

# AAE 320: FARMING SYSTEMS MANAGEMENT: Spring 2011

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Office Hours  
By Appointment

**Class: MWF 9:55 – 10:45 in 1510 Microbial Sciences Building**

**Dept. Secretary/Contact:** Kathy Martin Taylor, 429 Taylor hall, 262-8966

**Course Homepage:** <http://www.aae.wisc.edu/aae320/main.asp>

Materials will be posted through out the semester, including lecture notes, papers, spreadsheets, problem sets, exams, and answer keys. I will use the class web page from previous years as the “backbone” and leave materials posted from the previous year so students can see the larger picture of where the class is going. As the semester progresses, I regularly will update the class page to post the material we will be currently be using, providing a “Not updated below this point” so students can see where the page is up-to-date and what is left from the previous year.

## **Text**

No textbook is required for the course. Several good farm management texts exist and if you are interested in a text to keep for reference, I suggest looking at several and choosing the one that best fits your style. The Steenbock Memorial Library has many to look at (around S561 and S562), or search under “farm management” on Amazon.com or BarnesandNoble.com. The “classic” farm management text is:

*Farm Management*, 5<sup>th</sup> ed. R. D. Kay, W. M. Edwards, and P. A. Duffy. Dubuque, IA: McGraw Hill. 2004.

I will make various materials available in class and/or on the course homepage. I expect students to use/read these, which may include paying costs for printing materials freely available on the internet. Many useful farm management materials are available on the internet for free.

## **Course Objective**

This course’s objective is for students to understand basic economic principles and their application to the management of agricultural production systems.

## **Course Content**

See course outline on last page

## **Course Grade**

Grades will be calculated based on the following weights

In-Class Exams (2 x 25% each):	50%
Comprehensive Final Exam:	25%
Problem Sets (5 or 6 during semester)	20%
Class Participation	5%

Grading will be as follows:

$\geq 93$	A
$88 \leq \text{and} < 93$	AB
$83 \leq \text{and} < 88$	B
$78 \leq \text{and} < 83$	BC
$70 \leq \text{and} < 78$	C
$60 \leq \text{and} < 70$	D
$< 60$	F

Curving of grades will be unnecessary.

### **Exams**

There will be two in-class exams and a comprehensive final.

I will announce exams at least 1 week in advance (but likely earlier than this).

Exam questions will be developed from class lecture, materials posted on the class homepage and discussed in class, and problem sets. Questions will consist of true/false, multiple choice, and short answer problems, plus a few mathematical problems. Expect questions to challenge your understanding and use of managerial concepts and tools. Graded exams will be returned as quickly as possible.

Previous exams and keys will be available on the course homepage to aid your studies.

### **Final Exam: May 9 (Monday), 12:25 PM – 2:25 PM**

Please schedule end of the semester travel plans accordingly.

### **Important**

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the McBurney Resource Center, 1305 Linden Drive, 608-263-2741, (608) 263-6393 (TTY), or email [FrontDesk@mcb.wisc.edu](mailto:FrontDesk@mcb.wisc.edu).

Please communicate with me early if you have special needs so that I can accommodate your needs in order to enhance your learning experience.

Please communicate with me early if you have a religious conflict with a class assignment, class attendance, examination, etc.

### ***Final Comment***

Occasionally it becomes necessary to change the grading scheme, topics covered, or other course details. I reserve the right to do so, but I will always discuss such changes with students during lecture.

## **Outline of Topics Covered in AAE 320**

### **I. Introduction**

1. Wisconsin Agriculture
2. Decision Making

### **II. Production Economics**

1. Single Input Production Economics
2. Multiple Input Production Economics
3. Cost Economics
4. Flat Objective Problem

### **Exam #1**

### **III. Farm Finance**

1. Financial Analysis: Balance Sheets
2. Financial Analysis: Income Statement
3. Time Value of Money
4. Weed Resistance Management

### **III. Taxes, Business Arrangements and Farm Transfer**

1. Federal Tax Overview
2. Tax Considerations for Farm Transfer
3. Beginning Business Arrangements
4. Business Arrangement Alternatives

### **Exam #2**

### **IV. Using Budgets for Analysis**

1. Enterprise Budgets
2. Partial Budgeting

### **V. U.S. Farm Policy and Programs**

1. Commodity Support Programs
2. Crop Insurance and Disaster Assistance Programs

### **Final Exam**