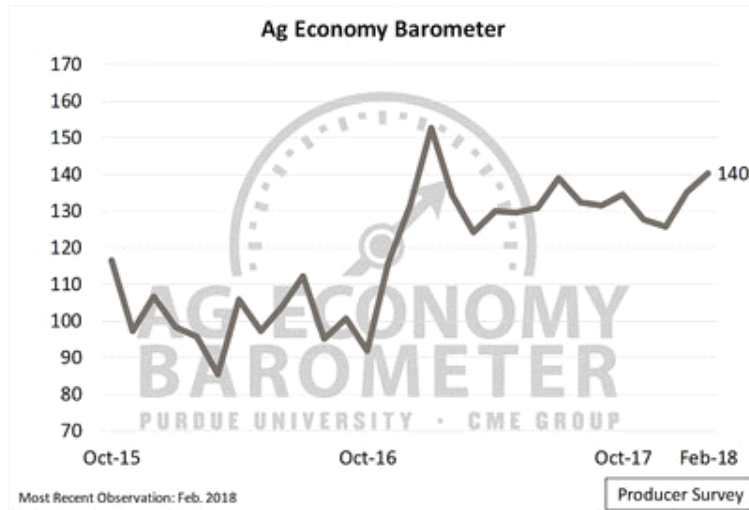


March 6, 2018

Producer sentiment higher; NAFTA uncertainty looms

WEST LAFAYETTE, Ind. and CHICAGO, March 6, 2018 /PRNewswire/ -- Producer sentiment increased for the second straight month in February, but producers continued to indicate uncertainty surrounding a possible U.S. withdrawal from the North American Free Trade Agreement (NAFTA), according to the [Purdue University/CME Group Ag Economy Barometer](#).



The barometer read 140 in February, a 5-point increase from January's reading of 135. The increases mark a strong 14-point jump since December. February also marked the second-highest barometer reading since data collection began in 2015.

The barometer is based on a monthly survey of 400 U.S. agricultural producers.

The drivers of sentiment have shifted since the barometer hit a survey high of more than 150 points back in January 2017, said [James Mintert](#), the barometer's principal investigator and director of Purdue University's [Center for Commercial Agriculture](#).

"In early 2017, producer sentiment was largely driven by an uptick in the future-looking measure of producer sentiment, the Index of Future Expectations," he said. "More recently, the barometer's upturn has been driven in part by a shift toward more positive sentiment regarding current farm financial conditions, as measured by the Index of Current Conditions."

In the February survey, researchers asked agricultural producers about the likelihood of the U.S. withdrawing from NAFTA. On a scale of 1-9, the most common response at 39 percent was a neutral rating of 5, while 34 percent of respondents said they thought a U.S. NAFTA withdrawal was likely (a rating of 6 or higher), and 29 percent thought withdrawal was unlikely (a rating of 4 or lower).

"Taken as a whole, the February survey indicates that producers are really uncertain about about the future of NAFTA," Mintert said. "But despite the uncertainty surrounding NAFTA, producers remain optimistic about the future of U.S. agricultural exports," Mintert said.

A full 50 percent of responding producers said they expect U.S. agricultural exports to increase over the next five years, while another 37 percent said they expect exports to remain about the same. Only 13 percent said they expect U.S. agricultural exports to be lower five years from now.

In addition to trade, February's survey asked producers about their expectations for corn and soybean production in the 2018 cropping year. A majority - 71 percent - said soybeans would be more profitable than corn, up 4 percent from the number of respondents who expected soybeans to be more profitable when surveyed in February 2017.

Despite expectations that soybeans will be more profitable, 81 percent of those surveyed said they expect their soybean

acreage in 2018 will be unchanged. Only 10 percent expect to plant more soybeans than a year earlier. This differs from the February 2017 survey, when 18 percent of producers reported they expected to increase their soybean acreage.

For more on producers' trade expectations and planting intentions, read the full February Ag Economy Barometer report at <http://purdue.edu/agbarometer>.

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.

About CME Group

As the world's leading and most diverse derivatives marketplace, CME Group (www.cmegroup.com) is where the world comes to manage risk. CME Group exchanges offer the widest range of global benchmark products across all major asset classes, including futures and options based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural products](#) and [metals](#). Around the world, CME Group brings buyers and sellers together through its [CME Globex®](#) electronic trading platform. CME Group also operates one of the world's leading central counterparty clearing providers through [CME Clearing](#), which offers clearing and settlement services across asset classes for exchange-traded and over-the-counter derivatives. CME Group products and services ensure that businesses around the world can effectively manage risk and achieve growth.

CME Group, the Globe logo, CME, Chicago Mercantile Exchange, Globex and E-mini are trademarks of Chicago Mercantile Exchange Inc. CBOT, Chicago Board of Trade, KCBT and Kansas City Board of Trade are trademarks of Board of Trade of the City of Chicago, Inc. NYMEX, New York Mercantile Exchange and ClearPort are trademarks of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc. Dow Jones, Dow Jones Industrial Average, S&P 500 and S&P are service and/or trademarks of Dow Jones Trademark Holdings LLC, Standard & Poor's Financial Services LLC and S&P/Dow Jones Indices LLC, as the case may be, and have been licensed for use by Chicago Mercantile Exchange Inc. All other trademarks are the property of their respective owners.

Related website:

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

CME Group: <http://www.cmegroup.com/>

Photo Caption: The February Purdue/CME Group Ag Economy Barometer showed an increase in agricultural producer sentiment for the second-straight month. The barometer has jumped 14 points since December 2017. (Purdue/CME Group Ag Economy Barometer/David Widmar)

A publication-quality photo is available at <https://news.uns.purdue.edu/images/2018/february-barometer.jpg>.

CME-G

 View original content with multimedia: <http://www.prnewswire.com/news-releases/producer-sentiment-higher-nafta-uncertainty-looms-300608479.html>

SOURCE CME Group

News Provided by Acquire Media