

Cornhusker Economics

Cooperative Extension

Institute of Agriculture & Natural Resources
Department of Agricultural Economics
University of Nebraska - Lincoln

Some Thoughts on U.S. - European Relations

Market Report	Yr Ago	4 Wks Ago	6/6/03
<u>Livestock and Products,</u>			
<u>Average Prices for Week Ending</u>			
Slaughter Steers, Ch. 204, 1100-1300 lb Omaha, cwt	\$63.01	\$79.26	\$80.40
Feeder Steers, Med. Frame, 600-650 lb Dodge City, KS, cwt	*	90.14	*
Feeder Steers, Med. Frame 600-650 lb, Nebraska Auction Wght. Avg	89.16	96.80	104.17
Carcass Price, Ch. 1-3, 550-700 lb Cent. US, Equiv. Index Value, cwt	101.89	125.18	132.74
Hogs, US 1-2, 220-230 lb Sioux Falls, SD, cwt	*	44.00	46.00
Feeder Pigs, US 1-2, 40-45 lb Sioux Falls, SD, hd	24.71	*	*
Vacuum Packed Pork Loins, Wholesale, 13-19 lb, 1/4" Trim, Cent. US, cwt	99.03	102.47	122.18
Slaughter Lambs, Ch. & Pr., 115-125 lb Sioux Falls, SD, cwt	78.75	107.00	103.00
Carcass Lambs, Ch. & Pr., 1-4, 55-65 lb FOB Midwest, cwt	145.71	192.65	208.46
<u>Crops,</u>			
<u>Cash Truck Prices for Date Shown</u>			
Wheat, No. 1, H.W. Omaha, bu	3.03	3.37	3.31
Corn, No. 2, Yellow Omaha, bu	1.91	2.39	2.28
Soybeans, No. 1, Yellow Omaha, bu	4.89	6.25	6.25
Grain Sorghum, No. 2, Yellow Kansas City, cwt	3.44	4.32	3.91
Oats, No. 2, Heavy Minneapolis, MN, bu	2.31	1.73	1.75
<u>Hay,</u>			
<u>First Day of Week Pile Prices</u>			
Alfalfa, Sm. Square, RFV 150 or better Platte Valley, ton	107.50	125.00	122.50
Alfalfa, Lg. Round, Good Northeast Nebraska, ton	62.50	72.50	62.50
Prairie, Sm. Square, Good Northeast Nebraska, ton	90.00	117.50	117.50
* No market.			

Having recently returned from this year's annual student agribusiness study tour to France, I was struck by a number of changing attitudes in Europe regarding their relationship with the U.S., and also struck by the degree to which some attitudes have changed little or not at all.

First, the things that have changed little or not at all. Despite the rather unpleasant relationship that has developed between the French and U.S. governments resulting from differences of opinion regarding the U.S. decision to preemptively invade Iraq without sanction or approval of the United Nations, French attitudes toward American people seem to have changed little. We found the French to be no less pleasant or polite than we had in previous years, and they have always been polite and courteous. I had anticipated that some hostility would be evident, but was able to detect none. France annually attracts more tourist visitors than any other country in the world, and their economy has not been helped by somewhat diminished travel abroad resulting from the general economic slowdown, concern about the safety and hassles of air travel and concerns on the part of U.S. travelers over their potential reception in France. They seemed to be going out of their way to be friendly and courteous this year.

Somewhat different is their clear distaste for the current administration in Washington, as a result of U.S. policy. This was overwhelmingly evident on the part of virtually all of the French faculty members and students as well as U.S. expatriates I had an opportunity to meet. I can recall no time since the Vietnam war that the U.S. government and its policies were held in such low regard by so many Europeans. Their



contempt stems from a number of factors, some real and some a bit imaginary.

First, the U.S. was considered to have acted contemptuously and cavalierly toward both our NATO allies and world opinion as represented by the United Nations, by first attempting to engineer a resolution of support from the Security Council for the invasion of Iraq, and when it became clear that an acceptable resolution would not receive a majority vote, proceeding to war anyway. The French clearly do not think that the U.S. consulted sufficiently with its allies other than the United Kingdom before deciding to go to war. On the somewhat fanciful side is the generally agreed upon belief in France that the war was waged largely over oil, rather than the more noble causes of fighting terrorism, eliminating weapons of mass destructions and providing for Iraqi freedom. Our subsequent failure to uncover either terrorist links or the anticipated illegal weapons has only strengthened this general belief.

Second, the French see the U.S. invasion of Iraq as meddling in territory that is more properly the province of Europe and the Middle East than the U.S. Whether or not this is the case, it was explained to me on several occasions as the approximate equivalent of a European invasion of a Central American country in terms of its appropriateness.

Third, there is much bitterness on the part of the French regarding their belief that U.S. Middle Eastern policy strongly tilts toward the interests of Israel, and that little effort has been made so far by the current administration to recognize the rights of Palestinians, or to provide leadership that would help to solve the very explosive situation in Israel. France is a country with very substantial Middle Eastern, North African, and Moslem populations, and they clearly believe that the U.S. has been neither sufficiently even handed or appropriately concerned about solving this problem until very recently. Additionally, Europe has been demonstrably more sympathetic to the plight of the Palestinian people than has the Bush administration.

Finally, the U.S. administration is considered by many to be, for want of a better term, an international bully. Preemption was not a strong argument in Europe before the war, and has become an even less persuasive argument as events have unfolded. While all of Europe is certainly not united on the issue of foreign policies, belief that the U.S. administration is apparently willing to run roughshod over rather

overwhelming world opinion appears to be a concern of all.

What are the implications of these attitudes on future trade negotiations, agricultural policies and relations in general among our European allies? The answers are difficult to predict, but it is evident that some time will be required before relationships between our respective governments will return to previous standards. Europe is not a large importer of U.S. agricultural products. In fact, Europe is a net exporter of food and food products, and likely will become more so as agriculture in Eastern European countries scheduled to join the European Community improves.

Two issues have attracted much attention among U.S. agricultural trade interests - European policies regarding genetically modified crops, and their ban on the importation of U.S. beef that has been treated with hormones. Both issues have been contentious, and it is generally believed by most knowledgeable observers that European opposition is based as much on emotion and politics as on sound science. My suspicion is, however, that the U.S. position on these issues will receive relatively little sympathy or support from the French or German governments as long as the strong animosity toward the U.S. administration persists. While Europe may feel relatively powerless to control what they see as roguish behavior on the part of the U.S., we can be sure that they will use issues over which they have some control to their own political and economic advantage.

George Pfeiffer, (402) 472-1775
Farm and Research Management

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