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Introduction to the Special Issue

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This Special Issue, „Professional Interest, New Issues and Recent Methodological Developments in Agricultural and Resource Economics”, brings together selected contributions of the EAAE (European Association of Agricultural Economists) PhD Workshop, which took place in Giessen, Germany, September 10-11, 2009.

The general aim of the Workshop was to promote scientific exchange between PhD students in economics, business and social sciences with a focus on agriculture, food, environment, and national and international development issues, and to facilitate formal and informal presentations of young researchers' work to the scientific community and to a wider audience. The Workshop was intended specifically for PhD students of European universities and research centres who were close to completing their dissertations. Former PhD students who had just completed their studies and young researchers interested in discussing their research related to food, agriculture, rural development and environmental economics were welcome to attend as well. The Workshop gave European PhD students and young researchers from different countries the opportunity to present their ongoing work in a conference setting and to get feedback from their peers as well as from more senior economists. Proposed papers were reviewed on the basis of extended abstracts and those accepted were put on the programme either as contributed papers or poster papers. Participants benefited also from plenary sessions in which distinguished invited speakers provided guidance on how to successfully carry out economic research in the areas of agriculture, food, environment and development.

In the tradition of the two earlier PhD Workshops promoted and sponsored by the EAAE – in Wageningen, Netherlands, in 2005, and in Rennes, France, in 2007 – the 2009 EAAE PhD Workshop was organised by an International Scientific Committee composed of Chantal Le Mouél (INRA, Rennes, France), Stanley Thompson (Ohio State University, USA), Wim Verbeke (Ghent University, Belgium) and the two guest editors of this issue of the journal, supported at

the Workshop by Renan Goetz (University of Gerona, Spain) and Alexandre Gohin (INRA, Rennes, France). In addition to funding received from the EAAE, the 2009 EAAE PhD Workshop was co-sponsored by the German Association of Agricultural Economists (Gesellschaft für Wirtschafts- und Sozialwissenschaften des Landbaues e.V. – GeWiSoLa) and organised with support from the Center for International Development and Environmental Research (ZEU) at the University of Giessen, Germany.

The 2009 EAAE PhD Workshop brought together an international group of 73 participants. Among them were 55 PhD students from nine European countries, with the highest proportion from Germany, France and Italy, in that order. 52 papers by PhD students were presented, 42 as contributed papers and 10 as poster papers. There were four plenary sessions with invited speakers from the USA and Europe: Ernst Berg (University of Bonn, Germany), Thomas Heckeley (University of Bonn, Germany), Krijn Poppe (LEI, Netherlands), Richard Sexton (University of California, Davis, USA) and Peter Wehrheim (European Commission, Brussels).¹

The papers which appear in this Special Issue are largely modified versions of five of the contributed papers presented at the Workshop, plus one of the plenary presentations. We invited Thomas Heckeley, University of Bonn, Germany, to put his plenary lecture “Publishing as an Agricultural Economist: Thoughts on Why, Where and How” on paper to appear as the first article in this Special Issue. His paper is a typical professional-interest contribution, as the questions “why, where and how” agricultural economists can publish successfully is of great interest to all scholars in agricultural economics today. Of course, the questions addressed in Heckeley's paper are most urgently relevant for younger agricultural economists

¹ For more details on the structure and content of the programme of the Workshop see HERRMANN, STAUDIGEL and DÖRNBERGER (2010) and the Workshop homepage available at <http://www.uni-giessen.de/cms/fbr/zentren/zeu/forschungsprojekte/EAAEPhDW09>.

who are about to take their first steps to publishing successfully. Despite the general appeal of the topic, surveys of this type are very rare. Apart from the classical article by GEORGE LADD (1979) on artistic research tools, to our knowledge, there are only a few presentations available of similar professional-interest lectures². In his paper Thomas Heckeley sticks to a very effective lecture-type style. He explains why publications in peer-reviewed journals are crucial today for researchers' careers as well as for quality assurance in the research system. He elaborates how quality is evaluated, which count measures of quality are used in citation analyses and what the strengths and weaknesses of these measures are. In particular, Heckeley gives many valuable recommendations on how to write an article to be peer-reviewed and how to deal with comments by referees and editors. We believe that this first paper in the Special Issue will be a valuable reference for many PhD students and young scholars to help them avoid the most common mistakes in the early stage of their professional carriers, cope with some of the almost unavoidable frustrations faced in dealing with the peer-review process, and become effective writers of successful academic papers.

The following five papers are based on selected contributed papers out of the 42 presented at the Workshop by PhD students. For the two papers with more than one author, the first author named presented the paper at the Workshop. These five papers come from different research areas within agricultural and resource economics; they are rather different in terms of both subject area and methodological approach. What they have in common is that all have a strong analytical content and that they address topical questions of agricultural and resource economics with relevant policy implications. All five papers were recommended for inclusion in this Special Issue either by members of the Scientific Committee or, following a request by the guest editors, by other senior scientists attending the Workshop. They were chosen on the basis of the oral presentations and the first versions of the full papers available at the time of the Workshop. Moreover, the selected papers have been first revised to take account of the comments received at the Workshop. They were then successfully subjected to a double-blind review process similar to the one articles appearing in "regular" issues of this

journal have to go through, with each paper being reviewed by two referees.

The first paper is by Andrius Kazukauskas, Trinity College, Dublin, Ireland, co-authored by Carol Newman, from the same institution and Fiona Thorne, Rural Economy Research Centre, Teagasc, Dublin, Ireland. "Analysing the Effect of Decoupling on Agricultural Production: Evidence from Irish Dairy Farms Using the Olley and Pakes Approach" is its title. Results of their study are relevant for the topical policy issue addressed as well as for the assessment of the appropriateness of different techniques of productivity measurement. The decoupling of direct payments was a major decision under the Common Agricultural Policy (CAP), and empirical evidence of the implications of decoupling for productivity in agriculture is still scarce. Kazukauskas and the co-authors analyse the effects of decoupling on Irish dairy farms and conclude that the expected positive effect of decoupling policy on aggregate productivity in the dairy sector does indeed exist and is significant. The authors use stochastic frontier analysis and a modified Olley and Pakes approach. They argue that one advantage of their approach is that it allows to disentangle the impact of the single farm payment from other exogenous and endogenous changes (but independent from the latter) that occurred simultaneously with its introduction. A separation of effects from other policy changes, such as changes in the role of intervention prices and quotas, is thus possible and has enabled the authors to establish a positive impact of decoupling on productivity that was not found in a number of earlier studies.

Vincent Lenouvel, Cemagref-G-EAU and Lameta Research Units and his co-author Marielle Montginoul, Cemagref-G-EAU Research Unit, both Montpellier, France, deal with a resource economics issue: "Groundwater Management Instruments in a Conjunctive Use System: Assessing the Impact on Farmers' Income Using Mixed Integer Linear Programming (MILP)". The authors compare several economic instruments which may be implemented in order to mitigate farmers' groundwater withdrawals in a multiple-resource system. They report on field work with farmers in the Roussillon floodplain, France, that aids understanding of how the substitution between underground and surface water in irrigation water demand works. Using their MILP approach, Lenouvel and Montginoul model fruit and vegetable production systems and derive absolute and relative impacts on farmers' income. Their major conclusion is that a "well-priced" substitute resource, i.e. surface water,

² Apart from the presentation by Thomas Heckeley at the 2009 EAAE PhD Workshop, this also refers to those by Ernst Berg and Richard Sexton.

would be clearly favourable in terms of farmers' income and would raise farmers' acceptance of an irrigation water policy compared with a tax on groundwater use.

With the paper by Ramona Teuber, University of Giessen, Germany, we move from the demand for a scarce farm input to the demand for a consumer good. "Estimating the Demand for Sensory Quality – Theoretical Considerations and an Empirical Application to Specialty Coffee" is the title of her contribution. Strongly increasing differentiation of food products coupled with easier access to relevant data has raised the number of applications of hedonic pricing models substantially. In the first part of her paper Ramona Teuber provides a well-designed review of recent theoretical and empirical developments in hedonic price analysis. While most hedonic models estimate one-stage hedonic pricing functions, the model used by Teuber in the second part of her paper includes a hedonic bid function at stage one and an inverse demand function for a specific product characteristic at stage two. The analysis focuses on specialty coffee using data from coffee auctions over six years. The specific characteristic taken into account is the 'sensory quality score' (SQS). The results suggest that country of origin and the buyer-effect are important in determining the marginal price of the SQS. Furthermore, the SQS emerges as a much more important quality signal for coffee-growing countries with a weak reputation than for those with a well-established reputation.

The economics of commodity price stabilisation boomed in the 1970s and 1980s, culminating in the book by NEWBERY and STIGLITZ (1981). Far fewer contributions appeared thereafter, but with the rising volatility of international agricultural markets a revival of interest in international commodity market stabilisation has developed. The paper by Fabienne Femenia, INRA, Rennes, France, is an example of this new interest in stabilisation issues. Her article is titled "Impacts of Stockholding Behaviour on Agricultural Market Volatility: A Dynamic Computable General Equilibrium Approach". She has constructed a dynamic general equilibrium model to study the linkages between producers', households' and stockholders' intertemporal decisions. In the analysis by Fabienne Femenia, the assumption of rational expectations which was often used in the stabilisation literature is relaxed. It may be that producers and/or stockholders

suffer from expectation errors. Femenia shows that the impact of speculative storage on market volatility is affected by these expectation errors, i.e. by endogenous, rather than exogenous, market risk, as she puts it. The results are relevant for policy-making and from a methodological point of view. The author shows that stockholders' behaviour, if they consider very little past information when forming their decisions, tends to increase price, output and farm income fluctuations. The advantage of the methodology proposed by Femenia is that the general equilibrium model she has developed allows the incorporation of assumptions regarding agents' behaviour which are different from those usually made and demonstrates how an error-induced volatility may spread over time and across sectors.

The last paper, "Coordination and Differentiation of Strategies: The Impact on Farm Growth of Strategic Interaction on the Rental Market for Land", is by Anne Margarian, Johann Heinrich von Thünen-Institute (vTI), Braunschweig, Germany. The focus of the paper is on farmers' decision-making regarding growing in size or exiting the sector and its implications for the farm-adjustment process. While farm decisions in the land market are most often explained on the basis of the heterogeneity of farms and returns to scale, Margarian develops a model in which farms are assumed to behave strategically, i.e. to take into account the behaviour of the other farms, and to be initially homogeneous. The contribution by Anne Margarian complements existing literature by showing under different assumptions that if farms behave strategically many different equilibria may emerge. Two aspects of the decision-making process are identified as crucial: coordination of farm exits and the strategic choices made by those farms which want to remain active.

This Special Issue will hopefully be used by many – not only young – scholars for guidance on how to publish successfully. The invited paper by Thomas Heckeley formulates very helpful recommendations on the Why, Where and How in publishing, drawing on his experience as an author and journal editor. Moreover, the papers by Kazukauskas and co-authors, Lenouvel and co-author, Teuber, Femenia and Margarian represent substantial contributions by young research scholars and their PhD studies to new issues and recent methodological developments in agricultural and resource economics.

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