

PRINCIPLES OF FARM MANAGEMENT

Applied Economics 3811 Spring 2009

This course is an introduction to the strategic and operations aspects of farm management including financial analysis; budgeting; strategic management; enterprise and whole farm planning and control; investment analysis; quality, risk, and personnel management. This is a 3-credit course; the prerequisite is either ApEc 1101 or Econ 1101.

Instructor: Kent Olson
Office: 316 Classroom Office Building, St. Paul Campus
Phone: 612-625-7723
Fax: 612-625-2729
E-mail: kdolson@umn.edu

Class Time: Tu/Th 8:45-10:00 in Classroom Office Building B25
Class time is for discussions, presentations, and an occasional lecture.

My homepage: <http://www.apec.umn.edu/faculty/kolson/>
Class web page: <http://www.apec.umn.edu/faculty/kolson/apec3811.html>
Course notes: <http://www.ardilla.umn.edu/FarmMgmt/ApEc3811/index.html>

Office Hours: Tu 10:30-11:30 a.m. and 3:00-5:00 p.m.

Please understand that you don't need a crisis to use the office hours. You may use them to clarify points you don't understand, to get additional readings, to talk about the subject matter in relation to your special interests, or to go over work in progress.

However, if these scheduled office hours do not work for you, please contact me in class or by phone, fax, or e-mail to arrange another time. Provide your name, phone number (or other address) and the best time for me to return your call or message. If I think other students have the same question, I may answer it in class (but I won't identify you as the source of the question).

Students with Disabilities: If you have a disability which requires accommodation in this course, please see me as soon as possible. I am happy to make appropriate accommodations (such as alternative formats) when and where possible.

Wheelchair accessible entrances to Classroom Office Building are at the north end of the ground and first floor levels. Elevators are located at each end of the building.

COURSE MATERIALS

The required text is FARM MANAGEMENT: PRINCIPLES AND STRATEGIES by Olson. It is available at Books Underground on the St. Paul campus. Additional readings on special topics may be distributed during the quarter, or made available on the web. Study notes and other information are available on the web at <http://www.ardilla.umn.edu/FarmMgmt/ApEc3811/index.html>.

COURSE PROCEDURES

My goal in this class is to help you learn some of the principles of farm management. We will use a mix of discussion, computer analysis, group work, individual work, and lecture. Sometimes I will lead the class; sometimes you may lead the class discussion. Discussion is expected to be rigorous and congenial. I expect you to prepare for discussion by developing your best answer to the problem or opportunity posed in the case or situation.

Before each class, I expect you to read the appropriate material in the text and on the website. I may summarize or highlight a few points but I don't plan to repeat what is already available. Class times will be used primarily to work on problems and discuss situations that will require knowledge of the assigned material.

GRADING

Based on the weighted average of 6 assignments, 2 examinations, and class participation, grades will be assigned as follows:

| <u>Final Weighted Average</u> | <u>Grade: A-F System</u> | <u>Grade: S-N System</u> |
|-------------------------------|--------------------------|--------------------------|
| 90.0 - 100.0% | A | S |
| 80.0 - 89.9 | B | S |
| 70.0 - 79.9 | C | S |
| 60.0 - 69.9 | D | N |
| 0.0 - 59.9 | F | N |

A grade of B+, C+, or D+ will be given for scores in the top 3% of that grade range. A grade of A-, B-, or C- will be given for scores in the bottom 3% of that grade range.

| | |
|---|--------------------|
| Weights for assignments and examinations are: | % of course grade: |
| 6 assignments (5% each) | 30 |
| 2 exams (35% each) | <u>70</u> |
| | 100 |

All assignments are to be typewritten except drawings and figures which can be done by hand (neatly). The use of proper English (correct spelling, grammar, etc.) is expected. Handwritten reports and the use of poor English will result in a lower grade and may be returned for improvement before a grade is given.

Many assignments include analysis that will be much easier using a computer and the spreadsheets for this course. Students are expected to provide their own disks to save assignments, spreadsheet templates, work-in-progress, etc.

All assignments are due at the beginning of class on the due date. Credit for late assignments will be reduced by 50 percent (but only if the assignment is turned in before I grade and return that class assignment to the rest of the class). Exceptions will be made in cases of health, family-related, or other valid excuses.

STANDARDS

The University of Minnesota has developed the following standards for grading, academic dishonesty, and workload expectations:

University Grading Standards

- A achievement that is outstanding relative to the level necessary to meet course requirements.
- B achievement that is significantly above the level necessary to meet course requirements.
- C achievement that meets the course requirements in every respect.
- D achievement that is worthy of credit even though it fails to meet fully the course requirements.
- S achievement that is satisfactory, which is equivalent to a C- or better (achievement required for an S is at the discretion of the instructor but may be no lower than a C-).
- F (or N) represents failure (or no credit) and signifies that the work was either (1) completed but at a level of achievement that is not worthy of credit or (2) was not completed and there was no agreement between the instructor and the student that the student would be awarded an I.
- I (Incomplete) assigned at the discretion of the instructor when, due to extraordinary circumstances, e.g., hospitalization, a student is prevented from completing the work of the course on time. Requires a written agreement between instructor and student.

Academic Dishonesty

Academic dishonesty in any portion of the academic work for a course shall be grounds for awarding a grade of F or N for the entire course.

Credits and Workload Expectations

For undergraduate courses, one credit is defined as equivalent to an average of three hours of learning effort per week (over a full term) necessary for an average student to achieve an average grade in the course. For example, a student taking a three-credit course (such as this course) should expect 9 hours of work per week. Since this course meets for four hours a week, a student should expect to spend an additional five hours a week on coursework outside the classroom.

Principles of Farm Management

Applied Economics 3811
Spring 2009

COURSE SCHEDULE

| Date | Topic | Text Assignment |
|----------|---|-----------------|
| 1/20 | The Scope of Farm Management | Chapter 1 |
| 1/20-29 | Strategic Management..... | Chapter 2 |
| 1/29-2/3 | Budgeting | Chapter 4 |
| 2/3-5 | Production and Operations Planning..... | Chapter 5 |
| 2/10-12 | Quality Management and Control | Chapter 6 |
| 2/17-3/3 | Financial Analysis | Chapter 7 |
| 3/5-10 | Financial Management | Chapter 8 |
| 3/12 | EXAM I covering chapters 1, 2, & 4 - 8 (through page 239) | |
| 3/16-20 | Spring Break | |
| 3/24-26 | Financial Management, cont'd | Chapter 8 |
| 3/31-4/2 | Investment Analysis..... | Chapter 9 |
| 4/2-9 | Land Investment | Chapter 10 |
| 4/14-23 | Risk Management..... | Chapter 11 |
| 4/28-30 | Contracts | Chapter 12 |
| 5/5-7 | Staffing and Organization | Chapter 13 |
| 5/13 | FINAL EXAM, 8-10 a.m., covering chapters 8 (from page 239) - 13 | |