

# **The Contribution of Agricultural Economists to the Understanding of International Trade: Comments**

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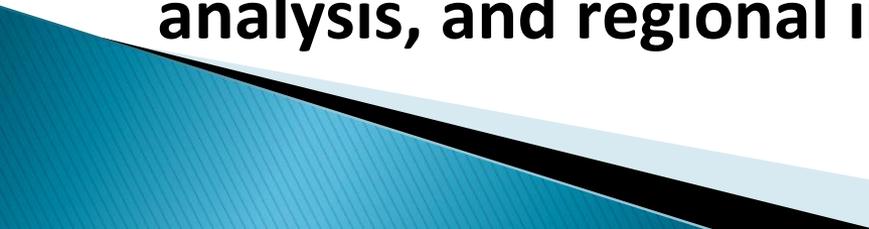
**Presentation prepared for International Track Session as part of “Celebrating 100 Years of the AAEA”, AAEA Annual Meetings, Denver, CO, July 25-27, 2010**



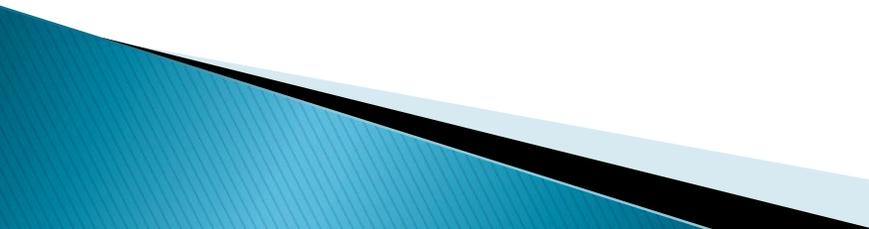
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## ***AJAE* Article for AAEA 100<sup>th</sup> Anniversary**

- **Setting of piece in context of history of economic thought very valuable**
  - **Very clear agricultural trade economists have responded to issues of the day, often making key policy contributions, e.g., Josling's (1973) work on PSEs/CSEs**
  - **Interesting how key set of issues keeps coming around, e.g., agriculture's terms of trade, impact of macroeconomic policy on agricultural trade and prices, effects of farm policy on trade, political-economy analysis, and regional integration**
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## Session Presentations and AJAE Article

- **Andy Schmitz:** encapsulates what agricultural trade economists are so good at – applied welfare economic analysis of policy
  - **Kym Anderson:** particularly liked focus on whether policy reforms have or have not reduced “..disarray in world agricultural markets..” (Johnson, 1973)
  - **Tim Josling:** emphasized institutions matter, e.g., outside of anti-trust analysis, legal issues are key in agricultural trade policy analysis
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## Andy Schmitz's Presentation

- **Initially thought Harry Johnson's adage concerning the "tyranny of the triangles" was going to hold for this presentation!**
- **Importantly, it contains key insights about importance of doing careful analysis of cases where multiple policy instruments are being used, and how they affect trade:**
  - **e.g., case of Canadian supply management with import quotas and production controls – conflict between producers and processors over rents in vertical system (Vercammen and Schmitz, 1992)**

## **Future Issues/Topics for Attention**

- **Interaction of trade and policies beyond agriculture, e.g., climate and energy policy**
  - **Tensions between consumer concerns and trade policy, i.e., new technology, food safety, animal welfare etc. – issue of PPMs still legally contentious**
  - **Role of firms: (a) why do they trade? (b) what is their role in private standards? (c) should such standards be included in WTO disciplines?**
  - **Incidence of trade policy in vertical markets**
  - **Must continue outreach – still a disconnect between trade economists and public understanding**
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