

March Newsletter

ACE Department of
Agricultural and
Consumer Economics

NEWSLETTER



From the Department Head

With student life back in full swing during the spring semester, we are looking ahead – ahead to the next cohort of Illinois ACE freshmen that will accept their offer of admittance for fall 2016, ahead to the opportunities for student internships and jobs for our current ACE students, and ahead to the new opportunities for our department faculty to grow, and be recognized for their achievements at our annual faculty award banquet this spring. I am proud to announce that Amy Ando is the recipient of the excellence in teaching award. Kathy Baylis will receive the excellence in research award, while Jessa Barnard will receive the professional award of excellence for innovation and creativity. Check the [College of ACES Awards page \(http://awards.aces.illinois.edu/\)](http://awards.aces.illinois.edu/) for a complete listing of awards and details on the awards ceremony.

Please feel free to reach out if you have anything to share.

Best,

Paul Ellinger

Head

D.C. Coffee Hours



The
ACE

department hosts coffee hours for students to interact with faculty and others who are interested in issues in the federal policy arena through internships in Washington, D.C. This small informal group meets once a month to discuss strategies to acquire jobs and internships in The District, and learn more about the policy-making process. Meetings also have included networking opportunities with professionals who have working experience in the Federal Government. ACE student Madison Scanlan and Sarah Hochman have provided expert leadership as they interned in Washington D.C. during the past two summers and plan to move to The District after they graduate. Faculty are assisting interested students to connect with professional networks in D.C. ACE student Krupa Patel says the Washington, D.C. coffee hours have allowed her to gain insight into what life is like in the nation's capital. She appreciates individuals sharing their experience in Washington, saying, "What I understood was that although there is a lot of work

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[College Homepage \(http://aces.illinois.edu/\)](http://aces.illinois.edu/)

[Extension Homepage \(http://web.extension.illinois.edu/state/\)](http://web.extension.illinois.edu/state/)

[ACES Alumni \(http://www.acesalumni.illinois.edu/\)](http://www.acesalumni.illinois.edu/)

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Research and Outreach

[Consumer & Family Economics \(http://www.ace.illinois.edu/cfe/\)](http://www.ace.illinois.edu/cfe/)

[Farm Analysis Solution Tools \(http://www.farmdoc.illinois.edu/fasttools/index.asp\)](http://www.farmdoc.illinois.edu/fasttools/index.asp)

[Farmdoc \(http://www.farmdoc.illinois.edu/index.html\)](http://www.farmdoc.illinois.edu/index.html)

[Farmdoc Daily \(http://www.farmdocdaily.illinois.edu\)](http://www.farmdocdaily.illinois.edu)

to do, the experience is rewarding."

Agricultural Accounting Banquet

Saturday, Oct. 24, the Agricultural Accounting program hosted its annual "Homecoming Barbeque" at the Heritage Room in the ACES Library. This was an opportunity for current students, alums, and friends of the program to network and reminisce.

Ashley Buss Dearwester, a 2011 graduate, working at Archer Daniels Midland, served as hostess and presented the following ADM Achievement Awards:

- Freshman ADM Award for Academic Excellence
Emily Bloemer, Bloomington, Ill.
- Sophomore ADM Award for Academic Excellence
Lea Waller, Hudson, Ill.
- Junior ADM Award for Academic Excellence
Eric Wenzel, Sadorus, Ill.

Dr. Tom Frey "Father of the Agricultural Accounting Program" and a U of I alum (M.S. 1959, U of I Ph.D. 1970) awarded senior Sarah Maurer from Carmel, Ind. with the 2015 Tom Frey Achievement Award. The award recognizes excellence in academics, leadership, and service to the College of ACES, the Department of ACE, and/or the concentration of Agricultural Accounting.

Carmen Franco, senior from Cicero, Ill. was the recipient of the John Deere Minority Student Scholarship in Agricultural Accounting. This award provides a \$2,000 scholarship.



In addition, AgAccy sponsors Deere and Company and Archer Daniels Midland were recognized for their sponsorship of the program.

2015 Illinois Farm Economics Summit

Should cash rents be lowered? Will fertilizer and seed prices decline and provide some measure of relief? What do margins look like if grain prices recover to longer-term averages? These and other questions were addressed to producers at the Illinois Farm Economics Summit in December.



This past year, one of the most talked about topics in Illinois agriculture was the "margin squeeze" that crop producers faced. This so-called squeeze was brought on by the downfall of corn and soybean prices while production costs have seemingly remained at a historical high. Speaker's from the University of Illinois's *farmdoc* team traveled to five different locations throughout December to explore options for farmers in the upcoming years from both profitability and management standpoints. The format of the meetings was fast paced to allow questions from the audience over a wide range of topics including farm income perspectives, the 2016 outlook on grain prices, long-term credit cycles, nutrient management, land rents and valuation, and conventional biofuels. Individuals such as Darrel Good, Gary Schnitkey, Nick Paulson, Todd Kuethe, Jonathan Coppess, and Scott Irwin spoke throughout the summit about these topics. All presentations are downloadable at farmdoc.illinois.edu. (http://www.farmdoc.illinois.edu/presentations/IFES_2015/index.html)

[FBFM \(http://fbfm.ace.uiuc.edu/\)](http://fbfm.ace.uiuc.edu/)

[Illinois Tax School
\(http://www.taxschool.illinois.edu/\)](http://www.taxschool.illinois.edu/)

[International Business Immersion Program
\(http://ibip.illinois.edu/\)](http://ibip.illinois.edu/)

[International Policy and Development
\(http://ipad.ace.illinois.edu/\)](http://ipad.ace.illinois.edu/)

[Market Maker \(http://www.marketmaker.uiuc.edu/\)](http://www.marketmaker.uiuc.edu/)

[Office for Futures & Options Research
\(http://ofor.ace.illinois.edu/\)](http://ofor.ace.illinois.edu/)

[Plan Well Retire Well
\(http://www.retirewell.uiuc.edu/\)](http://www.retirewell.uiuc.edu/)

[Program for Environmental & Resource Economics
\(http://pere.ace.illinois.edu/\)](http://pere.ace.illinois.edu/)

[Rural Health
\(http://www.ace.illinois.edu/ruralhealth/\)](http://www.ace.illinois.edu/ruralhealth/)

Programs

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Consumer perception of organic foods affected by food type

and where they're sold

Foods with the USDA organic label are not perceived uniformly across food types or retail outlets, though the requirements for carrying the label are the same across products and stores.

The organic food industry has grown from fresh produce and grains to snack foods and condiments—from farmers markets to supercenters. Has this new variety in organic products, and the availability of them, affected consumers' perceptions? A University of Illinois researcher and her team designed an experiment to provide insight on some of the variables that may influence opinions about organic foods.

"Past research has often asked how much someone is willing to pay for an organic product, but has rarely considered the context in which that purchase takes place," says U of I food economist Brenna Ellison. "In this study, we look at how the organic label interacts with the product type as well as the retail purchase context."

Ellison and her team conducted an experiment with 605 people who evaluated a food product's expected taste, nutrition, safety, and likelihood of purchase. The products were strawberries and chocolate sandwich cookies sold by a fictitious brand called Cam's. In the experiment, the products were either organic or non-organic and sold in one of two supercenters, Walmart or Target. Each participant only evaluated one of the eight potential combinations.

"We chose



strawberries and cookies because they represent a 'virtue' and a 'vice' product, respectively, and both are currently available in the marketplace in organic and non-organic forms," Ellison says. "We chose Target and Walmart because the two stores have similar prices but very different brand images. Target has positioned itself in the marketplace as a store that emphasizes style, design, and aspiration. Walmart, conversely, promotes a low price image."

Results of the study showed that context indeed matters. While organic products were generally rated more highly than non-organic, the researchers found an interesting interaction between the organic label and product type.

“Organic strawberries had higher expected taste ratings than non-organic strawberries, but cookie taste ratings did not differ,” Ellison says. “However, the opposite was true with nutrition ratings. Organic cookies were rated as more nutritious – almost twice as healthy – as non-organic cookies, but no difference was observed for strawberry ratings.

“These results suggest that the purchase of organic virtue foods like strawberries may be based more on taste considerations, but organic vice foods like cookies may be purchased based on nutrition considerations,” Ellison says.

Another finding from the research was that where the food item was purchased mattered. The researchers concluded that retailers like Target may be better outlets for promoting organic vice products while retailers like Walmart may only be good outlets for promoting organic virtue products.

The study also revealed that participants seemed misinformed about organic standards.

“Even though products carrying the USDA Organic label must contain at least 95 percent organic ingredients by definition, our participants believed organic cookies only contained 62 percent organic ingredients,” Ellison says. “This suggests more education may be needed to ensure consumers understand what the organic label means and that this definition does not change across products or stores.”

“Putting the organic label in context: Examining the interactions between the organic label, product type, and retail outlet” is published in Food Quality and Preference. It was written by Illinois researchers Brenna Ellison, Brittany Duff, and Tiffany Barnett White and Ph.D. student Zongyuan Wang. The authors note that this research did not receive funding support from any food retailer or manufacturer. Original news writer: Debra Levey Larson

Where Are They Now: Thomas Frey



Professor Emeritus Thomas Frey was born and raised on a small farm in western Illinois where he met and married his high school sweetheart and classmate, Beverly Harrison, in 1957. He received three degrees from the University of Illinois including a B.S. in Agricultural Education ('58) and an M.S. in Agricultural Economics on a

Hunter Fellowship ('59). Before returning to school for a doctorate, Frey worked as a loan officer with Farm Credit System, which included a six-year managerial position at the Federal Land Bank Association of Woodstock, Ill. He received a Ph.D. in Agricultural Economics on an NDEA Fellowship in 1970 and went on to become

the Assistant to an Associate Professor of Agricultural Economics at the University of Nebraska. Frey was at Nebraska for three years before returning to U of I to become associate to full professor of Agricultural Finance. Throughout his time at U of I, Frey's time was split equally between teaching and extension. On the Extension side, he served as a state leader for agricultural finance. His Extension programs focused on farmers and ag lenders to improve farm and financial analysis, and later on to help rural residents in general to improve their personal financial planning. His teaching responsibilities on campus were centered around ag finance and agribusiness. Additionally, Frey had the pleasure of serving as an advisor to numerous clubs and houses across campus including the Ag Econ/Ag Business Club, NAMA, Alpha Zeta, Gamma Sigma Delta, Ag Council, Agri-Accounting Club, and Alpha Gamma Sigma. He was also elected as an associate member of the Farm House Fraternity in 1975 and served as the alumni association treasurer and director for several years. In addition, he was the lead faculty advisor in organizing the first Ag Econ Spring Break trip to N.Y.C. and Washington, D.C. Although his favorite work included time spent with students, his outreach activities led him to present or speak to audiences about agricultural finance in 35 states and seven Canadian provinces. He also served several terms both on and off campus: included a three-year term as the associate editor of *The Journal of the American Society of Farm Managers and Rural Appraisers*; editor to *Agri-Finance* magazine, service as an Outside Director for the 6th Farm Credit District Central Production Credit Association; lender educator in 10 of the 12 Farm Credit Districts throughout the U.S.; and he was a charter member of the National Task Force for Farm Financial Standards.

Frey retired from the university in May of 1993 and established Frey Financial, an independent financial planning and investment firm. He continues to work part time with the firm today and is still a Registered Investment Advisor with the State of Illinois. Frey has received numerous esteemed awards and recognitions which only attribute more to his successful career and devotion to this campus. Some of his most admirable include: The Hall of Fame Award from the Illinois Extension Advisers Association; Outstanding Innovative Programming Award; the Senior Faculty Awards for Excellence in Teaching and Excellence in Extension; The Paul A. Funk Award from the College of Agriculture; Oakley-Kunde Award for Excellence in Undergraduate Education; Karl E. Gardner Outstanding Advisor Award; University of Illinois Award of Merit; Distinguished Extension Program Award and Distinguished Teaching Awards from the American Ag Economics Association.

Since his retirement, Frey and his wife of 58 years recently moved into one of the new Villas in Clark-Lindsey Village in Urbana and now have more time to visit their two sons and five grandchildren. The couple spent 13 years after retirement traveling through much of the U.S. and Canada in their Winnebago motorhome. They have since participated in nine Elder Hostel Road Scholar programs. Foreign travel led them to see destinations throughout England, Scotland, Switzerland, New Zealand, Denmark, and the Polynesian Islands. He also enjoys fitness, photography, has spent time with two different Rotary Clubs, and currently serves as a volunteer Money Mentor in a program offered by University of Illinois Extension. Frey says he likes to take courses wherever and whenever possible and believes that education never really ends.

