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Organization of the course

Lectures
Mondays, Wednesdays and Fridays, 10:00–10:50am
Animal Science building, room 101

Office
I am usually in my office and you are welcome to come see me anytime.
You can also set up an appointment by email.

Readings
No textbook is required. We will use several chapters from different books,
booklets and handouts. All readings, along with other class material, will be
available on Blackboard

TA
Matthew Grosshans
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Course outline

• Economic intuition for the existence of markets
• Creation of cash (spot) markets and the development of forward and futures markets for commodities
  o how cash markets were established and organized
  o how forward markets were developed as an extension of cash markets
  o how futures markets evolved from forward markets
• Relationships between prices in cash, forward and futures markets
• Marketing agricultural commodities using cash-based contracts
  o cash sales, forward contracts and basis contracts
  o similarities and differences between cash-based contracts
  o how and when to use each type of contract
• Marketing agricultural commodities using futures and options contracts
  o how futures markets work and how to use them to market commodities
  o how options markets work and how to use them to market commodities
  o similarities and differences between options, futures and cash-based contracts
• Putting everything together: how and when to use cash-based, futures and options contracts
Course objectives

At the completion of this course, students should be able to:

- have a workable knowledge of the forces that affect commodity markets
- apply economic analysis and critical thinking to evaluate and solve real-world problems in commodity marketing
- discuss and support their opinions using economic principles
- appreciate the importance and complexity of economic analysis in commodity markets
- realize that economic tools are useful to organize their thoughts when analyzing commodity markets, and not a set of facts to memorize
- have a thorough and workable knowledge of different types of contracts used in commodity marketing
- understand the similarities and differences between marketing contracts, and the advantages and disadvantages of each one of them
- realize that the choice of marketing contracts depend on producer’s objectives and market conditions

Evaluation

Students will work individually and in groups during the semester. There will be quizzes, assignments and a final exam. Some information about them is provided below, and more details will be discussed during the course.

- Quizzes: The quizzes will be done individually on Blackboard. Practice quizzes will be posted on Blackboard to help students prepare for the “real” quizzes. It is strongly recommended that students go over the course material and practice quizzes before taking the quizzes.
- In-class assignments: These assignments will be done in groups and consist on short questions to be worked on and completed during our lecture.
- Homework assignments: These assignments will be done in groups. Practice questions will be posted on Blackboard to help students prepare for the assignment. It is strongly recommended that students go over the course material and practice questions before doing the assignment.
- Final exam: The final exam is cumulative and will be done individually in our regular classroom.

Please note that:

- Requests to take a make-up exam, quiz or assignment must be approved prior to the scheduled exam or due date of the quiz or assignment.
- Missed exams, quizzes or assignments will be given a grade of zero unless documented health or family matters are provided within one week of the missed exam, quiz or assignment.
The final grade will be a weighted arithmetic average of all grades obtained during the semester in assignments, quizzes, final exam and attendance. The weights of each component of the final grade are listed below.

- quiz (simple average of your grades in all quizzes) 30%
- in-class assignment (simple average of your grades in all in-class assignments) 25%
- homework assignment (simple average of your grades in all homework assignments) 25%
- final exam 15%
- attendance 5%

The final letter grade should follow the standard scale, with pluses and minuses: A’s for 90-100, B’s for 80-89, C’s for 70-79, D for 60-69, and F below 60. However, I may curve the final grades as I see fit.

Finally, there will also be bonus questions assigned during the semester. Note that these bonus questions are not required and students can choose to do all of them or none of them.

- If you choose not to do bonus questions at all, your final grade will be calculated just as described above.
- If you choose to do some or all bonus questions, your final grade will be calculated as described above plus a credit based on your performance in the bonus questions. Your final grade will be increased by 0.1 points for each point you earn in the bonus questions. For example, if your final grade is 80 and you accumulate 11 points in the bonus questions during the semester, then your final grade will increase to 81.1 (=80 + 11 x 0.1).

Academic integrity.

Plagiarism or any other form of cheating in examinations, term tests or academic work is subject to serious academic penalty. Cheating in examinations or tests may take the form of copying from another student or bringing unauthorized materials into the exam room. Exam cheating can also include exam impersonation. A student found guilty of contributing to cheating in examinations or term assignments is also subject to serious academic penalty.

Students are expected to adhere to guidelines concerning academic dishonesty outlined in Section 4.2 of University’s Student Code of Conduct (http://stuafs.unl.edu/ja/code/). Students are encouraged to contact the instructor for clarification of these guidelines if they have questions or concerns.
Special needs

Students with disabilities are encouraged to contact the instructor for a confidential discussion of their individual needs for academic accommodation. It is the policy of the University of Nebraska-Lincoln to provide flexible and individualized accommodation to students with documented disabilities that may affect their ability to fully participate in course activities or to meet course requirements. To receive accommodation services, students must be registered with the Services for Students with Disabilities (SSD) office, 132 Canfield Administration, 472-3787 voice or TTY.

Information for emergency response

- Fire Alarm (or other evacuation): In the event of a fire alarm: Gather belongings (purse, keys, cellphone, N-Card, etc.) and use the nearest exit to leave the building. Do not use the elevators. After exiting, notify emergency personnel of the location of persons unable to exit the building. Do not return to building unless told to do so by emergency personnel.

- Tornado Warning: When sirens sound, move to the lowest interior area of building or designated shelter. Stay away from windows and stay near an inside wall when possible.

- Active Shooter
  - Evacuate: if there is a safe escape path, leave belongings behind, keep hands visible and follow police officer instructions.
  - Hide out: If evacuation is impossible secure yourself in your space by turning out lights, closing blinds and barricading doors if possible.
  - Take action: As a last resort, and only when your life is in imminent danger, attempt to disrupt and/or incapacitate the active shooter.

- UNL Alert: Notifications about serious incidents on campus are sent via text message, email, unl.edu website, and social media. For more information go to: http://unlalert.unl.edu.

Additional Emergency Procedures can be found here:
http://emergency.unl.edu/doc/Emergency_Procedures_Quicklist.pdf