AGRICULTURAL ECONOMICS 420
INTERNATIONAL FOOD AND AGRICULTURAL TRADE
Course Syllabus, Spring Semester 2016

I. Basic Information: Classes meet Tuesdays and Thursdays, 11:00 -12:15, in 210 Filley Hall.
Instructor: Prof. Lia Nogueira, 314D Filley Hall; lia.nogueira@unl.edu
Office hours: By appointment only.
Prerequisites: **ECON 311 and ECON 312**

The purpose of this course is to introduce students to some of the basic concepts of international trade and finance 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.
4) International Finance.

A. 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.

B. 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.

C. Graded assignments and assessment

1. *Exams*: There will be a midterm (worth 15% of the final grade) and a final exam (worth 30% of the final grade). The dates for these exams are indicated in the course outline. These dates will only be changed in truly exceptional circumstances and no make-up exams will be given. Exams will include problems and essay questions based on material covered in class and in the readings.

2. *Homework Assignments*: Three problem sets are due in class on the dates indicated in the course outline. Each problem set is worth 10% of the final grade. These exercises will be handed out one week before they are due and will not be accepted after the due-date. Students may work together on these assignments but they are to be written up individually in each student's own words. If the answers to the questions are worded identically on two homework sets, both students will receive zeros for the exercise. Some of the homework assignments or part of them are to be submitted in single word or word-compatible electronic files as attachments to an email sent to the instructor. DO NOT submit work in pdf or Excel files. University graduates are expected to be able to write using correct grammar, syntax, spelling and so on. The problem sets will usually have sections requiring some written commentary. Grades will be lowered for writing errors in these commentaries and the student projects.

3. *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 the web.

4. *Student Projects*: Student projects (worth 20% of the final grade) are described at the end of the syllabus. These individual projects include an 8-10 minute presentation (April 12-21) and a written project due the day of the presentation. It is expected that PowerPoint will be used for the presentations. Points will be awarded for clarity, visual appeal and content of the presentation. Pointers to give a professional presentation will be posted on Blackboard. Full and accurate documentation of the sources used is required. Any information obtained through the internet must be fully documented including the internet address, the source of the information and a full bibliographic citation of author, publisher, and the date accessed. Projects are to be submitted electronically in a single word or word-compatible file. DO NOT submit the papers in pdf files or attach extra Excel or other files.

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.

II. Other Course Information

A. Class Attendance: Although attendance will not be taken, students are expected to attend all class sessions and will be held responsible for all material covered in the course. It is the student's responsibility to keep up with any changes in the schedule. Because most of the course content will be presented in class, the ability to take accurate lecture notes is indispensable for passing the course.

B. Course Requirements: This course has been structured to meet the requirements for designation as a departmental capstone course as well as for ACE learning outcomes 9 and 10. In addition to exams, homework exercises and reports, and the student project, students are to complete a set of outside readings and participate in class discussions.

Readings: The primary reading source is an on-line textbook entitled "International Economics" by Steven S. Suranovic (Econ professor at George Washington University in Washington DC). The text can be accessed at (a link is also posted on Blackboard): https://students.flatworldknowledge.com/course/2374695 Various formats for the textbook are available for purchase. The version referred to as "Study Pass" ($24) will be sufficient for this course although the more expensive versions can be purchased if so desired. Chapter assignments are listed in the course outline.

In addition to readings from the textbook by Suranovic, several other publications and documents are assigned. Links to these articles or to their internet addresses are posted on Blackboard 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 Blackboard (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.

C. Grading Procedures: The dates listed in the course outline will not be changed unless there is an exceptionally good reason for doing so. Students should be aware that evidence of academic dishonesty (cheating, plagiarism) will result in severe grade penalties. Problem sets and the student projects will not be accepted after the due-dates unless a valid written excuse is provided. Students are expected to participate in class discussions. Numerical grades will be given to exams, assignments and project. 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%. The final grade is based on the following weighting:

Midterm exam: 15%
Homework (3 at 10% each): 30%
In-class activities: 5%
Student Project: 20%
Final Exam: 30%

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.

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

TENTATIVE COURSE OUTLINE

I. Introduction and Theoretical Background

Jan. 12: Introduction. Read: Article: "The Importance of Agricultural Trade". Text, Chapter 1 (Introductory Trade Issues).

Jan. 14: Absolute and Comparative Advantage. Read: Text, Chapters 2 (The Ricardian Theory of Comparative Advantage) and 3 (The Pure Exchange Model of Trade).

Jan. 19: Trade According to Comparative Advantage. Read: Article: "Globalization: Benefits and Costs". Text, Chapters 2 (The Ricardian Theory of Comparative Advantage) and 3 (The Pure Exchange Model of Trade).

Jan. 21: Comparative Advantage and Gains from Trade. Read: Text, Chapters 2 (The Ricardian Theory of Comparative Advantage) and 3 (The Pure Exchange Model of Trade).

Jan. 26: Comparative Advantage with Increasing Costs. Read: Article: "Poorest Economies Can Export More". Text, Chapter 6 (Economies of Scale and International Trade).

Jan. 28: Determination of the Terms of Trade in the World Market. Read: Text, Chapter 4 (Factor Mobility and Income Redistribution).

Feb. 2: Comparative Advantage and Factor Endowments: Heckscher-Ohlin Model. Read: Article: "The Wages of Fear". Text, Chapter 5 (The Heckscher-Ohlin (Factor Proportions) Model).

Feb. 4: Welfare Impacts of International Trade. Read: Article: "Trade Winds". Text, Chapter 6 (Economies of Scale and International Trade).
FIRST HOMEWORK ASSIGNMENT DUE

II. Government Intervention and Trade Policies

Feb. 9: US Agricultural and Trade Policy. Read: Article: "National and Regional Impacts of U.S. Agricultural Exports".

Feb. 11: Trade Restrictions: Tariffs and Quotas. Read: Text, Chapter 7 (Trade Policy Effects with Perfectly Competitive Markets).

Feb. 16: Trade Restrictions: Tariffs and Quotas (continued). Read: Article: "Do Protectionist Trade Policies Protect?" Text, Chapter 7 (Trade Policy Effects with Perfectly Competitive Markets).

Feb. 18: Other Non-Tariff Barriers to Imports. Read: Text, Chapters 7 (Trade Policy Effects with Perfectly Competitive Markets) and 8 (Domestic Policies and International Trade).

Feb. 23: Export Subsidies and Deficiency Payment Policies. Read: Article: "Avoiding Protectionism". Text, Chapters 7 (Trade Policy Effects with Perfectly Competitive Markets) and 8 (Domestic Policies and International Trade).
SECOND HOMEWORK ASSIGNMENT DUE

Feb. 25: Technical Barriers to Trade**.** Read: Article: "In the Twilight of Doha".

III. Issues in Food and Agricultural Trade

Mar. 1: Multilateral Trade Negotiations and US Trade Policy. Read: Article: "The WTO Agricultural Negotiations: Progress and Prospects". The World Trade Organization (WTO). Go to www.wto.org 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 Dispute Settlement).

Mar. 3: Multilateral Trade Negotiations and US Trade Policy (continued). Read: Article: "Why Trade Negotiations Still Matter to U.S. Agriculture". Agriculture in the Uruguay Round. Go to www.wto.org and click on 'Trade Topics' and 'goods' to find 'agriculture.' Click on and read 'Summary of the Agricultural Agreement' found in the middle of the ag page under 'The Mandate.' Then click on 'the agricultural negotiations' near the top of the page and read the Introduction to the "Agricultural Negotiations Backgrounder."

Mar. 8: Review for Midterm

Mar. 10: **MIDTERM EXAM**

Mar. 15: Review of exam results and discussion of writing, fitting time-trends with Excel, and other issues related to the student projects. **Students should choose their topics prior to this class and are encouraged to discuss their choices with the instructor at any time**.

Mar. 17: Domestic Support Policies and Trade. Read: Article: "The WTO Cotton Case and U.S. Domestic Policy". Text, Chapters 10 (Political Economy and International Trade) and 11 (Evaluating the Controversy Between Free Trade and Protectionism).

Mar. 29: Regional Trade Agreements. Read: Article: "Food Chain Disruptions and Trade: The Importance of North American Market Integration". Text, Chapter 9 (Trade Policies with Market Imperfections and Distortions).

Mar. 31: Agricultural Trade and Economic Development. Read: Article: "The Poor's Best Hope".

Apr. 5: Agricultural Trade and Economic Development (continued).

Apr. 7: Trade and the Environment. Read: Article: "Why Greens Should Love Trade".
Harris, J. "Trade and the Environment".
THIRD HOMEWORK ASSIGNMENT DUE.

Apr. 12: **STUDENT PRESENTATIONS AND WRITTEN PROJECTS DUE.**

Apr. 14: **STUDENT PRESENTATIONS AND WRITTEN PROJECTS DUE.**

Apr. 19: **STUDENT PRESENTATIONS AND WRITTEN PROJECTS DUE.**

Apr. 21: **STUDENT PRESENTATIONS AND WRITTEN PROJECTS DUE.**

Apr. 26: European Agricultural and Trade Policy

Apr. 28: Course Summary and Review.

FINAL EXAM, 10:00 am to 12:00 noon, Tuesday, May 3, 2016.

AECN 420: Student Projects

The student project contains two parts. The first part is a written research paper of 8 to 10 pages (double-spaced with one-inch margins and 12-point font) on a topic related to international agricultural trade. The second part is an 8-10 minute presentation of the project using PowerPoint. Points will be awarded for clarity, visual appeal and content of the presentation. Pointers to give a professional presentation will be posted on Blackboard. Because this is a capstone course, the student project should reflect the accumulated knowledge that students have gained throughout their educational experiences as well as the specialized learning associated with this course. The papers will be evaluated in relation to the scoring guide (rubric) posted on Blackboard which identifies three broad learning outcomes that students are supposed to achieve by the time they graduate: technical competence in economic and business concepts and quantitative analysis; global awareness; ability to communicate in writing at a professional level.

Students may choose any topic that has some relationship to agricultural trade. Here are some examples of possible topics:

1. Analysis of the recent history of market conditions for a commodity such as coffee, palm oil, sunflower oil, bananas, sugar, etc. and projections of the likely evolution of the world market for the chosen commodity.
2. Analysis of the agricultural trade of a particular country or region (e.g., India, Peru, Southeast Asia, West Africa, etc.) including identification of the main agricultural goods imported and exported as well as the likely prospects for future agricultural trade in that country or region.
3. Analysis of a particular policy question related to international trade such as the impact of economic integration in a region such as East Africa or Central America; the implications of particular provisions of the WTO Agriculture Agreement for U.S. agricultural trade; the role of international trade in the development of low-income countries in Africa; international trade and environmental sustainability.

Papers should include an introduction that describes the problem (problem statement) to be studied along with appropriate statistical background information, analytical sections that marshal quantitative evidence and other information that can be used to support analytical results, and a concluding section in which answers to the questions raised are presented and defended. The use of statistical data is mandatory. Relevant data should be collected and presented in tables or charts with time trends and other statistical manipulations as appropriate in a single file with the rest of the text. Do not submit separate Excel files. Papers that do not include substantial statistical data will be docked two letter grades so the maximum possible grade for such papers will be a “C.”

Papers must be documented appropriately. The sources for all information drawn on for the paper should be cited and listed in a “References” section at the end of the paper. Electronic copies (in word or word-compatible formats; do not send pdf files) of the papers should be submitted as attachments to an email to the instructor. They will be checked for plagiarism and any evidence of plagiarism will result in a grade of zero on the paper. Anything that is copied word for word from a source must be enclosed in quotation marks and the source must be cited with the relevant page number. Part of the class on March 15 will be used to discuss the student projects further. Students should choose their topics prior to that date and are encouraged to discuss their choices with the instructor at any time.