

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.



The Magazine of Food, Farm, and Resource Issues Second Quarter 1989



Two Prescriptions For Rural Development





The Magazine of Food, Farm, and Resource Issues

Second Quarter 1989

### ARTICLES -

- 4 Rural America: Lagging Growth and High Poverty...Do We Care? by Kenneth L. Deavers
- 8 Rural Development Policy: Fragmentation, Moving Toward Consensus by Ronald D. Knutson and Dennis U. Fisher
- 12 Rural Communities: State Governments Can Help by DeWitt John and Kim Norris

## DEPARTMENTS ·

- 2 Gallery About the Authors
- **22 Centerfold** Don Paarlberg with a graphic look at The Farm Policy Agenda

- 16 The Case of Beef Demand: A Failure by the Discipline by Wayne D. Purcell
- 20 GATT Negotiations And Agricultural Policy Reform by John A. Schnittker and A. P. VanStolk

#### 36 Letters From You:

Guy Black, James L. Hedrick, Kim Haden, Greg Pompelli, Larry J. Connor, Michel J. Petit, Kenneth L. Bader, Daniel E. Shaughnessy, John W. Mellor, Hugh Martin

- 42 Profiles Kenneth L. Robinson's Profile of George F. Warren
- 45 To You: W.K. Kellogg Foundation Grant

## DISEQUILIBRIA —

- 26 American Agriculture: Look West, Not Just East by Martin E. Abel and Richard J. Goodman
- 28 U.S. Food Aid: Give Priority to Human Needs by Larry Minear

- 30 The Economic Contributions of Peasants Are Underestimated by William C. Thiesenhusen
- 32 The Land Grant System: There Can Be A Future by Leroy J. Hushak
- 34 Verifying The Right To Work: The Paper Chase Comes To The Farm by Howard R. Rosenberg and Gregory Encina Billikopf

Publisher: The American Agricultural Economics Association Editor: Lyle Schertz Typography, Electronic Layout F.E.A. Laser Service, Timonium, Md. Printer: United Lithographics Services, Inc. Publication Office: 12708 Oak Farms Road Herndon, VA 22071 (202) 786-1899

Cover Photograph, Road building courtesy Mark Claesgens, Texas A&M (Iniversity; Classroom courtesy Joe DiDio, National Education Association. Inside Front Cover, Courtesy the National Live Stock and Meat Board. Advisory Council:Paul W. BarkleyJohn OtteOrlen GrunewaldJames ShafferJames HouckWayne SchutjerPatrick J. LubyMichele VeemanJane E. LuzarTim WallaceNeil H. Pelsue, Jr.Mike Woods

Graphs by Sarah Schmitt

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. Postage paid at Merrifield, VA, and additional mailing offices. All rights reserved. Quotation with credit is permitted. © 1989 Vol. 4, No. 2, American Agricultural Economics Association. Subscription rates for U.S.: Individuals—\$19.95 a year. Institutions—\$32.50 a year (four editions). In Canada add \$10 per year. Outside U.S. and Canada add \$20. Send Subscription correspondence to CHOICES, AAEA Business Office, Iowa State University, 80 Heady Hall, Ames, IA 50011-1070. Telephone (515) 294-8700. Send manuscripts to the Editor, Lyle Schertz, 12708 Oak Farms Road, Herndon, VA 22071. Telephone: (202) 786-1899.

# GALLERY ...About the authors











#### Kenneth L. Deavers

Kenneth L. Deavers is Director of the Agriculture and Rural Economy Division, Economic Research Service, U.S. Department of Agriculture. His 20-year government career has focused on urban and rural economic development issues. He was Director of Planning for the Economic Development Administration and Deputy Director of the Congressional Budget Office before coming to ERS. Since 1981 he has served as USDA's principal representative to the OECD for its work on rural public management.

#### **Ron Knutson**

Ron Knutson is a professor and extension economist in agricultural policy and marketing at Texas A&M University. He holds a Ph.D. from the University of Minnesota. He served for four years as a teacher and dairy marketing researcher at Purdue University. In 1971 he went to Washington to serve as chief economist in the Agricultural Marketing Service of USDA. In 1973 he was named Administrator of the Farmer Cooperative Service. In 1975 he went from that position to Texas A&M University.

#### Dennis U. Fisher

Dennis (J. Fisher directs the Business Development program for the Texas Agricultural Extension Service. He holds a Ph.D. in Agricultural Economics from Michigan State University and has worked extensively in community, business and economic development. He has served as chairman of the National Task Force on Manpower Programs in Extension, of the Extension Committee on Organization and Policy Subcommittee on Rural Development and Community Affairs. He is Chairman of the Southern Region Business Management Network.

#### **DeWitt John**

DeWitt John is Director of Policy Studies on Capital Resources at the National Governors' Association. He has staffed task forces of Governors, including a 1987-88 Task Force on Rural America, and written two books, *Shifting Responsibilities: Federalism in Economic Development* and *A Brighter Future for Rural America?* Prior to joining NGA, he was director of the Governor's Office of Policy and Research in Colorado. He also spent five years in the Colorado Department of Natural Resources.

#### **Kim Norris**

Kim Norris is a native of Iowa. After she received her M.S. degree at Iowa State University she joined the Federal Reserve Bank of Kansas City where she directed the Quarterly Survey of Agricultural Credit Conditions. Working in Ames she conducted the field research for the National Governors Association's Rural Development Project. Ms. Norris is presently the Staff Research Associate for Agricultural Economic Extension, University of California-Davis.

#### John A. Schnittker

John A. Schnittker is an agricultural economist in Washington, D.C. He has been Under Secretary and Director of Agricultural Economics of the U.S. Department of Agriculture, Professor of Agricultural Economics at Kansas State University, and a farmer. Schnittker was closely involved in the Kennedy Round of Trade Negotiations, and helped design many of the U.S. farm policy reforms of the 1960s.

#### A. P. VanStolk

A. P. VanStolk is a Dutch grain consultant and company director living in Belgium. He has operated grain businesses in Europe, Canada, and the U.S. VanStolk has advised officials of the European Community and government ministers, and has studied and observed U.S. and worldwide agricultural developments for many years.

#### Wayne D. Purcell

Wayne D. Purcell, an agricultural economist with a Ph.D. from the Michigan State University, is Director of the Research Institute on Livestock Pricing, at Virginia Tech. Before joining the faculty at Virginia Tech, Dr. Purcell was on the faculty of Oklahoma State University. He is the author of a major marketing text and over 200 additional publications on marketing related topics including marketing strategies, futures and options, price analysis, price outlook and price risk management.

#### **Don Paarlberg**

Don Paarlberg is Professor Emeritus from Purdue University. One half of Dr. Paarlberg's professional life has been devoted to teaching and research at Purdue University. The other half has been spent in the Federal Service. He has held appointments from three Presidents: Eisenhower, Nixon, and Ford, having been Assistant to the President, Coordinator of the Food For Peace Program, Assistant Secretary of Agriculture, and Director of Agricultural Economics. He has served as economic advisor for four Secretaries of Agriculture: Benson, Hardin, Butz, and Knebel.









#### AAEA FOUNDATION

# **CHOICES/Communications Project**

CHOICES, the magazine you are now reading, is published by the American

Agricultural Economics Association. Its current cost is covered by a combination of Association support and subscription revenue. Contributions to the Foundation by you and others will supplement the continued support of the Association and subscribers to assure the availability of this widely acclaimed publication into the future. Your contributions will also support other projects designed to facilitate the communications of ideas to a broad audience.

#### The FOUNDATION'S GOAL IS: A \$500,000 ENDOWMENT\*

You may designate that your money should be used by the Foundation in

1989 to make CHOICES better and to get it to more people. Or, if you prefer, specify that you contribution should be added to the CHOICES/Communications Endowment Fund.

See the Foundation's announcement on the back cover for a list of other Foundation projects and how you can send today your tax-deductible contribution/pledgeto The AAEA Foundation.

\*and/or annual contributions of \$50,000 for current expenditures.