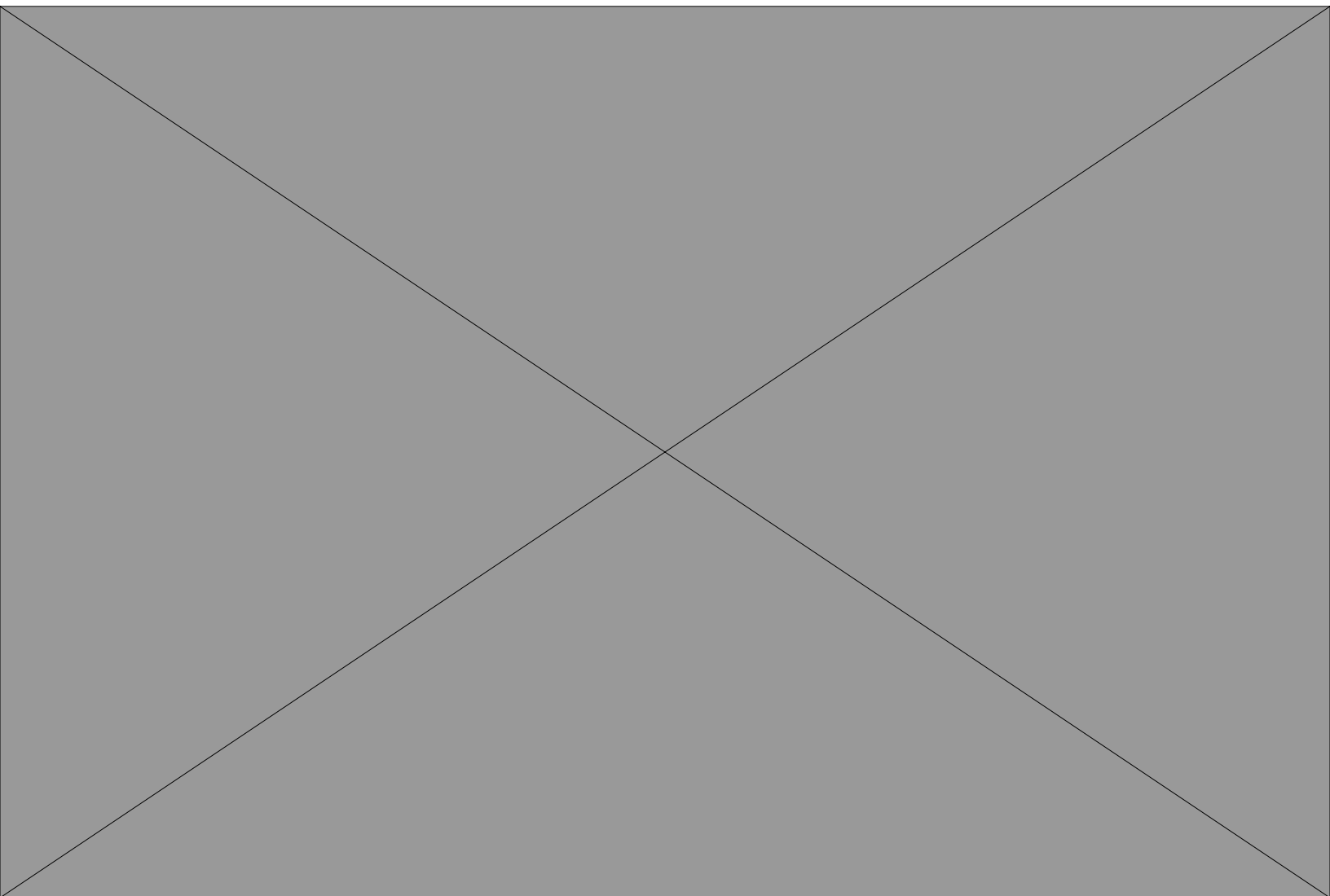


Agricultural Development: New Perspectives in a Changing World*



AUTHORS

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Agricultural Development: New Perspectives in a Changing World is the principal extensive investigation of key issues confronting developing nations today, from fast urbanization to environmental change. In this four-section volume, more than 40 researchers offer the most recent examination of themes like nutrition and health, gender and household decision-making, trade liberalization, government policies (price support and input subsidies etc) agrifood value chains, natural resource management, and political economy. Integrating this, Agricultural Development investigates alternative strategies and techniques for developing economically viable agricultural production systems and lessening food uncertainty and ailing health.

Part 1 presents global overview of agriculture sector. With the help of global trends it explains how the changes are occurring worldwide with new technologies and better understanding to modernize food value chains. This leads to reduce inequality by making better food value chains, guaranteeing satisfactory nourishment, improving ecological sustainability, and advancing gender orientation uniformity.

In introductory chapter book focuses on the evolution of macro and microeconomic literature on agricultural development and explains how global trends in agricultural development are changing overtime. It also identifies emerging issues associated with the process of global agricultural development. The debate in the following chapter revolves around agricultural development, policies, and technological changes to reduce or eliminate food insecurity and attain sustainable development. The role of agricultural development policies such as public investment in irrigation, agricultural research & development, price support, input subsidy, credit, crop insurance, and trade liberalization has been discussed extensively. The linkages of sustainability of natural resources (Land, water and environment) with food security of future generation have been established and highlighted.

The first five chapter of part 2 discuss the dynamics of agriculture in different regions. In East Asia comparative advantage has been shifting from agriculture to nonagriculture sectors. A part of

the reason could be the small farm size which requires labor intensive cultivation. However, farm size expansion is difficult to realize due to imperfection of land market. As a result, high income countries (Japan, Korea and Taiwan) in the regions are increasingly depends on imported foods. If small farms continue to dominate and become a major constraint on large-scale mechanization in high-wage Asian economies, the continent could become a gigantic importer of food grains. However, China took aggressive measures for land consolidation - resultantly their farm size has started to increase. Successful economic growth and rapid urbanization in high income countries have also changed the nature of food demands, which is intimately related to the nutrition transition. Consumers, especially in urban areas, demand high-value and high- quality foods. The rising demand for safe, high-value, and differentiated agricultural products have created large opportunities for farmers to participate in improved value chains (e.g. contract farming which improves access to technology, information, and capital) to potentially improve productivity and increase incomes.

South Asia has one of the highest labor-land ratio in the world but finally it has started to shift towards the transformation process with greater increase in labor productivity than land productivity. Institutional failures in developing land markets can become increasingly important bottlenecks in rural transformation. Similarly, collective actions in milk production, improved food safety practices, and management of common resources including irrigation facilities and forests is required. Liberalization and regional integration might help to facilitate the trade.

Unprecedented decade of impressive growth in Africa change the prediction of early researchers about extreme food shortages in the regions. Increasing productivity growth & expanding urbanization in some regions are changing the consumption behaviour of the people in Africa which creates more opportunities in the food value chains. The share of the labor force engaged in small-scale farming has declined substantially and highest declined is observed in countries enjoying the highest rates of agricultural productivity growth.

Latin American and Caribbean (LAC) is a heterogeneous region having different characteristics than other parts of the world. World markets and global developments, instead of domestic markets, have a stronger impact on agricultural developments. Large farm size, and chronicle ties with the American and western world make the region more prosper and most developed in agriculture among all other regions. Income inequality, rapid urbanization, and obesity are major issues in LACs countries. Governments in this region have made huge investments in research and development sector to get the sustainable agricultural productivity in the region. Eastern Europe & Central Asian (ECA) countries are performing differently but they share a common Institutional Structure in past as the Soviet bloc. The low productivity of the region in the past was mainly due to state ownership and centralized decision making process. However, agricultural output started to increase after completing the transitional process in 2000 and rise in output was driven largely by input productivity growth. Heavy investments in value-chains and moving towards market oriented economy played an important role in augmenting the growth of agricultural productivity in these countries.

The regional overview presents inclusive picture of issues in agriculture development and the process how agriculture food systems transform overtime. A combination of different strategies including input intensification, improvement in land use management and labor productivity, investment in food value chains and R&D are considered major drivers of agricultural growth. Different regions follow different approaches to achieve highest growth and consequently the outcome also vary. Some countries get success in achieving high prosperity but others worsened. The authors have discussed these issues in more detail in section 3 of this book.

Cross-country empirical evidence is presented on the relationship between urbanization, structural change, and poverty reduction. The results suggest that contrary to national policies in many developing countries, faster urbanization is not a constraint on, but instead a potential catalyst for, economic development. Urbanization can accelerate national economic growth and

structural change and spur rural transformation and poverty reduction. The analysis, however, cautions against reducing investments in rural agriculture to finance urban development. Further research is needed to better understand the economies of small towns and their rural/ agricultural linkages to gauge the urban extent of agricultural value chains and the interactions between these value chains. The growth in real incomes and poverty reduction, influencing the relative price of nutritious foods and managing food price variation, and transformation of agricultural livelihoods are considered important policy outcome that can contribute to nutritious security.

Increasing productivity of staple crops through technological change, shifting of resources from staple food production to high-value crops, lucrative employment opportunities in rural non-farm sector are considered important parameters to measure the speed of rural transformation. Contract farming is an effective institutional arrangement to organize the production of high-value crops. To provide lucrative nonfarm employment opportunities, governments should recognize the importance of indigenous rural industrial clusters and facilitate their growth through various local policies, such as improving access to markets, organizing training, and inspecting product quality. Policies that help expand markets and address externality problems should be greatly encouraged.

Transformation of food value chains is an important component of rural transformation but literature reveals there has been a relative dearth of surveys of and analysis of the off-farm components of value chains such as traders, logistics enterprises, and processors. Trade liberalization maximize the benefit that international trade can offer to boost global food security and ensure the world's agricultural resources are used sustainably. If the gains outweigh the losses of any public policy (such trade liberalization, reducing government foot prints), it is socially optimal to implement the reforms or make the investment since the gains of those who win are more than sufficient to compensate the losers. An important question is therefore how to design mechanisms that constrain policymakers, to bring the discretionary



political equilibrium closer to the social optimum. Gender inequality in an agricultural society is mainly due to the accumulation of hold and power on resources by the male dominants. However, financial inclusion through financial institutions and insurance provision is playing a vital role in uplifting the backward women in agriculture sector. Smart communication systems and Artificial Intelligence helping small holder agriculture, especially women in daily transactions, access to credits and savings. Evidence suggests that institutional credit and crop insurance plays an important role in enhancing investment and productivity in smallholder agriculture. However, it is suggested that governments should support innovations and institutional development but never subsidize interest rates on lending to support agricultural finance. The abundance of natural resources affects total agricultural production but the health, state, or quality of natural resources affects both total production and productivity of agriculture. Well define property rights leads to efficient use of natural resources in sustainable manners.

The last section of this book talks about future risks and opportunities in agriculture at the global

level. Agricultural research is challenged to address multiple societal issues, including sufficient and healthy foods, improved protection of the environment, and growing income for the agro food sector. A clear understanding of the major features of the agricultural sector, and agricultural technology in particular, is critical in designing policies to allow agricultural research to be a source of value and benefit for society. Therefore, agricultural research is likely to play a major role in guiding agriculture through adaptation to climate change, changes in land use, adoption of new technologies, and relocation, as well as provision of new sources of income from mitigation efforts. Hence, to achieve multiple goals of sustainable, healthy, and inclusive agricultural development all over the world, national, regional, and global collaborative efforts are clearly called for to reshape global agro food systems in line with the recommendations proposed in this book.

Contribution by

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Without hard work, nothing grows but weeds.
- (Gorden B, Hinckley)

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