

Farmer sentiment on trade and the overall ag economy improves as fall harvest gets underway

November 5, 2019

WEST LAFAYETTE, Ind. and CHICAGO, Nov. 5, 2019 /PRNewswire/ -- The [Purdue University/CME Group Ag Economy Barometer](#) improved 15 points to a reading of 136 in October. The upswing is attributable to 15-point increases in both of the barometer's sub-indices. The *Index of Current Conditions* rose to a reading of 155 and the *Index of Future Expectations* rose to a reading of 146. The barometer is based on a mid-month survey of 400 U.S. crop and livestock producers.

"Almost across the board, farmers were more optimistic about the agricultural economy in October," said [James Mintert](#), the barometer's principal investigator and director of Purdue University's Center for Commercial Agriculture. "While the level of optimism among farmers is higher than earlier this year, the survey uncovered additional uncertainty related to trade agreements that are still being negotiated."

In addition to the standard survey, questions were added to this month's barometer survey to gauge whether farmers feel these pending trade agreements are important to the U.S. agricultural economy.

The U.S.-Mexico-Canada Trade Agreement is still waiting on approval by the U.S. Congress. When asked whether they felt that agreement was important to the U.S. agricultural economy, 96 percent of producers indicated it was either important or very important. However, only 55 percent expect it to be approved by Congress soon. At the same time, 97 percent of producers felt a recently announced trade deal with Japan was also important or very important to U.S. agriculture.

Since last spring, Purdue researchers have been tracing producers' perceptions regarding the soybean trade dispute between the U.S. and China--specifically, whether they think the dispute will be resolved soon and the outcome will ultimately benefit U.S. agriculture. In October, 51 percent of respondents said that an imminent resolution was unlikely, which is down from a reading of 59 percent in September and 71 percent in August. At the same time, 75 percent of farmers in the October survey said they expect the final outcome will ultimately prove beneficial to U.S. agriculture. October marked the fourth month in a row that over 70 percent of producers said they expected a beneficial outcome to the trade dispute.

Farmers were more optimistic about farmland values increasing, and less inclined to think cash rental rates would decline, than in September. When asked to look ahead in the farmland market, both 12 months and 5 years into the future, more producers said they expect farmland values to increase. Meanwhile, just 14 percent of producers expect cash rental rates to decline in the upcoming year compared to 22 percent who thought a decline likely when surveyed in September. The *Farm Capital Investment Index* also saw an uptick, rising 12 points in October, after a two-month decline, as farmers were more favorably disposed toward making large investments in their farming operations.

Read the full October Ag Economy Barometer report at <https://purdue.ag/agbarometer>. This month's report asks farmers about their spring planting intentions and whether they anticipate USDA providing Market Facilitation Program (MFP) payments for the 2020 crop. 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:

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

Photo Caption: Farmer sentiment improves as fall harvest gets underway. (Purdue/CME Group Ag Economy Barometer/James Mintert)

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

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SOURCE CME Group

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