



Farmer Sentiment Slips Again as High Input Costs Remain Top Concern

June 2, 2026 | Michael Langemeier and Joana Colussi, Purdue Center for Commercial Agriculture

Farmer sentiment dropped again in May as the *Purdue University-CME Group Ag Economy Barometer (AEB) Index* declined from 121 points in April to 119 (see Figure 1). The *Current Conditions Index* fell by 8 points, while the *Future Expectations Index* increased by 1 point (see Figure 2). This month's *Current Conditions Index* was 21 points below last year's December index, reaching its lowest level since December 2024. The percentage of respondents who listed high input costs as their biggest concern was 51% in May, reaching a new high. In a related question, 46% of respondents indicated that high input costs are limiting improvements in their financial position this year. The percentage of respondents who think the U.S. is headed in the "right direction" declined from 57% in April to 52% in May, the lowest percentage since we started asking this question in July 2025. The May barometer survey was conducted among 400 farmers across the country from May 11-15, 2026.

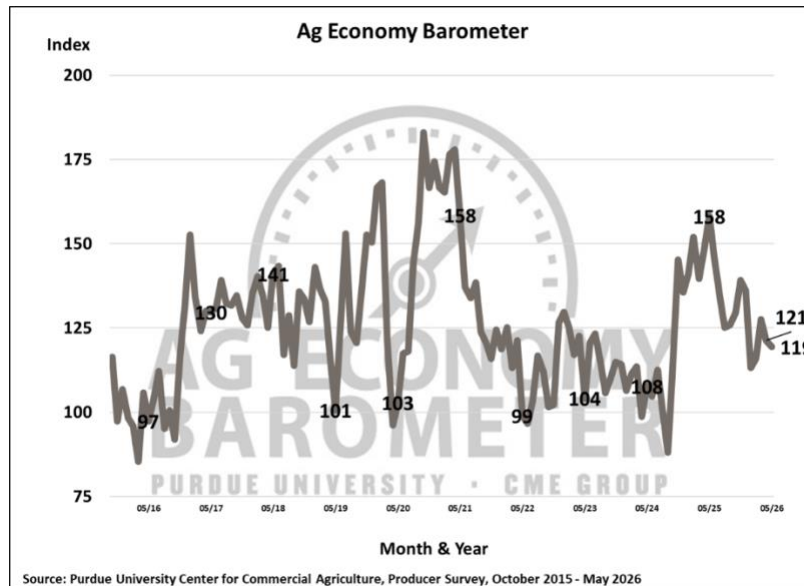


Figure 1. Purdue/CME Group Ag Economy Barometer, October 2015-May 2026.



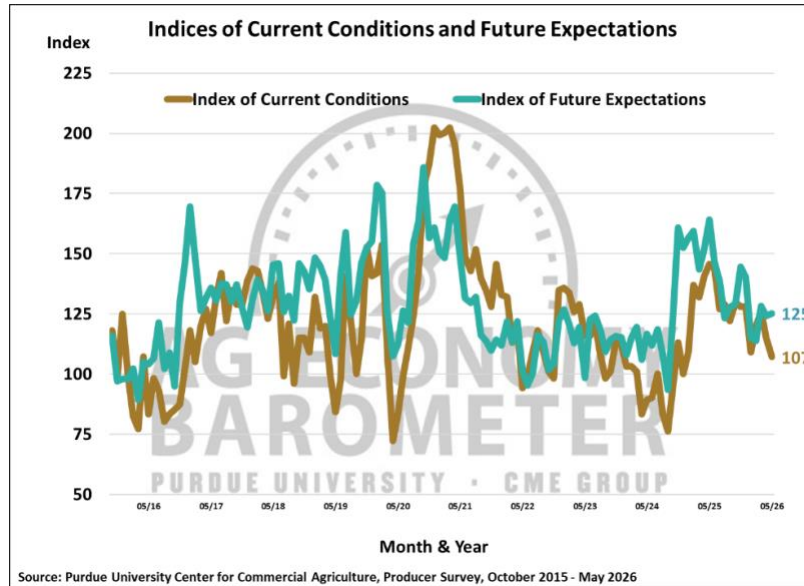


Figure 2. Indices of Current Conditions and Future Expectations, October 2015-May 2026.

Only 14% of respondents indicated that their farm operations were better off in May than they had been a year ago. Looking ahead to the next 12 months, 22% of respondents expect their farm to be better off financially a year from now. The *Farm Capital Investment Index* fell 3 points to 41, its lowest level since September 2024, indicating a decline in willingness to make large investments (see Figure 3).

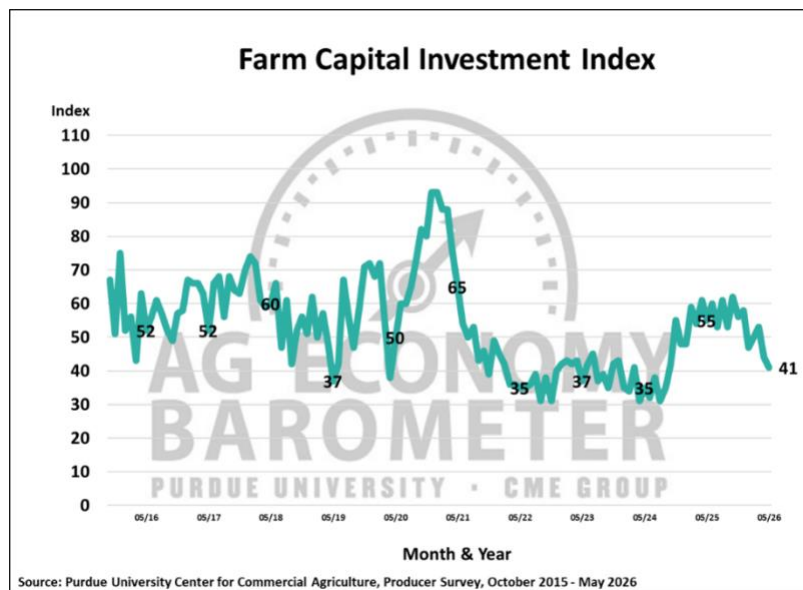


Figure 3. Farm Capital Investment Index, October 2015-May 2026.

In May, the survey also asked farmers to identify the main factor limiting improvement in their farm’s financial situation. High input costs were by far the most frequently cited constraint, selected by 46% of respondents. Weather risk ranked second at 19%, followed by low output prices at 14%, labor and equipment concerns at 9%, and debt or financial pressure at 5% (see Figure 4).



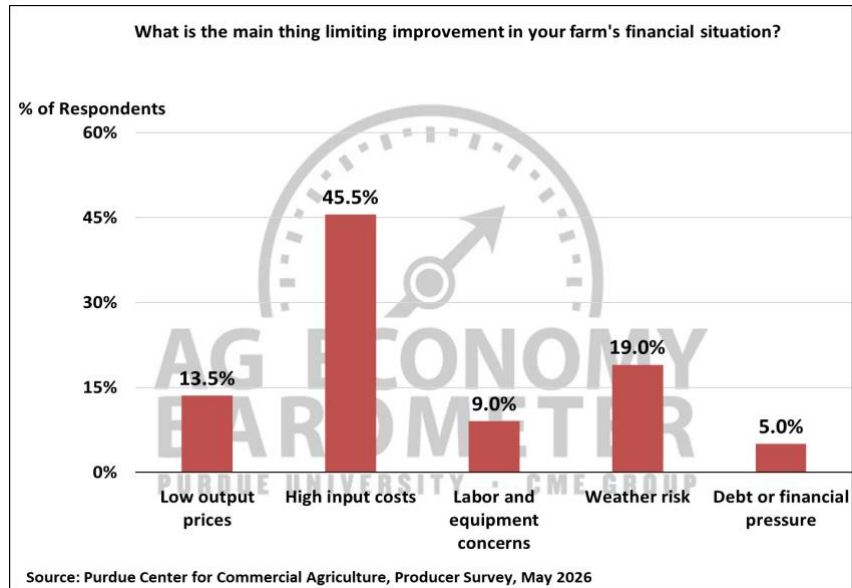


Figure 4. Main Factors Limiting Improvement in Farms' Financial Situation, May 2026.

Questions related to the impact of the Iran conflict on net farm income and corn breakeven prices in 2026 were included again this month. Similar to the results from April, approximately two-thirds of the respondents expected their net farm income to decline in 2026 due to the Iran conflict, which began in late February (see Figure 5). Among respondents who planted corn in 2025, approximately one-half expected corn breakeven prices to increase by up to 6%, 17% expected breakeven prices to increase by 6% to 9%, and 30% expected them to increase by 10% or more.

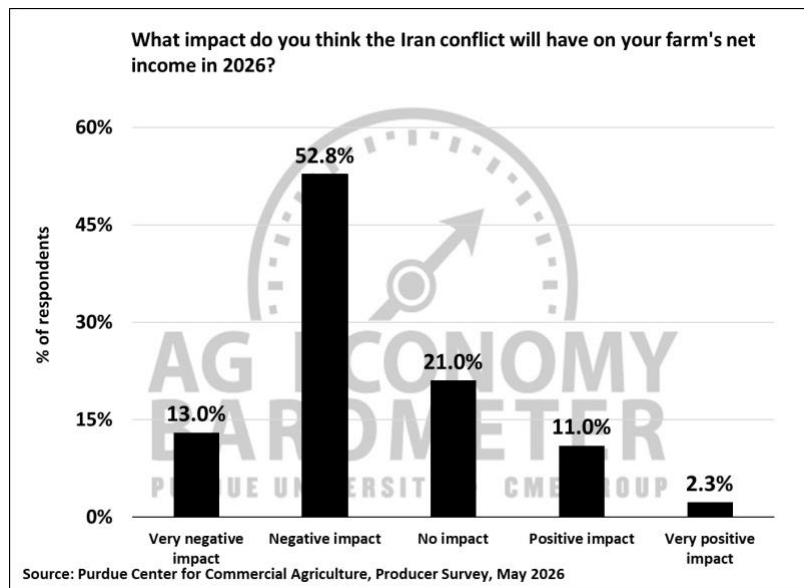


Figure 5. Expected Impact of Iran Conflict on Farm's Net Income in 2026, May 2026.

Periodically, the monthly survey includes questions about farm labor. Approximately 39% of respondents hire non-family members to work on their farm operations. Of those who hire labor,





approximately 44% have had at least some or a lot of difficulty hiring this year. Respondents were also asked whether artificial intelligence (AI) tools would improve their current labor and equipment situation. Approximately 59% indicated that it would not improve their situation, while 37% indicated that it would help some, and 4% indicated that it would help a lot (see Figure 6).

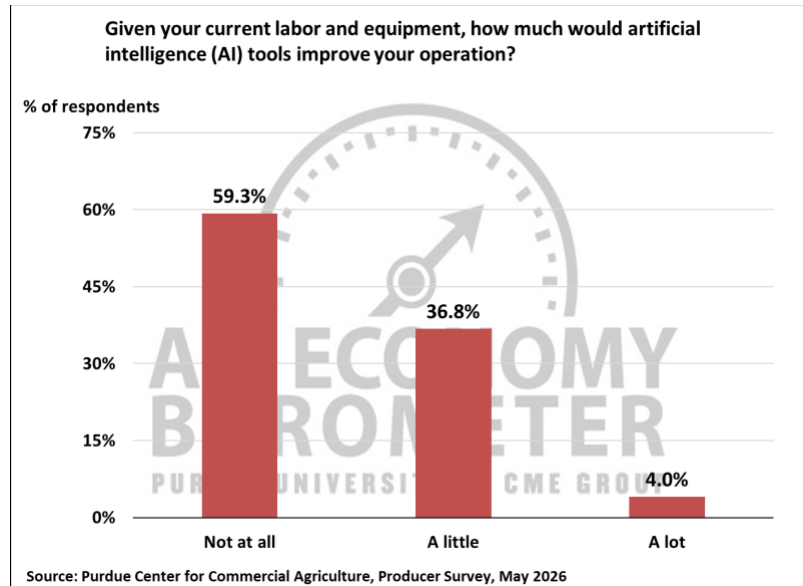


Figure 6. Expected Improvement from AI Tools Given Current Labor and Equipment, May 2026.

The *Short-Term Farmland Value Expectations Index* increased from 121 points in April to 130 in May (see Figure 7), and the long-term index increased from 155 in April to 160 in May. Alternative investments, interest rates, and net farm income were cited as the three factors with the greatest influence on farmland values.

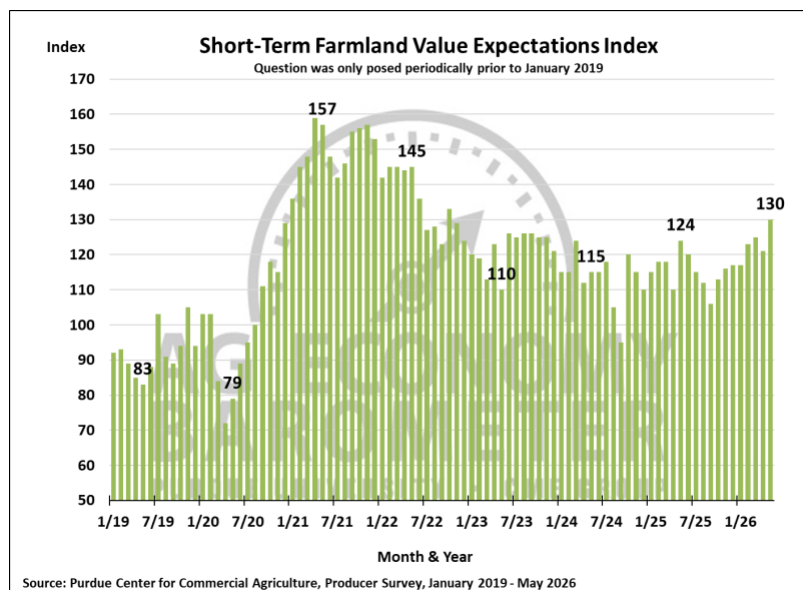


Figure 7. Short-Term Farmland Value Expectations Index, January 2019–May 2026.





Since July 2025, producers have been asked whether they think the U.S. is headed in the “right direction” or on the “wrong track.” After averaging 71% over the last six months of 2025, the percentage of producers who reported that the U.S. is headed in the “right direction” fell from 57% in April to 52% in May, the lowest percentage since we started asking this question in July 2025 (see Figure 8).

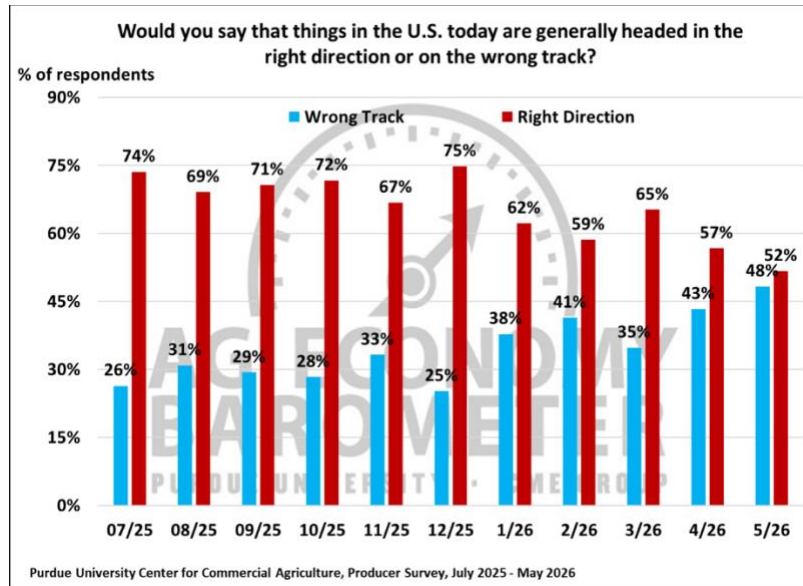


Figure 8. Are Things in the U.S. Today Headed in the Right Direction or on the Wrong Track?

Wrapping Up

Farmer sentiment decreased from 121 in April to 119 in May. The decline in sentiment was attributable to an 8-point decline in current conditions. The percentage of producers who expected good times over the next five years was 37% in May, which is 16% lower than in the May 2025 survey report. There continued to be a large disparity in expectations between crop and livestock producers. Approximately 31% of respondents expected good times for crop producers, while 68% expected good times for livestock producers.

Concerns about input costs reached a new high, and high input costs were identified as the most important factor limiting improvements in financial performance. A lower percentage of respondents indicated that U.S. policy is headed in the “right direction.” However, respondents were relatively more optimistic regarding both short-term and long-term land values.

