

## Fertilizer Pre-Purchases Tell a Different Story in Arkansas

Arkansas farmers are heading into the 2026 growing season facing another year of elevated input costs and tight margins. The United States is the 3rd largest producer of fertilizer products in the world, but that production does not meet the full demand, and farmers must rely on imported products to raise a crop each year. According to American Farm Bureau, Urea prices have increased 47% since February, and anhydrous ammonia has increased 30% in the same time period.

While administration officials have suggested that most fertilizer needs were secured ahead of recent price increases, new data from an American Farm Bureau Federation survey shows a very different picture on the ground, particularly in Southern states.

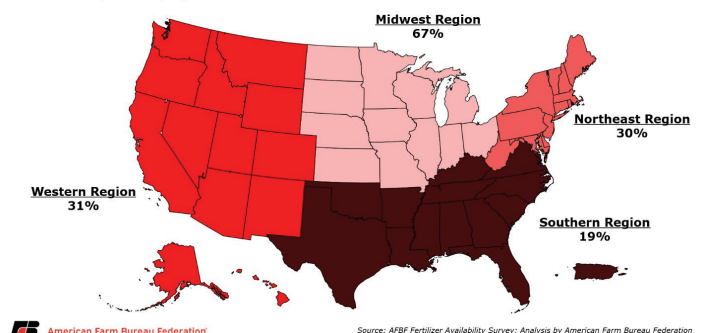
The survey, conducted April 3-11, received more than 5,700 responses from farmers in all 50 states and Puerto Rico, highlights growing concern about farmers' ability to afford key inputs as fertilizer markets continue to become more volatile. Survey results suggest many farmers were not in a position to get ahead of those increases. As the map indicates, the percentage of respondents who pre-booked fertilizer varies by region. Only 19% of producers in the Southern region reported having pre-purchased fertilizer.

In Arkansas, the results were even more dire. Only 12% of the farmers who answered the survey reported pre-purchasing any fertilizer. Of the Arkansas respondents who have purchased at least a portion of their fertilizer needs, 1/3 made those purchases in March of 2026, after prices began to spike.

Over 87% of Arkansas respondents said they would not be able to afford all the fertilizer they need in 2026. For the U.S. that number declines slightly to 70%. Farmers who can't afford to purchase fertilizer or choose not to will likely see their yield potential impacted, which also affects their bottom line.

### Percentage of Farmers Who Prebooked Fertilizer

Share of Respondents by Region Who Prebooked Fertilizer for 2026



American Farm Bureau Federation

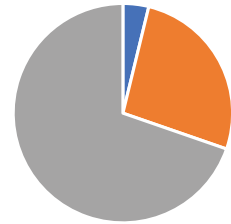
Source: AFBF Fertilizer Availability Survey; Analysis by American Farm Bureau Federation

### Ag Economy Under Pressure

Pre-purchasing fertilizer can be a tool for managing price volatility, but after several consecutive years of operating at a loss, many Arkansas farmers have seen working capital reduced and access to credit tighten. In that environment, committing cash ahead of the season may not be feasible, and interest accrued from borrowing money in the fall to purchase next year's inputs can eliminate any potential benefit. Tax considerations are also less relevant under current conditions. When farms are not generating positive income, the benefit of pre-paying expenses is limited or nonexistent.

Financial pressure has been building across Arkansas agriculture, and in some cases, it has been severe. Arkansas ranks first among states with the most farm bankruptcy filings in 2025. These conditions are shaping how producers approach input decisions heading into the season. 58% of respondents nationally reported their financial position worsening in 2026, while in Arkansas, 70% reported a worsening financial position. 96% of Arkansas farmers reported their financial position is the same or worse than 2025, when all major row crops failed to break even in many cases.

Arkansas Farmers and Ranchers  
Financial Situation Compared to 2025



■ Better ■ Same ■ Worse

**Unique Production Systems**

Production practices in Arkansas add another layer to the issue. Arkansas’s farmers have a comparatively diverse selection of crops to choose from, and planting decisions and rotations can and do change during the planting season as weather impacts progress. While farmers in the Midwest region use more fertilizer overall due to the vast acreage, farmers in the South need more fertilizer per acre. Organic matter levels in soils in the South are typically lower than soils in the Midwest. The warmer, wetter climate in the Southern region results in leaching, or denitrification, of the soil, resulting in the need for additional fertilizer. This results in a much higher per-acre cost of production for Southern farmers.

Rice, a major component of the state’s agricultural economy, requires fertilizer decisions to be made throughout the growing season. While some nitrogen needs can be estimated ahead of planting, a meaningful portion is applied later based on crop conditions and field performance. As a result, not all fertilizer needs can be committed months in advance, even when financial conditions allow.

**Bottom Line**

In addition to higher fertilizer prices, farm diesel prices have risen 46% since the end of February. Higher energy prices also impact fertilizer costs, as natural gas is an important feedstock in the production of nitrogen fertilizer. At the same time, commodity prices remain low relative to input costs, and many operations are still working through the effects of several consecutive years of financial losses.

Fuel and fertilizer markets, both extremely sensitive to global political factors, are at their most volatile since 2022 when Russia invaded Ukraine and trade through the Black Sea was affected. The current conflicts in the Middle East and disruption of shipping through the Strait of Hormuz could significantly impact farm margins across the United States, and particularly in Arkansas.

The administration has announced plans to help ensure the safe passage of fuel shipments through global shipping lanes. Expanding these protections to include fertilizer and other farm inputs should also be a priority. Additionally, more economic aid for farmers is needed to offset economic hardship. Without additional financial support and strengthened risk management tools, more farmers may be forced to scale back or exit production, with direct implications for Arkansas agriculture, the rural communities that depend on it and the state’s economy as a whole.



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