

Purdue University-CME Group Ag Economy Barometer

June 2024 Survey Results

June Survey Conducted from June 17-21, 2024

Results Released on July 2, 2024

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Director, Center for Commercial Agriculture

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Professor of Agricultural Economics

Complete Report Available @

purdue.edu/agbarometer



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Ag Economy Barometer

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200

175

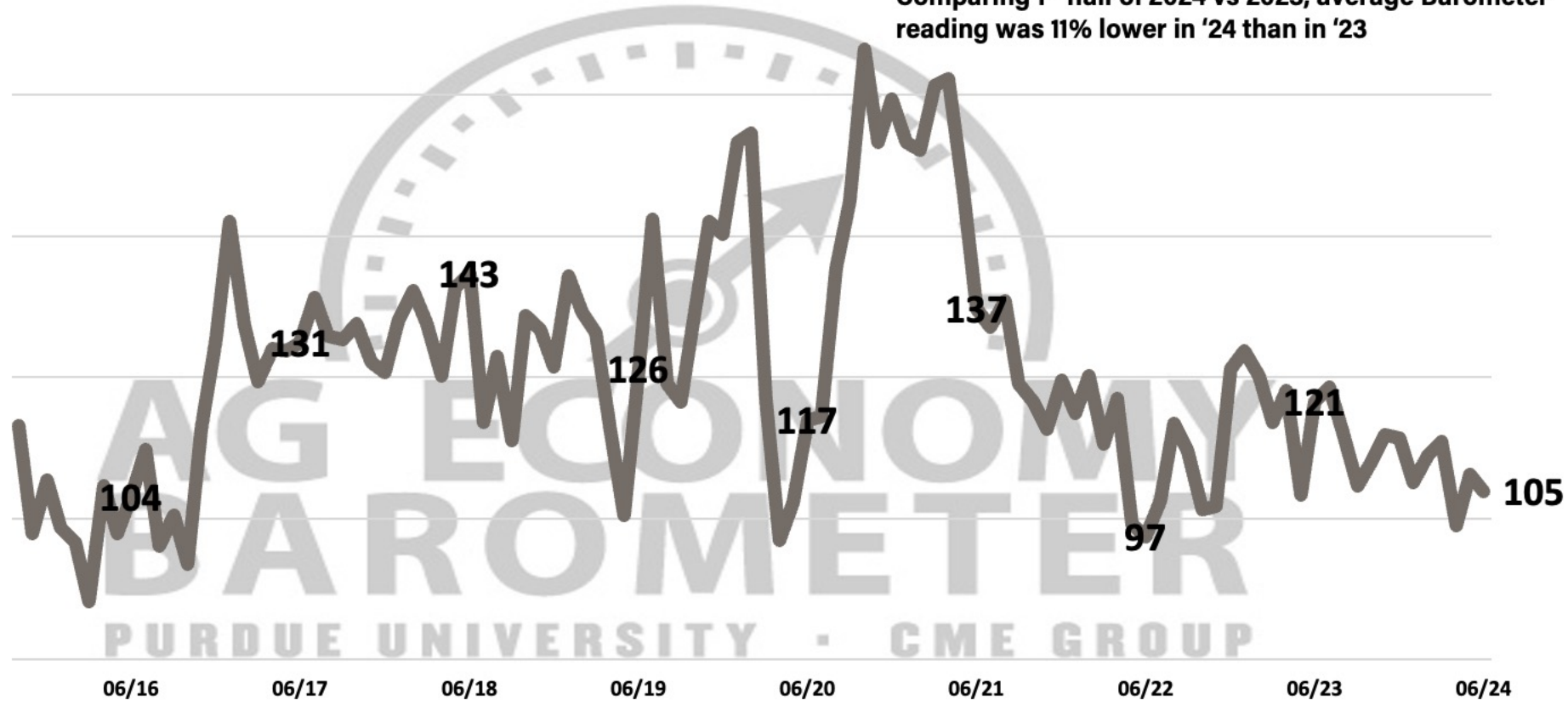
150

125

100

75

Ag Economy Barometer Index fell 3 points to 105
That leaves the index down 16 points vs. last June
Comparing 1st half of 2024 vs 2023, average Barometer
reading was 11% lower in '24 than in '23



Month & Year

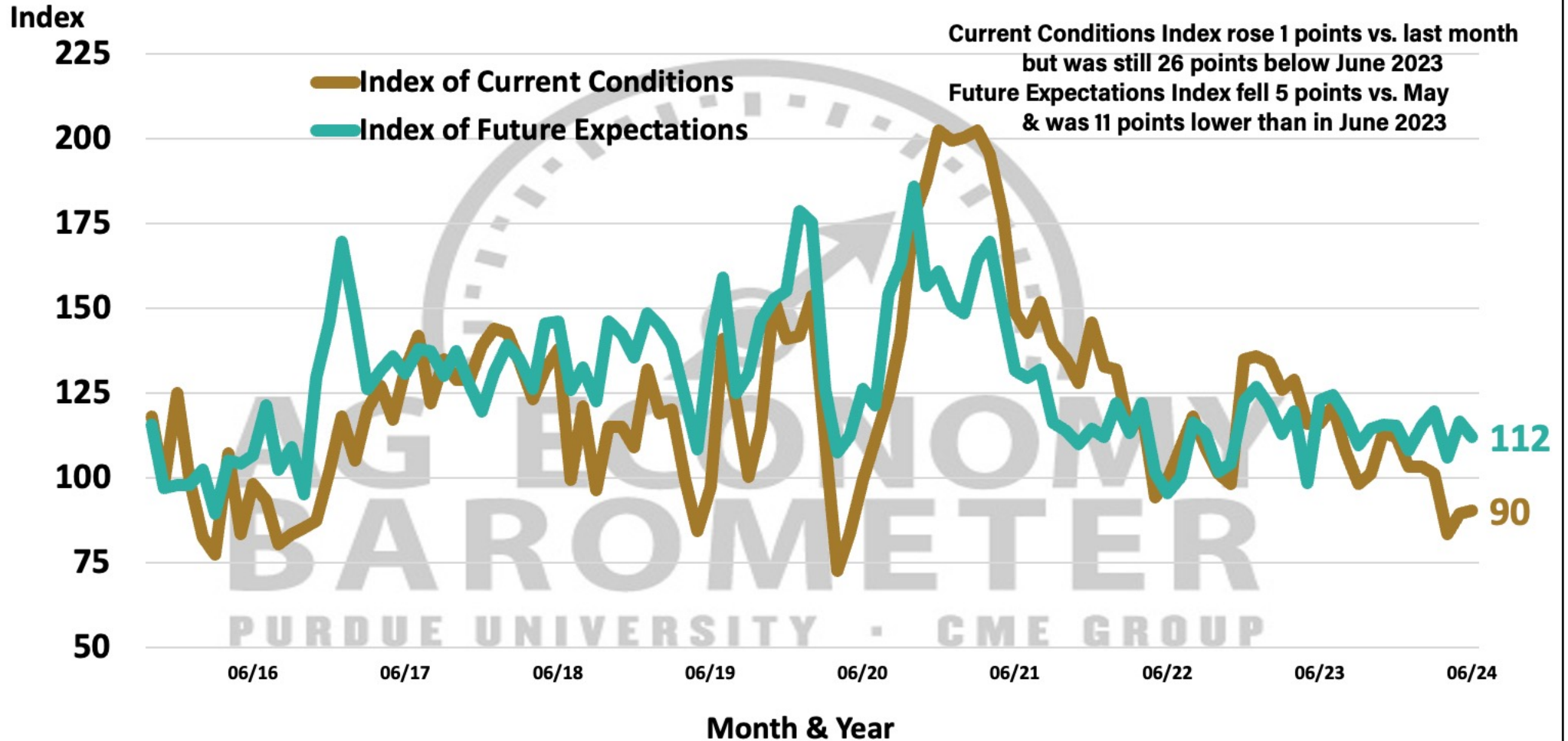
Source: Purdue University Center for Commercial Agriculture, Producer Survey, June 2024



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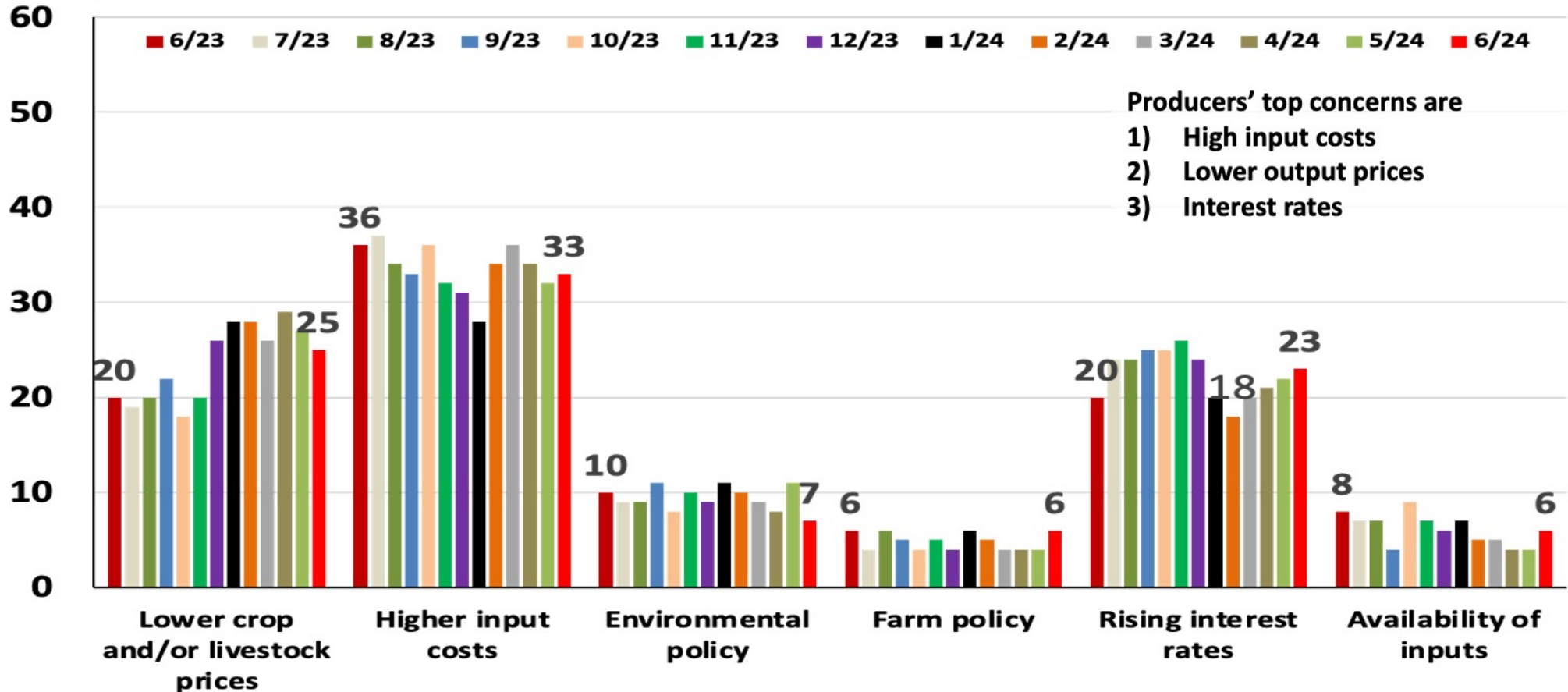
Indices of Current Conditions and Future Expectations



Source: Purdue University Center for Commercial Agriculture, Producer Survey, June 2024

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

% of respondents



Producers' top concerns are

- 1) High input costs
- 2) Lower output prices
- 3) Interest rates

Source: Purdue Center for Commercial Agriculture, Producer Survey, June 2024

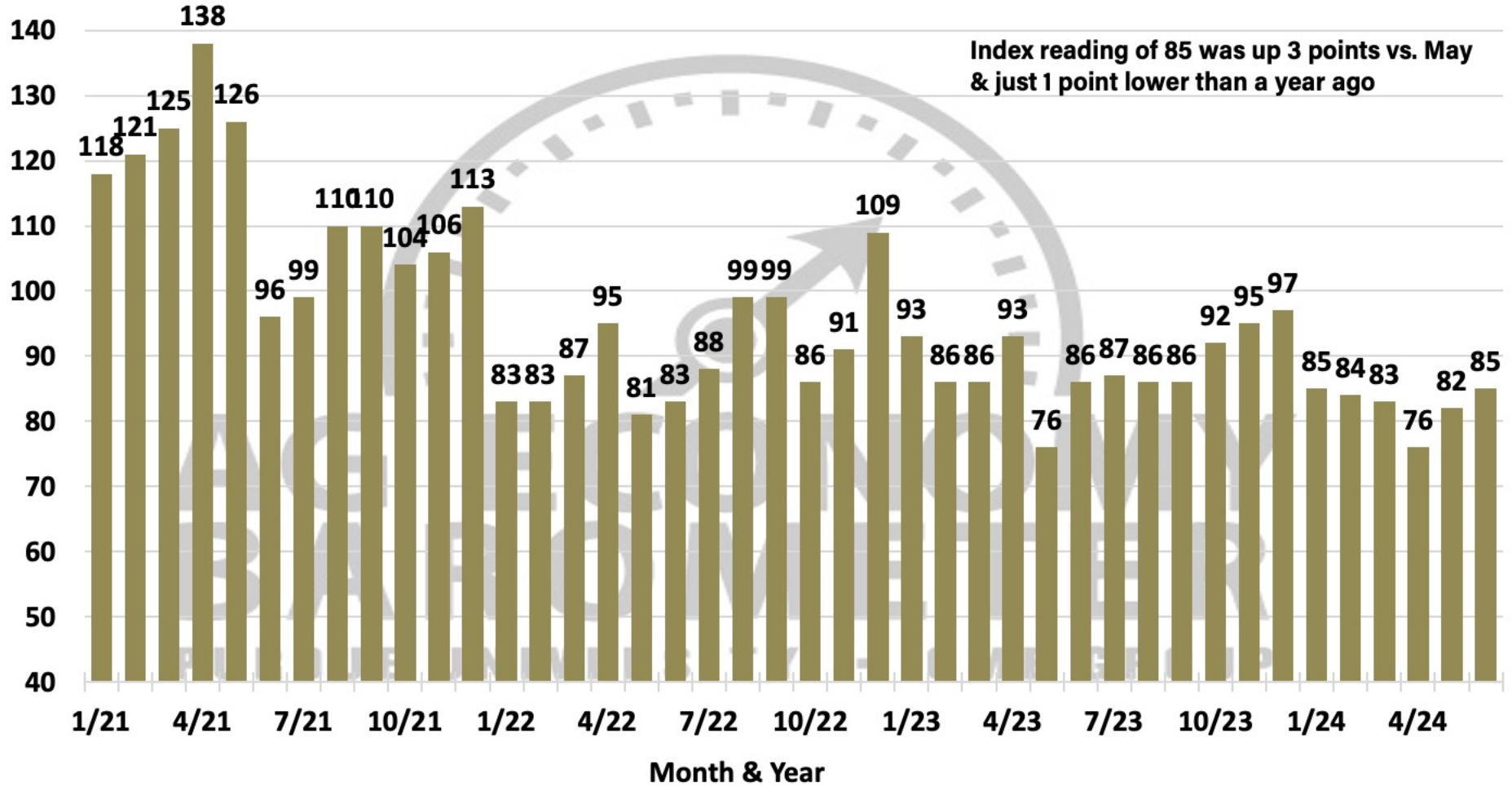


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Farm Financial Performance Index

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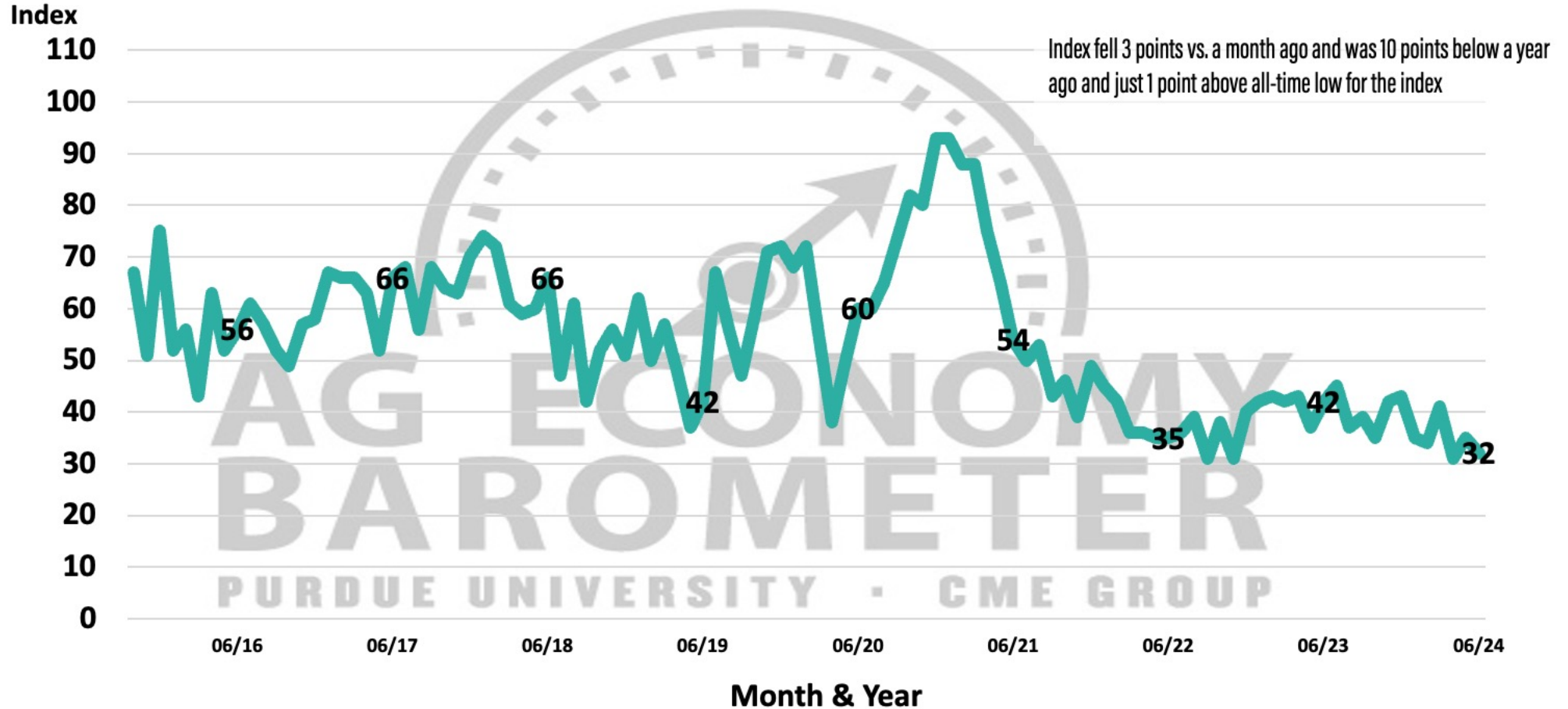
Source: Purdue University Center for Commercial Agriculture, Producer Survey, June 2024



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Farm Capital Investment Index



Source: Purdue University Center for Commercial Agriculture, Producer Survey, June 2024



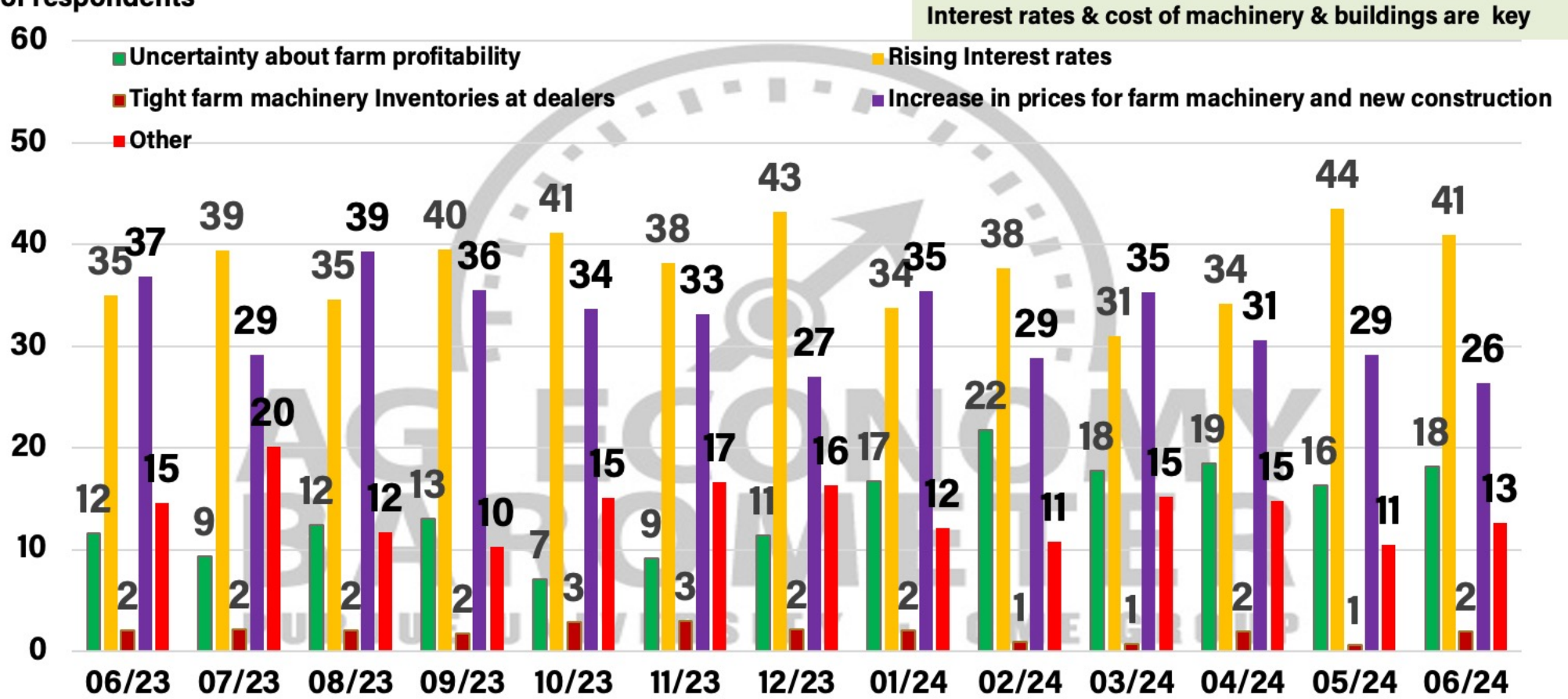
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Primary Reason Now Is a Bad Time to Make Large Investments

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, June 2024



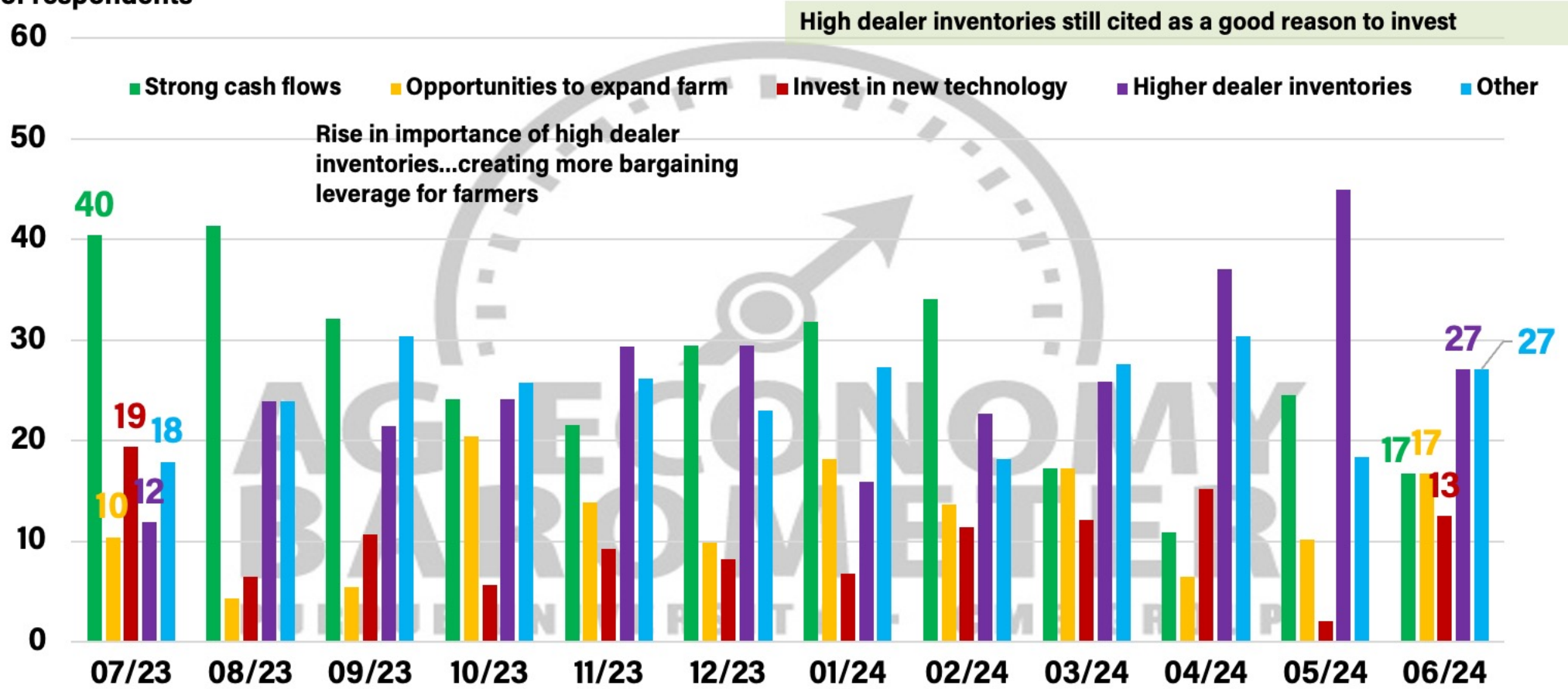
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Primary Reason Now Is a Good Time to Make Large Investments

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, June 2024



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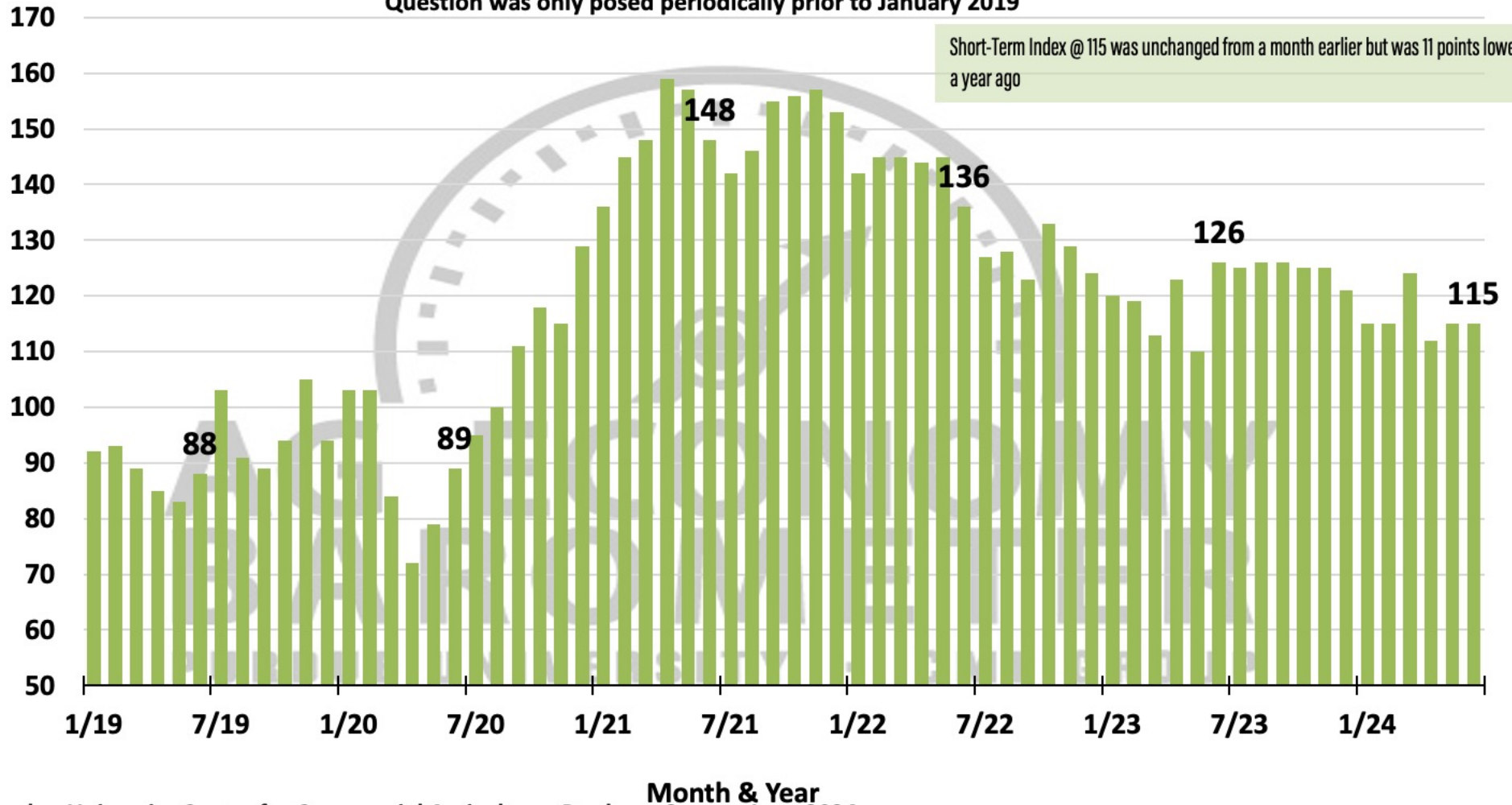
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Short-Term Farmland Value Expectations Index

Question was only posed periodically prior to January 2019

Short-Term Index @ 115 was unchanged from a month earlier but was 11 points lower than a year ago



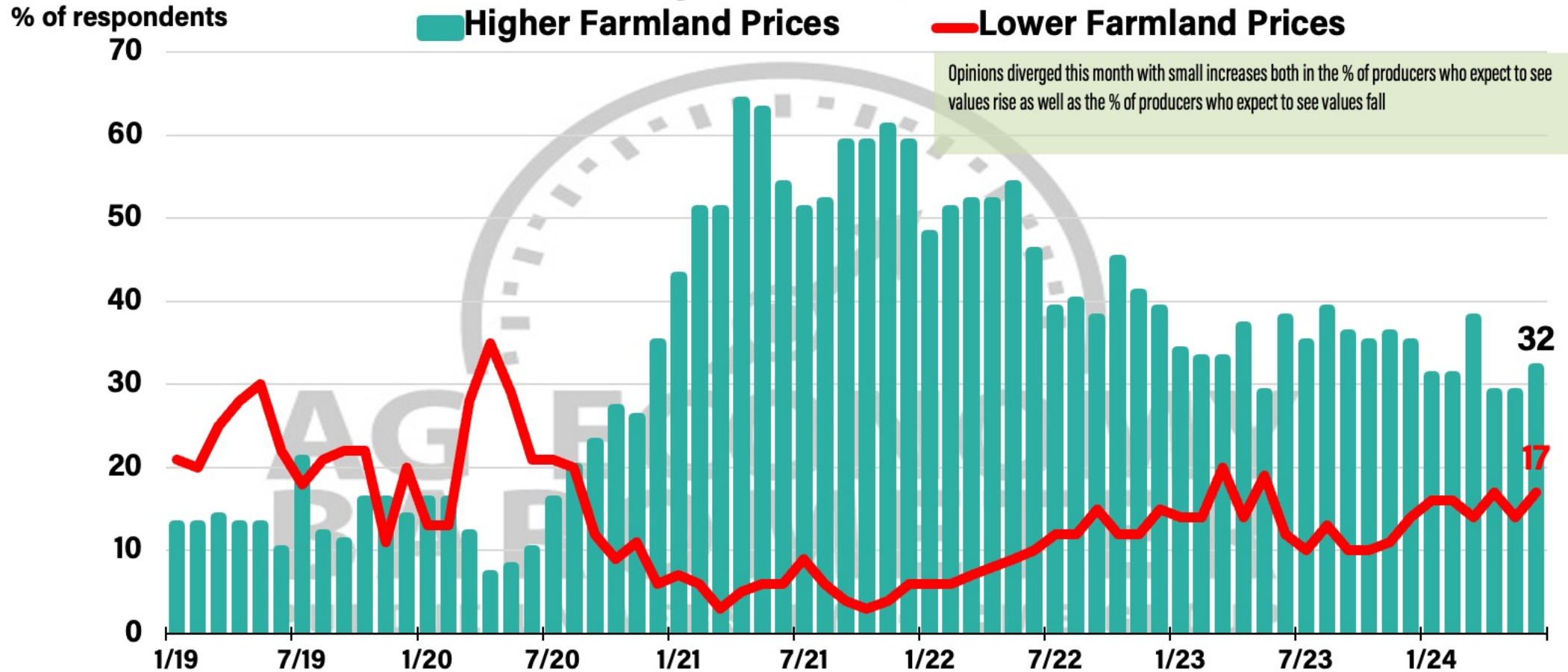
Source: Purdue University Center for Commercial Agriculture, Producer Survey, June 2024



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Farmland Price Expectations, 12 Months Ahead



Source: Purdue Center for Commercial Agriculture, Producer Survey, June 2024



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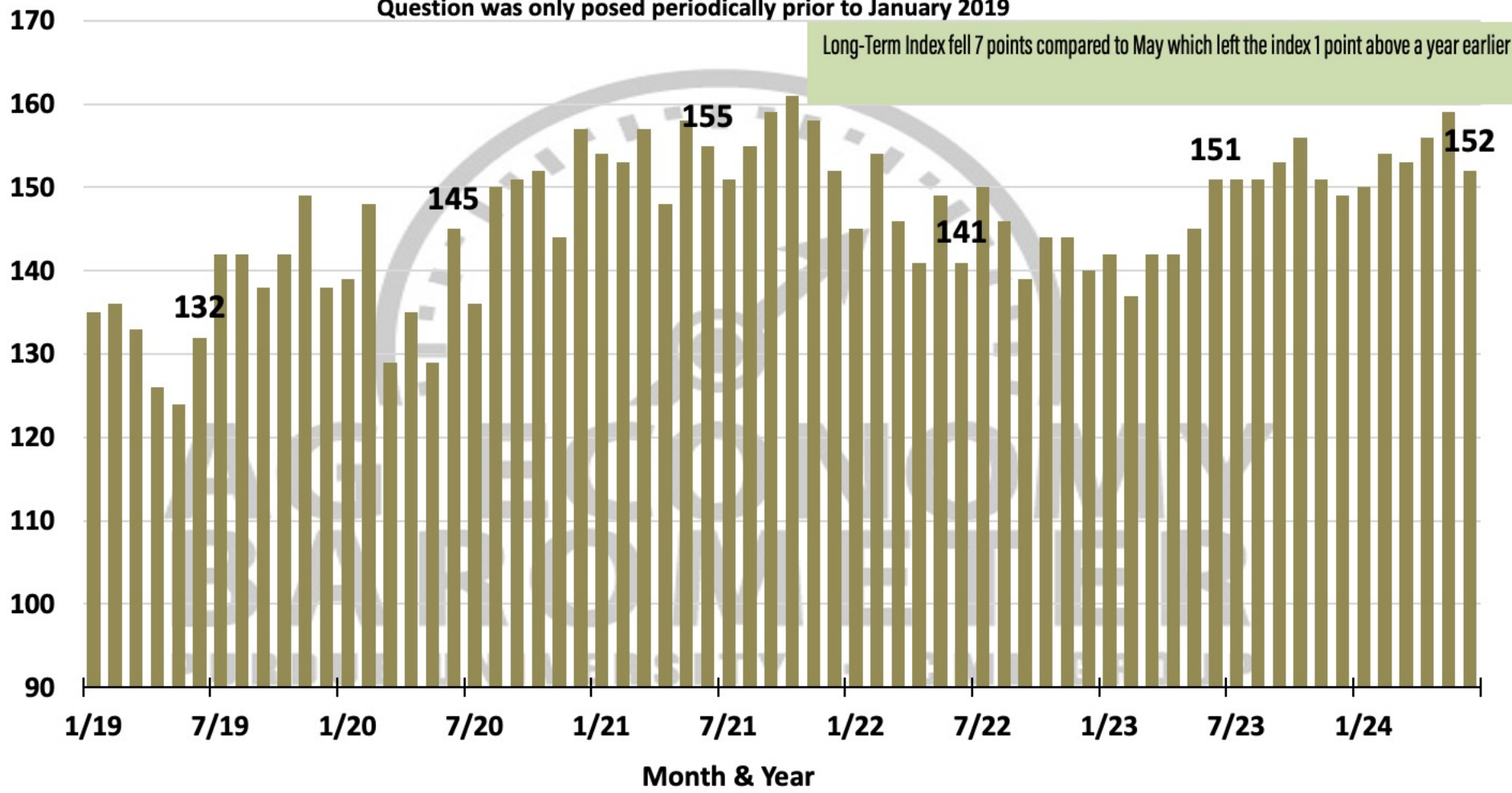
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Long-Term Farmland Value Expectations Index

Question was only posed periodically prior to January 2019

Long-Term Index fell 7 points compared to May which left the index 1 point above a year earlier



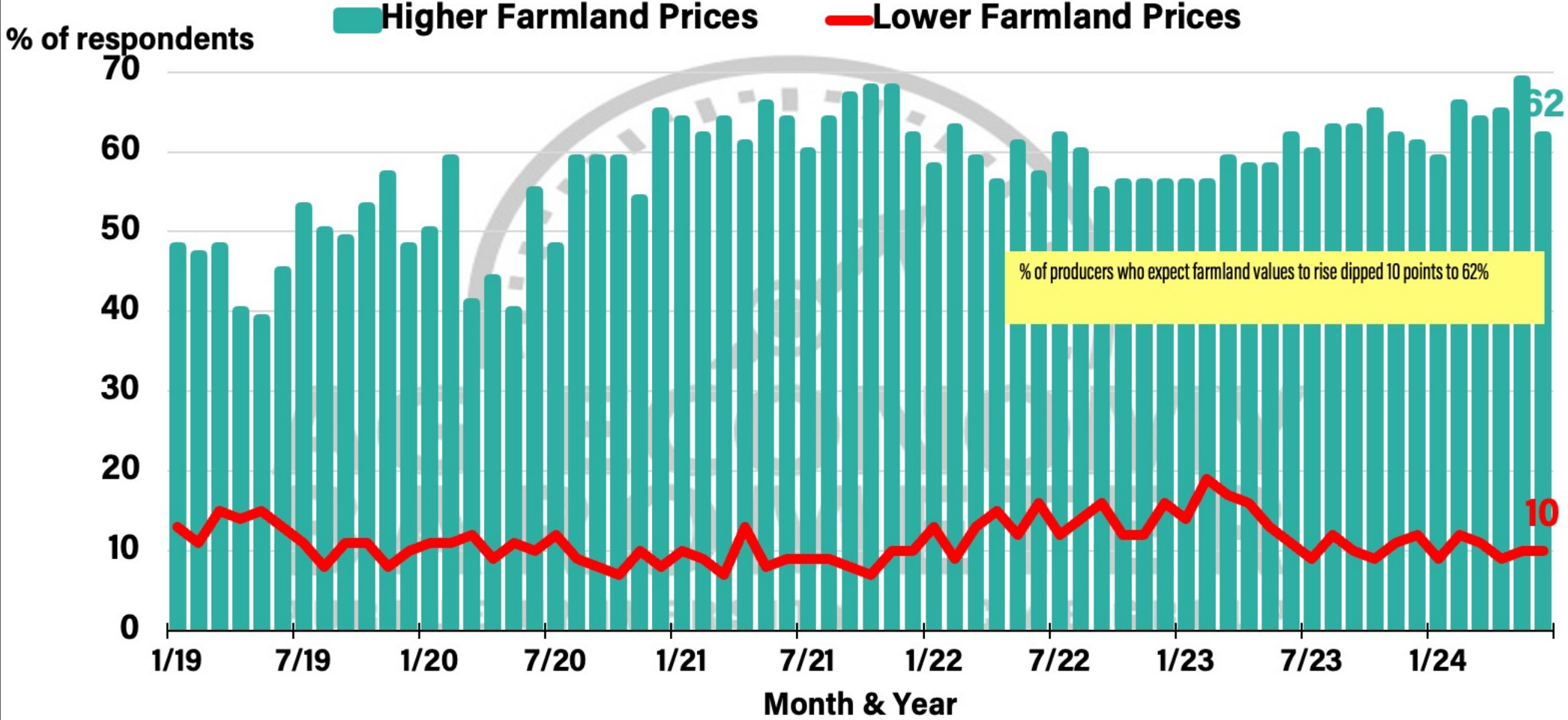
Source: Purdue University Center for Commercial Agriculture, Producer Survey, June 2024



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Farmland Price Expectations, 5 Years From Now



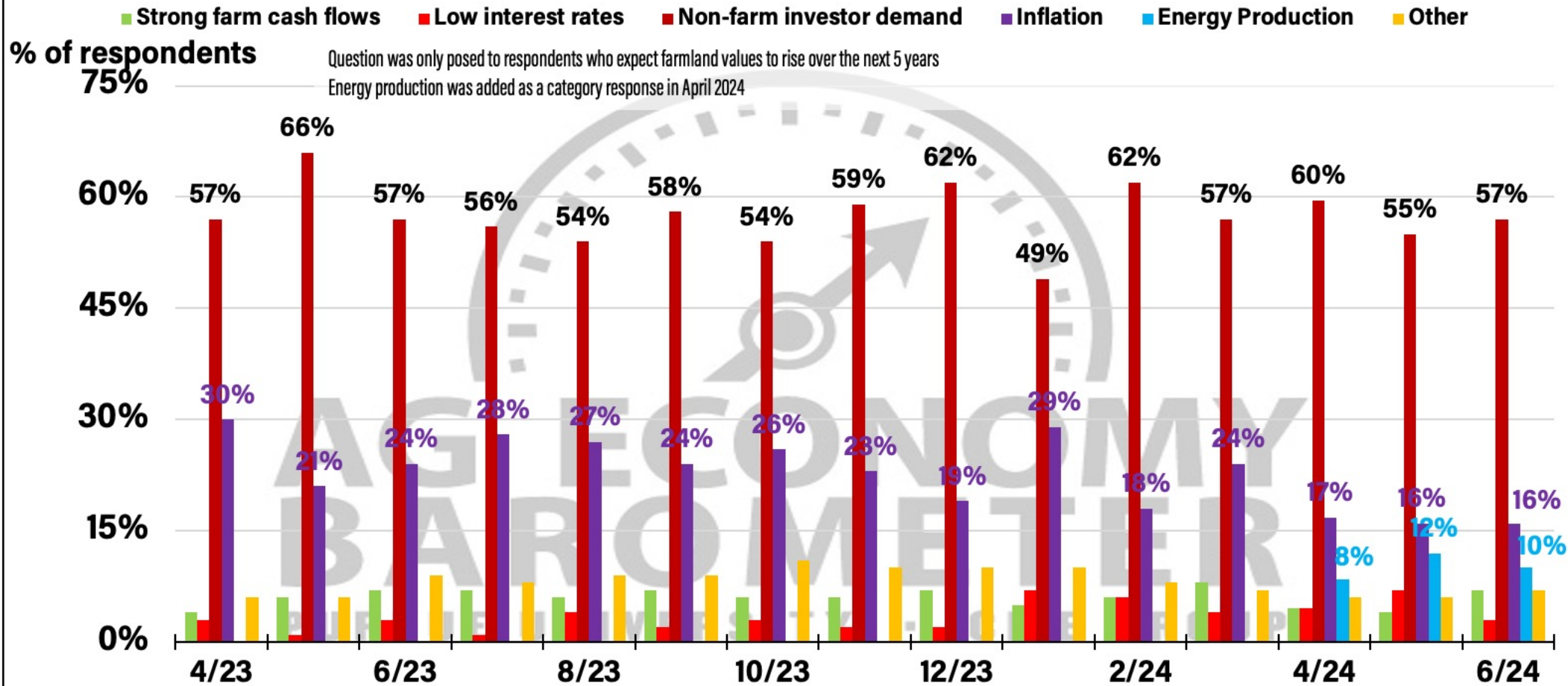
Source: Purdue Center for Commercial Agriculture, Producer Survey, June 2024



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



Source: Purdue Center for Commercial Agriculture, Producer Survey, June 2024

Non-farm investors still cited as top reason for bullish viewpoint, but some producers are pointing to impact of solar and wind leases on farmland values as a reason for optimism



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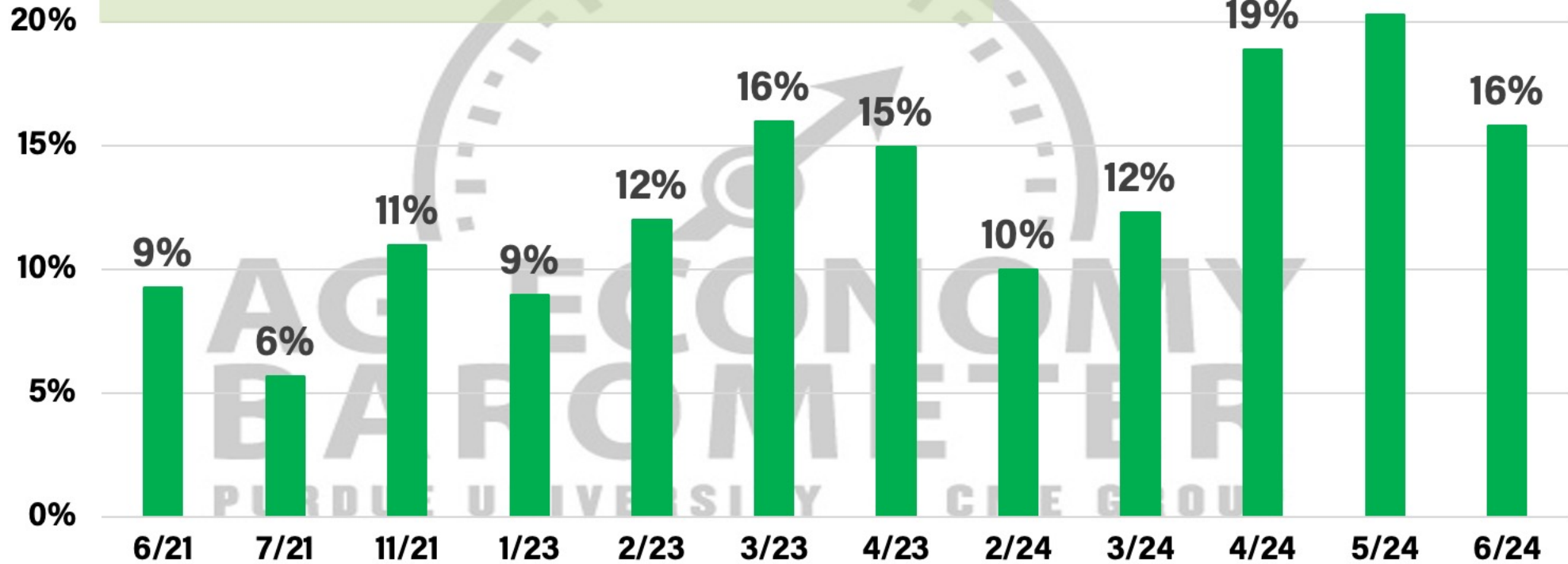
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Have you actively engaged in discussions with any companies about leasing farmland you own for the installation of a solar energy project to generate electricity?

% of all survey respondents
25%

■ % Responding Yes

Starting in Feb. '24, question was rephrased to only inquire about discussions that took place in the last 6 months



Source: Purdue Center for Commercial Agriculture, Producer Survey, June 2024



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What is the annual payment rate per acre you were offered to lease some of your farmland for the installation of a solar energy project to generate electricity?

% of Respondents

75%

06/21 04/23 04/24 05/24 06/24

60%

Question posed only to those who engaged in discussions with companies.
Starting in 2024, question was only posed to those who engaged in discussions in the

45%

30%

15%

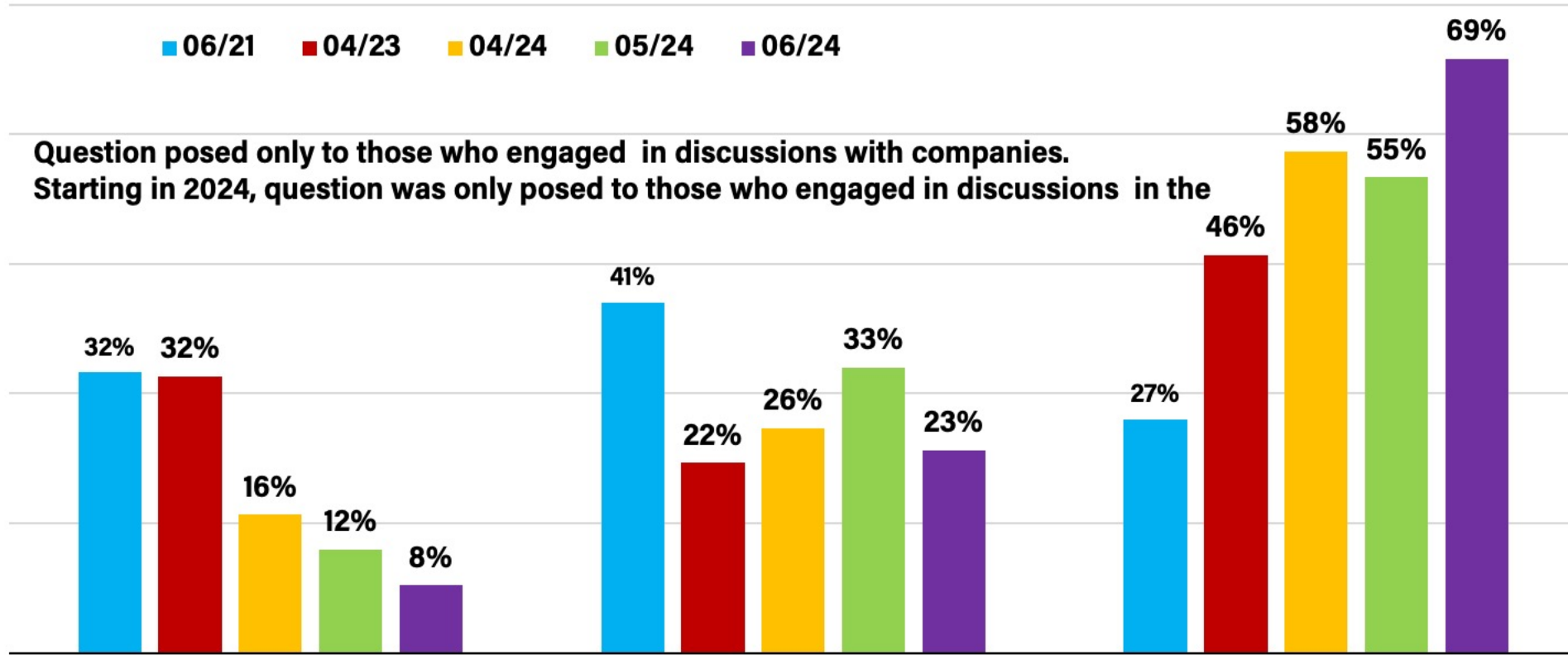
0%

< \$500

\$500 up to \$1,000

\$1,000 or more

Annual Payment Rate Per Acre



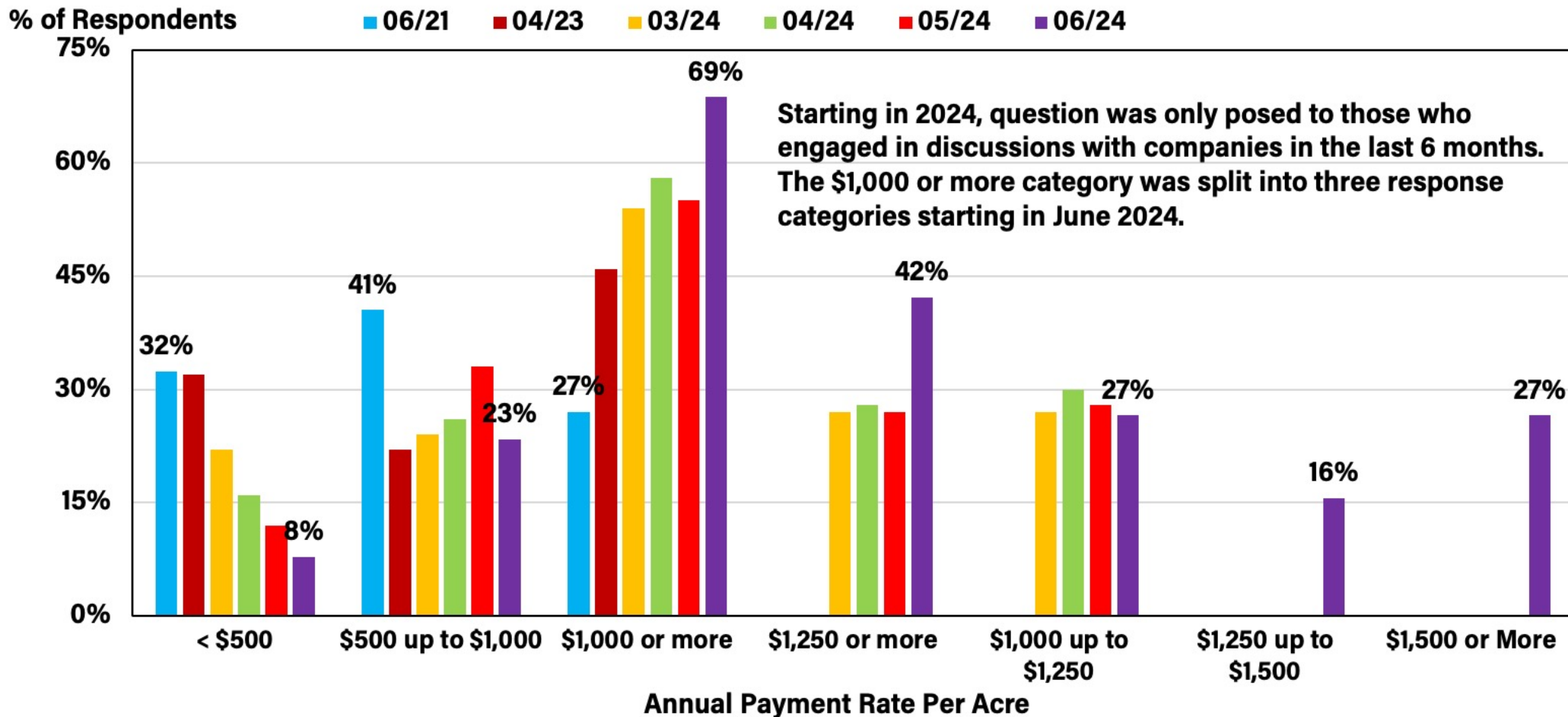
Source: Purdue Center for Commercial Agriculture, Producer Survey, June 2024



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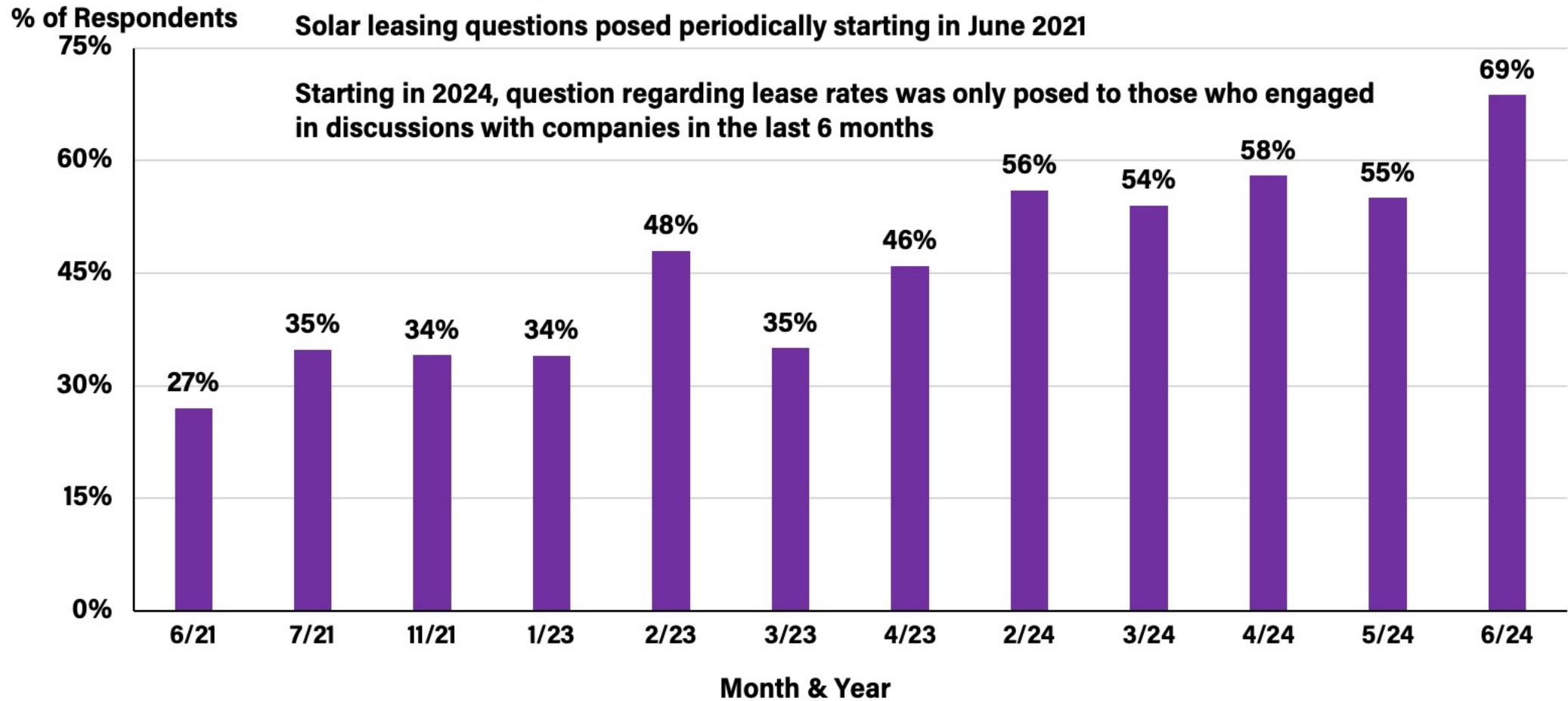
Source: Purdue Center for Commercial Agriculture, Producer Survey, June 2024



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Percentage of Respondents Who Discussed Solar Leasing with a Company Who Reported Being Offered A Lease Rate of \$1,000 or More, Per Acre



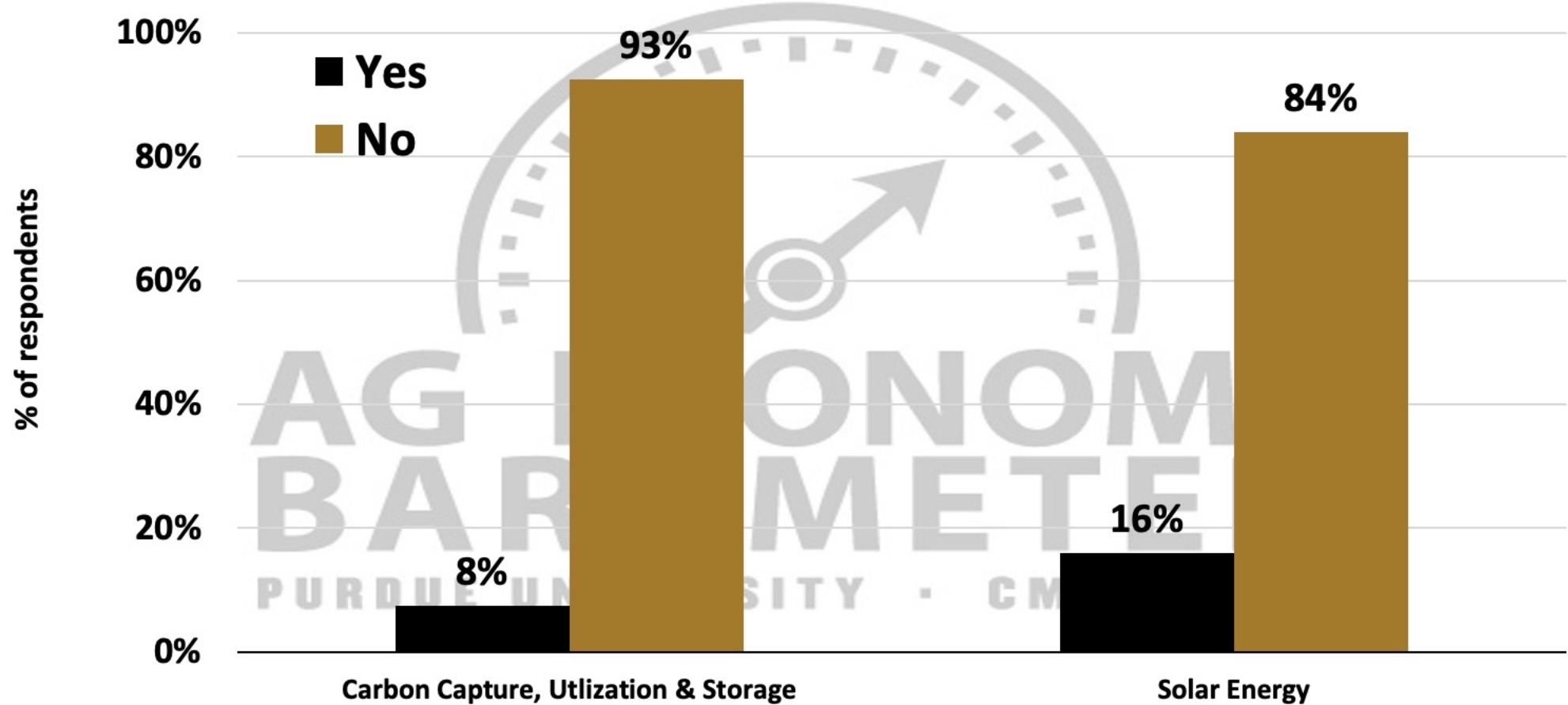
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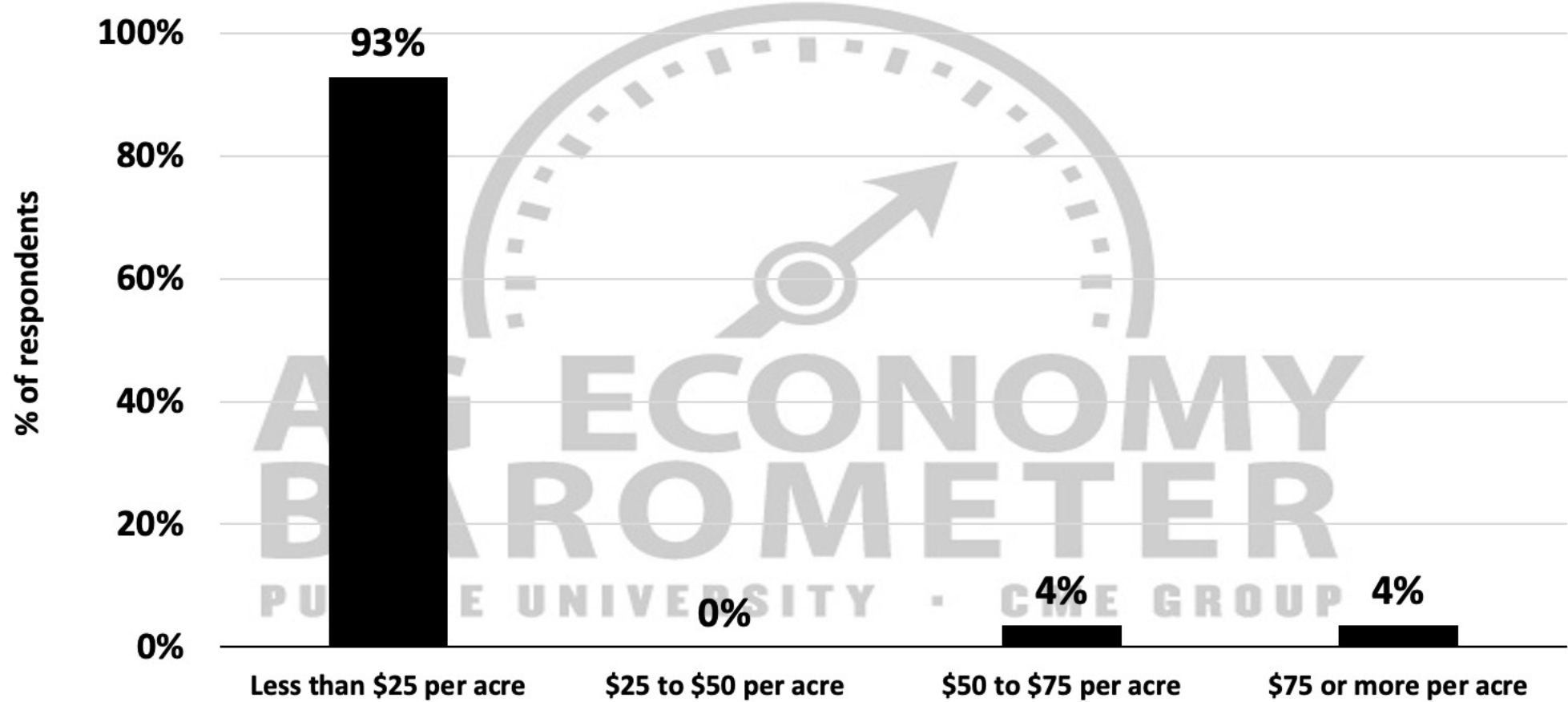
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Percentage of Respondents Reporting Discussions with Companies About Carbon Capture, Utilization & Storage or Solar Leasing



Source: Purdue Center for Commercial Agriculture, Producer Survey, June 2024

What was the payment rate per acre you were offered?



Source: Purdue Center for Commercial Agriculture, Producer Survey, June 2024



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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



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