



Credit Risks in Large Agribusinesses

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USDA Agricultural Outlook Forum
Outlook for Agricultural Risk Mitigation
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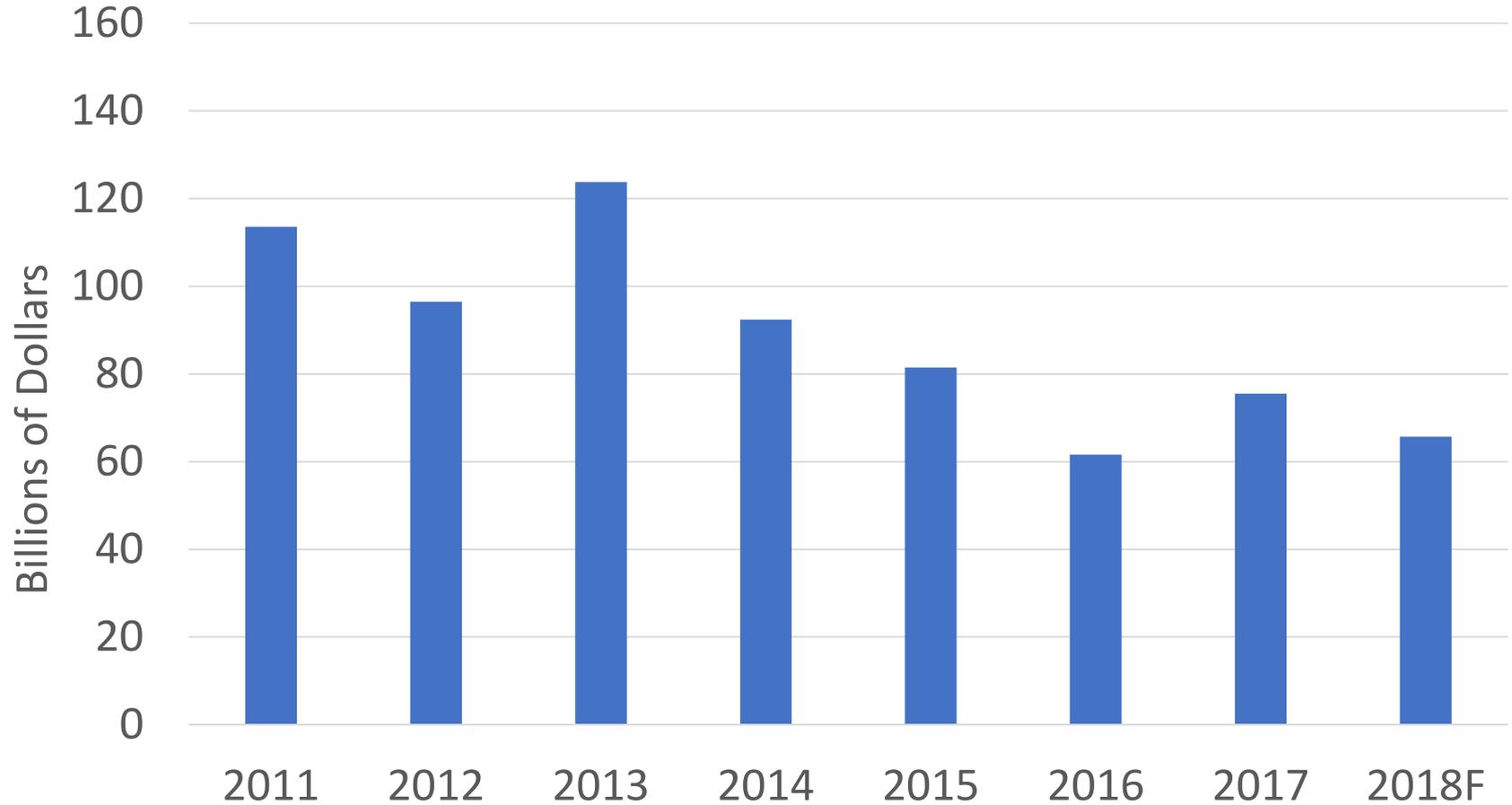
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IOWA FARM BUREAU

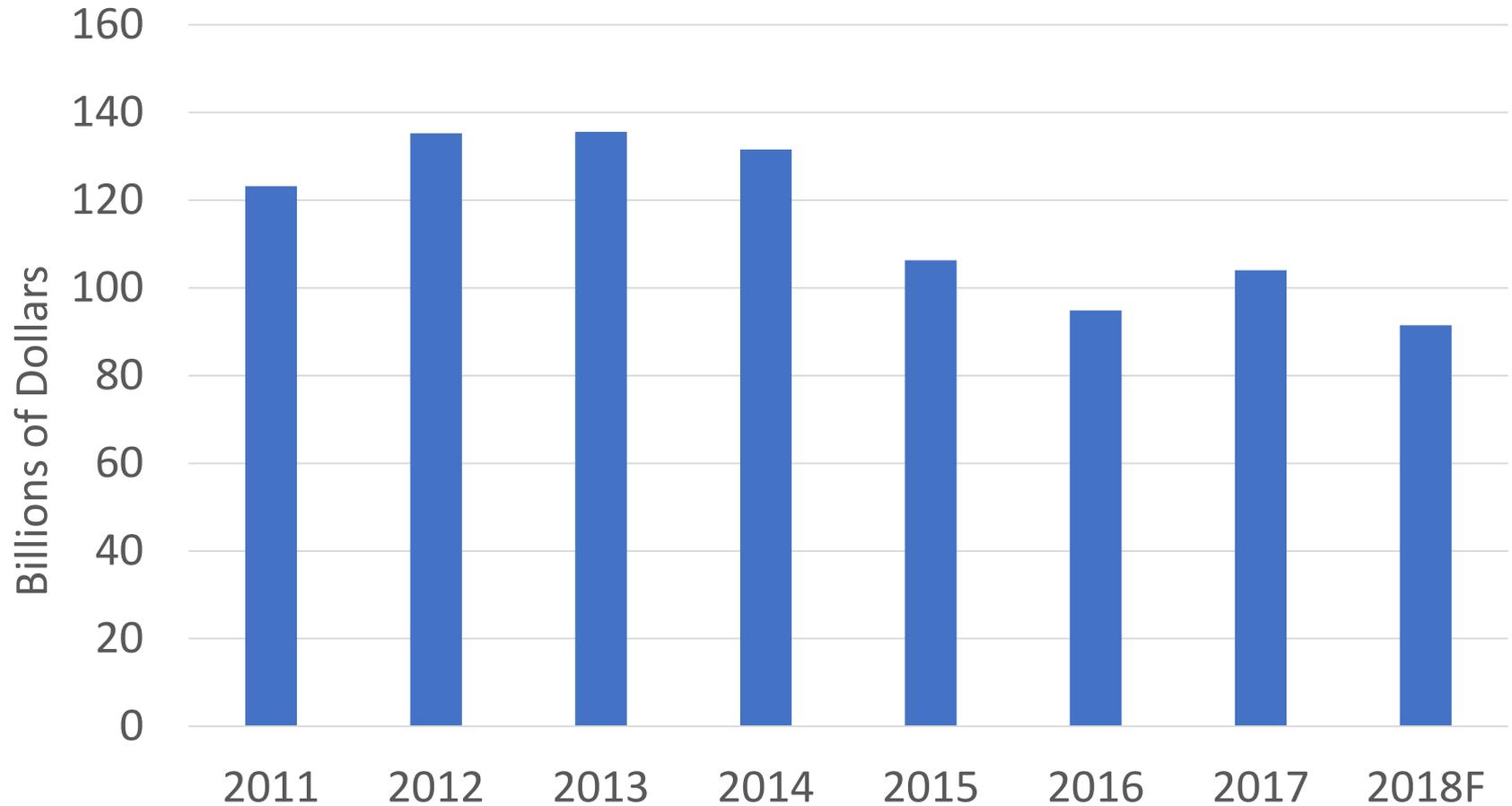
Plenty of Risk to Go Around

- Risk Exists in
 - Multiple Forms
 - For All Entities
 - In All Directions
- Risk Management Requires Understanding
 - Type of Risk
 - Acceptable Risk
 - Value of Risk
 - Available Alternatives (and their consequences)

U.S. Net Farm Income



U.S. Net Cash Farm Income



Challenging the Status Quo

- Changing Size and Number of Farms
- Challenges in Service
 - Market Size
 - Market Segmentation
 - Market Share
- Consolidation of Agribusinesses
- Concentration within Ag Lending

Tightening Credit

- Financial Institutions Challenged
 - Past and Pending Legislation/Regulation
 - Policies
 - Reporting
 - Requirements - ALLL
 - Thresholds
 - Triggers
 - The Times
 - Restrictions
 - Point of Service
 - Prospects and Partners

Impact of Patrons

- Significant Market Share
- Overwhelming Manageable Scale
 - Global Juggernauts
 - Diverse Partners (Syndication)
- Risk to Lender
- Risk of Sourcing Ag Lender
- Community/Regional Impact
 - Outflow of Credit Impact
 - Disruption of Economic Multiplier Effect

Changes and Chances

- Cash Flow Management
- Cost Control
- Credit Management
- Reduce
- Reuse
- Recycle



Growth in Sophistication

- Complexity of Service
- Needs for Flexibility
- Technology Frontier
- Managing Market Access and Capability
- Information Exchange



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createGenesisBlock(){
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