



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

CHOICES

SPRING 2002

On The Media Roller Coaster:



WILL BIOTECH FOODS FINISH THE RIDE?

How does media coverage of biotech foods affect public perception? **page 6**

*And Then There
Were Four:
Concentration
and Biotech
Industry R&D*

PG 11

*Payments-in-
Lieu of Taxes:
One Piece in
the County
Finance Puzzle*

PG 26

*An E-Merging
Revolution in
Agricultural
Exchanges*

PG 34

So They Say

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

■ **BLAST FROM THE PAST.** In 1963, the USDA promoted a niche market for guinea fowl saying, "Many hotels and restaurants in large cities serve guineas at banquets and club dinners. ... Highest prices for guinea fowl are obtained in large cities, particularly in the East. Guinea raisers who are near good city markets or who have developed a retail trade usually receive excellent prices for dressed young guineas." U.S. Department of Agriculture, Animal Husbandry Research Division and the Agricultural Research Service. "Raising Guinea Fowl." USDA Leaflet No. 519, Washington, D.C., 1963.

■ **FOOD INSECURITY?** Birgit Meade and her co-authors report that "Based on all the indicators developed by USDA's Economic Research Service (ERS), the aggregate food security situation for 67 low-income countries deteriorated in 2001 relative to estimates [made for them] in 2000. The main reason is the impact of food production shortfalls in many countries coinciding with the global economic slowdown that intensified foreign exchange constraints in these countries and limited their ability to import food." Meade, Birgit, Stacey Rosen, Shahla Shapouri, Bryan Lohmar, and Michael Trueblood. "Food Security Assessment." *ERS Outlook Report No. GFA13*. 79 pp, April 2002.

■ **NO ASSESSMENTS FOR ORGANICS.** ERS used the WWW to say: "Certified organic producers who produce and market only organic products and do not produce any conventional or nonorganic products are exempt from paying an assessment under any commodity promotion law. Organic growers had concerns about paying assessments that did little or nothing to market organic products. Methods for improving the treatment of certified organic agricultural products under Federal marketing orders will be evaluated as part of the research and extension provisions authorized under the [2002] Farm Act." "Organic agriculture provisions." Available at www.ers.usda.gov/features/farmbill/analysis/organicagriculture.htm

■ **GOING GREEN (REVOLUTION) IN AFRICA.** Norman Borlaug says: "I've spent the past 20 years trying to bring the Green Revolution to Africa — where the farmers use traditional seeds and the organic farming systems that some call 'sustainable.' But low-yield farming is only sustainable for people with high death rates, and thanks to better medical care, more babies are surviving." Borlaug, Norman. "We Can Feed the World: Here's How." *Wall Street Journal*, May 13, 2002.

■ **WISCONSIN'S LOCAL TAXES: HOW HIGH IS TOO HIGH?** Deller and Lledo say that: "...[B]eyond the political rhetoric, little is known about the true impact of Wisconsin municipal fiscal policy on local economic well-being and growth. In one previous study we asked the direct question, 'are Wisconsin local taxes too high?' Using the general economic notion of capitalization rates, we systematically tested two hypotheses. First, if taxes and corresponding spending is too high, this will be reflected in local property values. Second, if local property tax rates are too high, the ability of local governments to generate additional tax revenues should be hindered. Using 1995, 1996 and 1997 data for 554 Wisconsin cities and villages we were able to rigorously conclude 'no, Wisconsin city and village taxing and spending levels are not systematically too high.' Deller, Steven and Victor Lledo, "Local Government Taxing, Spending and Economic Growth: New Evidence for Wisconsin." University of Wisconsin Department of Agricultural Economics, Staff Paper No. 447. April 2002.

■ **DOES SOCIAL CAPITAL TRICKLE DOWN?** Robison, Siles, and Schmid say that, "Because social capital and the production of social-emotional goods alter the terms and levels of trade, we cannot be guaranteed that existing production practices and existing distributions of social capital and other resources will reduce poverty by 'trickling down' benefits to those who lack resources and whose social capital is in resource-poor networks. We must abandon the incomplete paradigm of development that declares that the problems of the poor will eventually be solved if the rest of the economy becomes wealthy enough." Robison, Lindon J., Marcelo E. Siles, and A. Allan Schmid. "Social Capital and Poverty Reduction: Toward a Mature Paradigm." Department of Agricultural Economics, Michigan State University, Agricultural Economics Report No. 614, June 2002. (p.37).

■ **THE PRIME MOVER.** In 2000, Michael Lewis noted that "The Prime Mover of Wealth was no longer a great industrialist who rode herd on thousands of corporate slaves, or the great politician who rode herd on a nation's finances, or the great Wall Street tycoon who bankrolled new enterprise. He was the geek holed up in his basement all weekend discovering new things to do with his computer." Lewis, Michael *The New New Thing* New York: Norton, 2000 (p. 31).



CHOICES Is Here To Stay!

CHOICES is one of our favorite publications. It is a living, growing, and evolving entity. And now is the time to take it to a new level of effectiveness and stature. Starting in 2003, you will receive CHOICES on line. CHOICES articles will still have full text with accompanying color pictures and graphics, but will be enhanced in important ways. It will be searchable by author and topic: not only through the AAEA website, but through popular Internet search engines such as Google. More people than ever will find and read your articles, and your opportunity to communicate your ideas will expand.

The change is designed to broaden the reach of CHOICES and open new opportunities for targeted use and distribution. It will further a long-standing goal of making CHOICES an effective communication channel: one that reaches out to students, policy makers, and the interested public. Most importantly, it will accomplish this objective while retaining its integrity as a peer reviewed publication complete with academic editors and reviewers. Next year will be a first step on a journey towards making CHOICES even more useful and valuable.

My vision of the possibilities arising from the new online incarnation of CHOICES:

Faculty and student authors will discover that their writing is being found and read by more people than ever. They will receive feedback on their articles (because it will be easy to do) and a dialogue between authors and readers will be more likely to take place.

The reputation gained by authors through these Internet articles will spill over to their home institutions making authors even more appreciated by their employers, colleagues, students, and the AAEA.

The time between submission and publication will diminish since articles can be "published" as soon as they are accepted.

Members and subscribers will be notified by e-mail whenever a new article or set of articles is posted on-line. A short summary of each article's message will accompany the notice. These summaries will stay on the website to foster future searches.

Full articles can be downloaded, printed, and accessed by students and others.

With all prior issues of CHOICES put on line, and searchable, someone interested in a particular topic — say, water policy — can compile their own set of printed articles.

With sufficient willingness to pay for printed versions of future issues or sets of articles, digital printing methods can produce printed copies to fill the demand. Printed ver-

sions are not out of our sights...but for the present, they are out of the budget.

CHOICES is valued for its readability and variety of topics. "It is one way I can keep up with the breadth of interests and ideas of my colleagues" was a common idea expressed in a recent member survey. The current and past editors of CHOICES — Paul Barkley, Harry Ayer, and Lyle Schertz — should be proud of the "brand equity" they have created in the name "CHOICES."

Likewise authors who are publishing in CHOICES should be proud of their contributions. Until further notice, authors should continue to send manuscripts, letters to the editor, interesting graphics, and ideas to Paul Barkley at <pbarkley@oregon-state.edu>

More comments on the changes in CHOICES may be found in the May-June issue of Exchange, available to AAEA members at <http://www.aaea.org>.

Jean Kinsey is Professor of Applied Economics and Co-Director of The Retail Food Industry Center at the University of Minnesota, and is currently Past-President of the American Association of Agricultural Economics.



CHOICES

Spring 2002

Features

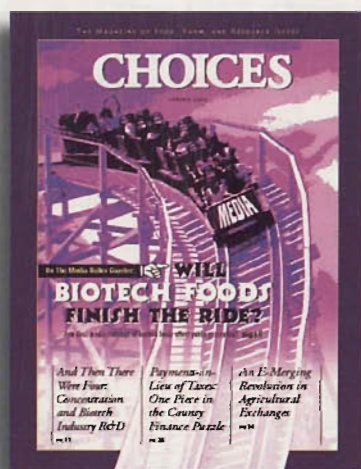
6 On the Media Roller Coaster: Will Biotech Foods Finish the Ride? The tone and volume of media coverage of biotech foods has been quite different in the U.S. than in the U.K. This in turn may have influenced public perception of biotech foods in each country. *by Leonie A. Marks, Nicholas Kalaitzandonakes, and Lucy Zakharova.*

11 And Then There Were Four: Is Concentration Affecting Biotechnology Industry R&D Performance? Industry consolidation may affect the biotech varieties available to farmers. *by James F. Oehmke and Christopher A. Wolf.*

16 Auctions 101: What Am I Bid for...Safer Food? (Lessons from a Decade in the Lab) Laboratory auctions show that consumers may be willing to pay more for pathogen-free food products treated with technologies such as irradiation, but the degree to which they are willing to pay may depend on the messages — pro and con — they hear and read. *by Jason F. Shogren, Dermot J. Hayes, John A. Fox, and Todd L. Cherry*

22 Rural Development — Euro-Style? Support for rural communities might be a better U.S. ag policy than larger agricultural subsidies. *by Dave Lamie and Anna Kovalyova.*

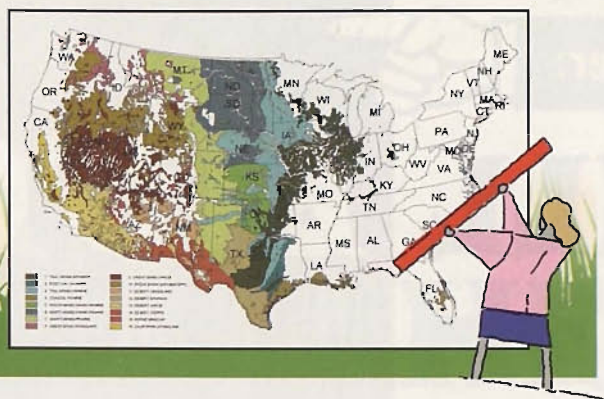
26 Payments-in-Lieu of Taxes: One Piece in the County Finance Puzzle The pace of federal land acquisition may be harming some Western counties, because supplemental payments intended to replace lost property tax revenue are not in fact keeping pace. *by Molly Espey and Kwame Owusu-Edusei.*



ON THE COVER Consumer Opinion, Along for the Ride. Media coverage of the biotech foods issue affects public perception of biotech foods.

Graphically Speaking:

The grasslands they are a'changing. The authors delineate some of the changes.



- 31 **Yo Quiero Taco Bell Amarillo** The supply disruption imposed by the StarLink™ incident made its way to your local Taco Bell.

by David Debertin.

- 34 **An E-Merging Revolution in Agricultural Exchanges** Electronic technology may remake commodity trading, if stakeholders can address and overcome issues surrounding the ownership and revenue structure of existing exchanges. *by Nicholas Kalaitzandonakes and James Kaufman.*

- 38 **One Plant, Patent Pending** Intellectual property protections threaten to pit developing countries against the developed world, using the WTO as an arena. *By Anwarul Hoque and David Skully.*

Departments

- 2 **So They Say**
- 3 **Guest Editorial** Change is coming to CHOICES. *by Jean Kinsey*
- 24 **Graphically Speaking** Grassland Dynamics. *by Larry W. Van Tassell, Richard Conner, Andrew Seidl, and Neal Wilkins.*

PUBLISHER

The American Agricultural Economics Association
415 S. Duff Ave., Suite C
Ames, IA 50010-6600

EDITOR

Paul W. Barkley
Dept. of Agricultural Economics
211E Hulbert Hall
Washington State University
PO Box 646210
Pullman, WA 99164-6210

PUBLISHING SERVICES

Clear Window MultiMedia
A Meister Company
37733 Euclid Avenue
Willoughby, OH 44094
(440) 942-2000

ADVISORY BOARD

Andrew Barkley	Richard Levins
Daniel Bernardo	Noelwah Netusil
Michael Boehlje	David Orden
Gary Brester	Gregory Poe
Joyce Cacho	Brian Revell
Betsy Cody	Tanya Roberts
John Davis	Priscilla Salant
Hal Harris	Katherine Smith
Ray Huffaker	Dawn Thilmany
Cathy Jabara	Wally Thurman
Craig Jagger	Judith Whipple
Wilfrid Legg	

CHOICES (ISSN 0886-5558) is published quarterly by the American Agricultural Economics Association for people who want to be informed about food, farm, and resource issues — and the policies that affect them. Views expressed herein are those of the authors, and not necessarily those of CHOICES or its publisher. Postage paid at Willoughby, OH, and additional mailing offices. All rights reserved. Quotation with credit is permitted. © 2002 Vol 17, No.2, American Agricultural Economic Association. Subscription rates for U.S.: individuals — \$20.00 per year (four editions). (Canada, Mexico, South America, United Kingdom and Europe \$30; other \$40.) Send subscription correspondence to CHOICES, AAEE Business Office, 415 South Duff Ave., Suite C, Ames, IA, 50010-6600, Telephone (515) 233-3234, FAX (515) 233-3101. Writers' guidelines are available at our Web site: www.aaea.org/choices/. Send four hard copies and an electronic copy of each manuscript to the editor, Paul W. Barkley, Dept. of Agricultural Economics, 211E Hulbert Hall, Washington State University, PO Box 646210, Pullman, WA, 99164-6210.