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FEED, THE FUTURE AND A LITTLE FUN*

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WITHDRAWN
SEP 03 1992

Dept. of agricultural economics

Forgive me for a moment if I speak like a college professor, but that is what I am. Sometimes we professors get a little carried away with our importance and sometimes the work we do is not relevant to the problems of the industries we serve. Frankly, it is my observation that the more we get carried away with our self-importance, the less use we are to anybody.

The basic premise of my remarks to you today is that universities and the feed industry are not working well enough together. Universities are not providing the skilled people necessary to enter your industry--LET ME CHANGE THAT--universities are not providing the skilled people necessary to enter OUR industry and let me speak for my home institution and say OUR university. You own the Land Grant Universities and they want to be responsive to your needs. Now let me tell you what OUR needs are.

Our needs are to be prepared to handle an expanded feed industry and let me tell you why.

* An Address to the National Grain and Feed Association, March 14, 1989, in San Diego, California.

Grain production in the United States and Canada is about to expand and surpluses are going to return quickly. There are essentially two reasons for this. First, we are putting former set-aside acres into production, and second, we are about to lose anything that even resembles competitiveness in foreign markets. I know you've been told that when world markets open up the United States producers are going to have a (pardon the pun) field day. Field day--no way.

The Green Revolution is working and every developing country, with the exception of some African countries, is experiencing rapid increases in per capita grain production and when and if world markets do open up, we are going to find a great deal of grain from developing countries in world markets competing against U.S. grain. In addition, many of our traditional export customers have gone broke. Latin America formerly was our largest customer for grain and we all know what has happened there.

There's an even more ominous signal. Our grain exports are based upon letting farmers grow anything they want and then cleaning up the nation's grain production at export terminals. Every other major grain exporting country is working on improving the quality of its grain at the farm level (a great deal of variety specification). This is the only logical way to compete in world markets and the U.S. stands out as not showing the needed discipline to be an effective competitor.

I envision the return to surpluses of grain, low domestic prices with exports of livestock and poultry products being the major way to market this grain in world markets. Now what I have told you is that we must learn how to feed lower quality grain to more livestock and poultry than ever before...and this must be done in the face of mounting environmental and food safety concerns.

(Don't think for a minute that export enhancement programs that are little more than cutting the price of our grain in world markets through export subsidies

are going to keep us competitive. The day is rapidly approaching when we are going to stop these agricultural subsidies that have harmed livestock production. Not because our government has had a change of heart or even because government is adopting market oriented policies. Agricultural subsidies are going to be cut because we can no longer afford them.)

Add to this the introduction of advances in biotechnology like bovine growth hormones, porcine growth hormones and repartitioning agents and we get the feed industry serving a larger and far more important part in U.S. agribusiness than ever before in the face of the most rapid advances in technology in history, huge environmental problems at all levels and undefined food safety issues. But we also have the promise of expanded markets, lower cost production and customers more in need of our products and informed information on how to take advantage of lower cost production, expanded markets and new technology.

I can think of few major industries that have the opportunity before them than does our industry--the animal feed industry. Usually we hear that industries have problems and that is a real opportunity. Today I'm going to reverse this and tell you that on your present course, opportunities may become real problems and prevent our industry from profitably capitalizing on what may be a historic opportunity.

My research indicates that all advances in technology and lower costs will only serve to benefit livestock producers who are good managers. In fact, the changes that I have listed for you will serve to hasten the demise of marginal livestock producers.

Now here's the problem that may well block our opportunity. Note I say our opportunity--both industry and the academy. The feed industry simply does not have the trained people available to adequately serve the existing market and certainly not a market characterized by new technology, increased export demands

and the highest level of production management ability in the history of production agriculture.

At present, in some markets nearly 86 percent of the farmers who are viewed by you as managers capable of prospering under the new conditions feel the technical, nutritional and sales services provided for them by our industry is not adequate to today's standards--let alone the standards of the future. This is especially important because the people supplying these livestock producers when surveyed feel that the most important service they provide and the best service they provide is technical and nutritional advice. There seems to be a bit more here than just the difference between perception by our industry and the reality of our customers' views. What we have here is the difference between success and failure on the part of the feed industry.

What we also have is a failure on the part of universities to provide you with these people. Oh sure, you hire our graduates, but then what do you do? You put them in a three or four-year training program and invest as much as \$200,000 per recent graduate to get them to have the skills necessary to represent you. If you revisit my above paragraph, you'll see that even after four years (and, in some cases, six years) of college and the expenditure of nearly a quarter of a million dollars per graduate by you--WE STILL DON'T HAVE THE PEOPLE NECESSARY TO ADEQUATELY REPRESENT THE INDUSTRY TO ITS CUSTOMERS TODAY and there is no chance that on our present course we will have them in the future.

Several people are getting short-changed in this. First, the student who is not exposed to enough real world experience during his college education to have the ability to combine some human relations with the technical training is short-changed. Second, the industry that hires this graduate must make substantial investment in the graduate and while I applaud this as constructive, the magnitude of the investment before the new employee becomes productive is excessive and

the graduate after the investment is not adequate for the present task. I suspect a large portion of the training expense by the feed industry involves unlearning false, irrelevant or outdated knowledge the graduate was forced to learn in college because the faculty was simply not in touch with the needs of the marketplace. Our industry as well is being short-changed.

Finally, our customers are being short-changed. For the most part, many of them have long ago stopped relying upon the Extension Service for advice and, in many cases, do not look to the Agricultural Experiment Stations in a time of rapidly changing agriculture. They rely upon you--our industry and we are not in any position to be a reliable supplier of technical information in the future if we continue as we are. Who will ultimately pay the cost of our failure?--Our customers will. They will be unable to adopt new technology profitably and that is a horrendous cost. It's only a matter of time until that permanently affects--and adversely affects--everyone in this room.

Now there is a bright spot. There seems to be no shortage of people able to function in production positions in the feed industry. The shortage is in the marketing area. There is a shortage at present of people who can explain present technology and get orders and it's only the tip of the iceberg.

But let me tell you that these production people will also be short-changed if we do not market properly. Their opportunities and careers will never reach the potential the very near future promises.

What can we do about this? Well let me tell you. We can combine forces--universities and the feed industry. We can use the best of both to educate college students of all ages in the techniques and technology necessary to be productive the day they graduate at a level the future cries for and the present demands. Now let me tell you one guiding principle of any formal combination of university and industry for our futures.

KEEP THE BEST AND LEAVE BEHIND THE REST.

I would propose that under the banner of the National Feed and Grain Dealers we offer college-level training to present industry personnel, students and university faculty designed to have graduates who understand technology and can profitably communicate that to our customers THE DAY THEY GRADUATE.

I would expect these courses to be three months, full-time with a faculty composed of the best that industry and academia can provide. I would expect the tuition to be paid by employers sending students--Lord knows that your paying tuition now and not getting the education. The tuition could be paid by sending money or sending an instructor--provided that instructor is the best you have. Universities would also send faculty and be compensated for that--provided the faculty sent was the best in the nation.

What I envision is an educational program where it is an honor to be selected as an instructor whether you come from the feed industry or the academy. The sole criteria being that you are the best and are both willing and able to share your knowledge with the best our industry can attract--our future marketing force.

Give us the best nutritionists to teach, but send us only those who can explain technology in clear terms--both understandable and enjoyable. Send us the best teachers as measured by how their graduates perform in our industry. Send us your best salespeople to teach and you know what--

We'll attract the best to learn and enter our industry. And just as we want our teachers to be the best and we leave behind the rest--

LET OUR STUDENTS BE THE BEST AND WE LEAVE BEHIND THE REST as anything else simply won't allow us to catch up and stay caught up.

Who is the best student? Well first of all, it is someone who is motivated--someone who has a desire to succeed. Someone who is a self-starter--male or female; 18 or 80, high school graduate or Ph.D. And how would they be selected?

They wouldn't--they would be recruited from the ranks of existing industry employees and college students about to graduate. They would be identified by both universities and feed companies and we would have a gentlemen's agreement that we would not raid each other's employees in this training. If you think that cannot be enforced--think again. Among the things I expect these students to learn is personal and professional integrity and they would learn it not by lectures and readings--they would learn it by the example set by our industry both in and out of the classroom.

I must tell you that my religious training is lacking. In my youth my family did not ever attend church. When my mother died I was 16 years old. She had been raised in the Episcopal Church and as nearly as I know had not been in an Episcopal Church since she was married. We had her buried in an Episcopal ceremony and the priest insisted that it be held in the church. After the ceremony, the priest befriended me. He talked me into playing on the church basketball team. Eventually he convinced me to take the training necessary to be confirmed by the church. I remember the first prayer I learned. It was a simple prayer that you say before a meal. It goes:

"Give us grateful hearts our Father for these thy mercies and make us every mindful of the needs of others."

Once I got confused and repeated it as:

"...make us ever needful of the minds of others,"

and I was embarrassed. Father Thompson explained to me that we are in fact ever needful of the minds of others and that in time I would come to realize how true my statement was. That time has come.

We--both industry, the universities and present and future graduates and employees--have never before been more

"Needful of the minds of others."

Let me offer the resources of my university--if you would so honor us by choosing Michigan State University--to work with the feed industry to help prepare this industry for the future in an organized manner.

We are needful of the minds of others, but it's more than that--

WE ARE NEEDFUL OF THE BEST MINDS.

If we work together and we get two minds from industry and academia together-- we can make an improvement. If we get three of the best minds, we can make an impact. If we get a dozen and your support--we can assure our industry's promise and make it all it can be.

But today we are "ever needful of the minds of others." I would like to be a part of this. I hope you would like to be also.

From where I sit, Father Thompson was very wise indeed.

"We are ever needful of the minds of others."

Now I know some of you are wondering about the title of this speech, "Feed, the Future and a Little Fun." Where's the fun? Well, it's in the joy of teaching the brightest minds in the world today. We just need to join forces to teach them better.

Come join us. You'll be glad you did.

(I am indebted to Dr. John DiBiaggio, President of Michigan State University, for the references in this address to "Ever needful of the minds of others.")