



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*



IATRC

**INTERNATIONAL AGRICULTURAL
TRADE RESEARCH CONSORTIUM**

Celebrating the First Thirty Years

Edited by

ALEX F. MCCALLA
UNIVERSITY OF CALIFORNIA,
DAVIS

ED ROSSMILLER
RETIRED

LAURA BIPES
IATRC ADMINISTRATOR,
UNIVERSITY OF MINNESOTA

CONTENTS

Introduction

Part I Theme Day – Trade in Agriculture: Much Done, So Much More to Do

Chapter 1 **Birth of the IATRC**

Tim Josling, Alex McCalla | Reflections by David Orden

Chapter 2 **The Global Context That Forged the IATRC**

Ed Rossmiller, Alex McCalla

Chapter 3 **Creating a Virtual Think Tank: IATRC, 1980–1995**

Maury Bredahl, Ed Rossmiller, Andy Schmitz, Jimmye Hillman

Chapter 4 **Agricultural Trade 1980 vs. 2010: Some Progress, But Still So Far To Go**

Stefan Tangermann | Discussion by David Blandford and Karl Meilke

Chapter 5 **How Well Have We Done and Where Should We Go From Here: Perspectives from Around the World**

Giovanni Anania, James Rude, Donald MacLaren

Chapter 6 **Agricultural Trade Challenges: Doha and Beyond**

Kym Anderson | Discussion by David Orden

Chapter 7 **The Gains from International Trade Under Monopolistic Competition**

Robert C. Feenstra | Discussion by Munisamy Gopinath

Part II IATRC Through the Years: History from the Archives

Chapter 8 **An Analytical History of the IATRC 1997**

Tim Josling, Alex McCalla, T. Kelley White | Addendum Update by Editors

Chapter 9 **Status Report on IATRC: Progress on Recommendations of the 2010 Futures Steering Group**


Mike Gifford, Joe Glauber, Stefan Tangermann, Linda Young, Alex McCalla
Status Report on IATRC by the 2010 Executive Committee

INTRODUCTION

At the December 2010 annual general meeting of the International Agricultural Trade Research Consortium (IATRC), the traditional Theme Day was organized as a celebration of the 30 year anniversary of that institution and was titled *Trade in Agriculture: So Much Done, So Much More to Do*. In the aftermath of that meeting a proposal was made that the 30 year history of the IATRC should be written while those who had lived through the full period were still available to provide the necessary institutional memory. The Executive Committee agreed and allocated \$2000 to the project as a token of their serious support, while Alex McCalla, Ed Rossmiller and Laura Bipes agreed to see it to fruition. It soon became clear that in the tight fiscal environment of the time, further funding would not be forthcoming. Thus the team decided that if they did most of the work themselves they would be able to publish the results of their efforts as an e-book on the internet, but would not have the resources to produce any paper copies.

They also determined that in addition to the three major papers (unfortunately, the fourth major presentation by Valeria Csukasi, *Future Challenges in Agricultural Trade Negotiations*, is not available to us for inclusion in this manuscript) and the panel presentations at the 30th anniversary theme day, several other documents were available that detailed much of the rationale for the creation of the IATRC, its evolution and its output over the period.

The first of these documents is IATRC Objectives, Organization, Operations and Origins, the so called 'Blue Book', the latest edition of which is Edition VI dated April 2010. The Blue Book is a rolling record of the decisions taken at the meetings of the membership and the Executive Committee and a listing of the various outputs of the Consortium since its beginning. Since the Blue Book is revised and updated periodically and is publically available on the IATRC website



(<http://iatrc.org/about/bluebook/BlueBook2010.pdf>) it will only be referenced here as needed rather than being reproduced in its entirety.

The second of the documents is *An Analytical History of the IATRC* by Tim Josling, Alex McCalla and T. Kelley White, as requested by the Executive Committee and published in October 1997. It is reproduced here in its entirety.

Another pair of documents that add to the historical picture are the report dated December 2004 to the Executive Committee and the membership as requested by the IATRC Chair, Tim Josling, by the Futures Steering Group consisting of Mike Gifford, Joe Glauber, Stefan Tangermann, Linda Young and Alex McCalla, Chair, and the January 2011 Status Report on IATRC: Progress on Recommendations of the Futures Steering Group by the 2010 Executive Committee. These two documents are also reproduced in their entirety. ■

PART I

Theme Day

Trade in Agriculture: Much Done, So Much More to Do

CHAPTER 1

Birth of the IATRC

TIM JOSLING
STANFORD UNIVERSITY

ALEX MCCALLA
UNIVERSITY OF CALIFORNIA, DAVIS

THE FIRST DISCUSSIONS

In April 1977 a Symposium on International Trade and Agriculture was held in Tucson, Arizona. The meeting was organized by Jimmye Hillman, University of Arizona, and Andy Schmitz, University of California, Berkeley, and they published the proceeding in 1979 as *International Trade and Agriculture: Theory and Policy*. At the end of that meeting a small group from the west coast—let’s call them the “West-Coast Trade Group” (WTG) met (around a piano) to discuss “follow-up.” While there is no formal record of who was there, what was drunk, or discussed, it surely involved Andy Schmitz, Jimmye Hillman, Alex McCalla, University of California, Davis, and Tim Josling (soon to be joining Stanford University), all of whom presented papers. It could also have included Roger Gray and Scott Pearson of Stanford University who participated in the Symposium. The conclusion of the discussion, remembered more clearly by some than others (victims of the fog of spirits or just the passage of time), was that there was need for a mechanism of interaction for those interested in Agricultural Trade.

The common concern of the WTG was that there was at that time little communication among those at different institutions on issues of agricultural trade at a time when international issues were becoming a more important aspect of agricultural policy research. These issues included the turbulent commodity markets of the 1970s, the rising importance of the EU agricultural policy as a factor in trade tensions, the role of marketing institutions in a non-competitive world grain market, and the inability of the GATT to address the rules for international trade in farm products. Above

all was the feeling that current ways of addressing agricultural trade issues and the interface with domestic policies were inadequate to the task at hand.

THE WTG AND STANFORD SEMINAR

The first recorded meeting of the WTG was in Berkeley on April 11, 1978 with Jimmye Hillman, Tim Josling, Alex McCalla, Aleco Sarris and Andy Schmitz, University of California, Berkeley. The meeting discussed options for collaboration – go big for a national initiative or “a more limited collaboration beginning from the nucleus of those present which would involve exchanges of information and informal collaborative research among those who shared common interests.” The second approach was preferred so the remainder of the meeting involved each participant outlining their research interests.

The group met again June 2, 1978 at Stanford where Gordon King of UC Davis joined to round out the Founding Six: Hillman, Josling, King, McCalla, Sarris and Schmitz. It was decided that we should write six position papers “... to identify the major current and emerging policy issues relating to agricultural trade, to evaluate the current status of research on these topics and to identify needed areas of future research.” These papers would be first cross-reviewed within the group and then presented to a broader group of experts for further critical review.

This process would take time and need money so it was decided to seek external support. At subsequent meetings held June 29 and September 21, 1978 in Berkeley, a proposal to the Ford Foundation was developed asking for \$12,200 for preparatory group meetings and the holding of a small intensive working seminar in California to review the papers.

The proposal to the Ford Foundation was submitted on September 26, 1978 and was granted for the full sum on November 14, 1978. The group met again November 28, 1978 at Stanford to share paper outlines, “consider these in depth and ... to decide on a timetable for subsequent meetings.” They agreed to a two day retreat at Dillon Beach, California to critically review each other’s papers. That retreat was held February 9–11, 1979. All recall this as an intense but productive event with the resulting seven papers being presented to a Seminar held at Stanford March 26 and 27, 1979.

Nineteen people attended that working seminar, including representatives from USDA, Agriculture Canada (AC), The Canadian Wheat Board, and International Food Policy Research Institute (IFPRI). The Group also used the opportunity to involve other individuals and institutions and to plan follow-on steps. Two key decisions were taken. The first was to revise the papers and try to find a publisher and the second was to seek funding to establish a Trade Research Group.

A May 14, 1979 meeting at Davis worked to consolidate the seminar papers revisions into proceedings and to decide where to submit them. They were first submitted to Stanford’s Food Research Institute Studies (FRIS) for consideration to be published as a special issue. After careful review, FRIS decided the papers were not consistent with FRIS’s policy of publishing only completed research and suggested the group consider alternative outlets. While exploring alternatives, including the Giannini Foundation of UC, the group came in contact through Josling, with a book publisher, Allenheld-Osmun. The papers were submitted to Allenheld-Osmun for review and accepted for publication. A contract was duly signed on April 16, 1980 and the papers were published as *Imperfect Markets in Agricultural Trade*, (edited by McCalla and Josling) by Allenheld-Osmun in 1981.

THE IATRC IS BORN

The second decision taken at the Stanford meeting was to seek funding to establish a trade research group. After that meeting there were many conversations with Ken Farrell, Administrator of the USDA's Economics, Statistics and Cooperatives Service (ESCS), about forming a group and getting funding. In these conversations ESCS emphasized that selectively expanding the group to include interested colleagues in other regions would enhance chances of funding. The group had further encouragement to go "international" from Ralph Lattimore of Agriculture Canada. He urged trying "... to find a vehicle to keep the small group of agricultural trade researchers in North America together on a regular basis," March 29, 1979. An advanced draft proposal was submitted to Ken Farrell on December 12, 1979.

Encouraged by initial positive reactions from ESCS, the group used a meeting planned to wrap up the Ford Foundation grant at Stanford on December 17 & 18, 1979 to further develop the case. The first day was devoted to wrapping up a final report to the Ford Foundation and the whole second day was spent finalizing the proposal to ESCS. Attending that meeting were the Founding Six: Hillman, Josling, King, McCalla, Sarris, and Schmitz, who were augmented by three additional invitees, Charles Hanrahan of ESCS, Ed Schuh of the University of Minnesota and Bob Thompson from ESCS and Purdue.

THE FINAL PROPOSAL

"We propose a national consortium of individuals in selected institutions to encourage continuing trade research in the Universities and to build a continuing relationship with ESCS. We believe it is in our and ESCS's interest to have a continuing interaction between trade researchers and the policy process.

Objectives:

- A. *To foster sustained efforts in International Agricultural Trade research with emphasis on trade policy and the interface between domestic agricultural policy and international markets;*
- B. *To encourage interactions among University researchers doing and/or interested in agricultural trade research;*
- C. *To encourage interactions between University and USDA researchers on a sustained and collegial basis;*
- D. *To provide a vehicle for U.S. policy makers to seek advice on research needs and policy issues from active researchers and also for policy makers to request and receive research output relevant to national policy issues;*
and
- E. *To foster and support graduate student interest and research in international trade policy issues and thereby expand the pool of available research talent.*

It concluded that: *"Trade research is inherently difficult and expensive. It requires sustained intellectual attention and funding. Longer term availability of a vehicle to get such support would do much to sustain faculty and graduate student interest in all aspects of trade policy including national and regional implications."*

THE ESCS APPROVAL AND FIRST MEETING

The final proposal was submitted to ESCS in April 1980. ESCS (ESCS reverted to its original name Economic Research Service (ERS) in mid-1981) awarded the grant in the spring of 1981 through a cooperative agreement with UC Davis which provided funding through September 1981. The objectives agreed upon were modified and shortened to three:

1. *“To foster sustained efforts in international trade research with emphasis on domestic impacts of policy developments in international commodity markets;*
2. *To encourage and facilitate interaction between IED (International Economics Division, ERS/USDA) and university trade policy researchers;*
3. *To provide a forum for the exchange of research results, and identification of problems and policy issues requiring research.”*

The first meeting of the now formally named International Agricultural Trade Research Consortium (IATRC) was held on the St. Paul Campus of University of Minnesota, June 30 to July 2, 1980. The meeting was attended by: five of the Founding Six: Hillman, Josling, McCalla, Sarris, and Schmitz; plus Colin Carter, a student at UC Berkeley, Charles Hanrahan, ESCS/USDA, Scott Pearson, Stanford University, Ed Rossmiller, Foreign Agricultural Service, USDA, Ed Schuh, University of Minnesota, Vern Sorenson, Michigan State University, Gary Storey, University of Saskatchewan, and Bob Thompson, Purdue University. (These people are now dubbed the Original 13). The title of the meeting reflected interests in two then current topics of interest: 1) Agricultural Trade Implications of the European Community (EC), and (2) Enlargement: North American Common Market.”

FAS/USDA joined in 1981 and began funding the IATRC in 1982–83. Cooperative Agreements with The University of Arizona—ERS \$17,500 and FAS \$ 8,750—funded the Consortium September 1981 to December 1982.

Agriculture Canada also joined in 1981 and began funding Canadian participation. Agriculture and Agri-Food Canada became a core funder in March 1991.

(Authors’ note: One year after the 30th Anniversary Meeting, the Office of the Chief Economist, USDA became a funding agency in 2011; the United States International Trade Commission, in September 2012.)

So here we are 30 years later having a party just like old times, celebrating an organization that has helped to stimulate research and outreach on a changing array of trade issues and which has prospered and grown to include over 200 members from 22 countries.

VIVA IATRC! ■

REFLECTIONS ON IATRC'S 30TH ANNIVERSARY

DAVID ORDEN


INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE

It's a pleasure to be able to say a few words at this reception celebrating the 30th anniversary of the IATRC. For some of us who are members and were graduate students in the early and mid-1980s, we are, professionally-speaking, children of the consortium. Thirty years—that means we are celebrating something like the 60th meeting. What a volume of substantive material has been presented and discussed in these meetings, including earlier today. A bit of this content will come up incidentally in the few remarks I have, but really they focus on process and community. It was certainly one of the objectives of the founders that the IATRC become a forum, as it has, for mentoring and learning through informal interactions. For me, pursuing a program on agricultural trade from Blacksburg, Virginia (not exactly the center of trade activity or policy) at a time when a FAX(!) was a remarkably fast way to communicate, the consortium played an essential nurturing role.

The story actually starts earlier. I was a second-year graduate student of Ed Schuh and Terry Roe when the new consortium met in a small hotel in Roseville, Minnesota. In those early days, membership was a privileged status—member's expenses were fully covered and in return they had committed to attending all of the bi-annual meetings. Still, to one Roseville session as a graduate student I was invited to present dissertation ideas—a concept that survives in the consortium's dissertation reports. I talked about ideas of flexible commodity price movements along lines of the Dornbusch exchange rate overshooting model. What I remember was my first encounter with Andy Schmitz. He loomed large in the audience and, it seemed to me, gave a nod that what I had presented sounded like a dissertation prospect. What a boost.

Another lasting recollection is Bob Thompson bringing Clayton Yeutter (then the U.S. Trade Representative involved in the Uruguay Round) to the consortium. For a Blacksburg professor it was an eye opener to watch Clayton take over and work the room. Here was a senior policy maker in the flesh, and at our meeting. Wow. No one could have known then that 20 or so years later, Clayton would magnanimously agree to make discussion remarks, and would again command the room, when David Blandford, Tim Josling, Lars Brink and I launched an edited book on the WTO disciplines on agricultural support at an IFPRI policy seminar.

Tim Josling has come up as well he should. When I was thinking about a sabbatical in the late 1990s and hoped to spend a year at a very good (top notch) university, I gathered my courage to approach this towering figure who to that point I had mostly been in meeting rooms with, not interacted with personally. The opportunity arose when we crossed on a path between two buildings. I spoke; he replied. What I learned was that this great intellectual bear was in person soft, encouraging and approachable. Who would have known that a decade later we would have written a book together with Donna Roberts. Not everything happens at the IATRC—I don't recall it being where Donna and I first became engaged in working together. But it was at a lunch at an IATRC meeting, and building on an early theme day on Understanding Technical Barriers to Trade, that the three of us agreed to write little primer on these issues—say, over the next nine months (it proved 4 years). And it was at a consortium meeting that I was struck to have four



academic generations together in a conference: Ed, myself, my former student Suzanne Thornsbury (who had helped with the theme day proceedings) and one of her students.

Two observations on Alex McCalla, who can be rough on a fragile soul. When the consortium met in Costa Rica one summer, a group (of seven) from my extended family took advantage of the opportunity and had gathered for breakfast the day after. Alex came over and made everyone feel welcome. And many years later, another consortium meeting came down to its last long hours. There sat Alex in the back of a mostly empty room—engaged and participating beyond any reasonable call of duty.

My memories of the consortium process would not be complete without mentioning Lars Brink and our time together (and with others) on the executive committee and working with Laura Bipes. Lars and Laura are rightly recognized as stalwarts of the consortium for their steady-handed service and promotion of it over many years. I learned the value of that steady and purposeful commitment and resolve, and with Lars found another partner for future work.

Two last observations. One is about the pure vitality of this group. At a consortium lunch in San Diego, I was struck by the din of many conversations—the room was abuzz. And this was in the lull between the Uruguay Round and the start of Doha. I remember thinking, if this is the level of energy now, imagine what it will be when Doha gets underway. Who would have known that the consortium’s energy would have to endure through failure to reach a Doha agreement so many years later. The IATRC had established that Uruguay brought a new architecture to the international rules for agricultural trade and support. The substantial liberalization and reduction of distorting support would have to come in a round to follow. How unfortunate the outcome so far.

The final observation is more personal. The summer we met in Costa Rica my niece, Shannon Ladeau, had spent spring semester there. As we were having opening-reception drinks, in she slid, shoeless, young, vivacious. Let me just say she made quite an impression on some southern friends (who shall remain anonymous). For several years after the questions was always “And how is the lovely Shannon Ladeau.” Well, the lovely Shannon is now Dr. Ladeau, an environmental scientist. Perhaps the consortium members made an impression on her too.

There are many other moments, many other memories and friends. We wish Ed was here with us, as he is in spirit. Let’s drink to the IATRC. ■