



STUDY CHECKLIST FOR FINAL

The final will be of the same format as the midterm: You will be asked to answer any 8 of 10 questions. A sample final and a summary of material covered in class will be posted on the course web site before the exam. Due to the pressure to finish projects at the end of the term, there will be no material from the textbook not also covered in class, but reading the text will still be useful in reinforcing ideas covered in class.

During the final, you may use:

- The PowerPoint slides from class.
- Any material in your own handwriting or any material you have typed yourself into a word processing file. You must turn any word processed notes in with your exam and you must have written the entire content yourself in your own words.

You may not use the summary of material covered in class or any other material you have not written yourself.

Please remember that you are expected to be able to discuss and apply the material to the needs of specific firms or situations. **It is not enough to memorize and regurgitate!**

Cumulative material

- How changing diet patterns are changing the U.S. and international food markets
- The value chain—how value is added to products by different firms in sequence
- Demographics: Use of demographics to predict future markets
- Consumer brand loyalty and multi-brand loyalty
- How intermediaries add value and reduce costs (rather than adding to costs)
- Gross vs. net margins
- Private label brands

Food prices and costs

- Influences on farm prices

- Bargaining power of farmers
- More vs. less predictable market changes
- Farm value
 - Interpretation and significance of
 - Influences on
- Distribution of food marketing costs (“big picture” only—no need to memorize numbers)
- Trends and fluctuations
- Seasonality in trends
- Farmer investments in response to market prices and lags in response and effects
- Inflation adjustment of prices

Food Market Structure

- Horizontal vs. vertical coordination
- Economics of vertical integration
- Conflicts of interest that may arise from vertical coordination
- Advantages and disadvantages of specialization
- Reasons for and impact of diversification
- Decentralization
 - Impact
 - Why it has come about

Cooperatives

- Purposes for
- Functions of
- Economics of
- Problems
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Market development, bargaining power, and information

- Promotional objectives and the hierarchy of effects
- The strategic marketing process
- Market development issues
- Objectives: types and why setting objectives is important
- Evaluating strategies
- Promotional tools available
- Issues in new product adoptions by consumers
- Levels of market development—the importance of whose interest is being considered
- The pioneering advantage in food branding
- Market development issues for commodities
- Bargaining power issues
- Marketing orders and agreements: Effects and reasons for
- Problems in market information

Standardization and grading

- Reasons for
- Indicators of food quality available to consumers
- Types of food standards
- Grading issues
- Criteria in setting grading standards

- Problems in grading implantation

Transportation

- Transportation issues and sequences
- Modes of transportation—characteristics, advantages, and disadvantages
- Freight cost issues

Storage

- Types and purposes
- Issues

Risk management

- Types of risks
- Futures markets
- Futures trading
- Hedging options
- Risks and return: You do not need to know details but should be generally aware that “insuring” oneself against a risk costs money and that the party that offers to bear the risk will expect compensation for carrying the risk.
- Reasons for buying options or futures contracts

Government programs

- Political philosophies of government programs and regulation
- Recurring political concerns
- Types of government programs and intended beneficiaries

Food marketing regulations

- Types of regulations
- Fair competition regulations
- Levels of competition
- Price discrimination regulations
- Price maintenance issues
- Regulations to protect smaller retailers
- Minimum prices—reasoning and impact
- Maximum prices—relevance, applicability, alternatives, and impact
- Impact of the dispersion of regulatory power among agencies

Specific markets: No specific questions.