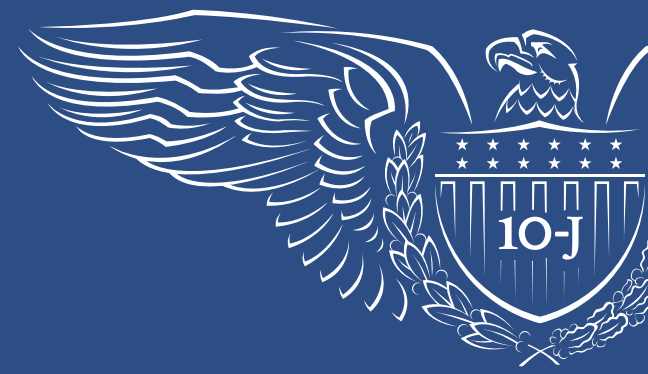




**AGRICULTURAL
CONSOLIDATION**
CAUSES & THE PATH FORWARD

Federal Reserve Bank of Kansas City
AGRICULTURAL SYMPOSIUM
June 15-16, 2017



**WELCOME TO THE
FEDERAL RESERVE BANK OF KANSAS CITY'S
2017 AGRICULTURAL SYMPOSIUM**

The agricultural economy, both in the U.S. and internationally, continues to adjust to the sharp drop in commodity prices and profit margins from those of just a few years ago. The reduction in prices and profits has led farm producers, agribusinesses, and agricultural lenders to consider fundamental changes to their business models to maintain competitiveness, improve efficiency, and position their businesses for long-term growth. These decisions, however, require a pragmatic recognition of a new commodity price landscape, resulting in strategic realignments and consolidation across the agricultural sector.

The 2017 Agricultural Symposium, Agricultural Consolidation: Causes & the Path Forward will explore the underlying drivers of consolidation in the industry and potential implications for businesses, consumers, and rural communities. The first day of the Symposium will discuss the factors driving consolidation in food and agricultural production and the economic implications of consolidation. The second day of the Symposium will discuss the implications for agricultural lending institutions and the role of policy in addressing agricultural consolidation.



AGRICULTURAL CONSOLIDATION CAUSES & THE PATH FORWARD

THURSDAY, JUNE 15, 2017

1:00 P.M. WELCOME

Speaker: Diane Raley, Senior Vice President and Chief of Staff, Federal Reserve Bank of Kansas City

1:10 P.M. OVERVIEW OF THE AG ECONOMY

Speaker: Nathan Kauffman, Assistant Vice President and Omaha Branch Executive, Federal Reserve Bank of Kansas City

2:00 P.M. SESSION 1: DRIVERS OF AGRICULTURAL CONSOLIDATION

This session will discuss the underlying factors driving consolidation in the industry, the types of businesses most susceptible to consolidation and how these forces may differ globally.

Speaker: Michael Langemeier, Director of Cropping Systems, Center for Commercial Agriculture, Purdue University

Discussant: Michael Boland, Professor and Director of the Food Industry Center, University of Minnesota

Panelists: Jennifer Sirangelo, President and Chief Executive Officer, National 4-H Council
Pam Johnson, Iowa Farmer; Former President, National Corn Growers Association

Moderator: Jason P. Brown, Senior Economist and Regional Executive, Federal Reserve Bank of Kansas City

3:30 P.M. BREAK

4:00 P.M. SESSION 2: ECONOMIC TRADE-OFFS OF AGRICULTURAL CONSOLIDATION

This session will discuss the economic trade-offs of agricultural consolidation across the supply chain, what these trends might mean for the future structure of the industry and how these changes might affect future food prices.

Speaker: Richard J. Sexton, Professor, Agricultural and Resource Economics, University of California-Davis

Discussant: Jeffery H. Dorfman, Professor, Agricultural and Applied Economics, University of Georgia

Panelists: Michael J. Frank, Senior Vice President and Chief Commercial Officer, Monsanto Co.
Bob Young, Chief Economist and Deputy Executive Director, Public Policy, American Farm Bureau

Moderator: Nicholas Sly, Senior Economist, Federal Reserve Bank of Kansas City

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5:30 P.M. RECEPTION

6:30 P.M. DINNER AND PANEL DISCUSSION

Panelists: Luke A. Chandler, Chief Economist, John Deere
Andre Nogueira, President and Chief Executive Officer, JBS USA

Moderator: Nathan Kauffman, Assistant Vice President and Omaha Branch Executive, Federal Reserve Bank of Kansas City

Shuttle transportation to the Residence Inn Country Club Plaza will be available immediately following dinner.

FRIDAY, JUNE 16, 2017

Shuttle transportation from the Residence Inn to the Bank will begin at 7:15 a.m.

7:30 A.M. CONTINENTAL BREAKFAST

8:00 A.M. SESSION 3: FINANCING A CHANGING RURAL LANDSCAPE

This session will discuss the implications of industry consolidation for agricultural lenders of varying sizes against the backdrop of a changing rural landscape.

Speaker: Allen M. Featherstone, Department Head and Professor, Department of Agricultural Economics, Kansas State University

Discussant: Damona Doye, Regents Professor and Rainbolt Chair of Agricultural Finance, Department of Agricultural Economics, Oklahoma State University

Panelists: Robert Keil, Senior Vice President and Chief Credit Officer, Dacotah Bank
Shawn Smeins, Senior Vice President, General Manager, Rabo AgriFinance

Moderator: Charles S. Morris, Vice President and Economist, Federal Reserve Bank of Kansas City

9:30 A.M. BREAK

10:00 A.M. SESSION 4: POLICY RESPONSES

This session will discuss how domestic or international policies might respond to consolidation in the agricultural sector and the key factors that these policies need to consider.

Speaker: James M. MacDonald, Structure, Technology and Productivity Branch Chief, Economic Research Service, U.S. Department of Agriculture

Discussant: James W. Richardson, Regents Professor of Agricultural Economics and Co-Director of the Agricultural and Food Policy Center, Texas A&M University

Panelists: James E. Rhilinger, Deputy Assistant Director, Mergers II Division, Federal Trade Commission
Kip Tom, Chairman, Tom Farms; Chairman, CereServ Inc.

Moderator: Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Federal Reserve Bank of Kansas City

11:30 A.M. LUNCH AND ECONOMIC OUTLOOK

Speaker: Esther L. George, President and Chief Executive Officer, Federal Reserve Bank of Kansas City

1:30 P.M. ADJOURN

SPEAKERS, DISCUSSANTS AND PANELISTS

MICHAEL BOLAND, PROFESSOR AND DIRECTOR OF THE FOOD INDUSTRY CENTER, UNIVERSITY OF MINNESOTA

Mr. Boland is a professor of agricultural economics and the E. Fred Koller endowed chair in agribusiness management and information technology in the Department of Applied Economics at the University of Minnesota. He also is director of the university's Food Industry Center.

Mr. Boland also is an adjunct professor at the university's Law School and Carlson School of Management. He has worked with agribusinesses and cooperatives in Latin America, China, South Africa, Australia and Europe.

LUKE A. CHANDLER, CHIEF ECONOMIST, DEERE & CO.

Mr. Chandler is chief economist of Deere & Co., a position he has held since May 2017. He joined Deere in 2015 as deputy chief economist. Mr. Chandler leads the company's analysis and interpretation of global trends in economics, commodity markets, business conditions and governmental policies.

Before joining Deere, Mr. Chandler was general manager of food and agribusiness research at Rabobank in Sydney, Australia. He spent 10 years with Rabobank in both Australia and in London as global head of agricultural commodity research. Mr. Chandler is a member of the Farm Foundation Board of Trustees and previously was manager of analysis at the Australian Wheat Board.

JEFFREY H. DORFMAN, PROFESSOR, AGRICULTURAL AND APPLIED ECONOMICS, UNIVERSITY OF GEORGIA

Mr. Dorfman is a professor of agricultural and applied economics at the University of Georgia where he also is director of the Land Use Studies Initiative. His research focuses on applied statistical analysis of economic and regulatory problems and the economics of land use, land preservation, land development and land regulation.

He has been co-editor of both the American Journal of Agricultural Economics and the Journal of Agribusiness and associate editor of the American Journal of Agricultural Economics.

DAMONA DOYE, REGENTS PROFESSOR, RAINBOLT CHAIR OF AGRICULTURAL FINANCE, DEPARTMENT OF AGRICULTURAL ECONOMICS, OKLAHOMA STATE UNIVERSITY

Ms. Doye is a farm management extension economist, Regents professor and Rainbolt Chair of Agricultural Finance at Oklahoma State University. Her research and extension topics include farm information systems, rental rates, land values, cost of production and risk management.

Ms. Doye is co-leader of the OSU Master Cattleman Program and provides leadership for educational programs targeted to women in agriculture. She also is U.S. vice president of the International Farm Management Association and past chair of the Council on Food, Agricultural and Resource Economics.

ALLEN M. FEATHERSTONE, DEPARTMENT HEAD AND PROFESSOR, DEPARTMENT OF AGRICULTURAL ECONOMICS, KANSAS STATE UNIVERSITY

Mr. Featherstone is a professor and head of the Department of Agricultural Economics and director of the Master of Agribusiness program at Kansas State University. Mr. Featherstone has conducted research on and provided assistance to the agricultural finance industry on mergers, loan loss severity, the influence of taxes on farm land and alternative federal tax systems.

Mr. Featherstone was instrumental in developing the Master of Agribusiness distance education program. Launched in 1998, it was the first graduate agribusiness program in the United States to be offered through distance education and allows agribusiness professionals around the world to earn an advanced degree without career interruption.

MICHAEL J. FRANK, SENIOR VICE PRESIDENT AND CHIEF COMMERCIAL OFFICER, MONSANTO CO.

Mr. Frank is senior vice president and chief commercial officer at the Monsanto Co. In 25 years at the company, Mr. Frank has had roles in sales, marketing, supply chain management, crop protection and commercial operations.

In 2008, Mr. Frank was named president of Monsanto China, where he established its current joint seed venture in China. He also led Monsanto's commercial operations in Europe, Africa and Asia and was vice president of its global commercial operations before being named chief commercial officer in 2016.

PAM JOHNSON, IOWA FARMER; FORMER PRESIDENT, NATIONAL CORN GROWERS ASSOCIATION

Ms. Johnson is a farmer growing corn and soybeans in northern Iowa and a former president of the National Corn Growers Association. She currently is first vice president of Maizall, the international maize alliance of the corn grower associations of Argentina and Brazil, the National Corn Growers Association and the U.S. Grains Council.

Ms. Johnson is secretary of the Foundation for Food and Agricultural Research and a past director of the National Coalition for Food and Agriculture Research. In 2012, Ms. Johnson became the first woman president of the National Corn Growers Association.

ROBERT KEIL, SENIOR VICE PRESIDENT AND CHIEF CREDIT OFFICER, DACOTAH BANK

Mr. Keil is senior vice president and chief credit officer for Dacotah Bank, a regional bank holding company with locations in South Dakota, North Dakota and Minnesota. About 40 percent of Dacotah Bank's \$1.9 billion loan portfolio is concentrated in agriculture and agribusiness.

Mr. Keil joined Dacotah Bank in 2010 after working 24 years at US Bank, the last 12 as commercial and agricultural manager in Aberdeen, S.D.

MICHAEL LANGEMEIER, DIRECTOR OF CROPPING SYSTEMS, CENTER FOR COMMERCIAL AGRICULTURE, PURDUE UNIVERSITY

Mr. Langemeier is director of cropping systems at the Center for Commercial Agriculture in the Department of Agricultural Economics at Purdue University. His extension and research interests include crop insurance, cropping systems, benchmarking, financial management, land markets and strategic management.

Prior to arriving at Purdue in 2012, Mr. Langemeier was a professor in the Department of Agricultural Economics at Kansas State University for 22 years.

JAMES M. MACDONALD, STRUCTURE, TECHNOLOGY AND PRODUCTIVITY BRANCH CHIEF, ECONOMIC RESEARCH SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. MacDonald is chief of the Structure, Technology and Productivity Branch at the Economic Research Service of the U.S. Department of Agriculture. He performs and supervises work on the changing structure and organization of U.S. agriculture; the economics of technology choices—such as chemicals, seeds, equipment and animal drugs—on farms; agricultural productivity measurement and analysis; and science policy as it relates to agriculture.

Mr. MacDonald also helps manage USDA's Agricultural Resource Management Survey, a large-scale farm survey covering farm finances, production and production practices and farm household attributes and finances. He is a fellow of the Agricultural and Applied Economics Association.

ANDRE NOGUEIRA, PRESIDENT AND CHIEF EXECUTIVE OFFICER, JBS USA

Mr. Nogueira is president and chief executive officer of JBS USA, the North American and Australian subsidiary of JBS SA of Brazil, a large global food company. JBS USA has a majority interest in Pilgrim's Pride, a large U.S. poultry company. Mr. Nogueira, who started at JBS USA in 2007, became CEO in 2013. Prior to joining JBS, he worked for the Bank of Brazil in corporate banking positions in the United States and Brazil.

Mr. Nogueira is a member of the board of directors for Pilgrim's Pride Corp., Scott Technology Limited and the North American Meat Institute. He also is a member of the institute's Executive Committee and Rabobank's North American Agribusiness Advisory Board.

JAMES E. RHILINGER, DEPUTY ASSISTANT DIRECTOR, MERGERS II DIVISION, FEDERAL TRADE COMMISSION

Mr. Rhilinger is a deputy assistant director of the Mergers II Division in the Federal Trade Commission's (FTC) Bureau of Competition. He oversees investigations into the potential competitive effects of mergers in a wide range of industries. Mergers II has responsibility for merger enforcement involving chemicals, fertilizer, semiconductors, auto parts, entertainment, and computer software and hardware.

Mr. Rhilinger previously was an attorney in the Health Care Division of the FTC's Bureau of Competition, where he focused on conduct in the pharmaceutical industry, including investigations and law enforcement actions. He joined the FTC in 2004, and prior to that practiced antitrust law in the Washington, D.C., office of an international law firm.

JAMES W. RICHARDSON, REGENTS PROFESSOR OF AGRICULTURAL ECONOMICS AND CO-DIRECTOR OF THE AGRICULTURAL AND FOOD POLICY CENTER, TEXAS A&M UNIVERSITY

Mr. Richardson is co-director of the Agricultural and Food Policy Center, a Texas A&M AgriLife senior faculty fellow and Regents professor in the Department of Agricultural Economics at Texas A&M University.

Mr. Richardson's research focuses on farm policy, crop insurance, risk analysis and economic feasibility of new technologies and renewable fuels. His farm-level policy analysis research has been used by Congress to compare the effects of alternative farm program options.

**RICHARD J. SEXTON, PROFESSOR, AGRICULTURAL AND RESOURCE ECONOMICS,
UNIVERSITY OF CALIFORNIA-DAVIS**

Mr. Sexton is a distinguished professor in the Agricultural and Resource Economics Department at the University of California-Davis. His work focuses on the rapidly changing landscape of agricultural markets, with their increased emphasis on multifaceted dimensions of product quality, attempts by sellers at all market stages to differentiate their products, and close vertical coordination within the supply chain.

Mr. Sexton twice has been chair of the Agricultural and Resource Department and is a past president of the Agricultural and Applied Economics Association and a fellow of the association, and a distinguished scholar of the Western Agricultural Economics Association.

JENNIFER SIRANGELO, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL 4-H COUNCIL

Ms. Sirangelo is president and chief executive officer of the National 4-H Council, which she joined in 2006. She became president in 2014. She is leading the Grow True Leaders Campaign, a 4-H brand and alumni activation initiative, in partnership with America's land-grant universities, the Cooperative Extension System and the U.S. Department of Agriculture.

Ms. Sirangelo previously was associated with the Boys & Girls Clubs of America and the Greater Kansas City chapter; the National Kidney Foundation; and William Jewell College, where as an undergraduate, she was recognized as a Harry S. Truman Scholar.

SHAWN SMEINS, SENIOR VICE PRESIDENT AND GENERAL MANAGER, RABO AGRIFINANCE

Mr. Smeins is general manager of the Central Territory for Rabo AgriFinance, a division of Rabobank Group. He oversees customer relationship management teams in 11 states that provide financial services to farmers, ranchers and agribusinesses that produce and further process grain and oilseeds, swine, dairy, poultry and beef cattle.

Mr. Smeins was promoted to his current position in 2016. He joined Ag Services of America in 1993 and was chief operating officer in 2003 when Ag Services was acquired by Rabobank International.

KIP TOM, CHAIRMAN, TOM FARMS; CHAIRMAN, CERESERV INC.

Mr. Tom is chairman of Tom Farms and CereServ Inc. Tom Farms is one of Indiana's largest agriculture and seed corn production businesses. Mr. Tom leads the finance, strategy and production operations for Tom Farms and CereServe in the United States and Argentina.

Mr. Tom is a board member for the Indiana Chamber of Commerce, a trustee of the National 4-H Foundation and a member of the National Future Farmers of America Foundation Board of Directors. He also is on the Dean's Advisory Council at Purdue University.

BOB YOUNG, CHIEF ECONOMIST AND DEPUTY EXECUTIVE DIRECTOR, PUBLIC POLICY, AMERICAN FARM BUREAU

Mr. Young is chief economist and deputy executive director for public policy at the American Farm Bureau. The economics team looks at short-term issues in support of the federation's policy efforts to maintain the longer-term view of factors driving the overall farm sector.

Mr. Young, who specializes in the analysis of global agricultural policy, previously was co-director of the Food and Agricultural Policy Research Institute (FAPRI) and an associate professor in agricultural economics at the University of Missouri. Before joining FAPRI, he was chief economist of the U.S. Senate Committee on Agriculture.

FEDERAL RESERVE BANK OF KANSAS CITY PARTICIPANTS

ESTHER L. GEORGE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, FEDERAL RESERVE BANK OF KANSAS CITY

Ms. George is president and chief executive officer of the Federal Reserve Bank of Kansas City, a position she has had since 2011. She is a member of the Federal Open Market Committee, which sets U.S. monetary policy. She currently leads the Federal Reserve's efforts to modernize the U.S. payments system and hosts the Bank's annual international Economic Policy Symposium in Jackson Hole, Wyo.

Early in her career of more than 30 years at the Bank, she focused on regulatory oversight of banks and financial holding companies. She was directly involved in banking supervision and discount window lending activities during the banking crisis of the 1980s and post-9/11. During the recent financial crisis, she was acting director of the Federal Reserve Board's Division of Banking Supervision and Regulation in Washington, D.C.

JASON P. BROWN, SENIOR ECONOMIST AND REGIONAL EXECUTIVE, FEDERAL RESERVE BANK OF KANSAS CITY

Mr. Brown is a senior economist and regional executive in the Regional Affairs Department of the Federal Reserve Bank of Kansas City. His research focuses on regional economic growth, emerging industries and structural change in regional industry and labor markets.

Prior to joining the Bank in 2013, Mr. Brown was an economist at the U.S. Department of Agriculture's Economic Research Service in Washington, D.C.

NATHAN KAUFFMAN, ASSISTANT VICE PRESIDENT AND BRANCH EXECUTIVE, FEDERAL RESERVE BANK OF KANSAS CITY

Mr. Kauffman is assistant vice president and Omaha Branch executive with the Federal Reserve Bank of Kansas City. He is the Bank's regional economist and representative in Nebraska. He recruits and works closely with the Branch's board of directors and is responsible for briefing the Bank's president—a member of the Federal Open Market Committee—on economic and business activity in the state.

Mr. Kauffman is the Bank's lead expert in agricultural economics. He oversees several Bank and Federal Reserve System efforts to track agricultural and rural economies, including the quarterly publication of the Tenth District Survey of Agricultural Credit Conditions and the Federal Reserve System's Agricultural Finance Databook. He joined the Bank in 2012 and became Omaha Branch executive in 2013.

CHARLES S. MORRIS, VICE PRESIDENT AND ECONOMIST, FEDERAL RESERVE BANK OF KANSAS CITY

Mr. Morris is vice president and economist in the Supervision and Risk Management Division at the Federal Reserve Bank of Kansas City. He has responsibility for the Banking Research and Surveillance and Risk Management functions and supports senior management by preparing analyses, briefings and recommendations on regulatory and policy issues. His research focuses on community banking, new financial technology firms and products (fintech), policy options for improving the stability of financial markets and how regulation affects financial company incentives.

Mr. Morris has been with the Bank since 1983. In 2012, he spent six months at the Federal Deposit Insurance Corp., serving as acting deputy to Vice Chairman Thomas Hoenig, former president of the Federal Reserve Bank of Kansas City.

DIANE M. RALEY, SENIOR VICE PRESIDENT AND CHIEF OF STAFF, FEDERAL RESERVE BANK OF KANSAS CITY

Ms. Raley is senior vice president of the Regional, Public and Community Affairs Division. Ms. Raley, who joined the Bank in 1998, also is chief of staff for Bank President Esther L. George and a member of the Bank's Management Committee.

Ms. Raley oversees the communications and public service initiatives throughout the Tenth District, including the regional economists at the Denver, Oklahoma City and Omaha Branches. She leads the Tenth District's programs in community development and economic education, including the Money Museums, and government and media relations.

NICHOLAS SLY, SENIOR ECONOMIST, FEDERAL RESERVE BANK OF KANSAS CITY

Mr. Sly is a senior economist at the Federal Reserve Bank of Kansas City. His research is focused primarily on international trade and labor markets, and the role of multinational enterprises in the global economy.

Prior to joining the Economic Research Department in 2015, Mr. Sly was an associate professor of economics at the University of Oregon; he also has had visiting appointments at the Paris School of Economics.

CHAD WILKERSON, VICE PRESIDENT AND BRANCH EXECUTIVE, FEDERAL RESERVE BANK OF KANSAS CITY

Mr. Wilkerson is vice president and Oklahoma City Branch executive of the Federal Reserve Bank of Kansas City. He is the Bank's lead officer and regional economist in Oklahoma and is responsible for recruiting and working with the Branch's board of directors. He also briefs the Bank's president—a member of the Federal Open Market Committee—on economic activity in the state.

Mr. Wilkerson's research focuses on trends in the industrial structure and labor markets of the Tenth District. He also supervises several business surveys for the Bank. Mr. Wilkerson joined the Bank in 1998 in the Research Department and was appointed Oklahoma City Branch executive in 2006.

ABOUT THE FEDERAL RESERVE BANK OF KANSAS CITY

The Federal Reserve Bank of Kansas City is one of the 12 regional banks in the Federal Reserve System. We serve the Tenth Federal Reserve District, which includes Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico and western Missouri.

With the heavy concentration of agriculture across the Great Plains, research on agricultural enterprises and rural economic issues has been a long-standing area of expertise for our Bank. Economists publish a wide variety of research and analysis on agricultural and rural issues.

Agriculture and the Economy

All of the Bank's research on the agricultural economy, including ongoing analysis, publications and recent speeches, is published online at www.KansasCityFed.org/research/agriculture. Visit the page for quick access to the following resources and additional insights on agriculture and the economy.

Tenth District Survey of Agricultural Credit Conditions

The Bank's quarterly survey of agricultural bankers provides current indicators of the financial performance of Tenth District agriculture. The accumulated results also help trace longer-term trends. Survey results summarize several indicators of farm financial conditions, including farmland values, interest rates on farm loans, credit supply and demand, and farm income.

Agricultural Finance Databook

The Bank oversees this quarterly compilation of national and regional agricultural finance data. Each release includes national data on term lending to farmers, quarterly Call Report data on national agricultural lending and agricultural bank failures, and data on agricultural land values and credit conditions

from quarterly Federal Reserve Bank surveys. A summary publication accompanies the data.

Economic Review

The *Economic Review* is a quarterly research publication with articles written by Bank staff on issues of relevance to the Federal Reserve. Areas of focus include macroeconomics and monetary policy, agricultural and rural economic issues, regional and international economics, banking, financial markets and payments systems.

TEN Magazine

This quarterly magazine for business and banking leaders highlights the Bank's research, events and programs, and frequently focuses on agricultural and rural issues.

The Bank's agricultural and rural research is based out of our branch office in Omaha, Neb. For speaking inquiries, please visit <http://kansascityfed.org/research/speeches/speakerrequestform.cfm>. To receive notification of new research and publications on agricultural and rural issues, please sign up for email updates at www.KansasCityFed.org



Complete details, presentations and papers from this conference are available at the Federal Reserve Bank of Kansas City's website at www.KansasCityFed.org