

Agricultural Trade Policy and Welfare Economics

AEB 7220, Class # 28260 (3 credit hours)

Class Meeting Times: Tues | 1:55-2:45pm
 Thurs | 1:55-3:50pm

Class Dates: 01/13/2025 - 04/23/2025

Location: McCarty B (MCCB) 1108

Academic Term: Spring 2025

Instructor:

Andrew Schmitz

1130 MCCB

294-7685

aschmitz@ufl.edu

I do not utilize the email tools within E-Learning Canvas

Office Hours: By appointment

Course Description

Basics of applied welfare economics with applications to trade and agricultural policies in the United States and worldwide. Topics include the economics of biofuels, GMOs including the changes in consumer diets (food pyramids), international tariff retaliations, free trade under producer compensation for losses, estimation of complex value chains and the ratification of international agricultural trade policies.

Course Prerequisites

ECO 7115 or consent of instructor.

This course is intended for graduate students in agricultural economics, economics, and/or related field.

Course Objectives

After completing this course, you should be able to:

1. Describe the theoretical base for conducting policy analysis.
2. Conduct benefit-cost analysis using the implied welfare economics framework.
3. Evaluate the impact of the interface between agricultural and trade policies on value chains that include consumers and producers.
4. Compare the impact of different policy measures (such as tariffs, quotas, and other non-tariff barriers to trade).
5. Analyze the impact of existing and proposed trade agreements on the agriculture sector.
6. Understand the impact of Covid on the key components of different value chains, including the beef industry.

Topical Outline

Subjects include theoretical welfare economics, trade theory, agricultural policy, benefit-cost analysis, multifunctionality, US Farm Bills, US ethanol policy, US country-of-origin labeling

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(COOL), genetically modified organisms (GMOs), tobacco and US sweetener tax policies, international food security, and international trade law (including antidumping and countervailing duty laws).

Schedule of Topics and Assignments

Week 1: Theoretical foundation of applied welfare economics
Week 2: Theoretical foundation of agricultural policy analysis
Week 3: The interface between agricultural policy and trade
Week 4: Agricultural trade and macroeconomic policies
Week 5: U.S. agricultural policy
Week 6: Canadian and EU agricultural policies
Week 7: Policy decoupling, GATT, and the WTO
Midterm Exam (Thursday, Feb. 19, 2025)
Week 8: Farmland markets: politics, policy, and urbanization
Week 9: Agricultural productivity and R&D policy
Week 10: The economics of biofuels
Week 11: Genetically modified organisms (GMOs)
Week 12: Food pyramids and nutritional guidelines
Week 13: Covid: Disruptions in the food value chain
Week 14: FINALS week
Final Exam (May 2, 2025)

Research Paper

Due Date: April. 22nd, 2025

Each student will be required to complete a (double-spaced, 12-point Times New Roman font, one-inch margins throughout) research paper on an agricultural international trade topic of his/her choice. The paper must be properly referenced and cited and must relate to the topics covered in class. Students are encouraged to use numerical data in analyzing their topic. Citations should include only credible sources (no Wikipedia or other open-source websites or blogs) and should be correctly cited. Students are encouraged to submit completed projects in advance.

The purpose to this paper is to display your mastery of the material covered in this course and to demonstrate how well you can synthesize these concepts via an independent research paper. Students are welcomed to take an interdisciplinary approach to their topic by incorporating concepts from other Food and Resource Economics courses into their paper and relating these concepts to this course.

Homework

There may be several optional homework assignments to assist learning. Homework is not graded.

Format

Because this course is an *analytical* course, it is delivered via traditional lectures. Theories and frameworks are presented in class and we will discuss their *derivations* as well as *applications* to the 'real world.' Quantitative reasoning and analytical methods are used extensively. Therefore, knowledge of economic principles and concepts is necessary. Keeping up with international news, particularly economic news is imperative in this course.

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Material and Supply Fees

None

Suggested Reading Materials

1. Just, R.E., D.L. Hueth, and A. Schmitz. 2004. *The Welfare Economics of Public Policy: A Practical Approach to Project and Policy Evaluation*. Cheltenham, UK: Edward Elgar Publishing.
2. Schmitz, A., C.B. Moss, T.G. Schmitz, and W.W. Koo (Editors). *International Agricultural Trade Disputes: Case Studies in North America*. Calgary: University of Calgary Press
3. Cramer, G.L., K.P. Paudel, and A. Schmitz. 2019. *Routledge Handbook of Agricultural Economics*. London & New York: Routledge Publishing.
4. Schmitz, A., M. Zhu, and D. Zilberman. 2017. The Trans-Pacific Partnership and Japan's Agricultural Trade. *Journal of Agricultural and Food Industrial Organization (JAFIO)* 15(1):20170001.
5. Schmitz, T.G., A. Schmitz, Emran, S.J. and Orlando, E., 2024. International Trade: Tariff and Non-Tariff Barriers. In *Encyclopedia of Agriculture and Food Systems*, edited by Peter Alexander. Edinburgh, UK: Elsevier Publishing.
6. Schmitz, A., P.L. Kennedy, and T.G. Schmitz (Editors). 2015. *Food Security in an Uncertain World: An International Perspective. Volume 15, Frontiers of Economics and Globalization*. Bingley, UK: Emerald Group Publishing.
7. Schmitz, A., P.L. Kennedy, and T.G. Schmitz (Editors). 2016. *Food Security in an Uncertain World: An Individual Country Perspective. Volume 16, Frontiers of Economics and Globalization*. Bingley, UK: Emerald Group Publishing.
8. Schmitz, A., P.L. Kennedy, and T.G. Schmitz (Editors). 2017. *World Agricultural Resources and Food Security. Volume 17, Frontiers of Economics and Globalization*. Bingley, UK: Emerald Group Publishing.
9. Schmitz, A., Moss, C.B., Schmitz, T.G., van Kooten, G.C. and Schmitz, H.C., 2022. *Agricultural policy, agribusiness, and rent-seeking behaviour*. University of Toronto Press.
10. Emran S.J. and Schmitz A. 2024. Tariff Caps and U.S. Agricultural Trade, *World Economy* (forthcoming).
11. Schmitz A, Chegini C. and Emran S.J. 2024. An Overview of Ukrainian Agriculture Amidst The Russian Invasion in *UF-IFAS Working Paper*.
12. Schmitz, A., Moss, C.B. and Schmitz, T.G., 2023. The Impact of COVID-19 on World Oil Producers: Time is Important. *Journal of Agricultural & Food Industrial Organization*, 21(1), pp.35-52.

Grading Policy

A	93% or above
A-	90-92.9%
B+	87-89.9%
B	83-86.9%
B-	80-82.9%
C+	77-79.9%
C	73-76.9%
C-	70-72.9%
D+	67-69.9%
D	63-66.9%
D-	60-62.9%
E	Less than 60%

Evaluation of Grades

Assignment	Total Points	Percentage of Final Grade
Research Paper	300	30%
Mid-Term Exam*	200	20%
Final Exam*	500	50%
Total	1000	100%

**Depending on the size of the class, tests may be turned into essays instead at Professors discretion.*

Grades and Grade Points

For information on current UF policies for assigning grade points, see [UF Grading Policy](#).

Attendance Policy & Class Expectations

Students are expected to attend all classes. Regular and punctual attendance at all classes is the responsibility of each student. In the event of an absence, it is the responsibility of the student to make-up any resulting deficiencies. In addition to class attendance, students are expected to actively participate in class. It is each student's responsibility to come to class prepared.

This course moves at a rapid pace; students will complete textbook and handout reading assignments before class. The class structure is such that class participation (not just attendance, but active participation) and individual study and preparation outside of class are necessary for learning and performing well in the exams. While lectures will cover the major points of assigned readings, ***students are required to read and understand all assigned readings.***

Cell Phones & Laptops

Cell phones and laptop computers must be turned off.

Exams

All exams are closed book and closed notes. No formula sheets or any other aids are allowed. No cell phones, touch screen devices, tablets, laptops, or other devices with the capability to store information or access the internet is allowed.

All students are expected be on time to exams. Please arrive early, be seated and stow books/bags so that the exam can start at the stated time.

Make-up Policy

- No make-up exams unless documented official university athlete event.
- University athletes allowed make-up exams missed due to *official* university sporting events pending ample WRITTEN notification in advance (at least 7 days before a scheduled exam). Club/recreational sports not granted the same courtesy.
- Individuals absent from any exam will receive a score of **zero (0)** on that exam unless there is valid documented excuse for missing the exam (see bulleted items below).
- In order be *excused* from an exam, you **must** notify the instructor in advance and secure instructor's permission. The only acceptable reasons to request an excuse are as follows:
 - Personal medical emergency (ordinary doctor's visit is unacceptable) that renders the student medically unable to take the test (proper valid documentation will be required).
 - Eligible personal or professional commitment elsewhere during class (eligibility depends on instructor's judgment, and hence prior permission is a must).
 - Family emergency (proper documentation will be required from Dean of Students).
- If a student is unexcused from the mid-term exam, the final exam will count in its place.
- No student excused from more than one exam.

Excused Absences and Late Assignments

The only acceptable excuses from class and exams are as follows:

- Medical emergency (ordinary doctor's visit is unacceptable; proper valid documentation justifying the excuse will be required).
- Eligible personal or professional commitment during class (e.g., field trip for another course; military duty; religious holidays; participation in *official* university activities; court-imposed legal obligations). Eligibility depends on the instructor's judgment; hence, prior permission is a *must*.
- Eligible family emergency (proper documentation/verification will be needed).
- All students are expected to submit assignments on their stated due dates. For University athletes, make-up assignments are only allowed when the assignment is missed due to *official* university sporting events pending ample WRITTEN notification in advance (at least 7 days prior). Club/recreational sports are not granted the same courtesy.

Requirements for class attendance and make-up exams, assignments and other work are consistent with university policies that can be found at [UF Attendance and Makeup Policy](#).

Online Course Evaluation Process

Student assessment of instruction is an important part of efforts to improve teaching and learning. At the end of the semester, students are expected to provide feedback on the quality of instruction in this course using a standard set of university and college criteria. Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Guidance on how to give feedback in a professional and respectful manner is available at <https://gatorevals.aa.ufl.edu/students/>. Students will be notified when the evaluation period opens and can complete evaluations through the email they receive from GatorEvals, in their Canvas course menu under GatorEvals, or via <https://ufl.bluera.com/ufl/>. Summaries of course evaluation results are available to students at <https://gatorevals.aa.ufl.edu/public-results/>.

Academic Honesty

As a student at the University of Florida, you have committed yourself to uphold the [Honor Code](#), which includes the following Pledge: *"We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honor and integrity."* You are expected to exhibit behavior consistent with this commitment to the UF academic community, and on all work submitted for credit at the University of Florida, the following pledge is either required or implied: *"On my honor, I have neither given nor received unauthorized aid in doing this assignment."*

It is assumed that you will complete all work independently in each course unless the instructor provides explicit permission for you to collaborate on course tasks (e.g., assignments, papers, quizzes, exams). Furthermore, as part of your obligation to uphold the Honor Code, you should report any condition that facilitates academic misconduct to appropriate personnel. It is your individual responsibility to know and comply with all university policies and procedures regarding academic integrity and the [Student Honor Code](#). Violations of the Honor Code at the University of Florida will not be tolerated. Violations will be reported to the Dean of Students Office for consideration of disciplinary action.

Student Privacy

Federal laws exist, which protect your privacy with regard to grades earned in courses and individual assignments. More information at [Notification to Students of FERPA Rights](#).

Software Use

All faculty, staff, and students of the University are required and expected to obey the laws and legal agreements governing software use. Failure to do so can lead to monetary damages and/or criminal penalties for the individual violator. Because such violations are also against University policies and rules, the University will take disciplinary action as appropriate.

Services for Students with Disabilities

The [Disability Resource Center](#) (DRC) coordinates the needed accommodations for students with disabilities. This includes registering disabilities, recommending academic accommodations within the classroom, accessing special adaptive computer equipment, providing interpretation services and mediating faculty-student disability related issues. Students requesting classroom accommodation must first register with the Dean of Students Office. The Dean of Students Office will provide documentation to the student, who must then provide this documentation to

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the Instructor when requesting the accommodation. For more information, visit the [DRC](#) website, or in person at 0001 Reid Hall, or call 392-8565.

Campus Helping Resources

Counseling & Well-Being

Students experiencing crises or personal problems that interfere with their general well-being are encouraged to utilize the university's counseling resources. The Counseling & Wellness Center provides confidential counseling services at no cost for currently enrolled students. Resources are available on campus for students having personal problems or lacking clear career or academic goals, which interfere with their academic performance.

- [University Counseling & Wellness Center](#), 3190 Radio Road, 392-1575
 - Counseling services,
 - Groups and workshops
 - Outreach and consultation
 - Self-help library
 - Wellness coaching
- [U Matter We Care](#), 392-1575, umatter@ufl.edu
- [Career Connections Center](#), 1st Floor, JWRU, 392-1601
- [Student Success Initiative](#)
- Sexual Assault Recovery Services (SARS): [Student Health Care Center](#), 392-1161
- [University Police Department](#), 392-1111, or 9-1-1 for emergencies, police@ufl.edu
- Student Complaints:
 - [On-campus course](#)
 - [Online course](#)

Academic Resources

- [E-learning technical support](#), 392-4357 (select option 2) or email Learning-Support@ufl.edu
- [Library Support](#), Various ways to receive assistance with respect to using the libraries or finding resources.
- [Teaching Center](#), Broward Hall, 392-2010, 392-6420. General study skills and tutoring.
- [Writing Studio](#), 302 Tigert Hall, 846-1138. Help brainstorming, formatting, and writing papers.