SOUTH DAKOTA BOARD OF REGENTS
ACADEMIC AFFAIRS FORMS

New Baccalaureate Degree Minor

UNIVERSITY: **SDSU**

majors in Agricultural Business, Business Economics, Economics, Economics (B.S.) - Agricultural Economics specialization, and Entrepreneurial Studies, has proposed the new minor. The proposed Commodity Risk Management minor will focus on the quantitative skills needed to analyze agricultural commodities – hedging techniques, fundamental analysis, technical analysis, price forecasting, risk analysis, etc. The minor will appeal to students in a wide variety of majors including but not limited to Agricultural Business, Economics – Agricultural Economics Specialization, Animal Science, Agronomy, Agricultural Science, Agricultural Systems Technology, Dairy Science, Ecology & Environmental Sciences – Rangeland Ecology & Management Specialization, and Agricultural Education, Communication & Leadership.

The Commodity Risk Management minor directly contributes to SDSU's vision, as stated in SDSU's strategic plan *Imagine 2023*[1]   *South Dakota State University will be a premier land-grant university recognized for high value, innovation, and bold impact.*
  Achieve Excellence Through Transformative Education
  1. Attain academic excellence.
    a. Develop and grow high-quality and distinct academic programs designed to meet the needs of diverse students and market demands.
    b. Promote active and innovative teaching, learning, and advising practices.
The hands-on, transformative learning in the courses for the proposed minor reflects the high standards of academic excellence desired by industry partners.
  Foster Innovation and Increase Research, Scholarship, and Creative Activity (RSCA)
  2. Increase, optimize, and align the physical resources and investments for innovation, RSCA, and economic development.
  3. Create an institutional culture of communicating and branding SDSU RSCA and its achievements, outcomes, and impacts to the full scope of stakeholder and peer communities.

Industry partners that have invested in the First Dakota National Bank (FDNB) e-Trading lab and the POET Student-Managed Agricultural Commodities Fund are highly engaged in the innovative teaching, scholarship, and research that accompanies the courses and the FDNB e-Trading Lab. These innovations will lead directly to economic development through increased risk management in the industry.

SDSU does not request new state resources.

3. **What is the nature/purpose of the proposed minor? Please include a brief (1-2 sentence) description of the academic field in this program.**

The Commodity Risk Management minor will utilize the resources of the FDNB e-Trading Lab to train students in all aspects of risk management of agricultural commodities, including but not limited to, the use of futures and options contracts to manage input and output price risks.

The current Agricultural Marketing minor serves two distinct audiences – those interested in commodity risk management and those interested in agribusiness sales and marketing. The Ness School of Management and Economics will divide the current minor into two distinct minors to serve these two different audiences. The existing Agricultural Marketing minor is being renamed Agribusiness Marketing, and will focus on skills needed by those entering the

---

[1] https://www.sdstate.edu/imagine-2023-aspire-discover-achieve

An indicator of demand is current enrollment in AGEC 484 Trading in Ag Futures and Options which had a cap of 18 students in the FDNB e-Trading lab that has been raised to 24 in spring 2020.

	Fiscal Years*			
	1st	2nd	3rd	4th
Estimates	FY 21	FY 22	FY 23	FY 24
Students enrolled in the minor (fall)	45	54	63	72
Completions by graduates	9	9	9	18

*Do not include current fiscal year.

7. **What is the rationale for the curriculum? Demonstrate/provide evidence that the curriculum is consistent with current national standards.**

Today more than ever there is an increasing need for risk management in agriculture. Increased volatility stems from a variety of factors, including increasingly opaque spot markets in the livestock industry (less than 20% of cattle sales occur in the cash market across the US)[2]; increased production levels and variability; weather extremes such as the April blizzards and spring flooding that prevented planting on more than 3.9 million acres in South Dakota in 2019; and increased uncertainty with international trade negotiations and international events. For instance, in a recent example, the coronavirus pandemic fears during the last week of February 2020 that caused the Dow Jones Industrial Average to have its worst week since 2008 had spillover effects in the agricultural commodity markets, leading to volatility in the cattle markets at greater than 33% implied volatility – the highest levels since 2006.[3] Volatility levels in cattle markets and basis levels have grown by more than 150% over the past 5 years in comparison to previous years.[4]

8. **Complete the tables below. Explain any exceptions to Board policy requested.**

   A. **Distribution of Credit Hours**

   Commodity Risk Management Minor   Credit Hours   Percent

12. Does the University request any exceptions to any Board policy for this minor? Explain any requests for exceptions to Board Policy. *If not requesting any exceptions, enter*

None

13. Cost, Budget, and Resources: Explain the amount and source(s) of any one-time and continuing investments in personnel, professional development, release time, time redirected from other assignments, instructional technology & software, other operations and maintenance, facilities, etc., needed to implement the proposed minor. *Address off-campus or distance delivery separately.*

The Commodity Risk Management minor will be offered utilizing existing resources.

14. New Course Approval: New courses required to implement the new minor may receive approval in conjunction with program approval or receive approval separately. Please check the appropriate statement (*place an "X" in the appropriate box*).