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**UNIVERSITY OF SWAZILAND  
FINAL EXAMINATION PAPER**

**PROGRAMME: DEGREE IN AGRICULTURE (AEM OPTION) V**

**COURSE CODE: AEM 501**

**TITLE OF PAPER: AGRICULTURAL POLICY**

**TIME ALLOWED: TWO (2) HOURS**

**INSTRUCTION: ANSWER ALL THREE (3) QUESTIONS**

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GRANTED BY THE CHIEF INVIGILATOR**

**QUESTION ONE**

- a. Increasingly, agricultural policy is becoming an issue of the environment rather than agricultural production. Identify three ways in which farmers' production decisions may be affected by policies about the environment.

**(15 Marks)**

- b. Explain the two main arguments that have always been advanced for a special policy towards farmers.

**(10 Marks)**

- c. Assume you participated in the recent national agricultural policy formulation process held in 2004. During the deliberations, the lead person kept on reminding all the participants to be aware of the economic concept of the 'fallacy of composition'. Describe this concept of fallacy of composition and give an example of a misconception in a proposition made by some group of the participants which could have been bedeviled by this fallacy had the lead person not promptly intervened.

**(15 Marks)**

**QUESTION TWO**

- a. Elaborate on the main factors that have contributed to the failure of achieving the noble agricultural policy objectives pronounced by most governments in Africa over the past decades.

**(15 Marks)**

- b. The government of Swaziland has recently introduced a fertilizer subsidy to maize farmers in the country. The aim of which is to encourage domestic production of the crop so as to reduce the amount of money spent on imports. With the aid of graphs, analyze the welfare or deadweight economic loss resulting from this input subsidy policy. Also, comment on any possible long-term benefits of relevance of this fertilizer subsidy policy you can think of.

**(15 Marks)**

**QUESTION THREE**

- a. Clarify and critically comment on the statement that most public debates about agricultural policy arise from differences in beliefs rather than differences in values.

**(10 Marks)**

- b. It is said that 'the growing acceptance of public choice approaches to policy has tended to make society more sensitive to farm requests for public support'. Evaluate this statement.

**(10 Marks)**

- c. Describe the basic concepts of public choice, and cite an example of how the public choice view has made an impact on agricultural policies of this country.

**(10 Marks)**