



Winter 2007

Two of the Department's traditional strengths are in commodity marketing and agribusiness management. An important dimension of the commodity marketing program is the Office for Options and Futures Research, highlighted in this issue. Our most recent faculty member – Miguel Gomez – adds to both of these traditional strengths, so we are fortunate and extremely pleased that he has joined us. Some background on Miguel is also offered here.

Robert J. Hauser
Head of Department

Awards and Recognitions

- **Peggy Grossman** received the 2006 Professional Scholarship Award from the AALA (American Agricultural Law Association). This is a national award given annually for the outstanding publication in the field of ag law. Peggy won the award for "Traceability and Labeling of Genetically Modified Crops, Food and Feed in the European Union," published in the *Journal of Food Law & Policy*.
- **John Braden** is serving on the Great Lakes Science Advisory Board which advises the International Joint Commission. This is a federal level appointment.
- Freddie Mac recently announced the winners of its inaugural 2006 Successful Models in Financial Education Awards. Within the category of "Successful Outreach and Marketing," the **Plan Well, Retire Well** program won runner-up. Congratulations to the **CFE Extension team**.
- **Scott Irwin** has been asked to serve on a 14-member Review Committee on the Census of Agriculture. NASS has identified five issue areas that need to be examined.
- **Angela Lyons** is a member of the College's Academy of Extension Excellence for 2007.

Retirements

- **Michelle Morganosky**, a professor of consumer and retail marketing, and **Don Uchtmann**, a professor of agricultural law, are retiring from ACE this summer. Michelle has held a faculty position here for 26 years and Don has been with the University 33 years. A reception will be held for them at the ACES Library, Information and Alumni Center on May 18th, from 4:30 p.m. to 6:00 p.m. in the Heritage Room. We thank Michelle and Don for their service to the department and wish them all the best in the coming years.

Academic Program

Congratulations to the following faculty who were named to the "Incomplete List of Teachers Ranked as Excellent" for Spring 2006.

- **Mary P. Arends-Kuenning** ACE 474: Economics of Consumption
- **David S. Bullock** ACE 503: Equilibrium and Welfare Economics
- **Hamish R. Gow** ACE 394/BADM 398: International Business Immersion Program
- **Rachel Kopay** ACE 394/BADM 398: International Business Immersion Program
- **Scott H. Irwin** ACE 427: Commodity Price Analysis
- **Alexander C. Lo** ACE 161: Microcomputer Applications
- **Charles H. Nelson** ACE 502: Demand, Supply, Firms and Households
- **Haryi Onal** ACE 565: Modeling Dynamic Economic Systems
- **Paul B. Stoddard** ACE 232: Management of Farm Enterprises
- **Randall E. Westgren** ACE 431: Agri-food Strategic Management
- **Alex Winter-Nelson** ACE 254: Economic Systems in Africa

In Other News...

- Congratulations to **David Chicoine**, the new President of South Dakota State University. David served the University of Illinois as Head of the Department of Agricultural Economics, Dean of the College of Agricultural, Consumer and Environmental Sciences, and most recently as Vice President for Technology and Economic Development. We thank **David and Marcia** for everything that they've done for the Department and College, and wish them the best in their next chapter back home.

OFOR Builds Bridges Between Teaching, Research and Industry

There is a long history of teaching and research in the area of futures markets at the University of Illinois, and today the Office for Futures and Options Research (OFOR) is working hard to build and improve on that history.

The University of Illinois took the lead in futures and options research when the writings of Thomas Hieronymus, a professor in the Department of Agricultural Economics, demonstrated the use of the futures markets to the grain industry in the 1950's and '60's. Hieronymus had a "strong effect on the evolution and improved understanding of the markets," and his efforts were recognized by Gary and Carlotta Bielfeldt, both U of I graduates, with an endowment that funds both the Thomas A. Hieronymus Distinguished Chair in Futures Markets, and OFOR.



Dr. Philip Garcia, a professor in the Department of Agricultural and Consumer Economics, holds the Chair and is the current Director of OFOR. Garcia feels a great obligation to maintain the high quality of the program that Hieronymus began more than fifty years ago.

"This institution has always been traditionally strong in the area of agricultural futures markets, and we have an obligation to educate students who are well-versed in the futures and options markets," said Garcia. "We have an obligation to do research that answers the questions our constituents have, and we have the responsibility to make contact with people in the futures and options industry."

Joost Pennings, another professor in ACE and a member of the OFOR team, agrees that teaching, research and extension are the three "pillars" of the Office.

"We have an advanced teaching pillar," said Pennings. "This department has provided an elite group of traders. When you work on the trading floor in Chicago, you find a lot of U of I alumni."

Pennings said that the research conducted in the department focuses on how producers, agri-business companies and financial institutions can better manage their risk by using different kinds of futures and options strategies. That research is the basis for the outreach the office has, said Pennings, because "we communicate with the people in industry about our program.

"OFOR is renowned globally for its research," Pennings continued. "We get questions, not only from Chicago, but also London, Singapore, you name it. If there is a question in the futures and options industry, they know where to find us."

Garcia concurred, saying, "The Chicago Board of Trade needed a study done on basis relationships and they contacted us. The MERC needed some work done on pricing and they contacted us. So we have a very good relationship with industry, and we provide very strong students to function in industry."

In the next five years, Garcia hopes to "see the office become even more interactive with industry," he said. "And we want to see a continued emphasis on graduate and undergraduate education. We've been fortunate to attract very good graduate students who are highly motivated. They push us and we push them."

Because the endowment cannot be used to pay salaries directly, the number of personnel in OFOR has dropped due to the budget cuts of recent years, and Garcia would like to see that change.

Garcia concluded, "I do know we have maintained a very high quality program. I think we play a very vital role. We just have to make sure we keep moving in the right direction."

Meet Miguel Gómez

Although Miguel Gómez is the newest faculty member in the Department of Agricultural and Consumer Economics, he is not new to the University of Illinois. Gómez received both his master's and his doctorate degree in agricultural and consumer economics at the U of I.

Gómez will be teaching ACE 430 (Food Marketing) and ACE 435 (Global Agribusiness Management) next semester. His current research focuses on the economics of the food distribution system, from the farm to the table.



"In particular," Gómez said, "my research includes food marketing, price analysis, contracting between supermarkets and their suppliers, the consequences of trade promotion practices employed by food manufacturers and market power in the food distribution system."

Gómez also hopes to develop a strong research program in international food agribusiness especially related to Latin America. Prior to his appointment at the U of I this semester, Gómez taught marketing strategy and worked as a research associate at Cornell University. There he was involved with the first Latin American Food Executive Program in conjunction with the Universidad de Los Andes in Bogota, Colombia.

"The second Food Executive Program will take place in Bogota in May," said Gómez, "and we will take a leading role as a department. The program is attended by about 40 to 50 top executives in the food industry, and addresses issues such as globalization, retailing, innovative management strategies, development of new products and supply chain management."

Gómez received an undergraduate degree in industrial engineering at the Universidad de Los Andes in 1989. After graduation, he worked as the production and marketing planning manager for "El Rosal," a cut-flower export business in Bogota. He came to the U of I in 1993, and obtained his master's degree in 1995. He spent the next year in Eastern Europe as a visiting lecturer at the Latvian University of Agriculture.

Gómez returned to the U of I in 1996 and obtained his Ph.D. in 1999. He took a position as an assistant professor at Illinois State University in Bloomington-Normal for two years, before heading to Cornell in 2001.

Gómez's research has taken him to Mexico, Costa Rica, Guatemala and Haiti, and he spent 2006 (on leave from Cornell) as the principal investigator of a project for the Colombian Central Bank in Bogota.

"My project focused on understanding the determinants of food prices in Colombia," said Gómez, "with the ultimate objective of improving Central Bank's ability to forecast consumer food prices."

Gómez is married and has a ten-year-old daughter, Gabriella, and a six-year-old son, Sergio. His family has remained in Ithaca, New York, so his children can finish out the school year. Gómez said, "It's kind of lonely, but this semester I have lots of work to do."

Gómez plays the guitar ("Not very well, but I enjoy it!") and is active in several sports activities, including swimming, volleyball and yoga.

Newsletter Credits: Robert J. Hauser, Senior Editor. Leanne Lucas, writer, Pam Splittstoesser, coordinator. Unless otherwise indicated, photos are courtesy of College of ACES staff photographers David Riecks and Brian Stauffer.

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