

AGEC 4880
International Agricultural Trade, Markets, and Policy
Spring 2015

Professor Nicole Ballenger
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Office: Ag C 210
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Class Times: Tuesday and Thursday, 9:35 – 10:50 am
Location: Ag 229

Office Hours: Regularly Tuesday and Thursday 1:30 pm – 4 pm
Email **any time** with questions or to arrange alternative office hours.
And feel free to stop by my office and stick your head in.

Prerequisites: AGECE/ECON 1010 and AGECE/ECON 1020 or equivalent and ECON 3020

Texts: Won W. Koo and P. Lynn Kennedy, *International Trade and Agriculture*, Blackwell Publishing, 2005. ISBN 1-4051-0800-2.

Additional readings (handouts, links to web materials, trade data bases, etc.) will be assigned. Readings are intended to complement and reinforce – not simply duplicate—the material presented in class, so it's very important to devote time to them. **Heads up: Exam questions may be drawn from any and all readings as well as from lectures.**

Global Awareness:

This course fulfills the Global Awareness (G) requirement of the 2003 University Studies Program.

Brief course Description:

The course will introduce you to:

- The role of international trade in the agricultural economy
- Fundamentals of international trade theory
- Graphical models used to analyze economic benefits and costs of trade
- Policies used to restrict trade, with a focus on agricultural trade barriers, and their effects on international markets, and on producers, consumers, and taxpayers in trading countries
- The ways in which domestic agricultural policies can affect international markets for agricultural goods
- International organizations responsibilities for negotiating agricultural trade agreements, resolving agricultural trade disputes, and establishing rules and guidelines for international agricultural trade

We will use graphical and sometimes algebraic models to explore these topics.

Grades:

Your grade will be based on the following (100 points):

1. **Four practice exercises (6 points each, for 24 total points).** These practice exercises will be designed to check your understanding of basic international trade concepts and models, to

provide you with an opportunity to apply the concepts and models to solve international agricultural trade problems, and also to prepare you for the exams.

2. **Two in-class exams (25 points each, for a total of 50 points).** The exams will be designed to check (a) your understanding of the basic international trade information and concepts covered in class, and (b) your ability to apply the basic concepts and analytical tools to (hypothetical) international agricultural trade issues.
3. **A briefing paper on an international trade policy issues (20 points).** This project will be designed to develop your skill in diagnosing international agricultural trade issues using economic concepts and models presented in class, and in communicating economics-based information about international agricultural trade in a concise but precise format. More detailed instructions will be provided.
4. **Your contribution to a thoughtful class discussion of the trade policy issues (6 points).**

Grading scale:

After a class vote, I will use the standard (not plus/minus) grading scale. 90–100% = A, 80–89% = B, 70–79 % = C, 60–69% = D, below 60% = failing.

Course Learning Objectives:

1. **Acquire** knowledge about international agricultural trade, trade theory, and trade policies (including how domestic policies can affect trade and international markets).
2. **Practice** applying international trade concepts and models to international trade problems.
3. **Diagnose** an international agricultural trade issue using concepts, data, and models introduced in the class.

Optional Final:

An optional or make-up exam will be offered during finals week on **Thursday, May 14 from 10:15 am to 12:15 pm**. Your score on this test will replace your lowest previous test score, but only if it is higher. In other words, there is no penalty for taking the optional final.

Class attendance: I do not take attendance. The decision to attend class is your own. I understand that things come up (including stormy weather and bad roads that make it difficult to get to class). However, I strongly recommend it (unless you are sick or road conditions are unsafe)! The material in this class is quite technical, and I find that students who regularly attend class have a better grasp of the material and do better on exams.

Academic honesty:

It goes without saying that your exam answers must be yours alone! You may—and in fact I encourage you to—talk with each other when working on your practice exercises and briefing papers. However, the final product must be your own. The information, ideas, and analyses must always be presented *in your own words*. Anyone else's words must be used sparingly, placed in quotes, and appropriately cited.

The briefing papers must include citations in the body of the text and a complete list of references at the end.

Please review University Regulation 6-802 if you have any questions about academic honesty and implications of dishonesty.

<http://www.uwyo.edu/generalcounsel/support/clean%20uw%20regulations/UW%20Reg%206-802.pdf>

Disability support services:

UW offers a variety of services or information to support students with disabilities. Please don't hesitate to ask about them early in the course. <http://uwadmnweb.uwyo.edu/UDSS/>. University Disabilities Support Services (UDSS) is located in the Student Educational Opportunities (SEO) office, rm. 330 Knight Hall.

Course Outline:

The course is organized into 4 main parts:

Part I: Overview of agricultural trade, international trade theory and conceptual models (with applications to agriculture)

Part II: Trade barriers in agriculture and trade impacts of domestic agricultural policies

Part III: International trade organizations and agricultural trade rules and disputes

Part IV: Special topics (examples: beef trade, Cuba, foreign direct investment in agriculture) and class discussion of briefing papers

There may be modifications to the weekly outline as the class proceeds.

Part I: Overview of agricultural trade and trade theory (5 weeks)

January 27 – February 5

Overview of agricultural trade, including data sources

What's it look like?

How important is it?

How has it changed over time and how might we expect it to change in the future?

Why should agricultural producers and consumers care?

Readings to be assigned.

Practice exercise #1 will cover this material.

February 10-26

International trade theory

The principle of comparative advantage (Chapter 2)

Comparative advantage and resource endowments (Chapter 3)

The partial equilibrium model of international trade (Chapter 6)

Practice exercise # 2 will cover this material.

Exam 1 (tentatively on February 26)

Part II: Trade barriers and trade impacts of domestic policies

March 3 – 26 (4 weeks, including Spring Break)

Trade policy

Tariffs (Chapter 7)
Non- tariff barriers (Chapter 8)
Domestic agricultural policies and trade (Chapter 9)

Additional readings may be assigned.
Practice exercise #3 will cover this material

Part III: Trade organizations, rules, and disputes (2 weeks)

March 31 – April 9

The World Trade Organization (Chapter 10 and additional assigned readings)
The Uruguay Round Agreement on Agriculture (assigned readings)
The Sanitary and Phytosanitary Agreement (assigned readings)

Practice exercise #4 will cover this material.
Exam 2 (tentatively on April 9)

Part IV: Special topics

April 14 – 23

Foreign direct investment, economies of scale (Chapter 14, parts of Chapter 5)
Other topics, eg. Modelling beef trade, trade with Cuba (readings to be assigned)

Briefing papers due (tentatively on April 23)

April 28 – May 7

Class discussion of briefing papers

Thursday, May 14 10:15 am – 12:15 pm

Optional final

END OF SEMESTER!!!!