

# 2025 Georgia AG FORECAST

**STRATEGIC INSIGHTS FOR GEORGIA'S #1 INDUSTRY**



UNIVERSITY OF GEORGIA  
EXTENSION

## 2025 Georgia Ag Forecast

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Annual Publication 130-3 published on December 3, 2024

Each year, UGA's agricultural economists develop a comprehensive overview to help various sectors of the agriculture industry navigate the year ahead. As Georgia's land-grant university, the University of Georgia conducts cutting-edge research on critical and emerging issues that are important to the agriculture industry. From this research, UGA provides the best information and education available to producers and constituents to equip them with knowledge and decision-making tools for their businesses.

View the series page at the link above to find the full articles for each topic below.

## **Main Takeaways by Topic**

### **U.S. & Georgia**

- The 2025 economic forecast for Georgia calls for an economic slowdown, but not a recession. We estimate the probability of recession at 25%.
- Georgia's economy will grow faster than the nation's economy because of recent economic development success, stronger demographics, and favorable economic structure.
- The unemployment rate is expected to rise, but not too much. The rise in the unemployment rate will mostly reflect less hiring rather than more layoffs.
- Inflation fell to 3% in 2024, but it will not fall further in 2025.
- In terms of economic severity, the main downside risks to growth are a mistake by the Federal Reserve, a financial crisis, an energy price shock, a federal policy mistake, and a stock market correction.

### **Georgia Agriculture**

- Food price growth in 2025 is projected to align with inflation at around 2.5%, although prices for food consumed away from home are expected to remain higher than those for food consumed at home. Commodity prices are forecast to trend downward in the near term, with stability anticipated in the medium term.
- According to the most recent USDA farm income forecast, declining crop prices are expected to outweigh revenue gains from animal products, combined with slightly reduced input costs, leading to lower national net farm income in 2024.
- USDA projections indicate a decline in net farm income of 4.1% in nominal terms and 6.3% in inflation-adjusted terms nationally in 2024. However, these projections will not apply to Georgia because of the significant damages caused by Hurricane Helene, which resulted in lost output and infrastructure.
- Looking forward to 2025 and beyond, numerous geopolitical risks combined with various proposed policies—including tariffs and retaliation, immigration controls, tax policies, energy strategies, and inflation-targeted monetary policies—contribute to ongoing uncertainties surrounding U.S. and Georgia agricultural economic outcomes.

## **Inputs and Production Expenditures**

- U.S. farm production expenditures declined by a moderate 4.1% in 2024 compared to 2023, but remained elevated relative to recent decades, totaling \$453.9 billion.
- Forecasted U.S. farm production expenses for 2024 show increases in labor, livestock/poultry purchases, and property taxes/fees, along with reductions in feed purchases, fertilizer, pesticides, and fuel/oil.
- In 2025, we expect relatively stable total production costs as reductions in categories such as interest on operating capital and fertilizer are expected to be mostly offset by increases in categories such as labor and custom operations.

## **Poultry (Broilers)**

- The outlook in 2025 for the Georgia broiler industry is one of cautious optimism.
- The significant risk is market fundamentals—will production growth overshoot demand and cause prices to fall?
- Other areas to watch include relatively low exports, animal protein price competitiveness, and potential grower-contract regulations.

## **Beef Cattle**

- The 2025 outlook for the beef cattle sector is positive with low supplies meeting high demand to create elevated prices.
- In the near term, the higher risk appears to be beef demand—because of likely high beef prices and ample animal protein competition in the year ahead.
- Herd rebuilding indicators should be watched carefully as the cattle cycle may be approaching its next low in 2025.

## **Dairy**

- The Georgia dairy forecast for 2025 is steady to positive.
- Key uncertainties come from the balance of supply and demand and potential federal order reform.
- Highly pathogenic avian influenza (HPAI) and export risks may also play a role in the year ahead.

## **Cotton**

- Cotton prices are anticipated to stay low in 2025, driven by sluggish global economic growth, declining consumer demand, and rising trade uncertainty.
- U.S. cotton acreage and production are likely to remain at current low levels in 2025 because of relatively weaker price expectations compared to competing crops.
- Cotton production in 2025 is expected to face limited opportunities for profitability

recovery, constrained by high input costs and low prices.

## **Peanuts**

- Peanut-planted acres in the United States and Georgia are expected to remain steady at current levels in 2025.
- Forward contract prices in Georgia are projected to decline, with an estimated seasonal price range of \$475–\$525 per ton.
- Peanut profitability is anticipated to remain a significant challenge for producers in 2025.

## **Corn, Soybeans, and Wheat**

- Tight margins are expected to continue in 2025 for corn, soybeans, and wheat with commodity prices likely near or below the breakeven cost of production.
- Bountiful grain and oilseed production, combined with a strong U.S. dollar and uncertain trade policy, leads to expectations for lower prices in 2025.
- Expect more acres planted to corn, fewer acres planted to soybeans, and wheat plantings comparable to last year.

## **Fruits and Tree Nuts**

- Blueberries will continue to lead the Georgia fruits and tree nuts industry in 2025 and subsequent years despite the damage from Hurricane Helene, which is expected to reduce production and yields.
- The Georgia pecan industry will take several years to recover from the effects of Hurricane Helene, and this natural shortage will keep prices strong.
- Overall, consumer and grower price indexes will remain strong in 2025.

## **Vegetables and Pulses**

- The total harvested area of vegetables and pulses has been declining for the past 5 years, including a 25–30% loss of Georgia's fall vegetable crop because of Hurricane Helene, and the downward trend is expected to continue in 2025.
- Total imports of vegetables and pulses were \$20 billion in 2023, an increase of 7% compared to 2022. This increased import trend and value is expected to continue in 2025.
- Although vegetable per capita consumption increased by 1.7% in 2023, the increase did not surpass the 405.4 lb consumed per capita in 2020. It is expected that 2025 will be much better.

## **Green Industry**

- 2024 was a good year for many green industry firms, though Hurricane Helene mitigated these positives for many growers.
- There are many unknowns going into 2025 that will impact green industry sales, including higher inflation and interest rates, mixed signals within the economy, increased input costs, and the varying strength of the housing market in Georgia.
- Green industry demand is expected to have stable to moderate growth with increased prices, which will result in comparable average sales for 2025 compared to 2024.

## **Timber**

- Demand for softwood lumber and structural panels is expected to remain under pressure as single-family housing starts face challenges, including elevated mortgage rates, high house prices, and rising construction costs.
- In southern Georgia counties impacted by Hurricane Helene, pulpwood prices are expected to stay low through most of 2025 as mills continue to process salvaged timber.
- Affected areas may experience rising pine sawtimber prices in 2025 because of an inventory shortage.

## **Direct-to-Consumer Sales**

- We expect a growing importance of direct-to-consumer (DTC or D2C) sales in Georgia's agricultural economy. The share of farms involved in DTC sales over time will remain steady, and there will be an increase in DTC sales as a share of total farm sales.
- The dominance of large-scale operations will drive sales value.
- Farmers markets will gain traction, either in-person or online, supported by nonprofit organizations or Extension services.
- Consumer-supported agriculture (CSA) operations have faced some challenges in Georgia, including declining sales and fewer returning customers.
- Online sales via platforms like Barn2Door are getting popular among farmers and shoppers surfing on convenience.
- State branding remains key in increasing awareness and visibility of Georgia Grown agricultural and food products.

## **Georgia Hospitality, Agritourism, and Travel**

- Georgia's hospitality and tourism industry is the second-largest economic contributor to the state, closely tied to agriculture through the lodging and food sectors.
- In 2023, Georgia's visitor spending reached \$46.3 billion, contributing to a total economic impact of \$79.7 billion, with distinct spending trends in rural and urban areas.
  - Rural: In 2023, June, March, and October showed the highest demand for lodging in rural communities. Rural counties in Georgia showed slight growth in lodging demand and an increase in average daily rate (ADR) to \$107.13 in

2024.

- Urban: While experiencing softened demand, urban counties maintained stable ADR levels (\$109.49) in 2024.
- State park visitation peaked at 14.2 million visits in 2023, demonstrating the growing appeal of nature-based and rural tourism, though 2024 showed a slight decline.
- Economic pressures such as inflation and changes in consumer behavior have led to a leveling of demand and moderated growth projections for 2025.

## Georgia's Alcoholic Beverage Industry

- For Georgia breweries, the year was marked by slowed growth and heightened competition amongst craft brewers, with production volume continuing to decrease moving forward. Georgia distilleries also saw a sizable contraction in 2023, attributed primarily to an increase in out-of-state distilleries and new products entering the market—especially at competitive price points. Wineries were the only beverage segment in Georgia to experience growth, driven largely by tourism demand and increased product quality, which should carry momentum into the future.
- Each beverage segment should continue to focus on growing on-premise sales and activities, leveraging consumer interest and demand for craft and quality to develop more dynamic experiences with tours and tastings, as well as increased opportunities to purchase products directly.
- Given the highly competitive nature of the alcoholic beverage industry, Georgia's breweries, wineries, and distilleries need to differentiate themselves. Marketing and communicating their locality is one relatively easy way to achieve this. This could include sourcing local ingredients, becoming more involved with the community by hosting events or sponsorships, or developing strategic partnerships with local restaurants to offer their products as signature or house exclusives.

## Georgia's Food & Beverage Industry

- Consumer spending on food away from home increased in 2023, both nationally and in Georgia, driving overall food spending growth and reflecting a national trend of continued consumer preference for dining away from home.
- Georgia's industry should continue to experience growth in full-service restaurants, limited-service restaurants, and all other food and drinking places.
- Because of their relatively lower labor and operating costs, limited-service restaurants have experienced the most significant growth both in year-over-year and 5-year periods and should continue to increase at a fast pace.