

Greetings from the Chair

This is my first opportunity to write a “chair’s message” for the newsletter, as I have been in the position of interim chair of the department since only this past July 1. At that time, I took over from the previous chair, GianCarlo Moschini, when he returned to his regular faculty role in the department. My interim appointment is for one year: Our hope and expectation is that a new chair will be ready to begin a multi-year term on July 1, 2012.

This is a big and diverse department with many talented faculty and staff engaged in a very wide range of professional activities. Of course, any one individual faculty member typically focuses his or her time and effort on just a small subset of those activities. That has certainly been true in my case. My teaching over the past few years has been limited to a couple of graduate-level courses and large lecture sections of Econ 101. My research concentrated in just one field, industrial organization. And, in my role as graduate program director, most of my institutional service contributions focused on the administration of our M.S. and Ph.D. programs. That leaves several large and important facets of the department’s activities with which I have had only limited experience: outreach/extension and the undergraduate program in agricultural business, to name just two. Now, as interim chair, my responsibilities extend to all of these activities, so I have had to play “catch-up” in several respects. But faculty, staff, and students have all been very patient with me as I gradually learn more and more about the incredibly wide range of things going on in this department. I certainly appreciate their kind indulgence.

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I am going to devote the rest of my remarks to the most significant event of last academic year: the external review of the department. Like all universities, Iowa State requires that its academic departments



John R. Schroeter, Interim Chair

undergo periodic reviews by panels of outside experts; typically faculty members from similar departments at other universities. The hope is that the perspective of knowledgeable, dispassionate outsiders will provide college and university administrators with a more objective assessment of the department’s strengths and weaknesses, and will provide the department itself with valuable insights about directions that might be taken going forward. Preparation for the external review began in the fall with the production of a lengthy “self-study” document in which we described the wide range of departmental programs, reported qualitative and quantitative measures of performance in recent years, and posed our own questions for the review team to consider. The preparation of the self-study was an incredibly time-consuming effort to which almost every faculty member, and several staff members, contributed in important ways. Also during the fall, suitable candidates for the external review team were identified and commitments to serve were secured from six individuals: Barbara Wolfe (chair of the review team), University of Wisconsin; Scott Irwin, University of Illinois; Larry Karp, University of California-Berkeley; Preston McAfee, Yahoo! Research; Mark Roberts, Penn State University; and Richard Sexton, University of California-Davis. In early February, the self-study report was sent to review team members to help acquaint them with the department and its array of programs and activities.

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Awards & Acknowledgments

Provost Hoffman receives honors for her work in economics

University Executive Vice President and Provost Elizabeth Hoffman, a faculty member in the Department of Economics, was the recipient of several significant awards in 2011.

She was awarded the Carolyn Shaw Bell Award, created in January 1998 as part of the 25th anniversary celebration of the founding of the Committee on the Status of Women in the

Economics Profession (CSWEP). Carolyn Shaw Bell, the Katharine Coman Chair Professor Emerita of Wellesley College, was the first Chair of CSWEP. The award is given annually to an individual who has furthered the status of women in the economics profession through example, achievements, increasing our understanding of how women can advance in the

economics profession, or mentoring others.

Hoffman also received an honorary doctorate from the National University of Life and Environmental Sciences of the Ukraine on September 1. She received the award on “Knowledge Day,” a major celebration in Ukraine that takes place at educational institutions to honor the pursuit of academic excellence. ✧



Elizabeth Hoffman in Ukraine

Babcock named Iowa State’s Cargill Chair and leader of the Biobased Industry Center

Mike Krapfl, ISU News Service

Bruce Babcock is ready to focus on the bioeconomy as Iowa State University’s next Cargill Endowed Chair in Energy Economics and director of the university’s Biobased Industry Center.

Babcock, an Iowa State professor of economics and current director of the university’s Center for Agricultural and Rural Development, assumed his new position Oct. 1. He succeeds James Bushnell, who is now an associate professor of economics at the University of California Davis.

An interim director of the Center for Agricultural and Rural Development is expected to be named soon. “I’m looking forward to the new position,” Babcock said. “I’ve been moving toward bioenergy analysis and policy for the last few years. And this is a good opportunity for me to focus directly on bioenergy.”

As director of the Biobased Industry Center, Babcock will also work with 15 companies and organizations—from fuel producers to agribusinesses to auto manufacturers—interested in the latest bioenergy research. The center was established in 2008 and

is part of Iowa State’s Bioeconomy Institute. It supports interdisciplinary studies of the business, policy, infrastructure and supply chain issues facing the bioeconomy.

“I’m also looking forward to engaging more companies in the Biobased Industry Center and getting some research started that addresses the costs and benefits of advanced biofuels,” Babcock said. “We want to learn how the marketplace will play out with both corn ethanol and advanced biofuels.”



Bruce Babcock

Babcock’s goal is for the Cargill Chair and the Biobased Industry Center to develop

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Menapace receives AAEA award for outstanding dissertation

Luisa Menapace, a recent ISU Department of Economics PhD graduate, is this year's winner of the prestigious Outstanding Doctoral Dissertation Award from the Agricultural & Applied Economics Association (AAEA).

Menapace's dissertation is entitled "Geographical Indications and Quality Promotion in Food and Agricultural Markets: Domestic and International Issues." While she says that she's always thought she had written a good dissertation, she was also "genuinely surprised" to receive the award.

The elements which helped her dissertation stand out, she says, was the choice of a topic with policy implications of broad interest, the development of a set of models that paid close attention to the



Luisa Menapace

work of real-world institutions, communicating in a way that reached a broad audience, and a balance between theory and applied economic analysis.

Menapace graduated from the department in the spring of 2010 with a PhD in economics. Her thesis advisor was Professor GianCarlo

Moschini, Pioneer Chair in Science and Technology Policy and an AAEA Fellow. She is currently working in a postdoctoral position at the University of Trento in her native city of Trento, Italy.

Professor Moschini has first-hand knowledge of the value of this professional recognition, having himself received the AAEA Outstanding Doctoral Dissertation Award many years ago. "Luisa fully deserves this award," he says, "she was creative and worked very hard in her dissertation. Her intellectual ambition and determination really paid off."

The AAEA, formerly the American Agricultural Economics Association, is the main professional association serving the interests of members working in agricultural and broadly related fields of applied economics. ✧

Dedicated hall honors department history and achievements

The recent installation of the Department of Economics "Hall of Honor" is designed to celebrate the history and accomplishments of department faculty.

The hall displays two series of portraits which include faculty honored as Distinguished and University Professors, considered Iowa State University's highest honors. Each honoree's portrait is presented with an accompanying plaque that details their contributions to the discipline of economics and to the university.

The Distinguished Professor series begins with Earl O. Heady, who received the award in 1956. Other individuals featured include Karl A. Fox, John F. Timmons, Neil E. Harl, C. Phillip Baumel, Wayne A. Fuller, George W. Ladd, Dudley G. Lockett, Stanley R. Johnson, Todd M. Sandler, and Wallace E. Huffman.

The University Professor series begins with current faculty member Harvey E. Lapan, who first received the award in 1993. Other individuals featured include Walter Enders, Robert N. Wisner, and Peter Orazem.



The Department of Economics Hall of Honor is open to the public, and is located on the third floor of Heady Hall. As faculty receive future awards, new portraits will be added. ✧

Collaborative “spark” proves productive for ISU economists and electrical engineers

article and photos by Kristin Senty

Increasing oil prices and concern over greenhouse emissions have prompted new innovations in “green” energy in recent years. Wind turbines, solar panels, and hybrid electric vehicles are more common, giving homeowners, farmers, and businesses the ability to generate and use electric energy in new ways. As traditional consumers of energy start to shift their behavior from purchasing all of their energy from a large producer to generating some of their own, what are the impacts on the companies that generate, or on the entire system of producers and consumers?

These are the types of questions that ISU Department of Economics Professor Leigh Tesfatsion has been working on since 2000, when she first started her work in energy economics. Tesfatsion has been exploring the different ways that an electric power system—from the entities that generate power on down to those who use it—is affected when changes to that system are introduced.

To better address the issues, Tesfatsion and her collaborator, Professor Dionysios Aliprantis from the Electrical and Computer Engineering Department, have assembled a collaborative group of economists and engineers at Iowa State University called the Integrated Retail/Wholesale Power System Project Group (or IRW Group for short). The IRW group includes both faculty members and graduate students, and in their second year of collaboration they’ve developed a software test bed designed to mirror the world of the electric power market place.

The IRW test bed is essentially a virtual world that includes many of the key players in a power system, from the wholesale power companies that generate electric energy in bulk, the wholesale entities that buy this bulk energy and resell it downstream to retail customers, on down to the ultimate retail consumers. IRW group members can introduce a new variable or condition to the system, and then step back to see how it all takes hold.

Foreseeing potential problems

“It’s a little like a Petri dish,” says Tesfatsion of the IRW test bed. “We’ve essentially built a virtual power system where we can introduce agents with their own



“It’s a little like a Petri dish,” says Tesfatsion of the virtual reality power system that engineers and economists have created.



Back Row From Left To Right: Deung-Yong Heo, Econ RA; Andrew Nguyen, Econ RA; Prof. Leigh Tesfatsion, Econ/ECpE PI; Prof. Dionysios Aliprantis, ECpE PI; Wanning Li, ECpE RA; Di Wu, ECpE RA; Chengrui Cai, ECpE RA

Front Row Seated From Left to Right: Dong-Jin Pyo, Econ RA; Pedram Jahangiri, ECpE RA; Auswin George Thomas, ECpE RA; Huan Zhao, Econ RA

goals and activities, then let the system run and watch what happens,” she says. “We make observations but we never interfere. We run the system many times with different initial conditions to view the scope of possible outcomes.”

Some of those initial conditions might include a policy change or a change in energy contracts, where consumers are charged a variable rate for electricity consumption rather than the traditional flat rate. Or it could be a physical change, such as the introduction of a new technology that shifts the energy load within the entire system.

Examining scenarios like these becomes important as new technologies, and new policies and approaches to the production and consumption of energy, start to penetrate power system operations. Chengrui Cai, a graduate student in electrical and computer engineering, provides some perspective. “We have new physical technologies like solar power showing up in residential areas, so what are the implications for improving the performance of the electrical distribution grid? Plug-in electric cars are also growing in popularity, but if you fully release them with no regulation they might place a lot of stress on the system and potentially overload it. Through the test bed we can foresee potential problems with these new technologies, which will then help us to use them more effectively,” he says.

Open information and collaboration

The IRW test bed will be released as open source, meaning that it will be open and available for anyone to look at or use. “We’re one of the few power system research groups using an open source approach,” says Tesfatsion. “But this is academics and we want people to be able to replicate and extend it for their own purposes, so there’s nothing hidden.”

She points to some of the positive impacts globally that have already come from the earlier development and open source release of the wholesale portion of the IRW test bed, referred to as the Agent-based Modeling of Electricity Systems (AMES). A group in Australia is using AMES to craft carbon emission policy, a group in Germany is using it to study emissions trading, and other applications of the test bed are underway by research groups in France and Slovenia.

It’s not only the open nature of the IRW test bed that has been valuable, but also the open collaboration of the group that has made their work so strong to date. The IRW group has met weekly for the past year, moving into their second year of work. They use their meeting time to present new ideas or related project work to each other, or to discuss ways they can improve the test bed, ultimately working toward a full release in 2012.



“Previously our work was very isolated,” says graduate student Chengrui Cai (far right).

“Previously our work was very isolated,” says Cai. “By working together we can see the problems from different perspectives: how markets might be designed to deliver energy more economically, or with more reliability from an engineer’s point of view.”

Coming from different disciplines, it also took some stretching to see each other’s perspective, which ultimately proved quite valuable. “The economic point of view is completely different from the way we engineers were thinking about things,” says Pedram Jahangiri, a graduate student in electrical and computer engineering. “I realized that you can’t control a complex system like this only in terms of something physical, but we also needed to think about the behaviors of people.”

Huan Zhao, a graduate student in economics who has also taken courses in electrical engineering says, “Economists ignore too many details of an industry to make a simple and solvable model. Engineers focus too much on the details and tend to ignore the potential benefit and problem of the market. Our research group pays equal attention to both economic and engineering concerns of the industry,

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Young farmers key to rural vitality—but where can they farm?

article by Kristin Senty; photo by Jed Finlay

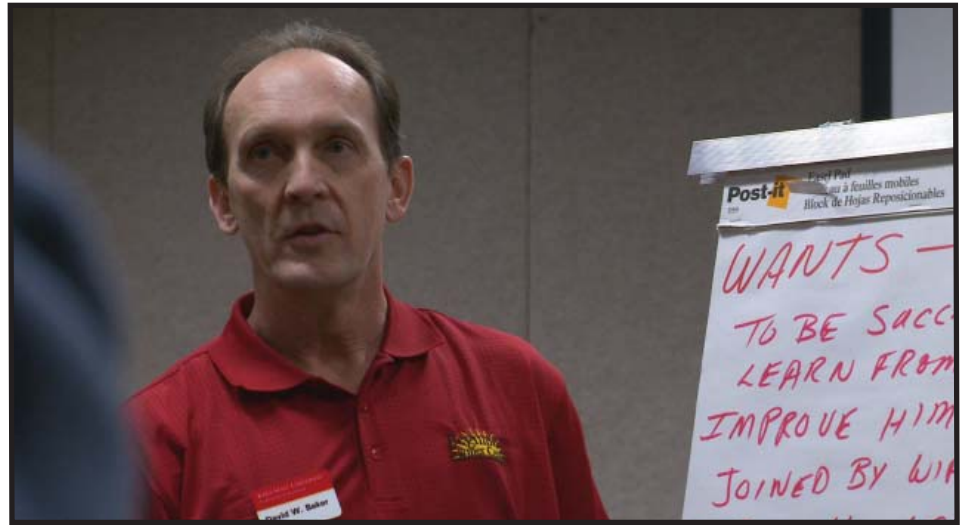
Dave Baker describes himself as an “optimist.” As the Farm Transition Specialist for ISU Extension’s Beginning Farmer Center, he says that recent interest in the local foods movement is just one sign that there are more opportunities available for young people interested in agriculture in Iowa.

Baker’s role is to help facilitate the transfer of farming operations from a generation looking toward retirement, to new farmers eager to be in business for themselves. He hosts regular workshops around the state teaching farmers a sensible approach to succession. He visits and collaborates with a wide range of businesses and organizations that have a stake in these transfers. And sometimes Baker acts as a mediator and personal sounding post, as retiring farmers struggle with the sensitive process of transferring over a life’s work to a new generation.

“This is economic development at its most basic form,” says Baker. He’s keenly aware of how critical a role the effective transfer of family farming operations plays in the ability of rural communities to thrive.

“These are businesses and if they aren’t transferred, then they’re liquidated. Smaller farms are generally swallowed by mega farms, which is something I’m opposed to,” he says.

At the bottom line, Baker says that farm businesses in these rural communities are crucial to economic vitality because they support and promote other small businesses. Not only are farmers business owners themselves, but they’re also more likely to shop in local stores, enabling other businesses to thrive. Young farmers and their families



Farm Transition Specialist Dave Baker says that succession of a farm from a retiring farmer to the next generation “is economic development at its most basic form.”

also add an important demographic to rural communities that are rapidly losing working-age individuals to larger metropolitan areas. So the stakes to Baker, in his quest to inject new vitality into rural communities, are pretty high.

“I’m not going to debate the notion of bigger is better,” he says. “But the number of small farms in a small community is really what creates strength. There must be room for both.”

Possibilities and challenges in succession

What’s “encouraging” to Baker is that he currently has 450 applications from young farmers who would like to apprentice with retiring farmer and eventually assume ownership of their operation.

A beginning farmer also doesn’t need to acquire all of the assets immediately to secure a loan to go into business, he adds, so the financial barriers aren’t great. “What they really need is a good business plan. The financing options will

fall into place with the proper succession plan,” he says.

The irony for Baker is that in spite of the number of applicants eager to go into business, only 25 current farmers have expressed interest in succession. “With thousands of farms in Iowa, there must be more farmers who should step forward,” he says.

The transfer of property to an up-and-coming farmer from one nearing retirement makes sense to Baker - but he’s also observed that giving up a lifetime of farming, for some, isn’t so easy.

“I’ve talked to farmers wives who are so eager to see their husbands retire and do something fun like take a vacation, but many would just prefer to farm. The ability of a 75 to 80 year-old to still be in business today is possible. There is really a strong work ethic in that generation that makes it hard to quit,” he says. Health problems are sometimes the only thing that eventually pushes a farmer to retire. And for many at that point, putting a plan of

succession into place for the next generation can be too late.

Greg Walston of Vinton, Iowa says his father passed away before they ever had a chance to talk about the succession of their family farm. “The issue is an emotional one for me,” he says. “I wish my father would have communicated his wishes with me directly rather waiting until it was too late to have an effective conversation.”

Walston recently took one of Baker’s workshops to develop skills and a strategy to facilitate a smooth conversation with his mother, who still owns the property. “It will help us to talk about the options,” he says. “Working with someone like Dave is like working with a professional communicator. He can help us to be more neutral.”

A practical approach to succession

Baker understands that the process of succession planning can be difficult for many longtime farmers, and that conversations with a potential successor or a family member don’t always come as first nature. His workshops are designed to be practical and straightforward. He talks about the obstacles and roadblocks that are potentials in the

succession process, and the things that should simply be avoided.

“We teach people to focus on family values and the vision of the future. What are the tactics they’ll use to transfer a farm to a successor in five to ten years? We want people to start planning ahead so that the process feels more natural,” he says.

He’s facilitated a number of successful transfers in the past six years since he’s been in this role. Baker has also done a lot of work to reach out to many potential audiences with a stake in farm succession and rural revitalization. He talks with bankers, insurers, and organizations working to promote family farms and sustainable agriculture in Iowa. He also recently developed a partnership with Lutheran Services in Iowa, working to place refugee farmers onto land where they can grow specialty crops that appeal to the state’s growing international population.

Baker understands first-hand how meaningful it is when an experienced farmer is willing to work with someone learning the business. “I grew up as a town kid, but I knew that I always wanted to farm,” he says. He found work with a farmer who was willing to let him learn through trial and error, “day by day,” he says.

Baker eventually purchased a farm in northwest Iowa where he raised his family, working a day job at the same time.

“My kids always remember how busy I was, but they also have great memories of birthing calves alongside me,” he says.

Baker’s concerned that if more farmers don’t step forward and consider succession to a family member or an interested individual that this rural way of life may no longer be an option for young farm families. He’s also aware that economic vitality in small communities will continue to decline. Yet his optimism guides him forward as he sends the call out to farmers to consider the many positive personal and community-wide impacts of a planned retirement.

“We talk about the value of sustainable agriculture,” he says. “But sustainability also means that the next generation of farmers should have a lifestyle and community structure where they can build their future.”

Learn more about the Beginning Farmer Center at: <http://www.extension.iastate.edu/bfc/about.html> ✦

*Babcock
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complementary research programs that investigate policy and market issues.

John Schroeter, Iowa State professor and interim chair of economics, said he’s happy to see Babcock taking the Cargill Chair. “I think this is an ideal fit,” he said. “Bruce is a distinguished scholar and nationally recognized for a long research career in

agricultural economics, energy economics and the economics of biofuels.”

Babcock has been at Iowa State since 1990 and has directed the Center for Agricultural and Rural Development since 1998. Robert C. Brown - an Anson Marston Distinguished Professor in Engineering, the Gary and Donna Hoover Chair in Mechanical Engineering, the Iowa Farm Bureau Director of Iowa State’s

Bioeconomy Institute and a member of the executive team of the Biobased Industry Center - said he’s pleased Babcock will be the next Cargill Chair.

“The essence of the Biobased Industry Center involves its ability to evaluate the economic potential of the bioeconomy,” Brown said. “Bruce is extremely well qualified to lead this effort and explore new opportunities for the center.” ✦

Iowa State economics professor applies classroom experience to current debt crisis

Mike Ferlazzo, ISU News Service

The solution to the nation's great debt ceiling debate—which is now five days away from a potentially calamitous government default—may not be so simple a child can do it. But an Iowa State University economics professor knows from experience that the economic obstacles aren't as difficult as they may appear in Washington, since he had students tackle some of those same problems last spring for a class project.

For the Public Finance and Public Policy class taught by ISU Professor of Economics Dan Otto, undergraduates from nine different majors essentially created their own deficit commission to produce a series of recommendations by semester's end that addressed how best to lower the nation's growing debt.

"Our class put the politics aside and tried to put some analytical perspective to it," he said. "We tried to identify the values and just use the tools of analysis. That's what economics tries to do -- assess the programs according to some objective tools to evaluate against criteria and determine whether this is the most cost-effective way of achieving a societal goal."

Otto summarized the student recommendations in a report published by The Des Moines Register in June. He also addressed some of the same issues in a presentation tentatively titled, "The U.S. National Debt: Its Operational Parameters and Management and Historical Context" to the Marshalltown Lions Club, was

featured with several students in a discussion on Iowa Public Radio, and was able to bring the nonpartisan group The Concord Coalition to campus in September for a broader discussion.

Addressing entitlement programs

Otto's students concluded that the growth and financing of entitlement programs—Social Security, Medicare and Medicaid—are the dominant public finance concerns for their generation, and unsustainable for the future. They reported that the three entitlement programs currently account for 40 percent of the federal budget and are projected to increase rapidly under current trends.

So Otto says that's an area that Washington lawmakers desperately need to address if they're serious about reducing the nation's long term debt.

"There are fundamental problems with the rising health care costs and the commitments in the Medicare and Medicaid entitlement programs that promise to pay for expanded health care coverage without attempting to control costs," he said. "That's a fundamental problem that needs to be dealt with, or you're not going to solve this deficit problem."

But Otto says the nation's debt solution doesn't come down to only cutting entitlement programs. Tax reform should be part of the equation, too.

"The [student] suggestion was that tax expenditures are a type of government



Dan Otto

spending on the revenue side that was ripe for reform," he said. "If you can do some tax reform, lower rates and raise some revenues in the process, you're chipping away at it [the national debt] from that side as well."

Cutting to the core of the Washington impasse

After framing the problems surrounding the nation's debt problem, the students' top two recommendations cut to the core of the current impasse in Washington:

- Tackle the problem now. Delaying action compounds the costs and increases the difficulties of dealing with issues later.
- Take a bipartisan approach. The causes and consequences of the federal debt and deficit issues are societal issues, and dealing with them will require bipartisan efforts.

And if lawmakers don't come up with a solution by the debt

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Freshman transitions eased by “warm environment” of ag business learning community

article and photos by Kristin Senty

Ebby Luvaga (pictured right) is determined to know each of the 75 freshmen members of the agricultural business learning community. Each fall semester she starts with a blank book and adds a page dedicated to each student. There’s a freshman photo and general biographical information - and then there are the handwritten notes that Luvaga keeps on each student that, over time, fill in a more personal picture of the individual.

Luvaga, a senior lecturer and academic advisor in the Department of Economics, coordinates the learning community for freshmen who declare agricultural business as their major. She jokingly describes her role as a “mother away from home,” but her work is part of a broad and successful university-wide strategy designed to combat freshmen retention struggles.

College retention of freshmen is a growing problem in many colleges and universities around the nation. According to rankings compiled by U.S. News & World Report, as many as one in three students fail to return for their sophomore year. To combat this, ISU employed its learning community strategy in 1995, with an 85% freshman retention rate for the university overall for students to participate in a learning community. Students who participate in the ag business learning community have a 90% or higher retention rate.

The freshmen Luvaga meets in August are understandably

nervous about their new life change. Many have come from small rural communities where the entire high school population was significantly smaller than some of the classes they’ll take at ISU. Her goal is to create the sense of a small community of people, which ultimately helps freshmen feel more at ease as they transition to college life. “ISU is a big campus,” she says. “A learning community is one way that we try to break it down and make it seem like a smaller place.”

Connecting students in regular ways is part of the strategy. Students meet weekly in teams of 15-20 students where they receive guidance from older students called “peer mentors.” They also share similar core classes, tutoring services, and small group discussions led by faculty members. They might also take short field trips off campus, participate in intramural sports, and even engage in volunteer opportunities in the community. Helping students get to know and interact with faculty both in and out of the classroom is another key aspect of the program.

Peer mentors, says Luvaga, are a little like an additional set of “eyes and ears” that help her keep a pulse on the progress of each student, both “in good times and in bad.” Freshman meet



“Each student is different, and I keep that in mind as I try to get to know them,” says Ebby Luvaga.

with them weekly in small teams where they learn about campus life, work on special projects, and share group activities.

“If someone is skipping class or really struggling, our peer mentors let me know. Then I can connect with the student directly to find out if there’s a bigger issue,” she says. “Each student is different, and I keep that in mind as I try to get to know them.”

Tory Mogler, a sophomore peer mentor, remembers what it was like coming from a small Iowa town with only 52 seniors in his graduating class. “When I arrived at ISU, you could say I was a little overwhelmed. Being a part of the learning community helped it all feel more manageable,” he says.

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Alumni News

Census position is “applied researcher’s dream” for Rebecca Chenevert, 2005

Rebecca Chenevert earned her B.S. from ISU in 2005, with a double major in economics and math, and a Ph.D. in labor economics from the University of Texas at Austin in 2010. Today, she works for the US Census Bureau in the labor force statistics branch—a job that she says is an “applied researcher’s dream.”

“They want us working with the data, studying it, and making sure that what comes out is reasonable and follows economic theory,” she says. Chenevert says that many young economists and sociologists are hired by the Bureau, and that the environment there is quite collaborative. Weekly lunch

meetings give researchers the chance to present their work to each other and gain valuable peer feedback. “It’s a place where we all want to make each other better,” she says.

Chenevert recently presented her paper “Evolving Labor Force Outcomes for Married Couples Associated with Gender Trends in Education,” to ISU’s Department of Economics. Her research looks at the education levels of married spouses, and how one person’s education impacts the other in terms of how much they work. In her research today, she says that “I still rely on many useful and practical things that I gained through my undergrad work at ISU.”



Rebecca Chenevert

Learn more about Rebecca Chenevert and her work at: <https://webspaces.utexas.edu/bellerrl/nmm/index.html>. ✧

Ed Kiefer, 1975, named 2011 Professional Farm Manager of the Year

Source: Hertz Farm Management, Inc. news release

Geneseo resident Ed Kiefer, vice president and office manager for Hertz Farm Management, Inc., was recently named 2011 Professional Farm Manager of the Year by Syngenta, *AgProfessional* magazine and the American Society of Farm Managers and Rural Appraisers (ASFMRA).

“Ed is a tremendous asset for our company,” said Loyd Brown, president, Hertz Farm Management, Inc. “One of the foundations of Ed’s success is he is very sincere and personable and is always doing things in the best interest of his clients. He has

gained a lot of respect from his clients, farm operators and his co-workers.”

Currently in his 36th year of providing professional farm management services, real estate sales and acquisitions and agricultural consulting for landowners across Illinois, Kiefer says receiving his industry’s top honor validates his commitment to his clients and dedication to soil and water conservation.

“As we move forward and have to grow more with less, farm managers will continue to lead with technology, with genetics



Ed Kiefer

and in land stewardship,” said Brent Rockers, district manager, Syngenta. “These factors are all important to the future of agriculture and Syngenta would

like to recognize farm managers like Ed as leading that role in years to come.”

To honor Kiefer for this achievement, Syngenta made a \$500 donation in his name to Iowa State University to fund a scholarship for a student majoring in Agricultural Business and another \$500 donation to the University of Illinois to fund a scholarship for a student majoring in Agronomy.

Kiefer, who received the award in front of his peers at an award ceremony held during the recent ASFMRA annual convention

in Phoenix, Ariz., expressed his gratitude to Syngenta, and award co-sponsors.

“I would like to thank Syngenta, AgProfessional Magazine and The American Society of Professional Farm Managers and Rural Appraisers for the 2011 Professional Farm Manager of the Year award,” said Kiefer. “Not only does it recognize my 36 years in the professional farm management industry, but also the things I do on a day-to-day basis for my clients, farm operators and for agriculture.”

In addition to membership in ASFMRA, Kiefer belongs to several

community organizations. He has served as president, treasurer and director of the Geneseo Jaycees, and is a past member of the Illinois and U.S. Jaycees. He’s a member of the Geneseo Kiwanis Club, the Illinois Farm Bureau and the Geneseo First Congregational Church. ✧

Working with stats in juvenile court draws Mayo, 2007, toward social justice interest

When Ken Mayo graduated from ISU with a Masters in economics in December 2007, his next move had little to do with his recent learned discipline. Instead, for a year and a half he lived in West Virginia and worked to repair low-income housing.

“Social justice,” says Mayo, has always been a “strong undercurrent for me.” Today, he’s combined that with his degree in economics, serving as a research analyst in St. Louis’s family court system. Mayo works with the statistics and evaluations for juvenile court detention, looking at whether certain approaches to incarceration or detention reduce recidivism, and if there are racial disparities in juvenile justice.



Ken Mayo

“What I really like about my work is that I have the ears of decision-makers. When we do this research they’re always interested in the results, and they want to do something in response to it,” he says.

Mayo says that his current work relies heavily on the econometrics courses that he studied in the department. “Applied research has always interested me most,” he says.

In his free time, Mayo enjoys sailing and watching Notre Dame football (sorry cyclones). He is married and is the proud father of a three-month-old son. ✧

Contact Ken at: Kenneth.Mayo@courts.mo.gov

Roger Underwood, 1980, receives Order of the Knoll Cardinal and Gold Award

News release courtesy of ISU Alumni Association

Roger C. Underwood's service in support of philanthropy at Iowa State is extensive. He serves as chairman of Campaign Iowa State: With Pride and Purpose, leading the effort that has resulted in the university exceeding its \$800 million fundraising goal. During the campaign, he has met with alumni, donors, and friends of Iowa State to assist them in crafting gifts that would propel the university to new heights. He has given countless presentations that always deliver a strong "giving back" message.

A member of the ISU Foundation Board of Directors and an ISU Foundation governor, Underwood has also served as a member of the College of Agriculture and Life Sciences Advisory Committee. He is a founding member of the

Agricultural Alumni Association and was a member of the organizing committee for the first-ever Ag Career Day on campus. A member of Tau Kappa Epsilon fraternity as a student, Underwood has remained active with that organization.

Underwood and his wife, Connie ('84 political science and international studies), have also given back financially to their alma mater. The Ag Entrepreneurship Initiative was established as a result of Roger's enthusiasm and the couple's \$1.6 million gift. They have also supported Iowa State athletics, scholarships and educational funds in the College of Agriculture and Life Sciences, and the remodeling of the Joan Bice Underwood Tearoom in MacKay Hall.



Roger Underwood

Following his graduation from Iowa State, Underwood co-founded Becker Underwood with Jeff Becker, a childhood friend from Atlantic, Iowa. Becker Underwood's sales are

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Frevert, 1960, and Catlett, 1980, receive alumni honors from CALS

News release courtesy of Iowa State University College of Agriculture and Life Sciences

Iowa State University's College of Agriculture and Life Sciences (CALS) presented awards at the annual Alumni Association Honors and Awards Ceremony. Two Department of Economics alumni, Jim Frevert, 1960, and Lowell Catlett, 1980 were honored.

Jim Frevert, who retired from Hertz Farm Management Inc. in Nevada, Iowa in 2003, received the Floyd Andre Award that recognizes alums who have made outstanding contributions to production agriculture, agricultural business or who have significantly influenced Iowa agriculture.



Jim Frevert

Frevert joined Hertz Farm Management Inc. in 1964 after receiving his bachelor's degree in farm operations in 1960 from Iowa State. He helped build

the business' reputation as a personalized, hands-on service with dedicated professionals. He served as president from 1988 to 2000.

Lowell Catlett, dean of the College of Agricultural, Consumer and

Environmental Sciences at New Mexico State University, received the Henry A. Wallace Award. The award was established in 1978 to honor



Lowell Catlett

an Iowa State alumnus who has made an outstanding contribution to national or international agriculture in writing, teaching, research or leadership.

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Alumnus Vishal Singh receives 2011 Award for Early Contributions to the Economics Profession

Department alumnus Vishal Singh received the fall 2011 Award for Early Contributions to the Economics Profession through the College of LAS. Singh was on the ISU campus to accept the award on October 20, also presenting a seminar to the Department of Economics.

In 1997, Singh graduated from ISU with an MS in economics and an MBA from the Business College. He then attended Northwestern University where he received a PhD in marketing in 2002. Singh is an Associate Professor of Marketing at the Stern School of Business, New York University. His current research focuses on empirical industrial organization, marketing, and competitive entry, and he has recently been researching the relationship between weight loss and food taxation, demonstrating ways that such a tax won't be regressive.

Singh says he was "thrilled" to receive the award. "ISU is the first



Interim Chair John Schroeter, Vishal Singh, and Interim Dean David Oliver (left to right)

place I came to from India, so I feel very fondly about it," he says. "This is the place and the program that set me up to do what I do today, and I received useful training and exposure to the Western education system. The grounding I gained in econometrics, economics, and statistics continues to serve me," he said.

Learn more about Singh's work at: <http://www.stern.nyu.edu/faculty/bio/vishal-singh>

See a full listing of fall 2011 LAS alumni awardees at: <http://www.las.iastate.edu/alumni/awards/2011awards.shtml> ✧

Collaborative "spark"
continued from page 5

which makes it meaningful and applicable."

That breadth of knowledge and perspective, says Tesfatsion, has made the graduate students involved in the IRW group "very compelling" to employers. "Our students have knowledge of power systems on the tech side and they also understand the economics of power systems.

This combination has made them very competitive and valuable in the job market," she says.

For Tesfatsion, this chance to work on "critical, real-world issues that ultimately impact national welfare and security" has been one of the most exciting and challenging opportunities she has undertaken in her academic career. "Every aspect of economics is in there," she says.

The work of the IRW group is supported in part by funding from the ISU Electric Power Research Center, the Pacific Northwest National Laboratory, Sandia National Laboratories, and the National Science Foundation.

Learn more at: <http://www.econ.iastate.edu/tesfatsi/IRWProjectHome.htm> ✧

ceiling deadline, Otto reports it will have some serious economic consequences.

“It sounds like our credit rating will be lowered [by not raising the debt ceiling], which means costs will go up and that will be the biggest effect,” he said. “My understanding is that it’s the overall bond market that’s going to bid up its cost.

“An increase in interest rates and cuts in government spending will further dampen the economic recovery. So the most direct effect

is a general raising of interest rates, and then with the higher interest rates will be the economic slowdown which comes with that,” he continued. “So it just comes back to the confidence that the government will be there to back it up, and various actors in the bond market are suggesting that it’s going to increase uncertainty —and therefore a risk premium to be added to interest rates. Then that filters outward to other markets, too.”

Otto hopes lawmakers can put their partisan politics aside and focus more on the economics of

the problem. It worked for his students. ✧

Read the full Des Moines Register editorial at: <http://www.desmoinesregister.com/article/20110603/OPINION01/106030318/Students-We-can-t-wait-to-fix-the-deficit-debt>

Learn more about The Concord Coalition at: <http://www.concordcoalition.org>

Casey Clemens, a junior, was part of the ag business learning community her freshmen year and is now serving her second year as a peer mentor. Today, she says the group she “bonded” with during her first days on campus are still “some of my closest friends.”

In 2009, Luvaga and the ag business learning community won a campus-wide award for the quality of their work with freshmen. Retention rates for freshmen have remained high, and she’s understandably pleased with their success. But the key, she says, is not only in creating a sense of belonging at ISU for students, but also making sure that they succeed in their academics.

“We strive to provide a warm environment, as well as many



Tory Mogler remembers feeling “overwhelmed” when he was an incoming freshman. Today he serves as a peer mentor, guiding the latest freshman class of ag business students.

other opportunities to enrich our students’ academic experience at ISU,” says Luvaga.

Learn more about ISU’s learning communities at: <http://www.inside.iastate.edu/2011/0519/lc.php> ✧

nearly \$200 million annually, and the company is the world's leading supplier of non-pesticide specialty chemical and biological products to markets within the agricultural, landscape, turf, and horticulture industries. He is currently a partner in Riverwood Management, LLC., a private equity fund buying and operating ag companies in North America.

The Underwoods live in Ames, are members of the Order of the Knoll Campanile Society and W.M. Beardshear Society, and are lifetime members of the ISU Alumni Association. Underwood is a past recipient of the Floyd Andre Award from the College of Agriculture and Life Sciences and the Order of the Knoll Young Alumni Award. ✧

Catlett is known for sharing his knowledge about technology and its implications on how society lives and works. His presentations are inspiring, lively, varied and upbeat. His areas of expertise include marketing economics, futures markets and production economics. His interests include advising and teaching both undergraduate and graduate students, futures market research, futuristic planning and forecasting. ✧

In memoriam: Two department emeritus faculty pass in 2011

Professor Emeritus Hylke “Ike” Van de Wetering passed away June 24, 2011 in Miami Beach, Florida. He was born June 20, 1936 in Hemelum, Nederland to Gerrit and Dieuwke van de Wetering.

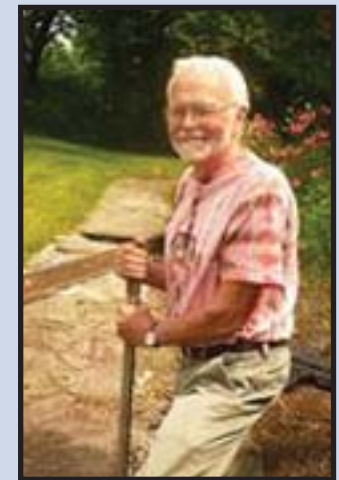
Van de Wetering received a Ph.D. in economics at Iowa State University. After completion of his doctoral studies, he joined the faculty of the Department of Economics at ISU in 1964, and retired in 2006.

Professor Emeritus Arnold Paulsen passed away July 27, 2011. Paulsen was born Oct. 26, 1928 in Lyons, Neb., to Allen and Esther (Swanson) Paulsen, and married Mary Lou Tannus in 1952. He served in the U.S. Army from 1952-1954 in Germany and was a Korean War veteran.

Paulsen attended Dana College in Blair Neb., Luther College in Decorah and he received his Ph.D. in Agricultural Economics from Iowa State University in 1958. He worked for Iowa State University as a Professor of Agricultural Economics until his retirement. His work took him across the country and around the world.



Hylke Van de Wetering



Arnold Paulsen

Finally, in early May, the review team visited the department for four days of meetings with university and college administrators, and faculty, staff, and students of the department.

While many contributed to the hard work of making all of this happen, a particularly big share of the credit goes to GianCarlo for his efforts at coordinating the entire enterprise; from leading the way on the drafting of the self-study, to recruiting the review team, to setting the agenda for their campus visit in May. The review team members, the Deans, and the Provost all praised the department's efforts in preparing for and conducting the review, and GianCarlo deserves most of the thanks for that. He did an extraordinary job in pulling it all together.

Following the investment of so much time and energy by so many people, naturally we were hopeful that the external review would produce a favorable appraisal that would make all of our efforts worthwhile. When the review team finally delivered its report, we were delighted to see that it reflected a very positive overall assessment. The review team began by acknowledging the uniqueness of our combination of economics and agricultural economics within the same academic department – peer institutions all have separate economics and agricultural/resource economics departments – noting that this combination results in “a diverse set of activities and constituent groups that is a challenge to integrate effectively, but is also a unique strength of the department.” Their report identified agricultural economics and environmental/resource economics, which are supported primarily by the College of Agriculture and Life Sciences (CALs) “side” of the department, as the department's two strongest fields, while noting that the CALs side benefits from the strength in core theory and econometrics contributed by faculty on the College of Liberal Arts and Sciences side. In their assessment, ours “is a case where the whole is greater than the sum of the parts, and . . . the department should make every effort to maintain and build on this unique mixture of skills and interests.”

The review team commended the department for the overall effectiveness of its undergraduate and graduate teaching programs, identifying the undergraduate major in Agricultural Business, in particular, as a “jewel.” With respect to extension activities, the report credits the department for the important role that it has played in “disseminating scientific research and providing lifelong education for the citizens of Iowa.” With respect to CARD, the review team's assessment was simply that it is the world's preeminent agricultural and food policy research center.

Of course, the review team also had suggestions for improvement. They recommended some new approaches to the way in which we assess research impact. With regard to the teaching programs, the review team urged us to find ways to further differentiate the undergraduate majors in economics and agricultural business, and suggested that the M.S. program needs to be better focused with a more clearly delineated purpose. Suggestions for the Ph.D. program included the possibility of consolidating some of the current fields and perhaps shortening the coursework phase of the program by one semester. On the extension front, better coordination of CARD's outreach component with extension programs was also among the recommendations.

With the hard work of the external review behind us, there is a sense of relief. But there is also a shared sense of satisfaction with the validation of our past efforts provided by the external review team's report. Of course, our job is not finished. As a final step in the external review process, the department will carefully consider recommendations made by the review team and determine how they can be used to help us better fulfill our educational, research, and outreach missions going forward. I am confident that this effort, already underway, will help to make our very good department even better.

John Schroeter
Professor and Interim Chair

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