

THE AGRICULTURE EXPORT – IMPORT GAME

LEVEL: 7-8

SUBJECTS:

Social Studies, Economics,
Language Arts, Math

VOCABULARY:

International trade, imports,
exports, agriculture
commodity, law of supply
and demand

LEARNING GOAL:

Students shall develop their abilities to connect and integrate knowledge from all disciplines into their own knowledge bases.

MATERIALS

Student worksheets, graphs, world map.

BACKGROUND

Farmers produce and sell an abundance of agricultural products through a variety of marketing channels. Some products are sold directly to the consumer at roadside stands or small retailers. However, most goods are sold to wholesalers who then sell them to processors to manufacture a variety of goods. These products are then distributed by wholesalers and retailers to the consumer. Exporters sell commodities to other countries; importers bring merchandise into the United States. Farmers use large amounts of machinery, farm supplies and other products from domestic as well as foreign producers. In this manner, agriculture is an interdependent global economic system. Nations rely on each other for a variety of products because of varied climates, resources and specializations. Supply and demand for agricultural products is greatly influenced by worldwide economic conditions.

Agricultural trade continues to be one of the strongest areas for the total trade effort in the United States. Total agricultural exports in fiscal year 1992 were valued at \$42 billion. These export markets are crucial to the economic well-being of American farmers.

OBJECTIVE

The student will:

-demonstrate map reading skills.

-define international trade based on import/export system.

-identify geographic and climatic reasons for trade.

-become familiar with basic agricultural crops grown in Kentucky.

CONCEPTUAL AREA

Economics – agricultural systems meet fundamental human needs and are the foundation of national economics.

Future – of human existence is dependent upon international cooperation to resolve global problems.

-One-Third of U.S. Farm Output is Sold Overseas... and over half of many key commodities (wheat, soybeans, cotton, corn, and rice, for example) are exported.

-Fastest Growing Export Sector is Meat...(mainly beef and pork), increasing 16% last year to \$3.2 billion.

-2nd Largest Export Category is Fruits and Vegetables...valued at \$8.2 billion in fiscal year 1992 (only grains sector is larger).

-Job-Creating High Value Exports at Record Levels...and for every \$1 billion in new agricultural exports 22,000 jobs are created in the United States.

-Mexico Now Our Third Largest Ag Export Market...after Japan and Canada, and our trade surplus with Mexico is over \$1 billion.

U.S. farm productivity will more than outpace U.S. consumer demands in the future. Opening of international markets will provide American farmers with the opportunity to sell their commodities to other countries. Two international trade agreements, the Uruguay Round and the North American Free Trade Agreement (NAFTA), would create new markets for U.S. products. NAFTA involves the United States, Mexico and Canada. The Uruguay Round involves the U.S. and the European Community (EC) nations.

PROCEDURE

1. Display a map of the world. Ask students: Have you ever wondered where cocoa is grown for your favorite candy bar? (Brazil) What about the cinnamon on your breakfast toast? (Brazil, Sri Lanka) And what about the vanilla used to flavor your favorite dessert? (India, Jamaica) What about the wool for your favorite winter coat? (Spain, Australia, New Zealand) Grapes and other fruits? (Chile). Tell students that if they have ever thought about this, then they were thinking about **international trade**. Have students locate these countries on the world map.

2. Next, help students understand the concepts of trade by explaining that just as the word "trade" implies countries. EXPORT (sell) basic COMMODITIES (raw products) and then IMPORT (buy) other basic products. The need for a country to participate in international trade can be determined by the geographic terrain, location and climate. Examples:

-Look at Japan on the map. Why would this country need to import beef and wheat? (not enough land, wrong climate)

-Saudi Arabia will not receive rain for years in some parts of the country. How would this affect agriculture?

-Customers in Manitoba, Canada, ask for seedless grapes. Why would they need to import fruit and what countries would be a source?

3. Distribute the Farm Bureau export/import graphics. List these imports on the chalkboard to discuss the graphics.

*** U.S. Farmers' Best Customers**

Japan: wheat, feed grains, beef, pork, soybeans
Canada: beef
South Korea: feed grains
Mexico: feed grains, soybeans and soy products
USSR: wheat, feed grains, beef, pork, soybeans, soy products

Ask students to use their knowledge of these countries to explain their import needs.

*** World Relies on U.S. Farm Exports**

What are the implications of the percentage shares of the agricultural exports? How do they think these products are used by other countries?

*** Top U.S. Farm Exports**

Which of these products may have been produced by Kentucky farmers? (Tobacco, live animals including horses, feed grains, soybeans, wheat, hides and skins). Where in the state would these crops/animals grow?

*** Ag Products We Buy Abroad**

From whom would the U.S. purchase these imports? Identify the products which would be impossible to raise in the U.S. climate.

4. Conclude the lesson with the "Kentucky Connections" worksheet.

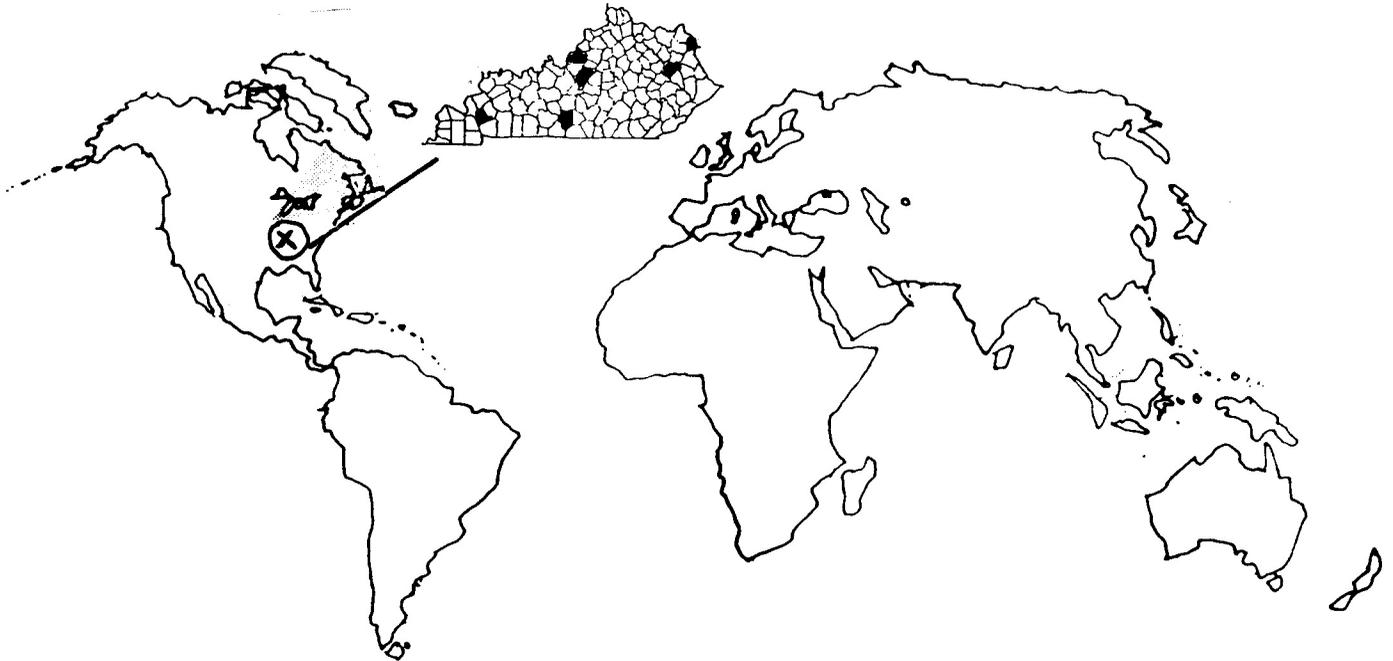
RESOURCES

"Highlights of U.S. Agricultural Activity," U.S. Department of Commerce Economics and Statistics Administration; Farm Facts, American Farm Bureau; "Trade," National AFBF Leadership Conference, 1993; Minnesota Agriculture Magazine, Issue IV 1990-91; Kentucky Agricultural Statistics 1991-92, Kentucky Department of Agriculture.

EVALUATION

Students' knowledge can be assessed by successful completion of the worksheets and by their applications of what they learn about international trade to Kentucky agriculture. Students verbalize the contributions of U.S. agriculture to the world food supply.

Kentucky Connections-Imports Are Everywhere



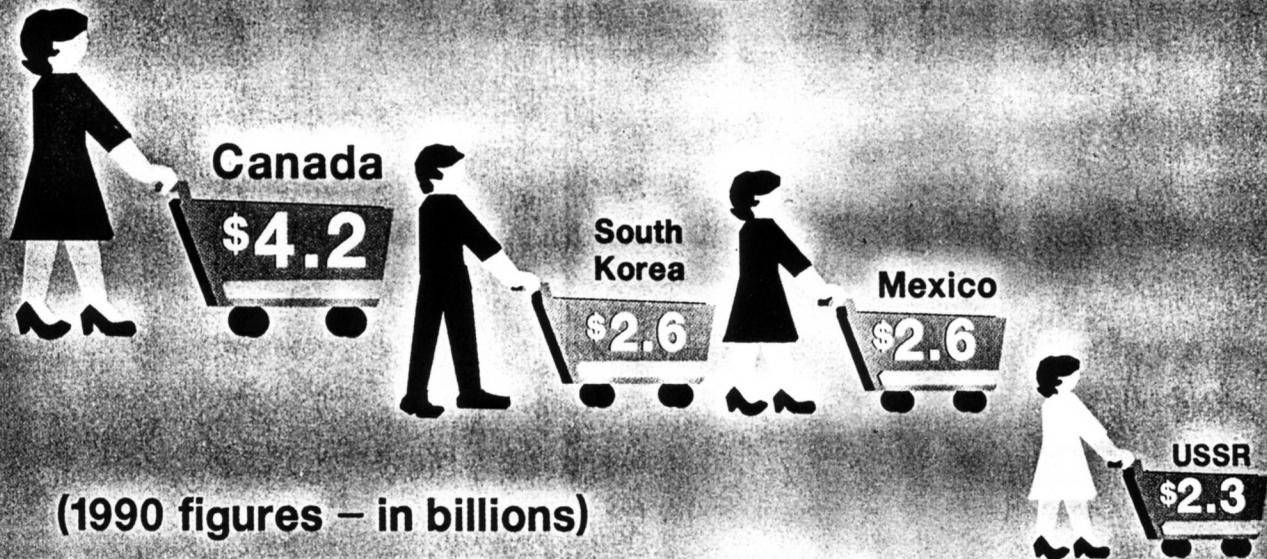
Millions of tons of imports come into Kentucky each year. Imports offer variety and use products not produced in Kentucky. We can enjoy fresh fruits and vegetables from more tropical areas during the winter months when our fields, gardens, and orchards are not producing.

Directions: Look at a large map of Kentucky and the world to locate these places. Draw a red arrow from the import country to the location in Kentucky where the product is used.

1. Fresh strawberries from **Mexico** end up in your strawberry sundae in **Ashland**.
2. Coffee from **Columbia** is served in the restaurant of Barren River State Park near **Glasgow**.
3. Wool from **Australia** is made into a coat sold in **Eddyville**.
4. Olive oil from **Spain** is used in a salad dressing in **Bardstown**.
5. Apples from **New Zealand** are sold at produce stands in **Louisville**.
6. Cotton from **China** is sold in a fabric store in **West Liberty**.
7. Your family is building a garage. The lumber comes from Canada. Draw an arrow from Canada to your part of Kentucky.

U.S. farmers' best customers

Japan is the top customer for U.S. farm products.



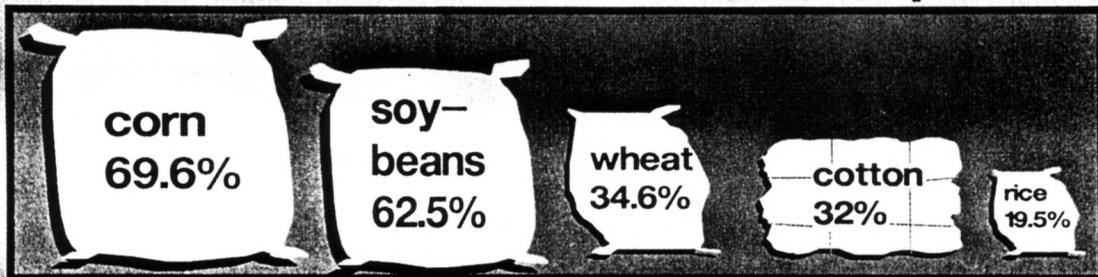
(1990 figures – in billions)

Source: USDA

American Farm Bureau Graphic

World relies on U.S. farm exports

U.S. share of world market



The U.S. provided 52% of the world's grain trade in 1989-1990.

Source: USDA

American Farm Bureau Graphic

Top U. S. farm exports

(In \$ billion)



U.S. horticultural product exports increased by nearly 30 percent in 1990.

Source: USDA

American Farm Bureau Graphic

Ag products we buy abroad

Most of the \$227 billion in U.S. ag imports comes from commodities not produced in the U.S.



Source: USDA

American Farm Bureau Graphic