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Rob King

RISK ANALYSIS FOR AGRICULTURAL
PRODUCTION FIRMS: CONCEPTS,
INFORMATIONAL REQUIREMENTS AND POLICY ISSUES

Proceedings of a Seminar Sponsored by
Southern Regional Project S-180
"An Economic Analysis of Risk Management
Strategies for Agricultural Production Firms"
Savannah, Georgia
March 20-23, 1988

Department of Economics and Business
Agricultural Research Service
North Carolina State University
Raleigh, North Carolina

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PREFACE

This publication contains papers presented at a seminar held in conjunction with the 1988 annual meeting of Southern Regional Risk Project S-180 "An Economic Analysis of Risk Management Strategies for Agricultural Production Firms." The seminar was opened by a paper by Hazell on increasing aggregate price and yield variability in agriculture. Burt and Young and Van Kooten review recent developments for incorporating risk in dynamic programming models. Farm program risk and exchange rate uncertainties are modeled with discrete programming and time-series models, respectively. Livestock marketing and production decisions are evaluated with a stochastic programming model by Lambert. Finally, Eidman reviews the strategic management literature and Meyer explains the location and scale condition for decision making.

This is the sixth set of seminar papers arising from the S-180 project. 1983-1987 proceedings were published by the agricultural economics departments of the following schools: Oklahoma State University, University of Illinois, Michigan State University, Washington State University and the University of Minnesota.

Cooperating agencies in the S-180 project are the agricultural experiment stations of Alabama, Arizona, Arkansas, California (Berkeley and Davis), Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Missouri, Mississippi, Montana, Nebraska, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, Texas, Virginia, Washington, and Wyoming, and the Economic Research Service of the U.S. Department of Agriculture. The project's administrative advisor is Dudley Smith, Texas A & M University.

Gerald Carlson served as Chairman of the Technical Committee during 1987-1988, while Bruce McCarl chaired the program committee composed of Vern Eidman, Lauren Tauer and Tom McGuckin. The Farm Foundation and participating experiment stations and agencies provided financial support for publication of these proceedings.