Agricultural Economics and Agribusiness  
Agricultural Economics AEC 261

Dr. Leland C. Thompson  
LThompson@SFASU.Edu  
936-468-3705  
Room 115 Agriculture Building  
Office Hours: 10-11 MWF and 1:30-3:30 TR  
Department of Agriculture  
Lecture: 8:00 to 9:15 TR  
Room 121 Agriculture Building

Agricultural Economics (AGR 2317) – Consumer choice, production economics, agricultural markets and prices, and macroeconomic linkages.

PURPOSE OF COURSE:

(1) Develop an awareness of the scope and unique nature of agricultural economics as it relates to the types of business organizations we have in the industry. Obtain an overview of the macro-profile of the U.S. economy

(2) To become familiar with resource characteristics that flow into U.S. agriculture. Understand the basic tools and principles of economic analysis and how these tools can be used in management decision making.

(3) Learn to use concepts and principles of economic theory to explain the behavior of firms. Become familiar with U.S. agricultural policy and its impact on the agricultural sector.

Program Learning Outcomes

1. The student will demonstrate an intermediate level understanding of economic theory needed for success in the industries and other highly related careers. (Critical Thinking)
2. The student will demonstrate the ability to use analytical methods, (graphic and mathematical), as needed for business management and subject matter. (Quantitative Analysis)
3. The student will exhibit problem solving skills. (Problem Solving)
4. The student will demonstrate effective communication skills. (Communication)
5. The student will exhibit leadership and other interpersonal skills needed for career placement and advancement. (Social Responsibility)

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<thead>
<tr>
<th>B.S. Agricultural Economics Learning Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Course</strong></td>
</tr>
<tr>
<td>AEC 261</td>
</tr>
<tr>
<td>AEC 261</td>
</tr>
</tbody>
</table>
Student learning outcomes

Student learning outcomes are specified for AEC 261 in support of program outcomes. AEC 261 is expected to address program goals at the, “B” (basic) or the, “I” (intermediate) level as indicated above.


Course Requirements

1) Readings in the textbook as specified by the syllabus

2) TESTING :  Exam #1 Ch. 1 and 2 : Ag. Industry and Economics (Sept. 13)  
Exam #2 Ch. 3: Consumer behavior and Demand (Sept. 27)  
Exam #3 Ch. 4: Production Function (Oct. 11)  
Exam #4 Ch. 5: Input substitution and enterprise combinations (Oct. 25)  
Exam #5 Ch. 6 : Cost Concepts and Supply (Nov. 8)  
Exam #6 Ch. 7 and 8: Competition and monopoly (Nov. 29)  
Exam #7 Final: December 13, 8 a.m.

NOTE
Each student has the right to skip the final exam. To keep possession of this right, one has to score higher than 80% on five (5) of the first six (6) quiz – exams.

WEEK #, Topic, Chapter reference

1. Introduction to Agribusiness, Ch.1.

   Objective: Learn that production and consumption decision problems can be addressed using economic theory.
   A. Choice and Its Economic Meaning
   B. Economics in Brief
   C. Looking Ahead
II. The Farm and Food System, Ch.2.

Objective: Understand the economics of American agriculture, the dimensions of the industry, and its relation to the total U.S. economy.
A. Agriculture's Role in the U.S. Economy
B. The Business Structure of Agriculture
C. Economic Size Classes of Farms
D. Vertical Coordination in Agriculture
E. Types of Business Organizations
F. Farm Cooperatives
G. Farm Output
H. The Agribusiness Complex
I. Overview of our Economic System

III. Consumer Behavior and Demand, Ch.3.

Objective: To understand that the study of economics is the study of people’s behavior in the market. Economics is a social science.

A. The Utility Basis of Demand
B. Consumer Choice
C. The Concept of Elasticity

IV. Producer Decision-Making: Single Variable Input Production Functions, Ch.4.

Objective: Understand that producers face decision of what, how much, and how to produce a product.

A. Physical Relationships
B. Value Relationships
C. Summary

V. Producer Decision-Making: 2 Variable Input Functions and Enterprise Selection, Ch.5.

Objective: Understand factor-factor and product-product relationships.

A. Two Variable Input Functions
B. Product-Product Relationships and Enterprise Combinations

VI. Production Costs, Supply, and Price Determination, Ch.6.

Objective: Develop an understanding of production costs derived from the physical production function.

A. Origin of Production Costs
B. Market Supply
C. Price Determination
D. Market disequilibrium
VII. Competition and the Market, Ch7.

Objective: Understand that prices are signals to both consumers and producers in their decision making, and to recognize the distinguishing characteristics of markets and market structure.

A. The Function of Price
B. Market Classification
C. The Efficiency of Pure Competition

VIII. Imperfect Competition and Market Regulation, Ch.8.

Objective: Understand the behavior of firms under the structure of Pure Monopoly and Imperfect Competition.

A. Imperfect Competition and the Pure Competitive Standard
B. Efficiency Comparisons
C. Public Regulation
D. Agricultural Bargaining

IX. Macroeconomics, Ch.9.

Objective: Understand that macroeconomic factors affect the Agricultural sector costs and returns particularly through the interest rate and exchange rate.

A. Macroeconomics
B. Net Income Accounts
C. Value of Goods and Services
D. Tools of Macroeconomics
E. Macroeconomic linkages to Agriculture

X. Agricultural Price and Income Policies, Ch.11.

Objective: Understand the importance of public policy in agricultural markets. Recognize the basis for policy programs directed at Ag., and the process of policy development and implementation.

A. Federal Price and Income Programs
B. Values of Farm People
C. Farm Problems
D. Farm Programs
E. Income Benefits of Agriculture Programs
F. Alternative Programs
G. The Process of Policy Development
XI. Other Chapters as Time Permits

Grading Policy
AEC 261 grades will be based on the following items:
. Examinations, (6 or 7): 100%
   These exams are pre scheduled and specified in the syllabus.

Final Grade Scale: A =100-90; B =89-80; C =79-70; D =69-60; F <60.

Attendance Policy
1. A. Class attendance is required. The role will be checked

   B. Absence will be recorded and treated as follows:
      One point will be deducted from the final grade for each class absence in excess of three (3) unexcused absences. On a positive note, anyone who has a perfect attendance record will get the benefit of the doubt when their final grade is on the borderline.

   C. It is your responsibility to see me after class when you are late and have been marked absent.

   D. Students are expected to remain in class until I arrive or are notified that I will not be coming.

2. Make-up Exams

   A. Make-up exams will be given only to those individuals who have a valid excuse and have notified me ahead of time. All make-up exams will be administered at the end of the summer session

Academic Integrity (A-9.1)

Academic integrity is a responsibility of all university faculty and students. Faculty members promote academic integrity in multiple ways including instruction on the components of academic honesty, as well as abiding by university policy on penalties for cheating and plagiarism.

Definition of Academic Dishonesty
Academic dishonesty includes both cheating and plagiarism. Cheating includes but is not limited to (1) using or attempting to use unauthorized materials to aid in achieving a better grade on a component of a class; (2) the falsification or invention of any information, including citations, on an assigned exercise; and/or (3) helping or
attempting to help another in an act of cheating or plagiarism. Plagiarism is presenting the words or ideas of another person as if they were your own. Examples of plagiarism are (1) submitting an assignment as if it were one's own work when, in fact, it is at least partly the work of another; (2) submitting a work that has been purchased or otherwise obtained from an Internet source or another source; and (3) incorporating the words or ideas of an author into one's paper without giving the author due credit.

**Plagiarism: to appropriate (literary materials, ideas, etc) and represent it as one’s own work**

Please read the complete policy at [http://www.sfasu.edu/policies/academic_integrity.asp](http://www.sfasu.edu/policies/academic_integrity.asp)

Students proven to have cheated on assignments, quizzes and/or exams (includes plagiarism) will fail the entire semester course.

**Withheld Grades Semester Grades Policy**

Ordinarily, at the discretion of the instructor of record and with the approval of the academic chair/director, a grade of WH will be assigned only if the student cannot complete the course work because of unavoidable circumstances. Students must complete the work within one calendar year from the end of the semester in which they receive a WH, or the grade automatically becomes an F. If students register for the same course in future terms the WH will automatically become an F and will be counted as a repeated course for the purpose of computing the grade point average.

**Responsible Use of Technology:** *It is expected that all students will only use cell phones, PDAs, laptop or tablet computers, MP3 players, and related devices outside of class time or when appropriate in class. Answering a cell phone, texting, listening to music or using a laptop/tablet for matters unrelated to the course may be grounds for dismissal from class or other penalties.*

**Acceptable Classroom Behavior:** Classroom behavior should not interfere with the instructor’s ability to conduct the class or the ability of other students to learn from the instructional program (see the Student Conduct Code, policy D-34.1). Unacceptable or disruptive behavior will not be tolerated. Students who disrupt the learning environment may be asked to leave class and may be subject to judicial, academic, or other penalties. This prohibition applies to all instructional forums, including electronic/online forums, classroom meetings, labs, discussion groups, field trips, etc. The instructor shall have full discretion over what behavior is appropriate/inappropriate in the classroom. Students who do not attend class regularly or who perform poorly on class projects/exams may be referred to the iCare program [http://www.sfasu.edu/judicial/earlyalert.asp](http://www.sfasu.edu/judicial/earlyalert.asp). This program provides students with recommendations for resources or other assistance that is available to help SFA students
succeed.

Students with Disabilities

To obtain disability related accommodations and/or auxiliary aids, students with disabilities must contact the Office of Disability Services (ODS), Wisely Hall, Room 104, 468-3004/468-1004 (TDD) as soon as possible. Once verified, ODS will notify the course instructor and outline the accommodation and/or auxiliary aids to be provided. Failure to request services in a timely manner may delay your accommodations. For additional information, go to [http://www.sfasu.edu/disabilityservices/](http://www.sfasu.edu/disabilityservices/)
I have received a copy of the syllabus for AEC 261 Agricultural Economics, which outlines course description, text required, assignment policy, instructor office hours, topic sequence, grading and attendance policy, disability accommodations, exam schedule and make-up exam considerations.

Signature _________________________
Date _____________________________
Print name here ___________________