

NextGen: HN unit specification

Principles of Agricultural Business Management (SCQF level 8)

Unit code: J8O7 48

SCQF level: 8 (32 SCQF credit points)

Valid from: August 2026

This unit specification provides detailed information about the unit to ensure consistent and transparent assessment year on year. It is for lecturers and assessors, and contains all the mandatory information you need to deliver and assess the unit.

Published: October 2026 (version 1.0)

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Unit purpose

This unit gives learners an understanding of key business concepts, and how to apply that knowledge in an agricultural business context. It focuses on four key areas:

- economics
- marketing
- financial statements
- budgeting

Learners also consider how government and international policy can affect UK agricultural businesses.

If learners study the unit as part of HND Agriculture, they may be able to progress to degree-level qualifications in agriculture or related areas. Alternatively, they may want to go directly into employment in agriculture.

Entry requirements

Entry to the unit is at your centre's discretion. Learners do not need any prior agriculture business qualifications or experience before starting the unit. We recommend, however, that learners have completed one or more of the following:

- HNC Agriculture
- SCQF level 6 qualification in a relevant subject, along with appropriate work experience

Unit outcomes

Learners who complete this unit can:

1. analyse how agricultural markets work
2. analyse how marketing processes affect business products
3. produce financial statements for an agricultural business
4. interpret and analyse the financial operations of an agricultural business and make budget recommendations

Evidence requirements

Outcome 1

Learners must analyse the market for one farm product. The produce could be from the following list, or any other suitable agricultural business product.

- milk
- beef
- lamb
- pork
- barley
- wheat
- oats
- potatoes

Learners must describe:

- the main influences that have formed past, current and expected market prices (domestically and internationally)
- the internal and external market forces affecting price and demand
- the influence of agricultural policy on the price

Outcome 2

Learners must analyse an agricultural business and suggest how to maximise the value of the products and/or services it provides. They analyse the business's approach to marketing including its:

- target market
- unique selling points
- gap and competitor analyses
- micro and macro environment
- marketing tools (for example the marketing 'Ps' — product, price, promotion, place, packaging)

Outcomes 3 and 4

Learners must:

- collect and report on information on an agricultural business
- produce a range of appropriate financial statements from the information collected
- interpret and analyse a business's financial operations
- make budget recommendations.

You can assess these outcomes separately or together, using a business plan or portfolio. Learners could present their findings in a written report or presentation.

Knowledge and skills

Knowledge	Skills
Outcome 1 Learners should understand: • how agricultural markets work	Outcome 1 Learners can: • analyse agricultural markets
Outcome 2 Learners should understand: • the strategic marketing process of a business	Outcome 2 Learners can: • apply basic marketing principles, market analysis and strategic planning for the marketing of products
Outcome 3 Learners should understand: • how to interpret a range of financial statements for an agricultural business	Outcome 3 Learners can: • produce a range of financial statements for an agricultural business
Outcome 4 Learners should understand: • the financial operations of a business	Outcome 4 Learners can: • make budget recommendations

Meta-skills

You must give learners opportunities to develop their meta-skills throughout this unit. We have suggested how to incorporate the most relevant ones into the unit content, but you may find other opportunities.

Self-management

This includes focusing, integrity, adapting and initiative. The most relevant are:

- focusing:
 - managing time effectively
 - developing computer skills by using the multiple software types required for assessment submissions
- adapting:
 - being open to alternative ways of doing things
 - solving performance problems
 - looking at new marketing opportunities

Social intelligence

This includes communicating, feeling, collaborating and leading. The most relevant are:

- communicating:
 - building communication skills — particularly an ability to listen — to receive and give information accurately
- collaborating:
 - working constructively with peers to explore new information during both class time and self-study

Innovation

This includes curiosity, creativity, sense-making and critical thinking. The most relevant are:

- curiosity
 - asking questions of peers and agriculture experts, where appropriate
- creativity:
 - developing strategic marketing ideas and making business recommendations
- sense-making:
 - exploring professional place and role in society
 - demonstrating and developing logical thinking skills when analysing information to solve problems

Literacies

This unit provides opportunities to develop the following literacies.

Numeracy

Learners develop their numeracy skills as they produce financial statements for an agricultural business, then interpret and analyse the financial operations of that business and make budget recommendations.

Communication

Learners enhance their communication skills as they go through various assessment methods that allow them to develop both verbal and written communication skills.

Digital

Learners improve their digital skills and computer literacy as they use online research methods, use a variety of computer applications to create their assessments, and produce and analyse financial statements.

Learning for Sustainability

Throughout this unit, you should encourage learners to develop their skills, knowledge and understanding of sustainability.

This includes:

- a general understanding of social, economic and environmental sustainability
- a general understanding of the United Nations Sustainable Development Goals (SDGs)
- a deeper understanding of subject-specific sustainability
- the confidence to apply the skills, knowledge, understanding and values they develop in the next stage of their life

Delivery of unit

This is a mandatory unit in HND Agriculture.

Delivery of this unit could include visits to rural businesses. You could integrate delivery and assessment of the unit with the Agriculture: Professional Development unit by utilising information from the work placement business.

The notional design length for the unit is 160 hours. The amount of time you allocate to each outcome is at your centre's discretion. We suggest the following distribution of time, including assessment:

Outcome 1 — (40 hours)

Outcome 2 — (30 hours)

Outcome 3 — (30 hours)

Outcome 4 — (60 hours)

Additional guidance

The guidance in this section is not mandatory.

Content and context for this unit

In this unit, learners:

- analyse how agricultural markets work
- investigate how marketing processes affect business products
- produce financial statements for an agricultural business
- interpret and analyse the financial operations of an agricultural business and make budget recommendations

Approaches to delivery

As you deliver the unit, you should ideally arrange visits to a range of agricultural businesses, as well as teaching theoretical knowledge. We outline suggested content topics below.

Analyse how agricultural markets work (outcome 1)

You could cover:

- market forces (micro, macro and international)
- the role and influence of agricultural policy and economic principles

Analyse how marketing processes affect business products (outcome 2)

You could cover:

- basic marketing principles and market analysis
- strategic marketing planning for your business

Produce financial statements for an agricultural business (outcome 3)

You could cover:

- principles of financial record keeping
- profit and loss, balance sheet, cashflow statement
- gross margins, financial ratios, statutory and/or tax requirements
- livestock and/or crop reconciliations

Interpret and analyse the financial operations of an agricultural business and make budget recommendations (outcome 4)

You could cover:

- planning
- budgeting
- partial budgets
- sensitivity analysis
- sources of finance
- financial ratios
- decision-making based on accounts
- SMART (specific — measurable — achievable — relevant — time-based) objectives
- SWOT (strengths — weaknesses — opportunities — threats) analyses

Approaches to assessment

Outcome 1

Learners could produce a presentation or poster exhibition showing their research and analysis. In their assessment, they should use images, text and diagrams.

Outcome 2

Learners must produce a market analysis and marketing plan for a real agricultural business or a simulated case study. The combined analysis and plan should be a written report of about 1,500 words long or a presentation.

Centres should ensure that the business selected allows sufficient scope for the learner to generate the evidence required.

Outcomes 3 and 4

You can assess these outcomes separately or together, with learners submitting a written portfolio or report of approximately 3,000 words in length.

Ideally you assess learners on how they collect and report information gathered on one or more visits to agricultural businesses, but it may be necessary to base this on a centre-produced business case study to ensure they can meet the evidence requirements.

Learners should produce a range of appropriate financial statements from the information gathered, showing that they can interpret and analyse a business's financial operations, and make budget recommendations.

They could assess two options for the business. These could be, for example:

- the introduction of a new agricultural enterprise
- a diversification enterprise or conservation or renewables activity
- a steadying development
- physical expansion of the business

- significant restructuring of fixed costs, such as:
 - labour and use of contractors
 - development of existing enterprises

For each of the two options, learners could include:

- an outline of the proposal, which could include:
 - phasing of any development
- technical aspects, which could include:
 - physical and organisational implications
 - environmental implications
 - marketing strategy
- capital input required
- a partial budget to assess the financial implications of the option
- an assessment of the risks and financial sensitivities

Learners could conclude by:

- identifying their preferred option, giving reasons for their choice
- producing a budget for the following financial year
- showing how effectively the chosen option has met the objectives

Resources

As you deliver the unit, learners should have access to a range of agricultural businesses. Centres delivering this qualification must have suitably qualified staff for each of the subject components. Your centre should already have established processes to ensure staff are appropriately qualified to deliver in this subject area.

Assessors and internal verifiers must hold an industry and/or subject-specific qualification equivalent to the qualification. Centre staff should have relevant industry experience and be able to demonstrate industry-relevant CPD to maintain their subject-specific knowledge and skills.

Equality and inclusion

This unit is designed to be as fair and as accessible as possible with no unnecessary barriers to learning or assessment.

You must consider the needs of individual learners when planning learning experiences, selecting assessment methods or considering alternative evidence.

Guidance on assessment arrangements for disabled learners and those with additional support needs is available on the [assessment arrangements web page](#).

Information for learners

Principles of Agricultural Business Management (SCQF level 8)

This information explains:

- what the unit is about
- what you should know or be able to do before you start
- what you need to do during the unit
- opportunities for further learning and employment

Unit information

This unit gives you the knowledge and skills to allow you to:

- analyse how agricultural markets work
- investigate how marketing processes affect business products
- produce financial statements for an agricultural business
- interpret and analyse the financial operations of an agricultural business and make budget recommendations

It gives you an understanding of key business concepts that you can apply in an agricultural business context.

Prior knowledge and skills

You do not need to have any qualifications in agricultural business management or experience in the sector before you start the unit.

We do recommend that you have completed one or more of the following:

- HNC Agriculture
- SCQF level 6 qualification in a relevant subject, along with appropriate work experience

Assessment

You are assessed in various ways. For outcome 1, you could be assessed by a poster exhibition or presentation. For outcome 2, you produce a strategic marketing plan. For outcomes 3 and 4, you carry out a project in which you produce financial statements for a business, interpret and analyse that business's financial operations, and make budget recommendations.

Future progression and employment

If you study the unit as part of HND Agriculture, you may be able to progress to related degree-level study. Alternatively, you may want to go directly into employment in an agricultural business, where this unit would give you the skills to work at assistant manager level.

Meta-skills

Throughout this unit, you develop meta-skills that are useful for the agriculture sector.

Meta-skills are transferable behaviours and abilities that help you adapt and succeed in life, study and work. There are three categories of meta-skills: self-management, social intelligence and innovation.

Self-management

You develop your self-management skills as you improve your time management and working knowledge of appropriate software, remain open to alternative ways of doing things, solve performance problems, and look at new marketing opportunities

Social intelligence

You develop your social intelligence skills as you build your capacity to listen effectively, and work constructively with your peers.

Innovation

You develop your innovation skills as you ask questions of your peers and agriculture experts; take a creative approach to marketing ideas and business recommendations; explore your professional place and role in society; and show logical and analytical thinking.

Learning for Sustainability

Throughout this unit, you develop skills, knowledge and understanding of sustainability.

You learn about social, economic and environmental sustainability principles and how they relate to the agriculture sector. You also develop an understanding of the [United Nations Sustainable Development Goals](#).

Administrative information

Published: October 2026 (version 1.0)

Superclass: SM

History of changes

Version	Description of change	Date

Please check [our website](#) to ensure you are using the most up-to-date version of this unit.

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