

# Agribusiness Economics and Management (AEM)

July 2012

### It's That Time Again...Join In!

AEM Section President, Michael Sykuta

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It is that time again for us to gather, network, share research results and teaching insights, and look to the future of our Section and our profession. This year the

future of our Section and our profession. This year the Section has made some changes to its program with the intent of making the Section's activities more worthwhile and more affordable.



### **GSS Case Study**

We continue to work with the Graduate Student Section (GSS) to co-sponsor the Case Study Competition. This year we chose to increase our support of the Case Study Competition, providing more money for prizes for the finalist teams. We hope to strengthen our relations with our students and future peers, and to more actively involve our Graduate Student Section members.

### **AEM Section Reception**

We also chose to invest more in building relationships within our Section. We are hosting a reception on Sunday evening. Those attending the business meeting Sunday afternoon at 3:00 will also receive free drink tickets.

### Industry Banquet No More (at least, not this year)

For a few years now we have questioned the value of an expensive banquet dinner of mediocre quality. This year, we decided to try something different—an informal reception and dinner with a local flare. Monday evening we will gather at a local favorite to share some food and drinks (see page 5). We hope you will take advantage of this time (and the savings) to catch up with old friends and intentionally network with new acquaintances in the AEM Section.

### Don't Forget the Track Sessions!

What would the annual meetings be without the AEM Track Sessions? We have a great line up of sessions covering a variety of topics, including agribusinesses' use of social media, survey research techniques, reputation and organizational legitimacy, the formation and performance of alliances, and the implications of structural change in agriculture for cooperatives. Remember that the number of sessions we have next year depends on attendance this year. Your presence matters!

### A Final Thanks

On a personal note, I want to thank our past-president, Vincent Amanor-Boadu, and the other officers for their work on behalf of the Section. I look forward to what the new corps has in store!

## **AEM Section Track Sessions**

**Title:** Social Media and Firm Response to Information in the Supply Chain

**Date and Location:** Monday, 9:30–11:00 AM; Washington State Convention Center, Room 309

**Description:** Information technology allows firms greater ability to network and communication with stakeholders in their supply chain. This session analyzes industry-level and firm-level responses to information technology, with specific regards to how firms utilize information to manage risks within their supply chain. The papers in this session focus on different aspects of the supply chain including factors that influence firms use of social media, how producers are using social media to network with input suppliers, the ability of firms to effectively use social media as a marketing and/or promotional tool, and implications of firms' responses to product recall information.

### Organizer:

Michelle L. Santiago, Sam Houston State University

### **Moderator:**

Michelle L. Santiago, Sam Houston State University

### **Presentations:**

- Factors Influencing Local Agribusiness's Social Media Use (Michelle L. Santiago, Sam Houston State University)
- The Translation of Social Media Marketing to Sales (Lindsey M. Higgins, Texas A&M University)
- Firm Response to Food Recalls Information: Implications for Welfare Effects (William E. Nganje and Timothy J. Richards, Arizona State University; Victoria Salin, Texas A&M University)

**Title:** *Structural Changes in the Agrifood System and the Future of Cooperatives* 

**Date and Location:** Monday, 1:00–2:30 PM; Washington State Convention Center, Room 304

**Description:** The global agrifood system has seen tremendous changes in the last decade, including technological and institutional changes, globalization, consolidation, vertical coordination and the emergence of new organizational forms. In addition, commodity markets have become increasingly volatile leading to higher levels of uncertainty. At the same time, population growth and rising incomes primarily in developing countries and changing food habits in the developed world suggest a wide array of opportunities for growth. Agrifood system participants that successfully adapt to these changes are able to survive and benefit from these emerging opportunities. This section will discuss structural changes occurring at the farm level and in upstream and downstream stages of the agrifood value chain. Presenters will also analyze the effects and implications of these changes to farmer-owned cooperatives and how they are adapting to a more global and uncertain environment.

**Organizer:** Fabio R. Chaddad, University of Missouri

**Moderator:** Fabio R. Chaddad, University of Missouri

### Presentations:

- Structural Changes in Agribusiness: Challenges and Opportunities for Cooperatives (Michael Boehlje, Purdue University)
- Structural Changes in US Agriculture and their Implications for Cooperatives (Michael E. Sykuta, University of Missouri)
- The Future of US Agricultural Cooperatives: An Update (Michael L. Cook, University of Missouri)

### **Track Sessions Continued**

**Title:** Using Surveys to Establish a Successful Research Agenda

Co-sponsored with Graduate Student Section (GSS)

**Date and Location:** Monday, 4:30–6:00 PM; Washington State Convention Center, Room 214

**Description:** The establishment of a successful research agenda is paramount to any individual wishing to succeed in academia. Given the variety of techniques and concepts, survey methodology as a form of primary data collection often intimidates researchers. This session will discuss how individuals can use surveys as a tool to help establish a successful research agenda. Topics discussed will include basic survey concepts, use of design and incentives to influence responses and response rates, and effectiveness of survey modes. Researchers will also discuss their effective use of surveys with groups at different stages in the supply chain, as well as tips and pitfalls of the survey process.

**Organizers:** Michelle L. Santiago, Sam Houston State University; Aslihan D. Spaulding, Illinois State University

**Discussants:** Michelle L. Santiago, Sam Houston State University; Aslihan D. Spaulding, Illinois State University; Danna Moore, Washington State Univ; Wuyang Hu, University of Kentucky **Title:** Reputation and Organizational Legitimacy: Implications for Firms in the Global Agri-food and Fiber Supply Chain

Co-sponsored with Institutional and Behavioral Economics Section (IBES)

**Date and Location:** Tuesday, 10:00–11:30 AM; Washington State Convention Center, Room 214

**Description:** Legitimacy and reputation are intangible assets that influence the economic viability of organizations. Indeed these two assets are bestowed upon firms by society as an indication of their approval of what an organization is doing. Firms gain or lose in their reputation for social and/or environmental performance by respectively leading or lagging behind in the evolution of societal expectations concerning various issues of Corporate Social Responsibility (CSR). Moreover, if society feels that a firm falls too far behind or is to forward in their response to CSR issues they are likely to lose organizational legitimacy. Consequently, the papers in this track session examine the issues of legitimacy and reputation on firms that operate in the global agri-food and fiber supply chain.

**Organizer:** Joshua D. Detre, Louisiana State University

#### **Presentations:**

- Does One Bad Apple Spoil the Bunch? An Exploration of Legitimacy Loss for Innocent Firms under Food Recall Situations (Whitney O. Peake, Murray State University; Joshua D. Detre, Louisiana State University; Michael A. Gunderson, University of Florida; Clinton C. Carlson, University of Northern Texas)
- Challenges Facing New Business Ventures: A Legitimacy Approach (R. Brent Ross, Michigan State University; Miguel I. Gomez, Cornell University; Fabio R. Chaddad, University of Missouri)
- Legitimacy and the Distinction between Moral Exhortations and Moral Prohibitions, or why it "is Confusing to Tell Agribusiness Firms to do this and Don't Do That (Harvey S. James, Jr., University of Missouri)

## **Track Sessions Continued**

Title: Alliances in the Small and in the Large: Formation and Performance

**Date and Location:** Tuesday, 12:30–2:00 PM; Washington State Convention Center, Room 213

**Description:** Alliances--defined as collaborative, interdependent efforts between two or more firms--are a mainstay of the agricultural economy. Historically, farmers have hedged risk and enhanced market access with farmer-owned cooperatives and landlord-tenant sharecropping alliances. Nowadays, small farms engaged in the local food movement use alliances to facilitate information and resource exchange, while seed-developing biotechnology firms use alliances to foster innovation and appropriate its returns. But what determines alliance formation and performance? What makes one alliance successful, resulting in risk sharing, information exchange, and greater returns to scale, while another alliance results in a clash over intellectual property rights, as illustrated by Monsanto vs. Dupont? This session draws together strands from the literature on alliances among publicly listed firms with innovative research on small, privately-held farms to answer these questions and illustrate the uniqueness and similarities of alliances across industries and firm size. This session examines the impact of alliances at three focal lengths: 1) the ultimate outcome, firm survival, 2) the persistence of above-average profits among surviving firms, and 3) mechanisms persistently profitable firms use to facilitate information exchange and innovation while decreasing the threat of information expropriation. These perspectives combine to provide unique insight into the organization of firms along the food supply chain, from biotech firms to farms to agribusiness.

Organizer: Andrea Martens, University of Illinois at Urbana-Champaign

Discussant: Peter D. Goldsmith, University of Illinois at Urbana-Champaign

#### **Presentations:**

- Too Connected to Fail: The Effect of Alliance Network Structure on Farm Survival (Andrea Martens and Barrett E. Kirwan, University of Illinois at Urbana-Champaign)
- The Effect of Alliances on the Persistence of Profits (Fabio R. Chaddad, University of Missouri; Sergio Lazzarini, Insper)
- Interlocking Directorates in Agricultural Enterprises in Scania, Sweden (Konstantinos Karantininis, University of Copenhagen; Thomas Björklund, n/a; Jerker Nilsson, Swedish University of Agricultural Sciences)

We look forward to seeing you in Seattle and in the AEM track sessions. Please remember that sessions on the AAEA program are a limited resource. To secure them, we need to show how much are AEM members need them by attending the track sessions we sponsor or co-sponsor.

## Meet The New Officer Team



President, Fabio Chaddad

Assistant Professor, University of Missouri-Columbia



President-elect, Aslihan Spaulding

Associate Professor, Illinois State University



Secretary/Treasurer, Michelle Mullins Santiago

Assistant Professor, Sam Houston State University



At-Large (Research), Josh Detre

Assistant Professor, Louisiana State University



At-Large (Teaching), Steve Vickner Assistant Professor, The Ohio State University



At-Large (Industry), Sam Funk, Ph.D.

Senior Economist, Doane Advisory Services

## AEM Reception and Dinner at The Pike

Monday, 6:15 - 9 pm

### **Pike Brewing Company**

1415 1st Avenue, Seattle, WA 98101



This year we are going to have an informal reception and dinner at the Pike Brewing Company, which is an award winning microbrewery. It is only 7 minutes by foot from the Washington State Convention Center and close to the Pike Street market, a Seattle landmark. You can find more information about the brewery at http://www.pikebrewing.com.

We will meet at Pike Brewing Co. at 6:15 pm after the end of the AEM Track Session on Survey Research. Don't miss it! Or either of them, for that matter! Consider treating one of your junior colleagues or graduate students to help them get better connected with the AEM Section membership.

### **AEM Section Business Meeting**

Date and Location: Sunday, 3:00 – 4:00 pm, Washington State Convention Center, Room 309

The annual business meeting will include the official passing of the baton to our new leadership team and discussing plans for the ensuing year. Bring your ideas for how the Section can add more value for our members and profession.

Some light refreshments will be provided. Because we understand incentives, those who attend the business meeting will receive a free drink ticket for the AEM Section Reception later Sunday evening!

## **AEM Section Reception**

Date and Location: Sunday, 5:00 — 6:30 pm, Washington State Convention Center, Room 619

Start off the meetings by connecting with your AEM colleagues before getting wrapped up in the rest of the conference. There will be light snacks so as not to spoil your appetite before the grand reception or dinner. If you're not at the business meeting, look for one of the Section officers and talk to them about what you'd like to see from the Section next year. You just might get a free drink (while tickets last)!

## **GSS/AEM Case Study Competition**

Date: Prelims — Sunday, 8:00—12:00 pm, Finals — Monday, 1:30 — 4:00 pm Location TBD

Once again, the AEM Section is co-sponsoring the GSS Case Study Competition by assisting with money for prizes and for refreshments for the judges. The case study competition is an opportunity for graduate students to demonstrate their knowledge and skills in understanding a problem facing an agricultural organization and making recommendations for the case problem. Despite the late date of the meetings, several teams are registered to participate. If you are available, please attend the Case Study Finals on Monday afternoon to show your support of the students and the case study competition itself.