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### **America at 250: Charting the Course for America and Agriculture's Future**

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As America celebrates its 250th birthday this year, the agriculture industry stands at a critical crossroads. The decisions we make today about trade, resources, and strategic priorities will determine whether American agriculture thrives or struggles in the decades ahead.

Understanding where our nation stands globally is not just an academic exercise but a practical necessity for every producer, student, and agricultural business.

A strategic plan is one of the essential elements in critically thinking about the future, whether for a business, specific organization, or even a country. The process allows one to analyze where we are and how we got here, then provides a roadmap to reach our desired destination. Yet surprisingly, strategic planning is often lacking. A recent assessment of producers and business owners at The Executive Program for Agricultural Producers (TEPAP) at Texas A&M University revealed that only 38 percent had developed a strategic plan, while 43 percent had made no effort in the process.

This lack of strategic focus is concerning, especially as other nations intensify their competitiveness. The BRICS nations (Brazil, Russia, India, China, and South Africa) have strengthened their strategic processes since 2009, with results now evident in agricultural markets, particularly in southern hemisphere grain, row crop, and specialty crop competition.

In the December webcast sponsored by the Minnesota Bankers Association, I promised a strategic analysis process not only for individual businesses but for the United States as a nation. This article conducts a strategic analysis as America celebrates its 250th birthday, including recommendations and suggestions for strategic focus.

The first step in any strategic planning journey is to conduct a SWOT analysis: analyzing strengths and weaknesses, which are internal factors, and opportunities and threats which are external factors. This process will focus on the USA, interspersed with impacts on the agriculture industry and your business and family life.



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## **Strengths**

### ***National Resources and Infrastructure***

A major strength of the United States is its abundant natural resources. When combined with Canada, 20 percent of the fresh water on the globe exists here, which is critical to agriculture, energy, and technology such as AI. The United States is self-sufficient in energy, in which agriculture plays a critical role through ethanol and biofuels. The United States river system represents more navigable rivers than the remainder of the globe, which is critical for inexpensive movement of goods and services linked to both agriculture and manufacturing.

### ***Economic and Legal Foundations***

The capital structure, property rights, and legal systems, while not perfect, do represent a format that provides a competitive edge compared to other major and emerging economies.

The dollar's global currency power in international trade, while waning, does provide a strategic advantage to the agriculture industry that is quite dependent on export markets.

### ***Post War Leadership and Innovation***

Post-World War II educational and military might powered the United States to become the world's largest economy. The United States was built on entrepreneurial businesses, not large corporate, consolidated companies. This was critical for innovation and for maintaining the competitive edge through the Marshall Plan which provided post-World War II investments in Europe and Asia. America as a post-World War II global influencer was critical for the growth of the agriculture, manufacturing, and technology industries.

## **Weaknesses**

### ***Policy and Social Challenges***

From a global competitiveness standpoint, inconsistent, reactive policies have hindered trust with trading partners and undermined many of our institutions and established pillars of society's structure.

Extremes in political ideology, manifested by the advent of technology and social media, have created information overload, which can be considered junk food for the mind.

### ***Healthcare and Demographics***

The United States has an aging population and a reactive healthcare system designed around quick fixes and pharmaceuticals that have exploded costs in personal and national budgets.



### ***The National Debt Crisis***

The 800 pound gorilla, or Achilles' heel, is the exploding national debt currently at \$38.6 trillion, which has nearly doubled over the past decade. This is compounded by the lack of discipline in fiscal budget management resulting in an increase of nearly a trillion dollars every 90 days.

Layered on this is the fact that there is less wiggle-room for budget reductions as much of the national budget is obligated to institutional programs such as Medicaid, Medicare, military spending, social security, etc.

In recent years, the weak dollar and the deficits have contributed to wealth concentration in both business investment firms and individuals, with concentrations similar to those seen during the roaring 1920s a century ago.

### ***Aging Infrastructure***

The United States has an aging infrastructure: roads, rail, water, and the electrical grid all impact the efficiency of business, industry, as well as quality of life of individuals.

The agriculture industry is impacted by these issues involving transportation of products to market, input and capital investment, and costs of roads, rail and river transport. Another important item of note is that internet access in agricultural and rural areas is subpar and is often compared to that of developing or emerging nations.

## **Opportunities**

### ***The North American Economic Bloc***

A new global order in trade, geopolitics, and competitiveness will be less country-oriented and centered more on global bloc economies. A strategic advantage is the most powerful bloc formed by the United States' two largest trading partners in agriculture, Mexico and Canada.

The United States, Canada, and Mexico represent only 5 percent of the global population but just under 30 percent of the world economy. This powerful natural resource base, productive land, and 20 percent of the world's fresh water, along with the integrated technology, manufacturing, and agricultural marketplace, bodes well for competitiveness.

In the decades ahead, the North American bloc will compete with the European Sector, the powerful emerging Asian region, and the global South. Agreements and orderly adjustments in the U.S.-Mexico-Canada Agreement (USMCA) will be critical for competitiveness with emerging power structures such as the BRICS nations (Brazil, Russia, India, China, South Africa, and others), the Trans-Pacific Agreement (CPTPP), and the ASEAN-China Free Trade Area (ACFTA).



### ***Health, Wellness and Innovation***

Food and fiber, combined with the advent of innovation and technology, will be critical for proactive health and quality of life. This will position agriculture to play a part in customized health and wellness programs embraced by the younger generation seeking lower healthcare cost and benefits of a healthy lifestyle.

### ***Leadership and Environmental Stewardship***

The next generation of leadership may embrace statesmanship focused on what is good for the country. These value systems may represent the next cycle of political, economic, and social evolution.

The United States has the opportunity to be a global leader in applied technology, innovation, and environmental and natural resources management. This, in turn, will allow the integration of successful practices where the future meets the past in innovation, technology, and trends.

## **Threats**

### ***Cyber Warfare***

The top of the list is a cyber 9/11. Warfare in the future may be driven by technology rather than physical invasion of the country, creating both psychological and social disorder. This is where food, fiber, and fuel become critical, very similar to the COVID era.

### ***Dollar Dominance and Export Markets***

The loss of dollar dominance threatens agriculture, as exports represent 20 percent of the net farm income. Erosion of this advantage brings competitive advantages to other regions of the world.

### ***Resource Competition***

Population density and the increased use of AI and other technology will result in increased competition for water and other resources, creating a challenge for production agriculture, forestry, and valued-added products.

### ***National Debt Impact***

Finally, interest on the national debt and the stress on the national budget is a competitiveness downside that could impact agriculture, manufacturing, and technology.



Understanding these strengths, weaknesses, opportunities, and threats provides the foundation for developing actionable strategies that can strengthen American agriculture and our nation's competitive position.

### **Strategies Given the SWOT Analysis**

Let's bring the analysis from the 30,000 foot level down to your business, your life, and the agriculture industry's role in this journey.

#### ***Prioritize North American Collaboration***

First, given the economic power of North America, the revamp of the USMCA will be a high priority. While the pact is not perfect, the spirit of collaboration, whether in agriculture, manufacturing, or technology, needs to be a high priority.

The powerful natural resource base integrated with cutting edge technology and innovation across all sectors to meet the increasing demands of the consumer base can be a competitive advantage when compared to other bloc economies or countries. As with any compact, there will be winners and losers, challenges and opportunities, but working through a structured process will be beneficial to individuals and society.

#### ***Embrace Fiscal Discipline***

Next, is the tough medicine, economically. Similar to the Simpson-Bowles Commission and the Gang of Six bipartisan proposals years ago, fiscal discipline is a must! That proposal suggested approximately three dollars of budget cuts to every one dollar of tax increase.

Discussions with leadership about this strategy suggest it was not accepted because it was perceived to be top-down government policy, similar to the introduction of the metric system in the 1970s. One thing to remember about any successful important change in America is that it is bottom-up, built by the support of everyday people.

#### ***Foster Entrepreneurship and Life Skills***

America was built on entrepreneurship, not corporate consolidation. Agriculture, of course, is an industry of enterprises and entrepreneurs that must be protected from being engulfed by consolidation and the corporate culture.

A strategy with government at the local, state, and national levels encouraging self-sufficiency and life skills for young adults is imperative for resiliency, agility, and nimbleness. Our youth programs such as 4-H, FFA, MANRRS, and other leadership programs beyond the agriculture industry need to be prioritized.



As an educator who has taught over 10,000 students and numerous adult programs, I know that life success does not show up as a score on a standardized exam or assessment. These programs build life skills, and this process happens over time.

### ***Reform Political Structures***

The reduction of the executive power by both parties and the revamping of our primary system need critical thought. Often extremes are powered by wealth rather than representing the middle of society, and these extremes are amplified by technology, which results in divisiveness.

### ***Promote Proactive Health***

Finally, proactive rather than reactive approaches to health through a balance of physical, mental, and spiritual well-being will be important. Designer health systems for individuals that link food, fiber, and lifestyle habits can be a major strategy for improving the health and focus of individuals. The benefit accrued will be the reduction of healthcare costs and savings in government, business, and household budgets.

### **Conclusion**

This article was designed to make one critically think about our nation, our businesses, our families, and ourselves as individuals. Critical thought and dialogue and the ability to agree to disagree at all levels of society can be both a beneficial and energizing exercise.

I encourage you to discuss these issues with fellow producers, students, and agricultural leaders. Consider how these national trends will impact your operation in the next five years, and begin developing your own strategic plan to navigate the challenges and opportunities ahead. The future of American agriculture depends not just on policy decisions made in Washington, but on the strategic thinking and action of producers and agricultural professionals at every level. The time to plan is now.

