

# Ag Econ 420 Integrated Farm and Ranch Management (3 credits) Spring 2012

## Lecture

T/TH 8:30-9:45 AM

Richard H. Barry Hall 260

**Instructor:** Dr. Joleen C. Hadrich

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## Course Description

This course is intended for people who will advise or manage farm and ranch operations. It covers the application of all phases of management (including marketing and finance) to crop and livestock production practices. (2 lectures)

## Class Organization

The overall objective of this capstone course is to prepare you to manage a farm/ranch after you graduate from NDSU. In order to become effective managers, you must be able to efficiently manage numerous resources (physical, financial, and human). This course will prepare you to address these issues using an Integrated Whole Farm Plan.

Students will be put in teams of 3-4 students to collect, organize, analyze, and present production, marketing, and financial information for a “case study” farm as an Integrated Whole Farm Plan. As part of the course project each team will experience a “production shock” and must determine how this shock will change the overall management strategies of their farm using their Integrated Whole Farm Plan. **Student teams will be assigned by the instructor.**

Tools needed to develop an Integrated Whole Farm Plan will be discussed during lecture prior to reports and homework. Guest lecturers will be used in this class to discuss special topics such as income tax management, agricultural lending, marketing, and financial planning using the Financial Software: FINPACK. Since this is a capstone course it is expected that students will lead the discussion during lectures rather than be led.

## Prerequisites

AGEC 242 or 244 or 246

## Recommended Text

*Farm Management*, 6<sup>th</sup> Edition; Kay Edwards, and Duffy is RECOMMENDED. Readings will be assigned from this text. A copy will be on reserve in the Richard H. Barry Library as well as the Main Library on campus for your use. *This textbook is an excellent reference to use throughout this course as well as in the future.*

*Economics of Farm Management in a Global Setting*, K.D Olson is RECOMMENDED. This book was recently published (2011) and is an excellent resource for developing your whole farm plan. Selected readings will be provided by the instructor with a copy put on reserve in the Richard H. Barry Hall Library when available.

*Selected readings will be assigned as needed.*

## **Course Objectives**

The objectives of the course are:

1. Understand and apply analytical tools such as economic theory, financial analysis, accounting, and risk analysis to agricultural management decisions.
2. Develop an integrated whole farm business plan.
3. Understand and apply the relationships between farm management, finance principles, accounting principles, economic principles, and operations management.
4. Demonstrate your ability to analyze a “production shock” and use the management skills to make future decisions.
5. Enhance critical thinking and decision-making skills.
6. Use technology, computers and quantitative models to make agricultural business decisions.

## **Tentative Grading Schedule**

Your final grade is determined by homework, quizzes, Integrated Whole Farm Plan project, a Team Grade decided by your peers, and class participation. The points are assigned as follows:

<b>Items</b>	<b>Points</b>
Homework (4 @ 15 points each)	60
Quizzes (2 @ 25 points each)	50
Northwest Farm Managers Association meeting and paper	15
Integrated Whole Farm Plan Section Reports (4 @ 25 points each)	100
Integrated Whole Farm Plan Section Presentations (2 @ 12.5 points each)	25
Integrated Whole Farm Plan Paper	100
Integrated Whole Farm Plan Presentation (25 minutes)	100
Team grade	25
Class Participation	25
<b>Total</b>	<b>500</b>

Grades are assigned approximately as

A	450-500 points
B	400-449 points
C	350-399 points
D	300-349 points
F	<299 points

*There will be no opportunities for “extra credit” in this course. Your grade is completely determined by the effort you put forth.*

## **Homework (75 points)**

Throughout the semester you will be responsible for 5 homework assignments. These are individual assignments, while I encourage you to work with others to formulate responses for homework assignments each individual must turn in their own solution. No two or more homework assignments should look the same; any deviation from this policy will be treated as academic dishonesty and forwarded to the college and campus for action. I have ZERO tolerance for cheating. Individual reports/homework must be turned in prior to class beginning on the due date; anything handed in after the lecture begins will receive zero points.

### **Quizzes (50 points)**

Two quizzes will be given over the course of the semester. These quizzes will test your knowledge and application of concepts discussed in class in real world context. Please mark these dates in your calendar since make-up quizzes will not be given.

### **Northwest Farm Managers Association Meeting (15 points)**

The Northwest Farm Managers Association meeting is February 8 from 9 AM – 3 PM at the Holiday Inn, Fargo, ND. Your registration will be paid through a grant and you are required to attend the conference. Five speakers will give presentations regarding the specific topics that will be incorporated in your Integrated Whole Farm Plan. You will be required to write a 2-3 page report of what you learned at the meeting and how you will use it in your project. I will give you a letter to present to other instructors regarding the reason for your absence on Feb. 8<sup>th</sup>.

### **Integrated Whole Farm Plan, Reports, and Presentation (325 points)**

During the course of the semester your team will be responsible for writing Integrated Whole Farm Plan Section Reports and giving two 5 minute presentations on your individual reports. These small reports and presentations will not be the final product, but rather a way for you to gain additional input from your classmates as well as the instructor to improve the overall quality of your Final Integrated Whole Farm Plan Report. All team members must be present for all Integrated Whole Farm Plan presentations. **Failure to participate will result in a score of zero on the report for the individual absent from the section report presentation.**

Since there is not a text for Integrated Whole Farm Plan's we will be using multiple sources. "AgPlan" is provided on-line by the Center for Farm Financial Management at <https://www.agplan.umn.edu/>. This website provides an excellent outline and examples of the individual sections of an Integrated Whole Farm Plan. In addition to Ag Plan, selected readings will be provided by the instructor throughout the course of the semester.

The four sections of the Integrated Whole Farm Plan that will be used are the following:

1. Business Description
2. Operations Description
3. Marketing Plan
4. Financial Plan

Effective speaking and writing skills are required for any career, but are vital to be an effective manager. Your team will be responsible for 3 presentations throughout the course of the semester. Presentation 1 will include the Business & Operation Sections and Presentation 2 will include your Marketing and Financial Plan. At the end of the semester your group will give a 25 minute presentation in-class to your peers and invited Agribusiness and Applied Economics Faculty. You will be expected to use PowerPoint, communicate your main points effectively and efficiently, dress professionally, and be prepared to answer questions. Each team member must be knowledgeable about ALL sections of the Integrated Whole Farm Plan. **All team members must be present for the final presentation, failure to participate in the final presentation will result in a failing grade for the course.**

### **Team Grade (25 points)**

As a manager of a farm or ranch you will be expected to evaluate your employees. These evaluations help determine raises, potential benefits (end of the year bonuses), or terms for dismissal. At the end of the semester you will be asked to critically evaluate your team members based on their performance over the semester. Your individual team grade will be the average score provided by your team members.

### **Class participation (25 points)**

Class participation will be a function of active engagement during class lectures as well as during team meetings. As always, class attendance plays a factor since it will be difficult to actively participate if you are missing class lectures and team meetings.

### **Honor code**

All students taking any course in the College of Agriculture, Food Systems, and Natural Resources are under the Honor System. The Honor System is governed by the students and operates on the premise that most students are honest and work best when their honesty and the honesty of others is not in question. It functions to prevent cheating as well as penalize those who are dishonest. It is the responsibility of the students to report any violations of the honor pledge to the instructor, honor commission, or the Dean of the College of Agriculture, Food Systems, and Natural Resources.

*Any students with disabilities who need accommodation in the course are encouraged to speak with the instructor as soon as possible to make appropriate arrangements for these accommodations.*

*Veterans and student soldiers with special circumstances or who are activated are encouraged to notify the instructor in advance.*

<b>Tentative Schedule</b>			
<b>Tuesday</b>		<b>Thursday</b>	
January 10	Decision making <i>Ch. 1 &amp; 2 KED, Ch. 2 OLSON</i>	January 12	Decision making <i>Ch. 1 &amp; 2 KED, Ch. 2 OLSON</i>
January 17	Farm Business Organization <i>Ch. 14 KED</i>	January 19	Farm Business Organization <i>Ch. 14 KED</i>
January 24	Land Control and Use <i>Ch. 20 KED, Ch.21 OLSON</i>	January 26	Machinery Management <i>Ch. 22 KED, Ch. 18 OLSON</i>
January 31	<b>Quiz 1</b> Whole Farm Plan <i>Ch. 3, 7-8 OLSON</i>	February 2	Whole Farm Plan <i>Ch. 3, 7-8 OLSON</i> Teams Assigned
February 7	Team Meeting	February 9	No CLASS:--Attendance required at Northwest Farm Managers Association Meeting on Feb. 8th
February 14	Team Meeting <b>Business Description Due</b>	February 16	FINPACK
February 21	FINPACK	February 23	FINPACK
February 28	Team Meeting <b>Operation Description Due</b>	March 2	<b>Presentation 1</b>
March 6	Marketing Strategies <i>Dr. Frayne Olson</i> <b>BH 358</b>	March 8	Marketing Strategies <i>Tim Petry</i>
March 13	Spring Break	March 15	Spring Break
March 20	Capital Use and Credit <i>Chapter 19 KED</i>	March 22	Capital Use and Credit <i>Chapter 19 KED</i> <i>Ag Loan Officer</i>
March 27	Risk Management <b>Marketing Plan Due</b>	March 29	Team Meeting
April 3	<b>Quiz 2</b>	April 5	Team Meeting <b>Financial Plan Due</b>
April 10	<b>Presentation 2</b> <b>BH 358</b>	April 12	Team Meeting <i>Production Shock Assigned</i>
April 17	Team Meeting	April 19	<b>Final PAPER DUE</b>
April 24	<b>Final Presentations</b>	April 26	<b>Final Presentations</b>
May 1	<b>Final Presentations</b>	May 3	<b>Final Presentations</b>
<b>May 8, Final Exam Time Period: 10:30-12:30, BH 358</b>			

\*KED=Kay, Edwards, and Duffy. *Farm Management* 6<sup>th</sup> Edition  
 OLSON= Olson, *Economics of Farm Management in a Global Setting*