Agricultural Finance, AEC 344

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Room 115 Agricultural Building
Office Hours: 10-11 and 1:30-3:30 daily
Department of Agriculture
Lecture: 11:00 to 12:15 TR
Room 115, Ag. Building

AGRICULTURAL FINANCE: Capital requirements of farm and ranch operation; agricultural credit needs; time value of money; investment analysis; sources of capital and agricultural lender requirements; costs, risk, and institutional environment of agricultural credit.

Student Learning Outcomes

(1) To familiarize the student with basic principles of Agricultural Finance.

(2) To familiarize the student with methods of financial management of the farm and ranch business.

(3) To orient the student to the workings of financial markets and agricultural credit institutions.

Course Requirements

1) Readings in the textbook as specified by the syllabus

2) Examinations:
   - Exam #1 Feb. 11th
   - Exam #2 March 10th
   - Exam #3 April 19th
   - Exam #4 May 10th, 10:30am

OUT of PRINT
Course sequence, Topics and Objectives

WEEK, and CHAPTER (subject to change)

I Chapter 1. Introduction to the Dimensions of Agricultural Finance

Objective: To understand that income from the modern farm business is determined by acquisition, control, and allocation of farm resources.

II Chapter 2. Theory of Financial Management

Objective: Recognize that successful financial management relies on responsible management decision-making about needs and uses of capital.

III Chapter 3. Capital Allocation Over Time

Objective: Become familiar with the concepts related to the optimal allocation of capital over time, and the time value of money.

IV Chapter 4. Evaluating Capital Investments

Objective: Understand the economic criteria for determining the optimal allocation of limited capital among competing uses.

V Chapter 5. Resource Acquisition and Control in Agriculture

Objective: Be aware of alternative methods of acquiring control of sufficient assets for a viable farm business.

VI Chapter 6. Use of Credit in the Farm Business

Objective: Understand that credit is a productive resource for the farm business. Its use depends on how it can be used profitably and the type of credit available.

VII Chapter 7. Loan Interest Rates and Repayment Terms

Objective: To obtain a solid understanding of factors affecting interest rates, determinants of repayment schedules, and actual costs of capital.

VIII Chapters 8,9,10 Financial Structure and Returns Analysis

Objective: Maintenance and use of records to measure the financial performance of the farm business.
IX  Chapter 13.  Risk Management Strategies

Objective:  To familiarize the student with sources of risk faced by farmers, and methods of reducing risk.

X  Chapter 18.  Agricultural Lenders: An Overview

Objective:  To provide an overview of the nature, scope, and importance of alternative sources of agricultural credit.

XI  Chapter 20.  Commercial Banks and Farm Loans

Objective:  The student should be aware of the structure and function of commercial banks in providing capital to the agricultural sector.

CLASSROOM PROCEDURE

1. Class Attendance

   A. Class attendance is required. **The role will be checked**
   
   B. Absence will be recorded and treated as follows:

   **One point will be deducted from the final grade for each class absence in excess of three unexcused absences. On a positive note, anyone who has a perfect attendance record will get the benefit of the doubt when their final grade is borderline.**

   C. It is your responsibility to see me after class when you are late and have been marked absent.

   D. Students are expected to remain in class until I arrive or are notified that I will not be coming.

2. Examinations and Problem Sets -- 100 percent of your final grade

   A. Four (4) exams will be given each semester.

   B. Exam questions will include multiple-choice, fill in the blank, short answer, problem sets, and discussion types of questions.

   C. The forth (4th) and final exam will have one-half of the questions on the most recent material, and the other half over the entire semester's work.

   D. **Make-up exams will be given only to those individuals who have a valid excuse and have notified me ahead of time.** All make-up exams will be administered during dead week, (the week before finals).
3. **Grading**: Simple average of the four (4) exams.

   Scale: A =100-90; B =89-80; C =79-70; D =69-60; F = <60.
   
   **NOTE**: It is the student’s responsibility to get grades before drop deadline.

4. Plagiarism will not be tolerated. Plagiarized reports will receive a grade of zero and each situation will receive appropriate consideration.

   **Plagiarism**: to appropriate (literary materials, ideas, etc) and represent it as one’s own work.

**Academic Integrity** *(A-9.1)*

Academic integrity is a responsibility of all university faculty and students. Faculty members promote academic integrity in multiple ways including instruction on the components of academic honesty, as well as abiding by university policy on penalties for cheating and plagiarism.

**Definition of Academic Dishonesty**

Academic dishonesty includes both cheating and plagiarism. Cheating includes but is not limited to (1) using or attempting to use unauthorized materials to aid in achieving a better grade on a component of a class; (2) the falsification or invention of any information, including citations, on an assigned exercise; and/or (3) helping or attempting to help another in an act of cheating or plagiarism. Plagiarism is presenting the words or ideas of another person as if they were your own. Examples of plagiarism are (1) submitting an assignment as if it were one’s own work when, in fact, it is at least partly the work of another; (2) submitting a work that has been purchased or otherwise obtained from an Internet source or another source; and (3) incorporating the words or ideas of an author into one’s paper without giving the author due credit.

**Plagiarism**: to appropriate (literary materials, ideas, etc) and represent it as one’s own work

Please read the complete policy at [http://www.sfasu.edu/policies/academic_integrity.asp](http://www.sfasu.edu/policies/academic_integrity.asp)

Students proven to have cheated on assignments, quizzes and/or exams will fail the entire semester course.

**Acceptable Classroom Behavior**: Classroom behavior should not interfere with the instructor’s ability to conduct the class or the ability of other students to learn from the instructional program (see the Student Conduct Code, policy D-34.1). Unacceptable or disruptive behavior will not be tolerated. Students who disrupt the learning environment may be asked to leave class and may be subject to judicial, academic, or other penalties. This prohibition applies to all instructional forums, including electronic/online forums, classroom meetings, labs, discussion groups, field trips, etc. The instructor shall have full discretion over what behavior is appropriate/inappropriate in the classroom. Students who do not attend class regularly or who perform poorly on class projects/exams may be referred to the iCare program [http://www.sfasu.edu/judicial/earlyalert.asp](http://www.sfasu.edu/judicial/earlyalert.asp). This program provides students with recommendations for resources or other assistance that is available to help SFA students succeed.
**Responsible Use of Technology:** It is expected that all students will only use cell phones, PDAs, laptop or tablet computers, MP3 players, and related devices outside of class time or when appropriate in class. Answering a cell phone, texting, listening to music or using a laptop/tablet for matters unrelated to the course may be grounds for dismissal from class or other penalties.

**Withheld Grades: Semester Grades Policy**

Ordinarily, at the discretion of the instructor of record and with the approval of the academic chair/director, a grade of WH will be assigned only if the student cannot complete the course work because of unavoidable circumstances. Students must complete the work within one calendar year from the end of the semester in which they receive a WH, or the grade automatically becomes an F. If students register for the same course in future terms the WH will automatically become an F and will be counted as a repeated course for the purpose of computing the grade point average.

**Students with Disabilities**

— To obtain disability related accommodations and/or auxiliary aids, students with disabilities must contact the Office of Disability Services (ODS), Wisely Hall, Room 104, 468-3004/468-1004 (TDD) as soon as possible. Once verified, ODS will notify the course instructor and outline the accommodation and/or auxiliary aids to be provided. Failure to request services in a timely manner may delay your accommodations. For additional information, go to

— [http://www.sfasu.edu/disabilityservices](http://www.sfasu.edu/disabilityservices)
I have received a copy of the syllabus for AEC 344, Agricultural Finance, which outlines course description, text required, assignment policy, instructor office hours, topic sequence, disability accommodations, grading and attendance policy, student responsibilities, exam schedule and make-up exam considerations.

SIGNITURE _________________________

Date      ______________

Print name here  _______________________