

# Trends That Will Change 21st Century Agriculture



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The recent annual meeting of the American Society of Farm Managers and Rural Appraisers that I attended in San Diego, California featured speakers mapping out trends that will affect agriculture in coming years.

**Agribusiness.** Investments by business firms that supply agricultural inputs, and transport, process and distribute agricultural products will incorporate new technology to support and enhance production and marketing of the basic commodities produced on America's farms. Production of biofuels will continue expanding market opportunities for basic raw materials to produce energy.

**Food origins.** The interest and concerns by consumers about the origin of their food will expand. Farm organization leaders will continue to support voluntary identification rather than mandatory government regulation.

**Focus on locally grown foods.** Farmers markets across the country will benefit from consumer interest and demand for products grown closer to where they live. This feeling comes from the desire to reduce long distance transportation costs when possible, the feeling that locally grown products could be fresher, and the desire to support local growers operating family farms.

**Health benefits.** A growing interest in health and fitness will stimulate demand for natural and organic foods. The U. S. Department of Agriculture has established standards and requirements for labeling organic foods. The growing awareness of obesity will require more education and awareness to change many individual's food habits. But the statistics provide evidence that consumers will pay a higher price for food that they consider safer and have extra health benefits.

**Food in the schools.** Providing nutritious food that students will eat presents a challenge to food service providers. But more and more schools will try to encourage milk and fruit juices in place of carbonated soft drinks, fruits and vegetables in place of potato chips and fried foods. Some schools have taken vending machines out or changed the products available to encourage consumption of more nutritious foods and drinks.

**Pasture based milk.** Some activists believe that cows are better off if they can spend some

time out doors on pasture. Some stores use this feature to promote sales.

**Meals eaten away from home.** With two working family members, the percentage of meals eaten out continues to grow. This trend will affect the amount of value added to farm based production, restaurant services, and ready to serve foods offered at the super markets.

**Ethnic foods.** With greater diversity in the population, ethnic foods in grocery stores and served in restaurants will add opportunities for specialty crops on farms and food processors and manufacturers.

**Water access.** In the irrigated areas where urban populations are growing, the competition for water will present serious problems and has already led to rationing for agricultural use. Conservation measures by city residents will not solve the problem. Some farmers may need to shift to dry land crops or move to areas with more water availability. Growth of some major urban communities may be limited.

**Labor availability.** Producers of labor intensive crops and livestock will face increasing problems unless Congress takes action to make foreign guest workers available for some areas. Processing and packing plants must be able to hire workers without threats of immigration law violations. Available workers for agricultural operations are often living too far away to work where they are needed.

**Value of the U. S. dollar.** The value of the dollar will affect the cost of imported foods and could increase the demand for some U.S. agricultural exports from countries with higher value currencies.

**Farm land values.** The demand for land for urban expansion, manufacturing plants, and other nonfarm uses has boosted land values. The IRS 1031 rules have boosted land values as land owners want to reduce capital gains taxes. The growth of ethanol production and biofuel goals have boosted commodity prices and demand for productive farmland. Investors will look at farmland as a way to diversify their assets.

These trends will affect some communities and farms more than others. But the property economics professionals at this meeting were looking ahead to determine where their services and knowledge would benefit the farmers and agricultural business clients that they serve.

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