



High input-cost concerns continue to weigh on farmer sentiment

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WEST LAFAYETTE, Ind., July 7, 2026 /PRNewswire/ -- Producers continued to express concern about farm finances as the June [Purdue University/CME Group Ag Economy Barometer](#) recorded a 6-point decline in farmer sentiment to 113. The Current Conditions Index fell to an 18-month low of 102, and the Future Expectations Index dropped 7 points. High input costs remained producers' top concern, with 47% identifying them as the biggest challenge facing their operation, followed by low crop and livestock prices at 23%. A related question revealed that 42% of respondents feel high input costs are limiting improvements in their financial position this year. The survey was conducted among 400 farmers across the nation from June 15-19.

Additional survey results illustrated the financial challenges facing producers. Just 12% of respondents said their farms were better off financially than a year ago, while only 22% expected their operations to improve over the next 12 months. Reflecting that cautious outlook, the Farm Capital Investment Index has continued its fall from the March 2026 survey to 40, its lowest level since September 2024.

When asked what was limiting improvement in their farm's financial situation, 42% of respondents cited high input costs, while low output prices, at 17%, ranked second among responses. Weather risk (14%), policy uncertainty (11%), labor and equipment concerns (9%), and debt or financial pressure (8%) rounded out the remaining responses.

"While high input costs remain the primary constraint on farm financial performance, producers are continuing to make decisions in a broader environment shaped by technology adoption, trade expectations and long-term land value outlook," said [Michael Langemeier](#), the barometer's principal investigator and director of Purdue's [Center for Commercial Agriculture](#).

This month's survey included two questions on the use of AI and other data-driven tools in agriculture. When asked about potential benefits, 23% of respondents cited increased production as the primary advantage, 14% cited reduced labor needs, and 11% cited reduced risk or uncertainty. However, a majority of respondents (52%) said they did not see a meaningful benefit from these tools.

Respondents also expressed skepticism about the practical use of data-driven tools. Approximately 63% said AI-generated recommendations would be sometimes difficult to follow, while 22% said they would often be difficult to follow.

Producers expressed generally positive expectations for agricultural exports over the next five years and showed strong support for free trade. While 9% of respondents expected agricultural exports to decline, 43% expected exports to increase over the next five years. Eighty-five percent agreed or strongly agreed with the statement that free trade benefits agriculture and most other American industries.

Beyond trade expectations, longer-term outlooks for the farm sector weakened compared with a year ago. The percentage of respondents expecting "good times" over the next five years fell to 32% in June, 17 percentage points lower than in the June 2025 survey. Expectations also continued to vary notably by sector, with 25% of respondents expecting good times for crop producers compared with 68% for livestock producers.

Short-term farmland value expectations declined in June, with the index falling from 130 in May to 124. In contrast, long-term expectations remained strong, rising to 166 and tying the record high. Respondents cited alternative investments, net farm income and inflation as the factors with the greatest influence on farmland values.

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% during the final six months of 2025, the percentage of producers reporting the U.S. is headed in the "right direction" was 52% in May and 53% in June.

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.

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