

AREC 428: Agribusiness Management

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Class Times: Spring 2009
Location: Online

Office Hours: Office Hours: 11am – 12pm MW, 2 pm – 3pm on TR

Textbook: (Optional) Erickson, et al. Agribusiness Management. 3rd Edition. McGraw-Hill. New York, NY: 2002.

General Overview: This course is designed to integrate skills and competencies from the agricultural economics curriculum into a cohesive decision making system that includes marketing, financial, operations/logistics and human resource management. Students completing the course will have a deeper knowledge of these core skills and a sound understanding of how these skills interact and influence one another.

Course Outcomes:

- Apply skills and competencies from the agriculture economics curriculum into an integrated decision framework applied. **(2,4)**
- In a small group, complete an intensive examination of strategic, financial and market position of an existing agribusiness within the context capstone project. **(2,4,5)**
- Define an economic problem for the existing agribusiness, propose alternatives, assess the feasibility of alternatives with appropriate methods, interpret and communicate results to a broad audience. **(5,6)**
- Foster professional development by interacting/collaborating with business professionals in defining the goals of the capstone project, choosing methods and communicating results. **(6,7)**

Project: A significant portion of the course asks students to develop an in-depth analysis of an existing agribusiness. This is a team project, and the team must find data to perform necessary strategic planning, financial, production and market analysis on their agribusiness. The project's output will include an oral presentation and formal written report. At least one portion of the report must be a rigorous quantitative analysis of a critical management issue for the business. Periodic assignments during the semester will serve as components for the business project, and groups will be asked to present portions of these projects throughout the semester.

Grading	Capstone Project Participation*	10%	(½ my eval, ½ group eval)
	Homework	20%	
	Quizzes	30%	
	<u>Capstone Project</u>	<u>40%</u>	(½ presentation, ½ project)
	Total	100%	

* Student groups will be asked to grade their members' efforts twice during the term.

Course Outline

- I. Introduction to Agribusiness Management and Planning
 - a. The Agribusiness Environment
 - b. Plant Managers vs. General Managers

Reading: Chapter 1
Assignments: Form Groups, Business Plan
- II. Strategic Management
 - a. Analysis
 - i. IFAS
 - ii. EFAS
 - iii. TOWS
 - b. Alternatives
 - i. Value Plate
 - ii. Positioning

Reading: MBC Farms Case
Assignments: EFAS, Mission Statement,
Quiz: Strategy
- III. Basic Financial Analysis
 - i. Consolidated Financial Statements
 - ii. 3 C's
 - iii. Ratio Analysis
 - iv. Benchmarking
 1. Time Series Analysis
 2. Cross Sectional Analysis

Reading: Chapters 12,13
Assignments: Financial Analysis of Agribusiness
Quiz: Financial Analysis
- IV. Profitability (DuPont) Analysis
 - a. Modeling
 - b. Cost Efficiency
 - c. Asset Efficiency
 - d. Using Debt Efficiently

Readings: pages 356-357
Assignment: Profitability Analysis
- V. Financing the Business and Growth
 - a. Repayment Capacity
 - b. Economic Value-Added
 - c. Growth Strategies
- VI. Capital Budgeting
 - a. Economic Profitability
 - b. Financial Feasibility
 - c. Real Options Analysis

Reading: Chapters 14, 15
Assignment: Assigned/Agribusiness Project
- VII. Agribusiness Marketing
 - a. Strategic Marketing
 - b. Review the 4 P's
- VIII. Market Potential
Assignments: Assigned/Agribusiness Project
- IX. Segmenting Markets
Assignments: Assigned/Agribusiness Project