

## Economics in Agribusiness Management 015000...6420

### Course Description

The focus of this course is to explore the economics of agribusiness systems. Students will study business principles, entrepreneurship, management practices and decision making skills in business. Human relations and basic leadership skills in business will be explored. Students may build a business utilizing the knowledge gained in this course.

### Course Code:

### Program(s) of Study to which This Course Applies

- Agribusiness Systems

Course Framework	Reference Standards	Academic Crosswalk
<p><b>Standard 1. Students will identify and describe the business principles that influence the creation and conduct of business.</b></p>	CAL (AE 12.1.1)	[TBD by NDE]
<p>Benchmark 1.1 Discuss the purpose and role of economics as it relates to AFNR.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>• Summarize a business newspaper/magazine article involving the role of economics in daily life.</li> <li>• Outline a series of questions to ask managers or operators of an agricultural business or ag expo.</li> <li>• Construct a poster emphasizing the role of agribusinesses at an ag expo.</li> </ul>	NE LtoL (AE 12.1.1)	[TBD by NDE]
<p>Benchmark 1.2 Define the elements of entrepreneurship.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>• List the characteristics of an entrepreneur.</li> </ul>	NE LtoL (AE 12.1.1)	[TBD by NDE]

<ul style="list-style-type: none"> <li>• Interview an entrepreneur and submit a report on the interview.</li> <li>• Identify entrepreneur businesses in your community.</li> <li>• Invite an entrepreneur to the classroom.</li> </ul>		
<p>Benchmark 1.3 Examine the nature of business as it relates to AFNR.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>• Discuss characteristics of a monopoly, cooperative, or a free enterprise business.</li> <li>• Visit various business formats and board meetings of various groups.</li> </ul>	NE LtoL (AE 12.1.1)	[TBD by NDE]
<p>Benchmark 1.4 Recognize how business responds to social problems.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>• Locate sources of information for government budget documents.</li> <li>• Assess the effects of government budget cuts.</li> <li>• Evaluate the effects of a natural disaster (manmade or environmental) on AFNR businesses.</li> <li>• Analyze the effects of unemployment on AFNR businesses.</li> <li>• Investigate the effects of inflation and/or deflation on AFNR businesses.</li> </ul>	NE LtoL (AE 12.1.1)	[TBD by NDE]
<p><b>Standard 2. Students will evaluate risk management strategies economically on an output basis.</b></p>		[TBD by NDE]
<p>Benchmark 2.1 Identify and categorize the types of risk that impact AFNR businesses.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>• Create a list of business risks based upon visits to or from a crop insurance agent, crop consultant, extension educator, risk management expert, veterinarian, ag lawyer or tax consultant to discuss risk management in business.</li> <li>• Identify the risks students face in their SAE program or selected business.</li> </ul>		[TBD by NDE]
<p>Benchmark 2.2 Formulate risk mitigation strategies for AFNR businesses.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>• Determine the amount of insurance you need on a car.</li> <li>• Describe how the futures market would minimize risk. (i.e. futures, hedging, forward pricing, options.)</li> <li>• Play a commodity marketing game to experience the futures market.</li> </ul>		[TBD by NDE]

<p>Benchmark 2.3 Evaluate different market structures for AFNR businesses.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>Form a list of market structures. (i.e. sale barn, roadside market, electronic marketing)</li> <li>Compare and contrast different market structures.</li> </ul>		[TBD by NDE]
<p><b>Standard 3. Students will demonstrate decision making processes based economic principles.</b></p>		[TBD by NDE]
<p>Benchmark 3.1 Apply supply and demand analysis for determining the market equilibrium price and market equilibrium quantities between consumers and producers in the market place.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>Review steps in solving economic problems.</li> <li>Create supply and demand curves.</li> <li>Determine the equilibrium price and quantity.</li> <li>Analyze how consumer preferences affect price. (i.e. shifting the demand curve)</li> <li>Analyze how environmental and regulatory changes affect supply.</li> </ul>		[TBD by NDE]
<p>Benchmark 3.2 Elaborate on the differences between the fixed and variable costs of a business.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>List possible fixed and variable costs.</li> <li>Determine how a change in output will affect total cost.</li> <li>Define long-run and short-run cycles and the effect of fixed and variable costs on decisions.</li> </ul>		[TBD by NDE]
<p>Benchmark 3.3 Use marginal cost and marginal return concepts in production decisions.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>Define and discuss the concept of marginal.</li> <li>Define and discuss the concept of diminishing marginal returns.</li> <li>Determine the point of maximum profit or minimize costs using marginal concepts.</li> </ul>		[TBD by NDE]
<p>Benchmark 3.4 Analyze consumer behavior utilities (satisfaction).</p> <p><u>Sample performance indicators:</u></p>		[TBD by NDE]



<ul style="list-style-type: none"> <li>• Deduce that there are infinite levels of utility or levels of satisfaction with any product.</li> <li>• Discuss how changes in consumer preferences impact AFNR business product demand.</li> </ul>		
<p><b>Standard 4. Students will demonstrate the importance of human relation skills in successful business management.</b></p>	NE LtoL (AE 12.1.4)	[TBD by NDE]
<p>Benchmark 4.1 Demonstrate appropriate oral, written, and non-verbal skills.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>• Research and present a written and oral report on an AFNR company.</li> <li>• View materials on reading non-verbal cues.</li> <li>• Research and discuss communication within a business organization.</li> </ul>	LK (CS.03.01)	[TBD by NDE]
<p>Benchmark 4.2 Recognize the diversity of society as it relates to business success.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>• Interact with others in a manner that respects the differences of a diverse society.</li> <li>• Examine how cultural practices and values impact AFNR business decisions.</li> </ul>	LK (CS.02.02)	[TBD by NDE]
<p>Benchmark 4.3 Express the importance of self concept in a business environment.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>• Discuss electronic and social networking sites etiquette and responsible behavior.</li> <li>• Determine appropriate personal hygiene and appearance in a business environment.</li> <li>• Build a portfolio based on student's experiences.</li> </ul>		[TBD by NDE]
<p>Benchmark 4.4 Develop an individual leadership style.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> <li>• Identify and list different leadership styles.</li> <li>• Recognize the value of various personality types.</li> <li>• Develop methods of conflict resolution within a group setting.</li> </ul>		[TBD by NDE]

**Reference Standards Sources**

- NE LtoL = Nebraska Links to Learn
- CAL = California State Standards

- LK = FFA LifeKnowledge and Cluster Skills

**Creation date:** July 15, 2010

**Approval date:**

**Revision date** *(if changes made after final draft):*

### Other Information

Suggestions for innovative teaching and learning strategies:	<ul style="list-style-type: none"> <li>• Nebraska 4-H: ESI Curriculum</li> </ul>
Related assessments:	<ul style="list-style-type: none"> <li>• FFA Agribusiness career development event</li> </ul>
Extended learning opportunities:	<ul style="list-style-type: none"> <li>• Nebraska Council of Economic Education . <a href="http://www.nebraskacouncil.org">www.nebraskacouncil.org</a></li> <li>• Farm Business Management Career Development Event . FFA</li> <li>• Ag Marketing Plan Career Development Event - FFA</li> <li>• DECA events</li> <li>• Stock Market Game . Chicago Board of Trade</li> <li>• FarmMetrics activity . Bunge</li> </ul>