Agriculture and Global Finance

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Ready or not ... Your world is changing

- Where will the growth be?
  - US is the “best” market
  - ROW is the market that “matters”

- How will the change impact you?
  - International trade isn’t just for the “big boys” anymore
  - They have new problems to solve
  - Commodities “embed” many elements
Forecasts? What are they worth?

USDA GDP Projections

Source: USDA ERS, Wells Fargo Ag Industries
Climbing up Maslow’s hierarchy

USDA Population Projections

Source: USDA ERS, Wells Fargo Ag Industries
Will you bet against it?

Global GDP: Undeniable Volatility

Source: USDA, Wells Fargo Ag Industries
Financing US agribusiness overseas

- **Transactional**
  - Letters of credit
  - Size of the firms involved
    - Specialty crops
    - Logistics

- **Structural**
  - Asset valuation and structure
  - Foreign currency risks
  - Management capacity
Foreign firms in your market

- Foreign firms buying US assets
- Foreign banks specializing in agriculture
  - Why are they here?
  - Are they really different?
  - Do they change the market?
- What’s being imported along with the commodity?
  - Cost of capital
  - Environmental standards
  - Governmental goals
When the environment changes, it’s the adaptable that thrive not the well adapted.