UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

PROGRAMME: BACHELOR OF SCIENCE IN AGRICULTURAL ECONOMICS AND AGRIBUSINESS MANAGEMENT YEAR IV

COURSE CODE: AEM 408

TITLE OF PAPER: AGRICULTURAL AND FOOD POLICY

TIME ALLOWED: TWO (2 HOURS)

INSTRUCTION: 1. ANSWER ALL FOUR (4) QUESTIONS

2. ALL QUESTIONS CARRY EQUAL MARKS

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QUESTION ONE

(a) Explain why food policies in developing countries like Swaziland fail to address agricultural development needs of farmers   [10 MARKS]

(b) Why is policy analysis significant in the promotion of agriculture and food production? Discuss

[15 MARKS]

QUESTION TWO

(a) Construct a Policy Analysis Matrix   [4 MARKS]

(b) What are the causes of divergences in the market for products and production inputs
[6 MARKS]

(c) Explain how the following ratios are calculated and their importance in the analysis of agricultural and food policies in your country   [15 MARKS]

        (i)   Domestic Resource Cost (DRC)
        (ii)   Private Cost Ratio (PCR)
        (ii)   Nominal Protection Coefficient on Inputs (NPCI)
        (iii)   Social profits (SP)
        (iv)   Effective Protection Coefficient (EPC)

QUESTION THREE

(a) During these time of economic melt-down world-wide, provide a rationale why does a government intervene in the market using policies?   [10 MARKS]

(b) Discuss in details the effect of agricultural and rural credit policies on the production of cash crops in Swaziland   [15 MARKS]

QUESTION FOUR

    (a) Explain clearly as to why a policy such as border tariff (import) exist   [10 MARKS]
    (b) Comment on the impact of the following agricultural and food policies as they relate on agricultural production   [15 MARKS]

        i.   Output markets subsidy
        ii. Food subsidies to consumers
        iii. Export incentives
        iv. Exchange rates
        v.   Land tenure