

What Iowa Farmers are telling us about the *Future*

Presentation to **TOP PRODUCERS**

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Why is it that many farmers
consistently support PROGRESS—
yet, consistently oppose CHANGE?

- Adoption of new hybrids
- New Equipment
- Improved livestock genetics, etc,

Social and economic changes are never neutral in their impact. These changes produce gains for some and losses for others.

“The problem is the future is not what it used to be”

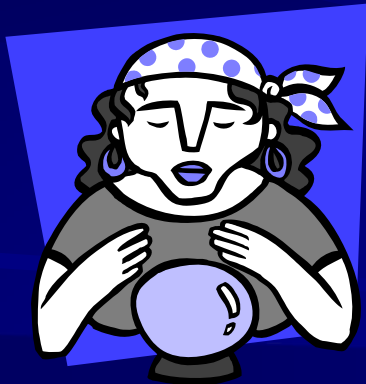
Lenders



Lawyers



Oil Producing Countries



Farm managers



Ethanol Companies



Farmers

1. Re-assertion of Cultural Values and Beliefs

- Agriculture vs. Agri Culture
 - The human dimension—Attitudes, Values, Opinions, etc
- Business ethics
- Food safety and quality
- Environmental quality
- Animal welfare

2. Economic Restructuring

- Integrated food systems
- Increased contracting
- Globalization and international competition
- Franchises and chains
- Vertical integration

3. Population Shifts and Dynamics

- World population continues to grow
- US population growth strong
- Midwest population much slower
- More rural nonfarm residents than farm residents—changing culture of rural—no longer synonymous with agriculture

4. Population growth reflects opportunities

- Opportunities for employment
- Homeownership
- Ability to get ahead, to achieve the American dream
- Increased mobility, especially among the better educated and younger
- Desirability of rural living

5. Occupational changes

- Nation of employees rather than a nation of self-employed
- Education and skills for post-industrial workforce
- Dual career families, increased number of women working outside of the home
- Hectic lifestyles of typical two-wage earner family

6. Personal safety is becoming more important

- Terrorism
- Agro-terrorism
- Security systems
- Identity theft
- Safe communities, place to raise children

How might these trends affect your business?

- Adapting your business for areas of new growth
- Taking on new tasks or roles, new crops, new products, new services
- Where growth is a potential verses where there is market saturation, and perhaps reductions are needed
- The need to identify emerging opportunities and how to position your business

What producers told us about trends in the food system (*Iowa Farm and Rural Life Poll*)

- 89% Food safety will become more important
- 73% Consumers will become more concerned about origins and safety
- 70% new opportunities will emerge for farmers

What Iowa Farmers Told Us

(2002 Farm Poll, n=1942)

- At one time a person's word was as good as a signed contract; now you must get it in writing.
 - 93% somewhat or strongly agreed
- In general, ethical standards in society have declined.
 - 87% agreed

What Iowa farmers told us

- I used to take a person's word as measure of his/her honor, but now-a-days you can't always simply accept what a person tells you.
 - 85% agreed.
- One reason ethical standards have declined is that people have lost respect for authority.
 - 70% agreed
- Often people admit they are not being ethical in paying the full amount of their taxes.
 - 49% agreed.

What Iowa farmers told us

- Even among friends and neighbors, I am concerned that they no longer feel obliged to honor their word.
 - 37% agreed
- Farmers' ethical standards have declined.
 - 57% agreed

Reported declines in ethics in past 10 years

Percent

- Elected state officials.....72
- Local elected officials....70
- Youth & young adults....68
- Farmers.....45
- Lenders.....41
- Local Agribusiness.....37
- Local Merchants.....36
- Neighbors.....31
- Clergy24

Erosion in Ethics=Distrustful Culture

- Where people no longer trust each other
- Where extreme individualism is primary
- Where people no longer know each other or care about what others think about them
- With diminished respect, trust and cooperation, there are calls for regulations to monitor behaviors

Some guides to determine if an action or decision is ethical

1. The Golden Rule, “you act in a way that you would expect others to act toward you”
2. The Professional Ethic, “You take only those actions that would be viewed as proper by an objective panel of your professional peers”

3. Ask yourself, “What if everyone behaved this way, would it still be OK?”
4. Child on Your Shoulder, “Would you proudly make the same decision if your young child were witnessing your choice?”

Farming in the 21st Century

- Quality, quality, quality
- Traceability
- Country of origin labels (COOL)
- Connections between producers and consumers
- Environmental benign

New expectations for agriculture

- Agriculture will be expected to increase output while minimizing impacts on the environment
- Protect human and animal health
- With lowered or no safety net
- With increased global competitiveness

In addition to the new demands from consumers..

Agriculture will be expected to be a source of:

- **FOOD**
- **FEED**
- **FUEL**
- **FIBER**
- **INDUSTRIAL COMPOUNDS**

Business Success is Dependent upon:

- Understanding the large scale social and economic forces
- Positioning oneself to take advantage of the opportunities that lie ahead
- Learning to read the market
- Willingness and ability to change

A major challenge of the future

- Ability and willingness to change to new opportunities
- Accepting change is not easy
- Thus many often ignore market signals and miss opportunities
- Hard work is not sufficient--failure to respond to market signals

Being a Professional Farmer means:

You have been recognized as an outstanding farmer

- Good production records
- Leadership
- Community involvement
- Role model for others
- Personal and business ethics

Three Rules of Thumb about being a Successful Producer who is also a Change Agent

1. **Respect Your Neighbors**
2. **Support the Local Community**
3. **Demonstrate Environmental Stewardship**

THANK YOU