



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

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.*

378.786

T73

M37

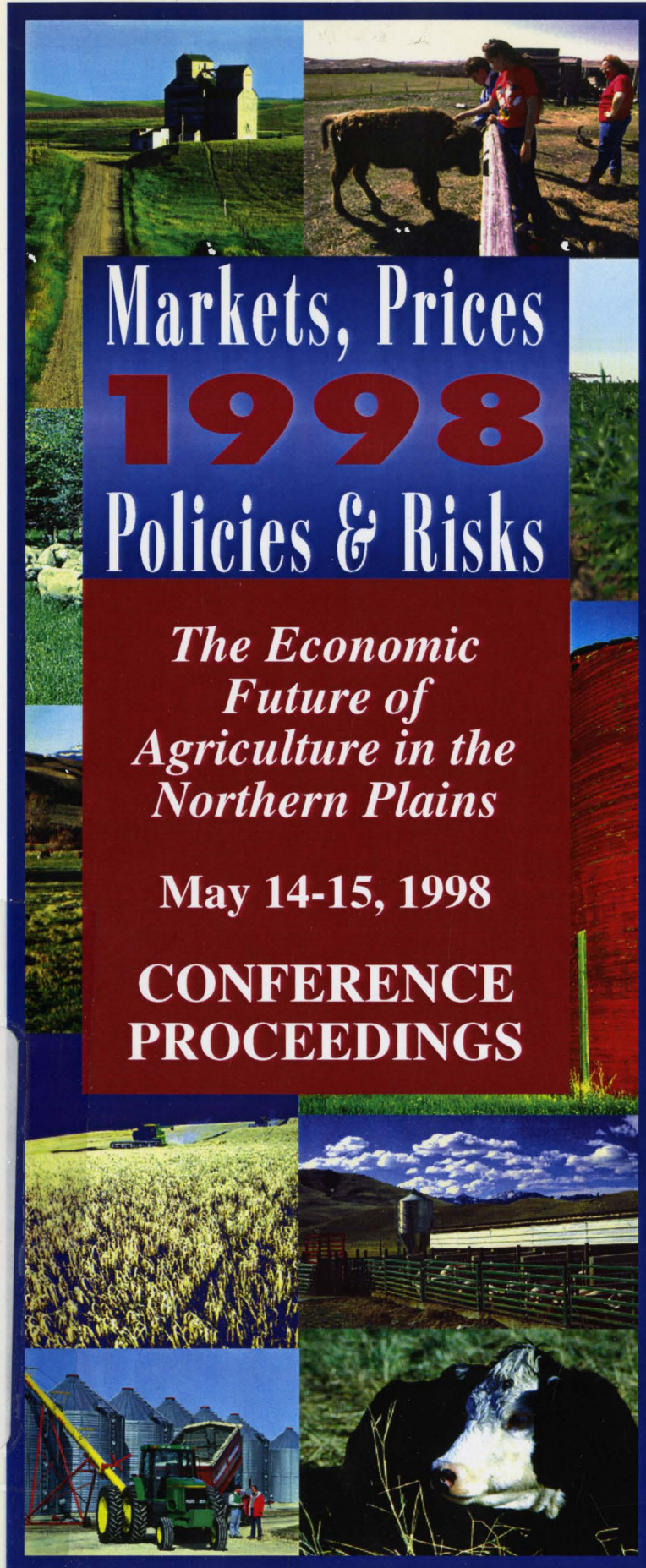
TRADE



RESEARCH
CENTER

Montana
State
University
Bozeman

WAITE LIBRARY
DEPT. OF APPLIED ECONOMICS
UNIVERSITY OF MINNESOTA
1994 BUFORD AVE. - 232 ClaOff
ST. PAUL, MN 55108-6040 U.S.A.



Objective
Analysis
for Informed
Decision Making

Agriculture, Trade and the Regional Economy

John M. Antle

The Trade Research Center at Montana State University (MSU) is pleased to welcome you to *Markets, Prices, Policies, and Risks: The Economic Future of Agriculture in the Northern Plains*. As part of the Center's ongoing research and public education programs, the purpose of this conference is to present research findings and related information about economic issues facing the region's agriculture.

As you know, many important changes are taking place in the local, regional, national, and international economies. These changes are driven by the markets where Montana and the Northern Plains Region's agricultural products are traded, and by developments in domestic policies and trade policies. In the early 1990s, major new trade agreements—NAFTA and GATT—were put in place. In 1996, significant changes in United States farm policy took effect. Dramatic changes are also taking place in the world's economy, including the gradual transformation of the former Soviet states to market economies, rapid economic growth in China, and the recent financial crisis in East Asia. These events represent new risks and uncertainties about the conduct of markets, prices of commodities, incomes of producers, and the economic future of this region. Experience shows that along with these risks come market opportunities.

Certainly in the past, agriculture was one of the key economic forces in the economy of the Northern Plains. In most of the United States, the economic importance of production agriculture has declined since the early part of this century. At the same time, the food industry beyond the farm gate has grown to be one of the largest sectors of the economy. The Northern Plains Region is the one of the few regions of the country where the economy remains dependent on production agriculture. In this sense, the situation in the Northern Plains and Rockies Region is unique. One of the important questions about the regional agricultural economy that we will address is whether agriculture's role is likely to change as the realities of the national and global economies change. And if agriculture in the region is going to change, what might we expect the future to bring?

The goal of this conference is to present research findings and related information that will help answer these kinds of important questions about the future of agriculture in the Northern Plains. We will begin with a presentation by Dr. Mary Bohman of the Economic Research Service, USDA, on *Agricultural Trade Reform in the Twenty-First Century*. Dr. Bohman's presentation will set the stage for the discussions on wheat markets in the following session. Professor Vince Smith of MSU will continue the theme of trade policy in his presentation on *Challenges and Consequences of Trade Agreements for Wheat and Other Grains*, with special attention paid to the implications for wheat markets. Professor Daniel Sumner, University of California at Davis, will then speak about

The purpose of this conference is to present research findings and related information about economic issues facing the region's agriculture.

China, Trade Policy, and World Wheat Markets. Dr. Linda Young, Agricultural Policy Research Coordinator at the Center, will complete the wheat markets session with a presentation on *Wheat Quality: Trends and Issues.*

In the evening following dinner, Mike Gifford of the Canadian Trade Policy Directorate will speak about the *U.S.-Canada Trade Relationship*, a topic of vital concern to the Northern Plains Region.

Friday morning will begin with a session on livestock markets. MSU's Professor John Marsh will open with a presentation of his research on *NAFTA and GATT: Implications for U.S. Beef Market Prices.* Professor Dermot Hayes, Iowa State University, will then continue the discussion of China's important role in international markets with a presentation on *China's Role in World Livestock and Feed Grain Markets.*

The second Friday morning session focuses attention away from the region's principal commodity production to issues of trade and industry structure. The objective of this session is to explore issues related to the processing sector and how they might impact the region. Professor David Buschena of MSU will first address *Changing Structures in the Barley Production and Malting Industries of the United States and Canada.* Professor Gary Brester of MSU then will discuss *Food Safety Regulations and the Competitiveness of the Meat Industry.* Professor Ian Sheldon, from Ohio State University, will then address *Trade and Overseas Investment in the Food Processing Industry.*

After lunch, we are fortunate to have an address by Mark Drabenstott, Vice President at the Kansas City Federal Reserve Bank. Dr. Drabenstott will discuss the region's economic prospects from a national and international perspective.

Friday afternoon will begin with a session that will assess farm-level economic conditions in the Northern Plains and their implications for the regional economy. Professor Won Koo of North Dakota State University will discuss his analysis of North Dakota agriculture. Professor Susan Capalbo of MSU will then present findings of research on economic returns to grain production in Montana. Professor Paul Polzin, University of Montana, follows with a discussion of the role of agriculture in the regional economy.

The conference will conclude with a panel discussion on the future of the Northern Plains Region's agricultural economy. Panel participants include representatives from the major agricultural sectors within the region and from state government.

We look forward to contributing to a prosperous economic future for agriculture in the Northern Plains.

About the Author

John M. Antle is a Professor of Agricultural Economics and Economics and the Director of the Trade Research Center at Montana State University-Bozeman. His research interests include trade and trade policy, food safety, and climate change.