AGEC 605 Agricultural Markets and Price Analysis
Spring 2020

Instructors: Meilin Ma (OH: MW 3-4PM) and Mindy Mallory (OH: F 10-12PM)
Lecture time and location: TR 12-115PM, KRAN G005
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Prerequisites
ECON 511, ECON 512, Calculus, and AGEC 552, or consent of the instructors.

Course Description
Agricultural markets are multi-faceted, having been studied using a wide range of analytical tools. This graduate-level course emphasizes charactering demand and supply of agricultural markets and understanding forces that determine commodity and food prices. It also aims to cover a set of economic studies of prices and assist students in applying theoretical frameworks and time-series econometrics to empirical analysis of agricultural prices.

In addition to studying prices in perfectly competitive markets, the first half of the course highlights several classic models of consumer demand and agricultural supply, prices under imperfect competition, price spreads (marketing margins), and the economics of information. The second half of the course focuses on empirical price analysis. Popular time-series econometric tools are introduced to study price relationships over space and time, price discovery mechanisms, and functions of futures markets.

Grading
Course grades are based on three problem sets (45%), one term paper (45%), and a final presentation (10%).
All problem sets and papers should be typed in 12 pt. Times New Rome and double-spaced. Detailed requirements for the term paper are provided in a separate document.
Grades are not curved. Letter grade A+ is given to grades of 97-100, A to 93-96.9, A- to 90-92.9, B+ to 85-89.9, B to 80-84.9, B- to 75-79.9, C to 67-74.9, D to 60-66.9, and F to <60.
Due dates

Problem sets

Term paper
Brainstorm matrix: Feb 20, 2020
Proposal: Mar 5, 2020
First draft: Apr 14, 2020
Final presentation: Apr 30, 2020
Final draft: 11:59PM on May 6, 2020

Textbooks

Course Outline

Writing Workshop


1. Demand and Demand Elasticity

1.1 Demand models

1.2 Empirical studies on food demand


*Supplementary: Nonfarm prices and food demand


2. Agricultural Supply

2.1 Supply models


2.2 Supply under uncertainty


2.3 Agricultural household model


*Supplementary: Agricultural productivity

3. Monopoly and Price Determination

3.1 Monopoly pricing

3.2 First, second, and third degree price discrimination
Rasmusen, 2006, Chapter 14.

Supplementary: Empirical studies on pricing strategies


4. Marketing Margins

4.1 Margins: theory and empirics


4.2 Margins and price transmission: theory and empirics
5. Quality, Information, and Prices

5.1 Asymmetric information and quality
Rasmusen, Chapter 1-2, 7, 9, and 11.

5.2 Empirical studies on asymmetric information

6. Spatial Price Relationships
7. Price Variation through Time


8. Mechanisms for Discovering Prices


9. Price Relationships on Commodity Futures Markets


10. Functions of Commodity Futures Markets


11. Background for Price Analysis


12. Empirical Models for Price Analysis


13. Applications


Selections from papers above.