

AGEC 4613
INTERNATIONAL TRADE & DEVELOPMENT IN AGRICULTURE
Department of Agricultural Economics and Agribusiness
Louisiana State University and A&M College
Spring 2019 Syllabus

INSTRUCTOR: Dr. Trina Biswas
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While e-mailing me, please indicate in which class you are enrolled so that I can more effectively address your concerns. Please put "AGEC 4613" in the subject line of your email. Courteous and professional e-mails can expect a prompt reply.

LECTURES:

Tuesday/Thursday - 10:30 - 11:50 AM
Room 101 Tureaud Hall

OFFICE HOURS:

Open door policy and/or by appointment.

REQUIRED TEXT:

Koo and Kennedy. Agricultural Trade: Theories and Practice, Blackwell Publishers, Oxford. First Edition, 2005.

Additional readings and materials will be assigned throughout the semester. Copies of this supplemental course material will be made available online via the MyLSU web portal.

PREREQUISITES:

AGEC 3003 or equivalent.

COURSE DESCRIPTION:

The course is built upon micro and macro trade theories. Structure, trade, and practices in exporting and importing regions and nations; policies of major agricultural trading nations and institutions; aid, development relationships, and current development trade policies will be analyzed here.

COURSE OBJECTIVES:

Upon completion of the course, you should be able:

- 1) To identify and define the "gains from trade".
- 2) To explain the role of the various models used to analyze trade.
- 3) To explain the basic workings of domestic and trade policies and their effect on international agricultural trade.
- 4) To describe the effects of various multinational trade agreements and explain how they will affect producers, consumers, and the governments of the countries involved.
- 5) To describe the relationship between agricultural trade and various components of society, such as the environment, development, and growth.

GRADING POLICY:

The grade obtained in the course will be determined by your performance on class participation, attendance, quizzes, project, three exams, and a comprehensive final exam. The relative weights are as follows:

	<u>% of Grade</u>
Class Attendance/Participation	10
Project	10
Quizzes (Drop the lowest)	20
Three semester exams and one final	<u>60</u>
	100

GRADING:

- Three in-class exams will be given during the semester. No makeup exams will be given for missed in-class exams (other than for university-approved reasons).
- A comprehensive final exam will be given at the end of the semester. Students who have taken all three in-class exams (Exam 1, 2, and 3) can choose not to take the final exam (i.e. the final exam is optional).
- Students who missed an in-class exam during the semester must take the final exam.
- If you choose not to take the final exam, your final exam grade will be considered as "zero" or the lowest grade out of the four in-class exams and will be dropped. Final course grade will be based on three in-class exam grades, quiz grades, project grade, and class participation grade.

- Students choosing to not take the final exam must sign a list in my office indicating their intention to not take the final exam once the grades for Exam 3 is posted. Signing the final exam waiver form is MANDATORY if you choose to opt out of the final exam.
- If you do not sign the final exam waiver form and miss the final, your exam grade will be the average of all four in-class exams (none of the exam grade will be dropped) and this could potentially lower your grade.
- Should you decide to take the final the grade you will receive in final exam will count towards your final course grade. The lowest of the previous three in-class exam grade will be dropped.
- Moodle will calculate grade in only one possible way. It will not show you grades for all the possible scenarios mentioned above. Talk to me before you decide to opt out of the final.

The final grading scale is as follows:

97 or above	A+
94-96.4	A
90-93.4	A-
87-89.4	B+
84-86.4	B
80-83.4	B-
77-79.4	C+
74-76.4	C
70-73.4	C-
67-69.4	D+
64-66.4	D
60-63.4	D-
Below 60	F

EXAMS:

Exam dates for the three midterm examinations and a final are given below. Midterm examination dates mentioned below are tentative and subject to change. In case we change the dates, the new dates will be announced at least two weeks prior to the day the exam will be given and will take precedence over any dates from prior information. The new date will be announced in class/emailed and will be posted on Moodle.

Exam 1: Tuesday, February 12, 10:30 - 11:50 AM

Exam 2: Tuesday, March 12, 10:30 - 11:50 AM

Exam 3: Tuesday, April 23, 10:30 - 11:50 AM

Note: The final syllabus for each in-class exam will be announced in class before each exam as well. It is your responsibility as a student to stay up to date.

The date of the final examination is already set by the university and will be held on the date mentioned below.

Final Exam: Friday, May 3, 3:00 PM – 5:00 PM. Final Exam is cumulative.

Final Exam schedule can be accessed at:

<https://www.lsu.edu/registrar/academics/files/schedule-booklets/2019/2019springfinalexamschedule.pdf>

Academic calendar for 2018-2019 can be accessed at:

<https://www.lsu.edu/senate/files/academiccalendar2018-2019.pdf>

EXAM & QUIZ FORMAT:

In-class exams: Multiple-choice, T-F, problem-solving and/or short-answer questions.

Quiz: Multiple-choice, T-F, problem-solving and/or short-answer questions.

Final exam: Multiple-choice, T-F, problem-solving and/or short-answer questions.

PROJECT:

Undergraduates:

Students are supposed to write a report/popular press article on current affairs linking the class-materials to real-world international trade policies/events. It will be based on a topic suggested by the student at the beginning of the semester and should be approved by the Instructor.

Graduate students:

As an additional part of their course requirement, graduate students enrolled (or undergraduates who are taking this course for graduate credit) in this course must complete a research paper on an agricultural trade topic mutually agreed upon by the instructor and the student.

This report is due in the last week of classes. More information will be given in class. A separate document will be uploaded on moodle which will contain all the necessary information regarding the project

MOODLE:

Various information for the course (including the syllabus, quiz scores, and exam scores) will be posted on Moodle. All reading assignments, material presented in class, as well as quiz and exam grades, will be posted on Moodle. It is the responsibility of the student to access course material on Moodle on a regular basis to keep up to date with assignments and other course information. All students in this course will be required to use their MyLSU account. Your MyLSU e-mail address will be the primary method of communication.

Please note that the LSU IT Help Desk can be accessed at:
<http://itsweb.lsu.edu/USS/help%20desk/item2424.html>.

Notes Regarding Exams/Quizzes/Homework and student responsibilities:

- (1) Class attendance is required to accomplish course objectives and achieve satisfactory performance on exams. Students are expected to be on time for class and to stay until class has ended. Students are expected to read assigned course material and are expected to be responsible for that material on exams. Please do not carry on personal conversations during class.
- (2) Students are responsible for becoming familiar with the Code of Student Conduct regarding academic misconduct. Students suspected of acts of cheating and/or plagiarism will be reported to the Dean of Students.
- (3) It is expected that students have read the assigned chapters or pages prior to class for the background necessary to properly participate in the discussion and think critically about the concepts addressed. As a general policy, for each hour you are in class, you should plan to spend at least two hours preparing for the next class. Since this course is for three credit hours, you should expect to spend around six hours outside of class each week reading or writing assignments for the class.
- (4) Only absences deemed by the Instructor in accordance with LSU PS-22 will be excused. The student is required to e-mail the Instructor prior to missing class. Written documentation should be provided prior to the next class meeting. Documentation provided to the Instructor for an absence past 48 hours of the missed class and/or assignment will not be accepted. Absences for routine illnesses and work will not be excused. If you have a situation which will result in you missing an excessive amount of class, contact the Instructor immediately. Documentation will be required.
- (5) Please do not leave during class unless you have cleared this with the instructor ahead of time. Please arrive on time and prepared.

- (6) Cell phones must be turned off at all times during class. All electronic devices including pagers, instant messaging, sms messaging, and other e-mail/text related devices must be turned off and stowed during exams. The instructor reserves the right to require you to close laptops when it appears its use is disruptive.
- (7) Students are expected to meet all announced deadlines for assignments. Dates for in-class exams in the syllabus are tentative and subject to change. Announcements regarding deadlines for projects and dates for exams will be announced in class and take precedence over any dates from prior information.
- (8) Exams will be a combination of true/false, multiple choice questions, short problem solving, and short answer type questions. In-class quizzes and pop-quizzes will be given during the semester. No makeup exams or quizzes/homework will be given. The lowest grade of the three in-class exams/quizzes will be dropped. Any missed examination/quiz will be used as the drop grade. If a second exam/quiz is missed, the exam will be recorded as a zero.
- (9) Students entering the lecture hall after the first student has turned in his/her quiz or exam will not be allowed to take the quiz or exam.
- (10) Students will be required to bring their own scantrons (small) and pencils for exams and quizzes. Scantrons and pencils will not be provided by the instructor.
- (11) If calculators are required during a quiz or an exam, students must provide their own calculator that is not an application on a multifunctional electronic communication device. The use of programmable calculators and cellphones are strictly prohibited on all exams.
- (12) In-class assignments cannot be made up and will be excused only in cases where a university-approved excused absence can be documented. You must provide documentation for the excused absence one week before or after the date of the exam you missed.

IMPORTANT POLICIES AND PROCEDURES (please read these carefully)

- (1) **Academic Integrity and Academic Misconduct:** Students are required to know and abide by Louisiana State University's Policy on Academic Integrity and Academic Misconduct, which prohibits dishonesty in academic work. For more information, please visit the webpage "LSU Code of Student Conduct", <http://students.lsu.edu/saa/students/code>.
- (2) **Disability Statement:** The University is committed to making reasonable efforts to assist individuals with disabilities in their efforts to avail themselves of its services and

programs. To this end, Louisiana State University will provide reasonable accommodations for persons with documented qualifying disabilities. If you have a disability and feel you need accommodations in this course, you must present a letter to me from Disability Services (located in 115 Johnston Hall) indicating the existence of a disability and the suggested accommodations <http://students.lsu.edu/disability>.

- (3) **Diversity Statement:** Diversity is fundamental to LSU's mission and the University is committed to creating and maintaining a living and learning environment that embraces individual differences. Cultural inclusion is of highest priority. LSU recognizes that achieving national prominence depends on the human spirit, participation, and dedicated work of the entire University community. Flagship: 2020 will be realized by bringing together diverse ideas, perspectives, skills, and talents of the nation's pre-eminent scholars, brightest students, and leading higher education professionals. Through its Commitment to Community, LSU strives to create an inclusive, respectful, intellectually challenging climate that embraces individual differences in race, ethnicity, national origin, gender, sexual orientation, gender identity/expression, age, spirituality, socio-economic status, disability, family status, experiences, opinions, and ideas. LSU proactively cultivates and sustains a campus environment that values open dialogue, cooperation, shared responsibility, mutual respect, and cultural competence– the driving forces that enrich and enhance cutting edge research, first-rate teaching, and engaging community outreach activities
<http://www.lsu.edu/diversity/about-us/diversity-statement.php>.
- (4) **LSU Cares:** LSU Cares is a university initiative dedicated to the well-being of the students and promotes a community that cares about each other. LSU Cares works with the students to empower them to use campus and community resources. The purpose of LSU Cares is to provide an online reporting portal for students, faculty, staff, and parents/families to report concerns in an appropriate way. If you need assistance from LSU Cares please check the following link: <http://www.lsu.edu/students/saa/lsu-cares/index.php>

AGEC 4613
Spring Semester - 2019

Important Dates

Feb 1 (F)	Due date for project topic submission (email submission)
Feb 12 (T)	Exam 1
March 1 (F)	The first draft of the project is due (via Turnitin on Moodle).
March 5 (T)	Mardi Gras Holiday
March 12 (T)	Exam 2
April 16 (T)	Spring Break
April 18 (Th)	Spring Break
April 23 (T)	Exam 3
April 25 (Th)	No class /Due date for project submission (via Turnitin on Moodle).
May 3 (F)	Final Exam - 3:00-5:00 pm

CHAPTER OUTLINE:

The instructor reserves the right to change the material, the chapters, and the respective sequence as appropriate. Any changes will be communicated timely in class, via the Moodle e-mail list serve, and via Moodle. It is the student's responsibility to stay informed and updated of any changes.

The Theory of International Trade

1. Comparative Advantage and the Gains from Trade
 - a. Basic Theory of Comparative Advantage
 - b. Production Possibilities Frontier and Production Equilibrium
 - c. Consumption Possibilities Frontier and Consumption Equilibrium
 - d. General Equilibrium in Open and Closed Economy
 - e. The Gains from Trade

2. Comparative Advantage and Factor Endowments; Heckscher-Ohlin Model
 - a. Heckscher-Ohlin Theorem
 - b. Factor Price Equalization Theorem
 - c. Stolper-Samuelson Theorem
 - d. Rybczynski Theorem
 - e. Comparative Advantage under Imperfect Competition (Modern Trade Theory)

3. Partial Equilibrium Analysis
 - a. Import Demand Equation
 - b. Export Supply Equation
 - c. Partial Equilibrium
 - d. Transportation and other Transfer Costs

Trade Policies

4. Protection – What is it Good For?
5. Tariffs
 - a. Tariff Systems and Types
 - b. Incidence of Tariffs
 - c. Welfare Implications of Tariffs
 - d. Nominal and Effective Tariffs
 - e. Optimal Tariff Policies
6. Quotas
 - a. Import and Export Quotas
 - b. Economic Effects of Quotas
 - c. Comparison Between Quotas and Tariffs
 - d. Tariff Rate Quota
7. Other Non-tariff Barriers
 - a. Voluntary Export Restraints
 - b. Technical, Administered Protection, Other Regulations
 - c. International Cartels
 - d. Dumping
8. Internal and Export Subsidies
 - a. Specific Production Subsidies
 - b. Open-end Production Subsidies
 - c. Deficiency Payment System
 - d. Variable Levy System
 - e. Export Subsidies
9. U.S. Commercial Policies and Multilateral Trade Negotiations
 - a. The General Agreement on Tariffs and Trade
 - b. Agricultural Trade Liberalization under the Uruguay Round of GATT

10. Economic Integration

- a. The Theory of Economic Integration
- b. Various Types of Regional Economic Integration
- c. Trade Creation and Diversion Effects
- d. Welfare Effects of Free Trade Area
- e. History of Attempts at Economic Integration
 - i. The European Union
 - ii. North American Free Trade Agreement
 - iii. Other Free Trade Areas (APEC, MERCOSUR, etc.)

Foreign Exchange Markets and the Balance of Payments

11. The Foreign Exchange Markets

- a. Functions of the Foreign Exchange Markets
- b. Floating and Fixed Exchange Rate System
- c. The Equilibrium Foreign Exchange Rate
- d. Arbitrage
- e. Spot and Forward Rates
- f. Foreign Exchange Risk, Hedging, and Speculation

12. Adjustments in The Balance of Payments and Foreign Exchange Markets

- a. Adjustment with Flexible Exchange Rates
- b. Stability in Foreign Exchange Markets
- c. Marshall-Lerner Condition

13. The Income Adjustment

- a. National Income in a Closed Economy
- b. National Income in a Small Open Economy
- c. Foreign Repercussions

14. Foreign Exchange Rates and Agricultural Trade.

Direct Foreign Investment, Economic Growth, and Environment

15. Direct Foreign Investment

16. Multinational Corporations

17. Role of Trade in Economic Growth

18. Trade and the Environment