Course Description
AG 120. Agricultural Economics. 3 hours credit. This course will enable the student to apply economic principles to the field of agriculture. The student will study the impact of supply and demand, markets, production, macroeconomic variable, and government regulations on the farm industry.

Required Materials
For complete material(s) information, refer to https://bookstore.butlercc.edu

Butler-assessed Outcomes
The intention is for the student to be able to
1. Apply economic principles to the field of agriculture.
2. Analyze supply and demand scenarios of the farm industry.
3. Categorize the production costs of resources utilized in the farm industry.

Learning PACT Skills that will be developed and documented in this course
Through involvement in this course, the student will develop ability in the following PACT skill area(s):
Analytical Thinking Skills
- Critical thinking - Through the use of supply and demand principles, the student will apply the components to agricultural business decisions.

Major Summative Assessment Task(s)
These Butler-assessed Learning Outcomes(s) and Learning PACT skills will be demonstrated by
1. Completing a written case study analyzing selected current events that have a significant impact on the farm industry.

Skills or Competencies
These actions are essential to achieve the course outcomes:
1. Analyze supply and demand graphs.
2. Explain production costs of the resources.
3. Recognize the impact of global markets on the farm industry.

Learning Units
I. Agricultural economic foundations
   A. Definition of agricultural economics
   B. Macroeconomics vs. microeconomics
II. The U.S. food and fiber industry
   A. Complexity of the farming industry
   B. Sectors of the food and fiber industry

III. Consumer behavior
   A. Total utility vs. marginal utility
   B. Law of diminishing marginal utility

IV. Supply and demand
   A. Determinants of supply and demand
   B. Equilibrium price and quantity

V. Elasticity
   A. Determinants of demand elasticity and calculations
   B. Application to policymakers, farmers, consumers, manufactures, food processors, and trade firms

VI. Production and resource use
   A. Resource classification
   B. Short-run decisions and business costs
   C. Least-cost rule
   D. Business expansion
   E. Profit-maximizing combination of resources

VII. Market equilibrium, and product price: perfect competition
   A. Identify the derivation of the market supply curve
   B. Identify the market equilibrium under perfect competition and the effects of adjustments

VIII. Market structures
   A. Perfect competition
      1. Market supply curve derivation
      2. Market equilibrium
      3. Firm costs and profit scenarios
   B. Imperfect competition
      1. Characteristics of monopolistic competition, oligopoly, and monopoly
      2. Firm costs and profit scenarios

IX. Natural resources, the environment, and agriculture
   A. Environmental effects on agriculture
      1. Water quality
      2. Air quality
      3. Global climate change
      4. Other environmental impacts
   B. Government policies for agriculture and the environment
      1. Soil erosion policies and the conservation reserve program
2. Federal incentive programs for agricultural conservation
3. Environmental regulations
4. Endangered Species Act

X. Government intervention in agriculture
   A. Economic issues affecting agriculture
      1. Inelastic demand
      2. Lack of market power
      3. Interest sensitivity
      4. Asset fixity and excess capacity
   B. Consumer issues affecting agriculture
      1. Adequate and cheap food supply
      2. Nutrition and health
      3. Food safety
      4. Food subsidies

XI. Macroeconomic variables and policies
    A. Determinants of consumer consumption, savings, and investment
    B. Gross domestic product (GDP)
    C. Money and the Federal Reserve system
    D. Monetary policy
    E. Fiscal policy

XII. U.S. agriculture trade and exchange rates
    A. Importance of agricultural trade
    B. Characteristics of the growth, instability, and future of agricultural trade
    C. Exchange rates as related to U.S. agricultural trade
    D. Trade restrictions
    E. Trading agreements

Learning Activities
Learning activities will be assigned to assist the student to achieve the intended learning outcomes through lecture, instructor-led class discussion, guest speakers, group activities, drills/skill practice, and other activities at the discretion of the instructor. These activities may be either face-to-face or online.

Grade Determination
The student will be graded on learning activities and assessment tasks. Grade determinants may include the following: daily work, quizzes, chapter or unit tests, comprehensive examinations, projects, presentations, class participation, and other methods of evaluations at the discretion of the instructor.