

#### **Extension Education**

# A Research-Based Extension Curriculum to Improve Negotiation Skills and Outcomes for Agricultural Stakeholders

Christopher Bastian<sup>a</sup>, Hernan Tejeda<sup>b</sup>, Patrick Hatzenbuehler<sup>b</sup>, Kate Binzen Fuller<sup>c</sup>, John Hewlett<sup>a</sup>, Ashlee Westerhold<sup>d</sup>, and Shannon Sand<sup>e</sup>

<sup>a</sup>University of Wyoming, <sup>b</sup>University of Idaho, <sup>c</sup>Montana State University, <sup>d</sup>Kansas State University, and <sup>e</sup>University of Hawaii

JEL Codes: A29, Q1, Q12

Keywords: Adult education, agricultural negotiations, bargaining, Extension pedagogy

#### Abstract

We present a new, research-based Extension program on the topic of negotiation for the agricultural community. This endeavor draws on the expertise of Extension faculty from several western U.S. states and responds to ongoing needs of Extension clientele looking to improve business outcomes and relationships. The content currently consists of seven informational guides, one worksheet, and five online learning modules that include instructional video presentations, quizzes, supplemental learning materials, and interactive activities designed to build knowledge and skills in negotiation within an agricultural context. The relatively new online programming has been well received, and opportunities for content expansion remain. The website and content design offer possibilities for both on-site teaching and self-guided learning for Extension clientele, as well as for potential use in agribusiness education.

### 1 Introduction

Agricultural managers face a growing trend toward privately negotiating business outcomes. The share of all U.S. livestock and crops under marketing or production contracts was 52 percent and 22 percent, respectively, in 2013 (MacDonald 2015). In 2019, small and midsize farms made up 79 percent of all farms having contracts related to production (U.S. Department of Agriculture, Economic Research Service 2021). Agricultural managers, landowners, and farm families also face situations where they must negotiate with others to reach agreements regarding land leases, transition plans, loans, and more.

Research suggests that agricultural professionals are likely disadvantaged when privately negotiating market sales. Bastian, Jones et al. (2018) conducted focus group interviews with producers regarding negotiated sales at four different locations in Wyoming. Participants generally felt like they had to take the price buyers offered (i.e., had little bargaining power). Experimental research investigated the behavior of agricultural professionals in privately negotiated markets and found sellers made 30 percent less than buyers when negotiating for price (Bastian 2019). These results were consistent with experiments conducted with college students and agricultural professionals, suggesting that regardless of stage of life or business experience, improved negotiation skills were needed and beneficial for participating subjects (Nagler et al. 2013; Bastian 2019).

Communications from members of the agricultural community and other Extension faculty provided anecdotal evidence of broader negotiation programming needs. Common topics of interest indicated via phone calls, emails, and various workshops, included estate and transition planning and land leasing. This anecdotal evidence provided the impetus for initial development of an agriculturally focused negotiation curriculum introducing several key negotiation concepts in an agricultural context. Initial stakeholder feedback on the developed curriculum was positive and came from a range of individuals in several regions. Our interpretation of this feedback was that this curriculum could be of interest to stakeholders in many communities with potential for widening the reach.



To investigate whether scaling up the endeavor would indeed meet the perceived needs, a survey was developed and distributed to county Extension educators/agents in Idaho, Montana, and Wyoming via Extension listservs in September 2021 to gauge their interest in facilitating agriculturally focused negotiation programming. A total of 21 educators responded, and of those, 16 stated that they receive clientele requests for which negotiation skills training would be helpful. The Extension educators/agents also identified specific negotiation-related topics on which they receive requests and/or anticipate needs for providing advice in the future. The topics included land lease agreements and associated management arrangements, contracts for crop marketing and input acquisition (including nutrients, pest management materials, labor, and equipment), neighbor relationships (e.g., property line fence maintenance, water access, and management), family business transitions, and estate planning issues. Additionally, 19 respondents indicated that they were interested in attending a train-the-trainer activity focused on building knowledge and skills needed to teach negotiation within an agricultural context to clientele. These survey results confirm that needs for knowledge and skills in negotiation exist across many aspects of agricultural endeavors, besides the area of marketing.

## 1.1 The Need for Agriculturally Focused Negotiation Education

An extensive body of research and educational materials exist for nonagricultural business negotiation practices (see for example Fisher and Ury 1991; Brett and Thompson 2016; Harvard University Program on Negotiation 2021). Research finds that educational information and training can improve outcomes for people involved in business negotiations (Movius 2008; Zerres et al. 2014). Obtaining and applying knowledge gained from a list of negotiation tactics may substantially enhance the joint negotiation outcome (Weingart, Hyder, and Prietula 1996). Moreover, managers attending to learn primary negotiation principles versus contextual specific cases are better able to apply these to different negotiation settings (Kim, Thompson, and Loewenstein 2020).

Why not use the materials previously developed for other businesses to train those involved in agriculture? There are two main justifications for building on existing business negotiation materials and explicitly demonstrating how the developed content can be successfully applied in agricultural contexts. Both relate to differences between farm business and other business structures. First, 98 percent of farms in the United States are family farms, and thus are structured such that several family members have prominent roles in business management activities (U.S. Department of Agriculture, Economic Research Service 2022). This suggests that interpersonal (e.g., family member, neighbor) dynamics are of greater importance for agricultural business decisions than that of many other common business contexts from which many negotiation curricula are based, especially large corporations. Second, farmers "wear many hats" and commonly make production and business management decisions that are interpersonal in nature on their own (i.e., without a business partner, accountant, or legal counsel involved; American Farm Bureau Foundation for Agriculture, 2015). This is in contrast to general corporate settings, in which several specialized individuals are assigned to collectively implement firm-wide business activities. Thus, a curriculum using agricultural negotiation examples is plausibly more understandable and applicable to agricultural professionals than a curriculum designed for corporate professionals. Other reasons why agriculturally specific negotiation curriculum would benefit farmers and ranchers pertain to commonalities in personality and learning styles among members of the agricultural community, but which differ from the general population, as investigated in previous literature.

Researchers have examined linkages between farm/ranch manager personality types and business economic performance, suggesting the potential for unique educational needs. Jose and Crumly (1993) conducted a study of 120 farm families (243 individuals) to identify psychological types and the associated effect on management objectives. Study group findings, via a composite score for both males and females, reported that 59.3 percent of participants revealed a statistically higher degree of introversion than the general population in which 52.0 percent exhibited introversion (Jose and Crumly 1993). Howard, Brinkman, and Lambert (1997) used a Life Styles Inventory (LSI) approach with a sample



of 61 managers across Canada and found that agricultural producers scored differently than the normal population on eight of twelve LSI scales. The authors concluded that these managers were more task oriented, more defensive in their lifestyle, more likely motivated by a fear of failure, needed more security, and were more likely to resist change as a result. Both studies reported that agricultural producers are better at managing production and operations than managing people. From these and other studies (Nuthall 2001; Nuthall and Old 2018; Greig, Nuthall, and Old 2019; Remenova and Jankelova 2019), personality type or management style plays a significant role in the decision-making approach used by a manager. Thus, such traits influence how agricultural managers approach, participate in, and manage the outcomes from negotiations between the manager and internal and external parties.

Moreover, research specifically links personality type to learning styles and preferences of agricultural learners. Horner and Barrett (1987) gave the Myers Briggs Type Indicator (MBTI) assessment (Briggs and Myers 1988) to farm couples attending Extension farm management programs to better understand how they might make business decisions and use Extension information. They found that the largest percentage of men attending the programs (25.3 percent) were classified as "introverted, sensing, thinking, and judgmental" (ISTJ) while the largest percentage of women (17.8 percent) were classified as "introverted, sensing, feeling, and judgmental" (ISFJ). Weigel (1999) indicates producers in these categories deal best with management situations through accumulation of experience. Trying new strategies in which producers have no experience can be discouraging, which indicates a need for relatable examples in educational efforts meant to prepare producers for negotiation scenarios.

Schroeder (1993) gave the MBTI assessment to a sample of incoming college students across all majors over a 15-year period at a Midwestern university and found that approximately 60 percent of entering students had a "practical" rather than a "theoretical" orientation toward learning, meaning that "learning by doing" was most beneficial to the majority of students. Ricketts, Rohs, and Nichols (2005) surveyed 100 students attending a two-year agricultural college regarding their learning styles and preferences using Experiential Learning Theory as the basis for the survey questions (Kolb 1984). The authors concluded that faculty at agricultural colleges must incorporate real-world, hands-on applications into their courses to have the most educational impact. Additional literature confirms that experiential learning approaches improve educational impact for most college and Extension students alike (Nagler et al. 2007; Bastian 2008). Overall, findings in the literature indicate that providing relatable examples and experiences to agricultural learners in and out of the classroom is essential for developing negotiation curricula that achieve desired learning outcomes. Thus, educational materials lacking concrete agriculturally focused examples and cases are less likely to be impactful.

## 1.2 The Lack of Agriculturally Focused Education Materials

Despite the potential for improvement through applied educational training and the need to develop better negotiation skills, relatively little educational information is tailored for agricultural stakeholders, that is, producers and nonproducers seeking to expand their knowledge and improve their skills in this area. Bastian (2019) surveyed all Extension websites at U.S. land-grant universities for outreach publications focused on bargaining or negotiation and found only nine relevant publications. Several of these publications did not involve agricultural contexts, and many focused on legal issues more than negotiating for a preferable outcome in a general business interaction. Additionally, agricultural managers completing college training may find it difficult to obtain formal classroom training related to negotiation. A national investigation surveyed 114 agribusiness programs and found that only 29 percent of the degree granting departments offered a sales or negotiation course, and only 7 percent of the surveyed programs (eight institutions) required a sales or negotiation course in at least one of their agribusiness degree options (Bastian 2019). Overall, this suggests a lack of agriculturally focused negotiation materials, and that an opportunity exists for Extension faculty to provide impactful negotiation-related education for agricultural stakeholders as well as agribusiness students.



## 1.3 Filling the Void

To address the negotiation needs of those involved in agriculture, the coauthors developed multifaceted "Negotiation in Agriculture" (NIA) curriculum. Characteristics of the target audience were critical in the material's development. It was anticipated, based on prior experiences and information obtained from county Extension educators/agents and others, that the primary audience was composed of a diverse set of agricultural community members, with a common characteristic of being "nontraditional" learners. Wedemeyer (1981) defines these learners as those who have some "traditional" education obtained through an accredited U.S. school system and supplement their knowledge by engaging in learning activities outside of that system. Members of the agricultural community comprise a relatively unique subset of "nontraditional" learners. They are generally familiar with the Extension system in which county and university-based faculty organize learning programs designed to meet perceived needs of the community outside of the official education system.

The materials developed allow learners to achieve varying levels of learning domains ranging from an initial basic understanding to advanced mastery. Our curriculum addresses issues with agricultural stakeholders as nontraditional learners that engage in educational activities outside of the formal education system and have heterogeneous needs and preferences. The educational materials take into consideration people's varying preferences for obtaining education via visual and/or aural presentation versus written information (Fleming and Mills 1992). Our set of learning materials include printable guides to introduce key concepts and web-based learning modules composed of presentations with audio and visual information, quizzes for assessment of knowledge gains, supplementary reading materials, discussion forums for peer and instructor-to-peer interaction, and templates for use during actual negotiations. Both the informational guides and learning modules are hosted on the NIA website.¹ Making educational materials available online is essential to facilitate self-guided learning that fits stakeholders' schedules and preferences. Moreover, this website and material facilitates agricultural stakeholder learning in both classroom and independent settings.

By offering this comprehensive set of materials and tools, our goal is to achieve the following set of general learning objectives. Specific learning objectives for each module are listed along with the module descriptions in Section 3.

**NIA Course Learning Objectives** 

- 1. Participants will gain awareness, knowledge, and skills in interpersonal communication and negotiation techniques within an agricultural context.
- 2. Participants will realize an increased awareness of the importance of interpersonal communication and negotiation in agriculture.
- 3. Participants will gain awareness and knowledge of negotiation-related educational resources beyond those in the NIA course.

We also discuss plans to evaluate the effectiveness of our programming in achieving learning objectives and glean insight into ways our methods can be improved. The remainder of the article provides detailed information regarding the specific approach used to develop our web-based Extension program and the specific concepts covered.

## 2 Approach Used to Develop NIA Materials

The NIA curriculum reflects the reality that participants will have different preferences for engaging in learning activities. In a broad sense, the curriculum essentially combines concepts of "domains" of learning developed by Bloom et al. (1956) with "modes" of learning described by Fleming and Mills

<sup>&</sup>lt;sup>1</sup> https://negotiation.farmmanagement.org/



(1992) to allow participants to improve their negotiation skills through engagement with learning materials presented in a variety of ways. The Bloom et al. (1956) "domains" of learning, listed from a lesser to greater extent of mastery, are remembering/understanding, applying, analyzing, evaluating, and creating. The Fleming and Mills (1992) "modes" of learning pertain to preferences regarding ways people obtain information including visual (V), aural (A), read and/or write text (R), and kinesthetic (K), which is a preference for engaging in an experience or action. These learning modes are commonly referred to with the VARK acronym.

## 2.1 Key Concept Guide Formation

To achieve the first learning outcome of remembering/understanding, the initial set of educational materials produced were guides that combine visual and written text to introduce fundamental negotiation-related concepts. These guides stemmed largely from "Negotiation Skills in Natural Resources Management" by Smutko (2016), as well as from Raiffa, Richardson, and Metcalfe (2002), and Lewicki, Saunders, and Barry (2015), and other sources. Several co-authors adapted parts of these materials to agricultural cases or applications. The guides and, in some cases, accompanying worksheets offer written guidance in an easy-to-read format that motivates learning through an introductory vignette describing a scenario in which negotiation would be beneficial. The guides range from introductory concepts such as "Why Negotiate?" (Hewlett and Fuller 2020) to more specific applications, such as "Preparing a Negotiation Template" (Tejeda et al. 2021), and "Bargaining for Better Market Outcomes" (Bastian et al. 2021). Additionally, most guides serve as the starting point for learning modules created around the concepts they introduce, described in the next section. Currently, seven guides and one worksheet are available at the NIA website. Each can be used as an assigned reading exercise in a classroom course or an in-person workshop series, perhaps using the vignette to spark discussion. They may also be used as a reference to respond to questions an Extension educator, agent, or specialist receives.

## 2.2 Web-based Module Development Strategy

The NIA project learning modules were developed and distributed using the Moodle open-source learning platform designed to provide educators, administrators, and learners with a single robust, secure, and integrated system to create personalized learning environments. The Moodle platform offers learner activity tracking (time spent and materials accessed), engagement via public discussion forums and private interaction, as well as module activity scoring and assignment feedback.

Modules follow a pre-informed pedagogy. Components engage learners across four separate and distinct learning activities or modalities:

- 1. Learn when others teach,
- 2. Learn by observing peers/others,
- 3. Learn by teaching, and
- 4. Learn by practice/doing.

These separate modalities are addressed across the entire pedagogy (and conversely learning) experience by ensuring that each module includes, but is not limited to, recorded presentations (video and audio-only formats), text-based presentation materials, audio-accompanied slide presentations, discussion forums, learner-engagement that encourages collaborative interaction, and feedback by users, as well as traditional assignments and quizzes that assess learning outcomes. Modules also include the NIA guides and other relevant outside readings and reference materials as appropriate to expand the learner's appreciation for other perspectives and approaches.



Each module is composed of several components:

- 1. *Best Practices*: This offers participants a chance to view a recorded video presentation along with the slides presented and speaker notes;
- 2. *Ideas to Build on*: Participants engage in a discussion forum based on provided questions; and
- 3. *Tips for Success*: This section provides participants the chance to teach each other about strategies that have worked. They do this by providing website links to additional resources, sharing approaches that they have tried and that have worked, or by describing methods that people they are familiar with have used; and
- 4. *Practice*: This component allows participants to learn by practicing the components of the module by creating a practice document based on a scenario that is provided to them and then submitting it for comment. They also have the option to complete a knowledge check in the form of a short quiz.

We believe these educational materials (guides and module content) achieve the objectives for learners. How materials relate to the previously described learning domains is summarized in Table 1.

		<b>Educational material (associated mode of learning in parentheses)</b>
Learning domains	Remembering/	1) Guides (Visual, read text)
	Understanding	2) Web-based presentations (Visual, read text, aural)
	Applying	1) Web-based quizzes (Read text)
	Analyzing	1) Web-based supplementary materials (Read text)
	Evaluating	Web-based discussion forum (Practice, write text)
	Creating	1) Templates for guiding discussion <sup>2</sup> (Read and write text)
Note: The learning demains are adented from Pleam et al. (1056), and the modes of learning are from Floming and Mills		

*Note*: The learning domains are adapted from Bloom et al. (1956), and the modes of learning are from Fleming and Mills (1992).

**3 Description of Educational Module Content and Motivation** The topic of each learning module relates to key factors involved in the negotiation process. The negotiation content generally comes from publications by Fisher and Ury (1991); Galinsky and Mussweiler (2001); Raiffa, Richardson, and Metcalfe (2002); Lewicki, Saunders, and Barry (2015); Smutko (2016); and others. Modules begin by probing the agricultural stakeholder's reason for conducting a negotiation (i.e., why is it necessary to negotiate?). The content then presents various relevant elements considered for a successful negotiation outcome. These elements include principles, various applicable tools, and exercises to assist in the pursuit of a successful learning outcome.

## 3.1 Why Negotiate?

This first module provides a basic background and definitions surrounding negotiation, a description of who engages in negotiation, where negotiation fits within the spectrum of other methods for achieving agreement or resolving conflict, and concludes with a list of reasons why negotiation could be the preferred approach to conflict resolution.

<sup>&</sup>lt;sup>2</sup> An example provided in Figure 1.



## EGOTIATION TEMPLATE **Potential Solutions** Issues to Address Interests to Consider SOLUTION #1.2-B: ISSUE #2: INTEREST #2.1: SOLUTION #2.1-C: SOLUTION #2.3-A: NEGOTIATION IN AGRICULTURE ISSUE #3: INTEREST #3.1: INTEREST #3.2: SOLUTION #3.2-C: SOLUTION #3.3-B: SOLUTION #4.1-B: SOLUTION #4.2-B:

NIA-20210316.01

J.P. Hewlett - University of Wyoming, H. Tejeda - University of Idaho, K.B. Fuller - Montana State University, and P. Hatzenbuehler – University of Idaho.











© All Rights Reserved. Western Extension Committee. March 2021.

Figure 1. Negotiation Template (Hewlett et al. 2021)



#### 3.1.1 Module Motivation

Many individuals, particularly those who own and/or manage agricultural businesses, are generally not aware of the many approaches used by nonagricultural businesses to resolve conflict. Negotiation offers many appealing features when compared to costlier approaches such as mediation, arbitration, or litigation. The main emphasis is on helping participants better understand where negotiation fits within this broad spectrum, as the basis for appreciating why negotiation skills would be valuable. The desired learning outcome is that participants will demonstrate an understanding of the potential benefits from negotiation.

#### 3.1.2 Module Highlights

"Why Negotiate?" includes a video presentation by Dr. Steve Smutko, Spicer Chair of Collaborative Practice in the School of Environment and Natural Resources, and a Professor in the Department of Agricultural and Applied Economics at the University of Wyoming. The presentation helps to clarify that negotiation is one approach for resolving conflict; to understand the process, substance, and relationship elements present in a negotiation; to define the purpose of negotiation is not always to reach agreement but may also explore possible solutions; and to describe the concept of Best Alternative To a Negotiated Agreement (BATNA).

#### 3.2 Questions to Answer before Meeting

The second module provides a framework for the negotiation preparation process by asking a specific set of questions. It is the first of three modules designed to help the learner adequately prepare for an upcoming negotiation (other modules include Preparing for Your Discussion and Understanding Frames and Reframing). The module includes three main components, covering why preparing for a meeting is beneficial, identifying and evaluating options during the planning process, and identifying and acknowledging unknowns that can arise during a meeting. The identifying and evaluating options component builds on the concepts and framework developed by Carnevale and Pruitt (1992). They present potential negotiation options within an XY graph for which the interests of each party in the negotiation are represented on one axis. Any interior point on the graph represents a potential option for agreement between the parties. In the module example, a line extending from the X to Y axis represents the number of farm enterprises managed by the two people in the meeting. An agreement along the line represents a simple division of tasks without further understanding of preferences for the types of farm enterprises that each party would like to manage. A negotiated agreement is presented as one in which the preferences are taken into consideration and extend beyond a random division of tasks. This negotiated agreement improves the satisfaction of the parties in the negotiation by maintaining control over their preferred activities.

#### 3.2.1 Module Motivation

Motivation for this module stems from anxiousness and stress many potential negotiators communicate in calls and emails with the coauthors. Many people feel unprepared and uncomfortable, when faced with a looming business decision to be made with another party, such as a tenant or family member involved in estate planning discussions. Preparation can help parties, even in small negotiations (Weiss 2014). This and the "Why Negotiate?" module assist by providing a framework for preparation, suggesting questions to ask, calculations, and thought exercises to complete, even suggestions for the physical environment where parties are comfortable and most productive during the negotiation itself. The learning outcome for this module is that participants gain an understanding of the importance of preparing for negotiations by asking themselves key questions relating to organizing and implementing a negotiation in a manner that achieves their goals.



#### 3.2.2 Module Highlights

This module includes a video presentation jointly offered by Shannon Sand at the University of Hawaii, Patrick Hatzenbuehler at the University of Idaho, and Kate Fuller at Montana State University. The presentation begins with a story outlining the challenges faced by a farm family transitioning management responsibility after a change in personnel. The presentation goes further to outline the process/substance/relationship elements covered in the Why Negotiate module and how they apply in this setting. Other learning points demonstrate how the approach for answering questions before meeting might be used, including responding to comparative advantages/disadvantages of each party; alternatives to proposed negotiations; interests and concerns; determining the options; evaluating options; as well as looking at the influence of risk, other unknowns, and how they might be handled when preparing for the negotiation.

## 3.3 Preparing for Your Discussion

Expanding on the specific preparation questions asked in "Questions to Answer before Meeting," this module focuses on how the negotiation itself can be made most comfortable and productive for both parties. It emphasizes goal setting, meeting logistics, and agreement on the negotiation process. In some ways, this module prompts the participant to "negotiate the negotiation."

#### 3.3.1 Module Motivation

Like "Questions to Answer before Meeting," this module was motivated by questions from anxious, would-be negotiators and warnings about under-preparedness in the negotiation literature and popular press (e.g., Weiss 2014; Shonk 2020; Richards-Gustafson N.D.). The learning outcome for this module is that participants apply their knowledge gained in the "Questions to Answer before Meeting" module to develop a negotiation preparation plan.

#### 3.3.2 Module Highlights

Lucy Pauley, coordinator of the Wyoming Agriculture and Natural Resource Mediation Program, offers a video presentation that re-emphasizes the need to prepare for negotiation meetings ahead of time to increase the chances of a preferred outcome. Challenges presented in this talk include thinking through the desired negotiation outcome; examining beliefs about what the other parties want from the negotiation; possible concessions for each party; BATNAs for each party; what may be included in the list of non-negotiables; the anticipated trajectory of the conversation; how offers will be presented; and the bottom line.

## 3.4 Understanding Frames and Reframing

This module addresses the two separate but distinct and related concepts of frames and biases in negotiation. Frames are mental shortcuts people use to help make sense of complex information. Frames and differences in perspective contribute much to differences in individual and group viewpoints, especially where there are divergent and incompatible interpretations of events. The presentation of frames helps participants understand how their frames of reference, as well as those of the other parties involved, influence contentious situations. The content then outlines the benefits of reframing and concludes by highlighting reframing as key to resolving conflict.

The second point of emphasis is biases in negotiation. Often individuals tend to be in favor of or against something due to preconceived biases. Many biases are often given little consideration as to how they influence our perspectives in a conflict. This presentation outlines many important biases, how they can shade our understanding of what is happening in a conflict, and it offers several strategies and suggestions for mitigating those influences to improve negotiation success.



#### 3.4.1 Module Motivation

Reference frames and the corresponding skill of reframing are critical concepts for understanding the dynamics that arise in conflict situations. Biases are also foundational to our awareness of how we conceive of possible solutions, and how possible solutions may be understood by others. The desired learning outcome for this module is that participants compile a list of frames and biases relevant to an actual or plausible negotiation scenario and analyze how each may play a role in influencing discussions with the other party.

#### 3.4.2 Module Highlights

This module contains two separate video presentations, one by Lucy Pauley, introduced earlier, and the other by John Hewlett, Ranch/Farm Management Extension Specialist in the Department of Agricultural and Applied Economics at the University of Wyoming. Hewlett addresses frames and reframing by covering: (1) a definition of frames of reference and how those influence perspectives in a negotiation; and (2) how alternative frames can help the parties involved understand their options, as well as their possible steps forward. The material also provides a basic overview of the steps for resolving conflict and how reframing is one technique for developing a new perspective on old problems.

The biases component, presented by Pauley, offers a definition of cognitive bias, discusses causes of bias, and signs to look for that may indicate biases are influencing a situation. The presentation then goes on to describe several different types of bias and alternatives for overcoming those biases in a negotiation setting. Examples of some of the biases addressed include anchoring bias, confirmation bias, negativity bias, status quo bias, and sunk cost bias, among many others.

## 3.5 Bargaining for a Better Market Outcome

This module addresses a common situation faced by many managers of agricultural enterprises negotiating prices. Concepts presented in the module materials include bargaining position; the influence of production risk, risk of not finding a buyer, approaches that may be used to bargain for a higher price, and other factors affecting the negotiation process. Key concepts discussed for improving the outcomes of price negotiation address forming a reservation price, developing a backup plan, setting a target price; collecting sound market information; and calculating breakeven cost of production, among others. The steps suggested to follow this preparation stage involve deciding on the offer price; allowing room to retreat from the first offer, while remaining focused on the target price; protecting against a first offer from the other party; and remaining willing to make more than a single counteroffer as the negotiation unfolds.

#### 3.5.1 Module Motivation

The module is based on a backstory of John and Jane who own a ranch and are preparing to meet with a buyer the next day to sell their calves. Like many ranchers, John and Jane value the relationship they have with their current buyer and feel like there is little room to negotiate over the sale price. John is more comfortable with letting the buyer make the first move. This backstory is consistent with results of focus group interviews and experimental research with agricultural professionals. Research indicates that what John and Jane are currently doing does not put them in a position of bargaining strength and will likely result in them receiving a statistically lower sale price (Bastian, Jones et al. 2018; Bastian 2019).

In addition, research by Galinsky and Mussweiler (2001) suggests that making a first offer can anchor the negotiation and move the settlement price in favor of who makes that first offer. Moreover, bargaining experiments conducted by Bastian, Smutko et al. (2018) find that making the first offer and having a BATNA significantly improved seller outcomes compared to a base of not making the first offer or having a BATNA.

The learning objective for this module is that participants have an increased awareness and knowledge of the key concepts of price negotiation. Additional learning objectives include participants



apply these concepts and develop skills, such as calculating a breakeven price, and identify a reservation price.

#### 3.5.2 Module Highlights

This module contains a video presentation by Dr. Christopher Bastian, Professor in the Department of Agricultural and Applied Economics at the University of Wyoming. The instructional presentation walks learners through the steps John and Jane should take to improve their bargaining position and market outcome. Specifically, the educational material emphasizes that John and Jane should set a reservation price, have a BATNA in mind in case the negotiation fails, and make the first offer in the negotiation.

## **4 Program Evaluation and Impacts**

Statistics for clientele engagement from the module platform suggest encouraging results, despite the educational website and material only having been available for a short time. The website was established in the summer of 2020. The first NIA Guides were posted to the site in the fall of 2020. Web site visits totaled 876 for 2020 and 6,549 in 2021 (as of early December 2021). Unique visitors total 379 for 2020 and 1,812 in 2021. Downloads of the posted NIA 4-page guides total 780 over the period since the website was launched. Additionally, 13 users have accessed one or more of the NIA online modules, spending time viewing posted video presentations, contributing to module discussion forums, and accessing available learning assessments.

This information provides some indication that these materials fill a current void. Our website design and available content offer many opportunities for both educators and self-guided learners to expand their understanding of negotiation and improve their outcomes. Lucy Pauley (2021) supports this view and offers the following:

"As the coordinator for the Wyoming Agriculture & Natural Resources Mediation Program, I work with agricultural producers who are involved in a wide variety of conflicts. When parties are unable to resolve conflicts on their own, sometimes they turn to mediation to help them work it out. Parties come to mediation for a variety of reasons, but the most common theme is the parties' inability to communicate and negotiate together ... Having an online training resource like NIA will help me help parties prepare for the mediation process. When the modules include information on working through strong emotions, seeking common ground and developing win-win solutions, the parties will be better prepared to work together. In some cases, it may even eliminate the need for mediation if the parties are able to apply the skills and work the problem out themselves."

The long run evaluation plan includes several key short- and long-term assessment indicators for the two primary program audiences. Short-term indicators for Extension educators include the number or percentage of Extension educators/agents who increase their awareness, knowledge, and skills in interpersonal communications and negotiation; improve their ability to train farmers and ranchers using the gained knowledge and skills; and apply their obtained skills to facilitate discussions among members of their communities. Stakeholder indicators include the number or percentage of farmers and ranchers who increase their awareness, knowledge, and skills in interpersonal communications and negotiation and demonstrate increased ability to utilize the skills and knowledge gained. Farmer and rancher indicators also include increased confidence to engage with parties to reach agreements on issues related to their businesses, such as implementing negotiations for improved land lease agreements, issue resolution with neighbors, selling commodities, and planning farm succession or management changes with minimal conflict.



Achievement of learning objectives specified for each module as outlined in Section 3 above will also be evaluated for participants in the online modules. Key quantifiable indicators include the reported completion of module tasks, such as developing a negotiation plan, and demonstrated awareness of price bargaining strategies. Participants in the online curriculum are asked to register and provide contact information when they log in to the website for the first time. This information provides the opportunity to contact learners regarding any new educational information as it becomes available. Moreover, this allows us to further track participant engagement and conduct follow-up assessments to gather information on longer-term educational impacts and learner successes.

## **5 Discussion and Concluding Remarks**

Current trends in agriculture suggest negotiation of both production and marketing contracts are increasingly important (MacDonald 2015), which means that agricultural managers are increasingly engaged in multiparty agreements. Requests and inquiries from Extension clientele indicate that those involved in commercial agriculture need educational information that helps navigate a number of situations requiring negotiation skills, including resource conflicts, land leases, and estate transition. Despite these growing needs, there has been little development of educational materials targeting agriculture. Our NIA website containing guides and self-study modules were designed with these needs in mind.

Our current set of materials cover several important topics in negotiation. However, our goal is to broaden the content offered. Ultimately, we would like to provide a wider range of negotiation material that recent research and our own needs assessment survey identified. The team is also interested in expanding the teaching modalities offered on the site to enrich the web-based learning experience. Plans also include more extensive marketing of the available material to both Extension educators/agents and classroom-based instructors offering agribusiness courses.

Evidence that our efforts to develop this program to date have been successful and plans for expansion are worth pursuing arrived in the spring of 2022 via notification of competitive grant funding. The grant funds will be used to implement a train-the-trainer program in which Extension educators/agents are trained in agricultural negotiations via both in-person and online education activities. Those trainees will then implement their own agricultural negotiation trainings for stakeholders in their communities.

This train-the-trainer program has two audiences. The first are the directly trained Extension educators/agents. The second are the agricultural stakeholders who receive training from the trainees. These materials provide Extension educators/agents opportunities to offer on-site training to clientele, as well as present relevant content in college classrooms. The guides may serve as references to supplement in-person presentations or lectures, or the recorded presentations can deliver content in class or online. Participants could access and utilize other features available on the website to deepen their knowledge, once the material has been introduced. Self-motivated learners can also address their needs by using the posted materials. Moreover, the opportunities to interact with other learners via webbased discussions could deepen any lessons learned.

Thus, successful execution of the planned program and associated increases in website demand will have positive impacts on Extension programming and agricultural business operation management in the coming years.



About the Authors: Christopher Bastian is a Professor at the University of Wyoming. Hernan Tejeda is an Associate Professor and Extension Specialist at the University of Idaho, Twin Falls Research and Extension Center (Corresponding author: <a href="http://http

**Note:** Primary authorship is shared by Bastian, Tejeda, Hatzenbuehler, Fuller and Hewlett, and in no particular order.



#### References

- American Farm Bureau Foundation. 2021. 5 Different Hats Farmers Wear. <a href="https://www.agfoundation.org/news/5-different-hats-farmers-wear">https://www.agfoundation.org/news/5-different-hats-farmers-wear</a>.
- Bastian, C.T. 2008. "Chapter 2—A Funny Thing Happened on My Way to the Classroom: What I Have Learned from Working with Producers and Teaching College Students." In J. Wangberg, ed. *A Brand of Excellence: Reflections on Teaching and Learning*. Laramie WY: University of Wyoming, College of Agriculture, pp. 19–37.
- Bastian, C.T. 2019. "WAEA Presidential Address—Evolution toward Private Negotiation as a Dominant Institution in Agribusiness Supply Chains: Implications, Challenges, and Opportunities." *Journal of Agricultural and Resource Economics* 44(3):457–473.
- Bastian, C.T., C. Jones Ritten, B. Feuz, A.M. Nagler, and S. Smutko. 2018. "Can Producers Bargain for Better Prices? Implications from Wyoming Focus Groups." *Journal of the American Society of Farm Managers and Rural Appraisers* 81:29–42.
- Bastian, C.T., C. Jones Ritten, L.S. Smutko, and J.P. Hewlett. 2021. "Bargaining for a Better Market Outcome." Negotiation in Agriculture, Western Extension Committee. NIA-20210719.01. Negotiation.FarmManagement.org.
- Bastian, C.T., L.S. Smutko, C. Jones Ritten, A. Nagler, and B. Feuz. 2018. "Can We Help Producers Bargain for Better Prices?" Final Report for USDA AMS FSMIP Grant Project # 15FSMIPWY0011.
- Bloom, B.S., M.D. Engelhart, E.J. Furst, W.H. Hill, and D.R. Krathwohl, ed. 1956. *Taxonomy of Educational Objectives, Handbook 1: Cognitive Domain*. New York: Longman.
- Briggs, K.C., and I.B. Myers. 1988. Myers-Briggs Type Indicator: Form G. Palo Alto CA: Consulting Psychologists Press.
- Brett, J., and L. Thompson. 2016. "Negotiation." Organizational Behavior and Human Decision Processes 136:68-79.
- Carnevale, P.J., and D.G. Pruitt. 1992. "Negotiation and Mediation." Annual Review of Psychology 43:531–582.
- Fisher, R., and W.L. Ury. 1991. Getting to Yes: Negotiating Agreement without Giving In. Boston: Houghton Mifflin.
- Fleming, N.D., and C. Mills. 1992. "Not Another Inventory, Rather a Catalyst for Reflection." *To Improve the Academy* 11(1):137–155.
- Galinsky, A.D., and T. Mussweiler. 2001. "First Offers as Anchors: The Role of Perspective-Taking and Negotiator Focus." *Journal of Personality and Social Psychology* 81(4):657–669.
- Greig, B., P. Nuthall, and K. Old. 2019. "Farmers' Characteristics and the Propensity to Reduce Debt: The Case for New Zealand (NZ) Primary Producers." *Agricultural Finance Review* 79(5):614–632.
- Harvard University Program on Negotiation. Harvard Law School. Teaching Negotiation Resource Center. 2021. <a href="https://www.pon.harvard.edu/store/">https://www.pon.harvard.edu/store/</a>.
- Hewlett, J.P., and K.B. Fuller. 2020. "Why Negotiate?" Negotiation in Agriculture, Western Extension Committee. NIA-20200522.01. Negotiation.FarmManagement.org.
- Horner, J.T., and L.A. Barrett. 1987. "Personality Types of Farm Couples—Implications for Intervention Strategies." In H.G. Lingren et al., ed. *Family Strengths 8–9: Pathways to Well-Being*. Lincoln NE: Center for Family Strengths, University of Nebraska.
- Howard, W.H., G.L. Brinkman, and R. Lambert. 1997. "Thinking Styles and Financial Characteristics of Selected Canadian Farm Managers." *Canadian Journal of Agricultural Economics* 45:39–49.
- Jose, H.D., and J.A. Crumly. 1993. "Psychological Type of Farm/Ranch Operators: Relationship to Financial Measures." *Review of Agricultural Economics* 15(1):121–132.



- Kim, J., L. Thompson, and J. Loewenstein. 2020. "Open for Learning Encouraging: Generalization Fosters Knowledge Transfer in Negotiation." *Negotiation and Conflict Management Research* 13(1):3–23.
- Kolb, D.A. 1984. Experiential Learning: Experience as the Source of Learning and Development. Englewood Cliffs NJ: Prentice Hall.
- Lewicki, R., D.M. Saunders, and B. Barry. 2015. Negotiation, 7th ed. New York: McGraw Hill Education.
- MacDonald, J.M. 2015. "Trends in Agricultural Contracts." *Choices* 30:1–6.
- Movius, H. 2008. "The Effectiveness of Negotiation Training." Negotiation Journal 24(4):509-531.
- Nagler, A.M., C.T. Bastian, J.P. Hewlett, and R.R. Weigel. 2007. "Risk Management for Ag Families: Evaluation of an Integrated Educational Program for Producers on the High Northern Plains." *Journal of Extension* 45(3):Article Number 3RIB3.
- Nagler, A.M., D.J. Menkhaus, C.T. Bastian, M.D. Ehmke, and K.T. Coatney. 2013. "Subsidy Incidence in Factor Markets: An Experimental Approach." *Journal of Agricultural and Applied Economics* 45(1):17–33.
- Nuthall, P.L. 2001. "Managerial Ability—A Review of Its Basis and Potential Improvement Using Psychological Concepts." *Agricultural Economics* 24:247–262.
- Nuthall, P.L., and K.M. Old. 2018. "Intuition, the Farmers' Primary Decision Process. A Review and Analysis." *Journal of Rural Studies* 58:28–38.
- Pauley, L. 2021. Personal Communication. Personal statement made to one of authors.
- Raiffa, H., J. Richardson, and D. Metcalfe. 2002. Negotiation Analysis. Cambridge: Belknap Press of Harvard University.
- Remenova, K., and N. Jankelova. 2019. "Decision-Making Style of Agribusiness Managers." *Agricultural Economics—Czech* 65(7):322–330.
- Richards-Gustafson, F. N.D. "How to Plan a Negotiation Meeting." <a href="https://smallbusiness.chron.com/plan-negotiation-meeting-25531.html">https://smallbusiness.chron.com/plan-negotiation-meeting-25531.html</a>
- Ricketts, J.C., F.R. Rohs, and G. Nichols. 2005. "Learning Modalities of Agriculture Students at a Two-Year Agricultural College." *National Agricultural College Teachers Association Journal*. December:46–50.
- Schroeder, C. 1993. "New Students—New Learning Styles." Change 25(5):21–26.
- Shonk, K. 2020. "A Negotiation Preparation Checklist." Harvard Law School Program on Negotiation Daily Blog. <a href="https://www.pon.harvard.edu/daily/negotiation-skills-daily/negotiation-preparation-checklist/">https://www.pon.harvard.edu/daily/negotiation-skills-daily/negotiation-preparation-checklist/</a>
- Smutko, S. 2016. "Negotiation Skills in Natural Resources Management." Collaboration Program in Natural Resources. The Ruckelshaus Institute, University of Wyoming.
- Tejeda, H., J.P. Hewlett, K.B. Fuller, P. Hatzenbuehler, and S. Sand. 2021. "Preparing a Negotiation Template." Negotiation in Agriculture, Western Extension Committee. NIA-20210317.01. Negotiation.FarmManagement.org.
- U.S. Department of Agriculture, Economic Research Service. 2021. Contracting. <a href="https://www.ers.usda.gov/topics/farm-economy/farm-structure-and-organization/farm-structure-and-contracting/">https://www.ers.usda.gov/topics/farm-economy/farm-structure-and-organization/farm-structure-and-contracting/</a>
- $U.S.\ Department\ of\ Agriculture,\ Economic\ Research\ Service.\ 2022.\ Farm\ Structure\ and\ Contracting. \\ \underline{https://www.ers.usda.gov/topics/farm-economy/farm-structure-and-organization/farm-structure-and-contracting/#:~:text=Based%20on%20the%20ERS%20farm,of%20family%20farms%20stand%20out$
- Wedemeyer, C.A. 1981. *Learning at the Back Door: Reflections on Non-Traditional Learning in the Lifespan*. Madison: The University of Wisconsin Press.
- Weigel, R.R. 1999. The Influence of Personality on Risk Management Decisions. Risk and Resilience in Agriculture. Article 6.4.



Weingart, L.R., E.B. Hyder, and M.J. Prietula. 1996. "Knowledge Matters: The Effect of Tactical Descriptions on Negotiation Behavior and Outcome." *Journal of Personality and Social Psychology* 70:1205–1217.

Weiss, J. 2014. "Even Small Negotiations Require Preparation and Creativity." *Harvard Business Review*. <a href="https://hbr.org/2014/05/even-small-negotiations-require-preparation-and-creativity.">https://hbr.org/2014/05/even-small-negotiations-require-preparation-and-creativity.</a>

Western Extension Committee. 2021. Negotiation in Agriculture. https://negotiation.farmmanagement.org.

Zerres, A., J. Huffmeier, P.A. Freund, K. Bachaus, and G. Hertel. 2014. "Does It Take Two to Tango? Longitudinal Effects of Unilateral and Bilateral Integrative Negotiation Training." *Journal of Applied Psychology* 98(3):478–491.

4(3) doi: 10.22004/ag.econ.323989

©2022 All Authors. Copyright is governed under Creative Commons BY-NC-SA 4.0

(https://creativecommons.org/licenses/by-nc-sa/4.0/). Articles may be reproduced or electronically distributed as long as attribution to the authors, Applied Economics Teaching Resources and the Agricultural & Applied Economics Association is maintained. Applied Economics Teaching Resources submissions and other information can be found at: <a href="https://www.aaea.org/publications/applied-economics-teaching-resources">https://www.aaea.org/publications/applied-economics-teaching-resources</a>.