Established industries and fast-growing sectors face more challenges and have more opportunities in the new year. Here’s what to expect. Part 2 of a two-part series.

***Farm Economy Faces***

Further Austerity

Many U.S. farmers are expected to tighten their belts further in 2015 as they contend with another year of lower grain and soybean prices—economizing that could pinch the companies that sell them equipment and supplies.

Fall 2014 brought the U.S.’s second straight bumper harvest of major crops. While prices have rebounded in recent months from their lows, they are still projected to remain depressed through this year, with futures prices for corn staying below $4 a bushel, and soybean prices drifting lower to $9 a bushel, according to agricultural lender Rabobank.

Austerity in the farm economy comes on the heels of a commodity-price boom that helped fuel prosperity across the U.S. Midwest through 2013, driving farm incomes and land values to record highs—and fueling the North America farm-machinery market’s biggest and longest rally in memory.

“There are a lot of adjustments to come in the entire agricultural sector,” said Chris Hurt, professor of agricultural economics at Purdue University in Indiana.

He said farmers likely will curb spending on farm equipment, making do with tractors and combines they already own and squeezing profits for manufacturers such as Deere & Co. Demand for farm supplies like fertilizer and seeds also could slow, which would hurt companies like Monsanto Co.

Deere, the world’s largest seller of farm equipment, has implied that North American unit sales of high-horsepower tractors—a market it dominates—could be down 40% in 2015 from last year, when industrywide sales sank about 15%. Deere and some analysts reckon that should be enough of a break from buying for farmers to return to the market in 2016.

—Jesse Newman and Bob Tita

***Wireless Carriers Steer a Dicey Course***

The new year will test whether the worse is over for the telecom industry’s price war—as AT&T Inc. and Verizon Communications Inc. have suggested—or whether more profit-sapping pain is ahead for the industry’s leaders.

The problem for the biggest carriers to this point has been T-Mobile US Inc., which got rid of contracts and paid subscribers to switch.

This year, the problem could be Sprint Corp. , which now needs to stop shedding customers after abandoning an effort to buy T-Mobile.

There are other wild cards, too. Satellite broadcaster Dish Network Corp. has billions of dollars worth of wireless licenses and could in theory emerge as a competitor. Cable companies may yet enter the wireless fray, possibly by building upon the coverage given by their Wi-Fi networks.

The price battle has been welcomed by U.S. subscribers—who generally consume more data every year on their smartphones and face some of the highest monthly wireless bills in the world—and by regulators, who were hoping for increased competition when they shot down AT&T’s $39 billion deal to buy T-Mobile in 2011 and warned Sprint off trying its own T-Mobile deal last year.

But the promotions are taking a toll on the carriers at a bad time, just as investors are worrying about the soaring cost of acquiring the spectrum needed to grow. Share prices of the four biggest wireless carriers were hit late in the year, and Verizon and AT&T warned their profits would be hurt.

The Federal Communications Commission’s auction of spectrum licenses has drawn nearly $45 billion in bids and isn’t over.

AT&T is spending big to decrease its dependence on the U.S. wireless market with the pending acquisition of DirecTV and its move into the Mexico.

—Thomas Gryta

***Guidelines to Grease U.S. Oil Exports***

For the first time in 40 years, ships full of unrefined American oil are sailing from Texas to ports in Europe and Asia. This year, the new trade routes should provide a relief valve for the glut of U.S. crude.

The Wall Street Journal reported in June that two Texas energy companies, Enterprise Energy Partners L.P., a pipeline company based in Houston, and Pioneer Natural Resources Co. , an oil producer based in Dallas, received special permission from the Commerce Department that allows them to sell ultralight oil to foreign buyers without sending it to a traditional refinery. With only a few exceptions, that hadn’t been possible under a federal oil-export ban that dates back to the 1970s Arab oil embargo.

The Commerce Department insists there has been no change to the crude-export ban, but so far roughly 3 million barrels of ultralight oil have been loaded onto tankers leaving Texas. The industry expects that figure to rise thanks to new guidelines issued last week by the Commerce Department that spell out how to export ultralight oil by lightly processing it and calling the liquid a refined fuel—much like gasoline and diesel—which is approved for overseas sales.

“While government officials have gone out of their way to indicate there is no change in policy, in practice this long-awaited move can open up the floodgates to substantial increases in exports by the end of 2015,” says Ed Morse, global head of commodities research at Citigroup Inc.

Existing dock space, mainly along the U.S. Gulf Coast, would allow ultralight oil exports of 200,000 barrels a day immediately, but could easily expand to 1 million barrels a day by the end of the year, according to Citi estimates.

Signs that the U.S. is starting to export its glut of oil is one of the factors that has sent global oil prices sliding by 50% to levels not seen since the most recent recession. U.S. crude prices also have tumbled to about $50 a barrel.

Whether they will rebound in 2015 is a question that has split energy analysts. Those who say China’s economy is becoming less focused on manufacturing expect crude to languish in the $60 range, while a few optimists expect cheap oil to spur demand and are predicting a rebound to $90 a barrel.

Energy companies, including Pioneer, continue to lobby Congress for a full lifting of export restrictions. Supporters argue such a move would help create jobs and improve the trade deficit, but opponents question the wisdom of shipping American oil overseas while the country is still a major importer and consumer of foreign crude.

—Lynn Cook

***Auto Makers Keep Pedal to the Metal***

Sales of cars and light trucks in the U.S. totaled an estimated 16.5 million in 2014, and based on December’s sales and industry expectations the pace could reach 17 million in 2015, a level not seen in 12 years.

To hit that mark, gasoline prices need to remain low, the U.S. economy must continue to improve, and credit needs to come easily. Last year, auto sales sizzled to a near-decade high, aided by gasoline at around $2 a gallon and attractive incentives, including 0% financing and inexpensive leases.

“People feel more financially comfortable,” Jessica Caldwell, an analyst with Edmunds.com, said in a year-end research note. Ms. Caldwell, citing a solid economy and strong stock market, noted buyers are willing to stretch, leading to higher sales of luxury vehicles, trucks and SUVs.

Total U.S. spending on new cars was just shy of $91 billion in 2013 and may have eclipsed $100 billion in 2014.

Strong sales volumes have led to sustained black ink at General Motors Co. , Ford Motor Co. and Fiat Chrysler Automobiles —profits that could put the Detroit Three in a tough spot this summer when it negotiates a new pact with the United Auto Workers.

Recent labor deals have allowed domestic auto makers to narrow or eliminate the compensation gap with so called transplants, such as Toyota Motor Corp. , that build millions of cars in the U.S. with nonunion workers. But a litany of pressures has Detroit still angling for a more competitive deal.

A top concern is regulatory costs related to meeting tough fuel-economy standards. New technology can add thousands of dollars to vehicles’ production costs, forcing executives to pinch pennies wherever possible.

Don’t look for the UAW to roll over. After 10 years without a raise for its older workers, the union is looking to put money back in the pockets of members who have weathered several years of rough road. And, labor officials aim to tweak a system that allows auto makers to pay new hires significantly less than those hired before the financial crisis.

—John D. Stoll

***Asia’s Web Companies Leap on World Stage***

Asia’s Internet giants burst onto the global scene last year with the record-setting IPO of China’s Alibaba Group Holding Ltd. Their continued brisk growth—particularly in e-commerce—will be closely watched in 2015.

Asian consumers already buy more online than people from any other region of the world. This year, the Asia-Pacific region will account for online sales of $765 billion, or 48% of all retail e-commerce, according to estimates by New York-based marketing-data tracker eMarketer Inc. That is up from a 35% share in 2011, the year Asia became the biggest e-commerce market globally, and as much as North America and Europe combined.

The two fastest-growing e-commerce markets also will be in Asia this year: India, with 45% growth, and Indonesia with 50%, eMarketer predicts.

Investors already are trolling the region’s economies looking for the next Alibaba.

Masayoshi Son , the CEO of Japanese Internet and telecommunications conglomerate SoftBank Corp. and one of the earliest investors in Alibaba, last year said he is putting his money—in the form of a $627 million investment from SoftBank—on Indian online marketplace Snapdeal.com.

Other investors are betting on Flipkart Internet Pvt., another Indian e-commerce company, which said it raised $700 million in a third round of financing at the end of December.

Singapore-based Lazada Group, which is hoping to be the Amazon.com of Southeast Asia and runs the most-visited online retail site in Indonesia, said last month it secured around $249 million in new funds, led by Singaporean state investment company Temasek Holdings.

Some of the region’s biggest Internet companies are increasingly making their presence felt abroad, investing in Western firms and entering into partnerships that extend their reach overseas or fill out services they are offering to customers at home. Many are pushing beyond traditional e-commerce to become big online providers of everything from movies, music and games to taxi-hailing apps, sending ripples through Hollywood and Silicon Valley.

Alibaba, which is already the world’s biggest e-commerce company in terms of the value of goods that flow through its shopping sites, has been plowing money into videogame makers and film-production facilities. It is expected to acquire more foreign movies and videos to show over its networks this year.

Chinese rival Tencent Holdings Ltd. , which is the world’s biggest videogame publisher and has an 18% stake in China’s second-largest online shopping firm, JD.com Inc., is sealing distribution deals with Western film and music makers

—Phred Dvorak

***Price/Power Struggle***

For Computer Servers

Amazon.com Inc., Facebook Inc. and Google Inc. save loads of money running their websites by spurning brand-name server computers in favor of inexpensive commodity-style systems. And the trend is reaching other parts of data-center operations, aided by new kinds of software.

In addition to commodity servers, technology vendors are offering lower-price alternatives to specialized networking and data-storage equipment. Backers say the software-defined data center, as the trend is known, can deliver better performance as well as lower costs for corporate customers.

Cheaper computing power has been key to the movement. Computer makers like Hewlett-Packard Co. and Dell Inc. long have based their servers on Intel’s x86 chips, originally used in personal computers. But companies looking to build huge server farms later used the same technology without relying on big-name vendors. Google has built its own servers; Facebook uses low-cost x86 servers from Asian vendors like Quanta Inc.

The Web firms found ways to sidestep other brand-name gear, a trend other businesses have begun to emulate. Some customers turned to software, developed at universities and refined by startups, that lets x86-based computers control networks in place of specialized gear from the likes of Cisco Systems Inc. and Juniper Networks Inc.

That shift required fewer costly switching systems, and for those still needed, low-price alternatives emerged from Quanta and others vendors of low-end servers. Providers of so-called software-defined networking, or SDN, now include VMware Inc., the Nuage Networks unit of Alcatel-Lucent SA, Cumulus Networks and Big Switch Networks.

In data storage, startups like Formation Data Systems plan to combine software and x86 chips in dedicated storage boxes that can replace high-end gear from vendors like EMC Inc. and NetApp Inc. Others, including Atlantis Computing and Nutanix, offer systems that store data on disk drives or flash memory chips built into individual x86 servers, the approach used by many Web companies.

The software-defined versions of storage and networking gear aren’t yet widely deployed. But Cisco, EMC and other incumbents already are using their own software to respond to the changes, and analysts expect more buying activity in 2015 as the trend creates new billion-dollar businesses.

—Don Clark

***Can McDonald’s Get Back on a Roll?***

The battle for burger sales should intensify this year as struggling McDonald’s Corp. grapples with changing consumer tastes, cooling sales—and a more formidable competitor.

McDonald’s business suffered throughout 2014. In November, for example, monthly sales at established locations in the U.S. fell 4.6%—its worst performance in more than 14 years.

Under pressure from franchisees and some shareholders, the world’s largest restaurant chain by revenue announced plans in December to upgrade its ingredients and add more customized ordering to appeal to younger consumers and to pare back a bloated menu that has slowed its service. The simple-yet-customizable approach has worked well for competitors like Chipotle Mexican Grill Inc. and Five Guys Holdings LLC, which are contributing to McDonald’s problems.

As McDonald’s works to turn around its business, rival Burger King is digesting a major acquisition: Canadian coffee-and-doughnut chain Tim Hortons.

The Burger King-Tim Hortons tie-up created a giant now called Restaurant Brands International Inc. with more than 18,000 restaurants in 100 countries, making it a fierce rival to McDonald’s roughly 35,000 global locations.

Brazilian private-equity firm 3G Capital, which bought Burger King in 2010 and engineered the Tim Hortons deal, is known for its strict cost-cutting and focus on profit-margin improvements. That could lure investors from McDonald’s and other struggling stocks.

On top of changes to its menu, McDonald’s also is testing mobile ordering and payment.

—Annie Gasparro

***Net-Neutrality Battle***

Grows More Intense

The debate about the openness of the Internet is only going to get more heated in the months to come.

Late last year, President Barack Obama called for the Federal Communications Commission to reclassify broadband Internet service as a public utility to ensure the Internet remains open for all and not divided into fast and slow lanes. FCC Chairman Thomas Wheeler, who has shown to be decisive on big issues, plans to circulate a proposal next month regulating how broadband providers treat traffic on their networks.

A vote could happen as early as the FCC’s Feb. 26 open meeting. Any proposal would require a vote of majority of the agency’s five commissioners to pass

Net neutrality, the principle that all Internet traffic should be treated equally, has been the subject of much discussion over the years. Rules which prevent Internet companies from blocking, slowing or prioritizing certain Internet traffic were adopted in 2010. But in January 2014, Verizon Communications Inc. won a lawsuit overturning them, sending regulators back to the drawing board.

Mr. Wheeler proposed a set of rules in May that he thought would stand up in court, but they were fiercely opposed by net neutrality advocates because the proposals would have allowed content companies to pay Internet providers for faster, more seamless delivery of their content online. If Internet service providers are allowed to sell freedom from congestion, advocates argue that incentivizes them to keep networks congested.

ISPs have made clear they will sue if the FCC moves to regulate broadband Internet service as a Title II Telecommunications Service under the 1996 Telecom Act. Currently, it is considered an information service under Title I, making it subject to fewer rules. Net neutrality advocates have hinted they might sue over anything weaker.

Internet providers say Title II would harm investment because it grants the FCC authority to set other rules, such as setting prices or forcing ISPs to allow rivals to use their wires to set up competing businesses.

Stronger rules could galvanize the Republican-controlled Congress to rewrite telecommunications law to address the issue head on.

—Ryan Knutson and Gautham Nagesh