

Master Marketer Newsletter

<http://mastermarketer.tamu.edu>

Volume 13•Issue 1•March 2013

In this Issue:

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

Master Marketer Highlights

Have Farmers and Ranchers Lost Confidence in Futures Markets?

Early in the year, we mailed questionnaires to Master Marketer graduates eliciting their changes in use of risk management practices and tools in agriculture. Currently, we have received feedback from over 100 participants and are continuing to accept responses. The participation efforts amongst these graduates are very much appreciated.

Results and conclusions have been published in poster format by Texas AgriLife Extension personnel and were presented in February at the Southern Agricultural Economics Association Annual Meeting in Florida. Another presentation is planned next month for the Applied Commodity Price Analysis, Forecasting, and Market Risk Management Conference in St. Louis, Missouri. Findings from the summation include:

- Data on the percentage of hedging shows a general increasing trend over the 2003-2012 study period. In more recent years, as price levels have risen, producers may be trying to lock in higher price levels on a larger percentage of their production using futures and options markets.
- Increased price volatility and basis variability received average Likert scale (1-7) rankings of 4.95 and 4.83 respectively, suggesting that producers had only a slight degree of concern about these issues.
- While concern about the security of segregated margin accounts has been in the news frequently over the last year as a result of the MF Global and Peregrine Financial bankruptcy scandals, an average Likert scale (1-7) score of 4.11 would suggest that producers are not that concerned about the safety of their segregated accounts. This would suggest that they may not feel a need to switch from futures and options to other risk management tools.

Further analysis of the survey results will continue as the return sample increases. Again, thank you for your cooperation with this project.

Choice Website

Emmy Williams,
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Crop Cost

<https://itunes.apple.com/us/app/crop-cost/id570895516?ls=1&mt=8>

Water Cost

<https://itunes.apple.com/us/app/water-cost/id581833952?ls=1&mt=8>

Water Calculations

<https://itunes.apple.com/us/app/water-calc/id581834180?ls=1&mt=8>

Thanks to a grant from the Southern Risk Management Education Program, the Texas A&M AgriLife Extension Service has launched an exciting new project to develop agricultural apps for smart phones and tablets. The AgriLife team will train producers to utilize these apps to more effectively manage risks in their business and improve profitability. The apps will give producers access to market data and help in evaluating relevant pricing strategies with the goal of increasing knowledge of costs and breakevens. Other available apps developed by the team are related to crop insurance, marketing plans, livestock record keeping, various time-saving calculators, and other tools. Project objectives include that of participants learning to use their smart phones and tablets in making quick decisions whether they are in the field on the tractor, on the turn row in the pickup, or at the sale barn during an auction.

There is currently one workshop scheduled to be held in Perryton on April 10th. For more information on this workshop or future app workshop possibilities, please contact Jay Yates at 806-746-6101 or jayates@ag.tamu.edu

Guest Column

Wife, Family, and Land are Key Values for Southwest High Cotton Winner John Wilde

Southwest Farm Press

Written by Ron Smith

January 4, 2013

We are delighted to showcase John Wilde, a graduate of the San Angelo 2009 Master Marketer Class and winner of the Southwest High Cotton Award. We are all honored to see your love for family values and stewardship to this great land. Hats off to you Mr. Wilde!



John Wilde walks slowly between rows of waist-high cotton, stops at a stalk loaded top to bottom with large open bolls, and plucks a handful of fiber from the burrs. Pulling on the snow-white lint, he draws the fibers apart and marvels at the potential.

"Isn't that a pretty sight?" he asks, pulling and stretching the pure white fibers out between his hands, and looking across the field that's a large expanse of pure white under a cloudless, deep-blue Texas sky that seems to come only at harvest time.

It's one of his best fields, and he expects it to make a bit better than four bales per acre. "Isn't it amazing what water can do?" he says.

The field, near Miles, Texas, is watered by subsurface drip irrigation, as is 800 acres of the Wilde cotton operation, centered in San Angelo and including farms to the east near Miles and back west near St. Lawrence.

"We still water a few acres by furrow irrigation," he says. He plants some dryland cotton, too, but most of the non-irrigated crop this year will produce little — slightly better than the 2011 crop, but nothing to speak of.

"Water is the key," Wilde says. And he's doing all he knows to make every drop count. Subsurface drip irrigation helps, as do reduced tillage and rotation; and subsoiling between the drip tape helps capture moisture. He uses furrow diking to reduce runoff, and also has CRP land where he installed wildlife vegetation strips. To reduce erosion, he added waterways and diversion terraces and seeded with native grasses.

He is committed, he says, to producing the best yields possible. He has three times earned membership in the FiberMax One-Ton Club. He's also devoted to conserving soil and water so the land that has been in the family — some for as long as 100 years — will pass on to his heirs in better condition than when he took it over. In 2004 he was the San Angelo Area Conservation Farmer of the year.

Wilde is also adamant about finding something to control root rot, the most economically devastating cotton disease in his area. He has a long term commitment to helping Texas AgriLife Research and Extension discover a management option for the disease.

This devotion to the farm and to practices that make the land better and more productive earned him the Farm Press/Cotton Foundations 2013 High Cotton Award for the Southwest region. He was presented the award at a recognition breakfast at the Beltwide Cotton Conferences at San Antonio in January. (Continued on Page 3)

Farm Assistance Update

Steven Klose,

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Texas A&M University

In addition to the strategic analysis we conduct for individuals, I wanted to highlight another product that comes out of our FARM Assistance group. For many years Extension Agricultural Economics has published budgets for common enterprises around the state. A little over a year ago, Jerry Cornforth joined our group and also coordinates the Extension Budgets. Using local knowledge, data, and expertise, each of our Extension District Economists annually prepares district specific budgets. Jerry and our staff made the 224 budgets available online for 2013. These budgets are published to serve several purposes. First, is simply to provide examples of common practices used to raise a crop or livestock enterprise in specific area. The budgets also illustrate a possible set of price and cost expectations for that coming crop year. Most importantly, the budgets serve as a template the farm/ranch manager can use to produce a budget plan specific to their operation. In the works for next year, are downloadable spreadsheets you can use to build your own budgets.

The budgets can be found at <http://agecoext.tamu.edu/> Follow the "Resources" menu to "Crop and Livestock Budgets." You can search the budgets by district or by commodity.

Contact FARM Assistance toll free at 1-877-TAMRISK or online at: farmassistance.tamu.edu

Guest Column, continued from page 2

John Wilde loves the land. His farm, he says, is No. 3 on his list of treasures, behind only his wife of 37 years, Betty Jo, and his family, including sons Doug and Matt and daughters Joanna and Julie Garcia.

"My life is the farm," he says. "Any land we buy, we typically never sell; it becomes part of my heart and soul — and my family's future. I'm not a wealthy man, but we've bought land, made payments, and it became ours."

"I got a start from my mother and father, and they got a start from their parents. Betty Jo and I will hand down land to our children to give them a start."

He gives Betty Jo credit for keeping him grounded. "I believe in honesty and fairness," he said. "Betty Jo continues to instill those in me and we try to instill them in our children. I had a wonderful mother and father, who tried to do the same; they taught me a work ethic. My dad always encouraged and backed me — you can't put a value on that. I value family."

Doug and Matt work with him as partners on the farm. "It's what they want to do," he says. "And where else but a farm can you have the opportunity for parents to work so closely with their children?"

He's proud of the whole family. Betty Jo teaches high school girls to become medical assistants. "She gives them opportunities," Wilde says.

Doug and Matt plan on farming as a career. Both have degrees, Doug a masters in agriculture from Texas A&M, and Matt a bachelor's in computer science from Angelo State University. Julie is a physician's assistant in Houston and Joanna graduated from Texas A&M last December with a degree in agricultural economics and plans for graduate school.

Wilde recalls that he had an opportunity to pursue an advanced degree at Purdue after he graduated from Texas A&M, but after his dad was injured in a car accident he went back to the farm to help out.

"I realized more school wasn't what he wanted," he says. "I knew where I needed to be."



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If you would like to receive this newsletter by email or mail,
or have any other questions about the Master Marketer System,
please contact Emmy Williams at emmywilliams@tamu.edu or (979) 847-6143.

An archive of newsletters can be found online by visiting
<http://agecoext.tamu.edu/programs/marketing/master-marketer-program/newsletter-archives.html>

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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
RMA-USDA, Cotton Inc.-Texas State Support Committee, Texas Farm Bureau,
Texas Corn Producers, Texas Grain Sorghum Producers, and Texas Wheat Producers Board.