



Quarterly Report

**to USDA Rural Development
Agricultural Marketing
Resource Center (AgMRC)**

October 1, 2007 – December 31, 2007

Submitted by Iowa State University, Kansas State University
and the University of California.

Center for Agricultural and Rural Development (CARD)

Iowa State University

First Quarter Report

October 1, 2007 to December 31, 2007

Goal #1

Create and promote an electronic, Web-based library with powerful search capabilities to make value-added information and other resources available to producers (includes web site development and functions). Provide electronically available information and resources on value-added markets and industries including a wide variety of commodities and products (this includes the Commodities/Products and Markets/Industries sections of the Web site).

No activity for this quarter.

Goal #2

Provide value-added business and economic analysis tools, including information on business principles, legal, financial and logistical issues (information contained in the Business Development section of the Web site).

No activity for this quarter.

Goal #3

Conduct research and analysis on economic issues facing producers involved in value-added business ventures (this includes research activities on all topics included at the Web site).

Research Papers

Dong, Fengxia. "Food Security and Biofuels Development: The Case of China." CARD Briefing Paper 07-BP 52, Iowa State University, October 2007.

Goal #4

Conduct outreach activities to disseminate the research and information assembled and developed under the previous three goals. These activities are designed for producers, producer groups, businesses and others involved in value-added agriculture (this includes all outreach activities of the Center including workshops, seminars, newsletters and other delivery methods including individual client requests for specific information).

Newsletter and Other Articles

Babcock, Bruce A., Ofir Rubin, and Hoglin Feng. "Is Corn Ethanol a Low-Carbon Fuel?" Iowa Ag Review 13 (4):1-3, 10 (Fall 2007).

Hart, Chad E. "Blending: Ethanol's New Growth Sector." Iowa Ag Review 13 (4):8-10 (Fall 2007).

Presentations

Babcock, Bruce A. Biofuels outlook presentation to the American Seed Trade Association Meeting, Chicago, IL, December 6, 2007.

_____. "Impact of Corn-Based Ethanol on Grain, Oilseed & Livestock." Presentation at the Global Networking Symposium on BioEnergy: BioFuels Beyond, Calgary, Alberta, Canada, November 13-14, 2007.

_____. "Current Drivers, Accomplishments, and Challenges." Presentation at Growing the Bioeconomy: Science and Policy for Next Generation Biorefining, the 2007 Biobased Industry Outlook Conference, Ames, IA, November 5-6, 2007.

_____. Overview of the impact of biofuels on feed prices presented to the Professional Dairy Managers of Wisconsin, Madison, WI, October 31, 2007.

_____. "Accounting for GHG Emissions from the Agronomic Phase of Corn Ethanol." Presentation at a meeting of the Global Bioenergy Program Taskforce, U.S. State Department, Washington, DC, October 9, 2007.

_____. "Biofuel: Its Future and Its Impact on the Environment." Presentation at The Intersection of Energy and Agriculture: Implications of Biofuels and the Search for a Fuel of the Future." Presentation at conference sponsored by the Giannini Foundation of Agricultural Economics, Energy Biosciences Institute, The Farm Foundation, and USDA's Economic Research Service, University of California-Berkeley, October 5, 2007.

_____. "Food Prices." Invited guest on The Diane Rehm Show, live broadcast on National Public Radio, October 2, 2007.

Feng, Hongli. "Mitigating Global Climate Change." Presentation at Growing the Bioeconomy: Science and Policy for Next Generation Biorefining, the 2007 Biobased Industry Outlook Conference, Ames, IA, November 5-6, 2007.

Hart, Chad. Participant in Regional Bioenergy Impacts Project Scoping Meeting, Madison, WI, December 18-19, 2007.

_____. "Consequences of Biofuels Economy on Animal Production." Presentation at the 2007 Swine Disease for Practitioners Conference, Ames, IA, November 9, 2007.

_____. Participant in panel discussion, "The Ethanol Effect on the Beef Industry," at the Beef Quality Summit, Omaha, NE, November 8, 2007.

_____. Feed grains and ethanol outlook presented at the Iowa Egg Industry Symposium, Ames, IA, November 7, 2007.

_____. "Economic Sustainability of the Biobased Products Industry." Presentation at Growing the Bioeconomy: Science and Policy for Next Generation Biorefining, the 2007 Biobased Industry Outlook Conference, Ames, IA, November 5-6, 2007.

_____. "Bottlenecks, Drought, and Oil Price Shocks: Impact on U.S. Ethanol and Agriculture." Presentation at the Minnesota Economic Association meetings, St. Paul, MN, October 26, 2007.

_____. "Bottlenecks and Oil Price Spikes: Impact on U.S. Ethanol and Agriculture." Presentation at the Department of Agricultural Economics, Kansas State University, Manhattan, October 5, 2007.

_____. "Let's Talk About Ethanol." Presented at ISU Farm Management Field Specialist In-Service, Ames, IA, October 2, 2007.

Hayes, Dermot.

_____. "Biofuels in an International Context: Security and Trade." Presentation at Growing the Bioeconomy: Science and Policy for Next Generation Biorefining, the 2007 Biobased Industry Outlook Conference, Ames, IA, November 5-6, 2007.

_____. Presentation on ethanol impacts at the inaugural American Feed Industry Association Executive Leadership Summit, Dana Point, CA, October 19, 2007.

Iowa State University Extension

Iowa State University

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The Web site generated more than 13.1 million hits from October through December and more than 391,182 combined visits during that period. The site averaged 130,394 visits per month and 4,256 visits per day. Each month saw an average of 42,620 downloaded files from the site.

Updated Commodities & Products

The following pages were updated: alpaca, American eel, blood red oranges, buckwheat, cellulosic ethanol, commodity apples, chufa, cotton, cuphea, elk, floriculture, goats for fiber, goats for meat, industrial hemp, maple syrup, Midwest wine pages, meadowfoam, organic corn, organic lamb, peppers, pomegranates, popcorn, raspberries, solar power, soyfood, sweetcorn, turtles and wool.

AgMRC Web site Changes Planned

Staff continued work on proposed changes to the AgMRC Web site. A contract was established with Global Reach to review the AgMRC code and suggest improvements, as well as continue modifications to the existing site. The code review has been completed. The recommendation was to update the content management system to a newer management application to avoid potential gaps in server support and upgrades. The new content management system application to manage the website will be available in June 2008. Content will be ported to the new system at that time and all URLs will remain the same. The new CMS system will allow for additional newsletters and news lists to be managed much more efficiently.

In the meantime, a few minor tweaks will be made to the organizational structure. The left-hand navigation will be modified through Global Reach. This new structure will feature a "Hot Topics" section to highlight topics currently in the news and an "AgMRC Toolbox" to highlight specific feasibility and outlook tools developed for the site.

Goal #2

Provide value-added business and economic analysis tools, including information on business principles, legal, financial and logistical issues (information contained in the Business Development section of the Web site).

Plans were made for making a special section for Renewable Fuels on the AgMRC site. Specific materials that were prepared during this period for future inclusion on the site are:

- Development of an economic model of a typical ethanol plant to track monthly profitability.
- Tracking ethanol futures prices and basis by state.
- Tracking ethanol future prices versus gasoline prices
- Tracking the quantity of corn needed to meet the existing, under construction and planned ethanol expansion.
- Tracking price paid by ethanol plants for corn by state.
- Tracking price received for wet distiller's grains and dry distillers grains by state.

Other improvements in Business Development section of the site include:

- 1) Revision of the entire Business Development homepage and subsections
 - Each subsection is now linked directly from homepage
 - Subsections contain links to information articles and decision making tools
 - *Creates better ease of navigation*
- 2) Revision of the Success/Failure Analysis section
 - New Information Article: *Farmer-owned Processing Business Success Factors*
- 3) Revision of Intellectual Property section
 - New Information Article: *Trademark Searches as Risk Management*
- 4) Revision of Agritourism section
 - Linked 7 information files
- 5) Revision of the Travel Expense decision tool
- 6) Revisions to the Ethanol Webcast section
- 7) Edited numerous external links to correct broken web links

Goal #3

Conduct research and analysis on economic issues facing producers involved in value-added business ventures (this includes research activities on all topics included at the Web site).

Mary Holz-Clause and Reg Clause began research and work on case studies of the following businesses:

- Sunmaid
- Lodi Valley Vinter's Association
- United Western Dairies
- Pedroncelli Vineyards
- Teldeschi Vineyards

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Conduct outreach activities to disseminate the research and information assembled and developed under the previous three goals. These activities are designed for producers, producer groups, businesses and others involved in value-added agriculture (this includes all outreach activities of the Center including workshops, seminars, newsletters and other delivery methods including individual client requests for specific information).

Trade Show Promotions/Outreach

Staff attended and manned a booth at numerous trade shows to continue development of a user base. The following table represents programs, events and outreach either funded by AgMRC, designated by a * or represented AgMRC as match dollars through staff time and travel dollars.

Oct. 4	Iowa State Extension Office Assistant Conference	Ames, IA	Craig Tordsen exhibited and presented on AgMRC.
Oct. 9	Iowa State Extension Technology Showcase	Ames, IA	AgMRC represented by Connie Hardy and Christa Hartsook.
Oct. 10-11	Iowa State Extension Annual Conference	Ames, IA	Hartsook exhibited and presented on AgMRC.
Oct. 21-23	Distillers Grains Conference	Schaumburg, IL	Hardy represented AgMRC.
Oct. 24-26	National FFA Conference	Indianapolis, IN	Marsha Laux and Patty Gibler exhibited on behalf of AgMRC.
Nov. 5-6	Biobased Industry Outlook	Ames, IA	Tordsen and Ray Hansen exhibited on AgMRC.
Nov. 19	Iowa Organic Conference	Ames, IA	Margaret Smith represented AgMRC.
Dec. 7	Iowa Farm Bureau Federation Annual Trade Show and Conference	Des Moines, IA	Tordsen, Hansen and Bob Mortensen exhibited on behalf of AgMRC.

Client Requests

Staff researched and responded to 122 e-mailed questions this quarter.

During this quarter there were a total of 81 toll free phone inquiries to AgMRC from 17 States including Alabama, Arizona, Colorado, Delaware, Illinois, Iowa, Louisiana,

Minnesota, Mississippi, New York, Ohio, Pennsylvania, South Dakota, Texas, Vermont, Washington and Wisconsin. Each call was assisted by directing them to Web site resources for information, forwarded to specialists for additional assistance or provided answers to clients.

Additional Public Relations

The fall issue of the AgMRC Action newsletter was distributed via e-mail and made available online. The newsletter is sent bi-monthly to a list of 2,000 names comprised of producers in value-added agriculture, service providers, media and others. Each newsletter consists of an article from one of the partnering organizations in AgMRC, a state profile to give a snapshot of value-added agriculture in certain areas, new research and other updates added to the Web site in the past month, a value-added agriculture business profile and a calendar of upcoming value-added agriculture events.

Features in the newsletter included energy agriculture series regular value-added agriculture news and web updates to www.agmrc.org.

Additionally, AgMRC received positive press this past quarter. Articles appeared in the *Wall Street Journal*, *Iowa Farmer Today*, *Wallace's Farmer*, and broadcasts on Iowa farm radio.

Kansas State University

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Responded to 14 requests for information on various commodities
Completed the ancient grains profile

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We began work (with Don Hofstrand) on an ethanol publication looking at commercialization of various technologies. Staff began research looking at alternative cooperative restructuring efforts and began looking at aquaculture logistics for value added producer groups with UPS (with University of Florida).

Staff began looking at regionalization of local farm supply cooperatives within CHS (with Montana State University) and began analysis of Tree Top cooperative and educational programs in Oregon, Washington, and Idaho (with Washington State University, Idaho State University, and Oregon State University).

Analysis was started on Sunkist's new strategy campaign for California cooperatives (with University of California) and on Cass Clay Creamery and AMPI restructuring (with North Dakota State University).

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Staff began looking at branding by denomination of origin to see exactly how producer cooperatives are able to control supply.

KSU completed analysis of distiller's grain usage in Iowa and Kansas in cattle feedyards.

We began a survey on genetically modified pasta market and consumer attitudes and completed analysis of value-added producer grant program.

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Director development programs were held in California, Illinois, and Minnesota.

Plans are underway for programs in Indiana, Pacific Northwest and California.

Agricultural Issues Center University of California

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Writing of summaries of our research findings (see Goal 3) and their postings on the website has been ongoing. In addition UC AIC worked on creating a dairy profile for the website.

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Commodity Profiles (Hayley Boriss, Christopher Gustafson, Daniel Sumner and Marcia Kreith, University of California)

The first draft of a new Dairy profile has been developed and is nearly ready for review.

The Measure of Agriculture and the Contribution of Agriculture to the Economy
(Daniel Sumner, Hayley Boriss, Henrich Brunke, Marcia Kreith, Kurt Richter, Omid Rowhani and Laurie Treacher, University of California)

Because of high interest in the content of Chapter 5, "Agriculture's Role in the Economy," we have prepared an e-mail summarizing findings and announcing website availability.

Agricultural Exports (Omid Rowhani, Daniel Sumner, Laurie Treacher, Marcia Kreith University of California)

The issues brief on our study of California international agricultural exports in 2006 awaits completion of formatting.

Government Programs, Market Power and International Trade (Sanggon Jeon and Daniel Sumner, University of California)

Regional data was collected and analysis undertaken to determine the degree of market power of domestic processors in the Korean dairy market.

Healthy Food for Residents of Low-Income Neighborhood (Karen Jetter, University of California and Diana Cassady, University of California, Davis)

The object of this project is to determine if making fresh produce available in convenience stores in low-income neighborhoods will result in significant purchases of those items by residents of the neighborhood. An article on the study submitted to the journal *Health Promotion* is still under review. Another article that focuses on the sales of locally grown produce is also under revision.

Direct Economic Effects of a Policy to Provide Government Subsidized Price Discounts for the Purchase of Fruit and Vegetable by Current Food Stamp Recipients (Karen Jetter, University of California)

This research project is evaluating the direct benefits and costs to U.S. consumers and producers from changes in prices, consumption and production of a policy to offer government price discounts on fresh fruit and vegetable to food stamp recipients nationwide. The rationale for cost effective policies that lead to higher consumption of fruit and vegetable is they may have a significant impact on the incidence of obesity and chronic disease among persistent food stamp recipients. Because targeted assistance has been shown to be more efficient at bringing about dietary changes than more general assistance programs, a targeted food assistance program such as price discounts on fruit and vegetable may provide substantial benefits to low income consumers. Providing price discounts of 25% also directly benefit food stamp consumers through lowering the prices that they pay for fruits and vegetables. However, a price discount may cause equilibrium market prices to rise for fruits and vegetables, benefiting growers, but making other consumers worse off.

This study uses a market model of the U.S. fruit and vegetable industry to estimate the benefits and costs to consumers, growers and taxpayers. Results were finalized and the project completed during this period.

Effects of Agricultural Policies on Obesity (Julian Alston and Stephen Vosti, University of California, Davis and Daniel Sumner, University of California)

Further extending this project, the researchers prepared for and participated in several conferences. Among these, Steve Vosti gave an invited presentation at the 2007 McGill Health Challenge Think Tank "Ways Forward Toward 'Health-Friendly' Local and Global Food Chains" in Montreal, Canada, November 8-9, 2007. The title of his talk was "Health Impacts of Agriculture and Trade Policies and the Economic Impact of Health Policies on Agriculture and Trade."

Work continued on a draft Giannini Monograph. In addition, an *AIC Brief* and an article for the *Agricultural and Resource Economics Update* were drafted. Both are for non technical audiences. "Farm Subsidies and Obesity in the United States," by Julian M. Alston, Daniel A. Sumner and Stephen A. Vosti has now been published in *Update* (Vol. 11 No. 2, Nov/Dec 2007) and will be made available on the AgMRC website next quarter.

Effects of Agricultural Policies on Obesity: Increasing Access to Fruit and Vegetables (Julian Alston, Steve Vosti, Lucia Kaiser, and Virginia Chaidez, University of California, Davis and Daniel Sumner, University of California)

The focus of this study is to increase fresh fruit and vegetable consumption by Latina mothers and toddlers in the Sacramento, California area. Work on the survey has continued. The researchers also continued developing plans to extend the survey.

Collective Action and Marketing Orders (Julian Alston and Richard Sexton, University of California, Davis)

Alston and Sexton prepared presentations for the Cal/Med Consortium workshop in Sonoma, California and participated in the workshop discussions. In addition, Alston has developed a new research project on the subject.

Economics of Traceability and Food Safety (Sébastien Pouliot and Daniel Sumner, University of California)

This report period the authors finalized a draft paper on food traceability to preserve the reputation of an industry. Preliminary results on “*Traceability and Incentives for Food Safety and Quality: Implications for Mediterranean Crops*” were presented by Pouliot and Sumner at the Cal-Med workshop in Sonoma, California. After further refining the results, Pouliot shared the findings at an industrial organization seminar, November 14 at the Department of Agricultural Economics, University of California, Davis.

In addition, Pouliot gathered price and quantity data on the beef industry in Canada from a variety of sources. The research plan is to use these data to estimate the costs and benefits of the traceability regulation in the Province of Québec that has been in effect since 2002. The econometric results may then enable an estimation of the costs of the National Animal Identification System in the United States.

Grapevines of Innovation: Diffusion of Innovations in the Wine Industry

(Calanit Bar-Am and Jonathan Barker, University of California and Rolf A.E. Mueller, Universität Kiel)

This quarter the output data obtained from the questionnaires sent to wineries has been cleaned and analyzed. One hundred and twenty-eight wineries answered the questionnaire. The study objectives are to explain why wineries have or have not adopted ozone sanitation technology. A report on the study results and conclusions has been drafted and is undergoing internal review.

Economic Effects of Climate Change on the Wine Industry (Calanit Bar-Am and Daniel A. Sumner)

Additional weather data has been collected and a review of the literature is ongoing.

Hedonic Wine Pricing Study Using experimental Methods (Christopher Gustafson and Daniel Sumner, University of California)

Gustafson first developed and refined a protocol for pre-experiment work to determine the order in which to release information in the laboratory experiment. Then, after refining experimental scripts for both the laboratory experiment and the field experiment, he worked on additional documents related to the research and experiments, including questionnaires, wine knowledge quizzes, and methods to be used to test the research hypotheses. He also continued to read about the issues surrounding wine purchase decisions and refine ideas about experiments that could elucidate the different forces affecting wine purchase.

Also this quarter, Sumner and Gustafson had several meetings with representatives from Nugget Markets to discuss conducting field experiments in the wine section of their store. They have received preliminary approval of their proposed research plan, pending notification of the corporate office. A follow up meeting suggests that corporate officials are willing and interested in the results of the study.

Wine Pricing and Government Policies (Henrich Brunke, Université catholique de Louvain, Belgium; Daniel Sumner, University of California; and Rolf Mueller, Christian Albrecht University, Kiel, Germany)

Reporting further on their AgMRC study, Brunke and Mueller prepared and gave a presentation "Competitive Impacts of Regulations in 'Old World' and 'New World' Wine Industries" at a symposium on food and agricultural marketing organized by Daniel Sumner at the AAEA meetings in Portland, Oregon on July 30.

Wine Quality, Quantity and Taxes (Rachael Goodhue and Jeffrey LaFrance, University of California, Davis and Leo Simon, University of California, Berkeley)

At the same AAEA symposium in Portland on food and agricultural marketing, Goodhue, LaFrance and Simon gave a presentation, "Returns to Aging: The Effect of Taxes on Quality and Quantity when Quality is a Function of Time."

What Determines the Wine Price? The Significance of American Viticultural Areas (AVAs) in U.S. Wine. (Hyunok Lee, University of California, Davis and Oh Sang Kwon, Seoul National University)

The first draft of the paper, "What Determines the Wine Price? The Significance of American Viticultural Areas (AVAs) in U.S. Wine," is completed. The paper will be submitted to an academic journal for publication. Short versions of the paper, summarizing the study results, are being prepared. These are intended for publication for the general audience such as in *California Agriculture* and as an *AIC Issues Brief*.

Solano County Agriculture Futures Project (Kurt Richter, University of California; Al Sokolow, Human and Community Development Department, University of California, Davis; and Carole Paterson, University of California Cooperative Extension, Solano County) The final two reports of the Solano Project were completed in December 2007. The reports were, "Regulating, Protecting and Promoting Local Agriculture: Lessons from other California Counties" and "The Future of Solano County Agriculture: What County Government Can Do."

During this quarter, the Solano Project research team gave presentations at six meetings: Solano County Agricultural Advisory Committee (October 4 and November 14), Solano County Citizens Advisory Committee to the General Plan Update (October 29, November 26 and December 10) and the Solano County Economic Development Summit (December 13).

Agritourism and Value-added Attributes (Kurt Richter, University of California)

Work continued on this project to develop a case study of the successful evolution of the Apple Hill region in El Dorado County, California, from commodity pear production to a agricultural tourism location.

Pollinators (Hayley Boriss and Daniel Sumner, University of California and Antoine Champetier de Ribes, University of California, Davis)

A draft paper addressing previous research and new estimations for valuing pollination services in the U.S. was developed and is now under review. In addition, the researchers continued to work on examining the economic feasibility of wild pollinator habitat as an ecosystem service. A meeting was held with industry representatives to discuss pollination of almonds in California. Work also continued on the larger pollination market study estimating a demand function for pollination services in California.

Another research aspect explored the conflict between seedless mandarin growers in California and beekeepers who place their bees in nearby citrus orchards during bloom. The undesired pollination results in seedy mandarins, which are of lesser value than seedless.

Food Safety, Wild Pigs and Governmental Policies (Marcia Kreith and Daniel Sumner, University of California)

Wild pigs are suspected as one possible source for the deadly September 2006 *E. coli* O157:H7 disease outbreak traced to consumption of California spinach grown in San Benito or Monterey counties. Livestock, deer and other wildlife also pose risks of disease transmission comparable to that by wild pigs. This study gathered and summarized information available on economic and environmental impacts from wild pigs in California and on disease surveillance of wild pigs. It summarized relevant state regulations and identified conflicting policy concerns. During this report period Kreith wrote *AIC Issues Brief* No. 33, "Wild Pigs in California: The Issues," which will be available online next quarter.

Market Organization, Resources and Finance in "Mediterranean" Crops. (Daniel Sumner and Hayley Boriss, University of California; Richard Sexton, Julian Alston, Sébastien Pouliot and Cloe Perrin, University of California, Davis)

Because of similar moderate climate, California grows many of the same crops that Mediterranean countries do. In October, economic researchers and agribusiness representatives from the two continents discussed issues of mutual interest. Among the papers prepared for discussion at the three-day workshop were those by Richard Sexton (producer organizations in Europe and California session), Daniel Sumner (sustainability and wine markets session) and Sébastien Pouliot (traceability, food safety and product attributes session). Since the workshop, Hayley Boriss and Cloe Perrin have gathered data and reviewed the literature with intent of clearly defining what is meant by the terms "Mediterranean region," "Mediterranean agriculture," and "Mediterranean crops."

Reducing Market Risk for Specialty Crops

AIC's AgMRC researchers prepared a number of papers for distribution to participants who attended a conference in November organized by the UC Davis Small Farms Center. The contributed papers: Rachel E. Goodhue and Leo K. Simon, "Agricultural Contracts and Risk Management;" Daniel A. Sumner, "The Emerging Farm Bill and California Agriculture: How is it Shaping Up?" and Bradley J. Rickard and Daniel A. Sumner, "Examining EU Policies Applied to Processing Tomatoes."

In addition Henry An, Rachael Goodhue and Leo Simon completed an initial draft of a paper entitled "Meeting Quality Requirements Using Contracts: Bonuses, Penalties and Input Provision."

Biofuels (Daniel Sumner and Hayley Boriss, University of California and Hyunok Lee, University of California, Davis)

Sumner and Lee have participated in several events on the UC Davis campus where they summarized the economics of biofuels. Boriss gathered data and land rental rates and county field crop acreage and prepared slides for Sumner's presentations on ethanol.

Traceability Adoption: Specialty Crop Producers (Bradley J. Rickard, California Polytechnic State University, San Luis Obispo and Zachary J. Stuller, Dresick Farms, Inc., Huron, California)

Rickard and Stuller will publish a paper in the spring issue of the *Journal of Agribusiness* titled "Examining Traceability Adoption among Specialty Crop Producers in California." The paper is based on their study that utilizes responses obtained from surveys which they mailed in the first half of 2006 to specialty crop producers in California, predominantly grower-packer-shippers, to better understand why traceability systems have been adopted. Costs to establish a representative tracing system in a melon operation were also collected. Results suggest that for melon growers, concerns about litigation and firm reputation are the key drivers for maintaining a traceability system.

Export Markets and California Agriculture: Understanding the Implications of Trade Barriers Applied to Citrus Products (Bradley J. Rickard, California Polytechnic State University, San Luis Obispo and Daniel Sumner University of California)

This research will assess the economic effects of potential changes in global trade barriers for fresh citrus producers and exporters in California. During the first six months of the project the researchers worked on (1) Reviewing policies applied to the global citrus sector including EU domestic policy instruments, tariffs barriers and levies, and non-tariff barriers that restrict trade, such as phytosanitary measures; (2) Collecting data describing the applied policies; assessing potential paths for policy reform and developing policy alternatives; and (3) Developing a simulation model to assess the impact of policy reform. Most of the time was spent learning about, and documenting, the trade barriers, including various phytosanitary barriers that California exporters of fresh citrus face. Current plans are for the simulation model to include five key producing and consuming regions and four fresh citrus products. Sixty trade barriers will be quantified for inclusion in the simulation model. Key industry contacts at the Citrus Research Board, California Citrus Quality Council, California Citrus Mutual and Sunkist have agreed to as liaison to the project.

Dietary Recommendations and Producer Benefits (Bradley J. Rickard and Jana Gonsalves, California Polytechnic State University, San Luis Obispo)

Extending some earlier work that was done by Jetter and Sumner at the UC AIC, Jana Gonsalves and Bradley Rickard have completed a second round of revisions for, and resubmitted a paper for publication titled "How would compliance with dietary recommendations affect revenues for agricultural producers?" Their analysis decomposes seven dietary plans into recommendations for 15 nutrients. The nutrient recommendations are subsequently combined with nutrient composition shares to simulate the revenue implications for selected agricultural products. Based on current consumption patterns in

the United States, they find that compliance with Harvard's Healthy Eating Pyramid yields the greatest benefits across the agricultural products examined.

Processing Tomatoes and EU Policies Products (Bradley J. Rickard, California Polytechnic State University, San Luis Obispo)

Bradley Rickard is also preparing seminars for the World Processing Tomato Council and the European Ag Economists Association that will happen during summer 2008; he will examine the impacts of introducing the Single Farm Payment to processing tomatoes in the EU.

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Materials Made Available for Print and/or Online Posting during this Quarter (partial listing)

This quarter Roberta Cook made available for AgMRC posting her November update of a PowerPoint presentation, "Trends in the Marketing of Fresh Produce and Fresh-Cut Products," but we have not had time to reformat and send it.

Outreach Talks

Henrich Brunke and Rolf Mueller gave a presentation "Competitive Impacts of Regulations in 'Old World' and 'New World' Wine Industries" at a symposium on food and agricultural marketing organized by Daniel Sumner at the AAEE meetings in Portland, Oregon on July 30, 2007. At this same symposium, Rachael Goodhue, Jeffrey LaFrance and Leo Simon presented "Returns to Aging: The Effect of Taxes on Quality and Quantity when Quality is a Function of Time."

October 4, 2007. Solano Project research team presentation to the Solano County Agricultural Advisory Committee.

Oct 29th: Solano Project research team presentation to the Solano County Citizens Advisory Committee to the General Plan Update.

"Health Impacts of Agriculture and Trade Policies and the Economic Impact of Health Policies on Agriculture and Trade," was the title of Steve Vosti's presentation at the McGill Health Challenge Think Tank "Ways Forward Toward 'Health-Friendly' Local and Global Food Chains" in Montreal, Canada, November 8-9, 2007.

On November 3, 2007, Hyunok Lee and Daniel Sumner participated in a UC Davis Extension short course on bioenergy systems that aimed to educate the general public and the industry on bioenergy related issues.

Dan Sumner spoke to a group of UFW leaders about trade, the Farm Bill and specialty crops and safety on November 8, 2008 when they visited the Davis campus.

Also meeting with the UFW leaders on November 8, Roberta Cook gave a presentation on vegetable retailing, trade with Mexico and food safety.

Presenting on issues related to U.S. biofuels economics, on November 13, Hyunok Lee participated in a round table discussion on biofuels and renewable energy organized at UC Davis to provide a briefing for Brazilian representatives interested in issues related to U.S. biofuel development.

Roberta Cook led a lively discussion of industry representatives and academics on the topic "Do the Poor Pay More?" The November 13 discussion was part of the UC Center for Fruit and Vegetable Quality's event, "Increasing Fruit and Vegetable Consumption. Is it a Matter of Taste?"

November 14, 2007. Solano Project research team presentation to the Solano County Agricultural Advisory Committee.

November 26, 2007. Solano Project research team presentation to the Solano County Citizens Advisory Committee to the General Plan Update.

On November 27 Bradley Rickard gave a seminar to the National Bargaining Council's Annual Meeting in Seaside, California. He spoke on the topic "EU Agricultural Policy and the Implications for U.S. Specialty Crops.

December 10, 2007. Solano Project research team presentation to the Solano County Citizens Advisory Committee to the General Plan Update.

December 13, 2007. Solano Project research team presentation to the Solano County Economic Development Summit.

Ask a Specialist Resource

Marcia Kreith responded to three questions received by AgMRC. Hayley Boriss responded to two questions.