

## **Course Code: ECON-330**

**Title: Agricultural Economics**

**Credit Hours: 03**

**Prerequisite: Intermediate Microeconomics & Intermediate Macroeconomics**

### **Course Objectives:**

This course focuses on the understanding of the basic concepts of economics and their application in agriculture. We focus first on individual consumer and producer decision making, followed by market equilibrium and economic conditions. Next we discuss government intervention in agriculture followed by macroeconomic policy.

### **Learning Outcomes:**

Students should be able to:

- Comprehend the importance of agriculture economics.
- Understand the basic structure and characteristics of agriculture economics.
- Have a sense of the primary theoretical models explaining the economic conditions for agriculture.

### **Course Contents:**

<b>Introduction and Importance of Agriculture</b>	Agricultural Revolution, Importance of Agriculture, Food Safety, Agriculture vs. Industrial development Debate. Current State of Agricultural Development. Brief Overview of Sources of Growth. Introduction to issues in Agriculture etc.
<b>Structure and Characteristics of Agriculture in LDCs</b>	Traditional Agriculture and Productivity. Access to non-labor resources. The Framing Environment: Natural Hazards and Economic Uncertainties. The Food problem. Farm Size and Productivity. Farm Size in Pakistan and Productivity Commercial Farms. Impact of Agricultural Reforms on Farm Size.

<b>Role of Agriculture in Economic Development</b>	A framework of Analysis. Product Contribution, Market Contribution, Factor's Contribution. Foreign Exchange Contribution. Agriculture vs. Industry Debate of Development.
<b>Theory of Rent and the Concept of 'Surplus'</b>	Introduction. Economic Rent. The Theory of Rent. Rent and Quasi-Rent the Ricardian 'Corn Rent. The Rental Market. Agricultural Surplus. Characteristics of Landownership in Underdeveloped Agriculture and Pakistan. The Theory of Share Tenancy. Some Extensions of the Share Tenancy Model. Tenant's Status in Pakistan. Agricultural productivity in Pakistan and use of inputs. Green revolution, its origin, and impact on agriculture in Pakistan.
<b>Agriculture in Dualistic Development Models</b>	Introduction. The Lewis Model. The Ranis-Fei (FR) Model. The Jorgenson Model. Kelley, Williamson, Cheetham Model, Criticism: Dual Economy Models. Agricultural Adequacy; Mellor's Model.
<b>Resource Use Efficiency and Technical Change in Peasant Agriculture</b>	Efficiency of Resource Utilization. Technological Change in Agriculture. Generation of new Agricultural Technology. Factor-biased Technological Change and its Distributional Consequences. Agricultural Technical Change and Agricultural Employment: Empirical Evidences. Agricultural Resources and Technical Change in LDCs: with Special Reference to Pakistan.
<b>Supply Response</b>	Introduction. The Cobweb Model: An Illustration. Price-Supply Response in Backward Agriculture. A simple Supply Response Model. Supply Response in the Underdeveloped Agricultural labour Market, Specifically in Pakistan. The Concept of 'Marketed Surplus': Some Methods of Estimation. Some Criticisms of Krishna's Method and the Alternative Approach of Behrman Perennial Crops and Marketed Surplus in Pakistan. Green Revolution in Pakistan and Responses. Present Status of Green Revolution in Pakistan: Empirical Analysis.
<b>Population and Food Supplies</b>	The Classical Model. Contra-Malthusian Model. Ecological Disequilibrium. Synthesis of Population and Food Supply Theories. Malnutrition in Developing Countries like Pakistan and Remedial Manners. Choice of Planning Strategy for Agriculture Development, Agricultural Project Planning.

### Teaching Methodology:

- To deliver lectures on topics included in course outline
- To require each student to solve independent assignments on topics included in the course.

### Evaluation Criteria:

<b>Evaluation Method</b>	
Quizzes/Assignments	
Mid-Term Exam	
Final-Term Exam	

**Recommended Books:**

- Johnston, Bruce, F & Fellir Kily. Agricultural and Structural Transformation, Economic Strategies in late Developing Countries.
- Khan Mahmood-ul-Hassan. (1975). The Economics of Green Revolution in Pakistan, New York.
- Shafi M. (1995). Pricing of Farm Produce in Pakistan, Objectives, Practices, and Experiences. Print Associates International, Islamabad.
- Yujiro Hayami and Vernon W. Ruttan, Agricultural Development, John Hopkin University Press, London. (Latest edition).
- Zaidi, S. Akbar (2005). Issues in Pakistan’s Economy, Oxford University Press.
- Pakistan Economic Survey (various issues)