

Two uniquely different expectation indexes were released this week. The Restaurant Performance Index is released by the National Restaurant Association and surveys restaurant owners to gauge how the retail food space is shaping up and how restaurateurs are feeling about consumer sales. The other index is known as the Ag Barometer which gauges how the Ag community is feeling about the economy moving forward. This survey is collected by Purdue University. Both these surveys are based on monthly participants reporting how they feel about their relative sector currently and in the future. In each case, the surveys compile these individual responses to give direction to the relative sectors.

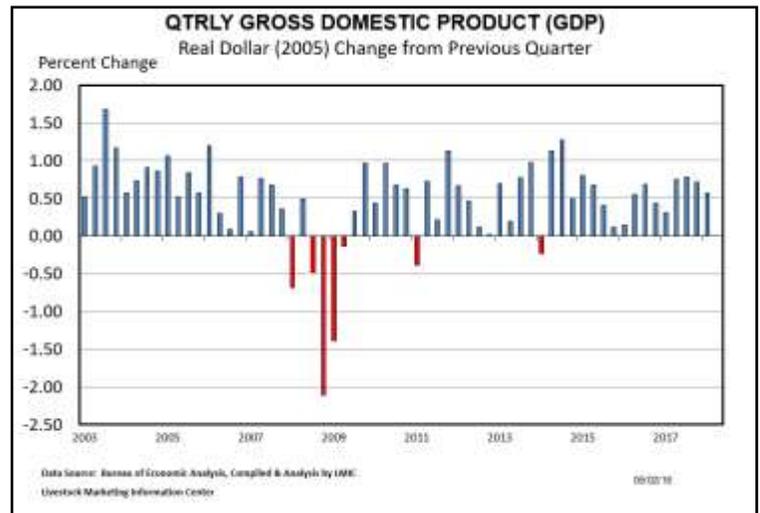
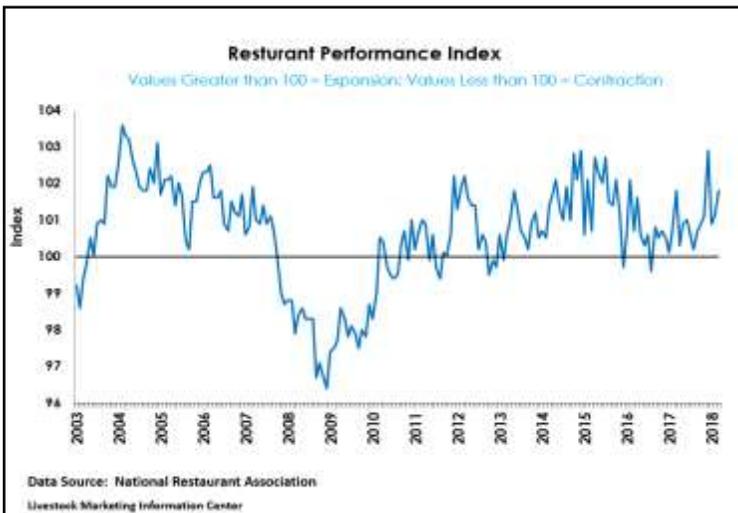
The Restaurant Performance Index (RPI) for the month of March reported an index value positive toward restaurant performance showing optimism in the sector. Current metrics used to gauge the industry showed the index value of 101.4, 1 percent higher than the February index and is consistent with the trends over the last several months pointing towards expansion (values over 100). The other part of the RPI is the expectation part of the index, which also continues to show strong positive values. March expectations index was 102.2. The graph below shows the overall RPI and the full report from National Restaurant Association can be found [here](#).

In contrast, the [Ag Barometer](#) is showing a decline for the

second month in a row in April of 2018. February 2018 was one of the highest values seen since summer of 2017, but in the last two months those values have tumbled 15 points lower. Similar to the RPI the Ag Barometer asks survey participants about current and future conditions. In both these categories farmers are more pessimistic about the Agriculture. Some of the key concerns sighted focused on export markets and what export prospects would exist moving forward.

This is an interesting dichotomy between the people producing food and those that are selling it. For the last two months these indexes have moved opposite both in current situation indexes and expectations. The newest estimates for real GDP was released at the end of April covering the first quarter of 2018. Overall the number was positive, estimating an annual rate of growth of 2.3 percent compared to last year, but down from the 4th quarter of 2017 which was 2.9 percent.

Real disposable personal income increased 3.4 percent in the first quarter of 2018, compared to the 1.1 percent in the fourth quarter. Some of this increase is related to the tax cuts that started this year. Personal current taxes decreased \$40 billion from the previous quarter. Farm Income decreased \$1.7 billion from 4th quarter 2017, and is down \$14 billion from 2017's first quarter. Comparatively Food services expenditures in current dollars increased \$23.6 billion from 2017 first quarter and are



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