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Agriculture By the Numbers

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Editor: Bryon Parman
Associate Professor/Agricultural Finance Specialist

701-231-8248
bryon.parman@ndsu.edu

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North Dakota State University
Fargo, North Dakota

Producers Should Develop a Plan for an Estate Transfer

By Jon T. Biermacher, NDSU Extension Livestock Development Specialist

Making decisions concerning the transfer of assets in one's estate is very difficult and can be the most procrastinated activity for all of mankind. Many do not want to talk about the inevitable, nor do they want to decide who among their family, friends and favorite charities will receive the money, property, and other assets that have taken a lifetime to amass. As a result, the proverbial can is often kicked down the road in hopes that something magical will happen to resolve this difficult task. And oftentimes, the lack of planning can lead to expensive legal issues, unwanted tax implications and, sadly, ugly family disputes and feuds.

Several things are required to develop the plan once the estate planning process begins. The first is effective communication. When a married couple holds joint tenancy ownership of assets, they must decide who gets what and how much. Without good communication, a number of issues can arise. Of course, having only one heir will drastically reduce the potential problems and discussion time, but oftentimes, there is more than one. In addition to leaving part of the estate to an heir, in many cases, one or both spouses have a desire to leave part of their estate to one or more charitable organizations. Transferring ownership of assets, especially land, and possibly a few other items (such as equipment and/or livestock) to multiple heirs in undivided interests should be given considerable thought and scrutiny. Undivided interests can be used favorably in such things as mineral interest, but the chance of long-term happiness for owners of undivided interests, especially land, is typically not high.

Another level of complexity in the process arises when someone says, "I do not want you to ever sell such and such asset," resulting in a burden to the heir(s) rather than a blessing. It gets even more complicated when an entire business is being transferred rather than only assets. So, when the decisions are numerous and complex and involve multiple heirs, a high level of effective communication with all parties can increase the chances for a blessing rather than a burden. To repeat: Communication among all relevant parties cannot be overstated — it is important in every stage of the estate planning process.

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After the owners determine who gets what assets in the estate, the next step is to choose an instrument(s) to transfer the estate's assets to the heirs and desired charitable institutions. There are a number of instruments that can be used, each with varying levels of complexity and cost. However, two of the most common instruments are wills and trusts, and each has its trade-offs. Creating a trust, especially a complex trust, is usually more expensive because it often requires changing titles and deeds to facilitate moving the ownership of the assets to the trust. However, if these activities are not completed, the trust will provide little if any value. With trusts, more of the financial assets are paid during the planning process and less at the time of estate settlement.

In the case of planning using only a will, it is usually more economical on the front end of the process but tends to cost more later in the process if the estate requires court action during the settlement (probate) process.

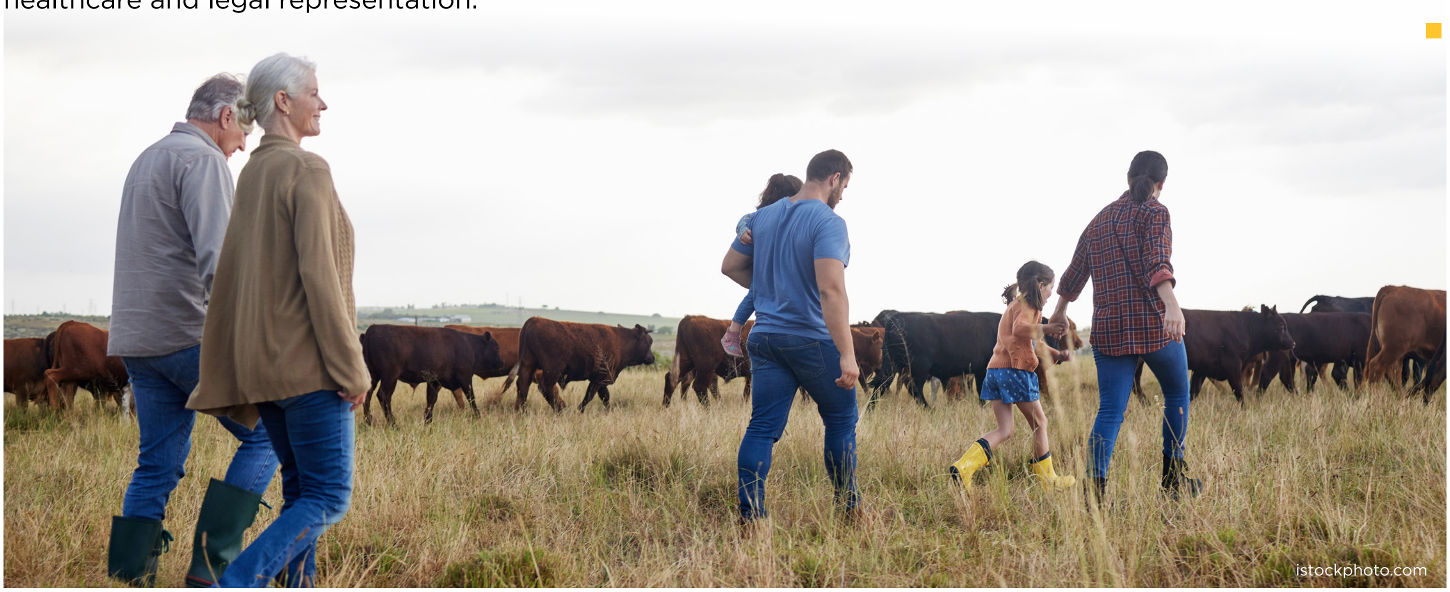
Your best route is to seek out and hire legal counsel who is knowledgeable and experienced in estate planning, especially someone with experience with agricultural estates. They will provide valuable insight into the different instruments available for transferring estate assets and help guide you through the proper and legal use of each. They can guide you through the planning process and ensure your goals are achieved through the proper design and creation of the necessary documents. Generally, other documents, in addition to those related to asset transfer, are recommended to provide guidance to family members concerning late-in-life healthcare and legal representation.

It is noteworthy to point out that the Working Families Tax Cuts Bill (PL:119-21), contained within the One Big Beautiful Bill Act passed into law in 2025, increased the size of an individual estate not subject to federal estate taxation from $12.92 million for 2023 to $15 million (i.e., $30 million for a married couple filing jointly) for 2026. The new legislation also retained the portability option for a married couple, which allowed the surviving spouse to use the unused portion of the deceased spouse's exemption to add to their own exemption. Also, the amount of individual tax-exempt gifts was increased to $19,000 per gift in 2026 from $17,000 per gift in 2023. Proper filing of IRS Form 706 is required for the unused portion to be available to the surviving spouse.

With the $30 million exemption for a married couple, one might conclude there is little need to plan, since no federal estate tax will be due. This way of thinking is cautioned because the questions of who gets what and how much still remain. Unlike the previous estate tax legislation, the current law is permanent and therefore not scheduled to expire.

A last point is that each of the 50 states has a plan for its residents who die without having developed a plan for their estates' assets. If an individual or a couple wants to make those decisions, it is imperative that they communicate their wishes, seek out and hire competent counsel, and pay to create a plan.

Additional information about the new estate and gift tax legislation can be found at https://www.irs.gov/businesses/small-businesses-self-employed/whats-new-estate-and-gift-tax.



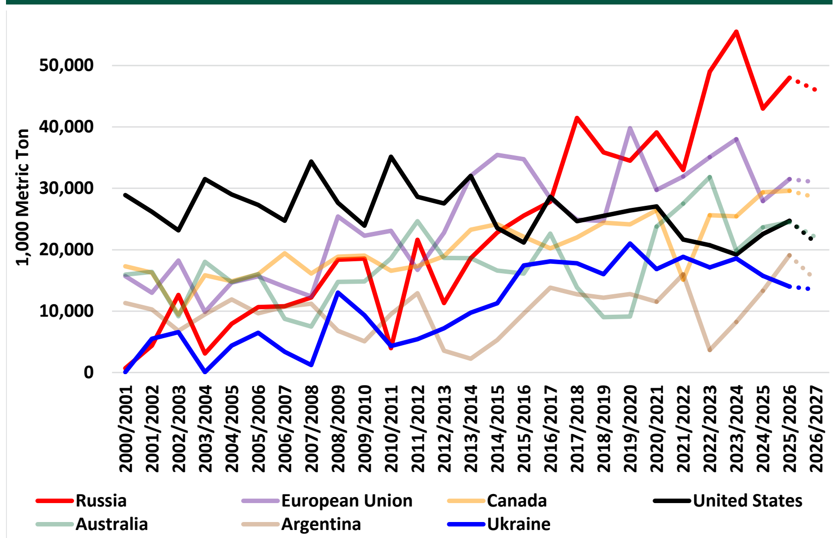
The Russia-Ukraine War Has Been Impacting Global Wheat Prices

Frayne Olson, NDSU Extension Marketing Specialist and Crop Economist

The Russia-Ukraine war has escalated, and key grain export terminals have been damaged in both countries. In addition, commercial shipping is being targeted, disrupting grain flows out of the region. Both Ukraine and Russia are major producers and exporters of wheat, barley, corn and sunflower. Restricted grain flows from the region are impacting global wheat prices and shifting wheat supply chains.

Figure 1 shows historical and projected wheat exports for the top seven exporting countries, based on the U.S. Department of Agriculture's August World Agricultural Supply and Demand Estimates (WASDE) report. The forecasted 2026/2027 export levels, represented by the dashed line segments, were prepared before the damage to export infrastructure was realized. Notice the significant increase in Russian wheat exports in the past five years.

Figure 1 – Historical and Projected Wheat Export Levels for Seven Exporters



August 12, 2026, USDA WASDE and Foreign Ag Service Production, Supply and Distribution (PSD) Custom Query

Figure 2 is a map showing the wheat-producing area surrounding the Black Sea. The Ukrainian port of Odessa and the Russian ports of Novorossiysk and Rostov on Don have sustained recent damage due to the expanding war. Industry estimates suggest that Russia exported 46.3 million metric tons of grain from ports in the Black Sea and Sea of Azov, accounting for about 90% of Russia's total sea-based exports.

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Figure 2 – Black Sea Region Wheat Production and Damaged Port Locations

USDA Global Agricultural and Disaster Assessment System

The Russia-Ukraine War Has Been Impacting Global Wheat Prices — continued from page 3

The extent of the damage in each of these ports is still being assessed, but multiple grain terminals have halted operations. Three key factors remain unknown: A) how long the attacks will continue, B) how long it will take to repair the damage and bring the port facilities back to capacity and C) the cost of temporarily shipping grain through alternative routes.

Recent reports indicated Russia is attempting to reroute some shipments to smaller Black Sea ports via truck. Russian grain exporters are also reportedly switching shipments to Baltic Sea ports, which also have lower annual handling volumes.

During the interim, global wheat exporters and importers are working to revise their wheat trading strategies and supply chains, and global prices have responded. Recent news reports state that Egyptian wheat buyers are looking for short-term supplies from Australia, Argentina and North America to backfill Russian wheat shipments that will not arrive on time. Asian wheat buyers have also expressed concerns about delays in their Black Sea shipments and may be looking for alternative supplies.

Even though global wheat prices are rising, there are still adequate exportable supplies of wheat. Argentina has finished its wheat harvest, and 2026 total production is above average, after a record-large 2025 wheat crop. Heavy rains were reported during the 2026 harvest, so there may be some quality issues, but the level of damage is unclear.

Australia's 2026 wheat harvest will begin soon. Wheat production is expected to be lower than the past two years, which were near record levels but close to the long-term average. Australian wheat exports are projected to be similar to those of the U.S.

The European Union wheat production is also lower than last year but close to long-term average levels. Even though French wheat production is below normal, it is not expected to impact total EU wheat export levels. This is partially due to the increased wheat imports from Ukraine.

Last year, Canada had record wheat production and has been a significant competitor to U.S. wheat exports, especially for spring wheat. 2026 Canadian wheat production is projected to be lower than last year, but similar to 2024 levels.

India is the third-largest wheat-producing region in the world, with China being the largest and the EU being the second-largest. Typically, India does not export large volumes of wheat, but has done so when production is high and/or inventory levels are strong. The Indian government recently lifted its ban on wheat exports, which originally went into effect in May 2022. In the 2021/2022 marketing year, before the export ban went into place, India exported 8.0 million metric tons of wheat. This is about half of Ukraine's 10-year average wheat exports of 17.0 million metric tons.

The full impacts of the damage to Russian and Ukrainian grain export capacity are still being assessed. There is little doubt that global wheat prices will remain volatile and continue to be impacted by new information coming from the Black Sea region.

No one knows how high global wheat prices will go, but farm managers should not become overly optimistic about potential price increases. Marketing plans for wheat should be adjusted, given these new conditions, but current wheat price levels should be viewed as an opportunity to expand wheat sales before the corn and soybean harvest begins.

Feeder Cattle Futures Market Volatility and the CME Feeder Cattle Index Price

Tim Petry, NDSU Extension Livestock Marketing Specialist

Chicago Mercantile Exchange Group (CME) live cattle and feeder cattle futures market prices have been quite volatile this year. Futures markets try to anticipate what the cash market will be.

Feeder cattle cash and futures prices traded at record-high levels in the first half of 2026 due to lower cattle and beef supplies and relatively strong consumer beef demand. When futures prices are record-high, volatility is usually also high because many fundamental supply-and-demand factors can affect the market in the future.

Cattle and beef supply factors are well-documented. The July USDA Cattle Inventory report confirmed the eighth-straight year of drought-forced beef cow liquidation, causing smaller calf crops and declining beef production. The report is available at https://usda.library.cornell.edu/concern/publications/h702q636h.

Lower supplies have been supportive to prices.

Beef demand has been strong, as consumers become more protein driven. However, many dynamic, fundamental supply-and-demand factors are causing enough uncertainty to make the futures and cash markets volatile.

Some factors causing market volatility include record-high retail beef prices, Iran war uncertainty (especially causing higher gas prices affecting consumers' budgets), President Donald Trump's comments about lowering retail beef prices with decreased tariff-rate quotas to increase beef imports, foreign and U.S. stock market volatility, the Mexican border closure to cattle imports due to New World Screwworm and subsequent phased reopening on Aug. 24, beef packing plant closures and labor strikes, tariff and trade agreements negotiations, managed money funds entering or exiting cattle futures markets, beef export market headwinds, and weather impacting forage and feed grains production and prices.

For example, wet conditions in the eastern Corn Belt and dry conditions in the western Corn Belt are causing volatile corn futures prices. Typically, a 10-cent-per-bushel change in corn prices causes a $1 per hundredweight change in calf prices in the opposite direction.

That being said, arbitrage causes futures and cash markets to be the same at futures market contract maturity.

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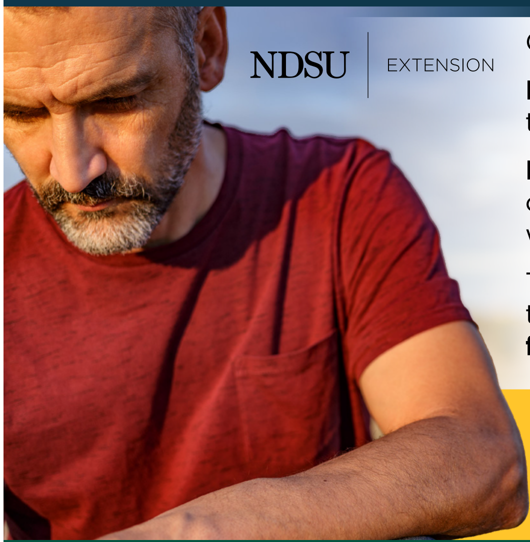
Farming and Ranching are Stressful



Concerns about production, prices and policy can weigh heavily on us.

It is okay not to be okay in times of high stress, whether during harvest time or when dealing with an uncertain farm economy.

If you feel isolated or overwhelmed, talk to someone — family, friends or a professional. Reaching out for help isn't weakness; it's a sign of wisdom and strength. Recognize that you're not alone.

Take time to connect with resources that can support you and help you to be resilient in tough times. **Find stress management tools made for farmers and ranchers at ndsu.ag/managingstress.**

If you or someone you know is struggling or in crisis, help is available. **Call or text 988.**

Feeder Cattle Futures Market Volatility and the CME Feeder Cattle Index — continued from page 5

Since there are many weights and grades of calves and feeder cattle marketed at many markets throughout the U.S., what is the cash market that the feeder cattle futures market is anticipating?

The answer is the CME Feeder Cattle Index.

Since CME feeder cattle futures contracts are cash-settled rather than by actual delivery of cattle to a physical site, all open contracts after termination of trading on the last Thursday of the contract month are settled with the Index.

The Index is based on feeder cattle auction, direct trade, video sale and internet sale transactions within the 12-state region of Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas and Wyoming for which the number of cattle, weighted average price and weighted average weight are reported by the USDA's Agricultural Marketing Service (AMS).

The three North Dakota markets reported by AMS and included in the Index are Kist Livestock Auction in Mandan, Napoleon Livestock in Napoleon and Stockmen's Livestock Exchange in Dickinson.

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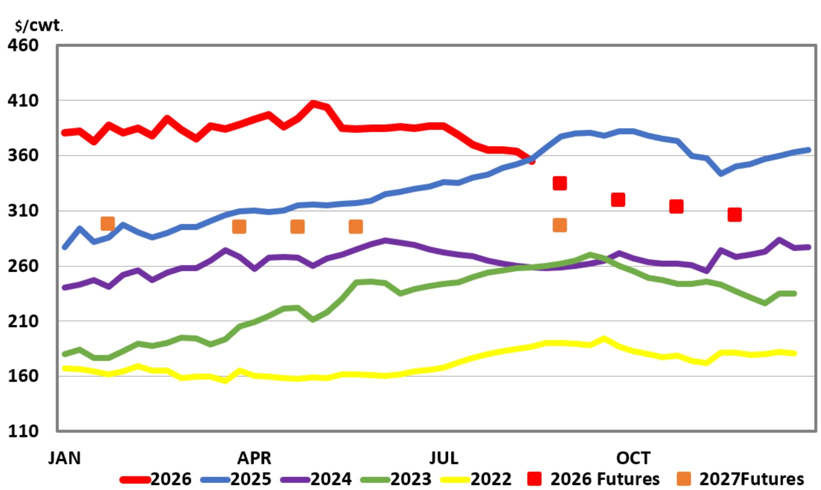
CME AUGUST FEEDER CATTLE FUTURES/FEEDER CATTLE INDEX

Source: CME



Medium and Large Frame #1 Feeder Steer Prices — 750-800 Pounds, N.D., Weekly

Source: USDA AMS

Feeder Cattle Futures Market Volatility and the CME Feeder Cattle Index — continued from page 6

Individual market reports are available on the AMS website at www.ams.usda.gov/market-news/livestock-poultry-grain#cattle.

Feeder cattle weights and USDA grades included in the Index are 700- to 899-pound medium- and large-frame No. 1 feeder steers, and 700- to 899-pound medium- and large-frame Nos. 1 and 2 feeder steers.

Feeder cattle identified as having predominantly dairy, exotic, or Brahman breeding and cattle from an origin outside the U.S. are excluded.

A detailed description of the Index specifications is available in the CME feeder cattle rulebook at www.cmegroup.com/rulebook/CME.

The Index is a seven-day weighted average, defined as the total dollars sold divided by the total pounds of eligible feeder steers sold.

Each market day, the CME posts the Index price at www.cmegroup.com/market-data/reports/cash-settled-commodity-index-prices.html.

The Index is also important for calf and feeder cattle producers who use the USDA's Risk Management Agency's Livestock Risk Protection (LRP) insurance, a valuable price risk management tool when prices are volatile. The USDA uses the Index price to determine the "Actual End Value" for calf and feeder cattle LRP insurance policies.

The 600- to 1,000-pound feeder steer and 100- to 599-pound heifer calf contracts' actual ending values are the Index price. The 100- to 599-pound steer contracts receive a 10% premium, and the 600- to 1,000-pound heifer contracts receive a 10% discount. So, LRP contracts for calf and feeder cattle are affected by the Index.

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Cropland Prices Facing Headwinds in the Second Half of 2026

Bryon Parman, NDSU Extension Agricultural Finance Specialist and Associate Professor

In July, the USDA released its annual agricultural land values summary for 2026. The report indicated that national cropland value growth had slowed from previous years to 3.3%. The USDA further reported that North Dakota cropland values had increased to the national average, also growing by 3.3% from 2025 to 2026. This is a bit higher than the NDSU report showing cropland values in North Dakota growing at just below 1% for the same period, where, in recent years, cropland in North Dakota had seen growth exceeding 10% for the year.

However, in real dollars, which are dollars adjusted for the inflation rate, cropland values from 2025 to 2026 are flat or have declined slightly. The year-over-year inflation rate from July 2025 to July 2026 is 3.4%. An additional report by Ag Country Farm Credit Services titled "Benchmark Farmland Report" from July 2026 indicated that North Dakota cropland values over the last year had fallen by 1.8% (https://www.agcountry.com/resources/learning-center/latest-land-values). Additionally, the Ag Country report stated that sales across North Dakota had declined 11% from what would be considered typical and are much lower in states such as Nebraska, where total dryland cropland transactions are down 50%, and South Dakota, where they have seen 45% fewer sales.

A significant decline in the number of land transactions compared to average is often an early sign of weakness in the market. Often, what creates this situation is potential sellers seeing the prices that land was bringing before and not wanting to sell for a lower price, while potential buyers are

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Cropland Prices Facing Headwinds in the Second Half of 2026 — continued from page 8

experiencing tight margins and may be capital constrained, making them unable to afford to buy it at those higher prices. Thus, if sellers are not in a financial position to sell, they may choose to hold off until farm incomes improve to the point where they can sell for a higher price. However, should incomes and margins remain too low for too long, land transactions will occur at lower prices, setting a new benchmark for what potential sellers may receive.

Another thing impacting the situation is interest rates, which are much higher than during the previous agricultural economic slowdown. The average 30-year fixed mortgage rate from 2014 to 2020 was 3.9%, a period of below-average net farm incomes compared to the last 20 years. However, over the last three years, the 20-year fixed-rate mortgage has averaged 6.4%-7%. Thus, not only has a significant quantity of working capital been used up that could have been used to buy additional land, but land that is financed will be financed at a much higher interest rate than would have been paid just a few years ago.

The Kansas City Federal Reserve's most recent Aug. 26, 2026, report also indicates that collateral requirements in all the agricultural districts have tightened. The tightening of lending requirements was reported to be the highest in the St. Louis Federal Reserve district (which primarily includes the Mississippi Delta states) with about 30% of lenders requiring more collateral, while all other districts had about 20% of lenders requiring more (https://www.kansascityfed.org/center-for-agriculture-and-the-economy/agricultural-finance/farm-finance-deterioration-eases-slightly/).

Moving forward, farm incomes will likely have a large impact on cropland prices. Should incomes and interest rates remain where they are over the next several years, it is likely we will see a period similar to 2015-2020, in which land prices stay flat or edge up slightly in nominal dollars, but when adjusted for inflation, decline slightly year over year. This would bring land prices more in line with current production costs and with cash rents relative to land prices. However, a sharp decline at this point appears unlikely, as equity positions among landowners remain strong, and forced land sales, as in the 1980s, would be rare.

Figure 1: Inflation-adjusted North Dakota Land Values, 2012-2026