



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.

IAAE Occasional Paper No. 5

Government Intervention in Agriculture

Cause and Effect

Edited by
Bruce Greenshields
and Margot Bellamy



**International Association of
Agricultural Economists**

© The International Association of Agricultural Economists 1989

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior permission of Dartmouth Publishing Company Limited.

Published by
Dartmouth Publishing Company Limited
Gower House
Croft Road
Aldershot
Hants GU11 3HR
UK

Gower Publishing Company
Old Post Road
Brookfield
Vermont 05036
USA

British Library Cataloguing in Publication Data

Government intervention in agriculture; cause and effect
(IAAE Occasional Paper No. 5)

1. Agricultural economics.

I. Greenshields, Bruce L. II. Bellamy, Margot A. III.

International Association of Agricultural Economists.

IV. Series.

338.1

ISBN 1 85521 004 5

Printed and Bound in Great Britain by
Athenaeum Press Ltd., Newcastle upon Tyne.

Contents

Foreword, *Allen Maunder*, viii

Argentine Agricultural Structure and Policy Implications, *Lilyan E. Fulginiti and Richard K. Perrin*, 1

Sector-Specific and Economywide Policies and Agricultural Incentives in LDCs, *Maurice Schiff*, 9

Agricultural Credit Cooperatives and Supply Restructuring in Portugal: Healthy Innovation or Institutional Collapse?, *Ezequiel de Almeida Pinho and Douglas H. Graham*, 16

Wheat Production in Semiarid Areas and the Role of Drought Compensation: Israeli Experience in Northern Negev, *David Bigman, Nir Becker, and Hector Barak*, 21

Dynamic Model of Capital Structure for the Noncorporate Firm, *Larry S. Karp and Robert A. Collins*, 28

Export Elasticities for US and Brazilian Soyabeans: Weighted-Market-Share Approach, *Cecil W. Davison and Carlos A. Arnade*, 35

EC Enlargement and US Agricultural Exports, *Tassos Haniotis and Glenn C.W. Ames*, 42

Institutional Agreements and Evolution of the Spanish Maize Sector, *Fernando Andrada and Felisa Ceña*, 50

Unbalancing Act: Strategies for Trade in Manufactures and Agricultural Trade Impacts, *Nancy E. Schwartz and Barry Krissoff*, 57

Agricultural Trade Liberalization in a Multisector World Model: Implications for Argentina, Brazil, and Mexico, *Barry Krissoff and Nicole Ballenger*, 65

Distribution of Domestic Policy Benefits and the Willingness to Support Trade Liberalization, *Susan Offutt and Robbin Shoemaker*, 73

Individual and Multilateral Trade Liberalization, *Douglas L. Maxwell*, 80

Sources of Growth in French Agriculture: Short-Run Supply and Input Demand Responses and Effects of Technological Change, *Frederic Bouchet, David Orden, and George W. Norton*, 86

Rates of Return on Agricultural Research Expenditures in Argentina, *Manuel L. Cordomí*, 95

Uncertain Marriage of Price Policy and Agricultural Research: Case of Cassava in Latin America, *John K. Lynam, Willem Janssen, and Luis R. Sanint*, 102

Introduction of New Maize Technology in Zaire's Kasai Oriental: Application of Risk Analysis in Farming Systems Research, *Glenn C.W. Ames, Donald W. Reid, and Tshidinda M. Lukusa*, 109

Market Performance of Poultry Industries under Different North American and European Market Structures, *Donald E. Farris and Doris von Dosky*, 117

- Normative Supply Response Analysis under Production Uncertainty: Irrigated Multicrop Farming Sector of Sudan**, *Rashid M. Hassan, B. D'Silva, and A. Hallam*, 124
- Intraregional Trade in West Africa**, *Mary E. Burfisher and Margaret B. Missiaen*, 133
- Agricultural Competitiveness in an Interdependent World**, *Thomas L. Vollrath and De Huu Vo*, 141
- Everything You Ever Wanted to Know about Food Aid But Were Afraid to Ask**, *Truman P. Phillips and Daphne S. Taylor*, 151
- 1988 Japanese Beef Market Access Agreement: Forecast Simulation Analysis**, *Thomas I. Wahl, Gary W. Williams, and Dermot J. Hayes*, 158
- Tariff and Nontariff Barrier Impacts on Illegal Migration: US Fresh Winter Tomato Market**, *Gary D. Thompson*, 168
- Tariffs, Agricultural Performance, and Regional Disparities within a General Equilibrium Framework: Brazilian Case**, *Maria da Conceição Sampaio de Sousa*, 175
- Politico-Economic Analysis of the US Sugar Programme**, *Rigoberto A. Lopez and Kay G. Sachtlter*, 181
- Do Nonagricultural Distortions Justify the Protection of US Agriculture?**, *John C. Beghin and Larry S. Karp*, 189
- Supply Management: Analyzing the Values of Tradeable Output Quotas**, *Michele M. Veeman*, 197
- Transboundary Environmental Degradation and the Growing Demand for Institutional Innovation**, *Marie L. Livingston and Harald von Witzke*, 205
- Consideration of Natural Disasters in the Economic Analysis of Agricultural Development Projects**, *Randall A. Kramer and Anna Lea Grieco*, 214
- Harmonizing Health and Safety Standards in the GATT: Proposals and Issues**, *Carol S. Kramer*, 221
- Terms of Trade of Agriculture and Food Production: Case of Mexico**, *Antonio Yunez N.*, 228
- Determinants of Rural-to-Urban Labour Movements in Mexico: Household Perspective**, *B. Bravo-Ureta, R.D. Ely, P.J. Pelto, L. Meneses, L.H. Allen, G.H. Pelto, and A. Chávez*, 234
- Peasant Exploitation Revisited: Role of Producer Preferences in Red Bean Markets in the Dominican Republic**, *Kenneth Wiegand and Dwight Steen*, 241
- Rural Poverty and Resource Distribution in Bangladesh: Green Revolution and Beyond**, *Mohammad Alauddin and Clem Tisdell*, 247
- Sources of Producer Income Instability in Kenya**, *James R. Russell, Isaac K. Arap Rop and David M. Henneberry*, 255
- Formulating Rural Development Programmes to Aid Low-Income Farm Families**, *Jill L. Findeis and Venkateshwar K. Reddy*, 262

Role of Agricultural Marketing in Transforming Subsistence Agriculture: African Case Study, G.C.G. Fraser and G.G. Antrobus, 270

Marketing, Markets, and Price Policy in China's Grain Economy, Wen Simei, 276

Price Transmission for Agricultural Products in Brazil, Geraldo S.A.C. Barros and João G. Martines, 282

Trade Policy, Self-Sufficiency, and Liberalization in the Indonesian Food Economy, Sjarifudin Baharsjah, Soetatwo Hadiwigeno, H.S. Dillon, Douglas D. Hedley, and Steven R. Tabor, 288

Impact of Trade Liberalization on Indonesian Food Crops, Mark W. Rosegrant, 295

Food Cost and Nutrient Availability in Urban Indonesia: Estimates for Food Policy Analysis, Tesfaye Teklu and Helen H. Jensen, 302

Computing the Socially Optimal Forest Stock for the Ivory Coast, Simeon K. Ehui and Thomas W. Hertel, 310

International Risk Management: Optimal Hedging for the Government Export Agency in the Ivory Coast, Gboroton F. Sarassoro and Raymond M. Leuthold, 318

New Land Valuation System for an Economy without a Land Market, Aladár Sipos, 324

Author Index of IAAE Occasional Papers Nos. 1-5, 331

Foreword

This book is the fifth in the IAAE *Occasional Paper* series. It contains the 45 contributed papers—together with the discussion opening and summary of the general discussion of each—presented at the Twentieth International Conference of Agricultural Economists, Buenos Aires, Argentina, 24–31 August 1988. A companion publication from that conference—*Agriculture and Governments in an Interdependent World*—contains the invited papers presented at the conference.

The contributed papers were refereed using a blind review process, and the acceptance rate for presentation in contributed paper sessions and publication in full in this series was 15 percent. The referees, representing 11 countries and 6 continents, were Ian Behrmann (RSA), André Brun (France), David Colman (UK), Murray Hawkins (Canada), Wilhelm Henrichsmeyer (FRG), Nurul Islam (Bangladesh), Arne Larsen (Denmark), Nora Lustig (Mexico), William Martin (Australia), Marc Nerlove (USA), Hiroyuki Nishimura (Japan), George Ryland (Australia), Bernard Stanton (USA), Stephen Thompson (Canada), and Kelley White (USA).

The International Association of Agricultural Economists is grateful to these referees for their efforts in reviewing the papers, to Bruce Greenshields for organizing the review process and the contributed paper sessions, to Bruce Greenshields and Margot Bellamy for editing this volume, to Patty Beavers and Verla Rape for their production and editorial assistance, and to the Economic Research Service of the US Department of Agriculture for its support of this part of the Association's activities.

The views expressed herein are not necessarily those of the IAAE or of the institutions with which the contributors or editors are connected.

Allen Maunder
Editor, IAAE

IAAE Occasional Paper Series

No. 1—*Papers on Current Agricultural Economic Issues*

No. 2—*Rural Challenge*

No. 3—*Rural Development: Growth and Inequity*

No. 4—*Agriculture and Economic Instability*

No. 5—*Government Intervention in Agriculture: Cause and Effect*