

Ag Producers' sentiment drifts lower; trade disputes continue to concern farmers

January 8, 2019

WEST LAFAYETTE, Ind. and CHICAGO, Jan. 8, 2019 /PRNewswire/ -- There was a modest drop in agricultural producer sentiment in December as farmers' perception of both current and future economic conditions weakened, according to results from the [Purdue University/CME Group Ag Economy Barometer](#). The December barometer reading of 127 was 7 points lower than November. The barometer is based on 400 survey responses from agricultural producers across the country.

Both of the barometer's two sub-indices declined in December: the Index of Current Conditions fell 6 points to 109, and the Index of Future Expectations fell 8 points to 135. When comparing these readings to December 2017, the Index of Current Conditions is substantially lower, registering a decline of 30 points, while the Index of Future Expectations actually improved from year-to-year with an uptick of 15 points.

"Over the course of the last year, producers' impression of current economic conditions on their farms has declined markedly" said [James Mintert](#), the barometer's principal investigator and director of Purdue University's Center for Commercial Agriculture. "But at the same time their expectations for future economic conditions have held steady," said Mintert. "As a result of this mixed view, farmers appear to be cautious about making large investments in their farming operations."

For example, in December 2018 the Large Farm Investment Index, which measures whether producers feel this is a good time to make large farm investments, fell 5 points to a reading of 51. This marked a 29 point drop from one year ago when it reached a reading of 70. Those same concerns were also apparent when producers were asked whether now is a "good time" or "not a good time" to bring a new generation of family into the business. Just 42 percent said now was a "good time" compared to approximately half during the previous two years. However, when looking ahead 5 years, 65 percent of producers expect conditions to be more favorable to onboarding a new generation.

International agricultural trade issues continue to cause concern and could be causing producers' reduced confidence in current economic conditions. When producers were asked whether they expect exports to increase or decrease in the next five years, 59 percent indicated that they expect ag exports to increase, down 7 points from November's survey response, whereas 26 percent expect ag exports to decrease, up from 10 percent on the November survey.

Read the full December Ag Economy Barometer report at <http://purdue.edu/agbarometer>. This month's report includes additional information about farmers usage of and perceived value of incorporating drone technology into their farm's operation as well as their production expectations for the pork, beef, and dairy industries. Each month Dr. Mintert also provides an in-depth analysis of the barometer. That video is available at <http://purdue.edu/agbarometer>.

The Ag Economy Barometer, Index of Current Conditions and Index of Future Expectations are available on the Bloomberg Terminal under the following ticker symbols: AGECBARO, AGECCURC and AGECFTEX.

About the Purdue University Center for Commercial Agriculture

The [Center for Commercial Agriculture](#) was founded in 2011 to provide professional development and educational programs for farmers. Housed within Purdue University's Department of Agricultural Economics, the center's faculty and staff develop and execute research and educational programs that address the different needs of managing in today's business environment.

About CME Group

As the world's leading and most diverse derivatives marketplace, CME Group (www.cmegroup.com) enables clients to trade futures, options, cash and OTC markets, optimize portfolios, and analyze data – empowering market participants worldwide to efficiently manage risk and capture opportunities. CME Group exchanges offer the widest range of global benchmark products across all major asset classes based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural products](#) and [metals](#). The company offers futures and options on futures trading through the [CME Globex](#)® platform, fixed income trading via BrokerTec and foreign exchange trading on the EBS platform. In addition, it operates one of the world's leading central counterparty clearing providers, CME Clearing. With a range of pre- and post-trade products and services underpinning the entire lifecycle of a trade, CME Group also offers optimization and reconciliation services through TriOptima, and trade processing services through Traiana.

CME Group, the Globe logo, CME, Chicago Mercantile Exchange, Globex, and, E-mini are trademarks of Chicago Mercantile Exchange Inc. CBOT and Chicago Board of Trade are trademarks of Board of Trade of the City of Chicago, Inc. NYMEX, New York Mercantile Exchange and ClearPort are trademarks of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc. BrokerTec, EBS, TriOptima, and Traiana are trademarks of BrokerTec Europe LTD, EBS Group LTD, TriOptima AB, and Traiana, Inc., respectively. Dow Jones, Dow Jones Industrial Average, S&P 500 and S&P are service and/or trademarks of Dow Jones Trademark Holdings LLC, Standard & Poor's Financial Services LLC and S&P/Dow Jones Indices LLC, as the case may be, and have been licensed for use by Chicago Mercantile Exchange Inc. All other trademarks are the property of their respective owners.

Writer:Kami Goodwin, 765-494-6999, kami@purdue.edu

Source:Jim Mintert, 765-494-4310, jmintert@purdue.edu

Related website:

Purdue University Center for Commercial Agriculture: <http://purdue.edu/commercialag>

CME Group: <http://www.cmegroup.com/>

Photo Caption: Ag Producers' sentiment drifts lower; trade disputes continue to concern farmers according to latest Purdue/CME Group Ag Economy Barometer. (Purdue/CME Group Ag Economy Barometer/James Mintert)

A publication-quality photo is available at <https://news.uns.purdue.edu/images/2019/december-barometer.jpg>

CME-G

 View original content: <http://www.prnewswire.com/news-releases/ag-producers-sentiment-drifts-lower-trade-disputes-continue-to-concern-farmers-300774300.html>

SOURCE CME Group

Aissa Good, Purdue University, 765-496-3884, aissa@purdue.edu; Matt Stroud, CME Group, 312-561-2269, matthew.stroud@cmegroup.com