

Master Marketer Newsletter

<http://mastermarketer.tamu.edu>

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In this Issue

Master Marketer Highlights	1
Producer Profile	1
Guest Column	2
Choice Website	3
Farm Assistance Update	3

Master Marketer Highlights



The Planning the Return to the Farm/Ranch program will be held on July 9-11, 2009 at the Holiday Inn Park Plaza in Lubbock (3201 South Loop 289).

The target audience for the program is a son or daughter, plus any significant other, and their parents approximately 1-2 years prior to the time the young person plans to return to the operation. The fee for the program is \$495 per family for up to 4 people. Additional participants are \$100 per person. The fee includes a copy of the book "Building Effective Farm Management Systems" written by Dick Wittman, which sells separately for \$150.

Several advantages come from participating in the program. First, parents and children begin their working relationship more aware of issues that need to be addressed as well as problems that often occur later. However, these predictions could be avoided if addressed in a proactive fashion. The second is the benefit of looking at their situation from multiple perspectives while learning about alternative approaches that have been used successfully by other family farms/ranches. The third is improved communications with a better understanding between the parties involved, resulting in fewer relationship and financial problems. Even in those cases where the business arrangement later dissolves, the resolution should go smoother and be more amicable, producing fewer legal actions and entanglements.

Whether it's a marriage, the practice of medicine or a multiple-party business arrangement, we firmly believe in the adage that "an ounce of prevention is worth a pound of cure."

Enrollment is limited and applicants will be selected on a first come, first serve basis. The deadline for registration is June 30, 2009. The registration application can be found at <http://rttf.tamu.edu/> For more information, contact Danny Klinefelter at (979) 845-7171 or Steven Klose at (979) 458-1807.

This program is provided by Texas AgriLife Extension Service and The Texas A&M University System and made possible by funding from The Farm Credit System Foundation, Inc.; Shared Solutions Agricultural Contributions Program; Pioneer Hi-Bred International; and The G. Rollie White Charitable Trust.

Producer Profile



Front row: Abbi and Halee.
Back row: Wes, Allen, Laura, and Steve.
This is only 3 of 6 grandchildren.
Austin, Melody, and Mollie are not pictured.

The Producer Profile is the newest addition to the Master Marketer Newsletter. We want to recognize the contributions from Master Marketer graduates as each have their own story to tell. We welcome these producers to share their insight with us and if you are interested, please give Emmy Williams a call at (979) 845-8011 or write to elwilliams@ag.tamu.edu

For our first profile, we invite you to take a look into Steve Alsabrook and Alsabrook Farms of Haskell, Texas. Steve describes Alsabrook Farms as a family operation with much credit going to his wife Laura and son Wesley. Without them says Steve, running the farm would prove a much more difficult task. Steve thinks of himself as the CEO of Alsabrook Farms and that for every farm they lease, there is a board member he must keep informed.

To provide information and promote interaction with landowners, Steve started a blog. Steve worked with Diane Isbell, a landlord's daughter-in-law, in the design of a website that provides commentary of what is happening on Alsabrook Farms. You may look at this as an "online, on-the-farm" diary. Here Steve can explain the different farming practices on each farm, discuss which crops worked or didn't work and why, as well as post pictures of farming activities and weather events. His blog helps keep everyone in the loop on a daily basis and provides a place where landlords can go to see what is happening on their farm. Steve's blog can be found online at <http://alsabrookfarms.blogspot.com/>

(Continued on Page 3)



Guest Column

George M. Knapek,
Program Manager - Representative Farms,
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Ever since the 2008 farm bill was passed, there has been a great deal of discussion about the Average Crop Revenue Election (ACRE) Program. Most of the rules are in place for the ACRE program, and producers have until August 14th to make their decision about whether to participate in ACRE or not. The Agricultural and Food Policy Center (AFPC) at Texas A&M has developed a web based decision aid to assist producers in making their choice. Below is a brief description of the ACRE program and the AFPC decision aid.

Average Crop Revenue Election (ACRE) Program

The 2008 farm bill allows farmers to choose between the traditional Direct and Counter-Cyclical Payment (DCP) program and the new Average Crop Revenue Election (ACRE) program. If the DCP program is elected, farmers will continue receiving direct payments (DPs), counter-cyclical payments (CCPs), and loan deficiency payments (LDPs/MLGs). If the ACRE program is chosen, CCPs are replaced by ACRE payments and farmers must accept a 20% reduction in DPs along with a 30% reduction in loan rates (which applies to LDPs/MLGs). Once a farmer decides to elect ACRE, they must remain in the program through the life of the farm bill.

While CCPs are triggered only by low prices, the ACRE payment is revenue-based and is triggered by low prices, low yields or both. As a result, ACRE payments are only made if both the state revenue in a given year falls below the state benchmark revenue for that year and the farm revenue in that year also falls below the farm benchmark revenue for that year.

ACRE Decision Aid

The Agricultural and Food Policy Center has released new decision-aid software to assist farm operators and landlords in analyzing the ACRE versus DCP decision. The decision to continue with DCP or to elect ACRE must consider the farm's yield risk, the state's yield risk, and the national price risk for 2009-2012. The ACRE decision aid uses a farm's data and simulates the farm for 500 different possible yields and prices based on historical risk for these variables, as well as the risk for state yields and national prices. The decision aid then analyzes the full range of possible outcomes one might expect over the next four years.

To compare potential payments between the ACRE and DCP programs, farmers are asked to provide some basic information on the farm they are analyzing, including information on: base acres and direct and counter-cyclical payment yields for the program crops on the farm and expected planted acreage, expected yields, and yield histories for the crops the user intends to plant over the next four years. The decision aid is designed to allow users to establish a unique username and password so they may save the basic farm data and return to analyze various acreage, crop-mix, price, and yield scenarios. The Agricultural and Policy Center's ACRE Decision Aid can be accessed at <http://afpc.tamu.edu/>



**Click here for
ACRE Decision Aid**

Choice Website

Daniel Hanselka,

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In addition to the ACRE Decision Aid developed by the Agricultural and Food Policy Center at Texas A&M University, several other universities and federal agencies have designed decision aids to assist farm operators and landlords in analyzing the ACRE vs. DCP decision.

Farm Service Agency (FSA) with the United States Department of Agriculture has a webpage containing various decision aids directed at the ACRE vs. DCP debate. The website has an ACRE calculator designed to assist farm operators and landlords in making their ACRE or DCP decision. Alongside the calculator, the website contains a power point presentation, fact sheets, working papers, and other relevant tools that aid farmers, landlords, and other agriculture industry personnel in analyzing ACRE and DCP. The link to this particular decision aid can be found at <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=dccp&topic=landing>

Farmdoc with the University of Illinois has developed an excel spreadsheet entitled "ACRE Comparison Program" that compares payments under ACRE and traditional commodity program options available in the 2008 Farm Bill. The link to this particular decision aid can be found at <http://www.farmdoc.uiuc.edu/fasttools/index.asp>

AgManager with Kansas State University has developed an excel spreadsheet and several papers and presentations that assist farm operators and landlords in analyzing the ACRE and DCP decision. The link to the spreadsheet and pertinent papers and presentations can be found at <http://www.agmanager.info/policy/commodity/2007default.asp>

Farm Assistance Update

Steven Klose,

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So what lies ahead in the U.S. and World Economy? Many see a return of healthy economic growth while others warn the possibility of slipping into deeper recession. And what will either turn mean now and

in the future for the agricultural economy? In either case, a producer's ability to navigate these times and the coming years is instrumental in producing a profit. The FARM Assistance team has already worked with many clients this spring helping them evaluate the financial implications of their plans and strategies in a changed and changing industry. No one knows exactly what the future holds, but with new levels in commodity markets and inflated production costs, now is a good time to re-evaluate the financial outlook for your operation and be prepared for the possibilities. Contact FARM Assistance toll free at 1-877-TAMRISK (826-7475) or online at: farmassistance.tamu.edu



The FARM Assistance team welcomes a new member this summer. Jonathan Baros joins the staff in College Station this month. Jonathan received both his undergraduate and masters degrees in agricultural economics at Texas A&M. He comes to us very familiar with Extension education, having most recently worked with Dr. John Park and the Roy B. Davis Cooperative Management Program. We are excited for Jonathan to join our program and look forward to his contributions.

Producer Profile, Continued from Page 1:

When viewing the site, one is welcomed by Steve himself as he proudly provides the following mission statement for all to see on the world wide web: "Alsabrook Farms is a four generation family-owned dry land commercial cotton, grain sorghum, and wheat operation. Day to day operation is overseen by Steve, Laura, and our son Wesley. It is the goal of Alsabrook Farms to be good stewards of the land, to be as aggressive with technology in agriculture as economics dictate while maximizing returns to the land. It is our mission to be good commentators of our profession to the public, and to pass stewardship to the next generation with the ability to produce safe food and fiber."

Steve uses the blog to post observations from approximately a dozen farms in his operation. The site is very helpful in providing links to agricultural sites and market newsletters; not to mention the wonderful photograph collection where even the not-so-savvy can get a better glimpse into farming. His comments keep you interested in visiting the blog from time to time to see the latest happenings with the Alsabrook Family at Alsabrook Farms.



Improving Lives. Improving Texas.



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If you would like to receive this newsletter by mail,
or have any other questions about the Master Marketer system,
please write Emmy Williams at elwilliams@ag.tamu.edu or call 979-845-8011.

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