

Master Marketer Newsletter

<http://mastermarketer.tamu.edu>

Volume 9•Issue 3•September 2009

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Master Marketer Highlights

Extension Economist Wins Forecasting Award

Mark Welch, grain marketing economist with Texas AgriLife

Extension Service, was awarded the Top Crop Production and Price Forecaster Award at the annual meeting this summer of the Agricultural and Applied Economics Association (AAEA) in Milwaukee, Wisconsin. Each year the Extension section of the AAEA holds a competition in which its members forecast crop and livestock production and price levels for the next year. Noting that this year's winners made their predictions during the record high price levels of 2008, Mark said that his forecasts were not necessarily close to what actually occurred, but might be classified as the "best bad guess".



The Executive Program for Agricultural Producers

In January 2009, Top Producer Magazine named TEPAP as one of the top twenty-five influences in the world on the future of American agriculture. Now in its 20th year, The Executive Program for Agricultural Producers teaches advanced agribusiness skills such as international business development, niche market evaluation, analyzing and forecasting financial position, as well as personnel management and negotiation. A commercial farming or ranching operation faces the same issues and requires the same skills as any other big business and although your consultants can advise you on seed varieties or livestock vaccines, they can't teach you to predict global market shifts or take advantage of niche opportunities. As a Program attendee, you'll spend an intensive week in classroom sessions with some of the most prominent ag economists and agribusiness specialists, many of whom also own, manage or participate in large-scale farming and ranching operations.

The Executive Program for Agricultural Producers is sponsored by Farm Credit System, John Deere, and DTN and administered by Texas A&M University. Enrollment is limited and applications will be accepted until December 1, 2009 unless program fills before that date.

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Producer Profile - Janet Tregellas

Janet Tregellas grew up on a cow/calf operation ranch near Pampa, Texas in Roberts County and helped on her grandparents' ranch in Henrietta, Texas in Clay County. Growing up with a ranching background, she participated in many 4H events and programs, especially horse judging and horse showing. Classifying herself as a 4H product, she also participated in food/nutrition, sewing and consumer education Extension affiliated programs.

Janet received her broker's license back in the 1970s when she was first married and has previously worked for a real estate agent. Being a broker contributed to her "off-farm" experiences and the lessons learned have proven important. She lived through 20% interest rates and trying to sell homes in that environment. When the local bank failed in the 1980s, her and her husband had to change banks and sell themselves to a new group of bankers.

Janet and her husband were married in 1976 and have been farming and ranching together ever since. Today they ranch south of Booker, Texas in Lipscomb County and farm in Ochiltree County near Perryton. Their son Blake and daughter-in-law Sara celebrated their first year wedding anniversary this August and have partnered with Janet and her husband in the farming operation. They mostly grow dryland wheat and sorghum along with some irrigated corn.

After farming the last 30 plus years, Janet recalls how things have changed. They began as a much smaller operation and have bought and leased ground over the years. Their operation has grown in both acres and cattle numbers. They have gone from conventional tillage methods to no-till and fallow type methods and have changed from furrow irrigation to sprinkler irrigation. She claims it's been a revolution, adopting technology at a fast pace, with the latest being GPS and auto-steer systems.

Janet says one of her larger challenges she faces today is the fact that everything costs more. It seems like farms always have to be bigger and take on the latest technology to stay even. It's hard to grow when being lax with technology and not working aggressively on your marketing.

She also notes how things move faster now. With the internet and cell phones, there is instant communication and instant information. Having instant access can cause

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Guest Column

J. Mark Welch,

Assistant Professor,
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I had the opportunity this summer to teach a Futures Markets class in Guatemala. In cooperation with the Universidad del Valle in Guatemala City, a group of faculty members from Texas A&M University provides instruction in several classes that form the core of the curriculum for a Master's degree in Economics and Business Administration. The students who complete the program earn a Masters in Applied Economics and Business Management from the Universidad del Valle de Guatemala and a certificate in Applied Economics and Business Management from the Department of Agricultural Economics, Texas A&M University.

Most of the students have earned their undergraduate degrees and are working in private industry so classes are designed around their professional responsibilities. Class schedules are intense with the coursework concentrated over three weeks. Sessions run from 4:30 pm to 8:30 pm Thursday and Friday and from 8:30 am to 5:00 pm on Saturday. With the flight from Houston only being two hours (about the same as a trip to Chicago or D.C.), it was possible to fly in to Guatemala City Thursday morning in time for class and fly home early Sunday mornings.

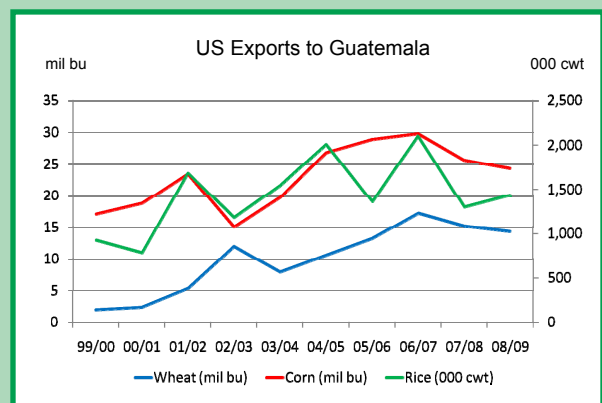
My Futures Markets class consisted of 21 students with backgrounds ranging from international finance to fish farming. Several students were interested in coffee futures since Guatemala produces some of the finest coffee in the world and is the fifth largest exporter by value of coffee exports. I had three students who were employed by the country's largest sugar mill and they were interested in not only the raw sugar market but ethanol as well. Guatemala does not currently have a governmental support program for biofuels, but as the world's fourth largest exporter of sugar, potential exists for this resource to ease some of their dependence on imported oil and perhaps be a value added export product as well.

Guatemala is the largest economy in Central America and the most populous. Grain imports are an important aspect of its consumer food and livestock feeding sectors and an increasingly important export customer for the United States. Guatemala imports virtually all of its corn and rice from the U.S. and increasingly more wheat is of U.S. origin. In the marketing years 1999/2000 and 2000/2001, about 13 percent of Guatemala's wheat imports were from the U.S. The average over the last three years is 75 percent.

Guatemala, like many countries in Central and South America, is a country rich in natural resources and economic potential but hindered by political or governmental structures that are often inequitable or ineffectual. Despite its economic status in region, Guatemala has the worst human development index* in Central America. Another particularly pressing social and economic problem is crime. The U.S. Department of State's travel advisory states: *Guatemala has one of the highest violent crime rates in Latin America. In 2008, approximately 40 murders a week were reported in Guatemala City alone. While the vast majority of murders do not involve foreigners, the sheer volume of activity means that local officials, who are inexperienced and underpaid, are unable to cope with the problem. Rule of law is lacking as the judicial system is weak, overworked, and inefficient. Well-armed criminals know there is little chance they will be caught or punished.*

In even the briefest of visits, it is easy to recognize many of the challenges facing the people of Guatemala; but is also easy to recognize their hope, faith, and determination to make their country better. It was a pleasure and a privilege to work with a group of students whose bright minds and enthusiasm are creating a better future for themselves and their people.

*The human development index or HDI is a reference measure for social and economic development comprised of life expectancy, educational attainment, and income data and is reported by the United Nations Development Programme.



Farm Assistance Update

Nicole Gueck,

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Texas A&M University System

In previous Master Marketer newsletter articles, FARM Assistance has encouraged farmers and ranchers to take a good hard look at the long-term financial implications of their basic management decisions. This month, we'd like to remind you that in addition to helping individual producers evaluate strategic plans and alternatives for their operations, the FARM Assistance team also utilizes its computerized decision support system to conduct research and analyses on various agricultural topics across the state. The results are then published in short papers entitled "Focus Series".



For example, our May publication identifies the economic differences between cotton tillage systems in the Southern Rolling Plains region. The June publication considers the feasibility of utilizing grain storage bags for corn and grain sorghum in the Coastal Bend and Upper Gulf Coast region. The July publication compares the use of flood irrigation to a 1-line drip irrigation system in a newly established Rio Red grapefruit orchard in the Rio Grande Valley. Clearly, our publications are quite diverse not only in terms of subject matter but also in terms of crop and region. I guess you could say there is a little something for everyone! The intent of these publications is to make Texas agricultural producers aware of new opportunities, provide information about alternative methods for both production and management, and generally improve your bottom line. A complete list of Focus Series publications is available online at <http://farmassistance.tamu.edu/publications/focus/index.php>

Additionally, we are always looking for new subject matter and would welcome your suggestions for future publications. Call us toll free at 1-877-TAMRISK (826-7475) or find us online at farmassistance.tamu.edu



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Qualified applicants will be selected in order of receipt of applications. The program fee is \$3,750 per unit and Unit I is scheduled for January 10-16, 2010 and Unit II for January 9-15, 2011. Applications and more information can be found by visiting the website at <http://tepap.tamu.edu/> or contact the program director, Dr. Danny A. Klinefelter, at danklinefelter@tamu.edu or (979) 845-7171.

Choice Website

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<http://www.choicesmagazine.org/>



Choices is an online peer-reviewed magazine published by the Agricultural & Applied Economics Association (AAEA). Published quarterly, it is designed to provide current coverage regarding economic implications of food, farm, resource, and rural community issues directed toward a broad audience. The broad themes repeatedly visited in Choices are management and policy of agriculture, trade, resources and the environment, the food industry, consumers and markets, agribusiness and finance, and rural community issues. Each issue of Choices is accompanied by a Webinar featuring authors of articles discussing their research and other relevant information. The website also includes monthly Policy Issues articles addressing particularly timely topics with peer-reviewed, brief economic analysis.

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some to make instant decisions that aren't always good decisions. She considers Master Marketer a big advantage because it helps one understand the markets and grasp the bigger picture to expand horizons, outlooks, and viewpoints. You don't just see your own farm in your own area, but more of what is going on in the nation and world. She has learned to have a marketing plan in place in order to be ready for marketing opportunities when they arrive.

Janet was appointed by Governor Perry to the Panhandle Regional Water Planning Group in Amarillo. The committee has been very active with relevant topics in water, including water marketing, water conservation, and water use. Water metering and monitoring have been big issues in the Panhandle area for several years now. Janet is also active in her community and church. She is a member of the Grain Sorghum Growers Association and has previously served on the board of two banks. And she still tries to take advantage of programs that Texas AgriLife Extension Service has to offer.

Janet, her son Blake and daughter-in-law Sara are planning to attend the next Master Marketer Program to be held in Amarillo beginning in January of 2010. For Janet, it will serve as a refresher course.



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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.

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.