

AREC 428 Agricultural Business Management (3 credits) Spring 2016

Lecture: T/Th, 12:30-1:45 PM, Clark C-364

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Course Description

Economic analysis, organization, and management practices of agriculture and food industries studied through simulation, case study, computer labs.

Class Organization

The overall objective of this capstone course is to prepare you to manage an agricultural business after you graduate from CSU. In order to become effective managers, you must be able to efficiently manage numerous resources (physical, financial, and human). This course will prepare you to address these issues using an *Integrated Agricultural Business Plan*.

Students will rank project ideas and be put in teams of 2-3 students based on their ranking by the instructor to collect, organize, analyze, and present production, marketing, and financial information for a “case study” agricultural business. As part of the course project, each team will experience a “production shock” and must determine how this shock will change the overall management strategies of their firm using their *Integrated Agricultural Business Plan*.

Tools needed to develop an *Integrated Agricultural Business Plan* will be discussed during lecture prior to reports and homework. Guest lecturers will be used in this class to discuss special topics such as product pricing, agricultural lending, marketing, and financial planning. Since this is a capstone course it is expected that students will lead the discussion during lectures rather than be led.

Prerequisites: AREC 305 and AREC 310

Recommended Text: *Selected readings will be assigned as needed.*

Course Objectives

The objectives of the course are:

1. Understand and apply analytical tools such as economic theory, financial analysis, accounting, and risk analysis to agricultural management decisions.
2. Develop an *Integrated Agricultural Business Plan*.
3. Understand and apply the relationships between agricultural management, finance principles, accounting principles, economic principles, and operations management.
4. Demonstrate your ability to analyze a “production shock” and use management skills to make future decisions in a timely manner.
5. Enhance critical thinking and decision-making skills.
6. Use technology, computers and quantitative models to make agricultural business decisions.

Tentative Grading Schedule

Your final grade is determined by homework, exams, the *Integrated Agricultural Business Plan* project, a Team Grade decided by your peers, and class participation. The points are assigned as follows:

Items	Points
Homework (4 @ 10 points each)	40
Exams (2 @ 75 points each)	150
Governor's Ag Forum attendance and paper	25
Integrated Agricultural Business Plan Section Reports (3 @ 25 points each)	75
Integrated Agricultural Business Plan Section Presentation (1 @ 25 points each)	25
Integrated Agricultural Business Plan Paper	100
Integrated Agricultural Business Plan Presentation (25 minutes)	50
Team grade	25
Class Participation	10
Total	500

Grades are assigned approximately as:

Grade	Points
A	470-500
A-	450-469.9
B+	435-449.9
B	421-434.9
B-	400-420.9
C+	385-399.9
C	350-384.9
D	300-349.9
F	<299.9

There will be no opportunities for "extra credit" in this course. Your grade is completely determined by the effort you put forth.

Homework (40 points)

Throughout the semester you will be responsible for 4 homework assignments. These are individual assignments, while I encourage you to work with others to formulate responses for homework assignments each individual must turn in their own solution. No two or more homework assignments should look the same; any deviation from this policy will be treated as academic dishonesty and forwarded to the college and campus for action. I have ZERO tolerance for cheating. Individual homework must be turned in prior to class beginning on the due date; anything handed in after the lecture begins will receive zero points.

Exams (150 points)

Two exams will be given over the course of the semester. These exams will test your knowledge and application of concepts discussed in class in a real world context. The *tentative* semester examination dates are **March 3rd and April 12th**. Exam dates may be changed should the university be closed for a weather-related event. You must contact me as soon as possible if you have a conflict with examination dates. You must make arrangements to write an exam prior to an excused absence, if you contact me while the exam is in progress or after the exam has taken place you will receive a score of zero. The use of cellular phones, laptops or other electronic devices is not permitted during exams.

Conference attendance outside of class (25 points)

Learning is a continual process. Once you graduate from CSU you will continue learning new techniques and processes through extension meetings, conferences, and outlook forums. As part of AREC 428 you will be responsible for attending the Governor's Forum on Colorado Agriculture in Denver, CO on Thursday, February 18 (<http://www.governorsagforum.com/>). ***Students are required to attend the conference and dress professionally.*** The registration fee is covered by local sponsors and transportation will be provided via the College of Agricultural Sciences. A memorandum will be developed by Dr. Hadrich and approved by the Dept. Head which you can bring to instructors whose classes you may miss due to this event. It is highly recommended you talk with instructors prior to your absence and complete work as soon as possible. You will be required to write a 2-3 page report of what you learned at the meeting and how you will use it in your project or once you graduate CSU. Detailed instructions for the report will be available on CANVAS a minimum of one week prior to the event.

Integrated Agricultural Business Plan, Reports, and Presentation (275 points)

During the course of the semester your team will be responsible for writing *Integrated Agricultural Business Plan* Section Reports and giving one 5 minute presentation on your individual reports prior to spring break. These small reports and presentation will not be the final product, but rather a way for you to gain additional input from your classmates as well as the instructor to improve the overall quality of your Final *Integrated Agricultural Business Plans*. All team members must be present for **all** *Integrated Agricultural Business Plan* presentations.

The major sections of the *Final Integrated Agricultural Business Plan* will include the following:

1. Executive Summary
2. Business Description
3. Project question and goals
4. Financial Plan
5. Marketing Plan
6. Production Shock
7. Final Recommendation
8. References
9. Appendix

Expanded details on the sections and examples will be provided to students during the course of the semester to facilitate the writing process.

Choosing a topic/group

Each student group will be responsible for selecting an agribusiness firm and topic to analyze in the course. Please consider the following items when making this decision:

1. The topic must be agriculture AND business related.
2. The topic should be related to previous coursework or experience, and incorporate skills/analytical methods learned throughout the AREC curriculum.
3. The topic should be researchable. This means solid information and/or data from reputable sources must be available.
 - Try to be as specific as possible when defining the topic. While a topic can start out as general, the team must narrow it down to a concept that can be researchable during the semester. If a topic is left general, it becomes very hard to write a focused agribusiness plan and/or it becomes very difficult to identify information relevant to your topic.

Note: Building on previous work or internship experiences can be quite valuable in identifying a topic. Former employers or internship sponsors may be interested in having you study a topic of value to them. When using past employers, please give them a detailed time-line regarding when you will need data. Many capstone projects have encountered problems when busy employers have delayed giving information or providing data to students due to their schedules. A proposed time-line for data collection will be provided on Canvas during the Whole Farm/Agribusiness Plan lectures in Week 3 to help mitigate this problem for groups moving forward.

Effective speaking and writing skills are required for any career, but are vital to be an effective manager. Your team will be responsible for 2 presentations throughout the course of the semester. Presentation 1 will be given the week prior to Spring Break and includes discussion of the Business & Operation Sections of the Integrated Agricultural Business Plan. At the end of the semester your group will give a 20-25 minute presentation in-class to your peers and invited Agricultural and Resource Economics Faculty and graduate students. You will be expected to use PowerPoint, communicate your main points effectively and efficiently, dress professionally, and be prepared to answer questions. Each team member must be knowledgeable about ALL sections of the *Integrated Agricultural Business Plan*. **All team members must be present for the section report and final presentation, failure to participate in the final presentation will result in a failing grade for the course.**

Team Grade (25 points)

As a manager of an agribusiness firm you will be expected to evaluate your employees. These evaluations help determine raises, potential benefits (end of the year bonuses), or terms for dismissal. At the end of the semester you will be asked to critically evaluate your team members based on their performance over the semester. Your individual team grade will be the average score provided by your team members. *Please note, after Presentation 1, you will have the opportunity to “fire” a team member that is not working towards the team’s objectives. If you happen to be “fired” from a team, it is your responsibility to complete the final presentation individually.*

Class participation (10 points)

Class participation will be a function of active engagement during class lectures as well as during team meetings. As always, class attendance plays a factor since it will be difficult to actively participate if you are missing class lectures and team meetings.

Note: Team meeting dates have been incorporated into the course syllabus to encourage team building skills as well as provide the instructor with an opportunity to provide insight on projects while students are working on different sections of the project. These are *not* optional class periods. Rather, attendance will be taken on Team Meeting and Presentation days throughout the semester.

It is also recommended teams bring laptops on team meeting days. If your team does not have a team member that has a laptop, laptops can be checked out in Behavioral Sciences and the library. <http://iulab.casa.colostate.edu/>

Academic Integrity Policy

This course will adhere to the CSU Academic Integrity Policy as found in the General Catalog - 1.6, pages 7-9. (<http://www.catalog.colostate.edu/Content/files/2012/FrontPDF/1.6POLICIES.pdf>) and the Student Conduct Code (<http://www.conflictresolution.colostate.edu/conduct-code>). At a minimum, violations will result in a grading penalty in this course and a report to the Office of Conflict Resolution and Student Conduct Services.

Any students with disabilities who need accommodation in the course are encouraged to speak with the instructor as soon as possible to make appropriate arrangements for these accommodations.

Veterans and student soldiers with special circumstances or who are activated during the semester are encouraged to notify the instructor in advance.

Tentative Schedule			
Tuesday		Thursday	
January 19	Syllabus Introduction and Defining Goals	January 21	Decision Making <i>Reading: Chapter 1 & 2 KED</i>
January 26	Ag Business Organization Structure <i>Reading: Wittman Consulting</i>	January 28	Ag Business Organization Structure <i>Reading: Wittman Consulting</i>
February 2	Ag Business Plan Discussion -Teams assigned, Project Info distributed	February 4	Financial Analysis <i>Reading: Ch.4-6, 18 KED</i> Homework 1 Due
February 9	Financial Analysis <i>Reading: Ch.4-6, 18 KED</i>	February 11	Capital Budgeting Techniques
February 16	Capital Budgeting Techniques Business/Operation Description Due	February 18	Governor's Ag Forum Denver. Load bus at 6:00 A.M.
February 23	Enterprise Budgets Governor's Ag Forum Paper Due	February 25	Risk Analysis <i>Reading: Ch. 15 KED, selected readings</i> Homework 2 Due
March 1	Risk Analysis <i>Reading: Ch. 15 KED, selected readings</i>	March 3	EXAM 1
March 8	Team Meeting	March 10	Presentation 1
March 15	No Class—Spring Break	March 17	No Class – Spring Break
March 22	Marketing Strategies <i>Reading: Selected readings</i>	March 24	Marketing Strategies <i>Reading: Selected readings</i>
March 29	Financing an Agribusiness Project: Capital Use & Credit <i>Reading: Ch. 19 KED</i> Homework 3 Due	March 31	Financing an Agribusiness Project: Capital Use & Credit <i>Reading: Ch. 19 KED</i> Marketing Description Due
April 5	Asset Control and Equipment Use <i>Reading: Ch 20, 22 KED</i>	April 7	Special Topics (based on the needs of the projects) Homework 4 Due
April 12	Exam II	April 14	Financial Analysis Due
April 19	PRODUCTION SHOCK	April 21	Team Meeting
April 26	FINAL PRESENTATIONS	April 28	FINAL PRESENTATIONS
May 3	FINAL PRESENTATIONS	May 5	FINAL PRESENTATIONS
May 11	6:20-8:20 PM, Attendance Required, Grading Team Members, Final Paper due 1 week from your final presentation!		

*KED=Kay, Edwards, and Duffy. *Farm Management 6th Edition*; Selected readings will be posted on RamCT Bb

Due dates color key: **Integrated Ag. Business Plan, **Homework**, **Exams**