AEB 6174 (to be AEB7174) – Section 0600  
Fall Semester 2012

Economic Coordination and Organizational Behavior in Agribusiness Firms

Facilitator/Instructor
James Sterns  
Associate Professor  
Dept. of Food & Resource Economics  
Room 1183 McCarty Hall  
Office Phone: 352.294.7621  
Fax: 352.846.0988  
E-mail: jasterns@ufl.edu

Office Hours:  
MWF, 11:00am to 12:30pm  
Other times by appointment

Course Description
This course is the department’s PhD theory field course for the agribusiness field. There are two overarching research areas addressed in this course – economic coordination (and conflict) within agricultural and food markets; and, organizational behavior within agribusiness firms. To address these two research areas, a number of basic a priori assertions common to mainstream (i.e., neo-classical) economic theory are relaxed and/or reconsidered. These include,

- Perfectly rational agents, making choices within a world of perfect information
- Price as the definitive determinant of market coordination
- Profit maximization as the definitive choice criteria for firms
- Zero transaction costs, with autonomous/anonymous buyers and sellers
- A stable, and largely exogenous institutional and policy environment
- The existence of market equilibria, and an optimal solution to a social welfare function
- Economics as an objective, non-normative social science.

In general, students in this course are challenged to critically assess the complexities of how agribusiness firms make decisions and coordinate economic activity within and among themselves, and the underlying behavioral determinants of these decisions. Many authors and researchers have focused their efforts on these complexities, and from their efforts, a rich body of theory and literature has emerged. This body of theory and literature, and the understanding, perspective and research agenda that it enables are the foci of this course.

Course Learning Objectives
- To develop the skills and vision necessary to systematically understand and analyze the actual business environment in which agribusiness firms must conduct economic activity;
- To craft and construct research questions that address both (i) the pragmatic, applied and problem-solving research questions of agribusiness firms, and (ii) the implications of violations of assumptions and assertions fundamental to standard economic theory;
- To compare and critique alternative theoretical perspectives about agribusiness firms and the markets in which they exist.

Evaluation of Student Performance
Grading will be based upon four writing assignments, each worth 20 percent of the final grade, and structured/assigned class participation, which is also worth 20% of the final grade.
The first three writing assignments are directly related to the first three sets of assigned readings, as listed in this syllabus. Specifics for each writing assignment will be distributed in class, during the semester.

The fourth/final writing assignment is an end-of-term project that explicitly develops a research proposal. To complete this assignment, students are expected to work during the semester to develop a research question and related supporting narrative (e.g., research context, literature review, etc.) pertaining to some dimension of agribusiness research. Topics will be identified and developed collaboratively with the professor;

Class participation includes in-class presentations that summarize/synthesize assigned readings. In rotation, students will present brief oral summaries of assigned readings during most class periods.

CRITICAL INFORMATION – All writing assignments are due at the start of class, on the day of the announced due date. No submissions will be accepted after this point in time, without prior approval and/or documentation of a University of Florida sanctioned absence (e.g., illness, religious holiday, etc.).

Grade Scale

<table>
<thead>
<tr>
<th>Course Grade</th>
<th>Percentage Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Your % grade =&gt; 91.00%</td>
</tr>
<tr>
<td>A-</td>
<td>91.00% &gt; your % grade =&gt; 90.00%</td>
</tr>
<tr>
<td>B+</td>
<td>90.00% &gt; your % grade =&gt; 89.00%</td>
</tr>
<tr>
<td>B</td>
<td>89.00% &gt; your % grade =&gt; 81.00%</td>
</tr>
<tr>
<td>B-</td>
<td>81.00% &gt; your % grade =&gt; 80.00%</td>
</tr>
<tr>
<td>C+</td>
<td>80.00% &gt; your % grade =&gt; 79.00%</td>
</tr>
<tr>
<td>C</td>
<td>79.00% &gt; your % grade =&gt; 71.00%</td>
</tr>
<tr>
<td>C-</td>
<td>71.00% &gt; your % grade =&gt; 70.00%</td>
</tr>
<tr>
<td>D+</td>
<td>70.00% &gt; your % grade =&gt; 69.00%</td>
</tr>
<tr>
<td>D</td>
<td>69.00% &gt; your % grade =&gt; 61.00%</td>
</tr>
<tr>
<td>D-</td>
<td>61.00% &gt; your % grade =&gt; 60.00%</td>
</tr>
<tr>
<td>E</td>
<td>60.00% &gt; your % grade</td>
</tr>
</tbody>
</table>

Note: Class attendance, “contribution” and level of commitment to class activities will factor into your final grade. Strong performance in these areas can increase your final grade by up to 5 percentage points, while poor performance can decrease your final grade by up to 5 percentage points.

Format
The class uses active learning through discussions of reading materials, examples/case studies of actual businesses, and the application of reading materials to students’ efforts to craft their research questions/proposals. Students are expected to read all assigned materials prior to class meetings and should expect to be called upon to lead discussions of various topics, to answer questions, and discuss relevant examples/cases.

Attendance Policy
Class attendance is expected. The instructor should be informed of expected absences to the extent possible. Being tardy is considered very disruptive and unprofessional. Excessive absences and tardiness (defined as greater than 10% of scheduled class periods) will result, per University policy, to
disciplinary action up to and including a failing grade for the course.

**Make-up Policy**
This class has a zero-tolerance policy for late submissions of graded materials, including exams. Any materials submitted after the assigned due date and time of submission will not be graded.

**Required Readings**
Required readings for this course include four general texts and a set of journal articles, as listed in the following course outline.

Key (When listed, book chapters are identified by these abbreviations) –

**Tentative Course Outline**

**Section I  Introduction to the foundations of Agribusiness Research and Theory (Weeks 1-3)**
This section of the course will introduce students to the range of research topics, breadth of theoretical considerations and the foundations for research within this sub-discipline of agricultural and applied economics.

**Assigned Readings**

9. EL – Chapter 1
10. EBF – Chapter 7 (i.e., “Seventh Commentary”)
Section II Issues of Economic Coordination Among Agribusiness Firms (Weeks 4-8)
This section of the course will examine the theoretical considerations underlying how agribusinesses coordinate economic activities within value chains from the point of production to the end-point of consumption, including market transactions, other forms of coordination, the transfer of ownership of goods produced, and inherent interdependencies that exist within the sector and within any given value chain.

Assigned Readings
10. EL – Chapters 2 through 7
11. OE – Chapters 4 to 14 and Conclusions

Section III Issues of Decision Making within Agribusiness Firms (Weeks 9 – 13)
This section of the course examines the inter-workings of firms. There are three specific areas of focus – the employee-employer relationship, the manager-owner relationship, and the underlying theories, assumptions and empirical evidence about behavior and decision making.

Assigned Readings


11. EBF – Chapters 1, 2, 3and 4 (i.e., First, Second, Third and Fourth Commentaries)

12. SH – Chapters 1 to 11, then 15 and 16

Section IV Applications and Current Literature in Agribusiness Research (Weeks 14-15)

As time permits in the latter weeks of the semester, the readings for this section will be student-selected, based on their interests and the specific topics of the research proposals that the students are developing for the course. This portion of the reading list will be finalized and distributed to the students during the latter part of the semester.

Tentative Calendar of Critical Dates

First Day of Class - Wednesday, August 22
First Writing Assignment Due Date – Friday, September 21
Second Writing Assignment Due Date – Friday October 19
Third Writing Assignment Due Date – Monday, November 19
Fourth Writing Assignment Due Date – Wednesday, December 5
Last Day of Class – Wednesday, December 5
University Holidays (affecting MWF classes) – Days when classes are cancelled/suspended are:
   Monday, September 3
   Friday, November 9
   Monday, November 12
   Wednesday, November 21
   Friday, November 23