

ECON 322: Agricultural Commodity Markets and Risk Management

Spring 2021

Course Information

Professor Information:

Professor: Dr. Katherine Lacy

Office: AB 318G

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Email: katherinelacy@unr.edu

Office Hours: After class on Thursdays or by appointment

Email:

Please include the course and section number when sending me an email so I know exactly which class you are referring to.

I will read and respond to course-related emails in a timely fashion (within 48 hours) between the hours of 9 AM and 5 PM, Monday – Friday. However, I hold the right to not respond to emails I perceive as unprofessional. Please read this blog for guidelines about writing professional emails: <http://mleddy.blogspot.com/2005/01/how-to-e-mail-professor.html>

I will only discuss grades via WebCampus messages or on private zoom meetings. Please do not use your private email address to inquire about grades.

Professor Commitment:

You can expect me to be courteous, punctual, organized, and prepared for class activities; to answer questions clearly and in a non-negative fashion; to be available during office hours or to notify you beforehand if I am unable to keep them, and to grade uniformly and consistently according to the written guidelines. I enjoy teaching economics and statistics courses, and I look forward to working with you this semester.

Student Commitment:

I expect you to be courteous, punctual and prepared for class activities; ask questions regarding material being discussed and be prepared to enter class discussion; be respectful of others' opinions; observe classroom etiquette - be on time, turn off your cell phone, do not chat with your neighbor about non-class related activities, do not text or accept phone calls during class, do not dip or consume other tobacco products, etc. **I hold the right to remove you from zoom class if you do not follow classroom etiquette.**

Additionally, if you partake in behavior that causes class disruptions (i.e., sharing zoom meeting link and password with individuals not in the course) you will be reported to the Office of Student Conduct and subject to sanctions listed in UAM 6,502: Academic Standards (<https://www.unr.edu/administrative-manual/6000-6999-curricula-teaching-research/6502-academic-standards>)

Course Description:

Tuesday and Thursday 10:30 AM – 11:45 AM – Fully Remote (meet via zoom)

Activities of commodity futures market, mechanics of trading futures and options, use of futures and options for risk management, fundamental and technical analysis, and commodity trading regulations.

Course Pre-requisites:

ECON 102

Required texts, course materials:

No Required Text

Supplemental Texts:

- *Agricultural Futures and Options: Principles and Strategies*. By Wayne D. Purcell
- *Fundamentals of Futures and Options Markets*. By John C. Hull
- *Trading and Hedging with Agricultural Futures and Options*. By James B. Bittman
- *Risk Management in Commodity Markets: From Shipping to Agriculturals and Energy*. By Hélyette Geman
- *Price Analysis: A Fundamental Approach to the Study of Commodity Prices*. By Mindy L Mallory (<http://mindymallory.com/PriceAnalysis/>)
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Handouts and other reading assignments may be used to supplement the text and will generally be available via the course WebCampus site.

A webcam and microphone are required to participate in class remotely.

WebCampus:

There is a class web site available through the University WebCampus. To access the class page through WebCampus, go to <https://wcl.unr.edu/>. Course-related material will be posted on the web site. Therefore, you should check this site regularly.

Calculators:

Phones may NOT be used as calculators on quizzes and exams. Please see Dr. Lacy if you have any questions.

Student Learning Outcomes:

From the course description - Upon completion of this course:

1. explain why futures exchanges and commodity futures contracts exist and how they work.
2. design hedging strategies for various commodity producers and users.
3. explain both put and call options as well as their potential use in a commodity risk management program.
4. explain both the usefulness and shortcomings of fundamental and technical analysis in managing risk with commodity futures markets.

Attendance:

You are expected to attend every class with your camera on. If you are not able to turn in a homework assignment or take a quiz/exam because of an unexcused absence, you will **not** be able to turn the homework in late or take the quiz/exam.

An official excuse from a scheduled class activity such as an exam must be presented in writing no later than two weeks prior to the date of the absence. An absence due to illness or family emergency may be excused, provided that you can supply acceptable written evidence if required, and that you notify Dr. Lacy as soon as possible. Notification is almost always possible immediately upon occurrence of an emergency. If you're too sick to telephone, you can get a friend to do it. Failure to make such timely notification may result in denial of your request.

If you are absent on the day of a quiz/exam due to excuses mentioned above, you must notify me before the quiz/exam. You must schedule the make-up exam before the next meeting of the class. Special arrangements can be made for extended absences due to medical, family tragedy, or school-related reasons, provided I am notified in advance. Failure to meet these requirements will result in a zero.

Class Participation:

During each class, I will take notes on attendance and the class discussion (when applicable). On most days, class participation will just be taking attendance. Before each exam, I will update your class participation score, which will represent your average participation score from classes prior to the exam (and after the previous exam). I will drop the lowest participation score before calculating your final score.

Homework:

Graded problem sets will be assigned on a regular schedule. Each problem set will be posted on the WebCampus course site. The posted class schedule lists the due dates for all problem sets. You will be notified in class when changes are made to the schedule.

Problem sets are due **by Midnight** and should be submitted on WebCampus. If you are asked to draw graphs in the problem set, you are expected to figure out how to neatly put the graph on your problem set document. Pictures of hand drawn graphs will be accepted **ONLY IF** the picture is cropped to only include the graph. If the picture is not clear, it will not be accepted. Your problem set answers should be presented in a professional manner.

Late problem sets will not be accepted. The solutions to the problem sets will be posted on the WebCampus course site.

The homework's are scheduled as follows:

Homework 1	Due Sunday, February 7th at 11:59 PM
Homework 2	Due Sunday, February 21st at 11:59 PM
Homework 3	Due Sunday, March 14th at 11:59 PM
Homework 4	Due Sunday, March 28th at 11:59 PM
Homework 5	Due Sunday, April 11th at 11:59 PM
Homework 6	Due Sunday, April 25th at 11:59 PM

Quizzes/Exams:

There will be six mid-semester exams and a cumulative final in this course.

All the quizzes will be taken via WebCampus and the final will be proctored through Proctorio. Please make sure your computer has a working camera and you have enabled the Proctorio add-in. You will be required to show identification in order to start the exams and you will be monitored via webcam and microphone.

You will have the entire day to take each quiz. You do not have to pre-schedule the quizzes, but please make sure you start the quiz well before it closes to ensure your time is not cut short. I will drop the lowest quiz score.

You will have 50 minutes to complete quizzes and 130 minutes to complete the final.

Quiz 1	Thursday, February 11th
Quiz 2	Thursday, March 4th
Quiz 3	Thursday, March 18th
Quiz 4	Thursday, April 1st
Quiz 5	Thursday, April 15th
Quiz 6	Thursday, April 29th
Final Exam	Tuesday, May 11th

There will be no make-up quizzes/exams for missed quizzes/exams.

Grading Criteria, Scale, and Standards:

Scores in seven major performance areas will determine your grade:

Class Participation	5%	
Homework	20%	(3.33% each)
Quizzes	55%	(11% each)
Final Exam	20%	

Course letter grades will be assigned on a straight scale. There will not be any curving of the final grade.

A	93 – 100
A-	90 – 92.9
B+	87 – 89.9
B	84 – 86.9

B-	80 – 83.9
C+	77 – 79.9
C	74 – 76.9
C-	70 – 73.9

D+	67 – 69.9
D	64 – 66.9
D-	60 – 63.9
F	< 60

Proposed Topic Outline:

1. Introduction to Commodity Markets
2. Nature of Commodity Futures Markets
3. The Commodity Futures Contract
4. Mechanisms of Commodity Trading
5. *Fundamental Approach to Commodity Price Analysis*
6. *Technical Analysis of Commodity Prices*
7. Hedging
8. Basis Trading
9. Spreads and Straddles
10. Commodity Options
11. Regulating Commodity Trading
12. Characteristics of Commodity Traders

University Policies

Statement on Academic Dishonesty:

"The University Academic Standards Policy defines academic dishonesty, and mandates specific sanctions for violations. See the University Academic Standards policy: [UAM 6,502](#)."

Statement of Disability Services:

"Any student with a disability needing academic adjustments or accommodations is requested to speak with me or the [Disability Resource Center](#) (Pennington Achievement Center Suite 230) as soon as possible to arrange for appropriate accommodations."

This course may leverage 3rd party web/multimedia content, if you experience any issues accessing this content, please notify your instructor.

Statement for Academic Success Services:

"Your student fees cover usage of the [Math Center](#) (775) 784-4433, [Tutoring Center](#) (775) 784-6801, and [University Writing Center](#) (775) 784-6030. These centers support your classroom learning; it is your responsibility to take advantage of their services. Keep in mind that seeking help outside of class is the sign of a responsible and successful student."

Statement on Audio and Video Recording:

Student-created Recordings

"Surreptitious or covert video-taping of class or unauthorized audio recording of class is prohibited by law and by Board of Regents policy. This class may be videotaped or audio recorded only with the written permission of the instructor. In order to accommodate students with disabilities, some students may have been given permission to record class lectures and discussions. Therefore, students should understand that their comments during class may be recorded."

Instructor-created Recordings

Class sessions may be audio-visually recorded for students in the class to review and for enrolled students who are unable to attend live to view. Students who participate with their camera on or who use a profile image are consenting to have their video or image recorded. If you do not consent to have your profile or video image recorded, keep your camera off and do not use a profile image. Students who un-mute during class and participate orally are consenting to have their voices recorded. If you do not consent to have your voice recorded during class, keep your mute button activated and only communicate by using the "chat" feature, which allows you to type questions and comments live.

The University of Nevada, Reno is committed to providing a safe learning and work environment for all. If you believe you have experienced discrimination, sexual harassment, sexual assault, domestic/dating violence, or stalking, whether on or off campus, or need information related to immigration concerns, please contact the University's Equal Opportunity & Title IX office at 775-784-1547. Resources and interim measures are available to assist you. For more information, please visit the [Equal Opportunity and Title IX](#) page.