

**International Agricultural Economics:
The Political Economy of Trade, Sustainability, and Development
(AAE 319)**

3 Units – Face-to-Face, Traditional Lecture/Section Format
Course Website: Canvass

M,W 5:30-6:45pm, 125 Agricultural Hall
Office Hours – Tues 3:00-4:30, Weds 3:00-4:30 or by appointment.
422 Taylor Hall, bradford.barham@wisc.edu,

Course Description:

This mid-level course will use economic methods, both theoretical and empirical, to understand the organization and performance of agricultural markets around the world with an emphasis on markets and trade, sustainability and development processes and outcomes. The ‘political economy’ focus is essential because both politics and economics are strongly in play in the organization and performance of domestic and global agricultural markets.

Our learning outcomes are as follows: students will learn the language of economics and political economy in order to understand how agricultural markets work, what types of trade, investment, and domestic policies shape agricultural markets, and what all this means for economic, social, and environmental outcomes.

Grading: 200 points – Standard 90-100% scheme (e.g., 92-100 = A; 88-91.9 = AB), with some possibility of a downward adjustment in the thresholds. Quizzes: 5@10 points = 50 pts (25%); 2 Problem sets + 2 Short papers: 4@10 points = 40 pts (20%); Group Presentation = 30 pts (15%); Midterm & Final: 40 pts each = 80 points (40%)

Examples of the language of economics we will use include *the law of demand, consumer and producer surplus, rents, economic efficiency, equality/inequality, comparative advantage, backward and forward linkages technological change, and externality.*

Examples of economic methods we will explore include: *microeconomic and behavioral decisions, demand-supply market equilibrium, general equilibrium, trade theory, technology adoption, cost-benefit analysis.*

Examples of economic models we encounter or use: *Firm decision-making, family farm decision-making, markets with externalities, markets with price ceilings, price floors, and other trade distortions, absolute and comparative advantage trade models, growth and innovation, and agricultural productivity and labor markets.*

Examples of economic measures we encounter or use: *Prices, Quantities, Private benefits & costs, Social benefits & costs, Resource rents, Net farm income, Productivity of labor, land, & capital, Technical change, Poverty rates, Gini coefficients, Literacy & educational attainment, & Health outcomes.*

We will examine how markets and politics can deliver different opportunities and challenges for the rich and the poor, the powerful and the disenfranchised, and large and small countries. We will explore how economists frame agricultural, development, and environmental issues, and what tools

they use to study and diagnose them. We will investigate solutions, examining market-based, regulatory, and polycentric (multi-stakeholder) approaches. We will explore distinct views on controversial topics, and push one another to examine the assumptions and logic of these views. This class is rooted in basic economic theory so you can expect some diagrams, algebraic equations, abstractions, and simplifications. But the purpose of the models is always to help us understand the real world. We will compare them with descriptive data, simulation models, and some statistical analyses, too. Economics will often not provide us with “the right answer”, but it offers useful ways of thinking systematically about major economic and environmental problems.

This class meets for two 75-minute class periods each week and carries the expectation that students will work on course learning activities for about 3 hours out of classroom for every class period (or 5-6 hours per week). The syllabus includes more information about expectations for student work.

Note: *There are no economics prerequisites for this course, so I will assume that students have not had exposure to economics. The methods will be less demanding than some other upper-division AAE courses, such as AAE 343, 374, or 474; it also addresses themes not covered in those courses.*

Class Schedule:

Week 1: Introduction – Global Agricultural Trade, Environment, and Development

Class 1 (9/2): Trends, Issues, Models, and Concepts + What’s on Your Mind?

On line Th/Fri - Getting organized for group work

Readings: (1) Byerlee et al. (2009);
 (2) FAO Food Sec (2019): exec summary, pages 1-26
 Coffeeland (prologue, chapters 5-6)
 Dr. Vandana Shiva "Why we need an Organic Future"
<https://youtu.be/gof7vdQI6OM>

Week 2: Global Agricultural Trade – Patterns, Processes, and Politics

No class 9/7 LABOR DAY WEEKEND

Class 2 (9/9): Patterns of trade, The Big Players, and Political Economy of Trade
 Highlight – US patterns as benchmark
Short Paper 1 – Assignment posted by 9/8, due 9/17th

Readings: (3) Global Landscape of Agricultural Trade
 Coffeeland (chapters 8-10)

Week 3: Models of Markets and Trade, Ag & Env, Ag & Econ

Class 3 (9/14): Models of Markets and Trade:

Supply and Demand w and without Externalities (closed economy)
 Comparative Advantage (intro – more in week 4)
 Productivity, Technological Change, and TFP (introduce TFP)

Class 4 (9/16): Ag & Environment – (lecture 4a watch before class)

Quiz 1a

Ag & Development – Ag Productivity, Tech Change, and Poverty Reduction (lecture 4b – watch before class)

Quiz 1b

Short Paper 1- Due on-line by Thursday evening, 9/17 11:59pm

Readings: (4) Coomes et al. (2019),

- (5) <https://www.khanacademy.org/economics-finance-domain/microeconomics>
- (6) <https://ourworldindata.org/environmental-impacts-of-food>
- (7) Chapter 3, USDA Ag Res Env Indicators
- (8) Pingali (2010)

Week 4: Free Trade Models – Efficiency & Equality (or Inequality?)

Class 5 (9/21): Supply & Demand – Gains from Trade (and Resource Rents)

Listen to Lecture 5A ppsx

Listen to podcast – Reframing history – bananas

<https://one.npr.org/?sharedMediaId=899439327:906331676>

Going Bananas, Capitalizing on Coffee

Problem Set 1 posted

Class 6 (9/23): More Gains from Trade, Kilo of Coca, Cows, Campesinos, & Rain Forests

Quiz 2: Wk 3: S-D Models and Implications

Readings: Coffeeland (chapters 16-17, 19-22, 26)

(9) Williams (1986):

Interview with Toby Muse Kilo author:

<https://www.theatlantic.com/ideas/archive/2020/06/why-the-war-on-cocaine-still-isnt-working/613297/>

coca videos:

https://www.youtube.com/watch?v=NDa_SpvbeCQ (10”)

<https://www.youtube.com/watch?v=ec2w5BWxl8c> (20” video on coca substitution efforts).

+ Excerpts from Kilo (in handouts on canvass)

Week 5: Fair Trade, Organics, and Other Alternative Trade Models

Class 7 (9/28): Heckscher-Ohlin Comparative Advantage Model

Coffee and cars, Returns to abundant factors, and Gains from trade

Problem Set 1 – Due in class

Readings:

(10) <https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/unit-2-supply-and-demnd/29-international-trade-and-public-policy/v/changing-equilibria-from-trade>

(11) <https://www.khanacademy.org/economics-finance-domain/ap-macroeconomics/basic-economics-concepts-macro/scarcity-and-growth/v/comparative-advantage-specialization-and-gains-from-trade>

Class 8 (9/30): The Micro-economics of Certified Coffee Schemes in Latin America

Quiz 3: Wk 4: Free Trade Models

Readings: (12) Barham et al. (2011)

(13) Barham and Weber (2012)

Week 6: Digging into Fair Trade, Organics, and Alternative Trade Models

Class 9 (10/5): Direct and Alternative Trade Models for Coffee (*Group-led*)

Class 10 (10/7): Intro to Pasture-Based Dairy in New Zealand, Ireland, and Wisconsin

Readings: (14) Roche et al. (2017) – pages:
 (15) Greene and McBride (2015)
 (16) <http://capreform.eu/climate-measures-in-irish-agriculture/>
 (17) Suggested reading on coffee in Latin or Central America (or ?)

Week 7: Mid-term Prep and Mid-term

Class 11 (10/12): Environment, Health, & Animal Welfare in Dairy (*Group-led*)
 + Review session for mid-term
 (18) Suggested reading on dairy in Ireland

Class 12 (10/14): Mid-term in class

No Readings assigned

Week 8: Political Economy of Agricultural Policy – US and Europe

Class 13 (10/19): Intro to Political Economy of Ag Policy

Problem set 2 posted:

Class 14 (10/21): Origins and Evolution of EU's CAP

Readings: (19) Orden & Zulauf (2015)
 (20) Bellemare & Carnes (2015)
 (21) Agricultural Atlas (2019), pp: 1-17

Week 9: European Union CAP: Ag subsidies, Green payments, and Flexibility (corruption)

Class 15 (10/26): EU's Trade Patterns, Farm Structure, and Green Payment System
 (Compare with US explicitly)

Problem set 2 due in class

Class 16 (10/28): EU Small Farmers, Oligarchs, & Challenges of Sovereignty (*Group-led*)
 US Farm Policy, Trade, and Ag Structure (*Group-led*)

Readings: (22) Suggested reading on US Farm Policy, Trade, etc
 (23) Suggested reading on CAP and Europe

Week 10: Brazilian Ag Trade and Sustainable Development

Class 17 (11/2): Brazilian Agriculture – Rise of a Superpower in Agriculture
Short paper 2 posted

Class 18 (11/4) Cerrado and Soy, Cattle and Rainforests

Quiz 4 – Wks 8-9: EU CAP

Readings: (24) Barros (2009)
 (25) Turzi (2013)

Week 11: Brazil & China – Agricultural Trade, Development, and Environment

Class 19 (11/9): Pathways toward Sustainable Ag Dev. in Brazil (*Group-led*)

Class 20 (11/11): Chinese agriculture – Then and Now

Short paper 2 due on-line by Thursday evening, 11/12 11:59pm

Readings: (26) Suggested reading on Sust Ag in Brazil (*Group-led*)
 (27) Carter et al. (2012)
 (28) Yu (2017).

Week 12: China Agriculture & Development

Class 21 (11/16): Chinese agricultural trade and development

Class 22 (11/18): Pathways toward Sustainable Ag Development in China
 (*Group-led*)

Readings: (29) Suggested reading on sustainable ag dev (group-led)

Week 13: East Asia & Thanksgiving Break (end of in class sessions)

Class 23 (11/23): Trade, Food Security, Equity, and Development – Japan & Korea

Quiz 5 – Wks 10-12: Brazil and China Ag

Reading: to be added

Class 24 (11/25) No Class – Thanksgiving Week

Week 14: East Asia & Africa ON LINE LAST TWO WEEKS

Class 25 (11/30): Palm Oil Boom, Rainforests, and Sustainable Development
 Indonesia

Class 26 (12/2): Balancing Cash Crops and Food Security - Kenya

Readings: to be added

Week 15: East Africa & Review ON LINE

Class 27 (12/7): Male and female plots, productivity, and well-being - Malawi

Readings: to be added

Class 28 (12/9): Review

Final Exam: Interpretation and Integration (with choice)

Readings:

- (1) Byerlee, D., De Janvry, A., & Sadoulet, E. (2009). Agriculture for development: Toward a new paradigm. *Annu. Rev. Resour. Econ.*, 1(1), 15-31.
- (2) Food and Agricultural Organization, U.N. (2019). *The State of Food Security and Nutrition in the World (SOFI): Safeguarding against economic slowdowns and downturns*.
- (3) Beckman, J., Dyck, J., & Heerman, K. (2017). *The Global Landscape of Agricultural Trade, 1995-2014*, EIB-181, U.S. Department of Agriculture, Economic Research Service, November 2017.
- (4) Coomes, O. T., Barham, B. L., MacDonald, G. K., Ramankutty, N., & Chavas, J. P. (2019). Leveraging total factor productivity growth for sustainable and resilient farming. *Nature Sustainability*, 2(1), 22-28.
- (5) <https://www.khanacademy.org/economics-finance-domain/microeconomics>
- (6) Ritchie, H. & Roser, M. (2020). Environmental Impacts of food production. <https://ourworldindata.org/environmental-impacts-of-food>

- (7) Hellerstein, D., Vilorio, D., and Ribaldo, M. (editors) (2019). *Agricultural Resources and Environmental Indicators, 2019*. EIB-208, U.S. Department of Agriculture, Economic Research Service, May 2019.
- (8) Pingali, P. (2010). Agriculture Renaissance: Making “agriculture for development” work in the 21st Century, in *Handbook of Agricultural Economics*, Burlington: Academic Press.
- (9) Williams, R.G. “Part Two: Cattle”, *Export Agriculture and the Crisis in Central America*, (Chapel Hill, University of North Carolina Press: 1986): 77-152.
- (10) <https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/unit-2-supply-and-demand/29-international-trade-and-public-policy/v/changing-equilibria-from-trade>
- (11) <https://www.khanacademy.org/economics-finance-domain/ap-macroeconomics/basic-economics-concepts-macro/scarcity-and-growth/v/comparative-advantage-specialization-and-gains-from-trade>
- (12) Barham, B. L., Callenes, M., Gitter, S., Lewis, J., & Weber, J. (2011). Fair trade/organic coffee, rural livelihoods, and the “agrarian question”: Southern Mexican coffee families in transition. *World Development*, 39(1), 134-145.
- (13) Barham, B. L., & Weber, J. G. (2012). The economic sustainability of certified coffee: recent evidence from Mexico and Peru. *World Development*, 40(6), 1269-1279.
- (14) Roche, J. R., Berry, D. P., Bryant, A. M., Burke, C. R., Butler, S. T., Dillon, P. G., ... & Macmillan, K. L. (2017). A 100-year review: a century of change in temperate grazing dairy systems. *Journal of Dairy Science*, 100(12), 10189-10233.
- (15) Greene, C., & McBride, W. D. (2015). Consumer Demand for Organic Milk Continues to Expand-Can the US Dairy Sector Catch Up?. *Choices*, 3, 1-6.
- (16) <http://capreform.eu/climate-measures-in-irish-agriculture/>
- (17) To be added by group 1 presentation
- (18) To be added by group 2 presentation
- (19) Orden, D., & Zulauf, C. (2015). Political economy of the 2014 farm bill. *American Journal of Agricultural Economics*, 97(5), 1298-1311.
- (20) Bellemare, M. F., & Carnes, N. (2015). Why do members of congress support agricultural protection?. *Food Policy*, 50, 20-34.
- (21) *Agricultural Atlas* (2019) – joint publication of Boll Foundation, Friends of the Earth Europe, and Birdlife Europe and Central Asia.
- (22) To be added by group 3 presentation
- (23) To be added by group 4 presentation
- (24) Barros, G. (2009). Brazil: the challenges in becoming an agricultural superpower. *Brazil as an economic superpower*, 81-109.
- (25) Turzi, M. (2012). The political economy of South America’s soybean chain.
- (26) To be added by group 5 presentation
- (27) Carter, C. A., Zhong, F., & Zhu, J. (2012). Advances in Chinese agriculture and its global implications. *Applied Economic Perspectives and Policy*, 34(1), 1-36.
- (28) Yu, W. (2017). How China’s farm policy reforms could affect trade and markets: A focus on grains and cotton.
- (29) To be added by group 6 presentation
- (30)

Academic Integrity

By enrolling in this course, each student assumes the responsibilities of an active participant in UW-Madison’s community of scholars in which everyone’s academic work and behavior are held to the highest academic integrity standards. Academic misconduct compromises the integrity of the university. Cheating, fabrication, plagiarism, unauthorized collaboration, and helping others commit

these acts are examples of academic misconduct, which can result in disciplinary action. This includes but is not limited to failure on the assignment/course, disciplinary probation, or suspension. Substantial or repeated cases of misconduct will be forwarded to the Office of Student Conduct & Community Standards for additional review. For more information, refer to studentconduct.wiscweb.wisc.edu/academic-integrity/.

Accommodations for Students with Disabilities

McBurney Disability Resource Center syllabus statement: “The University of Wisconsin-Madison supports the right of all enrolled students to a full and equal educational opportunity. The Americans with Disabilities Act (ADA), Wisconsin State Statute (36.12), and UW-Madison policy (Faculty Document 1071) require that students with disabilities be reasonably accommodated in instruction and campus life. Reasonable accommodations for students with disabilities is a shared faculty and student responsibility. Students are expected to inform faculty [me] of their need for instructional accommodations by the end of the third week of the semester, or as soon as possible after a disability has been incurred or recognized. Faculty [I], will work either directly with the student [you] or in coordination with the McBurney Center to identify and provide reasonable instructional accommodations. Disability information, including instructional accommodations as part of a student's educational record, is confidential and protected under FERPA.”

<http://mcburney.wisc.edu/facstaffother/faculty/syllabus.php>

Diversity & Inclusion

Institutional statement on diversity: “Diversity is a source of strength, creativity, and innovation for UW-Madison. We value the contributions of each person and respect the profound ways their identity, culture, background, experience, status, abilities, and opinion enrich the university community. We commit ourselves to the pursuit of excellence in teaching, research, outreach, and diversity as inextricably linked goals.

The University of Wisconsin-Madison fulfills its public mission by creating a welcoming and inclusive community for people from every background – people who as students, faculty, and staff serve Wisconsin and the world.” <https://diversity.wisc.edu/>

OTHER COURSE INFORMATION

STUDENTS’ RULES, [RIGHTS & RESPONSIBILITIES](#)

During the global COVID-19 pandemic, we must prioritize our collective health and safety to keep ourselves, our campus, and our community safe. As a university community, we must work together to prevent the spread of the virus and to promote the collective health and welfare of our campus and surrounding community.

UW-MADISON [BADGER PLEDGE](#)

UW-MADISON [FACE COVERING GUIDELINES](#)

While on campus all employees and students are required to [wear appropriate and properly fitting](#) face coverings while present in any campus building unless working alone in a laboratory or office space.

Face Coverings During In-person Instruction Statement (COVID-19)

Individuals are expected to wear a face covering while inside any university building. Face coverings must be [worn correctly](#) (i.e., covering both your mouth and nose) in the building if you are attending class in person. If any student is unable to wear a face-covering, an accommodation may be provided due to disability, medical condition, or other legitimate reason.

Students with disabilities or medical conditions who are unable to wear a face covering should contact the [McBurney Disability Resource Center](#) or their Access Consultant if they are already affiliated. Students requesting an accommodation unrelated to disability or medical condition, should contact the Dean of Students Office.

Students who choose not to wear a face covering may not attend in-person classes, unless they are approved for an accommodation or exemption. All other students not wearing a face covering will be asked to put one on or leave the classroom. Students who refuse to wear face coverings appropriately or adhere to other stated requirements will be reported to the [Office of Student Conduct and Community Standards](#) and will not be allowed to return to the classroom until they agree to comply with the face covering policy. An instructor may cancel or suspend a course in-person meeting if a person is in the classroom without an approved face covering in position over their nose and mouth and refuses to immediately comply.

QUARANTINE OR ISOLATION DUE TO COVID-19

Student should continually monitor themselves for COVID-19 [symptoms](#) and get [tested](#) for the virus if they have symptoms or have been in close contact with someone with COVID-19. Student should reach out to instructors as soon as possible if they become ill or need to isolate or quarantine, in order to make alternate plans for how to proceed with the course. Students are strongly encouraged to communicate with their instructor concerning their illness and the anticipated extent of their absence from the course (either in-person or remote). The instructor will work with the student to provide alternative ways to complete the course work.

COURSE EVALUATIONS

Students will be provided with an opportunity to evaluate this course and your learning experience. Student participation is an integral component of this course, and your feedback is important to me. I strongly encourage you to participate in the course evaluation.

Digital Course Evaluation (AEFIS)

For instructors using the campus digital course evaluation survey tool, [AEFIS](#).

UW-Madison now uses an online course evaluation survey tool, [AEFIS](#). In most instances, you will receive an official email two weeks prior to the end of the semester when your course evaluation is available. You will receive a link to log into the course evaluation with your NetID where you can complete the evaluation and submit it, anonymously. Your participation is an integral component of this course, and your feedback is important to me. I strongly encourage you to participate in the course evaluation.

ACADEMIC CALENDAR & RELIGIOUS OBSERVANCES

- See: <https://secfac.wisc.edu/academic-calendar/#religious-observances>