

✓ Card 2c only

1984

AGRICULTURAL ECONOMICS REPRESENTATION IN THE  
COOPERATIVE STATE RESEARCH SERVICE (CSRS)

The Report of an  
Ad Hoc Committee of the  
American Agricultural Economics Association.  
Neil E. Harl, President (Iowa)

June 1984

UNIVERSITY OF CALIFORNIA  
DAVIS  
AUG 24 1984  
Agricultural Economics Library

Members of the Ad Hoc Committee

- Robert L. Christensen, University of Massachusetts (Chairperson)
- Warren E. Johnston, University of California, Davis
- Lawrence W. Libby, Michigan State University
- Joseph C. Purcell, University of Georgia
- Leroy F. Rogers, Washington State University
- Jerry G. West, University of Missouri

U.S. Dept. of Agriculture

## CONTENTS

	<u>Page</u>
Executive Summary.....	1
I. Introduction.....	3
II. The Cooperative State Research Service -- Origins and Functions.....	5
III. The Research Funding Process in CSRS.....	10
IV. The Issue of Agricultural Economics Representation in CSRS....	12
V. Recommendations for the Enhancement of National Leadership in Agricultural Economics in the Cooperative State Research Service.....	16
References.....	20
Appendix -- Support for Agricultural Economics Research.....	22

## EXECUTIVE SUMMARY

In November of 1982 AAEA President Leo Polopolus named an Ad Hoc Committee to focus on the role of agricultural economics in CSRS and ESCOP and "...to assess the situation and present the AAEA Board with a plan of action which will serve the best interests of the profession". The Committee has responded to this charge by an intensive study of agricultural economics representation in CSRS and the implications to the profession. This report represents the findings and recommendations of the Ad Hoc Committee.

The legislative and administrative history of CSRS reveals that many of the functions and responsibilities of the agency have remained the same over nearly a century. As early as 1894 the agency (as the Office of Experiment Stations) assumed responsibility for fiscal accountability, research coordination, establishment of research priorities, and advice to the state experiment stations. The 1977 Food and Agricultural Act created two new advisory entities to the research and extension establishments and placed emphasis on competitive and special grants as a means of addressing high priority research needs. The two advisory entities were called the "Joint Council on Food and Agricultural Sciences" and "The National Agricultural Research and Extension Users Advisory Board". Both of these groups became involved in planning, coordinating, reviewing, and assessing both research accomplishments and research needs.

It appears that CSRS and its scientists are now less involved in the review of research (both proposed and in progress) and more involved with planning, coordination, and the budgetary process at the national level. As priorities are established and funding levels determined, such roles became critical to disciplines such as agricultural economics. The rationale underlying research budgets is usually developed by ESCOP based on internal program justifications and prioritizations provided by CSRS administration and scientist staff. While economic issues and problems have dominated American agricultural concerns in the 1980's, no references are made to policy related thrusts in the ESCOP budget increases requested for FY 85 (with the possible exception of "International Markets -- Analysis and Projections").

Agricultural economics staffing in CSRS has declined from a total of seven full-time professionals in 1965-66 to less than two in 1984. No other program area experienced reductions approaching this magnitude. Clearly, the agricultural economics workload precludes effective performance of the responsibilities of CSRS to scientists in agricultural economics and to national needs. Lacking a critical mass of disciplinary support and access to CSRS administrators, agricultural economics cannot be adequately represented in the research prioritization and budget formation processes. As mentioned earlier, the lack of correspondence between the publicly perceived needs for economics and policy research in agriculture and the internally developed priorities and budget thrusts may well result from the meager representation of agricultural economics in the internal processes of ESCOP and CSRS.

The Committee has developed a set of recommendations that, if implemented, will help to create conditions in CSRS that will enhance the

contributions of agricultural economics research to solution of state, national, and international problems in the food and fiber system. These conditions relate to organizational structure, internal management, and resource allocation.

These recommendations are as follows:

1. Create a separate social sciences organizational unit in CSRS with a program coordinator reporting directly to the CSRS Administrator. (Included in the social sciences would be agricultural economics and rural sociology. Agricultural economics is defined as encompassing resource economics, and the economics of non-metropolitan communities as well as the traditional areas of food and fiber production, marketing, and policy economics.
2. Provide proportional staffing and resource support for agricultural economics in relation to workloads.
3. The feasibility and desirability of locating the agricultural economics staff in closer proximity to Extension or ERS staff should be studied.
4. An Agricultural Economics Advisory Committee should be formed.

The Committee believes that implementation of the recommendations as detailed in the report will begin the process of improving the presence of agricultural economics in the priority setting and budgetary processes.

## I. INTRODUCTION

### A. Background

In the Summer of 1982 it became apparent that changes in the Cooperative State Research Service of the U.S. Department of Agriculture would result in the reduction of professional staffing in agricultural economics and rural sociology to single positions. This compared with the situation a decade earlier when there were six permanent professional staff in these areas. At the same time (1982) animal sciences and plant sciences were represented by 8 and 14 professionals, respectively.

Prior to the 1982 Annual Meeting of the AAEA, then President Edward Schuh and the Directors of the AAEA were presented with a brief statement titled "University Agricultural Economics Representation at the National Level -- Current Status and Prospective Strategies" prepared by Robert L. Christensen with the assistance of Roland R. Robinson. This statement outlined the status of agricultural economics within CSRS and the implications of that situation as it affects support for agricultural economics research. The lack of adequate representation within the agency for our profession means that not only is it difficult to perform the responsibilities in research leadership but it is also (by simple weight of numbers) difficult to represent our disciplinary interests in the CSRS and ESCOP budgetary process. Our profession needs to assert a presence, through participation and effective representation of economic research, in program prioritization and budget formation process that affects Hatch, Regional Research, and Competitive and Special Grants funding.

### B. Formation of the Ad Hoc Committee

In November of 1982 AAEA President Leo Polopolus named an Ad Hoc Committee to focus on the role of agricultural economics in CSRS and ESCOP and "...to assess the situation and present the AAEA Board with a plan of action which will serve the best interests of the profession". In the Fall of 1983 AAEA President Neil Harl extended the appointment of the Committee in anticipation of completion of its charge in early 1984.

Over a period of 15 months the Committee has engaged in considerable correspondence and numerous telephone conversations. In the interim, Leo Polopolus informed the then Administrator of CSRS Walter I. Thomas of the appointment of the Ad Hoc Committee and of its purposes. In September of 1983, Neil Harl communicated with the new Administrator J. Patrick Jordan to make him aware of the Ad Hoc Committee and to submit a recommendation to CSRS that "...a social sciences disciplinary unit be created within CSRS and supported with staff resources commensurate with relative disciplinary and program responsibilities". Further, "social sciences" means both agricultural economics and rural sociology and agricultural economics is viewed as encompassing resource economics and the economics of non-metropolitan communities as well as the traditional areas of food and fiber production, marketing, and policy economics. Dr. Jordan was also apprised of the anticipated production of this report.

### C. Objectives

The Ad Hoc Committee acted within the framework of a set of objectives. These were:

1. To document changes in CSRS including relative staffing by discipline and workload and the implications of these changes.
2. To examine trends in the level and type of funding for agricultural economics research and to identify causes and effects of these trends.
3. To analyze research institutions and the support base for agricultural economics research so as to better understand ways of enhancing the disciplinary presence of agricultural economics in the budget formation process.
4. To discuss and identify appropriate organizational and staffing structures in order to best serve agricultural economics researchers at the State Agricultural Experiment Stations.
5. To incorporate the findings of (1) through (4) above in a report to be submitted to the AAEA Executive Board and to the Administration of CSRS.

### D. Organization of the Report

The report has several sections. Part II will describe the origins of the CSRS, its administrative functions in regard to the State Agricultural Experiment Stations, Hatch, Regional, Competitive and Special Grants funding, functional responsibilities, and organizational components and staffing.

Part III describes the research funding process in CSRS. Included are the roles of ESCOP and external advisory groups, the internal budget development process in CSRS in defining priorities and program thrusts, and the implications to disciplinary interests.

Part IV documents the status of agricultural economics in CSRS including the historical staffing situation, agricultural economics research (in terms of scientists, projects, and funding) relative to other disciplines, and representation in CSRS of agricultural economics relative to other disciplines. In addition, disciplinary staffing will be viewed in light of internal budgetary processes and persuasive influences in prioritization and definition of special needs

Part V will summarize the findings of Parts II through IV and presents the recommendations of the Committee.

An Appendix to the report traces some of the recent trends in research funding support administered by CSRS and, more specifically, funding for agricultural economics research.

## II. THE COOPERATIVE STATE RESEARCH SERVICE — ORIGINS AND FUNCTIONS

The Cooperative State Research Service (CSRS) is the USDA agency responsible for the administration of federal funds appropriated to support agricultural research. While the entity involved has had different names and its organizational relationship to other units in the USDA has varied, many of the functions and responsibilities have remained the same over nearly a century. The designations and locations within the USDA have been as follows:

- 1888-1955 — Office of Experiment Stations (a separate organizational unit within the Department)
- 1955-1961 — State Experiment Stations Division (a part of the Agricultural Research Service)
- 1961-1963 — Cooperative State Experiment Station Service (a separate unit with service status within the Department)
- 1963-1978 — Cooperative State Research Service (continuing to function as an autonomous unit in the USDA)
- 1978-1982 — Science and Education Administration/Cooperative Research (a subdivision of the Science and Education Administration)
- 1982-present — Cooperative State Research Service (a separate unit with service status)

Emphasis on the cooperative relationship between the federal government, the states, and the land grant colleges has existed since passage of the Hatch Act. As stated by a representative of the Office of Experiment Stations in 1925, "It (the Hatch Act) was recognition of a joint responsibility in developing the industry of agriculture on a high stage of efficiency, and it was a new expression of what the general government may do under the Constitution for the promotion of public welfare" (Allen).

### Legislative Origins

Congress has provided an expanding financial base for this cooperative research effort through time. Legislation and subsequent appropriation bills have provided the funds necessary to stimulate additional research and also provided guidelines to be followed in the administration and use of such funds.

For the first six years after the passage of the Hatch Act the Office of Experiment Stations merely collected and diffused information regarding agricultural experiment stations at home and abroad (True, p. 132). Beginning in 1894 appropriation bills for the experiment stations directed the Secretary of Agriculture to "prescribe the form of annual financial statement" required by the Act and to "ascertain whether the expenditures under the appropriation

hereby made are in accordance with the provisions of the said act and make report thereon to Congress" (True, p. 132). Thus the Office of Experiment Stations assumed responsibility for assuring fiscal accountability as well as coordination, establishing priorities, and providing advice to the stations.

The Agricultural Marketing Act of 1946 specified that 20 percent of the appropriated funds were to be used for marketing research. Subsequent acts such as the Competitive, Special, and Facilities Research Grants Act and the Rural Development Act of 1972 have contained similar restrictions on the topics for which research funding was authorized. These stipulations with respect to subject matter provided a new role — that of defining the area involved and determining if specific research activities were consistent with the definition.

Title XIV of the Food and Agricultural Act of 1977 was titled "National Agricultural Research, Extension, and Teaching Policy Act of 1977". The act stressed the need to expand agricultural research and extension but also emphasized the need to address specific high priority issues.

Two new entities were created at the federal level. First, a Joint Council on Food and Agricultural Sciences was established composed essentially of the producers of agricultural research and extension services. Secondly, a National Agricultural Research and Extension Users Advisory Board was established composed primarily of the users of agricultural research and extension services. The Users Advisory Board was assigned responsibility for reviewing and assessing agricultural research and extension activities and making recommendations as to allocations of responsibilities and levels of funding among federally supported agricultural research and extension programs.

The gains to be realized from the efforts of these new entities at the federal level are not yet clear. It is obvious that coordination is necessary to prevent excessive duplication and perhaps to minimize the stagnation and provincialism which may result from a highly decentralized system. While some think that it is possible to optimize the output from the system by joint planning and establishing research and educational priorities, others think such expectations are unrealistic (Castle, pp. 51-52).

A second major thrust of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 was its emphasis on competitive and special grants. The act stressed the need for grants to address high priority research needs and also authorized grants in specific areas.

Of all the legislation passed in recent years of relevance to the Cooperative State Research Service, the Food and Agricultural Act of 1977 probably had the greatest significance. Not only did it include new institutions to be involved in planning, coordinating, reviewing, and assessing agricultural research, but it also emphasized the use of grants to assure the conduct of research in specific areas.



## Relation to State Agricultural Experiment Station Research

The legislation authorizing both the land grant universities and the U.S. Department of Agriculture was passed the same year. The resulting research relationship has not been without tension. At issue has been the extent to which agricultural research and extension should be centrally planned as opposed to decentralization where scientists and educators working in close proximity to the users would make the critical decisions on what is to be done.

During the early years, the personnel in the Office of Experiment Stations were quite sympathetic with the viewpoints of station spokesmen. In fact, it is said that "from the moment it was established in 1888, that office carefully refrained from taking any action which the members of the Association could consider authoritarian, despite the directive power inherent in the provisions of federal legislation" (Cooperative State Experiment Station Service, p. 111).

A threat to the autonomy of the experiment stations arose in 1921. On this occasion, Dr. J. H. Webber, a former director of the California station, recommended "that each experiment station become a state bureau of the United States Department of Agriculture with the director of the station its head and too that the experiment station director plan and direct all experimental agricultural work conducted in the state, in consultation with and reporting directly to the Secretary of Agriculture and the Dean of the state College of Agriculture" (Cooperative State Experiment Station Service, p. 116). After much deliberation, the Experiment Station Committee on Organization and Policy (ESCOP) reiterated its faith in the principle of cooperation and coordination between the federal department and the stations but argued for administrative autonomy of the research units:

Throughout most of its history, the Cooperative State Research Service and its predecessor agencies have worked very closely with ESCOP and the land grant universities in resolving these issues. While having the responsibility for administering the federal funds to the experiment stations, the agency has also often found itself serving as an advocate for the experiment stations in the Department of Agriculture, in the Congress, and with the remainder of the Executive Branch. Creation of new entities at the federal level, mandated by the 1977 Agricultural Act, to plan and coordinate research along with the increased emphasis on competitive grants could well imply more federal control over research priorities and the funding of research in the experiment stations.

## Administration of Federal Funds

The role of the Cooperative State Research Service varies considerably depending upon the type of federal funds being administered. While additional funding has been provided under the various acts in later decades, the procedure for administering formula funds has remained essentially the same. The Cooperative State Research Service and its predecessor agencies are

involved in review of experiment station research programs, prior approval of individual projects, review of progress or accomplishments, and certification of proper use of funds. While some of the later acts such as the Research and Marketing Act did restrict funding to particular areas, choices as to areas of emphasis and specific research topics were left to the experiment stations.

Two important changes have occurred in recent years. The first was passage of the amended Hatch Act of 1955 which essentially served as a consolidation act to reduce the number of different operating funds from six to two (Cooperative State Experiment Station Service, p. 172). The second change occurred during the late 1970's when the procedure for review of project proposals was changed from the Cooperative State Research Service to peer review panels within the individual stations. This latter change was necessitated by the large number of projects in existence at the stations, approximately 24,000 in 1981 (Science and Education Administration, p. 12), and the burdensome responsibility of review imposed on a relatively small Cooperative State Research Service staff.

The Cooperative State Research Service has attempted to facilitate regional research by assisting the technical committees in their development of projects and in clearing the necessary administrative hurdles on the way to approval. Actually, it was the experiment station directors who became much more involved in the administration of these projects since the proposed projects had to clear a committee of regional administrators as well as the "Committee of Nine" which involved experiment station directors throughout the country. There are currently approximately 200 regional and interregional research committees and the Cooperative State Research Service assigns a staff representative to each of the committees (Science and Education Administration, p. 7).

As indicated earlier, the competitive and special grants research funds involve the most significant change in administrative responsibilities of the Cooperative State Research Service. Public Law 89-106 stated, "To the greatest extent possible the Secretary shall allocate these funds to high priority research taking into consideration, when available, the determinations made by the Joint Council on Food and Agricultural Sciences identifying high priority research areas " (United States Congress, p. 35). It is significant that to this date none of the research areas identified for competitive grants funding have related to agricultural economics or rural sociology.

#### Functional Responsibilities

A memorandum from R. L. Lovvorn (former administrator of CSRS) to Assistant Secretary Long, dated July 1, 1973, described in some detail the functions of the Cooperative State Research Service. His description of the functions was as follows:

"The principal functions of CSRS are: review and approval of proposals for research of the cooperating