

# BUTTE COLLEGE

## COURSE OUTLINE

### I. CATALOG DESCRIPTION

**AB 22 - Agricultural Economics**

**3 Unit(s)**

**Prerequisite(s):** NONE

**Recommended Prep:** Reading Level IV; English Level III; Math Level III

**Transfer Status:** CSU/UC

51 hours Lecture

This course covers the place of agriculture and farming in the economic system. Topics include basic economic concepts, problems of agriculture, pricing and marketing problems, factors of production, and state and federal farm programs that affect the farmer's economic position. (C-ID AG-AB 124).

### II. OBJECTIVES

Upon successful completion of this course, the student will be able to:

- A. Compare and contrast the role of agriculture in the economic structure of the state, country and world.
- B. Define economic terms.
- C. Analyze market conditions and predict price.
- D. Compare and contrast different economic systems.
- E. Define the laws of supply and demand.
- F. Construct and analyze graphs that utilize cost/revenue data to maximize profitability.
- G. Graph and analyze production functions and identify the three stages of production.

### III. COURSE CONTENT

#### **A. Unit Titles/Suggested Time Schedule**

Lecture	
<u>Topics</u>	<u>Hours</u>
1. Definition of agricultural economics	7.50
a. Scope of economics	
b. Microeconomics versus macroeconomics	
c. Comparative economic systems	
2. U.S. and global food and fiber industry	7.00
3. Consumer behavior and market demand	7.50
a. Utility theory and consumer choice	
b. Indifference curves	
c. Law of demand	
d. Demand elasticities	
4. Economics of Production	7.50
a. Single-variable input functions	
b. Production functions	
c. Profitability	
5. Supply, price determination, and market equilibrium	7.00
6. Competition and the market	7.00
a. Pure competition, monopoly, and imperfect competition	
b. Anti-trust laws/agricultural bargaining	

7. Government Policy and Agricultural trade	7.50
a. International trade policy	
b. Government farm policy	
c. Trade agreements	
Total Hours	51.00

#### **IV. METHODS OF INSTRUCTION**

- A. Lecture
- B. Class Activities
- C. Homework: Students are required to complete two hours of outside-of-class homework for each hour of lecture
- D. Discussion
- E. Problem-Solving Sessions
- F. Reading Assignments

#### **V. METHODS OF EVALUATION**

- A. Quizzes
- B. Research Projects
- C. Oral Presentation
- D. Homework
- E. Mid-term and final examinations
- F. Commodity report

#### **VI. EXAMPLES OF ASSIGNMENTS**

- A. Reading Assignments
  - 1. Read the article (provided by the instructor) focusing on International Trade. Be prepared to discuss the impact of International Trade on crop prices.
  - 2. Read the chapter in your text dealing with market price determination. Focus on the role of supply and demand; be prepared to discuss price determinations and the influence of supply and demand.
- B. Writing Assignments
  - 1. Write a short essay (4-5 pages, double spaced) on an agricultural commodity of your choice. The paper must cover how the commodity is produced, marketed, exported/imported and the outlook for the future
  - 2. Write a short (two page) paper on Imperfect Competition within the agriculture industry. Cite two specific examples and compare them to two similar agricultural industries that operate under more "perfectly competitive" market conditions.
- C. Out-of-Class Assignments
  - 1. Using information provided by the Farm Service Agency, (available online & via the class portal), locate the section on the international trade of Almonds. Identify the volume exported over the past five years.
  - 2. Locate an industry sponsored, commodity specific web site that has been funded by a "marketing order". Identify the web sites key points, with particular emphasis on how this commodity is presenting itself to the non-Ag community.

#### **VII. RECOMMENDED MATERIALS OF INSTRUCTION**

Textbooks:

- A. Cramer, G., Jensen, L. Agricultural Economics and Agribusiness. 8th Edition. Wiley and Sons, 2001.
- B. Drummond & Goodwin. Agricultural Economics. 3rd Edition. Prentice Hall, 2011.

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