

## MICHIGAN AGRICULTURE AND FOOD INDEX

# Results of a survey of the Michigan Food and Agriculture Roundtable

## EXECUTIVE SUMMARY

### Introduction

Staff members at the Michigan State University (MSU) Product Center Food-Ag-Bio sent questionnaires to approximately 100 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, and the nursery and landscape industry. The first eight questions were designed to assess the current state of the food and agriculture system as well as 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. A total of 61 surveys were returned for a response rate in excess of 60 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.

This first roundtable survey was conducted in April 2013, and the results were released in July. Future surveys will be conducted every six months to keep track of the results and sector trends over time. Results will be released in January and June beginning in 2014.

### Results

The current index on the state of the food and agriculture system in Michigan is 147. Almost three quarters of the respondents are positive or very positive about the state of the system. The members of the roundtable are generally very bullish on the current state of their industries.

### Michigan Agriculture and Food Index by the numbers

Overall food and ag index	147
Sales index	133
Investment index	122
Employment index	132

*A rating of 100 on the index is considered neutral; ratings above 100 signal increasingly positive confidence, and below 100, increasingly negative confidence.*

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The index on the current state of Michigan's overall economy is 115. Though this is considerably lower than the index for the state of the food and agriculture system, it is still well above 100 and is consistent with a belief that the economy is getting better.

One reason that the overall index is so high is that roundtable members believe their sales are going to increase. The sales index is 133. Responders generally believe that sales are going to increase both in the next 12 months and over the next three years.

Overall, the outlook on the investment environment is also fairly optimistic. The investment index is 122. It should be noted that the investment figures over the next 12 months appear to be stronger than the level of investment over the next three years. Additional surveys over the next few years should provide further insight into investment plans by survey participants.

The employment index is a robust 132. Almost 43 percent of those surveyed indicated that they may increase their labor force over the next 12 months, and almost two-thirds may increase their labor force over the next three years. Very few employers are considering reducing their labor force. It should be noted that labor issues are a major concern of roundtable participants. Access to labor, both migrant and full-time, is an issue, as well as finding ways to encourage young people to enter the food and agriculture system. Another labor-related concern is the impact of the Affordable Care Act on healthcare costs for employees and employers.

In addition to labor, the dominant concern for roundtable participants is regulation. When asked "What keeps you up at night?", 34 members responded with "regulation." Another major issue they identified is access and cost of inputs (22 responses), which tied with business marketing and strategy (22 responses). Concern over government policy was also mentioned by 18 respondents.

Addressing regulatory issues and labor issues were also considered of critical importance to the long-term success of the food and agriculture system, receiving 25 and 22 responses, respectively. Technology and science (21 responses) and government policy (20 responses) were also considered to be of long-term importance.

### What keeps you up at night?

*Food and ag leaders provided these open-ended responses:*

- Regulations (34 responses)
- Access and cost of inputs (22 responses)
- Business marketing and strategy (22 responses)
- Government policy (18 responses)