

Farmer sentiment rebounds amidst ongoing COVID-19 concerns

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WEST LAFAYETTE, Ind. and CHICAGO, July 7, 2020 /PRNewswire/ -- Farmer sentiment improved in June for the second month in a row, rebounding from sharp declines that took place in both March and April, according to the [Purdue University/CME Group Ag Economy Barometer](#). The index was up 14 points from May to a reading of 117. The *Ag Economy Barometer* is based on responses from 400 U.S. agricultural producers with this month's survey conducted from June 22-26, 2020.

Ag producers became more optimistic about both their current and future farming operations compared to a month earlier. The *Index of Current Conditions* rose 19 percent from May to a reading of 99, and the *Index of Future Expectations* climbed 12 percent from May to a reading of 126. Over the last two months, farmers' perspective regarding making large investments in their farming operations improved markedly. The *Farm Capital Investment Index* recovered to a reading of 60 in June, compared to just 50 a month earlier and a reading of 38 in April. Although much improved since bottoming out in April, the recovery still left the *Farm Capital Investment Index* 12 points below the 2020 high established in February, before coronavirus impacted markets.

"This month's survey was conducted after the USDA announced details regarding the Coronavirus Food Assistance Program (CFAP)," said [James Mintert](#), the barometer's principal investigator and director of Purdue University's Center for Commercial Agriculture. "A more favorable spring planting season combined with assistance from CFAP help explain this month's improvement in farmer sentiment, yet a majority of producers believe additional economic assistance will be needed in 2020."

Despite their concerns, when asked about the impact of the virus on their farms' profitability, 64 percent of respondents indicated they were "very worried" or "fairly worried", down from 71 percent in May. The June survey provided the first opportunity to survey farmers after details about the CFAP were made available. Sixty percent of surveyed farmers indicated that CFAP "somewhat" (53 percent) or "completely" (7 percent) relieved their concerns about the impact of the virus on their 2020 farm income while just over one-fourth of respondents (26 percent) responded "not at all." However, 64 percent 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 their short-run outlook for land values, farmers' perspective improved over the last two months. Respondents expecting land values to decline over the next 12 months fell to 21 percent in June, down from 29 percent in May and 35 percent in April. The shift in perspective was even more pronounced when farmers were asked about farmland values in five years. Fifty-five percent of respondents said they expect farmland values to rise over the next five years, up from just 40 percent in May. Meanwhile, just 17 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, down from 27 percent that planned to do so back in May.

Read the full Ag Economy Barometer report at <https://purdue.ag/agbarometer>. This month's report includes insight into farmers' profitability expectations, their plans for machinery purchases in the upcoming year and their concerns about the ethanol industry's future. 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>, and for even more information, check out the *Purdue Commercial AgCast* podcast. It includes a detailed breakdown of each month's barometer, in addition to a discussion of recent agriculture news that impacts farmers. Available now at <https://purdue.ag/agcast>.

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 websites:

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

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Photo Caption: Farmer sentiment rebounds amidst ongoing COVID-19 concerns. (Purdue/CME Group Ag Economy Barometer/James Mintert)

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

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