

# Agriculture Confidence Index®

## Objectives:

- To take the economic pulse of the agriculture industry in the U.S.
- To determine producers optimism and outlook towards their current business and the future financial health of their operations

The Agriculture Confidence Index to address the following issues:

- Current and future input prices
- Current and future net farm income
- Future household income

The Index, modeled loosely after the Consumer Confidence Index, will determine the level of optimism that producers and agribusinesses have concerning their current and future financial health of their operations.

From the data we will essentially be able to derive three different values:

1. Average the five indices together to get the Agriculture Confidence Index
2. The two 'current' questions form the 'Present Situation' Index
3. The three 'future' questions form the 'Expectations' Index

Following each Agriculture Confidence Index survey, DTN will immediately report the results online at [dtnpf.com](http://dtnpf.com), [mydtn.com](http://mydtn.com), and related DTN online and print products.

## Calculation of index:

For each question, we will calculate a neutral, positive or negative outcome. Initially, those outcomes create a baseline number with which all future survey data will be contrasted.

Indexes higher numerically than the baseline of 100 are seen as positive outcomes; Indexes lower than 100 are seen as negative (pessimistic) outcomes.

The Agriculture Confidence Index will use the standard CCI approach to compare the relative value obtained in that period to the value obtained in the first measurement period to calculate an index value for each question.

## Index Timing:

Our objective is to take the economic pulse of the agriculture industry on a regular basis. Surveys will be taken three times a year (pre-plant, pre-harvest and end of the year) and the results will be reported online and in the magazines.

All the interviews will be conducted by phone and our award-winning editorial staff will interpret the findings after each survey. We will survey 500 producers which are representative of the latest Ag Census by state, income and production type.