

**Location:** Commodity Trading Room, 105 Filley Hall

**Time:** 8 to 9:15, Tuesday and Thursday **Prerequisite:** AECN 235 (required)

	<b>Instructor</b>
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<b>Office Hours</b>	By Appointment

**Course Material on Canvas:** <https://canvas.unl.edu/>

**Course Objectives:**

This course is a study of grain merchandising concepts, tools, and strategies as they relate to grain buyers. Focus will be on integrating the topics from this course and AECN 235 to help the students understand how grain is traded from the grain buyer's perspective.

Specific objectives of course are the following:

- Market Fundamentals
  - All the major crop reports
  - Focus on WASDE reports and how they affect the futures prices, futures spreads, and basis.
- Futures Market
  - Hedging
  - Futures Spreads (Managing Carry and Inverses in the futures market)
- Basis Trading
  - Long Basis
  - Short Basis

- Freight
  - Movement of grain in the United States and World
  - Types of Freight
    - Truck
    - Rail
    - Barge
    - Ship
    - Containers
  - Trading and Scheduling of Freight
- Grain
  - Grading Standards
  - Blending of Grain
- Cash Grain Contracts
  - The types and how they work.
  - How the grain buyers manages the risk associated with them.
- The business side of running a grain elevator
  - Discuss the ways the elevator makes money.
  - Risks associated with running an elevator and how those risks are managed.

**Materials:**

**No text book is required for this course.**

**Required Readings**

- Various papers and texts that will be posted on Canvas or distributed in class
- E-mails from instructor on market reports, basis levels, and freight values.

**Must-See TV and Video**

- Heartland Farm Partners Daily Market Video, received via email from course instructor, provided courtesy of Heartland Farm Partners. **Watch Daily**
- Market-to-Market, <http://www.iptv.org/mtom> produced weekly on Friday. Available online starting Friday nights at 8:00 pm. **Watch Weekly**
- Market Journal, <http://marketjournal.unl.edu> produced weekly on Friday. Available online starting Friday about 5:30 pm. **Watch Weekly**

**Evaluation:**

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

Homework	15%	Exam 1	10%
Merchandising Project	30%	Exam 2	10%
Class Participation	5%	Final Exam	10%
Quizzes	20%		

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. Assignments will generally be posted in MS Word format on Canvas. 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 the computer, unless otherwise noted. Print homework assignments on a high quality printed 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 or hardcopy delivered directly to the instructor.

**Homework assignments are due at the beginning of class (8 AM) on the assignment's due date. Late assignments will be reduced by 20%. Homework assignments more than one day late will not receive credit.**

### **Merchandising Project**

A merchandising project that demonstrates an integrated understanding and use of futures, future's spreads, basis, and the business of running a grain elevator will be completed by each student. Each student will be provided with a case elevator and will need to make business decisions. Evaluation of the merchandising project will be made in several steps. Details associated with the merchandising project and due dates will be announced in class and via Canvas.

## **Class Participation**

Class participation includes regular attendance at all class meeting, participation in class discussions, and active participation and contributions to any 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; therefore, attendance quizzes may be given on any day. 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 meeting, including the class discussions and responses to questions raised in the class, even in the event of absence. Any student who cannot attend a class meeting is expected to obtain the handouts, assignments, assignments, and slides from Canvas (or by contacting the instructor) and obtain notes from fellow classmates. If a student is not going to be able to attend class, they must send me an email before class starts that they will not be attending.

## **Quizzes**

Four announced quizzes will be given throughout the semester. The quizzes will be 30-40 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 cumulative material up to that date. Additional unannounced quizzes may occur throughout the semester. Make-up quizzes must be arranged *before* the quiz date and absences must be verified with appropriate documentation (i.e., doctor's note, University documentation, etc.). Any make-up quiz may include both written and oral components, and will not be restricted to the 30-40 minute length.

## **Exams**

Two exams and one final exam will be given. If an exam will be missed due to a planned absence (e.g., university sponsored event) and documentation of the absence provided to the instructor at least one week before the exam, the exam will be able to be made up. Failure to provide documentation of a scheduled absence at least one week prior to the exam date or an absence for any other reason will result in a score of zero on the missed exam.

The final exam is cumulative and will cover all material from AECN 336. All students (including graduating seniors) are required to take the final exam at the time scheduled by the University.

## Grading Policy

Graded homework, quizzes, exams, and projects will generally be returned within one week of the assignment's due date. If a student is concerned about grading accuracy, the issue must be addressed with the instructor within one week after the assignment, project, quiz, or exam is returned to the student.

## Important Notices

- AECN 235, taken at UNL, is a required prerequisite for AECN 336. It is anticipated that students who have not taken AECN 235 will have difficulty in this course, and should drop this course and take it after AECN 235.
- **Academic Dishonesty:** 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.
- **In case of an emergency:**
  - **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: <https://unlalert.unl.edu>.
  - Additional Emergency Procedures can be found here: <https://emergency.unl.edu>
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