

Agricultural and Applied Economics 3204
INTERNATIONAL AGRICULTURAL DEVELOPMENT AND TRADE
Syllabus
Fall 2008

I. CATALOG DESCRIPTION

Examination of the role of agriculture in less developed countries and how that role is affected by public policies. Topics include the dimensions of world food, population and income problems; theories of economic development and the role of agriculture; a description of traditional agricultural systems and their evolution; components of an agricultural modernization strategy; the impacts of agricultural trade and aid; and the effects of international development and trade on U.S. agriculture.

II. GOAL

The goal of this course is to help students gain a better understanding of the current world food situation, the causes of problems facing agriculture in less developed countries, approaches to overcoming those problems, and effects back on the United States, including its agricultural sector. Economic development is critical for saving lives and improving the quality of living throughout the developing world, where the vast majority of the world's population lives. Agricultural development is crucial in achieving economic development, as agriculture is the largest sector in most developing countries.

III. OBJECTIVES

This course is intended to give students insight into the process of agricultural development, and an understanding of the interdependence between the United States and developing countries. That interdependence is realized through technologies, trade, capital and labor movements, the global environment, and many other means. The class should be of particular interest to those who may participate in business, government, or mission-related activities with other countries. Students should acquire the facts, skills, and problem-solving abilities to:

1. Define the dimensions of the world food, income, and population problems.
2. Examine contributions of agriculture to economic development.
3. Compare the basic characteristics of agricultural systems around the world.
4. Consider interactions among natural resources, biofuels, and food prices
5. Identify components of agricultural development strategies.
6. Explore the role of international trade and the impacts of trade policies, macroeconomic policies, and foreign aid on economic development and on U.S. agriculture.

IV. INSTRUCTORS

| Name | Dept. | Room No, Bldg. | Phone | e-mail |
|------------------|-----------|-----------------|----------|----------------|
| George W. Norton | Ag. Econ. | 205-B Hutcheson | 231-7731 | gnorton@vt.edu |

V. GRADES

There will be 3 quizzes (with the low grade dropped), a mid-term, final exam, and four homework assignments, which relate to the readings and lectures. Grades will be weighted as follows:

| | |
|---------------|------|
| Quizzes | 20% |
| Mid-term | 20% |
| Final | 30% |
| Homeworks | 25% |
| Participation | 5% |
| | |
| TOTAL | 100% |

VI. GENERAL INSTRUCTIONAL METHODS AND PROCEDURES

The lecture-discussion method is used in class. Questions at the end of assigned readings can help guide you through the reading and facilitate class discussion. Be sure to raise your own questions as well. Students are expected to complete required readings before topics are discussed in class, submit written homework on the due dates, and be present when an exam is given. Homework turned in late will lose credit. The 5% participation grade is based on class attendance and on participation in class discussion.

Office Hours: MWF 4:00 to 5:00, but students are also welcome to stop by at other times if no-one is in my office or can make an appointment by e-mailing me.

Disabilities: If a student has a disability that requires special accommodation in class or in exams let me know.

VII. READINGS

At the end of this syllabus is a list of required readings. The book *Economics of Agricultural Development* (Routledge Press, New York and London, 2006) by George W. Norton, Jeffrey Alwang, and William A. Masters is available for purchase in the bookstore or on-line, and is on reserve in the library. Other required readings are available on the AAEC 3204 Blackboard website. Finally, one of the homework assignments will require you to read a small paperback entitled *Nectar in a Sieve*, which can be purchased in the University Bookstore.

VIII. COURSE OUTLINE

- A. Dimensions of World Food and Development Problems
 - 1. Introduction: Overview of Development Problems and Issues
 - 2. Hunger and Malnutrition
 - 3. Economics of Food Demand
 - 4. Population Growth and the Demographic Transition

- B. Agriculture and Economic Development
 - 1. Economic Transformation and Growth
 - 2. Development Theory and Agriculture

- C. Agriculture and Resource Use
 - 1. Agriculture in Traditional Societies
 - 2. Agricultural Systems and their Determinants
 - 3. Resource Use and Sustainability
 - 4. Family structure, Gender Issues and Equality

- D. Transforming the Agricultural Sector
 - 1. Theories and Strategies for Agricultural Development
 - 2. Research, Extension, and Education
 - 3. Land and Labor Markets
 - 4. Purchased Inputs and Credit Markets
 - 5. Pricing Policies and Output Markets

- E. Agriculture in an Interdependent World
 - 1. Agriculture and International Trade
 - 2. Trade Policies, Negotiations and Agreements
 - 3. Agriculture and the Macro-economy
 - 4. Capital Flows and Foreign Assistance
 - 5. Lessons and Perspectives

IX. READING ASSIGNMENTS

A. Dimensions of World Food and Development Problems

1. Introduction: Overview of Development Problems and Issues
 - a. Norton, Alwang, and Masters, Chapter 1
 - b. Von Braun, "Rising Food Prices: What Should be Done?"
 - c. Karon, "How Hunger Could Topple Regimes"
2. Hunger and Malnutrition
 - a. Norton, Alwang, and Masters, Chapter 2
 - b. IFPRI 2006 Global Hunger Index
 - c. Alderman, Behrman, and Hoddinott, "Improving Child Nutrition for Sustainable Poverty Reduction in Africa"
 - d. Akhter, "The World's Most Deprived: Characteristics and Causes of Extreme Poverty and Hunger"
 - e. IFPRI, "Taking Action for the World's Poor and Hungry People: A Way Forward"
3. Economics of Food Demand
 - a. Norton, Alwang, and Masters, Chapter 3
 - b. Impact, "Predicting Food Demand in Fast Growing India"
 - c. Seale, Regmi, and Bernstein, "International Evidence on Food Consumption Patterns"
 - d. Von Braun and Others, "High Food Prices: The What, Who, and How of Proposed Actions"
4. Population Growth and the Demographic Transition
 - a. Norton, Alwang, and Masters, Chapter 4
 - b. Cohen, "Human Population: the Next Half Century"
 - c. Population Reference Bureau, "2007 World Population Data Sheet"

B. Agriculture and Economic Development

1. Economic Transformation and Growth
 - a. Norton, Alwang, and Masters, Chapter 5
 - b. Thompson, "Globalizing Rural America"
2. Development Theory and Agriculture

- a. Norton, Alwang, and Masters, Chapter 6
 - b. IFPRI (Diao et al) Conclusions on the Role of Agriculture in Development
 - c. World Bank, “Agriculture and Economics Growth”
- C. Agriculture and Resource Use
- 1. Agriculture in Traditional Societies
 - a. Norton, Alwang, and Masters, Chapter 7
 - 2. Agricultural Systems and Their Determinants
 - a. Norton, Alwang, and Masters, Chapter 8
 - b. [Agricultural and Economic Development Strategies and the Transformation of China and India - IFPRI 2004-2005 Annual Report Essay](http://www.ifpri.org/pubs/books/ar2004/ar2004_essay01.asp) http://www.ifpri.org/pubs/books/ar2004/ar2004_essay01.asp
 - c. Omestad, “Brazil Becomes the New Food Superpower”
 - 3. Resource Use and Sustainability
 - a. Norton, Alwang, and Masters, Chapter 9
 - b. IFPRI, “Global Warming Changes the Forecast for Agriculture” http://www.ifpri.org/pubs/books/ufa/ufa_ch24.pdf
 - c. von Braun and Pachauri, “The Promises and Challenges of Biofuels for the Poor in Developing Countries”
 - d. World Bank, “Agriculture and the Environment”
 - e. World Bank, “Adaptation and Mitigation of Climate Change in Agriculture”
 - 4. Human Resources, Family Structure, and Gender Roles
 - a. Norton, Alwang, and Masters, Chapter 10
 - b. IFPRI, “Women: Still the Key to Food and Nutrition Security”
 - c. World Bank, “Agriculture for Development: The Gender Dimensions”
- D. Transforming the Agricultural Sector
- 1. Theories and Strategies for Agricultural Development
 - a. Norton, Alwang, and Masters, Chapter 11
 - 2. Research, Extension, and Education
 - a. Norton, Alwang, and Masters, Chapter 12
 - b. Pardey, Alston, Christian, and Fan, “Hidden harvest...”

- c. IFPRI, “Green revolution: Curse or Blessing?”
<http://www.ifpri.org/pubs/ib/ib11.pdf>
 - d. World Bank, “Meeting Growing Demand for Agriculture through Innovations in Science and Technology”
 - e. World Bank, “Capturing the Benefits of Genetically Modified Organisms for the Poor”
3. Land and Labor Markets
- a. Norton, Alwang, and Masters, Chapter 13
 - b. Ngaido, Reforming Land Rights in Africa, IFPRI 2020 Africa Conference Brief 15, 2004.
<http://www.ifpri.org/pubs/ib/ib31.pdf>
4. Purchased Inputs and Credit Markets
- a. Norton, Alwang, and Masters, Chapter 14
 - b. IFPRI, “Banking on the Poor: Unleashing the Benefits of Microfinance”
 - c. Sharma, “The Scope for Policy Reform in Rural Finance”
 - d. Economist, “Debt Relief, Waiving not Drowning”
5. Pricing Policies and Output Markets
- a. Norton, Alwang, and Masters, Chapter 15
 - b. X. Diao and P. Hazell, “Exploring Market Opportunities for African Small-holders,” IFPRI Africa Conference Brief 6, 2004
<http://www.ifpri.org/pubs/ib/ib22.pdf>
 - c. Thompson, “US Farm Policies and Developing Countries”
 - d. World Bank, “Getting Prices Right through Policy Reforms in Developing Countries”
- E. Agriculture in an Interdependent World
1. Agriculture and International Trade
- a. Norton, Alwang, and Masters, Chapter 16
 - b. Thompson, “Globalization and the Benefits of Trade”
 - c. World Bank, “Leveling the Playing Field in International Trade”
2. Trade Policies, Negotiations, and Agreements
- a. Norton, Alwang, and Masters, Chapter 17
 - b. Bonilla, “The World Trade Organization: What Is It and How It Really Works”
 - c. Thompson, Illinois policy Briefs: “Frequently asked questions about the WTO”

http://www.farmdoc.uiuc.edu/policy/ag_policy_briefs/abp_06-01/apb_06-01.html

- d. Thompson, “The Doha Round Suspension: The Role of US Politics”
3. Agriculture and the Macro-economy
 - a. Norton, Alwang, and Masters, Chapter 18
 - b. IFPRI Forum, “Is there a Way out of the Debt Trap?”
 4. Capital Flows and Foreign Assistance
 - a. Norton, Alwang, and Masters, Chapter 19
 - b. Pinstrip-Andersen, Lundberg, Garrett, “Foreign Assistance to Agriculture”...
 5. Lessons and Perspectives
 - a. Norton, Alwang, and Masters, Chapter 20
 - b. Sanchez and Swaminathan, “Cutting World Hunger in Half”

**X. TWO-HOUR RESERVE LIST, AG. ECON. 3204,
INTERNATIONAL AGRICULTURAL DEVELOPMENT AND TRADE**

Norton, Alwang, and Masters, *Introduction to Economics of Agricultural Development*

Runge, Senauer, Pardey, and Rosegrant, *Ending Hunger in Our Lifetime: Food Security and Globalization*