

# Grain Merchandising

AEDE 3124 Spring 2024

## Course Information

- **Course times and location:**
  - Lecture time: Mondays and Wednesdays, 02:20 pm – 03:40 pm.
  - Location: Animal Science Bldg 202
- **Credit hours:** 3
- **Mode of delivery:**
  - Lectures: In person

## Instructor

- **Name:** Seungki Lee
- **Email:** [lee.10168@osu.edu](mailto:lee.10168@osu.edu)
- **Office location:** 235 Ag Admin Building
- **Office phone:** (614) 247-9170 (Skype for Business)
- **Office hours:** Mondays and Wednesdays, 03:45 pm – 05:00 pm, or by appointment
- **Preferred means of communication:**
  - My preferred method of communication for questions is **email or a direct message in Carmen**.
  - My class-wide communications will be sent through the Announcements tool in CarmenCanvas. Please check your [notification preferences](https://go.osu.edu/canvas-notifications) (go.osu.edu/canvas-notifications) to be sure you receive these messages.

## Course Prerequisites

MATH 1130 or MATH 1148; AEDE 3113 (Concurrent Allowed)

## Course Description

Students will learn the principles and practices involved in grain and feed marketing and the theory of grain pricing through the economics of agricultural markets.



THE OHIO STATE UNIVERSITY

College of Food, Agricultural, and Environmental Sciences  
[Department]

## Course learning Outcomes

By the end of this course, students should successfully be able to:

1. Utilize the grain merchandising tools available to manage price risk – forwards, futures, basis contracts, deferred pricing (DP) contracts, options, etc.
2. Describe or differentiate between regional cash markets, futures markets, and international supply and demand.
3. Identify, locate, access, and utilize the appropriate sources of agricultural data.
4. Differentiate between data sources with regard to the function each serves in the markets for commodities.
5. Employ the economic framework to draw insights about the grain markets to demonstrate an understanding of the dynamics that create changes in the commodity markets.

## How This Course Works

**Mode of delivery:** We will meet in person for lectures twice a week (Mondays and Wednesdays) for 55 minutes. The rest of your work is found in Carmen and can be completed around your own schedule during the week.

**Credit hours and work expectations:** This is a **3 credit-hour course**. According to [Ohio State bylaws on instruction](http://go.osu.edu/credithours) (go.osu.edu/credithours), students should expect around 2 hours per week of time spent on direct instruction (instructor content, laboratory exercises, and Carmen activities, for example) in addition to 4 hours of homework (reading and assignment preparation, for example) to receive a grade of [C] average.

**Attendance and participation requirements:** Research shows regular participation is one of the highest predictors of success. With that in mind, I expect that students will attend lectures and regularly contribute to class discussions. If you are ill or cannot attend for school related functions or personal reasons, you must inform me before class to be excused. You can notify me by Email, friend, or family.

## Course Materials, Fees and Technologies

### Required Materials and/or Technologies

- Lorton and White, “The Art of Grain Merchandising” Silver Edition, 2010; ISBN-13: 978-1588749550
- Lecture notes by the instructor posted on Carmen



## Recommended/optional

- Norwood, Bailey and Jason Lusk, “Agricultural Marketing and Price Analysis”, Pearson; ISBN-13: 978-0132211215
- Vercammen, James, “Agricultural Marketing Structural Models for Price Analysis”, Routledge; ISBN-13: 978-0415480437
- There will also be other various assigned readings on Carmen through the sessions.

## Required Equipment

*(in case the pandemic-related university policy changes)*

- **Computer:** current Mac (MacOS) or PC (Windows 10) with high-speed internet connection.
- **Webcam:** built-in or external webcam, fully installed and tested
- **Microphone:** built-in laptop or tablet mic or external microphone
- **Other:** a mobile device (smartphone or tablet) to use for BuckeyePass authentication

If you do not have access to the technology you need to succeed in this class, review options for [technology and internet access](https://go.osu.edu/student-tech-access) (go.osu.edu/student-tech-access).

## Required Software

**Microsoft Office 365:** All Ohio State students are now eligible for free Microsoft Office 365. Visit the [installing Office 365](https://go.osu.edu/office365help) (go.osu.edu/office365help) help article for full instructions.

## CarmenCanvas Access

You will need to use [BuckeyePass](https://buckeyepass.osu.edu) (buckeyepass.osu.edu) multi-factor authentication to access your courses in Carmen. To ensure that you are able to connect to Carmen at all times, it is recommended that you do each of the following:

- Register multiple devices in case something happens to your primary device. Visit the [BuckeyePass - Adding a Device](https://go.osu.edu/add-device) (go.osu.edu/add-device) help article for step-by-step instructions.
- Request passcodes to keep as a backup authentication option. When you see the Duo login screen on your computer, click **Enter a Passcode** and then click the **Text me new codes** button that appears. This will text you ten passcodes, good for 365 days, that can each be used once.
- [Install the Duo Mobile application](https://go.osu.edu/install-duo) (go.osu.edu/install-duo) on all of your registered devices for the ability to generate one-time codes in the event that you lose cell, data, or Wi-Fi service.

If none of these options will meet the needs of your situation, you can contact the IT Service Desk at [614-688-4357 \(HELP\)](tel:614-688-4357) and IT support staff will work out a solution with you.



## Technology Skills Needed for This Course

- Basic computer and web-browsing skills
- [Navigating CarmenCanvas](https://go.osu.edu/canvasstudent) (go.osu.edu/canvasstudent)
- [CarmenZoom virtual meetings](https://go.osu.edu/zoom-meetings) (go.osu.edu/zoom-meetings)

## Technology Support

For help with your password, university email, CarmenCanvas, or any other technology issues, questions or requests, contact the IT Service Desk, which offers 24-hour support, seven days a week.

- **Self Service and Chat:** [go.osu.edu/it](https://go.osu.edu/it)
- **Phone:** [614-688-4357 \(HELP\)](tel:614-688-4357)
- **Email:** [servicedesk@osu.edu](mailto:servicedesk@osu.edu)

## Grading and Faculty Response

How your grade is calculated

<b>Assignment category</b>	<b>Points</b>
<b>Mid-term exam</b>	25
<b>Final exam</b>	30
<b>Commodity Challenge Marketing Assignments</b> (4 assignments @ 3 points and 1 presentation @ 8 points)	20
<b>Homework Assignments and Quizzes</b> (3 homework @ 5 points and 5 quizzes @ 1 points)	20
<b>Attendance</b>	5
<b>Total</b>	<b>100</b>

*See course schedule, below, for due dates.*



# Descriptions of Major Course Assignments

## Exams

There will be 2 exams in this course: one (1) midterm and one (1) final exam (see the Course Schedule). The exams will be closed-book and be held in the same classroom. Exams will be composed of several types of questions: 1) True/False questions, 2) short answer questions, 3) multiple-choice questions, 4) numerical questions, and 5) chart/graph questions. The final exam will cover the entire materials of the course. Bring pencils. Rules about exam attendance can be found in the "Attendance" section in pp 5-6.

## Commodity Challenge Marketing Assignments

During the course, we will be experimenting with different marketing tools via the Commodity Challenge website. Basically, you will play a role as a grain trader in a virtual market, where all circumstances are synchronized to the actual local grain market (Chillicothe, OH - Cargill). Evaluation of this set of assignments is grounded on not the performance of trading but the completion of assigned tasks (12pts). More detailed guidelines for each task will be provided as we go through the semester. In Week 15, students will give a presentation for about 10 minutes of their trading summary (8pts).

## Homework Assignments and Quizzes

### *Homework Assignments*

There will be 3 homework assignments in the course, each designed to cover about 4-week materials. Group work is allowed, but everyone **must** turn in an individual write-up of the assignment. It is in your best interest to be able to complete all questions on the problem sets, as they will be the foundations for the exams.

### *Quizzes*

During the semester, 5 in-class quizzes will be given to ensure you are actively engaging with the material and keeping up with the readings. Those will consist of three types of questions: 1) True/False questions, 2) short answer questions, and 3) multiple choice questions.

## Attendance

AEDE 3124 is an advanced course and as such, attendance will contribute to 5% of the final grade. Enrollees who rarely attend should not expect receptive responses to last-minute pleas for assistance. Low attendance will be interpreted as a signal that the student has already mastered the material at hand, and will be treated as such. Regular attendance will be



extremely important since we will spend significant class time on subjects that require in-depth explanation, conversations, answering questions, real-life examples and simulations. In principle, students will lose 0.5pt for each absence. However, if students have a reasonable excuse (illness, Covid, emergency, etc.), no penalty will be imposed. Please refer to “Attendance and participation requirements” section in page 2.

### *Examination attendance*

I fully expect students to attend examinations, and make-up examinations will only be allowed for reasons in the case of documented emergency or illness, or in the case of an excused absence that has been discussed with the instructor in advance. If students need any accommodations regarding the schedule/format of exams, it is highly recommended for students to let the instructor know their needs before an exam so that an accommodated exam can be properly administered. Students Life Disability Services (SLDS) information can be found in page 11.

## **Academic Integrity and Collaboration**

- **Quizzes and exams:** All quizzes and exams are closed book. You must complete them by yourself. Cheating or any alleged academic misconduct will be reported to the Committee on Academic Misconduct (COAM).
- **Homework assignments** (including Commodity Challenge Marketing assignments) : What you submit should be your own original work. In case you used any borrowed phrases, terms, or ideas, you are required to appropriately use a citation to reveal the source of information (APA style is recommended). In addition, when submitting work that you produced through collaborating with classmates, it is important that you note who you worked with on the submission. You are encouraged to ask a trusted person to proofread your assignments before you turn them in but no one else should revise or rewrite your work. Plagiarized work will be reported to Ohio State Academic Affairs. In addition, it will be referred to the COAM.

## **Late Assignments Policy**

**Assignments:** For Commodity Challenge Marketing assignments and homework assignments, late submissions will incur a 5% penalty for each day from the deadline, except for any extenuating circumstances:

- medical reasons of student or student’s dependent with legitimate documents;
- student’s dependent childcare



- due to COVID-19 school closings;
- or other legitimate documented circumstances.

Your written homework assignments (including Commodity Challenge Marketing Assignments) should be your own original work. In case you used any borrowed phrases, terms, or ideas, you are required to appropriately use a citation to reveal the source of information (APA style is recommended). In addition, when submitting work that you produced through collaborating with classmates, it is important that you note who you worked with on the submission. You are encouraged to ask a trusted person to proofread your assignments before you turn them in but no one else should revise or rewrite your work. Plagiarized work will be reported to Ohio State Academic Affairs. In addition, it will be referred to the Committee on Academic Misconduct (COAM).

**Quizzes:** If you miss a quiz with an excusable reason, the average of the rest of your quiz scores will be used for the missed one.

**Exams:** There will be no make-up exams without a valid excuse; documentation will be required. If you know ahead of time that you cannot make an exam, or have other issues, please reach out to me as soon as possible.

**Commodity Challenge Marketing presentation:** Same as exams, students who miss the presentation with a legitimate reason should contact me as soon as possible for rescheduling.

## Instructor Feedback and Response Time

I am providing the following list to give you an idea of my intended availability. Remember that you can call [614-688-4357 \(HELP\)](tel:614-688-4357) at any time if you have a technical problem.

- **Preferred contact method:** If you have a question, please contact me first through my Ohio State email addresses or a direct message on CarmenCanvas. I will reply to emails/Canvas messages within **24 hours on days when class is in session at the university**.
- **Class announcements:** I will send all important class-wide messages through the Announcements tool in CarmenCanvas. Please check [your notification preferences](https://go.osu.edu/canvas-notifications) (go.osu.edu/canvas-notifications) to ensure you receive these messages.
- **Grading and feedback:** For assignments submitted before the due date, I will try to provide feedback and grades within **seven days**. Note that assignments submitted after the due date may have reduced feedback and grades may take longer to be posted.

## Grading Scale

93–100: A	80–82.9: B-	67–69.9: D+
90–92.9: A-	77–79.9: C+	60–66.9: D
87–89.9: B+	73–76.9: C	Below 60: E
83–86.9: B	70–72.9: C-	

Course letter grades will be assigned on a straight scale.

## Other Course Policies

### Discussion and Communication Guidelines

The following are my expectations for how we should communicate as a class. Above all, please remember to be respectful and thoughtful.

- **Writing style:** While there is no need to participate in class discussions as if you were writing a research paper, you should remember to write using good grammar, spelling, and punctuation. A more conversational tone is fine for non-academic topics.
- **Tone and civility:** Let's maintain a supportive learning community where everyone feels safe and where people can disagree amicably. Remember that sarcasm doesn't always come across online.
- **Citing your sources:** When we have academic discussions, please cite your sources to back up what you say. For the textbook or other course materials, list at least the title and page numbers. For online sources, include a link.
- **Backing up your work:** Consider composing your academic posts in a word processor, where you can save your work, and then copying into the Carmen discussion.
- **Email etiquette:** Emails can be conversational, as long as they remain professional. Here are a couple guidelines:
  - The subject line should be a descriptive statement, not something like “Hey” or “Question”
  - Use proper salutations, be concise in the body of the email, and if the email is a reply, be sure to include the original email.
  - Do not ask about specific grades via email; these can only be discussed in office hours.
  - Do not use all capital letters; this conveys anger and is the digital version of shouting.
  - Remember that tone is difficult to convey via email, so try to be careful about your choice of words so that your actual meaning is conveyed.





## Ohio State's Academic Integrity Policy

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's Code of Student Conduct and this syllabus may constitute Academic Misconduct.

The Ohio State University's Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: Any activity that tends to compromise the academic integrity of the University, or subvert the educational process. Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an excuse for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct.

**If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct.** If COAM determines that you have violated the University's Code of Student Conduct (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University. If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

Other sources of information on academic misconduct (integrity) to which you can refer include:

- [Committee on Academic Misconduct](http://go.osu.edu/coam) (go.osu.edu/coam)
- [Ten Suggestions for Preserving Academic Integrity](http://go.osu.edu/ten-suggestions) (go.osu.edu/ten-suggestions)
- [Eight Cardinal Rules of Academic Integrity](http://go.osu.edu/cardinal-rules) (go.osu.edu/cardinal-rules)

## Copyright for Instructional Materials

The materials used in connection with this course may be subject to copyright protection and are only for the use of students officially enrolled in the course for the educational purposes associated with the course. Copyright law must be considered before copying, retaining, or disseminating materials outside of the course.



## Creating an Environment Free from Harassment, Discrimination, and Sexual Misconduct

The Ohio State University is committed to building and maintaining a community to reflect diversity and to improve opportunities for all. All Buckeyes have the right to be free from harassment, discrimination, and sexual misconduct. Ohio State does not discriminate on the basis of age, ancestry, color, disability, ethnicity, gender, gender identity or expression, genetic information, HIV/AIDS status, military status, national origin, pregnancy (childbirth, false pregnancy, termination of pregnancy, or recovery therefrom), race, religion, sex, sexual orientation, or protected veteran status, or any other bases under the law, in its activities, academic programs, admission, and employment. Members of the university community also have the right to be free from all forms of sexual misconduct: sexual harassment, sexual assault, relationship violence, stalking, and sexual exploitation.

To report harassment, discrimination, sexual misconduct, or retaliation and/or seek confidential and non-confidential resources and supportive measures, contact the Office of Institutional Equity:

1. Online reporting form at [equity.osu.edu](https://equity.osu.edu),
2. Call 614-247-5838 or TTY 614-688-8605,
3. Or Email [equity@osu.edu](mailto:equity@osu.edu)

The university is committed to stopping sexual misconduct, preventing its recurrence, eliminating any hostile environment, and remedying its discriminatory effects. All university employees have reporting responsibilities to the Office of Institutional Equity to ensure the university can take appropriate action:

- All university employees, except those exempted by legal privilege of confidentiality or expressly identified as a confidential reporter, have an obligation to report incidents of sexual assault immediately.
- The following employees have an obligation to report all other forms of sexual misconduct as soon as practicable but at most within five workdays of becoming aware of such information: 1. Any human resource professional (HRP); 2. Anyone who supervises faculty, staff, students, or volunteers; 3. Chair/director; and 4. Faculty member.

## Diversity

The Ohio State University affirms the importance and value of diversity of people and ideas. We believe in creating equitable research opportunities for all students and to providing programs and curricula that allow our students to understand critical societal challenges from diverse perspectives and aspire to use research to promote sustainable solutions for all. We are committed to maintaining an inclusive community that recognizes and values the inherent worth and dignity of every person; fosters sensitivity, understanding, and mutual respect among all members; and encourages each individual to strive to reach their own potential. The Ohio State University does not discriminate on the basis of age, ancestry, color, disability, gender identity or expression, genetic information, HIV/AIDS status, military status, national origin, race, religion, sex, gender, sexual orientation, pregnancy, protected veteran status, or

any other bases under the law, in its activities, academic programs, admission, and employment.

To learn more about diversity, equity, and inclusion and for opportunities to get involved, please visit:

- <https://odi.osu.edu/>
- <https://odi.osu.edu/racial-justice-resources>
- <https://odi.osu.edu/focus-on-racial-justice>
- <http://mcc.osu.edu/>

In addition, this course adheres to The Principles of Community adopted by the College of Food, Agricultural, and Environmental Sciences. These principles are located on the Carmen site for this course; and can also be found at <https://go.osu.edu/principlesofcommunity>. For additional information on Diversity, Equity, and Inclusion in CFAES, contact the CFAES Office for Diversity, Equity, and Inclusion (<https://equityandinclusion.cfaes.ohio-state.edu/>). If you have been a victim of or a witness to harassment or discrimination or a bias incident, you can report it online and anonymously (if you choose) at <https://equity.osu.edu/>.

## Your Mental Health

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. The Ohio State University offers services to assist you with addressing these and other concerns you may be experiencing. If you or someone you know are suffering from any of the aforementioned conditions, you can learn more about the broad range of confidential mental health services available on campus via the Office of Student Life Counseling and Consultation Services (CCS) by visiting [ccs.osu.edu](https://ccs.osu.edu) or calling (614) 292- 5766. CCS is located on the 4th Floor of the Younkin Success Center and 10th Floor of Lincoln Tower. You can reach an on-call counselor when CCS is closed at (614) 292-5766 and 24 hour emergency help is also available through the 24/7 National Suicide Prevention Hotline at 1-(800)-273-TALK or at [suicidepreventionlifeline.org](https://suicidepreventionlifeline.org). The Ohio State Wellness app is also a great resource available at [go.osu.edu/wellnessapp](https://go.osu.edu/wellnessapp).

David Wirt, [wirt.9@osu.edu](mailto:wirt.9@osu.edu), is the CFAES embedded mental health counselor. He is available for new consultations and to establish routine care. To schedule with David, please call 614-292-5766. Students should mention their affiliation with CFAES when setting up a phone screening.

## Disability Accommodations

### Requesting Accommodations

The university strives to make all learning experiences as accessible as possible. In light of the current pandemic, students seeking to

request COVID-related accommodations may do so through the university's request process, managed by [Student Life Disability Services \(SLDS\)](#). If you anticipate or experience academic barriers based on your disability (including mental health, chronic, or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. SLDS contact information: [slds@osu.edu](mailto:slds@osu.edu); 614-292-3307; [slds.osu.edu](http://slds.osu.edu); 098 Baker Hall, 113 W. 12th Avenue.

### Disability Services Contact Information

- Phone: [614-292-3307](tel:614-292-3307)
- Website: [slds.osu.edu](http://slds.osu.edu)
- Email: [slds@osu.edu](mailto:slds@osu.edu)
- In person: [Baker Hall 098, 113 W. 12th Avenue](#)

### Accessibility of Course Technology

This course requires use of CarmenCanvas (Ohio State's learning management system) and other online communication and multimedia tools. If you need additional services to use these technologies, please request accommodations as early as possible.

- [CarmenCanvas accessibility](http://go.osu.edu/canvas-accessibility) ([go.osu.edu/canvas-accessibility](http://go.osu.edu/canvas-accessibility))
- Streaming audio and video
- [CarmenZoom accessibility](http://go.osu.edu/zoom-accessibility) ([go.osu.edu/zoom-accessibility](http://go.osu.edu/zoom-accessibility))

# Course Schedule

- Information on assigned readings can be found on the Carmen site in the module for each week. Due dates for all assignments, discussions and quizzes will be clearly indicated on the Carmen site for the class.

## LECTURE SCHEDULE

Week	Topics	Assignments & Quizzes
1	<ul style="list-style-type: none"> <li>Class overview (Syllabus)</li> <li>Commodity Challenge setup instruction</li> <li>Sourcing and Analyzing Grain Information and Data</li> </ul>	
	<b>Module 1 – Financial tools for merchandising</b>	
2	<ul style="list-style-type: none"> <li>Futures #1 (Lecture slides)</li> <li>Futures #2 (Lecture slides)</li> <li>CME futures market simulator</li> </ul>	
3	<ul style="list-style-type: none"> <li>Overview of Grain Merchandising (Ch 1)</li> <li>Basis Fundamentals (Ch 2)</li> </ul>	Quiz 1
4	<ul style="list-style-type: none"> <li>Turning Basis Into Money (Ch 3)</li> <li>Hedging (Lecture slides)</li> </ul>	Homework 1 due
5	<ul style="list-style-type: none"> <li>Getting Familiar with Your Local Basis (Ch 4)</li> <li>Options #1 (Lecture slides)</li> </ul>	Quiz 2
6	<ul style="list-style-type: none"> <li>Options #2 (Lecture slides)</li> </ul>	Homework 2 due
7	<ul style="list-style-type: none"> <li>Problem solving</li> <li>Q&amp;A session</li> </ul>	
8	<b><u>MID TERM EXAM</u></b> <ul style="list-style-type: none"> <li>Exam review</li> </ul>	(Tentative) Feb 26 (M)
	<b>Module 2 – Economics of merchandising</b>	
9	<ul style="list-style-type: none"> <li>Merchandising the Complete Season (Ch 6)</li> <li>Managing Spreads (Ch 10, 11, 12)</li> </ul>	Quiz 3



10	<b>Spring Break (no class on 3/11 &amp; 13)</b>	
11	<ul style="list-style-type: none"> <li>• Spreads review</li> <li>• Perfectly Competitive Market (Lecture slides, Norwood and Lusk Ch3)</li> </ul>	
12	<ul style="list-style-type: none"> <li>• Empirical Agricultural Price Analysis (Lecture slides, Norwood and Lusk Ch7)</li> </ul>	Quiz 4
13	<ul style="list-style-type: none"> <li>• Next Generation Contracts (Lecture slides, related to CH 15)</li> <li>• Crop Insurance (Lecture slides)</li> </ul>	Homework 3 due
14	<ul style="list-style-type: none"> <li>• Guest Lecture (Tentative, April 8, TBA)</li> <li>• Commodity Challenge Discussion</li> </ul>	Quiz 5
15	<ul style="list-style-type: none"> <li>• Putting It all Together - Discussion and Review</li> <li>• Q&amp;A session, Practice Exam Review</li> </ul>	Practice exam (not for grade)
16	<b><u>FINAL EXAM</u></b> Wednesday Apr 24 (Tentative)	
	<a href="https://registrar.osu.edu/academic-calendar/spring-2024-important-dates/">https://registrar.osu.edu/academic-calendar/spring-2024-important-dates/</a>	

