



# Agriculture – A Few Feed the World

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# Cooperative Resources International

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DOW JONES

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\*\*\*\* \$3.00

Market Gains

DIA 17613.60 ▼ 27.26 0.2% NASDAQ 4661.50 ▼ 0.1% NIKKEI 17087.71 ▼ 0.6% STOXX600 344.77 ▲ 1.6% 10-YR. TREAS. ▲ 6/32, yield 1.890% OIL \$45.89 ▼ \$0.18 GOLD \$1,234.30 ▲ \$1.60 EURO \$1.1775 YEN 117.93

*A Breeder Apart: The Bull Who Sired 500,000 Is Gone*

\* \* \*

Fans Commemorate 'Toystory,' a Dairy Legend With a Ravenous Libido

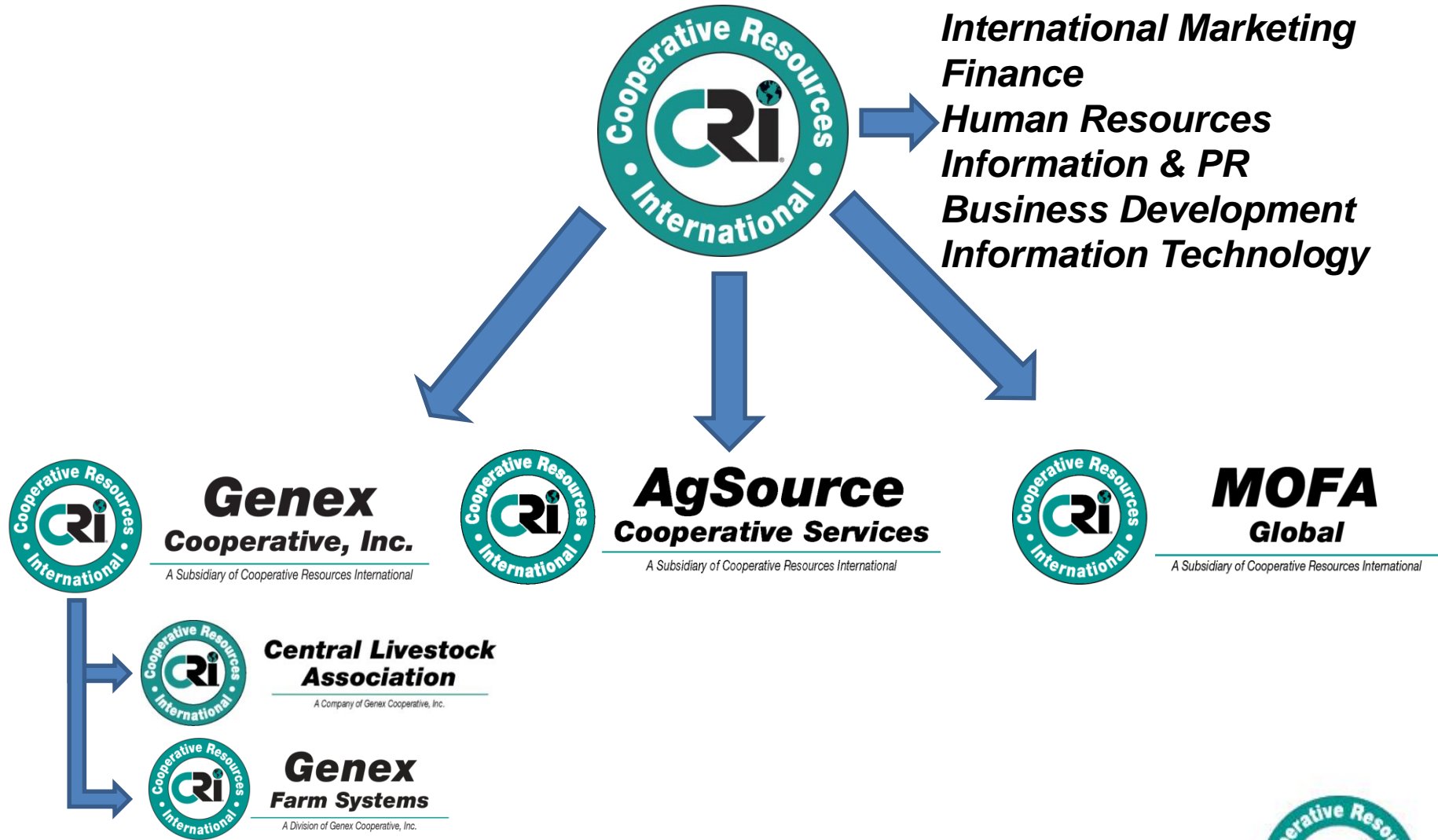


Genex

**Toystory, who set a record for semen production, weighed 2,700 pounds.**



# Size and Scope

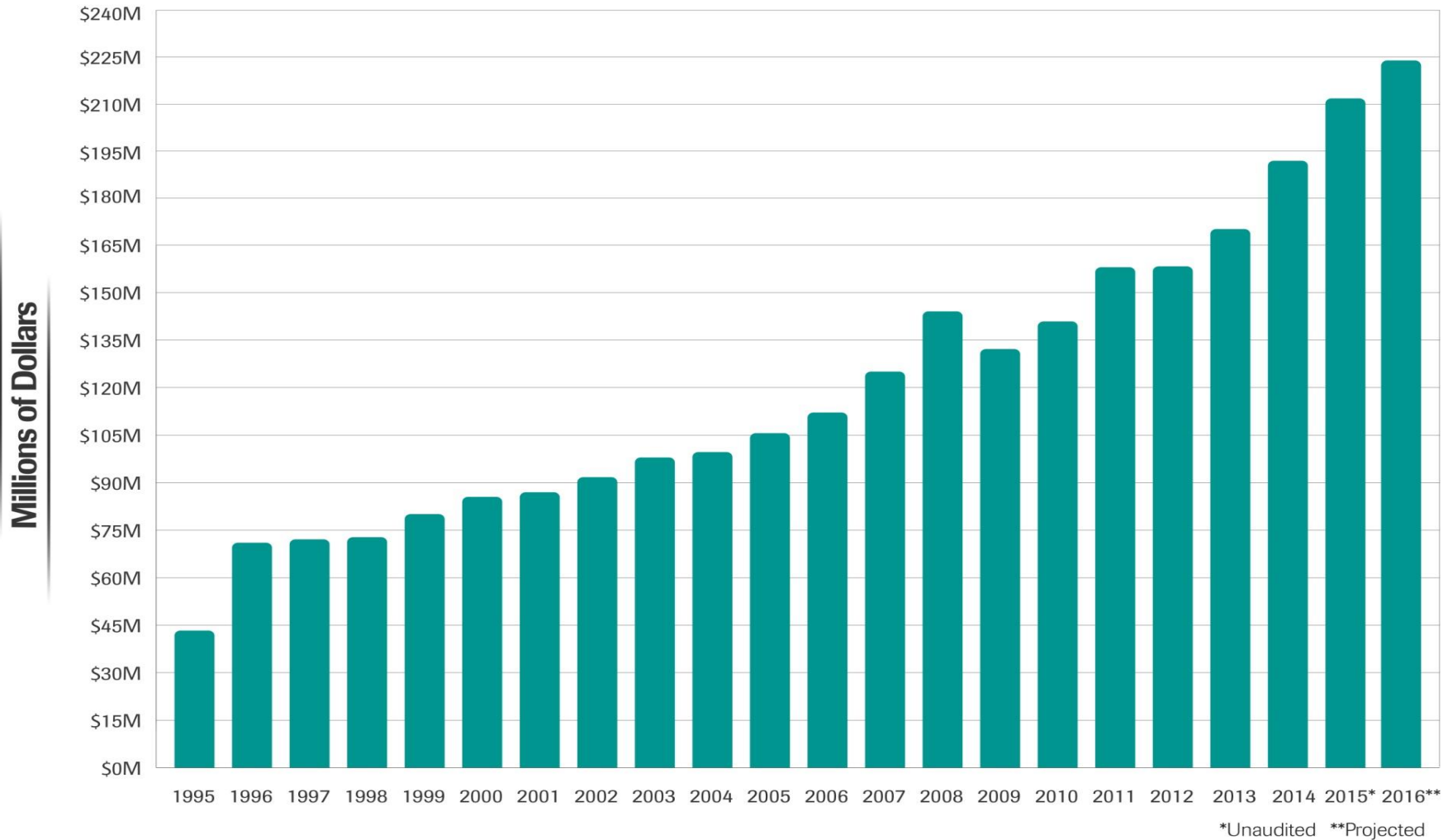


# 29 CRI Locations

- Shawano, Wis.
- Verona, Wis.
- Bonduel, Wis.
- Marshfield, Wis.
- Menomonie, Wis.
- Mount Horeb, Wis.
- Melrose, Minn.
- South St. Paul, Minn.
- Rock Creek, Minn.
- Zumbrota, Minn.
- Albany, Minn.
- Montgomery, Minn.
- Ellsworth, Iowa
- Lincoln, Neb.
- Umatilla, Ore.
- Billings, Mont.
- Strafford, Mo.
- Tiffin, Ohio
- Ithaca, N.Y.
- West Fargo, N.D.
- Mitchell, S.D.
- Guelph, Ontario
- Ingersoll, Ontario
- Cape Town, South Africa
- Cardiff, Wales
- Sao Carlos, Brazil
- Mexico City, Mexico
- Santiago de Querétaro, Qro, Mexico
- Zieuwent, Netherlands



# Annual Revenue





# CRI Values

- Innovation
- Integrity
- Leadership
- Quality
- Stewardship





***Stony Hill  
Bull housing  
and GENESIS  
Shawano, Wis.***



***Genex  
Shawano, Wis.***



***CRI Headquarters  
Shawano, Wisconsin***



***Bull and heifer housing  
Tiffin, Ohio***



***Bull housing  
Ithaca, New York***

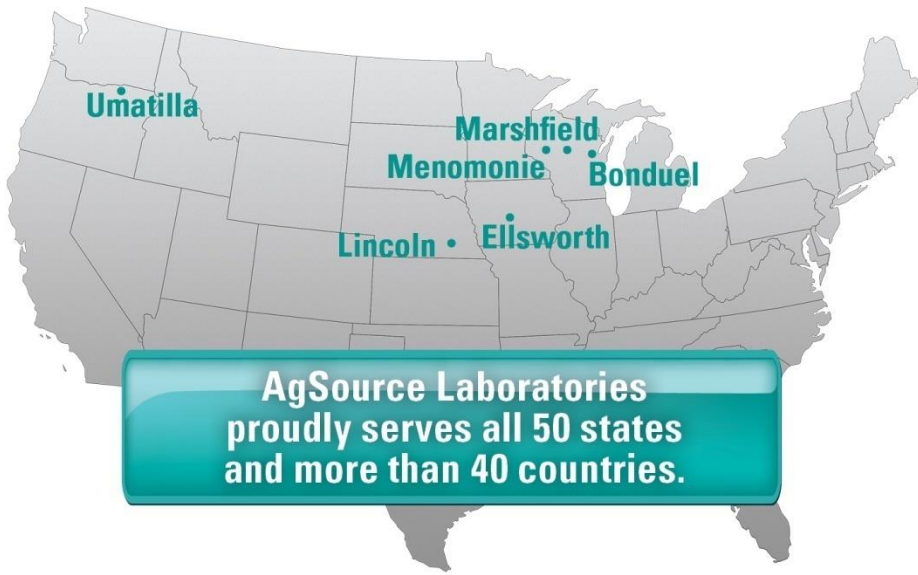


# MOFA Global



# ICB





# AgSource



# CLA



# Governance Structure

## AgSource

3,916  
Members

75  
Delegates

Board of  
Directors = 9

2

## Genex

11,902  
Members

119  
Delegates

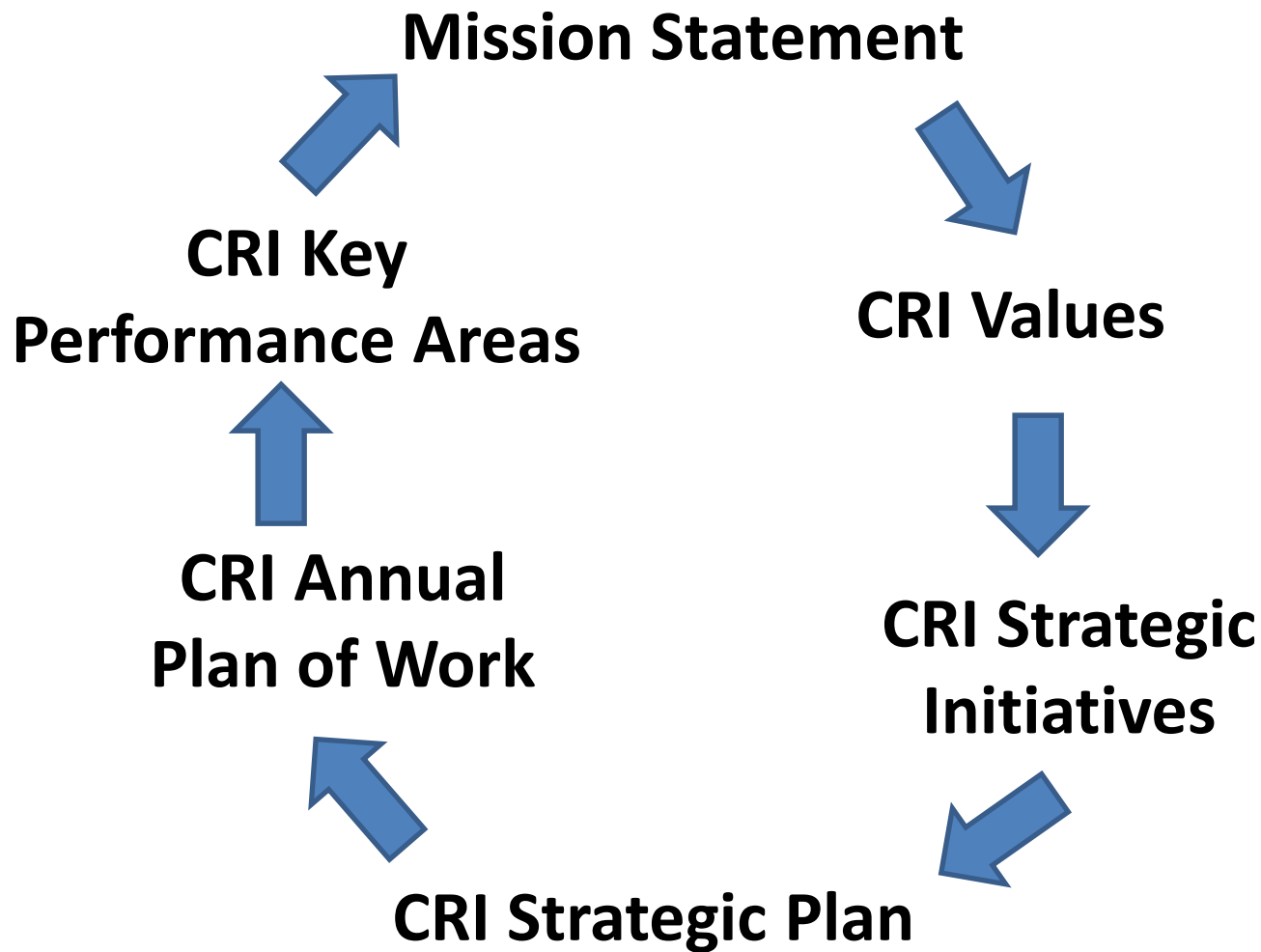
Board of  
Directors = 13

5

CRI Board of Directors  
7



# CRI Business Model



# The CRI Culture

- Manage change and do not let change manage us.
- We will narrow our focus if it broadens our appeal.
- We are quick to adopt new technology if appropriate.



# Production Ag Trivia

## Milk Production – 1946 vs. 2016

- ▶ 21% Fewer cows
- ▶ 23% Less feed
- ▶ 65% Less water
- ▶ 90% Less land
- ▶ Same milk volume



# Production Ag Trivia

(Continued)

- ▶ Less than 10% of the average household income spent on food
- ▶ First week in February earned enough to buy for year
- ▶ 30% of the food in the U.S. is wasted
- ▶ Food spending equals recreation and two-thirds health costs



# Production Ag Trivia

(Continued)

- ▶ One million or .85% make a living farming
- ▶ Another 1.2% have farm income
- ▶ 80% of Americans live inside city limits
- ▶ Last year 10% of ag income was ag tourism



# Mega Trends Impacting Production Ag

- ▶ World population moves from 7.0 billion to 9.2 billion by 2050
- ▶ Developed regions stable – developing regions change
- ▶ One billion people (1/7<sup>th</sup>) suffer chronic hunger today
- ▶ By 2050 must double food production



# Mega Trends Impacting Production Ag

(Continued)

- ▶ 50% world population middle class
- ▶ 2050 anticipate 70%
- ▶ One billion people move to middle class
- ▶ Research indicates when people move from poverty to middle class, protein is the first priority



# Mega Trends Impacting Production Ag

(Continued)

- ▶ Low energy cost impacts ag positively:
  - Directly impacts farm production costs
  - Increases consumer spending power (major debate globally)
  - Increases global speed to middle class in non-energy producing countries

# Mega Trends Impacting Production Ag

(Continued)

- ▶ Extreme low energy cost has a negative impact:
  - Where it has a negative economy impact for developing countries reduce importation
  - American farmers are dependent on exports



# Mega Trends Impacting Production Ag

(Continued)

- ▶ The U.S. cannot consume the difference
- ▶ In general, ag commodity lags behind energy price



# Resulting Trends

- ▶ World food trade will increase as world population increases. Population growth and productive land distribution is not the same.
- ▶ Winners are North America, South America, Oceania, and Europe
- ▶ Today 25% of all food is globally traded
- ▶ Every farmer is a global producer

# Resulting Trends

(Continued)

- ▶ Research and technology is not a choice if we are to feed the world
- ▶ Cannot ignore food waste
- ▶ Globalization demands production efficiency and technology increases efficiency





# Resulting Trends

(Continued)

- ▶ Globalization means world politics and U.S. trade facilitation policy are very important
- ▶ The long-term production ag dynamics is attracting Silicon Valley and outside investment



# Resulting Trends

(Continued)

- ▶ Immigration law is important as farm labor force is dominated by such
- ▶ The shortage of four-year ag graduates has created a scenario of high starting wage



# Conclusion

- ▶ Great time to be in production ag. Few industries promise a 30-year steady growth.
- ▶ If we are to effectively compete, we must become global marketers, not just producers of volume
- ▶ Production ag provides a great career opportunity for those without ag background

**Food production, not weapons,  
will make strong nations.**





**Thank You!**