AREC 440.3: Agricultural Marketing Systems

Instructor: Dr. Jill E. Hobbs
Term 1, 2018-19

Class Time: Tues. & Thurs. 10.00-11.20am
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COURSE DESCRIPTION
This course examines the agri-food marketing system from analytical and strategic perspectives, building on core concepts of micro-economics. Analytical methods for assessing consumer preferences and the role of generic versus brand advertising in the agri-food sector are explored. Quality differences, the role of agricultural commodity grading systems, and quality verification systems are discussed. The organization of supply chains is examined in some depth, including an exploration of the growth of contracting in the agri-food sector and the implications for producers, agribusiness firms and the downstream food sector. The economic implications of various collective marketing structures are examined, including cooperatives and supply management marketing boards. A textbook is not required for this course. A set of required readings is made available through Blackboard. Students are responsible for all lecture material, together with any material or course readings provided by the instructor.

Prerequisites: AREC315.3 and AREC 342.3, or permission of the instructor

LEARNING OUTCOMES:
By the completion of this course, students are expected to be able to:
• Examine the conditions under which generic advertising versus brand advertising is used in agrifood markets and show how economists assess the effectiveness of generic advertising for agricultural commodities
• Show how countervailing power can be created through group marketing using a bilateral monopoly model and explain the challenges faced by marketing cooperatives
• Using graphical and numerical analysis, show the economic welfare implications of supply management marketing boards
• Explain how and why supply chain relationships in the agricultural sector are changing, including the changing role of spot markets, contracts and vertical integration
• Discuss contracts from an analytical perspective: when are they an optimal coordination mechanism and what are the implications for buyers/sellers of different contracts?
• Explain the concept of information asymmetry and its implications for food firms
• Analyse the role of grades and standards, quality assurance programs, labelling, identity preservation, and traceability systems in agricultural and food markets.
• Show how information affects consumer (buyer) decisions and discuss the implications for agrifood marketing
• Compare alternative methodologies for evaluating consumer attitudes toward product attributes
### COURSE OVERVIEW AND READINGS

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<tr>
<th>Section</th>
<th>Readings</th>
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### IV. Information asymmetry and quality signalling:
- Information asymmetry and market failure
- Commodity grades and quality signals
- Biotechnology/GM foods case study
- Food safety and quality assurance
- Traceability

  - The Firm’s Voluntary Labeling Decision (pp7-8)
  - Third Party Services for Voluntary Labeling (pp 9.12)
  - Mandatory Labeling (pp13-18)
  - Part Two: Case Studies and Examples, Country of Origin Labeling (pp30-32) Biotech Food Labeling (pp.33-36) |
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### V. Consumer behaviour and market research methodologies
- Attribute mapping
- Stated preference methodologies
- Revealed preference and experiments

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Reading Material and class notes
The required reading material provides supplementary material to the concepts covered in class and is intended to provide you with a deeper understanding of the topics and as resource material to assist with assignments and the term paper. Readings are available on Blackboard under the ‘Course Materials/Readings’ sub-folder. Supplementary resource material is also provided. Additional readings may be assigned as the course progresses. Student versions of the class slides will be made available via Blackboard and are intended to supplement rather than substitute for your own note-taking in class.

EVALUATION COMPONENTS
Key dates and grade determination:

<table>
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<tr>
<th>Assessment</th>
<th>% of final grade</th>
<th>Assigned</th>
<th>Due</th>
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<tbody>
<tr>
<td>Term paper outline</td>
<td>-</td>
<td>(September 13 2018)</td>
<td>October 4 2018</td>
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<tr>
<td>Term Paper</td>
<td>30%</td>
<td>September 13 2018</td>
<td>November 29 2018</td>
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<td>Assignment 1</td>
<td>10%</td>
<td>October 9 2018</td>
<td>October 16 2018</td>
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<tr>
<td>Midterm Exam</td>
<td>15%</td>
<td>October 25 2018</td>
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<td>Assignment 2</td>
<td>10%</td>
<td>November 1 2018</td>
<td>November 8 2018</td>
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<td>Final Exam</td>
<td>35%</td>
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<td>Scheduled by registrar</td>
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Midterm and final examinations information
Midterm and final examinations must be written on the date scheduled.

The midterm exam will be 75 minutes in length and held during class time on October 25. The midterm will cover all material covered up to that point in the course. It is a closed book exam (no notes permitted). The use of a calculator is permitted. Exam questions will be a combination of short and long written answers and calculation questions.

The final exam will be three hours in length and will cover all material from the class (comprehensive). The final exam is a closed book exam (no notes permitted). The use of a calculator is permitted. Exam questions will be a combination of short and long written answers and calculation questions.

Final examinations may be scheduled at any time during the examination period (December 8-22 2018): you should therefore avoid making prior travel, employment, or other commitments for this period. If you are unable to write an exam through no fault of your own for medical or other valid reasons, documentation must be provided and an opportunity to write the missed exam may be given. You are encouraged to review all examination policies and procedures:

Assignments and term paper information
Assignments and the term paper outline must be handed in to the instructor at the start of class on the dates indicated above. Late assignments (term paper outlines) will be penalized 10% of grade for each day late, cut-off time 10am. Assignments will be a combination of short and long written answer questions and calculation questions and are designed to deepen your understanding of the material through hands-on analysis.
A hard copy of the term paper must be handed in to the instructor at the start of class on the due dates indicated above. An electronic copy must also be emailed to the instructor. Late term papers will be penalized 10% of grade for each day late, cut-off time 10am.

The term paper will be a research topic drawn from a list of topics provided by the instructor on September 13 unless the student has a particular topic that he/she wishes to pursue. If the latter is the case this topic needs to receive approval of the instructor before September 27. The paper is expected to be a major research work and, while no length is specified, as a guideline around 4000 words is typically needed to address the topic sufficiently. NO EXTENSIONS will be given for one week (November 22) before the due date without a medical certificate.

Papers and assignments must be the student’s original work and must not have been used for another class. Plagiarism will not be tolerated. Students are responsible for familiarizing themselves with the University of Saskatchewan guidelines on academic honesty summarized below and available at https://www.usask.ca/integrity/be-responsible1.php

INTEGRITY DEFINED (from the Office of the University Secretary)
The University of Saskatchewan is committed to the highest standards of academic integrity and honesty. Students are expected to be familiar with these standards regarding academic honesty and to uphold the policies of the University in this respect. Students are particularly urged to familiarize themselves with the provisions of the Student Conduct & Appeals section of the University Secretary Website and avoid any behavior that could potentially result in suspicions of cheating, plagiarism, misrepresentation of facts and/or participation in an offence. Academic dishonesty is a serious offence and can result in suspension or expulsion from the University.

All students should read and be familiar with the Regulations on Academic Student Misconduct (http://www.usask.ca/university_secretary/honesty/StudentAcademicMisconduct.pdf)

For more information on what academic integrity means for students see https://www.usask.ca/integrity/be-responsible1.php
OTHER INFORMATION:
Recording of the course:
Students are permitted to record the course, subject to the permission of the instructor. Just ask.

Student feedback:
Your feedback on the course is important to me and helps me revise and change the course from year to year. Please take the time to complete the course evaluation at the end of the semester. I also welcome any informal feedback as the course progresses.

Instructor availability:
I have an open door policy, so please feel free to stop by my office if you have questions about the course material. I can be reached by email or phone if you’d like to set up an appointment. See the front page of this course outline for my contact information.

Examinations with Access and Equity Services (AES)
Students who have disabilities (learning, medical, physical, or mental health) are strongly encouraged to register with Access and Equity Services (AES) if they have not already done so. Students who suspect they may have disabilities should contact AES for advice and referrals. In order to access AES programs and supports, students must follow AES policy and procedures. For more information, check https://students.usask.ca/health/centres/access-equity-services.php, or contact AES at 306-966-7273 or aes@usask.ca.

Students registered with AES may request alternative arrangements for mid-term and final examinations. Students must arrange such accommodations through AES by the stated deadlines. Instructors shall provide the examinations for students who are being accommodated by the deadlines established by AES.
University of Saskatchewan Grading System (for undergraduate courses)

**Exceptional (90-100)** A superior performance with consistent evidence of
- a comprehensive, incisive grasp of the subject matter;
- an ability to make insightful critical evaluation of the material given;
- an exceptional capacity for original, creative and/or logical thinking;
- an excellent ability to organize, to analyze, to synthesize, to integrate ideas, and to express thoughts fluently.

**Excellent (80-90)** An excellent performance with strong evidence of
- a comprehensive grasp of the subject matter;
- an ability to make sound critical evaluation of the material given;
- a very good capacity for original, creative and/or logical thinking;
- an excellent ability to organize, to analyze, to synthesize, to integrate ideas, and to express thoughts fluently.

**Good (70-79)** A good performance with evidence of
- a substantial knowledge of the subject matter;
- a good understanding of the relevant issues and a good familiarity with the relevant literature and techniques;
- some capacity for original, creative and/or logical thinking;
- a good ability to organize, to analyze and to examine the subject material in a critical and constructive manner.

**Satisfactory (60-69)** A generally satisfactory and intellectually adequate performance with evidence of
- an acceptable basic grasp of the subject material;
- a fair understanding of the relevant issues;
- a general familiarity with the relevant literature and techniques;
- an ability to develop solutions to moderately difficult problems related to the subject material;
- a moderate ability to examine the material in a critical and analytical manner.

**Minimal Pass (50-59)** A barely acceptable performance with evidence of
- a familiarity with the subject material;
- some evidence that analytical skills have been developed;
- some understanding of relevant issues;
- some familiarity with the relevant literature and techniques;
- attempts to solve moderately difficult problems related to the subject material and to examine the material in a critical and analytical manner which are only partially successful.

**Failure <50** An unacceptable performance