



The University of Georgia

Office of the President

February 27, 2009

Erroll B. Davis, Jr., Chancellor
Board of Regents of the University System of Georgia
270 Washington Street, S.W.
Atlanta, Georgia 30334

Dear Chancellor Davis:

Attached for administrative approval is a proposal from the College of Agricultural and Environmental Sciences to change the name of the Master of Agricultural Economics (M.A.E.) to the Master of Agribusiness (M.A.B.).

Sincerely,

Michael F. Adams
President

MFA/mab

Enclosure

cc: Dr. Marci Middleton
Dr. Arnett C. Mace, Jr.
Professor Jere W. Morehead
Dr. J. Scott Angle

**Name Change Justification for Masters of Agribusiness
Department of Agricultural and Applied Economics
University of Georgia**

Industry Trends

Agriculture and agribusinesses have changed dramatically over the last few decades. While the number of farms has declined, the agribusiness sector has experienced dramatic growth in employment and sales. The agribusiness sector, excluding farm production, employs 20.8 million workers or 13% of the U.S. total employment (U.S. Department of Agriculture, Economic Research Service). Today, there are many more opportunities for college graduates in the agribusiness sector than in traditional agriculture. The U.S. Department of Agriculture projects strong employment opportunities for college graduates in the agribusiness sector in the United States (Goecker, et. al.). More specifically, the food, agricultural and natural resources system offers almost 4,000 more jobs annually than the number of college graduates in the field. This sector will provide some 24,000 annual openings in management and business occupations compared to about 20,200 graduates who will have expertise in these areas. The report anticipates relatively stronger employment opportunities for technical sales specialists; brokers; financial management specialists; and forest product, fruit, and vegetable marketing representatives. These individuals will work for organizations that add value to agricultural and forest commodities.

Academic Responses to Changing Industry Structure

The changing demand for college graduates, which has resulted from the modern structure of the agribusiness industry, necessitates some changes in the academic programs at the University of Georgia (UGA). Both undergraduate and graduate degree programs in agricultural economics have been popular at UGA for several years. Recently, the popularity of agricultural economics degrees with employers and students has diminished. While the demand for traditional agricultural economics is diminishing, there is a growing need for the economics and management of agribusiness firms. Agribusiness industry leaders prefer agribusiness academic programs over traditional agricultural economics programs when recruiting new employees (Heiman, Miranowski, Zilberman, and Alix). Many of the strengths of the Agricultural and Applied Economics Department are well suited to cover key elements of agribusiness programs. The Department has always had strong programs in production, marketing and demand, management, and risk which are important for any agribusiness program.

Response in Undergraduate Programs at UGA: A new undergraduate major in agribusiness was added by the Department of Agricultural and Applied Economics to meet the changing needs of employers and students. The undergraduate agribusiness major combined agribusiness marketing, finance, and management with a background in agricultural and environmental sciences such as food science and technology. The agribusiness major quickly became the Department's most popular undergraduate program. In fall 2007, the agribusiness major had 121 students compared to only 26 students majoring in agricultural economics. The agribusiness major prepares students to work in food and fiber marketing, agricultural production, transportation, and processing as well as in service and regulatory agencies for agribusinesses. Courses for the program include agribusiness management, finance, accounting, communications, economic theory, mathematics, and agricultural

and environmental sciences. Agribusiness majors also gain management skills to work for agribusinesses or to run their own businesses. Agribusiness graduates have gone on to work as cotton merchants, lumber brokers, sales representatives, merchandisers of grains and livestock products, greenhouse managers, loan officers, and owners of their own businesses.

Response in Graduate Programs at UGA and Other Universities: The Department of Agricultural and Applied Economics at UGA currently offers a non-thesis Masters of Agricultural Economics (MAE) degree. The curriculum for this program is in fact similar to that of Masters of Agribusiness programs offered by many other Land Grant Universities across the country. However, the current name of this program is misleading as to its course content and resulting educational outcomes which has limited its appeal to students and employers. As a result, the program has failed to attract sufficient enrollment to make it viable. Considering the popularity of the undergraduate program in agribusiness at the UGA, as well as the success of similarly structured and appropriately named Masters of Agribusiness programs at peer institutions of higher education, the Department of Agricultural and Applied Economics proposes changing the name of the Masters of Agricultural Economics (MAE) to the Masters of Agribusiness (MAB).

Several institutions of higher education have implemented successful Masters of Agribusiness programs to help supply industry needs for qualified employees in agribusiness management, marketing, and finance. The UGA MAE program is compared with four Masters of Agribusiness programs across the nation in the attached table. These programs are offered at Kansas State University, Texas A&M University, University of Florida, and Arizona State University. Arizona State offers both a thesis and non-thesis option. Texas A&M offers only a thesis option. The other programs do not require a thesis. Required credit hours range from 30 - 39 hours. The greatest concentration of courses in these five programs is in the general area of management, marketing, and finance (41%). Courses in quantitative and research methods account for 16% of total credit hours. Electives account for 20% of total credit hours. Economics courses account for 13% of total credit hours. The programs contain 3-6 hours of economics.

References

Goecker, Allan D., et. al. *Employment Opportunities for College Graduates in the U.S. Food, Agricultural, and Natural Resources System, 2005-2010*. This report was produced through a cooperative agreement between U.S. Department of Agriculture, Cooperative State Research, Education, and Extension Service and Purdue University. The full report is available on the web: <http://faeis.ahnrit.vt.edu/supplydemand/2005-2010/>

Heiman, A., J. Miranowski, D. Zilberman, J. Alix. "The Increasing Role of Agribusiness in Agricultural Economics." *J. Agribus.* 20, no. 1(2002):1-30.

U.S. Department of Agriculture, Economic Research Service. *United States Farm and Farm-Related Employment, 2002*. The full report is available on the web: <http://www.ers.usda.gov/>

Comparison of Masters of Agribusiness Programs

Courses/Universities	UGA MAE ^a	Kansas State	Texas A&M	Florida ^b	Arizona State ^c
	Credit Hrs				
Quantitative methods	3	9	6	3	
Research methods					3
Economic theory	4	6	3	3	3
Management	6	9	9	12	9
Finance	6	3	6	3	3
Policy analysis		3		3	
Accounting	6		3		
Marketing	3	3	3		3
Internship	2				
Electives	6		9	6	15
Thesis		6			
Total Credit Hours	36	39	39	30	36

^a The University of Georgia's Masters of Agricultural Economics degree.

^b The University of Florida has two tracks: Track I for non-economic undergraduate majors is shown here. Track II for economics undergraduate majors has more economics courses.

^c The Arizona State University, Morrison School of Management and Agribusiness offers both thesis and non-thesis options. The non-thesis option is reported here. The thesis option substitutes 9 hours of thesis for 9 hours of electives shown here.