

# The Future for Extension Farm Management Economists: The Director's Cut

John Lawrence, Gregg Hadley, and Jason Henderson

*JEL Classifications: Q10, Q16*

*Keywords: Administration, Extension, Farm management*

And now for a different perspective. We are three North—Central Region extension directors, all agricultural economists, who worked in extension and outreach roles early in our careers—Hadley and Lawrence were state specialists and Henderson worked for the Kansas City Federal Reserve Bank. We conducted and published applied research, collaborated within the profession and with colleagues in other disciplines, and developed and delivered educational publications, decision tools, and presentations to adult learners. We drove thousands of miles, gave hundreds of interviews, and ate countless buffet dinners. Now we want to share our perspectives on a changing agriculture, academia, extension, and the future for extension farm management economists.

Like all good economists, we will start with our assumptions:

- Agriculture will trend along two paths: (i) commodity production driven by efficiency, lowering costs, and consolidation and, (ii) differentiated product supply chains defined by actual or credence attributes that must contain cost but can influence prices received.
- State and federal support for higher education and extension will continue to decline in real dollars, and faculty salaries will continue to increase in a competitive labor market for economists. Extension will face increasing demands to provide evidence of a return on public investment, a role that agricultural economists with skills in cost-benefit analysis can provide.
- Private sector competition to provide farmers with data management and decision support tools and services will continue to grow.

## What Will Extension Farm Management Economists of the Future Do?

Many of the traditional farm management questions about land values, leasing practices, machinery investment, and enterprise analysis are still likely to be asked in the future. However, the complexity of the decisions—as well as how farmers get information and how extension is organized—will change how farm management economists address these questions.

- In addition to educating and informing farmers and private sector service providers, extension farm management economists have a long history as policy advisors. Providing objective, well-reasoned, but often rapid responses to proposed legislation or regulations is a vital role for economists. Objective analysis, identifying unintended consequences, and evaluating resource allocation decisions is what we do well.
- Effective extension education is built on trust and relationships. Individual farmers and agribusinesses, NGOs representing agriculture, natural resources and environmental interests, and governmental agencies are more likely to call upon individuals they know and trust. Even in the social media age, reputation and trust are currency to followers. It takes time and visibility, sincere interest, and sound

objective analysis to build trust with stakeholders. While not every extension economist can be an expert on all issues, those who have established trust can serve as a bridge between stakeholders and their research colleagues that have the necessary expertise but are unknown to the relevant parties on the issue.

- As competition to serve farmers from the private sectors and NGOs grows, there is still an important role for extension economists as analysts and educators. Farmers may receive information from a supplier, consultant, or organization, but extension is often the farmer's first second opinion, as unbiased research-based analysis is valued. In many cases, extension specialists were the original source of the information dispensed by others. Also, as educators, extension economists can make our clients better consumers of the information that we and others provide. Extension can provide farmers and land owners the tools and skills to evaluate data and make their own informed decisions.
- Applied research and agriculture related extension education are often location based. Weather, soil, infrastructure, and culture impact risk and optimal decisions. Farm management economists must understand and factor these local variables into their analysis and often help integrate colleagues on interdisciplinary teams toward optimal solutions. However, unlike agronomists, foresters, or range managers, farm management economists can and do work across state and ecosystem lines. If the delivery method is limited to in-person presentations, then sharing is limited. If industry knowledge and effective educator skills are paramount, then specializing and trading makes more sense to the extension system and the end users, particularly given digital delivery. Administrators have a role in lowering barriers to collaboration or providing an incentive structure that encourages multistate collaboration that benefits extension economist as well as constituents.
- Farm management economists could more easily "advise from the podium" about cost minimization and managing risk when educating farmers who grow relatively homogeneous crops and livestock in commodity agriculture systems and face similar management decisions. As farmers have increasingly more data from multiple layers of GIS technology, decisions are more individualized, and the educational focus must return to how to make decisions rather than providing answers. Successful managers of the future will have these skills, but the complexity of the data and questions will require refinement of decision support tools for economic analysis.
- How will extension farm management information and education reach end users? Much of the focus is on the future of PhD agricultural economists who will continue to write, present, and tweet to followers. Traditionally state specialists have trained the trainers, the county agents or educators who educate local farmers. As agriculture has become more consolidated and sophisticated, fewer farmers go to their county office for farm management information. Farm management economists may have their own followers, but they will need to collaborate with county staff to build the capacity needed to deliver sound farm management decision to a broader farm base. These collaborations will allow faculty to conduct the next round of applied research to underpin the next wave of educational programs.
- As mentioned above, extension is increasingly asked to show a return on investment of public funding. Farm management economists will have to better report their impact but are also well positioned to help agricultural extension more broadly identify the value provided to stakeholders and society from extension programming.

## Balancing the Farm Management Portfolio

It's been said that farmers have problems and universities have departments. As administrators look at the needs of farmers, landowners, and agribusinesses in our states and the resources within our extension system available to them, we may take a broader view to balance our farm management portfolio. If agricultural economics graduate programs focus solely on accepting and producing quantitative researchers, how will extension farm management needs be met as extension seeks to provide relevant programming to stakeholders? One approach is that the skills needed may be broader than one degree or one profession. Another approach is that the profession and departments continue to produce PhDs for the extension market.

- As operations expand in scale and scope, human resources and organizational structure become increasingly important farm management issues. As few ag economists are trained in these fields, should extension be hiring into farm management positions from business or law schools?

- Farmers in differentiated supply chains face different management decisions. Cost minimization and risk management are still important, but so are contract analysis, quality management systems, food safety regulations, documentation of production or product specifications, investment in further processing, brand development, and logistics. While microeconomic decisions are at the core, business school tools and thinking may also come into play.
- Extension has always played a translational role between research and application and farm management economists with split extension appointments do both the research and translation. In addition, the development and translation of new research, highly valued extension publications, such as budgets, cash rent and custom rate surveys, marketing strategies, crop insurance analysis and other analyses that are updated annually are still needed. Master's-trained agricultural economists who support this work are efficient complements to research/extension faculty in the extension farm management team.

## From Where Will Future Extension Economists Come?

When it comes to recruiting people into extension, one challenge that economists have that other disciplines do not is that we teach opportunity cost and net present value to our students. Thus, our best and brightest understand their value and are often attracted to the private sector without considering the rewarding career and lifestyle of extension and academics. We provide them great analytic and problem-solving skills that are in demand by employers, then struggle as universities to compete on salary alone.

In addition to tenure-track PhD faculty positions, extension also needs economists trained at the master's or PhD level to do applied research, create decision tools, educate stakeholders, work with media, and serve as regional farm management specialists. Departments and extension systems will continue to balance their portfolio between tenure-track and staff positions and between cutting edge research and timely and relevant applied analysis. The challenge remains: Who will produce extension economists? Successful extension programs are built on strong research. If future extension economists are highly valued coproducts of exceptional research programs, then departments should be intentional about producing these applied economists. As such, they will have comprehensive admission criteria, provide necessary communication skills and experiences, and have current extension faculty to advise and fund graduate students.

Once we hire economists to do extension work, mentoring is essential. Unlike research faculty, who may be granted a lighter teaching load to get papers into the journal mill, extension economists need to build their network, recognition, and trust among collaborators and stakeholders as well as start their research programs. Finding that balance between published research and public recognition among stakeholders is essential.

Regardless of the position or the years of training needed to be an extension farm management economist, we must get extension on students' radar early if we hope to attract them to extension. Why not identify students of all walks of life that have a calling for public service and steer them toward extension rather than engaging the grad students as they are entering the job market to think about an extension opening? Instructors in Principles of Economics want "real life" examples of economics in action for their class. Look no further than extension economists to showcase real world economics that impacts private decisions and public policy. We must start earlier to have students consider academia as a career option so they get on a grad school track.

Faculty play a big role in students' career choices. Reach out to students with the interest and skills for extension and have the talk about academia as a career. Direct them to the extension faculty in your department who will hire them to assist with routine analysis and cultivate their interest in extension economics and academics more generally. If the extension faculty say they don't have the resources to hire a future extension specialist, tell them to call their extension director. Most are investing in the pipeline of future extension professionals and may be willing to support undergraduate and graduate extension assistants.

**Author Information**

John Lawrence ([jdlaw@iastate.edu](mailto:jdlaw@iastate.edu)) is Vice President for Extension and Outreach, Iowa State University, Ames, IA.

Gregg Hadley ([ghadley@ksu.edu](mailto:ghadley@ksu.edu)) is Director of Extension, Kansas State University, Manhattan, KS.

Jason Henderson ([jhenderson@purdue.edu](mailto:jhenderson@purdue.edu)) is Director of Extension, Purdue University, West Lafayette, IN.

---

©1999–2019 CHOICES. All rights reserved. Articles may be reproduced or electronically distributed as long as attribution to Choices and the Agricultural & Applied Economics Association is maintained. Choices subscriptions are free and can be obtained through <http://www.choicesmagazine.org>.