

INTERNATIONAL FOOD AND AGRICULTURAL TRADE

Department of Agricultural Economics
University of Nebraska-Lincoln

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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: ECON 311 and ECON 312

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 on **Thursday March 8, 2018**, while the final exam will be held during the final examination period on **Tuesday May 1st, 2018 at 10:00 am to noon**. 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) are described on the very last page of the syllabus and posted on Canvas. These individual projects include a 20 minute presentation (**April 12-24**) 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 for the paper and to give a professional presentation are posted on Canvas. 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 through Canvas 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.

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 an on-line textbook entitled “International Trade: Theory and Policy” 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 Canvas): <https://students.flatworldknowledge.com/course/2576882> Various formats for the textbook are available for purchase. The version referred to as “Study Pass” (\$24.95) 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. Another good option 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 textbooks by Suranovic and Salvatore, 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.

Spring 2018: Tentative Course Outline and Reading List

PART I. INTRODUCTION AND THEORETICAL BACKGROUND

Date	Topics/Readings
Tu-1/9	Introduction Readings: Ch. 1 Suranovic; Ch. 1 Salvatore * 1. Agricultural Trade Update (1/9)
Th-1/11 Tu-1/16 Th-1/18	Comparative Advantage and Gains from Trade Readings: Ch. 2-6 Suranovic; Ch. 2 Salvatore * 2. Leave Zombies Be (1/11) * 3. Get on Track with Trade (1/16) * 4. Globalization Resets (1/18)
Tu-1/23	Comparative Advantage with Increasing Costs Readings: Ch. 9 Suranovic; Ch. 3 Salvatore * 5. Poorest Economies Can Export More (1/23)
Th-1/25	Determination of the Terms of Trade in the World Market Readings: Ch. 7 Suranovic; Ch. 4 Salvatore * 6. Trade Balances (1/25) Homework Assignment #1 (to be assigned on 1/25 and due 2/1)
Tu-1/30	Comparative Advantage and Factor Endowments: Heckscher-Ohlin Model Readings: Ch. 8 Suranovic; Ch. 4 Salvatore * 7. Virtual Water (1/30)
Th-2/1	Welfare Impacts of International Trade Readings: Ch. 9 Suranovic * 8. International Migration (2/1) Homework Assignment #1 due 2/1

PART II: GOVERNMENT INTERVENTION AND TRADE POLICIES

Tu-2/6 Th-2/8	Trade Restrictions: Tariffs and Quotas Readings: Ch. 1 and 10 Suranovic; Ch. 5 Salvatore * 9. TTIP and Agriculture (2/6) * 10. Do Protectionist Trade Policies Protect? (2/8) Homework # 2 (to be assigned on 2/8 and due 2/22)
Tu-2/13	Other Non-Tariff Barriers to Imports Readings: Ch. 1, 10 and 11 Suranovic; Ch. 6 Salvatore * 11. National and Regional Impacts of U.S. Agricultural Exports (2/13)
Th-2/15	U.S. Agricultural and Trade Policy Readings: * 12. How Much Does Your State Rely on Other States for Food? (2/15)
Tu-2/20	Export Subsidies and Deficiency Payment Policies Readings: Ch. 10 and 11 Suranovic; Ch. 6 Salvatore * 13. Avoiding Protectionism (2/20)
Th-2/22	Technical Barriers to Trade Readings: * 14. The Russian Food and Agricultural Import Ban (2/22) Homework # 2 due 2/22 Homework # 3 (to be assigned on 2/22 and due 3/1)

PART III: ISSUES IN FOOD AND AGRICULTURAL TRADE

Tu-2/27 Th-3/1	<p>Multilateral Trade Negotiations and U.S. Trade Policy Readings: Ch. 1 Suranovic; Ch. 6 Salvatore * 15. The WTO Agricultural Negotiations: Progress and Prospects (2/27) * 16. Why Trade Negotiations Still Matter to U.S. Agriculture (3/1) <i>The World Trade Organization (WTO)</i>. 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). <i>Agriculture in the Uruguay Round</i>. 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." Homework #3 due 3/1</p>
Tu-3/6	Review for Midterm
Th-3/8	Midterm Exam
Tu-3/13	Review of exam results and discussion of writing, fitting time-trends with Excel, and other issues related to the student projects. <u>Students should choose their topics prior to this class and are encouraged to discuss their choices with the instructor at any time.</u>
Th-3/15	<p>Domestic Support Policies and Trade Readings: Ch. 13 and 14 Suranovic * 17. The WTO Cotton Case and US Domestic Policy (3/15)</p>
Tu-3/20 Th-3/22	Spring Break – No Classes!
Tu-3/27	<p>Regional Trade Agreements Readings: Ch. 10 Suranovic; Ch. 7 Salvatore * 18. Food Chain Disruptions and Trade: The Importance of North American Market Integration (3/27)</p>
Th-3/29	<p>European Agricultural and Trade Policy * 19. Brexit Implications (3/29)</p>
Tu-4/3 Th-4/5	<p>Agricultural Trade and Economic Development Readings: Ch. 8 Salvatore * 20. Foreign Land Investments in Developing Countries (4/3) Homework #4 (assigned on 4/3 and due on 4/10)</p>
Tu-4/10	<p>Trade and Environment Readings: Harris, J. "Trade and the Environment" * 21. Why Greens Should Love Trade (4/10) Homework #4 due 4/10</p>
Th-4/12	Final Presentations and Project due
Tu-4/17	Final Presentations and Project due
Th-4/19	Final Presentations and Project due
Tu-4/24	Final Presentations and Project due
Th-4/26	Review Session
Tu-5/1	Final Exam (comprehensive), 10:00 am - NOON

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

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.

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 a 20 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 Canvas. 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 Canvas 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 13** 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.