**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 2015 to September 2016

**Date of This Report:** December 20, 2016

**Annual Meeting Date(s):** October 3-4, 2016

**Participants:** Linked to pdf of minutes and participant list.

**Brief summary of minutes of annual meeting**:

The 2016 NC-1177 meetings were held October 3rd and 4th in Denver, Colorado. 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.

The joint component included presentations on financing and commodity market developments, export markets and risk, agricultural finance and consolidation, as well as an agricultural lender panel. Speakers for these topics included representatives from US Bank, The US Meat Export Federation, JBS, McCook National Bank, Wells Fargo, CoBank and John Deer Financial. 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 award nomination profess for the Agricultural Finance and Management (AFM) Section of the Agricultural and Applied Economics Association (AAEA), member publication activity, and creating an Agricultural Finance Review special issue targeting papers from the NC-1177 and AAEA meetings. The meeting concluded with discussion of the location and dates for the 2017 annual meeting. The group agreed to continue to hold the meetings jointly with the fall meeting of the National Ag Credit Committee. Elizabeth Yeager (Kansas State University) was unanimously elected as the new Secretary/President-Elect on the executive committee for 2016. Continuing members are Joseph Janzen (President) and Joleen Hadrich (Past-President).

The complete 2016 meeting minutes are attached.

**NC-1177 Agricultural and Rural Finance Markets in Transition**

**2016Business Meeting Minutes**

Federal Reserve Bank of Denver

Denver, Colorado

October 3rd and 4th, 2016

Executive Committee: Joleen Hadrich, Joseph Janzen, and Ashok Mishra

During the NC-1177 portion of the meeting, members discussed current and future research projects addressing the four objectives of the NC-1177 group. Presentations and sessions were organized in multiple sessions aligned with the following objectives:

1. Examine key trends in net farm income.

* Information Rigidities in USDA’s Net Farm Income Forecast, *Todd Kuethe and Todd Hubbs*
* Evaluating directional and predictive accuracy of cash receipt forecasts by price forecasting methods, *Ryan Kuhns, Kevin Patrick, and Jim Williamson*
* An examination of how machinery investments affect farm profitability and risk, *Gregory Ibendahl and Terry Griffin*
* Does what go around really come around? Existence and determinants of profit persistence: Evidence of Dutch Farms, *Aderajew Tamirat, Andres Trujillo-Barrera, and Joost M.E. Pennings*

1. Examine agricultural lending in challenging conditions

* Measures of bank performance, liquidity risk, and their relationship with farm income volatility , *Ryan Larsen and Caitlin Olek*
* A multi-stage model of acquiring new lines of credit by U.S. farms, *Jennifer Ifft, Ryan Kuhns, and Kevin Patrick*
* Financial stress and farm bankruptcies in U.S. Agriculture, *Ani Katchova, J. Michael Harris, and Todd Hubbs*
* Modeling debt choice: Adjustment toward optimality or alternative assumptions?, *Jaclyn Kropp and Charles Moss*

1. Examine key trends in land values and cash rents
   * The value of social capital in cropland leasing relationships, *Mykel Taylor and Allen Featherstone*
   * Golden eras and farm crisis: Are we going to see a replay of the 1920s or 1980s farm crisis?, *Wendong Zhang*
   * The price of farmland: Does organic certification matter?, *Kate Fuller and Joseph Janzen*
2. Finding policy and management responses to changes in farm and lender profitability.
   * The impact of Dodd-Frank on small commercial lenders, *Brady Brewer and Levi Russell*
   * Who disinvests and exits farming?: Insights from agricultural census data, *Bretford Griffin and Valentina Hartarska*
   * Has off-farm income and employment changed the leverage positions of U.S. farm operation households?, 1996-2015, *Allen Featherstone, Ken Erickson, J. Michael Harris, and Jeff Hopkins*
   * Multi-year insurance: A new tool to manage longer-term risks in U.S. Agriculture, *Sergio Lence, Chad Hart, Dermot Hayes, and Bruce Babcock*

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. Joleen Hadrich: Update on Agricultural Finance and Management Section of the Agricultural and Applied Economics Association

The AFM Section will hold organized track sessions at the 2017 AAEA annual meeting in Chicago, IL. 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.

The AFM section awarded three inaugural awards in 2016. The leadership team encouraged applications from NC-1177 members due to the synergy between the two groups.

1. Cal Turvey: Update on *Agricultural Finance Review*

*Agricultural Finance Review* is the targeted publication outlet for peer-reviewed agricultural finance articles. Cal has worked with Emerald to increase the availability of articles without fees. A targeted special issue publishing articles from the AFM and NC-1177 meetings was discussed and encouraged.

1. 2017 Meeting Location

The members voted unanimously to continue meeting in conjunction with NACC. The meetings will be held in October 2-3, 2017 in Minneapolis, MN and cohosted by the Minneapolis Federal Reserve Bank.

1. Election of new Secretary

Elizabeth Yeager (Kansas State University) was nominated and unanimously elected as the new Secretary/Vice President of the Executive Committee for 2016-2017. Joseph Janzen will serve and president and Joleen Hadrich will serve as Past-President for NC-1177.

NC-1177 Participants in Denver 2016

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Organization** | **City** | **State** |
| Bruce Ahrendsen | University of Arkansas | Fayetteville | AR |
| Maria Bampasidou | Louisiana State University | Baton Rouge | LA |
| Brady Brewer | University of Georgia | Athens | GA |
| Damona Doye | Oklahoma State University | Stillwater | OK |
| Robert Dinterman | The Ohio State University | Columbus | OH |
| Allen Featherstone | Kansas State University | Manhattan | KS |
| Bretford Griffin | Auburn University | Auburn | AL |
| Terry Griffin | Kansas State University | Manhattan | KS |
| Joleen Hadrich | Colorado State University | Fort Collins | CO |
| James Harris | ERS, USDA | Washington DC | DC |
| Valentina Hartarska | Auburn University | Auburn | AL |
| Todd Hubbs | ERS, USDA | Washington DC | DC |
| Gregg Ibendahl | Kansas State University | Manhattan | KS |
| Jennifer Ifft | Cornell University | Ithaca | NY |
| Joseph Janzen | Montana State University | Bozeman | MT |
| Ani Katchova | Ohio State University | Columbus | OH |
| Nathan Kauffman | FRB-Kansas City | Omaha | NE |
| Jaclyn Kropp | University of Florida | Gainesville | Florida |
| Todd Kuethe | University of Illinois | Urbana | IL |
| Ryan Kuhns | ERS, USDA | Washington DC | DC |
| Ryan Larsen | Utah State University | Logan | UT |
| Sergio Lence | Iowa State University | Ames | IA |
| Bruce McWilliams | USDA-FSA | Washington DC | DC |
| Clayton Michaud | University of Rhode Island | Kingston | RI |
| Ashok K Mishra | Arizona State University | Tempe | AZ |
| Charles Moss | University of Florida | Gainesville | Florida |
| David Oppedahl | FRB Chicago | Chicago | IL |
| Kevin Patrick | ERS, USDA | Washington DC | DC |
| Bruce Sherrick | University of Illinois | Champaign | IL |
| Thomas Sproul | University of Rhode Island | Kingston | RI |
| Aderajew Tamirat | Maastricht University | Maastricht | Limburg |
| Mykel Taylor | Kansas State University | Manhattan | KS |
| Calum Turvey | Cornell University | Ithaca | NY |
| Elizabeth Yeager | Kansas State University | Manhattan | KS |
| Wendong Zhang | Iowa State University | Ames | IA |