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# Why Study Applied/Agricultural Economics

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Why study Applied/Agricultural Economics?

"The combination of quantitative training and applied work makes agricultural economics graduates an extremely well-prepared source of employees for private industry. That's why American Express has hired over 80 agricultural economists since 1990." - David Edwards, Vice President-International Risk Management, American Express

Agricultural Economics is a very applied field covering many topics beyond those stereotypically thought of as pertaining to agriculture. These may include finance and risk management, environmental and natural resource economics, game theory, or public policy analysis to name a few. More and more 'Agricultural Economics' is becoming synonymous with 'Applied Economics.' Many departments have changed their name from Agricultural Economics to Agricultural and Applied Economics and some have even changed their degree program names to just 'Applied Economics.' In 2008, the American Agricultural Economics Association changed its name to the Agricultural and Applied Economics Association.

This trend is noted in recent research in the journal Applied Economic Perspectives and Policy:

"Increased work in areas such as agribusiness, rural development, and environmental economics is making it more difficult to maintain one umbrella organization or to use the title "agricultural economist" ... the number of departments named "Agricultural Economics" has fallen from 36 in 1956 to 9 in 2007."

Agricultural/Applied economics provides students with skills in high demand, particularly in the area of [analytics](#).

"Some companies have built their very business on their ability to collect, analyze, and act on data."

( See 'Competing on Analytics.' Harvard Bus.Review Jan 2006)

Recently from the New York Times: ([For Today's Graduate, Just One Word: Statistics](#) )

"Though at the fore, statisticians are only a small part of an army of experts using modern statistical techniques for data analysis. Computing and numerical skills, experts say, matter far more than degrees. So the new data sleuths come from backgrounds like **economics**, computer science and mathematics."

To quote, from Johns Hopkins University's applied economics program home page:

"Economic analysis is no longer relegated to academicians and a small number of PhD-trained specialists. Instead, economics has become an increasingly ubiquitous as well as rapidly changing line of inquiry that requires people who are skilled in analyzing and interpreting economic data, and then using it to effect decisions .....Advances in computing and the greater availability of timely data through the

Internet have created an arena which demands skilled **statistical analysis**, guided by **economic reasoning and modeling.**”

Finally, a quote I found on the (formerly) American Agricultural Economics Association's web page a few years ago:

“Nearly one in five jobs in the United States is in food and fiber production and distribution. Fewer than three percent of the people involved in the agricultural industries actually work on the farm. Graduates in agricultural and applied economics or agribusiness work in a variety of institutions applying their knowledge of economics and business skills related to food production, rural development and natural resources.”

#### **References:**

'What is the Future of Agricultural Economics Departments and the Agricultural and Applied Economics Association?' By Gregory M. Perry. Applied Economic Perspectives and Policy (2010) volume 32, number 1, pp. 117–134.

'Competing on Analytics.' Harvard Bus.Review Jan 2006

'For Today's Graduate, Just One Word: Statistics.' Steve Lohr. August 5, 2009