

<b>Course</b>	Agricultural Science I
<b>Unit</b>	Introduction to Agricultural Business
<b>Lesson</b>	Role of Agricultural Business
<b>Estimated Time</b>	50 minutes

### Student Outcome

Describe the role of agricultural businesses in the economy.

### Learning Objectives

1. Define and describe agricultural businesses.
2. Describe the types of business structures.
3. Determine the different sectors of agricultural business.
4. Explain the importance of agricultural businesses to the community, nation, and world.
5. Describe the roles technology plays in agricultural business.

### Grade Level Expectations

### Resources, Supplies & Equipment, and Supplemental Information

#### Resources

1. PowerPoint Slides
  - PPt 1 – Deli Sandwich
  - PPt 2 – Agricultural Business Sectors in Missouri
2. Activity Sheet
  - AS 1 – Agricultural Businesses
3. *Introduction to Agricultural Business* (Student Reference). University of Missouri-Columbia: Instructional Materials Laboratory, 2001.
4. *Introduction to Agricultural Business Curriculum Enhancement*. University of Missouri-Columbia: Instructional Materials Laboratory, 2003.

#### Supplies & Equipment

- Local telephone book
- Deli sandwich, if desired

#### Supplemental Information

1. Internet Sites
  - About ADM. Archer Daniels Midland Company. Accessed June 4, 2007, from <http://www.admworld.com/naen/about/>.
  - ESOPs in S Corporations. The National Center for Employee Ownership. Accessed June 4, 2007, from [http://www.nceo.org/library/s\\_corp.html](http://www.nceo.org/library/s_corp.html).
  - Global Positioning System (GPS). Mission and Spacecraft Library Program. Accessed June 4, 2007, from <http://leonardo.jpl.nasa.gov/msl/Programs/gps.html>.
  - Monsanto Company. Hoovers, Inc. Accessed June 4, 2007, from <http://www.hoovers.com/co/capsule/2/0,2163,100932,00.html>.
  - "Roundup Ready Soybeans." *Achievements in Plant Biotechnology 1999*. Biotech

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Basics. Accessed June 4, 2007, from

[http://www.biotechknowledge.com/biotech/bbasics.nsf/achieve\\_roundup\\_ready\\_soybeans.html?OpenPage](http://www.biotechknowledge.com/biotech/bbasics.nsf/achieve_roundup_ready_soybeans.html?OpenPage).

- ❑ State Fact Sheets: Missouri. USDA Economic Research Service. Accessed June 4, 2007, from <http://www.ers.usda.gov/StateFacts/MO.htm>.
- ❑ USDA Crop Profiles. Accessed June 4, 2007, from <http://pestdata.ncsu.edu/cropprofiles/cplist.cfm?org=crop>.
- ❑ U.S. Department of Agriculture. Accessed June 4, 2007, from <http://www.usda.gov>.
- ❑ *U.S. Farm Economics Summary*. Accessed June 4, 2007, from <http://www.usda.gov/nass/pubs/stathigh/2000/economicpages23-51.pdf>.

2. Print


- ❑ Burton, L. D. *Agriscience & Technology*. 2<sup>nd</sup> ed. Albany, NY: Delmar Publishers, 1997.
  - ❑ *Exploring Agriculture in America* (Student Reference). University of Missouri-Columbia, Instructional Materials Laboratory, 2000.
  - ❑ Krebs, A. H. *Agriculture in Our Lives*. 5<sup>th</sup> ed. Danville, IL: The Interstate Printers & Publishers, Inc., 1984.
  - ❑ Ricketts, C. and O. Rawlins. *Introduction to Agribusiness*. Albany, NY: Delmar Thomson Learning, 2001.
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## Interest Approach



Assign students to groups of four to five. Show the deli sandwich presentation (PPt 1) and ask each group of students to identify each part of the sandwich. After they have labeled each component, have a contest among the groups to determine where each of the ingredients came from and what went into the production of each component. The winning group can be given a sandwich or other food reward. Or, allow each student to make a sandwich once they can identify some aspect of the production process. As a review, advance PPt 1 and see how many of the steps the students were able to outline from producer to consumer.


## Communicate the Learning Objectives



1. Define and describe agricultural businesses.
2. Describe the types of business structures.
3. Determine the different sectors of agricultural business.
4. Explain the importance of agricultural businesses to the community, nation, and world.
5. Describe the roles technology plays in agricultural business.

Instructor Directions	Content Outline
<p><b>Objective 1</b></p> <p><i>Have students identify agricultural businesses listed in their local telephone book and record their findings in the appropriate column on AS 1.</i></p> <p> AS 1 - Agricultural Businesses</p>	<p><b>Define and describe agricultural businesses.</b></p> <p>An agricultural business is any enterprise that produces crops or livestock or is involved with providing agricultural supplies and/or processing, marketing, transporting, and distributing agricultural materials and consumer products.</p> <p>Agricultural businesses provide various agriculture-related services.</p> <ol style="list-style-type: none"><li>1. Transportation</li><li>2. Storage</li><li>3. Refrigeration</li><li>4. Credit and finance</li><li>5. Insurance</li><li>6. Processing</li><li>7. Animal health care (veterinarians, pet services)</li><li>8. Landscaping, lawn mowing services</li><li>9. Environmental services, forestry, conservation</li></ol> <p>Agricultural businesses supply diverse products.</p> <ol style="list-style-type: none"><li>1. Crops, plants, nursery, horticulture</li><li>2. Livestock, small animal (pets)</li><li>3. Equipment</li><li>4. Supplies</li><li>5. Processed food products</li></ol>

Instructor Directions	Content Outline
<p><b>Objective 2</b></p> <p><i>Ask students if they know who owns the local MFA or another agricultural business in the area. Discuss the students' responses and tell them that after this discussion they will have a better idea of how that business operates. Ask the students if they can identify any of the types of business structures.</i></p> <p><i>Explain that there are four main types of business structures. In the second column of AS 1, have students classify the agricultural businesses they previously identified into one of the business structures listed at right.</i></p> <p> AS 1 - Agricultural Businesses</p>	<p>6. Plant and animal by-products</p> <hr/> <p><b>Describe the types of business structures.</b></p> <p>Sole ownership</p> <ol style="list-style-type: none"> <li>1. This type of business is owned and managed by one person, known as an entrepreneur.</li> <li>2. Solely owned businesses are usually small, simple, and easy to manage.</li> <li>3. Any profit or expense goes to or comes from the owner.</li> </ol> <p>Partnership</p> <ol style="list-style-type: none"> <li>1. Business association of two or more people who share responsibilities</li> <li>2. Beneficial if there are two or more people with specialized skills</li> </ol> <p>Cooperative</p> <ol style="list-style-type: none"> <li>1. Provides goods and services to members at cost or as close to cost as possible</li> <li>2. Is not formed to make a profit but to serve the people who own shares in the organization</li> </ol> <p>Corporation</p> <ol style="list-style-type: none"> <li>1. This is an organization owned by several people but treated by law as if it were one person.</li> <li>2. Stockholders elect a board of directors chosen specifically to make decisions for the company.</li> <li>3. Corporations are one of two types: <ol style="list-style-type: none"> <li>a. S-corporation - family or small business</li> <li>b. C-corporation - regular corporation that sells stocks to investors</li> </ol> </li> </ol>
<p><b>Objective 3</b></p> <p><i>Have students think back to the deli sandwich and the processes that went into the production of each component. Discuss the role that the producer plays and use the board to diagram the processes that a local product goes through to get to the grocery store.</i></p>	<p><b>Determine the different sectors of agricultural business.</b></p> <p>Inputs (businesses supplying services and supplies)</p> <ol style="list-style-type: none"> <li>1. Needed to produce goods and services in agricultural businesses</li> <li>2. Services - financing, consulting services, insurance, and various federal support services (price support, conservation programs, disaster assistance, and commodity operations), etc.</li> <li>3. Supplies - water, seed, feed, fertilizer, livestock feeder</li> </ol>

Instructor Directions	Content Outline
<p><i>Use PPT 2 to illustrate the basic sectors of Missouri's agricultural business. Point out that the percentages may have changed since the graphic was created.</i></p> <p><i>In the appropriate column on AS 1, have students classify each agricultural business they identified earlier into one of the four sectors.</i></p> <p> AS 1 - Agricultural Businesses</p> <p> PPt 2 - Agricultural Business Sectors in Missouri</p>	<p>stock, farm machinery and equipment, petroleum, and chemicals, etc.</p> <p>Production - The production sector yields raw commodities that come from farms, ranches, plantations, holdings, etc., such as cattle, wheat, vegetables, fruit, and rabbits.</p> <p>Processing and marketing</p> <ol style="list-style-type: none"> <li>1. Raw commodities are transformed into a final product that is ready for consumption. <ol style="list-style-type: none"> <li>a. Grinding wheat into flour</li> <li>b. Turning cattle into steak</li> </ol> </li> <li>2. Processing facilities are predominantly in urban areas.</li> <li>3. Once a product has been processed, the next steps are as follow: <ol style="list-style-type: none"> <li>a. Market the finished product through advertisement, public service announcements, media campaigns, etc.</li> <li>b. Transport and distribute the finished product to the consumer.</li> </ol> </li> </ol> <p>Wholesale and retail (sales and customer service)</p> <ol style="list-style-type: none"> <li>1. Wholesale <ol style="list-style-type: none"> <li>a. Agricultural businesses that sell large quantities of processed commodities are known as "wholesalers."</li> <li>b. The wholesale price is the amount received for a commodity at the first point of sale.</li> </ol> </li> <li>2. Retail <ol style="list-style-type: none"> <li>a. Retailers sell agricultural product directly to the consumer.</li> <li>b. People at various stores, supermarkets, department stores, chain stores, etc., provide service to the customer.</li> </ol> </li> </ol>
<p><b>Objective 4</b></p> <p><i>Have students identify products and services that are produced in their area. List on the board the information the class described.</i></p>	<p><b>Explain the importance of agricultural businesses to the community, nation, and world.</b></p> <p>Community</p> <ol style="list-style-type: none"> <li>1. Provide jobs and income</li> <li>2. Provide food, products, supplies, and services</li> <li>3. Contribute to the local tax base</li> </ol>

Instructor Directions	Content Outline
<p><i>Then have students identify what the product becomes. Finally, ask the students if they know where the finished product ends up. At the end of the discussion, ask the students what it would be like if some of the products were not produced.</i></p> <p><i>Describe how products from the students' communities are distributed to people around the world and how important this is. Explain that some communities rely on nearby towns to provide goods and services. This not only expands the sources of available agricultural businesses, but it also extends the concept of "community" from a local to a regional entity.</i></p> <p><i>In the appropriate column on AS 1, the students now identify the products, service, or role of agricultural business in the community, nation, or world.</i></p> <p> AS 1 – Agricultural Businesses</p>	<ol style="list-style-type: none"> <li>4. Provide a way of life for some members of the community</li> <li>5. Extend sense of community due to proximity and access to other communities</li> </ol> <p>Nation</p> <ol style="list-style-type: none"> <li>1. Support country's economy</li> <li>2. Transport and distribute food and other commodities raised in specific regions throughout the country</li> <li>3. Create shelter nationwide</li> <li>4. Provide clothing</li> <li>5. Produce fuel (e.g., corn produces ethanol; soybeans create fuel additives)</li> </ol> <p>World</p> <ol style="list-style-type: none"> <li>1. Support developing nations by providing food, supplies, services</li> <li>2. Promote worldwide trade, which stimulates international economic growth</li> </ol>
<p><b>Objective 5</b></p> <p><i>Ask students if they can think of any technological advancement that has affected agriculture. They may mention artificial insemination, genetically modified organisms (GMOs), Roundup Ready soybeans, or cloning as examples. Analyze how these advances helped enhance production. On AS 1, ask the students to list an effect that</i></p>	<p><b>Describe the roles technology plays in agricultural business.</b></p> <p>Plant production</p> <ol style="list-style-type: none"> <li>1. Pesticide-, herbicide-resistant crops</li> <li>2. Hybrid seed</li> <li>3. Drought-resistant crops</li> <li>4. Genetically modified organisms (GMOs)</li> <li>5. Genetic engineering <ol style="list-style-type: none"> <li>a. Pharmaceuticals</li> <li>b. Nutraceuticals</li> </ol> </li> <li>6. <i>Bacillus thuringiensis (Bt)</i> corn <ol style="list-style-type: none"> <li>a. <i>Bt</i> is a soil bacterium that is used as an alternative to chemical pesticides.</li> </ol> </li> </ol>

Instructor Directions	Content Outline
<p><i>technology has had, or could have, on the agricultural businesses identified earlier.</i></p> <p> AS 1 - Agricultural Businesses</p>	<ul style="list-style-type: none"> <li>b. <i>Bt</i> corn crops are resistant to disease and insects.</li> </ul> <p>7. Precision agriculture</p> <ul style="list-style-type: none"> <li>a. Helps increase food production</li> <li>b. Uses global positioning system (GPS)</li> </ul> <p>Animal production</p> <ul style="list-style-type: none"> <li>1. Artificial insemination</li> <li>2. Embryo transfer</li> <li>3. Cloning</li> <li>4. Genetic engineering</li> </ul> <p>Computers</p> <ul style="list-style-type: none"> <li>1. Provide up-to-date market prices (buy, sell, invest)</li> <li>2. Maintain record keeping (receipts, expenses, investments)</li> <li>3. Generate tax returns (e.g., TurboTax and Quicken)</li> <li>4. Calculate ration formulations</li> <li>5. Use of e-commerce in marketing and distribution of agricultural products <ul style="list-style-type: none"> <li>a. Facilitates immediate interaction among producers</li> <li>b. Provides opportunity to share information locally, nationally, and globally</li> </ul> </li> </ul>
<p><b>Application:</b></p> <p> AS 1 - Agricultural Businesses</p>	<p>Answers to AS 1 Answers will vary.</p> <p>Other activities</p> <ul style="list-style-type: none"> <li>1. Invite an agricultural businessperson to speak with the class about his/her company and the role it plays within the community. Encourage the class to ask the speaker if this business is important to the nation and world. After this conversation, ask the students to include this agricultural business on AS 1.</li> <li>2. Take a field trip to different agricultural businesses so students can discover the wide array of agricultural businesses and operations that are in the local area.</li> <li>3. Many companies offer new or prospective employees access to videos about the company's purpose that provide detailed information about its daily operations. Call local agricultural business representatives and request a video for educational</li> </ul>

Instructor Directions	Content Outline
	<p>purposes and show this to your class. Check the company's web site for further information.</p>
<p><b>Closure/Summary</b></p>	<p>An agricultural business is any enterprise that produces crops or livestock; processes, markets, transports, or distributes agricultural supplies, equipment, or consumer goods. These businesses range from individual producers to large corporations. The four basic structures of agricultural businesses are sole ownership, partnership, cooperative, and corporation. In Missouri, the four basic agricultural business sectors are (1) inputs (services and supplies), (2) production, (3) processing and marketing, and (4) wholesale and retail. Agricultural businesses are important to the local community, nation, and throughout the world. Thanks to an ever-evolving technology, producers are better able to market their products and consumers have an easier time finding what they need.</p>
<p><b>Evaluation: Quiz</b></p>	<p>Answers:</p> <ol style="list-style-type: none"> <li>1. C</li> <li>2. E</li> <li>3. A</li> <li>4. D</li> <li>5. An agricultural business is any enterprise that produces crops or livestock or is involved with providing agricultural supplies and/or processing, marketing, transportation, and distribution of agricultural materials and consumer products.</li> <li>6. <ol style="list-style-type: none"> <li>a. Inputs (services and supplies)</li> <li>b. Production</li> <li>c. Processing and marketing</li> <li>d. Wholesale and retail</li> </ol> </li> <li>7. Answers will vary.</li> <li>8. Answers will vary.</li> <li>9. Answers will vary.</li> </ol>



<b>Course</b>	Agricultural Science I
<b>Unit</b>	Introduction to Agricultural Business
<b>Lesson</b>	Career Opportunities in Agricultural Business
<b>Estimated Time</b>	50 minutes

### Student Outcome

Assess career opportunities available in agricultural businesses.

### Learning Objectives

1. Identify careers available in agricultural businesses.
2. Determine the educational requirements for types of careers in agricultural businesses.
3. Identify types of benefits available in agricultural business careers.
4. Explain the means and opportunities for advancement in agricultural business.

### Grade Level Expectations

### Resources, Supplies & Equipment, and Supplemental Information

#### Resources

1. PowerPoint Slides
  - Ppt 1 - Future Demand for Agricultural Business Careers
2. Activity Sheets
  - AS 1 - Getting a Job
  - AS 2 - Agricultural Business Occupations
  - AS 3 - Where Will I Be in 10 Years?
3. *Introduction to Agricultural Business* (Student Reference). University of Missouri-Columbia: Instructional Materials Laboratory, 2001.
4. *Introduction to Agricultural Business Curriculum Enhancement*. University of Missouri-Columbia: Instructional Materials Laboratory, 2003.

#### Supplies & Equipment

- Newspaper containing classified job advertisements (agricultural newspaper preferred)
- Index cards with dollar amounts (one for each student; ranging from \$5 to \$15)

#### Supplemental Information

1. Internet Sites
  - Ag Careers.com. Accessed June 18, 2007, from <http://www.farms.com/careers>.
  - Agribusiness Jobs. ag-biz.com. Accessed June 18, 2007, from <http://www.ag-biz.com>.
  - Agriculture-jobs.net. Accessed June 18, 2007, from <http://www.agriculture-jobs.net>.
  - Career Opportunities Abound in Agricultural Field. American Farm Bureau Foundation for Agriculture. Accessed June 4, 2007, from <http://www.ageducate.org/careers/>.

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2. Print

- ❑ Ricketts, C. and O. Rawlins. *Introduction to Agribusiness*. Albany, NY: Delmar Thomson Learning, 2001.
  - ❑ Stone, A. A., et al. *Careers in Agribusiness and Industry*. Danville, IL: Interstate Publishers, 1991.
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## Interest Approach



Distribute an index card with a random dollar amount (from \$5 to \$15) to each student. Congratulate each student on earning their first hourly wage! Ask students to indicate which type of jobs they think might pay the hourly wage indicated on their card. Share the responses with the class and then ask students if they think having a job is important and if so, why. Write their responses on the board. Seeing their reasons in front of them will help students relate to their own lives in the future or possibly to their current families. Then ask them if they know how to find jobs in agricultural businesses. Before beginning the lesson, have them complete AS 1, which describes a scenario of two students seeking the same job.






## Communicate the Learning Objectives

1. Identify careers available in agricultural businesses.
2. Determine the educational requirements for types of careers in agricultural businesses.
3. Identify types of benefits available in agricultural business careers.
4. Explain the means and opportunities for advancement in agricultural business.

Instructor Directions	Content Outline
<p><b>Objective 1</b></p> <p><i>Have students use the classified ads in newspapers and the Internet to research available occupations in various agricultural businesses and tell them to list them on AS 2 in column 1. Have the students write the name of the company in column 2. In column 3, ask them to categorize the type of career they listed in column 1. Refer to the categories listed at right. After discussing this topic, encourage students to identify other careers they might be interested in pursuing in the future. Have the students add these careers to the list on AS 2. Remind students the careers listed to the right could be organized into other categories. If the students identified other careers, take this opportunity to point out how many jobs are available and how diverse they are.</i></p>	<p><b>Identify careers available in agricultural businesses.</b></p> <p>Production</p> <ol style="list-style-type: none"><li>1. Crop producer</li><li>2. Livestock producer</li><li>3. Vegetable/fruit producer</li><li>4. Aquaculturist</li><li>5. Greenhouse grower</li><li>6. Farm laborer</li></ol> <p>Supplies/sales</p> <ol style="list-style-type: none"><li>1. Seed</li><li>2. Feed</li><li>3. Equipment</li><li>4. Pesticides</li></ol> <p>Management</p> <ol style="list-style-type: none"><li>1. Human resources</li><li>2. Plant manager</li><li>3. Sales/marketing</li></ol> <p>Processing</p> <ol style="list-style-type: none"><li>1. Millers (soy flour, rice, wheat, etc.)</li><li>2. Cannerys</li><li>3. Ethanol plants</li><li>4. Meat processing</li></ol>

Instructor Directions	Content Outline
<p><i>After reviewing the occupations that are available in agriculture, ask students to identify their interests and the corresponding careers in agricultural business. Allow time for students to share their conclusions with the rest of the class. The examples on the right are types of careers available in agricultural business.</i></p> <p> AS 2 – Agricultural Business Occupations</p>	<p>Service, research and development</p> <ol style="list-style-type: none"> <li>1. Veterinarian</li> <li>2. Fertilizer and seed applicators</li> <li>3. Custom baler</li> <li>4. Lawns and landscaping</li> <li>5. Agricultural scientist</li> <li>6. Agricultural engineer</li> <li>7. Agronomist</li> </ol> <p>Communication and education</p> <ol style="list-style-type: none"> <li>1. Agricultural journalism</li> <li>2. Human resources</li> <li>3. Public relations</li> <li>4. Advertising</li> <li>5. Education in industry (training and development)</li> <li>6. Teaching</li> <li>7. University extension specialist</li> <li>8. 4-H youth specialist</li> <li>9. Company-sponsored in-services and training</li> <li>10. Adult education</li> </ol>
<p><b>Objective 2</b></p> <p><i>After the class discusses types of careers within agricultural business, consider the different educational requirements for each. In column 4 on AS 2, have students identify the level of education required for the agricultural occupation they identified earlier. Remind them exceptions usually exist; some careers may be categorized differently depending on the company and the job description.</i></p> <p><i>Discuss the education requirements students will need to qualify for the careers they have chosen. Allow them to discuss their choices with one another. Emphasize that whatever career in</i></p>	<p><b>Determine the educational requirements for types of careers in agricultural businesses.</b></p> <p>Professional careers</p> <ol style="list-style-type: none"> <li>1. Usually require a bachelor’s degree, master’s degree, or a Ph.D. (“a doctorate,” the highest level of an academic degree)</li> <li>2. Examples - agronomist, agricultural chemist, conservationist, veterinarian, and agriculture teacher</li> </ol> <p>Management positions</p> <ol style="list-style-type: none"> <li>1. Usually require experience in a specific area; most require a bachelor’s degree</li> <li>2. Examples - agricultural sales manager, fertilizer plant manager, and farm machinery shop supervisor</li> </ol> <p>Technical positions</p> <ol style="list-style-type: none"> <li>1. Usually require a minimum vocational school education where curriculum focuses on job-related skills</li> <li>2. Examples - florist, surveyor, livestock manager, farm machinery mechanic</li> </ol>

Instructor Directions	Content Outline
<p><i>agricultural business they choose, ongoing education and training will be essential in order to maintain a competitive edge. Show PPT 1, which illustrates agricultural business career areas that are in demand.</i></p> <p> PPT 1 – Future Demand for Agricultural Business Careers</p> <p> AS 2 – Agricultural Business Occupations</p>	<p>Skilled positions</p> <ol style="list-style-type: none"> <li>1. Usually require on-the-job training</li> <li>2. Examples - butcher, welder, and machine operator</li> </ol> <p>Unskilled positions</p> <ol style="list-style-type: none"> <li>1. Require no special training or education</li> <li>2. Examples - fruit picker, feed delivery helper, corn detassler, and greenhouse attendant</li> </ol> <p>Importance of lifelong learning</p> <ol style="list-style-type: none"> <li>1. Keep up with technological advances</li> <li>2. Access on-the-job training and classroom instruction; collaborate with coworkers</li> <li>3. Gain up-to-date information through agricultural journals, county cooperative extension agencies, and various professional organizations</li> </ol>
<p><b>Objective 3</b></p> <p><i>After discussing careers and their educational qualifications, explain that most agricultural businesses offer various “benefits.” Benefits are programs or opportunities that the employer offers to the employee, in addition to salary. Ask the students what benefits they think are important to have. Because of the diversity in agricultural businesses, benefits may vary greatly from one job to another.</i></p>	<p><b>Identify types of benefits available in agricultural business careers.</b></p> <p>General benefits</p> <ol style="list-style-type: none"> <li>1. Health insurance</li> <li>2. Dental insurance</li> <li>3. Disability</li> <li>4. Sick leave</li> <li>5. Family leave</li> <li>6. Periodic pay raises</li> <li>7. Profit sharing</li> <li>8. Paid vacation and holidays</li> <li>9. Family benefits</li> <li>10. Training opportunities</li> </ol> <p>Additional benefits</p> <ol style="list-style-type: none"> <li>1. Outdoor work</li> <li>2. Wellness program</li> <li>3. Opportunities to travel</li> <li>4. Career development programs</li> <li>5. Tuition assistance</li> </ol>
<p><b>Objective 4</b></p> <p><i>Remind students each company is different and the means and opportunities for advancement</i></p>	<p><b>Explain the means and opportunities for advancement in agricultural business.</b></p> <p>Job shadowing/mentoring</p> <ol style="list-style-type: none"> <li>1. Provides direct experience through observations</li> <li>2. Helps students determine if they are interested and</li> </ol>

Instructor Directions	Content Outline
<p><i>vary. Ask students if they know of anyone who has been promoted to a higher position within a business and to identify how that person advanced. Refer the students to column 5, AS 2, and have them identify opportunities for advancement for the occupations they listed. Listed to the right are examples of how a person could advance in agricultural business. After this discussion, have students complete AS 3, in which they predict what they will be doing in 10 years.</i></p> <p> AS 2 – Agricultural Business Occupations</p> <p> AS 3 - Where Will I Be in 10 Years?</p>	<p>suited for that profession</p> <p>3. Provides experience developing a portfolio and résumé</p> <p>Part-time job</p> <p>1. Provides experience for high school or college students</p> <p>2. May lead to a full-time job when the student graduates</p> <p>3. May increase chances of getting a good job at another company later</p> <p>Internship</p> <p>1. Offers opportunity to work directly with experts</p> <p>2. May be paid or unpaid</p> <p>3. May lead to a permanent position</p> <p>On-the-job training - may lead to more responsibility and higher-paying jobs</p> <p>Job performance</p> <p>1. If a worker does a good job and proves himself/herself to be responsible and capable, the likelihood for a promotion is increased.</p> <p>2. If working in sales/services, higher sales records lead to higher pay.</p> <p>3. Advancement within the sales department could lead a salesperson to target corporations as his or her clients. To achieve this status, employees must exhibit effective sales skills, the ability to work hard, and a commitment to the company.</p>
<p><b>Application:</b></p> <p> AS 1 – Getting a Job</p> <p> AS 2 – Agricultural Business Occupations</p> <p> AS 3 - Where Will I Be in 10 Years?</p>	<p>Answers to AS 1 Answers will vary.</p> <p>Answers to AS 2 Answers will vary.</p> <p>Answers to AS 3 Answers will vary.</p>

Instructor Directions	Content Outline
	<p>Other activities</p> <ol style="list-style-type: none"> <li>1. Have students send for a job application from an agricultural business that interests them. As practice, they should fill out the application and create a résumé that would be suitable for that job.</li> <li>2. Ask students to analyze how they should construct a résumé if they want a particular job in agricultural business. Bring in examples of résumés for students to review. Then have students discuss the differences in skills and education in specific jobs.</li> <li>3. Use the Internet to research careers. Useful web sites are <a href="http://www.ag-biz.com">http://www.ag-biz.com</a>, <a href="http://www.agriculture-jobs.net">http://www.agriculture-jobs.net</a>, and <a href="http://www.farms.com/careers">http://www.farms.com/careers</a>.</li> <li>4. Order agricultural career posters, "Living Science," from the Office of the Dean, Purdue University, School of Agriculture, Administration Building, West Lafayette, IN 47907-1140.</li> <li>5. Invite someone from a career center at a local college or university to speak with the class about employment opportunities in agricultural business.</li> <li>6. Search the Internet for five agricultural occupations. List the salaries and educational requirements for each.</li> </ol>
<p><b>Closure/Summary</b></p>	<p>Careers available in agricultural business range from working on small family operations to marketing products for large corporations. Agricultural businesses comprise a diverse population of people with different educational backgrounds, levels of training, and experience in specific areas. Most companies offer their own benefit packages. Possibilities for advancement within agricultural businesses are diverse. With the right training and opportunities, an employee in an agricultural business may be able to progress from an entry-level position to one with greater responsibility.</p>
<p><b>Evaluation: Quiz</b></p>	<p>Answers:</p> <ol style="list-style-type: none"> <li>1-5. Answers will vary.</li> <li>6. B</li> <li>7. A</li> <li>8. D or F</li> <li>9. C</li> <li>10. F</li> </ol>

Instructor Directions	Content Outline
	11. C 12. A 13. B 14. E 15. D 16. C 17. B 18. E or B 19. A 20. A

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<b>Course</b>	Agricultural Science I
<b>Unit</b>	Introduction to Agricultural Business
<b>Lesson</b>	Personal Skills Needed in Agricultural Business
<b>Estimated Time</b>	50 minutes

### Student Outcome

Outline personal skills necessary for success in agricultural businesses.

### Learning Objectives

1. Determine which communication skills are necessary to succeed in agricultural business.
2. Describe how an employee relates effectively to others within the organizational structure.
3. Explain the importance of professional development activities.
4. Determine how employee conduct affects career success in agricultural business.

### Grade Level Expectations

### Resources, Supplies & Equipment, and Supplemental Information

#### Resources

1. PowerPoint Slide
  - Ppt 1 - Organizational Chart for Joe's Tractor Supply Store
2. Handouts
  - HO 1 - Sample Business Letter
  - HO 2 - Sample Office Memo
3. Activity Sheet
  - AS 1 - Behaviors in the Workplace
4. *Introduction to Agricultural Business* (Student Reference). University of Missouri-Columbia: Instructional Materials Laboratory, 2001.
5. *Introduction to Agricultural Business Curriculum Enhancement*. University of Missouri-Columbia: Instructional Materials Laboratory, 2003.

#### Supplemental Information

1. Internet Sites
  - Robinson, J. P. *The Workplace*. Alabama Cooperative Extension System. Accessed June 19, 2007, from <http://www.aces.edu/crd/workforce/publications/employability-skills.PDF>.
  - Scott, E. *How To Communicate: Improve Your Relationships With Effective Communication Skills*. Accessed June 19, 2007, from <http://stress.about.com/od/relationships/ht/healthycomm.htm>.
2. Print
  - Agribusiness Sales, Marketing, and Management* (Instructor Guide). University of Missouri-Columbia, Instructional Materials Laboratory, 1997.

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- ❑ Hess, P. M. *Career Success: Right Here, Right Now!* Albany, NY: Delmar Publishers, 1999.
  - ❑ Hunter, S., et al. *Developing Leadership and Personal Skills*. Danville, IL: Interstate Publishers, Inc. 1997.
  - ❑ Ricketts, C. *Leadership: Personal Development and Career Success*. Albany, NY: Delmar Publishers, 1997.
  - ❑ Ricketts, C. and O. Rawlins. *Introduction to Agribusiness*. Albany, NY: Delmar Thomson Learning, 2001.
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## Interest Approach

Ask students to name three to four agricultural businesses that interest them and list them on the board. Through role-playing, have them identify personal skills or characteristics that an employee would need in each of the businesses. Write the skills or characteristics on the board and indicate these are the topic for the lesson.


## Communicate the Learning Objectives


1. Determine which communication skills are necessary to succeed in agricultural business.
2. Describe how an employee relates effectively to others within the organizational structure.
3. Explain the importance of professional development activities.
4. Determine how employee conduct affects career success in agricultural business.

Instructor Directions	Content Outline
<p><b>Objective 1</b></p> <p><i>Engage the class in a discussion about effective communication skills. Ask students to identify examples of poor communication and to discuss the consequences. Apply students' comments to sales skills required in many agricultural businesses. Encourage students to consider if agriculture-related occupations require a different set of communication skills than other occupations. Ask them to justify their answers. Explain that there are four general types of communication skills. Each of these four consists of specific skills.</i></p> <p>☰ HO 1 - Sample Business Letter</p> <p>☰ HO 2 - Sample Office Memo</p>	<p><b>Determine which communication skills are necessary to succeed in agricultural business.</b></p> <p>Interpersonal skills</p> <ol style="list-style-type: none"><li>1. Eye contact<ol style="list-style-type: none"><li>a. Demonstrates credibility and sincerity</li><li>b. Keeps attention of a large audience and gives individuals the sense that you are speaking directly to them</li></ol></li><li>2. Handshake<ol style="list-style-type: none"><li>a. Deliver a firm handshake.</li><li>b. Continue to maintain eye contact to demonstrate confidence and friendliness.</li></ol></li><li>3. Listening<ol style="list-style-type: none"><li>a. Provide full attention to the person with whom you are speaking.</li><li>b. Listen attentively when other people are talking.</li><li>c. Don't interrupt when someone else is speaking.</li></ol></li></ol> <p>Verbal skills</p> <ol style="list-style-type: none"><li>1. Coworkers<ol style="list-style-type: none"><li>a. Be sincere, direct, and honest.</li><li>b. Respond effectively - speak clearly and address coworkers' concerns thoroughly</li></ol></li><li>2. Employer<ol style="list-style-type: none"><li>a. Speak respectfully.</li><li>b. Settle disagreements privately.</li></ol></li><li>3. Customers<ol style="list-style-type: none"><li>a. Speak clearly and directly.</li></ol></li></ol>

Instructor Directions	Content Outline
	<ul style="list-style-type: none"> <li>b. Be friendly and courteous to the customer.</li> </ul> <p>4. Telephone skills</p> <ul style="list-style-type: none"> <li>a. Be very clear and descriptive.</li> <li>b. Have all necessary information available.</li> <li>c. Help the caller as quickly as possible.</li> </ul> <p>Presentation skills</p> <ul style="list-style-type: none"> <li>1. Obtain audience's attention.</li> <li>2. Speak to everyone in the audience.</li> <li>3. Use visual aids and eye contact.</li> <li>4. Be prepared and organized.</li> <li>5. Think before speaking.</li> <li>6. Use your voice and facial expressions to stress importance or excitement.</li> </ul> <p>Written skills - basic guidelines:</p> <ul style="list-style-type: none"> <li>1. Know the subject matter you are writing about.</li> <li>2. Understand why you are writing the document.</li> <li>3. Choose words and phrases the reader will understand.</li> <li>4. Present ideas clearly, concisely, and logically.</li> <li>5. Use professional language in all written business communications. <ul style="list-style-type: none"> <li>a. Use correct spelling, punctuation, and grammar.</li> <li>b. Do not use slang or inappropriate language.</li> </ul> </li> <li>6. Use correct format for different types of documents. <ul style="list-style-type: none"> <li>a. E-mail - Even though it is a casual form of written communication, use professional language.</li> <li>b. Business letter (See HO 1.) - Use proper layout and company's letterhead if applicable.</li> <li>c. Office memo (See HO 2.) - Relate memo to work situations.</li> </ul> </li> </ul>
<p><b>Objective 2</b></p> <p><i>Select one of the three businesses whose means and opportunities were discussed in Lesson 2 and ask students how they think that company is structured. Another option is to select a local agricultural business that</i></p>	<p><b>Describe how an employee relates effectively to others within the organizational structure.</b></p> <p>Maintain a positive working relationship with the supervisor.</p> <ul style="list-style-type: none"> <li>1. Complete all tasks thoroughly, correctly, and on time.</li> <li>2. Follow company policies and procedures.</li> <li>3. Arrive at work on time.</li> </ul> <p>Work effectively with coworkers.</p>

Instructor Directions	Content Outline
<p><i>students are familiar with and ask them how the company is organized. Who is in charge? Who does each employee report to? How should the employees treat their coworkers, supervisor, and customers? What would happen to the business if the employees did not get along? Explain that each agricultural business has a unique organizational structure and that relationships among employees differ within various businesses. Refer to PPT 1 to illustrate the organizational chart of an agricultural business.</i></p> <p><input type="checkbox"/> PPT 1 – Organizational Chart for Joe’s Tractor Supply Store</p>	<ol style="list-style-type: none"> <li>1. Respect rights and opinions of others.</li> <li>2. Resolve disagreements through discussion and compromise.</li> <li>3. Do fair share of work.</li> </ol> <p>Work as a team to achieve the company’s goals.</p> <ol style="list-style-type: none"> <li>1. Work cooperatively with coworkers and supervisors.</li> <li>2. Recognize contributions of each employee.</li> </ol> <p>Work within the organizational structure, also known as the “chain of command.”</p> <ol style="list-style-type: none"> <li>1. Identify scope of one’s own job.</li> <li>2. Identify how responsibilities of all employees are interrelated.</li> <li>3. Identify who is direct supervisor.</li> <li>4. Recognize what the consequences are if worker does not do his/her job properly.</li> </ol>
<p><b>Objective 3</b></p> <p><i>Professional development activities are events organized by some companies to motivate, educate, or provide opportunities for employees to interact on a different level than they do during normal working hours. Refer to a job that was discussed in Lesson 2 and ask the class to determine why professional development in that company might be helpful. What are the advantages to the employee?</i></p>	<p><b>Explain the importance of professional development activities.</b></p> <ol style="list-style-type: none"> <li>1. Become exposed to new ideas and experiences.</li> <li>2. Become more efficient and effective in one’s job.</li> <li>3. Take training classes or in-service sessions; discuss workplace events.</li> <li>4. Have an opportunity to speak with others in the same profession and discover strategies they use on the job.</li> <li>5. Enhance present skills or learn new skills and increase value to company.</li> <li>6. Keep up-to-date on research, technology, equipment, supplies, and methodologies.</li> <li>7. Develop an interest in learning more about related fields.</li> <li>8. Offer opportunities for advancement within the organization; help employees obtain promotion and pay raises.</li> </ol>
<p><b>Objective 4</b></p> <p><i>Every employee is expected to act responsibly in the workplace. Ask</i></p>	<p><b>Determine how employee conduct affects career success in agricultural business.</b></p> <p>Behave appropriately.</p> <ol style="list-style-type: none"> <li>1. An employee who shows respect and understanding</li> </ol>

Instructor Directions	Content Outline
<p><i>students how a salesperson in a feed store should conduct business. Should he/she publicly announce how much the customer owes for feed? What behavior is appropriate? Guide the students to the realization that the salesperson should work quietly and keep all information confidential.</i></p> <p><i>Point out how students' performance as demonstrated in class relates to their academic success. Discuss how this relationship also applies to an employee's success in agricultural business. To help students distinguish proper behavior in the workplace, have students complete AS 1.</i></p> <p> AS 1 – Behaviors in the Workplace</p>	<p>toward others is more likely to get promoted than an employee who is inconsiderate.</p> <ol style="list-style-type: none"> <li>2. Being at work on time and prepared demonstrates responsibility and dedication to the job.</li> <li>3. Refrain from spreading rumors or indulging in gossip.</li> <li>4. Do not swear or use vulgar, offensive language.</li> <li>5. Demonstrate the ability to handle one's own finances responsibly.</li> </ol> <p>Maintain personal appearance.</p> <ol style="list-style-type: none"> <li>1. Good hygiene</li> <li>2. Appropriate clothing</li> </ol> <p>Demonstrate positive attitude toward customers and coworkers.</p> <ol style="list-style-type: none"> <li>1. If you are nice, others are more likely to be nice to you.</li> <li>2. Having a positive attitude shows an interest in the job.</li> <li>3. Being courteous, accurate, and prompt shows customers that their needs are being met.</li> </ol> <p>Demonstrate strong work ethic.</p> <ol style="list-style-type: none"> <li>1. Be punctual and honest; respect coworkers and supervisors.</li> <li>2. Perform tasks as requested.</li> <li>3. Strive for accuracy.</li> <li>4. Follow the company's policies and code of conduct.</li> </ol> <p>Manage company's money carefully.</p> <ol style="list-style-type: none"> <li>1. Handle the business' money carefully and conscientiously.</li> <li>2. Proper management of the company's money demonstrates reliability.</li> </ol> <p>Maintain confidentiality.</p> <ol style="list-style-type: none"> <li>1. Do not disclose their bank balances, customer accounts, etc., to any unauthorized personnel.</li> <li>2. Respect confidences from supervisors and coworkers.</li> </ol> <p>Consequences of misconduct</p> <ol style="list-style-type: none"> <li>1. Oral or written reprimand, which may be recorded in</li> </ol>

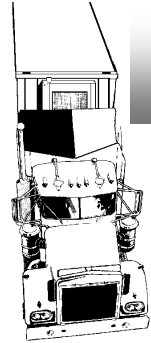
Instructor Directions	Content Outline
	<p>the employee's personnel record</p> <ol style="list-style-type: none"> <li>2. Dismissal from the company</li> <li>3. Unfavorable job reference</li> </ol> <p>Why employees lose their jobs</p> <ol style="list-style-type: none"> <li>1. Bad attitude</li> <li>2. Poor attendance</li> <li>3. Incompetence</li> </ol>
<p><b>Application:</b></p> <p> AS 1 – Behaviors in the Workplace</p>	<p>Answers to AS 1 Answers will vary.</p> <p>Other activities Bring telephones to class and demonstrate how to communicate correctly. Divide the class into pairs. Provide each pair with a brief scenario describing a product from an agricultural business and a problem the customer is having with that product. Have students role-play as the employee of the agricultural business and as an unsatisfied customer. After the class has finished, discuss what communication problems, if any, they encountered. How did the employee resolve the customer's problem? Was the customer able to explain the problem clearly and completely? Have a salesperson speak about these topics and explain how they relate to him/her.</p>
<p><b>Closure/Summary</b></p>	<p>Being able to communicate by using interpersonal, verbal, written, and presentation skills is vital to employees' success on the job. Knowing how to relate to others within an organization and understanding how the business is structured are critical. Each job relates to another. Knowing this interconnection helps employees work effectively and efficiently because they become aware of the consequences if their job is not completed. Professional development activities expose employees to new ideas and experiences, which increase their value to the company. Employees' conduct affects their success in agricultural business, especially when providing customer service.</p>
<p><b>Evaluation: Quiz</b></p>	<p>Answers:</p> <ol style="list-style-type: none"> <li>1. b</li> <li>2. d</li> </ol>

Instructor Directions	Content Outline
	<ul style="list-style-type: none"> <li>3. d</li> <li>4. a</li> <li>5. a</li> <li>6. The student may list any four of the following:               <ul style="list-style-type: none"> <li>a. Manage money carefully</li> <li>b. Behave appropriately</li> <li>c. Maintain confidentiality</li> <li>d. Demonstrate strong work ethics</li> <li>e. Demonstrate positive attitude</li> <li>f. Maintain personal appearance</li> </ul> </li> <li>7. Students may list any four of the following:               <ul style="list-style-type: none"> <li>a. Bad attitude</li> <li>b. Poor attendance</li> <li>c. Incompetence</li> <li>d. Spreading rumors or indulging in gossip</li> <li>e. Swearing or using vulgar, offensive language</li> </ul> </li> </ul>



# Sample Business Letter

## Steele Trucking, Inc



1118 Elm Drive  
Columbia, MO 65202

Sender's address

January 22, 2001

Date

Mr. Roger Martin  
Midland Dairy Enterprises  
710 Locust Ave.  
Kirksville, MO 63501

Inside address

Dear Mr. Martin:

Salutation

Thank you for your interest in Steele Trucking. Our company does offer refrigerated transportation of food products.

In response to your letter, I have included a brochure of our rates and the different services that we have available. Steele has a reputation for providing high-quality services to the dairy industry for the past 9 years and looks forward to having the opportunity to do business with Midland Dairy Enterprises.

Body

If you have any further questions please do not hesitate to contact me at 1(800) 798-2914 extension 214. Thanks again for considering Steele.

Sincerely,

Daniel Browning  
Account Representative

Close and writer's  
identification

Enclosure

# Sample Office Memo

**Steele Trucking, Inc.**

1118 Elm Drive Columbia, MO 65202 (800)798-2914



January 22, 2001

← Date

To: Marie Young

← Recipient's name

From: Daniel Browning

← Sender's name

Re: Midland Dairy Enterprises

← Subject

I have sent the information you asked me to mail to Mr. Martin at Midland Dairy Enterprises. Please let me know if you receive any more requests for brochures and/or rates.

↑  
Body

<b>Course</b>	Agricultural Science I
<b>Unit</b>	Introduction to Agricultural Business
<b>Lesson</b>	Economic Principles of Agricultural Business
<b>Estimated Time</b>	50 minutes
<b>Student Outcome</b>	

Illustrate economic principles of successful agricultural business.

### Learning Objectives

1. Determine the relationship between supply and demand.
2. Define opportunity costs.
3. Explain the difference between fixed and variable costs.
4. Explain the difference between gross and net income.

### Grade Level Expectations

### Resources, Supplies & Equipment, and Supplemental Information

#### Resources

1. PowerPoint Slide
  - Ppt 1 - Supply and Demand
2. Activity Sheets
  - AS 1 - Opportunity Costs
  - AS 2 - Fixed and Variable Costs
  - AS 3 - Individual Gross and Net Income
  - AS 4 - Gross and Net Income for a Small Agricultural Business
3. *Introduction to Agricultural Business* (Student Reference). University of Missouri-Columbia: Instructional Materials Laboratory, 2001.
4. *Introduction to Agricultural Business Curriculum Enhancement*. University of Missouri-Columbia: Instructional Materials Laboratory, 2003.

#### Supplies & Equipment

- Soda pop or candy bars (either one or one for each student)
- "Money" (either play money or any items which can be counted, such as kernels of corn or game chips)

#### Supplemental Information

1. Internet Sites
  - Resources for teachers. Economics Wisconsin. Accessed June 19, 2007, from <http://www.economicswisconsin.org/teachers.htm>.
2. Print
  - Agribusiness Sales, Marketing, and Management* (Instructor Guide). University of Missouri-Columbia, Instructional Materials Laboratory, 1997.



## Interest Approach





Bring to class closed containers of soda, candy bars, or anything that may interest your class. Explain that you are going to conduct an auction. Distribute “money” to every student. The currency can be game chips, corn kernels, Monopoly money, etc. Place the item for sale in a closed container so no one will know the quantity you have. Display the item and auction it off to the highest bidder. Auction off another and then another. As you conduct the auction, record how many items were sold (“demand”) and the number of items (“supply”) on Ppt 1. Finally, pull out the remaining items so the class will know how many are left. Auction off each remaining item, trying to get the highest amount for each. Explain that if this had been a real auction, the demand for these items would go up if only a few items are left. After the auction, hand out a treat to any students who were outbid. (Note: Be sure to check with the principal and school policy concerning appropriate items to auction and to give as treats.)

## Communicate the Learning Objectives

1. Determine the relationship between supply and demand.
2. Define opportunity costs.
3. Explain the difference between fixed and variable costs.
4. Explain the difference between gross and net income.

Instructor Directions	Content Outline
<p><b>Objective 1</b></p> <p><i>Refer to Ppt 1 that graphed the supply and demand of the items used in the interest approach. Discuss how much money was paid for each item and how the demand increased as the supply of items decreased. Point out that supply and demand are two economic factors that influence production and the number of services that agricultural businesses offer in their everyday operations.</i></p> <p><input type="checkbox"/> Ppt 1 – Supply and Demand</p>	<p><b>Determine the relationship between supply and demand.</b></p> <p>Supply is the amount of goods or services available for purchase at a given price at a specific time and place.</p> <ol style="list-style-type: none"><li>1. Supply is affected by price.<ol style="list-style-type: none"><li>a. If the price of a product decreases, then less of the product is supplied. This is because the producer may not realize as much of a profit on that product.</li><li>b. If the price increases, more of the product is supplied. The producer may be able to realize more profit.</li></ol></li><li>2. Supply is affected by demand.<ol style="list-style-type: none"><li>a. If consumers want more of a product at a given price (demand), the supply is increased.</li><li>b. If consumers do not want a product at a given price, the supply is decreased.</li></ol></li></ol> <p>Demand is the amount of goods or services that consumers are willing and able to buy at a given price at a specific time and place.</p> <ol style="list-style-type: none"><li>1. Demand is affected by price.<ol style="list-style-type: none"><li>a. If the price of a product decreases, more of the</li></ol></li></ol>

Instructor Directions	Content Outline
	<p>product will be bought. Consumers will benefit from the lower price.</p> <p>b. If the price of a product increases, less of that product will be in demand.</p> <p>c. As demand increases, supply may decrease because the quantity of available goods may decrease.</p>
<p><b>Objective 2</b></p> <p><i>Ask students what they had for breakfast or lunch. Then ask them what their other options were. Explain that the item that they did <u>not</u> select to eat was their opportunity cost. Give other examples that relate to the students. Ask if they went to the basketball game or played soccer, etc. When they made a choice, the activity they did not select contains opportunity cost. They lost the “opportunity” to participate in that activity. Have students complete AS 1, which addresses opportunity costs, and discuss their responses.</i></p> <p> AS 1 – Opportunity Costs</p>	<p><b>Define opportunity costs.</b></p> <ol style="list-style-type: none"> <li>1. Opportunity cost is the value of the best alternative <u>not</u> selected.</li> <li>2. In decision making, the opportunity cost is what you decided not to do, or the cost of your choice.</li> <li>3. Every agricultural business, in balancing its limited sources of finances, land, and labor, must consider opportunity costs.</li> </ol>
<p><b>Objective 3</b></p> <p><i>Have students identify expenses they encounter in their lives and then ask them to describe expenses that affect agricultural business. Are these expenses ongoing or are they temporary and unpredictable? Ask students to differentiate between fixed and variable costs by completing AS 2 and then discuss the answers with the class.</i></p> <p> AS 2 – Fixed and Variable</p>	<p><b>Explain the difference between fixed and variable costs.</b></p> <p>Fixed costs</p> <ol style="list-style-type: none"> <li>1. Costs that remain constant regardless of the level of production</li> <li>2. Expenses that have to be paid on a regular basis</li> <li>3. Examples - depreciation, interest, repairs and shelter, taxes, and insurance</li> <li>4. Also referred to as ownership costs</li> </ol> <p>Variable costs</p> <ol style="list-style-type: none"> <li>1. Costs that change along with the level of production or the amount of use</li> <li>2. Examples - fertilizer, chemicals, seed, gasoline and oil, inventory, salaries, payroll, supplies, advertising,</li> </ol>

Instructor Directions	Content Outline
Costs	utilities, telephone, principal payment, feed 3. Also referred to as operating costs
<p><b>Objective 4</b></p> <p><i>Ask students what their gross income is if they receive \$20 for mowing a lawn. Then ask them what their net income is. Remind them that the lawn mower used gas, had an oil change, and was recently repaired.</i></p> <p><i>Have students complete AS 3 to differentiate between an individual's gross and net income. Also have them work through AS 4 to learn how to calculate the net income of an agricultural business.</i></p> <p> AS 3 – Individual Gross and Net Income</p> <p> AS 4 – Gross and Net Income for a Small Agricultural Business</p>	<p><b>Explain the difference between gross and net income.</b></p> <p>Gross income is the total amount of money received without considering any deductions or operating expenses.</p> <p>Net income is the actual amount gained from a service or product after all production and operating expenses are subtracted.</p> <ol style="list-style-type: none"> <li>1. Personal net income is calculated by subtracting all deductions from the gross income.</li> <li>2. Examples of standard payroll deductions include Social Security, state and local taxes, and health insurance.</li> </ol>
<p><b>Application:</b></p> <p> AS 1 – Opportunity Costs</p> <p> AS 2 – Fixed and Variable Costs</p>	<p>Answers to AS 1</p> <ol style="list-style-type: none"> <li>1. Used tractor at the auction</li> <li>2. \$345</li> <li>3. \$600</li> </ol> <p>Answers to AS 2</p> <ol style="list-style-type: none"> <li>1. Variable</li> <li>2. Variable</li> <li>3. Fixed</li> <li>4. Fixed</li> <li>5. Fixed</li> <li>6. Variable</li> <li>7. Variable</li> <li>8. Variable</li> <li>9. Variable</li> </ol>

Instructor Directions	Content Outline
<p data-bbox="183 310 574 386">📄 AS 3 – Individual Gross and Net Income</p> <p data-bbox="183 445 542 562">📄 AS 4 – Gross and Net Income for a Small Agricultural Business</p>	<p data-bbox="662 220 797 254">10. Fixed</p> <p data-bbox="662 300 894 333">Answers to AS 3</p> <ol data-bbox="662 340 824 415" style="list-style-type: none"> <li>1. \$664.50</li> <li>2. \$611.16</li> </ol> <p data-bbox="662 459 894 493">Answers to AS 4</p> <ol data-bbox="662 499 824 575" style="list-style-type: none"> <li>1. \$467.19</li> <li>2. \$421.62</li> </ol> <p data-bbox="662 619 878 653">Other activities</p> <ol data-bbox="662 659 1458 1045" style="list-style-type: none"> <li>1. Divide the class into small groups and allow each group to create a fictional agricultural business and apply the economic principles they have learned to establishing a product.</li> <li>2. Have students identify fixed and opportunity costs and create their own supply and demand curves.</li> <li>3. Have students create survey instruments to determine what types of products fellow students would enjoy and the price they are willing to pay for these products.</li> </ol>
<p data-bbox="155 1062 396 1096"><b>Closure/Summary</b></p>	<p data-bbox="662 1062 1471 1255">Many economic principles influence the decisions that agricultural businesses make. The principles reviewed in this lesson were supply and demand, opportunity cost, fixed and variable cost, and the difference between gross and net incomes.</p>
<p data-bbox="155 1278 380 1312"><b>Evaluation: Quiz</b></p>	<p data-bbox="662 1278 797 1312">Answers:</p> <ol data-bbox="662 1318 1471 1906" style="list-style-type: none"> <li>1. If consumers want more of a product at a given price (demand), the supply is increased. If consumers do not want a product at a given price, the supply is decreased.</li> <li>2. Glen’s opportunity cost would be taking over his grandfather’s farm.</li> <li>3. Fixed costs are expenses that remain constant regardless of the level of production.</li> <li>4. Variable costs are expenses that change with the level of production or the amount of use.</li> <li>5. Students may list any two of the following: <ol data-bbox="716 1759 1057 1906" style="list-style-type: none"> <li>a. Depreciation</li> <li>b. Interest,</li> <li>c. Repairs and shelter,</li> <li>d. Taxes</li> </ol> </li> </ol>

Instructor Directions	Content Outline
	<ul style="list-style-type: none"> <li>e. Insurance</li> <li>6. Students may list any two of the following:               <ul style="list-style-type: none"> <li>a. Fertilizer</li> <li>b. Chemicals</li> <li>c. Seed</li> <li>d. Gasoline oil</li> <li>e. Inventory</li> <li>f. Salaries</li> <li>g. Payroll</li> <li>h. Supplies</li> <li>i. Advertising</li> <li>j. Utilities</li> <li>k. Telephone</li> <li>l. Principal payment</li> <li>m. Feed</li> </ul> </li> <li>7. Gross income is the total amount received when selling a product or service. Net income is the amount left over after expenses have been subtracted.</li> <li>8. The net income for the flower shop is \$36,000.</li> </ul>



<b>Course</b>	Agricultural Science I
<b>Unit</b>	Introduction to Agricultural Business
<b>Lesson</b>	Activities Used in Agricultural Businesses
<b>Estimated Time</b>	50 minutes

### Student Outcome

Determine business activities used in agricultural businesses.



### Learning Objectives

1. Determine the types of records that should be kept in agricultural businesses.
2. Explain why agricultural businesses advertise and promote their activities.
3. Determine how agricultural businesses advertise.
4. Identify what markets are available in agricultural businesses.

### Grade Level Expectations

### Resources, Supplies & Equipment, and Supplemental Information

#### Resources

1. Activity Sheets
  -  AS 1 - Advertising Slogans
  -  AS 2 - Advertising Strategies
2. *Introduction to Agricultural Business* (Student Reference). University of Missouri-Columbia: Instructional Materials Laboratory, 2001.
3. *Introduction to Agricultural Business Curriculum Enhancement*. University of Missouri-Columbia: Instructional Materials Laboratory, 2003.

#### Supplies & Equipment

- Example records from local agricultural businesses
- Various types of soda pop (one can of each)

#### Supplemental Information

1. Internet Sites
  - Duncan, A. *How to Create a Flyer*. Accessed June 19, 2007, from [http://advertising.about.com/cs/agencies/ht/Create\\_Flyer.htm](http://advertising.about.com/cs/agencies/ht/Create_Flyer.htm).
  - Freeman, K. *Your Tagline: The Most Important Ad You'll Ever Create*. Accessed June 19, 2007, from <http://advertising.about.com/od/copywriting/a/guesttagline.htm>.
2. Print
  - Agribusiness Sales, Marketing, and Management* (Instructor Guide). University of Missouri-Columbia, Instructional Materials Laboratory, 1997.

### Interest Approach



1. Bring several examples of records from local agricultural businesses. Divide the class into small groups and distribute a different record to each group. Ask each group to describe the purpose of the record it is reviewing. Discuss the types of records agricultural businesses should keep. List the students' responses on the board. Then ask students why each record is important and what the consequences would be if those records were not maintained. If students have difficulty identifying types of business records, help them by writing "payroll" and "employee time sheets" on the board. If they still have difficulty, ask them if they know what kind of records their parents keep. Discuss with them the importance of record keeping and different techniques that people may use (e.g., recording checks in checkbook, keeping track of advertising costs in a logbook, recording payroll with the aid of a computer program).
2. Have several types of soda cans covered at the front of the room. Have students write down the advertising slogans as quickly as possible. (Make this into a competition with prizes if desired). Ask students why they remember the advertisements. Continue by asking students other examples of advertising (such as Campbell's Soup, athletic apparel companies, etc.). The point is that advertising works!

### Communicate the Learning Objectives



1. Determine the types of records that should be kept in agricultural businesses.
2. Explain why agricultural businesses advertise and promote their activities.
3. Determine how agricultural businesses advertise.
4. Identify what markets are available in agricultural businesses.

Instructor Directions	Content Outline
<p><b>Objective 1</b></p> <p><i>The types of records an agricultural business should keep depend on the type of business. However, there are certain records that all businesses should keep. Explain types of records that businesses keep.</i></p>	<p><b>Determine the types of records that should be kept in agricultural businesses.</b></p> <p>Accounts payable</p> <ol style="list-style-type: none"> <li>1. This is the amount of money the business owes to outside vendors for goods and/or services.</li> <li>2. Accounts payable represents short- or long-term debts that are paid off over time.</li> </ol> <p>Accounts receivable</p> <ol style="list-style-type: none"> <li>1. This is the amount of money owed to the business for goods and/or services that customers have purchased using credit.</li> <li>2. Depending on the type of business and the cost of its products, credit can be extended anywhere from 30 days to several years.</li> <li>3. Some agricultural businesses receive payment immediately.</li> </ol>

Instructor Directions	Content Outline
	<p>Inventory</p> <ol style="list-style-type: none"> <li>1. Amount of available items in stock – consumable supplies</li> <li>2. Is considered as part of a business’ worth</li> <li>3. Required for taxes</li> </ol> <p>Insurance - protection from major financial losses due to:</p> <ol style="list-style-type: none"> <li>1. Theft</li> <li>2. Fire</li> <li>3. Injured customers</li> <li>4. Injured employees</li> </ol> <p>Payroll - generally done weekly, biweekly, or monthly</p> <p>Government-related expenses</p> <ol style="list-style-type: none"> <li>1. Includes licensing fees</li> <li>2. City, state, and federal taxes</li> </ol> <p>Receipts</p> <ol style="list-style-type: none"> <li>1. Keeping receipts of items purchased</li> <li>2. Writing receipts for customers <ol style="list-style-type: none"> <li>a. Date of purchase</li> <li>b. Name of product</li> <li>c. Cost</li> <li>d. Tax</li> <li>e. Total</li> </ol> </li> </ol> <p>Production information</p> <ol style="list-style-type: none"> <li>1. If the business produces crops, it should keep track of the following: <ol style="list-style-type: none"> <li>a. Number of seeds planted</li> <li>b. Size of crop or number of plants harvested</li> <li>c. Type of fertilizer applied</li> <li>d. Amount of irrigation required</li> </ol> </li> <li>2. If the business raises livestock, it should keep track of the following: <ol style="list-style-type: none"> <li>a. Number of animals born</li> <li>b. Which animal gave birth and number of offspring</li> <li>c. The condition of the offspring</li> <li>d. The male used for breeding</li> <li>e. Shots given to all animals</li> </ol> </li> </ol>

Instructor Directions	Content Outline
	<p>Records of communication</p> <ol style="list-style-type: none"> <li>1. Documentation of all correspondence that may be referred to at a later date</li> <li>2. Correspondence between employees and management</li> <li>3. All information that is discussed between the business and consumers</li> <li>4. Employee information - date of hire, attendance, pay, emergency contact, home address and phone number, performance evaluations</li> </ol>
<p><b>Objective 2</b></p> <p><i>Ask students to predict what would happen if agricultural businesses did not advertise or promote their products and services. How would this affect their sales? Then discuss the purpose of advertising and promotion. Have students complete AS 1 to illustrate familiar advertising slogans. Discuss the answers and ask the students if they can think of more product or service slogans.</i></p> <p> AS 1 – Advertising Slogans</p>	<p><b>Explain why agricultural businesses advertise and promote their activities.</b></p> <ol style="list-style-type: none"> <li>1. To inform consumers of an available product or service</li> <li>2. To inform consumers of the price of a product or service</li> <li>3. To increase sales for a particular product or service</li> <li>4. To create a positive relationship with consumers</li> <li>5. To promote special events that might interest consumers</li> </ol>
<p><b>Objective 3</b></p> <p><i>Ask students how they would advertise if they operated a local pet sitting service. What would be the best ways to reach the public? How should a national or international agricultural business advertise its services and products? As students complete AS 2, they will devise advertising strategies for specific situations and justify their ideas.</i></p> <p> AS 2 – Advertising</p>	<p><b>Determine how agricultural businesses advertise.</b></p> <p>Newspaper</p> <ol style="list-style-type: none"> <li>1. Good way for local businesses to reach many potential customers</li> <li>2. Creates sales quickly</li> <li>3. Inexpensive</li> </ol> <p>Trade journals/magazines</p> <ol style="list-style-type: none"> <li>1. Produce high-quality color ads</li> <li>2. More expensive than newspaper advertising</li> <li>3. Targets audience with specific interests and needs</li> <li>4. Have high probability that targeted consumer will read it</li> <li>5. Used mainly by corporations or large companies that</li> </ol>

Instructor Directions	Content Outline
<p>Strategies</p>	<p>offer services to broad customer base</p> <p>Radio</p> <ol style="list-style-type: none"> <li>1. Can use catchy jingles and increase name recognition</li> <li>2. Targets specific audience by advertising on stations popular with potential client base</li> <li>3. Reaches a large amount of people</li> <li>4. Useful for small, local companies as well as large corporations</li> </ol> <p>Television</p> <ol style="list-style-type: none"> <li>1. TV ads use both video and audio to attract attention, which maximizes more senses than with newspapers, magazines, or radio.</li> <li>2. Commercials can target a specific area or a wide audience, depending on the broadcast station.</li> <li>3. Large companies are the most common network advertisers, although local stations offer more affordable rates for smaller businesses.</li> </ol> <p>Internet</p> <ol style="list-style-type: none"> <li>1. Uses sound and animation to add creativity to the advertisement</li> <li>2. Reaches millions of customers worldwide</li> <li>3. Low cost compared to other advertising techniques</li> <li>4. Could be used by small businesses, but is mainly used by large organizations that serve a wide range of people</li> </ol> <p>Mailings, coupons, brochures</p>
<p><b>Objective 4</b></p> <p><i>Different markets are available for businesses to sell their goods. Markets are the means by which a company sells its products to its customers. Explain the types of markets available to agricultural businesses.</i></p>	<p><b>Identify what markets are available in agricultural businesses.</b></p> <p>Direct marketing</p> <ol style="list-style-type: none"> <li>1. Selling raw products to processors without the aid of an intermediary company</li> <li>2. Method used by many large crop and livestock producers, e.g., farmers' market</li> </ol> <p>Wholesale marketing</p> <ol style="list-style-type: none"> <li>1. Buying products in bulk from processors and reselling to retailers at a slightly higher price</li> <li>2. Buying and selling large volumes of merchandise</li> </ol>

Instructor Directions	Content Outline
	<p>Retail marketing</p> <ol style="list-style-type: none"> <li>Buy wholesale or at a discounted price and then resell merchandise for more than the retailer originally paid</li> <li>Sell via mail order catalogs</li> </ol> <p>Electronic marketing</p> <ol style="list-style-type: none"> <li>New marketing option</li> <li>Uses Internet advertising</li> </ol>
<p><b>Application:</b></p> <p> AS 1 – Advertising Slogans</p> <p> AS 2 – Advertising Strategies</p>	<p>Answers to AS 1</p> <ol style="list-style-type: none"> <li>Nike</li> <li>Allstate</li> <li>Campbell’s Soup</li> <li>Kit Kat</li> <li>Almond Joy and Mounds</li> <li>Pork</li> <li>Beef</li> <li>Deere</li> <li>Bounty</li> <li>Chevy</li> </ol> <p>Answers to AS 2 Answers will vary.</p> <p>Other activities</p> <ol style="list-style-type: none"> <li>Obtain sample receipt books. Create various scenarios in which the students conduct transactions and have the students complete the receipts. Another option is to have the students fill out the receipts as a part of their grade when they do fruit sales.</li> <li>Have students complete their record book for information pertaining to their SAE and have them explain why they need to keep the records that they do.</li> <li>Have students (either individually or in small groups) create a poster of an agricultural product using a new advertising slogan.</li> <li>Have each student design a business he/she would like to start. As the owner/operator they must do research to find out how to start a business. Have the students construct an organizational chart and discuss the qualities and responsibilities of the people in each position.</li> </ol>

Instructor Directions	Content Outline
	<ol style="list-style-type: none"> <li>5. As a class project, have students sell barbecue chicken, chili, etc., to parents and teachers. Determine all costs involved. Advertise the dinner. Develop a source of investors from the class or outside class. Divide profits among the shareholders.</li> <li>6. Run an FFA fundraiser using the methods described above.</li> <li>7. Visit the advertising department of a local newspaper to see how ads are laid out or invite a newspaper advertising salesperson to visit the class and demonstrate how ads are constructed.</li> </ol>
<b>Closure/Summary</b>	<p>Business owners must keep many records to manage their companies properly. To operate an agricultural business, the owner should know the available markets and what advertising medium will work best.</p>
<b>Evaluation: Quiz</b>	<p>Answers:</p> <ol style="list-style-type: none"> <li>1. Students may list any four of the following: <ol style="list-style-type: none"> <li>a. Accounts payable</li> <li>b. Accounts receivable</li> <li>c. Inventory</li> <li>d. Insurance</li> <li>e. Payroll</li> <li>f. Government-related expenses</li> <li>g. Receipts</li> <li>h. Production information</li> <li>i. Communication records</li> </ol> </li> <li>2. Students may list any three of the following: <ol style="list-style-type: none"> <li>a. To inform consumers of an available product or service</li> <li>b. To inform consumers of the price of a product or service</li> <li>c. To increase sales for a particular product or service</li> <li>d. To create a positive relationship with consumers</li> <li>e. To promote special events that might be of interest to consumers</li> </ol> </li> <li>3. Students may list any four of the following: <ol style="list-style-type: none"> <li>a. Newspaper</li> <li>b. Trade journals/magazines</li> <li>c. Radio</li> <li>d. Television</li> <li>e. Internet</li> </ol> </li> </ol>

Instructor Directions	Content Outline
	<ul style="list-style-type: none"><li>f. Mailings, coupons, brochures</li><li>4. Students may list any three of the following:<ul style="list-style-type: none"><li>a. Direct marketing</li><li>b. Wholesale marketing</li><li>c. Retail marketing</li><li>d. Electronic marketing</li></ul></li></ul>