

AGRI 0215 - INTRODUCTION TO AGRICULTURAL BUSINESS AND ECONOMICS

Catalog Description

Advisory: Eligibility for ENGL 1A

Hours: 54 lecture

Description: Provides an overview of the role agriculture business and economics play in United States and world economies and how these aspects impact the agricultural producer in day to day management, the consumer and the food system. Production and supply, marketing and demand, resource allocation and commodity pricing will be discussed as well as social and economic challenges of agriculture in urban and industrialized economies emphasizing California. (CSU, UC)

Course Student Learning Outcomes

- CSLO #1: Relate basic concepts of economics to agriculture production.
- CSLO #2: Assess the factors influencing a farm manager's choice of combinations of inputs and outputs for specific agriculture commodities.
- CSLO #3: Evaluate how a farm manager determines the cost-minimizing combination of inputs to use in the production process and how much for specific agriculture commodities to produce and whether a farm decides to specialize or diversify.
- CSLO #4: Discuss the history of U.S. agricultural trade and relate it to the role of agriculture in the GATT and WTO negotiations and relate international trade policies and changes in the domestic markets for specific agriculture commodities.

Effective Term

Fall 2018

Course Type

Credit - Degree-applicable

Contact Hours

54

Outside of Class Hours

108

Total Student Learning Hours

162

Course Objectives

1. Relate basic concepts of economics to agriculture production and agriculture business management.
2. Develop an awareness of the basic laws, regulations, and regulatory agencies that interact with the agriculture community.
3. Examine the economic scope and organization of agriculture including sole proprietorships, partnerships, corporations, franchises, and

cooperatives. Identify and explain the four functions of management and how they relate to the agribusiness organization.

4. Apply basic principles of management, finance and marketing to agriculture production.
5. Assess marketing and production strategies of agricultural business as influenced by the economies of imperfect competition.
6. Diagram a demand curve based on a crop production budget.
7. Examine the basic concepts of elasticity of demand, cross-price elasticity and income elasticity of a specific agriculture commodity.
8. Discuss what utility is and diagram the derivation of an indifference curve.
9. Compare and contrast how advances in technology affect the production function.
10. Compare and contrast the relationships among productivity measures of various agriculture commodities.
11. Assess the factors influencing a farm manager's choice of combinations of inputs and outputs for specific agriculture commodities.
12. Estimate the profit-maximizing level of output for specific agriculture commodities.
13. Evaluate the elasticity of supply and its determinants for specific agriculture commodities.
14. Appraise how supply and demand curve interact to determine prices and quantities of for specific agriculture commodities.
15. Inspect the impact of outside factors on the market for specific agriculture commodities.
16. Compare and contrast the characteristics of market structures for specific agriculture commodities.
17. Evaluate how a farm manager determines the cost-minimizing combination of inputs to use in the production process and how much for specific agriculture commodities to produce and whether a farm decides to specialize or diversify.
18. Assess how prices are determined for specific agriculture commodities/outputs.
19. Evaluate how international trade affects the determination of domestic prices, production and consumption for specific agriculture commodities.
20. Assess how resource endowments and production technology determine a nation's comparative advantage and thereby its exports and imports for specific agriculture commodities.
21. Relate international trade policies and changes in the domestic markets for specific agriculture commodities.
22. Discuss the history of U.S. agricultural trade and relate it to the role of agriculture in the GATT and WTO negotiations.
23. Identify the role of the agricultural manager and relate various styles of leadership to recognizing, evaluating, and proposing solutions to problems in personnel, ethics and communication.

General Education Information

- Approved College Associate Degree GE Applicability
 - AA/AS - Social Sciences
- CSU GE Applicability (Recommended-requires CSU approval)
 - CSUGE - D2 Economics
- Cal-GETC Applicability (Recommended - Requires External Approval)
- IGETC Applicability (Recommended-requires CSU/UC approval)
 - IGETC - 4B Economics

Articulation Information

- CSU Transferable
- UC Transferable

Methods of Evaluation

- Classroom Discussions
 - Example: Students will discuss media articles they have read. Guided by the instructor, discussion will focus on the impacts to agriculture business and economics and how management is affected by the issue. An example article topic may be changes to policy leading to laws regarding the use of antibiotics in livestock production. Performance will be assessed based on knowledge of topic of article, proper use of terminology, relating the article to class materials. Lecture Objectives: 1, 2, 10,
- Essay Examinations
 - Example: Compare and contrast in essay format economic problems associated with each form of competition, as well as the social benefits of each. Essay will be assessed based on a rubric developed by the instructor and shared with students. Performance will be assessed based on accuracy, completeness, proper use of terminology. Lecture Objectives: 1, 3, 15, 22
- Objective Examinations
 - Example: The following is an example multiple choice question: A farmer was late getting soybeans planted and an early frost hit the crop before the crop had matured. The harvest costs are \$40 per acre and the returns would be \$60 per acre. Prior to the frost, \$106 per acre was invested in operating expenses. The farmer should: A. Abandon the crop because the farmer cannot cover all variable expenses. B. Rent the field to a neighbor for \$10 per acre to use as cattle grazing, instead of harvesting the crop. C. Harvest the soybeans and sell the soybeans for \$60 per harvested acre. D. Plant corn next year instead of beans. Lecture Objective: 12, 15
- Reports
 - Example: Students will develop a business plan for the business of their choice. The business may be an existing one, a nonexistent one you are interested in, or one the student is interested in starting in the future. The business plan will be assessed for inclusion of market and competitor information, outlining the part of the market being targeted, key competitors and what differentiates the business from them. It should also include the sales and marketing strategy, as well as information on how the product or service will be priced, channels to market, and advertising and marketing plans. Lecture Objectives: 1, 2, 3, 10, 11, 12, 15, 16, 17, 23

Repeatable

No

Methods of Instruction

- Lecture/Discussion
- Distance Learning

Lecture:

1. On a weekly basis, with instructor oversight and facilitation, students will discuss media articles they have read. Guided by the instructor, discussion will focus on the impacts to agriculture business and economics and how management is affected by the issue. An example article topic may be changes to policy leading to laws regarding the use of antibiotics in livestock production. Lecture Objectives: 1, 2, 10, Instructor will prepare and deliver a lecture on management styles. In class discussion and lecture will include examples of current challenging business situations in agriculture business and economics. Students will work collaboratively in small

groups and analyze a case study. Groups will report out on details of case study and proposed solutions to the situations. Lecture Objective: 23

Distance Learning

1. An instructor will deliver an online text, audio and/or video lecture (with captions), which explains the concept of the National Organic Program or other USDA regulated marketing programs. After reading/listening/watching the assigned lecture content, students may be asked to participate in a discussion board assignment which explains their understanding and addresses the relevance of the lecture content.

Typical Out of Class Assignments Reading Assignments

1. Students will read the assigned pages from the textbook and be prepared to discuss the law of demand. Students will provide specific real world examples of reasons for shifts in product demand and define management strategies to deal with these shifts.
2. Students will be responsible for reading current media regarding agriculture issues and challenges. For example, students will read articles regarding Bovine Spongiform Encephalopathy and relate them to consumer attitudes and beliefs and assess the effects on the domestic, import and export markets of beef and beef products.

Writing, Problem Solving or Performance

1. Students will complete a series of one page reports on various topics covered in the course, relating them to specific examples in California agriculture.
2. Students will design a business plan, incorporating market and competitor information, outlining what part of the market you are targeting, key competitors and what differentiates you from them. Think about your sales and marketing strategy, include information on how the product or service will be priced, channels to market, advertising and marketing plans.

Other (Term projects, research papers, portfolios, etc.) Required Materials

- Agricultural Economics and Agribusiness
 - Author: Cramer, Jensen and Southgate
 - Publisher: Wiley
 - Publication Date: 2011
 - Text Edition: 8th
 - Classic Textbook?: No
 - OER Link:
 - OER:
- Agribusiness Management
 - Author: Erickson
 - Publisher: McGraw Hill
 - Publication Date: 2012
 - Text Edition: 4th
 - Classic Textbook?: No
 - OER Link:
 - OER:
- Farm Management

- Author: Kay
- Publisher: McGraw Hill
- Publication Date: 2015
- Text Edition: 8th
- Classic Textbook?: No
- OER Link:
- OER:
- Agribusiness Management
 - Author: Barnard
 - Publisher: Routledge
 - Publication Date: 2016
 - Text Edition: 5th
 - Classic Textbook?: No
 - OER Link:
 - OER:

Other materials and-or supplies required of students that contribute to the cost of the course.