

Farmer sentiment regarding current conditions slips in September

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WEST LAFAYETTE, Ind. and CHICAGO, Oct. 1, 2019 /PRNewswire/ -- Farmers became much more pessimistic about current conditions on their own farms and in the U.S. agricultural economy in late summer, according to the September [Purdue University/CME Group Ag Economy Barometer](#). While the overall *Ag Economy Barometer* reading dipped slightly to a reading of 121, down three points from August; the *Index of Current Conditions*, a sub-index of the barometer, dropped 22 points to a reading of 100. The barometer is based on a mid-month survey of 400 agricultural producers across the U.S.

Farmers' outlook toward making large investments such as machinery or buildings also declined in September. The *Farm Capital Investment Index* dropped for the second month in a row, down nine points from August, which left it 20 points below the July 2019 reading taken when corn and soybean prices were peaking. Producers' farmland value expectations for both the next 12 months and 5 years also drifted lower in September.

Despite the weak near-term outlook provided by farmers, they expressed some optimism about the future as the *Index of Future Expectations*, another sub-index of the *Ag Economy Barometer*, rose 6 points compared to August. "Even though farmers are concerned about the near-term, both on their own farms and for the ag economy, improved crop growing conditions during the last half of the summer appeared to boost optimism regarding the future," said [James Mintert](#), the barometer's principal investigator and director of Purdue University's Center for Commercial Agriculture.

In the September survey, only one in five producers said they expect profitability to decline over the next year, compared to 41 percent that expected a profitability decline when the same question was posed back in May. "Considered jointly with this month's decline in the *Index of Current Conditions*," said Mintert, "this could be a signal that growers expect better times in 2020 compared to 2019, possibly because they are looking forward to a return to more normal growing conditions and crop production in 2020."

Read the full September Ag Economy Barometer report at <https://purdue.ag/agbarometer>. This month's report includes insights into producers' perspectives towards a favorable outcome to the trade dispute and their cropland rental arrangements. 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, Purdue Center for Commercial Agriculture Director James Mintert provides a short video analysis of the barometer results, 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: AGEGBARO, 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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Related website:

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Photo Caption: Farmer sentiment regarding current conditions slips in September. (Purdue/CME Group Ag Economy Barometer/James Mintert)

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

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