



2014 Agricultural Symposium: Structural Transitions in Global Agriculture

January 15, 2021

The 2014 Agricultural Symposium explored how global agricultural economies, institutions, and industries might realign alongside sharp changes in agricultural commodity prices and lower farm incomes, following multiple years of exceptional farm sector profitability.

Periods of economic prosperity or hardship often give rise to structural changes and industry realignments. Agriculture has experienced a multi-year boom as elevated crop prices have underpinned near-record income and surging investment the last several years. The extraordinary profitability has transformed the global crop sector and farm economy, from the expansion of agribusinesses to the consolidation of farming operations and strategies of agricultural finance institutions. Soaring crop prices and severe drought, however, have squeezed profit margins for livestock producers, leading to industry contraction in some regions.

Yet, history has shown that booms eventually fade and busts ultimately come to an end. Following a strong rebound in global crop production in 2013, sharply lower crop prices highlight the possibility of tighter profit margins in crop production, despite a brightening near-term livestock outlook.

The 2014 Agricultural Symposium explored how global agricultural economies, institutions, and industries might realign alongside sharp changes in agricultural commodity prices and lower farm incomes, following multiple years of exceptional farm sector profitability.

Keynote Address: International Perspectives on Farm Income Drivers

The keynote speaker discussed the historical balance between market-based incentives and policy-based incentives and whether recent negotiations and national policies will alter this balance going forward.

Speaker:

Jean-Philippe Gervais, Chief Agricultural Economist, Farm Credit Canada | [Paper](#)

Session 1: The Agribusiness Response

This session discussed how agribusinesses might respond to recent dramatic shifts in agricultural commodity prices and where future areas of growth are likely to be found. The speaker described global trends and industry initiatives that are likely to emerge in the business of farming, input supply, distribution, and marketing alongside an evolving agricultural sector. A panel of industry leaders then discussed their outlook for future growth in response to sharp changes in agricultural commodity prices.

Speaker:

Mary Shelman, Director, Agribusiness Program, Harvard Business School | [Paper](#)

Industry Panel:

Chuck Studer, Director of Industry Relations, Deere & Company

Carl Casale, President and Chief Executive Officer, CHS Inc.

Todd Becker, President, Chief Executive Officer and Director, Green Plains Inc.

Session 2: A Livestock Sector Crossroads

This session explored the global fundamentals driving the potential for a rebound in the profitability of livestock production. The speaker discussed how global supply and demand factors have shaped the industry and shifted livestock inventories among key production regions. A panel of industry experts then described structural challenges the livestock sector has faced in recent years and how this structure may affect future profitability.

Speaker:

Derrell Peel, Professor, Oklahoma State University | [Paper](#)

Industry Panel:

Joe Swedberg, Vice President of Legislative Affairs, Hormel Foods

Dhamu Thamodaran, Executive Vice President and Chief Commodity Hedging Officer, Smithfield Foods

Dinner Keynote

Speaker:

Esther George, President and Chief Executive Officer, Federal Reserve Bank of Kansas City

Session 3: Risks to the Rural Landscape

This session examined whether a downturn in agricultural profitability might accelerate the decline of rural communities. The first speaker discussed the prospects for rural economic growth and agriculture's link to Main Street business activity. The second speaker described the outlook for the next generation of farm operators, implications of agriculture's demographic transition and farm consolidation on rural communities, and challenges rural communities must overcome to avoid further decline.

Speakers:

Mark Partridge, Professor, Ohio State University | [Paper](#)

Don Macke, Director of Entrepreneurial Communities, Center for Rural Entrepreneurship | [Paper](#)

Session 4: The Horizon for Agricultural Finance

This session explored how a downturn in the agricultural sector might affect agricultural financial activity. Both large and small institutions with financial interests in agricultural production have recognized agriculture as a recent bright spot in the global economy, and have been competing for high-quality agricultural loans and commodity market exposure. In this session, speakers shared their views about what a downturn might mean for commodity investment, agricultural finance, and lending practices in the future.

Industry Panel:

Max Wake, President, Jones National Bank and Trust Company

Elizabeth Hund, Senior Vice President and Division Manager, U.S. Bank Food Industries

Doug Stark, President and Chief Executive Officer, Farm Credit Services of America

Brian Newcomer, Executive Vice President of Business Development, Rabo AgriFinance

Symposium Rapporteur

A symposium rapporteur summarized the highlights of the symposium and discuss how global agricultural economies, institutions, and industries might realign alongside sharp changes in agricultural commodity prices and lower farm incomes, following multiple years of exceptional farm sector profitability.

Speaker:

Chad Hart, Associate Professor of Economics, Iowa State University | [Paper](#)

Media



STRUCTURAL *TRANSITIONS* IN GLOBAL AGRICULTURE

JULY 15-16, 2014
FEDERAL RESERVE BANK
OF KANSAS CITY