

Syllabus – AGEC 44003(H) Advanced Farm Business Management

(10:45 to 11:35 am on Monday, Wednesday and Friday – AGRI 115)

Instructor Information:

Professor: Dr. Michael Popp Phone: 575-6838
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Office hours: I have an open door policy except before class time. It's a good idea to set up an appointment after class, via phone or e-mail if you want to make sure I am there. I plan to hold Zoom/Collaborate Ultra sessions if remote delivery becomes necessary. I plan on teaching in the classroom face to face and have set up the room for Echo360 recordings. Face-to-face class participation is expected. If you need to access material after the fact, those recordings will be available on Blackboard Ultra. Do NOT rely on Echo360 recordings as a means to capture the full classroom experience. Come to class. You may also schedule additional one-on-one sessions via Zoom, Collaborate, MS Teams or in my office. Questions, DO get in touch.

Honors students: We will have weekly meetings to discuss progress toward preparing your whole-farm financial statements. These will be organized by farm group as detailed further below.

Course Objectives and Philosophy:

This course is designed to: (1) familiarize students with selected quantitative tools and procedures for analysis and decision-making in farm and ranch business management; and (2) demonstrate their application to enterprise as well as a total systems approach to farm/ranch business planning problems. Major emphasis will be directed at using computerized software applications to model farm business management decisions. Basic life cycle assessment techniques will also be taught. Additional emphasis will be given to decision-making under imperfect knowledge including alternative approaches for analyzing decisions under conditions of risk and uncertainty as well as different risk management strategies. Specific goals include:

- a) learn principles for making farm management decisions using appropriate methods and tools.
- b) illustrate elements of successful strategic planning, implementation, and control. A key component of this is the evaluation of various enterprises through allocation of costs via sound record keeping and analysis principles to model a whole farm as opposed to separate enterprises within a farm and how that matters.
- c) learn how to modify a business plan for a business venture that you are planning to implement on your own or a case farm/ranch. This includes knowledge of complete financial statements.

Interactive learning and participation are strongly encouraged to promote a positive learning environment. Participation in class is a great way to keep pace with this demanding course. Weekly quizzes are intended to assist you with determining whether or not you have a grasp on the material. Do not fall behind. It is difficult to catch up.

Prerequisite:

AGEC 3403 Farm Bus. Mgmt. and ACCT 2013 or AGEC 2142/1L. Senior standing recommended.

Recommended Textbooks:

Olson, K.D. 2011. *Economics of Farm Management in a Global Setting*. John Wiley. Hoboken, NJ. (OK)

or

Kay, R.D., W. M. Edwards and P. Duffy. 2012. *Farm Management*. Seventh Edition or newer. McGraw-Hill Book Company, 2012. (KED) – this is your AGEC 3403 textbook.

Additional References on Reserve using eLibrary – on BlackBoard Ultra:

Boehlje, M. And V. Eidman. *Farm Management*. John Wiley, 1984. (BE)
Comment: This book is out of print but is available in Mullins library.

The first and second texts (OK and KED) are good reference textbooks for your professional library as a farm manager. The third text (BE) is more of a graduate level text book. Readings from various texts and journal articles will be available electronically via Blackboard.

Grading:

Three to four written homework assignments (some individual, some group)	20%
Term Project	40%
Weekly Quizzes (available on-line on Thursdays from noon - 8 pm. Quizzes are timed with questions drawn at random – lowest 3 scores will be dropped for flexibility)	20%
Mid Term (in-class)	10%
Final (in-class on TBD – usually 10:15-12:15)	10%

The mid-term exam date will be set at least one week in advance (typically mid-October). Note the date on the final. There will be no make up exams. If you have a legitimate conflict and need to miss an exam, make arrangements in advance. Late written assignments will not be accepted and given a zero. I want to provide timely feedback. Participation in class is encouraged as students and teachers learn from each other. All assignments should be typed and prepared professionally as if the student (student group) were a consultant to an agricultural enterprise. All students need to check their uark e-mail account. I use e-mail to share information from time to time. BlackBoard Ultra will be the main source of information.

Peer evaluations on group grades will be performed. Each student rates their own and their group members’ productivity. For example group members A, B, and C each get to be incentive pay managers. Assign a 0 for a group member that did no work at all, a 5 for a group member that did an average work load and a 10 for a group member that went above and beyond. With an overall group grade of 85% the group member’s grades would be calculated as follows:

-- Grades for --	-- as assigned from--			Avg. Grade	Grade	Member
	Joe	Mac	Susie	For Member	Factor	Grade
Joe	8	5	8	7	7/5	119
Mac	2	5	2	3	3/5	51
Susie	5	5	5	5	5/5	85
Overall Avg	5					85

Each group member e-mails rankings for him/herself **and** the rest of the group to me. Therefore, only I and the group member have access to the rankings. If you don’t e-mail I assume average performance. Equal rankings by all individuals with equal sharing of the work load will lead to the same grades for every student in the group. I reserve the right to modify grade factors. Honors students will be asked to prepare answers to at least one extra homework/assignment and will have added weekly meetings to stay on target with farm plans they will create.

Grades will be rounded to the nearest percent using conventional methods and will be assigned as:

A: > 90% B: 80-89% C: 70-79% D: 60 - 69 % F: < 60%

Dean’s Note on Academic Dishonesty Policy: “As a core part of its mission, the University of Arkansas provides students with the opportunity to further their educational goals through programs of study and research in an environment that promotes freedom of inquiry and academic responsibility. Accomplishing this mission is only possible when intellectual honesty and individual integrity prevail. Each University of Arkansas student is required to be familiar with and abide by the University’s ‘Academic Integrity Policy’ which may be found at <http://honesty.uark.edu/policy/index.php>. Students with questions about how these policies apply to a particular course or assignment should immediately contact their instructor.”

Do not cheat. If you have to cheat to get an acceptable grade in this class you will be miserable in the profession because that is a clear indication that your talents and motivation are way below the norm. If you are caught cheating, campus procedures will be followed to exact the appropriate punishment. The use of generative artificial intelligence tools in any capacity while completing academic work that is submitted for credit, independently or collaboratively, will be considered academic dishonesty in this course and reported to the Office of Academic Initiatives and Integrity.

Disclaimer: The instructor reserves the right to alter the contents, requirements and/or scheduling of this course as he sees fit especially in this pandemic year.

Miscellaneous: *Turn off cell phones prior to class and stow away.* I will usually arrive at the class room 5 minutes early to log in and get class materials ready to present. In case I need to quarantine, I plan to switch to remote lecturing using Collaborate Ultra in Blackboard Ultra. I may also post recorded lectures from years past. For those potential instances, please join the class discussions 5 minutes prior to class start time. Please mute your microphone unless you’re talking. I will not have a TA for these sessions and so using the chat feature may lead to delays. I will e-mail with further directions in such an event. Should you need to leave class early, let me know ahead of time again as a professional courtesy. If you want to request reasonable accommodations for this class due to a disability and I have been contacted by the Center for Educational Access (CEA), please set up an appointment with me within the first two weeks of class so we can make appropriate arrangements. Weekly quizzes are intended to assess your knowledge level. We will use Friday’s sessions to go over the quiz each week. You can miss up to three quizzes as the lowest three grades will be dropped. These three drops are intended for issues that keep you from attending class for legitimate reasons. Excused absence due to illness with doctor’s note should be communicated with Dr. Popp but will not add to further quiz drop allowances. That is, the class material builds on itself and so falling behind early leads to compounding problems down the road. Stay on top of the material.

Inclement Weather: I plan to e-mail everyone by 9 am the morning of lectures to cancel lecture if needed. **IF YOU HAVE TECHNOLOGY ISSUES... contact 575-2905 or 575-4357.**

I was told during a remote instruction session that leaving a Zoom/Collaborate session and restarting your computer is often the quickest way to resolve an issue. Also, you can check out equipment at <https://its.uark.edu/printing-labs/stc/laptops.php> AND you can get access to free software downloads at <https://help.uark.edu/> using their Get Software link. They have the Office 365 suite (Word, Powerpoint, Excel) and also MS Teams for free download.

Term Project Time-line for Honors Students (Example Guidelines are in the Term Project folder - due dates TBD along with other minor modifications if needed):

- | | |
|--|------------------------|
| 1. Mission, Objectives & Goals, Individual Enterprise Activities | Late September |
| 2. Individual Enterprise Activities with Equipment and Labor needs | Middle to Late October |
| 3. Cashflow Statements for Each Enterprise | End of October |
| 4. Final version of Business Plan | Before Thanksgiving |
| 5. Presentation | After Thanksgiving |

Please cite all your references in your term paper/project.

Regular Undergraduate Students.

You will be provided with a case farm that was prepared by my students in the past. You will play the role of an ag lender and as such you are to critique their set of financial statements. As such you will analyze and critique the provided enterprise budget for one of the enterprises in the whole farm plan, examine enterprise cashflows and assess how sensitivity analyses that had been performed could be improved along with implications for the whole farm plan. In sum, you are asked to polish and update prior works, by examining a single enterprise of a particular whole farm plan and implications of your updates on the whole-farm plan. The term project will thus lead to a report detailing where you made changes to the spreadsheet from a prior team's efforts and how your suggestions lead to alternative farm plan outcomes. You will be able to submit a draft of your report prior to Thanksgiving. I will provide feedback on your draft allowing you to resubmit to address deficiencies by the last day of class.

You may also opt to go for the wholefarm plan as described for the honors students if you can find a team to work with you.

Important Dates

Sep. 2 – Labor Day no class

Aug. 30 – Drop without W

Oct. 14&15 – Fall Break

Nov. 15 – Drop day with a W

Nov. 27-29 – Thanksgiving

Dec. 5 – Last Day of Classes

Topic Outline

Topics will be pursued in the order presented below but the instructor reserves the right to change topics.

Topic

Introduction

Strategic Planning

Review of interrelationship between financial statements and cash flow projections

Cash vs. accrual accounting

Advantages and disadvantages of different depreciation methods

Use and interpretation of financial ratios

Importance of budgeting (how does it fit into planning, importance of doing actual vs. budgeted comparison, allocating costs to various enterprises)

MSBG and other software packages

Basic Lifecycle Assessment

Mid Term – (likely 2nd week of October in class)

Optimal Capital Structure and Financial Leverage

Impact of fixed vs. variable cost

Implications for growth

Costs and benefits associated with leverage

Linear Programming

Risk Management

Portfolio theory with application to crop rotations and/or other enterprise selection

Stochastic Dominance & Other considerations

Ownership Transfer – Wills, Trusts, etc.

Group presentations (After Thanksgiving for Honors Students, regular undergraduate students critique presentations for part of their term project grade)

Final – (likely Dec. 9 In class)

Class notes with reading assignments (1st page of lecture notes) and lecture videos will be distributed via Blackboard Ultra. Reading material *before* it is covered in class is encouraged. Class sessions are recorded.

Emergency and COVID 19 Procedures:

Many types of emergencies can occur on campus; instructions for specific emergencies such as severe weather, active shooter, or fire can be found at <https://safety.uark.edu/emergency-preparedness/>. Each person must do their part and is expected to comply with university guidelines to reduce virus spread to our campus community. Safety guidelines and requirements including face coverings, social distancing, hand washing, and study/work space disinfecting can be found at <https://health.uark.edu/coronavirus/>. Updates to these safety guidelines may change throughout the semester. You are responsible to remain informed about changes and conduct yourself accordingly. Violations of campus and/or classroom safety policies will be considered conduct violations. Detailed information about such violations is located at the Office of Student Standard and Conduct website: <https://ethics.uark.edu/>. Thank you for your help in keeping the University of Arkansas healthy and safe. We're all in this together.

AGEC 44003(H) Advanced Farm Business Management -- Fall 2024

STUDENT INFORMATION SHEET
(please write clearly and circle appropriate choice)

Name: _____ Phone: _____

Major: _____ E-mail: _____

Is this course a requirement or an elective for you? Required Elective

Do you have a farm or business background? Farm Business Other

What type of operation? _____

What is your math, economics and agriculture background that you received during your schooling prior to this class (indicate credit hours taken)?

Math and Statistics: Statistics _____ credit hours
 Math _____ credit hours

Agriculture: Animal Science _____ credit hours
 Plant Science _____ credit hours
 Entomology _____ credit hours
 Soil Science _____ credit hours

Other _____

Economics & Business: Microeconomics _____ credit hours
 Macroeconomics _____ credit hours
 Finance _____ credit hours
 Accounting _____ credit hours

Other _____

Please indicate briefly why you are interested in this class.