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Invited Papers

WAEA PRESIDENTIAL ADDRESS

"Social Capital, Trust, and the Agribusiness of Economics." Paul N. Wilson (Univ. of Arizona).

Economists, including agricultural economists, have a long history of recognizing the importance of the behavioral foundations in decision making while ignoring these observable human dimensions in their economic models. The economics of social capital and trust, two important human characteristics influencing decisions, have captured the attention of economists in recent years. Recent empirical work demonstrates that social capital and trust considerations are prevalent and economically significant, especially in business. In the case of trust, this governance mechanism alters the terms of trade, generates decision flexibility, reduces transaction costs, and creates additional time resources for management.

PLENARY SESSION: U.S./Canadian Trade Issues—Where Do We Go from Here? Convener: Ted C. Schroeder (Kansas State Univ.).

"The Future of U.S./Canada Grain Trade Issues." William W. Wilson (North Dakota State Univ.).

This paper summarizes changes that have occurred in each country with respect to trade flows, institutional changes, and factors that have affected these trade flows. Some of the future issues confronting this industry are identified, including the harmonization of commercial policies as well as agricultural policies, and reciprocal access to each country's marketing systems. Implications for grower groups and the grain industry in each country are examined.

"Canada/U.S. Trade: The Minneapolis Grain Exchange Point of View." David W. Bullock (The Minneapolis Grain Exchange).

Canada is an important market to the Minneapolis Grain Exchange's hard red spring wheat, durum wheat, and Twin Cities electricity futures. The Canadian Wheat Board is a major participant in the HRS wheat futures and is registered as "regular" for delivery on the durum wheat futures. Manitoba Hydro is a major supplier of electricity to the region covered by the Twin Cities electricity futures. However, several challenges exist in developing futures contracts that can serve the needs of both the U.S. and Canada. Most of these challenges are the result of regulatory differences between the two countries.

SESSION: Role of the Great Plains in the U.S. Food Chain. Convener: William C. Nelson (North Dakota State Univ.).

"The Role of the Great Plains in the U.S. Food Chain: Challenges to Integration." Frank J. Dooley (Purdue Univ.).

Great Plains' manufacturers face new challenges in adapting to supply-chain management (SCM). Rural manufacturers focus on operational issues rather than strategic trends. Lack of management expertise (especially information technology) and limited collaboration with large buyers may be barriers to their participation in SCM.

"Co-op Fever." Bill Patrie (Cooperative Development Practitioner, North Dakota Association of Rural Electric Cooperatives).

The author has assisted in the startup of over 30 new-generation cooperatives in the last nine years. While earlier cooperatives

were organized as a negative reaction to either suppliers of inputs or the marketers of commodities, the new-generation cooperatives can be organized only around the opportunity to add value to agricultural products, and do not require "enemies." Cooperative development is traced from the settlement period to the recent phenomenon of new-generation cooperatives—referred to by the media as "Co-op Fever."

"The North American Bison Cooperative." Dennis Sexhus (CEO, North American Bison Cooperative).

The current focus of the Bison Co-op emphasizes resource utilization, minimizing investment, minimizing animal health costs, and securing an optimal marketing margin. Since the co-op's establishment in 1993, the following critical lessons have been learned: (1) producers *can* move up the food chain—but creative facilitation is needed, (2) strategic alliances among producers are essential, (3) supply control significantly influences the prices that producers receive, (4) marketing must be conducted by professionals, and (5) product differentiation is needed.