

Unit Title 3

Policies That Influence Trade

Time needed to complete unit	60 minutes
Why is this important to know?	Everyone wants free trade, yet most want to protect their own trade. This results in a tremendous amount of distortion of free trade. The distortion is affected by policies that protect those who would be less competitive without these policies in place.
Objectives/Purpose	Gain a basic understanding of various trade agreements and policies.
How to use this information	<p>Read the two articles, "Amber Waves" found at: http://www.ers.usda.gov/Amberwaves/April03/Features/DynamicsofAg.htm</p> <p>and John Beghin's paper on agricultural trade: http://www.card.iastate.edu/publications/DBS/PDFFiles/03bp42.pdf</p> <p>to apply the basic vocabulary and concepts from the 2-country trade model. You will gain a better understanding of the current trade issues being debated. This illustrates and identifies the impact of trade barriers to individual commodities and with individual countries. It provides great insight as to who will be the winners and who will suffer as these trade distorting barriers are removed.</p> <p>Then review file "Countries Goals.ppt" and review some of the countries goals as they relate to agriculture and trade.</p>

Additional resources, web links:

National Trade Estimate Report
http://www.ustr.gov/Document_Library/Reports_Publications/2004/2004_National_Trade_Estimate/2004_NTE_Report/Section_Index.html

Office of the United States Trade Representative
http://www.ustr.gov/Trade_Sectors/Agriculture/Section_Index.html

Cairns Group Ag Trading Block
<http://www.cairnsgroupfarmers.org/>

EU Ag Trading Block
http://europa.eu.int/comm/agriculture/external/wto/index_en.htm

World Trade Organization
<http://www.wto.org>

References:

Dynamics of Agricultural Competitiveness: Policy Lessons From Abroad by Erik Dohlman, ERS, USDA, Stefan Osborne, ERS, USDA, and Bryan Lohmar, ERS, USDA. The article also draws upon the work of Gale, Fred (ed.). [China's Food and Agriculture: Issues for the 21st Century](#), AIB-775, USDA/ERS, April 2002.

Osborne, Stefan, and Michael Trueblood. [Agricultural Productivity and Efficiency in Russia and Ukraine: Building on a Decade of Reform](#), AER-813, USDA/ERS, July 2002.

Schnepf, Randall, Erik Dohlman, and Christine Bolling. [Agriculture in Brazil and Argentina: Developments and Prospects for Major Field Crops](#), WRS-01-3, USDA/ERS, November 2001.

Agricultural Trade and the Doha Round: Lessons from the Commodity Studies by John C. Beghin and Ataman Aksoy, Briefing Paper 03-BP 42, July 2003, published by Center for Agricultural and Rural Development, Iowa State University, Ames, Iowa 50011-1070, www.card.iastate.edu

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