



LET'S TRADE

GRADE LEVEL: 4-5

SUBJECT: Agricultural Production

NATIONAL STANDARD(S): (3-5) EC: 10.1

THEME: Social Studies

FOOD AND FIBER TOPIC: IV-A

LEARNER OBJECTIVES

The students will become familiar with the methods used to trade agricultural products between countries.

VOCABULARY:

embargo—A government order prohibiting passage of merchant ships into or out of its ports.

international—Involving two or more nations.

interstate—Relating to or connecting two or more states.

mileage—Total length or distance measured in miles.

transport—To convey from one place to another.

BACKGROUND:

Railroads were the first mass transportation system in the United States. The introduction of the railroads allowed easier access to other markets for farmers from the west and midwest. Railroads also put an end to the great cattle drives as the beef could now be shipped to market by rail. Today at harvest time trucks filled with American goods roll down rural roads and super highways. Ships loaded with corn from U. S. farmland sail toward foreign ports.

The process of finding the best way to move a product is complex. A bushel of grain can be transported on truck, barge, railcar, or ship, and stored in a grain elevator before it is processed, moved again, and consumed in local or international locations. If the product is highly perishable and needs to be delivered quickly, air transportation is needed.

Transportation links buyers and sellers of agricultural crops throughout the world. Trucks transport fruit, vegetables, dairy products, and meats from processing or distribution points to ports. Bulk grains are transported by railroad, barge, or ship to storage, processing or exporting facilities. Air service is used for time-sensitive, high valued commodities such as live animal, fruits, and vegetables which are shipped great distances. Air transport plays a small but important role in U. S. agriculture.

Competition between firms within each kind of transportation has helped to moderate cost increases to buyers and seller. Innovations in technology and equipment, coupled with the benefits of interstate highways, waterways, and railway system, have increased the ability of U. S. farmers and ranchers to keep existing markets, compete for new foreign markets and increase farm income.

The U. S. is the world's largest agricultural exporter. Transportation represents as much as 30 percent of the total marketing costs of some products. Transportation cost is affected by the method used, handling characteristics required, and the intrinsic value of the product. As much as 60 percent of the total production of U. S. farm products (bulky, low-value products such as wheat and rice) is exported on large ships.

Government policy plays a big part in trade with other countries. International trade, the exchange of goods and services between two countries, is very important to U. S. agriculture. An example of government control is a U. S. export embargo which forbids export sales, generally to a particular nation. The U. S. government has imposed four agricultural embargoes, either partial or total, since 1973.

STEP BY STEP INSTRUCTIONS:

1. Divide the class into four groups for a role playing activity. Assign each group an agricultural product and a country. Example: wheat, U. S.; rice, China; wool, Australia; bananas, Brazil; beef, Argentina.
2. After looking at a world map, each group will decide the best mode of transporting their good(s) to other markets outside of their respective country.
3. The receiving country will list the many uses of each imported product.
4. The teacher will impose an embargo on one country's (or group's) goods and give a reason for doing so.
5. Other groups will determine how they are affected by this embargo. Discuss the effects on the country whose goods cannot be transported. The class will determine an alternative method to compensate for the goods that have been embargoed.
6. What effect does this have on the country that originally imposed the embargo.

RELATED ACTIVITIES

1. Allow students to research the trade embargoes the United States has imposed on other countries.
2. Use encyclopedias and almanacs to determine the primary countries with which the United States trades.
3. Discuss trade deficits and balance of trade. Have students chart the value of trade or the trade deficit the U.S. has had with selected countries for the past ten years.

RESOURCES

Student Books

- Adams, B. J. (1992). The Go-Around Dollar. Macmillan.
Brittain, B. (1979). All the Money in the World. Harper Collins.
Byers, P. & Preston, J. (1983). The Kids' Money Book. Liberty.
Cook, J. & Bond, S. (1988). Where Food Comes From. EDC.
Elkin, B. (1983). Money. Children's Press.
Horowitz, J. (1986). Night Markets: Bring Food to the City. Harper Collins.

Teacher Resources

"Food for America," National FFA Supply Service, 5632 Mt. Vernon Memorial Highway, Alexandria, VA 22309. (teaching guide with activities, \$7.50 per kit).

Related Internet Websites

The United States Department of Agriculture website will provide information on all commodities, and livestock produced by, exported to, or imported into the United States: <http://www.usda.gov>

The National Agricultural Statistics Service website can be used to find most production statistics for livestock and crops produced in the United States: <http://www.usda.gov/nass>

The Chicago Mercantile Exchange website: <http://www.cme.com/>

EVALUATION

Were the students able to intelligently discuss the concept of trade in the role playing activity?

ACKNOWLEDGEMENT

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