

# Master Marketer Newsletter

<http://mastermarketer.tamu.edu>

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## Master Marketer Highlights

### Congratulations to the 2016 Master Marketer Class



Bill Thompson hosted the 28th Class of the Master Marketer Program earlier this year in Abilene. The program began January 19 and 53 participants graduated on March 3. Graduates primarily held interests in wheat, sorghum, corn, and cotton crops and also in stocker cattle and cow/calf pairs. The total number of Master Marketer graduates reaches 1227 and, reported from participant surveys, have a yearly impact averaging \$35,000 using the knowledge and tools gained from the Master Marketer Program.

A special thanks is extended to Bill Thompson and Mark Welch for all of their hospitality and coordination efforts, making this another successful program. Thank you Texas A&M AgriLife Extension Service, Cotton State Support Committee, Texas Corn Producers Board, Texas Farm Bureau, Texas Grain Sorghum Producers Board, Texas Wheat Producers, and USDA's Risk Management Agency for your support to this program. We appreciate the many great participants, presenters, and supporters who have allowed this program to continue with great success. Again, congratulations to the 2016 Abilene Master Marketer Graduates.

### Grant from USDA for Risk Management Education

*Thanks to a generous grant from USDA and the Risk Management Agency, we are able to continue the Master Marketer program and have several programs planned for the coming months throughout Texas. Topics will cover risk management tools intended to increase the likelihood of survival/profitability for commodity producers and assist in implementing effective production and economic risk management plans.*

### Ranch Management University

The Ranch Management University is being held April 4-8 in College Station for new or inexperienced ranchers and landowners. Topics

include the fundamentals of soils and soil fertility, basic livestock selection and management practices, developing business and marketing plans, and wildlife management. The workshop involves lectures and discussions along with field demonstrations. The program will begin on Monday at 1:00 pm and conclude Friday at noon. Enrollment is limited to the first 50 individuals and registration can be completed online at <http://agriliferegister.tamu.edu> using the key words "ranch management". For more information, please visit <http://agrilifeextension.tamu.edu/solutions/ranch-management-university/> or contact Linda Francis at [LPerkins@ag.tamu.edu](mailto:LPerkins@ag.tamu.edu) or (979) 845-2425.

### Economics of Herd Rebuilding in South Texas

The 2016 Corpus Christi Agriculture Symposium is being held on April 19 at the Texas A&M AgriLife Extension Center in Corpus Christi (10345 State Highway 44) where Dr. Levi Russell will be introducing a spreadsheet tool for producers to use in determining the maximum bid price for replacement females and to examine the keep vs. sell decision. Focusing as we turn the corner in the cattle cycle and calf prices decline, financial considerations of herd rebuilding are particularly important. The Beef Cow Bid Price Estimator spreadsheet tool can be downloaded from the link: <http://j.mp/cowbidprice> If you are unable to attend, a link to view the broadcast can be obtained by emailing Levi Russell at [lrussell@tamu.edu](mailto:lrussell@tamu.edu)

### Grain Grading Workshop

The Texas A&M AgriLife Extension Service will be hosting a grain grading workshop for the 27th consecutive year on May 3rd-4th at the Texas A&M AgriLife Extension Center in Amarillo (6500 West Amarillo Boulevard). The program being hosted by Steve Amosson and Mark Welch is designed for corn, sorghum and wheat grain handlers and producers to recognize the different types of damage that occur in these grains and how these damages affect grade. Please contact Kim Garcia at (806) 677-5626 or [kim.garcia@ag.tamu.edu](mailto:kim.garcia@ag.tamu.edu) for more information as enrollment is limited and preregistration is required.

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## Featured Article

**Levi Russell,**

Assistant Professor and Extension Economist,  
Department of Agricultural Economics,  
Texas A&M University

With the passage of the 2014 Farm Bill, crop insurance has become an even more important part of producers' risk management strategies. In general at the state level, crop insurance was a beneficial purchase for Texas producers. Below is a table of the acreage, farmer's premium, and net indemnity for revenue protection policies for corn, cotton, grain sorghum, and wheat in Texas. In the table "Farmer's Premium" refers to the total insurance premium less the premium subsidy and "Net Indemnity" refers to the indemnity paid to the farmer less the Farmer's Premium.

From this we can draw a few conclusions about the effectiveness of crop insurance in the state. A majority of the acres covered for these four crops are covered at the 70% and 75% levels. Sixty-two percent of corn acres covered by revenue protection were covered at the 70% and 75% levels. Grain sorghum was next at 61%, wheat at 60%, and cotton at 57%. While higher levels of coverage are generally more profitable in the aggregate, 80% and 85% coverage for grain sorghum was not profitable. However, relatively few acres were covered at these high rates state wide. Higher coverage should, of course, always be weighed against the higher premium.

Though the deadline to purchase insurance for 2016 is passed, producers considering a range of different crop insurance options in coming years have a new tool available from the Agricultural and Food Policy Center at Texas A&M. After entering some basic insurance and commodity program election information into the tool, producers can see a list of crop insurance coverage types and levels that are likely to be the most beneficial for them individually. The tool can be found at <http://decisionaid.afpc.tamu.edu>.

**Acreage, Premiums, and Net Indemnities of Revenue Protection Policies in Texas, 2015**

| Coverage Level           | Corn      | Cotton    | Grain Sorghum | Wheat     |
|--------------------------|-----------|-----------|---------------|-----------|
| 50% Acres                | 106,402   | 221,569   | 96,361        | 284,974   |
| Farmer's Premium (\$/ac) | \$4.21    | \$17.75   | \$7.02        | \$6.28    |
| Net Indemnity (\$/ac)    | \$5.19    | -\$7.49   | \$3.68        | \$5.80    |
| 55% Acres                | 12,931    | 64,103    | 14,284        | 45,172    |
| Farmer's Premium (\$/ac) | \$7.81    | \$22.61   | \$10.68       | \$7.75    |
| Net Indemnity (\$/ac)    | \$16.62   | -\$2.64   | \$0.49        | \$11.65   |
| 60% Acres                | 132,416   | 793,330   | 196,275       | 519,082   |
| Farmer's Premium (\$/ac) | \$8.66    | \$23.16   | \$11.04       | \$9.66    |
| Net Indemnity (\$/ac)    | \$4.46    | \$0.18    | \$0.12        | \$11.48   |
| 65% Acres                | 180,552   | 772,114   | 311,621       | 678,022   |
| Farmer's Premium (\$/ac) | \$12.55   | \$26.99   | \$13.73       | \$11.35   |
| Net Indemnity (\$/ac)    | \$8.14    | \$0.49    | \$4.33        | \$16.96   |
| 70% Acres                | 529,858   | 1,989,925 | 589,995       | 1,184,671 |
| Farmer's Premium (\$/ac) | \$15.16   | \$26.79   | \$11.99       | \$8.98    |
| Net Indemnity (\$/ac)    | \$24.88   | \$9.27    | \$5.28        | \$18.99   |
| 75% Acres                | 468,823   | 606,004   | 399,893       | 1,134,637 |
| Farmer's Premium (\$/ac) | \$14.88   | \$24.46   | \$11.20       | \$9.69    |
| Net Indemnity (\$/ac)    | \$39.21   | \$28.39   | \$12.30       | \$24.02   |
| 80% Acres                | 117,368   | 66,621    | 7,863         | N/A       |
| Farmer's Premium (\$/ac) | \$26.83   | \$35.61   | \$22.50       | N/A       |
| Net Indemnity (\$/ac)    | \$23.54   | \$36.81   | -\$7.19       | N/A       |
| 85% Acres                | 63,687    | 2,139     | 822           | N/A       |
| Farmer's Premium (\$/ac) | \$33.35   | \$59.48   | \$27.86       | N/A       |
| Net Indemnity (\$/ac)    | \$122.25  | \$310.22  | -\$26.48      | N/A       |
| Total Acres              | 1,612,037 | 4,515,805 | 1,617,114     | 3,846,558 |

**Definitions:**

Farmer's Premium is the total insurance premium minus the subsidy.

Net Indemnity is the farmer's indemnity payment minus the Farmer's Premium.

Data source:

<http://prodwebnlb.rma.usda.gov/apps/SummaryofBusiness/ReportGenerator>

## Farm Assistance Update

**Steven Klose,**

Professor and Extension Risk Management Specialist,  
Department of Agricultural Economics,  
Texas A&M University



The FARM Assistance group is involved in a number of other projects around the Department of Agricultural Economics. One such project is currently ongoing. Our faculty and staff coordinate the Texas Custom Rates survey with significant help from Texas A&M AgriLife Extension Service district and county offices.

Each year Extension receives many requests for current custom rate information and the latest Custom Rates Publication. Our survey/publication is the only source to find the going rates paid for these types of services. Questions in the survey include rates paid/charged for specific tillage, planting, application, harvesting, and other services or operations performed on a custom basis. If you have knowledge of rates in your area, and appreciate the value of publishing this type of market information, please consider participating in the survey which can be found online at <http://agecoext.tamu.edu/crs2016>

The survey will ask that you only complete the questions that pertain to your operation, therefore most people should be able to complete the survey in 10-15 minutes or less. The survey will be open from February through mid-April of 2016. Your participation will help make sure the published information is the most accurate and reliable possible. If you have any questions regarding the survey please contact Dr. Steven Klose at [sklose@tamu.edu](mailto:sklose@tamu.edu)

And as always, check out our FARM Assistance financial planning services. Under the current market conditions, the financial road ahead will be challenging to say the least. We can help you keep an eye on the road ahead, and plan your financial strategies. Give us a call at 1-877-TAMRISK or learn more at [www.farmassistance.tamu.edu](http://www.farmassistance.tamu.edu)

## Choice Website

**Emmy Kiphen,**

Extension Specialist,  
Department of Agricultural Economics,  
Texas A&M University

<http://agecoext.tamu.edu/resources/library/risk-management-curriculum-guide/>

Extension economists from Texas A&M and Kansas State developed a series of fact sheets to provide agricultural producers additional information on risk affecting their decisions and the tools and options available in managing these risks in the Risk Management Curriculum Guide. Most publications are an easy 2-3 page read and are readily available for simple printing and/or downloading. The website is a great reference where additional clarification on risk management is needed.

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### Texas Agriculture Law

Tiffany Dowell Lashmet is an Assistant Professor and Extension Specialist concentrating in Agricultural Law with the Texas A&M AgriLife Extension Service and is licensed to practice law in both New Mexico and Texas. Having a background in farming and ranching, Tiffany will soon be presenting on agriculture legal issues at the following two locations and can be contacted at [tdowell@tamu.edu](mailto:tdowell@tamu.edu) or (806) 677-5668.

May 19 – Women in Agriculture Program

Ben E. Keith Building, 2019 West Oak, in Palestine with topics that include agricultural leases, water rights, property rights and estate planning. For more information including registration, contact Truman Lamb at (903) 723-3735 or [tlamb@ag.tamu.edu](mailto:tlamb@ag.tamu.edu)

May 20 – Multi-County Agricultural Law Program

Angelina County Extension Office, 2201 South Medford Drive, in Lufkin with topics that include water rights, agricultural leases, and estate planning. For more information including registration, contact Cary Sims at (936) 632-8239 or [cary.sims@ag.tamu.edu](mailto:cary.sims@ag.tamu.edu)

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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 contact Emmy Kiphen at [emmywilliams@tamu.edu](mailto:emmywilliams@tamu.edu) or (979) 847-6143.

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

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without regard to race, color, sex, disability, religion, age, or national origin.

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