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Markets, Prices 1998 Policies & Risks

*The Economic
Future of
Agriculture in the
Northern Plains*

May 14-15, 1998

CONFERENCE
PROCEEDINGS

Objective
Analysis
for Informed
Decision Making

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**Markets, Prices, Policies, and Risks:
The Economic Future of Agriculture
in the Northern Plains**

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Published by the Trade Research Center at Montana State University-Bozeman

May 1998



TRADE RESEARCH CENTER MONTANA STATE UNIVERSITY-BOZEMAN

The Northern Plains and Rockies Center for the Study of Western Hemisphere Trade, publicly known as the Trade Research Center, was created at Montana State University-Bozeman in early 1996 by the Regents of the Montana University System. The purpose of the Trade Research Center is to support informed public and private decision making related to agricultural and natural resource trade policies and their economic effects in the Northern Plains and Rockies region. The Center does this by sponsoring research on agriculture and natural resource trade policies and their economic effects and by communicating this information to the public through various media.

These conference proceedings were edited for content by James B. Johnson, Coordinator of Education and Information, and prepared by Kitty Sue Squires, Publications Manager.

CONFERENCE HIGHLIGHTS

Changes in local, regional, national and international economies represent new risks and uncertainties about the conduct of markets, prices of commodities, incomes of producers, and the economic future of the region. Experience shows that along with these risks come opportunities.

– John M. Antle

Producers in Montana and throughout the Northern Plains have a stake in the outcome of agricultural trade reform.

– Mary Bohman

A useful step forward for world trade in wheat and barley would be to create provisions under the revised GATT that effectively monitor and lead to reductions in trade distorting activities of state trading enterprises such as the CWB.

– Vincent H. Smith

China is unlikely to either empty the world grain markets or become a major grain exporter.

– Scott Rozelle

The data available do not indicate that an increase in the role of private traders in the import market has resulted in an increase in the quality demanded.

– Linda M. Young

Multilateral trade liberalization of the GATT will impact U.S. beef and cattle prices. Cow-calf producers should benefit as gains from increased feeder cattle prices will more than offset reductions in cull cow prices.

– John M. Marsh

China will eventually consume more U.S. meat products than will be sold on the U.S. domestic market.

– Dermot Hayes

Two-row barley producers, primarily in Montana and Idaho, will likely continue to receive premiums over producers of lower-quality six-row barley but face increased competition from Canadian production.

– David Buschena

No single issue may be of more long-term importance to the meat industry (especially the beef sector) than food safety.

– Gary W. Brester

Farmers can benefit from producing "high value" products for export, but this is distinct from "adding value" via processing.

– Ian M. Sheldon

Under the FAIR Act and the recent trade agreements, farm operation is riskier in terms of debt-to-asset ratio and require more efficiency, suggesting that larger-size farms are better equipped to handle the problems than smaller-size farms.

– Won W. Koo

A substantial portion of dryland cropland in Montana would become less profitable at current asset values if government income transfer payments were phased out.

– Susan M. Capalbo

A 15 percent perturbation in agriculture leads to a 3 percent change in the Montana economy.

– Paul E. Polzin

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