



PRICES AND MARKETS OF THE AGRICULTURAL PRODUCTS

Basic data of the subject	
Academic Unit:	Faculty of Life and Environmental Sciences
Course title:	Prices and markets of the agricultural products
Study program:	Agribusiness
Level of study:	Bachelor (BSc)
Course status:	Elective (E)
Study year:	3 year / 5 semester
Number of hours per week:	2 + 2
Credit value – ECTS:	6 ECTS
Time/location:	To be announced
Lecturer:	Prof. Asoc. Dr. Kushtrim Braha
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Course description:	<p>This course is designed to serve students as an introduction to agricultural markets and pricing strategies. This course examines market analysis in perfect competition (demand, supply, market equilibrium), imperfect competition (monopoly, oligopoly, monopolistic competition, game theory, market concentration), pricing in different market structures and price discrimination. At the same time, the course deals with the factors that determine the prices of agricultural products, the methods of determining the prices of agricultural products, marketing margins, quality and its role in pricing decisions, quality management systems in agriculture, price variation through time and space, and finally, research techniques and consumer behavior analysis.</p>
Course objectives:	<p>The objective of this course is to teach students with the functioning of agricultural markets in terms of perfect and imperfect competition, including all relevant market structures, emphasizing imperfect competition as a dominant structure in practice. This course will provide students with basic knowledge on some of the not so well-known elements such as futures markets, game theory and techniques of consumer behavioral analysis.</p>
Learning outcomes:	<p>Upon completion of this course, students will be able to:</p> <ul style="list-style-type: none"> ▪ Recognize all the elements that influence and should be taken into account in price determination of the agricultural products. ▪ Identify and understand different forms of market structures. ▪ Acquire knowledge on the various pricing methods, as well as to be trained to determine which of them can be used in particular conditions. ▪ Understand the logic of product price variability in time and space. ▪ Understand the future markets and advantages they offer in terms of reducing market risks. ▪ Understand the philosophy of consumer behavior and basic techniques to analyze this behavior.



Contribution on student load (must correspond with learning outcomes)			
Activity	Hours	Days/week	Total
Lectures	2	13	26
Exercise theoretical/laboratory	2	13	26
Practice work	/	/	/
Contact with lecturer/consultations	1	15	15
Field exercises	/	/	/
Mid-terms, seminars	2	1	2
Homework	1	14	14
Individual time spent studying (at the library or home)	2	15	30
Final preparation for the exam	2	10	20
Time spent in evaluation (tests, quiz, final exam)	1	13	13
Projects, presentations, etc.	2	2	4
Total			150 hours (6 ECTS)
Teaching methods:	Lectures, exercises, discussions, consultations, course projects, homework, midterm exam, final exam.		
Evaluation methods:	<ul style="list-style-type: none"> ▪ Regular and active attendance: 10%, ▪ Midterm exam: 20%, ▪ Course project: 20%, ▪ Final exam: 50%. 		
Literature			
Basic Literature:	<p>Hudson D. (2007). Agricultural markets and prices. Blackwell Publishing.</p> <p>Tomek W. & Robinson K. (2014). Agricultural product prices, Cornell University Press, 5th ed.</p> <p>Norwood, F. B., Lusk, J. L., Peel, D. S., & Riley, J. M. (2021). Agricultural marketing and price analysis. Waveland Press.</p> <p>Ferries J. (2005). Agricultural prices and commodity market analysis. Michigan State University Press, 2nd ed.</p>		
Additional Literature:	<p>Varian H. (2009). Microeconomic analysis. WW Norton and Company, New York, 3rd ed.</p> <p>Maxwell, A. (2020). Agricultural marketing. Callisto Reference.</p> <p>Braha, K., Rajčaniová, M., Qineti, A., Pokrivčák, J., & Lazorčáková, E. (2019). Evidence of spatial price transmission in the case of Kosovo. AGRIS on-line Papers in Economics and Informatics, 11(665-2019-3990), 3-15.</p>		



Designed study plan:		
Week	Lectures	Exercises
First week:	Introduction to the studies of agricultural commodity markets and prices (Distinguishing characteristics of agricultural prices, Role of prices)	Distribution of the semestral project topics.
Second week:	Demand for agricultural products (Basics of demand theory, Consumer and market demand, Static and dynamic aspects of demand, Speculative demand, Derived demand)	Quizzes and case studies related to the topic of the first week lecture.
Third week:	Demand elasticities and related coefficients (Price elasticity, Income elasticity, Cross-price elasticity, Relationships among elasticities, Price flexibility coefficients, Empirical elasticities)	Quizzes and case studies related to the topic of the second week lecture.
Fourth week:	Supply relationships in agriculture (Theoretical basis of supply functions, Price elasticity of supply, Changes in supply, Supply-response relation, Constraints on supply responses, Aggregate farm output)	Quizzes and case studies related to the topic of the third week lecture.
Fifth week:	Price determination: Theory and practice (Classification of Markets, Price determination under pure competition, Price determination under monopoly, Price discrimination, Price behavior under oligopoly, Price behavior under monopolistic competition)	Quizzes and case studies related to the topic of the fourth week lecture.
Sixth week:	Marketing margins (Models of margin behavior, Empirical measures of margins, Incidence of changes in marketing costs, Price transmission, Market structure and margins, Marketing margins and elasticities of demand at various market levels)	Quizzes and case studies related to the topic of the fifth week lecture.
Seventh week:	Price differences associated with quality (Demand by grades, Supply by grades, Price differences, Defining grades and market imperfections, Price discrimination and government programs)	Quizzes and case studies related to the topic of the sixth week lecture.
Eighth week:	Midterm exam.	Quizzes and case studies related to the topic of the seventh week lecture.
Ninth week:	Spatial price relationships (Price relationships for commodities sold in one central market, Market boundaries, Spatial equilibrium models, Impact of trade barriers, Empirical applications, Determining transfer costs, Observed versus theoretical price differences: are spatial markets efficient?)	Quizzes and case studies related to the topic of the eighth week lecture.



Tenth week:	Price variation through time (Seasonal variation in prices, Annual price behavior, Cyclical behavior, Cobweb model, Trends, Short-time price variation, Models of time series).	Quizzes and case studies related to the topic of the ninth week lecture.
Eleventh week:	General farm–non-farm price relationships (Variables influencing the general level of farm prices, Measuring changes in the general level of prices, The terms of trade of farm products)	Quizzes and case studies related to the topic of the tenth week lecture.
Twelfth week:	Mechanisms for discovering prices (Alternative pricing mechanisms, Economic consequences of price discovery arrangements, Government intervention in pricing agricultural products)	Quizzes and case studies related to the topic of the eleventh week lecture.
Thirteenth week:	Price relationships on commodity futures markets (Markets for contracts, Establishing prices for futures contracts, Cash-futures price relationships for grains, Price relationships for livestock, Daily price changes, Prices of options contracts, Hedging, Price discovery)	Quizzes and case studies related to the topic of the twelfth week lecture.
Fourteenth week:	Functions of commodity futures markets (Hedging, Price discovery)	Quizzes and case studies related to the topic of the thirteenth week lecture.
Fifteenth week:	Presentation of coursework projects	Presentation of coursework projects.
Academic policies and rules of conduct:		
<ul style="list-style-type: none"> ▪ Student should be aware of and respect the institution and Code of ethics. ▪ Student should respect the schedule of lectures, exercises and be attentive. ▪ It is mandatory possess and present student ID card in the mid-terms and exam, ▪ During compilation of course projects, student must adhere the instructions given by the professor. ▪ During the exam is forbidden the use of mobile phones. 		