

Marwa Nyankomo

(Nebraska University, Department of Agricultural Economics - USA)

Agricultural Industrialization and Income Distribution in Developing Countries

Tuesday March 23rd, 2010

At 12.00

(Sandwiches will be offered to those who confirmed their presence)

At the Seminar Room
Centre Emile Bernheim, Université libre de Bruxelles

Abstract:

Over the past decades, there have been substantial changes in agricultural sector. The evolution of vertical market arrangements from farmers to consumers, technological advances and global competition have all influenced agricultural industrialization. Despite these advances, there are major challenges posed by agricultural industrialization for smallholder farmers in developing countries, especially sub-Saharan Africa. Using the poultry sector as a case study, we examine the strength and challenges of existing models of integration in terms of efficiency, productivity and social welfare. Cooperative, monopoly and oligopoly market structures were revisited under different assumptions. We used a multi-market model to disaggregate the producers and consumers surplus resulting from the current production system and its ramification to income distribution across different groups in the economy. Based on multimarket model, producers' cooperative and hybrid model (joint venture between investors owned and cooperatives) may result into a relatively less skewed model of income distribution among the economic agents. The two business models are plausible future policy options especially for smallholders' farmers in developing countries.

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Please confirm your presence by March 18th, 2010.