Conference, January 27-28, 2003

Product Differentiation and Market Segmentation in Grains and Oilseeds: Implications for an Industry in Transition

Sponsored by
The Economic Research Service, USDA
And
The Farm Foundation

Monday, January 27, 2003

8:30 – 9:00 a.m. Registration

9:00 – 9:15 a.m. Welcome and Introduction – Neilson Conklin, Director, Markets and Trade Economics Division, Economic Research Service

Program Note: Aziz Elbehri, Economic Research Service

9:15 – 10:30 a.m. Session I. Grain and Oilseed Markets Under Product Differentiation: Drivers of Change and Structural Trends

Chair: Joy Harwood, Markets and Trade Economics Division, ERS

Forces Driving Industrialization of Agriculture: Implications for the Grain Industry in the United States
Steven T. Sonka, University of Illinois

Differentiation Within the Grain and Oilseeds Sectors: The Evolution and Reengineering of Supply Chains Increased
Tom Sporleder, Ohio State University

10:30 – 11:00 a.m. Coffee break
11:00 – 12:30 p.m. **Session II. Product Differentiation and Marketing Systems: Current Trends and Developments in the Grain and Oilseed Industry**

Chair: **Mary Bohman**, Markets and Trade Economics Division, ERS

*Product Differentiation and Identity Preservation (IP): Implications for Market Developments in U.S. Corn and Soybeans*

**Karen Bender**, University of Illinois-Urbana Champaign

*Identity-Preservation in Marketing Systems in Canada: Developments in Wheat and Canola Sectors*

**Peter Phillips**, University of Saskatchewan

*Identity-Preserved Grain—Logistical Overview*

**Heidi Reichert**, USDA, Agricultural Marketing Service

12:30 – 1:30 p.m. Lunch

1:30 – 3:00 p.m. **Session III. Price and Market Implications of Differentiated Grain and Oil Crops: Analytical Approaches**

Chair: **Jim MacDonald**, Resource Economics Division, ERS

*Welfare effects of non-GMO identity preservation: the case of potential coexistence of GM and non-GM rapeseed in the EU*

**Marion Desquilbet**, INRA, France

*Product Differentiation and Price Behavior in Corn Markets With Identity-Preserved Types*

**Aziz Elbehri**, USDA, Economic Research Service

*The Economics of Thresholds in IP Systems: An Example From the U.S. Seed Industry*

**Nicholas Kalaitzandonakes**, University of Missouri-Columbia

3:00 – 3:15 p.m. Refreshments
### Session IV. Economics of Identity Preservation: Assessing Costs and Efficiency in the Grain Industry

**Chair: Deincey Johnson,** Markets and Trade Economics Division, ERS

*The Logistical Costs of Marketing Identity-Preserved GM Wheat*

**William Wilson,** North Dakota State University

*Segregation Costs and Efficiencies Within the Grain-Handling System*

**Charles Hurburgh,** Iowa State University

*Costs and Efficiency of IP Production and Handling: A Perspective From the Field*

**Lynn Clarkson,** Clarkson Grain Company, Inc.

#### 4:15 – 4:30 p.m. Break

### Session V. Product Differentiation and Market Facilitation: Private and Public Initiatives

**Chair: Elise Golan,** Resource Economics Division, ERS

*Public Role in Grain and Oilseed Marketing Facilitation: USDA Perspective*

**David Shipman,** USDA, Grain Inspection, Packers and Stockyards Administration

*Supply Chains, Quality Assurance, and Traceability: Using ISO Systems in Agriculture*

**Reg Clause,** Center for Industrial Research and Services, Iowa State University

*Marketing IP Grain with Quality Assurance: Genetic ID experience with “Cert ID” system*

**John Fagan,** Genetic ID

*Market Facilitation of Grain Marketing: The End-User’s Perspective*

**Frank Beurskens,** AgriBiz and Associates, Inc.
Tuesday, January 28, 2003

8:30 – 10:00 a.m.  Session VI. Producing Differentiated Crops: Costs, Incentives, and Organizational Implications

   Chair: **David Skully**, Markets and Trade Economics Division, ERS

   *Recent Trends in High-Value Corn Production in the United States: Evaluation of the Economic Determinants Behind Growers’ Decisions*
   **Bob Stewart**, Ag Education & Consulting

   *Risk and Risk Management in the Production and Marketing of Value-Enhanced Grains*
   **Sharon Bard**, Ag Education & Consulting

   *Contract Production and Market Coordination for Specialty Crops: The Case of Indiana*
   **Joan Fulton**, Purdue University

10:00 – 10:15 a.m.  Coffee break

10:15 – 11:15 a.m.  Session VII. Production and Marketing of Differentiated Crops: A View From the Field

   Chair: **Barry Krissoff**, Markets and Trade Economics Division, ERS

   *A Producer’s Experience With Pharmaceutical IP Plants*
   **Bill Horan**, Iowa corn grower/ NCGA Board Member

   *Servicing IP Production and Marketing: A Third-Party Role*
   **Bill Grande**, IdentityPreserved.com

   *Procuring IP Grains and Ingredients: A Food Manufacturing Experience*
   **Ron Olson**, General Mills Grain Division

11:15 – 11:30 a.m.  Break

11:30 – 12:30 p.m.  Session VIII. Implications for Research Priorities, Policy Issues, and Data Needs

   Chair: **Walter Armbruster**, The Farm Foundation

   **Elizabeth Berry**, Grain and Feed Division, FAS-USDA
   **Charles Hurburgh**, Iowa State University
   **Tom Sporleder**, Ohio State University
   **Frank Beurskens**, AgriBiz and Associates, Inc

12:30 p.m.  Adjourn