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The W. I. Myers Professorship of Agricultural Finance

by Eddy L. LaDue

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The W. I. Myers Professorship of Agricultural Finance
by
Eddy L. LaDue¹

This paper reviews the establishment and funding of the W. I. Myers Professorship of Agricultural Finance and the activities and accomplishments of early chair holders. Because considerable time has passed since the formation of the Chair, this record will undoubtedly be incomplete in unknown ways.

William I. Myers (1891-1976) was born and reared on a dairy and tobacco farm in Chemung County, New York. He received his Ph. D. from Cornell and was appointed to the faculty in 1918. In 1920 he was the first person ever appointed full professor of agricultural finance. In 1932, during the depth of the depression, Myers was asked by Henry Morgenthau to prepare recommendations for a legislative program to solve the agricultural finance problem. His ideas were approved by president-elect Roosevelt who asked him to come to Washington to assist with development of the Farm Credit Administration. In 1933, Myers was appointed Governor of the Farm Credit Administration, succeeding original Governor Henry Morgenthau, when Morgenthau was appointed Secretary of the Treasury. As Governor of FCA he was the principal architect and top administrator during the revitalization, reorganization and expansion of what became the Farm Credit System. In 1938, he returned to Cornell as head of the Department of Agricultural Economics, and he later served as Dean of the College of Agriculture from 1943 to 1959².

Establishment of the Professorship

Efforts to establish an endowed professorship in W. I. Myers' name were initiated in 1972. An initial proposal was put together by Robert Smith and others³. Myers was approached and asked for his blessing. He was "modest and protested, but ... was pleased."⁴

In October of 1973 the initial proposal was distributed to Cornell faculty for review.⁵ The revised proposal was shared with members of the agricultural finance community, particularly those in the Farm Credit System, and others for their reaction

¹ W. I. Myers Professor of Agricultural Finance, Emeritus, Department of Applied Economics and Management, Cornell University. The material in this paper comes from the files of Robert S. Smith and John R. Brake passed down to the author when he was appointed to the Myers Chair, and other materials collected by the author. More definitive information on some topics covered in this paper likely exist in the Myers Chair file at the College of Agriculture and Life Sciences offices, but the author was not allowed access to these files. The author would like to thank John Brake, W. I. Myers Professor of Agricultural Finance, Emeritus; Brent Gloy, Associate Professor and Bernard Stanton, Professor Emeritus for helpful reviews of this paper.

² This section was taken from a brochure titled The W. I. Myers Professorship of Agricultural Finance developed at the time the Myers Chair was being developed.

³ Letter to Ivy W. Duggan from Robert S. Smith dated October 22, 1974.

⁴ Comments by Robert S. Smith at the dedication of the William I. Myers Seminar Room, October 14, 1987; letter from William I. Myers to Robert S. Smith and B. F. Stanton dated July 23, 1973

⁵ October 8 memo from Robert Smith to M. E. Brunk and G. W. Helund.

and suggestions.⁶ An initial committee was established to discuss methods and procedures for raising the funds for the chair. The committee consisted of Willis Hayes (for Gordon Cameron) of the Farm Credit Banks of Springfield, F. F. Hill of the Ford Foundation (formerly professor of Agricultural Economics and Provost at Cornell), W. Gifford Hoag of the Farm Credit Administration as well as M. E. Brunk, G. W. Hedlund, B. F. Stanton and R. S. Smith of Cornell⁷. Lang Kennedy, Assistant to the Dean for the College of Agriculture and Life Sciences indicated that “to adequately finance the Chair, we will eventually need \$750,000.”⁸

The friends of Myers and Cornell within the agricultural finance community were positive about the idea of a chair, but they also pointed out the significant challenges involved in raising the large amount of money required. The time between Myers’ contributions to the Farm Credit System in the 1930’s and the request for funds in the 1970’s provided a handicap for raising funds. W. Gifford Hoag of the Farm Credit Administration pointed out that: (1) the Farm Credit Bank “Presidents have heard of Myers and ... of his contributions to laying the foundations and developing the guiding principles of the Farm Credit System as we know it today, but to most ... his specific contributions are not too clear, (2) many of the presidents and directors have “loyalties to universities in his home district”, and (3) Farm Credit Banks receive many requests for contributions and “their usual response is a few hundred dollars at most”. He did point out that the “chair should attract prospective students from all parts of the country and that the Morgenthau fellowships would be available to make such an attraction financially feasible for more students interested in agricultural finance.” Morgenthau Fellowships are stipends for graduate work in agricultural finance provided by an endowment from Henry Morgenthau. Hoag also forwarded ideas from “fellow Cornellians” working in the Farm Credit System whom he had contacted for input. Gene Swackhamer, President of the Farm Credit Banks of Baltimore, suggested something “beyond a one-shot campaign”, such as, ‘...an internal PCA-FLBA voluntary check-off of \$1.00 for each loan made to be paid by the associations and to be matched by their respective banks.’ Bill Herr, professor of agricultural finance at Southern Illinois University on leave as a Resident Scholar with FCA, suggested that the proposal needed to be less general and provide more specifics on the kinds of work the Chair would involve.⁹

Progress on establishment of the endowed professorship proceeded slowly and included many discussions with people then and formerly with the Farm Credit Administration and the rest of the agricultural finance community, but by 1974 the idea of a chair was beginning to take hold. However, much of the effort had shifted to the establishment of the W. I. Myers Farm Finance Collection, frequently referred to as the Farm Finance Library. Myers revised his will “so that a substantial fraction of my estate will go to Cornell primarily for its support... and they [the funds] should be of some help in financing the farm credit collection... so that it will continue to be useful for staff

⁶ Memo from B. F. Stanton to F. F. Hill, Willis H. Hayes and W. Gifford Hoag dated October 12, 1873.

⁷ Memo from R. S. Smith to the committee dated September 6, 1973.

⁸ Memo to Robert S. Smith from Lang E. Kennedy dated November 12, 1973.

⁹ Letter to B. F. Stanton from W. Gifford Hoag dated January 8, 1974; Memo from Gene Swackhamer to Giff Hoag dated December 12, 1973.

members and students in agricultural economics.”¹⁰ The core of this library was, of course, to include Myers’ own papers, writings and collections. The then current and former leaders of the Farm Credit Administration supported creation of the library and agreed to contribute historical materials about the organization and development of the System.¹¹

With the death of W. I. Myers in 1976, his papers and collections were transferred to the Myers Library and were to be known as the W. I. Myers Agriculture/Finance collection¹². Funds from the Myers estate were transferred to Cornell “to be used to support projects undertaken by the Department of Agricultural Economics, particularly the agricultural finance collection of the Mann Library.”¹³ Clearly, these funds were given to be used for the types of agriculturally related functions carried out by the Department of Agricultural Economics at the time.

1976 and 1977 saw renewed effort to obtain major funds for the Myers Chair. Contacts with potential donors led to decisions about the character of the Chair. In a letter to the Farm Credit Banks of Springfield, Dean W. K. Kennedy indicated that “... we plan to establish an advisory committee for the W. I. Myers Professorship with representatives from the organizations making major gifts. ... It is our plan to limit the size of the advisory committee to seven members with the provision that if the Farm Credit Banks make a major gift, we will ask them to nominate three members to the advisory committee. Further we would urge that at least one of the three representatives on the committee be from outside New York State. The remaining members of the advisory committee will depend upon the source of other gifts, but it is expected that they will represent agricultural and financial groups. The advisory committee would meet at least once each year to receive a report of the teaching, research and extension activities of the W. I. Myers Professor and the committee also would have an opportunity to suggest future research, education needs and opportunities. The advisory committee would also be consulted by the administration in the selection of the first chair holder and the filling of subsequent vacancies in the professorship.”¹⁴

However, the exact role of the advisory committee was an issue with potential donors. Norman Payne of the Farm Credit Banks indicated that major donors would like to have more influence on the activities of the Chair than just the ability to “suggest.” In a letter to Robert Smith he indicates that “To people outside the academic community, it is not natural for them to condone almost absolute freedom for a professor to establish his own priorities in research, teaching and extension work. One of the major reasons for the Banks and Bank management support for the program is to provide continuation of the

¹⁰ Letter from William I. Myers to Bud Stanton dated September 14, 1973.

¹¹ Correspondence: Letter from W. N. Stokes, Jr. to George Anderson, chairman P.R.A.T. committee FICB dated October 23, 1973; letter from W. Gifford Hoag, Farm Credit Administration, to George Anderson dated October 1973; letter from William N. Stokes, Jr. to Robert Smith dated October 14, 1974; letter from W. Gifford Hoag to Robert Smith dated October 15, 1974; letter from Robert S. Smith to W. Gifford Hoag dated October 22, 1974; letter to W. N. Stokes, Jr. from William I. Myers dated October 15, 1973; letter from W. I. Myers to B. N.(sic) Stanton dated March 29, 1974; letter from Bill Myers to Gifford Hoag dated May 6, 1974; memo from W. Gifford Hoag to William N. Stokes, Jr. dated August 20, 1974.

¹² Letter from Margaret M. McElwee (daughter of W. I. Myers) to W. K. Kennedy, B. F. Stanton, R. S. Smith and G. P. Colman dated March 4, 1976.

¹³ Letter to Arthur E. Devlin, Esq. from Margaret M. McElwee dated June 16, 1976.

¹⁴ Letter to Clifford E. Busekist, V.P. Farm Credit Banks from Dean W. K. Kennedy dated May 11, 1976.

type of resource currently at Cornell on the applied level. There is a genuine recognition for the type of assistance currently available in the Bob Smiths, Art Brattons, Bob Storys, Stan Warrens, and the like. We on the outside see this type of resource disappearing and the Myers Chair as one step to pursue this type of support. From a practical viewpoint, the board would be more receptive to applied research rather than the type currently being accepted in the AJAE. They would recognize the need for basic research, but their viewpoint of proper balance would favor the applied.”¹⁵

In response, Bob Smith responded “If I were to accept appointment to the chair, I would not be willing to accept more restrictions or have more people to answer to than a regular staff member. If the proposal does not state outright that the incumbent will have a full measure of academic freedom, then it will certainly add to the difficulty of filling the position. Actually, I really do not believe it is feasible to think that any real control can or should be exercised on any University level researcher by any outside benefactor or body. Now influence is a very different thing. I would like to be clever enough to describe the role of the advisory panel in a way that would convey strong influence without control.”¹⁶

The revised version of the statement proposed by Smith, and accepted by Payne¹⁷, was “This advisory committee ... will meet at least annually to receive a report of the W. I. Myers Professor, to consider industry problems, and to hear and make proposals for further research and related activities. Major contributors to the endowed professorship will be well represented, and a broad frame of views and interest will be sought in establishing the panel. It should seek to be an independent entity concerned with agricultural finance broadly defined. The panel will be expected to provide support, influence, and direction for the program of the incumbent.”

In discussions with Agway leadership about a major pledge, they indicated a clear concern for the types of activities that would be funded. Eddy LaDue, an Assistant Professor working in the agricultural finance area, was asked to put together a five year plan for research in agricultural finance. All of the topics in that five year plan involved research on agricultural finance issues important to Northeast and U.S. farmers. Topics included: (1) sources and availability of credit, including the profitability of farm loans to commercial banks and sources of equity capital, (2) optimal investment patterns, including machinery investment under uncertainty, (3) intergeneration transfer of farm businesses, (4) point of sale credit for farmers, (5) debt repayment plans under increased uncertainty, (6) financing farmer cooperatives, (7) measures of credit worthiness and (8) the effects of inflation on investment and operation of farm businesses.¹⁸

At that time Agway management (Ron Goddard and Glen Edick), was quite concerned “about bank lending to farmers, and is urging the New York State Bankers Association to take a closer look at bank involvement in financing agricultural businesses as well as farms.” Upon review of the materials put together by LaDue, Agway “seemed

¹⁵ Letter to Robert S. Smith from Norman E. Payne, Vice President, Farm Credit Banks of Springfield dated March 23, 1977.

¹⁶ Letter to Norman Payne from Robert S. Smith dated March 30, 1977.

¹⁷ Memo from Norman E. Payne to Robert S. Smith dated April 2, 1977.

¹⁸ Letter from Eddy L. LaDue to Dean W. K. Kennedy dated May 20, 1976.

favorably impressed” and agreed to present the request for Myers funds to the Agway board¹⁹.

While the exact logic for the American Agriculturist Foundation pledge appears to be unavailable, a good idea of their interest is found in their 2009 Grant Guidelines Background statement. At the time that the Foundation was established in 1935 “... all profits not used to improve the [American Agriculturist magazine] were to aid farm youth seeking to secure an education.” ... “Today the American Agriculturist Foundation is an independent organization that makes strategic investments in qualified organizations that are capable of strengthening the agriculture industry of the Northeastern United States and building capacity among current and future leaders of the industry.”²⁰

The Rockefeller pledge likely resulted from Myers’ service as a member of the board of the Rockefeller Foundation. While on the board he had encouraged strengthening of agricultural research and educational institutions abroad and the expansion of advanced educational opportunities for foreign students in the United States^{1 (brochure)}.

Ultimately, four major pledges allowed the Department and College to move ahead with a general campaign for funds. The Farm Credit Banks of Springfield provided a lead pledge of \$200,000. The American Agriculturist Foundation and Agway farmer cooperative²¹ each pledged \$100,000 and John D. Rockefeller III gave over \$50,000.²²

With \$450,000 of the needed \$750,000 in hand the major fund drive among expected smaller donors was launched. Olan Forker, chair of the Department of Agricultural Economics established a committee of faculty “to develop plans and follow through.”²³ Groups contacted for pledges included College faculty, alumni, graduate students of the 1930-49 era, agribusiness firms, foundations with agricultural interests, commercial banks with agricultural interests²⁴ and regional Farm Credit Associations.²⁵

Identifiable groups who made significant contributions included at least 15 commercial banks with agricultural portfolios, at least 20 Farm Credit Associations²⁶ and several agribusiness firms. Not knowing the exact connection of many of the individuals to Myers, Cornell, or agricultural finance, it is difficult to categorize them. However, the list certainly includes many New York Farmers, friends and acquaintances of W. I. Myers, Cornell faculty, Department of Agricultural Economics alumni and College

¹⁹ Letter to W. K. Kennedy from Robert S. Smith dated June 1, 1976.

²⁰ American Agriculturist Foundation, Inc. 3727 Brick Church Road, Union Springs, NY 13160, 2009 grant guidelines.

²¹ The Agway pledge was given anonymously. However, since the Agway farmer cooperative no longer exists, there seems to be little reason for keeping it a secret at this point in time.

²² Schiek, Mary E. '80 “First Endowed Chair in the College” Cornell Countryman, April 1979, Vol. #6.

²³ Memo fro O. D. Forker to committee (A. Bratton, M. Brunk, G. Conneman, E. LaDue, R. Smith and B. Stanton) dated May 31, 1977.

²⁴ August 23, 1977 letter from Douglas Brodie, V. P. National Bank of Northern New York and August 22, 1977 letter from Everett A. Gilmour, Chairman and CEO The National Bank and Trust Company of Norwich to Robert S. Smith relative to draft of letter to bank CEO’s.

²⁵ Memo to Forker, Bratton, Brunk, Conneman, LaDue, Smith and Stanton from A. Bradford Carruth dated June 23, 1977.

²⁶ The College of Agriculture and Life Sciences refused to allow the author access to the final list of contributors, so the data presented represent only what was discernable from the files provided to the author by Robert S. Smith.

alumni. Many gave out of friendship, but many also gave because they wanted to support the agricultural finance efforts laid out by the brochure and presentations made by Deans Kennedy and Call, Robert S. Smith and other College representatives.

As the canvassing of identifiable groups was coming to a close, it became clear that the fund was not going to quite reach the required \$750,000 mark. So, Dean David Call agreed to contribute a \$75,000 matching gift to spur the funding needed to move ahead with filling the Chair²⁷.

Filling the Chair

Once funding was established, the Department and College moved ahead with filling the Chair. A statement about the chair and job description was developed and approved by the Department of Agricultural Economics and Dean W. K. Kennedy.²⁸ Excerpts from that statement follow.

Introduction: The W. I. Myers Professorship of Agricultural Finance is an endowed chair to be located in the Department of Agricultural Economics, ... Cornell University, Ithaca, New York. It honors Dr. W. I. Myers, the first professor of farm finance at Cornell (1920), major architect and early governor of the Farm Credit Administration... His life and work were devoted to the service of farm people and agriculture. One of his most important and lasting contributions was to increase knowledge and understanding of the roles of capital and finance in agriculture and constructive ways in which lending institutions can serve this industry. This chair is intended to build on that worthy tradition.

Responsibilities: The W. I. Myers Professor shall be responsible for conducting a broad program of research and teaching in agricultural finance with individuals and institutions both within and without the state, both on and off the campus. He/she shall be expected to provide leadership in identifying and attacking the problems associated with acquiring and managing capital in the agricultural sector. This includes farms, firms providing inputs or marketing functions to farmers, and agricultural cooperatives. To fulfill his/her responsibilities, he/she must be intimately acquainted with the agricultural interests of financial institutions serving agriculture, and be seen as an important resource in building their own programs.

The major focus of the incumbent's program shall be on the financing of farm businesses. Agricultural finance should be broadly defined to encompass management problems of farm firms and to include attention to the financing needs of agricultural firms, and rural communities as they affect farm firms.

Areas of Work: Because of the location of the Professorship, a strong interest in New York agriculture and problems of the Northeast will be a natural and important component of the chair holder's credentials. But narrow parochial

²⁷ Memo to Supporters of the W. I. Myers Professorship from Glenn O. MacMillen dated February 15, 1979.

²⁸ The W. I. Myers Professorship of Agricultural Finance. Reprinted March 24, 1979. Approved by the Department of Agricultural Economics faculty February 14, 1977 and then by Dean W. K. Kennedy.

or regional boundaries for work or research should not be expected. ... National markets have become increasingly dominant for many commodities. American farmers sell their products and compete in international markets. Capital markets have the same broad dimensions.

Department commitment: ... the professorship will be located in the Department of Agricultural Economics and is expected to be an integral part of department research, teaching and extension programs in agricultural finance and farm management.

Panel on Agricultural Finance: To facilitate communication with the important group providing support for this key position and to encourage greater dialogue among farmers, agricultural businessmen, financial institutions and the academic community, a panel composed of leaders in agricultural finance will be established. This advisory committee ... will meet at least annually to receive a report of the W. I. Myers Professor, to consider industry problems, and to hear and make proposals for further research and related activities. Major contributors to the endowed professorship will be well represented, and a broad frame of views and interest will be sought in establishing the panel. It should seek to be an independent entity concerned with agricultural finance broadly defined. The panel will be expected to provide support, influence, and direction for the program of the incumbent.

Support: The endowment will provide partial or full salary for the incumbent as well as financial support for research, travel, materials, seminars, and conferences. Additional support for major research efforts will be sought as necessary to carry out important programs.

Leadership in Agricultural Finance: The creation of this chair will provide a focal point for communication among the farmers of the state, the institutions serving agriculture with capital, leaders in the public sector who establish policy and influence the availability of capital and credit, and faculty from the College and the Department of Agricultural economics. If this professorship is to fulfill the intent of its sponsors it will be a net addition to academic work and leadership in farm management and agricultural finance at Cornell. In the tradition of Dean Myers' life and work the holder will be a public servant concerned with the larger interests of farmers, financial institutions and the people as a whole.

The Board of Trustees of Cornell University established the William I. Myers Professorship in Agricultural Finance and appointed Robert S. Smith as the first W. I. Myers Professor as of September 1, 1977.²⁹ This was the first endowed chair in the College of Agriculture and Life Sciences. While the pledge campaign was continuing at that time with solicitations to bankers, faculty, emeritus professors, alumni and friends of the College still in process, it was believed that the process was far enough along to move ahead on the Chair. It was also thought that the College needed to make, and show, progress to those who had already made significant contributions.

²⁹ Memo to Chester Baker, Wendell Bubar, Clifford Busekist, Robert Everingham, David Patchin, Bernard Potter, Max Shaul from W. K. Kennedy dated September 8, 1977.

Although appointment of Robert S. Smith as the first chair holder was largely an administrative decision after some consultation with faculty and initial donors, it was a very appropriate decision. Robert Smith had been the prime mover in establishing the chair and he did much of the legwork in identifying and meeting with potential donors, and worked with the College and University administration to conduct the campaign. For many of the donors, particularly Farm Credit, Commercial banks, Agway, the American Agriculturist, farmers and alumni, he was the prototype person they were thinking of when they were considering pledges. He was well known as a leader in the agricultural and agricultural finance communities throughout the Northeast. His research represented practical and applied efforts that they could understand and use. He was an outstanding teacher and extension worker. And, they liked him!

To avoid drawing down resources being obtained for the Chair, Professor Smith continued to be paid on his regular Departmental line. Further, his appointment was part time with an official appointment of one-quarter time. He viewed his appointment to the Chair as temporary to facilitate permanent establishment of the Professorship.

As recognized in the 1979 statement by the Department and Dean Kennedy, “If this professorship is to fulfill the intent of its sponsors it will be a net addition to academic work and leadership in farm management and agricultural finance at Cornell.” In a letter to prospective Advisory Committee members, Dean Kennedy indicated that “... the state supported position currently held by Dr. Smith will be refilled at the assistant professor level in the area of farm finance hence with the W. I. Myers professorship, we will be adding another position in this important area and we also will have the capability of always filling one position with an experienced individual.”³⁰ At the time of Smith’s appointment to the Chair there were two people working in agricultural finance, Robert Smith and Eddy LaDue. To insure that the Chair was a net addition to the resources in that area, the Department instituted a national search for an Assistant Professor to work in the agricultural finance area. The job description for the position indicated that “The individual hired in this position will be expected to conduct research in the finance and production area with topics including but not limited to estate and retirement planning, farm business organizations, taxes and insurance programs. The extension component will include developing programs for extension agents and farm families related to the research program and to topics of current interest. Contact with representatives of agricultural lending institutions, lawyers, accountants, insurance agent and others will be important”³¹. Loren Tauer was appointed to that position as of 1979.

The Advisory Committee

The Advisory Committee to the W. I. Myers Professorship was selected and appointed by Dean W. K. Kennedy in July of 1977.^{28 (Kennedy)} Its first meeting was held on December 15, 1977 in Syracuse, New York³². The membership of the Committee is shown in Table 1.

³⁰ Memo to members of the Committee from Dean W. K. Kennedy dated July 6, 1977.

³¹ Department of Agricultural Economics, Faculty Opening dated May 20, 1977

³² Memo for the record prepared by Olan D. Forker dated December 19, 1977.

| Table 1. Initial Advisory Committee to the W. I. Myers Professorship | |
|--|--|
| Name | Representing |
| Chester Baker, Professor of Agricultural Finance, U. of Illinois | Academic community |
| Wendall Bubar, St. Albans, Maine | Farm Credit Associations, outside NY |
| Clifford Busekist, Vice President, Farm Credit Banks of Springfield | Farm Credit Banks of Springfield |
| Robert Everingham, Lafayette, New York | Farmers, American Agriculturist Foundation, Agway stores |
| David Patchin, Vice President, National Bank & Trust Co. of Norwich | Agricultural Banks |
| Bernard Potter, Truxton, New York | Farmers, American Agriculturist Foundation |
| Max Shaul, Fultonham, New York | Farmers, Agway board, commercial bank board |

All members of the Committee represented major donor groups except the academic. It was believed by Smith, Kennedy and others advising on the selection of Committee members that an outstanding agricultural finance academic from another state would provide a connection to agricultural finance teaching, research and extension activities in the rest of the nation and beyond. Such a person would also help the Committee understand the academic environment and standards.

At its first meeting, the Committee reviewed a five year plan for research in agricultural finance, several publications reporting recent agricultural finance research and information on teaching and extension programs. They also reviewed and approved the Department's statement on The W. I. Myers Professorship of Agricultural Finance. That approval contained two appending comments: (1) "Make sure the Chair gets National recognition. Use the Chair to make Cornell the center of excellence in agricultural finance in the Northeast." (2) "The scope of responsibility should include research and education related to financing needs of rural communities, financing needs of agricultural related non-farm firms, and public policy, both at the state and national level as it affects the financing of the agricultural sector."

The committee agreed that they should meet once per year, should be placed on a mailing list to receive agricultural finance publications and should receive quarterly reports from the Chair holder. In reporting on that meeting Robert Smith indicated that "I made it clear to the Committee that I considered my appointment temporary in nature, and that a full-time occupant should be found by the time the \$750,000 is on hand--at the very latest."³³

The second meeting of the Committee was held in Ithaca on December 1, 1978. This meeting included a dinner meeting, the purpose of which was "to review the events leading to initiating the Chair, to provide an opportunity to meet representatives of the Myers family, and to exchange ideas on completing the finding and naming of a full time occupant of the Chair"³⁴ In letters to the Committee after the meeting Smith indicated

³³ Memo to Farm Management – Farm Finance Faculty about the first W. I. Myers Committee meeting from Robert S. Smith, undated.

³⁴ Memo to W. I Myers Advisory Committee from Robert S. Smith dated November 1, 1978.

that “The dinner discussion appears to be the turning point in the efforts to complete the funding for the Endowment of the chair. By next year at this time, we should be able to report very substantial progress from our present position and hopefully completion of the funding.”³⁵ The Committee also provided a list of research suggestions for the Chair.³⁶

Selected accomplishments of the first Chair holder

“Professor Smith ... dedicated his professional career to improving the family financial management of agricultural communities in New York and the Nation. He [was] well known for his work with extension agents, agricultural lenders, attorneys, tax practitioners, and state and federal officials, with the objective of improving their ability to deal with: the financial management of farms; tax problems of farmers; orderly transfer of farm businesses; and helping financial institutions provide the kinds of services needed by agriculture.”³⁷

Smith was director of the Bankers School of Agriculture and Graduate Bankers Agricultural Seminar from 1960 to 1976. The Bankers School of Agriculture provided two weeks of training on agriculture and agricultural lending for bank loan officers and directors. The Graduate seminar provided a two day refresher and current topic update for experienced agricultural lenders. He also conducted schools for Farm Credit System managers and assisted in developing the Mobile Consulting Team, which was the precursor for the current management consulting program offered by the Farm Credit System in the Northeast and some other parts of the country. His awards include the Professor of merit award for teaching, Epsilon Sigma Phi Superior Performance Award for outstanding extension work, the first Agricultural Counselor award from the Farm Credit Banks of Springfield, and Special Citation by the Internal Revenue Service for tax education programs leading to better understanding of income tax laws. Dr. Smith served as Advisor to the Agricultural Committee of the New York State Bankers Association, Chairman of the board of the Tompkins County Trust Company, Director of the Agway Insurance Company, Trustee of Mutual of New York and consultant to the Farm Credit Banks of Springfield.

Professor Smith taught the senior level agricultural finance course for many years. He also taught courses in personal financial management and tax management. He also was the originator and prime architect of the Farm Credit Cornell Study Program, known as the Farm Credit Fellows program.

Although Dr. Smith produced many extension and applied research publications, a complete list of those publications was not discovered by this author.

³⁵ Letters to Committee members from Robert S. Smith, W. I. Myers Professor of Agricultural Finance dated December 11, 1978

³⁶ Letter to Clifford Busekist from Robert Smith dated December 11, 1978.

³⁷ CALS retirement statement by C. A. Bratton, C. W. Loomis and R. P. Story submitted to Associate Dean J. S. Egner, May 1, 1981. Much of this section of this report comes from this source.

The First Full-Time Chair Holder

In mid-1979, O. D. Forker, Chairman of the Department of Agricultural Economics, contacted several internal and external candidates with excellent national reputations in the agricultural finance area to ascertain their interest in being considered for the chair. Eight individuals indicated an interest, though two of the internal candidates (Stanton and LaDue) indicated a strong preference that the Chair be used to attract an outstanding candidate from outside the Cornell community.³⁸ John R. Brake, then of Michigan State University, agreed to become the first full time W. I. Myers Professor of Agricultural Finance. Professor Brake held that position for 16 years from January 1, 1981 until his retirement December 31, 1996.

It is interesting to note that the \$750,000 identified in 1972 as the amount needed to support an endowed chair was insufficient to provide full funding of the salary and program for a full professor by the time Brake took the Chair in 1981. The Dean of the College was required to supplement the endowment income in order to fund Brake's salary and support.

By 1987, the W. I. Myers Agricultural Finance Collection, even with the addition of some more up to date material, as maintained by and located in a remote area of Mann Library was seeing little use and was expensive to maintain. Mann Library asked the Department to give the space back to the Library. Since most current materials were available in electronic form, having them available in a room so far from the Department was of little value. Professor Brake decided that in keeping with the desires and legacy of W. I. Myers, it would be more appropriate to display the important items of the collection where people were likely to see and use them. Thus, the fourth floor seminar room in Warren Hall was named as the W. I. Myers Seminar Room and most of the memorabilia was displayed in that room. The room was dedicated on October 14, 1987. In addition, a room between Professor Brake's and Professor LaDue's offices was dedicated to current publications and periodicals.

At that time, the endowment provided by Myers became dedicated for support of the W. I. Myers Professorship. This was consistent with the agriculture/finance interests of Myers and his statement about how those funds from his estate were to be used.

Selected Professional Accomplishments³⁹

Professor Brake brought the journal *Agricultural Finance Review* to Cornell and upgraded its standards to make it truly the national journal of agricultural finance. Prior to that time the Review had been published by the USDA with a heavy focus on Economic Research Service writers and it had limited peer review. He served as editor or co-editor of the Review from 1983 until 1996. During that time the status of the Review rose to be the second most referenced journal in *Agricultural Economics*.⁴⁰

As a scholar with a national reputation Brake was asked to serve on four national commissions or task forces on farm financial stress: the Office of Technology

³⁸ Memo to Bratton, Knoblauch, Robinson, Smith and Thorbecke from Olan D. Forker dated October 25, 1979.

³⁹ This section is based on Brake's statement of Notable Dates and Accomplishments.

⁴⁰ Article published in *AJAE* or *Agricultural and Resource Economics Review*.

Assessment (OTA) in 1984, AAEA (Chair) in 1985-87, National Extension Policy Task Force in 1985 and National Commission on Agricultural Finance in 1988-89 (wrote report). Within AAEA, his financial stress work included leading an organized a symposium at the 1982 annual meeting, participation as a discussant in the 1983 session, a workshop presentation in the 1984 meetings and presentation of invited papers in 1985 and 1986.

He also served as co-chair with Jane McGonigal of Human Ecology of the Cornell Extension Task Force on Farm Stress in 1985. The Task Force report recommended that the College get involved in helping farmers deal with financial stress. Professors Brake and McGonigal were asked to start a program for that purpose. Brake became Faculty Director and McGonigal became chair of steering committee of NY FarmNet. NY FarmNet included an 800 phone number that farmers could call for help, and farm management and family consultants that could be assigned. Although initially perceived as a temporary program, FarmNet has continued to provide financial and personal consultations for farmers with stress problems to the present time. The extreme variability in farm incomes has caused farm family stress on a more or less continual basis.

Professor Brake was also one of the initiators and faculty directors of the Farming Alternatives project. The project was an activity dedicated to identifying and evaluating alternatives to traditional crop and livestock farming for farmers in the Northeast. From 1993 to 1996 he served as chair of the faculty-field staff committee on "Securing your Future." The group prepared 12 publications. Brake's extension responsibilities included shared responsibility for the monthly Current Economic Situation during 1992-1996 and making the general outlook presentation for the Outlook conference during 1993-1996.

Brake served as a member of the AAEA Foundation Board, 1989 – 1992; special advisor to the CEO of the Farm Credit Administration 1989-1990; consultant to Farm Credit System (1983), Farm Credit Administration 1990-1991 and Farm Credit System Insurance Corporation 1994-1995. In 1984 Brake was nominated for President of the American Agricultural Economics Association, but lost to former member of the Myers Advisory Committee, Professor Chester Baker.

Starting in 1981 Professor Brake initiated a series of W. I. Myers Memorial Lectures. Each year an outstanding professional in the field of agricultural economics was invited to Cornell to present the Myers lecture in the W. I. Myers Seminar Room. Over the 14 years of lectures outstanding professionals from all areas of agricultural finance came to Cornell as part of this program.

Brake co-taught the graduate level agricultural finance course 605 with LaDue and Tauer from 1983 to 1993. He also taught the advanced undergraduate agricultural finance course 407 from 1981 through 1994.

During his career Brake published 22 journal articles, 16 popular press articles, 3 published conference proceedings, 32 staff papers and department reports, and chapters in two books. He made 34 presentations at out-of-state seminars or workshops and 99 speeches or workshops within New York State. He served as a leader of the national agricultural research committee (officially regional research committee, but with national representation) which had many different numbers over time (NRC 161, NC 207, NRC

113, etc). In 1984 he served as academic advisor for the American Bankers Association National Agricultural Credit and Rural Affairs Conference.

The Third Chair Holder

When John Brake retired at the end of 1996, the Department conducted a nationwide search for a replacement. After discussions with possible candidates and leaders in the agricultural finance field, and interviews with some external candidates, the faculty decided that they were not going to be able to attract a more qualified candidate than current faculty member Eddy LaDue. Professor LaDue was appointed to the Chair on July 1, 1998. He held the position until his retirement in 2005.

After discussions with John Brake about the role of the W. I. Myers Advisory Committee and with Andrew Novakovic, then Department chair, about possible roles, LaDue decided to expand the role of the Committee. Instead of just concerning itself with the activities of the Chair holder, the committee was to provide evaluation, advice and suggestions for that part of the Department that dealt with commercial agriculture. This made use of the broader talents and interests of the high quality individuals serving on the Committee and gave the Department, as well as the Chair holder, the benefit of a highly qualified group. In keeping with the changed responsibilities, the committee name was changed to the W. I. Myers Agricultural Finance and Management Program Advisory Council. The word “program” was added to keep the Council focused on program improvements and not administration or individual actions. This new role was established with a new mission statement:

Mission Statement

The W. I. Myers Agricultural Finance and Management Program Advisory Council is established to provide guidance and feedback for the agricultural finance and farm business management programs and the W. I. Myers Chair in the Department of Applied Economics and Management in the College of Agriculture and Life Sciences at Cornell University.

The Council is expected to facilitate communication between Cornell faculty and staff and the agricultural industry, resulting in a stronger, more relevant and more vibrant agricultural finance and management program.

The Cornell faculty and staff are committed to:

1. Report their activities, plans and ideas to the Council.
2. Seriously listen to and consider all suggestions and ideas that are provided.
3. Use the ideas from, and interaction with, the Council to enhance the agricultural finance and management program.

Council members are asked to:

1. Increase the understanding of the agricultural finance and management faculty and staff of the wants, needs, hopes and aspirations of our clientele.
2. Assist faculty and staff to better understand our relationships with our clientele including how they perceive us.
3. Critique ongoing and completed programs and efforts
4. Provide a sounding board for new ideas and programs
5. Serve as a source of ideas and program suggestions
6. Suggest methods to improve our external visibility
7. Help disseminate information developed by the group
8. Act as an advocate with the Dean, Department Chairman, or other external groups when that is deemed appropriate.

With the change in responsibilities, the Council make up was modified slightly to provide the broader input desired and to insure that the various interests of Northeast agriculture were represented (Table 2). Farm Credit representation was changed because the Farm Credit Banks of Springfield had been merged into CoBank and the Associations given a more prominent role. Similarly, Agway as a farmer cooperative had ceased to exist.

| Table 2. W. I. Myers Agricultural Finance and Management Program Advisory Council Representation | |
|--|---|
| Representation | 2005 Council Member |
| Academic | Allen Featherstone, Professor, Kansas State University |
| Farm Credit (major donor)** | Mike Gerber, CEO, Farm Credit of Western New York |
| Commercial banks (major donor) | Ed Coates, Vice President, NBT Bank, N.A |
| Agribusiness – cooperative (major donor)*** | Steve Wright, General Manager and CEO, Pro-Fac Cooperative |
| Agribusiness | Jeff Conrad, President, Hancock Ag. Investment Group |
| Political | Pat Hooker, Director of Public Policy, New York Farm Bureau |
| Farmer – dairy* | George Allen, President, Allenwaite Farms, Inc. |
| Farmer – Hort, nursery, greenhouse* | Jim Bittner, Partner, Singer Farms |
| Farmer * | Shelley Stein, Stein Farms LLC |

*Farmers collectively were major donors and also represent the interests of the American Agriculturist, a major donor.

** Farm Credit Banks of Springfield and many individual associations

***Agway, Eastern AI, etc.

Selected Professional Accomplishments⁴¹

Professor LaDue served as associate editor of the national journal *Agricultural Finance Review* from 1983 to 1990, Co-editor for 1992 through 1996 and editor in 1991 and 1997 through 2005. Under his leadership teaching and extension sections were added to the journal to allow for publication of peer reviewed articles on teaching and extension programs. In 2001, he expanded the *Review* from one to two issues per year. The Fall 2005 issue included articles prepared for a symposium in his honor titled “Agricultural Finance Research: Past, Present and Future” organized by members of NC1014, the national agricultural finance research project.

Throughout his career LaDue participated in the regional research project in agricultural finance (NC 1014, *Agricultural and Rural Finance Markets in Transition*, and its predecessor committees). Although this committee was organized under the regional structure, it was always national in participation and involvement. He served in all the offices (Chairman twice), on three project rewrite committees and chair of numerous subcommittees.

LaDue was involved with the Farm Credit Fellows Program (officially Farm Credit Cornell Study Program) from its inception in 1971 under the leadership of Robert Smith until his retirement in 2005. He conducted a trip to New York City financial markets for 20 to 35 students from three to five Northeast universities from 1973 to 2004 (except for his 1978 sabbatical year). During those same years he taught the Advanced Agricultural Finance Seminar (Fellows course) which focused on case studies of real farms with major financial decisions or problems, conducted in cooperation with Farm Credit or Commercial bank agricultural lenders. In the early years of the Fellows program other faculty conducted other parts of the program, ie. a two day trip to Farm Credit regional offices, one day FmHA field trip and undergraduate research projects. As faculty with applied interests retired, LaDue assumed those responsibilities.

LaDue also taught Production Economics (Ag. Econ. 508/608) from 1972 through 1977, the basic junior/senior level undergraduate course in farm finance (AEM 405) from 1979 through 2004, and team taught the graduate level Agricultural Finance and Capital Management with John Brake and Loren Tauer from 1982 through 1998.

He established and served as director of the Cornell Program on Agricultural and Small Business Finance which conducted research in the area of agricultural finance and management in an effort to provide useful information to farmers, lenders, and agribusinesses. The Cornell Tax Program was part of this effort during his tenure as the W. I. Myers Professor.

Dr. LaDue was a founding member of the Farm Financial Standards Council (originally Task Force) and continued as a director of the Council until his retirement. His teaching always included Council standards and he continually urged the movement of the Farm Business Summary program and other extension programs to adopt those standards. He did considerable research and writing on the influence of deferred taxes on financial statements and credit evaluation.

Honors and awards include a certificate of Special Recognition from the Farm Credit Banks in 1982, AAEA Outstanding Extension Program Award (group) 1987, Merrill Presidential Scholar Outstanding Educator Award 1984 and 1994, Buel Lanpher

⁴¹ This section is based on LaDue’s 2007 CV.

Achievement Award from the Farm Financial Standards Council 1995 and the Edgerton Career Teaching Award, CALS 2005.

LaDue was an advisor to the New York Bankers Association Agricultural Committee from the mid 1970's until 2005. He taught in the Bankers School of Agriculture from the mid 1970's until the program ceased due to insufficient attendance in the late 1980's. In 1989-90 he worked with the NYBA Ag committee to develop the Northeast School of Agricultural Lending with a regional advisory board and participation. The focus of the program was changed from agriculture in general, with some agricultural finance, to a program solely focused on agricultural finance. Agricultural lenders and legal practitioners were also added to the teaching staff. Farm Credit, FmHA, supplier and other finance professionals, as well as bankers, from New York, Pennsylvania, New Jersey and the New England States were invited. He served as director and a primary instructor of that program until 2005.

He started serving as director of the Graduate Bankers Agricultural Seminar in 1972 and assisted with the design and implementation of the regional Agricultural Action Bankers seminar (formerly Key Bankers Seminar). In 1989-90, he led the effort to geographically expand the focus and attendance of the Graduate Bankers Agricultural Seminar and change its name to the Northeast Agribusiness Seminar, which he directed until 2005.

Professor LaDue made over 350 presentations to conferences, workshops and Extension in-service activities, 91 of these during his tenure as the W. I. Myers professor. A number of these were made to Farm Credit, commercial bank, FmHA and other agricultural lender groups. Many of these presentations reported applied research he and his associates had conducted. From 1972 to 2004 he prepared the agricultural finance section of the Department's Outlook Handbook each Fall. He also taught sessions on capital leasing and tax management at the Dairy Executive Program and prepared at least one regional dairy farm business summary each year.

LaDue's research was sufficiently applied that most of it appeared in regional journals or Agricultural Finance Review rather than AJAE. Research projects while he held the Myers Chair included (1) the profitability of agricultural loans to lenders, (2) future structure of the dairy industry, (3) credit scoring of agricultural loans, (4) financial management practices and farm profitability, (5) successful small farms, and (6) effect of deferred taxes on balance sheets and lending. Prior research topics include (1) bank consolidation and agricultural lending, (2) farm investment behavior, (3) moral hazard in federal farm lending, (4) capital leasing, (5) successful estate transfer, and (6) effect of tax reform on agriculture. In total LaDue authored 48 journal articles, 66 research bulletins, 148 extension bulletins and 89 magazine articles. Of these 7, 10, 28 and 38, respectively were published while the Myers Professor.

The Fourth Myers Professor

Upon LaDue's decision to retire, the Department again conducted a nation wide search for a replacement. Calum Turvey, Chair of the Department of Agricultural, Food, and Resource Economics at Rutgers and formerly a professor of agricultural finance at the University of Guelph was appointed to the Chair in 2005.

With this appointment, Dean Henry of the College of Agriculture and Life Sciences moved control of the endowments from the Department to the College. This action gave the Dean complete control of use of the funds and all the Department was promised from the funds was payment of the salary of the W. I. Myers Professor. The Chair holder no longer had use of the funds for program or support except by specific request to the Dean, even though donors had been told that the funds would be used for support as well as salary.

Summary

Some possible summary points from this review are:

1. The W. I. Myers Chair was designed to honor W. I. Myers for his practical work as the first professor of agricultural finance at Cornell (and possibly the country) and his work in redesigning the Farm Credit System to serve its current functions.
2. The majority of contributors to funding the Chair were interested in supporting applied, practical efforts in research, teaching and extension that would be of direct value to the agricultural community of the Northeast and the United States, with recognition of the role of global agriculture and economics.
3. The Rockefeller contribution and Myers international interest suggest that some of the Myers Professor's time could logically be spent on international agricultural finance issues.
4. The College of Agriculture and Life Sciences committed the W. I. Myers Professorship to be a net addition of resources to the two people working in agricultural finance in the Department of Agricultural Economics (now Department of Applied Economics and Management).
5. The advisory committee was expected to (1) include donor representatives, (2) meet regularly, (3) provide ideas and support for research, extension and teaching programs, and (4) provide a connection to real world problems to avoid academic "ivory tower" isolation. Interaction with the committee provides the Myers Professor with a real world sounding board, connections to a wide range of agricultural institutions and resources, and an "ear to the ground" assessment of important issues and problems.
6. The first three holders of the W. I. Myers Professorship were national leaders in agricultural finance. All taught courses in agricultural finance, conducted applied research on finance topics of concern to Northeast and U.S. Agriculture, and participated in a wide array of extension efforts.

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