

ARE 311 - Agricultural Markets

revised 3/31/20

Spring 2020 edition

Class website: <https://are311.wordpress.ncsu.edu/>

Professor Thurman

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Overview

The scope of agricultural markets is broad. They coordinate consumers, producers, processors, and transporters. They affect the large numbers of people who work in the agricultural sector, either directly producing food and fiber or working in related processing and distribution systems. The global reach of agricultural markets forge connections between developed and developing economies.

In ARE 311 we will study agricultural markets and agricultural prices and ways to analyze them. Microeconomic theory will be the unifying framework. The prerequisite for the class is a principles of economics course such as ARE 201, EC 201 or EC 205 and proficiency in basic economics is assumed.

Professor Thurman's ARE 311 mission statement

To promote an intellectual environment in which class participants teach themselves and each other about:

- agricultural supply and demand and related events and trends
- market institutions that facilitate trade, especially commodity futures markets
- the characteristics of agricultural prices across space and time
- quantitative tools to analyze market data, including spreadsheets

Topic sequence

1. Microeconomics: demand, supply, equilibrium, comparative statics, elasticities
2. Agricultural markets overview
3. Spatial price relationships, transportation, and trade
4. Price indexes, real prices and income
5. Futures markets: trading, hedging, forecasting, and basis
6. Inventories and storage
7. International trade and exchange rates
8. Marketing margins and inter-commodity price relationships

Logistics

Class meets **Tuesdays and Thursdays 8:30-9:45 in Gardner 2211.**

There is no textbook for the course. You will be expected to monitor current developments in agricultural, natural resource, and related markets. To accomplish this you will need to have daily access to the *Wall Street Journal*. Articles from other sources will be made available in class or on the class web page.

Note: the sequence of topics—and the topics themselves—will be driven by what is happening in the world. The topics covered on the midterm and final exams will be those we have discussed in class.

Office hours: I am happy to meet with you and I encourage you to stop by my office any time. I do suggest that you make an appointment to ensure that I will be there when you come by. Either mention to me after class when you would like to meet or send me an email: wally_thurman@ncsu.edu.

Your semester grade will be determined by your performance in the following areas, with grading weights given in parentheses:

- Quizzes (20%)
- Class commodity project, including an in-class presentation (15%) (20%)
- Homework assignments (15%)
- One midterm exam (20%)
- One final exam (20%) (15%)
- Attendance and class participation (10%)

Exam dates:

- Midterm: Thursday February 27 in class
- Final: Tuesday May 5, 8-11

On academic integrity: cheating during an exam or plagiarizing on a written assignment is an unacceptable breach of trust. Either will result in an F for the semester.

~~Oh, and one more thing: access to laptops, phones, and tablets will not be allowed during class time. This means that notes should be taken by hand. Why, with all the information available at our fingertips, would I set such a rule? The answer is that these devices are powerful and distracting. They threaten the flow of discussion during class. If you need an electronic device to help you take notes and can provide a note from a doctor or counselor, then please talk to me. Otherwise, electronic devices should be turned off.~~

A slight revision to the struck out paragraph occasioned by ARE 311 going online: laptops, phones, and tablets during class time now will be mandatory! Oh well, it was good while it lasted.