An Introduction to Extension Agricultural Economics

The Agricultural Economics unit of the Texas A&M AgriLife Extension Service is a leader in the development and delivery of innovative educational and applied research programs that meet the economic decision support needs of targeted audiences and stakeholders in the State of Texas, regionally and nationally. Our mission is to engage people in the use of economic analysis in decision-making involving producers, agribusinesses, policy makers, natural resources, and communities.

The Extension Agricultural Economics unit has a reputation for high-quality, in-depth educational programs and strong applied research and outreach centers. These programs have been highly successful because they were developed based on clientele input regarding educational needs, program/product design, and extensive program evaluation and reporting of educational impacts and economic benefits.

Faculty members are involved in a variety of applied research and educational programs focusing on marketing, food safety, renewable energy, community and economic development, and small farms management to support county programs. Extension Agricultural Economics also offers several flagship programs, with selected highlights including:

Flagship Programs

- **Agricultural and Food Policy Center (AFPC)** – Established in 1983, the AFPC conducts analyses and educational outreach on the impacts of government policy proposals and/or implementation procedures on farmers, farm organizations, agribusinesses, taxpayers, and consumers. Its primary constituency is the U.S. Congress, particularly the agricultural committees.

- **Center for North American Studies (CNAS)** – Since 1992, the CNAS meets high-priority national needs to provide objective analyses for rapid, precise responses to emerging trade and international policy issues. Priority programs include: (1) response to national and state priorities with economic impact analysis; (2) identification and analysis of crucial emerging international trade trends and issues; and (3) development and implementation of extension programs to educate key business and policy leaders.

- **Economic Impacts of Extension**: Extension Agricultural Economics leads this agency-wide effort to assess the economic impacts of Extension programs, demonstrating economic accountability for the State of Texas. These reports are used in discussions with elected officials at the state, federal, and local levels, contract and grant funding agencies/organizations, and clientele and stakeholder groups. The economic impact of selected AgriLife Extension ANR programs has been estimated at more than $2.4 billion, $1 billion in potential health and wellness benefits, while directly supporting more than 53,000 jobs in Texas with a salary base of $1.56 billion annually.

- **Financial and Risk Management (FARM) Assistance**: Long-term, strategic financial analyses are conducted for individual crop and livestock producers; providing producers with an independent assessment of the financial strengths and weaknesses of their operation. On average, participants estimate a $22,682 annual benefit resulting from improved decision-making.

- **Master Marketer**: Advanced risk management and marketing education conducted during an intensive 64-hour program. Since 1996, more than 1,000 producers and agribusiness
owners/operators have graduated from Master Marketer. Graduates indicate they have increased their receipts, on average, by $35,928 annually as a result of the program.

- **The Executive Program for Agricultural Producers (TEPAP):** TEPAP teaches advanced agribusiness management skills – including strategic management, macroeconomics, niche market evaluation, and negotiation strategies. Over 1,500 past participants from around the world have spent two intensive weeks in classroom sessions with some of the most prominent agricultural economists and agribusiness specialists from across the U.S.

- **Income Tax Workshops:** For the past 38 years, Extension has supported an educational program for tax professionals that assist Texans with proper tax reporting and planning. Six different courses at 60 locations are presented each year to 3,500 tax professionals who provide tax preparation services to more than 500,000 Texans each year. Of the participants, typically 65% are CPA’s, 15% IRS Enrolled Agents, 3% attorneys, and the balance being other non-licensed professionals and staff members.

- **Beef Cow-Calf Standardized Performance Analysis (SPA):** The SPA program is designed to help cow-calf producers reduce their cost of production and improve their production and marketing efficiency using a standardized methodology. Since 1991, the program has helped 430 ranches – managing more than 300,000 cows – to increase their net returns by $21 per cow.

- **Kids, Kows & More:** This program teaches youth the importance of agriculture in our society, showing where our food and fiber actually comes from. In more than 70 youth-related programs across the states of Texas, New Mexico, and Oklahoma, the Kids, Kows & More programs reach more than 50,000 students and educators each year. Exhibits may include cotton, pecans, water, citrus, bees, wildlife, alfalfa, hay, livestock, peanuts, beef, horses, curds & whey or the making of cheese. Every program has the mobile dairy classroom present, where children are taught the nutritional importance of milk; learn how it is made, and where it actually comes from.

- **Profitability Workshops:** These workshops help producers learn how to accurately estimate their bottom line using current prices and production costs. Since the program’s inception, more than 400 producers have been trained to use the comparative profitability spreadsheet in one-day workshops. About 5,000 spreadsheet models have been distributed and this tool continues to be downloaded from the Profitability website at least 2,000 times each year.

Faculty members reached more than 80,000 contacts through these in-depth educational programs in 2011. In addition, faculty delivered numerous presentations in support of county-based programs.

**External Funding**

External funding generated by Extension Economics faculty has totaled $12.1 million over the past 5 years to support and enhance applied research and Extension educational activities, and provide up-to-date and relevant information to CEA’s and clientele.

**Awards and Recognition**

In the last 5 years, Extension Agricultural Economics faculty members have been the recipients of 35 awards: 17 state-level awards, including Extension Superior Service, Industry, University Regents Professor, Association of Former Students, and other University awards; 10 regional awards by professional organizations, and 8 national awards from USDA and professional associations.