

Edition 3/2014, 16 September 2014



IAMO building. Photo:  
Markus Scholz

## 20 years IAMO

**Since its foundation in 1994, IAMO has evolved into an important player in the international research landscape of agricultural economics. Together with invited guests, IAMO will celebrate the anniversary with a festive event in Halle (Saale) on 20 November 2014.** The Prime Minister of the German federal state of Saxony-Anhalt, Reiner Haseloff, the Rector of the Martin Luther University Halle-Wittenberg, Udo Sträter, and the Mayor of Halle (Saale), Bernd Wiegand, will open the event with their welcome addresses. The President of the Leibniz Association, Matthias Kleiner, will also deliver his personal congratulations. Rounded off by musical and culinary treats, finally, a panel discussion with representatives from science and business about the "Challenges for a Sustainable Development of Transition Countries' Agricultural and Food Sector" will take place.

***Festive event "20 years IAMO"***  
*(on invitation only)*  
20 November 2014 | Halle (Saale)

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## Overview

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**FORUM 2015**  
JUNE 17-19  
Agriculture and Climate Change

## IAMO Forum 2015

**The IAMO Forum 2015 titled "Agriculture and Climate Change in Transition Economies" is organized by IAMO in cooperation with the Potsdam Institute for Climate Impact Research (PIK). The conference will be held in Halle (Saale) from 17 - 19 June 2015.**

Researchers and business representatives from across the world will discuss the interrelations of climate change and agriculture with a focus on the transition countries of Eastern Europe, the Former Soviet Union, and East Asia. The Forum will provide a platform for contributions that examine the past, present, and future impacts of climate change on agricultural production, greenhouse gas emissions associated with agricultural



IAMO Forum. Photo: Michael Deutsch

production, and the adaptation of agricultural practices to a changing climate. Conference contributions may emerge from a variety of methodological approaches at various spatial and temporal scales and include equilibrium models, optimization approaches, econometrics, crop growth simulations or integrated assessments. Interdisciplinary contributions are particularly welcome. Conference contributions have to be submitted until 13 March 2015. [Further information about the IAMO Forum 2015 are available here.](#)

#### **IAMO Forum 2015**

#### **"Agriculture and Climate Change in Transition Economies"**

17 – 19 June 2015 | Halle (Saale)

[www.iamo.de/forum/2015](http://www.iamo.de/forum/2015)

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Milk production. Photo: Fotolia

#### **Competitiveness of European milk producers**

**A consortium, consisting of 16 European partners, will present the current research results of the joint research project "International Comparisons of Product Supply Chains in the Agro-Food Sectors: Determinants of their Competitiveness and Performance on EU and International Markets" (COMPETE).**

The project is investigating, inter alia, the productivity and efficiency of selected value chains for agricultural and food products. Analyses of the European dairy sector have shown that older EU member states, notably in North-Western Europe, have a higher productivity compared to new EU entrants. Farm sizes are not optimal from a dynamic perspective in many regions in Central and Eastern Europe. Productivity is especially high in EU countries with predominantly larger farm structures and quota utilization performance tending towards full use of capacity. It can be expected that, following the abolishment of milk quotas, European milk production will shift to high-efficiency regions in Central Europe and low-efficiency regions will undergo profound structural change. Increasing export orientation and competitiveness of EU member states requires launching political measures towards enhancing innovative capacity, preserving free competition without market barriers and supporting investments into research and development. The three-year cooperation project COMPETE is financially supported by the European Commission's Seventh Framework Research Programme. [Further project results are available in the current COMPETE newsletter and on the COMPETE website.](#)

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Land-system changes in Southeast Asia. Photo: Zhanli Sun

#### **IAMO Researches challenge the predictability of land system**

**Daniel Müller and Zhanli Sun, together with other international collaborators, have recently published a paper, titled "Regime Shifts Limit the Predictability of Land-System Change", on Global Environmental Change, one of the leading journals in environmental research.**

This paper argues that the regime shift, a sudden systemic change, leads to the high uncertainty/unpredictability of land-system change in the future. It challenges the widely held view that land-system changes can be reliably predicted and land use policy can be made based on those predictions. This research is part of the project entitled "Impacts of Reducing Emissions from Deforestation and Forest Degradation and Enhancing Carbon Stocks" (I-REDD+), funded by the European Commission's Seventh

Framework Research Programme. [Please find the citation of the paper here.](#)

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Land management. Photo:  
Martin Petrick

### Large Farm Management

**Despite the political conflicts in Eastern Ukraine, the 5th international conference "Large Farm Management: Constant Cost Optimization" will be held in Kiev on 18 September 2014.** Beside the Ukrainian Agribusiness Club, IAMO, the Committee on Eastern European Economic Relations and the agency AgriEvent are actively involved in organizing and helping design the program. The conference is regarded in the CIS states and Europe as a leading event in the area of large farm management. In response to falling world market prices, this year's event will mainly focus on productivity increase, innovation and human resource development. The conference will be attended by representatives of the business community, government members, academia and various mass media. [Detailed information and the conference program are available here.](#)

**V International conference  
"Large Farm Management: Constant Cost Optimization"**  
18 September 2014 | Kiev (Ukraine)

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Cattle breeding. Photo:  
Daniela Schimming

### Expert panel at EuroTier 2014

**On 12 November 2014, IAMO invites you to the expert panel discussion "Investment Opportunities in Ukrainian Dairy Production" at this year's EuroTier, the world's leading trade fair for animal production in Hanover.** Oleksandr Perekhozhuk, researcher at IAMO, will present an overview about developments in the Ukrainian milk production in recent years. Invited panelists Mariya Yaroshko, German-Ukrainian Agricultural Policy Dialogue (APD), Ukraine, and Johann Wenzl, COO and shareholder, Dukra agro, Ukraine, will discuss mainly issues relating to promising investment opportunities in this sector and associated challenges to agricultural enterprises. In the context of production costs, not only farm sizes and regional differences but also adjustments to quality standards for products and enterprises in Ukraine geared to future EU exports will have to be considered. The panel will be moderated by Dieter Mirbach, German Agricultural Society (DLG).

**EuroTier "Forum Cattle"**  
**"Investment Opportunities in Ukrainian Dairy Production"**  
12 November 2014 | 5:00 – 6:00 pm  
Hanover Exhibition Centre | Hall 25 | Stand B 25  
[www.eurotier.com](http://www.eurotier.com)

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IAMO Policy Briefs. Photo: Gesine Böttcher

### IAMO Policy Briefs provide new research findings

**Bernhard Forster and Ulrich Koester published IAMO Policy Brief 17 on the topic: "EU investment support for small and medium-sized enterprises in southern Europe: To be recommended?"** The paper argues that the single-business investment does not address the cause of high unemployment and their difficult monitoring makes them less efficient. **IAMO researcher Martin Petrick explains in IAMO Policy Brief 18 why the modernisation of the agricultural sector decreed by the Russian government has fundamental flaws.** Similar measures in the EU are only marginally successful and not in the spirit of WTO commitments. Petrick also draws parallels with Eastern Germany. **"On flexibility of agri-businesses: Are small- or large-scale farms more flexible?" is the title of IAMO Policy Brief 19 published by Thomas Glauben, Swetlana Renner and Heinrich Hockmann.** The findings of an IAMO study suggest that small-scale farms in comparison to large agri-businesses have more flexible production systems and better adjust themselves to changed market conditions. [The publications are available for free downloading on the IAMO website.](#)

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Martin Petrick. Photo: Markus Scholz

### Outstanding paper award for IAMO researcher

**Martin Petrick was awarded the "Outstanding ERAE Journal Article 2013" prize bestowed by the European Association of Agricultural Economists (EAAE). The conferment took place as part of 14th EAAE conference in Ljubljana, Slovenia, on 29 August 2014.** This award honors Petrick for his outstanding research contribution to agricultural economics in the professional journal European Review of Agricultural Economics (ERAE). The prize-winning paper is titled "Reversing the rural race to the bottom: an evolutionary model of neo-endogenous rural development" and for the first time analyzes the economic development in rural regions from the perspective of evolutionary game theory. This approach helps clarify why regions continually remain rich or poor and fail to converge towards a uniform final state. Petrick also outlines under which conditions governments can promote the transition from poor to rich by harnessing the populations' self-help forces in the regions. The contribution, however, also emphasizes that such opportunities very much depend on the relevant initial conditions and are by no means promising for all poor regions. [The article is available on the following website.](#)

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Board of the society. Photo: Britta Paasche

### Society of friends and promoters of IAMO founded

**On 27 June 2014 "Alumni IAMO", a society of friends and promoters was founded. "Alumni IAMO" aims to strengthen the exchange between former associates as well as interested friends and sponsors of the institute.** Besides setup and maintenance of an alumni network, the association wants to transfer ideas for research work from the practice to the institute, to support associates of the institute in their career progression, and to stand by PhD students starting a professional career. The foundation meeting took place after this year's IAMO Forum. In his absence, IAMO alumnus Jon Hanf, Professor at Geisenheim University, was

elected chairman of "Alumni IAMO". Alongside him the executive board members are the founding directors of IAMO Klaus Frohberg and Peter Tillack, alumnus Klaus Reinsberg as well as IAMO director Thomas Herzfeld and IAMO associate Marianne Müller-Albinsky. Membership is open to everybody interested. Further information about the membership can be received from the executive board of the society.

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Photo: Fotolia

### Personnel matters

**Ulrich Koester**, Professor at Kiel University and IAMO Research Fellow, obtained the honor "EAAE Fellow" for his outstanding and continuous papers to the development of agricultural economics by European Association of Agricultural Economists (EAAE). +++ **Linde Götz** was enrolled into the Leibniz Mentoring Programme for Researchers in Leibniz Institutes on 2 July 2014. The program is aimed at promoting highly-qualified holders of a doctor's degree on their way to a senior position or professorship. +++ For her doctoral thesis, graded "summa cum laude", **Swetlana Renner** was awarded the Luther Certificate by University of Halle-Wittenberg on 4 July 2014. +++ On 30 June 2014, **Arlette Ostermeyer**, on the subject "Milk Production Between Path Dependency and Path Breaking: Participatory Analyses with the Agent-Based Model AgriPoliS", and **Vasyl Kvartiuk**, under the title "Participatory Governance in Rural Development: Evidence from Ukraine", successfully defended their doctoral theses. +++ Junior researcher **Eefje Aarnoudse** has won a teaching assistantship (TA) at Martin Luther University of Halle-Wittenberg for the winter semester 2014/15. The TA supports foreign PhD students in gaining and extending experiences in research and teaching. +++ Since 1 September 2014, **Theresa Tröbst** is training to become an assistant for office management at IAMO.

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### New publications

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#### IAMO Policy Briefs

Glauben, T., Renner, S., Hockmann, H. (2014): On flexibility of agri-businesses: Are small- or large-scale farms more flexible? IAMO Policy Brief No. 19, Halle (Saale).  
[Download German](#) [Download English](#)

Petrick, M. (2014): Russia's agricultural modernisation policy under WTO commitments: Why the EU's Common Agricultural Policy is a poor model. IAMO Policy Brief No. 18, Halle (Saale).  
[Download English](#) [Download Russian](#)

Forstner, B., Koester, U. (2014): EU investment support for small and medium-sized enterprises in southern Europe: To be recommended? IAMO Policy Brief No. 17, Halle (Saale).  
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#### IAMO Discussion Paper

Kopsidis, M., Bromley, D. W. (2014): The French Revolution and German Industrialization: The New Institutional Economics Rewrites History, IAMO Discussion Paper No. 149, Halle (Saale). [Download](#)

Petrick, M. (2014): Modernising Russia's cattle and dairy sectors under WTO conditions: Insights from East Germany, IAMO Discussion Paper No. 150, Halle (Saale). [Download](#)

### **IAMO Studies**

Renner, S. (2014): Flexibilität von Unternehmen - Eine theoretische und empirische Analyse. Studies on the Agricultural and Food Sector in Central and Eastern Europe, Vol. 75, Halle (Saale). [Download](#)

### **Further selected publications**

Angelova, D. (Hrsg: University of Sassari) (2014): The state-contingent approach to production and choice under uncertainty: usefulness as a basis for economic modeling. [Weblink](#)

Balman, A., Sahrbacher, C. (2014): Auswirkungen der Förderung der ersten Hektare und der Junglandwirte im Rahmen der reformierten EU-Agrarpolitik, in: Joachim Lange (Hrsg.): Die Umsetzung der GAP-Reform. Locomer Protokoll 05/14. Locom., S. 55-86.

Balman, A., Sahrbacher, C. (Hrsg: European Association of Agricultural Economists: 2014 International Congress, August 26-29, 2014) (2014): Structural Implications of First Hectare Payments and Young Farmer Support within the EU CAP Reform 2013: The German Case. [Download](#)

Djuric, I., Götz, L., Glauben, T. (2014): Are Export Restrictions an Effective Instrument to Insulate Domestic Prices against Skyrocketing World Market Prices? The Wheat Export Ban in Serbia (forthcoming), Agribusiness.

Engler, T. (2014): Worst-case optimization for an investment consumption problem, in: Michèle Vanmaele, Griselda Deelstra, Ann De Schepper, Jan Dhaene, Wim Schoutens, Steven Vanduffel, David Vyncke (Hrsg.): Actuarial and Financial Mathematics Conference - Interplay between Finance and Insurance, (Actuarial and Financial Mathematics Conference, Brüssel, 6.-7. Februar 2014), S. 29-40.

Götz, L., Djuric, I., Glauben, T. (2014): Wheat Export Restrictions in Kazakhstan, Russia, and Ukraine: Impact on Prices along the Wheat-to-Bread Supply Chain, in: A. Schmitz and W. H. Meyers (Hrsg.): The Emerging Role of KRU in Global Agricultural Markets: Promise and Concern (forthcoming).

Götz, L., von Cramon-Taubadel, S., Kachel, Y. (2014): Vertical Price Transmission in the International Fresh Fruit and Vegetable Supply Chain: Israeli Grapefruit Exports to the EU after Export Liberalisation, Quarterly Journal of International Agriculture, Vol. 53, No. 2, S. 99-120.

Kopsidis, M. (2014): Bäuerliche Landwirtschaft und Agrarwachstum: Südosteuropa 1870-1940 im Licht moderner Entwicklungstheorie, Jahrbuch für Wirtschaftsgeschichte, No. 1, S. 65-92.

Li, J., Bluemling, B., Mol, A., Herzfeld, T. (2014): Stagnating Jatropha Biofuel development in Southwest China: An Institutional Approach, Sustainability - Open Access Journal, Vol. 6, S. 3192-3212.

Müller, D., Sun, Z., Vongvisouk, T., Pflugmacher, D., Xu, J., Mertz, O. (2014): Regime shifts limit the predictability of land-system change, Global Environmental Change, No. 28, S. 75-83. [Weblink](#)

Niedertscheider, M., Kuemmerle, T., Müller, D., Erb, K. (2014): Exploring the effects of drastic institutional and socio-economic changes on land system dynamics in Germany between 1883 and 2007, Global Environmental Change, Vol. 28, S.98-108. [Weblink](#)

Perekhozhuk, O., Glauben, T., Teuber, R., Grings, M. (2014): Regional-Level Analysis of Oligopsony Power in the Ukrainian Dairy Industry, Canadian Journal of Agricultural Economics, No. online. [Weblink](#)

Petrick, M. (2014): Sechzig Jahre Neulanderschließung in Kasachstan - Später Erfolg eines zentralstaatlichen Entwicklungsmodells?, Zentralasien-Analysen, No. 77, S. 2-6. [Weblink](#)

Schierhorn, F., Faramarzi, M., Prishchepov, A., Koch, F., Müller, D. (2014): Quantifying yield gaps in wheat production in Russia, Environmental Research Letters, Vol. 9, No. 8. [Weblink](#)

Traikova, D., Möllers, J., Buchenrieder, G. (2014): Post-communist rural entrepreneurship in Bulgaria, in: Colette Henry, Gerard McElwee, (ed.): Exploring Rural Enterprise: New Perspectives on Research, Policy & Practice, (Vol. 4), S. 193-214.

Unay Gailhard, I., Bavorova, M. (2014): Innovation at Rural Entreprises: Results from a Survey German Organic and Conventional Farmers, Technology and Innovation, Vol. 16, No. 1, S. 3-17.

Unay Gailhard, I., Bavorova, M., Pirscher, F. (2014): Adoption of Agri-Environmental Measures by Organic Farmers: The Role of Interpersonal Communication, Journal of Agricultural Education and Extension, No. online.

Unay Gailhard, I. (2014): GD Ürün Üretiminde Gelişmekte Olan Ülke Ekonomilerine Etkileri, Bilim ve Ütopya, Vol. 20, No. 243.

Valentinov, V. (2014): The complexity-sustainability trade-off in Niklas Luhmann's social systems theory, Systems Research and Behavioral Science, Vol. 31, No. 1, S. 14-22. [Weblink](#)

Voigt, P. (2014): Oil for Food - The global food crisis and the Middle East, Quarterly Journal of International Agriculture, Vol. 53, No. 2, S. 197 - 200.

Wolz, A., Weiß, W., Herzfeld, T. (2014): Demographischer Wandel, öffentliche Daseinsvorsorge und Landwirtschaft in den ländlichsten Räumen: Erfahrungen aus Sachsen-Anhalt, Berichte über Landwirtschaft, Vol. 92, No. 2, S. 1-22.

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