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Master Marketer Newsletter

<http://mastermarketer.tamu.edu>

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Master Marketer Highlights

Personnel Management Course

The Personnel Management Workshop conducted in Amarillo on April 25-26 was well attended and considered a great success by all involved. Steve Amosson and Danny Klinefelter developed an outstanding agenda and recruited the top notch speakers from around the country. You may still view this brochure by visiting the Master Marketer Website.

The workshop will be offered again; next time, in Lubbock on April 3-4, 2007. Because the Amarillo program was so successful, the Lubbock Personnel Management Workshop will likely have the same speakers. Registration information will be made available this coming fall. If you need help on hiring and retaining employees, dealing with a multicultural workforce, conflict resolution or legal issues, this workshop is for you. The speakers all have many years experience with a wide range of personnel management issues and are very effective communicators. Don't miss this workshop!

TTAP Continues

The current second class of the Tomorrow's Top Agricultural Producers Program are between the second and third sessions. During this interim time, participating operations are closing their 2005 financial records, analyzing their production and financial performance for 2005, and having a Farm Assistance analysis completed on their 2005 records. They are completing these alongside the TTAP team members and the FARM Assistance team. The third session will be held in November in Dallas, Texas. By this time, the participants are expected to have their business plans completed up through the financial portion.

Master Marketer Workshop in Lubbock

The Master Marketer program is headed to Lubbock for what is likely to be South Plains producers' last chance to be a part of this outstanding program. The dates have been set, the agenda is being firmed up and the location in Lubbock will be announced soon. The registration brochures should be ready to send out in August. The first session will begin the first week in January 2007. Please be thinking of producers from your area who need to be a part of this opportunity.

Marketing Club Corner



Carl G. Anderson
 Professor Emeritus
 Texas A&M University

Cotton Forum Scheduled July 6-7, 2006 at New York Board of Trade, NYC

The Annual New York Board of Trade Mock Trading Session for cotton futures is scheduled for 3:00 PM-5:30 PM Eastern Time on July 6. At 8:30 AM -10:00 A M Eastern Time on July 7, the Cotton Marketing Roundtable discussion will be conducted by a panel of analysts. Although space is limited, if you are interested in attending the two-day program please call Pat McClatchy at 1-888-795-8071.

The simulated trading session provides the opportunity to be involved on the trading floor in the same manner that traders perform in bidding to buy or sell futures. Learning the process and paperwork required by floor traders to establish prices is a valuable experience. The insight gained is useful in timing and implementing pricing strategies in your marketing plan.

The Cotton Marketing Roundtable includes several market experts that will discuss crop conditions, acreage and price perspective. The program provides an up-to-date review of market forces and fundamental supply/demand/price expectation for the 2006/2007 crop season.

On July 6, after the mock trading session, a shuttle will take participant to Shea Stadium to see the New York Mets play baseball against the Pittsburg Pirates. During the game, attendees will enjoy food and refreshments and the opportunity to visit with other participants from across the Cotton Belt.

Marketing Club members are encouraged to take advantage of marketing information provided by the forum's cotton experts to develop pricing strategies for this fall's harvest. The Forum will be available on the Ag Market Network Teleconference at 7:30 AM Central time on July 7, 2006. The conference will be live on radio station KFLP 900 AM Floydada, Texas; live over the Internet at www.agmarketnetwork.net; or you can listen to a recording starting at about noon at www.agmarket-network.net.

The Cotton Forum is sponsored by:
 New York Board of Trade, Certified FiberMax, Cotton Incorporated, Ag Market Network, Farm Press Publications.

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If you would like to receive this newsletter by email, or have any other questions about the Master Marketer system, please write Elizabeth Spillmann at ershaw@ag.tamu.edu.

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Guest Column



Mark L. Waller
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**Multi-Year Pricing Opportunities for
 Wheat and Feedgrains**

There are a number of factors affecting this year's wheat and feedgrains prices, (regional droughts, increased demand for ethanol production and other uses, tighter world supplies, increased speculative interest from large funds and other traders, and inflation fears). While prices are higher, maybe even at profitable levels, it is difficult in the light of so much positive news for producers to want to start selling something they have not yet harvested. The range of questions running through your head likely include at least some of the following issues: production risk (what if I don't produce enough to meet my contracts?); production shortfalls in other countries potentially expanding demand for US production pushing prices much higher; inflationary fears potentially causing speculators to push prices much higher; and the one that we have heard numerous times over the past 30 years, that prices are moving to a new higher level.

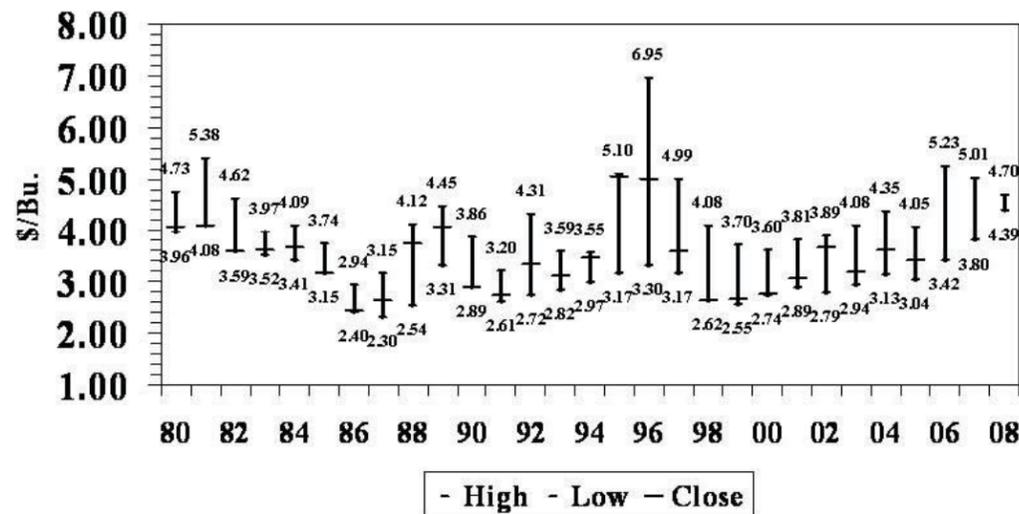
As a result of forecasts of a tighter supply/demand situation during the 2006/07 marketing year for both wheat and feedgrains, and growing uncertainty about future price levels, producers not only have the ability to price some of their 2006 production at higher price levels relative to recent years, but also have a similar situation when looking at the opportunity to price 2007 and 2008 production using futures, options, or specialized contracts through their local elevator or other grain buyer.

It is never an easy decision to sell when a market is trending higher. In fact, the old market adage is that the news will almost always be the most bullish at the top. If we assume that markets are efficient, and that information enters in a random fashion, we know it is probably not possible to consistently and accurately forecast market highs and lows. However, if you have a good handle on your production costs and can control much of your input cost through forward contracts etc., you may want to be thinking about what kind of prices you would be willing to accept for this year, and possibly the next two years for wheat, corn, and grain sorghum crops.

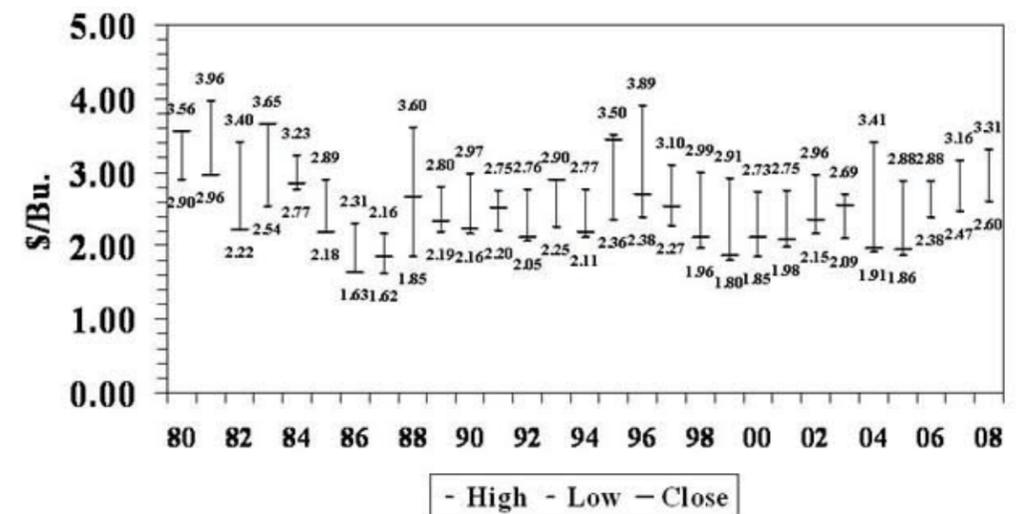
The accompanying two graphs (below and right) show the range of prices from high to low and where the contract closed for July Kansas City Board of Trade hard red winter wheat futures, and Chicago Board of Trade corn futures covering the life of the futures contract years 1980-2005, and from the beginning of trading to current for the 2006, 2007, and 2008 contracts.

While the world and our markets are continually changing, these graphs give some indication of where current futures prices are relative to the history of past highs, lows, and closes. While you may not want to price too large a percentage of your crop very far into the future, you may want to start working on your production and marketing plans, and think about what price levels you might consider good enough.

**July KCBT Wheat Prices
 High, Low, Close
 1980 - 2008**



**December CBOT Corn Prices
 High, Low, Close
 1980 - 2008**



Choice Website

Elizabeth Spillmann
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John Robinson's Cotton Marketing Website

This quarter's choice website is Dr. John Robinson's Cotton Marketing Website, found at <http://agecon2.tamu.edu/people/faculty/robinson-john/>. It is updated regularly with the latest supply/demand, pricing, and marketing strategies information for cotton, including case studies for planning for this year's and last years' crops. Dr. Robinson updates this site weekly to keep readers abreast of changes in market conditions and provide timely discussion on the latest fundamental and technical analysis situation. Most valuable are Dr. Robinson's regularly updated discussions about the current marketing situation featured for nearly every chart and topic posted on the site.

In addition to the front page content, the site also contains constantly updated marketing information through the menu bar at the top of the page. The "What's New" section includes the latest Spec Hedge numbers in chart form as well as the current Supply and Demand numbers. The "Price Info" section contains case studies in futures and options, LDPs, and Stocks to Use ratios. The "Cost Info" section contains average cost information for operating equipment and provides discussion to implement a marketing plan using this cost information. The "Supply/Demand" section provides even more charts and discussion on worldwide supply and demand. Finally, the "Marketing Info" section contains an article outlining the basics of cotton marketing including charts and tables and thorough discussion. Dr. Robinson includes timely discussions for all these reports, providing additional value to this site over sites containing the charts only.

Dr. Robinson has put together a comprehensive study of cotton marketing, and has focused on providing up-to-date and easy-to-use pricing and supply/demand information that is updated daily. This website is invaluable to anyone who needs fast, updated information and clear explanations of new marketing strategies for cotton.