# . - Agricultural and Food Market Institutions

## Prof. Daniele Rama

***COURSE AIMS AND INTENDED LEARNING OUTCOMES*** The course deals with marketing institutions in the modern agro-food economy, including marketing cooperatives, marketing boards, commodity boards, producer groups, auctions and futures markets. The focus is on the peculiarities of the nature of these institutions, both from the economic and business point of view, on the competitive role they play into today’s agro-food markets and on the evolutive trends observed as a consequence of ingoing changes into agro-food markets. After taking the course students will have the knowledge and skills needed to implement simple analyses of transaction cost determinants and market institutions in the agro-food sector Moreover, through case studies and team assignment, students will strengthen their ability to work in team.

***COURSE CONTENT***

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| 1. The role of marketing institutions in the modern agro-food system: Evolution of the agro-food system as vertical marketing system. Environmental and internal trends influencing agricultural marketing channels. Classification of agricultural marketing institutions. | 1.0 |
| 2. Elements of neo-institutional economics: From the theory of the firm to transaction cost economics. Markets, hierarchies and hybrids. Marketing institutions as hybrids.  | 1.0 |
| 3. The concept of cooperative firm as an agricultural marketing institution: The business theory concept of co-operatives. The mutualistic concept of co-operatives. Principles of co-operatives. Reasons for explaining the presence of cooperatives. Rationale for horizontal coordination. Incentives for vertical integration. | 1.0 |
| 4. Economic objectives of agricultural marketing cooperatives: Economic objectives of cooperatives and delivery market equilibriums. Strategies to increase NARP. Long term equilibriums. Agency problems facing agricultural cooperatives. | 1.0 |
| 5. Challenges facing agricultural marketing cooperatives: Problems associated with business strategy of traditional cooperatives and membership heterogeneity. Structure of product-oriented and market oriented cooperatives. Cooperatives financial strategies. Innovation in cooperative ownership. | 1.0 |
| 6. Other marketing institutions: Marketing boards, commodity boards, producer groups, auctions, futures markets, vertical marketing systems. | 1.0 |

***READING LIST***

 Specific references will be supplied to students during the lectures and made available on the Blackboard platform.

***TEACHING METHOD***

 Lectures, homeworks, spot classroom tests.

***ASSESSMENT METHOD***

The exam can optionally be taken in two ways:

1. An intermediate written test, during the lectures, covering topics on points 1 to 3 of the course contents; a final test after the conclusion of lectures, covering topics on points 4 to 6 of the course contents; three homework assignments to be developed in teams of 4-5 students. Each test will count for 35% of the course’s grade, each assignment will count for 10%;
2. A written test and an individual homework assignment covering the whole of the course contents to be taken after the conclusion of lectures. The test will count for 70% of the course’s grade, the assignment will count for 30%.

In both cases questions will be aimed at verifying the learning of concepts exposed in lectures, the ability to cross-link these concepts and conduct simple analyses of real situations. Tests and assignment can be optionally integrated by an oral discussion of the student work.

***NOTES AND PREREQUISITES***

 In order to profitably follow the course activities students shoud have some basics of Microeconomics and Industrial Organization.

***OFFICE HOURS FOR STUDENTS***

Students can submit any question to Prof. Daniele by e-mail, or consult him after lectures, or under appointment, at the Graduate School of Agro-food Economics and Management (SMEA).