

COVID-19 continues to impact farmer sentiment; majority indicate economic assistance bill necessary

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WEST LAFAYETTE, Ind. and CHICAGO, June 2, 2020 /PRNewswire/ -- Farmer sentiment improved slightly in May after falling sharply in both March and April, according to the [Purdue University/CME Group Ag Economy Barometer](#). The index was up 7 points from April to a reading of 103, but it remained nearly 40 percent below its all-time high of 168 set in February 2020. The *Ag Economy Barometer* is based on responses from 400 U.S. agricultural producers and this month's survey was conducted between May 18-22.

The *Index of Current Conditions* improved in May, up 11 points from April to a reading of 83, as did the *Index of Future Expectations*, up 4 points to a reading of 112. In May, farmers were also somewhat more inclined to think now is a good time to make large investments in their farming operations. The *Farm Capital Investment Index* rose to a reading of 50 compared to just 38 a month earlier. While collectively all three of these indices improved in May, each was down more than 30 percent compared to February 2020, before coronavirus impacted markets.

"This month's survey was conducted the same week that USDA announced the details of the Coronavirus Food Assistance Program (CFAP) so awareness of that program's details could be one of the key reasons for this month's barometer improvement," said [James Mintert](#), the barometer's principal investigator and director of Purdue University's Center for Commercial Agriculture. "Yet some farmers remain worried about their bottom line and are still looking for options to alleviate those concerns."

In the May survey, more than 70 percent of respondents indicated they were "very worried" (34 percent) or "fairly worried" (37 percent) about the impact of coronavirus on their farm's profitability, up from 67 percent in April. Their two biggest concerns were market access (42 percent) and financial (39 percent), with health and safety (11 percent) coming in third. Providing further evidence of their financial concerns, two-thirds of farmers surveyed indicated they think it will be necessary for Congress to pass another bill to provide more economic assistance to U.S. farmers.

When asked about expectations for their financial position over the next 12 months, over 60 percent said they expect farmers' equity positions to decline over the next year, up sharply compared to 28 percent of farmers who felt that way in February 2020. Meanwhile, over 25 percent of farmers surveyed who rent farmland said they expect to ask their landlords to lower their cash rental payments in 2021 as a result of COVID-19. Mintert suggested this could lead to downward pressure on cash rental rates next year.

Read the full Ag Economy Barometer report at <https://purdue.ag/agbarometer>. This month's report includes insight into producers concerns over the ethanol demand and expectations for farmland values. 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, the Purdue Center for Commercial Agriculture 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: AGECCBARO, AGECCURC and AGECCFTEX.

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 websites:

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

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A publication-quality photo is available at <https://news.uns.purdue.edu/images/2020/may-barometer.jpg>.

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