

# Ag visionary insights

By TOM J. BECHMAN

**S**TATING that agriculture is not the same as it was five years ago or even six months ago is not news. Pointing out fundamental drivers of these changes in clairvoyant form is worth headlines. Mike Boehlje, a Purdue University ag economist and nationally recognized ag visionary, took on that task.

He sees as many as 10 driving forces that could shape what your kids' agriculture will look like. Not all are positive, but he begins with perhaps the most positive of all: the nearly unlimited opportunity agriculture faces. This first article in a series emphasizes why Boehlje's crystal ball dazzles with excitement, but why it also grows fuzzy in spots.

The first fundamental driver of change is opportunity — covering the gamut from food to fuel to pharming with a P. "Agriculture is clearly into the energy business now, and could be into the 'pharming' business long-term," according to Boehlje.

Ethanol fuels excitement

## Key Points

- Opportunity drives change in agriculture.
- Cellulosic ethanol could continue the ethanol craze.
- Sharp managers shouldn't ignore potential pitfalls.

today, but Boehlje believes animal protein leading to better nutrition for people around the world will also be a key player. Using farm crops to produce drugs or improve health may be farther down the road.

## Cellulosic ethanol

"Besides ethanol as we know it now, there's also the lure of cellulosic ethanol," Boehlje notes. Indeed, just recently word came that the American LeMans car series would be fueled this year by cellulosic ethanol.

A South Dakota company claims it is producing ethanol from ponderosa pine gathered from the forest floor near the Black Hills. It's one of the nation's first commercial cellulosic ethanol plants.

Boehlje even looks to the

day when people literally walk on corn. Carpet from corn has already been piloted, including at a public building in Wabash. He sees great potential for corn as a biological base for carbon. That could make it a replacement or partial replacement for petroleum in a number of areas, not just in energy substitution.

Even if biopharming doesn't ever become large scale in terms of producing drugs through corn, Boehlje still sees a strong presence for ag products in the health-conscious world of 2020 and beyond. If it turns out people can reduce the onset of disease, especially cancer, by eating certain foods, with corn or other ag products on that list, the sky could be the limit, he says.

## Crystal ball clouds over

Not everything Boehlje sees on the horizon is positive.

"We've seen very rapid growth in ethanol — so much so that 30% of our corn production could go to ethanol by '09," he says. "That's profound growth, but it raises a question: Is that growth sustainable?"

## ON THE STUMP:

Economist Mike Boehlje is passionate when he talks about opportunities for ag.



It's possible the country could max out its ability to produce ethanol from corn, he believes. There's also a nagging issue revolving around what an ethanol plant can pay for corn. "It's all about oil prices. Higher oil prices mean higher corn prices, and vice versa," he adds.

Where the crystal ball goes completely fuzzy is when Boehlje asks certain questions. (He's not holding a Magic 8-ball toy from days of old, but some answers are just as cryptic.)

■ What if national policies related to biofuels change?

■ Will the 51-cent-per-gallon subsidy to ethanol producers be continued? It's scheduled to sunset in '10. Reducing or eliminating the subsidy and reducing duties on Brazilian ethanol could take \$1.60 per

bushel from the corn price.

Corn at \$2.50 per bushel may not have sounded disastrous two years ago. However, with nitrogen at 50 cents per pound and seed corn at \$200 per bag, prices back in that range could wreak havoc.

Boehlje has his detractors, but he sticks to his guns. If you're going to paint a beautiful landscape for agriculture through 2020, you must at least acknowledge a dark side. He suggests weighing both scenarios before putting long-term plans together.

# Earl Butz regarded as man for his time

**I**F Earl Butz' legacy only stayed within the confines of Indiana and Purdue University, historians could say he had a profound impact on Hoosier agriculture. But it didn't; his legacy also played out on the national and international stage, including service as U.S. secretary of agriculture from Dec. 2, 1971, through Oct. 4, 1976.

The late James C.

Thompson, a former *Prairie Farmer* editor, described him this way: "Butz was a controversial individual. You either liked him or you didn't. Nevertheless, I gave him five stars [rating all secretaries of agriculture on a one- to five-star scale]. He was the only secretary of agriculture, in my opinion [through 1990], worthy of five stars. *The Wall Street Journal* called him 'the best man in the Nixon cabinet.'"

Continuing, Thompson explained why he awarded Butz five stars. "His knowledge of Midwest agriculture, his technical knowledge of agriculture, his clear understanding of the problems faced by farmers in the Midwest, plus his understanding of problems of farmers in the West, as well as the Eastern states [all played a role].

"[Then there's] his under-



**SECRETARY DAYS:** Always known for his sense of humor, Earl Butz holds court on Air Force One in this 1976 photo. Others in photo are (clockwise from upper left) Donald Rumsfeld, executive assistant to the president; President Gerald Ford; Rogers Morton, secretary of commerce; and Alan Greenspan, head of the Council of Economic Advisers.

standing of the academic areas which affect us all, his experience and knowledge of USDA and ag and political milieu in Washington. We've had some good secretaries and some poor ones, but even the good ones lacked something Butz

had.

"And don't forget his ability to speak out on agricultural issues. He made me proud of my connections to agriculture when he answered some smart aleck who tried to make farmers look stupid. He also explained

the farmer's side from the speaker's rostrum. Few were willing to take him on because he was so well-grounded in agriculture."

## A different view

The late Tom Budd, former

editor of *Indiana Prairie Farmer* and *Farm Progress'* vice president of editorial, mentioned Butz in his rundown of agriculture decade by decade. It appeared in the *Prairie Farmer* sesquicentennial issue in January 1991.

"Earl Butz was riding a new wave of popularity as the new secretary of agriculture for President Richard Nixon. That year something happened to change the course of American agriculture for the rest of the decade.

"After suffering severe winter wheat damage, the USSR purchased record amounts of U.S. feed grains and wheat. At the time, many farmers felt USDA was outwitted in handling these Soviet grain purchases. And there was great suspicion of profiteering by large grain companies involved in the deal.

"The world needed American farmers for its food supplies. U.S. farmers fed 22% to 25% of the world's people in 1973.

"Secretary of Agriculture Earl Butz urged farmers to plant fencerow to fencerow, to go all out producing food. Many farmers supported him, but worried that such production might put some out of business."

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