon tank. (Source: Center for American Progress)
- A Farm Bureau survey of **5,700+ farmers** in April 2026 found 58% reported worsening financial conditions. In the Midwest, **48% could not afford all the fertilizer** they need this season. Nearly 1 in 3 Midwestern farmers entered the season without securing all their needs. (Source: AFBF)
- Countervailing duties on Moroccan phosphate imports cost farmers **nearly $7 billion in extra fertilizer costs** in a single year. Four companies control **75% of North American fertilizer supply** — concentrated market power that limits options when prices spike. (Source: AgWeb, May 2026)
- Some Midwestern farmers are already **switching from corn to soybeans** — which require less fertilizer — signaling a structural change in what gets planted and what reaches the food supply. (Source: AgWeb, May 2026)
- “It’s tough when the corn price falls below cost of production, but input prices are still through the roof. It seems like it’s just becoming more and more of a gap that we can’t get out from underneath.” **— Zac Soltvedt, grain farmer, Seymour, WI**

⚠ RELIEF IS NOT COMING SOON

Even if the Strait of Hormuz reopened today, fertilizer already in transit would take **60 more days** to reach U.S. farmers. Industry analysts at StoneX project near-record-high fertilizer prices will persist **through fall 2026 and into the spring 2027 planting season.** Wisconsin farmers who survive this year face the same crisis next year. (Source: AgWeb / StoneX, May 2026)

3 Tariffs — Raising Costs, Closing Markets

- Wisconsin farmers depend on export markets for **nearly a third of their earnings**. Tariffs are simultaneously raising the cost of every major input — machinery, fertilizer, chemicals, equipment — while closing those markets. Wisconsin farmers paid **$11 million in extra tariffs** on farm machinery and equipment alone. (Source: Farmers for Free Trade, 2025)
- Tariffs on agricultural inputs cost American producers **more than $8 billion in 2025** — far exceeding the revenue collected. Market reactions forced farmers to absorb the full tariff rate plus additional price increases on top. (Source: House Ag Committee)
- A fourth-generation Chippewa County farmer found that tariffs **doubled the cost of a seed treater overnight** — from $12,810 to $26,132. (Source: Barn Raiser, May 2025)
- Tariffs triggered China to stop buying U.S. soybeans. Wisconsin soybean farmers faced **five consecutive months without their largest buyer**, collapsing prices. “The prices being offered aren’t covering what it costs to put it in the ground.” (Source: PBS Wisconsin, Oct. 2025)
- The 2025–2026 crop season resulted in an estimated **$34.6 billion in losses** for the agriculture industry nationally. (Source: American Farm Bureau Federation)

> “As we’re buying fertilizer and everything to grow the crop, it’s costing us more for the inputs on it. Sometimes they’re on. Sometimes they’re off. Sometimes they’re big. Sometimes they’re small.”
>
> **— Doug Rebout, President, Wisconsin Soybean Association, State of the Union 2026**

4 **Equipment Repair** — Trapped by Monopoly Pricing

When equipment breaks during planting or harvest, every day of downtime is income lost. Manufacturers have made that problem worse — and more expensive — by locking farmers out of their own machines.

$3B	**$3,348**
Lost annually to tractor downtime nationally due to repair restrictions (Source: U.S. PIRG)	Average annual loss per farmer from repair downtime and restrictions (Source: National Farmers Union / PIRG survey)

- The FTC sued John Deere for forcing farmers to rely on its dealer network for repairs — practices that **"deprived farmers of the ability to make timely repairs on critical farming equipment."** Wisconsin's Attorney General joined the lawsuit alongside Michigan and Arizona. (Source: FTC, 2025)
- John Deere settled a class action for **$99 million** in April 2026 — covering farmers who paid dealer markups since 2018. The settlement amounts to roughly **$0.79 per affected acre** — a fraction of the actual harm. (Source: Farm Policy News, April 2026)

WISCONSIN'S RESPONSE

State Sen. Brad Pfaff introduced Right to Repair legislation in 2025: "Wisconsin farmers deserve the right to repair their own equipment or do business with the mechanic of their choosing. By opening up these monopolistic repair arrangements, Wisconsin can support farmers struggling with rising costs."

THE BOTTOM LINE

Wisconsin farms don't fail because farmers stop working hard. They fail when the math stops working — when every input costs more, every market shrinks, and every year ends in the red. The forces driving that math today are not accidents. They are the compounding result of geopolitical conflict, trade policy, and corporate consolidation that **treats Wisconsin farms as acceptable collateral damage.** That uncertainty — stacked on top of years of negative margins — is what a breaking point looks like. Wisconsin's farms, its rural communities, and its identity as America's Dairyland are all on the line.

Tell Your Story. Protect Wisconsin's Future.

Wisconsin Futures is a network of neighbors, farmers, and local organizations documenting how these policy decisions affect real people across our state. Add your voice: **wisconsinfutures.com/tell-your-story**

Sources

UW–Madison Extension, Grain Farm Margins 2025 · American Farm Bureau Federation, Farm Bankruptcy & Fertilizer Survey, 2025–2026 · Federal Reserve Banks of Minneapolis & Chicago, Agricultural Credit Surveys · Wisconsin State Farmer, Dairy Profit Outlook, June 2026 · AgWeb / StoneX, Strait of Hormuz Fertilizer Analysis, May 2026 · Center for American Progress, Iran War Cost Analysis, 2026 · Farmers for Free Trade, Wisconsin Agriculture Trade Snapshot, 2025 · Barn Raiser, Wisconsin Farmer Tariff Costs, May 2025 · PBS Wisconsin, Soybean Tariff Impact, Oct. 2025 · FTC v. Deere & Company, 2025 · National Farmers Union / U.S. PIRG, Out to Pasture, 2023 · Wisconsin Examiner / WPR, farm finance reporting 2025–2026

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