

The Council on Food, Agricultural and Resource Economics 1999 Annual Report

The Council on Food, Agricultural and Resource Economics (C-FARE) continues to bring the latest insights and ideas from food, agricultural, and resource economists to the Washington, D.C. Policy arena. C-FARE is a nonprofit, nonpartisan organization that works to strengthen the national presence of the agricultural economics profession. Accomplishments during 1999 include the following:

Input to Policy Makers

Economics Research Priorities for the National Research Initiative Competitive Grants Program (NRI) In March, Tracy Irwin Hewitt met with leaders in USDA to discuss economics research priorities for the NRI. Three major points made were: 1) The economics research funded by the NRI is of high quality and value, 2) Other science groups acknowledge the value of economics research, and 3) Five agricultural economics research priorities should be included in the National Research Initiative:

- 1. Develop new knowledge about economic and social consequences of environmental regulation.
- 2. Enhance knowledge and improve understanding of the economic and social impacts of biotechnology and agricultural genomics.
- 3. Expand the science and application of economics to improve food safety.
- 4. Improve farm income and risk management tools.
- 5. Examine the impacts of the changing farm and agribusiness structure.

Testimony to the House and Senate Appropriations Committees

With the Consortium of Social Science Associations (COSSA), C-FARE submitted testimony to the House and Senate Appropriations Committees. Recommendations included:

- Promote and support accountability for USDA programs by providing funding for an innovative study on performance
 measurement guidelines for agricultural research, extension and education programs. Such a study was authorized in
 Title VI, Subtitle C -- Studies, Section 631 of the Agriculture Research, Extension and Education Reform Act of 1998,
 and would cost less than \$500,000.
- 2. Increase social science funding within the National Research Initiative Competitive Grants Program (NRI). Double funding for the Markets, Trade and Rural Development Division to \$9.2 million. And, increase the Natural Resources and the Environment Division to \$32 million to generate new knowledge about the economic and social consequences of environmental regulation. We support increasing funding for the NRI to a total of \$200 million.
- 3. Expand competitive research grants programs at USDA by either: 1) allowing \$120 million in funding for The Initiative for Future Agriculture and Food Systems, or 2) expanding the NRI to \$320 million by targeting \$120 million towards integrated critical and emerging issues on topics related to biotechnology, genomics, food safety, natural resources and the environment, farm efficiency and profitability, and precision agriculture.
- 4. Increase support for USDA agencies that promote the development and use of economic and social science tools to guide decision making. A) Increase the Economic Research Service budget for research and analysis to \$60 million, plus \$14 million to evaluate the food and nutrition programs. B) Increase the National Agricultural Statistical Service budget to \$86 million for agriculture estimates and research, and to \$17 million for periodic Census of Agriculture. C) Increase the Natural Resources Conservation Service (NRCS) Budget to \$1,415 million to maintain existing programs, and enhance economic and social science analysis.







Agricultural and Applied Economics Departments











Deere and Company

 Increase funding for Cooperative State Research, Education and Extension Service base research and extension programs by \$40 million (includes Hatch Act, McIntire-Stennis, Evans-Allen, Animal Health, Smith-Lever Formula 3(b) & (c), 1890 colleges and Tuskegee).

FY 2000 Agriculture Appropriations Bill

C-FARE-initiated report language in the FY2000 appropriations legislation which will encourage more economics research as part of the NRI. This language should help increase access by agricultural economists to the NRI. The language reads as follows:

Page 43 of 155 in the FY 2000 Senate Report Language states:

Competitive research grants.ÑThe Committee supports the National Research Initiative Competitive Grants Program [NRI] and continues funding at the fiscal year 1999 level of \$119,300,000. The Committee remains determined to see that quality research and enhanced human resources development in the agricultural and related sciences be a nationwide commitment. Therefore, the Committee continues its direction that 10 percent of the competitive research grant funds be used for a USDA experimental program to stimulate competitive research [USDADEPSCOR].

The Committee recognizes the important contributions that economics research makes to generating new knowledge about, and enhancing the efficiency of, our food and agriculture system. The Department should consider expanding its support for economics research in the National Research Initiative.

Food Safety Inspection Service Hearing on Listeria

C-FARE submitted a public statement on the economic components of food safety issues as they relate to listeria-induced disease at a stakeholder meeting sponsored by the Food Safety and Inspection Service. Actions were identified to create or increase the economic incentives to reduce foodborne disease include:

- 1. Publish more information on the inspection history and pathogen levels by plant.
- Create a consumer label for use on products that meet superior "pathogen control standards." This could be implemented by a joint industry-government body that oversees approval and enforcement.
- 3. Create special tax breaks for industry by investing in new food safety inventions, or adoption.
- Increase funding of epidemiological research to discover the risks associated with various production and consumption practices and behaviors.
- 5. Create a mechanism for industry to have an incentive to share food safety information with researchers. This might be done through an insurance mechanism that protects industry from the costs associated with an outbreak. Plants that share auditing information and pathogen test results with researchers could participate in the insurance program at a lower cost than plants that do not share information.
- And finally, an increase in enforcement, fines, and/or pathogen testing may increase the economic incentives to reduce the incidence of foodborne disease.

Joint Institute on Food Safety Research, USDA

C-FARE prepared a statement at a public meeting on how USDA and HHS might organize a Joint Institute on Food Safety Research. The statement included the following recommendations:

- 1. Be inclusive. Food safety is one of our most complicated issues. The only way to reduce the number of foodborne illnesses is to think broadly and recognize that there are contributions to be made by the biological, physical and social sciences
- 2. Encourage interdisciplinary research that crosses not just sub-disciplines of biology, but also crosses the biological, physical and social sciences.
- 3. Seek input from professional associations that represent scientists about their research priorities related to food safety. If you do, you'll notice that not only is food safety research identified by the agricultural economics profession as a research priority (C-FARE, 1997), but the economics of food safety is identified as a research priority by the Coalition for Research on Plant Systems (CROPS'99), and by FAIR'95 a consortium of more than 40 organizations representing the food animal sciences.
- 4. Consider having three assistant directors on the institute staff -- one for economics and social science, another for the biological sciences, and a third for the physical sciences. This would be one way to further promote collaboration and cooperation among scientists and other stakeholders.

Smart Environmental Policy for Animal Agriculture, 1999 symposium

This is the first C-FARE symposium designed to be a hybrid of a symposium and a congressional briefing. The objective of the conference was to analyze and discuss innovative public and private strategies for environmental management in animal agriculture. Hill staff were consulted on the design and content of

program. Attendance at the symposium was phenomenal, with 125 individuals attending, of which approximately 30 were Congressional staff.

CSREES Stakeholder Meeting

This meeting discussed research priorities for animal agriculture. Tamara Wagester presented several public statements on behalf of C-FARE and distributed copies of our newest document, "Smart Environmental Policy for Animal Agriculture: Possibility or Pipe Dream?" Input from these meetings is used to develop request for proposals for the NRI and to make other program decisions.

Briefings with Dr. Phil Pardy

Tamara Wagester and Dr. Phil Pardy met with several key Hill and Agency Staff to discuss Dr. Pardy's new book, "Paying for Agricultural Productivity." This book looks at several developed countries and how they fund their agricultural research programs.

Meetings with Chuck Laughlin, Administrator for CSREES

C-FARE staff and board members met with CSREES Administrator Chuck Laughlin to introduce C-FARE, and ask him to fill vacant positions within the Economics and Community Systems Unit of CSREES, and request that another economist be hired to work with NRI staff. They also discussed the emerging priority issues in agricultural research and strengthening the presence of social scientists among the program staff of the NRI. A C-FARE white paper on economics research priorities was also presented.

Biotech Statement to the Senate Agriculture Committee

The U.S. Senate held a two-day hearing on biotechnology. Dr. Bill Lesser, Cornell University, submitted a statement on behalf of C-FARE. The statement was based on LesserŐs recent work organizing a conference sponsored by regional research committee NE-165 and Farm Foundation on economic issues related to biotechnology.

Section 406 Grants

Section 406 of the Agricultural, Research, Extension and Education Reform Act (AREERA) grants CSREES specific authority for joint research-extension programs. This could allow the opportunity to expand the role of economics and other social sciences as CSREES seeks input from those who conduct and use research and extension programs. Two statements were submitted to CSREES on behalf of C-FARE to explain the important role economics should play. One statement was submitted by Peter Barry, University of Illinois and Chair of C-FARE and Charles Abdalla, Penn State University, submitted a second.

Partnerships with Other Disciplines

FAIR 2002

C-FARE participated in a two-day conference, held by the animal science societies, to produce of list of animal science research priorities. Tracy Irwin Hewitt served as a breakout group leader, which gave C-FARE the opportunity to encourage the use of economics to help solve some of the challenges faced by the animal science profession.

Internal/Professional Activities

AAEA Annual Meeting

C-FARE sponsored three sessions at the AAEA Annual Meeting. The first was an organized symposium titled "Inside Washington: What's happening to federal support for agricultural research, education and extension programs and what does it mean for the agricultural economics profession." David Schweikhardt and Tracy Irwin Hewitt organized it and speakers included Hunt Shipman, Senate Appropriations Committee, Kelley Eversole, a lobbyist with Eversole and Associates, and Tom Reardon, Michigan State University.

C-FARE also sponsored two free sessions on industrialization at the Annual Meeting, with input from Bob Taylor, Auburn University, and JB Penn, Sparks Companies, Inc. The first one focused on general changes in the structure of global agribusiness and the second focused on biotechnology.

Feature in AAEA Newsletter

During 1999 C-FARE continued to submit numerous update articles to the AAEA newsletter, The Exchange, to inform the profession about important topics for their attention.

Economics Priority Setting Process

The agricultural economics profession is again engaged in a structured priority setting process to update priorities and related initiatives. C-FARE has been leading this process for the new millenium. For example, C-FARE board members summarized this process to the department heads at their fall conference. It is important that our profession have a transparent process to update our priorities for 2000 and beyond.

For more information about C-FARE, please contact Peter Barry, Chair, at 217-333-1827, or Tamara Wagester, Executive Director, at 703-445-9510.

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For information regarding this website, please email Caron Gala at C-FARE.

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