



Higher National Unit specification

General information for centres

Unit title: Agricultural Economics and Marketing in the UK

Unit code: F2E3 35

Unit purpose: This Unit will allow candidates to develop a knowledge and understanding of concepts in marketing and economics as they apply to agriculture in the UK. The Unit is aimed at candidates who are studying for a Group Award in an area related to agriculture, food or the rural economy.

On completion of the Unit the candidate should be able to:

- 1 Review the nature of marketing in UK agriculture.
- 2 Evaluate how agricultural markets work.
- 3 Analyse the supply chain for one agricultural commodity from a named farm business to the final customer.
- 4 Analyse the role of government and the European Union in agriculture.

Credit points and level: 1 HN credit at SCQF level 8: (8 SCQF credit points at SCQF level 8*)

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the centre. However, no specialist knowledge is required. It would be beneficial if candidates had completed studies at SCQF level 7.

Core Skills: There are opportunities to develop the Core Skills of Written Communication, Critical Thinking, Planning and Organising, Reviewing and Evaluating, Using Number and Using Information Technology at SCQF level 6 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

Context for delivery: If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

Assessment: This Unit may be assessed by means of three open-book assessments, one covering Outcomes 1 and 3, one covering Outcome 2 and one covering Outcome 4. Whilst some may cover agricultural markets in generic terms, others may focus more specifically on a single agricultural commodity and/or agricultural business.

Higher National Unit specification: statement of standards

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The sections of the Unit stating the Outcomes, Knowledge and/or Skills, and Evidence Requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the Knowledge and/or Skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

Outcome 1

Review the nature of marketing in UK agriculture

Knowledge and/or Skills

- ◆ Marketing
- ◆ Farm Management
- ◆ Marketing at the farm gate

Evidence Requirements

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can, for one agricultural business in the UK:

- ◆ review two ways in which marketing impacts on farm management
- ◆ review two opportunities for marketing at the farm gate

Assessment Guidelines

See Outcome 3.

Higher National Unit specification: statement of standards (cont)

Unit title: Agricultural Economics and Marketing in the UK

Outcome 2

Evaluate how agricultural markets work

Knowledge and/or Skills

- ◆ Agricultural markets
- ◆ Price elasticity
- ◆ Competition
- ◆ Market efficiency

Evidence Requirements

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can evaluate:

- ◆ four factors which determine agricultural prices
- ◆ two factors affecting price elasticity
- ◆ two characteristics of the market for one agricultural commodity
- ◆ the importance of competition and its impact on market efficiency

Assessment Guidelines

This Outcome may be assessed by means of an open-book report (maximum 800 words or equivalent).

Higher National Unit specification: statement of standards (cont)

Unit title: Agricultural Economics and Marketing in the UK

Outcome 3

Analyse the supply chain for one agricultural commodity from a named farm business to the final customer

Knowledge and/or Skills

- ◆ Supply chain for agricultural commodities
- ◆ Market size and trends
- ◆ Pricing in the agri-food supply chain
- ◆ Farmer controlled businesses (co-operatives), partnerships and alliances
- ◆ Role and function of support agencies
- ◆ Opportunities for market expansion and development

Evidence Requirements

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- ◆ describe and analyse the supply chain for **one** agricultural commodity from the farm to the final consumer

The candidate's description and analysis should be based on one enterprise of a named farm business.

- ◆ for the commodity chosen above:
 - evaluate the size of and recent trends in the chosen UK market and supply chain
 - evaluate recent farmgate and final consumer prices
 - evaluate the role and function of at least one farmer controlled business (partnership, alliance or support agency)
 - describe at least two opportunities to develop markets and expand demand
 - describe one opportunity to improve commodity marketing for the specified farm

This evaluation should be related back to the situation on the specified farm.

Assessment Guidelines

Outcomes 1 and 3 may be assessed together by means of an open-book report based on a single agricultural commodity (maximum 1,500 words or equivalent).

Higher National Unit specification: statement of standards (cont)

Unit title: Agricultural Economics and Marketing in the UK

Outcome 4

Analyse the role of government and the European Union in agriculture

Knowledge and/or Skills

- ◆ Government intervention in agricultural markets
- ◆ Common Agricultural Policy
- ◆ Environmental/rural policy measures

Evidence Requirements

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- ◆ review recent and current government intervention in agricultural markets
- ◆ analyse two reasons for government intervention in agricultural markets
- ◆ analyse two of the impacts of the Common Agricultural Policy
- ◆ analyse one agricultural and one environmental/rural policy measure currently in place in the UK

Assessment Guidelines

This Outcome may be assessed by means of an open-book extended response assessment (maximum 800 words or equivalent).

Administrative Information

Unit code: F2E3 35

Unit title: Agricultural Economics and Marketing in the UK

Superclass category: EB

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Higher National Unit specification: support notes

Unit title: Agricultural Economics and Marketing in the UK

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

Guidance on the content and context for this Unit

The purpose of this Unit is to develop in candidates a knowledge and understanding of concepts in marketing and economics as they apply to agriculture in the UK, including agricultural, environmental and rural policy. The Unit is aimed at candidates who are studying for a Group Award in an area related to agriculture, food or the rural economy.

The first Outcome reviews marketing in relation to UK agriculture, its role in farm management and at the farm gate level.

The second Outcome relates to the theory of the market and the role and interrelationships between supply, demand and price. Price elasticity and types of competition are also included and the pricing structure within the agri-food supply chain.

Outcome 3 considers the structure of UK agricultural markets and the supply chain. There are some common features between different commodities but specific examples should enable differences to be illustrated. Similarly farmer controlled businesses (co-ops), partnerships, alliances and support agencies vary in their involvement from commodity to commodity and this should be illustrated again using specific commodity examples. This should assist in the review of possible opportunities for market expansion and development in relation to a specific commodity.

Outcome 4 reviews the role of government in agriculture. There is considerable history here but the focus should be on recent and current policy and the resultant impacts/issues. As well as agricultural policy, environmental and rural policy should be considered.

Guidance on the delivery and assessment of this Unit

It is expected that the delivery of this Unit may be based on a series of lectures and discussion sessions supported by information from reading and on-line material. The Unit could be taught with reference to the subject area(s) of the Group Award(s) of the candidates concerned. Delivery may place emphasis on practical application of the theory through worked examples and practical exercises, including, the use of online resources.

Opportunities for developing Core Skills

There are opportunities for the candidate to develop Written Communication at SCQF level 6 in the assessment of all Outcomes. If candidates complete written work for each Outcome a they will an opportunity to develop the general skill 'produce well structured written communication on complex topics'.

Higher National Unit specification: support notes (cont)

Unit title: Agricultural Economics and Marketing in the UK

Candidates will have an opportunity to analyse a particular situation within Outcome 4. The analysis of agricultural pumps and fan will be assessed and this may give candidates to develop the component Critical Thinking of the Core Skill *Problem Solving* at SCQF level 6. Candidates may analyse government intervention and justifying why it may be used in a particular situation. The general skill that candidates may have to complete is 'Analyse a complex situation or issue'.

Assessment of this Unit may allow candidates to develop the Reviewing and Evaluating component of the Core Skill *Problem Solving* at SCQF level 6. Candidates may have opportunities to gather evidence to support their evaluation and to draw conclusions. Candidates are able to gather their own evidence for Outcome 3 and to draw conclusions.

In addition to the assessment of this Unit may also contribute towards the component Planning and Organising of the Core Skill *Problem Solving* at SCQF level 6. Candidates may have to develop a plan for their own research when completing Outcomes 1 and 3. The general skill that candidates may have to complete is 'plan and organise a complex task'.

Candidates when completing their responses to Outcomes will have to present essential ideas/information and supporting detail in a logical and effective order.

There may be opportunities for the candidate to develop Using Information Technology at SCQF level 6 in this Unit. When candidates are involved in their own independent research practical work they will an opportunity to develop the general skill 'using an IT system independently to process a range of information'. Candidates may have to complete a number of internet searches to find information and keep their data secure and manage its storage.

In addition the assessment of Outcome 2 may contribute towards the component Using Number of the Core Skill *Numeracy* at SCQF level 6. Candidates may carry out sustained complex calculations on prices elasticity within an agricultural market. The general skills that candidates may complete is 'apply in combination a wide range of numerical, statistical and other mathematical skills to process complex information in generalised contexts'.

Open learning

This Unit is suited to delivery by distance learning. The evidence for Outcomes 1, 2, 3 and 4 could be held in a portfolio (or electronic portfolio) and sent to the assessor.

Candidates with disabilities and/or additional support needs

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments, or considering alternative Outcomes for Units. Further advice can be found in the SQA document *Guidance on Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs* (www.sqa.org.uk).

General information for candidates

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This Unit is designed to equip you with a knowledge and understanding of concepts in marketing and economics as they apply to agriculture in the UK, including agricultural, environmental and rural policy. This Unit will benefit you if you are studying for a Group Award in an area related to agriculture, food or the rural economy.

The concept of marketing is introduced and its relevance and importance to agriculture is reviewed. It is important for you to understand the structure of UK agricultural markets and these will be illustrated with examples from the farm gate to the final consumer. The role of farmer controlled businesses (co-ops) and support agencies will be reviewed, again with reference to appropriate commodities.

The farmer has a range of choices to make in relation to production systems and when and how to sell the product. Therefore in this Unit you will also consider relevant economic theory in terms of the relationships between supply (of a product), demand (for a product) and the price achieved. Prices can be influenced by a number of factors and these will be considered along with the relationship between the price the farmer gets and the price paid by the final consumer.

In the final part of this Unit you will review the role of government in agriculture, concentrating on recent and current policies. You will focus on agricultural policy but will also include relevant environmental and rural policies.

You may be assessed in this Unit by means of a report for Outcome 2, a combined report for Outcome 1 and 3 and an open-book extended response assignment for Outcome 4.