Francisco Albert Scott

Ph.D. Candidate, Agricultural Economics

Krannert School of Management
403 W. State Street
Purdue University, West Lafayette, IN 47907-2054

Tel: 765-588-8290
Email: scottf [at] purdue [dot] edu
https://falscott.github.io/

EDUCATION

Purdue University, West Lafayette, IN
Ph.D., Agricultural Economics — Expected May 2021

Purdue University, West Lafayette, IN
M.S., Agricultural Economics — August 2016

Universidade Federal de Minas Gerais, Brazil
Bachelor's degree, Economics — December 2013

RESEARCH INTERESTS

Agricultural economics, industrial organization, quality differentiation, structural estimation, experimental economics

PUBLICATIONS

Neves, M. F., Gray, A. W., Lourenço, C. E., **Scott, F. A.**. "Mantiqueira: Innovating and Disrupting in the Egg Business". IFAMR *Accepted*

Abstract: Consumers' shifting tastes have made sustainable growth for firms in the food industry increasingly difficult. Scholars and industry practitioners constantly try to develop business strategies to deal with disruptions in modern food markets. This case uses Brazilian company Mantiqueira as an example of how a company can adopt demand-driven innovation and embrace disruption to aid its sustainable growth over the years. We follow the success of Mantiqueira in the market of eggs, from its humble beginnings until its dominance in the Brazilian market. With the use of data, the case (1) shows the current challenges faced by Mantiqueira and (2) asks readers to participate in the next round of decisions that Mantiqueira will have to make in order to hold its market share. This case is intended for use with graduate students and professionals in the agribusiness and food industries. It can be used to develop competencies associated with decision making for agribusiness firms, particularly for those faced with changes in the demand side that require new marketing strategies and capital investments.

WORKING PAPERS

Scott, F. A., Sesmero, J. P. "Market and welfare effects of quality misperception in food labels". *Submitted*

Abstract: Information-based policies, most prominently labels, reveal credence attributes of food products and, presumably, help consumers make better choices by reducing their misperception of product quality. However, much remains unexamined regarding how firms' strategic reactions to consumers' misperception of quality influence the benefits of information-based policies. We consider an oligopoly model where heterogeneous consumers can over- or under-estimate the quality of products in the market, and firms choose quality and prices conditional on consumers' perception of quality. We find that under plausible conditions misperception can increase efficiency in relation to the perfect information case; it does so if 1) it strengthens firms' incentives to provide higher quality, countervailing the chronic underprovision of quality that prevails under perfect information or 2) it galvanizes competition, reversing another deleterious effect of product differentiation, namely high quality-adjusted markups that restrain commerce. Our results imply that information-based policies aimed at curbing misperception (including stricter labeling policies, nudging, changes in labeling format) can have deleterious effects on efficiency and, perhaps more importantly, hurt the consumers they mean to protect.

Scott, F. A. "Market and welfare effects of quality misperception in food labels: experimental evidence".

Abstract: The size and distribution of surplus in markets where credence quality attributes of goods are conveyed through some informational mechanism (typically labels) crucially depend on 1) how information changes consumers' perception of quality and 2) producers' strategic choice of quality provision in response to changes in consumers' perception of quality. While there is a growing empirical literature on consumers' perception of quality, there is a dearth of empirical studies regarding firms' reactions to changes in consumers' perception of quality. A major reason underlying this dearth of empirical studies is that consumers' perceived, as opposed to actual–quality, is unobservable to the researcher. Based on previously derived theoretical predictions, I design an experiment in the laboratory where I emulate changes in consumers' perception of quality and examine their effects on producer's provision of quality and market surplus. The experiment indicates that overvaluation of high-quality products relative to their lower-quality competitors (e.g., 100% organic relative to organic or made with organic) and undervaluation of low-quality products (e.g., presence of GM inputs relative to GM-free) results in a significant increase in quality and prices at the higher end of the spectrum, increase in profit for the high-quality seller, and increase in total welfare. Misperception produces ambiguous changes in outcomes at the lower end. Efficiency measures show that effective informational-based policies should focus on high-quality products, but distributional measures show that efficiency gain is at the expense of the low-quality segment of the market.

WORK IN PROGRESS

Scott, F. A., Sesmero, J., Balagtas, J.. "Optimal quality gradation in organic labels: evidence from a structural econometric model".

RELEVANT EXPERIENCE

Research Assistant
Department of Agricultural Economics August 2016 - Current

Research Assistant
Purdue Center for Regional Development, Purdue University August 2014-August 2016

Research Assistant
Fundação Dom Cabral, Brazil December 2012-December 2013

Intern, Commodities Division
Banco Fator, Brazil September 2010-August 2011

TEACHING EXPERIENCE

Purdue University
AGEC 203: Introductory Microeconomics for Food & Agribusiness Fall 2019

- Leading instructor for large undergraduate class (120 students) teaching principles of microeconomics. *Instructor Evaluation: 3.8/5*

SCHOLARSHIPS AND AWARDS

- Purdue University's Jim and Neta Hicks Small Grants Program. 2018. *P.I.*. $8,000 USD
- Ross Fellowship; fellowship awarded by Purdue University's agricultural economics department for one 1st year Ph.D. student

CONFERENCE PRESENTATIONS

- **2020:** Agricultural & Applied Economics Association-Kansas City, MO (Virtual Conference due to COVID-19)
- **2015:** North American Regional Scientist Conference- Portland, OR, Midwest Graduate Students Summit: AERUS - West Lafayette, IN
- **2014:** Midwest Graduate Students Summit: AERUS - Urbana-Champaign, IL

TECHNICAL SKILLS **Programming languages and mathematical packages:** Python, Matlab, oTree, Julia, LaTeX.

LANGUAGES
English: Proficient
Portuguese: Proficient

REFERENCES

Juan Pablo Sesmero, Associate Professor
Department of Agricultural Economics, Purdue University
jsesmero@purdue.edu

Joseph V. Balagtas, Associate Professor
Department of Agricultural Economics, Purdue University
balagtas@purdue.edu

Allan W. Gray, Professor
Department of Agricultural Economics, Purdue University
gray@purdue.edu

Scott Downey, Professor
Department of Agricultural Economics, Purdue University
downeyws@purdue.edu