

## Purdue Farm Policy Study Group Meeting Summary

July 8, 2025

The following members were in attendance Brent Bible, Steve Brown, Tim Brusnahan, Dave Clark, Ken Foster, David Hardin, John Hardin, Levin Huffman, Joe Kelsay, Alan Kemper, Lisa Koester, Don Lamb, Marshall Martin, Tom McKinney, Doug Mills, Doug Morehouse, Shelby Myers, John Nidlinger, Ken Rulon, Don Villwock, Nicole Widmar

Excused: JoAnn Brouillette, Pete Clark, Scott Harper, Stephanie Harper, George Kakasuleff, Mark Legan, Peyton Mohler, Danita Rodibaugh, Mark Townsend

NOTE: Please visit [Farm Policy Study Group](#) to access presentation documents.

View the [Agenda](#)

### Agenda Items

#### *1. Student Attendees*

A group of interested Purdue graduates were able to join our discussions again this year: Elizabeth Fraysse, Yutaro Inoue, Anabeth Jennings, Binayak Kunwar, Josh Strine and Junyan (George) Tian. We will continue to host student attendees. We will invite undergraduate students for our December meetings and graduate students at July meetings going forward.

#### *2. Expanding Membership*

We continue to seek increased diversity in the membership of the group across a wide range of factors. We have made several great additions in the past couple of years but continue to seek new members and their perspectives. Please forward names and contact information to Ken Foster ([kfoster@purdue.edu](mailto:kfoster@purdue.edu)) if you would like to nominate an individual for membership. We also encourage you to invite such individuals as your guest to a future meeting. According to traditions of the group, members should be engaged in farming in the state of Indiana. The lunch and fees for any first-time attendees will be paid out of Purdue Farm Policy Study Group residual funds.

#### *3. Otto and Barbara Doering 60<sup>th</sup> Anniversary*

As I mentioned during the meeting. Otto and Barbara recently celebrated their 60<sup>th</sup> anniversary. Otto has been a great supporter of the Purdue Farm Policy Study Group for many years. If you are inclined to do so, then I am sure they would enjoy a note of congratulations. Their home address is: 2186 Tecumseh Park Lane, West Lafayette, IN 47906.

#### *4. Crop updates and go around*

There appears to be a lot of variation in crop conditions across the state. Some of this is related to issues that delayed planting and in other cases it is the result of either too much or too little rain. Parts of the state are enjoying ideal conditions but this is not the norm.

#### 5. [Land-grant Universities and the Future of Higher Education](#)

Dr. Jay T. Akridge, Trustee Chair in Teaching and Learning Excellence and Professor of Agricultural Economics, has been coauthoring a newsletter with Dr. David Hummels, Distinguished Professor of Economics and Dean Emeritus of the Daniels School of Business on issues in Higher Education. You can follow that discussion here: <https://findingequilibriumfuturehighered.substack.com/>. Dr. Akridge presented based on some of the information identifying challenges and ways forward for Higher Education.

### **Key Challenges Confronting Higher Education**

#### Eroding Public Trust

American confidence in higher education has declined dramatically. Only 36% of Americans now have confidence in higher education, down from much higher levels in previous decades. This erosion affects all demographics but is particularly pronounced among certain political groups and income levels.

#### Questions of Value and Relevance

Despite a \$1.2 million lifetime earnings premium for bachelor's degree holders compared to high school graduates, public perception of college value is declining. The challenge is compounded by the fact that 28% of associate degree holders and 16% of high school graduates earn more than 50% of bachelor's degree recipients. Employers are increasingly dropping degree requirements, with 53% of hiring managers reporting their companies have eliminated bachelor's degree requirements for some roles. Meanwhile, there is growing interest in alternative credentials and non-college pathways among prospective students.

#### Demographic and Enrollment Pressures

Post-Great Recession birth rate declines will create a significant "demographic cliff" for higher education. By 2030, the college-going population will drop to 93% of 2018 levels. Indiana's college-going rate has already declined to 52% in 2023. Adding to these concerns, fewer teens believe education beyond high school is necessary, with a pronounced gap between high-income students (69%) and low-income students (50%) who hold this view.

#### Skills Gap and Student Preparation

Employers report significant skills gaps among new graduates, particularly in problem solving and decision making, which 60.78% cite as the biggest gap. Verbal communication skills and organization and planning skills are also major concerns, cited by 39.22% and 33.33% of

employers respectively. The situation is particularly acute in agriculture, where only 17.65% of employers feel new graduates are adequately prepared with work-ready skills.

### Financial and Political Pressures

Universities face mounting challenges including government intervention in academic freedom and governance, restrictions on DEI programs and international student enrollment, and reduced state funding and research support. The student debt situation presents complex dynamics, though it's worth noting that 75% of undergraduates have no federal loans.

### The Land-Grant Advantage

Despite these challenges, Akridge emphasized the unique strengths of land-grant universities rooted in their historic mission. Founded on the principle of providing "such instruction as any person might need—with 'the world all before them to choose,'" land-grant institutions have a 160-year track record of adapting to serve societal needs.

The three-part land-grant mission remains highly relevant today: learning through liberal and practical education, discovery through research contributing to societal welfare, and engagement through extension and community partnership.

### A Blueprint for the Future

#### Institutional Strategy

Akridge outlined four key institutional strategies for success. First, universities should use engagement and extension as their foundation by building genuine reciprocal relationships with the communities they serve. Second, they must adopt an outside-in perspective, bringing stakeholders inside through intentional listening. Third, institutions should leverage their land-grant mission in every appropriate way, taking full advantage of linkages between research, extension, and teaching. Finally, universities must become authentic storytellers, communicating value in stakeholder terms rather than academic jargon.

#### Undergraduate Program Reform

The blueprint for undergraduate programs centers on five major reforms. Universities must elevate the teaching mission by innovating, rewarding, celebrating, and publicizing teaching excellence. They need to rethink access and completion, addressing persistent barriers across race, ethnicity, income, and geography while simplifying communication about costs and benefits. A career-ready focus is essential, preparing students for dynamic careers rather than just first jobs, with deep employer engagement throughout the educational process. The residential experience must become truly experiential, answering the fundamental question of why students should come to physical campuses. Finally, institutions should create comprehensive student experiences that ensure professional and personal growth opportunities align with career and life goals.

### Market Opportunities

Despite current challenges, significant opportunities exist in the job market. Sixty-two percent of Indiana jobs by 2031 will require education beyond high school, and there are 59,400 annual job opportunities for food and agriculture college graduates nationally. Notably, only 61% of these positions are filled by agriculture college graduates, indicating substantial unmet demand. Workforce development has become a priority across Indiana, with multiple organizations focused on building talent pipelines to meet growing economic needs.

### **Data-Driven Optimism**

Akridge's presentation, while acknowledging serious challenges, demonstrated that the fundamentals supporting higher education remain strong. College graduates still command significant earnings premiums, job markets continue to demand post-secondary skills, and perceived relevance of coursework strongly correlates with student satisfaction and outcomes.

The key insight: universities that can effectively demonstrate their value, engage meaningfully with employers and communities, and adapt their programs to meet evolving workforce needs will thrive. Land-grant institutions, with their practical mission and community focus, are uniquely positioned to lead this transformation.

\*This summary is based on Dr. Akridge's presentation to the Purdue Farm Policy Study Group on July 8, 2025. For additional insights on higher education's future, see the "Finding Equilibrium" newsletter co-authored by Dr. Akridge and Dr. David Hummels.\*

### **6. [New International Trade Landscape](#)**

Drs. Channing Arndt (Director and Research Professor) and Erwin Corong (Assistant Director and Research Economist) with Purdue's Global Trade Analysis Project delivered a presentation outlining broad expectations related to impacts of evolving US international policy.

### **Understanding the Current Trade Restructuring**

Drs. Channing Arndt and Erwin Corong from Purdue's Global Trade Analysis Project presented a comprehensive analysis of the evolving global trade landscape, examining the Trump administration's efforts to fundamentally restructure international trading relationships. Drawing on sophisticated economic modeling and current data, their presentation provided both theoretical frameworks and practical insights into what they termed "generational change in the international trade and financial systems."

### **The US Administration's Strategic Framework**

The presentation began with an examination of Stephen Miran's coherent vision as Chairman of the Council of Economic Advisers, which argues that the United States faces an unsustainable burden as the provider of global reserve assets and security umbrella. According to this view, persistent dollar overvaluation prevents proper balancing of international trade, with manufacturing and tradeable sectors bearing disproportionate costs as global GDP grows.

The administration's approach centers on the "Triffin Economy" concept, where the US dollar's role as the global reserve currency creates both privileges and burdens. While this status provides cheaper borrowing through lower interest rates and financial extraterritoriality that extends US influence globally, it also leads to currency appreciation that hurts export competitiveness. The current administration views this as fundamentally unfair, particularly when combined with security umbrella costs.

### **Strategic Tools and Implementation**

The administration has deployed a two-phase approach to restructuring global trade relationships. Tariffs are viewed as the relatively easy first step, justified through optimal tariff arguments and used to create leverage for broader negotiations. The administration has successfully imposed tariffs of 10% or more across most trading relationships except with China, where a full trade war has emerged. Importantly, explicit linkages between security arrangements and trade negotiations have enhanced US bargaining power.

Currency depreciation represents the more challenging second phase, requiring complex coordination across monetary and fiscal policy. The administration's success in avoiding significant retaliation from most countries, save China, has been crucial to maintaining potential terms-of-trade gains from this strategy.

### **The Reality of Global Trade Patterns**

GTAP's analysis reveals important structural realities that complicate the US strategy. The global economy has organized into three dominant Inter-Connected Regional Economies: North America (US, Mexico, Canada), Europe (EU plus closely linked countries), and East and Southeast Asia (China plus regional partners). Each ICRE is characterized by members trading more within their region than with outside countries.

Critically, US trade represents only 13.5% of global trade flows when intraregional trade is excluded, compared to Europe's 24.4% and East/Southeast Asia's 26.1%. This relatively modest trade footprint means other countries can "diversify away from the US with little difficulty." Early evidence supports this pattern, with Chinese exports to the US falling 28% in April and May 2025 compared to 2024, while total Chinese exports rose 6% due to increased volumes elsewhere.

### **Technological and Industrial Policy Divergence**

The presentation highlighted striking differences in industrial policy approaches between major powers. Three rapidly advancing and interacting technological realms are reshaping global competition: variable renewable energy (particularly solar), electrification of processes starting with transport, and artificial intelligence.

China has committed comprehensively to all three areas, with industrial and environmental policies substantially overlapping. The country now leads in electric vehicle production, with over 50% of new light vehicle sales being electric, massive battery production capacity, and has become the world's largest vehicle exporter. Meanwhile, under the new administration, the US maintains substantial commitment only to artificial intelligence development.

This divergence has profound implications for long-term competitiveness. Solar installations continue dramatically exceeding forecasts, with actual installations averaging more than three times higher than five-year predictions. The International Energy Agency projects global oil demand will peak in 2029, largely due to transportation electrification led by Chinese innovation and production.

### **The Evolving International Architecture**

Perhaps most significantly, the presentation emphasized that international norms, rules, and institutions are in fundamental flux. The old order cannot be restored—as the presenters noted with reference to Humpty Dumpty, there is no going back. Reinventing, adapting, and reimagining the international architecture represents a key challenge for all major powers.

The US strategy appears to be working tactically in the short term, with limited retaliation and some success in bilateral negotiations. However, the structural realities of global trade patterns, technological development trajectories, and the ease with which other countries can trade around the US suggest potential limitations to this approach.

### **Implications for Agriculture and Export Sectors**

For agricultural interests, the analysis reveals important tensions. While the administration has achieved some success in avoiding widespread retaliation, tariffs remain fundamentally a tax on exports with negative implications for agricultural and other export-oriented sectors. The ability of other countries to redirect trade flows suggests that agricultural exporters may face persistent challenges in accessing global markets.

The presentation concluded that the US seeks fundamental transformation of global trade and financial systems from a position of strength in economics, security, and finance, but relative weakness in trade volumes. Success depends critically on maintaining the pattern of limited retaliation while pursuing longer-term currency and financial system reforms.

### *7. Future meeting dates*

Barring unforeseen circumstances, the following will be the dates for the group's next two meetings: December 9, 2025 and July 7, 2026. **Please note that the Indiana Prairie Farmer Master Farmer Awards Program will be likely held following our July 7<sup>th</sup> meeting. Both events will take place at the Purdue Beck Ag Center. To accommodate attendance at both events, we**

**will shorten the Purdue Farm Policy Study Group meeting beginning at 11:45am and ending at approximately 3:30pm. The Master Farmer Awards Program will begin at approximately 4pm.**

*8. Proposed Future Topics*

The following topics were suggested for future meetings:

- Artificial Intelligence in Food and Agriculture
- Alternative crops for Indiana farms in the future
- Implications of Make America Healthy Again report
- Interstate regulation on food and agriculture
- Investment in agricultural science and research
- Glyphosate implications for farmers
- Orange corn development and commercialization (Torbert Rocheford)
- Affordable rural housing

If you have thoughts on these or other topics of interest, then please forward those to Ken Foster ([kfoster@purdue.edu](mailto:kfoster@purdue.edu)).

*9. Adjournment at 3:30 pm*

Respectfully Submitted,



Ken Foster  
Professor – Agricultural Economics  
Director – Purdue Farm Policy Study Group