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ORGANIZED SYMPOSIA

U.S. COMPETITIVENESS IN WORLD WHEAT, COTTON, AND RICE MARKETS (Moderator: Mack Leath, USDA).

Organizer: Mack Leath, USDA.

Presenters: Velmar Davis, William Lin, and Irving Starbird, USDA; and Mechel Paggi, Texas A&M University.

A great deal of interest has recently surfaced in agricultural economics regarding the competitive position of major U.S. commodities in world markets. Many observers feel that the United States has lost its competitive edge in the production and marketing of wheat, cotton, and rice.

The participants addressed several key issues during this session. The conceptual and analytical issues in the measurement of competitiveness were presented. Comparisons of preliminary costs of producing and marketing these commodities in the United States and major competing exporters were presented. The participants also identified factors other than production and marketing costs that affect U.S. competitiveness in world markets. The potential implications of the 1985 farm bill on U.S. competitiveness was also addressed.

INTERNATIONAL AGRICULTURAL TRADE: TEACHING, RESEARCH, AND EXTENSION ACTIVITIES IN SOUTHERN REGION DEPARTMENTS OF AGRICULTURAL ECONOMICS

(Moderator: Joseph D. Coffey, Southern States Cooperatives, Inc.).

Organizer: Fred J. Ruppel, Texas A&M University.

Presenters: Mechel S. Paggi and Fred J. Ruppel, Texas A&M University; Glenn C. Ames, University of Georgia; Donald McDowell, North Carolina A&T State University; and Earl Brown, University of Maryland.

Southern agriculture has been tremendously affected in recent years by the increased internationalization of the U.S. agricultural sector. Results of a 1985 survey of international

involvement by SAEA departments of agricultural economics formed the basis for the symposium presentations. Of 18 (non-1890) SAEA schools surveyed, 16 schools currently offer a total of 21 international agricultural trade courses, with extensive variation in topical coverage. Sixteen schools are active in trade research, with commodity and geographical coverage somewhat related to southern export commodities and destinations. Five schools have designated extension positions in international trade offering a wide variety of both individual and coordinated programs. The 1890 institutions are typically more focused on international agricultural development, but are moving toward more teaching and research in international agricultural trade as financial resources become available.

TAX ISSUES IN UPGRADING FARM MANAGEMENT DECISIONS

(Moderator: Terrence J. Centner, University of Georgia).

Organizers: L. Leon Geyer, Virginia Polytechnic Institute and State University; and W. A. Tinsley, Clemson University.

Presenters: W. A. Tinsley, Clemson University; Al Bock, University of Illinois; Leon Geyer, Virginia Polytechnic Institute and State University; Gregory Hanson and Diane Bertelsen, USDA.

Farm management professionals, tax advisors, and farmers face continuing challenges in incorporating accurate tax forecasts into their farm management decision making. The development of quality microcomputer equipment and tax software programs can serve to improve both farm tax preparation and general farm management by providing more accurate, more timely, and more affordable insights into farm tax liabilities. Current areas of concern include the evaluation of tax software and the use of quality microcomputer-based tax planning and tax preparation programs by farm business advisors and farmers. Tax educators committed to serving agriculture can play valuable roles by (1) helping tax professionals evaluate computer software, (2) encouraging farmers to organize tax management information so that they get maximum planning benefits from their tax professionals, and (3) improving communications between farmers and their computer-aided tax professionals.

FARM PRODUCTION AND RURAL ECONOMIES (Moderator: Mike D. Woods, Oklahoma State University).

Organizer: Mary Ahearn, USDA.

Presenters: Mary Ahearn, Tom Carlin, Bernal L. Green, James Johnson, Mitchell Morehart, and Greg Hanson, USDA.

The current farm crisis is impacting not only producers but also the communities connected to farming. Three key topics were examined and empirically linked in order to understand the nature of farm production and rural economy relationships. First, the farm financial situation was linked to individual community characteristics. Second, local community attributes and characteristics along with local farm structure were examined. Finally, the regional effects of adjustments in commodity programs were analyzed.

As the United States farm sector undergoes changes, the impacts will extend to agribusinesses and main street businesses in the farm dependent communities. Local communities will want to understand the causal factors and potential for public policy action.

BACKWARD LINKAGES OF AGRICULTURE TO THE MACRO-ECONOMY (Moderator: John Penson, Jr., Texas A&M University).

Organizer: Suchada V. Langely, USDA.

Presenters: Suchada V. Langely, USDA; Dean Hughes, Texas Tech University; S. Devadoss and William H. Meyers, Iowa State University.

Langely discussed the effects of agricultural commodity programs on government expenditures and on the rest of the U.S. economy. Net CCC outlays over the last few years had significant effects on economic growth. Hughes stated that farm financial stress has created problems for farmers and rural communities, but has not yet significantly reduced national economic performance. There may still be long-run reasons for public concern. Devadoss explained forward and backward linkages using an econometric model. Agricultural programs have minimal effects on the nonfarm sector, whereas foreign income growth had an appreciable effect on farm and nonfarm sector performance.

THE CONSERVATION RESERVE: RESULTS FROM FARMER

SURVEYS (Moderator: Steven E. Kraft, Southern Illinois University).

Organizer: Steven E. Kraft, Southern Illinois University.

Presenters: J. Dixon Esseks, Northern Illinois University; Steven E. Kraft, Southern Illinois University; and Peter Nowak, University of Wisconsin.

Esseks and Kraft presented results of a survey of participants and nonparticipants in the Conservation Reserve Program during the first two bid periods in 1986. Kraft presented additional data from a survey of farm operators in southern Illinois collected during December 1986–January 1987. Nowak presented data from two studies: a study of CRP participation by Wisconsin farmers and a study of how personnel of local agencies have assessed the CRP and conservation compliance. Salient points raised by the participants and audience include the following. First, what can be done about the high percentage of farmers with eligible land who have minimum information about the CRP? Additionally, how can farmers get necessary information about conservation compliance? Second, to what extent have the environmental hazard provisions of the CRP been used to get land into the program? Third, participants explored the combining of data from ASCS and SCS to identify farm units with highly erosive land and then having the agencies contact the owners/operators about their potential eligibility for the CRP program. Fourth, discussion centered around how the CRP could be changed to encourage more participation. Suggestions included more information on bid levels, possible grazing or haying in the later years of the contract period, shorter contract periods, larger up-front payments, and smaller bid pools. Some participants pointed out that over the sign up periods the variance around acceptable bids had narrowed. Fifth, discussion centered on the interaction between the CRP and commodity programs. Participants pointed to need to resist changing the CRP between years or sign up periods. Additionally, discussion focused on the needs to achieve greater compatibility between the CRP and the management of the commodity programs. Finally, participants underscored the lack of awareness farmers have concerning conservation compliance and the potential image problems agencies might have if they are seen as regulators or if they become more active.

SYSTEMS APPROACHES TO FOOD AND AGRICULTURAL PROBLEMS (Moderator: Gregory M. Clary, Clemson University).

Organizer: Gregory M. Clary, Clemson University.

Presenters: Gregory M. Clary, Clemson University; Josef Broder, University of Georgia; Dean Linsenmeyer, University of Nebraska; and Jerry Skees, University of Kentucky.

Systems approaches to food and agricultural problems and their usefulness in improving decision-making, in evaluating food and agricultural policies, and in identifying opportunities for improvement were discussed. Presentations emphasized how systems methodologies improve students' analytical, communication, and problem solving skills. Curricula changes for better understanding of interrelated agricultural systems were proposed. Broder discussed the necessity and desirability of change in agricultural economics curricula and in teaching methods. Clary described systems methodologies and the rationale for incorporating systems approaches into educational and research programs. Linsenmeyer and Skees spoke on alternative methods of implementation in the classroom, some benefits associated with these techniques, and the use of systems approaches in teaching economic concepts and agricultural policy analysis.

TRADE IN HIGH VALUE PRODUCTS: OPPORTUNITIES AND POLICY OPTIONS (Moderator: Joe Purcell, University of Georgia).

Organizers: Gene A. Mathia, USDA; and Joe Purcell, University of Georgia.

Presenters: Gene A. Mathia, USDA; Tom Nakayama, University of Georgia; Earl A. Stennis, Mississippi State University.

The downward drift of agricultural product exports in consort with the financial crisis in U.S. agriculture have shifted the emphasis to increased trade in high value products (HVPs). Although the value of U.S. exports declined sharply during the 1980s, the share of the value of exports attributed to HVPs increased. The economic viability and sustainability of southern agriculture and kindred sectors depends heavily on the revenue inflow from exports. Technical requirements for

sustained trade in HVPs include a consistent flow of high quality products with products tailored to the requirements of specific targeted markets. Moreover, the United States—with emphasis on the Southern Region—has substantial potential to increase exports of high value agricultural commodities. A substantial increase in exports is needed to bring U.S. international trade into balance. National policies and programs could be designed to assist and encourage exports of HVPs. For example, a policy to prohibit embargoes, sales suspensions, and moratoriums, except in times of extreme national emergencies, would help to create an image of the U.S. being a reliable supplier. Trade negotiations are underway to eliminate or reduce levies that impede the flow of U.S. HVPs to other nations. Most importantly, the U.S. private and government sectors can enhance exports of HVPs via collaborating in creating superior quality products at competitive costs. Revenue flow can also be enhanced through product differentiation.

U.S.-EUROPEAN COMMUNITY "TRADE WAR": CHANGING AGRICULTURAL POLICIES AND THE CONFLICT OVER EC ENLARGEMENT (Moderator: Wesley Peterson, Texas A&M University).

Organizer: Mark Newman, USDA.

Presenters: Mark Newman, USDA; Bruno Julien, Commission of the European Communities; Marilyn Moore, Office of U.S. Trade Representative; M. Ann Tutwiler and G. E. Rossmiller, Resources for the Future.

EC agreement to compensate the U.S. for lost Spanish corn markets does not address domestic agricultural policies and slowed growth in export demand that underlie the conflict. Newman discussed agreement terms and implications of failure to reach an agreement. Moore explained factors contributing to agricultural trade policy positions and outstanding issues remaining to be resolved. Julien provided a European view of rising conflict and discussed socio-economic factors contributing to U.S.-EC differences. Tutwiler and Rossmiller's presentation emphasized risks of playing "chicken" with international trade and argued for greater cooperation in resolving mutual problems. Proceedings are available from Peterson.