

Master Marketer Newsletter

<http://mastermarketer.tamu.edu>

Volume 11 • Issue 2 • June 2011

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Master Marketer Highlights

This year we celebrate the 15th Anniversary of the Master Marketer Program. The first program was held in Amarillo in 1996 and since then, Master Marketer has held 23 programs and graduated just short of a thousand producers and agribusiness men and women. Surveys from the first twenty Master Marketer classes indicate that producers have increased their annual returns on average by \$35,000. Along with financial benefits, producers have the advantage of adopting a written marketing plan and a significantly greater confidence in using marketing tools.

To date, Texas Master Marketer graduates have collectively received cumulative impacts exceeding 100 million dollars since the project began in 1996. Conservatively assuming a 10-year useful life of the marketing information conveyed in the program, and assuming 75% of producers remain in business over this ten-year period, the projected economic impact of Master Marketer training exceeds \$190 million in impacts for graduates for the project time frame of 1996-2016. This is an average increase over all participants whether they did or did not implement what they were taught.

The next Master Marketer Program is scheduled for 2012 in Plainview, Texas with a leveling workshop to begin on January 17th and the program's first session to run January 18th (Futures/Options/Basis Review, Seasonality, Budgets and Breakevens, and Policy) and 19th (Grain Fundamentals, Pricing Tools and Marketing Strategies, and Marketing Plans). Dates for Session II are February 1st (Weather, Financial Management, Farm Assist Program, and Crop Insurance Review) and 2nd (Crop Insurance). Session III will be on February 15th (Technical Analysis) and 16th (Cotton Fundamentals and Cotton Trading Strategies). The dates for the final session for the 2012 Master Marketer Program are February 29th (Livestock Fundamentals and Livestock/Rainfall Insurance Products) and March 1st (Packer/Feeder Game, Marketing Plans, and Graduation Reception).

In the coming months, the 2009 Master Marketer Class of San Angelo will have completed a 2.5 year post survey of how Master Marketer benefited their operation and results will be posted to the Master Marketer webpage at <http://mastermarketer.tamu.edu/> and on Master Marketer's Facebook Page. The great success of this program could not continue without the tremendous support and sponsorship from Texas Corn Producers Board, Texas Farm Bureau, Cotton State Support Committee, Texas AgriLife Extension Service, Texas Wheat Producers Board, Texas Grain Sorghum Producers Board and USDA's Risk Management Agency.

Master Marketer Happenings

2011 Texas Agricultural Custom Rates Publication

In early 2011, the Texas AgriLife Extension Service, Department of Agricultural Economics conducted a statewide survey of the prices paid for typical farm and ranch custom operations. Survey respondents include both providers and users of custom services, and data include rates for tractor rental, row crop field operations, harvesting, hay baling, various land improvements, and livestock services. The electronic publication is now available at <http://agecoext.tamu.edu/>

Ranch Estate Planning Seminar

Dr. Wayne Hayenga will be conducting a Ranch Estate Planning Seminar to be held in College Station on August 3-4, 2011, at the College Station Conference Center in conjunction with the Animal Science Department's Beef Cattle Short Course. The seminar will provide information on income and estate tax rules to aid in making decisions involved with estate planning for families and agricultural businesses. The brochure can be found online at <http://agecon2.tamu.edu/people/faculty/hayenga-wayne/BrochureREP.pdf> and for more information concerning registration, contact Connie Smotek at (979) 845-2226 or csmotek@tamu.edu. Seating is limited so early registration is recommended.

Beef Cattle Shortcourse

Texas AgriLife Extension Service and the Department of Animal Science have teamed once again for the 57th Annual Beef Cattle Short Course to be held on the Texas A&M University Campus in College Station. The program is set to run from Sunday, July 31 through Wednesday, August 3. Sessions include cattle production, forage management, nutritional management, reproductive management, beef cattle marketing, carcass value, business management, and cattle handling techniques. For more information and online registration, visit <http://animalscience.tamu.edu/ansc/BCSC/index.html> or call (979) 845-6931.

Association of Agricultural Production Executives

APPEX and its director, Dr. Danny Klinefelter, together with Top Producer, Monsanto and Texas AgriLife Extension are teaming up to offer a two-day conference to look at different structures and best practices of peer advisory groups as they have been used inside and outside agriculture to enhance the performance of companies. The conference will provide producers opportunities to network, have a sounding board made (Continued on Page 3)



Guest Column

Blair Fannin

Media Relations and Public Affairs,
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Texas Drought Losses to Agriculture Approach \$1.5 Billion

Preliminary estimates of Texas drought losses have reached \$1.2 billion and are expected to escalate higher this year as livestock producers continue to sell off herds and crop conditions deteriorate, according to economists with the Texas AgriLife Extension Service.

"Each day without rainfall is one in which crop and livestock losses mount," said Dr. David Anderson, AgriLife Extension Livestock Economist. "Even with the severity of the current drought, estimation of economic losses is difficult given that we are still early in the growing season." Livestock losses due to drought are an estimated \$1.2 billion from November 2010 through May. Those losses include increased feeding costs and lost value of wheat pasture grazing, Anderson said.

"Texas is the largest beef cow producing state in the U.S. with more than 5 million head," Anderson said. "More than 90 percent of the state's beef cows are located in counties categorized as being in severe to exceptional drought." The ongoing drought has forced ranchers to start feeding hay earlier in the season and increase the amount fed due to lack of pasture growth, Anderson said.

"This increased feeding cost over normal levels is a direct economic impact on the livestock producers," he said. "The sudden severe onset of the drought has forced livestock producers to purchase even more hay, driving up prices sharply." The drought has been so severe that many stock tanks that provide water for livestock have become "dangerously low or dry," Anderson said. "This requires even higher costs to haul water daily to meet livestock needs," he said.

The most recent U.S. Drought Monitor (<http://www.drought.unl.edu/dm/monitor.html>) indicates 100 percent of the state with at least abnormally dry conditions and 82 percent classified in extreme and exceptional drought.

Dr. Mark Welch, AgriLife Extension Grain Marketing Economist, said much of the state has yet to plant spring row crops, and there is still time for weather patterns to change. "However, for wheat, cotton and grain farmers in Central and South Texas who have planted or are facing final planting deadlines, and ranchers supplemental feeding on short pastures, each day without rainfall is costly," he said.


Welch said assuming crop conditions of 2011 continue on their current track, this year's Texas wheat production is estimated to be 34 million bushels. "This would come off 25 percent of planted acres and an average yield of 24 bushels," he said. "High wheat prices in 2011 will offset some of the revenue lost to poor wheat yields for those farmers who still make a crop."

The total value for the Texas wheat crop this year is currently \$274 million, about half of the five-year average of \$555 million, Welch said. "The low harvested percentage is compounded by several factors in addition to the drought," Welch said. "Record-high calf prices increase the value of wheat for grazing, especially if grain production prospects are poor, and record high cotton prices offer incentives for producers to terminate poor stands of wheat in hopes of producing a high value cotton crop."

Uncertainty remains in place for Texas' cotton crop, said Dr. John Robinson, AgriLife Extension Cotton Economist. "Given the regular occurrence of dry weather in West and South Texas, and the late planting date in West Texas, it's not unusual to be facing uncertainty about the level and condition of cotton plantings in the state. As the West Texas crop is not usually planted until May, there's still time for conditions to change."

Corn and sorghum are lacking adequate topsoil moisture for seed germination and deeper subsoil moisture to sustain crops that are up. Nearly all of the districts in Texas have more than 90 percent of the acreage topsoil moisture rated either short or very short. (Continued on Page 3)

Farming with Facebook

Top 10 reasons to  Master Marketer on 

1. Get daily updates on weather and crop conditions
2. Converse with area farmers
3. Everyone else is doing it – All your friends are on Facebook
4. Obtain localized data
5. Get feedback and views from the field
6. You now have a “work” excuse to be on Facebook
7. Receive daily market updates as they happen
8. Be a part of an “online” marketing club
9. You asked for it!
10. It's FREE!

In response from several Master Marketer graduates, Master Marketer now has a Facebook account. Along with your remarks, Dr. John Robinson and Dr. Mark Welch will be posting items as seen fit on a regular basis. We welcome pictures and comments from your operations along with other web resources and social media sites that are a favorite to use.

To get started with Facebook, visit <http://www.facebook.com/> and enter your information with the associated spaces in the Sign Up Area (ex: first and last name, email, etc.). Click on the green “Sign Up” box below your entered information. Wait for a confirmation email from Facebook and click on the requested link within the email... alas you have your very own Facebook account.

To log back into Facebook again visit <http://www.facebook.com/> and enter your email and password in the top blue bar of the webpage and click on the blue “Log In” box. After you have logged into your account, search for “Master Marketer” (the search box is located at the top of the webpage). Once on the Master Marketer Facebook page, one will need to click the “Like” button at the top of the webpage to be able to leave comments and upload photos to the Master Marketer Facebook page.

We look forward to hearing from you on Facebook and are working hard to keep you posted on the latest crop, market, and weather updates. Because this is a new endeavor, please let us know what you would like to see on Facebook and share any suggestions that you have. For any further clarification with logging into Master Marketer on Facebook, contact Emmy Williams at emmywilliams@tamu.edu or (979) 845-8011.

“Like” and “Facebook” images are from www.facebook.com

Master Marketer Happenings, Continued from Page 1

up of the best and the brightest, get objective feedback, see things from different perspectives, and benchmark their performance. The conference is being held July 11-12, 2011 at the Gaylord Texan at 1501 Gaylord Trail in Grapevine, Texas. Enrollment is limited to 180 participants and the registration fee is \$750 per participant and includes meals. For registration and additional information, please visit <http://associationofagriculturalproductionexecutives.org/Summer%202011%20Letter%20&%20App.pdf> If you have any further questions, please contact Danny or Bridget at (979) 845-7171.

DTN/The Progressive Farmer 2011 Ag Summit

Save the dates of December 6-9, 2011 for the DTN/The Progressive Farmer Master Marketing Short Course and Ag Summit focusing on Rebalancing Risk and Reward being held in Chicago, Illinois. The Master Marketing Short Course is set to cover the basics of marketing including that of strategies for options and hybrid cash contracts. Attendees will have the opportunity to simulate their marketing plan's performance for the coming year using their personal laptop computer. The Ag Summit will feature DTN/Progressive Farmer editors and top speakers discussing threats and opportunities facing growing farms and how other leading producers are adapting. For more information, visit <http://www.dtnprogressivefarmer.com/go/agsummit/> or call (888) 576-9881. Class size is limited so enroll early.



Improving Lives. Improving Texas.

Guest Column, Continued from Page 2

Late-planted corn is susceptible to mold infestation and aflatoxin contamination (a fungus that affects corn). “The impact of high levels of aflatoxin range from discounts in price to the requirement to destroy the grain altogether,” Welch said.

The following is a list of economic drought losses from 1998 through 2009 compiled by AgriLife Extension economists:

- * 2009 – \$3.6 billion
- * 2008 – \$1.4 billion
- * 2006 – \$4.1 billion
- * 2002 – \$316 million
- * 2000 – \$1.1 billion
- * 1999 – \$223 million
- * 1998 – \$2.4 billion

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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 Emmy Williams at emmywilliams@tamu.edu

Educational Programs of Texas AgriLife Extension Service
are open to all citizens without regard to race, color, sex,
disability, religion, age, or national origin.

Issued in furtherance of Cooperative Extension Work in Agriculture
and Home Economics, Acts of Congress of May 8, 1914, as amended,
and June 30, 1914, in cooperation with the
United States Department of Agriculture
and Texas AgriLife Extension Service, Texas A&M System.

Partial funding support for the Master Marketer program has been provided
by the Texas Wheat Producers Board, Texas Corn Producers Board,
Texas Farm Bureau, and Cotton Inc.-Texas State Support Committee.



The Department of Agricultural Economics has recently moved offices and is now housed in the new Agriculture and Life Sciences Building on the west side of Texas A&M's campus. You may have experienced trouble viewing and using Master Marketer's associated websites and email addresses during this time but should be able to access them now. Don't throw out your old business cards, all contact information including phone numbers and mailing address remain the same.