The following set of review questions cover the topics and concepts that may be targeted by Exam III. Sources for information to answer these questions are the Knutson text, Sanders lectures, assignments, and guest speakers. Exam questions may be taken verbatim from this study guide and quizzes, or rewritten. The primary focal points of the exam are Lessons 8, 9, 9a-b-c-d (the same as 10a-b-c-d), 11 a-b and 12a-b. There may be additional questions about such food issues as burger regulation. Exam III will be given Thursday 1 Dec 05, 1230-145 p.m., and will be closed book, closed notes. It will be worth 100 points will consist of multiple-choice questions and short answer questions.

A. MULTIPLE CHOICE: Circle the best answer.

1. According to L9b(10b), (a) key difference(s) between low income countries and the US that is(are) slowing Doha Round trade talks is(are):
   a. the US is pushing for deep tariff cuts by developing countries now
   b. developing countries want domestic support cuts now and tariff cuts later
   c. developing countries want textile inspections
   d. the US wants cuts in conservation programs
   e. both a and b
   f. both c and d
   g. all of the above
   h. none of the above

2. New talks in the WTO Doha Round suggest that
   a. Cotton can keep Step 2 support
   b. food aid may be de-restricted
   c. counter cyclical payments may be allowed in the Blue Box
   d. developing countries can restore tariffs
   e. all of the above
   f. none of the above

3. Based on L9b(10b), all of the following are correct, except
   a. the US has a heavy stake in global markets, with one in three acres going to export.
   b. low-income countries think that hi-income countries ag subsidies depress world market prices
   c. low-income countries are more dependent on agriculture than are hi-income countries
   d. the US, EU and Japan have more to lose in output and employment than Canada, Brazil and Korea.
   e. no; all of the above are correct, according to L9b(10b).
4. The US has an overall trade __________________, that is approaching over ____________ for 2005, while the US agricultural product trade is in ____________, and was about __________ for 2004.
   a. balance, zero, deficit, $600 billion
   b. deficit, $700 billion, surplus, $9.5 billion
   c. surplus, $600 billion, deficit, $4 billion
   d. deficit, $10 billion, deficit, $10 billion
   e. none of the above

5. Based on L9d(10d), the past decade of farm bill and trade agreement impacts suggest(s):
   a. US exports and imports are trending up
   b. wheat prices and exports are trending down
   c. corn and cotton prices are trending down while exports are trending up
   d. agribusiness has done relatively better than farms
   e. both a and c
   f. both b and d
   g. all of the above
   h. none of the above

6. Based on L9d(10d), the WTO limit for US domestic support of agriculture is about __________, and allows direct payments if they are ______________ production and market prices.
   a. $19 billion, decoupled from
   b. $10 billion, included in
   c. $25 billion, Amber Box for
   d. $1 million, in the de minimis rule for
   e. none of the above

7. The Foreign Market Development Cooperator Program in the current farm act is known as the ______________ program, and funding authority was ____________.
   a. export credit, decreased
   b. emerging market, increased
   c. cooperator, increased
   d. export enhancement, decreased
   e. none of the above
8. According to ___________________, free trade policy impacts on agribusiness include
   a. Dr. Holcomb, increased trade volume and agribusiness functions.
   b. Dr. Woods, increased agribusiness market power and price variability.
   c. Dr. Holcomb, decreased the role of marketing boards.
   d. Dr. Holcomb, increased agribusiness market power and price variability.
   e. Dr. Woods, had imperceptible impacts.
   f. (a), (c), (d)
   g. none of the above.

9. Agribusiness programs in the new farm bill (2002) include:
   a. Agriculture Innovation Center Demonstration
   b. Rural Electronic Commerce Extension
   c. Rural Strategic Investment
   d. Training Workers for Higher-Valued Crops
   e. Business & Industry (B&I) Loans
   f. all of the above
   g. a, b, d, e
   h. None of the above

10. During debate and development of the 2002 Farm Act, the Senate Ag Committee proposed to increase loan rates on the program commodities such as wheat. To evaluate the impact of this action for agribusinesses who export wheat, what is most likely to occur?
    a. Since loan rates act as a floor on price, the minimum price of US wheat will increase, making US wheat less competitive on world markets.
    b. Since loan rates act as a floor on price, the minimum price of US wheat will decrease, making US wheat more competitive on world markets.
    c. Since loan rates act as a floor on price, the minimum price of US wheat will increase, making US wheat more competitive on world markets.
    d. Loan rates have no impact on price, and have nothing to do with world markets.

11. Knutson suggests reasons that agribusiness firms tend to be trade-oriented. Reasons he cites for this include:
    a. volume expansion, more functions to perform, more market power for intermediaries, more price variability.
    b. volume restrictions, more functions to perform, less market power for intermediaries, more price stability.
    c. market control, survival of the fittest, transnational corporations, growth.
    d. volume expansion, fewer functions to perform, less market power for intermediaries, more price stability.
12. ____________________________ discussed the agribusiness sector as including ___________________ and the farm or ranch.
   a. Dr. Holcomb, farm suppliers
   b. Dr. Woods, processing
   c. Sen. Muegge, restaurants
   d. Dr. Holcomb, grocery
   e. Dr. Woods, retail food
   f. Sen. Muegge, industrial food processing
   g. a & d
   h. b & e
   i. c & f
   j. none of the above

   a. This statement is nonsense; no one wants instability.
   b. This is true because agribusiness is in a better position to cope with instability than farmers, especially mid-size farms.
   c. This statement is true and is the reason you can’t trust big business.
   d. This is true because agribusiness can sell producers services of how to cope with instability.
   e. This is true because price turns always present an opportunity to profit by the aggressive entrepreneur.
   f. (b), (d) & (e)
   g. none of the above.

14. Risk acceptability is an important issue in food safety policy. Policies that call for the least risk exposure are
   a. zero tolerance & no significant risk.
   b. de minimus & risk benefit.
   c. no significant risk and risk benefit
   d. zero tolerance and de minimus risk.

15. According to Ames et al, the risk of getting cancer from cigarettes is over 11,000 times greater than from __________.
   a. beer
   b. pcb’s
   c. peanut butter
   d. tap water
   e. none of the above
16. Rural policy issues discussed by Dr. Mike Woods as “the most pressing problems” included:
   a. outmigration or population loss
   b. stressed counties in the Plains
   c. metro vs. non-metro growth
   d. all of the above
   e. none of the above

17. Dr. Woods lecture notes discussed the ________________________________,
    a new Oklahoma Cooperative Extension program for rural development.
   a. Oklahoma Agricultural Producers Act
   b. Initiative for the Future of Rural Oklahoma
   c. Oklahoma Rural Employment Act
   d. Oklahoma farm investment program
   e. none of the above

18. Dr. Woods lecture notes explain that most Oklahoma population loss is in
   a. Eastern Oklahoma
   b. throughout Oklahoma
   c. Western Oklahoma
   d. only in urban Oklahoma counties
   e. none of the above

19. Employment concerns for Oklahoma counties, according to Dr. Woods, include
   a. jobs to keep the youth from leaving
   b. an aging workforce
   c. the environment
   d. job retention and expansion
   e. job creation and attraction
   f. all of the above
   g. a, b, d, e

20. Most employment loss in Oklahoma in the past few years has come in
    a. Eastern Oklahoma
    b. throughout Oklahoma
    c. Western Oklahoma
    d. only in urban Oklahoma counties
    e. none of the above
21. Assume you’re hired by the Oklahoma Cattlemens Association to keep track of food safety and nutrition policy. If new studies support the claims that high protein-low carb diets (meat) are healthy and Congress adds funds to extension programs to increase public awareness, how will this likely impact the beef market, assuming all other factors remain constant?
   a. Demand for beef will increase, causing price of beef to increase.
   b. Demand for beef will decrease, causing price of beef to decrease.
   c. Demand for beef will decrease, causing price of beef to increase.
   d. Demand for beef will increase, causing price of beef to decrease.
   e. Supply of beef, rather than demand, will change.

22. ______% of carcinogens in diets are the result of natural toxins in plants, and natural toxins are about ______times more concentrated in plants than synthetic chemicals.
   a. 99.9, 10,000
   b. 67, 1,000
   c. 1, 100
   d. 50, 50
   e. none of the above

23. While imported food accounts for ____% of fruit consumed and ____% of vegetables, less than ____% is FDA inspected.
   a. 40, 12, 1
   b. 10, 10, 10
   c. 25, 15, 5
   d. 50, 23, 17
   e. none of the above

24. ________% of consumers eat raw/undercooked eggs, ________% eat undercooked hamburger, _________% eat raw clams/oysters, suggesting that consumers are part of the food safety problem in the US.
   a. 50, 25, 25
   b. 17, 23, 50
   c. 50, 23, 17
   d. 33, 50, 33
   e. none of the above
B. SHORT ANSWER (points will vary; be brief, but thorough).

25. a. What is food security? b. What impact do government stocks have on private stocks, and (c) how is this related to food security?

26. According to Lesson 9b(10b), what is “Step 2” and why is it significant to US agricultural trade.
27. Based on Lesson 12 and Knutson, briefly discuss food policy issues and the rationale for government involvement.

28. List and briefly explain the basic propositions of trade, according to Sanders.
29. Based on Lesson 12, list 3 food safety policy alternatives, explain them and their likely consequences.

30. Based on the readings and lectures and the concept of "public policy", provide a complete definition of agricultural public policy.
31. Based on Lesson 12 and lecture, briefly discuss the problem of food nutrition and obesity, and some alternate solutions.

32. Based on Lesson 12 and science, rank from most serious (1) to least serious (6) these food safety hazards.

___ deliberate food additives
___ environmental contaminants
___ foodborne diseases
___ malnutrition
___ naturally occurring toxins
___ pesticide residue
33. Briefly provide an update on implementation of food programs in the 2002 farm act.

34. Briefly summarize the key points made by Sen. Muegge during his guest lecture
35. Briefly summarize the trends, hurdles and horizons for rural communities based on Lesson 11a.

36. List 4 options for rural community development planning & financing, according to Knutson in ch. 16, 4th ed.