

21AECO341 FARM MANAGEMENT, PRODUCTION AND RESOURCE ECONOMICS

Hours Per Week :

L	T	P	C
1	-	2	2

Total Hours :

L	T	P
15	-	30



Source:

<http://isaeindia.org/>

COURSE DESCRIPTION AND OBJECTIVES:

The course imparts knowledge about various aspects of farm management and farm business analysis with due consideration to associated risks and uncertainty and management of common property resources

COURSE OUTCOMES:

Upon completion of the course, the student will be able to achieve the following outcomes:

COs	Course Outcomes
1	Knowledge on farm management, production and resource economics as well as business analysis for improved budgeting of the costs and to plan profitable systems
2	Better understand the production risks and risk covering mechanisms, natural resource economics and be able to initiate startup businesses on his own or support initiatives by others

SKILLS:

- ✓ *Decision-making on a farm, factor-product, factor-factor and product-product relationship*
- ✓ *Concept of cost, types of costs and their interrelationship, cost function / cost-output relationship, importance of costs in managing farm business and Cost Principle*

ACTIVITIES:

- o Computation of depreciation cost of farm assets
- o Determination of most profitable level of inputs use in a farm production process
- o Farm business analysis, Preparation of farm plan and budget
- o Collection and analysis of data on various resources in India

UNIT - 1

Introduction : Meaning and concept of farm management, definitions, objectives and relationship with other sciences. Meaning and definition of farms, its types and characteristics, changing structure of land holdings in India and characteristics of small and marginal farm holdings. Farm management problems in India.

UNIT - 2

Principles of farm management: Concept of production function and its type, use of production function in decision-making on a farm, factor-product, factor-factor and product-product relationship, law of equi-marginal/or principles of opportunity cost and law of comparative advantage, time comparison principle.

UNIT - 3

Cost function / cost-output: Meaning and concept of cost, types of costs and their interrelationship, cost function /cost-output relationship, importance of costs in managing farm business and Cost Principle. Farm inventory, appraisal and valuation of farm resources and products, Meaning and importance of farm planning and budgeting, Partial budget, enterprise budget and complete budgeting, steps in farm planning and budgeting - linear programming

UNIT - 4

Steps in establishment Agricultural and SME enterprises units : Various opportunities for Farm and Non farm actives in rural India, Classification of SME enterprises, Importance of SME enterprises, Project identification, project preparation, Fixed capital and working capital requirements, investment analysis (Capital budgeting), Project appraisal - undiscounted measures and discounted measures, sensitivity analysis. Concept of risk and uncertainty in agriculture enterprises, nature and sources of risks and its management strategies- livestock/machinery insurance, features, determinants of compensation

UNIT - 5

Concepts of Natural resource economics: Differences between NRE and agricultural economics, unique properties of natural resources. Positive and negative externalities in agriculture, Inefficiency and welfare loss, solutions, Important issues in economics and management of common property resources of land, water, pasture and forest resources etc

LABORATORY EXPERIMENTS**LIST OF EXPERIMENTS**

- 1&2. Different methods Computation of depreciation cost of farm assets
3. Determination of most profitable level of inputs use and output in farm production process
4. Determination of least cost combination of inputs
5. Application of equi-marginal returns/opportunity cost principle in allocation of farm resources
6. Selection of most profitable enterprise combination
- 7&8. Farm holding surveys

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- 9.&10. Application of cost principles - CACP concepts in the estimation of cost of mono cropping and poly cropping and livestock enterprises
 11. Farm business analysis - Estimation of different farm income measures, technical and economic efficiency measures and breakeven analysis
 12. Preparation of partial budgets and enterprise budgets
 13. To college farm and study different farm records and accounts and prepare profit and loss account
 - 14 -16. Collection and analysis of data on various natural resources in India - Land - Changes in land use pattern, forests - Water - Changes in ground water and surface water resources - Changes in labour resources - Agricultural workers - Pollution and green gas emissions - Biodiversity, etc

REFERENCES:

1. Bishop, C.E. and W. D. Tousaint. 1958. *Introduction to Agricultural Economic Analysis*. John Wiley and Sons, London
2. Heady, Earl O. 1964. *Economics of Agricultural Production and Resource Use*. Prentice Hall of India, Private Limited, New Delhi
3. S.S. Johl, J.R. Kapur. 2006. *Fundamentals of Farm Business Management*. Kalyani Publishers, New Delhi
4. Kahlon, A.S. and Karam Singh. 1965. *Principles of Farm Business Management*. Kalyani Publishers, New Delhi
5. Raju, V.T. and D.V.S. Rao. 2006. *Economics of Farm Production and Management*. Oxford & IBH Publishing Co. Pvt. Limited, New Delhi

