ABUS 321: Agribusiness Management (Fall 2009)

Instructor: Dr. Eric Houk
Office Hours: M, F 9:00-10:00 AM; T, Th 9:20-10:50 AM, and by appointment.
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Course Description
The application of economic and management principles to the planning, control, and organization of agribusiness firms. Linear programming applications, decision trees, inventory control, and equipment replacement. Formerly ABUS 121. Prerequisites: ABUS 101 or equivalent. (3 units)

Course Objectives
The primary objective of this course is to help you develop the appropriate managerial and decision-making tools that are needed in agriculture. In addition to learning basic managerial skills, students will learn how to measure management performance, improve management skills, and how to better understand the financial condition of the farm business. Throughout the course, we will illustrate the role and importance of management decisions in agriculture and give you the opportunity to use the principles, tools and concepts discussed during class to solve problems that reflect real life.

Readings

Farm Management, 6th edition
Ronald D. Kay, William M. Edwards, and Patricia A. Duffy
McGraw Hill. 2008

Applied Mathematical Programming Using Algebraic Systems
Bruce A. McCarl and Thomas H. Spreen (http://agecon2.tamu.edu/people/faculty/mccarl-bruce/books.htm)
*this text will only be used modestly as we cover the basics of linear programming.

In addition to the books above, you may be assigned additional readings throughout the semester. You are responsible for the material covered in class and the material in these assigned readings. Students will receive the greatest benefit if they review the assigned readings before each class.

Course Policies
Students are expected to read & adhere to the policies identified for all courses within the College of Agriculture (www.csuchico.edu/ag/assets/documents/syllabi/COAClommonSyllabusPolicies.pdf) as well as all other University policies (www.csuchico.edu/catalog/cat09/08EndMaterials/02UniversityPolicies.html). Some additional policies for this course are as follows:

Behavior: Respect your classmates. Do not distract others by talking, coming into class late or leaving early, all cell phones must be turned off or silenced before coming to class.

Diversity: I want everyone to feel welcome; no disparaging remarks will be tolerated in regards to ethnicity, sex, age, religion, disability, socioeconomic background, etc.

Academic dishonesty: This is dealt with at the instructor’s discretion, with the likely penalty being an “F” for the course. All cases of Academic Dishonesty will be reported to Student Judicial Affairs. The University Catalog has more information regarding the Standards for Student Conduct.

Please ask for help if you need it. I am available outside of class.
Grades

Final grades will be based upon three exams and assignments as follows:

1. Exam 1 100
2. Exam 2 100
3. Final Exam 100
4. Assignments 100

Total: 400 Points

Grades will be assigned using the following scale:

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>Grade</th>
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<tbody>
<tr>
<td>94% - 100%</td>
<td>A</td>
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<tr>
<td>90% - 92%</td>
<td>A-</td>
</tr>
<tr>
<td>87% - 89%</td>
<td>B+</td>
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<tr>
<td>83% - 86%</td>
<td>B</td>
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<tr>
<td>80% - 82%</td>
<td>B-</td>
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<td>77% - 79%</td>
<td>C+</td>
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<tr>
<td>73% - 76%</td>
<td>C</td>
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<td>70% - 72%</td>
<td>C-</td>
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<tr>
<td>67% - 69%</td>
<td>D+</td>
</tr>
<tr>
<td>60% - 66%</td>
<td>D</td>
</tr>
<tr>
<td>Below 60%</td>
<td>Failure</td>
</tr>
</tbody>
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Exams/Final Exam: Exams may involve essays, short essays, short problems, and multiple choice questions. You may use a simple calculator during exams, but no programmable calculators, laptops, or cell phones. The final exam will resemble the other exams, but it might include some cumulative material. Make-up exams will only be allowed with written verification of an unavoidable circumstance and must be approved. Make-up exams are strongly discouraged.

Assignments (approx. 10): Assignments will be given throughout the semester, they are intended to help you learn and apply the course material. Most of these will be take-home assignments, but some may be done in class. You can use your textbook and work with other students, but you must turn in your own work (written in your own words). I am also willing to help you on these assignments, but I expect that you will take the time to sit down and work through the problem with me.

Late Policy

Students are responsible for handing in assignments when they are due. However, the assignments are designed to help you apply the course material and help you prepare for the exams. As such, I am willing to accept late assignments for partial credit (grade reduced by 50%) only up to the date of the next exam for which they are relevant.

Attendance

Class attendance is expected. However, as an additional incentive I have decided to award bonus points on certain days. Each bonus point will increase your final grade by .5%, for a maximum of 5%. At the professor’s discretion, bonus points can be awarded or taken away depending upon classroom behavior. For example, bonus points will be taken away if your cell phone rings during class.

Computer Use

This course will require you to access and use the learning management system “Vista”. Vista will be used in a variety of ways, including: course announcements, course assignments, etc. You will also be required to use Microsoft Excel for some of the assignments.
Course Outline *Course outline is subject to change.

Section I: Introduction to Agricultural Management and Basic Skills
   Farm Management in the Twenty-First Century (Chapter 1)
   Management and Decision Making (Chapter 2)
   Forms of Farm Business Organization (Chapter 14)
   Economic Principles - Choosing Production Levels (Chapter 7)
   Economic Principles - Choosing Input and Output Combinations (Chapter 8)
   Cost Concepts in Economics (Chapter 9)

*Exam #1: September 24, 2009 (additional topics/readings will also be covered)

Section II: Measuring Management Performance (financial statements) and Credit
   Acquiring and Organizing Management Information (Chapter 3)
   Depreciation and Asset Valuation (Chapter 4)
   The Balance Sheet and its Analysis (Chapter 5)
   The Income Statement and its Analysis (Chapter 6)
   Capital and the Use of Credit (Chapter 19)
   Farm Business Analysis (Chapter 18)

*Exam #2: November 3, 2009 (additional topics/readings will also be covered)

Section III: Budgeting, Whole Farm Planning, Linear Programming, and Additional Topics
   Enterprise Budgeting (Chapter 10)
   Partial Budgeting (Chapter 11)
   Whole-Farm Planning (Chapter 12)
   Linear Programming (Chapter 2 in McCarl and Spreen)
   Cash Flow Budgeting (Chapter 13)
   Managing Risk and Uncertainty (Chapter 15)
   Managing Income Taxes (Chapter 16)
   Investment Analysis (Chapter 17)
   Land - Control and Use (Chapter 20)
   Human Resource Management (Chapter 21)
   Machinery Management (Chapter 22)

   Some of these topics may be covered if time permits

*Final Exam: See final exam schedule (additional topics/readings will also be covered)

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The CSU is suffering the most severe budget cuts in the history of the University. The legislature and administration are attempting to manage these cuts by increasing student fees and requiring faculty to take unpaid furlough days. As a result, classes will not be held on 9/8, 10/15, & 11/2. However, additional days of this class are likely to be cancelled. These days will be announced in class or on vista.

If you need any additional help throughout this semester, please come by and see me or make an appointment. I have an open door policy and I am around much more than my office hours indicate. Although I am often busy working on different projects, committee’s, etc. I consider teaching to be my primary responsibility and I will try to be available as much as possible throughout the semester.

Welcome to ABUS 321. I hope you have a great semester, good luck.