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Market Demand for Dairy Products *Edited by S R Johnson, D Peter Stonehouse, and Zuhair Hassan Ames Iowa State University Press, 1992, 310 pages, $19 95*

Reviewed by Olan D. Forker

This book contains more than the title implies It goes well beyond demand for dairy products It contains a wealth of information about demand analysis, including alternative theories and methods of analysis, market demand studies for various dairy products, and the impact of generic advertising on the demand for commodities

A collection of 15 papers by 23 authors (from the United States, Canada, New Zealand, Australia, the Netherlands, and England), the book evolved from a 1985 workshop by the International Dairy Federation in Ottawa, Canada "The theme of this workshop dealt with the applications of and experiences with econometrics and other modeling techniques for demand analysis, forecasting, and policy evaluation in the dairy industries of IDF member countries " The purpose of the book is to "provide an up-to-date information base on recent and prospective developments in the theory and empiricism of consumer demand " The editors claim that their book is intended for two groups (1) academicians, researchers, and students, and (2) industry participants and advisers in developed and developing countries The book is a good reference for both groups The chapters on theory and methodology serve as useful references for graduate students and professionals doing demand analysis of any food or food system The authors evaluate and discuss tradeoffs in using alternative demand models and estimating techniques The discussions on consumer demand theory, data sources, and measurement issues are especially useful

Teklu and coauthors discuss basic consumer demand theory and compare various empirical demand systems using household production theory and market demand systems Buse presents alternative data sources that are available for demand analysis, comparing the strengths and weaknesses of each source in relation to its appropriateness for demand studies Schrimper discusses measurement issues and points out the need to avoid erroneous inferences by thoroughly understanding the nature and source of the data being used

The chapters that contain research results provide information about the impact of prices, advertising, and government policy on the demand for dairy products Griffith and others describe and analyze dairy policy in five milk-producing regions—Australia, Canada, the European Community, New Zealand, and the United States They discuss each region's intervention measures and their effects on demand for milk and milk products Cluff and Stonehouse provide a good discussion of the unique quantitative requirements for analyzing the demand for dairy products in Canada, a supply-managed industry

Haidacher furnishes estimates of the demand structure for dairy products in the United States Various estimates of price, income, and demographic relationships are evaluated Hallberg shows estimates of the demand structure on manufacturing milk in the United States

The incorporation of advertising into demand analysis has become important as large sums of money are now invested in commodity advertising and promotion programs Several chapters are useful to those interested in generic advertising Chang and others conclude that it is possible to explicitly incorporate advertising effects into complete demand systems Cox develops a general framework for including advertising in demand analysis Critical of past research, he calls for a "more rigorous and systematic evaluation of the research rules of thumb that we inherit and maintain to operationalize demand theory for more than motivating consumption as a function of price and income " The reviewer strongly supports this call Two studies, one for butter (Goddard) and one for fluid milk advertising (Goodard and others) provide examples of empirical estimation of the impact of generic advertising on demand

This book collects a wealth of easy-to-read information about theoretical and methodological issues in demand analysis Authors effectively use studies of dairy product demand to illuminate the structure of demand for dairy products

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