

History of the Institute

HISTORICAL DEVELOPMENT OF THE AGRIBUSINESS INSTITUTE AT MISSISSIPPI STATE UNIVERSITY

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The Agribusiness Institute (ABI) at Mississippi State University (MSU) was formally approved in May 1991. In order to understand why and how the ABI developed, an understanding of what was happening in the area of agribusiness education for several years earlier at MSU is necessary. Somewhat parallel the MSU activities, an undercurrent of discontent with U.S. land-grant agribusiness education brought about a meeting of minds of agribusiness leaders, university administrators, and U.S. Department of Agriculture (USDA) officials. Therefore, to understand the ABI at MSU, an explanation of the earlier events at MSU and at the national level are in order.

Early Events in Agribusiness Education at MSU

The Department of Agricultural Economics (AEC) at MSU was established in the 1930's from a close relationship with agronomy and thus was primarily focused on farm management. After World War II, marketing became a much greater part of the curriculum and research and extension activities. Still later, the departments of agricultural economics began to identify options of emphasis with one being business. By the early 1980's, the departments developed different curricula, one of which was agribusiness for students who did not expect to be employed directly in production agriculture. With the discovery that most graduates dealt with farm commodities beyond the farm gate, MSU developed an agribusiness curriculum in the early 1980's.

Somewhat paralleling the undergraduate development at MSU, it was recognized that master's level graduates were very similar to undergraduates. The Masters of Science (MS) degree was oriented toward traditional production economics, but also, the program had a strong emphasis on preparing students to continue for a Ph.D. and/or research. The market for MS graduates for research had almost disappeared. Most students needing further training wanted a master's degree with strong emphasis in agribusiness.

Adding new degree programs in Mississippi during the 1980's and 1990's was very difficult because of restrictions from the Board of Trustees of Higher Learning. However, in the College of Agriculture and Home Economics (CAHE), a program named Masters of Agriculture (MA) was available to most departments. This program could be structured to fit departmental needs.

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In the early 1980's, the Department of Agricultural Economics (AEC) structured their MA degree to contain about half departmental and half College of Business and Industry (COBI) courses. The program was generally non-thesis, but if a student was supported by an assistantship from the Mississippi Agricultural and Forestry Experiment Station (MAFES), an appropriate research report was required.

New graduate level agribusiness courses were developed over time in the AEC. Graduates of the program were readily employed. However, the name of the program was a major handicap because it portrayed an image of production agriculture.

In 1989 the department decided to solicit help from COBI to change the name to Masters of Agribusiness. Before carrying this discussion forward, however, an understanding of national issues back then is necessary.

Agribusiness Education Activities at the National Level

While the faculty of the AEC at MSU deliberated over needed changes in agribusiness education at the local level, major discussions were taking place on the same subject at the national level. The impetus for restructuring agribusiness education originated with a round-table discussion in Arlington, Virginia in May 1985. At this meeting, deans of agriculture and business, agribusiness executives, and USDA officials discussed narrowing the gap between the need for professional agribusiness managers and the supply of trained agribusiness graduates. The skills and knowledge areas needed for agribusiness management education are not lodged solely in one academic discipline. Therefore, the participants called for a national effort to encourage jointly managed academic programs by the colleges of agriculture and business.

To attract the attention of the nation's agribusiness leaders and educators, a conference on Developing Tomorrow's Agribusiness Leaders was subsequently held in Washington, D.C. in April, 1987. This White-House-sponsored Conference was attended by an estimated 160 university presidents, agriculture and business educators, agribusiness executives, and USDA and other government officials.

Attendants at the conference agreed that revamping agricultural education in universities was long overdue, that professional management education geared to the unique needs of agribusiness had become essential, and that long-term solutions and short-term action depended upon higher education. Also, it was concluded that colleges of agriculture, in order to remain viable through the end of the century, did not have time to retool but must immediately draw on the expertise of colleges of business.

In response to the White House Conference, the USDA awarded a challenge grant to the Lincoln Institute of Land Policy in order to initiate the Agribusiness Education Development Project (AEDP). The thrust of the project was to develop both a master's curriculum and new ways to deliver agribusiness education. This project underscores the USDA support for an integrated approach to agribusiness management education.

The AEDP Steering Committee undertook a two-year evaluation of the problems of agribusiness education. For four days in late 1987, the committee considered more than a dozen problem areas in agribusiness education. Eventually, the focus was narrowed to three key areas in which the establishment of appropriate guidelines could



yield a relatively quick and high payoff: (1) development and improvement of graduate-level programs that integrate business management and technical agriculture; (2) development and improvement of executive development and continuing education programs; and (3) development of faculty resources in agribusiness education.

In September 1988, the AEDP established the National Agribusiness Education Committee (NAEC) to develop specific guidelines for these high-priority areas and action steps to implement the recommendations. The 23-member panel consisted of agribusiness executives and university administrators and faculty. Dr. Donald Zacharias, President of MSU at the time, was a member and played a key role in the deliberations and at least twice was the spokesman for the Commission.

The basic charge to the NAEC was to improve the competitive position of U.S. agriculture. Although many options were considered, NAEC concluded that the quickest and greatest impact would come from implementing the three needs earlier identified above.

While the NAEC worked towards these goals, two of its members, Vernon Schneider and Kerry Litzenberg of Texas A&M, conducted a survey of agribusiness leaders to ascertain the employee characteristics most highly desired by agribusiness firms. Results indicated the following priorities of characteristics (in rank order): (1) human relations or interpersonal skills; (2) communication skills; (3) business and economic skills; (4) technical, computer, quantitative, and management information skills; and (5) previous experience.

In July 1989, NAEC completed its work and reported upon the three focal areas. Major emphasis was placed on development of jointly administered masters programs. The NAEC recommended that Congress fund model masters programs in agribusiness at ten universities for a minimum of five years. Costs to the U.S. government would range from \$2.6 million the first year to \$4.9 million for the last year. Due to budgetary restraints at all levels of government, funding did not materialize.

Agribusiness at MSU after the NAEC Report

In July 1989, when the dean of COBI was solicited to support changing the name of MA degree in AEC to Masters of Agribusiness, he suggested that interest in the College of Agriculture and Home Economics (CAHE) and COBI be assessed to ascertain whether MSU might develop the MA degree program into the type of joint program recommended by the NAEC. Major emphasis in the consideration in CAHE was expected to come from the AEC, but representatives of all technical agriculture departments were made a part of the deliberations. Initial interest on the part of AEC and COBI faculty ranged from highly enthusiastic to considering the idea unacceptable. Lack of interest of faculty in AEC came from those members primarily production economics oriented and others who thought AEC would be giving up a program to COBI. Criticisms from COBI were voiced in terms of how close involvement with AEC would effect COBI's accreditation.



Strong support for the joint program on the other hand came from those who understood the potential benefits to MSU from the joint program. Strong ties existed between the faculty of AEC and the Department of Economics in COBI because of the masters and Ph.D. programs in AEC. Many COBI faculty members had backgrounds and family ties in production agriculture. Also, numerous COBI faculty members consulted with agribusiness firms.

The deans of CAHE and COBI concluded by late 1989 that sufficient interest existed for consideration of a joint masters program for them to appoint an Agribusiness Taskforce (ATF). The ATF consisted of six members with three from each of the Colleges. The first activity of the ATF was to interpret the NAEC recommendations and to research the experience of other universities in joint ventures of agribusiness education.

While the members of the ATF were attempting to assess its charge and sort out the details of the jobs ahead, a phone call from the CSRS representative responsible for conducting the next CSRS review of the AEC in March 1990 to a member of the ATF placed MSU on the National Agribusiness education map. The CSRS representative inquired whether there was sufficient interest at MSU in foregoing the usual CSRS review and instead have an assessment of the potential for a NAEC-recommended-type joint masters program. If MSU accepted the idea of the emphasis on agribusiness, the CSRS representative offered to sponsor a team of four highly recognized agribusiness academic consultants to visit MSU. He suggested MSU employ a sixth person to complete this group.

MSU enthusiastically accepted and Roland Robinson, the Chairman of the panel, brought Michael Cook from the University of Missouri, Charles French, a retired agribusiness consultant formerly of Purdue, James Nielson, former Head AEC at Washington State University and CSRS consultant, and Kerry Litzenberg and Vernon Schneider both professors in AEC at Texas A&M University. French, Litzenberg, and Schneider were former members of the NAEC.

The ATF prepared the usual background materials supplied to the CSRS team members before their arrival. For four days the review team, the deans of CAHE and COBI, department heads, the ATF, and interested faculty members from AEC and COBI discussed MSU potential to develop and offer a first-class joint agribusiness masters program.

The CSRS panel concluded that the environment at MSU was favorable to not only offer a joint masters program, but to establish and develop an institute of agribusiness which would have research and service activities as well. The panel identified the following strong points:

- Administrative support all the way to the University President was substantial.
- Competent faculties with high levels of demonstrated performance was found in the two major organizational units involved - AEC and COBI. These units were endowed with good facilities and support services.
- Strong enthusiasm, goodwill, and mutual respect that exists between the COBI and CAHE faculties and administrations.



- The broad range of research and teaching experiences among the AEC faculty demonstrated it to be adaptable in redirecting efforts and resources in meeting new and emerging needs. The faculty has the ability to adapt to the needs of agribusiness research and education programs.

These favorable factors could give MSU a comparative edge over many other universities with similar plans. They further concluded that if adequate resources were forthcoming, the institute would probably be the first of its kind in the Land Grant System. The institute would be unique because it was expected to grow into a comprehensive program involving all three functions of agribusiness education, research, and extension. Most start-up agribusiness programs in other institutions place primary emphasis on agribusiness education with little attention given to research and extension. Also, these programs tend to be administered by either the College of Agriculture or the College of Business instead of an institute jointly answering to both colleges equally.

With regard to the masters of agribusiness management degree, the panel offered many helpful ideas. First, they suggested a market analysis for the master's graduate; this analysis should consider market segmentation items such as geographic, commodities, size of firm and type of business. Consideration should be given to providing a differentiated product with regard to quality, specialization, and tools. Merchandising the product was discussed with regard to product, packaging, promotions, and pricing (salaries).

Second, major consideration should be given to creating the educational program. For the masters this consisted of common body of knowledge courses, the agribusiness management core and electives, and professional courses, such as human resource management, capstone/strategic management, and practices. Third, operational issues were identified. Among these were entry issues, on-line issues such as visiting executives, internships and mentor/protegee relations, and exist issues.

Research and extension functions for the institute were addressed as they mostly related to the educational program. The panel offered suggestions for establishing and developing the institutes and its organizational structure and its resources.

In May 1990, Kerry Litzenberg returned as a consultant to assist the ATF in developing the curriculum for the joint masters degree. Litzenberg was qualified for the task because he was in charge of the agribusiness program at Texas A&M; he was a member of the NAEC; he was one of the two who conducted the survey of agribusiness leaders for the commission; and he, of course, was a member of the CSRS panel at MSU.

Since Congress did not provide the funds suggested by the NAEC, MSU asked the USDA for a special grant for developing the program suggested by the CSRS panel. The first of four \$75,000 grants were received in early 1991. The grants were for research in the area of establishing the masters program and extended into discovering other educational and research and service needs of mid-south agribusiness firms.

Following the suggestions proposed by the CSRS panel, the ATF developed a proposal for the Agribusiness Institute (ABI). The proposal met little opposition and was approved by MSU's president in May 1991.



The ABI, with no financial resources, consisted of a three-part structure. At the top administratively was an Advisory Board consisting of the Deans of CAHE, COBI, and Graduate School (GS). The Dean of the GS was included because of the major role that the masters program carried in the ABI.

A coordinator and an associate coordinator were identified to carry on the day-to-day activities of the ABI. The coordinator acted as the Graduate Coordinator for administering the masters program. The positions of coordinator and associate coordinator were to rotate from the AEC and COBI at regular intervals.

ABI activity was directed through a series of committees. The coordinator chaired the masters committee since that person was responsible for administering the program. Because of the close relation to COBI, many requirements for the joint masters closely paralleled those of the Masters of Business Administration (MBA) because of accreditation requirements.

ABI policy and major decisions were made by an initial eight-person Executive Committee that met at frequent intervals. This committee was structured to include the department heads of AEC and Management. The head of the Food and Fiber Center (FFC) and director of Office of International Programs (OIP) were members because of the activity of their units. The FFC in the Mississippi Cooperative Extension Service (MCES) worked exclusively with agribusiness. There was a strong feeling that the ABI should be heavily involved internationally because of Mississippi's strong position in international markets.

With the strong endorsement of the CSRS panel and assistance of Litzenberg, the ABI developed the curriculum for the master's degree. Several new and/or restructured courses were developed in AEC. At the time, existing courses in COBI were used. However, in more recent times, especially COBI has undergone major course changes and some changes have also been made in courses provided in the AEC.

Changing the name of the MA degree to Master of Agribusiness Management (MABM) did not represent an increase in graduate programs at MSU so the Board of Trustees of the Institutions of Higher Learning approved the name change. With the name of the program changed, recruiting materials were developed.

With the MABM degree in place, the ABI confronted some of the other issues such as the research and service roles. Without a full-time administrator with authority and with no budget, identifying and dealing with other activities were difficult. Faculty members from COBI, those from CAHE who were joint employees of MAFES, and those in the FFC of MCES all dealt with agribusiness firms in different ways. This ranged from no charge for research and services to full charge for the university or faculty members as private consultants.

Another issue requiring considerable attention was that of how faculty members were identified or affiliated with the ABI. The goal was to have a broad-based membership of individuals who contributed to the mission of ABI. Finally, a system was approved which required an application to supply information about activities that showed interest in ABI for approval for membership. After the initial approval, members supplied updated material every three years in order to continue membership.



Another avenue of activity felt to be very important was to have a faculty strong in the international area. Initially, there was very limited international agribusiness educational experience among the key and other more active members of the faculty associated with ABI. Because of this limited experience of MSU in the international agribusiness training, it was difficult at first to make opportunities available for faculty members. With the receipt of two United States Information Agency (USIA) grants in Uzbekistan and Bulgaria, most faculty members who had an interest in going abroad for a minimum of three weeks had the opportunity. Several faculty members took Volunteer Overseas Cooperative Assistance (VOCA) assignments. One faculty member provided agribusiness management training over a seven-week period to more than 120 people in Sri Lanka considering entering agribusiness or already operating a firm.

In an early attempt to get faculty members international exposure, in 1992, the ABI visited the Agricultural Cooperative Development International (ACDI) in its Washington, D.C. headquarters and then invited its president and eight vice-presidents to MSU for a discussion on mutual interests. The ACDI administrators came for a week in June 1992. This resulted in numerous beneficial activities including one faculty member going with an ACDI vice-president to several Central African countries over a three-week period.

The ABI also had numerous contracts to bring international groups to Mississippi for agribusiness training and/or to meet Midsouth agribusiness firm manager. The Cochran Fellowship program supported several of these ventures.

In October 1992, Travis Phillips from the AEC was appointed as the first coordinator with Zoel Daughtery of Accounting, as the Associate Coordinator. Phillips, at the time of being the ABI Coordinator was also the Graduate Coordinator in the AEC. He became the Graduate Coordinator of the MABM program while Mack Banks of the Management Department served briefly as the ABI Coordinator before taking a position at another university.

Until 1997, the ABI did not have a budget; therefore, necessary financial support of faculty members came from the unit supporting respective faculty members, e.g., the Deans, OIP, and grants and contracts. George Barry, a Business Executive in Residence in the President's office at MSU, developed a strong interest in ABI's potential for MSU and Mississippi agribusiness. When his term was up in the President's office, he volunteered to serve as acting Director to more fully explore the potential interest by MSU administrators and Mississippi agribusiness to support the ABI. While George Barry served as the Acting Director of ABI, Phillips continued as the MABM Coordinator.

Somewhat at a parallel with the problem of finances was the one of an industry advisory board. An operating procedure with by-laws was needed to begin the process. The details were worked out and the members selected so that the first meeting of the Advisory Board matched up with George Barry's effort to obtain funding for a full-time director with an adequately funded budget.



With George Barry as the catalyst, the leaders of the Advisory Board challenged the MSU administration to provide base financial support if agribusiness provided the needed other funds from outside sources for a minimum of five years. The budgeted MSU funds amounted to an annual \$250,000.

When sufficient pledges from agribusiness firms were made, the decision was reached to make a national search to employ the best full-time director possible. This resulted in the employment of Juan Batista, from California State University, Fresno in California. He came on board in early 1997. His training and past experience in agribusiness education made him a highly qualified candidate for the position.

With the arrival of Batista and the planned retirement of Phillips in June 1997, Lisa House was appointed as Acting Graduate Coordinator for the MABM during the spring of 1997.

