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Department of Agricultural *and* Consumer Economics

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A Message from the Department Head

The Spring 2010 semester is well underway with many new and ongoing teaching, research, and outreach initiatives. The budget situation continues to dominate much of the administrative activities. Our university is facing unprecedented fiscal challenges as we strategize to reconfigure our core missions to maintain excellence in an environment of decreased public resources. Although our faculty members participate in the mandatory furlough program, they exhibit considerable dedication through continued classroom instruction.

In this issue, we highlight a strong undergraduate program and alumni activity, a unique collaboration of environmental and resource economists, and an effective and innovative crop insurance outreach activity. We also reflect on the career of ACE Associate Professor Emeritus, Michael Mazzocco.

Paul

Academic Excellence Recognized at Agri-Accounting Banquet

The Second Annual Agri-Accounting Banquet was held at the I Hotel and Conference Center on October 30, 2009. More than 70 faculty, students, alumni and friends of AgAccy attended the banquet to honor students recognized for academic excellence in the Agri-Accounting program. ([view a slideshow on ACE website](#))

John Stott, Vice President and Controller for Archer Daniels Midland Company, presented the ADM Award for Academic Excellence. Stott is responsible for all accounting functions at ADM and is a Fellow member of the Association of Chartered Certified Accountants. Four students received the ADM Award: Ashley Lupo, a freshman from Villa Park, Illinois; Shauna Fahl, a sophomore from Palmer, Illinois; De Yuan Chan, a junior from Chicago, Illinois; and Megan Moss, a senior from Baylis, Illinois.

Dr. Thomas L. Frey, Professor Emeritus in Agricultural Finance, presented the Tom Frey Achievement Award. Frey joined the faculty in the early '70s and began laying the groundwork for the Agri-Accounting program when he foresaw the possibilities for students interested in both agriculture and accounting. He worked behind the scenes to obtain access to accounting classes for his students and eventually became known as the 'father' of agricultural accounting. The program at the University of Illinois is unique in higher education institutions.

This year's recipient for the Frey Award was senior Tommy Ayers from Monmouth, Illinois. Although the name of the recipient is kept under wraps until the night of the banquet, word leaked out early and several members of Ayers' family attended the banquet to support Tommy, prompting one speaker to welcome everyone to "the Ayers' family reunion."

The keynote speaker for the evening was Todd E. Davies. Davies, a graduate of the University of Illinois, is the Assistant General Counsel for the North American Commercial Law Group of Deere & Company in Moline, Illinois. Davies earned a J.D. in 1986 from the Kent College of Law at the Illinois Institute of Technology.

Ann Finnegan, academic advisor for the Department of ACE, organized the banquet.

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Finnegan said, "The banquet has been a great way to say thank you to our corporate sponsors, keep in touch with our alumni and give our students an excellent opportunity to meet and connect with people in their area of interest."

Corporate sponsors for the Agricultural Accounting program are Archer Daniels Midland Company and Deere & Company.

ACE Hosts "Heartland@Illinois"

The 2009 Heartland Environmental and Resource Economics Workshop at Illinois was held on October 25 and 26, 2009 on the campus of the University of Illinois at Urbana-Champaign.

"The goals of the workshop, what we are calling Heartland@Illinois, were to stimulate research and build community in environmental economics," said Amy Ando, an Associate Professor in Environmental Economics in the Department of ACE. Ando was the primary organizer of the workshop, along with colleagues Kathy Baylis, John Braden, Nick Brozović, and Madhu Khanna.

"The conference is intended to be open in topic, so the topics of the sessions depend on what people submit," said Ando. "This year we had a number of papers on biofuels and land use, water economics, evaluation and air quality, and fisheries and environmental policy."

Although most participants are from the Midwest, the conference is open to everyone, and speakers were chosen to get a "good mix of geographic representation," said Ando. "There's value to having an opportunity to make contacts with people from other parts of the country."

Ando said a highlight of the conference was the panel discussion on "Overlooked Issues in Climate Change, Policy and Adaptation. The panelists took the assignment to heart and their ideas on what is important in climate change policy discussion were very interesting. They brought up points that are less commonly discussed. For instance, when you talk about climate change policy and adaptation, you need to consider the context, especially in developing countries where people are living in poverty. You can't just focus on climate change; you need to consider the broader social context."

One of the panelists, Dr. Ruben Lubowski from the Environmental Defense Fund, gave a brief summary of the work he is involved in, including concerns about the way biofuels are counted as carbon neutral or not carbon neutral, said Ando. "That was new and interesting, and a little bit provocative," said Ando, "so it was fun."

Other speakers included Dr. Jesse Ribot, an Associate Professor in the Department of Geography at the University of Illinois; and Dr. G. Cornelis van Kooten, a Professor of Economics at the University of Victoria and the Canada Research Chair in Environmental Studies and Climate Change. Dr. Catherine Kling was scheduled as the keynote speaker, but was unable to attend the conference for health reasons. Kling is a Professor of Economics at Iowa State University and head of the Resource and Environmental Policy Division of the Center for Agricultural and Rural Development. Professor Don Fullerton from the University of Illinois gave the keynote speech in place of Kling.

The workshop attracted about 80 participants, said Ando, "a large enough number to provide participants with real networking opportunities, but small enough to make sure people talk to everyone, not just the people they know."

This year's workshop was sponsored by a grant from the U.S. EPA National Center for Environmental Economics, as well as the Office of Research at the College of Agricultural, Consumer and Environmental Sciences, U of I; the Office of Sustainability, U of I; and the Department of Agricultural and Consumer Economics, U of I. The next conference will be held on October 17-18, 2010, at the I Hotel and Conference Center on the campus of the University of Illinois.

Ando said she is looking forward to hosting the conference again this year. "We're providing a public good to the community by creating a forum for exchange of ideas in development and new collaborations," she concluded. "And we have a large, active and successful group in environmental economics here at the University of Illinois. This is an excellent opportunity for people from all over the country to see some of the great

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things that we're doing."

Crop Insurance Deadline March 15th

March 15 is the deadline for crop insurance sign-up, said Gary Schnitkey, a professor and farm management specialist in the Department of Agricultural and Consumer Economics at the University of Illinois. "For most farmers, it comes down to a choice between Crop Revenue Coverage (CRC), which is a revenue product that insures farm level yields, and Group Risk Income Plan (GRIP), which is another revenue product that makes payments based on county yields," said Schnitkey. "Those products cost anywhere from \$10 an acre, up to \$60 an acre."

"The crop insurance program has really increased in scope in the last 10-15 years and it's the major backstop for revenues on farms. It's bigger than the federal commodity programs," Schnitkey noted, "and it's the major means of managing risk, so those choices are pretty important."

Schnitkey said *farmdoc*, a website that provides comprehensive information for farm decision-making under risk, is an excellent resource for farmers needing information on crop insurance. "We have papers on *farmdoc*, under the Crop Insurance tab, that go over those decisions, and provide descriptions of the products," said Schnitkey. "We are also hosting two webinars, one on February 24 and one on March 1. We'll provide a link so that even if the producer misses the webinar they can listen to it later." Instructions for attending the webinar can be found on the [Crop Insurance page under WEBINARS - Crop Insurance Decision 2010](#).

Other resources provided on the website include a [Premium Calculator](#) that estimates 2010 farmer-paid crop insurance premiums for multiple crops in the North Central region and the [Crop Insurance Decision Tool](#) that provides historical data useful when making crop insurance decisions for multiple crops.

Mazzocco Retires from ACE, Joins Verdant Partners

Mike Mazzocco retired from the Department of Agricultural and Consumer Economics on October 31, 2009 — but only to begin his third career. Today, Mazzocco works with Verdant Partners, a leading investment banking group for the seed industry. "My expertise is in areas of the agribusiness supply chain that can be combined with Verdant's knowledge of the seed industry," said Mazzocco. "My role is to help expand the mergers and acquisitions activity and the advisory activity outside the seed industry."

Prior to his move to Verdant Partners, Mazzocco was a member of the ACE faculty for almost twenty years. Mazzocco began as an assistant professor and worked with Steve Sonka to develop the bachelor's, master's and Ph.D. programs in Food and Agribusiness Management (FAM).

Mazzocco followed Sonka as director of FAM and served in that position until fall of 2003, when he took a year's leave to work for a specialty grain company. He returned to ACE the next year, and also had a half-time appointment as an Assistant Dean for Corporate Relations in the College of Agricultural, Consumer and Environmental Sciences, working with Steve Pueppke for two years. He followed that with an 85 percent appointment in the Office of the Vice Chancellor for Research and worked with Charles "Chip" Zukoski to start a new office of Corporate Relations for the entire campus.

Before Mazzocco began working in corporate relations, much of his work centered on operations management and decision-making analysis.

"We showed the value of using routing algorithms for companies like GROWMARK, who were dispatching huge amounts of LP gas. Today that's called network optimization and supply chain management," Mazzocco said. "So we did a lot in network optimization over the years, trying to figure out how best to organize to deliver value at a low cost."

Mazzocco returned to teaching and research in January of 2008 until his retirement in 2009. He said one of the more important contributions he made to the Department was establishing good relationships with businesses. He went on to say the time spent working with faculty and students is something he will always remember.

"The people I've known over the years, Steve Sonka, Steve Pueppke, Chip Zukoski, and certainly faculty in our department, have been a lot of fun to work with," said Mazzocco. "The vibrance and enthusiasm of the students is something I will miss. There were some pretty talented individuals that came through our program. It was literally a privilege to be a part of their lives."

Academic Program

The following was inadvertently omitted from the "List of Teachers Ranked as Excellent" for Spring 2009.

- **Carl Nelson** ACE 502: Demand/Supply/Firms/Households
- **Carl Nelson** ACE 530: Applied Production Economics
- **Carl Nelson** ACE 561: Adv Res and Scholarly Comm
- **Hayri Önal** ACE 565: Modeling Dynamic Econ Systems
- **Hayri Önal** ACE 567: Math Program App Econ II

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