

COURSE OUTLINE **Agriculture Economics**

Course Description:

AG120. Agriculture Economics. 3 hours credit. This course will enable the student to apply economic principles to the field of agriculture.

Course Relevance: The principles learned in this course will allow the student to be more aware of how economics affect the field of agriculture. Having this knowledge will help the student be better equipped if he or she chooses a career in agriculture.

Required Materials:

Cramer, G. (2001). Agricultural Economics and AgriBusiness (8th ed.). New York, NY: John Wiley & Sons, Inc.

Learning Outcomes:

The intention is for the student to be able to:

1. Demonstrate an understanding of basic economic concepts as it relates to the agricultural industry.
2. Demonstrate the impact of large grain sales, food shortages or surpluses, farm strikes, meat boycotts, trade embargos, tariffs, and import quotas and export subsidies have on society

Learning PACT

Through the student involvement in this course, the student will develop and document his/her achievement of the following PACT skills:

Primary skills (developed and documented):

1. Critical Thinking
 - Through the use of agriculture economic principles, make well founded agricultural business decisions.
2. Problem Solving
 - Through the understanding of agriculture economics, solve problems using well founded decisions and actions.

Secondary skills (developed but not documented):

Self-concept
Leadership

Assessment Tasks:

These learning outcomes and primary Learning PACT skills will be demonstrated by:

1. Examine the structures and organization of the agricultural industry in terms of micro and macro-economic principles
2. Completion of assignments of actual events that have a significant impact on people, both domestically and internationally

Course Content:

- I. Themes - Key recurring concepts that run throughout this course:
 - A. Structure and organization of the agricultural industry
 - B. Basic micro and macro economic principles as they apply to agriculture
- II. Issues - Key issues that will be addressed in this course: areas of conflict that must be understood in order to achieve the intended outcome:
 - A. Role of agriculture in local, U.S., and World economies
- III. Concepts – Key concepts that must be understood to address the issues:
 - A. Basic economic principles and concepts related to agricultural applications
 - B. Relevant agricultural data to maintain the coverage of macroeconomics and its linkages to agriculture
- IV. Skills / Competencies - Actions that are essential to achieve the course outcomes:
 - A. Basic Principles of Agriculture Economics
 1. Define agriculture economics
 2. Explain how agriculture is a competitive industry
 3. Explain scarcity as it deals with desired results
 4. Describe how graphs are used in visualizing economic relationships
 5. Describe agricultural economics in terms of applied agricultural problems
 6. Describe the components of decision making
 7. Explain agriculture's role in the U.S. economy
 8. List the business structures of farms
 9. Explain how farm size classes are changing
 10. Explain vertical coordination in agriculture
 11. Tell how farmer cooperatives are an integral part of agriculture, the free enterprises for optimizing output
 12. List factors that influence demand
 13. Explain diminishing returns
 - B. Production and Opportunity Cost
 1. Chart farm's least cost production possibilities
 2. Explain combining enterprises for optimizing output
 3. Explain diminishing returns using variable inputs
 4. Identify and classify production costs
 5. List true cost of production including opportunity costs

6. Recognize the difference between pure monopoly and pure competition
 7. Identify regulations important in agriculture bargaining and marketing systems
- C. Agriculture Macroeconomics
1. Recognize linkages of macroeconomics to agriculture
 2. List the sources of farm credit
 3. Explain differences in methods of interest charges
 4. Explain the values of farm people
 5. Identify farm problems and list farm programs value
 6. List alternative programs used to increase agriculture income
 7. Explain the components of food prices for marketing farm products
 8. List two primary ways of increasing world agricultural production
- D. Agricultural Global Market
1. Identify and classify natural resources
 2. Explain factors impacting rural development
 3. List problems and offer solutions in rural communities
 4. Compare major types of economic systems and agriculture
 5. Explain basis for foreign trade and agriculture's place in foreign trade
 6. Explain what is the economic effect of tariffs and quotas
 7. Explain how world population increases impact U.S. agriculture
 8. List two primary ways of increasing world agricultural production

Learning Units:

- I. Basic Principles of Agriculture Economics
- II. Production and Opportunity Cost
- III. Agriculture Macroeconomics
- IV. Agricultural Global Market

Learning Activities:

Learning activities will be geared towards lectures, classroom discussions, and inside and outside classroom assignments. Classroom lecture is designed to enable the students to understand the key principles of agricultural economics.

Grade Determination:

The student will be graded on satisfactory completion of assessment tasks (learning activities), attendance, and written examination.