



*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

*No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.*

JOURNAL OF  
**Agricultural and  
Resource Economics**

---

**Volume 41**

•

**Number 3**

•

**September 2016**

---

- Marketing Contracts in the Adoption of Low-input Practices ..... A. Ricome, K. Chaïb, A. Ridier,  
C. Képhaliacos, and F. Carpy-Goulard
- Horizon and Free-Rider Problems in Co-ops ..... K. Giannakas, M. Fulton,  
and J. Sesmero
- Location Variables and Feeder Calf Basis ..... S. Mallory, E. A. DeVuyst,  
K. C. Raper, D. Peel, and G. Mourer
- Relational Contracts and Bargaining Power ..... P. Cordero Salas
- Risk Aversion and Store Price Format ..... K. Yonezawa and T. J. Richards
- Market Integration and Price Transmission ..... B. Chen and S. Saghaian
- Western U.S. Calf and Yearling Prices ..... S. C. Blank, T. L. Saitone,  
and R. J. Sexton
- Transitioning to Organic Crop Production ..... T. A. Delbridge and R. P. King
- Agricultural Subsidies and Farm Heterogeneity ..... S. Devadoss, M. J. Gibson,  
and J. Luckstead
- An *Ex Post* Analysis of California's Battery Cage Ban ..... T. Malone and J. L. Lusk
- U.S. Sweetener Demand Analysis ..... P. Lakkakula, A. Schmitz,  
and D. Ripplinger
- Economic Impact of New Technology Adoption ..... N. L. Busdieker-Jesse, L. Nogueira,  
H. Onal, and D. S. Bullock
- 2016 Editors' Report and WAEA Award Winners



---

**The Journal of the Western Agricultural Economics Association**

---

## CO-EDITORS

David M. Lambert, *Kansas State University*  
Hikaru Hanawa Peterson, *University of Minnesota*  
Jefferson M. Peterson, *University of Minnesota*  
Tian Xia, *Kansas State University*

## EDITORIAL COUNCIL (2015–2018)

Wictor Adamowicz <i>Univ. of Alberta</i>	Arne Henningsen <i>Univ. of Copenhagen</i>	Christiane Schroeter <i>Cal Poly-San Luis Obispo</i>	Sofia Berto Villas-Boas <i>Univ. of California-Berkeley</i>
Gary Brester <i>Montana State Univ.</i>	Tom Marsh <i>Washington State Univ.</i>	Karina Schoengold <i>Univ. of Nebraska-Lincoln</i>	Brian Whitacre <i>Oklahoma State Univ.</i>
Oral Capps, Jr. <i>Texas A&amp;M Univ.</i>	Joost Pennings <i>Maastricht Univ.</i>	Kyle Stiegert <i>Univ. of Wisconsin-Madison</i>	Steven Wu <i>Purdue Univ.</i>
Hayley Chouinard <i>Washington State Univ.</i>	Tim Richards <i>Arizona State Univ.</i>	Jordan Suter <i>Colorado State Univ.</i>	Wen You <i>Virginia Tech</i>
George Frisvold <i>Univ. of Arizona</i>	David Pannell <i>Univ. of Western Australia</i>	Stephen Swallow <i>Univ. of Connecticut</i>	Steven Zahniser <i>Economic Research Service</i>
Rachael Goodhue <i>Univ. of California-Davis</i>			

**Amy L. Bekkerman, Publications Editor**  
*Bozeman, MT (amy@precisionedits.com)*

The *Journal of Agricultural and Resource Economics* is published by the Western Agricultural Economics Association three times per year, in January, May, and September.

Copyright © 2016 by the Western Agricultural Economics Association.

Abstracted and/or indexed in: Thompson Scientific Products ISSN 1068-5502: Current Contents–Social & Behavioral Sciences; Current Contents–Agriculture, Biology & Environmental Sciences; Social Science Citation Index; Social Science Citation Index Expanded; *Journal of Economic Literature*.

An article, note, or other material appearing in the *Journal of Agricultural and Resource Economics* may not be republished in full or in part without permission from the editor.

### Editorial Policy

The *Journal of Agricultural and Resource Economics* seeks to publish creative and scholarly economic studies in agriculture, natural resources, and related issues. Manuscripts dealing with the economics of food and agriculture, natural resources and the environment, human resources, and rural regions are encouraged. The *Journal* seeks to provide a forum for topics of interest to those performing economic research as well as to those involved with economic policy and education. Submission of comments on articles previously published in the *Journal* is welcomed.

### Editorial Communications

All initial submissions and accompanying editorial correspondence should be submitted electronically at our *JARE* internet website. (Refer to Author Guidelines, inside back cover of this journal issue, for full information.)

**PRINTED BY THE SHERIDAN PRESS, INC., HANOVER, PA**

JOURNAL OF

# Agricultural and Resource Economics

---

Volume 41

•

Number 3

•

September 2016

---

## Articles

The Role of Marketing Contracts in the Adoption of Low-Input Production Practices in the Presence of Income Supports: An Application in Southwestern France / *Aymeric Ricome, Karim Chaïb, Aude Ridier, Charilaos Képhaliacos, and Françoise Carpy-Goulard* / 347

Horizon and Free-Rider Problems in Cooperative Organizations / *Konstantinos Giannakas, Murray Fulton, and Juan Sesmero* / 372

Effect of Location Variables on Feeder Calf Basis at Oklahoma Auctions / *Shannon Mallory, Eric A. DeVuyst, Kellie C. Raper, Derrell Peel, and Gant Mourer* / 393

Relational Contracts and Product Quality: The Effect of Bargaining Power on Efficiency and Distribution / *Paula Cordero Salas* / 406

Risk Aversion and Preference for Store Price Format / *Koichi Yonezawa and Timothy J. Richards* / 425

Market Integration and Price Transmission in the World Rice Export Market / *Bo Chen and Sayed Saghaian* / 444

Calf and Yearling Prices in the Western United States: Spatial, Quality, and Temporal Factors in Satellite Video Auctions / *Steven C. Blank, Tina L. Saitone, and Richard J. Sexton* / 458

Transitioning to Organic Crop Production: A Dynamic Programming Approach / *Timothy A. Delbridge and Robert P. King* / 481

The Impact of Agricultural Subsidies on the Corn Market with Farm Heterogeneity and Endogenous Entry and Exit / *Stephen Devadoss, Mark J. Gibson, and Jeff Luckstead* / 499

Putting the Chicken Before the Egg Price: An *Ex Post* Analysis of California's Battery Cage Ban / *Trey Malone and Jayson L. Lusk* / 518

U.S. Sweetener Demand Analysis: A QUAIDS Model Application / *Prithviraj Lakkakula, Andrew Schmitz, and David Ripplinger* / 533

The Economic Impact of New Technology Adoption on the U.S. Apple Industry / *Nichole L. Busdieker-Jesse, Lia Nogueira, Hayri Onal, and David S. Bullock* / 549

JARE Editors' Report / 570

Past Presidents & Editors / 572

2016 WAEA Award Winners / 574

## AUTHOR GUIDELINES FOR SUBMITTING MANUSCRIPTS TO *JARE*

Contributors must use the following guidelines in preparing manuscripts for submission. Please note that the *Journal of Agricultural and Resource Economics (JARE)* accepts only electronic submissions submitted in PDF format. Submissions must be made at <http://www.jareonline.org>.

1. *Author Certifications.* Authors submitting manuscripts to *JARE* certify that the material in the manuscript (or modification thereof) has not been published, is not being published, and is not currently being considered for publication elsewhere. Authors also certify that the material in the manuscript, to the best of their knowledge, does not infringe upon other published material protected by copyright. Authors also acknowledge they have read and agree to the policy on data access and estimation procedures outlined below.
2. *Data Access and Estimation Procedures.* Authors are expected to document their data sources, data transformations, models, and estimation procedures as thoroughly as possible. Authors are also expected to make data available at cost for replication purposes for up to five years from publication.
3. *Title Page.* In a separate PDF file, provide the title of the manuscript and author(s)' name(s) centered and in boldface type. At the bottom of the same page, provide professional title(s), institutional affiliation(s), acknowledgments of colleague reviews and assistance, and institutional support as an unnumbered footnote. Per the WAEA's disclosure policy, available in full on the *JARE* website, please be sure to fully acknowledge any funding sources, including grant or project number(s), and any potential conflicts of interest.
4. *Abstract.* Include an abstract of 100 words or less, followed by up to eight key words or short phrases listed in alphabetical order. To ensure anonymity in the review process, authors should not identify themselves on the abstract page or in any headers.
5. *Text.* Suggested manuscript length is no more than 25 text pages (not including reference list, tables, and graphics). Double space all text, including the abstract, acknowledgments, footnotes, and references. Use a 12-point Times Roman font and allow 1" margins on all sides. Provide short headings for each section and subsection. Do not use right-justified margins, end-of-line hyphenation feature, or line numbering.
6. *Style, Grammar, and Punctuation.* *JARE* uses the most recent edition of *The Chicago Manual of Style* by the University of Chicago Press and *Webster's Third New International Dictionary* for style, format, and spelling. For further guidelines, please visit the *JARE* website at <http://www.jareonline.org/>.
7. *Footnotes.* Use superscript Arabic numbers within the text, numbered consecutively throughout the manuscript. Footnotes should be placed at the bottom of the page. Please use the automatic footnote feature available in Microsoft Word.
8. *References/Text Citations.* In a reference section immediately following the manuscript text, list all works cited in the text, alphabetized by author last name. Refer to *The Chicago Manual of Style* for format; samples of appropriate formatting are available at <http://www.jareonline.org/>. For within-text citations (either parenthetical or as part of narrative), spell out up to three author last names; use first author's name followed by "et al." for works with four or more authors. Include the publication year with all text citations. When citing a direct quotation, include page number(s) from the author's work.
9. *Figures and Tables.* Place each figure and table on a separate page at the end of the manuscript. Whenever possible, preferred (but not required) software for figure generation is Microsoft Excel. Do not place figure title/caption within the figure graphics box.
10. *Math and Equations.* Consecutively number equations throughout the text. When displaying equations, place equation number within parentheses at flush-left margin; center the equation. Use italic typeface for all variables, and use boldface (no italics) for all vectors and matrices, both within equations and within text.
11. *Publication Costs.* Authors submitting manuscripts are expected to assume obligation for payment of page charges at publication. Current page charges are \$79/printed page for WAEA members and \$89/printed page for nonmembers. Supplemental materials that do not appear in print will be charged a \$10/page formatting fee.
12. *Submissions.* All submissions to the *Journal of Agricultural and Resource Economics* must be submitted electronically to the editorial team at the *JARE* URL: <http://www.jareonline.org>. To ensure author anonymity, *JARE* accepts submission only in PDF format. Author and institutional identifications will be removed from PDF file submissions by the editorial team prior to being sent to reviewers. Receipt of manuscripts will be acknowledged by e-mail.

Jeffrey M. Peterson, Editor  
*Journal of Agricultural and Resource Economics*  
University of Minnesota / Dept of Applied Economics  
337C Ruttan Hall / 1994 Buford Avenue  
St. Paul, MN 55108-6040  
(612) 625-3103 · [jmpeter@umn.edu](mailto:jmpeter@umn.edu)

## **Western Agricultural Economics Association, Inc.**

<i>President</i>	B. Wade Brorsen, Oklahoma State University
<i>President-Elect</i>	T. Randall Fortenbery, Washington State University
<i>Past President</i>	Dawn T. Thilmany McFadden, Colorado State University
<i>Directors</i>	Lynn L. Hamilton, California Polytechnic State University (2013–2016) Dustin L. Pendell, Colorado State University (2013–2016) Scott W. Fausti, South Dakota State University (2014–2017) Kerry K. Litzenberg, Texas A&M University (2014–2017) Eric Belasco, Montana State University (2015–2018) Glynn T. Tonsor, Kansas State University (2015–2018)

### **Membership and Journal Subscription**

WAEA, Inc. calendar-year membership dues are \$55 for regular members in the U.S., Canada, and Mexico; \$45 for senior (retired) members, \$25 for junior (student) members, and \$80 for families in the U.S., Canada, and Mexico; \$75 for regular members overseas, \$60 for senior (retired) members, \$40 for junior (student) members, and \$110 for families overseas. Lifetime membership is available for those who are at least 55 years of age. All members receive this journal. Individuals wishing to receive only the electronic version of the journal may pay per year discounted dues of \$40 for regular members, \$30 for senior (retired) members, and \$5 for junior (student) members.

Library and other institutional subscription prices are \$125 in the U.S., Canada, and Mexico; \$130 in all other countries.

Applications for membership, payment of dues, subscription charges, changes in address, and other inquiries should be addressed to:

Western Agricultural Economics Association, Inc.  
555 E. Wells Street, Suite 1100  
Milwaukee, WI 53202

Visit us on the internet at <http://www.waeonline.org>