

## Anti-Competitive Practices and Market Structures in Primary Product Markets

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### Abstract

For purposes of this paper, primary products will be interpreted as agricultural markets. Especially since the 1980s, there has been liberalization of trade and investments, both cross-border and within individual countries. Some of this has been unilateral, others regional and multilateral. However, notwithstanding the Uruguay Round agreement on agriculture, agricultural markets have been relatively untouched by this liberalization. There is an impression that agricultural markets are competitive. But this is not the case, especially if agriculture is not interpreted in the narrow sense of what is defined as “agriculture” in national income accounts, but includes input markets and the entire farm to fork supply chain. Seeds, fertilizers, agro-chemicals and bio-technology are not competitive markets. This is also true of storage, internal trade, distribution and processing. There are extensive State controls on these and State monopolies (State trading) in cross-border trade. Consequently, the impression that agricultural markets can be kept outside the purview of competition policy instruments is false. On all three pillars, as well as disciplines on State trading, the present WTO agreement on agriculture doesn’t address these issues. Using examples from India, which is representative of several other developing countries, this paper highlights the kinds of anti-competitive practices that arise. This leads to suggestions for domestic competition policy, as well as multilateral negotiations.