

**AGBUS 7 Course Outline as of Fall 2014****CATALOG INFORMATION**

Dept and Nbr: AGBUS 7 Title: AG ECON

Full Title: Agricultural Economics

Last Reviewed: 9/24/2018

Units	Course Hours per Week		Nbr of Weeks		Course Hours Total	
Maximum	3.00	Lecture Scheduled	3.00	17.5	Lecture Scheduled	52.50
Minimum	3.00	Lab Scheduled	0	6	Lab Scheduled	0
		Contact DHR	0		Contact DHR	0
		Contact Total	3.00		Contact Total	52.50
		Non-contact DHR	0		Non-contact DHR	0

Total Out of Class Hours: 105.00

Total Student Learning Hours: 157.50

Title 5 Category: AA Degree Applicable

Grading: Grade Only

Repeatability: 00 - Two Repeats if Grade was D, F, NC, or NP

Also Listed As:

Formerly: AG 7

**Catalog Description:**

Introduction to factors affecting demand and supply for food, fiber and agricultural inputs. Evaluating factors of productions, market structure, price system and their applications in agriculture. Examine local and federal policies and implications for agribusiness and trade.

**Prerequisites/Corequisites:****Recommended Preparation:**

Eligibility for ENGL 1A or equivalent and Course Eligibility for MATH 155

**Limits on Enrollment:****Schedule of Classes Information:**

Description: Introduction to factors affecting demand and supply for food, fiber and agricultural inputs. Evaluating factors of productions, market structure, price system and their applications in agriculture. Examine local and federal policies and implications for agribusiness and trade.

(Grade Only)

Prerequisites/Corequisites:

Recommended: Eligibility for ENGL 1A or equivalent and Course Eligibility for MATH 155

Limits on Enrollment:

Transfer Credit: CSU;UC.

Repeatability: Two Repeats if Grade was D, F, NC, or NP

## **ARTICULATION, MAJOR, and CERTIFICATION INFORMATION:**

<b>AS Degree:</b>	<b>Area</b>		Effective:	Inactive:
	D	Social and Behavioral Sciences	Fall 1981	
<b>CSU GE:</b>	<b>Transfer Area</b>		Effective:	Inactive:
	D	Social Science	Fall 1997	
	D2	Economics		
<b>IGETC:</b>	<b>Transfer Area</b>		Effective:	Inactive:
<b>CSU Transfer:</b>	Transferable	Effective:	Fall 1981	Inactive:
<b>UC Transfer:</b>	Transferable	Effective:	Fall 1999	Inactive:

### **CID:**

CID Descriptor: AG - AB 124 Agriculture Economics  
SRJC Equivalent Course(s): AGBU7

### **Certificate/Major Applicable:**

Both Certificate and Major Applicable

## **COURSE CONTENT**

### **Outcomes and Objectives:**

Upon successful completion of this course, the student will be able to:

1. Discuss career opportunities and requirements for successful employment in agriculture.
2. Discuss the major components of the traditional circular flow diagram to describe the macro-operation of an economy.
3. Discuss the extent of the farm and food system in the United States and dimensions of American agriculture.
4. Evaluate the consumer's role in market demand for agricultural products.
5. Discuss production and cost theory and the influence of technological changes on firms producing basic commodities.
6. Compute graph and analyze utility maximization, market demand, shifts of demand, cross elasticity, and income elasticity.
7. Define and discuss supply and the source of the market supply curve.
8. Identify changes and shifts in market supply.
9. Compute, graph, and analyze elasticity of supply.
10. Compute, graph, and analyze equilibrium and disequilibrium in the market.
11. Discuss the impact of a shift in supply and demand.
12. Identify and analyze basic economic concepts involved in profit maximization and in price determination, effective supply and demand.
13. Problem solve, graph, and analyze production costs, supply, and relationships in the agriculture business.
14. Discuss and analyze important problems such as chronic low price and widely oscillating prices.
15. Discuss and analyze how economic concepts can be used to explain the most profitable amount of a product for the firm to produce.

16. Discuss and analyze how economic concepts can be used to explain the least-cost combination of inputs to use to produce a specified level of an agricultural product; and the revenue maximizing levels of two or more products with a limited amount of resources.
17. Discuss and explain competition and imperfect competition in the market.
18. Identify marketing channels for agricultural commodities.
19. Discuss marketing and government programs in agriculture.
20. Explain the role of natural and human resources in agriculture economic performance, growth, and development.
21. Discuss comparative advantage and international trade.

## **Topics and Scope:**

- I. Career Opportunities for Agribusiness Graduates
- II. Definition and Scope of Agriculture Economics
- III. The Farm and Food System
  - A. Scope, health, and extent of production agriculture
    1. Business structure of farms
    2. Economic size classes of farms
    3. Vertical coordination and farmer cooperatives
    4. Farm output and agribusiness complex
  - B. International trade in agricultural products
  - C. Overview of an economic system
  - D. Micro versus macroeconomics - basic assumptions
- IV. Consumer Behavior and Demand
  - A. Consumers/consumption
  - B. Role of the consumer
  - C. Motivation of consumer
  - D. Trends in consumption
  - E.. Income elasticity
- V. Input - Output Model
  - A. Production Function
  - B. Average and marginal physical products
  - C. Stages of production
  - D. Profit maximization
- VI. Costs of Production
  - A. Total, average, and marginal costs related to level of output
  - B. Pure competition in production agriculture and resultant revenue functions
  - C. Profit maximizing level of production for a pure competitor.
  - D. Economics and diseconomics of size and scale.
- VII. Input-Input Analysis
  - A. Production surface
  - B. Isoquants and marginal rate of substitution
  - C. Isocosts and the negative inverse price ration
  - D. Cost maximization
- VIII. Output-Output Analysis
  - A. Production possibilities curves
  - B. Isorevenue functions
  - C. Revenue maximization
- IX. Concept of Supply
  - A. Definitions of supply
  - B. Source of the market supply curve

- C. Changes and shifts in market supply
- D. Elasticity of supply
- X. Market Price Determination
  - A. Equilibrium in the market
  - B. Disequilibrium in the market
  - C. Impact of a shift in supply and demand
- XI. Market Structure
  - A. Competition and the market
  - B. Imperfect competition and market regulation
  - C. Antitrust laws and agricultural bargaining
- XII. Market Channel Orientation
  - A. Marketing agricultural commodities
  - B. Approaches to the study of marketing
  - C. Marketing margins
- XIII. Solutions to the Farm Problem
  - A. Orientation to cooperatives
  - B. Marketing orders and government programs
- XIV. Economic Agriculture and the Environment
  - A. Natural resources used by agriculture
  - B. Natural resources issues and resulting policy
- XV. Agriculture and the Global Economy
  - A. Globalization and agriculture
  - B. Interdependence and trade.
  - C. Principle of comparative advantages
  - D. Comparative advantage and trade

**Assignment:**

1. Problem sets (5)
2. Two term papers (3-5 pages each)
3. Analysis of agribusiness in the news (10 article reviews)
4. Two unit exams and final comprehensive exam
5. Reading of approximately 30 pages per week
6. Group presentations applying course concepts to the local agribusiness industry ( using rubrics)

**Methods of Evaluation/Basis of Grade:**

**Writing:** Assessment tools that demonstrate writing skills and/or require students to select, organize and explain ideas in writing.

Term papers, article analysis using rubrics
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Writing 20 - 25%
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**Problem Solving:** Assessment tools, other than exams, that demonstrate competence in computational or non-computational problem solving skills.

Problem sets
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Problem solving 20 - 30%
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**Skill Demonstrations:** All skill-based and physical demonstrations used for assessment purposes including skill performance exams.

None

Skill Demonstrations  
0 - 0%

**Exams:** All forms of formal testing, other than skill performance exams.

Multiple choice, True/false, Matching items, Completion, Short answer, essay.

Exams  
30 - 40%

**Other:** Includes any assessment tools that do not logically fit into the above categories.

Group presentations using rubrics

Other Category  
10 - 20%

**Representative Textbooks and Materials:**

Principles of Agricultural Economics. Barkley, Andrew and Barkley, Paul W.; Routledge Publisher, 2013

Agriculture Economics and Agribusiness. Cramer, Gail L. and Jensen, Clarence W.; John Wiley and Sons Publishers, 2004 (classic).

Introduction to Agricultural Economics. Penson, Capps, Rossen, Woodward, Prentice Hall, 2013