AGEC 489 and 425: Rural Entrepreneurship I and II

I. Instructor: Dr. M. Edward Rister  Rm. 318e, Blocker Bldg.
Telephone #’s -Office: 409/845-3801; Home: 409/690-0180 (after 7:00 a.m. and before 10:30 p.m.); FAX: 409/845-4582; E-mail: e-rister@tamu.edu; Homepage: http://agecon.tamu.edu/faculty/rister

b. Office Hours: As we begin the semester, I plan on being in my office, available for student walk-in traffic on Tuesday, 10:00-11:45 a.m., on Tuesday, 1:15-3:00 p.m., and on Wednesday, 3:00-5:00 p.m. On occasion, however, I may be out of the office for a short while during those times. Further, because of infrequent travel associated with my research appointment, I may not be available during the late Wednesday office hours on occasion (I will announce those dates in advance during class). If you come by to see me and I am not in, check with my secretary (Sarah) in room 318f. Be sure and leave a message with her or on my door (318e) as to when and where you can be reached and I will call you or contact you via e-mail -- you indicate the desired form of communication. Lab time is also a good time to come up and ask your questions. IF YOU WISH TO SEE ME AND ARE UNABLE TO MEET DURING MY SCHEDULED OFFICE HOURS OR DURING LAB, CHECK WITH ME AFTER CLASS OR VIA TELEPHONE OR E-MAIL TO MAKE AN APPOINTMENT.

c. Home Page: There is a homepage site under development on the WWW for this class -- it may be accessed via Rister’s homepage for which the URL is http://agecon.tamu.edu/faculty/rister. This site is used for posting assignments and other information pertaining to this class as the semester progresses. There is also a web board site for interactive dialogue between you, your classmates, and Rister – listen up during class for more information on this feature of the class. Check the Announcements and web board sites routinely for new information as well as to communicate with me (Rister). You may also communicate with me directly through my e-mail address. I will also send you messages via e-mail from time to time.

II. Teaching Assistants: none

III. Class Schedule: MWF 9:10-10:00a.m.

All classes will meet in the Student Computer Center (SCC), room 210F, except otherwise announced. On some days, we will have a guest speaker and may meet elsewhere (e.g., Blocker or Rudder Tower) for a more comfortable meeting environment. Listen up in class and check your e-mail and/or the homepage for announcements regarding what we are doing and where we are doing it.

IV. Class Credit: 3 semester credits

V. Prerequisites: ACCT 209 or 229; AGEC 221, 325, 330, and/or approval of Instructor. Recommended courses: AGEC 317, AGEC 429, and STAT 303. You are also encouraged to consider AGEC 314, 315, 344, 350, 413, and 448.
VI. Texts:

Required:  
(d) *Farm Financial Statements--Framework for Better Understanding*, by Arnold W. Oltmans.  
(e) *Farm and Ranch Managerial Accounting Handbook* by McGrann, Parker, Michalke, Neibergs, and Larrage.  
(f) Additional readings may be handed out in class, placed on reserve in the Ag. Eco Reference Room (room 303, Blocker), or provided via the internet homepage.  

None of these materials are available for sale at any local bookstore. Listen up during class for announcements on how to obtain the materials. Items a, b, and c are required for the Fall while the need for d and e is delayed until the Spring.

Additional Suggestions for Reference Materials:  

VII. Notes of Interest:  

a. All assignments and exams besides the term project will be graded on the basis of content (50%); timeliness (20%); GRAMMAR, PUNCTUATION, AND SPELLING (20%); and neatness (10%). All assignments are due at the beginning of class on the date designated at the time of the assignment, unless otherwise indicated. No late assignments accepted after the latter of one week beyond the due date or one week following your return to school from a University-excused absence. Refer to the term project materials for related grading criteria.

b. Please use Word, WordPerfect, or some other word processing package for all essay assignments; KEEP ALL OF YOUR FILES, as frequently, subsequent assignments will require their use. Consider using a Zip disk -- you will have more files than can be stored on one DD 3.5" disk. Remember, lab micros do not take kindly to you swapping disks in and out (discuss with Rister if you have questions) - - use of a Zip will prevent that need.

c. If at any time you think any of your work has been unfairly graded, indicate in writing why an adjustment is needed and return the quiz, examination, or assignment to Rister after the next class following return of the item in question. I will then regrade the total examination, assignment, or quiz, not just the portion in question.
Students' evaluation of the course and instructor are welcome at all times; formal evaluations also will be requested during the scheduled final examination period as well as on other occasions. I strongly encourage you to visit with me any time you have constructive comments that would make the class more effective and/or interesting.

VIII. Course Grading Criteria

Class Citizenship\(^1\) 10%
Final Exam\(^2\) 25%
Homework\(^3\) 15%
Project\(^4\) 50%

Miscellaneous comments on grading structure
In case of illness or other maladies, call 845-3801 before class time and either inform me directly or leave a message on my voice mail. Class attendance and participation is a vital component of this course – I expect you to be here everyday unless you have arranged otherwise with me prior to class. The final exam is comprehensive, including lecture discussion, lab materials, guest presentations, outside readings, etc. "Anything and everything is a possibility!" At least some part of the exam will involve some "brainstorming," giving you an opportunity to synthesize your entrepreneurial management skills and apply them to some pragmatic situations.

IX. Required Materials (besides texts noted on p. 1):
Either one or two Zip diskettes and/or one (1) box (10 diskettes) of 3.5" double sided, high density (NOTE: high density diskettes are preferred over double density as several of the files we are using are quite large) microcomputer diskettes. You will use these diskettes for storing data files in association with various assignments during this course. Allowing for theft, accidental destruction, and other mishaps, all of these diskettes will be yours at the end of the course. Label your diskettes with your name, home telephone number, and e-mail address before the second class. This is one of your first graded assignment!

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1 Includes attendance, class participation, promptness in turning in assignments, bringing disks to lab, learning to be self-sufficient on the microcomputer (includes learning Ag Eco lab idiosyncracies), returning distributed reading materials, adhering to classroom rules (refer to XI on page 5), etc.

2 Will consist of an in-class portion, plus possibly a take-home part.

3 A few problems [written and/or computer], short essays on guest speaker presentations, etc.

4 This project is an extensive assignment as outlined in a separate set of materials. The Fall materials are to be prepared individually; during the Spring, teams of two students are required to combine their individual enterprises into a consolidated business plan. Sorry, I have allowed students to do this project on their own or as a team of three in the past and it has not worked out--there is too much work for one student during the semester, three students have difficulty arranging meeting times, and the overall quality and lessons learned for one student teams do not match up with those projects involving two students. Please contact me early in the Fall if this requirement poses a problem for you. Professional caliber, ready-to-take-to-the-bank, quality is the standard against which you will be graded. Do not procrastinate on getting started on this assignment -- it can overwhelm you if you don't spread the work out over the semester. A set of firm deadlines for intermediate products is designated in the separate set of term project materials.
NOTE: ALWAYS BRING YOUR DISKETTES TO CLASS!! Not doing so will result in a loss of points in the “Class Citizenship” grading category.

During the Fall semester, it is also a good idea for you to bring your copy “Roadmap of AGEC 489/425 Class Materials” and “Developing Your Business Plan” — Cookbook for AGEC 489/425 Scholars. We will frequently refer to and otherwise use these materials in class.

X. Course Objectives:

Agricultural producers and agribusiness managers are continually confronted with economic decisions involving input levels, enterprise combination, marketing strategies, investment opportunities, and resource control. In addition to considerable yield and price uncertainty, such decisions must also be evaluated within a risky and uncertain environment influenced by government farm policy and federal income taxation, among other institutions. Recent developments in microcomputer hardware and software offer agricultural producers and their advisors an opportunity to develop and utilize a computerized decision support system in their strategic and tactical management activities.

The Rural Entrepreneurship course offered in the Department of Agricultural Economics at Texas A & M University is designed to provide advanced students with application of an assortment of management, marketing, and financial tools to strategic planning using various microcomputer applications. Targeted student clientele include those intending to own and/or manage/operate their own business, including an agribusiness production; processing, service; wholesaling, and/or retailing entrepreneurial entity, or a farming and/or ranching operation; to be employed in an agricultural production/marketing/financial business activity; or to be otherwise associated with a rural-based entrepreneurial activity. Both undergraduate and graduate students satisfying the prerequisites may enroll. The instructor's objectives are to direct students to action-oriented, economic decision-making management activities using leading, modern methods. The instructor's personal experiences, plus feedback from former students and other agricultural and agribusiness professionals, indicate such educational experience is desperately needed in our curriculum.

Specific areas of emphasis are directed towards enhancing students’ skills in the areas of:

1) evaluating the historical profitability of a farm, agribusiness, or other business,
2) analyzing the profitability of individual farm, agribusiness, or business enterprises,
3) preparing a whole farm and/or ranch, agribusiness, or business plan,
4) preparing and presenting (written and verbally) a loan/capital investment funds request,
5) risk management,
6) comprehension, reasoning, verbal, and written communication skills, and
7) Windows, spreadsheets, and other microcomputer software applications.

In regard to item (7), this class is taught in an action-oriented, participation manner. Please keep up with the assignments and be prepared to participate, either voluntarily or at the instructor's request, in class discussions. The course (and instructor) have a reputation for being heavy demanders of students' time; the reputation is well deserved, but the rationale is we learn by doing and that we will lose less money (and sleep) in the long run by learning how to be objective and economically astute in our decision-making activities. We'll work hard, learn a lot, and have fun doing it! Good time management on students’ part is essential! This year marks the second time the original AGEC 425 class has
been divided across two semesters – our experiences last year demonstrated that
the two semesters does ease the time demands while preserving the experience
your predecessors, our lender panel, and your instructor value very highly;
however, it is still possible to get in a bind if you do not pace yourself and
adhere to the suggested timeline of due dates for the different sets of materials.

XI. Course Contents

Specific segments of a business plan to be developed during the Fall 489 course include the following:

a) Managerial qualifications assessment, including vitae;
b) Family living budget indicating demands on business for personal living support;
c) Identity of business enterprise and requisite capital assets;
d) Marketing plan;
e) Production/processing plan;
f) Finance plan for acquisition and debt service associated with capital assets;
g) Assessment of fixed and overhead expenses;
h) Baseline enterprise budget;
i) Risk management analysis; and
j) Management information system components and operating requirements.

XII. Scholastic Honesty and Classroom “Rules.”

A. A note on cheating. **It is not tolerated!** If caught in the act, you automatically receive a zero
on the paper in question (the grade for that paper will not, under any circumstances, be dropped from
final grade calculations) and be reported to your academic advisor, Department head, and College
Dean. As noted and copied explicitly from TAMU student rules on the Internet
(http://student-rules.tamu.edu/), remember the

Aggie Code of Honor

For many years Aggies have followed a Code of Honor, which is stated in this very simple
verse:

*Aggies do not lie, cheat, or steal,*

*nor do they tolerate those who do.*

The Aggie Code of Honor is an effort to unify the aims of all Texas A&M men and women
toward a high code of ethics and personal dignity. For most, living under this code will be
no problem, as it asks nothing of a person that is beyond reason. It only calls for honesty
and integrity, characteristics that Aggies have always exemplified.

The Aggie Code of Honor functions as a symbol to all Aggies, promoting understanding
and loyalty to truth and confidence in each other.
B. Also, the handouts used in this course are copyrighted. By “handouts,” I mean all materials generated for this class, which include but are not limited to syllabi, quizzes, exams, lab problems, in-class materials, review sheets, and additional problem sets. Because these materials are copyrighted, you do not have the right to copy the handouts, unless I expressly grant permission. As commonly defined, plagiarism consists of passing off one’s own ideas, words, writings, etc., which belong to another. In accordance with this definition, you are committing plagiarism if you copy the work of another person and turn it in as your own, even if you should have the permission of that person. Plagiarism is one of the worsts academic sins, for the plagiarist destroys the trust among colleagues without which research cannot be safely communicated.

If you have any questions regarding plagiarism or other forms of cheating, please consult the latest issue of the Texas A&M University Rules, under the section “Scholastic Dishonesty.”

C. Other classroom trivia, i.e., Rister’s “sandbox rules”:

1. No food or drink in lecture or lab or at help sessions
2. No tobacco products in lecture or lab or at help sessions
3. No profanity during lecture, lab, or at help sessions
4. No cellular telephones nor beepers are to be used during lecture, lab, or at help sessions
5. No pets (i.e., dogs, cats, snakes, etc.) in lecture or lab or at help sessions (see Rister for exceptions for seeing-eye dogs & other aid animals)
6. No non-325 e-mail or Internet usage during lab time
7. Programmable calculators MAY NOT BE USED during exams
8. HATS AND CAPS OFF DURING LECTURE, LAB, HELP SESSIONS, and in Rister’s and the T.A.’s offices
9. Adhere to all Microcomputer Lab procedures
10. Clean up and remove your “trash” as you leave lecture and lab
11. Call or e-mail in advance of missing a class or lab -- no exceptions
12. Additional “rules” may be added during the semester if special circumstances arise
13. Bottomline, be professional and courteous to all and remember why you and your classmates are here – to learn

XIII. The Americans with Disabilities Act

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the Department of Student Life, Services for Students with Disabilities in Room 126 of the Koldus Building so your professor can best accommodate your needs. The phone number is 845-1637.