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Master Marketer Newsletter

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Texas Cooperative Extension, The Texas A&M University System



Master Marketer Highlights

Master Marketer Program in Vernon

The Vernon Master Marketer program came to a successful end on March 3. This has been a very enthusiastic group with much interaction among the participants and with the instructors. Lack of meeting room space prevented Stan Bevers from accepting registrations from everyone that wanted to attend. Stan had to turn down several interested producers in the last few days before the program began on January 20. A decision will be made soon as to when and where the next class will be offered.

“Pulling the Trigger” Workshop

A “Pulling The Trigger Workshop” will be held in Lubbock on March 23, 2004 at the Texas A&M Center north of Lubbock. This is part of the advanced Topics Series (ATS). It will be taught by Darrell Holaday. Darrell is a private consultant in marketing and management and has been the keynote wrap-up speaker for most of the Master Marketer classes over the years. Darrell is an excellent motivational speaker with a vast amount of experience in helping producers make pricing decisions.

TTAP

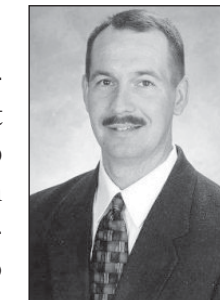
The last session of the Tomorrow’s Top Agricultural Producer (TTAP) program came to an end on January 15 in Kerrville. Everyone involved in the program considered it a great success. This was the conclusion of an ambitious endeavor comprised of four sessions of four days each, spread over fifteen months. The mentors and instructors are still working with the participants from all the operations.

Stan Bevers and all those who helped him on this program should be applauded for successfully completing a unique program that had a tremendous impact on the participants. It required Stan and others to dedicate hundreds

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Marketing Club Corner

By Rob Borchardt



It is time again to make nominations for the County Extension Agent of the Year Award for Marketing Club Support. This annual award is given by the Master Marketer Team to recognize County Extension Agents who have developed and/or supported innovative educational programs through their involvement in county-based marketing clubs. Last year’s winner, Scott Strawn (CEA-Ag, Ochiltree County), was presented a plaque and a check for \$500, sponsored by Bayer Crop Science. Let me encourage each of you to nominate those agents who are making a difference. To nominate your county agent, go to “<http://mastermarketer.tamu.edu/ceaform.pdf>” and download the nomination form and email or mail it to me ASAP. You’ll notice on the form that previous winners are not eligible for three years, so the odds get better each year.

As you know from the last newsletter, I set up a forum (discussion board) on the Master Marketer website so that Master Marketer graduates and marketing club members could interact with one another. As of this writing, we have only 15 registered users and 6 posted messages. Any member can post a question and any member can answer a question. To register, log on to the Master Marketer website at “<http://mastermarketer.tamu.edu>” and click on the link called *Discussion Forum*. Then, click on the link and provide your registration and profile information. Once you submit your registration, I will approve you (assuming you are a Master Marketer grad or marketing club member) and you will receive an email confirming your registration.

By the time you get this, we will have graduated another 50 plus Master Marketers from the Vernon

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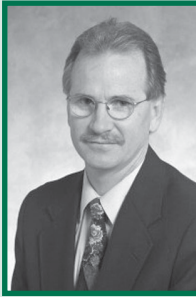


Prepared By:

Dean McCorkle
Extension Economist - Risk Management
Department of Agricultural Economics
Texas A&M University
College Station, Texas 77843-2124

Mark L. Waller

*Professor and
Extension Economist-Grain Marketing & Policy
Texas Cooperative Extension
Texas A&M University System*



***Feedgrain and Wheat Prices
are at Good Levels:
What is Your Marketing Plan***

The tight U.S. and World supply/demand situation has continued to provide support to the feedgrain, wheat and soybean markets, and early season spring prices are at the best levels we have seen since 1996/1997. The news looks bullish, and market participants are concerned that prices may need to move even higher to ensure enough acres are planted to the various crops. Higher corn prices should generate an increase in corn acreage this spring, but a November soybean futures price over \$7.50 is dampening the effect of higher corn prices. While acreage can shift between corn, soybeans, wheat, cotton, etc., there is not any crop right now where the supply/demand situation would suggest that producers should shift acreage from one crop to another. As a result, nobody is sure where the needed acres are going to come from here in the U.S.

Acreage is also shifting in other countries. Reports out during late February suggested that Chinese producers are likely to have fewer acres of wheat and corn in 2004 and are expanding soybean and cotton acres. The EU is reducing set aside requirements, and will have more wheat acres this year. The South Americans continue to expand acreage, but they are suffering from weather problems and are less likely to have as large an increase in soybean and corn production as was expected a few months ago.

Looking at record or near record long speculative fund positions and listening to traders and the press, it seems like everybody is excited about the potential for higher prices. Even the USDA, at its annual outlook conference in Washington D.C. during February, was projecting a very bullish feedgrain supply/demand situation for 2004/05. However, let's remember the need to maintain discipline in our marketing plans and activities, and not get carried away in all the bullish enthusiasm.

While the USDA is expecting an increase in corn acreage and another record corn crop in 2004/05, it is also projecting very strong demand growth. With good livestock demand, booming ethanol production and a strong export forecast, the U.S. will need a very good corn crop if demand is not going to exceed production and pull ending stocks even lower next fall/winter. While there appears to be little or no room for large-scale production problems this year, remember that everyone was saying pretty much the same thing back in 1996. Then, everyone was worried about Chinese demand, as well as who was going to feed Southeast Asia. The record high prices we saw on corn and wheat in 1996 generated substantial production increases and rationed demand. Over the next five or six years there was not much talk about not being able to feed the world, and prices headed for multi-year lows.

From a marketing perspective, the old trading wisdom says that the trend is your friend, and you may want to continue to keep yourself in a position to take advantage of the strong upward trend in prices. It is time, however, to begin setting plans in place so as to not let these better prices slip away.

Since we appear to be in a very bullish situation now, you may want to use options to get some downside protection even though they may seem expensive. Placing sell orders underneath the up trendline, or using a moving average system, will help you maintain discipline, and get you in the market making sales in the event that prices start to decline. While nobody knows for sure what this year's price range will look like, we are in the upper end of what we normally see. The news is currently very exciting, but don't forget that the news is usually the most bullish when the market is at its top and begins to decline. The news usually doesn't start to reflect that the Bull move is over until it is way over. That is part of what makes marketing so difficult. Be prepared not to let the good price opportunities slip away.

www.aphis.usda.gov

The Animal and Plant Health Inspection Service - APHIS

APHIS is responsible for protecting and promoting U.S. agricultural health, administering the Animal Welfare Act, and carrying out wildlife damage management activities.

Lately, APHIS has expanded its scope beyond pest and disease management to take a greater role in the global agricultural arena. APHIS uses risk assessment and its regulatory skills all over the world to ensure that America's agricultural exports are protected from trade restrictions. APHIS also responds to domestic needs of American people and of Congress to help manage wildlife damage, animal welfare, human health and safety, and ecosystem management.

Current issues that APHIS is covering on its website include Bovine Spongiform Encephalopathy (BSE), or "Mad Cow Disease," Avian Influenza, Homeland Security, and West Nile Virus. These issues and others can be found by clicking on the "Hot Issues" button on the front page of the site. By clicking on "News and Info" you can access press releases, archives, and contact information for the organization. The "Programs" button yields a list of all the agricultural programs within the APHIS framework. From here you can explore the wide range of services that APHIS and its components provide, including free educational programming, forms to fill out, and useful information sheets on plant and animal health and more.

This website has a wealth of knowledge for anyone interested in current events in agriculture, especially during a time of uncertainty and changing regulations in agriculture. It provides links to current information, hot topics, regulation forms, and even opportunities for educational training programs

of hours to develop the materials and coordinate all the details necessary to make this program work.



2004 Vernon Master Marketers Class

program. Many of these guys seem genuinely interested in being a part of a marketing club. Please encourage and support them if you get the opportunity.

Next quarter, I will highlight the trip to Chicago. Feel free to contact me anytime if you have questions.

Rob Borchardt
Statewide Marketing Club Coordinator
P.O. Box 2159
Vernon, TX 76385-2159
(940) 552-9941
r-borchardt@tamu.edu