

**Issue:**

South Dakota State University's College of Agriculture and Biological Sciences has faced state and federal budget cuts over the past three years amounting to \$4 million.

The priorities of SDSU remain teaching, research, extension, and service, in that order. A legislative pattern of cutting the Cooperative Extension Service and Ag Experiment Station budgets is forcing the college to significantly alter its approach in each of those four areas.

**Background:**

When the Morrill Land Grant College Act became law on July 2, 1862, its goal was to promote collegiate education for the “industrial classes” in the practical fields of agriculture and the mechanic arts (engineering), without neglecting “classical studies” (the liberal arts) and including military tactics. It did so by investing public resources — in this case, federal land — to provide the financial underpinning that would make college accessible to the “sons of toil.”

The Dakota Territorial Legislature founded South Dakota State University in 1881 as the state's Morrill Act land-grant university. The Agricultural Experiment Station was added to the university in 1887 under the federal Hatch Act to conduct research that "concerns agriculture and the home." The Cooperative Extension Service was added in 1914 by the Smith-Lever Act to "provide information to the people of the State."

Some would suggest that the combination of unbiased, research-based information produced by the Agricultural Experiment Station, delivered to farmers and ranchers by the Extension Service, helped transform American farming from a culture based on tradition and trial and error to one based on sound science.

According to USDA's Economic Research Service, "Over the last several decades, the U.S. agricultural sector has sustained impressive productivity growth. The Nation’s agricultural research system, including Federal-State public research as well as private-sector research, has been a key driver of this growth. Economic analysis finds strong and consistent evidence that investment in agricultural research has yielded high returns per dollar spent. These returns include benefits not only to the farm sector but also to the food industry and consumers in the form of more abundant commodities at lower prices. While studies using different methods and coverage give a range of estimates of returns to agricultural research, there is a consensus that the payoff from the government’s investment in agricultural research has been high."

A national study conducted in 2009 found that each dollar invested in agricultural research in South Dakota generates a social benefit of \$13.55. Additionally, each dollar South Dakota appropriates for research generates an additional \$3.60 from other sources.

Budget cuts have occurred in the following areas over the past three years:

Agricultural Experiment Station	\$1,935,827
Cooperative Extension Service	\$1,545,000
Academic programs	<u>\$ 675,000</u>
TOTAL	\$4,155,827

Cuts to the academic programs mean increased tuition, contract changes for teaching staff, eliminating some courses and offering other courses less often, and increasing the number of students in each class.

Cuts in the Cooperative Extension Service have been addressed by restructuring office locations and staff, and by relying more on technology to deliver services.

Cuts in the research area have led to closing the Highmore Experiment Station (the state's oldest) and the Miller Cow Camp (the newest).

Cuts in services have led to closing the Olson Station Biochem Lab and the Soils Lab.

While investments from commodity groups help fund specific research projects, cuts in state and federal funding are eroding the base budget and limiting future opportunities.

### **SDFB Policy:**

#### **Ag Education & Research**

- We support the upgrade of the Animal Disease Research and Diagnostic Laboratory (ADRDL) at South Dakota State University to include a Bio-Security Level 3 (BSL 3) Laboratory and encourage the state legislature to provide adequate funding for its construction.
- We encourage development of ag processing in the state including livestock, grain and other commodities.
- We oppose creation of a value-added ag fund generated from a one-cent sales tax.
- We support the use of ink made from soy oil.
- We support the use of biodegradable packaging materials made from ag products.
- We support adequate funding for vocational agriculture programs and encourage curricula that project farming and ranching as a business, not just a way of life.
- We support the Cooperative Extension program, 4-H and FFA. Local Farm Bureau boards should coordinate with county extension boards to determine the best local programs.
- The Ag In the Classroom project should be governed by a board of directors elected from the dues-paying members of AITC. Supplemental funding for the project should be included in the budget of the South Dakota Department of Agriculture.
- We encourage programs to educate consumers regarding the safety, value and health benefits of biotechnology and irradiated foods.

### **Questions:**

- 1) SDFB Policy does not address publicly-funded research. Do we want any policy on this issue?
- 2) Some groups and individuals are talking about placing a tax on products used within agriculture, and dedicating the revenue specifically to public ag research. Would you support that effort?
- 3) Are there other ideas on potential funding sources for agricultural research?