

AGEC 4273—Agricultural Price Analysis

Spring 2018
(3 credit hours)

Time: Tuesday 9:00-10:20 am
Thursday 9:00-10:20 am

Location: Tureaud Hall #210

Specific days we will hold class at room 11 @ Martin Woodin Hall. Students will be notified on time.

Instructor and Contact Information:

Instructor: Maria Bampasidou
Office: 234 Martin D Woodin Hall

Office Hours: Tu 1:30 pm-3:00 pm
We 10:30 am – 12:00 pm and by
appointment
E-mail: mbampasidou@agcenter.lsu.edu
or through Moodle

I have an open door policy but I may not be able to accommodate you without an appointment.

Additional office hours can be scheduled by appointment. Feel free to e-mail me to schedule one especially should you want to discuss your class performance.

Communication: E-mail is a preferable way to communicate with me outside office hours. Courteous and professional e-mails can expect a prompt reply.
I reserve every right not to respond to unprofessional emails, and text-format emails.
Please keep in mind that it takes at least a day to answer e-mails so send yours in a timely fashion.

Teaching Assistant: Mr. Rajib Hasan
Email: mhasa16@lsu.edu
Office hours: M by appointment; W 1-3 pm

Undergraduate Adviser: Mr. Ator, 125 Martin D Woodin Hall ; (225) 578-2375
Email: dator@agcenter.lsu.edu
Dr. Trina Biswas, 111 Martin D Woodin Hall ; (225) 578-2759
Email: tbiswal@lsu.edu

Director of Undergraduate Studies: Dr. Fannin, 130 Martin D Woodin Hall; (225) 578-0346
Email: mfannin@agcenter.lsu.edu

General Course Information:

Course description: This course is designed to develop the student's understanding of price determination and analysis in applied economics and agricultural markets. Economic processes of price discovery and price determination in agricultural input and output markets; emphasis on methods of price analysis and their application to decision processes; analysis of cyclical, trend and seasonal movements in prices.

Prerequisites: *Grade of "C" or above in [AGEC 2003 and ECON 2030] or [ECON 2000 and ECON 2010] or equivalent; MATH 1431 or MATH 1550; and EXST 2201 or ISDS 2001.*

Course objectives:

1. To apply economic theory to agricultural prices and agricultural markets in price estimation, discovery, and determination.
2. To explain the functions of prices and principles of supply and demand in price determination for agricultural products and markets. Statistical estimation of price and demand relationships.
3. To provide students with practical experience in conducting a market analysis and price analysis.

Learning Objectives:

After successful completion of this course, students should be able to:

- Understand the role of prices in a market economy.
- Apply microeconomic theory to analyze price determination in perfect competition, monopoly, and oligopoly settings.
- Gain knowledge of markets and factors that affect prices such as seasonality, and business and production cycles.
- Learn about different types and sources of data used in agricultural price analysis.
- Employ statistical tools used in price forecasting and estimation.

Course Material:

Main source: Lecture notes

Additional readings will include articles from The Wall Street Journal, Investor's Business Daily, The Economist, and Economic Outlooks. That information will be available through Moodle.

Reference Books: Material will be drawn from the respective readings. There should be a copy of them in the library.

- **Agricultural Product Prices (5th edition)**, by William G. Tomek and Harry M. Kaiser. Cornell University Press. ISBN-13: 978-0801452307, ISBN-10: 0801452309
Earlier editions can be used.
- **Agricultural Price Analysis and Forecasting**, by John W. Goodwin, John Wiley & Sons, Inc. 1994, ISBN-13: 978-0471304470, ISBN-10: 0471304476
- **Microeconomics (7th edition)** by Jeffrey M. Perloff. Copyright Pearson Addison Wesley, New York, NY., ISBN-13: 978-0133456912, ISBN-10: 0133456919
A newer edition is used in AGEC 3003 but older ones can also be used as a reference.

Moodle

- Moodle is used for emails, announcements, course discussions, lecture notes, handouts, suggested exercises and respective solutions.
- To access Moodle you will need your Paws username and password. Should you have difficulties accessing Moodle, please visit <https://grok.lsu.edu/Article.aspx?articleId=15076> and/or contact LSU Computing Help Desk at helpdesk@lsu.edu or call 578-3375.

Note that: Reading your book, lecture notes, and related handouts is imperative to benefit the most out of the course. You should expect to study a minimum of 2 hours/week to cover and comprehend course material. During exam weeks the time-commitment will be significantly higher.

Course Modules:

The course will have a theoretic and an empirical component. The first modules will focus on economic theory to examine price determination under common markets (e.g. perfect competition, monopoly, monopsony, and oligopoly). The second part of the course will emphasize price analysis using actual data, statistical methods and forecasting algorithms.

Below you will find a skeleton of the topics to be covered.

We will cover the following core topics.

1. Introduction to Price Analysis
 - The role of prices in a market economy
 - Demand and Supply
 - Production function

2. Market Power
 - Perfect competition
 - Monopolies
 - Oligopolies (Cartel, Bertrand)
3. Price Differences and Variability
 - Market margins
 - Grades
 - Vertical integration
4. Agricultural Prices
 - Data information
 - Data sources
 - Interest rates and Inflation
5. Price Variation through Time
 - Analyzing price trends
 - Volatility
6. Cyclical and Seasonal Price Behavior
 - Seasonality
 - Economic theory of cycles
 - Estimation of simple cycle models
 - Price forecasting
7. Demand Revisited
 - Linear regression
8. Extra Topics (Time permitted)

Thorough breakout of the course modules will be found on Moodle. Please make sure you keep up with the modules and the respective announcements.

The instructor reserves the right to change the material, the chapters, and the respective sequence as appropriate. Any changes will be communicated timely in class, via the Moodle e-mail list serve, and via Moodle. It is the student's responsibility to stay informed and updated of any changes.

Course Outline based on topics covered:

Date	Topic	
Jan. 11	Introductions, Administration, and Expectations	
Jan. 16	Price Determination: Re-examining Demand and Supply, Production	Lecture
Jan. 18	Market Power: Perfect Competition and Monopolies	Lecture
Jan. 23	Market Power: Oligopolies	Lecture
Jan. 25	Problem Solving Session	LAB Session 1
Jan. 30	Price Differences and Variability	Lecture
Feb. 1	Data Intro: Sources and Descriptive Statistics	LAB Session 2
Feb. 6	No class. Readings Assignment Interest Rates and Inflation	
Feb. 8	Inflation and Prices	LAB Session 3
Feb. 13	No class. Mardi Grass	
Feb. 15	Price Variation through Time: Price Trends	Lecture
Feb. 20	Rates of Change and Volatility	Lecture
Feb. 22	Volatility and Moving Averages	LAB Session 4
Feb. 27	Seasonality	Lecture
Mar. 1	Seasonality	LAB Session 5
Mar. 6	Exam Review	
Mar. 8	Exam 1	
Mar. 13	Cycles	Lecture
Mar. 15	Forecasting Seasonal Prices	LAB Session 6
Mar. 20	Regression Intro	Lecture
Mar. 22	Problem Solving Session	Lab Session 7
Mar. 25-Apr. 1	No class. Spring Break	
Apr. 3	Demand Estimation Revisited	Lecture
Apr. 5	Regression	LAB Session 8
Apr. 10	TBA	(Guest) Lecture
Apr. 12	Extra Lab Session/Exam Review	LAB Session 9
Apr. 17-19	Group Presentations	
Apr. 24	Exam 2	
Apr. 26	Last Day of Classes	
Apr. 28	Report Due by Midnight	
May 3	Final Exam (Optional) @ 12:30-2:30	

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Evaluation of Performance and Grading:

Grades: Your grade will be determined based on your performance on the exams administered during the course. Your final grade for AGEC 4273 will be based on the following:

Grade components		
Exams (40%):	In-class exam 1	<i>Out of 80 points</i>
	In-class exam 2	<i>Out of 80 points</i>
	Final exam (optional)	<i>(Out of 80 points)</i>
Course Activities (20%):	Assignments (4 out of 5)	<i>Out of 80 points</i>
Project (30%):	Project Proposal (5%)	<i>Out of 20 points</i>
	Report (20%)	<i>Out of 80 points</i>
	Presentation (5%)	<i>Out of 20 points</i>
Lab Session Participation (10%):		<i>Out of 40 points</i>
Total (100%)		Out of 400 points

Final course grade will have the following benchmarks out of 400 possible grade points:

Letter	Course Equivalent	Notes
A+	≥97% (≥388)	<ul style="list-style-type: none"> For general information about grading and grading policy at the Louisiana State University, please refer to: https://sites01.lsu.edu/wp/registrarooffice/academics/plusminus-grades-guidelines/ Please note that grades are not “adjusted” in any way at the end of the term.
A	93%-96.99% (372-387)	
A-	90%-92.99% (360-371)	
B+	87%-89.99% (348-359)	
B	83%-86.99% (332-347)	
B-	80%-82.99% (320-331)	
C+	77%-79.99% (308-319)	
C	73%-76.99% (292-307)	
C-	70%-72.99% (280-291)	
D+	67%-69.99% (268-279)	
D	63%-66.99% (252-267)	
D-	60%-62.99% (240-251)	
F	0%-56.99% (<240)	

Exams (40%)

In Class Exams: starting at 10:30am

- Points:** 80 potential points per exam
- Format:** Multiple-choice, T-F, problem-solving and/or short-answer questions.
- Content:** Material covered in class, from the book, or concepts implied by the material covered.
Each exam will be based on specific sections covered in class within the respective time-period (i.e. no cumulative, though concepts are transferable and more than one ways to approach exam questions may be possible).
- Missed exam policy:** There are NO “excused” exams. **Should you miss one of the in-class exams**, you will receive a zero for that exam. A makeup can only be administered under a University acceptable excuse.
For students missing an in-class exam the final will be mandatory.
- Exam day policy:**
- It is expected that all students are on-time to take the exam. Please arrive early, if possible, to get seated and get your books/bags stowed away so that the exam can start on the stated-time.
 - You may leave the class after 30 minutes.
 - **NO ONE WILL BE ALLOWED TO ENTER THE CLASSROOM TO BEGIN THE EXAM AFTER THE FIRST STUDENT HAS TURNED IN THEIR FINISHED EXAM**
 - Exams are closed book and closed notes.
 - A simple calculator may be used. **Not acceptable** are the following items: graphing calculators and calculators with more than one display rows, cell phones, touch-screen devices, or other devices with the capability of storing formulae.

Exceptions

ABSENCES THAT COMPLY WITH PS-22 ONLY

1. Illness

Should you miss an exam due to a serious, physician documented illness please contact the instructor by email prior to attending the next class period if a medical excuse will be used to take a makeup exam. The physician’s medical excuse on office letter-head must be received by the instructor prior to the student attending the next class period so that a makeup date can be arranged. Failure to follow this policy will terminate any opportunity to take a makeup exam.

2. Religious Holiday Observance

Any student who must miss any regularly scheduled exam due to religious holiday observance need to inform the instructor within the first three days after the drop/add period ends.

Automobile problems, family obligations, alarm clock malfunctioning, a sore throat, a severe cold, work requirements, vacation trips, job interviews, etc. do not warrant an excused absence.

The Final exam is comprehensive

Points: 80 potential points

Format: Multiple-choice questions.

Content: Cumulative. Material covered throughout the semester.

Exam day policy: Same with In-class exams.

Exam Date: **Thursday, May 3 2018 @ 12:30-2:30pm**

The Final Exam is scheduled by the registrar's office and no early or late Final exams will be administered.

Important Notes:

- **You cannot drop the final exam. Should you decide to take the final, the grade you will receive will count towards your course grade. The lowest in-class exam grade will be dropped.**
- **For students missing an in-class exam the final becomes mandatory.**
- **Students not taking the final exam will receive a '0' for that exam.**

Course Activities (20%)

Homework problems: Homework problems will be assigned at a regular basis throughout the semester. There will be 5 assignments turned in for credit each worth 20 points. They are assigned to assist you in learning the material and are highly related to exam questions and hence to your performance in the course. The lowest score will be dropped, so a total of 80 possible points will count towards your course grade. These are **individual** assignments and will be treated as such!

Homework Problems	Due Date (before class begins)
HW1	January 30
HW2	February 15
HW3	March 6
HW4	March 22 or March 27
HW5	April 12

Assignments are due before class starts. Since you are allowed to drop one assignment, late submission will be penalized. **All late homework will be immediately reduced by 25%. Homework will not be accepted after twenty-four hours have elapsed. All homework turned in beyond the twenty-four hour deadline will receive a '0'.**

Project (30%)

Students will work in groups (2-3 students per group) for this project. A short description can be found below.

Topic: An agribusiness newsletter analyzing the stock prices of publicly traded agribusiness companies (these stock prices are referred to as Adjusted Closing Prices-ACP¹- or prices of agricultural commodities. Each group will have the same topic (e.g. seed companies) but each student will work on a separate company/commodity/organization.

Objective: To study the behavior of ACPs/commodities and their respective (stock) prices

- Write a descriptive statistical analysis
- Analyze volatility
- Study seasonality and forecast seasonal prices
- Analyze trends
- Discuss business cycles
- Conduct a comparative analysis

Project components include:

- Project Proposal (due February 20th)
Within the first few weeks of class each group will submit a class project proposal.
- Presentations (April 17th, and 19th)
- Final Project (due April 28th)
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Attendance/Lab Sessions/Participation (10%)

Students are expected to attend class and to be in class on-time. Given the nature and the quantity of material covered in class, regular attendance is a pre-requisite for performing well in this course.

Attendance is essential.

- Please notify me if you will be missing class.
- Attendance checks will be conducted regularly.
- Extra credit points may be offered during class periods; you must be present to earn any extra credit points offered.
- Failure to notify the group members for missing group meetings can carry grade penalties.
- Students who expect some conflict with their ability to be present in class should contact the instructor immediately prior to the drop/add period.

¹ ACPs can be downloaded from finance.yahoo.com

Importantly, attendance will be taken during Lab Session. Students can earn up to 40 points through the Lab Sessions. That includes but is not limited to:

- discussion sessions
- problem solving handouts
- lab session exercises

Grading Policy

Note that: Assignments, and Exams will be returned to you in class and grades will be posted in a timely-fashion on Moodle. You must retain all returned papers in case of any discrepancy with your course grade. We cannot correct any mistakes in grading or recording of scores without the original document.

IMPORTANTLY! You have 7 days after the grade has been posted to voice your concern. Should you believe that your exam/assignment is incorrectly graded or that your grade is incorrectly posted, please contact me as soon as possible. After the 7 days have passed, your posted grade will be assumed to be correct and accurate. Should you ask for a re-grade, please note that the **entire** assignment/exam will be reviewed for accuracy.

Professional Etiquette

The following guidelines are expected to be followed in order to have a productive classroom environment.

- CELLULAR PHONES are expected to be turned off. No texting or any other use of cellular phones is permitted or tolerated in class. So please take a moment to turn-off your devices before the class begins.
- You should also discontinue the use of any iPods, and tablets or similar devices unless indicated by the class activity of the day. Previous notification will be given to you in that event.
- Students are expected to be on-time for class.
- You should avoid talking amongst each other once the lecture begins unless otherwise stated (i.e. part of a classroom-activity/assignment). If you have any questions during class, please raise your hand and I will be happy to address any concerns you may have.
- You should avoid reading other course material or any type of newspaper during the class.

Failure to abide by these simple courtesy rules is considered disrespectful to me and your fellow student and you may be asked to leave the classroom. In that event Dr. Bampasidou reserves the right to account the student as absent.

Supplemental Information:

LSU Supporting Services: College life can sometimes be overwhelming. Resources are available on-campus to help students manage personal issues or gain insight into career and academic goals. Some of them are:

- Student Health Center: <http://www.shc.lsu.edu/index.html>
- Career Center: <http://students.lsu.edu/careercenter>
- Office of the Dean of Students:
<http://students.lsu.edu/deanofstudents?destination=node/115>
- Disability Services: <http://students.lsu.edu/disability>

Academic Integrity and Academic Misconduct:

Academic dishonesty is defined as any behavior, active or passive, which attempts to subvert the legitimate teaching, learning, or testing of a subject. It includes, but is not limited to the following:

- cheating on an examination, using notes or other methods;
- assisting or allowing another student to cheat on an examination;
- submission of work that is not the authentic creation of the student (plagiarism, use of purchased term papers, etc.);
- providing false excuses for missing a scheduled examination;
- enabling the cheating or other academic dishonesty of another student;
- altering an examination after it has been graded to claim a better grade is deserved;
- obtaining examinations in advance of the scheduled exam, unless offered by the professor;

Students are required to know and abide by Louisiana State University's Policy on Academic Integrity and Academic Misconduct, which prohibits dishonesty in academic work. For more information please visit the webpage "LSU Code of Student Conduct", <http://students.lsu.edu/saa/students/code>

It is in your best interests to avoid even the *appearance* of any questionable behavior.

Disability Statement: The University is committed to making reasonable efforts to assist individuals with disabilities in their efforts to avail themselves of services and programs offered by the University. To this end, Louisiana State University will provide reasonable accommodations for persons with documented qualifying disabilities. If you have a disability and feel you need accommodations in this course, you must present a letter to me from Disability Services in 115 Johnston Hall, indicating the existence of a disability and the suggested accommodations.

Diversity Statement:

Diversity is fundamental to LSU's mission and the University is committed to creating and maintaining a living and learning environment that embraces individual difference. Cultural inclusion is of highest priority.

LSU recognizes that achieving national prominence depends on the human spirit, participation, and dedicated work of the entire University community. Flagship: 2020 will be realized by bringing together diverse ideas, perspectives, skills, and talents of the nation's pre-eminent scholars, brightest students, and leading higher education professionals.

Through its Commitment to Community; LSU strives to create an inclusive, respectful, intellectually challenging climate that embraces individual difference in race, ethnicity, national origin, gender, sexual orientation, gender identity/expression, age, spirituality, socio-economic status, disability, family status, experiences, opinions, and ideas.

LSU proactively cultivates and sustains a campus environment that values open dialogue, cooperation, shared responsibility, mutual respect, and cultural competence— the driving forces that enrich and enhance cutting edge research, first-rate teaching, and engaging community outreach activities.

<p><u>Important Dates:</u></p>	<p>January 10 January 15 January 30 February 12-13 February 15 March 6 March 8 March 22 or 27 March 23 March 25-April 1 April 12 April 17 and 19 April 24 April 26 May 3 May 8-9</p>	<p>Classes Begin Martin Luther King Day HW 1 due Mardi Grass Holiday HW 2 due HW 3 due In-class Exam 1 HW 4 due Final Date for dropping course Spring Break HW 5 due Group presentations In-class Exam 2 Last day of classes Final Exam (optional) Final Grades due</p>
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By enrolling in this course you are agreeing to the terms outlined in this syllabus. Please see me should you have any questions.

Disclaimer: The instructor reserves the right to update/change the syllabus provided I notify you for the changes well in advance. Adequate accommodations will be provided should a conflict arise.

Advising Notes:

- **Work in groups with caution.** Avoid relying too heavily on group efforts as it typically leads to a false sense of security and may result in poor exam performance.
- **Keep pace with class material.** We will cover a lot of material in just a semester so attendance is crucial for a good performance in the course and understanding of the material.
- **Ask questions.** Be sure that if you have a question related to class material, most likely another of your fellow students will have a question. Some of the best lecture sessions start with a question.
- **Take advantage of instructor office hours.** We are here to help you!
- **Worry about your grade during the semester not at the end of the semester,** after all your performance during the whole semester is reported in your grade. Proper time management is key in college.

Let's experience a rewarding and productive semester!