# . - Economics of Agricultural and Food Markets

## Prof. Daniele Moro

#### COURSE AIMS

 The module provides the tools for understanding the functioning of agri-food markets and the transmission of phoenomena along the supply chain (raw materials markets, producer markets, wholesale markets and consumer markets), given the peculiar characteristics of farmer supply and consumer demand in the agri-food sector, the structure of marketing margins, the international trade and the role of agricultural and trade policies.

#### COURSE CONTENT

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|  | Credits |
| *Introduction to the market systems*  | 0.5 |
| *Food demand.* Review of demand fundamentals and food demand features. Topics in food demand: health and obesity and demand for nutrients; food safety. | 1.5 |
| *Agricultural Supply.* Review of supply fundamentals and agricultural supply features. Topics in agricultural supply: technical change and innovation; uncertainty. | 1.5 |
| *Price transmission.* Marketing margins. The role of imperfect competition. | 1.0 |
| *Market modelling: building a partial equilibrium model.* Elements of matrix algebra. Solving a model for the supply chain | 0.5 |
| *The time dimension of prices.* The demand for stocks. | 0.5 |
| *The space dimension of prices.* The role of transportation costs. Gains from trade | 0.5 |
| *Introduction to theories of international trade.* The Ricardian theory. The Heckscher-Ohlin theory. The role of imperfect competition and economies of scale. Inter- and intra-industry trade. | 1.0 |
| *Policy intervention in agri-food markets.* Market instruments. Tariff and non- tariff barriers. Measures of protection/support. | 1.0 |

#### READING LIST

B.L Gardner, *The Economics of Agricultural Policies,* McGraw-Hill Publishing Company, New York, 1990.

P.G. Helmberger-J.P. Chavas, *The Economics of Agricultural Prices,* Prentice Hall, Upper Saddle River, NJ, 1996.

D. Hudson, *Agricultural Markets and Prices,* Blackwell Publishing, Oxford, UK, 2007.

P. Krugman-M. Obstfeld, *International Economics:Theory and Policy,* 6th Edition, Addison-Wesley-Longman, 2003.

B. Navaretti-G. and A.J. Venables, *Multinational Firms in the World Economy,* Princeton University Press, 2004.

T.A. Pugel, *International Economics,* 12th Edition, Mc Graw-Hill, 2004.

Additional material, specific references and further readings will be provided during the course.

#### TEACHING METHOD

The module consists of 8 lecture credits (56 hours), which may include the presentation of case studies and empirical models. The approach will rely primarily on the graphical analysis of problems. Additional material (overheads) will be a support for teaching and studying.

***ASSESSMENT METHOD***

Evaluation is made with a written final exam, followed by an oral discussion. There may also be an intermediate progress test and/or assignments.

Professor Daniele Moro will receive students after classes or by appointment (phone: 0523/599292 - daniele.moro@unicatt.it).