

## AREC 428: Agribusiness and Cooperative Management

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**Class Times:** MWF 10 – 11 am  
**Location:** 200 Military Science

**Office Hours:** Office Hours: 11am – 12pm MW, 2 pm – 3pm on TR

**Textbook:** (Optional) Erickson, et al. Agribusiness Management. 3<sup>rd</sup> Edition. McGraw-Hill. New York, NY: 2002.

**General Overview:** This course integrates the competencies, tools and skills found in the agricultural economics curriculum by jointly applying them to an existing agribusiness. Areas of analysis include business strategy, marketing, finance, operations/logistics and human resources. Students completing the course will have a deeper knowledge of these core skills and a sound understanding of how these skills interact and influence one another.

### Course Outcomes:

- a. **Technical Competence:** Apply skills and competencies from the agriculture economics curriculum into an integrated business decision framework. Examples skills include the opportunity cost and strategic implications of capital investments, using price elasticities to develop market segmentation strategies, etc.
- b. **Technical Competence:** In a small group, complete an intensive examination of strategic, financial and market position of an existing agribusiness within the context of a capstone project.
- c. **Problem Solving and communication skills:** Define an economic problem for the existing agribusiness, propose alternatives, assess the feasibility of alternatives with appropriate methods, interpret and communicate results to a broad audience.
- d. **Professional Development:** Foster professional development by interacting/collaborating with business professionals in defining the goals of the capstone project, choosing methods and communicating results.

**Project:** A significant portion of the course asks students to develop an in-depth analysis of an existing agribusiness. This is a team project, and the team must find data to perform the necessary strategic, financial, production and market analysis on their agribusiness. The project's output will include an oral presentation and formal written report. At least one portion of the report must be a rigorous quantitative analysis of a critical management issue for the business. Periodic assignments during the semester will serve as components for the business project, and groups will be asked to present portions of these projects throughout the semester.

<b>Grading:</b>	Homework	20%	
	Quizzes	30%	
	Capstone Project	40%	( ½ presentation, ½ project)
	<u>Capstone Project Contribution</u>	<u>10%</u>	( ½ my eval, ½ group eval)
	Total	100%	

\* Student groups will be asked to grade their members' efforts twice during the term.

## Course Outline

- I. Introduction to Agribusiness Management and Planning
  - a. The Agribusiness Environment
  - b. Plant Managers vs. General Managers

**Reading:** Chapter 1  
**Assignments:** Form Groups, Business Plan
- II. Strategic Management
  - a. Mission Statements
  - b. Internal Analysis
    - i. IFAS
    - ii. EFAS
    - iii. TOWS
  - c. Alternatives
    - i. Value Plate
    - ii. Positioning

**Reading:** MBC Farms Case  
**Assignments:** TOWS, Mission Statement  
**Quiz:** Strategy
- III. Financial Analysis
  - i. Consolidated Financial Statements
  - ii. 3 C's
  - iii. Ratio Analysis
  - iv. Benchmarking
    1. Time Series Analysis
    2. Cross Sectional Analysis

**Reading:** Chapters 12, 13  
**Assignments:** Financial Analysis  
**Quiz:** Financial Analysis
- IV. Profitability (DuPont) Analysis
  - a. Modeling
  - b. Cost Efficiency
  - c. Asset Efficiency
  - d. Using Debt Efficiently

**Readings:** pages 356-357  
**Assignment:** Profitability Analysis
- V. Growing the Business
  - a. Growth Strategies
  - b. Capital Budgeting
  - c. Economic Profitability
  - d. Financial Feasibility
  - e. Real Options Analysis

**Reading:** Cooperative Merger Case  
Chapters 14, 15
- VI. Agribusiness Marketing
  - a. Strategic Marketing
  - b. Review the 4 P's
  - c. Supply Chain Management

**Reading:** Wheat Montana Case
- VII. Market Potential  
**Assignments:** Assigned/Agribusiness Project
- VIII. Segmenting Markets  
**Assignments:** Assigned/Agribusiness Project
- IX. Sales Forecasting Techniques
  - a. Moving Average
  - b. Linear Trend
  - c. Non-Linear Growth
  - d. ARIMA Models

**Quiz:** Marketing Analysis and Forecasting