Back the Bias Busters

Land-grant universities are still essential for backing unbiased research. Here’s how one state maintains that commitment within severe financial straits.

A few years ago, an Extension specialist and I swapped stories about various industry field days we had attended that summer. We jested that if all products pitched worked as advertised, farmers would miraculously harvest 500-bushel-per-acre corn and 150-bushel-per-acre soybeans.

“Everything they tell you is true,” noted the specialist. “It’s what they don’t tell you that’s the problem.”

Farmers have been blessed with a strong land-grant university and Extension system to help them sort out what works and what doesn’t. Industry research and innovation have combined with this public investment to make American agriculture the envy of the world.

There are times, though, when company products and strategies don’t go according to plan. Examples include insects and diseases that resist the fungicides, insect-resistant traits, and herbicides that are supposed to control them.

In these cases, unbiased university research and Extension system professionals have been the means to inform farmers about resistance and the ways to deal with it.

“Land-grant universities need to continue to be unbiased sources,” says Barry Dunn, dean of the college of agriculture and biological sciences at South Dakota State University.

These days, that unbiased stamp of approval faces funding challenges. SDSU is typical of land-grant universities that have wrestled with these hurdles. In 2011, the South Dakota legislature instituted 10% across-the-board cuts across state government. To comply, SDSU trimmed faculty pay, restructured its Extension service, closed two research farms, and shuttered its soil-testing and feed-testing labs.

Changing demographics also dictated some of this change, particularly with county Extension offices.

“We had some counties with just 1,000 people in the whole county,” says Dunn. Rather than county Extension offices, South Dakota now houses field specialists in eight regional centers across the state.

SDSU has also embraced iGrow, an electronic platform to deliver Extension information about livestock, agronomy, weather, markets, and other information. It also has boosted academic qualifications — accompanied by pay increases — for remaining

South Dakota State University
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Extension field specialists.
"They are some very sharp people," says Dunn. "They are able to provide a higher level of programming."

No one wants to pay higher federal or state taxes. That's historically been one way public agricultural research has been supported.

Still, there are innovative ways to deal with budget hurdles, as South Dakota has done with its Extension service. It's important that all parties — state,

"This is the type of research that industry would not do. And even if they did, no one would believe them."
— Barry Dunn

federal, industry, commodity groups, and farmers — recognize the important roles land-grant universities still play and find ways to deal with budget and demographic challenges.

Land-grant universities still fill a niche that no other entities can fill.

A good example is a 2012 SDSU study that was funded by state and federal dollars, industry, and commodity groups.

SDSU scientists poured through 95,000 soil samples over 25 years in central and eastern South Dakota and found that practices like no-till helped South Dakota soils form a carbon sink. Carbon sinks sequester greenhouse gases (such as carbon dioxide) that are thought to cause global warming. It shows that modern agriculture creates a clean environment for everyone.

"This is the type of research that industry would not do. And even if they did, no one would believe them," Dunn says.

Gil Gullickson

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Is the Farmland Value Tide Turning? (Continued from page 14)

of farmland prices to capitalized values suggests that farmland prices are supported by current cash rent and interest rate levels," Schnitkey says.

"In the future, decreases in farmland returns or increases in interest rates could lead to farmland price decreases."

FARM-LEVEL FACTORS
At the farm level, what do signals like these foretell?

With the wide range of potential financial outcomes on farms around the country due to the drought this year, it will likely be difficult for the factors to combine into a trend-following or trend-breaking move, says Comstock, Nebraska, farmer Jerome Bruha.

"Around here, there are farmers who have irrigation on good, heavy soil who will have probably close-to-average yields," Bruha says. "If they didn't presell, they likely will sell 80% to 90% of a normal crop at $8-plus per bushel and have more profit per acre than they have ever had.

"On the flip side, there are those who are pouring $150 an acre into their corn just trying to raise enough grain to fill their early contracts that they locked in at $5, and others who won't raise near enough bushels to cover their $5 contracts," he says.

"There will be so much variability that it will be hard to call. There will be pockets of great profits and pockets of near devastation. Personally, my yields will be down and expenses up," Bruha says.

Ultimately, Schnitkey says if anything winds up bucking the overall current higher trend of farmland values, it will be interest rates, especially considering the fact there's so much room for them to increase.

"In my opinion, rising interest rates pose the largest risk that could lead to farmland price decreases in the future. Current interest rates are very low, and even small interest rate increases cause large declines in capitalized values," he says.

"Moreover, the last time farmland prices decreased was in the 1980s, when interest rates were rising. It can be argued that rising interest rates had as much impact on farmland price declines during the 1980s as did decreasing farmland returns," Schnitkey says.