UNIVERSITY OF MANITOBA  
DEPARTMENT OF AGIBUSINESS AND AGRICULTURAL ECONOMICS  
ABIZ 0450 AGRICULTURAL ECONOMICS AND MARKETING II

COURSE OUTLINE – FALL 2019 (TENTATIVE)

Instructor:  Brian Oleson, Dept Ag Econ & Agribusiness, 3rd Floor Agriculture Building  
brian.oleson@umanitoba.ca Phone: (204) 474-9782 or Office Admin 204-474-9384  

Class:  M, W, F 8:30-9:20 Room 130 Agricultural Building  

Labs:  Tuesday 2:30 - 3:45; Room 172 Ag Bldg Grader Marker: Lindsay Wood (204) 297-7083;  
woodl346@myumanitob.ca

Objective:  The course builds on ABIZ 0440, which focused on agricultural economics & markets with emphasis on economics (supply & demand), Cdn agri-business sector and intro to Price Risk Management (PRM). On completion of ABIZ 0450, students will:
- Have a better understanding of agricultural economics of Supply and Demand in theory and practice  
- Have a better understanding of commodity markets and the sales, pricing & price risk management of commodities, particularly from a producers view but also from agribusiness firms  
- Have a better understanding of farmer sales, pricing and risk management of commodities with emphasis on futures markets and grain marketing contracts with farmers. Focus is on grain but most of the tools and knowledge are applicable to all commodities incl livestock & even direct marketing.  
- Have a better understanding of key econ factors that drive farm & agribusiness decision making.  
- Have an ability develop a farm marketing plan that directly relates to their MPP  
- Better appreciate, understand and undertake basic commodity market analysis and forecasting to assist them in their careers either in agribusiness or in farming and to begin development of a marketing plan.

Format:  Lectures: 3 lectures + Tues Lab (may include tests, assignment, guests etc). 2-3 Friday lectures will be cancelled & replaced by experiential learning analysis of PBS Market to Market.  

Attendance is highly advised and class participation & questions are encouraged and expected. Participation/attendance marks will be given for Labs; Experiential Learning incl industry guests.  

Exams/tests (2 mid-terms and final) will be based on the lectures, the texts, assignments, guests and class discussion of commodity markets and supplemental material covered in class and lab.  

Lab: Tuesday Lab: Experiential Learning and Guests are an important part of this course.  

Market to Market (M2M) weekly commodity analysis program, Iowa PBS available Friday each week on the Internet. The PBS Friday (close of markets) program is normally posted on Friday. M2M hand-in will only be accepted on the due date from the student himself/herself. No exceptions other than the normal medical or emergency reasons.

Assignment:  MPP related Farm Profile and Marketing Plan Assignment developed in collaboration with Diploma Instructors (eg. Reg Dyck marketing plan assignment).

- 15%  Farm Profile and Marketing Plan Draft 4 parts
- 1. MPP Farm Marketing Profile (Interview/research)
- 2. Marketing Tools
- 3. Price Analysis and
- 4. Initial Draft of MPP Marketing Plan for “your farm”

Mid-Term Tests:

Mid-Term#1 Tues Oct 29, 2019 in LAB 15.0 percent
Mid-Term#2 Tues Nov 19, in Lab 10.0 percent

If due to health (usually note from a doctor), or other serious reason (funeral etc) a test must be missed, test mark will be a weighted mark based on the other test and the final examination.

REQUIRED READING AND STUDY

Kohls and Uhl Chapter 20 to be posted UM Learn. Futures, Scan, skim, study. A lot of this course is
HIGHLY RECOMMENDED Texts:
*Grain Marketing is Simple, Its Just not Easy* by Ed Usset UMinneostaRef only NOT direct used. LOW COST & HIGHLY RECOMMENDED FOR anyone INTERESTED IN COMMODITY MARKETING.

Commodity Marketing from a Producers Perspective; Chafin and Hoepner; Assigned Chapters. Available in Library as it is no longer in print. Older copies may be floating around as it has been a required text in the past. It is an excellent text

TV/Web Program: *Market to Market* www.iptv.org/mntom/ Broadcast Sat on Prairie PBS and posted by Saturday on internet and podcast. Google Market to Market on Iowa PBS. Friday close of markets taped weekly. Watch the commodity portion every week. (Also see U.S. Farm Report www.agweb.com/usfr/)

Main Reference for commodity prices: *Barchart.com.* Become proficient at using this site. Incredible information source that is free. Other sites incl commodity exchanges such as CME, ICE, Kansas, Minneapolis. Many grain companies & others also have good websites for grain prices and other important market related info.

Office Hours: PLEASE ASK many questions in class & Lab. Share your q's, experience, perspectives with the class. Professor has an open door policy. Walk-in to Agribusiness office on the 3rd floor is fine. Appointments - make with Prof after class or phone direct or phone receptionist S. Kamboz at 474-9384.

Student Evaluation: Grade targets A 82%, B 70%, C 60%, D 50%. May be adjusted on a class curve (tentative).

Note re calculators: Students are encouraged to carry out simple mental calculations so calculators are not normally needed. In tests and exam only *dumb* very basic arithmetic calculators (no smart phones, calculators with memory etc allowed in tests and exams).

1. Mid-Term Test 1 Tues Oct 29th 2:30 Lab 15%
2. Mid-Term Test 2 (Incl Hedge PRM) Tu Nov 19th 2:30 Lab 10%
3. Final Exam (comprehensive, blend of MC, written and/or hedging) 45%
4. Labs: Workshops, guest and Kraft Lectures 10%
5. M2M Experiential Learning Internet Assignments Dates TBA 6%
6. Assignment Due Wed Nov 6th: Farm Profile & Draft Marketing Plan 15% (Total 101%)
   Also Assignment Early Bird Bonus additional 1% Wednesday Oct 30th, hand-in.

Kraft Lecture - This year, Kraft Lecture will be held Oct 22nd in our Lab, 172 Richardson on ag trade. Compulsory attendance; assignment with marks. Begins with coffee 2:30 & Lecture at 3:00 pm.

Guest Lecturers and Readings:
As in ABIZ 0440, there may be additional readings. Several guests from industry will visit the class, usually in the Lab. *Attendance is really important because this topic is simple, it is just not easy.* At all times we expect politeness, appreciation and attention. This is essential for guests. Surprise Quiz may be given in Labs. For guests, there will be a quiz to hand in.

Academic Integrity:
*UM policy strictly prohibits plagiarism and cheating and examination impersonations as outlined in the UM Undergraduate Calendar (see General Academic Regulations and Requirements, Section 7: Academic Integrity).*

NOTE: School of Agriculture top emphasis is on honesty & integrity. Everyone understands the word cheating. Know what plagiarism means. In this day of computers, “clip and paste” without reference, is plagiarism.

Etiquette and Behavior Rules: (Sandbox Rules!)
1. Please be quiet during class. Quiet and attention means respect for your classmates, your instructor and yourself. Anyone who is not quiet will be asked to leave or move to the front on a permanent basis.
2. For tests (Lab time slot) there will be special spaced out seating - Richardson 172.
3. No use of cell phones or any texting devices in class time (eg family emergency in which case, just slip out and we understand). Anyone texting in class may be asked to leave the class and turn in the cell phone to the Deans Office for an unspecified period of time. Computers only for class related notes etc.
4. No use of computer or any device for WiFi, e-mail, Facebook etc other than for taking class notes.
5. In other words, you are being asked to give full attention to the class.
6. Let's try our best to be on time.