

I. POLITICAL ECONOMY OF AGRICULTURE AND FOOD

AGEC 4613
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COLLEGE OF AGRICULTURE AND HOME ECONOMICS
DEPARTMENT OF AGRICULTURAL ECONOMICS AND AGRIBUSINESS

Course Outline – Fall 2014

II. Catalog Description

4613 Political Economy of Agriculture and Food (I) 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: AGECEC 1103, and AGECEC 2103 or equivalent, and PSYC 2003 or SOCI 2013 or RSOC 2603.

This course syllabus/outline is subject to change throughout the semester. An up-to-date course syllabus will be maintained at the class website. Access to the class website is achieved by accessing on ISIS the course Blackboard website portal. The class website will include hyperlinks to reading assignments, lecture notes, videos, audios, exercises, examination reviews, course summary and other useful information. Please make a habit of using this course website daily.

III. Course Outline

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. 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 has changed. Information technologies and particularly social media play a larger role in speeding up public dialogue and interest in agricultural and food controversies. Over the past couple of years, the American public, the U.S. Congress, the President and his staff and the 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 the budget cuts 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 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.

While, domestic markets are important destinations for our food production, 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?

A. Course Objectives

The objectives of the course are to develop the student's understanding of the political, economic, social and cultural approach to domestic and international food and agricultural policy regarding:

- 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 six 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 public policy for the food and agricultural sector. 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 policy approaches, the role of agricultural trade and international resource externalities has 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 because 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 initiated in 2008 known as the ‘Health Check’ have moved their policies toward greater market orientation and increased attention to food quality, the environment and rural development. In June 2013, the EU adopted a reform package for food and agriculture CAP 2014-2020. The U.S. and EU has initiated free trade agreement negotiations (TTIP) this year as well and agriculture will be a prime area. Another key regional trade agreement being negotiated with Pacific Rim nations (TTP) will also have key impacts on agriculture and food. The World Trade Organization (WTO) Doha Development Round negotiations on agriculture and its multiple collapses over the past decade will also be examined. Policies of other countries, notably, the 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:

- **Class discussions/Lectures.** Power-point notes will be posted on the class website for class periods. 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 preliminary exam. My presentations at the class period will then be based on these notes and responses to your questions and discussions about the lecture notes, the posted videos, audios, assigned readings, etc.
- **In-class quizzes.** Quizzes (unannounced) will be given to provide you with feedback from me about what concepts, information, etc that I think you should be learning in this class. These quizzes will count towards your participation score for the final grade and 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 lecture notes and will address the topic of the lecture, 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 preliminary 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.)
- **Written assignments – the Case Study.** The case study will be a central part of this course. You will be assigned to a group, to develop and present one policy case study over three class periods. This case study will be presented over three class periods. The case study will be a group effort and includes three elements:
 1. A backgrounder, not more than 10 pages in length to be prepared by the assigned group. The content will address the following descriptive questions: What is the issue? Who are the major actors, their positions and institutions involved? What are the causes and consequences of the issue? What is current policy? This backgrounder will be the basis for a power point presentation by the group during the first class period.
 2. For the second class period, the group will help arrange for a leading policy actor involved with the issue to attend the class or through skype, to interact with the class with regard to the issues, current policy and challenges.
 3. For the third class period, the group will present their key analytical findings, summarizing the issue, causes and consequences, the group's policy analysis and evaluation. This analysis and evaluation will be submitted as a paper, not more than 10 pages, due one week after the third class period.
- **The case study critique.** You will also be required to choose one of the other five case studies and write a one page critique of the content, organization, and presentation of the case study. This critique will be due the first class period following the completion of the case study presentation.
- Written assignments must be submitted no later than midnight 12 a.m. on the due date and must be submitted on Blackboard.
- **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.

The case studies will be conducted for the following six issues:

1. Risk management, price and income supports for U.S. agricultural producers
2. Nutrition and dietary assistance policy for U.S. consumers
3. Bioenergy policy and its impact on food prices
4. Sustainability policy for food and agriculture, organics and biotechnology
5. Nature vs. Agriculture – Buffalo River and Cargill Hog production, CAFO policy
6. International Agricultural Trade and Foreign Food and Agricultural Assistance

Purpose of case studies. The goal of these case studies is to demonstrate not only your knowledge of subject matter but also to demonstrate your ability to communicate concisely, clearly and in depth on leading public policy issues in agriculture and food. Generalized background and analysis paper outlines will be made available on the class website for each of the six case policy studies. Papers should be typed, properly cited, and should be the work of each group and or individual student.

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. No personal calculators, smart phones, etc will be allowed during the class period or exams unless being used to make presentations. Students will have access to departmental supplied calculators during exams if the instructor finds it necessary to answer exam questions.

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.

B. Teaching Units

Unit 1. Course overview, content, scope, and method of agricultural and food policy and policy analysis tools. Lectures 1-4. 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. Economic and political foundations of public policy analysis for agricultural and food policy. Lectures 5-8. This section will focus on understanding U.S., EU and other country domestic agricultural policy. Objectives will be to use supply and demand frameworks to examine the U.S. situation for food and agricultural policy.

Unit 3. Policy Case Studies. Lecture 9 and Six Case Studies. This section will focus on the case study method and the specific six case studies selected for in-depth description and analysis.

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

Required 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

Paarlberg, Robert L. 2013. *Food politics: what everyone needs to know*. 2nd Edition. Oxford University Press. Oxford, United Kingdom.

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/> 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

Additional blog sites will be added through the term.

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

Paarlberg, Robert. 2010. *Food Politics*. Oxford University Press.

Pinstrup-Andersen, 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.

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.

a. Student evaluation

The course grade will be based on exams, case study components, and class participation as noted below. Students enrolled in the graduate section will be required to do additional work such as answer additional exam questions and take leadership/organizational roles in the case studies:

	<u>Undergraduates</u>	<u>Graduates</u>
Preliminary exam	20%	20%
Case Study Backgrounder	10	10
Case Study Interview with key actor	10	10
Case Study Analysis and Evaluation	15	15
Case Study Critique	10	10
Class participation	10	10
Final exam	25	25

The final grade will be assigned approximately as follows:

93-100 = A
88-92 = A-
84-87 = B+
79-83 = B
75-78 = B-
71-74 = C+
67-70 = C
62-66 = C-
57-61 = D+
53-56 = D
50-52 = D-
< 50 = F

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

Attendance is expected. If you come to class be prepared by having reviewed the lecture 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 lecture 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, Wednesday, and Thursday from 8-10 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>

**DOMESTIC AND INTERNATIONAL AGRICULTURAL POLICY
AGEC 4613**

Fall 2013 Class Schedule

<u>Date</u>	<u>Topic</u>
August 26	Lecture 1: Course Organization and Overview – Student and Instructor introductions, Review of lectures and Issue Case Studies
August 28	Lecture 2: Agriculture and Food Public policy – political, economic, social, cultural, moral/ethical contexts and rationales, key concepts and tools for analysis Reading: Kraft and Furlong, Chapter 1 Reading: Paarlberg, Chapter 1
September 2	Lecture 3: History lesson on evolution of public policy for the U.S. agricultural sector Reading: Paarlberg, Chapter 8
September 4	Lecture 4: Government institutions and policy actors Reading: Kraft and Furlong, Chapter 2
September 9	Lecture 5: Policy process, mechanisms and policymaking Reading: Kraft and Furlong, Chapter 3
September 11	Lecture 6: Policy analysis, understanding the cause and consequences of policy issues, and evaluation of alternative public policy responses. Agricultural and Food Sector; the political and economic environment and policy challenges. Reading: Kraft and Furlong, Chapter 4
September 16	Lecture 7: Policy analysis, understanding the cause and consequences of policy issues, and evaluation of alternative public policy responses. Agricultural and Food Sector; the political and economic environment and policy challenges. Reading: Kraft and Furlong, Chapter 5
September 18	Lecture 8: Policy analysis, understanding the cause and consequences of policy issues, and evaluation of alternative public policy responses. Agricultural and Food Sector; the political and economic environment and policy challenges. Reading: Kraft and Furlong
September 24	Preliminary Exam
September 26	Lecture 10: Policy case study approach. Class notes and selected readings.
September 30	Case 1: Risk management, price and income supports. Backgrounder: What is the issue? Understanding the cause and consequences of the issue. What is current policy?

October 2	Case 1: Interaction with a key actor on the policy issue.
October 7	Case 1: Policy analysis and evaluation.
October 9	Case 2: Nutrition assistance for U.S. consumers. Backgrounder: What is the issue? Understanding the cause and consequences of the issue. What is current policy?
October 14	Case 2: Interaction with a key actor on the policy issue.
October 16	Case 2: Policy analysis and evaluation.
October 21	Fall Break
October 23	Case 3: Bioenergy policy and its impact on food prices. Backgrounder: What is the issue? Understanding the cause and consequences of the issue. What is current policy?
October 28	Case 3: Interaction with a key actor on the policy issue.
October 30	Case 3: Policy analysis and evaluation.
November 4	Case 4: Sustainability policy for food and agriculture, organics and biotechnology. Backgrounder: What is the issue? Understanding the cause and consequences of the issue. What is current policy?
November 6	Case 4: Interaction with a key actor on the policy issue.
November 11	Case 4: Policy analysis and evaluation.
November 13	Case 5: Nature vs. Agriculture – Buffalo River and Cargill Hog production, CAFO policy. Backgrounder: What is the issue? Understanding the cause and consequences of the issue. What is current policy?
November 18	Case 5: Interaction with a key actor on the policy issue.
November 20	Case 5: Policy analysis and evaluation.
November 25	Case 6: International Agricultural Trade and Foreign Food and Agricultural Assistance. Backgrounder: What is the issue? Understanding the cause and consequences of the issue. What is current policy?
November 27	Thanksgiving Holiday
December 2	Case 6: Interaction with a key actor on the policy issue.
December 4	Case 6: Policy analysis and evaluation.
December 9	Lecture 26: Case study summaries

December 11	Lecture 27: Final Review
December 16	Final Examination, 10:15 a.m. – 12:15 p.m.