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| <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  |
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| <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> |

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|                       | <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> |

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|   | <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> |

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| <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>   |

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|   | <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<br/>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> |

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|                         | <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> |

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|                       | <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> |