# - Economics of Agricultural and Food Markets

## Prof. Daniele Moro

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The module provides the tools for understanding the functioning of agrifood markets and the transmission of phenomena along the food supply chain (input markets, producers’ markets, wholesale markets, distribution and consumers’ markets). The peculiar characteristics of food supply-chain, farmer supply and consumer demand, the structure of marketing margins, the international trade and the role of agricultural and trade policies will be taken into account.

Students are expected to critically apply their previous knowledge to market analysis, to develop the ability to use the tools provided for evaluating agrifood markets and sketching strategies and policy interventions necessary for restoring and/or increasing competitiveness in food supply chains, and eventually to develop and master a critical approach to economics reasoning and to problem evaluation and solving.

#### COURSE CONTENT

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| *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 |
| *The time dimension of prices.* The demand for stocks. | 0.5 |
| *The role of quality on agrifood markets.* Asymmetric information and market failures. | 1.0 |
| *The space dimension of prices.* The role of transportation costs. Gains from trade | 0.5 |
| *Introduction to theories of international trade and trade policy.* Neo-classical theories. The role of imperfect competition. Tariff and non tariff barriers. Measures of protection/support. | 1.0 |

#### READING LIST

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.R. Krugman, M. Obstfeld, M.J. Melitz, *International Economics: Theory & Policy* (11th edition or previous editions); Pearson, 2018..

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

#### TEACHING METHOD

The course consists of 7 lecture credits (49 hours). The approach will rely primarily on the graphical analysis of problems. Additional material (overheads) will be a support for teaching and studying. Class discussion and interaction will be stimulated.

***ASSESSMENT METHOD AND CRITERIA***

One written final exam (60% of final mark) and two assignments (each one counting 20% of final mark).

The written final exam will last 120/150 minutes. The questions refer to both descriptive and methodological topics; referring to the latter, students are explicitly required to answer using graphs and/or simple mathematical explanations. The score attached to each question will be specified before the exam. The assessment is intended to provide a sufficiently precise measure of the students’ learning results and to offer to the instructor a grasp of the students’ reasoning skills and abilities to use methodological instruments to explain real facts characterizing the agricultural and food markets. Students are explicitly required to reach a minimum score in the final exam in order to pass the exam.

Assignments will refer to the empirical application of concepts and instruments presented in class; students will be required to solve exercises and/or problems, involving the application of mathematical and econometric tools and/or to present their analyses. Due dates will be communicated at the beginning of the course.

For those students that are not able to take the assignments, the written final exam will count for 100% of the final grade.

***NOTES AND PREREQUISITES***

Class attendance is highly recommended.

Further information can be found on the instructor's webpage or on the Faculty notice board.

Prerequisites: Economic fundamentals of the agri-food system, Quantitative methods, Industrial organization.

***OFFICE HOURS FOR STUDENTS***

Professor Daniele Moro is availlable to meet students after classes at SMEA or by appointment (phone: 0523/599292 – email: [*daniele.moro@unicatt.it*](mailto:daniele.moro@unicatt.it)).