

AIARD Newsletter

June 2007

ASSOCIATION FOR INTERNATIONAL AGRICULTURE AND RURAL DEVELOPMENT

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**Mickey Leland
International
Hunger Fellow**

Class of 2007-2009

Alexis Jones

International Land Coalition/Association for Rural Advancement (South Africa)

Alexis Jones graduated from Yale University with a B.A. in English in 2000. A week later, she boarded a plane to Honduras, where she began service as an agriculture volunteer in the Peace Corps. After Peace Corps, she worked as an outreach paralegal and advocate for Florida Rural Legal Services' migrant farmworker program. Currently, she is completing an M.S. in International Agricultural Development at the University of California, Davis, with a human ecology specialization. Her master's thesis dealt with the vulnerability of households in rural Chiapas, Mexico to intense rainfall events. Recently, she has been the recipient of the UC Davis Graduate Scholars fellowship, the Jastro-Shields graduate research fellowship, and an Association for International Agricultural and Rural Development (AIARD) Future Leaders award. Alexis will be working on land rights issues with the Association for Rural Advancement (AFRA), which is under the umbrella of the International Land Coalition (ILC). Alexis will spend the first year of her fellowship in South Africa with AFRA, and the second year of the fellowship at ILC headquarters in Rome.

AIARD Future Leaders Tour Washington, DC

Twelve university students were selected from among 135 applicants to participate in a Future Leaders' Forum sponsored by AIARD and donors. The 12 future leaders visited Peace Corps, ACDI-VOCA, FAO, USAID, USDA, World Bank, and other agencies in Washington, DC, from 3-6 June 2007. The students also participated in the AIARD annual meeting with the theme "Our Stake in the Future: Youth and Rural Community Vitality."

The 12 future leaders are Ivan Borja (Texas A&M University), Erica Chernoh (University of California, Davis), Rachael Cox (Iowa State University), Julie Doll (University of Wisconsin-Madison), Sarah Giroux (Cornell University), Lisa McPhee (University of Arizona), Arielle Moinester (University of California, Davis), Kibby Jabir Mtenga (University of Florida), Esther Ngumbe (University of Idaho), Harvey Pine (Auburn University), Amy Spindler (University of Missouri), and Linda Sturm-Flores (Texas A&M University).



Iraq Agricultural Extension Revitalization (IAER)

The Iraq Agricultural Extension Revitalization (IAER) project was announced by USDA Secretary Mike Johanns in August 2006. It is managed cooperatively by CSREES and the USDA's Foreign Agricultural Service with support from the Department of State. Designed to foster strong partnerships between U.S. land-grant universities and the Iraqi Ministry of Agriculture and agricultural universities, the IAER project is intended to revitalize the Iraqi extension system through short- and long-term training, research, and other activities. For more information, see the Foreign Agriculture Service's Web site at <http://www.fas.usda.gov>.

AIARD Awards Former Peace Corps Volunteers

At its annual meeting in Washington, DC, AIARD presented its 2007 Young Professional Award to Ryan Moore, International Affairs Specialist at the USDA-ARS Office of International Research Programs and former Peace Corps Volunteer in Nepal. His nominator wrote, "I see in him the type of young person who we wish to cultivate as future movers and shakers in international agriculture and rural development."

AIARD presented 2007 Distinguished Service awards to Dr. David J. Sammons, Director of International Programs at the University of Florida Institute of Food and Agricultural Sciences, Gainesville, and former Peace Corps Volunteer to the Philippines, and Dr. Hiram Larew, Director of International Programs for USDA/CSREES.

AIARD presented an Award for Special Service to Honorable Mr. Andrew S. Natsios, who currently is Distinguished Professor in Practice of Diplomacy at the Mortara Center for International Studies, Edmund A. Walsh School of Foreign Service at Georgetown University. An Award for Special Service also was presented to Dr. Mortimer H. Neufville, Executive Vice President for the National Association of State Universities and Land Grant Colleges, Chair of the Consultative Group on International Agricultural Research/IITA Board of Trustees, and Board member for ACDI/VOCA.

The awards honor individuals who have advanced AIARD goals to alleviate world hunger and advance international agriculture and rural development.



AIARD President Robert Haggerty, Young Professional Award winner Ryan Moore, and Awards Committee Chair Albert Ayeni

ECHOES Alliance

To address concerns in education quality, lack of opportunities for vulnerable young people, agriculture capacity, and HIV/AIDS and malaria in cocoa communities in Côte d'Ivoire and Ghana, the World Cocoa Foundation and its member companies are forming a partnership with USAID's Africa Education Initiative to launch a Basic

Education Alliance that will demonstrate the importance of quality, relevant education in cocoa communities to the governments of Côte d'Ivoire and Ghana. This Alliance will expand pilot programs sponsored by WCF, Mars Inc., The Hershey Company, Cloetta Fazer and the Norwegian Association of Chocolate Manufacturers which focus on teacher training and agricultural education implemented by the International Foundation for Education and Self-Help (IFESH) and Winrock International. The Alliance will use relevant, quality education inputs to expand opportunities and mobilize communities to institute their own initiatives for improved livelihoods and brighter futures.

To mobilize community self empowerment, IFESH will train local teachers, develop local teacher resource centers and initiate functional literacy programs through its Teachers for Africa Program. Winrock International's Youth Leadership Program will implement a comprehensive youth livelihoods education component, infusing relevant education, improving existing agriculture education and youth livelihoods knowledge into basic education curricula for in-school and out-of-school youth in Côte d'Ivoire and Ghana. Specifically, the Alliance will work with the communities of Aboisso, Adzopé, Alepé, Daloa and Gagnoa in Côte d'Ivoire, and Akrokeri, Bechem, Kumasi and Sefwi Wiawso in Ghana.

The ECHOES Alliance Programs will:

- Establish teacher resource centers to improve teaching and learning materials
- Increase community participation in education decision making
- Address HIV/AIDS through testing and counseling
- Raise awareness of malaria and help the communities develop prevention strategies
- Develop teaching and learning materials and approaches for youth livelihoods education

The ECHOES Alliance will achieve:

- Increased school attendance
- Increased number of trained teachers staying in cocoa communities,
- Increased livelihood opportunities for vulnerable and underserved young people
- Strengthened capacity of in and out-of school youth to develop rural economies
- Improved teacher skills
- Increased pass rates and test scores, promotions and transition to secondary school
- Improved literacy at all levels of the communities
- Improved learning outcomes for cocoa communities in Ghana and Côte d'Ivoire
- Expanded capacity and opportunities in cocoa communities in Ghana and Côte d'Ivoire
- Increased ownership of country stakeholders of project education initiatives
- Improved knowledge of HIV/AIDS and malaria prevention and
- Increased safety and livelihood skills in cocoa communities

New, Expanded Programs to Help Cocoa-Farming Families, Communities in 2007

WASHINGTON, DC (February 12, 2007) – An expanded range of programs supported by the world's cocoa and chocolate industry will help children and families in West African cocoa farming communities in 2007.

Building upon earlier, successful efforts, these programs will bring additional resources to bear in ensuring responsible labor practices on cocoa farms; improving cocoa farm family incomes, and expanding children's access to education. Industry support for community health initiatives in cocoa farming areas also will grow in 2007.

"Millions of rural families around the world depend upon cocoa farming for their livelihood," said Bill Guyton, President, World Cocoa Foundation (WCF). "However, they face many challenges. Over the past five years, we have developed proven approaches to helping cocoa farming families and are now taking these efforts to the next level."

Industry support for cocoa farmers, their families and communities focuses on four key areas:

- Improving the economic return from cocoa for smallholder farmers growing this important crop;
- Strengthening farming communities by addressing such needs as access to quality education;
- Ensuring that cocoa is grown responsibly, adhering to internationally accepted labor standards; and,
- Supporting efforts to protect and enhance the environment in which cocoa farmers grow their crops.

Established in 2000, the WCF plays a leading role in strengthening the partnership between industry and cocoa farmers. With nearly 60 member companies, the WCF has helped more than 200,000 cocoa farmers through a range of economic, social and environmental programs in Africa, Asia, Central America and South America.

"Healthy Communities" in West Africa

The rollout of the industry-supported "Healthy Communities" program is among the most significant efforts to help cocoa farmers and their families in West Africa.

A multi-year partnership with the United States Agency for International Development (USAID), "Healthy Communities" will benefit up to 150,000 farm families over the next five years by supporting economic, social and environmentally sustainable development at the cocoa farm level.

Working through the Sustainable Tree Crops Program (STCP) farmer education network, the program is rolling out in Ghana, the Ivory Coast and other West African countries. Classes are being organized to provide farmers with hands-on instruction in better farming techniques, while tackling such important issues as the need for safe, responsible labor practices.

"Healthy Communities" expands upon the earlier "Farmer Field Schools" program which has helped farming families earn from 24 to 55 percent more for their cocoa crop, while reducing the number of children engaged in hazardous, unacceptable work.

International Cocoa Initiative Tackles Labor Issues, Expands Reach

The International Cocoa Initiative, a leader in addressing labor issues on cocoa farms, is expanding its community-based work in West Africa.

Established in 2002, The International Cocoa Initiative (ICI) is the leading vehicle to promote responsible labor practices on cocoa farms, and is supported by individual chocolate and cocoa industry members. ICI efforts are led by a board composed equally of industry and civil society representatives.

In 2007, the ICI will build upon its work at the village level in Ghana and the Ivory Coast. The ICI engages local leaders in the development and implementation of action plans to address the worst forms of child labor and forced adult labor. The approach drives change in labor practices, improves educational opportunities for children, and encourages a better informed, more actively engaged community.

In Ghana, the ICI has programs underway in 24 communities. A similar effort is underway in the Ivory Coast, reaching a population of more than 70,000 in 21 communities. The ICI also supports MESAD, an Ivory Coast non-governmental organization (NGO) that provides a safe haven for children who have been trafficked to cocoa production areas. In Ghana, the ICI provides support for a government-run shelter that helps children in similar situations.

Certification Moves Forward: Ghana Report

The Government of Ghana will release its first cocoa farming "Certification" report in 2007. This report is the result of an intensive, multi-year effort on the part of industry, West African governments and experts to develop a certification program for cocoa farming labor practices.

Certification for cocoa farming will answer the following key questions:

- What child and adult labor issues exist on cocoa farms in West Africa?
- Are steps being taken to address these issues?
- Are the lives of children and families on cocoa farms improving?

When fully implemented, the process will certify that efforts are in place within a country's cocoa sector to measure and report on labor practices and help those who may be in a child or forced adult labor situation.

The first report will be based on visits by trained surveyors to more than 500 farms across Ghana's cocoa growing districts in late 2006. This statistically representative sample accounts for more than 10 percent of the country's total cocoa production. The release of this report is a key step towards covering 50 percent of the cocoa sector in Ghana and the Ivory Coast by July 2008, an important Protocol goal.

New Program to Combat Malaria, HIV

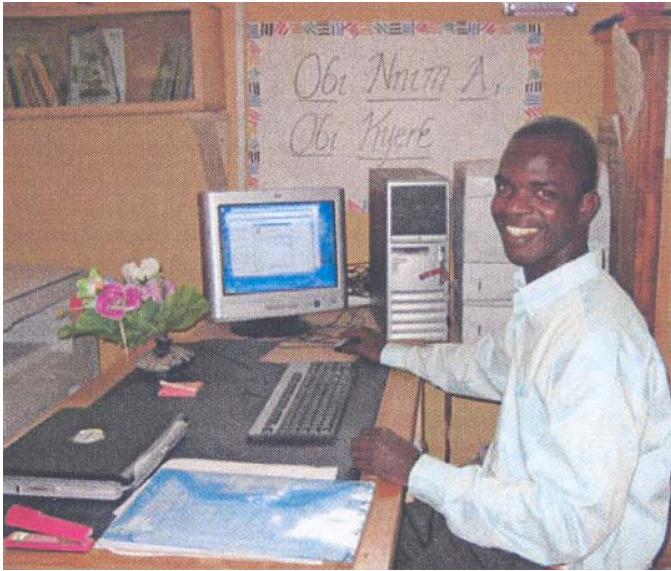
To improve the well-being of cocoa farming communities, the industry is supporting a program that targets two critical health issues: malaria and HIV/AIDS.

For cocoa farming families, malaria and HIV/AIDS pose a serious threat. In the Ivory Coast, for example, malaria is the leading cause of death among children. The four cocoa producing regions of Ghana suffer from the highest HIV/AIDS rates in the country.

The program, developed by Family Health International and funded by the National Confectioners Association, will educate cocoa farming communities on malaria and HIV prevention; promote safe practices, and provide supplies to boost prevention. The program will be active in Ghana and the Ivory Coast.

Expanding Opportunities through Education

"Think cocoa when creating your teaching learning material...use what is available locally," says a poster on the wall at the Teacher Resource Center at St. Joseph Training College in Bechem, Ghana. Games and posters depicting lesson plans in a variety of subjects including health, science, grammar and agriculture line the walls. At the Center, teachers can attend training workshops on developing interactive teaching materials to incorporate into their lesson plans. With funding from the WCF and The Hershey Company, an International Foundation for Self-Help (IFESH) volunteer worked



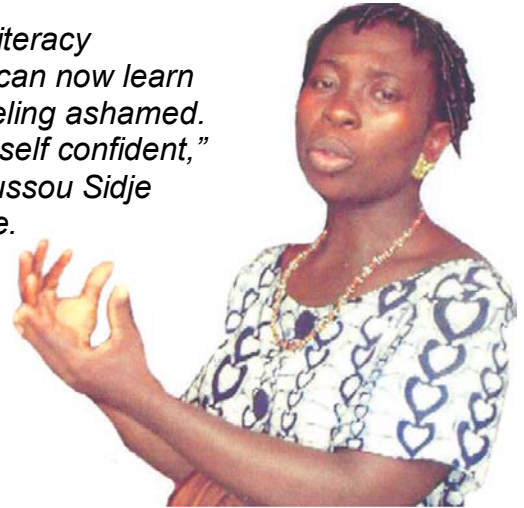
closely with the Training College's principal, Mr. Mensah, to establish the Center in 2005.



Nineteen-year-old Firmin from the village of Yadio in Côte d'Ivoire established his own cocoa nursery, helped his father modernize his farm, and now teaches family and friends new farming techniques. Firmin, who left school at the age of 13, recently completed an agriculture leadership training program for out-of-school youth. Through the program, Firmin learned farming techniques for cocoa and other crops, child labor prevention, HIV/AIDS awareness, small-business and leadership skills.

The agriculture leadership program is a part of the Child Labor Alternatives through Sustainable Systems in Education Program (CLASSE) that works with in- and out-of-school youth in Côte d'Ivoire through classes and agriculture clubs. CLASSE is implemented by Winrock International with funding from the World Cocoa Foundation, Cloetta Fazer, Mars Incorporated, and the Norwegian Association of Chocolate Manufacturers.

"With the literacy classes, I can now learn without feeling ashamed. I now feel self confident," says Ohoussou Sidje Bernadette.



Bernadette is one of 1,080 students selected among 36 villages in the Aboisso, Alepe, and Yamoussoukro areas of Côte d'Ivoire to participate in a functional literacy pilot program designed specifically for cocoa farmers. IFESH volunteers worked with cocoa communities to develop a curriculum and train instructors for the pilot's launch in 2006. The functional literacy program is funded by the World Cocoa Foundation and The Hershey Company.

Bill Guyton
E-mail: Bill.Guyton@worldcocoa.org
Phone: (703) 790-5012



U.S.-India Agricultural Knowledge Initiative (AKI)

The U.S.-India Agricultural Knowledge Initiative (AKI) was launched in 2005 by President Bush and Indian Prime Minister Singh to strengthen the Indian agricultural knowledge system in areas of mutual interest. With the involvement of universities and private sector, the initiative is focused on building human and institutional capacity, promoting sustainable use of water resources, effectively applying biotechnological approaches, and ensuring strong markets and processing chains.

CSREES is also supporting the Structuring Agricultural Marketing Systems project in India through collaboration with India's National Institute of Agricultural Marketing (NIAM), responsible for agricultural marketing-related promotion and training. In partnership with USDA's Foreign Agricultural Service and Agricultural Marketing Service, CSREES is providing technical assistance to NIAM and state agencies in development of grades and standards, food safety warehousing, cold storage, and cold chain management. India's existing marketing news information and marketing extension system will also be upgraded to better serve farmers. This is being accomplished through the development and implementation of train-the-trainer workshops for NIAM and other government staff conducted by experts from several U.S. land-grant universities.

Penn State Program Promotes Women in International Agriculture

Women from three African nations were at Penn State for six weeks to promote technological progress in the developing world as they lay the foundation for long-term cultural and scientific exchange. The Norman E. Borlaug International Agricultural Science and Technology Fellows Program in mid-April brought four female researchers from Africa to the University Park campus to establish one-on-one research collaborations with faculty mentors. The fellows -- Subulola Fosoyiro of Nigeria, Lydia Chabala of Zambia, and Elizabeth Kizito and Stellamaris Sendagi of Uganda -- are being introduced to Penn State faculty, enrolling in selected conferences and short courses, taking field trips, and conducting research.

The program -- funded by the U.S. Department of Agriculture's Foreign Agriculture Service -- is named after a Nobel Prize-winning researcher seen by many as the father of the Green Revolution. Deanna Behring, director of international programs for the College of Agricultural Sciences, says it presents Penn State with a perfect opportunity to focus on women in agricultural science. "We jumped at the opportunity to host women scientists," Behring says. "Many times in agriculture, the scholars we host are men. This opens up a host of other opportunities for unique mentorships for women and girls in agriculture. This is only the third time USDA has offered this program."

Audrey Maretzki, professor emeritus of food science, says several interesting gender issues come into

play in hosting female African agriculturists. "Women are the backbone of traditional subsistence agriculture in Africa," she says. "They're also the backbone of the community and the family, so a lot of responsibility falls on their shoulders. There's a need to see gender issues not just as a woman's responsibility but also as an opportunity to help African men be supportive and understanding. The Borlaug Fellows are very nontraditional, of course, but all will tell you that it's important for them to have the support of family and spouses back home. It's all a part of what it will take to move from Africa's current levels of food insecurity to a more integrated agriculture as part of a growing economy."

Behring explains that the success of the program is highly dependent on the participation of faculty mentors. "The focus of the program is developing future research collaborations so that it becomes more than a one-time, six-week program," she says, "but instead a mentorship program that will help these women grow their capacity to be partners in a global research enterprise."

Participating as faculty mentors are Catherine Cutter, associate professor of food science; Stephanie Doores, professor of food science; James Hamlett, associate professor of agricultural engineering; Rick Day, associate professor of soil science and environmental information systems; and Dawn Luthe, professor of plant stress biology.

Fosoyiro, a food scientist at the Institute of Agricultural Research and Training in Ibadan, Nigeria, is working with Cutter and Doores to improve processing and storage technologies for traditional foods, starting with extending the shelf life of tofu. Limited access to meat in rural sections of southern Nigeria, she says, makes home-processed tofu an economical, nutritious alternative for lactose-intolerant babies and adults. She hopes to increase tofu's shelf-life through the use of spices to control pathogens and microbes. "I hope I'll be able to get good results that I can transfer to the people to show them how important this is to preserve this product," she says. "We don't have consistent electricity in much of our country, so having tofu for a week will help them to process larger batches. This research is for the people."

Fosoyiro says the Borlaug program can help to bring American research prowess to bear on African problems. A small research project such as extending tofu shelf-life can lead to American-African linkages to address larger issues and establish continuity on both sides of the Atlantic, she says. "I believe this relationship will be a long one -- I've seen a lot that Nigerian food scientists can share with Americans, and the knowledge gained will go a long way to fulfill the goal Borlaug had in mind: to benefit the nation and society at large."

Behring is hopeful that the African visitors will make return trips and send students here to study. "We hope to develop a pool of Borlaug fellows that will take what they've learned to their home institutions and countries and invest in building a network -- bringing women together periodically or bringing them all back to Penn State some day to share their ideas and frustrations, help one another solve problems and build new opportunities."

Penn State and Chinese University Mark a Century of Collaboration

As a partnership between Penn State's College of Agricultural Sciences and a sister institution in China reaches the century mark, officials at both schools are preparing to enter a new phase of cooperation.

To mark the 100th anniversary of the collaboration between Penn State and South China Agricultural University, the Chinese university's former president, Luo Shiming, will speak to graduates of the College of Agricultural Sciences during Penn State commencement ceremonies on May 19. Luo also will receive an honorary doctorate from Penn State -- only the third time an international guest has been so honored.

"We are presenting Professor Luo with this award to acknowledge and celebrate the long history and promising future of U.S.-Chinese cooperation," says Deanna Behring, director of international programs in the College of Agricultural Sciences. "His influence helped the partnership between SCAU and Penn State to thrive. Under his leadership from 1995 to 2006, SCAU's agricultural programs grew exponentially, which helped to re-energize Penn State's research in soybeans, root biology and food science."

The oldest bilateral international agreement in Penn State history and one of the oldest cooperative programs between a U.S. and a Chinese university, the collaboration began in 1907, when Penn State professor George Groff visited Lingnan, China to establish ties with SCAU. Groff made a return visit in the 1930s, and the two universities continued to exchange students and collaborate on research well into the 1940s.

As World War II ended and the communists rose to power in China, the partnership between Penn State and SCAU was suspended for several decades. After President Richard Nixon's historic visit to China in the 1970s, helped pave the way for normalized relations, President Jimmy Carter re-established diplomatic ties in 1980, allowing Penn State and SCAU to restore their successful collaboration.

Today, SCAU and Penn State are working together on several fronts. One research program, funded by the McKnight Foundation, is aimed at developing improved soybean varieties that are adapted for growth in nutrient-deficient soils. This research could contribute to improving food security and fighting hunger for more than 700 million people in south China and for billions more who live on weathered soils throughout the tropics.

Other joint programs focus on enhancing food safety and improving food production practices. In response to rising consumption of animal-derived food products in China, Penn State and SCAU, in conjunction with the U.S. Department of Agriculture and the Chinese Ministry of Agriculture, will be working with colleagues in China to improve the country's dairy and meat production. Under this program, four faculty members from the College of Agricultural Sciences will travel to Beijing and Guangzhou to share the latest advancements in dairy production and help develop educational programs to enhance the safety and security of fresh and further-

processed meats.

With China's recent admittance into the World Trade Organization -- a development likely to have a major impact on global trade in agriculture -- Behring believes that the cooperation between Penn State and SCAU will only continue to grow. "We are excited about what the future holds," she says.

Deanna Behring

E-mail: dmb37@psu.edu

Phone: (814) 863-0249

Globalization and Rural America

Globalization has benefited rural America by opening overseas markets for agriculture. Yet, there is concern that U.S. rural communities will lose agricultural trade and also nonfarm jobs to global competition. This article examines how rural communities can remain competitive relative to low-income countries.

Many parts of rural America have benefited significantly from globalization. American agriculture sells the production of one acre out of three overseas; this generates one-quarter of U.S. farm sales revenue. Without this outlet for its enormous productivity, American agriculture would be less profitable, and land values, which make up a significant part of many rural communities' tax base, would be less. Globalization has also reduced the cost of many things that rural people buy while substantially increasing the variety of goods available for purchase locally.

Nevertheless, globalization also gives rise to concerns in rural areas about U.S. jobs being shifted overseas. And the once large balance of agricultural trade has shrunk to close to zero as agricultural imports have grown. Midwestern farmers have watched Brazil capture most of the growth in the world market for their products. Despite the rapid rates of productivity growth in American agriculture, which have been the envy of the world, most U.S. farm families now earn most of their incomes from nonfarm sources.

Rural nonfarm jobs in the manufacturing and service sectors within commuting distance of farms have played a major role in increasing farm families' incomes and reducing poverty in those communities. The communities have also benefited from having a more diverse economy, with less dependence exclusively on farming, a sector whose economic wellbeing gyrates with volatile commodity prices and crop yields. Rural community leaders fear that the nonfarm employment opportunities they have worked so hard to create will be lost to lower-wage workers in low-income countries.

Dynamic Change Is the Norm in Agriculture

Out-migration of significant numbers of people from farming is a normal and essential component of economic development. A universal feature of economic development is that, as per capita income rises, the number of people employed in farming declines. As this

happens, both the people who leave agriculture and those who stay behind (and can increase the size of their farms) enjoy higher family incomes. This phenomenon is driven by forces of both demand and supply.

Contrary to the predictions of Thomas Malthus, during the last two centuries, production of agricultural commodities in the world has grown faster than population. What Malthus did not foresee was the power of agricultural research to develop new, much higher-productivity technologies. In fact, during the twentieth century, productivity grew in American agriculture at a substantially faster rate than in the rest of the U.S. economy. According to calculations from the U.S. Department of Agriculture's Economic Research Service, between 1948 and 2002, U.S. agricultural output grew 2.6 fold, while total inputs into agricultural production declined.

Because global agricultural production has grown faster than consumption, there has been a slight downward trend in the real price (after adjusting for inflation) of grains during the past 150 years, albeit with significant variability around that trend from year to year. Whether this downward trend continues in the twenty-first century will depend on whether enough is invested in agricultural research to keep agricultural productivity growing faster than global demand, which is projected to double in the first half of the twenty-first century.

On the demand side, people with very low incomes spend most of any increments to their incomes on upgrading the quality of their diets. However, after a certain point, further increments get spent on processing, convenience, packaging, and luxury forms of what people eat, but not on more total food consumption. As a result, the percentage of consumers' food expenditures received by farmers declines continuously with economic growth and rising incomes. The percentage of income that people spend on food declines, while the percentage they spend on other goods rises. This causes the rest of the economy to grow, while the agricultural sector shrinks as a percentage of the total economy.

As economic development occurs in any community, farming inevitably comes to employ fewer people. Where poverty has been successfully reduced in rural communities, it has most frequently been through out-migration from agriculture. Many people move to distant cities to find better paying jobs, but there are also many who find nonfarm jobs within commuting distance of their farms. So, when a rural community loses nonfarm jobs, it is a source of great concern. However, it is important not to attribute to globalization changes in rural economies that would have happened in the normal course of economic development and poverty reduction. Otherwise, over the long run, misguided policies may further impoverish rural areas.

Ongoing International Trade Negotiations

Along with falling transport and communication costs, the liberalization of international trade, which has resulted from progressive reductions in manufacturing tariff barriers in the post-World War II era, has facilitated globalization. The current round of trade negotiations under the auspices of the World Trade Organization

(WTO) aims to reduce barriers to manufactured goods trade further, but this time, there is special emphasis on liberalizing trade in agricultural products and in services.

Parts of agriculture in most high-income countries enjoy relatively high levels of government assistance and protection from import competition. According to the Organization for Economic Cooperation and Development (OECD), farmers in the 30 member countries (most of which have high per-capita incomes) receive 30% of their gross receipts through various forms of government intervention—from subsidies to import barriers. Until the last round of international trade negotiations, the Uruguay Round, little liberalization of agricultural trade had occurred.

As with many programs that subsidize and protect specific industries, the beneficiaries of farm programs have relied on active lobbying to sustain their support. And, in this instance, lobbying efforts have generally proven to be highly effective in generating larger income flows attendant to certain land uses in agriculture. For this reason, removal of government support could result in declines in related asset values—in this case, agricultural land located far from urban development. However, it is important to recognize that under trade liberalization and reduced agricultural supports, all fertile land could be expected to stay in production, growing whichever crops would be most profitable based on market returns. The question is not whether good land would stay in production, but how far the price of land would fall.

Farm Policy as Rural Development Policy?

There are strong reasons to believe that farm policy, as traditionally practiced in the U.S. (and most other high-income countries), does not make very good rural development policy. Because much of the support is distributed in proportion to sales of specific commodities, those farmers who produce the most receive the largest benefits. If anything, this has facilitated farm consolidation and a reduction in the number of jobs in rural areas, rather than creating more jobs.

Because farm program payments get capitalized into the price of farmland, the appreciation of this land has increased the tax base of many rural communities. Because real estate taxes finance schools, roads, and other local government services, this has been beneficial to the communities. On the other hand, artificially inflating the price of land reduces the competitiveness of the farmers involved, ties up excessive investment capital in agriculture, and becomes a barrier to entry into farming.

Perhaps the most damaging aspect of current U.S. farm policy is the fact that government payments are linked to the production of specific commodities, so farmers become locked into producing those specific commodities. This suppresses entrepreneurship that might otherwise lead farmers to diversify into higher value per acre crops for which there is stronger market demand. This is what happened in New Zealand until it eliminated all farm subsidies in 1985. The change unleashed a huge amount of creative and entrepreneurial activity when farmers were no longer constrained to produce those commodities that the government had previously

supported. Agriculture in New Zealand has never been more profitable than since this change occurred.

U.S. agriculture continues to have a comparative advantage in many agricultural products. It has many natural advantages, including fertile soil, favorable climate, and low-cost water transportation; however, modern farming is a high-tech industry dependent on continuing investments by the public and private sectors in agricultural research to sustain that comparative advantage.

International competition in the production of raw commodities is brutal. Because commodities by definition are undifferentiated, whoever can produce them at lowest cost will get the sale. Margins of profitability are likely to be razor thin, with farms that produce bulk commodities continuing to expand. It will be difficult for farms that produce bulk commodities to be profitable if they pay more for land than the discounted present value of expected net revenues from the market for the most profitable crops that can be grown on it. The competitive niche of small- to middle-sized farms is expected to be in differentiated products that offer higher margins, as long as commodity programs do not constrain their entrepreneurship.

Minimum Requirements for Rural Development

There is widespread anxiety in rural communities across America that they will lose nonfarm jobs. The first thing for rural leaders to recognize is that the U.S. does not have a comparative advantage in unskilled labor-intensive manufacturing industries. The advantage belongs to low-income countries that have an abundant supply of unskilled labor at low wages. For the U.S., trying to create or protect jobs in such industries will likely incur very high costs per job created or retained. However, the United States does have a comparative advantage in high-tech, knowledge-intensive sectors, particularly those at the cutting edge of innovation, and in many service sectors, such as finance. This applies as well to modern farming—a high-tech, capital-intensive industry in which success requires sophisticated financial management and marketing skills, as well as an understanding of the science on which modern agriculture's productivity rests.

An important focus for policymakers interested in rural development should be on upgrading the quality of schools in rural areas. Higher quality education leads to a stronger local work force, while making communities more attractive places to live for potential employers and workers from elsewhere. Better educational opportunities are essential for rural communities seeking to be competitive in either agriculture or nonfarm employment.

Globalization has been facilitated by declining costs of international transportation and telecommunications. Rural communities have natural disadvantages in terms of distance to markets and low density of population, so they need to do everything possible to overcome these cost disadvantages. The minimum infrastructure requirement for a rural community that wants to be competitive in the modern economy is good roads. America's interstate highway system has

been a huge boon to the rural communities located near the highways. A great competitive advantage of the central part of the country is the low-cost transportation available via the Mississippi, Missouri, and Ohio river system, although its locks and dams are in urgent need of maintenance. Rural communities have suffered setbacks in transportation service with deregulation in the transportation industry. In the past, airlines and railroads were forced to maintain unprofitable service to many rural communities; these were paid for via cross-subsidization from earnings on more profitable routes.

The isolation of many rural areas puts them at a disadvantage for some types of manufacturing and distribution, as well as many service activities. High transportation costs associated with remote locations make manufacturing that involves heavy or voluminous inputs not cost effective. Nevertheless, in many U.S. locales, significant transportation infrastructure has been put in place over time for movement of agricultural commodities. For this reason, some manufacturing operations find rural areas advantageous, especially those adjacent to divided highways and rail lines. Also, weight-shedding industries that transform local raw materials and increase the value per unit of weight, such as food processing and biofuel production, are advantaged.

It is difficult for rural areas to compete in the provision of many services. The U.S. population is increasingly concentrated in urban areas, and many services require face-to-face communication and personal delivery. For many business-to-business services, such as finance and professional services, urban areas are favored because of the mutual proximity of highly skilled workers who can exchange information that is complex or often ambiguous. However, high-speed broadband communications offer many rural areas the opportunity to compete in the arena of many business and information services. In today's service economy in which the cost of "transporting" data or voice can be negligible, the transportation cost disadvantage of rural communities can disappear, as long as these communities have access to high-speed, broadband Internet. Without it, rural communities have little chance of creating new nonfarm jobs, and they will be increasingly at risk of losing those they have to places that have better Internet connectivity, such as some cities in India.

So What Are Rural Communities to Do?

In addition to addressing the basic educational and infrastructure requirements outlined previously, development-seeking rural communities should inventory their unique assets, such as landscape and recreational amenities. In our increasingly affluent, urban, and stressed-out society, people want to be able to get out of the cities into rural areas to enjoy tranquility as well as recreational opportunities. A rural community with attractive landscape or recreational assets can often easily use them to generate nonfarm income. Unique scenic or recreational amenities can also help a community attract new residents who telecommute to their jobs. Of course, good schools and health care are also very important selling points.

With America's aging population, more and more seniors are looking for pleasant places to locate in their retirement years. They are attracted by the lower cost of living, particularly for housing, as well as lower crime rates in many rural communities. Access to good health care is particularly important in attracting new senior citizen residents. A modicum of social and cultural amenities adds to the attractiveness of a rural community as a place to settle. Institutions of higher education, including community colleges, are particularly valuable assets in rural communities trying to develop.

Development of rural community leadership is also essential. Two communities can have comparable infrastructure and human resources, and one takes off while the other stagnates. Inspired, charismatic community leadership can make the difference between progress and stagnation. Rural leadership development programs, which strengthen communications, media relations, and coalition-building skills, can pay big dividends.

Longtime residents of rural communities need to recognize, however, that their communities will change, especially if there is significant in-migration. If they want economic development, they have to be ready for at least some social change. In addition, in sparsely populated areas, cooperation among historically rival communities is often necessary for success. Without this, it may not be possible to achieve the necessary scale economies for a new employer to be competitive.

Entrepreneurship, an essential element in business start-ups, appears to be a less abundant resource in many rural communities than cities. Until a business is up and running, it often has a hard time attracting financing. While inadequate credit availability is often cited as a significant barrier to rural business development, there is a huge amount of capital in rural communities that is tied up unproductively in overpriced farmland.

Conclusion

Globalization has exposed even isolated rural communities to an unprecedented degree of competition and has led local leaders to fear that the nonfarm employment opportunities they have worked hard to create will be lost to lower-wage workers in low-income countries. There are many areas in which rural communities can be competitive if they make the necessary investments in infrastructure and human resource development. To compete, these communities must also create an attractive business climate for potential investors. Rural leaders need to recognize that existing agricultural commodity policy does little to create the necessary enabling environment for successful rural development and may even detract from it. Farm programs that link payments to production of specific commodities stifle entrepreneurship among farmers, who often represent the community's largest group of people with experience in running a business.

Robert L. Thompson
E-mail: RLT@uiuc.edu
Phone: (217) 333-1313

National Initiative to Internationalize Extension

Globalization is having a profound influence on all facets of American society. The challenge for extension is to provide leadership to demonstrate local implications and potential consequences of an interdependent world. To help meet this challenge, CSREES, in cooperation with U.S. land-grant institutions, launched an initiative in 2003 to strengthen the international dimension of state extension services nationwide. With leadership from Michigan State University, the initiative sponsored two national conferences, supported a competitive grants program, developed a Web site and began building a network of committed extension professionals throughout the U.S. As a result, providing leadership in a global society has been a reoccurring theme recently at state and regional extension conferences; several states have designated staff to act as liaisons for internationalizing extension; and, support for internationalizing extension has grown among extension's professional organizations.

Since its inception, the U.S. Cooperative Extension System has successfully adapted to societal changes. In recent years, those changes have increasingly been influenced by trends and events occurring beyond our borders. In today's globally interconnected world, even the most remote, rural U.S. community is impacted by globalization. Changing demographics in many communities are creating new audiences for extension: 47 million people in the U.S. speak a language other than English at home and 12% of our population is foreign-born. Without strengthening the international dimension of its programs, extension will be unable to fully serve the changing needs of local clientele. Whether it is increasing market opportunities overseas, understanding international environmental and health issues, or using cross-cultural skills to better serve diverse domestic audiences, extension can play a critical role.

CSREES intends to build on the initiative's momentum by continuing to develop a nationwide network of extension leaders and utilizing new technologies and local resources to implement innovative, cost-effective programs. We will broaden collaboration with professional extension organizations, NASULGC, non-governmental organizations, and other federal agencies with similar agendas. We intend to measure the success of this initiative not only in terms of professional development for extension staff, but by the benefits local clientele derive from an increased understanding of global connections.

P. Fulton

E-mail: pfulton@csrees.usda.gov

Phone: 202-690-3852

**Send news to Bonnie Pendleton
at bpendleton@mail.wtamu.edu.**