Coffee Crosses Borders

Trace trade, trade rules, and jobs across the Western Hemisphere

6.C.7.4 "Describe patterns of economic interdependence and trade linking regions of the Western Hemisphere. Define basic concepts related to trade, including exports and imports, tariffs, free trade, and balance of trade..."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the sentences that describe goods moving between countries. Circle the names of trade rules or measures, then number the two possible effects of outsourcing on jobs.

From Colombian Beans to U.S. Cups

1 A bag of coffee beans grown in Colombia can end up at a café in the United States. Colombia sells the beans abroad, so they are a Colombian export. The United States buys them from another country, so the same beans are a U.S. import. Trade also travels the other way: a U.S. company may sell coffee-roasting machines to businesses in Colombia. Those machines are a U.S. export and a Colombian import. Each region supplies something businesses in the other region use.

2 Prices and rules shape these trips. A tariff is a tax a government puts on an imported good. If the United States puts a tariff on imported coffee beans, the added cost may raise the price paid by buyers. Free trade means trade with few or no barriers, such as tariffs. The balance of trade compares the value of a country's exports with the value of its imports over a period of time. If export value is higher, the country has a trade surplus; if import value is higher, it has a trade deficit.

3 Some U.S. coffee companies hire Colombian businesses to roast and pack beans there instead of doing that work in the United States. Hiring a business in another country to do work is a form of outsourcing. Colombia is a developing country, and this work can create jobs for Colombian workers. It can also mean fewer roasting or packing jobs in the United States. The companies depend on Colombian workers and U.S. customers, while Colombian businesses depend on U.S. orders. This shared need shows economic interdependence, even when the benefits are not equal.

2 ANSWER WITH EVIDENCE

Use the passage

1. Describe the two trade routes in the first paragraph. For each good, name the exporting and importing country.

2. If Colombia's export value were higher than its import value for a year, what would its balance of trade show? Explain.

3. How might a U.S. tariff change the price of Colombian coffee beans for buyers? How would free trade differ?

4. How could moving roasting work to Colombia affect jobs in both countries and link their economies?

3 YOUR TURN

Your own words

Invent a trade link between two Western Hemisphere countries other than Colombia and the United States. In four sentences, name a good each country exports to the other, describe one job a business could outsource between them, and explain one possible effect on workers.

ANSWER KEY

Coffee Crosses Borders

GRADE 6 · 6.C.7.4

PART 1 · READ AND MARK

Underline the sentences that describe goods moving between countries. Circle the names of trade rules or measures, then number the two possible effects of outsourcing on jobs. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Describe the two trade routes in the first paragraph. For each good, name the exporting and importing country.	**Colombia exports coffee beans to the United States, which imports them. The United States exports coffee-roasting machines to Colombia, which imports them.**
2	If Colombia's export value were higher than its import value for a year, what would its balance of trade show? Explain.	**It would show a trade surplus because the value of Colombia's exports would be higher than the value of its imports.**
3	How might a U.S. tariff change the price of Colombian coffee beans for buyers? How would free trade differ?	**A tariff would add a tax to the imported beans and might raise their price for buyers. Free trade would have few or no barriers such as tariffs.**
4	How could moving roasting work to Colombia affect jobs in both countries and link their economies?	**It could create jobs for Colombian workers but mean fewer roasting jobs in the United States. U.S. companies would depend on Colombian workers, and Colombian businesses would depend on U.S. orders.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Canada exports sewing machines to Honduras. Honduras exports shirts to Canada. A Canadian clothing company could outsource shirt sewing to a Honduran business. That choice could create sewing jobs in Honduras but reduce sewing jobs in Canada.

Accept plausible goods and jobs, with each export correctly described from the selling country's point of view. For the open task, accept a possible worker effect rather than requiring a certain outcome.