

Some Perspectives on “Vision of Agrofood Policies in Mexico (2007-2012)”

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Targeting

- Who faces greatest burden of adjustment?
 - Competitive smallholders?
 - Less competitive smallholders? (future outside agriculture)
 - Landless? (for whom agricultural employment is shrinking)
- Dalila's point: Sharp decline in share of agriculture as income grows.
 - Mexico still has many more workers in agriculture than expected at its income
 - Most farmers not what think of as competitive

Tradeoff 1

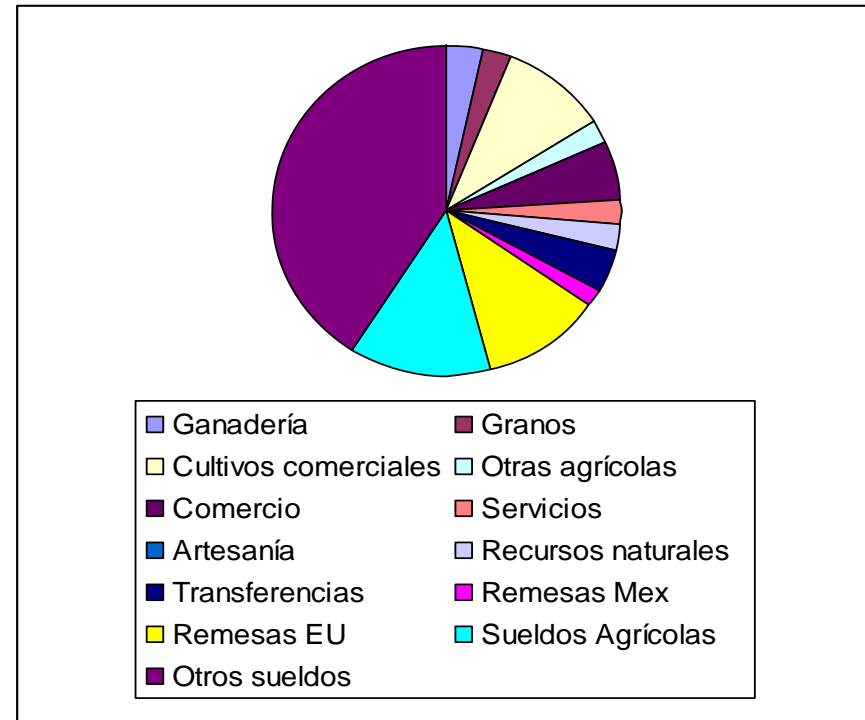
Between what is efficient and what is politically feasible

- Ex: Mexico:
 - PROCAMPO (improved efficiency and equity, but still inequitable)
 - Target Income Program: Essentially a deficiency payment program (distortionary and highly inequitable)

Tradeoff 2

Between making agriculture more efficient and improving rural welfare

- Most rural income not from agriculture any more.
- Does raising agricultural productivity reduce poverty and raise welfare in rural households?



Tradeoff 3

Between acting now and later

- Lesson from OECD countries: Longer program benefiting some people in place, harder it is to change
- Generally better to change or get rid of inefficient programs sooner rather than later
- At same time, global food markets are changing. High price corn, good time to reform some programs (like deficiency payments)

Tradeoff 4

Between Implementation and validation

- PROCAMPO: Independent evaluations
 - But evaluation component of PROCAMPO not designed very well from the start
- PROGRESA/OPORTUNIDADES: Different.
 - Model for how design, implement. programs in a way so that their desired impacts can be evaluated later on
 - Even included randomized roll-out