

December 30, 2010

AGRI-MARKETERS CONFIDENCE INDEX (ACI)

The ACI is patterned after the Consumer Confidence Index, created by The Conference Board in 1967.

The ACI asks five questions of a cross-section of agri-marketers in both the crop and livestock sectors. The questions look at perceptions of both the current business conditions for their own company and their customers, as well as the future outlook for both and actual expectations for marketing communications budgets:

1. How would you assess the current business conditions for your company in the U.S. agricultural market?
2. How do you believe business conditions will be for your company in the U.S. agricultural market 12 months from now?
3. How would you assess the current general outlook for U.S. farmers and ranchers?
4. How do you believe the general outlook U.S. farmers and ranchers will be 12 months from now?
5. How do expect your marketing communications budget for the U.S. agricultural market will change one year from now?

Three levels of response are asked for each question. Poll participants are asked to answer questions #1 and #3 as “positive,” “negative” or “neutral,” questions #2 and #4 as “same,” “better” or “worse,” and the last question as “remain the same,” “increase” or “decrease.”

Responses to the poll are calculated looking at positive responses in comparison to negative responses by simply dividing the percentage of positive responses to each question by the percentage of positive + negative responses to the question.

A score of 50 or better indicates respondents are generally optimistic, while a score below 50 indicates general pessimism.

Questions 1 + 3 are combined to provide a look at current business conditions, while the combination of questions 2, 4, and 5 provide an “expectations” outlook.

Following are the full results of the poll and the resulting Index scores:

Agri-Marketer Confidence Index	Mar-10		Aug-10		Dec-10	
Question	Response	Index	Response	Index	Response	Index
1. How would you assess the <u>current business conditions</u> for your company in the U.S. agricultural market?		76		82		93
Positive	54%		60%		77%	
Neutral	29%		27%		17%	
Negative	17%		13%		6%	
2. How do you believe business conditions will be for your company in the U.S. agricultural market <u>12 months from now</u> ?		94		86		93
Better	63%		57%		61%	
Same	33%		34%		35%	
Worse	4%		9%		5%	
3. How would you assess the <u>current general outlook</u> for U.S. farmers and ranchers?		63		89		91
Positive	33%		65%		79%	
Neutral	48%		26%		13%	
Negative	19%		8%		8%	
4. How do you believe the general outlook for U.S. farmers and ranchers will be <u>12 months from now</u> ?		90		76		87
Better	62%		39%		36%	
Same	31%		49%		59%	
Worse	7%		12%		6%	
5. How do you expect your marketing communications budget for the U.S. agricultural market will change <u>one year from now</u> ?		80		76		90
increase	48%		29%		40%	
Remain the Same	40%		61%		55%	
Decrease	12%		9%		5%	
Current Conditions Composite (Ques 1 + 2)		70		86		92
Expectations Composite (Ques 2, 4 + 5)		88		80		90
Overall Confidence (All Questions)		81		82		91