**Reviewed March 28, 2025**

**SYLLABUS INTRODUCTION TO AGRICULTURAL ECONOMICS**

**Credits: 3 or 4 Semester Hours No prerequisite**

**Course Description: IAI Code: AG 901**

*Introductory Economics of Food, Fiber, and Natural Resources* (3-4 semester hrs) An introduction to the principles of economics including production principles; production costs, supply and revenue; profit maximization; consumption and demand; price elasticity; market price determination; and competitive versus noncompetitive market models. These principles are applied to agriculture and the role of agriculture in the United States and world economies. Other topics include a survey of the world food situation; natural, human and capital resources; commodity product marketing; and agricultural problems and policies.

**Objectives:**

1. To demonstrate a basic knowledge and understanding of the principles of economics and their application to agricultural problems.

2. To demonstrate a basic knowledge and understanding of the role of agriculture in the United States and world economies.

**Suggested Textbooks:** *The following books are suggested as texts for this course. Use of the current edition is recommended. Books are listed alphabetically by author.*

*Introduction to Agricultural Economics,* Penson, Capps, and Rosson, Cognella

*Economics of Resources, Agriculture and Food,* Seitz, Nelson, Halcrow

*Agricultural Economics*, Drummond and Goodwin, Prentice Hall

**References:** *The following are recommended references for use with this course.*

*FAST Tools and Resources,* the University of Illinois Extension

Farmdoc website

National Agricultural Statistics Service (NASS), United States Department of Agriculture Illinois Department of Agriculture Statistics

US Census Data

The Farming Game

Economic Research Service, www.ers.usda.gov/amber-waves

MyCaert Agriculture Business 5E Economics lessons available through ilaged.org with login

*Principles of Economics,* Mankiw, Cengage

*Agricultural Economics and Agribusiness,* Cramer, Jensen, and Southgate, John Wiley

One Page Economics, St. Louis Fed

National Farmers Union, Share of the Food Dollar

**Topics**: **Periods**

I. Economics and Economic Growth 3

II. Characteristics of Agriculture 5

A. Definition of Agriculture

B. Agricultural Economics as a Social Science

C. Structure of Agriculture Sectors

D. Inputs Used and Products of Agriculture

III. Principles of Economics 15

A. Production Principles

B. Production Costs, Supply and Revenue

C. Principles of Profit Maximization and Loss Minimization

D. Principles of Consumption and Demand

E. Price Elasticity Concepts

F. Principles of Market Price Determination

G. Competitive vs. Non-Competitive Market Models

IV. Global Issues 5

A. Population Growth

B. World Food Production Trends

C. Trade in Agricultural Products

D. The Role of Agriculture in Economic Growth

V. Marketing Food and Agricultural Products 5

A. Functional and Institutional Approaches to Marketing

B. Costs of Marketing Food and Agricultural Products

C. Operation of the Futures Markets

VI. Agricultural Problems and Policy Analysis 7

A. Goals and Policies and Programs i.e. Farm Bill

B. Price and Income

C. Resource Use

VII. Other Topics 5-8 (May Include: Natural Resources, Land Economics, Locally Grown Foods, Agricultural Finance) **TOTAL 45-48**

(Outline for a four-hour course that would include macroeconomics is continued on the next page)

If a four-hour course including macroeconomics is taught, topic VII from above moves to become topic X, with the additional topics areas VII to IX below included

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

VII. Measuring the National Economy 3

A. The Circular Flow of Income B. Measuring Inflation C. Unemployment D. Nominal vs. Real Income

VIII. Macroeconomic Principles 4

A. Fiscal Policies B. Monetary Policies

XI. International Trade 5

A. Absolute vs. Comparative Advantage B. Exchange Rates C. Balance of Trade D. Balance of Payments E. Trade Policies

TOTAL 57-60