

## Farmer sentiment hits lowest level in over two years

June 4, 2019

WEST LAFAYETTE, Ind. and CHICAGO, June 4, 2019 /PRNewswire/ -- Ag producer sentiment dropped to its lowest level since October 2016, erasing all improvements recorded following the November 2016 election. The [Purdue University/CME Group Ag Economy Barometer](#), based on a mid-month survey of 400 agricultural producers across the U.S., declined 14 points in May to a reading of 101, down from 115 in April.

The decline in the barometer came about because producers' perspectives on both current and future economic conditions worsened considerably compared to a month earlier. The Index of Current Conditions fell to a reading of 84, down from 99, and the Index of Future Expectations fell to 108, down from 123.

"Ag producers are telling us the agricultural economy weakened considerably this spring as the barometer has fallen 42 points (29%) since the start of this year," said [James Mintert](#), the barometer's principal investigator and director of Purdue University's Center for Commercial Agriculture. "Farmers are facing tough decisions in the midst of a wet planting season and a lot of uncertainty surrounding trade discussions."

The Large Farm Investment Index, which measures producers' attitudes toward making large investments in their farming operation, has ebbed and flowed over the past year; however, since the beginning of 2019, the index has trended significantly lower. In May, just 18% of farmers stated it was a "good time" to make large farm investments while 81% stated it was a "bad time," pushing the investment index down to a reading of 37. This is the lowest Large Farm Investment Index reading since the Ag Economy Barometer's October 2015 inception.

Farmers' optimism toward short- and long-term farmland values has also waned since the early part of 2019. For example, the percentage of farmers that expect farmland values to decline over the course of the upcoming year jumped from 21% in January to 25% in March and most recently to 30% in May. Looking farther ahead, just 39% of producers said they expect farmland values to rise over the next five years, compared to 48% expecting rising values in the March survey.

Agricultural trade continues to be a source of concern for producers. For the past three months, producers were asked whether they expect the soybean trade dispute with China to be resolved by July 1 and whether they feel the resolution will benefit U.S. agriculture. When the question was first posed in March, 45% of respondents expected the dispute to be resolved by July 1; that number declined to 28% in April and fell further to 20% in May. Regarding whether they ultimately expect an outcome favorable to U.S. agriculture, 77% said yes in March, which declined to 71% in April, and fell further to 65% in May.

"At this time, a majority of producers still expect a favorable outcome for agriculture to the trade dispute," said Mintert, "but that majority appears to be shrinking."

Read the full May Ag Economy Barometer report at <https://purdue.ag/agbarometer>. This month's report includes more information about each of the survey questions, as well as a look into farmers' perceptions toward their equity positions. The site also offers additional resources – such as past reports, charts and survey methodology – and a form to sign up for monthly barometer email updates and webinars. Each month, Dr. Mintert also provides an in-depth video analysis of the barometer, available at <https://purdue.ag/barometervideo>.

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.

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**Writer:**Kami Goodwin, 765-494-6999, [kami@purdue.edu](mailto:kami@purdue.edu)

**Source:**Jim Mintert, 765-494-7004, [jmintert@purdue.edu](mailto:jmintert@purdue.edu)

**Related website:**

Purdue University Center for Commercial Agriculture: <http://purdue.edu/commercialag>  
CME Group: <http://www.cmegroup.com/>

**Photo Caption:** Farmer sentiment hits lowest level in over two years. (Purdue/CME Group Ag Economy Barometer/James Mintert)

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

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Media Contacts: Aissa Good, Purdue University, 765-496-3884, [aissa@purdue.edu](mailto:aissa@purdue.edu), Matt Stroud, CME Group, 312-561-2269, [matthew.stroud@cmegroup.com](mailto:matthew.stroud@cmegroup.com)