

# The Role of International Trade in Extension Education

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Let me first thank my colleagues at Texas A&M who nominated me for the Lifetime Achievement Award. I was humbled by the nomination, and very surprised when notified that I had been selected. I also want to thank the Southern Agricultural and Economics Association for bestowing this honor on me. I am truly grateful and humbled by this award.

Upon reflection, several things emerged as key forces that shaped most of what I have been able to do. First, much of what I have accomplished in agricultural economics and in life, for that matter, has been along a circuitous route that may be confusing to the casual observer. Second, we can accomplish much more by working together in teams or highly focused task forces than by working alone or in isolated groups. Finally, ensuring that all involved get due credit for their efforts results in a long-lasting relationship that will bear fruit well beyond our expectations.

My road to the profession was very indirect, almost accidental some might say. As a farm boy with a degree in agronomy, and figuring I had learned all that Texas A&M could possibly offer, along with no desire to enter the field of agricultural chemical sales, I entered the U.S. Army as an infantry officer in 1971. During my nearly six years of active military service, I realized that perhaps I had not learned everything, but I wanted to specialize in a field of study that was practical, dealt with agriculture, and taught people how to make money. I had taken only one

course in agricultural economics, but did not let that minor detail deter my ambitions. Thanks to the mentoring of Carl Shafer, Bob Branson, Mike Cook, and Tom Sporleder, I was able to achieve my goals. Due largely to my experience in the military, international relationships, including economics and trade, had always been intriguing. So, it was a natural next step for me to develop and hone my interests on international trade extension.

## Background and Experiences

Serious efforts to bring an international trade dimension to Extension programs date from the early 1970s after the first major increase in commodity prices in the post-World War II period. Most countries had entered a new era of market orientation characterized by flexible exchange rates, rising consumer incomes, increasing trade, and the expanded role of international institutions such as the General Agreement on Tariffs and Trade (GATT). U.S. exports were viewed by most analysts as a means to achieve stronger prices and higher farm incomes. Much of the early extension effort to explain these new phenomena was coordinated by the Farm Foundation under the leadership of Jim Hildreth and Fred Woods, Extension Service, U.S. Department of Agriculture (USDA). In fact, their efforts, along with those of many others, led to the development of a national project culminating in 1978 with the publication of *Speaking of Trade: Its Effect on Agriculture*. The National Public Policy Education Committee was responsible for the dissemination of these important educational materials to farm

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organizations, commodity groups, and agricultural leadership nationwide. The success of this small group of educational pioneers remains unsurpassed in the profession.

By the early 1980s, international trade had become a fairly well established program in many land grant institutions. In the southern region, for example, almost every state had a person who was in an extension international trade position or who was designated with the primary responsibility for trade. A similar approach to trade education was adopted in the western and north central regions of the country.

In 1985, the Southern Extension Public Affairs Committee and the Southern Extension Marketing Committee formed a joint International Trade Task Force to assist farm leaders, policy makers, and the public to understand the international forces affecting southern agriculture. The objective of the project was to assist leaders to make better informed policy and business decisions. The initial task force was composed of six extension faculty, three research/teaching faculty, one person from the Economic Research Service, USDA and one private farm organization member. These members formed the nucleus of a productive endeavor that still exists today.

A set of 11 educational leaflets was one of the first products of the task force. These leaflets were distributed nationally and dealt with topics ranging from the importance of trade to the region, global competition, and government intervention to exchange rates, GATT, and the benefits of international research to southern agriculture. The task force subsequently developed two additional sets of materials that were delivered to numerous audiences and were used in workshops over the next 15 years.

The key institutions that made these early efforts of the task force possible and led to their success were the Farm Foundation, the Southern Rural Development Center, and the Consortium for International Cooperation in Higher Education. In addition, the task force had the support of the Extension and Experiment Station directors from the 13 southern states. The southern region research committee, S-1043, Economic Impacts of International Trade and Domestic Policy on Southern Agriculture and

its predecessor committees made major contributions to the development of these educational materials as well.

Many members of the task force also participated in other projects to develop and distribute educational materials on the North American Free Trade Agreement (NAFTA), the Uruguay Round of GATT, and the Global Entrepreneurship Management Support (GEMS) project. The GEMS effort had the strong support of the Extension Service, USDA and the land grant institutions of the southern region and several universities from the north central region. The major products developed through the GEMS project were a base-book, *International Marketing for Agribusiness*, accompanying slides/overheads, and the design and implementation of workshops nationwide. GEMS materials were also used by numerous Small Business Development Centers that had or were starting programs in international marketing. The GEMS project received the Southern Agricultural Economics Association Distinguished Professional Contribution Award in Extension Programs in 1995. Some of the GEMS materials are still used in extension and teaching programs.

Since 1994, much of my own time has been spent leading the Center for North American Studies (CNAS). CNAS is a federal administration research grant that was authorized by the Enterprise for the Americas Initiative Act of 1992. It involves not only Texas AgriLife Research and the Texas AgriLife Extension Service, but the Agricultural Center at Louisiana State University, Texas Tech University, and New Mexico State University. Again, the team effort paid huge dividends for funding CNAS and has fostered a highly productive staff. CNAS is supported by U.S. Congress in order to strengthen trade relationships among the three members of NAFTA. Our main tasks are to respond to and conduct economic analysis on trade and other international issues affecting the United States. CNAS economic impact analysis has focused on immigration reform, United States-Mexico water disputes, country-of-origin labeling, invasive species, trade agreements, logistics and transportation issues, and various export/import relationships between the United States and other countries.

Some of CNAS most recent and rewarding work has been to conduct economic impact analysis of pending and proposed legislation related to Cuba and to participate in staff briefings and hearings on these issues. During 2010, for example, we provided analysis of the economic impacts of H.R. 4645, The Travel Restriction Reform and Export Enhancement Act of 2010. This involved detailed analyses of the impacts of U.S. agricultural exports to Cuba should U.S. travel and financial restrictions be removed. One overall U.S. study was done, followed by separate studies of the economic impacts on 13 designated states. The results indicated a \$365 million annual increase in U.S. exports that would be supported by 6,000 jobs and \$1.1 billion in economic output. CNAS testimony was submitted to the U.S. House of Representatives Committees on Agriculture and Foreign Affairs and the Senate Committee on Agriculture, Nutrition, and Forestry.

One of the most challenging, yet rewarding, experiences I have had was designing and implementing extension programs in Iraq. Between August 2005 and April 2007, I had the opportunity to work with the U.S. Agency for International Development and the U.S. Department of Defense, first in Irbil, in northern Iraq, and then later in Baghdad and regions to the west and east. Our initial programs were oriented toward farmers who needed to quickly and effectively transition from a centrally planned system to a more market oriented agricultural economy. Programs on record keeping, budgeting, cost accounting, marketing and price analysis, along with accompanying economic concepts such as opportunity cost, were all part of the curriculum. We formed a team of two economists, one engineer and one entomologist who developed the materials, arranged for the participants to be at the designated place and time of the workshops, and then conducted the workshops over a 2-day period. This would have been a difficult enough chore under the best of circumstances, but it often seemed impossible given the security situation throughout most of the country. Not only did our team have difficulty moving safely in the country, but our participants often traveled the length of Iraq to attend our programs. Their sacrifices were

tremendous. First we educated farmers, agribusinesses, and staff from the Ministry of Agriculture, then later focused on non-government organizations such as Chambers of Agriculture, similar to our own farm groups. Despite power outages, no air conditioning, and bomb threats, the work got done and our charges went away satisfied that they were well equipped to deal with most economic issues related to agriculture in their respective parts of the country. Later in the project, our efforts were designed to help implement market oriented policies and stimulate economic growth through the development of small business enterprises.

### Lessons Learned

#### *Seek the Synergies of Joint Programs*

Multi-state and national projects seem to spawn tremendous synergies. The energy created from the efforts can pay huge dividends. Different ideas and approaches, different methodologies and problem solving, and just having different personalities on the team can result in a more superior educational product than simply doing it in a small group of only extension economists. It helps to reach out to USDA, Farm Foundation, Southern Rural Development Center, farm organizations, commodity groups and agribusinesses to help with the development of publications and materials. It does require commitment on the part of all participants, along with some strong leadership to maximize the outcome, but the extra effort is well worth it.

#### *Trade Issues Pose Special Educational Challenges*

International trade education is especially difficult because we are dealing with issues that are almost always complex, sometimes confusing, and very often controversial. The International Trade Task Force has published numerous publications that took on difficult issues, such as international development and its role in creating foreign competition, the restructuring of farm programs and how that may affect farm incomes, and macroeconomic

policies and how they may impact producers. One way to minimize negative feedback from those who may be negatively affected by an issue is to develop educational materials that emphasize the various policy options that exist for resolving the issue and the consequences of each of those options. By taking this approach, extension economists will not be accused of taking one side over another, and will hopefully stay out of the political fray.

#### *Identify the Right Support Network*

Having administrative support for any broad-based educational program is critical, not only to success of the short term project, but to the development and continuity of successful programs across decades. The success of the international trade projects that have been developed over the last several decades has centered on a key group of individuals who hold the team together, the supporting institutions that allow faculty to travel and work on the projects, and the organizations such as Farm Foundation, the Southern Rural Development Center, and farm organizations that provide feedback, and very often, funding to support the programs.

#### *Ensure Credit for Scholarly Work*

Getting younger faculty involved in extension trade is difficult. It is very important that proper incentives exist in order to build the right team for a particular activity. Young faculty may believe that their productivity is measured only by refereed, peer-reviewed journal publications. In some cases, this may be true. In many instances, however, proper incentives for participation can and should be directly related to the output of the program. Extension programs that develop leaflets and web-based publications can be peer-reviewed. It will be important that project leaders institute a system of review and that younger faculty receive scholarly credit for their efforts. Most important is to convey this to the departmental administration and get their buy-in early in program formation. When this occurs, there will be strong interest and incentive in maintaining the team effort well into the future.

#### *Thoughts on the Future of International Trade Education*

While the number of extension faculty in formal international trade positions has declined over the past 15 years, the need for trade education has not diminished. There does seem to be a rising sentiment of protectionism within some organizations and possibly some reluctance by extension faculty to address the more controversial international issues. The need for extension education focusing on international issues, however, may be greater than in the recent past. The time could be right to form a regional or even a national International Trade Education Consortium that would conduct applied research and extension programs related to major international issues.

The growing importance of immigrant labor in U.S. agriculture is an example. While immigration may not have a direct linkage to trade, it does influence the competitiveness of U.S. agriculture, especially in the southern region where fresh fruits and vegetables, meats, and dairy production depend heavily upon a viable immigrant labor force. A national survey by our CNAS staff found that 41% of the labor used on U.S. dairies is foreign. Similar numbers exist for much of the rest of agricultural production in the South. With our agriculture so dependent on this key resource, finding a viable solution to this issue seems imperative. But I do not witness many agricultural economists conducting educational programs related to the extent of the problem and potential solutions. It seems immigration is an issue that is well suited for the options/consequences approach discussed above. I hope we take it on in the future.

Changing U.S. farm programs and declining government support provide another opportunity. U.S. agricultural exports set a new record, \$115.8 billion, in 2010 (Foreign Agricultural Service, USDA). These exports supported 1.6 million jobs and generated \$208 billion in economic output, so the impact is substantial. About \$20 billion in exports originated in the South, supporting \$44 billion in output and 337,000 jobs (Paggi, Rosson, and Adcock, 2011). If farm program support is reduced, as

is currently being mentioned by some in Congress, then exports can represent an important source of demand for farm products and an enhancement to farm incomes. Further, export growth will be an important source of economic activity, not only for farmers, but for agribusinesses and rural communities as well. The educational opportunities associated with the growing importance of exports and their impacts on the farm and rural sectors appear to be increasing, but I am not sure we are seizing these opportunities.

Finally, let's not forget about building a strong coalition of stakeholders. Having a broad base of support for extension international trade education was a key to success in the past and I suspect will be crucial for success in the future. Although budgets are tight, there are still resources and opportunities to locate funding for

emerging priority issues. Traditional funding sources may not be able to provide as much support as in the past, but we can build new relationships with other groups and organizations and still be productive. I believe international trade education is an area where the professional rewards are great and our returns to effective program development and delivery are still quite high. I am cautiously optimistic we will see their reemergence in the near future.

### References

- Paggi, M., P. Rosson, and F. Adcock. "Impacts of Agricultural Exports on the South," Organized Symposium, *Economic Impacts of Trade on the South*, Southern Agricultural Economics Association Annual Meetings, Corpus Christi, TX, February 7-8, 2011.