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1. Accession No.	Agency Identifiers		5. Work Unit/Project No.	6. Status
	2. NIFA	3. LA.B	LAB94162	A = New Project
7. Title The Impact of Exchange Rates, Trade Agreements, Domestic Policies, and Infrastructure on Louisiana Agriculture				
8. Performing Organization 0016 - 2010 Agri Economics & Agribusiness Agricultural Experiment Sta, Louisiana State Univ			9. Cooperating Departments within State Performing Institution	
10. Multistate Project No.			11. Cooperating States	
12. Investigator Name(s) Last Name and Intitials)				sent via BITNET/INTERNET Electronic mail systems Date 9/4/12
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14. Project Type Hatch	15. Contract/Grant/Agreement No.	16. Amount	17. FY	
18. Award Date (Month/Day/Year)	19. Start Date (Month/Day/Year)	20. Termination Date (Month/Day/Year)		
	09/01/2012	08/31/2016		
Goals/Objectives/Expected Outputs				
<p>Given the stated problem, this research will seek to influence agricultural and transportation policy debates and trade negotiations through the quantification of the impacts of exchange rates, relevant international trade agreements, domestic policies, and infrastructure enhancement on the competitive position of Louisiana agriculture by determining the corresponding price, supply, demand, and welfare impacts. The results of analyses conducted under the auspices of this project will benefit Louisiana agriculture by providing information that will help Louisiana respond to the issues identified above. In particular, these analyses will estimate changes in production and consumption, prices, trade, and welfare that result from 1) various agricultural legislation scenarios, 2) other domestic and trade policy scenarios, 3) various macroeconomic and other policy shocks (including the exchange rate) and, 4) reforms in multilateral and regional free trade agreements. Accurate knowledge of this type will benefit Louisiana agriculture as it will provide policy makers with enhanced information as they formulate domestic and foreign policy that will affect Louisiana agriculture and, at the same time, aid producers in making decisions related to their enterprise mix as well as production levels.</p>				
Methods				
<p>The project will be divided into two general areas: the analysis of domestic and international agricultural trade as it relates to Louisiana will be conducted, and intermodal transportation logistical analysis in relation to the Lower Mississippi and the distribution of agricultural commodities via road, rail, and river will be conducted. Initial work will involve the selection and development of conceptual and empirical models to analyze the economic effects of trade agreements, such as the World Trade Organization, the North American Free Trade Agreement and other international trade agreements on agricultural producers and consumers from a Louisiana and United States perspective. Primary simulations will involve the development and application of trade simulation models to determine the impact of exchange rate fluctuations and the modification of trade agreements. Quantity data, price data, protection levels, elasticities, and exchange rates for specific base periods will be used to initialize the models. These data are available from the United States Department of Agriculture, Commission of the European Communities, Statistics Canada, World Bank, Organization for Economic Cooperation and Development, International Monetary Fund, and other sources. Intermodal transportation analysis will be conducted on various modes of transportation including barge, rail, and truck as it pertains to various agricultural commodities. The utilization of GIS mapping techniques in conjunction with mathematic optimization procedures will allow for the identification of least-cost transportation routes. In addition, alternative routes can be identified in order to provide a back-up plan should certain routes become inaccessible due to natural disaster or other</p>				

problems.

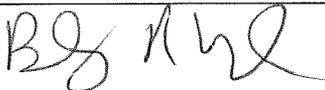
23. Non-Technical Summary

Louisiana farmers and agribusiness firms must constantly adapt their business strategies in order to successfully contend with changes in the world market, including exchange rate fluctuations and current trade policies as well as changes in domestic policy. The economic implications of international and domestic trade in addition to new and emerging international trade agreements force firms to alter their strategies in order to maintain market share. Given this dynamic policy environment, it is critical that research be conducted to determine the impact of factors such as exchange rate fluctuations as well as new and potential policies on the competitive position of the Louisiana Agricultural and Agribusiness sectors. Not only will analysis of this nature allow Louisiana farms and firms to adapt to the changing environment in a manner that allows them to maximize profits, it will provide policy makers with information to help formulate and evaluate policy options which will improve the competitiveness of the Louisiana agriculture sector and allow it to best use its resources to provide food, clothing, and housing to Louisiana, the United States, and the World.

24. Keywords

Exchange Rates; International Trade; Agricultural Policy; Trade Agreements; Domestic Policy; Transportation Logistics

**** The Original signed document is on file at this institution. ****

Signature	Title	Date
Dept:  Admin:	Associate Director	8-31-12