



Farmer Sentiment Improves Despite Rising Input Costs Concerns

April 7, 2026 | Michael Langemeier and Joana Colussi, Purdue Center for Commercial Agriculture

Farmer sentiment improved in March as the *Purdue University-CME Group Ag Economy Barometer (AEB) Index* rose from 116 points in February to 127 (see Figure 1). The *Current Conditions Index* increased by 6 points, while the *Future Expectations Index* increased by 14 points (see Figure 2). The *Future Expectations Index* this month was still 12 points below last year's December index, and 16 points below last year's March index. The percentage of respondents who cited high input costs as their biggest concern increased from 44% to 46% this month. However, the percentage of respondents who think the U.S. is headed in the "right direction" and who expect land prices to be higher five years from now also increased. The March barometer survey was conducted among 400 farmers across the nation from March 16-20, 2026.

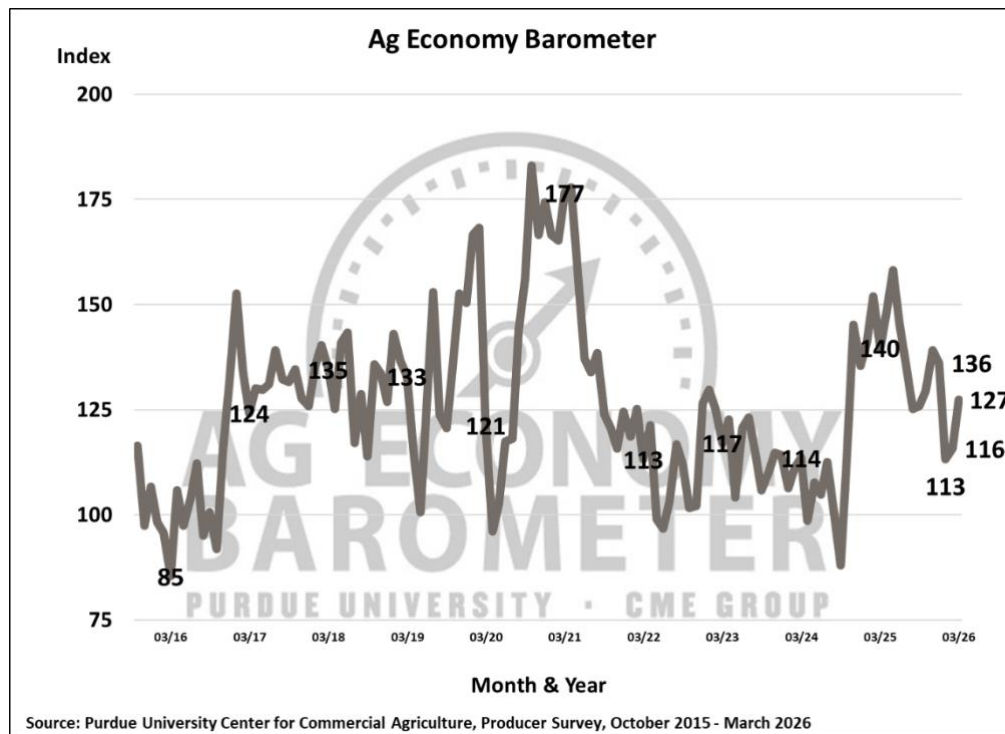


Figure 1. Purdue/CME Group Ag Economy Barometer, October 2015-March 2026.



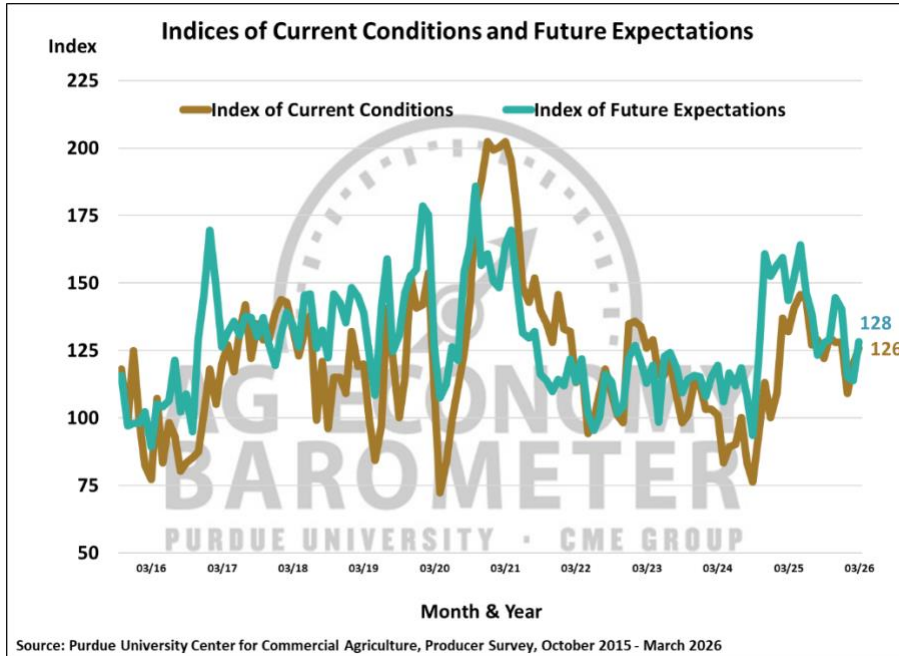


Figure 2. Indices of Current Conditions and Future Expectations, October 2015-March 2026.

Approximately 18% of respondents indicated that their farm operations were better off in March than they were a year ago. Looking ahead 12 months, 18% expected worse financial performance, compared to 20% who expected better financial performance. The *Farm Capital Investment Index* rose by 3 points to 53 (see Figure 3). However, only 4% of survey respondents indicated that they plan to increase farm machinery purchases in the upcoming year.

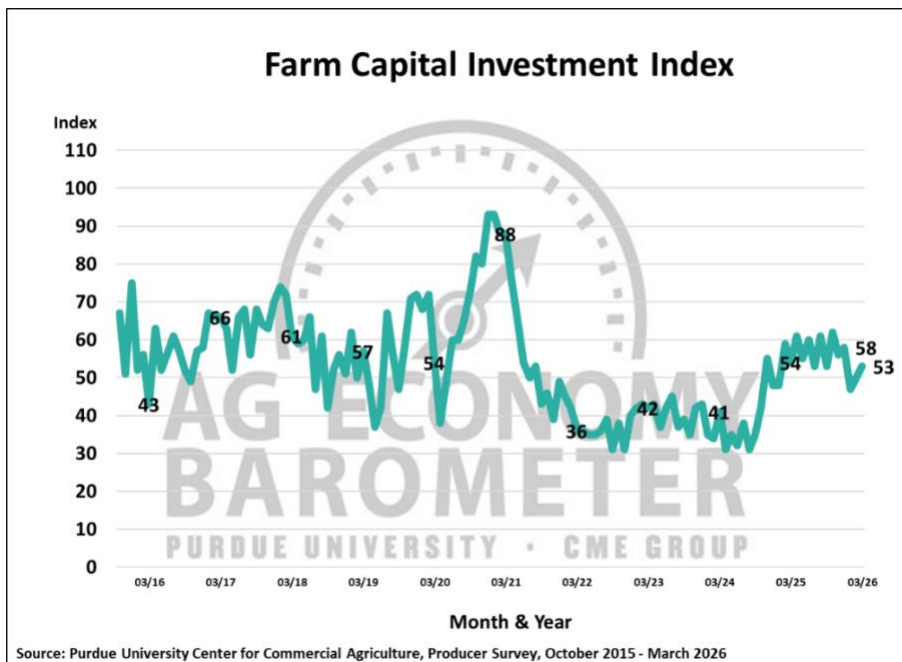


Figure 3. Farm Capital Investment Index, October 2015-March 2026.





This month's survey included questions about inflation and interest rate expectations. Approximately 39% of respondents expected inflation for consumers to be above 3% (see Figure 4). When asked whether the U.S. prime interest rate would be lower, about the same, or higher 12 months from now, 34% of respondents indicated that interest rates would be lower, while 16% said interest rates would be higher.

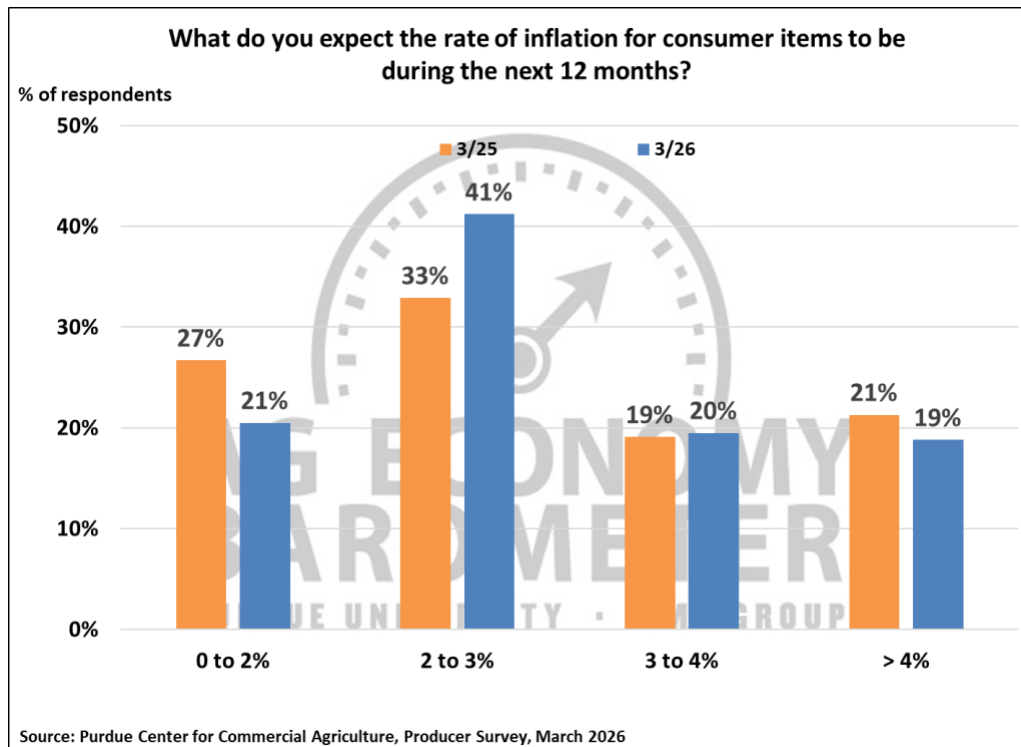


Figure 4. Expected Rate of Inflation during the Next 12 Months, March 2026.

Periodically, the monthly survey includes questions concerning the leasing of farmland for solar energy production. In this month's survey, 12% of producers said that within the last six months, they had discussed leasing farmland they own for solar energy production (see Figure 5). Lease rates varied considerably, with approximately 21% of reported lease rates above \$1,500 per acre. Fifty-six percent of respondents reported that contract offers included an escalator clause, with the most commonly reported range being 2% to 3% per year. Overall, 5% of March survey respondents said that either they or one of their landowners had signed a solar lease.



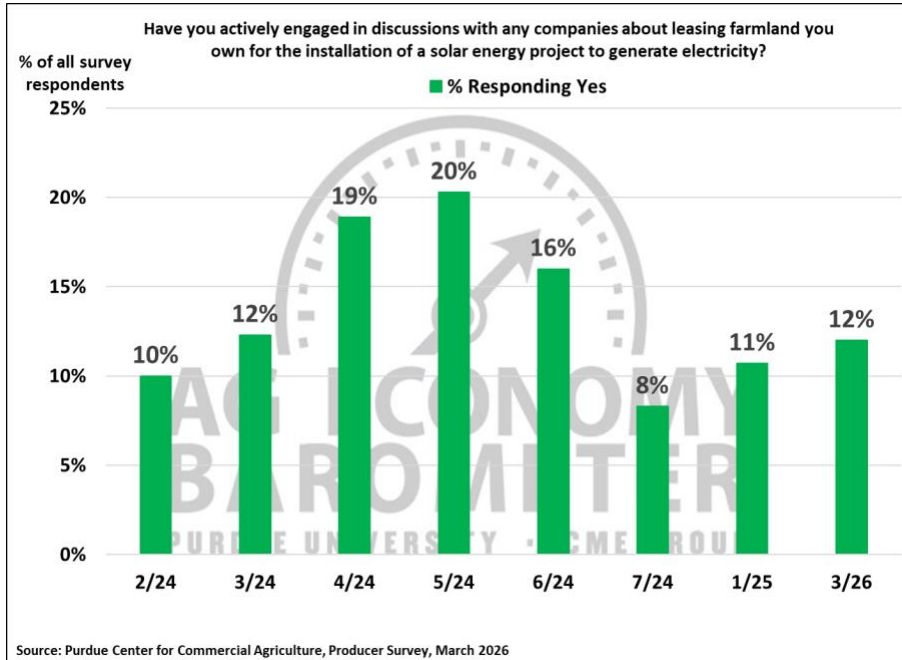


Figure 5. Percentage of Respondents that have Actively Engaged in Solar Projects, March 2026.

The *Short-Term Farmland Value Expectations Index* increased from 123 to 125 (see Figure 6), and the long-term index increased from 150 to 159 this month. Alternative investments, net farm income, and interest rates were cited as the three factors having the greatest influence on farmland values.

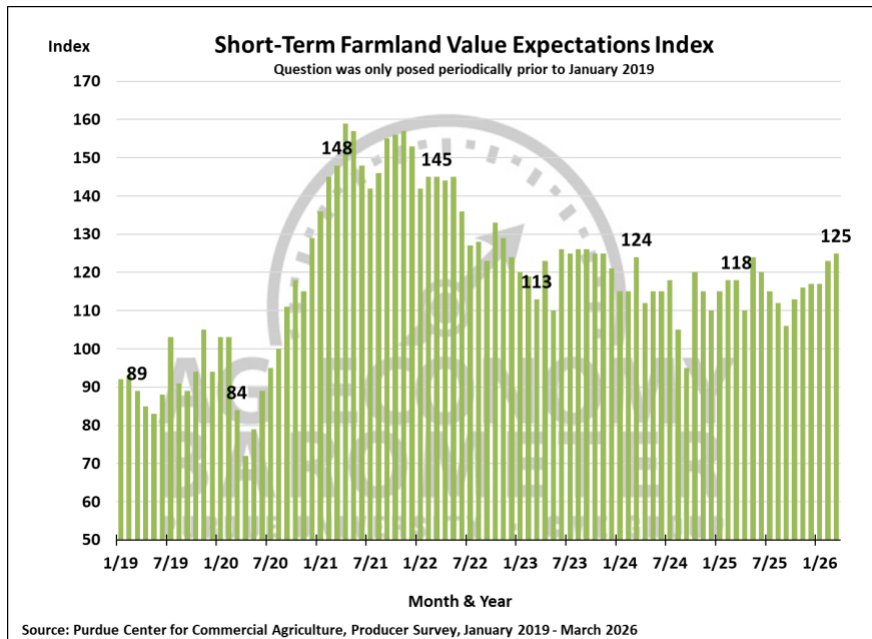


Figure 6. Short-Term Farmland Value Expectations Index, January 2019–March 2026.





As in the last few months, producers were asked whether the U.S. is headed in the “right direction” or on the “wrong track”. The percentage of producers who indicated the U.S. is headed in the “right direction” increased from 59% in February to 65% in March (see Figure 7).

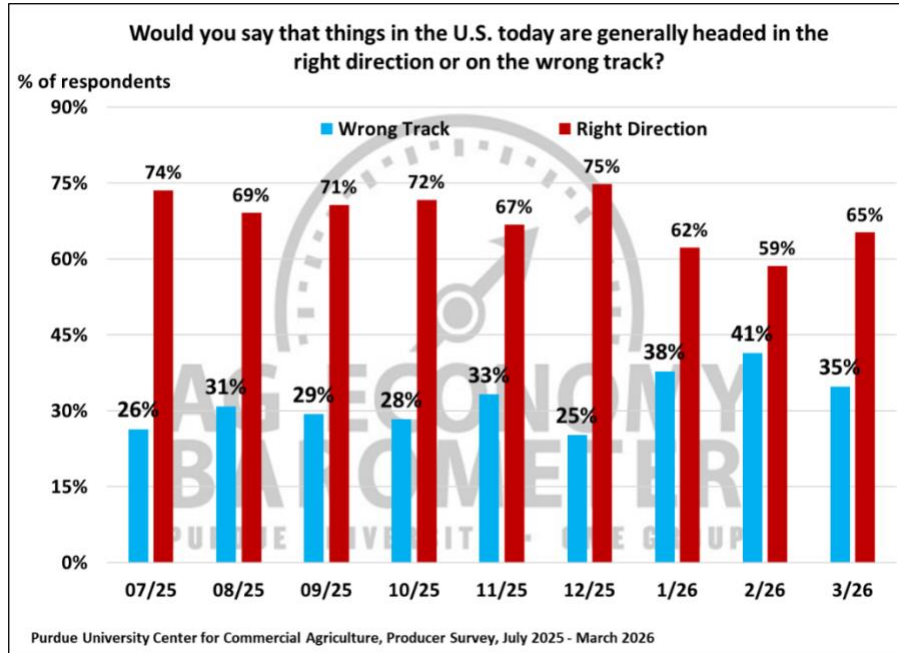


Figure 7. Are Things in the U.S. Today Headed in the Right Direction or on the Wrong Track?

Wrapping Up

Farmer sentiment increased from 116 in February to 127 in March. The increase in sentiment for future expectations was larger than the corresponding increase in sentiment for current conditions. In March, the percentage of producers who expected good times in the next five years was 37%, which is 12% lower than the share reported in March 2025. There continues to be a large disparity in expectations between crop and livestock producers. Approximately 31% of respondents expected good times for crop producers, while 63% expected good times for livestock producers.

Overall, the March results suggest that while producers report improved sentiment, concerns about input costs increased. A higher percentage of respondents indicated that U.S. policy is headed in the right direction, and a higher percentage expected land values to increase in the next five years, pointing to more optimism regarding long-run sentiment.

