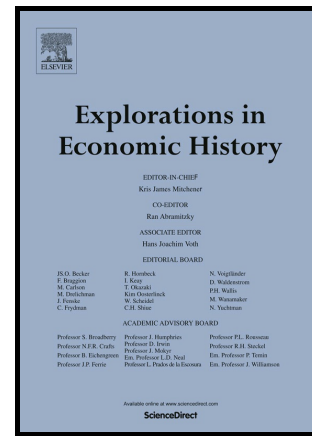


Author's Accepted Manuscript

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PII: S0014-4983(16)30119-X
DOI: <http://dx.doi.org/10.1016/j.eeh.2017.04.002>
Reference: YEXEH1222

To appear in: *Explorations in Economic History*

Received date: 16 August 2016
Revised date: 28 March 2017
Accepted date: 17 April 2017

Cite this article as: Lee A. Craig and Matthew T. Holt, The Impact of Mechanical Refrigeration on Market Integration: The U.S. Egg Market, 1890–1911, *Explorations in Economic History*, <http://dx.doi.org/10.1016/j.eeh.2017.04.002>

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The Impact of Mechanical Refrigeration on Market Integration: The U.S. Egg Market, 1890–1911^{*†}

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Draft: April 29, 2017

Abstract

This paper examines the impact of mechanical refrigeration on temporal and spatial price relationships for regional egg markets in the United States, 1880–1911. Notably, this period encompasses an era in which widespread adoption of mechanical refrigeration facilitated the ability to store otherwise perishable commodities. This development in turn altered observed price dynamics for many perishables, including fresh eggs. We use a class of time series models, time-varying autoregressions (TVARs), to document both the structural change and the corresponding impact on spatial price dynamics for U.S. regional egg price relationships during the late 19th and early 20th centuries. Our results reveal that, while spatially distinct markets remained integrated, the opportunity to store eggs over time often resulted in weaker spatial price relationships for eggs.

Keywords: Egg prices; Half life; Law of one price; Refrigeration; Structural change; Time-varying smooth transition autoregression

JEL Classification Codes: C22; N91; R11; Q13

^{*}We thank two anonymous referees, the editor, Ran Abramitzky, participants at the XVIth World History Congress, and seminar participants at the University of Wisconsin, La Crosse for helpful suggestions on earlier drafts.

[†]Data used in this paper are deposited with Open-ICPSR: <http://doi.org/10.3886/E100513V1>

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