

2004

Ag at the Crossroads

John Owens

University of Nebraska - Lincoln, jowens2@unl.edu

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1.7 million
citizens
UNIVERSITY
NEBRASKA

Partnerships
- Nebraska Dept Ag
- other
- Nebraska Farm Rec
- other
- LEAD program

Ag at the Crossroads
November 4, 2004
John Owens
NU Vice President and IANR Harlan Vice Chancellor

Thank you for inviting me to be here with you today. It is always such a pleasure to be asked to talk about the ways the Institute of Agriculture and Natural Resources benefits Nebraskans, Nebraska, and our state's economy. I am proud of the "real-difference" our work makes in Nebraska's future and in Nebraskans' lives.

As partners with Nebraska, those of us in the Institute - and throughout your entire land-grant university - work hard to provide knowledge and skills "necessary" to keep Nebraska moving forward. Not only do we work to enhance and strengthen the state's economic-outlook, we also work to enhance and strengthen Nebraska's youth, families, and communities. I am going to talk about "economic-impact" of our work today, but would be remiss if I also did-not-note the importance and value of the work we do to enhance Nebraskans' quality of life.

Because Sandy Scofield is here to talk about the University's Rural Initiative and what it is doing and can do for Nebraska, I am going to leave comments about the Rural Initiative for Sandy and focus["] my remarks on just a few of the many ways the Institute is contributing to the economic-well-being of Nebraskans. These examples show we work on many fronts to increase dollars-made and dollars-saved for both individuals and communities.

I'm sure you have read, as I have, the many-comments our new President, James B. Milliken, has made regarding the importance of agriculture to Nebraska. One of my favorites["] is from an August 4 story that appeared on the *Lincoln Journal-Star* Web site. The reporter wrote that President Milliken said - and I quote - "money should be poured into successful programs such as the University of Nebraska-Lincoln's Institute of Agriculture and Natural Resources.

"That's where we ought to build,' he said. 'Those are our strengths. It's kind of a no-brainer.'"

His comments illustrate President Milliken's perceptive understanding of agriculture's role in Nebraska. This is a "powerhouse" agricultural state. Agriculture is a Nebraska strength. In the Institute we constantly are working to build on and enhance that strength. Here are a few of the many ways we do so:

*Institute research shows ethanol made from corn has a positive energy balance, which means it yields more energy than is used to produce it. Our researchers assessed how much fossil fuel it takes to grow, transport, and process corn into ethanol, blend it with gas, and get it to the pump. They found today's ethanol is about 20 percent ahead "energywise." Their findings are especially important because most studies used to assess ethanol's "potential" have been based on 10- to 20-year-old data that ~~do not~~ ^{don't} reflect gains in the past two decades in farming and production efficiency. This more-accurate data should help "policy-makers" make better informed national energy policy choices, and, at the very least, it should generate some spirited discussion!

*One of our textile scientists has developed a "process" that efficiently and inexpensively converts cellulose in cornhusks into textile-fibers that can be made into fabric. Initial results indicate corn husks produce a high quality textile with good performance characteristics using this process. While there's much work yet to be conducted, the "economic-potential" is impressive. Our nation produces about 20 million tons of cornhusks annually, which could produce at least 2 million tons of fiber worth about \$2 billion annually. Certainly we have a lot of cornhusks in Nebraska!

*Water is an important resource and a key issue in Nebraska. It is a "focus-area" in the Institute's strategic plan - water was a topic "heard" in every one of the over 30 listening sessions we held across Nebraska last year. Nebraskans care about water, both water-quantity and water-quality.

Because farmers need "practical-information" about how to make "the most" of limited water, our Cooperative Extension Division "launched" the Republican-River-Basin Irrigation Management Project to show farmers and crop consultants how

timing and amount of water affect crop yields. The project showed a "water-miser" strategy used 31 percent less water, yet reduced corn yields "only" 3 percent. ~~The savings in pumping costs virtually offset yield loss.~~

The project's "goal" is to increase water-use efficiency for corn and soybeans by 5 percent over the next four years. More than 90 percent of 2003 "program-participants" responding to a survey said they planned to "improve" their management based on knowledge learned. Participants estimated knowledge gained through the program is worth more than \$15 per acre, with each participant influencing or managing "decisions" on an average 1,888 acres.

*Our Cooperative Extension Division "partners" with farmers and agribusinesses on the Nebraska Soybean and Feed Grains Profitability Project to help farmers become "more-profitable." Participating ~~farmers~~ estimate they've improved their profits an "average" of nearly \$7,700 per operation annually, "thanks" to this program. Agribusiness ~~participants~~ "estimate" the program boosts their bottom lines by about \$5,250 a year. Surveys indicate a

cumulative-economic-benefit of \$3.5 million for participants since the program began in 1990.

*Our researchers are constantly "studying" alternative-crops that might "add" to that important bottom line. Garbãzo beans, or chickpeas, are being tried as an "alternative" Panhandle-crop, grown on about 10,000 Nebraska acres.

The birdseed crop in the Panhandle – proso millet, foxtail millet, and sunflowers – now is the third-largest Panhandle crop. Like chickpeas, it has "roots" in Institute research and extension education. Birdseed "grows" on about 250,000 Panhandle acres and is a \$20 million industry. The birdseed is processed at "several" regional-facilities, including Pennington Seed Company at Sidney, which extension helped-bring to the Panhandle about 10 years ago, working hard to show processors that high quality, "consistent-production" is available here.

Other Panhandle alternative crops we've worked with are Kentucky bluegrass, forage, and reclamation grasses. Today the grass-seed-industry contributes about \$1 million to the region's economy. And there's the chicory industry developing in the

Panhandle that is rooted in six years of our research and extension education. Our faculty have studied chicory's potential since 1995, learning how to best plant, tend, and harvest it, and showing chicory can be grown profitably in the region. In 2002, about 1,000 acres of chicory grown in the Panhandle were harvested and processed at U.S. Chicory's new processing plant at Scottsbluff. Projections are that 10,000 acres of chicory in the Panhandle could gross \$10 million for growers.

*Sandhills ranchers have a new-tool to combat calf scours, a leading cause of sickness and death in beef calves, because of IANR work. Our veterinary-scientists designed and successfully tested a calving system that manages cow-calf pairs and pregnant cows to minimize calf-contact with scours-causing *organisms*. [REDACTED]. Because few calves get sick, the system also greatly-reduces the need for antibiotics. One owner of a 900-head herd estimated savings of up to \$50,000 annually since implementing the calving system.

*Several new, higher-value beef products are creating industry excitement in helping boost consumer-demand for beef

because of work by our meat scientists and their colleagues at the University of Florida. Incidentally, this work led to the collaborative team receiving the 2004 International Meat Secretariat Prize for Meat Science and Technology. It was received for outstanding beef-muscle profiling-research, the first time a United States' research team has earned the prize.

The team originally studied more than 5,500 muscle samples in the beef carcass, looking for untapped potential in beef cuts usually used for ground beef or roasts. The number of samples now studied is over 10,000. Collaboration with the National Cattlemen's Beef Association and the beef industry is helping translate the findings into innovative, higher-value products to provide economical new-cuts for cost-conscious consumers and increase carcass value. The best known of the new products is the flat iron steak, but several others are becoming more widely used.

I'm pleased to say that today more than 1,300 restaurants serve the flat iron steak and other value cuts derived from Institute work, and there's the prospect for 10 million pounds of

flat iron steaks to be sold annually. I understand the increase in the value of the chuck alone is valued at more than \$50 per head, compared to 1998 prices.

*We all know tapping an alternative-market can boost small farm or ranch profitability. We also know such new ventures can be risky if those launching the new venture don't have solid marketing information and product research available.

For the last several years an Institute team has led a four-state project to identify untapped, higher-value markets for producers and to provide information to help niche-product ideas succeed. The North Central Initiative for Small Farm Profitability works closely with producer groups and provides case-studies of successful businesses, market research, and business and technical assistance. The experiences of about 30 special-interest producer-groups, coupled with research-findings from the initiative, offer solid-information to help other Plains producers interested in alternative-production.

*Our Food Processing Center helps entrepreneurs develop ideas into a successful business. Since it opened in 1983, the

center has helped Nebraska's food-processing-industry grow from 220 businesses to nearly 400. The center's Food Entrepreneur Assistance Program provides participants with things such as product testing, labeling, and marketing. These can save businesses about \$20,000 in startup-costs. I know Steve Taylor is on the program later this afternoon to talk about the valuable work conducted in the Center.

*Cooperative Extension's Nebraska EDGE program helps rural and small-town residents start or expand small businesses. EDGE stands for Enhancing, Developing, and Growing Entrepreneurs. It offers training-courses for entrepreneurs that are taught by entrepreneurs. Begun in 1993, EDGE has helped nearly 2,000 individuals transform their visionary ideas into viable business-opportunities. EDGE training-courses have been held in 33 regional centers, with impacts reaching into 264 different communities. About half started or expanded their businesses, creating more than 800 new jobs, mostly in rural communities.

These are just a few of the many examples of how the Institute of Agriculture and Natural Resources is contributing to Nebraska and its economy.

It is a pleasure to be able to share them with you today.

Thank you.