



**Michigan
Agri-Business
Association**

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Ag leaders focus on opportunity, market challenges as annual outlook meeting kicks off

Even during downturn in ag economy, new technology and unique consumer demands provide opportunity

MACKINAC ISLAND – The **Michigan Agri-Business Association (MABA)** this weekend hosted its seventh annual Fall Outlook Conference, bringing together more than 250 agricultural industry leaders and policymakers to review trends and forecasts affecting Michigan agriculture.

“While we’re seeing many industry changes and working through a challenging time in agriculture, there’s still plenty of opportunity out there – especially for a unique state like Michigan,” said **Jim Byrum**, president of **MABA**. “The past two years have brought new issues to bear in virtually every sector of the agricultural economy, driven by weaker commodity prices, making it more important than ever to examine industry trends and focus on where we can seize new opportunity.”

Tom Warner, president of North American retail for **Crop Production Services** highlighted current projections that show very strong corn and soybean yields across most of the nation, pumping additional grain into a market that already has strong stocks from last year’s near-record harvest.

He noted that more than 147 million acres across 13 major crops have been added globally in the last 12 years alone – fueling increased market volatility for many. However, he said, commodity prices aren’t the only determining factor of profitability.

Even during periods of strong prices, some will have trouble being profitable – and in today’s agricultural economy, there are those still not able to create a positive margin.

Warner also noted continuing industry consolidation that encompasses farmers, agronomy retail companies, product manufactures and virtually all those on the supply chain. Smaller farms continue to exit the market, while larger operations have increased in number. For example, the number of 5000+ acre farms across Indiana, Illinois, Minnesota and Iowa more than tripled in recent years. Technology will continue to play a larger and larger role as well, giving those who embrace new practices an advantage.

The kickoff meeting also included remarks on agricultural genetics and technology from **Neil Bentley**, director of marketing at **BASF**, who discussed the frustrations associated with bringing new crop chemistry to market. Every new crop protection product, he said, means about 11.8 years of work, \$300 million in investment and tens of thousands of chemistry combinations tested to yield an effective product for farmers.

As development and approval becomes more complex, **Bentley** again focused on technology. He highlighted the need to add value and integrate new technology with farming operations, and focus on products that help farmers continue embracing new technologies across all aspects of what they do.

And as farmers and agribusinesses navigate market uncertainty and ongoing industry consolidation, consumers are asking new questions about where their food comes from, adding a new dimension to industry change, said **Steve Peterson**, a former **General Mills** executive and founder of **SLP, LLC**.

“We heard this morning that while we’re not in the same situation as we were five years ago, it’s not all doom and gloom in agriculture – we’re seeing unique opportunities for those who are embracing the latest technology and leading on sustainable production to respond to consumer demand,” said **Byrum**. “It’s a tougher landscape, but there are still pathways to growth.”

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