

**AGBUS 7 Course Outline as of Fall 2019****CATALOG INFORMATION**

Dept and Nbr: AGBUS 7 Title: AG ECONOMICS

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 production, production costs, 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 Eligibility for MATH 155 OR MATH 154

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

Description: Introduction to factors affecting demand and supply for food, fiber and agricultural inputs. Evaluating factors of production, production costs, 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 Eligibility for MATH 155 OR MATH 154

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): AGBUS7

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

Both Certificate and Major Applicable

## **COURSE CONTENT**

### **Student Learning Outcomes:**

At the conclusion of this course, the student should be able to:

1. Describe at least three major federal policies that affect agribusiness in the United States.
2. Apply production cost principles to decision-making in agribusiness.
3. Explain the significance of agriculture trade policies.
4. Apply principles of demand, supply and price system to agribusiness.
5. Discuss the nature of farming and the most profitable business structures for farmers.

### **Objectives:**

At the conclusion of this course, the student should be able to:

1. Discuss career opportunities and requirements for successful employment in agribusiness.
2. Discuss the major components of the traditional circular flow diagram to describe the macro- operation of an economy.
3. Discuss the structure and evolution of farms and the agri-food system in the United States.
4. Evaluate consumers' role in market demand for agricultural products.
5. Discuss production cost theory and the influence of technological advances on cost of production and productivity of agricultural firms.
6. Graph and analyze utility maximization and market demand.
7. Define and discuss the law of demand and supply and the factors that affect both demand and supply.
8. Identify and describe changes and shifts in market demand and supply curve.
9. Compute, graph, and analyze elasticity of demand and supply.
10. Discuss the application of elasticity coefficients to production decisions.

11. Explain price determination and market price of agricultural goods and commodities.
12. Graph, compute, analyze and interpret production costs in agriculture business.
13. Discuss production cost and profit maximization.
14. Identify marketing channels for agricultural commodities.
15. Discuss and explain the characteristics of perfect and imperfect markets.
16. Discuss the role of government policies in agricultural markets.
17. Explain the role of natural and human resources in agricultural growth and development.
18. Discuss agricultural trade policies in the United States.
19. Discuss risk management tools in agribusiness.
20. Explain the basic features of the agricultural futures markets.

## **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. Overview of an economic system
  - C. Micro versus macroeconomics - basic assumptions
- IV. Consumer Behavior and Demand
  - A. Consumer behavior and consumption
  - B. Utility and consumption
  - C. Budget constraining and consumer choice
  - D. Factor affecting consumer demand
  - E. Price elasticity of demand
- 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 and production in competitive markets.
  - D. Production cost and decision-making.
- VII. Input-Input Analysis
  - A. Production curve
  - B. Isoquants and marginal rate of substitution
  - C. Isocosts, production and consumer prices
  - D. Production cost and profit maximization
- VIII. Output-Output Analysis
  - A. Production possibilities curves
  - B. Isorevenue functions
  - C. Revenue maximization
- IX. Concept of Supply
  - A. Definition of supply
  - B. Market supply curves
  - 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 agricultural cooperatives
  - B. Forms of agricultural cooperatives
  - C. 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. Agricultural Finance and Insurance
  - A. Sources of finance
  - B. Farm Credit System (FCS)
  - C. Agricultural Insurance
  - D. Federal Crop Insurance
- XVI. Agriculture and the Global Economy
  - A. Globalization and agriculture
  - B. Interdependence and trade.
  - C. Principles of comparative advantage and trade
  - D. Trade policies and trade agreements
  - E. Effects of trade policies
- XVII. Agriculture and Development
  - A. Role of Agriculture in Economic Development
  - B. Agricultural development policies in the United States
- XVII. Agricultural Futures and Farming Contracts
  - A. Definition of futures
  - B. Agricultural futures and risk management
  - C. Forwards and futures contracts
  - D. Cash contracts and forwards

**Assignment:**

1. Problem sets (5)
2. Three term papers (3-5 pages each)
3. Analysis of agribusiness in the news (10 article reviews)
4. Three exams and final comprehensive exam
5. Analysis paper on the County Crop report (3-5 pages)
6. Weekly graded discussions
7. Weekly quizzes (10-15 online multiple choice questions)
8. 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.

Term papers, article analysis using rubrics

Writing  
20 - 25%

**Problem Solving:** Assessment tools, other than exams, that demonstrate competence in computational or non-computational problem solving skills.

Problem sets

Problem solving  
20 - 30%

**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.

Weekly discussion or Group presentations using rubrics

Other Category  
10 - 20%

## Representative Textbooks and Materials:

Introduction to Agricultural Economics. 7th ed. Penson, John and Capps, Oral and Rosson, Parr. Prentice Hall. 2018

Principles of Agricultural Economics. 2nd ed. Barkley, Andrew and Barkley, Paul W. Routledge Publisher. 2016

Agriculture Economics and Agribusiness. 8th ed. Cramer, Gail and Jensen, Clarence and Southgate, Douglas. John Wiley and Sons Publishers, 2001 (classic)