

- ? uncertainties**
- ? institutional context**
 - private sector
 - government

MAIN DRIVERS

MAJOR TRENDS

- Implications for agrifood sector**
- issues
 - challenges
 - threats
 - areas for policy intervention

ulture and its

neighbours

Trends in links with four key sectors

- **Energy sector**
- **Other sectors in the supply chain (vertical integration)**
- **Final consumer demand**
- **Financial sector**

Energy sector

**Market- or
policy-driven?**

**Depends on ratio of
of oil price to
biofuel price**

- **innovations in
alternative energy
provision**

**closer links via provision
of biomass for fuel
production
changing pattern and
direction of trade flows
(relocation of production)
• contrasting situation in
developing countries**

Energy sector

Market- or policy-driven?

Depends on ratio of oil price to biofuel price (and policies)

- innovations in

- pressure on land use, food prices
- biofuel demand → floor to grain prices?
- impact of higher food prices on poor households

closer links via provision of biomass for fuel production

changing pattern and content of trade flows

(relocation of production)
• contrasting situation in developing countries

agriculture and its neighbours

Vertical integration

**discussion of
factors underlying
provision of market
infrastructure**

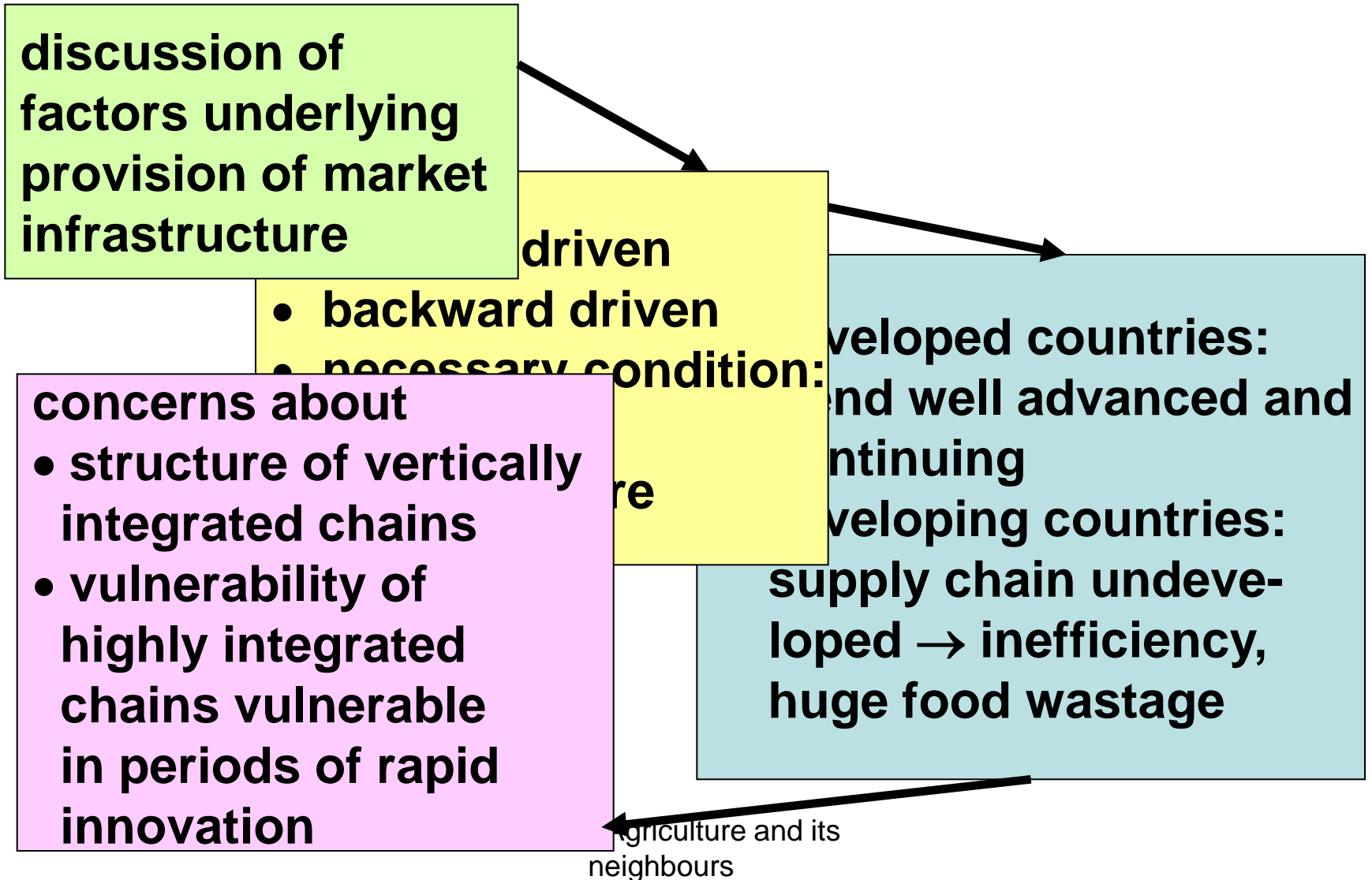
driven

- **backward driven**
- **necessary condition:
functional
infrastructure**

**developed countries:
and well advanced and
continuing**

**developing countries:
supply chain undeve-
loped → inefficiency,
huge food wastage**

Vertical integration



Financial markets

**State-owned
companies disappearing
Increasing regulation**

- **increasing
capitalisation**
- **risk management
role less developed
where government
intervention is stronger**
- **technology
intensiveness barrier
in developing countries**

**Developed countries:
aspects: credit
vision, risk
management
Developing countries:
is very weak**

Financial markets

**State-owned
companies disappearing
Increasing regulation**

capitalisation

- **risk management
role less developed
where government
intervention is stronger**

**Difficult to see
beyond the short
term**

**is barrier
g countries**

**veloped countries:
aspects: credit
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