

Louisiana Agricultural Consultants Association

Ø TECHNOLOGY AND MANAGEMENT
CONFERENCE

FEBRUARY 13, 2013

The bottom right corner of the slide features a decorative graphic of several concentric, light blue circles that resemble ripples on water, set against the dark blue background.







Jack and Jack Strain



Commodity Prices

- Ø Corn- \$ 7.01
- Ø Wheat- \$ 7.41
- Ø Beans- \$ 14.33
- Ø Cotton- \$.83
- Ø Sugar- \$.18 Brn
- Ø Rice- \$ 15.84
- Ø Ethanol, Oil, Gas?



Economic Value of Louisiana Agriculture

∅ Valued at more than \$11 billion, agriculture and forestry combined make up one of Louisiana's largest and economically dependent industries



Things are improving....

- ∅ Louisiana agriculture and forestry experienced an increase of over 7% from the year before, with a two yr gain of 27%.
- ∅ Three year gains over 30%
- ∅ These gains were led by feed grains, sugar, wheat and soybeans.
- ∅ 2004-2012 Farm equity has risen 32%.

PANAMAX



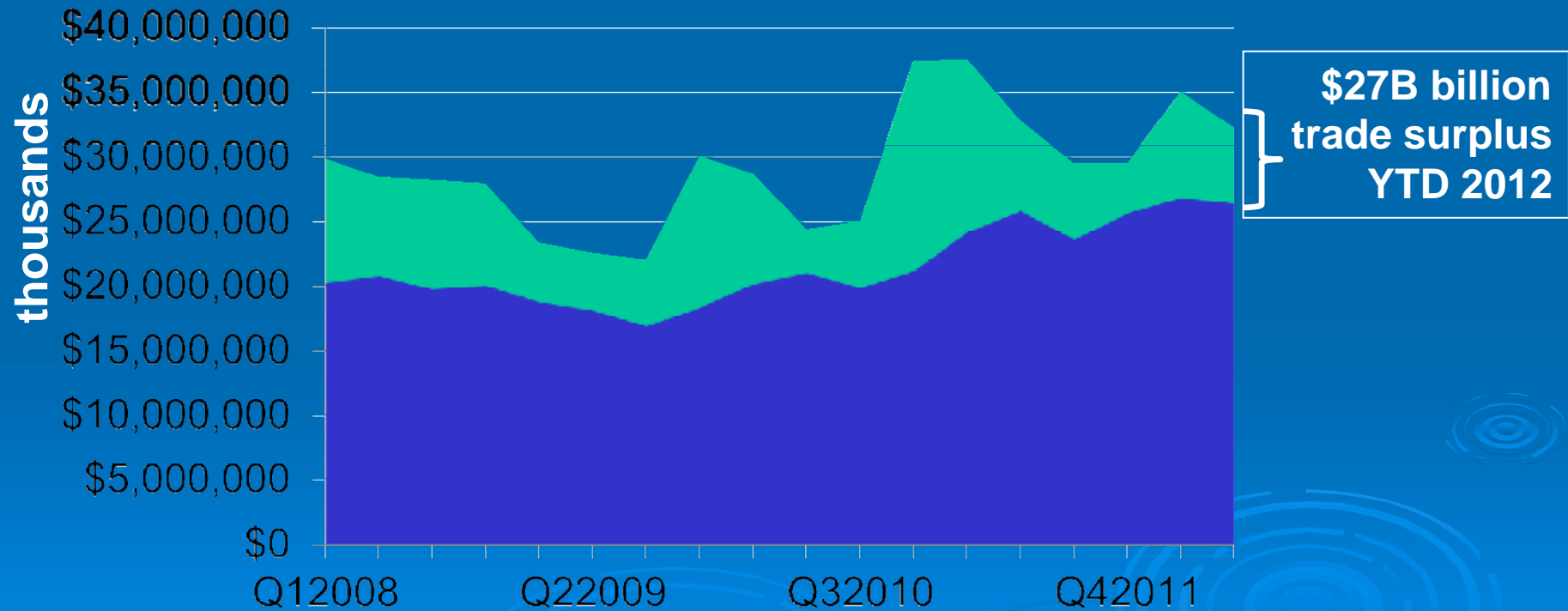
U.S. Meat Industry at a Glance 2012

- ∅ The United States meat and poultry industry is the largest segment of U.S. agriculture.
- ∅ Solid gains in dairy, poultry, and variety meats.
- ∅ Over 200 million dollars increased
- ∅ Beef purchases from Australia,
- ∅ New Zealand, Canada, Mexico
- ∅ Over \$ 100 billion dollars...total value.
- ∅ Exports: \$ 29.6B, up \$ 400M



Total U.S. Exports of Food and Agriculture \$134.5 B 2012

Exports Imports

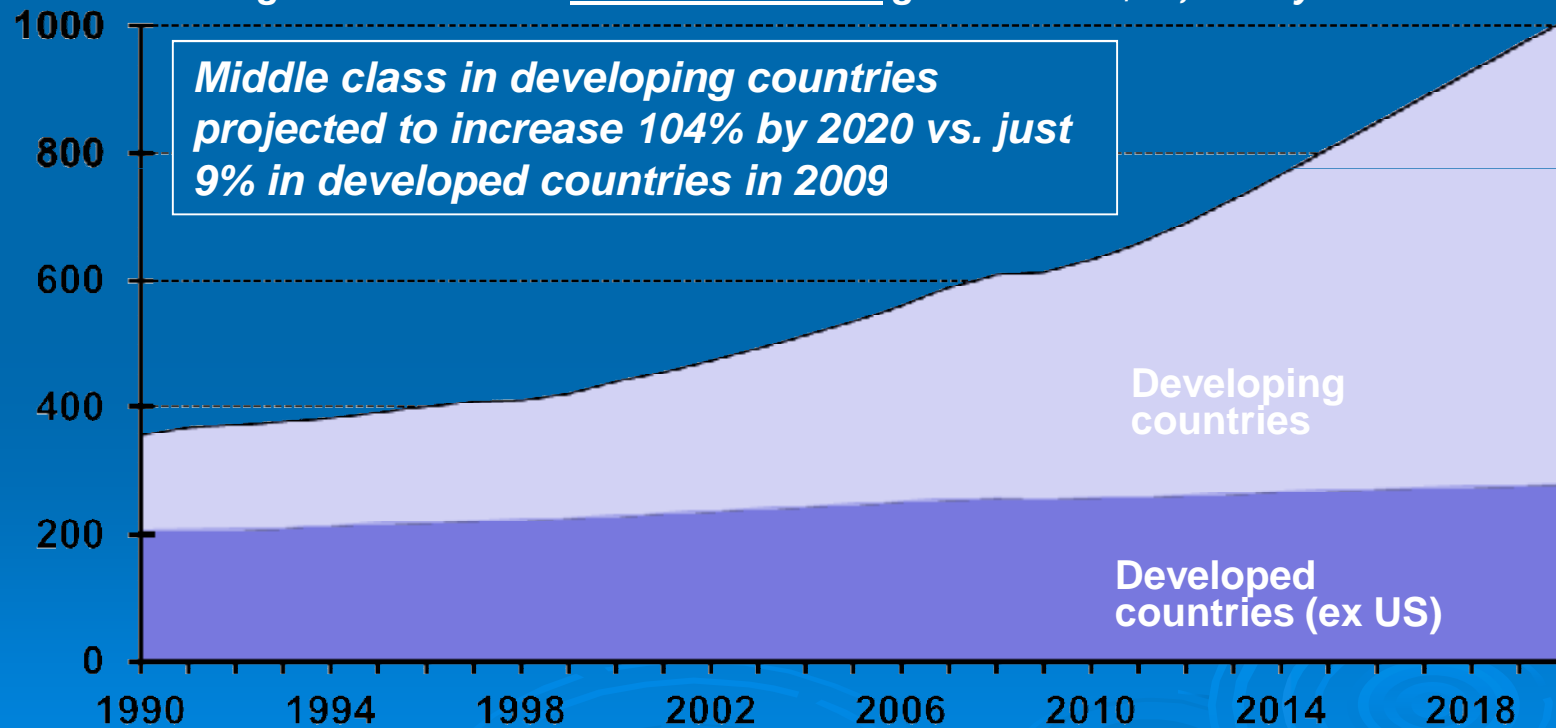


Source: USDA/FAS

“Middle Class” Outside the U.S. Expected to Double by 2020 – To 1 Billion Households

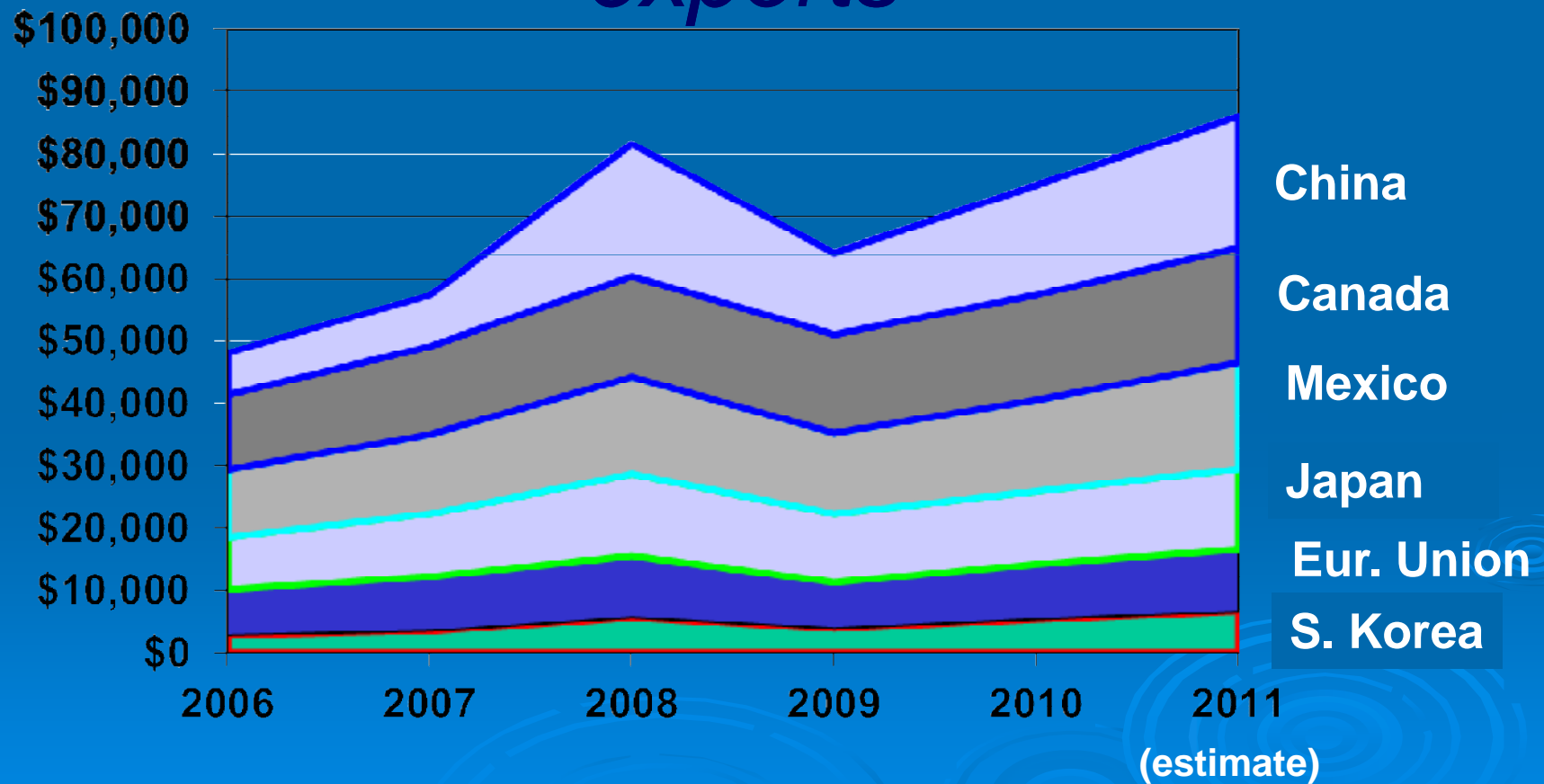
Worldwide food consumption will be impacted

Foreign households w/real PPP incomes greater than \$20,000 a year

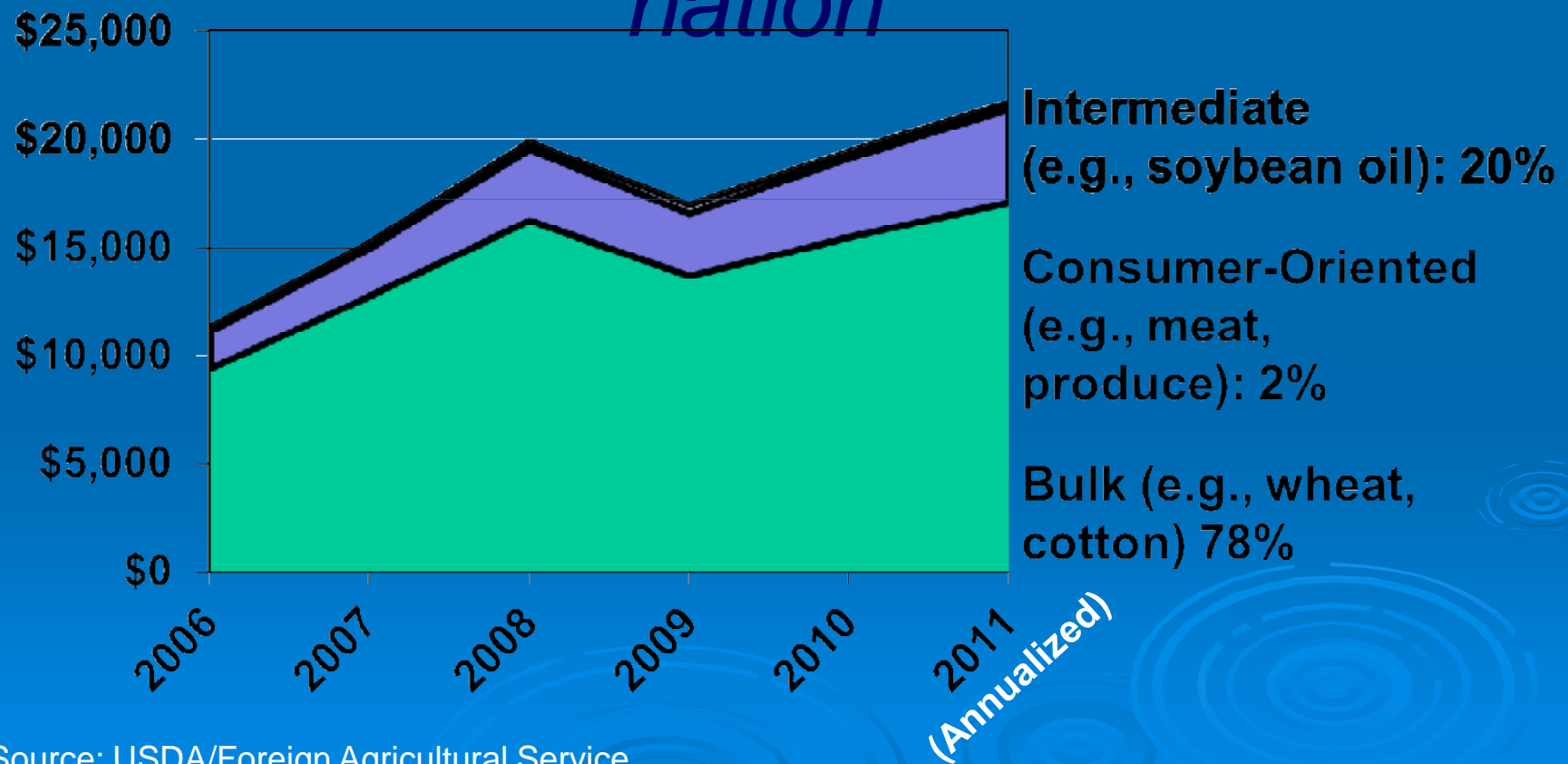


Source: Global Insight's Global Consumer Markets data as analyzed by OGA

Top markets for U.S. agriculture exports



More agricultural products exported from Louisiana than any other state in the nation



Source: USDA/Foreign Agricultural Service

Major Issues

- ∅ FARM BILL > FARM BILL > FARM BILL
- ∅ DROUGHT
- ∅ Opposition to Monocultures
- ∅ Opposition to CAFOs
- ∅ Opposition to GMOs
- ∅ EPA enforcement of CWA
- ∅ Guest worker H2A/B vs Immigration Reform

A combine harvester is shown in a golden field at sunset. The harvester is in the middle ground, moving from left to right. The field is filled with tall, golden stalks of grain. The sky is a warm, golden color, and the overall scene is bathed in the light of the setting sun.

1 in 3 Acres are Exported
5% of World's Population
.075% of World's Farmers

- Ø 40-50% of world supply of Corn produced in the United States
- Ø 33% of world supply of Soybeans
- Ø 15% of world supply of Meats
- Ø 13% of world supply of Milk
- Ø 9% of world supply of Wheat

Global market trends and forecasts



- ***2012: U.S. exports remain at record \$134.5 billion***
 - Weak dollar and low interest rates bolstering competitiveness of U.S. ag exports
- ***Long term: World population is projected to increase 32% to 9.1 billion by 2050***
 - Rising incomes in China, India = Increased consumption of protein and vegetable oil, multiplying demand for grains and oilseeds
 - No improvements in global yields or arable land

Global Projections

- ∅ Professor John Beddington, UK Chief Scientist : Demand for food and energy will rise 50% by 2030 and fresh water by 30% as population tops 8.3B.
- ∅ United Nations Environmental Programme predicts widespread water shortages across Africa, Europe and Asia by 2025.
- ∅ Currently, 30-40% of all crops are lost due to pest and disease before they are harvested.

Global market trends and forecasts

- *2013 Net Farm Income forecast at \$ 128.2 B*
- *Total value of U.S. ag exports up 50% since 2009*
- *Total farm equity up 32% since 2004*
- *Long term: World population is projected to increase 32% to 9.1 billion by 2050*
- *Only 17% More Arable land left worldwide*
- *Only 30% More Fresh Water left worldwide*
- *Unknown volatile effects of climate change and competition for energy / biofuels*

Global Directives

- ∅ Develop more pest and disease resistant varieties.
- ∅ Develop more salt and drought tolerant varieties.
- ∅ Develop and implement advanced practices and technologies to decrease food loss and waste.
- ∅ Increase total factor productivity by 25%.
- ∅ Increase available food by 25% in 8 yrs.

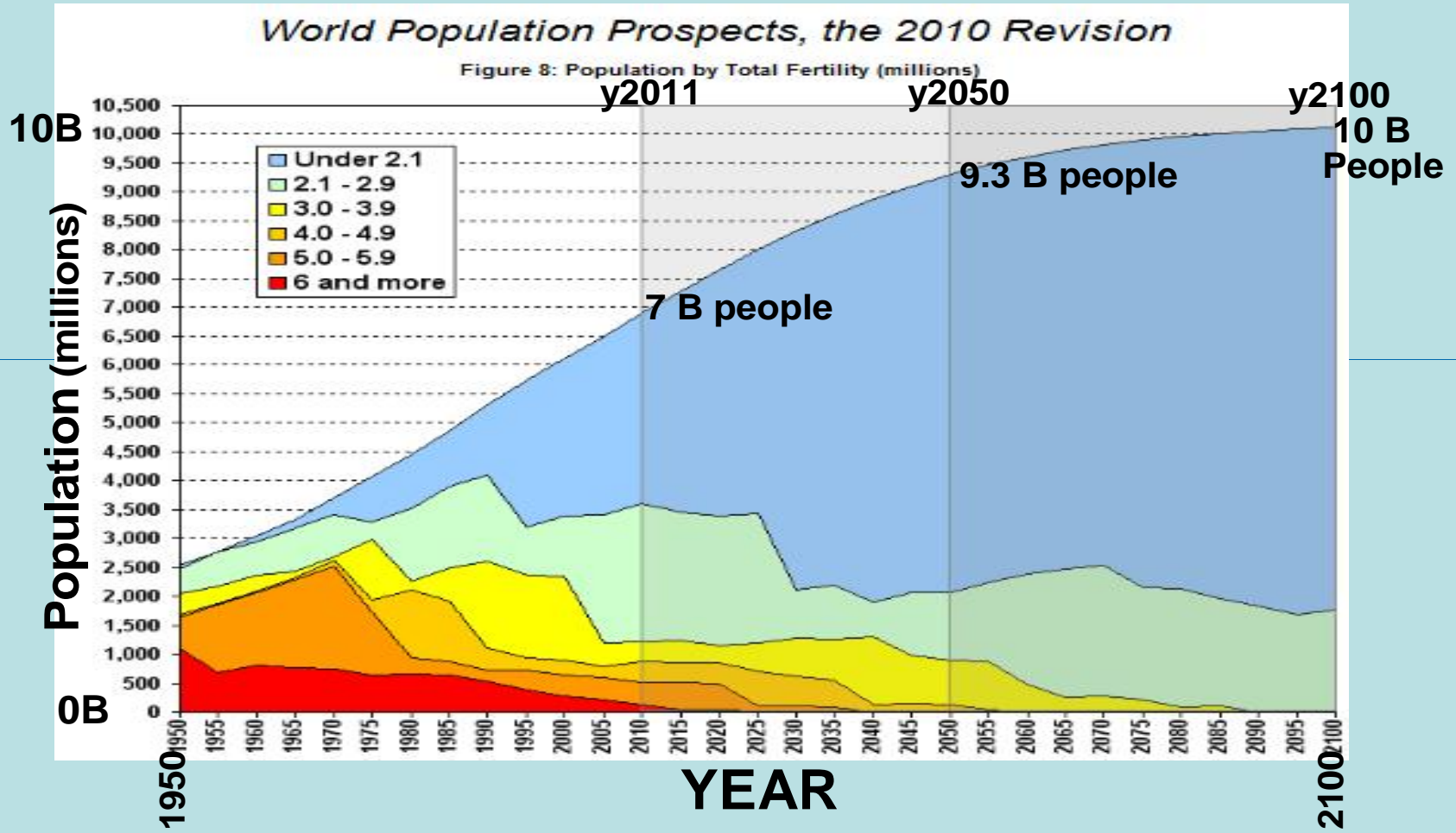


National Institute of Food and Agriculture
www.nifa.usda.gov

United Nations Dept of Economic & Social Affairs

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http://esa.un.org/wpp/Analytical-Figures/htm/fig_8.htm

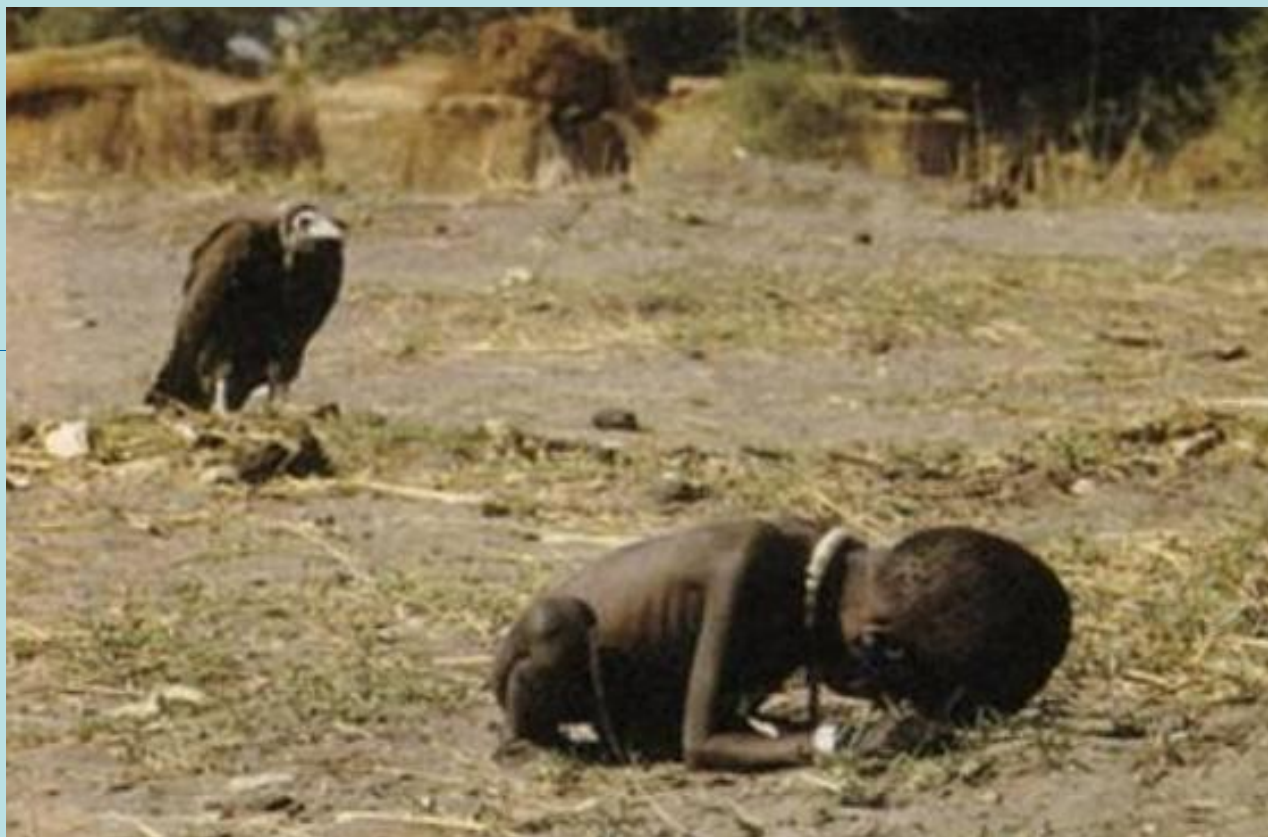




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That's the future, but this is the *present*.... for too many.



Over 1 billion people suffered from malnourishment in 2012



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About WWII Winston Churchill famously remarked:

“Never in the field of human conflict was so much owed by so many to so few.”

lf in the next 35 years a global system of sustainable agricultural, led by the US, is able to increase production of affordable and accessible food by 30% In the face of dwindling arable land and fresh water, climate change, and biofuel production competition for limited natural and financial resources, then...

“Never in the annals of humanitarian achievement will so much be owed by so many to so few.”



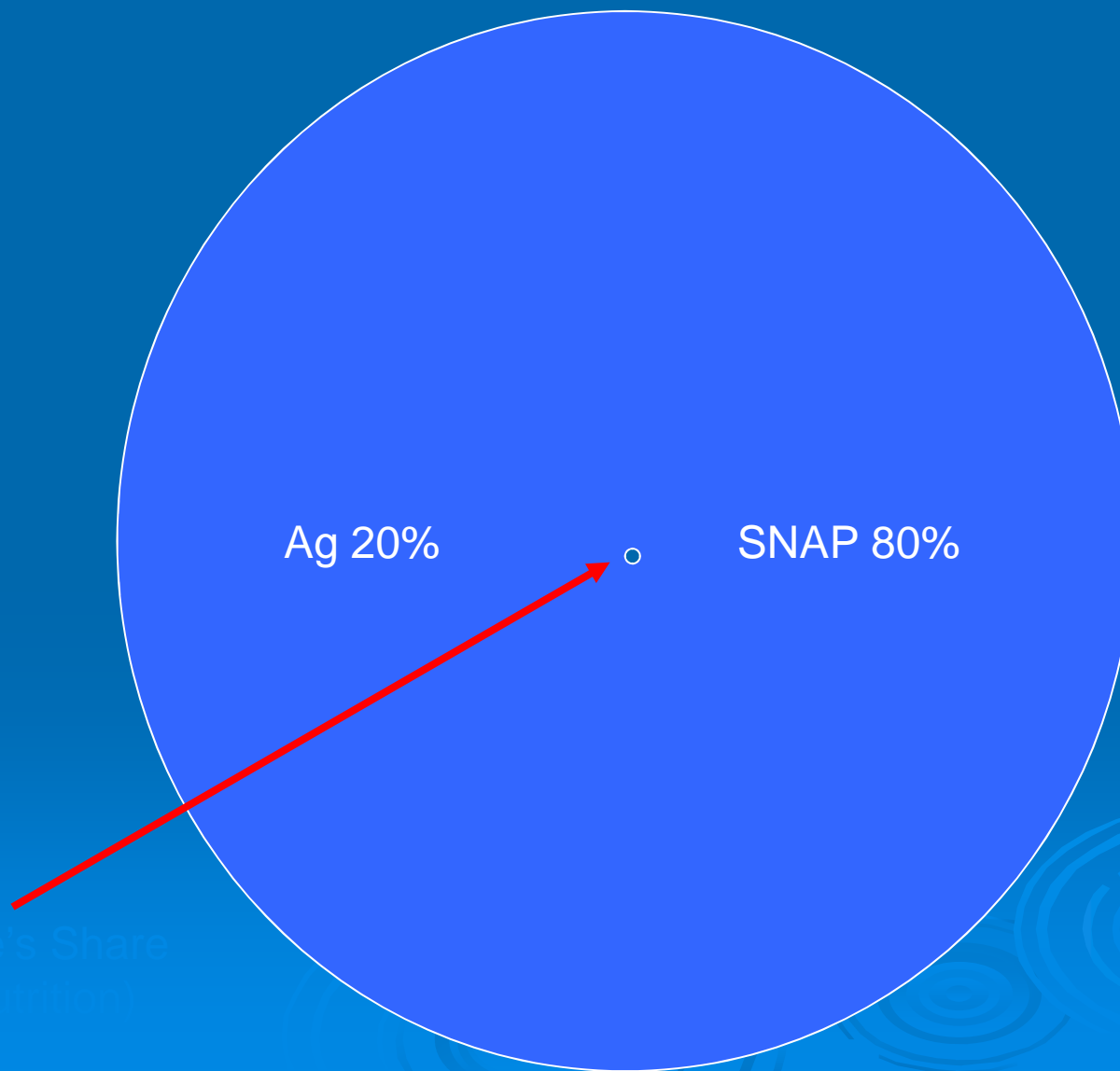
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The need to prevent plow-shares from turning back into swords over the next 20-50 years has never been greater.

Success, despite imposing barriers, will require expeditious onset of a period of unprecedented and transformative advancement in theoretical and applied agricultural science and medicine

Agriculture's Share of the U.S. Budget



Agriculture's Share

QUESTIONS



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