

***Food security, bio fuels and food price inflation:
Policy conflicts and structural reforms***

**Training Program ~ 17 – 24 June 2009
Melbourne, Australia**

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Course overview

There are often times when agricultural policy advisers have to develop an approach for structural reform that gives due regard to the economic and social dimensions of change. The sector or industry based policy reform is considered a desirable course of action to encourage a movement of resources towards more productive end-uses. But there may be concerns that political problems will emerge from the resulting adjustment pressures.

At other times policy advisers may be asked to develop some options for responding to political pressures associated with an issue that has suddenly become a source of public concern. This can sometimes lead to arbitrary policy actions that don't consider the wider consequences. The actions may seem appropriate but fail to recognise what it means for the objectives of other policy positions or long term development goals. Policy conflicts can arise which have unintended consequences.

Inconsistencies in policy actions are an impediment to economic development and wealth creation. In circumstances where structural reforms are being implemented an arbitrary policy intervention could distort the market signals and disrupt the adjustment response. The benefits of the policy reform could be delayed, reduced or even lost if the incentive for change is fundamentally altered.

Policy conflicts confuse market signals and distort market outcomes. For example, the response to an issue such as high energy costs or food price inflation may conflict with food security objectives or distort the response to a structural reform. Alternatively it could have wider ramifications for poverty alleviation and foreign aid programs or the effectiveness of industry development assistance.

The aim of the course is to build policy development skills in dealing with issues where policy conflicts may arise. Recent experiences with policy responses to food security concerns, high energy costs and food price inflation are used to show how conflicts can arise with structural reforms and more generally. The training program focuses on how to use basic economic principles to achieve greater consistency in policy actions. It includes a set of core training materials, participant contributions, class exercises and a case study role play exercise to enhance the policy development skills of participants.

COURSE PROGRAM

DAY ONE ~ Wednesday 17 JUNE 2009		
Venue: Mantra One, Mantra on Russell hotel		
Theme of the Day ~ <i>Principles of policy development and issues of concern</i>		
	8:30 – 8:45	Registration and Administration Matters – Centre Staff
	8:45 – 9:00	Daily briefing: Course administration matters
Session 1.1	9:00 – 10:30	<p>Welcome and Course introduction</p> <ul style="list-style-type: none"> • Background of course co-ordinator and participants. • Overview of course structure, background of presenters, training objectives, course case study exercise. • Personal objectives of participants. • Introductory presentation – key issues for structural reforms and policy consistency.
	<i>Presenter</i>	Mr David Harris , Economic Consultant and Coordinator
	10:30 – 11:00	Coffee Break
Session 1.2	11:00 – 12:30	<p>Key steps in developing policy advice – policy conflicts and the role of economic research and quantitative analysis.</p> <ul style="list-style-type: none"> • Preparing policy advice – key elements in the process. • Assessing the options – implications for other policy objectives. • Contributions from quantitative analysis – PE and GE models. • Making sense of modelling results.
	<i>Presenter</i>	Mr Ian Shaw , Economic Modelling Consultant
	12:30 – 13:30	LUNCH
Session 1.3	13:30 – 15:00	<p><i>(Activity 1)</i> - Participant presentations – current issues and concerns with policy reform and structural adjustment.</p> <ul style="list-style-type: none"> • Participants present home country experiences in dealing with a policy reform and structural adjustment issue. • Requires pre-course preparation of a power point presentation (maximum of 10 minutes) and a briefing note. • Questions and class discussion on presentations.
	<i>Facilitators</i>	Mr David Harris and Mr Ian Shaw
	15:00 – 15:30	Coffee Break
Session 1.4	15:30 – 17:00	<p>Participant presentations – current issues and concerns with policy reform and structural adjustment (continued).</p> <ul style="list-style-type: none"> • Session finishes with a discussion of common themes arising from the presentations and the policy development issues of interest to participants.
	<i>Facilitators</i>	Mr David Harris and Mr Ian Shaw
	17:05 – 17:15	Group Photo

DAY TWO ~ Thursday 18 JUNE 2009

Venue: Mantra One, Mantra on Russell hotel

Theme of the Day ~ *Issues affecting policy reforms for structural change*

	8:45 – 9:00	Welcome and administration matters – Centre Staff
Session 2.1	9:00 – 10:30	<p>International commodity markets and economic change in agriculture – considerations for domestic policy development.</p> <ul style="list-style-type: none"> • Structural features of global commodity markets – some examples. • Trade policies and the linkages to global trading conditions for importers and exporters – some examples. • Global supply response to world price movements. • World price fluctuations and industry development – short term and long term considerations for domestic policy changes.
	<i>Presenter</i>	Mr Ian Shaw , Economic Modelling Consultant
	10:30 – 11:00	Coffee Break
Session 2.2	11:00 – 12:30	<p>Australian experiences with structural reforms – policy change and transitional assistance.</p> <ul style="list-style-type: none"> • Lessons from the Australian approach to structural reform. • Policy reform and structural change for dairy, sugar and citrus. • Transitional assistance measures.
	<i>Presenter</i>	Mr David Harris , Economic Consultant and Coordinator
	12:30 – 13:30	LUNCH
Session 2.3	13:30 – 15:00	<p>Policy reform and structural change in the Philippine sugar industry.</p> <ul style="list-style-type: none"> • Industry structure and economic pressures for change. • Policy reforms – plans, progress and future developments. • Structural changes in the growing and milling sectors. • Conflicts and constraints from other policy measures?
	<i>Presenter</i>	Mr Archimedes Amarra , Executive Director, Philippine Sugar Millers Association
	15:00 – 15:30	Coffee Break
Session 2.4	15:30 – 17:00	<p>Policy measures for food security concerns in Indonesia – implications for industry development and policy reform.</p> <ul style="list-style-type: none"> • Welfare concerns and food security – food supplies or pricing? • The products and links to global commodity markets. • Policy measures for food security concerns. • Conflicts with industry development and structural reforms?
	<i>Presenter</i>	Dr Husein Sawit , Senior Agricultural Economist, Indonesian Centre for Agricultural Socio Economic and Policy Studies (ICASEPS)
	19:00 – 21:30	Group Dinner at Bokchoy Tang (meet at Mantra hotel at 18:30)

DAY THREE ~ Friday 19 JUNE 2009

Venue: Mantra One, Mantra on Russell hotel

Theme of the Day ~ *Food security policies and structural change*

	8:45 – 9:00	Welcome and administration matters – Centre Staff
Session 3.1	9:00 – 10:30	<p>Policy measures for food price inflation in Indonesia – implications for rice industry development and policy reform.</p> <ul style="list-style-type: none"> • Commodity price developments over the 2007-2008 period. • Welfare concerns and policy actions for high food prices. • Conflicts with industry development and structural reforms?
	<i>Presenter</i>	Dr Sri Hery Susilowati , Senior Research Economist, Indonesian Centre for Agricultural Socio Economic and Policy Studies (ICASEPS)
	10:30 – 11:00	Coffee Break
Session 3.2	11:00 – 12:30	<p>(Activity 2) - Participant presentations on policy actions for food price inflation and measures to address food security concerns.</p> <ul style="list-style-type: none"> • Home country perspectives on recent developments and policy responses by selected participants. • Requires a Power Point presentation (maximum of 10 minutes) and pre-course preparation of a briefing note. • Questions and class discussion on presentations.
	<i>Facilitator</i>	Mr David Harris , Economic Consultant and Coordinator
	12:30 – 13:30	LUNCH
Session 3.3	13:30 – 15:00	<p>Food security and food price inflation – implications of policy actions.</p> <ul style="list-style-type: none"> • Issues in food security and food price inflation. • Some policy responses to food price inflation in 2007-2008. • Implications of policies response to food price inflation.
	<i>Presenter</i>	Mr David Harris , Economic Consultant and Coordinator
	15:00 – 15:30	Coffee Break
Session 3.4	15:30 – 17:00	<p>Energy costs and bio-fuel policies in the Philippines – implications for structural change in sugar industry.</p> <ul style="list-style-type: none"> • Welfare issues and the politics of energy costs. • Policy measures to support bio-fuels. • Implications for food security and food price inflation. • Conflicts with industry development and structural reforms?
	<i>Presenter</i>	Mr Archimedes Amarra , Executive Director, Philippine Sugar Millers Association

DAY FOUR ~ Saturday 20 JUNE 2009

Venue: Mantra One, Mantra on Russell hotel

Theme of the Day ~ *Participant case study exercise on managing policy conflicts*

	8:45 – 9:00	Welcome and administration matters – Centre Staff
Session 4.1	9:00 – 10:30	<p>Class exercise on policy conflicts – Hypothetical's on the development of policy advice on food security and/or food price inflation in the context of policy reform for structural change.</p> <ul style="list-style-type: none"> • Participant groups are allocated a hypothetical work exercise. The groups discuss and present their proposed policy advice. • Class discussions will highlight issues to consider in preparing policy advice consistent with structural reforms.
	<i>Facilitator</i>	Mr David Harris , Economic Consultant and Coordinator
	10:30 – 11:00	Coffee Break
Session 4.2	11:00 – 12:30	<p>(Activity 3) - Participant case study exercise – Preparations by country based groups on a case study briefing report and role play presentation for delivery on the final day of the course.</p> <ul style="list-style-type: none"> • Session begins with an explanation of the aim and requirements of the case study exercise by the course facilitator. • Session continues with groups discussing options for their case study issue based on their pre-course preparatory work. • Groups use an issue in their home country where a policy action has implications for structural reform in a specific industry.
	<i>Facilitator</i>	Mr David Harris , Economic Consultant and Coordinator
	12:30 – 13:30	LUNCH
Session 4.3	13:30 – 15:00	<p>Participant case study exercise (continues) – Groups have individual discussion sessions with course facilitator on their case study issue.</p> <ul style="list-style-type: none"> • Each group will explain the key features of the issue and the policy questions associated with the issue. • The course facilitator provides feedback and the groups prepare an outline of their briefing paper, and allocate work tasks.
	<i>Facilitator</i>	Mr David Harris , Economic Consultant and Coordinator
	15:00 – 15:30	Coffee Break
Session 4.4	15:30 – 17:00	<p>Participant case study exercise (continues) – Country based groups commence work on their case study briefing paper.</p> <ul style="list-style-type: none"> • Group members collectively discuss the issues and the proposed policy actions during the preparation of the draft briefing paper.
	<i>Facilitator</i>	Mr David Harris , Economic Consultant and Coordinator

DAY FIVE ~ Sunday 21 JUNE 2009

An opportunity for independent work on participant case study exercises

DAY SIX ~ Monday 22 JUNE 2009

Venue: Mantra One, Mantra on Russell hotel

Theme of the Day ~ *Bio-fuel policies and structural change*

	8:45 – 9:00	Welcome and administration matters – Centre Staff
Session 6.1	9:00 – 10:30	<p>Energy costs and bio-fuel policy actions in Thailand – implications for structural change in the palm oil industry.</p> <ul style="list-style-type: none"> • Welfare issues and the politics of energy costs. • Policy measures to encourage bio-fuels from palm oil. • Implications for food security and food price inflation. • Conflicts with industry development and structural reforms?
	<i>Presenter</i>	Mrs Vannapha Yongchareon , Director of the Bureau of Agricultural Development Policy, Office of Agricultural Economics, Thai Ministry of Agriculture and Cooperatives
	10:30 – 11:00	Coffee Break
Session 6.2	11:00 – 12:30	<p>(Activity 2) - Participant presentations on bio-fuel industry developments.</p> <ul style="list-style-type: none"> • Home country perspectives on energy cost concerns and bio-fuel policy objectives and instruments by selected participants. • Requires a Power Point presentation (maximum of 10 minutes) and pre-course preparation of a briefing note. • Questions and class discussion on each presentation.
	<i>Facilitator</i>	Mr David Harris , Economic Consultant and Coordinator
	12:30 – 13:30	LUNCH
Session 6.3	13:30 – 15:00	<p>Farm level adjustment to the economic pressures for change – price signals and bio-fuel policy interventions.</p> <ul style="list-style-type: none"> • How do farmers respond to the pressures for change? • Diversification, intensification, expansion and off-farm income. • Policy conflicts & price signals – distortions from bio-fuel support.
	<i>Presenter</i>	Dr Bill Malcolm , Associate Professor, Faculty of Land and Food Resources, University of Melbourne
	15:00 – 15:30	Coffee Break
Session 6.4	15:30 – 17:00	<p>Bio-fuels industry development – some implications of support policies.</p> <ul style="list-style-type: none"> • Global developments in bio-fuels – targets and objectives. • Bio-fuels support policies – justifications for industry support. • Implications of bio-fuel development policies.
	<i>Presenter</i>	Mr David Harris , Economic Consultant and Coordinator

DAY SEVEN ~ Tuesday 23 JUNE 2009

Venue: Mantra One, Mantra on Russell hotel

Theme of the Day ~ *Developing effective policies to facilitate structural change*

	8:45 – 9:00	Welcome and administration matters – Centre Staff
Session 7.1	9:00 – 10:30	<p>Class exercise on arbitrary policy actions and structural reform considerations – a debating exercise on policy conflicts and trade-offs between short term political economy issues and development objectives.</p> <ul style="list-style-type: none"> • Participants debating groups develop a 5 minute presentation on the case ‘for’ or ‘against’ a proposed policy action. • Debating issues will relate to bio-fuels, food security, food price inflation or structural reforms. • Class assessments and discussion of the 5 minute responses.
	<i>Facilitator</i>	Mr David Harris , Economic Consultant and Coordinator
	10:30 – 11:00	Coffee Break
Session 7.2	11:00 – 12:30	<p>Principles in designing transitional assistance – dealing with policy reform and structural change.</p> <ul style="list-style-type: none"> • Political economy factors and structural reform. • Equity and efficiency issues for transitional assistance. • The distortion effects of transitional assistance. • Characteristics of effective adjustment assistance.
	<i>Presenter</i>	Mr David Harris , Economic Consultant and Coordinator
	12:30 – 13:30	LUNCH
Session 7.3	13:30 – 15:00	<p>A case study of policy development for structural reform – Productivity Commission (PC) inquiry in the Australian sugar industry.</p> <ul style="list-style-type: none"> • The PC Inquiry process – benefits for policy development. • Inquiry submissions and identifying policy conflicts. • Conduct and recommendations of the sugar industry Inquiry. • Political reactions and outcomes – the sugar industry today.
	<i>Presenter</i>	Mr Roger Mauldon , Former Commissioner, Productivity Commission (PC)
	15:00 – 15:30	Coffee Break
Session 7.4	15:30 – 17:00	<p>Food aid and the implications for food security.</p> <ul style="list-style-type: none"> • An overview of world food aid. • Distortion effects of food aid in recipient countries. • Monetised food aid. • Implications for food security.
	<i>Presenter</i>	Mr David Harris , Economic Consultant and Coordinator

DAY EIGHT ~ Wednesday 24 JUNE 2009

Venue: Mantra One, Mantra on Russell hotel

Theme of the Day ~ *Putting training into practise – case study presentations*

	8:45 – 9:00	Welcome and administration matters – Centre Staff
Session 8.1	9:00 – 10:30	<p>Role play presentations by participant groups of case study exercise – policy advice presented to Minister for Agriculture followed by Q & A:</p> <ul style="list-style-type: none"> • Role play presentation of a briefing paper on policy options for a specific issue that has implications for structural reform and industry development. Advice is presented to a review panel composed of Ministerial and Head of Ministry of Agriculture. • The time allocated for each power point presentation is 20 minutes. Members of the Review Panel and the session moderator will react and ask questions. • The panel will provide some comments on the policy proposals during a 20 minute discussion session. The aim is to put into practice the course training material.
	<i>Moderator</i>	Mr David Harris , Economic Consultant and Coordinator
	<i>Review Panel</i>	Mr Jeffrey Rae , Chief Economist, ITS Global Mr Roger Mauldon , Former Commissioner, Productivity Commission
	10:30 – 11:00	Coffee Break
Session 8.2	11:00 – 12:30	Participant case study presentations (continued)
	<i>Moderator</i>	Mr David Harris , Economic Consultant and Coordinator
	<i>Review Panel</i>	Mr Jeff Rae , Chief Economist, ITS Global Mr Roger Mauldon , Former Commissioner, Productivity Commission
	12:30 – 13:30	LUNCH
Session 8.3	13:30 – 14:30	Final wrap-up session – What have we learnt?
	<i>Presenter</i>	Mr David Harris , Economic Consultant and Coordinator
	14:30 – 15:45	Graduation and cocktails – including presentation of certificates