



# NORTH DAKOTA Farm Research

Bimonthly  
Bulletin

Vol. 49, No. 3

November-December 1991





## Guest Column

**J. L. Ozbun**  
President



When I was growing up on a North Dakota farm, international agriculture was not paramount in our thinking. We worried about getting enough rain, and the price of wheat and cattle, but we weren't concerned at the time about how the Japanese like their steak or how Europeans feed about chemicals in livestock feed.

I think there was a time, perhaps during the 1960s, when we deluded ourselves into believing there were a lot of hungry people in the world who would constitute an inexhaustible market for America's agricultural output. We've since learned it's a lot more complicated than that. Foreign competition, third world economies, transportation costs, and people's preferences in food are all major factors in our future success and competitiveness.

Today, 40 years and several wars after I left the farm, the international marketing of agricultural products is, and should be, the overriding interest of American agriculture. It's the classic concept of marketing. If we want people to buy the things we have to sell, we simply have to come up with things they want to buy.

Tailoring agricultural products to what other people are willing and eager to buy is a key to successful agricultural production in America today. The old platitude about being about to lead a horse to water but not being able to talk it into drinking has a corollary in agricultural marketing. We may be able to lead potential customers to our products, but we can't make them buy.

North Dakota has, in abundance, food and fiber that much of the world needs and, I believe, would be eager to buy. But we must take a sensitivity to the peculiarities of that market into account.

As competition continues to mount from other parts of the world, finding North Dakota's niche in the world market becomes increasingly vital to the success of our agribusiness industries. I know there are movements under way in North Dakota to do just that, and I applaud those efforts.

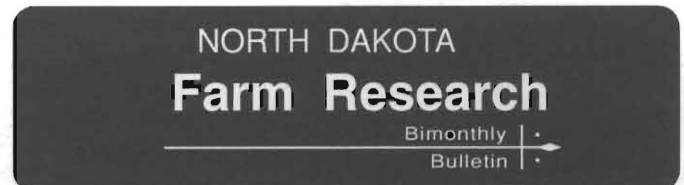
The research being conducted by our agricultural experiment stations across the state, as well as on the NDSU campus, is pivotal to their success.

This June, we will be holding the Fourth Great Plains Symposium on World Agricultural Trade, and doing business in the world market will be a central theme of that event. The Northern Crops Institute has done an outstanding job of bringing grain buyers, millers, and others from around the world to learn about the things our farmers and ranchers have to sell. We need to take this one step further. Let's get busy and find out for sure what those folks would really like to buy.

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**On the Cover:** Part of NDSU's international agricultural connection are the many students from around the world. Three of them are Muharto Muharto, an agricultural economics student from Indonesia; Muhammed S. Bhatti from Pakistan in cereal science and food technology, and MD Abdus Satter, an entomology student from Bangladesh. Photo by Harold Caldwell.



**Vol. 49, No. 3 November-December 1991**

A BIMONTHLY progress report published by the  
**Agricultural Experiment Station  
North Dakota State University  
Agriculture and Applied Science**  
 Fargo, North Dakota 58105

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of Agriculture and Applied Science  
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Fargo, North Dakota 58105  
Publication

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Analysis of factors affecting location decisions reveals that agribusiness firms differ from their counterparts in the manufacturing and export services sectors in significant ways. The strong orientation of all classes of agribusiness firms to sources of supplies and raw materials and of agribusiness durable manufacturers to customers indicates that these firms are indeed ones that many agriculturally dependent rural areas could appropriately select as priority targets for development efforts.

This conclusion gains further support when the population of the counties where different types of firms are located is examined. The mean 1980 population of the agribusiness firms' site counties was 44,261, compared to 52,122 for other firms, and 57 percent of these firms were located in counties with less than 10,000 population, compared to 39 percent of other firms.

The analysis of location factors also indicates that substantial differences exist among classes of agribusiness firms with regard to the salience of specific attributes. For example, food processors and other nondurable manufacturers identify water supply and water treatment as very important location considerations whereas these factors typically are less salient for some other types of agribusiness. Communities likely will be more successful in development efforts if they can tailor their assistance/incentives to address the specific needs of a particular candidate industry or firm.

The analysis of the economic contribution of different types of firms indicates that substantial variations do exist both among the different types of firms and also within each group. These

findings suggest that a community needs to first clarify its development objectives and then concentrate its efforts on firms that have attributes consistent with those goals (Gillis and Shaffer 1985). For example, agribusiness firms included in this study tended to hire fewer workers than their counterparts, but they had significantly higher levels of in-state purchases, which would imply that they would stimulate higher levels of income and employment in other sectors of the local and state economies. The agribusiness firms also differed from other companies in the occupational composition of their work force. Decision makers should be aware of these differences when formulating community development strategies.

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