

# Yujing Song

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## Education

Ph.D. Agricultural and Resource Economics, **University of California, Davis** (expected June 2022)

*Committee:* Richard J. Sexton (co-chair), Rachael E. Goodhue (co-chair), and Dalia Ghanem

M.A. Food and Resource Economics, **University of British Columbia** 2016-2017

*Advisor:* Richard Barichello

BBA(Hons) Accounting and Finance, **The Hong Kong Polytechnic University** 2011-2015

## Research

### *Policy Articles*

**Song, Y.**, Bolda, M., Daugovish, O., and Goodhue, R. (2020). "How is the Strawberry Industry Weathering the Pandemic?" *ARE Update* 23,5:18. [PDF](#)

### *Conference and Seminar Presentations*

AAEA Annual Meeting, Kansas City, KS, August 10–11, 2020.

CAER-IFPRI Annual Conference, Chongqing, China, October 29-31, 2020. *Awarded the Conference's Best Paper*

UC Davis ARE Agricultural Economics Workshop, May 27, 2021.

Chinese Economists Society Annual Conference (Virtual), June 19-20, 2021.

AAEA Annual Meeting, Austin, TX, August 1–3, 2021.

### *Working Papers*

"The Value of Relational Contracting: Evidence from China's Vegetable Wholesale Market"

*Abstract* Stable trading relationships based on informal agreements are known as relational contracts. They represent an important but little understood form of vertical coordination in agricultural supply chains. Why are these relationships established, what are the benefits to trading partners from relational trading, and how are these informal agreements sustained? Difficulties with measuring relational practices have hindered attempts to answer these questions. Using detailed transaction-level data for a large wholesale vegetable market in China, this paper conducts one of the first empirical analyses of informal trading relationships in a domestic agricultural supply chain. Despite operating in a seemingly competitive, spot-market environment, I find that many vegetable traders establish stable trading relationships in which they repeatedly transact with the same individual. I find that sellers tend to charge their relational buyers a higher price than is charged to idiosyncratic buyers. Results also indicate that buyers pay this price premium in exchange for greater assuredness in supply – they are rationed less frequently and less severely by virtue of having stable trading partners. In addition, both relational buyers and sellers obtain some protection against price risk. Price changes in response to supply fluctuations are less severe in relational transactions, risk-sharing benefits appear greater in more intense relationships.

"Structure and Power in Multilateral Negotiations: An Application to French Water Policy" (with Leo Simon, Rachael Goodhue, Gordon Rausser, Sophie Thoyer, Sylvie Morardet, and Patrick Rio)

*Abstract* Stakeholder negotiation is an increasingly important policymaking tool. However, relatively little is understood about the relationship between the structure of the negotiating process and the effectiveness with which participating stakeholders can pursue their individual interests. In this paper, we apply the Rausser-Simon multilateral bargaining model to a specific negotiation process, involving water storage capacity and use in the upper part of the Adour Basin in south-western France. The richness of the data and institutional information available to us provides a realistic environment in which to examine the effect of negotiation structure on participant power. We focus in particular on the three farmer stakeholder groups. Because their interests are aligned but distinct, they form a natural negotiating coalition. We construct experiments that enable us to evaluate the effects of negotiation structure on the effectiveness of this coalition. Our comparative statics experiments highlight a number of aspects of the relationship between negotiation structure and bargaining power. In addition to the standard indices of bargaining power—the distribution of access and players' utilities in the event that negotiations break down—our analysis identifies a number of other, less obvious, sources of power. First, we show that a coalition member may obtain a better bargaining outcome when his access is reduced, if the redistribution increases the access of another coalition member who has a more favorable "strategic location." Second, we show that the interests of the coalition as a whole will usually, but not always, be advanced if its members cede access to a "spokesman" representing their common interests. However, some coalition members may be adversely affected. Third, we consider the effect on the coalition of restricting the set of proposals that may be placed on the bargaining table. In particular, we impose increasingly tight restrictions on the extent to which coalition members can make bargaining proposals that further their own individual interests at the expense of the interests of other coalition members. We find that usually, but not always, such restrictions harm the coalition as a whole.

### Work in Progress

"Market Power in Dynamic Models of Natural Resource Markets: Theory, Empirics, and the Lerner Index" (with Luca Colombo, Rachael Goodhue, and Leo Simon)

*Invited Submission to The Annual Review of Resource Economics.*

*Abstract* We propose to review the theoretical and empirical literatures on market power in dynamic models of markets for renewable and non-renewable natural resources. As part of this chapter, we will integrate an analysis of the performance of the Lerner Index in these settings. Since Harberger (1954), economists have recognized that the empirically significant impacts of market power regard the distribution of surplus rather than deadweight loss. However, measures used to represent market power have not evolved to reflect this recognition. Rather than looking at surplus measures, market power continues to be characterized in terms of markup. As part of our chapter we will propose alternative measures of dynamic market power and compare them to common existing measures, including deriving the responsiveness of the market power indices and consumer and producer surplus to changes in market structure and technology. The discussion of the performance of market power measures will provide context for linking empirical analyses to the predictions of the theoretical literature.

### Teaching Experience

Teaching Assistant: Intermediate Micro Theory, UC Davis; Introduction to Global Food Markets, UBC

### Honors & Awards

UC Davis Henry A. Jastro Graduate Research Scholarship Award

2020-2021

### Membership

American Economic Association (AEA)

Agricultural and Applied Economics Association (AAEA)

Chinese Economists Society (CES)

## Skills

Expert in Stata,  $\text{\LaTeX}$ , and Microsoft Office Suite; skilled in R and MatLab; proficient in Julia.

Last updated: May 19, 2021