

DEPARTMENT OF

Rural Economy



ANNUAL REPORT

2004





Mission Statement

To pursue excellence in the discovery, application and dissemination of knowledge of economics, sociological, and business dimensions of agriculture, food, forestry and the environment. A related focus of Rural Economy's research mission is the pursuit of public involvement to ensure relevance and effectiveness in the discovery, application, and dissemination of knowledge in our areas of focus.

Message *from the* Dean

In reflecting on the many and varied activities undertaken by the Department of Rural Economy, I find myself impressed with their breadth and depth. The Department of Rural Economy is one of the leading departments of its type within Canada.



The Faculty of Agriculture, Forestry and Home Economics at the University of Alberta had two graduate students who were successful in winning the Pierre Elliott Trudeau Foundation Doctoral Scholarships, the largest social science graduate research awards in the country. One of the recipients, Ken Caine, is a rural sociology PhD student in Rural Economy.

His research on Aboriginal communities is a significant addition to an emerging area of interest within the Faculty.

The Department of Rural Economy was selected to provide a home for two major Agriculture and Agri-Food Canada research networks, one on Consumer and Market Demand and the other on Farm Level Policy. The Department's selection as the home of these networks reflects the excellence of the research activities within the Department. The networks will provide many

opportunities for additional research activity on these issues within Alberta and Canada.

The Cooperative Program in Agricultural Marketing and Business, funded largely through an industry endowment, continues to provide a link with external organizations through its annual symposium and through other outreach activities. Many of the researchers in the Department are directly connected with Sustainable Forest Management network activities and this also provides for direct links with forestry related industry organizations. Through these and other activities the Department exhibits its strong commitment to research that is of direct practical relevance for decision makers in government and industry.

As usual researchers in the Department were successful in obtaining significant research grants from national, provincial and industry funders. The ratio of research dollars received per staff member continues to be one of the highest achieved in Social Sciences at the University of Alberta.

This report provides only a brief overview of the fascinating activities and successes that occurred in the Department in 2004. I hope that the contents of the report will encourage you to find new ways to collaborate with the Department of Rural Economy and you will enjoy discovering more about the teaching and research conducted in the department.

John Kennelly

Message *from the* Department Chair

Rural Economy had a wonderful year in 2004. One of the new staff members we hired this year, Bodo Steiner, will complement the existing pursuits of staff in the Department through his interest in contracting throughout the food chain and in the wine industry. More details on other new staff can be found in the report. Various staff and students won awards through a variety of venues. Vic Adamowicz was selected as the first economist to receive the Canadian Institute of Forestry's Canadian Forestry Scientific Achievement Award. Peter Boxall, Kevin Chen, Jim Unterschultz and Scott Jeffrey were chosen to be the Co-editors of the Canadian Journal of Agricultural Economics. A large number of our graduate students won national competitive scholarships (SSHRC Masters and PhD).

Our faculty continue to be very successful in competitive research grant opportunities. Researchers were successful in obtaining funding from a variety of national and provincial sources to examine everything from air quality, carbon credit trading, CLA enriched milk products, consumer acceptance of alternative meats, the role of states and society in forest governance, forest tenure and attitudes towards biotechnology. National research funders

include Genome Canada, Sustainable Forest Management Networks and the Social Sciences and Humanities Research Council. These projects, as well as others, reflect our response to the pressing needs for research in the agriculture, food, forest and environment from both sociology and economics perspectives.

I wish to take the opportunity to thank the many individuals who have contributed to the achievements of the Department this year. These include staff, both academic and support, colleagues across North America who contribute to collaborative research programs and to providing input on staff promotion, evaluation and nomination for awards, and our many contributors from government and industry within Alberta who provide input on Advisory committees and often provide financial contributions and donations of books and materials to our Eric Berg Reading Room.

Ellen Goddard



What is GE³LS?

GE³LS stands for “Genetics, Ethics, Environment, Economics, Law and Society.” This body of research arises from public concerns that genomic research not focus entirely on scientific research, whether genetic, medical or agricultural, but also consider issues relating to ethics and the environment, including social acceptability and issues of intellectual property and governance relating to new genomic innovations. The Genome Prairie GE³LS project “Commercialization and Society: Its Policy and Strategic Implications,” was selected by a panel of international peer reviewers and funded in 2002 by Genome Canada (through Genome Prairie) in the initial national research competition. Following a midterm review, again by a panel of international genomic researchers, the project continued through 2004 and will conclude in September 2005.

Rural Economy researchers have been highly involved in the Prairie Genome GE³LS project: Michele Veeman, working with Wiktor Adamowicz, is one of four principal investigators responsible for the sub-project that focuses on relationships between information and people’s risk perceptions and attitudes toward genomic technologies. This research has also received support from Alberta Agricultural Research Institute. Its focus is to improve understanding of the relationship between information relative to genomic technology and consumer behaviour. GE³LS research support has also been received by Jim Unterschultz within another subproject on creating and managing intellectual property (led by Peter Phillips of the University of Saskatchewan). Seven Rural Economy MSc thesis research projects and one PhD thesis research project have received support from the GE³LS and complementary AARI grants since 2003.

GE³LS research focus is to improve understanding of the relationship between information relative to genomic technology and consumer behaviour.



MODIFIED FOOD

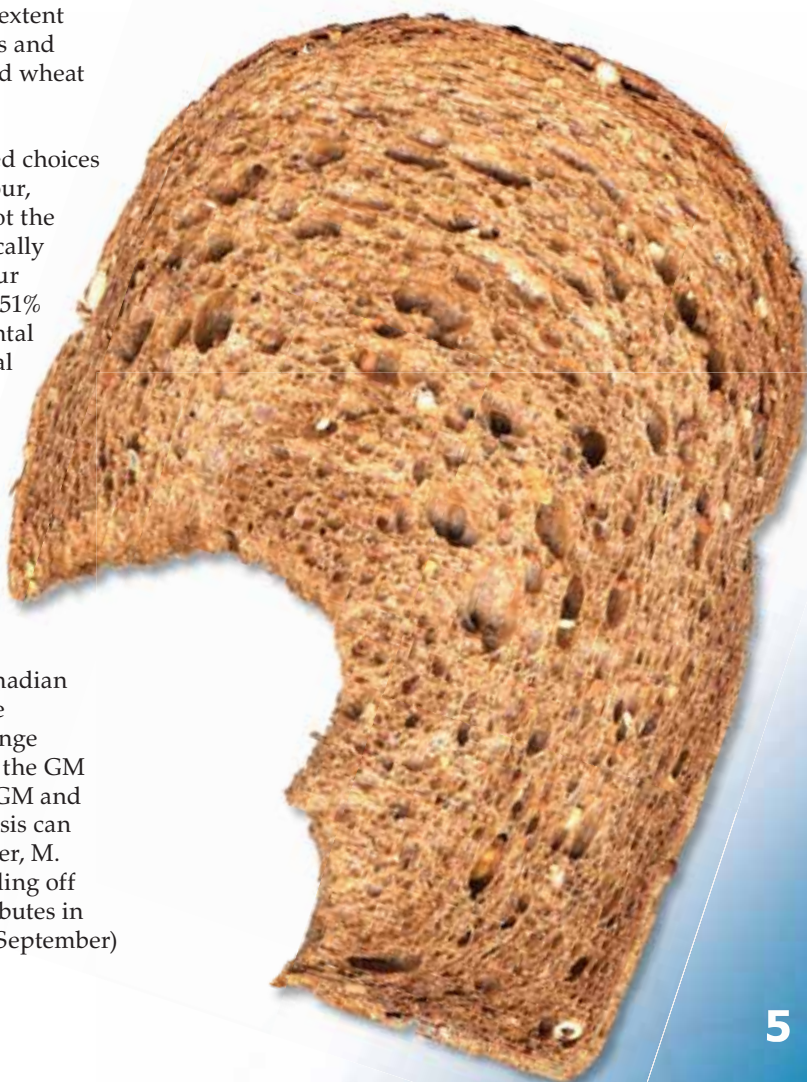
Would Canadian Consumers Eat GM Bread?

There is interest in whether or not consumers will buy genetically modified (GM) food if this is identified, and how consumers might react to GM-based food product improvements, such as the environmentally friendly use of less herbicides or pesticides, or changes in nutritional benefits, such as vitamin enhancement. Based on funding from Genome Canada, Genome Prairie and the Alberta Agricultural Research Institute, a group of researchers in the Department of Rural Economy, which included Wuyang Hu, Anna Huennemeyer, Michele Veeman, Wiktor Adamowicz and Lorie Srivastava, have rigorously explored these questions, documenting the extent and type of variation in Canadian consumers' attitudes and risk perceptions for a range of selected GM foods, sliced wheat breads, which embodied these new product attributes.

Experimental data was elicited on 445 Canadian's stated choices of bread, described by major characteristics (type of flour, brand, price, new product attributes and whether or not the bread is identified to have genetically modified/genetically engineered ingredients). Using a latent class model, four distinct groups of Canadian consumers are identified: 51% (value seekers) valued additional health or environmental benefits and were indifferent to GM content; traditional consumers (14 %) preferred their normally-purchased food; fringe consumers (4 %) valued the health attribute and could defer consumption. Another 32 % strongly opposed GM ingredients in food irrespective of introduced attributes (this group is clearly very anti-GM). Differences in gender, number of children in the household, education, and age are associated with the likelihood of segment membership.

Overall, from this analysis, there is a dichotomy in Canadian attitudes to GM content in food: a small majority of the sample (55 per cent, composed of value seekers and fringe consumers) see little or no risk from this GM food, but the GM food is strongly opposed by 46% of respondents (anti-GM and traditional consumers). More information on the analysis can be found in a published paper: Hu, W., A. Huennemeyer, M. Veeman, W. Adamowicz and L. Srivastava (2004) "Trading off Health, Environmental and Genetic Modification Attributes in Foods" *European Review of Agricultural Economics*. 31 (3: September) 389-401.

There is a dichotomy in Canadian attitudes to GM content in food.



International *projects on* Natural Resources Management

(L to R): Augustine Masomera, Michele Veeman, Kjell Havnevik, Sibongile Moyo, Nontokozi Nemarundwe, Terry Veeman, Billy Mukamuri, Marty Luckert and Sara Feresu



The IDRC sponsored project, "Community Access to Water, Grazing and Woodland Resources in Communal Lands, Resettlement Areas and Small-Scale Commercial Farming Areas in Zimbabwe" came to a close in 2004. A workshop with our partners in this project, members of the Institute of Environmental Studies, University of Zimbabwe, was held in Jasper National Park in August, 2004. The focus of the workshop was synthesizing the research results of case studies undertaken with this project. Potential applications of the findings of the case studies include: informing production interventions for the different land tenure types given differentiated livelihoods strategy; defining and targeting actual resource users and managers given the evidence of the gendered pattern of labor allocation within households; indicating sites for investment in community water sources; managing water demand through understanding individual household behavior in water use; defining upper limits for primary water uses and lower limits for commercial water uses as defined under the new Water Act (1998); and formulation of Catchment Outline Plans for distribution of water resources at local levels under the new Water Act (1998) based on observed household water demands for various activities over the year.



This was part of a continuing stream of projects on natural resources management in Africa undertaken by members of Rural Economy with various international partners. The project was built on experiences of: the IDRC project, "Value of Trees," undertaken with the Institute of Environmental Studies, University of Zimbabwe (1993-1997); the CIDA project, "Agroforestry: Southern Africa," undertaken with the Institute of Environmental Studies, University of Zimbabwe (1996-2001); and the CIDA-CGIAR project, "Valuation of Environmental Services Provided by Agroforestry Systems," undertaken with the International Centre for Research on Agroforestry (2001-2003).

The lessons learned have also contributed to the development of future projects. Current projects being launched include: the CIDA CGIAR project, "Building Better Corporate-Smallholder Partnerships: Sharing Lessons Across Southern African Countries," undertaken with the Centre for International Forestry Research (2005-2008); and the CIHR project, "Community-based Antiretroviral Treatment for AIDS Patients in Rural Uganda," undertaken jointly with University of Alberta faculty members from Public Health, Medicine, and Sociology (2005-2009).

Economic Feasibility of **Recreational Enterprises** *with* **First Nations** **Cultural Attributes**

Canada's Aboriginal communities are pursuing economic development activities at an unprecedented rate, with the goal of securing self-determined and self-reliant livelihoods, in ways that preserve and strengthen their culture. While economic activities are mostly based on primary industries, cultural tourism is increasingly being sought as a development strategy by communities wishing to participate in the global economy, and it has been highly promoted by the Canadian tourism industry for its potential to generate revenue, while providing economic enterprises compatible with Aboriginal cultural values. Under the auspices of the Sustainable Forest Management Network (SFMN), Kinga Uto and Vic Adamowicz, her supervisor, assessed the demand for cultural components of recreational camping in northeastern Alberta, to investigate the compatibility of culture-based tourism, as a development strategy, with the economic sustainability of a First Nation community in this region.

Kinga surveyed northeastern Alberta campers in the summer of 2004, using field interviews and mail-out questionnaires. The heart of the survey consisted of two economic experiments: an Attribute-Based Stated Choice experiment, designed to assess demand for various components of camping, and a Best-Worst experiment, to assess respondents' motivations for camping. The former examined demand for a cultural component which, to the researchers' knowledge, had not yet been done in this framework. It revealed that northeastern Alberta campers are generally uninterested in cultural attractions at campgrounds, to the extent that they are not willing to pay a premium for such services. This finding was validated by the results of the Best-Worst experiment, which revealed that camping activities meeting the intellectual motive for recreation – such as learning about other cultures – are relatively unimportant to respondents. Instead, people are most motivated by the opportunities for relaxing with family and friends that camping provides.

The recreation demand model indicates that respondents have very strong preferences for basic camping amenities such as fishing opportunities, beaches, and highly serviced campgrounds. This model was combined with data on current visitation to northeastern

This research demonstrates that a market for Aboriginal tourism should not be taken for granted, and highlights the importance of adequate market research prior to embarking on specialized forms of tourism.

Alberta campgrounds to create a calibrated simulation model of visits for the region. The simulation model was used to forecast visitation to the First Nation's proposed resort and assess economic feasibility under a variety of assumptions about future supply and demand states. Owing to the resort's favourable qualities and location, very strong visitation rates were indicated vis-à-vis other campgrounds in the region, independent of the provision of cultural services.

This research demonstrates that a market for Aboriginal tourism should not be taken for granted, and highlights the importance of adequate market research prior to embarking on specialized forms of tourism. It also shows that, despite the lack of interest in Aboriginal cultural attractions in the area examined, if the proposed resort is built according to campers' preferences, the First Nation can expect to attract a good share of the region's camping market and create an economically successful enterprise.



Are Environmental Risks *distributed equally* in Canada?



As most people are aware, many of our cities and towns tend to be segregated—those people living in poverty, or who belong to minority ethnic or racial groups, tend to be marginalized into certain neighbourhoods, in many cases because those are the only places they can find affordable housing, and in other cases because of more insidious discrimination. This geographic trend is only magnified in many megacities of the developing world, where impoverished and minority groups survive in shanty towns on the outskirts of the city. According to many social scientists, it turns out these neighbourhoods are not only often lacking in adequate housing, and services. They also happen to be places where environmental risks to health and safety are particularly high, placing yet another burden on these vulnerable population groups, in the form of exposure to heavy air and water pollution, or hazardous waste dumps, for example.

Many social scientists are beginning to look more closely at the distribution of environmental risks, under an emerging research field often termed Environmental Justice or Environmental Equity. One of the most common ways to begin to explore these issues is by comparing the demographic characteristics of residents living near heavy polluting industries with the demographic characteristic of the rest of the population, in order to see if vulnerable

populations are in fact more likely to carry the burden of environmental risk. This is often done by using information on citizens collected by census, which tends to be collected in discrete spatial units, with various data sets that identify the locations of polluting facilities.

A number of such empirical studies have been done, and most do indeed show that people living in poverty, as well as racial and ethnic minorities, are more likely to live near polluting facilities than the population at large. Unfortunately, however, nearly all of these empirical studies have been conducted in the United States, which means we don't know whether this same pattern exists here. In fact, we know very little about how environmental risks are distributed among Canadians at all.

Debra Davidson, of the Department of Rural Economy, and Rick Pelletier in the Department of Renewable Resources, have begun to explore environmental risk in Canada, in association with the Spatial Applications of Social Ecology Laboratory in the Faculty of Agriculture, Forestry and Home Economics. They are using information from the 2001 Census provided by Statistics Canada, and a publicly available dataset collected by Environment Canada, called the National Pollutant Release Inventory, or NPRI. The NPRI contains information that is voluntarily reported by all companies that emit any number of over

100 pollutants that have been identified by Environment Canada as important to monitor. It also conveniently identifies the location of these facilities, so they can all be mapped into a GIS file, along with the demographic information on residents who live near that facility provided by Statistics Canada.

Because the NPRI database is enormous (see national map of facilities reporting to the NPRI below), the researchers have begun with a national assessment of just those facilities that emit sulfur oxides into the air. Sulfur oxides are associated with a number of industrial activities, particularly oil and gas extraction and processing, and primary metals manufacturing, and are also known to be associated



Studies have been done, and most do indeed show that people living in poverty, as well as racial and ethnic minorities, are more likely to live near polluting facilities than the population at large.

with respiratory problems. Future research will include additional polluting sources, but sulfur oxides presented a good starting point because there are several facilities across Canada that report emissions of sulfur oxides—537 in fact—and they are reasonably well-distributed across the country, allowing for a nice representative sample of high-risk neighbourhoods.

The initial findings could not have been more surprising, considering the consistent findings of other studies conducted in the United States. In short, the researchers found the opposite of what they expected: visible minorities, and immigrant populations, were less likely to live in a dissemination unit that also housed a facility that emits sulfur oxides. More specifically, the minority/immigrant proportion of the population in those spatial units containing a polluting facility was significantly lower than the minority/immigrant proportion of the population in those spatial units that did not contain a polluting facility. Not only this, but the average household income in spatial units containing a polluting facility was also significantly higher (see chart below).

While this does indeed suggest that patterns of environmental risk distribution in Canada differ from those found in the United States, these findings cannot

yet offer us any assurances that the distribution of environmental risk in Canada is perfectly equitable. There are several avenues of environmental pollution not captured by this study that are likely to be relevant to the distribution of environmental risk. Most importantly, environmental risk is defined not only on one's residential proximity to polluting facilities, but also on the density of nearby facilities and cumulative volumes of pollutants; on where we work; on our proximity to areas where regional and even global pollutants tend to accumulate; and on other pathways of pollution we tend not to think of, such as our food supplies.

Debra Davidson, Rick Pelletier, and their colleagues will be exploring the spatial distribution of risk in Canada further over the next few years, beginning by looking more closely at these findings, to see if this trend is in fact consistent throughout the country, or if there are regional differences, or differences between urban and rural populations. The researchers will then begin to consider additional pollutant sources, and account for things like volume of pollution (the NPRI database reports emission levels that vary significantly), and the potential cumulative effects of several facilities in one region.

Demographic Characteristics of Neighborhoods by Pollution Type

	SOx absent	SOx present	Total
Avg. household income	\$56,400	\$56,852	\$56,405
% less than grade 9	8.01	8.42	8.02
% bachelor degrees	11.93	7.94	11.89
% total immigrants	2.83	1.34	2.81
% visible minority	11.85	5.13	11.78
% aboriginal	4.30	4.26	4.29
% spending . 30% hh	4.72	4.04	4.71
Average dwelling value	\$150,902	\$130,534	\$150,702

Location of NPRI Reporting Facilities



New Faces



Brenda Parlee joined the department on September 1, 2004 as an Assistant Professor. She holds a joint appointment with the School of Native Studies. Brenda is a PhD candidate at the Natural Resource Institute, University of Manitoba. She has been working with Aboriginal communities over the last ten years on a variety of projects related to diamond mining, oil and gas activity and forest ecosystem management.



Dr. Wuyang Hu was appointed as a Post Doctoral Fellow in Rural Economy as of November 20, 2004. Dr. Hu recently earned his PhD from the University of Alberta in Agricultural and Resource Economics. He has been working with Michele Veeman and Vic Adamowicz to analyze consumer behavior and public attitudes towards new food products and will take up a position as Assistant Professor, Resource Economics, University of Nevada, Reno in August 2005.

Dr. Bodo Steiner

Dr. Bodo Steiner has been appointed as an Assistant Professor in the department effective July 1, 2004. His primary research areas are agribusiness and food marketing. Bodo received his PhD in Agricultural Economics from the University of Reading, UK, in 1999. Growing up on a beef farm in Southwestern Germany, not far from the vineyards of Alsace-Lorraine, his research interests focus around the meat supply chain and the economics of wine. Following an appointment as Lecturer at the University of Kiel, Department of Agricultural Economics, he was rewarded a research fellowship to study quality assurance and contract design in the agri-food sector. He held this research position at the University of California, Berkeley, Department of Agricultural and Resource Economics, until he joined Rural Economy. His current research interests focus on share contracts and moral hazard in the food supply chain, contract design issues in agri-environmental management schemes, the management of agricultural biotechnology innovations, and consumers' risk perceptions with regards to biotechnology innovations and food-borne risks. Together with his wife and two daughters he loves exploring the outdoors.



Robert Field joined the department on October 1, 2004 as a Research Associate. Robert comes to the department from the forest fire research group at the Canadian Forest Service. He is working with Vic Adamowicz to model the impacts of forest fire on air quality and human health in Alberta. Robert has a BSc in Computing Science from the University of Alberta and is working towards completing his MSc in Statistics at the University of Alberta.



Dr. Henry Dakurah joined the department on July 1, 2004 as a Research Associate. Henry received his PhD in 1999 from Colorado State University. Dr. Dakurah is working with Ellen Goddard on co-operatives and credit unions. Henry comes to Alberta after experience working at Wageningen University and Rabobank in the Netherlands.

Graduate Student Highlights



Jason Politylo, M.Sc., received his degree in agricultural and resource economics in 2004. His thesis, "Economic Analysis of Carbon Supply Contracts under Risk of Fire: A Supplier Perspective," examined the potential role of Canadian forests in greenhouse gas management. Recently there has been considerable interest by the federal and provincial governments to understand the role of carbon trading mechanisms, such as carbon supply contracts, in meeting Canada's greenhouse gas reduction targets under the Kyoto Protocol. It is thought that carbon credits generated via forest management practices may provide cost-effective emissions offsets for other sectors. Utilizing data from the Weldwood forest management area (FMA) in Hinton, Alberta, Jason used a programming model to evaluate how various contract parameters, such as carbon price, contract size, and harvest regulations, affect a credit-supplier's decision to enter into carbon credit supply contracts. The results of his research suggest that carbon supply contracts may not generate sufficient incentives for firms to produce carbon credits at relatively low cost, and, that alternate contract structures or credit trading mechanisms should be explored.

He is currently working as a business analyst at Alberta Energy.

Pamela Neumann, MSc student in Rural Sociology, under the supervision of Dr. Naomi Krogman and Dr. Barb Thomas (Renewable Resources), is working on a project studying the social perceptions of poplar tree plantations in central Alberta. Land-use issues are becoming more complicated as new resource industries move into traditional farming communities and farmers face increased pressure with shrinking profit margins and expanding markets. Neumann, Krogman and Thomas in particular are examining the attitudes and concerns around Al-Pac's Poplar Farm Program in which a forestry industry leases private farmland for 20 to 30 years to grow and harvest fast-growing poplar trees. Neumann conducted face-to-face interviews with people directly involved with the poplar tree program, and also created a survey to describe the attitudes of community (Athabasca and Wetlock) and town (Athabasca) residents towards the program.



Israel Huygen, working with Michele Veeman and Mel Lerohl, has studied the implications of possible wide-spread introduction of GM wheat for the costs of marketing conventional wheat. Developments in modern agricultural biotechnology are leading to the creation of supply chains involving identity preservation (IP) of genetically modified (GM) and non-GM crops. His study estimated differences in incremental costs in three selected supply chain systems for non-GM wheat relative to different levels of tolerance for GM material. The selected systems extended from the level of the farm to export port. Estimates of potential cost impacts of different threshold levels for three supply chain models of the systems were based on data on incremental costs from seedgrowers, elevator managers, plant scientists/agronomists, seed growers, GM testing specialists, container shipping experts, individuals associated with the commercial development of agricultural biotechnology, and supply chain managers.

An appreciable increase in the costs of identity preserved marketing of non-GM wheat was found as threshold levels became stricter. Overall, the results indicate that there are alternative methods for managing IP systems for non-GM wheat and that tolerance

specifications for GM content have appreciable effects on IP costs. This research was supported by the Genome Prairie GE3LS program and Alberta Agriculture Research Institute. Further information on the study can be found in Huygen, I., M. Veeman and M. Lerohl (2004) "Cost Implications of Alternative GM Tolerance Levels: Non-Genetically Modified Wheat in Western Canada" *AgBioForum* 6(4): 169- 177. [Available on the web: <http://www.agbioforum.org>]

Graduate Student Awards



(Left to right): Pamela Neumann, Leanna Parker and Geoffrey McCarney

Five Rural Economy students received Social Sciences Humanities Research Council (SSHRC) awards in 2004. **Brett Cortus**, **Geoffrey McCarney** and **Pamela Neumann** each received a SSHRC Masters Scholarship. **Ken Caine** and **Leanna Parker** each received a SSHRC Doctoral Scholarship.



Ken Caine, Rural Sociology PhD student, has received a prestigious Pierre Elliott Trudeau Foundation Doctoral Scholarship. Ken was among 14 doctoral students across Canada awarded the scholarship. The scholarship is for studies in the social sciences and

humanities. Each recipient receives \$35,000 per year for up to four years, plus research travel funds. The Trudeau Scholars are matched with mentors who are prominent national and international leaders in their fields. Ken's doctoral research project explores the perceptions and understanding of community-based natural resource management within the dynamics of aboriginal self-government. He is involved with community members in two community-based resource management programs, the Great Bear Lake Watershed Management Plan and the Sahoyúé-?ehdacho Protected Areas candidate program, in order to critically examine the relationship between a science-based process of resource management planning and local Aboriginal conceptions of resource management.

Graduate student awards received in 2004 include:

Anderson, Jay

- T.W. Manning Book Prize
- West Fraser Scholarship in Enhanced Forest Management

Arnot, Christopher

- Al Brennan Memorial Graduate Scholarship

Caine, Kenneth

- Izaak Walton Killam Memorial Scholarship
- Pierre Elliott Trudeau Foundation Doctoral Scholarship
- Province of Alberta Graduate Scholarship
- SSHRC Doctoral Scholarship (declined)
- Walter H. Johns Graduate Fellowship

Cortus, Brett

- Douglas McRorie Memorial Scholarship
- Margaret (Peg) Brown Award in Environmental Studies & Wildlife Resources
- Province of Alberta Graduate Scholarship
- SSHRC Canada Graduate Scholarship Master's Competition
- T.W. Manning Book Prize
- Walter H. Johns Graduate Fellowship

Ding, Yulian

- Provost Doctoral Entrance Award

Fernando, Jeewani

- Provost Doctoral Entrance Award

Glover, Freda

- Lemaire Co-operative Studies Award

Hailu, Getu

- Ivy A. Thomson and William A. Thomson Graduate Scholarship
- Murray and Pauline Hawkins Research Bursary

Huang, Wenzhao

- Provost Doctoral Entrance Award

Johnson, Trina

- Douglas McRorie Memorial Scholarship
- Province of Alberta Graduate Scholarship

Lan, Xin

- University of Alberta Master's Scholarship

Lawrence, Lola

- Mary Louise Imrie Graduate Student Award

Maynes (Hunt), Tanya

- Canadian Agricultural Economics Society Honorable Mention, Outstanding Masters Thesis Award

McCarney, Geoffrey

- SSHRC Canada Graduate Scholarship Master's Competition
- Walter H. Johns Graduate Fellowship

Neumann, Pamela

- Province of Alberta Graduate Scholarship
- SSHRC Canada Graduate Scholarship Master's Competition
- T.W. Manning Book Prize
- Walter H. Johns Graduate Fellowship

Parker, Leanna

- SSHRC Doctoral Fellowship
- Walter H. Johns Graduate Fellowship

Rutakumwa, William

- Myer Horowitz Graduate Students' Association Graduate Scholarship

Stewart, Bryce

- John Proskie Memorial Scholarship
- McBain Scholarship

Uto, Kinga

- Alberta Agricultural Economics Master's Scholarship

Undergraduate Student Awards



Glen Doll was awarded the Undergraduate Book Prize at the joint Northeastern Agricultural and Resource Economics Association - Canadian Agricultural Economics Society Conference, June 20-23, Halifax, Nova Scotia. Glen was also awarded a Canadian Wheat Board Scholarship; an Agriculture Financial Services Corporation Scholarship and an Alberta Agricultural Economics Association Undergraduate Scholarship.



(L to R): Natalie Zimmer, Nicholas Osuteye, Adrienne Herron

Natalie Zimmer received second place in the Undergraduate Paper Competition for her paper titled: "Consumer Preference and Willingness to Pay for Fair Trade Coffee: A Contingent Valuation Approach" at the American Agricultural Economics Association Meetings in Denver, Colorado, August 1-4, 2004.

Natalie, along with Nicholas Osuteye and Adrienne Herron also competed in the Undergraduate Economic Bowl.



(L to R): Glen Doll, Sarah Gardiner, Ellen Goddard, Alesha Hill and Charles Haun

The team of undergraduate students from Agribusiness and Agriculture and Resource Economics placed third in the Fifth Annual Food Distribution Society Undergraduate Case Study Competition, Morro Bay, California, October 9-13, 2004. Coaches **Ellen Goddard** and **Bodo Steiner** provided key input to the team in their presentations.



Julie Hodgson was awarded the 2004 Len Bauer Bar None Undergraduate Leadership Scholarship and an Agricultural/Food Business Management Scholarship.

(L to R): Julie Hodgson, June Bauer

Academic Staff Awards

- **Vic Adamowicz**, "Canadian Forestry Scientific Achievement Award."
- **Peter Boxall**, University of Alberta "McCalla Professorship." Environmental and Conservation Science students "Professor of the Year." AFHE "Teacher of the Year Award." National Association of Colleges and Teachers in Agriculture "Meritorious Teaching Award."
- **Sean Cash and Naomi Krogman**, AFHE "Teacher of the Year Award."
- **Kevin Chen**, Invitational Fellowship from Japan Society for the Promotion of Science.
- **Renee Kim, Michele Veeman and James Unterschultz**, Canadian Agricultural Economics Society "Best CAFRI Journal Article."

Distinguished Alumni Award

Alex F. McCalla, '61 BSc(Ag), '63 MA has received a prestigious Distinguished Alumni Award from the University of Alberta. A maximum of four of these awards are conferred each year to recognize living University of Alberta graduates whose truly outstanding achievements have earned them national or international prominence. Alumni who are chosen to receive Distinguished Alumni Awards are also inducted to the Alumni Wall of Recognition.

Alex F. McCalla is highly regarded for his research in international trade. His work has been extensively published, and its importance has been recognized by the American Agricultural Economics Association. He is a Fellow of both the American Agricultural Economics Association and the Canadian Agricultural Economics Society, and he was awarded an honorary doctorate from McGill University. He has served the Consultative Group on International Agricultural Research (CGIAR) for more than 20 years, and served as chair of the board of trustees

of the International Maize and Wheat Improvement Centre.



Throughout his distinguished academic career, McCalla has been associated with the University of California at Davis. While advancing through the professorial ranks, he was appointed dean of the College of Agricultural and Environmental Sciences at age 32 and later was the founding dean of the Graduate School of Management. When he elected to retire from active teaching in 1994, he became the director of the Agriculture and Natural Resources Department of the World Bank, where he worked to revitalize the World Bank's commitment to rural development.

During his visit to Edmonton to accept his Distinguished Alumni Award, Alex gave a seminar in the Department on the role of agriculture in WTO trade negotiations. He attracted a standing-room-only crowd for this fascinating discussion. Alex has been a good friend to the Department over the years, and we are very proud of his receiving this well-deserved recognition from the University.

In Memoriam



Leonard Bauer

March 17, 1937 – August 10, 2004

Len Bauer was a Professor Emeritus who first joined the department in 1977. Len succumbed to complications from prostate cancer on August 10, 2004. During that year Len received the Wilson Loree Award for the Development of Excellence in Farm Business Management. Len was honoured with a scholarship in his name through the University of Alberta's Bar None Endowment Fund. This was presented for the first time in the fall of 2003.

Donations to the Len Bauer Bar None Undergraduate Leadership Scholarship are being accepted. For more information or to make a contribution contact: Myrna Snart, Development Officer, Faculty of Agriculture, Forestry and Home Economics, 2-14 Agriculture Forestry Centre, University of Alberta, Edmonton, AB T6G 2P6; email myrna.snart@ualberta.ca; or call (780) 492-2118.

Overview *of the* Cooperative Program *in* Agricultural Marketing *and* Business



The Cooperative Program in Agricultural Marketing and Business was created by industry funding in the late 1980's with contributions from government and the Department of Rural Economy. The organizations providing funding initially were: the Alberta Chicken Producers; Alberta Egg Producers; Alberta Hatching Egg Producers; Alberta Pork; Alberta Turkey Producers; Credit Union Central Alberta; Edmonton Co-operative Association; Federated Co-operatives Limited; Lilydale Foods; Ponoka Co-op; The Co-operators; United Farmers of Alberta; Alberta Wheat Pool; and the University of Alberta. The broad purposes of the program are to conduct research, extension and teaching in the areas of agricultural marketing and business. The program funding is largely used to fund graduate student research. Currently there are six Masters students and one PhD student being funded through the program. Highlights of research findings for the year include the following:

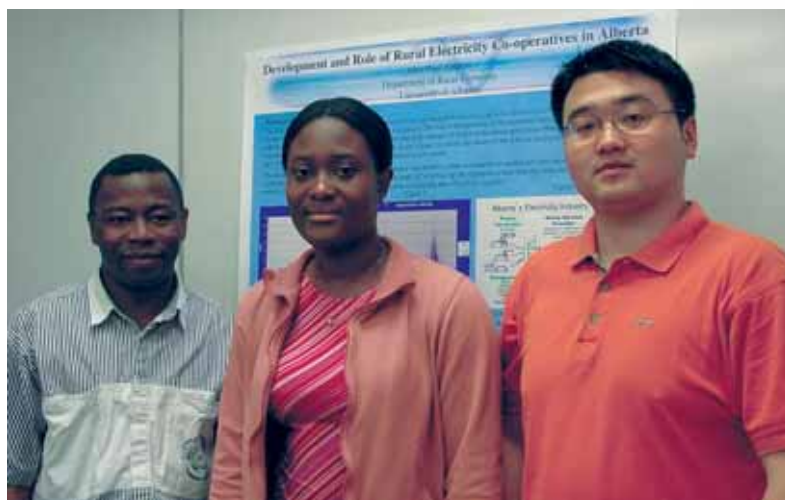
- Capitalization issues in Canadian agribusiness co-operatives contribute to agency costs in many types of co-operative; there is also a link between debt levels and inefficiency in co-operatives.
- Market analysis of pricing in Canadian fresh poultry markets suggests that retailers/processors do play reactive games with fresh chicken prices. Lilydale

The broad purposes of the program are to conduct research, extension and teaching in the areas of agricultural marketing and business.

appears to act as a co-operative in pricing chicken with other investor owned firms reacting to Lilydale's prices. Lilydale's behaviour moderates price and increases quantity of fresh chicken sold within Western Canada.

The program also encourages various extension activities. This year the highlight of the program was the Annual Symposium. Symposium 2004 "Reducing Risk, Protecting People: Implications for Health, Food, and Agribusiness" held on June 2, 2004 at the University of Alberta.

The Symposium provided an opportunity to examine risk in the context of the overall industry and in individual farm or firm management. The Co-operative Program maintains a web site and produces a series of newsletters of interest to industry. For more information about these see: <http://www.coop.re.ualberta.ca/>



(L to R): Henry Dakurah,
Freda Glover and
Wenzhao Huang

Rural Economy *to host* **Consumer Demand and Farm Level Policy Networks**

Agriculture and Agri-Food Canada (AAFC) announced that it has selected the Department of Rural Economy as the host institution of one of five *Agricultural Policy Research Networks*. These networks are a key component of Agriculture and Agri-Food Canada's strategy to enhance the policy discussion around agriculture and agri-food issues by developing and supporting clusters of agricultural policy research at various Canadian universities.

The leader of the *Consumer Demand Network* is **Ellen Goddard**, Chair of the Department of Rural Economy. The consumer demand network is national in scope and multi-disciplinary in nature. Researchers involved in the network are from Universities across Canada. The focus of this network will be on major factors and trends affecting consumer and market demand for food. Major factors currently include quality, food safety, and health concerns. Research will also address the impact of changing demand on the agri-food sector.

Agriculture and Agri-Food Canada (AAFC) also selected the Department of Rural Economy as the host institution of a second *Agricultural Policy Research Network*. The leader of the *Farm Level Policy Network* is **Jim Unterschultz**, Associate Professor.

The Farm Level Policy Network will provide research on issues at the farm level, such as food quality, food safety and the environment. The network will also address issues such as ongoing income problems, environmental concerns, and the designing of policies that assist the agriculture industry in meeting these challenges.

This network is a key component of Agriculture and Agri-Food Canada's strategy to enhance the policy discussion around agriculture and agri-food issues by developing and supporting clusters of agricultural policy research at various Canadian universities. The Farm Level Policy Network is national in scope and multi-disciplinary in nature. Researchers involved in the network are from Universities across Canada.



Jim Unterschultz

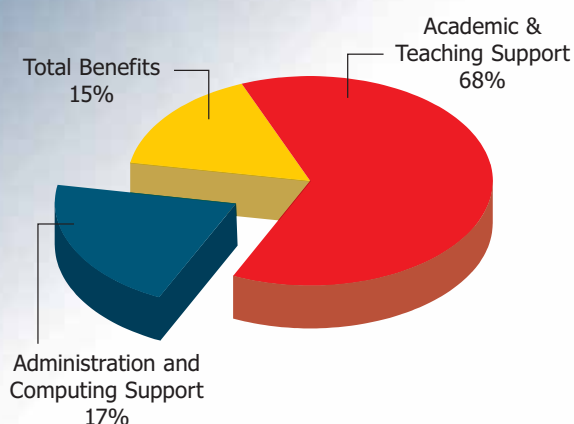
Editorship of the Canadian Journal of Agricultural Economics now held by staff in Rural Economy - Setting a New Course

The Canadian Agricultural Economics Society has recently appointed Peter Boxall, Kevin Chen, Scott Jeffrey and Jim Unterschultz as editors of the Society's journal – *The Canadian Journal of Agricultural Economics*. This prestigious appointment brings the editorship of the journal to the University of Alberta for the next three years. The editors have charted an ambitious course for the journal with movement of the publishing to Blackwell Publishing, the creation of special issues with focused topics in the areas of agricultural, environmental and resource economics. The team has instituted a host of review and production administrative changes including the appointment of Trevor Ackerman as editorial coordinator. The plans are to increase the visibility and contributions of this journal. The CJAE is currently in its 53rd year of publication.



This prestigious appointment brings the editorship of the journal to the University of Alberta for the next three years.

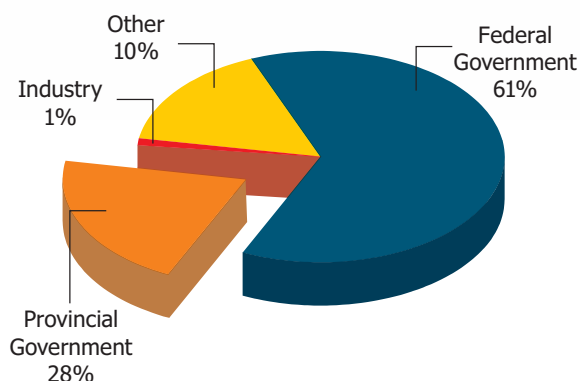
2004 Operating Budget: \$1,652,142



Distribution of Operating Budget:

Academic & Teaching Support	\$1,112,632
Administration & Computing Support	\$285,850
Total benefits	\$253,660

2004 Research Funding: \$1,060,693



2004 Source of Research Funds:

Federal Government	\$644,550
Provincial Government	\$294,350
Industry	\$15,000
Other	\$106,793

2004 Academic Staff:

16	Academic Staff
8	Adjunct Professors
5	Research Associates

2004 Graduate Student Enrolment:

	MSc	MAg	PhD	Total
Agricultural and Resource Economics	33	1	16	50
Rural Sociology	6		3	9
Forest Economics	1		2	3
MBA/MAg		1		1
Phd joint Native Studies			1	1
Overall Total	40	2	22	64

Wiktor L. Adamowicz

Environmental Economics,
Econometrics, Forest
Economics

Peter C. Boxall

Environmental Economics,
Resource & Forest Economics

Sean B. Cash

Environmental,
Resource and Health
Economics.

Kevin Z. Chen

Food Marketing, Policy

James H. Copeland

Computing and Statistical
Analysis

Debra J. Davidson

The State and Environmental
Policy, Globalization, First
Nations Issues.

Ellen W. Goddard

Chair, Department of Rural
Economy; Co-op Chair,
Agricultural Marketing and
Business

Grant K. Hauer

Resources & Environmental
Economics, Trade

Scott R. Jeffrey

Production Economics,
Agricultural Business
Management

Naomi T. Krogman

Sociology of Natural
Resources, International
Development, Gender

Martin K. Luckert

Forest Economics, Natural
Resource Economics

Desmond W. Ng

Agribusiness Management &
Strategy, Business Strategy

Brenda L. Parlee

Traditional Knowledge
and Resource Management
Practices, Community and
Ecosystem Health

Bodo E. Steiner

Agribusiness, Economics of
Contracts

James R. Unterschultz

Agribusiness, Finance and
Marketing

Michele M. Veeman

Markets, Policy, Trade

Terry S. Veeman

International Development,
Resource & Environmental
Economics

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Image / Photo Credits

Production Credits

Co-editors, Judy Boucher, Peter Boxall, Sean Cash, Ellen Goddard, Michele Veeman. Design and Layout, Studio X Design & Illustration. Photographs courtesy of University of Alberta; National Pollutant Release Inventory

Page 15, bullet 1: Getu Hailu Woldeeslassie, Principal Agent Problems and Capital Constraints in Canadian Agribusiness Supply and Marketing Co-operatives, unpublished PhD thesis in progress.

Page 15, bullet 2: Benjamin Shank, Pricing Games in Canadian Chicken and Australian Egg Markets, unpublished MSc thesis, 2004.

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