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RESEARCH PRIORITIES — FOOD PROGRAMS: A DISCUSSION*

Stephen J. Hiemstra

There is not very much in Dean Ewing's paper with which to take issue. Certainly, there are more points of agreement than disagreement.

PRIORITY RESEARCH

He makes one point that, while perhaps true, we should regard as a challenge rather than simply as a regrettable situation. I refer to his comment that extension of research programs into new areas or disciplines is difficult unless increased funding is available. Otherwise, he indicates, adjustments in personnel from established into emerging departments is dependent upon retirement and resignation, a slow process. There is a lot of truth in that statement, but hopefully sessions like this define needed areas of research and stimulate people to move independently into doing that research. Perhaps, too, those of us in research administration are stimulated to redirect people into taking on relevant problems.

In this regard I would have to disagree with my friend Lloyd Halverson when he suggests that traditional Agricultural Economics Departments should build "fences" around their "traditional research." While he may lament the fact that monies may be going into new kinds of activities, we should not attempt to build barriers against such movement of resources. The barriers are already high enough, as Dr. Ewing stated. If anything, as research administrators, we should encourage the transfer of funds from less important to more important research areas. This doesn't suggest disagreement with some of the important research areas enumerated by Mr. Halverson.

FRAGMENTED RESEARCH

According to Dean Ewing, we have too many projects—some with low priority—that are understaffed and under-funded. He calls this a "shot-gun" approach to research, another way of saying that we have too much fragmented research that does not add into meaningful blocks of effort aimed at solving important problems. Surely that charge is as true in my own area of research responsibility as in others.

One example of this problem is easily cited with respect to research concerned with the Food Stamp Program. It has become rather fashionable in some quarters to do research on this program. This is not to suggest that a great deal more of the right kind of research isn't needed. But the point here is that everyone seems to begin at point zero and attempt to reinvent the wheel. The wheel in this case is concern about the "problem" of low participation. Countless people want to rush out with surveys to ask people why they don't participate in the program.

Surveys all come up with about the same answers, most of which don't get at the real reasons. People generally aren't able or willing to explain their actions to complete strangers on the spur of the moment. Surveyors are usually shocked when they can't find as many non-participant eligible people as public media imply exist.

AGRICULTURE POLICY vs. FOOD POLICY

Dr. Ewing indicated that there is a pressing need to evaluate impacts of new agricultural legislation. This point can be carried one step further.

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Most people are not aware that the Agricultural Act of 1973, the Agriculture and Consumer Protection Act, carried some major amendments to the Food Stamp Program. These amendments highlight an increasing need for looking at interrelationships between food policy and agricultural policy. To some extent, these policies have been complementary in the past. But some have been competitive in nature. A North Central Regional Project that is concerned with Agriculture policy awakened to this growing importance recently, and more people should consider the interrelationships.

Competition among policies is perhaps highlighted within the budget of the U.S. Department of Agriculture itself. Two-thirds of the USDA budget this year is going to operate the Department's food programs. Only one-third is going for so-called traditional agriculture. Many agricultural economists may feel that this is not an appropriate division of resources; nevertheless, Congress has chosen to allocate the funds in this manner. We, as agricultural economists, should not close our eyes to changing priorities in an increasingly urban society. Secretary Butz is fond of calling USDA the "people's Department," as Abraham Lincoln did a century ago.

FOOD PROGRAMS OUTGROWN RESEARCH BASE

Food programs have grown tremendously over the past decade, particularly in the past five years. This year's budget carries over \$6 billion for operating the Food Stamp Program, various child nutrition programs, and other miscellaneous food programs. I point this out mainly to emphasize that the programs have outgrown their research base. Aside from usual problems of efficiency and cost effectiveness in meeting their own objectives, the programs are getting large enough that they have significant secondary impacts upon food markets. The USDA budget alone accounts for about 3½ percent of total spending for food at the consumer level. That's just the Federal input. If you sum (1) all food purchased with food stamps including stamps paid for by recipients themselves as well as the Federal bonus, (2) the total value of subsidized school lunches served in program schools, and (3) cost of the several miscellaneous food programs, you come up with over \$11 billion worth of food subsidized to some extent by various USDA food programs. That is in excess of 6 percent of total food expenditures in this country, and it's still growing.

EVOLVING POLICY ISSUES

Recent legislative changes and sheer growth of food programs point to a number of evolving policy issues that could well merit the attention of a growing body of food and agricultural economists.

1. We now have virtually a Nationwide Food Stamp Program, including a program in Puerto Rico that serves over one million people. This program is completely dependent upon the food marketing system for its operation. Because of its substitution for the previous direct Food Distribution Program, it eliminates one of the options for dealing with surplus food production problems. No longer is the Department in a position to distribute large volumes of food to needy families. In addition, the Department in the last year or two has given serious consideration to elimination of direct distribution of foods to schools as a part of the School Lunch Program. The 1976 Budget Request continues direct distribution of food to schools through fiscal year 1976. But the longer range objective is to cash-out that program, providing cash to schools rather than commodities. This issue raises several researchable questions: For example, is it more economical for schools to buy their own food with cash provided by the USDA or for the USDA to exert its power in the market place and distribute the food in kind?

2. Another issue, one that will come up for considerable debate in the coming Congress, is the extent to which the Department should subsidize child nutrition programs. The gut issue is whether or not the National School Lunch Program should be only a poverty program or continue to be a nutrition program, assuming some Federal assistance for its general support. Agricultural economists could well take an interest in this subject because of potential impacts upon participation in the program and a utilization of food that now approaches \$4 billion annually. Debate will also focus on the question of the degree of federalization that the program should have.

3. Another major policy question continues to surround the perpetuation of any of the food programs. The point is made in many quarters that food programs constitute nothing more than income maintenance in disguise, and therefore should be phased out in favor of cash assistance programs of various kinds that theoretically allow recipients to reach a higher level of personal utility with a given level of subsidy. Regardless of agricultural economists' interest in welfare economics, their interest in this question could well be focused

on analysis of impacts of such a policy change upon the total market for food. The question revolves around elasticities of demand for food by low income people; that is, the extent to which low income recipients would spend unrestricted dollars for food vs. the proportion of bonus food stamp dollars that go for food.

These issues only serve to highlight what I consider to be a gross inadequacy of research in analyzing the many ramifications of the food programs. We talk a lot in meetings about doing people oriented research, but I don't see very much of it.

