

Discussion of  
“Short and Long-run Impacts of  
Food Prices on Poverty”  
by Ivanic and Martin

Anna D’Souza\*, ERS

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\*Views expressed here cannot be attributed to ERS, USDA

# Outline

- Contributions
- Concerns
- Extensions

# Contributions

- Long-term implications of food prices, allowing for consumer and producer responses in a general equilibrium framework, highlighting implications for 29 developing countries
- Productivity results have important policy implications for investment in R&D

# Concerns

- Results across countries may be driven partially by survey timing:
  - Consumption and production structures determine a country's poverty and welfare estimates therefore it would be ideal to use more recent data (pre-2007/08 crisis)
  - Large shocks may affect consumer and producer elasticities

# Extensions

- Country-specific price data could be used in simulations to give a better sense of actual changes to poverty.
- Discussion of special cases / further interpretation of the results:
  - Import-dependent countries
  - Countries with important cash crops

# Extensions

- Details on assumptions on pass-through of international prices in the productivity analysis
- Sensitivity of poverty estimates to perturbations in the standard 10% shocks to food prices and productivity, if possible country-specific-shock simulations
- Translation of changes in poverty rates to changes in poverty headcounts

# Extensions

- Impact of consumer response alone, without supplier response
- Comparison to econometric model with panel data – validation of simulation results
- Impacts on non-farm and urban households
- Accounting for movement between agricultural and non-agricultural labor markets