

## C-FARE February Newsletter Plaintext

### Market Corner:

“There is a lot of buzz about industrial hemp these days, and I don’t mean a marijuana buzz. Hemp is the first “new old” agricultural product in the U.S. in several decades.”

Banned in the U.S. in 1937, the decline of the U.S. hemp industry likely began with the invention of the cotton gin and the industrial revolution that ensued, which focused on efficiency and quantity in agriculture. Until the invention of the hemp decorticator in 1917, the harvesting and processing of hemp was very labor-intensive. But, a perfect storm was waged against hemp that included racism against Mexicans, which was one of the bases for “reefer madness,” the Dupont lobby for petrochemicals (nylon), and the Marijuana Tax Act, which banned hemp.



Yet, hemp is cited as being the oldest example of human industry, dating back to China in the 28th century B.C. In 1535, King Henry VIII compelled landowners to cultivate one-quarter of an acre of hemp or be fined. And, Samuel de Champlain in the U.S. mentioned in 1605 that Native Americans used “wild hemp” to tie their bone fishhooks.

While research plots were approved in 2012, the 2018 Farm Bill opened the door for wider hemp production. Most of this is still for flower (CBD), but many opportunities are opening for hemp grain and fiber. More research is needed.

I am currently P.I. on a USDA Foundational grant with the University of Vermont, University of Kentucky, and Colorado State University as partners. We are developing models to estimate the economic impact of hemp in the economy from production and processing to distribution and consumer demand. With Tyler Mark from the UKY, we are also building a consortium to research the hemp supply chain and its impacts on the economy, communities, and the environment.

- **Jane Kolodinsky, The University of Vermont**

## Director Spotlight:

**Andrew Muhammad** is a Professor at the University of Tennessee Institute of Agriculture, Department of Agricultural and Resource Economics, and holds the Blasingame Chair of Excellence in Agricultural Policy. Twitter: ([@UTAgTrade](https://twitter.com/UTAgTrade))



**Interest:** Research interest includes international agricultural trade, effects of trade policy on flows (imports and exports) at the sector level, global competitiveness of U.S. agricultural and food exports, effects of trade on developing countries, and the economics of global food demand and dietary changes across countries.

**Why UTIA?:** Tennessee is particularly diverse in regards to agriculture and natural resources. Annually, Tennessee's economy depends on over \$2 billion in agricultural and related exports to over 130 countries. My current position at the University of Tennessee allows for complementary research and outreach activities that address the global needs of the agricultural sector at the national and state level. As a result, I am able to inform decision making by farmers, agribusinesses and policy makers on international trade and policy issues and attract resources to improve the competitive position of state and regional agriculture in global markets.

**Hot Stock:** The trade war between the U.S and China has accelerated the process of Chinese firms relocating to Southeast Asian countries like Vietnam. Consequently, Southeast Asian countries will become increasingly important markets for U.S. agricultural and related exports. We are seeing evidence of this as Vietnam has surpassed China as the leading market for U.S. cotton exports. Improved trade relations between the U.S. and Southeast Asian countries are vital to the future of U.S. trade.

**Watchword 2021:** Digital technologies and food trade. Technology will play an increasing role in how we sell agricultural, food, and related products across countries. Electronic platforms and blockchain technology could fundamentally change international trade and allow for more efficient, sustainable, and responsive global supply chains and could increase participation by small firms in the global marketplace.

## New Directions:

**Reconstructing the Supplemental Nutrition Assistance Program to More Effectively Alleviate Food Insecurity in the United States.** Although the central objective of the Supplemental Nutrition Assistance Program (SNAP) is to reduce food insecurity in the United States, the majority of SNAP households are food insecure. Higher benefits may lead these households to food security. To evaluate this possibility, we use a question from the Current

Population Survey that asks respondents how much additional money they would need to be food secure. [The full study is available here](#)

**A Randomized Controlled Trial Measuring Effects of Extra SNAP Benefits on Child Food Security in Low-Income Families in Rural Kentucky.** To reduce childhood hunger, the US Department of Agriculture funded several innovative demonstration projects. Between January 2017 and March 2018, treatment households on SNAP received additional monthly benefits ranging from \$1 to \$122 based on the distance to the grocery store and earned income. [The full study is available here...](#)

**A Randomized Controlled Trial of Three School Meals and Weekend Food Backpacks on Food Security in Virginia.** School-based nutrition assistance programs aim to reduce food insecurity; however, there is limited evidence of their combined impact on food insecurity among children. [The full study is available here...](#)