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Invited Papers

WAEA Presidential Address

“The Future of Agricultural Research in the 21st Century.” Vicki A. McCracken (Washington State University)

A changing political environment, resource base, and institutional framework has put pressure on the agricultural research system to change. Sources of support for research have shifted, with private funds increasing in importance. Federal special research grants are increasing and formula funds are decreasing. For colleges of agriculture to maintain a key role in future research, we need to continue to make appropriate changes. Some of the issues critical to our future success include excellence, relevance, communication, accountability and evaluation of research, tenure, reward structure, systems approaches, interdisciplinary teams, linkages/partnerships, and changing clientele.

Keynote Address

“Privatizing Public Assets: Measuring the Benefits and Costs.” Charles W. Howe (University of Colorado)

The paper considers natural resource systems currently owned and managed by the federal government and identifies criteria for the possible devolution of these assets to more localized levels of ownership and management—of which private ownership is the extreme. Several schools of thought regarding privatization are identified and critiqued, leading to the identification of potential benefits and costs of devolution. Potential benefits include better management of single purpose natural resource systems and recreational lands catering largely to local populations. Potential costs include loss of “value of vastness,” inability to reassemble lands if desired in the

future, failure to account for nonuse values, and increased vulnerability to anti-environmental pressures stemming from the globalization of commerce. Specific proposals are considered for the public lands and the water resources sectors.

Session: Public Lands Policy: Continuing Problems, New Approaches

“The Political Economy of Public Land Use.” B. Delworth Gardner (Brigham Young University)

Federal ownership and management of the public lands have created a situation of rent-seeking frenzy, inflated rhetoric, wasted resources, and squandered investment opportunities. The primary commodity user groups, grazers, and timber harvesters have declined in importance whereas conservationists and recreationists have gained. Still, historical use preferences and continuing rent seeking have produced use entitlements that are impervious to changing costs and demands and thus result in large wealth losses to consumers and taxpayers. Privatization of the public lands is probably politically infeasible, but simulated market processes can be utilized to replace political allocations and improve efficiency.

“Grazing Fees versus Stewardship on Federal Lands.” Jeffrey T. LaFrance (University of Arizona) and Myles J. Watts (Montana State University)

We present a model of the conflict of interest between the Bureau of Land Management and public lands ranchers in a dynamic principal-agent framework with two-sided asymmetric information and uncertainty. The agency is uncertain about the rancher's compliance with the grazing lease. The rancher is uncertain about the agency's monitoring efforts. In an optimal

cheating strategy, a noncompliant rancher masquerades as a compliant one. The hazard rate for the first monitoring time augments the real discount rate in such a rancher's decision problem. Grazing fees increase the cost of compliance and are inversely related to the long-run forage stock.

Session: Pesticide Policy: Tough Issues, Fresh Ideas

"Pesticide Use and Regulation: Making Economic Sense Out of Externality and Regulation Nightmare." David Zilberman (University of California, Berkeley)

It is argued that economics plays a secondary role in setting pesticide policy. Improved economic literacy among scientists is needed to improve policies. Economists need more biological knowledge to become more relevant to the policy process. Existing policies reflect heterogeneity and multidimensionality of the side effects of pesticides that cannot be addressed by uniform

policies. Introducing pesticide-use reporting requirements and restricting the right to prescribe pesticides to certified individuals will enable introducing efficient pesticide regulations.

"Self-reporting and the Optimal Enforcement of Environmental Laws When There Are Remediation Benefits, Penalty Assessment Costs, and Heterogeneity in the Likelihood of Violators' Apprehension." Rob Innes and Dennis Cory (University of Arizona)

Many environmental laws encourage violators to self-report their status to government enforcers. This paper studies self-reporting enforcement regimes, extending prior work by incorporating ex post benefits of environmental cleanup, modeling administrative costs of penalty assessment more generally, and allowing violators to be distinguished by different probabilities of apprehension. All three extensions impart economic advantages to the use of self-reporting beyond those identified elsewhere.

JARE Editor's Report for 1995-96

This report is for the second year of the Oklahoma State University (OSU) editorship. The major change made in the last year is that Allen Press is now doing the desktop publishing instead of The Printed Page. Allen Press will continue to do the printing. The July 1996 issue contains articles from both desktop publishing sources. The switch to Allen Press will provide increased proofreading services, print quality equivalent to 2450 dpi, and prompt service. Allen Press is charging \$26 per page (after a \$6/page discount for providing electronic copies) plus \$7 per figure and a substantial charge for galley corrections. We previously paid \$19 per page to The Printed Page with no extra charges. The service provided by Linda Carroll at The Printed Page is appreciated, and the switch was initiated by her rather than by us.

In the past year, we received 80 new manuscripts which were sent out for review. This number is within the range received in past years but is towards the low end. Of these 80 new manuscripts, 22 have been rejected, 28 were encouraged to be revised and re-submitted, 15 were not published with varying opportunities for revision, 1 was accepted subject to minor revision, and 1 was withdrawn by the author. In addition, one manuscript was rejected by the editor without a review. For first reviews, the average time from receipt of the manuscript until the editorial decision was sent to the authors was 76 days. Of the 179 manuscripts submitted during the OSU editorship, 56 have been accepted, for an acceptance rate so far of 31%.

Only two invited papers from 1995 were submitted. One was accepted subject to minor revisions and the other was returned for extensive revisions. All 3 invited papers submitted from the 1994 meetings have been published. The small portion of invited papers submitted is disappointing.

The contributions of the authors and the many reviewers are greatly appreciated. The dedication to excellence of associate/technical editor Deborah Bransford has contributed greatly to the quality of *JARE*.

REVIEWERS, July 1995-June 1996

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Lopez, Rigoberto A.
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Luckert, Martin K.
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Marsh, Richard
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Wahl, Thomas
Walburger, Allan
Wang, Qingbin
Ward, Clem
Watts, Myles
Wessels, Cathy
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Wilson, Paul N.
Wisner, Robert
Wu, JunJie
Yanagida, John
Yen, Steven T.
Zapata, Hector
Zulauf, Carl

WAEA 1995 Award Winners

Outstanding Masters Thesis

STEVEN Y. WU, “Commodity Policies and Agricultural Chemical Use: An Econometric Analysis.” The University of Arizona

SATHEESH ARADHYULA, Advisor

Honorable Mention:

JOSEPH L. KROGMEIER, “Exploring Price and Quantity Discovery in Forward and Spot Markets: An Experimental Economics Approach.” University of Wyoming

DALE MENKHAUS, Advisor

Outstanding Extension Program

JAMES MINTERT and TED C. SCHROEDER, “Integrating Research and Extension: Livestock Marketing in Kansas.” Kansas State University

Honorable Mention:

JOHN P. HEWLETT, “Western Integrated Ranch/Farm Education.” University of Wyoming

Outstanding Published Research

DAVID A. HENNESSY, Iowa State University. “Microeconomics of Agricultural Grading: Impacts on the Marketing Channel.” *American Journal of Agricultural Economics* 77(November 1995):980–89.

Honorable Mention:

RANDLE R. RUCKER, Montana State University; WALTER N. THURMAN, North Carolina State University; and DANIEL A. SUMNER, University of California, Davis. “Restricting the Market for Quota: An Analysis of Tobacco Production Rights with Corroboration from Congressional Testimony.” *Journal of Political Economy* 103(February 1995):142–75.

JARE Published Research Award

D. DEMCEY JOHNSON and WILLIAM W. WILSON, North Dakota State University. "Competition and Policy Conflicts in Canada-U.S. Barley Trade." *Journal of Agricultural Resource Economics* 20(1995):64-81.

Honorable Mention:

DAVID K. LAMBERT and J. SCOTT SHONKWILER, University of Nevada, Reno. "Property Rights, Grazing Permits, and Rancher Welfare." *Journal of Agricultural and Resource Economics* 20(1995):146-64.

Outstanding Undergraduate Instructor

SHIDA RASTEGARI HENNEBERRY, Oklahoma State University

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3. *Title Page.* On a separate page, provide the title of the manuscript and author(s) name(s) centered and in boldface type. At the bottom of the same page, provide university title(s), institutional affiliation(s), acknowledgments of colleague reviews and assistance, and institutional support as an unnumbered footnote. **Do not place the name(s) of the author(s) on the first page of the text.**
4. *Abstract.* Include an abstract of 100 words or less, followed by up to eight key words listed alphabetically.
5. *Text.* Double-space all text, including the abstract, acknowledgments, endnotes, and references. Allow one inch margins on all sides—left justified only (*jagged* right).
6. *Style, Grammar, and Punctuation.* *JARE* uses *The Chicago Manual of Style* by the University of Chicago Press and *Webster's Third New International Dictionary* for style, format, and spelling.
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