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Invited Papers

Presidential Address

"Keep Economics in Agricultural Economics." Marc A. Johnson (Kansas State University)

Agricultural economists have taken conceptual developments from economics. These developments have affected the range of questions addressed in agriculture, such as risk, portfolio analysis, human capital, international trade, welfare economics, and regulatory economics. Economics remains a firm, disciplinary foundation for agricultural economics teaching, research, and extension.

Keynote Address

"California's Great Central Valley: A Laboratory for Public Policy." Harold O. Carter (University of California, Davis) and Carole Frank Nuckton (Oregon State University)

Growth and change in California's Central Valley represent a complex policy issue typified by diverse interest groups and the inadequacy of institutions to deal with dynamic, interrelated human, resource, and environmental problems. Such issues challenge agricultural economists and land grant institutions to undertake multidisciplinary work on a broader policy agenda.

Public Policy, Endangered Species, and Regional Development: The Contributions of Economic Analysis. Moderator: Bruce Weber (Oregon State University)

"Policy Making under Uncertainty: Endangered Species and the Incidence of Benefits and Costs." Emery N. Castle (Oregon State University)

Public policy for endangered species involves great uncertainty. This uncertainty must be recognized explicitly in resource economics if that subject is to serve public policy; an important part of resource economics depends on the arbitrary assignment of probabilities to expected outcomes. Resource economics can be made more applicable by considering the evolutionary, as well as the equilibrating, tendencies of modern economies. Attention also needs to be given to normative positions in addition to utilitarianism and Pareto optimality.

"An Economist's View of Salmon Recovery: The Case of the Columbia Basin." Norman K. Whittlesey and Philip R. Wandschneider (Washington State University)

The marginal value of fish, determined by fish populations and their property rights, has influenced the decline in fish numbers in the Columbia River system. The Endangered Species Act will raise the rights for fish to facilitate their recovery while depreciating the property rights for rival uses of the river.

"Spotted Owl Economics: Jobs, Ecosystems Sustainability, and Political Institutions." Steven E. Daniels (Oregon State University)

The spotted owl is a symbol in a social debate over managing federal lands in the Pacific Northwest. Decisions regarding the owl have come from the courts and Congress, a pattern likely to persist. Neoclassical efficiency studies have had little influence on the process, in part because of the owl's symbolic role and because this may be a large discontinuous policy change unsuited to marginal analysis.

Meatpacking Concentration and Integration Impacts: Recent Empirical Evidence. Moderator: Dale Menkhous (University of Wyoming)

"Short-Run Price Impacts of Packer-Controlled Cattle Supplies." T. Schroeder, R. Jones, J. Mintert, and A. Barkley (Kansas State University)

Transaction prices from over 1,400 pens of cattle sold during May–November 1990 were analyzed to determine the impacts of buyer competition and packer-controlled cattle supplies. Over the entire study period, southwestern Kansas fed cattle transaction prices were estimated to be \$.14/cwt. lower on average than if there were no captive supplies.

"Reexamining Fed Cattle Pricing Models after a Decade of Structural and Behavioral Changes in Meatpacking." Clement E. Ward (Oklahoma State University)

Transaction price impacts were estimated from pooled regression models. Data were collected from Southern Plains feedlots for June 1989. Little difference was found between boxed beef and carcass beef price models. Buyer numbers positively affected prices received/paid, and there were significant price differences among packers, including within the Big Three firms.

The Mexico–U.S. Free Trade Agreement: Implications for the Agricultural Sectors. Moderator: Linda Calvin (USDA/ERS)

"Agriculture in the NAFTA: Issues and Options."**Tim Josling (Stanford University)**

The agricultural issues involved in the negotiation of a North American Free Trade Area are discussed. The outcome depends on how far the three countries wish to proceed towards true free trade, the extent to which negotiators tackle domestic policy issues, and the scope for changes in Mexican governmental policy.

"Mexican Trade Patterns to the U.S.: Implications for Regional and National Impact Analysis." **Julio Hernandez Estrada (Universidad Autonoma de Chapingo, Mexico)**

An adapted version of the Static World Policy Simulation Modeling (SWOPSIM) framework for Mexico was used to analyze the implications of a free trade agreement between Mexico and the United States. The world was separated into four regions and corn, wheat, soybeans, and rice were analyzed. Mexican land tenure laws might pose a constraint to resource allocation in response to a free trade agreement.

"The Impact of Mexico-U.S. Free Trade on Major Traded Commodities." **Guillermo Funes Rodriguez, Luis Tellez Kuenzler, and Daniel Silva (Secretariat of Agriculture and Water Resources, Mexico)**

Recent changes in Mexican agricultural policy have resulted in a more market-oriented agricultural sector. Government price guarantees have been reduced for some crops and many agricultural subsidies have been reduced or eliminated. The government is also investing in agriculture to improve productivity.

The Use of Experimental Economics Techniques in Agricultural Economics Research. Moderator: Glen D. Whipple (University of Wyoming)**"Estimating Risk Aversion Parameters: A Comparison of Data Collection Techniques."** **Gary W. Brestler, William I. Tierney, Jr. (Kansas State University), and James D. Hess (North Carolina State University)**

Several survey instruments often used to elicit risk preferences of agricultural producers are evaluated. An alternative instrument is introduced which only requires respondents to make choices among pairs of risky scenarios. This instrument appears to provide estimates of risk-aversion parameters which more accurately reflect producer decision making.

"Application of Experimental Economics to Environmental Resource Valuation." **John C. Bergstrom (University of Georgia)**

Economic experiments for valuing nonmarketed environmental resources include laboratory and field experiments. These experiments are further divided into experiments using contingent payments or actual cash payments. Conditions for a valid valuation experiment include nonsatiation, saliency, dominance, privacy, parallelism, and incentive compatibility. Procedures for satisfying these conditions vary with the type of valuation experiment performed.

"An Empirical Application of Laboratory Experimental Auctions in Marketing Research." **Dale J. Menkhous (University of Wyoming), George W. Borden (former University of Wyoming graduate student), Glen D. Whipple (University of Wyoming), Elizabeth Hoffman (University of Arizona), and Ray A. Field (University of Wyoming)**

A laboratory experimental auction was used to determine factors influencing the relative value consumers place on alternative retail beef packaging. The effects of consumer perceptions regarding beef health attributes on willingness to pay for beef also were investigated. Physical appearance factors and concerns regarding cholesterol significantly impacted auction bids.

Reexamining Educational Issues in Teaching Agricultural Economics. Moderator: Thomas E. Dickinson (California State University, Chico)**"Plowing under Old Paradigms: Issues in Undergraduate Teaching of Agricultural Economics and Agribusiness."** **Thomas E. Dickinson (California State University, Chico)**

It is necessary to shift from a mechanistic to a contextual paradigm in the development and delivery of undergraduate education in agricultural economics and agribusiness programs. We need to create holistic, integrative curricula which emphasize problem definition in the broadest sense, solution development, and presentation of the alternatives.

"Strategies toward Sustainable Education." **Michael F. Simmons and Tom Parker (California State University, Chico)**

Two of a six-member faculty team at California State University, Chico, provide narratives describing innovative interdisciplinary connections and structuring of teaching/learning situations in a one-year program, "Freshman General Studies, Thematic." Described is an education frame of reference based on some of John Dewey's theories as a basis for a garden experiment, student/faculty community building, and collaborative and active learning situations.

“Teaching Critical Thinking through Ethical Issues in Agriculture.” Michael Ellerbrock (East Texas State University)

An interdisciplinary course examining contemporary issues in agriculture and food policy with emphasis on ethical analysis is described. The focus of

class discussion is on identifying the economic, cultural, political, geographic, moral, religious, technological, and scientific principles relevant to each issue with the primary objective of improving critical thinking and communication skills of both students and instructor.