

**INTERNATIONAL FOOD AND AGRICULTURAL TRADE**

Department of Agricultural Economics  
University of Nebraska-Lincoln

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Instructor: Dr. Lia Nogueira ([lia.nogueira@unl.edu](mailto:lia.nogueira@unl.edu))  
Office: 314D Filley Hall  
Office hours: By appointment. The best way to set up a time to meet is via e-mail.  
Class information: Classes meet Tuesdays and Thursdays, 11:00 -12:15, in 210 Filley Hall.  
Prerequisites: AECN 141 or ECON 212, and ECON 211

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**Course Syllabus****Course Purpose**

This course will introduce students to some of the basic concepts of international trade as applied to trade in food and agricultural products.

- 1) Brief Overview of Trade Theory.
- 2) The Effects of Government Intervention in International Agricultural Markets.
- 3) Current issues in International Agricultural Trade.

**Course Objective**

This course will enable students to apply economic theory to analyze the trends and patterns of international trade and to understand the interaction between economic development, policy and trade. Students are expected to develop:

1. an understanding of why nations trade and the role of supply and demand factors in determining trade;
2. a basis for evaluating international competitiveness and comparative advantage;
3. an appreciation for how agricultural trade is related to growth and development;
4. an ability to evaluate the welfare implications of policies affecting production, consumption, and trade;
5. an understanding of the implications of protectionism, free trade, managed trade, regional trade blocs, and multilateral trade liberalization, and the role for international trade institutions.

**Course Requirements and Grading Procedures**

**Format:** The course consists of lectures, student-led discussions and student presentations. To achieve the course objectives, it is important that there is active participation in class and that assignments are completed on time. Course information, reading list, class handouts, and assignments, exams and all solutions will be available on Canvas.

**Exams:** There will be a midterm (worth 20% of the final grade) and a final exam (worth 30% of the final grade). The midterm exam will be held in class, while the final exam will be held during the final examination period. Exams will include problems and essay questions based on material covered in class, homework and in the readings. The final exam will be cumulative and include all material covered in class, homework and readings during the semester.

**Homework:** There will be four homework assignments throughout the semester. These will be short answer questions and problems and provide practice for the exams. Some short answer questions will be based on the supplementary readings. Each homework assignment is worth 5% of the final grade. Scores on assignments submitted up to a day late will be reduced by 20%. Assignments submitted more than one day late will not receive credit.

**In-Class Activities & Presentations:** There will be a brief activity in each class. To get full points for in-class activities (worth 5% of the final grade) you must attend at least 80% of the classes. The activity will involve problem solving and will be based on material covered in class that day. In-class activities are designed to enable you to understand concepts taught in class and prepare for homework assignments and exams. Answers to these problems will be discussed before being posted on Canvas. It could also include a short question based on the supplementary reading discussed in class that day. These articles are marked with an asterisk on the course outline. You should read the article designated for discussion in each class. Additionally, each class a student randomly selected since the beginning of the class will give a brief 5 minute presentation on the paper assigned that day (worth 5% of the final grade). Check Canvas for the paper and date assigned to you.

**Student Projects:** Student projects (worth 20% of the final grade) will be based on a WTO negotiation simulation in which each student will represent an individual country. Each country has also been assigned to work as part of a coalition of countries. Details of this project will be posted on Canvas.

**WARNING:** Plagiarism will result in a grade of zero and a report to Student Judicial Affairs. It is plagiarism to copy words written by someone else without putting them in quotation marks and documenting the source. It is plagiarism to take a passage written by someone else and change a few words and then try to pass it off as your own writing. It is plagiarism to use information from another source without making it clear where the information has been obtained. If you are confused about plagiarism, check with the instructor. Plagiarism is academic dishonesty that is just as bad as cheating on a test. Grades may also be reduced for writing errors in the paper. Exams, problem sets, and the student project will be evaluated for accuracy in solving problems and clarity of expression in interpreting results and drawing out implications for economic policy. Problem sets and the student project will also be assessed for the professionalism of the writing. Student projects may be entered into the Agricultural Economics Department and/or the ACE assessment databases.

**Grading Procedures:** Effective speaking and writing abilities are essential in order to succeed in any career. Demonstrations of these abilities are expected in this class. Your assignments will always be graded on overall quality, grammatical correctness and a demonstration of understanding of the material. Take time to edit and spell-check your writing assignments.

Furthermore, demonstration of promptness and ability to do independent work are strongly recommended.

**The final grade is based on the following weighting:**

Midterm exam:	20%
Homework (4 at 5% each):	20%
In-class activities:	5%
In-class presentations:	5%
Student Project:	20%
Final Exam:	30%

Final course grades are calculated as follows: A+=96.67-100%; A=93.34-96.66; A-=90-93.33; B+=86.67-89.99; B=83.34-86.66; B-=80-83.33%; C+=76.67-79.99; C=73.34-76.66; C-=70-73.33%; D+=66.67-69.99; D=63.34-66.66; D-=60-63.33%; F<60%.

**Course Materials**

**Readings:** The primary reading source is the textbook: Dominick Salvatore, *Introduction to International Economics*, Third Edition. The text can be accessed at (a link is also posted on Canvas): <https://www.wiley.com/en-us/Introduction+to+International+Economics%2C+3rd+Edition-p-9781118215005>

In addition to readings from the textbook, several other publications and documents are assigned. Links to these articles or to their internet addresses are posted on Canvas and listed in the course outline. Readings are to be completed prior to the class period for which they are assigned. The instructor may distribute other material in class or through Canvas (email attachments or postings). Any material distributed in these ways is considered to be part of the required reading for the course. Reading assignments are intended to support and complement the class discussions and should not be seen as substitutes for attending class and taking notes.

**ACE Learning Outcomes**

This course is designed to provide an opportunity for students to satisfy one the following ACE Learning Outcomes:

1. Learning Outcome 10: Generate a creative or scholarly product that requires broad knowledge, appropriate technical proficiency, information collection, synthesis, interpretation and reflection.
2. Learning Outcome 9: Exhibit global awareness or knowledge of human diversity through analysis of an issue.

The course also reinforces Learning Outcome 1: Write texts in various forms, with an identified purpose, that respond to specific audience needs, incorporate research or existing knowledge, and use applicable documentation and appropriate conventions of format and structure; and Learning Outcome 3: Use mathematical, computational, statistical or formal reasoning (including reasoning based on principals of logic) to solve problems, draw inferences and determine reasonableness. The course is also an international-focus course for the departmental requirement or the CASNR minor in international agriculture.

### **Opportunities to achieve the Learning Outcomes**

Students will achieve global awareness and an appreciation for human diversity through class discussions, readings, problem sets, and research conducted as the basis for a major student project that will constitute the scholarly product for Learning Outcomes 9 and 10.

Problem sets and the student project will require:

- the collection, interpretation and presentation of secondary statistical data to reinforce Learning Outcome 3;
- written discussions that highlight the implications of the research and analysis done for the problem sets and the student project to reinforce Learning Outcome 1;
- integration of material learned in this course through classroom participation and outside research as well as the skills, general knowledge and specialized methods learned in other courses to compose professional reports that can be used to assess the accomplishment of Learning Outcomes 9 and 10.

### **Academic Dishonesty:**

Students are expected to adhere to guidelines concerning academic dishonesty outlined in Section 4.2 of University's Student Code of Conduct (<http://stuafs.unl.edu/ja/code/>). Students are encouraged to contact the instructor for clarification of these guidelines if they have questions or concerns. The Department of Agricultural Economics has a written policy defining academic dishonesty, the potential sanctions for incidents of academic dishonesty, and the appeal process for students facing potential sanctions. The Department also has a policy regarding potential appeals of final course grades. These policies are available for review on the department's website (<http://agecon.unl.edu/undergraduate>).

### **Emergency Response:**

- Fire Alarm (or other evacuation): In the event of a fire alarm: Gather belongings (Purse, keys, cellphone, N-Card, etc.) and use the nearest exit to leave the building. Do not use the elevators. After exiting notify emergency personnel of the location of persons unable to exit the building. Do not return to building unless told to do so by emergency personnel.
- Tornado Warning: When sirens sound, move to the lowest interior area of building or designated shelter. Stay away from windows and stay near an inside wall when possible.
- Active Shooter
  - Evacuate: if there is a safe escape path, leave belongings behind, keep hands visible and follow police officer instructions.
  - Hide out: If evacuation is impossible secure yourself in your space by turning out lights, closing blinds and barricading doors if possible.
  - Take action: As a last resort, and only when your life is in imminent danger, attempt to disrupt and/or incapacitate the active shooter.
- UNL Alert: Notifications about serious incidents on campus are sent via text message, email, unl.edu website, and social media. For more information go to: <http://unlalert.unl.edu>.
- Additional Emergency Procedures can be found here: [http://emergency.unl.edu/doc/Emergency\\_Procedures\\_Quicklist.pdf](http://emergency.unl.edu/doc/Emergency_Procedures_Quicklist.pdf)

**Special Needs:**

Students with disabilities are encouraged to contact the instructor for a confidential discussion of their individual needs for academic accommodation. It is the policy of the University of Nebraska-Lincoln to provide flexible and individualized accommodation to students with documented disabilities that may affect their ability to fully participate in course activities or to meet course requirements. To receive accommodation services, students must be registered with the Services for Students with Disabilities (SSD) office, 132 Canfield Administration, 472-3787 voice or TTY.

## Spring 2020: Tentative Course Outline and Reading List

### PART I. INTRODUCTION AND THEORETICAL BACKGROUND

Class	Topics/Readings
1 – 1/14	<b>Introduction</b> Readings: Ch. 1 Salvatore * 1. Agricultural Trade Update
2 – 1/16 3 – 1/21 4 – 1/23	<b>Comparative Advantage and Gains from Trade</b> Readings: Ch. 2 Salvatore * 2. Leave Zombies Be * 3. Get on Track with Trade * 4. Globalization Resets
5 – 1/28	<b>Comparative Advantage with Increasing Costs</b> Readings: Ch. 3 Salvatore * 5. Currency Values Argentina
6 – 1/30	<b>Determination of the Terms of Trade in the World Market</b> Readings: Ch. 4 Salvatore * 6. Trade Balances <b>Homework #1 assigned 1/30</b>
7 – 2/4	<b>Comparative Advantage and Factor Endowments: Heckscher-Ohlin Model</b> Readings: Ch. 4 Salvatore * 7. International Migration
8 – 2/6	<b>Welfare Impacts of International Trade</b> Readings: * 8. Mexico's Agricultural Sector <b>Homework #1 due 2/6</b>

### PART II: GOVERNMENT INTERVENTION AND TRADE POLICIES

9 – 2/11 10 – 2/13	<b>Trade Restrictions: Tariffs and Quotas</b> Readings: Ch. 5 Salvatore * 9. TTIP and Agriculture * 10. Do Protectionist Trade Policies Protect? <b>Homework # 2 assigned 2/13</b>
11 – 2/18	<b>Other Non-Tariff Barriers to Imports</b> Readings: Ch. 6 Salvatore * 11. Importance of Trade to the US Economy
12 – 2/20	<b>Export Subsidies and Deficiency Payment Policies</b> Readings: Ch. 6 Salvatore * 12. WTO Dispute Panel on China <b>Homework # 2 due 2/20</b> <b>Homework # 3 assigned 2/20</b>
13 – 2/25	<b>Technical Barriers to Trade</b> Readings: * 13. TBTs Facing US Meat Exports

**PART III: ISSUES IN FOOD AND AGRICULTURAL TRADE**

14 – 2/27 15 – 3/3	<p><b>Homework #3 due 2/27</b></p> <p><b>Multilateral Trade Negotiations and U.S. Trade Policy</b></p> <p>Readings: Ch. 6 Salvatore</p> <p>* 14. The WTO Agricultural Negotiations: Progress and Prospects</p> <p>* 15. Why Trade Negotiations Still Matter to U.S. Agriculture</p> <p><i>The World Trade Organization (WTO).</i> Go to <a href="http://www.wto.org">www.wto.org</a> and click on "What is the WTO?" Read "The WTO in Brief" and chapters 1, 2 and 3 of "Understanding the WTO." (Basics, the Agreements, and Settling Disputes).</p> <p><i>Agriculture in the Uruguay Round.</i> Go to <a href="http://www.wto.org">www.wto.org</a> and click on 'Trade Topics' and 'goods' to find 'agriculture.' Click on and read 'Summary of the Agricultural Agreement' found at the end under 'Find out more.' Then click on and read 'More on the agricultural negotiations' under 'Agriculture Negotiations.'</p>
16 – 3/5	<b>Student Presentations and Draft: Country Profile Report</b>
17 – 3/10 18 – 3/12	<b>WTO Negotiation Simulation</b>
19 – 3/17	<b>WTO Negotiation Simulation Position</b>
20 – 3/19	<b>Midterm Exam</b>
3/23 – 3/27	<b>Spring Break – No Classes!</b>
21 – 3/31	Review of exam results and discussion of writing, fitting time-trends with Excel, and other issues related to the student projects.
22 – 4/2	<p><b>U.S. Agricultural and Trade Policy</b></p> <p>Readings:</p> <p>* 16. How Much Does Your State Rely on Other States for Food?</p>
23 – 4/7	<p><b>Domestic Support Policies and Trade</b></p> <p>Readings:</p> <p>* 17. The WTO Cotton Case and US Domestic Policy</p>
24 – 4/9	<p><b>Regional Trade Agreements</b></p> <p>Readings: Ch. 7 Salvatore</p> <p>* 18. Possible Implications for US Ag</p>
25 – 4/14	<p><b>European Agricultural and Trade Policy</b></p> <p>* 19. Brexit Implications</p> <p><b>Homework #4 assigned 4/14</b></p>
26 – 4/16 27 – 4/21	<p><b>Agricultural Trade and Economic Development</b></p> <p>Readings: Ch. 8 Salvatore</p> <p>* 20. Foreign Land Investments in Developing Countries</p> <p><b>Homework #4 due 4/21</b></p>
28 – 4/23	<p><b>Trade and Environment</b></p> <p>Readings: Harris, J. "Trade and the Environment"</p> <p>* 21. Is Trade Good or Bad for the Environment</p>
29 – 4/28	<b>Final Presentations and Project due</b>
30 – 4/30	<b>Final Presentations and Project due</b>
31 – 5/5	<p><b>Final Exam (comprehensive)</b></p> <p><b>10:00 a.m. to 12:00 p.m. Tuesday, May 5</b></p>