

Bringing **people** together

**Building knowledge**



*Annual Report*

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**Farm Foundation**

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## *The Mission of Farm Foundation*

Farm Foundation's mission is to improve the economic and social well being of U.S. agriculture, the food system and rural communities by serving as a **CATALYST** to assist private- and public-sector decision makers in identifying and understanding forces that will shape the future.

**CONSTRUCTIVE  
DIALOGUE.  
OBJECTIVE  
ANALYSIS.  
INNOVATIVE  
IDEAS.**

# From the Chairman and President

Farm Foundation is a catalyst spurring industry, government and academic leaders to identify and discuss critical issues facing the food system and rural communities.

In the 2007 fiscal year, this catalytic action took many forms. It was a handful of researchers comparing their complex and diverse work on invasive species and foreign diseases. It happened over coffee, lunch or dinner at conferences on economic modeling, dairy policy or trade issues. It happened when editors, publishers and reporters convened to discuss their role in enriching rural communities with information.

Two topics dominated in FY2007—energy and the next federal farm legislation. Continuing the work undertaken in the area of energy, Farm Foundation conferences explored risk management issues related to energy, and examined the future of biofuels and this new industry’s potential impacts on food and feed sectors. These programs provided objective analysis of issues shaping this growing industry, drawing from the expertise and experience of farmers, ranchers, agribusiness executives, energy executives, government leaders and academics.

Farm Foundation’s 2007 Farm Bill Forums continue to provide an opportunity for all stakeholders to voice an opinion, challenge proposals and hear new ideas. In these open discussion sessions, lobbyists, commodity group leaders, agribusiness leaders, government agency officials and representatives of other nations have examined the issues

Congress will debate in writing a new farm bill. Participants represent more than 265 different organizations, highlighting the value of opportunities to discuss the issues and hear divergent viewpoints.

Regardless of how the catalytic action takes shape, the focus is the same—creating opportunities for individuals to exchange information, hear new ideas and give thought to options for the future.

The Foundation expanded its professional reaches in 2007 with the naming of its first class of Fellows. These Fellows expand the professional networks of the Foundation, bring new expertise to project work and contribute to the ongoing mission of building knowledge among public- and private-sector decision makers.

Individuals developed the concept of the Foundation into a reality more than 70 years ago. Individuals keep the Foundation timely and vibrant.

Individuals contribute human capital and financial resources to the work of the Foundation. Yet the mission of the foundation is achieved when individuals come together using the objective information and analyses of Foundation projects to make informed decisions for the future of agriculture, the food system and people of rural America.

Farm Foundation brings people together to build knowledge, energizing those individuals to address critical issues with objective analysis, constructive dialogue and innovative ideas.



*Walter J. Armbruster*

*Nic Leckebusch*

# The Leadership of Farm Foundation

Farm Foundation is directed by a Board of Trustees comprised of 29 individuals who are leaders in production agriculture, agribusiness, academia and rural communities. Trustees direct implementation of the mission of Farm Foundation by setting the program priority areas and identifying high priority topics within each. This process draws opinions and ideas from a broad spectrum of public- and private-sector leaders, and gives direction to the staff as it carries out the day-to-day work of the Foundation.

Trustees provide valuable insights on evolving issues, enhancing the Foundation's ability to respond in an appropriate and timely manner. Trustees also have a crucial role in outreach, helping to communicate Farm Foundation's unique role in serving agriculture, the food system and rural communities. Representing the diversity of audiences served by Farm Foundation, Trustees are messengers of the Foundation's work and benefits. Working together, these individuals help make Farm Foundation's mission a reality.

## Executive Committee

**Victor L. Lectenber**, Chair

**Sara Wyant**, Vice Chair

**Daniel M. Dooley**

**Barry Flinchbaugh**

**Richard Hahn**

**Greg Heying**



*The Executive Committee members (from left) Richard Hahn, Sara Wyant, Barry Flinchbaugh, Daniel Dooley, Victor Lechrenberg and Greg Heying.*

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*\* Resigned June 2006*

*\*\* Resigned December 2006*

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### Mary Thompson

Director of Communication  
and Program Manager

### Laurie Marsh

Administrative Assistant

### Vicki Liszewski

Administrative Assistant

# The Work of Farm Foundation

Farm Foundation works as a catalyst, bringing individuals together to identify complex issues, stimulate new ideas, build understanding and generate innovative alternatives to move forward. At a time when advocacy or politics are attached to most every information product, Farm Foundation stands alone as an objective organization providing analysis of economic and public policy issues vital to agriculture, the food system and rural communities.

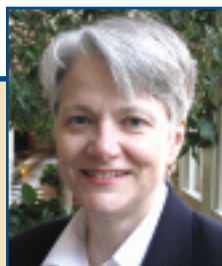
Farm Foundation brings people to a common table for productive discussions of issues and options. It stimulates thinking and challenges norms, developing potential for new approaches. It promotes new professional relationships, a groundwork for future cooperative efforts.



## Farm Foundation Fellows

This year, Farm Foundation named its first class of Fellows. Drawn from the business and academic communities, these Fellows enhance the Foundation's professional expertise in agricultural economics and the rural social sciences, strengthen program work and cultivate more robust networks within the agricultural community. As the issues of the food system and rural communities become more complex and diverse, the Fellows will help to maximize the impact of the Foundation's work.

The first class of Fellows includes Ann Bublitz of BioTech Decisions, working in the area of new technologies; Darren Hudson of Mississippi State University, working in the area of globalization; and Dawn Thilmany of Colorado State University, working in the area of rural community viability. Each fellowship is for three years. A new class of Fellows will be named in other program areas in the future.



**Ann Bublitz**



**Darren Hudson**



**Dawn Thilmany**

The Farm Foundation Board of Trustees has identified four program goals to direct the work of the Foundation:

- Identify forces of change that will shape the future.
- Stimulate education and research that increase human capital and build a body of knowledge on the forces of change and issues evolving from them.
- Foster informed dialogue and build networks to increase understanding and move toward consensus on important economic issues and public policies.
- Encourage public and private institutions to communicate to the media and the public about issues facing agriculture and people living in rural communities.



## Biofuels, Food & Feed Tradeoffs

April 12-13, 2007 | St. Louis, MO

Program goals are implemented in six Priority Areas, with High Priority Topics identified within each. Many projects overlap one or more of the six priority areas, which are:

### Environmental and Natural Resource Issues

#### Rural Community Viability

#### New Technologies

#### Globalization

#### Role of Agricultural Institutions

#### Consumer Issues



Food Product Composition,  
Consumer Health  
and Public Policy



2007  
**FARM BILL  
FORUM**

A Farm Foundation Project

*The following pages highlight the High Priority Topics for each Priority Area and profile a few of the projects from FY2007.*



# Role of Agricultural Institutions

## Objectives in this priority area are to:

Identify new institutional arrangements with the potential to serve agriculture and the food system more effectively in today's global and fast-changing economy;

Examine the role of the public sector in agricultural production, financing and marketing institutions, and in research and education in today's economy; and

Explore the changing nature of policy institutions in agriculture and private-sector production and marketing arrangements, and examine how these institutions adapt to the changing policy and social environment.

# Project Profiles

## *Funding Research and Extension to Assure the Future of U.S. Agricultural Competitiveness*

Research and outreach, primarily through the Land Grant university system, have had a significant role in productivity gains and the competitiveness of U.S. agriculture in the global food system. Over the past two decades, public funding for agricultural research and extension has declined in real dollars. Evidence now indicates the rate of growth in agricultural productivity may be declining. At the same time, some U.S. competitors are increasing public funding for agricultural research and extension programs.

Farm Foundation organized a March 2007 conference to explore the relationship between public funding of research and extension and the competitiveness of U.S. agriculture.

Leaders from agricultural organizations, Land Grant universities, federal agencies, professional societies, NGOs and the private sector examined trends and rates of growth in agricultural productivity and how research and extension affect productivity. Three options to reorganize research and extension at the federal level were presented. Research gaps and technology needs, as well as strategies for improving the impacts of research and extension in the future were also discussed.

Partnering with the National Coalition for Food and Agricultural Research (National C-FAR) and the Council on Food, Agricultural & Resource Economics (C-FARE), Farm Foundation helped brief Congressional staffers on research examining agricultural productivity trends.





## *U.S. Producer Preferences for Agricultural, Food and Public Policy*

In each farm bill cycle for more than 30 years, Farm Foundation has undertaken a series of efforts to inform the policy debate. One element is a survey of farmer/rancher policy preferences.

Released in September 2006, the latest survey—*U.S. Producer Preferences for Agricultural, Food and Public Policy*—summarized the preferences of more than 15,000 farmers and ranchers in 27 states, representing more than 60% of all U.S. farms and ranches. Producers offered their preferences on everything from farm programs and budget priorities to conservation and environmental policy, risk management and trade policy.

Survey results have been widely distributed in print and electronic formats to agribusiness leaders, Congressional staffers, NGOs, and state and federal policy leaders. Briefings on the survey were done for Congressional staff of the House of Representatives, and for the staff of the Senate Agriculture Committee. The knowledge and understanding of the survey results contribute to more informed policy decisions as Congress builds new federal farm and food legislation.

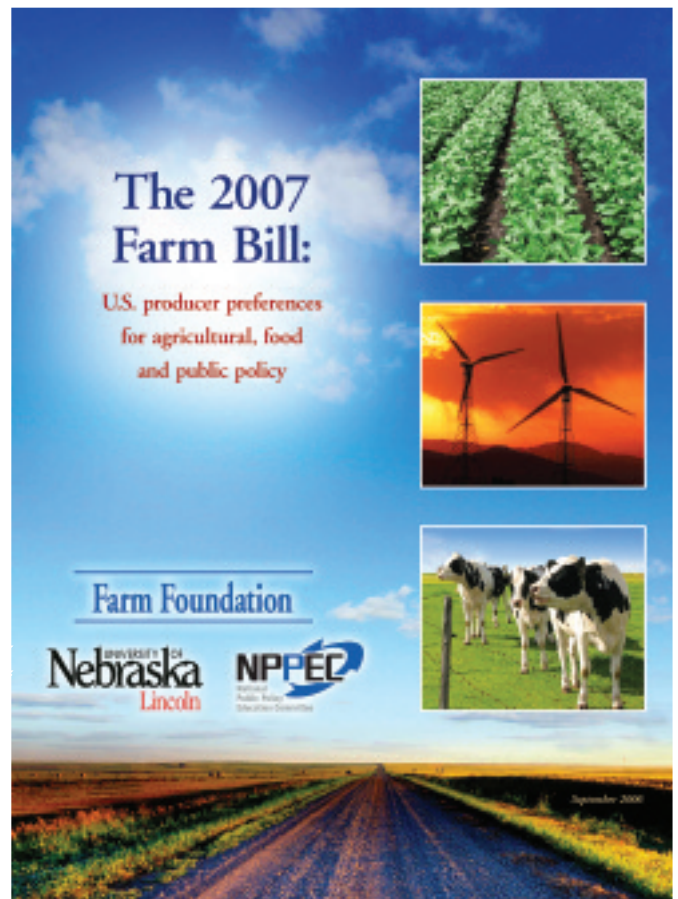
The survey work was done by state offices of the National Agricultural Statistical Service and Land Grant universities through the Cooperative Extension Service. Farm Foundation provided funding for the coordination team and for compilation of all results. State Extension services paid out of pocket costs of the survey in each state. Kansas State tabulated the survey results and designed the national survey report. Several states produced reports on their respective state results.

### *Farmer Cooperatives Conference*

For almost a decade, the Farmer Cooperatives Conference has provided a forum for cooperative board members, managers, cooperative and rural development agents, legal experts and academic researchers to exchange ideas and expertise.

Farm Foundation, the University of Wisconsin Center for Cooperatives and other cooperative partners sponsored the November 2006 conference, *Opportunities for Cooperatives: Renewable Energy and Environmental Management*, that drew more than 150 cooperative executives and board members, academics and government analysts. The annual program offers a multidisciplinary approach to timely issues—in this case the many facets of renewable energy.

This Farm Foundation partnership with the University of Wisconsin Center for Cooperatives has become the premier educational activity each year for cooperative executives and board members. These conferences impact the quality of business decisions made by farmer cooperatives, benefiting their members and the communities in which they operate. Through these conferences, Farm Foundation helps the leaders of farmer cooperatives explore new ways for their businesses to thrive in a changing agriculture.



# Rural Community Viability

## Objectives in this priority area are to:

Encourage communications and dialogue among agricultural and non-agricultural groups with a stake in the viability of rural communities;

Encourage the development of governance structures, leadership, human capital, civic engagement and regional perspectives within rural communities;

Assess the development of the demographic, economic and social changes occurring in rural America - particularly the changing linkages between agriculture, agribusiness, environmental and resource policies, urban centers and rural communities;

Explore innovative public investments that provide rural regions with the tools needed to assess their assets, diagnose their competitive advantage, and craft a strategy to develop their economic niche; and

Explore new public investments that help rural regions build and sustain a high quality of life through the development and delivery of essential public services (such as health care and education), high-speed access to the Internet and other communications technologies, and other infrastructure and services essential to attracting and retaining a high-quality pool of entrepreneurs and workers.

## Project Profiles

### *2007 Farm Bill Forum*

As Congress considers writing new farm legislation, the number and diversity of issues and stakeholders have never been greater. The sea of issues ranges from budget constraints and food safety concerns to trade issues, a growing biofuels industry, conservation programs and provisions for specialty crops.

The 2007 Farm Bill Forums are a natural outgrowth of the Foundation's mission to bring people together to identify issues and options to address those issues. Launched in February 2006, the Forums engage stakeholders in meaningful discussions of the issues expected to be debated as Congress writes the next farm bill. In these open discussion sessions, participants examine current policies, explore and analyze alternative policy proposals, and give voice to new proposals. Speakers provide brief topic summaries, with the majority of time devoted to discussion. Former Texas Congressman Charles Stenholm moderates the discussions.

More than 500 individuals have participated in one or more of the Forums, representing more than 265 organizations. Participants represent special interest groups, producer groups, agribusinesses, Congressional staffers, government agencies, embassy staffs, lenders, lobbying firms and membership groups representing food, rural and agribusiness interests. A survey indicated 86% of respondents recommended the Forums to other colleagues; 82% gained a broader understanding of specific issues; 76% benefited from discussion of new policy alternatives; and 73% reported Forum discussions influenced their thinking on policy issues.

The forums will continue as Congress wrestles with the process of writing new farm, food and rural legislation.

### *National Summit on Rural Journalism*

Through reporting and editorial leadership, news outlets reflect the fabric of a community, often times influencing how public issues are addressed. Recent research indicates increasing corporate ownership of local news outlets in rural America, decreasing attention to rural areas by metropolitan outlets, and poor performance by rural outlets in addressing issues that affect the lives of their readers, viewers and listeners.

The April 2007 National Summit on Rural Journalism examined the role of community news outlets in informing the citizenry on public issues, and helping to shape the public issues agenda of local rural communities. Presentations included the demographic landscape of rural America today, the challenges of news reporting in small communities, and how academic institutions are working to prepare journalists for the unique challenges of community-based journalism. Participants included rural editors, publishers and broadcasters, academics, community leaders and policymakers.



# New Technologies

Objectives in this priority area are to:

Explore more effective ways to articulate and measure the economic and social benefits and costs associated with the adoption of new technologies in agriculture, and the distribution of these benefits and costs among farmers, agribusiness, consumers and rural citizens;

Encourage informed dialogue on policies/programs for research funding associated with new technology and innovation commercialization; intellectual property law; mechanisms to access commercialized technologies and innovations; and privacy and data ownership concerns related to use of advanced technologies including information technologies; and

Encourage discussion and analysis of the short- and long-term impacts of federal and state laws, policies and programs on availability of new technologies and innovations, including the rate of invention and commercialization, and implications for the many stakeholders within the food system and for the competitiveness of the U.S. food system in the global marketplace.

This conference brought attention to the important role of community news outlets in informing the local citizenry on public issues and promoting civic engagement, as well as the challenges news providers face in achieving that role. Participation by experts in such areas as education, health care, economic development and the environment increased understanding of the challenges of rural journalism, and ways to support rural journalists.

The summit was organized by the Institute for Rural Journalism and Community Issues at the University of Kentucky, a multi-institutional center with partners at 16 universities in 12 states. Funding support was from Farm Foundation, the John S. and James L. Knight Foundation and the Ethics and Excellence in Journalism Foundation.

## Mid-America Rural Tour

For three days in August 2006, more than 40 representatives of commodity groups, cooperatives, NGOs and community organizations toured private and public economic development projects and conservation sites in the Midwest.

Farm Foundation led this educational tour to expand understanding of the challenges and opportunities in rural America. Project partners were USDA's Rural Development and Natural Resources Conservation Service. The stops in Iowa, South Dakota and Minnesota included a new fire station, a wind farm, ethanol plants, day care operations, community hospitals, and private businesses in pharmaceuticals, swine vaccines and livestock consulting.

Tour participants saw first-hand what it takes to achieve conservation and development, how government funds have been used, and the impact of private entrepreneurship. Participants were able to visit one-on-one with community leaders, gaining their perspectives of the issues faced. Similar tours are planned for other regions of the country.

## Agricultural Biotechnology Research: The Roles of University-Industry Relationships

Farm Foundation helped organize a May 2006 conference to showcase the findings of a national study of university-industry relationships in agricultural research. The study was funded by a \$2 million grant from the Initiative for Future Agriculture and Food Systems under USDA's Cooperative State Research, Education and Extension Service. Farm Foundation was one of the collaborating institutions for the project, which was headquartered at Portland State University.

There are benefits to private- and public-sector collaborations in agricultural research, especially in the area of biotechnology. But with those benefits come questions regarding research focus, licensing and the mix of public and private goods generated by such collaborations. This study is one of the first to document and analyze these public-private relationships and their effects on products. The report also offers policy options for stakeholders to consider as they plan agricultural and biotechnology research.



## Objectives in this priority area are to:

Examine ways in which consumer food consumption habits and markets are influenced and changed by health concerns, food safety issues, new technologies, and demographics; and how information about these market changes gets communicated to producers, and throughout the food supply chain;

Identify and examine hunger, food and poverty issues and their implications for society, agriculture, rural communities and rural people;

Explore the way risk assessment is developed and used in food safety regulation and the impacts of alternative regulatory approaches on production agriculture, food processors, retailers and consumers;

Examine how biotechnology will affect production agriculture, the supply chain and consumer well-being; and

Expand the focus of food safety analysis to include bio-security and intentional contamination of the food chain and the implications for all participants from farm to consumption.

# Project Profiles

## *Food Product Composition, Consumer Health and Public Policy*

This April 2007 conference used case studies to examine the relationship between food product composition and public policies, consumer demands, new technologies and consumer health. Specific cases studies examined sugar policy, milk-component pricing, trans fats, whole grain dietary guidelines and salt in processed foods. Industry, government agency representatives, academics and NGO representatives participated.

The array of food products available in the market, as well as their composition, change in response to market forces, including consumer demand, production costs, relative prices and new technologies. Agricultural and food policies shape these forces by making some ingredients less expensive than others, by regulating food markets and firms, by providing information to consumers, or by generating new technologies. Some changes in product content or formulation can have significant impacts on consumer diets, with possible consequences for public health. Such changes can occur without much consumer awareness, as when alternative oils are used in cookies or crackers, or high fructose corn syrup replaces sugar in soft drinks. As concern about the healthfulness of U.S. diets grows, it is timely to consider how agricultural and food policies may influence diets.

Participants examined changes made in food products, the impact on diets, and the role of policy, market forces and new technologies in motivating and facilitating the composition change. They also identified areas where additional research is needed to clarify the complex linkages among agricultural and food policies and long-term consumer health impacts.

## *3rd Annual North American Market Integration Workshop*

This workshop is one of a series examining applied, policy-oriented issues of market integration. While focused on NAFTA, the annual workshops consider the relationships and implications for trade agreements within the broader Western Hemisphere.

The 2006 workshop considered the role of NAFTA in regulatory and policy coordination, examined costs associated with a lack of regulatory coordination, and determined forces influencing the level of policy coordination under NAFTA.

Participants from Canada, the United States and Mexico represented academia, industry and government. Their discussions developed suggestions for institutional and policy changes to facilitate market integration consistent with the NAFTA objectives. Also explored were specific government actions and industry strategies to create and strengthen informal communications, develop common positions and further harmonize policies to advance integration. Summaries of the workshop discussions are widely distributed to public- and private-sector decision makers.



**Food Product Composition,  
Consumer Health  
and Public Policy**

The workshops are a partnership of Farm Foundation and the North American Agrifood Market Integration Consortium, which fosters dialogue on market integration issues in the agriculture and food sectors of Canada, Mexico and the United States.

## *Pacific Food System Outlook: The Future Role of Biofuels*

The role of biofuels in the energy security strategy of the 22 member nations of the Pacific Economic Cooperation Council (PECC) was the subject of the Pacific Food System Outlook 2006-2007 (PFSO). A project of PECC, PFSO is a collaboration of Farm Foundation, USDA's Economic Research Service, and university and government economists from the PECC countries.

According to the report, biofuel production is expanding in the region but remains a modest element within a portfolio of energy policies for each country. With the exception of the United States and China, most PECC economies have fledgling biofuel programs but plan to expand them as part of a broader portfolio of energy policies. Those portfolios also include promotion of energy conservation, development and promotion of more efficient uses of energy, and expanded production of oil, alternative energy sources and non-conventional fossil fuels. The potential rewards of biofuels depend on the natural resources and economics of each country, and the commitment of policymakers and citizens to implement needed strategies. Key strategies identified in the report center on policy commitments, economy-specific strategies and the sharing of technology.

The PFSO report was released in Hanoi, Vietnam, at the annual meeting of Asia Pacific Economic Cooperation (APEC) Ministers.

## *The Economics of Invasive Species Management*

Expanding trade of agricultural products worldwide increases the potential for the spread of pests and diseases that can result in significant economic damage to crops and livestock. Increasing concentration of some livestock sectors also creates concern about biosecurity issues. Understanding the economics of managing invasive species and diseases is important in developing and implementing policy tools.

Farm Foundation collaborates with USDA's Economic Research Service (ERS) to bring together researchers on issues related to the economics of invasive species management. Each of the researchers has been awarded funding under ERS's Program for Research on the Economics of Invasive Species Management. The annual conference is an opportunity to review progress on research, provide ideas to strengthen the work, and identify future research needs. The 2006 conference focused on animal disease invasions, as well as invasive plant species. Long-term, the work will improve efficiency in managing invasive species or animal disease invasions, or preventing their introduction, and provide information needed to create effective policy tools.

### Objectives in this priority area are to:

Explore the economic impacts (benefits and costs) of international commerce in agricultural/food products on farmers, consumers, resources, agribusiness and rural communities;

Understand the longer-term policy, technology, demographic, and resource cost/availability challenges and opportunities for food firms, producers, and rural communities associated with changes taking place in the global food system;

Evaluate the impact of U.S., foreign, and multinational political institutions, organizations and economic policy on international commerce in food, fiber and other natural resource products; and

Examine the impact of enhanced bio-security measures and border inspection protocols on global trade and the food chain, with special emphasis on interdiction of plant pests and animal diseases.

PACIFIC ECONOMIC COOPERATION COUNCIL

PECC

PACIFIC FOOD SYSTEM OUTLOOK 2006-2007

THE FUTURE ROLE OF BIOFUELS

# Environmental and Natural Resource Issues

## Objectives in this priority area are to:

Examine the spectrum of relationships among food, fiber and renewable energy production, environmental quality, sustainability of ecosystems, and land use patterns, including the geographic distribution of crop and livestock production in the United States and around the world;

Improve understanding of the changing concept of public and private property in society as related to production agriculture, natural resources and environmental quality;

Explore the consequences of alternative public- and private-sector approaches to natural resource policy, management and regulation; and

Monitor implications of the conservation systems approach to agricultural policy embodied in the 2002 farm bill and state conservation programs, and assess their impacts on production practices and environmental quality.



## Project Profiles

### *Biofuels, Food and Feed Tradeoffs*

Energy issues have dominated the national economic landscape, including agriculture, for years. Farm Foundation has organized four conferences on the topics related to agriculture as a user and producer of energy. Two took place in FY2007—*Biofuels, Food and Feed Tradeoffs* and *Energy from Agriculture: Managing the Risk*.

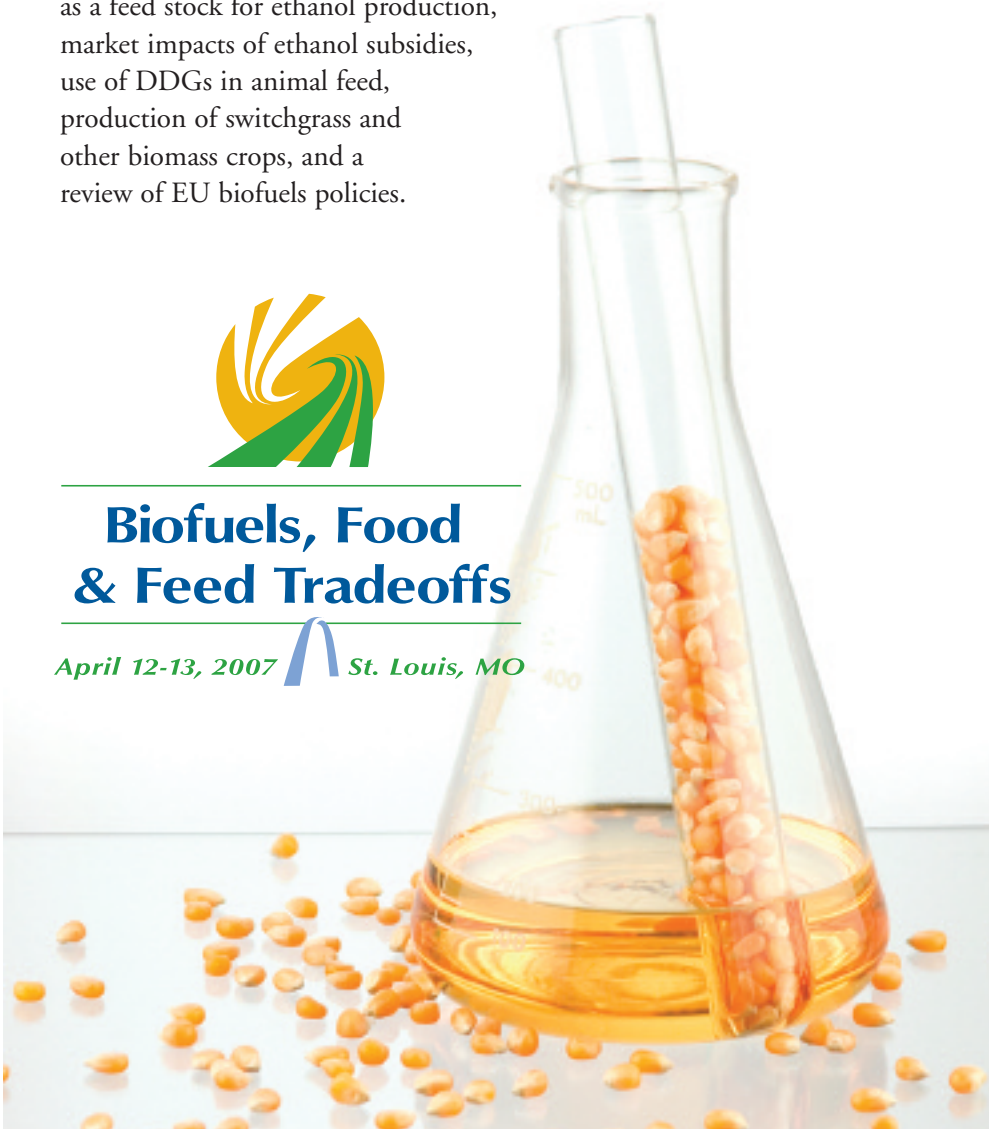
The rapid growth of the biofuels industry has raised concerns about the potential impacts on global markets for food grains and feed grains, as well as resource use. More than 170 individuals from producer groups, agribusiness, the energy industry, government agencies and academia participated in an April 2007 conference examining these issues. Farm Foundation organized the conference with USDA Rural Development and the USDA Office of Energy Policy and New Uses.

*Biofuels, Food and Feed Tradeoffs* focused on findings from government and academic economic models examining the impacts of the biofuels industry on other facets of agriculture and the economy at large, domestically and globally. Other presentations provided analysis of policy options, industry efforts to increase crop productivity, use of sugar cane as a feed stock for ethanol production, market impacts of ethanol subsidies, use of DDGs in animal feed, production of switchgrass and other biomass crops, and a review of EU biofuels policies.



## Biofuels, Food & Feed Tradeoffs

April 12-13, 2007  St. Louis, MO



*Energy in Agriculture: Managing the Risk* was a June 2006 conference organized by Farm Foundation in collaboration with USDA's Risk Management Agency and the USDA Office of Energy Policy and New Uses. More than 100 industry leaders examined tools producers might employ to manage the risks of energy price fluctuations, and what new tools might need to be developed.

Previous Farm Foundation energy conferences took place in June 2004 and December 2005. A survey of participants in those conferences indicated 82% shared information with professional colleagues; 51% talked about energy/agricultural policy to a government official or trade association; and 28% made business decisions based on the information received at the conferences.

### *2nd National Water Quality Conference*

This May 2006 conference examined the use of credit trading to meet water quality standards and improve water quality in the United States. Credit trading is an alternative and supplement to more traditional command and control regulatory approaches. It has the potential to improve water quality with more efficient uses of human, financial and natural resources.

Farm Foundation partnered with the USDA Natural Resources Conservation Service and the U.S. Environmental Protection Agency to organize the event, which drew more than 350 people from across the country. Participants included farmers and ranchers, farm organization representatives, conservation district staff and directors, conservation organizations, environmental organizations, water treatment plant managers, and all levels of government officials involved in water quality protection and improvement.

The conference was an opportunity for participants to gain a greater understanding of this new water quality tool, and to exchange ideas and experiences with a variety of stakeholders.



# Farm Foundation Round Table

Farm Foundation builds knowledge by developing networks of individuals to promote discussion and interaction among diverse parties—producers, researchers, agribusiness leaders, community leaders, regulators, interest groups and policymakers. The Farm Foundation Round Table is one of the longest-running of these networking programs.

The Farm Foundation Round Table is an invitational discussion forum comprised of agricultural and agribusiness leaders from across the food chain and across North America. These leaders meet twice yearly to examine current and developing issues. Programs are designed to explore ideas, analyses and insights that participants may use in their own work.

The Round Table's June 2006 meeting in Wichita, Kansas, examined the future of energy from agriculture. Trade issues and the 2007 farm bill were the focus of the January 2007 meeting in Ponce, Puerto Rico.

The Round Table is governed by a 12-member Steering Committee. Members of the Steering Committee are:

**Thayne Larson, *Chair***

**John Hardin, *Vice Chair***

**Joe Brasher**

**Reg Gomes**

**Jim Lerwick**

**Gary MacDonald**

**Cecil Medders**

**Madeline Mellinger**

**Rob Robinson**

**Mark Scholl**

**Randy Smith**

**Patrick Takasugi**



*Round Table Steering Committee Members (from left)  
Jim Lerwick, Reg Gomes and Gary MacDonald*

## Round Table Membership

### **Duane Acker**

TALYCOED II  
Atlantic, IA

### **Chuck Ahlem**

Hilmar Cheese Company  
Hilmar, CA

### **JoAnn Alumbaugh**

Farms.Com  
Linden, IA

### **Vincent Amanor-Boadu**

Kansas State University  
Manhattan, KS

### **Eric Anderson**

Ione, OR

### **Bruce Andrews**

Andrews & Associates Consulting LLC  
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### **Jay Armstrong**

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### **Philip A. Ashcraft**

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### **Varel G. Bailey**

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Anita, IA

### **Gary H. Baise**

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### **Emmett Barker**

Emmett Barker & Associates  
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### **Sandra S. Batie**

Michigan State University  
East Lansing, MI

### **Frank L. Bauer**

Bulgarian-American Enterprise Fund  
Chicago, IL

### **William T. Boehm**

Kroger Manufacturing  
Cincinnati, OH

### **Michael Bowman**

Bowman Family Farms  
Wray, CO

### **Joe Brasher**

First State Bank  
Sharon, TN

### **Michael Brubaker**

Pennsylvania State Legislature  
Harrisburg, PA



**Robert Buker**

U.S. Sugar Corporation  
Clewiston, FL

**Robert V. Call**

Call Farms/My-T Acres, Inc.  
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**Karla Chambers**

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**David L. Chicoine**

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**James A. Christenson**

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**Herbert (Hub) Daniel**

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**Mark L. Darrington**

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Declo, ID

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Dooley, Herr & Peltzer, LLP  
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**Becky Doyle**

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# Financial Highlights

## Statement of Position For Fiscal Years Ended April 30a

|                                  | <b>2006b</b>      | <b>2007c</b>      |
|----------------------------------|-------------------|-------------------|
| Cash                             | 95,603            | 115,310           |
| <b>Securities</b>                |                   |                   |
| Vanguard REIT Index Fund         | 1,390,687         | 1,678,730         |
| Vanguard Int'l Stock Index Fund  | 1,524,132         | 1,770,109         |
| Vanguard Stock Market Index Fund | 13,642,408        | 13,717,827        |
| PIMCO Total Return Fund          | 8,446,115         | 9,385,449         |
| PIMCO Low Duration Fund          | 406,302           | 403,686           |
| <b>TOTAL ASSETS</b>              | <b>25,505,247</b> | <b>27,071,111</b> |

## Statements of Activities For Fiscal Years Ended April 30a

|  | <b>2006b</b>     | <b>2007c</b>     |
|--|------------------|------------------|
| <b>REVENUES AND GAINS</b>                        |                  |                  |
| Dividends and interest                           | 699,081          | 866,253          |
| Net realized and unrealized gains on investments | 2,278,972        | 2,134,859        |
| Investment expenses                              | (9,338)          | (9,556)          |
| <b>NET INVESTMENT RETURN</b>                     | <b>2,968,715</b> | <b>2,991,556</b> |
| Gifts  | 577,163          | 371,279          |
| <b>TOTAL REVENUE AND GAINS</b>                   | <b>3,545,878</b> | <b>3,362,835</b> |
| <b>PROGRAM AND OPERATING EXPENSES</b>            |                  |                  |
| Administration                                   | 268,900          | 339,770          |
| Development                                      | 145,434          | 142,348          |
| <b>Programs</b>                                  |                  |                  |
| Globalization                                    | 225,213          | 222,988          |
| Environmental Issues                             | 234,807          | 266,831          |
| New Technologies                                 | 12,115           | 61,040           |
| Consumer Issues                                  | 203,220          | 119,334          |
| Role of Agricultural Institutions                | 216,176          | 317,721          |
| Rural Community Viability                        | 267,744          | 279,276          |
| Farm Foundation Round Table                      | 37,735           | 47,663           |
| <b>TOTAL PROGRAM AND OPERATING EXPENSES</b>      | <b>1,611,344</b> | <b>1,796,971</b> |
| <b>INCREASE IN UNRESTRICTED NET ASSETS</b>       | <b>1,934,534</b> | <b>1,565,864</b> |

a Modified Cash Basis

b Taken from 2006 audited financial statements

b Unaudited

# Financial Contributors

Farm Foundation leverages its financial and human resources by partnering with private- and public-sector decision makers to explore challenges and opportunities. Farm Foundation blends its leadership with the intellectual capital of industry, government and academic professionals across the country to develop innovative approaches to address timely issues.

Farm Foundation's primary funding source is the private endowment established more than 70 years ago by founders Alexander Legge and Frank Lowden. As demand for Farm Foundation work grows, we expand our impact through three additional funding sources—an annual fund drive, project specific funding and growth of the endowment.

## Annual Fund

Annual Fund contributions provide unrestricted support for ongoing Foundation operations and programs. The FY2007 drive was lead by co-chairs Barry Flinchbaugh and Richard Hahn, Bruce Andrews, Cecil Medders and Robert Steele. We gratefully acknowledge the individuals, companies and organizations for their generous support of this year's Annual Fund Drive.

### President's Team - \$5,000 and over

Deere and Company

J.R. Simplot Company

U.S. Sugar Corporation

### Catalysts - \$2,500 to \$4,999

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*Barry Flinchbaugh*

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Agricultural Retailers Association  
Alabama Farmers Cooperative, Inc.  
Vincent Amanor-Boadu  
Eric Anderson  
Bruce Andrews  
Animal Health Institute  
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Darrell Smith  
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*Richard Hahn*

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# Project Specific Funding

Farm Foundation seeks funding for specific projects from a variety of sources—individuals, agribusinesses, government agencies, other foundations, commodity organizations and special interest groups. These donors recognize the importance of Farm Foundation’s unique work and the Foundation’s unwavering focus on objective analyses. We acknowledge their generous support during the past year.

In addition, projects sponsored by Farm Foundation often receive funding support that does not come directly to Farm Foundation. These leveraged funds are substantial. Currently, for every \$1 invested by Farm Foundation, \$9 is invested by project collaborators.

## **Project Patrons – Funding support of more than \$50,000**

**Economic Research Service, USDA**

**Office of Energy Policy and New Uses, USDA**

## **Project Partners – Funding support of up to \$50,000**

**Agriculture and Agri-Food Canada**

**Canadian Pork Council**

**CHS Foundation**

**Heartland Consumers Power District**

**National Cattlemen’s Beef Association**

**Natural Resources Conservation Service, USDA**

**Rabo Agrifinance**

**Jeanne M. Sullivan**

**United Soybean Board**

**U.S. Environmental Protection Agency**

**Worthington (Minnesota) Chamber of Commerce**

**Worthington (Minnesota) Regional Economic**

**Development Corporation**

# Endowment Funding

To continue its work for agriculture, the food system and rural communities into the future, Farm Foundation strives to grow its endowment, the keystone of the organization’s funding. Donors are recognized as **Legge Pioneers** or as members of the **Builders Club**. We acknowledge the generous investment made by Legge Pioneers and Builders Club members in the Endowment Fund this fiscal year.

## **Legge Pioneers – Gifts of \$25,000 or more**

**Nicholas C. Babson**

## **Builders Club – Gifts of up to \$24,999**

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**Lynn O. Henderson**

**Allan R. Johnson**

**Marlyn L. Jorgensen**

**Carol A. Keiser**

**Ronald D. Knutson**

**Victor L. Lechtenberg**

**Ewell E. Long**

**William J. Loughmiller**

**Henry E. Rodegerdts**

**Darrell Smith**

**Randall Smith**

**Luther Waters**

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