

28922 - Agricultural economics

Syllabus Information

Academic Year: 2020/21

Subject: 28922 - Agricultural economics

Faculty / School: 201 - Escuela Politécnica Superior

Degree: 583 - Degree in Rural and Agri-Food Engineering
437 - Degree in Rural and Agri-Food Engineering

ECTS: 6.0

Year: 3

Semester: First semester

Subject Type: Compulsory

Module: ---

1.General information

1.1.Aims of the course

1.2.Context and importance of this course in the degree

1.3.Recommendations to take this course

2.Learning goals

2.1.Competences

2.2.Learning goals

2.3.Importance of learning goals

3.Assessment (1st and 2nd call)

3.1.Assessment tasks (description of tasks, marking system and assessment criteria)

4.Methodology, learning tasks, syllabus and resources

4.1.Methodological overview

The aim of this subject is to provide the students with the economic analysis principles and methods to get some competences in agricultural valuation and determination of cultivation, plantations, cattle and food and agriculture industries costs. So as the economic-financial of investments analysis and they know the mechanism that rules the food and agriculture products market from an applicative point of view.

4.2.Learning tasks

The course includes the following learning tasks:

- Lecture/presentation,
- question and answers,
- practical sessions (hands-on practice)

4.3.Syllabus

This subject consists of three different Sections with a total of 9 Topics - economy of agri-food companies, agricultural assessment and marketing of agri-food products. The Topics have been designed thinking of the professional needs of the future graduated in Food and Agricultural Engineering.

The course will include the following topics:

PRESENTATION OF THE SUBJECT

Concept and characteristics of the agricultural economy. Need and importance of the agricultural economy in the curriculum of the degrees in agricultural engineering.

FIRST Section : ECONOMY OF THE AGRI-FOOD COMPANY

Topic 1: COSTS IN PRODUCTION PROCESSES

Concept of production cost. Difference between cost, expense and payment. Fix and variable costs. Direct and indirect costs (allocation of costs). Objective and estimated costs (depreciation cost and opportunity cost). Performance of costs in the short and in the long term (economies of scale and replacement yield). Capitalization and updating. Cost of production of fix assets. Quantification of economic achievement - gross margin, net margin, available margin, corporate profit, added value. Deadlock or low level of profitability.

Topic 2: ANALYSIS OF AGRI-FOOD INVESTMENTS

Concept of investment. Parameters characterizing an investment project. Determining revenues and payments. Objectives of the investment analysis. Investment assessment criteria - net present value, pay-back period and internal rate of return. Simplifying assumptions for the calculation of investments. When cash flows are not annual. Sensitivity analysis. Introduction to the risk in investment decisions. The effect of inflation in investment decisions.

SECOND Section : AGRICULTURAL ASSESSMENT

Topic 1: INTRODUCTION AND VALUATION CRITERIA

Definition and purpose of agricultural valuation. Sciences related to valuation. Valuation of farms and its peculiarities. Valuation report. The evidence of experts seen by the judge.

Topic 2: SYNTHETIC AND STATISTICAL METHODS OF AGRICULTURAL VALUATION

Classification or direct estimation of synthetic methods. Correction synthetic method. Typical value method. Temporal comparison synthetic method. Modern synthetic methods - barycentric criterion, ratio comparison criterion, extreme data criterion, origin criterion. Cases when statistical valuation is indicated. Regression. The beta method or the method of the two Beta distributions. The variant of the two triangles.

Topic 3: ANALYTICAL AND SUBJECTIVE AGRICULTURAL VALUATION METHOD

Classical analytical method. General approach. Rental tax and calculated rent. Corrected analytical methods - separation of capital and profit and its difficulties. Choice of the type of updating through statistical and synthetic methods. Performance variations, capital and gains. The type of updating in practice. Obligatory expropriation. Subjective value in case of a farming estate or company. Subjective value in case of alternative investments.

Topic 4: ASSESSMENT OF DAMAGE AND OTHER AGRICULTURAL ASSETS

Basic concepts. Agricultural insurance and General Rules for Expertise Reporting. The process of expertise reporting of agricultural damages. General characteristics of the Agricultural Insurance Plan. Examples of lines of insurance and Specific Rules of Expertise Reporting in different crops. Easements. Assessment of pending crops. Assessment of fields. Assessment of irrigation water. Reparcelling.

THIRD Section : MARKETING OF AGRI-FOOD PRODUCTS

Topic 1. SUPPLY AND DEMAND. TYPES OF MARKET

Supply and demand of agricultural and agri-food products. Characteristics of the elasticity of the supply and demand of agricultural products. Types of market - perfect competition. Monopolistic competition, oligopoly and monopoly.

Topic 2. MARKETING OF AGRICULTURAL PRODUCTS

The commercial management of agricultural companies. The cost of marketing. Usefulness, functions and agents of marketing. Markets and contracting centres. Wholesale and retail trade. Definition and importance of distributing process. General characteristics of agricultural products trade. Growing dynamic of distribution margin. Factors which favour the increase of demand for distribution services. Rationalization of distributing process.

Topic 3. AGRI-FOOD MARKETING

Concept of agri-food marketing. Segmentation of markets. Marketing variables and strategies. Marketing planning.

PRACTICAL SESSIONS

Resolution of problems and practical cases:

- Calculation of costs, economic results and levels of profitability in crops, fields, flocks and agri-food companies - design of spreadsheets
- Analysis of investments in agricultural and agri-food companies
- Financial analysis of agricultural and agri-food companies
- Agricultural valuation

4.4.Course planning and calendar

4.5.Bibliography and recommended resources

BB Ballestero, Enrique. Economía de la empresa agraria y alimentaria : producción , costos, mercadotecnia agroalimentaria, inversiones, financiación, valoración agraria / Enrique Ballestero . 2a ed., rev. y ampl. Madrid [etc.] : Mundi-Prensa, 2000

BB Caballer Mellado, Vicente. Valoración agraria : teoría y práctica / Vicente Caballer Mellado . 5a. ed. rev. y amp. Madrid, [etc.] : Mundi-Prensa, 2008

- BB** Caldentey Albert, Pedro. Comercialización de productos agrarios / Pedro Caldentey Albert . 5a. ed. Madrid : Editorial Agrícola Española : Mundi-Prensa, 2004
- BB** Colom Gorgues, Antonio. Evaluación de la rentabilidad de proyectos de inversión : aplicación de los sectores agrario y agroalimentario / Antonio Colom Gorgues . Lleida : Edicions de la Universitat de Lleida, D.L. 2009
- BC** Alonso Sebastián, Ramón. Economía de la empresa agroalimentaria / Ramón Alonso Sebastián, Arturo Serrano Bermejo . 3ª ed. Madrid [etc.] : Mundi-Prensa, 2008
- BC** Alonso Sebastián, Ramón. Valoración de empresas : Teoría y casos prácticos : Aplicaciones al sector agroalimentario / Ramón Alonso Sebastián , Aurelio Villa Pérez . [1a. ed.] Madrid : Mundi Prensa, 2007
- BC** Blanco, Adolfo. Formulación y evaluación de proyectos / Adolfo Blanco R. . 2ª ed. rev., act. y ampl. Madrid : Edisofer, 2005
- BC** Colom Gorgues, Antonio. Guía básica y ejercicios prácticos para la gestión empresarial : Aplicación multisectorial / Antonio Colom Gorgues . Lleida : Edicions de la la Universitat de Lleida, 2015
- BC** Guadalajara Olmeda, Natividad. Métodos de valoración inmobiliaria / Natividad Guadalajara Olmeda . 2ª ed. Madrid : Mundi-Prensa, 2018
- BC** Houck, James P.. Comercio exterior agrario : fundamentos y análisis / James P. Houck, Julián Briz . 2ª ed. Madrid [etc.] : Mundi-Prensa, 2000
- BC** Moreno Vega, José María. Gestión y organización de la empresa agraria / José María Moreno Vega, Alberto Moreno Vega . Madrid : Mundi-Prensa, D.L. 2017
- BC** Munuera Alemán, José Luis. Estrategias de marketing para un crecimiento rentable : casos prácticos / José Luis Munuera Alemán, Ana Isabel Rodríguez Escudero . Madrid : ESIC, 2000
- BC** Serrano Bermejo, Arturo. Valoración agraria : casos prácticos de valoración de fincas / Arturo Serrano, Ramón Alonso . 3ª ed. Madrid : Editorial Agrícola Española : Ministerio de Agricultura y Pesca, Alimentación y Medio Ambiente, D.L. 2017

The updated recommended bibliography can be consulted in:

<http://psfunizar10.unizar.es/br13/egAsignaturas.php?codigo=28922>