

Project: Building an Excellency Network for Heightening Agricultural ecoNomic researCh and Education in Romania – ENHANCE  
This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 691681

## Deliverable D2.3

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## **Deliverable D2.3**

# **Report on Experiences in Modelling Training Sessions**

**September 2017**



University of Agronomic Sciences and Veterinary Medicine of Bucharest



Faculty of Management, Economic Engineering in Agriculture and Rural Development



Eidgenössisches Departement für Wirtschaft, Bildung und Forschung



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## SUMMARY

In total four training sessions will be offered by IAMO during ENHANCE's lifespan at USAMV. The first two courses have been conducted in November 2016 and March 2017. The objectives of the training sessions have been mostly met. Both sessions were attended by 21 participants each. By far, the major share was made up by females. During the sessions, the number of participants was slightly lower than at registration. In several cases, own teaching commitments of participants overlapped with training schedules. In addition, expectations of the external trainers concerning the level of knowledge in economics and modelling were higher than the given Romanian standards. Hence, the content of the courses had to be downsized. The remaining training sessions will be offered during periods when there is no lecture time and the course content will be critically adjusted to the national standards.

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## I. INTRODUCTION

ENHANCE (Building an Excellency Network for Heightening Agricultural ecoNomic researCh and Education in Romania) is a CSA (Coordination & Support Action) project, funded by the European Commission under the HORIZON 2020 Framework Programme. In WP2 the Leibniz Institute of Agricultural Development in Transition Economies (IAMO) is organising four training sessions focusing on economic modelling and simulation methods. They are offered as “stand-alone” courses. Master Students, PhDs, Post-Docs and interested staff can select the courses according to their own interests and priorities. During the reporting period two training sessions have been conducted.

This report covers the experience of the first two IAMO training sessions.

## II. DATE AND VENUE

The first two training sessions on economic modelling and simulation methods were held from 14-18 November 2016 and 27-31 March 2017, respectively. The courses have been organised on the USAMV campus. USAMV provided the necessary teaching facilities, logistic support and ensured a smooth running of the courses.

## III. OBJECTIVES OF THE TRAINING SESSION

The main aim was providing the participants an overview about economic modelling and simulation methods. While the basic theory had been covered in general, the focus was laid on examples and case studies within the agricultural and food sectors. The sessions consisted of lectures, but ample space was also given to practical trainings and discussions. However, it had been expected from all participants that they had prepared themselves in analysing the given background articles. In this way, it was aimed that all participants started from a certain level of knowledge and could follow the course.

## IV. TRAINERS

Both training sessions were prepared and given by senior staff members from IAMO. Dr. Sören Prehn who is affiliated to the Department of Agricultural Markets has a long experience in the analysis of agricultural futures markets. He is an experienced teacher at the University of Göttingen. Both, Prof. Dr. Thomas Herzfeld and Dr. Mathias Kloss are attached to the Department of Agricultural Policy. Dr. Mathias Kloss successfully defended his PhD thesis on agricultural factor markets at the end of 2016. During the last three years Dr. Kloss was giving lectures in statistics and econometrics at the



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University of Halle and engaged in several training sessions for the software package Stata aimed at junior PhD students at IAMO. Dr. Herzfeld is Director of the Department since October 2011. He has a long teaching experience in microeconomics, agricultural policy and economic modelling with students both at the University of Halle and his former duty stations (Kiel, Wageningen) as well as in organising and teaching at summer schools and PhD-workshops.

## V. AGENDA

The training sessions on modelling offered by IAMO are “stand-alone” courses. This means that the participants are not required to attend all four courses, but can select those which fit most to their interest. The outline of the courses is given below (see Table 1). Basically, they consisted of lectures, home work and exercises including short own presentations.

**Table 1: Outline of the Training Sessions on Modelling**

### IAMO Training Session I: Introduction into Agricultural Futures Markets

**Period:** November 15-18, 2016

**Location:** U.S.A.M.V. Bucharest

Building P, Room P30

**Lecturer: Dr. Sören Prehn**

<b>Day</b> <b>Hour</b>	<b>Tuesday, November 15</b>	<b>Wednesday, November 16</b>	<b>Thursday, November 17</b>	<b>Friday, November 18</b>
<b>09<sup>00</sup> - 12<sup>00</sup></b>	Lecture 1 Introduction	Lecture 3 Basis trading	Lecture 4 Profit margin hedging	Presentations Student presentations
<b>12<sup>00</sup> - 13<sup>00</sup></b>	Lunch Break			
<b>13<sup>00</sup> - 15<sup>00</sup></b>	Lecture 2 Introduction; Homework	Exercise 1 Theory of price of storage; Homework	Lecture 5 Modern hedging approach; Homework	Lecture 6 Current research; Closing



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## IAMO Training Session II: Economic Models in Policy Evaluation

**Period:** March 27-31, 2017

**Location:** U.S.A.M.V. Bucharest

Building P, Room P30

**Lecturers:** Dr. Thomas Herzfeld, Dr. Mathias Kloss

Day Hour	Monday, March 27	Tuesday, March 28	Wednesday, March 29	Thursday, March 30	Friday, March 31
09 <sup>00</sup> – 12 <sup>30</sup>	-	Farm household model: Theory	Partial equilibrium: Theory	General equilibrium: Theory and exercises, Discussion of paper Brockmeier (2001)	Discussion of paper Gomez y Paloma et al. (2013) and reflection of own research; Closing remarks
12 <sup>30</sup> - 13 <sup>30</sup>	Lunch Break				
14 <sup>00</sup> - 17 <sup>30</sup>	Introduction: Individual producer behaviour: Theory and exercises	Farm household model: Exercises	Partial equilibrium: Exercises & Discussion of paper Ciaian and Swinnen (2006)	Questions and exercises	-



## VI. PARTICIPANTS

In both training sessions a total number of 21 participants enrolled. While at the first session all participants were staff members of USAMV, four staff members of the Institute of Agricultural Economics and Rural Development (ICEADR) participated at the second one. This institute is affiliated to USAMV. A brief overview is given in Table 2.

**Table 2: List of participants of the two training sessions (TS)**

No.	Surname & Name	TS 1 15-18 Nov. 2016	TS 2 27-31 Mar 2017	Affiliation
1.	Alecu Eugenia	X		USAMV
2.	Alecu Ioan Iulian	X	X	USAMV
3.	Arghiroiu Armenita	X		USAMV
4.	Balan Aurelia	X	X	USAMV
5.	Burcea Denisa		X	USAMV
6.	Chetroiu Rodica		X	ICEADR
7.	Chihaia Anisoara	X		USAMV
8.	Chiurciu Irina Adriana	X	X	USAMV
9.	Ciocan Horia	X	X	USAMV
10.	Cofas Elena	X	X	USAMV
11.	Costaiche Georgiana	X		USAMV
12.	Dumitru Eduard		X	ICEADR
13.	Fintineru Gina	X	X	USAMV
14.	Franzutti Roxana	X	X	USAMV
15.	Ionitescu Sorin	X	X	USAMV
16.	Iorga Adina		X	USAMV
17.	Micu Marius	X		USAMV
18.	Necula Raluca	X		USAMV
19.	Petre Ionuț		X	ICEADR
20.	Pop Ruxandra		X	ICEADR
21.	Popescu Agatha	X	X	USAMV
22.	Popescu Ovidiu	X	X	USAMV



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No.	Surname & Name	TS 1 15-18 Nov. 2016	TS 2 27-31 Mar 2017	Affiliation
23.	Smedescu Dragos	X	X	USAMV
24.	Soare Elena	X	X	USAMV
25.	Stefan Petrica	X	X	USAMV
26.	Toma Elena		X	USAMV
27.	Tudor Valentina	X		USAMV
28.	Vlad Ionela Mituko	X	X	USAMV
		<b>21</b>	<b>21</b>	

Both training sessions were dominated by female participants. Just five males, but 16 females attended each session. Hence, in both sessions, females made up about three quarters of participants.

## VII. DESCRIPTION OF TRAINING SESSIONS

Communication with representatives of the university before the start of the workshops was very good. Questions were replied promptly and ambiguities were removed properly. Teaching facilities were prepared to meet the requirements. The rooms were equipped with beamer and whiteboard and removable chairs. The training sessions were conceptualized in an interactive way to leave enough space for questions and discussions.

The first training session provided an introduction to agricultural futures markets. At the beginning, the basics of futures and options were explained. Then, the principles of grain merchandising and basis trading were discussed. The course finished with an introduction to modern hedging approaches.

The second training session dealt with quantitative analysis of economic problems. It integrated the use of applied economic theory (micro- and macroeconomics) and quantitative research methods (econometrics, simulation models, spreadsheet use). The applications mainly stemmed from evaluation of policy interventions into the agricultural sector. The topics covered modelling individual decisions of agricultural producers, farm household models integrating production and consumption decisions, partial equilibrium models of agricultural markets and first basic elements of general equilibrium models.

The training sessions were open to 21 participants each. Due to heavy teaching





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obligations on their side, some participants could not attend the full course and had to be absent for some time. It had not always been easy to adjust to the fluctuating number of participants. Not all participants made it up to the closing ceremony.

Only few participants had the necessary background knowledge in microeconomics and econometrics as it can be expected from students of a similar level in Western universities. Therefore, the level of the course had to be downsized and more time to be spent in explaining the foundations of the applied methods and models.

Further challenges imposed the quite heterogeneous willingness to communicate in English and the gap between daily experiences and abstract approaches. Based on the reports by participants, lectures at USAMV are rather descriptive. Furthermore, participants rarely engage in medium-term oriented research and several discussion centred on applications of theoretical concepts in own research.

## VIII. OUTCOMES

Although the external lecturers were used to a higher level of background knowledge in economics in their teachings, they could relatively easily adjust the content of the courses. Overall, the objectives of the two training sessions have been met. The relatively positive evaluations and the given feedback by the participants reflect this statement (see Annex 1 and 2). Some of the given remarks emphasise the need for more time devoted to basic (introductory) issues and more discussions. The suggestions for improvements focus on less content or sub-topics during the given period of time.

## IX. RECOMMENDATIONS

The objectives of the training sessions have been mostly met. The teaching conditions had been excellent but, due to the high teaching loads by the participants themselves, attendance rates and motivation for self-learning activities were not always satisfactory. Therefore, the remaining training sessions will be, ideally, scheduled during periods when there are no teaching activities at USAMV. In addition, we suggest that more doctoral students and young post-docs will be invited to attend the courses. In addition, intrinsic motivation of participants will be increased if the appreciation for medium-term research would be higher and courses succeed in offering clear links between theory and individual research.



## Annex 1: Evaluation of participants

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### Part I: Evaluation of the participants of TS1\_IAMO (November 2016) on Agricultural Futures Markets

No.	Question	Very good	Good	Satisfactory	Less than satisfactory	Unsatisfactory	
1	How do you evaluate the overall quality of the course?	12	5	1			18
2	Was the content relevant to your academic work?	8	9	1			18
3	Has the course given you enough information and learning experiences for your future use?	9	8	1			18
4	Was the rhythm of the activities adequate?	11	6	1			18
5	Was the trainer's teaching style suitable for achieving the objectives?	15	2	1			18
6	How do you assess the teaching material/support?	13	4	1			18
7	Were the activities and topics interesting and varied?	13	4	1			18
8	Have you had the opportunity to actively participate in and contribute to discussions and activities?	12	5	1			18
9	What was the learning process like (discussions and group activities)?	12	5	1			18
10	Was the course appropriate? (classroom, software, video projector, communication, refreshments etc.	17		1			18
	<b>Total</b>	122 (68%)	48 (27%)	10 (5%)	0 (0%)	0 (0%)	180 (100%)

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Part II: Evaluation of the participants of TS2\_IAMO (March 2017) on Economic Models in Policy Evaluation

No.	Question	Very good	Good	Satisfactory	Less than satisfactory	Unsatisfactory	
1	How do you evaluate the overall quality of the course?	15	2				17
2	Was the content relevant to your academic work?	10	5	2			17
3	Has the course given you enough information and learning experiences for your future use?	9	6	2			17
4	Was the rhythm of the activities adequate?	8	8	1			17
5	Was the trainer's teaching style suitable for achieving the objectives?	13	4				17
6	How do you assess the teaching material/support?	13	4				17
7	Were the activities and topics interesting and varied?	12	3	2			17
8	Have you had the opportunity to actively participate in and contribute to discussions and activities?	13	1	3			17
9	What was the learning process like (discussions and group activities)?	15	1	1			17
10	Was the course appropriate? (classroom, software, video projector, communication, refreshments etc.	14	3				17
	<b>Total</b>	122 (72%)	37 (22%)	11 (6%)	0 (0%)	0 (0%)	170 (100%)

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## Annex 2: Feedback by participants

Part I: Written feedback of the participants of TS1\_IAMO (November 2016) on Agricultural Futures Markets

No.	Remarks	Participants' answers
1	Can you make a few suggestions for improving the following course/module?	More time allocated for basic trading / More work in team
2	Which were the issues that were well organized for this course?	Teaching material and the trainer were very well organises / The information was structured perfectly for 4 days
3	Which were the issues that were not well organized for this course? Any suggestions about how they could be improved in the future?	More time allocated for basic trading

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4	Please list any topics that you consider useful to be added to the next meeting of this course.	Start with the actual market in the home country
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Part II: Written feedback of the participants of TS2\_IAMO (March 2017) on Economic Models in Policy Evaluation

No.	Remarks	Participants' answers
1	Can you make a few suggestions for improving the following course/module?	An easier way to present the course. Perhaps allocate more time for the entire course. WE need more time to assimilate the information. Discuss a real situation happened of re-establish economic equilibrium. I don't have any suggestions, the course / module was very well efficient organised.
2	Which were the issues that were well organized for this course?	Good following and illustration of theory by practical exercises. I think that one of the most positive issues of this course was the number of exercises and the number of discussed problems with high applicability. The teaching process was well organised.

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3	Which were the issues that were not well organized for this course? Any suggestions about how they could be improved in the future?	The course is too long. In my opinion, all the issues were very well organised.
4	Please list any topics that you consider useful to be added to the next meeting of this course.	The support of the course should be focused on agricultural problems. Interpreting different models of policy evaluation. More about direct payment. For example, an economic model example at a product level production (wheat, milk...). EU catering and tourism legislation. Agritourism in EU. I think a Direct Payments topics will be interesting and those implications too, about costs, revenues and rentability. Supply and demand function for cereals in Europe.