

Emerging Markets Program Central Fund Proposal

Full title of proposal: Norman E. Borlaug International Agricultural Science and Technology Fellows Program for Promoting Trade with India.

Date of proposal submission: August 27, 2008

Name of organization(s) submitting proposal:

Trade and Scientific Exchanges Division (Principal Coordinator) (TSED)
U.S. Department of Agriculture, Foreign Agricultural Service (USDA/FAS)
Office of Capacity Building and Development (OCBD)
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Description

The Norman E. Borlaug International Agricultural Science and Technology Fellows Program aims to promote trade, food security and economic growth by increasing scientific knowledge and technical collaboration to improve agricultural productivity and market access. The overall program provides promising young agricultural scientists, economists, and policymakers with an opportunity to spend 6-8 weeks in the United States and work one-on-one with a U.S. scientist or trade economist in their current fields of research. During the program, participants learn new analytical methodologies and research techniques, gain exposure to the latest developments in various fields of agriculture, access fully-equipped laboratories and libraries, and learn about unique public-private partnerships that help fund agricultural research, trade and policy related issues. Equally important, this program provides agricultural scientists, economists and policymakers with opportunities to establish long-term contacts with U.S. agricultural economists, trade specialists and scientists to apply their newly gained knowledge in their homeland. Such exchanges enable Fellows from participating countries to better understand modern agricultural production, processing and marketing techniques, benefits of biotechnology, and U.S. trade policies, including our sanitary and phytosanitary (SPS) requirements.

2009 India Program Objectives

- Provide agricultural economists and policymakers with an opportunity to work one-on-one with U.S. experts in the fields of agriculture trade, economics and agricultural policy at a U.S. land-grant institutions, agricultural sector financial services and the industry;

- Provide economists and policymakers with practical experience (academia and the industry) and exposure to new technologies and research methodologies that can enhance their own research endeavors;
- Facilitate the transfer of new agricultural products and technologies available in the U.S. and promote better trade practices and improve market access;
- Address obstacles to the adoption of new marketing technology and products such as ineffectual policies, regulations, and other trade barriers;

This program will target economists and policy-makers in early to mid-level stages of their professional careers. The Borlaug Fellows staff would work closely with FAS Agricultural Affairs officers to identify appropriate areas for trade and scientific capacity building and to ensure that programs meet the Agency's overall trade objectives.

The Borlaug Fellows Program is requesting \$266,400.00 for India to be spent in FY09 to accomplish the above listed training. The focus of the proposed Fellowships for this year will shift toward greater support for specific trade and agribusiness study. The funding would allow approximately 12 Fellows from India to participate in trade related areas of:

1. Food Processing Technologies and By-Products Utilization

Provide research opportunities to scientists working on developing advance technologies for extraction processes of agricultural products, low-acid canned foods, and high pressure processing.

2. Biotechnology

Provide opportunities including the food safety of biotech processed foods, resistance to viruses of economic importance - in cooperation with the Joint Working Group on Plant Molecular Virology, as well as molecular breeding/genomics.

3. University Capacity-Building

Curriculum Strengthening: Provide opportunities for economists and policy makers and educators on how to conduct studies related to international standards for food products as well as international trade and tariffs challenges. The involvement of private sector issues in helping to shape the course content would also be studied, as would be e-delivery and other classroom innovations – develop courses on agricultural-communication and agricultural-trade policy.

Strengthening the Market Information Systems: The Borlaug Program intends to provide opportunity to visit National Agricultural Library and U.S. university agricultural libraries. This fosters the exchange of information on how libraries gather, maintain and share agricultural information in hard and electronic formats. Fellows would visit with Current Research Information System (CRIS) staff housed at the Cooperative State Research, Education, and Extension Service (CSREES) to see how USDA collects information on impacts of its sponsored research. Fellows would also visit extension offices to see how information is shared with other stakeholders. Fellows would also

visit the National Agricultural Statistics Service (NASS) to learn about how crop statistics and market information are gathered and used in the U.S.

Institutional Capacity: Provide training in governance and administration of agricultural economics programs with focus on innovations in issues such as financial sustainability, strategic planning, private sector relations, international trade etc.

Detailed Line Item Budget for Proposal:

Estimated costs are about \$22,200 per Fellow as follows:

Per Diem/Lodging	\$ 5,600
Emergency Medical Insurance	\$ 200
International Travel	\$ 4,000
Domestic Travel	\$ 2,000
Training Fees, Miscellaneous Expenses	\$ 2,700
Mentor Follow-on Travel and Per Diem	\$ 5,000
OCBD Administrative Costs	\$ 2,700
TOTAL ESTIMATED COST PER FELLOW	\$22,200

TOTAL COST FOR 12 FELLOWS **\$266,400**

The proposed 12 Fellowships for India will focus on trade and agribusiness topics. They are not part of the Indian Council for Agricultural research (ICAR) pool of scientists who participate through the India AKI program, and will therefore require funds for international air travel.

Rationale – link to FAS strategy and country strategy statement

EMP funding would be used to continue the USDA Indo-U.S. Borlaug Fellows Program, which was first implemented in 2006 using appropriated funding. This action was in response to the Presidential initiative to partner with the GOI on the AKI. As indicated in the Domestic Agricultural Policy Overview (section four) and the General and Agricultural Trade Situation (section five) of the 2008 Country Strategy Statement (CSS), USDA is optimistic of continued expansion of trade opportunities with India. With the soaring population, changing food preferences and increasing consumer income of Indians there has been a considerable increase in demand for imported products. The GOI has started to reverse some of their tariff and non-tariff barriers to agricultural imports based on this soaring demand. As a result FAS/New Delhi has been implementing its market access program targeted on eliminating trade barriers on commodities for which the U.S. has a comparative advantage. The Borlaug Program supports this effort and is proposing to work closely with FAS/New Delhi to select candidates and implement these fellowships. A major focus of the FY09 programs will be on market access for U.S. value-added products as consumer demand grows and the retail sector matures. There will also be strong industry participation with a focus on public private partnerships. FAS/New Delhi and the Borlaug Fellowship program are in close

communication for designing and implementing this program. They are strongly committed to the success of Borlaug Fellowships for India.

The Borlaug Fellowship program in India clearly addresses the goals and objectives set out in the 2008 CSS: specifically Strategic Goal 1, to build support for open trade by building strategic relationships with foreign governments, trade and agribusiness groups and Objective 1.1 which supports efforts to strengthen our partnerships to ensure that the U.S. has an opportunity to influence decision-makers in areas such as animal health, food safety, biotechnology and biofuels.

During 2006, 15 Indian Fellows were provided research opportunities in the areas of food processing, distance learning, high pressure processing, water analysis for aquaculture, bio-fuels, plant breeding and biotechnology, and library information systems. They worked with mentors from Auburn University, Baylor College of Medicine, Cornell University, The Ohio State University, Pennsylvania State University, and the University of California at Davis. Fellows are preparing for their mentors to follow-up with their collaborative research efforts in India within the next 6 months. An additional Borlaug Fellow arrived in April, 2007, to begin work with The Ohio State University in the area of bio-fuels research, focusing on the use of rice paddy straw.

In 2007, research opportunities were given to 17 additional Indian Borlaug Fellows in the areas of biotechnology, food processing, food safety, water resources management, and institutional capacity building. These programs have been implemented using both appropriated and U.S. Trade Development Agency funding.

Market Constraints to be Addressed

- Concerns about the science and safety of biotechnology foods.
- Lack of science-based SPS regulatory system
- Poor public private partnership in agricultural research and extension
- Outdated agricultural curricula
- Lack of professional and scientific expertise in government regulatory bodies
- Lack of competence in assessing the economic impact of SPS Measures and Non-Tariff Barriers (NTB)

Why Federal Funding is Requested: The FAS POST in New Delhi, India has requested the Borlaug Fellows Program to extend the fellowships to candidates in India's private sector and the academia. The Borlaug Fellowship Program is seeking federal funding in order provide opportunities for economists and agricultural policy and agricultural marketing specialists from the academia and the private sector in India. It is anticipated that the training will provide better export opportunities for U.S agricultural commodities and products into India.

Performance Measures: The Borlaug Fellowship Program in India is designed to build lasting professional relationships between American mentors and Indian Fellows, which

do not conclude with the end of the fellowship. Fellows and mentors are encouraged to publish papers in international trade and economic journals, and workshops and discussions groups conducted. A key measure of the success of this program can be evaluated by the publication of papers and workshops developed on the specific topics covered in the training which are a direct result of the fellowships.

Depending on the location of the host institution we often have India Borlaug Fellows visit USDA Headquarters in Washington, DC. In this case, we arrange briefings with appropriate officials to gauge the performance of mentors and host institutions. This also gives us the needed feedback of the current constraints related to agricultural policy or development within India.

Target Economy: India remains an agricultural economy in many important respects. The share of agriculture in the country's Gross Domestic Product (GDP) constitutes about 18 percent. Agriculture provides a livelihood for approximately 600 million citizens, directly or indirectly. However, Indian agriculture is not very efficient, and the sector continues to limit overall economic growth. Although there are a number of GOI proponents of market-oriented reform, concerns about free and open markets permeate the debate with respect to agricultural reform. India's regulatory system is constrained by a lack of communication and coordination among various concerned ministries, a pronounced bureaucratic leaning toward self-reliance (to the detriment of imports), and a lack of application of up-to-date technical expertise by the scientific establishment, which policy makers and regulators rely on when drafting and implementing regulations. There is a general lack of economic considerations and scientific justifications in the formulation of rules and regulations pertaining to agricultural trade. India's total agricultural imports for 2006 and 2007 were valued at \$5.43 billion. While U.S. agricultural exports are growing (total U.S. agricultural exports to India in 2007 were valued at \$483 million, up 30% from \$370 million in 2006) there is considerable margin for greater gains.

Timelines for Implementation of the Project including Start and End Dates: This program will be implemented during the period October 2008 through September, 2009. All monies will be allocated by the end of FY2009; however, it is anticipated that some of the activities may continue into the early part of FY2010.

Qualifications of proposal applicant: FAS/OCBD /TSED provides leadership in identifying, developing, and coordinating strategic international research/science-based exchange initiatives for the United States Department of Agriculture. TSED's mission is to: 1) develop and administer programs and activities involving trade, science and technology exchanges in agriculture in support of overall agency goals and objectives as well as foreign policy initiatives; 2) manage and operate the Cochran Fellowship, Borlaug Fellowship, Scientific Cooperative Exchange, Scientific Cooperation Research, Embassy Science Fellows Program, the Visiting Scientists Program, the Faculty Exchange Program, and Local Currency Programs; and 3) develop, coordinate, and implement technical short courses, training and mentoring programs in agriculture taught

by universities, USDA agencies and others in the U.S. and abroad. TSED is the principal program sponsor.

Points of Contact for Borlaug India Program:

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