

# AEM UPDATE

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## WELCOME

It has taken me longer than I planned to write the second newsletter for the Agribusiness Economics and Management (AEM) Section of the American Agricultural Economics Association, but the result will be a newsletter packed with information! I am really excited about plans for the 2002 Annual Meetings of the American Agricultural Economics Association (AAEA), many of which are highlighted in this newsletter. I hope everyone can join us for this exciting meeting.

I don't want to "waste space" in this newsletter on welcomes, there is so much to tell you about, but I do have one request before I end: **PLEASE pass this newsletter on to anyone whom you think might be interested** in our section and please keep providing me with your opinions and insights!

*Lisa House*

## Long Beach Plans

Here are the many exciting events planned for the 2002 AAEA meetings. If you have any questions about the AEM Section plans, contact Lisa House (lahouse@ufl.edu). For questions about the meetings, try the AAEA's website, (<https://www.aaea.org/meetings/aaea/2002/>) which is continually updated with new information!

Saturday, July 27, 8:30 am—5:00 pm

Workshop: Case Studies: Their Future Role in Agricultural and Resource Economics (Co-Sponsored with the AAEA Professional Activities and New Products/Initiatives Committee)

Sunday, July 28, 8:00 am—4:00 pm

Workshop: Methods for Agribusiness Research and Analysis

Sunday, July 28, 4:00 pm—5:00 pm

AEM Section Business Meeting



Monday, July 29, 2002

10:00 am, Principal Paper Session  
"Knowledge Management: A New Frontier in the Global Food System"

1:30 pm, Symposium  
"Food Manufacturer Responses to Bioengineered Foods" (co-sponsored with the AAEA Food Safety and Nutrition Section.)

3:30 pm, Symposium, "Hot Topics"

5:00 pm, Graduate Student Case Study Competition Finals

6:30 pm, Industry/International Reception

7:00 pm, Industry Banquet  
Featured Speaker, Jeffrey D. Gargiulo  
President and CEO of Sunkist Growers

Tuesday, July 30, 2002

10:00 am, Symposium  
"Consulting in Agribusiness"

### Inside this issue:

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Some of the topics you will see in Long Beach

- ? Knowledge Management
- ? Latent Variable Modeling
- ? Conjoint Analysis
- ? Food Manufacturer Response to Bioengineered Foods
- ? Consulting in Agribusiness

# Research Methods Workshop

For those who want an in-depth look at the latest research trends specifically for agribusiness firms, this workshop will focus on research methods that have not traditionally been taught in agricultural economics degree programs. This focused workshop will allow attendees to dig into the various new research methods presented - including latent variable modeling, conjoint analysis, and the software tools available in each - and determine how and why these methods might be valuable to agribusiness firms. Attendees will also get to tests their skills at "hands-on" data collection during a special session on moderating focus groups.

Attendees will receive papers before the pre-conference so they will have time to digest the information, making the discussion sessions more valuable. This will be a working pre-conference, where participants are asked to review the value of the methods presented and participate actively in the discussion sessions.

Registration fee is \$100 (\$75 for students) and includes continental breakfast, lunch, and coffee breaks.

## **Schedule of Events and Speaker Information**

8:00 am, Sunday, July 28, 2002

*Registration* (Coffee and Pastries will be available)

### *Session I: Latent Variable Modeling*

Latent Variable Modeling

Randy Westgren, Dept. of Agricultural and Consumer Economics, University of Illinois

Application: Member Relationships to their Agricultural Cooperatives

Peter Foreman, Department of Business Administration, University of Illinois

Application: Consumer Attitudes Toward Regionally-identified Food Products

Koert van Ittersum, Department of Business Administration, University of Illinois

### *Session II: Focus Group Methods*

Text Analysis: Tools for Analyzing Focus Group Results and Open ended Surveys

Eluned Jones, Dept. of Agricultural and Applied Economics, Virginia Tech University

Focus Group Moderation: The Importance and Use of a Moderator's Guide

James Sterns, Dept. of Food and Resource Economics, University of Florida

Interactive Exercise – "Try your hand at moderating."

### *Session III: Choice-Based Conjoint Analysis*

Attribute-Based Methods

Vic Adamowicz, Dept. of Rural Economy, University of Alberta

Application: Consumer Demand for Quality Attributes

Jayson Lusk, Dept. of Agricultural Economics, Mississippi State University

Application: Determining Demand for New Products

Jim Unterschultz, Dept. of Rural Economy, University of Alberta

### *Wrap-up and Future Plans*

### *Business Meeting:*

The Annual Business Meeting for the AEM Section will be held following the workshop. All members are invited to attend, regardless of participation in the workshop. We will be discussing important issues such as plans for next year and elections.

# Graduate Student Research Methods Workshop Grant Opportunity

Thanks to generous support from the AAEA Foundation, we will be able to offer up to 15 special grants for graduate students with an interest in attending the Research Methods workshop. These grants, in the amount of \$150/student, will be awarded to cover the cost of registration for the pre-conference (\$75/student) and other expenses.

Applications are due by June 15, 2002. Please contact Lisa House (lahouse@ufl.edu) if you would like an application form. If more than 15 applications are received before June 15, preference will be given to AEM and GSS (Graduate Student Section) members (if more than 15 GSS and/or AEM members apply, awards will be based on the quality of the letter of applica-



tion). After June 15, applications will be accepted on a first come, first serve basis.

The AAEA Foundation was established in 1985 to fund innovative programs and professional development opportunities for economics professionals practicing in the areas of agriculture, food, resources, environment, development and allied fields. Since its founding, the Foundation has provided seed money for activities not available through other sources. The AAEA Foundation was instrumental in the organization and continuing efforts of the graduate student members of the American Agricultural Economics Association to create professional development activities designed specifically for the graduate level of experience.

## Industry Banquet Featured Speaker Jeffrey D. Gargiulo, Sunkist Growers, Inc.

Jeffrey D. Gargiulo was chosen President and CEO of Sunkist Growers, Inc., the international citrus marketing cooperative, in June 2001. Sunkist, headquartered in Sherman Oaks, California, is owned by and operated for more than 6,000 citrus growers in California and Arizona, marketing fresh and processed citrus products worldwide.

Gargiulo is a veteran of the produce industry, active in several state and national fruit and vegetable associations. He has served as Chairman of the Produce Marketing Association and was a participant in both the GATT and NAFTA international trade negotiations. An expert in brand marketing, he is well known for developing marketing campaigns that truly showcase the product.

Gargiulo started his produce career as a picking boss for Naples Fruit and Vegetable Company in Naples, Florida, moving to the tomato sales desk, and soon becoming the general manager of the 500-acre tomato farm.

Later, as CEO of Gargiulo, Inc., he took the company from a local tomato producer to a global force, becoming one of the largest producers of fresh fruits and vegetables in the United States and achieving the number one market share in the fresh tomato market. Under



his direction, the company created the industry's premier tomato research-breeding program and introduced crop diversification, capturing the number two market share in strawberries and raspberries, as well as marketing imported fruits from Chile.

When the firm was sold to Monsanto in 1997, it handled approximately 10 percent of U.S. fresh tomato production with diversified produce operations in Florida, California, Virginia, Mexico, Puerto Rico and Chile. Following the sale, he served as President of the Produce Business Unit of Monsanto for two years.

Gargiulo is currently chairman and CEO of Gargiulo Landco with diversified interests including agricultural land leasing and real estate development. He is also the principal owner in a wine grape vineyard in Napa, California and a wholesaler, importer and distributor of fine wine in Florida.

Gargiulo earned his degree in business administration from Florida State University. He is a member of the Florida Council of 100 (the top 100 CEOs in the state) and serves on the board of directors. He is also chairman of the board of trustees of St. Leo's University (Dade City, Florida), and on the board of public policy of Duke University.

## Knowledge Management

The global food system continues to undergo a transformation from a commodity-based system to a system of differentiated products. A partial response to this transformation is the development of supply chains established for the purpose of creating value. These specialized value creating vertical marketing clusters are driven by requirements of branding and consistency, which implies minimal variation in the quality of ingredients and end products. The explosion of discoveries in information technology, such as bar coding and frequent shopper cards that tie into demographic information, along with bioengineering of commodities and food products has provided private business the opportunity, as never before, to create value for downstream customers by tailoring their output to target market segments.

Increasingly the management and economics literatures are recognizing that a leading challenge of managers is to manage the knowledge base of the firm. Contemporary writing recognizes that three key components of the intellectual capital of a firm are human capital, social capital, and structural capital. Advances made possible through information technology (IT) and bioengineering serve to strengthen the complexity of the managerial task relative to knowledge.

This session further develops aspects of firm level knowledge management through a synergistic collection of analyses and through a unique contribution to the literature that adopts a global food system perspective. Specific areas that will be addressed include costs and supply chain design, firm strategy relative to knowledge management, how existing vertical relationships in supply chains may influence strategy, and com-

parative strategies of knowledge management and communication across country boundaries. This session is important and relevant to economists, agribusiness executives, and government employees. The session strives for a better understanding of the nature and importance of the knowledge management task facing managers and how governmental policy (especially USDA, FDA, and EPA policies) may influence firm strategy long-term. These aspects of the knowledge management problem will serve to generate lively discussion among session attendees.

*Knowledge Management in the Global Food System: Network Embeddedness and Social Capital* by Thomas L. Sporleder and LeeAnn E. Moss, The Ohio State University.

*The 'Learning' Supply Chain: Pipeline or Pipedream?* by H. Christopher Peterson, Michigan State University

*Knowledge Management and Comparative International Strategies on Vertical Information Flows in the Global Food System* by DeeVon Bailey, Utah State University, Eluned Jones, Virginia Tech, and David L. Dickinson, Utah State University

Reviewer/Discussant: Jim Hagen, Cornell University

For those interested in learning more about knowledge management, the WCC-72 meetings in late June will complement our program with additional sessions on the subject. See their website <http://webct.nerdc.ufl.edu:8910/public/WCC72/index.html> for more information.

## Symposium on Consulting

Consulting is a full-time or part-time endeavor for many agricultural economists. In this symposium, a panel of speakers will discuss characteristics of successful consultants and consulting firms, the demand for consulting services, balancing academic and consulting endeavors, and how to market consulting services effectively for the full and part-time consultant.

Moderator: Marvin Hayenga, Iowa State University

Panelists:

Mark Newman, Market Solutions LLC

Mark will emphasize how to market consulting services effectively, characteristics of effective consultants, and how to start as a consultant including assessing the demand for consultants.

Bill Lapp, ConAgra Foods

Bill will offer the perspective as a consumer of consulting services and an in-house consultant, regarding how to be effective as a consultant, what makes some consulting firms successful or otherwise, and the factors influencing demand for consultants.

Michael Boehlje, Purdue University

Mike will offer a special perspective on balancing academic and consulting roles, plus how to become an effective consultant and how to market your skills effectively.

Each panelist will have 10 minutes of introductory remarks, followed by an hour of panel-audience discussion. The moderator will try to keep the session lively and toss in a few thoughts and questions too.

## Graduate Student Case Study Competition

The 2002 AAEA Meetings mark the 5th Annual Graduate Student Case Study Competition and the 3rd year the AEM Section (formerly the Industry Committee) has worked with the Graduate Student Section (GSS) on this project. The case competition was designed to allow graduate students to test their communication skills and their ability to apply their knowledge of agricultural economics and agribusiness subjects to practical situations. Students competing in the competition receive a copy of a case study approximately 1 month in advance of the AAEA annual meetings. Each team then prepares a response to the case study and a 15 minute presentation of

*The 2001 Case Study Competition Finalists were:*

*1st Place: Kansas State University*

*2nd Place: University of Florida*

*3rd Place: Colorado State University*

their analysis. The teams present their findings to a panel of judges and then answer questions further explaining, or defending, their recommendations.

The three finalist teams are awarded tickets to the Industry Banquet where winners will be announced. Following the tradition of the past three years, the Industry Banquet Featured Speaker will participate as a judge for the Case Study Finals. Everyone is welcome to attend the competition and see what a bright future we have in our graduate students!

A history of the competition and winning teams can be found at the GSS website: <http://www.aeco.ttu.edu/gss/Case.htm>.

## Symposium on Biotechnology Response

Food manufacturers routinely face decisions regarding the choice of food ingredients and production processes used for producing processed foods. Food manufacturers may choose to produce processed foods without bioengineered ingredients because they believe that consumers may have negative perceptions of bioengineered foods or because they export products to countries with limits on the amount of bioengineered content. Alternatively, food manufacturers may choose to produce foods using ingredients enhanced through bioengineering for either processing traits or consumer output traits such as improved nutrition, sensory attributes, or shelflife. In either case, food manufacturers must consider the effects on costs of production, on consumer demand, and on management of risk within the firm. The purpose of this symposium is to investigate how food manufacturers are evaluating whether to use bioengineered ingredients and how the current regulatory environment influences their decisions.

This session is co-sponsored by the Food Safety and Nutrition Section of the AAEA.

Moderator: Cheryl DeVuyst, North Dakota State University

Economic Effects of the Current Regulatory Environment for Bioengineered Foods, Dominic Mancini, FDA/Center for Food Safety and Applied Nutrition

Assessing and Responding to Bioengineered Foods—the Experiences of U.S. Food Manufacturers: Mary Muth and Catherine Viator, RTI International and Tom Hoban, North Carolina State University

Costs and Risks of Identity Preservation Systems—Implications for Food Manufacturer Strategies: Nicholas Kalaitzandonakes, University of Missouri

Evidence on Retail Demand for Non-biotech Foods: Kristin Kiesel, Montana State University and Elise Golan, USDA/Economic Research Service

## Member Focus - Research

### James Hagen

Jim Hagen received his Ph.D. in Business Administration (with support from a USDA National Needs Fellowship) at the University of Illinois in 1997, and he has been an assistant professor in the Department of Applied Economics and Management at Cornell University since then. The Department houses Cornell's undergraduate business program, and Jim's teaching there has included the large (600 student) Introduction to Business Management course, as well as the senior level Global Marketing Strategy Course. His teaching also includes executive education for Cornell's Food Industry Management Program.



Jim's research has focused on the role of interfirm relations in marketing strategies, especially in an international context. His article about trust in the supply chain was published in the *Academy of Management Review*. He has drawn on his experience of living in Japan for several years, publishing a case study about US cherry processors considering formation of an export trading company to serve Japan. His case study about Ben and Jerry's entry into Japan's ice cream market, a version of which was published in the *Journal of International Marketing*, has been widely used at business schools throughout the country, and his recent article about the evolution of Japan's food distribution governance structure appeared recently in the *Journal of Chain and Network Science*. His current projects include a survey of buyer-supplier relations in the supermarket industry.

## Member Focus - Teaching

### John Foltz

John Foltz maintains a productive university career combining teaching, research, and outreach in the area of agribusiness management as an Associate Professor at the University of Idaho. He moved to Idaho in 1991, after receiving his Ph.D. in Agricultural Economics from Purdue University.



John Foltz has been teaching agribusiness management and marketing classes since 1990. He enjoys teaching and the challenge of teaching well. John tries to uncover new techniques and methods to make concepts and ideas understandable and real for his students.

Several years ago he completed a study on why students go to class, in cooperation with Dr. Stephen Devadoss from his Department at the University of Idaho. They found that students go to class more often (and consequently do better in a class), if the professor "involves" them in the learning process. The key idea that he took away from this experience and participation in a study on students' cognition levels is that effective teachers make teaching as interactive as they can.

## Member Focus - Industry

### Bill Martinet

Bill Martinet serves as Sales Planning Manager for Sunkist Growers, Inc. located at the world headquarters in Sherman Oaks, California. Bill joined Sunkist after graduating from California State University at Northridge with a degree in Business in 1970. He has actively continued his education by participating in Executive Programs at UCLA, UC Davis, Missouri and Arizona and has taught classes in agribusiness management at Cal Poly Pomona as an adjunct faculty member.



Bill's duties include crop & sales forecasting. In this position, he monitors the supply chain of member packinghouses as to their available supply on a seasonal basis as well as long-term crop supply situation analysis. Bill directs a sales incentive program for the Sunkist sales network of 25 sales offices. This involves setting both seasonal and short-term sales goals by product line. Both domestic and international offices are part of the program.

Through the crop estimate process, Bill is part of the market planning process whereby marketing plans are developed each season for all the citrus Sunkist markets and product lines.

## Member Focus—Student

### Fabio Chaddad—Missouri

Originally from Sao Paulo, Brazil, Fabio Chaddad has been in the U.S. since August 1996, when he started his Ph.D. program at the University of Missouri. After receiving his doctoral degree in 2001, Fabio joined the Agribusiness Research Institute and the Graduate Institute of Cooperative Leadership at Missouri as a post-doctoral fellow.



Fabio's research activities focus on the economics of user-owned and controlled organizations, including agricultural cooperatives, credit unions, and mutual banks. Fabio is also interested in the organization and performance of agribusiness networks and chains applying new institutional and organization economics. During the 2002 summer, Fabio will move to Pullman, WA, where he will join the faculty at Washington State University as an Assistant Professor in agribusiness economics. Fabio will continue to develop his research on the structure and strategy of agribusiness firms and net chains.

Away from his office, Fabio enjoys swimming, cooking, and spending time with his wife, Maria, and their two-year old son, Rodrigo.



# AEM UPDATE

*The Agribusiness and Economics Management (AEM) section of the American Agricultural Economics Association (AAEA)*

*was founded to foster communication among teaching professionals, research professionals, and industry professionals in the area of agribusiness and management. The section now sponsors the Industry Banquet and paper sessions at the annual meetings of the AAEA. The success of this newly formed section is based upon participation of the membership. Please feel free to contact the officers with ideas and suggestions as to how this section can best achieve its goals.*

**AEM Executive Committee:**

**President—Lisa House, University of Florida**

**President-Elect—Tom Sporleder, The Ohio State University**

**Secretary—John Nichols, Texas A&M University**

**Members at Large—Jay Akridge, Purdue University, Randall Westgren, University of Illinois, and Terese Rowe, Rabobank International**

AGRIBUSINESS ECONOMICS AND MANAGEMENT SECTION,  
A SECTION OF THE AMERICAN AGRICULTURAL ECONOMICS  
ASSOCIATION

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## **Case Studies: Their Future Role in Agricultural and Resource Economics Workshop**

Widely used in other Social Sciences and Schools of Business, case studies have increasingly been used in a variety of disciplines, including agricultural and resource economics. In agricultural and resource economics, case studies have been most prominently used in agribusiness and marketing specialties. However, aspects of the case study approach are well established, though not labeled as such, in many specialties and functions of the agricultural and resource economics discipline, such as outreach and policy analysis. The workshop will address three basic questions:

- What is the role for case studies in the missions of agricultural economics institutions and workplaces?
- What standard frameworks are employed in case studies?
- What are the criteria for an exemplary case study?

Registration fee is \$100 (\$85 for students) and includes continental breakfast, lunch, and coffee breaks, and materials.

Speakers to address these methodological questions include: Ken Harling, School of Business and Economics, Wilfrid Laurier University and Leader of the Maple Leaf Case Study Conferences  
Carol Cumber, South Dakota State University and President

of the Southwest Case Study Research Association  
Christopher Peterson, Michigan State University  
Jim Beierlein, Pennsylvania State University  
Scott Swinton, RAE Case Study Editor  
Daniel Sumner, University of California, Davis  
Julie Caswell, University of Massachusetts  
Otto Doering, Purdue University

The workshop will allow participants to concentrate on their special interest by developing relevant concurrent discussion sessions that are tailored to the key audiences (teaching and outreach; research and policy decision-making; industry decision making) and uses of case studies.

Leaders of these concurrent discussion sessions include:

Lisa House, University of Florida  
Randy Westgren, University of Illinois  
Mary Holz-Clause, Iowa State University  
Bob Milligan, Cornell University  
Nicholas Kalaitzandonakes, University of Missouri

**Sponsors:**

Professional Activities and New Products Committee, AAEA  
Agribusiness Economics and Management Section, AAEA  
The Farm Foundation