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Robert King Named to Head Applied Economics Department



Robert King became head of the Department of Applied Economics on July 19, 2004. Rob, a department faculty member since 1983, received his Ph.D. and M.S. degrees in agricultural economics from Michigan State University and has a B.A. from Yale University.

“Exemplary education is our College’s overarching priority. King’s leadership will help strengthen our nationally recognized undergraduate and graduate programs in applied economics. He is also committed to making knowledge and expertise from the University more accessible to citizens throughout Minnesota,” said Charles C. Muscoplat, Vice President and Dean, College of Agricultural, Food, and Environmental Sciences.

Rob previously held the E. Fred Koller Chair in Agricultural Management Information Systems in the department. His research focuses on management issues facing food retailers, farm cooperatives, and the impacts of new information technologies on the food system. He has taught undergraduate and graduate courses on managerial economics and lectured in Brazil, Hungary, Italy, The Netherlands, and Poland.

Rob replaces Vernon Eidman, who served as department head since 1998. Vernon, a department faculty member since 1975, announced plans last year to step down as department head and focus on research into renewable energy, strategic management of agribusiness firms, and structural change in agriculture and agricultural policy. Vernon has enjoyed a stellar career that includes teaching and research awards and serving as president of the American Agricultural Economics Association. He was named a Fellow of the American Agricultural Economics Association at their annual meeting in August 2003.

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Department Head Notes

The University is in the midst of a major strategic planning effort. In part, this is a response to budget challenges. More important, though, it is driven by the objective of being one of the few truly great research universities in the world. *Excellence* is the watchword for this planning process. For us, this raises the question of what is excellence in applied economics. In this, my first column as the new department head, I'll share some of my thoughts on how we can answer that question.

Our transformation from an agricultural economics department to an applied economics department began when Vernon Ruttan was head in the late 1960s, and it continues today. Twenty-five years later, when Jim Houck was head, the topic for his 1992 presidential address to the American Agricultural Economics Association was "The Comparative Advantage of Agricultural Economists." He identified five

... hallmarks of our applied economics temperament:

1. We are generally consumers of economic theory but not, for the most part, producers of it. ...
2. We want to solve or illuminate real world problems, both operational problems and policy problems. ...
3. We love to arrange and sift masses of real world data for systematic relationships using a wide range of estimation, measurement, and computational techniques.
4. We want to inform, advise, and cajole non-economists, including students, about our work. ... The strong influence of extension economists among us has long provided a powerful impetus in this direction. We also take a large collective interest in undergraduate teaching, the design of undergraduate programs, and the nature of undergraduate students themselves. ...
5. We simply ache to be "relevant."
(Houck, pp 1062-63)

Jim went on to argue that these characteristics were the basis for our comparative advantage at a time when demand for applied economists' skills was growing in areas outside the core of traditional agricultural economics. More than a decade after Jim's presidential address, this characterization of applied economists and the importance of our role is still accurate.

This "applied economics temperament" is the foundation for excellence in our program. It is reflected in our teaching, outreach, and research programs. It is the essence of our "value proposition."

Teaching Programs

All of our teaching programs combine strong training in economic theory and quantitative methods with applications to real-world problems. Even for undergraduate students who will not call themselves economists after graduation, the experience of applying economic concepts and tools in the analysis of business or policy questions can be invaluable. That's one reason we will be working hard this year to develop more internship and supervised-research opportunities for our undergraduate students. Internships will also be increasingly important in our M.S. program, with the greater emphasis we are placing on training in quantitative methods that will prepare graduates for economic analyst positions with local firms in the financial services, food marketing, and health-care sectors.

The proposed expansion of our Ph.D. program that Vernon Eidman described in the last issue of *Minnesota Applied Economist*, will also contribute to the excellence of our teaching programs. We have developed strong working relationships with applied economists in the Carlson School of Management, the Hubert H. Humphrey Institute of Public Affairs, and the School of Public Health that will be the basis for adding new fields in health economics, labor economics, and policy analysis—assuming our proposed changes are approved by the Graduate School and Board of Regents. We believe the new program will expand opportunities for our students, promote greater cooperation among faculty, and make more efficient use of University resources.

Research Programs

Our research programs are diverse and prolific, and interdisciplinary linkages are a key source of strength. Current research initiatives on obesity, renewable energy, biotechnology, biosecurity, intellectual property rights, HIV/AIDS, the economics of childcare, and the economics of education link our faculty, not only with colleagues in the College of Agricultural, Food, and Environmental Sciences, but also with scholars in at least eight other collegiate units within the University. Our skills are in demand because we are able to bring insights from our discipline to bear in looking for solutions to important practical problems.

Maintaining and enhancing our excellence in research will require new strategies for fostering disciplinary and interdisciplinary collaboration as faculty become part of increasingly complex research networks. Promoting research excellence will also require new strategies for funding our work—in particular, because state and federal funding for research is currently shrinking and the cost of supporting graduate students is increasing.

Outreach Programs

Outreach programs are central to our mission of excellence. Boundaries between our teaching, research, and outreach/extension activities are indistinct, as they should be. The breadth of our outreach programs, however, distinguishes us from traditional agricultural economics departments. Our outreach/extension programs, for example, focus on issues ranging from the economics of crop and livestock production, renewable energy, agricultural business management, and commodity marketing to local foods, tourism, land-use policy, and long-term strategies for strengthening the Minnesota economy. Regional extension educators contribute significantly to program development and delivery and help link campus faculty and students to the local communities they serve. Looking to the future, we want our outreach activities to inform and contribute to our research and classroom teaching, and we want our outreach programs to make it easier for people to access the knowledge and expertise of our faculty.

Creating Value

The overall objective for our department is to create value for society through our teaching, research, and outreach programs. Our programs are closely linked and interdependent, and strategies for achieving excellence extend across program areas. The following are five objectives that I believe are common to all the activities we undertake.

- **Student involvement.** Significant involvement of undergraduate and graduate students in everything we do helps them develop and demonstrate skills. Students are one of our key products, and we want them to retain ties to the department after they graduate.
- **Innovation.** Our teaching, research, and outreach programs should be recognized by users and by our professional colleagues as creative, original, and leading the way in establishing new ways to do important things better.
- **Independence.** Our research and policy analysis must be rigorous, honest, unbiased, and reliable.
- **Access to knowledge.** We develop knowledge and provide access to it, not only for external stakeholders, but also for potential collaborators within the University.
- **Networking.** Our programs need to offer a wide range of opportunities for networking, because networking will create a community—within the University and in the world beyond—with common interests.

Staying focused on these objectives in all of our diverse programs and activities will help us continue to be a great applied economics department. I will look forward to working with faculty, students, colleagues in other departments, alumni, leaders in public and private sector organizations we serve, and other friends of the Department to achieve these objectives.

Brian Buhr is Named E. Fred Koller Chair of Agricultural Management Information Systems

The Department is proud to announce the appointment of Brian Buhr as the new holder of the E. Fred Koller Chair in agricultural management information systems. Brian is well known in the agricultural sector around the state, around the country, and around the world and has been a member of the applied economics faculty since 1992. He is widely recognized nationally and internationally for his research on the economics of electronic commerce and on the role of quality-assurance processes and information sharing in ensuring food safety.

Some of Brian's recent accomplishments are as follows. Brian developed research-based educational materials on value-added marketing and marketing contracts for the National Pork Producers Council and played a key role in assessing the competitiveness of, and developing recommendations for, the Minnesota livestock sector. In addition to his academic experience, Brian has private sector experience as well—having spent nearly a year on leave with E-Markets, an agribusiness and food

e-commerce company. And last but not least, Brian is an outstanding teacher, who uses real-world examples and experiences as the starting point for developing students' analytical skills.

In honor of Brian's appointment to the Koller Chair, the Department hosted a reception on October 27, which was attended by representatives from many of the original donor companies as well as others from industry and academia.

How the Koller Chair Was Established and Financed

The E. Fred Koller Chair was established in 1982, through gifts from the Farmers Union Grain Terminal Association (later Harvest States and now CHS, Inc.), Land O'Lakes, MSI Insurance (now Country Insurance and Financial Services), and the St. Paul Bank for Co-operatives/Federal Intermediate Credit Bank of St. Paul and the Federal Land bank of St. Paul (now AgriBank



Brian Buhr and Rob King at a reception held in Brian's honor on October 27, 2004.

FCB and CoBank). During the 1980s, the Chair endowment grew as a result of generous gifts from Burt and Marcia Sundquist and Reese and Alyce Dahl, along with a matching program from the University that was critical in making the endowment permanent. Moreover, during the 1980s, Fred Koller's widow, Ethel, made the first of her several generous contributions to the Chair. The first holder of the Chair was Rob King who held the position from 1983 until 2004, when he was appointed head of the Department of Applied Economics.

Objectives of the Koller Chair

When the Koller Chair was set up in 1982, Professor G. Edward Schuh was the department head and played a key role in working with the donor organizations, the University, and the faculty to develop a concept for the Chair that has stood the test of time—focussing on management information systems. Then as now, the objectives of the Chair are as follows.

1. To develop management information systems for managers of farms, input supply firms, cooperatives, and agricultural marketing firms.
2. To conduct research on problems faced by these firms.
3. To conduct research on the economic, political, social, and technical environment facing these firms.
4. To conduct research on the impact on society of the computer and related technological developments in the communications sector.
5. To transmit knowledge gained from these efforts through classroom teaching and extension programs.

Professor E. Fred Koller's Academic Accomplishments

Many alumni and friends of the Department will remember Fred Koller. Fred graduated from Augustana College in Sioux Falls, SD, in 1929 and began graduate studies at the University of Minnesota, where he received his M.A. in 1933 and his Ph.D. in 1938. His dissertation was on economic factors affecting efficiency in Minnesota creameries with suggestions for readjustment of the creamery industry. He joined our faculty as an instructor in 1935, was appointed assistant professor in 1940, as-

sociate professor in 1945, and full professor in 1950. He retired in 1975.

Fred's work on cooperatives, most notably on the restructuring of the dairy industry and on cooperative finance, had an enormous impact on farmer-owned cooperatives here in Minnesota. Fred was also an outstanding teacher and advisor and won the University's Horace T. Morse Award for outstanding teaching in 1972. More important than that, though, was the lasting impact he had on his students' lives and careers.

Fred Koller the Man

Fred met his wife, Ethel, when they were students at Augustana College, and the two were married in 1935. Unfortunately, Ethel died this past summer, just a few months before her 98th birthday on October 9. Nonetheless, through her remarkably generous gifts to the Chair through her estate, Ethel's—and Fred's—legacy will live on in the E. Fred Koller Chair in Agricultural Management Information Systems.



Brian with a gift he received from the Pipestone Veterinary Clinic in Pipestone, MN - a peace pipe made from genuine pipestone.

The Department Welcomes Four FEP Visiting Faculty

As part of the USDA Faculty Exchange Program (FEP), the Department recently welcomed four faculty members from Bulgaria, Russia, and the Kyrgyz Republic, who will be here from August through December 2004. This is the fifth year we have participated in this program and—as in previous years—the visiting faculty members will observe our teaching methods, develop courses to teach at their home universities, and participate in a variety of field trips at the state and national level. Here is a brief snapshot of the areas of interest of each of the four visiting faculty members.

Viola Gubaydullina

Dr. Viola Gubaydullina is professor in the Department of Taxes and Credit at Bashkir State Agricultural University in Russia. She researches how government supports agriculture, and teaches securities markets, investments, and taxes and taxation. While in the U.S., she will be studying U.S. agricultural programs—specifically, how agricultural support is taxed, how land is taxed, and the relationships between various types of land owners. She also hopes to learn more about the U.S. commodity exchange business and investment procedures in agribusiness.

Uzenbaev Rasulbek

Another FEP visitor is Uzenbaev Rasulbek, who is professor and dean of the Engineering and Economics Department at Osh Technological University (OTU) in the Kyrgyz Republic. Uzenbaev teaches accounting, economics, and auditing and also researches how accounting, economic analysis, and auditing are carried out in private companies in the Kyrgyz Republic. During his stay, Uzenbaev is attending courses on the principles of accounting, applied economics, and agribusiness finance and is preparing projects for an educational exchange between OTU and the University of Minnesota. In addition, he is assessing the U.S. credit-based education system, and collecting information about how student education at the University of Minnesota is organized.

Ekaterina Platonova

Dr. Ekaterina Platonova is from the Department of Management of Agricultural Production, which is part of the Timiryazev Agricultural Academy in Moscow. She teaches introductory courses in management, agribusiness management, management skills improvement, marketing research, and the basics of marketing. While in the Department, she is interested in learning more about agricultural marketing, marketing research, marketing management, marketing strategy, international marketing, and advertising. Her other interests include the agricultural extension system in the U.S., distance learning, and new teaching methodologies—such as the use of practical exercises, group work, case studies, business games, participatory education, and so forth.

Georgi Lachov

As senior assistant professor in the Department of Management in the Agricultural College at Trakia University in Bulgaria, Georgi Lachov teaches the fundamentals of management, the economics of animal production, and environmental economics and management. Georgi's research interests include agricultural financial management, the agricultural credit system, financial markets, and using efficient financial management techniques to value natural resources. He is also interested in how firms are valued and the relationships between the education, research, and extension systems in the U.S.

The FEP program funds overseas faculty for six months in the U.S. and also funds return visits from U.S. faculty members, who will meet with the visitors in their home universities at a later date. At the University of Minnesota, the FEP program is coordinated by John Vreyens, with the Office for International Agricultural Programs in COAFES, and, in the Department, by Glenn Pederson. During the fall semester, department members will be mentoring our visitors and working on joint, cooperative teaching and research projects.



(See article on previous page.) Faculty Exchange Program visitors
U. Rasulbek, E. Platonova, V. Gubaydullina, and G. Lachov.

Regents Professor G. Edward Schuh Honored in Brazil

The Brazilian Society of Agricultural Economics honored Regents Professor G. Edward Schuh on July 25 in the city of Cuiaba, in the state of Mato Grosso, Brazil. The national professional society created a new award, Legendary Member of the Society, to recognize lifetime contributions to the profession. Ed is the first person to receive this honor.

Ed currently has a joint appointment with the Hubert H. Humphrey Institute of Public Affairs, the Department of Applied Economics, and the Department of Economics. He served as head of our department from 1979 through 1984, and as dean of the Humphrey Institute from 1987 through 1996. In the intervening period, he was the director of Agriculture and Rural Development for the World Bank. Since 1996, he has served as director of the Orville and Jane Freeman Center for International Economic Policy at the Humphrey Institute.

Ed was recognized for his role in developing the profession of agricultural economics in Brazil, and for his efforts to develop viable institutions to serve Brazilian society. He actively participated in the consolidation of two of the first graduate programs in agricultural economics in Latin America, first at the Federal University of Vicosa (in the state of Minas Gerais) and later at the University of Sao Paulo's College of Agriculture "Luiz de Quieroz" in the state of Sao Paulo.

The statement read in his honor recognized his contribution in helping to send students to American and European universities for graduate training, and for his efforts to put nascent Brazilian agricultural economics programs on a sound financial base, with a modern perspective on economics. Many Brazilian students have studied with Ed at Purdue University and at the University of Minnesota. Through institutional development and individual mentoring, he has influenced an entire generation of students, many of whom have occupied important positions in the federal and state governments and are largely responsible for the modernization of Brazilian agriculture.

Ed was also recognized for the important role he played in creating and developing EMBRAPA, the Brazilian Federal Agricultural Research System. For example, Ed helped EMBRAPA connect with organizations around the world that finance agricultural research—such as the U.S. government, the U.S. agricultural research system, and the World Bank. In addition, Ed helped set priorities within EMBRAPA and advised hundreds of young staff members about where best to receive outstanding graduate training. Today, EMBRAPA is widely recognized in the international community as having the strongest agricultural research program in the developing world.

Reception Honoring Vernon Eidman's Service as Department Head



*Vernon Eidman next to his photo on the
Department Head wall in 119 COB.*

Ode to a Brick

Here's a brick from COB,
it's a lovely shade of maroon, as you can see.

Labor and skill set it in place,
time and harsh conditions reduced its face.

We won't draw parallels between you and it,
but there is that old saying, "If the shoe fits..."

We could spend lots of time trying to philosophize
this seemingly durable object before our eyes.

Maybe it's full of hidden portent
about how everything in life is transient.

But before this poem becomes more obtuse,
here are the instructions for the brick's real use:

When reminiscing about your time wearing the
Department Head crown,
beat your head against it when you wonder
why you stepped down.

Once the pain begins to subside,
then you will start to remember why.

On October 12, 2004 a reception was held in honor of Vernon Eidman's contributions to the department in the six years he served as Department Head, 1998-2004. As has been tradition in this department for all outgoing department heads, a photo of Vernon was hung in the department conference room, 119 Classroom Office Building. Current Department Head Rob King, Dean Charles Muscoplat, and Regents Professor Emeritus Vernon Ruttan all made comments praising Vernon's contributions. Dale Nordquist, Associate Director of the Center for Farm Financial Management, also gave Vernon a brick from our building and read the poem found in the bottom left corner of the page.

Rob King noted, "This is a remarkable group of people whose pictures hang on this wall – people who have helped shape our University and our profession. Vernon belongs in this group. As a Fellow and past President of the American Agricultural Economics Association, he has had a profound influence on our profession. As Head of this Department, he strengthened our programs and our faculty through financially challenging times, and he gained the deep respect of colleagues elsewhere in the College and the University. Vernon, we thank you for all you have done ..."



*Vernon Eidman with Regents Professor Emeritus
Vernon Ruttan and Professor Emeritus Burt
Sundquist, who are also past Department Heads.*

Undergraduate Program Plays Its Part in Student Learning Communities

The Department of Applied Economics undergraduate program is once again participating in a College initiative called Student Learning Communities (SLCs). The SLC initiative originated during the 2002–03 academic year as part of the College’s Exemplary Educational Priorities Initiative. The pilot project began in the fall of 2003 and established SLCs for students in eight programs, including our own premajors in agricultural and food business management and majors in applied economics.

Students register for two to three “courses-in-common” as well as a special first-year orientation seminar. Our majors are taking freshman composition, principles of microeconomics, and the first-year orientation course as a block of courses.

The SLCs are designed to achieve the following objectives:

- create a “sense of belonging” for first-year students in the Department and College,
- reinforce academic integration among the courses-in-common, and
- assist students with decision- and career-making skills.

Students in our orientation seminar (ApEc 1001) took the StrengthsQuest assessment this fall. Developed by Gallup, the StrengthsQuest assessment measures 34

“themes of talents” and helps individuals identify their particular theme of talents. In addition to taking the StrengthsQuest assessment, students did a number of StrengthsQuest-related in-class exercises to help them evaluate their “fit” for various careers, prepare for job interviews, and form effective study groups. The StrengthsQuest assessment program will benefit our students in two additional ways. First, it helps them identify their talents and determine how best to use and develop these talents, while at the University and after they graduate. And second, it helps them reach the University’s goals for undergraduate students in the “goal orientation” category.

The annual faculty advisor-ApEc 1001 pizza lunch is an important community-building activity for our new students. In late September all of our faculty advisors met with the 71 students in ApEc 1001 during one of the class sessions. This gives students a chance to meet their faculty advisors and learn about the faculty’s research and teaching interests. For faculty, it offers an opportunity to mingle with the new students entering the department.

SLCs are making a difference for our students. They help integrate new students into the Department and foster friendships among students that will continue all the way to graduation and beyond.

News from the Minnesota Council on Economic Education

Annual EconFest and 28th Annual Economic Education Awards Program

On October 26, 2004 the Minnesota Council on Economic Education held its Annual EconFest at the University's Coffman Memorial Union. EconFest is an opportunity to celebrate K-12 economic education, and to recognize teaching excellence and innovation. The event began at 5:30 with refreshments and displays, which offered participants a chance to learn more information about the Council's educational programs.

The Economic Education Awards Program, sponsored by 3M, honored the following five Minnesota teachers for their contributions to economic education.

Economic Educator Excellence Award

This award recognizes educators who have a sustained history of commitment and contribution to K-12 economic education.

- Gail Colbert teaches economics and chairs the social studies department at Tartan High School. Before moving to Minnesota in 1996, she was active in the Delaware Center for Economic Education. Her leadership and innovations are recognized by colleagues and students alike.

Innovative Economic Educator Awards

This award recognizes educators who create and implement innovative projects that increase K-12 economic understanding.

- Jennifer Carlson from Fridley Junior High won 1st place on the Middle School Level for her 7th grade class project, "Economic Systems Simulation," which taught the major concepts of scarcity and economic systems.
- Mark Junrod from Tartan High School won 1st place on the High School Level for his 12th grade class project, "Government Intervention in Agricultural Commodity Markets." The major concepts of this project included subsidy, price floor, price ceiling, surplus and quota.

- Dan Goodrich tied for 2nd place on the High School Level for his 12th grade project, "Making a Life-sized Demand Curve," which taught students about demand.
- Mary Jo Myers tied with Dan Goodrich for 2nd place on the High School Level for her 11th grade project, "The Great Depression: A Simulation in Economic Decision Making," which covered scarcity, decision making, opportunity cost, investing and government regulation.

The featured speaker for the event, Distinguished McKnight University Professor of Applied Economics and Law, C. Ford Runge, presented "Ending World Hunger in Our Lifetime: Food Security and Globalization."

New Associate Director for the Council

Jill M. Dalager began serving as the Associate Director of the Minnesota Council on Economic Education in December. Her focus at the Minnesota Council is to strengthen existing administrative operations and build long-term funding. Jill has a Masters degree in Museum Studies from the University of Washington in Seattle, where her academic focus was education and fund development. She has also served as the Executive Director of the Celebrate Redmond Foundation in Redmond, Washington and was the Education Manager at the Museum of Latin American Art in Long Beach, California. Jill received her Bachelors degree from the University of North Dakota and is a Minnesota native.

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The 2003 Department Publication List is available on the department homepage in PDF format at <http://agecon.lib.umn.edu/mn/publis03.pdf>.

GLOBAL PERSPECTIVES

Capital Accumulation and Economic Growth: The Case of the Retail Food Industry in Developing Countries by Terry Roe and Xinshen Diao. Advances in information technology and organizational design have allowed for the rapid expansion of modern food retail establishments, such as WalMart, in developing countries. In the case of the many countries in Latin America, the growth in market share commanded by these super markets far exceeds the super market share of the retail food market that took 20 years to attain in the case of the U.S. Just as in the case of the U.S., larger commercial farms are best at supplying produce and other foods of a quality, variety and consistency over time that these marketing channels require. But, because the adjustment is so rapid, small peasant farms cannot compete in these new marketing channels. The result is to lower the income these farms receive and to push them out of agriculture. An adjustment that occurred over a 20-30 year period in the US is occurring over a ten year period in many Latin American countries, and spreading around the world. This paper documents and studies this process and shows how the advancement of this technology can make poor farmers worse off. *American Journal of Agricultural Economics*, v.86, no.3, August 2004.

Child Nutrition, Economic Growth, and the Provision of Health-Care Services in Vietnam by Paul Glewwe, Stefanie Koch, and Bui Lihn Nguyen. This book chapter investigates the impact of household income and local availability of health-care services on children's nutritional status in Vietnam. It finds that in-

creases in household income in Vietnam account for less than half of the improvement in children's nutritional status in the 1990s. The impact of health-care services is less precisely estimated, although the availability of oral rehydration salts appears to have a positive impact. IN *Economic Growth, Poverty, and Household Welfare in Vietnam* edited by Paul Glewwe, Nisha Agrawal, and David Dollar. Washington, DC: World Bank, 2004.

Controversy About Agricultural Technology: Lessons from the Green Revolution by Vernon Ruttan.

The development and introduction of transgenically modified organisms to enhance crop and animal production has generated considerable controversy about potential food safety and environmental impacts. The introduction—in the late 1960s—of high-yielding varieties of wheat, maize, and rice in tropical Latin America and Asia was also controversial. Critics argued that the new technology was biased against the poor and would make the rich richer and the poor poorer. In this paper I review the equity and productivity impacts of the “green revolution” technology, and draw several inferences about evaluating the effects of the new biotechnologies in agricultural production. *International Journal of Biotechnology*, v.6, no.1, 2004.

Economic Growth and the Demand for Education: Is There a Wealth Effect? by Paul Glewwe and Hanan Jacoby.

Human capital investment in developing countries is thought to be significantly constrained by household resources. This paper studies the relationship between household resources and the demand for education using recent household survey data from Vietnam. The data cover the years 1993–98, when income growth in Vietnam was exceptional and secondary school enrollment rose substantially. Using consumption expenditures to measure household wealth, we find a positive and significant relationship between changes in wealth and changes in the demand for education. This wealth effect persists even after controlling for locality-specific factors such as changes in education returns, the supply and quality of schools, and the opportunity costs of schooling. *Journal of Development Economics*, v.74, no.1, June 2004.

Economic Growth, Poverty, and Household Welfare in Vietnam edited by Paul Glewwe, Nisha Agrawal, and David Dollar. This book examines the causes of economic growth in Vietnam during the 1990s and the impact of that growth on poverty and household welfare. Chapters in the book focus on a variety of more specific topics—including wages, agriculture, household enterprises, poverty, health, education, migration, and child labor. Washington, DC: World Bank, 2004.

Economic Mobility in Vietnam by Paul Glewwe and Phong Nguyen. This book chapter investigates the households' economic mobility in Vietnam during the 1990s. We find that much of the apparent mobility is due to measurement error in the household survey data. IN *Economic Growth, Poverty, and Household Welfare in Vietnam* edited by Paul Glewwe, Nisha Agrawal, and David Dollar. Washington, DC: World Bank, 2004.

The Economics Research Industry by Vincent Smith, Philip Pardey, and Connie Chan-Kang. This book chapter examines the general economics research industry and the sub-sector of agricultural economics. Historical data are presented on trends in professional economics associations worldwide along with employment and association memberships, and the awarding of graduate and postgraduate degrees in economics and agricultural economics. In addition, the changing composition of economics and agricultural economics research is examined through the prism of the allocation of space in leading journals to alternative areas of research. IN *What's Economics Worth? Valuing Policy Research*, edited by Philip Pardey and Vincent Smith. Baltimore, MD: Johns Hopkins University Press for the International Food Policy Research Institute, 2004.

Exchange Rates, Foreign Income, and U.S. Agricultural Trade by Mathew Shane, Terry Roe, and Ines Langrock. This paper focuses on estimating the effects of trade-partner income and the real trade-weighted exchange rate on U.S. agricultural exports for 13 commodity categories. The literature suggests this is a daunting task. Our estimating equations are derived from a Ramsey version of the open economy model used by others with reasonable success for a large panel of countries. Presented at the American Agricultural Eco-

nomics Association annual meeting, August 1–4, 2004, Denver, CO.

<http://agecon.lib.umn.edu/aea04/sp04sh02.pdf>

Incorporating Epidemiological Projections of Morbidity and Mortality into an Open Economy Growth Model: AIDS in South Africa by Terry Roe and Rodney Smith. HIV prevalence dynamics are introduced into a three sector, neoclassical growth model. The model is calibrated to South African national accounts data and was used to examine the potential impact of HIV/AIDS on economic growth. Our results predict that, if left unchecked, the long-run impact of HIV and AIDS could reduce South Africa's GDP by 60% (in comparison to a no-HIV scenario) and that deaths caused by AIDS will decrease the long-run stock of labor by over 60%. Presented at the American Agricultural Economics Association annual meeting, August 1–4, 2004, Denver, CO.

<http://agecon.lib.umn.edu/aea04/sp04ro02.pdf>

Introduction to Part II: Finance and Credit by Glenn Pederson and William Pyle. This paper provides a framework for understanding the issues that shape the development of financial markets in post-communist agriculture. The roles of effective supply, effective demand, and the lack of institutional mechanisms for enforcing and monitoring financial claims are considered. The merits of alternative interventions of the state in financial markets are identified as they shape the environment within which competitive rural financial markets might operate and develop in the transition economies. IN *Building Market Institutions in Post-Communist Agriculture: Land, Credit, and Assistance* edited by David A.J. Macey, William Pyle, and Stephen K. Wegren, New York, NY: Lexington Books, 2004.

An Investigation of the Determinants of School Progress and Academic Achievement in Vietnam by Paul Glewwe. This book chapter investigates the determinants of grade attainment and achievement in reading and mathematics in Vietnam. IN *Economic Growth, Poverty, and Household Welfare in Vietnam* edited by Paul Glewwe, Nisha Agrawal, and David Dollar. Washington, DC: World Bank, 2004.

Linking Early Childhood Nutrition and Health Problems to School Achievement: A Cross-Section Analysis of Grade 4 Students in Sri Lanka by Suzanne Wisniewski. This paper examines the separate impacts of early childhood nutrition and current health problems on academic achievement. Previous research has only considered either the impact of nutrition or specific health problems on academic achievement. This is the first paper to consider both measures of health in a comprehensive way. A unique cross-sectional dataset of grade 4 students in Sri Lanka allows one to deal creatively with endogeneity issues stemming from the bias created by missing variables. Specifically, controlling for school heterogeneity and parental taste for education, the results show that children affected by hearing problems, intestinal worms, and early childhood malnutrition have significantly lower cognitive skills. These results are robust to conditioning on the rate of student absence from school. In terms of policy, my major finding is as follows. If schools do not spend money improving the nutrition and health of their students, money spent on improving the quality of schools (measured in terms of returns on investment) will be wasted. Presented at the American Agricultural Economics Association annual meeting, August 1–4, 2004, Denver, CO.

<http://agecon.lib.umn.edu/aaea04/sp04wi03.pdf>

Measuring Commodity Price Volatility and the Welfare Consequences of Eliminating Volatility by Amyaz Moledina, Terry Roe, and Mathew Shane. Commodity price volatility in international markets has been used to justify numerous policy interventions, including the need for buffer stocks and counter-cyclical payments. The common measure of volatility—the standard deviation or coefficient of variation—likely overstates the actual variation faced by economic agents. By making a distinction between its predictable and unpredictable components, volatility is found to be low, suggesting that significant welfare gains may be unattainable with policy interventions designed to stabilize prices. The use of the standard deviation implies price volatility as high as 30% for certain grain markets. Removing the predictable components from this measure decreases volatility to between 0.1% and 15.9%. We find little evidence to suggest that volatility is increasing over time for all commodities. The benefits of eliminating low levels of

commodity price volatility are small, less than 1% of consumption for the majority of commodities studied. Presented at the American Agricultural Economics Association annual meeting, August 1–4, 2004, Denver, CO. <http://agecon.lib.umn.edu/aaea04/sp04mo04.pdf>

Overcoming Food Insecurity and Poverty: A CGE Analysis by Mathew Shane and Terry Roe. This paper contributes to our understanding of how about 1.1 billion of the world's poor, who live on about 2 percent of the world's income, are influenced by world economic growth. The paper shows that the poorer elements of society benefit the most from economic growth when women attain more equal access to education and labor markets. The underlying reasons are that, in most countries, women are the key decision-makers regarding fertility and the share of a household's resources that are invested in each child's health and education. Gender equity in labor and education induce households to lower fertility, while investing more resources in the health and education of each child. Presented at the 7th Annual Conference on Global Economic Analysis: Trade, Poverty, and the Environment, June 17–19, 2004, Washington, DC.

An Overview of Economic Growth and Household Welfare in Vietnam in the 1990s by Paul Glewwe. This introductory chapter reviews Vietnam's policy reforms since the late 1980s and the subsequent improvement in economic growth. The chapter also provides an overview of the results of the rest of the chapters in the book. IN *Economic Growth, Poverty, and Household Welfare in Vietnam* edited by Paul Glewwe, Nisha Agrawal, and David Dollar. Washington, DC: World Bank, 2004.

Resolving the Scale Incompatibility Dilemma in River Basin Management by Jim Perry and K. William Easter. This study illustrates how integrated river basin management can conflict with our increased emphasis on decentralizing water-resources decision-making. For over a decade, water and environmental decision-making in many countries has been shifting from national levels to state/province and local levels. At the same time we have increasingly found that it is critical to consider how individual water-resource decisions im-

pact the entire river basin. We provide detailed examples of this incompatibility dilemma from the United States and Turkey, as well as less detailed examples from Japan and Macedonia. We argue that new institutional models are required for effective river-basin management and that implementation of such models can be evaluated through the use of transaction costs. This study concludes with examples of institutional arrangements that can help bridge the incompatibility gap. *Water Resources Research*, v.40, no.9, July 2004.

Retrospective vs. Prospective Analyses of School Inputs: The Case of Flip Charts in Kenya by **Paul Glewwe, Michael Kremer, Sylvie Moulin, and Eric Zitzewitz**. This paper compares retrospective and prospective analyses of the effect of flip charts on test scores in rural Kenyan schools. Retrospective estimates suggest that flip charts raise test scores by up to 20% of a standard deviation. Yet prospective estimates, based on a randomized trial, provide no evidence that flip charts increase test scores. One interpretation is that the retrospective results suffered from omitted variable bias. If the direction of this bias were similar in other retrospective analyses of educational inputs in developing countries, the effects of inputs may be more modest than retrospective studies suggest. A difference-in-differences retrospective estimator seems to reduce bias, but it requires additional assumptions and is feasible for only some educational inputs. *Journal of Development Economics*, v.74, no.1, June 2004.

Rural-Urban Migration and Economic Growth in Developing Countries by **Sirin Saracoglu and Terry Roe**. This essay extends the standard Ramsey-type growth model to include a capital market failure and households' endogenous residency decisions in a regional, multi-sectoral environment. In this environment, households decide to migrate, or not, from rural to urban region depending not only on the income differences across regions, but also on the cost-of-living differentials per unit of expenditure per household in each region. Income differentials arise due to the following: segmentation in labor and capital markets across regions, allowing for different rates of return on these factors of production; and cost-of-living differentials stemming from the existence of non-tradeable goods in each region. We

find that segmentation in rural and urban capital markets may help explain the uneven growth across regions and the rapid rates of migration in developing countries. Presented at the 7th Annual Conference on Global Economic Analysis: Trade, Poverty, and the Environment, June 17–19, 2004, Washington, DC.

What's Economics Worth? Valuing Policy Research edited by **Philip Pardey and Vincent Smith**. Over the past 60 years, economic research has moved from the sidelines to the center of policy-making debates. Economists have devoted enormous amounts of time and energy to developing models to help decision-makers value actions and potential outcomes. They have also valued work carried out in other disciplines. It is thus rather surprising that economists have paid little or no attention to valuing their own work. This book is a collection of mostly new articles by leading economists that provide insights on the general nature of the benefits of economic research, describe potential methodologies for estimating its value, and present case studies that highlight the complexities of the issue. Baltimore, MD: Johns Hopkins University Press for the International Food Policy Research Institute, 2004.

ISSUES IN THE U.S.

Application of Total Quality Management (TQM) Systems and Programs (Deming/Juran/Six Sigma) to Lower Instructional Cost and Increase Quality of Service in Colleges of Agriculture by **Ward Nefstead and Steve Gillard**. The authors investigated TQM as a tool for lowering instructional costs and increasing the quality of instruction. The primary focus was on Six Sigma and its application methods. Isakawa diagrams were developed to address both instructional cost and revenue enhancement. Presented at the American Agricultural Economics Association annual meeting, August 1–4, 2004, Denver, CO.

<http://agecon.lib.umn.edu/aea04/sp04gi01.pdf>

Case Studies of Direct Marketing Value-Added Pork Products in a Commodity Market by **Brian Buhr**. Differentiation and branding of fresh pork products have created interest in the potential for swine producers to invest further up the pork supply chain to cap-

ture a greater share of the consumer's dollar. However, the ultimate success of producer-owned ventures will depend on their ability to identify market opportunities and execute merchandising strategies to maintain sales of a perishable and seasonally variable pork product in a commodity market environment. To better understand the competitive issues in pork marketing on a small scale, three firms already engaged in direct marketing of fresh pork products are examined and reported as case studies. *Review of Agricultural Economics*, v.26, no.2, summer 2004.

Common-Property Resource Use and Outside Options: Cooperation Across Generations in a Dynamic Game by **Nori Tarui**. With some common-property natural resources, cooperative behavior by resource users persists over multiple generations. This paper presents a non-cooperative dynamic game with overlapping generations of players using a common-property resource. The evolution of the resource stock depends on how much is harvested by the agents in each generation. This study identifies conditions under which a subgame perfect equilibrium supports an efficient, cooperative resource use. It explores how heterogeneity among the agents and changes in outside economic opportunities, affect cooperation in the commons. Presented at the American Agricultural Economics Association annual meeting, August 1–4, 2004, Denver, CO. <http://agecon.lib.umn.edu/aea04/sp04ta05.pdf>

Corporate Tax Declines Are Cause for Concern by **C. Ford Runge and Rebecca Otto**. First, the alarm sounded over corporate tax shortfalls did not come primarily from politicians (who have been largely silent). Second, none of the excuses for reduced tax revenues offered by the Chamber of Commerce lobbyists are specific to Minnesota. Third, Minnesota business leaders should, like Warren Buffett, be glad to pay their fair share of taxes as profits roll in. And fourth, whether the Foreign Operating Corporation is the primary culprit in draining away corporate tax revenue, can only be determined by facts gathered by legislators and the public, not through opinions rendered by paid lobbyists for the many corporations who have taken advantage of a loophole that Minnesota cannot afford. *St. Paul Pioneer Press*, v.156, no.119, August 24, 2004.

Dairy Grazing Economics by **Margot Rudstrom, et al.** This poster presented production and return comparisons of grazing and non-grazing dairies in Minnesota from 2000 through 2003. Net returns per cow and per hundredweight of milk sold were higher on grazing dairies in each of the four years. IN *American Forage and Grasslands Council Proceedings*, Roanoke, VA, June 13–16, 2004.

Economic Analysis of Using a Border Treatment for Reducing Organophosphate Use in Seed Potato Production by **Kent Olson, Thaddee Badibanga, Edward Radcliffe, Matthew Carroll, Ian McRae, and David Ragsdale**. Recent research shows initial colonization of potato fields by winged green peach aphid is concentrated at field edges. This suggests that insecticides applied only to field margins during initial colonization would largely eliminate a colonizing aphid population, conserve natural enemies in the field center, and reduce insecticide use. To better understand the costs and benefits of reducing organophosphate use, the six participating growers were interviewed to ascertain their reason for participating and their satisfaction with the border-only treatment method as well as their estimated net economic benefits. Staff paper P04-8. <http://agecon.lib.umn.edu/mn/p04-08.pdf>

ECR and the Importance of Collaboration for Supermarkets by **Frank Dooley, Maud Roucan, and Robert King**. Current industry trends suggest that collaboration and advanced information technology are essential for successfully managing supply-chains. In this paper, which focuses on food retailers, we studied how supply-chain factors—as well as store characteristics, market characteristics, and competitive position—affect sales productivity and labor efficiency. Presented at the American Agricultural Economics Association annual meeting, August 1–4, 2004, Denver, CO. <http://agecon.lib.umn.edu/aea04/sp04do02.pdf>

Electricity Restructuring and the Environment by **Stephen Polasky**. Recent debates on deregulating electric power generation have centered on questions of reliability and prices but there are potentially important environmental issues as well. One controversial environmental issue is whether to have renewable resource

standards that require a certain percentage of power generation be produced from renewable power sources. This chapter details the debate in the Clinton administration over this—and other—electricity generation issues. IN *Painting the White House Green: Rationalizing Environmental Policy Inside the Executive Office of the President* edited by Randall Lutter and Jason F. Shogren. Washington, DC: Resources for the Future, 2004.

A Framework for Estimating the Transaction Costs of Alternative Mechanisms for Water Exchange and Allocation by Laura McCann and K. William Easter. Alternative mechanisms for water transfers will differ in the types of transaction costs incurred as well as in their magnitudes and incidence. This article presents a framework for including transaction costs as well as transfer costs in the evaluation of alternative mechanisms. The work on measurement of transaction costs associated with water markets has underestimated these costs by only focusing on the costs incurred once a market exists. The framework presented here also includes the costs associated with the issues involved with incorporating transaction costs in the overall assessment of the efficiency of water allocation mechanisms. While the costs involved with the final transaction are relatively easy to measure, those involved with the initial information gathering, policy enactment, and design and implementation of a formal market mechanism are rarely documented. Similarly, it is much easier to measure transaction costs after the policy is implemented; however, it is necessary to predict costs to inform decision-making and improve policy design. *Water Resources Research*, v.40, no.9, July 2004.

Grazing Dairies Can be Profitable by Margot Rudstrom. Some dairy producers are using management-intensive rotational grazing (MIRG) systems, where dairy cows are moved to fresh pasture after every milking during the grazing season. Dairy farmers who need to replace or modernize aging facilities, and farmers who want to enter the dairy industry are looking at MIRG as an alternative dairy-production system. Annual milk production per cow, however, is typically 25 percent less in a MIRG system than in a dairy confinement system. Using farm financial records in Minnesota, comparisons be-

tween grazing and confinement dairies showed that grazing dairies had higher direct costs and lower overhead costs than confinement dairies every year from 2000 to 2003. The lower overhead costs offset the lower milk production, resulting in higher net returns on the grazing dairy farms in each of the four years we studied. IN *American Forage and Grasslands Council Proceedings*, Roanoke, VA, June 13–16, 2004, v. 13.

The Impact of Organizational Form on Producer Contracting Decisions by Kimberly Zeuli and Robert King. A variable that has not yet been considered in the contracting literature is the impact of agribusiness organizational form on producers' contracting decisions. Contracts with cooperatives are more complicated decisions for producers than a standard marketing contract with non-cooperatives, because of the requisite membership capital investment in a cooperative. Thus, contracting with cooperatives requires producers to make a dual supply and investment decision. In today's market, individual membership equity holdings in all agricultural cooperatives are increasing and are most substantial in the value-added, new-generation cooperatives. In our study, portfolio theory is used to analyze producers' decisions in an uncertain environment, when contracting with three alternatively structured value-added processing organizations, namely: 1) a traditional cooperative, 2) a new-generation cooperative, and 3) an investor-oriented firm. *Canadian Journal of Agricultural Economics*, v.52, no.2, July 2004.

Modeling Productivity in Supermarket Operations: Incorporating the Impacts of Store Characteristics and Information Technologies by Robert King and Timothy Park. Data from the 2003 Supermarket Panel are used to estimate a supermarket production function with weekly gross margin as the output measure, and store selling area and total labor hours as variable inputs. The model also includes productivity shifters describing format and service offerings, store ownership structure, unionization, and whether the supermarket has adopted new information technologies and related business practices. The null hypothesis of constant returns to scale cannot be rejected. Increases in ownership-group size, warehouse and supercenter formats, unionization of the workforce, and adoption of vendor-managed in-

ventory, and a frequent-shopper program are all associated with significantly higher productivity. *Journal of Food Distribution Research*, v.35, no.2, July 2004.

A New Summary Measure of the Effective Tax Rate on Investment by Roger Gordon, Laura Kalambokidis, and Joel Slemrod. The past literature investigating taxes on capital income provides a striking contrast between papers that report very high effective tax rates on new investment—with the accompanying distortions—and others that report very low additional tax revenue compared with a tax that does not at all distort savings and investment decisions. The very low reported revenue from existing taxes could imply that past measures of effective tax rates may be biased upwards. This paper develops a new approach to measuring the effective tax rate based on the net revenue collected from taxing capital income. This new measure captures the effects of several complications that, in practice, have been omitted from effective tax rates derived with traditional methods. IN *Measuring the Tax Burden on Capital and Labor* edited by Peter Birch Sorensen, Cambridge, MA: MIT Press, 2004.

<http://papers.nber.org/papers/w9535.pdf>

Spatial Yield Risk Issues: Comparing Yield Risk Across Region, Crop, and Aggregation Method by Michael Popp, Margot Rudstrom, and Patrick Manning. Crop yield risk analysis is difficult because historic field-level yields are often not available. Spatially aggregated yield data are available, however, but aggregation distortion for farm-level analysis may exist. This paper addresses how much aggregation distortion to expect and offers some adjustment solutions across crops and production regions. Presented at the American Agricultural Economics Association annual meeting, August 1–4, 2004, Denver, CO.

<http://agecon.lib.umn.edu/aea04/sp04po01.pdf>

Supermarket Characteristics and Operating Costs in Low-Income Areas by Robert King, Ephraim Leibtag, and Ajay Behl. Some hypothesize that poor consumers pay more for food, because stores that serve them have higher costs. We assess how supermarket characteristics and operating costs differ with the percentage of sales from food stamp redemptions. Results

do not support the hypothesis that costs are higher for stores serving the poor. Presented at the American Agricultural Economics Association annual meeting, August 1–4, 2004, Denver, CO.

<http://agecon.lib.umn.edu/aea04/sp04ki02.pdf>

Toward a Consumption Tax and Beyond by Roger Gordon, Laura Kalambokidis, Jeffrey Rohaly, and Joel Smelrod. In this paper we investigate the extent to which the U.S. income tax system of 2004 collects tax on capital income, and the implications of extending tax-preferred savings accounts. We do so by applying a methodology originally proposed in Gordon and Slemrod (1998) who used it to study the 1983 U.S. tax system. The methodology estimates how much tax is collected on capital income by calculating how much tax revenue would change, if the tax system were modified to exempt income from capital in present value. Specifically, we did this by 1) adopting what the Meade Committee Report (1978) called an “R-base tax,” and 2) by leaving tax rate structure and tax incentives unchanged. The difference between actual revenue and revenue under this alternative tax system is a measure of how much tax on capital income is collected under current law. *American Economic Review*, v.94, no.2, May 2004.

Water Markets and Third-Party Effects by Jean-Marc Bourgeon, K. William Easter, and Rodney Smith. This paper examines the potential effects of water trading on the service sector of a rural economy. The economy earns income producing an irrigated agricultural product and a non-agricultural (service) good, and possibly by selling water. Among other things, we show when none of the water income leaves the region (no income flight), water trading enhances regional welfare. We then show if income flight is “large enough”, water trading has the opposite effect. Albeit, even under income flight, if the income flight problem is not too serious, water trading will enhance regional welfare. Presented at the American Agricultural Economics Association annual meeting, August 1–4, 2004, Denver, CO, 2004. <http://agecon.lib.umn.edu/aea04/sp04bo04.pdf>

REGIONAL TOPICS

Calculating Wetland Easement Payments Using Alternative Land-Value Data: A Case Study of the U.S. Fish and Wildlife Service Small Wetland Acquisition Program in the Prairie Pothole Region by **S.D. Schultz** and **Steven Taff**. Estimates of average values for land surrounding wetland easements were higher when published county-level land-value data was used in place of comparable sales-based appraisals—by 11% in North Dakota and South Dakota, and by 22% in Minnesota. The differences were smallest for tracts dominated by cropland rather than pastureland in North Dakota, but the reverse was true in South Dakota. Using county land-value data as a basis for easement payment offers would have increased overall expenditures for the Fish and Wildlife Service Small Wetland Acquisition Program by 9% in North Dakota, 11% in South Dakota, and 22% in Minnesota. These increases would have been at least partially offset by associated reductions in the cost of conducting site-specific appraisals. *Journal of Soil and Water Conservation*, v.59, no.3, May/June 2004.

Cropland Rental Rates Reported in Minnesota Farm Business Summaries and Extension Surveys for 2003 and Earlier Years by **William Lazarus**. This report summarizes the cropland rental expenses that the participating farms reported paying per acre in 2002 and 2003, for cropland in cash-rented corn grain, spring wheat, and soybean enterprises. The average rent paid statewide in 2003 by FINBIN farms was \$83/acre, which was up five percent from 2002's \$80. The data in this report were generated, in part, as a test to determine whether it would be worthwhile building a rental report capability directly into the FINBIN website for future use. University of Minnesota Extension Service 2004. http://www.apec.umn.edu/faculty/wlazarus/rent_finbin.pdf

Employment Growth and Commuting Patterns in Rural Labor Markets by **Elizabeth Davis** and **Fantu Bachewe**. We estimate a county-level labor market model for Minnesota in order to decompose employment growth into labor force, commuting, and unemployment changes. Preliminary results suggest that 1990–

2000 employment growth was accommodated by increased in-commuting and labor-force growth—with in-commuting more important in metro than in rural counties. Presented at the American Agricultural Economics Association annual meeting, August 1–4, 2004, Denver, CO. <http://agecon.lib.umn.edu/aaea04/sp04ne02.pdf>

FINBIN 2003 Minnesota Farm Financial Update by **Dale Nordquist**. The approximately 2500 Minnesota farms included in the FINBIN database represent a broad cross-section of Minnesota production agriculture. While most would agree that there is no “typical” Minnesota farm, these farms include a large enough sample to provide a good barometer of commercial farming in Minnesota. If any group is over-represented, it is probably the mid-sized family farm, the group that most experts feel is being squeezed hardest by competitive economic forces. With this caveat, this paper takes a look at the current financial condition of these farms at the end of 2003 and examines trends over the eight years for which statewide FINBIN data is available. University of Minnesota Center for Farm Financial Management, 2004. <http://www.finbin.umn.edu/Pubs/2003MinnesotaFarmFinancialUpdate.pdf>

Integrating Extension Materials in an Existing Course: Example of ApEc 3821 (Retail Center Management) by **Ward Nefstead**. Teaching entrepreneurship in college courses is becoming more commonplace. The author reports on the integration of extension entrepreneurship materials (Project Mainstreet) into an existing retail management course at the University of Minnesota. This integration resulted in an actual web-based business. Presented at the American Agricultural Economics Association annual meeting, August 1–4, 2004, Denver, CO. <http://agecon.lib.umn.edu/aaea04/sp04ba14.pdf>

Minnesota Farm Real-Estate Sales: 1990–2003 by **Steven Taff**. This report is a summary of the data contained on the farmland sales portion of the Minnesota Land Economics (MLE) web site (<http://www.apec.umn.edu/landeconomics>) as of April 29, 2004. It is formally reissued each spring, as new sales data become available. The present document consists largely of graphs and tables summarizing sales over

the past fourteen years. It provides averages at the multi-county region and at the statewide levels of aggregation. Individual transaction data are available for downloading and analysis at the MLE web site. Staff paper P04-7. <http://agecon.lib.umn.edu/mn/p04-07.pdf>

Modal Shifts from the Mississippi River and Duluth/Superior to Land Transportation by Jerry Fruin and Keith Fortowsky. Proposals to close the Minneapolis Upper Harbor and convert the area to housing, light industry, and recreational uses, would eliminate the barge movement of commodities to/from the Upper Harbor. Several proposals have assumed that this would also eliminate associated freight movement through this area of Minneapolis. However, there would still be a need to move materials such as sand and gravel, cement, steel products, and other construction materials into Minneapolis; and scrap metals from Minneapolis. Truck movements of grain, fertilizer, and other commodities from/to northwest Minneapolis would be rerouted to downstream harbors. This study estimates the monetary and public externality costs imposed by this “modal shift” from barge to truck—including haulage costs, differences in fuel consumption, changes in air emissions, highway congestion impacts, highway accident impacts, and changes in highway maintenance requirements. Minnesota Department of Transportation, Office of Research Services, 2004.

<http://www.lrrb.gen.mn.us/PDF/200428.pdf>

Pupil Transportation: The Impact of Market Structure on Efficiency in Rural, Suburban, and Urban School Districts in Minnesota by Sheryl Lazarus and Gerard McCullough. This paper presents a cost function for the pupil transportation industry in Minnesota. In-house provision of transportation was not shown to be more costly than outsourcing. Large contractors may seek the most profitable contracts in urban and suburban areas, while showing little interest in contracting opportunities in rural school districts. Presented at the American Agricultural Economics Association annual meeting, August 1–4, 2004, Denver, CO.

<http://agecon.lib.umn.edu/aaea04/sp04la07.pdf>

Where Child Care Is Above Average? Licensing, Legislation, and Indicators of Quality of Care in Minnesota by Deborah Ceglowski and Elizabeth Davis. Despite Minnesota’s reputation for quality child care, recent changes in legislation and the impact of changing needs have raised concerns about the quality of child care available in the state. The paper presents an overview of Minnesota’s current child-care system including structural indicators of program quality such as licensing standards, staff wages, turnover, educational level, and program accreditation. The current situation is characterized by high levels of staff turnover, low wages, low levels of program accreditation, and increasing numbers of variances for child-care licenses—all of which are disadvantages to providing high-quality child care to Minnesota’s children. Efforts to decrease turnover—by paying higher salaries and increasing staff educational levels with tuition vouchers—are explored. We find that there are a number of ways in which states can support quality child care, but stricter licensing standards are not likely to be sufficient by themselves. *Early Education and Development*, v.15, no.3, July 2004.

Working in Minnesota: Parents’ Employment and Earnings in the Child-Care Assistance Program by Marcie Jeffreys and Elizabeth Davis. The cost of child care can be a major barrier to employment for low-income workers with children. To support parents who otherwise might not be able to work, the Child-Care Assistance Program (CCAP) provides financial subsidies for low-income working parents and for those in transition from welfare to employment. The primary objective of this study is to increase our understanding of the impact of child-care subsidies on the employment rates of low-income families. This study examined the industry employment patterns of CCAP working parents in four Minnesota counties—Anoka, Becker, Brown, and Hennepin Counties. Analyzing the types of employment common to these families helps policymakers understand the conditions and constraints faced by poor working families and families moving off welfare. This study also provides information about the impact of child-care assistance on local economies by showing which sectors employ disproportionately more CCAP working parents. Minnesota Child Care Policy Research Partnership, 2004.



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