

Geopolitical Risks: Strategically Planning for The Good, the Bad, and the Ugly



What's the Best Case Scenario?

What's the Worst Case Scenario?

Agricultural landscape:
More interconnected
More unpredictable
More volatile



What Do Directors
Need to
Know/Consider/Thin
k About/Do?



The Director's Role: More Than a Title



Strategic Visionaries
Directors shape organizational vision, culture, and long-term success through strategic leadership.



Balanced Leadership
Balance accountability, decision-making, and team inspiration.



Strong Decisions
Directors lead and make decisions with broad perspective.

Core Competencies for Directors in 2025



⁰¹ Relationship Building

Foundation for trust, engagement, & performance

⁰² Agility & Adaptability

Navigating rapid change and uncertainty with resilience

⁰³ Strategic Decision-Making

Evaluating risks and opportunities to drive growth

⁰⁴ Communication

Clear & transparent to inspire dialogue across all levels





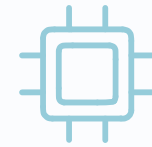


Essential Boardroom Skills and Experience



Risk Management & Compliance

Navigate complex regulatory landscapes and emerging challenges while protecting organizational interests



Digital & Cybersecurity Literacy

Understand AI capabilities, IT infrastructure, and evolving cybersecurity threats in digital transformation



Change Management

Lead organizations through disruption with strategic clarity and cultural sensitivity



HR & Culture

Shape inclusive, resilient workplace environments that attract and retain top talent

The Five Cs of Leadership & Team Accountability

Common Purpose

Align teams around clear, shared goals



Clear Expectations

Define roles, outcomes, and deadlines precisely

Communicate & Align

Maintain transparency & openness

Coach & Collaborate

Develop talent & foster teamwork

Consequences & Results

Provide constructive feedback & celebrate success



The Stakes Have Never Been Higher

From droughts to debt ceilings, from global wars to shifting trade alliances, Farm Credit directors face unprecedented challenges.

The ripple effects of geopolitical events can reshape rural economies overnight, affecting borrower resilience, credit quality, and institutional sustainability.

Board members must be equipped to anticipate, evaluate, and respond to global disruptions.

Key Geopolitical Categories

1

Tariffs and Trade Policy

Shifting trade relationships and tariff structures affect commodity prices, export markets, and farm profitability.

2

Shipping Disruptions

Port closures, logistics bottlenecks, and transportation costs increase volatility of agricultural supply chains.

3

Economic Sanctions

Understanding how international sanctions create market distortions, shift demand patterns, and open unexpected opportunities.

4

Financial and Cyber Threats

Evaluating vulnerabilities in agricultural technology, financial systems, and critical infrastructure that could impact operations.

5

Election and Weather Cycles

Anticipating policy shifts, regulatory changes, political volatility and weather patterns

Global Growth Projections for 2026: What to Expect

Navigating the complex interplay of innovation, geopolitics, and economic policy in the year ahead



Global GDP Growth Forecasts

IMF Projection

3.1% growth in 2026, slightly up from 3.0% in 2025

Optimistic outlook driven by resilient consumer spending and stabilizing trade

PIIE Estimate

2.9% growth in 2026, down from 3.1% in 2025

Modest slowdown reflecting cautious consumer sentiment and tighter monetary conditions

EIU Forecast

2.4% growth expected in 2026

Most conservative view, citing the slowest expansion since the pandemic era

Why the Differences? Key Factors at Play



Geopolitical Tensions

AI-Driven Investments

Divergent Fiscal Policies



Spotlight on the U.S.

Moderate Growth Ahead

US GDP growth expected to slow to **1.7%** in 2026 from 1.9% in 2025, reflecting post-pandemic normalization

AI Investment Boom

Massive AI infrastructure spending drives short-term demand, creating jobs and innovation

Fiscal Challenges

Public debt projected to reach **143% of GDP by 2030**, raising sustainability concerns among economists

Emerging Markets Growth



India & China

Strong growth trajectories despite global tariff pressures, driven by domestic consumption and manufacturing expansion



Brazil

Slower growth due to tight monetary policy aimed at controlling inflation and stabilizing the currency



Russia

Constrained by international sanctions and persistently low oil prices impacting government revenues



Geopolitical Risks and Economic Fragmentation



US Tariffs Stabilize

Tariff rates remain elevated at 14.5%-16%, creating persistent trade friction, but with less volatility than previous years



Trade Realignments Accelerate

EU, ASEAN, Canada, and Australia forge new partnerships, reshaping global commerce patterns and supply chains



Ongoing Conflicts Add Volatility

Ukraine, Middle East, South China Sea, Sudan, Myanmar

The AI Factor: A Game Changer for Growth

Total AI Investment

by 2030

\$3T

Share of US GDP

10%

Artificial intelligence represents the most significant technological shift since the internet, with unprecedented investment flows reshaping economic forecasts.



97%

of business owners
believe AI will help
them grow their
business



Forbes 2024

SO MUCH POTENTIAL...

- ✓ Efficient way to automate repetitive tasks
- ✓ Increase data collection
- ✓ Enhance employee engagement
- ✓ Improve employee productivity
- ✓ Better decisions based on patterns + insights
- ✓ More 24/7 responsiveness to user/citizen needs
- ✓ Minimize loss + risk
- ✓ Hire better-qualified candidates
- ✓ Train employees more effectively

64%

of businesses
expect AI to increase

productivity



WATCH FOR PITFALLS...

- ✓ People still need to do quality control
- ✓ Needs good collection mechanisms
- ✓ People don't understand the processes they manage
- ✓ People need soft skills, like critical thinking
- ✓ Depends on robust, quality data
- ✓ Cold, impersonal, and frustrating when it is wrong
- ✓ Monitoring leads to a lack of privacy
- ✓ AI bias & often lacks data
- ✓ Not a substitute for leadership & mentorship



75%
of Americans
worry about
misinformation
from AI