



FOOD MARKETING POLICY CENTER

NEWSLETTER

Mission

The Food Marketing Policy Center conducts research on food and agricultural marketing and related policy questions. It facilitates research by maintaining large scale data bases and a visiting research scholars program. The general intent is to provide information that can contribute to improved performance of the food production and marketing system. Key users include farmer and consumer organizations, agribusiness firms, public agencies, state legislatures, and the U.S. Congress.

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Department of Agricultural and Resource Economics
College of Agriculture and Natural Resources
University of Connecticut

Newsletter Editorial: Below is a slightly revised/corrected story that appeared in *The Hartford Courant*. Hajim Al Hassani, the Minister of Industry and Minerals in Iraq, was the first Ph.D. student to graduate from the Food Marketing Policy Center. His commitment to public policy and the economic reconstruction of Iraq combines great personal courage with professional training. We fear for his safety but take heart in knowing that he firmly believes that this is the way forward for his country.

UConn Grad In Iraqi Cabinet Received Doctorate In Agricultural Economics

By GRACE E. MERRITT
Courant Staff Writer

June 4, 2004

It's been 14 years since Hajim al-Hassani played soccer with friends at the University of Connecticut campus, led a Muslim student organization there and took turns leading prayers at services.

The contemplative life of a graduate student in Storrs must be a startling contrast to the danger and uncertainty of his new job as a cabinet member in the new Iraqi government.

On Tuesday, as bombs exploded outside, Hassani was appointed Iraq's new minister of industry and minerals in Baghdad, one of 31 ministers in the new government.

Only two weeks ago, Hassani, a member of Iraq's governing council, came face to face with the dangers of the job when Abdul Zahra Othman, the governing council's president, was killed in a suicide bombing.

According to news reports, minutes before the bombing Hassani had driven through the spot where the bombing occurred, at the entrance to the Green Zone, the secure compound that houses administrative offices in Baghdad.

Hassani earned a doctorate in agriculture and resource economics at UConn in 1990, and spent eight years on campus, said his faculty adviser, Ronald Cotterill, professor of agricultural and resource economics.

After leaving Storrs, Hassani went to Los Angeles, where he ran a successful investment management company, Cotterill said.

Cotterill said that even as a student, Hassani possessed the skills he will undoubtedly need as a new cabinet member in an evolving government and dangerous climate.

"He is a person with a great deal of persistence in the face of adversity," Cotterill said. "He is a hard worker and a very level-headed person."

Several friends and professors remembered Hassani as an imposing man with a reddish beard. They described him as open, friendly, energetic and not afraid to speak his mind.

"If he doesn't like something, he will pin it on your face," said Mehdi Anwar, a professor of electrical and computer engineering who was a good friend of Hassani's. "He would always express his own opinions. It doesn't matter if you like it or not. He always said it with a very smiling face so you will never be offended."

A moderate Sunni, Hassani is a deeply religious man, said Reda Ammar, professor and department head of computer science and engineering. While at UConn, Hassani served as president of the Muslim Student Association and occasionally led prayer services, he said.

Hassani went by the name Hachim Mehdi Salih while at UConn and trained in industrial

organization analysis, an education that should prepare him well for his new job as commerce minister, Cotterill said.

Before coming to UConn, Hassani earned a master's degree at the University of Nebraska in 1982 and a bachelor's degree at the University of Mosul in 1977.

Ammar said that Hassani came to the United States because he refused to fight in the Iraq-Iran war and had to leave the country.

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Cooperating Research Personnel at Other Universities

Adam David Rennhoff, Ph.D. candidate from the University of Virginia, (Dept. of Economics).

Tirtha Dhar, Assistant Professor (Marketing), Sauder School of Business, University of British Columbia, Vancouver, BC, Canada.

Avi Goldfarb, Assistant Professor (Marketing), University of Toronto School of Business, Canada.

Christian Rojas, Ph.D. student, Dept. of Economics/Agricultural Economics, Virginia Tech.

Bart Bronnenberg, Associate Professor of Marketing, The Anderson School at UCLA.

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Personnel Changes

Donghun Kim is moving to the International Development Program at the International University of Japan in Niigata, Japan at the end of June.

Ville Aalto-Setälä is returning to his government post at the National Consumer Research Center in Helsinki, Finland at the end of June.

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Food Marketing Policy Center Graduate Assistantships Available, Fall 2004

The Food Marketing Policy Center in the Department of Agricultural and Resource Economics has graduate assistantships available at the Ph.D. level. Students with interest in organization of food industries and one or more of the following: demand and price transmission analysis, comparative analysis of U.S. and European foods systems, cooperatives, industrial organization economics, or antitrust policy are

encouraged to apply. Support will be for four years. For further information, please contact Ronald W. Cotterill, Director, Food Marketing Policy Center, Storrs, CT 06269-4021. Tel. (860) 486-2742, Fax (860) 486-2461, or Email: Ronald.Cotterill@uconn.edu.

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AGRIBUSINESS: An International Journal update by R. W. Cotterill, Editor

Agribusiness, and more than a dozen other economic journals, are now available on line to subscribers at (www.interscience.wiley.com). The journal is also indexed in Econlit.

Instructions for manuscript submissions are available by email: (FMPC@UCONN.EDU). Manuscripts are submitted electronically to the same address. Articles appearing in Issues No. 1 and 2, 2004 are as follows:

***Agribusiness* 20(1) Winter 2004**

"Do U.S. Marketing Orders Have Much Market Power? An Examination of the Almond board of California" by John M. Crespi and Adriana Chacón-Cascante.

"Reasons for High Food Prices in Small Market Areas: The Case of the Åland Islands" Ville Aalto-Setälä, Jouko Kinnunen, and Katri Koistinen.

"Profitability Adjustment Patterns in International Food and Consumer Products Industries" by Yvonne J. Acheampong, James E. Epperson, Timothy A. Park, and Lewell F. Gunter.

"Profitability Differences Between MNE Subsidiaries and Domestic Firms: The Case of the Food Industry in Greece" by George Anastassopoulos.

"Managing International Trade of Food Products: A Survey of German and Australian Companies" by Christian Fischer.

“Delaware Farmers’ Adoption of GE Soybeans in a Time of Uncertain U.S. Adoption” by John C. Bernard, John D. Pesek, Jr., and Chunbo Fan.

“Attitudes Towards the Use of GMOs in Food Production and Their Impact on Buying Intention: The Role of Positive Sensory Experience” by Klaus G. Grunert, Tino Bech-Larsen, Liisa Lähteenmäki, Øydis Ueland, and Annika Åström.

“Evaluating the Economic Effectiveness of Pathogen Reduction Technologies in Cattle Slaughter Plants” by Scott A. Malcolm, Clare A. Narrod, Tanya Roberts, and Michael Ollinger.

Book Review by Anwar Naseem
Travels in the Genetically Modified Zone, by Mark L. Winston.

***Agribusiness* 20(2) Spring 2004**

“Primary Agricultural Product Demand in Post-Communist Russia” by Rimma Shiptsova, H.L. Goodwin, Jr., and Rodney Holcomb.

“The Economic Efficiency of Irish Dairy Marketing Co-Operatives” by G.E. Boyle.

“Consumer Response to Functional Foods Produced by Conventional, Organic, or Genetic Manipulation” by Bruno Larue, Gale E. West, Carole Gendron, and Remy Lambert.

“Risk-Learning Process in Forming Willingness-to-Pay for Egg Safety” by Atsushi Maruyama and Masao Kikuchi.

“Advertising’s Effect on the Market Demand Elasticity: A Note” by Henry W. Kinnucan and Yuqing Zheng.

“The Determinants of Direct Mail Coupon Usage Revisited: Evidence From Count Panel Data Models” by Song Zan Chiou-Wei.

“Adjustments in the South Korean Beef Import Market Under Beef Import Liberalization Policies” by Renee B. Kim, Y.J. Kim, and Michele Veeman.

“The Forecasting Performance of Implied Volatility From Live Cattle Options Contracts: Implications for Agribusiness Risk Management” by Mark R. Manfredo and Dwight R. Sanders.

Book Review by P. Lynn Kennedy
Sugar and Related Sweetener Markets: International Perspectives, by Andrew Schmitz, Thomas H. Spreen, William A. Messina, Jr., and Charles B. Moss.

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Activity Report

Ronald W. Cotterill

(Ag. Econ., University of Connecticut)

Ron presented a seminar on Northeast Milk Pricing and Options for State Level Price Regulation at the Dairy Marketing Services Board and Staff Meeting, Syracuse, New York, June 16, 2004.

Ron presented a seminar titled, “Estimating a Brand-Level Demand System for American Cheese Products to Evaluate Unilateral and Coordinated Market Power Strategies” at the Department of Agricultural Economics, University of Reading, UK, June 7, 2004.

Ron presented a paper entitled, “The Theory of Price Collars: The Linking Prices in a Market Channel to Redress the Exercise of Market Power” at the 6th INRA-IDEI Conference on Industrial Organization and the Food-Processing Industry in Toulouse, France on June 4-5, 2004.

Ron contributed to a panel discussion with another leading international expert and the former Director General of the Office of Fair Trading (the UK FTC) at the Lancaster University Workshop on Retail Competition and Consumer Choice on June 8, 2004, London, UK.

Ron presented a paper entitled, “Estimation of Brand Level Demand System and Elasticities with Private Label Products: Fluid Milk” at the 88th Seminar of the European Association of Agricultural Economists in Paris, France, May 5-6, 2004.

Ron presented a seminar titled, “The Theory of Price Collars: The Linking of Prices in a Market Channel to Redress the Exercise of Market Power” at the Department of Marketing, Sauder School of Business, University of British Columbia, Vancouver, Canada on March 11, 2004 and at the University of Connecticut Department of Agricultural and Resource Economics on March 24, 2004.

Ron accompanied Connecticut Representative George Wilber and presented a seminar on Northeast Milk Pricing at the New York State Department of Agriculture and Markets in Albany, New York, March 5, 2004.

Ron attended and spoke at a meeting in Litchfield County on state level milk price regulation, March 4, 2004.

Ron presented a seminar titled, “Food Retail Margins, Facts, Trends, Regulations” at Laval University, Quebec City, Canada on January 15-17, 2004.

Ville Aalto-Setälä

(Visiting Scholar, National Consumer Research Centre, Helsinki, Finland)

Ville continues to work with Emilio Pagoulatos on a project titled, “The Sources of Price Dispersion in the European Food Market.” They submitted the manuscript for the review process at the *Journal of Industry, Competition and Trade*.

Another of Ville’s submitted papers considers consumer’s price knowledge of food products. The project utilizes a unique data set of consumer price estimates and actual market prices during the Euro

changeover. This is joint work with Anu Raijas (University of Helsinki).

Ville’s paper, “How Do Markets Behave—Adjustment of Attractive Prices in the Euro Changeover” was accepted to the Seminar of EIRASS Conference to be held in Prague at this summer.

Julie Caswell

(Ag. Econ. University of Massachusetts)

Julie Caswell was an instructor in a 1-week seminar on Multinational Case Studies at the International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM), Zaragoza, Spain, in March 2004.

Julie Caswell participated in the Peer Review Panel for the USDA National Research Initiative Competitive Grants Program, Markets and Trade, in June 2004.

Donghun Kim

(Assistant Professor in Residence, FMPC)

Donghun Kim presented the paper, “Estimation of the Effects of New Brands on Consumer Welfare and Incumbents’ Profits” at the International University of Japan in May 2004.

Donghun Kim is working on the paper, “Market Structure, Price Pass-Through and Welfare in a Differentiated Product Market.” The paper is under revision for the *Journal of Industrial Economics*.

Bruce Larson

(Ag. Econ., University of Connecticut)

Bruce continues revising two articles with Sara Scatsata on the trade impacts of product standards.

Nathalie Lavoie

(Ag. Econ. University of Massachusetts)

Nathalie Lavoie gave a seminar entitled, “Pricing-to-Market and Product Differentiation” in the

Département d'Économie Agroalimentaire et des Sciences de la Consommation, at Université Laval, Québec City, PQ, Canada, on March 26, 2004. The paper is joint with Qihong Liu.

Qihong Liu

(*Ag. Econ., University of Massachusetts*)

Qihong Liu presented "Customer Information Sharing Among Rival Firms" at the International Industrial Organization Conference in Chicago, April 23-24, 2004.

Qihong Liu is working with Julie Caswell on "Entry and Exit in the Food Market."

Qihong Liu is also working with Nathalie Lavoie on "The Impact of Reforming Wheat Importing State-Trading Enterprises on the Quality of Wheat Imported."

Qihong Liu and Nathalie Lavoie completed a paper titled, "Findings of Pricing-to-Market: Market Segmentation or Product Differentiation?"

Under Review:

Dan Bernhardt, Qihong Liu and Konstantinos Serfes, "Product Customization."

Qihong Liu and Konstantinos Serfes, "Imperfect Price Discrimination in a Vertical Differentiation Model."

Qihong Liu and Konstantinos Serfes, "Customer Information Sharing Among Rival Firms."

Rigoberto Lopez

(*Ag. Econ., University of Connecticut*)

Rigoberto Lopez returned from sabbatical leave in the Fall of 2003. In the Spring of 2004 he continued his industrial organization work on milk pricing and breakfast cereals collaborating with Ron Cotterill, Benaisa Chidmi (Ph.D. candidate) and Alessandro Bonanno (Ph.D. student). He will also collaborate with Maria Gonzalez in the Summer 2004 to assess

efficiency of milk processing in various regions of the United States. Moreover, he continues to work with the Hartford Food System and Sylvie Tchomtchoua (grad student) to assess community food security in Connecticut towns.

Rigoberto presented a seminar entitled, "Retail Configuration and Fluid Milk Prices" at the University of Nebraska, December 12, 2004.

Alessandro Bonanno and Rigoberto Lopez presented a paper entitled, "Private Labels, Retail Configuration, and Fluid Milk Prices" at the 88th Seminar of the European Association of Agricultural Economists in Paris, France, May 5-6, 2004.

Rigoberto Lopez, Emilio Pagoulatos and Maria Gonzalez will present a paper entitled, "Home Bias and U.S. Imports of Processed Food Products" at the Northeastern Association of Agricultural and Resource Economics meetings, Nova Scotia, Canada, June 2004.

Richard Rogers

(*Res. Econ., University of Massachusetts*)

Rich has been appointed special assistant to the UMass Chancellor for undergraduate teaching and is on leave from the department and Policy Center.

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Data Corner

Recent acquisitions include:

Metro Market Studies *Discount Store Distribution Analysis and Guide 2004.*

Metro Market Studies *Drug Store Distribution Analysis and Guide 2004.*

Metro Market Studies *Grocery Distribution Analysis and Guide 2004.*

Trade Dimensions *Directory of Convenience Stores 2004.*

The Food Marketing Policy Center has extensive holdings of Competitive Media Reporting, Leading National Advertisers, national advertising data, 1987-1997. Contact the Policy Center for details on specific holdings.

The Food Marketing Policy Center subscribes to the following trade journals; the current holdings are listed for each publication:

Promo, Promotion Marketing Worldwide, November 1997-current.

Progressive Grocer, The Publication for Strategic Management, November 1987-current.

Sales and Marketing Management, January, 1989-current.

Supermarket Business, 1996-current.

Supermarket News, The Weekly Newspaper of Food Retailing, 1980-current.

Food Institute Report, 1984, 1985, 1988-current.

Private Label, The Magazine for the Brands. 1993-current.

Cooperative Grocer, For Retailers and Cooperators. 1994-current.

Cheese Reporter, Serving the World's Dairy Industry Weekly, 2000-current.

The Griffin Report of Food Marketing, 1991-current.

Hoard's Dairyman—The National Dairy Farm Magazine. February 2003-current.

The Milkweed, The Farmer's Milk Marketing Report, October 2000-current.

Contact Adam N. Rabinowitz (860) 486-2826 for a complete listing of data and reference works available.

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Food Marketing Policy Center Publications Catalog

We have updated the list of the publications that are available through the Center. Call (860) 486-1927, write for a copy, or print it from our Home Page: <http://www.fmpc.uconn.edu>

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Recent Publications and Papers

Aalto-Setälä, Ville and Markus Halonen. "Attractive Prices in Grocery and Automobile Markets—Why is Such Pricing Used?" *Journal of Retailing and Consumer Services*, Vol. 11(5), 2004.

Aalto-Setälä, Ville, Jouko Kinnunen and Katri Koistinen. "Reasons for High Food Prices in Small Market Areas: The Case of Åland Islands" *Agribusiness: An International Journal*, Vol. 20(1), 2004.

Azzam, A., Lopez, E., and R. A. Lopez. "Imperfect Competition and Total Factor Productivity Growth." *Journal of Productivity Analysis* 22 (September 2004): in press.

Caswell, Julie A. and David Sparling. "Risk Management in the Integrated NAFTA Market: Lessons From The Case of BSE." Commissioned paper presented at the First Annual *North American Agrifood Market Integration Workshop*, Cancun, Mexico, May 2004.

Cotterill, Ronald W. "Milk Pricing Problems and Solutions: An Essay on the Need for New State Level Milk Price Regulation in the Northeast, with Special Attention to Connecticut Substitute Bill No. 5642. Food Marketing Policy Issue Paper No. 45, April 12, 2004.

Cotterill, Ronald W. “What is the Value of Milk?” Food Marketing Policy Issue Paper No. 44, February 9, 2004.

Golan, Elise, Tanya Roberts, Elisabete Salay, Julie A. Caswell, Michael Ollinger, and Danna Moore. 2004. *Food Safety Innovation in the United States: Evidence from the Meat Industry. Agricultural Economic Report No. 831. Washington, DC: Department of Agriculture, Economic Research Service.*

<http://www.ers.usda.gov/publications/aer831/>

Kim, Donghun. In Press. Estimation of the Effects of New Brands on Incumbents’ Profits and Consumer Welfare: The U.S. Processed Cheese Market Case. *Review of Industrial Organization*.

Maldonado, E.S., S. J. Henson, J.A. Caswell, L.A. Leos, P.A. Martinez, G. Aranda, and J.A. Cadena. In Press. Cost-Benefit Analysis of HACCP Implementation in the Mexican Meat Industry. *Food Control*.

Teisl, Mario F. and Julie A. Caswell. 2003. Costi e Benefici Dell’ Informazione Sugli OGM. *La Questione Agraria* (4):23-48.

Tian, Li and Ronald W. Cotterill. “Alternative Models and Estimation Strategies for Branded and Private Label Demand Systems in Differentiated Product Oligopolies: Fluid Milk.” Proceedings, 88th European Agricultural Economics Seminar, “Retailing and Producer-Retailer Relationships in the Food Chains,” Paris, France. May 5-6, 2004.

Tian, Li and Ronald W. Cotterill. “The Theory of Price Collars: The Linking Prices in a Market Channel to Redress the Exercise of Market Power.” Proceedings, 6th INRA-IDEA Conference on Industrial Organization and the Food Processing Industry, Toulouse, France. June 4-5, 2004.

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