

AEC 305 -001 – FALL 2011
COURSE OUTLINE (DATES/TOPICS SUBJECT TO CHANGE)

AUGUST

25: AEC 305: CLASS OVERVIEW

30: AGRICULTURAL MARKETS: CHARACTERISTICS, UNIQUENESS, AND METHODS OF ANALYSIS

Overview of Markets and Marketing, Economics of Agricultural Markets, Chapter 1, Schrimper

Introduction to Agricultural Markets, (Unit 1.1), Principles of Agricultural Marketing, Brown

Defining Agricultural Markets (Unit 1.2), Principles of Agricultural Marketing, Brown

Food Marketing, Consumption, and Manufacturing,

www.consumerpsychologist.com/food_Introduction.html

Food Market Characteristics, www.consumerpsychologist.com/food_Markets.html

Consumer Driven Agriculture: Changing U.S. Demographics Influence Eating Habits, April 2003.

www.ers.usda.gov/Amberwaves/April03/Features/ConsumerDrivenAg.htm

SEPTEMBER

1: WHAT DO PRODUCERS AND CONSUMERS WANT FROM OUR FOOD MARKETING SYSTEM?

Will Calorie Labeling in Restaurants Make a Difference? ERS/USDA, March 2011,

www.ers.usda.gov/AmberWaves/March11/Features/CalorieLabeling.htm

Americans Can Satisfy Dietary Guidelines for Vegetables and Fruit for Under \$2.50 Per Day, ERS/USDA, March 2011, www.ers.usda.gov/AmberWaves/March11/Findings/DietaryGuidelines.htm

Choosing Healthy Foods Is More Challenging for Teens, ERS/USDA, March 2011,

www.ers.usda.gov/AmberWaves/March11/Findings/HealthyFoods.htm

Varied Interests Drive Growing Popularity of Local Foods, ERS/USDA, December, 2010,

www.ers.usda.gov/AmberWaves/December10/Features/LocalFoods.htm

Local Food Supply Chains Use Diverse Business Models To Satisfy Demand, ERS/USDA, December 2010,

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How Much Lower Are Prices at Discount Stores? An Examination of Retail Food Prices, ERS/USDA, October 2010, www.ers.usda.gov/publications/err105/

Eating Out Increases Daily Calorie Intake, ERS/USDA, June 2010,

www.ers.usda.gov/AmberWaves/June10/Findings/EatingOut.htm

Recession Brings Record Number of New Store-Brand Food Offerings, ERS/USDA,

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So What's So Great about Organic Food? Time Magazine, August 18, 2010,

www.time.com/time/specials/packages/printout/0,29239,2011756_2011730_2011720,00.html#

The Real Cost of Cheap Food, Time Magazine, August 31, 2009,

<http://www.time.com/time/magazine/article/0,9171,1917726,00.html>

6-8: MARKETING BILL, MARKET BASKET, AND FARM-TO-RETAIL PRICE SPREADS.

Measuring the Economic Importance of Agricultural and Food Marketing Activities, **Economics of Agricultural Markets**, Chapter 2, Schrimper

Farm Value, Marketing Bill, and Food Expenditures, (Unit 1.3), **Principles of Agricultural Marketing**, Brown

Consumer Preferences, Price Spreads, and Disappearance, (Unit 1.5), **Principles of Agricultural Marketing**, Brown

A New Look at Where Our Food Dollars Go, ERS/USDA, June 2011,
www.ers.usda.gov/AmberWaves/June11/DataFeature/

A Revised and Expanded Food Dollar Series: A Better Understanding of Our Food Costs, ERS/USDA, February 2011, www.ers.usda.gov/Publications/err114/

Food Commodity Cost Pass-Through to Food Prices Not Uniform, ERS/USDA, June 2011,
www.ers.usda.gov/AmberWaves/June11/Findings/FoodCommodity.htm

Overview of the U.S. Food Marketing System, www.ers.usda.gov/Briefing/FoodMarketingSystem/

USDA Food Price Spreads,
www.ers.usda.gov/Data/FarmToConsumer/pricespreads.htm

Revised Market Basket Statistics Reflect Consumers' Changing Produce Purchases: ERS/USDA, November 2006. www.ers.usda.gov/AmberWaves/November06/DataFeature/

Kentucky Farm Bureau Market Basket Calculations, July 2011, <https://www.kyfb.com/federation/newsroom/news-releases/2011/Kentuckys-retail-food-prices-increase-2.2-percent-during-second-quarter-9433/>

13-15: CALCULATING, INTERPRETING AND USING INDEX NUMBERS

Index Numbers, **Economics of Agricultural Markets**, Chapter 3, Schrimper

Indices and Nominal versus Real Values, (Unit 1.4), **Principles of Agricultural Marketing**, Brown

Food CPI, Prices and Expenditures:

www.ers.usda.gov/briefing/CPIFoodAndExpenditures/
www.ers.usda.gov/Briefing/CPIFoodAndExpenditures/Data/Expenditures_tables/index.htm
www.ers.usda.gov/Briefing/CPIFoodAndExpenditures/consumerpriceindex.htm
www.ers.usda.gov/Briefing/CPIFoodAndExpenditures/Data/cpiforecasts.htm

USDA Price Indices, www.ers.usda.gov/Publications/Agoutlook/AOTables/
Agricultural Prices Paid and Received (Table 4)
Market Basket (Table 8, Part 1):
Marketing Costs (Table 9)

Consumer Price Index, Bureau of Labor Statistics: www.bls.gov

20-27: FOOD PRICE TRENDS/FOOD VS FUEL DEBATE/WORLD FOOD NEEDS

The Facts Behind High Food Prices, CME Group,
http://openmarkets.cmegroup.com/wp-content/uploads/2011/08/Corn_infographic.jpg

Food Price Outlook for 2011: ERS/USDA,
www.ers.usda.gov/Briefing/CPIFoodAndExpenditures/ConsumerPriceIndex.htm

What's Driving Food Prices in 2011? Farm Foundation Report, July 2012,
www.farmfoundation.org/news/articlefiles/1742-FoodPrices_web.pdf

Why Have Food Commodity Prices Risen Again? ERS/USDA, June 2011,
www.ers.usda.gov/Publications/WRS1103/WRS1103.pdf

The Effect of Food and Beverage Prices on Children's Weights. ERS/USDA, June 2011,
www.ers.usda.gov/Publications/ERR118/ERR118_ReportSummary.pdf

Food Price Watch, World Bank, April 2011,
www.worldbank.org/foodcrisis/foodpricewatch/april_2011.html

FAO Food Price Index, September 2011,
www.fao.org/worldfoodsituation/wfs-home/foodpricesindex/en/

How Much Lower Are Prices at Discount Stores? An Examination of Retail Food Prices, October 2010, USDA/ERS, www.ers.usda.gov/publications/err105/,
www.ers.usda.gov/AmberWaves/December10/Findings/FoodRetailers.htm

The Impact of Ethanol and Ethanol Subsidies on Corn Prices: CARD Policy Brief, April 2011,
www.card.iastate.edu/policy_briefs/display.aspx?id=1155

U.S. Ethanol Boom Fuels Farmland Price Spike and Some Fear a Bubble. April 2011,
<http://solveclimatenews.com/news/20110424/us-ethanol-boom-fuels-farmland-price-spike-and-some-fear-bubble?page=show>

Experts: Farmers not to blame for high food prices, April 2011,
www.cbsnews.com/stories/2011/04/04/ap/business/main20050299.shtml#ixzz1QUOCZcq4

Analysis: In food vs fuel debate, U.S. resolute on ethanol, February 2011,
www.reuters.com/article/2011/02/14/us-usa-ethanol-support-idUSTRE71D0UR20110214

Food vs Fuel Analysis Wrong Says World Bank, July 2010,
www.ethanolproducer.com/articles/6876/food-vs-fuel-analysis-wrong-says-world-bank

Next-Generation Biofuels: Challenges and Implications for Agriculture, ERS/USDA, June 2010,
www.ers.usda.gov/AmberWaves/June10/Features/NGBiofuels.htm

Costs and Benefits to Taxpayers, Consumers, and Producers from U.S. Ethanol Policies, Iowa State,
www.card.iastate.edu/publications/synopsis.aspx?id=1140, July 20, 2010,

How to Feed the World in 2050. FAO,
[www.fao.org/fileadmin/templates/wsfs/docs/expert_paper/How to Feed the World in 2050.pdf](http://www.fao.org/fileadmin/templates/wsfs/docs/expert_paper/How_to_Feed_the_World_in_2050.pdf)

29: EXAM I

DEMAND AND SUPPLY ANALYSIS OF AGRICULTURAL MARKETS

OCTOBER

4-6: MARKET DEMAND SCHEDULES/SHIFTERS (Economics of Agricultural Markets, Chapter 4, pp.67-73, Schrimper)

Demand, Supply, and Equilibrium/Shifters, (Unit 2.1- 2.2), Principles of Agricultural Marketing, Brown

Price and Competition in Food Markets, USC Marshall,
www.consumerpsychologist.com/food_Price_and_Competition.html

11: OWN-PRICE, INCOME AND CROSS-PRICE ELASTICITIES OF DEMAND AND THE COEFFICIENT OF PRICE FLEXIBILITY, (Economics of Agricultural Markets, Chapter 4, pp. 72-86, Schrimper)

Elasticity Basics/Factors Effecting Elasticity, (Units 2.3- 2.5), Principles of Agricultural Marketing, Brown

Online Support Materials for Price Elasticity of Demand:

<http://economics.about.com/cs/microhelp/a/priceelasticity.htm>

www.mackinac.org/article.aspx?ID=1247

www.ers.usda.gov/Data/Elasticities/

<http://tutor2u.net/economics/revision-notes/as-markets-price-elasticity-of-demand.html>

13: RELATIONSHIP OF PRICE ELASTICITY OF DEMAND TO TOTAL REVENUE/ELASTICITY APPLICATIONS, (Economics of Agricultural Markets, Chapter 4, pp. 77-78, Schrimper)

Price Reductions Have Little Effect on Fruit and Vegetable Consumption by Low-Income Americans, ERS/USDA, Sept. 2009, www.ers.usda.gov/AmberWaves/September09/Findings/Fruit&Vegetables.htm

Price-Reducing Coupons Have a Dual Effect on Fruit and Vegetable Purchases, ERS/USDA, September 2010, www.ers.usda.gov/AmberWaves/September10/Findings/PriceReducingCoupons.htm

Taxing Caloric Sweetened Beverages To Curb Obesity, ERS/USDA, September 2010, www.ers.usda.gov/AmberWaves/September10/Features/TaxingCaloricBeverages.htm

The Public Health and Economic Benefits of Taxing Sugar-Sweetened Beverages, The New England Journal of Medicine, September 16, 2009, <http://content.nejm.org/cgi/content/full/NEJMhpr0905723>,

Taxing Snack Foods: What to Expect for Diet and Tax Revenues. ERS/USDA, August 2004, www.ers.usda.gov/Publications/AIB747/aib74708.pdf

Changing Prices, Changing Cigarette Consumption, Wayne D. Purcell, Virginia Tech, www.reap.vt.edu/publications/policy/policy10.pdf

18: SUPPLY SCHEDULES, SHIFTERS, ELASTICITIES (Economics of Agricultural Markets, Chapter 5, Schrimper,)

Supply Shifters/Elasticity, (Units 2.1- 2.5), Principles of Agricultural Marketing, Brown
Price Elasticity of Supply: www.economics.about.com/cs/microhelp/a/supply_elast.htm

20: IN-CLASS ASSIGNMENT

**25: DERIVED DEMAND AND DERIVED SUPPLY (Economics of Agricultural Markets, Chapter 6, Schrimper)
(Derived Demand/Supply in Unit 2.2, Principles of Agricultural Marketing, Brown)**

27: SUPPLY/DEMAND APPLICATIONS AND ANALYSIS

If Others Cannot Afford What We Produce, How Does That Play Out?, Policy Pennings, Dr. Darryl Ray, APAC, July 29, 2011, <http://agpolicy.org/weekcol/574.html>

How Retail Beef and Bread Prices Respond to Changes in Ingredient and Input Cost, ERS/USDA, February 2011, www.ers.usda.gov/Publications/ERR112/ERR112_ReportSummary.pdf

Global Agricultural Supply and Demand: Factors Contributing to the Recent Increase in Food Commodity Prices. ERS/USDA, July 2008, <http://www.ers.usda.gov/Publications/WRS0801/>

Price-Reducing Coupons Have a Dual Effect on Fruit and Vegetable Purchases, ERS/USDA, Sept. 2010, www.ers.usda.gov/AmberWaves/September10/Findings/PriceReducingCoupons.htm

Promoting Fruit and Vegetable Consumption: Are Coupons More Effective than Pure Price Discounts? ERS/USDA, June 2010, www.ers.usda.gov/publications/err96/

Growing Beef Consumption in Japan Could Benefit U.S. Producers. March 2011, www.ers.usda.gov/AmberWaves/March11/Findings/GrowingBeef.htm

More Americans Relied on Food Assistance During Recession, December 2010, www.ers.usda.gov/AmberWaves/December10/Findings/FoodAssistance.htm

AGRICULTURAL MARKET STRUCTURE, CONDUCT AND PERFORMANCE

NOVEMBER 3-8: MARKET STRUCTURE MODELS (Economics of Agricultural Markets, Chapter 7, Schrimper)

Market Structure (Units 3.1-3.5), Principles of Agricultural Marketing, Brown

Perfect Competition:

www.amosweb.com/cgi-bin/awb_nav.pl?s=wpd&c=dsp&k=perfect+competition

Monopoly:

www.amosweb.com/cgi-bin/awb_nav.pl?s=wpd&c=dsp&k=monopoly

Monopolistic Competition:

www.amosweb.com/cgi-bin/awb_nav.pl?s=wpd&c=dsp&k=monopolistic+competition

Oligopoly:

www.amosweb.com/cgi-bin/awb_nav.pl?s=wpd&c=dsp&k=oligopoly

10: STRUCTURE, CONDUCT, AND PERFORMANCE FRAMEWORK

Structure-Conduct-Performance and Food Security, USAID, May 2008,

http://pdf.usaid.gov/pdf_docs/PNADL965.pdf

Industrial Organization. http://en.wikipedia.org/wiki/Industrial_organization

15-17: S-C-P APPLICATIONS TO AGRICULTURAL/FOOD MARKETS

U.S. Agriculture: Retail Food Prices Grew Faster Than the Prices Farmers Received for Agricultural Commodities, but Economic Research Has Not Established That Concentration Has Affected These Trends GAO-09-746R, June 30, 2009, www.gao.gov/new.items/d09746r.pdf, www.gao.gov/products/GAO-09-746R

The Verdict On The New Walmart Express Stores: Nice Enough But Non-Responsive To The Challenge Wal-Mart Faces From Aldi, Save-a-Lot, Dollar Stores And Others. Jim Prevor's Perishable Pundit, July 6, 2011 www.perishablepundit.com/print.php?article=2624

The Debilitating Effects of Concentration In Markets Affecting Agriculture. Domina and Taylor, October 2009, www.competitivemarkets.com/images/stories/dominafinalpdf.pdf

Comparing the Structure, Size, and Performance of Local and Mainstream Food Supply Chains, ERS/USDA, June 2010, www.ers.usda.gov/Publications/ERR99/

Removal of Government Controls Opens Peanut and Tobacco Sectors to Market Forces, ERS/USDA, December 2009, www.ers.usda.gov/AmberWaves/December09/Features/PeanutTobacco.htm

Market Failures: When the Invisible Hand Gets Shaky, ERS/USDA, November 2008, www.ers.usda.gov/AmberWaves/November08/Features/MarketFailures.htm

National Measures of Poultry Market Concentration Not the Same at Producer Level, Policy Pennings, Dr. Darryl Ray, APAC, June 11, 2010, <http://agpolicy.org/weekcol/515.html>

Food Market Structure and Concentration

www.ers.usda.gov/browse/view.aspx?subject=FoodSectorMarketStructureConcentration

AGRICULTURAL PRICE DISCOVERY

22: PRICE DISCOVERY VS. PRICE DETERMINATION AND ALTERNATIVE PRICE DISCOVERY SYSTEMS (Economics of Agricultural Markets, Chapter 8, Schrimper) and Price Discovery (Unit 4.1), Principles of Agricultural Marketing, Brown

Price Determination in Agricultural Commodity Markets: A Primer. Schnepf, Congressional Research Service, January 2006, www.nationalaglawcenter.org/assets/crs/RL33204.pdf

Price Determination versus Price Discovery, Ward/Schroeder, <http://agecon.uwyo.edu/marketing/mngtcmkt/PricDetr.pdf>

24: NO CLASS –THANKSGIVING HOLIDAY

29: EVALUATING CONTRACTING ISSUES/TRENDS

Production and Marketing Contracts (Unit 4.4), Principles of Agricultural Marketing, Brown

Agricultural Contracting Update, ERS/USDA, April 2008. www.ers.usda.gov/publications/eib35/

Information on Poultry Producers' Pay and Integrators' Profits: Integrators Have it, Producers Don't. APAC, June 25, 2010, www.agpolicy.org/weekcol/517.html

Poultry Growers Air Complaints, Policy Pennings, Dr. Darryl Ray, APAC, June 4, 2010, www.agpolicy.org/weekcol/514.html

"New Poultry Contract Rules Designed to Better Protect Growers" Policy Pennings, Dr. Darryl Ray, APAC, December 11, 2009, <http://agpolicy.org/weekcol/489.html>

Restoring Economic Health to Contract Poultry Production. Taylor/ Domina, May 13, 2010. www.competitivemarkets.com/index.php?option=com_content&task=view&id=347&Itemid=50.

Contracting Expands for Field Crops, ERS/USDA, March 2011, www.ers.usda.gov/AmberWaves/March11/Findings/ContractingExpands.htm

DECEMBER 1: EXAM III

INTERNATIONAL AGRICULTURAL MARKETS:

6: INTERNATIONAL TRADE FACTORS, MODEL AND TRENDS (parts of Schrimper, Chapters 9-11)

International Food Markets, USC Marshall, www.consumerpsychologist.com/food_International_Markets.html

8: ANALYSIS OF U.S. AGRICULTURAL TRADE

Are Competitors' Free Trade Agreements Putting U.S. Agricultural Exporters at Disadvantage? ERS/USDA, June 2011

www.ers.usda.gov/AmberWaves/June11/Features/CompetitorsFTA.htm

Income Growth in Developing Countries Can Increase U.S. Agricultural Exports, ERS/USDA, March 2011, www.ers.usda.gov/AmberWaves/March11/Features/IncomeGrowth.htm

Review of Ag Policy Analysis Center (APAC), Policy Pennings, Dr. Darryl Ray, APAC, Series of Articles on U.S. Agricultural Trade, Feb-April 2010 www.agpolicy.org/articles10.html

Trade Data Show Value, Variety, and Sources of U.S. Food Imports, ERS/USDA, September 2009, www.ers.usda.gov/AmberWaves/September09/DataFeature/

A Weakening Global Economy Interrupts Agricultural Trade, ERS/USDA, June 2009 www.ers.usda.gov/AmberWaves/June09/Features/WeakEconomy.htm

U.S Agricultural Trade Briefing Room, ERS/USDA, www.ers.usda.gov/Briefing/AgTrade/

Weaker U.S. Dollar Strengthens U.S. Agriculture, ERS/USDA, February 2007, www.ers.usda.gov/AmberWaves/February07/Features/WeakerDollar.htm

12: FINAL EXAM (10:30)