

Master Marketer Newsletter

<http://mastermarketer.tamu.edu>

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Texas Cooperative Extension, The Texas A&M University System

Master Marketer Highlights

Upcoming Master Marketer Program

The next Master Marketer program will be held in Lubbock beginning January 22, 2003. The futures and options leveling workshop will be held January 21, 2003. The four regular sessions will be held at the Four Points Sheraton Hotel in Lubbock with the leveling workshop to be conducted at the Texas A&M Research and Extension Center just north of Lubbock. For information, please contact Jackie Smith at 806-746-6101. Please recommend the program to anyone in your area that you think is interested in improving their level of market awareness, pricing skills and general risk management capabilities. At this time, there is not another regular Master Marketer program for producers scheduled anywhere around the state until at least January of 2004. A copy of the brochure and registration form may be printed from the Master Marketer web site: <http://mastermarketer.tamu.edu>.

New ATS Program Kicks off in December

ATS is a series of independent two-day short courses designed to address marketing and risk management issues that were identified by producers in a survey last year as important to their future success. The new program will start with the "Pulling the Trigger" workshop to be held in Victoria December 10-11, 2002. Also, the "Developing This Year's Marketing Plan for Feed Grains" workshop will be offered in Amarillo (December 16-17) and Cameron (December 19-20). Other ATS workshops to be taught in 2003 are marketing plan workshops for cotton and wheat, as well as "Advanced Futures and Options" and "Advanced Technical Analysis." If you have questions about the Advanced Topics Series, please call Steve Amosson at 806-677-5600.

TTAP In Progress

The first TTAP (Tomorrow's Top Ag Producers) program was kicked off with leveling workshops around the state at 3 locations in October and the first regular session in November at Amarillo. There are a total of almost 50 participants representing 24 farm and ranch operations from various regions of the state. The next session will be held in College Station beginning January 13, 2003.

Master Marketer for Ag Lenders to Lubbock in June

The Master Marketer for Ag Lenders program will be conducted for the third time this June when it will be offered in Lubbock. Brochures are available and a strong effort will be made to make sure any lenders working with agricultural producers are aware of this outstanding program. Please call Jackie Smith at 806-746-6101 for more information.

Kingsville Master Marketer Program

The Kingsville Master Marketer program was held from September through November in Kingsville, Texas. Evaluations of the program by participants were excellent. The photo below includes most of the graduates and, while this group was smaller than that of most Master Marketer programs, it was a great group to work with and seemed to have gotten a lot out of the program. We are looking forward to working with the marketing clubs that grow out of this group.



Guest Column

Rather than the traditional guest column this month, we have decided to insert an announcement about an upcoming educational opportunity that you may want to consider. The recent election in Brazil and the uncertainty regarding the country's future direction could provide a great opportunity to observe the evolutionary political process in action. This could also be a great chance to see firsthand what is going on in a nation that is one of our fastest-growing export competitors.

JOIN US FOR:

AGRICULTURAL TOUR OF BRAZIL

A Farm Business Tour

Expand your Business Horizons - Evaluate your Competition

February 16 to March 3, 2003

We leave from and return to Chicago or Dallas

For information, contact:

Dr. Wayne Hayenga
College Station, TX
979-845-2226 day
979-846-2871 evening
979-268-0243 fax
E-mail: law@hayenga.com

- See land clearing - taking land from trees and brush to soybean fields
- See soybean harvesting and corn planting in the *same field* at the *same time*
- See how Brazil raises soybeans and corn - really big fields
- Learn to be thankful for the U.S. road and transportation system
- Learn to be thankful for the quality of our food and medical services
- Compare the economics of soybean production in Brazil with the U.S.
- Enjoy excellent Brazilian food and wonderful culture
- An added attraction, "Carnival" in Brazil. It's fun and interesting.

Four of us went to Brazil last year to see this beautiful country. We enjoyed ourselves so much that we are going again. We saw some of the most interesting farming, culture, and geography. Some of the agricultural production system is the most modern, including machinery, seed breeding, and research stations. But we also saw fertilizer sacks being moved by hand and wood being used as grain drying fuel.

We will be in the countryside of a developing country. If you need first quality hotels, service, and want to wear dress shoes and a necktie, don't go with us. If you want to walk in the fields, see mechanics working on equipment, walk around grain elevators and talk to operators, eat with Brazilian farm workers on the farms, look at some beautiful agricultural operations, and look at some undeveloped countryside, we expect you will enjoy this trip as much as we did.

We will have two English speaking Brazilian guides - an agronomy student who raises soybeans on his farm and knows about both production and economics and a horticulturist who understands Brazilian production methods.

Final arrangements will be made in late December and final decisions will have to be made by January 5, 2003. Total cost will be about \$3,000.

To be put on our tentative list or for any questions, contact Wayne Hayenga by e-mail or the phone numbers above.

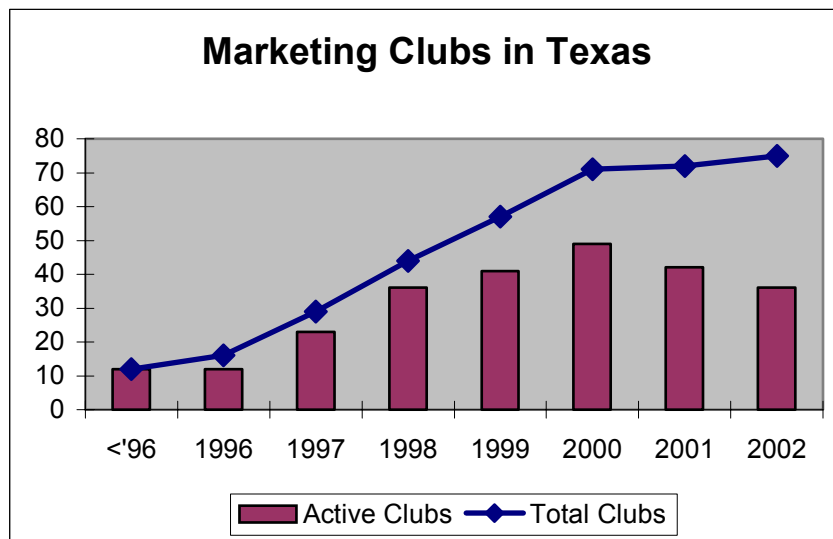
Marketing Club Corner

By Rob Borchardt

I hope those of you that needed to were able to take advantage of this fall's pricing opportunities in the grain markets. There is also some excitement in the cattle markets. As of this writing, March feeders are trading above \$80 and are still trending up. Do you know where your breakeven is?



Over the past few months, we have scoured the state in search of all marketing clubs (and their members) that exist or have ever existed. We have identified over 1,100 producers who participated in 77 marketing clubs since 1989. These numbers include past clubs and current (active) clubs.



As I mentioned in the last newsletter, we have begun the task of surveying all club members in an attempt to quantify the educational experience and economic impacts of marketing club membership. Due to concerns about response rate, we will be administering some of the surveys in person to the 30 or so active clubs that are still meeting. However, the majority of members will receive a survey in the mail. We desperately need your help. Whether you receive

the survey in the mail or at a club meeting, please complete the survey and encourage your friends and neighbors to do likewise.

This survey is extremely important to the future of the Master Marketer program, particularly with regard to our ability to support marketing clubs. As you know, our sponsors contribute to the Master Marketer Program in part because they believe in the power of the “multiplier effect” of marketing club education.

As always, if you have any questions or would like help with your club, please don't hesitate to call me.

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Vernon, TX 76385-2159
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Texas Risk Management Education Program (TRMEP) Update

Many producers of program crops are working through the process of updating their base acres and yields. The results of these decisions, along with the numerous other provisions of the Farm Bill, make for a whole new economic environment for production agriculture. The provisions of this new Farm Bill have been incorporated into the FARM Assistance program, along with updated projections for commodity prices, inflation rates for farm and ranch inputs, and other parameters that are impacted by a major policy change such as the 2002 Farm Bill.

The FARM Assistance team has worked with numerous producers around the state this season to provide them with an analysis of their operation under this new economic environment, as well as the projected impact of any alternative strategies they are considering. Knowing what the future of your operation might look like under this new economic climate is an important step in moving your operation in a positive direction. Do you have a feel for what the financial impact of this farm bill will be on your operation? If you feel that this farm bill will have a positive impact on your profitability, what is the best use of the increased profits? Is it paying down debt, or investing back into the operation in the form of land or equipment? If you feel that this Farm Bill will have a negative impact on your operation, have you developed and analyzed alternative strategies to effectively cope with this impact?

The FARM Assistance program offered by Texas Cooperative Extension can help you address these types of questions. For a minimal fee of \$250 a risk management economist will complete an analysis for you with just a good verbal description of your operation and some very basic information. You can contact the county extension agent, district economist, or district risk management specialist in your area for more information. You may also contact Dean McCorkle toll-free at 1-877-826-7475.

Choice Web Site

Spectrum Commodities

<http://www.spectrumcommodities.com/>

Spectrum Commodities is based in Great Falls, MT. The company has been in the business since 1988, providing risk management services for hedgers and premier brokerage services to speculators. According to the web site, Spectrum Commodities specializes in providing research and information tools for both new and professional traders. It contains an abundance of easily accessible market-related information that can be difficult to find on other web sites.

On Spectrum Commodities' [website](#), producers can access market information by clicking the links under "Market Updates." One of these links, "Wheat Market Outlook," is for subscribers only. Other links include NOAA weather maps, Linn Group Weather, and the monthly Supply/Demand report.

The "education" portion of the web site yields extensive crop-specific market information including all major USDA crop reports, seasonal charts, a very good international production calendar, an online bookstore, and a glossary of marketing terms. "Education" also contains a breakdown of technical analysis, seasonal charts, and trends.

Underneath the "education" title on the site's main page is a link titled "interactive hedging," which seems to be a bit misleading as this area of the site contains a narratives about two marketing strategies: basis contracts, and a short hedge.

Another benefit of the Spectrum Commodities website is how it provides external information on its website in an easy-to-use format. USDA reports are organized by topic and date, and are available in multiple reading formats (text file, pdf, etc.). Other references are included for new and seasoned traders to utilize, including margin rates, futures and options specifications, and conversion facts. Spectrum Commodities also offers market commentary as well.

Overall, this website is well organized and easy to use. And of course, Spectrum Commodities offers a brokerage service and market analysis for their clients. While we think some of you may find some interest in this web site, Texas Cooperative Extension cannot recommend nor endorse this site or any other web site.

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Other contributors to this newsletter were Jackie Smith and Mark Waller.