

ECONOMIC FUNDAMENTALS OF THE AGRI-FOOD SYSTEM

- **Economics of the Agri-Food System**

[Prof. Gabriele CANALI](#)

COURSE AIMS

The main aim of the course is to provide students with an in-depth understanding of the complex structure of a modern agri-food system, and of major changes in the structure and competitive environment as well as in terms of product and process innovation. The programme will be focused on the agri-food system in developed economies, but few topics related to developing economies will also be considered. Attention will also be put on agricultural policies and their effects on the evolution of the agri-food systems, of different supply chains and their competitiveness. A basic knowledge of microeconomics (demand, supply, perfect competition and monopoly) is expected.

COURSE CONTENT

| | CFU |
|--|-----|
| 1. The modern agri-food system: origin, structure and trends - Traditional agriculture: characteristics and organisation. - Transition to a modern agri-food system: determinants and effects. - The modern the agri-food system: evolution and characteristics. - Technical change in the agri-food system. - Vertical disintegration of the production process and vertical integration. - The supply chain and the value chain. - Non food uses of agricultural products. - The competitive scenario. | 1.0 |
| 2. The agricultural sector in the agri-food system. - Structural evolution of the agriculture sector. - The agricultural enterprise. - Role and characteristics of the family-run enterprise. - Part-time farming. - Specialisation and concentration of productions. - Demand and supply of agricultural products. - Price fluctuations of agricultural products. | 1.0 |
| 3. The food industry in the agri-food system. - The evolution of the structure of food industry. - Competitive strategies of food firms. - Innovation in the food industry. - Internationalisation of food firms. | 1.0 |
| 4. Structure and evolution of the food distribution sector. - From traditional distribution to modern distribution. - Structure, concentration and development of the retail distribution industry. - Competitive strategies of retailers. - Performance and evolution of a modern food retail system. | 1.0 |
| 5. The role of consumer in the agri-food system. - Structure and trends of food regimes and food balances. - Evolution of food expenditure. - Evolution of consumer behaviour in developed economies. - The role of quality. - Globalisation of tastes and preferences and market segmentation. | 1.0 |
| 6. Agricultural and food policies. - The evolution of the Common Agricultural Policy and its effects on Italian and European agri-food systems. - Agri-food policies and quality. | 1.0 |



-
- Elements of policies for food safety policies.
 - Tools for vertical and horizontal coordination, cooperation and competition.
-

READING LIST

There is no specific course textbook. A reading list will be distributed at the end of each section of the course.

TEACHING METHOD

The course will be based on lectures, supported by the use of overhead slides, and supplemented with topic-specific discussions, seminars and group projects.

ASSESSMENT METHOD

The final grade will be obtained as a weighted average of the results of an intermediate written test (45%) on the first half of the program, and a final written examination (55%) on the second half.

Professor Gabriele Canali will receive students at the times posted.

• Microeconomics for the Agri-food System

[Prof. Claudio Soregaroli](#)

COURSE AIMS

This module aims to provide students the main concepts of microeconomic analysis at an intermediate level. Students will learn to use microeconomics tools to interpret choices of individual agents (consumers and firms) and their implications to market analysis. This module prepares for later-year courses in which students learn how to study the economic aspects of the agri-food system in depth.

COURSE CONTENT

| | CFU |
|---|-----|
| 1. The functioning of markets: - Demand and supply - Elasticity - Market equilibrium and comparative statics | 1.0 |
| 2. The theory of consumer behaviour - Preferences and utility - Utility maximization and choice - Income and substitution effects - Market demand and surplus | 1.0 |
| 3. The theory of production - Production functions - Cost curves - Profit maximization and supply | 1.0 |
| 4. Market forms: - Perfect competition and monopoly - Output choice and efficiency considerations | 1.0 |

READING LIST

D. BESANKO – R. BRAEUTIGAM, *Microeconomics, International Student Version*. Wiley Publishers, 5th ed, 2015.

W. NICHOLSON - C. SNYDER, *Microeconomic Theory: Basic Principles and Extensions*, South-Western CENGAGE Learning, 11th ed, 2011.

TEACHING METHOD

The teaching will consist in lectures following the course content, along with readings and problem sets providing students with practice in applying tools.



ASSESSMENT METHOD

The final grade will be obtained as a weighted average of the results of an intermediate test weighting 40% of the final grade and a final written exam weighting the remaining 60%. Students that will not pass the intermediate test will have 120 minutes to write the final written exam composed of 5 questions giving 6 points each and covering the entire program of the course. Students that will pass the intermediate test will have 75 minutes to answer to the last 3 questions only of the same final written exam. Student assessment aims at evaluating the student ability to reason and rigorously analyse the topics covered during the course, as well as the proper use of terminology and ability of problem solving to real world cases.

Professor Claudio Soregaroli will receive students at the end of the classes.