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## Executive Summaries

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### **Alternative Dispute Resolution And Peace Making For Resolving Agribusiness And Food Management Conflict Resolution In The Free Trade Area Of The Americas Grass Roots Initiatives With International Applications**

*Eric Thor, S.A.M. and Rodica Evtuhovici*

One of the major research questions for the future is how will the different cultures, and ethnic groups conduct trade effectively.

The FTAA (Free Trade Area of the Americas) will bring together 35 countries, with five different languages and over 300 ethnic and cultural groups. As trade, cultural discourse, and other joint efforts develop among countries, private organizations, public entities and individuals, many disputes will arise. In a few countries the “rule of law” can solve these disputes effectively. In most others, the rule of law either cannot work because of political, social or even criminal events.

As NAFTA showed, developing a successful and efficient dispute resolution mechanism is an important component of developing a successful working relationship of the agreement among all the parties and countries.

Our study area has been alternative dispute resolution since many nations do not have an effective legal trade system nor accept one country over another. Other Trade Agreements including NAFTA and WTO have found that the successful functioning of these agreements require all private and public parties to think carefully about resolving disputes ahead of time and setting up a number of alternative processes to be used by the parties. Only in Government-to-Government disputes is the system relatively simple. Otherwise, there are several models which have been developed in the U.S. and other developed countries which can assist in resolving agribusiness and food management conflict resolution in rural communities: Grass roots initiatives with international applications disputes over land, grazing rights, homes, credit issues and financial resources can be a serious impediment to growth.

In Arizona, the U.S. and the Americas, this has caused large dollar value disputes, ill will, riots and even death. In both rural and agricultural based

Arizona, U.S. and the Americas, this presentation highlights methodology and courses being developed to solve some of these conflicts. Our results have shown that over 3,800 disputes were filed for mediation last year in the Agriculture and rural areas and close to 80 % of these were solved. As the negotiations continue the area of dispute resolution and commercial and agricultural difficulties need to be included in the trade process.

## **Emerging Importance of Biobased Products and Bio-Energy In The U.S. Economy: Information Dissemination and Training of Students**

*Surendra P. Singh, Enefiok Ekanem, Troy Wakefield, Jr. and Sammy Comer*

Biobased products are non-food, non-feed agricultural products that are used in a variety of commercial/industrial applications, thereby harnessing the energy of the sun to provide raw materials for industry. The importance of biobased products in the U.S and the global economy is expected to increase tremendously. The federal government has set the goal of tripling U.S use of bio-energy and biobased products by the year 2010. Meeting this goal could create \$15-20 billion a year in new income for farmers and rural America, and reduce annual greenhouse gas emissions. However, the development of a significant technical information base for use by bio based products producers, shippers, exporters, rural communities, government agencies, and universities, for informed decision-making, will be crucial. Businesses involved in production and marketing of biobased products will require personnel, one that understands the complexities and variability of agricultural production, and yet can recognize and help advance promising new technologies utilizing agricultural materials as a feedstock. Workforce development and creative linkages with new sources of human and technological capital are essential to the success of biobased economy. The paper attempts to: (1) to identify various bio-based products and energy sources and their applications, (2) examine emerging importance of bio-based products in the U.S, discusses technical and marketing barriers and need for market development, and (3) discuss a plan to prepare students to work in the bio-based product economy.

A number of economic changes in consumer attributes, technological development and environmental concerns make it almost necessary for development of bio-products and bio-fuels. However, there are many challenges that must be overcome including (1) creating market demand and preference for biobased products, (2) establishing market qualifications and standards, (3) identifying customer needs, and (4) providing incentives for producers for jump starting the market. The transition to a biobased economy will be technology- and market-driven, and the educational skill needs of agriculture graduates and farmers will change. In short, the attitudes, skills and knowledge of farmers and other agricultural professionals must change to take full advantage of biobased economy. These changes make it necessary to re-evaluate educational programs in agriculture to specifically address the question: What are the competencies required of graduates of agriculture as perceived by employers?

In the development of these opportunities students and faculty at Tennessee State University will work directly with the Biobased Information System®. The Biobased Information System® is an internet-based system of categorized information and data quantifying tools used to gather, sort, exchange, and disseminate biobased information to a highly targeted, specialized audience who access the system through the affiliated website of their choice. Also a survey was designed by the project staff to gauge employer's (industry and government) needs for training concerning biobased products, bio-energy, knowledge, and skills employers look for in their employees. The results of the survey and comments provided by stakeholders will guide in the selection of electives, development of course outlines and topics/areas to be included. The curriculum (electives) in bio-products to be developed at Tennessee State University (in partnership with academia, industry and government) will focus on macro-examination of key drivers, macro perspectives of conversion technologies, commercial applications and market development. These courses will be designed to serve junior/senior level undergraduates to graduate level students.

## **Knowledge Management and Communities of Practice: An Experience from Rabobank Australia and New Zealand**

*Brad Hinton*

Knowledge management is a collective term for the facilitation of improvements to an organization's capabilities, efficiencies and competitive advantage through the better use of its individual and collective knowledge and information capacities. Knowledge management initially emerged from information management and has since become interdisciplinary in its application to a myriad of activities, including innovation and business strategy. Knowledge management applications are now being harnessed within the farm and agribusiness sectors. This paper will examine knowledge management and some key concepts. The experience of Rabobank Australia and New Zealand in establishing an important component of knowledge management, Communities of Practice, illustrates one effective way of building, sharing and using knowledge and information within a disaggregated workplace environment. The benefits are in helping staff to work smarter, encourage thought and discussion, and finding solutions to put into action by meeting farm and agribusiness client needs.

## **Cargill Hybrid Seeds Mexico: A Case Study**

*Carlos Trejo-Pech, Lisa House and Carmen López-Reyna*

The majority of the case study focuses on the history of Cargill Seeds Mexico, its position in the industry and the manner in which it has grown throughout time. Details on product, facility and personnel decisions give a feel for how the company was managed and how it succeeded in growing rapidly in the 1990s. The purpose of this case study is to provide an in-depth look into the

Mexican Seed industry, with a particular focus on Cargill Seeds Mexico prior to its takeover by Monsanto. Additionally, the case study allows for the discussion of how to successfully merge similar companies, in this case, three companies that are accustomed to being competitors in the market.

A discussion focusing on unique human resource difficulties that come from such a merger are setup in the case study. Included in this discussion is information about Cargill's Personnel Career Development Plan, a human resource management strategy pursued by Mr. Magaña prior to the merger.

### **Agribusiness Executive Education & Knowledge Exchange**

*Maria Ines Jatib, Fernando Vilella, Hector Ordoñez, Gustavo Napolitano and Hernan Palau*

The Argentine scenario of the 90s shows that although competitiveness improved, the agrifood system is unable to react immediately to the market because of low efficiency, poor training in agribusiness and high taxation. In the year 2000, FAUBA, the School of Agronomy of the University of Buenos Aires, created two Executive Management Postgraduate Courses in Food & Agribusiness that combined theory with hands-on exercises focused on the competitive management of agrifood chains and on quality.

The distance learning Executive Management Postgraduate Course in Food & Agribusiness was created towards the end of 2000 in response to a specific training need voiced by individuals who could not afford travelling to the nearest venue. The current edition of the distance learning Executive Management Postgraduate Course in Food & Agribusiness is considering the incorporation of the portal [www.elprincipio.com](http://www.elprincipio.com) as a strategic partner in order to retain and attract new students. The aim is to help the Executive Management Postgraduate Course in Food & Agribusiness become a key part of training in this field in Latin America.

The Executive Management Quality-Oriented Postgraduate Course in Food & Agribusiness was received with great enthusiasm the first year. 50% of the participants belonged to the public sector and the other 50% came from the private sector. At the beginning of the second year, the distribution changed significantly and only 20% of the attendees belonged to the private sector. Under the circumstances, the third edition of the Quality-Oriented Management Postgraduate Course will not take place in 2003.

Currently, the face-to-face Executive Management Postgraduate Course in Food & Agribusiness is only held in the FAUBA venue. There is still strong demand among students for this Course and only one Postgraduate Course offered. In view of the shortage of Postgraduate courses in the interior of the country and the high demand for this Postgraduate Course voiced by entrepreneurs, professionals and farmers who live more than 250 km away from the FAUBA venue, a new monthly course was conceived at the beginning of 2003.

The Team responsible for co-ordinating the Executive Management Postgraduate Course in Food & Agribusiness offered by FAUBA is fully committed to academic excellence and continuous improvement. The Team is permanently in touch with the students and has introduced a system for teacher evaluation. By means of this system, teachers get feedback at the end of each class and have the chance of improving their performance. The Co-ordinating Team is responsible for implementing the necessary changes at once to satisfy the demand in a sustained manner. Since the culture of claim is not installed among the students, many are unaware of the benefits to be obtained through their involvement.

Finally, given that the Executive Management Postgraduate Course in Food & Agribusiness is perceived in the market as being one of the most prestigious in the country, private and public organisations in the agrifood sector have channelled their search for specialists through this Postgraduate Course.

## **Price Relationships Among North American Fresh Tomato Markets: A Comparison Between Mexican and U. S. Markets**

*Luz Padilla-Bernal and Dawn Thilmany*

Tomato trade between the U.S. and Mexico has grown significantly during the past decade, and market structure suggests increased integration. This study examines fresh tomato price relationships between two major North American shipping points (Sinaloa, and Florida) and several major terminal markets in the U.S. and Mexico to infer whether tomato marketing and placement strategies vary by supply region or the geography of consumer markets. Two research questions were answered through this work. How does the tomato market perform between Mexican and U.S. markets and between domestic markets in each country? What might performance differences suggest about competition in the new market environment (post-NAFTA and with increased vertical integration)?

An extended parity bounds model was applied to determine the probability of different market behavior among Sinaloa and Florida tomato suppliers. This method uses data on prices, transaction costs and trade flows between markets (supplier and terminal markets) using weekly data series to estimate unique relationships among the market pairs.

Although markets perform quite efficiently overall, the results show some evidence of inefficient pricing behavior. These less efficient market relationships are the basis of discussion on the role of strategic behavior and trade policies in these markets. Among domestic Mexican markets, shipping point prices are less integrated with Mexico's own terminal markets than the closest U.S. market, Los Angeles. This finding is consistent with an export development strategy, but one could expect an increasingly complex situation if one considers continued reference prices, and resulting export volume constraints.

Among U.S. markets, perfectly competitive price behavior is less likely in the Chicago terminal market relative to the Eastern markets that Florida dominates. Two factors may influence this finding, the greater distance from the shipping points (Sinaloa and Florida) to Chicago, as well as perceived competitive activity between the two winter suppliers in the central U.S. market location. These findings suggest that regional tomato placements may follow a segmentation strategy, and such strategies will only become more complex as the types of product and production source continue to expand.