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1 Stockpiling U.S. Agricultural Commodities with Volatile World Markets: The Case of Soybeans

10 Investments in Soil Conservation Structures: The Role of Operator and Operation Characteristics

16 Effects of Simulated Changes in Consumer Preference on the Meat and Poultry Industries

25 Groping in the Dark

27 Beef in Japan: Politics, Production, Marketing and Trade

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In This Issue

Since its start in 1949, *Agricultural Economics Research* has had eight economics editors: Howard L. Parsons (1949-51), Herman M. Southworth (1951-55), James P. Cavin (1955-60), Rex F. Daly (1960-66), Ronald L. Mighell (1966-70), Allen B. Paul (1970-76), Clark Edwards (1976-83), and Lorna Aldrich (1983). With this issue I join this distinguished group, holding feelings of awe inspired by the intellectual and professional stature of the previous editors and humility inspired by the intellectual and professional quality of my fellow social scientists who form the pool of authors, reviewers, and readers of this journal.

In the introduction to the April 1983 issue, Lorna Aldrich, starting her editorship, reviewed and discussed the journal's unchanging purpose as stated by O. V. Wells in the first issue. She concluded that the original purpose is still the proper one. I agree and intend to continue along the broad outlines given in her introduction. Dr. Aldrich has left the Department of Agriculture for the Department of Commerce and the staff of the *Survey of Current Business*. During her year's service as economics editor, she maintained the quality of the publication and managed to give the journal a slight macroeconomic flavor just when the agricultural economics profession was feeling a need to be aware of macroeconomic influences on agriculture. No small feat for a new editor! I am fortunate Clark Edwards continues to serve as a member of the editorial board, so his accumulated experience remains as a valuable and available resource.

In this issue, the readers are exposed to a surprisingly representative example of the nature of economic research as conducted by the Economic Research Service (ERS).

In the lead article, Plato and Gordon present an "economist's laboratory experiment." They use dynamic programming to analyze 900 combinations of private carry-in and public stock levels of a commodity.

These 900 dynamic programming solutions are used in simulating 500 replications of a commodity market over a 10-year planning period. From their results the authors are able to examine the probability of a public stockpiling program meeting various public commodity stockpiling objectives.

Young and Shortle, in the second article, analyze survey results. They employ a logit model to examine how the personal and economic characteristics of individual landowners and the institutional and physical characteristics of their farming operations influence conservation investments. Their results support the view that conservation investments may not simply be a business decision prompted by potential profit maximization but that individual landowner characteristics are important and will influence responses to voluntary programs.

In the last article, Crom modifies an existing ERS model to analyze an economic question for which neither direct data (survey) nor estimates of underlying economic parameters exist. The economic question, "Has consumer preference for meat changed?" itself implies a change in an underlying economic parameter. Because it will be several years before enough price-quantity observations exist to make a statistical determination of these potential changes in consumer preferences, Crom assumes they have changed, modifies the FAPSIM model to reflect this assumption, and simulates their impacts on the crop and livestock sectors and food consumers.

The Research Review section also reflects the diversity of ERS interests. Rovinsky reviews a conference proceedings on global modeling, *Groping in the Dark*, and Coyle reviews a book about an agricultural petition, *Beef in Japan: Politics, Production, Marketing and Trade*.

Gerald Schluter

In Earlier Issues

In the long view, the financial management of U S farms has gone through three phases. In Phase I, land was so cheap (almost free) that the goal of immediate and full ownership by farmers was unquestioned. In Phase II, land had acquired some value, but a prudent and industrious farmer could eventually become a debt-free owner. Now, in Phase III, land is so expensive that full ownership of an adequate farm is no longer a feasible goal. This evolution is causing us to begin to explore alternative goals. Investment in other factors of production may often represent a more profitable use of the farmer's limited financial resources.

Warren R. Bailey
Vol. 19, No. 1, Jan. 1967

risk situations are those in which parameters (such as the mean and variance) of the probability distribution of outcomes can be established empirically, uncertainty situations are those in which such parameters cannot be objectively established. Thus, any study that attempts to estimate empirically "measures of variability" falls more nearly in the classical *risk* setting. In fact, by providing objective measures of the variability of outcomes, the researcher is attempting to transfer decision-makers from an *uncertainty* to a *risk* setting. Thus, rather than relying on a "subjective guess," the decision maker receives quantitative estimates of variability to guide his actions.

Gerald W. Dean and Harld O. Carter
Vol. 12, No. 2, Apr. 1960
