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Hard times — hard decisions

The present state of economic stagnation, and uncertainty about its duration, poses dilemmas for managers in both the private and public sectors. The questions that must be addressed by individual managers may vary, but I am sure all will agree that the economic climate dictates a change from the status quo.

Characteristically, academic institutions and research organizations such as agricultural experiment stations are not able to adapt rapidly to external pressures. The nature of our business is to concentrate on the future, whether it be in educating students or searching for new and useful information through research. These goals cannot be achieved rapidly and certainly not in an environment of continual uncertainty. It is precisely during periods of turbulence such as we are now experiencing that a steady course needs to be maintained, assuming that our major long-term goals are valid and desirable.

We assume it is desirable from a national policy point of view to keep U.S. agriculture economically viable and internationally competitive. We assume that it is a desirable national policy to maintain the quantity and quality of the U.S. food supply at present levels and at relatively low cost to consumers.

With these assumptions in mind, we need to assess the severity of the present economic turbulence and the force with which it might throw us off course. We need to adjust our programs to deal with present uncertainties, but we must be careful not to overadjust lest we impair our ability to pursue our long-term national goals.

Perhaps the most crucial problem is the unfavorable economic plight in which U.S. agriculture finds itself. It costs more and more to produce food and fiber, and net returns continue to decline. The rate of bankruptcies and foreclosures on farming units is alarming. Loss of these production units portends an even more disturbing dependence on foreign food sources or concentration of production units in fewer and fewer hands. The consequences are not easy to predict, but we are not comforted by our experience with energy supplies.

Producing more or reducing premarketing losses so that more product is available for the market assumes that supply and demand are in balance. The current economic situation in the automotive industry and the housing industry indicates

that those options may not be open to us. Yet much of agricultural research is directed toward increased production and reduction of product losses.

Is agricultural research leading us toward irreversible and undesirable consequences with respect to our national goals? Might we find that we have produced ourselves out of competitive markets and beyond the level of reasonable cost to the consumer?

Of course, factors other than production and its costs contribute significantly to the unfavorable market climate in which agriculture finds itself today. Many of them are grounded in federal and state policies and regulations. However, research is more intimately identified with the production aspects of agriculture than it is in policy formulation. Furthermore, development of policies affecting agriculture often involves nonagricultural issues, so agriculture's destiny is beyond the control of agricultural policy-makers.

What do we do as agricultural research managers faced with these dilemmas? First, we must analyze more thoughtfully than we have in the past the short- and long-term consequences of our programs. There is little dispute that the world population is growing, and more food is needed. That is a long-term need. But do we know and fully appreciate what the U.S. role in that food demand equation will or should be? Have we given enough serious attention to the economic as well as the environmental impacts of our production and "loss of product" agricultural research? Lowering costs of production would seem to be an unchallengeable goal, but blindly pursued could well lead to unacceptable consequences in other areas of our well-being or our international relationships.

There is no exemption from careful analysis, and the pressures of the present must not be allowed to deter us from such study. Need for the products of agriculture is a constant for human existence. Agriculture is not a candidate for extinction. Indeed, on a worldwide scale it is a growth industry. It is faced with as many researchable problems in the future as have been faced and solved in the past. Near-term experiences which jeopardize long-term goals need to be resisted and rejected. The role of research and education will be as fundamental to its future well-being as they have been in getting us where we are today.