

Industrial Organization of the Food Industry

Course title - Intitulé du cours	Industrial Organization of the Food Industry
Level / Semester - Niveau / semestre	M2 / S2
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	MECHEMACHE
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	30
TA Hours - Volume horaire TD	0
TP Hours - Volume horaire TP	0
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

Zohra Bouamra-Mechemache: zohra.bouamra@tse-fr.eu , T254. Office hours: Thursday, 9:00 - 10:30;
Preferred options: email / after class

Course's Objectives - Objectifs du cours :

This course focuses on the industrial organization of the food industry and its consequences. Students will learn how to use the theory of industrial organization in order to analyze specific questions of an industry. For each topic covered by the course, we will review first the stylized facts, then the standard models from the literature and finally discuss more specific models addressing the issues. It is assumed that students engage in independent reading around the topics listed. They are also invited to actively participate to the lectures. In particular, they will have the opportunity to make presentation during some lectures.

Students will learn how to use micro-economics tools and particularly industrial organization to address real world problems applied to the food industry. They will have to develop critical views when reading various studies and will have to develop their ability to provide written and oral contributions. This course is also a good introduction to a research activity.

Prerequisites - Pré requis :

Knowledge of industrial organization.

Practical information about the sessions - Modalités pratiques de gestion du cours :

Attendance to lectures is highly recommended. Experience shows that students who attend only a fraction of the lectures perform badly, as they are not involved in the course. Slides and references

will be on the Moodle platform before the corresponding lectures so that students can browse and read recommended materials.

Laptops or tablets are accepted.

Active participation is encouraged.

Students must arrive on time.

For any specific problem, students are encouraged to inform the teachers as soon as possible.

Grading system - Modalités d'évaluation :

Evaluation is based on continuous assessment. This assessment includes personal work to be prepared by group of 2 or 3 (10%). Each student will have to prepare an introduction to some of the lectures based on case studies or stylised facts (participation during the lectures will also be included in the grade). Each group of students will present an intermediate report (25%) to the class, which will be discussed by another group (10%) and provide a final written report at the end of the semester (65%). The personal work is based on a synthesis of few papers (academic papers mainly but non-academic papers can also be included) covering a given topic. Personal theoretical or empirical works based on existing literature are also welcome. Students will be free to select the topic of their interest (obviously, providing it covers the general topic 'Industrial Organization of the food industry'). Students will receive advices for this personal work (topic, selection of papers, ...). To help students to structure their written report, a preliminary oral presentation of the synthesis is organized. At the end of presentations, another group will discuss the presentation in order to help improving the personal work. All students are very welcome to ask questions and discuss the issues raised during the presentation. This work will be in group of 2 to 3 students (this will depend on the number of students attending the course). More details will be provided during the first lecture.

Bibliography/references - Bibliographie/références :

There is no textbook covering the whole domain. A first reading list is provided below. Additional references will be provided during the lectures.

Bonroy, O., & Constantatos, C. (2015). On the economics of labels: how their introduction affects the functioning of markets and the welfare of all participants. *American Journal of Agricultural Economics*, 97(1), 239-259.

Sunstein, C. R. (2021). Are food labels good?. *Food Policy*, 99, 101984.

Yokessa, M., & Marette, S. (2019). A review of eco-labels and their economic impact. *International Review of Environmental and Resource Economics*, 13(1-2), 119-163.

Symeonidis, G. (2000). Price competition and market structure: The impact of cartel policy on concentration in the UK. *Journal of Industrial Economics*, XLVIII(1): 1-26.

Moschini, G., Menapace, L., & Pick, D. (2008). Geographical indications and the competitive provision of quality in agricultural markets. *American Journal of Agricultural Economics*, 90(3): 794-812.

Marette, S., Crespi, J. M., & Schiavina, A. (1999). The role of common labelling in a context of asymmetric information. *European Review of Agricultural Economics*, 26(2): 167-178.

Bottega, L., & De Freitas, J. (2009). Public, private and nonprofit regulation for environmental quality. *Journal of Economics & Management Strategy*, 18(1) : 105-123.

Von Schlippenbach, V., & Teichmann, I. (2012). The strategic use of private quality standards in food supply chains. *American Journal of Agricultural Economics*, 94(5): 1189-1201.

Fischer, C., & Lyon, T. P. (2014). Competing environmental labels. *Journal of Economics & Management Strategy*, 23(3): 692-716.

Li, Y., & van't Veld, K. (2015). Green, greener, greenest: Eco-label gradation and competition. *Journal of Environmental Economics and Management*, 72: 164-176.

Bonnet, C., Bouamra-Mechemache, Z., & Molina, H. (2021). An empirical model of bargaining with equilibrium of fear: Application to retail mergers in the french soft drink industry. *Available at SSRN 3938971*.

Dobson, P., & Chakraborty, R. (2014). How Do National Brands and Store Brands Compete?: Centre for Competition Policy, Working Paper 14-7.

Gabrielsen, Tommy Staahl and Lars Sjørgard (2007), "Private labels, price rivalry, and public policy," *European Economic Review*, 51 (2), 403-424.

Duvaléix-Treguer, S., Hammoudi, A., Rouached, L., Soler, L.-G., 2012. Firms' responses to nutritional policies. *European Review of Agricultural Economics*, 39 (5), 843-877.

Session planning - Planification des séances :

The course is organised in 10 sessions of three hours. Eight sessions will cover items described below. Part of session 3 and one full session will be devoted to discussions and support to personal works. The last session will be devoted to the presentation of the preliminary report and discussion with the whole class.

Structure of the Food Industry

1. Introduction to the course, Main characteristics of the food industry, Reminder on product differentiation

Standards, Labels and collective arrangements

2. Geographical indications and collective marketing arrangements

3. Private versus public standards for food safety

Competition issues in the food industry and Vertical relationships

4. The role of private labels in the food chain

5. Bargaining and retailer buying power 1- retail alliances

6. Bargaining and retailer buying power 2 – upstream/downstream mergers

Nutritional and environmental policies

7. Food market failures and policies

8 . Consumers and firms reaction to policies: two case studies

10 : Students' presentations

Distance learning – Enseignement à distance :

Distance learning can be provided when necessary by implementing, for example: / En cas de nécessité, un enseignement à distance sera assuré en mobilisant, par exemple :

- Interactive virtual classrooms / Classe en ligne interactive
- Online exercises – presentations/ exercices et présentations en ligne
- Remote (online) tutorials for the follow-up of personal work/ TP/TD à distance pour le suivi du travail personnel
- Chatrooms / Forums