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CHOICES

Second Quarter 1993



Valuing our environment	4
An interview with William Reilly	16
Changing agricultural institutions	20

Findings

What agricultural and resource economists are finding about food, farm, and resource issues*

- Reduced concentration of the beef packing industry would not likely raise fat cattle prices — say Stiegert, Azzam, and Brorsen
- Chemical suppliers and farmers do value leaching and human toxicity characteristics in pricing and purchasing herbicides — say Beach and Carlson
- Technical change and scale effects in the textile mill industry have caused a significant decline in the use of natural fibers — say Shui, Beghin, and Wohlgenant
- Shifting producer check-off funds from product promotion to farm-level production research could benefit farmers — says Wohlgenant
- The government may overspend on data collection to estimate hog and pig supplies — say Carter and Galopin
- Increased Christmas tree harvest would greatly reduce prices and returns to Christmas tree producers — say Davis and Wohlgenant
- Few Delta farmers now convert wetlands to cropland because swampbuster regulations, the Tax Reform Act of 1986, and other factors reduced the profitability of conversion — say Kramer and Shabman
- Use-value property tax assessment slows the conversion of ag land to residential uses at the urban fringe, but may have little effect on development in rural areas — says Anderson
- The visual quality of organic produce is often indistinguishable from that of conventional produce — say Conklin and Thompson
- By 2001, a new state-of-the-art ethanol plant will trim 11 to 22 percent from current costs of production — say Rendleman and Hohmann

*Findings are taken from soon-to-be published research in the *American Journal of Agricultural Economics*, *Journal of Agricultural and Resource Economics*, *Review of Agricultural Economics*, *Journal of Agricultural Economics Research*, *Journal of Agricultural and Applied Economics*, *Agricultural and Resource Economics Review*, *Land Economics*, *Journal of Environmental Economics and Management*, *Agribusiness—an International Journal*, and other journals which publish the research findings of agricultural and resource economists. Abbreviated citations are found on page 25.

Our cover art depicts economic evaluation of environmental amenities—estimates important for policy and litigation. But as our lead articles show, estimates are sometimes quite controversial.

Guest editorial



The Council on Food, Agricultural, and Resource Economics (C-FARE) is being formed to help the agricultural economics profession better serve society through the profession's research, extension, and resident instruction programs. The Council will help identify key economic issues, set priorities, and generate support for research, extension, and resident instruction at the federal and state levels. It will also foster more effective work between the agricultural economics profession and other rural social sciences, agricultural sciences, and agribusiness.

Fifteen individuals representing universities, government, industry, and other organizations will sit on the Council. It is currently sponsored by the American Agricultural Economics Association, the Economic Research Service and other USDA agencies, Farm Foundation, and land grant and other universities involved in the diverse subject matter of agricultural economics.

The scope of the Council's activities will be consistent with the broad and growing range of subject matter of the profession. Included are the economics of food production, distribution, and consumption; international trade and development; macro economic issues; natural and human resources; environmental quality; rural communities and economic development; rural financial markets; agribusiness management; public policy; and legal-economic issues.

The Council has several objectives:

- To represent the profession in working with the traditional agricultural research, extension, and resident instruction system, other USDA agencies, other federal and state agencies, Congress, foundations, and other sources of support and users of research and education.
- To strengthen the relationships of economics to other agricultural sciences (e.g., animal sciences, plant sciences, agricultural engineering), rural sociology, family and consumer economics, agricultural law, and other disciplines.
- To encourage the development of multidisciplinary educational materials for use in extension, public service, and classroom teaching.
- To stimulate the creation of scientific partnerships between public and private sector groups that contribute to research, extension, and classroom teaching.
- To communicate the role of economic analysis in public and private sector decision making, such as by demonstrating the values of research and education, and measuring the effects of new policies, technologies, institutions, and management practices.
- To help identify economists for national task forces, projects, review panels, conferences, and other activities which affect research, extension, and resident instruction.
- To help channel policy-related information between policy makers and members of the profession.
- To provide leadership for the development of non-partisan background papers, issue statements, research and education programs, and other scientific materials that contribute to the Council's mission.

The formation of the Council is timely because of (1) the significant importance of economic considerations in problem solving and policy formulation, (2) the broader range of subject matter that now comprises the agricultural economics profession; and (3) increased funding pressures at federal and state levels. Under these conditions, it is essential to strive for greater coordination and communication across disciplines, with agribusinesses and other private sector groups, and within our profession.

As a pilot activity, the Council's planning committee will prepare brief issue statements on several topic areas that are high on most priority agendas. Included among the topics are Agro-Environmental Benefits from Economic Research and Education, Financing Economic Development in Rural America, The Industrialization of U.S. Agriculture, Economic Analysis of Emerging Agricultural Technologies, and Economic Contributions to Resolving Public Land Issues. These brief statements succinctly demonstrate how economists can contribute to research, education, and policy analysis in these issue areas.

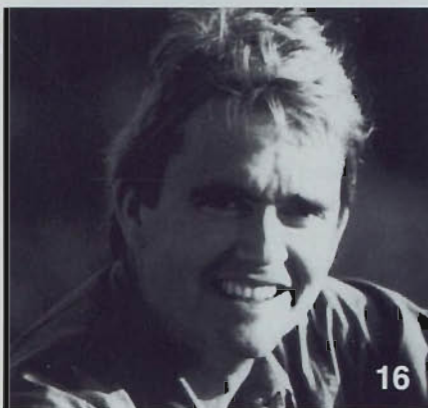
C-FARE is in its organizational phase now and will be fully operational during the latter half of 1993. An important part of its activities will involve other groups and develop effective communication channels within and beyond our profession. Questions, comments, and suggestions about the Council can be addressed to any of the following individuals.

Peter Barry

Katherine Reichelderfer

Walter J. Armbruster

Table of contents



Features

4 Contingent valuation and passive-use values

5 Introducing the issues
Richard T. Carson, Norman F. Meade, and V. Kerry Smith

9 Contingent valuation: The wrong tool for measuring passive-use losses

William H. Desvousges, Alicia R. Gable, Richard W. Dunford, and Sara Hudson

12 Passive-use values and contingent valuation: Valid for damage assessment

Alan Randall

16 An interview with William Reilly

Sandra S. Batie

20 Changing agricultural institutions

20 Reinventing USDA: Missions must come first
Neilson C. Conklin and William E. Gahr

26 Financial institutions for agriculture: A view to the future

Marvin Duncan and Richard D. Taylor

Gallery



Carson Meade Smith



Dunford Hudson Desvousges Gable



Randall Batie Conklin Gahr



Duncan Taylor Zulauf Tweeten



Allen Crosson

Richard T. Carson is an economist at the University of California, San Diego, where he specializes in development of nonmarket valuation techniques and econometrics. He is the coauthor—with Robert Mitchell—of a standard reference text on contingent valuation. Carson served as a principal investigator for the State of Alaska's damage assessment for the Exxon Valdez oil spill.

Norman Meade is a senior economist in the Damage Assessment Center, National Oceanic and Atmospheric Administration (NOAA), U.S. Department of Commerce. He has served for over ten years as a government expert in natural resource damage litigation, and researched natural resource valuation methods and coastal zone and fisheries management policy.

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Sara P. Hudson works at RTI on damage assessment projects relating to oil spills and

hazardous substance release. She has developed surveys, trained interviewers, monitored data collection, and analyzed results.

Alicia R. Gable is completing her undergraduate degree in economics and international studies at the University of North Carolina. She has assisted on several NRDA projects involving oil spills and hazardous substance releases.

Alan Randall is an agricultural economist at The Ohio State University. His 1974 article with Berry Ives and Clyde Eastman is a seminal contribution to the contingent valuation literature and received two awards. He led the federal government's contingent valuation study of damage from the Exxon Valdez oil spill.

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Departments

Findings

- 31 Reordering the mission of agricultural research at land-grant universities

*Carl R. Zulauf and
Luther G. Tweeten*

- 34 A view of agriculture's future through a wide-angle lens

Kristen Allen

- 38 Sustainable agriculture: A global perspective

Pierre Crosson

1 Editorial

2 Gallery: About the authors

- 22 Graphically speaking
Pesticide leaching potential from crop production

43 Letters

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Pierre Crosson is a senior fellow at Resources for the Future, where he has worked for more than 25 years. For the last decade or so his research has focused on the impacts of agriculture on the natural resource base and environment, emphasizing the consequences for the sustainability of the agricultural system in the United States and globally. With colleagues at RFF, he is currently developing a program of research on sustainable development.