

Ag Econ

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1. Accession 0217001	Agency Identification No. 2. CSREES 3. LA.B	5. Work Unit/Project No. LAB93955	6. Status Annual Report
7. Title Farm Household and Agribusiness Firm Decision Making: The Effects on Financial Performance			
12. Investigator Name(s) (Last Name and Initials) Detre, J. D.			
20. Termination Date 09/30/2013		40. Period Covered (mo/da/year): 01/01/2011 TO 12/31/2011	
Outputs: <p>The output from this project resulted in five journal articles, one extension publication, four presentations at appropriate discipline meetings (Agricultural and Applied Economics Association, (AAEA) meeting, the Southern Agricultural Economics Association (SAEA) meeting, and at the Southern Regional Science Association meeting), one MS student thesis, and one PhD dissertation. Recognition of this research served as the basis for which two grants were awarded: 1) "Improving the Economic Resiliency of Rural Communities Under Natural Disaster and Environmental Risk" from the USDA/NIFA/Food and Agricultural Sciences National Needs Graduate and Postgraduate Fellowship (NNF) Grants Program and 2) "Measuring the Relative Financial Vulnerability of Municipal Governments to Tropical Natural Disaster Risk" from the Mississippi-Alabama Sea Grant Consortium/GOM Regional Research Competition.</p>			
Outcomes/Impacts: <p>This research provides beneficial outcomes on the incomes of farm households, especially young and beginning farms. Those farmers that should adopt direct marketing strategies are those farms in located near large metropolitan bases and from regions that lend themselves to fruits and vegetable production. By employing a direct marketing strategy, they will be able to capture a larger proportion of the consumers' dollar increase gross sales than those who have not adopted direct marketing strategy. Direct marketing strategy did not seem to be an effective strategy for large and/or cash grain farms. The profitability of strategic management decisions made by young and beginning farms is crucial as they can use this information in constructing their farm operations strategic business plan and future decisions regarding farming operations. The research benefits agribusinesses by providing an understanding of the impact sustainability on their business operations. The decisions made by publicly traded agribusinesses influence their share value, and in particular the adoption of Corporate Social Responsibility (CSR) practices, is an initiative many firms are beginning to implement. The share values of agribusinesses react negatively, at least in the short-term, when the announcement is made that the firm has become a member of the Dow Jones Sustainability Index. Agribusiness firms must work at communicating to shareholders how these initiatives will bolster long-term profit. Moreover, agribusiness companies realize that as they introduce new products into the market these products must meet consumer expectations regarding sustainability. Firms must develop a culture of innovativeness to ensure long-term economic viability.</p>			
Publications: <p>Gunderson, Michael A., Joshua D. Detre, Christine A. Wilson, and Brian C. Briggeman, "Ag Lending: The Next Generation," <i>Agricultural Finance Review</i>. Vol. 71, No. 3, 2011 (280-294).</p> <p>Detre, Joshua D., and Michael A. Gunderson, "The Triple Bottom Line: What is the Short Run Impact on the Returns to Agribusiness Stocks," <i>International Food and Agribusiness Management Review</i>. Vol. 14, No. 4, 2011 (165-178).</p> <p>Detre, Joshua D., Hiroki Uematsu, and Ashok K. Mishra, "The Influence of GM Crop Adoption on the Profitability of Farms Operated by Young and Beginning Farmers," <i>Agricultural Finance Review</i>. Vol. 71, No. 1, 2011 (41-61).</p> <p>Detre, Joshua D., Aaron J. Johnson, and Allen W. Gray, "Innovativeness and Innovation: Implications for the Renewable Materials Supply Chain," <i>International Food and Agribusiness Management Review</i>. Vol. 14, No. 2, 2011 (17-34).</p> <p>Detre, Joshua D., Tyler B. Mark, Arun Adhikari, and Ashok K. Mishra, "Linkage between Direct Marketing and Farm Income: A Double-Hurdle Approach," <i>Agribusiness: An International Journal</i>. Vol. 27, No. 1, 2011 (19-33).</p>			
Participants:			

Josh Detre (PI), Ashok Mishra, Christine Wilson, Brian Briggeman, Michael Gunderson, Allan Gray, Aaron Johnson, Tyler Mark, Arun Adhikari, Hiroki Uematsu, and Jeremy D'Antoni, LSU AgCenter.

Target Audiences:

The target audiences for this project research are Rural Residents, Rural Community Leaders, Publicly Traded Agribusiness, Policy Makers, Agricultural Finance Professors, Agricultural Production Operators, and Rural and Agricultural Lending Professionals

Project Modifications:

Nothing significant to report during this reporting period.

Approved (Signature)	Title	Date
		