

AGBUS 7 Course Outline as of Fall 2009**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 | 3 | 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 the economic aspects of agriculture and their implications to the market. The role of agricultural resources (land, labor, capitol management), major agricultural resource issues and their policy remedies. Includes an examination of market structure and price as marketing factors for agricultural products and inputs.

Prerequisites/Corequisites:**Recommended Preparation:**

Eligibility for ENGL 100 or ESL 100

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

Description: Introduction to the economic aspects of agriculture and their implications to the market. The role of agricultural resources (land, labor, capitol management), major agricultural resource issues and their policy remedies. Includes an examination of market structure and price as marketing factors for agricultural products and inputs. (Grade Only)

Prerequisites/Corequisites:

Recommended: Eligibility for ENGL 100 or ESL 100

Limits on Enrollment:

Transfer Credit: CSU;UC.

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

ARTICULATION, MAJOR, and CERTIFICATION INFORMATION:

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

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.

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
 1. Role of
 2. Why consume
 3. Trends in consumption
 4. 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
- X. Natural Resources
 - A. Natural resources used by agriculture
 - B. Natural resources issues and resulting policy

Assignment:

1. Problem sets
2. Term paper of 8 to 10 pages
3. Two unit exams and final comprehensive exam
4. Reading of approximately 30 pages per week.

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.

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| Term papers |
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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.

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| Homework problems |
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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.

Class performances

Skill Demonstrations
15 - 20%

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.

None

Other Category
0 - 0%

Representative Textbooks and Materials:

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