

# Midlands Business Journal

FEBRUARY 19, 2021

THE WEEKLY BUSINESS PAPER OF GREATER OMAHA, LINCOLN AND COUNCIL BLUFFS

VOL. 47 NO.8

## Agribusiness enters 2021 with optimism, headed for growth

by Gabby Hellbusch

The field of agribusiness is anything but stagnant right now, local experts say.

As agribusiness leaders turn their attention to 2021, Dr. Tom Field, director of Engler Agribusiness Entrepreneurship Program at the University of Nebraska – Lincoln, said there is still uncertainty and volatility on a number of fronts including COVID-19 challenges, a change in federal administration and weather forecasts predicting drought conditions in key agricultural regions of the United States.

However, despite the rocky experiences related to COVID-19 that disrupted manufacturing and processing capability in the spring of 2020, Field said the agricultural sector heads into 2021 with realistic but not unfettered levels of optimism.

“As a case in point, beef demand in 2020 reached a 30-year peak, while exports of protein reached historic levels,” Field said. “Payment backstops made by the federal government in 2020 helped dilute the cash flow crisis that confronted many enterprises across the spectrum of the agricultural supply chain and with market upturns over the past six months; the economic picture has steadied and is poised for growth.

However, there is a clear need to bring human-enhanced automation to a host of agricultural production, processing and merchandising processes.”

At the same time, he said the rise of at-home food preparation and consumption coupled with consumer adoption of online grocery and food shopping approaches set the stage for increased direct to consumer marketing efforts.

“The industry must also address its capacity to attract, train and retain talent for jobs ranging from blue collar craftsmanship to development of high-tech solutions,” he said. “While many hurdles line the path forward, agribusiness is poised to enter into a new and exciting era of entrepreneurship, innovation and profitability.”

Jim Powers, chair of the agribusiness practice area at McGrath North, said there’s been a welcome rise in grain prices, which is good news for producers.

“The upturn in the market brings some price volatility and may create tension upon existing contracts that were priced before the upturn,” Powers said.

Additionally, he said the market is being impacted by the usual suspects — supply and demand and government regulation.

“The American farmer continues to be the most efficient and best producer in the world,” he said. “Often, the fact that they do such a good job results in an oversupply and hurts prices. The key is to continue to make sure all markets both in this country and internationally are fully utilized.”

According to Powers, concerns over climate change continue to focus on the agribusiness industry. As an example, there could be new regulations on nitrous oxide impacting the industry.

“On the plus side, I see carbon credits as becoming a financial benefit to producers, and I expect interest in these programs to increase in the future,” he said. “Finally, I think plant-based foods will continue to increase as an American food alternative.”

Pete Poppert, chair of agribusiness department and assistant professor of practice in agribusiness at Doane University, said Doane University College of Business and College of Arts and Sciences are

working collectively to understand the expectations of agricultural employers.

“To this end, an Agricultural Advisory board was created in 2020 with 12 members representing a wide variety of agricultural interests,” Poppert said. “This group is the sounding board for educators as we define our curriculum going forward.”

Areas of need include better communication, critical thinking, leadership, as well as other soft skills. In addition, these areas are also important: technology, sales effectiveness, mentoring and internships.

“Employers that I have visited are looking for well-educated employees who exhibit a desire to continue learning,” he said. “The industry is ever changing, and the ability to adapt is critical. Because the industry is changing, employees who not only can accept change but adapt and embrace change will be valuable to the agribusiness sector.”



Powers

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