Mission

The Food Marketing Policy Center conducts research on food and agricultural marketing and related policy questions. It facilitates research within the land grant university system by organizing meetings and conferences, by maintaining large scale data bases and by distributing publications. The general intent is to provide information that can contribute to improved performance of the food production and marketing system. Key users include farmer and consumer organizations, agribusiness firms, public agencies, state legislatures, and the U.S. Congress.

Newsletter Editorial:

Should GMOs in Food Be Labeled?

by Dr. Julie A. Caswell

Labeling policy for genetically modified organisms (GMOs) in food is under intense development in many countries. If labeling is mandatory, then the entire supply chain from seeds to the supermarket shelf needs to be segregated based on a definition of “GMO” and standards on how much GMO content triggers a labeling requirement.

The European Union, Japan, and Australia/New Zealand, among others, have concluded that mandatory labeling is necessary based on consumers’ right to know whether biotechnology was used to produce their foods. Proponents of biotechnology fear that mandatory labeling will cause consumers to reject foods produced with GMOs. The United States has established a policy of voluntary labeling except where use of biotechnology makes a food substantially different, for example in its nutritional or allergy-causing characteristics. It argues mandatory labeling is not necessary to inform consumers and may, in fact, confuse them by suggesting there is something to be concerned about when GMO safety is scientifically proven. The FDA is expected shortly to issue guidelines for voluntary labeling.

Voluntary labeling makes sense in countries where a small segment of the population cares about the GMO status of food products and is willing to pay more for products based on this status. Here the benefits and costs of keeping products separate are borne by the consumers who want to buy non-GMO products or GMO products with particular product features. But if most people in a country want to know the GMO status of the products they buy, then mandatory programs are effective.
The costs of labeling mainly depend on the requirements to separate products in the supply chain from farm to table. The issue is not whether separation is feasible but how costly it is. Such segregation is already becoming widely used for US export markets.

There is speculation that the United States could challenge mandatory labeling policies as illegitimate nontariff trade barriers under the rules of the World Trade Organization, arguing that these policies are protectionist and anti-biotechnology. Such a challenge is not likely to be successful. It would probably fall under the Technical Barriers to Trade Agreement where the challenged country would only have to show that its labeling policy is designed to achieve a legitimate objective (informing consumers) and does so at a cost that is proportional to the standard’s purpose. This is a fairly low hurdle to clear for a country that is mandating labeling.

For the United States, the current voluntary labeling policy may offer a good balance of benefits and costs but labeling policy is under discussion and bills have been introduced in Congress to require labeling. It is important to consider that labeling may facilitate market acceptance of GMOs. Consumers increasingly want to know information about how food products are produced. Effective voluntary or mandatory labeling is necessary to provide choice.

For More Discussion See:


Food Marketing Policy Center on the Web

Don't forget to check out our ever-expanding Policy Center Home Page at: http://www.are.uconn.edu/FMktc.html

Our web site contains an archive of newsletters, and an up to date publications list, which includes copies of recent Research Reports and Food Policy Issue Papers. These can be downloaded.

§

Food Marketing Policy Center Staff and Researchers—UConn and UMass

Ronald W. Cotterill, Director (860) 486-2742 Ronald.Cotterill@uconn.edu
Julie A. Caswell (UMass) (413) 545-5735 Caswell@resecon.umass.edu
Jeremy Foltz (860) 486-2838 Jeremy.Foltz@uconn.edu
Andrew Franklin (860) 486-2826 Andrew.W.Franklin@uconn.edu
Bruce A. Larson (860) 486-1923 Blarson@canr.uconn.edu
Nathalie Lavoie (UMass) (413) 545-5713 Lavoie@resecon.umass.edu
Rigoberto A. Lopez (860) 486-1921 R Lopez@canr.uconn.edu
Thomas J. Miceli (860) 486-5810 Miceli@uconnvm.uconn.edu
Richard Rogers (UMass) (413) 545-5741 Rogers@resecon.umass.edu
Kathy Segerson (860) 486-4567 segerson@uconnvm.uconn.edu
Larraine Knight (Secretary) (860) 486-1927 lknight@canr.uconn.edu

§

Cooperating Research Personnel at Other Universities

Guenter Hitsch, Ph.D. candidate, Economics, Yale University, Tel. (203) 432-3567, email Guenter.hitsch@yale.edu

Donghun Kim, Ph.D. candidate, Economics, Cornell University, Tel. (607) 255-4151, email Dk56@cornell.edu
William Putsis, Professor and Chair, Marketing Department, London Business School, London, UK, Tel. 44-171-262-5050, email Bputsis@lbs.ac.uk

§

Visitors at the Center

Professor Valeria Sodano, Department of Agricultural Economics and Policy, Federico II University, Naples, Italy, September 2000. Ms. Sodano does research on industrial organization of agricultural processing and is writing an agricultural marketing textbook.

Donghun Kim, Yale University, September 2000.

Kyle Stiegert, Associate Professor, Kansas State University, on sabattic, Fall 2000.

Elena Lopez, Associate Professor, Universidad de Alcala, Madrid, Spain is on sabattic for the academic year 2000-2001.

Fabio Verneau was a visitor in the Department of Resource Economics at the University of Massachusetts from September 19 to October 20. Mr. Verneau does research on food quality, especially food safety, in the Department of Agricultural Economics and Policy at the University of Naples Federico II.

§

Recent Placements

Eliza M. Mojduzka, Ph.D. UMass (Caswell) to Assistant Professor, Dept. of Agricultural Economics, Rutgers University.

Tirtha P. Dhar, Ph.D. UConn, (Cotterill) to postdoctoral fellow, Dept. of Agricultural Economics, University of Wisconsin-Madison.

John R. Mott, M.S. (UConn), (Cotterill) to GIC Group (agribusiness consultants) Alexandria, VA.

Avinash Mainkar, Ph.D. (UConn), (Lubatkin) to Assistant Professor, School of Business, James Madison University.

§

Sponsored Seminars and Workshops


§

NE-165 Announcements

NE-165 will co-sponsor several sessions at the Annual Meeting of the American Agricultural Economics Association (http://www.aaea.org) to be held in Chicago, August 5-8, 2001. Details will be posted as they become available at:

http://www.umass.edu/ne165/meetings.html

§

AGRIBUSINESS: An International Journal update by R. W. Cotterill, Editor

Agribusiness, and more than a dozen other economic journals, are now available on line to subscribers at (www.interscience.wiley.com). The journal is also indexed in Econlit.
Instructions for manuscript submissions are available by email: (FMPC@UCONN.EDU). Manuscripts are submitted electronically to the same address.

Articles appearing in Issues No. 3 and 4, 2000 are as follows:

**Agribusiness (16:3) Summer 2000**

“Will China’s Diet Follow Western Diets?” by Chizuru Shono, Nobuhiro Suzuki, and Harry M. Kaiser.


“Assessing Consumer Response to Protected Geographical Identification Labeling” by Maria Luz Loureiro and Jill J. McCluskey.


“Quality Versus Quantity in Mexican Household Poultry and Pork Purchases” by Diansheng Dong and Brian W. Gould.


**BOOK REVIEW**

by James MacDonald

---

The industrialization of agriculture: vertical coordination in the U.S. food system by Jeffrey S. Royer and Richard T. Rogers, (Eds.).

**Agribusiness (16:4) Autumn 2000**

“Assessing Aspects of Agricultural Contracts: An Application to German Agriculture” by Klaus Drescher.


“Food Purchase Diversity Across U.S. Markets” by Mark D. Jekanowski and James K. Binkley.


“Private Investment in Livestock Breeding with Implications for Public Research Policy” by Clare A. Narrod and Keith O. Fuglie.


**AGRIBUSINESS FORUM**

Editor’s Introduction
by Ronald W. Cotterill

“The Economic Analysis Related to the Canadian Wheat Board in the U.S. Countervailing Duty Investigation of Live Cattle from Canada” by Catherine Curtiss.

“The Canadian Wheat Board and Feed Barley” by Andrew Schmitz and Richard Gray.

**BOOK REVIEW**

by Roger G. Ginder

§

Food Marketing Policy Center Graduate Assistantships Available, Fall 2001

The Food Marketing Policy Center in the Department of Agricultural and Resource Economics has graduate assistantships available at the Ph.D. level. Students with interest in organization of food industries and one or more of the following: demand and price transmission analysis, comparative analysis of U.S. and European foods systems, cooperatives, industrial organization economics, or antitrust policy are encouraged to apply. Support will be for four years. For further information, please contact Ronald W. Cotterill, Director, Food Marketing Policy Center, Storrs, CT 06269-4021. Tel. (860) 486-2742, Fax (860) 486-2461.

§

Activity Report

Ronald W. Cotterill
(Ag. Econ., University of Connecticut)

Ron continues to work on the investigation of the Suiza Stop & Shop acquisition for the Attorneys General of Vermont, Massachusetts, and Connecticut. In November Ron organized a workshop on Fluid Milk Market Pricing that included presentations by Robert Wellington, Chief Economist of Agrimark; Ken Bailey, Extension Dairy Economist at Penn State University; and Tom Cox, Professor at the University of Wisconsin-Madison. The workshop was attended by more than 40 individuals including farmers, State Department of Agriculture officials and university students and faculty and the agricultural media.

Ron attended the American Farm Bureau convention in Orlando, Florida and on January 8th gave an invited address on “The Impact of Retail and Processor Consolidation Upon Farmers.”

Julie Caswell
(Ag. Econ., University of Massachusetts)


Jeremy Foltz
(Ag. Econ., University of Connecticut)

Jeremy continues to work on the economics of university agbiotech patent production. This work has produced two papers in collaboration with Bradford Barham and Kwansoo Kim at the University of Wisconsin. On going work seeks to include data on other agricultural patents and on non-patentable research (research articles) in the work.

Jeremy also has started a collaboration with Christopher Timmins at Yale University on the value of plant genetic resources.

Bruce Larson
(Ag. Econ., University of Connecticut)

Bruce continues his work on shade coffee labeling in the U.S. and its impact on coffee production in Central America.

Rigoberto Lopez
(Ag. Econ., University of Connecticut)
Rigoberto is working with Azzeddine Azzam (U. of Nebraska) and Elena Lopez (U. of Alcala de Henares-Spain) on a project to decompose the sources of productivity growth in the U.S. food manufacturing industries.

Rigoberto is working with Ibrahima Hathie (recent UConn Ph.D.) on a paper to explain the determinants of trade protection in the U.S. food manufacturing industries by estimating welfare weights place on industry welfare and the impact of the use of import quotas on the levels of protection.

Rigoberto continues to work with Azzeddine Azzam and Carmen Liron-Espana on a paper that separates oligopoly-power from the cost-efficiency effect of industrial concentration on output prices and input use, applying the model to data from the U.S. food processing industries.

Michael Lubatkin  
(*Business, University of Connecticut*)

Michael, working with his recent Ph.D. student Avinash Mainkar and others, has completed a study of horizontal mergers that is forthcoming in the *Strategic Management Journal*.

Thomas Miceli  
(*Econ., University of Connecticut*)

Tom is working with Kathy Segerson and John Antle to model firm incentives to monitor and detect food safety risks and to evaluate the impact of alternative government policy instruments on firm behavior.

William Putsis  
(*London Business School*)

Bill and Ron have published a number of papers on branded food product and private label pricing. He is currently serving as chair of the Marketing Department at London Business School and working on more disaggregate models of pricing.

Richard Rogers  
(*Ag. Econ., University of Massachusetts*)

Richard and Dan Lass continued a Massachusetts research project on the “State of Agriculture in the Bay State,” which resulted in several papers including “Agriculture’s Hold on the Commonwealth: an Executive Summary” published by the Massachusetts Department of Food and Agriculture, November 2000, 10 pages.

Richard and Dan are now working on analyzing results from an alternative marketing survey that over 3,000 Massachusetts farmers responded to regarding their use of farm stands, farmer’s markets, agrotourism and other direct marketing activities.

Richard and Dr. Ed Jesse, the interim Director of the Food System Research Group at the University of Wisconsin, wrote and secured a $30,000 grant to conduct a case study of the cranberry industry over the next two years.

Kathy Segerson  
(*Econ., University of Connecticut*)

Kathy is working with Richard Chisik, Tom Miceli and John Antle on two separate models of firm strategies in the food safety area and government policy interaction with firm strategies.

*Data Corner*

**Recent acquisitions include:**


Trade Dimension’s *Market Scope 2001.*
Trade Dimension’s *Directory of Mass Merchandisers 2001.*


Trade Dimension’s *Directory of Convenience Stores, 2000.*

The Food Institute’s *Food Industry Review 2000.*

The Food Marketing Policy Center has extensive holdings of Competitive Media Reporting, Leading National Advertisers, national advertising data, 1987-1997. Contact the Policy Center for details on specific holdings.

The Food Marketing Policy Center subscribes to the following trade journals; the current holdings are listed for each publication:


Contact Andrew Franklin (860) 486-2826 for a complete listing of data and reference works available.

---

**Food Marketing Policy Center Publications Catalog**

We have updated the list of the publications that are available through the Center. Call (860) 486-1927, write for a copy, or print it from our Home Page: http://www.are.uconn.edu/FMktc.html

§

**Recent Publications and Papers**


§