

Course Syllabus Spring 2018

AGBU 4374.01 Agricultural Market Analysis and Prices

Credit Hours: 3.0

AGBU 4374 Agricultural Market Analysis and Prices. Principles of agricultural market analysis to include: price analysis, price forecasting, forward contracting, futures market, market structure analysis, marketing and sales management. Prerequisite: AGBU 2317 and MATH 1369 or STAT 1369, and completed 45 credit hours.

Basic Information

Instructor: Dr. Art Wolfskill

Phone: 936-294-1226

Email: wolfskill@shsu.edu

Office: Pirkle 440 E

Office Hours: Tue and Thu 9:30 – 11:30 or by appointment, phone, or drop-in

Office hours may be interrupted by Official University Business (e.g., committee meetings)

Class Meetings: Tuesday and Thursday 12:30 p.m. – 1:50 p.m. in PIRK 340

Required Text: Course Packet available from the university bookstore. This packet is **required**.

Optional Text: *Futures and Options Markets: An Introduction*, by Colin A. Carter, 2003.

Course Objectives

The objective of the course is to introduce students to agricultural price risk management using the futures and options market. This course explores the fundamentals of the mechanics, operations, and use of futures and options contracts. The focus is on agriculture commodities (e.g., corn, live cattle, sugar, cocoa); however, attention also will be given to other instruments (e.g., exchange rates, financials, stock indexes, metals). A main emphasis is on the use of futures and options for risk management through the practice of hedging. Additional topics to be addressed include the history of futures/options markets, speculation, option pricing and strategies, and basis behavior. Specific objectives are:

- Gaining factual knowledge (terminology, classifications, methods, trends)
- Learning fundamental principles, generalizations, or theories
- Learning to *apply* course materials (to improve thinking, problems solving, and decisions)
- Developing specific skills, competencies, and points of view needed by professionals in the business financial management field.

Evaluation of Learning Outcomes

Your final grade will be based on:

Three midterm exams	75% (25% each)
Various quizzes, homework assignments, and class participation/attendance	15%
Presentation	10%
Total Class Grade	100%
Final examination (comprehensive, optional, may replace one midterm)	

Course grades will be assigned from a student's weighted course average. Letter grades will be based on percentages and are assigned as follows:

A = 90.0% and Above	C = 70.0% - 79.5%	
B = 80.0% - 89.5%	D = 60.0% - 69.5%	F = Below 60.0%

The course has three midterm examinations, with an optional cumulative final exam (replaces lowest or missed midterm grade). The exams will cover material from lectures, class discussion, class handouts, and assigned readings (whether or not we directly discussed them in class). Exam format will vary and may consist of objective questions (T/F, M/C), short answer, essay, and mathematical/ graphical analysis. Midterms are cumulative, since the nature of the material is such that concepts learned early in the course are required for later coursework.

All email correspondence (including homework turned in by email) **MUST** have the subject line beginning with **AGBU 4374**, followed by the actual subject. Additionally, all homework submissions by email **MUST** be submitted as an MS Office compatible attached file. If you choose to submit work electronically, it is your responsibility to ensure that you submit it with enough time to arrive in my inbox before the due date/time. Email is not instantaneous!

Late work will be accepted, but will be substantially discounted. Generally, assignments turned in more than 10 minutes after collection will start at half credit, and will go to zero credit at 5:00 pm on the day following the due date. Homework may be turned in early or by another classmate, electronically, or other arrangements made prior to due date. Pop quizzes cannot be made up for any reason. Excused absence from a pop quiz can get the points waived from the average. Excused absences must be appropriately documented, and should be discussed with the instructor before the absence. For an exam absence, you will be required to take the Final Exam as your third exam grade. **Makeup exams are not given.**

It is essential that you come to class prepared, having already read any reading(s) that will be covered. The course packet contains slides and readings and is essential to this course, so you should expect to purchase it. I will generally use PowerPoint slides to highlight the topics presented in lecture. These slides (or very similar versions) are in the course packet. Plan on taking notes and reading the assignments.

Active participation in class discussions is necessary: therefore, class attendance is required throughout the semester. Absence from class may result in a loss of points for the semester.

If you believe your exam or other coursework deserves a grade other than the one you received, bring it to my attention during office hours. I am happy to entertain a confidential discussion about anything I grade up to one week after it is returned or discussed in class. After one week, any grade stands as given.

Expected Student Behavior

- I understand that cell phones are ubiquitous; please limit any interaction with your phone, as it means you are not fully engaged in the course material. Do not disturb others with your use, and keep it silent. A ringing cell phone may lead to a pop quiz for the entire class. If an important call is expected, notify me before class, keep the phone on silent, and then answer it in the hallway.
- Students are expected to pay attention and participate in class discussion.
- Students are to conduct themselves in a professional manner at all times. Inappropriate or disruptive behavior will not be tolerated, nor will lewd or foul language. We are training to be professionals; please conduct yourselves appropriately.
- The class follows the standards set by the university, and students are subject to disciplinary action for violations.

AGBU 4374 TENTATIVE COURSE OUTLINE

- I. Fundamental Analysis
 - Supply/Demand, Seasonal Prices
- II. Technical Analysis
 - Charts, Patterns, Indicators, Psychology
 - Team technical analysis technique presentation

Exam 1 tentatively Feb 20

- III. Introduction to Risk and Futures
 - History, Types, Definitions and Terms, Mechanics
- IV. Introduction to Hedging
 - Why, Types, Definitions and Terms, Calculations, Basis
- V. Theoretical Relationships
 - Cash and Futures Prices, Price of Storage, Supply of Storage, Basis
- VI. Basis Risk and Concerns
 - Producer Sell or Store, Exporters, Feedlots

Exam 2 tentatively Mar 29

- VII. Options on Futures
 - Definitions and Terms, Trading, Hedging, Strategies
 - Examples of Options

Exam 3 tentatively Apr 26

Comprehensive Final Exam Tue. May 8, 1:00 to 3:00 pm.

Copyright Statement: All materials (handouts, texts, slides, etc.) used in this course are under copyright, and may not be sold, rented, or otherwise transferred with or without compensation, including taking notes for others or providing to businesses that sell tutoring or other grade-increasing services, without express written consent from the instructor, and possibly seeking permission from, and even payment to, other copyright owners.

The Boilerplate (read it, it's important!). See also www.shsu.edu/syllabus for more info.

Department of Agricultural Sciences Attendance Policy

1. Regular and punctual attendance is expected of each student in the Department.
2. Each faculty member will keep a written record of student attendance.
3. If a student misses four or more classes, the student's grade will be reduced by one letter grade. Additional penalties may be assessed at the discretion of the instructor.
4. Three unexcused or unjustified tardies or early departures are considered as one absence.
5. Excused absences must be documented by the student with a letter of confirmation from the sponsoring student organization, professor or doctor. Exemptions will include participation in departmental activities when prior approval is attained from the Department Chair.
6. No exams or assignments will be given at alternative times unless arrangements are made with the professor/instructor before the scheduled activity occurs.

Academic Dishonesty

All students are expected to engage in all academic pursuits in a manner that is above reproach. Students are expected to maintain complete honesty and integrity in the academic experiences both in and out of the classroom. Any student found guilty of dishonesty in any phase of academic work will be subject to disciplinary action. The University and its official representatives may initiate disciplinary proceedings against a student accused of any form of academic dishonesty including, but not limited to, cheating on an examination or other academic work to be submitted, plagiarism, collusion and the abuse of resource materials.

Classroom Rules of Conduct

Students will refrain from behavior in the classroom that intentionally or unintentionally disrupts the learning process and, thus, impedes the mission of the university. Cellular telephones and pagers must be turned off before class begins. Students are prohibited from eating in class, using tobacco products, making offensive remarks, reading newspapers, sleeping, talking at inappropriate times, wearing inappropriate clothing, or engaging in any other form of distraction. Inappropriate behavior in the classroom shall result in a directive to leave class. Students who are especially disruptive also may be reported to the Dean of Students for disciplinary action in accordance with university policy. See also <http://www.shsu.edu/students/guide/>

Visitors in the Classroom

Unannounced visitors to class must present a current, official SHSU identification card to be permitted in the classroom. They must not present a disruption to the class by their attendance. If the visitor is not a registered student, it is at the instructor's discretion whether or not the visitor will be allowed to remain in the classroom.

Americans with Disabilities Act

If you have a disability that may affect adversely your work in this class, then I encourage you to register with the SHSU Counseling Center and to talk with me about how I can best help you. All disclosures of disabilities will be kept strictly confidential. NOTE: No accommodation can be made until you register with the Counseling Center. For a complete listing of the university policy, see:

www.shsu.edu/dept/academic-affairs/documents/aps/students/811006.pdf.

Religious Holidays

University policy states that a student who is absent from class for the observance of a religious holy day to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence. Not later than the 15th calendar day after the first day of the semester, or the 7th calendar day after the first day of a summer session, the student must notify the instructor of each scheduled class that he/she would be absent for a religious holy day.

Cell Phone Policy

SHSU University policy is found at www.shsu.edu/dotAsset/6d35c9c9-e3e9-4695-a1a1-11951b88bc63.pdf. It states in part that telephones and text messaging systems (and similar) are prohibited during tests, and if **visible**, are considered *de facto* evidence of cheating, and will result in a zero grade for that test.

Campus Tobacco Policy

Sam Houston State University is a tobacco free campus and all tobacco products are prohibited in all buildings and outdoor public areas on campus. The policy is found at

www.shsu.edu/intranet/policies/administrative/documents/pre19tobaccopolicy.pdf.