



Outside the Box

► by **Tom Field**, professor of animal science, Colorado State University

The age of uncertainty

Eleanor Roosevelt once said, “Do one thing every day that frightens you” — sage advice from a woman who lived in a time of grave uncertainty, when freedom’s very existence was at stake. Winston Churchill concurred, reminding the British people to “never run away from anything. Never!”

Worldwide growth

The words of these leaders are of value as we face a time period of nearly manic volatility in the economy, domestic and global politics, and the food system. We are confronted with rising costs of fuel, fertilizer, feedgrains and other inputs, as well as a weakened U.S. dollar, a seemingly endless battle to reopen global markets for U.S. beef, and an increasingly complex and competitive global environment.

Consider the emergence of Brazil, Russia, India and China as thriving economies with growing numbers of skilled, middle-class citizens who are technologically savvy and highly motivated to enhance their lifestyles, which in many cases will involve increasing consumption of higher-valued beef cuts.

China experienced gross domestic product (GDP) growth of about 10%, while both India and Russia grew GDP by between 6% and 7%, respectively. Simultaneously, Brazil, at 4%, doubled U.S. growth. Brazil, China and India also have growing populations.

In some cases, consumers will swap their consumption of variety meats for whole muscle cuts from the chuck and round. In others, demand for middle meats will grow. Beef demand in each of these emerging economies has outpaced that of U.S. consumers, with China and Brazil growing their national beef herds by 27 million and 13 million cows, respectively, during the past two decades to meet growing consumer demand.

Uncharted waters

Taken in total, these trends clearly illustrate a dramatic shift in the world’s economic stage that increases competitiveness for resources. In addition to the challenges created by these changes,

animal agriculture will likely experience unprecedented demand throughout the next several decades. Some experts are forecasting a shortage in the global supply of animal protein by the end of the year.

If U.S. agriculture is to be afforded the opportunity to profit from enhanced global demand, then we must successfully negotiate for access to key, if not all, international markets. In

addition, the U.S. can no longer grant unrestricted access to emerging economic powers without realizing reciprocal value exchange.

However, we must take a longer view in our approach to international markets, and that means two things — patience and unrelenting persistence in building relationships and trust.

Japanese market expert Edward Hall cautioned that a different approach would be required to crack the Japanese market nearly 30 years ago when he wrote the following:

“American management in the past has been singularly blind to the needs of human beings. That puts businessmen at a distinct disadvantage overseas because so many businesses are based on human relations and friendship. We’re impatient. But all over the world, if you have friends, you can do anything. That’s how the system works.”

Agricultural producers find themselves in uncharted waters framed by growing demand, increasing food prices, high commodity prices, rising input costs, chaotic international trade barriers and political uncertainty. It is no wonder that U.S. beef producers have chosen to shrink the cow herd in favor of taking short-term profits during the past 5-10 years. Yet, despite the uncertainty of the times, agricultural producers may well be set to experience market opportunities of unprecedented levels.

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A crossroads

As such, we find ourselves at a crossroads that forces a course of action — retreat in the face of the challenges, or innovate to capture the opportunities. Agriculture has always been a risky business, and current conditions clearly create a slippery slope. Strategy and successful implementation will be required to win in these times, but the bottom line depends on the core values we hold most deeply.

There is plenty to worry, if not frighten, us, but our choice of hope or despair will likely dictate the eventual outcome we experience. Philosophers and leaders have typically turned to courage as a central pillar of our ability to withstand volatile and uncertain times.

Dorothy Thompson wrote, “courage ... is nothing less than the power to overcome danger, misfortune, fear, injustice, while continuing to affirm inwardly that life, with all its sorrows, is good; that everything is meaningful, even if in a sense beyond our understanding; and that there is always tomorrow.”

In his classic work *Thriving on Chaos*, Tom Peters reminds us that “the fearful organization is not a hustling organization. Fear ... is the chief enemy of urgent action and flexibility.” The antidote to fear is to acknowledge and confront the source and to then take action. Seeking knowledge and information, a commitment to “do it, fix it, try it,” and building and utilizing a functional professional network will be key to our ability not only to survive chaotic times but to build business opportunities in the midst of uncertainty.

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Editor’s Note: Tom Field is a professor at the Colorado State University (CSU) Department of Animal Sciences, where he is responsible for the seedstock cattle breeding program of the university teaching herd. He directs the Seedstock Merchandising Team and teaches Food Animal Sciences, Beef Production and Family Ranching. He is a contributor to the research efforts of the CSU Beef-Tec program. A frequent speaker at beef cattle events in the United States and internationally, Field is also a partner in his family’s commercial cow-calf enterprise, which uses Angus as an important genetic component.