Track Session: Market Structure, Organization, and Performance of the Food System: Greatest Contributions by Agricultural and Applied Economists

Presentation summary:

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This text, now out of print but available through many book distributors online, provides an extensive framework for evaluating agricultural market organization and performance. The text adheres to the goals of the marketing system specified by the authors in the preface: “(1) to provide efficient and economical services and ownership transfers in the movement of commodities from producer to consumer, and (2) to provide an effective and efficient price-making mechanism.” There is a strong emphasis placed on space, time, and form price relationships and efficiency, as well as on the economics of regional specialization and trade. The final chapter, “Efficiency in Marketing,” offers an approach for evaluating market performance that focuses on productive and pricing efficiency—including what was once commonly referred to as “Farrell efficiency” and is now more often referred to as “data envelopment analysis” (DEA). The authors urge researchers to study market performance first, then, “as required, to move into detailed studies of the institutional factors that might properly be called structure.”

A recent search on Google Scholar found 144 citations of Bressler and King, including several since 2000. The area of research most frequently citing the text is in spatial economics, including transportation and plant location research. Bressler and King employ a cost minimization, linear programming approach to spatial efficiency that is very appropriate for determining the optimal size and location of agricultural and food processing plants. They cite the “law of mediocrity” as the tendency for efficient spatial organization, which may imply spatial monopolies, to decompose into an inefficient number of firms with higher costs of operation due to competition. Bressler and King also present numerous graphical and map representations of the spatial organization of commodity markets and trade—including three panel diagrams, site price contours, and geographic representations of market areas. Their geographic representation of milksheds is reminiscent of and akin to the representation of watersheds. Finally, many of the 144 citations of Bressler and King are in languages other than English; Spanish is the second most common language of citations, with Portuguese, Hungarian, Russian, and Chinese citations also found in the search. The text has had a worldwide impact.

I have found Bressler and King to be an excellent foundation text for teaching agricultural marketing. Many of my peers also frequently mention Bressler and King as the basis for the conceptualization of agricultural marketing research, especially for projects that address the effect of space on agricultural marketing and price relationships. I encourage current and future generations of agricultural marketing economists to procure a copy of Bressler and King and employ the theory and methods presented therein in their research.