

Location: 042 Food Industry Complex

Prerequisite: AECN 325 (required)

Time: 10:00-10:50 am, Mon, Wed, & Fri

Integrative Studies, Capstone (ACE 10)

	Instructor	Graduate Assistant	Assistants	Secretary
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Office Hours	11:00-12:00 Mon, Wed, & Fri, & by appt. (call secretary for an appt or stop by anytime)	by appointment	by appointment	8:00-5:00 Monday-Friday
Website	agecon.unl.edu/mark			

Course Materials on Blackboard: <http://my.unl.edu>

Course Objectives:

This course is an advanced study of agricultural marketing concepts, tools, and strategies as they relate to risk management for agricultural producers, commodity merchandisers, processors, and other traders. Focus will be on integrating the topics from this course and AECN 325 to design marketing plans to meet specific criteria. Specific objectives of the course are to:

- Develop breakeven prices using cost of production forecasts
- Understand crop insurance (e.g., MPCI, CRC, RA, GRP, GRIP) and how to integrate it into a marketing plan
- Understand Livestock Risk Protection insurance and its use in hedging price risk
- Understand inter- and intra-commodity price spreads and how to hedge price spreads using futures, options, and insurance (e.g., Livestock Gross Margin insurance)
- Learn technical analysis tools and strategies for timing market entry & exit
- Learn advanced option hedging and trading strategies (e.g., bull and bear spreads, straddles, etc.)
- Understand government farm program benefits and how to integrate them into marketing plans
- Understand how personalities influence marketing decisions and choice of strategy
- Develop a marketing and risk management plan for a farm operation that incorporates multiple marketing tools and strategies
- Understand how to read and evaluate Futures Commission Merchant Statements

Materials:

Required Readings

- Various papers and texts that will be posted on Blackboard or distributed in class
- E-mails from instructor on market news and analysis
- Market news and analysis on various Internet sites (e.g., Agweb.com, agriculture.com, brockreport.com, futuresone.com, farmfutures.com, brownfieldnetwork.com)

Must-See TV

- *Market Journal*, broadcast on <http://marketjournal.unl.edu>; Fridays at 12:30 pm CT and Sundays at 9:30 pm CT on DishNetwork 9411; Saturdays at 7:00 am CT on NET1; and Sundays at 9:00 am on NET2.
- *Market-to-Market*, <http://www.iptv.org/mtom>; Saturdays at 6:30 am on NET1; and Sundays at 8:00 am on NET2.

Trading Simulation

- A web-based futures trading simulation may be used to learn the mechanics of futures and options trading from a speculative standpoint, with focus on using technical analysis in combination with fundamental analysis. Evaluation will occur through homework assignments, to be announced later in class, and may be partially based on success in trading. Students will be responsible for the cost of the trading simulation.

Evaluation:

An average course score will be determined using a weighted average of the following:

Homework	26%	Term Paper	13%
Marketing Project	15%	Quizzes	36%
Class Participation	5%	Final Exam	5%

Letter grades will be assigned to the average course score according to the following schedule:

<u>Average Course Score</u>	<u>Course Grade</u>	<u>Average Course Score</u>	<u>Course Grade</u>
98-100	A+	77-79	C+
93-97	A	73-76	C
90-92	A-	70-72	C-
87-89	B+	67-69	D+
83-86	B	63-66	D
80-82	B-	60-62	D-
		0-59	F

Students electing to take this course Pass/No Pass will be expected to perform satisfactorily, attend class regularly, and earn an average course score of 73% or better to receive a Pass grade for the course.

Homework

Homework will be assigned to provide practice in solving problems related to the course material. Additionally, homework assignments may include other papers, essays, or projects

related to special trading simulations conducted outside of regularly scheduled class time. Homework assignments will generally be announced one to two weeks prior to their due date. Assignments will generally be posted in MS Word format on Blackboard. Students are expected to: 1) download the homework assignment, 2) type their answers in the file (leaving the questions in the file as well) or follow other given instructions, and 3) print the completed assignment to hand in on the due date. Homework assignments are required to be typed or completed on computer, unless otherwise noted. Print homework assignments on a high quality printer with dark ink so that they are easily read (if you make use of color in text or graphs, be sure to print in color). Students not attending class on the homework's due date (for any reason) are required to submit their homework no later than 5:00 pm on the day prior to the homework's due date. In this case, assignments must be submitted by E-mail, fax, or hardcopy delivered directly to the instructor or secretary in 303 H.C. Filley. Scores on any assignment turned in up to 24 hours late will be reduced by 25%. Homework assignments more than one day late will not receive credit.

Marketing Project

A marketing plan project that demonstrates an integrated understanding and use of the marketing tools and strategies learned in AECN 325 and 435 will be completed by each student. Students will have the option of either 1) completing a marketing plan for their own unique farming operation or 2) completing a marketing plan for a case farm assigned by the instructor. Components of the marketing plan will include: 1) a farm and enterprise description and consideration of individuals' risk preferences, 2) breakeven cost-of-production and market entry level price, 3) market price and basis outlook, and 4) analysis and selection of alternatives. The marketing plan project will be integrated with GoGrain.com. Students completing a marketing plan for their own operation must have at least two grain enterprises (preferably corn, soybeans, and/or wheat – exceptions must be approved by the instructor). Students completing the marketing plan for the case farm will have three grain enterprises (corn, soybeans, and wheat). Students will submit each component of the marketing plan for evaluation and feedback. Submission of successive components must include earlier components that are revised according to instructor feedback (see Course Outline for due dates). Evaluation of the marketing project will be made in several steps, including the first submissions of the marketing plan components. Final evaluation of the marketing project will be from a professional, high quality report. Final written report will be due before the 15th week of the semester (“dead week”). Details associated with the marketing plan project and due dates will be announced in class and via Blackboard.

Class Participation

Class participation includes regular attendance at all class meetings, participation in class discussions, and active participation and contributions to consulting group projects. Instructor evaluation of class participation will include quantitative assessments of attendance at any/all regular class meetings or other class activities and qualitative assessments of in-class participation in group discussions (e.g., quality and quantity of questions, answers, etc. and extension of course topics to real-world applications). Evaluation may also come from any peer-assessment of individual participation in group projects.

Regular attendance and participation is expected and encouraged. As in any class, there tends to be a direct correlation between attendance and academic performance. Students are responsible

for knowing the material presented during the class meetings, including the class discussions and responses to questions raised in class, even in the event of an absence. Any student who cannot attend a class meeting is expected to obtain the handouts, assignments, and slides from Blackboard (or by contacting the instructor) and obtain notes from fellow classmates.

Term Paper

A term paper that examines and summarizes research and analysis related to new and emerging markets or market trends or that summarizes a book on selected technical analysis topics will be completed by each student. Students must complete the term paper project by selecting one of the specific topics/alternatives provided in class. The term paper must be a minimum of nine (9) pages in length and be expected to clearly demonstrate advanced clarity of economic and market analysis and written expression commensurate with college senior level ability. Students will submit a full-sentence outline of their paper by February 27, 2009. The term paper will be due April 6, 2009.

Quizzes

A minimum of six (6) quizzes will be given throughout the semester. Four (4) of the quiz dates are announced (see Course Outline for dates). The remainder of the quiz dates (at least two) will be unannounced. The quizzes will be 30-50 minutes in length, and include a variety of question formats (e.g., multiple choice, true/false, short answer, problems, and essays). The quizzes will cover the cumulative material up to that date from both AECN 435 and 325. The one lowest quiz score will be dropped prior to calculation of the final quiz average. Because one quiz score is dropped, no make-up quizzes should be necessary if a student misses a quiz for *any* reason (including University sanctioned events). If a student misses more than one quiz for a University sanctioned event and provides documentation of the absence to the instructor one week prior to the absence, a make-up quiz may be provided at the instructor's discretion. Any make-up quiz may include both written and oral components, and will not be restricted to the 30-50 minute length.

Final Exam

The final exam will be cumulative and covers all material from AECN 435 and 325. All students (including graduating seniors) are required to take the final exam at the time scheduled by the University: **7:30 am - 9:30 am, Friday, May 8, 2009**. Students that have missed no more than three (3) class meetings (for *any* reason) have the option of replacing their final exam grade with the average score of their one highest announced quiz and one highest unannounced quiz score if that average is greater than their final exam score.

Grading Policy

Graded homeworks, quizzes, and projects will generally be returned within one or two class meetings. If a student is concerned about grading accuracy, the student may resubmit the assignment or exam and a *written* request and explanation to regrade the assignment within one week after the assignment is returned to the student. The instructor will regrade the assignment or exam and return it to the student with the final score and an explanation. Any regrade may include the entire assignment or exam and could result in a higher or lower grade.

Important Notices

- AECN 435 is a relatively new course and was first offered as AECN 399A in the Spring 2006 and Spring 2007 semesters. Students who took AECN 399A “Advanced Agricultural Marketing Management” in previous semesters may not earn credit for their degree in AECN 435.
- AECN 435 is an Integrative Studies course and a Capstone course in the Department of Agricultural Economics. Additionally, AECN 435 has been certified for the Achievement Centered Education (ACE) program’s Outcome #10.
- AECN 325, taken at UNL, is a required prerequisite for AECN 435. It is anticipated that students who have not taken AECN 325 will have difficulty in this course, and should drop this course and take it after AECN 325 in the fall semester.
- Academic dishonesty is a serious offense and may be punished by failure on the exam, paper, or project, and/or failure in the course. For more information, refer to the academic honesty policy in Section 4.2 of the Student Code of Conduct in the 2008-09 Undergraduate Bulletin.
- 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.
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