

POLITICAL ECONOMY OF AGRICULTURE AND FOOD

AGEC 4613

FALL 2016

Instructor: Alvaro Durand-Morat
218C AGRI Building
Telephone: 575-2377
E-mail: adurand@uark.edu

Department of Agricultural Economics and Agribusiness
Dale Bumpers College of Agriculture, Food, and Life Sciences
University of Arkansas

Meeting Times: Tuesday and Thursday 8:00 AM – 9:15 AM

Meeting Location: AGRI 301A

I. Catalog Description

4613 Political Economy of Agriculture and Food. Agricultural and food policies are studied from domestic and international perspectives. Laws, regulations, decisions and actions by governments and other institutions are examined in terms of rationale, content, and consequences. Economic and political frameworks are used to assess policies in terms competitive structure, operation, and performance of farming and food systems. Current real-world controversies and debates will focus the course discussions on economic principles, policy analysis and contemporary data.

Prerequisites: AGECE 1103, and AGECE 2103 or equivalent, and PSYC 2003 or SOCI 2013 or RSOC 2603.

This course syllabus/outline is subject to change throughout the semester. Materials for this course can be found on Blackboard. You can reach Blackboard at <http://learn.uark.edu>

II. Course Rationale

This course is ultimately about getting you to think critically about the rationale, content and consequences of domestic and international food and agricultural controversies and policies.

In the U.S. this is a particularly interesting time for farm and food policy. National policy-making has become polarized and culturally divisive. Traditional power clusters have become fragmented as a result of an increase in the number of complex and cross-cutting issues about agriculture and food. The economic structure of agricultural production, food processing, distribution and household consumption of food continues to change. Information technologies and particularly social media play a larger role in speeding up public dialogue and interests in agricultural and food controversies.

Over the past couple of years, the American public, the U.S. Congress, the President and his staff, the courts, and the news and social media have questioned how U.S. government intervention in agriculture and food including public expenditures can be cut in a significant way. Even though food and agriculture account for less than 2% of the federal budget, no one questioned that public spending on this sector would remain immune from the chop of the deficit reduction axe. What less funding will mean for the changes agricultural and food legislation and policy has many in the food and agricultural sector concerned.

Arkansas is a significantly large agriculture and food producing state, as one of the top producers of rice, soybeans, cotton and poultry. At the same time Arkansas has a relatively high poverty rate, associated paradoxically with both food insecurity/hunger and obesity among individuals and households. Therefore Arkansas benefits heavily from government food and agriculture programs that significantly subsidize crop producers and that provide significant food assistance to eligible households, individuals and in particular school age children.

Domestic markets are important destinations for Arkansas food production. However, Arkansas agriculture is also very dependent on international agricultural export markets. This makes what happens to policies that affect our international competitiveness through research and promotion and agricultural trade policy and food assistance programs of critical importance.

In seeking energy independence, the U.S. set out a bio-energy program that has created a new market for grains and oilseed to produce ethanol and biodiesel. This has inextricably linked food and agriculture markets with energy/oil markets with both positive and negative impacts on the agricultural sector. As a leading poultry producer and an increasingly important corn producer, Arkansas agriculture is in the cross-hairs of how the U.S. government moves forward on bioenergy policy.

The agricultural sector is resource intensive, using more than 80% of the nation's water supply, much of the arable land and consequently is a significant emitter of greenhouse gases. Sustainability initiatives as well as climate change policy has become increasingly important not only for national and international policy but also for major food firms such as Walmart, (the world's largest retailer headquartered in Arkansas) which has sought to limit its carbon footprint.

One in six jobs in this state are tied to the activities of the food and agriculture sector. Food and agriculture accounts for over \$17 billion in value added to the state economy or nearly 20% of the State's GDP. So while the focus of this course is on food and agricultural policy at the national and international levels, keep in mind that at our own doorstep what, why and how the U.S. and other country governments intervene in food and agriculture has great significance for Arkansas.

Some of the questions that we will explore this semester include:

- What is a nature of public policy making? What are the general reasons for government intervention? What and who are the basic government institutions and actors? What are the alternative theories, processes, and instruments of public policy?
- Why do governments become so heavily involved in protecting, regulating, promoting, subsidizing—in general, intervening—in the food and agricultural sector?

- ✓ What are the fundamental characteristics and problems that make the sector unique—economically, environmentally, socially, politically, and technologically?
- What is the food and fiber production landscape and how and why is it changing?
- What is the domestic and foreign market landscape of food and fiber consumption and how and why is it changing?
 - ✓ What is the public’s interest in nutrition, diet, and food assistance?
 - ✓ How are diet’s changing and how is this related to the changes in the food supply chains? How does the control of food markets affect choices for consumers?

III. Course Objectives

The overall objective of the course is to develop the student's understanding of the political, economic, social and cultural approach to domestic and international food and agricultural policy. Examples of the questions we intend to address are:

- 1) **Why do we have public policies for food and agriculture?** - What are the conditions of the food and agricultural sector that give rise to public concern and government intervention? How do economic conditions and issues in food and agriculture evolve as a country develops over time? What is the role of food and agriculture to the economic development of a country? How do the political economy, the political institutions, participants, and legal environment affect the nature of government intervention?
- 2) **What are some of the key issues, their policies and programs that affect food and agriculture** - What is the nature of government intervention, what issues are and should be addressed by public policies in food and agriculture? Here we will examine key policy issues using a case study approach. What are the policies, programs and policy instruments used in addressing these issues of food and agriculture? How do these programs work? How well are they working?
- 3) **What are the impacts and consequences?** – What are the benefits and costs of government intervention? What are the intended and unintended effects of government intervention? How do these consequences lead to or constrain the ability of governments to change or reform policies as issues change? How do these consequences enhance or constrain the private sector from achieving efficiency and growth to meet competitive demands?

Students should gain knowledge of the theoretical and empirical analysis of public policy, with emphasis on food and agricultural policy. Fundamental to this framework is the notion that domestic and international food and agricultural policies are intertwined and subject to a broader set of economic, social, political, and technological factors. An understanding of how nations intervene in agriculture and food through domestic and international policies will be investigated. The impact of globalization, multilateral, regional, and national integration, the role of agricultural trade and international resource externalities have resulted in a growing emphasis on decoupled policies, green ‘environmental’ payments, and regulatory approaches to food safety and biotechnology through approval, traceability and labeling. These and the more traditional “closed economy” approaches to public intervention in food and agriculture will be explored.

Students will develop skills in:

- Understanding the processes of public policy making in agriculture and food,
- Estimating and discovering estimates of costs and benefits of public policies,
- Evaluating the economic and political feasibility of policy change,
- Preparation of policy case studies, and
- Critical thinking about the need for policies and policy reforms.

U.S. agricultural and food policy will receive paramount consideration given its importance not only for domestic U.S. producers and consumers but also for global agricultural trade. The U.S. is the largest food and agricultural exporter and one of the largest importers. Much of domestic U.S. agricultural and food policy is framed in the so-called ‘Farm Bill’ that provide authorization for a period of five years. Current legislation was enacted in 2014 when the U.S. Congress passed a new farm bill known as The Agricultural Act of 2014. This legislation is authorized for the years 2014 through 2018. It covers everything from price supports, to nutrition, agricultural trade, bio-energy, conservation and research funding and beyond. We will review some the content and development of this legislation.

European Union policy will also be considered where a comparison is relevant. Reforms to the Common Agricultural Policy (CAP) introduced in 2008, known as the “Health Check”, helped move EU policies toward greater market orientation and increased attention to food quality, the environment, and rural development. The EU adopted a new reform package for food and agriculture in 2013 (CAP 2014-2020). Last year, the U.S. and EU initiated trade talks towards a Transatlantic Trade and Investment Partnership (TTIP), in which agricultural issues have taken center stage. Another key regional trade agreement being negotiated with Pacific Rim nations (Trans-Pacific Partnership, TPP) will also have key impacts on agriculture and food. The failure to achieve an agreement under the Doha Development Round of the World Trade Organization (WTO) will also be examined. Policies of other countries, notably, key producing and trading developing countries or regions will be noted when relevant to understanding the policy environment of global food and agriculture, trade liberalization, food security and sustainability.

IV. Conduct of the course

The objectives of this course will be achieved through a combination of activities, including:

- **Class discussions/Periods.** PowerPoint notes will be posted on the class website for each class period. I expect you to download the notes, review them before class and if you have questions or need additional explanations regarding the notes, come to the class period and ask questions and be prepared to discuss. You must be informed that the exams will be drawn from these notes, particularly the midterm exam. My presentations at the class period will then be based on these notes and responses to your questions and discussions about the period notes, the posted videos, audios, assigned readings, etc.
- **In-class quizzes.** Quizzes (unannounced) will be given to provide you with my feedback about the concepts and information I think you should be learning in this class. These quizzes will count towards your participation score for the final grade; hence, it will be in your interest to come to class and learn from the quiz.

- **Reading assignments, videos, and audios.** Assignments will be listed along with the Period notes and will address the topic of the period, hopefully providing you access to the people who are involved in the policy area being discussed, whether it be the Chair of the House or Senate Agriculture committees, commodity group leaders, foreign agricultural policy makers or farmers and consumers who are addressing their concerns about the issue.
- **Formal exams,** one midterm exam and a final exam will be given, comprehensive on material covered to date. Make-up exams will be given if the student is engaged in a university-sponsored event and provides the instructor with advance notice of one week. If the student misses the exam because of illness, a letter from a doctor will be required. All make-up exams will be taken within one week. (Exams will include short and long answer essays and concept definitions)
- **Policy Case Study.** The case study will be a central part of this course. Its intended goal is to expose you to work collectively in the development of a full policy analysis, and to help you develop your ability to communicate concisely, clearly and in depth on leading public policy issues in agriculture and food. Papers should be properly typed and cited, and should reflect the coordinated work of the work rather than the collection of individual efforts.

You will be assigned to a case study group based on your stated preference/choice among the following selected topics:

1. **Environmental policy:** California Cap-and-Trade Program.
2. **Agricultural trade policy:** U.S.-Cuba relationships
3. **U.S. Commodity Programs:** PLC, ARC-C, and ARC-I
4. **Food and nutrition policy:** Schools' Food Nutritional standards under the 2010 HHFKA

The groups will meet mandatorily with the instructor during office hours every two weeks to show their progress and seek advice. Furthermore, each group will report its progress to the entire class over three class periods, in which they will present:

1. **Background Report:** a Word document not more than 10 pages in length, and a PowerPoint presentation, addressing the following descriptive questions:
 - a. What is the issue?
 - b. Who are the major actors, their positions and institutions involved?
 - c. What are the causes and consequences of the issue?
 - d. What is the current policy?

The Word and PowerPoint documents are due at noon the day before the group's assigned presentation date.

2. **Stakeholder Interview:** the group will help arrange an interview (alive, in class, via skype, or recorded) with a leading policy actor involved with the issue. The goal of this interview is to supplement your sources of information and provide an opportunity to interact with stakeholders participating in some capacity in the policy process.
3. **Policy Analysis Report:** a Word document not more than 10 pages in length, and a PowerPoint presentation, presenting the policy analysis (problem definition, policy alternatives, evaluative criteria, selected alternative/s, and conclusions).

The Word and PowerPoint documents are due at noon the day before the group's assigned presentation date.

The final policy case study report (encompassing the background and policy analysis reports) is due December 9.

All case study assignments must be submitted electronically via Blackboard or email.

- **Policy case study critique.** You will also be assigned a policy case study to evaluate. The evaluation consists of a one page critique of the content, organization, and presentation of the case study. This critique is due the first class period following the completion of the case study presentation. It must be submitted electronically via Blackboard or email.
- **Exercises.** For graduate students and undergraduates who want to be a bit more challenged, I will hold a separate 1 hour period each week to review material covered in the course and to meet with case study groups.

Academic Honesty. Material included in the paper that is explicitly quoted from a source should be identified as such, providing author, publication title, page number and other relevant citation information. A paper that is mostly a set of quotations will be evaluated unfavorably. A common type of academic dishonesty is plagiarism. Papers will be checked using online tools for plagiarism and if found will be given a grade of zero. If this occurs a second time for the same student, a course grade of "F" will be given and the student will be referred to the university judicial process for further sanctions.

Devices Policy: Please turn off or silence phones, handhelds, tablets, laptops, etc., during class. Let us do our best to not let the notifications on our devices become a distraction for us in class.

Graduate Student Requirements. In addition to the above assignments, graduate students enrolled in this course will answer additional questions on the exams and provide leadership for the case study groups.

V. Teaching Units

Unit 1. Course overview, content, scope, and method of agricultural and food policy and policy analysis tools. Periods 1-10. The objective of this unit is to provide an overview of the course objectives and approach. Students will learn what is, who makes, and how are food and agricultural policies determined. Evaluation of this section will be based on mid-term and final exams and class discussion and participation on homework assignments.

Unit 2. Comparative analysis of agricultural and food policy. Periods 11-12. This section will focus on understanding U.S., EU and other country domestic agricultural policy. The main objective of this unit is to inform students of the current status of agricultural policies in selected developed and developing countries and the forces shaping the differences in the policy landscape. Evaluation of this section will be based on mid-term and final exams and class discussion and participation on homework assignments.

Unit 3. Policy Case Studies. Period 14-30. This section will focus on the case study method and the specific case studies selected for in-depth description and analysis.

VI. Textbooks and Tools

Readings other than the two textbooks will be made available on Blackboard or through hyperlinks on the internet.

Texts:

Kraft, Michael E. and Scott R. Furlong. 2013. *Public policy: politics, analysis, and alternatives*. 4th Edition. CQ Press, a division of SAGE. Thousand Oaks, CA

Novak, James L., Pease, James W., Sanders, Larry D. 2015. *Agricultural Policy in the United States: Evolution and Economics*. Routledge. <http://O-site.ebrary.com.library.uark.edu/lib/uark/detail.action?docID=11023370>

Paarlberg, Robert L. 2013. *Food politics: what everyone needs to know*. 2nd Edition. Oxford University Press. Oxford, United Kingdom. <http://O-site.ebrary.com.library.uark.edu/lib/uark/detail.action?docID=10740038>

A set of blogs that you will find interesting and useful include:

<http://blogs.usda.gov/> Gateway to official blogs by the US Department of Agriculture

<http://www.foodpolitics.com/> by Marion Nestle at NYU

<http://usfoodpolicy.blogspot.com/> by Parke Wilde at Tufts University

<http://www.foodintegrity.org/> Center for Food Integrity is led by Charlie Arnot. Its members include a wide array of US agricultural producer groups.

<http://www.geneticliteracyproject.org/> The Genetic Literacy Project is led by Jon Entine, Senior Fellow at the Center for Health and Risk at George Mason University.

<http://farmpolicy.com/> a daily newsletter and blog by Keith Good, with daily updates and links to reports and news on agricultural policy, farm bill, bio-energy, immigration, food safety, and food policy.

<http://sustainableagriculture.net/blog/> alliance of various groups, environmental, organic, sustainable, etc.

<http://www.iatp.org/blog> Institute for Agricultural and Trade Policy focus on a wide variety of agricultural and food policy issues

<http://www.agandfoodlaw.com/> Ag & Food Law Blog provided by a partnership of the National Agricultural Law Center, University of Arkansas and the American Agricultural Law Association.

<http://irjci.blogspot.com/> The Rural Blog, focuses on news, policies and events that affect rural America out of University of Kentucky.

<http://www.nal.usda.gov/> National Agricultural Library website.

<http://blog.farmaid.org/> Family farm support group opposed to multinationals and large corporate agribusinesses.

<http://about.extension.org/blog/> US Cooperative Extension Service blog on food and agriculture

<http://www.beginningfarmers.org/> Blog on policy affecting beginning farmers

<http://blogs.law.harvard.edu/foodpolicyinitiative/> Harvard Food Law and Policy Clinic

<http://food-ethics.com/category/public-policy/> A food ethics from farm to table blog by Chris MacDonald

<http://pollan.blogs.nytimes.com/> Michael Pollan's blog page on the New York Times. See also <http://michaelpollan.com/resources/politics-policy/>

<http://www.consumerfreedom.com/> Anti-food police blog to support consumer's choice and oppose regulation of nutrition and diet.

<http://www.biofortified.org/blog/> Independent blog to provide factual information on biology and particularly plant genetics and genetic engineering.

<http://www.fooddemocracynow.org/blog> A food justice blog site

<http://www.ethanolrfa.org/exchange/author/bob-dinneen-president-and-ceo/> Renewable Fuels Association CEO Bob Deneen blog

<http://www.voxeu.org/vox-talks/we-are-what-we-eat-how-and-why-governments-intervene-food-markets>

Rachel Griffith, why governments intervene to improve health impacts from diet

<http://www.voxeu.org/article/changing-economic-factors-and-rise-obesity>

Charles Courtemanche et al. Changing economic factors and the rise in obesity

Additional blog sites will be added through the term.

A set of additional books that address aspects of this course include the following:

Herring, Ronald J (ed.). 2015. The Oxford Handbook of Food, Politics, and Society. Oxford University Press. New York. <http://O-site.ebrary.com.library.uark.edu/lib/uark/detail.action?docID=10995809>

Pinstrup-Andersen, Per and Derrill D. Watson II. 2011. *Food Policy for Developing Countries: The Role of Government in Global, National and Local Food Systems*. Cornell University Press.

Nestle, Marion. 2013. *Food politics. How the Food Industry Influences Nutrition and Health*. 10th anniversary edition. Revised. University of California Press.

Browne, William P. et al. *Sacred Cows and Hot Potatoes: Agrarian Myths in Agricultural Policy*. Westview Press (Boulder). 1992.

Lusk, Jayson. 2013. *The food police: a well-fed manifesto about the politics of your plate*. Crown Publishing Group, Random House, Inc. New York.

Wilde, Parke. 2013. *Food policy in the United States: an introduction*. Routledge. Milton Park, Oxford, United Kingdom. Available on the University Library ebrary at: <http://0-site.ebrary.com.library.uark.edu/lib/uark/detail.action?docID=10676501>

Schmitz, Andrew, Charles Moss, Troy Schmitz, Harley Furtan, and Helen Schmitz. *Agricultural Policy, Agribusiness, and Rent-Seeking Behaviour*. 2nd Ed. University of Toronto Press. 2010.

VII. Student evaluation

Class Component	Contribution to Final Grade
Midterm exam	15%
Policy case Study	50%
<i>Background Report</i>	<i>10%</i>
<i>Stakeholder interview</i>	<i>10%</i>
<i>Policy Analysis Report</i>	<i>10%</i>
<i>Final Policy Case Study Report</i>	<i>15%</i>
<i>Case Study Critique</i>	<i>5%</i>
Class participation	12%
Final exam	23%

The final grade will be assigned approximately as follows:

Points	Final Grade	Points	Final Grade
93-100	A+	67-70	C
88-92	A-	62-66	C-

84-87	B+	57-61	D+
79-83	B	53-56	D
75-78	B-	50-52	D-
71-74	C+	<50	F

VIII. Class Attendance, Office Hours, Disabilities, and Course revisions

Attendance is expected. Please come prepared (by having reviewed the Period notes ahead of class) and ask questions or make comments about the notes or topic in general. If you expect to miss a class please inform the instructor beforehand. Policies for excused absences will follow the university attendance policy as posted in the catalog of studies. **Why is attendance important?** Exams are based heavily upon the notes and case studies and therefore on the discussions that we will have during the class periods. Specific assignments regarding readings, the case studies and class exercises also will be given at the class period throughout the term. Class participation is one component of your final grade.

The instructor will provide office hours by appointment on Tuesday and Thursday from 10:00-11:30 a.m.

Disabilities. If you need to request accommodations for this class due to a disability, you must first register with the Center for Students with Disabilities (CSD) and hand-deliver an official Accommodation Letter from the CSD to me during my office hours or after class.

Inclement Weather Policy. This course will follow University policy regarding class cancelation if the University is closed. Class periods will be rescheduled to avoid you missing course material or an exam. If an exam is being given, a student who is unable to get to class because of inclement weather will be given the opportunity to make up the exam or take the score received for the final exam as a proxy for the missed exam.

Syllabus Updates. The instructor reserves the right to revise this syllabus/outline during the course of the semester with adequate notice to the students.

Internship/Job Seeking in agricultural and food policy? Check out <http://blogs.law.harvard.edu/foodpolicyinitiative/files/2012/06/CAREER-GUIDE-JUNE-2012-v4.pdf>

Class Schedule		
Date / Lecture		Topic/Reading
8/23	1	Course introduction, organization and overview
8/25	2	Public policy and politics. Kraft and Furlong, Ch. 1
8/30	3	Evolution of U.S. agricultural policies and perceptions. Novak et al, Ch. 4
9/1	4	Agriculture & food public policy and politics. Novak et al, Ch. 3, Paarlberg Ch. 1
9/6	5	Government institutions and policy actors. Kraft and Furlong, Ch. 2
9/8	6	Policy process, mechanisms and policymaking. Kraft and Furlong, Ch. 3
9/13	7	Introduction to policy analysis. Kraft and Furlong, Ch. 4
9/15	8	Public problems and policy alternatives. Kraft and Furlong, Ch. 5
9/20	9	Assessing policy alternatives. Kraft and Furlong, Ch. 6
9/22	10	From policy analysis to policy change: legitimation, implementation, evaluation
9/27	11	Review of agricultural policies in the U.S.: the 2014 Farm Bill
9/29	12	Review of agricultural policies in other selected countries
10/4	13	Midterm exam
10/6	14	Backgrounder Case 1 (Word and PowerPoint due 10/5 at noon)
10/11	15	Backgrounder Case 2 (Word and PowerPoint due 10/10 at noon)
10/13	16	Backgrounder Case 3 (Word and PowerPoint due 10/12 at noon)
10/18	17	Backgrounder Case 4 (Word and PowerPoint due 10/17 at noon)
10/20	18	Invited speaker.
10/25	Fall break	
10/27	19	Stakeholder interview Case 2
11/1	20	Stakeholder interview Case 3
11/3	21	Stakeholder interview Case 4
11/8	22	Stakeholder interview Case 1
11/10	23	Policy analysis and evaluation Case 3 (Word and PowerPoint due 11/9 at noon)
11/15	24	Policy analysis and evaluation Case 4 (Word and PowerPoint due 11/14 at noon)
11/17	25	Policy analysis and evaluation Case 1 (Word and PowerPoint due 11/16 at noon)
11/22	26	Policy analysis and evaluation Case 2 (Word and PowerPoint due 11/21 at noon)
11/24	Thanksgiving break	
11/29	27	Final Case Study Report. Case 4
12/1	28	Final Case Study Report. Case 1
12/6	29	Final Case Study Report. Case 2
12/8	30	Final Case Study Report. Case 3
12/13	31	Final exam @ 8:00 AM - 10:00 AM