

2002/03 crop outlook. . .Rural telecommunications. . .South Korean policy. . .Grazing on public lands. . .Land quality & food production

### Stable Field Crop Supplies Forecast for 2002/03

*Supplies of most* major U.S. field crops are expected to rise in 2002/03, according to USDA's first projection of production and prices for the marketing year. Bountiful production is anticipated despite similar or lower planted acres for most crops, although production gains for corn and oats are driven by large projected planted acreage increases of 4 and 16 percent, respectively. Small output changes are projected for soybeans, sorghum, barley, and rice, but wheat and cotton production is expected to show substantial declines—over 7 and 12 percent, respectively. Higher use may offset downward pressure on farm prices for some crops, as relatively low prices are expected to encourage domestic consumption and exports.

### South Korea's Agricultural Policy Hampered Economic Growth

*The rapid* economic development of South Korea (Korea) is often considered a model for developing countries, and some of them may consider adopting the Korean pattern of policy choices. However, while Korea clearly prospered between 1975 and 1990, a new ERS study finds that Korea's agricultural trade policies hindered rather than helped the country's economic progress. The costs of Korea's agricultural protection were high and increased over time. Korea's protective policies kept resources in agriculture, and this distortion, combined with high food prices, limited growth in the manufacturing and services sectors.

### Non-Trade Concerns: International Debate & U.S. Policy

*Among the* topics of discussion in the World Trade Organization (WTO) negotiations on agriculture, non-trade concerns



remain one of the more contentious. In WTO parlance, "non-trade concerns" include a range of issues related to agriculture but not strictly linked to traditional trade measures. Among other things, non-trade concerns include environmental protection, rural development, and food security. The crux of the debate derives from the presumption that agriculture produces desired noncommodity outputs as joint products with agricultural production, and agricultural production is necessary to obtain these noncommodity outputs. However, several U.S. policies illustrate how noncommodity benefits can be provided without agricultural protection.

### Public Lands & Western Communities

*Net migration* into the West and changing preferences for recreation opportunities and environmental amenities are increasing demand for recreational/environmental goods and services. This, in turn, is reshaping the economic relationship

between public lands and rural communities. Traditional uses of public lands in the West—such as grazing, mining, and forestry—remain key sources of rural jobs and income, but continuing demographic changes are likely to put additional pressures on policymakers regarding multiple uses for public lands.

### Communications & the Internet In Rural America

*Beginning with* the invention of the telephone, communication and information service innovations have been introduced and disseminated throughout rural America in fits and starts. The marked decline in investment in telecommunications since the dot-com bust in the late 1990s will slow the diffusion of Internet and other new services, but the demand for these services seems to be continuing to grow. The availability of new services and their affordability will be determined by governmental policy, the economic feasibility and technical limits of new technologies, and market incentives.

### Does Land Degradation Threaten Global Agricultural Productivity & Food Security?

*Global food* production has risen more rapidly than population in recent decades, but 800 million people remain food insecure. Soil erosion and other forms of land degradation have the potential to reduce productivity growth and increase food insecurity, particularly in areas where fragile resources are found along with poverty and poorly functioning markets. When markets function well, however, farmers have incentives to adopt appropriate conservation practices. Recent ERS research indicates that land degradation does not threaten productivity growth and food security at the global level.