Arkansas CTE

Agricultural Marketing: Grades 10, 11, 12

Adopted 2008

Introduction to Agricultural Marketing

1.1 Define terms

1. Apply/Match terms to correct definition in context 1.1.1

1.2 Describe the meaning and importance of agricultural marketing

1. List and explain fundamental terms, including market, marketing, agrimarketing, agribusiness marketing, and E-commerce 1.2.1
2. Identify the meaning and importance of consumers and consumer choices in agricultural marketing 1.2.2
3. List career opportunities in agrimarketing in the local community 1.2.3

1.3 Discuss the nature of agricultural marketing in a free enterprise economy

1. Identify characteristics of free enterprise as related to agricultural marketing 1.3.1
2. List and distinguish among agricultural inputs and agricultural products marketing 1.3.2
3. Relate agricultural marketing and economic concepts of supply and demand, including price (equilibrium price) 1.3.3
4. Investigate competition as a factor in the agricultural marketing process 1.3.4

1.4 Examine the relationship of agricultural marketing and international trade

1. List major agricultural products involved in international trade 1.4.1
2. Relate concepts of balance of trade with international agricultural marketing 1.4.2
3. Identify organizations and agreements that impact international agricultural trade 1.4.3
4. Compare and contrast free trade with the regulation of international trade 1.4.4

1.5 Identify appropriate FFA activities and supervised experiences in agricultural marketing

1. List FFA activities related to agricultural marketing, including the marketing plan event 1.5.1

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2. Participate in appropriate FFA career and personal development experiences 1.5.2
3. Plan and/or expand supervised experiences in agricultural marketing 1.5.3
4. Keep records of FFA and supervised experience participation 1.5.4

Determining the Functions and Alternatives in Agricultural Marketing

2.1 Define terms

1. Apply/Match terms to correct definition in context 2.1.1

2.2 Discuss agrimarketing functions

1. List and explain functions in the marketing of agricultural products, including exchange functions (buying and selling), physical functions (storage, transportation, and processing), and facilitating functions (grading/standardization, financing, risk bearing, and market information) 2.2.1
2. Identify the meaning and role of agricultural marketing infrastructure 2.2.2
3. Trace an agricultural commodity from the farm producer to the final consumer 2.2.3
4. Identify the importance of product safety in all agrimarketing functions 2.2.4
5. Relate the meaning of "farm to fork" traceability 2.2.5

2.3 Discuss alternatives in marketing agricultural products

1. List characteristics that influence marketing alternatives, such as product perishability, need for processing, and location of production relative to consumers 2.3.1
2. List and explain marketing alternatives, including cash, delayed cash, cash contract, futures contract 2.3.2
3. Interview an agricultural producer about marketing alternatives and prepare a brief oral report on your findings 2.3.3
4. Invite an individual involved with agricultural marketing to serve as a resource person and discuss approaches used in agricultural marketing 2.3.4
5. Use the telephone directory or other resource to identify local agricultural marketing enterprises such as grain elevators, processing plants, livestock auctions, and road side stands 2.3.5

Marketing Agricultural Commodities

3.1 Define terms

1. Apply/Match terms to correct definition in context 3.1.1

3.2 Discuss the meaning and importance of agricultural commodity marketing

1. List examples of agricultural commodities and distinguish them from natural, manufactured, and financial commodities. 3.2.1
2. Identify ways marketing functions are carried out with agricultural commodities. 3.2.2

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3. Trace an agricultural commodity produced in the local area through the marketing process. 3.2.3
4. Relate the role of standardization in agricultural commodity marketing and give examples, such as grain kernel uniformity, damage, foreign materials, and moisture content. 3.2.4
5. Locate and use a grain shrinkage chart as related to price discount for high moisture and loss from over-drying. 3.2.5

3.3 Describe the development and operation of futures markets

1. Trace the history of the Chicago Board of Trade, Chicago Mercantile Exchange, Kansas City Board of Trade, and Minneapolis Grain Exchange. 3.3.1
2. List and explain roles of futures markets, including price discovery, risk transfer, and investment medium. 3.3.2
3. Identify how trading takes place on an exchange floor and in trading pits. 3.3.3
4. Identify hand signals for "buy" and "sell" as used in a trading pit. 3.3.4
5. Review each day for a week the daily commodities futures price quotations from a newspaper or other source and write a short report on your observations. 3.3.5
6. Relate the role of the clearing corporation at an exchange 3.3.6

3.4 Discuss the use of futures markets with agricultural commodities

1. Identify the procedure a producer would follow in using futures marketing, including selecting a brokerage firm and an account executive and opening a futures account with the broker. 3.4.1
2. Explain the meaning and use of hedging and speculation. 3.4.2
3. Explain the meaning and importance of margins with a brokerage firm; also explain minimum margin. 3.4.3
4. Identify the types of orders, including "limit," "stop-loss," "spread," and "market if touched" orders. 3.4.4
5. Explain basis (basis price level) and compare it to market price level. 3.4.5
6. Arrange for a broker to serve as a resource person and explain hedging, speculation, and kinds of orders. 3.4.6

3.5 Describe the transfer of risk using futures markets

1. Relate the importance of managing both product and price risks. 3.5.1
2. Explain the meaning and use of hedging to manage risk, including the use of cash and futures markets. 3.5.2
3. Prepare a short written report on the transfer of risk through futures markets. 3.5.3
4. Make mathematics calculations to determine gains or losses from various marketing alternatives involving cash and futures marketing. 3.5.4

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Meeting Legal and Industry Responsibilities

4.1 Define terms

1. Apply/Match terms to correct definition in context 4.1.1

4.2 Discuss common legal requirements that impact agricultural marketing

1. Identify Arkansas state laws that apply to agricultural marketing and the agencies involved in implementing provisions of the laws, including the Arkansas Agriculture Department. 4.2.1
2. Identify Federal laws and regulations that apply to agricultural marketing and the agencies responsible for implementing provisions of the laws, including those through the U.S. Department of Agriculture (USDA), Food and Drug Administration (FDA), and other agencies. 4.2.2
3. Investigate regulations and programs of the Agricultural Marketing Service (AMS) and the Animal and Plant Health Inspection Service (APHIS) and prepare a short written report. 4.2.3
4. Identify the role of marketing orders on agricultural products in Arkansas and surrounding states, with emphasis on those in milk production. 4.2.4
5. Invite a qualified local government official to serve as a resource person and discuss legal aspects of agricultural marketing. 4.2.5

4.3 Discuss common industry and association standards that impact agricultural marketing

1. List and explain producer quality assurance programs for various agricultural products, including the Beef Quality Assurance, Milk and Dairy Beef Quality Assurance Program, Poultry Quality Assurance Program, and Pork Quality Assurance Program. 4.3.1
2. Investigate and prepare a short written summary of the guidelines for producers to follow with quality assurance programs for specific products such as milk or pork. 4.3.2
3. Relate the role of producer/grower associations in agricultural marketing standards. 4.3.3

4.4 Discuss common international trade standards that impact agricultural marketing

1. List international organizations in agricultural marketing, including the World Trade Organization (WTO) and the International Organization for Standardization (ISO). 4.4.1
2. Investigate standards for grain, such as corn and soybeans, in international trade. 4.4.2
3. Investigate the acceptance of products from genetically-modified organisms in international marketing and prepare a short oral report on your findings that includes your personal assessment. 4.4.3
4. Identify steps followed in marketing a particular agricultural commodity, including transportation, grading, storage, handling, and manufacturing. 4.4.4

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4.5 Discuss education and service in agricultural marketing

1. List and describe sources of information about agricultural marketing. 4.5.1
2. Identify educational initiatives in agricultural marketing, including agricultural education and the Cooperative Extension Service. 4.5.2
3. Identify organizations that promote agricultural marketing, including the Farm Bureau, National Agricultural Marketing Association (NAMA), and producer organizations. 4.5.3
4. Interview a Farm Bureau staff member or officer to gather information about its role in marketing. 4.5.4

Marketing in Agribusiness

5.1 Define terms

1. Apply/Match terms to correct definition in context. 5.1.1

5.2 Discuss the supplies and services marketed in an agribusiness

1. List and explain examples of supplies and services marketed by agribusinesses, including feed, seed, fertilizer, chemicals, tractors and implements, animal medicines, and consultant services. 5.2.1
2. Arrange for an agribusiness manager or owner to serve as a resource person and discuss marketing processes used by the overall agribusiness as well as with particular supplies and services. 5.2.2
3. Make a case study of a local agribusiness to identify marketing processes. 5.2.3

5.3 Describe differences and similarities of marketing agricultural inputs and agricultural commodities

1. Explain how agribusinesses are market oriented (as compared to a production-oriented farm that focuses on efficiency of production 5.3.1
2. Identify marketing concepts in agribusiness, including the role of the customer, coordination within the agribusiness, and role of profit. 5.3.2
3. Explain marketing mix and identify the four variables within the mix: product, price, promotion, and channel of distribution 5.3.3
4. Identify customers of the following agribusinesses and describe components of a marketing mix: feed mill, fertilizer dealer, farm tractor dealer, garden center, flower shop, and logging equipment dealer. 5.3.4

5.4 Discuss the uncontrollable forces in agribusiness marketing

1. Identify and explain five uncontrollable forces in agribusiness marketing, including economic forces, structural forces, political forces, social forces, and technological forces 5.4.1
2. Examine how the uncontrollable forces relate to agribusiness marketing. 5.4.2
3. Invite the manager or marketing manager of an agribusiness to serve as a resource person and discuss how to cope with changes in the marketing environment. 5.4.3

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Developing Marketing Plans

6.1 Define terms

1. Apply/Match terms to correct definition in context. 6.1.1

6.2 Discuss the kinds and purposes of marketing plans

1. List and distinguish kinds of marketing plans, including new product plans and annual plans. 6.2.1
2. List the purposes of a marketing plan, including guiding the marketing process, identify the target market, identify the marketing mix, allocate resources to market, and evaluate marketing accomplishments. 6.2.2
3. Invite a local agribusiness manager to discuss the use and importance of marketing plans. 6.2.3
4. Review and orally critique a sample marketing plan. 6.2.4

6.3 Describe the components of a marketing plan and the process of developing such plans

1. List the major parts of a marketing plan, including analysis of the market, business proposition, action plan, budget, and evaluation. 6.3.1
2. Explain the major question answered by (or purpose of) each part of a marketing plan. 6.3.2
3. Identify the importance of research in preparing an analysis of the market and distinguish between primary and secondary research. 6.3.3
4. Prepare a written marketing plan for a local or fictional agribusiness (small groups may be used). (Refer to guidelines of the National FFA Organization.) 6.3.4
5. Make an oral presentation of a sample marketing plan that includes appropriate visuals such as computer-based technology. 6.3.5
6. Enter appropriate FFA activities for marketing plans. 6.3.6

Promoting and Selling in the Agricultural Industry

7.1 Define terms

1. Apply/Match terms to correct definition in context 7.1.1

7.2 Discuss the importance and use of promotion in agribusiness

1. Explain the meaning, importance, and use of promotion in agribusiness. 7.2.1
2. Identify activities that may be used in promoting agribusiness products, including advertising, incentives, special events such as field days, literature, web sites, and training in how to use a product. 7.2.2
3. List ways promotion creates awareness of an agribusiness product or service. 7.2.3

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Describe the importance and use of advertising in agribusiness

1. Explain the meaning and kinds of advertising used to promote supplies and services in agribusiness. 7.3.1

2. Identify the uses of displays in selling supplies and services such as seed, tractors, safety devices, herbicides, and bedding plants. 7.3.2
3. Sketch the design of a display promoting a local agricultural product. 7.3.3
4. Sketch the layout of a newspaper advertisement that promotes a local agricultural product. 7.3.4
5. Role play a radio spot that advertises a local agribusiness or product, including recording and critiquing the spot. 7.3.5

7.4 Discuss selling in agribusinesses

1. Identify the meaning and use of selling in agribusiness. 7.4.1
2. Relate selling to the customer buying process, including customer needs, facts supporting the product to the customer, finding a solution to a customer problem, and helping customers make the right choice. 7.4.2
3. Outline the selling process used in agribusiness, including preparation, opening, presentation, closing, and follow-up. 7.4.3
4. Role play a sales presentation to a customer, including overcoming objections. (Video record and critique the role play.) 7.4.4
5. Prepare and enter appropriate FFA activities related to agricultural sales. 7.4.5