Introduction

I would like to commend and thank the conference organizers for allowing an “outsider” like myself to speak to you today about the National Research Council (NRC) report on the future of the land grant colleges of agriculture (LGCAs). Despite my “outsider” credentials, I had the pleasure of serving as a member of that NRC study committee while working at Public Voice for Food and Health Policy; a national, nonprofit consumer group.

Since then, I have moved to my current position at M&R Strategic Services; a for-profit public affairs and strategy consulting group that focuses on consumer, public health and environmental issues. At M&R, I manage public affairs campaigns on food and agricultural policy issues, with an emphasis on commodity program reform. Today, in keeping with my current position, I would like to take off my economist’s and consumer advocate’s hats and focus my remarks on the future of the LGCAs from a political and public affairs perspective.

Before beginning my substantive remarks, I want to offer an important disclaimer. Although I was a member of the NRC’s land grant study committee, today I speak neither for the NRC nor for that committee. Today’s analysis, observations and conclusions are strictly my own. As you are no doubt aware, the NRC report was the result of a consensus process. Not surprisingly, individual members of the committee often had personal views that did not precisely equate with those expressed in the report.

The main objective of my presentation today is to provide a political perspective on the NRC report and the challenge it issues to federal policy makers and the LGCA system. I do not see my task today as providing a defense of each and every controversial recommendation of the NRC report. As you will see, I believe that we may well have to move beyond merely debating the pros and cons. Nonetheless, there are a few controversies generated by the recommendations that are particularly relevant to the presentation.

The NRC report on the future of the LGCAs means different things to different people. I have heard this audience characterized as being on the cutting edge of LGCA reform questions. However, for those in the audience who find the NRC report
quite problematic and believe that only minor tinkering with the status quo is all that is needed—in short, if it ain’t broke, don’t fix it—I hope that my remarks can stimulate some rethinking and serve as the beginning of a wake up call.

The Uniqueness of the NRC Report and Its Implied Political Challenge

The topic covered by the NRC report is hardly ground-breaking. After all, for those who have been involved in LGCA politics or for those who are serious students of the system, debates over the future direction of the LGCA is nothing new. For at least the past three decades, there has been no shortage of public debate over controversial issues addressed by the report, such as formula funding. Indeed, within the last five years, there has been a plethora of reports, meetings, strategic planning sessions and futuring exercises dedicated to tackling the kinds of issues addressed in the NRC report.

What is genuinely new about the report, however, is the unique urgency of its mandate and the political challenge implied by its conclusions and recommendations. For those who want to see it, the message between the lines of the report is that business as usual will no longer be acceptable without putting the entire edifice in jeopardy. Something has to give or the system, as we know it, may not survive. If there was a consensus element within the NRC committee, it was this growing sense of urgency resulting from our three years of research and deliberations.

In many respects, I see the report as a long-overdue warning that the decades-old public policy debates over LGCA issues have produced very little substantive change in the system and that further delay could have unforeseen negative consequences. In this sense, the report’s recommendations are not simply just one among many sets of ideas to be dusted off the shelf for the next seminar, colloquium or public policy education conference. Rather, they could be put to better use as a possible road map for navigating some of the political rapids that are sweeping the LGCA toward a new public policy crossroads.

The Shifting Political Landscape Faced by the LGCA

So, why the new sense of urgency? Most importantly, debates about the performance and future of the LGCA, which used to be limited to a small, select group of players, are fast becoming visible and very public issues. The days of the insulated insiders’ game dominated by the agriculture committees, the agricultural appropriators, USDA, LGCA administrators and farm sector lobbyists are quickly coming to a close.

In large measure, this emerging sea change in the political climate faced by the LGCA has been brought about by a unique conjuncture of political forces.
• A dwindling farm population--farm families now account for only 1 percent of the U.S. population and 10 percent of rural America--means a reduction in influence in budget and appropriations decisions at the state and federal levels.

• Nontraditional players, such as consumer, public health and environmental groups are playing an increasingly stronger role in food and agricultural policy making.

• The federal agricultural budget has recently become a less-than-zero-sum game, causing previous partners in the traditional legislative log-rolling scheme to be transformed into potential adversaries in a legislative free-for-all.

• While there is still substantial sympathy for family farmers, production agriculture, as a whole, does not have a strong public image and is often publicly associated with health and environmental problems.

• As tuition costs soar and public expectations grow, universities, as a whole, and the tenure system, in particular, are being subjected to increasing public scrutiny.

These shifts in political forces are going to make it extremely difficult to sustain a defense of the status quo regarding issues such as formula funding, stakeholder relationships, allocation of resources among LGCA program and problem areas, intra-regional duplication of effort, and the discontinuity between research and extension. As some of the eye-opening findings of the NRC committee’s research suggest, business-as-usual for the LGCAs might be hard to continuously defend even in the best of political climates. At a minimum, it was difficult not to conclude that the system faces serious crises of relevancy and credibility.

Three observations from the NRC study reinforce this concern. First, federal taxpayer dollars were being used to conduct agricultural production research targeted to local agricultural producers without first ensuring that those projects met criteria for use of federal funding. Secondly, the nature of the food system has changed dramatically. Agriculture is now dwarfed by the value added in processing and marketing. Decisions in the food system are now being driven increasingly by consumer needs and concerns. Despite this, production-oriented research still dominates the LGCA agenda. No matter how you slice it, even after considering the limitations of the research and extension databases, experiment station projects oriented toward production account for the lion’s share of all research spending.

Lastly, meetings with clientele of LGCAs across the country all too often revealed that stakeholders from all walks of life, including many traditional agricultural
clientele, felt that the LGCAs were not relevant to their concerns. Most consumer and environmental groups who work on food and agricultural issues have little, if any, contact with LGCAs, largely because the researchers, economists and extension advisors are perceived as being defenders of the status quo. Moreover, even traditional production agriculture clientele expressed a growing sense of disenfranchisement.

The danger here, of course, is that once the system is perceived as either having lost its way—a perception that even growing numbers of traditional clientele find themselves hard pressed to counter—it will be harder for LGCAs themselves to control the sea changes that are sure to follow. Under these circumstances, unless the LGCAs find a way to genuinely reconstruct themselves from within, external forces and actors from the outside will likely drive the process of change.

The “Spillover” Question

A common reply to the critique of the mix of LGCA research projects and expenditures mentioned earlier in my talk is the “spillover” defense. It is often argued that a research mix heavily weighted toward increasing agricultural productivity is inherently relevant to the society as a whole—and, thereby, inherently worthy of being funded by federal taxpayer dollars—since it is consumers who ultimately benefit from such research through access to an abundant, affordable food supply.

Let me assure you that NRC committee members were well aware of these apparent spillover benefits. Nonetheless, the spillover argument did not win the day. First, affordability and abundance have also been accompanied by significant external health and environmental costs associated with food production and processing. Secondly, the spillover argument neglects the consumer-related opportunity costs of productivity enhancing research. In most cases, production research has not been directed at consumers, but at producers. Other potential research, specifically designed to address pressing consumer concerns, was never conducted because funds were gobbled up for productivity-enhancement projects. It is not hard to conceive that these consumer-focused projects would have produced larger benefits to the nonagricultural sector than provided by the productivity oriented projects. The failure to give sufficient priority and funding to the development of reliable, inexpensive, rapid-testing methods for meat-and poultry-borne pathogens is one example that comes to mind. In short, while there have been positive public spillovers from research focused on agricultural production goals, the negative external costs and the opportunity costs of foregone consumer-oriented research greatly undermine the classic spillover defense.

The arguments for unquestioned federal funding of production research are further eroded by the fact that, in the absence of federal funds, much of that research would likely have been conducted by the local producers themselves or funded by
the state government at their insistence. Unless, of course, the research was not of very high priority and value to the local producers in the first place. (The same type of argument can be made against claims that most state-based agricultural research has spillovers across state lines. No one argues that much of the LGCA research has these regional spillover effects. The operative question is, again, can federal money be better spent on projects specifically designed to produce much larger region-wide benefits?)

Given the weakness of the spillover argument, it is extremely difficult to justify why federal taxpayer dollars should fund much of the agricultural production research conducted primarily for the benefit of in-state producers. Furthermore, one does not have to be a complete cynic to conclude that the spillover defense of LGCA use of federal research funding for agricultural production projects is largely an ex-post rationalization of previous and existing projects that were never subjected to an ex-ante evaluation of their merits based on comprehensive criteria for the use of federal funding. One of the real breakthroughs in the NRC report is the call for the establishment of such criteria and a discussion of what they might look like.

Increasing Input from Diverse Stakeholders

My conversations over the past few years with NRC committee members and others from within the LGCA system indicate that there are a growing number of LGCA personnel who believe that input from a broader range of stakeholders is essential to the survival of the system. Aside from the inherent value that they place on stakeholder input and greater relevancy, they are, from a practical standpoint, greatly concerned that their institutions will be left behind by a changing food system and a changing society.

This is hardly a universal appraisal. The diversity of the reactions to the NRC report's conclusions and recommendations on stakeholder input suggests that it is viewed by some as an undesirable politicization of the research agenda, a threat to academic freedom, or an unwanted incursion into university decision making by players who are unsympathetic to agriculture and its research agenda. Still others probably view greater stakeholder input as a nuisance that they have to put up with as the political winds shift.

The increase, in the last five years, of the number of stakeholder listening sessions, user group workshops and research priority round tables reflects the profound schizophrenia within the LGCA community on the stakeholder participation question. As one of the few children of the LGCA system working on food and agricultural issues as a consumer advocate, I attended more than my share of these events. Unfortunately, the outcome of these gatherings suggests that political expediency largely triumphed over a genuine commitment to broader participation. In the end, as far as I can tell, input was rarely, if ever, translated into real impacts on
priorities, resource allocation and the decision making process. This is where the rubber meets the road on this issue. At a time when their political capital is slowly hemorrhaging, LGCAs should be seeing stakeholder input as a way to acquire greater political legitimacy and expand their base of support. These potential benefits will never be reaped, however, without also ensuring that input is visibly translated into impact.

On the other hand, greater stakeholder input and the legitimacy it brings cannot be obtained without costs to those interested in maintaining the status quo. Obviously, the kind of input being discussed here will require greater sharing of control over decision making about priorities and resource allocation. It will also require LGCA personnel to work closely with nontraditional stakeholders on issues of great concern to them. That might even require taking public positions that will give traditional production agriculture clientele considerable heartburn. The fact that LGCA personnel have so often been spokespersons for traditional agriculture interests in the battles over controversial consumer and environmental issues only reinforces the widespread perception that they have been captured by production agriculture.

Greater legitimacy will also require LGCAs to provide tangible outcomes that are valued by nontraditional stakeholders. Although this has not occurred frequently to date, there are some positive models that can be viewed as a sign of hope and can provide a guide to future endeavors. One example is from my own experience while at Public Voice. A few years ago, Public Voice collaborated with the Food Marketing Policy Center at the University of Connecticut to produce and release a widely covered report on access to supermarkets for low income consumers in more than twenty urban areas throughout the country. These examples, unfortunately, are all too unusual. As a result, few nonfarm constituencies, including consumer, environmental and public health groups, have had any contact with LGCAs or are aware of the potential for mutual involvement.

Finally, greater stakeholder involvement also will cost money. Participation often means a physical presence by stakeholders and the establishment of genuine working partnerships. Both will require resources for travel and other out-of-pocket expenses, as well as for grants for joint projects.

Formula Funding

No presentation on the future of the LGCAs is complete without at least some discussion of federal formula funding for research and extension. It is not my intention to engage in a debate over the merits or shortcomings of formula funding. Rather, I want to focus my attention on its potential political vulnerability. Indeed, federal formula funding could well be one of the main Achilles heels of the LGCA system in the coming debates over its future.
From a political perspective, I believe that the time has come for the LGCA community to put the "to do or not to do" debate over formula funding behind it. That is more or less what the NRC report did. The report provides a middle-ground road map for refashioning the federal formula funding equation in a way that might just stand up to legitimate political criticism of this antiquated funding mechanism. If I had to make a prediction, I would be inclined to say that if formula funding is not reformed, and fairly soon, a public policy debate will eventually ensue that puts complete elimination of formula funding at the forefront of the alternative policy options.

For those who are unconvinced that federal formula funding is politically vulnerable, just apply the federal funding criteria laid out in the NRC report and try to make a case for continuation of the program. It simply will not work. Remember, this is not about whether LGCAs should do the research currently supported with formula funds. Rather, it concerns whether the federal government should provide such a blanket subsidy without the use of any criteria other than the ones in the current formula.

To make my point a bit more graphically, I want to conjure up a hypothetical future scenario. Imagine the title of a 60 Minutes expose: "Academic Welfare: How Fifty Privileged Universities Fleece American Taxpayers of $ Hundreds of Millions a Year." Picture a LGCA dean or National Association of State Universities and Land Grant College (NASULGC) official in an on-camera interview when confronted with information about: the size of the subsidy; the criteria used to determine the funding allocations; the fact that no other research is funded by the federal government in this way; and the inability to account for how the nation’s formula funds are spent.

Under these circumstances, the standard replies to formula funding's critics are not likely to have much success. Imagine the viewing audience's reaction to responses that cite agriculture's unique characteristics: the long history of the federal state partnership, the need for follow up management of research, and so on. Formula funding is going to come out smelling badly and be easily cast by investigative reporters as a wasteful entitlement conveniently overlooked by the agriculture committees at the same time that they went along with billions of dollars in cuts in food stamp benefits.

Is this just another worst-case scenario cooked up by a Washington public affairs junkie? Perhaps, this is true. But, it is not all that unreasonable to picture the public interest community--especially if it remains disenfranchised from the LGCAs--deciding to take aim at the pot of gold being diverted to the agricultural research establishment. It does not take a political scientist to realize that there will be future fights over agricultural spending as consumer, health and environmental groups seek to free up funds for food safety, nutrition, public health and environmental programs. One of the first places they are likely to look is at formula funding, unless it has been dramatically redesigned to reduce its political vulnerability.
Postscript: The Senate Agriculture Committee’s
Research Bill (S. 1150)

Recently, the Senate agriculture committee quietly introduced legislation containing reforms that reflected some of the recommendations in the NRC report. This is further indication that the future of the LGCAs is increasingly becoming a national public policy issue. It is also an indication of how little things change even when the need for change is being evoked by politicians.

To its credit, the bill addresses, among other things: the need for more regional research projects; application of national needs’ criteria to federally funded projects; and the need for greater stakeholder input. Simply having these issues addressed in an important piece of federal legislation is a major step forward. While the legislation is long on the NRC report’s concepts, however, it is woefully short on specifics. The requirement for greater stakeholder input is a case in point. The bill provides so few specifics on this question that it is impossible to predict what form such input would take, how it would translate into real impact, and which stakeholders would be included. With execution of the legislation in the hands of the Department of Agriculture, can anyone really be sure that the spirit of the NRC recommendations will prevail? Clearly, the devils are in the details, of which few are available.

The legislation also appears to take seriously the NRC report’s recommendations for greater funding for competitive grants programs. Unfortunately, it completely disregards the criteria for federal funding specified in the report. As a result, the legislation was able to join the best and the worst of agricultural research funding mechanisms and give birth to what might cynically be viewed as “competitive pork.” Up to $170 million a year is allocated for a new competitive grants program to conduct research explicitly designed to benefit traditional agricultural production interests such as the major agricultural commodity groups, the agricultural biotechnology industry, and the fertilizer industry. This kind of spending increase will likely attract attention and require some serious scrutiny. I would say that the odds are pretty good that before too long, the bill’s sponsors will roll out the old consumer “spillover” defense.

References
