



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Current Activities



Conservation Reserve Program Signup Options Considered

In 2007-08, contracts covering about half the acres enrolled in USDA's Conservation Reserve Program will expire, requiring several new signups. ERS economist Daniel Hellerstein participated in an interagency team that examined various signup alternatives in terms of cost, administrative burden, and possible environmental consequences. Their goal was to provide information to policymakers who will choose among signup options. **Daniel Hellerstein**, danielh@ers.usda.gov

State Fact Sheets Updated

The U.S. State Fact Sheets are one of the most popular items on the ERS website (www.ers.usda.gov/statefacts/), with over 20,000 unique users each month. They contain the most current data in an easy-to-read style on population, per capita income, earnings per job, poverty rate, total number of jobs, unemployment rate, percentage employment change, farm and farm-related jobs, top export commodities, farm characteristics, and farm financial indicators for each State and the United States. Recent updates include the addition of several types of data—2002 Census of Agriculture data on State farm characteristics, 2002 rural and urban poverty rates, and 2003 farm financial information—as well as

new features, such as downloadable spreadsheets and frequently asked questions. Future enhancements will include graphical interfaces to develop charts and maps. **Timothy Parker**, tparker@ers.usda.gov

Examining Southeast Asia's Dynamic Agricultural Markets

ERS is undertaking several activities to better understand the food, agriculture, and policy developments in Southeast Asia, which is both a growing market and a significant competitor for U.S. agriculture. The region, with over 500 million people, is one of the most dynamic parts of the world trade in agriculture. Rapid economic growth has led to changing diets in much of the region, fueling growing imports of feedstuffs, wheat, and processed products. Large investments in agriculture and food processing, continuing for decades, have also made Southeast Asia a major food-exporting region. ERS, with funding from the Emerging Markets Program of USDA's Foreign Agricultural Service, is beginning collaborative work with agriculture ministries and institutes in the Philippines and Vietnam. This work includes studies of trade patterns and the broiler sector, as well as a conference session on changes in the structure of the region's food retailing. **John Dyck**, jdyck@ers.usda.gov

Program of Research on the Economics of Invasive Species Management

ERS is seeking proposals for the 2005 Program of Research on the Economics of Invasive Species Management (PREISM) competitive award program (www.ers.usda.gov/briefing/invasivespecies/). Proposals should focus on applied economic research and/or decision support system development for USDA policies and programs related to invasive species. Priority research areas include: (1) Institutions and Incentives for Efficient Invasive Species Prevention and Management, (2) Practical Decision Analysis for Invasive Species Management, and (3) International Dimensions of Invasive Species Management. Anticipated funding is approximately \$1 million. Proposals are due April 29, 2005. **Craig Osteen**, costeen@ers.usda.gov, and **Donna Roberts**, droboterts@ers.usda.gov



New Releases

Family Farms Come in All Sizes

U.S. farms range in size from very small retirement and residential/lifestyle farms to establishments with sales in the millions of dollars. The organization of farming affects the efficiency and competitiveness of the farm sector, the well-being of farm households, the design and impact of public policies, and the nature of rural areas. *Structural and Financial Characteristics of U.S. Farms: 2004 Family Farm Report* (AIB-797) explores trends in the organization of farming, based prima-

rily on 2001 data from the Agricultural Resource Management Survey, its predecessor (the Farm Costs and Returns Survey), and the census of agriculture. The *2005 Family Farm Report*, which will feature 2003 data, will be released later this year. **David Banker**, dbanker@ers.usda.gov

Trade and Rural Areas

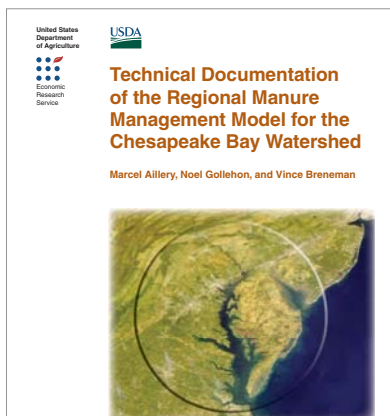
Given that American farmers produce raw farm products well in excess of domestic demand and that processing

these excess products could yield additional income and jobs, rural planners have viewed the food export market as a potential base for rural development. Despite its logical appeal, it has been difficult to demonstrate the strength of this potential development effect for rural areas. A recent study by Gerald Schluter and Chinkook Lee (formerly of ERS) of the growth in U.S. meat exports in the last two decades suggests reasons for this difficulty. In "Is There a Link Between the Changing Skills of Labor Used in U.S.

Processed Food Trade and Rural Employment?" (*Journal of Agricultural and Applied Economics* 36(3):691-703, December 2004), the researchers show that, while the U.S. has long had an apparent comparative advantage in meat production, the growth in meat exports resulted from a combination of changes that affected the cost of production and the demand for meat, as well as changes resulting from public policy. Most, if not all, of these changes were outside the control of rural development policymakers. **Gerald Schluter**, schluter@ers.usda.gov

Chesapeake Bay Regional Model Documented

The production and disposal of animal manure in the Chesapeake Bay watershed—an environmentally sensitive area with large concentrations of confined animals—is evaluated using a regional modeling framework. *Technical Documentation of the Chesapeake Bay Regional Model* (TB-1913) presents an overview of the modeling system, which is used to evaluate the feasibility of land application of manure as a regional manure management strategy and the effect of key policy provisions and manure use assumptions on costs to the animal sector. Results from an initial application of the model are featured in the ERS report *Manure Management for Water Quality: Costs to Animal Feeding Operations of Applying Manure Nutrients to Land* (AER-824). **Marcel Aillery**, maillery@ers.usda.gov, and **Noel Gollehon**, gollehon@ers.usda.gov



Competitiveness of Food Manufacturers and Retailers

In "Change and Firm Valuation in U.S. Food Retailing and Manufacturing" (*Journal of Food Distribution Research* 35(2):14-25, July 2004), Bruce Bjornson (formerly University of Missouri), and Phil Kaufman examine whether profitability of large food manufacturing firms and large retail firms has shifted in recent years due to industry consolidation, expanding use of scanner data, and entry by nontraditional retailers. They also used current firm valuations to predict future change in firm profitability as a result of these developments. While returns on investment of large food retailers have been expected to increase relative to those of large packaged food manufacturers, the researchers found that this has not yet happened and that market valuations imply that retailers are not likely to gain on manufacturers in the future. **Phil Kaufman**, pkaufman@ers.usda.gov

Education and Rural Communities

The No Child Left Behind Act of 2002 created a new era of increased school accountability to ensure that our public schools adequately prepare their students for the increasingly high-skill "new economy" in which we now live. In response to particular concern about the effects of these reforms in rural areas, ERS cosponsored a 2003 national conference on rural education with the Southern Rural Development Center and the Rural School and Community Trust. The key findings from the conference are presented in *The Role of Education: Promoting the Economic and Social Vitality of Rural America* and offer insight into the important and often fragile relationship between rural schools and communities in America. **Robert Gibbs**, rgibbs@ers.usda.gov

Aggregate Food Expenditures

Unlike data on physical quantities of food, food expenditure data contain information relevant to consumer choice among broadly defined food aggregates. In



Comstock

APRIL 2005

"The Generalized Composite Commodity Theorem and Food Demand Estimation" (*American Journal of Agricultural Economics* 87(1):28-37, February 2005), ERS researchers have provided evidence that data on consumer food expenditures rather than data on physical units of food consumption is properly aggregated to provide accurate composite measures of food demand. **Al Reed**, jareed@ers.usda.gov

Commodity Markets and Trade

ERS Outlook reports provide timely analysis of major commodity markets and trade, including special reports on hot topics. All reports are available electronically and can be found at www.ers.usda.gov/publications/outlook/ along with a calendar of future releases. **Joy Harwood**, jharwood@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/



Kathy Augustine

As Acting Chief of the Information Technology (IT) Services Branch in ERS's Information Services Division, Kathy Augustine wears many hats, serving as the manager of the agency's IT infrastructure, as well as performing network administration tasks and responding to Help Desk requests from ERS employees. Her focus on technology improvements has allowed the agency to upgrade its network operating system to the most secure and responsive version of Windows with minimal disruption to ERS staff.

Like most of us, Kathy also wears several hats outside ERS, but one is particularly notable: Kathy is a registered volunteer with the Foster Family program of the Arlington Diocese of Catholic Charities. For over 20 years, she has provided a safe haven for women in crisis pregnancies—about 2 dozen in all—giving them much-needed stability while they work out long-term solutions for independent living with assistance from Catholic Charities.

For the past decade or so, Kathy has brought her community spirit to ERS, serving as a coordinator for the annual Combined Federal Campaign (CFC), the Federal Government's charitable giving program. Each year, Kathy brings a new level of energy to the job, helping to ensure that ERS's contributions always exceed the governmentwide average.

For her dedication to community service both within and outside the workplace, the Combined Federal Campaign of the National Capital Area (CFCNCA) recently named Kathy the 2004 CFCNCA Heroine of the Year. Kathy was nominated for this award along with many other highly deserving CFC volunteers from all Federal agencies in the Washington, DC, metropolitan area and was selected as the winner out of 25 finalists. Reflecting her generous spirit, Kathy says "I'm just one of many ERS employees dedicated to community service."

Leslie A. Whitener

Seven decades of experience with commodity-based farm programs tells us that they have effects far beyond the farm, with implications for rural businesses, residents, and communities. The link between agricultural policy and rural economies is Leslie Whitener's latest pursuit in a career devoted to the study of rural economic and policy issues. In an upcoming conference sponsored jointly by ERS and the National Center for Food and Agricultural Policy, Leslie is assembling researchers and policy analysts to stimulate new thinking about the changing role of farm and rural policy. Leslie notes that "a clear understanding of policy objectives and intended beneficiaries must be the starting point for discussions of future policy well in advance of the next farm bill."

During her 20-plus-year stint at ERS, Leslie has examined many aspects of rural American life, ranging from welfare reform to rural housing poverty to farm economic issues.

In *A Safety Net for Farm Households* (www.ers.usda.gov/publications/aer788/), she and her co-authors considered alternative scenarios for government assistance to agriculture, based on the concept of ensuring some minimum standard of living. They found that only one safety net scenario would generate lower costs than current programs, but the distribution of benefits would change dramatically. Lower income farmers would benefit relatively more from the safety net scenarios, while farmers producing selected commodities would benefit more from the current programs.

Leslie explored the effects of existing safety net programs on rural residents as editor of a 2002 book, *Rural Dimensions of Welfare Reform*, the first comprehensive assessment of the effects of welfare reform in rural areas. While the 1996 welfare reform legislation succeeded in reducing welfare dependency and increasing employment and earnings at the national level, results in rural areas were mixed. One of the policy lessons learned from the research is that the poorest, most rural areas are often the hardest to serve.

Leslie joined ERS right out of college and continued to pursue her education, completing a Ph.D. in sociology at The American University in Washington, DC. During her career, she received several awards, including two Secretary's Honor Awards for Excellence in 2002. For the past 8 years, Leslie has served as Chief of the Rural Economy Branch in the Food and Rural Economics Division. With a multidisciplinary approach, this 24-person staff of economists, sociologists, geographers, and statisticians conducts a broad array of research and policy analyses on rural America. Under Leslie's initiative, the Branch created the *At A Glance* series of short, brochure-like publications, each covering a specific topic about rural America. These reports analyze the ongoing changes in rural areas to help policymakers assess strategies to enhance economic opportunity and quality of life for rural Americans (www.ers.usda.gov/emphases/rural/ataglance.htm).

