



## SYLLABUS

Course Title	Agriculture Futures and Options
Course Number	AGR 305 ONL
Number of Credits	3
Course Dates	8/12/19 - 10/12/19
Instructor	Steven Horan
Email Address	steven.horan@doane.edu
Office Hours/Availability	Available by appointment
Phone Number	605-321-0092
Textbook Information: (e.g. title, edition, publisher, ISBN)	<i>Getting Started With Futures, 5th ed</i> , by Todd Lofton, 2005. ISBN 978-0471732921. Paperback.  <i>Self Study Guide to Hedging and With Grain and Oilseed Futures and Options</i> . Free pdf, provided in Blackboard course shell.
Additional Course Materials	Provided in blackboard
Course Description	This course examines the role of agricultural futures and options in risk management strategies for producers and agribusiness firms and in the price discovery process. The focus is on fundamental supply-demand and technical analysis of markets and pricing processes as well as the development and applications of effective price risk management strategies. To develop analytical skills relevant to agribusiness management, students will a) apply economic principles to problems of farms, ranches, and other institutions in the food and fiber industries and b) demonstrate technological skills used in quantitative analysis. In addition, to develop critical thinking and

	<p>problem solving skills, students will a) apply the scientific method in an area relevant to agribusiness and economics and b) propose and assess economic policy solutions to agricultural and food issues.</p>
<b>Program Outcomes</b>	<p>The Agribusiness program prepares an individual to manage agricultural businesses and agriculturally-related operations. A degree in agribusiness includes a unique blend of both agricultural sciences curriculum as well as coursework with a strong foundation in economics and business management. This combination gives our graduates the experience they need to lead in the agricultural industry.</p> <p>At Doane, we build our Agribusiness program on preparing our students for the future of agriculture. We take a unique approach focused on a few key areas that are shaping the future of the industry; sustainability, technology, and global. Upon completion of the Agribusiness program, our students will have the knowledge and experience to help shape the agriculture of tomorrow.</p> <p>Doane's Agribusiness program is designed to prepare a student for employment in a wide variety of fields including business finance, international agriculture, agricultural marketing, policy formation, farm and ranch management, resource economics, rural development, banking, and real estate appraisal.</p>
<b>Course Learning Outcomes/Objectives</b>	<p>At the completion of this course students will be able to:</p> <ol style="list-style-type: none"> <li>1. Identify the economic principles that farms and ranches must be concerned with including an understanding of the laws of supply and demand and their effect on commodity prices.</li> <li>2. Describe the risks that farms and ranches must manage effectively to be successful.</li> <li>3. Analyze economic policies and employ effective strategies to manage risk.</li> <li>4. Recognize the strategies that farms and ranches can employ to manage risk.</li> <li>5. Align types of risk with the necessary/appropriate risk management policies that farms and ranches can employ to ensure successful operations.</li> <li>6. Identify the concepts of using derivatives and options to manage risk.</li> <li>7. Apply the scientific method to identify bull or bear market trends and predict future market conditions based on trends.</li> </ol>

	<p>8. Develop strategies to effectively employ the active management of derivatives and options to minimize risk and ensure successful operations.</p> <p>9. Identify, recognize and comprehend the terminology of risk management, derivatives and options.</p>
<b>Technology Requirements</b>	<a href="https://www.doane.edu/faq/minimum-computer-requirements">https://www.doane.edu/faq/minimum-computer-requirements</a>

### Course Schedule

TOPIC	MODULE OBJECTIVE	ASSESSMENT	ASSIGNMENT
<p>Week/Module 1</p> <p>Origins and developments of futures markets. Economic justifications of futures markets.</p>	<p>1. Identify the origins and reasons for futures and commodities markets.</p> <p>2. Describe the origins and development of futures markets.</p>	<p>Commodities &amp; Futures Market Short Essay (MO 1) (5 hrs)</p> <p>Understanding "Circuit Breakers" Short Essay (MO 2) (4 hrs)</p> <p>Futures &amp; Markets Quiz (MO 1) (1 hr)</p>	<p>Self-Intro Discussion (1 hr)</p> <p>Economic Justifications of Futures Markets Discussion (MO 1) (5 hrs)</p>
<p>Week/Module 2</p> <p>Types of financial investments, calculating contract values.</p>	<p>1. Demonstrate an appreciation for the value of financial instruments and understand their relationship to managing risk.</p> <p>2. Identify the basic types of</p>	<p>Corporate Debt Rating Systems Short Essay (MO 1) (4 hrs)</p> <p>Hedging With Futures and Basis Quiz (MO 1) (2 hrs)</p>	<p>Types of financial investments, calculating contract values Discussion (MO 2) (6 hrs)</p> <p>Simulation Exercise and Journal (MO 2) (3 hrs)</p>

	financial investments and calculating contract values.		
Week/Module 3  Placing and executing market orders. The mechanics and types of orders.	1. Identify the types of orders that can be placed. 2. Identify and demonstrate the mechanics of placing orders.	The Basics of Agriculture Options Short Essay (MO 1) (4 hrs)  Futures and Options Quiz (MO2) (2 hrs)	Placing and executing market orders Discussion (MO 1) (4 hrs)  Simulation Exercise and Journal (MO 2) (3 hrs)
Week/Module 4  Participants in futures markets.	1. Indicate the parties in futures and options contracts. 2. Identify the roles of each party in futures and options contracts.	The Participants in Futures Markets - Hedgers Short Essay (MO 1) (4 hrs)  Participants in Futures Markets Quiz (MO 2) (3 hrs)	Simulation Exercise & Journal (MO 2) (3 hrs)  Speculators Discussion (MO 1) (3 hrs)
Week/Module 5  Fundamental analysis.	1. Analysis of starting an option and futures program. 2. Practice managing risks and hedges against price changes.	Fundamental Analysis Short Essay (MO 1) (4 hrs)  Futures Hedging Strategies Quiz (MO 2) (2 hrs)	Fundamental Analysis Discussion (Mo 1) (3 hrs)  Simulation Exercise and Journal (MO 2) (3 hrs)
Week/Module 6  Margin requirements and procedures.	1. Practice mark to market procedures for futures contracts. 2. Practice determining margin account status.	Margin Requirements and Procedures Short Essay (MO 2) (4 hrs)  The Basics of Options Quiz (MO 2) (2 hrs)	Margin Requirements and Procedures Discussion (MO 1) (3 hrs)  Simulation Exercise and Journal (MO 2) (3 hrs)
Week/Module 7  Options.	1. Identify the fundamentals of an options contracts. 2. Demonstrate the use of options contracts.	Options in the Money Short Essay (MO 1) (4 hrs)  Options Spreads Short Essay (MO 1) (4 hrs)	Options Discussion (MO 2) (3 hrs)  Simulation Exercise and Journal (MO 2) (3 hrs)

Week/Module 8  Cash vs. futures prices.	1. Calculate the local basis and carrying charges. 2. Explain the use of arbitrage for futures.	Options vs Futures Prices and Option Strategies Short Essay (MO 1) (4 hrs)  Cash vs Futures Prices: The Basis Quiz (MO 2) (2 hrs)	Simulation Exercise Reflections Summary (3 hrs)
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### **Online Courses ONLY**

#### **Online Course**

This is an online course and therefore there will not be any face-to-face class sessions. All assignments and course interactions will utilize internet technologies.

#### **Communicating with the Instructor**

This course uses a “three before me” policy in regards to student to faculty communications. When questions arise during the course of this class, please remember to check these three sources for an answer before asking me to reply to your individual questions:

1. Course syllabus
2. Announcements in Blackboard
3. The “Question Center” discussion board

This policy will help you in potentially identifying answers before I can get back to you and it also helps your instructor from answering similar questions or concerns multiple times.

If you cannot find an answer to your question, please first post your question to the “Question Center” discussion board. Here your question can be answered to the benefit of all students by either your fellow students who know the answer to your question or the instructor. You are encouraged to answer questions from other students in the discussion forum when you know the answer to a question in order to help provide timely assistance. If you have questions of a personal nature such as relating a personal emergency, questioning a grade on an assignment, or something else that needs to be communicated privately, contact me via email or phone. My preference is that you will try to email me first. Please allow 24 hours for me to respond to emails Monday-Friday and 48 hours on the weekend.

If you have a question about the technology being used in the course, please contact the Doane University Help Desk for assistance.

Phone: 402-826-8411

Email: [helpdesk@doane.edu](mailto:helpdesk@doane.edu)

Web: <http://www.doane.edu>

#### **Computer Requirements**

Minimum computer requirements for the successful use of Blackboard:

[http://www.doane.edu/about-doane/offices/its/help-and-support#min\\_requirements](http://www.doane.edu/about-doane/offices/its/help-and-support#min_requirements)

Minimum computer requirements for success in this course:

- Reliable computer and internet connection

- A web browser (Chrome or Mozilla Firefox)
- Adobe Acrobat Reader (free)
- Adobe Flash Player (free)
- Word processing software—Microsoft Word or Google Docs
- Webcam and mic

You are responsible for having a reliable computer and internet connection throughout the course.

### **Email and Internet**

You must have an active Doane University e-mail account and access to the Internet. *All instructor correspondence will be sent to your Doane University e-mail account.* Please plan on checking your Doane Gmail account regularly for course related messages.

This course uses Blackboard for the facilitation of communications between faculty and students, submission of assignments, and posting of grades. The Blackboard Course Site can be accessed at <http://bb2.doane.edu>

### **Submitting Assignments**

All assignments, unless otherwise announced by the instructor, **MUST** be submitted via Blackboard. Each assignment will have a designated place to submit the assignment.

### **Campus Network or Blackboard Outage**

When access to Blackboard is not available for an extended period of time (greater than one entire evening - 6pm till 11pm) you can reasonably expect that the due date for assignments will be changed to the next day (assignment still due by midnight).

### **Grade Scale**

Assignment of letter grades is based on a percentage of points earned. The letter grade will correspond with the following percentages achieved. All course requirements must be completed before a grade is assigned.

A	100 – 90
B	89 – 80
C	79 – 70
D	69 – 60
F	59 and below

<b>Participation Policy</b>	<p><i>Preparation</i> for class means reading the assigned readings &amp; reviewing all information required for that week. <i>Attendance</i> in an online course means logging into the Blackboard and on a regular basis and <i>participating</i> in the all of activities that are posted in the course.</p> <p>You should plan to work on this course everyday. This means that you absolutely must have a reliable and consistent internet</p>
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	<p>connection throughout the duration of the course. This also strongly suggests that you should not plan to take any vacations during this course. This is a condensed, fast-paced course and it would be extremely difficult to catch up after a prolonged absence.</p>
<b>Study Time</b>	<p>The course requires you to spend time preparing and completing assignments. A three-credit course requires 144 hours of student work. Therefore expect to spend approximately 18 hours a week preparing for and actively participating in this 8-week course.</p> <p>This actual time for study varies depending on students' backgrounds.</p>
<b>Late Work</b>	<p>ALL assignments must be finished and turned in to complete the course. Unless the instructor is notified BEFORE the assignment is due, it is automatically docked 20% each day it is late.</p>
<b>Submitting Assignments</b>	<p>All assignments, unless otherwise announced by the instructor, MUST be submitted via Blackboard. Each assignment will have a designated place to submit the assignment.</p>
<b>Communication Policy including Assignment Feedback</b>	<p>My preference is that you will try to email me first. Please allow 24 hours for me to respond to emails Monday-Friday and 48 hours on the weekend.</p> <p><b>Feedback</b> Please allow 3-5 days for feedback on assignments. This timeframe is dependent upon the level of detail that I provide and the number of students in the course. I expect you to read my feedback and make changes if needed. If you do not know how to look at feedback using the My Grades tool in Blackboard, please notify me immediately.</p>
<b>Academic Integrity Policy</b>	<p>Doane University expects and requires all its students to act with honesty and integrity, and respect the rights of others in carrying out all academic assignments. Academic dishonesty, the act of knowingly and willingly attempting or assisting others to gain academic success by dishonest means, is defined in four categories:</p> <ul style="list-style-type: none"> <li>a. Cheating - "Intentionally using or attempting to use unauthorized information or study aids in an academic exercise."</li> <li>b. Fabrication - "Intentional and unauthorized falsification of invention or any information or citation in an academic exercise."</li> </ul>

	<p>c. Facilitating Academic Dishonesty - "Intentionally or knowingly helping or attempting to help another to commit an act of dishonesty," and/or coercing others to do the same.</p> <p>d. Plagiarism - "Intentionally or knowingly representing the words or ideas of another as one's own in any academic exercise," in both oral and written projects.</p> <p><i>Gehring, D., Nuss, E.M., &amp; Pavela, G. (1986). Issues and perspectives on academic integrity. Columbus, OH: National Association of Student Personnel Administrators</i></p> <p>For more information on the sanctions for academic dishonesty, please visit the website:  <a href="https://catalog.doane.edu/content.php?catoid=16&amp;navoid=1333">https://catalog.doane.edu/content.php?catoid=16&amp;navoid=1333</a></p>
<b>Academic Support</b>	<p>Please contact academicsupport@doane.edu  <a href="https://www.doane.edu/graduate-and-adult/academic-support">https://www.doane.edu/graduate-and-adult/academic-support</a></p>
<b>Disability Services</b>	<p><a href="https://www.doane.edu/disability-services">https://www.doane.edu/disability-services</a>  Doane University supports reasonable accommodations to allow participation by individuals with disabilities. Any request for accommodation must be initiated by the student as soon as possible. Each student receiving accommodations is responsible for his or her educational and personal needs while enrolled at Doane University.</p>
<b>Military Services</b>	<p><a href="https://www.doane.edu/graduate-and-adult/military">https://www.doane.edu/graduate-and-adult/military</a></p>
<b>Anti-Harassment Policy</b>	<p><a href="http://catalog.doane.edu/content.php?catoid=5&amp;navoid=452">http://catalog.doane.edu/content.php?catoid=5&amp;navoid=452</a></p>
<b>Grade Appeal Process</b>	<p><a href="http://catalog.doane.edu/content.php?catoid=5&amp;navoid=238">http://catalog.doane.edu/content.php?catoid=5&amp;navoid=238</a></p>
<b>Credit Hour Definition</b>	<p>Doane University follows the federal guideline defining a credit hour as one hour (50 minutes) of classroom or direct faculty instruction and a minimum of two hours of out-of-class student work each week for approximately fifteen weeks (one semester), or the equivalent amount of work over a different time period (e.g., an 8-week term). This definition applies to courses regardless of delivery format, and thus includes in-person, online, and hybrid courses (combination of in-person and online). It also applies to internship, laboratory, performance, practicum, research, student teaching, and studio courses, among other contexts.</p>



<b>Syllabus Changes</b>	All material, assignments, and deadlines are subject to change with prior notice. It is your responsibility to stay in touch with your instructor, review the course site regularly, or communicate with other students, to adjust as needed if assignments or due dates change.