Lesson Number: MS.FS.3.5

Embarking on Food Marketing

Middle School Food and Agricultural Literacy Curriculum

Precepts

A. Action

A1. Work independently and in groups to get things done

B. Relationships

B2. Interact and work with others

F. Continuous Improvement

F5. Acquire new knowledge

National Standards

ABS.06.01.02.a. – Describe functions in agricultural marketing.

ABS.06.03.01.b. – Determine marketing strategies that are most likely to be effective in an AFNR business.

NL-ENG.K-12.4 – Communication Skills

NL-ENG.K-12.12 – Applying Language Skills

NSS-EC.5-8.9 – Competition in the Marketplace

Student Learning Objectives

As a result of this **unit** the student will…

Recognize the importance of food marketing and economics on the local, state, national, and global scope of the agriculture industry.

As a result of this **lesson**, the student will …

Assess the presence of marketing infrastructure for agricultural commodities.

Time

Instruction time for this lesson: 45 minutes.

Resources

National FFA Organization. (2009). LifeKnowledge Online. Retrieved from http://agedlearning.org. — National FFA Organization. (2003). LifeKnowledge Precepts and Signs of Success. — Chicago Board of Trade. (2010) Retrieved from www.cmegroup.com

Tools, Equipment, and Supplies

Markers and poster paper for each group
Writing surface
Overhead or digital projector
Computers with Internet access
MS.FS.3.5.TM.A – one per teacher
MS.FS.3.5.TM.B – one per teacher
MS.FS.3.5.ASSESS.A – one per student

Key Terms

The following terms are presented in this lesson and appear in ***bold italics***:

Marketing Infrastructure

Commodities

Vertical Integration

Market

Commodity Market

Content Outline

Objective 1. Assess the presence of ***marketing infrastructure*** for agricultural ***commodities***.

I. What is Certified Angus Beef?

A ***marketing infrastructure*** used to promote the Angus breed as a source of beef to consumers.

II. What is *vertical integration?*

The control by a single firm of two or more stages in the chain of production, processing, and distribution.

III. What is a *commodity?*

A transportable product with commercial value.

IV. What is a *market?*

A place where goods and ***commodities*** are offered for sale or exchange.

V. What is a *commodity market?*

A large market where stockholders exchange, buy, or sell futures in ***commodities***.

Embarking on Food Marketing

Interest Approach

As students enter the room, display a few fast food icons on the board/writing surface. (Refer to **MS.FS.3.5.TM.A** for fast food icons.) Ask them to choose one of their favorite places and a favorite menu item from that place. Students can choose a place and item not listed on the transparency master. Next have them trace the places and people that have had a role in getting the final product to the restaurant.

Hello class! Take a moment to quietly look at the board. When I say LET'S EAT, silently record in your notebooks your favorite fast food restaurant item – for example, a McDonald's Big Mac. The item you choose does not necessarily need to be one that is listed on the writing surface. Be ready to share in about a minute. LET'S EAT!

Give students 60-90 seconds to record their answers. They will get a chance to share in a moment while exploring the ***marketing infrastructure*** that exists for their product.

Take 30 seconds to quickly share with the person sitting next you, your favorite item, where it is, and why you chose it. Go!

As volume in the room reaches a peak, begin to bring students back to focus on the writing surface.

Please take a moment to thank your partner for sharing. Just as we have probably jump started our appetites going through our discussion of our favorite food, a lot of work goes into getting you to purchase that food product, and a lot of energy goes into getting the restaurant to purchase the given ingredients for that product… These steps continue all the way back to the farm where the farmer was involved in some sort of ***marketing*** for his or her product. In fact, the type of seed or fertilizer used even plays a role. Today we are going to take a look at how this all works, and why we choose what we choose.

Summary of Content and Teaching Strategies

Objective 1: Assess the presence of ***marketing infrastructure*** for agricultural ***commodities***.

To get started, please pull out a piece of paper and write the numbers 1 through 5 down the left column.

Pause for students to pull out paper and write numbers.

You will hear a series of questions. Write down what you think the answer is, and just do your best if you're not sure.

Read the questions from **MS.FS.3.5.TM.B** but do not share the answers yet. After asking students to record their own answers reveal **MS.FS.3.5.TM.B** and go over the market segments. Use an example (provided) or your own example.

Let's take a look and see how we did!

The ranchers who raise Angus beef pay a small fee to the Angus Association, a group that works to promote their breed of cattle as superior. Many would dispute this as opinion (especially the Hereford ranchers) but the fact remains that most Americans have heard of "Certified Angus Beef" and associate it with quality. Many restaurants purchase this beef because this is what their customers want.

One of the largest poultry producers in the nation is Tyson Foods. They are a great example of ***vertical integration***. They have some of their own laying hens for superior chickens, have their own ranches for growing out broilers, and provide their own processing, ***marketing***, and shipping of their products. They have full control over the whole process.

Some of you chose hamburgers as your favorite food. One of the items on your burger is the bun, which is made from wheat. Wheat is a commodity, purchased by bakeries to make flour, which is used to make your burger bun. The price of wheat, along with other ***commodities***, has a lot of variables including supply, demand, weather issues, and many other factors.

So keeping with the hamburger example, the fast food company can buy their buns from a lot of suppliers, and those suppliers can get the wheat flour they need to make the buns from their own or other suppliers. A long time ago, these markets were similar to today's farmer's markets, but now mostly take place through phone or Internet orders. Some small restaurants still go to farmer's markets to purchase their ***commodities***, but this is not as common as the virtual markets.

As we looked at a moment ago, ***commodities*** such as wheat, corn, and soybeans have a market price that constantly fluctuates, similar to oil and gas prices. Bad weather or low supply can make the prices of these ***commodities*** go up, just as too much of them/great crop can make the price go down because buyers know there is a lot out there to choose from. These prices and trades take place at the Chicago Board of Trade, which actually works a lot like the stock market on Wall Street – rather than buying shares of Apple or Microsoft, traders buy food ***commodities*** like wheat.

So what questions are there so far?

Take any questions related to the content just covered.

Thank you for being fully engaged in our discussion! As we can see, there is so much more that goes into our food than just choosing the value meal combo we like most at our favorite fast food restaurant. Many people are involved in actively ***marketing*** and promoting everything in our food from what type of beef we prefer in our burger to the wheat used in the bun. This all takes place for every ingredient in our food. Think about the other items in our burger, for example (cheese, lettuce, tomatoes, onions, sauces) – all of these have ***marketing*** in many steps along the way.

Review/Summary

Loosely based on the *Picasso e-Moment*®, students are given the opportunity to market their own agricultural commodity. Split them into several groups of three or four members each. Assign each group an agriculture commodity: a produce or fruit example would work well as students likely have a basic knowledge of them already. More elaborate ***commodities*** could be assigned if the instructor provides resources or the ability to research (Internet for example). Give each group a commodity and they will create a poster '***marketing***' their product as superior. Their customers will be local restaurants that will use the ingredients in their dishes/entrées. The posters should include the terms used in the lesson wherever possible. Allow time for students to present if time is available.

The opportunity has arrived to demonstrate our ***marketing*** skills. Let's silently answer these questions before proceeding:

If a restaurant is known for its strawberry pie among the community and your job is to market strawberries, then why should this restaurant purchase this ***commodity*** from you? (Think back to our discussion about why some restaurants purchase certified Angus beef vs. other.)

Pause.

Why is your product better? Is the ***commodity*** grown on private ranches, by trusted growers (think ***vertical integration***)?

Pause.

What determines the price of the strawberries? *Pause*. Do you buy your strawberries, clean/process them, and then resell them, or are they in your control from farm to restaurant? *Pause*.

Is a shipping company involved? How can others contact you to buy strawberries? *Pause*. Visit your website to order? Call directly?

Now that we've gathered our thoughts about our commodity, we need to be sure to "paint" these ideas in addition to the ideas we discussed in class today on a poster.

Distribute **MS.FS.3.5.TM.C**. These are some things to think about before you begin your poster. Groups will be assigned a fruit or vegetable to market in our community. The task is to create a group poster that will promote or market your commodity to local restaurants. You will have ten minutes to complete the poster. Once groups are formed and you have your ***commodities***, you may begin, using the supplies provided. What questions are there?

Assign the groups and ***commodities***. Monitor student work. Count down remaining time to keep students accountable to task; you may limit or increase time based on their work pace. Students will likely need some assistance to get started depending on their assigned commodity. You may allow for sharing if time permits.

Wow! We have seen some great examples of ***marketing***. Thank you all for your hard work today. Before we go, let's make sure our work stations are spotless and all our supplies are returned to their proper place. Tomorrow we will dive a little further into the ***marketing*** process and answer some more of your questions.

Application

Extended classroom Activity:

Create a mock ***commodity market*** for students to buy and sell various products.

FFA Activity:

Participate in the National FFA ***Commodity Marketing*** Activity.

SAE activity:

Explore careers in food ***commodity markets*** and create posters to display around the community.

Evaluation

MS.FS.3.5.ASSESS.A

Answers to Evaluation

1. C
2. B
3. E
4. A
5. D

I. What is Certified Angus Beef?

A marketing infrastructure used to promote the Angus breed as a source of beef to consumers.

II. What is vertical integration?

The control by a single firm of two or more stages in the chain of production, processing, and distribution.

III. What is a commodity?

A commodity is a transportable product with commercial value.

IV. What is a market?

A place where goods and commodities are offered for sale or exchange.

V. What is a commodity market?

A large market where stockholders exchange, buy, or sell futures in commodities.

Poster Guidelines

Your poster should include the ideas we discussed in class today.

- **Your target customers are the local restaurants.**
- **If they purchase fruit for their dessert menu, why should they purchase your oranges? (Think about why some restaurants purchase certified angus beef vs. other.**
- **Why is your product better?**
- **Does your company have their own ranches, growers, processing? (Think vertical integration)**
- **What determines your price?**
- **Do you buy your oranges and clean/process them and then resell them or are they in your control from farm to restaurant?**
- **Do you have your own shipping company?**
- **Do your customers call you? Visit your website to order?**

Name____

Directions: Match the definition to the correct term.

1.	________ **Certified Angus Beef**	A.	A place where goods and commodities are offered for sale or exchange
2.	________ **Vertical Integration**	B.	The control by a single firm of two or more stages in the chain of production, processing, and distribution
3.	________ **Commodity**	C.	A marketing infrastructure used to promote the angus breed as a source of beef to consumers
4.	________ **Market**	D.	A large market where stockholders exchange, buy, or sell futures in commodities
5.	________ **Commodity Market**	E.	A transportable product with commercial value