

October Newsletter 2022

Hello Colleagues and Friends,

Welcome to our monthly newsletter! This month's features are:

- The Market Corner article **Energy Security: The Case of the European Market for Gas** by Gal Hochman, C-FARE Board Chair, and David Zilberman, C-FARE Board Member.
- This month's Director in the Spotlight features C-FARE Board Member Will Master.
- New Direction features articles and papers titled:
 - [The Potential of the CHIPS and Science Act for Rural America](#)
 - [Ending Hunger, Improving Nutrition and Physical Activity, and Reducing Diet-Related Diseases and Disparities](#)
 - [Defining Distress: Lessons from the Federally Chartered Regional Commissions](#)

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Market Corner

Energy Security: The Case of the European Market for Gas

During the pandemic, dwindling demand for oil resulted in drastic decreases in production and a drop in energy prices. For example, on September 18, 2020, the Henry Hub natural gas spot price was \$1.56 per million Btu. As a result, oil companies began shutting down wells and laying off employees. However, as the pandemic entered a new stage with the introduction of vaccines, demand for oil across the globe surged – but with a decreased labor force and inactive wells, oil companies have been slow to catch up with the rapid demand for gasoline. Combined with the attack on Ukraine, interruptions of Russian oil shipments, and US import bans on Russia (which supplies 12% of the world's oil), global oil prices have risen nearly 65% since the beginning of 2022.

On April 7, 2022, European countries established the [EU Energy Platform](#), a voluntary institution intended to secure affordable energy prices under the current geopolitical environment and reduce the EU's dependence on Russian gas. The platform builds on existing EU policy initiatives, intended to support a consistent supply of gas to consumers via the existing gas infrastructure with as little disruption to market mechanisms as possible. EU members have taken actions to diversify gas supply and committed to reducing gas demand by 15%. Within a few years, the EU can achieve a more enduring and climate-friendly solution to its energy security without demanding significant changes in behavior or industrial energy use. It would require accelerating the energy transition to meet the new REPowerEU targets and invest in new liquefied natural gas (LNG) imports. Another often overlooked alternative is biogas production; according to recent research, biomethane from livestock can replace roughly 19% of Russia's

imports using existing technologies. Food waste to energy can significantly increase these numbers further.

Besides, a recent online [article](#) suggested that the EU should also take more actions, including accelerating permits for renewable projects, improving energy efficiency, increasing electrification of fossil fuel-intensive processes, and scaling up the clean-energy workforce. Many of these recommendations can also benefit the US. To this end, renewables are causing a significant structural change in the electricity sector.

Energy security suggests reliable, affordable access to all fuels and energy sources. However, how can we secure the natural gas supply? [LNG and storage](#) (on-shore or off-shore) should play a key role in diversifying the EU gas supply. Nonetheless, the augmentation of renewable natural gas projects can help Europe alleviate prices and offer a long-term domestic-based source for diversifying its gas supply.

Gal Hochman, C-FARE Board Chair, Rutgers University

David Zilberman, C-FARE Board Member, University of California, Berkley

Director in the Spotlight

Will Masters

SHORT BIO

William A. Masters is Professor of Food Economics and Policy in the Friedman School of Nutrition at Tufts University. His research and teaching concerns agriculture and food systems as drivers of economic development and human health. He is the founding director of the [Food Prices for Nutrition](#) project, using the affordability of least-cost healthy diets as a new metric of global food security, and is an elected Fellow of the Agricultural and Applied Economics Association (AAEA).

INTERESTS

I was attracted to agricultural economics as a way to build paths out of rural poverty. In the 1990s and 2000s I worked in the College of Agriculture at Purdue University, focusing on farm productivity, agricultural policy and trade, but I became increasingly interested in the consumer side of the story. Why was food supply and demand not more aligned with our health needs? In 2010 I moved to the School of Nutrition at Tufts University, where I work with health scientists on the causes and consequences of malnutrition and diet-related diseases.

WHY PURDUE AND TUFTS?

My career is based on what I learned at Purdue about how to do high-impact, mission-driven work. As economists studying peoples' choices, to understand production constraints we rely on agricultural and environmental scientists, and to understand how consumption affects health we use the full toolkit of nutrition science and epidemiology. I am very lucky to have two careers in one lifetime, moving between agriculture and health.

HOT TOPIC

Since 2015 my main focus has been developing new price indexes for the cost of healthy foods, using least-cost diets as a way to track access and affordability to sufficient nutritious food for an active and healthy life. This requires matching item prices to nutritional values and human requirements, with data-analysis workflows that link agricultural markets to nutritional needs. The data, methods and results have been widely adopted through the FAO and other UN agencies as well as the World Bank, IFPRI and partner governments. This builds on previous work in the U.S. including the Thrifty Food Plan used to guide SNAP benefits, leading to our core discovery that 3 billion people worldwide cannot now afford a healthy diet, providing clear guidance for intervention towards universal access to healthy diets in the coming years.

ICYMI

- C-FARE hosted a webinar entitled “Building the Capacity to Invest in Rural Prosperity Part II”. Check out our [website](#) and [YouTube](#) for a recap.
 - In case you missed it, the recording of C-FARE’s Brandt Forum on “Agricultural And Environmental Science-Based Policy” is now available on our [website](#) and through this [replay](#).
 - Check out our fourth episode of C-FARE’s podcast [Get a Grip with FARE](#) featuring Peyton Ferrier and Steve Neff from the USDA Economists Group.
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New Directions

- **The potential of the CHIPS and Science Act for rural America.** The CHIPS and Science Act (CHIPS) passed with bipartisan support from Congress and was signed into law by President Biden on August 9, 2022. It made headlines as a major investment by the U.S. government to revitalize America’s leadership in scientific research and technology and counter China’s ascendancy in these sectors. [Learn More Here](#).
- **Ending Hunger, Improving Nutrition and Physical Activity, and Reducing Diet-Related Diseases and Disparities.** On Wednesday, September 28, the Biden-Harris Administration hosted the White House Conference on Hunger, Nutrition, and Health. The Administration has released a National Strategy with actions the federal government will take to drive solutions to these challenges. [Read More Here](#).

- **Defining Distress: Lessons from the Federally Chartered Regional Commissions.**
Widening geographic inequality in the United States has shifted federal policymakers' attention to investing in "places" as well as "people." On his first day in office, President Biden signed an executive order prioritizing support for underserved communities, including those in rural areas. [Read More Here.](#)