

AGRICULTURAL & APPLIED ECONOMICS 319
International Agricultural Trade
Course Syllabus, Spring 2017

Basic Information: Class meets Mondays and Wednesdays, 1:00-2:15 in 10 Ag Hall.
Instructor: Kyle Stiegert, 516 Taylor Hall, 608-217-5836; email: kwstiegert@wisc.edu
Office Hours: Monday-Thursday: 2:30-4:30.

Learning Objectives: The general purpose of this course is to provide a sound understanding of international economics and agricultural trade. The course learning objectives are to 1) gain proficiency in theories of international trade for large and small nations; 2) understand trade policy under perfect competition and in presence of oligopolies/monopolies; and 3) apply our training to understand major economic issues and problems facing food and fiber industries operating on an international scale. We will discuss and study the impact of globalization on agricultural trade pricing, production and incomes. As the ties between agriculture and other sectors of the economy have grown stronger (i.e., energy, climate change, health care), international agricultural trade has moved to the forefront on many hotly debated topics around the world. We will use the foundational tools of international economics to provide useful content in group/class discussions on such topics.

Student Background: This is a beginning course in international economics. I presume no previous knowledge or training in the theory or applications of international trade. However, I presume a foundational understanding of introductory microeconomics. Students that did well in a course such as AAE215 or its equivalent are in good position to take this course. For students with a high level of curiosity about international business and/or a career goal of working in some international context should be properly motivated to tackle the material in this class. For some students, this class may act to trigger a long-term investment in international economics training and work.

Organization: For most class sessions, we will have an integrated lecture-discussion in which I will stop class to confront you with a thought-question or a problem. At times, we will break into small groups to discuss more deeply a current event or issue that is related to the course content. During lecture, you are free to ask questions about the material presented. Periodically, I will ask you to fill out a brief questionnaire about the course content, speed of presentation, and lecture clarity. Each class member will also be required to participate in Harvard-style case studies.

READINGS. The required text for the course is International Trade: Theory and Policy by Steve Suranovic. The e-ISBN is: 978-1-4533-2732-6. There are several ways to obtain the text and additional materials. The options are explained at the following URL: <https://students.flatworldknowledge.com/course/2548568>

You can also search on “Stiegert” at students.flatworldknowledge.com and find the above URL. Students have options on what they purchase: etextbook, paper version, study-pass. The “all access pass,” is priced at \$49.00. This gets you the Study-Pass, on-line access to the book, and etextbook version of the book, and PDF downloads of any part of the text.

Learning vs Thinking: No tutor, web site or friend can substitute for the time it takes to synthesize the learned materials into a framework for thinking about problems and issues. Economic thought is a comprehensive framework built upon powerful and simple ideas. For example, phrases such as “behavior is largely driven by incentives” or “product value is determined by scarcity” represent the simplicity and power of these foundations. If you understand these principals, you should be able to explain precisely the forces that drive all sorts of economic phenomena. By the end of the semester, you should have a good understanding of the impacts of trade and trade policy on markets, firms, and consumers.

Grades. Grading will be based on your weighted performance in four distinct areas: **four homeworks** (20%), **one midterm exam** (30%), a **final** (30%), and **short quizzes and class participation in small groups** (20%). Most quizzes are announced but some will be unannounced. Most small group sessions are announced in advance but some will be unannounced. The lowest quiz/participation score is dropped from the grade calculation. There is a quiz this Thursday covering chapter 1 and there will be a quiz covering the six case studies at the end of the semester. By design, each homework and quiz grade represents a small part of your overall class grade. However, if you discipline yourself to learn and understand deeply the material in each homework/case, you will likely perform better on the midterm and on the final. As a result, the investment required to prepare for the final will be much smaller in May if you have mastered the materials on a weekly basis.

Exam policies and information:

If you have a university-excused absence for the date of the midterm or final exam, I will administer your exam at a later time. Students with an unexcused absence on the day of the midterm or on the day of the final receive a 0% on that exam. All exams will be based on material presented in class, the textbook, and the case-study problems.

Final course scores will be normalized so that the class mean is 80%. If, for example, 75% is the class average, each student’s course average will be increased by five percentage points so that the new (normalized) mean will be 80%.

Final grades will be based on normalized scores and placed on the following scale:

A	88 and above
AB	85 - 88
B	78 - 85
BC	73 - 77
C	65 - 72
D	55 - 64
F	below 55

THE EASY WAY TO SUCCEED IN AAE319:

- 1 – Come to class.
- 2 – Form a study group, meet regularly, and participate actively.
- 3 – Work problem sets and discuss them in study group.
- 4 – Come to exams prepared to think and apply.
- 5 – Read the textbook, and make use of the other learning tools at Flat World Knowledge.
- 6 – Read carefully the case study exercise in advance of the scheduled presentation.

I encourage you to connect what you learn in this class to the broader world around you.

Expand your understanding by paying greater attention to the details in news reports of economic, social, and political events and tie them to the course material. Economic issues and economic concepts often seem baffling to the beginner and expert alike. When confused, the best way to learn what's going on is to ask questions and seek explanations from classmates, friends, professionals or anyone that will engage.

Tentative Schedule

Date	Topic	Readings
Jan 17	Getting Started	Syllabus, chapter 1
Jan 19	History, institutions, laws (quiz)	chapter 1
Jan 24, 26	Ricardian Theory (SGA)	chapter 2
<students read chapter 3 on their own>		
1/31, 2/2	Factor Mobility and Income	chapter 4
Feb 7, 9	H-O Model (SGA)	chapter 5
Feb 14, 16	H-O Model (SGA)	chapter 5

Feb 21, 23	Economies of Scale	chapter 6
2/28, 3/2	Review on 2/28, Exam on 3/2	Exam week
Mar 7, 9	Trade policy-perfect competition	chapter 7
Mar 14, 16	Domestic policies (SGA)	chapter 8
Mar 28, 30	Trade policy-imperfect competition (SGA)	chapter 9
Apr 4, 6	Finish chapter 9, case #1 (quiz, SGA)	chapter 9
Apr 11, 13	Political Economy/case #2 (quiz, SGA)	chapter 10
Apr 18, 20	Cases #3 (quiz, SGA) and #4 (quiz, SGA)	
Apr 25, 27	Cases #5 (quiz, SGA) and #6 (quiz, SGA)	
May 2, 4	Review on 2/28, Exam on 3/2	Exam week