The Economic Club of New York

119th Year
863rd Meeting

Beth Ford
President and Chief Executive Officer
Land O'Lakes

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In-Person/Hybrid Event

Moderator: Sam Jacobs
Editor in Chief
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Introduction

President Barbara Van Allen

Hello and welcome. This is the 863rd meeting of The Economic Club of New York. I'm Barbara Van Allen, President and CEO of the Club and it's a pleasure to see everyone here today. I want to extend a warm welcome to students joining us virtually from Fordham University. I'd also like to recognize members of the 2026 Class of Fellows – a select group of diverse, rising, next-gen business leaders who are joining us today.

The Economic Club of New York is proud to stand as the nation's leading platform on social, political, and economic issues. We've been doing this for more than a century and during that period we've actually hosted over 1,000 preeminent guest speakers contributing to a tradition of excellence. And actually next year, in 2027, we'll celebrate our 120th Anniversary. So there'll be lots of cool things on the agenda for that.

We're continuing that excellent tradition today welcoming our guest, Beth Ford. Beth is CEO and President of Land O'Lakes, Inc., a *Fortune* 250 company, and farmer and retail member-owned cooperative, which she has led since 2018. Land O'Lakes operates in all 50 states and 60 countries, touches half of the harvested acres in the United States and 10,000 rural communities and feeds over 100 million animals every day. During her tenure, Beth has focused on supporting the cooperative's members,

advancing technology and strengthening rural communities.

Prior to Land O'Lakes, Beth held senior positions across seven companies and six industries. She serves on the boards of the Business Roundtable, Starbucks, PACCAR, and has been on the board of BlackRock as well. She was named to the *Time* 100 Most Influential People and *Fortune's* 100 Most Powerful People in Business. She holds a bachelor's degree from Iowa State University and a master's degree in business from Columbia University. She is in the Council of Supply Chain Management Professionals Supply Chain Hall of Fame and holds a Doctor of Humane Letters honorary degree from Iowa State University.

Today's program features a fireside chat moderated by Sam Jacobs, Editor in Chief of *Time*, and we are honored to have him with us as well. So the program will conclude promptly at 1:00. And as a reminder, this discussion is on the record as we do have media in the room and online. Without further ado, please welcome Beth and Sam.

Conversation with Beth Ford

SAM JACOBS: Thank you so much. So this is the 863rd meeting.

BETH FORD: Waited until then for the best.

SAM JACOBS: Leave it to the Economic Club to keep track. Well, thank you so much for that. Beth has already been given a wonderful introduction. I'll also note that she was on the cover of *Time* in 2017 as part of our first project and our former sister publication, *Fortune,* recently called Beth one of the most urgent voices in American business.

I'd like to start with a question for you all in the room, which comes from a question posed by Beth in a recent article that she wrote for *Time*. So let me ask you, how many dairy farmers are there in America? With a show of hands, how many think more than one million? Okay, more than one million. More than 500,000? Okay, more than 100,000? Okay, Beth, how many dairy farmers are there in America?

BETH FORD: Well, as consolidated, there will probably be about 22,000. And that has been an ongoing issue with consolidation occurring, consolidation is occurring at farm level in a number of parts of the industry. And it's one of the things that I hope we have a good conversation about. It's global pressure, it's cost elements, the marketplace. There are a number of issues driving that level of consolidation. Right now I think the difference in total number of farmers, 1930s let's say, to right now, we've got about 28% of the farmers that we had in the 1930s. It just continues to consolidate at a rapid pace.

SAM JACOBS: We're not eating less...

BETH FORD: Okay. This is true. And, you know, this is part of the challenge in the conversation. I think, I'm not up here to say, boy, be concerned because we're not going to be able to eat. I think this is one of the greatest strengths of America. We are food self-sufficient. It has been a geopolitical stabilizer for many folks around the world. We are a land of plenty. What has been amazing to me since I stepped into this role is how little we all know about the food system, and I'm going to point to myself at the same time. I mean until I joined the company and really started to learn, I'm like, wow, this is really interesting, this is a level of consolidation, should we be concerned? Will this be a disruptor for us?

And I think that's one of the things that I try to convey, that I'm not saying we don't have food in the country. We're not talking about consolidation; we're not in the Sudan or something. We're here. We have a land of plenty. And the risk is because we just expect it. We don't know how we need to invest to make sure we continue to have this as one of our profound strengths in the United States.

SAM JACOBS: That's why I started with that question for the room because I think it starts to reveal maybe how little we all know about how our food gets to us today. I'm curious. You talked about consolidation. We'll come to that. How would you characterize the state of the American farmer? And why should people sitting in a room in New York City care about it?

BETH FORD: Well, I mean, so the question is a bit loaded in some regards. Because, you know, many times I'll say, well, what part of the sector are we talking about? Because the sector could include cattle farmers. Well, many of you have been hearing about beef prices. Many of you have been hearing about the fact that we're at 1950s level in terms of number of cattle in the country.

Should that concern us? Well, why is beef price rising? So are cattle farmers making money? Well, they were. They have been. But, you know, that they're only now covering their variable costs over the last, maybe three or four years. So they were finally at a point where they could reinvest. Why was that the case? Well, because of drought, drought conditions, and because of rising prices, rising costs not all of us understand. Right? So that's an issue.

What about growers? Well, last year, and thank you to *Time* and thank you, Sam, for publishing this Op-Ed that I wrote. And it was a time and it continues to be a time where growers – corn, beans, cotton, other things – were in the third year in a row, were losing money, fourth year in a row of losing money. So what's the point now? Well, beef price jumped up. Corn price jumped up. You've got a Super El Niño coming. There are geopolitical issues. You see the trade lanes. You see the strength of the dollar. I mean I could go through the list of issues.

This year, what we see is farm bankruptcies are increasing, 19% up versus year to date, last year. You see continued stress on the farm. You see interest rates are increasing. And right now, you know, we see diesel price up. Guess what? It's harvest time. They're in the fields. I was on a farm last week. And they have to get the crop out of the field. They don't have an alternative. And the question is, can they absorb that additional expense. I think in February the Department of Agriculture had a statistic that now in September has changed in costs for, input costs for farmers will be up $15 billion from February to that September report.

SAM JACOBS: What does that mean as an overall percentage of cost?

BETH FORD: Well, this means that their ability to absorb the cost is lacking. The reason you're seeing bankruptcy is because they're eating into their equity. During the last number of years, they've been able to get operating loans. By the way, they get those operating loans, let's say it's in the winter and into the early spring, before they go to planting. So they're buying all the inputs upfront. And then they can be exposed to any number of issues that we just mentioned, and climate, meaning the weather, things like that, the normal weather pattern. And so that volatility, how can they plan for that?

So when you say the state of farmer, right now they've absorbed a lot of cost. They're eating into their equity. I get notes from, texts or emails from different farmers, Beth, I

don't think I'm going to make it. And you need to understand the pressure on the farmer. The pressure on the farmer is multi-generational. So when they say that they're going to say, I'm fourth generation, I'm the guy that can't make this work, I'm the guy? That pressure. You know farming has one of the highest suicide rates of any profession. Because what they're doing is wearing the burden and the, I guess, the joy of multiple generations.

So right now, we'll see, because corn and bean price jumped up, some of them will make money if they haven't forward-sold their crop. Some of them get in front of it. They need the cash flow for their business. The bankers are telling them, hey, we got to get some money into your operation. And then others will be in a better position. So it's all how did the farmers strategize it in an environment that is highly volatile, that has multiple issues that will drive it. And it's not about whether they're a terrific farmer. It's about what are the geopolitical issues? What's the cost of inputs? What's going on with trade lanes? I mean any number of these things can be a disruptor for the farmer.

SAM JACOBS: What do you say back to the farmer when you get a message like that?

BETH FORD: They'll say, is there any hope? And I say, well, listen, I don't know everybody's operation, right? I don't know each person's operation. We do touch half the harvested acres in America, 25% of the farmers. Generally when I'm getting a note

like that, I say, are you okay? First thing is I want them to know they didn't do something wrong. I want them to know, are you okay? Is your family okay? One of the privileges of my role is I am out on farms. I'm sitting at the table. I'm in the barn. I'm in the combine. And what a joy, what a joy, what a privilege, because this is about their family. And so the first thing I ask is are they okay? Is your family okay?

And then I say, well, you know, how are you thinking of it? Some of them are thinking about it and they're saying I'm eating into the equity of my next generation. I'm thinking about whether I'm going to get that next operating loan, what that means. And again, you know, price per acre, land price is up. I think it's about 45% over the last number of years, and so what that has allowed for is operating loans. They've got the collateral. They can get an operating loan. But some of them will look at it and say I'm eating into the equity now, and I've made it through that operating loan.

And so what I ask them is really more about them, their family, their business, etc. And then, you know, of course, say is there something we can do to help? We are a farmer-owned cooperative. My board is farmers or local rural retailers. And so we have agronomists. We have experts. We have research centers. We have technology. We have all of it. And I ask, is there something we can do? Can we be with you and think through what is your next step, how you might think about the needs of your operation.

SAM JACOBS: You're often functioning as a translator. You're moving from rooms like these to the farm to back here again. And I'm curious, in the course of that movement what you think is missing, gets lost in translation from both sides? What do people who maybe don't spend their day in proximity to a farm misunderstand about farming? And maybe those who don't, you know, spend their day in the subway misunderstand about markets and places like these?

BETH FORD: That's a really great question because I have a lot of reactions to that. Some of it is what I started with. It's just how little people really understand about the food system writ large, I mean broadly, about how the costs add up. Why is the cost up? By the way, the American farmer only gets 12 cents on the dollar for what is sold at retail. The cattle farmer, 3 cents. Okay, so we look at that and you say, do you understand the economics of it? What is involved in it?

But my worry is that we sometimes overlay this discussion with politics. So people have a point of view. Well, you know, this administration is doing this. We talk about policy. I am not a politician. I do not talk politics. I talk policy. We work with both sides of the aisle on what are the enablers for the food system largely. Because we have processing capacity, I have 70 or 80 manufacturing plants. I mean we are across the whole thing.

So my worry when I go to these things, or my realization is that there is, there's difficulty

or challenges sometimes in discussing this because we think of it as a political discussion or we don't have understanding. I feel my responsibility is, as I said, to have voice for our members, for farmers in general, for the industry, for the food system. Because all of us would agree the food system is critical for our security for the United States and more globally.

So I feel it's really important, what a privilege I have to be able to convey to you these are some of the things that I see that I think we should all invest in. We should invest in technology in rural America. Still 22% of rural residents lack access to broadband, 22%. And I think these folks, 19% of the population lives in rural America, they comprise 44% of the military. Service is deeply embedded in these communities. They are willing to make the investment. They stand up. They're feeding us.

And I think we need to be invested in the things that are important for all of us in this room, in urban areas. And so I think of it, like I need to be able to convey clearly the kinds of investments that I think are necessary. Rural hospitals, you know, what's the first thing that farmers want to talk to me about, healthcare. You know, 11% of farmers don't have healthcare. It's greater than that for dairy farmers, like 40-something percent. I mean it's a lot. Because they can't afford it. And, you know, it's a risky occupation.

And so all of these things, you know, you don't set up a successful business in a

deteriorating neighborhood. I think we want to make investments. And it's in all of our interests. It's all of our interests. We should want this from a security perspective and from an economic perspective.

SAM JACOBS: You said you don't talk politics, you talk policy, but I will lead you where maybe you don't want to go.

BETH FORD: Which is your job. And my job is to bob and weave.

SAM JACOBS: You do what you'd like. What does the American farm look like under President Trump?

BETH FORD: Again, I'm going to say, well, it's going to depend on what kind of a farm we're talking about.

SAM JACOBS: Give us a few examples.

BETH FORD: Okay, well, I mean dairy farmers economically, it's interesting, protein is a thing now as we all know. And you're certainly seeing a kind of a resurgence of cow's milk and things like that. So that is great news. And protein as a source has increased, and so dairy powders as well, they've been able to sustain the last couple of years.

Because interestingly since the beef market is short, what happens is they have gone to, and this is where I think, the American farmer, amazing innovators. I mean really impressive. They've gone to dairy-beef cross where they'll use genetics. And so 20% actually of the beef market is actually dairy cows that have been cross bred. And so they're sustaining themselves, have different opportunities to manage their P&L, and they're trying to invest in robotics from a labor perspective. But I just told you, 22,000 to 23,000 dairy farmers now. They've consolidated. Hog population and hog producers have consolidated at that same level.

Just a real level of concentration. But an amazing level of innovation. I'm like, boy, we should celebrate that. I think over the last number of years, I think dairy cow numbers are up 2 to 4% and production is up 39%. Genetics, feed rations, I mean amazing innovators. So I'm going to say they're balancing themselves looking at feed costs.

If you look at growers, bankruptcies are up. In the Southeast especially, nothing was making money. No crop making money. And so it's stressful and they're looking at it. I was on a call with my team this morning doing our normal Tuesday call across the businesses, our financing business, secure financing already looking at the next crop year. Last year, we probably had $100 million in reserve loans, and this year it's over a billion. Interest rates up. Dramatic. And this is very early. So I said, boy, that's telling me something about the financial position of the farmer, about how they need operating

loans to invest in their business.

So I'm going to say, their stress is high. And at the same time this is the joyous period of time. They're out, it's harvest. They can see kind of the fruits of their labor. How great is that? And, you know, they're looking at next year and already thinking about what they're going to plant. So there, I think that they're looking, they're looking at trade. They're looking at the trade lanes trying to understand what's going to happen in terms of export volumes, which are critical. Twenty percent of ag production is exported. It stabilizes the economics for the farmer. But there's stress. I mean there's stress.

You know, it is both joyous and challenging. What a privilege this job is, the cooperative model, there is an intimacy to it. I know their families. I know them. I will be a loud advocate. I always like to say, you know, again this mistake, I think, people overlay, it's somebody else's problem. It's a politics issue. And it is absolutely not. We should all care about this. It's in our best interest to do so. But I think if you saw the joy and the hard work and the things that I see, you'd say, boy, what a real privilege here it is, that we have this kind of security in the United States.

SAM JACOBS: But I'll keep pushing. In what ways has the administration made it easier to be a farmer today?

BETH FORD: We want and need the administration to be successful. We need that. We want that. We need an active trade agenda. It has to be part of, I just said 20% is exported, we need open markets.

SAM JACOBS: Do we have an active trade agenda today?

BETH FORD: We have a trade agenda. We do have an active trade, Dr. Callahan, the Trade Ambassador, I've met with him. I've met with both of them. And I think that they're working on trade arrangements. Now, I don't know the resilience of those trade agreements.

SAM JACOBS: What does that mean?

BETH JACOBS: Well, I mean I don't have enough specifics to track against it. I do certainly for China. I would say to my team, gee, it feels like we've got a couple of guys with visors down in the basement tracking this stuff because it's pretty opaque, you know, what's going on. If it was this amount, well, how much more...

SAM JACOBS: You mean the negotiations...

BETH JACOBS: No, meaning tracking against what we've heard was the agreement.

And it's relatively opaque. I mean cargo level tracking is really what we're trying to get to, like where did that go? Are we sure that went, is that a bean shipment? What is it?

And so I would say the administration gets correct, is right about an active trade agenda. I need to see the specifics and I need to see if it's resilient. I will say there wasn't an active ag trade agenda in the previous administration. This isn't a, you know, I'm looking for a hero in the story here, I'm looking for specifics. Do we understand the opportunity and the necessity of trade for the American farmer and why that's critical for the farm economy?

Now, I've also said there is tremendous stress right now on farm. And it's because of rising costs. As I just said, you know, February to September, $15 billion more costs. With diesel pricing, you know, how much capacity do they have to absorb that additional hit? I've been asking the farmers, like how many gallons per acre, tell me how many gallons per acre you're using, and it varies.

Like some of them are like, well, are you including the grain cart, or am I getting over to the grain elevator? Is it my combine only? But in general, I think it's okay to say it's probably double the cost. Now, some of them, again innovators, I'm a big admirer of the farmer, some of them put in tanks. They may have pre-purchased some diesel, and have some tanks on their farm. There's any number of strategies they employ to

mitigate or put a downside, a floor on their risk. And so I would say that they're in a challenging position.

If you go back to the administration, all the same elements that you read, all of us read about, the economics, what's happening in terms of cost elements, are hitting the farmer at the same time. And so, you know, how do I think of the translation of policy from the administration? I think they get right, the need for an active trade agenda. I'm going to see the resilience of those agreements. And I saw yesterday, I think the President came out with a discussion on diesel and off-farm diesel not paying the taxes. Any element to reduce cost is going to be important.

SAM JACOBS: The diesel issue and the rising costs there is one you want to underline because I think for those of us who maybe drive to work, we think about gas in one context but the price of this diesel is really important.

BETH FORD: Yes, it's critical for truckers. I mean any part of the economy that has got equipment, they're using diesel, and diesel costs at double is difficult. You know one of the elements that gets into delivered price, into retail and elsewhere is reliant on diesel expense. And you see a lot of individual owner-operators in the transportation sector parking their trucks because they can't afford to get, to fill up, if you will. And, you know, that cost element is significant with reduced capacity available for a number of

companies who are trying to get delivered costs into that. The same thing for manufacturing assets, things like that. I mean they're reliant on diesel.

SAM JACOBS: A fact you're very well aware of, two-thirds of farmers are non-citizen immigrants.

BETH FORD: The farm workers.

SAM JACOBS: Workers, that's what I meant to say, two-thirds of farm workers are non-citizen immigrants.

BETH FORD: And about 45% of those are unauthorized. You know, immigration, as you know, I chair the Immigration Committee for the Business Roundtable. Why did I decide to do that? Because that seems fun...

SAM JACOBS: Yes, who would elect to do that?

BETH FORD: Pick me for all the fun stuff.

SAM JACOBS: Beth, you need to find some hobbies.

BETH FORD: But, you know, the reality is, I mean you want to be involved in the important issues. It's critical for a farmer. Guess what? They try to hire U.S. workers, and they really are challenged to hire anybody. And it's not because they're not increasing wages above where wages are increased in other sectors. It's that the American citizens, in general, are not fans of that work.

You know listen, labor, let's think, Central Valley of California, produce area, great productive area of the country, probably 30-some percent of produce ends up on the ground because there's no labor to pick it. Think of those economics and why this is critical. Dairy farmers, 24/7/365. And, you know, they can't access H-2A visas because that's a seasonal visa.

So what you have, any office I go into focus on this particular issue for farm workers. By the way, the broader economy, I focus on the economic value of immigration as a driver of the economy. Right? That's what we know. We did a survey in the Business Roundtable that indicated that there would be a 3.3% increase in GDP over the next ten years and over $1.2 trillion of additional economic value if we get some immigration reform. Who's short? Well, construction, I mean I don't have to go through the list. You can probably see it.

You know, back to farmers, we're one of the areas that is particularly short. Any office I

go into everybody agrees with that. This is not a debate about whether we need that or not and whether those jobs go unfilled. And to me, again, another element, I always think in a volatile industry you've got to control the controllables. This one is controllable by us, by making decisions about immigration reform or farm worker, the Farm Worker Modernization Act, for instance, passed the House twice on a bipartisan basis. Couldn't make it through the Senate. And so we're going to continue to push that, beat that drum.

Chair Thompson, GT Thompson from Pennsylvania, has released something more recently. I'm hopeful in the Farm Bill that might be a conversation that is occurring in terms of farm labor. We certainly need immigration reform. We need labor availability for agriculture, for farmers. Because I've just gone through the litany of other expenses or challenges that a farmer encounters. And that one to me feels as though we need to have something addressed. We need to have some courage to address that.

SAM JACOBS: Let's drill into the details of that a little bit. In your mind, what would be the common-sense reforms we could make to help solve this problem?

BETH FORD: Well, in terms of farm labor there are some proposals on there. I mean you could do visa reform, for instance, on dairy farmers to make that less seasonal, right? 24/7/365 is what I've said. So we could have visa reform and make that available. We could have more visa availability. I will say there has been some increase on visa

availability for growers and for things like that, but it's not broad enough. And the reality is, you know, the ease of it is really important. One of the, I can go back to the financing business, is the financing business really because we're offering that much more certainty on interest rates? And they said, well, what we have is, of course, fixed interest rates, so it's not as variable. That's important. And so some certainty in terms of labor availability is equally important. They also say the paperwork is easier.

So the question is, on H-2A visas or on seasonal visas or on any of them, accessibility. What's involved in filing? What does the potential, the immigrant who may be coming into the country, what do they have to do to access that visa? And are we making it seamless? Listen, we believe that it starts with border security, and we've seen that improvement in the border security. That's the starting position. And then we have to have an active conversation about immigration reform that would tie to, again, growth levers for the economy broadly. And yes, in agriculture.

SAM JACOBS: You are working hard to connect these two ideas – food security and national security. I'm curious why that's so important to you to make sure that people understand that these are related phenomena.

BETH FORD: Well, I mean I think we've all seen it? Haven't we? When Ukraine occurred, you saw prices drive up dramatically, again in the least food secure areas of

the world, the Sudan, North Africa, those areas. And we've got a Super El Niño coming in. The last Super El Niño, I want to say was in 1880s or something if I'm not mistaken. I think, what was it? Fifty million folks were impacted. A number of them died of famine. So that level of volatility, we're seeing that that's going to come in. We're going to have an impact on food production. It's going to occur. And you see a bit of elevated pricing happening in grains and that's good news for some domestic farmers, less good for others.

So I'm using those couple of examples to say food security is national security. You've seen this in war situations around the world. Flows are disrupted. What we need to make sure, this has been a stabilizing force, a strength of our economy, a strength of America for years. And it is still a strength because of the innovation of the American farmer. Tremendous productivity improvements, dramatic, that would be celebrated and should be celebrated everywhere.

And at the same time we shouldn't take it for granted. If I tell you that 22% of folks lack access to broadband, healthcare outcomes, nursing homes, it's about setting the environment for appropriate investment from the farmer and for our security, our food security, and I think that that's critical. By the way, it's critical for energy. Thirty percent of corn acres go to ethanol. That's a price reduction per gallon.

Where do you see the growth in that push for ethanol improvement? For instance, Brazil, sugar beets is what they're using. They're moving over to corn. What they're trying to do is hold more corn back so that they can get more of a blend rate in their energy business. And that's to solidify their own security from an energy perspective. So agriculture plays against any number of these things and it is not just food security, it's agriculture writ large playing in multiple sectors that I think we need to invest against.

SAM JACOBS: You mentioned Brazil. I'm curious what foreign markets you're watching most closely, those that you feel are most competitive with the United States. And are there advantages that they have that you wish we had here?

BETH FORD: Well, Brazil is massive. They are an agricultural powerhouse in increasing their investment. We have much better technology. We have the good dirt up here. We have the good dirt. So that's good news. But their climate allows them to triple crop, not just double crop. So they're highly productive. They're investing in ports and rails and things like that, and they're investing in ag research.

You know, ag research funding in the United States at government level is at 1970s levels. China has over 70% of the gene editing patents in the food space, and they're investing like clockwork. They're also becoming more food self-sufficient. So think about the export markets, and China is a critical destination. So if you look at who else, I look

at China's investment. I look at Brazil's investment. I look at Canada's investment. And then we look at markets around the world, Mexico, every place to say what is happening from a production perspective and what is their investment and what is our ability from a trade perspective to continue to work with them.

SAM JACOBS: Why do you think we lost the momentum on that investment? Why are we at 1970s levels today?

BETH FORD: Well, I think for a long time my perspective is that industry was investing pretty broadly in research and then industry became consolidated. You know, in the U.S. we only have really one basic, it's Corteva, because Bayer purchased Monsanto. There's been other consolidation that's occurred at that level. And so that research funding that was sitting in other areas and then research funding from different universities has reduced. And so I think the federal government was partnered with U.S. business, which has consolidated, and then they just allocated less funding into that and now we're in this situation where we don't have as much depth to investment in research for agriculture.

SAM JACOBS: Let's focus on climate change, something you've touched on a few times. I'm curious how, what is the farmer's perspective on climate change? How is it changing how Americans operate their farms?

BETH FORD: Well, farmers have been the first, I say this, the farmer is the original environmentalist, always investing in their land. They don't have a productive farm if they're not worried about their soil health and the resilience of their land. So they're always looking at that. When they're looking at their production, they're saying, you know, what are the investments that I need to make. It's in their best interest. Many of them use stabilizers, for instance, when they put their fertilizer on so they maintain position in the soil.

So how are they thinking about it? Well, it depends on the operation. It depends on what they're doing. But I would say universally what I see is the farmer investing in their soil health, in their land, in their operation. And, of course, it's in their best interest, period, because they want to be as efficient as possible, because again it's a pennies or a negative-pennies business, and they're working to sustain their operation.

SAM JACOBS: How hard is it to convince the next generation of farmers to stick at it?

BETH FORD: Well, here's the thing, they want to. Many of them want to, what a joy. But we have more farmers over the age of 75 than under the age of 35. It's a math problem. And it's very difficult. Land price is up dramatically. But, you know, land is a financial asset.

And so what's happening, I think, over the next number of years, I think 44 million acres will change hands because you've got farmers who are getting older. They're going to get out of production. And many of them want to but that transition is very difficult, to hand that over, you know, what's the basis? How do we think about, how can they get financing? And that's a problem.

The concern or the recognition, I don't know if we should be concerned or not. I think, yes, it's different. You have so many financial buyers. My chief who is with me here today, Tina, she was talking about a farm auction near her family farm in Northern Iowa, again, the good dirt, Iowa. And at that auction there were 400 bidders. Only two were local farmers. The rest were financial buyers. Now, should that concern us? Well, certainly the fabric of the community changes. I think 25% of farm land is farmland managed now. Very much like Brazil where they fly in on the helicopter, I'm not saying here in the United States, but it's like farmland managers.

SAM JACOBS: Meaning they don't have a connection to that community.

BETH FORD: Well, many of them don't. They don't live in their community. They have workers that are out there. I'm not saying that in every instance here, but that continued, land as a financial asset, on the one hand I can say, well, boy, that has been sustaining for a number of farmers where farm land value is increasing and has allowed them to

continue to get operating loans against the value of their farm, right? The downside or the continued risk is that dramatic change that is occurring with ownership of farmland.

And is it going to be dramatic? Well, I'm not sure. What locations? What does that look like? But for me it's something I certainly track. You know, if you've got 400 and two are local farmers and the balance are not, hmm, what's happening in terms of the fabric of that community? What's happening in terms of that? And again I want to highlight these communities, not all involved in agriculture, but these communities, 19% of the population, 44% in the military, making dramatic investment in the United States' security and all of the hard work, I am an admirer. And I think we all need to recognize the level of investment that we should advocate for because it is in our best interest to do that.

SAM JACOBS: I want to move the conversation from maybe the production end to the consumption end. How have you seen GLP-1s change what farmers are growing and what they're making?

BETH FORD: I haven't seen that, but I do see that in retail businesses. We are a branded goods business. We're very unique. We start from the farm, but we have, you know, everybody says I know your butter. I'm like...keep buying it, it's baking season. We have cheese too, and pudding, and get busy with that. But where you see that most

dramatically is at retail. I was looking the other day, and I'm not trying to judge it, but protein Doritos? Really? Wow!

SAM JACOBS: Have you tried them?

BETH FORD: I have not.

SAM JACOBS: Would you want to?

BETH FORD: Well, I was looking at them.

SAM JACOBS: Okay, so you're going to get hooked.

BETH FORD: I'm just going to be honest with you. It's been a minute since I had a Dorito because I could go through a trail of tears...

SAM JACOBS: A little bit of protein would get into a Dorito.

BETH FORD: Okay, well, a trail of tears on the Doritos. That's not gone well for me. But the reality is, you know, you do see this real focus on protein, this real focus on portions.

SAM JACOBS: Fiber too as a piece of that.

BETH FORD: I am not a GLP-1. What are we asking here?

SAM JACOBS: I'm asking you, this isn't a personal question. I'm asking you, I'm told that consumption patterns are changing across the country because of these drugs. Your employers, as it were, grow the products that we eat.

BETH FORD: Well, they grow some of the inputs that go into formulas that are in there. But I've also said it's been a real growth for dairy and for protein products. And our products are fairly simple and so you see that in terms of what we produce on behalf of consumers.

SAM JACOBS: Well, you did highlight in your 2025 Annual Report the strength of cheese and the strength of the butter markets. I am curious about our relationship today to butter and cheese. And don't forget that in 2014 *Time* put a beautiful swirl of butter on the cover.

BETH FORD: We were so happy with you.

SAM JACOBS: With a line that said, Eat Butter. Not sponsored, I would say, but

certainly we share a mission in encouraging the consumption of butter. Are we eating more butter and cheese today?

BETH FORD: Yes, healthy fats, yay. By the way, we still trail Europe from our cheese consumption, so everybody needs to get busy. But, yes, because these are good protein sources. They're healthy. They're kind of simple. And we certainly see that our butter business has been quite strong. You know, really what I'm looking now from that perspective is the food service business, back of kitchen, you know, our queso business. Queso is so good, but I can have like one chip with that queso and that's not going to go well for me either.

But the food service business and what I'm looking at is the health of the consumer. You know, what's happening? Are we seeing trade down? And you generally see this in an area where on the ladder you might go from a butter, then you go to a private label, then you go to a spread and then you come out of the category. So I'm just looking at what is selling. Is our half-stick business selling more than our spreads business? I mean I'm looking at a variety of different elements so I think that's what we're seeing in terms of consumer health.

SAM JACOBS: You mentioned we're trailing Europe on consumption on some of these things. There was a recent piece in the *Wall Street Journal* about travelers bringing

butter home with them from France.

BETH FORD: It's a higher fat content.

SAM JACOBS: Have you ever done that?

BETH FORD: Have I? Why would I do that? Somebody comes over to my house and I'm sitting there with somebody else's butter in my refrigerator. What's happening?

SAM JACOBS: That's what I'm asking you. Do you think American butter can compete with French butter?

BETH FORD: We actually have a cultured butter, a French butter. We have our Vermont creamery business, our goat cheese business, but we also have a cultured butter. And we have higher fat content butter for the bakers that are out there. We have kind of Black Label butter as well. I just love how you're asking me whether I am sneaking somebody else's butter...

SAM JACOBS: I just read that piece and just...

BETH FORD: Well, no.

SAM JACOBS: The suitcases are full of butter these days.

BETH FORD: Okay, well, here's the thing. I'm not doing that; I'd like to retain my job.

SAM JACOBS: Okay. Well, we've got 15 more minutes to keep that. Land O'Lakes is one of the only cooperatives in the *Fortune* 500. You do not answer to shareholders or investors. You answer to your members and farmers. How does that make your job different than your peers?

BETH FORD: Well, first of all, right inside my boardroom I have the sample set. I mean many of them are farmers or local rural retailers. Boy, they can answer some questions pretty quickly. There is an intimacy. As I said, you know, I know their families. I know their communities. I know their businesses. And so it is a little bit different.

Now the great thing from my perspective, I wouldn't want anybody to think we aren't held to the same standards. We have SOX compliance. We're doing the same thing. I'm meeting with rating agencies. If you walked onto our campus you wouldn't recognize it as like, I think people have this idea, oh, a cooperative, it must be sleepy. No, no, no, you wouldn't recognize it as any different from any other business. But there is a real long-term view that these board members and that members in general take, and they understand the cyclicality of what happens in different businesses. And so I would say

it's a real treat because their questions are very thoughtful and quite detailed, like how thick is that pipe, Beth? I'm like, oh my, we're going to have to know that too. And I think it's a real privilege. You do learn quite a bit.

SAM JACOBS: And we started on this part; I'm going to come back to it. That intimacy means you understand their lives in a very deep, connected way. You mentioned the high suicide rates. That National Rural Health Association says farmers are three and a half times more likely to die by suicide than the average American. What's fundamentally driving this trend and what can we do about it?

BETH FORD: Well, I said the amount of stress, the generational stress, the economics, very challenging. And then think about the number of, or lack thereof of mental healthcare providers or physicians that are available in these communities. Oftentimes, I mean you'd lose obstetrics healthcare in many of these communities and so you don't even have access. You know, one of the great benefits, a potential is to use online, we did a lot of work with the Mayo Clinic, the Cleveland Clinic, others, during Covid especially to have access to healthcare providers, which we knew were important. And then you had mental healthcare providers.

But the issue, I think, is whether the regulatory framework allows for cross-border access. Let's say, you know, there's one mental healthcare provider in the Mountain

States, and if you aren't in that state, can they write a prescription? Can they see you? These types of things, there still needs to be some reform from my perspective in that regard to make that available to these communities. And mental healthcare is a major issue and a real gap in terms of provider and that's one of the reasons that you see a higher suicide rate.

SAM JACOBS: Another thing that you're focused on is technology and innovation. You recently announced a partnership with Microsoft around AI. How is AI playing into what farmers do today and what role do you imagine it will play in the future?

BETH FORD: Well, I think it will, you know, here's the thing I think it will play a role. We have tools, Oz for instance. It helps our agronomists on the farm with our farmer. Right? We have AI tools that we're using in our research centers, but I said working in partnership with the agronomist. Okay, so it's not displacing it. You're not going to put a black box in the middle of the kitchen table with a farmer and say here's the right answer.

SAM JACOBS: ChatGPT is running ads with farmers right now showing how their devices are helping farmers improve their lives.

BETH FORD: Okay...hmm.

SAM JACOBS: What do you make of that?

BETH FORD: Well, I think that it's going to be an enabler. I mean it's not a replacement. It's an enabler. It's another set of data or another set of eyes. These are very sophisticated folks who are going to want the information, but they are going to want to have the conversation, most of them, with the agronomist, or with their other folks at the cooperative or whomever it is they're accessing. These are people that they have trusted for a long period of time who know their farm, know their soil, know all of those things.

So I'm not against the enabler. In fact, we use them, some of our own tools. I think it's another enabler but I think it has to be partnered with, especially here, with the agronomist, with the experts who understand exactly what's happening on that farm, that farmer. You know, many of them have grown up together.

I was on this farm last week. I was again just amazed because this farmer and his wife had been on there, this is third generation. Now they've got their son back. Now it's fourth generation, and his family is the fifth generation. Each of them heavily involved in the community. One of them is like the Assistant Fire Chief. One of them is like the Assistant Teacher. And that's what I think of when I think of this. You know, yes, the tools, but the community is what's differential, I think.

I have lived in urban areas most of my adult life, and I always think I want my neighborhood to be like that small town, where we're taking each other's kids, where we know the butcher, we know the folks who are there. And I want to say that for tools as well. AI will be an enabler and yet at the same time these communities are together, working. They raise their kids together. They know each other's land. They know each other's equipment. They know each other's, all of those things that while an enabler can be there, those decisions are still shared decisions, or there's a conversation that is occurring that I think is what is differential for the farmer.

SAM JACOBS: One of the things we saw this summer in the U.S. is what seemed to be an outbreak of food-borne illness in a way that we hadn't seen in recent history. I may be getting that wrong. But if I'm getting it right, what are we getting wrong about how to keep our food system safe?

BETH FORD: Well, I think there has been a reduction in the number of inspectors in the food system. It's not a direct area of my expertise, but I want to say it's down fairly dramatically. Now we, of course, especially in our dairy plant, although I'm also going to say in our Purina plants, you know, that's food-grade manufacturing. It's all about investing there. And then at a farm level similarly it's making sure you have standards in your operation. So I think that always having some level of your inspectors and coupling that with expectations for the operating practices on farms. But really in the

manufacturing, in the processing facilities and everything else, it's really what's critical.

SAM JACOBS: We've talked a lot about the stresses in American farming today. You keep coming back to the joy of harvest season where we are right now. Our food is coming out of the ground. I'm curious at this moment in time what makes you optimistic about the future of American farming?

BETH FORD: Yes, I was disappointed because it's so wet up in my area that they wouldn't let me get on the combine, and I really like that. It's a really great part of my job. What am I optimistic about? I am optimistic about the enablers. I am optimistic about some potential for new markets. You know, sustainable aviation fuel, SAF, you know, we're looking at non-oil seeds. Are there things that we can do to give another avenue for the farmer? I am optimistic because again I see this level of productivity improvement. As I said, you know, 39% increase in dairy production, 2% increase in the number of animals. Genetics, you know, feed rations, investments that are appropriate.

We well outstrip any of the competitive set around the world, well outstrip them in terms of productivity of the American farmer, innovation of the American farmer. That's what gets me optimistic about that. And I think that we'll continue to see that level of investment. I see the commitment, the resilience of these families, these communities who are involved in this. And I continue to see that joy, even with the stress. I'm telling

you, you know, if you were with me and you were to go into some of them, you'd say, well, I see that pretty clearly. You see that commitment.

I cannot tell you how many times, and I was saying this earlier today, how many times I'm in a room and we're in an urban area and they're like, oh, yeah, I grew up on a farm, or my family is from a farm, or I was a dairy farmer, I'm a cattle farmer. And the pride and the recognition of how hard it is but how much they learned and the joy is remarkable. And so that's what gets me optimistic is we do have the most productive farmers in the world. We do have the most innovative, in my view. And our opportunity is to continue to have these discussions to make sure we're talking about policies that maintain that position globally for us. I think that that gets me optimistic.

SAM JACOBS: Well, I learned a lot today. I hope you all did too. Beth Ford, thank you very much.

BETH FORD: Thank you.

PRESIDENT BARBARA VAN ALLEN: So that was just terrific. Thank you so much. And just so everyone knows, I was raised on a dairy farm. My father was head of a large cooperative of many farmers and he was proud to be a Land O'Lakes milk and butter provider.

I'm pleased to announce we have a robust lineup of speakers in the fall. If you turn over your program, you can see some of what is to come. On October 8, this week, Peter Orszag, CEO and Chair of Lazard, will be with us. October 19, we're lucky enough to have David Axelrod and Karl Rove on a webinar about the upcoming election. October 22, Charlie Cook will be with Bob Rubin, by the way, and we'll have a luncheon there, and we'll hear all about his perspective on the upcoming midterms. And then the CEO of Kalshi, Tarek Mansour, will join us on October 27. And watch your website because we have another big event that's not yet announced.

And as I always like to do, I want to thank members of the Centennial Society for joining us today as their contributions provide the financial backbone that makes all of this possible so thank you. For those joining us remotely, we'll see you later. And for everyone in the room, please enjoy your lunch. Thank you.