

# AgEcon 421: Advanced Commodity Marketing Syllabus

## Day Date: Grain Marketing Section

## Reading Materials

1 Jan 9: Importance of Grain Marketing	
2 Jan 11: Grain Marketing Channels: Country Elevators and Terminals	1 Grains: Chapters 4, 5, 6
3 Jan 16: Market Channels: Transportation, Exporters, Processors	1 Grains: Chapters 7, 8, 9, 11, 12 2, 3, 4 Ethanol.....
4 Jan 18: Grain Balance Sheets, Grain Fundamentals & Seasonal Prices	1 Grains: Chapter 13
5 Jan 23: Basis and Basis Seasonality	5 Understanding Basis
6 Jan 25: Storage Economics	6 Economics of on-farm storage 7 Indiana storage returns
7 Jan 30: Crop Insurance and Pricing Strategies	8 Crop Insurance
8 Feb 1: Cash Pricing Alternatives: <i>Audio Lecture</i>	9 Offering cash grain contracts Handout notes
9 Feb 6: Grain Moisture, Shrinkage, Grades and Discounts	10 Indiana forward pricing
10 Feb 8: Farmer Pricing Strategies	11 Pre-harvest Pricing Strategies
11 Feb 13: <b>Exam I</b>	

## Livestock Marketing Section

12 Feb 15: Functions of Market, History, Economics	12 Notes pp. 1-7
13 Feb 20: Production, Slaughter, Wholesaling, Retailing	12 Kroger Story -Notes pp. 21-22 13 Fundamentals pp. 4-12
14 Feb 22: Livestock Futures Contracts & Hedging	14 Futures pp. 3-9; 13-24
15 Feb 27: Cash Prices and Basis	14 Futures pp. 10-12
16 Mar 1: Margins, Lines of Credit, Into to Options	14 Futures pp. 25-30; 48-54
17 Mar 6: Options Pricing Alternatives	14 Futures pp. 31-47
18 Mar 8: Cyclical & Seasonal Price Patterns: <i>Audio Lecture</i>	13 Fundamentals pp. 28-32
19 Mar 20: Carcass Merit Marketing	Class Handout
20 Mar 22: Fundamental Price Analysis, Livestock Grades, Trade	13 Fundamentals pp. 13-27
21 Mar 27: <b>Exam II</b>	

## Technical Price Analysis Section

22 Mar 29: Introduction, Bar Charts	Book Technicals: Chapters 1, 2
23 Apr 3: Trendlines, Channels, Support and resistance	Book: Chapter 6, 7
24 Apr 5: Reversals, consolidations, gaps	Book: Chapter, 4, 5
25 Apr 10: Moving Averages, relative analysis, Volume	Book: Chapter 9, 10, 11
26 Apr 12: Oscillators, MACD	Book: Chapter 12, 15
27 Apr 17: Relative Strength Indicator, Stochastics	Book: Chapter 13, 14
28 Apr 19: Point and Figure Charts, Japanese candlesticks	Book Chapter 17, 18
29 Apr 24: Cycles, Timing Systems, Elliot Wave, Bollinger Bands	19 Elliott Wave Principle Class Handout
30 Apr 26: Trading systems, marketing plans	
31 <b>Final Exam</b> Week of April 30 to May 5	

## **Additional reading materials for Livestock Section:**

The following documents can be found on Blackboard under “Readings:”

- 15 **Establishing a Feed Costs Range for Your Operation:** 2pp. CME AC-198
- 16 **An Introduction to Cattle Feeding Spreads:** 4pp. CME AC-378
- 17 **An Introduction to Hog Feeding Spreads:** 4pp. CME AC-379
- 18 **An Intro to Trading Dairy Futures and Option:** 31pp. CME AC-226

For daily market commentary, visit **The CME Daily Livestock Report:**  
<http://www.dailylivestockreport.com/>

## **Instructor:**

Chris Hurt, 575 Krannert Building, e-mail: [hurtc@purdue.edu](mailto:hurtc@purdue.edu) phone: 765-494-4273

## **Class Assistant:**

Linda Klotz, 565 Krannert Building, e-mail: [lrklotz@purdue.edu](mailto:lrklotz@purdue.edu) phone: 765-494-4301

## **Grades:**

Grades will be determined by points, based upon graded activities and assignments:

2 Exams	200
Final	100
About 12 Quizzes on reading material and lectures	About 120
About 12 weekly problem sets 10 to 15 points each	About 140
Grain or Livestock Marketing Industry Interview	50
Attendance 3 points per session (21 total sessions)	<u>63</u>
Total About = 673	

I reserve the right to make some modifications in the material which will be graded, but the class will be notified in advance. In addition the exact number of quizzes and problem sets are not known for certain at the start of the class and are approximate. Final letter grades are based on 90%+ = A, 80%-89.9%=B, 70%-79.9%=C; 60%-69.9%=D and less than 60% =F. I reserve the right to curve grades upward, but will not curve them downward (that means if you get 80% as an example, you will get a B or higher in the class). I may give PLUSES, but not MINUSES. This means you can receive a B+, but not a B- as an example.

## **Attendance:**

Every student is expected to be in class **every** day we meet as outlined in University Regulations. **“Students are expected to be present for every meeting of the classes in which they are enrolled.”** Source: <http://www.purdue.edu/odos/services/classabsence.php> You will receive 3 points for each day you attend, are coherent, and alert. Each person may miss 3 class days without penalty. Job interviews and Purdue sponsored travel are considered to be an absence. However, in these cases only, a quiz can be made up, but no points will be awarded for attendance if you are beyond your 3 days allowed. The attendance days start with the third class meeting and do not include exam days or the two audio lectures. This means there are 24 attendance days minus the three you can miss or a maximum of 21 \* 3 points per attendance day = 63 maximum points.

### **On-Time Every Time (Almost):**

Assignments which have a due date are to be handed in during class as requested. Late material will be accepted at a 10% per work day (Monday through Friday) penalty up to a maximum of 50% penalty of the “on-time” score. Please be on-time, but if you’re not, please get it in anyway because a zero score is hard to overcome.

### **Keep Your Grades At C Level or Higher:**

Students who are performing below a C grade level should see the instructor for ways to improve their performance.

### **SPECIAL NEEDS:**

If you have a disability that requires academic adjustments, please make an appointment to meet with me during the first week of classes to discuss your needs. Please note that university policy requires all students with disabilities to be registered with [Adaptive Programs](#) in the [Office of the Dean of Students](#) before classroom accommodations can be provided.

### **ACADEMIC INTEGRITY:**

University policy on academic dishonesty is clear: academic dishonesty in any form is strictly prohibited. Anyone found to be cheating or helping someone else cheat will be referred directly to the Dean of Students for disciplinary action. Penalties are severe and may include dismissal from the University. The risks associated with cheating far outweigh the perceived benefits. Academic dishonesty includes citing someone else's work as your own, using "cheat sheets" or sharing your answers with someone else. If you are unsure whether your planned action constitutes academic dishonesty, seek clarification from your instructor. Other information regarding your rights and responsibilities as a student is contained in the Purdue University [Code of Conduct](#) Writing assignments for this course may be checked for originality computer software.

### **CAMPUS EMERGENCIES**

In the unusual event of a major campus emergency, course requirements, deadlines and grading percentages are subject to changes that may be necessitated by a revised semester calendar or other circumstances.

In the event of

- a. A tornado-storm warning or hazardous spill: We will stay in the classroom
- b. FIRE: Immediately move to nearest exit. Reconvene in classroom after threat (if still within class period)
- c. Notified of an active shooter on or near campus: Secure ourselves in our classroom

### **ELECTRONICS OFF/Exponents (etc.) OUT**

Electronics should be turned so they do not disrupt class. In general electronic devices such as cell phones, laptops, and tablets should not be used in class except in cases where needed for accommodation or emergencies. Reading the Exponent or other written or electronic devices that are not related to class should be avoided. Those that feel non-class diversions are more important should simply not come to class.

### **DISRUPTING CLASS**

Any individual being disruptive in class may be asked to leave for the remainder of that class. Your instructor will provide a warning and then ask the individual to leave if not corrected.

## **Purdue Ideals**

**Nondiscrimination** -- The existing Purdue University Nondiscrimination Policy: *Purdue University is committed to maintaining a community which recognizes and values the inherent worth and dignity of every person; fosters tolerance, sensitivity, understanding, and mutual respect among its members; and encourages each individual to strive to reach his or her own potential. In pursuit of its goal of academic excellence, the University seeks to develop and nurture diversity. The University believes that diversity among its many members strengthens the institution, stimulates creativity, promotes the exchange of ideas, and enriches campus life.*

*Purdue University prohibits discrimination against any member of the University community on the basis of race, religion, color, sex, age, national origin or ancestry, marital status, parental status, sexual orientation, disability, or status as a veteran. The University will conduct its programs, services and activities consistent with applicable federal, state and local laws, regulations and orders and in conformance with the procedures and limitations as set forth in ([http://www.purdue.edu/purdue/ea\\_eou\\_statement.html](http://www.purdue.edu/purdue/ea_eou_statement.html)) which provides specific contractual rights and remedies.*

**Anti-Harassment Policy** -- Strictly following and interpreting existing University Policy: *Purdue University is committed to maintaining an environment that recognizes the inherent worth and dignity of every person; fosters tolerance, sensitivity, understanding and mutual respect; and encourages its members to strive to reach their potential. The most effective way to work toward preventing Harassment is through education that emphasizes respect for every individual.*

*Harassment in the workplace or the educational environment is unacceptable conduct and will not be tolerated. Purdue University is committed to maintaining an educational and work climate for faculty, staff and students that is positive and free from all forms of Harassment. This policy addresses Harassment in all forms, including Harassment toward individuals with legally protected status for reasons of race, gender, religion, color, age, national origin or ancestry, genetic information or disability and Harassment toward individuals for other reasons such as sexual orientation, gender identity, gender expression, marital status or parental status. The University will not tolerate Harassment of its faculty, staff or students by persons conducting business with or visiting the University, even though such persons are not directly affiliated with the University.*

***Purdue Anti-Harassment Policy (III.C.1):*** <http://www.purdue.edu/policies/ethics/iic1.html>