OVER THE YEARS I HAVE LEARNED THAT WHENEVER I wanted wise professional advice and council, I always turned to Stan Johnson. For me and my colleagues, his arrival early in his professional career at the University of California, Davis, was like a breath of fresh air. He brought with him a fundamental understanding of economic theory and econometrics and an appreciation of all of those contributions that had preceded him. This included the fine work of Goldberger, Wald, Luce and Raffa, von Neuman and Morgenstern, Bayes, Zellner, Judge, Samuelson, and Dorfman, among others. In fact, my most delightful year of research discovery took place while collaborating on a daily basis with Stan Johnson in 1970. Later, during my first tour as chairman of my department at UC-Berkeley, I convinced Stan to visit for a year to help transform the culture of mentoring Ph.D. students. He was immensely helpful. Along with the two visiting appointments at Davis and Berkeley, Stan has held various academic positions at different universities, both as a permanent and as a visiting faculty member. Tables 1 and 2 describe these positions.

Stan Johnson had accepted a Visiting Associate Professorship appointment at the University of California, Davis, for the academic year 1969–70. I was a graduate student who had just completed two years of coursework and had been hired to become a member of the faculty responsible largely for econometrics and statistics,¹ two of Stan’s primary research interests. At the time, the department had a coffee room that was reserved for the faculty; both undergraduate and graduate students were forbidden access. I had not been informed that a visiting faculty member would soon be arriving.² Unfortunately, I was brash, and as Stan would describe me “a self-important

¹ My formal title was Acting Assistant Professor; the acting was the challenging part. Near the end of Stan’s Davis stint, he took liberties to entertain himself and others at my expense. During a farewell party for a faculty member accepting a high level administrative post, the guest of honor was unwrapping gifts. Someone admonished him, as an economist, to conserve the paper. I whispered to Stan that the honoree had never been an economist. Stan repeated my comment loud enough for all to hear—and identified me as the author. When the honoree asked what my title was, he said I’d remain Acting Assistant Professor forever, if he had any say. Only someone with Stan’s attributes could get away with such a deed and retain a friendship.

² I was the most recently hired faculty member, and was preoccupied with my young family and with running a small family farm, following my father’s unexpected death.
young man.” When I saw Stan in the coffee room I thought he was in fact an undergraduate. I immediately advised him that this particular meeting place was reserved for faculty and invited him to leave. Although he was 32 years old at the time, he had the physical look of a 16-year-old. As he has aged, his physical appearance has continued to serve him well over the course of his adult life.

Even after this mildly uncomfortable beginning, Stan Johnson became a member of my dissertation committee and helped me mentor numerous Ph.D. students while I was still completing my own dissertation. Given our common interest in both econometrics and statistics and mutual respect, Stan and I began a long collaboration that has stood the test of time. Over the years, I have had the good fortune to work with Stan on a number of projects ranging from cottage industry research to collaborating on books to a project that produced a most comprehensive analysis of USTR positions for the 1986–1995 Uruguay Round, to perhaps our greatest collaborative accomplishment, co-founding the Institute for Policy Reform.

### Table 1. Professional Positions

- Vice Provost for Extension, Iowa State University, 1996–present.
- Charles F. Curtiss Distinguished Professor, Iowa State University, 1990–present.
- Professor, Department of Economics, Iowa State University, 1985–present.
- Professor, Departments of Economics and Agricultural Economics, University of Missouri, 1970–85.
- Associate Professor, Departments of Economics and Agricultural Economics, University of Missouri, 1967–70.
- Associate Professor, Department of Agricultural Economics, University of Connecticut, 1966–67.
- Assistant Professor, Department of Economics, University of Missouri, 1964–66.

### Table 2. Visiting Professional Positions

- Adjunct Professor, Departments of Economics and Agricultural Economics, University of Missouri, 1985–present.
- Visiting Professor, Department of Agricultural and Resource Economics, University of California, Berkeley, 1980–81.
- Visiting Professor, Department of Economics, University of Georgia, 1975–76.
- Visiting Professor, Department of Economics, Purdue University, 1971–72.
- Visiting Associate Professor, Department of Agricultural Economics, University of California Davis, 1969–70.
Over the years, our entrepreneurial research activities have included:

- creating quantitative research methods in agricultural economics (a joint authorship book with George G. Judge and Richard Day that was sponsored by the AAEA and published by the University of Minnesota Press);
- collaborating with George Judge, providing advice and council to the USDA, ERS, on quantitative modeling (1974–77);
- providing a conceptual framework and implementation of a Canadian agricultural policy model (1977–80);
- major funding to support a comprehensive quantitative evaluation of Uruguay Round GATT proposals (1988–93); and

For good reason, both Stan and I are particularly proud of the establishment of and the contributions made by IPR. This Institute began with the basic premise that development economics should not be regarded as a separate branch of mainstream economics. In fact, the argument was that much of the research that had been conducted by development economists provided little ex ante value to third world countries or what has become recently known as the emerging markets. Moreover, the prescriptions of the World Bank and the IMF as well as AID were largely misguided and superficial.

IPR engaged leading social scientists (five of whom have subsequently become Nobel Prize winners in Economics and another four of whom became chief economists of either the World Bank or the IMF), and convinced them despite minimal compensation to focus on the implications of modern economics for circumventing the major obstacles to economic growth and sustainable environmental quality in much of the developing world.

Due, in part, to the IPR publications and conferences, the IMF, the World Bank, and AID dramatically modified their strategic vision for supporting economic development. In particular, the IMF declaration of 1997 states “promoting good governance in all its aspects including ensuring the rule of law, improving the efficiency and accountability of the public sector, and tackling corruption” as essential to sustainable economic growth. This IMF declaration can be directly traced to research efforts undertaken at IPR. We advanced, with the support of research sponsored by IPR, four prescriptions for successful market economies:

- an underlying constitution must be designed that establishes the credible guidelines and mechanisms for the “rules by which rules are made”;
- the legal and regulatory infrastructure that emerges from the underlying constitution must provide a framework that is conducive to a vibrant market economy;
the political-economic configuration that evolves from the legal and regulatory infrastructure must admit a public sector and political agents that are able, for crucial matters, to rise above immediate self-interest; and

- the policies that encourage anti-monopolization force (privatization, antitrust policy, trade policy, and foreign investment policy) must be jointly designed to attain sustainable economic growth.

Obviously, these prescriptions are inherently tied to political, social, as well as economic forces.

Over the course of his professional career, Stan has had no difficulties multi-tasking. He has held many leadership positions at various institutions (see Table 3). He has pursued academic entrepreneurial activities while being a superb grantsman, establishing FAPRI, and restructuring CARD. Prior to Stan’s arrival, if the latter organization had been in the private sector, it would have faced bankruptcy. Stan has won various awards and honors during his academic career (see Table 4).

Stan’s research contributions are numerous, and include fundamental contributions in:

- Farm growth analysis and risk diversification;
- Econometric methodology;
- demand analysis, and
- public policy in various fields, including environment, science and technology, food security, nutrition, and rural and industrial development.

The key theme throughout his professional career is the quantification of policy incidence and, ultimately, policy mechanism design. His most significant contribution, however, was his mentoring of more than 100 students that pursued exceptional careers in the academic sector, the private sector, and the public research sector. Table 5 names some of his students.

This book is a collection of essays in Stan’s honor, written by his colleagues and ex-students, covering a subset of the topics that Stan has worked on during his career. The book is organized into two parts. Part 1 consists of 6 chapters covering “Policy Analysis and Institutional Design.” Part 2 consists of 10 chapters covering “Methodology, Econometrics and Applied Economics.”

The first two chapters of the book are about the interaction between institutions, society, and science, and particularly about the role universities have in promoting knowledge and research. Stan Johnson has been Vice-Provost for Extension at Iowa State since 1996, and as such has been preoccupied with such issues. In Chapter 1, Vernon Ruttan elaborates a conceptual framework in which institutional innovation is induced by changes in resource endowments, cultural endowments, and by technical change. Ruttan focuses on the impact of advances in social science knowledge on the
Table 3. Leadership

- Advisory Board, World Food Prize, 1995–present.
- Director, Center for Agricultural and Rural Development, Iowa State University, 1985–96.
- Chairman, Department of Economics, University of Missouri, 1972–74.
- Associate Editor, *American Journal of Agricultural Economics*.

Table 4. Awards and Honors

- Member, Wall of Fame, Department of Energy, 2001.
- Foreign Member, Hungarian Academy of Sciences, 1999.
- Honorable Professor, Center for Rural Development Research, Chinese Academy of Sciences, 1996.
- Doctor Honoris Causa, Debrecen Agricultural University, 1996.
- Honorary Professor, Ukraine National Agricultural University, 1994.
- Foreign Member, Russian Academy of Agricultural Sciences, 1992–93.
- Foreign Member, Ukrainian Academy of Agricultural Sciences, 1993.
- Foreign Member, Kazakhstan Academy of Agricultural Sciences, 1993.
- Wilton Park International Service Award, 1993.
- Foreign Member, V.I. Lenin All-Union Academy of Agricultural Sciences, 1991.
- Award for Professional Excellence as Exemplified by Distinguished Policy Contribution, presented to FAPRI, American Agricultural Economics Association, 1991.
- Chancellor’s Award for Outstanding Research, University of Missouri, 1980.
Table 5. Mentoring: Over 100 Students and Counting

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<tr>
<th><strong>ACADEMIC</strong></th>
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<tr>
<td>■ Satheesh V. Aradhya, Department of Agricultural and Resource Economics,</td>
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<td>University of Arizona</td>
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<td>■ Mark G. Brown, Department of Food and Resource Economics, University of</td>
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<td>Florida</td>
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<td>■ Alicia L. Carriquiry, Department of Statistics, Iowa State University</td>
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<td>■ Jean-Paul Chavas, Department of Agricultural and Applied Economics,</td>
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<td>University of Wisconsin</td>
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<td>■ Burton C. English, Department of Agricultural Economics, University of</td>
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<td>Tennessee</td>
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<td>■ Thomas B. Fomby, Department of Economics, South Methodist University</td>
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<td>■ Richard D. Green, Department of Agricultural and Resource Economics,</td>
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<tr>
<td>University of California Davis</td>
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<tr>
<td>■ R. Carter Hill, Department of Economics, Louisiana State University</td>
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<td>■ Matthew T. Holt, Department of Agricultural Economics, Purdue University</td>
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<td>■ Jeffrey T. LaFrance, Department of Agricultural and Resource Economics,</td>
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<td>University of California Berkeley</td>
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<td>■ Tigran Melkonyan, Department of Agricultural and Resource Economics,</td>
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<td>University of Maryland</td>
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<tr>
<td>■ Gordon C. Rausser, Department of Agricultural and Resource Economics,</td>
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<td>University of California Berkeley</td>
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<td>■ J. Scott Shonkwiler, Department of Applied Economics and Statistics,</td>
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<td>University of Nevada</td>
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<th><strong>PRIVATE SECTOR</strong></th>
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<tr>
<td>■ Nicholas Filippello, Vice President (retired), Monsanto</td>
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<td>■ Tom Hall, Vice President (retired), Philips Petroleum</td>
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<tr>
<td>■ David R. Krog, President, e-Markets</td>
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<td>■ P.G. Lakshminarayan, Vice President, Small Business Services, American</td>
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<td>Express</td>
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<td>■ Randall Reese, Vice President, Partner Reinsurance Company of the U.S.</td>
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<tr>
<td>■ Kesavan Thulasiram, First Vice President, Bank One</td>
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<td>■ Robert Young, Chief Economist, American Farm Bureau Federation</td>
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<th><strong>PUBLIC SECTOR RESEARCH</strong></th>
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<tr>
<td>■ Zuhair A. Hassan, Agriculture and Agri-Food Canada</td>
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<td>■ Mohamed Jaouad, Senior Policy Analyst, Ministry of Agriculture, Morocco</td>
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<td>■ Sheila Martin, Assistant to the Governor, State of Washington</td>
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<td>■ Stephanie Mercier, Staff Member, Agricultural Committee, U.S. Senate</td>
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<td>■ Joe S. Odama, President, Central Bank, Nigeria</td>
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<td>■ Clay Ogg, Agricultural Economist, Office of Policy, Economics, and</td>
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<td>Innovation, Environmental Protection Agency</td>
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<td>■ Sergey N. Strokov, Counselor, Russian Embassy</td>
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supply of institutional change, and gives the example of SO2 emissions trading in the
U.S. as an institutional change aided by economic principles. Ruttan identifies how
these advances change the political-economic equilibrium and cause a demand for
institutional change.

In Chapter 2, Richard Just and Wallace Huffman present a theoretic framework to
analyze the effects of the Bayh-Dole Act on universities. Partnerships between
universities and the private sector, and the increasing influence of possibly profitable
research activities on the universities’ agenda are examined. Empirical evidence on
U.S. universities supports the implications of their model. The implications of their
work on control premiums in financial contracting between public and private
institutions is a paper waiting to be written.

In Chapter 3, Brent Hueth and Tigran Melkonyan consider a mechanism design
problem: what impact do the assignment of land and physical asset ownership
between a farmer and a market intermediary have on optimal maintenance of assets in
the farm? As tw o examples, the authors consider the implications of precision
farming and food-safety regulations for farm-level organizational structure.

Chapters 4 examines agriculture reforms in transition economies; Stan Johnson
has done extensive work in this field, some of which was conducted while he was
Director of CARD and at the Institute for Policy Reform. His latest publication
analyzed the impacts of economic reform in Poland. In Chapter 4, Csaba Csaki and
Antonio Nucifora review the status and progress of transition countries in the process
of agricultural reforms. The study employs a methodology developed at the World
Bank in 1997 to evaluate the progress and extent of reforms in individual Central and
Eastern European (CEE) countries and in countries in the Commonwealth of
Independent States (CIS). Rapid and radical reforms are found to be key in achieving
progress; fast adjustment of institutions and the recovery of the overall economy are
also important factors in determining the progress in the agricultural sector. The
results justify the “big-bang” type of reform, perhaps without adequately assessing
the correct trade-offs in a particular economy between continuity and distortion.
Nonetheless, the configuration of interest groups in a country, as well as its pattern of
trade with other countries, can theoretically justify a more gradual approach to
reforms.

In Chapter 5, Bruno Larue, Jean-Philippe Gervais, and Sébastien Pouliot explore
the effects of smuggling on price- and revenue-equivalent policy instruments, viz.,
tariffs and quotas. They model a country with a monopolized industry, and compare
the welfare effects of different policies under alternative specifications in the
presence of smuggling. As noted by the authors, the results apply to developed
countries, such as Canada, as well as less-developed countries.

In Chapter 6, Jean-Paul Chavas explores the adequacy of standard economic
models in addressing nutrition issues and their linkages with economic growth. The
author argues that the adverse investment incentives of food insecurity and
malnutrition have important implications for the design and evaluation of economic policy. This is modelled starting from the specification of the intertemporal utility function of the household, and jointly solved for both consumption and investment decisions.

Applied economics, policy, and econometrics are the bulk of Stan Johnson’s research contributions. Hence, it is no surprise that many of his former students have concentrated on these same topics. He is author and co-author of numerous papers and two textbooks in econometrics. Part 2 of the book reflects on Stan Johnson’s contributions to econometrics and applied economics. Chapters 7 and 8 of this book focus on discrete choice models. In Chapter 7, given the growing popularity of Bayesian estimation techniques, William Griffiths, R. Carter Hill, and Christopher O’Donnell use a model designed to explain choice between fixed and variable interest rate mortgages to test the sensitivity of a probit model to prior information. Their conclusion is that estimation with Bayesian and Maximum Likelihood can lead to quite different inferences about probabilities and elasticities.

In Chapter 8, George Judge, Ron Mittelhammer, and Douglas Miller demonstrate a semiparametric estimator that avoids many of the assumptions of the likelihood approach and the loss of precision that occurs in fully nonparametric estimation. The authors motivate the inclusion of the chapter in the book by noting, “Stan Johnson is a person who likes to think about different ways to analyze and solve economic-econometric problems.”

The next three chapters of the book evaluate methodological issues in agricultural economics, emphasizing demand estimation. Stan Johnson has worked on agricultural demand systems for most of his professional life, and in 1984, along with Zuhair Hassan and Richard Green, he published the book “Demand Systems Estimation.” One of the models that was specified and estimated in Johnson et al. is the Rotterdam model. In Chapter 9, Mark Brown and Jonq-Ying Lee examine mixed demand systems, i.e., demand systems that have both endogenous and exogenous prices, and similarly endogenous and exogenous quantities, as in a Rotterdam model. After developing the model, the methodology is illustrated using the empirical example of fresh fruit demand.

In Chapter 10, GianCarlo Moschini and Pier Luigi Rizzi develop a new, flexible, mixed-demand system based on a specification of a mixed-expenditure function that is linear in utility. This functional form allows an explicit solution for the indirect mixed utility and calculating welfare changes. The chapter presents a complete description of the model that can be immediately applied.

In Chapter 11, Jeffrey LaFrance, Timothy Beatty, and Rulon Pope extend Gorman’s class of polynomial Engel curves to incomplete demand systems. This is a major research contribution. The extension permits any monotone and sufficiently smooth function of income. This formulation greatly expands the class of feasible
functional forms that can be used to model aggregate demand behavior in a theoretically consistent manner.

Stan Johnson edited (together with Aziz Bouzaher) a book on conservation of the Great Plains ecosystems, which included a discussion of valuation of ecosystems. An empirical example is presented here in Chapter 12, where J. Scott Shonkwiler and Darek Nalle introduce a new statistical distribution for estimating multiresponse qualitative choice models: the multinomial discrete normal distribution. The authors use the distribution to test the hypothesis of random utility maximization. The empirical example examines recreational visits to reservoirs in the Columbia River Basin.

In Chapter 13, Zuhair Hassan, Richard Green, and Deepananda Herath show that adoption intensity of food safety and quality practices is very closely linked to establishments’ characteristics. The results provide some evidence that the adoption of food safety and quality practices is positively associated with establishments’ performance. In particular, the results suggest that adoption intensities and market shares are closely linked.

In Chapter 14, Qingbin Wang and Guanming Shi present an empirical study on China’s economic growth and income inequality based on the most recently available data and quantitative methods. The empirical results indicate that average income and income inequality have increased significantly in both urban and rural areas since the early 1980s, but average welfare in urban China has increased continuously since 1981, except in 1988 and 1989 due to high inflation rates. Although China is slowly reforming its economic system, the chapter shows that much remains to be accomplished, especially when considering the income and welfare of the relatively disadvantaged rural sector.

Another topic Stan Johnson has studied is uncertainty and price variability in commodity markets. In Chapter 15, Satheesh Aradhyula and Russell Tronstad model seasonal price movements and volatility for three hay qualities from a local market as a trivariate ARCH process. Results indicate that both conditional variances and means exhibit seasonality, implying that researchers should consider these factors in price analysis.

In Chapter 16, Matthew Holt and Lee Craig employ a time-varying smooth transition autoregression model (TV-STAR) to investigate cyclic behavior in the U.S. hog-corn cycle. This framework was used to model potential nonlinear features of the cycle in combination with structural change. The cycle appears to have occurred with a somewhat regular three-to-five year frequency during the sample period of 1880–2002. Structural change, most notably in the form of evolving seasonal effects, appears to have occurred rapidly since the mid 1950s. It seems likely that smooth transition models would prove useful in modeling nonlinearities and structural change in other commodity price relationships.
At the symposium, *Exploring Frontiers of Applied Economics*, each of the above chapters was presented. A roast of Stan Johnson followed the symposium during an evening dinner. At the roast, I offered a number of remarks which Stan accepted in good humor. At this stage of his career, secrets have no inherent value, aside from their capacity to entertain. Accordingly, I offer these remarks in print with the hope that once again they entertain Stan, as well as those who have followed his career and admired him as a man for all seasons. In particular,

- Who could be abusive and politically incorrect, yet still be admired and loved?
- Who has refused to smoke marijuana because it forces him to look internally?
- Who is responsible for Gordon Rausser writing a Ph.D. dissertation in three volumes comprising over 1,200 pages?
- Who is long on talk and short on fundamental baseball skills?
- Who is among the worst athletes you have ever known?
- Who makes major commitments to collaborate, finds himself unable to honor the commitment because of his other responsibilities, yet is given forbearance and is excused by his fellow collaborators?
- Who showed more respect for and interest in my three children at the many professional meetings I dragged them along to?
- Who began his career as a mediocre instructor and communicator, yet transformed himself to become one of our profession’s best presenters and public speakers?
- Who is as comfortable with high-powered elected politicians as he is with high-powered, mediocre, or inferior academicians?
- Who is the best grantsman in our profession, congressionally earmarked or competitively determined?
- Who is the best listener, articulator of grantor problems, and securer of resources for supporting his graduate students?
- Who is responsible for taking on one of our major research institutions, CARD, at the verge of collapse, restructuring it, and taking it to new heights?
- Who is principally responsible for establishing both FAPRI and CARD as government-sponsored enterprises?
- Who is responsible for great clarity in integrating agriculture, food, and environmental policies recognizing the inherent yet tenuous trade-offs and complementarities?
- Who has demonstrated, once again, that the best in our profession cannot be elected President of AAEA?
- Who has provided me with two of the best professional years of my life, 1970 at UC Davis, and 1980 at UC Berkeley?
The answer to each of these questions is **Stan Johnson**. Over the years, I have had the opportunity to observe many mentors. I can’t imagine a single mentor who was more delightful, insightful, or civil than Stan Johnson. I sincerely hope that I will have many more opportunities in the future to seek his wise advice and to collaborate with him.