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THE AGRICULTURAL SUPPLY CHAIN: CURRENT PRESSURE ON PRODUCERS

By Julie Murphree, Arizona Farm Bureau Director of Strategic Communications

America's food supply starts right here, at the farm gate, where your crops, livestock, and other commodities leave the operation and enter the supply chain for processing, distribution, and eventual sale. This upstream part of agriculture — your on-farm production, plus the inputs, equipment, and initial valuation that make it possible — serves as the foundation for our national food security and rural economies. When upstream operations face pressures like extreme weather, rising input costs, ongoing farm consolidation, and supply chain disruptions, the entire chain feels it downstream. As of 2025, USDA show about 1,865,000 farms operating across the country. In Arizona, the USDA reports 16,710 farms and ranches.

Every farm and ranch matters to keep the system strong.

In the beginning of my journalism career, I worked for the Institute of Supply Management. Their publication, Purchasing Today, was the channel I reported on all things related to purchasing and supply chain management. Diving deep into this space gave me great appreciation for the supply chain and its complexities. Now, as I work for Arizona Farm Bureau and Arizona and American agriculture, my enthusiasm for the importance of the food supply chain only grows.

This enthusiasm takes me on a broad search of what's happening in our food supply chain, and specifically the importance of the "upstream" portion of the chain. Really, it all starts at the farm and ranch gates across America. Those 1.8 million farm and ranch operations are key to our food security in this country.

THE BEGINNING OF THE UPSTREAM

This upstream food supply chain drives billions in economic activity, setting the stage for innovations in logistics and transportation that promise greater resilience. The farm gate's significance cannot be overstated: it's where commodities like crops and livestock are first quantified and sold, generating primary cash receipts that fuel the broader economy. In 2024, U.S. farm cash receipts totaled approximately $513.5 billion, combining $244.9 billion from crops and $268.6 billion from animals and products, according to USDA ERS forecasts.

Projections indicated a nominal rise to $529 billion in 2025 before dipping to an estimated $514.7 billion for all of 2026, influenced by commodity price fluctuations and input costs.

This upstream value contrasts with the full food system's trillion-dollar scale, where farms' slim share, around 14 to16 cents per dollar, emphasizes pressures on producers. This dollar point does not reflect rising costs of running a farm and ranch and challenging regulations that bite into any profit margins that might exist. Many in agriculture, including American Farm Bureau (AFBF) and Arizona Farm Bureau, are reaching out to policymakers to offer solutions.

American Farm Bureau President Zippy Duvall last month offered a variety of solutions for increasing demand of U.S.-grown agricultural goods during testimony before the Senate Committee on Agriculture, Nutrition, & Forestry. He joined several other agriculture leaders to share priorities to address a structural imbalance that threatens both farmers' livelihoods and food security in the U.S. "We must strengthen domestic demand for American agricultural products. We must reinforce our production capacity of critical ag supplies and restore domestic processing capacity. We must ensure our safety nets are strong and expand fair and enforceable market access abroad," Duvall noted in his opening comments.

The solutions offered include authorizing year-round E15, modernizing farm labor programs and establishing improved programs to enable schools and our military to purchase directly from local farms.

After Duvall's opening testimony and other agriculturalists, Senators asked questions of the panel. Committee Chairman Sen. John Boozman (R-Ark.) asked how Congress can help modernize farm labor programs. President Duvall responded that Congress needs to work together to deliver a bill to President Trump's desk: "When I go across America and talk to farmers, it's the number one issue they're facing, long-term issue. Of course, the economy right now is the biggest issue that's facing them, but labor is the biggest limiting factor that we have in agriculture today."

In response to a question from Ranking Member Sen. Amy Klobuchar (D-Minn.) about agricultural research, President Duvall emphasized the importance of the United States keeping pace with other countries in terms of research funding: "All of the research that goes into agriculture helps us stay on the cutting edge. We see other countries where their agricultural communities are growing and adapting to the things that we adapted to many years ago. And, that research keeps us

SEE **CURRENT PRESSURE ON PRODUCERS** *PAGE 4*

YOUR VOICE SHAPES AG POLICY: INSIDE AFBF'S NATIONAL ISSUES ADVISORY COMMITTEES

By Julie Murphree, Arizona Farm Bureau Director of Strategic Communications

The American Farm Bureau Federation's (AFBF) National Issues Advisory Committees (IACs) form a vital part of its grassroots-driven advocacy model, drawing on the real-world expertise of farmers and ranchers nationwide to guide and influence agricultural policy while tackling key industry challenges. These committees bring together Farm Bureau members who are nominated by their state organizations and personally appointed by AFBF President Zippy Duvall, chosen for their practical, hands-on experience in targeted agricultural sectors. As of early 2026, AFBF maintains around 11 such committees, each dedicated to a critical, high-priority issue: agricultural labor, animal care, budget and economy, energy, environmental regulations, farm policy, federal lands, market structures, organic and direct marketing, technology, and food safety.

"American Farm Bureau is the Voice of American Agriculture because through our IACs, our policy development process and our State and AFBF Boards of Directors, AFBF listens to and amplifies the voices of America's farmers and ranchers," explains Arizona Farm Bureau President John Boelts who was past chair and member of both the food, safety and labor IAC committees.

Arizona Farm Bureau, along with other Farm Bureau states, convenes their own state-level IACs mainly modeled after the national committees but state-wide focused. Arizona's committees meet in April to preliminarily hash out specifics related to the issues. They will examine what came out of the national IACs.

Arizona	
Animal Health	Clint Gladdn
Environmental Regulations/Water	Paco Ollerton
Federal Lands	Ty Kelly
Wildlife Damage	Ben Menges

In the meantime, Arizona Farm Bureau had four members appointed to AFBF's IACs on the national level that first met in February.

The value of these national committees is keenly recognized by our volunteer leaders. "We're stronger when we are together, and national Issues Advisory Committees make this apparent," said southern Arizona rancher and Arizona Farm Bureau Second Vice President Ben Menges and a member of the Wildlife Damage IAC. "By sitting down with others from across the nation, we can create a common voice on policy priorities and messaging to elected officials. I'm grateful for the opportunities I've had to be a part of the IAC process because I know the more voices we

SEE **INSIDE AFBF'S NATIONAL ISSUES ADVISORY COMMITTEES** *PAGE 5*

IN THIS ISSUE...

ARIZONA COTTON GROWERS ELECTS THEIR FIRST FEMALE PRESIDENT

By Julie Murphree, Arizona Farm Bureau Director of Strategic Communications

Cassy England has been elected as the first female president of the Arizona Cotton Growers Association (ACGA), marking a historic milestone for the organization and Arizona's cotton industry. The leadership transition was officially announced in early March 2026, with the ACGA sharing the news across its social media platforms, including Instagram and Facebook. The post read: "Today marks a historic day for our Association as leadership transitions from Adam Hatley to Cassy England, our first female President. We thank Adam for his service and look forward to the leadership ahead."

Cassy England

Headquartered in Tempe, Arizona, the ACGA represents cotton producers statewide, advocating for policies that support economic viability, research, and sustainability in one of the nation's top cotton-producing states. Arizona's cotton industry benefits from ideal climate conditions in regions like Pinal, Graham and Pima counties, where high-quality extra-long staple (Pima) and upland cotton thrive despite ongoing challenges such as water allocation, commodity price fluctuations, and environmental regulations.

Cassy England, a fourth-generation Arizona farmer and agricultural leader deeply rooted in the state's cotton sector, was selected for this pivotal role. She co-manages Sierra Farming alongside her uncle in Pinal County, with operations spanning Casa Grande, Eloy, Red Rock, and Marana. The family farm grows cotton, alfalfa, winter wheat (durum), barley, corn, and small grains across approximately 4,300 acres, while England personally oversees an additional 800-acre operation focused on similar crops. Her farming heritage dates back to 1932, when her great-grandfather began growing cotton in the region, instilling a legacy of innovation and resilience that she carries forward today.

England brings a strong background in both hands-on production and advocacy. Her recent appointments include serving as a member of the Arizona State Farm Service Agency (FSA) Committee—where she helps educate producers on federal programs—and the U.S. Cotton Trust Protocol Board, which promotes sustainable cotton practices nationwide. Other key leadership positions include the U.S. Cotton Standards Board, the Arizona Cotton Research and Protection Council (where she represents Pima County interests), the University of Arizona Cooperative Extension Board for Pinal County, alternate director for Cotton Incorporated, and alternate delegate to the National Cotton Council. These roles position her to influence everything from crop standards and pest management research to national policy and producer support.

England is passionate about the next generation of ag leaders and has long been active in research, promotion, and producer advocacy for U.S. cotton. "I am honestly so grateful for this opportunity and have always felt privileged to be a part of the ACGA board," she said upon her selection, reflecting her deep commitment to the organization. As a graduate of Project CENTRL—Arizona's premier agricultural leadership program—she believes strongly in cultivating emerging leaders to ensure the industry's future strength.

This election is particularly significant given Arizona's statistical significance as the top state in female primary farm operators nationwide. England's multifaceted experience—from daily farm management and accounting expertise to board-level advocacy—equips her to guide the ACGA through pressing issues like water sustainability in the arid Southwest, market competitiveness, and advancing innovative farming techniques. Her presidency promises to amplify Arizona cotton's voice at state and national levels while inspiring more women and young professionals in the field.

Congratulations to Cassy England on this groundbreaking achievement. Her leadership is poised to drive positive impact for Arizona's cotton growers and beyond.

FEDERAL PROPOSAL TO RESCIND PUBLIC LANDS RULE: WESTERN AGRICULTURE RENEWS FOCUS

By Harper Ostrich, Arizona Farm Bureau Government Relations Intern

Recently, federal action in Washington, D.C. is drawing attention across the west as policymakers move to overturn a land-management rule that affects how millions of acres of public lands are used and stewarded. This includes lands relied upon by Arizona ranchers and farmers. The Bureau of Land Management (BLM) oversees about 12 million acres of public land and 17 million subsurface acres in the state of Arizona. The agency is in the beginning process of rescinding the "Public Lands Rule," a policy finalized in 2024 by the Biden administration that formally recognized conservation as a land use alongside grazing, recreation, and energy development, which has had detrimental effects on the ranchers and farmers of Arizona.

The rule was designed to give the BLM additional tools to restore landscapes, protect wildlife habitat, and improve watershed health. The plan placed conservation on equal footing with other activities, such as grazing traditionally authorized on public lands. Supporters said the framework would help address long-term challenges such as drought, wildfire, and invasive species, commonly a known problem in the state, especially as water continues to be a pressing issue, while maintaining working lands. However, with restrictions on grazing, brush can no longer be cleared, only making wildfires and invasive species a widespread problem, and can cause economic collapse to the nearly 94% family-owned farms and ranches here in Arizona.

DEPARTMENT OF THE INTERIOR DIRECTED TO RESCIND THE RULE

Under the current administration, the Department of the Interior has been directed to rescind that rule through a formal federal rulemaking process. Interior officials have stated that the change is intended to return the agency to its longstanding "multiple use and sustained yield" mission and to reduce what they view as regulatory complexity or uncertainty tied to permitting and land access. In practical terms, the rollback would remove conservation as a standalone "use" category and instead manage conservation within existing planning authorities already provided to the agency.

For Arizona agriculture, the issue is more than a policy debate on paper. Arizona is nearly 40% federal land, and many family ranches depend on BLM allotments for seasonal forage, water infrastructure, fencing, and range improvements. Federal grazing permits often represent a foundational part of an operation's business plan. Even small shifts in how the agency interprets land use priorities can influence permit renewals, timelines for improvements, and long-term investment decisions. Predictability and clarity in the regulatory process are critical for producers who plan years, sometimes decades, ahead.

Furthermore, Arizona producers understand the institutional connection that conservation and production go hand in hand. Ranchers are often the first line of stewardship on the land, managing vegetation, maintaining water developments that benefit wildlife, and reducing wildfire fuel loads through active

SEE **FEDERAL PROPOSAL TO RESCIND PUBLIC LANDS RULE** *PAGE 5*

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CURRENT PRESSURE ON PRODUCERS

continued from Page 1

on the cutting edge and gives the consumer out there what they really want. So, it is vitally important for us to have additional monies for research. It helps us do the things that people in this country want us to do, from conserving our natural resources to creating new products and new crop protection tools that we can use in the future."

Commenting on potential fertilizer shortages or extreme price spikes due to rising tensions in the Middle East after a question from Sen. Elissa Slotkin (D-Mich.), President Duvall highlighted Farm Bureau's recent urging for U.S. government action: "We need our government to use the Navy to make sure those ships can freely come through, and work with our partner countries to make sure they can come through. Also, the financial and insurance direction – when the strait was shut down, the insurance company Lloyd's of London cut off insurance. They parked the boats. So, we need to use every opportunity that we have in our country to make sure that we solve that problem."

Some relief occurred on March 18 with President Trump's decision to waive Jone's Act regulations for fuel and fertilizer inputs coming through American ports, as Farm Bureau requested.

Said Duvall, "Farmers applaud President Trump for temporarily waiving Jones Act regulations to allow more ships to bring critical fuel and fertilizer materials to America's ports. Spring planting season is already underway and the jump in fertilizer and fuel costs, as well as the threat of shortages, sent shockwaves across rural America at a time when farmers are already grappling with low commodity prices and high inflation."

Farm Bureau had earlier sent several recommendations to the president that would help farmers get needed supplies, including the waiver announced. "We're pleased that he understands the market pressures they face and the short window they have to get crops into the ground. We look forward to working with the administration on further steps to ensure farmers have the resources necessary to grow the food we all rely on," added Duvall.

HOW GLOBAL CONFLICTS AND DISRUPTIONS CHALLENGE THE FARM GATE

The current global events continue to impact fertilizer price and availability. Faith Parum, an economist for the American Farm Bureau Federation, said the Middle East plays a major role in the worldwide supplies of fertilizer. "Countries exposed to disruptions around the Persian Gulf account for about 49% of global urea exports and roughly 30% of global ammonia exports. And so, as those shipments move out of that area, they're obviously at risk. About 20 percent of the world's global petroleum comes through the Strait of Hormuz, which is right in the area," she explained during a radio interview with Editor Chad Smith of Associate News Service.

Parum added, "A very important step would be to keep these shipping lines open and make sure there's safe passage for fertilizer ships. There have been promises of safe passages for crude oil and oil ships, but we need to also make sure that fertilizer is getting out of this region. These markets will remain sensitive to these events. We can all remember in 2022, when Russia and Ukraine started their conflict, how fertilizer prices spiked upwards and have taken a long time to return back to normal. And so, we could see similar issues here. Even though we produce some of that fertilizer domestically, we still are in a global marketplace, and we'll continue to see volatility throughout the season."

ENHANCING FOOD SUPPLY CHAIN LOGISTICS AND TRANSPORTATION INCLUDING PRESSING CHALLENGES

In the meantime, these realities at the farm gate underscore the need for targeted improvements to sustain upstream viability. Amid these pressures, U.S. efforts to enhance food supply chain logistics and transportation are accelerating, focusing on efficiency, sustainability, and resilience. The U.S. Department of Transportation's Freight Logistics Optimization Works (FLOW) initiative, covering 75% of ocean container imports, facilitates data sharing among ports, carriers, and retailers to mitigate congestion and cut costs, as outlined in regular Department of Transportation updates.

Companies like Lineage Logistics are deploying automated storage and AI-driven modeling to slash food waste in transit, according to an Economist Impact analysis.

Broader trends include digital transformation: AI for predictive routing, blockchain for traceability, and electric fleets for carbon reduction, per Foods Connected reports.

In 2025, tariffs—such as the 10% universal levy implemented in April—have spurred nearshoring and diversified sourcing to buffer costs, as noted in Tosca's Supply Chain Outlook. And will this nearshoring increase in the years to come? Some say yes.

McKinsey's 2024 survey highlights AI's impact, yielding 20% to 30% inventory cuts and 5% to 20% logistics savings through embedded operations.

Regarding transportation consolidation, the proposed $85 billion merger between Union Pacific and Norfolk Southern Railroads is causing concern. The American Farm Bureau Federation shows the merger could mean higher prices and fewer options for America's farmers that ship via railway. The merger between Union Pacific and Norfolk Southern railroads would create the first coast-to-coast railroad across 43 states.

Danny Munch, economist for the American Farm Bureau Federation, said the big concern is the loss of competitive pressure across the rail system. "Most agricultural shippers, including 95% of grain elevators, are already captive shippers, which mean they have no other shipping alternatives," explained Munch. "If transportation prices are increased, a shipper must accept the new price or they're unable to move their product to market. Currently, remaining competition in the industry occurs along interchange gateways. These are locations where grain moving across the country can transfer from one railroad to another. That interchange gives shippers at least some leverage because railroads know a competing carrier could take freight for part of the journey or they could swap to trucking or waterway."

Rail shippers are incredibly important to agricultural commerce. "In many markets rail is the only option to get grain and other agricultural goods to market, as well as to get critical inputs to the farm," added Munch. "About one-fifth of all U.S. rail shipments are food or farm products, and in many regions, rail is moving 85% to 95% of grain.

Munch said rail mergers are reviewed by the Surface Transportation Board and not the Department of Justice. "They have to look closely at competition, service, and impacts on shippers, including farmers. Right now, we're still very early in the process. The initial application from UP and NS was actually rejected earlier this year for being incomplete. The railroads plan to refile is at the end of April."

LOOKING FORWARD TO THE INNOVATION HORIZON & BLOCKCHAINS IMPACT

On the innovation horizon, emerging technologies like AI, blockchain, and drones are poised to revolutionize upstream logistics. AI agents are automating orders and inventory, with predictive analytics reducing waste by forecasting demand accurately, as explored in Food Institute analyses.

Blockchain, combined with AI, enables batch-level tracking, cutting recall times dramatically. Walmart reduced food recalls from weeks to seconds because of these technologies, according to World Economic Forum insights.

To explain blockchain, imagine a shared notebook that thousands of people all have an identical copy of. Whenever someone wants to add a new line (like "Julie send Bob $50"), that new line is announced to everyone. Everyone checks whether the line makes sense. As a result, blockchain in transportation and logistics is eliminating waste, confusion, mistakes and even fraud. This "public bulletin board" cannot be secretly edited since it is edited with everyone viewing. This supports efficiency in the transportation and logistics process.

Emerging for some time now, drones integrate with computer vision for precision agriculture, monitoring crops and optimizing deliveries, while IoT sensors ensure real-time traceability in cold chains.

As of this year, the U.S. food logistics market is projected to hit $180.45 billion, growing at 4.26%, driven by these tools, according to Mordor Intelligence forecasts.

Additionally, AI in drones streamlines supply chains by enabling autonomous decisions, lowering latency and costs, as detailed by logistics experts. Plus, multi-source data fusion via AI enhances personalized nutrition and sustainability tracking, reducing emissions by up to 70% with electric vehicle shifts, according to Transportation Research Part D studies.

These innovations not only bolster upstream efficiency but also promote circular economies, where regenerative models predict disruptions and loop materials back, as argued in LogiSym Insights.

THE LANDSCAPE IN ARIZONA ON THE FOOD SUPPLY CHAIN

In Arizona, where arid conditions shape a unique upstream landscape, agriculture's farm-gate value underscores its role as a winter produce powerhouse. In 2022, the state's agricultural cash receipts reached $5.24 billion, up 31% from the prior year, with crops at $3.0 billion and livestock at $2.3 billion, led by milk, lettuce, and cattle, according to USDA NASS bulletins.

Broader agribusiness impacts amplify this to $30.9 billion statewide, a 32% rise from 2017, according to the University of Arizona.

Yuma County alone generated $4.4 billion in state economic activity in 2022, with $3.9 billion locally, highlighting vegetable dominance.

Targeted improvements address heat-sensitive perishables and long-haul distances: the Arizona Department of Agriculture's RFSI Program, funded by USDA AMS, disbursed $3.2 million in 2024 for cold storage and refrigerated vehicles, prioritizing shared resources based on community sessions.

At Arizona State University, research by Deniz Berfin Karakoc on resilient agrifood networks, published in Nature Food, emphasizes disruption-proof routes.

Facilities like Kroger's 223,000-square-foot Phoenix automation center blend robotics with workers for faster local delivery.

Ultimately, the upstream food supply chain's vitality hinges on the farm gate as its genesis, where economic pressures meet innovative solutions. Nationally and in Arizona, declining farm numbers and concentrated inputs demand agile logistics, AI, blockchain, and drones offer transformative potential, reducing waste and emissions while boosting traceability.

WHAT EXPERTS SAY NEEDS TO BE DONE NEXT IN THE FOOD SUPPLY CHAIN

Experts in the food supply chain are calling for accelerated digital transformation, infrastructure investment, data-driven collaboration and sustainable innovation to fix persistent vulnerabilities, especially at the farm gate, where the entire system begins.

"Everything starts at the farm gate," said industry analysts in a Foods Connected report on supply-chain trends. "Without stronger upstream logistics, downstream efficiencies collapse under pressure from climate events, congestion and rising costs." The report urges immediate adoption of AI-driven routing algorithms, blockchain-enabled traceability and electric fleets to slash emissions and waste.

At the Manifest 2026 supply-chain conference — often called the "Super Bowl of Logistics" — experts echoed that message. Food Logistics magazine reported that speakers repeatedly highlighted AI-powered predictive analytics and autonomous warehouse systems as non-negotiable for 2026 and beyond. "Demand forecasting that actually works and warehouses that run themselves are no longer nice-to-haves," one panelist told the audience. "They are the difference between profit and spoilage."

Consulting giant McKinsey reinforced the point in its 2024 global survey of supply-chain leaders. Companies embedding AI into operations achieved 20% to 30% inventory reductions and 5% to 20% logistics-cost savings. McKinsey analysts concluded that "AI is now the primary lever for resilience in food and agriculture."

Looking further ahead, researchers at the University of Wisconsin-Madison's Center for Integrated Agricultural Systems pointed to emerging technologies detailed in the Proceedings of the National Academy of Sciences. "Spatial computing, augmented reality for inventory and drone deliveries will be mainstream by 2027," the center's analysis stated. "These tools will let regional food systems move perishables faster and fresher from farm gate to table."

Industry publication LogiSym went a step further, arguing that regenerative, circular supply chains must dominate by 2026. "Intelligent networks that predict weather disruptions and orchestrate reverse logistics are the future," its contributors wrote. "Materials must loop back into production, not end up in landfills."

Arizona State University industrial engineer Deniz Berfin Karakoc, whose research appeared in Nature Food, put it bluntly: "We need resilient agri-food flow networks designed from the farm gate outward. Without them, one heat wave or port delay can wipe out an entire season's value."

Across every source, the consensus is clear. The farm gate in Arizona and America remains the most vulnerable link in value capture without solid logistics and transportation.

Experts agree that the remedy is not more consolidation or inputs, but smarter movement: AI, blockchain, automation, shared infrastructure and real-time data from field to fork. "Invest here first," McKinsey and Manifest speakers repeatedly advised, "and the rest of the supply chain will follow."

INSIDE AFBF'S NATIONAL ISSUES ADVISORY COMMITTEES

continued from Page 1

have saying the same message, the more likely we are to resolve agricultural issues."

These national-level committees meet periodically—often in Washington, D.C. — to dive deep into their designated area. Members identify emerging challenges or opportunities within the issues committee they are assigned to, discuss potential solutions, and provide actionable recommendations. These deliberations result in advice to the AFBF board of directors on policy actions, suggestions for state-level Farm Bureau policies, and input to the AFBF Resolutions Committee.

Beyond meetings, committee members may testify at congressional hearings, engage with the media, and participate in conference calls or webinars to help craft testimonies and comments on federal regulations. This process ensures that the AFBF's national advocacy reflects the real-world experiences of its members. Farm Bureau members always say, "This is grassroots policy in action by farm and ranch boots-on-the-ground."

The National Issues Advisory Committees (IAC) amplify the grassroots voice of agriculture as participants are comprised of our Farm Bureau volunteer leaders from across the country. Arizona Farm Bureau Second Vice President Ben Menges (seated center, right side of table) was appointed to this year's national Wildlife Damage Committee, where they gathered in Washington D.C. in February to hammer out critical policy under this important issue.

THREE KEY AREAS OF IMPORTANCE OF THE IACS

The importance of the IACs lies in several key areas. **First**, they amplify the grassroots voice of agriculture. With close to 6 million members across 50 states and Puerto Rico, American Farm Bureau relies on these committees to channel the diverse perspectives of its 2,800 county Farm Bureaus into a unified national stance. For example, a wheat farmer from Montana and a cattle rancher from Texas might face different challenges under the same federal regulation; the committees bridge these gaps, ensuring policies consider regional nuances.

Second, they provide expertise that informs both policy and public perception. American agriculture is complex, spanning labor shortages, environmental compliance, technological advances, and market volatility. Committee members—like a Texas farmer on the Agricultural Labor Committee addressing guestworker programs or a Montana representative on the Technology Committee exploring AI and rural broadband—bring practical insights that staff or lobbyists alone couldn't replicate. This expertise helps the AFBF push for practical, farmer-driven solutions rather than top-down mandates.

Third, they strengthen the AFBF's influence in Washington. By equipping members to testify before Congress or collaborate with regulators, the committees turn farmers into advocates who can directly shape legislation like the Farm Bill or influence debates on issues like the Endangered Species Act. This direct line from the field to the Capitol is critical in an era when agriculture competes with urban interests for political attention.

Finally, IACs are vital for adapting to a rapidly changing world. Issues like water, data privacy, or global trade—committees allow the AFBF to stay ahead, aligning policies with future needs rather than reacting after the fact. For instance, discussions on data centers' energy demands or biotechnology's role in farming show how these groups anticipate trends that could reshape rural America.

"There are three valuable outcomes from the National IAC Committees," says Harold Maxwell, Yuma, Arizona ag consultant past appointee to the Environmental Regulations and Water Committees. "First, it is an opportunity to tap the knowledge base of our members to tackle the tough issues that require some technical knowledge. The committee members bring different areas of expertise about the issues that fall under the respective committees. For instance, solutions that were developed for an air quality issue may be able to be used for water quality issues. Secondly, some states may be on the bleeding edge of an issue and be able to share what they have learned. This is the case with PFAS. The Michigan State Farm Bureau is on the bleeding edge and has been very helpful in getting policy developed that will benefit the rest of the states including Arizona. Finally, it helps speed up the policy development process. The IAC meets in February and August so that we can provide recommended policy on complex issues prior to the county and state Farm Bureau meetings."

The structure—drawing from diverse states and production types—aims to balance all farming and ranching interests. Ultimately, the National Issues Advisory Committees are the engine of the AFBF's claim to be the "Voice of Agriculture," turning member experience into national impact at a time when farming faces unprecedented scrutiny and change.

On the state Level, our Arizona Farm Bureau IACs will occur April 27 this year. If you're part of a committee, we'll see you soon!

FEDERAL PROPOSAL TO RESCIND PUBLIC LANDS

continued from Page 2

grazing. Healthy rangelands support both livestock and wildlife, and many producers view good land management as essential to their livelihood and business. The question at the federal level is not whether conservation matters, but how it is structured within law and policy and how those decisions affect working lands. Returning conservation practices to producers increases the mutualistic relationship between producers and the land they work on.

The rescission process will include public input before any final action is taken. Until that process concludes, day-to-day operations on existing permits are not expected to change immediately. However, the outcome could shape how future land-use plans, grazing authorizations, and restoration projects are evaluated. Producers who operate on or near federal lands should stay informed and engaged as details emerge.

The Arizona Farm Bureau Federation is monitoring developments closely and working with national partners, including the American Farm Bureau Federation, to ensure Arizona agriculture has a strong voice in federal land-management discussions. Farm Bureau supports practical, science-based policies that protect access to working lands while recognizing the stewardship role farmers and ranchers already play as true stewards of the land in the great state of Arizona.

NO LOVE LOST: 7 BASIN STATES MISS VALENTINE'S DEADLINE

By Olivia Carroll, Arizona Farm Bureau Government Relations Intern

On Valentine's Day this year, the seven water basin states blew through an essential deadline. A "no-deal" alternative may be looming.

Arizona, California, Colorada, Mexico, and 30 tribal nations all depend on a 100-year-old deal as a lifeline. This deal is the Law of the River, initiated in 1922 by the seven Colorado River Basin states and the federal government. The Colorado River Compact of 1922, suggested by Secretary of Commerce Herbert Hoover, divided the basin into an upper half (Colorado, Utah, Wyoming, New Mexico) and a lower half (Arizona, California, and Nevada), to preserve the water basin resources for development and citizens in the future.

In 1968, the Colorado River Basin Project Act approved the creation of the Central Arizona Project (CAP), a system that supplies water to the most populated regions in Arizona. Today, CAP claims that "devastating cuts" from the new policies revolving the Colorado River, could "wipe Arizona off the map."

Since 2000, the Colorado River has been experiencing a prolonged drought. To mitigate this issue and maintain the state's water "saving accounts," the Bureau of Reclamation created the 2007 Interim Guidelines, which created rules for the management and operation of Lake Mead and Lake Powell, the largest water reservoirs in the Colorado River. These rules expired in December 2025, bringing in the Bureau's Post-2026 operations. Remember that missed deadline? This can enact a "no-deal" alternative, according to CAP, which would be imposed if there is no agreement among the states.

This "no deal" alternative is the drafted Environmental Impact Statement in regards to Lake Mead and Powell operations, proposed by the Secretary of the Interior Doug Burgum and the Bureau of Reclamation. This draft is available on the Federal Registry. The "no deal" alternative states the following about changes to Arizona water deliveries, socioeconomics, population, and land use, regarding effects on agriculture:

WATER DELIVERIES: LOWER DIVISION STATES WATER SUPPLY DETERMINATIONS AND TOTAL WATER DELIVERIES

- The maximum shortage in million-acre feet (MAF), or the largest modeled deficit in water supply that a water rights holder experiences compared to their full legal water allocation, is 0.60 to the total lower basin, and 0.47 to Arizona in the no action alternative.
- Annual total consumptive use (such as the amount of water diverted from the river): 54.6% in Arizona under the no action alternative

SEE **NO LOVE LOST** PAGE 7

ARIZONA PRIMARY SHIFTED TO JULY: EARLIER CAMPAIGNS LOOM IN 2026

By Staff Reports

Arizona's primary election date has officially been moved to the third Tuesday in July following legislation signed by Katie Hobbs.

Moving the primary several weeks earlier will significantly shift the political calendar. Lawmakers may feel added pressure to conclude the legislative session sooner, allowing incumbents to return to their districts and begin campaigning well ahead of the July primary. Regardless of how the session unfolds, the new timeline means campaigns will ramp up earlier and by November, Arizona voters will once again determine the direction of our great state.

For agriculture, the stakes in 2026 could not be higher. Voters will elect the next Governor and Arizona's first Lieutenant Governor, while also deciding which party will control the State House and Senate. These decisions will shape future policy on water, taxes, regulation, property rights, rural infrastructure, and the overall business climate for farmers and ranchers.

AGPAC'S ROLE

That is where the AgPAC of Arizona Farm Bureau plays a critical role.

For years, AgPAC has helped support candidates who understand agriculture and are committed to protecting the industry that feeds our state, our nation, and the world. Strategic political engagement ensures agriculture has a seat at the table when key decisions are made.

With many important races only months away, AgPAC recognizes the urgency of this moment and will be intentional and strategic in selecting candidates to support. Our goal is to raise $50,000 for the 2026 cycle. Thanks to the commitment of strong supporters across the state, we are already halfway there, but time is short.

Now is the moment for our members to step forward. An investment in AgPAC is an investment in the future of Arizona agriculture. Together, we can ensure the right leaders are elected and that agriculture's voice remains strong at the Capitol in 2026 and beyond.

Support Arizona Agriculture in the Classroom while supporting the Ag Pac. For every dollar contributed to the Ag Pac, Arizona Farm Bureau will match dollar for dollar with a donation to Arizona Agriculture In the Classroom up to $15,000 dollars.

Scan the QR code to donate today or visit our website at https://www.azfb.org/Advocacy/AgPAC

YOUR FARM AND RANCH BUSINESS HIT THE CENTURY MARK! LET US RECOGNIZE YOU!

By Staff Reports

We're looking for Arizona Farms and Ranches that have reached the 100-year mark or will by the end of this year! If your legacy business meets that big date requirement, we want to hear from you.

Arizona Farm Bureau has now celebrated **16 families** since the program started in 2021 during Arizona Farm Bureau's own 100-year celebration. The recognition occurs during its Annual Meeting in November earning those recognized the Century Farm and Ranch designation.

An ongoing program of the Arizona Farm Bureau (AZFB), The Century Farm and Ranch Program is committed to recognizing Arizona's farm and ranch families in business for at least 100 years. If your family's farm or ranch is eligible this year (2026), go to https://www.azfb.org/News/Century-Farms-Ranches to download and fill out the application listed online, then submit to us at the state office.

We're also looking for farm and ranch families that hit the 100-year mark some time ago and you just haven't paused long enough to fill out the form. The process is easy.

APPLICATION DETAILS

The application deadline is the first Monday in ***July*** and must be received by the Arizona Farm Bureau by that date (this is not a postmark deadline). Qualified applications received after July will be considered for the 2027 Century Farm and Ranch Program, as the effort will be ongoing.

Because Arizona Farm Bureau and participating Farm Bureau counties are underwriting the cost of the program, those farm and ranch families must be current members of Arizona Farm Bureau.

IF SELECTED, WHAT HAPPENS NEXT?

Once applications are received by the early July deadline and reviewed, AZFB will notify qualified applicants. In addition, a variety of recognitions will take place.

1. You'll receive a certificate from your county Farm Bureau leadership presented during their county annual meetings.
2. During Arizona Farm Bureau's Annual Meeting in November, you'll be recognized before your peers during an awards dinner.
3. Additionally, Arizona Farm Bureau will send you home with a sign recognizing your farm or ranch as a ***Century Farm/Ranch.***

Last fall, Arizona Farm Bureau recognized the Cooley farm family for their more than 100 years farming in Arizona.

The history of Arizona's farms and ranches is rich, and the generational family's lengthy tenure in agriculture signifies a heritage of determination, innovation, and resiliency. In that spirit, AZFB will continue the Century Farm and Ranch Program to recognize and honor our Arizona family farms and ranches that have thrived for more than a century.

Editor's note: Please return the completed application to ***Arizona Farm Bureau Century Farm Program*** to the attention of Julie Murphree at 325 South Higley Road, Gilbert, AZ 85296. Or email your application to juliemurphree@azfb.org.

NO LOVE LOST

continued from Page 5

- No impact on upper basin states

SOCIOECONOMICS: ECONOMIC CONTRIBUTIONS AND SOCIAL CONDITIONS ASSOCIATED WITH CHANGES IN AGRICULTURE DUE TO WATER SHORTAGES

Level of annual impacts on acres of fallowed agricultural lands during a maximum shortage

- For Arizona non-tribal agriculture entitlement holders, the No Action Alternative has the lowest level of impact on acres of fallowed lands during a water shortage of 0.6 million acre-feet MAF, with an increase of about 1,000 fallowed acres.
- For Arizona tribal agriculture entitlement holders, the No Action Alternative has the lowest level of impact on acres of fallowed lands during a water shortage of 0.6 million acre-feet, with an increase of about 12,000 fallowed acres.

Level of annual impacts on the market value of crop production from a maximum shortage

- For Arizona non-tribal agriculture entitlement holders, the No Action Alternative has the lowest level of impact on the market value of crops during a maximum shortage of 0.6 MAF, with a loss in market value of about $1.8 million.
- For Arizona tribal agriculture entitlement holders, the No Action Alternative has the lowest level of impact on the market value of crops during a maximum shortage of 0.6 MAF, with a loss in market value of about $17.4 million.

Impacts on nonmarket values and social conditions from changes in agriculture

- For non-tribal and tribal agriculture entitlement holders in Arizona, California, and Nevada, the No Action Alternative is among the alternatives with the lowest level of impact on access and quality of nonmarket values and social conditions due to the little to no increases in acreages of fallowed agriculture lands expected from shortages, under this alternative.

POPULATION & LAND USE:

Frequent and severe shortages for junior-priority irrigation users likely lead to fallowing, crop switching, and long-term land retirement in western Arizona counties; Imperial Valley impacts are more limited.

In addition to the no-deal alternative, there exist the Basic Coordination Alternative, Enhanced Coordination Alternative, Maximum Operational Flexibility Alternative, and the Supply Driven Alternative.

BASIC COORDINATION ALTERNATIVE:

This plan works without needing new agreements between water users in the Colorado River Basin. Lake Powell would usually release about 8.23 million acre-feet of water each year, sometimes more or less, but never less than 7.0 MAF.

Water releases from other reservoirs could help keep the Glen Canyon Dam safe. If needed, extra actions would protect important infrastructure. If Lake Mead's water level drops, Arizona and other Lower Basin states could face water cuts up to 1.48 MAF, shared according to existing rules. No new ways to store or deliver water would be created.

AZ might face some water shortages but within currently agreed rules, with no new water storage or delivery options introduced.

ENHANCED COORDINATION ALTERNATIVE

This plan includes ideas from tribes, federal agencies, and other groups to better protect important infrastructure and natural resources like hydropower and recreation.

Water releases from Lake Powell depend on water levels in both Lake Powell and Lake Mead, recent water flow trends, and how much water the Lower Basin needs. This plan adds new ways to store and deliver water and allows more flexibility for all users.

Water shortages in the Lower Basin start smaller (1.3 MAF) and can go up to 3.0 MAF, shared fairly based on total water stored in both lakes.

AZ could see more flexible water management with new tools to help balance water supply and demand, but also potentially larger shortages if water levels drop significantly.

MAXIMUM OPERATIONAL FLEXIBILITY ALTERNATIVE

This plan comes from conservation groups and focuses on being very flexible and proactive to handle changing water conditions.

Lake Powell releases would vary widely—from 5.0 MAF up to 11.0 MAF—depending on how much water is stored and recent water flows. If Lake Powell's water level drops too low, releases would match the river's natural flow. This plan also includes shared water savings and voluntary contributions from users to help manage shortages.

Water shortages in the Lower Basin could be as high as 4.0 maf, triggered by combined storage in several reservoirs.

AZ would face a more dynamic water supply with potentially bigger shortages but also more chances to contribute to and benefit from shared water-saving efforts.

SUPPLY DRIVEN ALTERNATIVE

This plan bases water releases on about 65% of the average natural flow of the river over the past three years.

Lake Powell releases would adjust to this supply level, with extra releases from other reservoirs to protect the dam. New ways to store and deliver water would be created. Water shortages in the Lower Basin could reach up to 2.1 MAF, triggered by Lake Mead's water level. There are two ways shortages might be shared—either by state priority or shared proportionally.

Arizona might face moderate shortages but could benefit from new storage and delivery options designed to better manage limited water supplies.

SUMMARY

- Basic Coordination: Small to moderate shortages, no new storage or delivery changes.
- Enhanced Coordination: More flexible management, potentially larger shortages but new tools to help balance water.
- Maximum Flexibility: Biggest range of shortages and releases, more proactive and shared conservation efforts.
- Supply Driven: Moderate shortages tied closely to recent river flows, with new storage/delivery options.

The Colorado River provides water to around 40 million people for municipal use, supports the generation of hydroelectric energy, National Wildlife Refuges, National Recreation Areas, and National Parks.

It is a vital resource for economic stability and quality of life. So, what does the economic stability and quality of life of Arizona look like in the future? CAP's Coalition for Protecting Arizona's Lifeline says that Arizona will be crippled, the economy will be flattened, and our nation's defense will be weakened.

The Interior Department allowed comments on the Draft Environmental Impact Statement up to March 2nd, 2026, and will evaluate the impacts of a range of operational alternatives to inform the Secretary's decision on operations beginning on Oct. 1, 2026.

INAUGURAL POLICY CATS INTERNSHIP PROGRAM

By Staff Reports

Arizona Farm Bureau is pleased to welcome Olivia Carroll and Harper Ostrich as interns for the semester through our inaugural Policy Cats internship program, a partnership with the University of Arizona Natural Resource Users Law and Policy Center. Olivia and Harper will work closely with our Government Relations team on public policy initiatives, engage with lawmakers, and build meaningful connections within Arizona's public policy landscape.

Olivia Carroll is an Applied Biotechnology student at the University of Arizona with a focus on food science, policy, and chemistry. Her academic interests are shaped by bioinformatic and microbial research through the UA Vertically Integrated Projects Program and the School of Animal and Comparative Biomedical Sciences, as well as her leadership as a Peer Educator for ASEMS in the College of Agriculture, Life, and Environmental Sciences. Actively engaged on campus, Olivia is a member of Sigma Alpha professional agricultural sorority, an executive officer for the UA chapter of Collegiate MANRRS, and a STEM tutor with THINK TANK. She plans to pursue an MSc in Microbiology and continue toward advanced study in a PhD program, law school, or veterinary school, with the goal of contributing to the future of the food industry and agricultural policy through purposeful communication and informed advocacy.

Harper Ostrich is a freshman at the University of Arizona from Wyomissing, Pennsylvania, pursuing a Bachelor of Science in Public Affairs with a concentration in Environmental Policy and a minor in Animal Science. An active member of Sigma Alpha professional agricultural sorority, she serves as the 2026 Scholarship Officer Chair, supporting academic programming and chapter development. Harper also competes with the University of Arizona Model United Nations team and recently earned Outstanding Delegate honors at a conference in Chicago. Outside of academics, she enjoys writing poetry and is working on her second manuscript. She plans to pursue either a master's degree in public policy or a J.D. in environmental law, with the goal of contributing to policy, legislative, or advocacy work through meaningful professional opportunities.

We are thrilled to welcome Olivia Carroll and Harper Ostrich to the Arizona Farm Bureau family as our inaugural Policy Cats interns! Through this exciting new partnership with the University of Arizona's Natural Resource Users Law and Policy Center, Olivia and Harper will dive into meaningful work alongside our Government Relations team, contributing to critical public policy initiatives, engaging directly with lawmakers, and forging valuable connections across Arizona's agricultural and policy communities.

We couldn't be more excited about the fresh perspectives, energy, and dedication they bring to our mission. Congratulations, Olivia and Harper—welcome aboard, and here's to an outstanding semester of learning, impact, and growth ahead!

UNDERSTANDING TODAY'S SMALL FAMILY FARM

By Julie Murphree, Arizona Farm Bureau Director of Strategic Communications

Originally from Big Spring, Texas, Faith Parum was actively involved in agriculture through 4-H and FFA. She earned a bachelor's degree in Agricultural Economics from Texas A&M University in 2020, followed by a Ph.D. in Agricultural Economics from the same institution.

Her doctoral research focused on evaluating the impacts of public policy using machine learning techniques. Before joining the American Farm Bureau Federation, Faith worked in the Office of Trade at U.S. Customs and Border Protection, where she supported regulatory and trade policy analysis.

In a recent article she co-authored about the small family farm, we found the information valuable for us and sought her out for a deeper understanding. Her insights are shared here.

Arizona Agriculture: In your recent article, Small Family Farms, The Roots of American Agriculture, give an overview of the data or information you found most interesting when writing the article.

Parum: One of the most interesting findings was how different the reality of a "small farm" is compared to the public image.

Many people think about farm size in terms of acreage or livestock numbers, but USDA actually classifies farms by gross cash farm income. Using that definition, more than 86% of the roughly 1.9 million farms in the United States are considered small family farms. At the same time, farms of all sizes are overwhelmingly family run, which reinforces that family agriculture remains the backbone of rural America.

Arizona Agriculture: What are the main components included in gross cash farm income (GCFI) when classifying farm sizes and out of the 1.9 million farms in the U.S., and what percentage are classified as small family farms? What strikes you about these facts?

Parum: Gross cash farm income, or GCFI, is USDA's measure of farm revenue and includes crop and livestock sales, federal farm program payments and other farm-related income such as custom work or machinery rentals.

Using this measure, farms with less

SEE **TODAY'S SMALL FAMILY FARM** *PAGE 8*

TODAY'S SMALL FAMILY FARM

continued from Page 7

than $350,000 in GCFI are classified as small farms. More than 86% of U.S. farms, over 1.6 million operations, fall into that category.

What stands out is that even a revenue number that may sound large to people outside of agriculture often leaves very little margin once the costs of producing food, fiber and fuel are taken into account.

Arizona Agriculture: Your article notes that recent forecasts of net farm income show warning signs for farmers nationwide and we're seeing this continue in 2026. For small farms already operating on thin margins, do you see any light at the end of the tunnel?

Parum: The latest USDA forecast shows the farm economy continuing to face pressure. USDA recently lowered its outlook for 2025 farm income, and the revised forecast suggests many of the same challenges will persist into 2026, particularly for crop producers facing lower commodity prices and elevated production costs. While overall farm income remains relatively strong in nominal terms, much of that support is coming from government payments rather than strong market returns.

For small farms already operating on thin margins, that means continued financial pressure, although stronger livestock markets or diversified income sources may provide some support.

Arizona Agriculture: What were the average production expenses in 2022 for small family farms with GCFI between $150,000 and $349,999, and what was their average income from farming after those expenses?

Parum: For small family farms in the moderate-sales category, with gross cash farm income between $150,000 and $349,999, average production expenses were about $274,794 in 2022.

After covering those expenses, these farms earned an average net farm income of just under $45,000. That makes this group particularly sensitive to rising costs or falling commodity prices because their margins can tighten quickly.

Arizona Agriculture: Specialty crops often have much higher expenses than the average U.S. farm. Why is that, and why are relatively few of those crops grown by farms classified as small?

Parum: Specialty crop farms tend to have much higher expenses because of the nature of the crops themselves. Many require significant upfront investments such as orchards or other long-term plantings, irrigation infrastructure, specialized equipment and higher labor needs. These factors can push production expenses well above the average U.S. farm.

Because specialty crops also generate high revenues per acre, even farms with relatively small acreage can exceed USDA's income threshold for a small farm. As a result, only about 7% of specialty crops are grown by farms classified as small under USDA's income-based definition. In states like Arizona, where high-value crops such as lettuce and leafy greens dominate, even modest-sized operations can quickly move into the mid-size or large farm category based on revenue alone.

national average. According to the 2022 Census of Agriculture, about 90% of Arizona farms fall into the small farm category, compared to about 86% nationally.

However, because Arizona produces many high-value specialty crops, some relatively small acreage farms can generate enough revenue to move into higher income categories even though they may not appear large in terms of land area.

Arizona Agriculture: What are some of the main factors that lead many farm households to pursue off-farm employment, especially among small farms?

Parum: For many farm households, off-farm employment is about financial stability. Farm income can be highly volatile due to weather, market prices and input costs, so outside employment often provides steady income, health insurance and retirement benefits.

Nationally, about 77% of farm household income comes from off-farm sources. For smaller operations especially, those outside earnings can help stabilize household finances and allow farms to continue operating even when farm profits are low.

Arizona Agriculture: How might rising costs for inputs like water, fertilizer and fuel affect small cotton or vegetable farms in Arizona, especially with geopolitical risks like conflict in the Middle East?

Parum: Small farms in Arizona are particularly sensitive to input costs because irrigation, fertilizer and fuel represent major production expenses. Geopolitical tensions in the Middle East can create additional volatility in global energy and fertilizer markets because the region plays a major role in both industries.

Disruptions affecting oil, natural gas or fertilizer exports can quickly ripple through global supply chains and raise input costs for farmers worldwide. For small cotton and vegetable producers already operating on tight margins, even modest increases in fertilizer or fuel prices can significantly affect profitability and planting decisions.

Arizona Agriculture: What role do small Arizona ranches play in local food systems, such as community-supported agriculture programs or farmers' markets, even if they have low or no sales?

Parum: Small ranches still play an important role in local food systems. Many participate in direct marketing through farmers' markets, freezer beef sales or partnerships with local food programs. Others contribute through community-supported agriculture programs or local food distribution networks.

Even when they are not large commercial suppliers, these operations help keep agricultural land in production, support rural economies and strengthen connections between consumers and local food producers.

Arizona Agriculture: What trends in livestock receipts could benefit Arizona ranchers, and how might small operations adapt to thin margins in a state with vast rangeland?

Parum: Livestock markets have been one of the brighter spots in the farm economy in recent months. Tight cattle supplies and strong beef demand have supported higher cattle prices, and livestock receipts are expected to remain relatively strong even as crop markets weaken.

However, broader farm income forecasts suggest the farm economy will continue facing pressure into 2026, with income expectations revised lower and costs remaining elevated. For Arizona ranchers, stronger cattle markets may provide some support, but many small operations will still need to manage costs carefully, maintain flexible stocking rates and rely on diversified income sources to navigate thin margins.