11. Minnesota Companies and World Trade

Overview
In this lesson, students will have the opportunity to investigate specific Minnesota companies that export and their international ties, some in their own city.

Grade Level: 8
Time: Two to three 50 minute class periods (time may vary with presentation length).

Minnesota State Standards: Geography
GRADE 8
Benchmark: 8.2.1.1.1
Apply reasoned decision-making techniques in making choices; explain why different governments faced with the same alternatives might make different choices.

Benchmark: 8.3.1.1.1
Obtain and analyze geographic information from a variety of print and electronic sources to investigate places or answer specific geographic questions; provide rationale for its use.

Benchmark: 8.3.1.1.2
Create and use various kinds of maps, including overlaying thematic maps, of places in the world; incorporate the “TODALSS” map basics, as well as points, lines and colored areas to display spatial information.

Benchmark: 8.2.3.4.1
Identify factors that affect economic growth (percentage changes in Gross Domestic Product –GDP) and lead to a different standard of living.

Objectives
The students will be able to:
- Define import and export.
- Students can discuss the theories of comparative and absolute advantage and their role in economic decision-making.
- Describe the effects of international trade on Minnesota agriculture companies.
- Identify the countries involved in trade with Minnesota agriculture companies.
- List the major products exported abroad by Minnesota agriculture companies.

Materials
- World Map
- Handout 1: International Agriculture Company Investigation
- Computers with internet access
- Materials for students to develop posters, PowerPoint, Prezi, podcast or TV newscast (computers, graphing programs, graph paper, markers, colored pencils, poster board, etc.)

Background Information
Minnesota exports over $20 billion in products a year from food to machinery to medical equipment. This lesson will first examine the prevalence and impact of imported goods in the lives of Minnesotans, and then focus on what Minnesota in turn exports to the rest of the world and the importance of that international trade.

This activity looks at the extensive connections between Minnesota and the international economy.
• Minnesota’s exports totaled over $8.7 billion in 2013.
• The largest category of Minnesota’s exports is Agriculture and Food, which totaled slightly over $8.2 billion in 2012, an increase of 14% or almost $1 billion from 2011.
• Minnesota’s top export commodities are: soybeans, corn, pork and feed which account for over 60% of the state’s total agricultural exports.
• From 2000-2012, Minnesota's total agricultural export grew by 265%, much higher than the national growth of 176%.
• Exports are crucial to our economy, contributing over one-third of Minnesota’s total agricultural sales.
• In Minnesota, more than 68,800 jobs are directly or indirectly related to agricultural exports.
• The top three markets for Minnesota exports in 2012 were China (21%), Canada (14%), and Mexico (13%).

Procedure
1. Inform students that they will be investigating local companies involved in international trade. Ask students to list local companies they think are involved in international trade. After they have finished, provide the student handout that lists information on the Examples of Minnesota Agriculture Companies in International Trade as either a handout or to aid in this discussion. Ask students the following questions as part of the discussion:
   A. Why would a Minnesota company choose to sell its products in the international market?
   B. What problems do you think a company might face if it decides to try to sell in the international market?
   C. How does this international trade affect the people and countries that receive these products?

   On a world map, show an example of where one company trades in the world. On the map, pictures may be used to indicate the products traded. Another map might be drawn to indicate the methods and routes of transportation that would be used to get the products from Minnesota to other parts of the world where they are sold.

2. With a partner, students will then choose one of the companies to research. Encourage the students to compile their information into charts, tables, graphs, and visuals.
   C. Students will then present their findings by creating a poster, power point, Prezi, podcast or TV newscast.

Assessment
After presenting their research findings, ask students the same questions posed at the beginning of this lesson to see if their perceptions have changed as a result of this investigation.

   1. Why would a Minnesota company choose to sell its products in the international market?
   2. What problems do you think a company might face if it decides to try to sell in the international market?
   3. How have the local communities been affected by the activities of these companies?
   4. How does this international trade affect the people and countries that receive these products?

Resources
• Consult the International Trade Directory of MN — https://apps.deed.state.mn.us/ExportMN/IBRsf/
• MN AG Export Resources — http://exportassistance.com/mn-resources-sp-245116629/mn-agriculture-export-resources
• Minnesota Economy Report — www.netstate.com/economy/mn_economy.htm
• 2013 Minnesota Ag Profile — www.mda.state.mn.us/food/business/~/media/Files/food/business/economics/agexportprofile.pdf
• 2014 First Quarter MN Ag Profile — http://mn.gov/deed/images/First_Quarter_Exports_2014.pdf
• MN Ag Statistics Service — www.nass.usda.gov/Statistics_by_State/Minnesota/
• Minnesota Economy Information — www.netstate.com/economy/mn_economy.htm
• Link for the International Trade Game — www.imf.org/external/np/exr/center/students/trade/newplay.aspx
**International Agriculture Company Investigation**

Examples of Minnesota Agriculture Companies involved in World Trade

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Company Name</th>
<th>Company Name</th>
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</thead>
<tbody>
<tr>
<td>The Scouler Company of Minneapolis</td>
<td>Kraft Foods</td>
<td>Hormel-Austin</td>
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<tr>
<td>CHS Inc.</td>
<td>Kohler Mix Specialties</td>
<td>Barrel O’Fun-Perham</td>
</tr>
<tr>
<td>Target</td>
<td>MOM Brands (Malt O’Meal)</td>
<td>Bongard’s Creameries</td>
</tr>
<tr>
<td>General Mills</td>
<td>Nash Finch</td>
<td>Syngenta</td>
</tr>
<tr>
<td>Cargill</td>
<td>Pearson’s Candy</td>
<td>Supervalu, Inc.</td>
</tr>
<tr>
<td>C.H. Robinson Worldwide, Inc.</td>
<td>Seneca Foods</td>
<td>Schwan’s</td>
</tr>
<tr>
<td>Land O’ Lakes, Inc.</td>
<td>Dairy Queen-Edina</td>
<td>Old Dutch</td>
</tr>
</tbody>
</table>

Select one Minnesota Agriculture Company to investigation. Use information from accurate and reliable sources to answer the following questions:

1. What product(s) does the company produce?
2. Where are the products produced? What raw materials and resources are used in this production process?
3. Where are these products sold (in Minnesota, United States, and the world)?
4. What are the benefits and challenges that this company faces when selling its products in the international market?
5. What methods of transportation are used to get the products from Minnesota to other parts of the world where they are sold?
6. How does this international trade affect the people and countries that are able to purchase these products?

Compile the information you collect into charts, tables, graphs and visuals. Present your findings to the class in the form of a poster, PowerPoint, Prezi, podcast or TV newscast.