

International Agricultural Trade
AEB 4673
Section: 002C / Class #: 26523
Spring 2021

Instructor: Dr. Andrew Schmitz, Eminent Scholar and Professor
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I do not utilize the e-mail tools within E-Learning Canvas

Location: Tuesday: 10:40 am-11:30 am @ Turlington L011
Thursday: 10:40 am - 12:35 pm @ Turlington L011

Office Hours: Tuesday: 1:30 – 2:30 pm
Thursday: 1:30 – 3:00 pm

TA: Dr. Ly Nguyen

TA Office Hours: Tuesday: 12:00 – 1:00 pm @ 1130 McCarty Hall B
Thursday: 1:00 – 2:00 pm @ 1130 McCarty Hall B

Credits: 3

Prerequisites:

AEB 3103 and AEB 3510 or the equivalent. It is assumed that students are familiar with basic microeconomic analysis and elementary calculus.

Syllabus Information:

The syllabus can be accessed online under the “Syllabi” link at <https://fred.ifas.ufl.edu/undergrad/>.

Required Materials:

International Trade in Agricultural Products, by Michael Reed, CreateSpace Independent Publishing Platform, 2016. ISBN: 9781519738097 (paperback)

PDF Download Link: [<https://vwk55lkba02.storage.googleapis.com/MTUxOTczODA5OQ==02.pdf>]

Supplemental Materials:

Agricultural Policy, Agribusiness, and Rent-Seeking Behaviour, Second Edition, by Andrew Schmitz, Charles B. Moss, Troy G. Schmitz, Hartley W. Furtan, and H. Carole Schmitz, University of Toronto Press, 2010. ISBN: 9780802095473 (paperback).

Course Description:

An examination of the economic forces associated with trade in food and agricultural products between the United States and other countries. Economics principles and analytical techniques are applied to international trade and multi-national markets. Consideration is also given to international commercial policy as it relates to agriculture and international economic integration.

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Class Lectures

Lecture 1	History of Global Food and Agricultural Trade
Lecture 2	Basic Economic Theory (Review)
Lecture 3	Economics of International Trade
Lecture 4	Partial Equilibrium Analysis with No Trade (Closed Model) – Part 1
Lecture 5	Partial Equilibrium Analysis with No Trade (Closed Model) – Part 2
Lecture 6	Benefits to a Nation from the Existence of a Market (i.e., adding trade)
Lecture 7	Trade Implications for a Small Country (i.e., gains from trade & tariff analysis)
Lecture 8	Large Country Trade (i.e., panel trade diagrams GFT, tariffs, and import quotas)
Lecture 9	Large Country PLC Cotton (i.e., 3-panel trade diagram for price supports)
Lecture 10	U.S. Farm Policy and Trade (i.e., U.S. farm bill):
Lecture 11	Existing U.S. Trade Agreements
Lecture 12	Multilateral Trade Negotiations
Lecture 13	World Trade Organization (WTO)
Lecture 14	WTO Trade Disputes
Lecture 15	U.S. Sugar Policy, NAFTA, and Suspension Agreements
Lecture 16	Countervailing and Dumping Duties
Lecture 17	GMO Regulations: Legal Disputes (e.g., StarLink corn)
Lecture 18	Agricultural Trade and Energy (e.g., ethanol from corn)
Lecture 19	USMC Agreement: The Role of Canadian Supply Management
Lecture 20	Chinese Agricultural Trade Issues and Exchange Rates

Format:

This course is intended to provide a *senior-level capstone experience* for students pursuing the International Food and Resource Economics specialization within the major. As such, the course will be taught with the assumption that students are highly motivated, diligent, and have a level of economic sophistication expected of a senior within the major. The course culminates with the completion of a comprehensive, integrated research paper (this project is required for all students).

Because AEB 4673 is an *analytical* course, it will be delivered via traditional lectures. Theories and frameworks will be 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.

This course will proceed at a fairly rapid pace, so it is expected that students will complete textbook and handout reading assignments before class. In addition, the class is designed 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*.

Course Objectives:

This course focuses on issues relating to agricultural trade, international trade policy, globalization, economic development, and political economy. The course will equip students with the tools necessary to analyze the impacts of agricultural policies on agricultural consumers and producers, agribusiness firms, taxpayers, and international trade. The course focuses on U.S. and international agricultural policies. Thus, after successful completion of this course, students should be able to:

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- 1) Analyze past, current, and proposed agricultural policies effects on international trade.
- 2) Understand and explain major international organizations that influence the formation of agricultural domestic support and trade policies.
- 3) Explain the key international trade agreements that influence agricultural trade policies.
- 4) Explain why international agricultural trade is often regulated.
- 5) Analyze the interaction between economic and social goals, and evaluate the ability of agricultural policies to accomplish these goals.
- 6) Relate international economic events to the operations of agribusiness firms.

These objectives are accomplished by developing an understanding of

- the economic foundations governing the analysis of international trade
- the nature (and shortcomings) of trade theories for international commerce
- the insights gained from the classical model of international trade
- the insights gained from the neo-classical model of international trade
- the effects of international trade on an economy
- the determinants of trade patterns between nations
- the determination of prices in international markets
- the gains from international trade
- the winners and losers from international trade
- the interaction and interdependence of national economies
- the dynamics of international factor movements
- the economic analysis of agricultural trade policy
- the arguments for and against protectionism
- the motivation behind enacting agricultural trade agreements and treaties
- the process and implications of international economic integration
- the roles of the World Bank, International Monetary Fund, and World Trade Organization in the global economy

Attendance Policy:

Students are expected to attend all classes. Regular and punctual attendance at all classes is the responsibility of each student. In the event of the student's absence, it is the responsibility of the student to make-up any resulting deficiencies.

The class will be informed in advance if an alternative instructor will teach the class. In the event where the instructor/alternative instructor is absent, students are authorized to leave after a 10-minute wait.

Grading:

Midterm exam I	20%
Midterm exam II	40%
Final exam	40%

Exams:

There will be two exams before the final exam. All exams will consist of short-answer questions.

- **Exam I: Thursday, February 11, 2021, 10:40 am - 12:35 pm**
- **Exam II: Thursday, March 11, 2021, 10:40 am - 12:35 pm**

Final Exam:

A mandatory cumulative final exam will be given during the scheduled final examination period. The final exam will consist of short-answer questions.

- **Final Exam: Friday, April 30, 2021, 10:00 am - 12:00 pm**

Closed Book 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 will be allowed.

Exam Day Policy:

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

Make-up Exams:

- Make-up exams will not be given (unless documented official university athlete event).
- University athletes are 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 are 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 to 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 will be excused from more than one exam.

Check exam dates in this course syllabus, and plan your semester accordingly.

Class Participation:

In addition to class attendance, students are expected to actively participate in class. It is each student's responsibility to come to class prepared.

Homework:

There may be homework assignments to assist learning. Homework must be turned in by the due date. Homework turned in after the due date will not be accepted.

Excused Absences and Late Assignment Policy:

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).

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- 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.

Proper valid documentation must be submitted no later than the first day you return to class. Simply emailing that you will not be in class does not count as valid documentation.

Should you experience a significant hardship/illness (e.g., diagnosis of a terminal/chronic disease of you or a close family member) during the semester that could negatively affect your performance in the course, you must inform the instructor as soon as possible for appropriate accommodations. Per UF policy, it is the *student's* responsibility to maintain satisfactory academic performance and attendance.

Grades and Grade Points:

Information on current UF policies for assigning grade points is available online at the following website: <https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>

Final Grades:

Final grades will not be posted on the course website. Students may obtain their final course grade once grades have been posted by the University Registrar. The instructor will not respond to emails or other inquiries regarding grades between the final and when final grades are posted by the registrar.

Academic Honesty:

As a student at the University of Florida, you have committed yourself to uphold the Honor Code and UF pledge: "We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity." You are expected to exhibit behavior consistent with this commitment. For all work submitted for credit at UF, 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 you will complete all coursework independently unless the instructor provides explicit permission for you to collaborate on course tasks (e.g., assignments, papers, 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. Honor Code violations will be reported to the Dean of Students Office for consideration of disciplinary action. More information on the Student Honor Code is available online: <http://www.dso.ufl.edu/sccr/process/student-conduct-honor-code>.

Software Use:

All UF faculty, staff, and students are required 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. Disciplinary action will be taken as appropriate for all software use violations.

Campus Resources:

Students experiencing crises or personal problems that interfere with their general well-being are encouraged to utilize UF counseling resources. The Counseling & Wellness Center provides confidential counseling services at no cost for currently enrolled students. On-campus resources are available for students having personal problems that interfere with their academic performance.

- *Counseling & Wellness Center*, 3190 Radio Road, 392-1575, <http://www.counseling.ufl.edu/cwc/>
- Counseling Services
- Groups and Workshops
- Outreach and Consultation
- Self-Help Library
- Wellness Coaching
- *Career Resource Center*, First Floor JWRU, 392-1601, <http://www.crc.ufl.edu/>

Student with Disabilities Act:

The Disability Resource Center coordinates the accommodations of students with disabilities, including 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. Documentation will be given to the student who must then provide this documentation to the instructor when requesting accommodation [0001 Reid Hall, 352-392-8565, <http://www.dso.ufl.edu/drc/>]

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. These evaluations are conducted online at <https://evaluations.ufl.edu>. Evaluations are typically open for students to complete during the last two or three weeks of the semester. Students will be notified of the specific times when they are open. Summary results of these assessments are available to students at <https://evaluations/ufl.edu/results>.