Global Forum on Agriculture

- **Information Needs for Effective Policy Responses**
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Information Needs for Effective Policy Responses

Emerging countries under structural transition

(insertion on world market structure)

Uncertainty about market structure consolidation

(farmers/middle man/industries/retail/traders)

Information Needs for Effective Policy Responses

Lack of knowledge on strategic alternative possible actions:

Policy makers lose momentum for intervention

Information Needs for Effective Policy Responses

Major international players have strategy and means (resources plus viable contract arrangements) to control implementation:

efficient solutions

dairy sector early nineties
soybean
poultry and pork production
(large domestic and competitive players)

major social costs unattended for

wheat sector

Information Needs for Effective Policy Responses

Major players lack means and, halfway, face major uncertainties:

"tug-of-war" paralysis between old/new players/policy makers

Consequence:

lack of investment and delayed market response

cotton and textiles

coffee after ICA breakdown

Though political burden on policy makers without a clear strategy
(needed beforehand)

Information Needs for Effective Policy Responses

Recent Special Feature:

<u>Price Volatility, under floating exchange rate regimes</u>

Abruptly changing market shares and profit margins

Higher and unexpected uncertainty in credit market

Widespread credit rationing

Postponed investments and disarray over corporate and policy makers strategy.

Highly sophisticated policy instruments, highly trained personnel in private and public sector

Otherwise: <u>safeguard WTO actions</u>