E.6. Agriculture Economics and Rural Communities

Perhaps at no other time in recent history have there been so many different social, economic, and technological challenges and opportunities affecting agriculture and rural communities as evidenced in recent years. Therefore, the focus of the Agricultural Economics and Rural Communities Area is on the following four topics: (1) increasing the competitiveness of US agriculture; (2) enhancing the sustainability of small and medium-sized farms; (3) improving the quality of life and reducing poverty in rural areas; and (4) reducing the vulnerability of rural communities to natural disasters and chronic health problems.

Success of U.S. agriculture and rural communities is increasingly dependent on maintaining and expanding domestic and international markets. It is also dependent on the development of new products, production practices, and business and marketing tools and information that enhance efficiency, equity and the competitiveness of the producer. However, the new technology and increasing markets have not benefitted all producers or rural communities. Primarily because of technological changes and associated growth in corporate farming, the medium sized farms are disappearing, with US agriculture increasingly reflecting a bimodal structure. Small and medium-sized farms are challenged by limited economic opportunities and increasing concerns about environmental quality. Although farming, including forestry continues to be an important source of income, most of rural America is moving from agrarian to post-agrarian economies. Despite decades of intervention and billions of dollars in public investment, many rural residents have a lower quality of life than many urban residents and rural poverty continues to persist as one of the most stubborn social problems. Some communities are facing economic decline and rural exodus, while other regions, especially coastal and mountainous areas, have experienced increased economic growth and new resident influx. Economic growth and population changes have made some communities more vulnerable to natural disasters and chronic health problems, such as obesity.

The overall goals of the Agricultural Economics and Rural Communities cluster are to:

1) develop strategies for entering into and being competitive in domestic and overseas markets;
2) enhance farm efficiency and sustainability, including the viability and competitiveness of small and medium sized forestry, dairy, livestock, and crops in rural and peri-urban areas;
3) improve choices and increase applications of technology, including new decision tools for farm and market systems;
4) develop new hazard and risk assessment and mitigation measures and tools for applications in agriculture and rural communities; and
5) develop and disseminate new approaches to rural development, including rural entrepreneurship, small business development, rural workforce development and environmental protection and enhancement.

The AFRI cluster on Agricultural Economics and Rural Communities accepts applications to the following programs:

a. Agribusiness Markets and Trade
b. Agricultural Prosperity for Small and Medium-sized Farms
c. Rural Development

The Agricultural Economics and Rural Communities cluster primarily addresses CSREES' strategic goal to enhance the competitiveness and sustainability of rural and farm economies. It also supports CSREES' strategic goal of enhancing the international competitiveness of American agriculture.

The following cross-cutting AFRI programs also contribute to the goals of the Agricultural Economics and Rural Communities area:

Managed Ecosystems
Biobased Products and Bioenergy Production Research
Human Nutrition and Obesity
Water and Watersheds
Biology of Weedy and Invasive Species in Agroecosystems
Air Quality

a. Agribusiness Markets and Trade

Program Code - 96160
National Program Leader –
Dr. S. (Suresh) Sureshwaran (202-720-7536 or ssureshwaran@csrees.usda.gov)
Dr. Henry Bahn (202-720-8143 or hbahn@csrees.usda.gov)
Total Program Funds – anticipated funding at approximately $4.6 million
Proposed Budget Requests –

- Proposed research project budget requests must not exceed $400,000 for multi-institution for project period of 2-4 years (including indirect costs).
- Proposed research project budget requests must not exceed $325,000 for a single institution for project period of 2-4 years (including indirect costs).
- Requests exceeding the budgetary guidelines above will not be reviewed.

Letter of Intent – Not required for this program.
Anticipated Application Deadline – May 15, 2009 (5:00 P.M., ET); the firm deadline will be made available in the AFRI RFA.

Background
Success of the U.S. economy in general, and agribusiness and rural communities in particular, is increasingly dependent on maintaining and expanding domestic and international markets. It is also dependent on the development of new products, production practices, and business and marketing tools and information that enhance efficiency, equity, and the competitiveness of the producer. The Agribusiness Markets and Trade program is designed to maintain and expand domestic and international markets and to identify public policies and private strategies that may be employed to enhance efficiency, equity, and the competitiveness of the U.S. agribusiness sector.

Industrialization, increased concentration and the trend towards industrial clusters in agriculture, has caused concern about the long-run structure and viability of the agricultural sector. To maintain and enhance the efficiency and equity of the U.S. agribusiness sector, new science based information is continuously needed, especially on the structure, conduct, and performance of firms in different industries; effects of integration on producers, prices, etc; and the impacts of food chain clusters on independent producers, markets, etc. To maintain and expand international market opportunities for U.S. agribusiness, more research is needed on rapid changes in consumer demand for agricultural products, the impacts of expanding agricultural markets on domestic producers and consumers, the benefits and costs of regulation, and alternative market solutions; the influence of existing and new policy and technology, etc. The competitiveness of the U.S. agribusiness sector is determined by new product development and placement of these products in the value chain. Therefore, to enhance competitiveness, the agribusiness sector needs research based information on marketing new products, including packaging, labeling, etc; on product differentiation, including characteristics, production process, geographic origin, etc; impacts of changing demand patterns for differentiated products, etc.

The Agribusiness Markets and Trade program seeks to achieve three objectives during the next ten years: (1) provide knowledge to enhance economic efficiency and equity in U.S. agribusiness sector; (2) support research that builds international market opportunities; and (3) provide economic analysis to assist with new product development and insertion in the value chain for value-added plant, animal and bio-based products.

FY 2009 Priority for Research Projects

1. Enhance understanding of the changes in agribusiness structure and conduct, as well as its effectiveness in the development of markets at home and abroad.

2. Provide knowledge to increase market access and reduce trade impediments for major agricultural products.

3. Develop new models and theories to enhance understanding of changes in domestic and foreign consumer tastes and preferences.

Other Key Information

- **This is a non-integrated program. Please refer to Part III, A for eligibility criteria.**

- The program is Agribusiness Marketing and Trade. Agribusiness is an enterprise that derives a significant portion of its revenues from sales of agricultural products or sales to agricultural producers.

- Applications that do not address at least one of the stated research program priorities will not be reviewed.

- Applications addressing these priority areas are invited from any social or behavioral science discipline, business, management, or engineering, or interdisciplinary team. A wide range of theoretical and applied quantitative and qualitative methodological approaches is welcome, but applicants are strongly advised to specify their theory and methods on a level that a multidisciplinary review panel will understand.

- Applications with topics specific to small and mid-size farm viability or agricultural development should be directed to the Agricultural Prosperity for Small and Medium-Sized Farms Program. Applications related to risk, risk management issues, or risk management instruments and tools should be directed to the competitive programs of the USDA Risk Management Agency.

- If a project is funded, beginning in the first year of funding, the project director will be required to attend annual investigator meetings. Reasonable travel expenses should be included as part of the project budget.

b. Agricultural Prosperity for Small and Medium-sized Farms

Program Code - 96360
National Program Leaders –
Dr. Suresh Sureshwaran (202-720-7536 or ssureshwaran@csrees.usda.gov)
Dr. Diana Jerkins (202-401-6996 or djerkins@csrees.usda.gov)
Total Program Funds – approximately $4.8 million
Proposed Budget Requests –

- Proposed integrated project budget requests must not exceed $500,000 for multi-institution for project period of 2-4 years (including indirect costs).
- Proposed integrated project budget requests must not exceed $400,000 for a single institution for project period of 2-4 years (including indirect costs).
- Requests exceeding the budgetary guidelines above will not be reviewed.

Letter of Intent – Not required for this program.
Anticipated Application Deadline – June 5, 2009 (5:00 P.M. ET); the firm deadline will be made available in the AFRI RFA.

Background

Small and medium-sized farms are challenged by limited economic opportunities and increasing concerns about environmental quality, as indicated by their low value of agricultural products sold, decreasing share of the food dollar, and the perceived trade-off between agricultural sustainability and economic viability. In recent years, these challenges have been magnified by changes in market conditions caused by tremendous demographic shifts, new global markets and vertical integration, and the increasing competition for farm land for non-agricultural uses. Therefore, the purpose of this program is to foster interdisciplinary projects that enhance interactions between the economic and environmental components important to the long-term viability, competitiveness and efficiency of small and medium-sized farms (including social, biological and other components, if necessary). These include small and medium-sized dairy, livestock, forestry, crop and other commodity operations. While small and medium-sized farms with less than $500,000 in annual sales account for less than 25 percent of the value of all agricultural

products sold in the U.S., the long-term viability of these farms is critical to the prosperity of rural people and places as these farms account for approximately 92 percent of all farms in the U.S. Therefore, the program will also foster interdisciplinary studies to enhance income accruing to small and medium-sized farms through value-added activities and in turn, their contribution to rural prosperity.

To meet these identified needs of agriculture, the long-term (10 year) goals for this program are: increase the value of agricultural products sold per farm by small and medium-sized farms through the adoption of environmentally sustainable, economically viable best management practices; increase the share of the food dollar accruing to the small and medium-sized farms and to rural communities by creating on-farm value added activities based on enhanced knowledge of the interactions between changing consumer needs, environmental and economic viability; and adopt sustainable practices that will enhance the economic value of the land, operated by small and medium-sized farms, in agricultural use.

FY 2009 Priorities for Integrated Projects – Applicants must address at least one of the following priorities. Research and Education or Research and Extension:

1. Increasing the productivity and profitability of new and existing small and medium sized farms, including forestland and ranches, through education and extension programs based on new knowledge generated by research on factors that advance the economic and environmental integration of on-farm agricultural production and soil and water conservation practices.

2. Identification and dissemination of information to enhance the net economic, environmental and social benefits to small and medium-sized farms of on- and off-farm agricultural business activities, including impacts of innovative marketing and regional food systems, off-farm employment, development of new markets/applications for materials derived from thinning of forestlands, etc.

Research and Education:

3. Through innovative research-based education projects enhance the understanding of students and current and future policymakers, farmers and others on how land use change, farm entrepreneurship, farm transition and farm entry issues affect the prosperity of small and medium-sized farms.

Other Key Information

- **This is an integrated program. Please refer to Part III, A for eligibility criteria.**

- Project proposals must include at least two of the three components of the agricultural knowledge system (i.e., research, education, and extension). Each component should be represented by one or more objectives within the proposal. Projects must budget sufficient resources to carry out the proposed set of research, extension and/or education activities, with **no more than two-thirds** of a project's budget being allocated to a single knowledge area. Please see Part II.C.2 for a full listing of integrated project requirements, which should be followed closely to ensure success in the peer review process.

- Please see Part IV, A. for the criteria that will be used to evaluate integrated proposals. Applicants are also encouraged to see http://www.csrees.usda.gov/funding/integrated/integrated for an example of an integrated proposal and other grant-writing resources.

- Applications must include the elements of a logic model detailing the activities, outputs, and outcomes of the proposed project. This information may be provided as a narrative or formatted into a logic model chart. The logic model planning process is a tool that should be used to develop your project **before** writing your proposal. Two additional pages are allowed for this information. More information and resources related to the logic model planning process are provided at http://www.csrees.usda.gov/funding/integrated/integrated_logic_model.html.

- The AFRI encourages integrated projects that develop content suitable for delivery through eXtension. This content is for "end users" as opposed to staff development and must align with the eXtension Guiding Principles, Implementation Plan and other requirements as presented at

http://about.extension.org/university-researcher/. Funds may be used to contribute to an existing Community of Practice or to form a new Community of Practice as appropriate.

- The AFRI encourages integrated projects that lead to measurable, documented changes in learning, actions or conditions in Family and Consumer Sciences disciplines and/or projects suitable for 4-H audiences and stakeholder groups while meeting identified program priorities. 4-H projects should align with 4-H Mission mandates of Science, Engineering, Technology, Healthy Living or Citizenship. See guiding principles at http://www.national4-hheadquarters.gov/ <http://www.national4-hheadquarters.gov/ or contact your university Cooperative Extension headquarters or Family and Consumer Sciences State Leaders.

- The Agricultural Prosperity for Small and Medium-Sized Farms program encourages projects that enhance project staff, including graduate student, interactions with teachers in K-12 schools to share their research findings, improve communication and team building skills, enhance curriculum for and enrich learning and interest in agricultural science education among K-12 students (including social sciences), and help strengthen partnerships between institutions of higher education and local school districts

- Applications should be interdisciplinary and focused on the economic profitability and the environmental sustainability of small and medium-sized farms.

- Applications that focus on community development activities not directly related to agriculture should be directed to the Rural Development Program., which anticipates accepting applications in FY 2010. Applications not focused on the profitability and viability of small and medium-sized farms should not be directed to this program.

- Applications that do not address at least one of the stated integrated program priorities will not be reviewed.

- If a project is funded, beginning in the first year of funding, the project director will be required to attend annual investigator meetings. Reasonable travel expenses should be included as part of the project budget.

c. Rural Development

Program Code - 96260
National Program Leaders – Dr. Suresh Sureshwaran (202-720-7536 or ssureshwaran@csrees.usda.gov)
Total Program Funds – approximately $4.6 million
Proposed Budget Requests – **Not accepting applications for FY 2009**
Letter of Intent – Not required for this program.
Application Deadline – Rural Development program will not be offered in FY 2009. This program will be offered in alternate years and anticipates accepting applications for the first time in FY 2010.

Background
During the last 30 years, dramatic social, economic, and technological changes have occurred in many rural areas in the United States. Although farming, including forestry, continues to be an important source of income, most of rural America is moving from agrarian to post-agrarian economies. Some communities are facing economic decline and rural exodus, while other regions, especially coastal and mountainous areas, have experienced increased economic growth and new resident influx. However, these changes have not benefited all rural people.

Despite decades of intervention and billions of dollars in public investment, many rural residents have a lower quality of life than many urban residents. Economic development and employment have been hampered by the lack of trained workforce, entrepreneurship skills, public services, and sufficient market size for the provision of some goods and services. Rural poverty remains as one of the most difficult social problems facing legislators and other public policy makers. Some industrial development strategies have adversely affected the environment and the long term sustainability of viable economic development. In addition, population gain driven by migration has increased

diversity. The influx of migrant labor and senior citizens, as well as the exodus of educated youth may have exacerbated the decrease in economic vitality and increased poverty in some rural communities.

To meet these identified problems and opportunities of rural development, the long-term (10 year) goal for this program is to help develop sustainable rural communities through integrated projects focused on: 1) enhancing economic vitality of rural communities and, in turn, reduce rural poverty; 2) protecting and enhancing economic growth and the natural resource base of rural areas by developing strategies that reduce the competition between economic growth and the environment; and 3) building a diversified workforce to meet the needs of the present and for the future.

FY 2010 Priorities for Integrated Projects – Applicants must address at least one of the following priorities.

1. Enhance knowledge, evaluate policy options, and implement practical strategies to create employment opportunities and income growth, including appropriate entrepreneurship and small business development strategies (especially agribusinesses that enhance the sustainability of agriculture and forestry).

2. Estimate the costs, benefits, and societal impacts of protecting the environment, using market and non market techniques, and implement practical strategies to enhance ecosystem services while promoting economic development and employment growth.

3. Enhance understanding of and develop innovative strategies to build the rural workforce for the present and for the future, including projects to attract and retain rural youth.

Other Key Information

- **This is an integrated program. Please refer to Part III, A for eligibility criteria.**

- Project proposals must include a research component and either an extension or education component. It may also contain all three components of the agricultural knowledge system (i.e., research, education, and extension). Project proposals may not consist of a combination of only education and extension components. Each component should be represented by one or more objectives within the proposal. Projects must budget sufficient resources to carry out the proposed set of research and extension or education activities, with **no more than two-thirds** of a project's budget being allocated to a single knowledge area. Please see Part II.C.2 for a full listing of integrated project requirements, which should be followed closely to ensure success in the peer review process.

- Please see Part IV, A. for the criteria that will be used to evaluate integrated proposals. Applicants are also encouraged to see http://www.csrees.usda.gov/funding/integrated/integrated for an example of an integrated proposal and other grant-writing resources.

- Applications must include the elements of a logic model detailing the activities, outputs, and outcomes of the proposed project. This information may be provided as a narrative or formatted into a logic model chart. The logic model planning process is a tool that should be used to develop your project **before** writing your proposal. Two additional pages are allowed for this information. More information and resources related to the logic model planning process are provided at http://www.csrees.usda.gov/funding/integrated/integrated_logic_model.html.

- The AFRI encourages integrated projects that develop content suitable for delivery through eXtension. This content is for "end users" as opposed to staff development and must align with the eXtension Guiding Principles, Implementation Plan and other requirements as presented at http://about.extension.org/university-researcher/. Funds may be used to contribute to an existing Community of Practice or to form a new Community of Practice as appropriate.

- The AFRI encourages integrated projects that lead to measurable, documented changes in learning, actions or conditions in Family and Consumer Sciences disciplines and/or projects suitable for 4-H audiences and stakeholder groups while meeting identified program priorities. 4-H projects should align with 4-H Mission mandates of Science, Engineering, Technology, Healthy Living or Citizenship. See guiding

principles at http://www.national4-hheadquarters.gov/ <http://www.national4-hheadquarters.gov/ or contact your university Cooperative Extension headquarters or Family and Consumer Sciences State Leaders.

- Integrated projects that identify and recruit undergraduate students for pipelining into graduate programs in rural development or related disciplines are particularly encouraged. Such training and experiential learning component must go beyond the level of laboratory or other data collection and analysis projects. Examples of education projects include curriculum and/or degree program development in rural development, multi-college/university/department approaches to mentoring and experiential learning in rural development, faculty sharing, and joint degrees. The education component is expected to describe institutional resources and must clearly indicate how and why the proposed new curriculum or degree will complement, enhance, or replace any existing curriculum or programs at the institution and help promote rural development. Projects should also include plans for assessment and performance outcome measurement for continuation or expansion beyond the period of USDA support and potentially for tracking of participant accomplishments after course completion.

- Interdisciplinary applications focused on the creation of sustainable rural communities by protecting the environment, reducing poverty, and enhancing community economic vitality are strongly encouraged.

- Applications that focus on small and medium-sized farms and not directly related to the larger rural community should be directed to the Agricultural Prosperity for Small and Medium-Sized Farms program. Applications not focused on rural community development should not be directed to this program.

- Applications that do not address at least one of the stated integrated program priorities will not be reviewed.

- If a project is funded, beginning in the first year of funding, the project director will be required to attend annual investigator meetings. Reasonable travel expenses should be included as part of the project budget.

E.7. Rapid Response Food and Agricultural Science for Emergency Issues

Program Code - 97100
National Program Leader – Dr. Mark Poth (202-401-5244 or mpoth@csrees.usda.gov)
Total Program Funds - $1,000,000
Proposed Budget Requests –

- Proposed integrated or research project budgets must not exceed $250,000 (including indirect costs) for a project period up to 2 years.
- Requests exceeding the budgetary guidelines will not be reviewed.

Letter of Intent Deadline – Immediately; see Part II, F for format and submission instructions.
Anticipated Application Deadline – Submit any time from the time of release of the Request for Applications to July 30, 2009 (5:00 P.M., ET); the firm deadline will be made available in the AFRI RFA. Applications will be reviewed and considered as they are submitted on an ongoing basis.

Background
Issues such as pathogens in packaged spinach or the loss of honey bees due to colony collapse disorder can cause immediate problems for agriculture. This program is a mechanism to rapidly provide the science necessary to more effectively respond to important emergency issues vital to agriculture, food science and related natural and human resources. The issues addressed by the program will be of an urgent and time sensitive nature and have a dramatic impact on agriculture, the food system or related resources. Considerable effort in working with stakeholders goes into structuring the programs and priorities for the Agriculture and Food Research Initiative (AFRI) Request for Applications (RFA) across the six emphasis areas. However, as time moves on there are emergency issues in agriculture and food science that are so critically important that a rapid response —before the next AFRI RFA release (i.e. FY2010) — is justified. This program is designed to meet that need.