

Notes on Chatterjee (2018)

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1 Overview

- Indian farmers are very poor (median annual income \approx \$365).
- Low farmer revenue is partly due to the low prices they receive for their produce.
- One potential reason for low prices may be the monopsony power of intermediaries, who are the main buyers of farmers' output in India.
- A source of intermediaries' market power is policy: farmers are only allowed to sell output to government-licensed intermediaries at regulated market locations in their home state.
- Chatterjee asks:
 - does more spatial competition between intermediaries increase the price farmers receive?
 - how does removing the interstate trade restriction affect farmer prices/production/income?

2 Data

3 Causal estimates (change title?)

3.1 Empirical methodology

3.2 Empirical results

4 Model

5 Counterfactuals