

Outlook 2026

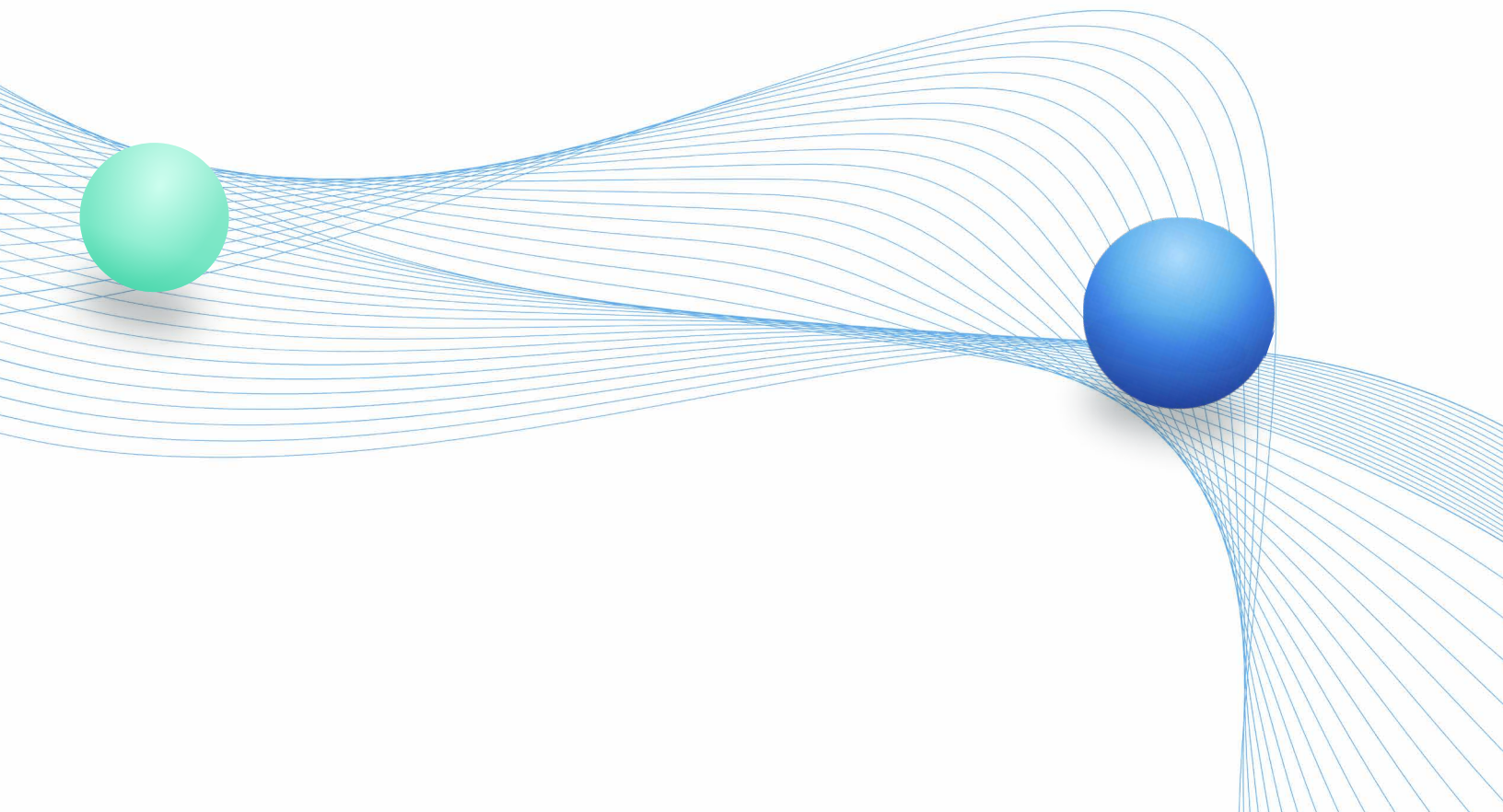
Agribusiness

Organizational risk maturity will help counter widespread economic uncertainty and boost profits, employee vitality and resiliency.



What to Expect in 2026

Tariffs and economic uncertainty will affect profitability for food and beverage producers, as well as forestry and wood manufacturing. Industry leaders are facing labor shortages, climate change, cyberattacks and product safety issues. But there are opportunities: Businesses that focus on improving their supply chain resilience, tackling labor challenges and implementing enterprise risk management (ERM) tactics that improve an organization's risk maturity can thrive in 2026.



Profitability

Rising costs will disrupt profits, but agribusinesses will have options to help them thrive.

While U.S. policy changes related to tariffs have hit agribusiness hard, forward-thinking operations will find ways to cope and come out ahead in 2026.

A major challenge is importing raw materials, as the U.S. relies on imports to fill gaps, especially in growing off-seasons. Canada, Mexico and the European Union are the most important suppliers, providing 60% of all food imports,¹ while other markets provide much of the supply for items like bananas, coffee and cocoa.

Even before additional costs from tariffs, raw materials for food and beverage manufacturers have been expensive, as food commodity prices reached their highest level in two years in mid-2025.² The meat processing industry has been particularly affected, with prices increasing 10%.³

It's not just foodstuffs that are seeing price hikes. Tariffs on aluminum and steel — two essential elements in food packaging — are hitting food and beverage companies' bottom lines as the materials become more expensive.⁴

Some companies have shied away from raising prices, instead reducing product sizes while keeping prices level, also known as "shrinkflation."⁵ However, industry players have seen profits decline as tariffs take a toll and consumers pull back on spending.^{6,7}

Forestry and wood production companies are also struggling with profitability. Although tariffs on Canadian imports were intended to stimulate growth for American businesses, American sawmills have been operating at just two-thirds capacity for years.⁸ While the impact is still unclear, tariffs are likely to affect profits in 2026 due to the cross-border nature of the industry, with lumber prices already rising.⁹

Agribusiness industry leaders are also concerned about the effect of environmental and climate-related events, according to HUB International's 2026 Profitability & Resiliency Executive Survey.¹⁰ More than 60% of agribusiness leaders are concerned about weather and climate events affecting profits in 2026, the most-cited risk and much higher than for other industries.

More than six in 10 agribusiness leaders think climate change will affect profits in 2026.

Still, agribusinesses can fortify 2026 profits by moving up the risk maturity curve. Forging stronger partnerships with international and local suppliers — and seeking new ones — can help soften the blow from tariffs. Similarly, agribusinesses should seek alternative financing to improve cash flow.

1. USDA Economic Research Center, "[Agricultural Trade](#)," April 1, 2025.
2. Reuters, "[World food prices at 2-year high on rising meat and edible oils, FAO says](#)," August 8, 2025.
3. CNN Business, "[Beef prices are the new egg prices. They're soaring](#)," July 21, 2025.
4. The Food Institute, "[Brands Brace for Shrinkflation as Steel, Aluminum Levies Double](#)," June 6, 2025.
5. Investopedia, "[Inflation Is Cooling. Shrinkflation? It's Alive and Well](#)," July 4, 2025.
6. Reuters, "[Conagra says tariff costs will hit annual profit](#)," July 10, 2025.
7. MarketWatch, "[Kraft Heinz takes \\$9 billion charge for its stock's 'sustained decline' as it ponders strategic options](#)," July 30, 2025.
8. National Association of Home Builders, "[Can the U.S. lumber industry stand on its own?](#)" June 30, 2025.
9. HBS Dealer, "[May 2025 Lumber Report: Prices edge higher](#)," June 3, 2025.
10. The HUB International 2026 Profitability & Resiliency Executive Survey polled 350 industry leaders and executives across North America on the issues facing them on profitability and resilience.

Vitality

As workforce shortages persist, agribusinesses will focus on retention to bolster engagement.

In the next decade, the manufacturing labor shortage will reach 2 million unfilled positions,¹¹ which is already having a profound effect on vitality in agribusiness.

Immigrant labor is an enormous part of the labor force in agribusiness.¹² Due to this reliance, the increase in federal immigration enforcement efforts has had an outsized impact on farms, food production and especially meat processing.

As such, workforce availability in food processing is becoming less predictable, creating potential disruptions to operations. To help ensure compliance and maintain productivity, agribusinesses may turn to third-party labor contractors as a reliable staffing option.

Many agribusinesses will also turn to automation to fill the shortfall.¹³ Although not every role can be automated, robots can handle heavy tasks like packaging and palletizing goods.

So-called “cobots” that work with human intervention are also being employed in food and beverage processing to help with the labor shortage. However, automation comes with its own challenges — not the least of which is finding skilled labor to operate, maintain and repair machines.¹⁴

Yet agribusinesses have options to boost recruiting and retention efforts. They can start by making sure any employed immigrants are documented and are obeying applicable laws, and helping to protect employees as needed.

Benefits will be key: According to the [HUB 2025 U.S. Workforce Vitality Gap Index](#), 73% of employees feel that a comprehensive, personalized benefits program would increase the likelihood they'll stay at their current organization.

In addition, personalized benefits can be a game-changer. As worker vitality in 2026 will rest on a base of retention and productivity, personalized benefits can include retraining and upskilling to help employees adjust to increased automation and offering legal help if necessary.

Nearly three-fourths of employees say personalized benefits will improve the likelihood they'll remain at their employer.

Ultimately, personalized benefits — whether that includes training, flexible work arrangements or improved healthcare coverage — will help separate agribusinesses that can thrive from those that can only survive.

11. The Manufacturing Institute, “[The State of the Manufacturing Workforce in 2025](#),” February 21, 2025.

12. NY Times, “[Why Factories Are Having Trouble Filling Nearly 400,000 Open Jobs](#),” June 23, 2025.

13. Food Engineering, “[Finding the Right Applications for Cobot and Robot Technology](#),” March 24, 2025.

14. SACA, “[Robots and Cobots Finding Niche in Food Manufacturing](#),” May 13, 2025.

Resiliency

Emphasizing risk maturity and strong insurance will boost agribusinesses' resilience and long-term viability.

Agribusinesses in 2026 will face ongoing challenges to resiliency, but the year will bring risks with far more at stake than rising insurance premiums.

Greater risk from climate change, supply chain breakdowns, worker shortages, and unstable economies and geopolitics represent only some of the heightened issues that will demand agribusinesses move up the risk maturity curve, especially to help business continuity.

Ongoing drought conditions have affected crops and livestock production,¹⁵ which forces higher input costs for food and beverage. In addition, tariffs on products such as wine from Europe, coffee from Brazil and avocados from Mexico means even more pressure on profits. Experts anticipate food prices to increase 3% over the long term.¹⁶

Insurance policies will reflect these realities, stressing certain coverages in agribusiness. Despite the overall decline in property insurance premiums, it will remain challenging across agribusiness, with rates rising 5% to 15%. Underwriters are concerned about the increased number of severe weather events that damage facilities, long repair times on equipment due to parts shortages and infrastructure in need of replacement.

With commercial auto insurance costs skyrocketing and median nuclear verdicts hitting \$51 million,¹⁷ excess casualty policies are likely to see increases of at least 10% and as high as 25% or more.

On the positive side, stock throughput insurance rates will remain competitive for non-perishable, low-volatility goods in the supply chain. Rates for insuring highly perishable and volatile commodities are likely to increase.

Excess casualty policies are likely to see increases of at least 10% and as high as 25% or more.

Insurers will focus on best-in-class agribusinesses with favorable claims histories. Organizations that demonstrate strong ERM will secure coverage at an affordable cost; those lacking risk management strategies will pay more for coverage and may have to seek alternative risk transfer arrangements.

With the specter of instability from weather, geopolitics and economics hanging over agribusiness, maintaining business continuity will be especially important in 2026. Business continuity plans will need to account for the risk from upstream suppliers, as well as from downstream clients that receive and sell the final product.

For example, not only will food production operations need disaster-proof manufacturing facilities, but also take extra steps to ensure the supply chains of businesses that provide the tin cans or cardboard boxes for packaging remain intact.

Working with an experienced broker with deep industry knowledge can help agribusinesses uncover weaknesses in risk management plans, find solutions and procure coverage that will help them stay resilient in 2026 and beyond.

15. Drought.gov, "[National Current Conditions, July 30, 2025-August 5, 2025](#)," accessed August 12, 2025.

16. The Yale Budget Lab, "[State of the U.S. Tariffs: August 7, 2025](#)," August 7, 2025.

17. Marathon Strategies, "[Corporate Verdicts Go Thermonuclear: 2025 Edition](#)," May 2025.

Preparedness

Proper preparation will minimize heightened risks in 2026 and help protect the bottom line.

Ransomware and data breaches have long been a major issue in agribusiness, with the JBS incident in 2021 perhaps being the most well-known example.¹⁸ And food and product safety will always be a risk that agribusinesses must address.

Despite organizations' best efforts, ransomware and data breaches still represent a major vulnerability;¹⁹ data breaches on manufacturers cost an average of \$5 million per incident in 2025, the third-highest amount across industries.²⁰ For the food and beverage industry, cyberattacks doubled in the first quarter of 2025 compared to the first quarter of 2024.²¹

Agribusiness' move toward automation and AI leaves the sector more vulnerable to cyber threats. Both a lack of employee education and reliance on legacy tech systems have resulted in security gaps.

The industry has options to combat these risks. They can strengthen their secure remote access and educate employees on network security to protect the entire business from harm. Underwriters are demanding such measures before issuing policies for cyber coverage, an essential backstop against risk.

In fact, HUB International's 2026 Profitability & Resiliency Executive Survey notes 39% of agribusiness industry leaders say they are considering increased insurance coverage for tech and cybersecurity risks. That's more than for any other risk, including environmental risk (33%) and rising operating and labor costs (30%).

Food safety and recalls have entered a new dimension of risk after budget cuts to the FDA and USDA led to layoffs in 2025.²² The number of food recalls was up 232% in the first quarter of 2025, due to more reliable methods of identifying issues and diminished safety protocols since the pandemic.²³

The leading causes of recalls in recent years are allergen contamination (accounting for 38% of recalls); bacterial contamination (22%) and foreign objects (11%).²⁴

Although product recall coverage is more affordable than in the past, business leaders should consider a return to more stringent safety protocols to minimize the risk — even if it comes at a cost. Recalls not only cause monetary damage, but also reputational damage that may take years to overcome.

18. Clarty, "[Cyber Attack Overview: JBS Foods Ransomware Incident](#)," April 3, 2023.

19. Wisdium, "[8 recent cyber attacks on food production and agriculture](#)," October 6, 2024.

20. IBM, "[Cost of a Data Breach 2025](#)," July 30, 2025.

21. The Record, "[Ransomware attacks on food and agriculture industry have doubled in 2025](#)," May 2, 2025.

22. Science News, "[FDA cuts imperil food safety, but not how you might think](#)," June 9, 2025.

23. Sedgwick, "[Number of recalled products in the U.S. rose 25% in Q1 2025](#)," May 15, 2025.

24. Trace One, "[States Most Impacted by Food Recalls in Recent Years](#)," February 5, 2025.

Moving Your Organization Forward

HUB agribusiness industry insurance, risk management and employee benefits specialists will work with you to develop a tailored strategy to protect your bottom line, support the vitality of your workforce and build resiliency for 2026. Here are some initial considerations:

1 Accelerate your risk maturity.
Risks in agribusiness have increased — and so have insurance premiums. Consider taking a higher deductible on some coverages, which reduces premiums and improves experience rating, or think about alternative risk transfer vehicles to lower costs. Ask your broker what kind of insurance strategy meets your risk profile and budget.

2 Increase engagement through benefits.
Employees expect you to support their health, safety and wellbeing. A benefits strategy based on personalization and fostering [quality employee experiences \(QEX\)](#) will boost engagement, recruiting and retention and lower risk.

3 Understand your loss trends.
Understand the root cause of your large losses and explain to carriers what you're doing to prevent future losses. Develop a strategy with HUB to determine the best time and frequency to review alternative markets.

4 Be transparent with your broker.
Let your broker know what changes you've made to the business, so there are no surprises at renewal. Review exposures and insurance needs at least 90 days prior to policy renewal, so your broker can identify the best options.

Agribusiness Rate Guide – U.S.

HUB International’s rate guidance comprises an analysis of proprietary national survey data and interviews with HUB commercial insurance brokers and risk services consultants who specialize in the agribusiness, food and beverage, and wood products industries.

Below are projections of rate increases that we anticipate in 2026. It’s important to discuss your business’ exposure with your insurance broker and understand what to expect well in advance of your next renewal.

Coverage	2026 Agribusiness, Food and Wood Products Rate Guide	Insights
Commercial Auto	+5% to +15%	<p>Insurers will be focused on geographic exposure, particularly in jurisdictions known for elevated litigation risk.</p> <p>Average loss severity in auto has worsened, with claims values increasing across all size thresholds. Litigation expenses, including escalating legal defense, settlement costs and nuclear jury verdicts are driving this trend.</p>
General Liability	Flat to +10%	<p>The general liability market will remain relatively stable compared with other insurance lines. Losses in other sectors have contributed to growing cost pressures and reduced capacity for key general liability (GL) coverages, particularly those related to violence and abuse exposures.</p> <p>Coverage elements that were once embedded within a standard GL policy are now frequently restricted or excluded entirely. Assault, battery and sexual misconduct liability (SML) are among the most frequently excluded coverages and often require a separate specialty placement. Insurers will continue to scrutinize coverage for so-called “forever chemicals” (also known as PFAs), which are often excluded from standard GL policies.</p>
Workers Compensation	-5% to +2%	<p>After several years of consistent rate declines, many insurers are beginning to push back and will seek modest rate renewal increases, typically up 1% to 2%.</p> <p>While claims frequency industry-wide continues to decline, severity is increasing, due in part to an aging workforce with complex health conditions.</p> <p>There is increasing scrutiny of “dual remedy” protections, particularly for workplace violence. Emerging case law could present new challenges for employers and carriers alike.</p>
Umbrella and Excess Liability	+10% to +25%	<p>Rates are expected to rise, driven primarily by severity concerns related to auto insurance and GL. An increase in the number and frequency of nuclear verdicts is largely responsible.</p> <p>Insurers remain highly cautious and will be offering smaller limits per layer, which forces the stacking of multiple excess policies and significantly increases the total program cost.</p> <p>In response, multi-year, structured buffer layer programs are becoming more common, especially for companies with large vehicle fleet or complex exposures.</p>

Agribusiness Rate Guide – U.S.

Coverage	2026 Agribusiness, Food and Wood Products Rate Guide	Insights
Package	Flat to +10%	Rates for package policies will have moderate increases only, with overall pricing heavily influenced by the mix of lines included. Currently, lower property rates are helping to offset upward pressure on auto and GL, resulting in balanced outcomes for many insureds.
Commercial Property	+5% to +15%	<p>While the overall property market still shows signs of softening, there's less downward movement in agribusiness sectors, largely due to several factors that include:</p> <ul style="list-style-type: none"> ○ Weather extremes damaging crops and facilities with increasing severity ○ Long equipment breakdowns due to parts shortages and repair backlogs ○ Increasingly stringent food safety regulations and facility upgrades needed for compliance ○ Critical infrastructure reaching end-of-life ○ Cyber vulnerabilities emerging as operations become more digitized <p>Occupancy type, geographic location, loss experience and risk control measures will ultimately determine the amount of premium increases.</p>
D&O	Flat to +5%	<p>Premium decreases will plateau as a soft market persists for directors and officers (D&O) coverage. Enterprises with no changes in exposure or claims activity can expect modest increases, if any.</p> <p>Artificial intelligence-related exposures are under increased scrutiny due to concerns about the technology's impact on work, employment and risk governance. Employment practices liability (EPL) coverage has become expensive due to inflation and nuclear verdicts.</p>
Cyber	Flat to +5%	<p>The frequency of ransomware and social engineering claims remained elevated in 2025 despite improved risk controls. In addition to ransomware and social engineering threats, dependent business interruption is a growing focus area.</p> <p>Cybercriminals' use of AI has accelerated phishing attacks, resulting in fraudulent wire transfers and other losses.</p> <p>Today's cyber insurance market is far more disciplined and better capitalized than it was five years ago at the height of the ransomware surge, resulting in single-digit rate increases in 2026.</p>
Stock Throughput	-5% to +5%	<p>Expect higher rates for perishable or highly combustible commodities, as these remain challenging risks. Despite additional capacity for insureds, it may be expensive.</p> <p>Meanwhile, there will be underwriter competition to insure non-perishable, lower volatility goods in the supply chain, resulting in rate decreases or modest increases.</p>
Product Recall / Contamination	-5% to +5%	Carrier competition will keep premiums in check despite a significant hike in product recall and contamination claims. The leading causes of loss are undeclared allergens, mislabeling and packaging errors, and contaminations such as bacterial, chemical or foreign objects.

Agribusiness Businesses – U.S.

Business	Insights
Food and Beverage	Overall, the outlook is favorable for food and beverage companies, particularly compared with the past three years. Auto and property insurance remains difficult, but product recall insurance is steady, with a growing focus on allergens and labeling. Food and beverage operations that invest in supply chain transparency, fleet safety and facility upgrades can improve leverage for better pricing.
Farm and Ranch	Underwriters will remain focused on property valuations and land or location descriptions, especially for areas where farm equipment is stored when not in use, contributing to higher costs for certain insurance programs. Capacity will depend on location, so underwriters are stringent with limits. Severe convective storms and wildfires continue to pose significant challenges, so insureds should expect reduced availability and increased deductibles on a per-location basis in disaster-prone areas.
Wood Products	<p>Property insurance for U.S. wood products has stabilized for most business classes, with flat renewals or slight rate reductions. However, higher rates are expected for companies located in catastrophe-prone areas, even for businesses with no claims history. Properties in wildfire-prone regions continue to face significant rate increases and non-renewals due to ongoing wildfire activity.</p> <p>Casualty insurance renewal rates have also stabilized across most classes, except for auto coverage. Locations in wildfire-prone areas will find it difficult to secure loggers' broad-form coverage within GL policies, and insurers remain cautious in issuing excess liability coverage.</p>

NOTE: *Rate* is typically defined as the amount of money necessary to cover losses and expenses while providing an insurance company with a profit for a unit of exposure. *Exposure* refers to a business' or an individual's susceptibility to various risks encountered daily. Carriers evaluate the level of risk an insured faces in calculating insurance premiums.

HUB Agribusiness

When you partner with us, you're at the center of a vast network of experts who will help you reach your goals. For more information on how to manage your insurance costs, reduce your risk and take care of your employees, talk to a HUB agribusiness specialist.

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