

## Syllabus – Fall 2018

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### Organization of the course

Lectures		Mondays, Wednesdays and Fridays, 10:00–10:50am Animal Science building, room 132
Office hours		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 Canvas.
TAs		Heather Bentley (bentley7heather@gmail.com) Jeffrey Katz (jkatz8310@gmail.com)

### Course outline

We will discuss the following topics during the course.

- Marketing agricultural commodities using futures contracts
  - quick review of the basics of futures hedging (from AECN 235)
  - the importance of the basis
  - rolling hedges
- Marketing agricultural commodities using cash-based contracts
  - spot sales, forward contract, basis contract, HTA contract, and minimum price contract
  - similarities and differences between cash-based contracts
- Options contracts for agricultural commodities
  - how options markets work in commodity markets
- Marketing agricultural commodities using options contracts
  - how to use options to market commodities
- Putting everything together
  - similarities and differences between cash-based, futures and options contracts
  - how and when to use cash-based, futures and options contracts
  - marketing simulations

## 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
- 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.

- *In-class assignments:* These assignments will be done in groups and consist on questions to be worked on during our lecture and submitted before the end of class. There will be several in-class assignments during the semester. Your total in-class assignment grade will be the simple arithmetic average of all grades that you earn in in-class assignments, except for the lowest three grades.
- *Homework assignments:* Two homework assignments will be done in groups and will be due on 9/14 and 11/16.
- *Exams:* Three midterm exams will be done individually in our classroom on 9/28, 10/26 and 11/30. Practice exams will be posted on Canvas to help students prepare for the “real” exams. It is strongly recommended that students go over the course material and practice exams before taking the exams. There is no final exam in this course.
- *Marketing project:* this project will be done in groups and will replace the final exam. It is due on 12/7. More details about the project will be provided and discussed during the semester.

You will need to form groups to work on the marketing project and in-class and homework assignments. Your group:

- cannot have more than 3 students.
- must remain the same for the entire semester.

Please note that:

- Requests to take a make-up exam or assignment must be approved prior to the scheduled exam or assignment.
- Missed exams or assignments will be given a grade of zero unless documented health or family matters are provided within one week of the missed exam or assignment.

The final grade will be a weighted arithmetic average (see weights below) of all grades obtained during the semester in assignments, quizzes, final exam and attendance.

○ exam # 1 (on 9/28)	15%
○ exam # 2 (on 10/26)	15%
○ exam # 3 (on 11/30)	15%
○ in-class assignments (simple average of your grades in these assignments*)	15%
○ homework assignment # 1 (due on 9/14)	10%
○ homework assignment # 2 (due on 11/16)	10%
○ marketing project (due on 12/7)	15%
○ attendance	5%

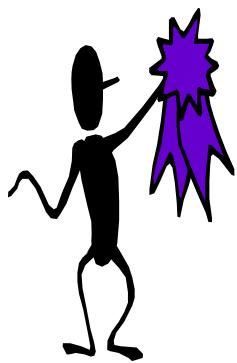
**Letter grades will be assigned to the final grade based on the following ranges:**

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

Students who take the course as “Pass/No Pass” will need to earn a final grade of 73 or better to receive a ‘Pass’ grade.

(\*) We will have several in-class assignments during the semester. All grades, except for the three lowest ones, will be included in the calculation of the average.

Finally, there will also be bonus questions during the semester. These bonus questions are not required and students can choose to do all of them, some 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 ( $=80 + 11 \times 0.1$ ).

## Technology

All course material will be posted on Canvas, such as lecture slides, handouts, and readings. In addition to Canvas, we will also be using nClass in our course. nClass is an online teaching platform that we will use in the classroom. Directions to create an nClass account will be discussed in class.

Your nClass accounts can be accessed directly through Canvas (check “nClass” on the left-side menu). Alternatively, you can also access nClass through an internet browser at [www.nclassweb.com](http://www.nclassweb.com), or through the nClass app in a smartphone. If a student does not have a laptop or smartphone, he/she can check out a laptop through the Nebraska East Union.

nClass will be useful during our lectures because:

- it makes it easier to poll students and ask questions during lectures, which is especially useful in large classrooms;
- it helps gauge students’ understanding more quickly, which is important for both instructor and students;
- it makes it easier and faster to take attendance; and
- it allows students to easily keep track of their attendance.

As we use nClass in our laptops and smartphones, please pay attention to the points listed below.

- Students are supposed to use their laptops or smartphones during class only for activities related to AECN/MRKT 325.
- If you are second-guessing whether you should use your laptop or smartphone for a certain activity during our class, chances are you should not do it.
- Please make sure to mute your phone when you are inside our classroom. Do not allow your phone to ring or vibrate in class, since it can disturb your classmates and instructor.

## 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.*

*The Department of Agricultural Economics has a written policy defining academic dishonesty, the potential sanctions for incidents of academic dishonesty, and the appeal process for students facing potential sanctions. The Department also has a policy regarding potential appeals of final course grades. These policies are available for review on the department’s website (<http://agecon.unl.edu/undergraduate>).*

## **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](http://emergency.unl.edu/doc/Emergency_Procedures_Quicklist.pdf)