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“Food and nutrition security and its resilience  
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## Do Global Crises Affect Supply of Food/agricultural Commodities?

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### Abstract

Agricultural supply is complex because it operates within its own space. It is based on fixed factors (land, buildings, labour, and equipment). The shocks that would affect agricultural supply are: product/input and factor price changes. However, the reaction to such shocks are not spontaneous. For instance, a tremendous price fall of commodities or global crisis cannot drive producers out of business in the short run. Even when high price rises occur, new resources cannot be quickly brought into production.

There are limited alternatives for major farm resources. This is particularly true of land, labour, and specialised equipment. Much of prime agricultural land has very limited alternatives. Thus crop and livestock prices would have to drop drastically before the land is withdrawn from farming. Agricultural land can be transferred from one enterprise to another but not withdrawal. This implies that total agricultural supply is likely to be more inelastic

Often, the quantity response for agricultural products is due to a given price change depicted in a response curve. In actual situation of rising prices, farmers not only adjust the quantity of inputs, they adapt new and improved technologies. Rising farm prices result in increased income, cash flows, and availability of credit, which facilitates adoption of new technology. Once these changes have been made, falling prices do not cause farmers to drop technology. Unless external shocks relate to the core factors such as land, equipment, buildings and inputs, their impact on food supply may be minimal. This explains food and nutrition security in the presence of global crises

**Keywords:** Agricultural supply, factors, inputs, shocks