

MICHIGAN AGRICULTURE AND FOOD INDEX

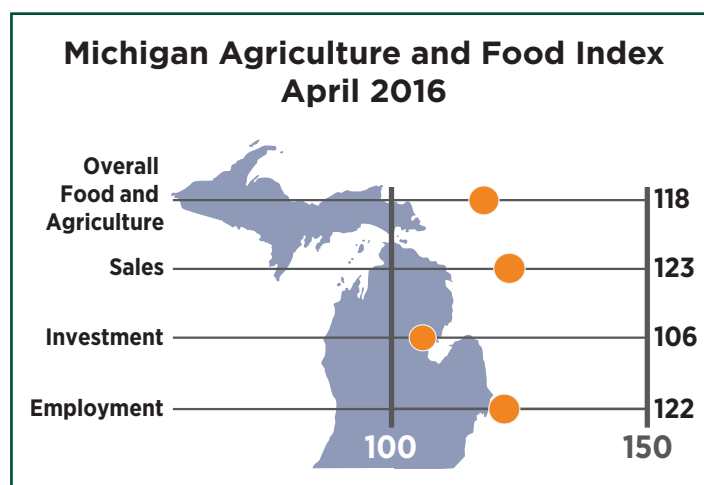
Results of a Survey of the Michigan Agriculture and Food Roundtable

EXECUTIVE SUMMARY, APRIL 2016

Introduction

Staff members at the Michigan State University (MSU) Product Center Food-Ag-Bio sent questionnaires to 92 members of the Food and Agriculture Roundtable. The roundtable is composed of leaders in the state’s food and agriculture system, primarily farmers, leaders of agribusiness firms and food processors. All major sectors of the state’s food and agriculture system are represented: dairy, livestock, field crops, fruits and vegetables, as well as the nursery, floriculture and landscape industry. The first eight questions were designed to assess the current state of the food and agriculture system as well as respondents’ future intentions. Two open-ended questions were designed to determine current and future areas of concern, and issues important enough to address through research and extension and perhaps changes in public policy. Thirty surveys were returned for a response rate of approximately 33 percent.

The results of the survey have been used to construct a set of indexes on the current and future state of the food and agriculture system. The indexes have a theoretical value of zero to 200, with a score of 100 indicating a neutral – neither positive nor negative – outlook about the food and agriculture system. Scores above 100 indicate an increasingly positive



outlook; scores below 100, an increasingly negative outlook. Indexes were developed for the current state of the food and agriculture system in Michigan, the current state of the Michigan economy, sales of food and agriculture products, future investment and future employment plans.

The next roundtable survey will be conducted in October 2016, and the results will be released in November.

MICHIGAN AGRICULTURE AND FOOD INDEX BY THE NUMBERS

Index	Nov. 2014	Sept. 2015	April 2016	Trend
State of Food and Agriculture System	147	133	118	Down
State of Michigan's Overall Economy	140	138	128	Down
Sales	136	125	123	Down
Investment	119	102	106	Up
Employment	134	128	122	Down

A rating of 100 on the index is considered neutral. Ratings above 100 signal increasingly positive confidence. Below 100 signals increasing negative confidence.

Results

The current index on the state of the food and agriculture system is 118, down considerably from previous surveys. The index on the current state of Michigan's overall economy is 128, which is also a fairly large decline from last fall's level. This is the second time that the figure for Michigan's overall economy is higher than the figure for the state of the food and agriculture system.

Though the figure for the state of the food and agriculture system is down, it is still positive. More than half the respondents have a positive or very positive outlook.

One reason that the overall index declined is that roundtable members are less sure about their future sales. The sales index is 123, a decline of 13 points from November 2014. Respondents generally believe that their sales will be better over the next three years; they tend to be less optimistic about their sales over the next 12 months.

The investment index is 106, which is somewhat higher than September's index though still 13 points below the November 2014 level. The long-term outlook for investment is better than the short-term outlook. The employment number is also down from previous surveys. This may be due to the labor shortage; labor is a major issue facing the agri-food leaders.

Two open-ended questions were asked, the first dealing with short-term concerns and a second question dealing with longer term issues.

- ▶ Regulations and labor remain major issues of concern, but there is increasing concern about profitability, especially in the short term.
- ▶ There is also increased concern about the long-term future of various management practices and use of technology, including GMOs. There is also some interest in educating consumers about agriculture.

Infrastructure concerns have decreased slightly. Though not a major issue, some respondents expressed some concern about the upcoming election and the current political situation.

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