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AN OVERVIEW OF SOME OF THE COMMENTS FROM THE GENERAL DISCUSSION

- I was with a well-known veterinarian from Minnesota a couple of years ago when he almost got drawn and quartered for saying that the only sustainable system for the production of hogs was in 1,200 sow or greater units on two or three sites located in areas having crop production. That is not the *only* sustainable system, but it is sustainable because it is very efficient. We in agriculture have let other people define what “sustainable” is. We need to define what sustainable is or let the market do it.
- About value chain coordination—I am working on a project which is not integration, although there are some contracts. As Tom Peter said in one of his books, we are discovering a powerful management tool, “we talk to each other.” It is amazing what you can do when you lock people in a room with no breaks until they decide something. Look at the cost differences of trying to vertically coordinate a company which already exists versus going to somewhere that has a blank slate and building one which is vertically coordinated. I will take the latter any day. That is one reason why the North Carolina pork industry grew so rapidly—it did not have to displace anything.
- My children think that pesticides are bad and fertilizers pollute water. They do not like anyone cutting down trees, and they are close to being vegetarians. They have been influenced by environmentalism. Look at the magazine “Ranger Rick” sometime. That little cartoon raccoon is a radical environmentalist. Read some of the not too subtle articles. Agricultural organizations have been slow to pick up on this approach. The American Farm Bureau Federation (AFBF) is now sending people to the National Science Teachers meetings and putting out AFBF information. Folks, we have let this one go way too long. We are raising a generation of environmentalists.
- Terry Francel gave an elegant plea for the notion of the free market. I hope that you really do not mean the free market because I find that term non-operational, non-functional and non-useful. There are no free markets—there are just variations of them. Roberto Aceves Ávila mentioned that on one occasion Mexico made the Chicago Board of Trade (CBT) nervous by having a 30 percent position in the wheat futures market. If the Canadian Wheat Board (CWB) happened to be there the same day and put a few of their trades on we would probably be up to 50 percent. That would be a total of 80 percent control of the CBT by Canada and Mexico. If you do not like a state

trading enterprise changing the structure of the industry, the logical alternative is to let Saskatchewan Pool put private trades or part of its annual movement of wheat on the CBT. Otherwise, very easily, you can have two foreign institutions controlling the CBT. We all know that would be stopped by regulation.

- When you are talking about free markets, I hope you are talking about markets which are disciplined by competition. If that is what you are talking about, you will find a lot of agreement among Canadians. If it is really the free market which is the issue, we are a long way from eliminating trade stress. I hope that this is a semantic issue and not a genuinely philosophical one.
- The fact that the CWB and the Mexican Government were used in the same example as a free market example just shows how far apart we are. In no shape or way does that represent a free market. The definition of a free market is many producers and many buyers and sellers. The important part of the market is the price signals which are sent to both producers and consumers. To the extent that there is a good exchange of those signals and regulations which set the rules, the market signals are superior to the government being in control, even though there are winners and losers.
- The old way for governments to monitor performance was to look at market share and the top four firms. Markets were thought of in the sense of sending signals back and forth between producers and consumers. This conference indicates that was the way it was and what is good for the future. It will be one vertical value chain competing against another. The traditional ways for economists to value performance will not be applicable.
- There will be a lot of competition for the consumer's food dollar. Competitiveness will be measured by market share and profitability in serving the consumer. It is in our best interest to treat the producer very well.
- Some people say that there is less competition—that we are getting more concentration, fewer, shorter supply chains and lower prices. These people assert that everybody is going to gobble each other up. However, technology can change things very quickly. It will change the way business is done. Very significant technological change can dramatically lower transaction costs. Technology is the fundamental difference that will increase competition. The costs of information will be the driving force. I am not worrying about competition. I think we will see much more.
- What happens the first time there is a failure in a concentrated system? A firm that knows it is too big to fail will leave incentives that lead to failure. When failure occurs, the regulatory hammer will come down.

- We have had a big discussion about what is harmonization. I sing lead in a gospel quartet. When I think of harmony, I sing my part and the other three guys sing their parts. When we mess up and try to sing someone else's part, it gets messed up pretty badly. If you will take the word harmonization and break it down to its root, then what Canada does and what the United States does and what Mexico does—certainly does not need to be the same thing. But, everyone likes to sing lead. We have different songs which feature different people.