

VIRGINIA TECH
Department of Agricultural & Applied Economics

AAEC 4504
Agricultural Market and Price Analysis

Class meets Tuesday, Thursday, 2.00 – 3.15pm, 234 Wallace Hall

Dr. Denise Mainville
315 Hutcheson Hall
231-5774
mainvill@vt.edu

Office hours:
Tuesdays & Thursdays
12.30pm – 1.30pm

Course Objectives:

The objective of this course is to teach students how to use quantitative analytical techniques to inform farm, business, and government economic decisions. The course will concentrate on how to analyze economic data and formulate, estimate, and analyze economic relationships in the context of real world problems. The specific objectives are to teach students and given them practice:

1. In finding, preparing and utilizing alternative data sources
2. On the characteristics of commodity prices and implications for analysis
3. Applying appropriate economic theory and analytical methods in formulating economic models,
4. Statistically estimating and evaluating model results, and
5. Analyzing a model's ability to help "solve" an economic problem.

Text, Readings and Software:

Tomek & Robinson. *Agricultural Product Prices*. 3rd or 4th edition.

This book is required for graduate students and recommended for undergraduate students. Other readings may be assigned throughout the semester as appropriate.

Microsoft Excel. Statistical and graphical analysis will be done using Microsoft Excel.

Prerequisites

AAEC 3504 – Marketing Agricultural Products.

Introductory statistics.

Course Outline

1. Introduction
2. Review: Basic linear regression techniques
3. Structural Models
 - a. Demand
 - b. Supply
 - c. Market Equilibrium
 - d. Marketing Margins
4. Time Series Price Forecasting
5. Balance Sheets

Expectations and Evaluation of Student Performance

1. Engagement

This class calls for a lot of hands-on work with data. Active engagement in the class will allow you to both learn and enjoy it, hence your active participation is integral to your making the most of the class. Participation means more than just showing up for class. It includes active involvement in in-class and out-of-class activities, completion of assigned and supplemental readings, participation in class discussions, and timely completion of assigned activities, particularly working on problem sets as they are assigned so that you are prepared to discuss your progress on them in class.

2. Problem Sets

The course will include 6 problem sets. Problem sets are designed to give students experience in practical aspects of working with data and using it for problem solving. Please note that failure to submit a graded assignment without prior arrangement with the Professor will result in grade of 0 at the end of the day on which the assignment is due.

3. Exams

There will be two exams, one at roughly mid-point, and one at the conclusion of the semester.

4. Grading

Final grades for undergraduate students are determined by relative standing in the class, with the top grade assigned by relative standing being an "A". The only absolute criterion is that anyone receiving less than 60% of the total points earned by the top student(s) will receive an F. Final grades for graduate students will be assigned on an absolute basis with no curve.

Final grades will be determined on the following basis:

Problem Sets		50%
Demand	10%	
Supply	10%	
Marketing Margins	10%	
Price Forecasting	10%	
Balance Sheets	10%	
Exams		50%
Exam 1	25%	
Exam 2 (Final, Dec. 12, 2.05-4.05pm)	25%	
TOTAL	100%	100%

Other Items

Blackboard—Blackboard will be used throughout the semester for all aspects of course administration. You are responsible for all material, including announcements, reading and assignments, that is posted on Blackboard.

Academic Honesty—Expectations and guidelines for academic honesty are outlined in Virginia Tech’s Honor Code. Please be advised that I take issues of academic honesty extremely seriously. Though I consider it to be the rare person who is willing to regularly and systematically cheat, nearly every student in his or her education program will face situations where the difficulty of the material, time commitments, lack of motivation or any other number of factors could tempt the student to compromise the integrity of the Honor Code. Cheating in any form is an activity that denigrates the student’s own legitimate achievements, devalues the efforts of other students who maintain their academic integrity, and violates the relationship of trust and fair play that belongs in the classroom and in all classroom relationships, be they between students, or students and instructors. The key rule in maintaining academic honesty is to *stay away from the gray line*. If you are in doubt as to whether a behavior is appropriate or not, please ask.

Special accommodations—If you need adaptations or accommodations because of a disability (learning disability, attention deficit disorder, psychological, physical, etc.), if you have emergency medical information to share with me, or if you need special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible. I can be contacted either by email or phone or during my office hours.

Etiquette

- **Appropriate use of technology**—Please turn off your cell phones and similar technology (such as pagers and PDAs) while in class. If you have an urgent situation where you need to have use of your phone during class, please speak with me or the TA before class begins. Use of laptop computers during class is approved for educational uses limited to the class, and can be revoked at the discretion of the professor or teaching assistant if such use is distracting you or others.
- **Respectful behavior**—During the 75 minute class period you are expected to stay focused on the planned class activities. This excludes conversations with your neighbors, reading extraneous material such as newspapers and textbooks for other classes, text messaging, email, web surfing (see above), sleeping, etc.
- **Communication with the Professor**—I look forward to communicating with you on course matters as well as getting to know you more as people. You are welcome to call me by my first name (Denise) or my professional title (Dr. Mainville). Any communication with me should be befitting of the professional relationship we have (as you should expect from me). This means, for example, that all emails should have both a salutation (Hello Dr. Mainville, Dear Denise), sign-off (Thanks, Bill), in addition to the text of the message. Message text must be in full sentences, with appropriate punctuation and capitalization (i.e. no text-message writing). I don't respond to emails that are sent otherwise. Please put the title of the class (AAEC 4504) in the subject heading of any emails you send me.
- **Food, drink and tobacco**—It is fine to have drinks such as water, coffee, tea, juice and soda in class. Please be sure to dispose of your drink containers appropriately. Food and tobacco products are not allowed in class—their consumption is distracting and potentially messy.
- **Beginning and ending class**—Please arrive before the class starts so that you are ready to start right at 2pm. Please do not leave until I indicate that the class is over. I am generally good at keeping track of time and ask your patience on the rare occasions that I may need an extra minute or two to finish class. I will generally arrive a few minutes early and stay a few minutes late so that you will have an opportunity to speak to me for any questions that can be taken care of outside of my office hours.