Domestic Market Policies

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Definitions
- Market: Institutional Arrangements
- Market Place: Physical or Virtual Location
- Marketing: Market Activities

The Supply Chain
- Production
  - Exchange (Wholesale, Retail)
  - Transport, Storage, Processing
  - Consumption
Four Utilities
- Place: Transportation, Spatial Distribution
- Time: Storage, Temporal Distribution
- Form: Processing
- Possession: Exchange, Price Formation

Costs, Efficiency and Effectiveness
- Marketing Costs
- Transactions Costs
- Price Transmission
- Economic Efficiency
- Marketing Effectiveness

Market Failure
- Imperfect Competition
- Externalities
- Public Goods
- Imperfect Information
Market Power
- Competition, Concentration
- Capital, Financing
- Marketing Information
- Risk
- Collective Action

Vertical Marketing Arrangements
- Spot Markets
- Contracts
- Vertical Integration
- Price Transmission

Role of Government (1)
- Regulations, Incentives, Knowledge
- Correct Market Failures
- Design and Enforce Standards, Measures
- Invest in Public Goods (Infrastructure, etc.)
- Regulate Competition, Avoid Exploitation
- Promote Collective Action
- Deal with Externalities
- Correct Prices
<table>
<thead>
<tr>
<th>Role of Government (2)</th>
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<tbody>
<tr>
<td>▪ Correct Information Deficiencies</td>
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<td>▪ Promote Price Transmission</td>
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<td>▪ Influence Exchange</td>
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<td>• Rationing, Quotas, Supply and Demand Control</td>
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<td>▪ Intervene in Pricing (Taxes, Subsidies)</td>
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<td>▪ Promotion, Regulating Advertising</td>
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<td>▪ Privatization, Turning Public Goods into Private Goods</td>
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