

Purdue University-CME Group Ag Economy Barometer

December 2023 Survey Results

November Survey Conducted from December 4-8, 2023

Results Released on January 2, 2024

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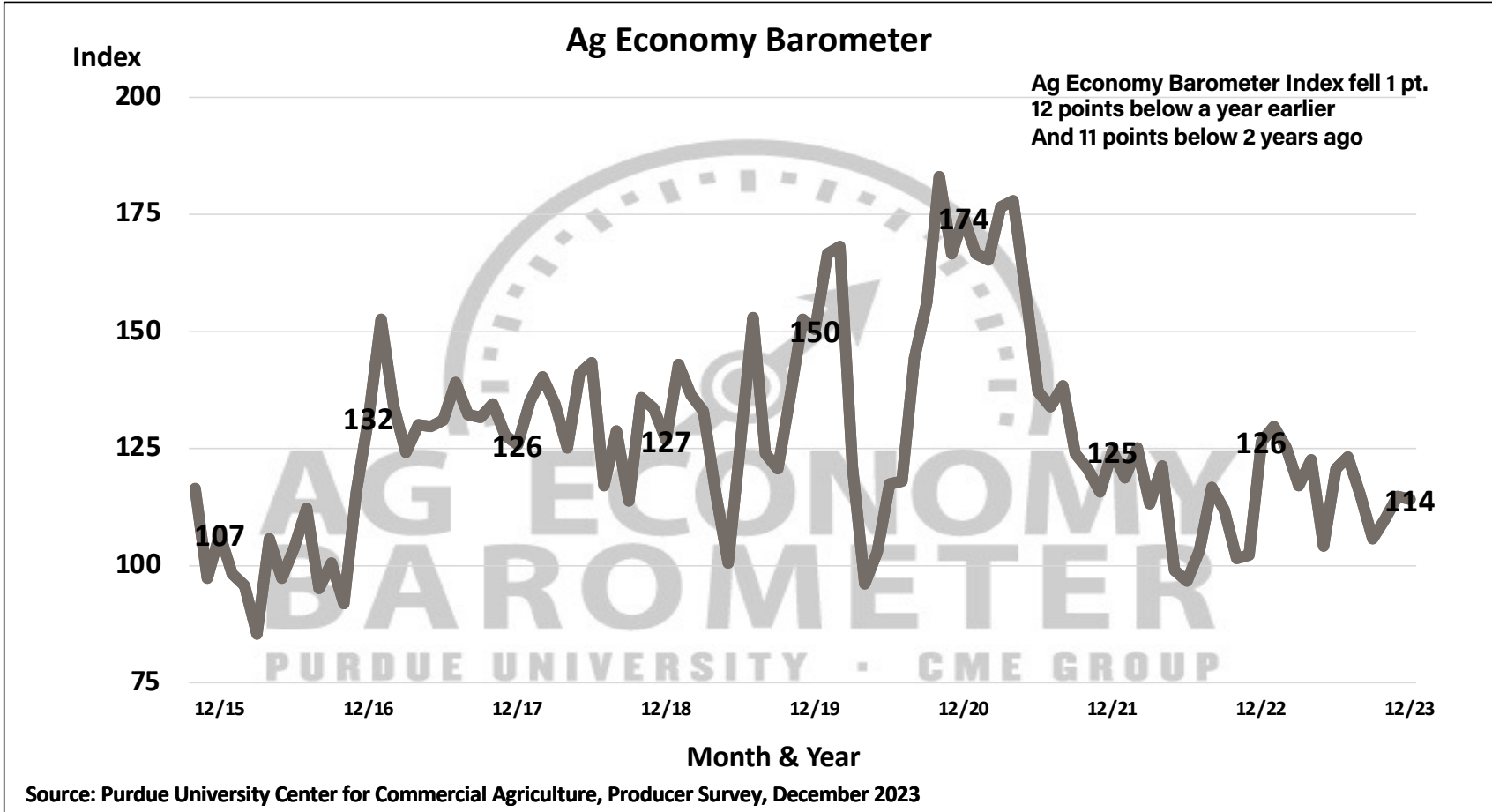
Professor of Agricultural Economics

Complete Report Available @

purdue.edu/agbarometer



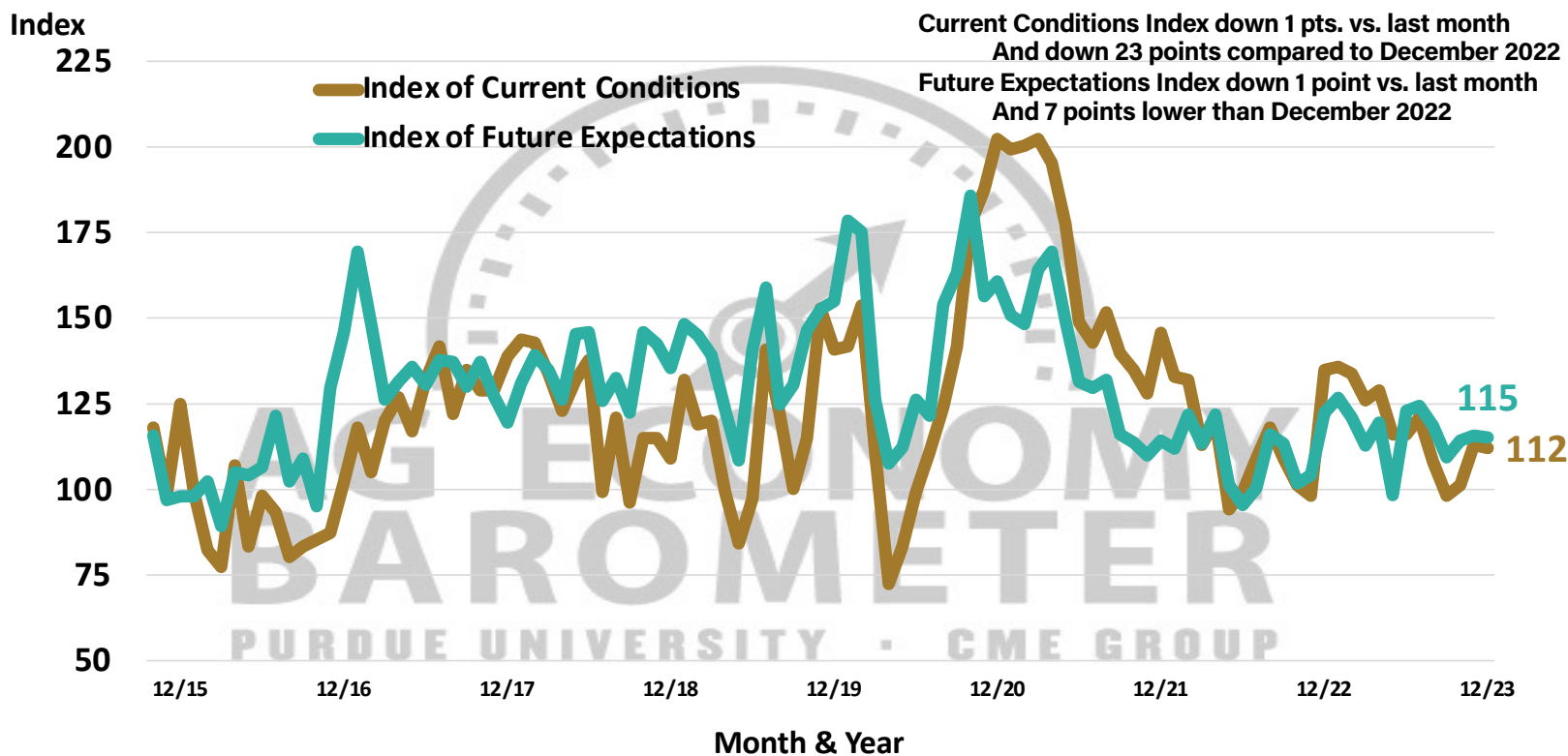
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Indices of Current Conditions and Future Expectations



Source: Purdue University Center for Commercial Agriculture, Producer Survey, December 2023

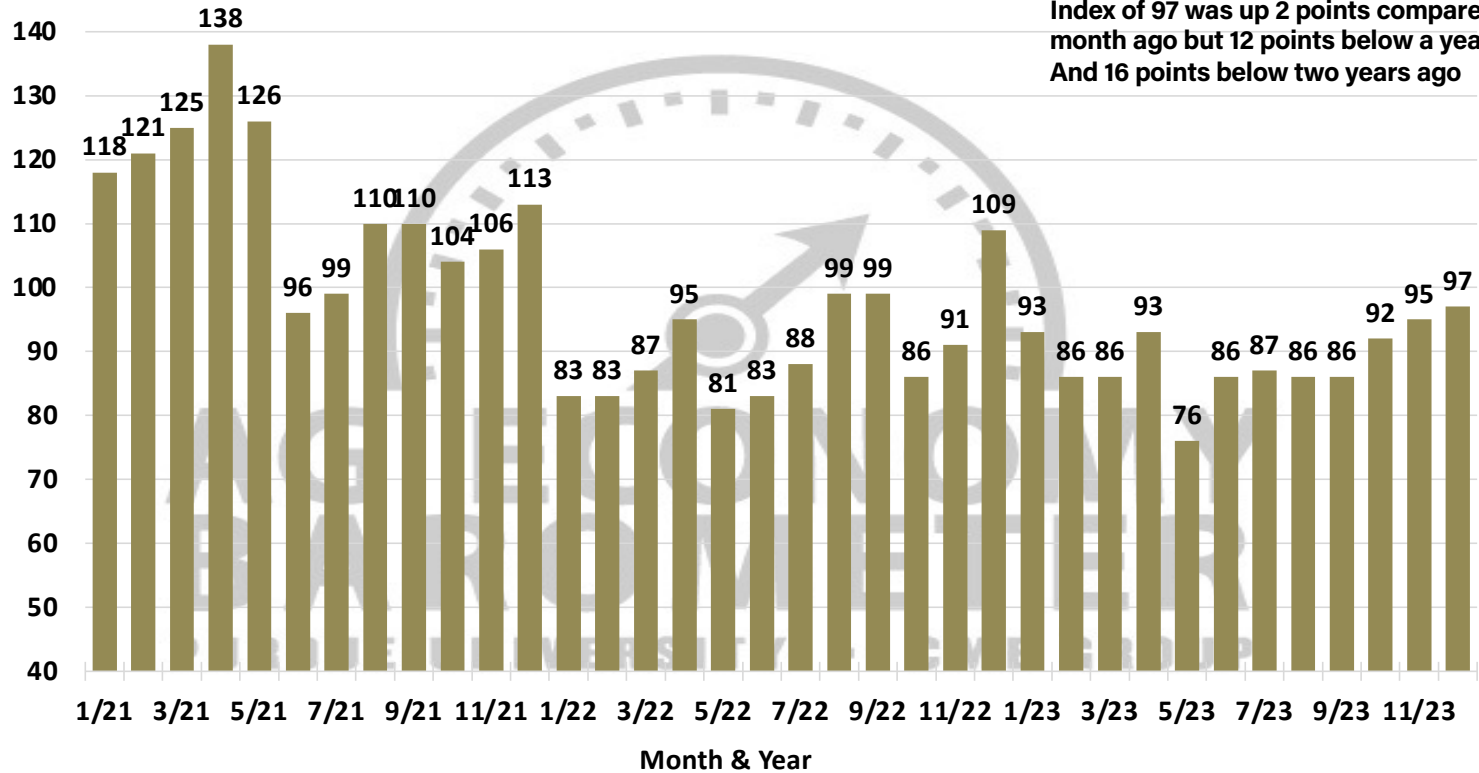


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Farm Financial Performance Index

Index



Index of 97 was up 2 points compared to a month ago but 12 points below a year ago
And 16 points below two years ago

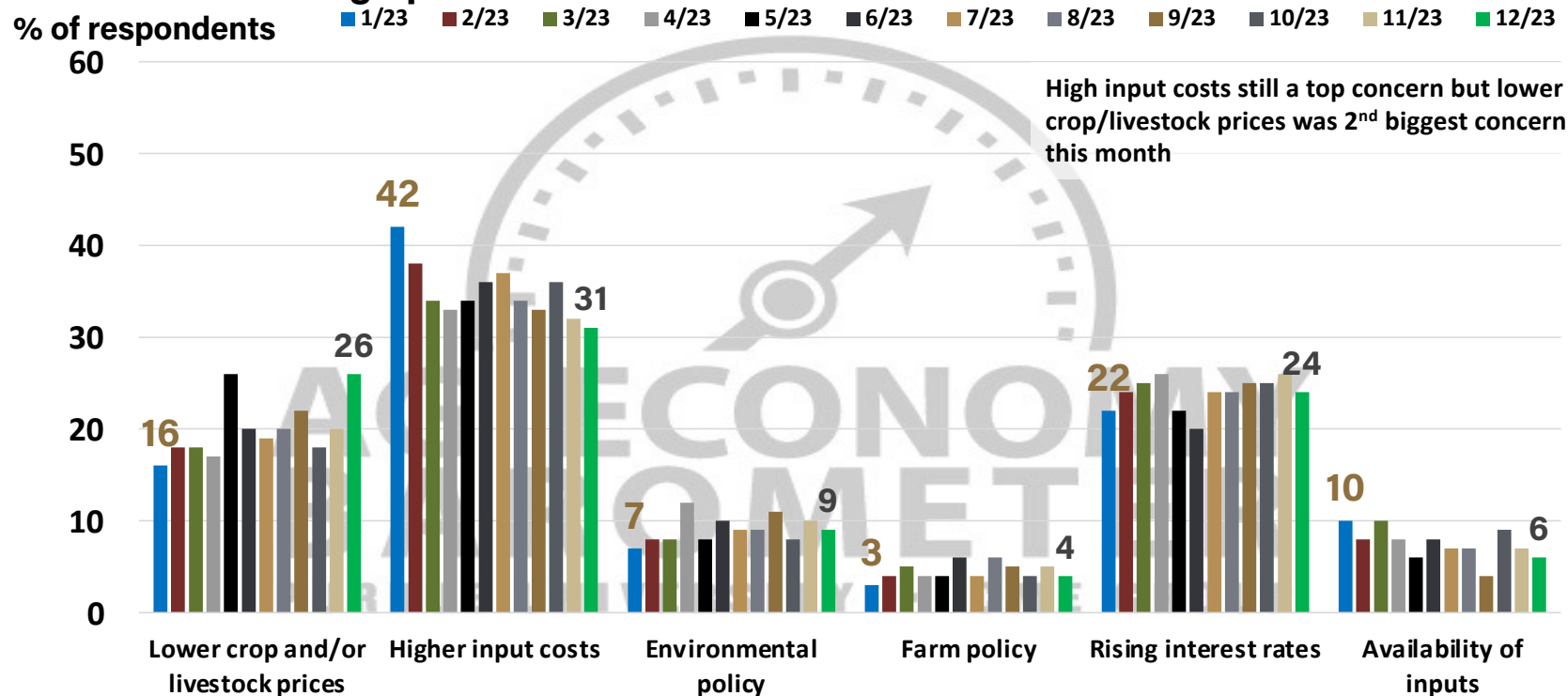
Source: Purdue University Center for Commercial Agriculture, Producer Survey, December 2023



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Looking ahead to next year what are your biggest concerns for your farming operation?



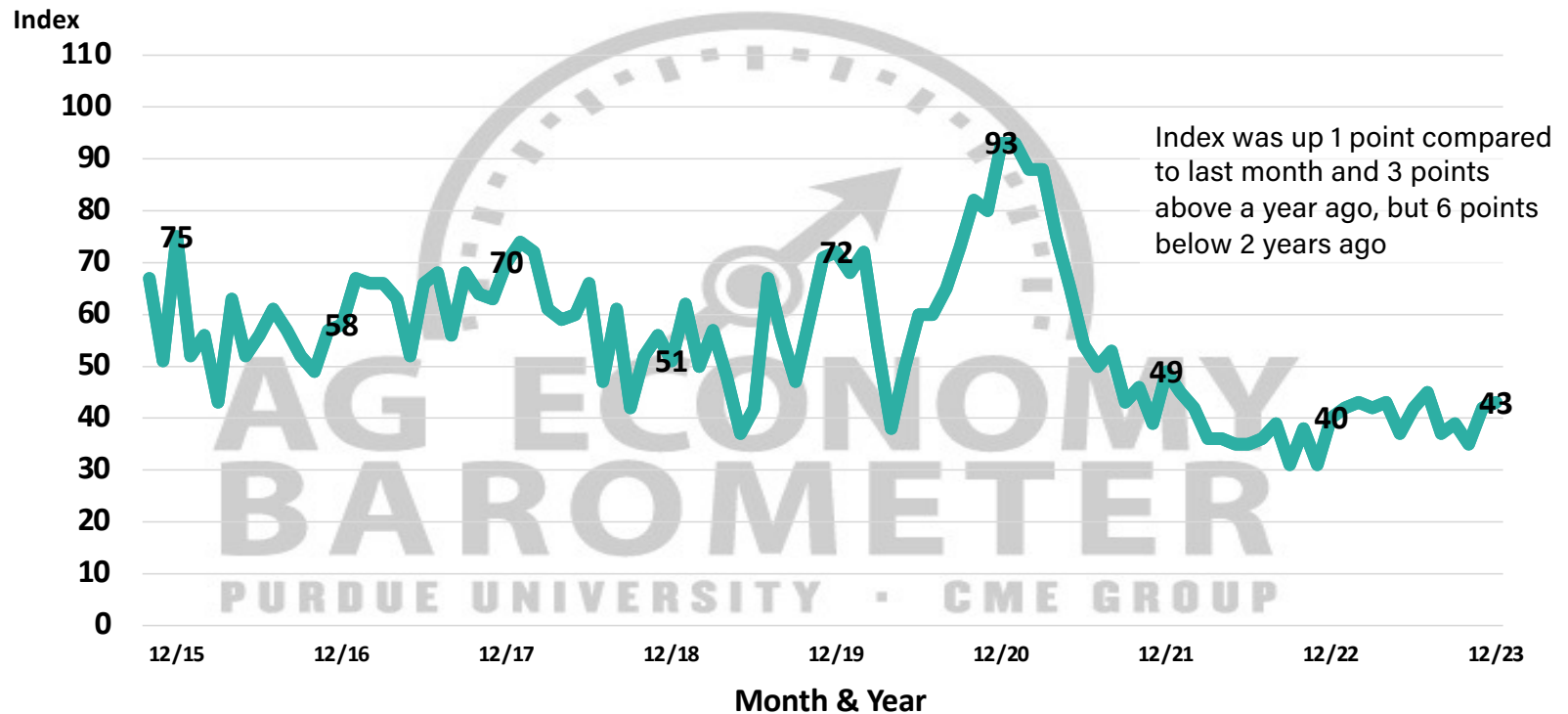
Source: Purdue Center for Commercial Agriculture, Producer Survey, December 2023



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Farm Capital Investment Index



Source: Purdue University Center for Commercial Agriculture, Producer Survey, December 2023



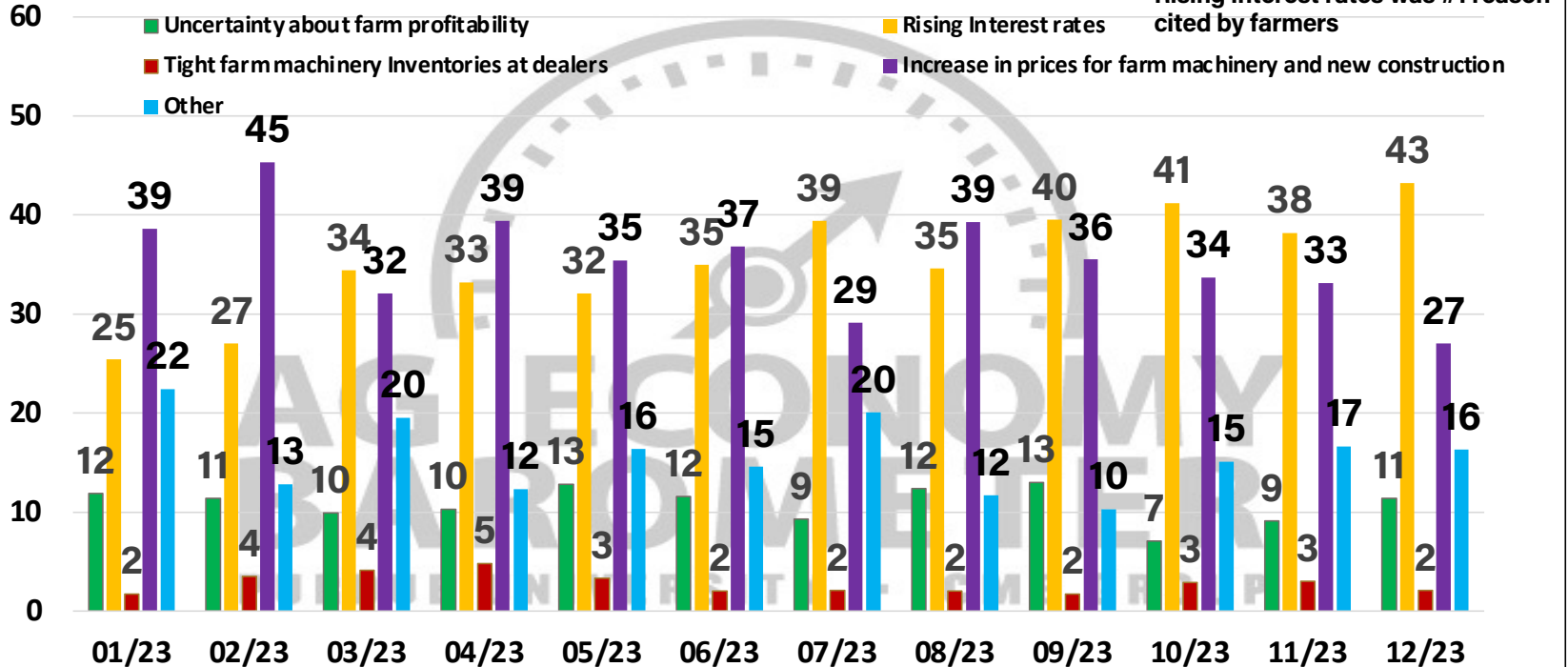
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Primary Reason Now Is a Bad Time to Make Large Investments

Question was only posed to those who said now is a bad time to make large investments

% of respondents



Source: Purdue Center for Commercial Agriculture, Producer Survey, January - December 2023



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Primary Reason Now Is a Bad Time to Make Large Investments

Question was only posed to those who said now is a bad time to make large investments

% of respondents

60

Interest rates has eclipsed machinery prices as #1 reason 4 months in a row

■ Rising Interest rates

■ Increase in prices for farm machinery and new construction

50

40

30

20

10

0

01/23

02/23

03/23

04/23

05/23

06/23

07/23

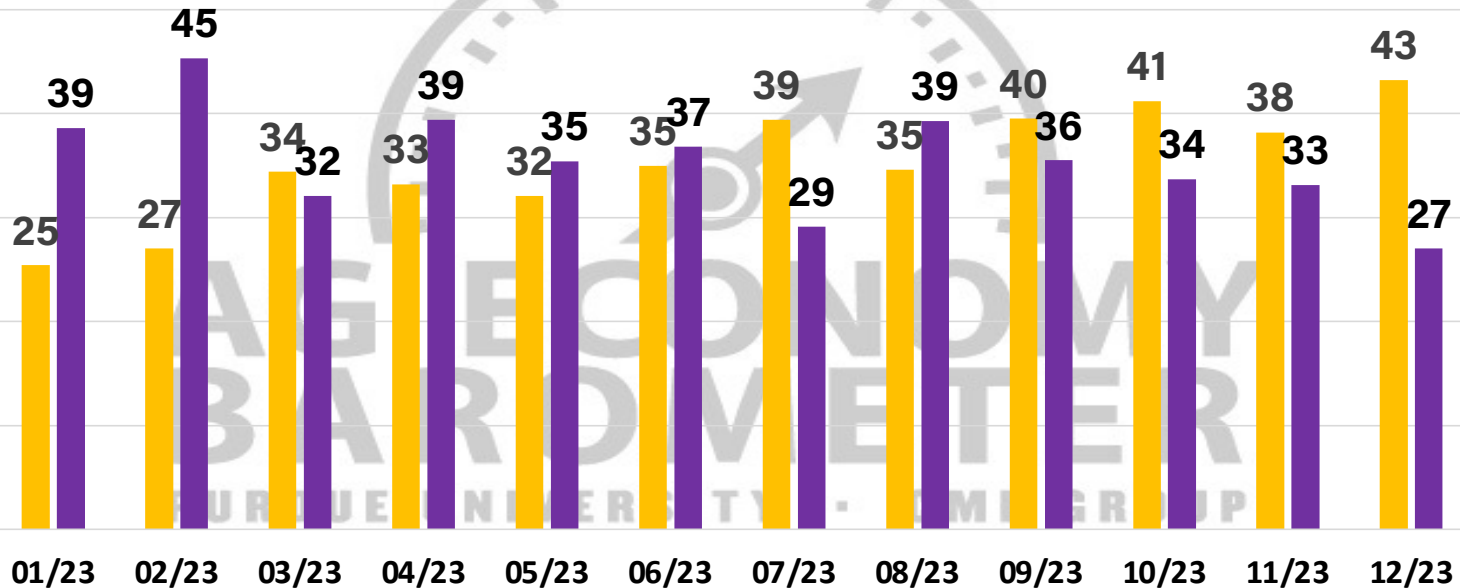
08/23

09/23

10/23

11/23

12/23



Source: Purdue Center for Commercial Agriculture, Producer Survey, January - December 2023



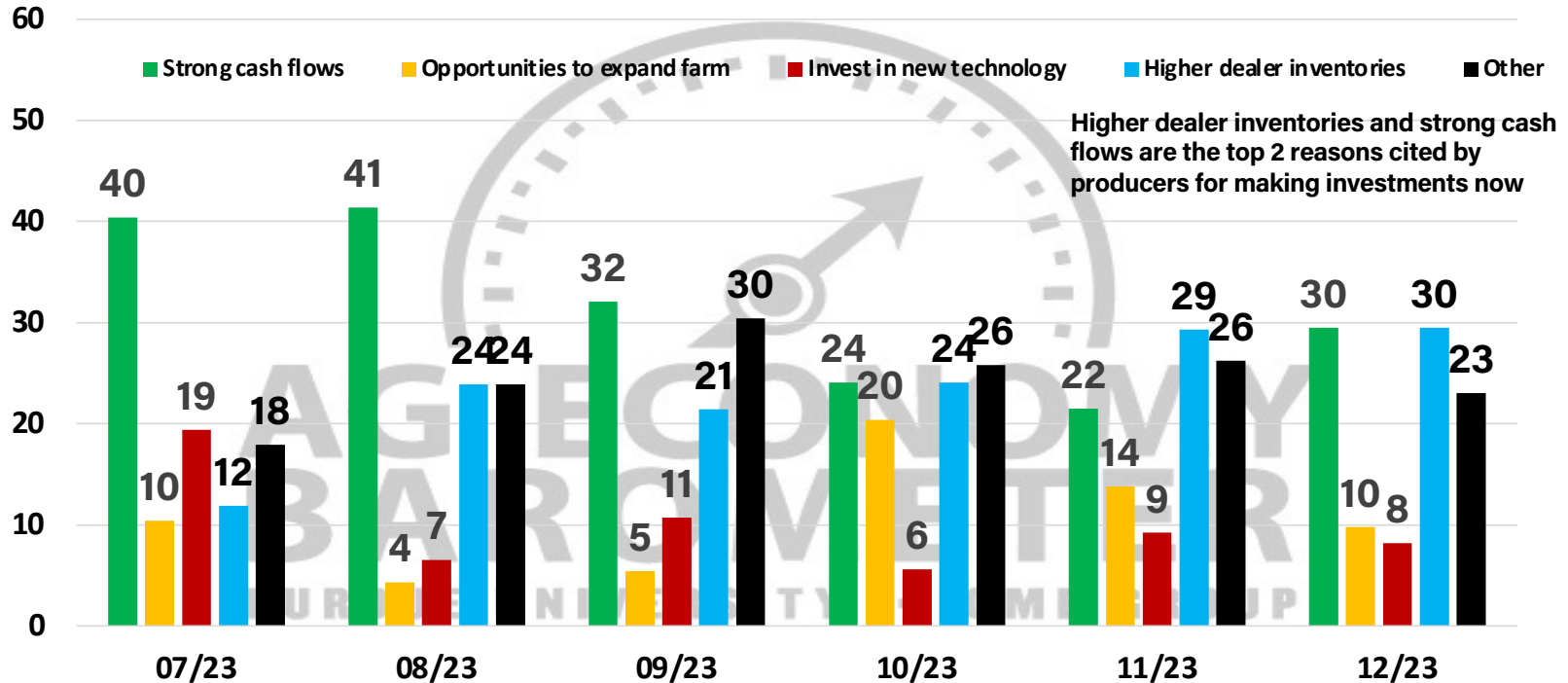
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Primary Reason Now Is a Good Time to Make Large Investments

Question was only posed to those who said now is a good time to make large investments

% of respondents

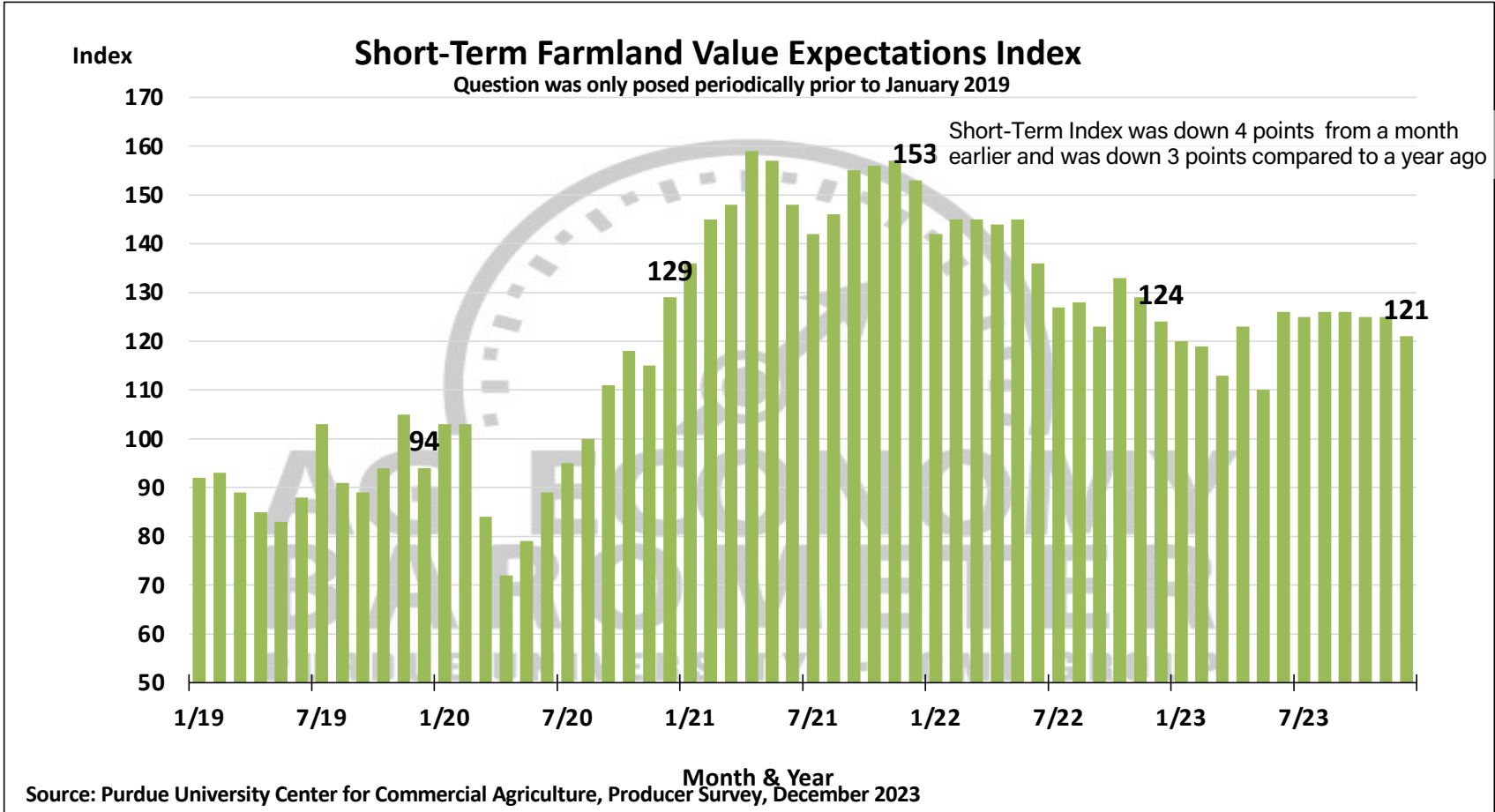


Source: Purdue Center for Commercial Agriculture, Producer Survey, July - December 2023



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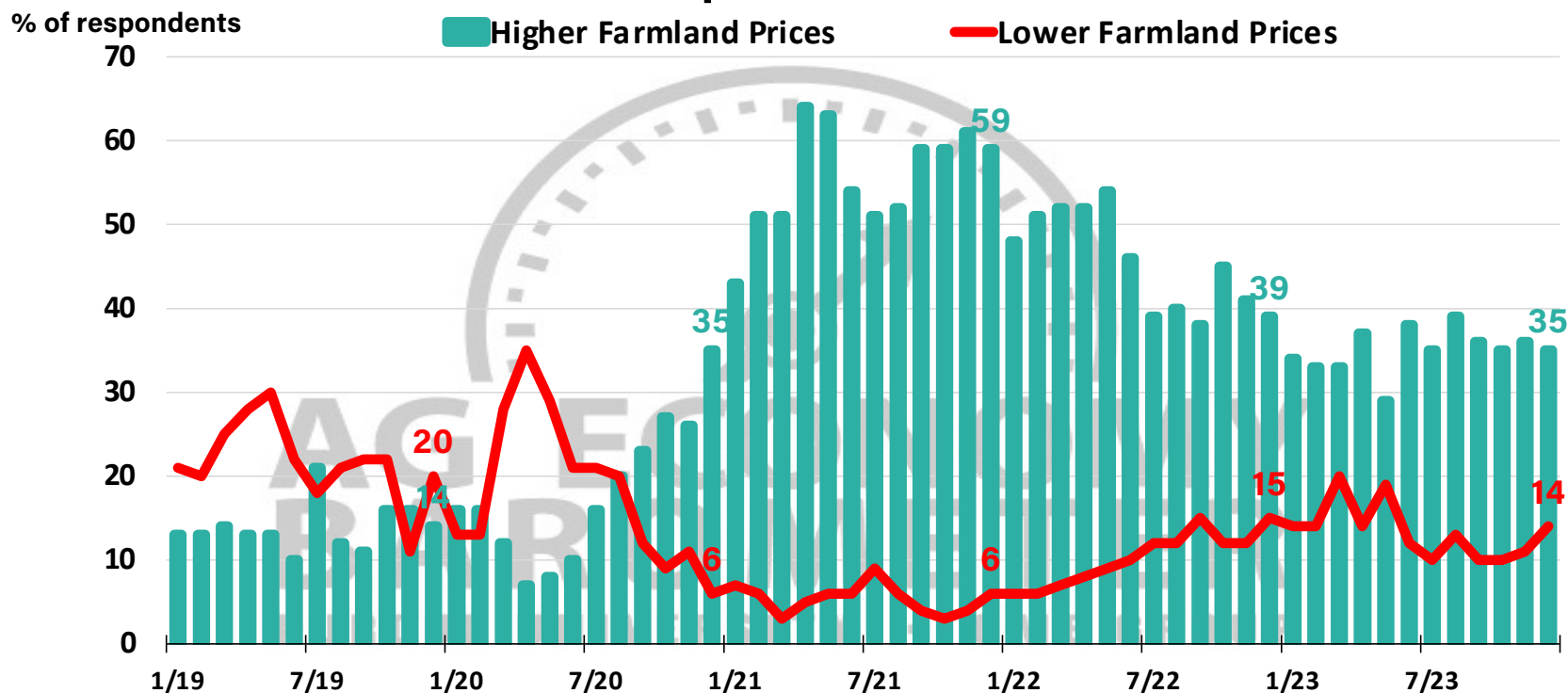
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Farmland Price Expectations, 12 Months Ahead

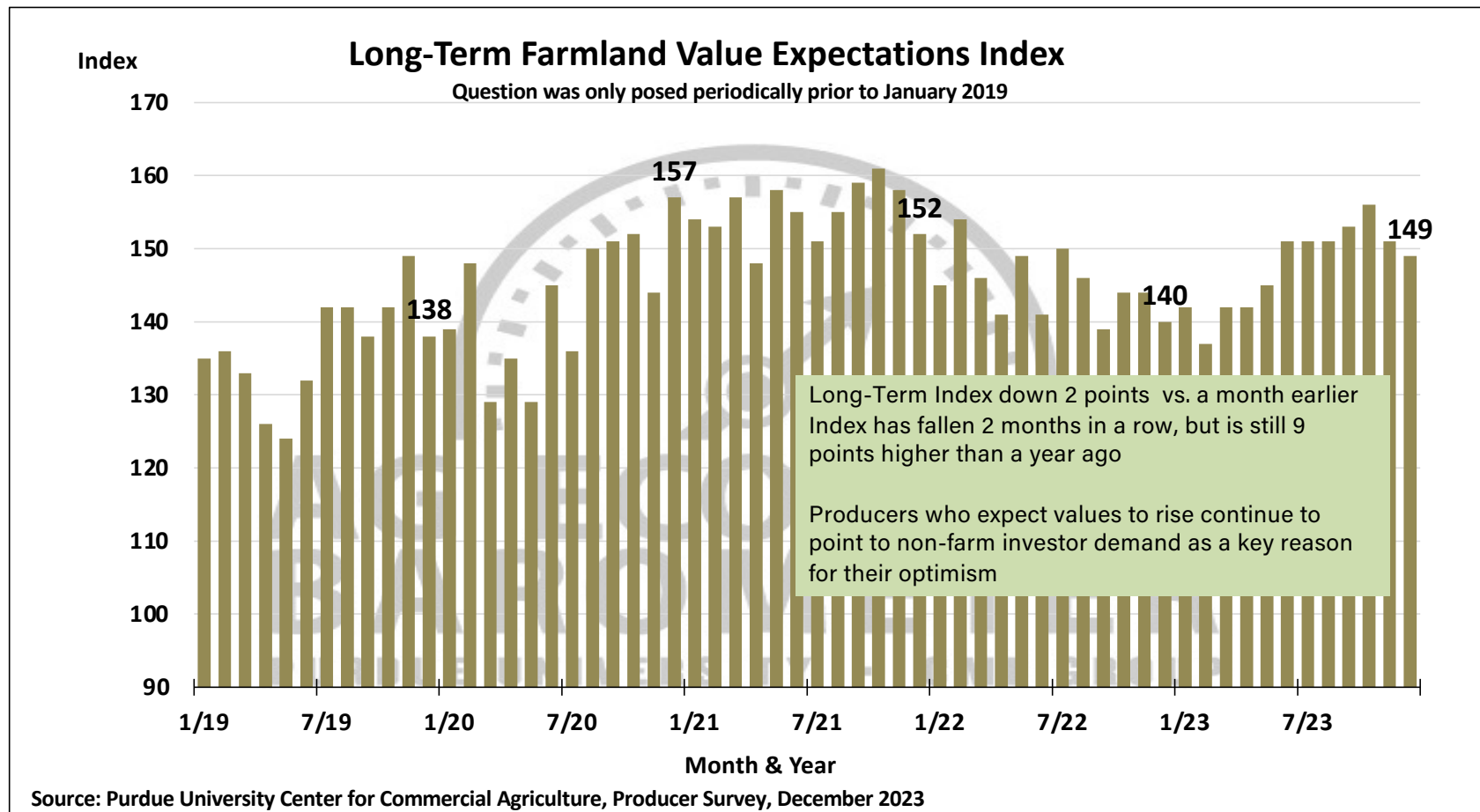


Source: Purdue Center for Commercial Agriculture, Producer Survey, December 2023



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Long-Term Index down 2 points vs. a month earlier
 Index has fallen 2 months in a row, but is still 9 points higher than a year ago

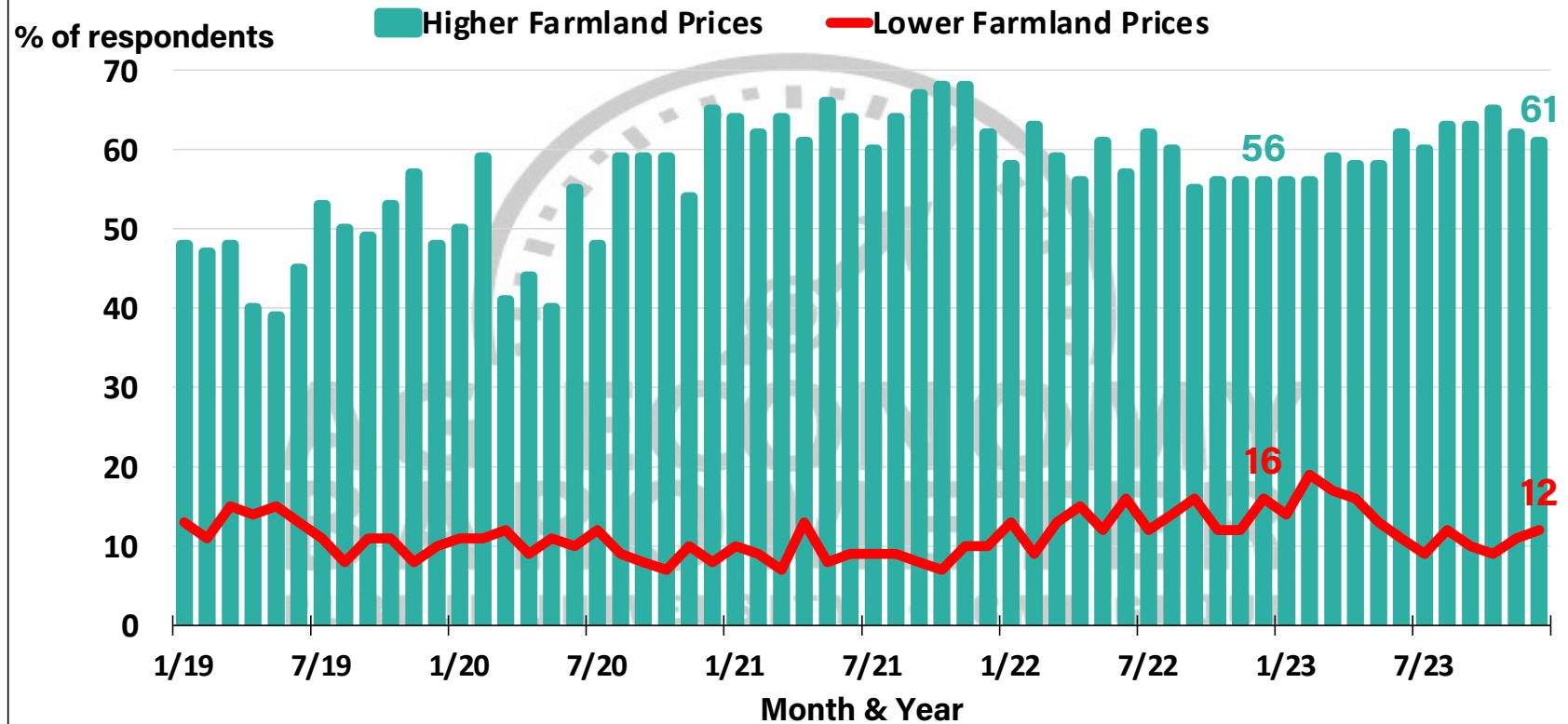
Producers who expect values to rise continue to point to non-farm investor demand as a key reason for their optimism



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Farmland Price Expectations, 5 Years From Now



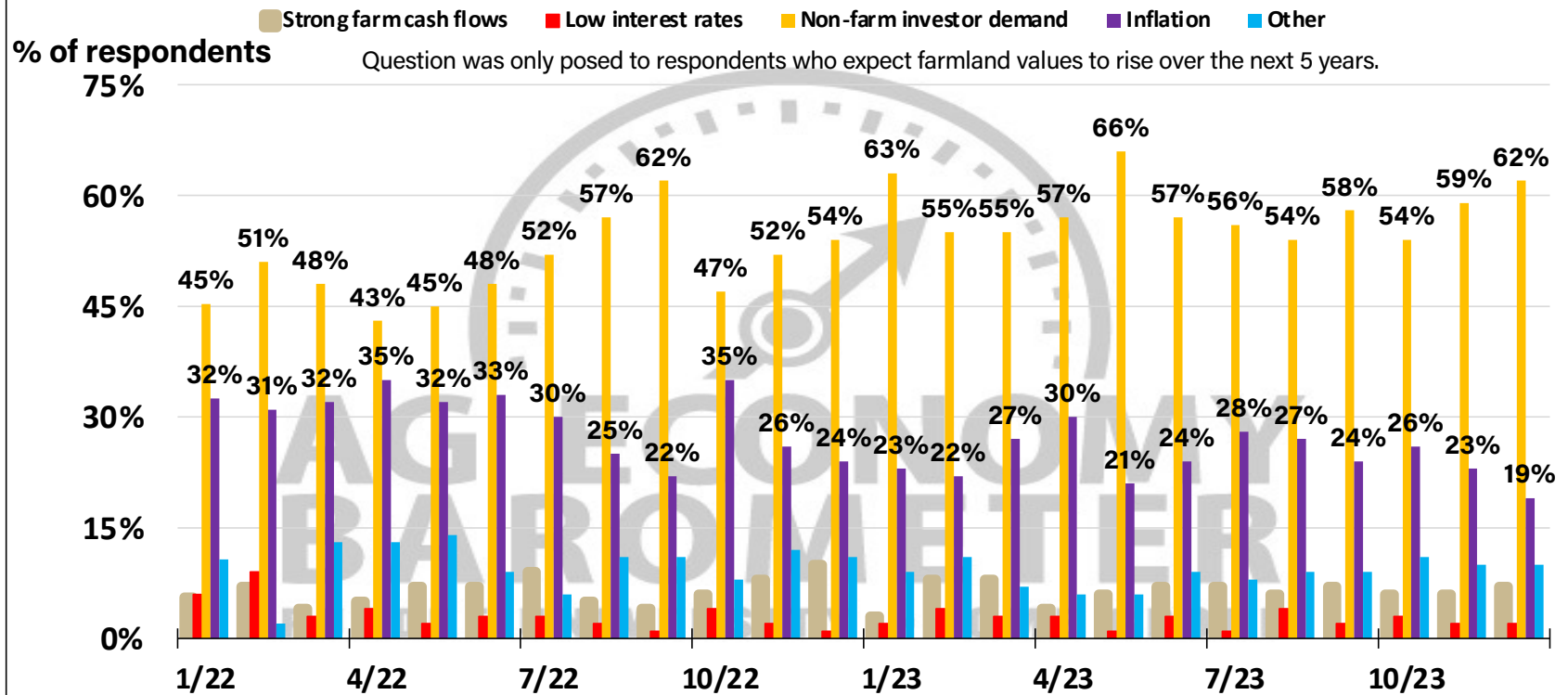
Source: Purdue Center for Commercial Agriculture, Producer Survey, December 2023



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What is the main reason you expect farmland values to rise?



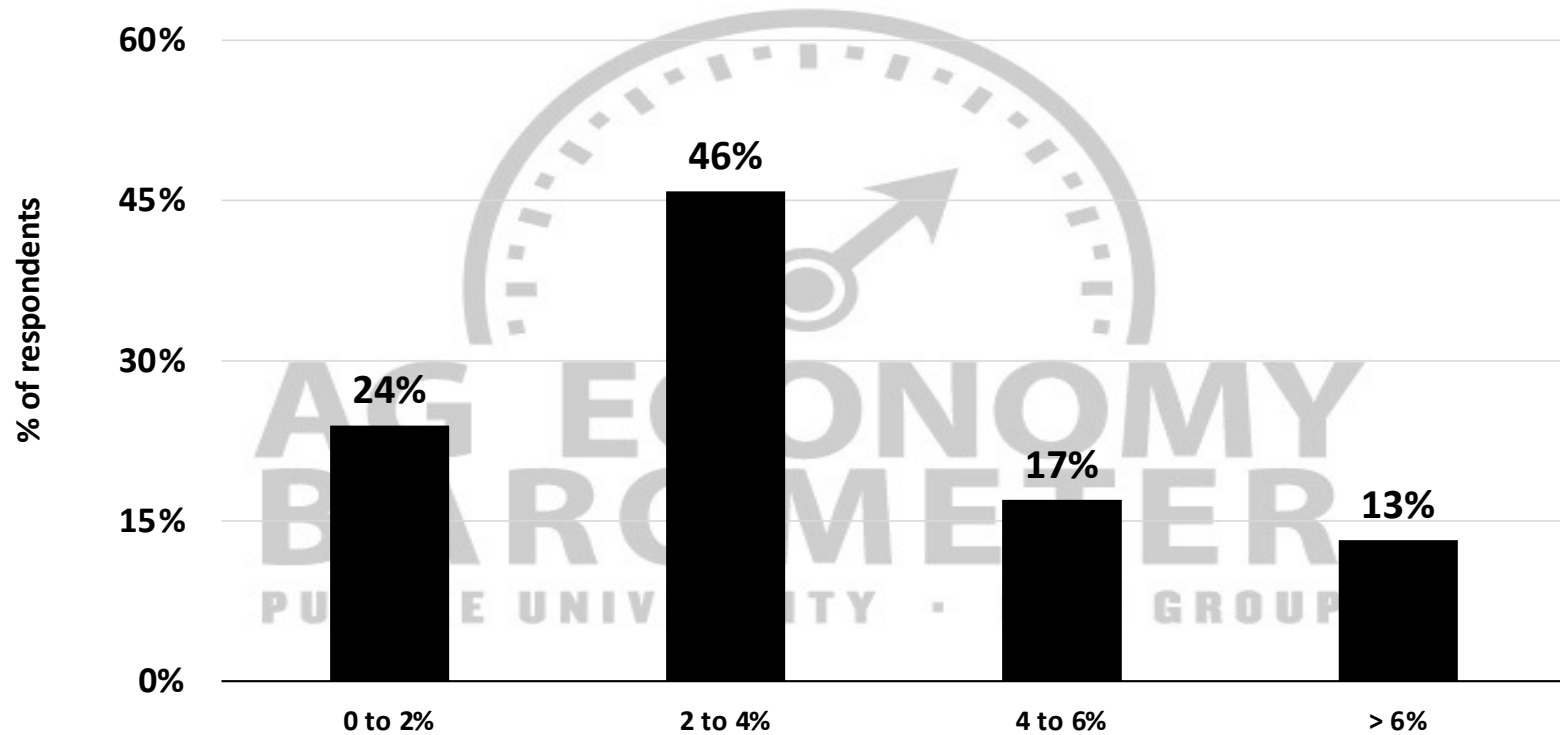
Source: Purdue Center for Commercial Agriculture, Producer Survey, December 2023



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What do you expect the rate of inflation for consumer items to be during the next 12 months?



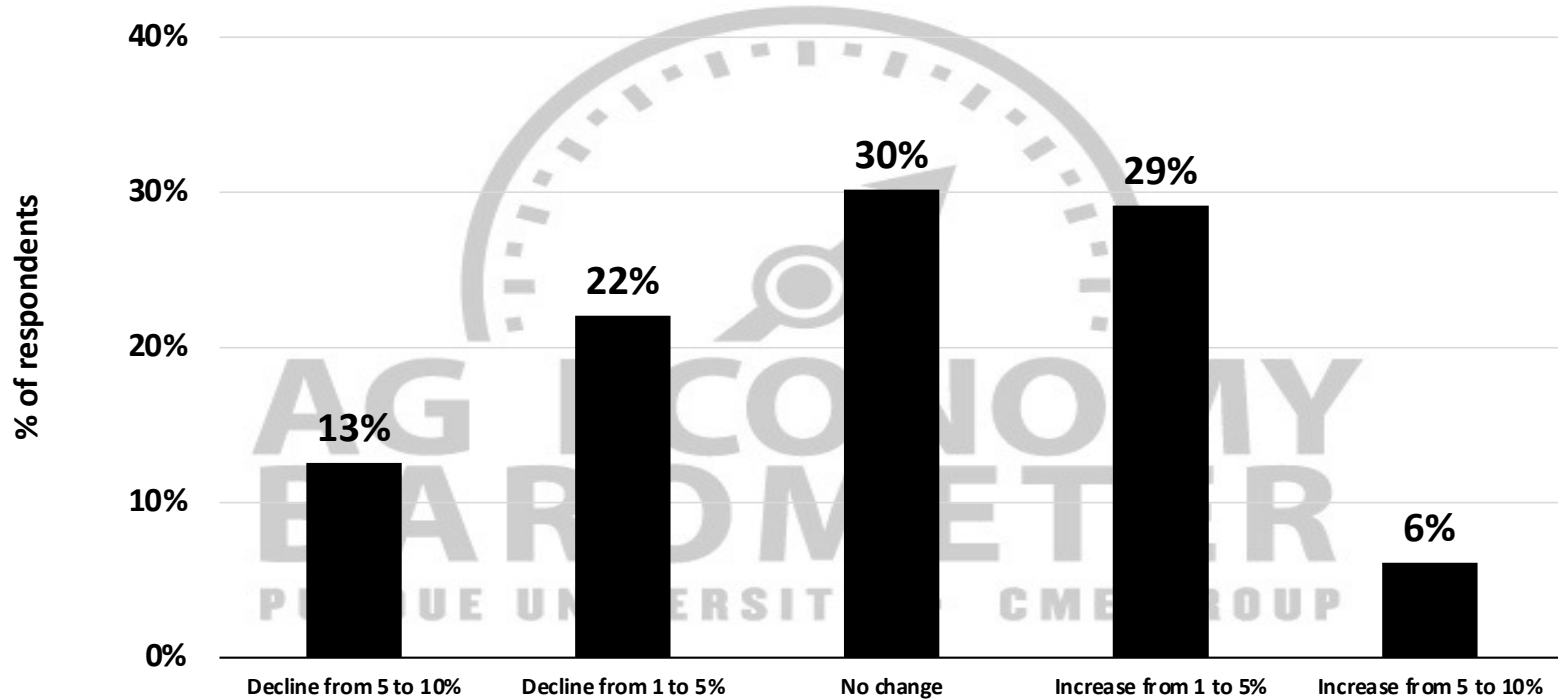
Source: Purdue Center for Commercial Agriculture, Producer Survey, December 2023



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Looking ahead to crops that will be planted in 2024, what change do you expect for 2024 crop input prices compared to prices paid for 2023 crop inputs?



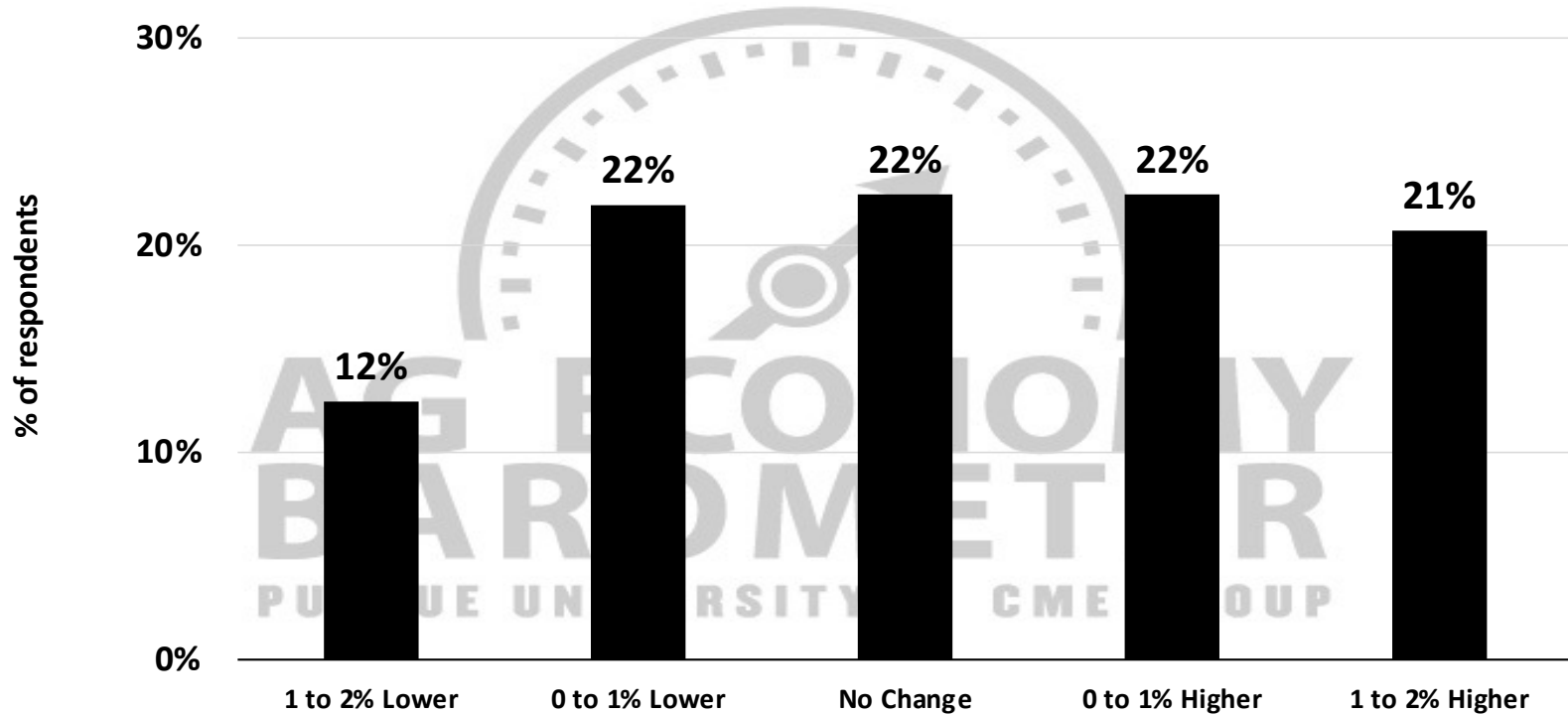
Source: Purdue Center for Commercial Agriculture, Producer Survey, December 2023



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The U.S. Prime Interest Rate is currently 8.5%. What do you expect the U.S. Prime Interest Rate to be one year from now?



Source: Purdue Center for Commercial Agriculture, Producer Survey, December 2023



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Full report available on Purdue-CME Group Ag Economy Barometer web site

Purdue.edu/agbarometer

More details are also available on our podcast

Purdue Commercial AgCast...available on major podcast providers and at Purdue.edu/commercialag

Purdue Top Farmer Conference, Jan. 5, 2024

In-person in West Lafayette or take part online

Registration info at Purdue.edu/commercialag



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