

International University of Japan
Winter Semester 2017

ADC6550 Agricultural Economics

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(1) Course Contents

The roles of agriculture and food economies in economic development change as the economy develops. The objectives of this course are to understand major issues of the agricultural and food economies in developing as well as developed countries, to understand the roles of agriculture in economic development, and to obtain tools to analyze agricultural policies. The methodologies for utilizing microeconomics knowledge in economic analyses and the tools for welfare analyses are studied. The knowledge in intermediate level microeconomics is required. Familiarity with the use of Excel program is helpful.

(2) Class Schedule and Reading List

Detail explanation will be provided in the first class.

Week 1, Challenges in Agricultural and Rural Development and Food Economies in the World (RSPR), Roles of Agriculture in Economic Development and Food Security

Week 2, Food Problems in Developing Countries and Adjustment Problems in Developed Countries (R)

Weeks 3, Food Demand Determinants: Income Changes and Income Elasticity, How empirically demand on food can be predicted will be discussed using examples.

Weeks 4, Food Supply Determinants: Importance of Productivity Growth in Growth Accounting
Growth accounting methods are discussed to examine the sources of growth in agricultural production (A class project is given.)

Weeks 5 & 6 Agricultural Development in Japan I (Y) Chapters 2, 3, 4, 5, 6 & 8
(Historical Development)
(Roles of Institutions and the Government)
(Policy Implications to Developing Countries)

How food problem was solved and how adjustment problem has not been solved will be discussed using the Japanese examples.

Week 7 Land Reform in Japan and Its Implications to Developing and Transition Economies

Week 8 Comparisons of Price Support Policies and Income Support Policies: Cases of the European Union and Japan

Week 9 Hedonic Price Approach for Pricing Agricultural Products
Factors making positive contributions to higher prices received by agricultural producers are studied using a hedonic price approach.

Week 10 Applications of Experimental Economics Tools for Understanding the Behavior of Agricultural Producers and Consumers (DLN) and the Use of Expressed Preference Method for Valuing Institutions and Policies

Week 11 Final Examination and Student Presentations (in class)

(3) Reference Materials (1 through 4 are required readings.) (No textbook is assigned for this class.)

- 1) Runge, C. Ford, Benjamin Senauer, Philip G. Pardey and Mark W. Rosegrant (RSPR), Ending Hunger in Our Lifetime: Food Security and Globalization, John Hopkins University Press, 2003
 - 2) Yamada, Saburo (Y), The Agricultural Development of Japan: A Century's Perspective (Chapters 2, 3, 4, 5, 6 and 8), University of Tokyo Press, 1991
 - 3) Ruttan, Vernon (R), Productivity Growth in World Agriculture: Sources and Constraints, *Journal of Economic Perspective*, 16(4): 161-184, 2002 (Can be downloaded)
 - 4) Hayami, Yujiro, Vernon Ruttan (HR), Agricultural Development: An International Perspective (Chapters 5, 6 and 7), Johns Hopkins University Press, 1985
 - 5) Ruttan, Vernon (editor), Agriculture Environment and Health: Sustainable Development in the 21st Century (Chapters 2 and 3), University of Minnesota Press, 1994
 - 6) Anderson, Kym and Yujiro Hayami, Political Economy of Agricultural Protection: East Asia in International Perspective, Allen & Unwin Publishing Company (Chapters 2, 3, 8 and 9), 1986
 - 7) Hayami, Yujiro, Development Economics: from the Poverty to the Wealth of Nations (Chapter 7), Oxford University Press, 1997
 - 8) Hayami, Yujiro (editor), Toward the Rural Based Development of Commerce and Industry: Selected Experiences (Chapter 2), World Bank, 1998
 - 9) Hayami, Yujiro, Japanese Agriculture under Siege: the Political Economy of Agricultural Policies (Chapters 2, 3 and 5), St. Martin's Press, 1988
 - 10) Gemma, M., Dominance of Premium Varieties in the Japanese Rice Economy: Reasons and Implications, in Sustainable Agriculture, Poverty and Food Security: Agenda for Asian Economies, Asian Society of Agricultural Economists, Rawat Publications, p.238-p.244, 2002 (A copy of the paper will be distributed in the class.)
 - 11) Drichoutis, A., P. Lazaridis and R.Nayga (DLN), Consumers' Use of Nutritional Labels: A Review of Research Studies and Issues, *Academy of Marketing Science Review*, Vol. 2006 no. 9, Available: <http://www.amsreview.org/articles/drichoutis09-2006.pdf>, p.1-p.26, 2006
 - 12) Tanaka, T., C. Cramere and Q. Nguyen, Risk and Time Preferences: Linking Experimental and Household Survey Data from Vietnam, *American Economic Review*, Vol.100 no.1, p.557-p.571, 2010
- (4) Grading Your grades solely depend on the performance of the following items:
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| Class Participation | 20% |
| Class Projects | 20% |
| Final Examination (in class) | 60% |