

# ORGANIZED SYMPOSIA

## **RESTRUCTURING THE PESTICIDE REGULATORY FRAMEWORK: IMPLICATIONS OF THE DELANEY CLAUSE FOR U.S. AGRICULTURE AND ITS CLIENTS (Moderator: Walter L. Ferguson, RTD, ERS, USDA).**

**Organizer:** Walter L. Ferguson, RTD, ERS, USDA.

**Presenters:** Philip Szmedra, RTD, ERS, USDA; Debra J. Sisco, OPP, EPA; Gerald A. Carlson, North Carolina State University; and Walter L. Ferguson, RTD, ERS, USDA. **Panel:** Edward M. Weiler, OPP, EPA; and Norman Nesheim, University of Florida.

The Federal Food, Drug, and Cosmetic Act that regulates food additive residues contains the Delaney Clause which prohibits the Environmental Protection Agency (EPA) from granting a pesticide registration if the product is found to be oncogenic and its residues concentrate in processed food. The EPA asked the National Research Council (NRC) to evaluate the effects on EPA's registration process of fully implementing the Delaney Clause. Publishing its findings in *Regulating Pesticides in Food*, the NRC determined that 80 percent of the estimated dietary oncogenic risk from pesticide residues in food originates from residues of 10 pesticides on 15 food crops. Presenters and discussants reviewed four options suggested by the NRC as possible EPA regulatory alternatives. Sensitivity analysis was discussed as a procedure for determining priority of benefit-assessment studies, compiling biological data, and assessing short-term economic impacts of pesticide suspensions on producers and consumers. Some long-term implications of complying with the Delaney Clause were indicated for producers, consumers, and pesticide manufacturers.

## **EFFECTS OF IMMIGRATION REFORM ON SOUTHERN AGRICULTURE (Moderator: John P. Nichols, Texas A&M University).**

**Organizer:** H. L. Goodwin, Jr., Texas A&M University.

**Presenters:** Ed Chauvin, New Orleans District, Immigration and Naturalization Service; Steve Sutter, North Carolina State University; H. L. Goodwin, Jr., Texas A&M University; and Robert Emerson, University of Florida.

The Immigration Reform and Control Act of 1986 (IRCA) is resulting in sweeping changes in hired employment across all of agriculture. Currently, four of the ten leading states in the utilization of hired agricultural labor are in the southern U.S. Participants in this session addressed various aspects of IRCA with special emphasis on the South.

Chauvin discussed the broad context of IRCA, its intended results, and the response the Immigration and Naturalization Service anticipated to legalization and Seasonal Ag Worker (SAW) provisions. Sutter related experience from work with North Carolina livestock, dairy, and poultry producers in compliance with IRCA, observing that a contraction of labor supply and up-scaling of wages was already taking place. Goodwin focused on presentation of information relating the location, age, skill level, and wage of hired agricultural workers and legalization/SAW applicants across the South and discussed implications of current and future trends in labor availability on perishable agriculture. Emerson presented analysis of the H-2 and H-2A programs since their inception, revealing that utilization of this option has been both regional and activity specific with an average of fewer than 30,000 workers participating annually.

## **MARKET DYNAMICS IMPACTING THE U.S. POULTRY INDUSTRY (Moderator: Bill Roenigk, Economic Research/Technical Services, Washington, D.C.).**

**Organizer:** Lee A. Christensen, USDA.

**Presenters:** Lee Christensen, USDA; Walter Thurman, North Carolina State University;

**Donald Reid, University of Georgia; and Tom Shelton, Resources Management, Inc.**

The dynamic expansion in the broiler and turkey industries reflects strong consumer demand and increased emphasis on marketing by poultry firms. Determinants of demand and price for broilers were discussed. Significant changes in product form, from whole bird to further processed, occurred over the past 15 years. This trend will continue as the industry tailors products to meet consumer preferences.

A risk framework for the broiler industry (financial, production, and marketing) and the incidence of risk between growers and integrated companies were discussed. Preliminary analysis suggests rates of return on assets for the two groups are quite similar.

As the industry continues to grow, trends to value-added products and emphasis on cost controls will continue. Economies of scale and focus on national rather than regional markets will be very important. Concentration in the industry will continue.

**WHO KNOWS BEST? NATIONAL, STATE, LOCAL, AND E.E.C. STRATEGIES TO LONG-TERM LAND RETIREMENT PROGRAMS (Moderator: William G. Boggess, University of Florida).**

**Organizer: Michael R. Dicks, USDA.**

**Presenters: Michael R. Dicks, USDA; Steven Taff, University of Minnesota; Dana Hoag, North Carolina State University; and David E. Ervin, University of Missouri-Columbia.**

New and relatively innovative long-term land retirement programs are currently being implemented or considered for implementation in the European Economic Community (E.E.C.) and the U.S. These programs reflect major reallocations of resources and have significant consequences regarding environmental quality, government outlays, and both domestic and international commodity markets. Each of the programs has a unique set of objectives and implementation strategies. Utilizing the experience of the economic performance of past and present long-term land retirement programs, the ability of implementation strategies in obtaining program objectives is discussed from federal,

state, local, and E.E.C. perspectives.

**GENERIC ADVERTISING IN THE ABSENCE OF SUPPLY CONTROL (Moderator: Gary Williams, Iowa State University).**

**Organizers: Dermot Hayes and Helen Jensen, Iowa State University.**

**Presenters: Helen Jensen and Dermot Hayes, Iowa State University; Ron Ward, University of Florida; and Henry Kinnuccan, Deputy Administrator for AMS.**

Agricultural producer groups spent more than 500 million dollars on commodity promotions in 1986. This figure will increase if mandatory check-off schemes for beef and pork are approved by producers. To date, much of the research that has been conducted to evaluate the effectiveness of these promotions has used aggregate time-series data with some ad hoc measure of promotion effort. Some doubts were raised as to the appropriateness of these methods for evaluating promotional schemes where supply is both uncontrolled and uncertain, where markets are relatively saturated, and where legislative power is used for enforcement. The papers and discussion focused on the need for better data and for a better understanding of the theoretical foundations. A consensus was reached that continued use of legislative power could be more easily justified should government specify in advance that the campaigns be structured in a manner that would facilitate a more scientific evaluation.

**ETHICS AND VALUES IN THE AGRICULTURAL ECONOMICS CURRICULUM (Moderator: Burl F. Long, University of Florida).**

**Organizers: Burl F. Long and Jeffrey Burkhardt, University of Florida.**

**Presenters: Paul Thompson, Texas A&M University; Daryll Ray, Oklahoma State; Larry Bauer, Clemson University; B. F. Long, University of Florida; William Park, University of Tennessee; Fred Ruppel, Texas A&M University; and Jeffrey Burkhardt, University of Florida.**

**Summary and Perspective: H. Evan Drummond, University of Florida.**

The symposium focused on ways of introducing a more systematic treatment of ethics and values into existing undergraduate courses. Emphasis was given to both content and methods of teaching and learning. Presenters had all previously participated in a workshop on "Ethical Aspects of Food, Agriculture and Natural Resource Policy." Their presentations reflected individual experiences in incorporating ethics components into courses in Principles, Agricultural Policy, Natural Resources, and International Development, as well as entire courses devoted to Agricultural Ethics. Attention was also given to means of evaluating and encouraging such efforts in Colleges of Agriculture.

**LINKAGES BETWEEN NATURAL RESOURCE POLICIES AND COMMODITY TRADE (Moderator: John D. Sutton, Economic Research Service, USDA).**

**Organizer: John D. Sutton, Economic Research Service, USDA.**

**Presenters: Clayton W. Ogg, Economic Research Service, USDA; David E. Ervin, University of Missouri; Odin Knutsen, World Bank; and David R. Orden, Virginia Polytechnic Institute and State University.**

In both industrialized and developing countries, increased awareness of environmental degradation is leading to natural resource policy change. Simultaneously, major trading nations are discussing agricultural trade policy reform. Differences in resource policies of the U.S., European Community, and developing countries and their interaction with changing commodity trade policies were discussed.

**AGRICULTURE AND GROUNDWATER QUALITY IN THE SOUTH: EXAMINING THE ISSUE (Moderator: James Nelson, Oklahoma State University).**

**Organizer: James Nelson, Oklahoma State University.**

**Presenters: Linda Lee, USDA; Joe Molnar,**

**Auburn University; and Bill McTernan and James Nelson, Oklahoma State University.**

Human dependence on groundwater in the U.S., including the South, is substantial. Agricultural chemicals have been documented to be potential pollutants of groundwater. Policymakers have identified this problem as a major public concern. Interdisciplinary attention to this problem by southern scientists is timely. Such interdisciplinary scientific consideration of the agricultural contamination of groundwater in the South was facilitated by this symposium.

Lee discussed the extent of agricultural contamination of groundwater in the South, both as it is currently documented and as it is expected to occur in the near future. Molnar discussed the concerns on the part of southern residents and leaders concerning the problem. McTernan explained the physical variables and technical relationships that are important in the process of agricultural contamination of groundwater. Nelson discussed current state and federal policy concerning agricultural contamination of groundwater and speculated about the nature of future policy.

The audience responded with information about the perceived nature of the problem and the nature of current and future groundwater protection policy in various states. There was substantial agreement among persons in attendance that the agriculture and groundwater quality issue will have significant impacts on the future of agricultural economies in the South and throughout the nation.

**RURAL DEVELOPMENT: SHOULD PROGRAM EMPHASIS BE ON PHYSICAL RESOURCE DEVELOPMENT, COMMUNITY GROWTH, OR HUMAN CAPITAL DEVELOPMENT (Moderator: Rodney L. Clouser, University of Florida).**

**Organizer: Rodney L. Clouser, University of Florida.**

**Presenters: Jim Hite, Clemson University; Craig Infanger, University of Kentucky; and David Mulkey, University of Florida.**

How do you vitalize or revitalize rural areas in the southeast? Three possible alternatives were explored: (1) through the development of the area's physical resource base, (2) through

strengthening the local community that already exists, or (3) by developing the area's human capital. Practical applications of all three alternatives were addressed, as well as the political limitations associated with each alternative. The general consensus reached in the symposium is that any of the three methods might be useful. However, increased attention to human capital development or a combination of all three alternatives will most likely be required to vitalize or revitalize rural areas.

## **POTENTIAL IMPACT OF BOVINE SOMATOTROPIN (bST) ON THE DAIRY INDUSTRY** (Moderator: Richard Fallert, USDA).

**Organizer:** Richard Fallert, USDA.

**Presenters:** Carolyn Betts, USDA; Tom McGuckin, New Mexico State University; Peter Vitaliano, National Milk Producers Federation; Charles Lassiter, North Carolina State University; and Larry O'Neil, Monsanto Chemical Company.

Emerging technology continues to alter the dairy industry both regionally and in the aggregate. It appears that Bovine Somatotropin (bST) will be another significant technology available to the dairy industry by 1990. This symposium provided a forum for discussion and the opportunity of hearing the views of professionals studying the milk production response in dairy cows; the likely social, economic, and scientific effects of bST on the dairy industry; as well as viewpoints of professionals whose constituents are concerned about or affected by this new technology. A main concern is the likely perception of consumers of bST and the effect this perception may have on commercial use of milk and meat from bST-treated cows.

## **EXPERIMENTAL ECONOMICS AND AGRICULTURAL MARKETING: EXPERIENCE AND OPPORTUNITIES** (Moderator: Warren Preston, Virginia Tech).

**Organizer:** Steve Turner, University of Georgia.

**Presenters:** Steve Turner, University of

Georgia; Tim Rhodus, Ohio State University; Thomas Sporleder, Texas A&M University; and Lynn Forster, Ohio State University.

Experimental economics (EE) has been used as a method for testing hypotheses relating to many market situations. The central thread of much of the EE literature is that the trading procedures, rules, requirements, and mechanics of a price discovery mechanism do have an effect on the resulting prices. Not only are results generated from EE valuable in a research context, but the experiments involving students are an effective teaching tool.

The symposium began a dialogue on the use of a common scientific approach (laboratory experiments) as it applies to the microscopic and macroscopic aspects of exchange. Turner discussed the methods and procedures common to economic laboratory experiments. Rhodus provided an overview of some of the current measures of market efficiency used in EE. Sporleder gave a historical perspective of EE in the context of agricultural marketing research and discussed reputation trading experiments. Forster spoke on the mechanics and the pros and cons of EE with respect to teaching and research. Audience discussion included a suggestion to use EE to test agricultural policy decisions as to their impact on market prices.

## **EVALUATING ALTERNATIVE TOOLS FOR IMPROVING AGRICULTURAL PRODUCERS' FINANCIAL MANAGEMENT/ ANALYSIS SKILLS** (Moderator: Jose G. Pena, Texas A&M University System).

**Organizer:** Jose G. Pena, Texas A&M University System.

**Presenters:** Clark D. Garland, University of Tennessee; Ross O. Love, Oklahoma State University; Richard Trimble, University of Kentucky; and Delton Gerloff, Texas A&M University System. **Discussant:** Danny Klinefelter, Texas A&M University System.

A major agricultural transition is underway. Producers are facing major operating adjustments to overcome financial setbacks resulting from reduced profitability and excessive debt. The most prominent, planning and financial

management/analysis tools and methods currently being used were discussed. FINPACK, a set of four computer programs, and two user friendly electronic spreadsheet programs are being used to prepare/analyze financial statements, develop plans, and analyze alternatives. Farm management associations are collecting data and providing direct farm management assistance. These excellent programs, however, are failing to reach a sufficient number of producers. Additional development is still needed to improve these programs as total management tools.