

Next Generation Higher National Unit Specification

Principles of Agricultural Business Management (SCQF level 8)

Unit code: J7AN 48
SCQF level: 8 (32 SCQF credit points)
Valid from: session 2023–24

Prototype unit specification for use in pilot delivery only (version 1.0) September 2023

This unit specification provides detailed information about the unit to ensure consistent and transparent assessment year on year.

This unit specification is for teachers and lecturers and contains all the mandatory information required to deliver and assess the unit.

The information in this unit specification may be reproduced in support of SQA qualifications only on a non-commercial basis. If it is reproduced, SQA must be clearly acknowledged as the source. If it is to be reproduced for any other purpose, written permission must be obtained from permissions@sqa.org.uk.

This edition: September 2023 (version 1.0)

© Scottish Qualifications Authority 2023

Unit purpose

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

- ◆ economics
- ◆ marketing
- ◆ financial statements
- ◆ budgeting

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

Learners do not need any prior agri-business qualification or experience before starting the unit. Learners who complete the unit as part of the Higher National Diploma (HND) in Agriculture may progress to a degree programme, or directly into working in the sector.

Unit outcomes

Learners who complete this unit can:

- 1 analyse how agricultural markets work
- 2 investigate 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 agri-business product.

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

You could assess learners using a presentation or poster exhibition. Learners must produce evidence showing that they have researched the product and can describe:

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

Outcome 2

Learners should visit, research and analyse an agri-business. They could produce evidence in the form of a market analysis and marketing plan. They could also use information from a case study, real or imagined.

NextGen: HN published prototype unit specification for use in pilot delivery only (version 1.0)
September 2023

You can assess learners using a written report or a presentation. Learners must produce evidence showing their investigation of the agri-business, and how they suggest adding value or maximising the value of one product produced by the business. The evidence should include:

- ◆ market analysis, including:
 - target market
 - unique selling points
 - gap and competitor analyses
- ◆ marketing, using relevant tools and ‘the five Ps’:
 - product
 - price
 - promotion
 - place
 - packaging

Outcomes 3 and 4

Learners should collect and report on information they gather during one or more visits to an agri-business, or from a simulated case study.

They 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.

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

The following table shows the knowledge and skills covered by the unit outcomes:

Knowledge	Skills
<p>Outcome 1 Learners should understand:</p> <ul style="list-style-type: none"> ◆ how agricultural markets work 	<p>Outcome 1 Learners can:</p> <ul style="list-style-type: none"> ◆ analyse how agricultural markets work
<p>Outcome 2 Learners should understand:</p> <ul style="list-style-type: none"> ◆ the strategic marketing process of a business 	<p>Outcome 2 Learners can:</p> <ul style="list-style-type: none"> ◆ apply basic marketing principles, market analysis and strategic planning for the marketing of a product
<p>Outcome 3 Learners should understand:</p> <ul style="list-style-type: none"> ◆ how to interpret financial statements for an agricultural business 	<p>Outcome 3 Learners can:</p> <ul style="list-style-type: none"> ◆ produce financial statements for an agricultural business
<p>Outcome 4 Learners should understand:</p> <ul style="list-style-type: none"> ◆ the financial operations of a business 	<p>Outcome 4 Learners can:</p> <ul style="list-style-type: none"> ◆ make budget recommendations

Meta-skills

Throughout the unit, learners develop meta-skills to enhance their employability in the agriculture sector. The structure of the unit encourages you to apply a holistic approach to content delivery and assessment, in line with the integrated nature of agriculture, and for learners to develop meta-skills intrinsically.

Self-management

This meta-skill includes:

- ◆ 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 meta-skill includes:

- ◆ 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 meta-skill includes:

- ◆ curiosity and creativity: developing strategic marketing ideas and making business recommendations
- ◆ sense-making: exploring professional place and role in society; demonstrating and developing synthesising and logical thinking skills when analysing information to solve problems

Literacies

Numeracy

Learners develop numeracy skills by producing financial statements for an agricultural business, then interpreting and analysing the financial operations of that business and making budget recommendations.

Communication

Learners develop communication skills by undergoing various assessment methods that allow them to develop both verbal and written communication skills.

NextGen: HN published prototype unit specification for use in pilot delivery only (version 1.0)
September 2023

Digital

Learners develop digital skills and computer literacy by using online research methods, using a variety of computer applications to create their assessments, and producing and analysing financial statements.

Delivery of unit

This is a mandatory unit in the HND Agriculture.

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

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

Outcome 1 — Analyse how agricultural markets work
(40 hours)

Outcome 2 — Investigate how marketing processes affect business products
(30 hours)

Outcome 3 — Produce financial statements for an agricultural business
(30 hours)

Outcome 4 — Interpret and analyse the financial operations of an agricultural business and make budget recommendations
(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 arrange visits to a range of agri-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

Investigate 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, cash flow 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 must produce a presentation or poster exhibition showing their research and analysis. In their assessment, they should use images, text and diagrams.

Outcome 2

Learners could produce a market analysis and marketing plan for a real agri-business or a simulated case study. The combined analysis and plan should be about 1,500 words long.

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.

You also assess learners on how they collect and report information gathered on one or more visits to agri-businesses, or based on simulated business case studies.

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.

Learners 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 steading 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 should 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 should 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

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 should take into account the needs of individual learners when planning learning experiences, selecting assessment methods or considering alternative evidence.

Guidance on assessment arrangements for disabled learners and/or those with additional support needs is available on the assessment arrangements web page:

www.sqa.org.uk/assessmentarrangements.

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 agriculture business and make budget recommendations

The unit gives you an understanding of key business concepts that you can apply in an agri-business context.

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

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.

Studying the unit gives you the knowledge and skills to work at assistant level in the management of an agricultural business. On completion of the unit, you may move on to a degree in agriculture, or apply directly to work in the agriculture industry.

Throughout the unit, you develop meta-skills covering self-management, social intelligence and innovation.

Administrative information

Published: September 2023 (version 1.0)

Superclass: SA

History of changes

Version	Description of change	Date

Note: please check [SQA's website](#) to ensure you are using the most up-to-date version of this document.