

Course Code: AGB 102 (IAI AG 901)

Course Title: Introduction to Agricultural Economics

Department: Agricultural Technologies

Effective Date: Summer 2026

PCS Code: 1.1 - Baccalaureate/Transfer

CIP Code: 01.0103

Repeatability: 0

Credit Hours

Catalog Notation: 4-0-4

Credit Hour Distribution:

Lecture: 4

Lab: 0

Clinical: 0

Total: 4

General Course Information

Catalog Description

Principles of economics as applied to agriculture; basic economic principles, finance, land, marketing, input allocation and pricing, international trade, agricultural policies, and fiscal and monetary policies.

General Course Objectives

Students will:

- appreciate the role of economics as it applies to issues in agricultural production, pricing, international trade, and public policy;
- understand introductory economic laws and principles;
- interpret economic data; and
- understand economic principles required for more advanced agricultural economic studies.

Minimum Placement Levels

English	Reading	Math
Placement out of ENG 099	Placement out of CCS 099	Placement out of MAT 060

Prerequisites

None

Methods of Evaluation

The minimum number of evaluation methods include: 10 quizzes, 2 papers, 10 homework assignments, 1 midterm exam, and 1 comprehensive final exam.

Instructional Materials and Additional Supplies

Introduction to Ag Economics, most recent edition. Penson, Capps, Rosson, and Woodward.

Course Content

General Learning Outcomes (GLOs)

- Reasoning and Inquiry: Students will demonstrate the ability to solve problems using deductive reasoning and logic, quantitative reasoning, or the scientific method.

Course Segments and Student Learning Outcomes

Course Segment	Learning Outcomes	Lecture Hours	Lab Hours	Clinical Hours
Economics of Resources, Agriculture, and Food	<ol style="list-style-type: none"> 1. Define economics. 2. Explain why it is important to study economics. 3. Demonstrate an understanding of economic systems. 4. Develop an appreciation of the use of economics. 5. Differentiate between micro- and macroeconomics. 6. Identify major sectors of agriculture, and be able to explain changes that have occurred. 	6	0	0
Land Economics	<ol style="list-style-type: none"> 1. List the factors that cause land to rise or drop in price. 2. Calculate earnings rates and capitalization rates. 3. Describe the three methods of arriving at value. 	3	0	0
Economics of Demand	<ol style="list-style-type: none"> 1. State and explain the law of demand. 2. Distinguish between total utility and marginal utility. 3. State and explain the law of diminishing utility. 4. Explain how the budget constraint limits a consumer's choices. 	4	0	0
Production Functions	<ol style="list-style-type: none"> 1. Define economic profit and opportunity cost. 2. Define a production function, and identify the three stages of production. 3. Define fixed inputs, variable inputs, long run, and short run. 4. Define efficiency and explain its relationship to quantity of output. 5. Define Total Physical Product (TPP), Average Physical Product (APP), and Marginal Physical Product (MPP), and construct a graph to illustrate the typical form of those relationships. 	4	0	0
Costs, Returns, and Profit Maximization	<ol style="list-style-type: none"> 1. Define explicit and implicit costs. 2. Define all the costs of production: Total costs (TC, TVC, and TFC), average costs (ATC, AVC, and AFC), and marginal costs (MC). 3. Explain the relationship among the cost curves of the firm. 4. Explain how managers of firms can determine the profit-maximizing level of production. 	4	0	0
Theory of Markets	<ol style="list-style-type: none"> 1. Define supply and demand. 2. Explain supply and demand curves. 3. Define a market in economic terms. 4. Define market equilibrium. 5. Distinguish between a shift in supply or demand and the change in quantity. 6. Demonstrate understanding of the concepts of time, space, and form utility. 7. Define pure competition. 	5	0	0
Multiple Inputs and Outputs	<ol style="list-style-type: none"> 1. Explain how managers decide on use of inputs. 2. Identify the factors that determine the use of specialization and diversification. 	3	0	0
Forms of Market Competition	<ol style="list-style-type: none"> 1. Define imperfect competition. 2. Identify the major factors that determine the type of competition that exists for various types of businesses in agriculture. 	3	0	0

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Elasticity of Demand and Supply	<ol style="list-style-type: none"> 1. Define price elasticity of demand and supply. 2. Identify the categories of price elasticity of demand and supply. 3. Identify the determinants of the price elasticity of supply and demand. 	4	0	0
International Trade	<ol style="list-style-type: none"> 1. Explain how nations gain from trade. 2. Define absolute and comparative advantage. 3. Identify the reasons for opposition to free trade. 4. Explain various trade terms such as tariff, General Agreement on Tariffs and Trade (GATT), etc. 	3	0	0
Agribusiness Structure, Organization, Management, and Finance	<ol style="list-style-type: none"> 1. Describe the range of agribusiness organizations. 2. Give examples of types of market competition that exist in agriculture. 3. Explain the types of business structures in agribusiness. 4. Define and explain the various functions of management. 	2	0	0
Introduction to Macroeconomics	<ol style="list-style-type: none"> 1. Explain how the flow of goods and payments works. 2. Explain Gross Domestic Product (GDP). 3. Define inflation and explain its effects on various countries. 	2	0	0
GDP and Fiscal Policy	<ol style="list-style-type: none"> 1. Define unemployment and explain its link to inflation. 2. Define recession and growth. 3. Explain fiscal policy choices. 	3	0	0
GDP and Monetary Policy	<ol style="list-style-type: none"> 1. Give a brief history of money. 2. Explain money supply statistics. 3. Explain how the banking system and the Federal Reserve work. 4. Explain how the Federal Reserve affects the monetary policy of the U.S. 	3	0	0
GDP and International Transactions	<ol style="list-style-type: none"> 1. Explain the concept of balance of payments (compared to balance of trade). 2. Explain the effect of balance of payments on the value of currency. 3. Explain the effect of balance of payments on trade. 	2	0	0
Agriculture and Development	<ol style="list-style-type: none"> 1. Explain why public policy is an important part of economics. 2. Identify the major policy choices that affect agriculture and its development. 	2	0	0
Agriculture Price and Income Policy	<ol style="list-style-type: none"> 1. Explain the major reasons for agricultural price and income policy. 2. Identify major benefits and costs of current agriculture policy. 3. Explain the major justifications used for agricultural programs. 	3	0	0
The Economic System	<ol style="list-style-type: none"> 1. Describe how various parts of the economic system fit together/function. 2. Explain how markets react to changes in production and consumption. 	4	0	0

Total Contact Hours

Lecture Hours	Lab Hours	Clinical Hours
60	0	0