



Quarterly Report

to USDA Rural Development
Agricultural Marketing Resource Center
(AgMRC)

January 1, 2008 – March 31, 2008

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

Center for Agricultural and Rural Development (CARD) Iowa State University

Second Quarter Report

January 1, 2008 to March 31, 2008

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).

Financial resources provided for Goal #3: \$6,286

Research Papers

Baker, Mindy L., Dermot J. Hayes, and Bruce A. Babcock. "Crop-Based Biofuel Production under Acreage Constraints and Uncertainty." CARD Working Paper 08-WP 460, Iowa State University, February 2008.

Clemens, Roxanne. "Steady Supplies or Stockpiles? Demand for Corn-Based Distillers Grains by the U.S. Beef Industry." MATRIC Briefing Paper 08-MBP 14, Iowa State University, Ames, March 2008.

Feng, Hongli, Ofir D. Rubin, and Bruce A. Babcock. "Greenhouse Gas Impacts of Ethanol from Iowa Corn: Life Cycle Analysis versus System-wide Accounting." CARD Working Paper 08-WP 461, Iowa State University, February 2008.

McPhail, Lihong Lu, and Bruce A. Babcock. "Ethanol, Mandates, and Drought: Insights from a Stochastic Equilibrium Model of the U.S. Corn Market." CARD Working Paper 08-WP 464, Iowa State University, March 2008.

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).

Financial resources provided for Goal #4: \$2,095

Newsletter and Other Articles

Babcock, B.A. "When Will the Bubble Burst?" *Iowa Ag Review* (14)1: 1-3, 8.

Carriquiry, Miguel, and Bruce A. Babcock. "A Billion Gallons of Biodiesel: Who Benefits?" *Iowa Ag Review* (14)1: 6-8.

Clemens, Roxanne. "Steady Supplies or Stockpiles? Dried Distillers Grains and U.S. Beef Production." *Iowa Ag Review* (14)1: 4-5, 11.

Hart, Chad E. "The Outlook for Corn and Ethanol." *Iowa Ag Review* (14)1: 9-10.

Marette, Stéphan, Roxanne Clemens, and Bruce A. Babcock. "EU-U.S. Conflict at the WTO" (in French). *Courrier de la Panète*, No. 83, January-March 2007.

Presentations

Babcock, Bruce A. "Greenhouse Gas Impacts of Ethanol from Iowa Corn" (co-authored with Hongli Feng and Ofir Rubin). Presented at life cycle analysis workshop sponsored by USDA's Office of Chief Economist and Farm Foundation in Miami Beach, FL, January 28-29, 2008.

_____. Briefing on biofuels to the Senate Ag Committee, Des Moines, IA, February 7, 2008.

_____. "Situation, Outlook, and Some Key Research Questions Pertaining to Biofuels." Presented to the NC-1034 Regional Research Group, Washington, DC, March 7, 2008.

Hart, Chad E. "Grain, Oilseed, and Biofuel Outlook." Presented at ProAg meeting, Harlan, IA, January 18, 2008.

_____. "Farm Bills and Energy Acts." Presentation for the ISU Farm Financial Planning Program, Ames, IA, January 29, 2008.

Hayes, D.J. Hayes. "Biofuels and Market Outlook." Presented at Ft. Dodge Animal Health Feedlot Conference, Davenport, IA, January 18, 2008.

_____. Presentation on ethanol at the Minnesota Pork Producers meeting, North Mankato, MN, January 29, 2008.

_____. "Biofuels Effects on Global Food Production." Presented at the Purchasing and Ingredient Supplier Conference (PISC), Las Vegas, NV, March 6, 2008.

Kling, Cathy. "Biofuels and Water Quality in the Midwest: Corn vs. Switchgrass as Feedstocks." Presented at the Iowa Water Conference, Ames, IA, February 27, 2008.

Yu, Edward. "An Analysis of the Optimal Location for U.S. Ethanol Industry: A Preliminary Estimate" (co-authored by Frank Fuller). Presented at the Issues and Impacts of the Biofuels Industry session at the 2008 Annual Transportation Research Forum, Ft. Worth, Texas, March 17 – 19, 2008.

Energy Biosciences Institute, The Farm Foundation, and USDA's Economic Research Service, University of California-Berkeley, October 5, 2007.

Iowa State University Extension

Iowa State University

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The Web site generated more than 14.5 million hits from January through March and more than 422,584 combined visits during that period. The site averaged 140,861 visits per month and 4,643 visits per day. Each month saw an average of 49,112 downloaded files from the site.

Updated Commodities & Products

During this time, the following 51 pages were updated: alligators, amaranth, bioprocessing, bioreactors, celery, ducks and geese, English walnuts, hay, hunting leases, kosher industry, manure digester, sawdust, sesame, sweet potatoes, switchgrass, trout, agritourism, avocado, bees, catfish, cheese, commodity lamb, dairy goats, mushrooms, olives, international pork, rural weddings, teff, almonds, apples you pick, online apple ordering, beef marketing to Latinos, camelina, canola, Christmas trees, cotton, equine agritourism, fee and lease pond fishing, flax, game birds, international lamb markets, nature-based tourism, organic apples, pistachios, commodity pork, natural pork, quinoa, white corn, wine industry and wine tours.

New profiles on hazelnuts and on pennycress were also developed.

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, minor tweaks will be made to the organizational structure. The lefthand 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:

- Revision of the entire Business Development homepage and subsections
- Revision of the Success/Failure Analysis section
- Revision of Intellectual Property section
- Revision of Agritourism section
- Revision of the Travel Expense decision tool
- Revisions to the Ethanol Webcast section
- 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 continued work on case studies of the following businesses:

- Sunmaid
- Lodi Valley Vinter's Association
- United Western Dairies
- Pedroncelli Vineyard & Winery
- F. Teldeschi Winery

Holz-Clause placed two of the new case studies on the AgMRC Web site:

- [Pedroncelli Vineyard & Winery](#) - Located in Geyserville, California, this winery has been family owned and operated since 1927 and offers a large variety of wines sold throughout the United States.
- [F. Teldeschi Winery](#) - This winery, nestled in Sonoma County's wine country, is a family-owned business that sells 95 percent of their grapes to local wineries in the area with the remaining grapes used to produce small quantities of their high-quality wine sold throughout the world.

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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 or represented AgMRC as match dollars through staff time and travel dollars.

Date	Event	Location	AgMRC Participant
1/3-13/08	Study trip	Ecuador	Margaret
1/11	IGQI Advisory Committee mtg	Iowa State, Ames, Iowa	Connie, Ray
1/11-12	PFI Annual Conference	Des Moines, Iowa	Madeline
1/24-25	Iowa Fruit and Vegetable Growers	Marshalltown, Iowa	Margaret
1/24-25	Midwest Value-Added Conference	Eau Claire, Wisconsin	Dan, Madeline
1/25-26	Overall Women Conference	Coralville, Iowa	Connie, Marsha
2/1-2	INCA	Cedar Rapids, Iowa	Madeline
2/2-4	Midwest Grape and Wine Conference	Osage Beach, Missouri	Craig
2/8-9	Iowa Wine Growers Annual Conference	Ankeny, Iowa	Craig
2/12	Food Safety	Iowa State, Ames, Iowa	Connie
2/14-16	Cold Climate Grape and Wine Conference	Bloomington, Minnesota	Craig
2/15-20	North American Farmers' Direct Marketing Association Conference	Wisconsin Dells, Wisconsin	Malinda
2/17-21	43 rd Croatian and 3 rd International Symposium on Ag	Croatia	Dan
2/19	Leopold New Grantee mtg	Iowa State, Ames, Iowa	Christa
2/21-22	USDA Ag Outlook Forum	Arlington, Virginia	Reg, Craig, Madeline
2/21-23	MOSES Organic Farming Conference	LaCrosse, Wisconsin	Margaret

2/24-3/8	Cochran visitors from Ukraine	Washington, D.C.; Nashville, Tennessee; Iowa State, Ames, Iowa	Madeline
3/1-2	Commodity Classics Conference	Nashville, Tennessee	Madeline
3/2-4	National Farmers Union Conference	Las Vegas, Nevada	Ray
3/11	Leopold Marketing Workshop	Iowa State, Ames, Iowa	Ray and Connie
3/12-14	Holistic Management Workshop	Ames, Iowa	Margaret
3/15	Visit Iowa Farms	Iowa State, Ames, Iowa	Marsha, Christa, Malinda
3/25-27	SARE 20 th Anniversary Conference	Kansas City, Missouri	Ray
3/26	Extension Professional Development Day	Iowa State, Ames, Iowa	Madeline, Connie, Dan, Marsha, Christa, Bob, Craig, Diane, Malinda, Sue

Client Requests

Staff researched and responded to 106 e-mailed questions this quarter, including five questions pertaining to switchgrass and 21 requests for newsletter subscriptions.

During this quarter AgMRC received a total of 103 toll-free phone inquiries from 21 states including Arizona, California, Delaware, District of Columbia, Florida, Georgia, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nevada, New York, North Carolina, Pennsylvania, South Carolina, Vermont, Virginia, and West Virginia. Each caller was directed to Web site resources for information or forwarded to specialists for additional assistance.

Additional Public Relations

The spring 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 an article on the rising popularity of farmers' markets; a biomass article, another in the energy agriculture series; hired farmworkers and immigration reform; regular value-added agriculture news; and web updates to www.agmrc.org.

Additionally, AgMRC received positive press this past quarter. Articles appeared in the *Farm Bureau Spokesman*, *Iowa Department of Tourism e-traveler*, *Iowa Farmer Today*, *USA Today*, *Wallace's Farmer* and broadcasts on Iowa farm radio.

Kansas State University

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Responded to 18 requests for information on various commodities
Began profile on Mexican and Hispanic foods (draft completed)

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We completed work (with Don Hofstrand) on an ethanol publication looking at commercialization of various technologies. Staff completed drafts of research looking at alternative cooperative restructuring efforts (in review at the present time).

Staff completed three cases during this time period: the case looking at regionalization of local farm supply cooperatives within CHS (with Montana State University), the case of Tree Top cooperative and educational programs in Oregon, Washington and Idaho (with Washington State University, Idaho State University and Oregon State University) and the case of Sunkist's new strategy campaign for California cooperatives (with University of California).

Staff also finished the 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.

After finishing a survey on the genetically modified pasta market and consumer attitudes, we completed a draft report.

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

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

Agricultural Issues Center University of California

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UC AIC staff continued writing summaries of their research findings (see Goal 3) and posting them on the website. In addition, we worked on new Dairy and Wine profiles for the website.

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

Hayley Boriss drafted a new Dairy profile, which awaits editing, and began revision of the Wine profile.

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)

This quarter, several press releases summarized AIC's findings in "Agriculture's Role in the Economy," with the result that we have responded to members of the press and several state agencies that requested further data or interpretation.

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 has been completed. It will be sent for posting on the AgMRC website in the near future.

Trade-Weighted Exchange Rate Indices (Daniel A. Sumner and Thomas Rosen-Molina, University of California)

Rosen-Molina constructed trade-weighted exchange rate indices for almond, wine and grape juice imports and exports. He then collated the indices into PowerPoint slides used by Sumner when he addressed the California Farm Bureau Conference.

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

The empirical data collected by Jeon has been analyzed and an estimate of the Korean fluid-milk market made. The researchers are currently drafting a paper.

Korean Sliced-Cheese Market: Analyzing Data through Natural Experiments (Sanggon Jeon and Daniel Sumner, University of California)

Extending the study on government programs, market power and international trade, Jeon and Sumner have drafted a paper measuring the degree of market power of domestic processors and retailers in the Korean sliced-cheese market, using the shifts in their marginal costs and corresponding changes in wholesale and retail prices. They analyzed the domestic and international shocks that affect marginal cost of processors or retailers. Their findings show that domestic Korean retailers have a quite large degree of market power, while domestic processors have a small degree of market power.

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

“Farm Subsidies and Obesity in the United States,” by Julian M. Alston, Daniel A. Sumner and Stephen A. Vosti (*Update* (Vol. 11 No. 2, Nov/Dec 2007) has been made available on the AgMRC website this quarter.

Effects of Agricultural Policies on Obesity: Increasing Access to Fruit and Vegetables

(Virginia Chaidez, Lucia Kaiser, Micki Stewart, Steve Vosti, and Julian Alston, University of California, Davis and Daniel Sumner, University of California).

The focus of this study is on the factors that influence the health and nutritional status of Latina mothers and toddlers participating in the WIC program in the Sacramento, California area. Special attention is paid to toddler feeding practices and to the consumption of fresh fruits and vegetables by toddlers. Data collection has nearly concluded, and data cleaning and preliminary analyses are underway.

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

This quarter the researchers developed a simple theoretical model of traceability for cattle. The model will be used to test hypothesis on the benefits and costs of the current traceability system for cattle in the Province of Québec in Canada. The econometric results may then enable an estimation of the costs of the National Animal Identification System in the United States. In addition, Pouliot began reviewing the literature to estimate the benefits or costs of implementation, and he commenced analysis of data on the Canadian cattle industry. He is now estimating the gains of cattle traceability in the Province of Québec.

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)

Analysis of the ozone sanitation technology survey data is making good progress. First-round data analysis is expected to be completed by the middle of April.

Wine and Trade: EU Wine Policy Reform and Market Implications for California Wine

(Henrich Brunke, formerly at University of California, and Rolf A.E. Mueller, Kiel University, Germany, and Daniel A. Sumner, University of California.)

A second draft of an issues brief on this study has been written and formatted and sent for critique by an industry representative.

Sustainable Winegrowing Practices (Daniel A. Sumner and Calanit Bar-Am, University of California)

Sumner and Bar-Am commenced this project to gather and analyze the costs and benefits of selected sustainable winegrape growing practices identified in the California Sustainable Winegrowing Program. The practices include grassed filter/buffer strips, perennial hedgerows, sprinkler, drip and micro-irrigation technologies and grassed alleys and roads. Starting with a literature review, including previous studies on costs of adopting such practices, Bar-Am has since drafted a relevant bibliography, met with growers and talked with suppliers of “sustainable” equipment. A draft report is well underway.

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

Work is progressing on this project.

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

Gustafson met with the wine director and general manager of the Covell location of Nugget Supermarket in Davis, CA and received permission to document their wine selection. He has since photographed and created a database of all their wines originally priced at ten dollars or more and has investigated the wine labeling laws of foreign countries represented in the wine department. This quarter he recruited panelists to be trained for the sensory analysis panel and has been programming the software (FIZZ) he will use for the sensory analysis and for the field experiment.

Wine Industry Evolution

An article in the general audience magazine, “California Agriculture,” describes how the California wine industry is growing and changing amidst a global revolution in grape growing, wine production, wine marketing and consumer tastes. It is written by AIC’s collaborators Rachael Goodhue, Richard Green, Dale Heien and Philip Martin. “California wine industry evolving to compete in 21st century.” California Agriculture 62(1):12-18 January-March 2008 on the California wine industry.

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)

We are continuing to provide information useful to public policy decisionmakers in Solano County. The Solano County Board of Supervisors asked AIC to develop a special case study of the potential impact of California Delta Habitat Restorations on eastern Solano County. The project utilized a geographical information system based map of agricultural production and value generation to measure the potential economics of habitat restoration on Solano County agriculture. The report was submitted to Solano County on March 15, 2008.

Regional Agricultural Models (Kurt Richter and Dan Sumner, University of California)

Based on the success of the Solano Agricultural Futures Project, AIC has been asked to submit a proposal to the Yolo County Board of Supervisors to develop agricultural economic regions within their county to better focus local agricultural support policies.

In addition, the Sacramento Area Council of Governments, a regional transportation infrastructure coordinating agency for Sacramento, Yolo, Yuba, Sutter, El Dorado and Placer Counties, has approached AIC to develop a regional agricultural model. The model will focus on the connecting regional economies of scale in agricultural processing and parcel-level agricultural production. The model will also examine the potential of developing short supply chains between local production and urban food consumption.

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

Center researchers continued work on the pollination markets' study and updated data with the most recent figures. In addition, they began a beekeeping cost study. They gathered data on beekeeping costs and for the seedless-citrus issues we are examining. Pursuant the seedless citrus issues we are examining, Perrin commenced draft bioeconomic modeling of bee and citrus cross-pollination. Boriss attended a seminar on pollination by native bees and the National Beekeeping Conference and made calls to beekeepers for information. The first draft of valuation of pollination services in the United States has been completed.

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

Marcia Kreith's report, "Wild Pigs in California: The Issues," was posted on the web this quarter (*AIC Issues Brief* No. 33). One result of our study is that at the invitation of the California State Veterinarian, Kreith has participated in several interagency meetings whose objective is to identify feasible solutions/responses to the expanding wild pig population and the problems they pose in California.

Definition and Extent of Mediterranean Agriculture (Daniel Sumner and Hayley Boriss, University of California and Cloe Perrin, University of California, Davis)

Staff continued to gather world data and completed draft analysis on Mediterranean (and non Mediterranean) agriculture for review. The draft paper, which includes tables and maps, details the Mediterranean regions throughout the world and the type of agriculture produced there. It

provides specific analysis on countries that compete with California agriculture and compares with the non Mediterranean region.

Traceability Adoption: Specialty Crop Producers (Bradley J. Rickard, California Polytechnic State University, San Luis Obispo and Zachary J. Stuller, Dresick Farms, Inc., Huron, California)
Work continued to progress on this project.

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)
Work continued to progress on this project.

Processing Tomatoes and EU Policies Products (Bradley J. Rickard, California Polytechnic State University, San Luis Obispo)
Bradley Rickard has continued preparing materials for seminars at the World Processing Tomato Council and the European Ag Economists Association that will occur during summer 2008; he will examine the impacts of introducing the Single Farm Payment to processing tomatoes in the European Union.

Grocery Retail Price Variation and Farm-Retail Price Transmission: Evidence from Scanner Data for Avocados (Lan Li, Richard Sexton and Hoy Carman, University of California, Davis)

Significant changes have occurred in the food retail sector due to the emergence of new store formats and the increased prevalence of large retail chains. Understanding retailer pricing behavior is critical to the assessment of retailer market power. Through the cooperation of the California Avocado Commission (CAC), these researchers assembled a unique and comprehensive dataset of weekly retail prices and volume sales for avocados for in retail chains across 38 retail markets in 26 states/regions in the United States. They have been working on writing papers on their findings.

Their findings suggest that retailers' costs are not a primary factor determining the prices set at retail. Shipping prices represent a major portion of retail prices for avocados, but variations in shipping prices contribute marginally to explaining variations in retail prices. Patterns of variation in shipping prices for avocados are distinctive from those of retail prices. The correlations between retail prices and shipping prices are low, movements of retail prices and shipping prices are disparate, and distributions of retail prices and shipping prices are dissimilar. In addition, there is rather strong evidence that shipping prices and retail prices were significantly lower as a function of amount of avocados imported from Chile and Mexico. Because only about one-third of reduced shipping prices were passed on to consumers, grocery retailers have been a primary beneficiary of trade liberalization for avocados.

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

Dan Sumner and Hyunok Lee participated in a roundtable Skype discussion on modeling land use change impacts of future transportation fuels. Other participants in the roundtable convened

by the UC Davis Institute of Transportation Studies included representatives from the California Air Resources Board, U.S. Department of Energy, U.S. EPA, and USDA.

The Economic Effects of the Proposed California Ballot Initiative Establishing Space Requirements for Egg Layers. (Thomas Rosen-Molina and Daniel A. Sumner, University of California)

This project examines the potential economic impact of a proposed California ballot initiative that calls for the replacement or modification of existing cages with alternative systems, with the intended purpose of improving the welfare of egg-laying hens. Our objective is to estimate the overall economic impact on the California egg industry and the statewide economic effects that may result from producers' reactions to the initiative's passage. For example, producers may comply with the new space requirements by lowering cage density or they may shift production to totally cage-free environments and attempt to market their products in this specialty market. On the other hand, they may simply relocate their production to another state or leave the industry altogether. These various scenarios will have statewide direct and indirect effects on egg sales, producers' incomes and jobs in related industries. To understand the magnitude of the gains and losses that could result if the initiative is passed, an economic model of the industry will be constructed. This quarter Rosen-Molina and Sumner researched industry statistics to develop an understanding of producers' costs and examined cost-comparative studies that were carried out in Europe. They also visited two egg-laying operations and are in correspondence with representatives of several firms, government agencies and poultry/animal welfare specialists.

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

"Trends in the Marketing of Fresh Produce and Fresh-cut Products," an updated version (November 2007) of a September presentation by Roberta Cook was prepared and sent for posting on the AgMRC website this quarter.

"Farm Subsidies and Obesity in the United States" by Julian M. Alston, Daniel A. Sumner and Stephen A. Vosti. November/December 2007.

Wild Pigs in California: The Issues. Marcia Kreith. *AIC Issues Brief* No. 33, December 2007.

"Market Power in the Corn Sector: How Does it Affect the Impacts of the Ethanol Subsidy" by Tina L. Saiton, Richard J. Sexton and Steven E. Sexton. February 2008. This replaced an earlier report by these authors on the benefits of the ethanol subsidy.

A copy of “Minimum Quality Standards, Industry Self Regulation, and Economic Welfare” has been made available for the AgMRC website by the authors Tina L. Saitone and Richard Sexton but awaits final formatting.

Events Calendar:

March 26-27, 2008

2008 Niche Meat Marketing Conference

Stanislaus Agricultural Center, Modesto CA

Sponsored by University of California Cooperative Extension

Outreach Talks

Roberta Cook gave a presentation, "Fresh Produce Marketing Trends: Growth in Value-Added Produce," to the Ag Leadership Program when first-year participants visited the UC Davis campus on January 8, 2008.

Also addressing the Ag Leadership Program participants on January 8, Dan Sumner gave an overview of the Farm Bill as it relates to California agriculture.

Energy, biofuels and trade: implications for ethanol importing region was the topic of Dan Sumner’s presentation to the IATRC January 7-9, 2007 in Washington, DC. He presented findings from the AgMRC-supported study that he and Hyunok Lee had prepared.

The Economic Outlook for California Agriculture” was the title of Dan Sumner’s talk at the California Department of Food and Agriculture’s Division of Marketing Services conference for division staff. About 100 auditors, economists, analysts, investigators and support staff heard the presentation, which was held on the UC Davis campus, January 10, 2008.

As dinner speaker on February 7, 2007 at the California Center for Cooperative Development’s training seminar, Dan Sumner discussed current California agriculture issues, including exports, world trade and biofuels. (AgMRC’s Mike Boland and Dave Barton did the training at the 2-day seminar.)

March 2-4, 2008. Roberta Cook directed the 2008 California Agribusiness Executive Seminar, “Strategies for Competing in a Changing Environment,” and gave presentations on three case studies she had prepared. About 90 top-level executives from California agribusiness attended the intensive event co-sponsored by the Department of Agricultural and Resource Economics, University of California Davis and Wells Fargo Bank.

Ask a Specialist Resource

Marcia Kreith and Hayley Boriss responded to questions received by AgMRC on the following topics:

Source of data on current average prices for raisins imported from South Africa.

Source of data on the United States and European market for banana puree and puree as a whole.

Value of agricultural production.

Overseas almond markets, particularly in Germany and England. (Porterville, CA)

Whey pricing. (CDFA Dairy Marketing Branch)

Locate missing link on AgMRC website about growing asparagus in Oregon.

Information about Phase 2 tobacco money and whether it is available to fund festivals that result in tourism (agritourism). (Pulaski County, Kentucky)

Outlook for world grapefruit market. (an individual in Israel)

List of crops grown in Butte County, CA. (3rd grade teacher, Palermo, CA)

Information on how to design a sub-soil irrigation system for an olive grove and how to determine when to apply water and in what quantity. (Leicestershire, England)

What are the laws in California with regard to selling homemade baked goods? (Riverbank, CA)

Data and trends on the goat milk and goat milk products industry in California, including demand and characterization of customers. (FFA student, CA)

