

Syllabus for AREc 211 Management in Agriculture

- Instructor:** Gregory M. Perry
215 Ballard Extension Hall
737-1413
greg.perry@oregonstate.edu
- Teaching Assistant:** Shiann Ashenbrenner
- Class Time:** M W F 8:00-9:50
- Office Hours:** Dr. Perry T Th 9:00-10:00
- Location:** OWEN 102
- Course Objective:** The purpose of this course is to help freshmen or sophomore students gain an understanding of the basic set of principles needed to manage a farm operation. These principles are not solely applicable to farming operations, however, but can be applied to any business operation. The course combines basic economic principles (such as opportunity cost, diminishing marginal returns, and so forth) with basic business financial management principles (such as partial budgeting, whole farm planning, capital budgeting and so forth). The course is built around a farm management game to give students a chance to understand and implement the principles covered in class.
- Prerequisites:** The course is taught assuming students have had principles of microeconomics (EC 201 or AREc 250). Coursework in accounting and spreadsheets will also prove useful, but these classes are not required.
- Accommodation for Students with Disabilities:** Accommodations are collaborative efforts between students, faculty and Services for Students with Disabilities (SSD). Students with accommodations approved through SSD are responsible for contacting the faculty member in charge of the course prior to or during the first week of the term to discuss accommodations. Students who believe they are eligible for accommodations but who have not yet obtained approval through SSD should contact SSD immediately at 737-4098.
- Academic Honesty:** The goal of Oregon State University is to provide students with a general education so that they will acquire knowledge, skills, and wisdom to deal with and contribute to contemporary society in constructive ways. All members of the University community have a strong responsibility to protect and maintain an academic climate in which the freedom to learn can

be enjoyed by all. Each student is to do his/her own work on assignments, participating in class and on exams. If an individual's conduct does not meet University standards, the possibility of disciplinary action arises. If you are caught cheating on an exam, you will be given a zero on that exam and will be reported to the Office of Student Conduct. Using two clickers in class will also be considering cheating and will be deal with accordingly.

Grading: The course grading will be on a 1000 point scale, broken down as follows:

- A. Classwork (600 points). A final will be given in the class, it will be worth 350 points. There will also be two exams during the term, each will be worth 175 points. All exams will be multiple choice.
- B. Homeworks or the Farm Game (250 points). Details on the game will be explained on a separate page of the syllabus. Students can opt to do homeworks in lieu of playing the game.
- C. Class Participation (150 points). Students will be asked questions at different stages of each class, score is based on participation and number of correct responses.

Required Texts: The text *Introduction to Management in Agriculture* can be purchased from the bookstore for \$20.

Students taking the class live are also required to purchase a clicker to use when responding to questions in class. The Quizdom clickers cost \$53.25 (new) or \$36.50 (used).

Videotapes of Class: Note that each lecture will be videotaped and can be accessed at <http://oregonstate.edu/media/classes/> . The class will be streamed live and so can be watched from home (if you are too sick to attend class!) or you can access the archives to watch a previous taping of a class.

Miscellaneous: Because the lectures so closely follow the book and the lectures are also available via videotape, I will not post my powerpoint presentations on Blackboard.

Aside from the Farm Game, there will be no opportunities to earn extra credit points in class.

Extra clickers will be available in class in the event your clicker is lost, broken or been forgotten. Each student can borrow a clicker two times during the quarter.

CLASS SCHEDULE

Day and Date	Topic	Assignments/Exams
Monday, March 31	Chapter 1 – Introduction to Business Management	
Wednesday, April 2	Chapter 2 - Strategic Management	Group name and members need to be submitted
Friday, April 4	No class	
Monday, April 7	Chapter 3 – Factors Influencing Enterprise Selection	Homework/Assignment 1 posted on Blackboard
Wednesday, April 9	Chapter 4 – Selecting Enterprises	
Friday, April 11		Homework/Assignment 1 due @ 5 pm
Monday, April 14	Chapter 5 - Economic Principles	Homework/Assignment 2 posted on Blackboard
Wednesday, April 16	Chapter 6 - Farm Financial Statements	
Friday, April 18		Homework/Assignment 2 due @ 5 pm
Monday, April 21 Class location Milne 201	Handout - Using Excel as a Tool for Financial Analysis	Homework/Assignment 3 posted on Blackboard
Wednesday, April 23	Chapter 7 - Enterprise Analysis	Exam #1
Friday, April 25		Homework/Assignment 3 due @ 5 pm
Monday, April 28	Chapter 8 - Planning and Budgeting Techniques	Homework/Assignment 4 posted
Wednesday, April 30	Chapter 9 – Whole Farm Planning & Cash Flow Budget	Bids for Table Beet acreage due @ 5 pm
Friday, May 2		Homework/Assignment 4 due @ 5 pm
Monday, May 5	Chapter 10 - Investment Analysis Techniques	Homework/Assignment 5 posted
Wednesday, May 7	Chapter 11 – Machinery Management	Bids for Table Beet acreage due @ 5 pm
Friday, May 9		Homework/Assignment 5 due @ 5 pm
Monday, May 12	Chapter 12 – Issues in Farm Size and Growth	Homework/Assignment 6 posted
Wednesday, May 14	Chapter 13 – Growth Through Leasing Land	Bids for land leases and Table Beet acreage due @ 5 pm
Friday, May 16		Homework/Assignment 6 due @ 5 pm
Monday, May 19	Chapter 14 – Growth Through Purchasing Land	Homework/Assignment 7 posted
Wednesday, May 21	Chapter 15 – Managing Labor Resources	Bids for Table Beet acreage due @ 5 pm

Friday, May 23		Auction for Parcels 1-5, beginning at 8:30 am Homework/Assignment 7 due @ 5 pm
Monday, May 26	No Class	Homework/Assignments 8 posted
Wednesday, May 28	Chapter 16 – Evaluating and Managing Risk	Exam #2 first half of class Bids for Table Beet acreage due @ 5 pm Assignment #9 posted
Friday, May 30		Auction for Parcels 6-10, beginning at 8:30 am Homework/Assignment 8 due @ 5 pm
Monday, June 2	Chapter 17 – Animal Production Management	Submit negotiated agreements and farm plan for Assignment 9 at start of class
Wednesday, June 4	Wrapup and review for course	Final results reported for game
Monday, June 9		Final Exam 6:00-8:00 pm

Guidelines for Farm Game

The purpose of the Farm Game is to give students the chance to apply the principles learned in class and also provide motivation to understand the principles well enough to use them. You will be in competition with other students to see who can generate the highest net worth over a 9 year period. Here is the way this game is to be organized. Note that the game is **optional**. Students who choose not to participate in the game will need to complete 8 homework assignments similar to the exercises associated with the game.

Step 1 – The competition is done in groups of three students. By Wednesday, April 2nd, 5 pm, you will need to email me the name of your group and the three students who will constitute your group. If you do not wish to participate in the game, you will need to notify me via email or in class on Wednesday. Students who want to play the game but who have not been identified with a group by this date and time will be assigned to a group. All groups will be created by Friday, April 4th. Distance students can team up with students in the class, or can choose to do the homework.

Each group will have a name. Group names should not be offensive to me or other members of the class. I will make the final decision about what is offensive and may exercise my prerogative to assign a name to a group. I will use the decisionmaking and business performance of the various groups as a springboard to discussion about what good and bad management decisions were made each week. This is not being done to make students feel inadequate, but provides an excellent opportunity to learn from one another. For this reason, membership in each group will not be revealed to other class members.

Step 2 – Each week, you will be asked to come up with a farm plan. The plan starts out pretty simple and evolves each week until by the end of the term you are dealing with a complex set of decisions. I will provide more detail as the class goes on about the specific objective of the game and how placings are determined. Assuming we have 20 groups participating in the game, final points will be distributed as follows:

- 1st Place – 350 points
- 2nd Place – 330 points
- 3rd Place – 315 points
- 4th Place – 300 points
- 5th Place – 285 points
- 6th Place – 270 points
- 7th Place – 260 points
- 8th Place – 250 points, i.e., full credit for activity
- 9th Place – 250 points
- 10th Place – 250 points
- 11th Place – 250 points
- 12th Place – 250 points
- 13th Place – 250 points
- 14th Place – 250 points
- 15th Place – 240 points
- 16th Place – 225 points
- 17th Place – 210 points

18th Place – 190 points
 19th Place – 170 points
 20th Place – 150 points

If we have fewer than 20 groups, points will be adjusted within the 150 to 350 range. Three other important points to note:

- If your farm business finishes the term in bankruptcy, your final points will be cut by 50%.
- In some weeks, additional points may be earned by the team with the best performance that week.
- The game represents the only opportunity I will be providing to earn extra credit points.
- Students who opt to do the homework will do essentially the same assignments as will be done in the game, but the homeworks need to be done as individuals. If all homeworks are done correctly (which is unlikely), a student will earn 250 points.
- The game reflects a real world situation. Prices and yields are random. It is possible that your grade will be reduced (or increased!) due to dumb luck. In reality, the best teams aren't lucky. They manage the risk they face in a prudent manner and make good decisions. **If you don't like the idea of your grade being partly determined by chance, don't play the game.** Note, however, that with risk comes reward.

Step 3 – The game is designed to be a group effort. Free riding on the efforts of other students is unfair to all participants and defeats the objective of the activity. In an attempt to address this, students will submit via email by Friday of dead week their percentage contribution to the assignments, as well as the contributions of their partners. The final grade will then be distributed based on these percentages and their placing. An example will help illustrate how this is calculated. Suppose Student 1 has been free riding on the backs of the other two students. The group placed 6th, so earned 270 points. The percentage efforts might be reported as follows:

Students Submitting Effort Estimates	Estimated Percentage of Effort for Each Student		
	Student 1	Student 2	Student 3
Student 1	33%	33%	33%
Student 2	10%	45%	45%
Student 3	0%	50%	50%
Average	14%	43%	43%

The final grade for each student would be as follows:

Student 1: $270 \cdot 3 \cdot 0.14 = 113$ points

Student 2: $270 \cdot 3 \cdot 0.43 = 348$ points

Student 3: $270 \cdot 3 \cdot 0.43 = 348$ points