I. **TITLE:**

Advanced Agricultural Prices

II. **CATALOG DESCRIPTION:**

Methods of price analysis and forecasting. Index numbers, time series data, commodity flows and statistical techniques as applied to price analysis. Special emphasis will be placed upon the use of commodity futures markets in estimating cash prices and in protecting producers from cash price fluctuations.

Prerequisites: AGR 130, AGR 336

*To receive graduate credit for this course, a student must be admitted to graduate studies prior to registering for the course.*

III. **PURPOSE:**

To provide students with a framework for managing price-related risk and develop strategies that can be used to ensure and protect profitability.

IV. **COURSE OBJECTIVES:**

Unprecedented changes in farm policy and new world trade agreements are two of the more important reasons why it takes a different set of management skills to be profitable in the new marketplace. This course will focus upon the development of responses to the risk associated with highly volatile farm commodity prices.

V. **CONTENT OUTLINE:**

A. Introduction
B. Price Discovery
C. The Importance of Basis
D. The Basic Short Hedge
E. The Basic Storage Hedge
F. The Long Hedge
G. Profit Margin Hedging
H. Options
I. Technical Analysis
J. Alternative Forward Pricing Approaches
K. Selecting the Correct Price of Cost Risk Transfer Instrument

VI. **INSTRUCTIONAL ACTIVITIES:**

A. Seminar style class
B. Student led discussion
C. Class reports
D. Two major exams
E. Final exam.

VII. **FIELD AND CLINICAL EXPERIENCES:**

A. Independent research
B. Class reports
C. Discussion

VIII. **RESOURCES:**

Hand held calculator

IX. **GRADING PROCEDURES:**

A. Two exams @ 100 points each = 200 points
B. Reports and presentations = 100 points
C. Participation in discussion = 50 points
D. Final exam/project = 150 points
   Total 500 points

Grading Scale:
90 – 100 = A
80 – 89 = B
70 – 79 = C
60 – 69 = D
Below 60 = E

**NOTE:** Students taking the course for graduate credit will prepare a research report on a topic to be assigned by the instructor.

**NOTE:** Make-up exams will not be given. The final exam grade will be substituted for any missing exam scores.
X. ATTENDANCE POLICY:

Please refer to the most current copy of the Murray State University’s Undergraduate Bulletin and Graduate Bulletin.

XI. ACADEMIC HONESTY POLICY:

Please refer to the most current copy of the Murray State University’s Undergraduate Bulletin and Graduate Bulletin.

NOTE: The School of Agriculture Faculty have adopted and implemented an Academic Honesty Policy in addition to the University Honesty Policy, which can be found in the current Undergraduate Bulletin and Graduate Bulletin. The policy sets guidelines regarding acts of dishonesty and the procedure to follow should an event occur. It is each Agriculture student’s responsibility to obtain and read a copy of this document. The School’s Academic Honesty Policy can be obtained by asking for a copy from any Agriculture Faculty member or the Secretary.

XII. TEXT AND REFERENCES:


XIII. PREREQUISITES:

AGR 130, AGR 336

XIV. STATEMENT OF AFFIRMATIVE ACTION AND EQUAL OPPORTUNITY:

Murray State University endorses the intent of all federal and state laws created to prohibit discrimination. Murray State University does not discriminate on the basis of race, color, national origin, gender, sexual orientation, religion, age, veteran status, or disability in employment, admissions, or the provision of services and provides, upon request, reasonable accommodation including auxiliary aids and services necessary to afford individuals with disabilities equal access to participate in all programs and activities. For more information, contact Sabrina Y. Dial, Director of Equal Opportunity, Murray State University, 103 Wells Hall, Murray, KY 42071-3318. Telephone: 270-809-3155 (voice), 270-809-3361 (TDD).
XV. MSU SCHOOL OF AGRICULTURE CELL PHONE POLICY

The School of Agriculture recognizes that in today’s world cell phones are a familiar and often necessary form of communication for students.

It shall be the policy of the School that no cell phone usage shall be allowed in class and/or labs without the prior consent of the course instructor. This shall include verbal calling, incoming calls, email, text messaging, and use of cell phone calculators on tests and quizzes.

Cell phones must be kept off and out of sight (i.e. secured to a person’s belt or kept in a bag or purse away from desks and lab counters).

Should a student’s cell phone be visible, ring, or other form of unauthorized usage that is interruptive to the class or lab, the student may be asked to leave class and not return for that class/lab period.

Upon prior consent of the instructor, a student may obtain permission to have their phone on in case of an emergency or in critical family situations.

This policy also includes pagers and other electronic equipment such as blackberries and/or computers/laptops.