

# Statewide Dual Credit Learning Objectives

## Introduction to Agriculture Business (AGRI 1010)

### **Topics Covered**

1. Different types of U.S. Agribusinesses.
2. Macro and microeconomics terms related to Agribusiness.
3. Common agribusiness organizational, budgeting, accounting, and legal structures.
4. Basic economic principles and apply them to agribusiness.
5. Management, human resources, and issues related to both areas.
6. Agriculture's role in the American and global economic systems.
7. Current political and economic Agribusiness issues.
8. Agricultural marketing issues & develop marketing plans.

### **Learning Objectives**

- 1. Explore different types of U.S. Agribusinesses.**
  - a. Explain the meaning of Agribusiness.
  - b. Discuss farming and agriculture before agribusiness.
  - c. Describe the "big picture" of agribusiness in the US and TN.
  - d. Discuss different commodity types.
  - e. Discuss the different sectors of the Agribusiness industry.
  - f. Describe the service sector of the agribusiness industry.
- 2. Develop a comprehensive vocabulary of macro and microeconomics terms related to Agribusiness.**
  - a. Define economics, agricultural economics, macroeconomics, microeconomics, normative and positive economics.
  - b. Explain *ceteris paribus* and how it is used in economics.
  - c. Define demand, supply, scarcity, utility, price, cost and opportunity cost.
- 3. Identify common agribusiness organizational, budgeting, accounting, and legal structures.**
  - a. Discuss the different legal structures of business proprietorships, partnerships, and corporations.
  - b. Discuss the pros and cons of each legal structure.
  - c. Explain the characteristics of sole proprietorships and partnerships.

- d. Discuss the different types of corporations.
- e. Explain the characteristics of limited liability companies.
- f. Differentiate bookkeeping from accounting.
- g. Explain basic accounting considerations.
- h. Understand Operating, Cash Flow, and Capital Expenses Budgets, the components of each budget type and how each budget is utilized in agribusiness.
- i. Understand the accounting equation and all components.
- j. Understand the components and uses of a Balance Sheet, and Profit and Loss Statement.
- k. Analyze financial statements.
- l. Discuss the importance of budgets and written goals.
- m. Discuss the importance of ROIC.
- n. Describe fixed and variable expenses.
- o. Discuss the importance of credit.
- p. Discuss the importance of returns, repayment ability, and risk.
- q. Compute interest.
- r. Understand the relationship between price competition and competitive business organization.

#### **4. Comprehend basic economic principles and apply them to agribusiness.**

- a. Understand basic concepts of economics and explain their significance.
- b. Discuss the interactions of agribusiness sectors and how they are interconnected.
- c. Analyze the efficiency of production agriculture.
- d. Explain how specialization is related to efficiency.
- e. Discuss the basic economic questions.
- f. Identify and characterize the three stages of production.
- g. Discuss different types of resources and inputs.
- h. Explain scarcity, types of resources and desires of producers and consumers.
- i. Understand market price determination, demand, demand schedules, demand curves, supply, supply and demand relationships and shifters, and equilibrium.
- j. Explain the production function relationship and give a working example of the production function.
- k. Accurately calculate price versus cost, TP, TC, MP, MC.
- l. Discuss the role of the consumers and demand with regards to the different agribusiness sectors.
- m. Comprehend and apply concepts of utility, satisfaction, and equilibrium.
- n. Comprehend and apply elasticity; be able to calculate and interpret elasticity coefficients for price, cross-price, income, elastic ties of demand, and price elasticity of supply.

- o. Understand and be able to explain the Law of Demand, Law of Diminishing Returns, and Supply and Demand principles.
- p. Describe the meaning of opportunity cost and be able to apply its use to agribusiness.
- q. Explain different types of economic systems.
- r. Define and explain markets, market structure, and economic modules.
- s. Understand how economic models are used to describe market structure with relationship to competition.
- t. Understand the differences in perfect competition, monopoly, oligopoly, and collusion with regards to market structure.
- u. Understand the role of agricultural economists and how they predict market movement.

**5. Discuss management, human resources, and issues related to both areas.**

- a. Discuss successful qualities of a good agribusiness manager.
- b. Discuss the four functions of management.
- c. Discuss the decision-making process (management process).
- d. Discuss strategic management and its importance for long term business success.
- e. Explain how strategic management and planning can be used to obtain competitive advantages.
- f. Discuss how to use a SWOT analysis.

**6. Discuss agriculture's role in the American and global economic systems.**

- a. Discuss the size and importance of production agriculture.
- b. Explain the importance of Agribusiness and foreign trade.
- c. Discuss the impact of U.S. agriculture on the global economy.
- d. Understand markets and factors that affect market performance including competition.
- e. Discuss commodity markets, trading, and futures.
- f. Discuss exchange rates, trade and tariffs and their effects on commodities.
- g. Discuss NAFTA.

**7. Discuss current political and economic Agribusiness issues.**

- a. Explain why agricultural policies are needed.
- b. Explain the monetary and fiscal policies of the federal government as they relate to the general economy.
- c. Discuss the forces that cause policy change.

- d. Explain the conditions leading to and reasons for government involvement in agriculture.
- e. Discuss the legislative process of agricultural policy development.
- f. Discuss the Farm Bill.
- g. Discuss the relationship between Agribusiness and the environment.

**8. Identify agricultural marketing issues & develop marketing plans.**

- a. Understand the role of marketing.
- b. Be able to compute market potential.
- c. Compare and contrast target marketing vs mass marketing.