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Cargill: The Risky Business of Integrating Climate Change and Corporate Strategy

It was a brisk fall morning in October of 2013. The leaves in Minneapolis, Minnesota were turning a vibrant red and the wind whistled as it whipped across Lake Minnetonka. Cargill's stunning world headquarters – reminiscent of a French chateau – were situated along the lakefront. The Lake Office, as it was fondly referred to, was located near the company's sprawling office park.¹ Cargill's board of directors crowded into the boardroom for their quarterly meeting with piping hot mugs of coffee and a crackling fireplace in the background.

Uppermost on the board's agenda for the morning was climate change, given that its existence was becoming hard to deny. Climate scientists across the globe, in partnership with governments and universities, had defined the urgency of the problem. Groups such as the National Oceanic and Atmospheric Administration (NOAA), the Climate Research Unit, and the National Aeronautics and Space Administration (NASA) had published research demonstrating a rapid increase in average annual temperatures since 1980. NOAA highlighted an increase in extreme weather resulting in multi-billion dollar disasters.² Cargill had recently experienced the impact of extreme conditions when it was forced to close a meatpacking facility in Plainville, Texas due to severe drought in 2012.³

The majority of the agricultural community did not acknowledge climate change directly, but it had begun to recognize the changes in weather patterns. For example, in the recent past, farmers based in North Dakota could only grow wheat. However, rising temperatures had elongated the growing season, and now they were able to grow a variety of crops, ranging from soybeans to canola to field peas.⁴

In the early 2000s, climate change was at the forefront of political debates. It was a highly complicated and divisive issue. As a private company, Cargill enjoyed the luxury of minimal disclosure, but society had begun to demand transparency about the company's operations. How would this family-owned corporation survive the impact of climate change while upholding its duty to feed the planet and without alienating its group of diverse stakeholders? CEO Gregory Page and the other board members took deep breaths as they began to consider this important and complex question.

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