



UNIVERSITÀ
CATTOLICA
del Sacro Cuore

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 phenomena 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 CONTENTS

TOPICS	CFU
Introduction to the market system	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
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	0.5
Class work - Market modelling: building a partial equilibrium model. Elements of matrix algebra. Solving a model for the supply chain	0.5
Students' presentations	0.5



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SCHEDULE

Fall semester

TEACHING METHOD

The course 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. There is also one credit (12 hours) for tutorial activities (class work and students' presentations).

COURSE REQUIREMENTS

It is strongly recommended to attend classes.

CREDITS

8 ECTS

ASSESSMENT METHOD

One written final exam (60% of final mark) and two group 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 proofs. The score attached to each question may change depending on the test and will be specified before the exam. The assessment is intended to provide a sufficiently precise measure of the student's learning and to offer to the instructor a grasp of the student's 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. Groups will be randomly selected by the instructor. Due date will be communicated at the beginning of the course.

COURSE READINGS AND MATERIALS

W.G. TOMEK-H.M. KAISER, *Agricultural Product Prices*, Cornell Press University, Ithaca, USA, 2014.
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.



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P. KRUGMAN-M. OBSTFELD, International Economics: Theory and Policy, 6th Edition, Addison-Wesley-Longman, 2003.
B. NAVARETTI-G. AND AJ. 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..

NOTES

Professor Daniele Moro is available to meet students after classes or by appointment (phone: 0523/599292 - daniele.moro@unicatt.it).

INSTRUCTOR BIO

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