There are four key books; a few chapters in each are used for this course in addition to required journal article readings.


Course Outline by Topic

Introduction

Part I. International Trade and Import Demand Analysis: Modeling & Applications

The source differentiated models and demand systems will be discussed.

Part II. The Welfare Impacts of International Trade Policies

The welfare impacts of international trade policies: Tariff and non-tariff restrictive policies. A theoretical analysis will be used in this section utilizing three-panel diagrams, for small and large country cases. Non-tariff trade policies will also be discussed.

Part III. The Welfare Impacts of Domestic Trade Policies

The welfare impacts of domestic trade policies on domestic and international markets will be discussed, using three panel diagrams.

Part IV. Agricultural Trade and International Development

Detailed Course Outline

Introduction

International Trade Issues

a. Agricultural Trade Flows
b. Developing-Country Trade Issues
c. Developed-Country Trade Issues
d. Concluding Comments

Part I: International Trade and Import Demand Analysis: Modeling & Applications

1. Import Demand Analysis

   I. Ad hoc Models

   II. Complete Demand Systems
       a. Application of Separability Theory to the Analysis of International Prices: The Armington Model
       b. The Rotterdam Model
       c. The Almost Ideal Demand System
III. Additional Empirical Implementations  
   a. Promotion and Advertising  
   b. Other Non-Price Import Demand Shifters  

IV. Factors Affecting Agricultural Export Demand  
   a. Foreign Income Growth  
   b. Commodity Prices  
   c. Exchange Rate Changes Cause Price and Income Effects  
   d. Commodity Price Changes Cause Price and Substitution Effects  

Journal Articles:  

**The Armington Model:**  


**Demand Systems**  


**General and Partial Equilibrium Models:**


**Theoretical Considerations:**


**Promotion and Advertising Studies:**

“The California Table Grape Commission’s Promotion Program: An Evaluation.” Giannini Foundation of Agricultural Economics Monograph Series (University of California, University of California), 1997.


**Trade Liberalization:**


Parts II. The Welfare Impacts of International Trade Policies

a. Policy Linkages through Trade

I. Introduction

II. Single-Commodity Linkages
   a. Graphical Analysis of Trade Linkage
   b. Trade Elasticities

III. Impacts of Domestic Policy on International Markets
   a. Per-unit Subsidies and Taxes
   b. Fixed Domestic Prices
   c. Importing and Exporting Instability
   d. Price Transmission
   e. Stocks and Stability

IV. Summary

b. Linkages through Commodities and Policies

I. Introduction

II. Multi-commodity Linkages
   a. Substitution in Production
   b. Input-Output Relationships in Production and Processing
   c. Complementary Relationships in Production
   d. Substitution and Complementary Relationships in Consumption
   e. Closely Related Products in Marketing and Trade Channels
   f. Multi-commodity Linkages in Summary

III. Impacts of Domestic Policy on World Markets: The Multi-commodity Case
   a. Substitution in Production and Policy Intervention
   b. General Results of Intervention

IV. Cross and Generic Price Linkages

V. Macroeconomic Linkages Within and Between Countries

c. Objectives, Constraints, and Instruments of National Food and Agricultural Policy

I. Introduction

II. Policy Objective Functions and Domestic and International Constraints

III. Agricultural and Food Policy Issues

IV. The Measurement of Policy Impacts
   a. Revenue and Expenditure Impacts of Policy Changes
   b. Producer and Consumer Surplus

V. Instruments Available and the Model
   a. The Simple Closed Economy Model
      1. Input subsidy or tax
      2. Consumer subsidy or tax
      3. Restricting the land input
   b. Open Economy: Small-Country Case
      1. Input subsidy or tax
      2. Consumer subsidy or tax
      3. Restricting the land input
      4. Producer deficiency payment
      5. Border tax or subsidy

IV. Summary


I. Introduction

II. Open Economy: Large Country-Passive Analysis
   a. Input Subsidy
   b. Land Restriction
   c. Summary

III. Large-Country Exercises of Market Power
   a. Importer Exercise of Power
      1. Single importer exercises of power—optimum tariff
      2. An importer cartel
      3. Implications of importer power
b. Exporter Exercises of Power
   1. Optimal export tax
      i). Single country
      ii). Government cartel
   2. Producer marketing board
      i). Single country
      ii). Producer cartel
   3. Price leadership model
      i). Price leadership by a dominant country
      ii). A price leadership cartel
   4. Price discrimination model
   5. Implications of exporter power

IV. A Digression on Middleman Market Power

V. The Dynamic Reality

VI. Summary

e. Policy Choices, The Reality: Multiple Instruments, Multicommodity, and Multiple Goals

I. Introduction

II. Multiple Instruments and Multiple Goals: Trade-offs and Complementarities

III. The General Problem of National Policy Choice

IV. Policy Linkages
   a. Case 1: Producer-Oriented Exporter Policy
   b. Case 2: Producer- and Consumer-Oriented Exporter Policy
   c. Case 3: Producer Support-Consumer Subsidy Exported Policy
   d. Case 4: Consumer-Oriented Exported Policy
   e. Case 5 to 8: Producer-Oriented, Producer-and Consumer-Oriented, and Consumer-Oriented Importer Polices
   f. Exporter-Importer Cases

V. The Irreversibility of Time: Or Do Current Policy Choices Force or Constrain Future Policy Choice?

VI. International Pressures on National Policy Choice

V. Summary
Part IV: Agricultural Trade and International Development

1. The Nature of the Growth Process
   a. Labor Growth
   b. Capital Accumulation and Growth in Knowledge Capital
   c. Technical Progress

2. The Effects of Growth on Small Countries
   a. Factor accumulation (balanced growth and the Rybczynski theorem)
   b. Technical Progress

3. The effects of Growth on Large Countries
   a. The Terms-of-Trade Effect
   b. The effect of Growth on Social Welfare

4. The Terms of Trade of Primary-Product Exporters
   a. The Deterioration of terms of trade
   b. The Case of Foreign Trade Restrictions
   c. Evaluation of Arguments Against Trade

5. Agricultural Trade Policy and Developing Countries
   a. Raising the Prices of Primary Products
   b. Commodity Price Stabilization
   c. Barriers to Exports of Manufactures from Developing Countries
   d. Import Substitution Industrialization

6. Agricultural Transformation and Rural Development
   a. The Economics of Small-Scale Agricultural Development: Transition from Subsistence to Specialized Farming
   b. Toward a Strategy of Agricultural and Rural Development: Some Main Requirements
Listing of Additional Books for Background Information for Parts II- IV


