Capacity Grants: 1862 and 1890 Land-grant Universities

The USDA's National Institute of Food and Agriculture (NIFA) supports research at land-grant universities through Capacity Grants based on statutory formulas. These grants (including Hatch, Hatch Multistate, and Evans-Allen) are essential for addressing the key challenges faced by agriculture at the local, state, regional, and national levels. The agricultural research performed by the state experiment stations and research labs at our land-grant universities is the science that feeds the world. Here are key facts about this enterprise:

- Federal investment in capacity research strengthens national security and competitiveness; improves resilience and productivity; enhances food and nutrition security; and stimulates economic growth. This investment in food and agricultural research is needed to spur new scientific breakthroughs and keep pace with our global competitors.
- Capacity grants enable the land-grant system to pivot rapidly in response to unexpected events (e.g., avian influenza, severe weather events, wildfires, food safety outbreaks, drought, farm crises, and invasive species).
- The research capacity funds are an essential component of a federal-state partnership, for which every federal dollar is matched minimally, 1:1. This partnership represents the agricultural R&D "long-game" and ensures the role of the United States as a leader in agricultural innovation.
- According to the USDA, every $1 invested in public agricultural R&D generated on average $20 in benefits to the U.S. economy.
- agInnovation, the system of experiment stations and research labs at our land-grant universities, performs approximately 75% of the publicly funded agricultural R&D in the United States.
- The food and agriculture industry contributes more than $1 trillion to the U.S. GDP.

What current conditions underscore the need for increased public investment in agricultural R&D?

- Total U.S. agricultural research funding peaked in 2002 and has declined by 1/3 since, hitting the lowest levels since 1970.
- China's funding of agricultural R&D has grown to more than $10 billion – double what the U.S. invests. (Capacity funds are a key component of the U.S. research investment.)
- The U.S. agricultural trade balance was positive for nearly 60 years until 2019, when it shifted to a deficit. Research is the tool that helps farmers compete in global markets and returns the U.S. to being a net agriculture exporter.
- Research is needed to ensure agricultural productivity rivals other industry sectors and meets America's demand for food, fuel, and fiber.
- Publicly funded research often addresses areas unlikely to attract private investment, despite offering significant social returns. Such research may be considered too risky, or the economic benefits may be too diffuse or difficult for private firms to capture.