

ECONOMICS OF FOOD MARKETING SYSTEM (11:373:331)/ Spring 2010

Department of Agricultural, Food & Resource Economics School of Environmental & Biological Sciences Rutgers University

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Office Hours: M/W 10-12, or drop by, or make an appt (email only).

Class Meeting Time and Location: M/W, 4th period (2:15– 3:35pm); FS 101.

Pre-requisite: Marketing I, Microeconomics

Course Description and Objectives: Assuming that you are present, that you are a participant in discussions, that you speak to the instructor, and that you do the reading and the work required..... by end of the course, you will have a clear understanding of the importance of the food marketing system in the U.S. and in the world economy, your role as a consumer, how this food marketing system is organized, and role played by the market participants (i.e., farmers, processors, wholesalers, retailers, and food services), and factors influencing the food marketing system. In addition, you will have become well-acquainted with a variety of concepts, theories, facts, analytical procedures, models, and will have developed an ability to conduct real-world market and company analyses including the ability to analyze marketing strategies, consumer behavior, and market performance using marketing and economic principles. Your work throughout the semester should show strong and coherent evidence of these learning objectives, embodied primarily in the writing and thinking you do.

Course Materials: You have enrolled in this course voluntarily. *It is your responsibility to read the assigned readings before coming to class.* See the Course Outline below for your reading assignments. Additional readings on relevant current events or topics will be assigned in due time (as handout, via email or in Sakai, or as reserve readings at the Chang Library).

The primary and complementary texts selected for this course are given below. We will use both texts to learn concepts and applications, begin discussions in classes, and to frame issues addressed in written work.

Kohl, Richard L. and Joseph N. Uhl (**KU**) *Marketing of Agricultural Products*, 9th ed., Upper Saddle River, NJ: Prentice-Hall, 2002.

Kotler, Philip & Kevin L. Keller (**KK**). *A Framework for Marketing Management*, 4th ed., Upper Saddle River, NJ: Prentice-Hall, 2009.

Recommended/Supplemental: Rhodes, V. James, Jan L. Dauve, and Joseph L. Parcell. *The Agricultural Marketing System*, 6th ed., Scottsdale, AZ: Holcomb Hathway Publishers; *Progressive Grocer*, *Business Week*, *WSJ*, and the business section of your local newspaper.

Sakai: If you are registered for this course, you should be able to access this course (11:373:331) in your Sakai page (go to <https://sakai.rutgers.edu/portal> and login using your RUID and PW). We will be using Sakai extensively for accessing course materials (syllabus, articles, assignments, quiz/exams from past, videos, etc.), submitting assignments, and communicating with the course instructor.

Course Outline and Reading Assignments (subject to change as deemed necessary)	
Class meetings	Topics
1 (Jan 20 th), 2	Syllabus explained, Course overview Food and Agribusiness Marketing in the 21 st Century <i>Reading Assignment:</i> KU Chapter 1; KK Ch. 1
3, 4	Analyzing Agri-food Markets <i>Reading Assignment:</i> KU Ch. 2
5, 6, 7	Understanding Consumer Behavior, Satisfaction, and Profitability <i>Reading Assignment:</i> KU Ch. 4; KK Ch. 4 & 7
8, 9, 10	Organization and Management of the Food Processing Sector <i>Reading Assignment:</i> KU Ch. 5; KK Ch. 10
11, 12, 13	Organization and Management of the Food Wholesaling and Retailing Sectors; Market logistics/supply chain management <i>Reading Assignment:</i> KU Ch. 6; KK Ch. 14
14 (March 8 th)	First in-class Exam
15, 16	Market Structure and Competition in Food Markets <i>Reading Assignment:</i> KU Ch. 9
17, 18, 19	Industrialization of the Agri-food system: Decentralization, Vertical coordination, Mergers and Acquisitions <i>Reading Assignment:</i> KU Ch. 12
20, 21, 22	Price Management and Analysis <i>Reading Assignment:</i> KU Ch. 8 & 10 (limited coverage) ; KK Ch. 12
23, 24	Analyzing Food Marketing Costs <i>Reading Assignment:</i> KU Ch. 11
25, 26	Government and Food Marketing <i>Reading Assignment:</i> KU, Ch. 21 & 22
27	The Global Food Market <i>Reading Assignment:</i> KU Ch. 7; KK Ch. 18
28 (May 3rd)	Second in-class Exam

Teaching Methods and Expectations: A variety of methods will be used to accomplish the course objectives. These methods include instructor's lectures, case discussions, exams, videos, group presentations and papers, and most importantly class discussion. Lectures and discussions will be used to integrate the topics covered in the course, to explain and amplify information contained in the reading assignments, and to present supplementary material. When possible, outside guest lecturers will be invited to speak to the students on relevant topics. The course is designed to elaborate and clarify the material in the textbook and outside material, stimulate your thinking about key issues related to food marketing, and relate the covered material to real world situations. Emphasis will be placed on active student participation and discussions. Ideally, I will like to create an open atmosphere in which we can creatively and imaginatively analyze ideas and concepts. In the process we will add to our intellectual skills and become more analytical in our thinking about events related to (or not) food marketing.

You are expected to come to class prepared to discuss the relevant issues. You are strongly encouraged to and are expected to participate actively during class discussions and analyses. You are responsible for the material in the reading assignments and materials handed out in class. *Note* that for each hour of the class, you may need to devote at least 2 hours outside the classroom.

Evaluations: The main question of interest here is “What did you learn in this class that you did not know before?” One enrolls in a course to learn something new or to expand the horizon of something already learnt, and I hope this course will be able to offer students exactly that.

To evaluate student understanding and progress, there will be **2 in-class tests**. Each test generally consists of both multiple-choice and short essay-type questions focusing on relevant concepts, theories, facts, analytical procedures, and models. In addition, there will be **home work, quizzes** (both *almost every week*), and a **term project** during the semester. Two quizzes with the lowest scores will be dropped from your final grade, meaning you may miss two quizzes without having any impact on your final grade. Details of the term project follows at the end of this syllabus.

Examination dates are given below so that you can plan accordingly.

Monday, March 8	1st exam; in class
Monday, May 3	2nd exam; in class

Grading: It is my responsibility to prepare appropriate evaluation to your progress in learning and give feedback regularly. Grading will be based on written work (tests, homework, quiz, term paper) and class participation. I aim for fairness in grading. Please remember that grading is a subjective process whose end is not always satisfactory to everyone. Also please remember that your grade in this course is not a prediction of your success after graduation, nor is it an evaluation of your worth as a person.

Grades for the course will be based on:

2 in-class exams, @100 each,	200
Team term project (10 pts peer evaluation + 90 pts written report),	100
HW, including case studies	60
Quiz (including in-class problem solving exercises and in-class case study discussions)	30
Participation (you can't participate if you are not present in class!)	10
TOTAL	400

Grades: A: GE 90% and F: LE 60%. *Improvement during the semester will be taken into consideration in determining course grades in borderline cases. University policy regarding incomplete grades will be followed.*

My commitment regarding Teaching and Learning: I see my role as a teacher to be a facilitator of learning. My goals include, among others, the transfer and discovery of knowledge and the development of YOUR abilities to think critically and analytically. This is accomplished through both theory and practical work in- and outside the classroom. Teaching and learning require a collaborative effort where I assume the primary responsibility for guiding the learning process and YOU assume the personal responsibility for learning. In this collaborative approach, I expect YOU to participate actively and provide feedback throughout the semester to improve my teaching and your learning.

Even after a decade of teaching this and other courses, I still consider myself learning continuously how to teach better. Therefore, I am committed to continuous improvement in the quality of teaching and learning. To achieve this, I will use several mechanisms. First, you are invited to speak to me freely at any time about any aspect of the course. Second, we will conduct a mid-terms evaluation of the course. You may indicate the merits and demerits of the course and your suggestions for improvements. Your feedback will help me gauge how the course is progressing and make it a worthwhile learning experience for you. I will share the summary of your feedback with you and will try to make the necessary adjustments in my teaching based on your feedback. Finally, course evaluation forms will be administered at the end, and I encourage you to write comments on the back in addition to filling up the bubbles. This will be particularly helpful for making effective changes in future.

Your Responsibilities: Some of YOUR responsibilities, as a student in this class, include:

1. **Be** committed to and **responsible** for learning. This includes using all the college-level skills you have for reading, writing, thinking, listening, and the “grit.” For instance, prepare for each class by **READING** assignments **BEFORE** class, ask relevant questions, and study adequately for quizzes, exams, and term papers.
2. Use the principles of **critical thinking** when completing assignments, e.g., analysis of articles and term paper. Some of the elements of critical thinking include: relevancy (your statements must be relevant to the question), accuracy (statements presented as facts and used to support your position must be accurate and clearly supported with evidence), clarity (expand on your idea and provide examples or illustrations to explain what you meant), depth (address the complexity of the problem), breadth (consistently and thoughtfully consider alternative points of view and interpretations), logic (your line of reasoning needs to be logical, and your conclusions must follow your logic), and significance (you must draw conclusions from the experience) [adapted from Foundation for Critical Thinking by Richard Paul, 1996].
3. Do your assigned work **on time**. If you think you will need help in the class, get it as soon as possible. The longer you wait to get help, the harder it gets to catch up with the class.
4. **Participate** in class discussions. *There are credits to be earned!* You are strongly encouraged to provide feedback to the Instructor throughout the semester in order to improve this class. Please participate in the Mid-semester evaluation.
5. If you are having difficulty learning in this class, or having any class-related problem, or just want to stop by, I expect you to **see you in my office**.
6. You have chosen to enroll in this class, therefore, **you are expected to** arrive on time and attend every class session for its entirety. Absence from class does not excuse you from being responsible for contents missed.
7. **Be mindful** of your neighbor. Notify me if you are having any difficulty in class.
8. Your active engagement in the following is **PROHIBITED** during class: cell phone, beeper, newspaper, and similar other distractions that disturb the class. IF you must make or take a call/mssg, please step outside the classroom without disturbing other students or the instructor. *Continuing to conduct prohibited activities in class after being warned may result in dismissal from the class.*
9. **Academic dishonesty** will not be tolerated. You are expected to follow all applicable University, School, and

Departmental policies and regulations. You may be asked to sign an honor pledge with each assignment, including HW, Quiz, and Exams. All students are expected to abide by the *academic honor system* followed at Rutgers. Any form of cheating, including plagiarism in reports, will be handled accordingly. Please visit <http://academicintegrity.rutgers.edu/integrity.shtml> for more details.

10. Those students with learning or other **disabilities** should contact the instructor at the beginning of the semester with appropriate paper work.
11. Last but not the least, kindly note that **this syllabus is a contract** for enrolling in this course. If you decide to continue with this course beyond the point of drop and add, I shall consider that all rules, policies etc. outlined in this syllabus and discussed in the class are acceptable to you.

IMPORTANT

1. **Formatting related:** If your HW and/or any written work has more than one page, properly number the pages and staple the report *before* you submit. Folding pages at the corner is not considered stapling. I am not responsible for any lost or missing pages in your written work. Do not forget to write your name on any submitted work.
2. **Penalty for non-completion:** Complete and submit ALL assignments, whether individually or in a group, in a timely manner and in a suitable/professional format. Non-submission of homework and other assignments on the due date will result in a @20% deduction of points per calendar day AFTER the due date, i.e., if you submit the day after the due date, you will lose 20% and so on.
3. **Getting acknowledgement:** If you submit your completed assignments by email, make sure you receive my acknowledgment of receipt. If you drop off your completed assignment in my mail box, make sure to get a written acknowledgment from one of the Secretaries in my Department. If you are sliding your completed assignment under my office door, it is your responsibility to obtain an acknowledgment from me.
4. **Missing examinations and quizzes:** There are NO make-ups for missed exams or quizzes. If you **miss a quiz**, that will constitute one of the two lowest scores that will be dropped from your final grade. That is, you may miss a maximum of two quizzes during the entire semester without incurring any penalty. **Therefore, no need to show me your doctor's note IF you miss a quiz!**

IF you must **miss an exam** and have a valid, documented excuse (e.g., illness documented by a physician's note is a valid excuse), you have the option of (i) writing a short paper on a class-related and instructor approved topic, or (ii) increase proportionately the weight of the other exams and having the final grade determined accordingly. Without any documented valid excuse, you will be given zero weight for the missed exam.

5. Plagiarism carries severe penalty, including but not limited to, suspension and expulsion. **Note that Rutgers subscribes to a service (www.turnitin.com) that can and will detect and verify plagiarism and all faculty members have access to this service.**
6. If you have questions regarding this syllabus, or about the course, or any class material, please feel free to see me.

TEAM TERM PROJECT DESCRIPTION AND GUIDELINES

Teamwork and collaborative learning are the essence of the "new economy". We will try to simulate a similar environment in the classroom to enable learning and to provide you with a "hands-on" experience. The class will be divided into **small groups or teams** for assignments and project purposes (max 2 students in a group)¹. This is a part of the cooperative learning process. The objective of the Term Project is to give students an opportunity to think about and apply the concepts covered in class to the real world of agribusiness, including bio-pharma focusing on the agricultural sector. Each team will submit research reports, both group and individual, as instructed below. When completed successfully, this term project is expected to foster one's analytical thinking and presentation abilities, and foster individual as well as shared learning.² **There are three (3) parts to this term project, two of which are team-based. Each part is worth 30 points.**

Part 1: Industry and Market analysis – group/team collaborative report. Due: February 22, 2010.

Conduct market analysis for the industry/market of interest (must be in agribusiness and life sciences, including bio-pharma). This must include a size and growth rate terms of sales growth and profitability, market structure analysis in terms of selected industry's competitive environment, number of firms, common pricing and distribution strategies, use of coordination and alliances, product availability and new product introduction, merger & acquisitions and its impact on the competitive environment, global market expansion and the impact of globalization including the role played by non-U.S. firms, and recent industry developments. Use sections to divide your report to clearly present your market analysis. (a minimum of 6-8 pages, double-spaced; electronic or soft copy required).

Part 2: Individual Company Report. Due: March 29, 2010.

Your objective here is to understand the agribusiness or bio-pharma company you selected (for Part 1) in terms of the following: corporate culture and values, corporate vision and mission, objective and strategic intent, SIC/NAICS code, core corporate competencies and strategies, and business portfolio identified by SIC/NAICS codes. Therefore, for the selected/assigned company, complete the following: a brief history, including its organization and past and current activities; its marketing environment in terms of product offerings, target market(s), competition, and its supply chain; its market position in terms of its sales, employment, profits, advertising budget, costs, financial performance, and use of the Internet; M&A and how that has transformed the company; a brief SWOT analysis assessing the company's strengths and weaknesses in terms of financial situation, corporate marketing and management capabilities, competitive abilities, SBU (strategic business units), and product lines; current marketing strategies for the company assigned include new product introduction, market expansion strategies, ability to identify and respond to competitive and environmental threats and market opportunities based. Use sections to divide your report to clearly present your market analysis. (a minimum of 5-6 pages, double-sided; electronic or soft copy required). **WARNING:** make sure that you are not choosing the same company that your teammate has chosen, e.g., both of you MAY NOT choose Kellogg's, or Monsanto.

Part 3: Comparative Performance Analysis – collaborative report. Due: April 28, 2010

Based on work completed on Parts 1 and 2 above, you and your team member will submit a final report (titled "Comparative Performance Analysis") whereby you will identify the similarities and dissimilarities in the mission, value system, corporate strengths and weaknesses, and competitive advantages and other strengths

¹ If you want to have more than two students in your team, you need to justify the need for additional student(s) as well as get approval of Dr. Bhuyan to form a team with more than 2 students. Under any circumstances, a team may not have more than 4 students.

² If a student wants to do this term project on his/her own, he/she is free to do so. However, it is not recommended by Dr. Bhuyan. Prior approval from Dr. Bhuyan is needed for solo term projects.

and weaknesses of the companies (best to use a table or matrix to identify and compare these companies). Based on your findings from this comparative analysis, your team will write a Conclusion section that will address at least the following questions: how the companies assigned to your group performed in terms of capturing and maintaining market share, sales and profits, market expansion, introduction of new products and services, entering new target market, and in terms of their relative strengths and weaknesses. Comment on what future direction your team sees for each of these companies assigned to your team/group. (a minimum of 3-4 pages, double-sided; electronic or soft copy required).

NEXT STEP

This IS a team project and only quality research yields quality report. It is paramount that team members work cohesively in order to produce excellent report. Learning how to resolve conflicts, including free-riding problems, are part of such cooperative learning experience. Meet with your team/group member(s). Exchange telephone numbers and email adds. Assign responsibilities regarding industry research (team project); be considerate to each others= weaknesses, strengths, and needs - you need each other to do well. Decide on time table and place for meeting regularly.

Do not wait – start library research (this term project is time consuming and therefore, you should start ASAP). Collect as much information as possible about the industry and the firm(s) assigned. Use the Internet and all RU library resources (online and in-person at the ref desk; Economics reference librarian is Mr. Ryan Womack at the Alexander Library, email: rwomack@rci.Rutgers.edu). While I encourage you to contact the company you selected for info, it is not necessary to do so, and they may not respond on time.

Relevant data to complete this assignment can be found in both Alexander and Kilmer libraries (consult the Reference desks if necessary). For instance, there is several business information services at RU libraries that provide excellent and up-to-date information and analysis on both publicly traded and privately held companies in the U.S. and worldwide. One of such service is MarketLine which is owned by D&B and is an excellent source for company information and research. Another service by D&B is <http://www.hoovers.com/free/>. Whatever source is you used, make sure you acknowledge it properly, i.e., use referencing system. Plagiarism in any form carries a stiff penalty, so give due credit where it is due.

IMPORTANT DATES TO REMEMBER

January 20-27, 2010	Form your team (max of 2 students per team)
February 1, 2010	Email Prof. Bhuyan the name(s) of your teammate(s) by 4pm TODAY
February 22, 2010	Part 1 due by 5 pm
March 29, 2010	Part 2 due by 5 pm
April 26, 2010	Part 3 due by 5 pm

WRITTEN REPORT GUIDELINES (you will forfeit valuable points if you do not follow these guidelines)

1. Written reports **must be typed** (double spaced and on easily readable font and font size, e.g., Times Roman, 12 pt), preferably in MS Word. Quality is more important than length. All team projects require library research for economic data and information. All projects require to you to study and analyze such economic data, i.e., you will have to discuss the economic meaning and implications of the information you gathered.
2. You must provide **proper citations and a reference in your term paper** even if you only rewrite someone else's writing. *Wikipedia is good place to start, but it is NOT an acceptable source of reference.* Plagiarism implies academic dishonesty and if caught, you will be penalized accordingly (see #5 below). ALL citations must be under a heading, "References" and placed at the end of the term paper and not at

the end of each section.

3. If you are attaching any appendix material (e.g., data print out), make sure that they are well defined and submitted in an organized manner.
4. Write your reports in the **style of a professional report**. For example, each page, except the title page, should be numbered and stapled properly; there should be one Table of Content for the entire report. On the title page, identify yourself (if individual assignment) and your teammates (if team project), and write the project title clearly.
5. Log into Turnitin (www.turnitin.com) as a Rutgers student (also in your Sakai page) and check the originality of your term paper as well as proper citation (Chicago style). The cutoff point is 25%, i.e., if your report is flagged by Turintin as above 25% in its originality report, you will lose 25% of total points; and if your paper is flagged at 50% or above, you will be reported to the proper authorities who handles academic integrity issues at Rutgers.
6. AFTER proper checking with Turnitin, submit a soft copy (i.e., via Sakai, email, or in a floppy/CD) of your term paper as instructed.
7. Last but not the least, **REVISE, REVISE and REVISE** before you submit any report.

PROJECT REPORT IMPORTANT NOTES

I know it is not easy to work in a team, but such experience helps you prepare for the real world. So, here are some helpful hints:

1. You may get an opportunity to evaluate each of your teammates (10 points). Your evaluation WILL impact your teammate's final grades. So, it is best if you and your teammates work together. Shirking will come back to take a bite off your grade!
2. If you want me to join your team's discussions occasionally, let me know about it well in advance so that I can plan my day accordingly.
3. MORE importantly, DO NOT hesitate to contact me (email please) if you need help, or have any question.

TERM PROJECT GROUP ASSIGNMENTS

<i>Student Name</i>	<i>Industry/market selected</i>	<i>Company selected</i>
Group X	e.g., Breakfast cereal (NAICS 31123)	
1. Jane Doe1		ConAgra
2. Jane Doe2		General Mills
Group 1		
1.		
2.		
Group 2		
1.		
2.		
Group 3		
1.		
2.		
Group 4		
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2.		
Group 5		
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2.		
Group 6		
1.		
2.		
Group 7		
1.		
2.		
Group 8		
1.		
2.		
Group 9		
1.		
2.		
Group 10		
1.		
2.		

STUDENT INFORMATION:

Please email the following info by the 2nd class period to Bhuyan@aesop.rutgers.edu. Thank you!

1. Your name and the name you like to be called:
2. Your E-mail address that you use more frequently:
3. Your expected graduation date:
4. Why are you taking this course, i.e., what is your learning goal or what are you expecting to learn in this course?
5. Your previous education and/or experience in marketing or allied field:
6. What do you know about the **U.S. food marketing system** BEFORE taking this course?
7. Courses you have taken on micro- and macroeconomics, math, calculus, and statistics:
8. Best course yet, and why:
9. How much time per week do you plan to devote to this class outside of scheduled class hours?
10. If you were teaching a course, any course, how would you teach it?