

Organizing a Marketing Club

Concepts of a Marketing Club

- A marketing club is a group of people who usually meet once or twice a month with the common goal of increasing their knowledge of marketing and other risk management concepts.
- Typically, a group of 15 to 25 producers forms a club with the assistance of the Extension Service.
- Clubs often trade futures and options (especially options) as a group to gain experience in a limited risk environment.
- The usual life of a marketing club is 1 to 3 years.
- The participants are encouraged to have informal discussions that help them learn from each other. The longer period of time allows for hands-on practice and observation of actual market dynamics and helps members learn the benefits and costs of various marketing and other risk management alternatives. Members put into action the principles learned in class by applying them to real life situations.
- Marketing club members become involved to learn about marketing and other risk management tools. They know what topics will be discussed and attend to obtain information, learn how to manage risk, and improve their income.

Ingredients for a Successful Marketing Club

- Producers interested in learning how to use alternative marketing strategies and manage other risks they are facing.
- A county Extension agent or other facilitator with the experience and skill to work with volunteers and provide education.
- A capable and willing leader who is interested in giving his/her time to help other producers learn about the available risk management tools.

Facilitator's Responsibilities

- The major facilitator can be the county Extension agent, a banker, elevator or gin manager, vocational agriculture teacher, etc.
- The facilitator maintains the mailing lists; mails out reminders; may help secure a DTN machine or other information service for the meeting room; locates nearby internet access; makes sure equipment such as a speaker phone, projector and VCR/DVD are available; arranges for refreshments, in some cases; has the bylaws typed up, etc.
- The facilitator's job is to provide the setting for an outstanding meeting but not to run the meeting.

Leader's Responsibilities

- Ideally, the marketing club leader is a producer with good leadership skills and at least a basic understanding of most of the standard risk management tools that would be discussed in meetings.
- The leader keeps the educational process moving and stimulates members to take an active part in the meetings.

Steps in Getting Started

➤ First Meeting/Interest Meeting

- The primary objectives of the first meeting are to: 1) determine if there is adequate interest to start a club of 15 to 20 producers; 2) get names and addresses; 3) decide if the potential members want to start with a marketing workshop; and 4) solicit ideas about possible meeting places and times.

➤ Futures and Options Workshop (Optional)

- One way to gauge interest and organize a group that is rooted in the basics is to conduct a futures and options marketing workshop. The workshop may point to the need for additional education and provide materials for use in later meetings.

➤ Organizational Meeting

- The suggested agenda items of the meeting include: 1) selection of a leader (chairman), secretary and treasurer; 2) goals of the club; 3) possible topics and speakers; 4) place, time and length of meetings; 5) topic for next meeting; and 6) commodity subcommittees.

➤ Typical Meeting

- The likely agenda items include: 1) informal time to visit at first; 2) educational program of 15 to 20 minutes; 3) reports from commodity subcommittees about current futures, cash prices, contracts available, basis, charts, etc.; 4) what you are hearing from your broker or market analysts; 5) discussion of any actual position the club has in futures or options; 6) discussion of possible changes needed in the group marketing plan; and 7) selection of a topic for the next meeting.

What Will Work

- A leader who keeps the meeting moving and involves as many members as possible
- A facilitator who handles the details to free up the leader to concentrate on the meeting.
- Buying or selling an option or futures contract together.
- Meeting at the same time and place for each meeting. Set a standard agenda. Keep meetings under an hour.
- Getting the “right” person to cover whatever topic addresses your needs.

What Will Not Work

- Setting up the room in classroom style. (Everyone should be facing toward the center, using tables if possible).
- Making the county Extension agent or Extension economist the primary leader.
- Associating the club too closely with a broker.
- Trying to keep a club alive past its natural life

Summary

- Marketing club members learn from each other and act as a peer support group for one another.
- The members who attend the meetings and actively participate will learn by doing and get the most experience for use in their businesses. Marketing clubs offer producers and others a method for gaining in-depth knowledge over time.
- Members have access to a continuing education program featuring a very hands-on, problem oriented approach that will increase their marketing and other risk management skills.