

TRADING TALENT

After an active year for mergers and acquisitions, competition is fierce among agricultural trading companies looking to attract the best staff, says **Commodity Appointments'** Matt Havill

The agricultural trading job market is likely to continue to be very active in 2015, according to analysis conducted by executive search firm Commodity Appointments. Although trading conditions in key markets such as grains and sugar have been poor of late, recruitment activity tends to spike in the periods immediately following the execution of mergers and acquisitions – and 2014 has been an active year for deal-makers.

Recruitment levels have been boosted by deals such as Chinese agricultural trader Cofco's \$1.5 billion purchase of a controlling stake in Noble Group's agricultural trading unit last April following its earlier acquisition of a 51% stake in grain trader Nidera NV in February, as well as the launch of Alvean; Cargill and Copersucar's 50/50 sugar-trading joint venture in August 2014. While the entrance of new participants in this market has had an impact on hiring trends, several large merchants and banks, such as JP Morgan and Barclays, have also been in the process of winding down divisions or diversifying portfolios away from the commodities sector, freeing up traders and risk managers for positions at other agricultural trading companies.

In general, any restructuring or diversification of trading organisations is likely to lead to movement of the industry's top talent. During

periods of intense activity, such as that seen in 2014, competition for the best staff can become fierce. It can be challenging for organisations to find and retain strong personnel at the best of times but, with so much change occurring throughout the agribusiness markets, the healthy rivalry seen for the top talent this year is likely to continue into 2015.

As a direct result of this competition, from a remuneration perspective, the industry is beginning to develop into a more mature trading environment. Many agricultural companies – from large physical players to asset-light trading houses – are starting to implement more desirable bonus structures in order to attract and keep traders and commercial teams. Such schemes are typically directly related to the profit and loss performance of the trading desk.

Companies that wish to attract the top talent must have access to quality information about the typical salaries, bonuses and benefits offered by competing firms. Through the use of extensive in-house data and information-gathering resources, Commodity Appointments can harness big data to analyse where the markets have been, where they are now and where they are likely to go in the future. We have an entire team dedicated to collating key information on remuneration and providing analysis, intelligence and trend forecasting we can use to help our clients.

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tracked more than 2,100 career moves across the commodity trading markets in 2014, which saw 347 job changes within the agriculture and soft commodities complex, specifically. The most active companies were Brazilian bank BTG Pactual and global commodity trading house Noble Group. In addition to the companies that are looking to hire new employees, we also work with a wide range of individuals to help them find new roles – from traders to country heads, and risk managers to chief executives.

This provides us with insight into the remuneration packages offered for many different positions and levels at organisations throughout the industry. Thanks to our ability to track each sector and collect detailed information on how employees are remunerated, our clients are fully equipped with the most up-to-date information necessary to attract and retain the desired talent. As an example, during a recent salary benchmarking exercise for a client that wished to ensure its traders were competitively remunerated, Commodity Appointments gathered data from more than 1,100 traders across the European gas and power sector. This allowed us to paint a detailed picture of compensation trends throughout this section of the market for our client.

Firms that wish to compete for, and attract, the top trading and risk management talent in the agricultural markets need to have access to the right information. By partnering with an executive search firm that can provide this data, trading companies can ensure they have access to the market intelligence and analytical tools that will help them to build a successful and satisfied workforce.



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