AREC 792/710

AREC 710 (792)
Advanced Agricultural Economics

Instructors: Marco Costanigro, Stephen Koontz and Dawn Thilmany
Office Hours: By appointment

Meeting time: T, Th 2-4 pm

Location: Clark B 301

Readings: The Oxford Handbook of the Economics of Food Consumption and Policy
Additional Handouts and Materials posted online

Grading: Oral exam 60% (Tentative date: October 2014)
Homeworks and presentations 20%
Paper Presentation/Critique 20%

Course Outline

I. Empirical Demand Issues (Thilmany McFadden)-August 26-September 2nd

Alston, J. Consumer Demand Analysis: Class Notes. Department of Agricultural Economics, University of California-Davis, Davis, CA.

USDA-ERS Consumer Demand Resources

Literature and student presentation choices

II. Topics in Market Power –SPECIAL DAYS PROPOSED: Sept 3rd and 10th


III. Marketing Margins and Transaction Costs-September 11-16


- Literature and student presentation choices

IV. Product differentiation and the economics of information-Sept 18-30

A. Monopolistic competition: Chamberlin (1933)

B. From commodities to differentiated products. Hedonic Pricing
   **Chapter 3 (Costanigro and McCluskey) in:**

C. Vertical differentiation:
   **Chapter 9 (Giannakas) in:**

D. The Economics of Information:


E. Horizontal differentiation:

**Chapter 10 (Merel and Sexton) in**


V. **Quality, Reputations and the Economics of information-September 25-30**

A. Current Literature

VI. **Evaluating Welfare Effects: Equilibrium Displacement Models-October 2-9**


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<tr>
<th>Week</th>
<th>Scheduled date</th>
<th>Topic</th>
<th>Instructor</th>
<th>Materials</th>
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<tr>
<td>1</td>
<td>26-Aug</td>
<td>Constrained utility maximization and demand separability</td>
<td>Thilmany</td>
<td>Handout on Demand Systems</td>
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<tr>
<td>1</td>
<td>28-Aug</td>
<td>Demand system specification</td>
<td>Thilmany</td>
<td>Oxf. Hand. Chapter 1</td>
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<td>2</td>
<td>2-Sep</td>
<td>Empirical issues in demand estimation</td>
<td>Thilmany</td>
<td>Recent literature in Demand</td>
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<td>2</td>
<td>3-Sep</td>
<td>Market power</td>
<td>Koontz</td>
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<td>3</td>
<td>10-Sep</td>
<td>Market Power</td>
<td>Koontz</td>
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<td>3</td>
<td>11-Sep</td>
<td>Market integration (prices and competition across space)</td>
<td>Thilmany</td>
<td>Handout on Market Integration</td>
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<td>4</td>
<td>16-Sep</td>
<td>Market integration -empirical issues</td>
<td>Thilmany</td>
<td>Recent literature in Market Prices</td>
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<td>4</td>
<td>18-Sep</td>
<td>Monopolistic competition, and vertical product differentiation</td>
<td>Costanigro</td>
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<td>23-Sep</td>
<td>Vertical product differentiation</td>
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<td>25-Sep</td>
<td>Horizontal product differentiation</td>
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<td>Oxf. Hand. Chapter 10</td>
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<td>30-Sep</td>
<td>Quality, Reputations and the Economics of information</td>
<td>Costanigro</td>
<td>Papers</td>
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<td>7-Oct</td>
<td>Equilibrium Displacement Models</td>
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<td>Recent Projects in DARE</td>
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<td>9-Oct</td>
<td>Student Paper presentations-review</td>
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<td>8</td>
<td>16-Mar</td>
<td>Oral Exams</td>
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