

## **FRE 306: Global Food Markets**

Fall Term 2008

Instructor: Rick Barichello

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### **Learning Objectives:**

- Understanding of how food markets work and what are the pressures for changes
- Ability to assess the implications of various aspects of market structure and organization such as increases in firm size and market power in both domestic and international markets, international procurement, supply chain management
- Identify the role of small firms who serve niche markets in global food systems
- Learn the use of economic tools such as excess supply/demand analysis and models such as the farm-retail margin model in application to food markets
- Assess implications of strategic planning by food firms with market power and their investment in food product brand names
- Assess the importance and implications of recent developments in food markets such as the introduction of genetically modified foods and the increased importance of food safety
- Identify and understand implications of various marketing and trade institutions in food markets such as supply management regimes in Canada, state trading enterprises, and the World Trade Organization
- Understanding of how various developments in global food markets, including trade and WTO rulings, and international commodity agreements, affect the well-being of developed and developing countries

### **Course Administration:**

Lectures: Mo We 1100am-1230pm, FNH 60

Office Hours: Mo We 1000-1030; 1230-1300

Grades: Midterm	30%
Problem Sets (2)	10%
Final	55%
Class Participation	5%

*Midterm Date:* Oct 22<sup>th</sup>

*Final Exam:* December t.b.a.

*Problem Sets:* t.b.a.

#### *Textbook and Reading Materials:*

No course textbook. Various readings will be assigned on a topic-by-topic basis.

R. Schrimper, *Economics of Agricultural Markets*, Prentice Hall 2001; HD1433 .S37 2001

Alex McCalla and Tim Josling, *Agricultural Policy Analysis*, Macmillan, 1985

Readings in Woodward Library

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Office Hours: by appointment

## **FRE 306: Introduction to Global Food Markets: Course Outline and Planned Lecture Schedule**

### **Fall 2007**

- Lec 1: Admin, How world markets work, market types and differences
- Lec 2: Global Food Price Dynamics: Falling real food price trends; Price cycles, cobweb model
- Lec 3: Rising food prices: recent changes; causes
- Lec 4: Trade patterns data; Gains from Trade, Globalization
- Lec 5: Food Market Structure and Market Power; Effects of monopoly/monopsony on food markets
- Lec 6: Data needed to determine market power; Farm Marketing Boards
- Lec 7: World market price determination: Excess supply and demand
- Lec 8: Applications to specific firms (e.g., elasticity of excess demand facing CWB) [9]
- Lec 9: Farm Retail Price Model
- Lec 10: International Competitiveness: determinants, international sourcing, procurement
- Lec 11: Integration in Food Markets, Seasonality
- Lec 12: Trade Flows and Domestic Prices

### **Oct 22 Midterm Exam**

- Lec 13: Joint Products
- Lec 14: Local Markets; eating local products
- Lec 15: Demand, Promotion, Brand Names
- Lec 16: Firm strategy re rivals, using game theory
- Lec 17: GMOs and their trade implications
- Lec 18: Futures Markets
- Lec 19: International Trading System
- Lec 20: Agricultural Trade Negotiations
- Lec 21: State Trading Enterprises;
- Lec 22: Commodity Agreements