



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

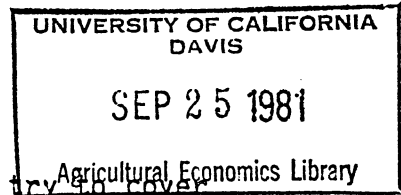
*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Agribusiness Education

1981

Future Challenges in Teaching Agribusiness Management*

W.D. Dobson**



I have a confession to make at the outset. I tend to try to cover too many points in a single lecture in my teaching and extension work. This paper represents an exception. It contains only one major point. It is that good teaching--especially teaching of Agribusiness Management--is labor intensive. As a sometime administrator, this point concerns me. It creates dilemmas.

A problem with leading a discussion on "Future Challenges in Teaching Agribusiness Management" is that it is difficult to define "Agribusiness Management" adequately. I will adopt a fairly narrow definition of "Agribusiness Management" and define the concept by citing examples of "Agribusiness Management" courses offered by the University of Wisconsin, Madison. The courses offered by the University of Wisconsin, Madison in the Agribusiness Management area include:

1. Agricultural Economics 424 (Cooperative Management Problems).
2. Meat and Animal Science 405 (Livestock and Meat Distribution).
3. Agricultural Economics 547 (Problems in Agricultural Business Management).

Agricultural Economics 424 covers the following basic management functions with application to agricultural cooperatives: Planning, organizing, directing, coordinating, and controlling.

Meat and Animal Science 405 is an orthodox case study course which requires students to investigate management problems relating to livestock and

*Paper presented at symposium on "New Dimensions in Teaching Agribusiness Management, Farm Management, and Agricultural Policy" at AAEEA Meetings in Clemson, S.C. on July 37, 1981. This paper benefitted from comments by G. Campbell, D. Hahn, R. Kauffman, W. Robinson and J. Schmidt.

**W.D. Dobson is Senior Staff Economist for Agricultural and Food Policy with the President's Council of Economic Advisers on leave from the University of Wisconsin, Madison.

and meat distribution. The Meat and Animal Science 405 course is a low enrollment course (< 30 students). Students majoring in Agricultural Economics at UW-Madison frequently enroll in this Meat and Animal Science course. Students are permitted to enroll in the class only after interviewing for a spot in the class with the instructor and discussing the management case they would work on in the class.

Agricultural Economics 547 is an elementary operations research (OR) course. The applications of the OR techniques in this class relate to management problems of agricultural business firms. The course also makes use of computerized management games. I developed this class in 1970. The topics covered in this class have remained fairly uniform since the course was first offered, although it has been taught since the mid 1970s by Professor John Schmidt.

About now I suppose you are thinking, "why is this cluck giving us all this information about courses offered at the University of Wisconsin?" That would be an appropriate question. I have subjected you to this indignity because I will refer to the courses later to illustrate my main point.

Obviously, others might define agribusiness management more broadly to include all or parts of classes dealing with subjects such as agricultural finance, commodity futures markets and agricultural marketing.

Challenges

Many challenges will face those of us who will teach agricultural economics courses in the future, some of which relate rather directly to the teaching of Agricultural Business Management courses:

1. The demands on a Professor's time and the demands for accountability seem to be increasing. This problem or challenge is a product of tighter budgets. For example, the increased demands that have been placed on professor's time are illustrated by what has happened at the University

of Wisconsin, Madison. The number of undergraduate majors in Agricultural Economics and Agricultural Business Management increased from about 50 in 1971-72 to about 275 at present. The increased teaching and advising load that this has produced has been assumed with essentially no increase in faculty teaching resources.

2. Legislators, students and the committees that pass on recommendations for promotion of faculty members all seem to be demanding that the quality of teaching be improved.

3. The Business people and others who hire our graduates are demanding that our graduates be able to write and speak effectively, to plan and establish priorities, to know how to get along with co-workers, and to be a good team player when necessary. If Ag. Econ. departments fail to deliver such a product, the businesses can be expected to hire people trained in other disciplines (e.g., Business Schools) who have the desired traits.

The challenges relating to tight budgets suggest that Departments of Agricultural Economics will need to scrutinize their course offerings in the Agricultural Business Management area carefully. I believe fundamental questions will have to be raised regarding whether the Agricultural Economics Department has any comparative advantage in offering some of these courses. This point might be illustrated using the courses mentioned above which are offered by the University of Wisconsin, Madison. In particular:

1. Professors who teach courses such as the Ag. Econ. 547 (Problems in Ag. Bus. Mgt.) a course I described earlier will need to ask questions such as this: Can a Department of Agricultural Economics justify teaching a fairly orthodox operations research class? Shouldn't this class be taught in the Business School? Can the class be differentiated enough with Agricultural

applications to make it a course that should be taught in the Agricultural Economics Department? The point of these questions is to suggest that the opportunity cost associated with teaching a fairly orthodox OR class in an Agricultural Economics Department may be high. Some opportunities to teach other courses carrying a higher payoff for students may be foregone if such courses are taught by Agricultural Economics Departments.

2. On the other hand, it seems to me that a fairly strong rationale exists for offering a course in management of Agricultural Cooperatives in an Agricultural Economics Department. Courses dealing with agricultural cooperatives tend not to be offered by Business Schools. And in some states cooperatives are very important as businesses and as employers of Ag. Econ. graduates. Thus, there may be a fairly strong justification for offering this type of course in the Agricultural Economics Department.

The Case Study

It appears to me that the case study will help to produce the type of high quality teaching and the traits which employers seem to want. Let's look at the case study as a method of teaching agribusiness management using the Ag. Econ. 424 and Meat and Animal Science 405 courses as illustrations.

Both the Agricultural Economics 424 (Cooperative Management Problems) and the Meat and Animal Science 405 (Livestock and Meat Distribution) classes make use of the case study. The instructors for the two classes speak highly of the effectiveness of this method of instruction. Their comments (and those of several other faculty members at the University of Wisconsin and elsewhere) about the advantages and disadvantages of the case method of instruction are as follows:

Advantages

1. The case method provides a useful learning experience since it requires students to apply techniques learned in other classes (price analysis, breakeven analysis, price discrimination, financial management and accounting techniques) for practical problem solving. Often the students get relatively little opportunity to make these practical applications if they do not take courses using the case study.
2. The case method sharpens the writing and speaking skills of the student. This is so since students often develop written reports to describe their prescriptions regarding the case and also give an oral report of their findings to the class and sometimes to officials of the case firm.
3. A well designed case can provide a type of realism that is difficult to achieve with regular homework problems. The instructors for the Agricultural Economics 424 class at the University of Wisconsin, for example, give the students actual case problems that boards of directors for area cooperatives have considered. The students are asked to work out a suggested solution and then compare their solution to the one actually selected by the board of directors of the cooperative. Students seem to learn a good deal from comparing their suggested solution to the one selected by the cooperative.
4. The case method helps students to develop a detailed knowledge of some aspect of an industry. This sometimes helps the student get a job in the industry. In at least a few cases, it has given students the base from which to do a Master's thesis.
5. The case method forces students to cooperative to carry out a project. Thus, it gives them experience in doing the type of cooperative projects that

many of them will be involved with after graduation. For some "loners" or antisocial types this type of cooperative project often is painful but presumably beneficial.

6. Case studies sometimes can be self financing since the case companies studied will contribute funds for the endeavor.

Disadvantages

1. Perhaps the greatest disadvantage of the case study is that it is labor intensive. Professor David Hahn of Ohio State University says that the use of the case method takes about 50% more time than straight lectures. Professor Robert Kauffman of the University of Wisconsin, who teaches the Meat and Animal Science 405 class mentioned earlier, says that his class takes on many of the characteristics of time consuming one-on-one graduate type instruction.

2. There seems to be a shortage of good, timely agribusiness management cases. (For example, the instructors for the Ag. Econ. 424 class, Cooperative Management Problems, which is taught at the University of Wisconsin, said that they needed a case study on accounts receivable management in times of inflation.) The shortage of good cases of course is an issue that is not independent of point 1, which deals with the labor intense nature of instruction by the case method.

3. It is sometimes difficult to objectively grade the product of students who have worked on a case problem, since it can be difficult to identify the contribution of each student. The oral reports are sometimes useful for showing who did the work and who understands the case. Professor David Hahn of Ohio State University says that he has each member of the case study team to grade himself and all other team members. This provides additional information to help the instructor overcome this problem.

4. The case method may become unwieldy or unworkable for large classes. The amount of supervision which the instructor must provide may simply become too large if the case method of instruction is used for a large class. We discontinued use of the case method in a commodity marketing class when enrollment in the class climbed from 30-40 students to 100 students. In my opinion, this made the class a less desirable learning experience, but the change seemed to be necessary.

Use of the Case Method for Teaching Agricultural Policy. Professor Bob Spitze is leading the discussion on the "Future Challenges in Teaching Agricultural Policy" portion of this symposium. I will not tread very far onto his turf. However, in the course of my admittedly limited tour of duty as Senior Staff Economist with the President's Council of Economic Advisers, it has occurred to me that the case method might be an effective way of teaching portions of an undergraduate course in agricultural policy. For example, I think the case method could be used effectively for studying the economic impact of USDA's sugar programs, dairy programs and peanut programs. Those programs are simple enough to be described in a manageable case. Moreover, there is an abundance of good data from which to construct a case for these commodity programs. Cases on these programs would illustrate beautifully the analytical and predictive powers of economic theory. In particular, cases for these programs would show how some commodity programs have created perverse economic incentives that have been responded to by producers and processors.

If, as is possible, I become involved in teaching agricultural policy when I return to the University of Wisconsin, I plan to develop some cases relating to these commodity programs. I believe that the case method may be as useful for teaching agricultural policy as it for teaching agricultural business management.

Summary and Implications

The main point illustrated by this paper is this: The case study method appears to be an effective method for teaching agricultural business management. However, it is a labor intensive instruction technique. Thus, several questions arise which might be addressed by the group: How can the case method be made less labor intensive? How can the case method be used effectively for large classes? Can a young assistant professor who faces "publish or perish" pressures be expected to use the case study method? Are computerized management games (which can be a type of case) an effective substitute for a case study? Could a system for exchanging good, timely cases among Ag. Econ. Departments be developed? I suppose you will tell me to go to the Harvard Business School to find out all there is to know about the case method. Some wags have suggested that the students admitted to Harvard are so well qualified that they are not ruined even by the misapplication of case studies that occurs at Harvard. I don't know whether there is anything to this notion. However, there may be enough validity to the line to make it worthwhile for case studies to be discussed here.