

Master Marketer Newsletter

<http://mastermarketer.tamu.edu>

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Master Marketer Highlights

Master Marketer scheduled for Vernon-January 2008

The next Master Marketer program is scheduled for January-February 2008 in Vernon, Texas. The specific dates for the program sessions are: leveling workshop, January 15; Session I, January 16-17; Session II, January 30-31; Session III, February 13-14; and Session IV, February 27-28. The brochure for the program can be found on the Master Marketer website at <http://mastermarketer.tamu.edu/location/brochure/vernon2008brochure.pdf>. For the first time this year, participants will be allowed to use a credit card and register over the Internet by going to <http://tcevents.tamu.edu/>. Stan Bevers, the District Economist at the Vernon Research and Extension Center will be coordinating the planning for the meeting since it will be held there at the Vernon Research and Extension Center. The physical location of the facility is 11708 US Hwy 70 S., Vernon, Texas. Stan is already distributing brochures and other advertising materials to County Extension Agriculture Agents, and we will be working on getting information out to the press, and to previous Master Marketer graduates in the near future.

Industry Review Committee Meeting

As we have done periodically throughout the life of the Master Marketer program, an industry review committee meeting was held at the Texas A&M Research and Extension Center in Amarillo, Texas on July 24, 2007, to discuss the Master Marketer program, the Advanced Topics Series workshops, and other components of the Master Marketer Educational System. In the past, we have held one of these meetings every 2 to 4 years with the programs statewide sponsors and some of the previous Master Marketer graduates to gather feedback on what's working, what's not working, and ideas for future re-direction or new efforts.

The program ran from 10 a.m.-2:30 p.m., and started off with Steve Amosson making a presentation to provide some historical perspective of the Master Marketer Educational System, some of the educational and economic impacts, and a discussion of the survey results collected earlier this summer from you, the previous graduates. To mention a few of the highlights garnered from the survey results, 94% of the respondents said that what they had learned in Master Marketer was still having a positive effect on their decision-making. When asked if the Master Marketer training is still relevant and if it should continue to be offered in Texas, 80% of the respondents said yes, and only 1% said no. When asked if the Advanced Topics Series workshops should be continued, 67% of the respondents said yes, and only (continued on page 3)

Marketing Club Corner



Mark L. Waller,
Professor,
Associate Department Head-Extension,
Department of Agricultural Economics,
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Update on the FACTSim Trading Competition

The SEMC FACTSim Trading Competition is approaching the final 2 weeks. While we didn't seem to get any of our marketing clubs involved, we do have a team from College Station (Ag Economics department faculty) involved. Since we are not performing very well, I won't mention everyone else's names, but I will let you know that I am probably responsible for somewhere between a third and one half of our losses, on the less I have already been dropped for having the lowest profit. My two worst positions were entered based on purely technical reasons, selling a downside breakout in cotton, and buying an upside breakout in feeder cattle. As we teach in Master Marketer, no rules are perfect, and you need to manage your risk. I did not put any stops on these positions and I am paying the price for it now.

The group standings at this stage of the competition are listed below. These standings eliminate the fifth trader (lowest profit) that will not be used in the final team scoring.

	Week 7
1) Moo Traders (AL)	\$104,235.00
2) Cotton Cowboys	\$33,337.50
3) Limit Up (TX)	-\$13,174.25
4) Back-To-Back Gators	-\$44,396.45
5) Gator Nation	-\$88,165.40
6) AIR Team	-\$477,937.50

The markets have earned their reputation as volatile and extremely risky since the competition started. As John VanSickle points out, the results of this competition highlight the risks involved in speculative trading, and the importance of teaching about these markets and the need to separate risk management from speculation. The leaders in the competition are a group of ranchers from Alabama organized by Walt Prevatt. His group finished third in the team competition last year and is on track to do even better this year. (continued on page 3)

Guest Column



J. Mark Welch,
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Wheat Situation

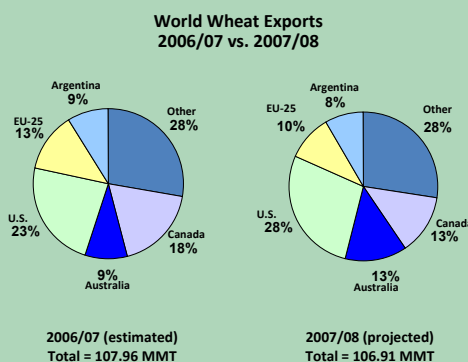
Wheat markets have surged to record levels this summer primarily on global supply concerns. Many areas in northern Europe experienced wheat harvest conditions this year similar to those of much of Kansas, Oklahoma, and Texas: persistent rain resulting in reductions of both grain yield and quality. Supply relief from traditional exporting countries is also in question. Dry conditions persist in Argentina and Australia wheat growing areas. Wheat in the Southern Hemisphere is entering the critical heading and pollination stage and the lack of significant rainfall will curtail yield potential. Canadian wheat production in 2007 is estimated to be 20 percent below last year due to the combined effects of smaller acreage and reduced yields due to hot and dry conditions.

Despite record high prices, export demand for U.S. wheat has been strong. Shipments to date are running 50% ahead of last year and are well on pace to reach projected levels. India, the world's second largest producer of wheat and a recent wheat exporter, is importing significant amounts of wheat, almost 7 million metric tons (MMT) in the last marketing year and estimates call for 3 MMT (according to USDA) to 5 MMT (Indian federal officials) this year. The Indian government appears to be shoring up domestic supplies ahead of next April's harvest.

Marketing Response

Good moisture conditions exist for fall sowing of the U.S. winter wheat crop. Almost all areas where the planting of winter wheat is concentrated show to have normal to abundantly moist soils. A combination of high prices and good planting conditions will encourage every available acre to be sown to wheat this fall. And this situation is not limited to the U.S. The Ontario (Canada) Wheat Producer's Marketing Board expects 1.5 million acres of wheat to be planted in that province compared to a normal planting area of 800,000 to 1 million acres. The pace of harvest of this year's soybean crop is ahead of normal clearing the way for fall sowing and weather conditions are favorable. This situation will likely apply to many non-traditional wheat growing areas as well; especially those whose drought-reduced crops will come out early making way for fall seeding.

If wheat prices are high enough to encourage you to increase your planted acres this fall, they should be high enough to encourage you to protect this price on at least some of your estimated production. Two keys to being prepared to pull the marketing trigger are: 1) to have a budgeted amount for marketing incorporated into your crop expenses, vital for options strategies; and 2) have a set amount of anticipated production you are prepared to price. It is time to meet with your banker, broker, brother, and anyone else who needs to be on board for you to lay out and implement your marketing plan.



Source: WASDE

Farm Assistance Update

Melissa Jupe,
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Texas A&M University

Summertime is typically a busy traveling time for the FARM Assistance team as we attend conferences and annual planning sessions throughout the state and the nation. Our team members met with the entire Agricultural Economic extension group in San Antonio in June and then spent a few days in Bandera with just the FARM Assistance team. These meetings are great opportunities to brainstorm, discuss problems and issues, and learn about new subject matter. In late July, Steven Klose presented FARM Assistance research at the annual American Agricultural Economics Association/Western Agricultural Economics Association meeting held in Portland, Oregon. Topics included farm level preferences for reduced farm bill spending and income driven land values. Highlights of the FARM Assistance program were also shared at the National Farm Management Conference in Rochester, MN. These professional association meetings provide our team a chance to showcase our program utilizing the valuable farm and ranch data we collect from working with each of you.

As the potential for a new farm bill approaches, please keep in mind that the FARM Assistance team can help assess the likely impacts these changes could have on your operation. Please contact one of our local offices or call 877-826-7475 to set up your next appointment.



Master Marketer Highlights, continued from page 1:

2% said no. When asked if they would like to participate in an e-mail notification delivery system that would provide information on upcoming programs, software, and publications, as well as marketing, policy, and farm management updates, 84% of the respondents said yes, and 16% said no.

While attendance at the meeting was light due to conflicts with farm policy meetings in Washington DC, the statewide sponsors and previous graduates in attendance made it clear that they wanted to see Master Marketer continue in the future. While they understood that demand could be an issue in some parts of the state, they felt that the program was important and should be continued.

Choice Website

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AgManager.info

The Ag Manager website is run by the Department of Agricultural Economics at Kansas State University. The goal of Ag manager is to improve the organization of web-based material, allow greater access for agricultural producers and other clientele, and improve farm decision-making under risk through education and research. To meet this goal, the Ag Manager website provides agricultural producers, agribusinesses, and others with comprehensive and integrated information, analysis, and decision-making tools. While this information is targeted towards Kansas and Midwest producers, much of the information, data, and tools are applicable and timely to Texas and other states.

Publications, decision tools, and data related to a variety of risk management, market outlook, energy, policy, and industry issues are found throughout the site. Of particular interest to Texas producers are the Livestock and Meat and Crop sections. These sections contain daily grain and livestock future market prices, production and price data, forecasting tools, and market news bulletins.

Ag Manager offers a distance education program called MAST (Management, Analysis and Strategic Thinking) for geographically isolated producers and managers, ag lenders, and agribusiness professionals. The program consists of workshops and classes where participants are introduced to key farm management tools and concepts, and their application to their individual farm situations.

The website contains many articles, press releases, newsletters, radio programs, and current events in agribusiness, outlook, and market advisory information. The site also has a good list of links to other useful web sites.

Marketing Club Corner, continued from page 1:

The Moo Traders team from Alabama and the Cotton Cowboys team are the only teams made up of primarily farmers and ranchers. The other teams are academicians and students. The farmers and ranchers teams are the only teams making money at this point in the competition. There must be a message in there somewhere? The winners of the competition will be announced at the Southern Outlook meetings in Atlanta on Monday, September 24. Trading in the competition ends on Friday, September 21.

Prepared by:

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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 elwilliams@ag.tamu.edu.

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