FARM MANAGEMENT: Application of business principles to agricultural business management, and organization. 12 semester hours of agriculture.

The overall purpose of this course is to expose students to using economic tools of analysis as applied to practical farm management decisions. This involves the integration of both technical and economic concepts and data, for the purpose of applying it to specific farm business situations, and the comparisons of alternatives generally in terms of maximum profits as an objective.

To further illustrate the course objectives the following are examples of types of questions or problems to be considered in farm management decision making.

1. What types of characteristics and skills are needed to be a successful farm manager? What provisions can we make to maintain competency and improve the functioning of management?

2. How can one determine the most profitable level of resource use and output for a particular production situation? (This involves questions of fertilization, feeding level, optimum weight to sell an animal, etc.)

3. How do we determine the least cost combination of inputs used to produce a particular output level? (Hay and grain, machines and labor, livestock, land, etc.)

4. What effect does the size of the farm operation or the size of the farm enterprise have on cost of production of a particular product? (Can small operations compete with larger farms?)

5. How do we determine the most profitable combination of crops and livestock on a given farm? (Consider both procedures and concepts of optimization.)

6. Does it make a difference where we farm? What are the factors associated with location advantage or disadvantage?

7. How do we determine how profitable a farm business is or should be?

8. How do we determine whether a particular investment will pay?

9. Should we buy or rent production resources?
Learning Outcomes

1. The student will demonstrate an intermediate level understanding of economic theory needed for success in the agricultural industries and other highly related careers. (*Economic Theory*)
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. (*Leadership*)


Course Requirements

1) Readings in the textbook, online material, as specified by the syllabus.
2) Problem assignments as related to current material
   Problem exercises will be assigned to give students experience in applying economic concepts to farm decisions. Problems may include applying concepts of diminishing returns, opportunity cost, input substitution, production costs and decisions over time. A grade of incomplete will be assigned for students who fail to submit acceptable problem exercises which have been assigned.
3) Quizzes
4) Examinations (mid-term and final)
5) Farm business planning assignment

Farm Plan: To provide each student an opportunity to apply farm management techniques and methods for planning a farm business, students are required to prepare a farm plan using budgeting and financial control techniques. Each student will participate by developing a forward looking farm business plan and reporting the results. The plans will be due at the end of the semester and will count 25 percent of the final grade. Specific assignment instructions will be provided during first half of the term.
Module, Date, Topic, and Chapter ref.

Module I
(August 23) Syllabus
 Types of management decisions
 Skills Test: Use of spreadsheets and data analysis

**** demonstrate ability to use basic spreadsheet capacity****

Module II
(August 25) INTRODUCTION (CH.1 and 2)
 Objective: Understand the nature of management functions.


Part B. Approaches and Methods of Analysis Used in Farm Management.
  1) Relationship between management and change
  2) Types of managerial decisions
  3) Decision-making processes
  4) Management functions
  5) Sources and types of information needed, and methods used in analysis of management decisions

Quiz (Aug. 30 online D2L)

PRINCIPLES AND PROCEDURES FOR PLANNING A FARM BUSINESS
 Objective: Understand the theoretical application, the practice, and the control tools for management functions.

Module III Application of Economic Principles (Ch. 7 & 8)

Part A (Sept. 1)
  1) The production function and marginal analysis
  2) Law of diminishing returns and profit maximization

Quiz Sept 6

Part B (Sept. 8)
  3) Combining inputs in least cost combinations
  4) Enterprise relationships and profit maximization

Module IV Cost of Production Concepts and Application (Ch. 9)

Part A (Sept 15)
  1) Principles of opportunity cost and equi-marginal returns
  2) Cost of production concepts -- definition, computation, and application.
Part B (Sept. 22  3) Cost of production and size of business
4) Comparative advantage

Module V (Sept. 29)
Planning the Farm Organization

Part A  1) The structure, use, and limitations of enterprise budgets (Ch. 10)

Part B  2) Partial budgeting procedures (Ch. 11)
Quiz October 11 Ch. 10&11

Module VI
(October 11, Mid Semester)  Farm planning assignment

A  Resource endowment
B  Production schedule
C  Enterprise Budgets
D  Whole farm Plan
E  Financial Risk
F  Profitability

Mid-Term Exam Oct 13

Module VII (October 18)  Procedures for whole farm budgeting

Part A  1) Whole farm budgets - steps and formats
2) Linear programming

Part B  3) Cash flow budgeting (Ch. 13)

Module VIII (Oct. 27)

Financial planning and control of the business

(Nov. 3) A 1) The balance sheet, asset valuation and ratio analysis (Ch. 4 & 5)

(Nov. 17) B 2) The income statement and profitability (Ch.6)

GRADUATE ASSIGNMENT: Presentation of Material in Ch 15, Risk and Uncertainty.

Final Exam  December 8, 2021
Farm Report Due at the end of the day
Grading Policy

Farm Management grades will be based on the following items:

1. Homework and Quizzes: 25%
   Quizzes are usually announced, at least 4 during the session, 10-15 minutes in length, covering recent material. Homework will include spreadsheet manipulation and problem solving.

2. Examinations, (2): 50%
   These will be scheduled near the mid-session and at the end of the session.

3. Farm Plan: 25%
   Grades will be reduced if turned in late.

Exam Dates: Exam #1 near mid-term: October 13
Exam #2. Final: December 8

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

Attendance Policy

SFA AG DEPARTMENT ATTENDANCE AND PUNCTUALITY POLICY (reference university policy, 6.7)

Attendance and punctuality are core skills to have as an engaged student and for a successful career. Therefore, all agriculture faculty have adopted the following policy for unexcused absences.

☐ Miss one lecture OR lab period, no letter grade reduction
☐ Miss two lecture OR lab periods, drop one letter grade
☐ Miss three lecture OR lab periods, fail the course

For reference, below are examples of excused absences.

1.) Approved University activities (require documentation from sponsor and advanced notice)
2.) Death or major illness of an immediate family member (requires documentation and notice as soon as possible)
3.) Major illness of yourself (requires a doctor’s note).

Students missing classes, other than for university-sponsored trips, should contact the Office of Student Rights and Responsibilities (OSRR) and request that an absence notification be sent to the instructor(s). The notification is not an excuse, and is not evaluated by OSRR. The
notification is only provided as a courtesy to the student and the student's instructor(s). If you miss class for any other reason and feel your absence should be excused, you must provide me with a typed memo explaining why the absence should be excused and provide appropriate documentation. This memo must be provided within one week of the absence. All other absences are considered unexcused.

**PUNCTUALITY POLICY**
All Ag faculty take attendance at the beginning of their classes. Tardy attendance will be counted as unexcused absences at the discretion of the professor.

**Mental Health**
SFASU values students’ mental health and the role it plays in academic and overall student success. SFA provides a variety of resources to support student’s mental health and wellness. Many of these resources are free, and all of them are confidential.

**On-campus Resources:**
**SFASU Counseling Services**
www.sfasu.edu/counselingservices
3rd Floor Rusk Building
936-468-2401

**SFASU Human Services Counseling Clinic**
www.sfasu.edu/humanservices/139.asp
Human Services Room 202
936-468-1041

**Crisis Resources:**
Burke 24-hour crisis line 1(800) 392-8343
Suicide Prevention Lifeline 1(800) 273-TALK (8255)
Crisis Text Line: Text HELLO to 741-741

**Make-up Exams**
Must communicate with me ahead of time
Case by Case evaluation

**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.

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 will fail the entire semester course.**

**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.

**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.

**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/)

**FACE COVERING encouraged for now**
I have received a copy of the syllabus for AEC 451 Farm Management 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 _________________________