



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 and agribusiness firms, primarily in the U.S. but also in other countries, public agencies in the U.S. and other countries, state legislatures, and the U.S. Congress.

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FOOD MARKETING POLICY CENTER

NEWSLETTER

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

Newsletter Editorial:

CHANGE

by **Ronald W. Cotterill**

Nothing is forever. This spring the Food Marketing Policy Center has experienced several major events. Emilio Pagoulatos, Department Head of Agricultural and Resource Economics since 1987, the year the FMPC was founded, is retiring. We wish Emilio and his wife Jan Godspeed as they return to St. Louis, Jan's hometown and the location of Emilio's first professorship at the University of Missouri-St. Louis campus. Bob Sorensen, coauthor with Emilio of a path-breaking simultaneous equations model of food industry performance in the 1970's is welcoming him back. We have permission to search outside for a new department head and will so this fall.

Emilio's stewardship and leadership has fostered research and strong cooperative relationships via joint appointments with the Economics Department for teaching and research. Our department was recently ranked 15th in the world in resource and environmental economics, surpassing Columbia, Yale, Ohio State University, the University of British Columbia, and Australian National University as well as Cornell and Penn State. It ranked 20th in the sub-discipline of resource and agricultural economics, ahead of the University of Chicago, Cornell, Columbia, Brown, Penn State, University of British Columbia, Australian National University, and the University of Oslo in Norway.

Professor Bruce Larson has left our department for a position at Boston University that will allow him to specialize on health economic issues in Africa. Consequently, we have a new tenure stream assistant professor position in agribusiness and food marketing. See the position announcement and description in this newsletter.

Finally, the change to democratic control in the Congress created considerable funding uncertainty; however, it appears that we have weathered the storm. All FY 2007 special research grants were folded into the CSREES formula funds appropriations to the land grants when the Congress decided to fund no earmarks last fall. Consequently, we received \$361,000, which is about \$100,000 less than our normal appropriation. For FY 2008 it appears that we will return to our normal appropriation level and normal appropriation process via the special research grant program. Thus we will have continued funding as we bring in new colleagues. Coupled with recent staff changes at UMass, our satellite FMPC unit, the Department of Agricultural and Resource Economics and the FMPC will have expanded human resources and a renewed commitment to the FMPC research program.

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Cooperating Research Personnel at Other Universities

Sven Anders, Assistant Professor (Agricultural Economics) University of Alberta, Edmonton, Alberta, Canada. sven.anders@ualberta.ca

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Food Marketing Policy Center Graduate Assistantships Available, Fall 2007

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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Personnel Changes

In January 2007, Rigoberto Lopez became Interim Department Head for the Agricultural and Resource Economics Department and will continue in that role until a permanent head is appointed.

Position Announcement

Assistant Professor, Department of Agricultural and Resource Economics

Nine-month, tenure-track position with research (40%), teaching (40%), and extension (20%) responsibilities beginning August 23, 2008. Opportunity to collaborate with the Food Marketing Policy Center (<http://fmpc.uconn.edu>) and with colleagues across disciplines. Responsibilities include developing a strong research program, graduate and undergraduate teaching and advising, outreach activities and maintaining an extramurally funded research program. Potential areas of inquiry include food marketing, industrial organization and empirical demand analysis. Required qualifications include a Ph.D. in Agricultural Economics, Economics or Marketing, excellent training in microeconomics and quantitative methods and excellent communication skills.

Desirable qualifications include training in marketing, business, and/or international trade. The application review process will begin on October 15, 2007 and continue until the position is filled. Contact: Dr. Rigoberto Lopez, University of Connecticut, Agricultural & Resource Economics, 1376 Storrs Road, Unit 4021, Storrs, CT 06269-4021 or Rigoberto.Lopez@uconn.edu. The Department offers B.S., M.S. and Ph.D. degrees. Research, teaching and outreach programs concentrate of Food Marketing/Industrial Organization and Environmental and Resource Economics. The department is located on the university's main campus, within driving distance of Hartford, Boston and New York. For additional information, visit us at:

<http://www.are.uconn.edu>. An equal opportunity-affirmative action employer. (Search #2008030).

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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, 2007 are as follows:

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Contents

“Import Quotas, Price Ceilings and Pricing Behavior in Taiwan’s Flour Industry” by Tay-Cheng Ma.

“Factors Influencing Magnitude of Cartel Overchargers: An Empirical Analysis of Food Industry Cartels” by Yuliya Bolotova, John M. Connor, and Douglas J. Miller.

“Market Power in Tobacco: Measuring Multiple Markets” by Kellie Curry Raper and H. Alan Love.

“Composite Price Expectations: An Empirical Analysis for the Spanish Horticultural Sector” by Emilio Galdeano-Gómez.

“Quantity versus Quality Effects of Generic Advertising: The Case of Norwegian Salmon” by Øystein Myrland, Diansheng Dong, and Harry M. Kaiser.

“USDA’s Trade Adjustment Assistance for Farmers: The Raspberry Industry” by Jun Ruan, Steven Buccola, and Daniel Pick.

“Determinants of Consumer Attitudes and Purchase Intentions with Regard to Genetically Modified

Tomatoes” by James O. Bukenya and Natasha R. Wright.

“The Effects of E. Coli O157:H7, FMD and BSE on Japanese Retail Beef Prices: A Historical Decomposition” by Sayed H. Saghaian, Leigh J. Maynard, and Michael R. Reed.

Book Review, by Oral “Jug” Capps, Jr.

The Economics of Commodity Promotion Programs: Lessons from California, edited by H.M. Kaiser, J.M. Alston, J.M. Crespi, and R.J. Sexton.

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Introduction: Economic Measures of Food Safety Interventions by Julie A. Caswell and Helen H. Jensen.

Articles on Food Safety

“A Farm-to-Fork Stochastic Simulation Model of Pork-Borne Salmonellosis in Humans: Lessons for Risk Ranking” by Paul E. McNamara, Gay Y. Miller, Xuanli Liu, and David A. Barber.

“Economic Analysis of Campylobacter Control in the Dutch Broiler Meat Chain” by Marie-Josée Mangen, G. Ardine de Wit, and Arie H. Havelaar.

“Food Safety Approaches to Examining HACCP Costs and Performance and Technologies” by Michael Ollinger and Danna Moore.

“HACCP Implementation and Economic Optimality in Turkey Processing” by William E. Nganje, Simeon Kaitibie, and Alexander Sorin.

“Optimal Levels of Inputs to Control *Listeria Monocytogenes* Contamination at a Smoked Fish Plant” by Loren W. Tauer, Cameron Nightingale, Reneta Ivanek, Yrjö T. Gröhn, and Martin Wiedmann.

Articles

“Feasibility of a Cash Forward Contract: An Application to the French and Spanish Potato Sectors” by María Bielza, Alberto Garrido, and José M. Sumpsi.

“The Effect of Consumer Risk Perceptions on the Propensity to Purchase Genetically Modified Foods in Romania” by Kynda R. Curtis and Klaus Moeltner.

“Negotiated Transfer Pricing: Theory and Implications for Value Chains in Agribusiness” by Bodo E. Steiner.

Book Review, by Azzeddine M. Azzam

The Nature of the Farm—Contracts, Risk, and Organization in Agriculture, by Douglas W. Allen and Dean Lueck.

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Activity Report

Ronald W. Cotterill

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

Ron was an invited seminar speaker at Yale University, Rudd Center for Food Policy and Obesity, on February 28, 2007 and gave a presentation on “Brand Level Demand Analysis: Potential Application to Analysis of Obesity.”

Ron traveled to Washington, DC on March 26, 2007 to attend the National Farmers Union Dairy Summit and gave an invited presentation entitled, “Milk Market Channel Pricing: A Broader Paradigm for Dairy Policy.”

Ron continues his work with the Connecticut Legislature and the Connecticut Milk Regulation Board in an effort to assist dairy farmers in Connecticut. As part of those efforts Ron was interviewed on May 2, 2007 by NBC TV-30 Connecticut News in a report by Ryan Hanrahan on rising milk prices. To view this video go to www.fmfc.uconn.edu/avlibrary/.

Ron continues to work with recent Ph.D., Li Tian and Michael Cohen (Ph.D. student) on private label pricing, Sylvie Tchumtchoua (Ph.D. student) on dynamic Bayesian models of pricing, brand and generic advertising, Inga Druckute (Ph.D. student) on static and dynamic discrete choice models to evaluate horizontal manufacturer level mergers when the channel conduct of retailers is incorporated, and Adam Rabinowitz (Ph.D. student) on the impact of crime on supermarket location and urban access to supermarkets.

Julie Caswell

(*Ag. Econ. University of Massachusetts*)

Julie Caswell was a visitor at MOISA (Market Organization, Institution, and Strategy of Actors) in Montpellier, France from May 30-June 1, 2007. She worked with Elodie Rouviere, Ph.D. candidate, and presented a seminar on *A Multi-Factorial Risk Prioritization Framework for Foodborne Pathogens* at Sup AGRO-INRA-University of Montpellier.

Julie Caswell participated in a workshop on *Developments in Cost-Benefit Analysis* on June 5-6, 2007 at the University of Bonn. The workshop was organized by the EU MoniQA Project under the leadership of Dr. Gerhard Schiefer.

Julie Caswell served as external examiner on the Ph.D. dissertation of Abdel-Samie Felfel at the University of Guelph, March 2007.

Julie Caswell was a guest on Ideas Network with Joy Cardin, Wisconsin Public Radio on May 3, 2007 discussing recent food and pet food safety incidents and U.S. Food and Drug Administration regulation of the food supply.

Nathalie Lavoie

(*Ag. Econ. University of Massachusetts*)

Nathalie Lavoie is working with Siny Joseph (Ph.D. student) on three dissertation essays on trade and product quality.

Rigoberto Lopez

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

Rigoberto presented a contributed paper (co-authored by B. Chidmi) at the First International European Forum on Innovation and System Dynamics in Food Networks, February 15-17, in Igl/Innsbruck, Austria. The title of the paper (co-authored by X. Matschke) was “The Role of Services in Food Market Equilibrium.” He also presented a contributed paper at the 105th EAAE Seminar on International Marketing and International Trade of Quality Food Products, March 8-10, 2007, in Bologna, Italy. The title of that paper was “Home Bias in U.S. Beer Consumption.” Finally, Benaissa Chidmi (Texas Tech) presented a contributed paper (co-authored by R. Lopez) at the INFORMS Marketing Science Conference in Singapore, June 28-30, 2007 entitled “Retail Services, Breakfast Cereals and Market Equilibrium.”

Rigoberto continues to work with Xenia Matschke (assistant professor, Economics at UConn) on trade issues related to beer, with Benaissa Chidmi (assistant professor, Texas Tech) on breakfast cereals, with Kristen Fantuzzi (Ph.D. student) on soft drink consumption, with Alessandro Bonanno (Ph.D. candidate) on Wal-Mart Food Retailing, and with Rebecca Cleary on Wal-Mart’s impact on milk prices.

Christian Rojas

(*Ag. Econ. University of Massachusetts*)

Christian Rojas has completed two working papers: “The Role of Information and Monitoring on Collusion: An Experimental Assessment” and “The Competitive Effects of Territorial and Exclusive Contracts: Evidence from the US Beer Industry.”

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Data Corner

Recent acquisitions include:

Metro Market Studies, *Discount Store Distribution Analysis and Guide*, 2007.

Metro Market Studies, *Drug Store Distribution Analysis and Guide*, 2007.

Metro Market Studies, *Grocery Distribution Analysis and Guide*, 2007.

Trade Dimensions, *Directory of Convenience Stores*, 2007.

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.

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

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

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

The Griffin Report of Food Marketing, 1991-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

Anders, Sven M. and Julie A. Caswell. 2007. Standards-as-Barriers versus Standards-as-Catalysts: Assessing the Impact of HACCP Implementation on U.S. Seafood Imports. Working Paper 2007-7. Department of Resource Economics, University of Massachusetts Amherst. Available at: <http://courses.umass.edu/resec/workingpapers/>

Caswell, Julie A. and Helen H. Jensen. 2007. Introduction: Economic Measures of Food Safety Interventions. *Agribusiness: An International Journal* 23 (2): 1-4.

Caswell, Julie A. and Helen H. Jensen. 2007. Co-Editors of Special Issue of *Agribusiness: An International Journal* on Economic Measures of Interventions. 23 (2):157-244.

Caswell, Julie A. and Siny Joseph. 2007. Consumer Demand for Quality: Major Determinant for Agricultural and Food Trade in the Future? Working Paper 2007-4. Department of Resource Economics, University of Massachusetts Amherst.

Chidmi, Benaissa, and Rigoberto A. Lopez. "Supermarket-Brand Level Demand for Breakfast Cereals and Retail Competition." *American Journal of Agricultural Economics* 89 (May 2007): in press.

Cotterill, Ronald W., William Putsis, Adam N. Rabinowitz, and Inga Druckute. "The Carbonated Soft Drink Industry in the United States." Book Chapter 8 in *Industry and Firm Studies*. Fourth edition, M.E. Sharpe, Inc., edited by Victor J.

Tremblay and Carol Horton Tremblay, 2007, pp. 205-244.

Cotterill, Ronald W., Adam N. Rabinowitz, Michael A. Cohen, Melanie R. Murphy, and Charles R. Rhodes. "Toward Reform of Fluid Milk Pricing in Southern New England: Farm Level, Wholesale and Retail Prices in the Fluid Milk Marketing Channel: 2003-2006," Invited report to the Connecticut Legislature Committee on the Environment, University of Connecticut Food Marketing Policy Center Research Monograph No. 5, February 12, 2007. Available at <http://www.fmpc.uconn.edu>

Cotterill, Ronald W. and Adam N. Rabinowitz. "Toward Reform of Fluid Milk Pricing in Southern New England: Analysis of Proposed State Level Milk Regulation Policies in Connecticut and Massachusetts." Invited report to the Connecticut Legislature Committee on the Environment, February 12, 2007. Food Marketing Policy Center Research Monograph No. 4. Available at <http://www.fmpc.uconn.edu>.

Cotterill, Ronald W., and Adam N. Rabinowitz. "Toward Reform of Fluid Milk Pricing in Southern New England: Milk Market Channel Policies for Connecticut and Other States." A Report to the Connecticut Milk Regulation Board, October 2006. Food Marketing Policy Center Research Monograph No. 3. Available at <http://www.fmpc.uconn.edu>.

Dolan, Megan. 2007. "The Impact of the Organic Mainstream Movement: A Case Study of New England Organic Produce." M.S. thesis, University of Massachusetts Amherst.

Garcia, Marian; Andrew Fearn; Julie A. Caswell and Spencer Henson. 2007. "Co-regulation as a Possible Model for Food Safety Governance: Opportunities for Public-Private Partnerships." *Food Policy* 32 (3):299-314.

Gonzalez, Maria A, and Rigoberto A. Lopez. "Political Violence and Farm Household Efficiency

in Colombia." *Economic Development and Cultural Change*, 55 (January 2007): 367-392.

Huang, Dongling; Christian Rojas and Frank Bass. "What Happens when Demand is Estimated with a Misspecified Model?" *Journal of Industrial Economics*, revise and resubmit, 2007.

Lavoie, Nathalie and Qihong Liu. "Pricing-to-Market: Price Discrimination or Product Differentiation?" *American Journal of Agricultural Economics*, forthcoming 2007.

Lopez, Rigoberto A. "Does "Protection for Sale" Apply to the U.S. Food Industries?" *Journal of Agricultural Economics*, 59(September 2007) forthcoming.

McEvoy, D.M., S. Brandt, N. Lavoie, and S. Anders, 2007. "The Effects of ITQ Management on Fishermen's Welfare When the Processing Sector is Imperfectly Competitive." University of Massachusetts, Amherst, MA, Working Paper No. 2007-3, March 2007.

Murphy, Melanie R. 2007. "An Industry Analysis of US Peanut Butter: 1998-1992." M.S. Thesis. University of Connecticut, June 28th.

Rojas, Christian, Alexandra Andino and Wayne Purcell. "Retailers' Response to Wholesale Price Changes: New Evidence from Scanner-Based Quantity-Weighted Beef Prices." *Agribusiness: An International Journal*, forthcoming, 24(1) Winter 2008.

Tchumtchoua, Sylvie. "Estimation and Inference in Parametric Stochastic Frontier Models: A SAS/IML Procedure for a Bootstrap Method. August 2006. Food Marketing Policy Center Research Report No. 95. Available at <http://www.fmpc.uconn.edu>.

Tian, Li and Ronald W. Cotterill. "The Strategic Effect of Private Label in a Vertical Bargaining Model." *Review of Industrial Organization*. (Submitted)

Volpe, Richard J., III and Nathalie Lavoie. The Impact of Wal-Mart Supercenters on Grocery Prices in New England.” *Review of Agricultural Economics*, forthcoming.

Wagstaff, James (supervised by Julie A. Caswell). 2007. “Seafood Label Effectiveness in the Amherst Market: A Study of the Quality and Quantity of Point of Purchase Information.” Working Paper 2007-5. Department of Resource Economics, University of Massachusetts Amherst. <http://courses.umass.edu/resec/workingpapers/documents/ResEcWorkingPaper2007-5.pdf>

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