Mission Statement

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.

Who We Are

Farm Foundation is a publicly-supported 501(c)(3) organization focused on agriculture, the food system and the people of rural America. Farm Foundation is directed by a Board of Trustees comprised of leaders in production agriculture, related businesses and academia.

Farm Foundation functions as a catalyst, using conferences, workshops and other activities to bring together producers, industry, interest groups, government and academia to address issues that will impact the economics of agriculture and the people of rural America. We are unique in addressing economic and policy issues significant across the face of agriculture and rural America—regardless of geographic, livestock or crop boundaries. Farm Foundation does not lobby or advocate positions.
The economics of agriculture, the food supply chain and life in rural America have always been complex and challenging. Today is no exception.

Supply and demand fluctuate with weather, consumer attitudes, economic situations and general market conditions. Every player in the food chain is affected by land use issues, environmental concerns, availability of labor, food safety, food security and the strategies of competitors. Technological innovations continue to reshape the way the entire industry does business, resulting in new business relationships to capitalize on new opportunities and overcome challenges. All this occurs in a business climate where local is global.

Public policy related to agriculture and the food system is increasingly influenced by the fickleness of the political arena, with power shifts driven by specific legislation, partisanship or the next election.

Diverse values, goals, opinions and political interests in this global economy produce a cacophony of disjointed, conflicting or incomplete information and messages. For the public- and private-sector decision maker, the challenge is to access factual, objective information on which to build strategies for the future.

For 72 years, Farm Foundation has brought together the most creative minds to analyze timely issues and generate innovative alternatives for decision makers to consider. Our reputation for objectivity attracts involvement from multiple disciplines and organizations, promoting reasoned discussions of all options. The result is broad-based information that decision makers can use to build public policies and business strategies for the future.

In today’s economic, social and political milieu, Farm Foundation continues to generate creative thinking, objective analysis and innovative solutions.
Chairman’s Message

Farm Foundation’s greatest assets are its dedication to the future of agriculture and rural communities, its 72-year reputation for objectivity, and its flexibility to respond to critical issues in a timely manner.

The 2005 operating year marks Farm Foundation’s first under a new business plan which, while continuing the objectives and goals of the Foundation, challenges its leadership, staff and project partners to achieve new levels of performance.

I’d like to focus on three critical components of this business plan—programming, development and communication. While our program goals, outlined on page 5 of this report, continue to drive our work, the Trustees are focusing our efforts in three types of programs.

- Risk/Incubator Projects continue Farm Foundation’s long history of providing the seed money which allows innovative ideas to grow into productive results. We will continue to build professional networks, incubate innovative ideas and highlight new approaches to issues.

- Keystone Projects take the Foundation’s work to the next level. We collaborate with project partners to leverage program development, reach key stakeholder audiences and enrich the information resources for public- and private-sector decision makers.

- Leadership/Showcase Projects are staff-directed programs to highlight critical issues. Building on Farm Foundation’s reputation for objectivity, these projects create partnerships with key business, government and academic leaders to generate innovative strategic options. In 2005, one of our Leadership/Showcase Projects is the Future of Animal Agriculture in North America. Although many groups have looked at one or two issues, or species-specific issues, Farm Foundation’s project will encompass the entire animal agriculture industry. The concluding report of this project will be released in December 2005.

Development is a critical component of our new business plan. While Farm Foundation’s primary funding source is its endowment, our annual fund drive, project specific funding and endowment growth must expand to underwrite the Foundation’s increased program work. The success of all three funding efforts strengthens the Foundation’s ability to serve agriculture, the food industry and rural communities today and well into the future.

The third critical component is communication. The new business plan reinforces a commitment made by the Trustees more than a decade ago to increase the reach and visibility of Foundation programs, and increase recognition of the Foundation’s unique contribution to agriculture, the food industry and rural communities. This year, we launched Farm Foundation Issue Reports to broaden the reach of our project work. These publications succinctly summarize a topic, discuss alternatives for addressing the issues and identify consequences of those alternatives.

The Farm Foundation Trustees have created a bold new strategic plan. Implementation requires commitment, energy and resources, but we are ready to meet the challenges.
Farm Foundation Leadership

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* Resigned, December 2004

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Mary M. Thompson, Director of Communications & Program Manager
Colleen Joy, Administrative Assistant
Laurie Marsh, Administrative Assistant
Toni Purves Russin, Administrative Assistant**
Sandy Young, Administrative Assistant

** Retired, February 2005
New strategic approaches

Farm Foundation has a long history of stimulating creative thinking, providing objective analysis and offering information-based options for decision makers to consider. The economic climate in which agriculture, the food system and rural communities operate has changed radically since Farm Foundation began its work in 1933. What has not changed is the need for the unique work of the Foundation—addressing the issues facing agriculture, the food system and rural communities with creative thinking, objective analysis and innovative solutions.

What continues to change is our strategic approach to stimulating creative thinking, facilitating objective analysis and identifying innovate solutions to those issues. Our current Business Plan continues the objectives and goals of Farm Foundation, and strengthens our programming, funding and communications strategies to meet the evolving needs of agriculture, the food system and rural communities.

Today’s businesses operate under pressure from globalization of agriculture, concerns about environmental impacts, a greater diversity in demands on the food system, food safety and health concerns, bio-security issues and continuing technological change. As has long been the case, agriculture, the food system and rural communities must continue to evolve and adapt to take advantage of emerging opportunities and challenges.

Success in the future will require public- and private-sector decision makers to think beyond the standard norms that have driven the food industry over the years. Their decisions may be shaped by research findings, open dialogue among numerous players within the system, regulatory activity, or entrepreneurial decisions—all of which ultimately impact the global food industry.

Farm Foundation strives to provide policy and business leaders the information and analysis they need to fully understand the implications of today’s fast-changing world. Our analysis must be based on the best science available and weigh all the outcomes.

Collaborative work, involving a diversity of stakeholders, assures that narrow perspectives do not dominate the analysis. Objective analysis of proposed approaches helps identify innovative solutions. Farm Foundation facilitates analysis and fosters dialogue among stakeholders, promoting creative solutions to challenges facing agriculture, the food system and rural America.

Walter J. Ambruster
Farm Foundation Programs

Farm Foundation works as a catalyst to increase knowledge of current and emerging economic and policy issues with the potential for long-term impacts on agriculture, the food system and rural communities.

Through conferences and workshops, Farm Foundation provides a forum for professional discussion, dialogue and debate. We seek active participation by recognized leaders with divergent views to ensure that a wide range of interests are represented. We build and maintain strong ties with business and policy leaders, government officials, educators and stakeholder groups. We encourage exploration of policy issues and promote communication and public awareness about alternative approaches to these issues. The results provide a broad basis for informed private- and public-sector decisions.

Farm Foundation Trustees have defined four program goals:

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

These goals are achieved through three types of projects:

- Risk/Incubator projects build professional networks, incubate innovative ideas and highlight new approaches to issues.
- Keystone projects enrich project partnerships, extend the work of project partners to key stakeholder audiences and inform public policy debate and private action.
- Leadership/Showcase projects are staff-directed explorations of critical issues that identify policy options, provide objective analysis of these options and engage private and public-sector decision makers in thoughtful long-term policy dialogue.

Projects are implemented in six priority areas:

Objectives within each priority area and highlights of specific projects are reviewed in the following pages.
Consumer Issues

PROGRAM OBJECTIVES

• 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 get 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.

• 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.
Today’s consumers exert more power than ever in the food system, influencing not only what products are in demand, but how they are produced and how they are priced. A number of Farm Foundation projects this year focused attention on specific consumer-driven issues. We brought together business, government and academia to examine the issues and identify ways to build and expand understanding of the issues and their implications.

**Demand for Grain-Based Foods**

A variety of health claims are influencing consumer food choices, resulting in either a boom or bane for specific segments of the food industry. The high protein, low carbohydrate “Atkins” diet, for example, pushed up demand for red meat, but reduced demand for grain-based foods.

Farm Foundation partnered with USDA’s Economic Research Service (ERS) to examine the influence of health and diet claims, and new nutrition guidelines on food demand, with specific focus on the demand for grain-based foods. The workshop brought together food industry analysts and public and private researchers to review sources of data on consumer preferences and buying habits, and ways to improve estimates of demand for grain-based foods. The workshop built understanding of the current environment for tracking health influences and consumer preferences on food demands, and identified information gaps where additional data and research are needed.

A better understanding of consumer demand for grain-based foods is a valuable tool in strategic planning for grain farmers, food processors and food retailers.

**Time Pressure and Consumer Food Choices**

We all know the stress of finding adequate time for work, family commitments and community activities. The body of knowledge is limited, however, on how those time pressures influence consumer food choices.

The Bureau of Labor Statistics’ American Time Use Survey collects information about how Americans use time. A set of questions for the survey on how time pressures influence food choices was developed by ERS working with other economists. The resulting data will be used to examine a variety of food choice issues, and assess food purchasing habits of people participating in food assistance programs.

Practical uses for this type of data within the food system and a research agenda to inform the policy process were the subject of a conference organized by Farm Foundation and ERS. Through this conference, food industry leaders were exposed to a new area of research on consumer behavior.

This project increases our understanding of influences on consumer food choices and lays the groundwork for future research work and industry strategies. Knowledge of how time pressures influence food purchasing habits can help the food industry tailor products to consumers’ expected shopping parameters.

**Agricultural and Food Product Differentiation**

Supermarket shelves are bulging with products, a combination of an explosion of new products and suppliers responding to consumer demand for more variations of the same product. The phenomena of product differentiation increasingly brings into question the proper balance and role of government oversight actions and industry standards.

Working with ERS, Farm Foundation brought together food company leaders, government agency officials and academic researchers to examine the potential oversight role of government relative to various types of differentiated products.

Issues addressed included the implications of alternative public or private regulatory approaches; the impact of product differentiation on various segments of the food system; various types of differentiation—based on organic and other production processes, food safety attributes, trade-based attributes, or geographical indicators; and implications of product differentiation for international trade, farm profitability and consumers. A public policy research agenda was also outlined.

This conference was a catalyst to generate better information for decision making by state and federal government agencies as they address issues of possible regulation or intervention in differentiated markets.
• Examine the spectrum of relationships among food and fiber production, environmental quality, sustainability of fragile ecosystems, and land use patterns, including the geographic distribution of crop and livestock production in the U.S. 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.

• 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.
Competing Water Use Policies

Growing competition for water use is generating more conflicts over allocation of scarce water resources across the country. Irrigated agriculture is being asked to share water supplies with competing economic and environmental demands, such as water needs of the urban-industrial complex and protection of endangered species.

Policy makers are cognizant of the growing imbalance of water demands and supplies. The Ground and Surface Water Conservation Initiative of the 2002 Farm Bill emphasizes agricultural water conservation, indicating the importance of conservation/environmental issues facing irrigated agriculture.

USDA’s Economic Research Service (ERS) and Farm Foundation brought together key stakeholders—representatives of farm organizations, producers, policy officials and academics—to examine policies to resolve conflicts and improve the allocation of water resources. Of particular interest was the feasibility of compensating or insuring agricultural producers injured by government actions that limit irrigation water supplies.

The workshop was a networking opportunity for the diverse group of stakeholders, offered new knowledge about competing water use issues, and encouraged discussion of more realistic water policies. USDA’s Risk Management Agency is using workshop information to analyze alternative insurance products to help producers manage water risk.

Performance-based Agricultural Land and Water Policies

Concentrated animal feeding operations (CAFOs), which produce a large proportion of the U.S. livestock manure, are subject to federal and state water-quality permitting requirements and regulations. Those rules do not apply to small and mid-size operations with less than 1,000 animals.

In some parts of the United States, small and mid-size operations appear to be an important contributor to water degradation. But little is known about these water quality issues, or strategies being used to address them.

Farm Foundation worked with agricultural economists from five Land Grant universities to organize a workshop to examine this issue, identify incentive and regulatory options, determine state and regional education needs, and identify information gaps. More than 65 professionals from 20 states participated, including Extension policy or water quality specialists, and officials from state offices of environmental quality and state departments of agriculture. Also participating were representatives of the U.S. Environmental Protection Agency and federal and state offices of USDA’s Natural Resources Conservation Service.

The workshop highlighted the need to develop a strategy for Extension, research and public policy education using pooled knowledge from state policy practitioners and academics working on these issues. The ultimate result should be better targeted and more efficient policies.

Agriculture, Forestry and Greenhouse Gases

Concerns about greenhouse gas (GHG) emissions and global warming have spurred bio-physical and economic research on GHG mitigation options in the forestry and agricultural sectors worldwide. Just as the understanding of the full impact of GHG emissions continues to evolve, work is ongoing on the bio-physical relationships involved in “carbon sinks” and the economics of forestry and agricultural mitigation strategies. Carbon sequestration payments could become the ultimate “green payments” for agriculture.

Since 2000, Farm Foundation has collaborated with USDA’s Economic Research Service, the U.S. Forest Service and the U.S. Environmental Protection Agency in bringing together key bio-physical and economic researchers from around the world to compare their work on GHG mitigation options in agriculture and forestry. These three-day forums—which have taken place in 2000, 2001 and 2004—are an opportunity for researchers to share their work with peers, gain insights from the work of other researchers, and identify new ideas or approaches for their research, mitigation strategies and policy options.

The direction of specific research work varies by geographic conditions, crop mixes and political issues within the respective countries. Many countries have agreed to the Kyoto Protocol, which specifies a timetable for meeting specific standards. The United States is not part of the Kyoto Protocol, but the issue is no less important to the nation’s energy or agricultural industries.

The exchange of scientific and economic research findings that take place through this project enhances the body of knowledge on bio-physical and economic questions regarding mitigation strategies. The work of these researchers will be a key source of information to policy makers as they debate policy options to deal with GHG and global warming.
• 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.

• 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.
North American Market Integration Workshop

Organized under the auspices of the North American Agri-Food Market Integration Consortium (NAAMIC), this workshop promotes dialogue on market integration issues concerning the agriculture and food sectors of Canada, Mexico and the United States.

Industry leaders, government officials and academic researchers share information on issues relating to market integration; foster research on market integration; evaluate impacts and interactions of country policies, programs and regulations on market integration; and discuss policy options to advance market integration.

Workshop discussions are based on a series of commissioned papers that reflect scholarly research on specific topics related to market integration. Emphasis is on the future of NAFTA and additional alliances that may develop, as well as adapting policies, programs and regulations to contemporary and anticipated food industry developments.

This workshop is a unique opportunity for interaction between policy makers in the public and private-sectors.

Farm Bill Education Materials

During each farm bill cycle, Farm Foundation undertakes a series of activities to increase understanding of policy issues. In preparation for the 2007 farm bill debate, Farm Foundation has organized a team of agricultural economists to produce a series of leaflets on topics ranging from the political-economic environment, to an analysis of alternatives for the wool and mohair policy. The materials will present options for addressing specific issues and the expected consequences of those options, but will not advocate specific policies.

These educational leaflets will be patterned after the Farm Foundation Issue Report series. They will be distributed to private- and public-sector decision makers, as well as being made available on the Farm Foundation Web site and on a CD-ROM. Copies will be sent to all congressional offices, to agricultural policy organizations, public policy educators in Land Grant universities and state government officials.

Another element of this project is a survey of farmer/rancher policy preferences. A similar survey has been done for each farm bill cycle for the past 30 years. Survey results will be published in print and CD-ROM versions in January 2006 and widely distributed to private- and public-sector decision makers.

Some might say that the impacts of this project are manifested in the provisions eventually included in the Farm Bill. We don't have specific examples, but we know from the volumes of copies we have distributed in the past, that demand for these materials is great. Members of the U.S. Congress have quoted the materials on the floor during Farm Bill debates. We anticipate a similar response during this legislative cycle.
New Technologies

PROGRAM OBJECTIVES

• 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.

• 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.
The Economics of Agricultural Technology Regulation

A decade after the general introduction of new agricultural biotechnology inputs, the technology remains engulfed in controversy that impacts the economics of regulation.

Farm Foundation organized a conference on the topic, working in conjunction with NC-1003, a multi-state research committee which examines impact analysis and decision strategies for agricultural research.

Consumers are reluctant to accept the new technologies, which primarily benefit agricultural producers by offering the potential to reduce production costs. In some developed countries, genetically-modified (GM) commodities or products made with GM commodities have been banned from the market, or are selling at discounts relative to non-GM counterparts. Consumer resistance may lessen or disappear as agricultural biotechnology products are created with direct consumer benefits. Until then, consumer resistance complicates both regulatory and economic issues.

Workshop participants, who included government agency representatives involved in U.S. agricultural biotechnology, agribusiness representatives and academics, identified four broad concerns regarding regulation of agricultural biotechnologies:

• How to improve the framework of regulation,

• Consumer attitudes toward agricultural biotechnology,

• Impacts of biotechnology regulation on markets, and

• Access to agricultural biotechnology in developing countries.

Conference discussions were summarized and disseminated to public- and private-sector decision makers in a variety of ways, including a Farm Foundation Issue Report.

University-Industry Relationships in Agricultural Biotechnology

Over the past two decades, private industry and universities have increasingly partnered to conduct biotechnology research, with primary funding often provided by private industry. While these joint efforts maximize intellectual, physical and financial resources, numerous questions have arisen concerning intellectual property rights, access to research results and the influence on agricultural research overall. However, little scientific information exists about these relationships.

Farm Foundation is a partner in a project, funded through a grant from USDA’s Initiative for Future Agriculture and Food Systems, exploring university-industry relationships in agricultural biotechnology. This ground-breaking work is focused on examining the mix of public and private goods provided, understanding the effects on products, and identifying appropriate policies needed to address potential issues. A nationwide sample survey and interviews with industry and university representatives have created a database for analysis of these relationships.

Analytic work is currently underway with initial outreach efforts—professional association workshops and targeted policy briefings—already completed. A major conference highlighting project findings is planned for early 2006.
Role of Agricultural Institutions

PROGRAM OBJECTIVES

• 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.

• 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.
Farmer Cooperative Conference

Cooperatives are a key business tool for farmers and ranchers, and key players in the economy of many rural communities. Since 1998, Farm Foundation has collaborated with the University of Wisconsin Center for Cooperatives in a series of annual conferences to help cooperative leaders understand the forces shaping today’s business environment and options for meeting those challenges.

The 2004 conference theme, “Cooperative Innovation,” built on the programs of recent years focused on ways to execute profitable business strategies in an ever-changing agricultural environment.

As the cooperative trade associations have reduced their commitment to cooperative education, this conference has become the premier educational activity each year for cooperative executives and board members. Farm Foundation is seen as an active partner with farmer cooperatives exploring new ways for cooperatives to thrive in a changing agriculture.

Data Bases for Agricultural Production Contracts

Production contracts are becoming more commonplace in American agriculture. A significant proportion of all poultry, swine and vegetables are produced and marketed under contract and do not trade in open markets. With smaller volumes of all agricultural commodities traded in open public markets, data generated from these markets used for critical economic analysis is becoming less robust and less available.

Economists in private industry, government agencies and universities are exploring new analytical tools and new sources of data extracted from production contracts to enhance economic analysis of the food system. Farm Foundation’s goal is to help identify new institutional arrangements with the potential to serve agriculture and the food system in today’s global and fast-changing economy.

Farm Foundation partnered with USDA’s Economic Research Service to explore the feasibility of a database of production contracts in agriculture. This database would include important terms and costs associated with contracts and would be used together with existing sources of data, to provide a more complete picture of economic activity and structural change in the food system. Private companies are reluctant to share the terms of their contracts with the public and competitors. The existence of a public database on contract terms and conditions would improve the ability of both private and public analysts to forecast impacts of private business decisions and public policy actions.
Rural Community Viability

PROGRAM OBJECTIVES

• Improve dialogue among groups with a stake in the viability of rural communities.

• Encourage the development of leadership, human capital and civic engagement 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 strategies and governance structures for rural communities and for the delivery of essential services such as health care, education and access to the Internet and other communications technologies.

• Identify the key elements of effective local, state, and national rural policy.
National Public Policy Education Conference

Farm Foundation’s National Public Policy Education Conference (NPPEC) targets Extension policy educators and others who use public policy/issues education techniques to help agricultural and rural community stakeholders increase their understanding of controversial public issues.

In 2004, the NPPEC program addressed rural entrepreneurship, health care systems, equity in agricultural programs, community food systems, water conflicts, and agricultural trade.

The key to quality public policy education programs is an educator’s ability to deliver information about a controversial issue without advocating a particular point of view. The educator must foster dialogue and discussion in a way that allows program participants to reach their own conclusions. Many professionals act as neutral facilitators for discussions or dispute resolution. Policy educators bring research-based information to the table to add value to the policy discussion.

NPPEC provides a balance between the latest research-based content to enrich policy discussions, and new methods and techniques to convey this information to the public in the most effective way possible.

The Changing Face of Rural America

The changing ethnic mix of rural America may be the single most important social phenomenon in rural America in the 1990s and the first decade of the 21st century. Understanding this demographic change and its relationship with agriculture and the food system benefits business and community leaders, and citizens.

The Changing Face of Rural America is a continuing series of workshops and conferences, organized by the University of California-Davis and the Rosenberg Foundation. Farm Foundation provides support to this ongoing education effort. These workshops provide a forum where farmers and agricultural leaders can dialogue with farm labor advocates and community leaders about the issues facing the communities where all live and work.

The 2004 conference focused on legislative options for addressing immigration, especially the flow of legal and illegal immigrants between Mexico and the United States. Presentation of those issues in a Farm Foundation Issue Report helped to disseminate the information more widely to community and business leaders, as well as state and federal policy makers.

This project is one way in which Farm Foundation encourages dialogue on issues and builds networks to increase understanding of public policy options and their consequences.
Farm Foundation Round Table

Farm Foundation builds knowledge by developing networks that promote discussion and interaction of diverse parties—producers, researchers, agribusiness leaders, regulators, interest groups and policy makers. We do this through dozens of conferences and workshops across the country involving diverse groups engaged in topics that address our program priority areas. One of the longest-running of these programs is the Farm Foundation Round Table.

Farm Foundation has administered the Round Table since the 1983 retirement of its founders, Charles Dana and Edith Thoman Bennett. Bennett originally brought together a diverse group of agricultural leaders to advise the Eisenhower Administration on agricultural policy development. These leaders quickly recognized the value of exchanging ideas and discussions on timely policy issues across the diverse business of agriculture. Thus the Round Table was born.

The Round Table’s June 2004 meeting in Fargo, N.D., addressed new business structures in agriculture and North American agricultural trade issues. Consumer power in the food chain was the focus of the January 2005 meeting in Coral Gables, Fla.

The Round Table is governed by a 12-member Steering Committee. In 2005, the Steering Committee approved changing the name of the organization from Bennett Agricultural Round Table to Farm Foundation Round Table. Members of the Steering Committee are:

Carol Keiser, Chair
George Hoffman, Vice Chair
Bruce Andrews
Reg Gomes
Larry Groce
Patrick James, resigned December 2004
Sheldon Jones
Thayne Larson
Jim Lerwick
Cecil Medders
Chris Schlect, resigned November 2004
Patrick Takasugi
David L. Moore  
Moore Farms  
Dumas, TX

Richard N. Morrison  
Flagstaff, AZ

Bobby D. Moser  
The Ohio State University  
Columbus, OH

Owen J. Newlin  
Des Moines, IA

Bill Northey  
Spiral Lake, IA

Jack Odle  
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Birmingham, AL

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Kenneth L. Peoples  
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Larry Steckline  
Mid America Ag Network Inc.  
Wichita, KS

Robert D. Steele  
Pennsylvania State University  
University Park, PA

Michael J. Stuart  
Florida Fruit & Vegetable Association  
Maitland, FL

Patrick Takasugi  
Idaho Department of Agriculture  
Boise, ID

Steven G. Tate  
Tate Farms  
Meridianville, AL

Laurence G. Teeter  
Teeter Farm and Seed Co.  
Guthrie, KY

Robert L. Thompson  
University of Illinois  
Urbana, IL

Eric P. Thor  
Arizona State University  
Phoenix, AZ

Alan T. Tracy  
U.S. Wheat Associates  
Washington, DC

James K. Trotter  
James Trotter Farms  
Adair, IL

Kerry Tucker  
Nuffer, Smith and Tucker, Inc.  
San Diego, CA

Branson Van Wyck  
Branson Van Wyck and Company  
Tuckerman, AR

Donald B. Villwock  
Villwock Farms  
Edwardsport, IN

Luther Waters  
Auburn University  
Auburn, AL

Paul S. Weller  
Agri/Washington  
Washington, DC

William J. Whitacre  
J.R. Simplot Company  
Boise, ID

James F. Wilder  
North Carolina Soybean Producers Association  
Raleigh, NC

Terry Wolf  
Wolf Farms  
Homer, IL

Stephen R. Wright  
Pro-Fac Cooperative  
Rochester, NY

Sara R. Wyant  
Agri-Pulse Communications, Inc.  
St. Charles, IL

Honorary Life Members

Edward Andersen  
Waterloo, NE

Boyd C. Bartlett  
Moline, IL

John R. Block  
Food Marketing Institute  
Washington, DC

Robert M. Book  
Carmel, IN

Earl L. Butz  
West Lafayette, IN

Will Erwin  
Erwin Farm  
Bourbon, IN

Kenneth R. Farrell  
University of California (Emeritus)  
Walnut Creek, CA

William W. Gaston  
Highlands, NC

Connie Grieg  
Little Acorn Ranch  
Estherville, IA

Roland M. Hendrickson  
Darwin, CT

Milt Hertz  
Hertz Farms  
Mott, ND

Lorenzo N. Hoopes  
Oakland, CA

Donald L. Lurie  
Rockville, MD

Robert Porter  
Sarasota, FL

William B. Sayre  
Agricultural Investment Associates Inc.  
Park Ridge, IL

Joseph P. Sullivan  
Chicago, IL

Lu Achilles Wall  
McPherson, KS

Dale E. Wolf  
Wilminton, DE

Clayton Yeutter  
Hogan & Hartson, LLP  
Washington, DC
## Financial Highlights

### Statements of Financial Position For Fiscal Years Ended April 30<sup>a</sup>

<table>
<thead>
<tr>
<th></th>
<th>2004&lt;sup&gt;b&lt;/sup&gt;</th>
<th>2005&lt;sup&gt;c&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$10,274</td>
<td>$129,255</td>
</tr>
<tr>
<td>Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanguard Stock Market Index Fund</td>
<td>11,831,785</td>
<td>11,669,988</td>
</tr>
<tr>
<td>Vanguard International Stock Index Fund</td>
<td>1,175,334</td>
<td>1,344,329</td>
</tr>
<tr>
<td>Vanguard REIT Index Fund</td>
<td>1,072,844</td>
<td>1,440,704</td>
</tr>
<tr>
<td>PIMCO Total Return Fund</td>
<td>8,458,460</td>
<td>8,587,005</td>
</tr>
<tr>
<td>PIMCO Low Duration Fund</td>
<td>182,821</td>
<td>399,432</td>
</tr>
<tr>
<td>Other</td>
<td>522</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL CASH AND SECURITIES</strong></td>
<td><strong>$22,732,040</strong></td>
<td><strong>$23,570,713</strong></td>
</tr>
</tbody>
</table>

### Statements of Activities For Fiscal Years Ended April 30<sup>a</sup>

<table>
<thead>
<tr>
<th></th>
<th>2004&lt;sup&gt;b&lt;/sup&gt;</th>
<th>2005&lt;sup&gt;c&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES AND GAINS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends and interest</td>
<td>$536,298</td>
<td>$846,479</td>
</tr>
<tr>
<td>Net realized and unrealized gains on investments</td>
<td>2,031,634</td>
<td>1,022,292</td>
</tr>
<tr>
<td>Investment expenses</td>
<td>(9,607)</td>
<td>(9,385)</td>
</tr>
<tr>
<td>NET INVESTMENT RETURN</td>
<td>2,558,325</td>
<td>1,859,386</td>
</tr>
<tr>
<td>Gifts</td>
<td>317,482</td>
<td>472,423</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE AND GAINS</strong></td>
<td><strong>$2,875,807</strong></td>
<td><strong>$2,331,809</strong></td>
</tr>
</tbody>
</table>

### Program and Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>2004&lt;sup&gt;b&lt;/sup&gt;</th>
<th>2005&lt;sup&gt;c&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$303,043</td>
<td>$330,511</td>
</tr>
<tr>
<td>Development</td>
<td>177,070</td>
<td>183,675</td>
</tr>
<tr>
<td>Programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Globalization</td>
<td>163,634</td>
<td>143,091</td>
</tr>
<tr>
<td>Environmental Issues</td>
<td>152,663</td>
<td>338,303</td>
</tr>
<tr>
<td>New Technologies</td>
<td>59,572</td>
<td>4,881</td>
</tr>
<tr>
<td>Consumer Issues</td>
<td>129,529</td>
<td>206,567</td>
</tr>
<tr>
<td>Agricultural Institutions</td>
<td>226,134</td>
<td>178,010</td>
</tr>
<tr>
<td>Rural Communities/Leadership</td>
<td>114,247</td>
<td>95,503</td>
</tr>
<tr>
<td>Round Table</td>
<td>23,045</td>
<td>18,376</td>
</tr>
<tr>
<td><strong>TOTAL PROGRAM AND OPERATING EXPENSES</strong></td>
<td><strong>$1,348,937</strong></td>
<td><strong>$1,498,917</strong></td>
</tr>
</tbody>
</table>

**INCREASE IN UNRESTRICTED NET ASSETS**

- 2004: $1,526,870
- 2005: $832,892

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<sup>a</sup> Modified Cash Basis  
<sup>b</sup> Taken from 2004 audited financial statements  
<sup>c</sup> Unaudited
Contributors

The Foundation leverages its own financial and human resources by partnering with private- and public-sector decision makers to explore issues and potential solutions. Farm Foundation melds its leadership with the intellectual capital of industry, government and academic professionals across the country to develop innovative approaches to address cutting-edge issues.

Farm Foundation’s primary funding source is the private endowment established more than 70 years ago by founders Alexander Legge and Frank Lowden. We expand the impact of the endowment through three additional funding sources: an annual fund drive, project specific funding and growth of the endowment.

Annual Fund

Through the support of individuals and agribusinesses, Farm Foundation receives annual fund contributions which provide unrestricted support for ongoing Foundation operations and programs. The President’s Team recognizes individuals or companies making an annual donation of $5,000 or more. Bennett Sustaining Members—a recognition honoring Round Table founders Dana and Edith Bennett—are Farm Foundation Round Table members giving $1,000 or more annually. Farm Foundation Venture Partners are individuals or companies providing an annual gift of $500 or more.

We gratefully acknowledge the following corporations, agribusinesses and individuals for their generous support of the Fiscal Year 2005 Annual Fund Drive:

The President’s Team (Gifts of $5,000 or more)

Deere & Company
Pioneer Hi-Bred International

Bennett Sustaining Members (Gifts of $1,000 or more)

Bruce Andrews
Philip W. Ashcraft
Nicholas C. Babson
Michael Bowman
Call Farms, Inc.
Jeffrey A. Conrad
W.H. Dunklin & Son, Inc.
Farmers National Company
Farmland Management Services
Florida Fruit & Vegetable Association
Hancock Agricultural Investment Group
John Hardin
Hillier Consulting and Management
William F. Kirk
Ronald D. Knutson
Mary Keough Ledman
MacDon Industries Ltd.
Madeline Mellinger
MetLife Foundation
North Carolina Soybean Producers Association
Nuffer Smith Tucker
R.D. Offutt Company
Scott Farm
Joseph P. Sullivan
Union Pacific Railroad
University of California DANR
Verdant Partners
Donald B. Villwock
Clayton Yeutter
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 analysis. 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, $6 is invested by project partners.

USDA's Economic Research Service
USDA's Office of Energy Policy and New Uses

Project Partners (Funding support of up to $50,000)

Jessie Smith Noyes Foundation
Joseph P. Sullivan
W.K. Kellogg Foundation
USDA's Initiative for Future Agriculture and Food Systems
Endowment Growth
To continue its work well into the future, Farm Foundation is working to grow its endowment, the keystone of the organization’s funding. Following an initial push, which resulted in more than $370,000 in pledges, we continue the effort with focus on planned giving and testamentary gifts. We acknowledge the generous support of these individuals and businesses for their pledges to the Foundation’s endowment.

Legge Pioneers (gifts of $25,000 or more)
William and Grace Richards
Gold Kist Foundation

| Duane Acker                  | Wesley Eubanks              | Marilyn L. Jorgensen          |
| Agricultural Investment     | ExSeed Genetics              | Carol A. Keiser               |
| Associates, Inc.             | Farm Management Company     | Alan Kemper                   |
| Earl Ainsworth              | H. Richard Farr              | William F. Kirk               |
| JoAnn Alumbaugh             | A. Charles Fischer           | Knutson & Associates          |
| Vincent Amanor-Boadu        | Barry L. Flinchbaugh        | William Lapp                  |
| Bruce Andrews               | Bill Flory                  | Victor L. Lechtenberg        |
| Animal Health Institute     | John Foltz                  | Mary Keough Ledman           |
| Walter J. Armbruster        | Robert L. Foster            | James R. Lerwick             |
| Jay Armstrong               | Glades Crop Care Inc.       | Ewell E. Long                |
| Philip W. Ashcraft          | Dan Glickman                | William J. Loughmiller       |
| Nicholas Babson             | William R. Gordon           | MacDon Industries Ltd.        |
| Emmett Barker               | Connie Greig                | Michael V. Martin            |
| Sandra S. Batie             | Larry L. Groce              | Gary Mast                    |
| Keith D. Bjerve             | Richard C. Hahn             | Richard L. McConnell         |
| William T. Boehm            | Steve A. Halbrook           | David McMurray               |
| Robert Boozer               | Hancock Agricultural        | Cecil B. Medders             |
| Michael Bowman             | Investment Group            | Madeline Mellinger           |
| Gale A. Buchanan            | John Hardin                 | David Moore                  |
| Dave Chicoine               | Keith Heffernan             | Bobby D. Moser               |
| James A. Christenson        | Lynn O. Henderson           | North Carolina Soybean       |
| Jeffrey A. Conrad           | Milt Hertz                  | Producers Association        |
| Mark Harrington            | Greg Heying                 | Bill Northey                 |
| Ed Dickinson               | Sonja Hillgren              | Nuffer Smith Tucker          |
| Daniel M. Dooley           | George Hoffman              | Jack Odle                    |
| Becky Doyle                | Lorenzo N. Hoopes           | Kenneth Peoples              |
| Richard A. Dudden          | Patrick James               | James A. Pierson             |
| Diane K. Duren            | Allan R. Johnson            | Allen R. Rider               |
| Mike Espy                  | Sheldon R. Jones            | Martha Roberts               |
| J.C. Robinson Seed Inc.     |                            |                            |
| Henry E. Rodegerdts         |                            |                            |
| Orion Samuelson             |                            |                            |
| William B. Sayre            |                            |                            |
| Robert D. Scherer           |                            |                            |
| Joe Silveira                |                            |                            |
| Dan Smalley                 |                            |                            |
| Darrell Smith              |                            |                            |
| Randall Smith               |                            |                            |
| Roderick N. Stacey          |                            |                            |
| Robert Stallman             |                            |                            |
| Charles Stamp               |                            |                            |
| Joseph P. Sullivan          |                            |                            |
| Patrick Takasugi            |                            |                            |
| Tate Farms                  |                            |                            |
| Teeter Farm and Seed Company|                            |                            |
| Mary M. Thompson            |                            |                            |
| Robert L. Thompson          |                            |                            |
| Eric P. Thor                |                            |                            |
| Alan Tracy                  |                            |                            |
| James K. Trotter            |                            |                            |
| Union Pacific Railroad      |                            |                            |
| Bronson Van Wyck            |                            |                            |
| Donald B. Villwock          |                            |                            |
| Luther Waters               |                            |                            |
| Nike B. Whitcomb            |                            |                            |
| Wolf Farms                  |                            |                            |
| Stephen R. Wright           |                            |                            |
| Sara R. Wyant               |                            |                            |

Lowden Leadership Circle
Farm Foundation established this recognition to acknowledge the leadership provided over the years by individuals who have served as Chairman of the Board of Trustees. This group is named for Frank O. Lowden, who served as the Foundation’s first Board Chairman.

2005 - Nicholas Babson
2004 - Donald Villwock
2003 - Roderick Stacey
2002 - Ronald Knutson
2001 - Allan R. Johnson
2000 - Gary Baise
1999 - William F. Kirk
1998 - Dan Smalley
1997 - Emmett Barker
1996 - Paul Brower
1995 - Robert Porter
1994 - Art Fogerty
1993 - William R. Gordon
1992 - Robert L. Thompson
1991 - John R. Block
1990 - Roland M. Hendrickson
1983-89 - Joseph P. Sullivan
1980-82 - W. R. Peirson
1973-79 - Orville Bentley
1970-72 - William F. McCurdy
1965-69 - Allan B. Kline
1963-64 - Paul C. Johnson
1955-62 - Allan B. Kline
1951-54 - John Stuart
1949-50 - Ralph Budd
1946-48 - Thomas E. Wilson
1945 - Chris L. Christensen
1933-44 - Frank O. Lowden