

AGBE 321: Economics of Agricultural Marketing

Course information

Instructor: Dr. Anton Bekkerman **Class days:** Tue, Thur
Office: 205 Linfield Hall **Class times:** 10:50 a.m. – 12:05 p.m.
Phone: 406-994-3032 **Classroom:** Linfield Hall 231

Email: anton.bekkerman@montana.edu
Office hours: If my office door is open, then I have office hours (and by appointment)
Course website: <http://www.antonbekkerman.com>

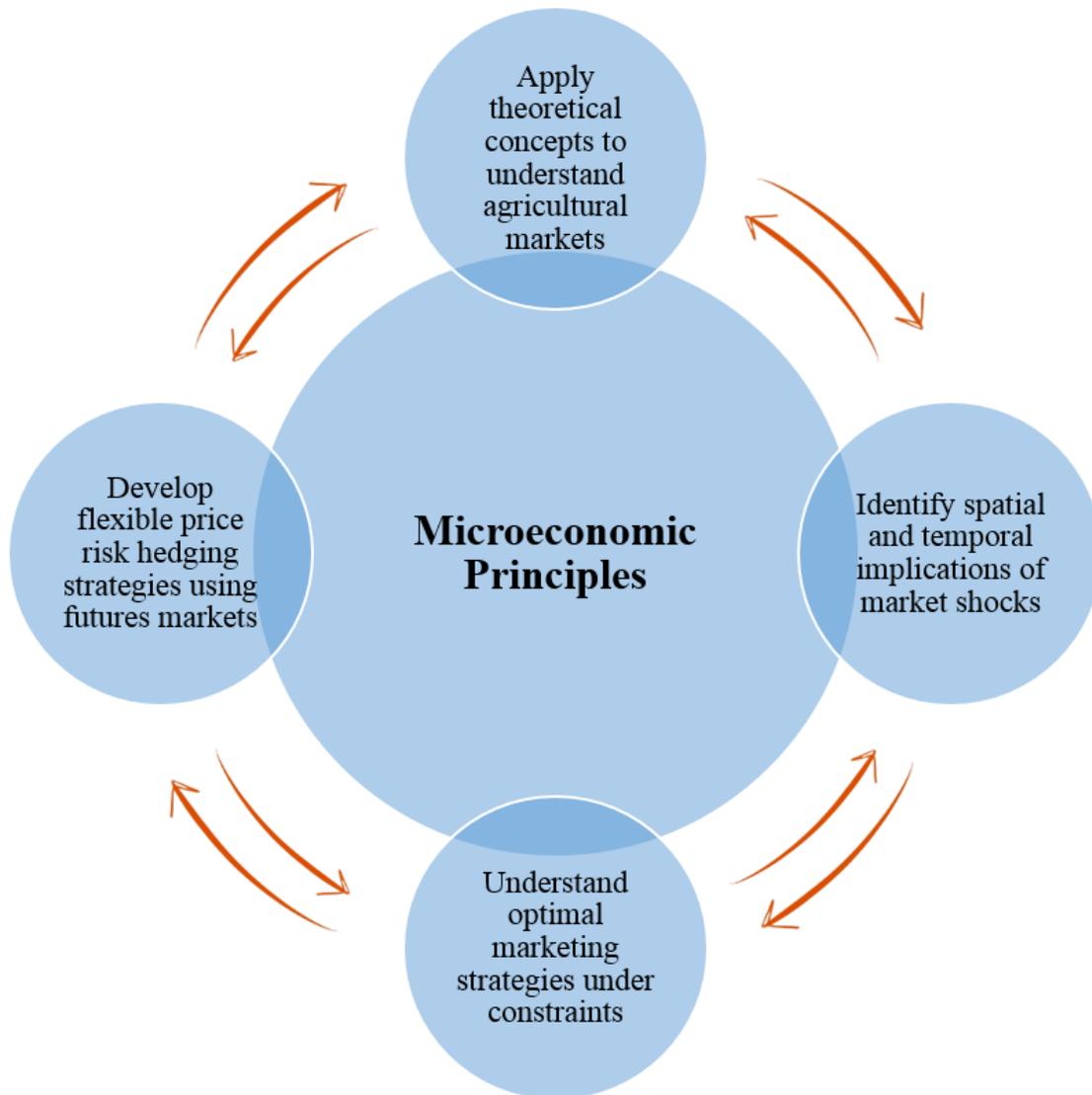
Required readings: *Course note packet*
Optional readings: *Agricultural Product Prices*
W.G. Tomek and H.M. Kaiser
(Cornell Hall, 2014; ISBN: 9780801452307)

Prerequisites: ECNS 204 or ECNS 251

Overview

Economics is the study of choices. This underlies the primary learning outcome of developing a framework for critically evaluating trade-offs. While the traditional approach for helping students develop this framework is discovery, this approach falls short of supporting students' understanding of critically assessing trade-offs. Discovery offers a unidirectional transfer of knowledge and helps answer questions such as "What tools are available to evaluate trade-offs?" and "What existing information about trade-off evaluation exists?" While essential, a more comprehensive grasp if discovery is paired with research and engagement, which provide students with opportunities to apply their knowledge and answer questions such as "How can I use existing tools in a novel approach and add to current knowledge?" (research) and "How can I communicate with others to enhance my understanding and transfer new knowledge?" (engagement). The integration of the three aspects—discovery, research, and engagement—provides a learning environment in which students can be successful in learning, interacting, and using critical thinking skills.

Learning outcomes from this course are, therefore, highly integrated. Each of the specific learning outcomes relate to the underlying microeconomic principles to which you were exposed in introductory economics courses. Furthermore, each of the four broad topics are also related among each other.



Administrative Information

Economic and Math Prerequisites

ECNS 204 (Microeconomics) or ECNS 251 (Honors Economics) is a prerequisite for this course. It is a prerequisite for a reason. This course is taught with the assumption that you have the appropriate foundation of microeconomic principles to comfortably apply theoretical concepts to real-world analyses of agricultural markets. If I go over material typically taught in ECNS 204, it

will be an overview that will help you review important concepts, *not* learn them. In addition, you are expected to have a basic algebra skill set (at least M 121 or an equivalent course).

Class Expectations: how to get an A in this class

From the first day of class to the final exam, I will evaluate you on three major aspects:

1. *Accuracy and attention to detail.* Sloppy economics is bad economics. You will be not be evaluated on your potential to be accurate and pay attention to details such labeling curves, double-checking mathematics, and ensuring that your logic is straightforward to follow. Rather, you will be evaluated on you ability to do so.
2. *Commitment to learning.* Some of the presented material you may know. Some, you will not. Some you might even disagree with. To borrow an ideology from Google, “Don’t be evil.” Learning is an integrative process, in which you gain knowledge from your instructor, your peers, and yourself. Be an active part of this process.
3. *Overall progress in the course.* Everyone has a different background and skill set. A critical aspect of evaluation is seeing that you have progressed throughout the course of the semester. Willful stagnation is highly counterproductive.

The Informal Contract

My commitment to you is to present relevant information, help you with challenging topics, and provide opportunities for you to be successful. I have office hours—this is time that is devoted to my students. Please use them. There are numerous ways that you can schedule a meeting with me: (1) email; (2) call me; (3) talk to me after class.

Your commitment as a student is to put forth the effort to understand the presented information, be inquisitive, and provide feedback. Feedback is extremely important because it makes class more interactive, helps me understand whether you are understanding the material, and allows me to improve lectures and class materials. There are several ways that you can provide feedback:

1. Ask and answer questions in class. All of you have life experiences that relate to the topics we learn in this class. It will be beneficial to everyone if you share some of them.
2. Email me with questions and/or suggestions—some of the most interesting questions I’ve received from students were by email.
3. Leave anonymous comments—a link is provided on the class website. If I don’t know that something is wrong, I can’t change it.

Behavior

My biggest pet peeve is students' behaviors that are distracting to peers and me. These include:

- Using your cell phone repeatedly.
- Using tablets or laptops.
- Sleeping.
- Other obvious behaviors.

I understand that you might send a quick SMS or briefly check your email or Facebook on your phone. That is the reality we live in and I will not attempt to combat these behaviors. However, if you do this continuously and/or repeatedly, it becomes distracting to you, your classmates, and me. If I see these behaviors, I will first discreetly ask you to stop. After this, if I continue seeing you engaging in these behaviors, I *will* ask you to leave the lecture.

Academic Integrity

It is my expectation and that of the university that students follow guidelines described in the Montana State University Conduct Code. Academic misconduct includes “cheating, plagiarism, forgery, falsification, facilitation or aiding academic dishonesty; multiple submissions; theft of instructional materials or tests; unauthorized access to, manipulation of, or tampering with laboratory equipment, experiments, computer programs, or animals without proper authorization; alteration of grades or files; misuse of research data in reporting results; use of personal relationships to gain grades or favors; or otherwise attempting to obtain grades or credit through fraudulent means.”

Disabled Student Services

If you have a documented disability for which you are or may be requesting an accommodation(s), you are encouraged to contact me and Disabled Student Services as soon as possible. <http://www.montana.edu/wwwres/disability/index.shtml>

Evaluation Opportunities

You will be provided numerous opportunities to demonstrate your comprehension of the material. It is in your best interest to take advantage of all the graded opportunities. There will be one

informal and two formal areas of evaluation:

1. *Homework assignments*: Homeworks provide you with an opportunity to practice concepts that we go over during lectures. These will typically have the most challenging questions but will not be subject to a formal grade. I highly recommend that you complete these assignments and finding at least one other person with you can work on homeworks. I will post solutions to homework assignments approximately one week before there is a formal evaluation of the material. It is your responsibility to assess your mastery of the subject matter and ask questions.
2. *In-class evaluations*: These provide me with an opportunity to assess how well you can apply your understanding of learned material to new situations. There will be 5 in-class evaluations. Each exam will be cumulative because all new material uses past information as building blocks.
3. *Weekly news analyses*: These assignments will provide you with an opportunity to integrate your knowledge into analyzing agricultural market changes.

Policy for Submitting Assignments

Weekly news analyses will be submitted electronically using D2L. The system will open the submission process on Monday at 10 a.m. and automatically close the submission process on Friday at 5 p.m. of each week. This will ensure that students are unable to submit late assignments or all of their assignments on a single date. The assignments *must* be submitted electronically, ensuring that all students are fairly treated.

Quantitative Grade Determination

The maximum possible points for each submitted assignment are as following:

- In-class evaluations: The first assessment is 75 points. All other assessments are 100 points each.
- News analyses: 20 points each.
- Media project: 100 points.

Earned Points	Associated Letter Grade
716–775	A
694–715	A-
678–693	B+
639–677	B
617–638	B-
600–616	C+
561–599	C
539–560	C-
630–538	D
<462	F

Incomplete Grades

Assigning of an *Incomplete* grade is in accordance with the guidelines of Montana State University, as outlined in the Course Catalog. This is as follows: “The University takes the position that when students register, they commit themselves to completing their academic obligations as their primary responsibility. Therefore, the instructor may assign an *I* grade only in cases when students have suffered extreme personal hardship or in unusual academic situations.”

Class Schedule

Below is an outline of topics and assessment dates. We will attempt to maintain this schedule as closely as possible, but *I do reserve the right to make minor changes*. Any change to dates related to assessments will be announced at least one week prior to the new date. *It is your responsibility to avert scheduling conflicts that may prevent you from completing an assessment during its scheduled period*. If you know that you have an academically relevant scheduling conflict (e.g., job interview), you must let me know *at least* one week in advance. If you fail to notify me, you will be required to provide an appropriate excuse *and* provide a written letter signed by your major adviser describing the reason you were unable to take an exam. I reserve the right to contact your major adviser and ultimately determine the validity of your absence.

Course Outline

Approximate Dates	Topics Covered
Aug 25	Introductions / Course overview
Aug 26–Sept 10	Supply and demand Overview Graphical analysis Solving for equilibrium conditions <i>HW 1 Solutions Posted: Monday, Sept. 7</i> Quizam 1 (September 15)
Sept 17–29	Elasticities Graphical representation Deriving elasticities Equilibrium displacement model <i>HW 2 Solutions Posted: Wednesday, Sept. 25</i> Quizam 2 (October 1)
Oct 6–Oct 15	Food marketing channel Vertical price transmission Derived demand Graphical representation Solving derived demand models

Course Outline – Continued

Approximate Dates	Topics Covered
	<i>HW 3 Solutions Posted: Monday, Oct. 12</i> Quizam 3 (October 20)
Oct 22–Nov 3	Spatial and temporal marketing issues Moving commodities Transportation cost models Who trades with whom? Three-panel trade model Cobweb model; storage model <i>HW 4 Solutions Posted: Monday, Oct. 30</i> Quizam 4 (November 5)
Nov 10–Dec 3	Futures markets Introduction and history How to read contracts? Basics of using futures markets Your first trade Marking-to-market Why does hedging work? Hedging analyses What is basis? Basis risk Topics in futures markets <i>HW 5 Solutions Posted: Monday, Nov. 30</i> Quizam 5 (December 9, 12 p.m.–2 p.m.)
