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***A CAPSULE HISTORY OF THE ITALIAN-MINNESOTA EXCHANGE: A
MINNESOTA PERSPECTIVE***

Philip M. Raup

University of Minnesota

University of Bologna

University of Padova

University of Perugia

University of Firenze

University of Piacenza

University of Wisconsin

University of Siena

University of Alberta

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A CAPSULE HISTORY OF THE ITALIAN-MINNESOTA EXCHANGE:

A MINNESOTA PERSPECTIVE

Philip M Raup^a

This is a story of institutional migration and diffusion. Its direct roots go back over a half-century, to the mid-1940s and the years immediately following the Second World War. I hope I will be forgiven for couching it in somewhat personal terms, for it is also a story of my own professional evolution and transformation. You can gain some assurance of its accuracy from the presence in the audience of Marian, my wife, and partner of almost sixty years. She is your best guarantee of a faithful retelling.

Land tenure and land reform policies played a central role in post-war European reconstruction in agriculture, especially in Germany, Czechoslovakia, and Italy. Land reform legislation in the US-UK occupation zones of Western Germany in 1946 had emphasized the provision of land settlement opportunities. The gradual collectivization of farming in Eastern Germany after 1947 and the Communist coup in Czechoslovakia in March 1948 formed a backdrop to the Italian election of April 1948 in which land policy played a major role.

The provisions of the West German land reform legislation were known to Italian scholars, especially Senator Guiseppe Medici in Rome, Professors Giacomo Giorgio and Mario Bandini at Perugia, and Manlio Rossi-Doria at Naples-Portici. Significant features of the West

^aProfessor Emeritus, Department of Applied Economics, University of Minnesota, St. Paul. Delivered Sept. 2, 1998 at the Sixth Joint Italian-Minnesota Conference on Food, Agriculture, and the Environment.

German legislation were incorporated into Italian land reform laws of May 1950 (the Sila law) and October 1950 (the Extract law).

Knowing that I had been closely involved in the 1946 West German land reform effort, and had made a study tour of the USSR in 1958, Professor Carlo Vanzetti invited me to lecture on land policy at the University of Padova, growing out of contacts made while I was working as a consultant to the UN-FAO in Rome in 1960-61. This was the first direct post-war link between the agricultural economic faculties of the University of Padova and the University of Minnesota.

This linkage included subsequent lectures in Padova in the 1970s and expanded to include Minnesota Professors Vernon Ruttan and C. Ford Runge in the 1980s. With this expansion came a shift from the initial focus on land policy to the support of agricultural research in a broad context, and to the interaction between agriculture and the environment.

A significant indicator of this shift was the invitation to Professor Ruttan to lead a seminar in Padova in April 1984 in conjunction with the forthcoming publication of his book on *Politica per la Ricerca in Agricoltura (Agricultural Research Policy)*, University of Minnesota Press, 1982), which had been translated into Italian by Professor Giuseppe Stellin and colleagues at Padova.

The importance of the expanded emphasis on the role of agriculture in understanding trade and environmental problems was reflected in the invitation to Minnesota Professor C. Ford Runge to spend some weeks in Padova on several occasions in 1985 and 1986. He served for one year with the U.S. Mission to the GATT in Geneva as Special Assistant to the U.S. Trade Representative in 1987-88 and visited Padova on several occasions during that period.

One outcome was the development of a more formal arrangement between the Universities of

Padova and Minnesota for systematic collaboration and exchange. This was incorporated into an agreement signed in Padova on behalf of both institutions on July 11, 1988. This envisaged structured conferences on a regular basis, with the first one being held at Motta di Livenza (Veneto) on June 19-23, 1989.

At Minnesota, these arrangements contributed to the energizing of a Center for International Food and Agricultural Policy in the Department of Agricultural and Applied Economics. This relationship became a model for similar contacts with other universities outside the United States.

The exchanges have bridged a major shift in our perception of the ordering of agricultural problems in developed countries. At the beginning of contacts between the University of Padova and the University of Minnesota there were problems of worldwide food shortages, and fresh memories of food rationing in Europe, coupled with questions of adequate food supply for import-dependent developed countries. This included five of the six countries joined in the original Common Market (all but France). Aspirations for food self-sufficiency were among the driving forces that led to adoption of the Common Agricultural Policy (the CAP) that activated the Common Market as of July 1, 1967.

Virtually no one at that time anticipated that a major fraction of the financial resources of the Common Market would later be devoted to subsidizing the export of surplus agricultural commodities. The supply response of European agricultural producers to higher prices was underestimated.

Contacts between the Universities of Padova and Minnesota in the 1970s and 1980s bridged this European transformation from agricultural importer to exporter. Later lecture topics

in the 1980s at seminars in Padova and Venice included descriptions of U.S. policies designed to restrict output expansion, especially of grains. Land retirement to promote soil and water conservation, and set-aside programs to reduce the area in grain crops, figured prominently in these discussions.

The collaboration was enriched by the inclusion of Italian colleagues from other universities, especially Prof. Maurizio Grillenzoni from Bologna, and Prof. Lorenzo Venzi from Tuscia (Viterbo). Prof. Alan Maunder from Oxford University in the U.K. had also participated actively in early seminar planning.

In the 1960s and 1970s a leading topic was the valuation and appraisal of land associated with compensation in land reform project areas, in highway development, and in condemnation procedures in shifts from farm to non-farm land uses. This concentration of interests was strongly supported by Prof. Grillenzoni at Bologna, and by other participants in the seminars.

By the mid-1980s concern with problems of over-production was accelerated by sharp declines in agricultural land values, both in Europe and the U.S. This was made explicit in planning meetings to explore future exchanges, held in Malaga, Spain, during the meeting of the International Association of Agricultural Economists in August 1985. These meetings brought together representatives from the Italian Universities of Padova, Bologna and Tuscia, from Oxford University in the U.K., and from the University of Minnesota. The following excerpts from the minutes of those meetings convey the tenor of the discussion:

"Land use, land markets and planning should take into account not only agricultural policy, but monetary, fiscal growth and inflation, and environmental policy as factors affecting land markets and institutions."...

"Land markets are experiencing disequilibrium and decapitalisation to varying

degrees in the member countries."...

"Chronic overproduction in the United States and the EC have led to calls for land retirement and reduced inputs."...

"Environmental interest groups and new rural landowners increasingly hold values other than the maximization of farm production efficiency."...

"Nonfarm recreational and residential land uses are traditionally viewed as in conflict with farm uses. However, ... demand for both land and other inputs by mixed income farmers may act to stabilize the value of these assets, and maintain rural infrastructure."...

"The above points indicate that traditional policy targets (e.g., full production, maximum efficiency, etc.) may no longer be pursued."

The transformed orientation of Italian-Minnesota collaboration reflected in these quoted minutes was explicit recognition of a basic shift in perception of the nature of agrarian problems most in need of current research. Early contacts in the 1950s and 1960s took place against a background of acute concern in Italy over problems of consolidating the achievements of land reforms in the early 1950s. Rural population congestion was a dominant theme.

Similar concerns about land policy were apparent in the United States in the 1970s, driven not by rural overpopulation but by a realization that farming was becoming a minor occupation in many once-rural areas. Loss of good agricultural land to suburbanization had led to a U.S. National Agricultural Lands study in the late 1970s that focused on the extent of this loss, and on the environmental and socio-political consequences. Programs to slow down or redirect the urbanization of agricultural lands received widespread support.

While rural poverty in congested areas remains a problem in many areas of Europe, and specifically in Italy, there have been major demographic changes. For all of Europe, including

Russia and Ukraine, the mid-1998 estimate of the annual rate of natural population increase (births minus deaths, excluding immigration) was a negative -0.1 percent. For Greece, Italy, Slovenia, Spain and Portugal, it was 0.0 percent (*1998 World Population Data Sheet*, Population Reference Bureau, Washington, D.C.). The estimates for Italy are especially noteworthy.

As of mid-1998 Italy was estimated to have had 17 percent of its population over age 65, and only 15 percent under age 15. While Sweden and Finland also had 17 percent of their population age 65 and over, they had 19 percent under age 15. This leaves Italy as the country in Europe with one of the largest percentages of those over 65 in its population and with the smallest percentage of youth to replace its aging labor force.

The consequences of demographic change have been quite different in Minnesota, but perhaps no less profound for agriculture. Since peaks in the 1930s, almost all of the state's predominantly agricultural counties have lost population, some of them continuously, i.e., in every decennial census year since 1940. This rural population loss has continued into the 1990s, with declines from 1990 to 1995 reported for 20 of the 87 counties, including some of the state's most productive agricultural lands.

A major consequence is that rural areas in Minnesota, seeking to attract new industries to offset the loss of jobs in agriculture, must now tell any prospective incoming non-farm employers that they must bring their labor force with them. In the state's principal agricultural areas there is virtually no surplus labor.

Demographic change in recent years has thus provided an unexpected potential research linkage between Italian universities and the University of Minnesota. For both Italy (and western Europe as a whole), and Minnesota (and the U.S. Midwest grain belts), the emerging prospect is

for accelerating in-migration of labor or out-migration of agriculturally-related rural industries, or both.

The geographic relocation of livestock feeding and agricultural processing activities is especially marked in the U.S. Poultry production, once widespread throughout agriculture, has been geographically concentrated in areas of the Eastern seaboard and mid-South, where it could initially draw upon a large supply of under-employed rural labor. This is gradually shifting to a growing dependence on immigrant labor, especially from the Central American and Caribbean states.

A similar shift is underway in pig production and processing. Breeding, feeding, and pork-packing activity was once concentrated in the Midwestern Corn Belt, where feed supplies were most abundant. It is now shifting to areas that are more accessible to immigrant labor supply, and more tolerant of air and water pollution, resulting from high concentrations of animal wastes and packing plant residues.

Relocating labor supplies in the past has primarily been accomplished by internal migration, in Italy as well as in the U.S. Midwest. It is now increasingly probable that agricultural areas of both Europe and the U.S. will face problems of immigrant absorption involving ethnic, linguistic and cultural adaptations that are sharply different from those of the past.

A consequent restructuring of food industry activity is mirrored in the program of the Sixth Italian-Minnesota Conference on Food, Agriculture and the Environment. Papers were included on food industry structure, on the implications for potential monopoly behavior by food processors, on countervailing power and anti-trust policy in Italy, and on food quality and safety. These topics were certainly not ignored in the early Italian-Minnesota contacts, but they did not

then have the prominence that they currently have been given by conference planners.

Credit for this enlarged focus is due to Professor Danilo Agostini of the University of Padova, Professors G. Galizzi and L. Venturini of the University of Piacenza, and especially to Professor Ben Senauer, director of the University of Minnesota Center for Food and Agricultural Policy.

Over the past four decades of contact between the University of Minnesota and Italian universities, the focus of inquiries has almost completely inverted. Initial contacts occurred against a backdrop of European food import dependency and rural population congestion. They continue today in a setting dominated by problems of surplus agricultural output, falling world market food prices, and impending labor shortages, not least in rural areas.

A measure of the vigor of our continuing professional exchanges, reflected in this Sixth Joint Conference on Food, Agriculture and the Environment, is the fact that our conference agendas have kept pace with these dramatic reversals in problem settings. The guiding theme can correctly be identified as land policy, conceived in a broad context, but with dimensions that were unanticipated when contacts were first explored. We have adapted, and evolved.

The vision and dedication of many individuals promoted this evolution of a cross-national institutional relationship between Italian universities and the University of Minnesota. In inventorying the roots of this relationship, the contribution of Professor Danilo Agostini at Padova deserves special emphasis. His talent in combining enthusiasm with patience, and in joining a skill at short-run attention to detail with a long-run perspective, have provided the continuity that enables us to celebrate the successful conclusion of this Sixth Joint Conference.