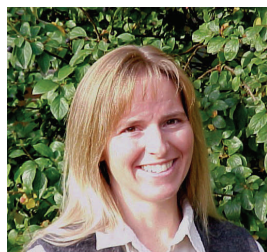




February 2007

Note From the Department Head



Co-Interim Department Head Wendy Stock

Welcome to the Department of Agricultural Economics & Economics Spring Newsletter. As you peruse these pages we hope you'll conclude, as we did, that the department is a true gem at MSU. As this newsletter illustrates, our faculty are highly productive scholars, our students excel both during and after their time with us, and our on- and off-campus teaching programs continue to provide outstanding learning opportunities.

As noted in our last newsletter, the department has ushered in new leadership as Rick Stroup retired from the department at the end of 2006. We are co-leading the department this year on an interim basis, as the department conducts a search for a new department head.

We hope you will agree that there is a great deal to celebrate about the department. We look forward to another productive and path breaking year in 2007!

~Wendy Stock and Myles Watts



Co-Interim Department Head Myles Watts

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Department says goodbye to Richard Stroup

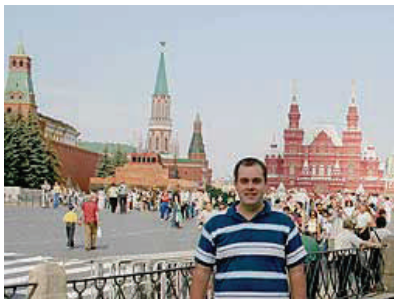
Richard Stroup has retired from the Department of Agricultural Economics & Economics after 37 years of service. Rick has moved to Raleigh, North Carolina where his wife, Jane Shaw, is leading the J.W. Pope Center for Higher Education Policy. Rick is continuing his research program at North Carolina State University and doing some teaching. In addition to serving as Professor of Economics in the department, Rick's career also included service as Director of the Office of Policy Analysis in the U.S. Department of Interior, Senior Fellow at the Property and Environment Research Center (PERC), and Adjunct Scholar for the CATO Institute. For the past three years, Rick served as head of the Department of Agricultural Economics & Economics in Bozeman. Rick is a widely published author and speaker on economics, and his contributions to

environmental and natural resource economics are numerous. In the late 1970s, Rick was one of the originators of the "New Resource Economics," the academic approach popularly known as free market environmentalism. Rick's contribution to the department and to economics has made a huge impact on students and colleagues. A retirement celebration was held in Rick's honor in December, and many old colleagues and friends of the department attended. Join us in wishing Rick continued success in his endeavors.

Good Luck, Rick!



Graduate Student Gains Economic Experience in Russia



Economics graduate student **Tyler Wiltgen** served a summer internship at the U.S. Embassy in Moscow, as recipient of the Foreign Agricultural Service International Agriculture internship. Tyler worked with reports and statistics of crop forecasting, as well as analyzing changes in Russian farm policy. He had the opportunity to serve as the interim Agricultural Trade Office director for a month, where he analyzed Russia's biofuels policy and remarked on an opening trade show of California wines for the ambassador.

Tyler enjoyed living at the Embassy and also spent some time traveling throughout Russia.

Tyler is currently forming his master's thesis, which examines the relationship between U.S. sugar policy and vertical integration in the sugar beet industry.

Presentations

Dino Falaschetti presented "Economics and Politics: A Year at the President's Council of Economic Advisers" as part of the Aspen Pointe series. The talk argued that, just as good physics

"...good social policy must work within the constraints of implacable human incentives."

must appreciate implacable forces (e.g., gravity), good social policy must work within the constraints of implacable human incentives.

Dino then illustrated how a

respect for "incentive compatibility" helped shape (with variable success) Gulf Coast redevelopment, pension reform, counter-terrorism strategies, and other policy considerations. The Aspen Pointe series is an integral part of the College of Letters & Science community outreach program, presenting scholarly work by faculty and students to an appreciative and perceptive senior audience.



Dino Falaschetti

Gary Brester and **Vincent Smith** presented "Agricultural Policy and the U.S. Livestock Industry" at the American Enterprise Institute Authors' Conference in Washington, D.C. Smith also presented "The Economics of Crop Insurance and Disaster Programs: A Review," at the same conference.

Having stepped down as Interim Dept. Head, **Richard Stroup** gave talks in October on the economics of species preservation at several universities. Each was delivered to a mixed group of faculty and students at the University of Idaho, Gonzaga University in Spokane, WA, and North Carolina State University. He also gave a luncheon talk on that topic to a public audience at the John Locke Foundation in Raleigh, NC. In November Stroup delivered two papers during a conference at the University Francisco Marroquin (UFM) in Guatemala City, Guatemala. One was entitled "Trade, Development and the Environment: The Role of the Environmental Kuznets Curve" and the other was "The Political Economy of the Resource Curse." He then was an active participant in another 2-day conference of academics organized by the Dean of the Business School at

UFM, and held in Antigua, Guatemala. Before returning to the United States, he participated also as a member in the biennial general meeting of the Mont Pelerin Society, in Guatemala City.

Marsha Goetting presented seminars on the Financial and Legal Aspects of Alzheimer's in Ronan, Missoula, and Butte in September.

Myles Watts and **Wendy Stock** presented as part of a panel at the Montana Taxpayers Association 85th Annual Meeting in Helena in December. The panel focused on the current economic situation in Montana and how changes in policy could effect the economic condition of the state. Dr. Stock addressed the effect of the minimum wage on the state's economy and workforce, and Dr. Watts discussed age demographic trends in Montana.

Doug Young presented "Growth in the Gallatin" to Leadership Bozeman and to ERA Landmark during January. The building boom is apparent in the data: Construction was the second leading source of labor earnings in Gallatin County in 2004, second only to wholesale and retail trade, and ahead of state government (which is mostly MSU-Bozeman).

Andy Hanssen presented papers at University of Southern California and at the American Economic Association meetings.

Marsha Goetting, Kristin Ruppel, Department of Native American Studies, and Floyd Azure, an MSU undergraduate student, presented a workshop on the American Indian Probate Act at the Indian Land Working Group Conference in California in October.



Marsha Goetting

Dino Falaschetti presented "Can Lobbyists Improve Welfare? Evidence from the US Telecommunications Sector" at Tulane University, Department of Economics in January.

John Antle presented "Payments for Ecosystem Services and Alternative Energy," at the Food and Agriculture Organization, Rome, Italy, in December.

Publications

John Marsh, Gary Brester, and Vincent Smith's paper, "Effects of North American BSE Events on U.S. Cattle Prices" has been accepted for publication in *Review of Agricultural Economics*.

Gary Brester's paper, "Research and Publishing: Relevance and Irreverence" was published in *Journal of Agricultural and Resource Economics* in December.

"The End of the Federal Tobacco Program: Economic Impacts of the Deregulation of U.S. Tobacco Production" by **Randy Rucker** (co-authored with A. Blake Brown and Walter N. Thurman) has been accepted for publication in the *Review of Agricultural Economics*.

"The Growth U.S. Farm Programs" by **Randy Rucker** (co-authored with E. C. Pasour, Jr.) will be published in March 2007 as Chapter 16 in *Government and the American Economy from Colonial Times to the Present*, University of Chicago Press.

Rob Fleck and Andy Hanssen's paper, "Why Understanding Smoking Bans is Important for Estimating Their Effects: California's Restaurant Smoking Bans and Restaurant Sales" was accepted by the journal *Economic Inquiry*.

Wendy Stock's paper, "The Undergraduate Origins of Ph.D. Economists" (with John Siegfried) was accepted for publication in the *Journal of Economic Education*. The paper examines the types of undergraduate institutions attended by those who earn doctorates in economics and examines the relationships between undergraduate institution and graduate outcomes. Among the findings: only three of the schools in the top-10 for sending their undergraduates on to earn economics Ph.D.s in the U.S. are in the U.S. Eighteen of the top-25 American undergraduate institutions that send the largest percentage of their graduating classes on to earn a Ph.D. in economics are liberal arts colleges.

Wendy Stock's essay, "Gender Differences in Graduate School and Job Placement Outcomes for Economics Ph.D.s" was published in the Fall 2006 *Newsletter of the Committee on the Status of Women in the Economics Profession*. The essay highlights findings from Stock's work on the education and placement of economics Ph.D.s. Stock reports that for most outcomes – obtaining financial aid, attrition, time-to-degree, obtaining full-time permanent employment, obtaining an academic job, starting salary levels, and various measures of job satisfaction – females are very similar to their male counterparts. However, there are differences in the percentages of time that males and females report spending on research versus teaching. In addition, getting married post-degree is associated with higher sixth-year salaries for males, but sixth-year salary penalties for females. Stock hypothesizes that this results at least in part from a tied mover effect, as the percentage of women reporting that their partner's job opportunities were important for their own job choice is almost twice that of men.

"...getting married post-degree is associated with higher sixth-year salaries for males, but sixth-year salary penalties for females."



Vince Smith

"Regulating State Trading Enterprises in the GATT: An Urgent Need for Change? Evidence from the 2003-2004 U.S.-Canada Dispute" by **Vincent Smith** has been accepted for publication in *Review of Agricultural Economics*.

"No Money, No Postage, No Secretary: An Early History of the Montana Grain Growers Association and the Montana Wheat Research and Marketing Committee - 1956 through 1973" was recently published by Department of Agricultural Economics & Economics former Professor **Charles Rust**.

Awards

The Northeastern Montana Alzheimer's program received the National Florence Hall Award and the Western Region Florence Hall Award at the National Extension Association of Family and Consumer Sciences Conference in Denver the first week in October. FCS agents who are recipients of the award include: Ardis Oelkers, Bobbie Roos, Debbie Donovan, Judy Johnson, Shelia Fredrich, Tara Andrews, Michael Vogel, Lynn Paul, Sandy Bailey, and **Marsha Goetting**. This series of programs focused on family interactions and caregiver stress, food and nutrition, financial planning and legal issues, and housing adaptations.

Agricultural Business students **Ty McDonald** and **Chase Brady** received the 2007 Award for Excellence. **Gary Brester** and **Myles Watts** were also recipients of the award and were selected by the student award recipients to be recognized for their guidance and inspiration. **George Haynes** was selected for the same award by a health promotion major. The 2007 Award for Excellence is sponsored by the Montana State University Alumni Association and the Bozeman Area Chamber of Commerce.



Ty McDonald

(Continued from page 3)

Agriculture Business major **Ty McDonald** received the International Stockmen's Educational Foundation Travel Fellowship. Ty will be traveling to the 2007 International Livestock Congress in Denver.

Ty McDonald is a winner of MSU's Torlief Aasheim Community Involvement Award. Congratulations, Ty!

The MSU Extension *Get Smart About Credit* program received the Western Region Dean Don Felker Financial

Management Award at the National Extension Association of Family and Consumer Sciences Conference in Denver. FCS agents who are recipients of the award include: Ardis Oelkers, Bernie Mason, Corinne Cramer, Denise Seilstad, Jane Wolery, Judy Johnson, Kathy Revello, Laurie Lutt, Shelia Fredrich, Tara Andrews and **Marsha Goetting**. The *Get Smart About Credit* program was designed to create an awareness of the costs of paying the minimum balance on credit cards. Collaborators included the Montana Credit Unions for Community Development and the First Interstate BancSystem Foundation.

Bioenergy Production, Finance, and Marketing: A One Stop Shop



Joel Schumacher

Extension Outreach Associate **Joel Schumacher**, in collaboration with **Vince Smith** and **Duane Griffith**, is creating a one stop shop for agricultural producers and business entrepreneurs who need information about bioenergy production, finance, and marketing. The initiative is partly funded by a grant from the MSU Bio-based Institute. A series of seven outreach publications have been completed or are being developed on oil crushing and biodiesel technologies, oilseed and biomass markets, and federal and state biomass energy policies. Several are already available online at the Agricultural Marketing Policy Center home page (www.ampc.montana.edu). Over the next few months, Joel, Duane and Vince will be developing a decision tool that farmers and business entrepreneurs will be able to use to assess the financial viability of on-farm and off-farm bio-energy enterprises. Joel has presented several programs on oilseed crushing and biodiesel production issues at multiple sites over the past three months. They include:

- "Economics of Bio-Fuels," Stillwater Range Association, Bozeman, MT, January 2007
- "Oilseed Processing: An Overview of Available Technologies," Livingston, MT, January 2007
- "Oilseed Production, Processing, and Bio-Fuels in Montana," MSU Economics 480 Course: Guest Lecture, November 2006
- "Small Scale Bio-Fuels: Financing, Tax Credits, Production and Marketing" (with Vincent Smith), Montana Grain Growers Association breakout session, Great Falls, MT, November 2006.

Over the next eighteen months, through a collaborative initiative with Fort Peck Community College funded through Governor Schweitzer's WIRED initiative, the Department's biomass financial education program will be expanded to communities in central and eastern Montana with a series of 15 to 20 half day workshops.

Joel graduated with a master's degree from the department in 2006.

M.L. Wilson Lecture 2006 a Success



Scott Rozelle, M.L.
Wilson Lecturer

The annual M.L. Wilson lecture was deemed a success by departmental faculty, students, and guests. The event was held in November in conjunction with the College of Agriculture's Ag Appreciation Donor Reception. This year's speaker was Scott Rozelle from Stanford University. His talk was titled, "Demystifying the Mysteries of China: Towards an Understanding of the Wrenching

Changes that are Transforming China and how they will affect Montana."

Several hundred members of the agricultural, local, and university community attended. This annual event is held in honor of M.L. Wilson, the first head of the Department of Agricultural Economics and later Under Secretary of Agriculture in Franklin Roosevelt's Administration.

Student Spotlight: Ag Business Major Chase Brady



Q: What is your background?

A: *I was raised on a farm in Fairfield, MT. I have two younger sisters named Kinzie and Kelcie. I attended high school at Fairfield High School and was involved with football, basketball, FFA, VICA, and student council.*

Q: What are your plans after graduation?

A: *After graduating, I plan on returning home to our farm.*

Q: Why did you choose this major?

A: *I chose this major because I wanted to be able to ascertain tools that would pertain to our farming operation.*

Q: What is your dream job?

A: *I am about ready to live my dream job..... to farm.*

Q: What do you do to relax?

A: *Ski, hang out with friends*

Chase is a senior and will graduate this spring with a 3.82 GPA

Student Spotlight: Econ Major Elise Hogensen



Q: What is your background?

A: *I was born and raised in Billings, MT. My parents continue to live in Billings, and I have a younger brother who is currently a freshman at MSU studying electrical engineering. I attended Billings Senior High School, and upon graduating I intended to pursue a career in medicine. My career plans, however, changed while I was enrolled in Dr. Wendy*

Stock's Econ 101 course. Having had no prior exposure to economics, I was, and still am, intrigued and continually challenged by the field of economics.

Q: Why did you choose this major?

A: *I chose to major in economics because of the logical way of thinking that is associated with economics, and because I can directly use the tools and skills I have learned through studying economics and apply them to a wide variety of issues. I was drawn to economics because it is versatile and it teaches you how to think instead of just training you for a particular job. I also must mention that the support and guidance that I have received from the faculty in the economics department, particularly that of Dr. Wendy Stock, has played a significant role in my decision to pursue economics not only at the*

undergraduate but also the graduate level.

Q: What are your plans after graduating from the university?

A: *I have just finished applying to Ph.D. programs in economics, and if accepted, I plan to pursue my Ph.D. after graduating in the spring. If I am not accepted, I hope to pursue a Master's degree here at MSU.*

Q: What do you do to relax?

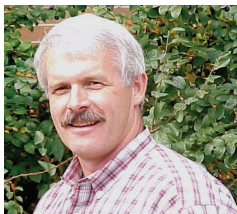
A: *To keep my mind and body healthy, I make sure to get on my daily 6-mile run and try to throw a few yoga workouts into my week to keep myself balanced and centered. Beyond running and yoga, I love cooking, baking, and spending time with friends and family. Hiking and water recreation are also two of my favorite things to do to relax when the weather is nice.*

Q: What is the key to balancing your roles in personal, career, preparing for exams, etc.?

A: *Organization. Without a doubt, my organizational and time-management skills have played a tremendous role in getting me to this point in my life.*

Elise is a senior and will graduate this spring with a 4.0 GPA

Faculty Spotlight: Randal Rucker



Q: What led you to study economics?

A: *As an undergraduate, I was in general studies for two years. I took a couple of years of calculus and some business classes, and then against the advice of most of my friends, I took an economics class. I did well, enjoyed the class, and not long after*

became an economics major.

Q: How did you end up in the department?

A: *After I received my Ph.D., I spent about seven years on the faculty at North Carolina State University. We enjoyed it there, especially the people and the basketball. In academia if you want to get a decent increase in salary, at some point you have to go on the market and see whether anybody is interested. I could have stayed at NCSU, or gone to the University of Arizona, but we decided to come back to*

Montana, both because of the quality of the department and because our families are here.

Q: Current research topics of interest?

A: *I am working on a project analyzing the economics of pollination markets, a couple other projects that examine the choice between auctions and negotiations for timber tracts and for cattle, a study of the effects of changes in the allocation of property rights in the salmon fisheries in the state of Washington, and an investigation of a recently instituted regulatory program for the crab fisheries in Alaska.*

Q: What do you do for fun?

A: *Shoot and coach hoops, teach kids taekwondo, fly fish, play pool and ping pong, and just hang out with my wife and three kids. Although with two daughters in college, mostly I hang out with my wife and my son.*



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*Newsletter compiled and edited by
Angie Dangerfield*

The Department of Agricultural Economics and Economics, MSU-Bozeman is dedicated to the development of human capital through agricultural economics and economics education and research. The development of human capital improves private and public decision making, thereby improving the well being of students attending MSU and the general public. The Department's commitment to academic excellence assures a quality educational and research program.

www.montana.edu/econ

We are seeking more news about our current students and alumni. Please share your news and accomplishments with us at agecon@montana.edu.

Other News

Joe Atwood will be away from the Department next year, as he has been awarded a Distinguished Visiting Professorship in the Department of Agricultural Economics at the University of Nebraska at Lincoln.

Economics graduate student **F. Chase Cook** defended his master's thesis, "An Empirical Analysis of Hunting Leases by Timber Firms," in January. Chase is currently working for the Government Accountability Office (GAO) in Washington, D.C. As an analyst in GAO's professional development program, he will rotate through three audit/investigation teams during the next two years. His first (current) rotation is with the Homeland Security and Justice team and his specific assignment involves aviation checkpoint screening technologies.

Wendy Stock is the director of the American Economic Association's website on Graduate Education on Economics. The site, located at: <http://www.vanderbilt.edu/AEA/gradstudents/index.htm>, addresses questions typical of individuals interested in graduate study of economics and provides a centralized location for obtaining objective and comprehensive information about graduate training in economics and about academic and non-academic careers of those with a Master's or Ph.D. in economics.

Andy Hanssen has recently become a member of the editorial board

at the journal *Social Science Quarterly*.

Doug Young recently completed two brief projects with the Montana Taxpayers Association: an analysis of Montana property taxes over the last 10 years, and a comparison of Montana taxes with neighboring states. All three items are available on Doug's website <http://djyoung.org> click on "Papers".

Department of Agricultural Economics and Economics staff member **Donna Kelly** has recently attended web design training and is now the newest coordinator of the department's web page (www.montana.edu/econ). She has newly added a [Student Resources](#) page which gives Ag Econ & Econ majors information on various scholarships and job opportunities. The department would like to thank Donna for taking on this new responsibility and a for job well done.

The spring [Brown Bag Schedule](#) is now available. These seminars are very informal and last an hour or less; everyone is welcome and the topics include anything from very preliminary research ideas to roundtable discussions of journal articles or teaching-related topics. The next upcoming topic is "Growth in the Gallatin" to be presented by Doug Young on February 26th.