

APPENDIX D

SAES-422

Format for Multistate Research Activity

Accomplishments Report

Note: This report is submitted each year of an activity's duration and is due 60 calendar days following the annual meeting. The SAES-422 is submitted electronically by AAs into NIMSS. Annual Reports for MRF projects are available to CRIS and CSREES through NIMSS.

Project/Activity Number: NC-1177

Project/Activity Title: Agricultural and Rural Finance Markets in Transition

Period Covered: October 2014 to September 2015

Date of This Report: May 12, 2015

Annual Meeting Date(s): October 16-17, 2014

Participants: Linked to pdf of minutes and participant list.

Brief summary of minutes of annual meeting:

The 2014 NC-1177 meetings were held October 16th and 17th in Kansas City, Missouri. A part of the meeting was held jointly with the National Agricultural Credit Committee (NACC). The NACC is comprised of agricultural lenders from throughout the U.S. The meeting allowed members of NC-1177 to interact with these representatives and better understand how the group's research intersects with the issues faced by agricultural and rural lenders. NC-1177 members Brent Gloy (Purdue University) and Keri Jacobs (Iowa State) presented some of their current research on crop production risk and agricultural cooperative finance during the joint NACC sessions.

The joint component also included presentations on the agricultural lending environment, agricultural risk management, and agricultural policy. Speakers represented T-L Irrigation Co., USDA NASS, Farm Credit System, Farmer Mac, and the President of the Federal Reserve Bank of Kansas City. During the NC-1177 portion of the meeting, members discussed the group's research projects and progress and presented completed and ongoing research.

The NC-1177 business meeting included updates on the formation of the Agricultural Finance and Management (AFM) Section of the Agricultural and Applied Economics Association (AAEA), member publication activity in the *Choices*, and the international conference on finance and risk to be held in June 2015 in Washington DC (International Agricultural Risk, Finance, and Insurance Conference). The meeting concluded with discussion of the location and dates for the 2015 annual meetings. The group agreed to continue to hold the meetings jointly with the fall meeting of the National Ag Credit Committee. Ashok Mishra (LSU) was unanimously elected as the new Secretary on the executive committee for 2015. Continuing members are Todd Kuethe (President) and Joleen Hadrich (Vice President).

The complete 2014 meeting minutes are attached.

NC-1177 Agricultural and Rural Finance Markets in Transition 2014 Business Meeting Minutes

Federal Reserve Bank of Kansas City

Kansas City, MO

October 16th and 17th, 2014

Executive Committee: Todd Kuethe, Ryan Larsen, and Joleen Hadrich

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During the NC-1177 portion of the meeting, members discussed the groups research projects and progress and presented completed and ongoing research. Presentations and sessions were organized in multiple sessions aligned with the following objectives:

1. Investigate capital structure, financial performance, and investment strategies of firms producing renewable energy in context of long term climate change. Implications of these findings for agriculture and rural communities will be delineated.
 - “Understanding the Differences in Farm Balance Sheet and Income Statement Measures between the ARMS Finance Tool and the Kansas and Illinois Farm Management Data” Brady Brewer *Kansas State University*, Allen Featherstone *Kansas State University*, Paul Ellinger *University of Illinois*, Ken Erickson *USDA Economic Research Service*, Michael Harris *USDA Economic Research Service*
 - “Organic Farms’ Debt Aversion and Farm Lenders’ Attitudes and Risk Management Standards” Cesar Escalante *University of Georgia*
 - “Trends in Agriculture Concentration: Evidence from the 2012 Census of Agriculture” Mary Ahearn *Economic Research Service (retired)* and Virginia Harris *National Agricultural Statistics Service*

2. Identify financial institutions and services that benefit farmers and rural communities and expand agricultural markets, promote growth and trade in developing countries.
 - “Institutional Innovations to Provide Agricultural Credit in Conflict Affected Environments: A Case Study from Afghanistan” Juan Estrada-Valle *USAID Agricultural Credit Enhancement Program*
 - “Brazilian Farmland Price Volatility and the Distance to Markets” Emerson Wohlenberg, Allen Featherstone, Mykel Taylor, and Kevin Dhuyvetter, *Kansas State University*

3. Examine the impact of recent fluctuations in capital and commodity markets on the financial performance, credit availability, real estate values, and capital structure of farms, agribusinesses, and lenders in urban and rural communities.
 - “Determinants of Agricultural Bank Returns and Variability of Returns” Nathan Kauffman, *Federal Reserve Bank of Kansas City*
 - “Learning Aspects of Myopic Loss Aversion Behavior: Experimental Evidence” Tom Sproul, *University of Rhode Island* and Jaclyn Kropp, *University of Florida*
 - “Linear and Nonlinear Causality Tests for Regional U.S. Corn Cash and Futures Prices” Xiaojie Xu and Walter N. Thurman *North Carolina State University*
 - “Effect of Stock Split and Stock Dividend Announcement on Stock Prices in Food and Agribusiness Industry” Aditya R Khanal, Ashok K Mishra, and Krishna H Koirala, *Louisiana State University*

4. Evaluate the management strategies, capital needs, and policy impacting the financial performance and long-term sustainability of firms in the food and agribusiness sector.
 - “Preferential Interest Rates for Beginning Farmers: A Redistribution of Wealth” Jaclyn Kropp and Chuck Moss, *University of Florida*
 - “Risk Balancing Behavior in Upper Midwest” Ryan Larsen, *North Dakota State University*
 - “Is Financial Vulnerability Persistent?” Nick Pauslon, Todd Kuethe, and Gary Schitnkey *University of Illinois*
 - “The Future of Quebec Dairy Farms in Jeopardy? Using an Internal Buyout Value to Question the Financial Feasibility of Inter-Generational Transfer” Fanny Lepage *Laval University*, Bertrand Montel *Ceressys*, Jean-Philippe Perrier *Laval University*

Following the research sessions and joint meetings with NACC, the NC-1177 annual business meeting was held. The following summarizes issues discussed among the members:

1. Ashok Mishra: Update on Agricultural Finance and Management Section of the Agricultural and Applied Economics Association

The AFM Section will hold organized track sessions at the 2015 AAEA annual meeting in San Francisco, CA. There will continue to be a significant amount of synergy between the NC-1177 and AFM Section activities given the overlap in membership, strengthening the reach and impact of both groups within the agricultural economics profession and society as a whole.

2. Mary Ahearn: Update on *Choices*

Choices is the general audience outlet of the Agricultural and Applied Economics Association. The publication is working to extend its reach and grow its prominence in research and policy circles. The members of the section are invited to contribute. A potential theme of articles related to agricultural finance was discussed.

3. 2015 Meeting Location

The members voted unanimously to continue meeting in conjunction with NACC. The meetings will be held in October 2015 in Chicago, IL and cohosted by the Chicago Fed.

4. Election of new Secretary

Ashok Mishra (LSU) was nominated and unanimously elected as the new Secretary of the Executive Committee for 2015. Todd Kuethe and Joleen Hadrich will serve as President and Vice-President, respectively for NC-1177.

NC-1177 Participants

Name	Organization	City	State
Damona Doye	Agricultural Economics Department	Stillwater	OK
James Bukenya	Alabama AM University	Huntsville	AL
Brady Brewer	Kansas State University	Manhattan	Kansas
Brian Briggeman	Kansas State University	Manhattan	KS
Gregg Ibendahl	Kansas State University	Wamego	KS
Mykel Taylor	Kansas State University	Wamego	KS
Christine Wilson	Kansas State University	Manhattan	Kansas
Aditya Khanal	Louisiana State University	Baton Rouge	Louisiana
Ashok K Mishra	Louisiana State University	BATON ROUGE	LOUISIANA
Xiaojie Xu	North Carolina State University	Raleigh	NC
Ryan Larsen	North Dakota State University	West Fargo	North Dakota
Bruce Ahrendsen	University of Arkansas	Fayetteville	AR
Jaelyn Kropp	University of Florida	Gainesville	Florida
Charles Moss	University of Florida	Gainesville	Florida
Cesar Escalante	University of Georgia	Athens	GA
Xiaofei Li	University of Georgia	Athens	GA
Nick Paulson	University of Illinois	Urbana	IL
Bruce Sherrick	University of Illinois	Urbana	IL
David Freshwater	University of Kentucky	Lexington	KY
Thomas Sproul	University of Rhode Island	Kingston	RI
Mary Clare Ahearn	Choices Magazine and Retired ERS	Silver Spring	MARYLAND
Paul Ellinger	University of Illinois	Urbana	IL
Nathan Kauffman	Federal Reserve Bank - Omaha Branch	Omaha	NE
Keri Jacobs	Iowa State University	Ames	IA
Brent Gloy	Purdue University	West Lafayette	IN