ARE 433

U.S. Agricultural Policy

Fall 2004

Instructor: Professor Barry Goodwin

Office: 4221-C Nelson Hall
515-4620
barry_goodwin@ncsu.edu (preferred mode of contact)

Office Hours: Tuesdays and Thursdays, 11:15-12:00, 1:30-2:30 and by advance appointment. I will always attempt to be in my office during these times, though I cannot rule out the possibility that I could have obligations that pull me away during office hours. I will attempt to notify you in advance of any such occasions.

Class Times: Tuesdays and Thursdays, 9:50-11:05
2104 Williams Hall

E-mail: I will use email extensively as a means of communicating important announcements regarding the class. If you prefer an email address that is different from your unity address, you must let me know. If you don’t periodically check your email, you will miss important information.

Texts: E.C. Pasour, Jr. and R. R. Rucker. Agriculture and the State, reprinted by permission from The Independent Institute (available as a course pack in the campus bookstore).

Collected Readings for ARE 433 (available as a course pack in the campus bookstore).

An excellent background text that I highly recommend is by Bruce Gardner, American Agriculture in the Twentieth Century, Harvard University Press, 2002 (on reserve).

Website: http://www4.ncsu.edu/~bkgoodwi/are433
Course Level and Prerequisites:

This course evaluates the economics of U.S. (and international) agricultural policy. It is first and foremost an economics course intended for seniors and advanced juniors. The goal is to use the economic principles that you have learned in earlier courses to study and critique agricultural policy. You will be expected to apply these economic tools to the logical, objective, and critical analysis of agricultural policies. Every policy intervention involves winners and losers and your objectives will be to identify and evaluate how economic welfare is affected by government intervention in the market. in earlier courses to study and critique agricultural policy. You will be expected to pursue a logical, objective, and critical analysis of agricultural policies. Every policy intervention involves winners and losers and your objectives will be to identify and evaluate how economic welfare is affected by government intervention in the market.

The prerequisite for this course is EC/ARE 301. I will assume that you come into this course with adequate comprehension of the principles covered in this course—there will not be an extensive review. You should also have a good grasp of the basic mathematical tools that economists use to study economic phenomena. Our method of analysis will primarily be graphical and intuitive, although several concepts will be addressed in more quantitative terms.

Class attendance should be considered to be a mandatory class requirement. I will also expect you to keep up with the readings. You should read each paper and text assignment ahead of the class and be prepared to discuss the materials.

Grading Policies:

Grades will be determined according to (dates approximate):

- Midterm #1 (September 16) 20%
- Midterm #2 (October 28) 20%
- Final Exam (December 14, 8:00 a.m.) 30%
- Homework 15%
- Policy Paper 15%

Assignments are due at the beginning of class on the assigned date. Late homework will not be accepted. There are no exceptions to this. You will be allowed to drop one homework assignment. If you miss a homework assignment for any reason, this will be considered your dropped assignment. There are no makeup exams. If you miss an exam for a University excused
reason, the final exam will be increased in weight to account for the missing assignment (e.g., a missed exam means your final exam will account for 50% of your final grade). Final grades will be assigned through a consideration of the overall distribution of final average grades. The plus/minus grading system will be used.

**Accommodations for Students with Disabilities:**

Any student with a documented disability may request arrangements to accommodate their disability. Such arrangements include the provision of services and reasonable accommodations appropriate to the student's disability. This should be arranged through the DSS office. See the office website for more information.

http://www.ncsu.edu/provost/offices/affirm_action/dss/

**Academic Integrity:**

Every student is expected to be familiar with and to adhere to the North Carolina State University Code of Student Conduct. This can be found at http://www2.ncsu.edu/ncsu/stud_affairs/policies/code95.html
Course Outline and Reading List

I. Introduction: The Nature of the “Farm/Food Problem” and the Conceptual Underpinnings of Agricultural Policy

Pasour and Rucker, Chapters 1 and 6


II. A Review of Economic Concepts


III. The Policy Process and the Political Economy of U.S. Agricultural Policy

Pasour and Rucker, Chapters 3, 4, and 5

IV. How Did we Get Here? A History of U.S. Agricultural Policy

Pasour and Rucker, Chapter 7


V. **Specific Policy Instruments and their Effects**

A. Basic Price Supports
   Pasour and Rucker, Chapters 8, 9, and 12

B. Target Prices, Loan Rates, Deficiency Payments and LDPs
   Pasour and Rucker, Chapters 9 and 12

C. Production Quotas and Production Constraints
   Pasour and Rucker, Chapter 10

D. Marketing Orders
   Pasour, Chapter 11

E. Dairy Policy

F. Foreign Commodity Program Instruments

VI. **International Trade Policies**

   Pasour, Chapter 14


VII. Other Policy Issues

A. Credit Programs


B. Risk Management and Crop Insurance


C. Conservation and Environmental Policies