



Lathrop Gage's Survey Reveals Legal Risks, Opportunities

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KANSAS CITY, Mo. (December 12, 2013) – Lathrop Gage LLP today reported the results of its *2013 Survey of Agribusiness Trends*, which revealed legal risks and opportunities for the agribusiness industry.

“As a law firm deeply rooted in agribusiness knowledge and experience, Lathrop Gage is committed to identifying legal trends and issues that help our clients and the industry as a whole protect their freedom to operate and seize opportunities necessary for growth,” said Jean Paul Bradshaw, Lathrop Gage Partner and former United States Attorney. “Survey results revealed what many of our clients express on a regular basis, that the Agribusiness sector presents a complex legal environment in which to conduct business.”

The survey, which brings forth insights from 44 senior legal decision makers in 40 top agribusiness organizations, revealed that the agribusiness industry is experiencing regulatory and economic challenges that make it increasingly difficult to operate. Paired with new social and technological opportunities, agribusiness organizations' legal departments are inundated with new and changing responsibilities.

With great risks and opportunities come increased workloads and associated legal needs. Yet survey data shows that many agribusiness organizations have very small or no legal departments. Key insights from the 40 organizations surveyed include:

- 68% have three or less in-house lawyers, including 20% with zero and 25% with one in-house lawyer
- While the average size of a U.S. legal department is 23 in-house lawyers, the survey indicated that the average size in the agribusiness industry is 12
- Excluding outliers, the average for the agribusiness industry is just eight, with a median of two in-house lawyers

To manage risk and take advantage of opportunities, respondents emphasized the need to ensure compliance, proactively prepare for new regulation and educate policy makers and the public on agribusiness needs. As such, respondents are expecting increases across all industry practice groups. The largest predicted increases include work associated with:



- Federal regulations (80%)
- State regulations (61%)
- Environmental regulations (61%)

A breakdown of all anticipated work increases:

“In an industry inundated with challenges and new opportunities, agribusiness organizations have comparatively small legal departments and low external legal spends,” said Jay Felton, Lathrop Gage Partner and fifth-generation farmer. “Despite limited resources, legal workloads are only increasing in order to meet this changing regulatory, social and technological environment.”

As respondents look to the future, they anticipate that increased workloads will be dealt with by a combination of internal and external resources. Not surprisingly, results indicate organizations with smaller legal departments anticipate doing more work using external resources. As such, below are the percentages of organizations by legal department size that expressed a need for either external or a combination of internal and external resources in order to respond to the anticipated workload.

- 5+ in-house lawyers: 63%
- Two to four in-house lawyers: 75%
- One in-house lawyer: 89%
- Zero in-house lawyers: 88%

Along with comparatively small legal departments, the agribusiness industry invests in fewer legal resources. While the average legal spend across U.S. industries is \$8.5 million, survey results reveal that the average legal spend in the agribusiness industry is just \$2.7 million. Given limited legal resources and increasing workloads, the greatest challenges for survey respondents are budget and value management (30%) and managing workload (16%).

“Our agribusiness industry group is made up of attorneys that grew up on and are still actively involved in production agriculture, so we know the ground to cover, speak the language and share perspective on the importance of agriculture,” said Felton. “As agribusiness organizations struggle to respond to the changing industry, Lathrop Gage stands ready as a trusted legal partner with the technical expertise and deep agribusiness knowledge to help our clients quickly and effectively take advantage of key opportunities while minimizing risk and protecting their freedom to operate.”



Lathrop Gage LLP commissioned its *2013 Survey of Agribusiness Trends* from Acritas, the world's leading provider of legal market research. Extensive research was conducted, including 44 in-depth telephone interviews with senior legal decision makers in agribusiness organizations, each with minimum revenue of \$40 million. Research spanned agribusiness industries, ranging from industries such as biotechnology to lending and finance to farming and beyond.

About Lathrop Gage LLP:

A full-service law firm, Lathrop Gage LLP has more than 315 attorneys in 11 offices nationwide – from Los Angeles to New York. *Chambers USA* ranks Lathrop Gage's corporate, environmental, intellectual property, media and entertainment litigation, labor and employment, commercial litigation, real estate and transportation teams among the best in their regions. For more information, visit www.lathropgage.com.