



National Center for Food and Agricultural Policy

NCFAP 2018 Annual Report

I. Projects Completed in 2018

(in chronological order by end date, see Financial Summary for Award \$)

1. Sponsored Research: “Impacts of Possible Chinese Protection on US Soybeans”

Sponsor: *U.S. Soybean Export Council*

Principal Investigator: Wally Tyner
Farzad Taheripour

Term: January-February 2018

Summary: China is the world largest soybean importer. It imported 94 mmt of soybeans, which was 65% of global soybean imports in 2016. In 2016 China imported soybeans mainly from Brazil (44%), the US (42%) and Argentina (9%). Initiated before there was open talk of a trade war, this project investigated the possible consequences on US soybean production and exports if China were to impose trade restrictions on US imports. The global model GTAP-BIO was updated to 2016 and used to examine the economic and land use impacts of new Chinese tariffs against US on the prices, production, consumption, and trade of all types of goods and services (including soybeans, soybeans oil, and soybean meals) in the US and globally. We simulated different levels (10% and 30% tariffs) as well as different degrees of tariff coverage (on only US soybeans; US soybeans, meal, and oil; and all US food and agricultural exports to China). The results show the percentage declines in US soybean prices, production, exports to China and to the rest of the world, as well as increases in Brazilian and other exporting countries under each possible scenario. Overall welfare declines most in the US, but also in China and other countries due to an increase in protectionism.

2. Sponsored Research: “Impacts of Possible Chinese Protection of 25 Percent on US Soybeans and Other Agricultural Commodities”

Sponsor: *U.S. Soybean Export Council*

Principal Investigator: Wally Tyner
Farzad Taheripour

Term: April- May 2018

Summary: This study revised and refocused the study completed for US SEC February 2018. By March the Chinese announced that if the US proceeded with its threatened tariffs that it would apply 25% tariffs on US soybeans, wheat, corn, sorghum, beef, and other commodities. This study estimated the likely medium to long run impacts of those tariffs. The commodities in this study are soybeans, wheat, sorghum, corn and beef, and USDA FAS export data on US exports of wheat, sorghum, corn, and soybean by destination were used for more precise documentation of bi-lateral trade flows. The simulation findings show that the 25% tariff by the Chinese against the US would result in reductions in US agricultural production and exports offset by increased Brazilian production and exports, with welfare losses in the US and also China, but gains in Brazil, for example.

3. Sponsored Research: “Ethanol Market Analysis and Forecast”

Sponsor: *Vertullus*

Principal Investigator: Wally Tyner

Term: April-May 2018

Project Summary: This report explains the key drivers of ethanol pricing in the United States. The first section provides history and background about the US fuel ethanol market. Then we provide the USDA corn price forecast and DOE crude oil price forecasts. Information from these forecasts is used to develop the fuel ethanol price forecasts in the final section.

4. Professional Development Training: “U.S. Wine Promotion and Marketing”

Sponsor: USDA-FAS *Cochran Fellowship Program* Eastern Europe and Eurasia region

Project Director: Maureen Kilkenny

Personnel: Stan Johnson, Bill & Lucy Eryasian, Fresno State Univ.

Term: July 15-28, 2018

Summary: NCFAP designed and delivered a two-week training program for six wine industry professionals from Bosnia & Herzegovina to ‘expose the Fellows to the advanced practices of the U.S. wine industry, including wine tourism, identify new U.S. wine products available for export to BiH and improve their understanding of the production and quality of U.S. wine. The USDA FAS goals of the program were to increase market expansion for new U.S. wines and promote U.S. wine exports to Bosnia and Herzegovina’ (RFQ). The Fellows first toured the California Central Valley growing regions where they met with winemakers, marketing experts, and distribution companies. Next they spent a weekend in the Santa Cruz mountains for a “wine passport” and “glamping” wine tourism weekend. Then they visited researchers at the Robert Mondavi Institute and UC Davis Plant Foundation Sciences. Among many other things, during their jam-packed two week stay, they earned “*California Sustainable Wine Growing Ambassador Course*” completion certificates and were hosted by some of the world’s largest and most famous wine companies as well as boutique vintners in the famous Napa Valley and Sonoma County.

5. Professional Development Training: “High-Value Horticultural Promotion & Marketing”

Sponsor: USDA-FAS *Cochran Fellowship Program* Eastern Europe and Eurasia region

Project Director: Maureen Kilkenny

Personnel: Stan Johnson; Ingrid Xhafa, Various faculty at Fresno State University

Term: September 8-21, 2018

Summary: NCFAP designed and delivered a two-week training program to introduce eight Albanian fruit and vegetable producers or wholesalers “to U. S. technologies, post-harvest techniques, processing and marketing methods for high value products.” (SoW) The USDA-FAS goal of this activity was to assist Albania to improve “the livelihoods of small holder farmers through high-value horticultural crop promotion which can lead to improved international trade and food security in Albania.” (SoW). The program was anchored at each end by two great agricultural universities in California – *Fresno State* and *UC Davis*. The itinerary was filled with site visits to small and medium size farmers who grow vegetables or fruits, cooperatives through which small farmers collaborate to produce and trade, wholesalers and distributors, and meetings with a variety of experts in horticulture and crop science (*USDA-ARS San Joaquin Valley Sciences Center*), irrigation and drainage (e.g., the *Center for Irrigation Technology*) storage technologies, processing, distribution (e.g., the *San Francisco Wholesale Produce Market*), and food safety (*California Certified Organic Farmers (CCOF)*). The Fellows learned what small vegetable and fruit farmers in California have done over the decades to prosper and grow.

6. Sponsored Research: “An Economic Analysis of Cattle Numbers and Feed Sources in the USDA Basin and Range Region”

Sponsor: *Public Lands Council & National Cattlemen’s Beef Association*

Principal Investigator: Stanley Johnson

Personnel: Michael Helmar, Thomas Harris, and Michael Taylor.

Term: October 2017 – September 2018

Summary: The Basin and Range Region includes most of Nevada plus parts of Arizona, California, Colorado, New Mexico, Oregon, Wyoming and Washington. Cheatgrass is an invasive species there. Covering 20-30% of the land, cheatgrass is eaten by range cattle in spring/summer and it fuels wildfires late-summer/fall. This project studied four topics: (i) Why have cattle numbers declined in the Great Basin and Range region? (ii) What are the economic impacts of cattle ranching and range management alternatives in the Basin & Range region? (iii) What are the benefits of allowing late-season grazing on cheatgrass? (iv) Might reductions in cheatgrass cover reduce wildfire incidence? To help western ranchers answer these questions, NCFAP researchers produced a report that documents, at the sub-state and state level (i) cattle ranching cost & returns, (ii) cattle numbers, (iii) community and state-level economic impact analyses, and (iv) wildfire incidence and history of weather conditions. The report contains the only known set of up-to-date cattle budgets, a complete weather model, and input-output model analyses of late-season grazing compared to BAU in the Basin and Range Region. The whole report is posted on www.ncfap.org. The manuscript “Cheatgrass in the Basin and Range Region: Threat and Opportunity” has been submitted for publication in a refereed journal.

7. Sponsored Research: “Changing Demand and Relative Price Relationships among Oilseed Crops”

Sponsor: *USDA Office of the Chief Economist, Energy Policy and New Uses*

Principal Investigator: Stanley Johnson

Personnel: Michael Helmar, Robert Myers, Harry Baumes.

Term: October 2017 – September 2018

Summary This project investigated, both theoretically and empirically, the influence of important structural changes in biofuels policies on the price relationships among oilseed crops, petroleum prices, and oilseed product prices. Two research papers were produced and midterm presentations at the Office of Chief Economist in Washington, DC. were presented on: “Using Past Ethanol and Biodiesel Price Information to Predict Effects of China’s Ethanol Plan” and “How Much Have Biodiesel Policies Altered Oilseed Relative Price Relationships?”

8. Professional Development Training: “Ukraine Agribusiness Field Trip”

Sponsor: *USDA-FAS Faculty Exchange Program*

Project Director: Srimi Konduru, Fresno State Univ

Personnel: Maureen Kilkenny, Stan Johnson

Term: October 20-November 3, 2018

Summary: The goal of this program was to provide eight Faculty Exchange Program participants from Ukraine with a specialized agribusiness and educational tour as part of their overall FEP Program experience in the U.S. As subcontractors to Fresno State, NCFAP organized and lead the group’s visits to *Fresno-Madera Farm Credit*, *Sun Maid* (raisin) *Cooperative*, *Hilmar Cheese Company*, *The California Almond Board*, *Western United Dairymen*, *Schultz Ranch*, *Maddox Dairy*, and *California Women in Agriculture – Central Valley*.

9. Sponsored Research: “Metro Market Demand Surveys & 2018 PDS Update”

Sponsor: *American Veterinary Medical Association (AVMA)*

Project Director: Maureen Kilkenny

Personnel: Stan Johnson; subcontractors Iowa State Univ., Survey Sampling Int'l

Term: January, 2018 – December 2018.

Summary: Objective I. Complete and deliver four Metro market demand surveys (“MMDs”) focused on subsets of pet health issues while collecting all core data needed to update the 2016 (2017) Pet Ownership and Demographic Survey to 2017 (2018). Write the survey instruments, identify the sampling frame, collect completed surveys from at least 6,000 US households, clean the data, estimate the multi-dimensional weights, analyze the data, write up four reports, deliver the databases and codebooks, and prepare and deliver presentations as requested. Objective II. Use the 2017 MMDs data to update the weighted 2016 Pet Ownership and Demographics Survey (“PDS”) data on pet populations, pet owners, pet health needs and veterinary patronage to the year 2017. Analyze the data, write the full report, deliver the database (over 40,000 households) and codebook.

II. Continuing Projects

1. Professional Development Training: “Policy Brief Writing Workshop”

Sponsor: *International Institute for Tropical Agriculture (IITA) “African Youth in Agriculture”*

Project Director: Maureen Kilkenny (with thanks to Francesca Nelson)

Term: 2018 – 2019 -2020

Summary: The objective is to help 20 young African agricultural economists from a dozen African countries, most of them doctoral candidates, to produce high quality policy briefs from their research about how to increase the engagement of African Youth in Agriculture. The trainer studied the research papers of each young scholar, developed (and delivered) training materials for two full days of workshops, travelled to Ibadan, Nigeria, presented the training, and worked with the scholars, their mentors, and the IITA program staff for most of a week. Subsequently the trainer provided one-one guidance via email and SKYPE to individual young scholars throughout the winter as they completed their research and wrote their policy briefs. This process will be replicated in 2019 and 2020.

END of REPORT

Respectfully submitted March 4, 2019,



Maureen Kilkenny
NCFAP Secretary/Treasurer