

Agricultural Economics 220
Syllabus
Spring, 2018

Course Description

This course is an introduction to the economics of agricultural and food markets. The goal is to provide the student with an understanding of the basic theoretical tools employed by economists in the analysis agricultural price determination and discovery. The basics of supply and demand will be reviewed and expanded upon. Types of markets and their structure will be examined as well as the implications they have for participants. Emphasis will be placed on the U.S. agricultural marketing system. The traditional topics of price seasonality, marketing margins, derived demand, and trade will be covered. The role of pricing and risk management institutions, such as commodity futures markets, will be covered. Finally, we will examine the roll of strategy used in price setting, how market power gets exploited, and what drives the consumer and how to learn more about them.

Texts None required.

Extensive lecture notes will be provided.

Recommended texts for those who find them useful:

Norwood, B. and J. Lusk. *Agricultural Marketing and Price Analysis* Upper Saddle River, New Jersey. Pearson Prentice-Hall. 2008

Hudson, D. *Agricultural Markets and Prices* Malden, MA Blackwell Publishing. 2007.

Kolhs, R. And J. Uhl. *Marketing of Agricultural Products, ninth edition* Upper Saddle River, New Jersey. Pearson Prentice-Hall. 2002.

Schrimper, R. *Economics of Agricultural Markets* Upper Saddle River, New Jersey. Pearson Prentice-Hall. 2001.

Any of these should be available online and used, if you decide that you want one of them.

A List of Course Topics

- 1 Introduction and About Economics (1/8-1/12)
Martin Luther King Day (1/15)
- 2 Basic Price Analysis: Supply and Demand (1/17-1/22)
- 3 Advanced Price Analysis: Mastering Supply and Demand (1/24-1/29)
- 4 Advanced Price Analysis: Imperfect Competition (1/31-2/5)
- 5 Agricultural Prices (2/5-2/9)
Review (2/12)
Midterm 1 (2/14)
- 6 The Food Marketing Channel (2/16-2/23)
- 7 Empirical Agricultural Price Analysis (2/26-2/28)
- 8 International Agricultural Trade (3/2-3/9)
Spring Break (3/12-3/16)
- 9 Futures Markets (3/19-3/21)
- 10 Hedging (3/23-3/26)
- 11 Options (3/26)
Review (3/28)
Midterm 2 (3/30)
- 12 Strategic Price Setting (4/2-4/4)
- 13 Creative Pricing Schemes (4/6-4/9)
- 14 Consumer Behavior and Research (4/9-4/16)
- 15 Grading (4/16-4/18)
- 16 Index Numbers (4/18-4/20)
Review (4/23)
Final (4/25 or during final exam period)

Course grading:

<u>Activity</u>	<u>Value in final grade</u>
Attendance	10%
Homeworks	30%
1 st Midterm Exam	20%
2 nd Midterm Exam	20%
Final Exam	20%

Academic Integrity

University policy on academic misconduct is clear - academic dishonesty in any form is strictly prohibited. Instances of academic dishonesty will be referred to the Dean of Students for disciplinary action. Penalties are severe and may include failure on the exam, failure in the course, and/or expulsion from the University. The risks associated with academic dishonesty far outweigh the perceived benefits. If you are unsure whether an action you are considering constitutes academic dishonesty, seek clarification from your instructor.

Class Attendance & Behavior

Class attendance is mandatory. Attendance will be taken. Each student starts the semester with 100 attendance points and each will be allowed 2 unexcused absences over the course of the semester. Attendance will be taken at the beginning of class and may be taken at the end of class. Any student not in their seat when attendance is taken is absent. Excuses for absences should be provided in advance if possible or at the next opportunity, if not. Each unexcused absence in excess of those allowable will result in a loss of 10 attendance points.

I also reserve the right to give quizzes, if the need arises.

Another course requirement is that everyone treats each other with respect. Violation of this requirement will be dealt with severely. The instructor also reserves the right to video the class if the need should arise.

Homework

There will be six homeworks over the course of the semester. Each will be worth 50 points. Late homeworks will be penalized 10% per class period they are late.

Students with Disabilities

Please make an appointment within the first three weeks of the semester for a visit in my office to discuss the appropriateness of the instructional methods in this class or any academic adjustments that you may require. It is important that we talk about this at the beginning of the semester.

Instructor

James Eales
KRAN 636
765 409-3560
eales@purdue.edu

If you can't get me then contact:

Tracy Buck
KRAN 651
494-4191
Tbuck08@purdue.edu

Office Hours

To be arranged.