

ABM/FIM 422

Vertical Coordination in the Agri-Food System

3 Credits

Spring Semester

Prerequisites: ABM/FIM 100 and EC 201

OPEN only to JUNIORS and SENIORS

The look of food and agribusiness firms has changed and markets for agricultural commodities and products have changed with them. Firms are larger and more specialized. Agriculture is becoming industrialized. How do these firms come together to do business? What are *vertical linkages* between firms in the Agri-Food system and how do they work? What are the economic skills you need to know if you find yourself working for one of these firms? What do these changes mean for the future – for agriculture and for your career? Students in ABM/FIM 422 will examine these questions. Topics addressed in this course include:

- How do firms in today's Agri-Food system do business with each other?
 - How do farmers market their product?
 - How do food retailers source product?
 - How are global markets impacting production and marketing channels?
 - *Contracting* is becoming more commonplace in the Agri-Food system. What are the roles of marketing and production contracts? What tools do you need to read, write, and evaluate commonly used contracts?
 - *Cooperatives, Spot Markets, and Alliance* play an important role in Michigan agriculture. How do they work and what is their future?
- The industrialization of agriculture opens up questions about power. Do larger firms have more impact on the market than smaller firms? What economic tools and institutions are available to assess advantages and disadvantages of the evolving Agri-Food system?
 - What are transaction costs and why do they matter?
 - Do large firms have *monopoly/monopsony* power?
 - How is *price discovery* changing?
 - What role does government play?
 - Where does the family farm fit in today's Agri-food system?

This course is about the future of food and agribusiness.

For more information contact:

ABM/FIM 422 Instructor

Dr. Robert Shupp, 432-2754

Ruthi Bloomfield, Advisor, 432-5298