AGBU 7 Course Outline as of Fall 2025

CATALOG INFORMATION

Dept and Nbr: AGBU 7 Title: AG ECONOMICS
Full Title: Agricultural Economics
Last Reviewed: 2/10/2025

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:	AGBUS 7

Catalog Description:
In this course, students will explore the factors affecting demand, supply, and market pricing for food, fiber, and agricultural inputs. Students will examine the factors of production, production costs, market structures, price system, and their applications in agriculture. This course also includes the discussion of local and federal agricultural policies, including risk management and the implications for agribusiness and trade.

Prerequisites/Corequisites:

Recommended Preparation:
Eligibility for ENGL C1000 or equivalent

Limits on Enrollment:

Schedule of Classes Information:
Description: In this course, students will explore the factors affecting demand, supply, and market pricing for food, fiber, and agricultural inputs. Students will examine the factors of production, production costs, market structures, price system, and their applications in agriculture. This course also includes the discussion of local and federal agricultural policies,

including risk management and the implications for agribusiness and trade. (Grade Only)
Prerequisites/Corequisites:
Recommended: Eligibility for ENGL C1000 or equivalent
Limits on Enrollment:
Transfer Credit: CSU;UC.
Repeatability: Two Repeats if Grade was D, F, NC, or NP

ARTICULATION, MAJOR, and CERTIFICATION INFORMATION:

AS Degree:	**Area**		Effective:	Inactive:
	D	Social and Behavioral Sciences	Fall 2025	
	L4	Social and Behavioral Sciences		
	D	Social and Behavioral Sciences	Fall 1981	Fall 2025
CSU GE:	**Transfer Area**		Effective:	Inactive:
	D	Social Science	Fall 1997	
	D2	Economics		
IGETC:	**Transfer Area**		Effective:	Inactive:

CSU Transfer:	Transferable	Effective:	Fall 1981	Inactive:
UC Transfer:	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

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 agricultural trade and 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 the major components of the traditional circular flow diagram to describe the macro-operation of an economy.
2. Discuss the major agricultural products and commodities in Sonoma County.
3. Identify sources for agricultural data at the County, State, and Federal levels
4. Discuss the structure and evolution of farms and the agri-food system in the United States.
5. Evaluate consumers' role in market demand for agricultural products.
6. Discuss production cost theory and the influence of technological advances on cost of production and productivity of agricultural firms.
7. Graph and analyze utility maximization and market demand.
8. Define and discuss the law of demand and supply and the factors that affect both demand and

supply.
9. Identify and describe changes and shifts in market demand and supply curve.
10. Compute, graph, and analyze elasticity of demand and supply.
11. Discuss the application of elasticity coefficients to production decisions.
12. Explain price determination and market price of agricultural goods and commodities.
13. Graph, compute, analyze and interpret production costs in agriculture business.
14. Discuss production cost and profit maximization.
15. Identify marketing channels for agricultural commodities.
16. Discuss and explain the characteristics of markets and their implications agriculture.
17. Explain imperfect markets and market regulations
18. Discuss agricultural cooperatives and potential contributions to farmer success.
19. Discuss the role of government policies in agricultural markets.
20. Identify and discuss natural resource and environmental factors that affect agricultural economics.
21. Discuss agricultural trade policies in the United States.
22. Discuss risk management tools in agribusiness.
23. Explain the impact of climate change on agriculture.
24. Explain the basic features of the agricultural futures markets.

Topics and Scope:

I. Definition and Scope of Agriculture Economics
- A. Nature and scope of agricultural economics
- B. Economic aspects of Sonoma County agriculture
- C. Economic returns for agricultural products/commodities in Sonoma County
- D. Accessing and interpreting agricultural data at the County, State and Federal levels

II. 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

III. Consumer Behavior and Demand
- A. Consumer behavior and consumption
- B. Utility and consumption
- C. Budget constraints and consumer choice
- D. Factor affecting consumer demand
- E. Price elasticity of demand

IV. Input-Output Model
- A. Production Function
- B. Average and marginal physical products
- C. Stages of production
- D. Profit maximization

V. 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.

VI. 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

VII. Output-Output Analysis
- A. Production possibilities curves
- B. Isorevenue functions
- C. Revenue maximization

VIII. Concept of Supply
- A. Definition of supply
- B. Market supply curves
- C. Changes and shifts in market supply
- D. Elasticity of supply

IX. Market Price Determination
- A. Equilibrium market price
- B. Factor affecting equilibrium and disequilibrium in the market
- C. Impact of a shift in supply and demand on market price
- D. Shortage, surplus and market price

X. Market Structure
- A. Competition and the market
- B. Imperfect competition and market regulation
- C. Antitrust laws and agricultural bargaining

XI. Market Channel Orientation
- A. Marketing agricultural commodities
- B. Approaches to the study of marketing
- C. Marketing margins

XII. Solutions to the Farm Problem
- A. Orientation to agricultural cooperatives
- B. Forms of agricultural cooperatives
- C. Marketing orders and government programs

XIII. Economics, Agriculture and the Environment
- A. Natural resources used in agriculture
- B. Natural resources issues and resulting policy
- C. Natural resource management and agricultural development

XIV. Agricultural Finance and Insurance
- A. Sources of finance
- B. Farm Credit System (FCS)
- C. Agricultural Insurance
- D. Federal Crop Insurance

XV. 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

XVI. Agriculture and Development
- A. Role of Agriculture in Economic Development
- B. Agricultural development policies in the United States

XVII. Agricultural Development and climate change
- A. Adverse weather and agricultural productivity
- B. Planning for adverse weather
- C. Cost of mitigating climate change in agriculture

XVIII. 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. Exams (1-3) and final comprehensive exam
5. Analysis paper on the County Agricultural Crop report (3 - 5 pages)
6. Weekly graded discussions
7. Weekly quizzes (8 - 10 online multiple-choice questions)
8. Reading (approximately 20 - 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, County Agricultual Report, analyses of agribusiness in the news	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.

Exams	Exams 30 - 40%

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

Weekly discussion and weekly quizzes	Other Category 10 - 20%

Representative Textbooks and Materials:
Introduction to Agricultural Economics. 1st ed. Capps, Oral. Cognella Academic Publishing. 2025
Agriculture Economics and Agribusiness. 8th ed. Cramer, Gail and Jensen, Clarence and

Southgate, Douglas. John Wiley and Sons Publishers, 2001. (classic).