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Rural Mainstreet Economy in Negative Territory Again
Farm Loans Soared to Record Level

April 2024 Survey Results at a Glance:

- For an eighth straight month, the overall Rural Mainstreet Index sank below growth neutral.
- Only 0.9% of bankers reported higher farm delinquency rates over the past six months.
- For the 53rd straight month, farmland prices expanded.
- The farm equipment sales index slumped below growth neutral for the 10th time in the past 11 months.
- Approximately half of bank CEOs reported that ethanol production was very important to their local economy.
- According to trade data from the International Trade Association, regional exports of agriculture goods and livestock for 2024 year-to-date were **down** 7.2% from the same period in 2023.

OMAHA, Neb. (April 18, 2024) — For an eighth straight month, the overall Rural Mainstreet Index (RMI) sank below growth neutral, according to the April survey of bank CEOs in rural areas of a 10-state region dependent on agriculture and/or energy.

Overall: The region’s overall reading for April increased to 45.8 from 38.0 in March, or its lowest level since June 2020. The index ranges between 0 and 100, with a reading of 50.0 representing growth neutral.

“Higher interest rates, weaker agriculture commodity prices and higher grain storage costs pushed the overall reading below growth neutral for the eighth straight month,” said Ernie Goss, PhD, Jack A. MacAllister Chair in Regional Economics at Creighton University’s [Heider College of Business](#).

Farming and ranching land prices: The region’s farmland price index rose to a solid 56.5 from March’s 56.0. The farmland price index has remained above growth neutral for 53 consecutive months. “Creighton’s survey continues to point to solid, but slowing, growth in farmland prices

for 2024. Approximately 17.4% of bankers reported that farmland prices expanded from March levels,” said Goss.

“Even with weaker farm conditions, only approximately 0.9% of bankers reported an upturn in farm loan delinquencies over the past six months. This is slightly below last month’s 1.0% when the same question was asked,” said Goss.

Approximately half of bank CEOs reported that ethanol production was very important to their local economy.

Terry Engelken, past president of Washington State Bank in Washington, Iowa, reported that, “We have a biodiesel plant and that does not need a pipeline (to transport CO₂). There is a new technology that converts the CO₂ to methanol and thus would end the need for the pipelines.”

According to trade data from the International Trade Association, regional exports of agriculture goods and livestock for 2024 year-to-date were **down** 7.2% from the same period in 2023.

Farm equipment sales: The farm equipment sales index for April improved to a weak 47.7 from March’s 30.4, which was the lowest reading since May 2020. “This is the 10th time in the past 11 months that the index has fallen below growth neutral. Higher borrowing costs, tighter credit conditions and weaker grain prices are having a negative impact on the purchases of farm equipment,” said Goss.

Banking: The April loan volume index soared to a strong and record high 85.4 from 79.2 in March. The checking deposit index sank to 52.2 from March’s 62.5. The index for certificates of deposits and other savings instruments slipped to a still strong 71.7 from 72.9 in March.

Jeff Bonnett, CEO of Havana National Bank in Havana, Ill., reported that, “A hot topic around the table lately has been the current administration's proposed plans to further cancel student loan debt to the tune of \$30 million. Strictly from a business standpoint, hasn't the Supreme Court weighed in on this before and ruled that by contractual law, these loans cannot arbitrarily be forgiven?”

James Brown, CEO of Hardin County State Bank in Eldora, Iowa, said, “Farm operating lines of credit will increase this year due to the loss of working capital on most financial statements for 2023. There is still a reasonable amount of working capital on most balance sheets, but cash flows show breakeven levels at current prices with a normal crop year.”

Hiring: The new hiring index for April climbed to 56.8 from March’s 52.2. “Approximately 13.6% of bankers reported an increase in hiring over March levels,” said Goss. Over the past 12 months, U.S. Bureau of Labor Statistics data indicate that the regional Rural Mainstreet Economy boosted jobs by 2.6%, compared to 0.9% for urban areas of the same states.

Confidence: Rural bankers remain very pessimistic about economic growth for their area over the next six months. The April confidence index increased to 37.5 from March’s 36.0. “Weak

and falling agriculture commodity prices, farm exports and higher interest rates over the past several months continued to constrain banker confidence,” said Goss.

Home and retail sales: Both home sales and retail sales sank below growth neutral for the last six months. The April home-sales index slumped to a very weak 34.8 from 41.7 in March. “Elevated mortgage rates and a limited supply of homes are sinking the home sales index below growth neutral in rural areas,” said Goss.

The retail-sales index for April rose slightly to 41.3 from March’s 39.6. “High consumer debt, elevated interest rates and weaker farm income are cutting into retail sales for the Rural Mainstreet Economy,” said Goss.

The survey represents an early snapshot of the economy of rural agriculturally- and energy-dependent portions of the nation. The Rural Mainstreet Index is a unique index covering 10 regional states, focusing on approximately 200 rural communities with an average population of 1,300. The index provides the most current real-time analysis of the rural economy. Goss and Bill McQuillan, former Chairman of the Independent Community Banks of America, created the monthly economic survey and launched it in January 2006.

Below are the state reports:

Colorado: The state’s RMI for April improved to 74.2 from March’s 68.3. The farmland and ranchland price index for April climbed to 63.4 from March’s 62.9. The state’s new hiring index rose to 65.2 from 61.0 in March. According to trade data from the International Trade Association, exports of agriculture goods and livestock for 2024 year-to-date were **up** 99.5% from the same period in 2023.

Illinois: The state’s April RMI rose to 38.0 from March’s 30.7. The farmland price index increased slightly to 53.1 from 52.3 in March. The state’s new hiring index jumped to 52.6 from 47.9 in March. According to trade data from the International Trade Association, exports of agriculture goods and livestock for 2024 year-to-date were **down** 20.7% from the same period in 2023.

Iowa: April’s RMI for the state increased to 36.7 from 34.5. Iowa’s farmland price index for April improved to 52.1 from 51.4 in March. Iowa’s new hiring index for April climbed to 52.1 from 46.8 in March. According to trade data from the International Trade Association, exports of agriculture goods and livestock for 2024 year-to-date were **up** 16.8% from the same period in 2023.

Kansas: The Kansas RMI for April rose to 36.0 from March’s 30.2. The state’s farmland price index climbed to 52.6 from 52.1 in March. The new hiring index for Kansas increased to 51.9 from 47.7 in March. According to trade data from the International Trade Association, exports of agriculture goods and livestock for 2024 year-to-date were **up** 6.7% from the same period in 2023.

Minnesota: The April RMI for Minnesota rose to 48.1 from 42.2 in March. Minnesota's farmland price index declined to 54.2 from 55.5 in March. The new hiring index for April improved to 54.2 from 51.9 in March. According to trade data from the International Trade Association, exports of agriculture goods and livestock for 2024 year-to-date were **down** 29.5% from the same period in 2023.

Missouri: The state's April RMI soared to 75.8 from March's 51.7. The farmland price index climbed to 63.9 from 58.2 in March. The state's new hiring gauge jumped to 65.8 from 55.2 in March. According to trade data from the International Trade Association, exports of agriculture goods and livestock for 2024 year-to-date were **down** 13.4% from the same period in 2023.

Nebraska: The Nebraska RMI for April rose to 42.7 from 38.0 in March. The state's farmland price index for April climbed to 54.5 from 54.3 in March. Nebraska's April new-hiring index increased to 54.2 from 50.4 in March. According to trade data from the International Trade Association, exports of agriculture goods and livestock for 2024 year-to-date were **up** 27.3% from the same period in 2023.

North Dakota: North Dakota's RMI for April expanded to 42.3 from 38.9 in March. The state's farmland price index declined to 54.1 from 54.6 in March. The state's new hiring index increased to 54.1 from 50.7 in March. According to trade data from the International Trade Association, exports of agriculture goods and livestock for 2024 year-to-date were **up** 3.0% from the same period in 2023.

South Dakota: The April RMI for South Dakota climbed to 49.6 from March's 43.0. The state's farmland price index rose to 56.5 from 55.7 in March. South Dakota's April new hiring index increased to 56.6 from 52.2 in March. According to trade data from the International Trade Association, exports of agriculture goods and livestock for 2024 year-to-date were **down** 4.3% from the same period in 2023.

Wyoming: The April RMI for Wyoming increased to 41.3 from 38.9 in March. The April farmland and ranchland price index sank to 54.1 from 64.5 in March. Wyoming's new hiring index improved to 53.7 from 50.6 in March. According to trade data from the International Trade Association, exports of agriculture goods and livestock for 2024 year-to-date were unchanged from the same period in 2023.

Tables 1 and 2 summarize the survey findings. Next month's survey results will be released on the third Thursday of the month, May 16, 2024.

Table 1: Rural Mainstreet Economy Last 2 Months & One Year Ago: (index > 50 indicates expansion)			
	April 2023	March 2024	April 2024
Area Economic Index	50.1	38.0	45.8
Loan Volume	62.5	79.2	85.4
Checking Deposits	25.0	62.5	52.2
Certificates of Deposit and Savings Instruments	74.0	72.9	71.7
Farmland Prices	64.6	56.0	56.5
Farm Equipment Sales	54.3	30.4	47.7
Home Sales	44.0	41.7	34.8
Hiring	54.2	52.2	56.8
Retail Business	41.7	39.6	41.3
Confidence Index (area economy six months out)	38.0	36.0	37.5

Table 2: The Rural Mainstreet Economy, April 2024					
	Percentage of Bankers Reporting				
	No ethanol plant in area	Not that important	Important	Very important	The most important industry
How important are ethanol plants to your local economy:	4.0%	8.3%	37.5%	45.8%	4.4%
	Percentage of Bankers Reporting				
	0.0% - 0.9%	1% - 4%	5% - 10%		
Farm loan delinquency rates over the past six months are:	87.0%	8.7%	4.3%		
	Percentage of Bankers Reporting				
	No opinion	Should be transported via rail or truck	Yes with adequate landowner compensation	Absolutely not	
Do you as a banker support captured CO2 from ethanol plants being transported via pipelines crossing property in your area?	25.0%	4.2%	54.2%	16.7%	

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