

<u>AGE-960</u>	<u>International Trade in Agricultural Commodities</u>	3(3-0)
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Educational Objectives:

International trade in agriculture goods is a set of highly specialized businesses with a great deal of variability from one product to another. It can vary from bulk transport of commodities, like sugar, to specialized high-value niche markets like vintage wines. A particular problem associated with trade in agriculture products is that many have short shelf lives and must meet very high public and private quality standards. Each product brings its own challenges and needs. This course looks at the full supply chain from farm gate to final sale point for different types of products. It includes the specific issues and approaches used to address problems associated with international trade of different products. The course content covers domestic and international freight, customs clearance procedures, maintaining the cold chain for frozen and chilled products and other practical aspects of international trade.

Course Outcomes:

International trade in agricultural goods and food involves a set of highly specialized business skills with a great deal of variability in expertise from one product to another. Varying from bulk transport of commodities to specialized high-value niche products, each product brings its own challenges and needs and the course looks at the full supply chain for different types of goods.

On successful completion of this intensive course, students will be able to:

1. Appreciate and explain different national models for agricultural production and trade and their implications for the trading system
2. Understand and interpret special agricultural trade policies and policy instruments
- 3 Explain how agriculture and reforms affect economic development and food security – with a special focus on the developing world
- 4 Understand how global food processors and retailers manage the supply chain
- 5 Understand how value chain analysis can be applied in specific sectoral contexts to help in the identification of export opportunities
- 6 Appreciate changing global patterns of consumption and distribution of food and how market access is affected by private standards

- 7 Gain an in-depth view into the operations and governance of global markets for food and agriculture
- 8 Research the practical applicability of concepts addressed in the course to real life situations in international trade and investment

Course Contents:

- Importance of trade in agricultural development
- Basics facts of trade and their importance in national economy of Pakistan
- Mercantilism and early trade theories
- The classical theory of international trade: The classical world of Adam Smith (absolute advantage) and David Ricardo (comparative advantage)
- Neo-classical trade theory: Factor endowments and Hecksher-Ohlin trade model, Stolper-Samuelson trade theorem, Rybzyński theorem, International Factor movements
- Offer curve theory; Balance of Payment: Current account, capital account
- Theory of protection: Tariffs and non-tariff barriers, welfare effects of free trade versus closed economy, welfare effects of restrictions on trade such as tariffs
- Theory of Economic Integration: Free trade area, custom union, common market, economic union
- Trade Negotiations: GATT, WTO, WTO agreements, Implications of WTO for Pakistan's Economy, Contemporary issues in agricultural trade.
- Global Developments in Agriculture

Recommended Books

1. Appleyard, D.R., Field, A.J. and Cobb, S.L. (2009). *International Economics*, 7th edition, McGraw-Hill/Irwin; New York, USA.
2. Carbaugh, R. (2014). *International Economics*. 15th Edition. Cengage Learning Press, USA.
3. Krugman, P., Obstfeld, M., & Melitz, M. (2017). *International Economics: Theory and Policy*, 11th Edition Pearson College Division Press, New Jersey, USA.
4. Scott, J. (2009). *WTO: 1996-2000, Setting the Course for World Trade, Policy Analysis in International Economics*. Institute for International Economics. Washington D. C.