



# FOOD MARKETING POLICY CENTER

## NEWSLETTER

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

### 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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### Newsletter Editorial: Teaching I.O. in Italy



**Cremona, Italy, Graduate Class in Industrial Organization, Sacred Heart Catholic University, June 2006.**

Left to right–front row: Sabrina Cernicchiaro, University of Parma; Giulio Mela, University of Perugia; Nada Malysa, Sacred Heart Catholic University, Cremona; Lara Pizzo; University of Padova; Umberto Medicamento, University of Foggia. Back row: Claudio Soregaroli, Assistant Professor of Marketing, Sacred Heart Catholic University, Cremona; Elena Castellari, Sacred Heart Catholic University, Cremona; Grace Nardella, Sacred Heart Catholic University, Cremona; Samer Arkilo, University of Padova; Professor Ronald W. Cotterill, University of Connecticut.

**by Ronald W. Cotterill**

Two weeks is not much time when teaching a graduate class. Yet it is surprising that when one teaches three hours every morning for ten

days how much industrial organization one can cover. The rapid pace and time limit requires that one focus on basic concepts and ideas. Also, one must explain them as simply as possible when one is teaching in another country.

You can see from the picture above that the students were a very enthusiastic and energetic group. The photo was taken on the last day of class, and we had just completed a taste test among different brands of cola. Between European coke, and European Pepsi I didn't believe there was much difference. However, these students quickly picked out Coke as the superior product. Pepsi does have a way to go if it is going to compete in Europe or at least in Italy with Coca-Cola.

The milk containers in this photo illustrate the various packaging and processing technologies that are now available in Europe. Some milk is pasteurized in bottles, others is UHT milk in cartons with a shelf life of six months, and in between is a micro filtered milk that has the best taste of the three. UHT milk is far more popular in Italy than it is in the United States; however, Italians routinely complain about its taste.

Some of the students in this picture are bound for universities in Holland and the United States. Food marketing economists now truly do come from all areas of the world.

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### **Food Marketing Policy Center Staff and Researchers—UConn and UMass**

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### **Cooperating Research Personnel at Other Universities**

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, Assistant Professor of  
Economics/Agricultural Economics, Virginia Tech.  
(Christian Rojas recently moved from V.P.I. to UT-  
Dallas on a visiting position.)

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

Jason P. Hulbert, Ph.D. student, Dept. of  
Economics, University of Virginia, Charlottesville.

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### **Food Marketing Policy Center Graduate Assistantships Available, Fall 2006**

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](mailto:Ronald.Cotterill@uconn.edu).

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### **Personnel Changes**

Benaissa Chidmi, a finishing graduate student under the Center, has been appointed as an assistant professor in agribusiness at Texas Tech University starting in August 2006.

We are happy to announce that Dr. Christian Rojas will join the Department of Resource Economics and the Food Marketing Policy Center at the University of Massachusetts Amherst in July. Dr. Rojas holds a Ph.D. from the Virginia Tech University and for the last year has been a Visiting Professor at the University of Texas at Dallas. Dr. Rojas's specialties are industrial organization, applied microeconomics, and experimental economics.

Julie Caswell began a 3-year term as Chair of the Department of Resource Economics at the University of Massachusetts Amherst on June 1, 2006.

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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](http://www.interscience.wiley.com)). The journal is also indexed in Econlit.

Instructions for manuscript submissions are available by email: ([FMPC@UCONN.EDU](mailto:FMPC@UCONN.EDU)).

Manuscripts are submitted electronically to the same address. Articles appearing in Issues No. 3 and 4, 2005 are as follows:

### ***Agribusiness* 22(1) Winter 2006**

"Private Brands, Governance, and Relational Exchange within Retailer-Manufacturer Relationships: Evidence from Irish Food Manufacturers Supplying the Irish and British Grocery Markets" by Alan Collins and Steve Burt.

"National Brands and Store Brands: Competition Through Public Quality Labels" by Daniel Hassan and Sylvette Monier-Dilhan.

"Branding Behavior in the Danish Food Industry" by Derek Baker, Kenneth Baltzer, and Anja Skadkaer Møller.

"Do Psychological Prices Contribute to Price Rigidity? Evidence from German Scanner Data on Food Brands" by Roland Herrmann and Anke Moeser.

"Food Safety Performance in European Union Accession Countries: Benchmarking the Fresh Produce Import Sector in Hungary" by Marian Garcia Martinez, Nigel Poole, Claire Skinner, Csaba Illes, and József Lehota.

"Plant-Level Dynamics and Aggregate Productivity Growth in the Turkish Meat-Processing Industry: Evidence from Longitudinal Data" by Mahmut Yasar, Roderick M. Rejesus, and Ilhami Mintemur.

"The International Competitiveness of the U.S. Corn-Ethanol Industry: A Comparison with Sugar-Ethanol Processing in Brazil" by Paul Gallagher, Guenter Schamel, Hosein Shapouri, and Heather Brubaker.

"Farmer Trust in Producer-and Investor-Owned Firms: Evidence from Missouri Corn and Soybean Producers" by Harvey S. James Jr. and Michael E. Sykuta.

Book Review, by Jean Kinsey

*Supply Chain Management*, edited by Michael A. Bourlakis and Paul W.H. Weightman.

### ***Agribusiness* 22(2) Spring 2006**

“Estimating Bargaining Strengths of Canadian Chicken Producers and Processors Using a Bilateral Monopoly Framework” by Jean-Philippe Gervais and Stephen Devadoss.

“Fish and Meat Demand in Canada: Regional Differences and Weak Separability” by Remy Lambert, Bruno Larue, Clement Yelou, and George Criner.

“Estimating Price and Income Elasticities in the Presence of Age-Cohort Effects” by Hiroshi Mori, Dennis L. Clason, and Jay M. Lillywhite.

“Valuing Food-Borne Risks Using Time-Series Data: The Case of *E. coli* O157:H7 and BSE Crises in Japan” by Shunji Oniki.

“The Impact of Exchange Rate Volatility on U.S. Poultry Exports” by Titus O. Awokuse and Yan Yuan.

“The Impact of Wal-Mart’s Entry into the German and UK Grocery Markets” by John Fernie, Barbara Hahn, Ulrike Gerhard, Elke Pioch, and Stephen J. Arnold.

“Analyzing Greenhouse Firm Performance Across Different Marketing Channels” by Lusine H. Aramyan, Christien J.M. Ondersteijn, Alfons G.J.M. Lansink, Olaf van Kooten, and Jo H.M. Wijnands.

“Technical Assistance and Trade Servicing to Increase Overseas Demand for Grass Seed” by Catherine A. Durham and Esteban Vega-Hidalgo.

Book Review, by James MacDonald

*Multinational Agribusiness*, by Ruth Rama.

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## **Activity Report**

### **Ronald W. Cotterill**

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

Ron was host at a meeting at the Food Marketing Policy Center on March 16, 2006 to discuss milk prices and a proposal to better improve farmer income. Connecticut State Representative, George Wilber; Robert Wellington, Chief Economist, Agri-Mark; and two Connecticut farmers, Jack Tiffany and Bob Jacquier, attended the meeting.

Ron traveled to the University of Guelph, Ontario, Canada, in March 2006 and presented an invited seminar paper at the Department of Agricultural Economics and Business on “The Measurement of Market Power in Differentiated Product Industries and Merger Analysis.”

Ron was an invited speaker at the Northeastern Agricultural and Resource Economics Association annual meetings in Mystic, CT, June 11-13, 2006 and presented a paper entitled, “Pricing and Policy Problems in the Northeast Fluid Milk Industry.”

Ron taught a two week graduate empirical industrial organization course at the Catholic University of Piacenza, Italy, June 19-30, 2006.

Ron was an invited contributor to the *International Encyclopedia of the Social Sciences, 2<sup>nd</sup> Edition* and wrote an article on the topic of Agribusiness, forthcoming in 2007.

### **Julie Caswell**

(*Ag. Econ. University of Massachusetts*)

Julie Caswell presented a seminar on “Why Aren’t We Better at Managing Risk/Benefit Tradeoffs?” at the Department of Agricultural Economics, University of Nebraska-Lincoln, January 2006.

Julie Caswell taught a 1-week seminar on Multinational Case Studies at the International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM), Zaragoza, Spain, in March 2006.

Julie Caswell attended a meeting of the Food Forum (Institute of Medicine of the National Academies) on *Communicating Risks and Benefits from Foods: Art or Science?* on April 18, 2006 in Washington, DC.

### **Robert J. Johnston**

(Ag. Econ., University of Connecticut)

Robert Johnston prepared a report on summer 2005 focus groups and research activities for the Food Marketing Policy Center entitled, "Seafood Purchasing Behavior and the Role of Consumer Information: Summary of Focus Group Results."

Robert Johnston collaborated with Dr. Kelly Giraud from the University of New Hampshire to submit a proposal to the *USDA Farmers' Market Promotion Program*, "Economic Impact Analysis, Needs Assessment, and Information Clearinghouse for the New England Farmers' Market Coalition." If funded, work on this project would begin in October 2006.

Robert Johnston presented a paper to the *Connecticut Working Lands Alliance* concerning household willingness to pay to preserve Connecticut working farmland, "Farmland Preservation, the Policy Process, and Public Willingness to Pay: Estimating the Value of Working Lands to Connecticut Residents."

### **Nathalie Lavoie**

(Ag. Econ. University of Massachusetts)

Nathalie Lavoie received Honorable Mention for best AJAE article of 2005 for her paper entitled, "Price Discrimination in the Context of Vertical Differentiation: An Application to Canadian Wheat Exports," *American Journal of Agricultural Economics*, 87:835-854.

### **Rigoberto Lopez**

(Ag. Econ., University of Connecticut)

Rigoberto was an invited speaker at a presentation for the National Conference of State Legislators, Hartford, Connecticut, June 26, 2006, on behalf of the Connecticut Food Policy Council. His topic was, "Community Food Security Assessment in Connecticut."

Rigoberto is working with Professor Xenia Matschke on a paper that assesses home bias in U.S. beer consumption using the model of Barry, Pakes and Levinsohn (1995). He is also initiating work with a Ph.D. student (Kristen Fantuzzi) to examine the U.S. taste parameters for beverage consumption and their implications for obesity. Another student (Alessandro Bonanno) is initiating work on spatial aspects of food retail competition.

### **Christian Rojas**

(Visiting Assistant Professor of Economics, University of Texas, Dallas)

Christian Rojas is currently working on a revised version of the paper, "Market Power and Price Competition in U.S. Brewing" for the *Journal of Industrial Economics*. He is also finishing two working papers jointly with Dongling Huang and Frank Bass titled, "The Implications of Estimating Demand with a Misspecified Model" and "The Role of Information and Monitoring on Collusion."

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## **Data Corner**

### **Recent acquisitions include:**

Metro Market Studies, *Discount Store Distribution Analysis and Guide*, 2006.

Metro Market Studies, *Drug Store Distribution Analysis and Guide* 2006.

Metro Market Studies *Grocery Distribution Analysis and Guide* 2006.

Trade Dimensions, *Directory of Convenience Stores* 2006.

TNS Media Intelligence (formally Competitive Media Reporting), *Multi-Media Service, Class/Brand \$* (Leading National Advertisers, national advertising data), 2001-2005. We also recently purchased the 1994 data to complete our series 1988-2005.

Information Resources Inc., *Marketing Fact Book 2002, 2003, and 2004*.

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

*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, 2000-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**

Our publications are available on our web site <http://www.fmpc.uconn.edu>. If you are unable to find a publication online call (860) 486-1927 or write for a copy.

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## **Recent Papers and Publications**

Bhuyan, S. and R.A. Lopez. "Oligopoly Power and Allocative Efficiency in U.S. Food Processing and Tobacco Industries." In *New Empirical Industrial Organization and the Food System*, Harry Kaiser and Nobuhiro Suzuki, eds. New York: Peter Lang Publishing, 2006.

Caswell, Julie A. 2006. "A Food Scare a Day: Why Aren't We Better at Managing Dietary Risk?" *Human and Ecological Risk Assessment* 12:9-17.

Caswell, Julie A. and Siny Joseph. 2006. Consumers' Food Safety, Environmental, and Animal Welfare Concerns: Major Determinants for Agricultural and Food Trade in the Future? Invited paper presented at the International Agricultural Trade Research Consortium (IATRC) Summer Symposium on "Food Regulation and Trade: Institutional Framework, Concepts of Analysis and Empirical Evidence." Bonn, Germany, May 2006. Available at [http://www.agp.uni-bonn.de/iatrc/iatrc\\_program/program\\_e.htm](http://www.agp.uni-bonn.de/iatrc/iatrc_program/program_e.htm).

Chidmi, Benaissa, "Brand-Supermarket Level Demand for Breakfast Cereals and Multidimensional Competition." Ph.D. Dissertation, University of Connecticut, May 3, 2006.

Cotterill, Ronald W. “Antitrust Analysis of Supermarkets: Global Concerns Playing Out in Local Markets.” *The Australian Journal of Agricultural and Resource Economics*, Vol 50, Issue 1, March 2006.

Cotterill, Ronald W. “Outline of a Fair Share Milk Pricing Policy Program.” Requested by Carolyn Orr, Council of State Governments after the February St. Albans, Vermont Meeting on Dairy Policy and Prices. Food Marketing Policy Issue Paper No. 50, June 2006.

Cotterill, Ronald W., and William P. Putsis, “Market Share and Price Setting Behavior for Private Labels and National Brands,” In *New Empirical Industrial Organization and the Food System*, Harry Kaiser and Nobuhiro Suzuki, eds. New York: Peter Lang Publishing, June 2006.

Fouayzi, Hassan, Julie A. Caswell, and Neal H. Hooker. 2006. “Motivations of Fresh-Cut Produce Firms to Implement Quality Management Systems.” *Review of Agricultural Economics* 28(1):132-146.

Gonzalez, Maria and Rigoberto A. Lopez. “Political Violence and Farm Household Efficiency in Colombia.” *Economic Development and Cultural Change*. Forthcoming January 2007.

Hulbert, Jason P., “A Dynamic Model of Multiproduct Firms: Advertising and Product Menu Choice in the Ready to Eat Cereal Industry,” Ph.D. dissertation; expected completion, August 2006.

Johnston, Robert and Cathy Roheim. “A Battle of Taste and Environmental Convictions for Ecolabeled Seafood: A Contingent Ranking Experiment,” *Journal of Agricultural and Resource Economic*. Forthcoming 31(2), August 2006.

Lavoie, Nathalie. 2005. “Price Behavior in a Dynamic Oligopsony: Washington Processing Potatoes—A Comment.” *American Journal of Agricultural Economics*, 87:796-801.

Lopez, Rigoberto A., Emilio Pagoulatos, and Maria A. Gonzalez. “Home Bias and U.S. Imports of Processed Food Products.” *North American Journal of Trade and Finance*, (2006): forthcoming.

Lopez, Rigoberto A and Xenia Matskche. “Food Protection for Sale.” *Review of International Economics*, 14(3), 380-391, 2006.

Sparling, David and Julie A. Caswell. 2006. “Risking Market Integration Without Regulatory Integration: The Case of NAFTA and BSE.” *Review of Agricultural Economics* 28(2):212-228.

Tian, Li. “Three Essays in Market Channel Economics” Ph.D. Dissertation, UConn, March 20, 2006.

Tian, Li. “Strategic Effect of Private Label in a Vertical Bargaining Model.” Seminar presentation, University of Wisconsin, Madison, May 10, 2006.

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