

Foreword

In recent years, there has been an increasing intensity in consolidation among businesses connected to the agricultural sector. Faced with persistently low agricultural commodity prices and reduced profit margins, some businesses have explored structural changes as a means of strengthening profitability and creating opportunities for long-term growth.

Although consolidation has a long history in this sector, the current activity may be fundamentally changing the agricultural landscape in ways that have important implications for businesses, consumers, and communities. While the potential benefits of consolidation are well known, including the ability to exploit economies of scale, increase productivity, and foster new innovation, the risks may not be as readily apparent or well understood. Given the nature of these businesses and their important role in our regional, national, and global economy, it is increasingly important for policymakers to understand these issues and their potential implications for the future.

The Federal Reserve Bank of Kansas City hosted a symposium exploring the economic drivers, merits, and drawbacks of consolidation in agriculture, “Agricultural Consolidation: Causes and the Path Forward,” on June 15 and 16, 2017. The articles in this volume are from that event, and it is my sincere hope that they will contribute to an ongoing dialogue on this issue and assist those who are responsible for making important business and policy decisions.



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