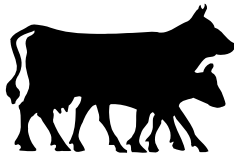




# The XXVIII International Conference of Agricultural Economists

18 – 24 August 2012

Rafain Convention Center, Foz do Iguacu, Brazil



**COWBELL**



## YOUR CONFERENCE BULLETIN

Issue #3

Tuesday 21 August 2012



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### A word from the Executive Committee

Dear IAAE members,

On behalf of the Executive Committee of IAAE, we warmly welcome you to the 28th International Conference of IAAE in Foz do Iguacu, Brazil. We have prepared an exciting program that will address and discuss key challenges for the Global Bio-Economy.

Throughout history, agriculture and natural resources have been used for the production of food, feed, fibre, fuel, and environmental goods. Recent developments in demand (both in terms of quantity and quality), technology, and traditional energy and chemistry markets have reinforced the demand for non-food applications. These developments, in combination with increased consumer demands for various food

characteristics, have led to a rapidly growing and globally integrated bio-economy. At the same time, many of the "old problems" remain, and some, such as the need for solutions to global hunger and poverty and for sustainable natural resource management, have been re-enforced. In addition, recent global food and financial crises have brought "old questions" back to life, such as on the role of the state in regulating domestic and international markets.

This conference will provide a forum for exchange of ideas and new insights. It promises to be stimulating and rewarding, as more than XXX leading experts from XXX different countries will be present to discuss and address these

changes, their effects and the best ways to address the challenges. Brazil is an excellent location to host such a conference as it has long embraced the new bio-economy and is now a very important global player in many aspects of it, while facing the associated challenges.

The excellent program owes a great deal to the paper submissions, paper reviewers, proposals submitted for workshops and symposia and to those who have accepted to present plenary papers and participate to invited panels. We also want to thank the sponsors who have sponsored the

attendance of many participants and the Local Organizing Committee who has done an excellent job in assisting our preparation works.

We hope you enjoy this 28th International Conference of IAAE and wish you a pleasant and inspiring stay in Foz do Iguassu, Brazil!

Jo Swinnen and Alfons Weersink

## Past conference themes

1955	The Implications of Technical Change in Agriculture
1958	Agriculture and its Terms of Trade
1961	
1964	Disparities in the Pace and Form of Agricultural and Rural Development
1967	The Economist and Farm People in a Rapidly Changing World
1970	Policies, Planning and Management for Agricultural Development
1973	The Future of Agriculture: Technology, Policies and Adjustment
1976	Decision-making and Agriculture
1979	Rural Change: the Challenge for Agricultural Economists
1982	Growth and Equity in Agricultural Development
1985	Agriculture in a Turbulent World Economy
1988	Agriculture and Governments in an Interdependent World
1991	Sustainable Agriculture Development: The Role of International Cooperation
1994	Agriculture Competitiveness: Market Forces and Policy Choice
1997	Food Security, Diversification and Resource Management: Refocusing the Role of Agriculture
2000	Tomorrow's Agriculture: Incentives, Institutions Infrastructure and Innovations
2003	Reshaping Agriculture's contributions to Society
2006	Contributions of Agricultural Economics to Critical Policy Issues
2009	The New Landscape of Global Agriculture
2012	The Global Bio-Economy

**Does anybody know the theme for the 1961 Conference?**

# **Available Faculty Positions at Dept. of Agricultural, Food, and Resource Economics, Michigan State University (MSU), East Lansing, Michigan, USA.**

**Communication and Information Technology Economist Assistant Professor** tenure system

Applications are encouraged from scholars working within a diverse range of methodological traditions whose research addresses the economic impact, use, design, or management of information and communication technologies.

POSITION APPROVAL PENDING = **Agriculture/Food Industry Position** – tenure system. Research and educational programs focused on economic, finance, and/or management issues related to agricultural and food industries.

POSITION APPROVAL PENDING. **Environmental Economist** – tenure system. Research and educational programs related to water, an area of priority for MSU, potentially addressing interactions between water resources and food, health, energy, environment, development, and/or climate change.

**Research Associate, Bioenergy and Agricultural Production Economics** (fixed term). Policy-relevant research into economics of sustainable bioenergy production at major research center. Available from September 2012.

Detailed position descriptions are available at <http://aec.msu.edu/facposition/index.htm>

**MSU is an Affirmative Action/Equal Opportunity Employer. MSU is committed to achieving excellence through cultural diversity. The university actively encourages applications and/or nominations of women, persons of color, veterans and persons with disabilities**

17<sup>th</sup> ICABR Conference  
Ravello (Amalfi Coast – Italy): June 23-26, 2013

RESEARCH AND INNOVATION FOR THE BIOECONOMY

Organized by:

**ICABR**  
International Consortium on Applied Bioeconomy Research

and

**CEIS - University of Rome “Tor Vergata”, Rutgers University,  
University of California, Berkeley, Technische Universität München,  
University of Saskatchewan, Katholieke Universiteit Leuven,  
International Food Policy Research Institute (IFPRI), University of  
Missouri, University of Hohenheim, Wellesley College**

We invite submission of abstracts, and session proposals on the *Contribution of Research and Innovation for the Bioeconomy*. We welcome studies with empirical results of national and regional experiences in growing the bioeconomy, conceptual and empirical research on the economics of the bioeconomy, advances in biological sciences which influence growth in the bioeconomy, and evidence on the effectiveness of policies and institutions to stimulate bioeconomy innovation and diffusion in the following areas:

- Climate Change: Rising Food Prices, Droughts, Adaptation Strategies
- Biotechnologies, GMOs, and the California Proposition to Label GM Food
- Agriculture Productivity and Food Security
- Biological Science
- Statistical and Econometric Data Collection and Modeling for the Bio-economy.

**Important Dates**

Dead line for abstracts (500 words) and sessions proposal: January 30, 2013

Notification of Acceptance: March 1<sup>st</sup>, 2013

Dead line Early Bird Registration: May 15, 2013

Dead line for sending full papers: May 30, 2013

Conference dates: June 23-26, 2013

[icabr@economia.uniroma2.it](mailto:icabr@economia.uniroma2.it)

[www.economia.uniroma2.it/icabr-conference/2013](http://www.economia.uniroma2.it/icabr-conference/2013)

[www.icabr.org](http://www.icabr.org)

**IAMO Forum 2013**  
**Rural areas for future generations: Public services,  
entrepreneurship and quality of life**  
*19-21 June 2013, Halle (Saale), Germany*

Leibniz Institute of Agricultural Development in Central and Eastern Europe (IAMO) and Johann Heinrich von Thünen Institute (vTI) invite to IAMO Forum 2013. It offers platform for academic exchange focusing on the development of rural areas in transition economies of Eastern Europe, the Former Soviet Union, and Asia. We welcome contributions discussing the depopulation of rural areas, the development of off-farm rural activities or impact assessment of rural policy interventions. Especially, we invite work on new concepts to measure well-being of rural households and economic development beyond income based poverty or GDP-like measures. The papers may exploit a wide variety of theoretical and methodological approaches from economics, sociology, geography or political sciences. Interdisciplinary contributions are particularly appreciated.

We also encourage proposals for organised sessions and for mini-symposia that focus on a specific topic within the interests of the Forum.

For further information visit [www.iamo.de/fileadmin/forum2013/flyer.pdf](http://www.iamo.de/fileadmin/forum2013/flyer.pdf) or contact Diana Traikova (traikova@iamo.de).

# Visit the AgEcon Search booth!

Please stop by and learn more about AgEcon Search, a free Website with full text conference papers, working papers, and small journals.

AgEcon Search has over 55,000 papers, including the IAAE Contributed Papers from 2003-2012. The 423 papers from the 2009 IAAE conference have been downloaded over 190,000 times.

## 20-minute Learning Sessions, sponsored by AgEcon Search

Please consider spending a little of your lunch hour to learn a bit of useful information from the AgEcon Search librarians

Free databases that include the full text agricultural economics literature: **Wednesday, 1:30 pm**

Finding how many times your article has been cited: **Thursday, 1:15 pm**

## New contributors to AgEcon Search

The following groups have recently begun adding their papers to AgEcon Search:

- Crawford Fund (Australia)
- Instituto Nacional de Investigación Agropecuaria (Uruguay)
- Italian Association of Agricultural and Applied Economics
- Journal of Regional Analysis and Policy (USA)
- Serbian Association of Agricultural Economists
- University of Laval (Canada)
- University of Manitoba (Canada)

Please stop by our booth and suggest additional groups.

## Weekly e-mail updates from AgEcon Search

If you would like a quick way to keep up to date on the latest research in agricultural economics, consider signing up for weekly e-mail updates covering new papers in AgEcon Search. Just stop by the booth, or e-mail us at [aesearch@umn.edu](mailto:aesearch@umn.edu).

## AgEcon Search now hosts a data repository

By popular request, AgEcon Search is now sponsoring a repository for data, hosted on Harvard's free Dataverse site (<http://dvn.iq.harvard.edu/dvn/dv/AgEconSearch>). If you have research data associated with a publication that you would like to share, please consider contributing it. Stop by our booth to discuss the possibilities.

# Program announcements

The following papers will be presented in the Plenary Session 5: Best Contributed and Gender Papers, on Thursday, August 23, from 16h15 to 18h00:

## Uma Lele Gender Award Winner

The Role of Land Certification in Reducing Gender Gaps in Productivity in Rural Ethiopia" by Mintewab Bezabih and Stein Holden and Andrea Mannberg.

## The Ted Schultz Award- Final Nominees

- "Experimental Auctions, Collective Induction and Choice Shift: Willingness-to-Pay for Rice Quality in Senegal" Matty Demon, Pieter Rutsaert, Maimouna Ndour, Wim Verbeke, Papa Abdoulaye Seck and Eric Tollens
- "Who is Vouching for the Input Voucher? Decentralized Targeting and Elite Capture in Tanzania" by Lei Pan and Luc Christiaensen
- "How Land Fragmentation Affects Off-Farm Labor Supply in China: Evidence from Household Panel Data" by Lili Jia and and Martin Petrick

The winner of the Ted Schultz award will be announced during the Conference Dinner on Thursday evening.

## Program changes

The authors of the poster paper "The Impact of Volatility in Bioenergy Investments: A Real Options Approach", scheduled in the Westermark 1 session on Sunday, August 19 from 16h30 to 18h00 are: [Lioudmila Moeller](#), Alfons Balmann and Karin Kataria.

*The paper investigates the impact of volatility on irreversible bioenergy investments in the absence of policy support schemes. The effects of different volatility sources and varying investment conditions on the optimal investment rule are studied in a partial equilibrium model which represents the interplay of the global energy market and the local bioenergy and food markets. Volatilities are presumed to stem from normally distributed stochastic shocks to the global energy price and the local food demand. The central assumption of the model is that bioenergy producers have the possibility to temporarily suspend production if business conditions worsen. The model is solved numerically using real options based stochastic simulation experiments in combination with genetic algorithms. The results demonstrate that the possibility to limit losses through temporary production suspension may create incentives to invest even at high uncertainty. This effect occurs in the case of both single and multiple uncertainties and is the stronger the higher the variable production costs are in relation to fixed costs. It could also be observed that the presence of investment lags is a necessary condition for the ambiguous effect of uncertainty on investment incentives. The declining investment trigger indicates that the combined effect of time lags, cost structure and temporary production suspension increases the likelihood of extreme profits in good states and, therefore, may not only weaken, but even overcompensate the depressing effect of uncertainty on investments.*

**Final program of the Invited Panel "Gender in the Bio-Economy" scheduled on Wednesday, August 22 from 17h45 to 19h30, ExpoCenter IV A1 (Rafain Convention Center)**

Chair: Uma Lele, Independent Scholar

Organizer: Miet Maertens, K.U.Leuven

### Papers

Gender and Asset Ownership in Farm Households  
*Cheryl Doss, Yale University*

Gender Issues in Global Food Supply Chains  
*Miet Maertens, K.U.Leuven*  
Scott Rozelle, Stanford University

Oral Papers Sessions missing in the program

**"Smallholder Farming Systems" on Wednesday, August 22, 2012 at 8:30 AM in " ExpoCenter IV C2**

How Do New Cash Crops Spread or Not Spread?: The Case of Rice in a Suburban Area, Ghana . T. Tachibana and T. Sakurai

Dryland Cereals and Household Food Security in Tanzania: Potential and Constraints of Improved Sorghum Cultivars . C. Schipmann-Schwarze, E. N. Muange, A. Orr, and **J. Mafuru**

Smallholder Competitiveness: Insights From Household Pig Production Systems in Vietnam . **M. L. Lapar**, N. N. Toan, S. Staal, N. Minot, C. Tisdell, N. N. Que, and N. D. A. Tuan

**The Paper Session "Retail Food Prices"**, scheduled on Friday, August 24 from 8.30 to 10.00 will be held in Iguacu V.

Moderator: Willis Kosura

*Speakers: Giovanni Anania, University of Calabria , Charles Seguin, University of California, Berkeley and Tim Lloyd, University of Nottingham*

Papers:

Sales Behaviour and Supermarket Pricing: A Duration Analysis of UK Supermarket Prices

*Hao Lan, University of Nottingham; Tim Lloyd, University of Nottingham; Christopher Wyn Morgan, University of Nottingham*

Price Dispersion, Search Costs and Consumers and Sellers Heterogeneity in Retail Food Markets

*Giovanni Anania, University of Calabria; Rosanna Nisticò, University of Calabria*

### Replacement

Wednesday, 22<sup>th</sup> August 2012: 8h30 - 10h30 (Session 3), Session 4.2.10 "Input Transfers": The paper "School Dropouts and Conditional Cash Transfers: Evidence From a Randomized Controlled Trial in Rural China's Junior High Schools" by Di Mo, Linxiu Zhang, Hongmei Yi, Renfu Luo, Scott Rozelle and Carl Brinton will be presented instead of the paper "Asset Transfers and Asset Security" by Michael Begg and Paulo Santos in session 4.2.10 "Input Transfers".

### Cancellation

Cancelled symposia: The Symposia "Private-Public Dialogue On the Bio-Economy: Chances for Latin America", organized by Adrian Rodriguez (CEPAL) scheduled on Thursday, August 23, 2012 from 13h45 to 15h45 is cancelled.

### Withdrawn papers

Wednesday, 22<sup>th</sup> August 2012: 8h30 - 10h30 (Session 3)

#### 4.2.8 Biofuels and Fossil Fuels

Parana - IV, Rafain Convention Center

Moderator: Lilyan Fulginiti

Production of Renewable Diesel From Alternative Feedstocks: Trade Equilibrium, Greenhouse Gas Emissions and Biofuel Policy

*Liisa Maria Saikkonen*

#### 4.2.10 Input Transfers

Cedro - IV, Rafain Convention Center

Moderator: Shrikant Kalamkar

Asset Transfers and Food Security

*Michael Begg, Paulo Santos*

#### 4.2.13 Agri-Ecosystems Services

Parana - VII, Rafain Convention Center

Moderator: Eirik Romstad

Public Finance for Interlinked Ecosystem Services: Watershed Conservation and Groundwater Management

*James Roumasset*

#### 4.2.15 Collective Action

ExpoCenter IV A3, Rafain Convention Center

Moderator: Vikram Patil

Thursday, 23<sup>rd</sup> August 2012: 10h45 - 12h45 (Session 4)

4.3.7 GHG Policy

ExpoCenter IV C2, Rafain Convention Center

Moderator: Delin Huang

Greenhouse Production Efficiency and Carbon Policy Implication: A Directional Distance Function Approach

*Zhengfei Guan, Xiaoxi Gao*

## Brazil and the IAAE: 40 years later

*By Jan C Greyling and Nick Vink*

*The following draws on the synoptic views presented by Alberto Valdez and Gunther Weinschenck at the Fifteenth Triennial conference of the IAAE in São Paulo, Brazil in 1973.*

In 1973 the delegates attending the fifteenth conference of the IAAE in São Paulo engaged the theme of "The Future of Agriculture: Technology, Policies and Adjustment". The conference was attended by 695 delegates but only 79 (11%) of them were from less developed countries. This drew criticism from Valdez (1973:423) citing the conference program as one of the main reasons for the disjunction: "the tools of contemporary economics have not proved relevant in attacking some of the most pressing problems of agricultural development in the LDC's". Today the situation is quite different: in China in 2009 delegates of low and middle income countries represented almost 50% of the total.

One of the most pressing themes of discussion in 1973 was that of global food supplies: before the mid-1960s the topic of discussion was the impending catastrophe of a world food crisis. By the 1970s, however, this was replaced by the euphoria of the Green Revolution - just to be replaced again by the fears of a food crisis due to the grain shortages from poor harvests in South Asia and Russia (Ruttan, 1973). The discussions on this theme probably acted as the precursor to the World Food Conference in Rome 1974. According to the synoptic views the second plenary session by Ruttan (1973:51) on "*Induced Technical and Institutional Change and the Future of Agriculture*" provided another central theme of discussion. Ruttan concluded his address with this concise summary:

"The test for the next decade for many of the developing countries will be whether they are prepared to use the relatively inexpensive source of growth opened up by the 'green revolution' – by the transformation of agriculture from a traditional to a modern science-based sector. If these potential gains are to be realised, policies will have to be designed which result in the sharing of these gains with rural people. It is unlikely that it will be possible to achieve modern rates of productivity growth if rural people are excluded from modern levels of commodity, service, and amenity consumption".

Discussions centred on the implications of the theory; and how institutions should be adjusted in order for them to generate the appropriate technology (Valdez, 1973). This theory was also not immune to criticism with some even stating that it was nothing new to anyone who was familiar with German literature since the 1930s (Weinschenck, 1973).

The conference was closed by Professor Antonio Delfim Netto (1973) who held the post of Minister of Finance in the Brazilian government at the time. His address provides a very interesting perspective of the early days of the development of the Brazilian agricultural sector, especially how the foundations for the now evident success were laid. His central message was that Latin America is not a very special case as some economists tried to prove for more than twenty years but rather true to the theory if applied in a sensible manner. The myths that were widely held and that informed policy were simply untrue. He continued to highlight two myths that were widely held, namely that agriculture, due to its feudalistic nature, would not respond to price incentives, and that

an export led growth strategy would not be worthwhile because an expansion of exports would lead to a strengthening in the currency which in turn would decrease the value of the exports. Netto also provided a brief summary of the initiatives that were undertaken to transform the Brazilian economy.

The goal regarding the agricultural sector was simply to increase the output per worker and output per unit area. In order to increase the output per unit area the use of modern inputs had to be increased. In order to achieve this goal the input-output relationship of agriculture had to be adjusted to a point where the prices of outputs increased at a faster rate than the prices of inputs. In order to increase the output per worker, the level of mechanisation had to be increased. Again the goal was to increase the prices of outputs faster than the increase in the prices of agricultural implements. In order to achieve these goals three steps were taken: Firstly agricultural prices were freed but a price floor instituted. The second, in conjunction with the first, was to increase access to international markets in conjunction with a flexible exchange rate regime. The third was to decrease the price ratio between agricultural outputs and inputs by 50% between 1967 and 1972 by removing all duties and taxes on agricultural inputs. Taxes and duties on agricultural implements were also removed. The price of agricultural equipment was also regulated to prevent a price escalation due to the increased demand.

This conference provides the opportunity to reflect on the issues with which the delegates were confronted forty years ago: Did we manage to induce innovation and technical change? Were we able to share the gains with rural people? Do we have another food crisis? What is the status of our world food stock? This conference also provides the opportunity to evaluate the success of Professor Netto's three steps. And maybe we should ask ourselves how many "exceptions" are out there that are not as exceptional as we may want to believe.

Sources:

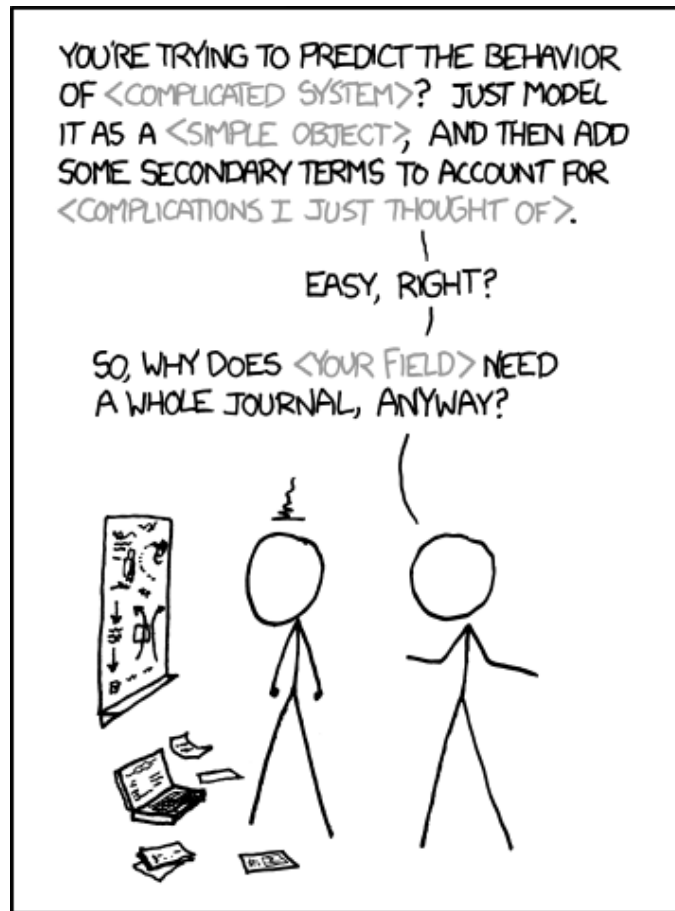
Netto, A. (1973). Lessons from Brazilian Agricultural Development. *The Future of Agriculture*. Oxford: International Association of Agricultural Economists.

Valdez, A. (1973). Synoptic View. *The Future of Agriculture*. Oxford: International Association of Agricultural Economists.

Weinschenck, G. (1973). Synoptic View. *The Future of Agriculture*. Oxford: International Association of Agricultural Economists.

# JOKES OF THE DAY.

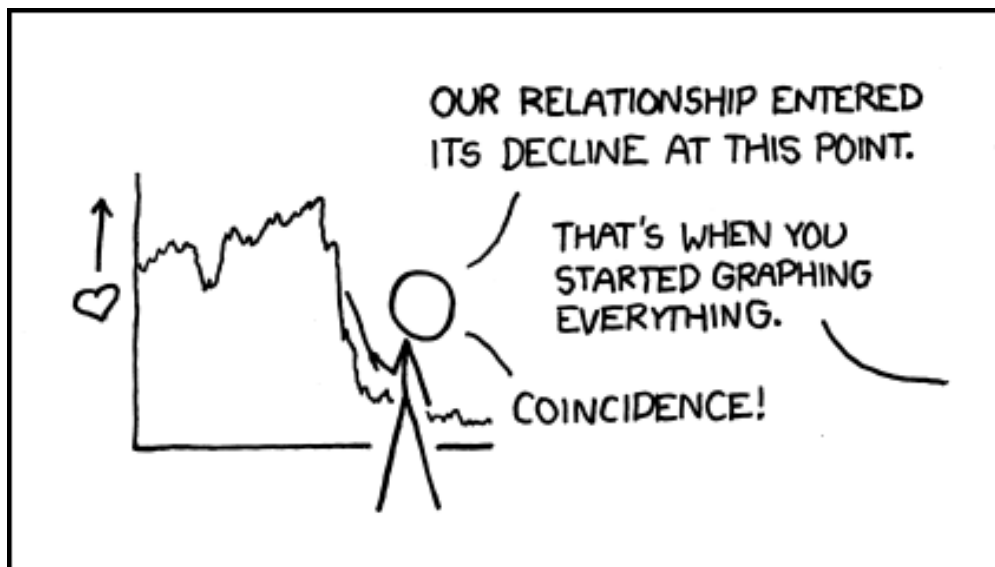
## PHYSICISTS



LIBERAL-ARTS MAJORS MAY BE ANNOYING SOMETIMES, BUT THERE'S *NOTHING* MORE OBNOXIOUS THAN A PHYSICIST FIRST ENCOUNTERING A NEW SUBJECT.

Source: <http://xkcd.com/>

## DECLINE



Source: <http://xkcd.com/>