Alumni Discussions

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Warren Johnston’s charge to the alumni discussants was very open-ended—critique past accomplishments as reported, provide insightful comment about the relevancy (or irrelevancy) of seminal accomplishments, comment about observations while a graduate student working with others on applied research projects, and whatever else we choose to relate in an eight-minute presentation.

Reading the papers presented this morning and this afternoon was a rich, enlightening experience. Although I was a beneficiary of the Giannini endowment as a graduate student, I knew little about A.P. Giannini. What a remarkable role model he was for anyone interested in business or in the business of life.

The impact of his endowment on the science of economics and the agricultural industry has been well documented in this afternoon’s three papers. But the documentation has come entirely from insiders’ perspectives, from those who may have a vested interest in touting institutional accomplishments. Alumni may also be regarded partially as insiders because of the tremendous loyalty often engendered for one’s alma mater, but our comments are based on a little different perspective since our careers have developed mainly away from the UC system. As an undergraduate student at Davis, I don’t recall being aware of the Giannini Foundation. As a graduate student, the Foundation name and its impact were a bit more evident. I knew that it supported well-stocked and easily accessible agricultural economics libraries at Davis and Berkeley, sponsored a monograph publication series that every graduate student hoped to become published in, and provided modest research operating funds that students didn’t really see but somehow knew were important.

However, the real impact of the Foundation was not evident to me until after I left Davis. It quickly became apparent that no other department in the country had anything close to the valuable library resources that Davis and Berkeley had. Neither did any other institution have publication support that permitted the depth of research to be reported like that in the Giannini monograph series nor in the same quality of publication design and layout.

Several other things have become obvious to me over the years that I had not originally connected to the Giannini Foundation but today’s presentations suggest that its role probably was catalytic to the UC culture in agricultural economics. To illustrate, I have often thought of a conversation...
during one of the late 1960s departmental celebrations following receipt of yet another AAEA published research award. It was the fourth or fifth research or dissertation award received in as many years. I asked Gerry Dean why so many awards were received by faculty and students at Berkeley and Davis. His response was two-fold: California agriculture provides lots of important agricultural economic problems to study and the UC academic climate gives faculty and students lots of freedom to pursue problems they consider important and in ways that build the science. While the Giannini Foundation certainly hasn’t impacted the geo-climatic diversity of the state that supports such a diverse agriculture, it is very possible that it has contributed to the remarkable UC academic culture. The culture of hiring the best people and expecting outstanding performance, both in contributing to the science and in resolving real-world problems, was clearly evident by the time the Giannini endowment was received, but the endowment assured that the UC culture would be extended to and sustained in the field of agricultural economics.

The stature of agricultural economics at Berkeley and Davis is unambiguous. While one might dismiss the claims of internal writers that the two departments are consistently ranked number one and two in the world, external writers are generally in full agreement. By almost any standard, it is hard to find their equals. What is also interesting is that there has been only one recent entrant into the ranks of the top five departments focusing on agricultural economics and that occurred following strategic hires in the early 1980s of two senior faculty members, one from Berkeley and one from Texas A&M, and then keeping a focus on a course of excellence. My perspective of why the two UC departments have had such a long history of excellence is a combination of the extraordinary statewide agricultural laboratory, the university culture that appropriately and unapologetically values scientific discoveries along with problem resolution and effective instruction, and the high level of public and private investment in agricultural research. It is in this last area that the Giannini endowment has made the biggest contribution, but it is very likely it has also strengthened the second.

I have little to critique about any of this afternoon’s papers. They are pertinent, generally accurate, and informative. The best I could do would be to note that some of the Foundation contributions I regard as most enduring (such as the George and King, Eidman and Dean, and Just monographs) were ignored or received only passing comment, but limited space obviously prevents discussion of all the significant contributions. And that is probably the most important point that can be made about the value of the Giannini endowment. It has facilitated such a volume of high-quality contributions that a conference like this could never do full justice to what has been accomplished.

But the most important impacts to me are personal and a little more obscure. I knew the support from the Giannini Foundation was important to people who had important impacts on my life. My professional career is largely a consequence of the
encouragement and confidence of Giannini Foundation instructors and mentors like Chet McCorkle, Ben French, Gordon King, Gerry Dean, and Hal Carter. I had never met a professor before coming to Davis. The idea of becoming a university faculty member had never entered my mind before my senior year and then only because I was offered an NDEA (National Defense Education Act) Fellowship when I applied for the graduate program intending to complete a master’s degree and become a county Extension agent. It was the Davis faculty in agricultural economics, all Giannini Foundation members, who instilled in me both a desire to be an agricultural economist and a confidence that I might be able to make a valuable contribution.

It has been a pleasure to be here and an even greater pleasure to have been asked to be a participant in the symposium.
Julian writes “Foundation members have made scholarly contributions, both directly and by having influence on the work of others, especially graduates from the departments that make up the Foundation.” He circumscribes the scope of his paper by focusing on direct impacts, primarily through the marketing literature. What I’d like to do, therefore, is talk about some of those indirect impacts through “others.”

Among the “others” are legions of us who have gone to work in the public sectors—in California’s state government, the federal government, and, very likely, the governments of other countries. There we do our best to bring our training (the stuff the pointy-headed academics taught us) to bear on policy decisions. These are policy decisions that, at least at the federal level, affect growers and also consumers and taxpayers in California, throughout the country, and even in other parts of the world. As Alex McCalla taught us, markets are interconnected globally such that a large country’s agricultural policies affect other countries’ farmers.

Let me give you just a few examples of work by “others” at the federal level and focus on some contributions that pertain to marketing.

I remember when Ann Veneman came to Washington as the new secretary of agriculture. We listened closely to her early speeches because they gave us hints of what she thought was important—thoughts shaped in California by her experiences in California agriculture. She talked about things like “consumer driven agriculture” and food safety as a global issue—a marketing and trade issue requiring global solutions. It was Mary Bohman (a Davis Ph.D. in USDA’s Economic Research Service) who was drafted and tasked with developing a publication that would flesh out the secretary’s ideas so that they could form the basis for a new farm bill proposal from USDA. This was to be a proposal that would be in keeping with the realities of today’s agricultural and food markets: a global marketplace characterized by an enlarging array of finely differentiated product markets where consumers seek and value product attributes beyond taste and price, such as nutrition, safety, novelty, convenience, and how, where, and by whom a product is grown.

It was Jim Blaylock (also a Davis Ph.D. who retired just recently from USDA) who tackled this notion of “consumer driven agriculture” to put dollars and cents on it. He realized we had the data in the public sector that could be used to project demographic changes and other data that could tell us something about how food preferences and eating habits differ among different demographic groups. He led a team effort to develop empirical projections of how food demand and expenditures would change with the changing profile of the American consumer. This work turned out to be of
considerable interest to commodity groups and food associations. You can see it at www.ers.usda.gov/AmberWaves/April03/Features/ConsumerDrivenAg.htm.

About this same time a new term entered the marketing lexicon—traceability. People in policy circles were quite anxious about traceability—some thinking it would have to be mandated in order to protect the food system and others thinking the costs of traceability would drive food firms and farmers out of business. It was Elise Golan (a Berkeley Ph.D.) who helped policy-makers understand that traceability is often done voluntarily by food firms because it can be good business—a good marketing strategy, for example—and that it is possible to design relatively simple incentive strategies to get more traceability in the food system should society want it. If you’d like to see the work she led, it is at www.ers.usda.gov/Amberwaves/April04/Features/FoodTraceability.htm.

There are many “others” from Giannini Foundation departments making important contributions to policy that I could name if I had more time.

Among Julian’s “others” are also undoubtedly hundreds and possibly thousands of agricultural economists working in the private sector in California agriculture. (In fact, if you add all these folks into Julian’s ratio of agricultural economists to the value of California’s agricultural production, some might argue that ratio is too high rather than too low.) The skills and proficiencies that they bring to their jobs—such as the ability to forecast market demand, analyze pricing strategies, or evaluate the benefits and costs of trade agreements—can largely be attributed to a few professors at Berkeley and Davis and to a few more at schools like Cal Poly where people like Jay Noel—who got his Ph.D. at Davis—are on the faculty. Bringing their own research on marketing issues to the classroom and involving students in analysis and research are hallmarks of teaching by Giannini Foundation members. Shermain Hardesty is a Davis Ph.D. who worked at one time for the California Rice Growers and now directs the Rural Cooperatives Center at UC Davis.

Also among the “others” who are graduates of Giannini Foundation departments are any number of innovative courageous people who pursue neither “safe” jobs in the government nor risky but potentially lucrative jobs in the private sector. Rather, they use their knowledge and skills to make a difference in the world in different or unconventional ways. Someone said this morning that “A.P. Giannini did not work for money.” There are still some people like that today and one of them—Ann Vandeman (a Berkeley Ph.D.) is here today. She runs a small organic farming operation in Olympia, Washington, called Left Foot Organics where she employs developmentally disabled folks so that they may gain life skills. She supports her program with grants and by direct marketing to consumers through share-box arrangements and to farmers’ markets.

Finally, I would be remiss in not mentioning that Giannini Foundation member departments have trained more women agricultural economists—and I admit this is a hypothesis—than all other agricultural economics programs in the country together. I am proud to be one of them. They have trained rising academic stars like Rachael Goodhue at Davis, Jill McClusky at Washington State, and Dawn Thilmany at Colorado State; seasoned academic leaders like Jean Kinsey at Minnesota, Susan Capalbo at Montana State, Cathy Wessells Roheim at Rhode Island, and Michele Veeman in
Canada. I have already mentioned a number of women leaders in the federal government and there are a number of others that I haven’t mentioned. The only three women who have held the agricultural economist position on the staff of the President’s Council of Economic Advisers have been graduates of Giannini Foundation departments: Elise Golan, Vickie Greenfield, and me.

I do not know if all these indirect contributions through others merit more funding for Giannini Foundation departments but they are surely causes for celebration. And I am honored to be part of today’s.
I first want to thank the organizers of this Giannini Foundation 75TH ANNIVERSARY SYMPOSIUM. They have done a wonderful job of putting this program together and I am very pleased to be included in these festivities—although I question their rationality in paying my travel across the country to speak for only a few minutes. My lot is to comment on the presentation by Gordon Rausser, who was given the topic “The Giannini Foundation and the Welfare of California Agriculturalists in a Changing State, Nation, and World.”

In his typical character, Gordon always chooses lofty goals. As far as I can tell, within the confines of his charge, which is somewhat restrictive, Gordon has tried implicitly to prove two propositions, although neither is stated explicitly. The first is that the Giannini Foundation is the greatest collection of agricultural economists in the world. The second is that the Giannini Foundation has successively addressed and resolved, as they have arisen, all the major issues that have faced society in the last seventy-five years.

On the first proposition, I think he has been fully successful. Hands down, the Giannini Foundation is and has been the best collection of agricultural economists in the world. But I do not applaud his effort too much in proving this proposition because anyone in the room could have proven the same proposition given that the record is so clear. However, so that I do not get shot when I go home, I add that this proposition only holds for the Foundation as a whole rather than for the departments individually. There is at least one other department that is considered comparable to the two departments here, as already acknowledged by Gordon (although we shall leave that department unnamed on this day of celebration).

As far as his second proposition, that the Giannini Foundation has successively addressed and resolved every major issue facing society, I can think of only a few exceptions. First, we still have war in the Middle East and, second, Israel still has not achieved peace with the Palestinians.

In all seriousness, however, as both an alum and long-time member of the Foundation and Berkeley faculty, I want to point out by way of personal experience a few strengths of the Foundation that have not been recognized yet today. Although Julian Alston alluded to flexibility as being a strength to the departments due to the Foundation, the first experience I wish to relate is an example of that flexibility that has had a profound effect in my life.

One late April afternoon in 1969, after two and a half years in college, I was nearing completion and thought it was time for me to think about graduate school, although I really had not done so seriously yet. Not really being aware that all of the assistantships had already been allocated and that I was well past the official deadlines for application, I walked into the office...
of Vernon Eidman, another Giannini alum then on the faculty at Oklahoma State University. Knowing something about my academic standing, he ended up suggesting that I consider graduate school at Berkeley. By the end of that thirty or forty minute conversation, he had called Pete Helmerger, who was the graduate director at Berkeley, and I was offered a Giannini fellowship to attend Berkeley and had pretty well made up my mind to attend graduate school there. Just four or five months later I was in Berkeley starting a Ph.D. program. That could never have happened without the flexibility of the Giannini Foundation. I have no clue how my life, as well as my professional career, would have unfolded if that chain of events had not happened on that spring day. Accordingly, I feel a great debt of gratitude to the Giannini Foundation for that opportunity.

The second experience relates to how valuable is the heritage of the Giannini Foundation. It is worth far more than all the money in the corpus that has been discussed so much thus far today. The year before I joined the Foundation as a faculty member, the faculty of the Berkeley department was almost completely decimated. All the great faculty members hired in the 1930s were coming to the ends of their careers because of retirement, death, or other physical limitations. Andy Schmitz was on sabbatical in Canada and Alain de Janvry had been away, I believe in South America, for an extended period. There was even talk about closing down the department. In fact, I suspect that uncertainty about whether to go forward with hiring replacement faculty had something to do with extended delays beyond the departmental level about whether to approve my hiring. The final approval above the department required many months longer than normal and was not finally resolved until two days before I was supposed to move my family and show up for work.

When I walked in the door, all the graduate students came to meet me on the run looking for guidance. When Andy returned, together we had virtually all the resources of the Foundation at Berkeley at our disposal, which made that time incredibly productive. Then, in the first five years I was there, we hired Michael Hanemann, Peter Berck, David Zilberman, Gordon Rausser, and Irma Adelman in about that order. In the next five years, we hired Brian Wright, Tony Fisher, and Larry Karp. (If I have left out anyone, it was unintentional.) By that time we had a core of faculty in place that assured the department would be among the best in the world, if not the best, for the next thirty years.

One reason I was enticed away to Maryland after that was to see if we could build up a top-ranked department elsewhere as had been done at Berkeley. Based on that experience, I can assure you that it is not nearly so easy to build a great department without the great heritage of the Giannini Foundation. The social and institutional capital you have in the Giannini Foundation is worth far more than all the money in it that has been discussed thus far today.

In closing, I wish to express gratitude for what the Giannini Foundation has done and pay tribute to the many early members whose contributions made its heritage what it is today.
Peter Thor is president of Bellissimo Foods, headquartered in Walnut Creek, California. He received his Ph.D. from UC Davis in 1980.

It is a pleasure to be here. My family has a long association with the Giannini Foundation, starting in 1959 when my father, Dr. Eric Thor, moved the family to California so he could join the UC Berkeley faculty as a proud member of the Giannini Foundation and continuing through the 1970s, when each of my brothers earned a Ph.D. in Agricultural Economics from Berkeley.

Through the years, some of the Giannini Foundation family became almost like members of my family. After my father’s passing in 1981, some like Jerry Siebert and Hoy Carman became my mentors as I went through the Ph.D. program at UC Davis.

I fondly read these papers presented today, somewhat reminiscing the Giannini of old, where a team approach amongst the faculty and also with industry propelled California agriculture forward. A number of comments in several papers talked about the uniqueness of California agriculture that creates a singular importance of having research and cooperative work “side by side” in this state.

I also fondly recall the teaching expertise that many of the faculty in the 1970s and 1980s brought to the classroom. They were there because of the desire to contribute to the knowledge base and problem-solving capability of the students of the day. Among my vivid memories during the first year of the Ph.D. program was a lecture by Dr. Paris. Apparently the faculty was concerned about the rate at which we were dropping out of the Ph.D. program since only four of eleven eventually finished. However, Dr. Paris challenged us in a way that has meant many things to me over the years. He said you must choose in your life whether you are going to be an expert in one tool and apply that tool to every problem in a simulated environment or whether you are going to develop a toolkit here at Davis with which you will be equipped to analyze the variety of problems you will encounter in the real world. On that day, Dr. Paris ceased scaring me to death and changed my approach and attitude within the Ph.D. program. It also seemed prophetic as to the specialization and compartmentalization that challenges the Giannini Foundation.

The special encouragement by Professors Carman, Shepard, Jesse, and others reminds me always of that special bond between those that embraced the Giannini mission summarized by Sproul “to study and make better known the economic facts and conditions upon which the continued solvency and prosperity of California’s industry must of necessity rest.”

As someone with two generations and nearly fifty years of exposure to the Giannini Foundation, and as a representative of industry here, I offer a couple of observations about the university and the Giannini Foundation.
1. Never has the need been greater and never before have your skills and tools been more in demand than they are today. Has the Giannini Foundation become relatively isolated and irrelevant at the very time it could be taking a leadership position and making major contributions to some of the large issues facing our society?
   a. Is it just for academic research? What has happened to the pragmatic interaction between the university and industry?
   b. Who is there with a better capability to help translate the research papers into implementable policies and industry practices? While it will not necessarily help the publication count, it is where I believe that the greatest contribution can be made.

2. The world has gotten much smaller due to advanced communications and transportation. So, too, the uniqueness of our issues is evaporating. While the crops may be different and there may be more perishable and time-oriented aspects to some of the specialty crops, California agriculture must face facts that on almost every front we are being attacked and our infrastructure is in jeopardy.

3. Leadership is a global matter. So are our problems. Having lived overseas for a number of years, I can tell you that Americans delude themselves about their free-trade and fair-trade practices. However one might measure them, the reality is that the United States is viewed with as much skepticism for its trade and economic policies as it is for its political ones.

So the challenge is this: Can the University of California and the Giannini Foundation, with its rich history and tremendous resources, including some of the best-trained minds in the world, reinvigorate itself beyond the narrow, the short-term, and the individual in favor of giving something special to California and the world of food and agriculture?

I believe it is possible to take a leadership position and engage both political and industry leaders in a way that propels the betterment of society as a whole, creating a vision of the future, and recommending many of the changes that we know will eventually be required for our state and our children to move forward.

- Examples found in the early days of the Giannini Foundation talk about things like water policy and population growth, land use and urbanization policy, taxation issues, energy independence. Let’s stimulate efficient use of resources.

- As I have gotten older, I have become more and more cynical of our political process but I also recognize that people, if left to their own devices in an unorganized way, do not always do the right thing unless they have an incentive to do so.

Let’s stimulate development of industries in California that will be naturally advantaged via California’s current infrastructure, e.g., biotechnology, alternative energy, ultra-intensive farming of renewable resources, etc.

- Let’s examine and implement “fair” phytosanitary requirements. Level the playing field for domestic industry via labeling requirements of raw material origins and up-to-date product standards of identity. Promote research that can quickly identify adulterated products, which can also be used in anti-terrorism.
Let’s develop analysis and provide leadership in policy implementation to protect our agricultural land base and more efficiently and proactively grow the products for which we have a sustainable competitive (natural) advantage. At the same time, we have to have the courage to let go and phase out the artificial inducements to products that are produced here because of regulatory or subsidized advantages.

Is it time for the Giannini Foundation and University of California to engage the leaders of this state, both industry and political, making us proactive by looking ahead at what should be done? Let’s “get out front” on issues that pragmatically work to the benefit of producers, consumers, and the state. We must somehow get back the sense of belonging and engagement that seems to get lost in today’s rapid-pace environment. Yet if anyone or any institution has both the charge and the capability to effectively evaluate alternative courses of action and chart a course for the next one hundred years, it should be the University of California and the Giannini Foundation.