

# DRIVING DATA TO INSIGHTS

by Jennifer Stewart-Burton

In the world of food and agricultural business, it is no longer enough to simply assume we understand what our customers are thinking or the challenges that they face each day.

That's exactly why **Purdue University's Center for Food and Agricultural Business** and **Center for Commercial Agriculture** decided to embark on two new research initiatives this year — to offer agricultural sales and marketing professionals and industry suppliers insights straight from agricultural producers.

The first initiative, the **Multi-Generational Farm Study**, is a research partnership between **Scott Downey**, Associate Director of the Center for Food and Agricultural Business and **Justin Funk**, Managing Partner of **Agri Studies, Inc.** The study looks at the management and decision-making processes and practices of large-scale, family-owned farming operations in North America.

The second initiative, the **Purdue/CME Group Ag Economy Barometer**, is an ongoing measure of the health of the U.S. agricultural economy. It's based on a nationwide monthly survey of 400 commercial-scale agricultural producers. It offers the industry a broad look at how farmers and ranchers feel about the agricultural economy now and their expectations for the future.

## MULTI-GENERATIONAL FARM STUDY

According to the "2012 Census of Agriculture," two-thirds of agricultural sales come from large-scale, family-owned farms, and that number continues to increase.

The members of these family farms face special business challenges, especially when multiple generations are involved in management. Each individual and generation tends to think differently, and there are personal relationship dynamics at work within a family-owned business.

All of that plays a role in how agribusinesses approach these customers, Downey said.

"This study is a comprehensive review of the needs and decision-making processes used by the members of these complex operations, which gives agribusiness professionals an inside look at how they can more effectively work with these clients," he said.

The results of the study will be publicly unveiled for the first time at the **National Conference for Food and Agricultural Business**, November 16-17 in Indianapolis.

## PURDUE/CME GROUP AG ECONOMY BAROMETER

In addition to understanding the challenges of their customers, agribusiness professionals need to grasp the overall producer sentiment regarding the nation's agricultural economy. The **Ag Economy Barometer** project brings together researchers from Purdue and the resources of the **CME Group**, which is the world's largest derivatives marketplace.

The project's principal investigator is **Jim Mintert**, Director of the Center for Commercial Agriculture and Professor of agricultural economics. He works on the project alongside Senior Research Associate **David Widmar** and **Michael Langemeier**, Professor of agricultural economics.

Each month, producer survey responses are used to compute an index value that captures producer sentiment regarding the health of the ag economy. In addition to the monthly barometer reading, Mintert, Widmar and Langemeier use detailed survey responses, combined with a wealth of other information about the U.S. agricultural economy, to produce a research report with information about what is driving producer sentiment at the time.

"Agribusinesses rely on a comprehensive understanding of the agricultural economy and the



financial environment their customers are facing," Mintert said. They also need to be able to gauge farmer confidence in order to make decisions about products and services they can offer and the ways they can add value to these farming operations."

Researchers also conduct in-depth quarterly interviews with agricultural industry thought leaders to learn how their sentiments differ from those of producers and to gain additional insights about what drives producer sentiment.

The barometer is updated and research reports are published at 9:30 am Eastern on the first Tuesday of each month. Learn more about the barometer and read monthly reports at <http://purdue.edu/agbarometer>.

## NATIONAL CONFERENCE FOR FOOD AND AGRIBUSINESS

Findings and practical applications of both research studies will be the main focus of the 2016 National Conference for Agribusiness: Driving Data to Insights.

Learn more about the conference and register at <http://agribusiness.purdue.edu/NationalConference16>. **AM**

*Jennifer Stewart-Burton is the content marketing and social media manager for the Center for Food and Agricultural Business. You can reach her at [jsstewart@purdue.edu](mailto:jsstewart@purdue.edu).*