

Chapter 1 : Role of Agriculture in the Economic Development of a Country

Agricultural sector plays a strategic role in the process of economic development of a country. It has already made a significant contribution to the economic prosperity of advanced countries and its role in the economic development of less developed countries is of vital importance.

Some, as in the Rhodesias, supported white commercial farmers; others as in Nyasaland and Tanganyika controlled African smallholders and restricted competition between them and the settlers. Restrictions were imposed on the number of growers and their output to improve produce quality and to match production to demand. This was done by registering growers, fixing producer prices, licensing buyers and exporters and establishing commodity boards, which often had exclusive responsibility for crop production and marketing. For most of the colonial period, statutory interference in the production and marketing of the crops grown on European-owned estate was kept to a minimum. Controls for their tea and tobacco were introduced at the request, or with the consent, of the settler associations responsible for these crops. By offering smallholders prices that were lower than the world market prices, the colonial state indirectly taxed the smallholders, extracting a significant part of their profits. Market regulations were extended to food crops after the Second World War and, by the mid-1950s, marketing boards controlled the trade of most African smallholder produce. Settler demands for the regulation of the peasant tobacco and cotton sectors were partly motivated by fears that profitable smallholder farming could reduce the availability of cheap African labour for the estates. The Nyasaland administration did not encourage independent peasant tobacco production in the Southern Province where most settler estates were located, and it tolerated the Native Tobacco Board operating to preserve and promote settler tobacco interests. In 1945, this was raised to one third of the price paid to meet increased costs. In 1950, the Native Tobacco Board had 29 registered growers in the Central Region, where it purchased 4. The number of growers varied with demand until the Second World War when it expanded markedly. The Native Tobacco Board later renamed the African Tobacco Board limited tobacco growing by smallholders by imposing heavy dues until demand and prices rose after the war, when these dues became proportionately lower. Its estates did not grow food commercially for local consumption, as towns were few and small and transport was limited and expensive. It was left to the African smallholders to supply the domestic markets. It was given wide powers of control over maize marketing, but as maize could be grown or almost anywhere, its objectives were unattainable with the limited organisation it had. To cover the cost of a country-wide network, the Board fixed a very low buying price and sold maize at double this price. The low prices that the MCB paid in the period discouraged farmers from growing maize in excess of their own requirements, and inhibited the development of commercial grain markets. By paying the same price in remote areas as in accessible ones and by maintaining price floors in years of surplus, the MCB hoped to create grain reserves. However, as it paid only a penny for two to three pounds of maize against a market price of at least a penny a pound, growers lacked any incentive to produce for it and withheld their surpluses from their market. The quantities of maize available for the home market dropped significantly at a time of growing demand caused by poor harvests in the run up to the major famine in 1944. The deregulation of maize marketing was later extended to other types of food produce in 1950. It had powers to buy smallholder surpluses, but its producer prices were biased against peasant producers and did not reflect the rise in living costs: Osborne, who served in this capacity until August 1950. The Farmers Marketing Board was given wide powers to buy, sell and process farm products, promote price stability and subsidise seed and fertilizer. This monopoly was partly neutralised by allowing co-operative societies to market crops, and African businessmen to act as carriers of produce, but little was done to raise producer prices. From 1950, the activities of the FMB included participation in business ventures through the provision of capital or loans. The Agriculture Minister was empowered to impose regulations affecting virtually every major food crop produced for sale or consumption by Africans in any district of the country. Disappointing smallholder production and the development of a policy of growing Burley tobacco on estates

caused the government to transfer land to the estate sector. A Customary Land Development Act in allowed the creation of agricultural leases of up to 99 years over Customary Land. Many estates in the Central Region growing Burley tobacco were controlled by Banda and senior officials and politicians. This still represented the transfer of land from smallholders to a better off elite. It also changed the corporate structure: It was given the new power to assist any public or private organization with capital, credit or other resources in any projects relating to the economic development of Malawi. To achieve its mandates, was divided into three sections dealing with internal marketing, the export trade and the management of development projects. It took over the FMB monopolies over maize, tobacco and cotton, and powers to fix prices, operate markets and supply credit. Until , it had sound finances: At first, ADMARC accumulated substantial profits and re-invested them in a range of private companies and statutory corporations. Profit accumulation had reduced the economic well-being of the peasant producers. Transferring resources away from smallholders to the state led to corruption and abuse of office. In , a long serving ADMARC chairman was convicted for misusing corporation property in his private businesses and of making large unauthorised loans to a private company in which he and family were involved. Corruption and general inefficiency in statutory corporations including ADMARC resulted in a law limiting their holding office for a renewable two-year period. With adequate rain, this needed 80 to days to develop fully. The hybrid maize introduced in the s, ripened after as little as 75 days in similar conditions with sufficient fertilizer. Local maize benefited from fertilizer, but hybrid maize yielded up to 4 tonnes per hectare only if sufficient fertilizer was applied. Growing hybrid maize required reasonable sale prices and low fertilizer costs for farmers. Even with low fertilizer prices, hybrid maize growing was difficult for smallholders. Estates benefited most, as tobacco needed more fertilizer than maize did. Estates also had access to credit and, without this, few smallholders could buy enough fertilizer, even when it was subsidised. The Malawi government agreed to partially privatise it to obtain World Bank loans. It also lost the power to invest in new development projects, but remained under the influence of the government. The World Bank required a phased elimination of fertilizer subsidies, which decreased from Credit was also tightened and from until when donors funded alternatives smallholders had little access to credit. An increase in maize producer prices in did not compensate farmers who had previously grown hybrid maize for their lost subsidies, so many reverted to growing local maize. After privatisation had increased competition, ADMARC reduced its maize sales, but by it had to support over , Mozambican refugees, and could not replenish its stocks from the poor harvests of the late s. Its weakness led to increased consumer prices and reduced food security. This depleted smallholder food reserves before a deeper crisis in Rainfall before the planting season was low and sporadic. The withdrawal of fertilizer subsidies made a poor harvest poorer: The crisis was caused by state regulation of agriculture, the diversion of resources to inefficient estates and failure to support smallholders growing food crops; all policies executed through ADMARC. Fertilizer subsidies and Malawi-wide ADMARC pricing and market coverage were no substitute for paying reasonable prices for the crops that farmers grew. Although withdrawal of subsidies exacerbated the agricultural decline, it originated in the policies the government had followed since ADMARC was formed. One party formed by Malawian exiles opposed to Banda returned to Malawi in , and others were formed within the country. Its governments were weak and only retained power in alliance with smaller parties. They were accused of corruption, clientism and the uncritical acceptance of World Bank policies. Partial privatisation inspired by the World Bank in left it short of funds to provide services. Despite liberalisation, few private traders emerged, and maize markets were disrupted. Malawi was increasingly dependent on imported maize in deficit years, but limited state funding forced ADMARC to use commercial loans to import , tonnes of maize a year in the s. It also had to create, with inadequate funds, a , tonne Strategic Grain Reserve from the cheaper of domestic or imported maize to stabilise prices for farmers and consumers. The World Bank criticised losses on imported maize as an untargeted subsidy: NFRA was not responsible for price stability, and was poorly funded. It also started selling the domestic reserves after the NFRA was formed. The and harvests were good, with large sweet potato and cassava crops as the result of USAID projects to promote drought-resistant foods. ADMARC

undertook a partial sale of its reserves in , as it could not pay the interest its commercial loans. Sales, including some exports at low prices continued in despite a poor harvest. The harvest of was also disappointing, and failure to prevent food shortages caused deaths from hunger and related diseases, mainly in Estimates of the death toll ranged from a semi-official figure of to 1, to credible reports by NGO over 1, The World Bank disliked ADMARC being under political control and proposed that it should only keep its core agricultural marketing operations and only provide marketing services in those outlying areas of the country with limited private sector competition. It was also to give up excess warehouse space in and near towns to a new company, the Malawi Agricultural Warehousing and Trading Company MAWTCO , which would then lease warehouse space to the private sector. These reforms were implemented from on, with World Bank support. The private sector lacked the capacity to provide competitive marketing services. It was unable to store enough of grain to meet food needs in the lean season, unwilling to buy maize from smallholders in remote rural areas and without the capacity to import sufficient maize during national shortfalls to maintain prices. As Malawian maize markets did not act competitively, direct state intervention was needed. ADMARC therefore remained as a residual buyer and seller, operating designated floor and ceiling prices. Liberalisation , it was hoped, would create an efficient and responsive private sector marketing system that would stimulate agricultural production. In Malawi, the withdrawal of ADMARC from most areas contributed to widespread food insecurity among smallholder farmers, especially those in remote areas. To fill up the vacuum created following the withdrawal of ADMARC, the Ministry of Agriculture launched a development programme to train agro-dealers preferably rural shop owners. This started in with financial support from the USAID, but the programme had limited success as the majority of those trained ceased to be active agro-dealers within a few years of training, and most continuing agro-dealers were not rural based small-businessmen, as to start a successful dealing business required more capital than these possessed. It remains under the control of politicians, and this has led to claims of corruption and the public perception that ADMARC does not act in the best interests of those it is meant to assist. Had that maize been released on the market before it spoiled, it was claimed, it would have helped to lower prices and prevented many having to queue for scarce maize. Modern Agricultural History in Malawi: Perspectives on Policy-Choice Explanations, p. The Story of an African Famine: The End of Chidyerano: The Liberalisation of Burley Tobacco in Malawi in the s, p. The Land Question and Agrarian Change, pp From Dictatorship to Democracy: Economic Policy in Malawi , pp , Agricultural and Rural Development in Malawi, pp.

Chapter 2 : Agricultural Economics Courses | Agricultural Economics

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When the Treaty of Rome took effect at the beginning of , agriculture was subsidized in all six member countries. The various price-support mechanisms differed substantially, as did foreign-trade policies and tariff levels. The cumulative impact of governmental intervention of various kinds overâ€¦ Peasant agriculture One characteristic of undeveloped peasant agriculture is its self-sufficiency. Farm families in those circumstances consume a substantial part of what they produce. While some of their output may be sold in the market, their total production is generally not much larger than what is needed for the maintenance of the family. Not only is productivity per worker low under those conditions, but yields per unit of land are also low. Even where the land was originally fertile, the fertility is likely to have been depleted by decades of continuous cropping. The available manures are not sufficient, and the farmers cannot afford to purchase them elsewhere. Peasant agriculture is often said to be characterized by inertia. The peasant farmer is likely to be illiterate, suspicious of outsiders, and reluctant to try new methods; food patterns remain unchanged for decades or even centuries. Evidence, however, suggests that the apparent inertia may be simply the result of a lack of alternatives. If there is nothing better to change to, there is little point in changing. Moreover, the self-sufficient farmer is bound to want to minimize risks; since a crop failure can mean starvation in many parts of the world, farmers have been reluctant to adopt new methods if doing so would expose them to greater risks of failure. The increased use worldwide of high-yielding varieties of rice and wheat from the s showed that farmers were willing and able to adopt new crops and farming methods when their superiority was demonstrated. Those high-yielding varieties, however, required increased outlays for fertilizer, as well as expanded facilities for storage and distribution, and many developing countries were unable to afford such expenditures. The labour force As economic development proceeds, a large proportion of the farm labour force must shift from agriculture into other pursuits. That fundamental shift in the labour force is made possible, of course, by an enormous increase in output per worker as agriculture becomes modernized. That increase in output stems from various factors. Where land is plentiful, the output per worker is likely to be higher because it is possible to employ more fertilizer and machinery per worker. The remainder is either in forests or is not being used for agricultural purposes. There are great differences in the amount of arable land per person in the various regions of the world. The greatest amount of arable land per capita is in Oceania; the least is in China. No direct relationship exists between the amount of arable land per capita and the level of income. The relationship between land, population, and farm production is a complex one. In traditional agriculture, where methods of production have changed little over a long period of time, production is largely determined by the quality and quantity of land available and the number of people working on the land. That generally involved a shift to crops that would yield more per unit of land and required more labour for their cultivation. Wheat , rye , and millet require less labour per unit of land and per unit of food output than do rice , potatoes , or corn maize , but generally the latter yield more food per unit of land. Thus, as population density increased, the latter groups of crops tended to be substituted for the former. That did not hold true in Europe, where wheat, rye, and millet expanded at the expense of pasture land, but those crops yielded more food per acre than did the livestock that they displaced. Harvesting wheat on a farm in the grain belt near Saskatoon, Saskatchewan, Canada. A potash mine appears in the distant background. George Hunter As agriculture becomes modernized, its dependence upon land as well as upon human labour decreases. Animal power and machinery are substituted for human labour; mechanical power then replaces animal power. The substitution of mechanical power for animal power reduces the need for land. The increased use of fertilizer as modernization occurs also acts as a substitute for both land and labour; the same is true of herbicides and insecticides. By making it possible to produce more

per unit of land and per hour of work, less land and labour are required for a given amount of output. Efforts to control prices and production In the second half of the 20th century, governments undertook to control both prices and output in the agricultural sector, largely in response to the pressures of the farmers themselves. In the absence of such control, farm prices tend to fluctuate more than do most other prices, and the incomes of farmers fluctuate to an even greater degree. Not only are incomes in agriculture unstable, but they also tend to be lower than incomes in other economic sectors. The problem

Instability of prices The instability of farm prices results from several factors. One is the relative slowness with which farmers are able to respond to changes in the demand for their product. Farmers generally must produce on the basis of expectations, and if their expectations turn out to be wrong, the resulting surplus or shortage cannot be corrected until the beginning of the next production cycle. Once a crop is planted, very little can be done to increase or decrease production in response to market prices. As long as prices cover current operating costs, such as the cost of harvesting, it pays farmers to carry through their production plans even if prices fall to a very low level. It is not unusual for the prices of particular farm products to vary by a third or a half from year to year. That extreme variability results from the relatively low responsiveness of demand to changes in price.

Instability of income The instability of farm prices is accompanied by instability of farm income. While gross income from agriculture generally does not vary as much as do individual farm prices, net income may vary more than prices. In modern agriculture, costs tend to be relatively stable; the farmer is unable to compensate for a drop in prices by reducing his payments for machinery, fertilizer, or labour. The incomes of farm workers are generally below those of other workers. There are two major reasons for that inequity. One is that in most economies the need for farm labour is declining, and each year large numbers of farm people, especially young ones, must leave their homes to seek jobs elsewhere. The difference in returns to labour is required to bring about that transfer of workers out of farming; if the transfer did not occur, farm incomes would be even more depressed. The second major reason for the income differences is that farm people generally have less education than do nonfarm people and are able to earn less at nonfarm jobs. The difference in education is of long standing and is found in all countries, developed and undeveloped; it also exists whether the national education system is highly decentralized, as in the United States, or highly centralized, as in France.

Government intervention Governments have employed various measures to maintain farm prices and incomes above what the market would otherwise have yielded. They have included tariffs or import levies, import quotas, export subsidies, direct payments to farmers, and limitations on production. Tariffs and import quotas can be effective only if a country normally imports some of its supply. Export subsidies result in higher prices to domestic consumers than to foreign purchasers; their use requires control over imports to prevent foreign supplies from entering the domestic market and bringing prices down. Direct payments to farmers have been used to maintain prices to consumers at reasonable levels, while assuring farmers a return above world-market levels. Limitations on production, intended to reduce supply and thus increase prices, have been used in Brazil for coffee and in the United States for major crops.

Accomplishments The effects of price and income policies are difficult to assess. The policies have unquestionably worked to raise agricultural production in the countries where they have been applied, but their usefulness as a means of enhancing the economic well-being of farm people is debatable. The governments of the industrial countries have been able to raise the returns from agriculture above the levels that would have prevailed in the absence of such intervention. In addition to maintaining prices, they provide subsidies for agricultural inputs such as tractor fuel and chemical fertilizers; they also gave assistance in consolidating small farms into larger ones and in improving farm buildings. The level of income and the economic well-being of farm people in general are determined by many factors, including not only the prices they receive for their output but also the rate at which the economy in general is growing, the ease with which people can move from farm to nonfarm jobs, the prices they must pay for their productive inputs, and their level of education. With respect to average income per person, as distinguished from total income, the prices received and paid are probably less important than the other factors mentioned. That becomes obvious when one compares farm incomes in developed countries with those in less-developed

ones; the differences in real income have to do mainly with the levels of economic development and not with farm prices or subsidies. Government efforts to increase farm prices are likely to be offset, in the long run, by an increase in the number of persons engaged in farming, and that tends to keep the returns to farm labour from rising much faster than they would in the absence of such policies. There are two other reasons for believing that the income effects of higher farm prices or subsidies are relatively insignificant in the long run compared with other factors affecting incomes of farm workers. One is that an increase in farm prices induces farmers to use more fertilizer, machinery, fuel and oil, and other items. If a significant part of any increase in gross income is used for such things, the absolute increase in net farm income is much smaller than the increase in gross farm income. The second reason is that a given increase in government-supported farm prices generally occurs only once. After the increase in returns has been realized, the higher farm prices contribute nothing further to incomes. In contrast, general economic growth along with the continued reduction of the farm labour force has cumulative effects on the return to farm labour. If the returns to farm labour were to grow at an average annual rate of about 3 percent, for example, farm prices would have to increase at least 3 percent annually assuming other prices did not change to have the same effect on returns to farm resources.

Costs The costs of the agricultural price and income policies of industrial countries are substantial; they include not only direct governmental outlays but also the increased costs to consumers in those countries, as well as the losses to developing countries of potential export markets. The organization of farming

Ownership Except in the few countries with communist governments, most farmland is privately owned. That does not mean, however, that the land is owned by those who farm it. In most countries a major aspiration of farm people has been to achieve the ownership of the land they work. After World War II, for example, Japan and Taiwan underwent land reforms that were intended to broaden ownership, and similar reforms have been advocated in other countries. On a cooperative farm the land is owned jointly by the members of the group who farm it. The cooperative generally also owns all the major means of production, and the members supply all or most of the labour. While there are examples of cooperative farms in many countries, they loom large only in Israel, where the kibbutzim control about one-tenth of all agricultural land. In a collective farm, at least as organized in the former Soviet republics, the land was owned by the state but was permanently leased to the kolkhoz collective farm. The kolkhoz owned its own equipment and livestock and was required to meet certain commitments to the state in the form of deliveries of farm products. In theory, the members of the kolkhoz were to elect the officers of the farm and establish the procedures by which the net product was to be divided among the members for services performed. In practice, however, their autonomy was severely limited by the economic plans. In most cases these plans were incredibly detailed, specifying the crops to be grown, the times of plowing, planting, and harvesting, the quantities of fertilizer and manures to be used, and the kinds of livestock to be maintained. On state farms the land and all other means of production are owned by the state. The workers are paid in wages, and management decisions are made by individuals directly responsible to the state.

Kinds of farm operation If a family farm is defined as one for which the farm operator and family members supply at least half of the labour, the majority of farms in the world are family farms. Family farming is carried on under a wide range of conditions, from the small farms of Asia to the highly mechanized farms of Canada, the United States, and the United Kingdom. The family farm may be owned by the farmer or rented. The most rapidly expanding type of tenure in the United States is that in which the farmer owns part of the land and rents the remainder; almost one-third of all farmland in the United States consists of part-owner farms. This arrangement enables the farmer to increase the size of the farm through renting and to invest capital in machinery and livestock. Family farms may be large in terms of total assets or sales. The relative importance of family farms among the largest farms in the United States has increased over the past few decades. One of the more striking changes in industrial countries has been the increased importance of nonfarm income received by farm families.

Chapter 3 : Agricultural Economics | Academic Majors | NDSU

marketing & economic development The Virginia Department of Agriculture and Consumer Services (VDACS) supports the state's varied agricultural community by assisting producers and processors locate the best markets for their products, both domestically and abroad.

Congestion at a market in Abidjan A typical market in Africa Efforts to develop agricultural marketing have, particularly in developing countries, tended to concentrate on a number of areas, specifically infrastructure development; information provision; training of farmers and traders in marketing and post-harvest issues; and support to the development of an appropriate policy environment. In the past, efforts were made to develop government-run marketing bodies but these have tended to become less prominent over the years. Markets play an important role in rural development , income generation, food security , and developing rural-market linkages. In many cases sites are chosen that are inappropriate and result in under-use or even no use of the infrastructure constructed. It is also not sufficient just to build a market: These may be occasional perhaps weekly markets, such as haat bazaars in India and Nepal, or permanent. These changes may require responses in the way in which traditional wholesale markets are organized and managed. In developing countries, there remains scope to improve agricultural marketing by constructing new retail markets, despite the growth of supermarkets, although municipalities often view markets primarily as sources of revenue rather than infrastructure requiring development. Effective regulation of markets is essential. Inside a market, both hygiene rules and revenue collection activities have to be enforced. Of equal importance, however, is the maintenance of order outside the market. Licensed traders in a market will not be willing to cooperate in raising standards if they face competition from unlicensed operators outside who do not pay any of the costs involved in providing a proper service. Marketing information system Efficient market information can be shown to have positive benefits for farmers and traders. Up-to-date information on prices and other market factors enables farmers to negotiate with traders and also facilitates spatial distribution of products from rural areas to towns and between markets. Moreover, even when they function, the service provided is often insufficient to allow commercial decisions to be made because of time lags between data collection and dissemination. In the longer run, the internet may become an effective way of delivering information to farmers. However, problems associated with the cost and accuracy of data collection still remain to be addressed. Even when they have access to market information, farmers often require assistance in interpreting that information. For example, the market price quoted on the radio may refer to a wholesale selling price and farmers may have difficulty in translating this into a realistic price at their local assembly market. It is not easy to see how small, poor farmers can generate sufficient income for a commercial service to be profitable although in India a new service introduced by Thomson Reuters was reportedly used by over , farmers in its first year of operation. Esoko in West Africa attempts to subsidize the cost of such services to farmers by charging access to a more advanced feature set of mobile-based tools to businesses. Marketing training[edit] Farmers frequently consider marketing as being their major problem. However, while they are able to identify such problems as poor prices, lack of transport and high post-harvest losses, they are often poorly equipped to identify potential solutions. Successful marketing requires learning new skills, new techniques and new ways of obtaining information. Extension officers working with ministries of agriculture or NGOs are often well-trained in agricultural production techniques but usually lack knowledge of marketing or post-harvest handling. Traders and others are generally reluctant to make investments in an uncertain policy climate, such as those that restrict imports and exports or internal produce movement. Businesses have difficulty functioning when their trading activities are hampered by excessive bureaucracy. Inappropriate law can distort and reduce the efficiency of the market, increase the costs of doing business and retard the development of a competitive private sector. Poor support institutions, such as agricultural extension services, municipalities that operate markets inefficiently and inadequate export promotion bodies, can be particularly damaging. Poor roads

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increase the cost of doing business, reduce payments to farmers and increase prices to consumers. Finally, corruption can increase the transaction costs faced by those in the marketing chain. Agricultural marketing support[edit] Most governments have at some stage made efforts to promote agricultural marketing improvements. AMS oversees marketing agreements and orders research and promotion programs. It also purchases commodities for federal food programs. USDA also provides support to agricultural marketing work at various universities. These boards were closed down in the s. As a colonial power, Britain established marketing boards in many countries, particularly in Africa. Some continue to exist although many were closed at the time of the introduction of structural adjustment measures in the s. Several developing countries have established government-sponsored marketing or agribusiness units. South Africa, for example, started the National Agricultural Marketing Council NAMC as a response to the deregulation of the agriculture industry and closure of marketing boards in the country. India has the long-established National Institute of Agricultural Marketing. These are primarily research and policy organizations, but other agencies provide facilitating services for marketing channels, such as the provision of infrastructure, market information and documentation support. Recent developments[edit] New marketing linkages between agribusiness , large retailers and farmers are gradually being developed, e. More attention is now being paid to the development of regional markets e. East Africa and to structured trading systems that should facilitate such developments.

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Chapter 4 : Economic Development | Department of Agriculture and Forestry

Economic Development. The Office of Marketing and Agricultural Development, through the Agricultural Economic Development Division, is responsible for administering the financial programs offered through the Louisiana State Market Commission and by providing economic and business development services.

Students are prepared for a wide variety of exciting careers in the marketing of commodities sold and inputs purchased by agricultural producers; agricultural finance; and management of agribusinesses, farms and ranches. In addition, many graduates pursue successful careers in government service, economic development, commodity promotion and agricultural policy analysis. PDF Download The Program The agricultural economics program emphasizes decision making, technical expertise and communication with a focus on agriculture and the food industry. Students are trained to be decision makers through course work and practical experience in agriculture, analytical and communication skills, team building, economic theory and agricultural policy. The agricultural economics program is flexible. Students may complement required courses with classes from within the Department of Agribusiness and Applied Economics, as well as from other programs across campus. Students planning careers in production agriculture are encouraged to enroll in courses in crop and livestock sciences, agricultural systems or other production-oriented courses within the college. Students wanting careers in the food industry may select courses in food science and food safety, transportation or business. Students wishing to work in agricultural education, communication or extension can add courses in production agriculture, education or communication to their programs. By working with their academic advisor, agricultural economics students can identify courses that allow them to pursue interests in renewable energy, risk management, rural economic development, finance and natural resource management. Regardless of student selection of elective courses, the agricultural economics program contains a common core of classes introducing students to economic theory, farm management, agricultural finance, crop and livestock marketing, quantitative methods, and laws and policies important to agriculture. The Department of Agribusiness and Applied Economics also offers majors in agribusiness and in economics and offers minors in agribusiness and economics. The Faculty The department has 20 faculty members involved in teaching, research and extension. Faculty expertise varies across a wide range of specialties, including agricultural marketing, production, natural resource management, economic development, trade, finance, cooperatives and agricultural law. Career Opportunities Agricultural economics graduates have become loan officers; managers of farm supply, equipment firms and grain elevators; sales representatives with chemical, seed, feed and fertilizer companies; economists with state and federal agencies; and commodity merchandisers. About 30 percent of the graduates choose to farm and ranch. While many graduates remain in North Dakota or Minnesota, others begin careers throughout the nation and the world. Scholarships also are available to transfer students and students already in the agribusiness program at North Dakota State University. For more information on scholarships, go to: Student loan, grant and work-study information is available from the Office of Financial Aid and Scholarships or One Stop. Agricultural Economics Plan of Study Please note this is a sample plan of study; actual student schedules will vary depending on start year, individual goals, applicable transfer credit, and course availability. Students are encouraged to work with their academic advisor on a regular basis to review degree progress and customize their own plan of study.

Chapter 5 : Agricultural marketing - Wikipedia

Marketing should have a greater role in development plans. The second objective has been to provide researchers and people with marketing responsibilities in the Latin American countries. With a list of some of the studies that have been written on agricultural marketing for that specific country.

Some of the major role of agriculture in economic development of a country are as follows: Agricultural sector plays a strategic role in the process of economic development of a country. It has already made a significant contribution to the economic prosperity of advanced countries and its role in the economic development of less developed countries is of vital importance. In other words, where per capita real income is low, emphasis is being laid on agriculture and other primary industries. The history of England is clear evidence that Agricultural Revolution preceded the Industrial Revolution there. Similarly, various under-developed countries of the world engaged in the process of economic development have by now learnt the limitations of putting over-emphasis on industrialisation as a means to attain higher per capita real income. Kinderberger, Todaro, Lewis and Nurkse etc. As a matter of fact, if the process of economic development is to be initiated and made self-sustaining, it must begin for agricultural sector.

Role of Agriculture in Economic Development: The agriculture sector is the backbone of an economy which provides the basic ingredients to mankind and now raw material for industrialisation. Therefore, the role of agriculture for the development of an economy may be stated as below:

Contribution to National Income: The lessons drawn from the economic history of many advanced countries tell us that agricultural prosperity contributed considerably in fostering economic advancement.

Source of Food Supply: Agriculture is the basic source of food supply of all the countries of the world—whether underdeveloped, developing or even developed. Due to heavy pressure of population in underdeveloped and developing countries and its rapid increase, the demand for food is increasing at a fast rate. If agriculture fails to meet the rising demand of food products, it is found to affect adversely the growth rate of the economy. Raising supply of food by agricultural sector has, therefore, great importance for economic growth of a country. Increase in demand for food in an economy is determined by the following equation: P stands for Population Growth Rate.

Pre-Requisite for Raw Material: Agricultural advancement is necessary for improving the supply of raw materials for the agro-based industries especially in developing countries. The shortage of agricultural goods has its impact upon on industrial production and a consequent increase in the general price level. The progress in agricultural sector provides surplus for increasing the exports of agricultural products. In the earlier stages of development, an increase in the exports earning is more desirable because of the greater strains on the foreign exchange situation needed for the financing of imports of basic and essential capital goods. Initially, agriculture absorbs a large quantity of labour force. Agricultural progress permits the shift of manpower from agricultural to non-agricultural sector. In the initial stages, the diversion of labour from agricultural to non-agricultural sector is more important from the point of view of economic development as it eases the burden of surplus labour force over the limited land. Thus, the release of surplus manpower from the agricultural sector is necessary for the progress of agricultural sector and for expanding the non-agricultural sector. The development of agriculture requires roads, market yards, storage, transportation railways, postal services and many others for an infrastructure creating demand for industrial products and the development of commercial sector.

Relief from Shortage of Capital: The development of agricultural sector has minimized the burden of several developed countries who were facing the shortage of foreign capital. Agriculture sector requires less capital for its development thus it minimizes growth problem of foreign capital.

Helpful to Reduce Inequality: In a country which is predominantly agricultural and overpopulated, there is greater inequality of income between the rural and urban areas of the country. To reduce this inequality of income, it is necessary to accord higher priority to agriculture. The prosperity of agriculture would raise the income of the majority of the rural population and thus the disparity in income may be reduced to a certain extent.

Based on Democratic Notions: If the agricultural sector does not

grow at a faster rate, it may result in the growing discontentment amongst the masses which is never healthy for the smooth running of democratic governments. For economic development, it is necessary to minimize political as well as social tensions. In case the majority of the people have to be kindled with the hopes of prosperity, this can be attained with the help of agricultural progress. Thus development of agriculture sector is also relevant on political and social grounds. The development of agricultural sector would tend to increase the purchasing power of agriculturists which will help the growth of the non-agricultural sector of the country. It will provide a market for increased production. In underdeveloped countries, it is well known that the majority of people depend upon agriculture and it is they who must be able to afford to consume the goods produced. Therefore, it will be helpful in stimulating the growth of the non-agricultural sector. Similarly improvement in the productivity of cash crops may pave the way for the promotion of exchange economy which may help the growth of non-agricultural sector. Purchase of industrial products such as pesticides, farm machinery etc. Helpful in Phasing out Economic Depression: During depression, industrial production can be stopped or reduced but agricultural production continues as it produces basic necessities of life. Thus it continues to create effective demand even during adverse conditions of the economy. Source of Foreign Exchange for the Country: Most of the developing countries of the world are exporters of primary products. These products contribute 60 to 70 per cent of their total export earning. Thus, the capacity to import capital goods and machinery for industrial development depends crucially on the export earning of the agriculture sector. If exports of agricultural goods fail to increase at a sufficiently high rate, these countries are forced to incur heavy deficit in the balance of payments resulting in a serious foreign exchange problem. However, primary goods face declining prices in international market and the prospects of increasing export earnings through them are limited. Due to this, large developing countries like India having potentialities of industrial development are trying to diversify their production structure and promote the exports of manufactured goods even though this requires the adoption of protective measures in the initial period of planning. Contribution to Capital Formation: Underdeveloped and developing countries need huge amount of capital for its economic development. In the initial stages of economic development, it is agriculture that constitutes a significant source of capital formation. Agriculture sector provides funds for capital formation in many ways as: This method is adopted by Russia and China, iv labour in disguised unemployment, largely confined to agriculture, is viewed as a source of investible surplus, v transfer of labour and capital from farm to non-farm activities etc. Employment Opportunities for Rural People: Agriculture provides employment opportunities for rural people on a large scale in underdeveloped and developing countries. It is an important source of livelihood. Generally, landless workers and marginal farmers are engaged in non-agricultural jobs like handicrafts, furniture, textiles, leather, metal work, processing industries, and in other service sectors. These rural units fulfill merely local demands. In India about It is time that rural economy depends on agriculture and allied occupations in an underdeveloped country. The rising agricultural surplus caused by increasing agricultural production and productivity tends to improve social welfare, particularly in rural areas. The living standard of rural masses rises and they start consuming nutritious diet including eggs, milk, ghee and fruits. They lead a comfortable life having all modern amenitiesâ€”a better house, motor-cycle, radio, television and use of better clothes. Extension of Market for Industrial Output: As a result of agricultural progress, there will be extension of market for industrial products. Increase in agricultural productivity leads to increase in the income of rural population which is turn leads to more demand for industrial products, thus development of industrial sector. From the above cited explanation we conclude that agricultural development is a must for the economic development of a country. Even developed countries lay emphasis on agricultural development.

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Chapter 6 : agricultural economics | Definition, Scope, & Facts | www.nxgvision.com

The development economics (DEV) field emphasizes the economics of international agricultural growth and development with a focus on food security, productivity analysis, marketing policy, and the performance of the food supply chain.

Menu Item Research Programs The Department of Agricultural and Resource Economics at Colorado State University is a regional and national leader in theoretical and applied research in agricultural, environmental, and natural resource economics. Our faculty and graduate students are involved in a wide variety of research projects in these fields, and are committed to disseminating the results of this research to both academic and non-academic audiences.

Agricultural Economics and Marketing Research The Department of Agricultural and Resource Economics at Colorado State University is engaged in many research projects regarding demand, supply, and agent behavior in the agricultural and food sectors. In addition to the traditional study of agricultural production, management, and finance in the field, DARE faculty and students are also engaged in research related to marketing, consumer behavior, risk and decision analysis, and industrial organization. In addition, our focus on applied research results in a considerable body of policy-relevant research. Our location along the Front Range of Colorado provides ample opportunities for applied research on Colorado and other Western agricultural sectors, including local and organic food systems, the beer and wine industries, fruit production along the Western slope, potatoes in the San Luis valley, livestock and animal ID systems, cooperatives, and agricultural management under resource scarcity.

Agricultural Marketing and Price Analysis Agricultural marketing and price analysis is an area of economic study that assesses the performance of agricultural markets from several perspectives. This field emphasizes analysis of marketing systems, food processing, and underlying institutions needed to achieve vertical coordination and supply chain management in the agricultural and food marketing system. DARE faculty look at the behavior of prices across time, form, and place. We also look at the influence of industrial organizations and food businesses on the performance of agricultural markets, where competition can determine the level of prices to a degree. Some of our studies of price behavior have looked at retail pricing in numerous fruit and vegetable markets, including products such as potatoes and canned fruit, and also looked at issues in cattle markets related to price transmission across vertical stages in the marketing system and retail meat price linkages across products in the meat case. DARE faculty members involved in research in the area of agricultural marketing and price analysis include Dr. Dustin Pendell, and Dr. Consumers and the Supply Chain As consumer preferences for food products become increasingly diverse, agents in the supply chain face greater challenges and opportunities when marketing their products and services. DARE faculty members work with various local producer groups and retailers, providing analyses that aid them to competitively market their products and services to a more demanding customer. Specifically, consumer demand, preference, and trend analysis can assist with new product development and placement, forming pricing strategies, and making a wide variety of marketing decisions; promotion evaluation can aid groups in determining where their advertising dollars go the furthest; and value chain analysis can suggest areas of potential cost savings and value creation. Econometric tools used to conduct these investigations may include hedonics, conjoint analysis, contingent valuation, and sophisticated regression analysis, among many other techniques. Dawn Thilmany assists numerous local producers and industry groups in assessing marketing opportunities including specialty market analysis and value-added agribusiness feasibility studies. Greg Graff has developed a Value Chain analysis of the agricultural and food systems in Colorado to highlight opportunities for innovation. Marco Costanigro has published works on product attribute valuation and market segmentation, particularly as they apply to the U. Agricultural Policy Almost everyone in the department is involved in agricultural and resource policy in some way or another. Research interests cover a broad spectrum of contemporary issues from the local level to the national level. Greg Graff and Dr. Dana Hoag, for example, conduct research on the national farm policies including

commodity support programs, conservation, food and nutrition, research, technology and development, and rural development. Dustin Pendell looks at animal identification systems. Dawn Thilmany has a research program about product labeling and farmers markets. Steve Koontz is concerned about whether cattle markets need government intervention to stay competitive. Since there is an emphasis in the department on natural resources and the environment, several faculty also work on policy issues where agriculture has an impact on or is influenced by the environment. John Loomis, and Dr. Andy Seidl have looked at water use and conservation, organic foods, wildlife e. Agricultural Production Given the competitive nature of production agriculture, much of the research in this area is focused on determining the efficient use of resources in the production process. These resources include both fixed and variable input factors involved in producing products. Examples would include land, water, labor, capital used to purchase operating inputs seed, fertilizer, fuel, etc. Often research in production agriculture entails a multi-disciplinary approach to account for the many ramifications of the decision outcome. For example, research into beef herd expansion has animal nutrition, genetics, feed and forage, financing, and marketing implications associated with the decision. James Pritchett, Ajay Jha, and Marshall Frasier is a multi-disciplinary project with the objective of developing integrated water, weed and tillage management techniques that efficiently use limited irrigation water supplies to enhance economic sustainability. In addition to field trials, economic analysis of the results will be used to develop decision support systems for limited irrigation in the Great Plains. Benefits and methods of site-specific weed management will be evaluated, and the regional economic activity generated by limited irrigation will be quantified and analyzed. Researchers in DARE are looking at risks in markets, production and institutions. Marketing professors are looking at how producers at every level of the supply chain make decisions and how market institutions, like the futures market, effect decisions. For example, currently researchers are looking at the role of individual identification for livestock. Production professors examine how producers make decisions about tillage, water, labor, pesticide and other inputs as they relate to farm viability and community health. Institutions of interest include government agencies that attempt to influence farming systems such as the Natural Resource Conservation Service. One major risk effort is the research and outreach program called RightRisk, involving Drs. Dana Hoag and Jay Parsons. The program includes a ten-step management program and a computer simulation workshop that puts users in realistic agricultural management scenarios. Another that is becoming more widely discussed as well as accepted by agricultural producers in Colorado is insurance. Finally, many researchers are looking at risk indirectly through decision analysis. Economic theory provides a rich tapestry for explaining behaviors like when and why farmers and ranchers adopt technologies, why politicians advocate one policy over another, or why some people adopt environmental protection measures more readily than others. Knowing why people donate land for conservation easements can help society better protect land. Likewise, understanding how markets work can help a decision maker use the futures market to manage risk. Management and Finance Our core research in management and finance considers how small and medium sized businesses allocate their physical, human and financial resources. Research encompasses many dimensions including entrepreneurial activities, strategic positioning, direct and niche marketing, evolving consumer preferences, investment analysis and succession planning. Many business forms are examined including sole proprietorships, limited liability companies and cooperatives. Norm Dalsted who has extensive experience in the area of financial reorganization, Chapter 11 and 12 bankruptcy, financial mediation, financial statement preparation and analysis. Dalsted has developed materials explaining succession planning and estate planning while working with a number of Colorado farm and ranch estates. Graduate students in management and finance receive valuable, hands-on training when working on applied management and finance issues. Students are actively engaged in research presentations at national meetings and many have the opportunity to develop their teaching skills through assistantships in our undergraduate agribusiness program. Industrial Organization Industrial Organization research focuses on the strategic behavior of firms among different stages of the food marketing supply chain, and work in the department is primarily focused on effects of contracting relationships Drs. Steve Koontz and James Pritchett ,

potential market power exerted because of consolidation Dr. Steve Koontz and coordinated activities to retain value and product identity through supply chain relationships Drs. Marco Costanigro and Dawn Thilmany. Natural Resource and Environmental Economics Research Many faculty and students in DARE are engaged in cutting-edge research in the fields of environmental and natural resource economics, with an emphasis on non-market valuation, water economics, natural resource economics and policy, recreation economics, public lands management, and invasive species. Our location along the Colorado Front Range provides exceptional opportunities for applied local and regional analysis of environmental and resource issues, and we partner closely with the U. Forest Service and other state and federal agencies to develop research projects that help inform decision-makers and shape public policy. Non-market Valuation Non-market valuation is a sub-field within environmental economics that deals with theoretical and practical aspects of estimating monetary values on non-marketed environmental goods and services. Research in this area typically involves statistical analysis of primary data collected via survey methods to quantify the welfare gains or losses associated with change in levels of environmental quality. Through these methods, economists recover the economic benefits of goods not traded in formal markets, thereby providing essential information for environmental policy and management decisions. John Loomis is a leading scholar in the field, and has completed a wide range of valuation projects on such diverse resources as rivers, recreational fisheries, public lands, endangered species, water quality, and forest fires. Dawn Thilmany has applied these techniques to attributes related to food products, such as the valuation of organic beef or nutritionally-enhanced foods. Water Economics At its most basic level, economics is simply the study of how scarce resources are allocated among competing uses. With regard to water, societies must make choices involving how to allocate existing supplies, as well as determining the level of resources that should be dedicated to expanding the quantity, quality, and access to existing supplies. Understanding the impacts of these choices has become increasingly important in the face of severe drought, rapid population growth and the future uncertainty associated with climate change. Economists who study water resources apply standard economic tools to, for example, estimate the costs and benefits associated with various water supply projects e. The work of Dr. Goemans has conducted research relating to municipal water demand management and understanding the potential effects of climate change on municipal water systems. In collaboration with the City of Parker, Dr. Pritchett was part of a project aimed at developing alternative irrigation strategies for farmers faced with limited water supplies. For more information on ongoing research within the department specific to water, contact Dr. Natural Resource Economics Natural resource economics is traditionally concerned with the allocation of natural capital used as inputs into production systems. Examples include non-renewable resources such as minerals and petroleum, renewable resources such as forests and fish, and more specialized resources such as land, water, biodiversity, wildlife, and other ecosystem services. In addition, the relationship between developing countries and resource use is a major area of study. A key component of many natural resource allocation problems is that decisions are linked from period to period; in other words, the decision environment is dynamic, rather than static. Environmental Economics Environmental economics is the study of flows of residuals from economic activities both production and consumption into natural environments. These residuals, often called pollution, have negative effects on human welfare in the forms of reduced environmental quality to be enjoyed by society and adverse health impacts. The field of economics that studies the cost of environmental damage and pollution abatement, and the benefits and costs of environmental policies and management regimes, is called environmental economics, and includes both theoretical and empirical research. John Loomis is a leading scholar in the environmental economics. His body of work in this field includes over peer-reviewed publications on benefits of protecting natural environments. Dawn Thilmany and Dr. Resource Policy Almost everyone in the department is involved in agricultural and resource policy in some way or another. Dawn Thilmany has a research program about product labeling and farmers markets and Dr. Public Lands Management Public land management research focuses on the allocation of natural resources among competing multiple uses on federal National Forest and lands administered by the Bureau of Land

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Management. Research focus on National Parks and National Wildlife Refuges includes valuation of recreation and wildlife. Research on ecosystem management focuses on the coordinated planning of natural resource use on not only these four federal lands but also state and county lands as well. The overall goal is to ensure that these lands provide the mix of public and private goods that meets the demands of current generations without compromising the ability to meet new demands of future generations. John Loomis has conducted research on how visitors to Rocky Mountain National Park respond to changes in natural resources influenced by climate change. He has researched how visitation to Grand Teton National Park and the National Elk Refuge change with different numbers of elk and bison. A major focus of his research is how much visitors and the general public would pay to reduce risk of catastrophic wildfires on public lands through use of prescribed burning and mechanical fuel reduction. Andrew Seidl has conducted research on how visitors to the Monarch Butterfly Sanctuary in Michoacan, Mexico, Glaciers National Park in Argentine Patagonia and cruise tourists visiting marine and terrestrial parks and archeological sites in Central America and the Caribbean respond to changes in the quality and costs of tourist services.

Chapter 7 : Marketing & Economic Development

Agricultural marketing plays an important role not only in stimulating production and consumption, but in accelerating the pace of economic development. The agriculture marketing system plays a dual role in economic development in countries whose resources are primarily agricultural.

Chapter 8 : Agricultural economics - Wikipedia

Marketing and trade play vital roles in the economic growth and overall development of a nation. The major roles of marketing and trade in the national economy can be thought of in terms of: • specialisation in activities of comparative advantage.

Chapter 9 : Agricultural Economics Courses

Today, the field of agricultural economics has transformed into a more integrative discipline which covers farm management and production economics, rural finance and institutions, agricultural marketing and prices, agricultural policy and development, food and nutrition economics, and environmental and natural resource economics.