

The Economics of Agricultural Support Prices in Developing Economies

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- ▶ Agricultural sector in developing countries: Substantial support from governments.

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- ▶ Several developing economies have adopted the **Guaranteed Support Price (GSP)** scheme.

Agenda

1 Introduction

2 Model

3 Results

4 Managerial Implications

- ▶ Customers buy bundles of resources in combination.

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 - ▶ Example 1.

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- ▶ Key parameters of agent C: δ, ω .

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Key Non-Existence Result

Suppose $\gamma > 0$. There does not exist an outcome where $\delta > 0$ and $\Delta > 0$. That is,

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Possible Misinterpretation

This is not to be misunderstood with $\delta < 0 \implies \Delta > 0$.

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Thank You.

Paper available at harishguda.me/research.