

Oregon State University || College of Agricultural Sciences

Department of Applied Economics

Alumni and Friends Newsletter

Welcome to the Department of Applied Economics' annual alumni newsletter! In this issue we highlight achievements and events from 2017-2018 and celebrate our students, faculty, and staff. We continue our research, outreach, and educational missions, always looking for a deeper understanding of the causes of environmental and social problems, and how to design policies to support the sustainability of our agricultural, natural resource, and environmental assets.

The AEC faculty, staff, and students, in conjunction with our alumni and friends, create a vibrant community that offers many opportunities for learning, research, professional development, and public engagement in an inclusive and supportive environment. Many of these activities are highlighted in the stories included in this newsletter; others can be found on our website. You should definitely visit it to see our new video highlighting why undergraduates should study applied economics, and keep returning to the site for more videos highlighting applied economics in the world during the coming year.

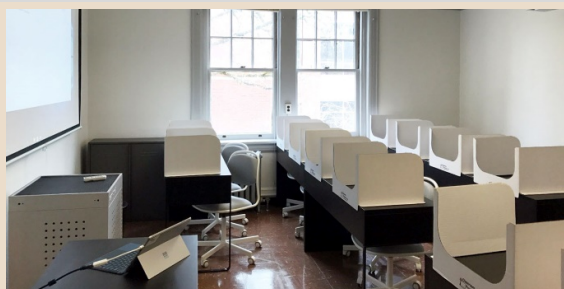
We are wrapping up the fall term here in Corvallis. The leaves have fallen and the rain has begun in earnest. It's the perfect time to reflect on what we've accomplished this year and where we hope to head in the future. As always we're grateful for your support of the department, and would love to see you if you happen to be near Ballard Extension Hall anytime soon. We wish you a peaceful holiday season and a wonderful new year.

Jennifer Alix-Garcia
Professor and Department Head



Jennifer Alix-Garcia

Applied Experimental Economics Lab (AEELab)



Ballard 316



**Recruiting for
participants at
Albany Farmers
Market**

New for 2018, the Applied Experimental Economics Lab is a research lab within the Applied Economics department at Oregon State University, dedicated to enhancing our understanding of how people and firms think about economic decisions, deal with questions of inequality and fairness, make consumption choices, react to taxes, subsidies, among some of the research areas.

We never use deception in our studies, and we always pay for study participation. The decisions participants make during the study have real monetary consequences, which allows us to better understand real life behavior outside of the lab.

AEELab is located in 316 Ballard Extension Hall, OSU Corvallis Campus. Anyone (including students, OSU staff, and people not affiliated with OSU) can register to become a participant at the AEELab and receive information about studies currently taking place.

Undergraduate Student Profiles



Julie Whatmough

Julie is a senior majoring in EEP and sustainability, with a minor in French. Julie is originally from Rhode Island, but she relocated to Washington a few years ago and fell in love with the West Coast. Julie spent the summer in Madagascar, working for SEED Madagascar (Sustainable Environment, Education & Development in Madagascar) - a charity that works enhance the capacity of individuals, communities, organizations and government in fulfilling sustainable environment, education and development goals in southeast Madagascar. Julie worked on data collection for a conservation program. At OSU, Julie is Involved in many activities including LEAP (undergraduate EEP club), roller derby, swing dancing, and French conversation at the multi-cultural literacy center. She will be looking for work in a humanitarian field after graduation.

Scout Sutton

Scout, a double major in both of our majors (ABM and EEP) is a junior from Ft. Collins, CO. In addition to a demanding school schedule, Scout is also a varsity athlete – as a member of the OSU women's rowing team where she has a spot on the 1st Varsity 8. Scout likes to stay active with the department, and been very involved with our award-winning Quiz Bowl Team. During the summer, Scout works for a company in Colorado that provides support for various Ranch Sorting competitions (a western-style equestrian event) throughout the West. After college, Scout is keeping her options open but is seriously considering attending law school or graduate school in another field.



Lyndsey Dixon

Lyndsey is a 5th year senior graduating after the Fall 2018 quarter. She is an ABM major, with a minor in English. After graduation, Lyndsey will be joining the Peace Corps, and heading to Ghana where she will be a business and agriculture extension advisor assisting with agricultural techniques and developing relationships with community partners. Lyndsey is originally from Gold Beach OR, where she was very active in 4H and student government. For the past few summers, Lyndsey has been very busy with her job to assist forest fire crews from the incident base in Gold Beach. Lyndsey comes from a Beaver family – her mother even works for OSU Extension!



Graduate Student Profiles

Tu Nguyen

Tu is a 4th year PhD student with a focus in Environmental and Resource Economics. Tu went to the Baruch College – part of the City College of New York - for her undergraduate degree. Tu grew up in Vietnam, moving to the United States when she was 18 years old. At Baruch, Tu got a Bachelors of Business Administration with a focus in economics. Tu discovered a love for all sorts of writing at college – in fact she was VP of the Baruch Writers Society.



At OSU, Tu's research focus is on the non-market valuation and willingness to pay for coastal restoration and for habitat restoration. Tu is working with five other graduate students from around the country on a project to estimate the impact of marine protected areas under climate change. She developed these interdisciplinary relationships while attending the National Socio-Environmental Synthesis Center (SESYNC) workshop in Annapolis MD. In addition to her research, Tu also taught an undergraduate Principles of Economics this past summer.

After graduation, Tu plans to move to Canada and will likely pursue a career in the private sector.

Kedar Kulkarni

Kedar is a 3rd year PhD student. He is originally from India, where he obtained both undergraduate and master's degrees in economics. Kedar then moved to Paris, France for two years. In Paris, Kedar studied at the University of Paris, obtaining a QEM (Master's) Joint Degree entitled "Models and Methods of Quantitative Economics." His thesis in Paris was entitled "Indian Agriculture: Productivity, Institutions and Climate Change." Kedar also spent time at Fondazione Eni Enrico Mattei (FEEM), a non profit, policy-oriented, international research center and a think-tank, in Venice, Italy.



At OSU, Kedar is studying sustainable development - looking at vulnerable populations in developing countries and how they are reacting to climate change. Kedar was selected to attend the Young Scientists Summer Program (YSSP) Program in Vienna, Austria at International Institute for Applied Systems Analysis (IIASA). After finishing his PhD, Kedar hopes for a career in academia so he can focus on continuing his teaching and research.

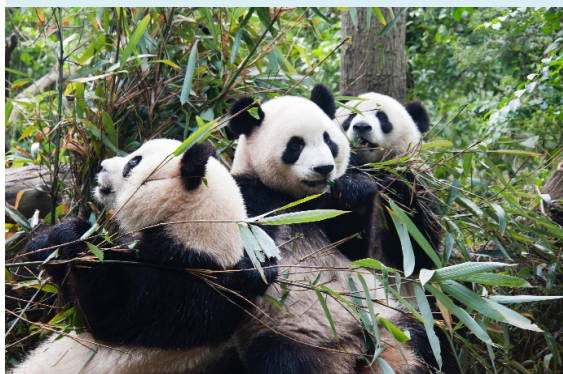
In his free time, Kedar loves to play soccer. Kedar was the soccer team captain in college, but now he plays with other graduate students.

Research Highlights

Study Shows Modern-Day Economic Impacts from 16th-Century Mexican Epidemics

OSU Applied Economics Department Head Jennifer Alix-Garcia, along with Emily Sellars from Yale University, recently published "Labor scarcity, land tenure, and historical legacy: Evidence from Mexico" in the *Journal of Development Economics*. The authors examine the long-term impact of Mexico's 16th century demographic collapse on landholding patterns through the present day. The collapse, mostly

caused by severe epidemics introduced during colonial rule and which reduced the indigenous population by between 70 and 90 percent and differed in severity across space, facilitated land concentration and the rise of a landowner class that dominated Mexican political economy for centuries.



Conservation Challenges

Professor JunJie Wu, along with two colleagues from China, in May 2018 published "Spatial distribution of nature reserves in China: Driving forces in the past and conservation challenges in the future" in the journal *Land Use Policy*. The article notes that nature reserves are hubs of biodiversity conservation in China, but their spatial distributions are not in line with the priority set based on biological criteria. The results reveal that although ecological factors play a significant role in nature reserve designations, economic considerations appear to be more significant in explaining the spatial distribution of local nature reserves in China.

Looking at Oregon's Farm Direct Marketing Law after 5 years

Oregon's Farm Direct Marketing Law (FDML) is now five years old. The law allows farmers to produce some low-risk, value-added products—such as pickles and jams—from farm-grown ingredients, and sell them direct to consumers, without extra food licensing. Researchers from Oregon State University, including Christine Brekken from Applied Economics, interviewed farmers and farmers market managers around the state, and found that farmers are selling a variety of value-added products and that no foodborne illnesses have resulted. The article, "Farm Direct at Five Years: An Early Assessment of Oregon's Farm-focused Cottage Food Law," was published in the *Journal of Agriculture, Food Systems, and Community Development (JAFSCD)* in September 2018.

Adapting to Climate Change

Professor John Antle recently published "Methods to Assess Between-system Adaptations to Climate Change: Dryland Wheat Systems in the Pacific Northwest United States" in the February 2018 issue of the journal *Agriculture, Ecosystems & Environment*. In this paper, the authors propose to extend methods for agricultural impact assessment to study the adaptations that agricultural producers are likely to consider in response to climate change such as the use of different combinations of crop or livestock species and associated changes in management. They conclude that the method used for estimating the productivity of the new system introduces an element of uncertainty into adaptation analysis, in addition to the other data, model and scenario uncertainties.

Applied Economics Course Highlights



Agricultural Price and Market Analysis – AEC 447

This upper level course is taught by Professor Jeff Reimer. The class will introduce students to the concept of price determination for food and agricultural commodities. In this class, students learn how to predict prices and quantities that a business is likely to face (this business could produce wheat, beef, wine grapes, blueberries, cut flowers, soybean meal, etc.)

Students build a quantitative model (one written in math) and use historical data on prices and quantities. They make sure that the model can accurately replicate what happened in the past, and then use the model to make predictions for the future.



Introduction to Agricultural and Food Economics – AEC 251

This core course, taught each Fall by Professor James Sterns, is a college-wide introductory economic training for all majors in the College of Agriculture. This is an applied economics course, focused on the unique challenges of agriculture and food systems.

Topics covered include rational choice theory, models of supply and demand, and price formation, with particular attention on markets for agricultural and food products. Additional topics include market interdependencies, government policy, the behavior of firms, and market structures within agricultural and food systems.

Applied Econometrics – AEC 525/625

These graduate courses, taught by Professor Christian Langpap, emphasize the general principles of applied econometric research, including model building, data analysis, hypothesis testing, and evaluation and interpretation of results. A variety of estimator and estimation approaches are applied to real data, including least squares, panel data, instrumental variables, discrete choice, and limited dependent variable models. Econometrics is interesting and important for students to learn because it provides the tools to enable one to extract useful information about important economic policy issues from the available data. The course is focused on problem sets, where students must use STATA or other statistical software to manipulate data, estimate models, and test hypotheses. Students are then expected to present and interpret the results in a meaningful, concise, cogent, and formatted manner.

Faculty Highlights



The 2018 College of Agricultural Sciences Award Recipients were announced and Christian Langpap, Associate Professor in Applied Economics, was awarded the F.E. Price/Agricultural Research Foundation Award for Excellence in Research. This award is to recognize outstanding contributions to agriculture through research and development activities associated with the Oregon Agricultural Experiment Station and the College of Agricultural Sciences.

CHOICES

3rd Quarter 2017 • 32(3)

Tracking the Evolution and Recent Development in Whole Farm Insurance Programs

Beau Olen and JunJie Wu

AAEA Distinguished Teaching Award

Keywords: adverse selection, commodity diversity, risk pooling, whole farm insurance

Over the last eighty years, U.S. federal crop insurance has evolved from an experimental program, limited to only a few field crops in major producing regions, into a national program that covers all major crops, including specialty crops. In this article, we provide a brief overview of the history of the federal crop insurance program and analyze the recent development of Whole Farm Revenue Protection—WFRP—which had a higher premium subsidy rate and lower loss ratio in 2015 than all other federal crop insurance programs. The lower loss ratio for WFRP may be attributable to risk pooling and the whole farm premium subsidy to encourage program participation at the margin by relatively efficient operations. WFRP serves as a complement for buy-up insurance and a substitute for ad hoc disaster assistance and catastrophic risk protection—CAT. A farm can't purchase WFRP and CAT simultaneously, but WFRP can be purchased with buy-up coverage and to insure the previously uninsurable portion of a farm that is eligible for ad hoc disaster assistance.

Professor JunJie Wu and Research Assistant Beau Olen won the 2018 award for Outstanding Choices Magazine article for their article "Tracking the Evolution and Recent Development in Whole Farm Insurance Programs." Choices, the magazine of food, farms, and resource use, is the principal outreach vehicle of the AAEA.



Associate Professor James Sterns won the 2018 AAEA Distinguished Teaching Award for excellence in undergraduate instruction. The Distinguished Teaching Awards recognize and encourage meritorious performance in undergraduate and graduate teaching in agricultural or applied economics.

Graduate Student Award Winners

All PhD students complete a research project during their second year in the program, with prizes awarded for the best papers. In 2017-18, the Best Second Year Paper Award went to David Rossi, and an honorable mention went to Kedar Kulkarni. David's winning paper, "The Influence of Risk Attitudes on Suppression's Budget Share under a Fragmented Wildfire Budgeting Policy," derives the conditions under which the risk attitudes of incident managers can affect the socially efficient allocation of a wildfire management budget. Kedar's paper, "Quantifying Climate Vulnerability of Agricultural Systems: A county-level and regional level analysis in the United States," focuses on quantifying vulnerability and risks of agricultural systems.

Around the Department

Applied Economics Seminar Series at OSU

The Applied Economics Department has three Seminar Series underway. All are welcome to attend!

- **Applied Economics Seminar Series** - The longest running series is the Applied Economics Seminar Series, bringing thought leaders in applied economics and related fields to Corvallis to present their latest research. These seminars are held 4-6 times a year.
- **Applied Economics Working Group Sessions** - The Applied Economics Working Group meets most weeks during the academic year to hear presentations by faculty and graduate students on their latest research projects.
- **AEC Pedagogy Brownbag Series** - Applied Economics offers monthly brown bag seminars on teaching: best practices, tools, and how to apply them in the classroom and online.

Quiz Bowl Team Finishes in Third Place in National Competition

In 2018, the team traveled to Washington, DC to compete in the Academic Bowl. Team members included, from left to right, Ian Oppenlander, Erin Bush, Jakelyn Santa Cruz, Scout Sutton, Danielle Haddix, and Ben Reitmann. Not pictured – team member Adan Avila and James Sterns, faculty advisor for the team. Our team finished in third place, out of 37 teams, with Erin Bush, Ben Rietmann, and Scout Sutton representing OSU in the finals.



New Conference Room In Ballard Hall

The second floor of Ballard is getting a brand new conference room! This state of the art room, located right in the middle of the action (Ballard 219) will be completed in January 2019.

First Annual Applied Economics Hiking Trip

AEC took its first annual hiking trip in late September to the Oregon Cascades. Attendance: 23 humans, 3 dogs. The group had wonderful weather for this amazing trip. They saw lava flows at Dee Observatory and ate lunch by Mathieu lake.





Alumni Updates



Briana Tanaka, ABM 2014

After graduation, Briana joined Northwest Farm Credit Services where she was trained as a Credit Officer in Pasco, Washington, and then went through a rigorous finance program (Capital Advancement Program) in Spokane, Washington. Briana was then placed as a Business Advisor where she taught credit to new employees and managed financial and economic educational events for customers.

Currently, Briana lives in Wyoming and serves as the Agriculture & International Trade Coordinator for the state's economic development agency. In this role, she manages two programs: 1) the Grown in Wyoming program which focuses on creating a local food ecosystem throughout the state, and 2) the federally-funded State Trade Exports Program (STEP) which helps small businesses from all industries expand their international markets.

Jeff Sharp, MS 2004 and Leigh Kingsbury-Sharp, BS 2005

Jeff Sharp graduated in 2004 with a minor in water resources. Currently Jeff is a Principal Planner with Napa County Public Works Water Resources Division, working on watershed management and policy projects, including groundwater sustainability, watershed education programming, and natural resource conservation and restoration projects. Jeff is married to Leigh Kingsbury, also an AEC alumni, who graduated in 2005. Jeff likes to say "I went to OSU and got my M.S. and my Mrs.!". Leigh worked for the Napa County Resource Conservation District as their Executive Director and recently obtained a position in Napa County's Executive Office as a Management Analyst. Jeff and Leigh live in Napa CA with their daughter Ila.

Tyler Knapp, EEP 2014

After graduating from Oregon State, Tyler completed an M.S. in Agricultural Economics (University of Arkansas) and an International Masters in Rural Development (University of Ghent, Belgium). He is currently employed as a Program Associate in Economic Development with the University of Arkansas System Division of Agriculture.

We want to hear from more Alumni! To include your personal update in the next newsletter, please send information and photos to richard.sandler@oregonstate.edu.

2017-18 Graduates

Undergraduate Students

Agricultural Business Management

Adan Avila
Alyssa Brown
Riley Brown
Keaton Carter-Fountain
Matthew Crouser
Kaitlynn Daughery
Alec DeMarco
Molly DelCurto
Michael Drake
Jose Garcia
Ryley Gilbert
Makenzie Hitner
Eric Kennedy
Allison Key
Mathis Kuenzi

Eric McNiel
Jack Merrill
Brecklin Milton
Daniel Moretti
Stuart Pereira
Sara Pierson
Gabrielle Redhead
Jennie Sites
Stephen Thompson
Taylor Unger
Ryan Van Houten
Cassie Wagner
Bailey Wearin
Savannah Yaryan

Environmental Economics & Policy

Diana Broadaway
Andrew Davis
Abbey Fluckiger
Scott Lantz
Andrew Provost
John Selvig

Michelle Smith
John Speckman
Spencer Stauffer
Bennett Wahl
Thomas Warner
Amanda Watters