

**Instructor:** Dr. Dustin L. Pendell Phone: 970-491-2233  
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Office Hours: Wednesday 8-10 am, Thursday 9 -10:30 am (and by appointment)

**Prerequisite:** AREC/ECON 202 (Principles of Microeconomics)

**Textbook:** None

**Additional Requirements:**

All students are required to sign up for a simulated web-based trading exercise. Cost is approximately \$24 per individual.

**COURSE OBJECTIVES:**

The primary objective is to foster development and understanding of key agricultural marketing issues and concerns, equip you with analytical skills that may be utilized to evaluate different marketing problems and programs from both the industry and firm perspective. This course will provide you with an understanding of economic concepts that will be employed for analyzing issues in agricultural marketing.

Specific course objectives include:

- Understand the functions performed and appreciate the importance and the complexity of the agricultural and food marketing system.
- Understand the basic workings of the futures markets for speculators and hedgers, and how these may be used by producers and firms to manage price risk.
- Be able to apply the basic economic concepts and analytical tools to understand the market forces that affect prices and to be able to use these tools to evaluate markets, prices, and current agricultural marketing issues.
- Refine your ability to think critically and be able to justify your position with relevant economic logic by developing an analytical approach and decision-making framework for economic decisions made by producers & firms in the marketing system.

**GRADING:**

**Exams:** Three examinations (including the final) will be offered. The final exam will be comprehensive. All three exams will be worth 150 points each. The lowest exam score will be dropped. Thus, no make-up exams will be given. Exams will be scheduled at least two weeks prior to being held. Failure to complete exams as scheduled without prior permission of the instructor will result in a score of zero. All exams will be proctored. The exams will be worth 300 points in total.

**Homework:** There will be several homework sets throughout the course and will include problem sets, computer based exercises, etc. The assignments will be worth 150 points in total. **Late assignments will not be accepted.**

**Quizzes:** Four to Five **quizzes** will be given throughout the semester. The quizzes will be worth 75 points in total.

**Blogging Exercise:** This is designed to help the student apply the concepts discussed in class to current real world agricultural marketing problems. Instructions concerning this exercise will be provided in a separate handout. The blogging exercise will be worth 125 points.

**Simulation Trading Project:** There will be a computer simulation trading project that will provide you with experience speculating in the futures market. Instructions concerning this project will be provided in a separate handout. The simulation trading project will be worth 150 points.

Grade Scale:            **A:** 90-100%,   **B:** 80-89%,   **C:** 70-79%,   **D:** 60-69%,   **F:** <60%

	<u>Total Points Possible</u>
Tests	300 [proctored]
Homework	150
Term Paper (Simulation Trading Project)	150
Blog	125
Quizzes	75
<b>Total Points</b>	<b>800</b>

Requirements for each grade category may be adjusted downward but will not be raised. Pluses and minuses will be awarded within each category at the instructors' discretion.

**Additional Important Information for AREC 310:**

**Academic Integrity:**

Online learning requires commitment and honesty. To achieve the best possible learning experience, students must complete all of the homework, exams, blogs, quizzes, and term paper in the course on their own. If students fail to complete their own work, they are cheating themselves out of their education. Any form of academic dishonesty (cheating, plagiarism, forgery, etc.) will not be tolerated in this course. This course will adhere to the Academic Integrity Policy of the Colorado State University [General Catalog](#) and the [Student Conduct Code](#).

**Office Hours & Appointments:**

I have an "open door" policy for visitors. You are always welcome to drop by if you are in town, email or call me if have an issue that you wish to discuss. However, please realize that I have many other responsibilities beyond teaching this class, so I may be forced to schedule to discuss the issue with you later. I do schedule office hours each week that are set aside for meeting/talking with students from this class. If at all possible, I prefer that you try to use this time to meet/discuss with me. I will make every attempt to be in the office during these hours and will try to announce the days that I will not be available during this time.

**Accommodations:**

Any student with a disability who needs an accommodation or other assistance in this course should make an appointment to speak with me within the first two weeks of class.

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**Tentative Course Outline AREC 310 – Fall 2011 (All topics may not be covered)**

<b>Week</b>	<b>Assignment</b>
Weeks 1-2	<ul style="list-style-type: none"> <li>• Review               <ul style="list-style-type: none"> <li>○ Syllabus, Blogging Exercise, and Simulation Trading Project</li> </ul> </li> <li>• Read               <ul style="list-style-type: none"> <li>○ Chapter 1 – Introduction to Food Marketing</li> <li>○ Chapter 2 – Analyzing Agricultural &amp; Food Markets</li> <li>○ Chapter 3 – Agricultural Production &amp; Marketing</li> </ul> </li> <li>• Lecture 1 – Introduction to Ag. Marketing</li> </ul>
Weeks 2-3	<ul style="list-style-type: none"> <li>• Read               <ul style="list-style-type: none"> <li>○ Chapter 20 – Risk Management and the Futures Market</li> </ul> </li> <li>• Lecture 2 – Risk Management and the Futures Market</li> <li>• Begin Simulation Trading Project</li> </ul>
Week 4	<ul style="list-style-type: none"> <li>• Read               <ul style="list-style-type: none"> <li>○ Agricultural Contracting Update: Contracts in 2008</li> </ul> </li> <li>• Lecture 3 – Contracts</li> </ul>
Weeks 4-5	<ul style="list-style-type: none"> <li>• Read               <ul style="list-style-type: none"> <li>○ Chapter 8 – Price Analysis and the Exchange Function</li> </ul> </li> <li>• Lecture 4 – Demand, Supply, and Elasticities</li> </ul>
Week 6	<ul style="list-style-type: none"> <li>• Read               <ul style="list-style-type: none"> <li>○ Chapter 8 – Price Discovery</li> </ul> </li> <li>• Lecture 5 – Price Discovery</li> <li>• <b>EXAM 1</b></li> </ul>
Weeks 7-8	<ul style="list-style-type: none"> <li>• Read               <ul style="list-style-type: none"> <li>○ Chapter 6 – Models of Market Behavior</li> </ul> </li> <li>Lecture 6 – Derived Demand, Derived Supply, and Marketing Margins</li> </ul>
Week 9	<ul style="list-style-type: none"> <li>• Read               <ul style="list-style-type: none"> <li>○ Chapter 11 – Food Marketing Costs</li> </ul> </li> <li>• Lecture 7 – Food Marketing Costs</li> </ul>
Weeks 9-10	<ul style="list-style-type: none"> <li>• Read               <ul style="list-style-type: none"> <li>○ Chapter 3 – Index Numbers</li> </ul> </li> <li>• Lecture 8 – Indices</li> </ul>
Weeks 10-11	<ul style="list-style-type: none"> <li>• Read               <ul style="list-style-type: none"> <li>○ Chapter 9 – Spatial Characteristics of Markets</li> <li>○ Chapter 18 – Transportation</li> </ul> </li> <li>• Lecture 9 – Markets Across Space</li> </ul>
Weeks 11-12	<ul style="list-style-type: none"> <li>• Read               <ul style="list-style-type: none"> <li>○ Chapter 10 – Local Markets and Interregional Trade</li> </ul> </li> <li>• Lecture 10 – Interregional Trade</li> <li>• <b>EXAM II</b></li> <li>• Simulation Trading Project Ends</li> </ul>
Week 13/15	<ul style="list-style-type: none"> <li>• Read               <ul style="list-style-type: none"> <li>○ Chapter 11 –International Trade</li> </ul> </li> <li>• Lecture 11 – International Trade</li> <li>• Simulation Trading Project Report Due</li> </ul>
Week 14	<ul style="list-style-type: none"> <li>• <b>NO Class – Fall Recess</b></li> </ul>

Week 16	<ul style="list-style-type: none"><li>• Read<ul style="list-style-type: none"><li>○ Chapter 13 – Storage Decisions in the Marketing of Agricultural and Food Products</li><li>○ Lecture 12 – Storage</li></ul></li><li>• Review for Exam III</li></ul>
Week 17	<b><i>EXAM III</i></b>