Current Activities

Collaboration With the National Center for Food and Agricultural Policy

In May 2004, ERS will join with the National Center for Food and Agricultural Policy (NCFAP) to sponsor a national workshop on the links between agricultural policy and farm households and the rural economy. The workshop will broaden the information base decision-makers have at their disposal for consideration of the next farm bill. The workshop will highlight not only the effects of farm policy on commodity production and trade but also the intended and unintended consequences of farm policy for farm households and rural America. The workshop will be held in Washington, DC, and is open to the public. Presentation materials will be available on the NCFAP website, www.ncfap.org, following the workshop. Leslie Whitener, whitener@ers.usda.gov

Education as a Rural Development Strategy

The role of education in local, regional, and national economic development has become a central public policy issue in recent years. Rural communities view increased educational investments as a key element of economic development but are sensitive to the partial loss of their investment, as young people migrate to areas with better education and job opportunities. ERS is partnering with land-grant universities to measure the relationship between education and economic outcomes, both for the individual worker and rural community, to help local communities better target their economic development and school improvement efforts. Robert Gibbs, rgibbs@ers.usda.gov

Economic Costs of Campylobacter

Researchers from ERS and the Foodborne Diseases Active Surveillance Network (FoodNet) are updating estimates of the economic costs of human illness due to Campylobacter, which causes more illness than any other foodborne pathogen except Salmonella. FoodNet is a collaborative effort by the Centers for Disease Control and Prevention, USDA’s Food Safety and Inspection Service, the Food and Drug Administration, and State health departments and local investigators to measure the economic burden of foodborne illness. FoodNet has also investigated the incidence of Guillain-Barré syndrome, a form of acute neuromuscular paralysis that can be triggered by Campylobacter infections. The Campylobacter cost estimates will be made available on the ERS website in the form of an interactive cost calculator that allows users to modify parameters of the estimate to assess changes in illness, medical costs, and other factors. Paul D. Frenzen, pfrenzen@ers.usda.gov

Recent Meetings

Annual Meeting of Regional Economists

In March 2004, ERS participated in the Southern Regional Social Science Association (SRSA) meetings in New Orleans, Louisiana. SRSA provides intellectual leadership in the study of social, economic, political, and behavioral phenomena that have a spatial dimension. ERS researchers presented findings on the economic impacts of public infrastructure projects on rural and urban communities: the impact of school quality on migration in rural areas; the effects of welfare caseload change on local labor markets; the effects of landscape, climate, and settlement on nonmetropolitan migration; and the economic and fiscal conditions in rural recreation counties. Robert Gibbs, rgibbs@ers.usda.gov

Southern Agricultural Economics Association

In February 2004, ERS participated in the 36th annual meeting of the Southern Agricultural Economics Association in Tulsa, Oklahoma. ERS presentations covered such diverse topics as determinants of farm size in the southeastern U.S., the pollution risk from manure and commercial fertilizer nutrients on livestock farms, domestic demand for imported lamb, and demand for U.S. feed by Egypt’s poultry sector. Keithly Jones, kjones@ers.usda.gov

American Association for the Advancement of Science

In February 2004, ERS participated in the annual meeting of the American Association for the Advancement of Science (AAAS) in Seattle, Washington. AAAS is the world’s largest general scientific society and publishes the journal Science. The annual meetings bring together scientists from around the world to discuss new discoveries and applications. The objective of this symposium was to examine the array of new policy options, including priority setting and pathogen performance standards, for establishing foodborne pathogen controls for domestic consumers and international trade. In addition to presenting work on the economics of pathogen performance standards, ERS researchers organized a symposium on the science and economics of food safety regulation and their impact on international trade and the control of foodborne pathogens. Elise Golan, egolan@ers.usda.gov
New Releases

Land Degradation and Agricultural Productivity

ERS economists have been collaborating with soil scientists and geographers at other institutions to examine how land quality and land degradation affect agricultural productivity and food security. ERS published a summary report, Linking Land Quality, Agricultural Productivity, and Food Security (AER-823) in June 2003, and a more detailed discussion has now been published as a book: Land Quality, Agricultural Productivity, and Food Security: Biophysical Processes and Economic Choices at Local, Regional, and Global Levels, edited by Keith Wiebe (Edward Elgar Publishing). The authors find that land degradation generates productivity losses that are relatively small in most areas and at the global level because farmers generally have incentives to address degradation and its impacts. But land degradation does pose problems in areas where soils are fragile and markets function poorly. Key to addressing these challenges are measures to strengthen property rights, infrastructure, education, and research to enhance farmers’ incentives to invest in sustaining land quality. Keith Wiebe, kdwiebe@ers.usda.gov

Characteristics and Production Costs

As part of a series of reports on the costs of agricultural production and the variation in costs across different segments of the U.S. farm population, ERS has published two new reports on the dairy and rice sectors. Characteristics and Production Costs of U.S. Dairy Operations (SB-974-6) reports that total costs of producing milk in 2000 ranged from an average of $11.58 per hundredweight (cwt) of milk sold in the Fruitful Rim-West region to $18.23 per cwt in the Eastern Uplands. Costs were generally lower on large farms than on small farms. About 72 percent of surveyed farms covered their operating costs at the average farm price of milk in 2000 ($12.19 per cwt). Fewer were able to cover the full range of costs associated with production (including ownership costs and the opportunity cost of farmers’ labor). Characteristics and Production Costs of U.S. Rice Farms (SB-974-7) reports that total costs of producing rice in 2000 averaged $6.00 per hundredweight but varied widely by region and other characteristics. Costs were generally lower in the Arkansas non-Delta region than in California and the Gulf Coast region. The link between farm size and production costs is weaker for rice than it is for other commodities. When Government payments are added to the value of production, 97 percent of rice farms were able to cover operating costs and about 84 percent of farms covered both their operating and ownership costs of rice production in 2000. Sara Short, sshort@ers.usda.gov, and Janet Livezey, jlivezey@ers.usda.gov

Coping With Risk in Agriculture

Concern about risk and the ability of farmers to cope with risk has served as an important backdrop for Government agricultural support programs since the Great Depression. In the last decade, Government programs that directly target risk have been expanded to include countercyclical payments and increased subsidies on yield and revenue insurance. In addition, Congress periodically approves ad hoc disaster assistance. These policies have revived interest in classic economic questions about how well private markets would provide risk-coping tools to farmers in the absence of Government policies and to what extent Government programs actually alleviate the costs of coping with risk. A new ERS report, Risk, Government Programs, and the Environment (TB-1908), provides a brief overview of the relevant Government programs, characterizes the different kinds of production alternatives available to farmers, and identifies a range of technical problems that need to be overcome before a robust picture can be painted of how those alternatives affect risk, returns, and environmental quality. Michael Roberts. mroberts@ers.usda.gov

The citations here and in the rest of this edition are just a sample of the latest releases from ERS. For a complete list of all new ERS releases, view the calendar on the ERS website: www.ers.usda.gov/calendar/