Spring 2009

During the 2007-08 academic year, the Department was fortunate to hire five new faculty members. Two of them (Baylis and Gundersen) were featured in the last Newsletter and two (Martens and Nogueira) are highlighted here. The fifth – Mindy Baker – will be joining us this summer from Iowa State. They are all exceptional scholars who are also great people – a perfect fit for ACE.

Robert J. Hauser  
Head of Department

Personnel

- Our financial-planning faculty position was not filled, but the College has kindly agreed to re-allocate the foregone salary funds to help us with teaching needs for the next two years, at which time the Department and College will re-visit the need for the faculty position.
- The FBFM (Farm Business, Farm Management) Office, where more than 6,500 Illinois farm operators receive accounting and farm business analysis services, has “changed hands” at many different levels during the past few months. After Chuck Cagley’s retirement, Dwight Raab was hired as FBFM State Coordinator, and Brad Zwilling has taken Dwight’s former position as Farm Business Analyst. May 1 was “retirement” day for Dale Lattz, who has been with Extension/FBFM for 31 years. Dale will retire by being a banker in Weldon.
- John Micetich has helped us this spring with a practitioner course in financial planning and with curriculum and program development.
- Ruth Hambleton, Extension Educator with the Farm Business Management and Marketing Team, retired after 30-plus years in Extension. She is, however, continuing with “Annie's Project – Education for Farm Women” as a not-for-profit.

Awards and Recognitions

- Mary Arends-Kuenning, Fulbright Research Fellowship for work last summer in Manila
- Kathy Baylis, Fellow, ACES Academy for Global Engagement
- Chuck Cagley, Illinois Farm Bureau Eagle Award for Excellence for nearly three decades of service with FBFM
- Karen Chan, 2009 CAPE Award (Chancellor’s Academic Professional Excellence)
- Eashani Kandpal, 2009-2010 Goodman Fellowship for her research on the role of space and community in determining female bargaining power for child nutrition in India
- Paul Ellinger, 2009 NACTA Teaching Award
- Craig Gundersen, Fellow, ACES Academy for Global Engagement
- Madhu Khanna, 2009 Leopold Leadership Fellow from the Woods Institute for the Environment at Stanford University. Only two other economists have won this award since 1998
- Nick Paulson, Fellow, ACES Academy for Research
- Alex Winter-Nelson, College Faculty Award for Global Impact
- William Mullins ('63, Agricultural Economics) and P. Scott Shearer (’70,’75 Agricultural Economics), ACES Alumni Association Award of Merit
- Undergraduate Awards: Kelly Seigel, 2009 Orville J. Bentley Award (for her research project and presentation at ExplorACES); Kacy Baugher Perry, C.J. Elliott Award for outstanding graduating senior; Melissa McEwen, ACE Slam Dunk Award for earning highest GPA among freshmen entering in F05; Matt Briscoe, Robert M. Harrison Leadership Award for outstanding junior in ACES

Gifts

- Large gifts have been given during the past few months by Bunge (for the International Business Immersion Program), James and Erin Ross (international graduate student travel), Doug Roberts (experiential learning), the estate of Lee Morgan (agribusiness management), and State Farm Insurance (financial planning). Because of these gifts, coupled with smaller but very important contributions from folks throughout Illinois, the country, and the world, we are able to do much, much more in our teaching, extension, and research programs. We are most grateful.
Academic Program

Congratulations to the following faculty who were named to the "List of Teachers Ranked as Excellent" for Fall 2008.

Amy Ando
ACE 500: Applied Economic Theory

Mary Arends-Kuenning
ACE 398: Seminar

Paul Ellinger
ACE 341: Contemp Issues in AgAccy&Fin

Bryan Endres
ACE 306: Food Law

Ann Finnegan
ACE 341: Contemp Issues in AgAccy&Fin

Andy Isserman
ACE 592: Special Topics

Alex Lo
ACE 161: Microcomputer Applications

Nick Paulson
ACE 345: Finan Decision Indiv Sm Bus

Valerie Rogalla
ACE 161: Microcomputer Applications

Paul Stoddard
ACE 222: Agricultural Marketing

Alex Winter Nelson
ACE 551: International Food Policy I

Meet Andrea Martens

Andrea Martens has always known she wanted a career that would allow her to help other people.

Martens is half German, half Chilean, and she grew up in both countries, speaking both German and Spanish. After graduation from high school, she came to the United States as a volunteer, working with children with intellectual and developmental disabilities, thinking that might be a rewarding career path.

“But at the end of the day, you have to be able to switch off, and I couldn't,” she said.

Because she had a strong interest in economics, Martens eventually enrolled in the Pontificia Universidad Católica de Chile, studying economics and business administration. During that time she also attended the University of California, Berkeley, as an exchange student, taking "as many graduate classes in macroeconomics as I could wiggle into." She returned to Chile and received a B.S. in Economics and a B.A. in Business Administration, earning awards as the "Best Graduate" in both colleges.

Deciding that economic growth in less developed countries depended more on knowledge transfer from more advanced countries than on macroeconomic policies, Martens took a job at McKinsey and Company, a global strategic consulting firm, but quickly found herself frustrated because "that kind of consulting was very fast-paced, and we really could not do in-depth research." When a friend suggested that she consider getting an advanced degree in business - "and study applied industrial economics" - Martens decided to leave McKinsey and return to school. Although the firm offered to pay for the degree if she stayed with them two more years, Martens said, "I decided life was too short to give up two years, so I went back to school."

She returned to UC Berkeley and earned a master's degree in Economics and a Ph.D. in Business and Public Policy.

Martens continued, "Even for their term assignment I told them, 'You have a new job and you have to develop a new product. Where do you introduce it first, in the EU or in the United States?' They have to make a very thorough analysis of everything - competitors, suppliers, regulations. The challenge is to make them feel as if they are facing a real world experience." In addition, the students learn business etiquette skills, which they can put to practice during field trips to visit Bunge and Monsanto in St. Louis, and ADM in Decatur. They learn how to interact with people in different positions at companies.

Martens and the students traveled to Europe in May for two weeks to visit companies and institutions. This program functions thanks to donations of Bunge, Monsanto, ADM, and the Doug Roberts fund, among others.

The second course Martens teaches is Business Policy and Strategy.

"This is the capstone course for seniors and since they really know a lot about finance and marketing by now, this course is very interactive," she said, "because they are putting everything together."
Martens' research is divided into three strands. First, she studies multinational retail companies' effect on suppliers and competition. One study analyzes Wal-Mart's pricing practices and its influence on its competitors' input cost transmission.

"In other words," said Martens, "do prices fall faster when Wal-Mart is around?" Using data collected from 12 Mexican cities, Martens found that although Wal-Mart is slow to pass cost increases on to the customer, and quick to pass on cost savings, proximity to Wal-Mart does not affect the speed of price adjustment of other retailers.

Second, she studies the interaction between firms' capital structure and product market strategy, focusing on quality provision.

Third, she analyzes immigration and remittances' impact on demand and entrepreneurship. One study analyzes what happens to transaction costs in the remittances market during periods of peak demand.

"It's really sad," Martens said, "because these people, who are usually very poor anyway, often face very high transaction costs." Martens said it is important to try and keep these costs as low as possible, because remittances constitute a huge financial inflow to many developing countries and contribute to economic growth.

On the regulatory front, Andrea works together with UC Berkeley's Wireless Research Center on electromagnetic spectrum regulation and innovation.

Martens concluded that she is happy to be a part of the ACE faculty.

"This department takes a very 'applied' approach," she said. "It really is all about making people's lives better, and I feel very fortunate to be here."

In her spare time, Martens enjoys literature, theater, and art history.

Meet Lia Nogueira

Lia Nogueira is an assistant professor in Agricultural and Consumer Economics, and one of the newest members of the ACE faculty. Nogueira teaches ACE 435, Global Agribusiness Management.

"This class focuses on how to do ag business in other countries," said Nogueira, "so there is a lot of information about other cultures. When you are doing business, or advertising your product, you have to be aware that there are differences in cultures that can offend your potential partner. It can be something as simple as choosing the wrong color, or using a word that has a double meaning. So I spend part of the class just creating awareness of those cultural differences."

Nogueira said another part of the class relates to the different stages of international marketing and how those stages affect a company's marketing plan.

"If you are marketing a product, and you have surplus that you need to sell somewhere, you look for a foreign country," she explained. "But if you think that there will be a real and constant demand for your product, the marketing plan is going to be different.

"That plan changes again if you are trying to establish yourself completely in that country," Nogueira continued, "and again if you see the world as one big market that you can divide not by country, but by age or class or taste. We also talk about the legal systems in different countries and potential trade issues that can arise."

In addition to ACE 435, Nogueira is developing a new class she will be teaching in the fall, ACE 499, Analytical Tools for Agribusiness.

"This class will prepare students for the kinds of tasks that they will be doing in industry, so I will use real world examples. I will be teaching them how to deal with large data sets and the type of analysis they could be doing with Excel or other software that industry uses," she said. "Also, I'm going to focus on communication skills and presentations skills."

Nogueira's research interests focus on trade issues, specifically non-tariff barriers to trade.

"Trade agreements between countries are usually focused on reducing tariffs," Nogueira explained, "and even though most countries advocate for free trade, sometimes they still need to protect the local industry.

"Because they are limited on how much of a tariff they can apply," Nogueira continued, "they sometimes look for something else, such as quality standards or sanitary standards. Those issues are often a valid concern, but sometimes countries impose restrictions that are harsher than what they actually need, just to protect the local market from cheaper imported goods."

Nogueira is also interested in food safety, and she is working with two colleagues in the department, Andrea Martens and Kathy Baylis, to study how food imports are monitored.

"Are border inspections affected if there is some kind of political agenda behind them? Depending on the industry, certain products could be inspected more often than others, and we are trying to separate the effect," she said.
Nogueira is a native of Mexico, where she received her bachelor's degree in Food Science Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey. She worked for Kerry Ingredients for 2 1/2 years before earning an M.S. in Agricultural Economics from the University of British Columbia, and an M.S. in Statistics and a Ph.D. in Economics from Washington State University.

In her free time, Nogueira has enjoyed attending several U of I football games, and a variety of events at Krannert Center for the Performing Arts.

Although Nogueira has relatives in San Diego, Chicago and Miami, she said, "Most of my family is still in Mexico, so I try to get home at least twice a year."